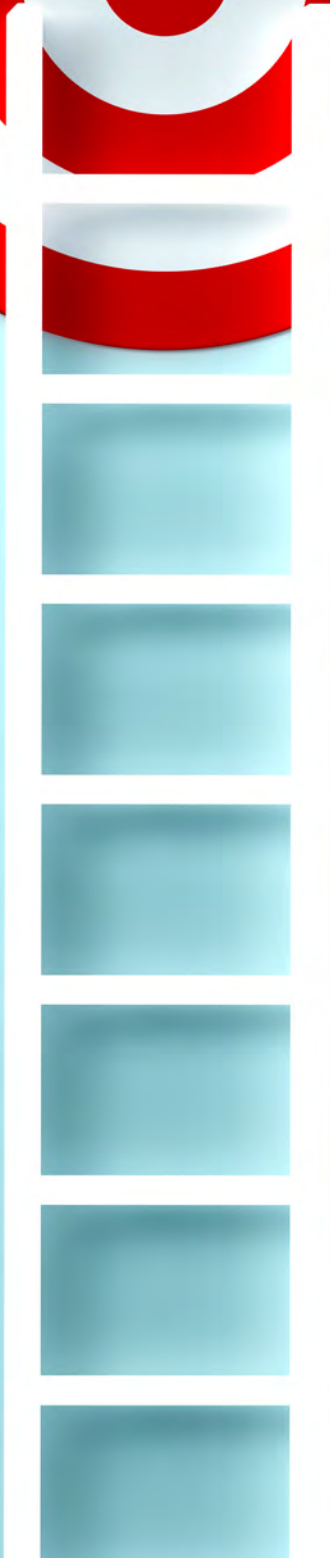


Rise to the challenge

How customer experience trends are shaping CDO priorities in the Middle East

As current market trends re-shape customer experience in the region, we ask how is the Chief Digital Officer (CDO) adapting?



As one of the fastest-growing economies in the world, the Middle East also engulfs the world's youngest population — that is expected to reach 580 million by 2030 — is the largest repository of oil and gas, runs four out of the ten most significant sovereign wealth funds in the world, and is currently one of the top ten holders of US treasuries¹. As such, many global corporations are putting in the effort to navigate and meaningfully enter this market to make use of the transformation the region is going through on all levels, politically and economically, and gain attractive returns on their investments, especially in fast-growing countries like Saudi Arabia, the United Arab Emirates (UAE), Qatar, Kuwait, Jordan and Egypt.

Key market trends in 2021

Current market trends in the region point to a tremendous change around the customer in every aspect. The explosion of new digital channels and the growing population of millennials and Gen Z in most countries in the Middle East are changing customer behavior and raising expectations. Accordingly, businesses are trying to respond by becoming truly digital and more customer-centric, but they realize that this requires transformation everywhere, across

processes, technology and even culture. This applies to companies in the private sector, as well as governments and organizations in the public sector.

Customer Experience (CX) is being redefined by companies, governments, and tech firms such as Google, Amazon, Netflix, but also by software vendors like SAP and Salesforce. This is supported by an increased use of digital technologies, such as Virtual and Augmented Reality (VR/AR), Robotic Process Automation (RPA), Artificial Intelligence (AI), Machine Learning (ML), Internet of Things (IoT), 5G and voice-assisted technology. This change in mindset is simply disrupting many industries and raising customer expectations even more.

As a result, new business models have been evolving alongside traditional trade and commerce. For example, Direct-to-Consumer (D2C) model, subscription-based products, customization of standard products and services, brand-focused start-ups, joint ventures and partnerships, just to mention a few.

In addition, Covid-19 has created new, digital ways of living, working, and also being a customer, and the growing portfolio of consulting and implementation service offerings around Digitization, Innovation, and Digital Transformation today is creating a huge potential and opening new doors for companies that want to stay relevant in the market.

Businesses are trying to respond by becoming truly digital and more customer-centric, but they realize that this requires transformation everywhere, across processes, technology and even culture.

Impact on CDO priorities

These trends have clearly shaped the needs of most companies and organizations in the Middle East, and accordingly, defined the priorities of most CDOs. We see that CX remains a priority for most companies in the region, and 96 percent of GCC businesses² ranked it as a top priority as they aim to offer personalized experiences for consumers, patients, citizens and employees. In 2019, the global spend on CRM and Customer-centric transformation amounted to US\$48 billion, and it is estimated to reach US\$113 billion by end-2027³. More than half of this spend goes to consulting services around CRM/CX strategy and software implementation.

In a region that is very much focused on growth and value creation, there is particularly high demand for end-to-end transformation consulting, especially for Sales and Service capabilities, to achieve process efficiency for customers and employees, enabled by digital technology. Based on our conversations with business leaders in the region, the most relevant service offerings that CDOs and digital leaders seek guidance with include Customer Engagement and Insights, Customer Experience Strategy, Sales Automation, Digital Marketing, eCommerce, Direct to Consumer (D2C), Customer Service and Customer Loyalty. There is currently also an increased focus on data-driven omni-channel engagement leveraging leading cloud-based CX platforms, especially SAP and Salesforce, to reduce the integration cost and minimize the risks around data

privacy and data security, which is a very important topic in the Middle East. This is affecting most sectors, and we see, for example, that the Retail industry is being highly disrupted by new business models, such as D2C, and Retailers are trying to respond with new digital channels, own brands and product lines, as well as joint ventures and partnerships, to stay competitive in the marketplace.

Moreover, businesses across industries are trying to be more innovative and human-centric by using new agile ways of solving problems, like co-creation with their customers, leveraging Design Thinking techniques and user-centered design, experimenting with prototypes and Minimal Viable Products (MVPs), while keeping a clear focus on creating experiences and moments for customers and consumers to win their hearts and minds.

It is time for CDOs in the Middle East to lead the transition in their companies and organizations, and foster innovation and agility throughout all aspects of their digital transformation journey in order to drive economic prosperity and growth. ●

by **Dr. Ahmed Hezzah**, Director Digital Customer, Consulting, Deloitte Middle East

Endnotes

1. Atlantic Council 2020
2. YouGov Survey 2019
3. Market Watch – CRM Market 2020 Global Industry Size

In a region that is very much focused on growth and value creation, there is particularly high demand for end-to-end transformation consulting.