



Hobbies and War

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September 15, 2015

EuroMBA

Master of Business Administration Thesis

Title

**Hobbies and War:
Establishing a pastime-focused business
in an unstable country**

Supervisor: Prof. Pierre-Xavier Meschi

Pages: 96

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ABSTRACT

To succeed in today's saturated markets, an entrepreneur needs to either conceive a truly revolutionary idea and be able to market it or assume increased risk such as by investing in more uncertain markets shunned by competition. This Thesis explores the latter option by proposing to open a training school in photography in the Kingdom of Bahrain. The work explores the facets to be considered in undertaking such a venture by assessing the existing industry, local cultural particularities, the practicalities of securing the factors of production, and possible pitfalls. All the while, it gives attention to the minimization of the risk of a sudden change in sociopolitical circumstances that would necessitate a hasty exit from the market. The Thesis aims to make a modest contribution to the area so far unexplored both theoretically and practically, and serve as a blueprint for both investors and academics to embark on further research.

EXECUTIVE SUMMARY

The world of business is booming: There are today more choices of more products and services available than ever before, and it often feels the markets are oversaturated. To succeed in such a world, an entrepreneur needs to either conceive of a truly revolutionary idea *and* be able to market it or assume increased risk such as by investing in more uncertain markets shunned by competition. This Thesis explores the latter option. In particular, it proposes establishing a training institute in photography and related activities in the Kingdom of Bahrain. The choice of the topic was motivated by the numerous inquiries that the university in whose employ the author used to be received in the period from 2008 through 2010 from both students and the general public. Neither the university nor any other education provider in the country used to offer such a service, nor still does.

Bahrain is a small, self-contained state in the Arabian Gulf, which has been beset by intermittent low- and medium-level societal tumult for years. Nonetheless, it is relatively stable, upholds the rule of law for the most part (at least in mercantile cases), and its residents have a high purchasing power. Simultaneously, photography is not a staple but a leisurely pursuit that can be surmised to come the very last on Maslow's hierarchy of needs. It is nevertheless highly popular both among the "selfie"-taking public and the more serious amateur photographers. That popularity is unlikely to diminish, being that the global society is becoming increasingly visually-oriented. Given the aforementioned inquiries as well as the logical assumption that people who engage in a pastime like to improve their skill, it stands to reason that a training institution that offers such an opportunity might be a successful investment.

After contextualizing the topic and examining the extant academic and popular literature on this and similar subjects, the first major section of the Thesis examines the totality of the education providers' market in Bahrain. The main takeaway is that there is no commercial entity in Bahrain that can be considered a direct competitor, nor, given the market conditions (e.g. barriers to entry), is one likely to emerge without ample warning. The market success factors are also considered and it is established that, though customers exert considerable power on providers such as the proposed institute, the virtual monopoly of the latter would ensure that the said power is mitigated to manageable levels. The ensuing S.W.O.T. analysis explains the advantages of being the first mover but also warns of the pitfalls unique to the country and culture of Bahrain, the foremost of which is *wasta* (nepotism) whose effects are pervasive and unsettling.

The second main section assesses the process of establishing and operating the business itself. It concerns the practicalities of setting up a vocational institute legally and physically. It looks at the required timeframe and the legal procedure: Bahrain's

bureaucracy is not overly onerous and the entire process can be foreseen to take no more than up to a year at the most, from which time the school can begin operating. In the interim, the Thesis methodically examines the pragmatic steps to take in order to commission the institute, which include choosing the site, equipping it, hiring personnel, and deciding what type of curriculum to offer. On a parallel track, basic initial marketing tactics and longer-term strategies are developed, with a design to both raise awareness of the new provider and entice potential customers to approach it, enroll in its courses, and keep coming.

One of the principal challenges with which to contend in the preceding part is the fact that Bahrain's population is small, yet the potential customers' demographics, interests, motivations, and requirements are likely to be very diverse. The latter range from poor laborers to fabulously rich upper echelons of Bahrainis, fluent English speakers and those much less so, the crowd that mostly engages with photography through "selfies" versus those who view it as a form of art, and so forth. They all require both different types of course and different marketing messages.

Another challenge is how to retain customers. Even if a customer is satisfied, training in photography comes to an end fairly quickly without any potential or need for repeat business. The school thus has to diversify its offering and provide value-added services to maintain engagement with the already small market. Some possibilities include courses in videography and graphic design, courses leading to an official certification, putting on exhibitions, exploring possible ties with the motion picture industry, etc.

The most critical issue though is risk. Chastened by the experience of the "Arab Spring," an investor in this kind of project must remain cognizant of the possibility that the simmering societal and political fault-lines might catalyze very quickly and unexpectedly into a revolution, imperiling the investment. With that in mind, this work essays to incorporate measures designed to minimize and offset as much of that risk as possible. The said measures include:

- Reducing the required amount to be invested: By making shrewd choices about e.g. the location of the school or the equipment, considerable savings can be made.
- Deferring and staggering the investment: By investing funds only as the project progresses and hurdles are cleared, risk of financial loss is abated. If at any point it begins to appear as if the project might fail, only smaller amounts have to be written off with some recovery possible. For instance, it would be imprudent to purchase expensive photographic equipment without securing the requisite government permits to operate in the first place. Similarly, renting large premises before having built a substantial user base would be wasteful. Free and cheap marketing tactics such as via social media should, especially in the first instance, take precedence over far more expensive billboards and traditional media advertisements.

- Devising ways to achieve the breakeven point quickly (e.g. in the second year of operation): The faster the investment can be recuperated, the more likely an entrepreneur is to invest. In an unstable sociopolitical environment, it would be unwise to plan for the long run, and even medium-term engagements are uncomfortably risky. By reducing the investment amount needed, reining in operating costs, and setting a profitable price point, odds increase of the investment becoming profitable before any need to exit the market due to changing environmental circumstances arises.
- Effecting an equity-based entry into the market as a sole proprietor: Though intuitively it may appear that relying on an existing entity in Bahrain to partner with might reduce the risk, as the required investment would be considerably lower, in the instant case that would be incorrect. As there is no photography school in Bahrain, the bulk of the investment (the trainers and equipment) would still be necessary, and partnering with a generic institute would only serve to erode the profits and relinquish control over quality and other operations.
and
- Being able to recover as many of the assets as possible in the event an expeditious market exit is required due to a change in the environment: The preponderance of the investment is constituted by the human resources and the equipment (such as cameras). Though much of the other monies (rent, licenses, furnishings, etc.) would be lost, the expensive equipment is portable enough that it could be transported easily out of the country and subsequently monetized.

The Thesis concludes by advertent to its limitations. A major of these is the fact that the study is purely theoretical. It would be essential to conduct market research and feasibility studies in the field prior to embarking on this project and committing to it financially. Further, it is unclear whether and to what extent this study might serve as a template for investors into other sociopolitically unstable regions, particularly those geographically larger, more fluid and chaotic, and more demographically heterogeneous than Bahrain. That, too, requires additional research.

Overall, the Thesis presents an investment idea that is at once bold and cautious. It entails a higher risk than an entrepreneurial venture in stable, domestic regions, but that risk is offset to a large degree by the choice of the project and the manner of the project's implementation. It thus strikes the right balance for an investor seeking to make a fairly certain profit without assuming great risk.

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CHAPTER 1. INTRODUCTION

1.1 Business and Risk

For most of human history, *commerce* used to describe efforts by individual merchants to provide their goods and services to end-customers. Occasionally, in some occupations, those providers would organize themselves into guilds, but—on the whole—their operations were simple, individual endeavors. The aim was to eke out a living, without much, if any, hope for social mobility: People became shepherds, blacksmiths, moneychangers, etc. either because there was an immediately-identifiable demand in their local area or because that is what their mother or father did and it was hence the “natural order of things” that they should continue in the family tradition (Day, 1922; Powers, 1903). Such undertakings were not viewed as starting a business *per se*, nor did they entail detailed market research, feasibility studies, or “number-crunching.” Virulent market competition was virtually unknown: A source avers that the only contexts in which merchants had to compete for custom tended to be extraordinary events such as fairs (Walford, 1883). Likewise, those small enterprises were highly portable, which was important in eras marked by frequent social upheavals such as wars (Barbieri & Levy, 1999).

Industrialization increased both the size of mercantile endeavors—whereby these gradually evolved into firms similar to companies today—as well as competition (Hikino & Amsden, 1994). These bigger companies were obviously more valuable and hence more vulnerable to the vagaries of raw material availability as well as to unpredictable developments such as armed conflicts and regime changes. The twentieth century’s legal

dockets—at national and international levels—abound with cases of companies suing each other and governments for breaches of both codified and customary laws (e.g. Pecoraro, 1990; Stephen, 2002; Wagner, 1999). One major category comprises instances in which governments, often newly-installed, expropriated corporate assets suddenly, swiftly, and ruthlessly (Geiger, 2002). One of the earliest such cases and a *cause célèbre* is that of the Anglo-Iranian Oil Company, but there are countless more recent examples, including Zimbabwe, Venezuela, Argentina, and Bolivia, to name a few (Mosely, 2009). Wars, expropriation, and nationalization, though unpredictable, are not quite “acts of god” by legal definition and they thus can be measured to some extent in terms of probability. Indeed, a whole science has emerged in the field of international investment dedicated to essaying to quantify the risks faced by potential investors in a business venture in a particular country (James & Vaaler, 2013; Jensen, 1987; Yackee, 2014).

1.2 Sources of Business Ideas

Entrepreneurs conceive ideas for their projects in a variety of ways. It can be through personal experience of lacking something or being discontent with an existing product or service and thinking of a better way to do it. It can be through discussions with family and friends, which plant the seed for an idea that is then incubated over time. It can also be through deliberate introspection and active search for potential projects (Gans & Stern, 2003; Vesper, 1990). Sometimes though the actual market comes to an unsuspecting entrepreneur.

This author worked as a lecturer in research and rhetoric at a university in the Kingdom of Bahrain from 2008 through 2010. During that tenure, the university frequently received inquiries from both the university’s students and members of the public about

the availability of course offerings. One area that was mentioned often was photography. Inquiries about a course in photography were both far more numerous than all the other courses asked about and—unlike the others—were noticeably fielded by individuals from a wide range of demographic backgrounds: students and workers, employed and unemployed, young and middle-aged, nationals and expatriates, people with different levels of education, income, etc.

The university at that time did not entertain suggestions about extracurricular courses and it was not running any evening classes or programs open to non-students, nor does it do either of those today. Further, in the intervening period the political climate in Bahrain underwent a seismic change: In 2011, motivated by other “Arab Spring” events, simmering resentment by the majority of the country’s native populace exploded into an uprising. The nascent revolution was a month later crushed with unprecedented ferocity by the unelected regime of Bahrain’s king Hamad Al-Khalifa. Since then, pitched battles between protesters and the regime’s security forces transpire on a nightly basis in many parts of the country, and an atmosphere of repression pervades the island to this day.

1.3 Photography as a Hobby

Photography has professional applications (in e.g. journalism and the media) but these are often subservient to a larger endeavor, such as astronomical observations, land surveys, reconnaissance, and so on. In other cases, it is a hobby. The proliferation of handheld devices boasting increasingly good-quality cameras as well as a multitude of avenues through which to share photographs are two factors that caused photography as a hobby to soar in the past several years (Dainty, 2012; Sarvas & Frohlich, 2011; Wee, 2010). Many users limit their photographic pursuits to casually snapping scenes from

their everyday lives to share with friends; however, there has been a palpable rise in photography as “serious leisure” (Cobley & Haeffner, 2009; Cox et al., 2008).

Although no figures are available globally or locally, anecdotal evidence suggests that amateur photography is more popular among the young residents of the Arabian Gulf than in many other parts of the world. Though speculative, it may be conjectured that such is the case for two reasons. Firstly, there is an urge to document the unprecedented political tumults, much of which are visible on the streets (Batty, 2011). Secondly, citizens of the Gulf Cooperation Council states are among the wealthiest in the world, supported by extensive government welfare systems. Many of them are thus not engaged in conventional, genuinely productive employment, which elicits ennui and a desire to somehow amuse themselves. The United Arab Emirates, Saudi Arabia, and Kuwait are countries with respectively the first, third, and fifth highest smartphone penetration in the world (Richter, 2013). Given the homogeneity of the region, the figures can be extrapolated to be very similar for Bahrain. In 2012, 78% of the world’s smartphone users employed their phone to take photos (Butler, 2012); that number is likely much higher in the G.C.C. area.

1.4 Corollary

Given the foregoing, it is reasonable that the notion should emerge of examining ways to satiate the demand for some degree of formal training in the field of amateur photography in Bahrain. In particular, it is worth examining whether a viable business model could be constructed based on it.

1.4.1 Main Question

Is it possible to start a business to cater to the demand among the residents of Bahrain for training in a leisure hobby such as amateur photography, particularly given the country's climate of political and societal instability?

1.4.2 Considerations and Parameters

That question will be addressed while remaining mindful of a number of related issues. Firstly, there is a clear and present added risk of investing in such a volatile environment as Bahrain. Any new business needs to have a feasible exit strategy if it is to attract investors (DeTienne, 2010; Richter, 2013) and that is even truer in the instant case. Because Bahrain is quite unstable, strategies need to be identified whereby it will be possible to offset the risk of, say, a revolution happening overnight or the regime suddenly resolving to freeze all or certain expatriates' assets. As this Project will involve foreign direct investment, aside from the usual exit strategy concerns (e.g. selling the business vs. winding it down), the matter of asset repatriation will also need to be examined.

Secondly, there is the matter of creating a viable and ongoing business. Training a customer in amateur photography is a finite and relatively short endeavor. Even if the training process is extended (not to say "bilked") across multiple courses, it inevitably comes to an end. It will thus be necessary to assess how this type of casual pursuit can be further exploited to attain a consistent and sustained generation of revenue and profit in order to ensure sustainability and repeat business. As the market is small, limiting this Project to offering just a smattering of courses would cause the business to run out of customers quite soon. It will hence be essential to conjure up value-added services and

possibly goods as well, so that a customer who takes a one-off course returns to the enterprise for something else and, ideally, continues returning.

Thirdly, amateur photography is by definition a leisure pastime, while a training course is usually delivered in a formal setting and in a formal manner or is, at least, perceived that way. Also, the target market is necessarily broad: from those who view their photography as the aforementioned “serious leisure” to those who may merely want to hone their skills in taking “selfies.” These two extremes, and everyone in between, have different expectations and needs, as well as differing perceptions of value-for-money in this regard. It is safe to assume that formal classroom-style lectures will not be the optimal method of delivery. As it would be impractical to endeavor to cater to all the potential categories—certainly in the first instance, when costs will have to be kept at a minimum—, a training course will have to be devised that is both substantive enough for the committed photographers but also sufficiently lighthearted for the freewheeling aficionados, while also being innovative in terms of content and methodology, and reasonably priced.

