

An Appetite for Digital

How Technology is Empowering Growth in the Middle-Eastern FMCG Sector.



Order surges, supply chain disruptions, behavioural changes, store closures and ever-changing rules and regulations... It's safe to say the FMCG industry is going through a transformation. The ongoing pandemic has precipitated the sector into a digital revolution that is reshaping the global market and providing exciting growth opportunities.

We've put together this study to help you understand the newest trends and needs of the industry, and how you can successfully grow your FMCG food and beverage business by transitioning to a digital environment.





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01

The Great Consumer Shift

The post-pandemic world and why digital is here to stay.

A momentum for change

When COVID19 hit, we saw unprecedented shifts in B2B/B2C buying behaviours. Leading the revolution were the significant market changes, and an ever increasing internet penetration in the region that upended traditional sales models. It's no surprise that e-commerce sales in MENA are expected to reach \$50 billion by 2022¹, and that by 2025 80% of all global B2B sales interactions are expected to happen online².

In this regard, e-grocery has become the superstar of the FMCG sector. Previously one of the slowest growing segments of e-commerce in the Middle East, it's now growing twice as fast as the rest of online markets and accounts for 12% of all e-commerce in the region today³.

A demand for innovation

From a B2C perspective, the Middle East has seen over 49% of their population reduce their in-store shopping, with 69% of the population in Saudi and 48% in the UAE expecting to maintain this shopping behaviour post-pandemic⁴. With one of the youngest populations and a median age of 27, the Middle East

benefits from individuals who quickly adapt to digital innovations, a group for whom online shopping has become second nature.

This has triggered a need for businesses to reinvent their consumer' path to purchase, capitalise on new customer experiences and disruptive business models to create growth opportunities, brand value and loyalty. — Murat Yoldas Ertugrul, VP Emakina MEA & Turkey

As millennials make their way up to decision making positions, it's become obvious there is a request for the intuitive experiences observed in B2C to be applied to B2B. During the pandemic, demand for consumer goods rose significantly which put additional pressure on all of the supply-chain stakeholders. It also brought forward the flaws of an unorganised and obsolete FMCG sector that needs to become more resilient. This stands to prove the days of traditional B2C and B2B selling methods are over, giving way to digital commerce. Digital is here to stay! And it's only the beginning.

¹Arabian Business, 2021 / ² DHL, 2021 / ³ Massachusetts Institute of Technology, 2020 / ⁴ Perderson & Partners, 2021

02

A New Wave of Business Challenges

Obstacles and Opportunities for B2B/C FMCG food and beverage sales.

Many of the B2B e-commerce trends have been prevalent for quite some time in B2C, mostly concentrating on enhancing convenience and customer experience. The benefits of e-commerce for B2B and B2C go way beyond the fact its an additional sales platform on which one can place orders. It's a tool that FMCG manufacturers, wholesalers and distributors can use to increase their sales, improve their customer experience, automate their businesses and most importantly become future proof. But this requires FMCG companies to rethink their business models, balance customer needs and complex logistics they may not have been confronted to in the past.

Increasing sales

The ability to serve customers through digital channels became more critical than ever for the FMCG food and beverage industry. As the new buying patterns are likely to persist in the post-pandemic context, we have seen food brands move to eCom-merce and even sell directly to their customers.

Web-based portals that are SEO-friendly obviously help you reach new clients, but the personalisation

options it offers has an undeniable effect on sales. From automated up-sell and cross sell recommendations, personalised offers, prices, catalogs, shipping options and even data-driven marketing to push impulse purchases and promotions, digital commerce offers a shopping experience that will easily improve both your conversion rate and average order value.

Improving the customer experience

Today's customers probably discover your brand and products online before they ever see them in real life. This puts more pressure on FMCG food and beverage players to offer seamless omnichannel experiences across different channels and own the brand experience across a multitude of platforms.

Studies show that 86% of buyers are willing to pay more for a better customer experience⁵, signaling that FMCG retailers have to learn to leverage their data analytics to better understand consumer needs and meet their expectations. Businesses who will have successfully pursued sophisticated and internet-savvy consumers will emerge as winners post-pandemic.



