



In association with
AL TAREEQAH
Management Studies FZE

HC Marketing

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Your submission is a word document that clearly includes the following:

1.Executive Summary – 1 page

2.Table of Contents – 1 page

3. Explain the critical problem that the start-up attempts to solve. Include industry overview historical and future outlook. 2 pages

4.Identify the factors influence the future of the start-up company in UAE. 3 pages

a. Conduct PESTLE analysis to support your answer.

b. Identify the SWOT for the start-up company.

5.Identify the key segments of relevance. Use all segmentation approaches discussed in class. Justify the segments that you would target. 2 pages

6.Determine the positioning strategy for the start-up company for selected target segments. 2 pages

7.Appendix – Any other information you may provide.

1. Executive summary

Marketing for a business plan is the most important part of the business itself. You should have a plan for the business to be well executed, knowing the market and industries where you will have your start up. Laundry is a type of service were just like the barber shop, the demand on it will not get low until a newer technology takes place where the cloth and linen will not get dirty no matter what you do with it. With the COVID-19 situations and the global market depression, all industries ad businesses and trying to find ways on cut costs. So, since the laundry business is on a big scale, it can offer better prices than if the laundry is being treated inhouse. Also, it has a better hygiene property with all the big machines used. Also, with all this virus transmissions and so on, a lot of hospitals and other facilities are changing from the use of disposable into reusable which can cut costs up to 70%. There are lots of laundry shops in UAE, varying from small shops to large scale laundry shops, but to be able to compete in such market, you need to introduce either something new, or a high tech readily available with the customer, or provide the best price among all. The price usually is tied to the quality of service, but looking into the laundry, the quality of service can be fulfilled through minor non costly applications which give us a step ahead of others. (Hanks, 2016), <https://istizada.com/uae-online-marketing-country-profile/>

2. Table of content

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3.Critical problems to solve

Industry overview

Industry overview can show us the future market activity, based on the current economic trends, and it will show us a basic information about the industry of interest. These overviews mostly are done when they are making decisions on investments or entering industries and different activities.

The world is moving towards automaticity and people are getting more and more busy in their work. Nowadays, most of the population in UAE are there for work and the freer time they have, the more money they make. Laundry business is one of the major best performing categories in home care, hotel care and restaurant care in UAE. It is a big challenge to stay competitive and up in such market. UAE is one of the few cities in the world that still experience a thriving economy with a steady population growth. The rich culture, high quality of living, growing economy and booming job market has made it an appealing city to relocate to. Almost 85% of Dubai's population constitutes of employed professionals which was a result of the growing economy and job market. With this economy diversifying into non-oil sectors, UAE has seen a major growth in sectors like tourism, transport, and laundry in the past few years. Laundry service demand growth has been observed with the growth of this population. Knowing the new era, we live in where the first impression is often the last impression, dressing well is a key in a successful contact. Having a modern laundry service in UAE is important since the growth in the technology dependency is observed with this changing times therefore a digitalized approach would be a great strategy in making the customer services more convenient, efficient and hassle free.

In UAE, there are several laundry services which provides a variety of options and some include high technologies and ease of access. Most of them are in Dubai and Abu Dhabi, the cities who have most of the expats and the jobs. The laundry services differ from one company to another. Some companies are offering home services where they come in and take your laundry, wash, and clean then bring it back for you. Other laundry service companies are just having a single location where they receive the laundry and do it for you and they do not have any delivery

services. Another type of laundry services company has a single main location plus, they have more than 10 kiosks all over UAE which you can put in your laundry there and receive it either at the same place or any other kiosk location you prefer. These are the three main different services provided by the laundry shops. Mainly the laundry services shops are serving the individuals as home laundry services, but there are also laundry services provided to the restaurants and hotels, where the sheets and linens are taken, washed, and returned to the customer. There is another type of laundry service which is the laundromats, where the customer will bring his own laundry, put them in the machine and launder them by himself. He must do it all, he will be just using the machines available in the shops and maybe sometimes the shop provides the detergent.

