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Marketing strategies of small companies with
particular reference to the textile industry
in Egypt as an Islamic Developing Country.

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PART IV

The Field Study

CHAPTER EIGHT

Design of the Field Work

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Introduction

The aim of this chapter is to explain the steps undertaken and the methods employed by the researcher to collect the data for this study. As such, the chapter is concerned primarily with the methodology conceived and the research setting and not with the analysis of the findings themselves which is reserved for the next chapter.

The design of the field study has passed through seven successive equally important stages. These include:

- 1) Statement of research problems and objectives.
- 2) Formulation of hypotheses.
- 3) Industry selected for the study.
- 4) Identification of the sample.
- 5) Development of the questionnaires.
- 6) Translation and pre-testing the questionnaires.
- 7) Interviewing.

In the following pages, the aspects pertaining to each of these stages, together with the methodological framework, will be discussed.

1. Statement of Research Problems and Objectives

The main purpose of this study, as appeared from the literature review, is to investigate, with reference to Egyptian conditions, the relevance and contribution of marketing to the small business companies sector. More specifically, the objective is to establish the extent to which the marketing concept and modern marketing practices have been adopted and implemented in Egyptian small business companies, and to explore the basic internal and environmental factors associated with acceptance and implementation of the marketing concept or otherwise.

Throughout the review of the literature, some important observations and problems presented themselves as follows:

Firstly, in dealing with the marketing problem in an Islamic country like Egypt, it is acknowledged that the concept of the "Islamic society", despite its importance and relevance to transferring, adopting and implementing modern marketing concepts and techniques, has received little attention from both marketing scholars and practitioners. In addition, Islamic teachings regarding marketing have been generally overlooked and/or misunderstood.

However, it will be argued in this study that the concept of "Islamic country" is a worthwhile construct for marketing studies, by which marketers can make use of the general attributes of the category of the "Islamic Society" in relation to modern marketing concepts and practices. In fact, it is maintained that the concept represents a rewarding area for study.

Hence, in applying modern marketing and its techniques to small as well as large companies in Egypt, the "Islamic country" concept must be considered a significant factor, with all the obligations it imposes on individuals with reference to marketing. Emphasis, in turn, should be placed upon demonstrating the relationship between the Islamic doctrines and marketing concepts and techniques.

It is to be noted, however, that in identifying the extent of acceptance and implementation of the marketing concept and marketing activities by the management of Egyptian companies both large and small, a distinction should be made between the philosophical status of the marketing concept and marketing techniques provided by Islamic teachings and the actual attitude to marketing adopted by these companies and the marketing practices pursued by them.

Secondly: It is noted that the marketing problem of small companies, in spite of their importance to the economy, has received little attention from marketing theorists. Large companies have provided the major focus for enquiry and research by both academics and research scholars. This applies particularly in the Egyptian context. So far, most of the research on the subject of marketing has concentrated on large business companies. Very little research has dealt with the marketing problems faced by small business companies.

In practice, though the marketing concept is valid and fundamental to small companies, there is empirical evidence from our literature review to indicate that these companies have failed, to a certain degree, to recognise how important the philosophy is to their business success, and, hence, adoption and implementation of the concept has been neglected. In the Egyptian environment, it is generally argued that size of firm is a decisive factor in the adoption and implementation processes. In other words, such activity is considered to be appropriate only for large firms. Thus, Egyptian small companies have failed, to a great extent, to accept and implement the marketing approach in their business. Because of this, the question of the application of marketing concepts and techniques to small companies is considered a significant area for study.

Thirdly: The acceptance and implementation of the marketing concept by Egyptian small companies is subject to some particular environmental factors prevalent in the country which have their effect on marketing development in these companies. Egypt as an Islamic developing country has its own cultural attitudes, managerial setting, economic conditions, problems and goals which differ from those of their counterpart in other countries. It is generally maintained that the under-development of marketing in the Egyptian small companies is better understood in terms of the managerial, social and economic setting. Consequently, it may be useful to identify the environmental factors and their effects on marketing attitude and practices in these companies. Marketing

behaviour of small companies in the context of a particular society can best be interpreted by relating this behaviour to the dominant managerial, social and economic conditions. Unfortunately, as pointed out by Attia,⁽¹⁷⁾ analysis of marketing behaviour in different environmental conditions is badly lacking. Lack of such studies, in Attia's view, makes it difficult to understand the nature of marketing problems that face marketing management under different environmental conditions. This, in turn, makes it difficult for marketers to decide upon the proper problem-solving technique to employ. Greater emphasis, therefore, must be placed on examining environmental conditions relating to the marketing phenomenon and affecting its behaviour in business companies in different economies. And this is the approach adopted by the current study in examining marketing behaviour of the Egyptian small companies.

Finally: Based on the belief that differences between small firms and large firms may be considered as a matter of degree of emphasis rather than of nature or kind, the concept of strategic marketing should be the same for all firms regardless of size. It is of equal relevance to both small and large companies. Moreover, the application of the strategic marketing approach, whether in the area of product, pricing, distribution or promotion, can lead to better performance by these companies and contribute to their success. However, because small companies, in general, possess unique characteristics and problems, the task of developing strategic marketing decisions in these companies may be different from that of large companies in such aspects as the time scale involved, the degree of formality, and the degree of complexity of techniques employed. It may also differ by emphasising the marketing mix elements which are important to the particular situation, and de-emphasising others in accordance with the unique aspects and problems they have. In the Egyptian context, as indicated by the literature review, though extremely important from both the Islamic and economic points of view, the application of the strategic marketing approach related to different marketing mix ingredients has been generally neglected, or overlooked by the

management of small companies. This attitude is understandable in view of some basic internal (within firms) as well as environmental factors. Again, it may be useful, therefore, to examine these factors and their effects on marketing strategies behaviour in the small companies. This, in turn, may make it feasible for their marketers to decide upon the proper problem-solving techniques to use.

Having outlined the research area, the study turns now to summarise the major research objectives as follows:

1. To investigate the extent to which the marketing concept and modern marketing activities and techniques have been accepted and implemented by Egyptian small companies. In other words, the researcher wishes to determine whether the marketing concept and modern marketing practices have been adopted and implemented in these companies.
2. To examine the basic internal as well as the environmental factors which may impede the promotion of the so-called marketing oriented philosophy and the application of modern marketing techniques in Egyptian small enterprises.
3. To identify the main requirements necessary for securing internal (within firms) and environmental conditions leading to marketing development in Egypt's small business companies.

2. Formulation of the Hypotheses

Based on the afore-mentioned discussion, a number of hypotheses can be formulated to guide the collection, analysis, and interpretation of appropriate data as follows:

1. Most Egyptian small business companies neither accept nor implement the societal marketing concept in their business. They are not marketing oriented.

2. Reasons for non-marketing orientation are believed to be:
 - a) Non-awareness, misunderstanding and/or non-adopting of Islamic beliefs and teachings regarding marketing.
 - b) The small size of firms.
 - c) Government control over the marketing mix elements (i.e. product, pricing, distribution and promotion) and other areas of decision making.
 - d) Shortage of competent managerial and marketing know-how.
 - e) Lack of competition.

3. The Industry Selected for the Study

Identifying and defining a suitable industry is one of the main problems which has most often faced and still faces researchers who have looked at or want to look at such a problem as the relevance and the contribution of marketing to small companies in the Egyptian context.

The industry which has been selected for the current study is the textile industry. The choice was based on a number of considerations which include:

- (i) The importance of the textile industry to Egyptian society in Islamic as well as economic terms.
- (ii) The availability and reliability of data required to undertake such a study effectively.
- (iii) The attention which was supposed to be paid to marketing.

(i) The Importance of the Textile Industry to Egyptian Society in both Islamic and Economic Terms

In view of Islamic teachings, as mentioned in Chapter Six, it is maintained that the level of consumption is divided into four: necessary, less necessary but still basic, moderate and extravagant. The first is the level that sustains the fundamental principles of life. It covers the basic physio-sociological needs such as food, shelter, and clothing. The second level of consumption covers the commodities and services which are still counted as basic needs, though they are not needed as badly as those of the first level. The third level is the level of moderate consumption. The fourth level is the level of extravagance which is condemned in Islamic teachings.

In an Islamic society like Egypt, in agreement with the system of reward/punishment in the hereafter, investment must be directed in such a way as to satisfy, in the first place, the first level of consumption (i.e. the necessary) for all consumers in society, then, to satisfy the second level (i.e. the less necessary but still basic) for all consumers in the society, and finally, to satisfy the third level (i.e. the moderate which might include a reasonable quantity of luxury products) for all consumers.

As the textile industry is one of the industries contributing to satisfying the first level of consumption, it is clear that this industry is of significant importance to the country in terms of Islamic doctrines.

In economic terms, the importance of the textile industry to the Egyptian economy can to a great extent be understood in the light of the current economic problems in the country and the contribution this industry may make to solving these problems.

Looking first at the contribution of the industry to employment compared with that of the other industries in the manufacturing sector, would show from the data available that the textile industry

ranks first among the five main public-sector industries. The estimated number of employees in 1981/82 was 300,476. This is equal to 51 per cent of the employees working in the overall public-sector industries which also include the food industry with 12 per cent, the engineering and electronic industry with 12 per cent, the chemical industry with 11 per cent, and the metallurgical industry with 10 per cent.⁽²⁾

With respect to the value of its output, examination of the performance of the industry over the period 1952-1981/82 reveals a continuous upward trend. In 1952, it was L.E. 84.4 million, and it reached L.E. 19,706 million in 1981/82. In comparison with other manufacturing industries, it kept approximately abreast of the food industry over the period 1977-1981/82. Table 8.1 shows that the value of the annual output of the textile industry was L.E. 873, 1099, 1166, 1423, 1588 and 1706 million, respectively, while the food industry's annual value of output was L.E. 871, 989, 1158, 1443, 1692 and 1776 million. The engineering and electronic industry accounted for the annual output of L.E. 554, 666, 821, 1030, 1204 and 1397 million. The chemical and pharmaceuticals industry's annual output was L.E. 345, 372, 476, 629, 698 and 873 million. Finally, the building material industry occupied the last position in the output performance scale. Its annual output value was L.E. 82, 81, 84, 85, 83 and 82 million respectively.

Table 8.1 The Value of Industrial Output

(L.E. Mill at current prices).

Sector	1952	1977	1978	1979	1980	80/81	81/82
Chemicals and Pharmaceuticals	20.5	345	372	476	629	698	873
Food Industries	122.3	871	989	1158	1443	1692	1776
Engineering & Electric Inds.	30.1	554	666	821	1030	1204	1397
Building Material Industries	8.4	82	81	84	85	83	82
Spinning & Weaving Industries (Textile Industry)	84.6	873	1099	1166	1432	1568	1706

Source: Central Agency for Public Mobilisation and Statistics, Statistical Year Book, A.R.E., (1952-1982), August 1983, p 81.

The textile industry in Egypt is one of the main props on which the country relies to meet the demand of the local market and promote the export performance of Egyptian industry. It is acknowledged that one of the big problems facing the Egyptian economy is an uncontrolled budget deficit which most frequently attracts the main economic attention of the government. Thus, in recent years, as El-Haddad⁽³⁾ pointed out, the concern of the government about the economy has been almost entirely dominated by foreign exchange shortages. Foreign exchange was needed to cover a growing deficit in the goods and services balance, and to serve existing debt. The government continually had to seek grants and new loans to negotiate with bankers and other potential lenders, and to worry about matching payment schedules with expected receipts. However, though they are badly needed, outside loans do not provide a satisfactory basis for economic recovery or long-term economic development. In addition, there seems little possibility of Egypt being able to obtain adequate loans from external potential lenders until it takes more positive action to limit its rising and highly inflationary budget deficit. In this context, a practical course of action for the country to undertake in facing up to the problem of foreign exchange shortages is to try on a large scale, to increase exports of its manufactured products. And it seems that the textile industry plays and will continue to play, the most important role in the export activity of the total manufacturing sector.

The available data indicates that the textile industry (both public and private sector companies) accounted for 50.9 per cent of Egypt's exports of manufactured goods during 1979.⁽⁴⁾

With respect to the public-sector industries, in particular, the data shows that the textile public-sector companies accounted for 46.5 per cent of the exports of the whole public-sector manufacturing companies during 1981/82. Metallurgical companies occupied the second position with 25 per cent. Engineering and electronic companies ranked third with 19 per cent. Foodstuff companies accounted for 8.5 per cent, whereas chemical companies

were ranked at the bottom of the scale with only 1 per cent.⁽⁵⁾

Moreover, the future prospects for export as well as domestic consumption expansion seems reasonably promising for the textile products. In fact, the problem in international markets for Egyptian textile products lies in the supply shortage. Domestic demand for these products on the other hand is generally increasing as a result of population increase and increase in per capita income.

As reported by the US Department of Commerce⁽⁶⁾ in 1981, the demand for Egyptian textile products is expected to exceed supply significantly during the 1980s if the government does not take steps to increase the capacity of the public sector mills (and indeed that of the private sector companies as well). During the early to mid-1970s, production expanded at an average annual rate of 1.6 per cent. On the other hand, demand for domestic consumption and exports increased at a rate of approximately 4 per cent a year. Egyptian officials and economists from international financial organisations estimate that at least £1.6 billion must be invested during the 1980s to replace obsolete equipment and to expand Egypt's textile manufacturing capacity, especially if domestic production is to keep pace with increases in total demand. Both public and private companies have expressed an interest in obtaining American textile technology or in establishing joint ventures with American firms for the production of modern fabrics, such as synthetic blends and permanent press materials or for the manufacture of ready-to-wear clothing.

In terms of future development, as the report of the US Department of Commerce indicated, it should be noted that Egyptian government officials have considered establishing textile mills in several desert settlement cities and in the free trade zones. Under the economic 'Open Door' policy (Law No. 43 of 1974), which allowed foreign investment in Egypt, textile projects, as shown in Table 8.2, occupied the first position among the inland approved projects up to December 1978, with a total investment of 13.5 per cent of the total investment of all projects approved.

Table 8.2 Approved Inland Projects up to 31.12.1978.

(Value L.E. 1000)

	No.	Capital			Total Investment	%
		Local Currency	Foreign Currency	Total		
<u>Inland Projects</u>						
1. Investment companies	49	58316	125710	184026	194526	4.5
2. Banks	37	35758	93709	129467	129467	2.9
3. Tourist projects	86	177163	189225	366388	570282	13.1
4. Housing projects	35	115183	100723	215906	243248	5.6
5. Transportation projects	10	3387	23102	26489	60706	1.4
6. Health projects	13	15301	19707	35008	51519	1.1
7. Agricultural projects	33	53919	52303	106222	251219	5.7
8. Contracting projects	57	10226	18497	28723	56759	1.3
9. Services projects	19	2361	128454	130815	139061	3.1
10. Textile projects	33	61912	43197	105109	586097	13.5
11. Food and Beverage projects	32	14792	10782	25074	67271	1.5
12. Chemical projects	70	24530	56709	81239	112437	2.5
13. Wood product projects	11	3609	5597	9206	16246	0.4
14. Engineering projects	40	34924	52771	87695	282108	6.5
15. Building material projects	27	53679	31731	85410	221739	5.1
16. Metallurgical projects	21	10653	18141	28794	36208	0.8
17. Pharmaceutical projects	9	3831	6062	9893	16731	0.4
18. Mining projects	5	2287	2986	5273	6094	0.13
19. Petroleum projects	4	774	2510	3284	3284	0.07
Total	591	682105	981916	1664021	3045502	70

Source: The General Authority for Investment and Free Zones, Fact and Figures, December 1978.

By and large, in view of Islamic and economic considerations, the Egyptian textile industry is one of the most important industries to the country.

(ii) The Availability and Reliability of Data Required to Undertake the Study

From the point of view of the availability and reliability of data, the textile industry represented a distinct opportunity for the purposes of the study in that adequate statistical coverage of all the public and private enterprises, except those employing less than 10 employees, was possible in the case of the oldest industry in Egypt which was established over 6,000 years ago and became highly mechanised in the early 1900s.⁽⁷⁾ In the first place, such coverage would have the advantage of distinguishing small companies from large companies according to the criteria adopted in this study. In addition, it would provide an adequate sample frame and make it feasible to identify sound sample firms. It would also aid in assessing the reliability and accuracy of the data collected by the researcher at the field study stage.

(iii) The Attention Supposed to be Paid to Marketing

In terms of marketing, the nature of the product mix of the textile industry lay behind its selection for the present study. It is to be noted in this regard that the Egyptian textile industry covers the entire spectrum of cotton processing operations including spinning and weaving, knitting, and garment manufacture. Cotton textiles are the principal products of the industry, but it also manufactures jute products, wool carpets and an increasing though small amount of synthetic fibres. In addition, several hundred small companies in the private sector specialise in garment manufacture and handcraft speciality textile items, including tapestry, embroidered products and handbags.⁽⁸⁾

Theoretically, all textile consumer products are, in general, considered as being in highly consumer-oriented demand. As such,

the Egyptian textile industry establishments (regardless of size), which produce essentially for consumer markets, should pay special attention to marketing and utilise its modern concepts, principles, and techniques.

Based on the above-mentioned considerations, in terms of Islamic and economic importance, data availability and reliability, and marketing, it seems quite relevant and feasible to undertake this study of the textile industry.

4. Identification of the Sample

Prior to selecting the appropriate type of sample, it is necessary to define accurately the population of the study. Because this study is focused around the investigation of the marketing attitudes and practices of Egypt's small companies with particular reference to those in the textile industry, the population of the research, according to the adopted approach, includes all the private and public sector small firms working in the textile industry.

The sample frame used in selecting the small manufacturing textile companies in the private sector was based on the index of the Chamber of Spinning and Weaving Industry (affiliated to the Federation of Egyptian Industries) for 1983 which gives the names and addresses of all the private and public textile manufacturing firms which employ ten or more persons. Thirty public as well as 1,546 private companies are listed in this index. The population of small private companies in this study was defined as all the textile manufacturing companies which employ up to 100 workers. However, this index did not include the number of employees working in each company.

Taking into consideration time and cost, a total sample size of 160 companies was thought adequate for the nature and scope of the study.

With regard to the type of sample, it was considered convenient

to use a simple random sampling technique. According to Green and Tull,⁽⁹⁾ a simple random sample is one in which each sample element has a known and equal probability of selection and each possible sample of given elements has a known and equal probability of being the sample actually selected. It is drawn by a random procedure from a sample frame, which is a list containing an exclusive and exhaustive enumeration of all sample elements.

However, some adjustment was required to fit this technique to our case. Because of the absence of the number of employees working in each company, the available sample frame did not contain an exclusive and exhaustive enumeration of all sample elements. It was just a list of all the public and private textile manufacturing companies which employ ten or more persons irrespective of size. For this reason, the following steps were taken:

- (i) Excluding the public sector companies, it was thought appropriate to produce a sample of 200 units by random selection of page and line position from the aforementioned index of the Chamber of Spinning and Weaving Industry for 1983; so that a representative sample of all the private sector companies regardless of size was achieved.
- (ii) In order to exclude the large companies - those employing over 100 employees - respondents were asked about the number of employees at the first stage of the survey. Any company found to have more than 100 workers was excluded. As a result, a representative sample of all private small companies in the Egyptian textile industry was obtained.

For the public sector companies, the sample frame used in selecting small units was based on the General Authority for Industrialisation: A Statistical Statement on the Achievements of Industrial Sector and Mining Wealth during 1981/82. In this statement, there is an index which gives the names of all public industrial companies grouped by sectors. 115 firms are listed in this index of which 30 are textile enterprises. In addition, the

statement involves also capital employed and the number of employees for each company, including the textile firms.

A combination of both capital employed and number of employees was used to distinguish small companies from their larger counterparts. Thus, based on these criteria, the 30 textile companies were divided into three groups. These were; (i) 10 small, (ii) 10 medium and (iii) 10 large. The 10 small companies represented the public firms' population for this study. A total of six was considered to be a convenient and sufficient number in terms of the nature and scope of the study.

As regards to the type of sample, it was thought convenient that judgement sample would suit the current case. According to Kinner and Taylor,⁽¹⁰⁾ judgement samples (or purposive samples) are selected on the basis of believing that those particular sampling units will contribute to answering the particular research question being studied. Accordingly, the researcher selected the six smallest companies from the whole population of small public companies in the belief that these smallest companies would be more appropriate to the nature of the research and would contribute to providing an answer to the particular question it poses.

The Choice of Respondent

It is to be noted that this study is based on a survey conducted during the period from October 1984 to January 1985 by direct personal interviews in 100 private as well as 5 public companies in the Egyptian textile industry. The purpose was to obtain data directly from the field regarding current marketing practices and attitudes toward marketing. To achieve this end, the survey was undertaken as follows:

For the private sector companies, it was decided to conduct the interviews with the president of the company who is usually called the director or the managing director and who is either the owner of the firm or the partner holding most shares. The

reason for selecting the president for interview was that a president in small private companies is usually involved in all the decisions made regarding all the activities of his company, including marketing. In other words, the small private enterprises normally do not have a specialised marketing manager or separate marketing department. Marketing responsibilities as well as responsibility for other main activities are, in most cases, in the hands of the president of the company alone or acting with other partners or assistants. Thus, he is involved in planning and applying marketing concepts in the firm and selecting the appropriate tools.

With reference to the public sector companies, it was decided to undertake the interviews with the chairman of the company as well as the chief marketing executive irrespective of his title.

The reasons for this choice were as follows:

- (1) The chairman is involved in the decisions made at all the levels of business units in the company, therefore his attitude towards marketing will be of great importance to the other aspects of company management.
- (2) The chief marketing executive is involved in planning and applying marketing principles and techniques in the enterprise. He is responsible for the marketing function within the firm. Thus, his attitude towards the societal marketing concept will affect his actual implementation of this concept in his department.

5. Development of the Questionnaires

This stage in the research design is concerned with the development of the questionnaires constructed for data collection. In this regard, it describes four aspects; sources of ideas for questions, type of questions, type of scales and the rationale for the items of the questionnaires.

Sources of ideas for questions were based mainly upon a detailed search of the available literature for significant ideas relevant

to marketing in small companies in the Egyptian context for the theoretical part of this study, suggestions made by Mr. Gordon, the researcher's supervisor, and ideas obtained through piloting the questionnaires.

As regards the type of questions, it was decided to use a combination of open-ended and closed or forced choice type of questions in order to gain the advantage to be derived from the use of both types. The main type of question used was the closed one; some were simple dichotomous "Yes/No" alternatives, some were to be rated on a five-point scale with the polar extremes "to a great extent" on the left, and "very little" on the right. A Likert-type scale was also used for questions attempting to measure attitudes. Thus, respondents were asked to respond to each statement on a long scale ranging from "strongly agree" to "strongly disagree". It is to be noted, however, that the advantage of obtaining further explanation was not lost because the questionnaires were completed through personal interview by the researcher himself and this allowed, in fact, more information to be obtained both in amount and depth than any other alternative technique. In addition, some open-ended questions were used to give the respondents the opportunity to express their feelings and/or views on specific issues.

With respect to the issue of scaling, two points have to be clarified. These include; (i) odd versus even-numbered scales, and (ii) the number of points included in the scale.

- (i) Odd versus even-numbered scales: There is some difference of opinion among researchers regarding the advantages of odd versus even scores. It was pointed out that an even-numbered scale such as four or six point, has the advantage of forcing the respondent to either agree or disagree to some extent with a particular issue. As Moser and Kalton⁽¹¹⁾ expressed it, "with an even number there is no middle category, so that respondents are forced to decide to which side of neutral they belong". On the other hand, an odd numbered scale, such as three, five, or seven point, allows for an ambivalent or indifferent response. In this sense, previous studies⁽¹²⁾ showed that the odd scores were rated more highly by the respondents than even scores.

- (ii) The number of points included in the scale: With regard to the number of points the scale should include, Moser and Kalton⁽¹³⁾ indicated that "if the scale is divided too finely the respondents will be unable to place themselves, and if too coarsely, the scale will not differentiate adequately between them. Often five to seven categories are employed, but sometimes the number is greater".

Based upon the above, the scales selected for the questionnaires were five-point odd-numbered scales with the interval being the numbers 1 through 5.

With reference to the rationale for the items of the questionnaires, it should be mentioned that this study employed three types of questionnaire as follows:

- (i) Questionnaire for Presidents of public companies: This questionnaire was directed to the chairmen of the public companies in order to obtain data related to the attitudes of this group towards the Islamic marketing philosophy and objectives and towards the societal marketing concept and its relevance to small companies as well as the degree of adoption and implementation of this concept. Also, the aim was to generate information about business/government relationships particularly in the light of the open-door policy.
- (ii) Questionnaire for Marketing Managers of public companies: This questionnaire was directed to the senior marketing executives of the public companies who are responsible for the actual planning and performance of the marketing activities in their companies. The aim was to establish the companies' strategies and practices over a range of marketing related activities as well as the attitudes of this group to the societal marketing concept and its applicability to Egypt's small companies. The aim also was to obtain information about their attitudes towards the Islamic business and marketing philosophy and objectives. In addition, the purpose was to

generate data about the environmental factors associated with the degree of marketing development in these companies.

- (iii) Questionnaire for Presidents of private companies: This questionnaire was directed to the senior executives of the private companies with the intention of establishing the companies' policies and practices regarding different marketing activities as well as the attitudes of this group to the Islamic business and marketing philosophy and objectives and towards the societal marketing concept and its relevance to small companies. It aimed also at obtaining information about the environmental factors and their effects on marketing performance in the companies under investigation.

Similar questions were directed to each of the three groups of respondents in order to assess the extent to which marketing concepts and techniques had been accepted and implemented by them.

The following is an explanation of the purpose of each question included in each questionnaire.

Questionnaire No. 1 (Questionnaire for Presidents of public companies)

The questions included in this questionnaire were repeated in each questionnaire except questions 8 and 9 which were not included in questionnaire No. 2, i.e. the questionnaire for marketing managers of public companies. This questionnaire covered four aspects:

First: The firm's business philosophy in relation to Islamic doctrines from the management's point of view.

This part of the questionnaire attempted to assess how compatible the business philosophy adopted by the companies visited is with the Islamic doctrines. In addition, it aimed at ascertaining how the management of these companies understands the business philosophy and objectives from the Islamic point of view.

In so doing, question 1 was used to identify the main objectives of business firms in the companies' management opinion.

Question 2 examined the extent to which the firms adopted the business objectives they decided on in question 1.

Question 3 was intended to make sure that the respondent is Muslim since this investigation was carried out in an Islamic context.

Questions 4 and 5 examined understanding of Islamic business objectives. Question 4 asked respondents to indicate whether or not, in their opinion, Islamic teachings provide specific business philosophy and objectives, while question 5 asked them to choose the statement which best describes the Islamic point of view regarding business philosophy and objectives.

Question 6 attempted to identify the degree to which the firms adopted and implemented the philosophy they believed to be the best description of the Islamic view. It was also concerned with the problems associated with failure to adopt and implement the Islamic business philosophy. (These questions were related, in general, to Hypothesis 1 and Hypothesis 2a).

Second: The management attitude towards marketing

This section of the questionnaire involved questions which were intended to examine the attitude of management in the firms visited towards marketing.

In this regard, question 7 was devoted to examining understanding of the societal marketing concept.

Question 8 was designed to establish whether or not marketing activities are the responsibility of a specialist member of the company.

Question 9 examined whether or not the marketing managers, if such posts existed, were accorded a title corresponding with the requirements of the societal marketing concept.

Question 10 was concerned with the main business background of the company's president as this is an influential factor in his attitude towards marketing. Related to this section was question 20 which was intended to investigate to what extent the management of firms visited understood the main objectives and obligations of Islamic teachings in the area of the marketing mix elements. Questions 7 and 9 were related to Hypothesis 1. Questions 8 and 10 were related to Hypothesis 1 and Hypothesis 2d. Question 20 was related to Hypothesis 1 as well as Hypothesis 2a).

Third: The company in its relation to the governmental authorities

This part of the questionnaire was devoted to the assessment of the nature of the government control over the company's activities particularly in the marketing area. It was also concerned with the governmental aid and policy required for the development of the company. In addition, it dealt with the relative position of the small companies compared to the large enterprises under the economic Open-Door Policy.

Thus, question 11 was designed to assess the extent of governmental control over the company, while question 12 sought to identify the governmental policy required to help the development and growth of the enterprise.

Question 13 attempted to measure the management implications of the Open-Door Policy.

Questions 14 and 15 were designed to examine the effect of the Open-Door Policy on small companies in relation to large firms. (This part of the questionnaire was related to Hypothesis 2b and c).

Fourth: The applicability of the societal marketing concept and marketing techniques in small companies within the Egyptian environment

This part of the questionnaire was devoted to examining the opinion of the management concerning how applicable the societal marketing concept is as a whole (i.e. the concept dimensions and adequacy) in the firms visited. It also attempted to elicit an explanation of the management's attitude toward the acceptance of the marketing concept as a managerial approach for small companies in the Egyptian environment. To achieve this purpose, the following questions were constructed.

Question 16 was designed to examine the relationship between marketing concepts and techniques, and the size of firm. It was intended to measure the management's attitude towards the relevance of the societal marketing concept to small companies.

Question 17 attempted to discover how far it was possible for small companies in Egypt to apply modern marketing tools in their business.

Question 18 was concerned with the Open-Door Policy and its likely effect on the marketing environment of small companies.

Question 19 attempted to investigate the main reasons and obstacles which might deter the small firms from applying modern marketing concepts and techniques. (Question 16 was related to Hypothesis 1. Questions 17 to 19 were related to Hypotheses 2a, b, c, d and e).

Questionnaire No. 2 (Questionnaire for Marketing Managers of public companies).

Excluding the questions which were similar in each questionnaire, and which were mentioned earlier in the foregoing questionnaire, this questionnaire involved two questions concerning the management attitudes towards marketing. As such, question 8 attempted to ascertain the main business background of the marketing manager,

while question 9 was devoted to measuring the extent to which he was involved in the entire business planning. (Question 8 was related to Hypothesis 1 and Hypothesis 2d. Question 9 was related to Hypothesis 1).

In addition, the following aspects were covered by this questionnaire:

First: Marketing strategies and practices

This section of the questionnaire involved questions which attempted to obtain information related to the planning and performance of marketing activities. More specifically, this part was intended to produce data relating to marketing planning, marketing research, product, pricing, distribution and promotion. The objective of these questions was to discover whether or not the societal marketing concept was put into practice by the companies visited.

Thus, questions 21, 22 and 23 were concerned with marketing planning. Related to marketing planning is the competitive environment in which a company operates.

So, questions 24, 25, 26, 27, 28 and 29 were designed to examine the nature, the sources and the level of competition under which the companies visited operate.

Questions 30, 31 and 32 covered the issue of marketing research. The overall objective of these questions was to produce data relating to the extent to which the companies visited are engaged in marketing research activity as well as the factors that might hinder the undertaking of this activity in these enterprises.

Questions 33, 34 and 35 were devoted to assessing the product policy adopted.

Questions 36, 37, 38 and 39 were concerned with pricing strategy.

Questions 40, 41, 42a and 42b attempted to examine the distribution policy pursued.

Questions 43 to 48 aimed at investigating promotional activities.

Specifically, question 43 examined whether or not the company is engaged in advertising through an overall advertising plan. It was also concerned with the factors that might deter undertaking advertising in the company.

Question 44 attempted to identify the company's advertising goals, while question 45 aimed at ascertaining the methods used by the company to determine the amount of finance to be allocated to advertising.

Question 46 was designed to find out whether or not the company assessed the effectiveness of its advertising efforts.

Question 47 attempted to examine whether or not the company was engaged in other promotional activities (i.e. sales promotion, publicity and public relations and personal selling).

In question 48, attention was paid to examining the company's development and motivation policy with regard to its employees, especially the sales force. (This section of the questionnaire was related to Hypothesis 1 and Hypothesis 2e).

Second: General information about the company

The final part of the questionnaire attempted to obtain some general information about the companies visited.

Thus, question 49 was concerned with the position of the respondent, while questions 50 and 51 dealt with information related to the number of the company's employees and the amount of capital

employed.

Finally, question 52 asked respondents to write in any other points on the subject they felt should have been covered.

It is to be noted that some of the questions in this part which were repeated in the private company presidents questionnaire (i.e those referring to the number of employees and the amount of capital employed) have not been used in the final analyses. These questions were only intended to obtain data necessary to make sure that only small firms were included in the sample. However, in the case of public sector companies, these data were obtained as mentioned before, from the General Authority for Industrialisation: A Statistical Statement on the Achievements of Industrial and Mining Wealth During 1981/82.

Questionnaire No. 3. (Questionnaire for Presidents of private companies).

Although this questionnaire included 54 items, it was in fact a combination of the two preceding questionnaires. As such, the questions included in this questionnaire had the same purposes and covered the same aspects as were explained before in the two foregoing questionnaires. The reason for this was that the prime aim of all the questionnaires was to establish the extent to which the societal marketing concept had been accepted and implemented by the management of the two groups of companies and to identify the environmental factors associated with the degree of marketing development in the two types of firms. Accordingly, a description of this questionnaire is to be found in the aforementioned explanation of both the questionnaires used for the presidents of public companies and the marketing managers of public companies.

6. Translation and Pre-testing the Questionnaires

These questionnaires were originally constructed in English and then translated into Arabic. The translation was discussed question by question with some Arabic colleagues who are familiar

with Arabic marketing terminology. Following these discussions, changes in the wording of some questions were made. The questionnaires were previously subjected to informal testing on colleagues and friends then to an interviewer-administered test with a sample of business executives similar to those in the main survey. The resultant comments on the questionnaires were subjected to a content analysis, providing the basis for some revisions and a refinement of the questionnaires, making them more acceptable to respondents.

7. Interviewing

Prior to the commencement of the actual investigation, it was necessary to obtain permission from the General Agency for Public Mobilisation and Statistics. The questionnaire, with a copy of the permission granted, together with a letter of introduction issued by the Under Secretary of Education, and a personal letter from the researcher seeking the respondent's help in the study were presented to the president of each company in both the private and public sectors. The letters briefly explained the nature and importance of the study and requested the co-operation of the respondents.

After the first contact with every top manager, appointments were arranged. However, it was convenient for some respondents particularly in the private sector companies, to complete the interviews immediately.

It should be mentioned, in this regard, that the researcher contacted in advance, some intermediaries to help in getting the co-operation of the respondents. Although this approach, as El-Haddad⁽¹⁴⁾ indicated, might have introduced some bias into the study, alternative procedures such as going to the company without an initial contact would probably have resulted in a very low response rate.

This opinion was confirmed by the personal experience of the present researcher in conducting some marketing researches in Egypt

through his earlier work as a part-time Research Assistant in the Arab Research and Administration Centre (ARAC).

Rate of Response

The total size of the sample of the private sector companies considered as being convenient was 160. However, as mentioned before, because of the lack of information about the number of employees working in each company, it was decided, initially, to contact 200 companies so that, any company that was found to be large; (i.e. with more than 100 workers) could be excluded.

In effect only 160 companies could be contacted, 8 of which were found to be large. Of the remaining 152 which were classified as small, 52 were excluded either because of lack of co-operation (30 companies) or because of the invalid responses given by the respondents (22 companies). Subsequent analysis, therefore, were based on responses from the remaining 100 firms represented by 100 top managers.

As regards the public sector companies, the total number of the firms in the sample at the time of investigation was six, one of which had to be excluded because of lack of co-operation. In the remaining 5 companies, 10 top managers, i.e. 5 presidents and 5 marketing managers, could be interviewed, and valid responses were given by all of them.

Thus, the response rate was 62.5 per cent in the private sector companies and, approximately, 83 per cent in the public sector companies. Both groups were considered to be enough and representative. Therefore, the data collected was thought to be capable of contributing, to a great extent, to an understanding of the main theme of the current study, i.e. to what extent modern marketing concepts and techniques (in the light of Islamic doctrines) were being adopted and implemented by Egyptian small companies as demonstrated by small companies in the textile industry.

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CHAPTER NINE

The Findings of the Study

CHAPTER NINEThe Findings of the StudyIntroduction

The aim of this chapter is to analyse the data collected through personal interviews in order to test the validity of the hypotheses under investigation. Specifically, its purpose is to present the findings concerning the extent to which small Egyptian textile companies have adopted and implemented the societal marketing concept and marketing techniques (dependent variables), as well as those concerning the different environmental variables associated with the degree of marketing development in these companies (independent variables).

With regard to factors affecting the position of marketing in the Egyptian small companies, it has been suggested that five major sets of variables might influence this position. These are:

1. Non-awareness, misunderstanding and/or non-adopting of Islamic beliefs and teachings regarding marketing.
2. The small size of firms.
3. Government control over the marketing mix elements (i.e. product, pricing, distribution and promotion) and other areas of decision making.
4. Shortage of competent managerial and marketing know-how.
5. Lack of competition.

Thus, the identification of the extent to which the marketing concept and modern marketing techniques have been adopted and implemented by the firms studied and the relationship between the above five sets of factors represents the main focus of the analysis

discussed in this chapter. It is hoped by examining these issues that it will be possible to develop a sound view of the status of marketing in Egyptian small companies and the environmental factors that might affect this status, and by so doing, establish appropriate means of providing relevant positive suggestions and approaches for marketing development in one of the most important economic sectors in Egypt, i.e. the small industrial companies.

As a starting point, it would appear to be expedient to discuss the statistical techniques which were chosen and employed for drawing inferences regarding the hypotheses put forward in the previous chapter.

In this connection, it is to be noted that the initial task of any analysis is often to determine the basic distributional characteristics of the variables. In the current study, these characteristics were determined principally through frequencies and cross-tabulations. As such, the statistical methods used in analysing the data were organised and presented as follows:

- a) The presentation of the basic distributional characteristics of the variables through frequencies and percentages.
- b) Comparison of means for scaled (e.g. strongly agree ... to strongly disagree). and for ranked questions in order of importance. The lower the mean, the more important the factor was considered by respondents.
- c) The use of cross-tabulation technique in determining the relationships, if any, between the dependent variable (the adoption of the societal marketing concept) and each of what are considered independent variables, by use of chi-square test^o of significance (or Fisher's exact test in some cases). However, in a number of instances cells were less than 5 and so made the application of the technique invalid.

It is to be noted that since this inquiry has been undertaken in respect of textile small companies in both the public and private sectors, responses might vary in terms of each sector. The survey results, therefore, were tabulated by the type of sector in order to reflect the differences, if any, between the two groups of companies.

In the light of the above introduction, the issues under investigation in this chapter have been organised and presented in three broad sections as follows:

Section One: Extent of the Adoption and Implementation of the Societal Marketing Concept.

A - Attitudes to the Societal Marketing Concept.

B - The Degree of Implementation of the Societal Marketing Concept.

C - Summary and Conclusion.

Section Two: Marketing Strategies and Practices.

A - Marketing Planning.

B - Product Policy.

C - Pricing Decisions.

D - Distribution Strategy.

E - Promotion Strategy.

Conclusion.

Section Three: Factors Associated with the Degree of Marketing Development.

A - Size of companies.

B - Governmental Policy and Control over the Firm's Business.

