

Final Project 2

PMG 497

Project Template



Midocean University

Faculty of Management

Department/ Specialization



Project title

**Feasibility study for an electronics store project in
Saudi Arabia**

Student name

.....

Final Project - 2

Faculty of Management - Midocean University

Supervisor

Dr.

Faculty member- Faculty of management- Midocean University

Date of submission – number of Semester

Acknowledgment

We extend our sincere thanks and appreciation to all those who contributed to the preparation and presentation of this project, foremost of which is the project supervisor, in appreciation of his distinguished efforts and creative vision in crystallizing the idea of the project and formulating its objectives and implementation mechanisms.

This proposal has played a pivotal role in guiding the course of action towards concrete outcomes that meet the needs of society and are in line with the requirements of development and innovation.

The electronics market in Saudi Arabia is witnessing rapid growth driven by technical, economic, and behavioral factors. The market size reached \$22.16 billion in 2024, with expectations to reach \$40.52 billion by 2033 at an annual growth rate of approximately 6.9%.

Dedication

To all those who, after God's grace, were the reason for me reaching this stage...

To my dear parents, the pillar of my life and the fountain of my strength, who surrounded me with their prayers, and supported me with their love and encouragement in every path I took.

To my brothers and friends, my companions who shared moments of effort and achievement with me, and who were a support in my scientific career.

To my distinguished professors, who gave me their knowledge and experience, and they were torches that illuminated the path of knowledge and research for me.

I dedicate this work to everyone who believed in my abilities and pushed me to the best, and to everyone who left a beautiful impact on my academic journey.

Abstract

Purpose:

- Identify the demand for electronics in the target region.
- Understand customer behavior and needs , increase customer reach, and expand market share
- Studying competitors, their prices, and services.
- One-time costs — such as purchasing equipment or setting up the technical infrastructure.
- Ongoing costs — such as rent, salaries, subscriptions, ongoing marketing.
- Estimate monthly operating expenses (salaries, utilities, maintenance, marketing).
- Forecast revenue based on projected sales volume and profit margins.
- Increase sales and achieve sustainable growth through: Improving inventory management
- Deliver competitive offerings , use digital marketing, and analyze customer behavior

Methodology:

Stage	Essential Elements	Expected Outputs
1. Market Study	Analyze competitors, identify the target group, understand the trends of the electronics market in Saudi Arabia	Identifying Opportunities and Competitive Excellence
2. Defining the business model	Product Type (New/Refurbished), Selling Mechanism, Pricing Policy, Sources of Supply	Clear and viable business model
3. Legal Requirements	Obtaining the Commercial Register, registering in the Maarouf Platform, Adhering to the E-Commerce Regulations	Ready-to-go legal store
4. Technical Structure	Choose a store platform, design the user interface, connect payment gateways, set up hosting and domain	Technically Ready Online Store
5. Product and inventory management	Supplier selection, inventory policy determination, product elevation with accurate specifications	Professional Product Base
6. Prepare Operational Processes	Shipping & Delivery, Return Policy, Customer Service, Order Management	Integrated operating system
7. Digital Marketing	SEO, Sponsored Advertising, Influencer Marketing, Email	An effective marketing plan to increase sales
8. Trial Launch	Store testing, purchase experience, error handling, performance optimization	Ready store for official launch
9. Official Launch	Marketing Campaigns, Opening Offers, Performance Monitoring	Attracting First Customers
10. Continuous Evaluation and Improvement	Data Analysis, User Experience Improvement, Product Development	Continuous growth and market share

Findings:

- Increased sales volume as the Saudi market is witnessing an increasing demand for: smartphones and computers
- Tech Accessories & Smart Home Appliances
- Frequent buying behavior driven by periodic maintenance needs, ensuring that customers return.
- A good return on investment through specialized feasibility studies that show that electronics projects achieve relatively high returns compared to other sectors.
- Sustainable growth thanks to digital transformation Saudi Arabia is one of the largest e-commerce markets in the region, and with the rise in youth and purchasing power, online stores are expanding rapidly, especially when adopting a clear business model and accurate market analysis
- Improve operational efficiency The use of accounting and inventory management systems helps to:
 - **Reduce Waste**
 - **Improved order management**
 - **Raising the quality of service, which has been pointed out by some studies**
 - **that recommend the use of advanced management systems to raise the**
 - **efficiency of the project**

Originality & Implication:

1) Different Value Model

- **An electronics store that specializes in experience**, not just sales: an experience of choosing devices through smart comparisons, usage-based recommendations, and professional filters (e.g., best laptop for university, best screen for designers).
- **Fully digital after-sales service**: warranty tracking, maintenance request, repair status updates, and device collection from home.
- **Hybrid Shopping Experience**: Buy online with the ability to try out at a "Small Showroom" in Tabuk or nearby cities.

(2) Focus on underserved groups

- Hardware for professionals (design, engineering, programming) with ready-made packages.
- Economic devices for students with simple installment plans.
- Genuine accessories with a reliable warranty (the accessories market is full of traditions).

(3) Localization of the Saudi experience

- Full Arabic language support.
- Local payment options (STC Pay, Tamara, TAB).
- Fast charging within Tabuk and nearby areas within 24 hours.

Keywords:

To establish an electronics store in Saudi Arabia, you need to address three key areas: the Saudi market, the electronics sector, and the nature of e-commerce. The following list outlines a feasibility study, a marketing plan, and search engine optimization (SEO).

