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# SILSAL MARKETING PLAN

Part of SABEQ's support to the members of the Business & Professional Women – Amman [BPW-A] in developing comprehensive marketing plans.

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# **SILSAL MARKETING PLAN**

PART OF SABEQ'S SUPPORT TO THE MEMBERS OF THE  
BUSINESS AND PROFESSIONAL WOMEN – AMMAN [BPW-A]  
IN DEVELOPING COMPREHENSIVE MARKETING PLANS

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FOR 2 MEMBERS OF BPWA FOR DEVELOPING A  
COMPREHENSIVE MARKETING PLAN.

## **DISCLAIMER:**

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## FOREWORD

The Business & Professional Women – Amman [BPW-A] is a not-for-profit organization working to increase women's economic participation in Jordan by harnessing the underutilized economic and social capabilities of Jordanian women by utilizing the experience of its accomplished members, its resources and its networks and providing effective services responding to the needs of its members; the female professionals and business owners.

The (BPWA) serves as a gateway to promote leadership, education, and job-linked training. It is engaged in a wide range of developmental projects that aim to improve the quality of women's participation in the labor market in Jordan. It also aims to develop a formula to create a balance between the professional and personal lives of working women.

BPWA emphasizes the crucial need for developing marketing plans for their members stating that having such plans will help members in identifying on regular basis the targeted market segments, customer needs, their own differential advantage and use all that to design their marketing mix to satisfy customers much better than competitors.

In this context, the USAID Jordan Economic Development Program (SABEQ) through its Jordan Economic Opportunities Office considered that providing such technical assistance to BPWA members will improve the association's image and credibility among its members through creating success stories that will contribute to increasing membership that will eventually lead to financial sustainability.

The project includes preparing a comprehensive marketing plan for two of BPWA members and within this context the consultants ran intensive discussions with BPWA and SABEQ technical advisors to select a group of businesses of BPWA members that show the potential to improve if given the right tools and direction of how to market themselves and their products. A total of 8 business owners among the members were interviewed and based on selection criteria that was developed to identify the most eligible in terms of expected effectiveness of a marketing plan on their businesses two companies that proved to be the most ready were chosen as per the selection criteria below:

Table 1: Selection Criteria Results

Criterion	Company							
	A	B	C	D	E	F	G	H
Physical presence of business	100%	100%	100%	100%	100%	50%	100%	100%
Market potential	80%	85%	90%	70%	90%	50%	75%	90%
Need for defined target market segments	85%	90%	90%	80%	90%	70%	50%	90%
Added value proposition	60%	80%	90%	80%	90%	60%	90%	90%
Aspects of the competitive advantage	70%	85%	90%	75%	80%	60%	90%	85%
Beneficiary buy-in	90%	90%	95%	80%	90%	70%	65%	90%
Owner/Management team relevant qualifications/experience	95%	95%	95%	90%	90%	70%	85%	95%
Anticipated impact of marketing strategy	70%	80%	85%	75%	80%	70%	65%	85%
Access to other donor funding	70%	75%	70%	70%	75%	80%	75%	75%
<b>Average Score</b>	<b>80.0%</b>	<b>86.7%</b>	<b>89.4%</b>	<b>80.0%</b>	<b>87.2%</b>	<b>64.4%</b>	<b>77.2%</b>	<b>88.9%</b>

A	Rabab Mango (Barlant Jewelry)
B	Nashwa Suboh (Urban Workshop)
1st C	Reem Habayeb (Silsal Ceramics)
D	Roula Al-Humsi (Al Oula)
3rd E	Samar Shawareb (Events Unlimited)
F	Rand Kilani (3brainiacs)
G	Widad Akrouk (Al Masar Center)
2nd H	Mayyada Abu-Jaber (JCEF)

Based on the results of the selection criteria the top two businesses that were chosen were: Silsal Ceramics and the JCEF. These were distributed among two consultants and hence this marketing plan was prepared for Silsal Ceramics.

## 1.0 EXECUTIVE SUMMARY

### Company Overview

Silsal ceramics was started in 1991 as a social development project with the aim of preserving and nurturing Jordanian talents... traditional potters who have inherited their skills over the generations and budding artists with creative abilities. Silsal is currently owned and run by Mrs. Reem Habayeb with the creative side of the business managed by her daughter Samar as well as two administrative and sales staff, an accountant, and a driver.

The workshop which is located in the heart of Amman occupying two charming adjacent villas that were originally designed in the 1960s currently employs nine artists mainly women who produce stoneware functional art ware. Each piece is individually hand crafted. Many of the pieces are inspired and borrow from the artistic and artisanal traditions of ancient as well as Islamic artifacts.

Silsal is famous for its matte, homemade, non toxic glazes, earthy hues and incised designs. Its vision is to be the lead producer of high end quality handcrafted ceramic art ware. Silsal was established as a social development project and continues to pay attention to the social implications of employing women artists who support families. The business has a high retention rate and the women who work there have many benefits which is apparent in the fact that many of them have been working for Silsal for many years.

The strategic goal of Silsal is to streamline operations and to ensure a more efficient manner of pricing, inventory and management of production and sales. It also aims to increase efficiency and volume of production as well as concentrate on effective marketing thus increasing its market share and sales volumes.

### Summary of Internal Marketing Audit

The following table summarizes the main findings of the internal marketing audit:

<b>Overall Strategy and Management Capabilities</b>	+	Commitment to business development
	+	Good design skills
	-	Lack of a clear strategic intent
	-	Lack of specific, measurable goals
<b>Marketing Strategy</b>	+	Awareness of the importance of marketing planning
	-	Marketing structures and systems are unavailable.
	-	Lack of dedicated persons for marketing activities.
<b>Market Research</b>	-	No market research is carried out.
	-	Marketing activities not planned or budgeted.
	-	Secondary market data sources not used.
	-	Customer profiling is not done properly.
<b>Segmentation and Targeting</b>	+	Target market segments clearly determined.
	-	Lack of ability and knowledge on how to reach specific market segments.
<b>Product: Design and New Product Development Strategy</b>	+	Design skills and creativity.
	+	High artisan and craftsmanship skills.
	+	Uniqueness and originality of product items
	-	However, there is no defined process for identifying new ideas or opportunities.

	-	Lack of procedural guidelines for product development.
	-	No structured process for capturing new product ideas.
	-	Current process for developing new ideas does not take into account customer preferences and competitors.
	-	Inability to produce at large commercial quantities.
<b>Price Strategy</b>	-	Pricing strategies are too general relying on weight of product.
	-	No clear guidelines for pricing based on design and demand.
<b>Branding and Marketing Communications Strategy</b>	+	Clear and defined brand which has been in operation since inception with minor changes.
	+	Collateral, wrapping paper, marketing materials in general are all within the brand guidelines.
	+	The synergy and design of the showroom also falls within the brand positioning.
	-	Marketing activities are done on an ad hoc basis with no clear plans.
	-	The business does not have an integrated marketing communications strategy that coordinates, unifies and controls the promotional mix.
	-	Insufficient participation in fairs and exhibitions due to lack of funds.
	-	Marketing activities are limited and far between.
<b>Place (Distribution)</b>	-	Distribution channels are limited to the Showroom and a couple of other locations due to lack of funds.
	-	Showroom being located at a residential area off the main road makes it hard to reach except for dedicated customers.
	+	Attempts at exporting (however facing some difficulties)
	+	Attempts at distribution through the internet.
<b>Competitive Analysis</b>	-	No systematic competitor analysis
	-	Lack of collection of competitor information.
<b>Customer Awareness</b>	+	Availability of customer list
	-	Not fully aware of the relative profitability of its individual customers
	-	Customer data base not effectively utilized.
<b>Customer Satisfaction</b>	-	No customer surveys.
	-	Most customer satisfaction trends data is qualitative.

## Summary of Market Analysis

In recent years tourism has become one of the world's largest and fastest growing industries. Handicrafts play an integral role in enriching the tourism experience at the same time contributing to lessening poverty in handicraft producing countries.

Over the past few years and most recently with Petra becoming one of the "New Seven Wonders of the World" Jordan has become a popular destination, and numbers of tourists arriving in Jordan are increasing considerably. Accordingly the handicrafts sector has grown considerably with many artisans tapping into this new and young market. In stores throughout Jordan, Bedouin weavings, rugs, camel accessories, jewelry, pillowcases and leather products compete with cheap imports from India, Pakistan, Egypt, China and other Middle Eastern nations. "Jordanian Handicrafts" are not well known outside of Jordan, due to insufficient inputs in innovative and creative product development and design, and lack of branding efforts. All of this makes it hard for tourists to decipher what is actually made in Jordan, resulting in tourists investing little in handicrafts sales.



With the exception of several key players, the overall quality of Jordanian handicrafts is poor with little or no differentiation or innovation in terms of designs, styles and dimensions. For the most part there has been little effort to associate products with specific regions, producers, or cultural heritage, leaving Jordan without a distinguished, unique handicraft industry.

The handicraft sector is an extremely diffused industry, mainly due to the fact that by their very nature handicrafts comprise a whole range of art and design variation. There has been some debate as to what can be classified as handicrafts and what can not. The government has classified some activities under the broad title of “tourism” whilst relegating some to the “crafts” sector, along with mechanics and carpentry. Thus, an exact or even ballpark figure of what impact the handicraft sector has on the economy as a whole is nearly impossible to ascertain.

## **Summary of Competition Analysis**

The handicrafts sector in Jordan is wide and diverse with different products ranging from woven rugs, to silver jewelry, cross stitched clothes and linens to ceramic and earthenware pottery. All these items are competing for the same share of the market i.e. the local market looking for home decorations and gift items and the tourists. Therefore even though there are very limited direct competitors with Silsal who produce the same quality ceramic earthenware pottery there are many other competitors who are vying for the same share of the market.

## **Summary of Marketing Strategy**

### ***Vision***

To be the leading producer of high quality one of a kind artistic and functional art wares while at the same time maintaining its position as a social development project that preserves and nurtures Jordanian talents.

### ***Mission***

To help restore and continue the age old tradition of pottery making while at the same time creating jobs for young and aspiring artists by producing unique pieces of functional art ware.

### ***Marketing Objectives***

Silsal has been operating for more than 18 years and the business is mature. The owners are constantly developing and creating new designs and themes and growth has been steady over the years. Now that new young blood has joined the business in the form of Samar Habyeb, the daughter of the owner and the new creative director it is expected that some innovations and new creative ideas will be poured into the production. Now is a very good time to concentrate on maximizing marketing activities in an effort to substantially increase sales revenue. The following table shows the growth in revenue from 2005 until 2008.

**Table 2: Growth Rates over the past four years****In JOD**

	2005	2006	2007	2008
<b>Total Revenue</b>	136,563.048	143,511.519	181,864.979	212,135.18
<b>Percentage of Growth</b>		5%	26.7%	16.6%

The following table depicts the suggested growth rates over the next five year period which is something that can be achieved utilizing the correct marketing tools.

**Table 3: Expected Growth Rates over the next five-year period****In JOD**

	2009	2010	2011	2012	2013
<b>Target Revenue Growth Rate</b>	20%	30%	30%	30%	30%
<b>Anticipated Revenues</b>	254,562.21	330,930.87	430,210.13	559,273.16	727,055.10

The main objectives are as follows:

1. To achieve an accumulative operating profit of over JOD 350,000 on sales of at least JOD 2,302,031 over the next five years.
2. Increase market awareness of Silsal Ceramics brand in the target market segments locally and regionally.
3. Build a database of at least 1,500 – 2,000 local customers and 500 international customers over the next five years.
4. Continue innovating and creating new designs and product ranges that suit customer's tastes and demands.
5. To establish a competitive market intelligence system that will enable the business to monitor the changes in the market and consumer trends.

### **Target Market Segments**

The main target segments for Silsal products are as follows:

1. Approximately 55% are local consumers who are divided into the following main segments:
  - 1.1. Jordanian females and couples from the age of 25 and up who are looking for fine art ware with which to decorate their homes.

- 1.2. Jordanians living abroad who like to take something from home that is special and unique with a local flair and design.
- 1.3. Corporate clients who like to make orders for larger quantities of give away items for their customers and prefer to choose a unique Jordanian hand crafted gift.
- 1.4. Hotels and restaurants who like to place orders for specially designed items to use on their premises either for decoration or for service.
- 1.5. Special orders that are seasonal such as for Christmas decorations or Ramadan items.
- 1.6. Special orders for give away items during events such as weddings, conferences, etc...
2. Approximately 35% of the customers are foreign expatriates living in Jordan who like to take home special hand crafted Jordanian handicrafts either for gifts or for decorating their own homes.
3. Another 5% is exported to Dubai, Saudi Arabia or orders through the internet.
4. The remaining 5% are bought by tourists. However, this is a very small share and number and should be increased considerably.

## **Competitive Advantage and Positioning**

After conducting the competitive edge analysis it is clear that the main competitive edge of Silsal Ceramics is related to product design, quality of finishing as their products are made to be used and enjoyed. Their ceramics are of unique designs using non-toxic home made glazes characterized by their calm earthy colors and smooth matte patina that is typical of stoneware pottery. That is not to say that they continue to innovate and update their designs and colors to suit the tastes and needs of their customers. Another major advantage for Silsal is that it has a well established and well recognized brand since 1991 with a great reputation of sticking to tradition which gives its customers the sense of reliability and durability.