History of laundromats

The history of laundromats goes back to 1900's where the first washing machine was invented but it wasn't much safe because of the potential of getting electrified. In 1930 's when the great depression took place, where it was a self-service laundry shop and the customers loved it. It was when not much of people had access to laundry machines and they got access to such machine for a low cost. In late 1950's, the laundry concept really took off and the laundromats stores gained a lot of popularity but there was one problem of negligence of the customers where they caused damage to the machines therefore there was an urge to invest in equipment maintenance and janitorial services. These services boosted the laundry service much more. Nowadays the laundry service is based on the customer's needs. If there are a lot of customers who does not have the time to sit back and relax while the laundry is being washed, then a laundromat service would not be of use in such community. In UAE, most of the population lack the time to wait for the laundry and the developed nature of the country makes it difficult for such a plan to work out among them. If we look at the distribution of the laundry service, they are all distributed at the center of Dubai and Abu Dhabi, because most of the busy population are there. In UAE, there are the labors and professionals. The labor workers have low income and usually prefer to do the laundry back home where all the costs are divided on the whole numbers of the residents. If there are 5 or 6 residents who live together, the cost of laundry (electricity and detergents and so on). The idea is either to serve the population with the low income, or to serve the population with the middle to high income, or even to serve both populations.

4. Factors that influence the future of startup company in UAE

A. Pestle analysis

There are a lot of factors that could affect the future of the company. To elaborate more and be systematic to identify the factors influencing the future of this start up, we do a pestle analysis.

From the political side, we will look at the government policies regarding the laundry services.

- **Policies and regulations**

The policies and regulations in this matter is not much of a difficult task to fulfil. There are some regulations about the area size needed for the laundry shop, and some other regulations for the clean and dirty laundries to be in separate spaces. UAE is one the fastest developing countries in the world and the political policies it has are favoring the business plans in UAE. Over the past decade, UAE was a magnet for all type of investments with a great success rate. The laundry business has no big impact on the environment therefore the environmental law will not be affected by this business. There are few employment laws in UAE which can be easily fulfilled, and the wages will be also taken into consideration. As we mentioned earlier, the political stability in UAE is exceptionally good therefore there is minor to no threat of riots, or any general disorders that could cause a failure in the operations or so on also there will no need for the mitigation of risks. The most highlighted health and safety law that could be a hassle is the area needed for the laundry to be divided, the clean and the dirty laundry to be separated in two different areas. Tax rates will be also a challenge since you are using a lot of electricity and that affects the taxes.

- **Economic factors**

Another point of analysis is the economic factor. Our target is to open a laundromat shop in the rural areas where the income is low and a deluxe laundry service in the middle to high range income population. The demand will be according to the needs and if we will provide a competitive price and at the same time, we can cover both low- and high-income populations, then the economic factor will be to our favor. The main plan is to minimize the loans as much as possible therefore decreasing the interest rates. This can cause problem in the laundromat shops but not in the luxury laundry shops. The laundromat shops need the customers to be in the shop and wait for a minimum of 20 minutes which could be a problem for such regulations.

- **Social Factors**

Social factors are the main target that we will tackle by having laundry service ready for two different social classes. Knowing the saving habits of the lower social class, we have seen that most of the times, the labor workers share the soap, detergents, food and so on trying to save as much as possible. The laundromat will not only save them detergents, but it will also save them electricity and time. The low income of the labor workers will prohibit them from buying a large washing machine which will force them to use the washing machine more than twice in a week and use more detergents. By giving them the alternative, which will be a cheaper alternative, they will be willing to do their laundry once in week, with a better outcome for the laundry. For the mid to high range social classes, we have idea about their education levels, buying habits and their attitudes towards saving and investing. We also know the attitudes towards the customer service and product quality. Therefore, a high tech, easily accessible, and neat laundry service would be of a great option for them. Sex distribution in the rural areas will be more on male and for the high social class area will be mixed. If we look also at the methods of communications, we can see that the application-based business will not be of use with the labor workers and the laundromat project since they use mostly the basic cellular phones with no smart abilities in it, but on the contrary we need to use friendly applications for the high social classes since they have the smart devices, and it is part of their life.

- **Technological factors**

As discussed above, Technological factors are one of the most important factors for a business nowadays to thrive. Since our main population target is the mid to high class social populations, then the internet connectivity, wireless devices, Automation, and some cryptography securities are particularly important as part of service. To have an automated system, where the customer can do his laundries through an application and be able to track their laundry live, it is a great advantage. Being able to do mobile payments will be a convenient way for the customers.