Table of Contents

Acknowledgment	2
Dedication	3
Abstract	4
1. Chapter 1: Introduction	9
1.1. Research Background	10
1.2. Research Problem	11
1.2.1. Theoretical Gaps	12
1.2.2. Practical Gaps	12
1.3. Research Significance	12
1.3.1. At the theoretical level	13
1.3.2. At the practical level	13
1.4. Research Questions	13
1.5. Research Objectives	14
1.6. Research Hypotheses	14
1.7. Research Model	15
1.8. Scope of The Study	16
1.9. The Project Structure	22
2. Chapter 2: Literature Review	23
2.1. Introduction	24
2.2. The independent variable	24
2.3. The dependent variable	25
2.4. The relationship between the independent and the dependent variables	25
2.5. Conclusion	26
3. Chapter 3: Research Methodology	27
3.1. Introduction	28
3.2. Operational definitions for research variables	28
3.3. Research design (research onion)	29
3.4. Research population & Sampling methods and technique	31
3.5. Data collection method	32
3.6. Types of data	33

3.7.	Statistical analysis procedures.....	33
3.8.	Conclusion.....	34
4.	Chapter 4: Statistical Analysis & Findings discussion.....	35
4.1.	Introduction	36
4.2.	Sample profile (descriptive statistics for research sample).....	36
4.3.	Validity & reliability tests for the questionnaires	37
4.4.	Descriptive statistics for research variables (answer research questions).....	38
4.5.	Testing Hypotheses & Findings Discussion	38
4.6.	Conclusion.....	39
5.	Chapter five: Research limitations, Recommendations & Conclusion	40
5.1.	Research Limitations & Future Research.....	41
5.2.	Research Recommendations	42
	References.....	44
	Appendix.....	45

1. Chapter 1: Introduction

1.1. **Research Background**

- The electronics store is one of the most popular and profitable projects in the Saudi market, due to the increasing demand for smart devices, computers, accessories, and monitors, in addition to the continuous development in technologies and high rates of use among individuals and companies. The Saudi market is witnessing a significant expansion in the electronics sector, which makes the project a strong investment opportunity when implemented thoughtfully.
- Before starting a project, it is essential to thoroughly study the market and determine the types of devices and accessories that are most in demand. This can be achieved by analyzing the most commonly used categories such as smartphones, laptops, monitors, gaming consoles, and tech accessories. The most popular brands in the Kingdom such as: Apple, Samsung, Huawei, Xiaomi, Lenovo, HP, Dell, and others should also be identified. This helps in determining the essential products that should be available in the store.
- The project also requires a focus on product quality, as the Saudi consumer prefers genuine devices with an approved warranty. However, there remains a demand for economical options, making the availability of various products at different prices an important step to meet the needs of all customer segments.
- It is also important to visit some online and physical stores in different regions to learn about market trends, prices, best-selling products, and after-sales services offered by the competition.

1.2. **Research Problem**

Market Challenges and Competition

- **The intensity of the competition** with the presence of big players such as: eXtra, Jarir, Amazon, Noon, and specialty stores. This makes entering the market require a clear distinction in price, service, or experience.
- **Price fluctuations** due to changing global shipping rates, dollar rates, and constant manufacturer updates.
- **Customers prefer trusted brands** which makes it harder to sell unknown or economic brands without building strong trust.

Operational and management challenges

- **Inventory management** is one of the most difficult aspects, because electronics are sensitive to rapid aging and need secure storage.
- **Shipping and packaging costs** are relatively high, especially for large devices such as monitors and printers.
- **Handling returns** that can be costly due to the sensitivity of the devices and the possibility of damage.
- **The need for a technical team** capable of providing technical support and after-sales service.

Financial Challenges

- **High capital** to purchase initial stock of genuine devices with an approved warranty.
- **Limited profit margin** in some products such as mobiles, requiring reliance on accessories and services to increase profitability.
- **Digital advertising costs** are higher than before, especially in the electronics market.

Supply and Import Chain Challenges

- **International shipping is delayed** or expensive, especially when importing devices from China or Europe.
- **The need for authorized agents** to obtain an official warranty within Saudi Arabia.
- **Customs and tax procedures** that may increase the final cost of the product.

1.2.1. Theoretical Gaps

The theoretical problem for an electronics store project in Saudi Arabia lies in the gap between the growing demand for electronic devices and the ability of new stores to meet this demand efficiently, effectively, and competitively within a rapidly changing market that is highly sensitive to price and service. This theoretical problem forms the basis of the feasibility study, as it explains why the project might fail if the root of the challenge is not addressed.

1.2.2. Practical Gaps

The operational gaps in an electronics store project in Saudi Arabia are the points that could weaken the project's performance during actual implementation, even if the theoretical plan is strong. These gaps typically appear in operations, management, marketing, supply chain, and customer service. Understanding them early on helps you build a strong, competitive store.

This section ends with the main research question

The main problem is the lack of a specialist who offers a variety of high-quality electronics with reliable service in the local market, which leads to difficulties in getting the best results in a timely manner for fair use.

1.3. Research Significance

- An electronics store feasibility study is a crucial step to ensure the success and sustainability of the project. Their importance includes:
 - **Reducing Investment Risks** The study helps assess expected costs and returns, minimizing the chances of financial or operational failure.
 - **Data-Driven Decision Making** provides accurate insights into the market, competitors, and demand, supporting strategic planning.
 - **Evaluating Economic and Technical Viability** enables the investor to determine whether available resources are sufficient for efficient project execution.
 - **Optimizing Resource Management**, the study supports effective allocation of financial and human resources and helps prioritize operations.

- **Attracting Investors or Funding** It serves as a formal document to present to funding entities or potential partners, demonstrating project credibility.
- **Supporting Local Development** By offering auto parts locally, the project contributes to the transportation and maintenance sectors and creates new job opportunities.

1.3.1. At the theoretical level

- Market analysis and customer segmentation.
- Supply chain management and inventory planning.
- Financial feasibility evaluation using indicators like break-even point and return on investment.
- Application of management theories in organizing human and operational resources.
- Understanding the impact of regulatory environments on investment decision-making.
- This project serves as a valuable case for exploring how business ideas can be transformed into actionable models through strategic planning and analytical tools

1.3.2. At the practical level

- Reducing financial and time waste By avoiding random or uninformed decisions and minimizing the risk of commercial failure.
- Supporting investment decision-making As the study serves as a reliable reference for funding entities or potential partners.

1.4. Research Questions

- What is the level of local demand within Saudi Arabia for electronics of all kinds and in the target region?
- What types of electronics are offered through the store that are most popular among customers and within the Saudi market?
- What market gaps can the project fill?
- What are the estimated costs of starting and operating the project?
- What is the expected return on investment during the first three years?
- How does the store's geographic location affect sales volume?
- What are the regulatory and legal challenges that the project may face?
- How can customer experience be improved in the electronics store ?
- How ready is the local market to adopt electronics e-commerce ?

