

***Faculty of Management Sciences***

**BUS 412N project.**

**Entrepreneurship and Small Business management**

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# **Executive Summary.**

**Company name:** Amanda Milano

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**Phone number**: [02 33046405](https://www.google.com/search?q=amanda+milano+egypt&sxsrf=ALiCzsYg-VzbPUlzBKPqYbs234TqaPTx-g%3A1665760032383&ei=IHtJY6ryFvSB9u8Py46JuAM&gs_ssp=eJzj4tZP1zcsMzQuL7RMN2C0UjWoMDQxtTAxNEtMSTI0Nzc2NbYyqLBINDY3TbIwtDA3MTQ1TE71Ek7MTcxLSVTIzcxJzMtXSE2vLCgBAM-IFQM&oq=amanda+milano+egy&gs_lcp=Cgdnd3Mtd2l6EAEYADILCC4QgAQQxwEQrwEyBggAEBYQHjoKCAAQRxDWBBCwAzoHCAAQsAMQQzoFCAAQgAQ6CggAEIAEEIcCEBQ6CAgAEIAEEMsBOggIABCABBCLAzoOCC4QgAQQxwEQrwEQiwNKBAhBGABKBAhGGABQsgFY6A9gyyVoAXABeACAAdoBiAH6BZIBBTAuMy4xmAEAoAEByAEKuAECwAEB&sclient=gws-wiz)

* 1. **Names of all key people:**

Mohamed Emaish (president of the company)

 Abber Ali Mohamed Emaish (Chief Executive Officer and Managing Partner)

Website of the company: <https://www.amandamilano.me/>

## **1.2 Description of the company:**

Amanda Milano is the first Egyptian brand created by Misr Cosmetics and was first introduced to the Egyptian market back in February of 1984 (Amanda, 2022). It is the first leading cosmetics brand in Egypt and it mainly focuses on producing perfumes, personal care, as well as beauty products to be a guide for beauty for the Egyptian girls. Amanda carries a variety of makeup products for the face as concealers and foundations, for the eyes as eyeshadows and mascaras and for the lips as lipsticks and lip-glosses. Moreover, it also carries nail polishes in many diverse colors to match all skin tones. As well as personal care products as hand creams and Fragrances. Amanda aims to satisfy its consumers by producing makeup products that match to the latest trends with affordable prices, to make their consumers feel confident all the time.

## **Overview of the market for the products and services:**

Among the intense competition in the cosmetics industry, Amanda has further proved itself as a competitive brand. Being an Egyptian brand Amanda focuses on differentiating itself from its competitors by focusing on providing a variety of high-quality makeup and skin care products from the moment they launched back in 1984 until present day.

At the same time Amanda still offers their consumers affordable prices that is able to compete with other high-end brands and maintaining the satisfaction of their customers. Amanda holds pride in their makeup lines by diversifying their products to be able to aid every girl and help them to feel confident by using their makeup at the same time, they will be able to find them available whenever needed. As, primers, BB creams, blushes, creamy lipsticks, lipliners. And many more for day-to-day use or for special occasions.

## **Overview of the strategies that will make the firm a success:**

There are two types of strategies that makes a business successful. Cost leadership strategy as well as, differentiation strategy. However, in Amanda’s case they really focus on the cost leadership strategy.

As was mentioned before that the cosmetics industry has fierce completion. Especially during these days cosmetics can be extremely expensive for the girls and women everywhere. Thus, Amanda makes sure to utilize the cost leadership strategy by monitoring the competition prices, and lowering their own yet, at the same time still maintaining their profit as well as their market share in the Egyptian market. Moreover, Amanda ensures its success by sticking to their promise to their consumers by stating that they would maintain the highest quality possible. And they do that by importing all of their materials from Europe’s leading cosmetic factories who also happens to work with the highest quality technology and standards. And then offering their makeup in superior packing that looks and feels appealing to their target segment and at the same time, still matches the international standers.

## **description of the managerial and technical experience of key people:**

1. Mohamed Emaish (President):

The founder of Misr cosmetics company, with a pharmaceutical degree from the most prestigious universities in Cairo, Egypt. Experienced in establishing short and long-term goals, presiding over the workforce, ensuring the proper allocation of resources, and ensuring all departments meet their goals. He is also responsible for the company's accountability to the shareholders and the general public and acts as the face of the company. Moreover, excellent leadership and decision-making skills. As well as being innovative and obtaining entrepreneurial skills.