- **Legal factors**

There is few to talk about in Legal factors, thus there is still few of them. When you want to engage in a field where you have competitors, price war is one the factors that could have some legal implications and therefore we need to pay attention to the market price offered. Another legal aspect is the use of specific chemicals. There are some chemicals

that are not allowed to be used or can be used under certain circumstances. Also, there are the regulations that should be met.

- **Environmental factors**

As we discussed before is also to be seen thoroughly, the geographic location of the shops is particularly important since we will be serving the low and high social classes. We can place the laundromats (laundry machines that uses coins) in the rural areas or the areas far from the city and the developed locations, this will serve the labor workers and other low social class. Then we will place some high-tech, fast-moving kiosks in the middle of the city with 2 main shops in the major cities. This way, most of the areas are covered with the most convenient way of collecting and delivering laundries. We will use mini vans to cover any climate or weather change. This way in case of extremely hot weather or rainy weather, there will be no interruption of services. Waste disposal laws will be carefully followed and met. Now since the laundry machines will be using a lot of energy, this will be a topic to investigate. We will purchase highly efficient washing machines which will decrease the energy usage. The byproduct of washing cloth is nothing but dirty water which will be eliminated properly and water vapor which does not have any impact on the climate and the environment. This will not be a major thing to investigate.

A detailed analysis of the macro environment should be done which precisely mean a bird view on the analysis conduct. As we said, UAE is a more desert country which does not have much of changes in the climate and the laundry business is mostly in shops and does not get much affected by the climate like the agriculture, but nevertheless it could affect the transportation and ease of access to our shops, therefore the delivery system will be always available 24/7.

B. SWOT analysis

Going to the SWOT analysis, every business should do a SWOT analysis before starting and commencing.

Strength

One of the main strengths is that after COVID-19, the maximum hygiene is needed, and this can be provided by the laundry shops.

Capable of washing, drying, and finishing at high temperatures in serving customers, linen and uniform services are superior with laundry services regarding smaller washing machines.

The industrial scale laundries facilitate hygiene by providing enough space to prevent cross-contamination and for social distancing of workers which can reduce the prevalence of any virus outbreak therefore the linen would be much more hygienic.

Another strength is that the reusables are used more than the disposable just for cut cost purposes and economical purposes.

This reusable condition also contributes to a decrease waste disposal and it can help in a better hygiene since they do not need to be stockpiled.

The laundry industry will benefit from a renewed interest in the reusable items.

Many industries are seeking a reduced carbon footprint, so the laundry business is a high value business for such industries.

Another strength is the strong access to customers where it is a B2B suppliers that personally serve the customers on a weekly basis or even more.

Laundry and linen services are also strengthened by a fact that they are long-term contract businesses.

Weaknesses

While the laundry-linen service has many strengths, there are weaknesses that operations must overcome.

With some companies having a great loss in the revenues, forecasting their inability to return to their previous levels for up to two or even more years will require budget cuts and efforts to preserve cash.

Operators need to think about new supply chain either locally or be innovative instead of relying on international supplies.

Also, it is noted that disposable industries have deeper pockets.

Lower margins are another weakness for laundry business.

With your higher expenses and the lower revenues during COVID, you will need to squeeze your margins.

Services that are dependent on food service and hospitality will continue to suffer during covid-19 where the restrictions remain the same.

Also, when the food service and hospitality re-open, they are likely to be cash-strapped and have a deficient customer base, which cause a migration to a cheaper service provider, regardless the quality.

Production-based companies that utilize benchmarking data in decision making outperform the competitions.

Opportunities

So, what opportunities are there for laundry/linen services in the coming year. One is the enhanced customer relationship. Through great service, the relationships are strengthened and when overall profitability is threatened, it will not be much of a problem.

The value of serving different geographic areas and refocusing linen is assessed. Options are likely to include reusable linen, table linen, and personal protective equipment. Healthcare – medical linen.

Industrial and cleanroom services.

Converting facilities with on-board laundries to outsourcing

Capitalizing on more employers recognizing garments that should not be taken home or worn in public places.