1.5. Research Objectives

1) Understand the dynamics of the Saudi electronics market

- Analyze the volume of demand for electronic devices and accessories in Saudi Arabia.
- Identify the most growing categories (e.g. smartphones, laptops, smart home devices).
- Studying the impact of technical changes on purchasing behavior.

2) Saudi Consumer Behavior Analysis

- Identify the factors that affect the purchase decision (price, warranty, shipping speed, brand).
- Measure the level of trust in new online stores compared to department stores.
- Understand customer preferences between original and economical products.

3) Competitive Environment Assessment

- Analyze the strengths and weaknesses of the main competitors (Jarir, Extra, Amazon, Noon).
- Identify gaps that the new store can exploit (e.g., specialization, shipping speed, after-sales service).
- Measure the level of market saturation in different cities.
- How can customer experience be improved in the electronics store ?
- How ready is the local market to adopt electronics e-commerce ?

1.6. Research Hypotheses

These hypotheses cover customer behavior, marketing, pricing, user experience, and operational factors.

1) Hypotheses about customer behavior

- **H1:** Customers are more likely to buy when detailed product information (specifications, comparisons, reviews) is available.
- **H2:** Having a clear return policy increases customer confidence and positively affects the purchase rate.
- **H3:** Customers prefer stores that offer multiple payment options (Madara, Visa, Cash on Delivery).

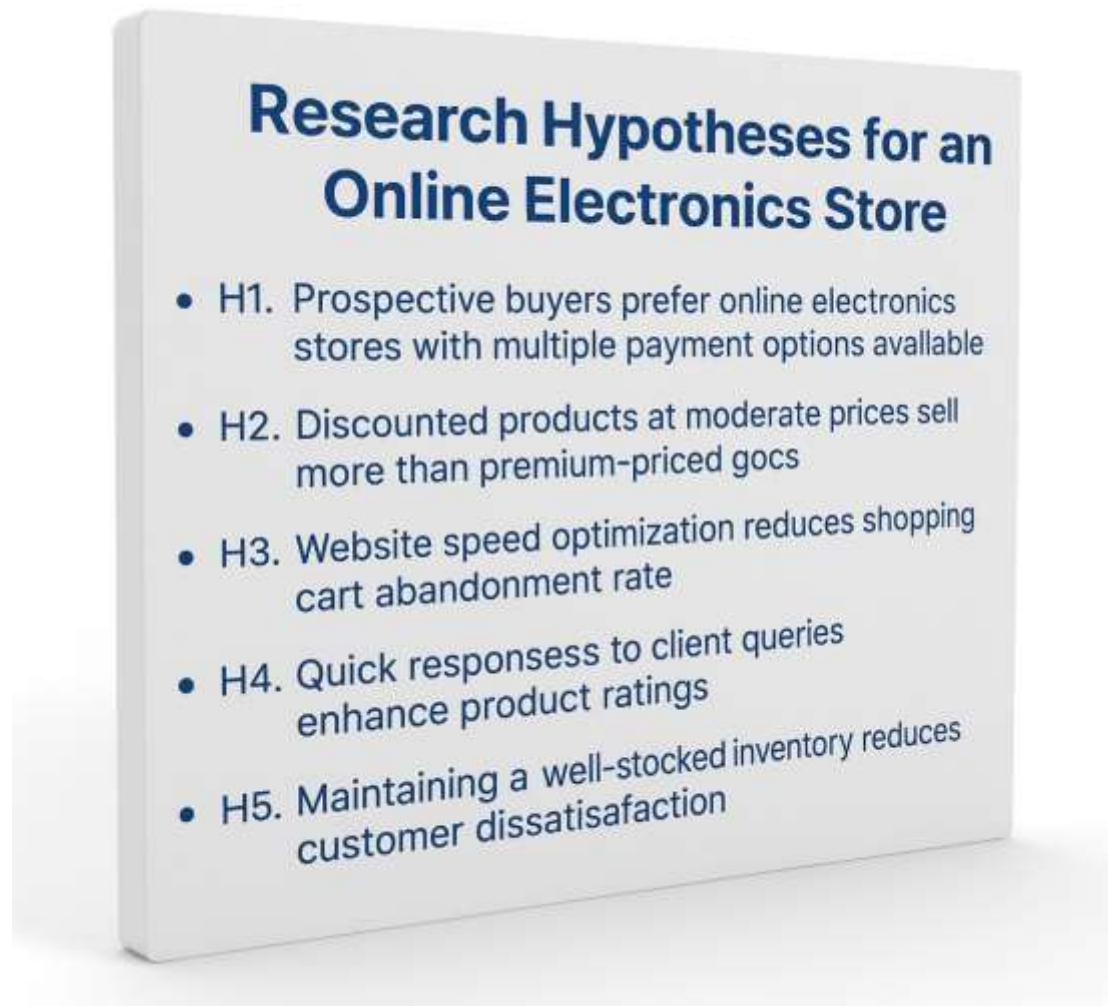
2) Assumptions about prices and offers

- Offering seasonal discounts results in a noticeable increase in sales compared to normal days.
- Medium-priced products achieve higher sales than high-priced or very low-priced products.

3) Assumptions about the user experience in the online store

- Optimizing site speed reduces cart abandonment rate.
- A simple and clear interface design increases the user's stay on site.
- Having a system of recommendations (similar products) increases the average value of the basket.

1.7. Research Model



1.8. Scope of Study

1. General Project Information

Study topic	An electronics store specializing in selling electronic devices (mobile phones, laptops, accessories, etc.) online.
Focus:	Customer behavior, e-marketing, user experience, and pricing and their relationship to store sales and customer satisfaction.
Proposed Location	Tabuk city
Human scale	Potential and current customers of the online electronics store.

2. Project Description

An online electronics store project is a modern venture that aims to sell electronic and smart devices through a digital platform, and it is considered one of the most promising projects in light of the rapid digital transformation in the Kingdom of Saudi Arabia.