⁵Forbes, 2020

Automating businesses

FMCG food and beverage manufacturers need to constantly align their processes to be able to meet increasing demands. This requires sophisticated logistics and the need for a high accuracy of information throughout the whole supply chain.

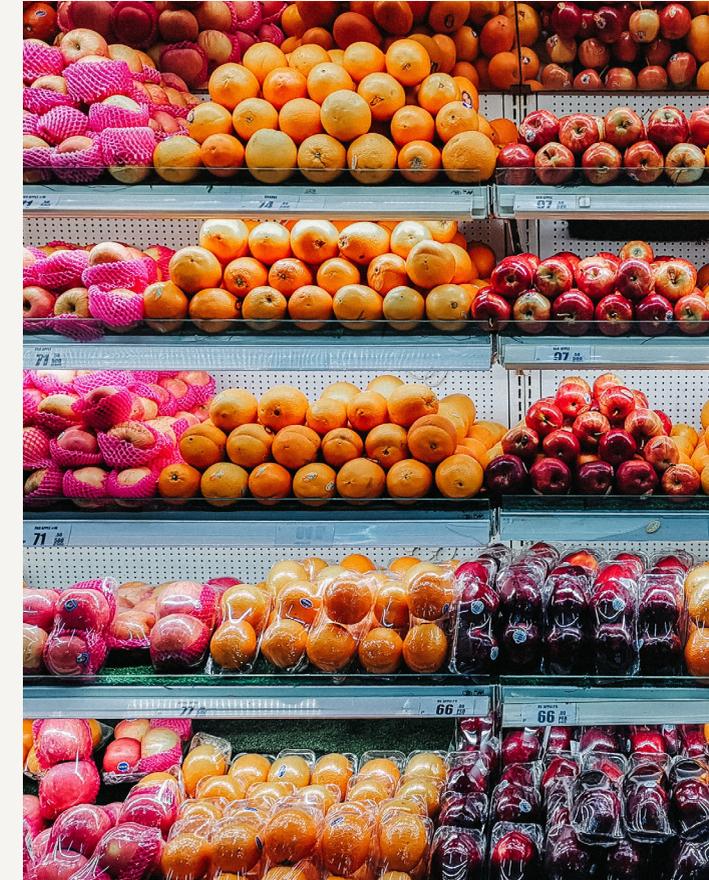
Before the pandemic, it was easy for sales teams to offer listings and recommendations to retail partners regarding store product ranges, their pricing, their promotional activities and merchandising strategies. However, COVID made on-site visits challenging, and store owners couldn't get the informations they needed from the food manufacturer anymore in order to achieve the right shelf execution. This has led to many missed opportunities and a loss of sales because of the disconnect between food companies and their retailers.

Minimizing costs and maximising efficiency is a core concern for all FMCG retailers. The ability to automate part of your business is one of the biggest benefits of going digital. From streamlining sales automation with a self-service portal, bringing together marketing, sales and services through a performant CRM system

and not losing information at any point during the process... These are just a few of the benefits digitisation can offer.

Becoming future-proof

E-commerce is not going away anytime soon, and it's just a matter of time before all businesses have to shift to digital. The benefits are undeniable, giving you the ability to shift business models from B2B, B2C, DTC, B2B2C and back again, scaling up and down to meet market changes or quickly pushing new products, all this is made possible thanks to advanced digital solutions. However, the one thing that FMCG food and beverage brands need to tackle in order to future-proof their brands is the ownership of 1st party data. At this stage, neither the Middle Eastern nor the majority of the global FMCG brands own their customer data, making it very difficult for them to mature into customer-centric brands, as they depend on the data provided by retailers and distributors.



03

The Power of Digital

How digital is crucial to owning the brand experience.

The traditional boundaries between B2B and B2C are collapsing as customers demand convenient, seamless, and personalized experiences across every touch point.

Delivering a customer experience that exceeds customer expectations is the key to a successful e-commerce, and we cannot talk about FMCG's digital growth without mentioning the lockdown that prompted an increasing number of consumers to shop online. Most of them will continue the same buying behaviors after the pandemic is over, meaning digital engagement will become stronger and more widespread.