However to enhance the competitive edge of Silsal the following points need to be taken into consideration:

- ⇒ Enhance marketing communications and brand positioning
- ⇒ Organized and systematic pricing
- ⇒ Developing new lines that will attract different groups of customers.
- ⇒ Value for money
- ⇒ Distribution

The Silsal brand is well established and renowned however, it is imperative to increase awareness of this brand by targeting newer segments and developing ways of attracting them to buy its unique range of products.

## **Summary of Marketing Mix Strategies**

The following marketing mix strategies are recommended to increase sales and consequently increase revenue and profit.

### **Product:**

- Create new lines of production that are very top of the line expensive items that are specialized with a unique complicated design that customers can consider they are special one of the kind art pieces that are worth the investment.
- On the other hand also create new affordable and very practical lines of art ware that can be easily utilized at homes, restaurants, offices and hotels. Perhaps they should include a wide range of designs and colors that will appeal to a larger segment.
- Continue infusing new blood in the creative side of the business creating new ideas and designs that will appeal to the younger as well as the more traditional segments.
- However, it is also important to maintain the original designs that are the trademark of Silsal and continuously produce some of these pieces to be on hand upon demand.
- Create a catalogue of all items and designs that have been produced in the past as well as new lines whereas it will make it easier for customers to order the available designs or even customize what they need.
- Maintain at all time the high quality products which are in line with the brand and the name of Silsal.
- Create customer data bases in which their preferences are listed as well as their feedback on the design, color, texture and quality and taking their comments into consideration when creating new designs.
- When producing any new items and designs it is favorable to conduct customer feedback surveys to get their comments and recommendations on their preferences. This ensures that new items that are produced will be in line with customer demand.
- It might not be a bad idea to branch out into different lines of production such as small furniture items through mixing different materials such as steel and wood with clay and ceramic.

### **Price**

- The prices of Silsal ceramic are considerably high due to the fact that all pieces are hand made and the cost of production is high. It is also noted that the most selling pieces at Silsal are the least pricey items such as nut bowls and mugs. Even though the profit margin on those is low it is advisable to find ways to produce more of these pieces at lower costs and therefore continue producing them as well as creating similar items that will sell.
- A pricing system needs to be developed whereas product popularity, design and complexity are taken into consideration along with the weight of clay and other items that go into the production as well as number of man hours it needs to produce each item.

## **Promotion**

- As Silsal lacks sufficient budgets for proper marketing activities such as advertising it must concentrate on efficient promotional activities that cost next to nothing but at the same time achieving significant results in promoting Silsal. One of these most effective tools is Public Relations. This can be achieved in many ways one of them is establishing good contacts with the media to ensure sufficient coverage of Silsal's activities and positioning it as the leading art and handicraft producer in Jordan. These can be in the form of press releases, interviews and editorials.
- Participating in as many exhibitions, bazaars and events to ensure reach to the target segment and creating awareness of Silsal and its products.
- Highly targeted advertising that will justify its cost by reaching as many of the target segment as possible.
- Other promotional activities such as donating pieces for prizes in events and raffles which creates indirect publicity for Silsal.
- Participating in CSR activities which will validate Silsal's original role as a social development project and at the same time creating awareness of its activities and products.

## **Distribution**

At present Silsal is located in two charming adjacent villas that were designed in the 1960s, however even though their location is in the heart of Amman at the Fourth Circle they are in a residential area not easily accessible and hard to find. This makes it off the traditional route of tourists who should constitute a large portion of the targeted segment market. Despite the many attempts for Silsal to be present in locations easily accessible for tourists it has been difficult to achieve this due to many setbacks. It is recommended that Silsa find alternative means of distribution such as the following:

- Silsal should consider partnering with tourist hot spot locations by showcasing the most popular items on their premises. Such places could include Wild Jordan, Books@Cafe, and others.
- Through the interviews the consultant has conducted it has come to her attention that Amman Municipality is in the process of establishing a handicrafts hangar in a highly accessible area to tourists where it will be a one stop shop for anyone looking to buy original Jordanian products. It is strongly recommended that Silsal have a booth in that hangar.
- It is also recommended that at seasonal occasions such as Christmas or Ramadan to rent a space in the most popular malls such as City Mall to sell the seasonal items created specifically for the occasion.
- More emphasis should be placed on the internet and selling the items through the various handicraft sites.

- It is recommended that Silsal contact large chain stores and approach them to feature their items in store locally such as the ABC at Barakeh mall and internationally such as at bloomingdales in the USA or Harrods in the UK.

## **2.0 SITUATION ANALYSIS**

### **2.1 COMPANY OVERVIEW**

Silsal was founded in 1991 by two sisters Reem Atalla Habayeb and Rula Atalla with the creative vision of rejuvenating the Jordanian heritage of the street potter in their pursuit of creating functional art pieces. Silsal was started as a social development project with the aim of preserving and nurturing Jordanian talents... traditional potters who have inherited their skills over the generations and budding artists with creative abilities.

A walk through the workshop located in the heart of Amman occupying two charming stone houses built in the sixties of the last century within a unique set up presents a clear manifestation of what the Jordanian handicraft sector is on a national scale. The workshop comprises of about half a dozen small-to-medium-sized rooms, all interconnected yet with very differing specialties, and all engaged in the production of ceramic products that could take up to six weeks to complete. Moving between those rooms are, on the most part, finely skilled women, of differing ages, yet nearly all within the low-income stratum of the Jordanian economy.

In keeping with its initial mission of empowering female Jordanian talents especially those who are the sole breadwinners of their families, Silsal aims to provide continuous training for its employees, family health insurance and flexi-time work schedules. This has ensured the retention of their staff over the years ensuring their loyalty and dedication.

Over the past 18 years Silsal has managed to build a niche for itself within the Jordanian handicraft and art scene as a producer of high end top of the line unique pieces of functional art. Its main challenge now is to increase its market share in the local market and with tourists in light of the increasing competition direct or indirect.

### **2.2 SCOPE OF BUSINESS**

Silsal is a partnership and is in the business of creating hand made unique pieces of functional ceramic art ware utilizing clay and non-toxic home made glazes that are characterized by their calm earthy colors and smooth matte patina that is typical of stoneware pottery.

### **2.3 PRODUCT ANALYSIS**

Silsal have no specific strategies for their production lines. It all depends on creative ideas and production is carried out accordingly. If the line is a hit with customers then it is repeated if not then it is discontinued. Silsal's work is mainly inspired by ancient and Islamic traditions.

- Their home made glazes are distinguished by stone whites, desert ochre, toasted browns, and oyster blues.
- Their shapes are inspired by ancient pottery forms such as Amphorae, drinking flasks, and cooking vessels with unusual silhouettes.
- Silsal's classic line features pieces decorated with motifs found on Bronze Age pottery. Most characteristic are the stylized animals such as the Ibex, birds and fish.
- Foliage from the trees and plants are also used in the crafting of some of their pieces.
- Following the Islamic tradition of using Arabic script as a form of artistic expression, verses of poetry or words invoking blessings and good wishes to the owner are often used to adorn their pieces.

Silsal products are presented in Table (4) below along with their descriptions and features:

**Table 4: Silsal Product Range**

### **Silsal Product Range**

#### **Product Groups, Descriptions and Features**

<b>Product Categories</b>	<b>Product Description</b>	<b>Product Features</b>
Amphora	Silsal products under all product categories mainly constitute of clay, matte homemade non toxic glazes with earthy hues and incised designs produced on the wheel and in the oven.	- <b>Design:</b>
Bowl		At present the creative and design aspect is being handled by Samar the daughter of the owner of Silsal. Ever since inception the designs were mainly inspired by ancient and Islamic traditions. The designer constantly updates and innovates with the designs to have a versatile line that changes according to the tastes of customers and their needs but at the same time remaining true to their origins and traditional designs.
Coffee Cups		
Cylinder		
Cylinder Vase		
Key Chain		
Frame		
Sugar Bowl		
Lamp Shades		
Accessories		
Jugs		- <b>Price:</b>
Candles		The pricing policy for Silsal depends on the weight of the clay and the raw materials going into production as well as the amount of work and time going into producing each piece.
Mugs		
Nut Bowls		
Rounded Vase		
One Flower Vase		

Plates  
 Ashtray  
 Side Lamps  
 Sushi Plates  
 Tiles  
 Stands  
 Wrapped Vase  
 Salad Bowls  
 Masks

- **Packaging:**

All Silsal products are packed in brown cardboard boxes and wrapped with special Silsal branded wrapping paper.

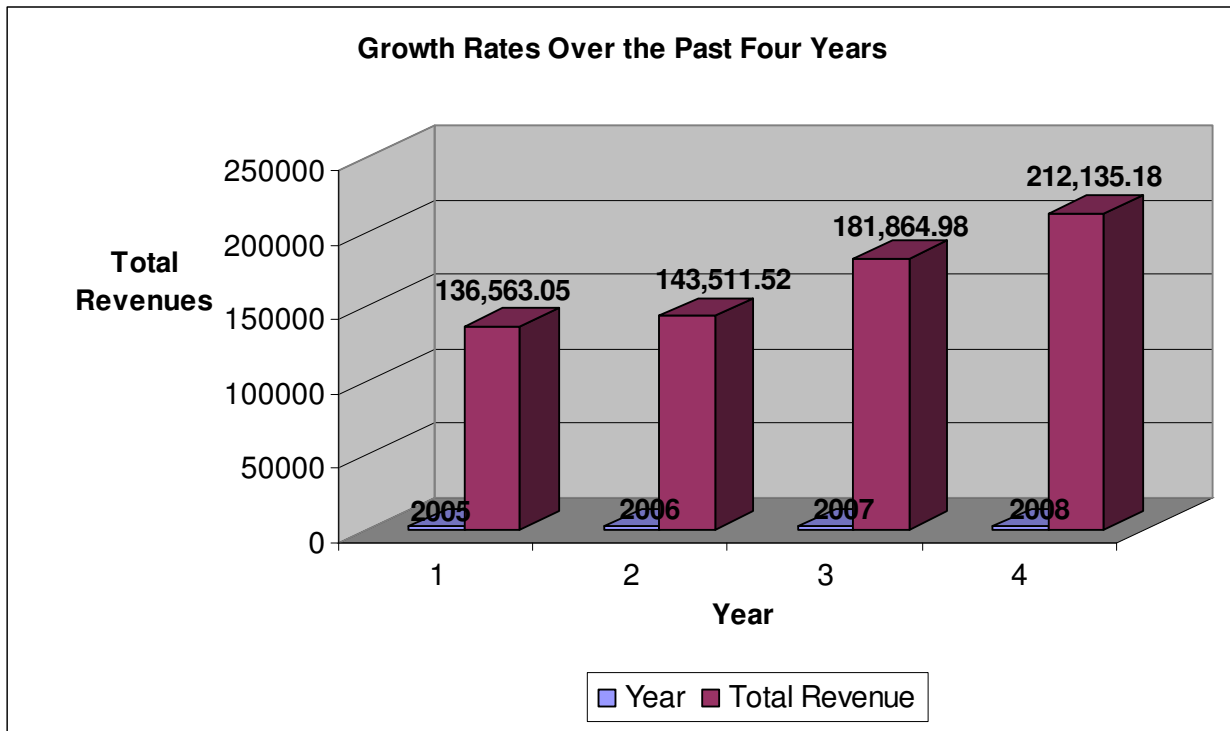
- **Quality:**

All products by Silsal are hand made with care to quality and design bearing the Silsal stamp. Silsal products represent high end quality products.

## 2.4 HISTORICAL SALES ANALYSIS

Total revenues of Silsal peaked in 2008 amounting to JOD 212,135.18 and reflecting a growth rate of 16.6% over the previous year 2007 when revenues amounted to JOD 181,864.98.

Figure 1: Revenues of Silsal (2005 – 2008)





According to Figure (1) above, Silsal total sales have been growing over the past 4 years at a positive compound Annual Growth Rate (CAGR) of 16%.

In 2008 Silsal produced nearly 10,000 pieces garnering total revenue of JOD 212,135.18. At present Silsal does not have a system that monitors the sales of each of their products so it was difficult to determine how much was sold of each piece. However, from their observation it seems that the best selling pieces are the plates which are priced in the range JOD 30-60. Coming right after that is the mugs which sell at a retail price of JOD 13.92, nut bowls retailing at JOD 10-15 and coffee cups (Arabic) at JOD 5 and (Turkish) at JOD 12.

From the above it is apparent that the lower price range of items are the most sold. With this in mind it is recommended to create lower priced items that will sell more at the same time finding a way to keep costs low so that it will be feasible to continue producing them.

## **2.5 MANAGEMENT TEAM**

The management team mainly consists of the founder Mrs. Reem Atalla Habayeb who manages the business and Miss Samar Habayeb the creative designer.

Other members of the Silsal team include:

- Administrative Assistant
- Two sales staff
- Accountant
- Driver
- 7 Women artisans producing the ceramic pieces
- 1 Wheel operator
- 1 Kiln operator

## **2.6 TOP-LINE INTERNAL MARKETING AUDIT**

### **Overall Strategy and Management Capabilities**

#### Positive Aspects

- The management team is committed to ongoing self-review and continuous improvement.
- The team has been successfully operating in the field of producing ceramic functional art ware for the past 18 years.
- The management team has managed to successfully position Silsal in the market as the leading producer of functional art ware.

### Negative Aspects

- No strategic planning.
- No specific measurable goals.
- No financial goals formulated.
- Shortage of capital and lack of sufficient funds to invest in the marketing.
- Weakness in accounting and financial management.
- Reports on production, sales and inventory are almost non-existent.