Moreover, Bahrain is a small country: The total population is commensurate to a city such as Dallas, TX. While, as adverted *infra*, smartphone penetration is among the highest in the world and it can be assumed that a lot of users employ their smartphones and similar devices for some form of photography, for this Project to be successful, in defining the target market the “net” will perforce have to be cast wide. In practical terms, it means that both the offering and the marketing for it will have to appeal to as wide a range of potential customers as possible. Given the nature of the service (there is not much scope for price “gouging,” i.e. charging premium and unjustifiably high prices (Taylor & Van

Doren, 2012)) and the numerically-small market, the offering will have to be aimed at the general public rather than a niche segment. At the early stages, the course offering will have to be limited to only a few courses so the major challenge will be attaining the balance between the training being general enough to apply to as wide a market as possible, yet sufficiently specialized to appeal to the different segments within it.

The stated issues are imperative to be addressed if this Project is to become profitable and stay so in the medium and long term. They evidently pertain more to ideation and managerial prowess than hard figures, which is why this work will concentrate on conceiving of ways to address these challenges rather than furnish detailed calculations (notwithstanding basic financial forecasts necessary to assess the Project's viability).

1.4.3 Rationale

Covering this topic is advantageous for a number of reasons. For one, it can serve as a blueprint to investors and entrepreneurs considering establishing an enterprise in the G.C.C. area. The residents of that locus have among the highest purchasing power in the world and are always on the lookout for new goods and services.

Further, while some research has been undertaken into the theme of commerce in times of social and political instability (e.g. Anderton & Carter, 2001; Barbieri & Levy, 2001; Glick & Taylor, 2010; He, 2008; Martin et al., 2008), there has not been much study of entrepreneurial investment in troubled regions, of demand for hobby-related services during such periods, or of exploiting that demand.

The findings, moreover, might serve as an impetus to potential entrepreneurs. Provided the question under study is answered in the affirmative, anyone who ever received repeated inquiries for as-yet nonexistent products or services might be encouraged to try to exploit that demand by beginning to provide them rather than—as has been the case with the author’s university—ignore or dismiss such queries.

CHAPTER 2. LITERATURE REVIEW

The link between stability and prosperity is empirical and longstanding, and has been given prodigious coverage by academics and practitioners. So, an article laments the deleterious effects of conflict on entrepreneurship and commerce in general (Bruck et al., 2013). Naude (2007), meanwhile, is one among many who identifies a correlation between political and social stability on the one hand and a salubrious entrepreneurial climate on the other. Some others who do likewise include Findlay and O'Rourke (2007), Kang and Meernik (2005), Lake (1992), Lenway (1988), and Oneal and Russett (2001).

However, war and commerce are by no means mutually exclusive. Although it might be intuitive to suppose that, in a conflict, trade and commerce are reduced to a bare minimum as all focus turns to the hostilities at hand, quite the reverse is true. Indeed, innumerable examples are documented demonstrating how major societal upheavals are conducive to the emergence of truly *laissez-faire* marketplaces.

For instance, a number of authors (including Barbieri and Levy, 1999; Clark, 1928; Johnson, 1963; Muller, 1976; Ryan, 1962) adduce examples showing that, in multiple parts of the world, states that were engaged in impassioned war continuing to conduct trade is a practice that dates back centuries. More recently, the revulsion at the Apartheid policies of South Africa did not necessarily stymie commerce between it and its African neighbors (Reno, 1997), nor were the hostile entities in the Balkans wars averse to low-profile trade among each other even as their troops were fighting on the battlefield (Andreas, 2004; Andreas, 2009). China and Japan, in the latter half of the twentieth century in the aftermath of the Cultural Revolution did not sever all commercial ties

(Burns, 2000). One of the worst kept secrets in the Near East is the brisk trade going on between Israel and its supposed sworn Arab enemies (Guzansky, 2011; Kleiman, 1998), not to mention the almost single market in existence between Israel and the Palestinians (Berends, 2008). Even during that most infamous global conflagration, World War Two, enterprises from the bitter belligerents engaged in some degree of mercantile relations (Billstein, 2004; Higham, 1983; Legro, 2013).

Nor does war scarcely preclude trade only among the combatants; civilians that find themselves amid an upheaval, too, have been known to devise ingenious ways to make a living in situations where formal markets have collapsed. Considerable literature exists detailing the entrepreneurial spirit of citizens in transition economies. Smallbone and Welter (2001) give a general overview, Benacek (1994) provides a treatment of the topic in the context of the post-Communism Czech Republic, while Nnadozie (2002) furnishes a Nigerian perspective. Walker (1986) gives an interesting account of entrepreneurship among African-Americans during their invidious position in the antebellum era; Boyd (2000) investigates how that demographic coped later during the Great Depression. Meagher charts the “gray economy” in parts of Uganda (1990), while Vlassenroot and Romkema (2002) give a somewhat briefer account of the topic in the case of Congo. Staudt (1998) situates the topic along the U.S.-Mexican border (albeit much earlier than the recent troubles involving the Mexican drug cartels and the havoc they wreak on the frontier communities in Mexico). Chan and Unger (1982) produced a piece detailing the “gray economy” of rural China—before the country’s latter-day shift to a market-based economy—going some way toward proving that the human entrepreneurial spirit is indomitable and that, even in a tightly-controlled, overbearing state, the society defaults toward a free market. Williams (2008) shows that even in developed, prosperous

countries enterprises conduct their commerce, at least in part, “informally,” while Danopoulos and Znidaric (2007) use Greece—writing well ahead of the recent economic imbroglio—to speculate on why that should be. Mubarak (1997) provides a fascinating and, for the purposes of the instant work, useful exposé on the parallel economy of Somalia, although his account is regrettably almost two decades old. Lastly, there is the epitome of an entire industry that emerged in a context which traditional enterprises eschewed, whether for security reasons or because they saw little potential for profit: microfinance. Counts (2008) describes the background and fruition of the microfinance project, Armendariz and Morduch (2010) furnish a general background and explore the financial operations behind the notion; Kim and others (2007) examine the wider, non-monetary, societal benefits of the success of microfinance, while Karlan and Valdivia (2011) show how one such intrepid idea can snowball into a flurry of subsequent entrepreneurial projects.

Academic literature on the subject of conflict and commerce, therefore, is by no means lacking. It is, however, incomplete. The topic of how regular trade is supplanted—as opposed to affected—during times of major societal tumult remains largely and inexplicably unexplored in academic circles. That is perplexing given the coverage that the subject quite regularly receives from the popular media. Reports are aplenty of unregulated private markets doing brisk business in locations such as Tunisia (Ltifi, 2015), Zimbabwe (“Zimbabwe: Brisk business...,” 2015), Syria (Sherlock, 2015), and even North Korea (e.g. Chang, 2015; Tudor & Pearson, 2015; Wee, 2013). Also unexplored, and more to the point, remains the question of foreign direct investment into global trouble spots, particularly into markets for items other than bare necessities. There appears to be no academic work that examines the potential and prospects of an investment venture

into a politically and economically volatile region, which is curious given the fact that, the obvious risks notwithstanding, the inhabitants of such a locality retain some purchasing power (whether in monetary or barter terms) as well as continue demanding goods and services beyond those necessary for mere survival. For instance, during the international isolation of Serbia and a series of wars in which it was involved, including on its own territory, citizens had no compunctions setting up successful systems trading in gas and medicines (among many other commodities) (Hajdinjak, 2002; Tesanovic, 2000).

This work, then, aims to make a humble start toward filling the lacuna in the academic material concerning the topic at hand.

CHAPTER 3. STRATEGIC ANALYSIS

3.1 Business Definition

This Project would entail commissioning an institute offering training in various aspects of photography to enthusiasts, hobbyists, and recreational and amateur photographers. It would do so in a semi-formal learning environment, and would cater to all levels. Training would be delivered in small groups, but one-to-one and on-site options would also be available. The trainees would be provided with equipment such as photo cameras, though they would be welcome to employ their own. Instruction would be delivered in class as well as outdoors and at other sites. Accreditation from relevant professional associations would also be sought in due course. The courses would be delivered by experienced professionals in the field, with practical experience, as opposed to academics. The foregoing factors would promote quality and flexibility.

A "semi-formal learning environment" has been defined as one "structured by an educational agent or organization with a deliberate view to transmit knowledge, skills, and/or values; still, it does not deliver degrees or credits of universal value" (Carre, 2013, p. 15). In the instant case, the emphasis will be placed on the transferal of skills and knowledge through a highly student-centered approach, i.e. students' needs, rather than curricular requirements, will set the pace and—to some extent—content of learning.

3.2 Industry Analysis

To be able to undertake an analysis of the industry, it is necessary to correctly define that industry. *Prima facie*, that appears to be any type of an educational establishment that

provides or is able to provide courses in photography and kindred pursuits. Though it is possible to identify segments within that industry, it can hardly be considered heterogeneous. For instance, it can be divided into types of institution, viz, higher education establishments that provide continuing education programs on the one hand, and dedicated, and smaller, institutes catering exclusively to members of the public on the other. The institutes themselves can be subdivided into those that provide a relatively large panoply of courses versus those that specialize in a particular field, such as languages or information technology. However, the differences among all these industry subsets are too negligible so that, for the purposes of the current Project, analytically segmenting the industry is not necessary: In a market as small as Bahrain's the type and size of an establishment does not play a major role as regards its ability to succeed either with customers or suppliers. This work can hence comfortably proceed on the apprehension that the industry is homogeneous.

The ensuing analysis will, accordingly, encompass the entire industry, and will be undertaken using the Porter's Five Forces tool (Porter, 1979; Porter, 2007).

3.2.1 New Entrants

Modes of Entry:

An entity desirous of providing educational courses to the public has a number of options at its disposal as concerns the vehicle to enter the market. The two principal modes of entry are traditionally identified as *equity* and *non-equity* (Ingham & Thompson, 1994; Pan & Tse, 2000), where the former means essentially incorporating a new company in the target location while the latter entails licensing the knowhow (and all that involves) to an existing company already present in the target market. That dichotomy is

misleading, however, because each of the two further subsumes a number of approaches from which to select. Thus, for example, the *equity* category encompasses options such as “greenfield,” “brownfield,” and joint venture possibilities (Yung-Ming, 2006). Respectively, these involve establishing a brand new enterprise, acquiring an existing one, and setting up a hybrid corporation with an extant one. Non-equity entries, meanwhile, comprise arrangements such as franchising and licensing.

Each of the foregoing bears benefits and drawbacks; for brevity’s sake, only the broad categories of equity and non-equity will be considered. Their merits and otherwise are presented in the table below (with credit for some entries to Peng, 2013):

<u>EQUITY</u> participation strategy	<u>NON-EQUITY</u> participation strategy
<ul style="list-style-type: none"> ✓ First-mover advantage: An investor entering the market unexpectedly would benefit from the first-mover advantage, particularly since the potential competitors are unlikely to engage in the similar type of business (seeing as they have not already done so). ✓ Profit retention: An autonomous entry dispenses with the need to share profits with a local partner. ✓ Full and direct control: A sole entrant will operate the enterprise according to its vision, standards, and other parameters. ✓ Joint venture: The foreign entrant can utilize the local partner’s knowledge of and 	<ul style="list-style-type: none"> ✓ Speed, ease, low cost of entry: By franchising or licensing, an entrant can access the market almost instantly and cheaply, as the factors of production are mostly already in place and operational. ✓ Minimization of risk: The investor amortizes the risk and losses associated with a potential failure being that it is not necessary to make a large investment in the first place. ✓ Existing assets, reputation: The local partner already has some customer base and a marketing mechanism able to reach other potential customers quickly. It also has a reputation in the local market.

<p>expertise with the target market, consumers' habits and demands, bureaucratic procedures, etc.</p>	<p>✓ Better margins: Due to the low investment required, the breakeven point is achieved much faster and the profit margin is, accordingly, greater.</p>
<p>✗ High costs: Both "greenfield" and "brownfield" types of entrant face a major initial outlay acquiring the factors of production.</p>	<p>✗ Inability to control: A franchisor or licensor typically has little oversight of or influence on the quotidian operations of the local partner, which can severely compromise the expected ethos, quality, and success of the offering.</p>
<p>✗ High risk: An autonomous entrant assumes all the risk if the venture fails, including the loss of potentially the entire investment's value.</p>	<p>✗ Risk of theft of intellectual property: An unscrupulous licensee or franchisee might renege on the contract (or not enter into one to start with) and undertake the business alone, thus depriving the investor of the first-mover advantage.</p>
<p>✗ Joint venture: The entrant inevitably has to relinquish some measure of control over the enterprise's operation to the local partner.</p>	

On balance, a new entrant would most likely find it advantageous to undertake this type of project on a standalone, "greenfield" basis. The reason is that the costs involved in setting up an educational institute and equipping it (v. s. 4.5) are not prohibitive to the extent that they would require fallback on a local partner. If this Project was pursued by means of e.g. an acquisition or licensing, the only gain would be the existence of a physical location with rudimentary furnishings, the local partner's reputation, and a limited customer base. However, it would still be necessary to procure the photographic equipment, hire the expert tutors, engage in a marketing campaign, and secure the

necessary licensing from the government, all of which are the areas that entail the preponderance of the initial costs. Furthermore, while commonly the local partner's reputation may be an asset, in the case of the educational industry of Bahrain quite the contrary may be the case. There exists no research to support this, but in this author's experience, Bahrain's training institutes are either largely unknown among the general public or, to phrase it charitably, do not have much of a reputation for excellence. Tying this Project with an existing local company might, accordingly, be even a liability rather than an advantage.

Another entry method worth mentioning is the Internet. Training websites from institutions or individuals, more or less formal, paid or free, certified or not, etc. are evidenced in abundance. They offer general and specialized courses in almost every discipline and field imaginable, and require only Internet access. *YouTube* alone offers photography tutorials that are completely free. At first glance it might appear impossible to compete on that basis, and it is indeed difficult to descry why a new online course offered to Bahraini residents might be more successful than the hundreds of online courses in existence already, particularly those offered for free. However, those appearances are highly deceptive. For one, many Bahraini residents do not have individual and reliable Internet access. Low-paid laborers, of whom there are tens of thousands and who live in squalid camps can neither avail of a computer and Internet nor provide credit card or similar payment. For another, offering this type of course online would expose it to the same drawbacks as suffered by distance education in general, which have been amply researched (e.g. Rovai, 2003; Valenta et al., 2001; Zhang et al., 2004). Further, online courses were in existence—if not necessarily abundance—for many years; yet, the inquiries mentioned in the Introduction that motivated this Project

were nonetheless being received. If the callers at the time were not interested in online courses, it is unlikely they would want to enroll in one today. Lastly, the impersonal interaction of an Internet-based course would not resonate well with the Arab psyche, of which more in s. 3.2.2 below.

Barriers to Entry:

In order to establish a training institute, an entrepreneur needs to clear two principal obstacles: (1) Obtain a license to operate a business, and (2) obtain a license to operate a “private educational and training institution.” These are governed by the country’s Ministry of Industry and Commerce and Ministry of Education respectively, and require of a number of steps. The rules for the former are relatively straightforward and quite liberal. Full foreign ownership is permitted as is a wide range of legal structures (“Setting up a Business,” 2014). The Ministry of Education’s licensing procedure is more involved, but is transparent and not unduly onerous (“Establishment and Management...,” 2014). The greatest hindrance to a seamless setup of the proposed type of academy is the time the Ministry of Education takes to reach a licensing decision: Even established and reputable institutions are subjected to a wait of up to three years before a license is granted. That may or may not be the case with smaller establishments offering general courses to the public, as opposed to colleges and universities providing accredited tuition. There are no published timeframe guides, so an entrepreneur may experience a long wait before being allowed to begin enrolling customers.

