

# Retailing in the Middle East

Opportunities *NOWHERE* or  
*NOW HERE*

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# Today's Business Environment has Changed

# Consumer Behaviour has changed



# Consumer Behaviour

- Consumers are insecure
- They want value for money - It's about "NECESSITY"
- Consumers are influencing each other (from B2C to C2C)
- Power of social/digital networking such as Facebook, Twitter, SMS, etc

- Value is a Priority.
- Restraint is the new norm –need vs want
- Value messaging must include  
differentiation



The Retailer has had to adapt to  
the changes

# Consolidate

- Retail chains have had to consolidate their business to ensure profitability .
- Retailers have had to improve their efficiencies- enhance inventory management, optimize supply chain processes, cut costs, etc
- Retailers have had to provide customers with varied channels of distribution such as online sales (internet)

- Retailers need to continue to make life easy for Customers to do business – e.g. online shopping
- Retailers need to ensure ease of purchase - make it fast, simple, relevant, convenient for customers – Google





# Innovation

- Winning Brands have been creative and innovative in order to differentiate to achieve business goals
- Connecting with customers is key – innovation in loyalty programs to keep the interest of the customers.
- Digital and Social Media – Twitter / Facebook. (ZARA CATALOG AND INFO on iPhone )
- New retail formats have been introduced to attract customers – Kiosks / POP Up Retail formats – bringing the stores to the Consumers – e.g. Container stores done by Uniqlo



# Some Food for Thought



- Business during an economic downturn brings to the surface the tiny fractures that were unnoticeable during the good times.
- Tough times encourage a brand to go back to its roots and do what it does best.



# Giordano Experience

# Giordano

- Giordano is a leading International Retailer of men's, women's and children's apparel
- Global brand with 2200 stores worldwide and operates in 40 countries
- Global turnover of over US\$ 1 billion annually
- 190 stores in the M.E.
- Positioned to have 250 stores by 2015 in the M.E.

# Giordano network





Giordano, our Flagship store at Deira City Centre, Dubai, UAE



**Standing Tall in spite of the Turmoil**  
**Giordano - A World Brand**  
**Best Practices**



# Building A World Brand

- A simple business model
- Quality merchandise
- Customer Experience
- People – your Human Capital
- Develop an Efficient Supply Chain

# A Simple Business Model



- Keep things simple. Make it easy for your customers to understand what you are selling or offering
- Adapt to changes – be flexible to meet market requirements

# Quality Merchandise

- Keep working to understand customer needs and ensuring that your product meets those needs
- Continuous product innovation

# Customer Experience

- The goal of the company should be to have customer service which is not only the best , but legendary – Sam Walton, WALMART
- Service makes the difference – and brings the customers back again and again


- It's our people who can deliver outstanding customer service
- Organizations need to consider their employees as their living brand and nurture and develop them

# An Efficient Supply Chain

- It is important to develop an efficient supply chain
- Retailers need to diversify their supply chain to reduce costs and minimise risks
- Developing alternative sourcing channels closer to the market is key



# Common Questions

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- Is the Recession over in the M.E.?
  - When will the market recover?
  - What growth figures can we expect and project?
  - Is it worthwhile to do business in the M.E.





The answer is a **DEFINITE YES**



## Middle East..

Abundant opportunities for the  
bold and the prudent...

# Consumer realities in the Middle East

- **Middle East population of 340 million**
- **Around 40 per cent in the Arabian Gulf aged 20-44** – the segment most important to retail sales (BMI, April 2010)
- **2010 Regional GDP growth forecast at 4.3 per cent**, compared to 0.7 per cent for EU (EU 4 per cent contraction in 2009) [Arabian Business/EU]
- Middle East consumers are among the most brand-conscious in the world; **shopping** is a way of life

# Retailing in the Middle East

- The Middle East accounts for **five out of six top markets for retailers** outside of Europe (CBRE May 2010)
- Middle East **retail sales forecast to grow at 13 per cent during next four years**, totalling US\$675 billion by end-2013 (BMI, April 2010)
- Eight MENA countries included in the 2010 A.T. Kearney Global Retail Development Index for attractiveness rankings - **Kuwait, KSA and UAE** are ranked in the top 10



# **Middle East..**

**These facts speak for themselves...**



# **Retail Strategies to succeed**

**For 2011 and beyond...**

# Retail Strategies ...

- Have a clear Vision and Focus
- Need to have Realistic Expectations- steady growth for next 2-3 years
- Execution – Focus on operational efficiencies
- Differentiate
- Identify the right partner
- Connect with the customer
- Be responsive and flexible to market changes
- Think long term
- Give back to the Society



**Thank You**