1. Abeer Emaish (Chief Executive Officer and Managing Partner):

Experience in developing high quality business strategies, as well as leading and motivating subordinates to advance employee engagement develop a high performing managerial team. Moreover, she over sees all operations and business activities to ensure that Misr company for cosmetics produces the desired results and is consistent with the overall strategy and mission.

# **vision and mission statement.**

* 1. **Entrepreneur’s vision for the company:** The Entrepreneur’s vision for Amanda is for Amanda to become the leading cosmetic local company in Egypt. Also, for Amanda to become a trendsetter in the makeup industry and to be a competitor to high end makeup products for Egyptian customers (Amanda, 2022).
	2. **Amanda’s Mission:** The Company’s mission is to offer affordable beauty products to each and every girl and to offer the latest trends in makeup with the best quality (Amanda, 2022).
	3. **What business are we in:** Cosmetics and Skin Care industry.
	4. **Values and principles on which the business stands:** Amanda has a solid ground in ensuring their materials are all made with care and the best quality. Amanda also ensures that it uses the best technology and delivers the best packaging to their customers. Moreover, Amanda’s awareness of makeup trends worldwide makes them trendsetter here in Egypt, which is what Amanda is going for. Furthermore, Amanda does not only provide a high-quality makeup, but also it has variety in its products like having lots of shades and colors in nearly all makeup products Amanda sells. Amanda further provides its customers prestige, as Amanda is considered one of the best local brands thus it gives its customers the satisfaction, they want in a brand name (Amanda, 2022).
	5. **What makes the business unique:** Amanda announced on several occasions how the company gets all of their materials from Europe. Furthermore, Amanda’s products are affordable compared to all its competitors in the market. Amanda’s products are also easy to find in pharmacies and outlets (Amanda, 2022).

# **3. Company History**

## **3.1 Company founding:**

Amanda is an Egyptian cosmetics company launched in 1984 under the company Misr Cosmetics by Mohamed Emaish. The company offers Cosmetics, perfumes, and all personal care products. Amanda's products are distributed among all cities of Egypt in different places like makeup stores and pharmacies. Also, Amanda has many outlets among Egypt in all Malls where they display all of their products.

## **3.2 Financial and operational highlights:**

Since Amanda is a medium sized business and not publicly listed in the Egyptian stock market, its financials are not available to the public.

## **3.3 Significant Achievements:**

According to Euromonitor International Amanda has been ranked as Number One Local Makeup brand in Egypt. Amanda Successes in expanding their product lines from only makeup products to also personal care products and got the ISO certificates 18001, 14001, 9001 and 22716 for Production quality mark.

# **Industry Analysis:**

The beauty industry is an industry which produces products that contain a wide variety of products that would enhance and add more to the face or even to the body features. These products include makeup for the face as foundation, blush, or primers. The eyes as mascara and eye shadow, or the lips as lipstick and lip-gloss or even lip linear, nail polish in all colors, and skin care such as hand cream and foot cream and they also produce hair serum, and this industry also could serve as a service and that would be in the form of a beauty salon which is a place that consumers go to get their hair done or dyed professionally and the spa which is a service place that consumers go to for relaxation.

The beauty industry is a huge industry that women all over the world obsess over. For the reason that, consumers usually feel that it enhances their features which makes them more appealing to look at and even prettier. Thus, making the industry one of the hardest to get into and be successful at. Especially in the Egyptian market as there are many procedures and licenses that every cosmetics company all over the world and in Egypt must obtain in order to be able to operate as the ingredients inside every product could cause many problems if not done right. Although it is an extremely hard market to get into there are many startup companies inside Egypt that makes the competition intense however the failure rate is fairly high.

## **Significant trends.**

These are some of the new trends that will change the makeup industry forever.

* **Artificial intelligence (AI) in makeup.**

Many companies nowadays are including artificial intelligence in their processes to enhance the consumer experience. Such as Maybelline the huge make up brand that allows the consumers to try lipsticks virtually through their application on the phone. The consumer just has to open the camera and choose the colors of the lipsticks available by Maybelline. And this is extremely helpful for the consumers, as they are able to pick the color they want and see if it matches their skin tones while shopping online and not having to go out of their house to see the color in real life. This also benefits the company as the returns and the complaints are always less. Another company’s rare beauty allows the customer to try the foundation shades through the same AI technology from the phone camera.