Ernst & Young reports that foreign nationals are allowed to both own and rent land, there is no legislation mandating a minimum wage, labor unions are prohibited, currency controls do not exist, the local currency (the Bahraini dinar) is pegged to the U.S. dollar,

there are no capital requirements, and there appear to be no other unusual financial or legal impediments to encumber potential investors. Utilities such as electricity, water, and gas are heavily subsidized by the government, although this has been rolled back somewhat in recent years. There is no corporate, income, or capital gains tax, and what few taxes and duties do exist (principally the *social insurance tax* at 12% of the basic wage per employee) are very low (“Doing Business in Bahrain,” 2011). Moreover, land is relatively inexpensive owing to the political instability.

The situation is somewhat different with regard to one of the “four Ps,” namely *promotion*. The population of the island is small. Further complicating matters is the fact that photography hobbyists do not seem to belong to any particular demographic (*q.v.* the inquiries received at the university described in s. 1.2 *supra*). Without an existing consumer base, therefore, an investor in this type of project would be forced to cast a “wide net” at the market, without having an ability to target any particular segment. All the antecedent conspires to necessitate high advertising costs in order to reach as wide an audience as possible. Moreover, a substantial upfront investment into the equipment—as well as premises, facilities, and other factors of production—might be required.

For a subsequent new entrant to be successful, it would have to attract new customers. Those would be (1) the people who are interested in photography lessons but elected not to pursue training with this Project or (2) the existing customers of this Project and any competitors who could be enticed to defect. In order to attract the two groups, a later entrant would need to compete primarily on price, and possibly on location or value-added features.

An entrant could offset some of the difficulties adverted to above by entering the market relatively quickly after this Project, before the latter has had an opportunity to establish a brand reputation and awareness. However, such sudden action after decades of ignoring this potential market (v. the following sections) is unlikely. Considering the foregoing facts, a potential new entrant would need to commit itself to considerable upfront expenditure with very low, if any, margins and without any indications of an eventual success.

Accordingly, although the barriers to entry are low, it can be averred with some confidence that the threat of new entrants either emerging or impinging on the success of this Project is negligible.

Barriers to Change:

Expanding an existing training institute with regard to capacity or course content is quite simple and requires updating the educational license with the Ministry of Education, following consideration and approval from the same. That, as discussed earlier, can entail a protracted wait, but is otherwise procedurally simple. Any repurpose of the business would necessitate a new registration and incorporation with the Ministry of Industry and Commerce, which is also a relatively seamless process.

Internal change, such as restructuring, is unlikely to be needed due to the anticipated small and streamlined nature of the institute. If such need did arise, the factors aforesaid would mean that barriers would be quite low in this regard, too.

Barriers to Exit:

As the business does not envision owning its premises (v. s. 4.1.2), disposing of those does not require consideration. Dismissing employees, likewise, is not nearly as prohibitive financially or legally as in many other jurisdictions. Capital repatriation is not subject to any restrictions. There are thus no major barriers from the regulatory perspective.

The question remains how easy it is to sell this kind of company's assets, such as these will exist. Given the surprisingly high number of institutes and educational establishments for such a small country (v. following section), it is reasonable to assume that disposing of many of those assets would not entail major difficulty.

The biggest risk is that despite a sizable advance investment (licensing, rent, equipment, trainers, advertising, etc.), this Project does not succeed in attracting enough students to break even. In such an eventuality, some of the costs would have to be written off and some recuperated, but even then there would be no obstacles to winding down or otherwise disposing of the company.

3.2.2 Substitute Services

Though anecdotal evidence suggests there is no institution in Bahrain catering exclusively to photography enthusiasts, a more systematic research is needed. Since all vocational and other training organizations need to be registered with the Bahraini government, the latter's official publications are the most apposite place to start the investigation. The government's *National Authority of Qualifications and Quality Assurance for Education and Training* (customarily known as the *Quality Assurance Authority* or Q.A.A.) provides a comprehensive directory of all training institutions in the

state (“Vocational Review Reports,” 2014). Its individual reports definitively outline all the courses offered by the establishments; a simplified table distilling that information is furnished in Appendix A.

Bahrain boasts 92 training and vocational institutions, of which 85 are currently operational. They specialize in one or more of four principal fields: academic tutelage and remedial courses (13 centers), English and language courses (29), “soft skills” and business training (36), and information technology courses (22). A few others train their customers in fields such as engineering, and occupational safety and health. In all the foregoing cases, the training offered is of a professional nature rather than an amateur pursuit, with the exception of the language category, which often takes the form of an extracurricular activity. Several establishments, however, supply instruction in activities such as graphic design, painting, instrumental music, ballet, and beauty treatments. There are eleven such institutes. As these might be very broadly viewed as substitutes for photography, they will be analyzed in brief so as to determine if they ought to be considered competitors.

A source concedes that identifying substitutes is challenging at the best of times. One technique involves calculating cross-price elasticity or cross-consumption response, both of which are most often based on estimates and conjecture. All known alternatives necessitate studying customers’ behavior over protracted periods of time (Lattin & McAlister, 1985), but attempts to address this matter in the context of “recreational activities” have been made. Hendee and Burdge first defined recreation substitution as “interchangeability of recreation activities in satisfying participants’ motives, needs, wishes and desires” (1974, p. 157). An article advanced the *direct question method* as the

optimal tool for ascertaining consumers' view on substitutes in recreational activities, albeit with a host of reservations (Vaske et al., 1990). Finally, Brunson and Shelby all but admit defeat when concluding that it is, in fact, almost impossible to accurately assess the substitutability of recreational activities and that such endeavors have to essentially rely on assumptions and guesswork (1993).

That being the case, substitution—particularly for the present purposes—is defined as “a psychological process [...] built on the basic principle that the originally intended activity is no longer possible and must therefore be replaced by another activity if leisure involvement is to be initiated or continued” (Iso-Ahola, 1986). Brunson and Shelby (*ibid.*) mention “acceptably equivalent outcomes,” and that is a promising starting point. There seems to have been no research done into the motivations behind amateur photography (Munir & Phillips, 2005). However, it is empirically clear that people have been transforming into far more visual creatures than they used to be: The advent of television, the disposable camera, the Internet, and the ubiquitous cellphone camera have seen humans abandoning the written word in favor of visual stimulation. Concomitantly, social media have been usurping the role of traditional in-person communication, leading to the necessity to express oneself, again, visually. As far as photographers, they are intrinsically motivated to record a scene to share or admire, or as sheer art.

With that in mind, it is difficult to proffer a definitive answer as to whether e.g. ballet or playing an instrument is a substitute for leisure photography, and even more taxing would be conclusively adjudging whether an individual interested in self-expression through “art” in its most generic sense would consider one form of art a substitute for another. Anecdotal evidence and observations suggest the answer is negative: A sculptor

tends to not dabble in painting, and a piano player is very seldom proficient in any other instrument. It is hence safe to assume that those with a keen interest in amateur photography would most likely not consider enrolling in painting, ballet, or instrumentalism classes, even if training in photography is unavailable. Accordingly, the five establishments offering courses of the former type can most probably be discounted as potential competitors. Those providing training in beauty treatments, too, will be ignored because the cross section of those with a passion for both personal grooming and taking photographs thereof is liable to be exiguous.

Next come establishments supplying training in graphic design. Here the answer is less unambiguous: Photographs are often subjected to some type of digital enhancement or alteration. It would stand to reason that those with a passion for manipulating digital photographs may bear some eagerness to learn how to take them, too. Nevertheless, although there is some overlap (which will be visited later, v. s. 4.3.2), it is unlikely that a large proportion of the enthusiasts looking to learn how to take quality photographs would be in the market for sitting in front of a computer learning how to manipulate them. The graphic design centers are hence unlikely direct competitors either.

As was noted earlier (v. s. 3.2.1), photography and related courses are these days also offered online. It would be impossible to provide even a superficial treatment of such offerings, but a cursory search on e.g. Google or Bing yields millions of results¹. Websites proffering such instruction abound, and many of them are free, including high-quality instructional videos on sites such as YouTube. While these should certainly be reckoned

¹ For instance, a search for *photography course online* produces more than a hundred million results on Google and just over 95 million on Bing. A similar search on YouTube returns more than 150,000 videos.

with, they are unlikely to be a direct substitute. Spencer (2006) found that students preferred hard copies of learning materials to accessing them via a computer screen. Photography being a skill, it is intuitive that the overwhelming majority of those with more than a passing interest in developing and enhancing their aptitudes in that field would elect a guided, personalized, and hands-on approach (Smart & Cappel, 2006) to an online course, particularly in a locus such as the Arabian Gulf where customers prefer personal, face-to-face interaction (Al-Ghaith et al., 2010; Butler, 2008).

Finally, Bahrain is also the site of fourteen universities, four of which operate evening classes called “continuing education.” However, none of the four provides training in any way connected to recreational photography or similar (v. Appendix A). That leaves one sole direct competitor: *Al Madrasa for Art*.

3.2.3 Competition

Al Madrasa for Art (hereinafter referred to as *Al Madrasa*) was established in 2005 and, though for a while it focused on providing short courses in art, four years later it repurposed itself as a supplier of accredited academic programs in art and design aimed at high school students. It still does, however, offer intensive workshops in photography, painting, drawing, and watercolors. Those courses run in summer and are not accredited. The center is amenable to offering customized and one-to-one tuition. Its average intake is approximately fifteen students per year in all its courses. The faculty consists solely of a spousal team. The school puts on an annual exhibition of its students’ work (“Al-Madrasa for Art,” N.D.; “Vocational Review Unit...,” 2011).

The Quality Assurance Authority awarded Al Madrasa the overall score of Good, which is the second highest. It lauded its students' exams performance and self-motivation, support available to the students, the quality of the faculty and facilities, and ties to professional organizations (mostly accreditation bodies) ("Vocational Review Unit...", 2011).

Al Madrasa, accordingly, represents the most credible threat identified thus far. It does, however, suffer from a number of weaknesses, which this proposed Project could address so as to differentiate itself. These are, as follows:—

- Al Madrasa has shifted its focus away from leisure courses to academic courses. Recreational art has been relegated to the status workshops conducted during the summer months (when many Bahraini residents depart on their annual vacation), and seems to be more of a vestige of the school's original mission than a business endeavor being given serious attention. A dedicated photography school could remedy this by providing courses all year round and concentrating all its efforts on them alone. That would ensure accessibility, convenience, and quality.
- Al Madrasa is located in Hamla, which is a village (township) on the western side of the island. Though the island is relatively small and accessibility is not greatly hindered due to the school's location, the region is sparsely populated and has been the scene of sporadic sectarian violence. This Project, on the other hand, would be located in Manama (the capital) or in Riffa. The latter is an upscale, safe, and stable area, and both are densely populated with homes and offices. Doing so would both increase the convenience for the customers living or working nearby, and being headquartered in one such prime location of the island would add a measure of prestige to the institute.

- Al-Madrassa's photography courses are not accredited. Though existing and aspiring amateur photographers would be motivated by a desire to acquire practical knowledge and practice, rather than attain a certification of any kind, an accreditation would nonetheless be value-added as well as a visible guaranty of quality.

3.2.4 Power of Customers

The mainstay of any business is revenue maximization, which is most commonly achieved by attracting and retaining ever larger quantities of customers (Handy, 2002). The larger the pool of potential customers and the more urgent their need, the easier the above is accomplished (Anderson & Mittal, 2000). “[C]reating new customer pools,” i.e. fabricating demand where none exists, is another (Kim & Mauborgne, 2000). In either case, the arithmetic is quite simple: The more people, the more potential consumers. In that respect, in a market as comparatively small as Bahrain's, an investor is at a distinct disadvantage *ex ante*.

That is additionally aggravated by the fact that training in recreational activities is not a staple or even necessarily a luxury. Other than the initial batch of eager enthusiasts, further customers will have to be persuaded that they need such training, i.e. that undergoing it accrues value. That means that an investor into this type of an enterprise is embarking on “driving a market” rather than entering a “market-driven” environment (Jaworski et al., 2000). Apple did this famously well when it “fabricated” a need among consumers that was nonexistent, instead of merely satisfying an existing need as is the wont of traditional businesses (Schrage, 2013).

It might be argued that, as there are no major competitors, this Project would be a *pro forma* monopolist, and the customers would be forced to either accept the offerings as they are or go without. That, however, would ignore the aforementioned fact that the overwhelming majority of potential customers' lives would in no way be adversely affected if they indeed forwent this type of service.

In light of the above, *viz*, a limited potential market and a service for which there is little extant need, the inevitable conclusion is that customers do wield considerable power over the provider. Since there is no pressing demand on the consumers' part, they can walk away at any time pre- or post-sale. The principal threat from the consumers' side is not switching brands, but abandoning the market altogether.

It is also foreseeable that customers could make demands regarding the price of courses, the scheduling thereof, the location at which they are delivered, flexible cancellation policies, etc. The strength of their bargaining power would depend on the size of the consumer base. Intuitively, the more existing customers the institution has, the less of an impact losing a prospective (or existing) one would have. However, owing to the nature of this Project, it is unlikely that large enough a consumer base would be built *ab initio* or even over several years so as to be possible to dismiss too many customers' demands. It is hence inevitable that the onus should be squarely on the provider to endeavor to satisfy whatever requests—within and possibly beyond reason—it receives.

Therein lies a considerable danger, however. Customers will likely be diverse, with different work and family commitments, levels of income, place of residence, modes of transportation available, and so forth. As such, the panoply of demands for

accommodation of specific needs and demonstration of flexibility is likely to be great. A provider, desperate to build a customer base, could be tempted to endeavor to satisfy all such requests, which would before long stretch its resources too thinly. That might result in, say, there being classes through the day that are too numerous, yet too small, to yield an acceptable profit margin, if any at all. It would therefore be essential to balance the need to placate a (potential) customer and the business imperative of at least breaking even.

3.2.5 Power of Suppliers

As this is not a traditional labor- or material-intensive undertaking, it is inconceivable that this Project could be “held to ransom” by suppliers of raw material or equipment. As the number of employees will likely be low and their roles varied, coupled with the fact that unionized labor is prohibited by law, strikes or any similar forms of pressure from personnel is also unlikely. It is not impossible, however.

Educators are a type of suppliers: They supply knowledge and expertise. Photography training is quite an esoteric discipline, which will require trainers with rare and inimitable skills. A trainer who becomes disenchanted can easily part ways with the institution and seek (and quickly find) employment elsewhere. The institute, meanwhile, would have to scramble to procure another trainer, possibly having to discharge the immigration procedures, give him/her orientation, etc., all of which is time-consuming and costly. To borrow the terminology from real estate: As far as photography trainers, it is certainly an employees’ market.