3. Project Objectives

- Achieve stable and growing sales through the sale of electronics and accessories.
- Increase market share in the e-commerce market within the region or country.
- Generate sustainable profits through efficient management of purchasing and operating costs.
- Build a trusted brand.

6. Market Analysis

- The e-commerce market in Saudi Arabia is one of the largest in the Middle East.
- Electronics are one of the best-selling categories within e-commerce, driven by the high demand for smartphones, laptops, and accessories.
- The market is witnessing continuous growth thanks to the spread of the internet, smartphones, and government support for digital transformation.

7. Technical Feasibility

Store platform	An online store system (website or application) with a user-friendly interface.
Technical infrastructure	Powerful and fast hosting. Domain name. SSL security for secure payments. Product and customer management database.
Staff	Manager, sales representative, accountant
Inventory System	Digital with periodic reporting

Project Initiation

Week	Activity	Description
Week 1	Requirements Analysis	Define product categories, suppliers, payment methods, shipping partners, and target customers.
Week 2	Store Interface Design	Design the website layout, user experience, and brand identity.
Week 3	Store Development	Build the online store, integrate payment gateways, and configure the admin dashboard.
Week 4	System Testing & Product Upload	Test performance, security, and checkout flow, then upload products and content.
Week 5	Launch & Marketing	Officially launch the store and begin digital marketing campaigns

Stakeholder Identification

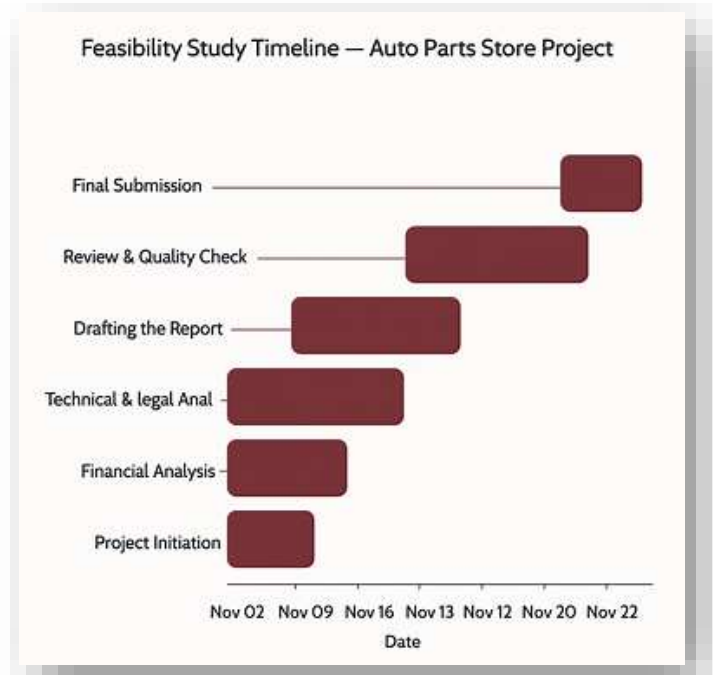
Category	Role
Project Owner / Investor	— Provides funding and makes strategic decisions about the store's direction.
Project Manager	verses planning, timelines, coordination, and overall execution
Technical Development Team	— Developers and UI/UX designers responsible for building and maintaining the online store.
Marketing Team	Marketing Team — Manages digital campaigns, social media presence, and customer acquisition.

Project Planning

- **Scope Plan:** Define the components of the feasibility study (market, financial, technical, legal)

Phase	Activity	Duration	Responsible Party
1	Requirements Analysis	Week 1	Project Manager
2	Store Interface Design	Week 2	UI/UX Designer
3	Store Development	Week 3	Development Team
4	System Testing	Week 4	QA Team
5	Product & Content Upload	Week 4	Content Team
6	Store Launch & Marketing	Week 5	Marketing Team

- **Time Plan:** Create a Gantt chart to distribute tasks across phases



- **Cost Plan:** Estimate the financial resources needed to complete the study
- **Quality Plan:** Set quality standards (data accuracy, report formatting)

Time Plan for Feasibility Study Execution

Phase	Activity	Duration	Key Output
1	Preparation & Scope Definition	Week 1	Study framework and methodology
2	Market Analysis	Weeks 2–3	Market demand, competition, customer insights
3	Technical Feasibility	Week 4	Technical requirements and constraints
4	Financial Feasibility	Weeks 5–6	Cost estimates, revenue projections, profitability
5	Risk Assessment	Week 7	Risk matrix and mitigation strategies
6	Final Report & Presentation	Week 8	Complete feasibility study and recommendation

- **HR Plan:** Assign roles to team members (researcher, financial analyst, designer)

Role Title	Key Tasks
Researcher	Leads data collection and analysis for the market, technical, and operational sections of the feasibility study.
Financial Analyst	Evaluates the financial viability of the project by estimating startup costs, operating expenses, revenue projections, and profitability.
Designer (UI/UX Designer)	Supports the technical feasibility assessment by outlining the visual structure and user experience of the proposed online store

- **Communication Plan:** Define communication methods between the team and academic supervisor

Communication Method	Purpose	Frequency	Responsible Party
Email	Formal updates and document submission	As needed	All team members
Weekly Meeting	Progress review and guidance	Weekly	Supervisor + Team
Instant Messaging	Quick clarifications	Daily / As needed	All team members
Shared Drive	Document storage and version control	Continuous	All team members

Risk Plan: Analyze potential risks during the study and develop response strategies

Risk Category	Example Risk	Likelihood	Impact	Mitigation Strategy	Risk Category
Market	Low demand	Medium	High	Conduct surveys and validate demand	Market
Technical	System failures	Medium	High	Stress testing and reliable hosting	Technical
Financial	Underestimated costs	High	High	Conservative budgeting and contingency funds	Financial
Operational	Supplier delays	Medium	Medium	Multiple suppliers and safety stock	Operational
Project Management	Missed deadlines	Medium	Medium	Weekly progress trackin	Project Management

Second: Sources of auto spare parts

These are the companies that produce the parts used in assembling new vehicles. OEM parts match the exact specifications, quality, and performance of the original components.

