

10th
anniversary



RETAIL
LEADERS
CIRCLE
MENA

Under the Patronage of

وزارة الشؤون البلدية
والقروية والإسكان
Ministry of Municipal Rural Affairs & Housing



FEARLESS INNOVATION

CHARTING THE NEXT FRONTIERS



POST-EVENT REPORT



INDEX

Welcome	4
RLC Global Forum	6
Opening Keynote	10
10th RLC Themes	12
The New Growth Agenda	14
The Future Disruption Catalysts	42
Ai & Tech: Powering Progress	60
The Lifestyle Destinations Frontiers	74
Leadership In The New Normal	88
Purpose, Profit & Conscious Consumerism	102
Dialogue in Action	112
Key Takeaways	114
Hybrid Hall	116
RLC Honors	122
Women at the Forefront of Retail	126
Media Coverage	130
Social Stories	134
Thank you to our Partners	136

> WELCOME



Dear Colleague,

As we reflect on the monumental success of the 2024 Retail Leaders Circle MENA Summit, I extend my deepest gratitude for your invaluable contribution.

Our 2024 post-event report highlights key insights, strategies, and forward-looking actions, reflecting our summit's collective intelligence. It aims to inspire continued dialogue and innovation.

This year, we marked the 10th edition of our annual meeting, making it our most extensive and visionary gathering yet. We welcomed over 2,600 distinguished industry leaders, government officials, innovators, investors, and key stakeholders from across the globe. Together, we embarked on a mission to spark meaningful dialogues, tackle the industry's most pressing challenges, and foster enduring cross-sector partnerships.

The discussions held and connections forged during the summit have set a new benchmark for innovation, leadership, and collaborative impact within the retail sector. Reflecting on a decade of transformation, the Retail Leaders Circle has consistently been at the forefront, facilitating crucial conversations and strategic alliances to navigate the evolving retail landscape.

In 2024, the retail world faced unprecedented upheaval, contending with geopolitical tensions, labor shortages, supply chain disruptions, and inflationary pressures. Amidst these challenges, RLC has stood as a pillar of resilience and innovation, underlining our vital role in driving local and global discussions, connecting the dots, and fostering a forward-looking strategic perspective in an interconnected world.

As we look to the future, it's clear that our journey is entering an exciting new phase. In keeping with our mission to inspire change, challenge norms, and lead with purpose, we are thrilled to announce the evolution of the Retail Leaders Circle into the **RLC Global Forum**. This transition represents a significant leap forward, expanding our vision to encompass not just retail but the broader landscape of global business collaboration, innovation, and leadership.

The RLC Global Forum will build on the solid foundations of the Retail Leaders Circle, aiming to foster unparalleled innovation and collaboration with an enriched series of programming and thought-leadership activities in key retail hubs around the world.

Thank you once again for your unwavering commitment and partnership. As we step into this new era, your insights, expertise, and collaboration will be more crucial than ever.

Sincerely,

Panos Linardos
Chairman, Retail Leaders Circle

Evolving with Purpose: Introducing the RLC Global Forum

In response to the transformative change sweeping through the retail sector, Retail Leaders Circle is stepping forward as a pillar of progress with the launch of the RLC Global Forum. Equipped to lead and guide this change, our mission is to foster global collaboration for sustainable and inclusive growth in the broader retail industry.

Building on this vision, the RLC Global Forum is set to implement purpose-driven programming and initiatives across the United States, Europe, the Middle East, and Asia. Our aim is to establish industry-leading agendas and facilitate a platform for effective cooperation among stakeholders at local, regional, and global levels.

February 2025 marks a pivotal moment as Riyadh becomes the heart for this evolution, hosting the inaugural Annual Meeting of the RLC Global Forum. This strategic choice reflects our commitment to bringing together diverse perspectives and expertise from around the world in a city renowned for its forward-thinking projects and status as an emerging global business hub.

Stay tuned for the next chapter.



An Accelerator for Industry Progress

WHERE GLOBAL RETAIL LEADERS MEET

2650+

PARTICIPANTS

630+

COMPANIES

53%

C-LEVEL LEADERS

140+

SPEAKERS

60+

JOURNALISTS
AND ANALYSTS

10th
anniversary



RETAIL
LEADERS
CIRCLE
MENA



In the opening keynote, His Excellency Minister **Majed bin Abdullah Al-Hogail** welcomed participants to the Kingdom of Saudi Arabia, highlighting the nation's progress and development across various sectors.

His Excellency Minister **Majed bin Abdullah Al-Hogail** emphasized the significance of the retail sector as a vital component of the economy, contributing to GDP growth through product diversity, market expansion, and employment opportunities. His Excellency pointed out that the retail sector accounts for 23 percent of Saudi Arabia's non-oil GDP and mentioned impressive occupancy rates in Riyadh and Jeddah, along with an anticipated sector growth. Minister Majed bin Abdullah Al-Hogail discussed the government's efforts in supporting the sector through legislation, infrastructure development, and encouraging investment, highlighting a commitment to sustainable economic development and a partnership between the public and private sectors. His Excellency concluded with an optimistic vision for the future expressing hope for continued dialogue, partnership, and innovation in alignment with the Vision 2030 framework.

23% KSA RETAIL SECTOR
CONTRIBUTION
TO NON-OIL GDP
in 2023

Expected Growth:

SAR 460BN
by the end of 2024

10TH RLC THEMES



The New Growth Agenda

The Future Disruption Catalysts

Ai & Tech: Powering Progress

The Lifestyle Destinations Frontiers

Leadership In The New Normal

Purpose, Profit & Conscious Consumerism



THE NEW GROWTH AGENDA

In the rapidly evolving landscape of retail and retail real estate, businesses are confronted with the dual challenge of adapting to digital transformation while seizing new growth opportunities. The emergence of innovative business models and strategies marks a significant shift towards sustainability and competitiveness in an online-first world.

Companies are now focusing on creating more engaging, immersive shopping experiences, leveraging data analytics for personalized marketing, and exploring new markets and channels for expansion. **The drive towards a new growth agenda underscores the importance of agility and resilience in today's market dynamics.**

Retailers and real estate developers are investing in technology to streamline operations and enhance customer satisfaction. This investment not only prepares businesses for the future but also redefines the traditional retail landscape, setting new benchmarks for success in an industry undergoing profound changes.

Collaboration as Catalyst: Retail's Collective Action to Positive Change

The retail sector in Saudi Arabia is at a crossroads, facing a unique set of challenges and opportunities that necessitate a strategic and holistic response. The need to adapt to evolving consumer behaviors, to embrace digital transformation comprehensively, and to enhance the overall customer experience forms the bedrock of strategies aimed at ensuring future growth and sustainability in the retail landscape.

Industry leaders **Mohamad Mourad**, MD & CEO of Cenomi Group, **Renuka Jagtiani**, Chairwoman of Landmark Group, **John Hadden**, CEO of Alshaya Group and **Patrick Chalhoub**, Group President of Chalhoub Group, discussed the evolving landscape of the retail industry in the Kingdom of Saudi Arabia. The discussion was moderated by **Panos Linardos**, Chairman of the Retail Leaders Circle, and shed light on the state of the industry, key disruptive forces, and the future outlook, building upon the conversations from the previous year.

> **Digital Transformation and Ecommerce Evolution**

The need for the retail industry to pivot towards digital transformation and ecommerce evolution is critical. The future landscape is imagined as one where only the highest quality or most cost-effective brands thrive, with others pivoting towards digital platforms to remain competitive. The sector faces a substantial developmental gap in local ecommerce, marked by challenges such as extended delivery times, inadequate customer experience, and a lack of local product offerings. This has temporarily given international ecommerce platforms an edge, yet there's a consensus on the urgency for a Saudi-centric ecommerce initiative to strengthen local retailers. The envisaged strategy involves not only partnerships, such as the notable one between Cenomi and Trendyol, but also a collaborative approach to create a level playing field for fair competition and mostly the governmental support to address market disparities such as higher operational costs and regulatory hurdles for local players.

Retailers and landlords need to up their game and offer enhanced experiences through both physical stores and digital platforms. The integration of online and in-store channels, and investments in technology are not just about transacting online but about enhancing all facets of retail operations and customer interactions ensuring service quality across all shopping platforms.

> **Physical Retail: Innovations and Challenges**

There is pressure on physical stores, which cannot be addressed anymore with traditional pricing strategies, in the face of rising costs related to real estate, wages, and inflation. This scenario demands innovative solutions beyond mere expansion, emphasizing the critical role of top-tier talent and visionary leadership in embracing



retail innovations. Creating engaging customer experiences within shopping malls includes thoughtful design and technology integration to meet consumer expectations. The necessity of improving the in-store experience involves not just the physical layout but also the availability of products and the training of store associates. The challenges of maintaining a skilled and motivated workforce amidst high attrition rates highlight the need for workforce stability to ensure a consistent and quality shopping experience.

> **Consumer Behavior and Market Dynamics**

Consumer behavior in Saudi Arabia exhibits significant shifts towards value or brand consciousness, influenced by global trends and local socio-economic factors. Retailers must adapt to these changing preferences, offering tailored experiences that cater to diverse consumer expectations. The increasing demand for person-

alized, convenient shopping experiences drives the need for retailers to adopt flexible, customer-centric strategies.

Market dynamics in Saudi Arabia are characterized by the diversification of consumer spending and the beneficial impact of increased female workforce participation on the retail sector. The need for retailers to employ more aggressive and innovative strategies to capture consumer interest and wallet share in a maturing market is emphasized. The importance of balancing the focus between physical stores and ecommerce to offer a seamless retail experience is also highlighted, pointing to efforts in store renovation, staff training, and the strategic expansion of ecommerce, which now constitutes a significant portion of business operations. The shift from transactional expatriate engagements to a more integrated, long-term developmental approach is vital for sustainable growth and necessitates strategic investment in leadership and team development to navigate the changing market dynamics effectively.

> **Strategic Focus and Future Priorities**

Looking forward, understanding, and adapting to customer needs, enhancing product relevance, and significant investment in employee development emerge as key strategies. The sec-

tor faces the dual challenge of managing rising operational costs while simultaneously driving revenue and productivity. A balanced approach towards brand presence enhancement and sales maximization is advocated. Moreover, the importance of a supportive operational model is necessary for scalable, sustainable growth, with emphasis on agility for swift, decisive action and based on strong partnerships. Given the people-centric focused nature of the business, investment in developing, motivating, and retaining talent is vital for delivering exceptional service and achieving business objectives.

> **Collaboration as the Cornerstone of Success**

The need for collaborative efforts between the public sector and businesses to create enhanced mixed-use spaces is highlighted, as well as for addressing the legal hurdles for local players. Financial challenges, including the escalating operational costs that outstrip revenue growth, are acknowledged, with a strategy focused on cost control and revenue enhancement proposed as essential for navigating these challenges. Substantial commitments to partner development, fostering mutually beneficial relationships, would create a scalable operational model that supports sustainable growth and secures a competitive position in the retail landscape.

Despite the outlined challenges, a strong sense of optimism remains about the future of retail in Saudi Arabia. The potential for local ecommerce, the opportunities presented by demographic shifts, and the positive economic indicators are viewed as advantages. The emphasis on innovation, customer experience enhancement, and strategic planning are identified as foundational priorities to effectively navigate market challenges and leverage opportunities for transformation and sustainable growth.

The future of retail in Saudi Arabia is envisioned as a dynamic interplay of digital innovation, customer experience enhancement, operational agility, and talent nurturing. Addressing the challenges of rising operational costs and the promising state of local ecommerce requires a concerted effort from both the public and private sectors to foster a competitive and sustainable retail environment. This multifaceted approach promises not only to meet the immediate market demands but also to position the sector for enduring success amidst a rapidly evolving retail landscape.



I really think the ship has sailed on ecommerce. I don't think we can stop it; we need to either embrace it or bet on it.

Mohamad Mourad

Visa’s Outlook: Shaping the Year Ahead

> **Walter Lironi**, Senior Vice President, Head of Advisory and Value-Added Services, CEMEA at Visa explored how brands can navigate the evolving expectations of consumers through the adoption of innovative technologies.

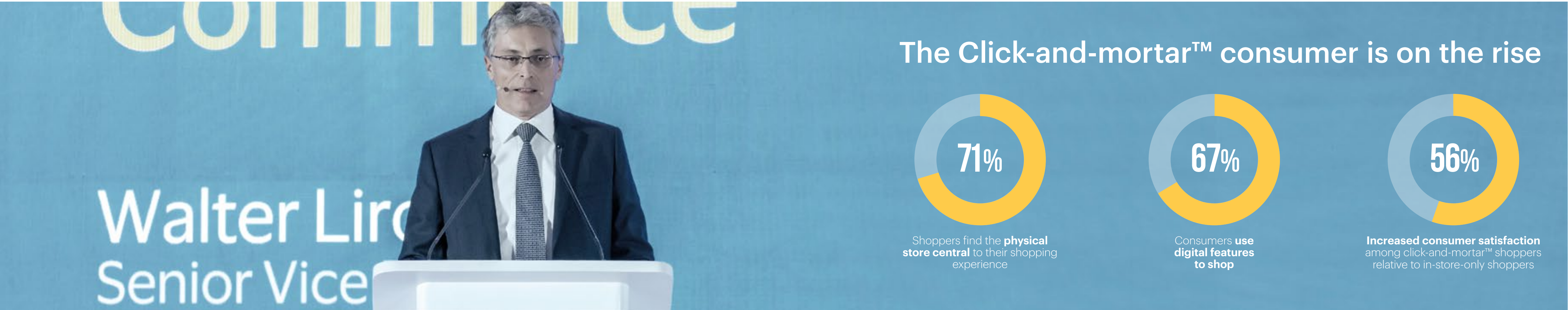
> What consumers want

75%

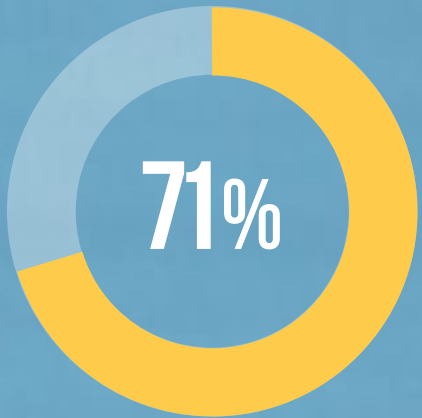
Ability to use preferred payment method

73%

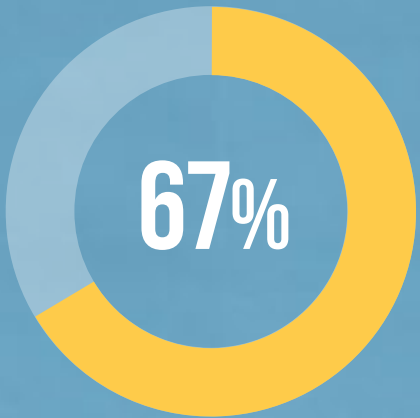
Mobile specific app or site



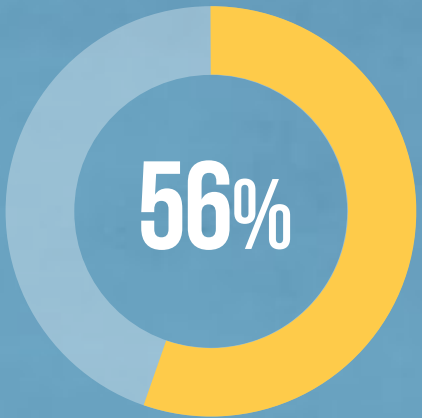
The Click-and-mortar™ consumer is on the rise



Shoppers find the **physical store central** to their shopping experience



Consumers **use digital features** to shop



Increased consumer satisfaction among click-and-mortar™ shoppers relative to in-store-only shoppers

Four pivotal areas are highlighted: personalization, convenience, the integration of digital and physical shopping experiences, and the paramount importance of trust in brands and payment methods. This holistic approach not only aligns with consumer demands but also sets the stage for future-proofing businesses in a rapidly changing retail environment.

Personalization is a core consumer demand, with 80% of consumers expressing a preference for personalized offers. This involves not just understanding their shopping habits and preferences but also engaging with them beyond the point of sale and integrating sustainability into brand values, as 63% of consumers have shifted towards more sustainable prod-

ucts, particularly significant in the GCC where 73% of consumers demand brand commitment to sustainability.

Convenience in payment options is crucial, with 70% of consumers having a preferred method. The decline of cash on delivery in favor of digital payments, including the rise of Buy Now, Pay Later services projected to reach \$90 billion by 2030, underscores the shift towards more flexible financial transactions. Additionally, the blending of digital and physical shopping experiences, or “click and mortar” where consumers do not differentiate between the two shopping channels, points to a growing trend that combines the best of both worlds.

Social commerce is expected to grow to more

than 60 billion, doubling again the percentage of the last two years, highlighting a significant engagement with shopping through social and messaging channels in the MENA region. **This trend is driven by the integration of shopping experiences into daily social media use, requiring brands to develop strategies that leverage these platforms effectively.**

Trust is a fundamental aspect of the digital commerce experience, with a focus on securing transactions against fraud and ethical handling of consumer data. With over 50% of consumers in the region having experienced scams, and 52% thinking that many sellers use data privacy policies just to protect themselves, there is a clear demand for more secure and transparent practices.



This is the region of youth and Gen Z. In case you don’t have yet a strategy for Gen Z, it’s time to think about it. Because this is going to be the only growing segment for the next ten years.



”

The governmental role is to provide fair ground for the legislation to be based upon, and the extra flavor has to be added by the private sector. I will emphasize that our upcoming legislation will be led and actually sponsored by the private sector.

▼
Mohammed AlMulhim
Deputy Minister for Compliance
and City Operators Sector, MoMRAH

Building Global Brands That Matter

The modern business environment, characterized by profound shifts in consumer behavior and technological advancements, demands that brands actively participate in shaping their own futures. This entails a commitment to not just riding the waves of change but also steering towards uncharted territories with confidence and vision.



Avery Baker, former President, and Chief Brand Officer at Tommy Hilfiger spoke about the complexities and challenges of brand innovation and evolution in the face of uncertainty.