That occasions potential for conflict. The academy will need to balance the needs, requirements, and requests of the customers—who will, as established, be in a powerful position—with those of the educators who also wield significant influence. Whereas customers may demand lessons at different times of day, at different locations, and stipulate other parameters, trainers are likely to seek set hours, an immutable job description, and general predictability.

Contrary to appearances and first impressions, therefore, suppliers also exert substantial power in the context of this type of project. Their bargaining power is more limited though, primarily because their particular expertise is not widely sought in Bahrain. On balance, it is somewhat easier to find another trainer than accede to unreasonable and onerous demands or tolerate insubordination from an existing one.

Suppliers of the educational equipment need also to be considered. It is envisioned that in the first instance a number of photographic and video cameras, computers, and image- and video-editing software suites will be required. The three types of product are stocked by different companies (e.g. Canon, Dell, and Adobe respectively) and thus have to be sourced separately. Due to the small overall market and an uncertain demand, as well as the relatively high cost of the equipment concerned, only relatively small quantities are to be purchased initially, which means that an entrant is unlikely to benefit from bulk-buy volume discounts and similar incentives. Conversely, the suppliers of the electronic equipment do not have any bargaining power either.

3.2.6 Key Success Factors

1. Customers' requirements

- Transfer of useful, practical photography skills
- Enjoyable and nontraditional training methods (e.g. workshops rather than lectures)
- Flexible delivery times and locations
- Affordability

2. Competitors' influence factors

- Price
- Value-added aspects (e.g. additional courses, certifications, networking, etc.)

3. Regulations/industry standards

- Licensing from both ministries
- Employees: work permits, qualifications
- Insurance, reporting, auditing requirements

4. Resource requirements

- Initial investment for licensing, factors of production, advertising, administration
- Market research and outreach resources

5. Technical requirements

- Equipment, particularly photo cameras and—possibly (v. later sections concerning expansion)—video cameras, computers, software

3.3 S.W.O.T. Analysis

The strength-weakness-opportunity-threat analysis is a traditional tool utilized to gain a comprehensive overview of a current or future project's likelihood of success. It focuses on long-term strategy, is subdivided into strengths and weaknesses—which are viewed

as internal factors—and opportunities and threats as facets external to the project or enterprise. The instrument’s main utility is to aid in planning and forestall future obstacles (Houben et al., 1999).

3.3.1 Strengths

- The instant Project would be entering an ignored and unexploited market with solid indications of existing demand.
- It would be doing so from the position of a first mover.
- The progenitors of this Project are not “tainted” by real or perceived political allegiances and demographic affiliations that would otherwise alienate unsympathetic potential customers.
- The author, having several years’ experience living and working in Bahrain, is cognizant of the dynamics of the economy and challenges of the society in ways an outsider is highly unlikely to be.

3.3.2 Weaknesses

- This Project would be entering unexplored and uncharted territory, with no guaranty of success.
- As no local partnership would be pursued, it would be necessary to begin with a completely blank slate, which would entail significant expenses and an upfront financial outlay.
- There is lack of any customer base or contact with potential customers, unlike is the case with the existing institutes (even if their course offerings are in entirely different fields to the proposed).

- There is also a lack of existing record or relationships with the relevant Bahraini government's departments, such as the Departments of Education and of Commerce.

3.3.3. Opportunities

- As the full potential customer base is likely to be small, due to the nature of the service in question, this Project would be well positioned to achieve an impregnable and durable virtual monopoly.
- A successful operation in the first instance would serve as a propitious launchpad for expansion into e.g. offering advanced courses, diversifying the course offerings, entering additional geographical areas (such as the adjacent Saudi Arabia or Qatar).
- Earning accreditation would facilitate the expansion of offering to cover all levels of interest: from the purely casual and informal to those seeking official qualifications and certifications.
- The existence of this kind of facility might serve to offset some of the consequences of the political and societal strife that has been undermining Bahrain for years. It might promote reconciliation and cohesion (Hatley, 2009). It might also encourage people to channel angst and frustration toward more positive pursuits, much in the way the existence of municipal leisure centers has been shown to play a positive role in combating juvenile delinquency (Yin et al., 1999).

3.3.4 Threats

- The market and, accordingly, profitability might turn out to be too small to justify initial and continued investment.

- The political instability in the country as well as the region are disconcerting. There are certainly precedents of the entire politosocioeconomic system being upturned within a matter of days, which means Bahrain is a high-risk environment in which the investment could be lost quickly and irrevocably.
- The above reality has worrisome implications for the physical safety of this Project's customers and staff. Rioting and violent suppression occur on a daily basis and, though such incidents are largely limited to certain neighborhoods and towns, the specter of their spilling over is ever present.
- Bahrain is polarized not just as far as its politics and demographics but also income distribution. On the one side there are wealthy and well-appointed Bahrainis and expatriates in high managerial and similar positions. On the other side are the disenfranchised and forcibly-unemployed Bahrainis as well as poorly-paid expatriates occupying largely menial-labor positions. There is not much in the way of a middle class. That fact would prescribe a careful pricing structure so as to enable this Project to cater to as wide a range of potential customers as possible without either alienating or pricing out a major segment.
- The low barriers to entry mean that if this type of project meets with success, it would be easy for competitors to endeavor to enter the market in an attempt to lure away customers. This is especially true of established institutes, which would already benefit from existing premises and brand recognition.

3.3.5 Elaboration and Remarks

As discussed *supra*, the instant Project would benefit from the first-mover advantages (McAuliffe, 2015). There are traditionally many of these advantages—even if they are sometimes overstated (Suarez & Lanzollsupa, 2005)—but in this case the main one is

being able to capture and retain the bulk of the market. For reasons discussed earlier, the potential market is both geographically and numerically small. The proverbial pie (Ritala et al., 2014) is likely to be so small that (1) the initial entrant will be able to seize most or all of it (due to scarcity of assets, in this case potential customers), and (2) any subsequent entrants would find little incentive to battle over such a small potential market unless they had a radically different value proposition to offer. The first mover might also be able to establish continued added value programs (such as advanced courses and accredited certifications) by the time an additional entrant is established, thereby making switching costs for existing customers too high.

The point about this Project or its protagonists not being associated with any political or demographic faction is important. Accounts of boycotts and even vandalism of businesses on the basis of ownership and the owners' perceived allegiances are plentiful (e.g. Dickinson, 2012; Kareem, 2012; Potter, 2014, p. 173). Even innocent enterprises can find themselves ensnared in the sectarian tug-of-war: The British-based supermarket Waitrose reportedly felt compelled to publish an advertisement identifying its owners ("A Bahrain Boycott...", 2011). Being free and being seen to be free from any association with a particular political or demographic group in Bahrain, therefore, is imperative for the success of a business. It is also a major handicap, however: The discussion has hitherto ignored an important figurative elephant in the room: *wasta*.

Wasta (Arabic: واسطة) is a term which any newcomer to the region assimilates more quickly than any other Arabic word or cultural aspect. It loosely translates as *nepotism*, *corruption*, *influence*, and the like. Much has been written about the Arabian business and popular culture (e.g. Metcalfe, 2006; Mitchell, 2009; Weir & Hutchings, 2005; also

Hofstede's cultural dimensions ("United Arab Emirates...", N.D.)) but *wasta* is certain to supersede all other considerations in importance. Simply put, boasting sufficient influence with the "right" person(s) can entail formal legalities and requirements attenuated or outright dispensed with. Conversely, not bearing such influence can mean having to traverse the entire gamut of intractable bureaucracy, which magically seems to only ever grow, and which can be time-consuming and expensive. In the instant case, it is a double-edged sword: Having and using *wasta* can vitiate one's image of political impartiality and estrange many potential customers, whereas not having it might entail a more protracted establishment process. On balance, because the process seems formally straightforward and because the Bahraini government is eager to attract business investment, not having *wasta* is probably not a disadvantage.

An area in which the *wasta* may imperil this Project is competition. As adverted *supra* (v. s. 3.2.1), a competitor—even if it be an existing institute with secured premises and a customer base—would, alongside the equipment and human resources, need to undertake the registration and licensing processes with the Bahraini government. These take months at best. (For instance, a university wished to begin offering an undergraduate degree in law, in addition to three undergraduate and one graduate degrees being offered already. It submitted its application to the Department for Education in 2009 and received the permission to open the law school fully three and a half years later: at the end of 2012.) An entrant that resolved to compete with this Project only once the latter was established and successfully running would thus have to wait a long time before being granted the legal permission to begin offering competing courses. However, if that competitor exerted sufficient *wasta*, it could traverse those formal requirements in a much shorter time, thereby being able to enter the market much more

quickly, before this Project had solidified its customers base and brand reputation. Moreover, a competitor with such *wasta* would be more likely to be an extant institute than a complete newcomer, and that competitor would already benefit from possessing premises, a customer base, marketing channels, etc. It would need to acquire only the trainers and photographic equipment, but neither make other initial investments nor, crucially, wait months for the licensing. *Wasta* could hence jeopardize this Project's principal competitive advantage and significantly lower the already inconsiderable entry barriers. It is a risk that cannot be eliminated or managed, but must be taken into account. This Project would thus need to move on several fronts as expeditiously as possible—as will be argued *infra*—to offset the said risk.

CHAPTER 4. BUSINESS ANALYSIS

The previous Chapter showed that the wider environment (such as the industry structure, market conditions, and governmental regulations) is conducive to this type of a project resulting in success. The purpose of the instant Chapter is to provide the details at a more operational level on how to proceed to establish and run a photography institute.

4.1 Initial Choices

4.1.1 Location

Choosing the appropriate location for a new business—particularly one relying on and providing physical interaction with customers—is one of the most important facets in ensuring a project's success. Making the wrong choice can easily doom the entire enterprise (Gordon et al., 2011). The U.S. government's guide for S.M.E.s enumerates more than a dozen factors to contemplate in the process ("Tips for Choosing...", N.D.). They are not all relevant to Bahrain; e.g. zoning regulations and taxes do not differ among municipalities. The considerations relevant to this Project are the following:

- Convenience to customers: As it is envisioned that only one premise will be opened initially, its location needs to be easily reachable to as many of the potential customers as possible.
- Security: Many parts of Bahrain are subject to continual civil disturbances such as riots. The premises must be in an area free from such occurrences.
- Brand image: Some locations are generally perceived as more prestigious than others. The business hence has to be located in a respectable part of the island

(avoiding areas e.g. in proximity to labor camps and “bachelor accommodations” (Haider, 2010)) but not in high-end neighborhoods that might intimidate or dissuade potential lower-income clients. Furthermore, importantly, it is essential to eschew areas with sectarian or political associations. For instance, West Riffa, though relatively cheap and respectable is the site of many ruling family members’ residences, having a potential to deter opposition sympathizers who arguably constitute a majority of Bahrain’s citizenry.

- Costs: Though utilities, etc. do not vary in cost among different areas of the island, rent does. The civil unrest predictably had a deleterious effect on the rental market (McGinley, 2011) and the recent downturn in the oil prices put further pressure on the real estate market as a whole. Though the market purports to have stabilized (“Bahrain office market...,” 2014), it still favors renters.

The most advisable first step is consulting the map published by the U.S. embassy in Bahrain, which furnishes a helpful overview of the areas to be avoided (v. Appendix B). It is readily apparent that large swaths of the island have to be discounted on security grounds. That leaves roughly six major areas as possible sites for this Project’s premises (v. Appendix C). Of those, three can be dismissed immediately as unsuitable: #4 lacks centrality (it is on the Muharraq island, which takes up to an hour to reach from central Bahrain during rush-hour periods), #5 is an industrial zone, whereas #6 is located in a part of Bahrain that, though inhabited by the wealthier classes, is sparsely populated.

Some brief background is in order. The bulk of the population lives in the northern strip of the island. These are mainly the poorer classes of Bahrainis and expatriates (notwithstanding some “elite” pockets along the shoreline). Central Bahrain is home to

the wealthier residents but far fewer people live or work there. Location #2, while not quite central, is both in a “neutral” territory and is *en route* to the causeway connecting Bahrain with Saudi Arabia. That causeway is heavily utilized at all times of the week: by commuters (both workers and students) during the weekdays and by Saudi residents escaping their oppressive environment for the more relaxed Bahrain on weekends. If this Project wished to expand into Saudi Arabia in the future, location #2 would provide it with much visibility and brand recognition in the interim. It is, however, probably too remote for most of the potential customers.

Location #3 is close to the wealthier clients, while it is also reasonably well-served by public transportation for the residents of the capital Manama (the North-East of the main island). It benefits from low rents. Marker #1, meanwhile, is situated in downtown Manama, which—though not overly prestigious—is home to a large part of the population as well as the site of many hotels and restaurants. The rents are, naturally, higher though still more affordable than along the northernmost sliver of the island, including the commercial and diplomatic districts.

While both locations #1 and #3 satisfy the criteria given earlier, on the whole, the former is probably better. Though more expensive to lease, an institute located in a neighborhood such as Adliya would be more easily reached by the income-conscious residents who might balk at having to pay for the transportation to site #3 in addition to their tuition expenses. The wealthier residents of the south have their own transportation and most probably also work in the vicinity of *locus* #1. Moreover, the area is has an agreeable reputation among all strata of the Bahraini society.

4.1.2 Premises

The first decision to be made is whether to lease or purchase land or an existing building. For this type of a small project with an uncertain demand and in a politically unstable environment, it would be a folly to invest in real estate, even if it may be affordable to do so. Circumstances could quickly deteriorate causing the investment to be lost (due to destruction, expropriation, etc.). Leasing an existing building and repurposing it for academic needs is thus the preferred option.

As regards the size, though best practice standards are easily found (e.g. “Standards for Space...,” 2013), the uncertainty regarding the quality and quantity of demand makes it impossible to adjudge the necessary layout. For instance, it might turn out that there are enough clients to fill several consecutive 15-student classes. Alternatively, there might be multiple clients wishing or needing concurrent one-to-one tutorials. The options are thus to either acquire relatively large premises and sublet the unused space until such time as the number of clients grows enough for it to be utilized or plan conservatively and rent smaller premises. In the latter case, if the number of clients exceeds expectations, and the premises are too small, it might be possible to stagger the students into consecutive classes or adjust the curriculum so as to hold tutorials outside the premises (e.g. practice outdoor photography). In the circumstances, it is advisable to proceed moderately cautiously. A larger hall or showroom-type of story can be portioned into smaller classrooms or tutorial rooms as necessary. Using Duke University’s standards as a guide (*ibid.*), the size of 2,000 sq. ft. (ca. 180 m²) should suit the present Project’s purposes. A cursory perusal of the main real estate agents’ websites shows properties matching those requirements, located in the Adliya part of Manama, available in

abundance, ranging from five to ten Bahraini dinars (ca. \$13-\$26) per square meter per month².

4.1.3 Furniture and Equipment

As regards furniture, it is a relatively simple matter of procuring up to twenty basic single-study desks and chairs as well as a handful of larger desks for the administrators, managers, and tutors. Some filing cabinets and bookshelves will be necessary, too, as will simple office decorations. These are all inexpensive, and widely and readily available.