The first cosmetics company that incorporated AI in their processes was perfect corp back in 2014.

* **Personalization.**

Nowadays personalization in the makeup industry is easier than ever. It is easier for makeup brands to put out standardized makeup products such as the same collection of lip shades pr blushes. However, when a product is personalized consumers are more willing to pay more attention to it. Furthermore, many makeup and beauty brands nowadays offer to personalize some make up items for their consumers by making them take a quiz about some of their favorite make up items o their favorite color and based on their answers every consumer gets a different recommendation. Some brands even allow the consumers to go inside their factories and make their own lipstick shades or even make their own signature perfume sent. And that guaranties that the customer is highly satisfied with the product as well as that they would most likely be loyal to the company.

* **Sustainability.**

Another important event that took place recently inside the beauty industry is sustainability as having sustainable products that contain a recyclable package or packaging that is ecofriendly is highly important as it saves nature and is less harmful. Moreover, make up products or skin care products that do not contribute to animal cruelty which is testing on animals is also very important for every beauty brand. As consumers will refuse to purchase if they think that this particular company is participating in harming our plant this will lead to lower sales and bad brand reputation of the company.

## **Growth rate.**

Amanda is a brand that was invented by Misr company for cosmetics. It has not been sold over to any other beauty company. And it has been growing since the day it launched. Of course, at first it started to grow at a low pace as many people did not know about the brand. However, some Egyptian consumers were well aware of Misr cosmetics company. Which allowed the business to grow and open many stores inside Egypt. Including inside bug malls as Mall of Egypt, and Mall of Arabia. Amanda is now making stable sales and consumers frequently go to them for trusted make-up purchases.

# **Key success factor:**

The key success factor is the elements which the company wouldn’t success without it. Amanda’s key success factors are:

1. Motivation.
2. Loyal customers.
3. Large marketing budget
4. Low production costs
5. High product quality
6. Increase the delivery speed: they deliver their product to the customer door in 5-7 days
7. Contact us: the customers could contact the brand if they have any question or problem with anything.

# **Outlook for the Future:**

Amanda is looking forward to becoming one of the most known makeup brands all over the world, so they are trying to focus on expanding their deliver service to other international countries, they also are trying to make more better packaging to gain good reputation and increase the customers satisfaction, they will start to add more products for hair and body that will also meet the customer requirement. They are looking forward to increasing their monthly sales by calculating their average revenue and number of sales of the previous year. They will try to build a strong relationship with their customer to make them more loyal to their brand. They could also produce products with natural ingredients

# **Stage of growth:**

Amanda is in Growth stage as their product is starting to expand and the competition starts with the other brands. In this phase the marketing campaign changes from making the customers buy in to making a brand presence so that they attract the customers to choose their brand over the competitors.

# **Goals and objectives:**

**Goal:**

The company’s goal is to deliver to the customer their product on time with the best quality to achieve customer satisfaction, they also have other finance goals which is trying to produce many products with lower costs.

**Objectives:**

One of the company’s objectives is the company tries to offer a different range of products with different skin type which will fit all the customer needs.

SMART objectives:

Financial:

Increase their revenue by 12% in 2023.

Achieve 22% increase versus one year earlier.

Marketing:

1. Increase the customer’s satisfaction by 24% from 2019
2. Increase Market share by 12% during 2023.

Operational:

Increase quality by 35% in the next year.

# **Business Strategy**

## **3.1 Desired Image and Position in The Market**

Amanda aims to be the local pioneer of the cosmetics industry in the Egyptian market. Further, Amanda wants to be the brand, Egyptian girls/women trust and use on daily basis. The desired image Amanda is going for is the highest quality with the most affordable prices and with all of this Amanda is going for international standards and not local standards only (Amanda, 2022). Amanda wants to be the leader of local brands in Egypt, and it also wants to have a good position internationally as well as Amanda follows international trends and standards it is applicable for Amanda to compete international brands with the right steps and strategy.