## **Marketing Strategy**

### Positive Aspects

- Awareness of the importance of strategic marketing planning.

### Negative Aspects

- No priority given to marketing due to lack of funds and man power.
- No formal strategic marketing planning and marketing structures and systems are not available. Any marketing activities are done on an ad hoc basis.
- Limited marketing knowledge and skills.

## **Market Research**

- No market research is carried out.
- Marketing activities are on ad hoc basis and not reflected in the budget.
- Secondary market data sources are not used.
- Customer profiling is rarely carried out.
- Weak understanding of the competition.

## **Segmentation and Targeting**

- On the positive side the company has a very good understanding of its market segment, however finds difficulty in reaching them.
- On the other hand the company has no clear vision the target markets size, growth rate, suitability to the company resources and relative profitability.
- The company also has a hard time identifying alternative market segments that could be reached.

## **Product Design and New Development Strategy**

### **Positive Aspects**

- The company has excellent design skills and creativity; the design in the past used to be handled by Ms. Rula Atalla, co-founder, however at the present this is being handled by Miss Samar Habayeb the daughter of one of the founders. She is young and inexperienced in the handicrafts business, however she seems to be handling the creative and design aspect very well. In fact she has been infusing a breath of fresh air into the designs and adding nice new touches.
- The company possesses high craftsmanship skills in the form of the artists who are continuously trained to produce beautiful and high quality pieces.
- All the products are unique and original and each piece has a life of its own.
- Even though the designs were originally inspired and borrowed from the artistic and artisanal traditions of ancient as well as Islamic artifacts the designer continues to stay up to date with the latest designs in home accessories and the tastes of consumers incorporating the traditional designs with the modern feel.
- The design of Silsal is well established and well known having its own trademark that cannot be copied or replicated making it unique and special.

### **Negative Aspects**

- There is no defined process for identifying new ideas or opportunities. Ideas are generally haphazard.
- There is a need to lay down guidelines for product development.
- There is no structured process for assessing new ideas, their impact on the customers and the feedback on their acceptability.
- The production process needs to be streamlined to cut down on the time it takes to produce each piece as the workshop is not working at full capacity due to slackness of the producers.
- Inability to produce at large commercial quantities as each piece is handmade and requires a long preparation process.

## **Pricing Strategy**

- The pricing strategy of Silsal products is based on the weight of the clay, the amount of work hours put into each piece, the cost of the raw materials and the intricacy of the design.
- However it would be advisable to create different lines with different price ranges depending on the design. Whereas there will be the more traditional trademark designs at lower costs and more complicated exclusive designs for special clientele.

- It is also advisable in light of the fact that the most demand is on the lower cost items is to create more products along these lines which are affordable to a larger segment of the market and to distribute this more widely through different retailers.

## **Branding and Communications Strategy**

### Positive Aspects

- The Brand is well established and easily recognizable and relatively established and well known in the local market.
- Silsal has been successful in remaining true to the Brand and maintaining its positioning as an up market socially conscience handicraft and art brand.
- The company has also maintained the quality and good image incorporated into the Brand over the years.
- The packaging is excellent and in line with the image of the Brand.
- The showroom also is impeccable relaying the correct message of the Brand.
- The company has a good understanding of the relative importance of the various tools and tracks promotional activities and has succeeded in the past to get good positive PR.

### Negative Aspects

- The company does not have and integrated marketing communications strategy that coordinates, unifies and controls the promotional mix.
- In the absence of a dedicated person following the PR, communications and marketing aspect of the business any activities in that sense are sporadic and far between thus losing their promotional value.

## **Place (Distribution)**

- The Silsal showroom and workshop is located in a residential area in the heart of Amman at the Fourth Circle occupying two charming stone houses built in the sixties of the last century renovated into a unique setup which is the perfect setting for this kind of gallery. However, the location is off the main road and in most case requires a map to get to which makes it rather difficult to access if you're not a local.
- Taking into consideration that an important segment market for Silsal are tourists visiting Jordan then it is imperative to find alternate distribution channels to access them.
- At present Silsal also has a showcase at the Four Seasons Hotel displaying some of their items.
- In the past Silsal has tried to arrive to agreements with different distribution channels such as the Zara shop at the Hyatt or the airport duty free shops. However, this has

not been overly successful due to the fact that they ask for exuberant fees of around 40% of the profits to sell these items.

- At present the Silsal items are also available at the Marriot gift shop.
- Silsal items can also be sold on line through some websites selling Jordanian handicrafts but that has not been overly successful either.
- Silsal also has an agreement with a gallery in Dubai and therefore exports some of its pieces to Dubai, but there are many regulations over exports which makes it difficult and not very feasible at the present.

### **Competitive Analysis**

- At present there is no systematic competitor analysis or consideration of sources of competitive advantage or disadvantage.
- There is a lack of data collection on competitors and related market updates.

### **Customer Awareness**

- Silsal has a customer data base however; this does not record preferences or likes and is not currently being fully utilized by sending them updates on new collections or promotions ...etc.
- One of the major issues is the lack of records of the relative profitability of each individual customer as sales records are not formally analyzed or categorized.

### **Customer Satisfaction**

- No customer surveys.
- Tracking customer feedback and comments is not available.
- Most customer satisfaction trends data is qualitative and subjected to the feedback from the front line staff but not actually documented.
- Customer preferences are also not monitored.

## 3.0 MARKET ANALYSIS

The following section provides an overview on the global and local market trends related to the handicrafts sector. More specifically this section highlights the local handicrafts market and analyses its situation in terms of advantages and set backs and how this reflects on Silsal and its position in this market.

### 3.1 OVERVIEW OF GLOBAL AND REGIONAL MARKET TRENDS

#### Defining Handicrafts

Handicrafts ever since the beginning of time have been the means to express traditions, values and the heritage of the people of the world. These handicrafts in general represent the cultural values of people as well as their religious beliefs.

According to the ITC/ UNCTAD definition, Crafts are defined as Artisan Products as follows:

**“ Artisan products are those produced by artisans, either completely by hand, or with the help of hand tools or even mechanical means, as long as the direct manual contribution by the artisan remains the most substantial component of the finished product. As a corollary, the special nature of artisan products is based on their distinctive features which can be aesthetic, artistic, creative , cultural, decorative, religious, socially symbolic, traditional, all of them deriving from the geographic region or country of production”**

The above definition refers to the main elements in producing artisan products or traditional craft products.

#### Crafts and Tourism

With globalization and the increase of travel for tourism purposes and with tourists traveling across continents to visit different countries and to learn about their cultures it has become inevitable that these tourists would like to take back with them something representing the country they have visited; hence the increased demand on handicrafts and artifacts.

Since the increased popularity of tourism in the mid – 1960s it has become an important economic sector and a main contributor to a country's growth and development. It has also played a major role in creating intercultural relations and mutual understanding between people and nations.

This can be seen in many countries in the Arab Region where tourism is clearly related to culture, manifested in part by major contributions from artisans whose crafts have played an important role in tourism as foreign visitors and tourists rarely leave without taking home a souvenir as a reminder of the place they have been visiting.

In Morocco for example, crafts were revived as a major component of the cultural tourist industry, where culture and its related craft industry were used to promote tourism due to its financial and economic impact.

Originally crafts evolved in the developing world and the Arab countries as functional pieces in their daily life and as decorative items in their homes. As demand for traditional crafts accelerated with the increase of tourist arrivals these crafts were further developed and as a result have become a significant source of income.

With the growing demand by foreign tourists for the exotic and the unusual this required craftsmen to adapt to the challenges of the marketplace by modifying traditional crafts to meet different tastes and preferences.

Crafts are a key component of the living heritage and are vital to maintaining a national culture and identity. Westerners are demanding more traditional crafts from developing countries because they serve as cultural mementos of their travels as symbolizing rich historical traditions of the past.

## **World Craft Industry**

The main producers and exporters of handicrafts are mostly developing countries in Asia, Africa and Latin America. In these countries the craft sector is a major contributor to their national economies. Take India for example which has more than 3.5 million craftsmen living in the countryside and their exports are estimated in billions of US Dollars.

These mass producers of crafts have several common features such as:

- These are countries with low per capita income
- They are heavily populated areas and therefore labor intensive.
- In most cases handicraft production is an additional non-agricultural income which allows its producers to accept the low wages normally associated with it.
- Usually women play an important part in handicraft production.
- Normally handicrafts are produced in countries where people have deep rooted, traditional skills with the advantage of cheap and abundant raw materials.

## **Global Market Size**

At this time there are not accurate estimates for handicraft production in the world market as world trade statistics do not provide clear definitions for these products.

As established above the main producers of handicrafts are developing countries and they in turn do not have formal statistics that review the value of these products. However, important statistics provided by western developed countries indicate that the bulk of handicraft production comes from Asia, especially South East Asia, followed by Latin America and then Africa with a less developed infrastructure.<sup>1</sup>

<sup>1</sup> Caroline Ramsay Merriam and Malcolm Benjamin, Export Development of Artisanal Products, ITC, Manila, 1997

Even though in many developing countries the international sales of their handicraft and artisan products constitute a major component their cultural trade, it is difficult to measure within the guidelines of the international classification system of trade statistics where most of these products are not identified separately in the Harmonized System (HS).

To address this issue and at the request of ITC, the World Customs Organization (WCO) encouraged its member countries to codify handmade products within their national statistical classification systems. The extent, to which this recommendation is being applied, as well as the quality of data being collected, is not yet known. Since no change has yet been made to the HS itself, it is still difficult to identify those products within international trade that are handmade.<sup>1</sup>

Another promising area of international sales measurement of artisan products is to quantify expenditures by tourists on craft items. Data on consumer spending is of great importance to better understand the cultural and socio-economic impact of the crafts sector, as well as to help the sector's managers determine priorities in terms of training, production and promotion.

Research in this area is being undertaken by UNESCO; where an Index of Tourist's Crafts Expenditure is under preparation.<sup>2</sup>

UNESCO's *Methodological Guide to the Collection of Data on Crafts*, published in 1997, divides artisan products under broad categories based on the materials used. The six main categories of this classification are:

**“Baskets/wickers/vegetable fiber-works, Leather, Metal, Pottery, Textiles, and Wood”**

The guide also identifies complementary categories comprising materials in craft , bone, shell, mother-of-pearl, etc. Extra categories are also identified when different materials and techniques are applied at the same time and refer to decorations, jewelry, musical instruments, toys, works of art, etc.<sup>3</sup>

## Craft Surveys

It is hard to come by survey statistics as very few countries have formal register for craftsmen and their production and sales.

The following Table 5 provides statistics that were published in a working paper prepared by the UNESCO team for the International Symposium on “Crafts and the International market: Trade and Custom Codification, Manila October 1997”.

In this paper some countries were able to give statistics on exports, sales, and employment, but most countries had no figures to offer since few distinctions are actually made between craft and industrial products.

Normally the sale of handicrafts to tourists is a form of trade that is not accounted for in the official trade statistics. The only exceptions to this were India, Morocco, and Argentina.

However, more countries are now linking their promotion of handicrafts with that of tourism, with each sector reaping the benefits of the other.

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<sup>1</sup> International flows of selected cultural goods& services 1994-2003, UNISCO

<sup>2</sup> The same source

<sup>3</sup> The same source



**Table 5: Statistics on Craft Production and Sales (1997)<sup>1</sup>**

Name of the country	Production in millions of dollars	The number of people concerned	The quantitative contribution by crafts to the national economy*1	Export Craft Sales by countries	Spending per tourist per day*2
<b>Argentina</b>		200,000 full time 50,000 part time			\$ 85 to 168
<b>Benin</b>		Over 200000 crafts people	5% of GDP		\$ 20
<b>Burkina Faso</b>		500,000 full time and 90,000 part time	70% of GDP	\$ 1 million	
<b>Chad</b>		95% of the active population	20% of GDP		
<b>Cote D'Ivoire</b>		34,000 officially registered craftspeople			
<b>Cyprus</b>	\$ 90 million				
<b>Guinea</b>		20% of the active people			
<b>Guyana</b>	\$ .5 million	800 full time and 2000 part time			\$20
<b>India</b>	\$ 1,427 million	2 million full time and 5 million part time		\$ 1,005.2 million	\$ 200- \$ 300
<b>Iran</b>	\$ 200 million	2 million weavers	3-5% of GDP	\$ 1,005 million	
<b>Madagascar</b>		1 million jobs	20% of GDP	\$ 2.7 million	
<b>Mali</b>	\$ 60 million	60% of the active population	5% of GDP		
<b>Mexico</b>		2 million full time and 3 million part time		\$ .15 million	\$ 25
<b>Morocco</b>		1.5 million crafts people	10% of GDP	\$ 58 million	\$290
<b>Peru</b>	\$ 13 million	200,000 full time and 1,600,000 part time	Crafts provide 50% of the population a living	\$ 10 million	\$25
<b>Philippines</b>	\$ 591 million				
<b>Senegal</b>		18% of the active population	12% of GDP		
<b>United Kingdom</b>	\$ 640 million				
<b>Venezuela</b>	\$ .3 million				\$30

<sup>1</sup> Figures in this table were collected from respective countries through a questionnaire that was designed specially through the international symposium that was held in Manila in 1997

## **Crafts and Tourism in the Arab Region**

Due to the rapid growth of tourism to the Arab region in recent years it has witnessed considerable demand from Western tourists especially for authentic, cultural arts and crafts from local artisans.

