

The strategic planning of marketing activities of Al Mulla Exchange Company (Kuwait) is greatly influenced by the implications of SWOT analysis for marketing managers

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DOI: <https://doi.org/10.5281/zenodo.11394793>

Published Date: 30-May-2024

Abstract: This research paper consists of appropriate analysis of internal and external factors using SWOT analysis and developed marketing objectives for Al Mulla Exchange company. The coursework discusses how the SWOT analysis is useful for marketing managers to strategically plan the marketing activities of Al Mulla Exchange Company. It discusses about the company cutting down on costs thus, reflecting positively on profitability which enables better control over the business functions.

Keywords: SWOT, strategic planning, marketing activities, marketing managers.

1. INTRODUCTION

Al Mulla Exchange, established in 2001 and regulated by the Central Bank of Kuwait, is a prominent Remittance and Money Exchange Company. With a workforce of up to 1000 employees, Al Mulla strives not only to meet customer expectations but to surpass them by focusing on creating delightful experiences and fostering long term relationships. (Anon., n.d.)

The primary objective of conducting a SWOT analysis is to provide marketing managers with valuable insights that can aid in strategically planning the company's marketing activities. Various factors, such as demographics, economics, technology and politics influence the company's ability to engage customers and build strong customer relationships (Armstrong, 2020). Therefore, it is crucial for AL Mulla Exchange to develop effective marketing strategies and have a comprehensive understanding of the marketing environment in which it operates.

Before we move on to the SWOT analysis, it is essential to explain the marketing environment. The marketing environment consists of two main elements. Firstly, the microenvironment encompasses the forces that assist in delivering value to customers, including external suppliers and internal departments within the organization. Secondly, the macro environment refers to broader forces that impact not only the microenvironment but also the organization as a whole, such as the natural environment and political factors.

In addition to considering internal and external factors, organizations must also address issues related to corporate social responsibility and environmental sustainability. Technological advancements have not only transformed consumer communication but also revolutionized the way companies produce and deliver their services.

According to Philip Kotler, in order for a company to identify its competitive forces, it must take into account the perspectives of its customers. Kotler also emphasizes that the public can significantly influence an organization's capabilities.

Al Mulla should prioritize managing its relationship with the public in order to enhance their overall success. However, the company's top management will be responsible for establishing policies, strategies and missions. As a result, the company's managers will be tasked with making decisions in alignment with these overarching plans and strategies (Armstrong, 2020).

2. SWOT

The SWOT Analysis of Al Mulla is as follows:

1. Strengths are:

- a) High growth rate: Al Mulla tends to be efficient in establishing branches due to its strong branch network (Anon., n.d.) therefore, having multiple branches and a strong branch network is considered a strength for a company as it enables better brand recognition and strengthens competitive advantage.
- b) Remittance and currency exchange rates: Al Mulla declares that it has competitive exchange rates good for the value of customer's money.
- c) Competitive exchange rates are exchange rates favorable to customers, entailing that Al Mulla caters exchange rates to the likings of their customers which will as a result lead to their attentiveness to customer service and customers are fundamental for the facilitation of Al Mulla's business.
- d) They offer a wide range of diverse services (Anon., n.d.)
- e) Risk management and compliance as regulated by Central Bank as it is safer and secures stronger performance in the economy.
- f) Oil-reserve stability providing a positive outlook on the economy which allows financial services to operate comfortably as any company in the financial services industry require to perform in a highly stable economy to yield success, and Kuwait's economic stability is perceived in the foothold it has in the oil industry (Anon., n.d.)
- g) Digital services: Al Mulla Exchange offers its service across more than 180 countries via its fully automated remittance mobile app, which is available in seven languages. Also, Al Mulla's FinTech app established in 2018 is ranked as one of the top 3 in the Middle East and is already one of the regional leaders (Anon., n.d.).

2. Weaknesses

- a) Dependence on macroeconomic and microeconomic factors therefore, exchange rates are determined by the market's supply and demand with regards to foreign exchange, this could jeopardize the return from converting currencies if exchange rates plummet for certain currencies in material amounts.
- b) Cybersecurity risks, it can be strengthened with a good risk management plan. Also, it can be linked to the fact that there is an increasingly high opportunity for the exchange company in digitalizing its services; The weakness helps identify whether Al Mulla should become exclusively digital or maintain a hybrid of having physical and digital course of operations. A breach in cybersecurity could lead to financial losses, and credibility of digital financial transactions require a lot of attention.
- c) Al Mulla has a small market, despite having access to a heavily expatriate population that boost remittance transactions, the population of the market that Al Mulla mainly operates in is relatively small, and expansionary strategy may be limited. Limitations on expansion can be resolved by opportunities perceived in digitalizing financial services.