## **3.2 SWOT Analysis**

Internal Analysis:

1. Strengths
* Even with reducing profits Amanda refuses to bring down their products’ quality
* Amanda offers training and development to enhance its employees’ career path
* Amanda offers medical insurance to its employees which will develop loyal employees
* Amanda offers vaccines to its employees
* Amanda offers the latest trends in cosmetics to its customers
* Amanda uses the latest technology used in the cosmetics industry
1. Weaknesses
* Difficulty in increasing customer base due to financial risks customers face
* Forced to reduce profits to keep up with the market conditions
* A good number of people give Amanda bad reviews either for Amanda’s quality or not getting the shade they ordered
* There is still a gap between Amanda’s quality and international brands quality that serve the same level of customers

External Analysis:

1. Opportunities
* The cosmetics industry is growing very fast in Egypt with over $5.44 Billion sales
* Decline in cosmetics products imports in Egypt
* An increase in the Egyptian population
* Growth in the industry due to the change in lifestyle in Egypt
* Who are under 15 years old there is an increase in their demand size
1. Threats
* Declination of Egyptian pound
* Amanda has to keep their low-price strategy while still attaining same quality to not lose any customer; however, with how the economy is going Amanda is losing money
* Difficulty in importing raw materials due to Russian’s war in Ukraine
* CBE’s aggressive regulations on imports and foreign currency exchange.

# **Company product and service**

**Description:**

**Product features:**

The Egyptian company Amanda produces many products with the highest quality standard and technology. Which is imported from Europe’s leading cosmetic factories, they produce a vast range of products such as their iconic lip balm which contains Shea butter and vitamin E, and their soft on the skin primer which corrects and conceals the red skin on the face. As well as hand cream that helps in many ways to improve the skin such as hydrating the skin. Their foundation and BB cream that come in many different shades. Moving forward, Amanda also produces other products for the lips such as, their lip balm and lip stick that is produced in different colors such as pink and brown which will be suitable for everyone and every skin tone. They even have blush in different formulas such as powder blush and cream blush. They also have stick highlighter and cream highlighter as well as many more other products and that shows that Amanda is focusing on making many different products with the same effect just to satisfy their customer needs as all women aren’t the same and don’t prefer the same products.

**Customers benefit:**

1. Hydrating skin:

Amanda is selling many hands cream with Shea butter and Vitamin E which help in moisturizing and hydrating the customer skin, it also product the customer skin from the outside environment such as dryness.

1. Conceal the skin redness:

Amanda sells a primer which helps in correct and conceal skin redness and clear complexion, it also protects the skin from the sunlight rays as it has SPF12+, that infused with green tea extract it has the ability to regulate excess sebum in oily skin.

1. Halal nail polish:

Amanda provides also breathable nail polish which allows air and water to pass through nail polish and it is also high coverage and fast drying.

1. Anti-frizz hair:

The customer could have anti frizz hair by using Amanda’s serum, it helps also in easy styling, glamour shine, extra strength, frizz defense.

**Warrantees and guarantees:**

They use international standard to make produce their products, so it doesn’t have any side effects on their customer

**Unique selling proposition:**

Amanda is selling their product offer in premium packaging with the lowest price for an integrated product with international standard. Besides the offers and discounts that they always make. Their lipsticks contain jojoba oils which helps in hydrating, their products are long lasting up to 6 hours. And their products (foundation, lipsticks, lip balm, Etc) comes in many different shades, the lipsticks are available in 28 shades, while the foundation in 17 shades. they also provide breathable nail polish which allows the air and water to pass, while it also is high coverage and fast drying and long lasting, it is available in 50 different shades.

**Description of production process:**

**Future product Offerings:**

Amanda will to increase their products which will have different benefits to all the skin types. They will also make their products with better smell,

# **Marketing strategy**

## **7.1 Target Market**

A target market is a group of consumers that is most likely to be interested in a specific product or service. Amanda is targeting mainly females who like care about their appearance, looks, and like to put makeup and care about their skin care

### **7.1.1 Demographic profile**

Age: From 18 and above

Income: From 2500 and above per month

Gender: Females

Occupation: all types of occupation

Class: B Class

## **7.2 Customer’s motivation to buy**

A customer’s motivation to buy is what influence costumers to buy or purchase a specific product or have a specific service, it refers to the opportunities that customers take advantage of and the benefits accordingly they buy product or seek a service. Amanda is one of the largest cosmetics brands in Egypt that known for its quality products. Amanda also as cosmetics brand is providing too many options for their Costumer in the beauty range as Amanda offers many products with different types like providing many shades in foundation, Blush in both powder and liquid, also providing a wide color variety of their lipsticks. Amanda offers their products at a relatively low price. Amanda motivates their customers by providing high quality products with a variety of options at low price.