In a study conducted in 1997 by UNESCO during the World Decade for Cultural Development 1990-1999, an in depth analysis was carried out to assess the potential of the varied cultural activities offered within the Arab countries to attract and promote cultural tourism.

The study revealed that Tourism is emerging as an increasingly important economic sector for the national economies especially in countries such as Morocco and Tunisia.

It is becoming increasingly evident that correlating culture with tourism has created a main source of income for different segments within the national economy. The study referred to the development of crafts within the tourist sector, and its direct impact on craft sales.

In Morocco for example, tourist activities became a major source of foreign currency, contributing to, and helping maintain the balance of payments.

And in Tunisia, currency receipts from tourism represented 17% of the total exports of goods and services, and covered between 40% and 50% of the trade deficit. The activity was also a very important generator of employment, since 61,000 people live directly off tourism and 150,000 indirectly, 40,000 of them in the craft industry alone.<sup>4</sup> Today the handicrafts industry in Tunisia amounts to more than 1 billion US dollars annually. A national handicraft holiday celebrates the importance of producers in the country and now the most important clients of handicrafts in Tunisia are Tunisians.

The report presents in detail the role of the craft sector, and its links to tourism as they are distinguished by their quality of crafts that draws on authentic centuries-old tradition.

The study reveals that each country adopted different approaches to support and develop their handicraft industries. In Morocco for example, there has been extensive promotion of the craft industry and effective support for their cooperatives through exhibitions and festivals.

In Syria, the government promoted craft souks and a network of museums housed in new or restored buildings.

In Yemen, crafts were promoted through restoration projects in the towns of Sana'a and Shibam and through the creation of the National Centre for the Development of Crafts.

In Palestine, various initiatives to set up traditional arts museums, helped to revive traditional crafts in an attempt to reconstitute the lost memory of a people.

### **3.2 ANALYSIS OF THE JORDANIAN MARKET**

This section provides an analytical overview of the Jordanian handicraft sector in which Silsal operates. The objective of this overview is to develop a general understanding of this sector in Jordan in terms of obstacles, dynamics, trends and key target market segments.

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<sup>4</sup>Mohammed Berriane, Tourism, Culture and Development in the Arab Region World Decade for Cultural Development CLT-99/WS/4 UNESCO

### **3.2.1 OVERVIEW OF HANDICRAFTS IN JORDAN**

Over the past decade, tourism has become one of the world's largest and fastest growing industries, and destinations like Jordan are capturing a significant share of the growing market. Tourism in Jordan is a major driver of economic growth and has significant potential for continued growth. More visitors are coming to the region and specifically to Jordan to explore treasures like Petra, Wadi Rum, Aqaba, and even Amman. Official figures from the Ministry of Tourism revealed that a total of overnight visitors to Jordan in 2008 reached 3,728,724 compared to 3,430,959 in the same period in 2007. This represents a significant increase of 8.7%.

In Jordan, handicrafts are an integral part of the tourist's experience. You can find many interesting handicrafts in souvenir shops and boutiques throughout Jordan which include Bedouin weavings, rugs, camel accessories, jewelry, pottery, mosaics and hand stitched cushions. And while Jordan does have a heritage of producing traditional handicrafts, it is not something that Jordan is uniquely recognized for internationally. Like many other countries with a booming handicraft industry, skills in weaving, pottery, sewing, crochet, embroidery, mosaics, jewelry, and ceramics are found throughout Jordan. Yet due to insufficient inputs in innovative and creative product development and design, and lack of branding effort, "Jordanian Handicrafts" are not well known outside of Jordan. This could change with additional investment in creative product design and product development and through integrated branding and marketing efforts.

When a tourist comes to Amman there is no central location to purchase handicrafts, and one really has to explore to find such locations. While several handicraft stores exist, they are not easy to find, nor listed in all of the travel guidebooks. Moreover, what one finds in the stores are often imports from India, Pakistan, Egypt, China, or other Arab countries and it is hard to decipher what is actually made in Jordan. Key competing countries and core products found in Jordan's markets (tourist and regular) include products from Syria; mother of pearl inlet furniture and accessories; Lebanon: hammered trays with arabesque designs; India; pashmina shawls and scarves, inexpensive rayon and cotton dresses; China: cheap shells, jewelry, clothing and toys; and Yemen: jewelry.

#### **Government Involvement in the Handicraft Sector in Jordan**

The government of Jordan, aided by external donors, has begun to recognize the enormous impact that tourism is having on the economy and the potential impact it can have on local economies. In efforts to link tourism to potential poverty reduction and income generation at the community level, handicrafts have begun to gain recognition as a mechanism for such growth.

Due to a lack of planning and overall strategy this has led to a fragmented and disconnected sector. Investment and leadership in the sector has been split among different public authorities. This has led to confusion in the market whereas non-governmental organizations (NGOs), voluntary societies, and cooperatives are all competing for the same available funds and duplicating efforts. As a result there is not one official body that is responsible for the development and regulation of this sector, thus leaving the handicraft sector marginalized and without clear vision. The Ministry of Industry and Trade, Ministry of Tourism and Antiquities, Ministry of Social Development, and Ministry of Culture, all have funded crafts programs in the past but without alignment, documentation of lessons learned

## **Support of External Donors to the Handicraft Sector in Jordan**

External donors such as the European Union and USAID have also invested in handicrafts programs in Jordan without synergy, alignment or a comprehensive plan. Currently the Government of Jordan with funds from USAID has invested resources in handicraft projects associated to tourism in Karak, Irbid, Madaba, Petra and Wadi Rum. On the other hand the SABEQ program funded by USAID is also working on developing handicraft products in Karak and Irbid. Their overall strategy is focused on product development first, fostered by fostering marketing opportunities based on the products developed. There's also the Siyaha Program which is also a USAID funded initiative focusing on tourism development which includes in its components developing the handicrafts sector in Jordan as a vital link to tourism. Siyaha worked on supporting artisans in Petra and Wadi Rum during its initial three year program as well as working with local and national government entities and businesses to create the Madaba Tourism Development Strategy and Enterprise Development Program whose main goal was to develop Madaba into a premier tourism location. The strategy aimed to create a tourist destination "cluster" in the governorate by capitalizing on the area's unique archaeological, natural and religious sites. Handicraft development, while not the entire focus, was a core part of this strategy. Within the second five year development plan for the Siyaha Program, handicrafts development is an important component and the program has been instrumental in forming a National Steering Committee to develop a National Strategy for Handicrafts. Members of this steering committee include artisans and well established producers of handicrafts as well as representatives from the Ministry of Tourism, Ministry of Culture, Amman Municipality, handicraft associations among others.

The steering committee is working on developing by-laws and regulations that will benefit and support the handicraft sector. They will work on product development, pricing, design and marketing these products. One of the major issues on the table are establishing a "Handcrafted in Jordan" seal that will set handicrafts produced in Jordan from the cheaper lesser quality imports.

As a result of the meetings of the Steering Committee the Amman Municipality has decided to set up a dedicated handicrafts hangar in a strategic location where locals and tourists alike can go for a one stop shop to find all local handicrafts and art wares in one place.

## **Handicrafts Associations in Jordan**

In addition to the above, there are two associations working to support artisans and producers of handicrafts in Jordan;

- ⇒ **The Jordan Handicrafts Traders Association (JHTA)** which is registered under the Ministry of Tourism and Antiquities (MOTA). The mandate of JHTA which was established in 2002 is the trading of handicrafts and souvenirs for tourists regardless of their origin. The association is the official body for licensing handicrafts producers and traders (factory, stores, or artisans) in cooperation with MOTA. This is done through a committee composed of three members including Ministry personnel charged with deciding what type of business their members fall under and associated membership fees.

Part of the services JHTA provides their members, is listing them in an annual directory that contains information about their members which include manufacturers, souvenir shops, and artisans along with their contact information. In addition, they advertise exhibitions and events in which their members can participate both locally and internationally. Although overall, the association is not providing significant support to their members in production or marketing, and it has no lobbying power.

- ⇒ **The Jordan Handicrafts Producers Association (JHPA)** which is registered under the Ministry of Culture was established in 2005 under the Ministry of Culture law no. 33 of 1966 for Societies and Social Entities. The Association is a voluntary non-profit organization established to support producers of handicrafts across Jordan. Membership in this association is restricted to handicraft business owners who have a formal workshop or are employed in a formal handicraft business. Those who do not have formal handicraft businesses or are not employees in formal handicraft businesses can be accepted as honorary members upon the board's approval. The association is the hub for all handicraft producers and workers in the traditional handicraft trade in Jordan and is made up of hundreds of members across the country who collectively offer a diverse range of handicrafts and traditional, handmade products. Handicrafts produced by the members include pottery and ceramics, rugs, olive wood products, daggers and swords, and straw and reed products among many others. However, the association is in its early stages of development and is marginally functioning with external donor support. It provides a number of services to its members, including help in marketing through pushing official entities to purchase giveaways from producers and through participating in national, regional and international exhibitions, as well as providing training courses in handicrafts and nomination of its members to attend international training courses.

## **Role of NGOs in Developing the Handicraft Sector in Jordan**

NGOs have also played a major role in developing and reviving crafts in Jordan as part of social and economic development in rural areas by initiating income-generating projects. Their main role falls into securing jobs for the beneficiaries and increasing their salaries or wages to improve their living standards. In a sense NGOs are playing two roles; one is to help generate income and employment and the other is to act as entrepreneurs. In most cases they don't have the necessary experience for this so they continue to rely heavily on donor financing and funding periods making them programs that are as charities and not business modules.

The major players in handicraft development in Jordan are the following:

### **1. Royal Society for the Conservation of Nature (RSCN)**

The RSCN is an NGO whose mandate is conserve wildlife and natural habitats while at the same time integrating conservation with economic development. It has done this successfully through an integrated community-based plan, development of quality

products targeted to specific markets, branding of their products, and use of an overall business approach.

Participants in RSCN initiatives have successfully marketed and sold handcrafted silver jewelry, organic jams and fruit leathers, soaps, painted ostrich egg, sandblasted frames, environmental board games, and goat leather nature boxes. All of these initiatives are tied to a strong promotional concept, which uses the “reserve address” and the conservation philosophy as the main selling points.

## **2. Noor Al Hussein Foundation (NHF)**

Since the 1980s the NHF as an NGO has worked on a variety of different programs, one of which has been handicraft development. It set up the Jordan Design and Trade Center to promote crafts in the 1980s. In the first two decades of its inception the Center succeeded in product development and design, but experienced problems finding skilled designers who would continue product development. This, coupled with funding difficulties forced it to close down.

## **3. Jordan River Foundation (JRF)**

The JRF was established in 1995 as an NGO to initiate socio-economic projects for women and to provide employment opportunities by developing their knowledge and skills in handicraft production and entrepreneurship. It maintains a showroom on Rainbow Street in Amman and is easily accessed by tourists. This facility is stocked with high quality products which are somewhat more expensive than other similar products made in other countries.

## **4. Jordan Hashemite Fund for Development (JOHUD)**

JOHUD has a network of more than 50 Community Development Centers that are providing a mixture of services to entrepreneurs in design, business training, and credit access.

In addition to the above, several private sector companies in Jordan produce handicraft ceramics, glassware and embroidery. Prices tend to be high due to casual and low volume production, poor management and lack of proper costing skills. Throughout Jordan, regardless of their area of craftsmanship, artisans tend to produce the same products, with the same designs. There has been little effort to associate products with specific regions or cultural heritage. This has resulted in products that lack a story, a history, or a unique association. This is not because these stories do not exist, but because products have not been marketed in this manner.

### 3.2.2 MACRO-ENVIRONMENT OVERVIEW: PEST ANALYSIS

This section provides an analytical overview of the macro environment of the Jordanian market through PEST analysis, which is a tool to help understand the main relevant features and characteristics of the political, economic, socio-cultural and technological factors associated with the market.

**Table 6: PEST Analysis of the Jordanian Handicrafts Market**

Main Macro-environmental Characteristics of the Jordanian Handicraft Market	
PEST ANALYSIS	
<b>Political &amp; Regulatory Factors</b>	<p><b>Political Stability:</b> Jordan is relatively stable, open, and safe in comparison to other countries in the region.</p> <p><b>Regulations and Incentives:</b> At present no special tax exemptions or other incentives of any form are given to artisans and handicraft producers. However the newly formed National Steering Committee that has been newly formed is working on developing a National Strategy for Handicraft whereas it can lobby for changing the by-laws and regulations in favor of the handicraft producers in Jordan.</p> <p><b>Customs exemptions:</b> listed below are the Jordanian laws on customs' exemptions that artisans and producers of handicrafts can benefit from:</p> <ol style="list-style-type: none"> <li>The exemptions allowed according to the customs law are the ones pertaining to production interventions and temporary entry materials used in production.</li> <li>According to the investment laws, the fixed assets of the project are exempted from customs if they are imported to the kingdom during a three year period from the date of the approval on the project lists that contain the fixed assets. There is a possibility of identifying the time period depending on the nature and size of the required job.</li> <li>The imported spare parts are exempted if their value does not exceed 15% of the fixed assets and if they are imported to the Kingdom or used in the project within a period of 10 years from the date the production started.</li> <li>The fixed assets and the assets used to expand and develop the project are exempted, if the expansion resulted in increasing the production capacity more than 25%.</li> </ol> <p><b>Registration:</b> Shops, artisans, workshops, and factories producing handicrafts are registered in the central registry or in the companies' control department in the Ministry of Industry and Trade. Companies' registration process is subject to the companies' law No. 22 for year 1997. This law specifies the capital, number of managers, contributors, structure of the company, liquidity laws, and licensing for foreign targets.</p> <p><b>Licensing:</b> Handicrafts producers and traders (factory, stores, or artisans) are required to be licensed by the Jordan Handicrafts Traders Association (JHTA) in cooperation with the Ministry of Tourism and Antiquities (MOTA). This is done through a committee composed of three members including Ministry personnel charged with deciding what type of business their members fall under.</p> <p><b>Trade agreements:</b> Jordan has signed many bilateral trade agreements<sup>5</sup> with many countries including USA, EU, Arab countries, and it enjoys good relations with so many countries due to its moderate political position, which creates opportunities for exporting.</p>

<sup>5</sup> In April 2000 Jordan acceded to the WTO. In 2001 the Jordan-US FTA entered into force, followed by the Jordan-EU Association Agreement in May 1, 2002.