3. Opportunities

- a) Collaboration with multiple banks (Anon., n.d.)
- b) Collaboration with international service providers, Al Mulla teamed up with Nium for better service providing, reflecting positively on global market growth. Other global alliances including Terrapay, Mastercard, VISA Direct, Western union, Transfast and Ventaja.
- c) Further digitalization of services – branching out digitally instead of physically Kuwait has a high rate of internet penetration which allows for the local digitalization of services (Anon., n.d.).

d) Heavily expatriate amounts to the local population in Kuwait which boost remittance rates.

4. Threats

a) The main threat of Al Mulla is that may be heavily influenced by negative market trends. This is regarding exchange rates being diminished by endangered geopolitical status within the Middle Eastern region.

b) Economic recessions that could bring down exchange rates, as Kuwait has a significant expatriate population. During an economic downturn especially during Covid '19, job losses and reduced income among expatriates in Kuwait led to a decrease in remittances sent to their home countries, impacting both domestic and international economies. For a country like Kuwait, whose currency, the Kuwaiti Dinar, is confined to a basket of currencies, external economic factors can influence the stability of its currency (Anon., n.d.).

c) The strength of Kuwait's financial policy and the general question of how it maintains the value of the dinar through regulation brings up another threat, which is a change in regulation that could possibly weaken the core of financial policy that protects the strength of the Kuwaiti dinar, influencing not only Al Mulla's course of business, operational costs would increase, meaning operational income would be compromised, with fluctuating regulations this would lead to difficulty in management, and constant amendments of business practices to match regulation could exhaust the company's focus on strategic intent.

Establish priorities from the SWOT

To minimize service expenses, exchange companies diligently strive to establish partnership with numerous banks and international service providers (ISP). By engaging in bilateral agreements, they decrease the reliance on third parties and achieve cost reduction through disintermediation to ultimately benefiting their customers (Anon., n.d.).

Al Mulla leverages direct-to-consumer (D2C) models to establish direct communication with their customers through digital channels and social media platforms. This strategy not only enhances the overall customer experience but also enables them to effectively adapt to evolving consumer behavior and distinguish their brand experience. (Catrinjn Girlens, n.d.)

Consequently, it is crucial for the company to engage in market segmentation, wherein the market is divided based on behavior characteristics or diverse need that may necessitate distinct marketing strategies. However, the task of differentiation and positioning comprises of three fundamental elements. Firstly, it involves identifying a range of competitive advantages that set the company apart from its rivals, such as offering superior customer value through lower product process or delivering benefits that justify higher costs. Secondly, it entails establishing a position by selecting the appropriate competitive advantage. Positioning entails creating a market presence that is clear, distinctive and appealing in contrast to competing products in the minds of the target customers (Armstrong, 2020). Lastly, it involves choosing an overall positioning strategy often achieved by developing perceptual position maps that illustrate consumer perceptions of their brands in relation to competing products.

The concept of intermediation is regarded as significant digital disruption that numerous companies are presently confronting. AL Mulla presently operates 106 branches throughout Kuwait ; however, if the company decides to eliminate the necessity of having branches, it will enable the company to directly interact with their consumers (Katrinjn Gielens, 2019). On the other hand, Direct to Consumer (D2C) models allow manufacturers to engage with consumers through mobile, social and other digital platforms. Consequently, the objective is to enhance the customer journey, adapt to changes in consumer behavior and distinguish the overall brand experience.

Develop plan of how the company can address issues in the SWOT analysis

Theodeo Levitt emphasized in the marketing paper that the primary focus for marketers should be on meeting the needs and ensuring the satisfaction of consumers, rather than solely focusing on sales and inundating customers with their product (A.A, Dec 2019).

Therefore, Al Mulla needs to adopt these strategies and prevent discrepancies to attain success. Shaw, in his article, discussed the concept of Myopia, which denotes the failure and narrowminded approach of a company's marketing management. This approach focuses solely on specific attributes of the product or service, thus disregarding the long-term foals that encompass product quality, customer needs, satisfaction and demands (A.A, Dec 2019). He also mentioned that there are numerous factors that lead marketers to adopt narrow minded strategies and ultimately become myopic. Firstly,

when companies assume they are operating in a growth industry. Secondly, when a company believes there is no competition, leading them to become complacent and consequently cease investing in research and development. This results in competitors reemerging in the market, introducing unique features and successfully taking over the entire market. Thirdly, a company's failure to consider consumer requirements and lastly, their failure to consider consumers' lifestyles in this modern and digital age. Therefore, when marketers fail to keep up with the latest technology trends and changing lifestyles of their consumers, their products and services eventually become obsolete in meeting consumer requirements (A.A, Dec 2019).

Hence, in order to prevent marketing myopia, Al Mulla needs to execute specific tactics. Initially, by formulating customer-centric strategies. Subsequently, by considering the requirements and desires of their customers. Thirdly, the services provided should enhance value for their consumers, encouraging them to return and explore our various offerings. Considering Kuwait's significant expatriate population, it is essential to have a competitive edge to retain customers and foster customer loyalty. Finally, the company should innovate and introduce unique concepts and methods to enhance their services further (A.A, Dec 2019).

