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Enhancing the Marketing Strategy for “Productive Families” in Egypt / "من أجل تحسين استراتيجية التسويق للأسر المنتجة" في مصر

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THE PUBLIC POLICY **HUB**

Enhancing the Marketing Strategy for “Productive Families” in Egypt

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I. Executive Summary

With a total population exceeding 95 million, around 30% of the Egyptians live below the poverty line (World Bank, 2017). The Ministry of Social Solidarity (MOSS), whose responsibilities include social protection and development, (MOSS, 2018) encompasses a department dedicated to job creation and micro-business, given their importance in enhancing the livelihoods of the poor and boosting the national economy.

This paper sheds light on the Productive Families Program, one of the initiatives by MOSS to combat poverty. The program was created with the aim of enhancing the economic capacities of poor families who are capable of developing productive skills through providing them with the resources, trainings, and funds to contribute with various products or services, including handicrafts. Currently, there are around 2.7 registered families under this program and who depend on this program for their livelihood. Therefore, it has become one of the ministry's top priorities to resolve its inefficiencies.

The Productive Families Program has been struggling to succeed due to a number of internal and external factors. These include macro-level challenges such as the program structure and the overarching laws, as well as micro-level difficulties, including quality control and revenue streams. With a considerable percentage of the underprivileged relying on this program as a source of income, its inefficiencies lead to a tremendous loss in producing power on the family's side and a waste of funds on the governmental side. This in turn negatively affects not only the lives of the families who fail to sell their products, but the Egyptian economy altogether.

This paper tackles in particular the marketing strategy of the program, which directly affects the sales volume and revenue streams. While studying the Egyptian case, researchers reflect on two international best practices, in China and India, which are taken into consideration while formulating the suggested policy alternatives to guarantee sustainable sales growth. The study recommends adopting a customer-oriented approach, demand-driven strategies and up-to-date technologies to help in bridging the market gaps, offer cost-efficient solutions, and attain substantial profits.

II. Background

A. The Productive Families Program under MOSS

A productive family is defined as a group of linked individuals who produce or are capable of producing goods and services that have monetary or exchange values. Interviews with stakeholders revealed that most of the Productive Families in Egypt are single-headed households, mostly led by women who do their best to raise their kids in the absence of the traditional breadwinner, namely the man. That does not mean that men are not present in this program; yet, women are the prevailing majority. Nevertheless, Small and Medium Enterprises (SMEs) are mostly ambitious initiatives either led by young people or professional handicraft workers who decide to take the risk and start their own business, either by choice or because they could not find a job elsewhere. This means that the main objective of an ideal Productive Family is to provide a product or a service to secure an income for the sake of supporting the household.

The collected data showed that MOSS in Egypt launched the Productive Families Program in 1964 (54 years ago) (MOSS, 2018) as a long-term strategy and sustainable solution for families that suffer from severe poverty. Originally, the program aimed to decrease unemployment, reduce the burden of the state, and boost the economy, said a public official. According to MOSS's website, about 2.7 families benefited from the Productive Families Program since its start.

Whereas the program is vital for the survival of the registered families, it is grappling with a number of obstacles:

- **First**, families who receive financial aid from the Ministry of Social Solidarity are expected to be independent after reaching a sales revenue of 54,000 EGP per year. In other words, those families are expected to start producing, marketing, and selling their products without any further support from the government; whereas MOSS was previously responsible for providing the resources, funding, training centers, working spaces, and sales venues. As these families are not taught to run their own businesses and fail to sustain their activity independently, losing MOSS support is perceived as a punishment for doing well, expressed a beneficiary.
- **Second**, MOSS invests tremendous amounts of money to hold national and international exhibitions to close the business cycle and sell the outputs of Productive Families. Consequently, a considerable portion of the allocated funds that should go to supporting more families and training more capacities is spent on marketing the products of current beneficiaries, as it is the only sales channel available.
- **Third**, funding is given to families on a lending basis; they are expected to pay it back from their sales revenues. While the products are decided on by the ministry as per the resources available in the family's environment, many fail to sell their products; hence fail to make money and cannot pay their debts.

Consequently, MOSS loses part of its capital that is supposed to be increased, which results in their inability to support the same amount of families.

- **Fourth**, the monitoring and evaluation reports are issued by the same ministerial employees who run the program and do not reflect the real situation on the ground. Those employees have a conflict of interest and their data is collected from affiliated NGOs, who share only the success stories. MOSS employees publish regular follow-up reports that are not always based on concrete data collected. Hence, we can say with confidence that the follow-up reports might give misleading information.