<b>Economic Factors</b>	<p><b>Background:</b> Jordan is a small country with limited natural resources, but has developed significantly since its inception as a country. Due to Jordan's geographic location far away from many major ports except for the sole port of Aqaba results in high export costs. Economic growth has been robust in recent years, with several years of real GDP growth rate above 6 percent, and 6.0 percent<sup>6</sup> during 2007, while the official unemployment has hovered at 14% (unofficial estimates are double this number). The budget deficit and public debt have remained high and continue to widen, yet inflation has remained relatively low due mainly to stable monetary policy and the continued peg to the United States Dollar.</p> <p><b><u>Latest official economic indicators</u></b><sup>7</sup></p> <p><b>GDP (current prices):</b> 11.23 JOD million (2007)</p> <p><b>GDP (constant):</b> 8.23 JOD million (2007)</p> <p><b>GDP Growth (current):</b> 12.3%</p> <p><b>GDP Growth (constant):</b> 6.0%</p> <p><b>GDP per Capita:</b> JOD 1785.3 (2007), JOD 1633.8 (2006)</p> <p><b>External Debt of Total GDP:</b> 64.5 (2007)</p> <p><b>Inflation rate:</b> 5.4% (2007), 6.3% (2006)</p> <p><b>Exports:</b> JOD 5427.7 million (2007)</p> <p><b>Imports:</b> JOD 9047.3 million (2007)</p> <p><b>Total Population:</b> 5,723.0 million (2007)</p> <p><b>Male Population:</b> 2,950.0 million (2007)</p> <p><b>Female Population:</b> 2,773.0 million (2007)</p> <p><b>Population Growth Rate:</b> 2.2% (2007)</p>
	<p><b>Overall Economic Stability and Impact of the Global Financial Crisis:</b> Central Bank of Jordan (CBJ) reports show that the impact of the global economic turmoil on Jordan remains minimal and "manageable" on the banking sector however it has begun to affect other sectors in the Kingdom and at the same time increasing considerably the national debt.</p> <p>The economic growth rate dropped to four percent in the last quarter of 2008 when the impact of the global crisis started to be felt in the Kingdom noting that in the first three quarters of the year it ranged between 6 – 6.5 percent. This runs in harmony with the forecasts of the world bank and the IMF that growth rates in the kingdom in 2009 are to range between 3 and 4 percent.</p>
	<p><b>Gross Domestic Product (GDP):</b> The Kingdom's real GDP growth for the first half of this year is forecasted to be 6 per cent, however the more realistic number which is beginning to materialize is more around 3-4% which is attributed to "robust expansion" in the finance and tourism sectors as well as increased productivity</p>
	<p><b>Banking system:</b> One of the major pillars of the Kingdom's economic stability is the Central Bank's policy, which led to a healthy banking system.</p> <p>The banking system still enjoys a high degree of liquidity that greatly contributes to the achievement of the aspired for economic growth. Even though most banks in Jordan have seen their profits go down in the first half of the year however they mostly remain healthy.</p>
	<p><b>Interest rates:</b> There is pressure on the CBJ and the government to lower interest rates, but there is a strain on reserves as people switch from dollar to dinar.</p>

<sup>6</sup> At constant prices. Source: Department of Statistics (DOS)

<sup>7</sup> Source: Department of Statistics (DOS).



	<p><b>Handicrafts Sector:</b> With the increase in tourist arrivals demand for handicrafts has also increased considerably over the past few years. This is a quickly expanding sector.</p>
	<p><b>Tourism</b> (as a catalyst for the handicrafts sector): During the first two months of 2009, the influx of tourists to the Kingdom increased by 2 percent. Growth in the number of tourists is to continue along these rates, according to forecasts by IATA.</p>
<b>Socio-cultural Factors</b>	<ul style="list-style-type: none"> <li>• A large percentage of Jordanian citizens is concentrated within the age group of less than 15 years (37.32%). Those who are within the (15-64) years age group comprise more than half the population (59.44%)<sup>8</sup>.</li> <li>• The population of Jordan is highly urban (Percentage of urban population is 82.6% according to DOS statistics 2007). In 1952, only 39.6% of Jordan's population lived in urban areas. By 2002, the figure had reached 78.7% this increase is largely due to internal rural- to-urban migration, combined with the influx of refugees and migrants, mainly from Palestine and Iraq. The urban population within Amman accounts for 2.16 million, representing 38.7% of the total population of Jordan (2007)<sup>9</sup>.</li> <li>• Dependency ratio in Jordan is 68.4% (2007).</li> <li>• Number of households in Jordan is 1,059.8 million and the average household size is 5.4 (2007)<sup>10</sup>.</li> <li>• Upper-middle and higher-level income classes are concentrated in the West Amman area.</li> <li>• Jordanian women and couples normally purchase handicrafts and art ware to decorate their homes as well as for functional use.</li> <li>• Customers want visible signs of the value of such articles. They want to feel that they are getting value for their money. They also want other people to recognize the quality and value of the item they have.</li> <li>• Jordanian people seem to be more and more proud of their heritage and are inclined to support local handicrafts by buying them and displaying them.</li> <li>• Jordanians within the upper-middle and higher-level income classes do not seem to mind the cost of pricey handicrafts and on the contrary prefer to show off such unique pieces.</li> <li>• Jordanian who live abroad and come home for holidays like to take back special unique pieces with them to remind them of their heritage.</li> <li>• Many corporate companies also like to give away gifts to their local and international clients in the form of locally made handicrafts to support and promote this sector.</li> <li>• Many hotels and restaurants prefer to use these special art wares due to their unique qualities.</li> <li>• Many expats living in Jordan are very interested in collecting local pieces during their stays so that they can take home with them unique mementos of their stay in Jordan.</li> <li>• As the number of tourists visiting Jordan has increase so has their demand for locally crafted souvenirs.</li> </ul>

<sup>8</sup> Source: Department of Statistics (DOS), 2007.

<sup>9</sup>Source: Department of Statistics (DOS).

<sup>10</sup>Source: Department of Statistics (DOS), Jordan in Figures (2007).

<b>Technological Factors</b>	<ul style="list-style-type: none"> <li>• The effect of the technological aspect is considered minimal in terms of the production (design and molding) of handicrafts and art ware. This is because these procedures do not require sophisticated machinery or technological advances, and designers of such items rely solely on their handcraftsmanship skills.</li> <li>• However, technological advances could help in increasing the production capacity but that would take the “hand-made” element out of the artifacts and thus weaken its value proposition.</li> <li>• Technological advances are required to develop a website for the company, which is a promotional tool. Also, in order for the company to improve its e-commerce and sell its end-products online for local and global customers, technological advances are required to facilitate the online-selling mechanisms.</li> <li>• Technological advances are also relevant to this line of business in terms of developing the bookkeeping procedures to improve the financial and inventory management practices.</li> </ul>
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### 3.2.3 OVERVIEW OF THE JORDAN MARKET STRUCTURE AND TRENDS

Due to the fact that the handicrafts industry is on the most part a fragmented and disconnected sector without a clear official body that is responsible for the development and regulations of this sector it is very difficult to come by any real statistics as to production data. Supply and demand in this sector are not clear. There is confusion as to the classification of the products and which category they fall under. Therefore there are no significant numbers other than the fact that there are at least 360 registered members (artisans and handicraft producers) in the JHPA. However, the actual numbers of artisans, producers or even workers in this field far exceed this number. Handicrafts produced by the members include pottery and ceramics, rugs, olive wood products, daggers and swords, and straw and reed products among many others.

On average the customer base for handicrafts produced in Jordan is around 50% from the local market looking for home decorations, functional items, corporate gifts, or gifts for seasonal events such as fairs and the remaining 50% is for tourists and expatriates living in Jordan.

Even though the number of tourists visiting Jordan is increasing significantly annually and this is a sector that is contributing heavily to the economic growth and development of Jordan whereas according to an exit survey conducted in cooperation between the Central Bank of Jordan and MOTA the total tourism receipts from overnight visitors between July 2006 – June 2007 amounted to JOD 1.667 billion with 23.6% of this amount (a total of JOD 392.6 million) was spent on shopping whereas it is estimated that each overnight visitor spends approximately US\$ 100 on shopping per visit. According to estimates between 60% – 70% of the expenditure on shopping actually goes to buying souvenirs and handicrafts (approximately 16% of tourism receipts). However, regretfully since there are no regulations on cheap imports of souvenirs (which amount to approximately JOD 150 million annually) only 10% - 20% of the above estimates are actually spent on locally hand made artifacts. This indicates a major loss of opportunity for locally produced handicrafts and a massive potential for growth that is being missed out on.

Even though according to by-laws placed by MOTTA souvenir shops are only allowed to stock up 30% of imports and the remaining 70% from locally handcrafted products. However, these regulations are not being met and most of the souvenir shops scattered around the Kingdom actually stock up on mostly cheap imitations imported from countries such as China and India.

As for the products that are used for local consumption, as handcrafted items are quite diverse ranging from hand woven rugs to pottery, it depends on the product. Some of the local artisans actually sell about 80% of their products to the local market whereas others focus on the tourist market.

For example Silsal who produces high quality unique pieces of pottery art ware that could both be functional and decorative sells approximately 55% of its production to the local market, 5% is exported, 35% to the expatriates living in Jordan and the remaining 5% to tourists. Silsal understands the importance of expanding the tourist segment and would like to concentrate its marketing efforts in that direction.

### **3.3 CONSUMER BEHAVIORAL TRENDS AND BUYING PATTERNS**

In this section we will briefly analyze the behavioral trends and buying patterns of the segment market of handicrafts in Jordan.

As mentioned above approximately 50% of handcrafted products are actually consumed by the local market. The motives for consuming these diverse items differ from one kind to another. It will be difficult to quantify the consumption of each product and the motives and trends behind this as we are talking about products that are very different from each other such as hand made rugs, pottery and ceramics, hand stitched linens, olive wood products, mosaics, etc... The only thing in common between all these items is that they are all hand made in Jordan using local talent in the aim of preserving the culture and heritage of Jordan.

We can only analyze in general terms why people would like to buy these items:

#### **Local Customers:**

- Generally people like to buy handcrafted items because they are proud of their heritage and would like to keep reminders of that in their homes.
- Many times these products also have functional uses and what better to use at home than unique timeless pieces that were hand made and at the same time signify the culture and heritage of our home.
- Many people of high net worth with higher incomes prefer to own expensive, unique, quality pieces of art as status symbol and here is where the demand for upper market high end handicrafts comes from.
- Jordanians living abroad normally like to take back with them special pieces of art ware and handicrafts to show off their heritage in the respective countries they live in.
- Large corporations as part of their support to community and in their attempts to encourage the promotion of heritage look to give away items from the made in Jordan handicrafts.

- During events, conferences and shows organizers like to give out quality gifts that represent the culture and therefore look to Jordanian handicrafts.
- Hotels and restaurants in many cases like to use the decorative items as well as the functional ware to give the authentic feel to their establishments.

### **Expatriates and Tourists**

Both expatriates and tourists look to take home with them an authentic made in Jordan handicraft that will remind them of the time they spent in there and as a reminder of its cultural heritage.

### **Export**

Due to the high quality of the handcrafted items produced in Jordan and the uniqueness of the design many people would like to acquire these pieces of decorative art and hence the need to export regionally and internationally.

## **3.4 KEY SUCCESS FACTORS**

Based on the consultant's observations and the results of several interviews with key people in the handicraft sector the indications of the most relevant key industry success factors for the production and successful marketing of up market high quality art ware are the following:

- 1- The distinguished **product design** of pottery and art ware in terms of traditional designs, earthy colors, variety, functionality and quality of finishing.
- 2- The importance of **marketing communications** and their role the brand and increasing sales.
- 3- The importance of establishing an effective **pricing** system and its role in reflecting a competent value for money proposition.
- 4- The importance of effective professional **customer service** and after sales services such as customer satisfaction surveys.
- 5- The availability of multiple **distribution** channels / store outlets that are conveniently located.

## **3.5 COMPETITION ANALYSIS**

If you take product design, quality and price there is only one major competitor to Silsal who produces ceramic pottery inspired by cultural heritage and Islamic art. However since Silsal operates in the handicrafts sector then there are several other indirect competitors who produce high quality unique handicrafts within the same price range and are vying for the same market share. The following are the main competitors to Silsal:

### **Beit Al Bawadi**

Beit Al Bawadi is one of the initiatives of the Jordan Hashemite Fund for Development (JOHUD) which has a network of more than 50 Community Development Centers that are providing a mixture of services to entrepreneurs in design, business training, and credit access.