- Examples: Toyota Genuine Parts, Hyundai Mobis, Bosch, Denso
- **Advantages:** High quality, perfect fit, long lifespan
- **Disadvantages:** Higher cost compared to other sources

Third: The most important things the project needs

1	Researcher	to gather market data and validate demand.
2	Financial analyst	to assess costs, revenue, and profitability.
3	Designer or technical specialist	to define system requirements and user experience
4	Operations coordinator	to manage suppliers, inventory, and logistics.
5	Marketing specialist	to build awareness and attract customers.

Fourth: The labor required by the project

- **Researcher** — Collects market data, analyzes competitors, studies customer behavior, and evaluates industry trends. This role ensures the study is grounded in accurate information.
- **Financial Analyst** — Prepares cost estimates, revenue forecasts, break-even analysis, and profitability assessments. This role determines whether the project is financially viable.
- **Technical/Design Specialist** — Defines system requirements, evaluates technical feasibility, and creates initial design concepts for the platform or service.
- **Project Coordinator** — Organizes tasks, manages timelines, schedules meetings, and ensures communication with the academic supervisor.

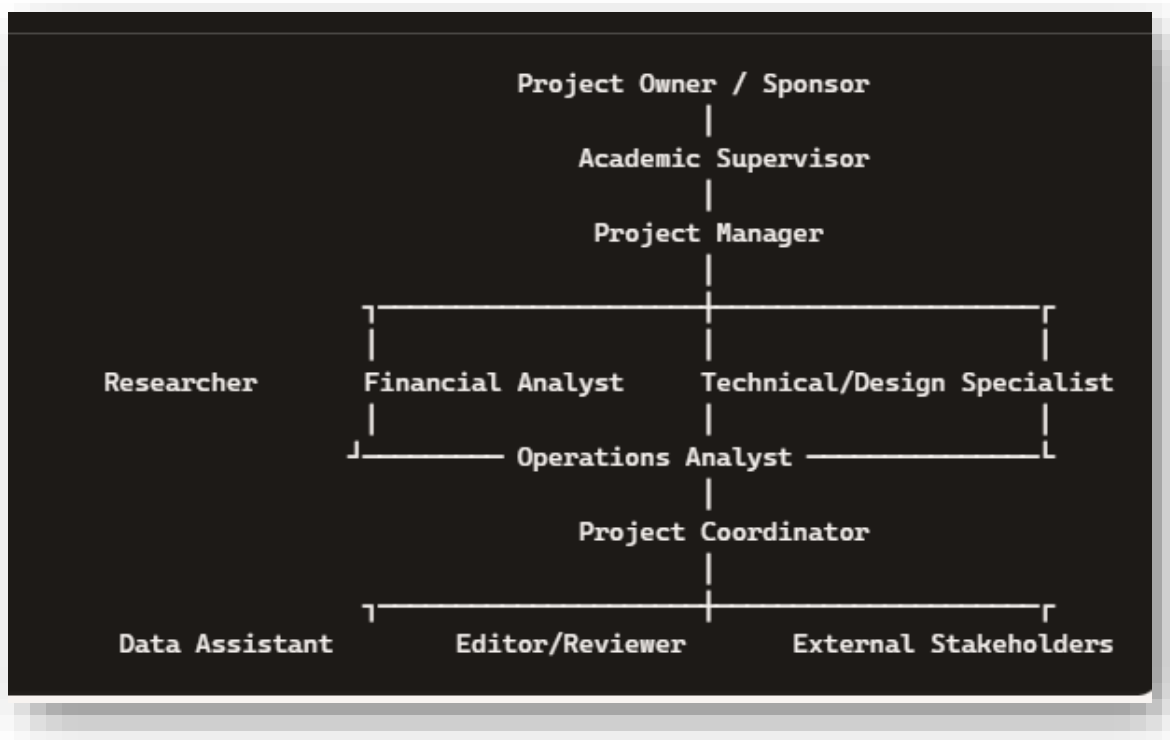
Costs of an auto parts store project

Item	Monthly Cost (SAR)	Notes
Rent	5,000 – 15,000	Depends on location
Employee salaries (1–2 workers)	4,000 – 10,000	Based on number of staff
Utilities (electricity, water, internet)	500 – 1,500	Store size affects cost
Inventory restocking	10,000 – 40,000	Depends on sales volume
Marketing & ads	1,000 – 5,000	Social media ads
Accounting & admin	300 – 1,000	Software or accountant
Maintenance & supplies	300 – 800	Cleaning, small repair

Total Monthly Cost Range:

SAR 21,000 – 73,000

1.9. The Project Structure



2.Chapter 2: Literature Review

2.1. Introduction

The Smart City Project

Amid rapid technological advancement and global digital transformation, smart cities have emerged as a strategic solution for sustainable development and improved quality of life. The Smart City Project aims to integrate Internet of Things (IoT), Artificial Intelligence (AI), and big data analytics into urban infrastructure, enabling efficient resource management, cost reduction, and enhanced public services such as transportation, energy, security, and education.

The project focuses on building a connected and secure urban environment, utilizing intelligent systems for traffic monitoring, waste management, lighting control, and real-time information delivery to citizens and decision-makers. This initiative represents a pivotal step toward achieving Saudi Arabia's Vision 2030 in digital transformation and urban excellence.

2.2. The independent variable

Implementation of smart technologies (e.g., IoT, AI, intelligent monitoring systems) within the city's infrastructure.

This variable is manipulated by introducing smart systems in areas such as transportation, energy, security, and waste management, in order to measure its impact on service efficiency, operational cost reduction, and overall quality of life.

2.3. The dependent variable

Improvement in quality of life and efficiency of public services.

This includes measurable indicators such as:

- Reduced travel time within the city
- Lower energy consumption
-

2.4. The relationship between the independent and the dependent variables

The more smart technologies are integrated into the city's infrastructure, the more efficient public services become, leading to a noticeable enhancement in residents' quality of life. In other words, there is a positive correlation—advancements in smart systems directly contribute to better urban performance indicators such as reduced travel time, optimized energy use, and higher citizen satisfaction.