The foundation of building a brand that matters extends beyond the quality of products or services offered; it starts from within the organization. **It's about cultivating a brand identity that resonates deeply with both the internal culture of the company and the values of its consumers.** This identity should be a true reflection of the brand's ethos, influencing every action, decision, and interaction. A brand's strength and its ability to connect and endure are amplified by its alignment with authentic organizational values and its capacity to inspire those within it to become evangelists for the brand's mission.

Moreover, understanding and caring for the needs, desires, and challenges of the consumer base are paramount. Brands that matter are those that maintain a pulse on societal and cultural trends, demonstrating empathy and a genuine desire to contribute positively to their consumers' lives. This connection transcends the transactional nature of business, fostering a sense of community and loyalty that can weather the storms of uncertainty.

Embracing change and committing to innovation are non-negotiable in the quest for building a global brand that stands the test of time. The journey involves not only anticipating shifts in the market and consumer preferences but also being at the forefront of initiating change. This proactive approach to brand evolution encourages a culture of creativity, experimentation, and boldness across all levels of the organization.

The transformation of brands in the digital age illustrates the importance of adaptability and the willingness to explore new paradigms of consumer engagement. The move towards more inclusive and accessible brand experiences, for instance, showcases the shift from exclusivity to inclusivity, aligning brand values with the progressive ideals of today's society.

In conclusion, the essence of building a brand that truly matters in today's complex and ever-changing environment hinges on **three fundamental principles: a deep understanding of and alignment with core values, a sincere commitment to engaging and caring for the community, and an unwavering dedication to embracing change and driving innovation.** These principles serve as the cornerstone for any brand aspiring to achieve longevity, relevance, and success in the global marketplace.



Brands that matter are probably the critical thing right now. Because today we can say that the brand is the business, not just a wrapper around the business.



ENTER NEW DIMENSIONS

Discover Shopping, Dining Entertainment And Beyond.

Cenomi Centers is the leading owner, operator, and developer of contemporary lifestyle centers in Saudi Arabia. For over a decade, the Company has provided customers with a complete range of high quality lifestyle choices, located in the highest traffic areas that cater to all shopping needs and market requirements. Today, Cenomi Centers has a portfolio of 22 assets, with around 5,000 stores strategically located in 10 major Saudi cities. The Company's developments include several award winning iconic lifestyle centers, such as Mall of Arabia Jeddah, Mall of Dhahran, and Nakheel Mall Riyadh. With a total GLA of nearly 1.4 million square meters, the company's malls provide Saudi shoppers with world class environments to browse and enjoy international, regional and local retail brands

22	1.4M sqm	23	120M+	1100 +
ASSETS	GLA	AWARDS	VISITORS	BRANDS

For Leasing
920 000 262
www.cenomicenters.com
f @ in X CenomiCenters

Growth Accelerators: The Tourism & Entertainment Pursuit

In the rapidly evolving landscape of global tourism and entertainment, a significant opportunity arises to diversify and enhance tourism’s contribution to the retail sector.



Muzzammil Ahussain, CEO at Almosafer, Hamza Jeddawi, Chief Experience Development Officer at Saudi Tourism Authority, Winston Fisher, CEO at AREA15 discussed with Nisreen Shocair, CEO of Shocase Middle East the pivotal challenge to increase the tourism sector’s impact on retail revenues by making tourism experiences more accessible and affordable.

The evolving preferences of tourists reveal a pronounced shift towards seeking authentic, local experiences. **This trend underscores the potential for Saudi Arabia to capitalize on its unique cultural and natural offerings to distinguish itself from other destinations.** The emergence of authenticity and personalization as key drivers, facilitated by advancements in AI and technology, suggests a path forward in tailoring offerings that deeply resonate with visitors.

Additionally, the changing dynamics of travel, including the rise of staycations and the blend of business with leisure (bleisure), indicate a broader spectrum of opportunities for enhancing domestic and international tourism experiences.

Collaboration emerges as a vital strategy, with a consensus on the need for an integrated approach among retailers, tourism authorities, and other stakeholders. This collaborative effort aims to craft synergistic experiences that simultaneously propel tourism and retail growth. The focus on immersive experiences over traditional shopping preferences indicates a consumer shift that retailers must navigate, adapting their strategies to meet these evolving demands.

Furthermore, addressing the affordability and accessibility of tourism in Saudi Arabia is critical in

making the Kingdom an appealing destination. **Innovative pricing strategies and enhanced connectivity can play pivotal roles in overcoming barriers to tourism, thereby enabling visitors to partake in the rich array of experiences offered.**

Optimizing the interplay between tourism and retail sectors in Saudi Arabia requires a multifaceted approach that embraces authenticity, personalization, and strategic collaboration. By leveraging its distinctive cultural and natural assets and adapting to changing consumer behaviors, Saudi Arabia can unlock the full potential of tourism to invigorate the retail sector. The journey towards achieving this goal is complex, involving thoughtful innovation and a commitment to sustainability and inclusivity, ensuring a prosperous future for both tourism and retail in the Kingdom.



ACCESS A NEW WAY TO VISA



Introducing Tap to Phone, the new innovative way to receive secure and contactless payments. Get access to partner transactions that allocate more growth to your business.



FIND OUT MORE

Growth Accelerator 2.0: The Customer Experience Catalyst

> Retail growth and transformation are significantly driven by a strategic focus on customer-centricity, coupled with the effective utilization of technology.

Fahed Ghanim, CEO of Majid Al Futtaim Lifestyle, discussed with **Mina Fader**, Managing Director of Baker Retailing Center, The Wharton School, the successful expansion of business operations based on a comprehensive understanding and implementation of customer experience strategies.

The essence of redefining customer experience lies in creating seamless service integration that cultivates customer loyalty. A thorough assessment of brand portfolios ensures alignment with consumer relevance and growth potential, emphasizing the necessity for continuous innovation to retain consumer interest. Strategic adjustments in pricing to maintain global competitiveness and the integration of experiential concepts in stores have emerged as key tactics in addressing global competition and market disruptions.

The adoption of omnichannel strategies ensures the seamless integration of online and offline experiences, facilitating mutual growth. **Initiatives aimed at building genuine con-**

nections with customers, such as community activities, highlight a shift towards a more engaged and loyal customer base. This approach transcends traditional transactional interactions, fostering a sense of community and brand loyalty.

Empowering employees through comprehensive training and a cultural shift towards ownership and proactive development is crucial for enhancing the customer experience. Providing access to information and encouraging employees at all levels to contribute insights and ideas forwards a culture of innovation and responsiveness. **Listening closely to customer feedback and rapidly adapting business strategies to meet changing consumer behaviors are pivotal in this context.**

Looking forward, retail transformation is expected to be driven by collaboration, technological innovation, and sustainable practices. Consumer willingness to pay a premium for sustainably sourced products indicates a significant shift towards ethical consumption

patterns. The future of retail will likely emphasize the strategic use of technology to enhance customer experiences, drive business success, and promote sustainable practices.

> **Leveraging customer experience as a catalyst for retail growth requires a strategic, customer-centric approach, technological adaptation, and a flexible, forward-looking mindset.**



Sometimes somebody who's very young, with a fresh pair of eyes, can show us the obvious because we're so molded in terms of thinking how our brand experiences give us a certain direction; but we need to be more open to insights. And that's the trap that a lot of executives and experienced people fall into.



> Retail Leaders' Perspectives

Diversity is going to add 6% to your profit or increase your profitability by 1.4 times. Productivity and profitability improves when you have diversity in your leadership.

> **Sima Ganwani Ved**
Founder & Chairwoman, Apparel Group

The Future of Grocery

In the rapidly evolving grocery retail sector, marked by an 8% growth with top listed grocery retailers seeing their sales jump from 26 to 28 billion, the future landscape is being reshaped by several key trends and innovations. This growth, double the overall market rate of 4%, coupled with maintained margins at 2.5%, underscores the sector’s robust performance and adaptability.

Shehim Mohammed, Director, Head of KSA, Lulu Group, **Frederic Levy-Perrault**, CEO, Al Raya Supermarkets, **Adriano Araujo**, President, APAC & MEA, Ocado Group, **Bas-sel Elshaboury**, Vice President Africa & Head of Marketing High Growth Markets, HENKEL and discuss with **Cyrille Fabre**, Senior Partner, Bain & Company Middle East the evolution of this dynamic sector.

> **Consumer Demographics and Preferences**

The demographic landscape is undergoing significant transformation, with changes in family structures, a decrease in fertility rates, and an increase in the population above 65 years old projected to reach 20%. Women’s empowerment and the rise in unmarried households, now five-fold since 1990, are also pivotal shifts influencing consumer behaviors. These evolving demographics necessitate a sophisticated approach to consumer segmentation, incorporating generational, psychographic, and income dimensions to effectively cater to diverse consumer groups.

> **Consumer Behavior Shifts**

Amidst inflation and the rise of alternative entertainment options, consumers are increasingly prioritizing value, leading to trends such as down-trading and channel shifting. The pursuit of value is driving consumers towards no-name items or discount stores, illustrating the need for retailers to either enhance in-store experiences or prioritize convenience.

> **E-Grocery Evolution**

Despite e-grocery currently representing a small-



er fraction of the grocery ecosystem, with about 5,000 deliveries a day against 110,000 physical transactions in stores, its potential for growth is significant. Challenges like last-mile delivery inefficiencies and high operational costs are being addressed through technological solutions and innovative operational models. Centralizing volumes through customer fulfillment centers and employing automation can reduce labor costs from 74 to 15 minutes for a 50-item basket, highlighting the path to profitability in e-grocery.

> **Technological Innovations**

Technological advancements, particularly in automation and data analytics, play a critical role in streamlining e-grocery operations and enhancing overall efficiency. The utilization of data for assortment optimization based on consumer

insights is essential for tailoring offerings and enhancing ecommerce success.

Looking ahead, the grocery sector’s trajectory is set towards increased collaboration, technological innovation, and embracing sustainability. With approximately 70% of consumers willing to pay a premium for sustainably sourced products, ethical considerations are becoming increasingly influential in consumer purchase decisions.

As retailers navigate these changes, focusing on customer-centric strategies, technological adaptation, and sustainable practices will be key to thriving in the future grocery landscape.



Making money in grocery is very hard. Making money in online grocery is even harder. What we have seen is you can do that in two ways: One, by centralizing huge volumes through central customer fulfillment centers and two, by using extensive technology.

Adriano Araujo



73

Ready stores around the Kingdom



Immersive

Shopping environment



Customer-Centric

In product offerings and services

Better Than Ever

Aligned with Saudi's Vision 2030, Panda is dedicated to elevating the quality of life of the community by enhancing customer experiences through its innovative **Customer Experience Revival (CXRx) Program**. This initiative showcases Panda's unwavering commitment to sustainability and forward-thinking, with the goal of becoming the leading retailer that consistently enhances the lives of its community.

The **CXR program** strives to enhance all aspects of the shopping journey, including store experiences, an expanded product range, and new digital solutions like the user-friendly Panda app and click-and-collect service. Our focus on competitive pricing, top-tier services, and enticing offers solidifies our position as a leading force in the retail landscape.

www.panda.com.sa

Engineering Growth: Actioning Homegrown for Global Reach

Businesses are moving from using foreign brands to growing their own local brands to reach customers worldwide, with sustainability, innovation, and consumer engagement as key drivers.

Neeraj Teckchandani, CEO of Apparel Group and **Stephen Holbrook**, CEO of Jamjoom Fashion discuss with **Ben McCabe**, Founder of McCabe + Partners, discuss the evolution from reliance on international brands towards nurturing homegrown brands for global expansion.

Challenges identified for local brands include establishing credibility and consumer awareness, equitable retail positioning alongside international entities, and conveying unique value propositions effectively. The journey of creating a successful homegrown brand, as shared, involves long-term commitment, deep consumer engagement, and careful study of the market to find unique ways to stand out.

Key strategies for overcoming retail space competition include negotiation tactics with landlords and innovative models like profit-sharing to ensure fair representation in prime locations. **The necessity of brand equity and creativity in both product development and communication is also essential for competing on a global scale.**

The strategic advantage of blending international franchises with own brands, acts as leverage for mutual growth. **The flexibility and agility of homegrown brands in responding to market**



trends contrast with the longer lead times associated with international brands. This agility, fueled by local talent and entrepreneurial culture, enables rapid innovation and customization to meet regional consumer needs.

Brands from the region have the opportunity to grow internationally provided they modify their approaches to appeal to customers in Western countries. The fact that regional brands have successfully entered global markets illustrates the significant yet unexploited potential for such brands to achieve wider recognition and success. This underlines the need for strategic adjustments in how these brands position them-

selves and tailor their products to meet the tastes and preferences of a global audience, leveraging their unique regional strengths to carve out a niche on the international stage.

Investment in brand creation, talent cultivation, and the strategic balance between purpose and profit plays a pivotal role. Focus on local creativity and innovation is essential for nurturing homegrown brands that not only compete but also excel on a global scale, showcasing the region's emerging potential as a hub for fashion and apparel innovation.



The one thing that is music to my ears is brand creation and equity. If you can create compelling concepts and compelling communication, that's no different to any global brand.

Stephen Holbrook

I think what's happening with the whole ecosystem, all the players are coming together with the main objective of making it easy for the consumer to get access. Be it open banking, be it buy now, pay later, being acceptance.

Ali Bailoun
Regional General Manager for KSA, Oman & Bahrain, Visa

Global Trends, Local Identity: Fashion’s New Frontiers

In the dynamic world of fashion, the seamless blend of global trends with distinct local identities carves a promising niche for regional designers aiming for international recognition.

Honayda Serafi, Founder & Creative Director of HONAYDA and **Brenda Bellei Bizzi**, CEO of WHITE Milano, discuss with **Sujata As-somull**, Journalist & Author the pivotal role of regional fashion in enriching the global fashion tapestry, leveraging unique cultural narratives and heritage to distinguish itself amidst a saturated market.

Global Exposure for Regional Talent: International platforms, such as prominent trade shows coinciding with major fashion weeks, are instrumental in propelling regional designers onto the global stage. These events not only facilitate exposure but also encourage the fusion of cultural heritage with contemporary global aesthetics, catering to an international audience’s desire for novelty and authenticity.

Preservation of Cultural Identity: A recurring theme is the importance of maintaining a strong cultural identity while navigating the global market. Designers are urged to infuse their creations with elements that celebrate their roots, thereby contributing to a diverse and rich global fashion landscape. This commitment to cultural authenticity serves as a foundation for a distinctive brand identity that resonates with a global audience.

Strategic Supply Chain Management: Success in the international arena is significantly influenced by the ability to access high-quality materials and production facilities. Italy’s luxury manufacturing sector, renowned for its commitment to excellence and sustainability, exemplifies the benefits of a robust supply chain. Designers’ global aspirations are contingent on their capacity to meet international quality standards while preserving their unique design ethos.



Overcoming Stereotypes: Efforts to dismantle stereotypes associated with regional fashion underscore the broader cultural shifts toward inclusivity and representation. This aspect is particularly pronounced in contexts like Saudi Arabia, where societal evolution is mirrored in the fashion industry’s progress, highlighting women’s empowerment and cultural pride.

Market-Specific Adaptations: Adapting collections to cater to diverse international markets is essential. Designers must possess a deep understanding of various cultural preferences, celebrations, and consumer behaviors to ensure their offerings resonate across different regions. This strategic adaptation underscores the balance between global appeal and local authenticity.

Community and Media Support: The growth and recognition of regional fashion are bolstered by

comprehensive support from consumers, media, and the fashion community at large. Beyond purchasing, advocating for regional designers through media coverage, event participation, and highlighting their creative journeys contributes to their global stature and success.

The integration of global trends with local identities represents an emerging frontier in fashion, where regional designers are uniquely positioned. Their ability to blend cultural richness with global sensibilities not only challenges the homogeneity of the fashion industry but also paves the way for a more diverse and inclusive future.



When a brand is able to find the proper supply chain that will support them in the selection of international fabrics supplier, then they are able to move to the globalization phase while keeping their heritage.

Brenda Bellei Bizzi

APPAREL GROUP
SINCE 1996
EXCEED EXPECTATIONS EVERYDAY

Egypt

Bahrain

Kuwait

Qatar

KSA

UAE

Oman

India

Thailand

Malaysia

Singapore

Indonesia

South Africa

A multi-award winning global fashion and lifestyle retail conglomerate since 1996

85+ Brands. 2100+ Stores. 14 Countries & Growing.

6THSTREET.COM

adidas

AÉROPOSTALE

ALDO

ALDO

Allo BEIRUT

ARDENE

asics

ACO

ACO

Bloss Blues

Babies

Bath&BodyWorks

BCBGMAXAZRIA

BEVERLY HILLS

POLO CLUB

Ben Sherman

BIRKENSTOCK

BBZ

BRUNO MAGLI

CALL IT SPRING

Calvin Klein

CHARLES & KEITH

Clarks

COLDSTONE

crocs

DAISO JAPAN

DollarPlus

Dune

f5

FLO

FIREHOUSE SUBS

FOREVER NEW

Grand Centrale

havaianas

HEMA

Hush Puppies

INGLOT

Jamie's

PIZZERIA

la Vie en Rose

LAKELAND

LC WAIKIKI

LCW Dreams

LCW MODEST

Levi's

Molten

NAT

NYC PIZZA

PROJECT CHAIWALA

R&B

R&B Kids

SKECHERS

STEVE MADDEN

Son La Table

SUSHI

PLACE

Tim Hortons

TOMMY HILFIGER

TOMMY HILFIGER

TOMMY

TOMS

VICTORIA'S SECRET

XSIDE

XIMIE

ApparelGroupOfficial

Apparel Group

ApparelGroup_

Venturing into the Future: Investments for a New World

> In the dynamic landscape of venture capital investment within the Kingdom of Saudi Arabia, there is an evident surge of interest and activity, signifying a critical phase in the nation's technological and entrepreneurial evolution.

Ali Ahmed Abussaud, Founding Managing Partner at HALA Ventures and Luca Barbi, General Partner & COO at STV, discuss with Roy Hintze, Deals Strategy & Operations Partner at PwC Middle East, the venture capital expansion which is characterized by an increase in capital deployment, the emergence of growth-stage companies, and the anticipation of notable exits, marking a significant milestone in the region's venture landscape.