C - The Shortage of Competent Managerial and Marketing Know-How.

D - Nature of Competition.

Section One

Extent of Adoption and Implementation of the Societal Marketing Concept

Introduction

In this section an attempt is made to investigate the extent to which management in the firms studied has accepted and implemented the societal marketing concept. This attempt assumed two forms: (1) examining some aspects related to business philosophy and objectives in general as well as in Islamic terms and in terms of societal marketing were discussed with the managers interviewed in order to find out their attitudes towards the societal marketing concept and its applicability to Egyptian small companies, and (2) assessing the extent of implementation of the societal marketing concept as reflected by some indications which reveal a marketing orientation. In the subsequent subsections, these two dimensions will be analysed.

A - Attitude to the Societal Marketing Concept

From the outset, it is essential to point out that the philosophical dimensions of the marketing concept adopted by this study hold that the actual objectives of all decisions taken by the business firm's management must be related to both consumer satisfaction and well-being as well as society's welfare, while making a profit. All of these three dimensions should be considered as equal factors influencing the company's marketing strategies and policies and indeed all business decisions.

In the light of this approach, the following is an attempt to examine the attitude towards the marketing concept exhibited by the managements of the firms visited. This attempt will take four forms:

- 1 - The firm's business philosophy and objectives;
- 2 - Awareness and acceptance of Islamic business philosophy and objectives;
- 3 - Attitude towards the societal marketing concept and its relevance to small companies;
- 4 - Overall attitudes to the societal marketing concept.

The analysis will distinguish between two major groups of respondents, the public sector companies' executives and the private-sector firms' executives. The public companies' executives group includes two sub-groups, i.e. presidents and marketing managers, each group involving five respondents. This being the case, it would be useful at this point to acknowledge that a very small number is included in each of these two sub-groups. With such small numbers, the findings will be of interest if there is total agreement or disagreement on a specific issue, e.g. it will be useful to comment on the responses obtained if they reveal a different view on a particular subject, i.e. one concerning something on which all should be expected to agree. The private companies' executives did not include the term 'marketing' in their title although they are quite often responsible for the marketing activities of their companies. This group includes a hundred respondents who are presidents of private companies.

1 - Business Philosophy and Objectives ✓

One of the most important approaches to measuring whether or not a firm is marketing-oriented is to identify its business philosophy and objectives.

Respondents were provided with five statements about the main objectives of a firm's business and were requested to evaluate each statement on a 'Likert-Type' scale ranging from 'strongly agree' to 'strongly disagree'. The statements were concerned with the

possible alternative views relating to the firm's business philosophy and objectives.

Tables 9.1, 9.2 and 9.3 show respondents' views on each statement, broken down by the type of sector and the level of responsibility of respondents. Below are the findings related to each category as drawn from the Tables.

i) The Presidents of Public-Sector Companies

The responses of the presidents of public companies are shown in Table 9.1.

Table 9.1 reveals the following points:

- a) All the respondents strongly agreed or agreed that the overall major task of their corporation is profit maximisation. Specifically, while 40% of the respondents agreed with this concept, the majority of them (60%) strongly agreed with it. This in itself reflects a myopic view with respect to the firm's business philosophy and objectives. However, acceptance by respondents of a broader and more comprehensive philosophy was indicated by the responses to statement (c) in the table.
- b) Similarly, all the respondents agreed or strongly agreed that the firm's growth should be the most influential factor in formulating its strategies and policies.
- c) With respect to the statement that "the firm's management philosophy holds that corporate objectives must consider both consumer satisfaction and society's interests while making a profit", all the presidents of the public companies visited believed that the firm's business philosophy should regard the interests of three important parties, i.e. consumers, society, and the company itself. Twenty per cent of them strongly agreed, while eighty per cent of them agreed with the statement.

Table 9.1 Firm's Business Philosophy and Objectives According to the Presidents of Public Companies.

Statement	Strongly Agree		Agree		Uncertain		Disagree		Strongly Disagree		Mean Score	Rank	n	N
	No.	%	No.	%	No.	%	No.	%	No.	%				
a) The firm's main task is to attain maximum profit	3	60	2	40	0	0.0	0	0.0	0	0.0	1.400	1	5(100%)	5
b) The firm's growth should be the most influential factor in formulating strategies and policies	2	40	3	60	0	0.0	0	0.0	0	0.0	1.600	2	5(100%)	5
c) The firm's management philosophy holds that corporate objectives must consider both consumers' satisfaction and society's interests while making a profit.	1	20	4	80	0	0.0	0	0.0	0	0.0	1.800	3	5(100%)	5
d) Society's interests should be considered the most influential factor in setting a company's strategies and making decisions.	0	0.0	3	60	2	40	0	0.0	0	0.0	2.400	4	5(100%)	5
e) Customers satisfaction must be the major aim of the company's efforts.	1	20	2	40	0	0.0	2	40	0	0.0	2.600	5	5(100%)	5

n = number of valid observations.
 N = number of public company presidents included in the study.

- d) The majority of respondents (60%) agreed that society's welfare should take priority in formulating the company's strategies and making all its business decisions. The remainder (40%) neither agreed nor disagreed with this philosophy.
- e) Finally, with respect to the last statement which indicates that consumer satisfaction and interests should be regarded as the major aim of the firm's efforts, the majority of respondents, 60% agreed or strongly agreed with it. The remainder, 40%, were in disagreement with this concept.

From the above analysis, it can be seen that although the presidents of the public-sector companies interviewed accepted a broad and comprehensive business philosophy as reported by them in response to statement (c) in Table 9.1, they tended to think of their companies' interests as being much more important than both consumer satisfaction and well-being, and societal welfare. However, they should recognise that the company's interests are, inevitably, associated with the interests of both consumers and society.

ii) The Marketing Managers of Public-sector Companies

The responses of the marketing managers of public companies are included in Table 9.2.

From Table 9.2, it can be seen that:

- a) Attaining maximum profit was considered the main task of the company by all the respondents who expressed strong agreement (60%), or agreement with this business aim.
- b) The firm's growth was the most acceptable business objective reported by all respondents where 80% strongly agreed and 20% agreed that the firm's growth should be the most influential factor in formulating its strategies and policies.

Table 9.2 Firm's Business Philosophy according to marketing managers of public-sector companies.

Statement	Strongly Agree		Agree		Uncertain		Disagree		Strongly Disagree		Mean Score	Rank	n	N
	No.	%	No.	%	No.	%	No.	%	No.	%				
a) The firm's main task is to attain maximum profit.	3	60	2	40	0	0.0	0	0.0	0	0.0	1.400	2	5(100%)	5
b) The firm's growth should be the most influential factor in formulating strategies and policies	4	80	1	20	0	0.0	0	0.0	0	0.0	1.200	1	5(100%)	5
c) The firm's management philosophy holds that corporate objectives must consider both consumers' satisfaction and society's interests while making a profit.	1	20	4	80	0	0.0	0	0.0	0	0.0	1.800	3	5(100%)	5
d) Society's interests should be considered the most influential factor in setting a company's strategies and making decisions.	0	0.0	2	40	3	60	0	0.0	0	0.0	2.200	5	5(100%)	5
e) Customer satisfaction must be the major aim of the company's efforts.	1	20	4	80	0	0.0	0	0.0	0	0.0	1.800	4	5(100%)	5

n = Number of valid observations.

N = Number of marketing managers of public companies included in the study.

- c) Twenty per cent of the respondents strongly agreed while eighty per cent of them agreed that both consumer satisfaction and societal welfare as well as the company's interests must be included in the corporate objectives.
- d) With regard to the philosophy which considers society's interests as the most influential factor in setting the company's strategies and making decisions, forty per cent of the respondents agreed with this philosophy while sixty per cent of them reported that they neither agreed nor disagreed with it.
- e) Finally, an interesting finding was that all the respondents in this group of the marketing managers agreed (80%) or strongly agreed (20%) that customer satisfaction should be the major aim of their company's efforts.

From the above, one can conclude that the business philosophy of this group tends to be more marketing-oriented than the first group, i.e. the presidents of public companies, particularly in terms of customer satisfaction. However, with regard to the dimension of societal interests, the finding shows insignificant consideration of these interests by this group which, in turn, reflects non-marketing orientation among them in terms of society's welfare.

iii) The Presidents of Private-Sector Companies

Table 9.3 illustrates the responses of the presidents of private-sector companies with respect to their firm's business philosophy and objectives.

From Table 9.3, several observations can be made as follows:

- a) The majority of senior executives interviewed (79%) either agreed or strongly agreed that the main task of the company's business is to attain maximum profit. Seventy nine out of a hundred respondents in this group viewed the aim of their business only in terms of profit maximisation, regardless of other business objectives.

Table 9.3 Firm's Business Philosophy and Objectives according to the Presidents of Private Companies.

Statement	Strongly Agree		Agree		Uncertain		Disagree		Strongly Disagree		Mean Score	Rank	n	N
	No.	%	No.	%	No.	%	No.	%	No.	%				
a) The firm's main task is to attain maximum profit.	36	36	43	43	14	14	7	7	0	0.0	1.920	1	100(100%)	100
b) The firm's growth should be the most influential factor in formulating strategies and policies	13	13	39	39	27	27	21	21	0	0.0	2.560	4	100(100%)	100
c) The firm's management philosophy holds that corporate objectives must consider both consumers' satisfaction and society's interests while making a profit.	22	22	41	41	29	29	7	7	1	1	2.240	2	100(100%)	100
d) Society's interests should be considered the most influential factor in setting a company's strategies and making decisions.	5	5	10	10	44	44	40	40	1	1	3.220	5	100(100%)	100
e) Customer satisfaction must be the major aim of the company's efforts.	12	12	35	35	40	40	12	12	1	1	2.550	3	100(100%)	100

n = Number of valid observations.

N = Number of private company presidents included in the study.

- b) A small majority of this group (52%) believed that their main business objectives must be the growth of the firm. This percentage agreed or strongly agreed that growth of their firms should be the most influential factor in formulating their overall strategies and policies. This finding, coupled with the first one, may reflect non-marketing orientation in the business philosophy of the private companies visited. However, the majority of respondents, as appears from their reply to the statement (c) in the table, tended, to a certain extent, to be marketing-orientated in terms of the overall business philosophy and objectives of their companies.
- c) One interesting finding was that sixty per cent of the respondents adopted a broad and comprehensive business philosophy when they reported that the firm's management philosophy holds that corporate objectives must consider both consumer and society's interests, while making a profit.

However it seems that making a profit is the most important and influential factor in their overall business philosophy. This conclusion is based on the following:

- The respondents' replies to statement (d) in the table which states that society's well-being should be considered the most influential factor in setting a company's strategies and making decisions. Only fifteen per cent of the respondents agreed or strongly agreed with this statement, while the vast majority (eighty five per cent) of them tended to be either uncertain, in disagreement, or in strong disagreement with that statement. A similar attitude was shown with regard to customers' interests as the major aim of the company's efforts. When this concept was addressed to respondents, only forty seven per cent of them agreed or strongly agreed, while a small majority (fifty three per cent) chose the remaining categories of replies (i.e. uncertain, disagree, or strongly disagree).

- On the other hand, an opposite attitude was expressed by the respondents with respect to making a profit. Thus in their response to statement (a) in the table, the vast majority (seventy nine per cent) of them decided that the main task of their corporation is to attain maximum profit.

From the above discussion, it appears that in view of the theoretical standards, the majority of senior executives (presidents) in private-sector companies had a short-sighted business philosophy. And this, in turn, reflects non-marketing orientation among this group in terms of the corporate business philosophy.

Another area of investigation involved exploring the extent to which the companies studied adopted and maintained the policy of a structured and formalised business philosophy by defining objectives and committing them to paper.

Accordingly, respondents were requested to indicate the extent to which the business objectives which were identified earlier were recorded in writing. The results obtained are shown in Table 9.4.

Table 9.4 Structure and formalisation of business philosophy and objectives.

Formalisation of Business Objectives	Public Companies		Private Companies	
	No.	%	No.	%
a. Fully recorded	0	0.0	0	0.0
b. Partly recorded	3	60.0	2	2.0
c. Not recorded	2	40.0	98	98.0
Base	5	100	100	100

As can be observed from Table 9.4, both groups of companies under investigation do not follow the fully structured and formalised business philosophies and objectives as all of them reported that these philosophies and objectives are not recorded or are only partly recorded. This result was supported by the researcher's discussions with some of the respondents in the two groups of companies. The interesting finding from these discussions was, that at the level of top management, in most cases there was a lack of knowledge of whether these philosophies and objectives were recorded, and this result indicates the limited extent of their awareness of the marketing and business goals which the company is trying to achieve. Such a situation can be described as management and hence marketing disorientation.

To sum up, in view of the firm's business philosophy, the whole analysis above suggests that there is a distinct lack of appreciation of the marketing concept. The majority of all respondents seem to be oriented towards company interests rather than towards consumer satisfaction and/or societal welfare. In other words, they have an unfavourable attitude towards the marketing concept in terms of business philosophy and company objectives.

2 - Awareness and Acceptance of Islamic Business Philosophy and Objectives

It has been argued throughout this study that Islamic doctrines urge distinct business philosophies and objectives in terms of which the entire business corporation must be organised and operated. Thus, for a firm, whether small or large, to operate effectively and efficiently in an Islamic environment (e.g. Egypt), the management of that enterprise must recognise, adopt and implement the Islamic business philosophy regarding marketing. Briefly, Islamic business philosophy states that customer satisfaction and long-run consumer and societal well-being, together with the business company's interests, are all equally important factors in formulating a company's strategies and decision making. Such being the case, this philosophy is consistent with the societal marketing concept

which involves three main dimensions in marketing - indeed in all business - decision making, namely, consumer needs, wants and interests, company interests, and society's interests.

So, it is hypothesised that in an Islamic context like Egypt's there is a positive relationship between awareness, adoption and implementation of the Islamic business philosophy and the adoption and implementation of the marketing concept philosophy. In other words, the extent to which a company recognises the Islamic business philosophy indicates, to a certain extent, its attitude towards marketing.

In the following pages, an attempt will be made to assess the attitudes of managers towards the Islamic business philosophy as an indication of how far that management's awareness, adoption and implementation of this philosophy reflects societal marketing emphasis.

Three questions (questions, 4 5 and 6 in each of the three questionnaires) were used to collect data on the issue under investigation. These questions dealt with three dimensions: (i) awareness of whether Islamic teachings provide a specific business philosophy, (ii) definition of the Islamic business philosophy, and (iii) adoption and implementation of the Islamic business philosophy. These three dimensions will be analysed in the same order.

In question 4, respondents were, initially, asked to state whether or not in their opinion Islamic teachings provide a basis for specific business philosophies and objectives.

Table 9.5 reveals that:

- a) Only 39.09 per cent of all respondents tended to believe that Islamic teachings are a source of specific business philosophies and objectives. On the other hand, 35.45 per cent indicated that Islamic doctrines have no relevance for business. The remainder (25.45 per cent) were uncertain. They reported that

Table 9.5 Respondents' Awareness that Islamic Teachings Provide a Specific Business Philosophy.

	Public Sector Companies						Private Sector Companies		All Respondents	
	Presidents		Marketing Managers		Total		No.	%	No.	%
	No.	%	No.	%	No.	%				
a. Yes	2	40	2	40	4	40	39	39	43	39.09
b. No	3	60	3	60	6	60	33	33	39	35.45
c. D.K.	0	0.0	0	0.0	0	0.0	28	28	28	25.45
No. of valid observations	5	100	5	100	10	100	100	100	110	
No. of cases involved in the study in each group	5		5		10		100		110	

they do not know whether or not Islam proposes a specific business philosophy.

- b) Within the different groups of respondents interviewed, the responses reveal a general similarity. As Table 9.5 indicates, while the percentage of respondents in public companies who stated that Islamic teachings provide a specific business philosophy was 40, respondents in the private sector companies were in agreement with the public company managers in that 39 per cent of them tended to believe that Islamic doctrines propose a distinct business philosophy and related objectives. Sixty per cent of the public companies respondents indicated that there is no relationship between Islam and worldly business. Sixty one per cent of the respondents in the private companies either believed that Islamic doctrines do not provide a specific business philosophy (decided by 33%) or they do not know whether or not Islam has its own business philosophy (decided by 28%).
- c) Within the different levels of responsibilities in the public-sector companies, the percentage of responses was identical. The table shows that two out of five (40%) of the presidents of the companies chose the first reply, i.e. that Islam provides a distinct business philosophy, and 40% of the marketing managers of these companies made the same response. Similarly, 60% of each group chose the second answer, i.e. that Islamic teachings do not promote a specific business philosophy.

From the above discussion, it appears that, in respect of recognition that Islamic teachings provide a specific business philosophy, managers in all groups tended to be non-marketing oriented in terms of the extent of their awareness of Islamic business philosophy.

In question 5, those who stated earlier that Islamic doctrines provide a specific business philosophy and related objectives, were requested to identify the statement which best describes the Islamic

point of view. The statement addressed to them ranged from very narrow, e.g. the company's interests, to very broad, i.e. customer satisfaction as well as long-term consumer and societal well-being together with the company's interests.

As it appears from Table 9.6, a large majority (88.4%) of all the respondents to whom this question was addressed tended to define the Islamic business philosophy in a very broad sense. They agreed with the statement which defines this philosophy as a business orientation that holds that "customer satisfaction as well as long-term consumer and societal well-being, together with the business company's interests are all equal factors influencing the formulation of the overall company's strategies and decision-making". The remaining small percentage (11.6%) adopted the narrower approach. They were in agreement with the statement that "a business company should aim to satisfy customers at a profit".

Further analysis within the different groups included in the study shows similar findings. A majority of the public companies' executives to whom the question was addressed (75%) espoused the very broad view in their definition of the Islamic business philosophy, while 25% of them chose the narrow approach. The private companies' presidents adopted the very comprehensive broad approach much more readily than those of the public sector companies. These are interesting findings in themselves. They may reveal an Islamic business philosophy orientation (and consequently societal marketing orientation) among the managers interviewed in terms of a proper understanding and awareness of this philosophy. However, the researcher has some reservations concerning whether the respondents fully understood and adopted the Islamic business philosophy. The general feeling is that while they indicated in their answers to the statements that they understood and believed in the Islamic business philosophy, our discussion with the majority of the private companies executives as well as the actions taken by the public companies executives, as will be seen in their replies to question 6, indicated a different viewpoint. In other words, they may merely have been paying lip service to the philosophy without

Table 9.6 Respondents' Definition of the Islamic Business Philosophy and Objectives.

Statement	Public Sector Companies						Private Sector Companies		All Respondents	
	Presidents		Marketing Managers		Total		No.	%	No.	%
	No.	%	No.	%	No.	%				
a. Customers' needs must be the sole objective of business companies.	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
b. The company's interests should be the fundamental goal for which the entire business is organised and operated.	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
c. Society's welfare must be the essential objective of business firms.	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
d. A business company should aim to satisfy customers at a profit.	1	50	0	0.0	1	25	4	10.3	5	11.6
e. Customers' satisfaction and society's welfare are the final objectives of business companies.	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
f. Customer satisfaction as well as long-term consumer and societal well-being, together with the business company's goal (interests), all of them are equal factors influencing in formulating the company's strategies and making decisions.	1	50	2	100	3	75	35	89.7	38	88.4
g. Societal well-being and company's interests should be the essential goal of business enterprise.	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
No. of valid observations	2	100	2	100	4	100	39	100	43	
No. of cases concerned by the question	2		2		4		39			
No. of cases included in the study in each group	5		5		10		100			

implementing it. Moreover, these findings should be considered in relation to the small percentages of respondents in every group who recognised that Islamic teachings provide a specific business philosophy. These percentages, as was seen earlier, were 40 and 39 in the public and private companies respectively.

Finally, question 6 concerned itself with ascertaining whether or not the Islamic business philosophy identified earlier by the respondents was being adopted and implemented by the company.

From Table 9.7, it can be seen that a large majority (72.8%) of all respondents to whom the question was addressed fully or as far as possible adopted and implemented the Islamic business philosophy they supported earlier. Within the different groups included in the study, however, private sector executives tended to be more Islamic business-oriented in terms of adoption and implementation of the philosophy they believe is provided by Islamic teachings. Twenty nine out of thirty nine (74.4%) of them reported that they accept and put the philosophy into practice, compared with 50% of the presidents and 50% of the marketing managers of the public companies.

Related to question 6, question 7 was addressed to those who indicated they have not adopted and implemented the philosophy they believed to be outlined in Islamic teachings, in order to identify the reasons, if any, responsible for this position.

The answers which were received are given below in order of importance:

- (1) Constraints due to government interference and control over the overall company's activities were mentioned by seven out of nine (77.8%) of the presidents of private companies and by the marketing manager of a public company who has not adopted and implemented the Islamic business philosophy.

Table 9.7 Respondents' Adoption and Implementation of the Islamic Business Philosophy.

Adoption and Implementation	Public Sector Companies						Private Sector Companies		All Respondents	
	Presidents		Marketing Managers		Total		No.	%	No.	%
	No.	%	No.	%	No.	%	No.	%	No.	%
a. Full	0	0.0	0	0.0	0	0.0	15	38.5	15	34.88
b. As far as possible	1	50	1	50	2	50	14	35.9	16	37.20
c. No	1	50	1	50	2	50	9	23.1	11	25.58
d. D.K.	0	0.0	0	0.0	0	0.0	1	2.6	1	2.33
No. of valid observations	2	100	2	100	4	100	39	100	43	100
No. of cases concerned by the question	2		2		4		39			
No. of cases included in the study in each group	5		5		10		100			

- (2) Shortages and accidental delays in getting raw materials of suitable quality and sufficient quantities, in addition to the accidental breakdown of some machines in the factory were reported by 77.8% of private firms' executives and by the aforementioned public company's marketing manager.
- (3) The small size of the company and insufficient financial and other resources were mentioned by two out of nine (22.2%) of the presidents of private firms.

From the whole analysis above, one can justifiably conclude that there is a distinct lack of awareness and adopting of the Islamic business philosophy among Egyptian small companies' executives. The majority of the managers interviewed in both public and private companies did not recognise that Islamic doctrines provide a specific business philosophy and appropriate objectives. Those who did tended either to define it narrowly or not to put it into practice. However, they must know that Islamic teachings recommend a distinct business philosophy and should therefore recognise the tenets of this philosophy which is compatible with the societal marketing concept philosophy. For them to be effective and efficient, this philosophy must be put into operation. In other words, actions should be taken by the management of the firm to translate this philosophical foundation into directing more effort towards understanding potential user needs and wants as well as consumer and societal well-being, and making use of such marketing tools as marketing research and marketing planning.

3 - Attitude Towards the Societal Marketing Concept and its Relevance to Small Companies

In the following pages, an attempt will be made to measure the attitude of managers in the firms studied towards the societal marketing concept and its applicability in small companies in terms of expressed agreement and/or disagreement with statements embodying the tenets of the philosophy, and its operational adequacy and suitability to small companies within the Egyptian situation.

Two questions were used for data collection on this issue in the three questionnaires. . . They included fourteen statements on a 'Likert-type' scale which implied a number of positively and negatively worded items in order to compel the respondent to pay a great deal of attention in responding to each item since variations between positive and negative items as indicated by Moser and Kalton⁽¹⁾, force him "to consider each item carefully, rather than to respond automatically to them all in the same way."

Respondents were requested to score each statement along a five-point scale, ranging from strongly agree to strongly disagree. The statements cover the two main aspects of the issue under investigation, namely: (i) the dimensions of the societal marketing concept, and (ii) the relevance of the marketing approach to small companies.

The findings related to each dimension will now be presented in the same order.

(i) Attitude Towards the Societal Marketing Concept

Seven statements about the societal marketing concept were presented in the three questionnaires and the respondents were requested to express their opinions on the extent of agreement or otherwise with each statement. Tables 9.8, 9.9 and 9.10 show the findings related to the agreement and/or disagreement of the respondents with these statements, broken down by the type of sector and the level of responsibility.

From Table 9.8, one can notice the following:

- a) In contrast to the recognition of the marketing concept, all the public company presidents interviewed either strongly agreed (60%) or agreed (40%) that the aim of marketing activity is to sell what can be produced. This clearly indicates

Table 9.3 Attitude of Public Company Presidents Towards the Societal Marketing Concept.

	Strongly Agree		Agree		Uncertain		Disagree		Strongly Disagree		n	N
	No.	%	No.	%	No.	%	No.	%	No.	%		
a) The aim of marketing activity is to sell what can be produced.	3	60	2	40	0	0.0	0	0.0	0	0.0	5(100%)	5
b) The marketing concept consists of offering and satisfying customers needs and wants, without giving much attention to the society's welfare.	0	0.0	4	80	1	20	0	0.0	0	0.0	5(100%)	5
c) The marketing concept means that marketing activities are organisationally integrated into a total system of action.	0	0.0	4	80	1	20	0	0.0	0	0.0	5(100%)	5
d) The marketing concept is a philosophy, i.e. a way of business thinking that permeates the entire business.	0	0.0	4	80	1	20	0	0.0	0	0.0	5(100%)	5
e) The marketing concept is sales promotion through which personal contacts and exchange processes can be realised at the market place.	3	60	2	40	0	0.0	0	0.0	0	0.0	5(100%)	5
f) The marketing concept means that profitable sales volume replaces maximum sales volume as an objective.	0	0.0	3	60	2	40	0	0.0	0	0.0	5(100%)	5
g) The marketing concept means that society's welfare as well as consumer satisfaction and well-being, together with the company's interests, are equally of significant importance.	0	0.0	1	20	4	80	0	0.0	0	0.0	5(100%)	5

n = Number of valid responses.

N = Number of presidents of public companies included in the study.

Table 9.9

Attitude of Public Company Marketing Managers Towards the Societal Marketing Concept.

Statements	Strongly Agree		Agree		Uncertain		Disagree		Strongly Disagree		n	N
	No.	%	No.	%	No.	%	No.	%	No.	%		
a) The aim of marketing activity is to sell what can be produced.	1	20	3	60	0	0.0	1	20	0	0.0	5(100%)	5
b) The marketing concept consists of offering and satisfying customers needs and wants, without giving much attention to the society's welfare.	0	0.0	4	80	1	20	0	0.0	0	0.0	5(100%)	5
c) The marketing concept means that marketing activities are organisationally integrated into a total system of action.	0	0.0	2	40	3	60	0	0.0	0	0.0	5(100%)	5
d) The marketing concept is a philosophy, i.e. a way of business thinking that permeates the entire business.	0	0.0	2	40	3	60	0	0.0	0	0.0	5(100%)	5
e) The marketing concept is sales promotion through which personal contacts and exchange processes can be realised at the market place.	3	60	2	40	0	0.0	0	0.0	0	0.0	5(100%)	5
f) The marketing concept means that profitable sales volume replaces maximum sales volume as an objective.	0	0.0	3	60	0	0.0	2	40	0	0.0	5(100%)	5
g) The marketing concept means that society's welfare as well as consumer satisfaction and well-being, together with the company's interests, are equally of significant importance.	0	0.0	2	40	3	60	0	0.0	0	0.0	5(100%)	5

n = Number of valid responses.

N = Number of marketing managers of public companies included in the study.

Table 9.10 Attitude of Private Company Presidents Towards the Societal Marketing Concept.

	Strongly Agree		Agree		Uncertain		Disagree		Strongly Disagree		n	N
	No.	%	No.	%	No.	%	No.	%	No.	%		
a) The aim of marketing activity is to sell what can be produced.	25	25	48	48	14	14	13	13	0	0.0	100(100%)	100
b) The marketing concept consists of offering and satisfying customers needs and wants, without giving much attention to the society's welfare.	3	3	14	14.1	54	54.5	25	25.3	3	3	99(100%)	100
c) The marketing concept means that marketing activities are organisationally integrated into a total system of action.	4	4	24	24.2	57	57.6	14	14.1	0	0.0	99(100%)	100
d) The marketing concept is a philosophy, i.e. a way of business thinking that permeates the entire business.	2	2	24	24.2	59	59.6	14	14.1	0	0.0	99(100%)	100
e) The marketing concept is sales promotion through which personal contacts and exchange processes can be realised at the market place.	5	5.1	74	74.7	19	19.2	1	1	0	0.0	99(100%)	100
f) The marketing concept means that profitable sales volume replaces maximum sales volume as an objective.	10	10.3	45	46.4	39	40.2	3	3.1	0	0.0	97(100%)	100
g) The marketing concept means that society's welfare as well as consumer satisfaction and well-being, together with the company's interests, are equally of significant importance.	22	22	40	40	35	35	3	3	0	0.0	100(100%)	100

n = Number of valid responses.

N = Number of presidents of private companies included in the study.

that marketing is viewed as some kind of hard selling operation and promotion activity to attract customers.

- b) A large majority of this group (80%) agreed with the statement that "the marketing concept consists of offering and satisfying customers' needs and wants, without giving much attention to the society's welfare". In this respect, they were in disagreement with the societal marketing concept philosophy in terms of which good marketing must consider the society's well-being in addition to consumers' and company interests.
- c) A large majority (80%) of this group of respondents tended to agree with "the integrative marketing" concept which means that marketing activities are organisationally integrated into a total system of action. None of them disagreed with this concept, while the remaining percentage (20%) neither agreed nor disagreed with it.
- d) Similarly, a large majority of them (80%) believed that the marketing concept is a way of business thinking that permeates the entire business. The remaining percentage (20%) tended to be uncertain in response to this proposition.
- e) Despite this group's awareness of the marketing concept, in terms of integrative marketing as well as profitability, as reflected in their responses to the statements, c, d and f in the table, all of them equated marketing activities with promotional activities through which personal contacts and exchange processes can be realised at the marketplace. As such, they ignored other equally important functions through which customer and society orientation can be achieved, such as marketing research, product planning, pricing and distribution. This being the case, this group of respondents had a short-sighted approach towards the elements that embody the tenets of marketing function, i.e. they adopted the promotion-orientation approach. However, they should recognise that promotion is only one component of a larger

marketing mix which must be integrated to achieve the objective of the societal marketing philosophy.

- f) The analysis of statement (f) shows that this group of senior executives tended to be more profit-oriented rather than sales-volume oriented, as sixty per cent of them agreed with the statement that "the marketing concept means that profitable sales volume replaces maximum sales volume as an objective".
- g) A large majority of this group (80%) were uncertain in their responses concerning the definition of the marketing concept suggested by the questionnaire which best expresses the societal marketing concept philosophy, namely that society's welfare as well as consumer satisfaction and well-being, together with the company's interests are equally of significant importance. This finding may reflect a misconception and/or non-recognition of the societal as well as the Islamic marketing philosophy. This is because this group of respondents tended to think of marketing as being synonymous with selling and promotional activities.

Table 9.9 shows the attitude of the marketing managers of public companies towards the societal marketing concept as reflected in their responses to the statements addressed to them.

From Table 9.9, several comments can be made, as follows:

- a) A vast majority (80%) of this group of managers interviewed strongly agreed or agreed that marketing's job is to sell what can be produced. Only twenty per cent of them were in disagreement with this suggestion.
- b) Similar to the first group of respondents (i.e. the presidents of public companies), eighty per cent of this group accepted the statement that "the marketing concept consists of offering and satisfying customers needs and wants without giving much attention to the society's welfare". The remaining percentage

(20%) were neutral in their responses to this concept. In this respect, like their counterparts, i.e. the presidents of public companies, they were in disagreement with the societal marketing concept that considers society's well-being along with customers' and company's interests.

- c) Surprisingly, only two out of five (40%) of this group of respondents agreed with the 'integrative marketing' concept which states that marketing activities are organisationally integrated into a total system of action. The majority of them tended to be uncertain, i.e. they neither agreed nor disagreed with this concept.
- d) Similarly, with regard to the statement that "the marketing concept is a philosophy, i.e. a way of business thinking that permeates the entire business", a majority of this group of managers interviewed (60%) neither agreed nor disagreed with it. Only forty per cent of them agreed with this concept. This being the case, they once again were not in agreement with the marketing concept in terms of integration and co-operation of all the company's people as a means of achieving the objectives of the societal marketing concept.
- e) All this group of respondents tended to believe that the term 'marketing' is equal to the promotional function, as they either strongly agreed (60%) or agreed (40%) with the definition of the marketing concept as being sales promotion which relates the company to its market through personal contacts and exchange processes. In other words, they saw marketing as being just some kind of rudimentary promotional activities. This, as stated before, is a short-sighted approach towards marketing activities.
- f) A majority of this group of managers interviewed, 60%, tended to be profit-oriented rather than sales volume oriented, as they agreed with the statement that "the marketing concept means that profitable sales volume replaces maximum sales

volume." In this respect, they were in full agreement with the marketing concept that profitable sales volume in the long run should be the goal of the firm and not just increasing volume.

- g) With regard to the definition of the societal marketing concept suggested by the questionnaire, the finding indicates that a majority of this group of respondents (60%) were uncertain in their responses to this definition, while a minority (40%) of them agreed with it. This may reflect, to a certain extent a lack of recognition and appreciation of the societal and Islamic marketing philosophy among this group of managers.

Finally, Table 9.10 illustrates the findings related to the attitude of the presidents of private companies towards the societal marketing concept.

From Table 9.10 it can be seen that:

- a) A large majority of the private company presidents interviewed believed that the task of marketing is to stimulate demand and sell the products of the company. Seventy three per cent of this group of respondents strongly agreed or agreed that the aim of marketing activity is to sell what can be produced.
- b) A majority of this group (54.5%) were uncertain in their responses to the statement that "the marketing concept consists of offering and satisfying customers' needs and wants, without giving much attention to the society's welfare." Only 17.1% agreed or strongly agreed with this statement, while 28.3% of them disagreed or strongly disagreed with it.
- c) Similarly, the majority of this group of respondents were uncertain in their reply concerning the concept of 'integrative marketing', as (57.6%) of them neither agreed nor disagreed

with the suggested definition of the concept presented in statement (c) in the question addressed to them. Only twenty eight per cent of this group agreed or strongly agreed with the statement relating to the concept.

- d) Similar to the above statement, a large majority of this group (59.6%) were uncertain that the marketing concept is a way of business thinking that permeates the entire business. Only 26.2 per cent of them agreed or strongly agreed with this interpretation.
- e) A vast majority of this group (79.8%) tended to think of marketing as being synonymous with promotion. In this regard, they were in agreement with the previous two groups of public company managers in ignoring other equally important activities embodied in the marketing concept, such as marketing research, product planning, pricing and distribution.
- f) Fifty five out of ninety seven (56.7%) in this group were in agreement with the marketing concept in that they agreed or strongly agreed that profitable sales volume replaces maximum sales volume as an objective.
- g) With regard to the statement that "the marketing concept means that society's welfare as well as consumer satisfaction and well-being, together with the company's interests are equally of significant importance", the majority of this group (62%) were in full agreement with the societal marketing concept, as they agreed or strongly agreed with the statement, while a very small minority (3%) disagreed with it. However, as appears from their responses to the statements (a) and (e) in the table, they viewed marketing as being just the activities related to the selling of the firm's products. According to this view, customers can be induced to purchase through various advertising, sales and promotional activities. This attitude reflects a sales-orientation approach which as

Kotler⁽²⁾ indicated, assumes that "customers will either not buy or not buy enough of the organisation's products unless the organisation makes a substantial effort to stimulate their interest in its products." This is, as frequently stated, a short-sighted approach towards marketing.

(ii) Awareness of the Relevance of the Marketing Approach to Small Companies

The attitudes towards the societal marketing concept having been examined, the next step is to assess its relevance to small companies in the Egyptian context. In this regard, seven statements about the applicability and importance of the marketing approach to small companies were presented to the respondents to discover the extent of agreement or otherwise with each statement.

Tables 9.11, 9.12 and 9.13 show respondents' views on each statements, broken down by each group of respondents, i.e. presidents of public companies, marketing managers of public companies and presidents of private companies.

From Table 9.11, which is concerned with the opinions of public company presidents, the following observations and comments can be made:

- a) A majority of public company presidents interviewed (60%) indicated that the marketing approach is applicable to small as well as large companies, as they agreed with the suggestion that its applicability is not confined to the specific size of firms. The percentage of those who disagreed with this idea was only 20%. On the other hand, with regard to the statement that "modern marketing concepts and techniques are applicable only in big companies", the majority of this group of respondents tended not to believe that the marketing approach is relevant only to large firms since 60% of them disagreed with the statement.
- b) Concerning the importance of the adoption and implementation

Table 9.11

Attitude of Public Company Presidents Towards the Relevance of the Societal Marketing Concept to Small Companies.

Statement	Strongly Agree		Agree		Uncertain		Disagree		Strongly Disagree		n	N
	No.	%	No.	%	No.	%	No.	%	No.	%		
a) The applicability of the marketing approach is not confined to the specific size of firms.	0	0.0	3	60	1	20	1	20	0	0.0	5(100%)	5
b) Modern marketing concepts and techniques are applicable only in big companies.	1	20	0	0.0	1	20	3	60	0	0.0	5(100%)	5
c) The application of the marketing philosophy is a must for all companies regardless of size.	0	0.0	3	60	2	40	0	0.0	0	0.0	5(100%)	5
d) The application of the marketing concept is more important for small companies.	0	0.0	1	20	1	20	3	60	0	0.0	5(100%)	5
e) Marketing is too expensive to be practised by small companies.	1	20	3	60	1	20	0	0.0	0	0.0	5(100%)	5
f) The core problems of small firms are in finance and production. Marketing and concern with customers are subordinated to finance and production.	1	20	3	60	1	20	0.0	0.0	0	0.0	5(100%)	5
g) The application of the marketing philosophy is necessary since Egypt is an Islamic country.	0	0.0	1	20	3	60	1	20	0	0.0	5(100%)	5

n = Number of valid responses.

N = Number of presidents of public companies included in the study.

Table 9.12

Attitude of Public Company Marketing Managers Towards the Relevance of the Societal Marketing Concept to Small Companies.

Statement	Strongly Agree		Agree		Uncertain		Disagree		Strongly Disagree		n	N
	No.	%	No.	%	No.	%	No.	%	No.	%		
a) The applicability of the marketing approach is not confined to the specific size of firms.	0	0.0	5	100	0	0.0	0	0.0	0	0.0	5(100%)	5
b) Modern marketing concepts and techniques are applicable only in big companies.	0	0.0	2	40	2	40	1	20	0	0.0	5(100%)	5
c) The application of the marketing philosophy is a must for all companies regardless of size.	1	20	4	80	0	0.0	0	0.0	0	0.0	5(100%)	5
d) The application of the marketing concept is more important for smaller companies.	0	0.0	0	0.0	2	40	3	60	0	0.0	5(100%)	5
e) Marketing is too expensive to be practised by small companies.	1	20	3	60	1	20	0	0.0	0	0.0	5(100%)	5
f) The core problems of small firms are in finance and production. Marketing and concern with customers are subordinated to finance and production.	1	20	4	80	0	0.0	0	0.0	0	0.0	5(100%)	5
g) The application of the marketing philosophy is necessary since Egypt is an Islamic country.	0	0.0	1	20	4	80	0	0.0	0	0.0	5(100%)	5

n = Number of valid responses.

N = Number of marketing managers of public companies included in the study.