- **Fifth**, most of the fairs organized by MOSS are solely driven by VIP visitors who receive direct invitations from the ministry. The first day is dedicated to these VIPs, including spouses of foreign ambassadors and of multinational companies' CEOs, actors and actresses, and TV presenters. In the last fair in Cairo 'Diarna,' held in December 2017, media coverage of that day resulted in increased sales in the following two days, stated a public official. However, this rate decreased for the rest of the month, making it an unsustainable marketing tool.

- Sixth, the direct engagement and communication between end beneficiaries (producing families) and MOSS is very limited. The ministry hires local NGOs who act as intermediaries in the process. Assigned NGOs are responsible for selecting families in their geographical areas to register for the program and receive financial and facilities' support from the ministry. Also, NGOs are given the responsibility of collecting produced goods to be sold at the exhibition, setting the prices, as well as reporting on the progress, i.e. success, of the program. These NGO representatives shed light on the successful models only and neglect the struggling families.

B. International Best Practices

Relying on minor productions to eradicate poverty and boost the national economy is a strategy that has been adapted by various emerging economies. Amongst the most successful models are China and India, which are further elaborated on below.

1. China

China is a country that is tremendously suffering from the vast population growth, similar to Egypt. Adopting a countrywide approach for supporting micro and small businesses, it has been successfully contributing to the lives of the poor majority while boosting the local economy. In September 2017, Prime Minister Li Keqiang sought to support micro and small businesses by introducing new policies, the most successful of which include: (Chen, 2006)

- VAT exemption on self-employed small and micro businesses were expanded from 100,000 yuan to 1 million yuan until Dec 2019 (1 yuan = 2.78 EGP= 0.16 USD)

- Tax exemption on loans for small and macro businesses with monthly sales volume of less than 30,000 yuan are extended to 2020
- Loans include ownership of personal shops and workshops, unlike Egypt where NGOs receive loans to give families the production materials only, and the ownership of the workshop remains with the NGO or MOSS.

2. India

India's focus on Micro, Small and Medium Enterprises (MSMEs) is driven by two factors: (1) generating employability and (2) generating income. With India's complex society and structure of integration, the country is facing a huge problem in policy integration and its effect on MSMEs. Yet the number of employees in the MSME sector in India has grown from 29.5 M to 62.6 M between 2005 and 2009, putting a great emphasis on this sector for employment generation to the Indian government. (Jahanshahi et al., 2011).

In its successful attempt to support MSMEs, the Indian government worked on the following:

- Focusing on Entrepreneurship Development Programs (EDP)
- Identifying small industrial clusters (specialized villages for certain products)
- Offering free collateral credit guarantee loans to micro businesses.
- Consulting stakeholders in 2000 for the selection of the product types, significantly reducing the variety of products, which led the production to be more demand-driven rather than supply driven.
- Creating the National Manufacturing Competitiveness Council (NMCC), that was set up to energize and sustain the growth of the newly formed industrial clusters.
- Formulating legislations to facilitate MSMEs ability to obtain credit from banks to ensure the sustainable studied flow of financial resources to the sector.

C. Strategic Marketing

Speaking of marketing, usually the famous 4Ps (Product, Price, Place, Promotion) come to mind. However, most scholars argue that the mainstream marketing mix has become obsolete and ignores the core of a successful business, namely consumer needs. Lauterborn (1990) characterizes a successful marketing strategy by being demand-oriented, first. It starts by examining what the customer is looking for and then decides on the product accordingly, i.e. an enterprise shall be about filling a gap in the market. Therefore, (Lauterborn, 1990 and Jan, 2002) speak of the '4Cs' as an alternative to the 4Ps. The 4Cs reflect a change in ideology from a supply-oriented to a 'customer-focus management' (Jan, 2002), i.e. a demand-oriented marketing strategy, where consumer behavior is what directs the business. Hence, product changed to 'customer solution', price turned into 'customer cost', place moved to customer 'convenience' and promotion became 'communication' (Lauterborn, 1990 and Jan, 2002). In the Productive Families Program, families are still asked to produce based on the

resources available in their area, without any consideration to the market needs or demand for those products, as explained by a public official.

Taking this a step further, in a global world with saturated markets, Goldsmith (1999) introduced the concept of product personalization, as a more attractive offering for consumers. This requires a combination of product and service marketing, which sheds light on the sales personnel and procedure, adding two new aspects to the 4 Cs. Ster (1993) also linked them to the concept of 'retail marketing,' which highlights logistical and commercial features. For physical retail outlets in particular, businesses need to consider the location of the outlet, the display of the items and the sales representatives on the ground, as well as the product variation, quality, price, and promotion. Nonetheless, Bhatt and Emdad (2001) redefined the marketing mix to keep up with digitalization, i.e. virtual business platforms. They explained that the 4Ps should be alternated accordingly. Productive Families are mostly about handicrafts, which already allows for customized and personalized products; however, this is currently not taking place. Additionally, as stated by a public official, the selling only occurs through the ministry's dedicated shops and fairs, represented by the NGOs or ministry employees.