## **7.3 Market size & Trends**

Market trend is the perceived direction of price movements over a specific time period. Market trends apply to all assets and markets where prices or volumes bought and sold change. Amanda is providing cosmetics and beauty related products in the market as the market of cosmetics isn’t a necessity it is unstable due to the economic state and the customers wants and needs as a example the decline sales of cosmetics that happen during COVID-19 pandemic.

Market size refers to the maximum total number of sales or customers that the company can reach in a given year. Before launching a new product line or line of business, knowing the potential market size can help the company determine whether it’s a worthwhile investment of their time and money or not. Amanda as cosmetics brand has a large market these days as customers are more willing to buy beauty related products and globally the cosmetics market size reach 37.1$ billion in 2022 and it will have a higher market size in 2023 (Fortune business insights, 2022).

## **7.4 Generic strategy**

Cost leadership occurs when a company is the low-priced category leader. To achieve this without reducing revenue, a company must cut costs in all other areas of the business, including marketing, distribution, and packaging (Valipour, 2015). A cost leadership strategy is a business’s plan to become the lowest-cost provider in its industry or market.

For cost focus it is the strategy in which the lowest cost is charged to a specific customer segment in order to attract and retain them. Companies that use Focus strategies focus on specific niche markets and develop specific low-cost or well-specified products for the market by understanding the structure of that market and the unique needs of customers within it. Cost focus focuses on lowering costs, increasing financial efficiency, and offering enticingly low prices, thereby increasing the markup price of their product or service (Valipour, 2015).

The differentiation strategy Is the method by which the company distinguishes itself from other similar competitors in the market (Mwabu & Munyoki, 2022). Typically, it entails emphasizing a significant difference between the company and its competitors and the potential clients must value that distinction. A strong differentiator will give the company a competitive advantage.
Focus differentiation strategy involves targeting a small group of consumers with unique offers (Mwabu & Munyoki, 2022). The goal of the focus differentiation strategy is to focus efforts on a narrow and specific market segment. The approach emphasizes the need to deliver products that are more innovative, better, or valuable than the competition.

Amanda is using cost leadership strategy as it tries to create competitive advantage by offering their products with a relatively low price in market compared to its competitors in order to gain quick brand recognition, expanding customer base, encouraging consumption, and achieving sales target by focusing on affordability.

### **7.4.1 How large is the Market?**

It is a very large market as many women are consuming makeup every day and became a need as a part of women’s lifestyle. Amanda is one of the first cosmetics brands in Egypt, so it has large market share in the Egyptian market as it has a huge customer base than other competitors.

### **7.4.2 It is growing or shrinking?**

Cosmetics industry is growing hugely everyday as the lifestyle of women changed and the consumption for cosmetics became a part of every woman routine, so it grows widely more every day and still is going to be growing.

**Advertising and promotion:**

**Media used:**

1. Direct Marketing:

It is the company communicates directly with their customers without a third party, such as direct selling and Email marketing. Amanda could send Emails with their new promotions.

1. Social advertising:

It is the company targeting their customer through social media such as Facebook and Instagram and Twitter or even google. Amanda could communicate with the customers who are using internet through the social media. It could also be shown as ads for customers who didn’t know the brand so the company could expand its market share.

**Media costs:**

Their media costs could be around 20,000 EGP.

**Frequency of using the advertisement:**

Frequency is important for the company’s market share, as by increasing the frequency of the advertisement they could increase the customers interaction with the company by showing them in the advertisements about their products and its benefits, and how their products differ from others which in the same category. So, the advertisement could appear every 4 hours.

**Plans for generating publicity:**

1. Billboard: it is a huge panel which is the street, it is located at the high traffic areas. It could create a broadcasting to the company for many people at the same time.

## **Pricing**

A pricing strategy is defined as a method that is to be used to establish the most suitable price for a good or a service (Faith, 2018). Any entity must be on high alert while they are choosing the best pricing strategy for their products. As many consumers nowadays certainly assume that high price points will automatically mean that the product is guaranteed to be of high quality and attributes. And vice versa the low-priced products means that the product is of low quality. With that being said a well-established pricing strategy will aid Amanda in increasing their profit to its full potential while at the same time maximizing their sales and maintaining the overall satisfaction of their consumers. Upon setting the price Amanda ensures that it will consider some of the following factors as they have a huge impact on how the consumer perceives the make-up products as well as the frequency of purchase. These factors might include the cost that is paid by them such as the production and the delivery cost. The competitors’ pricing, and the consumers’ perception of the expected price that will be set.