Ecommerce, particularly, emerges as a standout sector within the technology domain, attracting considerable attention from venture capitalists. The sector's attractiveness is attributed to its robust growth potential, underscored by successful ventures that have managed to navigate the complexities of scaling and achieving profitability. This interest in ecommerce extends beyond consumer-facing models to encompass B2B platforms and enablers that facilitate businesses' transition online, further broadening the investment horizon.

Investments in enabling technologies and platforms, particularly those offering ecommerce solutions, signify a strategic focus on fostering the digital transformation of traditional retail and enhancing operational efficiencies. These ventures offer innovative approaches to overcoming challenges inherent in ecommerce, such as optimizing supply chains and improving unit economics, thereby contributing to the sector's overall viability and growth.



The venture capital ecosystem's development is further facilitated by a conducive regulatory environment and government support, aimed at fostering innovation and entrepreneurship. With significant capital inflow exceeding \$1.3 billion for the first time, the market demonstrates a strong potential for further growth and maturity. This environment is ripe for innovation, where startups, characterized by their agility and access to capital, are well-positioned to introduce disruptive solutions and compete effectively against established players.

With a growing number of ventures reaching maturity, the market is on the cusp of witnessing significant exits through acquisitions or

initial public offerings. This prospect of successful exits not only validates the investment strategy but also instills confidence in the ecosystem's sustainability and its contribution to the broader economic objectives of Vision 2030.

> **As the ecosystem continues to mature, it promises to offer fertile ground for both investors and entrepreneurs to explore new ventures, driving forward the nation's economic diversification and technological advancement.**



There are mature technology companies that are ready for acquisition from traditional buyers and there the risk is lower, and the synergy could be very interesting.

> **Luca Barbi**

> Retail Leaders' Perspectives



We're all here today because we strongly believe in the Saudi retail market and we want it to grow. And the only way we can do that is collaboratively together.

> **John Hadden**
CEO, Alshaya Group

What Comes Tomorrow: The Future of Payments



The future of payments is characterized by a transformative shift towards digital transactions, underpinned by advancements in technology and changing consumer behaviors.

Ali Bailoun, Regional General Manager for KSA, Oman & Bahrain at Visa, **Abdulmohsen Albabtain**, Co-founder & Head of Payments at Tamara, **Remo Giovannini Abbondandolo**, General Manager MENA at Checkout.com and **Abdulla Almoayed**, Founder and CEO of Tarabut, discuss with **Nisreen Shocair**, CEO of Shocase Middle East, the evolving dynamics of the payment ecosystem.

> **Digital Payment Trends and Consumer Behavior**

The digital payments sector in Saudi Arabia has seen substantial growth, with a 10% increase in card-present transactions and a threefold increase in ecommerce transactions. Concurrently, cash transactions have declined by around 40%, signifying a move towards a cashless society. The introduction and adoption of local digital payment methods such as STC Pay, and Mada have played a crucial role in this transition, supported by 94% of Saudis shopping online, and 14% engaging in daily online purchases. These statistics underscore the increasing consumer preference for digital platforms, posing both opportunities and challenges for retailers.

> **The Role of Buy Now, Pay Later (BNPL) in Retail Transactions**

BNPL services are rapidly gaining traction, significantly impacting retail transactions by offering flexible payment options. This trend not only facilitates consumer access to goods and services but also supports brick-and-mortar retailers in their digital transition. The adoption rate of BNPL in physical store transactions has catapulted from single digits to high double digits within just two years, reflecting a transformative shift in payment preferences and showcasing the potential of BNPL schemes to democratize consumer credit.

> **Open Banking: A Gateway to Financial Inclusion and Enhanced Acceptance**

Open banking is emerging as a transformative force in the payments landscape, promising greater financial inclusion, and enhanced payment acceptance. By leveraging consumer banking data, open banking initiatives are set to broaden the spectrum of financial services, enabling access for previously underserved segments such as the gig economy. Additionally,

the introduction of account-to-account payments through open banking is poised to simplify and secure transactions, offering a seamless payment experience for both consumers and retailers.

> **Ethical Considerations and Consumer Education in Digital Finance**

Amidst the advancements in digital finance, the ethical considerations surrounding consumer debt and the necessity for financial literacy have come into sharp focus. The proliferation of BNPL schemes and easy access to digital credit

underscore the need for a balanced approach to consumer finance. Concerns about debt accumulation have prompted discussions on the responsibility of businesses to promote responsible financial behavior. Notably, over 90% of BNPL repayments are made using debit cards, indicating a predominant use of existing funds rather than accruing additional debt, which highlights the complex nature of consumer credit behavior in the digital age.

The future of payments promises a more connected, accessible, and efficient digital economy, with opportunities for growth, innovation, and enhanced consumer experiences. The collaboration among payment technology companies, retailers, and regulatory bodies will be crucial in realizing this vision, ensuring a sustainable and inclusive financial ecosystem.



Payment is about speed, cost, and risk. To the customer, risk is a different story. It's about payment security, making sure that my card is not leaked, but also, about buyer protection, making sure that I get what I pay for.

Abdulmohsen Albabtain



Where Retail Does Business

The 2024 Retail Leaders Circle MENA Summit was a milestone event for the community the largest and the most successful yet. Under the theme “Fearless Innovation: Charting the Next Frontiers”, RLC offered an unparalleled platform that drew more than 2600 regional and international stakeholders eager to engage, learn, and contribute.

This landmark gathering took place under the patronage of the Ministry of Municipal, Rural Affairs and Housing and brought together global CEOs, Ministers and senior policy-makers, industry pioneers, innovators, analysts, investors and an array of influential figures spanning retail, real estate and related industries to assess a market undergoing rapid transformations, through strategic keynotes, panels, exhibitions, roundtables and more.

The 10th Retail Leaders Circle not only celebrated a decade of industry leadership that drives retail transformation, but also promotes public-private partnerships, and propels growth.

As the premier platform for the retail ecosystem, RLC transcended the boundaries and addressed pivotal topics from real estate and giga projects to tourism, hospitality, and investments while it embraced the untapped potential of a future yet to be defined.

Committed to drive retail excellence, RLC believes in the need for an informed and sustained global convening that becomes a venue for official and non-official initiatives, partnerships and ideas to build a better future for global retail and the related industries.

The 2024 meeting generated

726
CLIPPINGS

WITH A PR VALUE OF

\$4.7M

544

Pieces of coverage on **International** media

\$3.1M

International PR Value

227M

Global reach

182

Pieces of coverage on **Regional** media

\$1.6M

Regional PR Value

168M

Regional reach

THE FUTURE DISRUPTION CATALYSTS

Understanding and anticipating potential disruptions is crucial for sustained success. Emerging technologies, changing consumer behaviors, and global economic shifts are among the catalysts that could redefine the broad retail industry. Businesses that stay ahead of these trends can navigate the uncertainties of the future, leveraging disruption as an opportunity for innovation and growth.

This dynamic environment heralds the importance of forging strategic alliances, not only among businesses but also between the private sector and government entities. Embracing partnerships extends beyond traditional boundaries, encompassing a wide array of key players including tech innovators, community leaders, and policy makers.

These cooperative efforts facilitate the sharing of insights, resources, and best practices, paving the way for synergistic solutions to complex challenges. For the retail and real estate sectors, this means not only adopting new technologies and business models but also engaging in dialogues that shape conducive regulatory environments and improve community well-being.

Disrupting the Traditional in Fashion and Beauty

Dima Ayad, CEO & Founder of Dima Ayad and DAC Communications, **Hind Sebti**, Founder of whind Beauty and co-Founder of Waldencast group and **Faiza Bouguessa**, Owner and Creative Director of Bouguessa discuss with **Nisreen Shocair**, CEO of Shocase Middle East the evolving landscape of fashion and beauty and the narrative of regional brands making a global impact marked by innovation, resilience, and a deep connection to cultural roots.

Brands like Dima Ayad and Bouguessa, alongside beauty pioneers like whind Beauty, are redefining the industry by bridging the gap between local authenticity and global appeal. These entrepreneurs are navigating the complex dynamics of global markets,

label featured on a major international platform. This milestone not only showcases the brand's excellence but also highlights the shifting paradigms in fashion, where diversity and representation are becoming increasingly paramount.

Similarly, Bouguessa's innovative approach to modernizing traditional attire has captured the attention of a global audience, seeking to diversify their wardrobes with pieces that blend contemporary design with cultural significance. **This reinvention of the abaya into a global fashion statement exemplifies how regional designers are crafting their niche, challenging conventional norms, and broadening the scope of what is traditionally considered fashionable.**

universal appeal, thereby filling gaps in a saturated market.

These narratives are underpinned by the challenges of scaling, navigating political unrest, maintaining a unique selling proposition, and the ever-present need for direct consumer engagement. As these brands evolve, their journeys highlight the importance of community building and leveraging direct-to-consumer channels to foster closer relationships with their audience, ensuring adaptability and resilience in a rapidly changing industry landscape.

A collective call to action for greater regional support is necessary, urging stakeholders across the industry – from media to retailers and beyond – to recognize and champion the talent emerging from the Middle East. By doing so, the fashion and beauty sectors can cultivate a more inclusive, diverse, and innovative global marketplace, where regional brands are celebrated not just for where they come from, but for the unique perspectives and quality they bring to the world stage.



What makes the beauty and fashion category expandable is that there is potential for as many brands as many are the different women.

Hind Sebti



challenging stereotypes, and leveraging their unique cultural heritage to offer products that resonate on a worldwide scale.

The journey of these brands underscores the importance of inclusivity and the need to cater to underserved markets. Dima Ayad's foray into fashion was driven by a personal struggle to find inclusive sizing, leading to the creation of a brand that was the first inclusive-sized

In the beauty sector, whind Beauty's emergence as a brand that marries high-performance skincare with sensorial richness draws inspiration from the founder's Moroccan heritage. By positioning itself as a brand that embodies the beauty rituals and ingredients of the Arab world, **the brand is setting a precedent for how regional brands can harness their cultural assets to create products with**

Retail Leaders' Perspectives

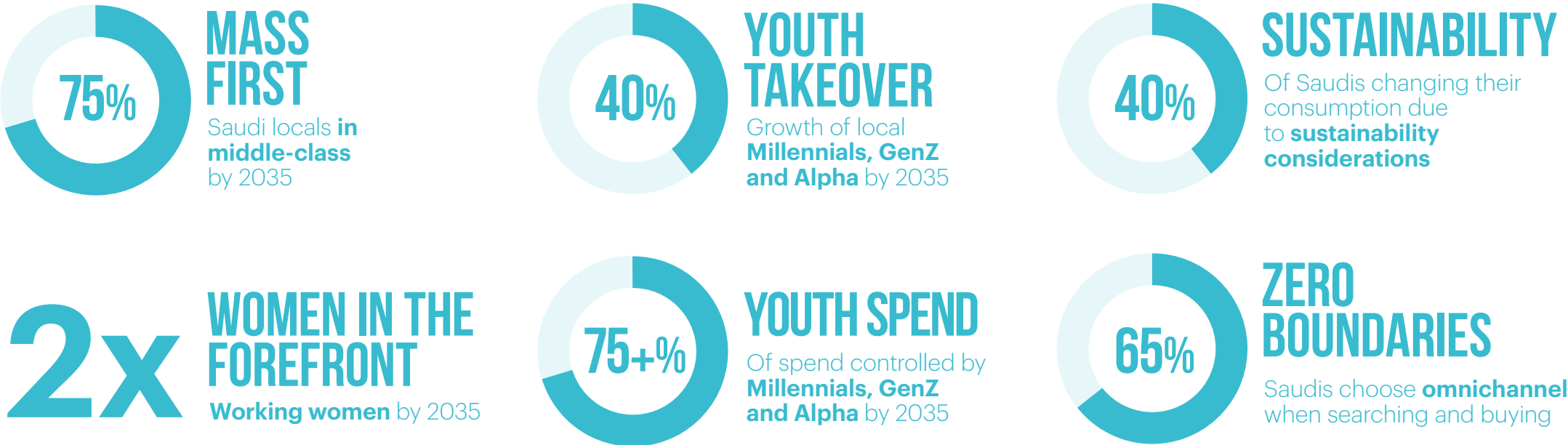
We need to make sure that we have a seamless journey for our customer, be it online or offline. And perhaps forget about the "e" in ecommerce; It's just commerce which we are doing, and we need to make sure that we delight our customer at any possible touchpoint.

Patrick Chalhoub
Group President, Chalhoub Group



KSA Consumer 2035, What to Expect?

The retail landscape in KSA is undergoing transformative shifts, influenced by a blend of demographic changes, policy shifts, consumer behaviors, and the ambitious Vision 2030 and associated Giga projects. These developments signal a new era for the nation, indicating profound implications for the retail and consumer goods sectors as businesses look towards 2035.



Dr. Simon Land, Senior Partner, McKinsey & Company, Dusseldorf and **Abdellah Iftahy**, Partner, McKinsey & Company, Dubai, explored the evolving consumer landscape in KSA and how it will be transformed by 2035 drawing insights from a recent McKinsey & Co report that pinpoints enduring trends and identifies key areas of opportunity and growth.

> Demographic Dynamics

KSA is projected to see significant population growth, with estimates pointing towards 45 million residents by 2035, alongside a notable increase in international tourists to 60 million. This demographic expansion presents a dual opportunity for retail and tourism sectors, potentially adding approximately 10% to the country's GDP. A notable trend is the "youth

takeover" with millennials and subsequent generations expected to constitute over 80% of the population and control a significant portion of consumer spending.

> Workforce Evolution

The participation of women in the workforce is set to double by 2035, leading to changes in household structures and consumption patterns. This shift is supported by an increasing number of women pursuing higher education in business and STEM fields, signaling a transition towards smaller average household sizes and a diversification in demand for products and services.

> Economic Landscape

The expansion of the middle class, accounting for about 75% of the population by 2035, indicates a move towards mass market dominance. This demographic shift suggests a polarization of demand, with significant opportunities in both value-for-money segments and premium experiences. Retailers and consumer goods companies must adapt to these changes, focusing on value creation and distinctive customer experiences to capture diverse consumer segments.

> Urbanization and Consumer Interaction

Urbanization trends predict a concentration of population growth in major cities, coupled with the influence of mega projects and Vision

2030 developments. This urban shift will create new consumer demand pockets and necessitate innovative approaches to retail and service delivery.

> The Zero Consumer

The concept of the "zero consumer" encapsulates the evolving expectations of Saudi consumers, characterized by demands for seamless cross-channel experiences, value-driven purchasing decisions, minimal brand loyalty, and an emphasis on convenience and sustainability. Businesses need to invest in strategies that address these expectations, leveraging digital penetration and social media engagement to offer compelling, integrated consumer experiences.

> Strategic Implications

The identified trends and consumer behaviors pose both challenges and opportunities for businesses in KSA. To remain competitive and capture the potential of the 2035 consumer market, companies must:

- Assess and align their core offerings with emerging trends and demographic shifts.
- Explore related areas in products, services, channels, and geographies.
- Innovate to create new business models that leverage existing strengths and address identified consumer needs.

Winning in Saudi Retail Ecosystem

The Saudi retail ecosystem is marked by unique opportunities and challenges, shaped by cultural heritage, digital engagement, and consumer behaviors.



Ramit Harisinghani, General Manager, Luxury Tech, Chalhoub Group, **Miglana Zivkovic**, General Manager, Make Up For Ever discussed with **Hala Zgeib**, Head of Luxury, Snap Inc. the transformative strategies and key trends for thriving in the KSA dynamic market.

A key to success in Saudi Arabia is a deep understanding of consumer needs and preferences, especially within the luxury and beauty markets. Makeup Forever, recognized as the number one omnichannel makeup brand in the GCC and Saudi Arabia, attributes its leadership to a strategy focused on consumer proximity. The brand's efforts to engage key opinion leaders and influencers early on and to build a community around makeup artists have been pivotal. Similarly, Chalhoub Group's Luxury Tech Division emphasizes entrepreneurship and innovation while tailoring offerings to meet the sophisticated demands of Saudi consumers. This consumer-centric approach, coupled with products adapted to local conditions such as climate, underscores the importance of customization in product development and marketing strategies.

Creating brand ambassadors internally is crucial for fostering genuine customer relationships. Rigorous training is necessary for front-line staff to ensure they embody the brand's values, enhancing customer experience. This approach is supported by a diverse and dynamic team, reflective of the brand's consumer base, which strengthens brand authenticity and relatability. Investing in people, through comprehensive onboarding and continuous feedback, has proven effective, whereas a focus on internal brand ambassadors has significantly contributed to success in the market.

Digital platforms, particularly social media, are instrumental in engaging the Saudi consumer. Snapchat's high engagement rates with luxury and beauty topics among Saudi users illustrate the potential for brands to leverage digital tools for marketing. Makeup Forever's use of AR for virtual product trials and Dyson's augmented reality filter campaign exemplify innovative ways to enhance product visibility and consumer engagement. These digital strategies not only cater to the tech-savvy Saudi consumer but also **offer immersive experiences** that drive brand awareness and sales.

Understanding and adapting to local trends is key to developing relevant and impactful marketing strategies. Initiatives that resonate with the local culture, such as campaigns tailored to Ramadan and leveraging AR for product demonstrations, have shown significant success. These strategies not only cater to the unique demands of the Saudi market but also set the stage for creating memorable brand experiences.

Success in the Saudi retail ecosystem demands a multifaceted strategy that embraces consumer-centric innovation, digital engagement, and adaptation to local market dynamics. By prioritizing consumer needs, leveraging digital platforms, and fostering a culture of inclusivity and innovation, brands can achieve sustainable growth and establish a strong presence in the dynamic Saudi market.

NUMBER

Consumer Electronics
Omnichannel Retailer
In The Middle East



The 2024 Global Retail Development Index

The 2024 GRDI highlights the pivotal shifts and emerging trends in the global retail sector, with a special focus on Saudi Arabia’s remarkable ascent as a leading retail hotspot.



Debashish Mukherjee, Partner, Middle East & Africa Lead, Consumer & Retail, Kearney, outlined the core components of the Global Retail Development Index (GRDI) and the overarching trends that are shaping retail investment priorities.