When it comes to small businesses, the studied marketing strategies are not implemented. These businesses may be run by one or few owners who lack the business knowledge and marketing expertise, a phenomena Brooks et al. (2012) referred to as 'resource poverty.' This is particularly relevant to the productions run by poor families. Therefore, such enterprises do not really market for their products, but rather adapt a strategy of trial and error. They rely on a subjective view to produce and then look for demand or a sales channel to take over this task, especially due to the lack of operation funds. They merely measure their success by monitoring the sales volume that is not even demand-oriented.

Hence, their measured aspects cannot be perceived as a correct reflection of the future growth of the business. (Brooks et al., 2012) The Productive Families Program is currently run with the same approach.

Going for the cheapest marketing strategy or not having one at all may not just be ineffective, but may even hurt the company's image and the owners find themselves paying even more to fix it. (Asquith, 2014)

D. Stakeholder Analysis

1. The Ministry of Social Solidarity (MOSS):

The ministry is the entity responsible for designing the program policy and direction. Yet MOSS runs multiple programs at the same time. The Productive Families Program is one division under one of three strategic programs that are being conducted, said a public official.

2. NGOs

Only one NGO is working with MOSS on this program in each governorate where it is responsible for the management and acting as a legal umbrella for the beneficiaries. It is the sole entity acting as intermediary, receiving the funding from the ministry, operating the production on their premises, and taking the products from the families. Yet, other NGOs can register as a regular NGO and can add the Productive Families Program as one of its activities.

The NGOs that manage the Productive Families Program also run other programs simultaneously. These NGOs lack internal management skills, sufficient number of employees to follow up on the work as well as the technical skills to be able to judge the quality of each of these products, expressed a beneficiary.

3. Families:

There is no defined criteria for selecting a Productive Family. “Anyone (family or individual) can register for the program,” said a public official. They simply go to the NGO for the paperwork and deliver their products to be displayed either in their permanent shops or in one of the big temporary fairs sponsored by MOSS.

The families who are in this program are usually housewives who produce some products at home or at any NGO center and then give the NGO the products and collect the profit once the NGO sells the item/s. Usually this is not the only source of income these families are dependent on, they often have other jobs and use their free time at home to generate some extra cash.

III. Significance of the Problem

The Productive Families Program was initially created with the objective of enhancing the livelihood of the poor by granting them a source of income.

Nonetheless, this objective is no longer valid. Nowadays, the program accepts anyone who is capable of producing. This service no longer targets the lower social classes, and nor is it focused on supporting poor families. Individuals can also join the program, rendering the title Productive Families Program itself obsolete. Furthermore, there is limited information regarding the assessment of the return on investment (ROI) of the program. The ministry allocates a lot of money into employing staff in its department, creating NGOs that act as intermediaries, providing training services, lending money to the Productive Families to purchase resources, and dedicating venues for permanent or temporary selling. Looking at the ROI, officials often speak of the revenues generated and not the profit margins made. This ignores the fact that there is a high cost involved in the process, which may be in many cases even more than the generated revenues. More importantly, the families are given funding in the form of grants that they are expected to pay back from their sales revenues.

However, many families fail to sell what they produce and end up not generating any income and unable to pay back their debts. Hence, the success or failure of the financial gain of the program is based on misleading data. In addition, the program is becoming less and less attractive to the beneficiaries as there is increasing competition in the market, whereas the number of registered 'families' has been rising, the percentage of active ones i.e. those who actually use the program to make a living, has been diminishing. More NGOs have been active in this field, many of which are more effective and beneficial for the productive individuals than the division under the MOSS. In fact, the whole structure of the Productive Families Program needs to be revisited. The objective and target groups/individuals need to be redefined; competitors must be put in the loop and studied; and the financial model should be profit-based rather than revenue-based.

IV. Problem Statement

Building on the previous, we can see the program struggles with several issues, starting from institutional problems, to funding, poor program management and human capacity development. The government perceives the main problem in marketing the products, which can be easily resolved through developing alternative promotional strategies to increase the sales volume, leading to higher revenues. The problems stated here are related to the program goals.

These also need to be revised taking into consideration the institutional setup of NGOs in relation to both the families and MOSS, in addition to the existing plans of promoting these products in fairs across Egypt. Nonetheless, research has revealed that the obstacles of this program go far beyond promotion. Hence, this paper will focus on generating marketing-related solutions, but also look at the issue from different layers and levels.