Table 9.13 Attitude of Private Company Presidents Towards the Relevance of the Societal Marketing Concept to Small Companies.

	Strongly Agree		Agree		Uncertain		Disagree		Strongly Disagree		n	N
	No.	%	No.	%	No.	%	No.	%	No.	%		
a) The applicability of the marketing approach is not confined to the specific size of firms.	10	10	28	28	28	28	31	31	3	3	100(100%)	100
b) Modern marketing concepts and techniques are applicable only in big companies.	13	13	31	31	21	21	27	27	8	8	100(100%)	
c) The application of the marketing philosophy is a must for all companies regardless of size.	13	13.1	33	33.3	32	32.3	20	20.2	1	1	99(100%)	100
d) The application of the marketing concept is more important for small companies.	6	6.2	4	4.1	0	0.0	13	13.4	74	76.3	97(100%)	100
e) Marketing is too expensive to be practised by small companies.	15	15.2	29	29.3	28	28.3	20	20.2	7	7.1	99(100%)	100
f) The core problems of small firms are in finance and production. Marketing and concern with customers are subordinated to finance and production.	5	5	38	38	26	26	22	22	9	9	100(100%)	100
g) The application of the marketing philosophy is necessary since Egypt is an Islamic country.	12	12.4	23	24	49	51	12	12.5	0	0.0	96(100%)	100

n = Number of valid responses.

N = Number of presidents of private companies included in the study.

of the marketing concept by small as well as by large companies, a majority of this group (60%) agreed that the application of the marketing philosophy is a must for all companies irrespective of size, while 40% of them neither agreed nor disagreed with this issue. In response to the statement that "the application of the marketing concept is more important for small companies", the majority of respondents tended not to believe that adopting and implementing the marketing philosophy is more significant for small rather than large firms, as 60% of them disagreed with the statement.

- c) Despite the above awareness of the relevance and importance of the application of the marketing concept in small establishments, most respondents (80%) in this group agreed or strongly agreed that marketing is too expensive to be practised by small companies. Moreover, a vast majority of the public company presidents interviewed reported that finance and production problems, not marketing problems, take the priority in small companies. This was clear in their response to statement (f) in the table, where 80% of them either agreed or strongly agreed that the core problems of small enterprises are in the areas of finance and production. Marketing problems are subordinated to finance and production. In this respect, they were in full disagreement with the marketing concept that marketing must occupy the leading position in the organisation, and that to carry out his responsibilities successfully, the president (or general manager) of a small company must recognise that his own position is fundamentally a marketing function and therefore his objectives and corporate strategies must be based on that understanding. To do this, he should make marketing problems the core of his corporate planning.
- d) With regard to the necessity of adopting and implementing the societal marketing concept as an Islamic requirement in the Islamic Egyptian environment, the finding was not in favour of this suggestion. Sixty per cent of this group of respondents were uncertain in their response to the statement that "the

application of the marketing philosophy is necessary since Egypt is an Islamic country." This finding, coupled with the detailed observations and discussions held with respondents, reflects the common belief in the Egyptian business environment that there is no relationship between Islam and marketing and the whole business domain. Once again, one can justifiably conclude that there is a distinct lack of recognition of the Islamic teaching regarding marketing and business philosophy and related objectives.

With reference to the opinions of marketing managers of public companies towards the relevance of the marketing concept to small companies, Table 9.12, indicates their agreement and/or disagreement with each proposed statement.

From Table 9.12, it can be seen that:

- a) All the marketing managers interviewed tended to believe that the marketing concept is applicable to all companies including small ones. In this regard, they reported that this applicability is not confined to the specific size of firms. Nevertheless, quite a large percentage (40%) of them indicated that modern marketing concepts and techniques are applicable only in big companies. However, as shown from discussions held with some of them and from their responses to statement (e) in the table, the reason for that, in their opinion is the greater financial and other resources enjoyed by large compared with small enterprises.
- b) Concerning the necessity of utilising the marketing concept by small companies, all this group of respondents strongly agreed or agreed that the application of this concept is necessary for all firms regardless of size. None of them accepted, however, the suggestion that operating this philosophy is more important for small companies, while sixty per cent disagreed with it and forty per cent were uncertain.

- c) A large majority (80%) of the marketing managers interviewed either agreed or strongly agreed that putting marketing into practice is too expensive for small establishments. This is, however, not a reasonable attitude, particularly on the part of this group of marketing managers, since small companies could adopt tailored marketing strategies in some form or other which would not cost an excessive amount.
- d) With respect to the statement that "the application of the marketing philosophy is necessary since Egypt is an Islamic country", a large majority (80%) of this group adopted a neutral attitude in their response to this statement. Only 20% of them agreed with it. As with the first group of respondents, this may reflect a lack of recognition of the Islamic teachings regarding marketing.

Finally, Table 9.13 shows the attitude of the presidents of private companies towards the relevance to small companies of the marketing approach.

Table 9.13 indicates that:

- a) Thirty eight per cent of this group reported they believe that the marketing concept is applicable to both small and large companies, while thirty four per cent disagreed or strongly disagreed with this view. On the other hand, forty four per cent tended to believe that modern marketing concepts and techniques are not applicable in small firms, while thirty per cent did not accept this suggestion. In this respect, the finding was not in favour of the relevance of the marketing concept to small enterprises.
- b) In response to the idea that the application of the marketing concept is necessary for companies of all sizes, quite a large percentage (44.4%) of the private companies visited either agreed or strongly agreed with this suggestion, while 32.3% of them were uncertain. The remaining percentage (21.2%) disagreed

or strongly disagreed. However, a very large majority (89.7%) of this group of respondents strongly disagreed or disagreed with the statement that "the application of the marketing concept is more important for small companies."

- c) Forty four and a half per cent of this group either strongly agreed or agreed with the idea that practising marketing is too expensive for small establishments, while 27.3 per cent of them strongly disagreed or disagreed with this suggestion.
- d) Non-marketing orientation was reflected in the responses of this group of respondents to statement (f) in the table. This was made clear as forty three per cent of them strongly agreed or agreed that the core problems of small establishments are in the areas of finance and production, to which marketing and concern with customers are subordinated.
- e) As regards the statement that "the application of the marketing philosophy is necessary since Egypt is an Islamic country", a small majority (51%) of this group reported they are uncertain, while thirty six and a half per cent of them either agreed or strongly agreed with it. The remaining percentage (12.5%) disagreed with the statement. This figure may reflect once again a lack of recognition and appreciation of Islamic doctrines regarding marketing and business philosophy.

4 - Overall Attitude to the Societal Marketing Concept

So far, the foregoing analysis of attitudes towards the societal marketing concept has dealt with respondents' opinions about the different dimensions of the marketing concept as well as the different aspects of its relevance to small companies in the Egyptian context. As mentioned previously, respondents were asked to score each statement addressed to them along a five-point scale ranging from strongly agree to strongly disagree. With this task achieved, the next step was to attempt to assess the overall attitude of each group of respondents, i.e. presidents of public companies, marketing managers

of public companies and presidents of private companies. To achieve this aim, each respondent was considered separately to indicate his general attitude to the societal marketing concept as a whole. To do this, an SPSSX sub-programme was used to compute the respondent's score in respect of each of the fourteen statements in the two questions with the exception of statement (d) in the second question which was considered neutral. A score of one was given to 'strongly agree' category and 5 to 'strongly disagree'. For the negative statements, the scoring system was reversed (i.e. strongly agree = 5 and strongly disagree = 1).

Table 9.14 shows the aggregate results of this computation which indicate the overall attitude of each group. Several comments emerge from these results:

Table 9.14 Overall Attitude to the Societal Marketing Concept.

Attitudes to the Societal Marketing Concept	Public Companies						Private Company Presidents	
	Presidents		Marketing Managers		Total		No.	%
	No.	%	No.	%	No.	%		
Favourable Attitude	0	0.0	1	20	1	10	23	24.5
Unfavourable Attitude	3	60	3	60	6	60	49	52.1
Neutral*	2	40	1	20	3	30	22	23.4
Total	5	100	5	100	10	100	94**	100

- a) As can be seen from the above table, the majority of all groups of respondents had unfavourable attitudes towards the societal marketing concept. Specifically, sixty per cent of each of the two groups of public companies (i.e. the presidents and the marketing managers) did not accept the tenets of this concept

* Those who are neutral, whose total score is on the midpoint along the five-point scale which reanges from strongly agree to strongly disagree.

** Number of valid responses among a hundred respondents included in the study.

and its relevance to small companies, while the percentage of those who had an unfavourable attitude to the concept among the presidents of the private companies studied was over fifty two percent. The overall result reveals that the small companies in the study are non-marketing oriented. Situations existed in which the management of these companies did not fully understand either the tenets of the Islamic marketing philosophy or the dimensions of the societal marketing concept and its relevance to small companies.

b) Despite acceptance of the societal marketing concept by only a minority of all groups of respondents, the adoption of this concept reaches a higher proportion among the private company executives' group than their counterparts in public companies. The percentage of acceptance of the concept by the presidents of private companies was 24.5% compared to 10% of the aggregated result for public company executives - both presidents and marketing managers. This might be an unexpected result in that public-sector companies have considerable resources compared to their counterparts in the private sector. Some explanation of this result may be submitted as follows:

i) As pointed out by some of the public company executives interviewed, decisions in public enterprises are not based, in most cases, on market considerations but on government measures and regulations. As mentioned in Chapter Four, governmental authorities in Egypt have closely supervised and controlled every public firm down to the most minute detail. Intervention on the part of the government for the purposes of the macro economic policy has deprived public enterprises of most of their autonomy in respect of production, pricing investment and so forth. This situation continued to exist even after the adoption of Law No. 111, 1975, which introduced a new organisational system aimed at re-establishing efficient management. Added to this is the everchanging priority system, combined with the absence of a long range vision of the country's future, and the relative instability of government policies, all contributing greatly to the disorientation of the public companies' management.

Management of private-sector companies have also experienced several problems resulting from many governmental regulations and measures imposed upon them, thus creating an undesirable managerial and operational climate. However, they are outwith close and detailed governmental control, and therefore they enjoy, to some extent, management flexibility and decision-making discretion which make it possible to manage in accordance with the conditions of the business environment and to base their policies on market considerations.

ii) Another possible explanation of the difference between the two groups is that management of public companies, as stated by many of private firms' presidents, works in a monopolistic situation in relation to private firms, notably in respect of the ability to obtain raw materials and production facilities. In addition, the public textile firms have been established and operated in most cases, as Boyd et al⁽³⁾ indicated, with a view to replacing imports under tariff protection, thus creating a situation that causes the firms' management to feel that marketing is relatively unimportant. The typical executive takes the demand for his products as it stands and does little to alter this demand.

Thus, in his view, the crucial problem is how to produce more and at less cost. He devotes his efforts towards dealing with production problems and does not worry about marketing his products. This management attitude has developed and its effects still operate even after the adoption of the Open-Door policy, as a result of the continuing monopolistic situation which deepened the belief that the primary concern of business should be to create the capacity to produce before considering the need to think of marketing. The net result, as once again stated by some of the private companies' presidents, was that many kinds of textile products could not be sold or produced and marketed except under monopolistic or non-profitable conditions, while, on the other hand, the Egyptian market experienced shortages in specific types of textiles products.

- c) Within the public companies' executives group, it is to be noted that none of the presidents of the firms interviewed had a favourable attitude towards the societal marketing concept, while one out of five (20%) of the marketing managers accepted the concept. This could perhaps be expected on the grounds that this group of executives have in many cases, to some extent, a marketing background with marketing education and/or training. Against this, many presidents lack experience in marketing because they have come up through ranks other than marketing (e.g. ranks of production, finance, or the like). Our finding, in this regard, supports the finding of El-Haddad's study⁽⁴⁾ of marketing in the Egyptian industry, namely that the ratio of acceptance of the marketing concept is much higher among marketing managers than for non-marketing executives including the presidents of the companies he studied.

At this point, it will be useful to examine the relationship between the extent of adoption of the societal marketing concept and its relevance to small companies, and two independent variables, namely: (i) the main marketing background of the marketing manager (which was assumed to include the elements of marketing qualifications, e.g. the ability to administer marketing research, advertising, customer service, product development and the like), and (ii) the extent to which the marketing manager is involved in the overall business planning.

With reference to the private companies, using the outputs of SPSSX sub-programme, a cross-tabulation analysis suggested that there was no relationship between the adoption of the societal marketing concept and its applicability to small companies and the afore-mentioned variables.

Another attempt was made to examine the relationship between the adoption of the societal marketing concept and the main objectives of business firms (discussed earlier in this section).

A crosstabulation analysis indicated that the presidents of private companies who accepted the societal marketing concept and its relevance to small companies adopted the suggested broad and comprehensive definition of the objectives of business firms to a larger degree than those who had an unfavourable attitude and those who were uncertain. Table 9.15 shows that 47.8 per cent of the first group strongly agreed with this definition compared with only 2 per cent of the second group and 27.3 per cent of the third group. It is also to be noted that those who were neutral were found in a better position in respect of adopting the comprehensive definition of business objectives compared than those who had an unfavourable attitude.

An attempt was also made to examine the relationship between the extent of adoption of the societal marketing concept by the presidents of private companies and the extent of their awareness and adoption and implementation of the Islamic business philosophy. A cross-tabulation analysis showed, significantly, that the presidents of the private companies who accepted the societal marketing concept and believed in its relevance to small companies tended to recognise that Islamic doctrines provide specific business philosophy and objectives to a greater extent than those who had an unfavourable attitude to the societal marketing concept and those who were neutral. Table 9.16 indicates that 74% of those who had a favourable attitude believed that Islamic teachings provide a specific business philosophy and related objectives compared with only 12.2% of those who did not accept the societal marketing concept and 54.5% of those who were neutral.

As regards the relationship between the extent of the acceptance of the societal marketing concept and understanding of the tenets of the Islamic business philosophy, there was no significant relationship between the two variables. It was found that all those who had a favourable attitude towards the societal marketing concept and all those who had an unfavourable attitude to the concept accepted the definition which describes best the Islamic point of view in respect of business philosophy. For those who were neutral, the

Table 9.15

The relationship between the extent of the acceptance of the societal marketing concept (dependent variable) and the definition of business firm's philosophy which holds that "corporate objectives must consider both consumers' satisfaction and society's interests, while making a profit" (independent variable)(1).

(Private Companies' Group)

Extent of adoption of the broad definition of business firm objectives	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree	Total response in each group
Extent of adoption of the societal marketing concept						
Favourable attitude	11(47.8%) ⁽²⁾	10(43.5%)	2(8.7%)	0(0.0%)	0(0.0%)	23(100%)
Unfavourable attitude	1(2.0%)	16(32.7%)	25(51.0%)	7(14.3%)	0(0.0%)	49(100%)
Neutral	6(27.3%)	14(63.6%)	2(9.1%)	0(0.0%)	0(0.0%)	22(100%)
Total	18	40	29	7	0	94(100%)

(1) Cross-tabulation analysis.

(2) To be read: 11(47.8%) of private company presidents who accepted the societal marketing concept, strongly agreed with the broad and comprehensive definition of business firms' objectives.

Table 9.16 The relationship between the extent of the adoption of the societal marketing concept and the recognition that Islamic doctrines provide a specific business philosophy and objectives (1).

(Private Companies' Group)

Extent of the recognition that Islamic doctrines provide a specific business philosophy and objectives	YES	NO	Total Response in each Group
Favourable Attitude	17(74%)(2)	6(26%)	23(100%)
Unfavourable Attitude	6(12.2%)	43(87.8%)	49(100%)
Neutral	12(54.5%)	10(45.5%)	22(100%)
Total	35	59	94(100%)
Level of Significance	**		

(1) Cross-tabulation analysis

(2) To be read: 17(74%) of the private company presidents who adopted the societal marketing concept recognised that Islamic teachings provide a specific business philosophy and objectives.

** Significant relationship at the 99% level of confidence.

vast majority of them (83.3%) selected the proper definition of the Islamic business philosophy, while only 16.7% of them failed to choose it. This result might be expected since the question concerned with the definition of the tenets of the Islamic business philosophy was addressed only to those who recognised that Islamic teachings provide a specific business philosophy so that they were expected to be able, in most cases, to understand the tenets of this philosophy regardless of their attitudes towards the societal marketing concept.

Finally, the analysis showed a relationship between the extent of adoption of the societal marketing concept and the extent of adoption and implementation of the Islamic business philosophy as reported by the respondents. Table 9.17 illustrates that supporters of the societal marketing concept tended to adopt and implement the Islamic business philosophy more than those who did not accept the concept and those who were uncertain as 88.2% of the first group fully or as far as possible accepted and implemented the philosophy while none of the second group adopted and implemented it. The percentage of those who fully or as far as possible adopted and implemented the concept among the third group was 83.3%.

Table 9.17 The relationship between the extent of acceptance of the societal marketing concept and the extent of adoption and implementation of the Islamic business philosophy (1).

(Private Companies' Group)

Extent of the adoption and implementation of the Islamic business philosophy.	Fully or as far as possible adopted	Not Adopted	Total Response in each group
Extent of the acceptance of the societal marketing concept			
Favourable Attitude	15(88.2%) ⁽²⁾	2(11.8%)	17(100%)
Unfavourable Attitude	0(0.0%)	6(100%)	6(100%)
Neutral	10(83.3%)	2(16.17%)	12(100%)
Total	25	10	35(100%)

(1) Cross-tabulation analysis.

(2) To be read: 15(88.2%) of the respondents who accepted the societal marketing concept fully or as far as possible adopted and implemented the Islamic business philosophy.

B - Degree of Implementation of the Societal Marketing Concept

It is to be acknowledged that awareness and acceptance of the societal marketing concept as an idea or philosophy is one thing and the commitment to take the necessary decisions to put it into practice is quite another. So, any attempt at measuring the degree of marketing orientation should be carried out according to two dimensions:

- (i) The degree of awareness and acceptance of the societal marketing concept as a business philosophy.
- (ii) The actions taken by the management of the firm to put the concept into operation.

The former dimension having been discussed, the latter should now be considered. Thus, in the following pages an attempt will be made to determine the extent to which the societal marketing concept has been implemented in the firms under investigation. A number of indicators were chosen to assess the extent of its implementation. These are:

- 1) Organisational aspects related to the marketing function.
- 2) The status of marketing research.
- 3) Existence of marketing goals.

Below is an analysis of these three dimensions in the same order.

(i) Organisational Aspects Related to the Marketing Function

As indicated throughout the literature review, organisation is a necessary condition for proper application of the philosophy of the marketing concept. It is unlikely that this concept will be fully applied in the absence of an appropriate organisational structure. In this context, the organisational dimensions of the societal marketing concept can be viewed as indicators in assessing

whether or not the societal marketing concept has been implemented in any company. Such organisational aspects can be used as a yardstick in determining to what extent the societal marketing concept has been put into practice. In the present case, it was considered useful to examine the extent to which there were marketing departments in the companies visited, the marketing qualifications of chief marketing executives and the extent of their involvement in overall business planning. Moreover, since one of the basic requirements for the organisational application of the philosophy is the marketing background of the company's president, it was decided also to examine the main business background of the presidents of the firms under investigation. Such being the case, the organisational characteristics related to the societal marketing concept will now be dealt with in relation to the following:

- 1 - The existence of a marketing department as a functional area subordinated to a marketing manager.
 - 2.- The marketing background of the marketing executive.
 - 3 - The title of the marketing manager.
 - 4 - The importance of the marketing executive and his role in overall business planning.
 - 5 - The main business background and qualifications of the company's president.
- 1 - Existence of a Marketing Department Subordinated to a Marketing Manager

The first step towards the application of the societal marketing concept is the existence of a marketing department responsible for planning and performing the different marketing activities in such a manner as to satisfy customers' needs and wants and maintain their long-term well-being together with societal welfare and company's interests. For this department to exist, the marketing activities

must be the responsibility (or under the control) of a specialist member of the company.

Respondents were asked to determine whether the marketing activities are the responsibility of a specialist member of their companies. Table 9.18 shows the responses of the two groups of companies.

As Table 9.18 shows, all the public sector companies had a specialist member responsible for the marketing activities in the company, while the vast majority (94%) of the private companies did not have this position in their organisational chart.

Table 9.18 Existence of a marketing department in the organisational structure.

Having a specialist member responsible for the marketing activities	Public-sector companies		Private-sector companies		All Companies	
	No.	%	No.	%	No.	%
Companies have a marketing officer	5	100	6	6	11	10.476
Companies do not have a marketing officer	0	0.0	94	94	94	89.524
Total	5		100		105	

Only six per cent of them have appointed a specialist member for administering the marketing activities within the firm. In this respect, the public-sector companies tended to be more marketing-oriented than the private-sector companies. This organisational status differential which exists in favour of the public companies could be traced on the one hand to the relatively advantageous position, in respect of financial and other resources enjoyed by publicly owned companies in comparison with private companies and on the other, to the governmental regulations which require every public company to create and maintain a marketing department within its organisational structure.

In addition to the above, an examination was undertaken of the relationship between the extent of adoption of the societal marketing concept and its applicability to small companies and the existence of a marketing department in the organisational structure of the private companies. A cross-tabulation analysis indicated the relationship between the adoption of the societal marketing concept and the existence of a marketing department. As can be seen from Table 9.19, the companies whose presidents had a favourable attitude towards the societal marketing concept and its relevance to small companies tended, to a greater extent, to have and maintain a marketing department than those whose management did not accept the concept or those whose presidents had a neutral attitude towards it.

However, the existence of a marketing department in any organisation by itself is not a guarantee of the importance of the marketing function and/or the achievement of marketing success by means of the application of the societal marketing concept.

Table 9.19 The relationship between the extent of adoption of the societal marketing concept and maintenance of marketing department.(1)

(Private Companies' Group)

Extent of the adoption of the societal marketing concept \ Extent of having a marketing department	Companies maintain a marketing department		Companies do not have a marketing department		Total Response in each group	
	No.	%	No.	%	No.	%
Favourable Attitude	4 (2)	17.4	19	82.6	23	100
Unfavourable Attitude	0	0.0	49	100	49	100
Neutral	1	4.5	21	95.5	22	100
Total	5		89		94	100

(1) Cross-tabulation analysis

(2) To be read: 4(17.4%) of private sector companies whose presidents accepted the societal marketing concept and believed in its relevance to small companies maintained a marketing department.

So, what is required in addition to the existence of a marketing department is a fundamental recognition of the essentiality of the marketing function in philosophical and practical terms. It is hoped that this recognition will be able to be assessed when discussion of the remaining organisational aspects has been completed.

2 - Marketing Background of the Marketing Executive

It is assumed that the degree of marketing orientation is higher in the case of marketing managers with better and broader marketing backgrounds than others. The reason for that assumption is that such managers can fully understand the complexity of modern marketing, and hence will be able to give proper guidance and direction to the operations.

Marketing managers of public companies and presidents of private companies were requested to indicate the extent to which the specialist member responsible for marketing activities has a marketing background. Tables 9.20 and 9.21 show the findings related to this issue, derived from the responses provided by each group of respondents.

From Table 9.20, it appears that with the exception of the abilities required for the performance of sales promotion, public relations and customer service activities, none of the public company marketing managers interviewed possesses to a sufficient extent the marketing qualifications suggested by the questionnaire.

On the other hand, Table 9.21 shows that, with the exception of the qualifications required for the achievement of personnel, advertising, and product development functions, the majority of the marketing managers of the private companies which have a marketing department possess, to a certain extent, a background of marketing activities.

Therefore, in terms of the marketing and business background of marketing executives, the findings reveal that the marketing

Table 9.20 Marketing Background of Marketing Managers

(Public Companies' Group)

Background	To a great extent								Very Little		Mean Score	Rank	n	N
	No.	%	No.	%	No.	%	No.	%	No.	%				
a. Marketing Research	1	20	1	20	2	40	1	20	0	0.0	2.600	4	5 (100%)	5
b. Advertising	0	0.0	0	0.0	0	0.0	2	40	3	60	4.600	8	5 (100%)	5
c. Customer Service	1	20	2	40	1	20	1	20	0	0.0	2.400	3	5 (100%)	5
d. Product Development	1	20	0	0.0	3	60	0	0.0	1	20	3.00	6	5 (100%)	5
e. Personnel	0	0.0	1	20	1	20	1	20	2	40	3.800	7	5 (100%)	5
f. Personal Selling	0	0.0	1	20	3	60	1	20	0	0.0	2.800	5	5 (200%)	5
g. Public Relations	1	20	2	40	2	40	0	0.0	0	0.0	2.200	2	5 (100%)	5
h. Sales Promotion	1	20	3	60	1	20	0	0.0	0	0.0	2.000	1	5 (100%)	5
i. Physical Distribution	0	0.0	0	0.0	0	0.0	1	20	4	80	4.800	9	5 (100%)	5

n = Number of valid observations.

N = Number of marketing managers of public companies included in the study.

Table 9.21 Marketing Background of Marketing Managers(Private Companies' Group)

Background	To a great Extent		No.		%		No.		%		Very litte		Mean Score	Rank	n	N
	No.	%	No.	%	No.	%	No.	%	No.	%						
a. Marketing Research	2	40	0	0.0	2	40	1	20	0	0.0	0	0.0	2.400	4	5(100%)	6
b. Advertising	1	20	0	0.0	1	20	3	60	0	0.0	0	0.0	3.200	7	5(100%)	6
c. Customer Service	4	80	1	20	0	0.0	0	0.0	0	0.0	0	0.0	1.200	1	5(100%)	6
d. Product Development	0	0.0	2	40	0	0.0	1	20	2	40	2	40	3.600	8	5(100%)	6
e. Personnel	0	0.0	1	20	2	40	0	0.0	2	40	2	40	3.600	9	5(100%)	6
f. Personal Selling	2	40	0	0.0	1	20	0	0.0	2	40	2	40	3.000	6	5(100%)	6
g. Public Relations	4	80	0	0.0	1	20	0	0.0	0	0.0	0	0.0	1.400	2	5(100%)	6
h. Sales Promotion	1	20	4	80	0	0.0	0	0.0	0	0.0	0	0.0	1.800	3	5(100%)	6
i. Physical Distribution	1	20	2	40	1	20	0	0.0	1	20	1	20	2.600	5	5(100%)	6

n = Number of valid observations.

N = Number of presidents of private companies concerned by the question.

managers of private companies are more marketing-oriented than their counterparts in public companies.

However, a more detailed study of the two tables suggests that there is a similarity between the two groups in the main features of the business background they have regardless of the extent to which they profess to have such experience and the differences in the ranking applied to these aspects. It is to be noted that sales promotion, customer service and public relations as elements of marketing backgrounds have taken precedence as the first three positions in the scale of all the business qualifications acquired by the two groups of marketing managers. These placings indicate that the two groups, in most cases, have come up by virtue of these activities rather than other marketing and business activities.

Since most of these activities are promotional activities, one can conclude, once again, that marketing in the eyes of the two groups was considered, in practical terms, as being some kind of rudimentary promotional activity. In this respect, they did not recognise the equally important role of the other components of the marketing function which should also be integrated to achieve the societal marketing concept.

3 - The Title of the Marketing Manager

It is assumed that in this context titles have their implications as they reflect, to some extent, what the term 'marketing' means to the chief marketing executive as well as other senior staff members. Although it is argued that formal titles are of little or no significance and do not necessarily indicate differences in the nature and sophistication of the tasks performed by the chief marketing executive⁽⁵⁾, there is, however, the view which is opposed to this argument, holding that where the term 'marketing' is used in the title of the chief marketing executives, they have more responsibility than they otherwise would possess.⁽⁶⁾

Respondents were asked to indicate the title assigned to the specialist member responsible for performing the marketing activities within the company. Table 9.22 provides a frequency distribution of the various titles used for this member in the companies studied.

Table 9.22 Title of the Chief Marketing Executive.

Titles	Public Companies		Private Companies	
	No.	%	No.	%
President of the Commercial Affairs sector	5	100	0	0.0
Commercial Manager	0	0.0	3	50
Sales Manager	0	0.0	2	33.3
Marketing Manager	0	0.0	1	16.7

As can be seen from Table 9.22, the single title used by all the public-sector companies for the chief marketing executive is that of "president of the Commercial Affairs sector" as this title is assigned to him by law*. In the six private companies to whom this question applied, it was found that the title of "Commercial Manager" is used by three of them. This was followed by "Sales Manager" in two companies out of six while the title of "Marketing Manager" was found in only one company.

Based on the assumption that to some extent titles reflect in practical terms the view of the management of the firm relating to the responsibilities involved in the positions to which the titles are assigned, these findings suggest, once again, that the managements of both public and private companies had a short-sighted approach

* According to the law, the chief production, marketing, finance and administrative affairs executives were assigned the title of president of factories sector, president of commercial affairs sector, president of financial affairs sector and president of administrative affairs sector respectively.

to the elements of the marketing function. Thus, as this study has frequently indicated, the prevalent attitude to marketing regards it as equivalent to hard selling and promotion in order to attract customers.

4 - The Importance of the Chief Marketing Executive and his Role in Overall Business Planning

The creation of a marketing organisation and the appointment of a chief marketing executive, although useful, may be considered, in some cases, as representing the 'trappings' of marketing rather than the substance. Therefore, such steps, in themselves, are insufficient to demonstrate that the organisation is marketing-oriented. Rather, and more importantly perhaps, what matters is the extent to which the chief executive in charge of marketing activities is included in the entire business planning and his role in overall business decisions and policy making.

Marketing managers of public companies and presidents of the private companies interviewed were asked to indicate to what extent the marketing manager (whatever his title) is involved in overall business planning. Table 9.23 demonstrates the responses of the two groups to this question.

It can be noted from Table 9.23, that both public companies and private companies (which have a marketing manager) tended not to give the chief executive in charge of marketing sufficient opportunity to be included in the process of overall business planning. This minor role accorded to the top marketing executive in overall business decisions and policy making reflects non-marketing orientation among these companies in terms of the relative position of marketing in the total corporate business activities.

Perhaps, the limited importance of the marketing function as perceived by the managements of the two groups of companies depends to a great extent on their view of the normal role of marketing and on whether they consider the marketing function as an essential or supportive function to other business activities. From the

Table 9.23 Extent of Involvement of the Marketing Manager in the Entire Business Planning.

Extent of Involvement in the whole business planning	Public Companies		Private Companies		All Respondents	
	No.	%	No.	%	No.	%
1) To a great extent	0	0.0	0	0.0	0	0.0
2)	1	20	1	20	2	20
3)	4	80	2	40	6	60
4)	0	0.0	1	20	1	10
5) Very little	0	0.0	1	20	1	10
n(number of valid responses)	5	100	5	100	10	
N(number of marketing managers of public companies included in the study)	5					
N(number of presidents of private companies covered by the question)			6			

discussions held and the comments made by the interviewees, it could be concluded that the marketing job is regarded as supportive to the other major departments and it is responsible only for promoting and selling the company's products. This function, in their view, particularly in the public companies, does not constitute a big problem. The core problems, in their opinion, are in finance and production.

5 - The Main Business Background of the President of the Company

It was considered important in the course of this study to investigate the main business background and qualifications of the president of the company as a useful criterion in measuring the degree of implementation of the marketing concept. This consideration was based on the following:

(i) The most common situation in private-sector companies is that marketing responsibilities, as well as other major responsibilities are in the hands of the presidents of these companies. Thus, a president of a private company is usually involved in all the decisions made in respect of all the functions of his company, including marketing. For that reason, it was expected that the nature of his business background would affect, to a certain extent, the degree of marketing involvement in all the business decisions and policies taken by him.

(ii) Even if the formal organisational structure of the company has been found to include a marketing department under the supervision and control of a specialist member, as in the case of public companies (and in a few instance in private companies), the findings of this study indicated that the responsibilities of this member were restricted, being confined only to promotion and selling activities, within which areas, moreover, he is subordinated to the marketing manager, operating the plans and policies set by him and requires the approval of the board of directors on which the president of the company exercises most authority. In effect, the chairman is involved in all the decisions made at all levels in the company's departments. Therefore, his attitude, generated from his business background, towards the societal marketing concept, would determine, to some extent, how far the philosophy of this concept would be implemented.

Accordingly, presidents of public and private companies were requested to state the main business background and qualifications of the chairman of the company. Tables 9.24 and 9.25 provided the findings related to the issue under investigation as indicated by the two groups of respondents.

Tables 9.24 and 9.25 provide the following information:

- a) Although both groups of respondents reported they possessed an adequate background in all the business activities suggested by the questionnaire, including marketing, to a certain extent,

Table 9.24 Business Background of Presidents of Companies

(Public Companies' Group)

Background	To a great extent								Very little		Mean Score	Rank	n	N
	No.	%	No.	%	No.	%	No.	%	No.	%				
a. Production	5	100	0	0.0	0	0.0	0	0.0	0	0.0	1.000	1	5(100%)	5
b. Finance	1	20	4	80	0	0.0	0	0.0	0	0.0	1.800	4	5(100%)	5
c. Marketing	2	40	3	60	0	0.0	0	0.0	0	0.0	1.600	2	5(100%)	5
d. Personnel	2	40	3	60	0	0.0	0	0.0	0	0.0	1.600	3	5(100%)	5

n̄ = Number of valid responses.

N = Number of presidents of public companies involved in the study.

Table 9.25 Business Background of Presidents of Companies(Private Companies' Group)

Background	To a great extent								Very little		Mean Score	Rank	n	N
	No.	%	No.	%	No.	%	No.	%	No.	%				
a. Production	84	84.8	15	15.2	0	0.0	0	0.0	0	0.0	1.152	1	99(100%)	100
b. Finance	23	23.7	48	49.5	26	26.8	0	0.0	0	0.0	2.031	3	97(100%)	100
c. Marketing	21	21.2	57	57.6	19	19.2	0	0.0	0	0.0	2.020	2	99(100%)	100
d. Personnel	8	8.3	47	49.0	29	30.2	7	7.3	5	5.2	2.521	4	96(100%)	100

n = Number of valid responses.

N = Number of presidents of private companies included in the study .

the production background ranked first for the two groups of respondents, and this may indicate that those presidents have reached their positions through experience of production and technical activities rather than other business functions. This, in turn, may reflect a favourable attitude towards the importance of the operational aspects of the company.

- b) In the group of presidents of the private companies, there was a relationship between the adoption of the societal marketing concept and the relative importance of the marketing background and qualifications possessed by the respondents. Table 9.26 shows that supporters of the societal marketing concept have marketing qualifications to a larger degree than those who had an unfavourable attitude and those who were uncertain. It can be observed also from the table that those who had a neutral attitude were found to be in a better position in terms of having a marketing background than those who had an unfavourable attitude towards the concept.

From the above discussion, one can conclude that the organisational characteristics of the marketing function in the Egyptian small companies - both in the public and the private sectors - as exemplified by textile industry companies, are insufficient for the societal marketing concept to be effectively implemented. This was particularly evident in terms of the inadequate business background of both the chief marketing executive and the president of the company and the status of the marketing executives as reflected in his title which, in turn, reflects his low level responsibility in relation to the marketing concept ideals and the modest role played by him in overall business planning. Above all, it was evident that private companies, in most cases, work in unfavourable organisational conditions to the extent that they do not have a specialist member responsible for marketing. As previously mentioned, although the organisational aspects are not the decisive factor in the application of the societal marketing concept, it is the researcher's view that it may be reasonable to assume that the

Table 9.26

The relationship between the extent of the acceptance of the societal marketing concept and the marketing background of private company presidents. (1)

Extent of having marketing abilities	To a great extent					Very little	Total response in each group
Extent of the adoption of the societal marketing concept							
Favourable attitude	8 (34.8%) ⁽²⁾	13 (56.5%)	2 (8.7%)	0 (0.0%)	23 (100%)	0 (0.0%)	23 (100%)
Unfavourable attitude	5 (10.2%)	27 (55.1%)	15 (30.6%)	2 (4.1%)	49 (100%)	0 (0.0%)	49 (100%)
Neutral	4 (19.0%)	15 (71.4%)	2 (9.5%)	0 (0.0%)	21 (100%)	0 (0.0%)	21 (100%)
Total	17	55	19	2	93 (100%)	0	93 (100%)

(1) Cross-tabulation analysis

(2) To be read: 8(34.8%) of private company presidents who accepted the societal marketing philosophy possess marketing abilities to a great extent.

more progressive marketers tend to adopt a favourable marketing organisation more readily than others. This view seems to be supported by other studies⁽⁷⁾ of marketing organisation in both developing and developed countries which concluded that there is a direct cause-and-effect relationship between marketing organisation and success. Thus, successful marketers tend to adopt the unified marketing concept more readily than others.

(ii) The Status of the Marketing Research Function

It is argued throughout this thesis that marketing research is the marketing function by which a small company can achieve the objectives of the philosophy of the societal marketing concept by means of identifying the needs and the wants of the company's customers, along with an understanding of society's interests and by gathering the information necessary for taking effective decisions about the elements of the marketing mix. Therefore, this function is considered a fundamental tool in aiding the implementation of the societal marketing concept and formulating effective marketing strategies in such a manner as to obtain a competitively advantageous position amongst the company's competitors and to achieve its rates of profit or growth targets.

This being the case, the status of the marketing research function in any business organisation is regarded as one of the most important criteria that can be used in indicating the degree of implementation of the societal marketing concept.

In the following pages, an attempt was made to measure the extent of the marketing research activity undertaken in the companies studied. This attempt covered four areas, namely:

- 1 - Extent of using marketing research in a systematic way.
- 2 - Establishing by whom field research is undertaken.
- 3 - Areas in which the company carries out marketing research.
- 4 - The major reasons for not doing marketing research.

1 - Extent of Using Marketing Research

The starting point in measuring the position of the marketing research function in a small company is to assess the extent to which this activity is undertaken in a systematic way, i.e. the extent to which the company devotes full recognition to the need to identifying both customers' needs and wants and other relevant marketing problems through carrying out systematic marketing research activities.

In this study, marketing executives of public companies and presidents of private companies were requested to indicate the extent to which marketing research was conducted in their companies. To this end, a two-point question was addressed to them. The first part of the question asked the respondents, "does your company systematically undertake any marketing research?" The answer was used as a key to other questions aimed at exploring the other dimensions of the issue under investigation. In the second part of the question, those who indicated that they carried out systematic marketing research were asked to state whether they conducted this function in an informal or formal way. Tables 9.27 and 9.28 show the responses to the two-part question as reported by each group of respondents.

As can be seen from Table 9.27, the majority (57.1%) of all the respondents in both public and private companies taken together, indicated that they did not undertake any systematic marketing research in their companies, even in an informal way of marketing research.

At the level of each group of companies, it can be noted, however, that while a large majority (60%) of private companies visited did not carry out any systematic marketing research, all the public companies, as reported by their marketing executives, claimed that they engaged systematically in marketing research.

The researcher, however, has some reservations concerning the

Table 9.27

Use of Marketing Research by the Firms Visited.

Use of marketing research technique	Public Companies	Private Companies	All Respondents
Companies use marketing research	5(100%)	40(40%)	45(42.9%)
Companies do not use marketing research	0(0%)	60(60%)	60(57.1%)
n = number of valid responses	5(100%)	100(100%)	105(100%)
N	5	100	105

Table 9.28

Type of Marketing Research Used (Informal and Formal Marketing Research).

