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Branding SMEs in the UAE's Emerging Market

Sandra E. Akaaboune Mrs.
Southern Illinois Univerity Carbondale, sandraleonard@siu.edu

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by

Sandra Akaaboune

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Submitted in Partial Fulfillment of the Requirements for the
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A Research Paper Submitted in Partial

Fulfillment of the Requirements

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Approved by:

Dr. Kavita Karan, Chair

Dr. Royce Burnett

Graduate School
Southern Illinois University Carbondale
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TITLE: BRANDING SMES IN THE UAE'S EMERGING MARKET

MAJOR PROFESSOR: Dr. Kavita Karan

Brand positioning is one of the crucial elements to a businesses' success or failure. Extensive research has been conducted to formulate theories and strategies around successful positioning for global brands and the ways small to medium sized enterprises (SMEs) can compete in the market through positioning, but none of it completely or directly applies to the focus of this research. Dubai is emerging as a fashion capital, it is the second top retail tourist destination globally, and the market is highly saturated with fashion brands from around the world. Success in the UAE could provide endless opportunity for SMEs. Middle Eastern millennials were surveyed; which yielded 114 responses. Findings include, community involvement, ethical advertisements, in-store experiences, a preference for Western brands, social media usage and other key insights highly influence purchases and brand acceptance. Based on the responses, an integrated marketing campaign was planned for promoting two American apparel brands in the UAE.

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SECTION 1

INTRODUCTION

Brand positioning is one of the crucial elements to a businesses' success or failure. Extensive research has been conducted to formulate theories and strategies around successful brand positioning for global brands, and the ways small to medium sized enterprises (SMEs) can compete in the market through positioning. The focus of this research will be narrowed to apparel brand positioning in a unique, yet prosperous, market. Apparel consists of menswear, womenswear, and childrenswear, but the focal point will be menswear and womenswear.

Many countries are exporting products to international markets with varying political, economic and social structures. This study aims to gain a new perspective of a modern market environment in a specific emerging economy; Dubai in the United Arab Emirates (UAE). The primary intent of this research is to develop a strategy on how to position a U.S. apparel SME within UAE's diverse market. For this to happen, the economy and environment are explored to further understand fashion regionally. The presence of Western designer SMEs will help the economy both financially, and by assisting the government in diversifying the market. The SMEs will help to actualize the government's vision of Dubai becoming a fashion capital of the world. Fashion will nurture the environment through brand positioning formulated around the culture and religion.

An analysis of business plans and internationalization strategies for SMEs in the U.S., along with various branding, positioning and marketing theories, as well as

practices and strategies employed in the States and the Emirates will be discussed. A brief introduction to two ideal/potential candidates, Christian Siriano and Public School, for brand extension into Dubai will be provided. Both companies are prime examples because they are small to medium sized enterprises gaining recognition from, and designing for, some of the most influential leaders of the fashion industry. They both have a unique point of view and design aesthetics and are beginning to expand globally. However, an understanding of Dubai and its potential is needed first.

There are cities throughout the world that possess one or more, but not all, of the traits of Dubai. The UAE is made up of seven emirates, Dubai being the prime tourist attraction. The UAE is one of the most developed economies in Western Asia, ranking 7th in the world's top nations based on per-capita income (Gundala, Jack, & Khawaja, 2014) and is home to 9,445,624 people; of which immigrants make up more than 80% of that number (Middle East, 2015). One of the natural advantages the nation has, is its location between the East and West and its many harbors. This has allowed the development of six airports and ten major shipping ports. The United Arab Emirates' economy is a model for most emerging Middle Eastern economies.   According to Gundala et al. (2014), there are 72,000 SMEs that account for 95% of enterprises and 40% of the workforce in Dubai. Most of these are family owned since legal regulations require UAE nationals having at least 51% ownership, *kafeel in Arabic,* or a local agent and their employees have a visa lasting for a three year work cycle in any UAE business organization (Al-Ansari, Xu, & Pervan, 2014, pg. 2). However, there are free trade zones that offer 100% foreign ownership and zero taxes to entice foreign investors.

Dubai has gained a reputation as being a retail tourist destination with approximately 65 malls, and still building; while being ranked second to London as the city with the highest percentage of international retailers (Basit, 2015). Saudi Arabia, India, the U.K., the U.S., and Russia were the top five nationalities to visit Dubai in 2013; with China the fastest-growing nationality in the top ten. On average, Saudi's spend about $8,500 per visit (Dubai's Retail Scene, 2014). Dubai is home to two of the world's largest shopping meccas, The Dubai Mall and the Mall of the Emirates. Together they attracted approximately 117 million visitors in 2013. The Dubai Mall has more than 1,200 nameplates. The Mall of the Emirates has reached capacity (700 stores) with 200 brands waitlisted (Dubai's Retail, 2010). The waiting list for the Dubai Mall is long enough to double the mall's size. To address this issue, there are plans for an additional six million square feet of retail space to bring Western brands success in Dubai. Eighty percent of the merchandise sold at the Deira City Centre Mall comes from American brands including DKNY and Calvin Klein (Langlois et al., 2012, pg. 116). Malls in the UAE have very distinct characteristics; such as, late-night browsing to accommodate Saudi tourists, fashion "districts", and entertainment hubs. All of this has contributed to making Dubai a retail tourist destination that provides a unique retail experience for locals and tourists.

In 2013, the Vice President, Prime Minister and King of Dubai (he holds all three positions), His Highness Sheikh Mohammed bin Rashid Al Maktoum, announced his vision for the Dubai Design District (D3) located adjacent to the Business Bay area of Dubai. D3 will feature a custom-built creative community that will contain commercial and retail facilities for established and emerging designers, design institutes, waterfront

promenade, convention center, and event venues (Dubai Strengthens, 2013). In addition, concept stores, boutique hotels, showrooms and residences are expected to arise around D3. The design district will help nurture the local fashion, art, luxury, architecture, and home design industries. Dubai-based designers can be found throughout the city, but will now have a location to congregate with couture salons and ready-to-wear makers with waterfront boutiques (Socha, 2014). The area will help to create an alternative attraction to the megamalls filled with international brands.

The economy in the UAE is thriving and full of young, educated consumers with high disposable incomes ready to form brand loyalties (almost 50% of population); the majority of whom are Arab oriented expatriates (Langlois et al., 2012). The markets of the GCC, Gulf Corporate Council, boast vast wealth from oil and relatively stable monarchies. The UAE's combination of deregulation, prosperity, and diverse demographics make it the most attractive to invest in. The median age is 30, with men outnumbering women 3:1; however, women do not play a passive role when it comes to major purchases (Langlois et al., 2012). Social classes range from the unskilled foreign workers with low standards of living to skilled expatriates with high disposable incomes to the wealthy Emirati national. According to Langlois et al., (2012), the market can be best segmented into native and non-native residents, Muslim and non-Muslim, affluent and non-affluent, with a segment that includes tourists. The estimated GDP-per capita in 2014 was $66,300 (Middle East, 2015). In 2014, the Emirate apparel retail industry had total revenues of $5.3 billion, with womenswear being the most lucrative at $2.4 billion. Of the $5.3 billion in revenues, 62.4% came from clothing, foot/sportswear and

accessories from retailers while department stores hold a 21.7% share of revenue distribution (Apparel, 2015).

In the United States and Dubai, SMEs constitute the backbone of the economy; although, the definition of a SME differs between the two. In the United States, in order to be defined as a SME the primary requirement is that the company must employ less than 500 people. In order to thrive, SMEs need access to credit and cash flow. SMEs account for 99% of all US firms, employ over 50% of private sector employees, generate 65% of new private sector jobs, account for over half of US non-farm GDP, represent 98% of all US exporters and 34% of export revenue (Firoozmand, Haxel, Jung, & Suominen, 2016). In Dubai, the definition of a SME differs slightly depending upon sector (trade, manufacturing, or service), but in general, there must be less than 250 employees employed by the SME and a turnover less than AED (Arab Emirate Dirham) 250 million, (approximately USD 68,119,891). "Small and medium enterprises are viewed as the 'engine' for economic growth and a vital contributor to the economy's GDP. They are a primary source of entrepreneurship, innovation, and employment creation." (*The State of Small,* 2013). Micro firms, less than 20 employees and turnover less than or equal to AED 3 million (approximately USD 817,438), account for 72% of the overall businesses in Dubai (*The State of Small,* 2013).

Christian Siriano

The SMEs under study for expansion into the UAE are Christian Siriano and Public School. Both are relatively new up-and-coming brands that have been in the limelight over the past five years. Christian Siriano Holdings, LLC opened in 2011, has approximately nine employees, an estimated $1 million in yearly revenue and a net

worth of $1.5 million (Field, 2015). Siriano's collection is shown each season at New York fashion week and presented to New York and Paris retailers. Neiman Marcus, Bergdorf Goodman, Saks Fifth Avenue, other department stores, and specialty boutiques around the world already carry Siriano's collection; however, Siriano only has one flagship store located in New York City. In the UAE, he can only be found in these third party retailers, By Symphony, Harvey Nichols, and Al Boushiya. When Christian was 24, his rise to fame began after competing on the television show Project Runway, and he was the youngest designer to win, ever. He was also the youngest person to appear on *Crain's* "40 Under 40" list and was included on *Forbes'* "30 Under 30" in 2015. In 2013, Christian was inducted as a member of the Council of Fashion Designers of America (CFDA) (Christian, 2015). Siriano has been involved with partnerships to create clothing and accessories for Lane Bryant, Best Buy, HSN, Disney, Nordstrom, Puma, Starbucks, Spiegel, four seasonal shoe collections for Payless Shoe Source, and a makeup line for Victoria's Secret. Christian released his fragrance "Silhouette" in 2014 and is expected to launch intimates, eyewear, home/bedding, and beauty collections in 2016 (Christian, 2015). Siriano is known for his whimsical and show-stopping designs that grace the most prestigious red carpets and the world's biggest stars.

Public School

Maxwell Osborne and Dao-Yi Chow launched their line of menswear with the Brand name Public School in Barney's New York in 2008. Public School began as a menswear line, but expanded into womenswear in 2014. "The designers work with a predominantly black palette. It's sporty without being too casual, upscale and sharply

tailored with a swagger, a mix of high and low styles. Public School makes street clothes aiming to be fashion instead of fashion trying to be street" (Van Meter, 2014). The pair sticks to their New York roots by designing and manufacturing their apparel in New York City. Osborne and Chow caught the attention of *Vogue's* editor in chief, Anna Wintour, when they competed on the show, The Fashion Fund. The duo won the $300,000 prize in November 2013 and two CFDA awards; one of the most prestigious awards any designer can be recognized with. Every year since, they have been awarded the CFDA award for Menswear Designer of the Year. In addition, Chow and Osborne's media attention generated over $105 million worth of editorial value (publicity) when they won the Woolmark Prize for menswear in 2014 (Locke, 2015). Recent collaborations include the December 2015 release of a sneaker designed for Air Jordan and the first collection as creative directors for DKNY was shown at New York fashion week in fall 2015 (Business, 2016). Public School partnered with Cadillac's new luxury crossover to hold their very first international runway show for their pre-fall 2015 collection in Dubai (Acosta, 2015). All of the attention has expanded Public School to 33 department stores and specialty boutiques throughout the world, but their more moderately priced line, Black Apple, has grown to 132 stores as of 2013 (Van Meter, 2014). Currently, Public School has between 11 and 50 employees and generated about $1 million in sales in 2013; more than ten times 2012's sales (Locke, 2015).