A. Quality Control

The products this program supports include garments, handicrafts, accessories, and other food items.

The standard procedure at an NGO in any governorate is that an internal quality control sub-unit of the NGO conducts an assessment of the new products it is recruiting. The only criteria for this assessment is the experience which NGO leaders have acquired managing the program over time. They can expertly organize fairs as an intermediary between families and MOSS; yet, they have no quality control procedures, as stated by a public official. This leads to poor quality products at the end of the day and of course a huge discrepancy between the product qualities depending on the supplying family. NGO employees are only concerned with receiving products and offering them for sale, without any quality measures, for instance local garments ink standards, etc.

What currently exists on the ground are the training centers of MOSS that occasionally support families by offering technical workshops and trainings to develop specific crafts. Nonetheless, it is a one-time training for families and NGOs. In addition, not all families have access to these trainings, as they are located in few governorates. Those who live far away from the center of their specialty may have no access to the workshops. The northern governorates benefit the most from this, compared to the southern governorates of Upper Egypt, whereas most of the handicrafts are produced in Upper Egypt and the living standards there are probably lower, said a public official.

B. Supply vs. Demand

All of these products are created from a supply point of view, with no consideration to the demand side. The program targets families who are capable of creating simple products from resources available in their surroundings, as expressed

by a public official. Then, the NGOs put these products on sale, without concern for whether they are in demand at all, expressed a government official.

To shift to a demand-oriented approach, MOSS must invest in examining the market, establishing quality control units, following up on the latest market trends, and understanding local and international consumers.

To start with, there is no specialized department at an institutional level that looks at the program management strategically. On the contrary, the current strategic approach has been building on the same flaws, which were proven unsuccessful. For instance, the fairs continue to take place at the same times, locations, and with the same representation, although the target sales revenues have not been met. Additionally, not all families have access to participate in all fairs, said a public official, which makes their sales venues very limited.

C. Selling

In the current program design, the families operate from the NGO premises, who have dedicated workshops. Then, the NGO carries the responsibility of selling the outputs, which are presented as follows, as described by a public official:

- In a local NGO store in each governorate
- In one of the governorate fairs
- In a central fair like 'Diarna'

The sales representatives are always from the ministry or the NGO, who are not expert salespeople and have not received any professional training. Additionally, these products mostly target average Egyptian households. Only a small percentage is sold either in international fairs or to international customers in Egypt, due to the low quality. The sales and communication skills of these employees responsible for selling is a bottleneck for reaching out to a larger market.

D. Pricing Model

A public official described the following cycle:

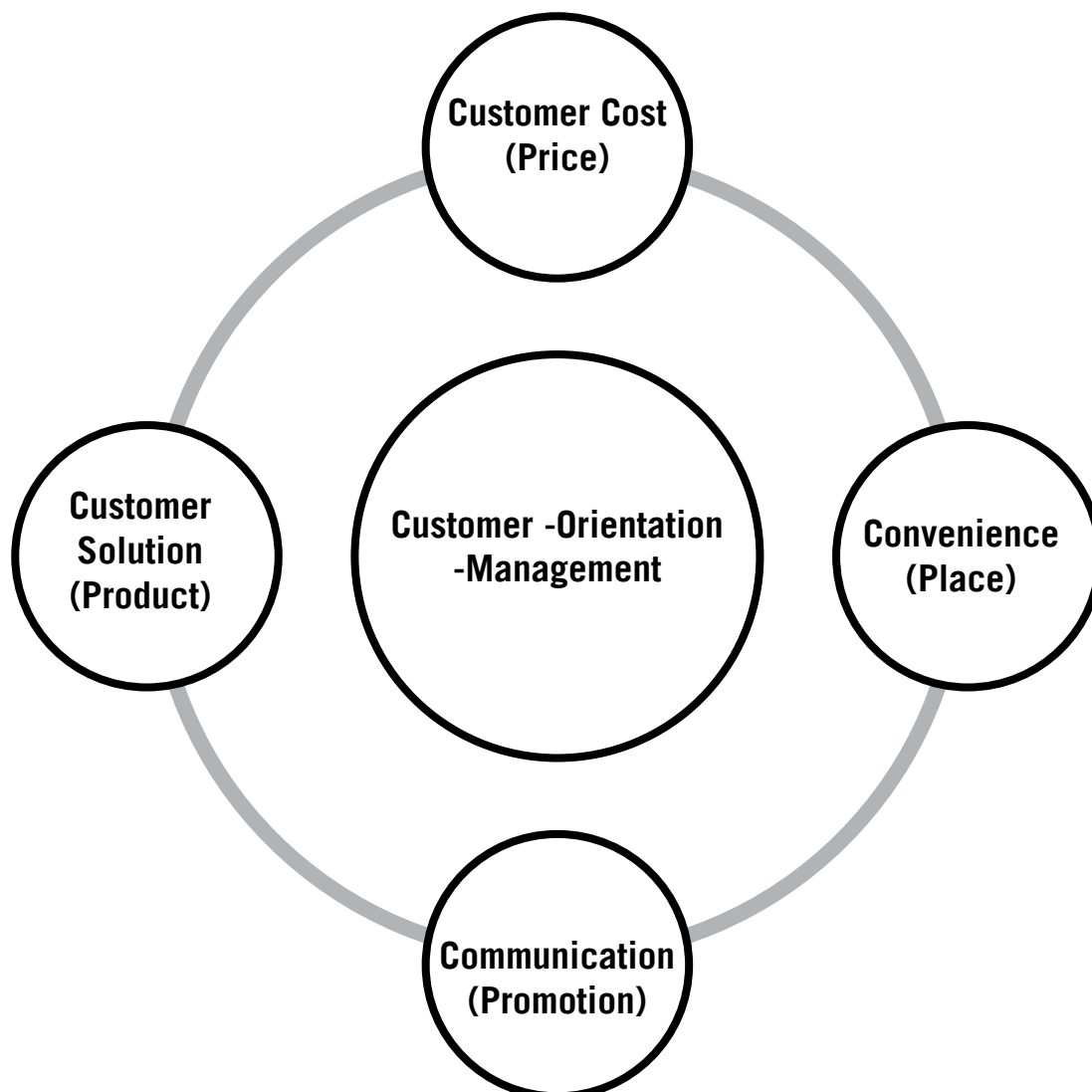
The NGO takes a loan to buy manufacturing materials for the Productive Families. The families give the finished products to the NGO to sell them at their set price. Later, the NGO goes to one of the selling spaces mentioned earlier and tries to sell the products at hand. If the item is sold, the NGO takes 35% of the selling price to reinvest the money to be able to purchase more manufacturing materials and the family takes 65%.

Products are not priced through a competitive strategy by comparing them to local mass-produced items, especially that these items mostly have alternatives produced in automated factories. Yet, working piece by piece and creating handmade products, puts the products at a higher price range than the market average if the program is targeting Egyptian consumers.

V. Analysis of Alternatives

As described above, the Productive Families Program suffers from a number of issues that need to be cumulatively tackled to make it more effective. Nonetheless, this paper focuses on providing alternative policies with regards to the adopted marketing strategy to boost the sales, hence, the revenues – and in turn the income for the poor families.

Based on the above collected data, the authors have developed the below graph as a marketing strategy to guide them through their analysis and recommendations:



As per scholars' recommendations, researchers will adapt a customer-oriented approach in their policy recommendations. The identified customer need will define the product as a solution to filling a market gap. The perception of the appropriate customer cost will guide the pricing strategy. The sales channels will be based on customer convenience, where selected locations will take into account outreach through virtual markets. Promotion will be conducted through interactive communication with the customers.

To start with, a successful and sustainable business requires conducting a market research and a competitive analysis to study the other players in the market as well as consumer needs. Then, a number of activities over a specified timeline should be decided upon to achieve a set objective related to a measurable sales volume. To be efficient it is important to account for resources and make sure to allocate them in a way that covers all set activities (Asquith, 2014).

Additionally, a marketing strategy is not just about targeting new customers or entering new markets. It also includes customer retention, which requires a continuous improvement of the product offering to remain attractive to existing customers and ensure their loyalty. That can be achieved by offering supply extension to include complementary product lines, convenient distribution and after-sale communication. (Rosenberg et al., 1992).

A. Alternative 1: Demand-Oriented Production

Description	Following our above described marketing model, where business is customer-oriented, production should be demand driven. Here, the product offers a solution. It is crucial to first look at what customers need in order to ensure the production is worthy. In other words, starting with the market research will reveal what kind of products the target consumers are looking for and cannot find in the market. Accordingly, the items to be produced by the families will be decided on. Relying on resources without consideration of customer needs is likely to result in unwanted handicrafts that take a lot of time and effort in their creation but then go to waste.
Forecasted consequences	Demand for the Productive Families products will increase, resulting in higher sales, i.e. higher income to the families and a better standard of living.
Advantages	- The Productive Families will be offering products that the market needs and consumers are looking for. Hence, their productions will be more likely to get sold; i.e. the families are more likely to generate income.
Disadvantages	<p>- The modern market may require further skills that the Productive Families lack which means that they must be trained on to obtain new skills and not just to develop their existing ones. This will add to the ministry’s expenses.</p> <p>- Whereas it is more sustainable in the long-run and ensures higher sales for the families, hence, is more promising to their living standards, yet, it entails a short-term sacrifice of income due to the market-research and pre-training needed.</p>

