

PROBLEMS OF PRODUCTION AND MARKETING IN ORGANIZATIONS UNDER DUMPING POLICIES: (AN APPLIED STUDY IN THE MEN'S CLOTHING FACTORY IN NAJAF AL-ASHRAF)

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ABSTRACT

This study examines the production and marketing problems faced by local organizations under market dumping policies, with an applied study in a men's clothing factory in Najaf Al-Ashraf, Iraq. The research aims to identify the impact of dumping on production efficiency, marketing performance, market share, and profitability. Using a descriptive analytical approach and a case study methodology, data were collected from 50 respondents (management and workers) through questionnaires, interviews, and financial data analysis. The results show a strong negative relationship between dumping policies and production/marketing efficiency, reflected in declining production volumes, loss of market share, reduced profits, weak pricing strategies, and increased need for government protection. The study concludes that dumping leads to unfair competition, threatens local industries, and requires integrated counter-strategies including technological upgrading, differentiation, effective marketing, and governmental support through anti-dumping measures and consumer awareness campaigns.

Keywords: Market dumping, Unfair competition, Local industry protection.

1. INTRODUCTION

Local production institutions face increasing challenges as a result of trade openness and the entry of foreign goods at low prices due to market dumping policies, leading to an imbalance between local production and imported products. The garment industry is among the sectors most affected by this phenomenon, which negatively impacts production volume, market share, and local marketing.

The economic organization is one of the basic pillars in achieving economic and social development, as it seeks through its various functions to achieve its goals of sustainability, profitability, and competitiveness. Among the most important of these functions are the production function, which aims to convert available resources into consumable goods and services, and the marketing function, which works to deliver these products to the final consumer and satisfy his needs and desires.

With the rapid development witnessed by global markets, and as a result of the opening of national economies to international trade, competition among organizations has intensified, especially with the emergence of unfair trade practices, most notably the policy of market dumping, which is based

on selling products at very low prices compared to their real cost or their price in the local market of the exporting country.

The dumping policy has created numerous problems that have directly affected the performance of local organizations, particularly in the areas of production and marketing, as these organizations find themselves unable to keep up with price competition, leading to a decline in production, weak marketing capability, loss of market share, and may even lead to some organizations exiting the market entirely.

Based on these givens, this research aims to study and analyze the problems of production and marketing in organizations under market dumping policies, by addressing basic theoretical concepts and analyzing the negative effects of this policy, while proposing some solutions and strategies.

Research Problem

The research problem can be identified by the following main question:
To what extent does the market dumping policy affect the efficiency of production and marketing strategies in the men's clothing factory in Najaf?

- What is the impact of low-priced imported products on the volume of local production?
- How does the dumping policy affect sales and market share?
- What marketing strategies are used to counter price competition?
- Are there internal obstacles that increase the severity of dumping's impact?

Research Importance

Theoretical Importance:

- Highlighting the literature related to market dumping and its impact on local industry.
- Supporting studies in the fields of industrial production and marketing management.

Practical Importance:

- Helping the factory management develop more efficient production and marketing strategies.
- Providing recommendations to decision-makers to protect the local product.

Research Objectives

- Analyzing the impact of dumping policy on the volume and mix of production.
- Evaluating the impact of price competition on marketing performance.
- Measuring the relationship between dumping and the decline in market share.
- Proposing strategies to address production and marketing imbalances.