Marketing in the UAE

The UAE is governed by Islamic Law but is far more lax compared to many of the surrounding nations; however, it is important to be mindful and respectful of their laws. There is a big gap in research on the strategies to enter the Middle Eastern markets,

marketing brands in this region, or positioning SMEs against large competitors (not region specific). The research conducted here will provide a blueprint for strategic planning to promote brands, provide market trends, location specifics, and most importantly, an understanding of the social, economic and cultural patterns of buyer behavior in the countries. This will be done through the data collected from a survey distributed to the growing young market of buyers, popularly known as the millennials. This study aims to analyze the wealth of information available on different markets and outline how companies can adopt and adapt current strategies to help ensure success. If an apparel brand can position itself properly in Dubai's diverse and saturated market, they will have a local and international customer base, global exposure, and the opportunity to expand and prosper by being both global and local.

SECTION 2

LITERATURE REVIEW

A business model consists of four basic elements (as shown in the Table 1 on the following page) that works together to create and deliver value. Successful businesses develop a relatively stable system for these elements to bond with one another in consistent and complementary ways. A business model is a new unit of analysis that explains how a firm conducts business, conceptualizes how its organizational activities play a role, and explains which value is captured by the firm and how it is created (Rask, 2014). It is not uncommon for, "Successful new businesses to revise their business model four times or so on the road to profitability" (Gecevska, Jovanovski, Polenakovik, Stankovska, & Sutevski, 2015). Rask (2014) asserts that when a firm decides to internationalize, the focus is on business model innovation since successful business models in the domestic market often require adjustment to fit an economic, political, legal, or cultural environment of overseas markets. The most successful business strategy is an adaptive approach combining standardization of certain core elements with the localization of others. Adaptation reflects the need to respond to local conditions in terms of customer segments, relationships and/or channels to enable the highest possible revenue. (Rask, 2014).

Table 1:

Basic Business Model Elements

Customer Value Proposition	Company/product value created for customers	
Profit Formula (PF)	Defines how the company creates value for itself while providing value to the customer	Profit = TR-TC
Revenue Model:		= price x volume
Cost Structure:	Direct costs, indirect costs, economies of scale. Cost structure predominantly driven by cost of key resources required by business model	
Margin Model:	Given the expected volume and cost structure, the contribution needed from each transaction to achieve desired profits	
Resource Velocity:	Time required to turn over inventory, fixed assets, and other assets and methods to utilize resources, by supporting expected volume achieving the anticipated profits	
Key Resources (KR)	Assets such as people, technology, products, facilities, equipment, channels, and brand required to deliver value proposition to targeted customer and how elements interact	
Key Processes (KP)	Operational and managerial processes that delivers value repeatable and increases sales (training, development, manufacturing, budgeting, planning, design, product development, sourcing, hiring, IT, sales and service)	
** Customer value proposition and the profit formula define value for the customer and the company, respectively; key resources and key processes describe how that value will be delivered to both the customer and the company. Major changes to any of these four elements affect the others and the whole. **		

SMEs are more flexible and responsive to the ever-changing international environment since their smaller size frees them from rigid organizational structure and the bureaucratic process of corporate decision-making (Cui, Walsh, & Zou, 2015). A firm's global financial and strategic performance depends on the fit between its global marketing strategy and the market selection decisions. "Transaction cost economics

argues that to minimize uncertainty, enhance flexibility, and reduce costs, firms should target host countries that are geographically, socially, culturally, and/or economically similar to their home country; however, research remains inconsistent due to inconclusive, if not contradictory, findings" (Cui et al., 2015, pg. 67). Cui et al. (2015) highlight two strategies SMEs can consider when addressing cultural distance, exploitation and exploration. Exploitation consists of learning gained through a local search, experiential refinement, and the selection and reuse of existing routines. Exploitive innovation requires the improvement of existing technology, refinement of product features, enhancement of efficiency, and the extension of the life cycle of product features. Exploration, on the other hand, is learning gained through processes of concerted variation, planned experimentation, and play. Exploratory innovation requires a shift in current technology and procedure, new product development, and extensive investment in research and development (Cui et al., 2015, pg. 71-72). While the strategies are separate constructs, they can be implemented simultaneously and both require limited resources and investment.

The 'Millennials' generation reached adulthood around 2000 and will not only replace but outnumber the baby boomers. Robin Lewis and Michael Dart (2014) explain in their book *The New Rules of Retail,* that millennials are the "new generation of global uber-consumers" (pg. 178).   Material purchases are no longer sufficient. Consumers are seeking an experience that is co-created by the provider and consumer, which in turn makes the perceived value much higher than the actual price. For example, when a ten-year old girl makes a trip to the American Girl store to buy new clothes and accessories for their dolls, part of the thrill is getting their doll's hair done in

the salon or having tea in the store's café. People no longer want to rummage through piles of jeans on a shelf when they can have a pair completely customized with a perfect fit. Lewis et al. (2014) claim that the emotional investment elevates the brands value. Consumers still want what is in fashion but with individual meaning and customization. They are moving away from the mass-marketed megabrands in the pursuit of exclusivity and individuality through exclusive niche lifestyle brands. Heavily marketed single product megabrands are finding it extremely difficult to expand into other products or consumer markets (Lewis et al., 2015). In addition, they are applying their lifestyle values in all parts of their lives. For example, social networking, community involvement, cause-based retailing and the pursuit of sustainability are present in everything the growing and powerful group does.

According to Radhika Subrammanian (2015) building a brand is about understanding its' essence, differentiation, and promise, and then communicating that truthfully and consistently in a way that people can feel at a visceral level. Subrammanian (2015) discusses nine foundational principles to transcend social, economic, and cultural barriers to transform on a local, regional, and global scale. A few of those principles include, build a strong brand culture by maintaining a consistent viewpoint with consumers regardless of location, make note of the smallest details in cultural sensitivity so "think global, act local" ("glocal"), hire someone who can speak, read, and write in the native language, adapt global trends to suit the needs of a specific market but ensure a unifying brand experience worldwide, and use social media not only to understand your audience, but also to allow the consumer to have their own voice by creating interaction between the brand and the consumer.

Building a strong brand is essential to market positioning, especially for SMEs. In the United States, a SME employs less than 500 people; whereas, in the UAE, a SME must have 250 employees or less. Gundala et al. (2014) explains that a successful SME in Dubai requires the owner's attitude and vision be clear and direct. Many owner-managers have limited knowledge on brand management and the importance of branding. Only 32% of SMEs in Dubai incorporate brand management into their marketing activities, while most depend largely on word-of-mouth (Gundala et al., 2014, pg. 34). Owners typically make decisions by responding to current opportunities and circumstances without planning; therefore, decision-making occurs in a chaotic way. "(In Dubai) SME marketing is informal, loose, unstructured, spontaneous, reactive, and built on conforming to industry norms" (Gundala et al., 2014, pg. 27). The start-up stage is when small businesses are most susceptible to failure. In fact, Gundala et al. (2014) reports that over two thirds of SMEs in Dubai close a short while after opening.

According to Gundala et al. (2014) businesses should focus on market development in order to increase their survival rate. SMEs can cope with the unpredictable environment by continuously seeking market prospects and increasing their customer base. Successful marketers in the region have found good locations, established loyal customers, created awareness, listened to customer feedback, monitored their own performance, and employed aggressive marketing strategies. In addition, buying new stronger brands, co-branding (associating SME brand with a stronger brand) and adjusting existing brands (to diversify product lines) have proven success (Gundala et al., 2014, pg. 30). Due to limited resources, such as finances, time

and market knowledge, and a lack of specialist expertise, SME owner-managers hesitate to spend large amounts of time, money, and energy on marketing, developing a strategic marketing approach, marketing practices, or branding (Gundala et al., 2014).

"Market positioning calls for the deliberate, proactive and iterative deployment of market-oriented strategies that alter consumers' perceptions about a retailer's offering(s). Positioning strategies secure preference for a firm's offering over competitors'" (Blankson, Cowan, Crawford, Kalafatis, Singh, & Coffie, 2013, pg. 499) This includes the efforts to modify the tangible characteristics and intangible perceptions associated with a marketable offering in relation to the competition. Often times, this requires long-term marketing activities and significant investment in customer service, advertising and managerial time; all of which serve as a prerequisite for a retailer's success. According to Blankson et al. (2013) successful positioning includes,

> *"Defining the dimensions of a particular space that adequately represents the target audience's perceptions; placing competing offerings within that space and identifying their relative location; taking into account strategic considerations that modify actual characteristics of the offering and/or perceptions of the target audience via marketing communications; and monitoring audience perception and acceptance of positioning intentions and marketing practices" (pg. 502).*

Uggla (2015) explains that positioning appears on a tactical level within the marketing mix (aside from product, price, place, and promotion); as well a strategic concept (beyond the marketing mix in relation to segmenting and targeting). Positioning is a constant reiteration between the strategic level of the physical product and the tactical level in the mind of the consumer. Within strategic brand management, positioning is

viewed as either an outside-in or an inside-out process, from the market to the firm or from the firm to the market (Uggla, 2015, pg. 36).

Competitive positioning, according to Blankson et al. (2013) is the result of a combination of the selected target market and the differential advantage a firm is pursuing in the marketplace. There have been several strategies formulated to guide competitive positioning. A few of those being:

- *Cost leadership positioning*: Provide similar offerings as competitors but at a lower cost; comparable value at a decreased cost

- *Attractive positioning strategy*: Highlights attractiveness and elegance of offerings, as well as ability of product, to increase value to consumer

- *Differentiation positioning strategy* (e.g. 'brand name'): Firm set apart based on product positioning; focuses on consumers or competitors

B2C, business-to-consumer, firms typically use differentiation based and cost leadership positioning strategies. A business must decide on which strategies (often more than one) to implement that will lay the foundation of value and uniqueness at the offering as well as marketplace levels; this lies at the heart of Blankson's positioning (Blankson et al., 2013).

Ghassan (2014) disagrees with Blankson et al.'s (2013) competitive positioning strategies, calling them generic with many key gaps that may damage competitiveness. Ghassan (2014) explains that, "Products must satisfy the market with quality, reliability, style, innovation, comfort, service, and price" (pg. 982). A common planning model for developing a positioning strategy has four steps: specifying goals, strategy generation, strategy evaluation, and results monitoring. Rather than implementing a complex and

long-term global strategy, try an incremental perspective that grows with the development of the company (Ghassan, 2014, pg. 979).

Organizational departments with mixed strategies that adopt and capitalize on the abilities of marketing, design, production, distribution and acquisition are usually the most successful (Ghassan, 2014). Competitors often copy successful strategies through "cloning" or "riding". "Cloning" entails the competitor positioning themselves with exactly the same strategy; whereas, "riding" refers to competitors that attempt to match the benefits of the successful strategy but maintain its existing position through the addition of new features, services, or technologies to current activities. Companies fail due to three common mistakes: confused positioning (buyers are unsure of what the organization stands for), over-positioning (consumers perceive products as being overpriced since they fail to see full extent and value of the product), and under-positioning (the message is too vague and consumers do not know what the organization stands for or how it differs from the competition) (Ghassan, 2014, pg. 987).

Sirianni, Bitner, Brown, and Mandel (2013) refer to the intangible perceptions of market positioning as brand personality. Essentially, a brand's personality helps to position the brand in the consumer's mind by associating human characteristics with the brand to convey a symbolic identity or positive personality image (Sirianni et al., 2013, pg. 109). Unlike Blankson's et al. (2013) focus on competition, Sirianni et al. (2013) claim that tangible characteristics of positioning include providing branded service encounters, or service interactions in which employee behavior is strategically aligned with brand positioning at every customer touch point. Person-to-person communication is typically more influential than impersonal media sources. These interactions lead to

positive brand impressions and a better understanding of the brand's overall meaning (pg. 109). Customer-based brand equity is increased when this aligning occurs.