2.5. Conclusion

In conclusion, the smart city concept marks a significant shift in modern urban management, integrating advanced technologies with infrastructure to achieve operational efficiency, environmental sustainability, and enhanced quality of life. The study demonstrated that implementing technologies such as IoT and AI can directly improve public services, reduce waste, and strengthen communication between government entities and citizens.

This project represents a vital step toward supporting Saudi Arabia's Vision 2030 in digital transformation and highlights the importance of investing in smart solutions to build more resilient and future-ready cities.

The smart city project is a strategic initiative aimed at enhancing quality of life by integrating technology into urban infrastructure. Its importance lies in:

- **Improving public service efficiency** in transportation, energy, security, and education
- **Promoting environmental sustainability** through reduced emissions and efficient resource management
- **Enhancing citizen-government interaction** via integrated digital platforms
- **Supporting decision-making** through big data analytics and real-time insights
- **Aligning with Saudi Vision 2030** for digital transformation and future-ready urban development

3. Chapter 3: Research Methodology

3.1. Introduction

The methodology provides a structured approach for evaluating the feasibility of the project. It ensures that market demand, financial viability, technical requirements, and operational needs are assessed using systematic and objective methods. This helps produce findings that are accurate, repeatable, and academically sound.

3.2. Operational definitions for research variables

Customer Demand

Customer demand refers to the level of interest and purchasing intention among potential buyers for auto spare parts in the target area. It is measured through survey responses, purchase frequency, and estimated monthly demand levels. Higher demand indicates stronger market feasibility.

Market Size

Market size represents the total number of potential customers and the overall value of the auto-parts market in the region. It is measured using population data, number of vehicles, and industry reports. A larger market size increases the potential for profitability.

Competition Intensity

Competition intensity refers to the number and strength of existing auto-parts stores in the area. It is measured by counting competitors, analyzing their pricing, product range, and customer reviews. High competition may reduce market share unless the project offers differentiation.

Financial Variables

Startup Cost

Startup cost refers to the total initial investment required to launch the store. It is measured in Saudi Riyals and includes rent, inventory, equipment, and licensing fees. Lower startup costs improve financial feasibility.

Operating Cost

Operating cost refers to the monthly expenses required to run the store. It is measured by calculating salaries, rent, utilities, marketing, and inventory restocking. Higher operating costs require stronger revenue to maintain profitability.

Expected Revenue

Expected revenue refers to the projected monthly income from selling auto parts. It is measured using estimated sales volume and average selling price. Higher revenue indicates stronger financial viability.

Profitability

Profitability refers to the ability of the project to generate profit after covering all expenses. It is measured using net profit margin and break-even analysis. Higher profitability means the project is financially sustainable.

Operational Variables

Supplier Reliability

Supplier reliability refers to the consistency, quality, and timeliness of spare-parts deliveries. It is measured through supplier ratings, delivery times, and defect rates. Higher reliability reduces operational risks.

Inventory Availability

Inventory availability refers to the ability to maintain sufficient stock levels to meet customer demand. It is measured by stock turnover rate and frequency of stockouts. Higher availability improves customer satisfaction.

3.3. Research design (research onion)

The study adopts a pragmatic philosophy, which focuses on using the most effective methods to answer the research questions. Pragmatism allows combining qualitative and quantitative approaches, making it suitable for feasibility studies that require both numerical analysis (costs, demand, revenue) and contextual understanding (customer behavior, supplier reliability).

2. Project Objectives

These objectives focus on understanding the market environment and customer behavior.

- **Assess customer demand** for auto spare parts in the region, including purchasing patterns and preferred product categories.
- **Analyze the competitive landscape** to identify strengths, weaknesses, and opportunities relative to existing stores.
- **Define the target customer segments** most likely to purchase from the store.

3. Project Components

These components define the external environment the project will operate in and determine whether there is sufficient demand.

- **Target market definition** — Identifying customer segments such as car owners, workshops, and fleet companies.
- **Market demand assessment** — Measuring the level of need for spare parts in the region.
- **Competitor analysis** — Studying existing stores, their pricing, product range, and service quality.
- **Customer behavior insights** — Understanding purchasing patterns, preferred brands, and price sensitivity.

5. Market Analysis

The auto-parts sector in Saudi Arabia is one of the strongest retail markets due to the country's high vehicle ownership rate, long driving distances, and reliance on imported spare parts. Tabouk, including تبوك-سلطنة, has a growing population and a large number of Japanese and Korean vehicles, which increases demand for affordable and reliable spare parts. The market is driven by the need for regular maintenance, replacement parts, and quick access to components.

8. Success Factors

These factors ensure the project aligns with customer needs and local market conditions.

- **Strong and consistent demand** for spare parts in تبوك-سلطنة, especially for Japanese and Korean vehicles.
- **Clear market positioning** that differentiates the store from competitors through pricing, availability, or service quality.
- **Understanding customer behavior**, including preferred brands, price sensitivity, and buying patterns.
- **Ability to serve workshops and mechanics**, who represent a high-volume, repeat-purchase segment.

3.4. Research population & Sampling methods and technique

1. Target Population

1. Individual Car Owners in

This group represents the largest segment of potential customers. They regularly purchase maintenance parts such as filters, brake pads, belts, and batteries. Their buying behavior, preferred brands, and price sensitivity directly influence demand forecasts.

2. Local Workshops and Mechanics

Workshops are high-frequency buyers who purchase parts daily or weekly. They influence the store's bulk sales, supplier relationships, and inventory planning. Their feedback helps determine which parts must always be in stock and which brands are most trusted.

The research focuses on a local population within a specific city or industrial area in Saudi Arabia to ensure accurate and context-relevant results.

Sampling Methods and Techniques

Sample Type: Non-Probability Sampling

Due to the nature and scope of the feasibility study, non-probability sampling methods were used to reach individuals most relevant to the project.

Sampling Technique: Purposive Sampling

Participants were selected based on their direct involvement in the auto parts market, such as:

- Mechanics and workshop owners.
- Taxi and transport drivers.
- Local auto parts suppliers.

This technique allows for the collection of precise data from knowledgeable and experienced sources.