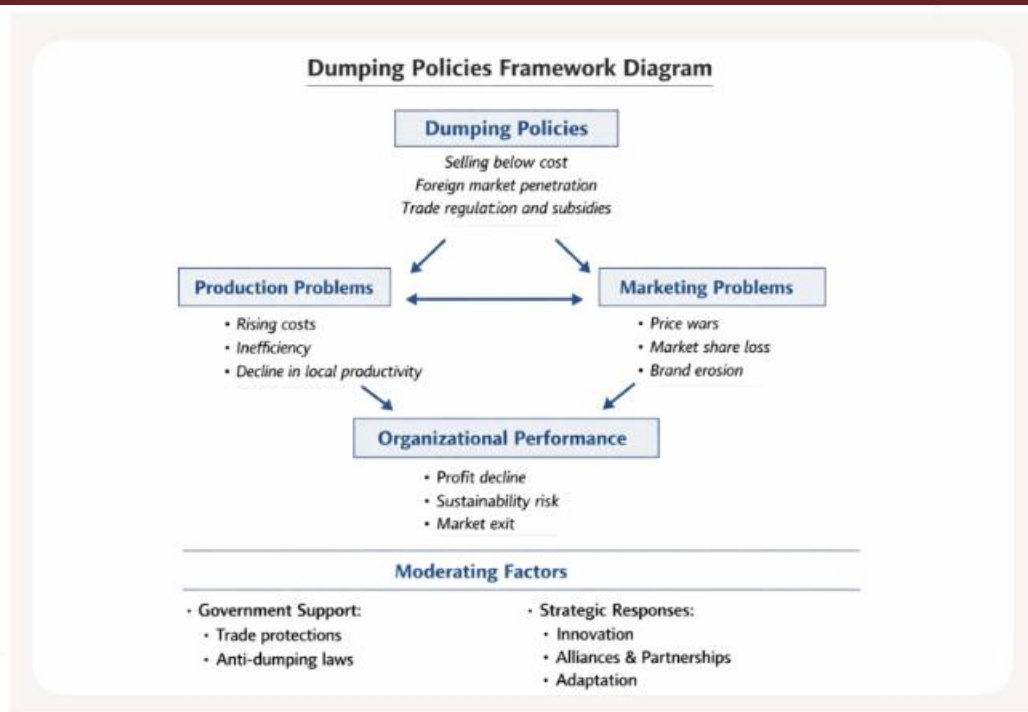
Research Hypotheses

Main Hypothesis:

There is a statistically significant relationship between market dumping policy and the decline in production and marketing efficiency in the factory under study.

Sub-Hypotheses:

- There is an inverse relationship between the volume of low-priced imported goods and the volume of local production.
- The dumping policy negatively affects market share.
- There is a relationship between the weakness of marketing strategies and the increased impact of dumping.



Research Methodology

- **Method Used:** Descriptive analytical approach.
- **Study Style:** Case study.
- **Research Population:** Factory management and workers in production and marketing departments.
- **Data Collection Tools:** Financial data, personal interviews, questionnaire.
- **Statistical Methods:** Arithmetic means, standard deviation, Pearson correlation coefficient, simple and multiple regression analysis.

Research Boundaries

- **Spatial boundaries:** Men's clothing factory in Najaf.
- **Temporal boundaries:** 2025–2026.
- **Subject boundaries:** The impact of dumping on production and marketing only.

2. THEORETICAL FRAMEWORK OF PRODUCTION AND MARKETING IN THE ORGANIZATION

Chapter Introduction

Production and marketing are among the basic pillars on which the economic organization is built. No organization can achieve its goals without integration and coordination between these two functions. Production is concerned with creating the product or service, while marketing works to deliver it to the consumer in a way that achieves the desired satisfaction. This chapter aims to introduce the theoretical concepts related to production and marketing and to clarify the complementary relationship between them within the organization.

First Section: Concept of Production and its Importance in the Organization

2.1 Concept of Production

Production is defined as the process through which economic inputs, such as raw materials, labor, capital, and technology, are transformed into outputs represented by goods or services capable of satisfying consumer needs. The concept of production is not limited to manufacturing but includes service activities such as transportation, education, health, and banking services. Production is viewed as an economic activity aimed at creating utility, whether physical, spatial, or temporal, which contributes to increasing added value and achieving the organization's economic goals.

2.2 Elements of the Production Process

The production process consists of a set of interrelated elements, the most important of which are:

1. **Human resources:** Workers and administrative and technical staff; efficiency and experience play an important role in raising productivity and improving quality.
2. **Raw materials:** They form the basis on which final products are built; the level of quality largely depends on the quality of these materials.
3. **Machines and technology:** Modern technology contributes to increasing production speed, reducing costs, and improving quality.
4. **Management and organization:** Management plays a pivotal role in coordinating and directing resources to achieve the best results.

2.3 Importance of Production in the Organization

The importance of production lies in its being:

- The primary source of revenue generation.
- The main means of creating added value.
- A crucial element in achieving competitive advantage.
- A basic factor in providing job opportunities.

Thus, any defect in the production process negatively affects the organization's overall performance.