The greater the brand familiarity with the consumer, the less extensive information processing during initial brand encounters (Sirianni et al., 2013). Sirianni et al. (2013) explain,

> *"Customers with higher levels of brand familiarity will likely engage in top-down processing (less focused attention and rely on general knowledge of the category) when they encounter an employee who works for that familiar brand. Whereas, customers with lower levels of brand familiarity will likely engage in bottom-up processing (increased cognitive processing due to focused attention to specific details about the person and their behavior" (pg. 119).*

Therefore, SMEs expanding into the UAE need to ensure exceptional branded service encounters since brand familiarity will be minimal. In order to do this, firms should recruit, select, train, and motivate frontline employees to perform their services reflective of the brand's personality (Sirianni et al., 2013).

Paharia, Avery, and Keinan (2014) introduce a theory they have termed "framing-the-game", which claims that support for small brands increases when faced with a competitive threat from large brands versus brands similar to theirs. This support translates into greater purchase intentions, more actual purchases, and more favorable online reviews (pg. 647). Paharia's et al. (2014) study found that when a low-share brand specifically names a high-share brand in an ad, it increases consumer motivation to "buycott" (buying goods of a company to support it) brands due to the desire to support the underdog (pg. 648).

Langlois' et al. (2012) analysis of advertising in United Arab Emirates contradicts the framing-the-game theory. The authors found that only six percent of advertisements are comparative, meaning they depict two or more brands. Their findings did suggest that advertising messages should incorporate cultural characteristics such as an emphasis on obedience to elders and authority in addition to collectivist traits like group loyalty and customs. In addition, 81% of advertisements featured women in long clothing; meaning, they depict women more modestly than in the West (Langlois et al., 2012, pg. 119). Building rapport with the local community and understanding the target audiences' needs, wants and how to best satisfy them are crucial to succeed in the highly competitive market. Demographics are very difficult to obtain from the government making it tricky to develop a targeted marketing campaign; therefore, a region specific marketing campaign is the most effective way to reach consumers (Langlois et al., 2012, pg. 117).

Langlois et al. (2012) explain that there are predominantly four models of customization that best suit the region-specific marketing approaches. The first model is non-customization. This model requires that a multinational brand maintains the same branding approaches implanted everywhere else. This works best for an elite global brand due to brand familiarity and status, while being the simplest and most cost effective. The primary disadvantage is the brand can seem foreign and lessen the market penetration to locals. The second model does not customize the product, strictly the delivery. "Consumer demands, quality, and prices differ in the UAE due to diverse populations so retailers employ a variety of nationalities that facilitates a customized service with cultural sensitivity" (Langlois et al., 2012, pg. 118). The third and most

effective model is to take a bilingual approach and adapt the message through product packaging in both English and Arabic. This ensures the entire audience is reached and discloses important information to the audience. The last model is most frequently used by the apparel industry, adapting the portfolio. Those in the fashion industry often review the product line and increase stock of the items/garments that are most applicable to the audience. There is a constant supply and demand for new products made from lightweight fabrics with long and short options due to the extreme heat in the UAE.

The article, *Apparel Retail Industry Profile: United Arab Emirates* (2015)*,* explains that creating strong brand consciousness and running intensive marketing campaigns will help a retailer to maintain market share in the UAE. There is a high likelihood of new entrants in this competitive market due to low barriers to entry and low requirements for capital; therefore, brand consciousness is significant, but brand loyalty does not always dictate decision making. Consumer choice is being influenced by factors like fashion trends and a desire to signal social success; meaning, retailers need to offer buyers what they demand but differentiate themselves through styles of clothing and the price range. SME manufacturers and wholesalers are the key suppliers in the region, providing retailers the possibility to source styles from both, or utilize as a source for a designer to produce their fashion line (*Apparel,* 2015, pg. 14). Niche alternatives to ready-made clothing are homemade and couture clothes. New entrants need to be aware of the small number of large corporations that account for a significant share of total market revenues in the UAE, such as The Landmark Group and Chalhoub Group (*Apparel,* 2015).

The retail industry in the Emirates has been steadily growing and is forecasted to continue doing so. Dubai won the bid to host the World Expo in 2020 which lasts six months and will draw millions of visitors. In addition, a new mall announcement was released stating Dubai is building the Mall of the World, the world's "new" largest all; making Dubai home to the first and second largest malls worldwide. With great expansion comes great change. Basit (2015) notes, "Retailers have been forced to make major changes due to changes in consumer's buying habits and behavior as well as the competition between retailers to adopt innovative strategies while targeting customers" (pg. 1). The growth of the younger more educated population with increased purchasing power, along with the entry of major international retailers and strong GDP growth, are forcing regional retailers to think differently. One of the newest strategies to the region is omni-channel retailing that involves in-store, online, and mobile shopping activities providing an anytime, anywhere, seamless shopping experience (Basit, 2015). Mobile shopping has increased, especially due to the smartphone industry growth in emerging markets like UAE, at 32% in 2014 (Basit, 2015, pg. 2).

While smartphone sales have been increasing, there has been a push towards online selling. The UAE makes up the biggest share of the regions e-commerce market, even though selling online in the UAE has the lowest percentage of on-line purchases world-wide (Muhannad and Ahmed, 2014, pg. 95). Muhannad et al. (2014) have found that the primary concern for individuals is safety during the online payment process. However, the UAE e-commerce industry currently has the largest number of online retailers in the region with clothing being the most popular product purchased.

The UAE is expected to reach $10 billion in sales by 2018, making it a growing megatrend for businesses across the country (Muhannad et al., 2014, pg. 96). E-commerce provides the consumer with options, saves time and money, and provides more rapid internationalization for SMEs. Consumers are still evolving faster than the brands. The access to real-time information is making them more demanding and tech-savvy. It is pertinent for SMEs to deploy innovative strategies to remain competitive in the digital marketplace. To help ease the consumer's online safety concerns and retailer's liability, UAE based Emirates NBD Bank has entered into partnership with Visa to use the system of Verified by Visa to add additional protection for online consumers. Specific laws to govern e-commerce transactions are also underway.

Internationalization can be generally defined as the tendency for corporations to operate across national boundaries. A vast amount of research has been conducted to formulate different theories, models, approaches, or strategies for internationalization of SMEs. The type of business, the owners/managers, the host-country, and the business plan all significantly affect the approach needed for successful internationalization.

Chetty & Galkina, (2015) describe internationalization as, "The process of embedding into a corresponding network structure of a foreign market and acquiring an insider position. The greater the psychic distance of a new market, the more difficult it is to create new relationships because of the liability of outsidership" (pg. 651). Based on this logic, the effectuation theory formulates entering the foreign market with a given set of resources (means) and collaborating with willing network partners to increase resources and then co-create goals. Instead of conducting extensive and expensive research of preselected markets, effectual entrepreneurs work jointly with all interested

stakeholders (distributors, customers, etc.). Together they co-create the structure of a

new venture and define what markets to enter what new market to create.

Entrepreneurs network with any interested actors to increase their means for

opportunity discovery. Chetty et al. (2015) explain the effectuation theory with five basic

principles:

1. Means-driven instead of goal-driven action

2. Leveraging contingencies instead of exploiting pre-existing knowledge

3. Affordable loss instead of counting expected returns

4. Partnership instead of competitive analysis

5. Controlling the uncertain future instead of predicting it

One key problem with this theory is, effectuators act under conditions of information

deficit and cannot determine trustworthiness of interested stakeholders; therefore, the

network is flexible to change but cannot be fully coordinated because entrepreneurs do

not know the true motives of other actors (Chetty et al., 2015, pg. 653)

The network approach to the internationalization of SMEs is recognized as one of

the most established theoretical foundations of the international entrepreneurship (IE)

field. Networks help to obtain financial resources, new capabilities, and knowledge

about foreign market and institutional structures. The network view looks at the

character and number of business relations, and indicates the importance of their

coordination, development, and the building of cooperative relations with network actors

(Chetty et al., 2015).

Ghandour (2015) explains that ineffective e-commerce activities are the result of

the struggle to measure a website's success. Organizations often solely engage in

measuring user behavior with web analytics tools rather than managing the website to measure its performance. Performance gauges the extent to which the site's desired purpose (financial or operational) has been fulfilled. Financial performance is established with accounting techniques, such as ROI or cost-benefit analysis, to evaluate information to determine if the accrued benefits are reflective of the website meeting its objectives. Financial performance lies at the core of organizational effectiveness domain. Operational performance encompasses a broader conceptualization which incorporates the factors leading to financial performance. Operational relates largely to site traffic. Excellent traffic leads to increased sales and cost saving. Traffic is measured by clickstream data on visitor activities using web analytics tools and technology to expose areas needing adjustment to improve the bottom line. Web presence should not only support business goals, but it must create and communicate the value to the customer or the business will fail. Table 2 illustrates Ghandour's six Cs to deliver value; while Table 3 illustrates the key value drivers, according to Ghandour.

Table 2:

6Cs to Deliver Value:

Commerce	Ease of placing order and paying online
Communication	Language, grammar, etc.
Connectivity	Ability to reach any internet connected user
Community	Through social media, blog, consumer created content
Content	Detailed product/service information
Computing	Ex: Order tracking

Table 3:

Key Value Drivers include:

Efficiency	Reduce information asymmetries between buyers and owners
Complementarities	Bundle w/ products from other suppliers
Lock-in	Prompt users to engage in repeat transactions
Novelty	Introduction of novel processes

For an SME to reap the major benefits of e-commerce, several factors must be taken into consideration. The first factor is goal setting. Goal setting outlines and transforms strategic goals into objectives, establishes measures for evaluating business performance, and careful strategic planning to analyze internal resources, external forces, and core competencies. Next, website efficiency is reflected through "what" is being offered and "how" it meets owner/user expectations, current information presented is based on a customer's prior visit, improved business immediacy and responsiveness, excellent e-commerce customer service, efficient navigation, and enhanced consumer knowledge. The next factor is marketing. Marketing should make the site visible, usable, and maintained because it is a waste of valuable resources if their website is unknown. Visibility is often easily ignored by the inexperienced owner/manager. Offline advertising, social media, search engine optimization (SEO) and search engine marketing (SEM) are a few methods to increasing site traffic (visibility). Finally, the internet security factor is directly associated with purchasing behavior, site satisfaction, and a feeling of trust.

Child & Hsieh (2014) explain that strategic decisions, such as internationalization, made by a SME are highly affected by the characteristics and interpretations of the individual decision-makers within that SME. Such decisions may tend to be based on a

personal hunch or a response to unplanned developments due to individualized leadership with informational constraints. The scarcity of information and other resources may cause internationalization decisions to reflect resource availability rather than a 'rational' pursuit of clear goals. To help reduce information asymmetry, SMEs often make use of networks. Relevant networks can provide 'insidership' needed for successful internationalization, but there are several dimensions that differentiate SMEs decision-making on internationalization (Child et al., 2014); such as,

- Whether or not the internationalization behavior is preplanned, an improvisation, or an unplanned response to chance opportunities.

- Is rational calculation performed in advance of making a commitment, is the SME imitating decisions of other SMEs or simply acting on intuition?