Informal and Formal Marketing Research	Public Companies	Private Companies	All Respondents
(1) Informal marketing research:			
a. Discussion with some acquaintances who have experiences of a particular market.	2(40%)*	30(75%)**	32(71.1%) ***
b. Discussion with customers.	5(100%)	40(100%)	45(100%)
(2) Formal marketing research:			
a. Governmental publications analysis.	0(0.0%)	18(45%)	18(40%)
b. Analysis of company's records.	2(40%)	28(70%)	30(66.7%)
c. Field research.	2(40%)	3(7.5%)	5(11.1%)

* Column is more than 5 firms and 100% because of multiple answers.

** Column is more than 40 firms (the firms reported using marketing research and 100% because of multiple answers.

*** Column is more than 45 firms and 100% because of multiple answers.

answers given to the above question by the latter group. The actual marketing research activities of the companies are not as comprehensive as the responses might suggest. The responses certainly overstate the amount of research activity because the majority of these firms, whose number is very small (five companies), conducted only superficial investigations. This conclusion was based upon the following:

- (i) The detailed observations made and discussions held by the researcher with the marketing executives of public companies on this issue. It appeared from these discussions and observations that these firms might have stated that they were involved in marketing research, even though they could not be regarded as actively involved in such activities. In fact, there were no definite criteria suggested by the questionnaire to be used in establishing whether a company was actually engaged in systematic research activity. Because of this, the use of marketing research in these companies is likely to have been over-estimated.
- (ii) The limited Egyptian experience in conducting research activities and the lack of people with an appropriate educational background to enable them to undertake serious and meaningful research.⁽⁸⁾
- (iii) In addition to the above, a question was addressed to those interviewees who reported that they conducted systematic marketing research asking them to indicate the methods they used in undertaking this activity. The responses to this question as shown in Table 9.28 support the aforementioned conclusion, namely that the actual marketing research activities of the companies under investigation were not as comprehensive and/or sophisticated as might be suggested by the replies to the previous question.

Table 9.28, shows that:

- a) All the respondents in public companies indicated that they used informal marketing research by way of discussion with customers, while forty per cent of them reported having discussions with some business acquaintances who had experience of a particular market. In respect of formal research, it is to be noted that none of them analysed governmental publications, while forty per cent of them stated that they engaged in analysing the company's records. Field marketing research was reported to be used only by forty per cent of this group of companies and even these could not be regarded as being actively involved in such field research activities. Because of a distinct lack of experience in undertaking field research activities as well as for other reasons which prevented effective marketing research from being pursued, which will be explained later, the techniques used in research lacked sophistication and objectivity in most cases. As measured by the methods used in our own field research the scientific method of conducting surveys and research is virtually non-existent. Consequently, the effectiveness of the whole process of field research used by these companies appears by and large, to be limited.
- b) With reference to the group of private companies, the above table illustrates that informal research by means of discussion with customers was utilised by all the firms which indicated that they were involved in marketing research activities (40 firms), while seventy five per cent of them reported that they had discussions with some business acquaintances who had experiences of a particular market. With regard to formal research, a large majority of this group of firms (70%) indicated that they engaged in analysing the records of the company, while the technique of analysing government publications was used by 45% of them. Only 7.5% of this section of the companies which were involved in marketing research activities, stated that they conducted field research. However, as argued in relation to the level of field research carried out in public companies, the private companies did not use sophisticated and/or objective techniques in conducting field marketing research.

- c) As appears from Table 9.28, the overall approach to the marketing research function was a combination of the various hard research techniques to a moderate extent by the two groups of companies under investigation.

The above findings were supported by other studies relating to Egypt. Attia,⁽⁹⁾ in his investigation of the nature of marketing policies, concluded that throughout the industrial history of the country, marketing research as a tool for developing a marketing strategy, is a neglected area of concern and a function which is ignored by most firms. Resources allocated to marketing research hardly exist. In addition, specialised marketing research agencies did not exist in the country until 1965*

In his empirical study of the contribution of marketing to economic growth, El-Haddad⁽¹⁰⁾ discovered, in agreement with Attia's findings, that only eleven out of thirty public firms visited had marketing research departments, and this, as he stated reflects a situation in which customer orientation is not fully recognised. Moreover, this writer concluded that the question of whether or not these departments are actually involved in systematic marketing research activities is debatable. The view that marketing research departments exist only on paper in organisational charts, but do not work, was expressed several times by a number of forthright senior executives and presidents of boards of directors who were interviewed by him.

Hassan,⁽¹¹⁾ too, in his investigation of the marketing practices of the Egyptian tourism business, concluded that Egypt for the most part lacks the use of marketing research whether in the public sector, or in the private sector companies. More specifically, he indicated that the Egyptian executives of most national companies in the tourist business think that marketing research is just a purely academic technique, taught at universities and colleges but not of particular value. As far as size of firm is concerned,

* The establishment of the Arabic Research and Administration Centre (ARAC) was in 1965.

there was clear evidence that large companies in most cases put more emphasis on research compared with medium and small-sized firms.

However, it might be argued that it is convenient for small companies with limited financial resources to involve themselves only in informal research activities such as discussions with customers or business acquaintances or to utilise the cheaper kinds of formal research which depend on secondary data provided by the company's records, governmental publications and/or similar methods.

Despite the appropriateness and the value of these methods of research in business practices, it is our contention, that this value could hardly be realised in practice in the Egyptian context. In other words, it might be difficult to achieve valuable results in Egypt by using such methods of marketing research. The source of this difficulty springs from management's and, in particular, marketing staff's lack of knowledge regarding the fact that obtaining of objective and accurate data requires the use of specific scientific techniques for collecting and analysing marketing data and information even when informal research is undertaken. Added to this is the fact that secondary data is usually not available. Even when it can be found, it has not been collected in an orderly manner, nor is it well classified.

This contention regarding the difficulties of conducting valuable marketing research in the Egyptian environment is applicable also to field research activities. A more detailed explanation of the factors hindering marketing research in the companies under investigation will be presented later.

2 - By Whom Field Research is Undertaken

Firms which indicated that they carried out field marketing research were requested to state whether this task is mainly carried out by their own marketing research staff or by specialised outside organisations. The findings on this issue are contained in Table 9.29.

Table 9.29 By Whom Field Research is Undertaken.

By Whom	Public Companies		Private Companies	
	No.	%	No.	%
a) By the company	2	100	3	100
b) By specialised outside organisations	0	0.0	0	0.0
n = number of valid responses	2	100	3	100
N = number of executives concerned by the question	2		3	

It appears from the table that all the companies involved in field research reported conducting these research activities solely by means of their own marketing research staff, without using specialised outside organisations. The reason given for not using specialised outside agencies to undertake these activities was the higher cost of utilising the facilities of such commercial marketing research organisations compared with conducting them internally. Implementing this task by the company's own staff was considered a cheaper and more practicable method for small companies with limited financial capabilities. However, deciding on whether or not to use specialised outsiders to conduct marketing research should be, in the researcher's opinion, based on considerations of cost versus benefits.

3 - Areas of Marketing Research.

In order to investigate the range of marketing research activities performed by the companies visited, respondents in the firms involved in marketing research were requested to indicate what kinds of research were conducted and to what extent. Table 9.30 shows the findings as provided by the two groups of respondents.

Table 9.30 indicates that public companies tended to pay much more attention to marketing research activities than private companies in terms of the range of such activities. As appears from the table, with the exception of the "suitability of location appraisal" area of research, all the areas of marketing research suggested by the questionnaire were reported to be practised by the majority of public companies which amounted to a hundred per cent in the cases of "analysis of competitive strengths and weaknesses of existing products" and "new product development". On the other hand, only three out of nine areas of research activities were claimed as being engaged in by the majority of private companies visited. These areas are "target market analysis (i.e. customers' needs, wants and behaviour)", "analysis of the competitive strengths and weaknesses of existing products" and "market segmentation studies".

Taking these results as they stand, the wide performance of various kinds of marketing research activities by the public companies studied may give the impression that these companies have largely accepted and implemented marketing research.

However, one must be careful in the interpretation of these figures and the findings contained in the above table. Indeed, the researcher has some reservations about the response of the public firms' group to the above question. It is likely that the use of various types of marketing research by these companies are, to a great extent, overstated, particularly in respect of existing as well as new product research activities. In other words, the actual marketing research activities of this group of companies might not be as comprehensive as the answers indicated.

An explanation of this conclusion might be that although the respondents claimed that they conducted research in these various areas proposed, as previously mentioned, no final criteria were used to determine the extent of the systematic and regular implementation of any specific kind of marketing research. In the absence of such criteria, it is likely that the effect of suggesting activities to respondents might lead them to over-estimate the mar-

Table 9.30 Areas of Marketing Research.

Areas of Marketing Research	Public Companies*		Private Companies**	
	No.	%	No.	%
a. Target market analysis (i.e. customers' needs, wants and behaviour).	4	80	37	92.5
b. Analysis of the competitive strengths and weaknesses of existing products	5	100	27	67.5
c. New product development	5	100	17	42.5
d. Market segmentation studies.	3	60	34	85
e. Forecasting the market share of the company	3	60	18	45
f. Forecasting the market share of main competitors.	3	60	3	7.5
g. Employees' motivation research.	3	60	1	2.5
h. Suitability of location appraisal.	2	40	1	2.5

* Columns include more than 5 firms and exceed 100% because of multiple answers.

** Columns include more than 40 companies (i.e. the companies reported involving in market research) and exceed 100% because of multiple answers.

It should be pointed out that although this question was addressed to companies which did not carry out any marketing research, four out of the forty respondents of private companies who reported being involved in marketing research answered it, indicated two reasons for not always undertaking this research. The stated reasons were "the company is small" and "marketing research is too expensive". Once again, this response supports the conclusion that the actual marketing research in these companies might not be as systematic as their response to the question concerning the use of marketing research indicated. This may indicate that they conducted only occasional rather than regular research activities.

Bearing this in mind, the reasons for not doing marketing research, ranked in order of importance by the respondents of private companies, are contained in Table 9.31.

Table 9.31 The major reasons for not doing marketing research, stated in order of importance.

(Private Companies' Group)

Reasons for not doing marketing research	Mean Score*	Rank
1. The company is small	1.219	1
2. Marketing research is too expensive	1.891	2
3. Lack of marketing research facilities	3.059	3
4. Poor sources of information	3.532	4
5. Existence of a seller's market and hence marketing research is not important	4.000	5

* The lower the mean, the more important the reason is considered by the respondents.

The following comments on these reasons are presented in the order they occupy in the table:

1. One of the primary obstacles regarded as impeding marketing research in the companies visited was that "the company is small". This factor was ranked as the main barrier, being widely mentioned by sixty four companies. This figure includes the sixty companies which did not undertake marketing research and four of the forty firms which indicated that they conducted such research.

2. Related to the above obstacle, another main barrier to the practice of marketing research which was also reported by sixty four companies and regarded as second in importance, was that "marketing research is too expensive". Thus, the managements of these companies claimed that their companies were too small and had insufficient financial capabilities. However, this is not an acceptable justification for not conducting marketing research as these companies could have undertaken some types of research activities which would not have cost too much. Examples of such activities include informal marketing research methods, analysis of secondary data, such as analysis of governmental publications, and analysis of the company's records. Instead of formulating its marketing strategies and policies without any of the reliable information necessary for making successful marketing decisions, a firm with limited financial resources could scientifically utilise these methods of research and produce the required information about its marketing problems and use it to plan its marketing strategies, indeed all its business strategies.

3. Another obstacle hindering the implementation of marketing research, as indicated by the respondents, was the "lack of marketing research facilities". Thirty four out of the sixty companies not performing marketing research specified lack of research facilities as a factor hindering marketing research activities. Specifically, there was limited availability of managerial talents and, in particular, marketing research specialist staff. There was also a lack of proper and well-classified and systematic marketing data necessary for making decisions relating to the size, structure, growth, etc. of the market potential. Secondary data - regarding the company's products, competitors' products, sales force, the economic, social and political environment in which it operates - are lacking.

Lack of marketing research facilities also includes lack of specialised marketing research organisations. In fact, one indication of the limited utilisation of commercial marketing research in Egypt is the very small number of specialised marketing research agencies operating in the country. The number of these organisations, as established by one study⁽¹³⁾ of marketing in Egypt, is only three. Specialised marketing research organisations, as mentioned before, did not exist in Egypt until 1965.

4. The fourth obstacle to the practice of marketing research in the companies under investigation was the "poor sources of information". Once again, this factor refers to the lack of proper and well-classified marketing data and information - both secondary and primary - about the different marketing problems as resulting from the lack of marketing research facilities. In addition, it refers to the difficulties of getting accurate responses from respondents in the field research activities and interpreting them correctly. This factor was reported by forty seven out of sixty companies.

5. Finally, only four out of sixty companies indicated that one of the factors impeding marketing research activities in their companies was the "existence of a seller's market". In this context, competition was not strong and therefore marketing research was not regarded as important.

From the above analysis, it seems that the small size of firms and insufficient financial resources for conducting marketing research were regarded as the most adverse factors affecting the level of marketing research activities in Egyptian small companies as illustrated by the textile industry. This conclusion supports the one reached by Hassan⁽¹⁴⁾ in his investigation of marketing practices in the Egyptian tourism businesses. The small size of firms and the cost of marketing research were mentioned by this writer as being the first among the major factors hindering marketing research in the firms covered by his investigation. In this respect, he reported that the reasons for neglecting marketing

research in the sample firms were:

- a) The small size of firms.
- b) Research costs were so expensive that the firms could not pursue it.
- c) Lack of knowledge of this advanced marketing technique and its importance to a firm.
- d) The unenthusiastic attitudes of management towards marketing research.

Overall, the main conclusion to be derived from the whole discussion is that marketing research in the firms studied, particularly in qualitative terms, is insufficient to achieve the marketing concept ideals. In other words, the societal marketing concept from the aspect of customer and society orientation, as measured by the status of marketing research, has not been implemented. This conclusion confirms the belief that a company cannot proclaim itself to be marketing-oriented solely on the basis of accepting the philosophy of the societal marketing concept.

(iii) Extent of Having Marketing Goals

It could be argued that a marketing effort may be misdirected because of lack of specific quantitative marketing goals towards which marketing activities should be directed and implemented. So, another indication of whether or not a firm is marketing-oriented is the extent to which the firm has determined marketing goals which are recognised by all the principal management members. Accordingly, an attempt was made to investigate the marketing goals related to the main marketing objectives and to assess the periodical achievement of these goals.

Four major marketing goals were suggested by the questionnaires to the respondents (i.e. the marketing managers of public companies and the presidents of private companies) who were asked to state whether or not they had any quantitative targets for each operational area. These goals as well as the study findings relating to them

are contained in Table 9.32.

The analysis of the answers of the public companies' marketing executives, as shown in Table 9.32, indicates a noticeable lack of predetermined marketing goals in the areas suggested to them. This was an expected result in the case of public companies since these companies subordinate their own managerial direction to the interests of achieving the plans and objectives issued by central planning authorities. For example, the profit motive is either modified or replaced by the concept of the social goals of the enterprise (e.g. its contribution to national output, share in employment and so forth). Thus, company managerial decisions are not based on profit motives but rather on the goal of implementing such plans and goals as are proposed by central planners. Also the market share and possible capacity expansion are decided by planners since central planning authorities usually plan input and output of goods and services for each company. In addition, all sources of new competition were, until recently, restricted because the start of new businesses and investment is controlled by planners. (15)

Analysis of the responses of the presidents of private companies indicates that this group of companies is in a better position in respect of having marketing goals related to sales and profit, as compared with the public companies. As table 9.32 illustrates, "sales" and "profits" were stated by the majority of this group of respondents as areas for which they have quantitative targets, with 51% of the respondents mentioning the former and 61.6% the latter. However, although extremely important for a small company, "growth" and "market share" were given little attention by this group of respondents. Only 33% of the presidents of private companies indicated that they have quantitative targets for "growth", while "market share" was disregarded to the extent that only 18.6% of them referred to it as an area for marketing goals. This, supported by the discussions held with some of this group of respondents, gives the impression that the management of this group of companies is concerned chiefly with the quick returns from their business acti-

Table 9.32 Marketing Goals

Areas of Marketing Goals	Public Companies*						Private Companies**					
	Yes		No		D.K.		Yes		No		D.K.	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
a. Sales	2	40	2	40	1	20.0	51	51.0	41	41.0	1	1.0
b. Profits	2	40	3	60	0	0.0	61	61.6	37	37.4	1	1.0
c. Growth	2	40	3	60	0	0.0	32	33.0	64	66.0	1	1.0
d. Market Share	1	20	3	60	1	20.0	18	18.6	77	79.4	2	2.1

*N (number of marketing managers of public companies included in the study) = 5.

**N (number of private company presidents included in the study) = 100.

vities (e.g. quick profit and sales volume) rather than long-term business goals. In effect, short rather than long-term orientation constitutes one of the most commonly observed aspects of managerial decisions in the Egyptian business world, particularly in the small company sector.

Respondents then were asked, "Do you assess your periodical achievements of these targets?" The aim was to measure the importance of these marketing goals and how far they were maintained and when necessary, revised. Table 9.33 shows the responses obtained from each group.

Table 9.33 Assessment of Periodical Achievements of Marketing Goals.

Companies	Yes		No		D.K.	
	No.	%	No.	%	No.	%
Public-sector companies*	1	50	1	50	0	0.0
Private-sector companies**	60	89.6	7	10.4	0	0.0

* N(number of public company marketing managers involved in the study) = 5

** N(number of private company presidents involved in the study) = 100.

As can be observed from Table 9.33, there was a noticeable difference between the two groups of companies with regard to evaluating the periodical achievements of their marketing goals and this difference was in favour of the private-sector companies. An explanation of this may be that public companies work, to a great extent, in a disoriented managerial environment - i.e. the ever-changing priority system combined with the absence of a long-range vision of the country's future and the relative instability of governmental and macro management policies - which contribute greatly

to the disorientation of the management of individual companies. The management of private companies, although affected by these circumstances and experiencing the effects of many governmental measures and regulations, could still work to some extent, at their own discretion. This relative advantage, coupled with the personal motives and interests of the top management members who are usually the owners of the company, prompts the management in private companies to assess periodically the achievements of their marketing and other business activities goals as a means of improving the companies' business performance and revising these goals.

Extent of the Adoption and Implementation of the Societal Marketing Concept: Summary and Conclusion

The aim of this section was to ascertain the extent to which the management of the small companies under investigation accept and implement the societal marketing concept. The first part of this section dealt with the attitudes of managers towards the societal marketing concept and its relevance to small companies, while the second part analysed the degree of implementation of this concept as evaluated by three factors, namely: (i) the organisational aspects related to the marketing function, (ii) the status of marketing research, and (iii) the existence and maintenance of marketing goals. Three main conclusions can be drawn from the findings of the study, as follows:

(1) Despite the difference in attitudes which show private companies in a favourable light compared with public companies and compare marketing managers of public companies favourably as opposed to their counterparts, the presidents of public companies, the majority of all groups of managers interviewed have an unfavourable attitude towards the societal marketing concept and its applicability in small companies. Stating it another way, the societal marketing concept either at the level of its philosophical dimensions or in respect of its relevance to small companies is not, on the whole, accepted by the managers in the two groups of companies. Thus, a situation does exist in which the management of these companies do

not fully understand either the tenets of the Islamic marketing philosophy or the dimensions of the societal marketing concept and its applicability to small companies.

(2) With reference to the degree of implementation of the societal marketing concept, i.e. putting it into operation, the findings of the analysis show that, in terms of all the criteria suggested for measuring the degree of implementation, i.e. the organisational aspects of the marketing function, the status of marketing research, and maintenance of marketing goals, there is not sufficient indication that the societal marketing concept has been implemented in the companies studied. These companies have not taken the primary steps required for implementing this concept as recommended in the literature.

Drawing upon inferences from the above study findings, one can conclude that the societal marketing concept, involving total integration of business activities designed to provide customer satisfaction as well as long-term consumer and societal well-being, together with the business company's goals, is a long way from being accepted and implemented.

Thus, this conclusion supports our first main hypothesis, that is, "most Egyptian small business companies neither accept nor implement the societal marketing concept. They are not marketing oriented."

(3) It has been shown that there is a distinct lack of awareness, adoption and implementation of the Islamic business philosophy among the managements of the companies visited. The large majority of the executives interviewed in both public and private companies do not recognise that Islamic doctrines provide a specific business philosophy and related objectives. Those who do, tend either to define it from a narrow point of view or not to put it into practice. The study findings indicated also that there is a relationship between the extent of adoption of the societal marketing concept and its applicability to small companies (dependent variable), and the

extent of recognising, adopting and implementing the Islamic business philosophy and objectives (independent variable).

This conclusion leads the researcher to state that the lack of recognition and/or adoption of Islamic doctrines regarding marketing, is among the factors hindering marketing development in small Egyptian textile companies. Hence, our hypothesis 2.a, that there is a relationship between non-marketing orientation among Egyptian small business companies and non-awareness and/or non-adoption of Islamic teachings regarding marketing, is supported.

At this point, it should be pointed out that if the societal marketing concept is to be applied effectively, marketing strategies and practices must be designed and operated in such a way as to improve the application of the concept. In the following section, our attention will turn to analysis of the marketing policies and techniques practised by the companies under investigation.

Section TwoMarketing Strategies and PracticesIntroduction

The aim of this section is to investigate the extent to which the firms studied have applied effectively marketing concepts and techniques derived from and directed to the achievement of the societal marketing concept philosophy. To this end, the application of modern marketing principles and practices related to marketing planning, product, pricing, distribution and promotion will be examined.

In discussing marketing strategies and practices, some considerations should be kept in mind, and these must be made clear at the outset. Specifically, they are:

(1) Although a distinction must be made between the attitudes of management towards the societal marketing concept and its relevance to small companies, and the actual practice of marketing, in the researcher's view, in the course of examining the application of the societal marketing concept in practical terms, the fact that the attitude and support of top management will significantly affect the extent of the effective application of this concept must be taken into consideration. This has profound implications for a small company, especially when marketing activities are the responsibility of its president, as in most cases in the Egyptian private sector companies. In addition, in the case of small public companies which have the marketing department subordinated to a specialist member (i.e. marketing manager), if a difference exists between the marketing executive's perception of the societal marketing concept and that of the president, it will be useful to acknowledge that the effective application of modern marketing concepts and techniques depends, mainly, on how far these concepts are accepted and supported by the president of the company who, as mentioned before, exercises the greatest influence on the board of directors of the company and

is involved in all decisions made at all levels of business. It is clear in this particular context that the wider the gap between the president of the company and its marketing executive in respect of accepting marketing concepts, the greater the difficulty in applying the societal marketing concept philosophy.

(2) Bearing in mind that the marketing activities in most cases in the private-sector companies are not practised by a marketing department, and that the marketing manager in public companies is not completely free in his marketing practices and decision making from involvement and the interference by the president of the company, the analysis will be concentrated on whether or not these activities are performed by the company, from a marketing point of view. Additionally, in order to increase the likelihood of co-operation by respondents, it was decided to concentrate only on the main features of marketing practices through which one can generally assess whether or not a company is regarded as marketing-oriented in its strategies and practices.

(3) As was explained in the literature review, despite the economic liberalisation policy (i.e. the Open-Door Policy), marketing and other businesses decision-making in Egypt is still made in an environment of a planned developing economy where all business decisions in individual companies are controlled in some respect or other by the central authorities. Based on this fact, the findings and conclusions regarding each marketing strategy and practice should be explained and understood in the light of this environment which has undoubtedly had an impact on the marketing policy pursued. However, since the interdependence between firms and their environment in Egypt was dealt with throughout the literature review, only a brief reference will be made to it, when necessary, in the analysis of each marketing practice.

In addition to what has been outlined above, an attempt will be made, where possible, to show the effects of the economic Open-Door Policy on the marketing practice in the firms studied since this liberalisation policy should have had a great impact on the

behaviour of firms.⁽¹⁶⁾

(4) It should be pointed out that the data used in analysing this part of the research was chiefly based on the answers to the questionnaires by the marketing managers of public companies and the responses of the presidents of private companies. Additionally, much may be inferred from the detailed discussions held with these two groups of respondents concerning the extent of the application of the marketing principles with regard to marketing planning and the elements of the marketing mix, and from the researcher's impressions and observations concerning these issues, noted when he was interviewing the respondents.

Taking the above into account, the aspects related to marketing planning as well as the components of the marketing mix will be analysed in the following pages.

A - Marketing Planning

Attention will now be given to the analysis of marketing planning as a major task of marketing management and an important dimension of the role of marketing in the firm. The following aspects of marketing planning will, briefly, be discussed:

- (1) Existence of systematic marketing planning.
- (2) Time scale of marketing planning.
- (3) Marketing goals and functional orientation of planning.
- (4) Factors impeding marketing planning.

Drawing on the results of the field survey the findings of the study are presented below.

(1) Existence of Systematic Marketing Planning

Respondents were requested to indicate whether or not their

companies carry out systematic marketing planning. The answers contained in Table 9.34 show that a very large majority (80%) of the public companies' marketing executives interviewed reported involvement in systematic marketing planning. On the other hand, the percentage of the presidents of the private companies visited who reported carrying out marketing planning was only 33%.

Accepting the findings appearing in Table 9.34 at face value, it seems that while private companies tended to be non-marketing oriented in terms of marketing planning, the large majority of public companies proved to be marketing-oriented in this area.

It should be pointed out, however, that our discussion with some of the marketing managers of the public companies under investigation concluded that the actual marketing planning of the firms is not as systematic and/or comprehensive as the responses might suggest. In other words, performance of marketing planning activity in these firms is not, quantitatively and qualitatively, at the level required for the application of the societal marketing concept. Thus, the use of marketing planning in these companies was overstated because there were no specific criteria to determine whether a firm could legitimately claim to be involved in marketing planning activity.

Table 9.34 Use of Marketing Planning by the Companies under Investigation.

Extent of Using Marketing Planning	Public Companies		Private Companies	
	No.	%	No.	%
Yes	4	80	33	33
No	1	20	66	66
D.K.	0	0.0	1	1
n=number of valid responses	5	100	100	100
N= number of managers involved in the study	5		100	

(2) Time Scale of Marketing Planning

Time scale is concerned with systematically structured plans and integrating long and short-term plans. As pointed out in the literature review, the time horizon of long-range planning in small companies tends to be considerably shorter than that of large corporations. Thus, in small firms, a time scale of two years may constitute a long-range plan.

Those who claimed they were carrying out systematic marketing planning were asked, "Is this short-term planning (up to one year) or long-term planning (more than one year)? The respondents' answers indicate that both public and private companies are short-range orientated in their marketing planning process, as all the marketing managers of the public companies and 84.8% of the private companies to whom the question applied stated that they carry out only short-term marketing planning (i.e. up to one year).

Hence, it was evident that there was a great lack of appreciation of the need for long-range orientation in the marketing planning of the firms under investigation. In this respect, these firms were in disagreement with the societal marketing concept.

This situation could be traced to several internal (within the firm) as well as external reasons which were found to hinder the utilisation of sophisticated marketing planning technique. These reasons will be explained later when discussing the factors impeding marketing planning in the companies visited. However, it may be useful and sufficient here to point out that the discussion held with some respondents established the fact that companies were not clear about their objectives because they had no information to enable them to establish specific marketing strategies. Thus, the information generated from desk as well as field research, and which was made available to the marketing planners was generally inaccurate and insufficient to support long-term direction or to cover broad prospectives. As such, the factual basis for long-range marketing planning was lacking.

(3) Marketing Goals and Functional Orientation of Planning

It could be said that the functional orientation of marketing planning can be easily assessed through examining the marketing goals of the planning activity. Accordingly, it was decided to investigate the marketing goals in the companies studied as a means of identifying the functional orientation of marketing planning in these companies. It should be pointed out in this regard that although the principal aim of this investigation was to generate data directly from the field with respect to the issue under investigation in the companies visited, it was intended to keep the length of the questionnaires as short as possible to increase the likelihood of co-operation by respondents. Consequently, responses to the question which sought to ascertain the extent of having marketing goals as an indication of the extent of the implementation of the societal marketing concept in the companies studied, were partly re-used to determine the functional orientation of marketing planning there.

For the public companies, the study findings reflected a noticeable lack of customer and profit orientation as well as growth orientation. In addition, for the private companies, it was evident that there was a distinct lack of customer and growth orientation, as their marketing goals were mainly concerned with making a profit in 61.6% and sales volume in 51% of the cases.

To sum up, the vast majority of companies in both the public and private sectors do not plan at all or have an inadequate planning system in relation to the concept of marketing ideals and the requirements for achieving the societal marketing concept. In fact, marketing planning as a process including the determination of marketing goals and the means of their achievement was alien to the vast majority of the companies visited. It is worth pointing out in this respect that the nature of the marketing planning problem in individual (particularly public sector) companies in Egypt should be reviewed within the context of the prevailing planning techniques and national goals rather than in terms of the goals set for and the means used by individual enterprises. In

this environment, as Attia⁽¹⁷⁾ stated, the means used by and the goals set for enterprises are basically derived from those of the central planning authorities. Hence the marketing behaviour of companies is directly related to the goals and means of the macro-organisation of the national economy. Consequently, long-term objectives were unknown at the company level, and this means that planning and operating are not clearly or easily distinguished from each other.

In addition to the above facts regarding the state and context of marketing planning in the firms studied, a further attempt was made to identify the factors impeding this activity in these companies. A discussion of this issue is presented below.

(4) Factors Impeding Marketing Planning

Respondents were asked to decide on the reasons for the neglect of marketing planning. Five factors were proposed by the questionnaires as possible reasons for not carrying out marketing planning, namely: (1) poor secondary data available, (2) the small size of the firm, (3) planning is too expensive, (4) there is less faith in planning due to the difficulties of proper forecasting, and (5) Moslem managers believe that all affairs of the organisation, individuals and others, have been worked out by Divine Will. Neither planning nor anything else can alter fate. Respondents were requested also to add other reasons, where possible, and to rank all the factors in order of significance. The responses received from the respondents are recorded in Table 9.35 which reveals the reasons for neglecting marketing planning, ranked in order of significance.

From Table 9.35, the following points can be noted:

- a) "Small size of the firm" was considered the major factor hindering marketing planning in the companies studied, as this factor was mentioned by the public company as well as by sixty out of sixty six private companies which do not carry out marketing planning, and ranked first among the obstacles to planning activities in these companies.

Table 9.35 Factors Hindering Marketing Planning.

Factors	Public Companies				Private Companies			
	No.	%	Mean Score	Rank	No.	%	Mean* Score	Rank
a. Poor secondary data available	1	100	Not calculated	Not calculated	22	33.3	3.455	4
b. Small size of the firm	1	100			60	90.9	1.167	1
c. Planning is too expensive.	0	0.0			59	89.4	1.983	2
d. Less faith in planning due to the difficulties of proper forecasting	1	100			52	70.8	3.019	3
e. Moslem managers believe that all affairs of the organisation, individuals and all else have been worked out by Divine Will. Planning and all else cannot alter Fate.	1	100			25	37.9	3.840	5
N (number of managers concerned by the question) =	1				60			

* The lower the mean, the more significant the factor is regarded by the respondents.

- b) Related to the "small size of the firm", another main reason for neglecting marketing planning in the private companies was that "planning is too expensive", which was reported by fifty nine out of sixty six firms and regarded as the second main obstacle. However, this factor was not regarded as a barrier to planning by public companies.
- c) A further obstacle to carrying out marketing planning mentioned by a large majority of the companies visited was "less faith in planning due to the difficulties of proper forecasting". In addition to the public company which does not practise marketing planning, fifty two out of sixty six private companies not implementing such planning selected this factor and regarded it as a main obstacle. Such difficulties affecting effective forecasting can be traced in some way or other to the limited availability of managerial know-how and, in particular, a shortage of marketing planning specialist staff. They also can be attributed to a lack of marketing research facilities such as appropriate and well-classified and systematic marketing information to facilitate decision making relating to the size, structure and growth of the potential market, and hence to permit marketing planning based on factual information.
- d) The fourth barrier to carrying out marketing planning in the companies visited was the "poor secondary data available". As mentioned before, secondary data - relating to factors which are significant for marketing planning purposes, such as the company's products, competitors' products, sales force, the economic, social and political environment in which it works - are lacking. As such, this factor increases the lack of faith in planning since it adds to the difficulties of proper forecasting.
- e) Another obstacle to the practice of marketing planning, which was regarded as the fifth major factor and was mentioned by the public company and twenty five out of the sixty private companies, was the belief that planning is useless in the context

of Islamic thought, i.e. "Moslem managers believe that all affairs of the organisation, individuals and all else have been worked out by Divine Will. Planning and all else cannot alter fate." However, it is worth pointing out in this regard, as mentioned during the literature review referring to another study⁽¹⁸⁾ which produced a similar result, that this does not represent a proper understanding of the Islamic beliefs and teachings on this issue. Rather, it is a very bad and greed-inspired application of the relevant part of the Islamic doctrines.

B - Product Strategy

In the following pages, an attempt is made to examine some aspects of the policy relating to a crucial part of the marketing mix of the companies studied, i.e. the product they develop to meet their customers' needs and wants. To this end, the following aspects are investigated:

- (1) Awareness of the importance of innovation and new product development.
- (2) Extent of using new products as a growth tool.
- (3) The major factors influencing the introduction of new products.
- (4) The main objectives and obligations of Islamic teachings concerning "product".

The study findings which emerged from the field survey are presented below.

(1) Awareness of the Importance of Innovation

Respondents were asked to indicate the extent of agreement or otherwise with the importance of innovation and new product development. Three statements about this issue were presented to them and they were requested to score each statement along a five-point scale,

ranging from strongly agree to strongly disagree. Tables 9.36 and 9.37 show respondents' views on each statement, broken down by the type of company.

A review of the respondents' answers as shown in these tables reveals that public companies tended to accept the importance of innovation and new product development to a greater degree than private companies which failed to recognise the significance of these marketing concepts and techniques.

As can be seen from Table 9.36, quite a large percentage (40%) of the public-sector companies visited agreed with the statement that "the watchword for management must often be 'innovate or die'", while a large majority (60%) strongly agreed or agreed with the statement which holds that the only two basic functions of any business firm are marketing and innovation. With regard to the statement that "companies spending the most on new product development enjoy the greatest rates of growth", a vast majority believed that rates of growth depend largely on new product development efforts in a company, as 80% of this group of respondents strongly agreed or agreed with the statement.

With reference to the private-sector companies' group, it can be observed from Table 9.37 that only the last statement was strongly agreed or agreed with by a large majority (61%) of this group of companies visited, while the first two statements were accepted only by small percentages of them.

However, a distinction must be made between the attitude of management toward the importance of innovation and new product development, and the actual practice of these activities. So, another attempt was made to assess how far these concepts were put into operation by the firms under investigation as presented below.

Table 9.36 Respondents' Awareness of the Importance of Innovation and New Product Development.

(Public Companies' Group)

Statements	Strongly Agree		Agree		Uncertain		Disagree		Strongly Disagree		n	N
	No.	%	No.	%	No.	%	No.	%	No.	%		
a) The watchword for management must often be 'innovate or die'.	0	0.0	2	40.0	2	40.0	0	0.0	1	20.0	5 (100%)	5
b) A business enterprise has two - and only these two - basic functions; marketing and innovation.	2	40.0	1	20.0	0	0.0	2	40.0	0	0.0	5 (100%)	5
c) Companies spending the most on new product development enjoy the greatest rates of growth.	2	40.0	2	40.0	1	20.0	0	0.0	0	0.0	5 (100%)	5

n = Number of valid observations.
 N = Number of marketing managers of public companies involved in the study.

Table 9.37 Respondents' awareness of the Importance of Innovation and New Product Development.

(Private Companies' Group)

Statements	Strongly Agree		Agree		Uncertain		Disagree		Strongly Disagree		n	N
	No.	%	No.	%	No.	%	No.	%	No.	%		
a) The watchword for management must often be 'innovate or die'.	2	2.0	13	13.1	41	41.4	34	34.3	9	9.1	99(100%)	100
b) A business enterprise has two - and only these two - basic functions; marketing and innovation	7	7.1	24	24.2	52	52.5	15	15.2	1	1.0	99(100%)	100
c) Companies spending the most on new product development enjoy the greatest rate of growth.	8	8.0	53	53.0	32	32.0	6	6.0	1	1.0	100(100%)	100

n = Number of valid observations.

N = Number of private company presidents involved in the study.

(2) Extent of Using New Products as a Growth Tool

Considering the use of new products as a growth tool, respondents were requested to determine to what extent their companies' growth depends upon either existing or new products, using the following scale:

To a great extent					Very little
1	2	3	4	5	

The results are reported in Tables 9.38 and 9.39.

A general analysis of the answers contained in these tables indicates that the majority of the two groups of firms visited achieve their growth mainly through existing products rather than the development of new products, as eighty per cent of the public companies, and slightly more than seventy per cent of the private companies reported following this policy to a great extent. On the other hand, only one out of five of the public companies (20%) and seventeen out of one hundred (17%) of the private companies indicated that they followed to a great extent the policy of using new products as a tool for growth.

In fact, there are many reasons for the existence of such a situation in Egyptian small companies. Some of these reasons are related equally to Egypt's and other developing countries' business environment, and the others are specifically related to the small size of the enterprise.

With regard to the first category of reasons, the most important are:

(1) By introducing products largely developed elsewhere, manufacturers in a developing economy such as of Egypt avoid most of the costs and risks of product research and development. The companies, therefore, feel apprehensive about introducing new products when they are unable to obtain a reasonable assurance that future returns will offset

Table 9.38 Extent of Using New Products as a Growth Tool.

(Public Companies' Group)

	To a great extent						Very little		n	N		
	No.	%	No.	%	No.	%	No.	%				
a. Existing Products	4	80.0	0	0.0	1	20.0	0	0.0	0	0.0	5(100%)	5
b. New Products	1	20.0	0	0.0	3	60.0	1	20.0	0	0.0	5(100%)	5

n = Number of valid responses.

N = Number of marketing managers involved in the study.

Table 9.39 Extent of Using New Products as a Growth Tool.

(Private Companies' Group)

	To a great extent						Very little		n	N		
	No.	%	No.	%	No.	%	No.	%				
a. Existing Products	69	70.4	25	25.5	3	3.1	1	1.0	0	0.0	98(100%)	5
b. New Products	17	17.0	40	40.0	20	20.0	21	21.0	2	2.0	100(100%)	5

n = Number of valid responses.

N = Number of company presidents involved in the study.

current expenditure on the product. The financial penalty paid by these firms, especially small businesses with limited financial capabilities, when a newly introduced product fails can be so great as to cause the firm to fail. It is possible that to avoid such a risk, companies will avoid innovation and adopt a policy of conservatism or traditionalism.⁽¹⁹⁾ In this situation, most enterprises are followers and not leaders in the field of product development. As mentioned in the literature review, Egyptian management looks abroad for new product ideas and standards, and tends almost totally to divorce product design and development from the needs of the local market.

