Earlier this year, KPMG International and the Consumer Goods Forum (CGF) surveyed 400 senior consumer executives at the world’s largest consumer and retail brands. 7,100 consumers in 19 countries were also asked about their shopping behaviors and preferences to see how aligned executive strategies are with consumer sentiment. In this perspective, we share insights and leading strategies from some of the world’s most advanced omni businesses, with a UAE perspective on five key trends.
Globally, it is clear that the consumer industry has moved from facing disruption to being disrupted. Supply chains have been revolutionized. So have customer touch points – to the extent that achieving customer-centricity has become a determinant of survival, rather than a differentiator. But how accurately does this apply in the UAE, with high consumption levels and one of the world’s highest smartphone penetrations? In our global study – Seeking customer centricity: the omni business model – we look at how markets and competitive landscapes are changing, creating significant opportunities for agile, forward looking companies.

Businesses are transforming from omni-channel to omni - moving from seamless integration across sales channels to seamless integration of all functions, enabled by digital technology and centered on the customer. Omni is no longer about marketing – if it ever was. Consumer-facing organizations must transform both their experience design and their delivery architecture, operating with experiencecentricity from the inside-out and the outside-in.

I am sure you will find our perspective interesting and we would be pleased to discuss it with you.

Anurag Bajpai
Partner | Head of Retail
KPMG in the Lower Gulf

**Becoming hyper customer-centric**

Our survey suggests that, unless tomorrow’s consumer businesses are laser-focused on the consumer, using data and analytics and technology to target, serve and customize products and experiences for a highly segmented customer base, they will fail. Companies need a deeper, multi-dimensional understanding of their customers. Advanced data analytics and smart technologies can be used to track and anticipate customer behavior in near real time. Personalized products and experiences can be delivered when, where and how the customer wants them. But – and it is a big but – keeping up with fast-changing customer demand is not easy.

**Developing a digital-first mindset**

Digital channels are already replacing bricks and mortar outlets – both here in the UAE and globally. Digital transformation offers both opportunities and challenges – if done right, it should enable consumer companies to rethink their strategies, operations and business models, generating new levels of growth, efficiency, productivity and competitiveness. However, as we have seen across the economic landscape, digital is not easy – and it should not be seen as a cure all.

Increasing use of social media and other new media and attracting, developing, and retaining talent are seen as top priorities globally and in the UAE. Expanding global operations was more than twice as important for UAE companies. Improving service and customer experience and moving to a more integrated omni-channel model barely registered for UAE companies, although cited by approximately one in four of global consumer companies.

**Are UAE customers more demanding?**

UAE data suggests that UAE consumers expect more – and that consumer companies globally are lagging behind customer expectations.

There are no easy ways to develop a digital-first mindset but experience suggests that businesses should focus on three leading practices – defining digital; developing a multi-speed operating model; and making digital everyone’s responsibility.
Creating a supply chain fit for purpose

The optimal supply chain structure in today’s omni business environment is fully integrated with the front-end of the business and is flexible and agile enough to react to constantly changing customer needs and market dynamics. Supply chains need to balance cost with keeping customers happy and providing a better consumer experience – a level of sophistication that very few companies have been able to provide. Companies are approaching this challenge by making better use of data and analytics, which is also being used to improve coordination with supply chain partners.

Becoming hyper customer-centric

Trust is the best way to maintain customer loyalty in a digital world where consumers have access to huge amounts of information – not all of which may be accurate. In emerging markets, where consumer protection standards can be relatively weak, building trust is even more important.

What are companies doing - and what do consumers think they should be doing?

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<tr>
<th>Top five success factors</th>
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<tr>
<td>Communicate clearly what our brand represents</td>
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<tr>
<td>Promote consumer health and wellness</td>
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<tr>
<td>Improve communications around ethics, integrity and safety</td>
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<tr>
<td>Use audits and third-party specialists to verify compliance</td>
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<td>Ensure food and product safety</td>
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<tr>
<th>Top five challenges</th>
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<tr>
<td>Monitor and eliminate bribery, fraud and other forms of corruption</td>
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<tr>
<td>Promote worker safety and integrity in our supply chain</td>
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<tr>
<td>Eliminate product complexity/phase out certain products</td>
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<tr>
<td>Go to market through new brands</td>
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The top three priorities for UAE companies – while they generally reflect global priorities – suggest that UAE consumer companies understand there is something of a gap between current and leading practice - and that they need to catch up. More than half of UAE respondents said that improving distribution speed and efficiency was a top supply chain priority. At the other end of the scale, optimizing tax impacts got relatively few mentions – although this may change as the imposition of VAT gets closer.

Building a world-class omni business

Our survey suggests that building an omni business model will be vital to win in tomorrow’s consumer industry. Experience suggests that there are a number of critical success factors and challenges:

Again, there are marked differences between UAE and global responses. Globally, consumer executives saw technology and culture as the two most important challenges – both of which ranked relatively lowly with UAE executives. Measurement and understanding of ROI and an agile supply chain were significantly more important to global executives than to their UAE peers.
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Anurag is recognized as a subject matter expert in the consumer market sector, having worked on a number of engagements for international franchises – both franchisees and franchisers – and principals. Anurag has advised C-suites and boards at a number of UAE-based family businesses and leading global multinationals.

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Recent consumer industry-focused thought leadership:


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