- Are decisions following previously taken lines of internationalization or those familiar to the firm through the actions of other similar firms?

There are many existing models of strategic decision-making in firms and public authorities that offer a range of possibilities to subsume the mentioned dimensions. Child et al. (2015) highlight four that represent a continuum between non-rational and rational decision-making approaches:

- **Reactivity**: more conservative, lack consistent strategy, respond to immediate situational demands or environmental changes to make decisions, found in first step of international expansion in family-owned firms with competitive traditional products, internationalization is the result of contextual business relations rather than rational analysis or deliberate planning

- **Incrementalism**: make successive limited comparisons of action possibilities, path dependent, limited changes or increments from existing conditions made, guided by vague goals, objectives and goals typically defined in retrospect (after actions been taken in pursuing them)

- **Bounded rationality**: goal directed and guided by assessments, decision-makers limited in ability to secure and process relevant information, they intend to be rational but cognitive limits, uncertainties, limitations of time, and cost of securing further information can prevent, evaluate alternatives and choose option closest to meeting aspiration level

- **Real Options Reasoning (ROR)**: rational decision-making, calculative approach to internationalization, reduces risk, fully learn about new markets prior to full commitment to entry and minimize SME's exposure to downside risk, make initial small investments to gain strategic flexibility (pg. 600-602).

With so many strategies, appropriately selection and implementation is pertinent.

In order to assist in the decision making process, as well as to better understand the local market and consumer preferences, the following research questions were explored:

RQ 1: What are the perceptions of the millennials in the UAE on international brands, marketing strategies and buyer behavior?

RQ 2: How do media exposure patterns influence buyer behavior for UAE residents?

RQ 3: Is there a need for a strictly apparel brand to partner up with local designers/brands to be successful in the local market?

RQ 4: Should the international brand also sell local accessories and/or local merchandise to be more attractive to the local consumers?

RQ 5: What traditional and new media, as well as other consumer tactics, are used for reaching the target consumers?

RQ 6: How can an American apparel SME position itself for acceptance and success in a Middle Eastern market like Dubai without rebranding the company entirely?

RQ 7: Come up with a strategic Blueprint for setting up a business in Dubai for two SMEs from the data collected.

SECTION 3

METHOD

To collect data for the research on perceptions of marketing, advertising and buyer behavior, a survey was conducted to gain input from the prime target market of most apparel brands and the new wave of spenders in the UAE. I created a survey to be emailed to 1,400 college students at Al Hosn University in Abu Dhabi, UAE. Abu Dhabi is only about a 60-minute drive from Dubai. The majority of the students have relatively high disposable incomes and diverse ethnicities.

As the literature review was being completed the marketing environment in the country was also being studied. Notes were made containing the important details and insights that are pertinent to the region, market, and customers. The questions included basic demographic information, online shopping behaviors, brand selections and preferences, shopping frequency, factors considered when making purchases (price, location, brand name, quality, etc.), in-store shopping behaviors, mall preferences, advertising preferences, etc. This information will help form the best positioning strategy based on consumer preference in the region.

The survey was created on Google Docs and emailed from the Provost's Office at Al Hosn University. The survey was sent a total of three times over a three-week period; once per week, starting on February 15, 2016. Participants were provided with an opt-out option if they did not want to continue receiving emails requesting participation.

The survey was also sent to all international students at Southern Illinois University, with the help of Elaine Conrad in the Center for International Education. Mrs. Conrad sent an email once to the students containing the cover letter and link to the Google Drive survey, asking them for their help and participation. Any respondents that had not been to the UAE at least once were discarded.

SECTION 4

DATA ANALYSIS

The general demographic breakdown of those surveyed shows 74.6% of respondents are male and 59.6% are between the ages of 18 and 21. An additional 29.8% are between the ages of 22 and 26. The majority of respondents, 60.5%, are Middle Eastern and 13.2% are UAE citizens (Figure 1.1). All participants are currently college students and most have monthly disposable incomes ranging from less than 1,000 AED (34.2%) or between 1,000 AED and 5,000 AED (55.3%). This equates to a range of less than $272 up to approximately $1,362. 25.4% of survey respondents are currently living in the Emirates (but not necessarily citizens), while the rest do not, but have been there at least once. Of the 85 respondents who are not living in the UAE, all except for fifteen are from Muslim nations. Figure 1.2 illustrates the top four locations selected when asked where the informants shop the most.

To answer RQ1, respondents were asked eight questions on the survey. 75.4% of millennials surveyed shop in Abu Dhabi, while 20.2% shop in Dubai; 65.8% reported they mostly go to the malls to shop, with 28.1% claiming to 'sometimes' shop at surrounding malls. While shopping in-store, 58.8% of millennials prefer stores with a wide product assortment, even if space is limited, but the remaining 41.2% prefer an open layout with less selection but more organization.
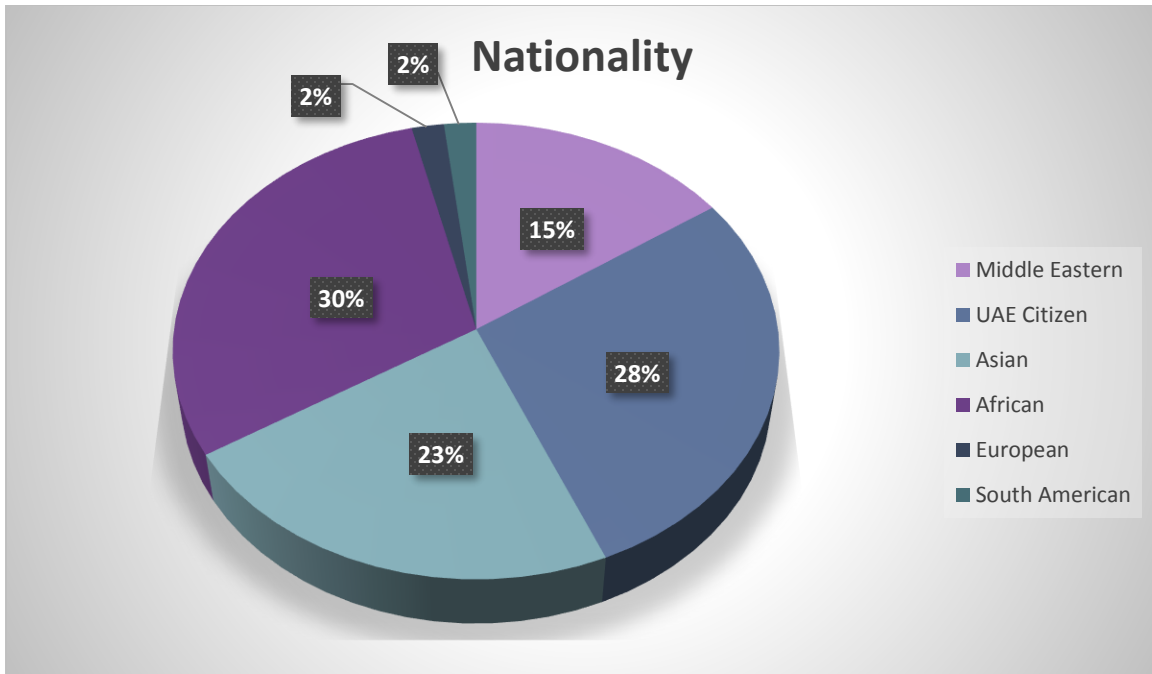
Figure 1.1 Nationality
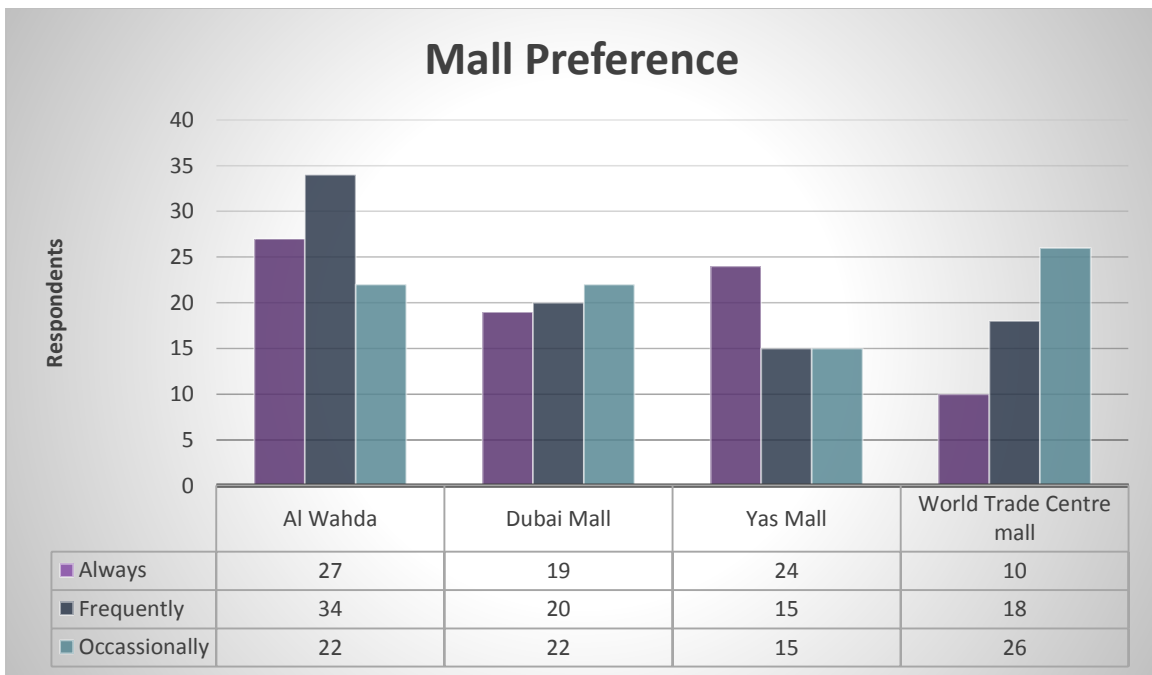
Figure 1.2 Mall Preference
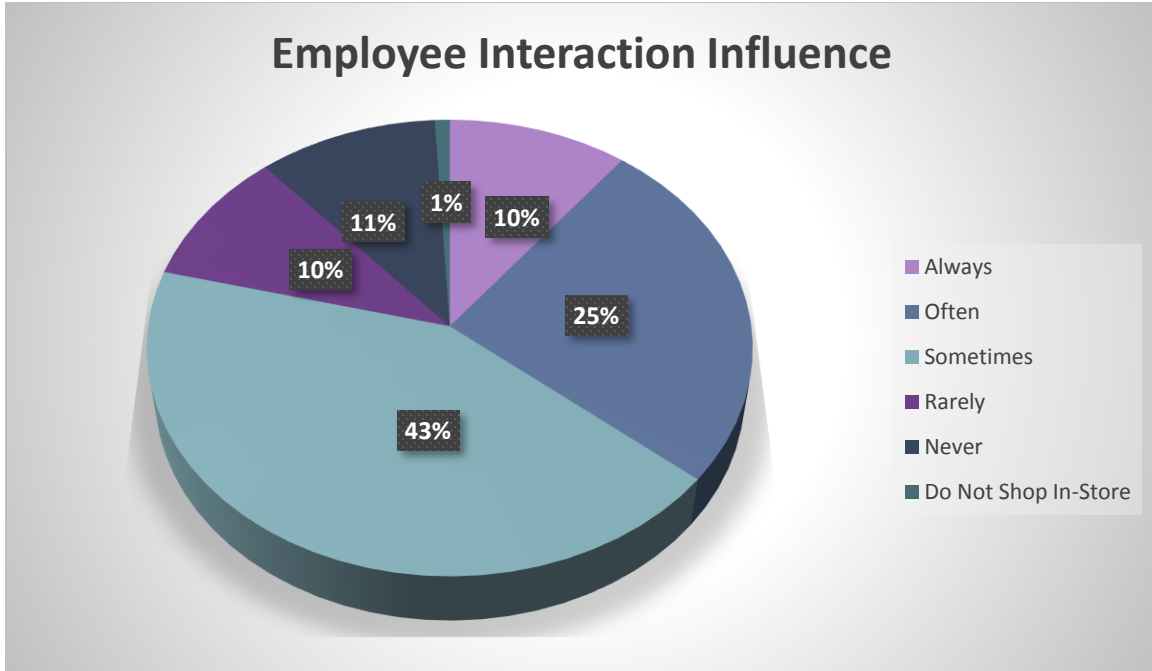
Figure 1.3 Employee Interaction Influence
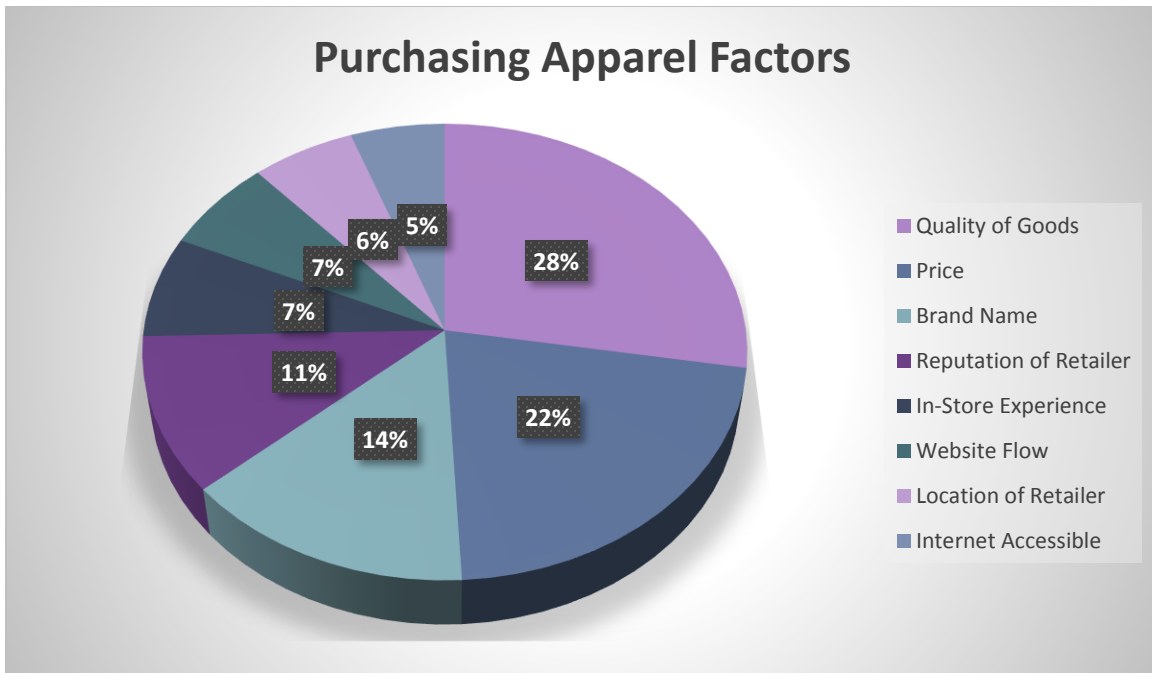
Figure 1.4 Purchasing Apparel Factors