(2) People do not adapt readily to radical change or innovation, particularly as this often requires a departure from traditional ways of acting and thinking. Moreover, innovation seems to be more readily accepted by groups which have higher levels of income and education - there are few such groups in developing countries,⁽²⁰⁾ including Egypt.

With reference to the second group of reasons, one can refer once again to some specific impediments said to be faced by the small innovative companies wherever they are located, as reported by some studies.⁽²¹⁾ These are:

- 1.- Inability to recruit and retain the services of staff with considerable education and unusual abilities. Thus, small firms find it difficult to have the sort of high calibre staff required for innovation, particularly during the early phases of R and D.
- 2 - Small firms face considerable disadvantages related to scale, and lack the benefits of "team research", and must, therefore, have ready access to external sources of aid and information to overcome this scarcity of the necessary resources and skills. Unfortunately, such external sources of aid and information are scarce in the Egyptian industry.

3 - The informal management structure of small companies invariably results in a lack of experience and ability in the marketing and management functions. This factor, however, is relevant to Egyptian small private companies rather than public companies, since the latter must, by law, have a formal management structure. At this stage, it is useful to examine the major factors which impede new product introduction in the firms under investigation. In the following part, this issue will be discussed.

(3) The Main Factors Influencing New Product Introduction

Respondents were asked to decide on the major factors which influence their company's decisions to introduce new products to the market. The responses provided by the two groups of respondents are contained in Table 9.40, ranked in order of importance.

Table 9.40 The Main Factors Influencing New Product Introduction.

Factors	Rank	
	Public Companies	Private Companies
a. Differentiating our products from competitors'	3	2
b. Contributing to economic development in accordance with Islamic teachings	4	4
c. Satisfying the identified customers' needs and wants in a better way	2	3
d. Utilising new ideas to introduce more efficient products which cost less to produce	1	1
e. Imitating new product ideas, fashions and standards developed abroad.	-	5

As appears from the above table, introducing more efficient products that cost less to produce, through utilising new ideas, was regarded as the most important consideration in evaluating new

product proposals and their introduction by the firms studied, both public and private, and this may reflect non-marketing orientation among these companies. Satisfying customers' needs and wants in a better way was considered the second factor influencing the introduction of new products by the public companies, while this factor was ranked third by the private companies. On the other hand, in respect of differentiating the company's products from those of competitors as a factor affecting the introduction of new products, the public companies ranked it third, while the private companies ranked it second. A significant finding in terms of the current study was that the two groups of respondents did not give much attention to the Islamic teaching as a factor influencing their decisions to introduce new products in such ways as to contribute to economic development in accordance with these teachings, as they ranked it fourth of the four factors suggested to them by the questionnaires. This may reflect non-awareness of Islamic teaching among the managements of the companies under investigation.

In addition to the four factors suggested by the questionnaires, there was another factor supported by one out of the hundred private companies as influencing the introduction of new products - that is, imitating new product ideas, fashions and standards developed abroad.

(4) The Main Objectives and Obligations of Islamic Teachings Concerning "Product"

Using an open question, respondents were requested to provide their definition of the objectives and obligations of Islamic doctrines pertaining to a product. The responses are contained in Table 9.41 which shows the respondents' views concerning this issue. As can be observed from the table, enhancing consumers' satisfactions and long-term interests through products was considered that major objective and obligation imposed by the Islamic teachings upon producers and dealers. This was widely mentioned by all the presidents and marketing managers of the public companies visited, and

Table 9.41 Respondents' Awareness of the Main Islamic Objectives and Obligations Concerning "Product".

Objectives & Obligations	Public Companies			Private Companies
	Presidents	Marketing Managers	Total	
a. Maximising customers' satisfactions and long-term well-being	5(100%)	5(100%)	10(100%)	50(50%)
b. A product should not be prohibited by Islamic teachings	1(20%)	0(0.0%)	1(10%)	2(2%)
c. Generating long-term societal well-being	1(20%)	1(20%)	2(20%)	1(1%)
n (number of valid responses)	5	5		50
N (number of managers involved in the study) =	5	5		100

by 50 out of 100 (50%) of the private company presidents interviewed. There are, however, other equally important Islamic objectives and obligations regarding product, such as satisfying the company's goals and responsibilities (i.e. survival, profit, growth and the like), generating long-term societal well-being and above all, a product should not be prohibited by Islamic doctrines. As these objectives and obligations were either scarcely mentioned by some of the respondents or not mentioned at all, this may indicate that the respondents are not aware of them as a part of Islamic belief and teachings in respect of "product".

With reference to the presidents of private companies, an attempt was made to examine the relationship between the extent of adoption of the societal marketing concept and awareness of "maximising customers' satisfactions and long-term well-being" as an Islamic precept regarding product. Table 9.42 shows that supporters of the societal marketing concept tended to recognise this Islamic obligation more than those who had unfavourable and neutral attitudes towards this concept.

Table 9.42

The relationship between the extent of the adoption of the societal marketing concept and the recognition of "maximising customers' satisfactions and long-term well-being" as an Islamic precept.(1)

(Private Companies' Group)

Extent of the recognition of the Islamic percept regarding product	Yes	No	Total response in each group
Extent of the adoption of the societal marketing concept			
Favourable attitude	(2) 19(82.6%)	4(17.4%)	23(100%)
Unfavourable attitude	15(30.6%)	34(69.4%)	49(100%)
Neutral	13(59.1%)	9(40.9%)	22(100%)
Total	47	47	94(100%)

(1) Cross-tabulation analysis.

(2) To be read: 19(82.6%) of the presidents of private companies who accepted the societal marketing concept and its relevance to small companies, recognised "maximising customers' satisfactions and long-term well-being" as an Islamic precept.

This result is compatible with and supports the findings of the recognition that Islamic doctrines provide a specific business philosophy and business objectives, and the extent of adoption and implementation of the philosophy and objectives, where the majority of those who had favourable attitudes toward the societal marketing concept recognised, adopted and implemented the Islamic business philosophy and objectives.

To conclude, because of several internal (within the firm) and external reasons and conditions mentioned in the discussion, the product strategy in the firms studied tends to be far from what is required for the application of the societal as well as the Islamic

marketing concept. The main strategy in respect of growth is to depend heavily on existing products rather than developing new products. Moreover, there is a distinct lack of recognition of the Islamic objectives and obligations in relation to product policy.

C - Pricing

In the following pages, attention is turned to another significant factor in a company's overall marketing strategy - the pricing policy it designs as an integral part of its marketing mix. Marketing orientation of pricing decisions is, of course, a prerequisite in the application of the societal marketing concept. Some aspects of pricing strategy in the companies studied are now examined. These aspects include the main objectives of pricing policy, the methods used in setting pricing strategy, whether or not these companies adopt a policy of price revision and the degree of recognition given to the Islamic obligations and objectives regarding pricing.

(1) The Main Objectives of Pricing Policy

To establish how far marketing concepts and techniques were implemented in respect of pricing, respondents were asked to define the main objectives of the pricing policies for their companies' products. Seven objectives were suggested to the respondents who were requested to rank them in order of significance. The responses are presented in Table 9.43 below.

As can be seen from the table, the answers received from the two groups of respondents indicate that the major objective of pricing policy is to cover the fully allocated costs as quickly as possible, and this reflects the neglect of market factors and emphasises to a greater extent cost considerations in price setting.

Additional observations can be derived from the table, as follows: The two groups of respondents disagreed about the relative importance of profit goals (i.e. profit maximisation and yielding a predetermined return on investment) and competitive goals (i.e. realising a predetermined target market share and countering the main competitors).

Table 9.43 Pricing Policy Objectives.

Objectives	Rank	
	Public Companies	Private Companies
a. Realising a predetermined target market share	3	7
b. Profit maximisation	4	2
c. Covering the fully allocated costs as quickly as possible	1	1
d. Countering the main competitors	7	4
e. Yielding a predetermined return on investment	2	3
f. Stabilisation of prices and margins	5	5
g. Monitoring demand	6	6

However, the overall result balances the two groups of the companies with regard to the relative importance of these two groups of objectives in their pricing policies. Considering "stabilisation of price and margin" and "monitoring demand" as pricing objectives, the two groups of companies were in agreement about their relative importance and ranked them fifth and sixth respectively.

(2) Methods of Pricing

In order to examine the pricing methods used by the companies visited, respondents were asked to indicate the major factors considered in their pricing strategy and to rank them in order of importance. Five factors were suggested in the questionnaires to the respondents who were also requested to add any others, where appropriate. The factors considered and the responses received are shown in Table 9.44.

Table 9.44 Pricing Methods

Pricing Methods	Public Companies			Private Companies		
	No.	%	Rank	No.	%	Rank
a. Competitor's price	5	100	2	95	95	3
b. Industry leader's price	3	60	4	31	31	5
c. What customers can pay	3	60	5	49	49	4
d. Cost plus	5	100	1	98	98	1
e. Market conditions	5	100	3	97	97	2
n (number of valid observations) =	5			98		
N (number of managers included in the study) =	5			100		

As can be observed from the above table, the "cost plus" method was ranked first, and was the method most commonly mentioned by the two groups of respondents in determining a suitable price for their products. "Competitors' price" and "market conditions" were also widely selected by the two groups of companies as major approaches to pricing, and this may indicate that they employed "the cost and market" approach whereby determination of prices is based on a combination of both cost and market factors. In this way, they might establish a minimum price based on the full unit cost plus profit, below which it is not worth operating and they could find out market conditions and accordingly establish the appropriate prices for their products. This general finding means that the respondents tended to be marketing-oriented in terms of this criterion. However, it should be noted that in spite of the opinions already expressed, it is the researcher's view that this result does not reflect the current trend in the companies under investigation where fundamental policy questions on prices are determined at high levels in the government. As stated in the literature review, firms in Egypt's industries have little or not freedom in respect of prices which are fixed or administered by other bodies outside the company. Consequently,

the price system insulates these firms, to a great extent, from the market. On the other hand, although it was decided by the Cabinet in 1975 that economic considerations should take precedence in arriving at all decisions by public enterprises, and this is usually taken to mean that profitability, and consequently cost considerations in pricing decisions, should be a primary objective for the management of public enterprises, nevertheless in practical terms, the government has often forced price reductions by means of subsidies, and this governmental intervention, which has continued up to the present time, though particularly marked in the public-sector companies, occurs also in the private-sector companies. So, it is likely that the responses obtained which reveal that the two groups of respondents followed "the cost and market" approach to pricing, may be considered as the expected answers rather than as reflecting the actual situation in the companies. This conclusion was supported by the detailed observations arising from discussions held with the respondents in respect of that issue. With reference to "industry leader's price" and "what customers can pay" as alternative methods of pricing, it is to be noted that the two groups of respondents paid little attention to these factors and recorded their view of them as the last two approaches to pricing although the two groups disagreed about the relative importance of the two methods.

(3) Revision of Pricing Decisions

A further indication of the application of marketing concepts and tools with respect to pricing is the policy of pricing revision. Pricing revision suggests often a price increase. However, the revision may result in giving reductions or discounts in some form or other. Accordingly, the questionnaires included two questions on the policy of price revisions.

Respondents were asked whether the policy of their companies was to assess and revise their pricing decisions periodically. The answers received are contained in Table 9.45.

Table 9.45 Revision of Pricing Decisions

Extent of Pricing Assessment and Revision	Public Companies	Private Companies
Companies assess and revise their pricing decisions	5(100%)	85(85%)
Companies do not assess and revise their pricing decisions	0(0.0%)	15(15%)

As the above table shows, all the public companies and the vast majority (85%) of the private companies visited stated that they reviewed their prices regularly, and this may reveal a marketing orientation in the two groups of respondents in terms of this marketing technique. However, as the discussion with the respondents indicated, the main reason for price revision was cost increases, reflecting, once again, a tendency towards cost orientation in respect of pricing strategy.

Respondents were also requested to indicate more specifically whether they sometimes offered discounts to their customers. In response to this question, all the public companies' respondents admitted that their companies adopt this policy as an incentive for their customers to buy during off-season periods or to encourage them to buy in cash or to purchase big quantities, depending on the firm's discount motives. On the other hand, this marketing technique was employed only by 15% of the private companies studied.

(4) The Main Obligations and Objectives Derived from Islamic Doctrines Regarding "Pricing"

The questionnaires included an open question which was addressed to respondents in order to find out their definition of the Islamic obligations and objectives in respect of price. The obligations and objectives identified and the responses received are shown in Table 9.46.

Table 9.46 Recognition of the Main Islamic Objectives and Obligations Regarding "Pricing".

Obligations & Objectives	Public Companies			Private Companies
	Presidents	Marketing Managers	Total	
a. Price should be chiefly fixed by the natural and sound interaction of demand and supply	5(100%)	4(80%)	9(90%)	27(27%)
b. A seller must not inflate price to his customer especially in an exceptional state of affairs	1(20%)	2(40%)	3(30%)	12(12%)
c. A buyer must not lower price to a seller particularly in an exceptional state of affairs	1(20%)	1(20%)	2(20%)	1(1%)
n (number of valid responses) =	5	4		27
N (number of managers included in the study) =	5	5		100

As can be seen in Table 9.46, fixing price through the natural and sound interaction of demand and supply was the chief Islamic obligation in respect of setting price which was recognised by the vast majority of the public companies' respondents, although this Islamic principle was recognised by only 27% of the private companies' presidents interviewed. There are, however, other Islamic objectives and obligations which were recognised to a slight extent and mentioned by all groups of respondents with the exception of a large percentage (40%) of the public companies' marketing managers who mentioned another Islamic rule regarding pricing, i.e. "a seller must not inflate price to his customer especially in an exceptional state of affairs". This being so, the general finding is that respondents, particularly private companies' presidents, did not fully recognise the Islamic pricing philosophy and objectives.

Another attempt was made to examine the relationship between acceptance of the societal marketing concept and recognition of the first two Islamic obligations included in the above table.

A cross-tabulation analysis indicated that the presidents of private companies who accepted the societal marketing concept recognised the first Islamic rule concerning pricing (i.e. "price should be chiefly fixed by the natural and sound interaction of demand and supply") to a greater extent than those who had unfavourable attitude and those who were neutral. This result is presented in Table 9.47. With reference to the second Islamic rule regarding pricing i.e. "a seller must not inflate price to his customer especially in an exceptional state of affairs", Table 9.48 shows that there was no relationship between the adoption of the societal marketing concept and recognition of this Islamic precept.

To sum up, in terms of the Islamic and the societal marketing concept, the finding of the study in this regard indicates that pricing is viewed as a non-related marketing activity, and little attention is given by the managements of companies to the willingness of customers to purchase and their ability to pay. In general, since prices are fixed by governmental bodies outside the company, most companies disregarded pricing as a major component in their overall marketing strategy.

D - Place Strategy

As indicated during the theoretical sections of this study, place strategy is concerned with the distribution decisions designed to provide time and place utility to the products by making them available at the appropriate time and location, and it is considered, therefore, to be a central factor in the whole of a firm's marketing strategy. The aim of this subsection is to examine to what extent distribution decisions in the firms studied are marketing-oriented. Therefore, it deals with the major types of channels of distribution used, the criteria upon which these methods as well as individual channel members have been chosen, the services offered to intermediaries, and the Islamic objectives and obligations regarding distribution as perceived by respondents.

Table 9.47 The relationship between the adoption of the societal marketing concept and the recognition that Islam states that "price should be chiefly fixed by the natural and sound interaction of demand and supply". (1)

(Private Companies' Group).

Extent of the recognition of the Islamic precept \ Extent of the adoption of the societal marketing concept	Yes	No	Total response in each group
Favourable attitude	(2) 19(82.6%)	4(17.4%)	23(100%)
Unfavourable attitude	15(30.6%)	34(69.4%)	49(100%)
Neutral	10(45.5%)	12(54.5%)	22(100%)
Total	44	50	94(100%)

(1) Cross-tabulation analysis.

(2) To be read: 19(82.6%) of the private company presidents who had favourable attitudes to the societal marketing concept recognised that Islamic teachings state that "price should be chiefly fixed by the natural and sound interaction of demand and supply".

Table 9.48 The relationship between the adoption of the societal marketing concept and the recognition that Islam states that "a seller must not inflate price to his customer especially in an exceptional state of affairs".(1)

(Private Companies' Group)

Extent of the recognition of the Islamic precept \ Extent of the acceptance of the societal marketing concept	Yes	No	Total response in each group
Favourable attitude	(2) 2(8.7%)	21(91.3%)	23(100%)
Unfavourable attitude	3(6.1%)	46(93.9%)	49(100%)
Neutral	7(31.8%)	15(68.2%)	22(100%)
Total	12	82	94(100%)

(1) Cross-tabulation analysis

(2) To be read: 2(8.7%) of the presidents of private companies who adopted the societal marketing concept recognised that Islamic teachings state that "a seller must not inflate price to his customer especially in an exceptional state of affairs".

(1) Methods of Distribution Used

Respondents were asked to state the principal methods by which their products reach customers. Five alternative methods by which domestically produced goods can reach customers were suggested by the questionnaires to the respondents who were requested to indicate all that applied to them and to rank them in order of importance. The results are presented in Table 9.49 as provided by the two groups of companies.

Table 9.49 Methods of Distribution Used.

Methods of Distribution	Public Companies			Private Companies		
	No.	%	Rank	No.	%	Rank
a. Company - Agent - Wholesaler - Retailer - Customer	0	0.0	-	8	8	4
b. Company - Wholesaler - Retailer - Customer	5	100	1	96	96	1
c. Company - Agent - Customer	0	0.0	-	4	4	5
d. Company - Retailer - Customer	5	100	2	26	26	3
e. Company - Customer	2	40	3	26	26	2

As can be seen from the above table, indirect selling through the traditional system of using wholesalers and retailers and thereafter the customer is the most widely used channel by the two groups of companies (i.e. public and private companies). All the public companies indicated that they used this method and ranked it the first place, while ninety six per cent of the private firms stated that they employed this method and also regarded it as the major method used in distributing their products. Reasons for this, as concluded from the discussions held with the respondents, can be attributed to the characteristics of the market and the nature of the demand for textile products. Thus, the market is not concentrated in a small number of locations but is spread widely throughout the country. Moreover, some producers in the private sector, who are

located in lower Egypt, produce some products to be marketed mainly in upper Egypt. Demand is not elastic and needs little promotional effort. In addition, the textile industry is an old one and is used to employing this traditional method of distribution. Here, manufacturers, especially small companies with limited financial capabilities, avoid carrying out the marketing functions (e.g. merchandising, transportation, storage, and risk-bearing), and transfer them to intermediaries. The second method of distribution used by the public companies is a one-stage marketing channel which contains only one selling intermediary, i.e. the retailer - this being mentioned by all the respondents. This method was considered third in importance by the private companies, being mentioned by twenty six per cent of them. Direct selling to customers was placed second by private companies, being again mentioned by twenty six per cent of them, while public companies ranked this method third, being used by only forty per cent of them. Using this method, customers' orders are filled directly by the producers themselves, either through their own retail outlets or through a sales department within the plant itself. The study findings revealed that the method of agent - wholesaler - retailer and the sole agent method are used to a slight extent by the private companies only, eight per cent of them reporting that they use the former method which they ranked fourth, and four per cent of them indicating that they used the latter method which they placed fifth.

(2) Criteria Used for Selecting Distribution Methods and Individual Channel Members

Two questions were addressed to respondents in order to examine the main factors considered in channel selection and the criteria they used to choose individual channel members. The following findings of the field survey must be considered within the context of the fact that firms' freedom in channel design and motivation is greatly limited by the distribution system which is available in the country. As explained in the literature review, in an environment of 'Socialist laws', this freedom is limited and channel decisions are informally affected by selling to public-sector distributive

firms. Independent textile shops are numerous but the major department stores are now government-owned. Furthermore, close control is exerted over many privately owned systems of distribution. These factors having been outlined, the results provided by the two groups of respondents are now presented in Tables 9.50 and 9.51.

A review of the answers shown in Table 9.50 reveals that the two groups of companies disagreed about the relative importance of the criteria considered in channel selection. The two most important factors considered by the public companies were "providing quick and adequate feed-back about the market" (mentioned by all the respondents) and "adequate control over the market" (mentioned by 80% of the respondents), and this may reflect market-orientation among this group of companies in terms of channel selection. On the other hand, the two major factors regarded by the great majority of private companies were "delivery and distribution costs" (mentioned by 86% of the respondents) and "closer to customers" (mentioned by 754% of the interviewees), and this may indicate a cost-orientation among this group of companies in terms of this area of distribution decision.

It should be pointed out, however, that from our discussion with the respondents it was concluded that the responses provided by them are likely to represent what is hoped the situation will be in the companies rather than what it actually is. Thus, most companies wish for freedom in channel design and selection in the light of the economic Open-Door policy.

With regard to the criteria used for selecting individual channel members, Table 9.51 shows that some differences also exist between the public companies and the private companies in their responses to the question addressed to them in respect of the factors considered in this selection. For example, while the "capacity of promotion and auxiliary service" was considered the major factor by the public companies being mentioned by all the respondents, the "willingness to promote products" was regarded as the most important yardstick by a very large majority (80%) of the private companies.

Table 9.50 Criteria Used for Selecting Distribution Methods.

Criteria	Public Companies			Private Companies		
	No.	%	Rank	No.	%	Rank
a. The firm's scale of operations (firm size)	4	80	3	16	16	6
b. Adequate control over the market	4	80	2	60	60	3
c. Providing quick and adequate feed-back about the market	5	100	1	47	47	4
d. Adequate trading area coverage	4	80	4	19	19	5
e. Closer to customers	3	60	6	74	74	2
f. Delivery and distribution costs	3	60	5	86	86	1

Table 9.51 Criteria Used for Selecting Individual Channel Members.

Criteria	Public Companies			Private Companies		
	No.	%	Rank	No.	%	Rank
a. Potential sales volume	3	60	7	15	15	6
b. Customer service	5	100	3	60	60	3
c. Trading area coverage	3	60	6	10	10	7
d. Product lines carried	not mentioned			9	9	8
e. Sales organisation	4	80	4	30	30	5
f. Capacity of promotion and auxiliary service	5	100	1	79	79	2
g. Financial strength to maintain inventories and credit	5	100	2	34	34	4
h. Willingness to promote products	4	80	5	80	80	1

The table also shows that several other factors were considered to be important by the majority of respondents, particularly the public companies, but it should be pointed out that in the context of the firms' limited freedom of channel design and selection, the answers obtained from the respondents may be regarded as the expected responses rather than as representing the actual practices in the companies under investigation. This conclusion was supported by the discussions held with the interviewees relating to this issue.

(3) Services Offered to Middlemen

In order to examine the extent of offering special services to the middlemen by the companies visited, respondents were asked "what services do you offer to your middlemen?" and to place the following variables in order of significance:

- a. None
- b. Promotional aid
- c. Credit
- d. Salesmen training
- e. Others (please state)

Responses are given in Table 9.52, broken down by the type of company.

Table 9.52 Services offered to Middlemen

Variables	Public Companies			Private Companies		
	No.	%	Rank	No.	%	Rank
a. None	2	40	-	8	8	4
b. Promotional aid	1	20	2	15	15	2
c. Credit	3	60	1	89	89	1
d. Salesmen training	0	0.0	-	8	8	3

A general analysis of the answers shown in the above table indicate that the major service offered to the intermediaries is credit. From the table, it appears that three public companies out of five (60%) stated that they offered credit to middlemen, while eighty nine per cent of the private companies reported that they did so. However, it is the researcher's view that the actual granting of credit to middlemen by the companies visited might not be as widespread and systematic as the answers indicated. Thus, as El-Haddad⁽²²⁾ indicated, credit is allowed to distributors for a short period of time and on a limited scale. It is regarded as being of little importance because of the liquidity problems facing the companies. Generally, in the public sector as Attia⁽²³⁾ pointed out, producers decide to sell on credit when they face a serious marketing problem or when they are instructed to do so by higher authorities.

Worthy of mention, however, as the discussion with the respondents revealed is that following the introduction of the Open-Door Policy, the tendency has been for the private-sector companies to allow credit to distributors in order to counteract competition in the supply of credit from foreign sources on imported goods which might lead middlemen to allocate more effort to selling such goods. In this context, the lack of sufficient sales credit by public-sector companies might present them with a serious problem in this area.

The table reveals that little importance is attached to the other services suggested by the questionnaires to be offered to middlemen, i.e. "promotional aid" and "salesmen training". Only one public company out of five (20%) and fifteen per cent of the private companies visited reported offering a "promotional aid" service to their distributors. With regard to "salesmen training", the results revealed that no public company offers this service to the middlemen, while only eight per cent of the private companies do so.

(4) The Main Objectives and Obligations of Islamic Doctrines Regarding "Distribution"

The questionnaires included an open question asking the respondents to identify and define the Islamic obligations and objectives with respect to distribution decisions. The findings are reported in Table 9.53.

Table 9.53 Recognition of the Major Islamic Objectives and Obligations Regarding "Distribution"

Objectives & Obligations	Public Companies		Total	Private Companies
	Presidents	Marketing Managers		
a. Making the products available at the appropriate time (time utility)	5(100%)	5(100%)	10(100%)	45(45%)
b. Making the products available at the convenient outlets (place utility)	5(100%)	4(90%)	9(90%)	39(39%)
c. Making the products available in different quantities and in packages convenient to various customers	0(0.0%)	0(0.0%)	0(0.0%)	15(15%)

As can be seen from the above table "making the products available at the appropriate time" is the most recognised Islamic distributional objective according to the frequency of mention, this being defined by all the presidents as well as the marketing managers of the public companies together with forty five per cent of the presidents of the private companies. The second major obligation recognised and defined by the respondents is "making the products available at the convenient outlets (place utility)", this being mentioned by all the presidents of the public companies and ninety per cent of their marketing managers and thirty nine per cent of the private companies. A third Islamic distributional

obligations is to make "the products available in different quantities and in packages convenient to various customers". This obligation was identified and mentioned by only fifteen per cent of the private company presidents. There was no mention of this objective by the respondents of the public companies.

Despite the low level of recognition of the Islamic distributional obligations and objectives by the presidents of the private companies as shown in Table 9.53 and the above analysis, an attempt was made in relation to this group of respondents to examine the relationship between the adoption of the societal marketing concept and the recognition of these obligations and objectives. Using a cross-tabulation analysis, there was a significant relationship at the 99% level of confidence between acceptance of the societal marketing concept and awareness of the first two Islamic distributional obligations and objectives (i.e. time utility and place utility). Tables 9.54 and 9.55 illustrate that supporters of the societal marketing concept recognised these objectives and obligations to a greater degree than those who had unfavourable attitudes toward the concept and those who were neutral. In addition, Table 9.56 shows the relationship between the extent of adoption of the societal marketing concept and the extent of recognition of the Islamic obligation that requires marketers to make "the products available in different quantities and in packages convenient to various customers". As can be seen from the table, those who had a favourable attitude towards the societal marketing concept were aware of this Islamic rule to a greater extent than those who had unfavourable attitudes and those who were uncertain. Once again, this result is compatible with and supports the findings concerning the awareness that Islamic teachings provide specific business philosophies and objectives and the adoption and implementation of these philosophies and objectives, in so far as the majority of those who accepted the societal marketing concept and its relevance to small companies recognised and adopted and implemented the Islamic business philosophy.

Table 9.54 The relationship between the adoption of the societal marketing concept and the recognition that Islamic doctrines require marketers to make "the products available at the appropriate time"⁽¹⁾

(Private Companies' Group)

Extent of the recognition of the Islamic precept \ Extent of the adoption of the societal marketing concept	Yes	No	Total response in each group
Favourable attitude	16 ⁽²⁾ (69.6%)	7(30.4%)	23(100%)
Unfavourable attitude	15(30.6%)	34(69.4%)	49(100%)
Neutral	12(54.5%)	10(45.5%)	22(100%)
Total	43	51	94

Level of significance **

(1) Cross-tabulation analysis.

(2) To be read: 16(69.6%) of the private companies' presidents who had favourable attitudes to the societal marketing concept, recognised that Islamic doctrines require marketers to make "the products available at the appropriate time".

** Significant relationship at the 99% level of confidence.

Table 9.55 The relationship between the adoption of the societal marketing concept and the recognition that Islamic doctrines require marketers to make "the products available at the convenient outlets".(1)

(Private Companies' Group)

Extent of the recognition of Islamic precept \ Extent of adoption of the societal marketing concept	Yes	No	Total Response in each group
Favourable attitude	15 ⁽²⁾ (65.2%)	8(34.8%)	23(100%)
Unfavourable attitude	13(26.5%)	36(73.5%)	49(100%)
Neutral	9(40.9%)	13(59.1%)	22(100%)
Total	37	57	94(100%)

Level of significance **

(1) Cross-tabulation analysis

(2) To be read: 15(65.2%) of the private companies' presidents who had favourable attitudes to the societal marketing concept, recognised that Islamic doctrines require marketers to make the products available at the convenient outlets.

** Significant relationship at the 99% level of confidence.

Table 9.56 The relationship between the adoption of the societal marketing concept and the recognition that Islamic doctrines require marketers to make "the products available in different quantities and packages convenient to various customers"(1)

(Private Companies' Group)

Extent of the recognition of the Islamic precept \ Extent of the adoption of the societal marketing concept	Yes	No	Total response in each group
Favourable attitude	9 ⁽²⁾ (39.1%)	14(60.9%)	23(100%)
Unfavourable attitude	3(6.1%)	46(93.9%)	49(100%)
Neutral	3(13.6%)	19(86.4%)	22(100%)
Total	15	79	94(100%)

(1) Cross-tabulation analysis.

(2) To be read: 9(39.1%) of the private companies' presidents who had favourable attitudes to the societal marketing concept, recognised that Islamic doctrines require marketers to make "the products available in different quantities and packages convenient to various customers".

E - Promotion Strategy

The aim of this sub-section is to assess the scope and nature of the promotional strategy as a major part of the marketing mix in the firms under investigation. To do so, an attempt will be made to ascertain how far advertising is used, and to establish its goals as formulated by the firms visited, the methods used to decide the amount of finance to be allocated to advertising and the methods used to assess advertising effectiveness. Thereafter, we shall

examine the use of the other promotional methods (i.e. sales promotion, publicity, public relations and personal selling), and the relative emphasis placed on each method of promotion. Also the development and motivation of employees, especially the sales force, will be examined. Finally, the major objectives and obligations of the Islamic teachings regarding promotion will be examined.

(1) Use of Advertising

Respondents were asked to determine whether or not they are engaged in any advertising, using an overall advertising plan.

In response to this question, three public companies out of five (60%) reported employing this technique as a part of their promotional mix, while on the other hand, none of the private companies studied used advertising on a systematic basis through an overall advertising plan.

Although the findings of the study reveal that the majority of the public companies visited (60%) do engage in advertising, it is the researcher's view that the scope and level of advertising actually carried out in these firms is limited and it is not based upon the necessary advertising and marketing studies. As mentioned in the literature review, advertising may fail in many firms due to lack of research. Thus, management usually knows little about the market and is not sufficiently acquainted with the scientific methods required to undertake proper market research into sophisticated aspects such as buyers' motivations and various necessary research projects relating to advertising. Manufacturers do undertake haphazard advertising campaigns which are likely to fail. Moreover, too frequently, advertising is designed to fit into national political events rather than to achieve commercial aims. This conclusion was supported also by the discussion held by the researcher with those respondents who indicated that they practised advertising. This discussion revealed that management considers advertising as an area requiring a short-term expenditure and as a

temporary solution to unexpected and urgent marketing problems. It is also based on political rather than commercial aspects and objectives. Moreover, management never considered the question of audience duplication or accumulation, so that media were selected almost haphazardly.

Those who stated that they did not undertake advertising (i.e. 2 out of 5 public companies and all the private companies) were requested to indicate the main reasons for not utilising this marketing technique. Their answers are contained in Table 9.57 below.

As Table 9.57 illustrates, in the two groups of companies, the major reason for not using advertising was that "advertising is too expensive", this being ranked first and mentioned by the two public companies to whom the question applied and by ninety two per cent of the private companies. For the public companies in particular, this reason is explained by the fact that advertising is directly controlled by several governmental laws and regulations restricting its use, the most important being the law instructing the companies to reduce by nearly a half the amount of finance allocated to the advertising budget. This restricts the freedom of the companies' management to allocate much money to advertising. The second reason for the neglect of advertising in the two groups of companies was "the small size of the firms" this being indicated by the two public companies and eighty eight per cent of the private companies. The managements of these firms reported that their companies are small and have limited access to financial resources, and this is closely related to the first stated reason for not doing advertising, i.e. "advertising is too expensive". However this issue, in the researcher's opinion should be considered in terms of cost versus benefits.

The above findings support the findings of Hassan⁽²⁴⁾ in his study of marketing practices in the Egyptian tourism businesses. He found that all the firms which did not undertake any advertising were small Egyptian firms and the major reason for not advertising

Table 9.57 Reasons Impeding Advertising.

Reasons Hindering Advertising	Public Companies			Private Companies		
	No.	%	Rank	No.	%	Rank
a. Advertising is too expensive	2	100	1	92	92	1
b. The small size of the firm	2	100	2	88	88	2
c. Advertising is not effective.	2	100	4	14	14	6
d. Advertising is not important because of the dominance of the seller's market.	not mentioned			12	12	8
e. Lack of effective advertising facilities.	not mentioned			34	34	4
f. Less faith in advertising on the part of the customers	not mentioned			27	27	5
g. Advertising is wasteful and raises the price of products.	2	100	3	43	43	3
h. Advertising gives a completely false picture of the quality of products.	not mentioned			14	14	7
N(number of companies concerned by the question)=	2			100		

was cost, as 67 per cent of the firms which did not advertise reported that they did not do so because advertising is expensive.

The third reason given by the two groups of companies was that "advertising is wasteful and raises the price of products", this being mentioned by the two public companies and forty three per cent of the private companies. "Advertising is not effective" was ranked fourth by the public companies, while the private companies placed it sixth among the reasons for not undertaking advertising. The fourth obstacle to advertising for the private companies was "the lack of effective advertising facilities" which was mentioned by thirty four per cent of these companies. Another obstacle to advertising, in the private companies only, was that customers do not believe in advertising, this view being stated by twenty seven per cent of them and ranked fifth. Less faith in advertising on the part of producers was a further barrier to advertising in the private companies, as fourteen per cent of them reported that "advertising gives a completely false picture of the quality of products", and this barrier was ranked seventh by them. Only eight per cent of the private companies considered that "advertising is not important because of the dominance of the seller's market", which was another reason they gave for not doing advertising by these companies.

(2) Advertising Goals

In order to assess the main task of advertising faced by the companies under investigation, the public companies which reported undertaking advertising were asked to identify the major objectives of their advertising activities. Seven advertising goals were suggested and presented by the questionnaires to the respondents who were requested also to rank them in order of importance. Table 9.58 shows the results provided by this group of respondents.

From Table 9.58, it can be seen that increasing sales volume was the major advertising objective reported by the respondents, as this was mentioned by the marketing executives of all the advertising

Table 9.58 Advertising Goals.(Public Companies' Group)

Advertising Goals	No.	%	Rank
a. To announce new product(s).	2	66.7	2
b. To increase sales.	3	100	1
c. To support middlemen and obtain their support.	1	33.3	7
d. To improve image.	1	33.3	6
e. To maintain brand loyalty.	2	66.7	4
f. To help customers in locating the suitable products for their needs and bring them to their attention.	1	33.3	5
g. To counteract competition.	2	66.7	3

n (number of valid observations) = 3

N (number of public company marketing managers to whom the question was applicable) = 3

firms and ranked above all other advertising goals, followed by announcing new products which was placed second and was mentioned by 2 out of 3 companies. Counteracting competition was regarded as the third advertising objective, and this may be taken as an indication that respondents have become, to some extent, aware of competition as a result of the Open-Door Policy. Maintaining brand loyalty was ranked fourth, being mentioned by 2 out of 3 firms. There are three other advertising goals, each of which was mentioned by one out of three companies to be one of the objectives of its advertising efforts. These are helping customers in locating the appropriate products for their need and bringing them to their attention, improving the company image, and supporting intermediaries and obtaining their support, these being ranked fifth,

sixth and seventh respectively.

In general, as discussions with the respondents revealed, advertising objectives are not persuasive in nature but are chiefly informative. Moreover, advertising goals are not restricted to the promotion of products or to building the commercial image of the firms, but are mixed with political and social purposes. This finding supports the conclusion reached in the theoretical sections of this study.

(3) Methods of Appropriating Advertising Budget

Respondents were asked to state on what basis they determine the amount of finance allocated to advertising. The answers received indicated that the tendency among the advertising firms is not to employ scientific methods in determining advertising budget, since the two methods reported by the companies which advertise are "an arbitrary method", stated by 2 out of 3 companies, and "all that can be afforded", a method indicated by one out of three firms. This result, coupled with the fact that Egyptian companies, in general, tend to allocate small amount of finance to advertising, reveals that these firms are far removed from the applying of the societal marketing concept in respect of appropriating advertising budgets.

(4) Assessment of Advertising Effectiveness

Respondents were asked to state whether or not they are involved in assessment of the effectiveness of their advertising efforts and to determine the methods of this evaluation. As expected, the majority of the companies which advertise do not assess the effectiveness of their advertising activity. It was found that two out of three firms did not measure this effectiveness, while only one firm claimed that it did so, even though the only method of evaluation used by this company was the sales results, i.e. comparing sales volume before and after advertising. This result is compatible with and supports the several studies⁽²⁵⁾ of marketing in Egypt which were referred to in the literature review.

(5) Other Promotional Methods Used

This part of the investigation attempted to examine the other methods of promotion, apart from advertising, which were used by the companies visited. In this connection, five alternatives were suggested in the questionnaires to the respondents who were also requested to rank them in order of importance. These options provided were:

- a. None
- b. Sales Promotion
- c. Publicity.
- d. Public Relations
- e. Personal Selling

The answers provided by the two groups of companies are presented in Table 9.59.

Table 9.59 Methods of Promotion Used Apart from Advertising.

Methods of Promotion	Rank	
	Public Companies	Private Companies
Sales Promotion	1	2
Publicity	Not mentioned	4
Public Relations	2	1
Personal Selling	3	3

As the above table shows, although the two groups of companies disagreed about the relative importance of these methods, "sales promotion" and "public relations" were reported as being the two major promotion methods used by the respondents in their efforts to attract customers.

Though extremely important for small companies in the Egyptian context, as explained in the literature review, personal selling mattered little in the promotional mix of the companies visited -

both public and private. This situation may be explained by the fact that since these firms are mostly involved in an indirect, lengthy method of distribution, i.e. wholesale-retail channels as the findings of this study showed, most of them feel there is little need to develop an aggressive sales face. Only a small salesforce is needed or involved, because wholesalers either order by telephone or send their representatives to place the order and pick up the merchandise. Selling to the ultimate consumer through the company's branches or stores is not widely practised. Consequently, little emphasis is placed on the selection, training and control of salesmen.

(6) Methods of Development and Motivation of Employees, Especially the Salesforce

Respondents were asked, "How do you develop and motivate your employees, especially the sales force?" They were also requested to rank the methods proposed to them in order of significance. Responses are presented in Table 9.60.