Beit Al Bawadi which was set up more than ten years ago is best known for the production and marketing hand-crafted ceramics that draw on the cultural heritage of the region for inspiration. Through its operations Beit Al Bawadi has created productive and rewarding employment for more than sixty people investing in their local talent and has generated funds to invest in development projects.

All the Bawadi ceramic lines are created in the Qwara workshop located in South West Amman near JTV studios. The workshop houses a complete integrated medium-scale ceramics production line - where all the operations are individually managed and supervised by specialist artisans: design, clay mix, bisque, painting, glazing and marketing.

There are more than fifty people working in the factory and another ten in the Bawadi showroom. A unique aspect of the JOHUD ceramics operation is that it provides training and 'sheltered' employment to vulnerable groups where their particular needs, skills and talents can be nurtured in a supportive environment.

There are currently 8 people with special needs working in the operation - fully trained, engaged in productive work that is personally satisfying as well as financially rewarding. Bawadi artists are proud of their skills - our 'sheltered' ceramics workshop is unique in the region.

The main outlet for Beit al Bawadi ceramics is through the showroom in Abdoun in west Amman. Located in a beautiful villa, in a prime location just off Cairo Street, the Beit al Bawadi showroom is easy to access and has excellent parking facilities. Visitors to the showroom can select from a wide range of Beit al Bawadi ceramics, displayed in an attractive setting that allows potential buyers to visualize how these desirable items will add a unique flavor to their own home or office.

At the Beit al Bawadi showroom customers can browse at their ease, admiring the ceramics and the range of complementary products on display: hand made rugs and carpets, finely crafted wrought metal work, delicate embroidered cushions and wall hangings, cushions and textile hangings innovatively recreated from scraps of silk, satin and beads.

Through its partnerships with a wide range of local artisans, JOHUD helps entrepreneurs, especially women, gain a livelihood from the skills of handcrafts.

### **Jordan River Foundation (JRF)**

The JRF was established in 1995 as an NGO to initiate socio-economic projects for women and to provide employment opportunities by developing their knowledge and skills in handicraft production and entrepreneurship. It maintains a showroom on Rainbow Street in Amman and is easily accessed by tourists. This facility is stocked with high quality products that are produced with the objective of preserving the Jordanian heritage and enhancing the livelihood of the working women and their families. Their products are somewhat more expensive than other similar products made in other countries.

### **Royal Society for the Conservation of Nature (RSCN)**

The RSCN is an NGO whose mandate is conserve wildlife and natural habitats while at the same time integrating conservation with economic development. It has done this successfully through an integrated community-based plan, development of quality products targeted to specific markets, branding of their products, and use of an overall business approach.

Participants in RSCN initiatives have successfully marketed and sold handcrafted silver jewelry, organic jams and fruit leathers, soaps, painted ostrich egg, sandblasted frames, environmental board games, and goat leather nature boxes. All of these initiatives are tied to a strong promotional concept, which uses the “reserve address” and the conservation philosophy as the main selling points.

### **Al Burgan**

In 1989, Lina Lama Burgan started, Al Burgan Handicrafts, a unique venture in a one room workshop employing & training 3 unskilled ladies, two of whom with hearing disabilities, working on one sewing machine.

The first product was a handmade slipper in traditional fabrics and embroideries that proved to be very successful.

Since then, Al Burgan Handicrafts has become one of the leading Jordanian crafts industries that employ over 20 full time local skills, mainly women, some with disabilities, and make use of traditional Jordanian embroideries and work techniques to produce a wide variety of unique top quality items.

All the hand embroideries used in their designs are produced under the supervision of five professional women embroidery supervisors who recruit and train women to do traditional hand embroidery at their homes in different areas of Amman, The number of ladies benefiting from this work reached around 100.

Their Showroom is located in a rustic two-storey house in the middle of old Amman.

Al Burgan is one of the leading initiators of a new industry that involves women to participate in improving their families' standard of living and at the same time preserving some of Jordan's craftsmanship.

Their products can be found at all five star hotels gift shops through out Jordan, The Airport Duty free shop and prominent tourist attraction shops.

They have managed to keep Al Burgan identity and Jordanian influence in their work and have managed to orient their designs and color combinations to suit the liking and appeal of different markets. This has proven successful as they have expanded their outlets to many regions in the GCC, Japan, Switzerland, Austria and the United states.

### **Badr Adduja**

Badr Adduja was founded in 1999 by its owner May Khoury with the aim of developing the work of individual crafts men and women, through her exclusive designs and creations, emphasizing the essence of Arab and Jordanian culture and heritage.

A team of artisans work on executing her designs of furniture – wall hangings – home accessories & kaftans, as most of their creations are a mixture of old and new materials incorporated together to form the final product.

Old traditional pieces include quality items chosen with care and knowledge from Jordan and the orient, namely; furniture – rugs – textiles – costumes – silver – jewelry & accessories – brass – wood & pottery.

Traditional Jordanian handicrafts include new reproductions of embroidery – ceramics – mosaics and others.

Their showroom is located in Jabal Amman 2nd circle.

**Table 7: Key Competitors**

<b>Competitor/ Competency</b>	<b>Beit Al Bawadi</b>	<b>Jordan River Foundation (JRF)</b>	<b>Royal Society for Conservation of Nature (RSCN)</b>	<b>Al Burqan</b>	<b>Badr Adduja</b>
<b>Experience and market know how</b>	Very experienced and been operating in the market for more than ten years.	Very experienced been operating in the market since 1995.	Very experienced, operating in the market since 1994	Very experienced and has been operating in the market since 1989.	Very experienced, operating in the market since 1999.
<b>Management Skills</b>	Strong management skills with approximately 60 workers in the company.	Strong management skills.	Very strong management skills.	Very strong management skills.	Very strong management skills.
<b>Management Team</b>	Very strong management team	Very strong management team	Strong management team.	Strong management team.	Fairly strong management team.
<b>Financial Resources</b>	Relatively easy access to financial resources depending on donors.	Relatively easy access to financial resources depending on donors.	Relatively easy access to financial resources depending on donors.	Relatively easy access to financial resources through the confidence built in the name.	Relatively easy access to financial resources

<b>Branding (marketing)</b>	Strong engagement in marketing their product range	Strong engagement in marketing their product range	Strong engagement in marketing their product range	Relatively strong engagement in marketing their product range	Not very strong engagement in marketing their product range
<b>Active participation in exhibitions</b>	Active in exhibitions' participation	Active in exhibitions' participation	Active in exhibitions' participation	Active in exhibitions' participation	Active in exhibitions' participation
<b>Product Range</b>	Wide product range	Wide product range	Wide product range	Wide product range	Wide product range
<b>Distribution</b>	Channels of distribution consist mainly of their showroom in Abdoun.	Wide channels of distribution through their main showroom in a central area of Amman as well as all hotel outlets, airport and on-line.	Very wide channels of distribution mainly consisting of the main showroom in a central area in Amman as well as at many hotel and tourist outlets.	Wide channels of distribution through their main showroom in a central area of Amman as well as all hotel outlets, airport and on-line.	Limited channels of distribution consisting mainly of their showroom in Jabal Amman.
<b>Pricing</b>	The price of products is in the higher range however, there is good value for money.	The price of products is in the higher range compared to similar handicrafts produced in the region.	The price of some of the products is in the higher range however, there is good value for money.	The price of the products is average and there's good value for money.	The price of the products is average and there's good value for money.



### 3.6 SWOT ANALYSIS

The following section highlights the strengths, weaknesses, opportunities and threats to Silsal as identified through the discussions and interviews with the owner.

**Table 8: SWOT Analysis**

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>- The management team is committed to ongoing self-review and continuous improvement.</li> <li>- Excellent design skills and creativity, as Samar Habayeb who is in charge of creative design even though young has great taste and a good eye to design and updating and developing the existing designs.</li> <li>- High craftsmanship in the form of the workers (mostly women) who trained at the Salt Design Center and are continuously training to produce high quality items.</li> <li>- Excellent practical experience in the field of producing functional art ware and pottery as Silsal has been operating successfully for the past 18 years.</li> <li>- Uniqueness and originality of product items that are typically Jordanian.</li> <li>- Functionality of products which are at the same time artistic.</li> <li>- Constantly updating and developing designs and innovating.</li> <li>- High quality control.</li> <li>- Management has a very healthy relationship with the staff which is evident in the high retention rate.</li> <li>- Staff feel secure and relaxed in a complacent atmosphere whereas they get benefits such as high wages, health insurance and flexible hours.</li> <li>- Silsal production process is environmentally friendly using all safe and non-toxic materials.</li> </ul>	<ul style="list-style-type: none"> <li>- Weak management of time as the workshop is only working at 60% of its capacity. Production time needs to be managed more efficiently.</li> <li>- Due to the high retention rate of staff they have been there for a long time and consequently wages have become high and it is difficult to let anyone go.</li> <li>- There is no business plan or strategy.</li> <li>- No marketing strategies.</li> <li>- Evident gap in technical capacity in the areas of finance and accounting, which leads to poor financial reporting, cash flow management and budgeting, and bookkeeping. This is evident by the lack of financial statements showing the annual sales according to product type.</li> <li>- Lack of promotional activities.</li> <li>- Website is old and needs continuous updating.</li> <li>- Quick expansion that needs better planning.</li> <li>- Inability to produce in mass due to the inefficient time management as well as the lack of capacity.</li> <li>- Weak administrative management.</li> <li>- Pricing policy not clear as at present it depends on volume &amp; weight, time at the wheel, building, glazing and the cost of the materials that go into it.</li> </ul>

- Staying true to the original mission of being a social development project whereas Silsal continues to empower women and at the same is an equal opportunity employer whereas the master potter is handicapped.

- Healthy balance sheet whereas Silsal revenue has been growing steadily since its inception.

Opportunities	Threats (Challenges)
<ul style="list-style-type: none"> <li>- The opportunity to expand into regional markets such as Lebanon and Dubai.</li> <li>- The opportunity to market internationally either on-line or by contacting large department stores and galleries.</li> <li>- Increase exposure to tourists whose numbers are increasing every year.</li> <li>- Targeting upper end markets within Jordan and abroad.</li> <li>- Continue updating their designs and producing quality products.</li> <li>- Attending specialized art and handicraft fairs and exhibitions.</li> <li>- On-line selling</li> </ul>	<ul style="list-style-type: none"> <li>- The effect of the current economic crisis on the buying power of both locals and tourists.</li> <li>- At present there are no government incentives or tax breaks even when exporting.</li> <li>- Having to compete with lower quality and cheaper imitated pieces from countries such as China and India.</li> </ul>

## 4.0 MARKETING STRATEGY

### 4.1 STRATEGIC FOCUS AND INTENT

#### 4.1.1 VISION

To be the leading producer of high quality one of a kind artistic and functional art wares while at the same time maintaining its position as a social development project that preserves and nurtures Jordanian talents.

#### 4.1.2 MISSION

To help restore and continue the age old tradition of pottery making while at the same time creating jobs for young and aspiring artists by producing unique pieces of functional art ware.

#### 4.1.3 MARKETING OBJECTIVES

In light of the available resources and the limited capacity of Silsal to produce certain quantities of their products in addition to the lack of any information of substance on market demand let alone the information from Silsal itself on the sale of each of its products it is necessary to set sensible objectives that are foreseeable in the near future and can be achieved accordingly.

1. To increase sales revenues by the following growth rates over the next five-year period:

**Table 3: Expected Growth Rates over the next five-year period**

**In JOD**

	2009	2010	2011	2012	2013
<b>Target Revenue Growth Rate</b>	20%	30%	30%	30%	30%
<b>Anticipated Revenues</b>	254,562.21	330,930.87	430,210.13	559,273.16	727,055.10

The anticipated revenue projections above represent the suggested revenue growth objective based on the continuation of past growth. The estimated figures above are based on the consultant's personal rough estimations assuming that the main recommendations of this marketing plan are implemented successfully and no major changes occur in the market.

2. To achieve an accumulative operating profit of over JOD 350,000 on sales of at least JOD 2,302,031 over the next five years.
3. Increase market awareness of Silsal Ceramics brand in the target market segments locally and regionally.
4. Build a database of at least 1,500 – 2,000 local customers and 500 international customers over the next five years.
5. Continue innovating and creating new designs and product ranges that suit customer's tastes and demands.
6. To establish a competitive market intelligence system that will enable the business to monitor the changes in the market and consumer trends.

## 4.2 TARGETING: TARGET MARKET SEGMENTS

⇒ Even though Silsal do not have any specific surveys, sales sheets, or product lists with prices and to whom they're sold, based on their estimates around 55% of their customers are from the local market. From these approximately 35% are items made to order with around 5-10% being larger orders.

Within the local market the customers vary:

- There are the home owners in all age ranges who like to purchase piece of art ware to decorate their homes and for practical use such as in the vases, table ware, etc...Many of those like to order customized pieces that go along with the general décor of the house and Silsal strives to accommodate them.
- There are customers who place orders for events such as baby showers, or weddings where as Silsal makes the small party flavors that are given out at these events. These are also for the most part customized.
- Many Jordanians living abroad who come home for the holidays like to take back with them Silsal products for their homes and as gifts as a reminder of home. Most of these are the available pieces at the showroom.
- Another large segment of the market are the corporate clients that also order customized pieces of art ware to give out as end of year gifts or during holidays such as Christmas or Eid.
- Large establishments such as hotels, restaurants, spas and others is one of the main segments. These also generally tend to place orders for customized pieces that fit with the design of their respective establishments.