Brand Associated Purchase Factors

	Social Responsibility	Environmental Awareness	Fair Trade	Sustainability	Ethics in Advertisements	Community Involvement
Absolutely	12	5	17	24	15	14
Usually	21	29	25	21	29	24
Somewhat	18	23	21	19	19	26
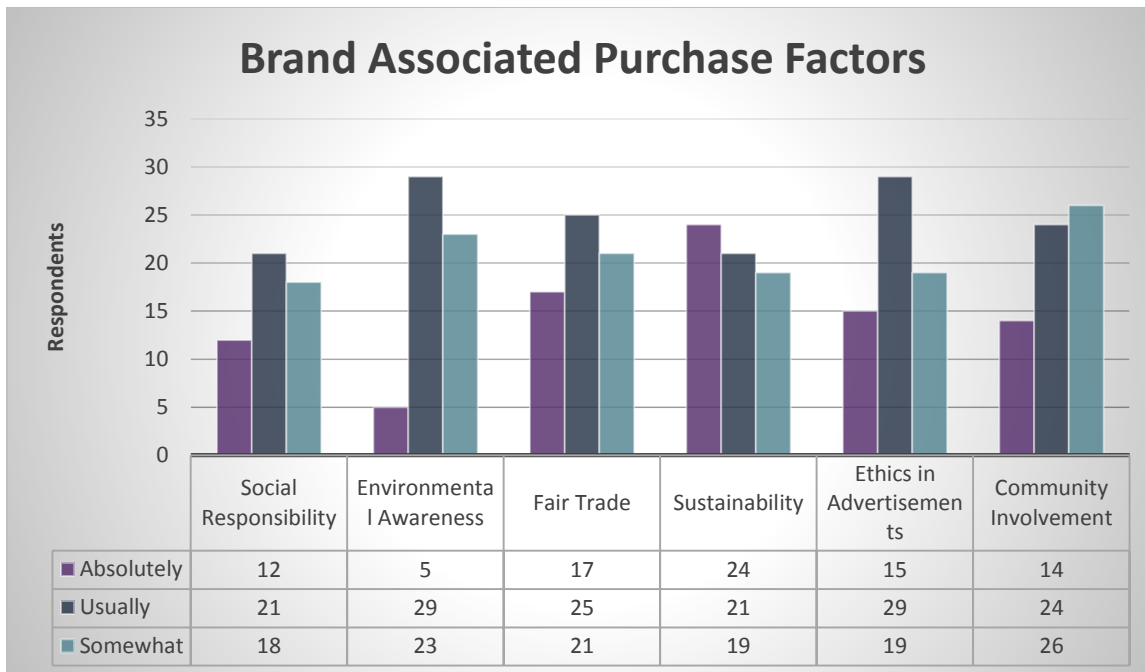
Figure 1.5 Brand Associated Purchase Factors

Language Branding Preference

0%
34%
62%
4%

English
Arabic
Both
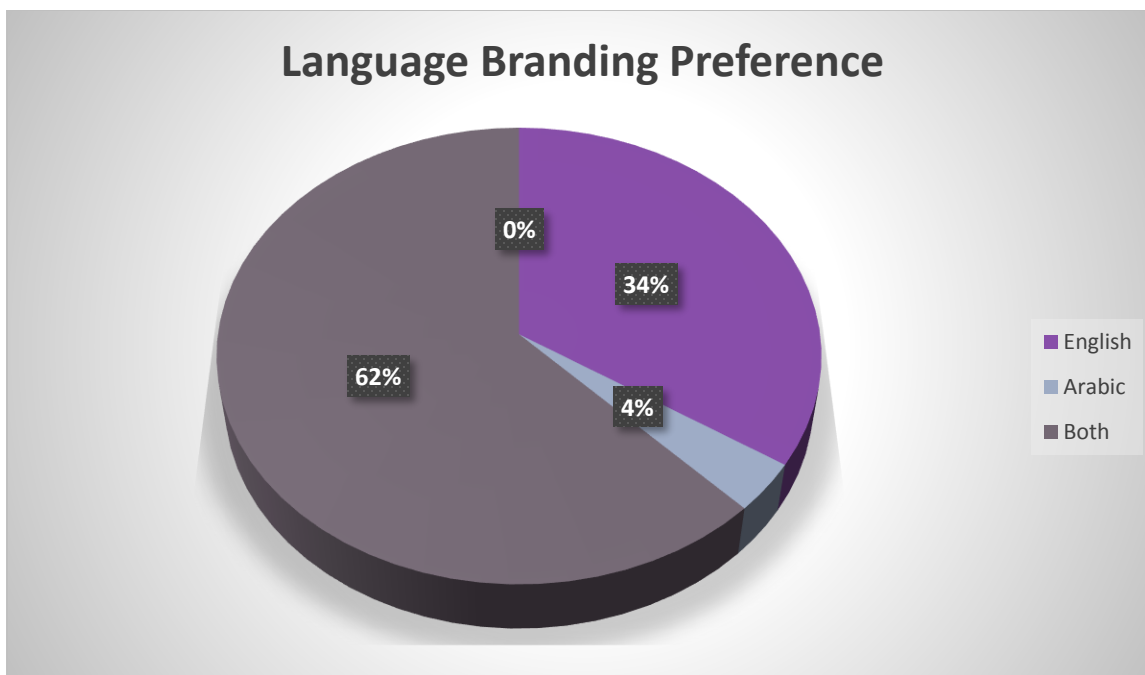
Figure 1.6 Language Branding Preference

In addition, 78.9% of respondents have had their feelings/perceptions of a brand impacted by employee interaction when shopping in-store (see figure 1.3). When asked about the reasons behind resistance to shopping for apparel online, 65.7% explained they prefer to see, feel, and try garments on before making a purchase, while an additional 22.9% resist due to uncertainty of quality; only 2.9% were untrustworthy of internet security. 51.8% of millennials surveyed are impartial to shopping at unfamiliar brands and 27.2% are comfortable with it. Quality of goods (the number one factor), price, and brand name were rated the top factors when respondents are making an apparel purchase (see figure 1.4). In addition, fair trade, sustainability, and ethical advertising are the millennials' most important brand associated factors when making a purchase (see figure 1.5). Finally, 62% of millennials surveyed prefer branding in both English and Arabic.

SECTION 4

STRATEGY FOR PROMOTING TWO SMES IN DUBAI

For a clearer understanding of Christian Siriano's and Public School's strengths, weaknesses, opportunities and threats, see figure 2.1 and figure 2.2.

STRENGTHS
- Well known on the red carpet
- Design aesthetic well suited for market
- Already designs shoes and bags

WEAKNESSES
- Predominantly gown designer
- Will need lighter fabric options for winter lines due to heat
- Only one store in NY City, rest sold in third party retailers
- RTW line success

Siriano SWOT

OPPORTUNITIES
- D3 District
- Expand on hijab options
- Strengthen RTW line
- A lot of royalty to dress and black tie events
- World Expo 2020

THREATS
- Most high end mega brands (couturiers) already there
- Has makeup line but made for Victoria's Secret, may not be able to sell independently

Figure 2.1 Siriano SWOT

PUBLIC SCHOOL SWOT

STRENGTHS

- DKNY already there
- Design aesthetic perfectly suited for culture
- Strategically priced between high and low
- Designs shoes, bags, hats

OPPORTUNITIES

- Lack of cool new menswear
- World Expo 2020
- Modesty of womenswear line could be well accepted among locals

WEAKNESSES

- Womenswear line brand new
- First line with DKNY just released
- Only one store in NY City, rest sold in third party retailers

THREATS

- Designs may be too new for mass acceptance
- Aesthetic may be too "street chic" for business attire or black tie events

Figure 2.2 Public School SWOT

See figure 2.3 and figure 2.4 for each brands' marketing mix.