A well-thought-out pricing strategy must be set in order to make the most out of the sales and be able to compete in such an intense market. There are two types of pricing strategies according to (AlJazzazen, 2019). The first being price skimming, in which the prices are set higher than normal in order to attract customers who are able to afford the product and maximize short term profits. And on the other hand, penetration pricing is when the prices are set at a lower rate in order to build a well-maintained customer base. With that being said, choosing the best pricing strategy will help the brand in setting a price that will not be that high that consumers will refuse to buy thus loss. And will not be too low so that the consumers will not mistake it for a cheap product that will not work as other competitors’ products.

Amanda utilizes penetration pricing as it will set low prices as to show that as an Egyptian brand with high quality makeup products and at affordable prices every girl and women can feel and look empowered. And that will contribute to the fact that this strategy will gain the attention of the consumers and at the same time will make Amanda gain a high market share among every company in the same industry.

## **Distribution strategy.**

According to Valipour, *et al* (2015), there are three types of distribution strategies. And that would include intensive, selective, and exclusive. The process of the intensive distribution goes as follows, the manufacture or the company tries to distribute their products to many outlets as much as possible. The selective distribution process is a little different as in this case the company tries to select specific outlets in certain locations in order to appeal more to their target segment. And the exclusive distribution strategy is when the company limit the outlets that they will be distributing to. However, in our case of the brand. Amanda’s products are well distributed inside Egypt as they sell their makeup and skin care products through their outlets inside malls as Mall of Egypt and Mall of Arabia. As well as through their own personal website. While Amanda targets classes (B, C) or middle to low-income women and girls, Amanda will employ an intensive distribution strategy as their aim is to distribute and sell their products in many out lets as possible. Thus, being able to reach the customers wherever they want.

# **Pest Analysis.**

According to Pan et al (2019) PEST Analysis is used to study and investigate the external business setting that will impact the enterprise. Additionally, PEST addresses four exterior factors: political, economic, social, and technological. PEST Analysis aids in identifying the problems that a business may encounter, thereby providing a significant benefit for strategic management. Also, PEST primarily provides enterprises with a thorough examination of the surrounding environment in which they function (Matovic, 2020). Additionally, PEST is crucial in identifying the business plan that the company will pursue.

# **8.1. Political Factors**

According to Matovic (2020), it is safe to assume that problems about political stability inside the market should be addressed first when studying this element. Next are local laws, tax laws, foreign trade regulations, and company regulations. It is also suggested that market obstacles and potential dangers should be researched in this element.

**Political Factors Threats:**

• The War between Russia and Ukraine: As Amanda nearly gets all its raw materials from European countries; the war became a threat to Amanda as the European countries were the most distressed and threatened countries by the war (Amanda, 2022; Prohorovs, 2022). This war consequently hindered trade in Europe, which had a consequence on any and all firms that operate in Europe or have relations with it there. As a result, these businesses had to adjust to these effects and modify their strategies and activities. Additionally, the financial limitations that Russia has set in place have had a severe impact on enterprises.

• Corporate Income Tax Egyptian rate: Egypt reached a CIT rate of 22.5% in 2022, which is higher compared to other Middle Eastern nations. This can deter companies from operating in the sector and force them to raise their pricing (Shawki, 2022).

## **8.2. Economic Factors**

According to Pen et al. (2019), enterprises' efficiency has a strong relationship with economic variations; Economic effects can be seen from a variety of angles, including how banks finance businesses, unemployment rates, employees' energy, and the quality of their work (Matovic, 2020). Additionally, among all of these variables, income is amongst the most significant ones that influences business plans. Furthermore, each of these economic considerations places restrictions on businesses and the way they should do business.

Economic Factors Threats:

• Low Income: It is a major issue that 32.5% of Egyptians live on an average income of less than $1.50 per day. This will have an effect on the sector as a whole since many Egyptians, who have modest incomes, will most probably sacrifice their want for cosmetics to fulfil their basic needs such as food. Additionally, Egypt has a high rate of poverty; as a result, cosmetics industry is at risk if businesses fail to adapt to the demands of the market and offer competitive affordable price rates (Dunne, 2020). However, Amanda is having this competitive edge in prices as it is its motive to offer the best quality with the most affordable price (Amanda, 2022).