GRDI methodology is anchored in four critical dimensions: market attractiveness, country risk, market saturation, and time pressure. These pillars collectively provide a robust framework for assessing the optimal timing for retail investments. Market attractiveness is evaluated based on income levels, growth, and distribution, while country risk encompasses political, financial, and economic uncertainties. Market saturation examines retail concentration and demand fragmentation, and time pressure assesses the market’s developmental phase,

guiding investment urgency.

Saudi Arabia’s ascension to the third position globally underscores its growing retail market. This leap is attributed to several factors, including significant retail sales growth, a surge in foreign direct investment, and a flourishing modern retail sector. The Kingdom’s strategic focus on diversifying its economy, coupled with infrastructural and regulatory enhancements, has fostered a conducive environment for retail investments.

The GDI unveils universal trends that underscore the evolving retail landscape:

The fusion of digital and physical retail strategies is paramount for engaging today’s consumers. Adopting a digital-first mindset

enhances competitiveness and caters to the increasing consumer preference for seamless shopping experiences.







In markets like Saudi Arabia, streamlined payment solutions and BNPL services offer a competitive edge by facilitating easy and inclusive access to products and services. Immersive and social commerce are gaining traction, significantly influencing consumer purchase decisions. Augmented reality (AR) experiences and social media platforms are pivotal in driving retail innovation.

Quick Commerce - Rapid delivery services are poised for growth, promising profitability even in emerging markets through efficient supply chain management and localized offerings. The development of locally



Adopting a digital first mindset is still required in many more leaps and bounds to be much more successful in this new era. That’s what the whole survey and the consumer insights are saying.

In GRDI 2023, we see 6 common themes across frontier markets

 <p>Omni-channel to define retailers’ strategy</p>	 <p>Rise of e-payments, BNPL options</p>	 <p>Rising Innovation in Retail</p>
 <p>Ongoing journey of ecommerce growth</p>	 <p>Inflation pressure on consumers</p>	 <p>Macroeconomic uncertainty</p>

relevant products and brands at strategic price points is crucial for catering to consumer needs amidst inflationary pressures.

To sustain and enhance its retail market position, Saudi Arabia and global investors must focus on:

- > **Real Estate Diversification:** Exploring beyond traditional mall-centric retail spaces to include community-focused and suburban retail environments.
- > **Labor Flexibility:** Modernizing labor regulations to accommodate part-time contracts and flexible working arrangements, elevating retail employment status.
- > **Ecommerce Level Playing Field:** Ensuring

equitable competition between local and international ecommerce players through regulatory adjustments.

- > **Local Brand Development:** Encouraging the creation of local brands that resonate with domestic consumers and have the potential for global recognition.
- > **Tier III Cities Engagement:** Expanding retail initiatives to include smaller cities, recognizing their growth potential and consumer demand.
- > **Digital and Data Integration:** Leveraging technology to streamline retail operations, enhance customer experiences, and personalize offerings.

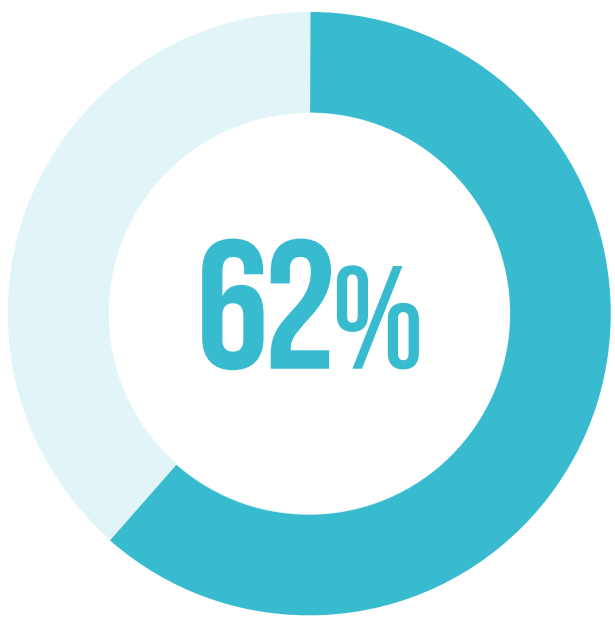
Saudi Arabia’s emergence as a retail powerhouse exemplifies the potential for markets to evolve through focused development efforts, setting a benchmark for retail excellence on the global stage.

State of Fashion 2024: The KSA Opportunity Among Global Headwinds

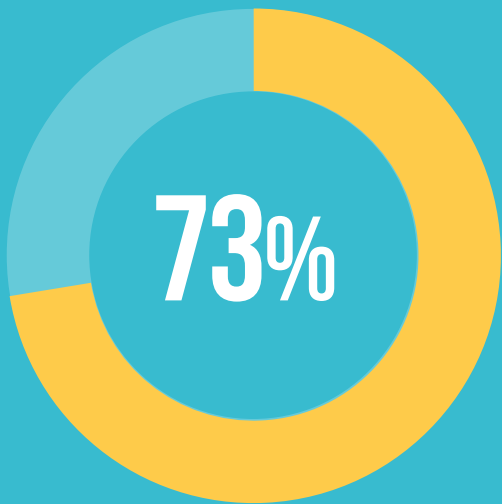
The fashion sector’s resilience stands out as a beacon of stability and growth potential, amidst global economic uncertainties.



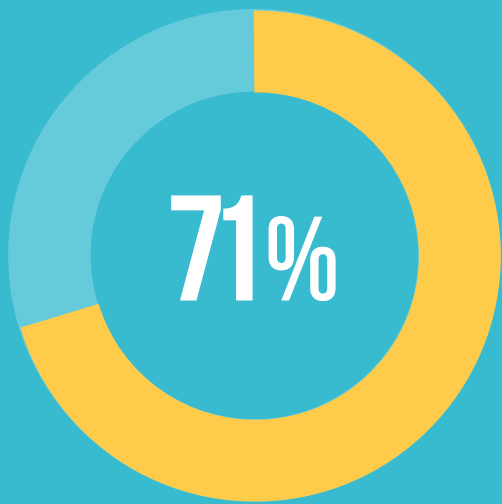
Among +430 global fashion executives surveyed



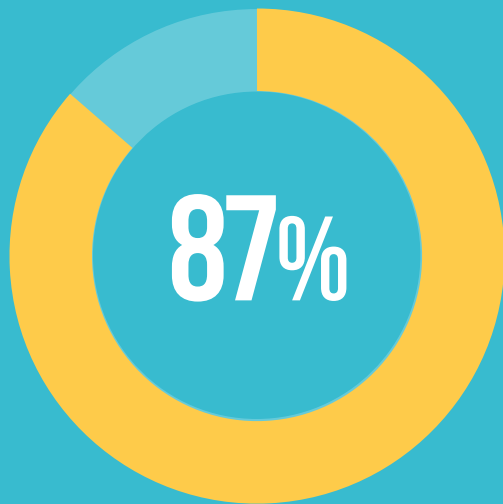
consider the
Middle East Region
promising



think Gen Ai is a 2024 priority for their companies, but only 5% believe they have the capabilities to fully leverage it



plan to increase brand marketing in budgets in 2024



think sustainability regulations will impact their business in 2024

With a comprehensive analysis derived from monitoring 400 publicly listed companies, expert interviews, and executive surveys, **Gemma D’Auria**, Senior Partner at McKinsey & Company, Milan and **Colin Henry**, Senior Advisor at McKinsey & Company, London, reveal a detailed understanding of the forces shaping the future of fashion.

> **Global Economic Context and Impact on Fashion**

The global economy’s fluctuating state presents significant challenges and opportunities for the fashion industry. Inflationary pressures combined with varying GDP growth rates across regions have notably affected consumer spending behaviors. Europe and the US face pronounced impacts, whereas Asia, excluding China and India, shows promise. Notably, the luxury segment demonstrates remarkable resilience, benefiting from a consumer base less sensitive to price increases and sustaining margins primarily through strategic price adjustments.

> **Concentration of Value Creation**

An intriguing aspect of the industry is the concentration of economic prof-

it among a few dominant players. Analysis reveals that a small number of companies, referred to as ‘super winners,’ are responsible for a significant portion of the industry’s value creation. This highlights the power curve within the sector, where the majority of economic profit is generated by a select group of firms, showcasing the critical role of enduring brands and innovative strategies in driving economic success.

> **Consumer Behavior Shifts**

Emerging consumer trends underscore the evolving landscape. The resurgence of travel, though not necessarily for shopping, indicates a shift towards experiential spending over material purchases. Similarly, the changing face of influence, with a move towards more authentic and relatable figures, and the reinvention of outdoor fashion, blending style with functionality, reflect broader shifts in consumer values and expectations.

> **Technological Disruption and Sustainability**

Technological advancements, particularly generative AI, offer transformative potential for the creative process, enhancing rather than replacing hu-

man creativity. However, the adoption of such technologies remains uneven, with many companies yet to fully leverage AI’s capabilities. Moreover, sustainability emerges as a non-negotiable aspect, with increasing regulatory scrutiny driving companies to rethink their supply chains and operational models to address environmental concerns.

> **Regional Focus**

The Middle East, and specifically Saudi Arabia, is identified as a region with significant growth potential. Amidst the global challenges, the Middle East’s relative optimism and investment attractiveness stand out, offering unique opportunities for fashion companies to tap into a dynamic and evolving market.

Looking ahead, the fashion industry faces a fragmented future characterized by continued economic uncertainty, heightened climate urgency, and evolving consumer demographics. Brands that navigate these complex dynamics effectively will likely emerge as leaders in the next phase of fashion’s evolution, capitalizing on the opportunities presented by shifting global trends and regional growth potential.



80% of the economic profit of the fashion industry is generated by ten companies. That’s a huge concentration. 21% is actually generated from one group only. So, this gives you a sense of how concentrated value creation is.

Gemma D’Auria

Towards Deeper Collaboration Between Government and the Private Sector

The exploration of deeper collaboration between the government and the private sector, particularly within retail and real estate, hinges on three pivotal themes: identifying and leveraging incentives and opportunities, harnessing innovation for growth, and navigating the challenges and opportunities that arise from such partnerships.



Abdulmajeed Alaskar, Assistant Deputy Minister for Privatization and Financial Sustainability at MoMRAH and **Muwaffaq M. Jamal**, Managing Director of Sudasia discussed with **Razan Farhan Alaqil**, Chief Advocacy Officer at Mukatafa the key considerations for effective collaboration and the strategic adjustments to facilitate mutual benefits.

Significant progress has been noted in terms of enhancing the regulatory and operational environment to bolster private sector engagement. Adjustments such as extended contract durations, reduced upfront financial burdens for new projects, and the introduction of more flexible investment terms have been instrumental in stimulating private sector participation. These measures are indicative of a broader commitment to creating a conducive environment for investment and development, thereby fostering economic growth.

Public-private partnerships (PPPs) have emerged as a crucial mechanism for economic development, with numerous examples illustrating the positive impact of such collaborations. These partnerships have been effective in channeling investments into key sectors, demonstrating the potential of PPPs to drive significant economic activity. Moreover, the discussion around innovations and technological advancements within retail and real estate underscores the necessity for supportive government policies and incentives that encourage the adoption of new technologies and business models.

The rapid pace of innovation in the private sector, especially in response to shifting consumer behaviors and the rise of online commerce, presents both challenges and opportunities for traditional retail models. **The government's role in facilitating and supporting these innova-**

tions through enabling policies, incentives, and infrastructure development is critical. This includes recognizing the transformative impact of online commerce and developing strategic responses to integrate and complement traditional retail frameworks.

Strengthening government-private sector collaboration highlights the importance of ongoing engagement and partnership to address the dynamic nature of the market and regulatory landscape. **It underscores the need for a proactive approach in co-designing policies and programs that not only address current needs but are also forward-looking, anticipating future challenges and opportunities.** Through such collaborative efforts, the potential for sustainable growth and development within the retail and real estate sectors can be fully realized, benefiting both the economy and society at large.



The retail sector today in Saudi employs 2.7 million people. So, the 2030 target has already been achieved. The total market size of retail in 2017 was SAR 325 billion. Today we're looking at half a trillion.

Muwaffaq M. Jamal

Saudi Arabia in a Global Digital Context

Saudi Arabia’s retail ecosystem is witnessing a pivotal transformation, spurred by digital engagement and the accelerating shift towards ecommerce, yet unique characteristics and challenges inherent to the Saudi market emerge, as **Zia Daniell Wigder**, Chief Content Officer at Insider Intelligence explained.

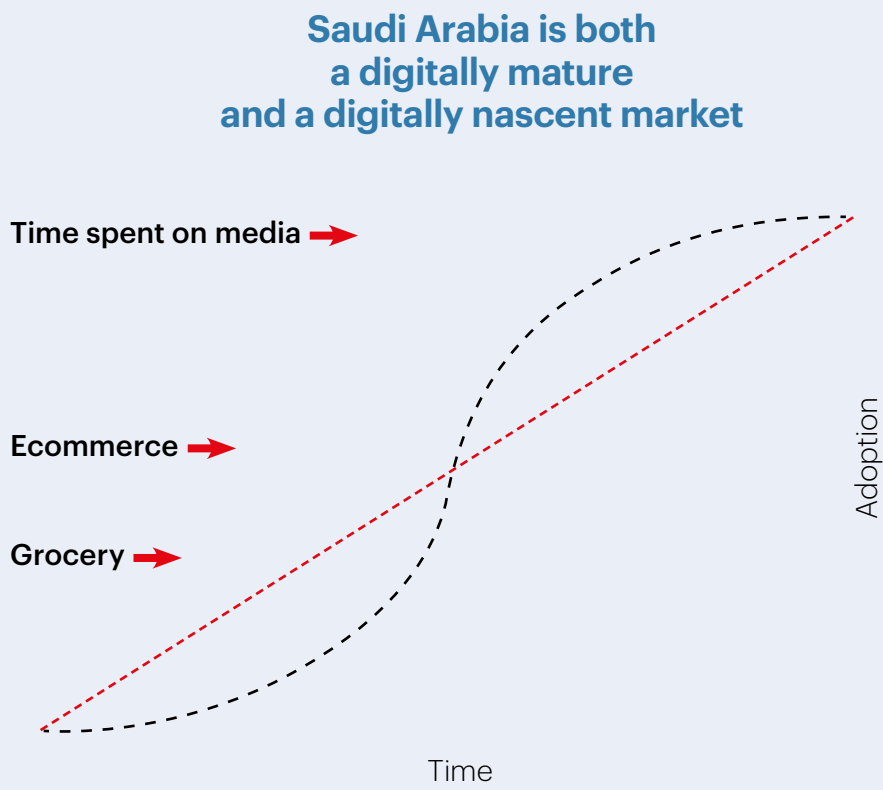
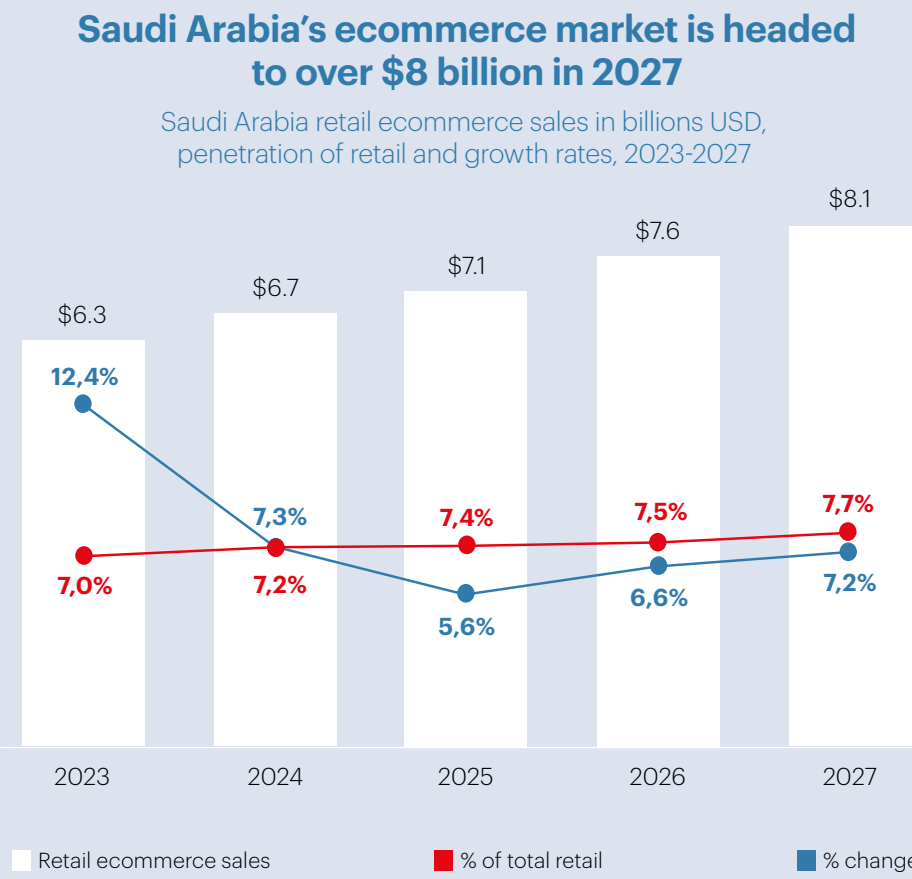


Saudi Arabia exhibits a highly digitally engaged consumer base, with notable preferences for streaming TV, podcasts, and other digital media formats. This high level of engagement places the Kingdom at the forefront of digital consumption globally, particularly in terms of online TV and streaming services. However, it’s crucial to understand that while digital engagement is widespread, it does not necessarily equate to a direct increase in ecommerce activity. **The distinction between digital media consumption and online purchasing behavior underscores the complexity of the consumer journey in the digital age.**

The ecommerce sector in the country has seen remarkable growth, with revenues experiencing a significant increase. **Despite this surge, the market’s ecommerce penetration as a percentage of total retail remains modest compared to global giants.** Projections for the sector suggest a more conservative growth trajectory moving forward, emphasizing the need for a nuanced understanding of market dynamics. Comparisons with other countries reveal that while Saudi Arabia’s digital market is evolving, its ecommerce penetration shares similarities with several established markets, indicating room for growth and maturation.