Embracing digital enables FMCG food and beverage brands to improve customer engagement, streamline internal processes, gain valuable insights and increase customer loyalty.

Connected commerce

Being able to seamlessly integrate your platforms in order to minimize the manual work required from various workflows is key to calculating the ROI of an ecommerce solution. Implementing a digital solution

that can manage complex workflows from browsing to delivery and customer service is the most basic of accomplishments we seek to achieve in digital transformation.

Being able to drive traffic and then convert your visitors into loyal customers, means you own the complete brand experience and the relationship with your consumers.



Having an Omnichannel Experience

Delivering a consistent, personalized experience for customers across all channels and touchpoints.

Having full control of your customer data.

Unified communication.

Price consistency.

Efficient order fulfillment from wherever the stock is available.

Fostering customer loyalty.

Relying only on Traditional Retail

Lack of integration between channels leads to an impersonal and inconsistent experience.

Leaving the control of your data in your retailer's hands.

Fragmented communication.

Price discrepancies.

Time consuming order fulfillment process and dependency on distribution centers.

Increased customer frustration.

Performance, data-driven marketing and analytics

One of the main benefits of e-commerce versus brick and mortar is its capacity to generate precious data that can help in your decision making. All aspects of the customer journey can be correlated to each other through various analytic platforms, and we know that businesses that implement a data-driven approach see exceptional results when putting this data to good use.

This is why digital native vertical brands / D2C brands are outperforming the bigger players. They own the full data funnel, collecting valuable behavioral, intent and purchase data to create a holistic engagement strategy and be quick to react to any trends of buying behaviours. For example, you could detect that there is a major drop in conversions when getting to the shipping page, by digging a little you could discover that this is due to your long delivery times and then tackle this in top priority.

CRM and marketing automation

In the same way that data will help you from an operational standpoint, it will also allow you to move towards prescription models. Why wait for

a specific promotion to reach out to your customers? Why not move towards an automated way of segmenting your client base into targetable groups to whom you will be able to push products they're most likely to want? Stellar user experience is recognizing your customers' buying habits and helping them get what they want before they even know they want it, all in a personalized approach that will keep them coming for more.



Managing Customers with a CRM

Accessing your customer data from one single, centralized location.

Better visibility of sales history and customer interactions.

Increased turnover by identifying your most profitable customers.

Automating ad campaigns and crafting personalized targeted content to boost conversions.

Organizing your salespersons' daily schedules and prioritizing targeted content to boost conversions.

Offering extra products and increasing up and cross selling opportunities.

Interpret your data to analyze your business performances.

Working without a CRM

Handling multiple files and excel sheets with contact details wastes time and efficiency.

Missed opportunities due to limited access to data.

Loss of turnover due to lack of regular contact with customers.

Creating ad campaigns manually and putting dedicated resources to track and target data.

Your sales team spends a lot of time managing low added value admin tasks.

Wasted up-selling opportunities that your sales people do not have time to offer.

Lack of insights and analytics to guide your decision making.

Customer service

Once these orders have come through, you still have a lot of work to do. This is where a solid customer service strategy will make or break your relationship with a consumer.

Most consumers will agree that customer experience is key to their purchasing decisions, many of them often walking away because of poor experiences with customer support, even when they love the brand.

Having a clear strategy and the right tools in place to streamline any assistance requests across channels, should be as important online as it is in store.

Shifting to an online store makes all your operations more efficient and scalable, but it's no reason to downplay your fantastic customer service. On the contrary, show you're actively willing to help every step of the way!

Customer service should be moving from a touch-point to a point-of-touch mentality, this way you will be able to address each interaction between your brand and your customer.

Loyalty

Instead of pouring all your efforts into marketing and outreach, help your customers understand how much they mean to you by offering them loyalty schemes. Recent studies have shown that all B2C tactics are entirely transposable to a B2B environment.