The COVID-19 situation has shed light on the importance of hygiene and cleanliness, therefore ensuring maximum disinfection process and provide assurance of doing so.

Threats

Laundry operations face threats in several areas, Customers service must be redefined as accounts, and the changes in the delivery demands because of the human nature which could eventually cause in and increase in service cost mandating in technology investment.

Supply chains may produce inconsistent quality and reliability. Also, the COVID-19 situation has imposed the social distancing and other policies which may have implications on the finished product quality.

Change in the government policies could be a threat where we must be prepared to adapt to regulatory and legislative actions, which includes an increase in health and safety requirements.

Recouping lost tax revenue during COVID-19 times would also cause in a change of regulations about minimum wages and taxations.

Fleets of transportation will face new transportation restrictions including drivers and emissions and mostly all will cooperate on building a new infrastructure and other borrowing related to COVID-19.

For some suppliers, many new entries in the market took advantage of the world growing need for reusable gowns and masks. That would impact the business also.

Long-term customer shifts are anticipated due to societal, economic, and cultural changes. Likely including in smaller customer based, reduction in overall demand and market share loss to competitive products.

COVID-19 has given a new perspective and forced new rules on the shared items, for example a shift to disposable equivalent to linen could be seen.

Linen could be treated as commodity.

Uncertainty whether consumer spending will increase or decrease.

Decreased reliance on office buildings for business functions.

Labor is mainly a challenge for the laundry operations and the COVID-19 has a hand in increasing this challenge.

Hospitals and hotels are seeking price cuts to stabilize their business in post COVID economy so the competition on hourly wages will be difficult.

5. Key segments of relevance

market segmentation is the first step in selecting target markets and is widely accepted as one of the key elements in modern marketing and strategy development. A market consists of actual and potential buyers of a product or service who have the ability and willingness to buy and the ones in need which can be satisfied through an exchange relationship. market segmentation is the process where the market is divided into subgroup of customers, where members of each subgroup share certain similarities. market segments are the subgroup identified because of the segmentation exercise. members of each group have similar needs and purchase behavior. a target market is a subgroup of customers which the firm chooses and develops specific marketing offerings for. if we take the laundry industry as an example a market would be all people looking to buy a service, following a market segmentation process few distinct market segments can be identified. In this case we might identify segments like people with low income and people with mid to high income. based on information collected through market research we can identify that the low-income market segment has lower income and somewhat basic needs with the ability to save money to send back home. the mid to high income market segment on the other hand may be young and have more disposable income to spend on quality and luxurious things. if our organization only have delivery and high-end laundry, the mid to high income market is most likely going to be chosen as our target market based on information from our segmentation study. segmentation is a recommended step in marketing strategy as it provides a range of benefits to companies that use the segmentation approach. a segmentation exercise will give its users a fresh look at their core market, as well as an improved understanding of the needs and wants which in turn can lead to increase sales and customer satisfaction. segmentation enables organizations to identify the customers wants and needs and develop products that best match them. product benefits can be emphasized through more

targeted advertising using more appropriate media to enhance message delivery. segmenting the market enables organizations to better match the company's strengths and capabilities with the market requirements. by doing so, users can maximize the use of your resources to gain a competitive advantage. companies cannot satisfy all potential customers all the time. using segmentation procedures companies can focus on satisfying those segments that they assess to be the most attractive for their products. once an attractive segment has been identified an appropriate marketing mix can be developed. Continuing with the example from the laundry industry, it is easy to see how annoying that style and quality are important attributes for the mid to high income market segment, can help the company develop their marketing strategy. there are many ways to segment a market. a few common methods documented in literature include - your graphic segmentation, demographic segmentation, psychographic segmentation, and behavioral segmentation. for every product sold organizations need to decide on useful segmentation variables for dividing the market into homogenous groups each with different sets of wants and needs. companies may for example want to target customers in urban areas as opposed to rural areas. families as opposed to singles; high-income individuals as opposed to low-income. returning to our example of the laundry industry Geographic variables could be used for two laundry companies where people living in the countryside might be considered as being a more attractive target segment for a more luxurious service. demographic variables may also be used wherein low-income customers may be considered more attracted to budget friendly laundry. A good example of the application of psychographic variables used in the industry may be where status brands are sold or targeted to the upper-class individuals. Finally, behavioral variables like benefits sought from a product may also be used for segmenting the market segments need to be large enough to be profitable for example and laundry service will probably not be successful at focusing on being budget friendly on the other hand might be more successful in giving quality and timely services. segments need to be accessible in terms of communications media and distribution. if segments identified do not use the internet, do not read the newspaper, or listen to the radio or do not watch the TV targeting is unlikely to be successful. marketers need to be able to develop programs for tracing and serving the segment, for example people that have the old school family where the wife is used to do all the chores, would in most cases not be considered good segments to target. size and characteristics of the segment need to be measurable; marketers need to know something about the segment to be able to assess whether it could be profitable as a target segment. you need to be able to distinguish between segments and they need to respond differently to different marketing mix elements. for example, if middle-aged single men and middle-aged married men do not respond differently to