Time spent online and engagement online do not necessarily translate into ecommerce. The 7% ecommerce penetration of retail in Saudi Arabia will continue to increase, but maybe more gradually than what some may be anticipating.

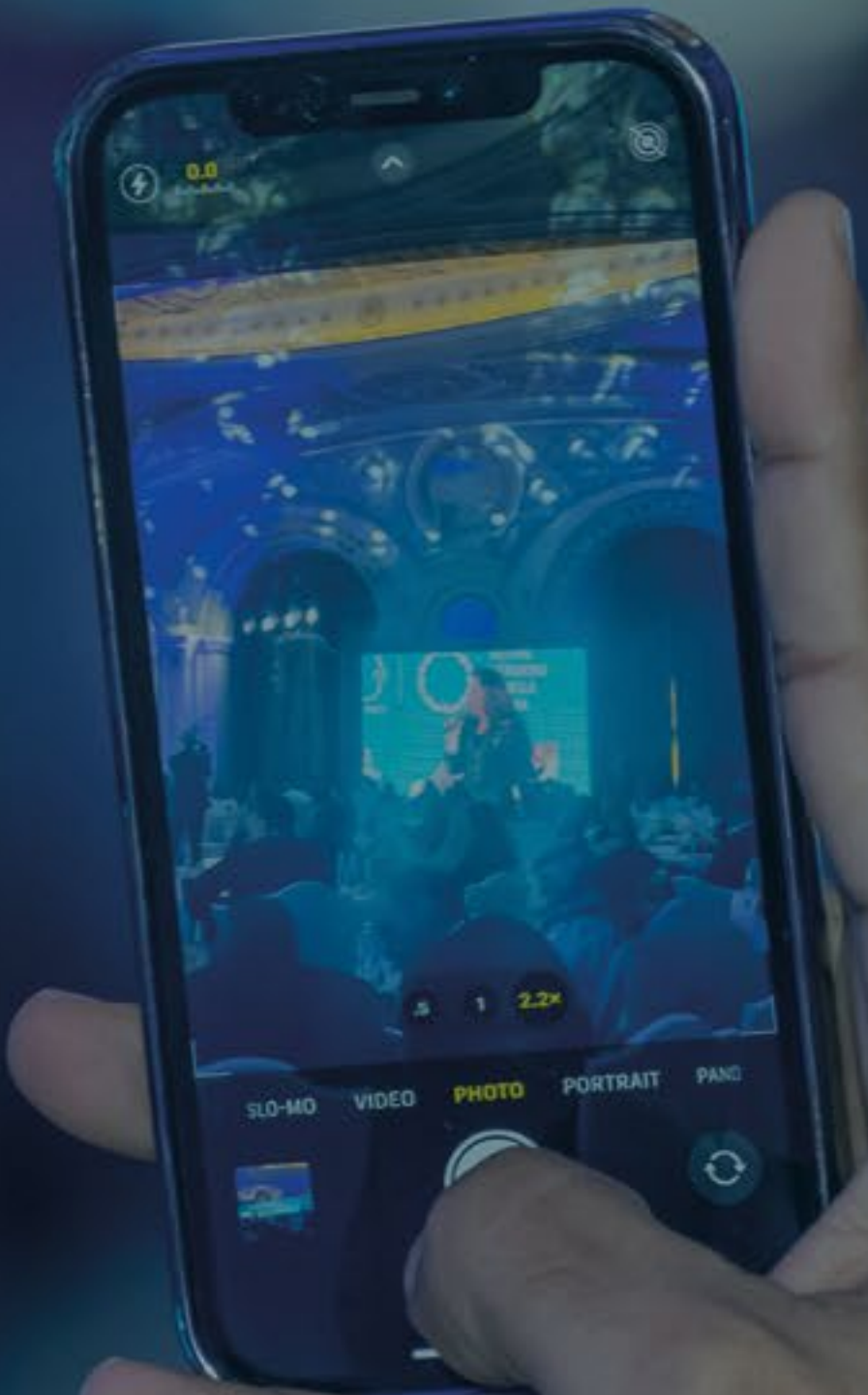


Less than 30% of Saudi shoppers consider retail **technologically advanced**

The progression from digital engagement to ecommerce adoption follows a recognizable pattern across markets, including Saudi Arabia. Initially, services such as banking and travel bookings make the shift online, followed by tangible goods like electronics, apparel, and eventually, more complex categories such as furniture and groceries. This sequence highlights the gradual nature of consumer adaptation to online shopping across different product categories. In Saudi Arabia, like elsewhere, the journey towards ecommerce maturity involves navigating consumers’ preferences for tangible experiences with products, especially in categories that traditionally rely on physical interaction.

Looking ahead, the Saudi retail landscape is poised for continued digital transformation, driven by both supply-side initiatives and evolving consumer expectations. **Retailers and brands must recognize the diverse stages of ecommerce adoption across product categories and tailor their strategies accordingly.** The challenge lies in balancing the convenience and innovation of online shopping with the tactile and personal aspects of traditional retail. As the market matures, fostering digital adoption in lagging categories through enhanced user experiences and fulfillment options will be key to unlocking further growth.

Saudi Arabia’s digital landscape is marked by a unique interplay of high digital engagement, evolving ecommerce adoption, and the gradual integration of traditional retail categories into the online domain. **Stakeholders must navigate this complex environment with strategic foresight, leveraging digital engagement to drive ecommerce growth while remaining attuned to the nuances of consumer behavior and market dynamics in the Kingdom.**



**Connecting
a global
community**

92.000.000
SOCIAL MEDIA IMPRESSIONS

23.6M



Instagram
impressions

17.7M



LinkedIn
impressions

16.3M



Twitter
impressions

26.2M

Display Media
impressions

AI & TECH: POWERING PROGRESS

The integration of AI and technology in retail is transforming the sector from the ground up, offering unprecedented opportunities for personalization, efficiency, and engagement. Retailers are harnessing these technologies to understand and anticipate consumer behaviors, optimize inventory, and supply chains, and deliver innovative customer experiences. The result is a more dynamic, responsive retail environment that meets consumers where they are, both physically and digitally.

Beyond operational excellence, AI and technology are paving the way for new business models and revenue streams. Virtual stores, augmented reality shopping experiences, and automated customer service are just the beginning.

As these technologies become more embedded in the retail experience, they promise to unlock new levels of progress, driving the industry towards a future where technology and human-centric design converge to create value for all stakeholders.

Retail in the Age of AI

In the evolving landscape of the retail industry, the integration of Artificial Intelligence (AI) stands as a transformative force, reshaping business models, enhancing customer experiences, and optimizing operational efficiencies.

Charbel Sarkis, Director of Saudi Arabia and MENA Retail at Google, delved into the transformative impact of Artificial Intelligence (AI) on retail and shopping experiences. Highlighting advancements in AI technology, he showcased how AI is revolutionizing consumer interactions and the broader retail landscape.

In the age of AI, the retail sector is undergoing a profound transformation, revolutionizing both consumer shopping experiences and business operations. The rapid advancements in AI technology, exemplified by developments in multimodal language models, have significantly enhanced the capacity to understand and interact with various forms of data, including video, text, and images. This progression in AI is likened to the pivotal moment experienced with the introduction of smartphones, marking

industry is evident, with an observable increase in search queries reflecting a growing curiosity and eagerness to explore AI solutions. This shift towards an AI-first approach signifies a broader commitment to leveraging technology not just for enhancing consumer experiences but also for addressing global challenges such as traffic management, disease detection, and environmental conservation.

AI's impact on retail extends to transforming shopping experiences from static and reactive interactions to dynamic, predictive, and contextual engagements. Innovations in search capabilities, enabled by generative AI, are reimagining the search process to be more conversational and adept at handling complex queries, thereby making the shopping journey faster, richer, and more intuitive. Furthermore, the introduction of features like Google's "Circle



a new era of accessibility and integration of technology into daily life. GenAI made AI accessible to consumers, to 'have a conversation with the technology' through interfaces like Gemini, ChatGPT and others, and thus to appreciate the transformative power that the technology has to offer.

The surge in interest towards AI within the retail

to Search" enables a seamless and frictionless shopping experience, allowing consumers to easily explore and purchase items of interest directly from their mobile devices.

Beyond improving the consumer interface, AI technologies offer significant advantages for retailers in enhancing the entire value chain. From generating actionable insights



from vast datasets to revolutionizing marketing with AI-driven creative tools, AI facilitates targeted and efficient consumer engagement. Additionally, AI enhances product discovery and customer service on digital platforms, replicating the personalized assistance of in-store shopping experiences online.

The transformative potential of AI in retail is vast, encompassing operational efficiencies, customer experience enhancement, and the creation of new, innovative shopping paradigms. As the sector continues to embrace AI, early adoption and experimentation with these technologies offer retailers a competitive edge, positioning them at the forefront of a rapidly evolving digital landscape. The example of Chalhoub Group, as **Michael Chalhoub**, President Strategy, Growth, Innovation & Investment and Joint Ventures at Chalhoub Group illustrated, **shows a proactive stance towards this technological evolution, highlighting the importance of integrating the right tools, foundational training, and legal frameworks that ensure efficient and responsible AI utilization.**

At the heart of adopting AI within retail is the emphasis on setting the right data and privacy

foundations, ensuring that the workforce is adept at leveraging AI within defined legal and ethical boundaries. The journey towards effective AI utilization encompasses several stages, starting with the essential acquisition of clean and voluminous data, followed by thorough analysis, and culminating in the strategic application of insights derived from AI technologies.

One transformative application of AI in retail is in inventory and supply chain optimization. Predictive analytics facilitated by AI is enabling retailers like Chalhoub Group to forecast demand more accurately, leading to a more sustainable and cost-effective business model. Furthermore, AI's influence extends to marketing and customer service, where it enhances consumer interactions through personalized recommendations and conversational commerce, thereby enriching the customer experience.

Innovation in retail, propelled by AI, is not confined to operational improvements but also encompasses the exploration of new business models and customer engagement strategies. From fashion shows with interactive AI features to virtual fitting rooms combining virtual reality and AI, the potential for creating

immersive and personalized shopping experiences is vast.

Promoting an AI-centric mindset within organizations transcends technological adoption; it requires cultivating a culture that encourages experimentation and innovation. **Initiatives like appointing innovation ambassadors and providing targeted training programs underscore the commitment to embedding AI deeply within the organizational fabric.** Partner collaborations as the one between Google and Chalhoub Group play a crucial role in this transformation, offering training, tools, and benchmarks that facilitate the exploration of cutting-edge AI solutions while ensuring alignment with corporate values and customer expectations.

As the retail sector continues to navigate the age of AI, the collaborative efforts between industry leaders and technological partners are pivotal in harnessing AI's full potential to revolutionize customer experiences, drive sustainability, and foster a culture of continuous innovation and growth.



We've been having all that customer data, but we haven't managed to predict demand well enough. And right now, we're at a stage where we're able to predict demand, which helps us build a more sustainable business model.

Fashion in the Age of Technology

The integration of artificial intelligence (AI) and digital platforms in the fashion industry is driving an era focused on personalized, data-driven consumer experiences. This shift is not only enhancing operational efficiency but is also crucial in narrowing the gap between product offerings and consumer expectations.

Avery Baker, former President of Tommy Hilfiger, **Marigay McKee**, Co-Founder of Fernbrook Capital, and **Kunal Kapoor**, CEO of The Luxury Closet, discussed with **Nisreen Shocair**, CEO of Sho-case Middle East, the impact of technology on operational efficiency, but also its role in bridging the gap between product offerings and consumer expectations.

Key investments in AI technologies, notably Lily AI and Raspberry AI, are set to revolutionize inventory management and boost customer satisfaction by enabling personalized shopping experiences. **This level of customization allows retailers to tailor product suggestions to individual preferences, improving the shopping experience's accuracy and reducing the likelihood of returns.** Moreover, AI's capacity to expedite the creative design process, significantly shortening the time from concept to retail, highlights the efficiency and adaptability AI brings to the fashion industry.

There is potentially a transformative role of cross-border ecommerce platforms in facilitating international expansion for brands, especially those based in Saudi Arabia. These platforms enable brands to maintain their identity while efficiently managing distribution, supply chain, and logistics on a global scale. This technological advancement simplifies entering new markets, a task that previously required the creation of new websites for each country.

The shift towards sustainability and the circular economy resulted in a growing consumer preference for vintage or pre-loved fashion. This trend underscores the opportunities for

the industry to leverage a more sustainable, circular fashion model.

Embracing new technologies and engaging young, passionate talent to pioneer innovation within organizations is crucial. Starting these technological explorations early on is vital to prevent falling behind in integrating significant advancements into business operations.



There is urgency to incorporate AI because the playing field has changed.

Kunal Kapoor

The integration of technology in fashion is creating an unprecedented opportunity for brands to offer more personalized and sustainable consumer experiences. This evolution emphasizes innovation, adaptability, and sustainability as key factors in shaping the future of fashion.



CHALHOUB GROUP
SINCE 1955

WITH A LEGACY OF 65 YEARS, **CHALHOUB GROUP** IS A LEADING PARTNER, CURATOR AND CREATOR OF LUXURY PRODUCTS AND SERVICES IN THE MIDDLE EAST.



@CHALHOUBGROUP

WWW.CHALHOUBGROUP.COM

Retail Leaders' Perspectives

Saudi Arabia is very youthful and is changing, so being innovative and adaptive to the consumer needs is very critical.

Abdulmajeed Alsukhan
Co-founder & CEO, Tamara

Accelerate Your Business With the Power of Formula 1

The alliance between Deloitte and McLaren exemplifies the broader potential for industries beyond motorsport to harness Formula 1 methodologies, technologies, and strategic approaches to drive transformative outcomes.

Jason Gordon, Partner, and Global Relationship Lead for Deloitte & McLaren Alliance explains that at the core of this partnership is the recognition of F1 not just as a sport but as a **technically differentiated, data-rich, and highly regulated environment that shares commonalities with various industries, including banking and consultancy.** This synergy leverages F1's long history of digital transformation, its competitive drive for continuous innovation, and its meticulous data analysis and decision-making processes to offer insightful solutions to business problems.

Formula 1 operates in an environment where **technological differentiation, game theory, and strategic innovation are critical for success.** The sport's nature requires teams to imagine, design, build, and **continuously improve their cars within a tightly regulated framework, seeking any possible competitive edge through technology,** teamwork, and strategic decisions. The car's performance, significantly more influenced by its design and team strategies than by the driver's capabilities,

highlights the **paramount importance of innovation, efficient operations, and data-driven decision-making in achieving success.**

One key aspect of F1's approach to problem-solving is its reliance on data for decision-making. With F1 cars generating vast amounts of data, teams like McLaren use this information to inform everything from design and strategy to in-race decisions and post-race analyses. **This process emphasizes the importance of having the right values within an organization, particularly openness to ideas from various sources and the humility to continuously learn and adapt.**

Furthermore, the alliance showcases how F1 technologies, such as the driver-in-loop simulators and digital twins, enable teams to develop and **test innovations in a virtual environment before applying them in real-world scenarios.** This approach significantly reduces risks associated with premature implementation and ensures that technologies deliver reliable value when deployed. Additionally, the detailed data correlation and analysis undertaken by teams underline the **critical role of data in refining strategies, enhancing performance, and maintaining a competitive edge.**

This collaboration between Deloitte and McLaren, therefore, serves as a compelling example of how principles and technologies from a high-stakes, fast-paced environment like Formula 1 can be effectively adapted to tackle complex business challenges.

By drawing inspiration from F1's approach to innovation, data analysis, and strategic decision-making, businesses across various sectors can accelerate their own growth and achieve significant performance improvements.



Generative AI – The Next Technology Frontier in Retail

The integration of Generative AI (GenAI) into the retail sector marks a transformative era, characterized by immense opportunities and significant considerations.



Costi Perricos, Partner & Global Generative AI Leader at Deloitte and **Aditi Nitin**, Partner, Retail & Analytics Lead at Deloitte Middle East outlined how the advancement of GenAI technologies has the potential to reshape retail operations, consumer engagement, and product innovation. Alongside these opportunities, they highlighted the inherent risks and ethical considerations to harness GenAI effectively and responsibly.

The emergence of Generative AI (GenAI) signals a transformative phase in technology, significantly impacting retail among other sectors. Rooted in advancements such as Google’s 2017 introduction of the transformer algorithm, GenAI’s potential has unfolded over time, overcoming early hurdles related to computational demands and chip availability. Today, as GenAI reshapes retail through personalized

content and innovative customer experiences, it also prompts a deep dive into the ethical nuances and operational challenges it introduces.

GenAI’s capabilities extend from creating life-like images and texts to generating complex code and video content, offering retailers novel ways to engage consumers and streamline operations. **Such advancements enable the delivery of highly personalized marketing campaigns, efficient coding for IT solutions, and immersive shopping experiences that were previously unimaginable.** For example, retailers can now generate product descriptions or marketing content tailored to individual preferences at an unprecedented scale and speed.

However, the broad application of GenAI raises significant ethical considerations and operational challenges. One notable concern

is the phenomenon of “hallucinations,” where AI generates or alters content in ways that can misrepresent reality, creating potential for spreading misinformation or “fake news.” Or actually tricking the algorithms into doing things they’re not meant to. **This capability, while demonstrating GenAI’s power, underscores the critical need for oversight and validation processes to ensure the integrity and trustworthiness of AI-generated content.**

Moreover, the reliance on a fragile supply chain for the computational components essential to GenAI technologies introduces risks that businesses must navigate carefully. With the majority of these critical chips manufactured in specific global locations, any disruption could significantly impact GenAI’s accessibility and progress.

Generative AI expected to increase Global GDP by

\$7TRILLION

7% over 10-year period

with a 1.5% growth in labor productivity

Forces shaping the future of the Consumer Industry

- 1 The Changing Consumer
- 2 An Evolving Society and Culture
- 3 Exponential Xtech
- 4 Radical Industry Upheaval
- 5 Extreme Climate and Planet
- 6 Shifting Economics, Policy & Power

Generative AI Key Considerations for Enterprises:



In navigating the GenAI landscape, retailers must adopt comprehensive strategies that address data privacy, intellectual property protection, and the careful management of AI-generated content. Ensuring ethical usage and protecting consumer data become paramount as businesses strive to leverage GenAI for competitive advantage while adhering to emerging regulatory frameworks.