PRODUCT
- Ready-to-wear
- Custome designs
- Gowns
- Coats
- Handbags, shoes, hats
- Makeup
- Sketch of the day

PRICE
- Premium Pricing; price set high to reflect exclusiveness of product
- Strategy: tells customers buying high quality product

POSITION
- Luxury designer best known on red carpet
- Lux fabrics, youthful yet chic, trendy, elegant
- Main competitors in Dubai are universal designer brands and local high end designers

PLACE
- 252 Elizabeth St., NY, NY
- 8 websites
- Neiman Marcus and 17 U.S. third party retailers
- 15 states in USA, 14 countries (6 in Middle East)
- Sold at By Symphony, Harvey Nichols, Al Boushiya in UAE
- All international sales through web or third party retailers

PROMOTION
- Social media
- Posts pic of "works in progress" or looks from latest lines, #ChristianSiriano, sketch of the day
- Ad vibe varies by collection
- Sense of luxury, taste, style, and elegance stays consistent
- No paid print or TV, but magz. use
- Free publicity: constantly on red carpet
- Mentioned onscreen and in print
- Highlights rich textiles and colors

Figure 2.3 Siriano 4P's & Position

Product

- Menswear
- Sneakers, hats, backpacks/bags
- Recent collaborations: Jordan's, fitbit, DKNY
- Mostly neutrals, looser silhouettes, high end street wear

Price

- Premium pricing; one of the most expensive brands in streetwear category (ex: $495 for sweatpants or $595 for sneakers)
- Strategy: tells customers they are buying high quality products

Place

- Do not have a brick and mortar location
- Online sold on 15 websites
- Nordstrom, Harrods, Barneys, Saks Neiman Marcus Bloomingdales, plus 33 other US third party retailers
- 18 states
- 15 countries
- Sold in Bloomingdales in UAE

Promotion

- Free Media:
  - Won International Woolmark Prize 2015
  - Knitwear sales sky rocketed
- Stylistically refined New York City streets
- Muted color palette
- Ads tell a story: old school office space and cubicles, city streets, run down cars, models trying to complete complex math equations

Figure 2.4 Public School 4P's

Each marketing mix helps to develop market positioning, as well as each brands' primary competitors in Dubai; see figure 2.5 and figure 2.6.

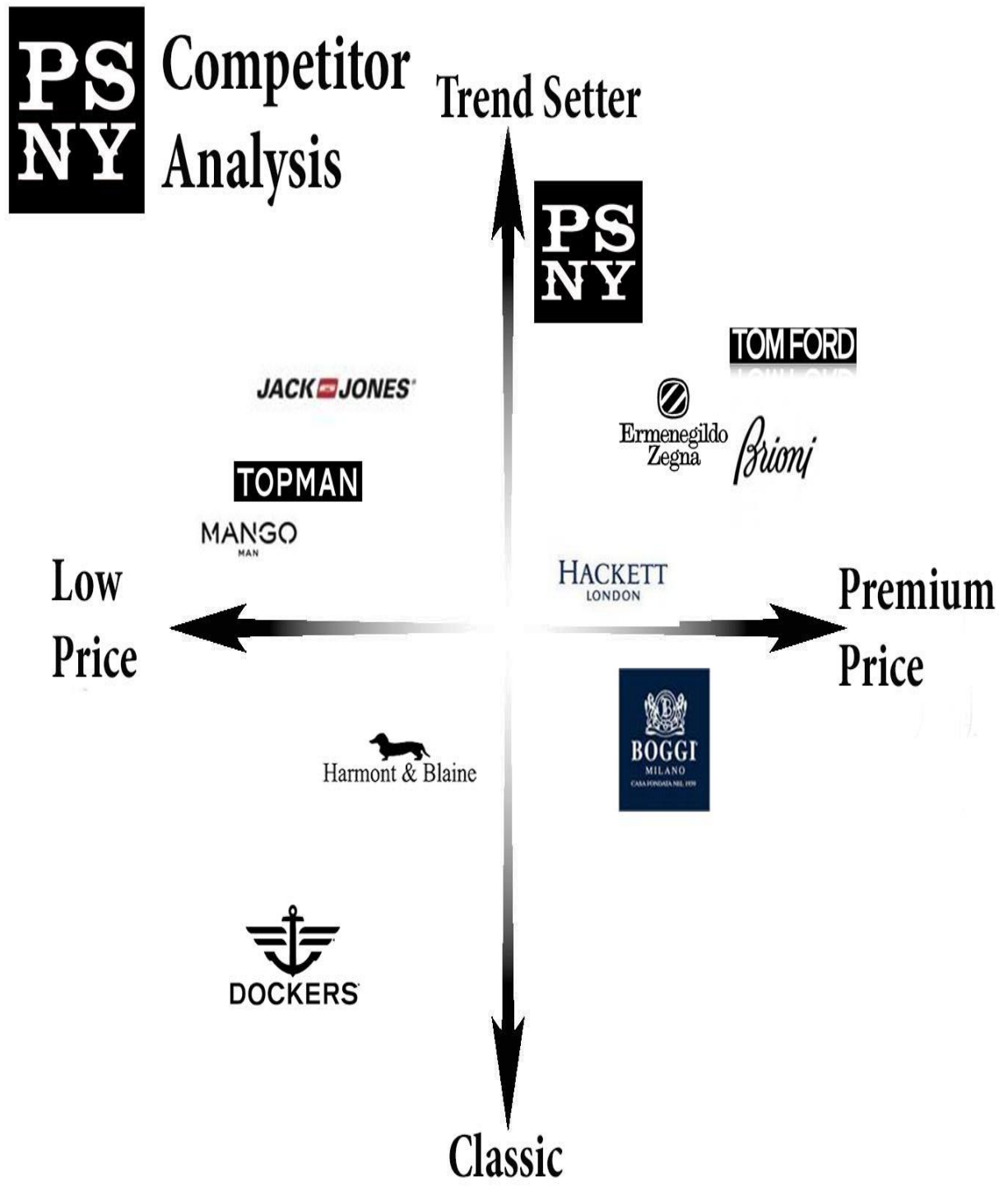*Figure 2.5* Siriano Competitor Analysis

Figure 2.6 Public School Competitor Analysis

Marketing Strategy – Location and Communication

The first step in developing a strategy for the SMEs to enter Dubai's fashion scene is selecting the right location. Both SMEs previously mentioned, Public School and Christian Siriano, already have a presence in the UAE's malls through third party retailers; therefore, the ideal location is the government's latest innovation, the Dubai Design District, or D3. The technologically smart infrastructure is used to create a vibrant, sustainable and commercially viable 'smart city'. D3 encourages innovation and creativity through integrated service provisions for design focused industries and caters to Western brands seeking a hub for business in the Middle East region. A brand's sustainability was important, to some degree, to 90.5% of survey respondents, so D3 is the ideal space to illustrate the SMEs intent on improving the brand's sustainability. The Dubai Design District is still in phase II of construction (out of 3 phases); therefore, the cost to lease space ranges from $25-$45 per square foot per month. This cost is less than a third of that to lease a space in one of the malls. D3 does have the "free zone" leasing option, in which 100% foreign ownership is granted with a tax free status and full capital repatriation.

The Design District environment fosters collaboration between local designers, Western brands, and mega brands. In addition, D3 hosts cool and innovative events to unite the community with the mix of local, regional, and international designers, artists, musicians, concept retailers, and unique dining experiences, such as the recent Meet D3 event. In 2015, a bus route from the Dubai Mall was instituted to ease transit to and from the district.

Creative Strategy

To accompany the marketing plan, ads were created for Christian Siriano and Public School. The ads were designed to resonate with their target consumer in the Emirates. The first step in ad creation was translating the brand names into Arabic since the majority of respondents prefer branding in English and Arabic. Three ads for each designer were created. In order to remain consistent with current branding, Siriano's ads were developed to ensure each tells a story. Every ad could be made into a separate campaign, or they could all be inclusive in same campaign. Image 1.1 shows fashionable, yet luxurious, women dressed head to toe in Siriano who just arrived to one of Dubai's world renowned events, the Phantom Party. The Dubai Street Phantom Party originated in Tokyo when Wald International Dealer organized the gathering of tuned Rolls-Royce Phantoms. The event was named as such to emote the pristine wealth that flows through the Emirate of Dubai. The women in the ad portray class, wealth, power, and most importantly, fashion. Siriano's ready-to-wear line is being highlighted, all of the women are dressed appropriately, and the women are not portrayed as sex symbols; therefore, local acceptance should be high. Image 1.2 highlights the hijab looks Christian created in his spring 2016 line. Image 1.2 highlights apparel for the more conservative local consumer. The setting for the ad is in a very traditional type of outdoor Arabic restaurant. The last Siriano ad, Image 1.3, was designed to emphasize the designer's exquisite gowns/evening wear and promote his new D3 location.

The prime focus of Public School's ads is menswear. The new D3 location will only carry menswear to help fill the gap in the market for cool, young, stylish and

reasonably priced menswear, so it is important for the advertisements to portray this. All of the ads stick with the urban/street/tailored yet fashion branding of Public School, but the setting is reflective of common life in the Emirates. Dubai is often marketed for its luxury and glamour, so Public School will be highlighting the flip side to the stereotype. A similar color palette was used to remain consistent with current branding. All of the ads highlight Public School's unique selling position; the street chic collection made in New York. Image 1.4 is intended to show how similar the silhouette is to traditional Arab attire, but Public School allows tradition with some style and individuality. Image 1.5 has the Arab model in color only to ensure the eye is drawn to the apparel first while promoting the new store location in the Dubai Design District, and Image 1.6 promotes select womenswear that can be bought at Bloomingdales in The Dubai Mall. Once awareness and acceptance of menswear grows, Public School can run the ad for womenswear and monitor sales. If demand rises, Public School can either start carrying womenswear in the D3 store or possibly open another boutique to carry the womenswear collections. While separate ads were created to represent each brand, the remaining strategy to market them will be very similar, so they will be discussed as one.