Constraints	<ul style="list-style-type: none"> - Currently, production is based on the resources available in the area of production. Following this approach might result in a lack of availability of on-site resources and nearby training centers. - The ministry's inability or unwillingness to allocate additional funds for training the beneficiaries and providing needed resources.
Political Feasibility	This alternative requires a long-term investment. It depends on the readiness of MOSS to relocate funds or willingness to cooperate with other ministries, or even delegate the program to more successful public entities working on this matter.

B. Alternative 2: Apply Guerilla Marketing

Description	A marketing strategy used in modern promotion. Unlike the traditional print tools, guerilla marketing is about communicating a viral message to the audience using modern technologies at a low budget. This tool grabs customers' attention and enhances product retention. (Creative Guerilla Marketing, 2016) For instance, a supermarket employed this tool to print out pictures of starving children inside their shopping carts, so that customers sympathize with them while buying their own food. This successful campaign pushed many visitors to donate.
Forecasted consequences	Widespread awareness of the Productive Family Program and their quality 'handmade' products for reasonable prices, which will reflect on increased sales.
Advantages	<ul style="list-style-type: none"> - Creating awareness about the program - Reaching out to more customers - Low budget, modern, widespread advertising - Strong word-of-mouth publicity
Disadvantages	- If the message is not clear, it can be easily misinterpreted, which may reflect negatively on the campaign.
Constraints	- Requires creative minds and talented personnel who can come up with campaign ideas that go viral.
Political Feasibility	It is highly feasible as it only requires a small budget and addresses the main concern of MOSS regarding the marketing strategy.

C. Alternative 3: Integrate Production in a further Product-Line

Description	Productive Families may also focus on crafting sub-products that are then integrated in other production lines. For instance, they can produce silk threads and supply textile factories that manufacture silk clothes, or they can produce packaging material that is then used by food factories to package their final product.
Forecasted consequences	Working B2B will ensure high-volume sales and secure long-term incomes as factories are likely to work with suppliers on prolonged contracts.
Advantages	<ul style="list-style-type: none"> - Complementary goods are expected to secure sustainable sales channels because it will be demand-driven. - Locally produced input-goods will be more cost efficient compared to imported ones; especially after the Egyptian pound devaluation. Consequently, it will have a competitive advantage. - Requires less space, investment and marketing activities, and in turn, less expenditure.
Disadvantages	<ul style="list-style-type: none"> - Profit share is limited - Access to leading businessmen in the country needs high level networking .
Constraints	<ul style="list-style-type: none"> - Lack of know-how - The quality level of produced materials - Availability of affordable technical training
Political Feasibility	As a ministerial-led program, it is easy to connect with high profile businessmen and get them on board. However, the ministry may need to offer those businessmen incentives to change their suppliers, at least to get the concept started, until the products coming out of this program gain a trustworthy reputation in the market.

D. Alternative 4: Private-Sector Cooperation

Description	Currently, the supply of the Productive Families is given to the NGOs, which are the only entity responsible for sales. Experienced businessmen can be an alternative sales channel of higher efficiency. They will also be a channel to grant Productive Families access to online and international markets.
Forecasted consequences	The involvement of businessmen will give Productive Families wider access to various markets, nationally and internationally. Also, giving the families a proportion of the profit margin rather than a 'salary' for producing will present a better financial model that is more beneficial for the family's welfare.

Advantages	<ul style="list-style-type: none"> - Wider outreach to customers and easier access to the product - Reaching various markets and social classes through the differentiation in sales channels - Increasing the sales volume by expanding the sales channels - Increasing the income of Productive Families by giving them a share of profit margin and increasing their sales volume.
Disadvantages	<ul style="list-style-type: none"> - Threatening the role of the NGOs and public employees involved in the supply chain - Limited production capability of the families, who may not be able to supply extended markets with their handicrafts, which take time to produce.
Constraints	<ul style="list-style-type: none"> - Bureaucracy in creating partnerships between MOSS and businessmen - Inability of businessmen to take the Productive Families as direct suppliers due to the role of MOSS in the supply-chain.
Political Feasibility	If the model preserves the role of MOSS, it will be welcomed. However, if it tends to eliminate the governmental role, it may not be applicable.