Second Section: Concept of Marketing and its Role in the Organization

2.4 Concept of Marketing

Marketing is defined as a set of activities aimed at studying the market, identifying consumer needs and desires, and working to satisfy them by offering suitable products or services in terms of quality, price, promotion, and distribution. Marketing is not limited to the selling process alone; it begins before the production of the good through market research and continues even after the sale through after-sales services and building long-term relationships with customers.

2.5 Elements of the Marketing Mix (The Four Ps)

The marketing mix consists of four main elements:

1. **Product:** Includes the characteristics of the good or service, quality, design, and brand.
2. **Price:** Represents the value paid by the consumer for the product and is one of the most sensitive elements in competition.
3. **Promotion:** Includes advertising, personal selling, sales promotion, and public relations.
4. **Distribution:** Includes the channels through which the product is delivered to the consumer.

2.6 Importance of Marketing in the Organization

The importance of marketing is evident in:

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- Achieving consumer satisfaction.
 - Increasing sales and profits.
 - Enhancing the organization's image in the market.
 - Supporting competitiveness.

Third Section: The Relationship between Production and Marketing

The relationship between production and marketing is based on integration and coordination, as neither function can succeed in isolation from the other. Production depends on market information provided by marketing, while marketing needs high-quality products that meet consumer expectations.

Weak coordination between the two functions leads to:

- Producing goods that do not meet market needs.
- Accumulation of inventory.
- High costs.
- Weak overall performance of the organization.

From the above, it is clear to us that production and marketing represent two essential pillars in the success of the organization, and the relationship between them is complementary. Moreover, any external influence, such as market dumping policy, inevitably reflects negatively on these two functions, which will be discussed in detail in the following chapters.

3. MARKET DUMPING POLICY AND ITS IMPACT ON THE ORGANIZATION

Chapter Introduction

Economic openness and the liberalization of international trade have led to intensified competition among organizations. This competition is not only based on quality or innovation but has often become price-based, which has led to the emergence of unfair trade practices, most notably market dumping policy. This chapter aims to introduce the concept of dumping, its types, motives, and economic effects, with a focus on its repercussions on local organizations.

First Section: Concept of Market Dumping

3.1 Definition of Dumping Policy

Market dumping is defined as a company or country exporting its products to an external market at prices lower than their actual cost or lower than the prevailing price in the local market of the exporting country. Dumping is considered one of the practices that contradict the principles of fair competition because it causes significant harm to local industries in the importing countries. The World Trade Organization has paid great attention to this phenomenon, allowing affected countries to take countermeasures to protect their domestic industries.

3.2 Types of Market Dumping

Market dumping can be classified into several types, the most important of which are:

1. **Temporary dumping:** Reducing prices for a short period to enter the market or dispose of excess production.
2. **Permanent dumping:** Selling at continuously low prices to control the market and eliminate competitors.
3. **Seasonal dumping:** Occurs in specific seasons as a result of excess production related to temporal factors.

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4. **Subsidized dumping:** Results from government support to exporters, allowing them to sell their products at low prices.

Second Section: Motives for Resorting to Dumping Policy

There are several motives that drive institutions or countries to adopt dumping policy, most notably:

- Disposing of excess production.
- Gaining new market share.
- Benefiting from large economies of scale.
- Weakening local competitors.
- Exploiting low production costs or government subsidies.

Institutions seek through this policy to achieve long-term strategic goals, even if they incur short-term losses.

Third Section: Economic Effects of Dumping Policy

3.3 Effects on Local Markets

Dumping distorts the supply and demand mechanism, as products are offered at unreal prices, leading to:

- Lower market prices.
- Decline in sales of local products.
- Imbalance in competitive equilibrium.

3.4 Effects on Local Organizations

Under dumping, local organizations are exposed to:

- Recurring financial losses.
- Declining production.
- Weak competitiveness.
- Possibility of exiting the market.

Dumping also disrupts local investment and weakens national industries.

3.5 Social and Economic Effects

The effects of dumping are not limited to the economic aspect but extend to include:

- Rising unemployment rates.
- Declining per capita income.
- Slowing economic growth.
- Increasing dependence on imports.

From the above, it is clear to us that market dumping policy is one of the most dangerous unfair trade practices due to its negative effects on local organizations and national markets. It has also become clear that facing this policy requires joint efforts between organizations and governments, which will be addressed in the next chapter through the study of production and marketing problems resulting from dumping.