The successful integration of GenAI into retail requires a multi-faceted approach, emphasizing cross-functional collaboration, robust data management, and the development of GenAI expertise within organizations. As technology evolves, staying agile and informed will be key to unlocking its potential responsibly and effectively.



Good data gives you artificial intelligence, bad data gives you artificial incompetence.

Costi Perricos

Personalizing Retail in the Age of AI

AI enables retailers to predict consumer preferences and behavior, tailor product recommendations, and optimize customer interactions. This not only enhances the shopping journey for consumers but also opens new avenues for retailers to innovate and refine their marketing strategies.

Anna Germanos, Group Director CPG, Retail, Ecommerce & Luxury at Meta for Middle East & Africa - **Fawaz Alotaibi**, co-Founder & KSA CEO at Kaykroo- **Franck Guellerin**, VP South & MEA at Mirakl, and **Hani Saif**, CIO at United electronic company – eXtra, discussed with **Megan Higgins**, Retail and Customer Insights Lead at PwC UK, the integration of Artificial Intelligence (AI) in retail and how it is reshaping consumer experiences by offering unprecedented levels of personalization and operational efficiency.

As AI technologies evolve, retailers have the opportunity to harness data-driven insights



to tailor their offerings to individual consumer preferences, thereby enhancing engagement and conversion rates. One notable application is the use of generative AI in creating adaptive advertising content and product recommendations, which significantly boosts customer interaction with brands.

However, a fundamental challenge lies in the quality and governance of data. Effective AI implementation is contingent upon robust data infrastructure, where sound practices in data management are essential for predictive analytics and personalized marketing strategies. **Retailers must**

prioritize data governance to leverage AI's full potential, navigating the complexities of data privacy and security with diligence.

Looking ahead, AI promises to introduce innovative retail experiences, ranging from enabling users to identify and purchase products they see in real life with ease, virtual taste sampling, in the food and beverage sector to drone deliveries, signaling a shift towards more interactive and convenient shopping ways. **Additionally, augmented reality (AR) and virtual reality (VR) technologies, powered by AI, offer potential to bridge the gap between online and physical retail spaces, enabling immersive shopping experiences that**

mimic the physicality of in-store interactions. Conversational commerce and the use of messaging platforms represent another frontier for AI in retail, facilitating hyper-personalized customer service and engagement. This underscores a broader trend towards more intimate and responsive communication channels between retailers and consumers, driven by AI capabilities.

The dialogue surrounding AI in retail underscores a transformative period where retailers are encouraged to explore and integrate advanced AI applications, not only to stay competitive but also to meet the rapidly changing preferences of con-

sumers. **This integration presents both opportunities for innovation and challenges in data management, requiring a strategic approach to harness the benefits of AI while navigating its complexities.** This approach should focus on a workforce knowledgeable in AI to stay relevant and competitive, fostering a culture of continuous learning and innovation. This underlines the critical role human resources play in leveraging AI technologies effectively.

As AI continues to permeate the retail landscape, its role in crafting personalized, efficient, and innovative shopping experiences becomes increasingly central, marking a critical shift in how retailers engage with their customers.



What AI does now is help retailers to transform their data. I think what retailers want is to give this opportunity to consumers, to improve their website and have this very unique and tailored experience, based on recommendations.

Franck Guellerin

RLC insights

Discover the cutting edge of industry insights through RLC’s collaboration with Tamara in the groundbreaking whitepaper, **“BNPL in the GCC: A Stellar Ascent with Promising Prospects.”**

This comprehensive analysis sheds light on the rapid expansion of Buy Now Pay Later (BNPL) services within the GCC region, offering critical perspectives for both retailers and consumers. Unveiled at the 2024 Retail Leaders Circle (RLC) MENA Summit, this whitepaper underscores RLC’s dedication to advancing thought leadership, stimulating innovation, and influencing the evolution of the retail landscape.



BNPL holds the key to unlock a massive USD 42Bn opportunity in the GCC by 2026.



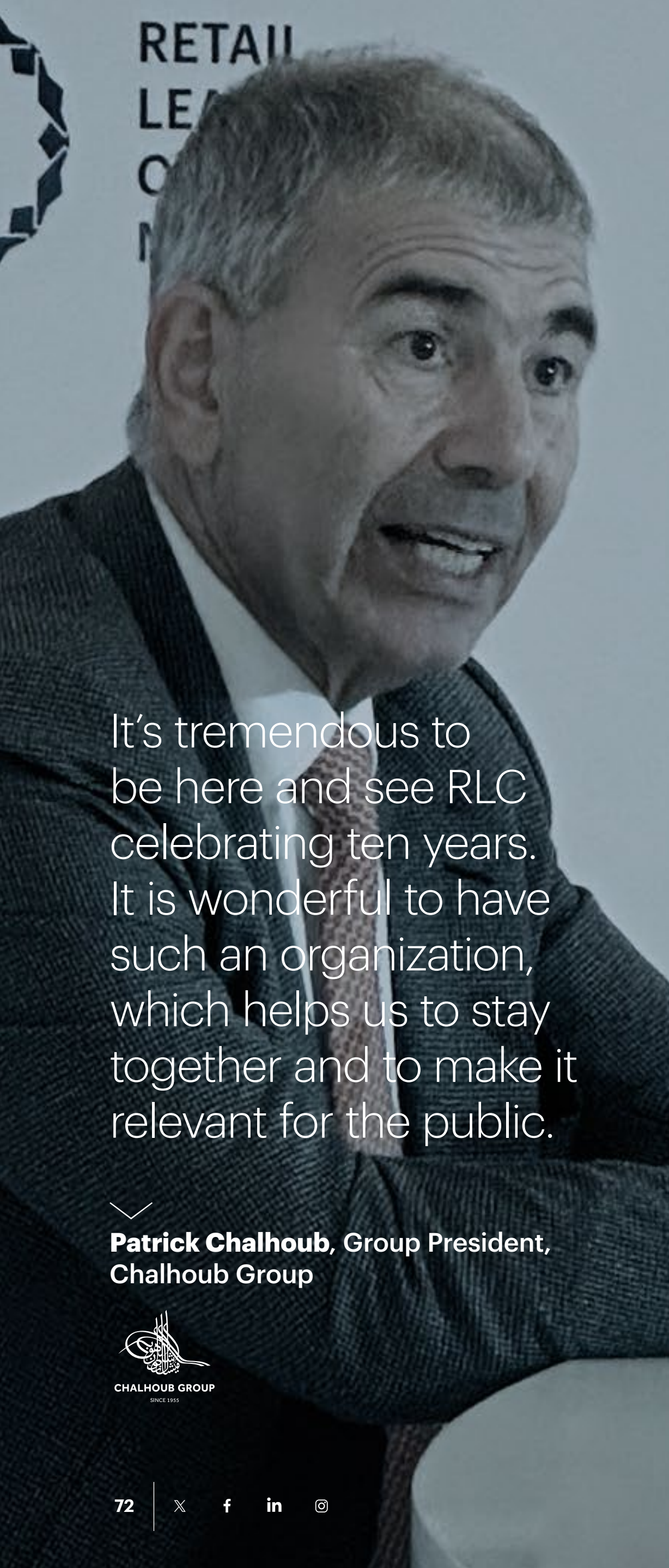
BNPL has exceeded the prevalence of credit cards by 10% in just a few years.



BNPL has penetrated over 50% of highly diverse addressable shoppers in GCC’s leading markets.



More than 40.000 businesses have already enabled BNPL at their checkouts in KSA and UAE alone, including the top 15 retail conglomerates in the GCC.



RETAIL
LEADERS
CIRCLE
MENA

It's tremendous to be here and see RLC celebrating ten years. It is wonderful to have such an organization, which helps us to stay together and to make it relevant for the public.

Patrick Chalhoub, Group President, Chalhoub Group



RLC brings the whole retail community together. I think there are very few conferences in the region that bring that quality of delegate and speakers.

John Hadden, CEO, Alshaya Group



The thing that I liked about this Anniversary was how people were at the forefront of everything. And the elevated levels of standards that we haven't seen here in the past. I think that's going to be a game changer.

Marigay McKee, Co-founder, Fernbrook Capital Management LLC



We are very proud to return in RLC, this is our fourth year participating. It is an important event that brings together retailers and the whole ecosystem including financial institutions and payment leaders.

Ali Bailoun, Regional General Manager for KSA, Oman & Bahrain, Visa



It is quite critical to have these events on the yearly basis, because it allows us to meet the entire set of stakeholders and open our minds towards what's coming up in the markets.

Pauline Coquet, Associate Partner, Bain & Company Middle East



The Power of Community

Marking a Decade of Industry Leadership

At the Media Studio of the 2024 Retail Leaders Circle MENA Summit, retail leaders and innovators shared their valuable experiences about the industry's evolving landscape and the pivotal role of RLC in shaping its future within the last 10 years.

RLC brings this connectivity between retailers, consumer companies and policymakers creating a community that strives for building that great retail landscape in Saudi.

Abdellah Iftahi, Partner, McKinsey & Company, Dubai



Retail Leaders Circle is playing a critical role in creating certain themes that will help shape the industry. We are very happy to be a Strategic Partner and we are looking forward for a long-lasting relation together.

Bander T. Hamooh, CEO, Panda Retail Company



It is always helpful in times of high growth to keep connectivity between leaders across different parts of our sector and RLC is an excellent platform to bring that together in a collaborative and collective way.

Avery Baker, Former President & Chief Brand Officer, Tommy Hilfiger

RLC is an amazing platform, which year after year is proving that it is sharing more practices, bringing more experiences and elevating the whole experience and economics of retail.

Yasser Joharji, CEO, Nahdi Medical Company



THE LIFESTYLE DESTINATIONS FRONTIERS

Retail and real estate are evolving beyond transactional spaces to become vibrant lifestyle destinations that offer a blend of shopping, entertainment, and community activities. This evolution reflects a deeper understanding of consumer desires for experiences that go beyond the traditional offering.

By integrating retail spaces with leisure, cultural, and wellness activities, developers are creating multifunctional environments that attract a wider audience and foster community engagement.

These lifestyle destinations are redefining the concept of retail spaces as mere points of purchase. Instead, they are becoming hubs of social and cultural interaction, offering a holistic experience that appeals to the diverse needs and interests of consumers. **This shift not only enhances the value proposition of retail and real estate but also contributes to the economic and social vitality of the communities they serve.**

The Evolution of the Shopping Centers

> The transformation of shopping centers from conventional retail environments to multifaceted community hubs signifies a pivotal shift in the retail real estate sector.

Alison Rehill-Erguven, CEO of Cenomi Centers discussed with **Panos Linardos**, Chairman at Retail Leaders Circle, retail real estate’s inherent dynamism and transformation.

> **Redefining Malls**

Physical shopping centers possess an irreplaceable capability to create immersive experiences and foster community connections, distinguishing them from online platforms. These centers serve as venues for numerous human activities: hosting events, dining, family engagements, entertainment, educational pursuits, and wellness services. Such offerings highlight the critical role of physical retail spaces in maintaining relevance and enhancing consumer engagement by providing experiences unavailable digitally.

Furthermore, the concept of longevity emerges as a novel value proposition for shopping centers, suggesting that the social interactions they facilitate could contribute to an extended lifespan. This connection suggests retail real estate not just as commercial spaces but as integral components of human community and well-being, underlining the sector’s potential to enrich lives beyond transactions through the promotion of meaningful human experiences.

> **Global Shifts**

Over the past 25 years, the retail real estate sector has undergone significant transformations influenced by regional trends and consumer behavior shifts. In the United States, from 2000 to 2010, the decline of department stores prompted a strategic repurposing of these spaces. This period focused on enhancing mall experiences by incorporating fine dining and grocery options, alongside efforts to densify shopping centers, maximizing the utility of every available area.

The evolution continued in Europe and Turkey, where different market dynamics due to growth cycles led to the expansion and, occasionally, the oversaturation of shopping centers. However, this phase was key to introducing sophisticated



shopping venues in markets that previously lacked them. A significant shift was observed upon entering the Asian market, particularly China, from 2017 to 2022, where technological advancements had a profound impact. Innovations from major platforms like Alibaba and Tencent revolutionized shopping experiences, creating seamless omnichannel interactions that merged online and offline consumer activities. This era highlighted the crucial role of entertainment and food services, with some shopping centers dedicating up to 40% of their Gross Leasable Area (GLA) to dining options, reflecting the importance of food in attracting and retaining visitors.

Currently, a new growth cycle in the Kingdom of

saudi arabia offers a chance to apply learned global insights to future projects. The comparison between Saudi and Chinese consumers—highlighting their education, travel experiences, conservatism, and digital savvy—presents unique opportunities for tailoring retail real estate developments. This period underscores the sector’s ongoing need for adaptability, focusing on consumer-centric offerings, and leveraging technology to maintain relevance in a dynamically changing retail landscape.

> **The Role of Consumer Data**

The strategic use of consumer data has become instrumental in tailoring shopping centers to contemporary consumer demands. This data-

driven approach allows for a more targeted development strategy, ensuring that shopping centers remain appealing and relevant to their audiences.

Approaching next-generation experiences for flagship assets and projects within the growth pipeline relies heavily on the strategic use of research and consumer data. The focus is on understanding the evolving preferences and behaviors of consumers, including socio-economic shifts and spending patterns. Traditionally, the asset allocation was a 70/30 split between retail and a combination of food and beverage (F&B), entertainment, services, and lifestyle. This has shifted closer to a 60/40 ratio in response to data indicating increased consumer spending in F&B, entertainment, and health and beauty

services, especially in a post-Covid world.

> **Sustainability as a Strategic Imperative**

Sustainability initiatives have gained prominence within the shopping center industry, with developers embracing renewable energy, engaging in sustainability-linked financing, and aiming for environmental certifications. These efforts not only respond to global environmental concerns but also align with local objectives, such as the Vision 2030 in the Kingdom of Saudi Arabia, highlighting the sector’s commitment to responsible and sustainable development.

At the close of 2022 and the onset of 2023, Cenomi established a five-year strategic plan, centralizing sustainability as one of its core pillars. A significant advancement was marked by securing the largest renewable energy agreement to date, involving a partnership with Marubeni and Fast Energy. This deal facilitates the installation of renewable solar panels on shopping center roofs and car parks, along with the introduction of electric vehicle charging stations, signaling a pioneering step for both the organization and the Kingdom in adopting green energy solutions.

Furthermore, a substantial refinancing initiative incorporated a Sustainability Linked Loan (SLL), which sets specific environmental and social targets. One notable goal is increasing female leadership, reflecting a broader commitment to corporate responsibility and social equity. Additionally, the forthcoming Johara projects are being developed with an eye towards environmental sustainability, aiming for Gold LEED certification. This underscores a dedication to constructing spaces that meet high standards for eco-friendly design and operation.

The pace at which these initiatives have been adopted exceeds expectations, indicating a proactive rather than reactive approach to innovation and sustainability. The emphasis on educating the community about global citizenship through retail centers reflects an understanding of the influential role these spaces play in societal development.

> **Innovation and Customer Experience**

Innovation within shopping centers extends beyond physical renovations to include digital experiences and omnichannel strategies. The integration of digital touchpoints and the exploration of partnerships with ecommerce platforms reflect an understanding of the need to provide convenience and enhanced experiences to consumers. Furthermore, the emphasis on creating next-generation experiences in flagship assets underlines the industry’s commitment to delivering spaces that exceed traditional shopping expectations.

Innovation is pursued through two primary avenues: enhancing digital experiences and embracing omnichannel strategies. A significant move of Cenomi towards omnichannel experiences involves a partnership with Trendyol, the largest ecommerce marketplace in Turkey, to offer a seamless online and offline shopping experience that aligns with the desires of 55% of Middle East consumers. This partnership reflects a proactive stance on incorporating ecommerce into the retail environment, facilitating options such as online purchasing, in-mall pickup, and returns, and exploring underutilized real estate for last-mile logistics.

> **Growth Strategy**

The growth agenda for shopping centers encompasses a focus on lifestyle destination centers and flagship projects, incorporating elements previously unseen in the market. These developments aim to combine retail, entertainment, and technology in innovative ways, setting new standards for what shopping centers can offer. This strategy reflects an understanding of the need to continually evolve and adapt to remain competitive and relevant in the fast-changing retail landscape.

> The ongoing evolution of shopping centers underscores the industry’s resilience and adaptability in the face of technological advancements, changing consumer behaviors, and environmental considerations.



We are in a constant state of change and evolution whether that’s through technology, which we’re all aware of, in terms of ecommerce, omnichannel experiences, AR and VR.

Alison Rehill-Erguven

Urban Retail Renaissance: The New Lifestyle Paradigm

A strategic shift is underway in the retail and real estate sectors, marked by a significant focus on developing integrated lifestyle projects that transcend traditional residential designs, emphasizing the creation of comprehensive, community-centric environments.



AbdulRahman A. Al-Tawil, Deputy Minister for Real Estate with MoMRAH, **Lee Talbott**, Senior Director, Retail Portfolio at ROSHN, **Jassem M. Al-Muqbel**, Chief Development Officer at Shomoul Holding discuss with **Ghaith Shocair**, CEO & Board Member of Saif Al Ghurair Real Estate, Founder & General Manager of Theorema Partners, the prioritization of mixed-use developments, incorporating residential, commercial, leisure, and green spaces to foster vibrant, sustainable communities.

A pivotal aspect of this transformation is the deliberate move away from the conventional emphasis solely on residential construction towards the establishment of integrated

master plans. These plans allocate a substantial portion of the development to non-residential components, including parks, commercial centers, hotels, and educational institutions. The aim is to enhance the quality of life for residents, facilitating access to a wide range of amenities and services within walking distances, thereby promoting a more connected and fulfilling community life.