4.1 What is businesses Streamline?

Al Mulla should leverage Big Data Analysis (BDA) tools like web analytics, search engine optimization, pay per click management and customer analytics in order to gain automated and personalized insights in this digital age. When it comes to New Product Development (NPD), the key is to gather data including the list of websites, under and product details from those websites and analytical data related to those websites. The world is currently experiencing the social media era, leading to implementation of real-time analysis for new product development (NPD) and marketing activities by BDA. This shift is transforming marketing and being viewed as a department of cost centers to one of value or profit centers (Xu, 2016).

Computer systems and Intellectual Technology play a crucial role in enhancing the operations of firms, leading to the emergence of new markets. Hence, this advancement enables companies to improve their services to customers and streamline internal marketing processes. The developments of these technologies has been facilitated by the collaboration of two distinct groups. The first group consists of marketers who are responsible for ensuring the delivery of value to consumers. The second group comprises Information Services technologists who provide the necessary IT tools to support these endeavors (Nakata Cheryl, 2011). Therefore, it is imperative for the senior executives at AL Mulla to stay abreast of developments in both IT and marketing in order to identify and capitalize on opportunities that emerge at the convergence of these two fields. As a result, the top-level management can effectively lead the marketing and IS teams, ensuring optimal performance and productivity among the workforce.

The marketing and the IS staff at AL Mulla should collaborate closely to achieve two strategic capabilities. Firstly, innovativeness, which involves the capacity to introduce new ideas, processes and products both internally and externally. Secondly, strategic responsiveness which entails being flexible in adapting to changes in markets and technology opportunities (Nakata Cheryl, Oct 2011). However, it is essential for marketing managers at Al Mulla to work together and social media platforms to target potential customers who cannot be reached through conventional means.

Managers tasked with creating a strategic plan for IT must prioritize customer orientation to enhance the company's focus on and fulfillment of customer needs. Information Services can provide valuable insights to marketers regarding the capabilities and limitations of upcoming IT initiatives, as well as the marketing activities it can effectively support. (Nakata Cheryl, Oct 2011)

Several studies have been carried out in the western countries to investigate the effects of product innovation strategy compared to new technology ventures. Brown and Eisenhardt (1995) have identified two main research streams on innovation. The first stream focuses on the diffusion of innovation worldwide, while the second stream examines the impact of organizational structure and individuals involved in marketing the new product development (Li, Dec 2001).

4.2 What are the businesses planning and develop a stronger business strategy?

Al Mulla has the capability to formulate a business strategy aimed at fostering brand loyalty among its customers. According to Jacoby and Kyner (1973), brand loyalty is a psychological process that occurs when customers consistently exhibit the same behavioral response towards a product or service over a period of time, regardless of other available alternatives, This results in a behavioral pattern where customers repeatedly purchase the same brand, irrespective of external influences that may affect their spending habits (Oliver, 1999).

Al Mulla has the opportunity to focus on the self- concept and self -image, which refers to a brand's ability to convey significant aspects and contexts of a consumer's image, identity and values. Similarly, brands can play a role in enhancing individuals' sense of identity, leading to customers and consumers purchasing products or services that align with their image and personal objectives (Garza Salgado, 2019).

AL Mulla has the opportunity to devise an additional approach, which involves fostering customer engagement. Customer engagement refers to the connection established between the customer and the brand (Bordie, 2016). Hence, it is imperative for AL Mulla to comprehend the requirements of their customers in manner that enables effective engagement with their consumers, fostering a strong bond between the service and the customers, as well as establishing a meaningful connection with the brand.

Al Mulla must establish a strong online presence, particularly on social media where customer engagement with the brand is crucial. This can be achieved through a website or various social platforms dedicated to conveying the brand's value. The marketing approach adopted by AL Mulla should incorporate a blend of local and regional strategies along with global technological advancements. It is essential to recognize not all consumers in the market will be targeted, hence the company should concentrate on segments where they can excel and generate profits effectively (Armstrong, 2020). Therefore, AL Mulla should develop customer-centric marketing plans that foster meaningful relationships with the appropriate target audience.

3. CONCLUSION

In conclusion, AL Mulla must carefully examine its IT and marketing departments. It is essential for the company to leverage these technologies and the senior management should possess a thorough understanding of the functionalities, the tactics employed by competitors and ways to enhance their marketing initiatives (Nakata Cheryl, Oct 2011). Therefore, Al Mulla must stay current with technological advancements, as customers who engage with companies on social media platforms tend to exhibit loyalty and strong commitments towards the brand, being more receptive to receiving additional information. Consequently, marketing managers must assess consumer needs before making strategic decisions and adapt organizational strategies accordingly. Consequently, failure to protect intellectual property rights of new technology ventures can result in high risks and unprofitable product innovation (Li, Dec 2001). Al Mulla implemented various plans within the same region to guarantee uninterrupted service and maximize cost efficiency. The expenses were assessed based on the effectiveness, quickness and reliability of the transactions (Anon., n.d.).

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