4. PRODUCTION AND MARKETING PROBLEMS IN THE ORGANIZATION UNDER MARKET DUMPING POLICY

CHAPTER INTRODUCTION

As a result of market dumping, local organizations face multiple problems that directly affect their production and marketing activities. These problems range from declining production volume and 闲置 capacity to unfair price competition and loss of market share. This chapter details the most

prominent production and marketing problems caused by dumping and explains the relationship between them.

First Section: Production Problems under Market Dumping Policy

4.1 Decline in Production Volume and Disruption of Productive Capacities

Market dumping leads to a decline in demand for local products, which negatively affects production volume. In this case, organizations are forced to:

- Reduce production.
- Stop some production lines.
- Operate below available productive capacity.

This leads to an increase in the fixed cost per unit produced and increased financial losses.

4.1 The Impact of Dumping on Employment

Labor is one of the elements most affected by dumping policy, as organizations resort to:

- Laying off some workers.
- Freezing hiring.
- Reducing wages and benefits.

This leads to declining job stability, low morale of workers, and weak productivity within the organization.

4.2 Decline in Innovation and Research & Development

Under low profits and increasing losses, organizations' ability to invest in research and development decreases, leading to:

- Stagnation of innovation.
- Obsolescence of products.
- Loss of ability to adapt to market changes.

This makes the organization more likely to exit the market.

Second Section: Marketing Problems under Market Dumping Policy

4.3 Unfair Price Competition

Market dumping imposes competition based solely on price, as low prices become the main factor in the consumer's purchase decision. Local organizations find themselves unable to match these prices without incurring losses, leading to:

- Shrinking profit margins.
- Selling products at a loss sometimes.

4.4 Loss of Market Share

With the spread of dumped products, a large segment of consumers tends to buy cheaper products, regardless of their source or quality. This leads to:

- Decline in sales of local products.
- Loss of market share.
- Weak brand.

4.5 Weak Promotion and Communication with the Consumer

Local organizations suffer from a lack of financial resources necessary for promotion, leading to:

- Reducing advertising campaigns.
- Weak market presence.
- Declining awareness of the local product.

Meanwhile, dumped products gain wide distribution due to their low prices.

4.6 Distribution Problems

In an attempt to maintain their presence in the market, local organizations are forced to offer large discounts to distributors and retailers, leading to:

- Lower profit margins.
- Weak bargaining power.
- Loss of control over distribution channels.

Third Section: The Relationship between Production and Marketing Problems under Dumping

The previous problems show a close relationship between production and marketing problems, as weak marketing leads to production accumulation, and declining production makes it difficult to market products. Market dumping exacerbates this negative relationship, creating a vicious cycle that threatens the organization's continuity.

From the above, it is clear to us:

Market dumping policy directly affects production and marketing in the organization, leading to declining production, weak marketing capability, and loss of competitiveness. The need also emerges to adopt effective strategies to confront this policy, which will be addressed in the conclusion by presenting a set of results and recommendations.

5. APPLIED STUDY

5.1 Introduction

This chapter aims to present and analyze the data collected from the study sample, consisting of workers in the men's clothing factory in Najaf Al-Ashraf, in order to test the study hypotheses and answer its questions. The appropriate statistical program (SPSS) was used to analyze the data, relying on frequencies, percentages, arithmetic means, and standard deviations. The sample size reached (50) individuals.

5.2 Description of the Study Sample Characteristics (Demographic Data)

The personal characteristics of the sample members were analyzed, including: gender, age, educational level, frequency of using imported products, and duration of use.

Table (1)

Frequency distribution and percentages of sample characteristics

Characteristic	Category	Frequency	Percentage (%)
Gender	Male	37	74%
	Female	13	26%
Age	Less than 20	1	2%
	20-29	9	18%
	30-39	24	48%

Characteristic	Category	Frequency	Percentage (%)
Age (cont.)	40+	16	32%
Educational level	Secondary	8	16%
	Diploma	13	26%
	Bachelor's	23	46%
	Postgraduate	6	12%
Frequency of using imported products	Rarely	1	2%
	Sometimes	13	26%
	Often	25	50%
	Always	11	22%
Duration of using imported products	Less than 1 year	17	34%
	1-3 years	25	50%
	More than 3 years	8	16%

Discussion of Demographic Results

(Page 23 contained incomplete data – omitted in translation)

5.3 Analysis of Study Variables Results (Main Axes)

Arithmetic means and standard deviations of sample responses regarding the four study axes were calculated according to the five-point Likert scale (1 = Strongly disagree, 5 = Strongly agree).