Table 9.60 Methods of Development and Motivation of Employees.

	Public Companies			Private Companies		
	No.	%	Rank	No.	%	Rank
a. Training:						
- sales methods	2	40	2	23	23	2
- public relations	2	40	3	23	23	3
b. Bonus payment on results	5	100	1	91	91	1
c. Promotion	1	20	4	8	8	4

As can be seen from the above table, the major method of development and motivation of the sales force in the two groups of companies is that of "bonus payment on results". This traditional method proved to be the most common policy adopted by the firms under investigation in developing and motivating their sales force, as

reported by all the public companies' respondents and ninety one per cent of the private companies' presidents. Training programmes in the area of sales methods took the second place, followed by programmes allocated to public relations training. These two methods were reported only by two out of five public companies and twenty three per cent of the private companies, using in-house and, in some cases, external programmes to implement this work. Once again, this may reflect the slight attention paid to the development of an aggressive sales force. Added to this is the fact that basic market research is lacking, a situation which makes it difficult to have a well-trained sales force, since proper training programmes for salesmen should be established on the basis of market characteristics and buyers' motives.

(7) The Major Islamic Objectives and Obligations Regarding "Promotion"

Respondents were asked to identify the main objectives and obligations derived from Islamic doctrines with respect to promotion strategy. These are presented in Table 9.61 in order of importance.

Table 9.61 Respondents' Recognition of the Main Islamic Objectives and Obligations Regarding "Promotion".

Objectives & Obligations	Public Companies			Private Companies
	Presidents	Marketing Managers	Total	
a. Telling the truth	4(80%)	4(80%)	8(80%)	47(47%)
b. Avoding harming other competitors	1(20%)	2(40%)	3(30%)	17(17%)
c. Monitoring demand and guiding consumption	--	--	--	5(5%)

As can be noticed from the table, "telling the truth" within the promotional programmes designed by marketers was regarded as the major Islamic obligation by the two groups of companies - widely mentioned by a very large majority (80%) of both the presidents and the marketing managers of the public companies, and quite a large percentage (47%) of the presidents of the private companies visited. The majority of respondents, however, failed to recognise the other Islamic obligations and objectives such as "avoiding harming other competitors" and "monitoring demand and guiding consumption". These objectives and obligations were either only recognised to a slight extent by the respondents or not recognised at all, and this may indicate that most respondents are not aware that they are part of Islamic doctrines regarding promotion.

In addition to the above, an attempt was made within the group of presidents of the private companies to examine the relationship between the adoption of the societal marketing concept and the recognition granted to the Islamic obligations and objectives regarding promotion. Tables 9.62, 9.63 and 9.64 show overall that those who had favourable attitudes towards the societal marketing concept tended to recognise the Islamic distributional objectives and obligations to a larger degree than those who had unfavourable or neutral attitudes towards the concept.

Marketing Strategies and Practices: Conclusions

In this section, an attempt was made to examine the extent to which the societal marketing concept has been effectively applied to the marketing strategies and practices in the firms under investigation. Several conclusions can be derived from the analysis as follows:

(1) Systematic marketing planning designed to meet anticipated changes in the firms' marketing opportunities is an area neglected by the vast majority of the companies visited. Most of the public and private companies either do not plan at all or have an inadequate planning system in relation to the concept of market ideals and the

Table 9.62 The relationship between the acceptance of the societal marketing concept and awareness that Islamic teachings require marketers to tell the truth in their communication programmes. (1)

(Private Companies' Group)

Extent of the recognition of the Islamic precept Extent of the adoption of the societal marketing concept.	Yes	No	Total response in each group
Favourable attitude	(2) 19(82.6%)	4(17.4%)	23(100%)
Unfavourable attitude	15(30.6%)	34(69.4%)	49(100%)
Neutral	11(50%)	11(50%)	22(100%)
Total	45	49	94(100%)

(1) Cross-tabulation analysis.

(2) To be read: 19(82.6%) of the private company presidents who accepted the societal marketing concept recognised that Islamic teachings require marketers to tell the truth by their communication programmes.

Table 9.63 The relationship between the acceptance of the societal marketing concept and the recognition that Islamic teachings require marketers to avoid harming other competitors when undertaking communication programmes. (1)

(Private Companies' Group)

Extent of the recognition of the Islamic precept \ Extent of the adoption of the societal marketing concept	Yes	No	Total response in each group
Favourable attitude	(2) 9(39.1%)	14(60.9%)	23(100%)
Unfavourable attitude	3(6.1%)	46(93.9%)	49(100%)
Neutral	5(22.7%)	17(77.3%)	22(100%)
Total	17	77	94(100%)

(1) Cross-tabulation analysis.

(2) To be read: 9(39.1%) of the private company presidents who accepted the societal marketing concept recognised that Islamic teachings require marketers to avoid harming other competitors when carrying out communication programmes.

Table 9.64 The relationship between the acceptance of the societal marketing concept and awareness that Islamic teachings require marketers to monitor demand and guide consumption when carrying out communication programmes. (1)

(Private Companies' Group)

Extent of the recognition of the Islamic precept Extent of the adoption of the societal marketing concept	Yes	No	Total response in each group
Favourable attitude	(2) 3(13%)	20(87%)	23(100%)
Unfavourable attitude	0(0.0%)	49(100%)	49(100%)
Neutral	2(9.1%)	20(90.9%)	22(100%)
Total	5	89	94(100%)

(1) Cross-tabulation analysis.

(2) To be read: 3(13%) of the private company presidents who accepted the societal marketing concept recognised that Islamic teachings require marketers to monitor demand and guide consumption when carrying out communication programmes.

requirements for achieving the societal marketing concept.

(2) Product development is generally considered from an operational rather than a marketing point of view. There is a distinct lack of emphasis on the development of new products and new processes in the innovation efforts of most of the firms studied. The main product strategy is to rely heavily on existing products rather than developing new products. Moreover, the objectives and obligations of Islamic doctrines in the area of product decisions are alien to the vast majority of the managements of the companies studied.

(3) As regards pricing, the study findings indicated that pricing is not yet regarded as a related marketing activity, and little attention is given by the managements of most companies visited to the willingness of customers to purchase and their ability to pay. Price control and the need for government approval put limits on pricing flexibility. In addition, there is a great lack of recognition of the Islamic obligations and objectives regarding pricing.

(4) Generally, distribution channel decisions are confined to the methods of distribution available in the country. Central control and public activity in the distribution sector has been substantially increased. Many products, especially in the public companies, have to be marketed through government middlemen and the government-owned cooperative retail stores. Consequently, distribution decisions related to the criteria used for selecting channels or particular channel members, deciding on the services to be offered to middlemen, and so forth, are not flexible. With reference to the Islamic obligations and objectives in the area of distribution, the findings of the study revealed that most managements of the companies under investigation are not aware of these obligations and objectives.

(5) As far as advertising and promotion activities are concerned, these activities are accorded a secondary role in the total marketing

strategy of the companies studied. None of the private companies uses advertising on a systematic basis through an overall advertising plan. With regard to the public companies, most of them frequently use advertising mainly on political, social and religious occasions. Furthermore, advertising objectives are mainly informative in nature and are less concerned with the promotion of products or establishing the commercial image of the company. The other promotional methods, i.e. sales promotion, publicity, public relations and personal selling are also of little importance in the total marketing strategy of both two groups of companies visited. Additionally, the findings of the study indicated that the vast majority of the managements of these companies do not fully recognise the objectives and obligations of Islamic teachings in the area of communication.

(6) It has also been shown that there is a relationship between the acceptance of the societal marketing concept and its relevance to small companies, and the recognition of the major objectives and obligations of Islamic teachings regarding the elements of the marketing mix, i.e. product, pricing, distribution and promotion.

The above conclusions suggest that the extent of the application of modern marketing concepts and techniques by small Egyptian textile companies is, in most cases, much too slight in terms of achieving the aims of the societal marketing concept, and this inadequacy can be traced, to some extent, to lack of awareness of the Islamic objectives and obligations in respect of these concepts and techniques.

Once again, this conclusion supports the first hypothesis that most Egyptian small business companies are not marketing-oriented in their business operations. In addition, our hypothesis 2a is given further support by this conclusion, i.e. that the non-marketing orientation among Egyptian small firms and lack of recognition and/or adopting Islamic marketing precepts are related.

Other factors may be suggested to explain the current level of marketing performance in Egyptian small companies. In the following section, an attempt will be made to identify the basic factors thought to be responsible for impeding marketing development in terms of the companies visited.

Section Three

The Basic Factors Associated with the Degree of Marketing Development

Introduction

This section will examine, briefly and in broad terms, the major factors believed to be responsible for hindering marketing development in the companies under investigation. Five prevailing basic sets of factors have been suggested as impeding the acceptance and application of the societal marketing concept and, consequently, hinder marketing development in these companies. One of these factors, (i.e. the lack of awareness and/or adopting and implementing Islamic beliefs and teachings regarding marketing), was identified in the previous two sections, and it was evident that this factor has an adverse influence on the adoption and implementation of the concept. So, it remains to investigate the other four major factors and their effects on marketing. These factors are:

- A - The small size of companies.
- B - Governmental policy and control over the business of the firms.
- C - The shortage of competent managerial and marketing know-how.
- D - The nature of competition.

A - Small Size of Companies

In the first section of this chapter, an attempt was made to identify the applicability of the societal marketing concept to small companies from the management's point of view in the course of measuring the overall attitude towards this concept and its relevance to small companies. It was clear from this attempt that the

majority of all groups of respondents did not support its applicability to small businesses.

A further attempt will be made in this sub-section to examine the relationship between a small firm and the status of marketing, as revealed in the companies under investigation. This attempt will cover the following points:

- (1) The small size of firm as a factor impeding marketing development.
- (2) To what extent Egyptian small companies can apply modern marketing concepts and practices.
- (3) The benefits gained and/or the problems faced under the Open-Door Policy associated with small size.

(1) The Small Size of Firm as a Factor Impeding Marketing Development

Respondents were asked to determine to what extent "small size of company" may impede the application of modern marketing concepts and techniques in the Egyptian small firms. The findings of the study reveal that the small size of company is a major obstacle among others which hinder marketing development, and this leads to reduced faith in marketing which was also reported by the majority of respondents to be one of the major barriers to the application of the marketing approach, which in turn, leads to poor performance in the marketing area. Among eight statements proposed to respondents by the questionnaires as representing obstructions to marketing development was the "small size of company". The answers received from the respondents are presented in Table 9.65.

It is noticeable from this table that this factor was considered by the majority of all groups of respondents as one of the major factors hindering the application of modern marketing concepts and practices in the Egyptian small business companies - ranked fourth by 3 out of 5 public companies' presidents and ranked third by all the marketing managers of public companies, and ranked first by 98 per cent of the private companies' presidents.

Table 9.65 Reasons Hindering the Application of Modern Marketing Concepts and Practices in Egyptian Small Business Companies.

Statement	Presidents of Public Companies			Marketing Managers of Public Companies			Presidents of Private Companies		
	No.	%	Rank	No.	%	Rank	No.	%	Rank
a. Lack of the Western managerial and marketing know-how.	4	80	3	4	80	4	72	72	3
b. Low level of per capita income.	1	20	7	2	40	5	14	14	6
c. Less faith in marketing.	4	80	2	5	100	2	90	90	2
d. Small size of company.	3	60	4	5	100	3	98	98	1
e. Existence of a seller's market for most products.	1	20	8	1	20	7	12	12	8
f. Shortage of able professional marketing staff.	5	100	1	5	100	1	60	60	4
g. Absence of competition.	2	40	5	1	20	8	13	13	7
h. Lack of proper understanding of Islamic doctrines concerning business objectives and philosophy.	2	40	6	2	40	6	38	38	5
Base	5	100		5	100		100	100	

In passing, with reference to the "lack of proper understanding of Islamic doctrines concerning business objectives and philosophy", it is to be observed from the table that the majority of all groups of respondents did not regard it as a major obstacle to marketing development. However, this response should not be taken as an indication that this factor has little impact on the application of modern marketing concepts and techniques in the companies under investigation. Rather, it supports the suggestion that there is non-awareness, misunderstanding and/or non-adopting of the Islamic business philosophy and objectives among the majority of managers of Egyptian business companies, and this leads to non-marketing orientation. Thus, only the executives who recognised that Islamic doctrines provide a specific business philosophy and clear objectives were able to realise that the lack of this knowledge is a big obstruction to the application of the marketing approach, and this answer was reported by all the public companies' executives (i.e. 2 presidents and 2 marketing managers), and by 38 out of 39 private companies' presidents who possessed the knowledge referred to above, namely that Islamic teachings provide a specific business philosophy and clear objectives.

In addition to the above, an attempt was made to examine the relationship between the extent of adoption of the societal marketing concept and its relevance to small companies, and the small size of company as a factor hindering the application of modern marketing concepts and practices in the Egyptian small business companies as perceived by the respondents.

As illustrated in Table 9.66, a cross-tabulation analysis showed that the presidents of private companies who had favourable attitudes to the societal marketing concept and its relevance to small companies tended, to a greater degree, not to believe that "small size of company" is a barrier to marketing development compared with those who had unfavourable attitudes and those who had neutral attitudes.

Table 9.66 The relationship between acceptance of the societal marketing concept and its relevance to small companies and the belief that "small size of company" is a barrier to marketing development.(1)

(Presidents of private companies' response)

Attitude to the societal marketing concept and its relevance to small companies	First	Second	Third	Fourth	Fifth	n ⁽³⁾	N ⁽⁴⁾
Favourable attitude	4(18.2%) ⁽²⁾	2(9.1%)	7(31.8%)	7(31.8%)	2(9.1%)	22(100%)	23(100%)
Unfavourable attitude	36(73.5%)	12(24.5%)	0(0.0%)	1(2%)	0(0%)	21(100%)	22(100%)
Neutral	13(61.9%)	3(14.3%)	1(4.8%)	4(19%)	0(0%)	49(100%)	49(100%)

(1) Cross-tabulation analysis.

(2) To be read: 4(18.2%) of the presidents of private companies who accepted the societal marketing concept and its relevance to small companies (22) ranked the "small size of company" as the first reason hindering marketing development in Egypt's small business companies.

(3) Number of valid observations.

(4) Number of the companies' presidents involved in the study (in each group).

(2) The Extent to which Egyptian Small Companies can Apply Modern Marketing Concepts and Practices

Respondents were required to indicate the extent to which Egypt's small firms can apply the suggested marketing practices presented to them by the questionnaires. Accordingly, Tables 9.67, 9.68 and 9.69, which were constructed from their answers to the question, present the number and ratio of scaled responses, mean score and rank by importance.

From Tables 9.67, 9.68 and 9.69, the evidence indicates that, with the exception of "sales promotion and public relations", which was reported by the majority of all groups of respondents to be practised to a great or certain extent, and "salesmen training and motivation" which was indicated by the majority of the marketing managers of public companies to be applied to a great or certain degree, a majority of all the groups of respondents tended to think that the Egyptians smaller business companies can apply the marketing practices to only some or a little extent. This, as our detailed observations and discussions with respondents confirmed, because of their limited access to financial and other necessary resources such as different skills and able professional staff especially in the area of marketing.

As such, the small size of firm (and hence insufficient financial and other resources) is considered itself by the overwhelming majority of all groups of respondents as a major obstacle facing small companies in Egypt in relation to practising most marketing activities. This may reflect a myopic view towards the marketing activities, i.e. they believed that these activities are expensive and sometimes impossible to practise in small business firms. These reasons stated by the respondents should be, in the researcher's opinion, regarded in terms of costs versus benefits. Additionally, it must be recognised that the marketing practices could and should be fashioned and adapted to the particular characteristics, needs and problems of small business companies. In the light of this understanding, the managements of small firms in Egypt may change the direction of their thinking, and consequently of their behaviour,

Table 9.67 The Extent to Which Egypt's Small Companies can Apply Modern Marketing Concepts and Practices. (Presidents of Public Companies' Answer).

Marketing Practices	To a great extent						Very little		Mean* Score	Rank	n	N
	No.	%	No.	%	No.	%	No.	%				
a. Marketing research	0	0.0	1	20	3	60	1	20	3.000	5	5(100%)	5
b. New product development	0	0.0	1	20	1	20	3	60	3.400	8	5(100%)	5
c. Market segmentation	0	0.0	1	20	3	60	1	20	3.00	5	5(100%)	5
d. Sales forecasting	0	0.0	2	40	3	60	0	0.0	2.600	2	5(100%)	5
e. Customer service	0	0.0	2	40	1	20	2	40	3.000	5	5(100%)	5
f. Advertising	0	0.0	1	20	1	20	3	60	3.400	8	5(100%)	5
g. Sales promotion and public relations	0	0.0	3	60	2	40	0	0.0	2.400	1	5(100%)	5
h. Salesmen training and motivation	0	0.0	2	40	3	60	0	0.0	2.600	2	5(100%)	5
i. Credit policy	0	0.0	1	20	4	80	0	0.0	2.800	4	5(100%)	5

n = Number of valid observations.
 N = Number of presidents of public companies involved in the study.
 * The lower the mean, the more likely that activity could be practised by small companies according to the public company presidents.

Table 9.68 The Extent to Which Egypt's Small Companies can Apply Modern Marketing Concepts and Practices. (Marketing Managers of Public Companies' Answer).

Marketing Practices	To a great extent						Very little		Mean* Score	Rank	n	N
	No.	%	No.	%	No.	%	No.	%				
a. Marketing research	0	0.0	3	60	1	20	1	20	0	0.0	5 (100%)	5
b. New product development	1	20	1	20	2	40	1	20	0	0.0	5 (100%)	5
c. Market segmentation	0	0.0	2	40	0	0.0	0	0.0	0	0.0	5 (100%)	5
d. Sales forecasting	0	0.0	0	0.0	3	60	2	40	0	0.0	5 (100%)	5
e. Customer service	0	0.0	2	40	3	60	0	0.0	0	0.0	5 (100%)	5
f. Advertising	1	20	1	20	3	60	0	0.0	0	0.0	5 (100%)	5
g. Sales promotion and public relations	0	0.0	4	80	1	20	0	0.0	0	0.0	5 (100%)	5
h. Salesmen training and motivation	2	40	1	20	2	40	0	0.0	0	0.0	5 (100%)	5
i. Credit policy	0	0.0	3	60	1	20	1	20	0	0.0	5 (100%)	5

n = Number of valid observations.

N = Number of marketing managers of public companies involved in the study.

* The lower the mean, the more likely the activity could be practised by small companies according to the marketing managers of public companies.

Table 9.69 The Extent to Which Egypt's Small Companies can Apply Modern Marketing Concepts and Practices. (Presidents of Private Companies' Answer).

Marketing Practices	To a great extent								Very little		Mean* Score	Rank	n	N
	No.	%	No.	%	No.	%	No.	%	No.	%				
a. Marketing research	1	1	16	16	27	27	40	40	16	16	3.540	7	100(100%)	100
b. New product development	9	9	14	14	23	23	38	38	16	16	3.380	6	100(100%)	100
c. Market segmentation	6	6.1	37	37.4	33	33.3	13	13.1	10	10.1	2.838	4	99(100%)	100
d. Sales forecasting	4	4	5	5.1	11	11.1	30	30.3	49	49.5	4.162	8	99(100%)	100
e. Customer service	13	13	28	28	35	35	12	12	12	12	2.820	3	100(100%)	100
f. Advertising	2	2.1	3	3.1	4	4.1	17	17.5	71	73.2	4.567	9	97(100%)	100
g. Sales promotion and public relations	13	13	38	38	37	37	11	11	1	1	2.490	1	100(100%)	100
h. Salesmen training and motivation	5	5.1	30	30.3	26	26.3	22	22.2	16	16.2	3.141	5	99(100%)	100
i. Credit policy	20	20	19	19	35	35	24	24	2	2	2.690	2	100(100%)	100

n = Number of valid observations.

N = Number of presidents of private companies involved in the stud .

* The lower the mean, the more likely the activity could be practised by small companies according to the presidents of the private companies.

towards the applicability of modern marketing concepts and techniques in their companies.

(3) The Benefits Gained and/or the Problems Faced Under The Open-Door Policy as a Result of Small Size.

In an open-ended question, respondents were asked to indicate the benefits, if any, which their companies have gained and/or the problems, if any, which they have faced in the light of the Open-Door policy due to their small size.

The most common opinions regarding this issue as derived from the answers provided by the respondents are shown in Tables 9.70 and 9.71.

As can be seen from Table 9.70, three types of benefits could be identified by the respondents, each of which was reported by the minority of all groups of respondents. The benefit most enjoyed by small business companies under the economic Open-Door policy was the increase in their ability to compete with their counterpart large companies by means of machinery and equipment modernisation brought about by this policy - indicated by forty per cent of the public companies executives, both presidents and marketing managers, and by thirty four per cent of the presidents of the private companies.

On the other hand, Table 9.71 shows the respondents' opinions on the problems faced in marketing and related activities as a result of the Open-Door policy. In this regard, there were three kinds of problems, each of which was indicated by the majority of the public companies' respondents, and by the minority (but more than those who identified the benefits contained in Table 9.70) of the private companies' presidents.

It is rather obvious from these findings that although the small companies visited have gained considerable benefits under the new economic conditions, they have, nevertheless, suffered from severe problems to a greater degree because of their small size which may be

Table 9.70

The Benefits Gained Under the Open-Door Policy due to the Small Size of Company.

Benefits	Public Companies						Private Companies	
	Presidents		Marketing Managers		Total		No.	%
	No.	%	No.	%	No.	%		
a. Increasing the ability to compete with large companies because of machinery and equipment modernisation brought about by the Open-Door policy.	2	40	2	40	4	40	34	34
b. The limited overhead costs per unit of product compared with large firms because small companies work in their full productive capacity; and this probably is not the case in large companies.	0	0.0	2	40	2	20	9	9
c. More flexibility enjoyed by small companies in reaction to the changeable business environment particularly under the new economic Open-Door policy.	1	20	1	20	2	20	5	5
Base	5	100	5	100	10	100	100	100

Table 9.71

The Problems Faced under the Open-Door Policy due to the Small Size of Company.

Problems	Public Companies						Private Companies	
	Presidents		Marketing Managers		Total		No.	%
	No.	%	No.	%	No.	%		
a. Lack of skilled labour force especially in marketing and related activities (able professional staff prefer to work for large companies or for new firms established under the Open-Door policy, e.g. joint ventures where wages and incentives are higher).	5	100	3	60	8	80	38	38
b. Inability to get a sufficient amount of foreign exchange required for importing the appropriate technology; and lack of financial support and credit provided by the government	4	80	3	60	7	70	16	16
c. Government gives the priority of exporting to large companies. Thus more facilities and support in this regard are provided to big corporations, and this affects the ability of small firms to get the required foreign exchange in turn.	3	60	2	40	5	50	11	11
Base	5	100	5	100	10	100	100	100

proposed, therefore, as a major factor impeding marketing development in these companies.

On the whole, the above discussion leads the researcher to state that the small size of companies is considered as a major barrier to the application of modern marketing concepts and practices in Egyptian small business companies. As such, the hypothesis proposed by the researcher referring to the small size of companies as a factor responsible for hindering marketing development in Egyptian small business companies is supported.

B - Governmental Policy and Control Over the Firms' Businesses

The purpose of this subsection is to examine the constraints resulting from the traditional relations between the governmental authorities and business firms, and the effects of government restrictions and regulations on the marketing behaviour of the companies under investigation. This will be achieved through examining three main points as follows:

- (1) Constraints facing small business companies because of governmental control over a range of main areas of decision making.
 - (2) The impact of the Open-Door policy and related regulations on government/business relation.
 - (3) Government aid and the policy required to help the development and growth of business enterprises.
- (1) Constraints Facing Small Business Companies Because of Governmental Control over a Range of Main Areas of Decision Making.

Respondents were required to indicate the areas of decision making which are controlled by governmental authorities, and the extent of this control. The answers provided by them are presented in

Table 9.72, 9.73 and 9.74 broken down by each group of respondents.

Table 9.72 Areas of Decision Making Controlled by Governmental Authorities (Presidents of Public Companies' Group).

Areas of Decision Making	To a great extent								Very little		n	N
	No.	%	No.	%	No.	%	No.	%	No.	%		
a. Investment	3	60	2	40	0	0.0	0	0.0	0	0.0	5(100%)	5
b. Production	0	0.0	1	20	2	40	2	40	0	0.0	5(100%)	5
c. Employment	2	40	2	40	0	0.0	0	0.0	1	20	5(100%)	5
d. Pricing	1	20	1	20	2	40	1	20	0	0.0	5(100%)	5
e. Advertising	0	0.0	0	0.0	2	40	3	60	0	0.0	5(100%)	5
f. Purchasing	2	40	2	40	0	0.0	1	20	0	0.0	5(100%)	5
g. Distribution	0	0.0	1	20	0	0.0	1	20	3	60	5(100%)	5

n = Number of valid observations.

N = Number of the presidents of public companies involved in the study.

Reviewing the answers contained in the three tables reveals, in general, that the public companies experienced a heavy burden of governmental control to a greater degree than the private companies. Thus, the range of decision-making areas which were closely controlled by government in the public companies visited, according to their presidents and marketing managers, covered several main areas of business activities, namely: investment, purchasing, employment and pricing. It also included distribution, according to the response of the marketing managers interviewed.

In the private companies, the activities which were reported by the majority of their presidents interviewed as being closely and directly controlled by government were purchasing and employment. Other activities were also reported to be affected by governmental control

Table 9.73 Areas of Decision Making Controlled by Governmental Authorities (Marketing Managers of Public Companies' Group).

Areas of Decision Making	To a great extent								Very little		n	N
	No.	%	No.	%	No.	%	No.	%	No.	%		
a. Investment	3	60	2	40	0	0.0	0	0.0	0	0.0	5(100%)	5
b. Production	0	0.0	2	40	2	40	1	20	0	0.0	5(100%)	5
c. Employment	1	20	2	40	2	40	0	0.0	0	0.0	5(100%)	5
d. Pricing	0	0.0	4	80	1	20	0	0.0	0	0.0	5(100%)	5
e. Advertising	0	0.0	2	40	1	20	0	0.0	2	40	5(100%)	5
f. Purchasing	2	40	2	40	1	20	0	0.0	0	0.0	5(100%)	5
g. Distribution	1	20	3	60	1	20	0	0.0	0	0.0	5(100%)	5

n = Number of valid observations.

N = Number of the marketing managers of public companies involved in the study.

Table 9.74 Areas of Decision Making Controlled by Governmental Authorities (Presidents of Private Companies' Group).

Areas of Decision Making	To a great extent								Very little		n	N
	No.	%	No.	%	No.	%	No.	%	No.	%		
a. Investment	3	3	4	4	11	11	43	43	39	39	100(100%)	100
b. Production	8	8	10	10	10	10	37	37	35	35	100(100%)	100
c. Employment	17	17	55	55	21	21	5	5	2	2	100(100%)	100
d. Pricing	1	1	2	2	4	4	26	26	67	67	100(100%)	100
e. Advertising	0	0.0	0	0.0	2	2	4	4	94	94	100(100%)	100
f. Purchasing	49	49	39	39	7	7	0	0.0	5	5	100(100%)	100
g. Distribution	0	0.0	0	0.0	3	3	2	2	95	95	100(100%)	100

n = Number of valid observations.

N = Number of the presidents of private companies involved in the study.

but to a little extent. However, as the respondents stated in discussions held with some of them, all the other business activities were indirectly affected to a great extent, by the direct governmental control especially over purchasing activities which resulted in permanent shortages of key raw materials at both the qualitative and quantitative levels. This, in turn, led to a limited productive capacity and caused a great deal of trouble for all areas of business activities.

(2) The Impact of the Open-Door Policy and Related Regulations on Government/Business Relations

The findings of the study regarding the impact of the Open-Door policy on government/business relations can be grouped under the following headings.

- (a) Attitudes of management to the Open-Door policy.
- (b) The Open-Door policy and competition between large companies and small companies.
- (c) Reorganisation of economic General Organisations and companies' management processes.

(a) Attitudes of Management to the Open-Door Policy

Six statements about the adoption of the Open-Door policy in general were presented, and the respondents were requested to indicate the extent of agreement or otherwise with each statement. Tables 9.75, 9.76 and 9.77 show the statements used and the respondents' views on each one.

From the three tables, the evidence suggests that a majority of all the groups of respondents did not have a favourable attitude towards the adoption of the Open-Door policy, as they either were uncertain, disagreed, or strongly disagreed with the positive statements, while, on the other hand, they agreed or strongly agreed with the negative statement which suggests that the adoption of this

Table 9.75 Attitudes Towards the Adoption of the Open-Door Policy.

(The Presidents of the Public Companies' Responses)

Statement	Strongly Agree		Agree		Uncertain		Disagree		Strongly Disagree		n	N
	No.	%	No.	%	No.	%	No.	%	No.	%		
The Adoption of the Open-Door Policy is likely to:												
a) increase the degree of competition, and hence, product development.	0	0.0	2	40	2	40	1	20	0	0.0	5(100%)	5
b) create unfair competition between the joint ventures and domestic companies since the former enjoy tax and tariff concessions not available to the latter.	1	20	3	60	1	20	0	0.0	0	0.0	5(100%)	5
c) enable small companies to compete with big corporations.	0	0.0	2	40	1	20	1	20	1	20	5(100%)	5
d) be consistent with Islamic teachings regarding marketing practices.	0	0.0	1	20	3	60	1	20	0	0.0	5(100%)	5
e) help in solving the production problems (e.g. raw material procurement) for all companies regardless of size.	0	0.0	3	60	1	20	1	20	0	0.0	5(100%)	5
f) facilitate the financial function for all firms regardless of size.	0	0.0	2	40	1	20	1	20	1	20	5(100%)	5

n = Number of valid observations.

N = Number of the presidents of public companies involved in the study.

Table 9.76 Attitudes Towards the Adoption of the Open-Door Policy.(The Marketing Managers of the Public Companies' Responses).

	Strongly Agree		Agree		Uncertain		Disagree		Strongly Disagree		n	N
	No.	%	No.	%	No.	%	No.	%	No.	%		
The adoption of the Open-Door Policy is likely to:												
a) increase the degree of competition, and hence, product development.	0	0.0	2	40	2	40	1	20	0	0.0	5(100%)	5
b) create unfair competition between the joint ventures and domestic companies since the former enjoy tax and tariff concessions not available to the latter.	1	20	3	60	1	20	0	0.0	0	0.0	5(100%)	5
c) enable small companies to compete with big corporations.	0	0.0	2	40	1	20	2	40	0	0.0	5(100%)	5
d) be consistent with Islamic teachings regarding marketing practices.	0	0.0	1	20	2	40	1	20	1	20	5(100%)	5
e) help in solving the production problems (.e.g. raw material procurement) for all companies regardless of size.	0	0.0	3	60	1	20	1	20	0	0.0	5(100%)	5
f) facilitate the financial function for all firms regardless of size.	0	0.0	2	40	1	20	1	20	1	20	5(100%)	5

n = Number of valid observations.

N = Number of the marketing managers of the public companies involved in the study.

Table 9.77 Attitudes Towards the Adoption of the Open-Door Policy.(The Presidents of the Private Companies' Responses).

	Strongly Agree		Agree		Uncertain		Disagree		Strongly Disagree		n	N
	No.	%	No.	%	No.	%	No.	%	No.	%		
The adoption of the Open-Door Policy is likely to:												
a) increase the degree of competition, and hence, product development.	10	10	33	33	37	37	15	15	5	5	100(100%)	100
b) create unfair competition between the joint ventures and domestic companies since the former enjoy tax and tariff concessions not available to the latter.	23	23	62	62	9	9	2	2	4	4	100(100%)	100
c) enable small companies to compete with big corporations.	0	0.0	25	25.3	39	39.4	27	27.3	8	8.1	99(100%)	100
d) be consistent with Islamic teachings regarding marketing practices.	1	1.1	23	24.7	37	39.8	21	22.6	11	11.8	93(100%)	100
e) help in solving the production problems (e.g raw material procurement) for all companies regardless of size.	9	9	27	27	47	47	16	16	1	1	100(100%)	100
f) facilitate the financial function fo all firms regardless of size.	0	0.0	7	7.1	35	35.4	52	52.5	5	5.1	99(100%)	100

n = Number of valid observations.

N = Number of the presidents of the private companies involved in the study.

policy is likely to create unfair competition between the joint ventures and domestic companies.

It should be pointed out, however, that their objection was not to the Open-Door policy in principle, but mainly on the methods and procedures through which this policy was introduced and adopted. Thus, instead of achieving its positive aims, the Open-Door policy which was introduced haphazardly into the Egyptian economy without careful and detailed study has, up to the moment, brought about an unfavourable marketing environment particularly in terms of small companies marketers. The most common complaints derived from the comments of interviewees during the course of the field survey are:

(1) In the areas of competition, product development and customer services: It was hoped that the adoption of the Open-Door policy would promote competition between all companies regardless of kind or size, and consequently lead to product development and improved customer services. Unfortunately, such a situation has not developed; rather, the business environment has been very unfavourable to domestic companies, especially small ones in the following respects:

- (a) The new firms established under Law 43, 1974, enjoyed considerable incentives and privileges not available to domestic companies, particularly with respect to price, employment and tax and tariff concessions, and this has led to an unfair competitive situation.
- (b) Making use of tax and tariff exemptions, the approved projects under Law 43 relating to the 1974 policy were, in most cases, directed to the production of similar products, especially consumer goods providing quick profitability, which caused a permanent shortage of fundamental raw materials for domestic companies and led to idle capacity and misuse of scarce resources.

(2) In the area of imports and exports: As far as imports and exports are concerned, the following problems and practices were strongly complained about:

- (a) Smuggling, where foreign products enter the market through the free zones established under the new investment law without customs duties and sold, consequently at a low price to the consumer.
 - (b) Insufficient foreign exchange resources in relation to the appropriate technology (machines and parts) required to be imported.
 - (c) The priority in exporting is given to large companies rather than small firms. More facilities and support in this are made available to large firms by the government.
 - (d) Government policy allows higher profit margins to middlemen on imported products compared with their counterpart domestic products, and this has resulted in the marketing effort of middlemen being concentrated on imported products.
- (b) The Open-Door Policy and Competition Between Large Companies and Small Companies

An indication of the effect of the Open-Door policy on small companies in particular is provided by the competitive situation of these companies under this policy in relation to large companies. Accordingly, respondents were required to indicate whether or not the Open-Door policy has brought about fair competition between large firms and small firms. The answers received reveal that the policy of Law 43 for 1974 has put the small companies in an unfair competitive situation in relation to their counterpart large companies. In this regard, all the groups of respondents by a large majority (80% of the public companies respondents and 60% of the private companies respondents) stated that this policy has caused unfair competition between the two groups of companies in favour of the large corporations.

Another question was addressed to the minority who provided a positive answer to the aforementioned question indicating that the Open-Door policy has brought about fair competition between large

companies and small companies. The question asked this section of respondents to indicate in what ways this fair competition exists. Four areas of privileges were suggested to the respondents who were requested to rank them from 1 to 4 and to add any others when appropriate. These are presented in Table 9.78 broken down by each group of respondents.

Table 9.78 Areas of Privilege Enjoyed Equally by Both Large and Small Companies

Areas of Privilege	Presidents of Public Companies			Marketing Managers of Public Companies			Presidents of Private Companies		
	No.	%	Rank	No.	%	Rank	No.	%	Rank
a. Tariff concessions	1	100	3	1	100	3	26	65	4
b. Financial facilities	1	100	1	1	100	1	40	100	1
c. Technological facilities	1	100	4	1	100	4	29	72.5	3
d. Marketing facilities	1	100	2	1	100	2	38	95	2
n = Number of valid responses in each group	1			1			40		
N = Number of respondents in each group to whom the question was addressed	1			1			40		

From Table 9.78, it would appear that financial and marketing facilities were considered the major areas of privilege enjoyed equally by both large and small companies under the Open-Door policy in terms of the three groups of respondents with whom the question was concerned. Tariff concessions was considered third and technological facilities was ranked fourth by the public companies respondents, while, on the other hand, according to the private companies' respondents, technological facilities were ranked third and tariff concessions were ranked fourth.

(c) Reorganisation of Economic General Organisations and Companies' Management Processes

As mentioned in Chapter Four, after the adoption of the Open-Door policy, a new organisational system was introduced under Law No. 111, 1975, with the intention of re-establishing efficient management. Accordingly, respondents were required to determine whether the re-organisation of economic "General Organisations" is likely to improve companies' management processes. The answer was used as a key to other questions aimed at exploring the ways in which the improvement of companies' management processes existed and/or the difficulties faced by the managements of these firms under the new management system established.

In response to the above question, the large majority of all groups of respondents indicated that this measure did not make an improvement in the companies' managerial practices. This answer was given by 80% of the presidents of public companies, by 60% of the marketing managers of public companies and by 74% of the private companies' presidents. When asked about the difficulties faced under the new organisational system, the following problems were reported in order of importance.

- Although companies' managements according to this new system should have had all the authority needed to perform the activities required to achieve the firms' objectives, in practice, however, intervention on the part of the government for the purpose of the macro-economic policy has deprived enterprises (particularly in the public sector), of most of their autonomy in respect of the main business activities areas such as investment, production, pricing and the like.

- Lack of business understanding by the new government officials.

- Delays between planning and actual execution by the ministries and governmental bodies involved, combined with the absence of a long-range vision of the country's future, and the relative instability of government policies, and this affects the stability of companies' plans and the sequence of their execution.

Those who answered positively, stating that the new organisational system was likely to improve firms' management processes, were requested to give their opinions on the nature of this improvement. Table 9.79 contains the answers provided by the three groups of respondents.

Table 9.79 Methods of Management Improvement In Accordance with the New Organisational System

Methods of Management Improvements	Rank		
	Presidents of Public Companies	Marketing Managers of Public Companies	Presidents of Private Companies
a. Eliminating or relaxing the multiplicity of governmental control over companys' management	1	1	1
b. Returning some of the transferred management functions (i.e. the management functions which have been transferred to the governmental authorities) to the individual companies.	3	3	3
c. Increasing management flexibility and decision making discretion to make it possible to manage in accordance with the conditions of business environment	2	2	2

As can be seen from the table, the three groups of respondents were in full agreement among themselves concerning the relative level of management improvement achieved by the new organisational measures in the managerial areas suggested to them by the questionnaires. Thus, "eliminating or relaxing the multiplicity of governmental control over companys' management" was ranked as the first management improvement achieved by the new organisational system, followed by "increasing management flexibility and decision making discretion", while "returning

some transferred management functions to the individual companies" was ranked at the bottom of the scale.

From the above discussion, one can conclude that although there is nothing wrong with the Open-Door policy as a formula, the policy has not yet produced a positive impact on government/business relations particularly in terms of small companies. As such, it has not yet produced good economic results with regard to competition between joint ventures and domestic companies on the one hand and between large companies and small firms on the other, product development, improved customer services, import and export practices, and individual companies' management processes.