Photographic and graphic design equipment, however, is a more involved question. A single high-end camera can easily cost as much as most of the said furniture and furnishings. For instance, midrange digital photo cameras reviewed by CNET (a globally renowned consumer electronics review brand) retail from \$680 through \$2,000 (“Best midrange digital...,” 2015), whereas their professional counterparts do so from \$2,000 upward (“Best professional digital...,” 2015). Computers capable of running graphics and video editing software, too, are liable to cost several hundred dollars apiece, to which should be added the cost of peripherals (such as a couple of printers and projectors) and software licenses, running into a combined total of thousands of dollars.

Making an upfront investment into dozens of such highly expensive electronics without a guaranty of a sufficient stream of paying clients would be imprudent in the extreme. For that reason, purchasing—possibly even in used condition—a smaller quantity of such equipment, such as a half dozen midrange cameras and a similar amount of laptops,

² Figures correct at time of research. A few representative samples were obtained from realties in Bahrain, including Bahrain Property World (www.bahrainpropertyworld.com), Property One (www.p1properties.com), and SamsProperties (www.samsproperties.com).

would be the most judicious course of action. The only danger there is the possibility of a far greater number of clients than anticipated enrolling in this Project's courses, which would occasion a lack of equipment available for each. That can, to a large measure, be remedied by scheduling students' sessions consecutively rather than concurrently, as well as by encouraging students to use their own devices until the school can procure some extra of its own.

4.1.4 Personnel

Two main factors inform considerations relating to the hiring of the staff for the institute: expertise and "Bahrainization."

As an investor is likely to lack even rudimentary skills in the areas of photography, graphic design, video editing, and similar, it will be essential to hire an expert trainer from the beginning of operations. In doing so, several issues will have to be addressed, not least of all the trainer's domicile and language skills. Hiring a Bahraini resident would be cheaper and more convenient (legally and logistically); however, given a lack of photography courses in Bahrain, it is likely that the pool of suitable candidates would be severely limited. A trainer from outside of Bahrain would need to have his/her visa, residence permit, and work permit secured, as well as be subject to contractual stipulations not applicable to a Bahraini resident (such as annual repatriation procedures). As this Project's clientele would enfold Bahrainis and non-Bahrainis—the latter including Western, Arab, and Asian nationals whose grasp of English and Arabic is often tenuous—, a trainer not versed in the Arabian Gulf culture would be highly unlikely to be able to constructively interact with such diverse customers without prior experience. Accordingly, if it emerged impossible to find a suitable Bahraini resident

candidate to become a trainer, the search should in the first instance be expanded to other G.C.C. states and only then further afield. It is suggested that one trainer would suffice at the start of the operations, with additional human resources hired as the clientele base expands and needs dictate.

Another crucial item in the matter is “Bahrainization”: the Bahraini government’s program mandating that a quota of an enterprise’s employees be Bahraini citizens. It is a type of affirmative action initiative present in most G.C.C. states (Al-Mahdi, 2014; Randeree, 2012), although the exact details and applicability are somewhat nebulous, even in official Bahraini government’s materials (e.g. “Work Permits,” 2013). While it is unlikely to be an obstacle initially, if this Project expands and needs to hire further staff, attention will need to be paid to this. In the first instance, however, a single administrator, bilingual and possessing many of the personal qualities as the trainer aforesaid, should suffice. Unlike in the case of the trainer, such an individual can be hired fairly effortlessly from among Bahraini residents.

Other than a trainer and administrator, it is foreseeable that the services of a *mandoup* and a local attorney-at-law will be required. A *mandoup* is essentially a “fixer”: an individual who is familiar with the state’s offices and the individuals working there. He (and it is invariably a male) knows where to go and whom to see, and has personal connections needed to expedite otherwise laborious and protracted bureaucratic procedures. A local lawyer is indispensable due to having an intimate familiarity with the latest national and municipal laws as well as because official documents are almost always produced in Arabic. Both the *mandoup* and lawyer can be easily hired from among Bahraini residents.

4.1.5 Course Offering

Composing a detailed curriculum would be both outwith the scope of this work and impossible to devise without expert assistance. It would also require market research so as to be able to better understand the future and potential customers' requirements and desires *in concreto*. A more comprehensive list of available courses and their curricula can be devised following the submission of applications for the various requisite governmental permits and licenses. (At that time steps would be taken to secure the premises and personnel, too.)

Some approximations can, however, be made beforehand. Given the inquiries mentioned in the Introduction (s. 1.2), it is clear there is demand for training in photography. That training can take many forms and foci: from the fundamentals of taking good photos using any type of camera (even a smartphone) to the far more involved technical facets of camera operations. A digital photography school in New York City provides an example of a range of possible courses (v. Appendix D). This Project should be able to advertise many of those during the marketing stage of the venture and begin providing them as soon as the official licenses are granted.

4.2 Marketing³

A well-executed marketing campaign is the mainstay of any successful enterprise (Slater et al., 2010). The aim of a business is to sell its wares to as many customers as possible at the highest price it can charge them. The more consumers it attracts, the better it can take advantage of economies of scale, leading to more affordable pricing, leading in turn

³ Parts of this section broadly adhere to the structure recommended by Lavinsky (2013) in Forbes.

to even more customers (Baumol et al., 1982). While that is an oversimplification of a series of dynamic and multifaceted processes, the basic premise stands: It is imperative to establish and grow a healthy customer base.

This Project has no track record or reputation in Bahrain, and neither is there an existing market with competitors. Accordingly, it will be necessary to not only inform potential customers of the existence of this particular institute, but also raise awareness of the existence of the market itself. The issue is not merely offering a better value proposition but apprising potential customers that there is a proposition of any kind in the first place.

4.2.1 Target Customers

Given the small size of the potential market as well as the somewhat niche nature of the present Project, it is sensible that an initial marketing campaign “cast a wide net,” i.e. attempt to attract as wide a range of customers as possible rather than focus on a particular segment. The target would thus be the totality of the residents of Bahrain. Nevertheless, as Bahraini inhabitants do not constitute a homogeneous group, it will be paramount to identify the constituent brackets within that group and devise ways of communicating this Project’s message in ways most effective to each stratum.

With that in mind, it is possible to distinguish among the following segments of the Bahraini consumer market, which might have different needs and wants with regard to digital photography and related training:

- Students (high school and college): This is an amorphous group whose interest in photography spans taking “selfies” to engaging in a serious extracurricular pursuit

possibly with a view to forging a career in the field. Some of them will probably be interested in accredited certifications.

- **Wealthy Bahrainis:** They tend to be well-traveled with a high disposable income. They perceive digital photography as a refined pastime and a form of art. They are demanding and desire flexibility, and are likely to seek individual attention, but have somewhat short attention spans. The curriculum can be quite flexible in their cases.
- **Poor Bahrainis:** Their interest in photography is likely a form of escapism from the sociopolitical climate or a means of expressing their frustrations or even documenting the causes of their disenchantment. They are unable to afford individual tuition and will be happy to be taught in groups. However, due to the political dynamics (they are less than enamored of expatriates), such groups will need to be composed of other, similar Bahrainis. They will most probably wish to focus on the act of taking photos rather than the underlying technical minutiae.
- **Wealthy expatriates:** These are mostly Westerners and a smattering of other nationalities in well-appointed positions. Photography is to them a leisure activity combined with artistic expression, similar to their wealthier Bahraini counterparts. However, they are more accommodating as far as tutoring arrangements: They are not averse to working in groups to a set timetable, and are likely to be interested in all aspects of photography, including the technical and technological ones.
- **Poorer expatriates:** This is another loosely determinate group, comprising menial physical laborers, lower positions of service providers, and middle managers, of primarily Arab and South Asian extraction. They also relate to photography as a pastime so will not demand much in the way of formal structure, but where they

differ from their wealthier counterparts is their level of English, which is generally lower. They thrive in group settings both for cost-effectiveness purposes as well as because they facilitate mutual support and cooperative learning.

Aside from the foregoing broad demographic categories, there are a few psychographic market segments to be borne in mind, too:

- Those with an extant keen interest in photography: They have an alacrity toward this particular pursuit already and are looking to explore that interest through training and collaboration with others, hone the skills they have, or learn about the more intricate facets of digital photography.
- Those actively seeking a pursuit: They may feel bored or be looking for an avenue of self-expression and self-actualization. They may be vacillating among several options including photography or it may not have occurred to them to consider photography.
- The passive, non-involved public: These are the individuals who neither have much in the way of hobbies nor are necessarily contemplating taking up one. They likely have some exposure to photography (even if only by way of “selfies,” Instagram, etc.). They need to be made aware that digital photography is a “thing,” that it can be fulfilling as a vehicle of self-expression, and that it may be worthwhile to explore it.

4.2.2 Unique Selling Proposition

A unique proposition is customarily used to distinguish one’s offering from those of one’s competitors. In the instant case, the antecedent applies only to a limited degree, there being no direct competitors. This Project’s proposition has to include the following:

- **Availability:** There is now, for the first time ever in Bahrain, an expert provider of digital photography and related training.
- **Passion and fun, not curriculum:** The emphasis is on the semi-formal learning environment that caters to clients' needs. The goal is to attract those who do not respond well to an overly structured, formal educational framework. The training is centered on what the customers want, at their own pace, rather than adhering to rigid curricular requirements.
- **Forgo substitutes:** People can pursue many hobbies and training in many different pursuits. Those who are looking to take up a pastime have to be given a reason to elect photography over other possibilities.
- **Affordability:** This factor resonates with a large part of the potential customer base. The message is that developing and indulging in a passion does not have to "break the bank."
- **Flexibility:** The institute offers courses at different levels, with different foci, at different times, including customized content for individuals or groups.
- **Seamless, stress-free commitment:** The institute provides the setting and equipment, which is particularly convenient for those whose photography interest does not (as of yet) extend beyond their cell phones.
- **Expertise:** Despite the flexibility and a lack of formality, the training is delivered by credible experts in the field who possess both the qualifications and experience as well as an ability to impart knowledge and nurture skill.

4.2.3 Logistics

This concerns pricing, positioning, and distribution. The pricing (v. ss. 4.2.4 and 4.5 for the financial details) is more important to some segments of the potential market than

others. The promotional material targeting the more price-conscious consumer should have indications of the tuition expenses range (such as “from X dinars,” where X is the lowest tuition available) or the actual prices for the examples likely to appeal to a particular segment (e.g. “10-student classes, 10 sessions, X dinars”).

The positioning ought to come across as an organization that, though new to Bahrain, is professional, expert, trustworthy, and dependable. Its aim is not to make money but empower people by endowing them with knowledge and skills. That will place the institute between the small “hole-in-the-wall” operations run by individuals of questionable levels of expertise on the one side and colleges that possess some gravitas on the other.

The distribution is simple: Sessions take place on the premises with many on-location activities. The convenience of reaching the location (including public transportation and parking facilities, if any) as well as local amenities (such as nearby restaurants to retire to after the sessions) should be mentioned.

4.2.4 Pricing

The price for a six-hour course would be set at 30 Bahraini dinars (*v. infra* s. 4.5.3), which should be affordable to all but the most indigent Bahraini residents (special, low-cost courses, in larger groups could be devised even for them though). However, since repeat custom is more valuable than a singular visit, clients who feel they received value for money the first time are presumably more willing to enroll in higher-level courses, which are progressively more expensive and, hence, profitable. While an introductory course can therefore be advertised to prospective callers for 30 dinars, they should, as a matter

of course, be offered a discount of five dinars even if they are determined to sign up without it. The five dinars is a relatively small price to pay for customers' good will, positive word-of-mouth, and repeat enrollments. Repeat clients can be offered loyalty discounts on subsequent courses, too, not available to those who enroll directly.

As the price of 30 B.H.D. might be daunting, especially without further information about the quality and content of the course(s) in question, the price would be omitted from some of the marketing materials (v. next section). They would, however, contain mention of an introductory promotion, which would be presented as the five-dinar discount aforesaid once a prospective customer contacts the institute to inquire.

4.2.5 Marketing Materials and Strategy

Different marketing materials can be successful if deployed to the correct segment(s) and if they feature the design and content likely to appeal to that segment: There is no single "silver bullet" (Ljungberg & Edwards, 2003). Some examples of possible materials for this Project include:

- Billboard advertising in the vicinity of colleges and universities, as well as *en route* from Saudi Arabia (given the many commuting students and, to a lesser degree, workers): These are aimed principally at students and visitors but also at passing drivers. They should thus feature most of the aspects discussed in s. 4.2.2 *supra*.
- Billboards and posters in affluent areas: They have to be of a high quality and accentuate the flexibility (including customization and one-to-one approaches), passion, and expertise.
- Fliers in working-class areas: Such material should highlight affordability, convenience, and collaborative potential (e.g. group discounts, "bring your

friends,” etc.). Small grocery stores, Internet cafes, and long-distance calling shops all lend themselves well to serving as distribution points for these fliers. Those disseminated to more indigent Bahrainis should be partly in Arabic.

- General-purpose fliers and posters: These would be deployed in high-traffic areas such as shopping malls and supermarkets. As the first category above, they should advertise most of this Project’s features, with a slight emphasis on affordability and the delivery method.
- Traditional media: Bahraini media are partial to embracing positive stories, and a pioneering photography training institution being established is one such story that would be readily picked up by most of the major outlets, providing essentially free publicity. Traditional methods such as commissioning paid newspaper advertisements would not be utilized in the first instance, as they tend to be more expensive than the other options covered in this subsection.
- Online advertising: As the social media are utilized by all echelons of the Bahraini society, taking the Twitter, Instagram, and Facebook route would be more advantageous than targeted advertising such as via Google AdSense. It can—to a large extent—be done for free by the use of hashtags and through encouraging sharing although there are paid promotional options available, too. Notices of the institute’s operation and offering can be disseminated at regular intervals, with different foci, and in a number of languages (English and Arabic being the foremost of them, but Telugu, Urdu, Tagalog, and others being represented, too). Other than providing the highlights of this Project’s offering, they can point users to the institute’s website for additional details or to YouTube videos explaining the virtues of photography and the institute more graphically and personally. Given this method’s low costs and few logistical demands, it should constitute the first

marketing effort before, depending on the response, the others enumerated previously are employed.

4.2.6 Conversion Strategy

Other than reaching as wide an audience as possible, this is the most important facet of the marketing campaign, both initially and in the long run. It concerns turning leads and inquiries into paying customers (Ellis-Chadwick & Johnston, 2009).

It is envisioned that the initial marketing campaign will give rise to many inquiries. However, research shows that around four in five such leads do not result in a sale (Levenson, 2013; “The Ultimate List...,” 2015), with a source putting the conversion rate as low as 2%-5% (Kim, 2014). While those data do come attached with certain caveats (such as the nature of the markets, businesses, and offerings surveyed), it is foreseeable that in the present case, too, a significant proportion of the inquiries would not result in a paying client.

To increase the conversion rate, a number of stratagems need to be employed, many of which, though characterizable as common sense, experience shows are not practiced in Bahrain and the wider region. They include:

- **Availability:** The region is notorious for customers dialing into S.M.E.s receiving a constantly engaged line or no answer. If a call is answered, the respondent is too often unable to communicate clearly in English or in Arabic. The foregoing has to be avoided. Likewise, electronic inquiries need to be dealt with expeditiously, whether they are made via email or social media.