Image 1.1 Siriano Ad 1
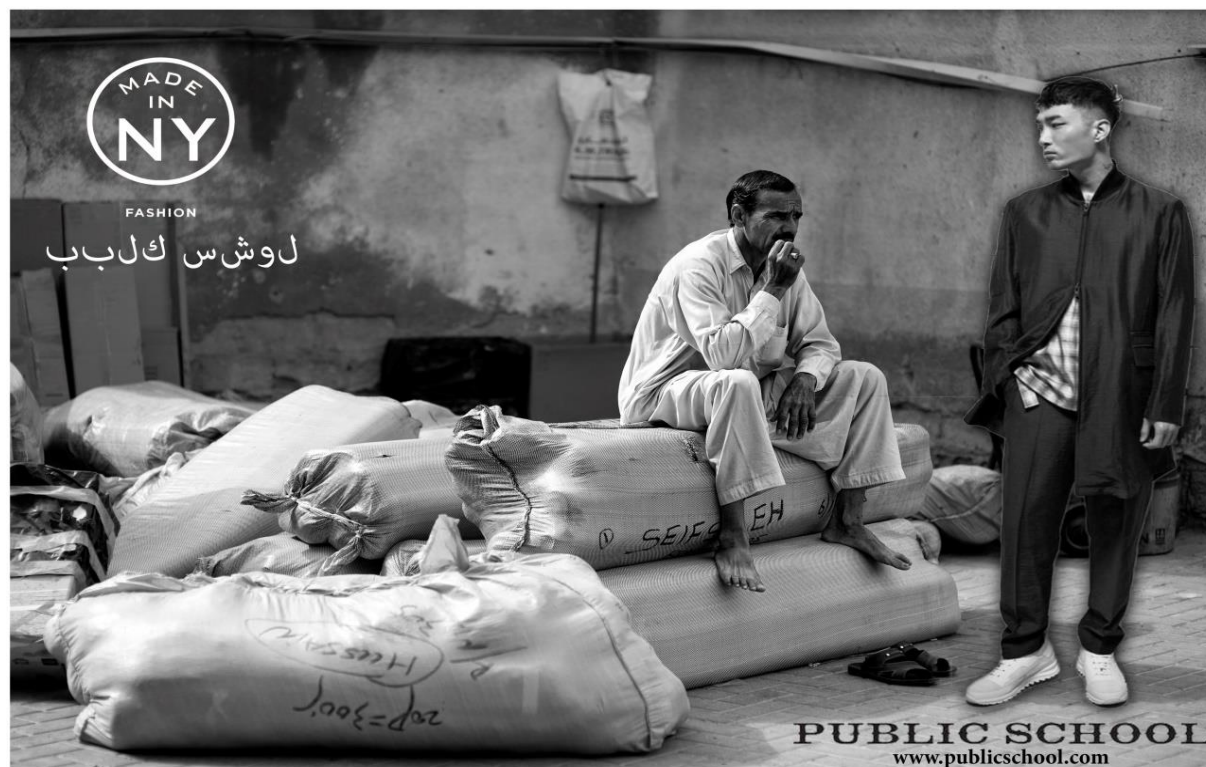

Image 1.2 Siriano Ad 2

Image 1.3 Siriano Ad 3

Image 1.4 Public School Ad
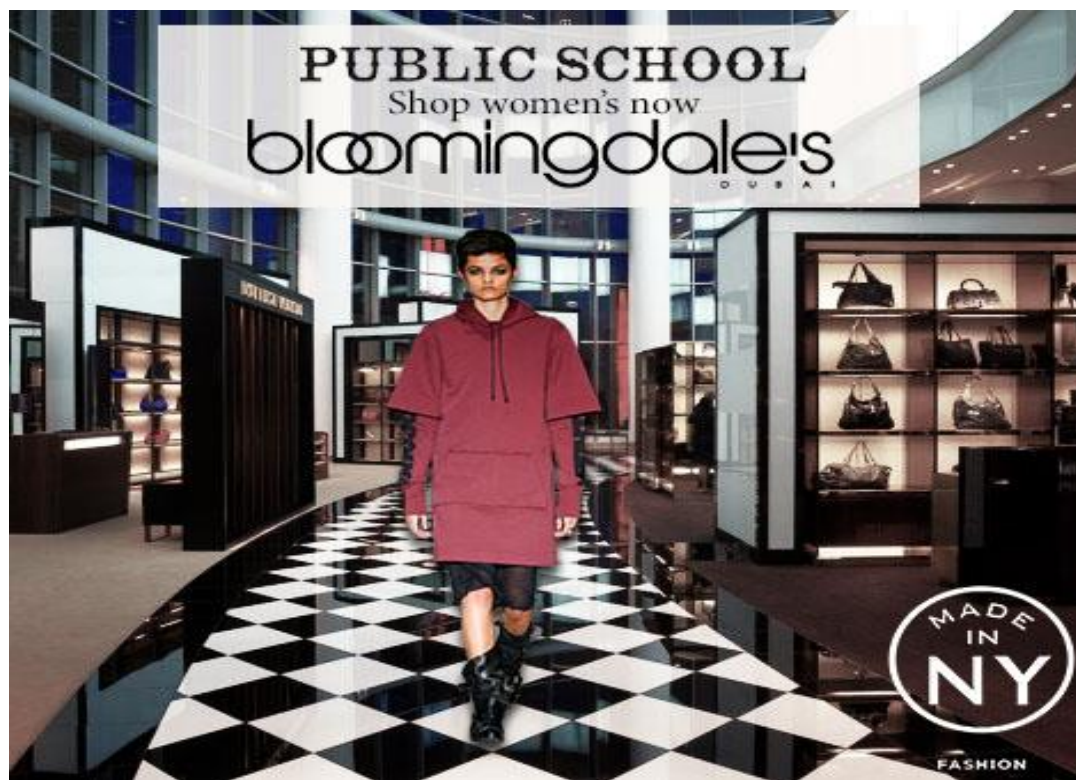
Image 1.5 Public School Ad 2

Image 1.6 Public School Ad 3

Media and Promotional Events

One of the central components of the media plan is being present and a part of local cultural events. The UAE is constantly hosting events to inspire innovation, design, and art, promote sustainability, endorse charities, incorporate the community, host concerts, celebrate new developments, etc. The World Expo in 2020 will be one of the grandest events the country has hosted yet. The sixth month event's theme is *Connecting minds, Creating the Future*, with the sub-themes mobility, sustainability, and opportunity. In 2015, Dubai began hosting fashion week, just as the other fashion capitals of the world (aside from smaller fashion shows/events throughout the year). Participation is ideal. The SMEs need to make their presence known. A brand being present and part of the community mattered to 86% of survey respondents. Whether sponsoring the events, participating in them, or simply attending, let the community get to know the brand and understand the brand wants to get to know them.

Obtaining local and regional celebrity endorsements will also be very important. The celeb spotting's do provide free publicity in regional magazines, blogs, websites, social media, etc. Christian Siriano, particularly, could do very well dressing the different royal families throughout the Emirates. Paying for advertisements in magazines like *La Moda* or *Grazia* could prove highly beneficial. *La Moda* is a fashion and infotainment magazine that caters to the sophisticated tastes of empowered millennials; while *Grazia* is read by the style savvy women of the Gulf region. Both are highly successful fashion focused magazines in the Middle East and cost less than advertising in *Vogue* or *Harper's Bazaar*. The target market penetration rate will be substantially higher using print media such as *La Moda* or *Grazia*.

Digital Media

An important area of focus is digital media. The SMEs need to invest the time and money into translating their website into Arabic. This includes converting the costs into local currency, the AED (Arab Emirates Dirham). Most mega brands have the option to select what language the viewer wishes to see the website in, and the SMEs need to provide this option also. Of those surveyed, 65.8% shop for apparel online, while 57.4% do so monthly or more, and 62.3% prefer brands that market themselves in English and Arabic; therefore, it is important that the majority of the region's population can shop on the SMEs website with comfort, clarity, and ease. When utilizing social media, such as Facebook, Instagram, and Twitter, the SMEs need to create campaigns that connect to their audience, then utilize the help of online influencers and possible ad campaigns on each social site to trend the ads.

Social Media Plan

Since 85.1% of survey respondents use social media to express individual style, brand preferences, fashion opinions, or view merchandise and trends, it's crucial the SMEs harness this opportunity to reach their target market. Social media provides a platform for businesses to run ads and reach desired audiences through filters like location, age, and interests. Twitter claims that 73% of users feel better about SMEs after following and reading tweets, 74% follow SMEs to get updates on future products, and 69% of users are likely to buy from a business they follow. The SMEs can utilize a Tweet Engagements campaign to promote their tweets to a large, targeted group of people. Instagram explains that the most successful advertisers start with a clear goal and a strong creative concept tied to a clear objective. For example, Public School

wants to increase brand awareness among men ages 18 through 30 in Dubai and Abu Dhabi by 40% within the first twelve months. In order to do so, Public School will create the ads to display new and upcoming items, as well as promote the new D3 location. One key component is to maintain strong brand consistency across campaigns. This can be done through an identifiable color palette, composition, or photographic style. Instagram advises that the best ads are well shot, visually interesting, and artistic. Facebook not only displays a SMEs ad, but the consumer can obtain directions to the store, download the SMEs app, view their videos, or add items to a shopping cart. According to Facebook, there are approximately 1.59 billion users, with 900 million of them signing in daily. Facebook explains that keeping the tone of voice consistent and authentic to the brand, sticking to the important information, and writing with the consumer in mind will increase consumer acknowledgment and reception of a SMEs advertisement.

Overall Branding Strategies

Based on the survey results, there a couple of internal operations that need to be implemented or explored to ensure the consumer has the ultimate brand experience. The first operation is investing into employee training. Ensuring employees always provide exceptional customer service both in-store and at events is essential. This is done by providing a memorable, effortless and pleasant experience to the customer; such as, having customizable products, an in-store tailor, personal shoppers, waiting areas and beverages for guests, 24 hour delivery, friendly, helpful, enthusiastic and bilingual employees, and partnering up with local trending designers. 88.6% of survey respondents expressed that brand perceptions and purchases are impacted by

employee interaction in-store; therefore, it is crucial that every person who encounters the brand walks away wanting more. The second internal operation is partnering up with local designers or retailers to collaborate and sell merchandise in-store. Merchandise can include more kaftan options, jewelry, makeup, hijabs, etc., but the quality must be comparable to the SMEs. 43.9% of respondents selected quality as the number one determining factor when making a purchase. 63.2% also prefer retailers carrying product assortments with western and local fashions. However, having everything at once is not essential since 71.9% or respondents prefer shopping at different stores with product specializations. One strategy to implement partnership with local designers is to feature a different designer for varying product categories every month, or every other month depending on sales. Public School and Christian Siriano can then monitor sales over a 12 month period to see which local designers performs the best and consider keeping that designer's products in-store and online permanently.

Launch and Press Releases

In order to increase brand awareness about the SMEs expansion into the UAE, the brands need to have a launch party. First, the event needs to be advertised with a press conference. A press kit will need to be created that includes the day, time, location, a brief about the brand and launch party. The press kit organizes the event details for presentation to journalists in an easily understood, neat, and efficient manner. Journalists from fashion magazines, newspapers, and television, along with bloggers, fashion influencers, and Middle Eastern celebrities should be invited to the press conference and open house. Allowing the public to attend the fashion show, like Public School did for the spring/summer 2016 fashion show, will display the brand's desire for

community involvement. The launch party should include a fashion show that highlights the current collections, as well as a capsule collection created by the SME exclusive to the region. Having world-renowned supermodels, such as Gigi Hadid and Coco Rocha, and Middle Eastern supermodels, such as Hind Sahli, Hanaa ben Abdesslem, or Yasmeen Ghauri, walk in the show will acknowledge the brand's global presence in addition to the cultural appreciation of models from the region. Supermodels will also draw the press. The after party will allow time for interviews and interaction with the public. Having the fashion show in the Dubai Design District will allow the opportunity to shop the collection or visit the store after the show.

In order to gain a general idea of the cost to enter the UAE, Table 4 (on the following page) was created. The costs reflect general estimates obtained from American companies. Costs could be cut, or increased depending on government cooperation and additional "fees", if services are rendered in the UAE. The advertising cost was calculated based on figures from three Middle Eastern Fashion magazines, plus additional funds for other outlets. The total may seem high; however, it is important to consider with this estimate the rent, employee training, air conditioning, and employee compensation for the entire first year has been included.

Table 4

Costs

Operation	Expense
Pre	
Website Translation ($.13-$.16/word)	$1,600
Capsule Collection	$5,000
Location/UAE Entry	$50,000
Launch Party	$10,000
Press Release	$2,000
Advertising	$50,000
Actual	
Employees ($15k/employee annually)	$105,000
Rent (annually)	$30,000
Training (annually)	$15,000
Inventory	$50,000
Signage, Packaging, POS	$7,500
A/C (annually)	$2,500
Post	
Import Fees (5% of Inventory)	$2,500
Data Mining	$3,500
Brand Management	$5,000
Web maintenance	$5,000
Advertising	$30,000
Total	$374,600

Investigate possibility that costs can be underwritten or subsidized by UAE government
Expenses are based on estimates, subject to change

SECTION 6

CONCLUSION AND FUTURE RESEARCH

Going global is no simple task; many businesses and have tried and failed. Developing the right strategy, detailed planning, and successful implementation can greatly increase a SMEs chances for acceptance and success in international markets. Staying true and authentic to the brand across all customer touch-points is vital. In the UAE, becoming embedded into the community, but still appealing to tourists, is essential for widespread support. Carefully selecting advertisements to respect tradition and the female form is critical to local acceptance throughout the Middle East. 89.5% of survey respondents are open to shopping for unfamiliar brands and 89.4% prefer Western brands; therefore, the opportunity is endless if the brand is positioned properly.