Working with businesses or consumers is very similar in the way that you are dealing with human beings who will reward you for your exemplary services and products. Why not pay them back through reward models? — Murat Yoldas Ertugrul, VP Emakina MEA & Turkey

This has the potential to make your customers work for you in achieving your goals. If your goal is to reach an average order value, entice your customers to get there in an automated and easy way.

04

Crafting your Digital Strategy

The key ingredients to a succesful shift to digital.

We want to help you understand why going digital is crucial for your brands success, so we've decided to share the recipe for the perfect shift to e-commerce. Throughout the coming months, we will be hosting webinars and publishing additional whitepapers to address the specifics of digital transformation :

The importance of owning your customer data

We will discuss using first party data to grow your business and target the right consumers, how to create micro-moments to trigger purchase intent, and how to own your customer journey.

Using the right tools across your tech stack

Ever wondered how to predict the next best offer to serve your customers? Let's uncover the right tools that can help you do just that!

Having a 360-degree view of your customers

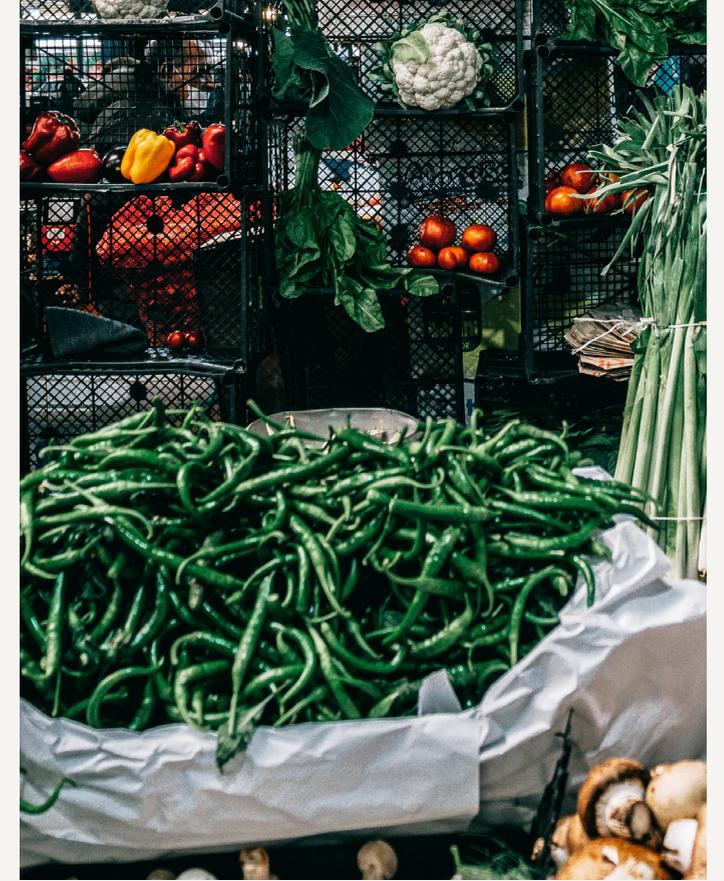
Discover why your FMCG food and beverage business does not need just any old web store, but an online sales platform that integrates seamlessly with your ERP, logistics and PIM systems data hubs.

Increased efficiency with centralized ordering

Your B2B customers do not have time to waste, an all-in-one ordering management system embraces the need for speed to process orders. We'll walk you through how to achieve this.

Personalising your communications

Customers are requesting a more personalised approach where ads don't feel like ads. We'll let you into the secrets of devising a content strategy that actually works.





About Emakina MENA

Emakina MENA is a full-service digital agency with global reach, with offices in the United Arab Emirates, Saudi Arabia and Qatar.

Our technology, design and marketing experts work for clients to help them grow their business and brand value. Together, we gain the necessary user insights to develop highly effective strategies and creations. These include cutting-edge applications, websites, e-commerce projects, impactful content and campaigns. As the ambassadors for users, we place their expectations and requirements at the heart of any digital experience. We offer our customers and their brands a privileged relationship with their new leaders: the consumers of the digital age.

Emakina.MENA is part of Emakina Group, a leading independent full-service digital agency group, uniting over 1000+ employees in 18 countries.

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