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**BIN HAMAD PERFUMES:
AN INNOVATION EXPERIENCE FROM BAHRAIN**

by

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BIN HAMAD PERFUMES:

Innovation Experience from Bahrain

Amina Abbas Ghuloom Ridha

1. Nature of Innovation

Innovation in product development and marketing strategy. The business developed Arabic perfumes suiting to the Bahraini taste with unique packaging styles. Amina used her special skills of persuasion and persistence to create a demand for her product. The business uses traditional packaging style involving antique designer boxes and bags.

2. Introduction to Innovation

The business produces specific quality of perfumery and related products suiting to the very taste and liking of Bahraini population especially the women. It also combines the product quality with a unique packaging displaying traditional Bahraini art and craft. Together the business engages itself in promoting the heritage of Bahrain within the country as well in the gulf region.

3. Historical background: challenges addressed by innovation

Amina's entry into business was under compulsion to financially support the family. The perfumes manufacturing was taken up by her as a hobby and she used to do a little quantity for her own use. A few friends used the product and showed interest. This prompted Amina to further see the demand in the market, which she found encouraging. She felt that there is a scope to manufacture and sell this product and accordingly she started selling it at a very micro level among the friend circle.

Amina, thereafter, approached the micro-start project in 1999 and obtained a small loan of BD 150 to start manufacturing perfumes at home. Through micro-start project she started participating in exhibitions, which gave market exposure to her product. A big trader bought all her production under one such exhibition and she got further orders as well. At this stage when the market demand started growing, she found herself unable to cope with this pace as the set up was informal and in the absence of any legal approvals she could not operate on a commercial basis. Ameena approached the micro-start project and asked for a bigger amount of loan to expand and organize operations. She was advised to approach the Bahrain Development Bank for her requirements.

Ameena approached the bank and this contact with the bank brought all the change and that was the time she felt all the more confident to move ahead. She has been advised to join the Entrepreneurship Development Programme organized by UNIDO's Arab Regional Centre for Entrepreneurship and Investment Training (ARCEIT) in collaboration with the Ministry of Commerce and Industry and the Bahrain Development Bank.

The training and subsequent business counseling provided by the programme organizers further helped Amina to decide an appropriate strategy for the project and gave her clarity to put implementation plan in place. She is supported to develop a business plan and approaching the bank with a formal request for loan which was accepted. The bank loan came as a dream come true for Amina and made her feel confident and secure about future. Further support came from the bank as Amina's project has also been accepted to operate from the business incubator set up by the bank. With all the back up support available Amina finally started her commercial venture and is determined to make the project a success. Today she enjoys a special place in her social life and is seen as a special person who has succeeded in doing something different and challenging. She has also decided to recruit only the Bahraini for her business and support her fellow country people and the country.

4. Objective of innovation

Amina's goal is to achieve a continuous growth in her business and promote the heritage of Bahrain in the entire gulf region. Her entry into the business was with a different objective, the dimensions however, changed as she progressed with the business development. She feels confident to move ahead and go beyond achieving the personal objectives to those carrying larger interest of the country.

5. Process

From the time of her association with the Micro-start project Amina started participating in exhibitions displaying her products. This gave her exposure to interact with the market to get a first hand feel of it together with the much required spark to grow and become a formal business entity. As her participation into product exhibitions created awareness and gave good publicity to her products she continued with the same and kept on enlarging her contacts in the market. Based on the customer feedback the product range and quality modified as well as new products are introduced.

Knowing well about her skills and the importance of direct marketing Amina makes personal visits to market establishments and takes pain to even go to villages with her product samples. This has resulted in good market linkages for her which are developing gradually making the marketing prospects better.

6. Success of innovation

Amina now owns a formal business entity into operation. The business has many market linkages established for product sales which also includes a sales contract with the prestigious Bahrain Duty Free. The business will provide employment to three Bahraini besides the entrepreneur herself.

7. Impact of innovation on other firms

Though the impact is expected in time to come, the awareness of Amina's product has brought a section in the market to a stage where they started demanding for specific products. In general the demand for Arabic perfumes is growing and she expects more players to join the manufacturing game in the near future. Amina however doesn't see this as a threat and

rather feels this will further enlarge the market, as the awareness will grow. Also to be well in the race and to be the market leader in her specific category of products, Amina has already planned to get further technical exposure in product development.

8. Internal factors inhibiting innovation

While Amina is an excellent sales person the other management functions at times seem to be in problem. Her business is basically a one – woman operation and practically all the functions-the materials procurement, production, customer relation, financial management etc. are monitored and controlled by her. Another problem for the operating space has recently been solved as she has been provided manufacturing space at the Bahrain Business Incubator Centre set up by the Bahrain Development Bank. The management functions are also expected to be streamlined with all the expert services and support extended as part of incubator services to the tenant enterprises.

9. Lessons diffusible to other SMEs

- a. Creation of awareness and market demand for Arabic perfumes and liking it with the country's heritage.
 - b. Use of exhibitions, direct marketing techniques to promote the product
 - c. Successful implementation of a formal business by a woman entrepreneur and the stages of business development covered during such a short period i.e. growing from a micro enterprise to a small business entity operating on a commercial basis.
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