(3) The Governmental Aid and Policy Required to Help The Development and Growth of Business Enterprises

Respondents were asked to define the governmental aid and policy required to help the development and growth of their companies. Five alternatives were presented to them and they were requested to rank them in order of importance. They were also given the opportunity to add others where possible. Table 9.80 shows the findings according to the three groups of respondents.

From Table 9.80, the evidence suggests that the respondents were in disagreement among themselves as to the relative importance of some of the suggested aids and policies and in agreement as to the relative importance of others. The most noticeable result from the table is that while the two groups of the public company respondents considered "company's management independence" as the most important factor in aiding the development and growth of the company, the private company respondents regarded it the least important in this respect. This difference can be understood in the light of the direct heavy burden of administrative and bureaucratic control imposed by government on public rather than private companies. "Protection policies against imported products" especially the foreign goods which enter the market through smuggling, was considered the most important policy to aid the company by the private company presidents inter-

Table 9.80

Governmental Aid and Policy Required to Help
the Development and Growth of Enterprise.

Governmental Aid and Policy	Presidents of Public Companies			Marketing Mana- gers of Public Companies			Presidents of Private Companies		
	No.	%	Rank	No.	%	Rank	No.	%	Rank
a. Financial aid	3	60	3	3	60	3	92	92	3
b. Technological aid.	3	60	4	3	60	5	78	78	4
c. Company's manage- ment independence.	5	100	1	5	100	1	69	69	5
d. Protection policies against imported products.	4	80	2	3	60	4	93	93	1
e. Facilitating mar- keting	3	60	5	5	100	2	94	94	2
n = number of valid responses in each group of respondents	5			5			100		
N = number of exe- cutives involved in the study in each group of respondents.	5			5			100		

viewed, while this policy was regarded respectively as second and fourth in importance by the presidents and the marketing managers of the public companies visited. "Facilitating marketing" was ranked second by both the marketing managers of public companies and the presidents of private companies, while this factor was considered as least important by the presidents of the public companies' group. The three groups of respondents were in agreement about the relative importance of the

"financial aid", as they ranked it in third place.

In any event, it is noticeable from the table that all the suggested types of the governmental aid and policy were regarded by the large majority of all groups of respondents as being necessary to promote the development of the company.

The overall conclusion which can be derived from the whole discussion above is that the features of the relationship between the government and business impose several constraints upon Egyptian small business companies in many fundamental business areas such as purchasing, investment, employment, pricing and the like. This situation continued to exist even after the adoption of the economic Open-Door policy and the introduction of Law No. 111, 1975, which aimed at giving more freedom to the managements of individual companies. In this context, the companies' management cannot enjoy flexibility and decision making discretion to make it possible to manage in accordance with the conditions in the business environment. As such, the freedom of management to establish an optimum marketing strategy is limited.

At this stage, it can be asserted that the researcher's hypothesis referring to the relationship between the constraints resulting from the governmental policy and control and the marketing status in Egyptian small business companies is supported.

C - The Shortage of Competent Managerial and Marketing Know-How

In this subsection, an attempt will be made to identify the extent of the shortage of able managerial and marketing talents in the firms under investigation. This attempt will be related to three areas: (1) The existence of a specialist member responsible for the marketing function, (2) the main business and marketing background of the marketing managers and the presidents, and (3) the shortage of competent managerial and marketing talents as a main reason hindering the application of modern marketing concepts and practices.

(1) Existence of a Specialist Member Responsible for Marketing Administering

The existence of a specialist member responsible for managing and operating the different marketing activities is the first indication that the company possesses the necessary managerial and marketing know-how.

In our study, it was found that all the public companies visited have a specific department presided over by a specialist member (i.e. president of commercial affairs sector) responsible for administering the marketing activities within the firm. This, as stated before, is due to governmental regulations which require every public enterprise to create and maintain a commercial affairs sector (marketing department) within its organisational structure. On the other hand, most of the private companies (94%) reported not having such a department in their organisation. As such, the public-sector companies are, to a great extent, in a better position in respect of having marketing management know-how compared with their counterpart private-sector companies.

However, the existence of a marketing department and a marketing executive in any firm is not a guarantee of having competent managerial and marketing know-how and/or marketing efficiency. Rather, what is required is possession of the fundamental managerial and marketing qualifications by the marketing manager and the president of the company, and this point will be dealt with below.

(2) The Main Business Background of the Marketing Officers and the Presidents

As illustrated before, the findings of the study indicated that all the public companies' marketing managers do not possess all those elements of the business background required to manage and perform the different marketing activities in the company.

Within the very small percentage (6%) of the private companies which have a marketing department, although the marketing managers were found

to have a better business background than those in the public companies, they do not possess all the ingredients of the marketing and business background necessary for undertaking the marketing function effectively.

It was also found that the main marketing background of the two groups of marketing managers centres, in most cases, around the ability to practise promotional activities, and this may indicate that most of them have concentrated on these activities rather than on other marketing and business activities. As such, the position is that both public and private companies experience a serious shortage of able marketing management know-how in terms of the business and marketing background of their marketing managers.

It may serve our purpose better if we look briefly at the main background of the presidents of companies based on the theory that the performance of the marketing function in Egyptian small companies relies heavily upon the managerial and marketing abilities of their chairmen, and hence can be, to a great extent, evaluated by making an assessment of the business background of the executives who preside over these companies. In this connection, the findings of the field survey indicated that although all the presidents of the two groups of companies reported they had acquired to a specific extent, a background in the main business activities including marketing, a production background is the main one for the two groups of presidents, and this, of course, reflects operational rather than marketing abilities and qualifications. In other words, the firms visited suffer from a shortage of competent managerial and marketing know-how in terms of the major business background of their presidents and this may lead to poor performance in the area of marketing.

In effect, this situation can be traced, in most cases, to the common belief prevailing in the Egyptian business environment (in both the public and private sectors) that the successful manager is the one who acquires technical efficiency. Such a belief is based on the assumed importance of engineering efficiency and know-how, which is regarded as the basic qualification for administering industrial

firms. A predominant idea among private businessmen and those who are responsible for selecting managers of public companies is that industry and production in general are fundamentally an engineering problem. The production or technical function is typically regarded as the major activity of management, and hence, it is believed that engineers should fill the top managerial positions. Thus, as several studies⁽²⁶⁾ in Egypt concluded, the background of the majority of executives, especially chairmen of manufacturing companies, was in engineering, which is a high status occupation and the usual training ground for top management. This implies a production approach which leads to a lack of competent managerial know-how in relation to marketing.

It should be noted, however, that the basis for selecting managers for public-sector companies (both large and small) has changed over a period of time. Thus, after the large scale nationalisation movement in 1961 and the establishment of the General Organisation classified by economic sector, the method of selecting managers for the public companies was the subject of lengthy debate regarding the type of qualifications required by managers. The discussion basically centred on two types of managers: (1) those who were loyal to the revolution but lacked managerial know-how, and (2) those who had experience and managerial talent but lacked the militancy appropriate to the revolution. It was decided at that time to select the first type and the new managers had little success in the performance of their new duties, but it was then found that this basis for selecting managers was inadequate. Therefore, it was decided to select those with suitable experience for managerial posts.⁽²⁷⁾ Unfortunately, experience for such positions was interpreted in terms of professional and engineering efficiency, and this was adopted as the basic criterion for selecting new managers to lead the companies. However, those who are responsible for selecting managers for public companies (as well as private businessmen) must recognise that professional efficiency is not the same as managerial efficiency.

(3) Shortage of Managerial and Marketing Talents as a Factor Hindering the Application of Marketing Concepts and Practices.

Respondents were requested to indicate to what extent shortage of competent managerial and marketing know-how contribute to hindering marketing development in Egypt's small business firms. The findings of the study indicate that the lack of able managerial and marketing talents is a major factor among others which hinders the application of modern marketing concepts and practices, as the majority of all groups of respondents stated that the "lack of the Western managerial and marketing know-how" and the "shortage of able professional marketing staff" are major obstacles to marketing development.

In addition to the aforementioned points concerning the type of managerial qualifications considered by both private businessmen and those responsible for selecting managers of public companies, our observations and discussion with respondents identified other factors causing a shortage of effective managerial and marketing know-how, namely: a modest standard of management and marketing education and training due to weak linkages between universities, the education system and training programmes on the one hand and the real requirements to meet the country's economic problems on the other; and emigration of most professional staff to the Arab oil exporting countries and to the firms established under the Open-Door policy which attracted them through higher wages and incentives.

At this point, it is useful to point out that there was a relationship between the acceptance of the societal marketing concept and its relevance to small companies, and the two elements which jointly caused the shortage of competent managerial and marketing know-how (i.e. lack of the Western managerial and marketing know-how, and shortage of able professional marketing staff) as perceived by the respondents. Table 9.81 and 9.82 show that supporters of the societal marketing concept and its applicability in small companies tended to consider the shortage of managerial and marketing talents as a major reason impeding the application of modern marketing concepts and practices to a greater degree than those who had unfavourable attitudes and those who were uncertain.

Table 9.81 The Relationship Between the Acceptance of the Societal Marketing Concept and its Relevance to Small Companies, and the "lack of the Western managerial and marketing know-how". (1)

(Presidents of Private Companies' Response)

Attitude to the Societal Marketing Concept and its Relevance to Small Companies	First	Second	Third	Fourth	Fifth	Sixth	Seventh	n ⁽³⁾	N ⁽⁴⁾
Favourable attitude	9(42.9%)	8(38.1%)	2(9.5%)	2(9.5%)	0(0%)	0(0%)	0(0%)	21(100%)	23(25.5%)
Unfavourable attitude	1(3.7%)	7(25.9%)	17(63%)	2(7.4%)	0(0%)	0(0%)	0(0%)	27(100%)	49(52.1%)
Neutral	3(15%)	3(15%)	9(45%)	1(5%)	1(5%)	0(0%)	3(15%)	20(100%)	22(23.4%)
Total	13	18	28	5	5	0	3	68	94(100%)

- (1) Cross-tabulation analysis.
- (2) To be read: 9(42.9%) of the presidents of private companies who had favourable attitude to the societal marketing concept and its relevance to small companies (21) ranked the "lack of the Western managerial and marketing know-how" as the first major reason hindering the application of modern marketing concepts and practices in Egypt's small business companies.
- (3) Number of valid observations in each group.
- (4) Number of company presidents included in the study (in each group).

Table 9.82

The Relationship Between the Acceptance of the Societal Marketing Concept and its Relevance to Small Companies, and the "shortage of able professional marketing staff". (1)

(Presidents of Private Companies' Response)

Attitude to the Societal Marketing Concept and its Relevance to Small Companies.	First	Second	Third	Fourth	Fifth	Sixth	Seventh	Eighth	n ⁽³⁾	N ⁽⁴⁾
Favourable Attitude	0(0%)	2(10.5%)	2(10.5%)	7(36.8%)	6(31.6%)	0(0%)	0(0%)	2(10.5%)	19(100%)	23(24.5%)
Unfavourable Attitude	0(0%)	0(0%)	14(58.3%)	9(36.5%)	1(4.2%)	0(0%)	0(0%)	0(0%)	24(100%)	49(52.1%)
Neutral	0(0%)	0(0%)	4(28.6%)	3(21.4%)	5(35.7%)	2(14.3%)	0(0%)	0(0%)	14(100%)	22(23.4%)
Total	0	2	20	19	12	2	0	2	57	94(100%)

(1) Cross-tabulation analysis.

(2) To be read: 2 of the private companies (10.5%) who had favourable attitude to the societal marketing concept and its relevance to small companies (19) ranked the "shortage of professional marketing staff" as the second reason hindering marketing development in the Egyptian small business companies.

(3) Number of valid responses.

(4) Number of the company presidents involved in the study (in each group).

Thus, the hypothesis formulated by the researcher, namely; that shortage of competent managerial and marketing know-how, and non-marketing orientation in most Egyptian small business companies are related, is supported.

D - Nature of Competition

In the course of examining the impact of the Open-Door policy on government business relations during the second subsection of this section, a brief attempt was made to outline the competitive position of small domestic companies in relation to their counterpart large companies, to the new firms established under Law 43, 1974 and to imported goods. From this attempt, the evidence suggested that the small domestic companies have suffered unfair competition among all these parties following the adoption of the Open-Door policy.

Another attempt will be now made in this subsection to investigate in more detail, the nature of competition in the companies visited so that the relationship between the status of marketing in these companies and their competitive situation may be clarified. To achieve this purpose, the following issues will be investigated.

- (1) The extent of competition in the textile market.
- (2) The main sources of competition and their advantages.
- (3) Awareness of the effect of competition and counteracting the competition.
- (4) Factors responsible for creating a non-competitive market.

(1) Extent of Competition in the Textile Market

Respondents were required to indicate the extent of competition in their product market. The study findings are presented in Table 9.83 from which it can be seen that the textile market is highly competitive.

Table 9.83 Extent of Competition in the Textile Market

Extent of Competition	Public Companies		Private Companies	
	No.	%	No.	%
a. Yes	5	100	97	97
b. No	0	0.0	3	3
n = number of valid responses in each group	5		100	
N = number of executives involved in the study in each group				

The table shows that all the public companies' respondents stated that they were working in a competitive market. With reference to the private companies' presidents interviewed, the vast majority of them (97%) considered their market to be competitive. The two groups of respondents admitted that this competitive environment was strengthened after the introduction of the Open-Door policy, although it created unfavourable conditions for small domestic companies. Thus, as mentioned in the literature review, while many companies have been found in the textile industry whose purpose is to replace imports which are under tariff protection, consequently creating situations that cause the firm's management to feel that marketing is relatively unimportant, the adoption of the Open-Door policy has affected the structure of competition by way of "relaxation of tariff barriers, import restrictions and other protectionist measures which have opened the door to strong competitive forces".⁽²⁸⁾

(2) The Main Sources of Competition and their Advantages

Respondents were provided with six alternative potential sources of competition and requested to identify their main competitors among these sources. They were also invited to add any others where appropriate. The results are contained in Table 9.84 according to the

two groups of companies under investigation.

Table 9.84 The Main Sources of Competition

The Main Sources of Competition	Public Companies		Private Companies	
	No.	%	No.	%
a. Large public sector companies	4	80	63	63
b. Small public sector companies	2	40	61	61
c. Large Egyptian owned private companies	3	60	83	83
d. Small Egyptian owned companies	3	60	75	75
e. Foreign companies working in Egypt	2	40	36	36
f. Imported products	4	80	88	88
n = number of valid observations in each group	5		100	
N = number of managers involved in the study in each group	5		100	

A general analysis of the findings reported in the above table reveals that the two groups of companies have faced competition from several sources. Specifically, the two major sources of competition facing the public companies were their counterpart large public firms and imported products - mentioned by 80% of the respondents, followed by large Egyptian owned private companies, and small Egyptian owned companies - reported by 60% of them. Forty per cent of them faced competition from small public companies. Foreign companies working in Egypt represented a source of competition for forty per cent of this group of companies visited. With regard to the private companies, imported products were reported to be the major source of competition - mentioned by 88% of the respondents. The second source of competition recognised by this group of companies was large Egyptian owned private companies - mentioned by 83% of the respondents, followed by small Egyptian owned firms which were mentioned by 75% of them.

Sixty three per cent of the respondents were aware of large public firms as a source of competition. Small public sector companies were regarded as another source of competition by sixty one per cent of them, while only thirty six per cent mentioned competition from foreign companies working in Egypt.

When asked about the special advantages their competitors enjoy, the answers received are presented in Table 9.85 as follows:

Table 9.85 Special Advantages Enjoyed by Competitors

Competitors' Advantages	Public Companies		Private Companies	
	No.	%	No.	%
a. Brand name	2	40	87	87
b. Large scale of operation	3	60	84	84
c. Small scale of operation	1	20	10	10
d. Customer service	3	60	58	58
e. Product quality and differentiation	4	80	89	89
f. Delivery and distribution system	2	40	13	13
g. Price	4	80	62	62
h. Advertising and promotion	2	40	49	49
n = number of valid responses in each group	5		100	
N = Number of managers involved in the study in each group	5		100	

Table 9.85 indicates that according to the public companies' respondents, "product quality and differentiation" and "price" were considered as the major advantages enjoyed by their companies' competitors - reported by 80% of them. "Large scale of operation" and "customer service" ranked second in the scale of competitors' advantages according to frequency of mention, as each of these two factors were mentioned by 60% of the respondents. Other factors selected

by this group of respondents were "brand name" (40%), "delivery and distribution system" (40%) and "advertising and promotion" (40%). Only one out of five respondents mentioned "small scale of operation". With regard to private companies' respondents, the study findings indicate that 89% of them chose "product quality and differentiation" as the most important advantage competitors have. "Brand name" was also regarded as a major competitive tool enjoyed by competitors, as 87% of this group of respondents considered it to be a major factor. Other major advantages identified were "large scale of operation", which eighty four per cent of this group of respondents mentioned as a main competitive advantage, followed by "price" reported by 62% of them, and by "customer service" mentioned by 58%. Other factors indicated were "advertising and promotion" (49%), "delivery and distribution system" (13%) and "small scale of operation" (only 10%).

It should again be mentioned here that the majority of respondents in the two groups of companies strongly complained about the unfair and harmful competition they face because of imbalance in the treatment accorded to their companies and the new firms established under the new investment law with regard to the issues of price, employment, and tax and tariff concessions. They are also affected adversely by smuggling since foreign products enter the market without customs duties and are sold, consequently at a low price to the consumer. Added to this is the government policy concerning exports where large companies are given priority on the expense of small firms.

(3) Awareness of the Effect of Competition and Counteracting the Competitors

Respondents were asked whether they think this competition affects their activities and hence decreases their market share. The responses provided by the two groups of companies' managers support the belief that Egyptian companies have faced more acute competition since the introduction of the Open-Door policy.⁽²⁹⁾ Four out of five public companies' respondents (80%) and ninety two

per cent of private companies' presidents interviewed answered positively, stating that the competition they face in their market is likely to affect their business activities and decrease their share in this market.

Respondents were also required to explain the methods used by their companies to counteract the competitive forces enjoyed by their competitors.

It was believed that the awareness of competition and its effect on the business activities is not necessarily followed by appropriate action to respond to this competition. Thus, the recognition that the market is competitive, although extremely useful, is insufficient to indicate that the company is marketing-oriented, or more important probably, that actual marketing performance is improved to counteract this competition.

Accordingly, six kinds of marketing activities were suggested by the questionnaires to the respondents who were requested to rank them in order of importance. The findings are presented in Table 9.86 according to each group of companies.

From this table, it would appear that the two groups of companies under investigation did not exert enough marketing effort to counteract the competitive forces they face in their market. Only two out of six activities were mentioned as being practised by the majority of the two groups of companies especially as specific responses to competition, i.e. "low price" and "concentration on relatively few important customers". The two groups of companies could be considered therefore, to be only moderately competitive in their marketing practices. Moreover, the most customer-oriented activities, namely "identifying customers' needs and adapting the product line to meet these needs" and "product quality and differentiation", were the most neglected areas, reflecting once again non-marketing orientation among the two groups of companies visited in terms of competitive behaviour.

Table 9.86 Marketing Activities Performed to Counteract Competition

Marketing Activities	Public Companies			Private Companies		
	No.	%	Rank	No.	%	Rank
a. Product quality and differentiation	1	20	5	29	29	5
b. Good public relations	2	40	3	33	33	4
c. Concentration on relatively few important customers	3	60	2	50	50	2
d. Identifying customers' needs and adapting the product line to meet these needs	1	20	6	24	24	6
e. Low price	3	60	1	66	66	1
f. Customer service	2	40	4	48	48	3
n = number of valid observations in each group	5			100		
N = number of managers involved in the study in each group	5			100		

(4) Factors Responsible for Creating a Non-Competitive Market

Another attempt was made to identify the main factors responsible for creating a non-competitive market in Egypt in terms of the companies visited. The aim was to find out the reasons which continued to prevent the textile market from being competitive even after the Open-Door policy was introduced according to the small companies under investigation. The findings are presented in Table 9.87 which shows that only two reasons were mentioned by a majority of the respondents in the two groups of companies studied. The first factor regarded as hindering competition was the centrally planned economy where most major decisions concerning production, investment, pricing and the like are taken by the governmental authorities outwith the company's management discretion - indicated by 60 per cent of the public companies' respondents and by 56 per cent of the private companies'

Table 9.87 Reasons Responsible for Creating a Non-Competitive Market.

Reasons	Public Companies		Private Companies	
	No.	%	No.	%
a. Low level of per capita income	1	20	23	23
b. Producers work under the conditions of a seller's market (i.e. demand exceeds supply)	1	20	12	12
c. Protection policy against imported products	0	0.0	12	12
d. Monopolistic state resulting from dominance of some large companies	3	60	53	53
e. Centrally planned economy where most major decisions regarding production, investment, pricing and the like have been transferred to governmental authorities	3	60	56	56
n = number of valid observations in each group	5		100	
N = number of managers involved in the study in each group	5		100	

presidents interviewed. The second reason was the monopolistic state of some large companies which dominate the market, this reason being identified by 60 per cent of the respondents of the public companies and by 53 per cent of the private company presidents. The other factors which were suggested by the questionnaires as being responsible for creating a non-competitive market, were mentioned by a small minority of the two groups of company respondents or even by none of them as was shown by the public companies' responses concerning "protection policy against imported products".

From the above discussion, one can conclude that despite their acute awareness of the competition brought about by the Open-Door

policy, which should have resulted in strengthening the role of marketing, the majority of the Egyptian small companies as evidenced in one of the most stable industries, i.e. the textile industry, in practice aroused little concern regarding competition and, consequently, marketing. There is few signs of change so far in their competitive behaviour. These companies which have long operated under uncompetitive conditions have not yet learned the lesson that they should be able to adapt themselves to the new business environment which has introduced several competitive forces. This situation might be accounted for by the managements of these companies, in many cases as being the result of the unfair competitive conditions which exist between them and the newly established firms under Law 43, 1974, on the one hand, and between them and large companies on the other.

In any event, the actual situation reveals a distinct lack of competitive behaviour among the majority of small Egyptian textile companies which reflects, in turn, poor marketing practices by these companies.

Hence, the hypothesis put forward by the researcher, namely that lack of competition in practical terms and the status of marketing in the majority of Egyptian small business companies are related, can be supported.

Summary and General Conclusion

In this cahpter, an attempt was made to provide an overview of the development of marketing and the associated environmental factors in the small Egyptian manufacturing textile companies. Specifically the main concern was to investigate how far the management of these companies adopted and implemented the societal marketing concept, the level of effective application of this concept with regard to marketing planning and marketing strategies and practices, and the impact of the internal (within the firm) as well as the environmental variables on the status of marketing in these firms.

Drawing upon inferences from the study findings, our conclusion is that the societal marketing concept, with its total integration of business activities designed to provide customer satisfaction as well as long-term customer and societal well-being, together with the business company's objectives, is still generally alien to the way of thinking of the management of the companies under investigation. That being the case, the concept is not adopted and implemented by most of these companies. In addition, the state of marketing development as found in the firms studied can be explained in the light of some endogenous as well as exogenous factors which have exerted their influence upon the process of adoption and implementation of the societal marketing concept and upon the related marketing concepts and practices employed by their management.

In the following chapter, the contributions made by the study, its limitations, and suggestions for further research will be presented.

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PART V

CHAPTER TEN: Contributions of the Study and
Suggestions for Further Research.

CHAPTER TEN

Contributions of the Study and
Suggestions for Further Research.

CHAPTER TENContributions of the Study and
Suggestions for Further ResearchIntroduction

Marketing and its role in the small companies sector is a subject which has almost been neglected by both academics and researchers particularly in Egypt. A study of the literature revealed that marketing in the Egyptian small companies has not generally been appreciated by both scholars and practitioners. Moreover, too little or probably no attention has been paid to Egypt as an Islamic developing country.

The present study is an attempt to fill, to some extent, the gap resulting from the neglect of marketing in the small companies sector. Its main purpose is to investigate the applicability and contribution of marketing concepts and techniques to Egyptian small companies as evidenced in the textile industry. A new approach has been taken by this study in which Egypt is considered not only as a developing country but also as an Islamic nation. Thus, an appropriate philosophical position for marketing in this Islamic developing context has been adopted, i.e. "the societal marketing concept". Through this approach, the application of marketing concepts in Egyptian small companies was dealt with, taking account of the environmental factors associated with marketing transferability and development in these companies.

Drawing upon inferences from the study findings, the main conclusion is that Egyptian small companies as exemplified by the textile industry in both the public and private sectors are obsessed with a production-oriented philosophy. Most of them are pre-occupied with production and government relations problems rather than with consumers and/or society's interests. The societal marketing concept which aims at providing for society's welfare as well as customer satisfaction and well-being, together with the company's interests, is a long way from being adopted and implemented by Egyptian small

companies.

A number of environmental factors appear to have considerable influence on marketing development in the companies investigated, namely:

- 1 - Non-awareness, misunderstanding and/or non-adoption and implementation of the Islamic marketing philosophy and related objectives.
- 2 - The small size of firms.
- 3 - The constraints resulting from government interference and control over the marketing mix elements and the main areas of decision making.
- 4 - The shortage of able professional managerial and marketing staff.
- 5 - Lack of competition in practical terms.

If the experience of small companies in the textile industry are applicable to other sectors, modern marketing concepts and techniques play only a modest role in the business of all Egyptian small companies. It is hoped that by the end of this study some value can be provided to those who are, at the macro and micro levels, in positions to take the necessary steps so that marketing can assume its position as a crucial factor in improving the performance of an important sector of the Egyptian economy.

The aim of this chapter is to discuss the contributions of the present study, and to provide some suggestions for further research in the areas pertaining to this study.

Contributions of the Study.

The present study in both its theoretical and empirical parts is believed to make a contribution to the theory and practice of marketing in Islamic developing countries in general and to provide

some useful information to the managers of Egyptian small companies, particularly in the textile industry.

Firstly, in terms of marketing theory and practice in the Islamic countries, the study has attempted to develop new insights into the marketing problems in these countries. In fact marketing, as a specific discipline should pay particular attention to the very different situation which the Islamic developing countries can provide in terms of Islamic beliefs and teachings. In this regard, the study suggests that the concept of "Islamic developing society" is a worthwhile construct for marketing study in which marketers can make good use of the general features of the category of "Islamic developing countries" in relation to modern marketing concepts and practices.

The study also invites both marketing scholars and practitioners to learn the true message of Islam concerning business and marketing and reject the wrong ideas and conceptions attributed to Islamic doctrines in this field. Moreover, it establishes the right relationship between marketing and Islam and provides the appropriate philosophical position for marketing in Egypt as an Islamic society.

If this concept can be clarified, diffused and incorporated into the management thinking in Egypt as well as other Islamic countries, the researcher believes that a huge obstacle to the transfer of modern marketing concepts and practices to the organisations (whether large or small) working in these countries will be removed.

One possibility in this connection is to include Islamic teachings in the marketing courses of Egyptian as well as other Islamic countries' universities, and it would be useful for these universities to seek Islamic scholars' help and co-operation in implementing such a policy.

Based upon the fact that the present study has attempted in part to establish new concepts and approaches to marketing study in such an Islamic developing society, i.e. Egypt, the study constitutes an addition to the literature on this issue, and this can be claimed to

be its most important contribution.

In addition, the study draws attention to a number of endogenous and exogenous business variables thought to have a significant influence upon the development of marketing in the Egyptian small companies in particular. In this regard, it is believed that the present study provides a further development in the research of these factors especially with respect to "the non-awareness, misunderstanding and/or non-adoption and implementation of the Islamic business philosophy and obligations", and "the small size of companies".

Secondly, the present study has dealt with an almost neglected area, i.e. the marketing strategies of small manufacturing companies in the Egyptian environment, using the aforementioned Islamic concept. In fact, this topic and the approach used throughout the study are new. Therefore, the study is regarded as the first attempt aimed at the diffusion of marketing innovation in small Egyptian manufacturing companies in order to establish recognition and proper understanding by these companies of the relevance and contribution of marketing. Furthermore, unlike most of the studies undertaken regarding marketing in Egypt, this study has discussed the application of strategic marketing planning as well as all the marketing mix variables, i.e. product, pricing, distribution and promotion, and their applicability to small companies situations. As such, the study provides some insights for both marketing scholars and practitioners relating to the successful application of these concepts in practical terms to the particular situation of small companies.

Thirdly, the present study, in addition to reviewing the body of literature which provided evidence of the applicability and necessity of the marketing approach to small companies, provides useful empirical data and information which can help the managers of Egyptian small companies, especially in the textile industry, in the implementation of the societal marketing concept so that meeting the needs of society's welfare as well as customer satisfaction and long-term well-being and the company's goals can be achieved. In this regard, the contribution of the study would be in defining and

proposing convenient methods and approaches by means of which these firms can benefit from applying modern marketing concepts and tools in their business - methods which take account of the uniqueness of small companies.

Furthermore, this study offers the government authorities helpful empirical information which suggests that government policy and interference in marketing and business activities should not preclude marketing development in small companies, particularly in relation to their counterpart large companies and to the firms established under the new investment law as well as in relation to imported products.

Limitations of the Study

This study, like any other, because of the constraints within which it was conducted, has its limitations. The most obvious of these limitations is the fact that it was limited to only one industry. In effect, the question of the availability and reliability of the data required to undertake this study effectively, together with time and cost involved made it difficult for the researcher to include other industries or areas of activities in the present study. This limitation, of course, restricts the confidence with which the findings can be said to have general applicability concerning the extent of adoption and implementation of the societal marketing concept and related marketing techniques by all sectors of Egyptian small companies.

A second limitation concerns the difficulties encountered by the researcher during the field survey which certainly affected the findings of the study in some respect or other. As mentioned in Chapter Eight, the researcher contacted some intermediaries to assist in getting the co-operation of respondents. This might have introduced some bias into the study. It should be pointed out that great difficulty was experienced in meeting the respondents, particularly the presidents of the private companies visited. Lack of co-operation and the time allocated for the researcher to conduct the interview

were the main constraints in obtaining the requested data required for discussion of various aspects of marketing strategies and practices in much more detail. That is because of the fact that businessmen in Egypt as in other developing countries, as suggested by Livingstone⁽¹⁾, "are secretive and highly suspicious of outside inquiries". Such an attitude often produces a distinct lack of co-operation on the part of the businessmen with respect to outside queries.

Suggestions for Further Research

The researcher recommends the following areas of research for further investigation:

- (1) In the light of the concept of "Islamic society", further research is needed to examine the impact of Islamic teaching regarding marketing on the transferral of modern marketing concepts and techniques to large organisations in Egypt. Stated another way, further study is required to investigate the extent of awareness or otherwise of the Islamic marketing teachings and their influence in the adoption and implementation of the societal marketing concept by the management of Egyptian large companies. Such an investigation in the context of large companies would assess the validity of the conclusion reached by the present study, namely that these Islamic teachings, if properly understood, will aid in the adoption and implementation of modern marketing concepts and techniques.
- (2) Another area of research is to replicate this study with other Egyptian small companies sectors in order to examine the validity of the present findings.
- (3) Under the "Islamic society" concept, a replication of this study can also be carried out in other Islamic countries to ascertain the soundness of its results.

- (4) As the findings of the present study reveal, the small companies investigated experienced unfair competition under the "Open-Door" policy. Therefore, another suggestion is that considerable investigation should be devoted to the impact of the "Open-Door" policy and of related regulations on the competitive situation of all Egyptian small companies in relation to their counterpart large companies on the one hand and to the companies established under the new investment law (Law 43 for 1974) and to imported goods on the other.
- (5) Another suggestion for further research in the light of the "Open-Door" policy is to investigate whether the marketing philosophies and technologies of domestic and foreign companies operating in Egypt are different, and the relationship between these differences and the internal (within the firm) as well as the environmental factors, particularly the area of government/business relation. In this connection, a paired comparison method similar to what was employed by Hussein⁽²⁾ would be a useful technique in assessing how the application of modern marketing concepts and techniques can contribute to improved performance in these two groups of companies.
- (6) In the light of Islamic objectives and obligations regarding the marketing activities, another approach is to examine the extent to which the application of only one particular marketing activity rather than all of those activities examined by this study, can apply and contribute to improved performance in Egyptian small companies. For example:
 - (a) How does the use of marketing research aid the small companies in identifying and meeting their customers' needs and wants as well as the interests of society and of the company.
 - (b) New product development strategy is another interesting area of investigation which merits further research in the context of Egyptian small companies. In this regard

two main and related issues are recommended for examination, namely: (i) the relative status of industrial innovation in these companies and (ii) their application of new product development strategies.

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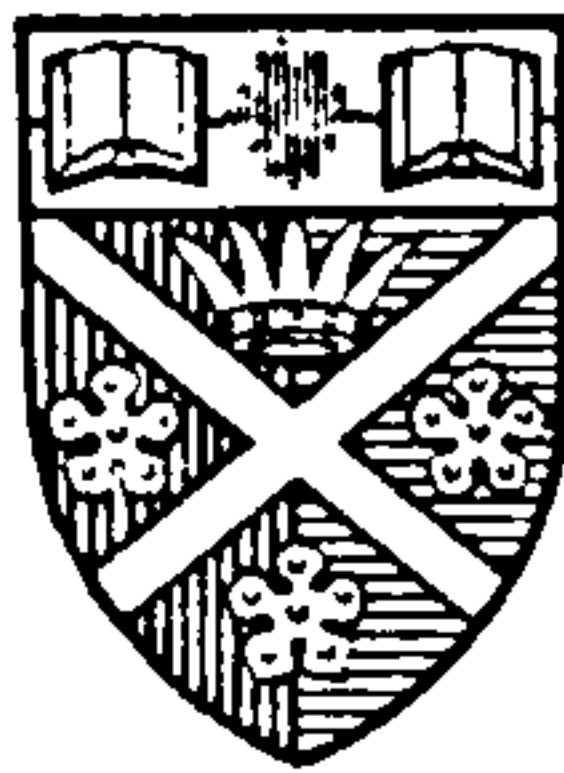
APPENDICES

A - Covering Letter and Questionnaires

B - Bibliography

APPENDIX - A

Covering letter and questionnaires.



University
of Strathclyde

STUDENT RESEARCH PROJECTS*
Department of Marketing

Stenhouse Building, 173 Cathedral Street, Glasgow G4 0RQ
Tel: 041-552 4400

October 1984

Dear Sir,

I am a doctoral student at the Department of Marketing, Strathclyde University, United Kingdom, undertaking a research project relating to the marketing strategies of small companies in the Egyptian context. I would be most grateful if you could kindly assist me by providing the requested information which we hope will provide a better idea of the factors which a company takes into account when making marketing decisions.

It goes without saying that the validity of the research findings, and any influence they may have, are heavily dependent upon your providing accurate information, and this will also ensure that optimum benefit may be derived by the small companies' sector in terms of improved performance.

I would like to assure you of the strictest confidentiality with which all given information will be treated, and thank you for your co-operation.

Yours sincerely,

M. M. Gahein

Mohammed M. Gahein.

QUESTIONNAIRE No. 1: Presidents of Public Companies' Questionnaire

This section of the questionnaire is concerned with the firm's business philosophy in relation to Islamic doctrines.

Q.1 The following statements express some main objectives of business firms. For each statement, please circle the number on the scale which best reflects your opinion about the statement.

	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
a. The firm's main task is to attain maximum profit.	1	2	3	4	5
b. The firm's growth should be the most influential factor in formulating its strategies and policies.	1	2	3	4	5
c. The firm's management philosophy holds that corporate objectives must consider both consumers' satisfactions and society's interests, while making a profit.	1	2	3	4	5
d. Society's interests should be considered as the most influential factor in setting a company's strategies and making decisions.	1	2	3	4	5
e. Customers' satisfaction must be the major aim of the company's efforts.	1	2	3	4	5

Q.2 Are these objectives you decided on above written down on paper?
(please tick one box below)

- a. Fully recorded
b. Partly recorded
c. Not recorded

<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>

Q.3 Are you a Moslem? (please tick one box below)

- a. Yes
b. No

<input type="checkbox"/>
<input type="checkbox"/>

If YES, please continue with Q.4; if NO, move on to Q.7.

Q.4 In your opinion, do Islamic teachings provide specific business philosophy and objectives?
(please tick one box below)

- a. Yes
b. No
c. Don't know

If YES, please continue with Q.5; otherwise move on to Q.7.

Q.5 Which of the business objectives expressed in the following statements, in your view, describes best the Islamic point of view?
(please tick one box below)

- a. Customers' needs must be the sole objective of business companies.
- b. The company's interests should be the fundamental goal for which the entire business is organised and operated.
- c. Society's welfare must be the essential objective of business firms.
- d. A business company should aim to satisfy customers at a profit.
- e. Customers' satisfaction and society's welfare are the final objectives of business companies.
- f. Customer satisfaction as well as long-run consumer and societal well-being, together with the business company's goal (interests), all of them are equal factors influencing in formulating company's strategies and making decisions.
- g. Societal well-being and company's interests should be the essential goal of business enterprise.

Q.6 Is the philosophy you ticked above being adopted and implemented by your company?
(please tick one box below)

- a. Fully
b. As far as possible
c. No
d. Don't know

If YES, please move to Q.7; If NO, what are the problems? (please write in)

Q.7/

/over ...

This section of the questionnaire deals with management attitude towards marketing.

Q.7 In your opinion, which of the following statements defines your company's understanding of the marketing concept? (please circle the most convenient number on the scale).

	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
a. The aim of marketing activity is to sell what can be produced.	1	2	3	4	5
b. The marketing concept consists of offering and satisfying customers needs and wants, without giving much attention to the society's welfare.	1	2	3	4	5
c. The marketing concept means that marketing activities are organisationally integrated into a total system of action.	1	2	3	4	5
d. The marketing concept is a philosophy i.e. a way of business thinking that permeates the entire business.	1	2	3	4	5
e. The marketing concept is sales promotion through which personal contacts and exchange processes can be realised at marketplace.	1	2	3	4	5
f. The marketing concept means that profitable sales volume replaces maximum sales volume as an objective.	1	2	3	4	5
g. The marketing concept means that society's welfare as well as consumer satisfaction and well-being together with the company's interests are equally of significant importance.	1	2	3	4	5

Q.8 Are the marketing activities the responsibility of a specialist member of your company? (please tick one box below)

- a. Yes
b. No
c. Don't know

<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>

Q.9 If YES, what is his title?

Q.10/

/over...

Q.10 What is the main business background of the company's president?
(please circle the most appropriate number on the scale).

Background	To a great extent					Very Little
	1	2	3	4	5	
a. Production	1	2	3	4	5	
b. Finance	1	2	3	4	5	
c. Marketing	1	2	3	4	5	
d. Personnel	1	2	3	4	5	
e. Others (please state) _____	1	2	3	4	5	

This section of the questionnaire concerns the company in its relation to the governmental authorities.

Q.11 In which of the following areas of decision making, and to what extent is your company controlled by governmental organisations?
(please circle the most appropriate number on the scale).

Areas of decision making	To a great extent					Very Little
	1	2	3	4	5	
a. Investment	1	2	3	4	5	
b. Production	1	2	3	4	5	
c. Employment	1	2	3	4	5	
d. Pricing	1	2	3	4	5	
e. Advertising	1	2	3	4	5	
f. Purchasing	1	2	3	4	5	
g. Others (please state) _____	1	2	3	4	5	

Q.12 In your opinion, what governmental aid and policy are required to help the development and growth of the enterprise?
(please rank in order of importance).

