
Executive Summary

Amouage is an Omani luxury brand perfume which has a strong presence in Sultanate of Oman. The perfume brand serves the masses in Omani market and the company plans to have international presence by expanding the product in international market. The country selected by Amouage to expand internationally is Australia and to study the marketing and environmental analysis approach for Amouage. The evaluation suggests reviewing the international marketing plan which focuses more on observing the **operational management of the project**. The main concern of marketing of Amouage presents an opportunity to study the international marketing condition in order to have effective growth and expansion of the product in international market.

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1.0. Introduction

Amouage is an Omani perfume brand which was founded in 1983 and has a strong presence in Sultanate of Oman. The operations of Oman are handled by David Crickmore to work as CEO since 2006 and the brand has been successfully engaged to have 19 standalone shops as it is situated in Kuwait, Qatar, Bahrain, United Arab Emirates, Saudi Arabia and Malaysia with and also it plans to have worldwide expansion which manages the distribution network. Amouage has more sales in 65 countries and there are several internationally recognized stores situated in Australia, Dubai, Thailand, Berlin, Singapore, London, New York City, Paris and Moscow with an operational capacity to manufacture more than 20,000 bottles each week (Bloch et al, 2006).

This assignment presents an overview of expansion of Amouage in international market like Australia. The evaluation will present analysis of the brand keeping in account the SWOT and PESTLE analysis in order to have better future growth of the organizational operations. The analysis presents the discussion of the marketing conditions by studying the growing changes in market by Amouage.

2.0. Content and Analysis

2.1. International Market to Enter by Amouage

Australia is the international market which Amouage plans to enter and the country is situated in Southern Hemisphere which comprises of Australian continent and also the country is 12th largest in terms of economy. The Australian economy states that there is impressive opportunity for growth and the protection of civil liberties which handles the political rights. Australia is situated in the location which successfully helps to handle the business growth and is engaged to offer global economic freedom.

2.2. SWOT Analysis of Amouage

1. Strengths

Amouage is a leading luxury perfume brand and it selects product differentiation approach which focuses more on brand quality. Moreover, there is effective relationship with distributors and also Amouage has variety of Arabic fragrances which focuses on best skilled labour forces and Amouage has stylish products which are available in market. The luxury branding approach is one of the strength of Amouage.

2. Weakness

The weakness of Amouage exists in the fact that there are many unnecessary expansion costs and attention needed in order to handle the organizational capacity. Moreover, there is huge labour cost in Oman which is a weakness for Amouage and causes disadvantage for competitor such as Ajmal which benefit from low labour costs. There is dependency of Amouage on brand like Al Haramain and Ajmal which generates huge profit margin and also marketing standard for Amouage are not sufficient (Burrell et al, 2008).

3. Opportunities

There are impressive growth opportunities for Amouage which focuses more on globalization and to reach global world. The marketing department of Amouage says there should be focus more on upgrading the services. Amouage need to make use of strategies which will help to get better launch and also it will not make the brand to be limited especially while branding the expensive perfume brand. There is need to focus more on technological innovations that sets effective opportunity to upgrade the services (Wipo.int, 2017).

4. Threats

There is major threat faced by Amouage from competitor brand like Ajmal, Haramain and Rasasi and Swiss Arabian. There are also issues related with natural disasters which are one of the major threats for Amouage since there is implementation of Oudh plantation. The challenging aspect for Amouage is that companies try to imitate the products being launched by Amouage which makes the fragrance duplication to be quite complex and challenging.

2.3. PEST Analysis on International Market

<i>Aspect</i>	<i>Trend</i>
Political	<ul style="list-style-type: none">• The political situation shows that there is stability which offers favourable opportunity for Amouage to expand in Australia• There is efficient and transparent legal framework in Australia and this is a god opportunity for Amouage (Merrilees et al, 2011)• Government in Australia is supportive towards

	<p>companies to introduce new products</p> <ul style="list-style-type: none"> • There is land provided with minimum price in Australia to start new ventures
Economic	<ul style="list-style-type: none"> • The economy of Australia is strong with rising GDP • There is increase in purchasing power of customers in Australia which is an effective opportunity for a brand like Amouage • Present GDP growth of Australia is 1.62 trillion Australian dollars
Social	<ul style="list-style-type: none"> • Lifestyle of people in Australia is quite supportive for launch of Amouage • There is huge effect on well-being of people especially when the purchase is for Amouage
Technological	<ul style="list-style-type: none"> • There is constant technological development in Australia which supports innovation • Internet in Australia act as a viable option for promoting new product in Australia • Research and development sectors are actively involved in promotion of new product
Environmental	<ul style="list-style-type: none"> • The only thing to be the concern for Amouage is to ensure that eco-friendly products are used
Legal	<ul style="list-style-type: none"> • Australian government considers it necessary to follow the legal guidelines of introducing the new product in the market