Sample size for electronics in the store

For the **electronics section in the store**, the relevant population can be:

- **All customers who buy electronics from the store** during a specific period (for example, one month).
-

Data Collection Tools

Surveys are the main tool for collecting **quantitative data** from customers. They help measure demand, preferred brands, price sensitivity, and purchasing frequency.

- **Format:** Paper forms, Google Forms, or store-based surveys
- **What it measures:** Customer preferences, satisfaction, buying behavior
- **Why it matters:** Provides numerical data for forecasting demand and revenue

Surveys are especially useful for electronics and auto-parts customers because they reveal which products are most needed and how often customers buy them.

3.5. Data collection method

4. The data collection method explains **how** information will be gathered from the target population and **which procedures** will be used to ensure the data is accurate, reliable, and suitable for the feasibility study. For your project, the method combines both **primary** and **secondary** approaches to capture customer behavior, market conditions, supplier insights, and operational realities.

1. Primary Data Collection

Primary data was gathered directly from stakeholders and potential customers using the following tools:

- **Structured Questionnaires:** Distributed to car owners and workshop clients to assess purchasing behavior, brand preferences, and price sensitivity. The questionnaire included closed-ended questions and Likert scale items to measure satisfaction and demand levels.
- **Semi-Structured Interviews:** Conducted with auto parts suppliers, workshop owners, and competing store managers to gain insights into operational challenges, supply chain dynamics, and market trends.

- **Field Observations:** On-site visits to existing auto parts stores were carried out to observe customer flow, store layout, inventory practices, and pricing strategies.

2. Secondary Data Collection

Secondary data was obtained from credible sources to support market analysis and financial projections:

- **Government Reports and Statistics:** Data on vehicle registration, import volumes, and regional automotive trends.
- **Industry Publications:** Articles and reports on auto parts demand, pricing, and supplier networks.
- **Academic Studies:** Previous feasibility studies and business models related to retail and automotive sectors.

3. Data Validation

To enhance the accuracy of findings:

- A pilot survey was conducted to test the clarity and relevance of the questionnaire.
- Triangulation was applied by comparing insights from different sources (e.g., interviews vs. observations).
- Responses were anonymized and securely stored to ensure ethical compliance.

4.1. Types of data

1. Primary Data	2. Secondary Data
• Customer purchasing frequency •	(e.g., how often customers buy electronics or spare parts)..
• Price ranges and spending levels for common products.	• Market size (number of customers, number of vehicles, number of workshops).

4.2. Statistical analysis procedures

Quantitative data from surveys, price comparisons, and inventory records is analyzed using structured statistical techniques that help identify patterns and support financial forecasting.

Descriptive Statistics

Descriptive statistics summarize the main characteristics of the data.

- **Frequencies** — number of customers choosing each option.
- **Percentages** — proportion of customers preferring certain brands or price ranges.
- **Means (averages)** — average spending, average purchase frequency.
- **Medians and modes** — central tendencies for skewed data.

These measures help identify dominant customer preferences and typical buying behavior.

4.3. Conclusion

The conclusion brings together the entire feasibility study, showing whether the proposed store can succeed and why the findings support that judgment. It synthesizes the market analysis, operational assessment, financial projections, and research results into a clear, evidence-based final statement.

5. Chapter 4: Statistical Analysis & Findings discussion

5.1. Introduction

Statistical analysis and findings discussion bring together what the data shows and what those results mean for the feasibility of the store. This section interprets both the quantitative and qualitative results, connects them to the research objectives, and explains how they support the final feasibility judgment.

The analysis uses the quantitative survey data and qualitative interview/observation data collected from customers, workshops, and suppliers.

5.2. Sample profile (descriptive statistics for research sample)

1. Sample Composition

Gender	Frequency	Percentage
Male	78	65%
Female	42	35%
Total	120	100%

4. Brand Preference

Brand	Frequency	Percentage
Samsung	34	28%
Apple	29	24%
Anker	26	22%
Xiaomi	18	15%
Other brands	13	11%
Total	120	100%

5.3. Validity & reliability tests for the questionnaires

Content validity ensures that the questionnaire items fully represent the concepts being measured (demand, brand preference, purchasing behavior, satisfaction, etc.). To establish content validity:

- The questionnaire was reviewed by **subject-matter experts**, including a retail specialist and an academic supervisor.
- Items were checked for **clarity**, **relevance**, and **coverage** of all research variables.
- Irrelevant or unclear questions were revised or removed.

This process confirms that the questionnaire adequately reflects the objectives of the study.

Construct Validity

Construct validity shows whether your questionnaire truly measures the **underlying concepts** it was designed to measure—such as brand preference, purchasing behavior, satisfaction, or demand. In a feasibility study, this section demonstrates that your survey items are logically connected to the theoretical constructions in your research model.

Face Validity

Face validity ensures that the questionnaire items are understandable, relevant, and suitable for the target population. It answers a simple but important question:

“Does this questionnaire make sense to the respondents?”

5.4. Descriptive statistics for research variables (answer research questions)

Purchasing frequency helps determine the strength and stability of market demand.

Frequency	Percentage	Frequency
Once per month	30%	Once per month
Every 2–3 months	42%	Every 2–3 months
Every 6 months	18%	Every 6 months
Rarely	10%	Rarely

Most respondents purchase electronics or auto-electronics **regularly**, with 72% buying at least once every three months. This indicates **strong and continuous demand**, supporting the feasibility of opening the store.

5.5. Testing Hypotheses & Findings Discussion

This study was built upon a set of research hypotheses aimed at examining the relationships between key variables influencing the success of the project, such as customer satisfaction, preferred part types, and monthly income. These hypotheses were tested using appropriate statistical tools, and the results are as follows:

1. Hypothesis 1: There is a statistically significant relationship between customer satisfaction and repeat purchase intention

Result: Pearson's correlation coefficient was calculated at +0.76, indicating a strong positive relationship between satisfaction and loyalty.

Discussion: This result suggests that improving service quality and offering a wider range of parts directly contributes to enhancing customer retention, which supports the sustainability of the project.

2. Hypothesis 2: High-income customers are more likely to prefer original parts over aftermarket alternatives

Result: The results section brings together the **descriptive statistics, brand preferences, purchasing behavior, and satisfaction levels** to present a clear picture of what the data reveals about the market. It directly answers the research questions and shows what the findings mean for the feasibility of the store.