sales on laundry offers, they do not constitute separate segments. after having assessed the substantiality, measurability and other variables mentioned earlier, companies need to match segments with several other factors. considerations will need to be given to what the company's capabilities are. If the company is serving the high-income population, in a poor area or suburbs, then the people around will need a cheaper service and they will not need the quality or timely deliveries. Not that they do not appreciate it, but they need to pay for the extra service, which they are not willing to. Whereas if this same company starts off in the city where everyone needs extra services with the deliveries and the technology, then it will be greatly targeted.

In this startup, the best segment to target is the demographic segmentation where we need to look for the mid to high income population to deliver the luxurious laundry service, and on the other hand, to open the laundromat with cheap service, we need to investigate the suburbs and the low-income population.

6. Positioning strategies

There are three different ways of targeting a market. Firstly, there is the mass marketing which is sometimes known as the undifferentiated targeting and the strategy here is that you target the whole market. You do not spend too much time trying to break the market down to different segments. You try to find ways in which all customers' needs and wants can be met and try to deliver a product that meets all of those needs and wants. However, very few businesses can do that successfully and increasingly of course what they find themselves doing is trying to break the market down into segments and in some way into differentiate their product, so the idea here is to identify one or two or more target market segments or within the broad market segments and then you design products and services that hopefully will be hitting the needs of customers in each segment. Well, the implications for this are that you are going to probably need a separate marketing plan and a separate marketing mix for each of those segments. And the third approach of targeting is to really focus, really concentrate your marketing on a small part of a market and it is called niche or concentrated marketing. The aim here of course is trying to identify a profitable niche where you can very quickly build a strong market position and hopefully and maximize the returns.

Now what we must do is decide how to compete effectively in that target market this concept is called the value proposition which is the essential part of market positioning. The important part here is to always remember that market positioning and the value proposition should be from

customer point of view not from the businesses point of view. Because ultimately, it is the customers who needs services and if their view on value is, is different than what yours is... that is tough. It is that those are the people who are making decisions. So, the value proposition is all about the position that service takes in the market, based around the dimensions that are important from the customers point of view. One way of mapping this position particularly compared to the competition is to put together what is known as the market map or a positioning map. Markets of course in terms of what customers want can be a defining in various dimensions and the most obvious one is low price to high price. Also, customer needs will be from basic quality to high quality. But there are lots of other dimensions, for example a service could be a necessity or a luxury. It could be a low tech or a high tech. so what a market map or a positioning map tries to do is to map the different positions of values propositions of products based around on a selection of two dimensions and clearly those the dimensions that are chosen are subjective as is the position of the product on the positioning map. So, we are going to identify where there may be some gaps in the market that may be successful.

So, to the proposition we are making here is first to offer an ease of access and delivery-based laundry, where the difference in our business will be the 24/7 service and the speed in response. There will be also the aspect of delivering high quality laundry service but with a prestigious packaging and brand name.

People in UAE are more on the working end than on the luxury and spending time end. So, for them time is money and if ever they have free time, they would not want it to be spent on daily chores or laundry or maybe dish washing. There is a great community of mid-range salary scale who look also for a convenient way having their laundry done and at the same time as quickly as possible. Do not forget that having an application on your phone which gives you the access to send your laundry, track and receive them on your convenient time is the era nowadays.

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