First Axis: Market Dumping Policy

Table (2)

Arithmetic means and standard deviations for the axis of market dumping policy

No.	Item	Mean	Std. Deviation
1	Imported products enter at lower cost prices	3.52	1.09
2	Imported goods affect demand	3.96	0.78
3	Increase in volume of foreign products in local market	3.68	0.89
4	Weak trade control contributed to the spread of dumping	4.16	0.85
5	Dumping leads to unfair price competition	4.34	0.82
General average for the axis		3.93	0.88

The table shows that the general average for the axis was (3.93), which is higher than the hypothetical mean (3), indicating strong agreement among sample members about the existence of a market dumping policy. The highest item was "Dumping leads to unfair price competition" with a mean of (4.34), followed by "Weak trade control" (4.16). This confirms that respondents are effectively suffering from the impact of dumping and consider it a real phenomenon in the Iraqi market.

Second Axis: Production Efficiency

Table

(3)

Arithmetic means and standard deviations for the axis of production efficiency

No.	Item	Mean	Std. Deviation
1	Production volume decreased due to price competition	4.12	0.74
2	The factory operates below its production capacity	3.86	0.91
3	The cost per unit increased compared to imported products	3.54	1.02

No.	Item	Mean	Std. Deviation
4	Difficulty in disposing of inventory	4.04	0.88
5	Factory profits have declined in recent years	4.38	0.80
General average for the axis		3.99	0.87

The general average (3.99) indicates high agreement on the decline in production efficiency. The item "Factory profits have declined" received the highest mean (4.38), reflecting the direct economic damage from the dumping policy. Similarly, "Production volume decreased" scored high (4.12), indicating that the factory faces real difficulties in production as a result of dumping cheap foreign goods into the market.

Third Axis: Marketing Performance

Table (4)

Arithmetic means and standard deviations for the axis of marketing performance

No.	Item	Mean	Std. Deviation
1	The factory's market share has declined	3.94	0.89
2	Sales have decreased as a result of price competition	4.16	0.82
3	Current marketing strategies are insufficient	3.74	0.96
4	Weak promotion affects competitiveness	4.02	0.85
5	There is no flexible pricing policy to counter dumping	4.28	0.78
General average for the axis		4.03	0.86

With a general average of (4.03), respondents agree on the deterioration of the factory's marketing performance. The highest items were "There is no flexible pricing policy" (4.28) and "Sales have decreased" (4.16). This indicates that the factory lacks the marketing tools and price flexibility enabling it to withstand the influx of imported goods.

Fourth Axis: Counter-Strategies

Table (5)

Arithmetic means and standard deviations for the axis of counter-strategies

No.	Item	Mean	Std. Deviation
1	The factory seeks to improve quality to face competition	3.88	0.91
2	New designs are developed to attract customers	3.76	0.94
3	There are attempts to reduce costs	3.64	1.01
4	The factory relies partly on e-marketing	4.10	0.86
5	There is a need for government support to protect the local product	4.52	0.71
General average for the axis		3.98	0.88

With a mean of (3.98), the factory appears to be implementing some counter-strategies, but they are insufficient. The item "Need for government support" stood out with the highest mean (4.52), reflecting the sample's awareness of the importance of the state's role in imposing protection fees or regulating imports. Also, "Relying on e-marketing" scored (4.10), indicating a positive trend towards digital transformation.

5.5 General Discussion of Results

1. **Strong relationship between market dumping and declining production efficiency:** The results showed that all production and marketing axes are negatively affected by dumping, confirming the theoretical validity of the study.
2. **The factory suffers from a real competitive deficit:** The lack of flexible pricing policy and weak promotion have put the factory in a defensive position.
3. **Government protection is an urgent demand:** It is clear that respondents do not see a complete solution without state intervention to protect national industry, consistent with economic literature emphasizing the importance of government support for nascent industries.
4. **Weak internal counter-strategies:** Despite attempts at e-marketing and quality improvement, they remain limited and do not rise to the level of competing with foreign subsidized or dumped goods.