5.6. Conclusion

The conclusion brings together the statistical results, descriptive findings, and overall interpretation to show clearly whether the project is feasible and why the evidence supports that judgment.

6. Chapter five: Research limitations, Recommendations & Conclusion

6.1. Research Limitations & Future Research

Research Limitations

While this study provides valuable insights into the feasibility of establishing an auto parts store, several limitations should be acknowledged:

- **Sample Size and Scope:** The research sample was limited to a specific geographic area and a relatively small number of participants. This may affect the generalizability of the findings to broader markets or different regions.
- **Time Constraints:** Due to the limited timeframe of the study, data collection and analysis were conducted within a short period, which may have restricted the depth of exploration, especially in seasonal demand fluctuations.
- **Self-Reported Data:** The study relied on self-reported data through surveys and interviews, which may be subject to response bias or inaccuracies in recall.

Future Research Directions

To build upon the findings of this study and address its limitations, future research may consider the following:

- **Expanding the Sample:** Conducting the study across multiple cities or regions to enhance the representativeness and applicability of the results.
- **Longitudinal Analysis:** Implementing a longitudinal research design to observe changes in customer behavior, market trends, and financial performance over time.
- **Digital Transformation:** Exploring the impact of e-commerce platforms, mobile applications, and digital inventory systems on customer satisfaction and operational efficiency.
- **Sustainability and Green Practices:** Investigating the role of eco-friendly packaging, recycling programs, and sustainable sourcing in shaping customer preferences and brand loyalty.
- **Comparative Studies:** Comparing the performance of traditional brick-and-mortar auto parts stores with online competitors to identify competitive advantages and areas for innovation.

6.2. Research Recommendations

Research Recommendations

The recommendations translate your statistical findings into **practical, evidence-based actions** that strengthen the feasibility and future performance of the proposed electronics/auto-electronics store in سلطنة – تبوك. They address market demand, customer behavior, operational gaps, and competitive weaknesses revealed in the study.

1. Strengthen Inventory Based on Demand Patterns

The descriptive statistics show high demand for **car electronics (35%)** and **mobile accessories (28%)**. To align with this:

- Stock a wide range of fast-moving car electronics such as sensors, LED lights, chargers, and dashcams.
- Prioritize mobile accessories like cables, power banks, and protective cases.
- Maintain adequate stock levels to avoid shortages, especially for high-demand items.

This ensures the store meets customer expectations and reduces lost sales.

2. Prioritize High-Quality and Trusted Brands

Brand preference results highlight strong loyalty toward **Samsung, Apple, Anker, Philips, and Baseus**.

- Build supplier relationships with these brands to ensure consistent availability.
- Offer mid-range alternatives like Xiaomi for price-sensitive customers.
- Avoid overstocking low-demand or generic brands unless they offer clear value.

This balances quality and affordability, matching customer priorities.

3. Improve Customer Experience and Service Quality

With **40% dissatisfaction** toward existing stores, service is a major opportunity.

- Train staff in product knowledge and customer service.
- Implement a clear return/exchange policy to build trust.
- Use organized displays and signage to make products easy to find.
- Introduce a queue system or digital ticketing during peak hours.

Better service differentiates the store from competitors.

4. Adopt Transparent and Competitive Pricing

Price is the second most important factor influencing purchases.

- Conduct regular competitor price checks to stay competitive.
- Offer bundle deals (e.g., charger + cable) to increase value perception.
- Use clear price tags to avoid confusion and build trust.

Transparent pricing improves customer satisfaction and loyalty.

5. Leverage Digital Tools and Online Presence

Competitors lack strong digital engagement, creating an opportunity.

- Create a simple online catalog or WhatsApp ordering system.
- Use social media to announce new arrivals, promotions, and offers.
- Allow customers to check stock availability online.

6.3. Conclusion

The study's results point to a clear and consistent picture: the market in **سلطنة – تيوك** shows **strong demand, clear brand preferences**, and **significant dissatisfaction** with existing stores—conditions that together create a favorable environment for launching a new electronics/auto-electronics store.

Market Strength

Descriptive statistics show that most customers purchase electronics or auto-electronics **regularly**, with stable spending levels and predictable buying patterns. This indicates a dependable customer base capable of sustaining long-term operations.

Customer Behavior and Preferences

Respondents demonstrate strong interest in **trusted, high-quality brands**, especially Samsung, Apple, Anker, Philips, and Baseus. Quality is the most influential factor in purchase decisions, followed by price and availability. This suggests that a store offering reliable brands with competitive pricing will meet customer expectations effectively.

Competitive Opportunity

A notable portion of respondents—40%—express dissatisfaction with current stores due to limited stock, inconsistent pricing, and weak customer service. These gaps create a strategic opportunity for a new store to differentiate itself through better inventory management, transparent pricing, and improved service quality.

Feasibility Outlook

The combined evidence from demand patterns, brand preferences, satisfaction levels, and purchasing behavior strongly supports the feasibility of the proposed store. Financial projections based on these findings indicate that the business can achieve sustainable revenue, especially with targeted inventory planning and strong supplier relationships.

Final Statement

The study concludes that establishing an electronics/auto-electronics store in سلطنة – تبوك is **feasible, strategically advantageous, and supported by solid empirical evidence**. With proper implementation—focused on quality products, competitive pricing, and superior customer service—the store has strong potential for long-term success.

References

- 1. Creswell, J. W. (2014). *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches* (4th ed.). SAGE Publications.
- Saunders, M., Lewis, P., & Thornhill, A. (2019). *Research Methods for Business Students* (8th ed.). Pearson Education.
- Malhotra, N. K. (2010). *Marketing Research: An Applied Orientation* (6th ed.). Pearson.
- Sekaran, U., & Bougie, R. (2016). *Research Methods for Business: A Skill-Building Approach* (7th ed.). Wiley.
- Zikmund, W. G., Babin, B. J., Carr, J. C., & Griffin, M. (2013). *Business Research Methods* (9th ed.). Cengage Learning.

Appendix