- **Passion:** When fielding an inquiry from a potential customer, the respondent needs to endeavor to enthuse the collocutor. Ultimately, if prospective customers are not made to feel that their ardor is shared by those they may pay money to for training, it is unlikely they will entrust such an enterprise with their money and time.
- **Proactivity:** Rather than merely being provided with answers to their direct questions, potential customers should be engaged with, such as by offers being made if they are quibbling (e.g. a discount), being made aware of aspects of the training they may be unfamiliar with, developing a bond and trust through “small-talk,” and demonstrating an interest in them and their needs.

4.3 Ongoing Operation

Once the present Project is established and first courses underway, it will become necessary to ensure that there is a steady stream of new customers and that old clients keep coming back for more.

4.3.1 Expenses

The likely recurring expenses are provided in Appendix F. They amount to \$130,000, although that is a liberal estimate and there may be some leeway. The two most prodigious expenses by a wide margin are the rent and salaries, accounting for more than three fourths of the costs. Although it is possible that these might be lower (e.g. because Bahrain is currently a renters', not landlords', market, so rent might be negotiable), any cutbacks would have to target some of the other sources of expenditure.

4.3.2 Value Added

The existing clients will likely have enrolled in their respective courses for a variety of reasons. Some may well have an interest in acquainting themselves with as much of photography as possible and even beyond. Others may have only been interested in the one initial course they are taking. In both cases, but especially the latter, ways have to be found to entice to enroll to retain them after the completion of their course(s).

The first way to do that is to keep expanding the palette of the courses on offer. Appendix D provides some examples of courses pertaining directly to digital photography. These can be supplemented, in the first instance, by courses in videography and digital editing for various purposes, including online. If accreditation is successfully pursued, the casual, semi-formal courses can be parlayed into courses leading to a recognized qualification.

To entice extant consumers to avail of these possibilities, three main conditions need to be satisfied. Firstly, they have to be comfortable in the institute's setting and feel their time is spent in a worthwhile manner, both as far as what they learn and accomplish in terms of personal development as well as socially with their tutor(s) and colleagues. Secondly, they need to feel they are getting good value for money. The continued courses need to remain affordable. This perception may be further bolstered by e.g. offering them loyalty discounts. Thirdly, the quality of the courses needs to be at least sustained, but preferably increased. As the courses grow more advanced, the client has to feel he/she is constantly being challenged and taught something new.

As regards attracting new clients, the traditional marketing tactics outlined earlier (v. s. 4.2) should be continued. Bahrain's population is in constant flux: Latest figures show a

net migration rate of 13.6 per 1,000 population (“The World Factbook,” 2015) and Saudi Arabian eastern coastal cities provide regular batches of new students enrolling in Bahrain’s colleges and universities. These amount to thousands of prospective clients who can be enticed to pursue a leisure activity as they ensconce themselves in their new home. It might even be possible to partner with other educational institutions, which could outsource some of their courses to this Project or use it as part of their continuing education programs. That would be particularly attractive if an accreditation was forthcoming.

Nevertheless, word-of-mouth advertising is more effective than standard methods (Hogan et al., 2004; Wangenheim & Bayon, 2007) as a (dis)satisfied customer with first-hand experience is viewed as more credible than a polished marketing spiel. The institute should, therefore, encourage its current clients to source new consumers. That can be done through casual mentions of any acquaintances who might be curious about photography and partaking in the engaging activities offered by the institute as well as by incentivizing referrals via more structured refer-a-friend discount programs and such.

4.3.3 Expansion

Depending on the success of the antecedent, the institute may in due course expand beyond offering photography-related courses. The possibilities are boundless: from simply branching out into audio-based media, to organizing exhibitions and collaborating with local and regional art schools, to selling the students’ work, to expanding geographically (firstly into Saudi Arabia and Qatar, owing to their physical proximity, and similar demographics and market conditions).

Another option is an acquisition of establishments offering similar courses, e.g. graphic design. Similarly, the institute could even evolve into a national or regional movie studio. Diversifying the character of the offerings may be another propitious direction to take: deliver not just semi-formal hobby-based courses to the general public but training aimed at companies such as those in the media and marketing industries.

4.4 Timeline

- Immediately
 - Secure necessary visa, temporary accommodations, and any contacts in Bahrain.
 - Reconnoiter the country, available sites for this Project's premises, expenses involved, etc.
 - Enlist an attorney-at-law to assist with the procedures relating to the establishment and licensing of this type of business.
 - Procure and collate all the required documentation for the bureaucratic processes.
 - Initiate licensing procedures.
- First month
 - Design the initial, provisional curriculum.
 - Set up the institute's website.
 - Establish an online presence—particularly on the social media—and create a “buzz” about the forthcoming institute (Kabani, 2013; Luo & Zhang, 2013).
 - Design, print, and begin distributing promotional materials.
 - Start fielding inquiries from prospective clients.

- Three-five months
 - Begin advertising for personnel, and conduct initial screening of applicants. The (bilingual) administrator should be hired at this stage to assist with the marketing efforts, particularly the Arabic language aspects.
 - Intensify marketing efforts, especially with respect to poster and billboard (i.e. the more costly) advertisements.
 - Depending on the demand, make decisions about the rental of the premises and purchasing of equipment.
- Six to nine months (with a view to securing the necessary government’s approvals sometime during Months 9 through 12)
 - Secure the institute’s premises, and commission contractors to (re)decorate them.
 - Procure furnishings for the premises and purchase the technological equipment in line with the gauged demand.
 - Interview the applicants for the institute’s staff—chiefly the trainer—and initiate the requisite visa and other legal processes.
 - Continue with the marketing campaign.
 - Put “finishing touches” on the premises, curriculum, and course offerings.
- Nine to twelve months (upon approval and receipt of licenses)
 - Open a corporate bank account, secure insurance, and subscribe to and connect the utilities.
 - Purchase software licenses, and ensure the equipment is in working order and ready to deploy.
 - Begin providing courses to clients.
 - Persist with marketing efforts.

4.5 Financials

4.5.1 Initial Investment

Appendix E provides a breakdown of the initial projected expenses, i.e. the amount required as the initial investment, totaling \$200,000. Without making a judgment call as to the acceptability of the amount, it is appropriate to emphasize the fact that commitment to much of this investment would be needed without the guaranty of a single paid-up client.

A few caveats are in order though. Firstly, the estimates in the calculations are quite liberal and serve to depict the “worst” (i.e. most expensive) case scenario. For instance, insurance, utilities, redecoration and furnishing of the premises, and billboard costs are all likely to be lower as they are negotiable or are subject to savings based on the choices made (e.g. the quality of the furniture purchased or the choice of the Internet connection speed). More conservative projections could result in savings of between \$10,000 and \$20,000 or more.

Secondly, the calculations assume that all the items enumerated in the list will be required *ab initio* and need to be acquired immediately, which is not the case. For example, while the premises need to be rented from the start (it being a requirement for government licensing), it may not be necessary to rent as large an area as will be required once operations commence nor do all the utilities have to be connected and commissioned forthwith. Moreover, photographic and other technical equipment does not need to be purchased *en bloc*: The institute can initially buy just one or two cameras in lieu of five and do the same with laptops. Indeed, until this Project has met with some financial success, it might even be possible to work with students’ own cameras, thus

forestalling the need for a considerable outlay procuring such equipment before the institute has begun accruing healthy finances. The trainer (being the most expensive as far as salary) does not need to be hired, and certainly not on a permanent, salaried basis, until it is certain there will be at least one sizeable group of students available or, at a minimum, until it is clear there is sufficient demand among the public to ultimately translate into paying consumers. Accounting for the foregoing factors, savings of up to \$70,000 can be easily realized.

Thirdly, the breakdown assumes selecting the most indulgent options, such as high-end equipment and billboard advertising. For a tentative small business, “going big” might be neither advisable nor necessary. Except with sophisticated, experienced photographers, the quality and brand of the cameras will likely be of no import, while free advertising via social media might be just as effective as roadside billboards. (Further, as adverted in the preceding point, purchasing both can be deferred until the institute begins achieving a profit.) Shrewd choices in the above respects can save up to \$35,000.

Lastly, many of the items can be varied dynamically. Thus, for instance, if it emerges that demand is low and slow, smaller and cheaper premises can be rented initially. If social media advertising yields a sufficient response, then the far more costly billboards could be forgone. However, it would not be possible to prognosticate this prior to initiating some engagement with the public and embarking on some degree of advertising.

Taking the antecedent factors into account, the initial investment might even be cut in half, although a more realistic figure would lie in between \$100,000 and \$200,000. For the purposes of the rest of this work, the high estimate of \$200,000 will be used.

4.5.2 Recurring Costs

Appendix F provides an overview of the likely ongoing costs *per annum*, forecasted at \$130,000. As with the case of the initial investment explained in the previous section, these, too, might be adjusted to generate some savings, primarily through the choices made in the areas of marketing and, possibly, rental of premises. Additional investment might be required—such as purchasing more cameras—and that could be financed by reinvesting any profits although it could also be partially or fully absorbed by the budget for *Incidental* expenditure.

4.5.3 “Ideal Price”

Because there is a great disparity among Bahraini residents’ disposable incomes and a paucity of a middle class, it is difficult to propose a single price that would at once facilitate affordability for the poorer demographics as well as ensure a solid profit be made, particularly when the customer is able to pay more.

A photography training studio in New York City (*v.* Appendix D) charges between \$25 and \$35 per hour for most of its courses. Private sessions are billed at \$70 per hour. At \$25 per hour, a six-hour introductory course would amount to 56 Bahraini dinars. While acceptable to the wealthier clients, such a price would be well beyond the means of others whose monthly income averages 500 B.H.D., particularly the low-paid menial laborers and domestic workers whose wages scarcely amount to even a half of that figure. The majority of the public would find a price of between 15 and 35 dinars to be agreeable.

In the event, it is proposed to set the price at 30 Bahraini dinars, but then reduce it through introductory promotions and loyalty discounts to 25 dinars or less. Wealthier

clients would most likely be more comfortable with private, one-to-one training, which can comfortably be charged at around 180 B.H.D. for a six-hour course (i.e. 30 dinars per hour). The said pricing concerns introductory courses; more advanced levels would be charged more as would tailored courses, whereas larger groups might receive additional discounts.

4.5.4 Breakeven Point and Parameters

Reckoning just with group-based clients paying a discounted price of 25 dinars (\$80) per course and accounting for the fact that it is uncertain at which point of the first two years operations would commence (due to the vagaries of the issuing of government licenses), thus amalgamating the costs of Years 1 and 2 at \$330,000, this Project would need just over 4,000 enrollments during the first two years to break even.

It is impossible to predict if such a number is attainable although, intuitively, it seems uncomfortably high. As discussed earlier though, it is based on “worst-case” forecasts: More conservative cost estimates of \$250,000 for the first two years yield a requirement of around 3,000 enrollments to break even. These calculations also do not reckon with the possibility of more profitable private sessions. Further, clients who take introductory courses may proceed to more expensive advanced ones. It may also be possible to tweak the value proposition: Instead of offering six hours for 25 B.H.D., prospective consumers might respond more positively to 30 dinars for eight hours. (As the trainer is salaried, not waged, the number of hours worked—notwithstanding the contractual and statutory prescriptions—does not affect his or her cost to the institute.) With all these variables taken into account, it is conceivable that a couple of thousand unique or repeat clients over the first two years would be sufficient to break even and start turning a profit.

Accordingly, it can be declared plausible that the present Project could break even during the first two years of operation.

4.5.5 Exit Strategy

In the most pessimistic eventuality, there will be only a smattering, if any, of students ready to enroll by the time the institute receives the requisite government's licenses toward the end of the first year. If that were to happen, the question will arise whether it might be prudent to wind down and liquidate the company before further losses are incurred. By that stage (*v.* timeline in s. 4.4 *supra*), the expenses incurred will have involved:

- the licensing fees,
- some rent and utilities,
- remodeling, refurbishing, and furnishing costs,
- the cost of the technological equipment (*viz.* cameras, computers, and peripheral devices),
- marketing expenses, and
- some salary and social security costs.

Though an exact figure cannot be provided, it is estimated that the amount from the foregoing would range from \$40,000 to \$90,000. Some of this would be sunk costs; however, recuperating others should be possible, principally those pertaining to the electronic devices, electrical equipment and furnishings.

The most critical period is that between the beginning of the institute's operation and reaching the breakeven point: By that time a lot of funds will have been invested (up to \$200,000 in the first year and up to \$130,000 yearly thereafter) but little of that will have

been offset by income from clients. The investor can withdraw, at a loss, during that period. The expenses that can be wholly or partially recuperated are shown in bold in Appendices E and F.

Whether the investors decide to exit before or after breaking even, the amount they can recover depends not just on the factors detailed above, but also on the circumstances of the exit. Though Bahrain appears to be tranquil and stable at the moment, the underlying simmering tension, in addition to the vicissitudes of the wider region, can morph into highly destabilizing forces extremely quickly. The precedents are many: from the invasion of Kuwait in 1990 to the conflagration that engulfed the entire state of Libya in a matter of weeks in 2011. In such an eventuality, the entire investment, except what tangibles can be carried out of the country safely, would need to be written off. The likelihood of such a scenario is almost impossible to predict, let alone quantify, but it is imperative that an investor reckon with it and be prepared to react at the first inkling of such developments.

CHAPTER 5. CRITICAL ISSUES AND CONCLUDING REMARKS

The political stability of Bahrain is uncertain and under constant threat. While the incumbent government has succeeded in muting protests and direct activism in the most prominent areas of the island, the desire for democratic change remains passionate and unabated (Donaghy, 2015). A regime that is not based on popular support cannot survive in the long run, and it is only a matter of time before the West wearies itself of supporting a repressive autocracy while Saudi support also ebbs away due to that country's preoccupation with its own internal and, increasingly, regional threats.

Additionally, economic indicators are inauspicious. Standard & Poor revised its outlook for Bahrain to "negative" (Dulaney, 2014) while Fitch recently downgraded the country's ratings on all counts ("Fitch Downgrades Bahrain...", 2015). Oil prices have been falling steadily—due to an oversupply as well as the advent of the hydraulic fracturing method of oil extraction—causing major disquiet among the Near Eastern economies (Hussain, 2014) that both rely on oil exports to fill their coffers and have high expenditure on social security services to keep their citizens (largely) pacified. If the "nuclear deal" between the West and Iran materializes and Iran is permitted to begin exporting its own oil, the price will inevitably drop even further (Gibbons, 2015). Bahrain certainly does not depend solely on oil for its budgetary income; however, its tourism, banking, and services industries are connected mostly to its neighbors (chiefly Saudi Arabia) whose own wealth does stem mainly from oil. A détente with Iran might also lead to some attrition of the West's support for Bahrain, which has to date been continually extolled as an "ally," but so mostly due to its trenchant hostility toward an apparently expansionist Iran.

The upshot of the above is that the purchasing power, economic and societal stratification, standard of living, and security and safety of Bahrain are all variables that can change rapidly and without much warning. Major civil strife ineluctably has invidious effects on an entity's economy (Miguel et al., 2004), and Bahrain has been and will be no exception. It cannot be predicted with absolute certainty how the almost inevitable social upheaval will affect the country's economy, let alone a nascent amateur photography industry, but apt parallels could be drawn with Libya.