This study examined the growing Middle Eastern market, particularly Dubai in the UAE, and the extensive development of the massive shopping malls selling high end products from around the world. The country not only attracts the local people but tourists from around the region come to shop in the country. Promotions, like regular shopping festivals and pristine experiential shopping, at state of the art malls keep drawing the crowd. Efforts are being made to establish American SMEs in the market. The objective was to create a base for promoting new SMEs Public School and Christian Siriano. For this to happen, the economy and environment were explored to further understand fashion regionally. The presence of Western designer SMEs will help the economy both financially, and by assisting the government in diversifying the market. The SMEs will help to actualize the government's vision of Dubai becoming a

global fashion capital. Fashion will nurture the environment through brand positioning formulated around the culture and religion.

In order to create a profile of the consumers in this market, perceptions of Middle Eastern millennials and their shopping behaviors were observed through an online survey. Based on their preferences, buyer behaviors, and exposure to the media, a marketing campaign was developed for two American brands.

For the SMEs to be successful in the region, selecting the right location, creating ethical and culturally respectful advertisements, and becoming a part of the community is crucial. Gaining the support of the region's fashion leaders, influencers, and designers will only increase the likelihood of acceptance and support.

Since utilizing social media as an outlet for individual expression and fashion opinion is on the rise in the Middle East, harnessing this opportunity to connect with the SMEs target market is of great importance. Selecting the appropriate media outlets for advertisements will also affect success or failure. Organizing the appropriate press conferences and community involved launch party will allow society to gain exposure to what the brands truly represent and stand for.

Regardless of industry, when internationalizing SMEs must ensure sufficient resources and adequate knowledge of local culture, customs, marketing strategies, and potentially invest in a local qualified market researcher. Most SMEs fail due to these two issues.

Future research can explore additional opportunities for fashion SMEs to become more sustainable and better harness technology. Both of these issues are focal points of businesses, the government, and society in the Emirates. Another potential research

topic could be, how foreign small to medium sized fashion brands can reduce costs and

pollution, as well as increase local appeal by sourcing textiles and manufacturing

garments in the region.

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APPENDICES

APPENDIX A

SURVEY

Dear Student,

I am Sandra E. Akaaboune, a graduate student of Southern Illinois University, Carbondale in the United States. I am doing a study on young people's buying behavior and the influence of advertising for my academic work. My focus will later restrict to SMEs, small to medium sized enterprises, within the fashion industry. I have been working in collaboration with Dr. Adil Akaaboune at Al Hosn University. Please take about 10 minutes to complete the survey. All identification will be kept confidential and only cumulative data will be used for the analysis. Thank you for your time and participation.

1. Gender:
   a. Male
   b. Female
2. Age:
   a. Under 18
   b. 18-21
   c. 22-26
   d. 27-35
   e. Over 36
3. Do you shop for apparel (clothing) online?
   a. Always (skip next question)
   b. Often (skip next question)
   c. Sometimes
   d. Rarely (skip next question)
   e. Never (proceed to next question)
4. If you never shop for apparel online, what is the primary reason you choose not to?
   a. Untrustworthy of secured electronic transactions (internet security)
   b. Uncertainty of quality
   c. Prefer to see, feel, and try on before making a purchase
   d. Unavailable for preferred brands
   e. Internet accessibility
   f. Other
5. If you shop for apparel online, how often do you do so?
   a. Daily
   b. Weekly
   c. Monthly
   d. Annually
6. Does employee interaction in-stores impact your perceptions/feelings towards the brand?
   a. Always
   b. Often

      c. Sometimes
      d. Rarely
      e. Never

7. How comfortable are you shopping at unfamiliar brands?
      a. Extremely comfortable
      b. Comfortable
      c. Does not matter
      d. Uncomfortable
      e. Extremely uncomfortable

8. Rate the factors of purchasing apparel by importance on a scale of 1 to 8, with one being the most important and eight being the least

   ___Price
   ___Brand name
   ___Quality of goods
   ___Location of retailer
   ___Internet accessible
   ___In-store experience
   ___ Website Flow
   ___ Reputation of Retailer

9. If an advertisement is directly comparing a low-share (local) brand and high-share (global) brand, are you more likely to support and purchase from the low-share brand?
      a. Very likely
      b. Probably
      c. Do not care
      d. Probably not
      e. No

10. Do you have a preference for Western brands; such as, Michael Kors, DKNY, Ralph Lauren, Nike or Marc Jacobs?
      a. Always
      b. Sometimes
      c. Not at all
      d. Depends on product assortment

11. Do you prefer brands that market themselves in:
      a. English
      b. Arabic
      c. Both

12. Do you prefer brands that carry product assortments including:
      a. Western fashions
      b. Local/cultural fashions
      c. Both

13. Do you consider any of the following factors important when making a purchase from a brand? Make into a table with not at all, somewhat, neutral, usually, absolutely for each letter
    a. _____ Social responsibility (child labor, sweat shop usage, etc.)
    b. _____ Environmental awareness
    c. _____ Fair trade
    d. _____ Sustainability
    e. _____ Community Involvement
    f. _____ Ethics in Advertisements

14. Do you use social media to express your style, brand preferences, fashion opinions, or to view merchandise/trends?
    a. Always
    b. Often
    c. Occasionally
    d. Rarely
    e. Never

15. When shopping in-store, do you prefer:
    a. Wide product assortment (a lot of options even if space is limited)
    b. Open layout with less selection but more organized

16. When shopping in-store, do you prefer:
    c. One-stop shopping (clothes, shoes, accessories all in one location even if designer brands vary)
    b. Different stores with specific products

17. Which Emirate do you shop in more?
    a. Abu Dhabi
    b. Dubai
    c. Other _____

18. Do you mostly go to the malls to shop?
    a. Yes
    b. No
    c. Sometimes

19. Which malls do you shop in most frequently? (Select all that apply with never, rarely, occasionally, frequently, always
    ____ Yas Mall (Abu Dhabi)
    ____ Mushrif Mall (Abu Dhabi)
    ____ Al Wahda Mall (Abu Dhabi)
    ____ The Galleria (Abu Dhabi)
    ____ Dalma Mall (Abu Dhabi)
    ____ World Trade Centre Mall (Abu Dhabi)
    ____ The Dubai Mall
    ____ City Center Mirdif (located in residential area)
    ____ Mall of the Emirates
    ____ Wafi Mall (extensive artwork-decorations and for purchase, exudes a lifestyle)
    ____ Mercato Mall (Italian/Renaissance themed)

  ____ Burjuman Center (high end fashion)
  ____ Jumeirah Plaza (more locals, less crowded)
  ____ Ibn Battuta Mall (largest themed mall in world celebrating Arabic explorer)
  ____ Deira City Centre (one of the first mega malls, more locals)
  ____ Al Ghurair Center (high street brands)
  ____ None of the above

20. Nationality:
 a. UAE citizen
 b. Middle Eastern
 c. Asian
 d. African
 e. European
 f. South American
 g. North American
 h. Australian

21. Monthly disposable Income (spending money):
 a. Less than 1,000 AED
 b. Between 1,000 and 5,000 AED
 c. Between 5,000 and 10,000 AED
 d. Between 10,000 and 20,000 AED
 e. Greater than 20,000 AED

SIUC HSC FORM A

REQUEST FOR APPROVAL TO CONDUCT RESEARCH ACTIVITIES
INVOLVING HUMAN SUBJECTS

CERTIFICATION STATEMENT

By making this application, I certify that I have read and understand the University's policies and procedures governing research activities involving human subjects. I agree to comply with the letter and spirit of those policies. I acknowledge my obligation to:

1. Accept responsibility for the research described, including work by students under my direction.

2. Obtain written approval from the Human Subjects Committee of any changes from the originally approved protocol **BEFORE** implementing those changes.

3. Retain signed consent forms in a secure location separate from the data for at least **three** years after the completion of the research.

4. Immediately report any adverse effects of the study on the subjects to the Chairperson of the Human Subjects Committee, SIUC, Carbondale, Illinois - 618-453-4533 and to the Director of the Office of Sponsored Projects Administration, SIUC.
Phone 618-453-4531. E-mail: **siuhsc@siu.edu**

Project Title

Thesis: How can SMEs position their brand in a highly saturated emerging market? The focus will be in the United Arab

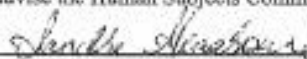Emirates. I will be surveying college students at a university in Abu Dhabi.

RESEARCH ADVISOR'S ASSURANCE: My signature on this application certifies that the student is knowledgeable about the regulations and policies governing research with human subjects. I am aware of my obligations stated on Form A and will be available to supervise the research. When on sabbatical leave or vacation, I will arrange for an alternate faculty sponsor to assume responsibility during my absence. I will advise the Human Subjects Committee by letter of such arrangements.

Sandra E. Akaaboune   1/14/16

Researcher(s) or Project Director(s)   Sandra E. Akaaboune   Date
Please print or type name below signature.

Kavita Karan   14 Jan 2016.

Researcher's Advisor (required for all student projects)   Dr. Kavita Karan   Date
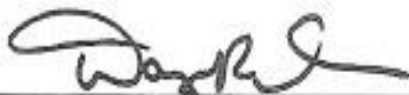Please print or type name below signature.

The request submitted by the above-named researcher(s) was approved by the SIUC Human Subjects Committee.

This approval is valid for one year from the review date. Unless the protocol is approved as Category I (exempt), researchers must request an extension to continue the research after that date. This approval form must be included in all Master's theses/research papers and Doctoral dissertations involving human subjects that are submitted to the Graduate School.

signature   1-21-16

Interim Chairperson, Southern Illinois University Human Subjects Committee   Date

SIU Southern Illinois University
CARBONDALE

HSC Approval letter (exempt)

To: Sandra E. Akaaboune

From: Wayne R. Glass, CRA
            Interim Chair, Human Subjects Committee

Date: January 22, 2016

Subject: *To Succeed or Not to Succeed: Brand Positioning of SMEs in a Highly Saturated*
            Emerging Market

Protocol Number: 16007

The revisions to the above referenced study have been approved by the SIUC Human Subjects
Committee. The study is determined to be exempt according to 45 CFR 46.101(b)2. This
approval does not have an expiration date; however, any future modifications to your protocol
must be submitted to the Committee for review and approval prior to their implementation.

Your Form A approval is enclosed.

This institution has an Assurance on file with the USDHHS Office of Human Research Protection.
The Assurance number is FWA00005334.

WG:kr

Cc: Kavita Karan

VITA

Graduate School
Southern Illinois University

Sandra Akaaboune

Sandy9224@gmail.com

Southern Illinois University Carbondale
Bachelor of Science, Fashion Merchandising, December 2014

Special Honors and Awards:
        Dean's List
        Cum Laude

Thesis Paper Title:
        Branding SMEs in the UAE's Emerging Market

Major Professor: Kavita Karan