The future of retail | digital transformation or digital differentiation?

The pandemic has reshaped the way consumers shop across the region. Many retailers have invested in e-commerce platforms as they expect to see a continued increase in demand for online and omnichannel interactions. We are witnessing retailers planning major e-commerce, contactless capabilities, and store technology upgrade investments as part of their digital transformation agenda. Globally, leaders in this space are optimistic about recovery and growth led by omnichannel innovations. However, this raises some questions - if everyone is doing it, will everyone end up in the same place? Consider the following five opportunities to understand where your transformation may fall short and areas of focus for your organisation to differentiate.

Organisation mindset – Are you customer centric? With brand loyalty at an all-time low, retailers need to find new ways to meaningfully connect with consumers and enable human experiences. Differentiating in a new digitally consumer-centric world requires a re-imagination of consumer engagement in the moments that matter to them. To that end, retail will need to imagine, design and digitally transform end to end value chains to win consumer’s wallets, minds and hearts alike.

Innovation – Are you delivering against the new consumer expectations of connection and convenience? The pandemic has opened consumers’ minds to new channels of engagement. There are numerous examples of innovation in the region on how to connect with the customer through different channels including WhatsApp, livestreaming platforms, chatbots, social media and more. The new consumer is looking to interact with a brand seamlessly across all these channels. Transformation programs need to go beyond technology initiatives – overhaul not just culture but also operating models to provide a truly seamless omnichannel experience.

Data – Are you investing in the fuel to understand, be relevant and be personal with the new consumer? Data is the fuel for all omnichannel capabilities. managing and leveraging data to enhance experience across every touchpoint and interaction from website to store, contact center, social channels and apps is key. For an industry with large amounts of data, retailers have not invested enough in this core enabler. The effort and investment in fixing the basics is hindering retailers from experimenting and innovation with new technology like Artificial Intelligence (AI). Building robust customer intelligence and personalisation capabilities and knowing how and when to be present for the customer is going to be more important than ever before. AI plays a critical role in this.

Business models – Are you thinking outside the box? As most retail families operate a number of brands in the region, cross pollinating across brands is another source of new business models – own marketplaces, delivering experiences across brands, monetising data are all being explored. Differentiation will come from how quickly people in the organisation adapt to new ideas and the notion of internal and external collaboration.

Talent – Are you transforming your talent to be digitally savvy? As the retail industry evolves from ‘core trading’ to operating like a technology company, they are hiring and nurturing digitally savvy, versatile talent to differentiate themselves from competitors.

Does your business support these opportunities? How does your strategy compare to these areas of opportunity and should you consider reviewing? Our specialised Consulting team offers extensive services in assisting companies through their retail transformation journey, supporting them to grow a sustainable and differentiated future business.

Why Deloitte?

Our Experience

- Our team brings together the specialised expertise from our regional and global practices to deliver the most impactful solution
- We have extensive experience delivering digital transformation programs in the Middle East and around the world

Our Approach

- We leverage our best practices, global accelerators and methodologies to deliver value
- We understand the Middle East market dynamics and how to localise and adapt our global methodologies to make rapid impact

Your local contacts

Hosein Mohgaddas  
Partner  
+971 56 875 5747  
hmoghadass@deloitte.com

Aditi Nitin  
Director  
+971 58 835 7005  
adnitin@deloitte.com

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