E. Alternative 5: Creating Small Industrial Clusters

Description	Learning from the international best practices, Productive Families can be clustered. Each village becomes specialized in a certain industry and their products are sold collectively.
Forecasted consequences	Families will master their specialization and become known for a certain cluster. Accordingly, they can gain market leadership, not just nationally but also internationally.
Advantages	<ul style="list-style-type: none"> - Specialization will lead to higher quality products. - Families will benefit from economies of scale, which will reflect on their pricing.
Disadvantages	- There is no flexibility on the family's side to work on what they choose or like. They will have to stick to the village's industrial cluster.
Constraints	<ul style="list-style-type: none"> - Productive Families must be trained on the specific industrial cluster. - Quality control units must be very active.
Political Feasibility	As the current approach is to produce based on the resources available in the area, it is easy to cluster the villages accordingly. Hence, it is highly feasible to adopt this model.

VI. Conclusion & Recommendations

This policy paper introduces practical alternatives that help the Ministry of Social Solidarity (MOSS) in Egypt enhance its marketing strategy to ensure a return on investment from the Productive Families Program. The research team followed qualitative data collection methods, conducted interviews with main stakeholders, and field observations to collect primary data.

The main objective of the program is to help low-income families seeking to improve their livelihoods, support individuals launching small businesses, and boost the national economy in general. Currently, the program has drifted from this objective by allowing entrepreneurs from all classes and individuals to register for the program and receive its funds and benefits. More importantly, MOSS identified marketing as the main obstacle hindering the progress and success of the program. Nonetheless, research has revealed that the marketing strategy is one of many issues to be tackled here.

The main objectives of the Productive Families Program is to support skilled families who are capable of producing good quality products kick-off their projects.

Once they master production, they are foreseen to finance, market, and sell their own products without MOSS's intervention. This should result in decreasing unemployment, enhancing the economic level of low income families, and alleviating the burden on the state of supporting and funding these families. However, many benefiting families cannot work on their own. They must count on MOSS to sell their products, as it is the only sales channel they know.

Additionally, the produced goods do not always meet the market needs, especially in terms of seasonality and trends. Furthermore, training and development support provided by MOSS is mainly centralized in Cairo, Alexandria and other major cities, which puts limitations on reaching and engaging targeted beneficiaries and hinders capacity building opportunities in 'remote communities.' Therefore, the program is advised to move to a demand-driven model that addresses market needs, encourage beneficiaries to produce complementary and needed goods that secure a sustainable business, and invite ambitious businessmen to take part in marketing the produced goods using new technologies and online tools.

A. Recommendations

With respect to the focus of this paper on the marketing and sales strategies of the Productive Families Program, it is recommended to work on improving the four aspects of a consumer-oriented business management, namely: customer solution (product), customer cost (price), communication (promotion), and convenience (place):

1. Customer solution: Changing the strategy from supply-oriented to demand-oriented. Currently, the families produce items based on the resources available in their area, regardless of whether their creations are at all needed in the market, which risks that the products are not sold after all. A demand-oriented production will ensure that the families produce items that customers are looking for and miss in the existing market; hence their chances in selling will be much higher. Furthermore, handmade products can be easily customized and personalized, which will make the production of Productive Families even more appealing to our modern marketplace.

2. Customer cost: Currently, the prices are set by the NGO staff, merely relying on previous experiences, without any consideration of a financial model where all cost is put into consideration and a certain profit margin is targeted. This makes the pricing neither consumer-oriented nor profit-oriented. The prices need to be competitive, bearing in mind other players in the market. Also, they must be decided on with the mindset of offering value for money; consumers need to see the value in what they are paying for. Currently, outputs are perceived as low-quality and hence consumers are not ready to pay much for them. Nonetheless, if marketed correctly as high-quality handicrafts, they can be better priced, ensuring customer satisfaction and higher revenues; i.e. better income for the families.

3. Communication: The value of a product lies in the way it is promoted. Applying guerilla marketing techniques and stressing on the 'handmade' aspect will ensure higher outreach. Using a catchy message in a creative way will create a buzz and stick in the minds of customers, without a need for high marketing cost. Additionally, it is crucial to train the sales personnel whether that is the producers themselves, the NGO personnel, or ministry employees, on how to ensure proper communication of the product's values to the customers. Front-line sales people must be able to convince the buyers that they are getting a hand-made product of high quality for a reasonable price. In addition, communication is about outreach. Currently, productive families lack outreach. Here comes the role of widespread promotions. Proper channels need to be identified based on the selected target markets. Nowadays there are various channels that can be used, including online marketing, social media marketing, in addition to the traditional ones. Communication is not just about attracting new customers. The marketing impact must play on the selection, retention and action of customers, i.e. not just to create awareness about the products, but also to make consumers eager to prefer and buy them.