• Rates of Unemployment: According to the Central Agency for Public Mobilization and Statistics (CAPMAS), Egypt's unemployment rate remained steady in the second quarter at 7.2%, which is still quite high (Daily News, 2022). Additionally, a high level of unemployment rate has a negative impact on the market, particularly for high-end items with moderate to high pricing. As the BBC noted in 2022, a high unemployment rate will have a detrimental effect on enterprises in a number of ways, including the possibility that customers will move to considerably less expensive goods to satisfy their needs. Furthermore, businesses that sell cosmetics products may be impacted since they could lose a lot of clients as a result.

• Rates of Inflation: A shocking 15% was recorded by Egypt's inflation rate in October 2022, according to Trading Economics. This means that the greater the inflation rates get a decrease in demand levels and slower economic growth, both of which will raise prices. Amanda can suffer from this as raw materials, gas, and machinery prices will increase.

## **8.3. Social Factors**

Social factors provide unambiguous answers to the most important concerns regarding customer demographics, the effects of religion, the nation's culture, what people like and what is trending, etc., social aspects have a huge impact on the overall assessment of businesses (Matovic, 2020).

Social Factors Opportunities:

• Growth in Population: Despite the challenges that come with being the most populated country in Africa, Egypt presents an opportunity for firms, as it will allow them to focus on a wider range of potential clients and help the country's economy thrive (Momin, 2020). Moreover, Amanda can benefit from this by expanding its market size and have a bigger customer base.

• Geographically Accessible Customers: To sell its goods, a company can either open its own store or find a retailer; a retailer could be a store like Mazaya or a pharmacy. However, the majority of companies in the cosmetics sector sell both directly to consumers and through retailer storefronts. Additionally, since there are almost always cosmetic retailers nearby along with shopping malls, this will make it easier for any cosmetic company to locate their customers. According to Oxford Business Group, Cairo alone is home to more than 20 malls, thus Amanda could have a fantastic chance to target clients there.

• Makeup Trends: An on-going trend for enhancing appearance using makeup has been in Egypt for some time now. Further, the size of cosmetic industry in Egypt is highly influenced by the change in lifestyle and the need to enhance the physical appearance (Allied Market Research, 2022). Thus, Amanda can also benefit from this as the market size for the industry keeps on growing rapidly.

## **8.4. Technological Factors**

Nowadays, technology is regarded as one of the most crucial components in any firm given the aggressive usage of IT tools and software to meet market demands and requirements. Organizations must also include technological components in their infrastructure, not just for external use, but with how the enormous potential for accessing data and how broadly it is available; organizations' technologies need to be well developed (Matovic, 2020).

Technological Factors Opportunities:

• ERP Systems: ERP systems, according to McCue in 2022, are a necessity for any firm today since they can be used for a variety of purposes, including accounting, stock control, budgeting, purchasing, supply chain management, etc. Additionally, this will have an effect on the Amanda because it will make it easier for it to operate.

• Recycled Materials: According to Grabenhofer (2018) the cosmetic industry is going for a green approach and increasing sustainability in their production. Further, the trend is going towards recycled products and wastes from food to be used later on as ingredients for cosmetic products. Amanda can benefit from this as if Amanda used the green approach customers will invest more in it as they will see Amanda as a great role model for companies. Furthermore, Amanda will also attract a different type of customers who have a concern for the environment.

• AI in Discovering Ingredients: Grabenhofer (2018) mentioned how AI tools can help in discovering new materials and reduce the amount taken in discovering.

• Microbiomes and Cosmetics: Companies are attempting to transform the potential of the microbiome into goods that affect the wellbeing of consumers as research links microbiome traits with elements of human health, appearance, and upbringing. Further, companies are tending to improve their products quality by studying the microbiome (Grabenhofer, 2018); and Amanda can definitely use this technology to its benefit.

# **10. competitor analysis**

## **Existing competitors**

**9.1 Existing competitors:**
Amanda's existing competitors are cosmetics brands of the same size in Egypt like Luna and Cybele is the top competitor for Amanda is Luna as it offers similar products with similar prices.