2.4. Mode of Entry for International Expansion by Amouage

The mode of entry selected by Amouage to enter in international market is **exporting** and the reason to select this method is because it will be easy for Amouage to enter in Australian market. The aspect of exporting is to sale the products and services in foreign market and also to manage the products sale and growth in different foreign countries. The main advantage of this method is that it will avoid the expenses of Amouage in order to establish new operations in new country (Batista, 2008). Moreover, the firms need to focus on distribution of market

and their products in the local company or distributor and also exporting makes Amouage to make use of labelling, pricing, and packaging and also to offer suitable and new products in market. Amouage makes use of promotion and advertising approach which makes potential buyers to focus more on trade shows, advertising and also to implement the local sales forces.

The *advantage* of exporting is that companies gain competitiveness which manages the domestic market especially in international arena. The focus should be more on domestic companies and exporting helps to get company diversification which helps to handle the international market place and also to focus more on the changing business cycle. The *disadvantage* of exporting is related with management of transporting goods in country which has implemented negative effect on environment (Nethery et al, 2012). The countries impose tariffs and also to study the profit in Amouage for expansion and also to make use of contractual agreement to control over the operations. The major disadvantage is additional costs and product modification when the foreign market handles the import and also the financial risk collection and also to manage the complicated situations.

2.5. International Marketing Plan

1. Product- The product Amouage has significant importance since it has luxury style packaging. The product is made from frankincense in order to have international fragrance and also this will make the brand get importance in Australia. The Omani brand makes use of development of policies which is USP for Amouage and the product has expensive quality packaging which attracts the customers in Australian market (Newspaper, 2017).

2. Price- The pricing policy is very essential for success of Amouage. The product policy makes Amouage to have international importance while minimum price is OMR 18 while maximum price is OMR 400 which makes Amouage to follow penetration pricing strategy in order to have sales growth. The company also is engaged to offer high rate of discount in order to get attention from Australian market.

3. Place- There is different business places for Amouage in order to manage the success across Australia. There are several strategies used by Amouage and in case of Australia there are different distribution channels being used such as the outlets, distributors and retailers and outlets in order to spread the product across organization. Moreover, the effect of Australian market in order to have communication with customers help to promote the product easily to

the customers. This makes the use of well-developed sales network channel which is used by market in Australia (Dann et al, 2008).

4. Promotion- The promotional strategy in order to promote Amouage perfume in Australia is to be done by focusing on marketing plan. The main emphasis is on promotional activity which is needed to create awareness in order to promote the product and follow different approaches such as social media, TV, newspapers and magazines which is used for promotion. Technology is a source to promote in effective manner and Facebook makes use of proper promotional source for product in market (Goi, 2009).

2.6. Operational Management for Amouage

The operational management strategy for Amouage follows the approach such as:

1. Design of Product- Amouage has set a strong strategic decision which makes use of operational management and it is branded as a luxury brand and also the product is served as one of the popular brand. The products approach makes use of reduction in size and affordability.

2. Quality Management- the quality management makes Amouage set and follow the product quality and constraints and follow costs price and set the right costs and price limits. This makes McDonald to follow the policy which handles the consistency in order to have satisfaction which manages strategic decision.

3. Process and Capacity Design- The approach for Amouage follows the process and capacity design which ensures that there is efficiency and cost-minimization approach to support the company policy and plan to maintain efficiency level and also to enhance the capacity utilization approach.

4. Location Strategy- The goal of location strategy states that there is implementation of management approaches which focuses more on setting the right strategy. The main concern of Amouage is to follow the company and website design which is more focused to have better sales growth of Amouage in international location by setting the right location for effective sales.

3.0. Conclusion

This report presents an approach which focuses on handling the sources which have huge concern to get international expansion. In this regard the company follows several policies and practices which will help Amouage to get the right international expansion opportunity. Moreover, the resultant approach states that there can be effective implementation of policy and plans which will help Amouage to be successful in business and also to make use of policies and practices which help to get better staff engagement. Thus, international marketing plan for Amouage with its plan to expand in Australia needs to review the policies before taking any expansion decision.

Recommendation

1. Amouage needs to revise the marketing policies before planning for international expansion
2. There should be careful review on the macro environmental factors before launching Amouage in international market
3. The packaging of Amouage should be made in such a way that it fits the international market
4. There should be policies implemented to make exporting Amouage easier by reducing tax or tariff charges

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