4. Convenience: Sales are also about the availability of products, which is currently limited to the dedicated stores and fairs that belong to MOSS. The logistical and commercial aspects of the program should be revisited and updated. In our modern global and busy world, online shopping is becoming highly convenient to customers, who do not want to waste time on the road to reach a store location or be limited to the opening/closing hours of that physical venue. Additionally, these fairs and stores cost a tremendous budget to be run, that can be saved if the sales occurred online. Therefore, it is recommended to consider partnerships with famous widespread online shopping websites, such as Jumia and Souq.com.

That will ensure higher outreach to a wider community, which will increase sales, and save on the program expenses, which can reflect on the prices, too.

Whereas this paper focuses on the marketing and sales aspects of the deficiencies facing the Productive Families Program, there are other issues that need to be worked on simultaneously in order to turn it into an effective, financially rewarding program. Therefore, it is recommended to additionally work on the following:

1. Overarching Laws: The originally drafted laws for this program are no longer valid. Originally, the program was designed to target poor families but it now accepts entrepreneurs. Also, it is no longer limited to supporting families, but accepts individuals. Therefore, after redefining the program goals and objectives, the laws should be revisited and adjusted accordingly.

2. Program design: The program is currently designed to take in families under their legal umbrella until they reach 54,000 EGP of sales per year. Afterwards, the ministry no longer supports the family. They get a maximum of 4,500 EGP per month, while 35% are deducted by the NGO as a sales commission, leaving the family with no more than 2,925 EGP per month in the best case scenario.

Deducting the operational expenses, this can go down to half.

As the original design of the program has become obsolete, it is necessary to redefine the program objective and restructure it accordingly. A new program design can entail a division for each cluster. The clustering is to be by the sales revenue level of the productive family as follows: high sales, average sales, and low sales. The high sales cluster is for those who make more than 54,000 EGP and are currently taken out of the program. These can be further supported while taxing their sales. The income generated from this cluster can support the low sales one, whose beneficiaries need more investments and do not make profits yet. The average sales cluster can be self-sufficient, circulating its revenue in further development investments. Another recommendation in this regard is to have a pipeline with the Ministry of Investment and International Cooperation (MIIC) to allow growing families to be included in the regular economy cycle as small companies with extra facilities from MIIC to allow these families to grow as small businessmen and even go internationally. Small companies in Egypt pay 22% of taxes per year on total sales.

3. Institutional Capacity: the program suffers from 'resource poverty'. It is staffed by calibers who lack the professional expertise. On the one hand, the ministry can resort to external consultants to draw a strategic map on the short run. On the other hand, the ministerial personnel, who are running this program, should have sufficient business knowledge that allows them to think strategically of how this program will boost Egypt's economy and provide proper guidance to the beneficiaries, including a fully rounded business development model.

In terms of registered families, it is recommended to redesign the already established Center of Training to add several departments inside it. The current institution offers training but lacks the concept of quality control and follow-up, whereas it is advised to include an independent quality control department for each group of products, garments, accessories, and others. This unit is to be responsible for establishing new centers, removing inefficient ones, merging similar ones, and reformulating the roles of involved entities.

4. Human Capacity Development: The current number of active families working with the Cairo NGO is 200 families, whereas 10 years ago, this used to be 20,000 families. This reflects a strong lack of interest from the registered families in the program. It means that the program needs to be developed and the social dynamics must be re-evaluated. In order to re-attract families, the program should be competitive with similar programs in the market. It should offer capacity development trainings to the beneficiaries on how to run their own business independently. Furthermore, NGO managers will be in need of receiving business trainings themselves, as they run the operation and sales process of the families. This entails marketing, conference organizing, budgeting, staffing, selling, and quality control of products.

5. The role of NGOs: MOSS created NGOs to act as a legal umbrella for these families as there were no other entities concerned with this matter in the past.

Today, many local NGOs address the same issue and are even attracting 'entrepreneurs', as they are more efficient. In addition, the staffing of the NGOs under MOSS has become a challenge, as other NGOs provide higher benefits to their staff and volunteers. Therefore, the ministry can consider merging its program with other NGOs. This will result in combining their efforts, enhancing efficiency, and saving costs.

6. Monitoring and Evaluation: these must be conducted by an independent entity that has no conflict of interest or biases. It should be instructed to ensure data collection through a representative sample. This is to be selected randomly from the registered families. Additionally, unplanned visits must take place to evaluate the process on the ground and derive a realistic evaluation.

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