One innovative example of this approach is the development of one of the largest parks in Saudi Arabia, seamlessly integrated into a residential suburb. This initiative not only adds significant green space to the urban environment but also ensures that residents have easy access to recreational areas, highlighting the shift towards creat-



We have to cater for the new consumer today and there is a projection for a lot of tourism. What we hope is that the current available supply in the market will elevate itself or adjust to offer a better product for visitors and residents of the country.

Jassem M. Al-Muqbel



ing more holistic and inclusive urban landscapes.

The government's proactive stance in inviting and encouraging investment in the retail and real estate sectors underscores the considerable opportunities available. With plans to develop over 100 million square meters and introduce over 6 million square meters of retail space, the stage is set for a dynamic expansion of the Kingdom's retail infrastructure. This expansion is not just quantitative but qualitative, aiming to elevate the shopping and living experience to new heights, reflecting the aspirations of a modern, vibrant society.

Moreover, the approach of leading developers like ROSHN, backed by the Public Investment Fund,

exemplifies the commitment to this new vision.

The focus on creating fully integrated communities, where retail serves as the cohesive element that binds together various aspects of daily life, mirrors the broader strategic direction. The dialogue around the integration of live, work, play, and dine concepts within urban developments is gaining momentum. Efforts to mitigate traffic congestion, enhance environmental sustainability, and provide comprehensive lifestyle options are key components of this dialogue. Initiatives like ROSHN Front, which combines retail, business, and leisure in an accessible and innovative manner, are indicative of the forward-thinking strategies being employed to redefine urban living in Saudi Arabia.

On the cusp of a significant transformation in Saudi Arabia's retail and real estate sectors, the deep understanding of the evolving needs and aspirations of its residents promises not only to reshape the urban landscape, but also to foster a more connected, sustainable, and vibrant community life, in line with the goals of Vision 2030.

Navigating the New Retail Real Estate Order: Innovations & Opportunities

> With Riyadh and Jeddah projected to see an addition of over 185,000 square meters of retail space by 2025, stakeholders are examining how to adapt to the shifts in consumer preferences and integrate these developments into broader urban planning strategies.



Fahad Al Mutlaq, Deputy Minister of Urban Planning and Lands at MoMRAH, **Dr. Martyn Davies**, VP (Acting) and Head of Retail at the Royal Commission for Riyadh City (RCRC), and **Abdullah Tamimi**, CEO of Hamat Holding discussed with **Pauline Coquet**, Associate Partner at Bain & Company Middle East, the shift towards creating retail environments that cater to the demand for convenience, leisure, and entertainment, mirroring global trends towards more immersive shopping experiences.

Digitalization and ecommerce have accelerated changes in consumer expectations, pushing for retail models that offer seamless online-to-offline experiences. This digital boom has not only expanded the retail landscape but also highlighted the need for physical retail spaces to evolve, promoting a synergy between shopping, dining, and entertainment to attract footfall.

The economic backdrop in Saudi Arabia presents a unique set of opportunities for the retail sector. Factors such as low unemployment,

a vibrant non-oil economy, and infrastructural enhancements contribute to a favorable environment for retail expansion. Government reforms and initiatives aimed at bolstering private sector employment further support this growth, creating a dynamic market with a burgeoning middle class.

Urban planning and transportation infrastructure play a crucial role in supporting the retail sector's development. Initiatives to improve accessibility and reduce traffic congestion are important for ensuring that retail hubs are conveniently reachable. Moreover, a strategic approach to urban development that includes diversification of land use and enhancement of local mobility options like cycling and walkability can significantly impact retail success.

The market dynamics in Saudi Arabia also underscore the importance of considering regional variations in social and economic conditions. **Investments in retail infrastructure and operations must consider the diverse social fabric and lifestyle preferences across different**

regions, recognizing that strategies successful in metropolitan areas may need adjustment in secondary cities or remote areas.

Looking forward, the retail real estate sector faces the challenge of balancing supply and demand, with an influx of new projects on the horizon. **Stakeholders must navigate these developments strategically, ensuring that investment decisions are informed by comprehensive market analysis and aligned with urban planning initiatives.**

> **The collaborative efforts between government agencies, investors, and retail operators are pivotal in shaping a retail environment that not only meets current market demands but is also resilient to future shifts, securing the sector's continued growth and contribution to the broader economic landscape.**



In Saudi Arabia we are building a plane while flying it. The market will always be ahead. It's up to us to create that capacity, the ease of regulation and the tailwinds to align with the needs of the marketplace.

< **Dr. Martyn Davies**

The Mall: How to Transform

> As consumer preferences shift towards more integrated shopping experiences, the importance of malls transcending their conventional roles has become paramount.

Mohammad Alawi, Chairman of the Board of Azad Properties Co, Shane Eldstrom, CEO of United Developers, Eng. Faisal Al Nasser, CEO of Alandalus Property - Turki Bin Zarah, co-Founder & Managing Director at Tamara discussed with Ben Chesser, CEO & Founder of Coniq the necessity to reevaluate the mall's function from mere retail spaces to comprehensive lifestyle destinations.

The adaptation of malls to new consumer demands involves a multifaceted approach. Key strategies include enhancing the integration of technology to create seamless online and offline shopping experiences, fostering stronger collaborations between mall operators and retailers, and developing a deeper understanding of local consumer behavior. This approach not only aims to improve the customer experience but also to ensure the sustainability and relevance of malls in a digital age.

Furthermore, the inclusion of cultural elements and the emphasis on creating a diverse mix of retail, entertainment, medical, and technological services within malls highlight the move towards creating lifestyle centers. **These centers are designed to cater to a wide range of consumer needs and preferences, offering a holistic shopping and leisure ex-**

perience. The role of data in tailoring services to consumer preferences is also underscored, with innovative loyalty programs and customer engagement strategies playing a crucial role in attracting and retaining shoppers.

The future of malls appears to be rooted in their ability to serve as platforms that not only facilitate transactions but also foster memorable experiences and brand interactions. The incorporation of sustainability, enhanced connectivity, and the creation of multifunctional spaces reflect a broader trend towards developing malls that are closely integrated with the urban fabric and the daily lives of consumers.

> **The transformation of malls into lifestyle destinations represents a response to the dynamic shifts in consumer behavior and retail trends. By embracing innovation, focusing on customer satisfaction, and adopting a holistic approach to the shopping experience, malls can navigate the challenges of the digital era and continue to thrive as centers of commerce and community.**



We need to move away from the old traditional ways of operational organization. We need to forge new concepts in many areas and involve various teams to work together in order to succeed.

> **Mohammad Alawi**

> Retail Leaders' Perspectives



In such technologically advanced country that we are living in, if we don't embrace change, we become obsolete. This is a challenge for all of us to move forward and learn more.

> **Ali Mansour**
CEO of United electronic company – eXtra

Retailtainment: Crafting the Future of Immersive Experiences

The concept of retailtainment stands as a transformative force in retail, highlighting the fusion of retail and entertainment to captivate consumer engagement through immersive experiences.

Dion Pouw, Founder & CEO of 3DWD creators of WoW and **Pirakash T**, Head of Revenue & Growth, at Figure 8, discuss with **Laura Buckwell**, Broadcast Journalist, the transition from traditional retail strategies to innovative, experience-driven approaches that prioritize consumer interaction and enjoyment.

The effectiveness of retailtainment hinges on the ability to present unique and authentic experiences that resonate with consumers on a personal level. The focus is on storytelling, where the integration of technology serves not as the centerpiece but as an enhancer to the overall narrative. Successful implementations demonstrate that simplicity and relatability in experiences can often surpass the allure of high-tech solutions. The goal is to foster environments where consumers feel a sense of connection and are inspired to engage, share, and return.

This approach requires a keen understanding of consumer desires and behaviors, suggesting a tailored application of experiences across different demographic groups, with a notable emphasis on younger audiences known for their rich content sharing. **Moreover, the rise of social media as a central platform for engagement and visibility underscores the**

importance of creating “Instagrammable” moments that encourage digital sharing and virality.

The regional landscape offers fertile ground for retailtainment, with a consumer base that is receptive and eager for innovative experiences. This enthusiasm presents both an opportunity and a challenge for brands and retailers to dare beyond conventional boundaries and experiment with novel concepts that align with cultural preferences and consumer expectations.

The future of retail is intrinsically linked to the ability to offer immersive, authentic experiences that captivate and delight consumers. This entails a strategic blend of creativity, technology, and storytelling, tailored to resonate with targeted demographics.

As retail continues to evolve, the adoption of retailtainment strategies will play a critical role in defining brand differentiation and consumer loyalty.



I think in the country there’s a craving for new types of experiences. You need to take the learnings from what has been successful elsewhere and tailor it to what fits here culturally.

Dion Pouw



We believe in creating spaces where people can go and really enjoy themselves. I think the experience we have been able to deliver is very successful as we make people feel like kids again.

Pirakash T



Kinan is one of the leading Saudi companies in the development and management of residential communities and commercial centers in various cities of Saudi Arabia. Driven by the passion of a better lifestyle for residents and visitors through offering modern properties for a distinguished way of life and developed community.

9
Shopping Malls



6
Cities in KSA

Aliat Mall Expansion in Numbers:



TOTAL GREEN AND OPEN AREAS:	25,000 m ²	TOTAL INVESTMENT:	SAR 220M
TOTAL BUA:	35,000 m ²	NUMBER OF RENTAL UNITS:	90
GROSS LEASABLE AREA OF THE EXPANSION:	16,000 m ²	HOTEL ROOM KEYS:	215
TOTAL AREA AFTER EXPANSION:	80,000 m ²	EXPECTED COMPLETION DATE:	DEC 2024

Integrating F&B in Retail: Beyond Food Courts

In the dynamic landscape of retail real estate, integrating food and beverage (F&B) offerings beyond traditional food courts has emerged as a pivotal strategy for attracting and retaining customers. This approach aims to enrich the shopping experience by offering a diverse range of dining options that cater to the evolving tastes and preferences of consumers.



Chef Eman Fallatah, Owner of Creative Eats Studio, **Rakan Aloraifi**, Founder of KIT Catering, **Magdelene Welch**, Senior Manager, Concept Development & Advisory Consulting at KEANE and **Phil Broad**, SVP with Alghanim, discussed with **Stefan Breg**, Managing Partner of Consulting at KEANE, entrepreneurship in the F&B sector, the rise of food halls as contemporary alternatives to classic food courts, and the challenges and opportunities associated with these ventures.

Entrepreneurship plays a crucial role in revitalizing retail spaces with innovative F&B concepts. Entrepreneurs are at the forefront of introducing unique culinary experiences that appeal to a broad audience, including both local and international flavors. These initiatives not only enhance the appeal of retail venues but also foster a sense of community and engagement among visitors.

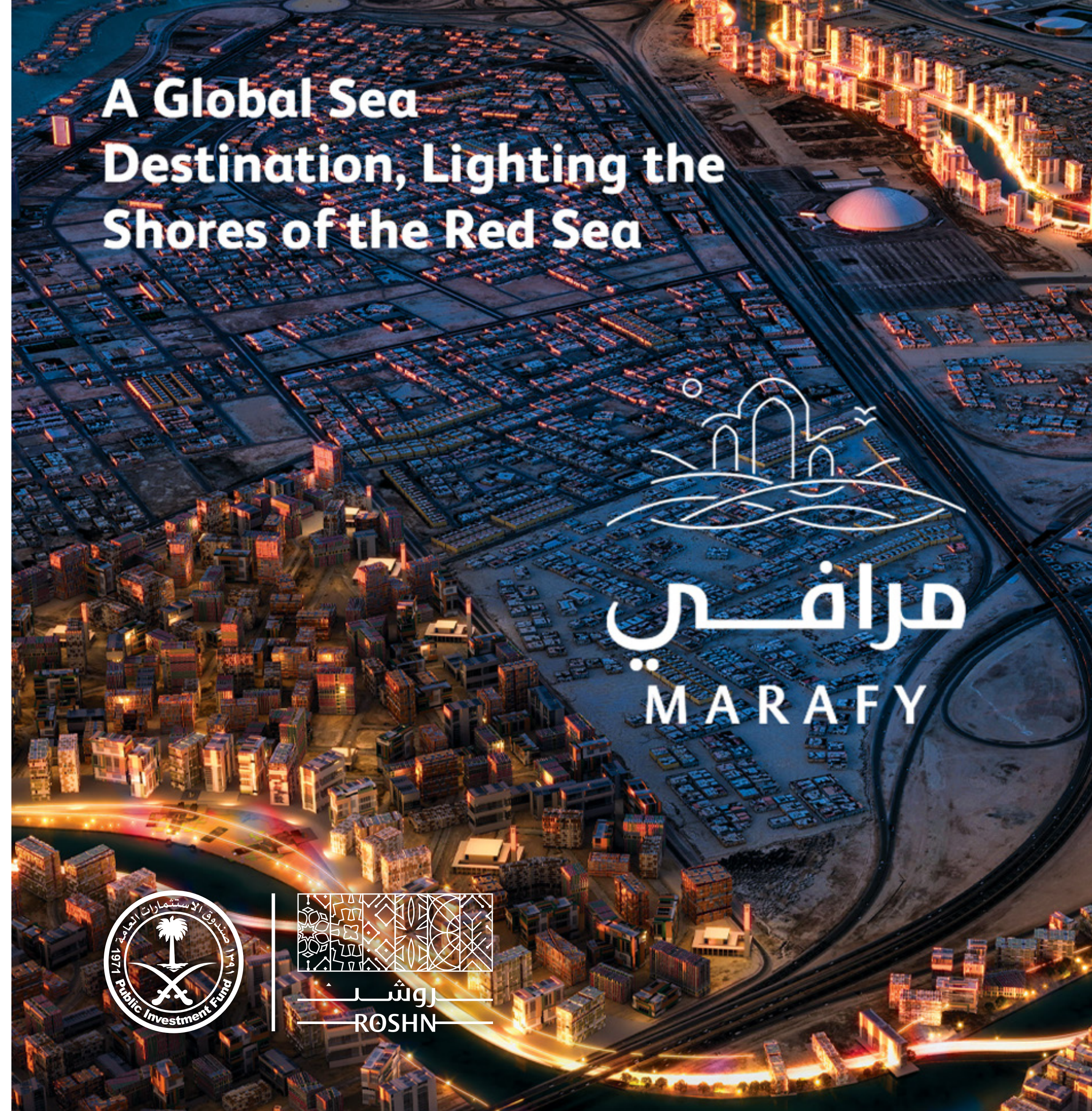
Food halls have gained popularity as a modern interpretation of the food court, offering a curated selection of gourmet options and artisanal foods. Unlike traditional food courts, which typically feature fast food and chain restaurants, food halls prioritize quality, authenticity, and culinary diversity. This shift reflects a broader trend towards experiential dining, where consumers seek out spaces that provide a combination of excellent food, ambiance, and social interaction.

However, integrating F&B into retail settings is not without its challenges. Entrepreneurs and retail operators must navigate regulatory hurdles, operational complexities, and the need for continuous innovation to remain competitive. **Additionally, the importance of understanding and adapting to local culture and consumer behavior to ensure the success of F&B ventures.**

The potential for food halls to coexist with traditional food courts suggests that both can thrive by serving different market segments and preferences. **The key to success lies in offering quality options and creating environments that encourage customers to linger, socialize, and explore.**

Integrating F&B into retail environments, particularly through the concept of food halls, represents a significant opportunity to enrich the consumer experience. By fostering private business initiatives and embracing culinary diversity, retail operators can create vibrant, multi-dimensional spaces that attract a wide range of visitors.

A Global Sea Destination, Lighting the Shores of the Red Sea



LEADERSHIP IN THE NEW NORMAL

The disruptive events of recent years have underscored the critical role of leadership in navigating the complexities of the new normal in retail and retail real estate. Effective leadership now demands a blend of resilience, adaptability, and a forward-thinking approach.

Leaders are tasked with steering their organizations through uncertainty, championing innovation, and fostering a culture that embraces change. In this context, leadership transcends traditional boundaries, encouraging collaboration, leveraging diverse perspectives, and prioritizing sustainability and ethical practices.

The goal is to build resilient organizations that are well-equipped to face future challenges, drive growth, and create meaningful impact. Leaders who embody these qualities inspire their teams, build trust with consumers, and set a course for long-term success in an ever-changing landscape.

The State of Retail

The retail sector is undergoing a transformative phase.

Mohammed Almulhim, Deputy Minister for Compliance and City Operators Sector at MoMRAH, **Mohamed Galal**, MD & CEO of United electronic company-eXtra, **Saud Alsulaiman**, CEO of Alsulaiman Group, and **Abdulmajeed Alsukhan**, Co-founder & CEO of Tamara, discuss with **Karl Nader**, Partner & Managing Director of AlixPartners, the rapid shifts in consumer behavior, economic pressures, technological advancements, and regulatory challenges.



> **Economic and Consumer Pressures**

Economic conditions have exerted significant pressure on consumer spending, with rising living costs leading to tightened consumer budgets. This economic strain is reflected in the shifting priorities of consumers, who are increasingly focused on essential spending. The retail sector has felt the impact of these changes, with certain categories experiencing downturns in consumer demand. Retailers are thus compelled to adapt, emphasizing affordability and value to cater to the more cost-conscious consumer.

> **Supply Chain and Operational Efficiency**

Supply chain disruptions have emerged as a significant challenge, prompting retailers to re-evaluate their inventory and logistics strategies. Additionally, operational costs have risen, driven by increased expenses in compliance, regulation, and the broader economic environment. The tightening of global interest rates further impacts cash flows, necessitating a strategic reassessment of investment priorities. Retailers are focusing on operational efficiency and cost management to sustain profitability amidst these challenges.

> **Technological Disruption and Digital Retail**

The proliferation of digital technology and online retail platforms has fundamentally altered the retail landscape. The post-pandemic era has seen a surge in online sales, highlighting the critical importance of a strong digital presence for retailers. This shift is accompanied by the growth of cross-border retail, presenting both challenges in terms of competition and opportunities for market expansion. Retailers are navigating these changes by enhancing their online offerings and optimizing the customer experience through digital channels.

> **Regulatory Collaboration and Market Adaptation**

Collaboration between the retail sector and regulatory bodies is crucial in addressing the challenges and leveraging the opportunities within the industry. Efforts to update legislation, enhance the regulatory framework, and improve the business environment are underway. These initiatives aim to create a more supportive and clear regulatory landscape for retailers, facilitating growth and innovation.

