

R&R-3 by Elena Stuart

Kowitz, Beth (2013). The Mystery Company Importing Americana to the Mideast. *Fortune*, 167(3), 90-96.

Summary

M.H. Alshaya Co. is a Kuwait-based retail franchising operation that operates in 19 countries with more than 70 brands and thousands of stores. Its specialty is working with retail brands to bring them to the Mideast market which is filled with a well to do local population along with expatriates. The brands represent some of the most successful American brands including Starbucks, IHOP, American Eagle Outfitters, Victoria's Secret, Pottery Barn, Williams-Sonoma and as discussed in the article The Cheesecake Factory. Alshaya's core competency is cloning, replicating and duplicating these international brands in the Middle East and using its understanding of the local market to make the subtle adjustments for these brands to fit the local culture.

Analysis

A common way of thinking about marketing is what is known as the 4Ps. The "Ps" are Product, Price, Place, and Promotion. This article illustrates each of these items and how they are applied by Alshaya and The Cheesecake Factory in penetrating a new market. Alshaya is clearly the expert on Place since the Middle East is their home base and they are very familiar with the culture and the business practices. The Cheesecake Factory has a high quality Product that was in demand and the Price will be determined by their costs to run a restaurant in the Middle East and the value of the experience. Finally, Promotion is a joint effort between the companies.

Kowitt noted that “All roads lead to the mall in this part of the world” (p. 93) with the destination mall replacing the outdoor marketplace as the center of social life. Entering this center of social life requires an understanding of cultural, religious, and regulatory protocols and requires patience, creativity, and strong execution if a Western firm wants to be successful. Alshaya has identified and is fulfilling a demand for Western brands in the Middle East. It starts with the assumption that the retail experience will be identical to what the customer encounters in the US. This was combined with The Cheesecake Factory’s unwillingness to change its standards, but under the guidance of Alshaya they changed the food ingredients to meet Islamic dietary requirements without changing the taste. Alshaya’s experience has been the key to providing Middle Eastern consumers with a culturally relevant Western experience based on the historic bazaar or souk culture.

Commented [d1]: Very interesting!
Commented [EH2R1]:

Alshaya looks at everything the consumer experiences and its approach is a whole market approach to meeting consumer’s needs. The strategic plan is comprehensive and marketing helps fulfill the strategic goal. In contrast, “As libraries follow certain initiatives (rather than whole-service planning), quite often lots of activities will happen that are unconnected” (Potter p.51) and Terry Kendrick further notes that “Marketing works best when it’s an *orientation* for the library as a whole” (Potter p.51). Libraries need to know where they want to go and then develop marketing plans that are executed consistently over a long period. This is what Alshaya has done to fill malls. This is what libraries need to do also since a library should be thought of as an information mall that knows how to be culturally relevant to its community. Libraries have Product (information), Price (usually free), Place (in the community), but what they lack is Promotion.

Commented [d3]: Well put!

References

1. Dubicki, E. (2007). Basic Marketing and Promotion Concepts. *Serials Librarian*, 53(3), 5-15.
2. Kowitt, Beth (2013). The Mystery Company Importing Americana to the Mideast. *Fortune*, 167(3), 90-96.
3. Potter, N. (2012). Marketing your Library... Terry Kendrick. *American Libraries*, 43(11/12), 50-52.

| Excellent work, Elena. Grade: A