⇒ Silsal also estimates that approximately 35% of their customers are foreign expatriates living in Jordan. Normally when foreigners live in a country they like to collect as many local products and handicrafts as possible to take home with them once their tenure is over as a reminder of the place they had lived in. Silsal is a natural choice for them as beside the great quality, the designs are exquisite, original and reflect the local heritage and history.

⇒ Gradually over the years Silsal has been getting some recognition abroad which has culminated in exporting around 5% of its products. At present this is a very small amount and extra effort should be put into increasing the market share outside of Jordan by increasing the distribution network. So far Silsal has agreement with outlets in Dubai and Saudi Arabia to sell its pieces and some are sold on-line.

⇒ The remaining 5% of the products are actually sold to tourists who are visiting Jordan. This part is not living up to its huge potential in light of the growth of the number of tourists visiting Jordan annually. Silsal should concentrate on increasing its distribution channels to place it on the tourist route making more easily accessible.

Customers of the highest potential within these segments share the following characteristics.

- They like to purchase traditional items representing the local culture and heritage.
- They like to collect unique art pieces to display in their homes.

- They prefer to purchase high quality items.
- Many of the customers have certain ideas of what they like and many

It does not mean that we should only concentrate on the above mentioned market segments within our marketing plan and ignore other potential market segments. The aim is to enhance the already existing market segments and increasing the share from them and at the same time developing new markets.

## 4.3 POSITIONING: COMPETITIVE ADVANTAGE AND ADDED VALUE PROPOSITION

### 4.3.1 COMPETITIVE ADVANTAGE ANALYSIS

Based on ground work and research as well as visiting the respective show rooms of the competitors to assess product, quality, pricing and distribution the consultant has conducted the following competitive advantage analysis to determine the comparative competitive edge of Silsal based on the competition analysis and key success factors defined earlier.

**Table 9: Competitive Advantage Analysis**

Competitive Advantage Analysis							
Ref	Key Success Factors	Weight	Silsal	Beit Al Bawady	JRF	RSCN	Al Burqan
1	Product design (beauty/simplicity)	15	15	15	14	15	14
	Product design (Finishing)	10	10	10	10	10	10
	Product Design (Total)	25	25	25	24	25	24
2	Branding and marketing communications	25	20	20	22	22	15
3	Price and value for money of handicrafts	20	18	18	18	18	18
4	Customer service	15	12	12	12	10	10
5	Distribution	15	12	12	15	15	12
	<b>Total Competitive Advantage Score</b>	<b>100</b>	<b>87</b>	<b>87</b>	<b>91</b>	<b>90</b>	<b>79</b>

**Note:** This competitive advantage analysis does not include Badr AdDuja as in the consultant's opinion the other competitors are more on par with Silsal making the comparison fair.

The previous table illustrates the competitive advantage analysis for Silsal in comparison with selected key competitors. The analysis shows that the overall competitive positioning of Silsal is rather strong especially in the area of product design and finishing. From the analysis you could see that it comes out neck to neck with its main competitor Beit Al Bawadi who also produce ceramic art ware. However the only difference is in the design whereas Silsal specializes in matte, homemade, non toxic glazes, with earthly hues; Beit Al Bawadi specializes in glazed designs using gold and bright shiny colors. Also the location of Beit Al Bawadi is somewhat easier to get to being in a central location in Abdoun. Also due to the

size of the workshop and number of people working there Beit Al Bawadi has an advantage of producing more.

As for the competitive edge for Silsal to the other competitors it is mainly the unique product and design it produces that no one else does. For in the case of JRF they produce mostly rugs, linens, and wooden pieces and no ceramics or pottery. The same goes for RSCN who produce other items such as silver jewelry, ostrich eggs, jams, etc...and Al Burqan who produced hand stitched items. The only reason they are considered competitors is that they are all competing for the same share of the up market, high net worth tourist. As for the local market it all depends on the needs of the consumers and depending on the kind of functional art ware they need in their homes. As for the corporate customers it depends on the ability to provide them with innovated unique and inexpensive pieces.

In order to enhance the competitive edge of Silsal, the following points should be taken into consideration:

1. **Marketing communications and branding:** the branding of Silsal is very strong however more emphasis should be put on effective positive PR. Also there's a need to update the marketing collateral including brochures, flyers, catalogues, and most importantly the website.
2. **Price:** even though Silsal has a pricing system based on volume and weight of the clay going into production as well as the other raw materials, effort and design, it is still not very clear and the pricing can vary from one product to another. It is suggested that clear SOPs (standards of operation) be put in place for an effective pricing system. It is also recommended to create different lines with varying price ranges allowing the product to be accessible to all segments of the market including tourists who are looking for less pricey items.
3. **Value for money** is important to all consumers and even though the quality of Silsal products is very high it is advisable to differentiate in price between the more simple designs and the more complicated ones. It is advisable to have traditional simple and low cost designs and a few lines of high end design that is more exclusive and costly.
4. **Distribution:** is one of the weak points for Silsal as it does not have enough distribution channels and the current show room is not very strategically located in a residential area. The main focus of Silsal needs to be increasing and expanding the distribution network.

In conclusion Silsal's main competitive edge lies in the following:

- High craftsmanship skills and unique designs with high quality finishing.
- Creativity of design and ability to produce modern pieces at the same time maintaining the authentic traditions of ancient as well as Islamic artifacts.
- Owning a piece of Silsal handicraft provides a feeling of pride in the heritage and authenticity of the art.

### **4.3.2 POSITIONING**

In light of the aforementioned analysis, it appears that Silsal have the best chance of enhancing its competitive edge and strategic positioning by focusing primarily on distribution and marketing communications branding.

The previous analysis emphasizes that Silsal main strong points and its competitive edge is the innovativeness and uniqueness of the design and its fine quality. Another advantage is that it is an established and well know brand that has been associated for many years in the minds of consumers as fine quality local handicrafts and art.

Based on the above is recommended that Silsal brand positioning and communications should focus on the following messages:

- A well established quality producer of authentic and original art ware and pottery with historical evidence on the superiority of its products.
- Silsal should emphasize its role in social development and the empowerment of women in particular.
- Silsal should also emphasize its eco-friendly role, using environmentally friendly materials and taking care to recycle.
- The CSR activities that are carried out by Silsal such as training orphans, arranging tours for schools in the workshop and being an equal opportunity employer should all be highlighted and publicized as this gives a positive image to Silsal which adds value to its products.

Silsal should concentrate on customers who are interested in the aesthetic beauty of their art ware and who care about the preservation of culture and heritage. This is suitable for Silsal which cannot produce in mass and concentrates on the originality of its pieces. The attention to detail in their handicrafts and the uniqueness of their designs makes it very difficult to imitate and thus they remain the only producer of such items.

## **4.4 MARKETING MIX STRATEGY**

After the review of the strengths and weaknesses of Silsal it is apparent that priority should be given to distribution and promotion without of course ignoring product development.

One of the key issues to increase demand and sales on Silsal products is promotion using the right communication tools as well as expanding the distribution channels making it easily accessible to locals and tourists alike.

### **4.4.1 PRODUCT & PRICING STRATEGY**

Based on the previous analysis, the following strategic direction is recommended for devising the product strategy of Silsal:

It is recommended that Silsal categorize its products under the following main product lines:



Product Line (A): The traditional trade mark line for Silsal using the original matte glaze in earthly hues and incised designs. This line was the original and in many cases people still want to own pieces from this collection and to add to the pieces they already have and tourists and expats usually like the original earthly colors associated to nature. The price for this range should not be different than the original prices.

Product Line (B): This is a line where the product is developed and updated creating more trendy designs that will appeal to the younger segment of the market such as the newly weds as well of course as expats, high end tourists, and corporate clients. The pricing of this line should depend on the complicity of the design and the amount of work that goes into it.

Product Line (C): This is a line where there is emphasis on artsy complicated pieces and this will be pricier than the other lines. This will be a far smaller line with only a few types and pieces done. The target market for this line is the higher net worth local and foreign customers who like to pay to have very unique and different pieces that no one else may have.

Product Line (D): Silsal will design smaller lower cost pieces in this category that can be used for corporate gifts. Even though it is difficult for Silsal to produce mass however, corporate clients are important as they order in bulk and money can be made from selling quantities.

Product Line (E): In this line the pieces will be functional art ware that can be used in restaurants and hotels as well as homes. Many of Silsal's customers are hotels and restaurants who like to order art ware in the form of plates, cups and mugs. It is advisable for Silsal to develop this line for production at lower costs to sell at reasonable prices to drive demand and orders on this line.

In conclusion it is highly advisable that Silsal create a series of catalogues covering all the major lines produced by them along with the pricing. This will make it easier for consumers to choose what they need or to even modify and order accordingly.

#### **4.4.2 PROMOTIONAL STRATEGY**

The promotional strategy should focus on increasing awareness of the target consumers of Silsal's products. Market research has shown that the best promotional mix for Silsal is targeted advertising and public relations to generate positive word of mouth and to keep Silsal in the minds of potential customers.

Normally Silsal does not have the necessary budgets for extensive advertising which can be quite costly at times; therefore we need to find alternate means of promotions that will bring in a high return on investment. We will need to utilize low cost highly effective marketing tools.

## **Public Relations:**

Public relations if carried out efficiently and correctly can at times be the most important tool as through PR you can reach the highest number of people at minimal costs. The following are different tools for public relations and the recommended activities that will help promote Silsal:

- **Press and media relations:** this is a very effective tool as any positive news, articles or PR in the media leave an impression in the minds of people who trust this kind of promotion way more than advertising which is paid for and is biased, whereas positive PR is free and reliable. Usually you would need a dedicated person who will be in constant contact with the media maintaining the good relations with them. If the cost of hiring a dedicated PR and Marketing officer is something that Silsal cannot afford then it can easily be outsourced to a qualified free-lancer (in many cases a reporter) who will charge much less than a PR company.
- Continue with the **Corporate Social Responsibility (CSR)** activities such as hosting orphans in the workshop, supporting community such as using Al Ruwwad cloth bags which are environmentally friendly and at the same time generating income for the young women producing them. However these activities need to be coordinated in a way to capitalize on these activities with positive PR and the appropriate coverage in the media.
- Increase participation in **events** specifically designed for women such as the Home & Garden meetings, the Rotary Club, or the Ikebana Club, etc... through donating some of the Silsal pieces as gifts for raffles, auctions etc... in return for distributing flyers and brochures of Silsal. This will create more awareness and will remind ladies of Amman of the exquisite pieces produced by Silsal.
- Increase participation in seasonal **exhibitions and bazaars** such as the Christmas and Ramadan bazaars by displaying their seasonal items. It is understood that these are normally very busy times and staff cannot be spared however, it might be worthwhile to hire a temp in these cases. These events even if not successful in terms of sales; they increase awareness of the Silsal products, specifically if catalogues and brochures are given out to the visitors.
- Create partnerships with **Tour Operators** such as Petra Moon Tourism Services who have actually designed a handicraft tour. (Their contact details are as follows: Tel: +962 3 315 6665; email: [wendy@petramoon.com](mailto:wendy@petramoon.com)). Also approach the specialized tour operators in MICE (Meetings Incentives, Conferences & Exhibitions) tourism and strike barter deals with them whereas if you support them in providing them with gift items (especially in the case of incentive tourism) they will bring the groups to visit the showroom and will distribute Silsal brochures to their groups. Some of the most prominent tour operators in this field are as follows:

Abercombie & Kent Jordan Tel: +962 6 566 5465; email:  
[mmalhas@abercombiekent.com.jo](mailto:mmalhas@abercombiekent.com.jo)

Adonis Travel & Tourism Tel: +962 6 567 8756 ; email:  
[nancy@adonistravel.com](mailto:nancy@adonistravel.com)

Dakkak Tours International Tel: +962 6 5601076; email: [info@dakkak.com](mailto:info@dakkak.com)

Discovery Tours Tel: +962 6 464 1959; email: [ana@discovery1.com](mailto:ana@discovery1.com)

Karma House for Travel & Tourism Tel: +962 6 463 1654; email: [ghada@karma.com.jo](mailto:ghada@karma.com.jo)

Pan East Tours Tel: +962 6 5606 420; email: [imad.malhas@paneast.com.jo](mailto:imad.malhas@paneast.com.jo)

Petra Travel & Tourism "Petra Tours" Tel: + 962 6 560 6967; email: [awnikawar@petratours.com](mailto:awnikawar@petratours.com)

UTA – The Destination Management Company Tel: + 962 6 566 0438; email: [ana@uta.com.jo](mailto:ana@uta.com.jo)

***Note: These tour operators will need to be contacted individually with meetings set up with the owners to discuss how a mutual benefit can be achieved through barter deals.***

- Create good relations with the corporate customer base by sending them **end of year gifts** from Silsal and greeting cards. This is a way to remind them to order their corporate gifts from Silsal.

The above are only some of the activities that can be carried out to create positive feedback for Silsal. There will be many more opportunities arising and these should be taken advantage of when possible. Positive PR generated for the company is a great advantage.

### **Advertising:**

Advertising and promotion is a wide term. There are activities that are above the line which mainly include the direct paid advertising and then there are below the line activities which are normally carried out by the company and are also very vital for creating awareness of a product or company.