**Luna**

**Strengths:**

**Competitive prices:** Luna offers products with very low prices compared to competitors in the same field.

**Variety of products:** Luna provides a wide range of products with different options like colors & textures.

**Product quality:** Despite the low price of its products Luna provides a good quality product compared to its prices.

**Weaknesses:**

**Weak website:** in the age of e-commerce Luna still didn't have a website for ordering and offering their products.

**Poor social media presence:** In comparison to competitors Luna doesn’t have a very prominent social presence so customers can’t have updates about the brand and what's the new products.

## **Potential commutators**

The makeup industry is by far one of the most fast-growing markets that is existing today, with that statement being said the level of entrance is extremely high thus, giving Amanda the disadvantage of being in a highly competitive and low barriers of entry market and that would lead to high chance of risk or failure. However, Amanda is competitive in terms of pricing as the brand provides low prices with significantly high quality in comparison with its competition either direct or indirect.

However, Amanda should be worried of the indirect competition such as high end make up brands, such as rare beauty, Huda beauty, Dior, and many more as they would provide higher prices, yet they are global brands that are well trusted and known thus, gaining customer loyalty and trust fast.

Also, Amanda should also consider the aesthetic doctors as they would provide the women the same need which is intensified beauty through surgeries, providing medication, lip, cheek, or under eye filler with the factor of permanence and for that reason they would provide the same satisfaction as Amanda.

## **Competitive analysis comparison table**

|  |  |  |
| --- | --- | --- |
| **Amanda** | **Cybele**  | **Joviality**  |

|  |
| --- |
|  **Competitive Profile Matrix (CPM)** |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Critical success factor  | weight | Score of Amanda company | Weighted score of Amanda company  | Score of Cybele company | Weighted score of Cybele company | Score of Joviality company | Weighted score of Joviality company |
| Quality of the product | 0.05 | 3.00 | 0.15 | 4.00 | 0.20 | 3.00 | 0.20 |
| Market share | 0.20 | 4.00 | 0.80 | 2.00 | 0.40 | 3.00 | 0.60 |
| marketing | 0.10 | 3.00 | 0.30 | 4.00 | 0.40 | 3.00 | 0.30 |
| Price of the product | 0.20 | 2.00 | 0.40 | 4.00 | 0.80 | 2.00 | 0.40 |
| delivery | 0.05 | 3.00 | 0.20 | 4.00 | 0.15 | 3.00 | 0.15 |
| Customer loyality | 0.10 | 2.00 | 0.20 | 3.00 | 0.30 | 4.00 | 0.40 |
| Brand reputation | 0.10 | 3.00 | 0.30 | 4.00 | 0.40 | 4.00 | 0.30 |
| CSR | 0.20 | 4.00 | 0.80 | 3.00 | 0.60 | 3.00 | 0.60 |
| Total | 1.00 |  | 3.15 |  | 3.25 |  | 3.00 |

The competitive profile matrix is used to compare the company performance through some critical success factors with the performance of other competitors that are in the same industry and level. The critical success factors are the quality of the product, market share, marketing, price of the product, delivery, customer loyalty, brand reputation and CSR. The competitive profile matrix composed of the critical success factor and its weight then there are two columns for each company the first column represents the score of the company and the second column is calculated from the score of the company multiply the weight of the factor after that we can conclude the best company from the total number of the weighted score.

In observation we can dedicate that the Amanda is the best cement company. For instance, the Amanda company is better than Cybele at delivering the products. The Amanda company showed improvement compared to Cybele and Joviality company. By showing all the progress in these factors we can conclude why the Amanda company leads the market than any other company.

# **11. guerrilla marketing**

Amanda will put an interactive screen in a shopping mall or in a crowded place. The interactive screen will have instructions and each person who interacts with the screen has to follow. Further, the screen will show two celebrities and the girl who is interacting with the screen has to choose her favorite celebrity from the two. Then after the girl chooses another celebrity will appear next to the one, she already chose, and she will have to choose again. Like, a picture of Kim Kardashian and a picture of Lady Gaga will appear and the girl will choose her favorite. Further, after three rounds the celebrity the girl finally chooses as her favorite, the screen will show a text saying, “LOOK DOWN”. And, under the screen there is a place where the product comes out from as it is just like a vending machine, and surprisingly the same shade of lipstick the celebrity is wearing in the shown picture will come out and consumer can take it for free.

This will show how that Amanda provides all the shades you see your favorite celebrities wearing.

# **12. financial forecasts**

No financial recorders for Amanda were found.

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