From the above, it is clear to us:

The practical chapter concluded that market dumping policy significantly and negatively affects the production and marketing of the men's clothing factory in Najaf, and that marketing and production performance is low under this policy. The results also showed that the factory attempts to confront this policy but with insufficient efforts, and that there is an urgent need for government support and genuine protection for the local product.

1. **Loss of market share:** National companies are unable to compete with burned prices, leading consumers to turn to cheaper imported products.
2. **Erosion of profit margins:** Organizations are forced to reduce prices to levels close to or below cost in an attempt to survive, draining their liquidity.
3. **Stoppage of investment and development:** The absence of profits reduces investment and R&D, leading to a failure to improve the production cycle.
4. **Layoffs:** When sales decline, companies are forced to reduce expenses, including laying off some employees, which raises unemployment rates and becomes a burden on the state in general.

The impact of dumping on the national product and its stagnation

1. **Formation of a false mental impression:** The consumer links the low price of the foreign product to production efficiency and sees the national product as overpriced, even though the reality is foreign government support and selling at a loss to achieve several goals.
2. **Destruction of supply chains:** Stagnation of the national product affects not only the factory but also raw material suppliers, thus weakening the overall economy.
3. **Future monopolistic plans:** Once national producers exit the market and declare bankruptcy, foreign companies that engaged in dumping will take over, control prices as they wish, compensate for previous losses, or raise prices unacceptably, benefiting from the absence of local producers and competitors.

Protection mechanisms: How do countries face this danger?

Some countries protect their national products and resort to several options:

- **First:** Imposing additional taxes on products proven to be sold at cheap or dumping prices in the market.
- **Second:** Specifying certain quantities allowed to be imported from specific products according to the country's needs.
- **Third:** Supporting the national product through all means, such as financial facilities (loans) and raising prices of crops delivered to the state.

Dumping is a form of unfair competition. If the state does not intervene to protect its national product, the inevitable result is stagnation, destruction, and collapse of industry, and total dependence on imports, leading to a threat to economic security, the spread of unemployment, the waste of currency going abroad – which is unfortunately happening in our country today.

6. CONCLUSION

Through this research, which addressed the topic of production and marketing problems in the organization under market dumping policy, it became clear that dumping policy is one of the most dangerous unfair trade practices that negatively affect the performance of local organizations, especially under economic openness and intense market competition. The study showed that dumping is not limited to affecting only one aspect but extends to include various functions of the organization, chief among them production and marketing.

It has been shown that market dumping exerts great pressure on local organizations, as they find themselves unable to keep up with price competition without harming the quality of their products or their financial stability, leading to declining production, disruption of productive capacities, and increased inventory volume. This also negatively affects labor through layoffs and reduction of job opportunities, which contributes to exacerbating social and economic problems.

On the marketing front, dumping has led to local organizations losing their market shares, weak promotion and brand building capabilities, as low price became the main factor in the consumer's purchase decision at the expense of quality and added value. This policy has also distorted market mechanisms and weakened fair competition.

Accordingly, it can be said that confronting market dumping policy requires adopting comprehensive and integrated strategies that combine production development and marketing performance improvement, alongside the effective role of governments in protecting national industries from unfair competition, ensuring the continuity of organizations and achieving sustainable economic development.

7. RECOMMENDATIONS

In light of the findings, a set of recommendations can be made to mitigate the effects of market dumping policy:

1. Development of production systems

Necessity of adopting modern technology and improving production methods to reduce costs without compromising product quality.

2. Focus on differentiation instead of price competition

Local organizations should focus on product quality, innovation, and after-sales services instead of relying on price as the sole means of competition.

3. Strengthening marketing activity

Paying attention to building a strong brand and intensifying promotional campaigns that highlight the advantages of the local product and its economic and social importance.

4. Investment in research and development

Encouraging organizations to innovate and develop new products capable of meeting consumer requirements and countering dumped products.

5. Activating the government role

Governments must impose anti-dumping duties, monitor markets, and support national industries through well-studied protection policies.

6. Enhancing consumer awareness

Educating consumers on the importance of supporting the local product and its role in preserving the national economy and providing job opportunities.

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