Libya, like Bahrain, is a country that was ruled by a despotic regime for decades. It contained an expatriate population (both unskilled and highly skilled) totaling at least 25% of the populace (Peel, 2011), and its economy was heavily reliant on oil despite lukewarm endeavors to diversify it ("Libya," 2015). Following the civil war in 2011 and the overthrow of Qadhafi's regime, the society never stabilized and instead regressed into serious internecine warfare. The skilled (and otherwise) expatriates hastily departed the country, hardly anyone is left to operate the oil industry's infrastructure (Faucon, 2014), and the oil exports have plummeted to 10% of what they were before the turbulence began a full half decade previously (Cunningham, 2015). While academic data are unavailable, it is intuitive to surmise that unremitting checkpoints, suicide bombings, harassment—especially of women—, kidnappings, executions, other forms of Islamofascist terrorism, and a general atmosphere of fear (Murray, 2015) do not make for an environment conducive to operating a thriving photography academy.

Another important consideration, which would be unwise to overlook, can be subsumed under the "corporate social responsibility" heading. An investor doing business in a repressive country might become target of pressure at home exerted by political activists,

the media or general civil society, including against his/her interests closer to home. The Formula One, for example, has been regularly vilified for continuing to patronize Bahrain despite the latter's record on civil liberties (e.g. "Bahrain protests...", 2013; Lancefield et al., 2012; Sandler Clarke, 2015). Even though the race continues taking place annually, the Formula One organization was eventually forced to make some concessions to the protesters (Hallam, 2015). While a lone investor would probably not attract such attention, an investor with ongoing concerns in multiple countries might, particularly if the training institute were to meet with a high degree of success.

Notwithstanding those considerable caveats, this work demonstrates that it is possible to establish a training institute catering to an activity largely perceived as an amateur, leisurely pastime even in an environment marked by political and societal tumult. The work has been careful to assuage the fears of the risk-averse investor by showing this endeavor to be achievable with the investment of a relatively minor initial outlay, additional investment being necessitated only as indications of a tangible future demand emerge, and the breakeven point being attainable in a relatively short time. Likewise, the venture ensure that at all points it is possible for the investor to recuperate at least a portion of the invested capital should it appear necessary to engage in an expeditious exit from the market.

Nevertheless, it is crucial to highlight the fact that this work is theoretical. A savvy investor would certainly be well advised to commission a practical market survey (Rumelt, 2005) to gauge the quantity and quality of demand for a photography training school prior to initiating the process of commissioning one. While this work was inspired by informal inquiries about the availability of such courses, such expressions of

interest—or even mere curiosity—are not necessarily a guaranty of a steady stream of hundreds, indeed thousands, of paying customers, particularly given the profound changes in the domestic situation Bahrain has witnessed since then. Future research should, accordingly, need to incorporate a practical element. More on this follows below.

Subsequent research should further test some of the assumptions made in this work, such as the freedom of movement of potential customers. Many parts of Bahrain are effectively cordoned off by police checkpoints, which have frequently been alleged to be used to abusively thwart perceived undesirable elements leaving the immediate vicinity of their homes (“Bahrain,” 2015; “Bahrain: residential areas...,” 2015). If tens of thousands of people are unable to easily reach the site of the institute, that is a large proportion of the potential market that cannot be counted with.

Additional research might also vary some of the parameters and investigate if and how they might affect the likelihood of commercial success. For instance, it would be curious to examine how demand for training in an activity that is more expensive or requires access to outdoor locations (S.C.U.B.A. diving is an apt example) would compare to training in photography. Also, in order to be able to draw more general conclusions concerning the market for leisure-activity training in socially unstable environments, it would be necessary to investigate the prospects of this type of venture in other unstable loci but also define instability. Bahrain is a very geographically-compact state, with a relatively strong rule of law and unusual demographics (most notably, fully a half of the populace consists of non-Bahraini temporary residents), where much of the overall population is for the most part entirely shielded from the civil disturbances. Countries such as Congo, Myanmar, South Sudan or Libya are very different in all the

aforementioned respects. Indeed, it may seem absurd to even contemplate opening a photography school in states commonly perceived as violent and as unpredictable as the antecedent. Yet, if theoretical research were to vindicate making such an investment, actually doing it might cause both the investor and customers to reap great rewards: from the promotion of societal cohesion and providing a means of “escapism” from the harsh daily realities to the investor being a monopolist in a niche but certain market with the economic benefits such a position accrues.

Revisiting a previous point, subsequent research—be it academic or practical—ought to explore the question of whether consumer-generated leads do indeed translate into sales. When entrepreneurs contemplate realizing their business idea, the first step they customarily take is research the market so as to gauge the potential demand for their envisioned product or service (Zikmund et al., 2012). That appears to be quite sensible: There is little benefit in seeking investment for a project by others or even committing one’s own funds if there lacks some indication that the project has auspicious odds of success. Market research aims to present the end-concept of the product or service to a demographically-representative sample of the target market in order to ascertain if it is worth proceeding with the idea (O’Connor, 2013). The entrepreneur is, therefore, proactively communicating with the potential market of his or her own volition, whereas in the instant case the market, curiously, presented itself to the entrepreneur. One of the factors contributing to successful commerce is turning leads and prospects into sales (Ford, 2014; Oldroyd et al., 2011), but it would be ill-advised to consider each of the received queries to be synonymous with a committed future customer. At the best of times, solely because a person asks about the availability of a service does not mean he or she is certain to later be prepared to pay to avail of it.

This question is made all the more challenging to answer conclusively because it will be difficult to discern the underlying cause of whatever level the demand is found to be. For instance, if it emerges that there is, in fact, low demand for this type of service despite the plethora of consumer-generated leads from a few years ago, would that be because such inquiries are, in fact, *not* indicative of the level of actual demand, or would it be due to the greatly altered social circumstances in the country between the time those inquiries were made and today? The question is nevertheless worth exploring because if, contrariwise, the demand is found to correspond to the high number of previous inquiries, then it will be safe to conclude that casual prospects truly can be taken as a solid indicator of potential sales and that even intervening societal upheaval does not necessarily compromise potential customers' alacrity to avail of the product or service about which they asked.

The above though is prefaced with an important caveat: The findings will be limited to the relatively wealthy region of the Arabian Gulf in the context of a service related to what is essentially a hobby. It would be imprudent to apply the conclusions reached within those parameters to other geographical areas, to tangible products, or to different types of service (e.g. banking).

Ultimately, embarking on a project of this nature would inevitably entail uncertainty and risk. However, stable markets seem to be nearing saturation: It often seems that every good or service that can possibly be sold is already being sold. Investors and entrepreneurs might, therefore, need to look further afield to earn commercial success, even if that means assuming higher levels of risk. A photography training institute in Bahrain is a project that balances a relatively manageable degree of risk with a reasonably

high likelihood of pecuniary benefit. It would hence be suitable for further exploration in both theory and practice, for the sake of both its own value as well as applicability to dozens of comparable locales the world over.

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APPENDIX A

Vocational and Training Institutes in Bahrain

#	Name	Academic	English / Languages	Business / Management	I.T.	Graphics	Other
1	A.I.T Center		X	X	X		
2	Al Adhwa' Institute	X					
3	Al Amjaad Institute	X					
4	Al Awael Learning Institute		X		X		
5	Al Banna Training Institute				X	X	
6	Al Hayat Institute for Human Resources Development		X		X		
7	Al Jazeera Modern Institute	X	X		X		
8	Al Madina Training & Human Resources Development	CLOSED					
9	Al Madrasa for Art	X				X	Art and Design
10	Al Mashreq Training			X	X		
11	Al Mawred Institute	X	X				
12	Al Muheet Institute	X	X		X		
13	Al-Badeel For Training Development			X			
14	Al-Moalem Institute		X	X	X		
15	American Cultural & Educational Centre	X	X				
16	Aptech Computer Education				X		
17	Bahrain Ballet Centre						Ballet
18	Bahrain Institute for Hospitality and Retail BIHR		X	X			
19	Bahrain Institute of Banking and Finance			X	X		

#	Name	Academic	English / Languages	Business / Management	I.T.	Graphics	Other
20	Bahrain Institute of Entrepreneurship and Technology				X		
21	Bahrain International Retail Development Centre		X	X			
22	Bahrain Montessori Centre						Teaching (vocational)
23	Bahrain Music Institute						Instruments
24	Bahrain Training Institute			X			
25	Bait Al Taleem Institute		X				
26	Beauty Face Institute						Beauty treatments
27	Berlitz Training Centre		X				
28	Bridge Training Solutions		X	X			
29	British Language Centre		X				
30	Capital Institute		X				
31	Dar Al Ma'rifa Centre		X				
32	Deena Institute of Technology	X					
33	Delmon Academy for Computer and Managerial Science		X	X	X		
34	Design Technology Training Center				X		
35	Dynamics Training Institute			X			
36	Emic Training			X			
37	English Language Skills Centre		X				
38	English Plus Institute		X				
39	Ernst & Young - Training Centre			X			
40	Excellence Training Solutions			X			
41	Expert Group Training Institute						CLOSED
42	Expert Training Institute						CLOSED
43	Fastrack Training & Development Consultancy						CLOSED
44	Flextrain for Training & Development						CLOSED

#	Name	Academic	English / Languages	Business / Management	I.T.	Graphics	Other
45	Future Institute for Training & Development			X			
46	Genetec Training and Development			X	X		
47	Global Institute for Management Science	X	X		X		
48	Golden Trust for Management			X			
49	Gulf Business Machine Education Centre	CLOSED					
50	Gulf Insurance Institute			X			
51	Gulf International Institute	X	X				
52	Gulf World Institute for Career Development & Quality		X	X			
53	Hanan Training Institute						Beauty, Hairdressing
54	Horizons for Human Resource Development HRD			X			
55	Human Performance Improvement			X			
56	I Design Training Center					X	Graphic design
57	Indian Institute for Performing Arts						Music, Painting, Drawing
58	Industrial Petroleum Training Services						O.S.H.
59	Institute of Finance (Capital Knowledge)			X			
60	Investment for training and development			X			
61	IT Camp International	CLOSED					
62	Kalabhavan Art Centre						Music, Art, Painting, Drawing
63	Kumon Bahrain	X					
64	Leaders Institute for Training & Development		X		X		
65	Life in Music Institute						Instruments, Ballet, Art
66	Lingo Ease Centre		X				
67	Logic Institute for Training & Human Resource Development			X			
68	London Training Center			X			
69	Management Development Centre			X			

#	Name	Academic	English / Languages	Business / Management	I.T.	Graphics	Other
70	Manama Training Centre	CLOSED					
71	Modern Institute of Science & Computer		X		X		
72	National Institute for Industrial Training						Engineering, Fabrication
73	National Institute of Technology (NIT)				X		
74	Neovartis Training Center			X			
75	New Vision Training Institute			X			
76	Novo-Tech Training			X			
77	Osho Training						O.S.H.
78	Prestige Training Human Resources Institute			X			
79	Professional Training Institute		X				O.S.H.
80	Projacs Training Center			X			
81	RRC Middle East						O.S.H., Security
82	Safety Training & Consultants Centre						O.S.H.
83	Success Training Center		X	X			
84	Sylvan Learning Centre	X					
85	Talal Abu-Ghazaleh Training Group			X			
86	The European Institute		X		X		Secretarial
87	The Gulf Academy For the Development of Human Resources	X			X		
88	The Training Center of the Bahrain society of Engineers			X	X		Engineering
89	Training Plus Institutes				X	X	Graphic design
90	Tylos Human Development			X			
91	Victory Training and Development Institute VTDI			X			
92	Yellow Hat Training		X				

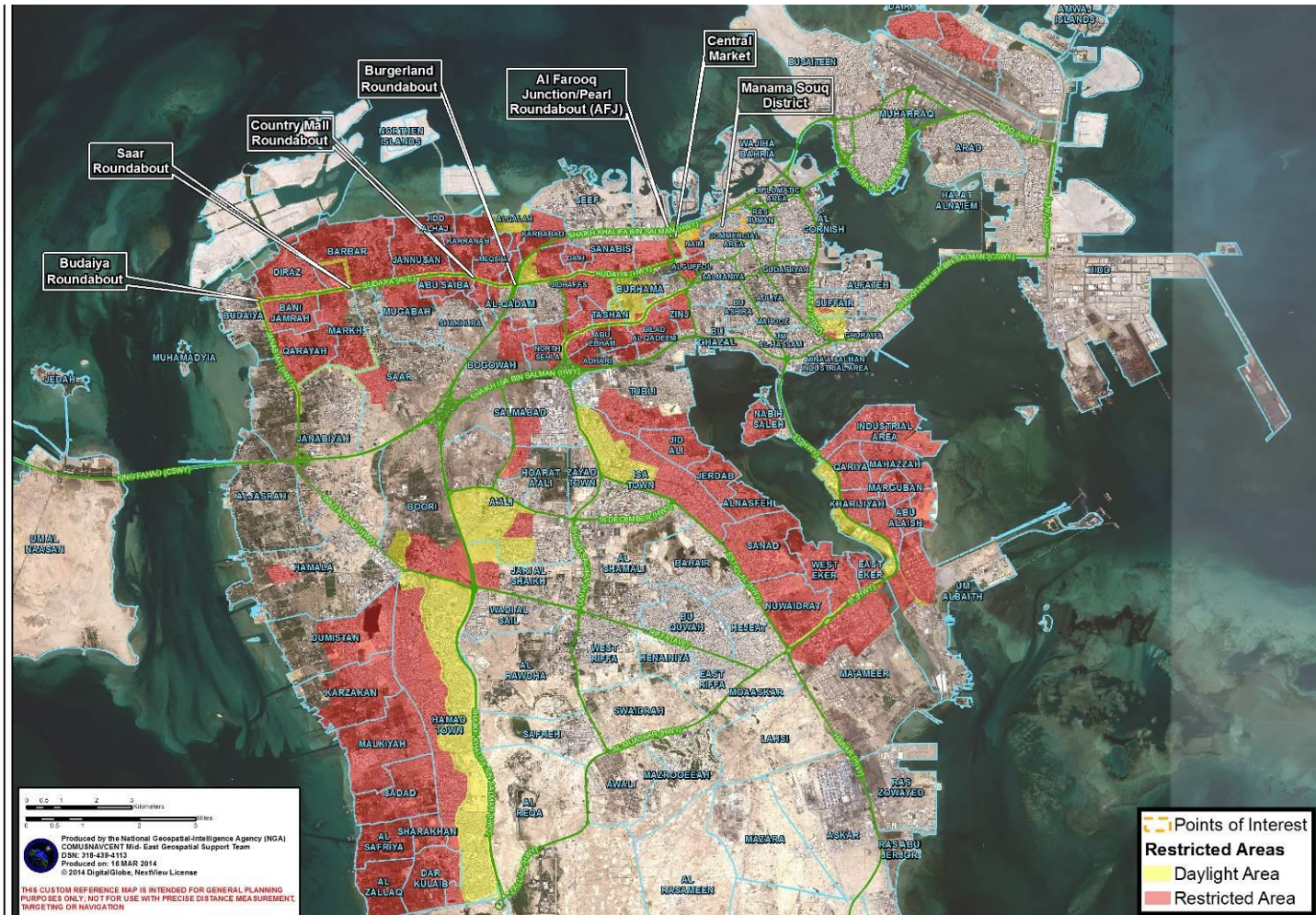
Source: "Vocational Review Reports," 2014