**Above the Line Activities:** These normally include advertising in the different media such as magazines, newspapers, radio, television, and outdoor advertising. However, since Silsal has a very limited budget for such activities they should concentrate on targeted advertising that will bring a high return on investment. Some of these include:

- Advertising in the **Royal Wings** magazine. Perhaps Silsal can come to an arrangement with Royal Jordanian whereas they give them some corporate gifts or the gifts they give to first and business class travelers in return for free advertising in the magazine. This magazine is bi-monthly and carried on all RJ flights and its readers are tourists, visitors to Jordan and expats. These are a major chunk of our targeted market and getting to them in this manner will reap good benefits. An added advantage is to ask the magazine to profile Silsal and its products in at least one of its issues. Also if Silsal manages to provide the gifts to RJ it must make sure to have the information card of the history of the piece with each item as this is a very good indirect marketing tool.

- It is also understood that Silsal has already provided Royal Jordanian with several of its pieces which are currently on display at the Business Class lounge. Silsal should make sure that these pieces are displayed in a way that shows they are Silsal with the production information of each piece displayed prominently and clearly. Silsal should also try to arrange with Royal Jordanian to display its brochures in the Business Class lounge.
- There are many publications that are coming out these days targeted for tourists such Jordan Today (which Silsal has already advertised in) and What's On. If Silsal can get a good deal on advertising within these publications then that will be a good investment.
- One of the major gateways to reach tourists is the Jordan Tourism Board. It is suggested that Silsal also approach them for a barter deal whereas they can provide them with some of the small gifts they give out during exhibitions and to tour operators, press and in general their visitors in exchange for listing Silsal on their website [www.visitjordan.com](http://www.visitjordan.com) in a prominent position, also listing Silsal and its location on the maps they produce as well as their general brochure. This will have a double benefit for Silsal because their gifts would also include the informative card about the product which is an important marketing tool.
- When Silsal holds its semi annual exhibition it is advisable that this is advertised beforehand in some of the local newspapers such as Al Ghad, Al Rai, and the Jordan Times. At the same time sending a press release to that effect to all the major magazines as well as inviting them to attend to get the necessary coverage for these events which in turn will attract as many customers as possible.

Of course these are some of the low cost means of advertising that will reach the target markets, however there are many other highly effective means but they have high costs.

**Below the Line Activities:** these are vital activities to promote the company without spending a lot of money. Some of these activities include:

- Preparing small catalogues for the different lines in the collection that can be sent out to potential customers. These should be sent to corporate clients, hotels, restaurants, embassies and other large institutions that might order in bulk.
- Produce brochures along the brand guidelines introducing customers to Silsal with directions on how to get to the showroom. These brochures need to be distributed at exhibitions, events, bazaars, if an agreement is made with RJ in the Business Class Lounge and on their airplanes, at embassy events (this can be arranged by donating some pieces as prizes, etc...), hotels and restaurants (again this could be arranged on a barter basis), at shopping malls in peak season, ask the Jordan Tourism Board to give them out at their travel exhibitions and to their guests, the possibilities are endless and when an opportunity comes up then this should be taken advantage of.
- Ensure that any piece sold by Silsal to include the product information card along with a historical synopsis on Silsal.
- Update the website continuously and perhaps display the whole collection on it as well as updating news.

- Prepare a bi-monthly newsletter that can go out electronically to the customer data base updating them on new activities, products and so forth.
- Prepare a customer satisfaction survey that will also include their preferences. This is an important tool in product development as well.
- Send out e-mail shots periodically to potential customers announcing new collections etc...
- Update the customer mailing list and ensure sending them invitations and greeting cards.
- Prepare a customer VIP list and perhaps sending them some small end of year gifts as appreciation for their business (this creates a strong relationship).

### **Exhibitions:**

It is important to continue promoting Silsal products to the largest segment possible (internally and externally). What better way to do this than to participate in exhibitions? As mentioned above it is important for Silsal to participate in exhibitions, bazaars and events in Jordan. However it is also important to get recognition in other countries and create contacts and buyers (especially in bulk for stores and galleries). Exhibitions are the best way to introduce a product to a new market.

Silsal has already participated in an exhibition in Lebanon and this has been successful. However there are several international exhibitions that they should consider participating in on a small scale or even partnering with other handicraft producers and attending collectively these exhibitions. Also Silsal can obtain support from NGOs and USAID agencies such as SABEQ to support participations in international events and exhibitions. You can find out which exhibitions are being held during the year through the online International Ceramics Directory that list all exhibitions and events during the year. However some of the recommended exhibitions for 2010 are as follows:

- **Ceramic Art London 2010** is the major selling fair for contemporary studio ceramics. The exhibition will be held at the Royal College of Art from 26<sup>th</sup> – 28<sup>th</sup> February 2010. To register please check website [www.ceramics.org.uk](http://www.ceramics.org.uk)
- **The Works Art & Design Festival** in Edmonton, Canada from June 25<sup>th</sup> – July 7<sup>th</sup> 2010. Please check website [www.theworks.ab.ca](http://www.theworks.ab.ca) or call +1 780 426 2122 for more information.
- **The 11<sup>th</sup> Annual Los Angeles Pottery Show** at the Pasadena Convention Center on January 23<sup>rd</sup> and 24<sup>th</sup> 2010. Please check website [www.lapotteryshow.com](http://www.lapotteryshow.com).
- **The International Ceramics Fair & Seminar** at the Mall Galleries from 10<sup>th</sup> – 13<sup>th</sup> June 2010. This fair brings together leading ceramics dealers from around the world to display and sell exceptional quality European pottery, porcelain, glass and enamels. Now in its 29<sup>th</sup> year, the Fair has a long established and distinguished international reputation as a showcase for the finest and rarest ceramics currently on the market and as a forum for academic discussion through the enormously popular lecture series.

For more information please visit website: [www.haughton.com/international-fairs/10/fair\\_pages/international-ceramics-fair](http://www.haughton.com/international-fairs/10/fair_pages/international-ceramics-fair) or call number + 44 20 7389 6555.

- **The International Ceramic and Pottery Fair** is the most important market fair of Catalonia and Spain in its specialty because of the great quantity and quality of artisans which participate. About 65,000 people are expected, being visitors, dealers and other professionals. Countries represented include Catalonia, Spain, Portugal, France, Belgium, Morocco, Ecuador and others. This year the Fair will be held on 6<sup>th</sup>, 7<sup>th</sup>, and 8<sup>th</sup> August in Fira Del Cantir in Barcelona, Spain. For more information on registration please visit website: [www.museucantir.org/fira\\_ang.htm](http://www.museucantir.org/fira_ang.htm)

#### **Other Means of Promotion:**

- Presently Silsal has a display stand at the Four Seasons, which is an excellent means of promotion. This is a line of promotion that Silsal should continue pursuing, perhaps by approaching other hotels to allow them to showcase their products and give out their brochures. To avoid paying for this perhaps Silsal can arrange for barter agreements with these hotels to showcase their products in return for providing them with decorative items for the rooms, art ware in the form of plates, cups and mugs or even decorative candles.
- Also Silsal should approach the management of the new airport from now to arrange for an agreement to either have display cases in the arrival lounges along with a brochure rack. This can also be made as a barter agreement.
- To reach the local high net worth clientele Silsal could also arrange with some of the major stores in Amman to display their items such as the ABC in Al Baraka Mall.
- Also approaching restaurants and cafes popular with tourists is a good option. Such as displaying some of its products that would be attractive to tourist at the Books@Cafe and other similar businesses.

### **4.4.3 DISTRIBUTION STRATEGY**

The major weak point in Silsal's promotional mix is distribution. At present Silsal has only one showroom at Jabal Amman in the Fourth Circle. However, this is located in a residential area and not easy to get by unless you had directions and were going there specifically.

- Silsal need to be more available on the tourist route and this can be done through going into partnership agreements with the Ministry of Tourism to try to display their items at the information offices at the tourist sites such as Petra, Wadi Rum and Jerash. Another option is to sell to the many large souvenir shops on the tourist route that are mainly selling imported products but by law should be selling at least 70% of local products.

- Silsal should periodically rent space in different venues and shopping centers especially around seasonal events such as Christmas, Ramadan, Mother's Day, etc... These places could include the main shopping malls such Abdoun, Mecca, and City Mall as well as large upper market department stores such as ABC in Jordan and in Lebanon.
- As for increasing distribution internationally, Silsal should try contacting large upper market department store around the world to see if they would consider buying Silsal products to sell them in their respective stores. These could include Harrods, Selfridges, Harvey Nichols, Saks 5<sup>th</sup> Avenue, Bloomingdales, Neiman Marcus, Le Printemps, El Corte Inglaiz, among a few....

## 5.0 ACTION PLAN

Goals	Activities	Responsibility	Time Frame	Estimated Budget
<b>Management Capacity Building</b>	Attend training on developing marketing plans, business development skills and sales management.	Administrative, sales, and marketing staff	First quarter	An accrued budget of approx. JD 4000
	Attend accounting, budgeting and financial reporting training.	Finance and accounting staff	Fist quarter	An estimated budget of around JD 1000
	Explore the potentials for implementing a simple full ERP solution, to facilitate the availability of data on near real time, to make the decisions and to organize and control all daily operations including the following modules: Costing, Production, Stock Management and Accounting	Outsourcing to an IT solutions company.	First quarter	Silsal should get several offers from vendors, however the budget should not exceed JD 4000
	Develop HR Systems	Consultant	First quarter	Depending on the offers from consultants, however a part time consultant would most probably do it for JDO 2000
<b>Segmentation and Targeting</b>	Gain proper understanding of target market segment through review of marketing plan and tracking current customer data	Management and marketing / part time marketing staff	1 <sup>st</sup> January – 1 <sup>st</sup> February	This should not cost anything
<b>Product Strategy</b>	Lay down a product strategy for the different	Management and creative	1 <sup>st</sup> January – 1 <sup>st</sup> February	This is an in-house activity and should

	lines based on the segment targeting	staff as well as the involvement of sales and marketing		not cost anything.
<b>Pricing</b>	Set prices for all products under different product lines in light of the insight provided in this plan	Management, accounting, operations / production staff	1 <sup>st</sup> January – 1 <sup>st</sup> March	This is an in-house activity and should not cost anything.
<b>Promotional Strategy</b>	<b><u>PR</u></b>			
	Appoint either a part time marketing and PR consultant or a freelance press officer and carry out marketing plans in-house.	Management	1 <sup>st</sup> January – 15 <sup>th</sup> January	Depending on which option is chosen by the Management. A part time marketing and PR Consultant will charge a minimum of JD 1000 per month whereas a freelance press officer will charge approximately JD 300 per month.
	Set PR campaign action plan	Management and PR Consultant	1 <sup>st</sup> January – 15 <sup>th</sup> January	As the above
	Emphasize on public relations (PR) activities and advertising to generate awareness and image building, and assist in positive attitude formation towards Silsal.	Management and PR Consultant	All year round	No expenses except for the occasional gifts give to the press.
	<b><u>Advertising</u></b>			
	Budget and plan a marketing campaign based on the insight gained in this marketing plan with time lines and coordinate these actions with peak times and the release of new collections.	Management and marketing staff / consultant	1 <sup>st</sup> January – 15 <sup>th</sup> January	The total promotional budget for Silsal should not exceed JD 20,000 per annum.
	Design advertisements in coordination with an advertising and branding consultant	Management, part time marketing staff with the advertising and design agency	All year round depending on the required ads	The design budget should not exceed JD 1,000 per annum assuming the ads will be minimal.
	Implement advertising campaign in light of the recommendations of this plan and the branding and marketing communications consultant	Management and part time marketing staff	All year round	The budget as above.
	Complete/modify website development in	Management, part time	1 <sup>st</sup> January – 1 <sup>st</sup> February	Depending on the quotations from web



	consultation of the marketing consultant and the PR and branding specialists	marketing staff and a web developer		developers but this should not exceed JD 2000 for the complete development of the site.
<b>Distribution</b>	Prepare a plan with timelines to take action on some of the recommendations within this marketing plan.	Management with the marketing staff	1 <sup>st</sup> January – 15 <sup>th</sup> January	This does not require a budget unless there is travel at a later stage to meet the international department stores.
<b>Customer Awareness</b>	Complete a full customer data base with addresses and contact details, preferences.	Administration and sales	1 <sup>st</sup> January – 28 <sup>th</sup> February	No budget required
	Set procedures to measure profitability by customer	Administration and sales	1 <sup>st</sup> January – 28 <sup>th</sup> February	No budget required
	Conduct a customer feedback survey	Administration and sales	1 <sup>st</sup> January – 28 <sup>th</sup> February	No budget required

## 6.0 MEASUREMENTS AND CONTROLS

The only way to determine that a company is on track is by ensuring activities are monitored and measured for success. There are many indicators of success such as KPIs (Key Performance Indicators) that apply to any part of the operation process. These measurement tools need to be put in place to ensure that any marketing plan is carried out thoroughly and with success and to ensure that the activities within this plan are in fact effective and necessary or not.

A monitoring system consists of a set of systematic activities that aim to monitor and evaluate implementation and impact. This ensures that things are done right and to use as a measurement tool, to allow for better business decisions and to expand the knowledge base and better understand the target market and cost structures and corresponding income streams.

Therefore Silsal should monitor the data on the target groups (client profile, age structure, income levels, education, etc.) as well as revenue and cost information (sales per year, costs and profits per product category, product development and its impact on customers, distribution channels and their success.

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**Amman, 11194 Jordan**  
**Phone: + 962-6 550-3050**  
**Web address: <http://www.SABEQ-Jordan.org>**