- a. Financial aid
- b. Technological aid
- c. Company's management independence
- d. Protection policies against imported products
- e. Marketing facilitating
- f. Others (please state)

Q.13 Under the adoption of the economic Open-Door policy, do you think that the reorganisation of economic General Organisations is likely to improve companies' management processes? (please tick one box below)

- a. Yes
- b. No
- c. Don't know

If YES, in what ways? (please rank in order of importance).

- a. Eliminating or relaxing the multiplicity of governmental control over company's management
 - b. Returning some of the transferred management functions (i.e. the management functions which have been transferred to the governmental authorities) to the individual companies.
 - c. Increasing management flexibility and decision making discretion to make it possible to manage in accordance with the conditions of business environment.
 - d. Others (please specify)
- _____
- _____

If NO, what are the difficulties? (please write in)

Q.14 Do you think that the Open-Door policy has brought about fair competition between large companies and small companies? (please tick one box).

- a. Yes
- b. No
- c. Don't know

If YES, in what ways (please rank in order of importance).

Both of them have enjoyed equally:

- a. tariff concessions
 - b. financial facilities
 - c. technological facilities
 - d. price agreements
 - e. Others (please specify)
- _____

Q.16 (Cont'd)...

Statements	Strongly Agree					Strongly Disagree				
	1	2	3	4	5	1	2	3	4	5
f. The core problem of small firms are in finance and production. Marketing and concerns with customers are subordinated to finance and production.	1	2	3	4	5					
g. The application of the marketing philosophy is necessary since Egypt is an Islamic country.	1	2	3	4	5					

Q.17 To what extent do you think smaller companies in Egypt can apply the following marketing practices?

(please circle the most convenient number on the scale).

Marketing practices	To a great extent					Very Little				
	1	2	3	4	5	1	2	3	4	5
a. Marketing research	1	2	3	4	5					
b. New product development	1	2	3	4	5					
c. Market segmentation	1	2	3	4	5					
d. Sales forecasting	1	2	3	4	5					
e. Customer service	1	2	3	4	5					
f. Advertising	1	2	3	4	5					
g. Sales promotion and public relations	1	2	3	4	5					
h. Salesmen training and motivation	1	2	3	4	5					
i. Credit policy	1	2	3	4	5					

Q.18/

/over...

Q.20 Finally, what in your view are the main objectives and obligations of Islamic teachings in the following areas? (please write in; if appropriate put "no opinion").

a. Product

b. Pricing

c. Availability of products

d. Advertising and public relations

QUESTIONNAIRE No. 2: Marketing Managers of Public Companies' Questionnaire.

This section of the questionnaire is concerned with the firm's business philosophy in relation to Islamic doctrines from the management's point of view.

Q.1 The following statements express some objectives of business firms. For each statement, please circle the number on the scale which best reflects your opinion about the statement.

	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
a. The firm's main task is to attain maximum profit.	1	2	3	4	5
b. The firm's growth should be the most influential factor in formulating its strategies and policies.	1	2	3	4	5
c. The firm's management philosophy holds that corporate objectives must consider both consumers' satisfactions and society's interests, while making a profit.	1	2	3	4	5
d. Society's interests should be considered as the most influential factor in setting a company's strategies and making decisions.	1	2	3	4	5
e. Customers' satisfaction must be the major aim of the company's efforts.	1	2	3	4	5

Q.2 Are these objectives you decided on above written down on paper?
(please tick one box below)

- a. Fully recorded
- b. Partly recorded
- c. Not recorded

Q.3 Are you a Moslem? (please tick one box below)

- a. Yes
- b. No

If YES, please continue with Q.4; if NO, move on to Q.7.

Q.4/

/over...

Q.4 In your opinion, do Islamic teachings provide specific business philosophy and objectives? (please tick one box below)

- a. Yes
b. No
c. Don't know

If YES, please continue with Q.5; otherwise move on to Q.7.

Q.5 Which of the business objectives expressed in the following statements, in your view, describes best the Islamic point of view? (please tick one box below)

- a. Customers' needs must be the sole objective of business companies.
- b. The company's interests should be the fundamental goal for which the entire business is organised and operated.
- c. Society's welfare must be the essential objective of business firms.
- d. A business company should aim to satisfy customers at a profit.
- e. Customers' satisfaction and society's welfare are the final objectives of business companies.
- f. Customer satisfaction as well as long-run consumer and societal well-being, together with the business company's goal (interests), all of them are equal factors influencing in formulating company's strategies and making decisions.
- g. Societal well-being and company's interests should be the essential goal of business enterprise.

Q.6 Is the philosophy you ticked above being adopted and implemented by your company? (please tick one box below)

- a. Fully
b. As far as possible
c. No
d. Don't know

If YES, please move to Q.7; If NO, what are the problems? (please write in)

This section of the questionnaire deals with management attitude towards marketing.

Q.7 In your opinion, which of the following statements defines your company's understanding of the marketing concept? (please circle the most convenient number on the scale).

	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
a. The aim of marketing activity is to sell what can be produced	1	2	3	4	5
b. The marketing concept consists of offering and satisfying customers needs and wants, without giving much attention to the society's welfare.	1	2	3	4	5
c. The marketing concept means that marketing activities are organisationally integrated into a total system of action.	1	2	3	4	5
d. The marketing concept is a philosophy i.e. a way of business thinking that permeates the entire business.	1	2	3	4	5
e. The marketing concept is sales promotion through which personal contacts and exchange processes can be realised at marketplace	1	2	3	4	5
f. The marketing concept means that profitable sales volume replaces maximum sales volume as an objective.	1	2	3	4	5
g. The marketing concept means that society's welfare as well as consumer satisfaction and well-being together with the company's interests are equally of significant importance.	1	2	3	4	5

Q.8/ ..

/Over ...

Q.8 What is the main business background of the company's marketing manager?
(please circle the most convenient number on the scale).

Background	To a great extent					Very Little
	1	2	3	4	5	
a. Marketing research	1	2	3	4	5	
b. Advertising	1	2	3	4	5	
c. Customer service	1	2	3	4	5	
d. Product development	1	2	3	4	5	
e. Personnel	1	2	3	4	5	
f. Personal selling	1	2	3	4	5	
g. Public relations	1	2	3	4	5	
h. Sales promotion	1	2	3	4	5	
i. Physical distribution	1	2	3	4	5	
j. Others (please state)						
_____	1	2	3	4	5	

Q.9 To what extent is he included in the entire business planning?
(please circle the most suitable number on the scale).

To a great extent

1

2

3

4

5

Very Little

This section of the questionnaire concerned the company in its relation to the governmental authorities.

Q.10 In which of the following areas of decision making, and to what extent is your company controlled by governmental organisations?
(please circle the most appropriate number on the scale).

Areas of Decision Making	To a great extent					Very Little
	1	2	3	4	5	
a. Investment	1	2	3	4	5	
b. Production	1	2	3	4	5	
c. Employment	1	2	3	4	5	
d. Pricing	1	2	3	4	5	
e. Advertising	1	2	3	4	5	
f. Purchasing	1	2	3	4	5	
g. Distribution	1	2	3	4	5	
h. Others (please state)						
_____	1	2	3	4	5	

Q.11 In your opinion, what governmental aid and policy are required to help the development and growth of the enterprise? (please rank in order of importance).

- a. Financial aid
- b. Technological aid
- c. Company's management independence
- d. Protection policies against imported products
- e. Marketing facilitating
- f. Others (please state)

Q.12 Under the adoption of the economic Open-Door policy, do you think that the reorganisation of economic General Organisations is likely to improve companies' management processes? (please tick one box below)

- a. Yes
- b. No
- c. Don't know

Q.13 If YES, in what ways? (please rank in order of importance)

- a. Eliminating or relaxing the multiplicity of governmental control over company's management
- b. Returning some of the transferred management functions (i.e. the management functions which have been transferred to the governmental authorities) to the individual companies
- c. Increasing management flexibility and decision making discretion to make it possible to manage in accordance with the conditions of business environment.
- d. Others (please specify)

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If NO, what are the difficulties? (please write in)

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Q.14/

/over...

Q.14 Do you think that the Open-Door policy has brought about fair competition between large companies and small companies? (please tick one box).

- a. Yes
- b. No
- c. Don't know

If YES, in what ways (please rank in order of importance).

Both of them have enjoyed equally;

- a. tariff concessions
- b. financial facilities
- c. technological facilities
- d. marketing facilities
- e. Others (please specify)

Q.15 In the light of the Open-Door policy,

- a. What are the benefits, if any, which your company has gained due to its small size compared with other large companies? (please write in).

- b. What are the problems, if any, which your company has faced due to its small size? (please write in).

This part of the questionnaire deals with the applicability of marketing concepts and techniques in small companies within the Egyptian situation.

Q.16 To what extent do you agree or disagree with the following statements? (please circle the most appropriate number on the scale).

Statements	Strongly Agree					Strongly Disagree				
a. The applicability of the marketing approach is not confined to specific size(s) of firms.	1	2	3	4	5					
b. Modern marketing concepts and techniques are applicable only in big companies.	1	2	3	4	5					
Q.16 (Cont'd)...	/Over...									

Q.16 (Cont'd)...

Statements	Strongly Agree					Strongly Disagree
	1	2	3	4	5	
c. The application of the marketing philosophy is a must for all companies regardless of size.	1	2	3	4	5	
d. The application of the marketing concept is more important for small companies.	1	2	3	4	5	
e. Modern marketing techniques are too expensive to be practised by small companies.	1	2	3	4	5	
f. The core problems of small firms are in finance and production. Marketing and concerns with customers are subordinated to finance and production.	1	2	3	4	5	
g. The application of the marketing philosophy is necessary since Egypt is an Islamic country.	1	2	3	4	5	

Q.17 To what extent do you think smaller companies in Egypt can apply the following marketing practices?
(please circle the most convenient number on the scale).

Marketing practices	To a great extent					Very Little
	1	2	3	4	5	
a. Marketing research	1	2	3	4	5	
b. New product development	1	2	3	4	5	
c. Market segmentation	1	2	3	4	5	
d. Sales forecasting	1	2	3	4	5	
e. Customer service	1	2	3	4	5	
f. Advertising	1	2	3	4	5	
g. Sales promotion and public relations	1	2	3	4	5	
h. Salesmen training and motivation.	1	2	3	4	5	
i. Credit policy	1	2	3	4	5	

Q.18/...

/Over...

Q.22 Do you have any quantitative targets for your:
 (please tick all points that apply and rank in order of importance).

a. Sales?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Don't know	<input type="checkbox"/>
b. Profits?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Don't know	<input type="checkbox"/>
c. Growth?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Don't know	<input type="checkbox"/>
d. Market Share?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Don't know	<input type="checkbox"/>
e. Others? (please state)		<input type="checkbox"/>				
_____		<input type="checkbox"/>				

If YES, please continue with Q.23; Otherwise, go to Q.24.

Q.23 Do you assess your periodical achievements of these targets?
 (please tick one box below)

a. Yes	<input type="checkbox"/>
b. No	<input type="checkbox"/>
c. Don't know	<input type="checkbox"/>

Q.24 Does your company operate in a competitive market?
 (please tick one box below).

a. Yes	<input type="checkbox"/>
b. No	<input type="checkbox"/>
c. Don't know	<input type="checkbox"/>

If YES, please continue with Q.25; otherwise, move to Q.29.

Q.25 Please specify the sources of the competition.
 (Decide on all that apply and rank in order of importance).

a. Large Public Sector companies	<input type="checkbox"/>
b. Small Public Sector companies	<input type="checkbox"/>
c. Large Egyptian owned private companies	<input type="checkbox"/>
d. Small Egyptian owned private companies	<input type="checkbox"/>
e. Foreign companies working in Egypt	<input type="checkbox"/>
f. Imported products	<input type="checkbox"/>
g. Others (please specify)	<input type="checkbox"/>

Q.26 Do you think this competition affects your activity and hence decreases your market share? (please tick one box below).

a. Yes	<input type="checkbox"/>
b. No	<input type="checkbox"/>
c. Don't know	<input type="checkbox"/>

Q.27/...

/Over...

Q.27 In your opinion, what special advantages do your competitors enjoy? (please rank in order of importance).

- a. Brand name
- b. Large scale of operation
- c. Small scale of operation
- d. Customer service
- e. Product quality and differentiation
- f. Delivery and distribution system
- g. Price
- h. Advertising and promotion
- i. Others (please state)

Q.28 In what ways does your company attempt to counteract the competitive factors you checked above? (please rank in order of importance).

- a. Product quality and differentiation
- b. Good public relations
- c. Concentration on relatively few important customers.
- d. Identifying customers' needs and adapting the product line to meet these needs
- e. Low price
- f. Customer service
- g. Others (please specify)

Q.29 In your opinion, what specific reasons are responsible for creating a non-competitive market in Egypt? (please rank in order of importance).

- a. Low level of per capita income
- b. Producers work under the conditions of a seller's market (i.e. demand exceeds supply)
- c. Protection policy against imported products
- d. Monopolistic state resulting from dominance of some large companies.
- e. Centrally planned economy where most major decisions regarding production, investment pricing and the like have been transferred to governmental authorities
- f. Others (please specify)

Q.30 Does your company systematically undertake any marketing research?
(please tick one box below)

- a. Yes
b. No
c. Don't know

If YES, in what ways? (please rank in order of importance)

1. Informally

- a. Discussion with some business acquaintances who have experience of a particular market
b. Discussion with customers
c. Others (please specify)

2. Formally:

- a. Governmental publications analysis
b. Analysis of company's records
c. Field research
d. Others (please specify)

Q.31 In the case of field research, is this task mainly conducted by the company or by outside organisations? (please tick all that apply and rank in order of importance).

- a. By the company
b. By specialised outside organisations
c. Others (please specify)

Q.32 In which of the following areas does your company carry out marketing research? (please rank in order of importance).

- a. Target market analysis (i.e. customers' needs, wants and behaviour)
b. Analysis of the competitive strengths and weaknesses of existing products
c. New product development
d. Market segmentation studies
e. Forecasting the market share of the company
f. Forecasting the market share of main competitors
g. Employees' motivation research
h. Suitability of location appraisal
i. Others (please specify)

Q.32 (Cont'd)...

Which of the following reasons best explains not doing any marketing research? (please rank in order of importance).

- a. Existence of a seller's market and hence marketing research is not important
- b. The company is small
- c. Marketing research is too expensive
- d. Lack of marketing research facilities
- e. Poor sources of information
- f. Others (please specify)

Q.33 To what extent do you agree with the following statements? (please circle the most appropriate number on the scale).

Statements	Strongly Agree					Strongly Disagree
a. The watchword for management must often be 'innovate or die'.	1	2	3	4	5	
b. Any business enterprise has two - and only these two basic functions: marketing and innovation	1	2	3	4	5	
c. Companies spending the most on new product development enjoy the greatest rates of growth.	1	2	3	4	5	

Q.34 To what extent would you say your company's growth depends on the following? (please circle the most convenient number on the scale).

Factors	To a great extent					Very Little
a. Existing products	1	2	3	4	5	
b. New products	1	2	3	4	5	
c. Others (please state)	1	2	3	4	5	

Q.35/...

/Over...

Q.35 Could you specify the main factors influencing your company's decision to introduce new products to the market?
(please rank in order of importance).

- a. Differentiating our products from competitors
- b. Contributing to economic development in accordance with Islamic teachings
- c. Satisfying the identified customers' needs and wants in a better way
- d. Utilising new ideas to introduce more efficient products which cost less to produce
- e. Others (please specify)

Q.36 What are the main pricing objectives of your company?
(please rank in order of importance)

- a. Realising a predetermined target market share
- b. Profit maximisation
- c. Covering the fully allocated costs as quickly as possible
- d. Countering the main competitors
- e. Yielding a predetermined return on investment
- f. Stabilisation of price and margin
- g. Monitoring demand
- h. Others (please state)

Q.37 What are the major factors you consider in your pricing strategy?
(please rank in order of importance).

- a. Competitors price
- b. Industry leaders price
- c. What customers can pay
- d. Cost plus
- e. Market conditions
- f. Others (please specify)

Q.38/...

/Over...

Q.38 Do you sometimes offer discounts to your customers? (please tick one box below)

- a. Yes
b. No
c. Don't know

Q.39 Do you assess and revise periodically your pricing decisions? (please tick one box below)

- a. Yes
b. No
c. Don't know

Q.40 There are a number of alternative methods by which domestically produced goods can reach the customers. What type(s) do you use? (please rank in order of importance).

- a. Company → Agent → Wholesaler → Retailer → Customer
b. Company → Wholesaler → Retailer → Customer
c. Company → Agent → Customer
d. Company → Retailer → Customer
e. Company → Customer
f. Others (please specify)

Q.41 What are the criteria upon which you have chosen the method(s) you checked above? (please rank in order of importance).

- a. The firm's scale of operation (firm size)
b. Adequate control over the market
c. Providing quick and adequate feed-back about the market
d. Adequate trading area coverage
e. Closer to customers
f. Delivery and distribution costs
g. Others (please specify)

Q.42/...

/Over...

Q.42 (a) In the case of using middlemen, what are the criteria upon which you selected individual channel members?
(please rank in order of importance)

- a. Potential sales volume
- b. Customer service
- c. Trading area coverage
- d. Product lines carried
- e. Sales organisation
- f. Capacity of promotion and auxiliary service
- g. Financial strength to maintain inventories and credit
- h. Willingness to promote products
- i. Others (please specify)

(b) What services do you offer to your middlemen?
(please rank in order of importance)

- a. None
- b. Promotional aid
- c. Credit
- d. Salesmen training
- e. Others (please state)

Q.43 Did your company engage in any advertising through an overall advertising plan? (please tick one box below).

- a. Yes
- b. No
- c. Don't know

If YES, please go to Q.44.

If NO, please state why not. (Rank in order of importance).
Then move to Q.47.

- a. Advertising is too expensive
- b. The small size of the firm
- c. Advertising is not effective
- d. Advertising is not important because of the dominance of the seller's market
- e./...

/Over...

Q.43 (Cont'd)...

- e. Lack of effective advertising facilities
- f. Less faith in advertising on the part of the customers
- g. Advertising is wasteful and raises price of products
- h. Advertising gives a completely false picture of the quality of products
- i. Others (please state)

Q.44 What are the main goals of your company's advertising? (please rank in order of importance).

- a. To announce new product(s)
- b. To increase sales
- c. To support middlemen and obtain their support
- d. To improve image
- e. To maintain brand loyalty
- f. To help customers in locating the suitable products for their needs and bring them to their attention
- g. To counteract competition
- h. Others (please state)

Q.45 On what basis do you designate the amount of finance allocated to advertising? (please tick one box below).

- a. Objective and task method
- b. A percentage of sales method
- c. Competitive-parity method
- d. All that can be afforded
- e. An arbitrary method
- f. Others (please state)

Q.46/...

/Over...

Q.46 Does your company assess the effectiveness of its advertising efforts?
(please tick one box below)

- a. Yes
- b. No
- c. Don't know

If YES, in what methods? (please state)

Q.47 In which of the following methods of promotion does your company engage?
(please rank in order of importance).

- a. None
 - b. Sales promotion
 - c. Publicity
 - d. Public relations
 - e. Personal selling
 - f. Others (please specify)
-

Q.48 How do you develop and motivate your employees especially the sales force?
(please rank in order of importance).

- a. Training:
 - sales methods
 - public relations
 - b. Bonus payment on results
 - c. Promotion
 - d. Others (please state)
-

Q.49/...

/Over...

Q.49 Position of respondent:

Q.50 Number of employees and workers:

Full time: Part time: Total:

Q.51 Capital employed:

Q.52 Are there any other points on this subject which you feel should have been covered? (please write in)

THANK YOU FOR YOUR CO-OPERATION

QUESTIONNAIRE No. 3: Presidents of Private Companies' Questionnaire.

This section of the questionnaire is concerned with the firm's business philosophy in relation to Islamic doctrines from the management's point of view.

Q.1 The following statements express some objectives of business firms. For each statement, please circle the number on the scale which best reflects your opinion about the statement.

	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
a. The firm's main task is to attain maximum profit.	1	2	3	4	5
b. The firm's growth should be the most influential factor in formulating its strategies and policies.	1	2	3	4	5
c. The firm's management philosophy holds that corporate objectives must consider both consumers' satisfactions and society's interest, while making a profit.	1	2	3	4	5
d. Society's interests should be considered as the most influential factor in setting a company's strategies and making decisions.	1	2	3	4	5
e. Customers' satisfaction must be the major aim of the company's efforts.	1	2	3	4	5

Q.2 Are these objectives you decided on above written down on paper?
(please tick one box below)

- a. Fully recorded
b. Partly recorded
c. Not recorded

<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>

Q.3 Are you a Moslem? (please tick one box below)

- a. Yes
b. No

<input type="checkbox"/>
<input type="checkbox"/>

If YES, please continue with Q.4; if NO, move on to Q.7.

Q.4/

/Over...

Q.4 In your opinion, do Islamic teachings provide specific business philosophy and objectives?
(please tick one box below)

- a. Yes
b. No
c. Don't know

If YES, please continue with Q.5; otherwise move on to Q.7.

Q.5 Which of the business objectives expressed in the following statements, in your view, describes best the Islamic point of view?
(please tick one box below)

- a. Customers' needs must be the sole objective of business companies.
- b. The company's interests should be the fundamental goal for which the entire business is organised and operated.
- c. Society's welfare must be the essential objective of business firms.
- d. A business company should aim to satisfy customers at a profit.
- e. Customers' satisfaction and society's welfare are the final objectives of business companies.
- f. Customer satisfaction as well as long-run consumer and societal well-being, together with the business company's goal (interests), all of them are equal factors influencing in formulating company's strategies and making decisions.
- g. Societal well-being and company's interests should be the essential goal of business enterprise.

Q.6 Is the philosophy you ticked above being adopted and implemented by your company?
(please tick one box below)

- a. Fully
b. As far as possible
c. No
d. Don't know

If YES, please move to Q.7; if NO, what are the problems? (please write in)

Q.7/

/Over...

This section of the questionnaire deals with management attitude towards marketing.

Q.7 In your opinion, which of the following statements defines your company's understanding of the marketing concept? (please circle the most convenient number on the scale).

	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
a. The aim of marketing activity is to sell what can be produced	1	2	3	4	5
b. The marketing concept consists of offering and satisfying customers needs and wants, without giving much attention to the society's welfare.	1	2	3	4	5
c. The marketing concept means that marketing activities are organisationally integrated into a total system of action.	1	2	3	4	5
d. The marketing concept is a philosophy i.e. a way of business thinking that permeates the entire business.	1	2	3	4	5
e. The marketing concept is sales promotion through which personal contacts and exchange processes can be realised at marketplace	1	2	3	4	5
f. The marketing concept means that profitable sales volume replaces maximum sales volume as an objective.	1	2	3	4	5
g. The marketing concept means that society's welfare as well as consumer satisfaction and well-being together with the company's interests are equally of significant importance.	1	2	3	4	5

Q.8 Are the marketing activities the responsibility of a specialist member of your company? (please tick one box below)

- a. Yes
- b. No
- c. Don't know

If YES, please continue; otherwise go to Q.12.

Q.9 What is his title? _____

Q.10/

/Over...

This section of the questionnaire concerns the company in its relation to the governmental authorities.

Q.13 In which of the following areas of decision making, and to what extent is your company controlled by governmental organisations? (please circle the most appropriate number on the scale).

Areas of decision making	To a great extent					Very Little
a. Investment	1	2	3	4	5	5
b. Production	1	2	3	4	5	5
c. Employment	1	2	3	4	5	5
d. Pricing	1	2	3	4	5	5
e. Advertising	1	2	3	4	5	5
f. Purchasing	1	2	3	4	5	5
g. Distribution	1	2	3	4	5	5
h. Others (please state)						
_____	1	2	3	4	5	5

Q.14 In your opinion, what governmental aid and policy are required to help the development and growth of the enterprise? (please rank in order of importance).

- a. Financial aid
- b. Technological aid
- c. Company's management independence
- d. Protection policies against imported products
- e. Marketing facilitating
- f. Others (please state)

Q.15 Under the adoption of the economic Open-Door policy, do you think that the reorganisation of economic General Organisations is likely to improve companies' management processes? (please tick one box below)

- a. Yes
- b. No
- c. Don't know

/Over...

Q.15 (Cont'd)...

If YES, in what ways? (please rank in order of importance).

- a. Eliminating or relaxing the multiplicity of governmental control over company's management.
- b. Returning some of the transferred management function (i.e. the management functions which have been transferred to the governmental authorities) to the individual companies.
- c. Increasing management flexibility and decision making discretion to make it possible to manage in accordance with the conditions of business environment.
- d. Others (please specify)

If NO, what are the difficulties? (please write in)

Q.16 Do you think that the Open-Door policy has brought about fair competition between large companies and small companies? (please tick one box).

- a. Yes
- b. No
- c. Don't know

If YES, in what ways (please rank in order of importance).

Both of them have enjoyed equally:

- a. tariff concessions
- b. financial facilities
- c. technological facilities
- d. marketing facilities
- e. Others (please specify)

Q.17/

/Over...

Q.17 In the light of the Open-Door policy,

a. What are the benefits, if any, which your company has gained due to its small size compared with other large companies? (please write in).

b. What are the problems, if any, which your company has faced due to its small size? (please write in).

.....
 This part of the questionnaire deals with the applicability of marketing concepts and techniques in small companies within the Egyptian situation.

Q.18 To what extent do you agree or disagree with the following statements? (please circle the most appropriate number on the scale).

Statements	Strongly Agree					Strongly Disagree				
	1	2	3	4	5	1	2	3	4	5
a. The applicability of the marketing approach is not confined to specific size(s) of firms.	1	2	3	4	5					
b. Modern marketing concepts and techniques are applicable only in big companies.	1	2	3	4	5					
c. The application of the marketing philosophy is a must for all companies regardless of size.	1	2	3	4	5					
d. The application of the marketing concept is more important for small companies	1	2	3	4	5					
e. Modern marketing techniques are too expensive to be practised by small companies.	1	2	3	4	5					
f. The core problems of small firms are in finance and production. Marketing and concerns with customers are subordinated to finance and production.	1	2	3	4	5					
g. The application of the marketing philosophy is necessary since Egypt is an Islamic country.	1	2	3	4	5					

- Q.19 To what extent do you think smaller companies in Egypt can apply the following marketing practices?
(please circle the most convenient number on the scale).

Marketing Practices	To a great extent					Very Little
a. Marketing research	1	2	3	4	5	
b. New product development	1	2	3	4	5	
c. Market segmentation	1	2	3	4	5	
d. Sales forecasting	1	2	3	4	5	
e. Customer service	1	2	3	4	5	
f. Advertising	1	2	3	4	5	
g. Sales promotion and public relations	1	2	3	4	5	
h. Salesmen training and motivation	1	2	3	4	5	
i. Credit policy	1	2	3	4	5	

- Q.20 For each of the following statements, please circle the most appropriate number on the scale which best expresses the extent to which you agree or disagree regarding the Open-Door policy.

Statements	Strongly Agree					Strongly Disagree
The adoption of the Open-Door policy is likely to:						
a. increase the degree of competition, and hence, product development	1	2	3	4	5	
b. create unfair competition between the joint ventures and domestic public companies since the former enjoy tax and tariff concessions not available to the latter.	1	2	3	4	5	
c. enable small companies to compete with big corporations.	1	2	3	4	5	
d. be consistent with Islamic teachings regarding marketing practices.	1	2	3	4	5	
e. help in solving the production problems (eg. raw material procurement) for all companies regardless of size.	1	2	3	4	5	
f. facilitate the financial function for all firms regardless of size.	1	2	3	4	5	

Q.21 In your opinion, what are the main reasons which may hinder the application of modern marketing concepts and practices in the Egyptian business companies?
(please rank in order of importance)

- | | |
|--|--------------------------|
| a. Lack of the Western managerial and marketing know-how. | <input type="checkbox"/> |
| b. Low level of per capita income | <input type="checkbox"/> |
| c. Less faith in marketing | <input type="checkbox"/> |
| d. Small size of company | <input type="checkbox"/> |
| e. Existence of a seller's market for most products | <input type="checkbox"/> |
| f. Shortage of able professional marketing staff | <input type="checkbox"/> |
| g. Absence of competition | <input type="checkbox"/> |
| h. Lack of proper understanding of Islamic doctrines concerning business objectives and philosophy | <input type="checkbox"/> |
| i. Others (please state) | <input type="checkbox"/> |
| _____ | <input type="checkbox"/> |

Q.22 What, in your view, are the main objectives and obligations of Islamic teachings in the following areas?
(please write in; if appropriate put 'no opinion').

- a. Product

- b. Pricing

- c. Availability of products

- d. Advertising and public relations.

Q.23/

/over...

This part of the questionnaire is concerned with the marketing practices of the Egyptian small companies.

Q.23 Does your company carry out systematic marketing planning?
(please tick one box below)

- a. Yes
- b. No
- c. Don't know

If YES, is this short-term planning (up to one year) or long-term planning (more than one year)? (please tick one box below)

- a. Short-term
- b. Long-term
- c. Don't know

If NO, in your opinion what are the main reasons behind the neglect of planning?
(please rank in order of importance)

- a. Poor secondary data available
- b. Small size of the firm
- c. Planning is too expensive
- d. Less faith in planning due to the difficulties of proper forecasting
- e. Moslem managers believe that all affairs of the organisation, individuals and all else have been worked out by Divine Will. Planning and all else cannot alter fate.
- f. Others (please state)

Q.24/

/over ...

Q.24 Do you have any quantitative targets for your:
(please tick all points that apply and rank in order of importance).

a. Sales?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Don't know	<input type="checkbox"/>
b. Profits?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Don't know	<input type="checkbox"/>
c. Growth?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Don't know	<input type="checkbox"/>
d. Market Share?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Don't know	<input type="checkbox"/>
e. Others? (please state)		<input type="checkbox"/>				

If YES, please continue with Q.25; otherwise, go to Q.26.

Q.25 Do you assess your periodical achievements of these targets?
(please tick one box below)

a. Yes	<input type="checkbox"/>
b. No	<input type="checkbox"/>
c. Don't know	<input type="checkbox"/>

Q.26 Does your company operate in a competitive market?
(please tick one box below)

a. Yes	<input type="checkbox"/>
b. No	<input type="checkbox"/>
c. Don't know	<input type="checkbox"/>

If YES, please continue with Q.27; otherwise, move to Q.31.

Q.27 Please specify the sources of the competition.
(Decide on all that apply and rank in order of importance).

a. Large Public Sector companies	<input type="checkbox"/>
b. Small Public Sector companies	<input type="checkbox"/>
c. Large Egyptian owned private companies	<input type="checkbox"/>
d. Small Egyptian owned private companies	<input type="checkbox"/>
e. Foreign companies working in Egypt	<input type="checkbox"/>
f. Imported products	<input type="checkbox"/>
g. Others (please specify)	<input type="checkbox"/>

Q.28 Do you think this competition affects your activity and hence decreases your market share? (please tick one box below).

a. Yes	<input type="checkbox"/>
b. No	<input type="checkbox"/>
c. Don't know	<input type="checkbox"/>

Q.29 In your opinion, what special advantages do your competitors enjoy?
(please rank in order of importance)

- a. Brand name
- b. Large scale of operation
- c. Small scale of operation
- d. Customer service
- e. Product quality and differentiation
- f. Delivery and distribution system
- g. Price
- h. Advertising and promotion
- i. Others (please state)

Q.30 In what ways does your company attempt to counteract the competitive factors you checked above? (please rank in order of importance)

- a. Product quality and differentiation
- b. Good public relations
- c. Concentration on relatively few important customers.
- d. Identifying customers' needs and adapting the product line to meet these needs
- e. Low price
- f. Customer service
- g. Others (please specify)

Q.31 In your opinion, what specific reasons are responsible for creating a non-competitive market in Egypt? (please rank in order of importance)

- a. Low level of per capita income
- b. Producers work under the conditions of a seller's market (i.e. demand exceeds supply)
- c. Protection policy against imported products
- d. Monopolistic state resulting from dominance of some large companies
- e. Centrally planned economy where most major decisions regarding production, investment, pricing and the like have been transferred to governmental authorities
- f. Others (please specify)

Q.32 Does your company systematically undertake any marketing research?
(please tick one box below)

- a. Yes
b. No
c. Don't know

If YES, in what ways? (Please rank in order of importance).

a. Informally

- a. Discussion with some business acquaintances
who have experiences of a particular market
b. Discussion with customers
c. Others (please specify)

2. Formally

- a. Governmental publications analysis
b. Analysis of company's records
c. Field research
d. Others (please specify)

Q.33 In the case of field research, is this task mainly conducted by the
company or by outside organisations? (please tick all that apply
and rank in order of importance).

- a. By the company
b. By specialised outside organisations
c. Others (please specify)

Q.34/

/Over...

Q.34 In which of the following areas does your company carry out marketing research? (please rank in order of importance)

- a. Target market analysis (i.e. customers' needs,wants and behaviour)
 - b. Analysis of the competitive strengths and weaknesses of existing products
 - c. New product development
 - d. Market segmentation studies
 - e. Forecasting the market share of the company
 - f. Forecasting the market share of main competitors
 - g. Employees' motivation research
 - h. Suitability of location appraisal
 - i. Others (please specify)
-

Which of the following reasons best explains not doing any marketing research (please rank in order of importance).

- a. Existence of a seller's market and hence marketing research is not important
 - b. The company is small
 - c. Marketing research is too expensive
 - d. Lack of marketing research facilities
 - e. Poor sources of information
 - f. Others (please specify)
-

Q.35/

/Over...

Q.35 To what extent do you agree with the following statements?
(please circle the most appropriate number on the scale)

Statements	Strongly agree					Strongly disagree
	1	2	3	4	5	
a. The watchword for management must often be 'innovate or die'.	1	2	3	4	5	
b. Any business enterprise has two - and only these two basic functions: marketing and innovation.	1	2	3	4	5	
c. Companies spending the most on new product development enjoy the greatest rates of growth.	1	2	3	4	5	

Q.36 To what extent would you say your company's growth depends on the following?
(please circle the most convenient number on the scale)

Factors	To a great extent					Very Little
	1	2	3	4	5	
a. Existing products	1	2	3	4	5	
b. New products	1	2	3	4	5	
c. Others (please state) _____	1	2	3	4	5	

Q.37 Could you specify the main factors influencing your company's decision to introduce new products to the market?
(please rank in order of importance)

- a. Differentiating our products from competitors
- b. Contributing to economic development in accordance with Islamic teachings
- c. Satisfying the identified customers' needs and wants in a better way
- d. Utilising new ideas to introduce more efficient products which cost less to produce
- e. Others (please specify)

Q.38 What are the main pricing objectives of your company?
(please rank in order of importance)

- a. Realising a predetermined target market share
- b. Profit maximisation
- c. Covering the fully allocated costs as quickly as possible
- d. Countering the main competitors
- e. Yielding a predetermined return on investment
- f. Stabilisation of price and margin
- g. Monitoring demand
- h. Others (please state)

--

Q.39 What are the major factors you consider in your pricing strategy?
(please rank in order of importance)

- a. Competitors price
- b. Industry leaders price
- c. What customers can pay
- d. Cost plus
- e. Market conditions
- f. Others (please specify)

--

Q.40 Do you sometimes offer discounts to your customers? (please tick one box below)

- a. Yes
- b. No
- c. Don't know

Q.41/

/over ...

Q.41 Do you assess and revise periodically your pricing decisions?
(please tick one box below)

- a. Yes
- b. No
- c. Don't know

Q.42 There are a number of alternative methods by which domestically produced goods can reach the customers. What type(s) do you use?
(please rank in order of importance)

- a. Company → Agent → Wholesaler → Retailer → Customer
- b. Company → Wholesaler → Retailer → Customer
- c. Company → Agent → Customer
- d. Company → Retailer → Customer
- e. Company → Customer
- f. Others (please specify)

Q.43 What are the criteria upon which you have chosen the method(s) you checked above? (please rank in order of importance).

- a. The firm's scale of operation (firm size)
- b. Adequate control over the market
- c. Providing quick and adequate feed-back about the market
- d. Adequate trading area coverage
- e. Closer to customers
- f. Delivery and distribution costs
- g. Others (please specify)

Q.44/

/Over...

Q.44 (a) In the case of using middlemen, what are the criteria upon which you selected individual channel members?
(please rank in order of importance)

- a. Potential sales volume
- b. Customer service
- c. Trading area coverage
- d. Product lines carried
- e. Sales organisation
- f. Capacity of promotion and auxiliary service
- g. Financial strength to maintain inventories and credit
- h. Willingness to promote products
- i. Others (please specify)

(b) What services do you offer to your middlemen?
(please rank in order of importance)

- a. None
- b. Promotional aid
- c. Credit
- d. Salesmen training
- e. Others (please state)

Q.45 Did your company engage in any advertising through an overall advertising plan? (please tick one box below)

- a. Yes
- b. No
- c. Don't know

If YES, please go to Q.46.

If NO, please state why not. (Rank in order of importance).
Then, move to Q.49.

- a. Advertising is too expensive
- b. The small size of the firm
- c. Advertising is not effective
- d. Advertising is not important because of the dominance of the seller's market
- e./

/over ...

Q.45
cont'd

- e. Lack of effective advertising facilities
- f. Less faith in advertising on the part of the customers
- g. Advertising is wasteful and raises price of products
- h. Advertising gives a completely false picture of the quality of products
- i. Others (please state)

Q.46 What are the main goals of your company's advertising?
(please rank in order of importance)

- a. To announce new product(s)
- b. To increase sales
- c. To support middlemen and obtain their support
- d. To improve image
- e. To maintain brand loyalty
- f. To help customers in locating the suitable products for their needs and bring them to their attention
- g. To counteract competition
- h. Others (please state)

Q.47 On what basis do you designate the amount of finance allocated to advertising? (please tick one box below)

- a. Objective and task method
- b. A percentage of sales method
- c. Competitive-parity method
- d. All that can be afforded
- e. An arbitrary method
- f. Others (please state)

Q.48/

/over ...

Q.48 Does your company assess the effectiveness of its advertising efforts?
(please tick one box below)

- a. Yes
b. No
c. Don't know

If YES, in what methods? (please state)

Q.49 In which of the following methods of promotion does your company engage?
(please rank in order of importance)

- a. None
b. Sales promotion
c. Publicity
d. Public relations
e. Personal selling
f. Others (please specify)

Q.50 How do you develop and motivate your employees, especially the sales force?
(please rank in order of importance).

- a. Training:
 - sales methods
 - public relations
b. Bonus payment on results
c. Promotion
d. Others (please state)

Q.51/

/Over...

Q.51 Position of respondent:

Q.52 Number of employees and workers:

Full time: Part time: Total:

Q.52 Capital employed:

Q.53 Are there any other points on this subject which you feel should have been covered? (please write in).

THANK YOU FOR YOUR CO-OPERATION

APPENDIX - B

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