Universities in Bahrain

#	Name	Evening Classes	Subject(s)
1	Ahlia University (AU)	Y	Business
2	AMA International University - Bahrain	N	
3	Applied Science University (ASU)	N	
4	Arab Open University (AOU)	Y	Islamic finance
5	Bahrain Polytechnic	N	
6	Birla Institute of Technology (BIT)	N	
7	Delmon University for Science and Technology (DU)	N	
8	Gulf University (GU)	N	
9	Kingdom University (KU)	N	
10	New York Institute of Technology (NYIT)	N	
11	Royal College of Surgeons in Ireland	N	
12	Royal University for Women (RUW)	Y	Business
13	University College of Bahrain (UCB)	N	
14	University of Bahrain (UOB)	Y	Engineering

Source: "Higher Education Review Reports," 2014

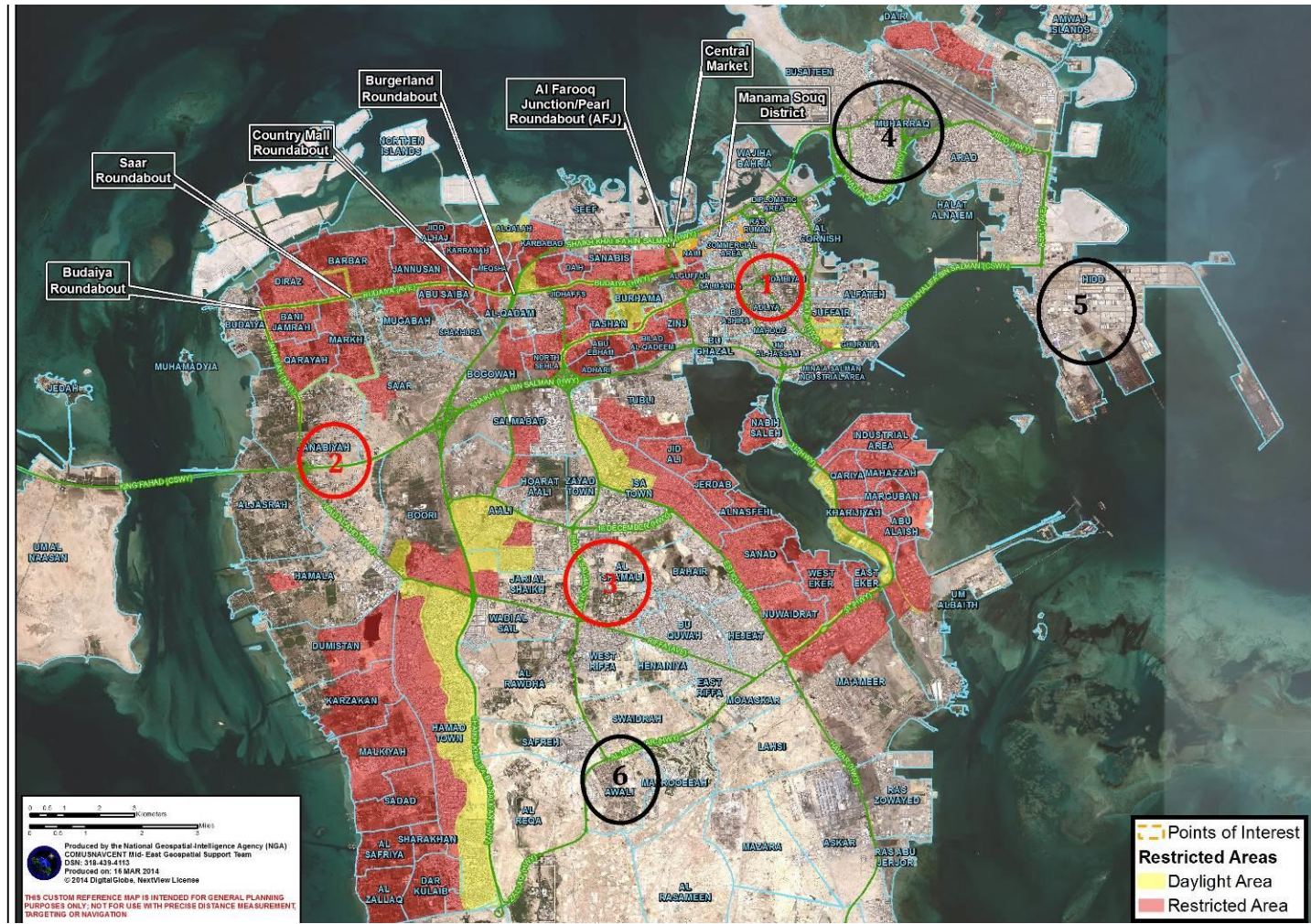
APPENDIX B



Map of Bahrain. U.S. embassy's citizen employees and their families are prohibited from entering the red areas, and allowed into the yellow ones during daylight times only.

Source: Demonstration Notices, 2015

APPENDIX C



Updated map, to include possible *loci* of this Project's premises (circled and numbered).

APPENDIX D

Curriculum / Course Offering Example

(Photo Uno – Photography School, N.Y.C., New York, U.S.A.)

Beginner Photography Classes			
Digital Photography I	Beginner photography classes in NYC with fun professional instructors with flexible schedules. Learn to control your camera in a click.	12-hour course through 6 classes. 9 students max.	\$290
Introduction to Photography Class	Our introduction to photography class is a great way to get familiar with your digital camera. Step out of auto mode and take your first step into photography.	2-hour class. 9 students max.	\$60
Photography Crash Course 1	Learn the digital photography basics in this fast paced one-day crash course. Get familiar with your ISO, aperture and shutter. Crash Courses 1 & 2 cover Digital Photography 1.	6-hour one day intensive. 6 students max.	\$150
Photography Crash Course 2	In our Photography Crash Course 2, we will build on what you learned previously in Crash Course 1 and take full control in manual mode.	6-hour one day intensive. 6 students max.	\$150
Private Classes			
Private Photography Lessons in NYC	Private photography lessons in NYC. Design a class that meets your needs! We will pair you with one of our friendly professional instructors.	2-hour class.	\$140
Intermediate-Advanced Photography Classes			
Digital Photography II	PhotoUno's Photography II course is about learning composition, storytelling and giving a meaning to your photographs. In this class you will learn more advanced techniques in your digital camera such as bracketing exposure, custom white balance and flash use.	12-hour course through 6 classes. 9 students max.	\$320
Digital Photography III	In this photography course, students will continue to refine their exposure skills and make consistent photographs in virtually any situation. We will role-play possible photographic situations with the goal of finding a solution to make a well-executed picture.	12-hour course through 6 classes. 9 students max.	\$330
Digital Photography IV	Developing a series of images or putting together a portfolio is a rewarding experience, providing challenges that allow anyone from an amateur to a more seasoned photographer opportunities to surprise themselves and deepen their understanding of photography.	10-hour course. Meets every other week. 6 students max.	\$330
Landscape Photography Class	Photographing landscapes while traveling allows us to examine our relationship with the places in which we visit or in which we live. It is an active expression of our desire to	10-hour course through 5 sessions. 9 students max.	\$320

	remember, to revisit, and to tell our personal experiences.		
Photography Composition Class	Composition has always been essential to any great photograph and the beauty is that it's a never ending journey that we can always improve on. Composition is the way we decide to organize different elements in our frame in order to get an amazing picture.	6-hour course through 3 sessions. 6 students max.	\$190
Portable Flash	The sophisticated flash units of today can seem cumbersome and overwhelming to most new users. However, learning to use its modes is not only easy, but mastering them can help bring your photographs to a more professional level.	10-hour course through 5 classes. 9 students max.	\$320
Portrait Photography	Join our hands-on portrait photography lessons and learn the basics of the compelling image. Explore the principles of posing, composition, lighting patterns and the photographer-subject relationship.	10-hour course through 5 classes. 9 students max.	\$320
Portrait Studio Lighting	Photography studio rental NYC. Rent our 300 square ft. photography studio, conveniently located in midtown Manhattan.	10-hour course through 5 sessions. 6 students max.	\$330
Street Photography Class	Learn helpful methods and tips to make visually compelling pictures on the street. In this photography course you will practice picture making during in-class excursions as well as on your own.	10-hour course through 5 classes. 9 students max.	\$320
Travel Photography Class	If you are planning on going on an exciting trip or love traveling regularly, this course will enable you to capture great photos that will allow you to conserve your trip forever.	10-hour course through 5 classes. 9 students max.	\$320
Photography Classes for Teenagers			
Photography Class for Teenagers	Fun photography classes for teenagers in NYC. Our classes for teenagers have been designed to make photography easy and fun to learn.	12-hour course; 6 classes. 9 students max.	\$290
Photography II for Teens	Photography is an art—and like all art, there's always room to grow. If your teenager has learned the basics of photography and is ready to advance their photos to the next level, our Photography II for Teenagers class is a great opportunity to nurture their creativity.	12-hour course through 6 sessions. 9 students max.	\$320
Photography Summer Camp for Teens	Our photography summer camp for teens has been designed to help students learn how to get the most out of their cameras while being creative in the process.	2-week summer camp: 11:00 a.m. to 4:00 p.m. 9 students max.	\$900
Editing And Workflow Classes			
Editing in Lightroom	In Editing in Lightroom, students will explore the options of batch editing in the program to sharpen or brighten photographs using filters to a group of photographs rather than having to edit images individually.	10-hour course through 5 classes. 9 students max.	\$290
Introduction to Lightroom	In PhotoUno's Adobe Lightroom course you will learn the basics to managing your digital photographs, making them easier to view,	10-hour course through 5 classes.	\$290

	and share! This class is perfect for anyone who needs to learn how to organize their photos.	6 students max.	
Introduction to Photoshop	Photoshop Classes in NYC. Students will learn to use a variety of Photoshop features to retouch their images from start to finish.	10-hour course through 5 classes.	\$290
Mac Basics for Photographers	In order to get familiar around Lightroom and Photoshop it is important to have a good understand on how to operate your computer. For this reason we have designed Mac Basics for Photographers.	2-hour class.	\$60
<u>GoPro Classes</u>			
GoPro Class	Do you live for adventure and want to capture your experiences in an amazing way? Do you own a GoPro and want to make the most out of it? If so, this is the class for you.	6-hour course in 3 sessions. 6 students max.	\$150

Source: "Digital Photography Courses..." 2015 (edited for brevity, format, typographical errors)

APPENDIX E

Initial Costs (Year 1 Only) – Estimates

<u>Licensing - Dept. of Education</u>	\$4,600	1,720 B.H.D. (120 fee + 1,500 bank guarantee) ("Ministry of Education," 2013)
<u>Licensing - Dept. of Labor</u>	\$55	20 B.H.D., renewable annually ("Issuance of Commercial Registration," 2013)
<u>Premises - 1 year</u>		
Rent	\$46,000	17,280 B.H.D. for 2,000 sq. ft.: 180 m ² x 8 B.H.D. p.m. x 12 months
Security deposit	\$11,500	Usually three months' rent: 1,440 B.H.D. x 3
Insurance	\$600	General liability commercial insurance ("2014 Business Insurance...", 2015)
Utilities	\$6,500	2,400 B.H.D. Power, water, telephone, Internet at 200 B.H.D. per month
Remodeling, partitions, &c.	\$5,300	2,000 B.H.D.
<u>Equipment</u>		
Furniture, furnishings	\$8,000	3,000 B.H.D.
Photographic devices	\$10,000	Five cameras at \$2,000 each
Computer equipment	\$5,000	Five laptops at \$1,000 each
Peripheral devices	\$1,000	One good laser printer, one monochrome laser printer
Software licenses	\$700	Adobe Creative Cloud for Teams – 1 yr. subscr.: \$584 p.a. Microsoft Office 365 Pro Plus - 1 yr. subscr.: \$144.99 p.a. ("Adobe Volume Licensing...", 2015; "Microsoft Office 365...", 2015)
<u>Personnel</u>		1 trainer, 1 assistant, 1 <i>mandoup</i> /factotum (permanent) 1 lawyer (itinerant)
Visa, social security	\$432	12 B.H.D. per person per month
Salary	\$57,500	Trainer at 1,000 B.H.D. per month, administrator at 500 B.H.D. per month, <i>mandoup</i> at 200 B.H.D. per month; attorney's average fee at 1,000 B.H.D. over course of year
<u>Marketing</u>		
Billboards: hire, printing	\$24,000	9,000 B.H.D.: 250 B.H.D. per billboard per month, for three medium-sized billboards
Fliers: printing, distribution	\$270	100 B.H.D. for 5,000 fliers
Posters: stands, printing	\$930	350 B.H.D.: 35 B.H.D. per poster and accessories, for ten posters
Online media	\$1,000	Google's AdWords, Facebook's and Twitter's promoted posts/tweets
Miscellaneous	\$1,000	Defacing, damage, etc.
<u>Incidentals, miscellaneous</u>	\$15,613	Unforeseen expenses
<u>TOTAL</u>	<u>\$200,000</u>	

APPENDIX F

Recurring Costs (Year 2 Onward) – Estimates

<u>Licensing - Dept. of Labor</u>	\$55	20 B.H.D., renewable annually ("Issuance of Commercial Registration," 2013)
<u>Premises - 1 year</u>		
Rent	\$46,000	17,280 B.H.D. for 2,000 sq. ft.: 180 m ² x 8 B.H.D. p.m. x 12 months
Insurance	\$600	General liability commercial insurance ("2014 Business Insurance...", 2015)
Utilities	\$6,500	2,400 B.H.D. Power, water, telephone, Internet at 200 B.H.D. per month
<u>Equipment</u>		
Maintenance	\$3,000	
Software licenses – renewal	\$700	Adobe Creative Cloud for Teams – 1 yr. subscr.: \$584 p.a. Microsoft Office 365 Pro Plus - 1 yr. subscr.: \$144.99 p.a. ("Adobe Volume Licensing...", 2015; "Microsoft Office 365...", 2015)
<u>Personnel</u>		
		1 trainer, 1 assistant, 1 <i>mandoup/factotum</i>
Visa, social security	\$432	12 B.H.D. per person per month
Salary	\$52,500	No attorney's services foreseen necessary
<u>Marketing</u>		
Billboards: hire, printing	\$4,000	1,500 B.H.D.: 250 B.H.D. per billboard per month, for one billboard in different locations every two months
Fliers: printing, distribution	\$135	50 B.H.D. for 2,500 fliers
Online media	\$500	Reduced from Year 1
Miscellaneous	\$500	Defacing, damage, etc.
<u>Incidentals, miscellaneous</u>	<u>\$15,078</u>	Unforeseen expenses
<u>TOTAL</u>	<u>\$130,000</u>	