> **Innovation and Business Model Evolution**

To navigate the rapidly evolving retail environment, retailers are prioritizing innovation and re-thinking their business models. This includes the integration of sustainability practices, the application of artificial intelligence, and the exploration of social commerce. Embracing technological advancements and innovative retail formats is essential for engaging consumers and staying competitive. Additionally, the focus on creating efficient and cost-effective operations is vital for maintaining margins and ensuring business sustainability.

> **Future Outlook and Growth Strategies**

Despite the immediate challenges, there is optimism regarding the long-term prospects of the retail sector. Population growth, socio-economic reforms, and an evolving consumer base present substantial opportunities for market expansion and revenue growth. Retailers are strategizing around expansion, affordability, and customer-centric innovations to capitalize on these opportunities. The emphasis on embracing change, leveraging technology, and adapting to consumer needs is paramount for future success.

Retailers in KSA are navigating a complex landscape of economic pressures, consumer shifts, technological disruption, and regulatory changes. The commitment to adaptability and strategic foresight will be key in shaping the future of retail in an increasingly dynamic and competitive market



I would say the local challenge is the pressure on consumers' wallets. Overall, we need to make sure we are actually standing by the consumer in these tough times and look into ways we can become more affordable to even more people.

Saud Alsulaiman

View from the Top: Shaping the Future with Purpose



Yasser Joharji, CEO and Board Member at Nahdi Medical Company discussed with **Debashish Mukherjee**, Partner, Middle East & Africa Lead, Consumer & Retail at Kearney the importance and impact of purposeful business strategies.

Purpose is defined not merely as an aim but as the very essence of existence within the business realm, serving as a catalyst for magnifying the impact of actions across various sectors. This principle is particularly resonant within retail and healthcare, where the application of purpose transforms everyday transactions into opportunities for enriching lives. Authenticity in embracing purpose is critical, as a North Star guiding decision-making processes and fostering a culture of passion and extra capacity among teams, ultimately steering businesses towards success.

The narrative of Nahdi Medical Company exemplifies this, where purpose has been a foundational element since its inception, focusing on enhancing health and wellness for their customers—termed as guests. This commitment to purpose is illustrated through personalized service solutions, such as the facilitation of access to specialty medicine, showcasing how purpose-driven initiatives can concurrently achieve business growth and societal benefit.

The coexistence of profit and purpose underscores the necessity of authenticity in purpose implementation. Authentic purpose serves as a compass, prioritizing guest well-being even amidst challenges, such as ensuring the availability of essential goods during critical periods like the Covid-19 pandemic. Such actions underscore the belief in purpose preceding profit, with every decision rooted in enhancing guest lives.

Nahdi’s approach extends beyond the immediate sphere of retail, embracing digital innovation to expand its reach and impact. Through telemedicine and enhanced digital platforms, Nahdi has significantly increased medication adherence, demonstrating the scalability of purpose-driven initiatives in improving health outcomes. The call to personal health responsibility underscores the broader message: embracing a purposeful life enhances both individual well-being and the collective health of the community.

bracing a purposeful life enhances both individual well-being and the collective health of the community.

The integration of purpose with business strategy emerges as a transformative paradigm, where the genuine pursuit of enriching lives drives both societal progress and commercial success. This approach not only redefines the role of enterprises in society but also exemplifies the profound impact of leading with purpose.



Purpose in life is meaning. And meaning, I believe, is a multiplier. If you apply meaning to anything you do, you have the ability to multiply the effect of whatever you’re doing.

Integrating purpose into business practices presents a transformative approach to addressing complex challenges, promising net positive outcomes.

Prince Waleed N.F. Al Saud, Founder & CEO of Mukatafa discussed with **Debashish Mukherjee**, Partner, Middle East & Africa Lead, Consumer & Retail at Kearney the strategic role of advocacy in embedding purposeful and sustainable business practices.

Purpose in leadership transcends mere operational objectives, embedding deeper meanings into organizational and personal endeavors. It is conceived as essential for crafting strategies and cultivating cultures that are anchored in clear objectives. Within Mukatafa, purpose is defined as enhancing the nation’s well-being through active

breaking away from the government’s siloed approach to strategy and policy development.

The assessment of the compatibility of profit and purpose confronts the traditional dichotomy between the two. The contemporary understanding of sustainability redefines this relationship, emphasizing that profitability is essential for sustainable growth and positive societal impact. This modern perspective underscores the necessity for businesses to pursue profit with the intent to foster economic growth, job creation, and overall societal well-being.



If I was asked this question ten years ago, I would say no, profit and purpose cannot go together. But now understanding the concept of sustainability, my position has totally shifted. We cannot be sustainable and have a positive impact without making profits.



engagement in policy development and implementation, with a specific focus on collaborating with the private sector to improve the country’s legal and regulatory frameworks. This focus is partly driven by the recognition of the retail sector’s significant contributions to the GDP, its role as a major employer in Saudi Arabia, and its status as **the largest employer of Saudi women.**

Efforts are directed towards advocating for the retail industry by addressing issues that affect its growth, operational costs, and ease of doing business, with the aim of influencing policy reforms. The organization seeks to position the private sector, particularly retail leaders, as central to shaping and driving policy changes,

A call to action for retail leaders highlights an ongoing initiative to enhance talent upskilling within the retail sector, proposing a private-sector-led academy. This approach argues for the industry’s greater insight into its needs and future directions, advocating for agility and innovation over potential governmental overregulation.

The advocacy for purposeful action in business strategy and operations reflects a broader shift towards responsible and sustainable business practices, reinforcing the notion that purpose and profit can, and indeed must, co-exist to achieve long-term success and societal advancement.

The Race to Diversity and Inclusion

Creating a culture of diversity and inclusion within the retail industry is not just a moral imperative but a key driver of innovation, productivity, and profitability.

Sima Ganwani Ved, Founder and Chairwoman of Apparel Group spoke with **Norma Taki**, Retail and Consumer Market Leader, Transaction Services Partner and Inclusion and Diversity Leader at PwC Middle East about about the vital strategies to cultivate diversity and inclusion in retail businesses.

> The Foundation

Leadership plays a crucial role in shaping a company's approach to diversity and inclusion. A

individuals to navigate their careers within an inclusive framework.

> Diversity as Profit Lever

Evidence strongly supports the business case for diversity, showing that inclusivity in leadership roles significantly contributes to a company's bottom line. Apparel Group's experience highlighted how increasing female participation in the workforce to 36%, with 27% of them in leadership positions directly impacted their bot-



supportive and inclusive leadership style is characterized by mentorship, the encouragement of challenging societal norms, and the fostering of an environment where questioning the status quo is not only accepted but encouraged. Leaders who exemplify these qualities inspire their teams, drive innovation, and create a culture where diversity of thought and background is valued. The significance of mentorship cannot be overstated, as it provides a roadmap for

tom line positively. Diverse leadership teams are more innovative, better at problem-solving, and more capable of capturing new markets. Implementing policies that promote diversity is not just about doing what's right; it's about doing what's smart. As companies grow and evolve, adapting policies to reflect the current societal and business context is crucial for fostering an environment where every employee can thrive.

> Leadership Empowerment

Empowering leadership within the context of diversity and inclusion involves more than just setting quotas that can undermine the genuine contributions women can make to an organization. It requires a commitment to recognizing and nurturing talent based on merit and potential, regardless of gender or background. The presence of women in senior leadership positions, serves as a powerful catalyst for change, offering tangible examples of success that other women can aspire to. By increasing female representation in leadership and the workforce, companies send a powerful message about their values and commitment to creating a balanced and fair workplace.

> Inclusion Framework

Creating an inclusive workplace involves several key strategies, including the implementation of

> Change Imperative

For diversity and inclusion initiatives to be effective, they must be accompanied by actionable policies that address the specific needs and challenges of the workforce. This includes not only establishing policies that promote inclusivity but also regularly reviewing and adapting these policies to ensure they remain relevant and effective. Strategies as 'killing the stupid'—eliminating outdated policies and practices that hinder diversity, involves actively listening to employees and making systemic changes that promote inclusivity. A key insight into navigating this journey comes from the wisdom that one should never "leave the arena." This metaphor serves as a powerful reminder that the path to meaningful change is often met with resistance, and success lies in the determination to stay engaged and advocate for progress. By gently yet persistently presenting the case for diversity and inclusion to all stakeholders —be it senior management, family members, or colleagues—we illuminate the undeniable merit of such initiatives. The rationale is clear: embracing diversity and inclusion is not just the right thing to do; it's a strategic advantage that leads to better outcomes for the company. Thus, the imperative to change is not only about policies and numbers but also about fostering an environment where every voice is heard, and every perspective is valued, ensuring that no one feels the need to "leave the arena" of their professional or personal growth. Equity in opportunity and recognition within the organization is also crucial, ensuring that talent and potential are the primary factors in leadership and succession planning.

Collective Action

Collective action is a powerful tool for driving change within organizations. Starting from having partners who support rather than limit one's ambitions. This principle applies equally to business partnerships and personal relationships. This approach is not merely about seeking assistance but about actively engaging a diverse coalition of voices to echo the call for change. It's a call to move beyond passive support to active participation, highlighting the importance of gathering voices across the spectrum—male, female, and beyond—to champion the cause of inclusion. By gathering support from colleagues across genders and roles, individuals can amplify their voices and advocate for diversity and inclusion initiatives more effectively. This collective effort to persuade and prove the value of diversity and inclusion to management and peers alike is where the real impact lies. By invit-

ing everyone to participate in the discourse and action, we underscore the notion that achieving a truly inclusive workplace is a shared responsibility and goal, making it evident that numbers do, indeed, matter.

The journey toward a more inclusive and equitable workplace within the retail industry is ongoing and requires commitment from all stakeholders. By embracing diversity and fostering an inclusive environment, businesses can unlock new levels of innovation, productivity, and profitability. As the retail sector continues to evolve, the commitment to diversity and inclusion will undoubtedly play a critical role in shaping its future, making it more vibrant, inclusive, and successful.



The whole chatter about diversity is almost the same as the chatter about AI. How many companies here don't want to adopt AI? Everybody does because you see the merit in it. So why would you not do the same for diversity?

Blending Retail and Investment: A Women-Led Journey to Redefining Success

> The integration of retail and investment by women leaders marks a pivotal shift in redefining success within the sector.

Karen Wazen, Digital Entrepreneur and Marigay McKee, Co-Founder of Fernbrook Capital Management LLC discuss with Lynn Al Khatib, Vice President of Communications at Chalhoub Group the multifaceted roles women play in the retail industry.

Transitioning from a social media or content creation background to launching a brand came with its set of advantages and challenges for Karen Wazen. **Having an established personal brand meant there was little margin for error, as any mistake could have disproportionately high costs, both financially and in terms of the trust and reputation** built with their community. Moreover, she faced skepticism due to prevailing stereotypes about women and content creators in the business world, with doubts cast over their brand’s potential to scale and compete with established names. However, **this skepticism served as motivation to prove the critics wrong and demonstrate the viability and growth potential of their brand.**

Another challenge was the lack of financial literacy among women, particularly in the context of entering the business world. The overwhelming nature of business jargon and feeling out-matched in discussions dominated by more experienced, predominantly male, counterparts initially hindered their confidence. **Despite these obstacles, her belief in the brand’s vision and the power of storytelling fueled her determination to succeed.** Storytelling is highlighted as a crucial element of brand building, in a journey of overcoming gender-based barriers with self-belief and resilience in the face of industry challenges.

Karen Wazen’s experience underscores the evolving landscape where digital engagement and personal narratives are integral to retail success. Initially, the ecommerce plat-



form was her primary focus, leveraging personal reach to gain early traction. However, the collaboration with department stores and wholesalers marked a turning point, emphasizing the importance of these partnerships for brand credibility and market expansion. **This strategy enabled the brand to enter new markets beyond their regional boundaries, partnering with other retailers to target diverse consumer segments.** Interestingly, the pivot towards a direct-to-consumer (B2C) retail strategy emerged somewhat accidentally opening a retail space in Lebanon, which unexpectedly outperformed expectations, revealing the potential of retail stores to contribute significantly to the brand’s growth. **Despite maintaining a presence in department stores, which bolstered brand credibility, owning retail outlets provided a unique experience and a clos-**

er connection to consumers, emerging as a focal point in their business strategy. This approach has resulted in remarkable growth, highlighting the significant impact of integrating physical retail spaces into their business model.

The strategic expansion from digital platforms to physical retail underscores the shifting paradigms of the industry, where an online presence complements offline experiences, enhancing brand visibility and consumer reach. This approach illustrates the changing consumer behavior and the growing demand for an integrated shopping experience, emphasizing the need for brands to adopt a hybrid retail strategy to remain competitive.

Marigay McKee’s career trajectory through iconic retail brands to a venture fund in con-



sumer tech reflects the profound evolution of retail, particularly in department stores. From the 1980s, when department stores dictated fashion trends in a teacher-pupil dynamic, the 1990s’ shift towards a more consultative experience akin to a doctor-patient relationship marked a departure from the one-size-fits-all approach of the past. **The arrival of the digital age in the 2000s accelerated these changes, compelling department stores to evolve into hosts for their guests in an increasingly experience-oriented industry.** However, the digital revolution challenged their dominance, effectively reversing the dynamic to where department stores became guests striving to meet the sophisticated demands of a knowledgeable consumer base. This story line underscores the necessity for continuous innovation in retail, emphasizing the importance of digital integration, personalization, and experiential engagement in maintaining relevance and competitiveness in the evolving retail landscape.

Emphasizing the importance of a clear brand identity, there are many challenges faced by

Saudi designers in making their brands resonate across diverse markets. The key lies in understanding geographical preferences and customer demands, suggesting that while a brand may thrive in the Middle East, its success might not directly translate to markets like the United States or Europe without some degree of adaptation. **This calls for flexibility and a nuanced approach to brand presentation across different regions, underscoring the potential role of cross-border commerce platforms in supporting homegrown brands to expand internationally.**

Investing in female founders often leads to a chain reaction, attracting more female-led businesses to the fund as Marigay McKee noted. As a result, 65% of their fund comprises female-founded and led companies, not out of a preference for women but due to their knack for presenting disruptive and innovative ideas that challenge the traditional retail and branding landscape.

The importance of diverse thinking and the complementarity it brings to business strate-

gy, is highlighted in developing algorithms for online businesses. **Female engineers tend to create solutions that are more personalized and better aligned with consumer needs, presenting a significant growth opportunity for female-founded brands, especially in domains like beauty and fashion.** This perspective underlines the unique advantages of female-led innovations in creating more relevant and consumer-centric online experiences, reinforcing the potential for such brands to scale rapidly in their respective industries.

The importance of inclusivity and diversity in fostering a vibrant retail ecosystem underscores the importance of mentorship, financial literacy, and access to supportive networks for women in leadership and entrepreneurship within the industry. The intricate relationship between brand identity, consumer engagement, and retail strategy offers valuable insights into meeting consumer needs, building digital brands, and strategically utilizing physical spaces.



In the world that we’re living in today and the fast-paced world of retail, it’s really important to invest in brand marketing and have first of all, a very, very clear definition of what your brand is.

Marigay McKee

Upending Paradigms: Leadership in the New Normal

> In the rapidly evolving world of retail, the concept of leadership has undergone a transformative shift, necessitating a reevaluation of traditional paradigms to align with the demands of the new normal.



Ali Mansour, CEO of United electronic company – eXtra, **Hosam Arab**, Co-Founder and CEO of Tabby, **Adnan AlKhalaf**, CEO of Leejam Sports Company and **Michael Chalhouh**, President Strategy, Growth, Innovation & Investment and Joint Ventures at Chalhouh Group discussed with **Gemma D'Auria**, Senior Partner at McKinsey & Company, Milan the essence of leading in this new context, emphasizing the need for adaptable and forward-thinking leadership approaches.

> **Embracing Change and Lifelong Learning**

The imperative for leaders to stay abreast of technological advancements and incorporate continuous learning into their development strategy is highlighted. The anecdote of younger generations utilizing AI tools like ChatGPT serves as a poignant reminder of the urgency for leaders to adapt and embrace new technologies. This adaptability not only ensures organizational relevance in a rapidly evolving market but also fosters a culture of innovation and perpetual growth.

> **Mission-Oriented Leadership**

A results-driven approach, coupled with a strong alignment with organizational missions, is identified as crucial for driving performance. This orientation aids in prioritizing initiatives based on their potential impact on customers, thereby ensuring a balance between short-term achievements and the long-term vision of the organization. The narrative underscores the importance of integrating a mission-centric perspective into decision-making processes, reflecting a commitment to generating positive outcomes that resonate with customer needs.

> **Supportive and Inclusive Leadership**

Leadership extends beyond directing outcomes, emphasizing a supportive role that



fosters diverse perspectives and encourages authenticity. This model of servant leadership, where the leader acts as a facilitator and coach, nurtures an environment where team members feel valued and empowered to contribute their unique insights. The inclusivity inherent in this approach not only enriches the decision-making process but also enhances team cohesion and individual job satisfaction.

> **Aligning Goals**

The significance of comprehending the intricacies of team dynamics and customer relations is discussed, highlighting the necessity of blending analytical and interpersonal skills. Leaders are encouraged to delve into the motivations and aspirations of their teams, ensuring that organizational strategies resonate on a personal level with employees. This alignment between organizational goals and individual values cultivates a sense of purpose and fulfillment among team members, driving productivity and engagement.

> **Hands-On Leadership**

The advocacy for leaders who are not merely strategists but active participants in the organization's operational aspects is emphasized. This hands-on approach ensures a deeper understanding of challenges and fosters agile problem-solving capabilities. Sharing insights from effective leadership models, such as the CTO at noon, illustrates the benefits of direct involvement in executing the organizational vision, enhancing responsiveness, and fostering innovation.

> **Balancing Tradition with Innovation**

The dialogue explores the balance between upholding traditional values and embracing change. By infusing long-standing organizational principles with fresh perspectives and innovative practices, leaders can steer their companies towards sustainable growth while maintaining their core ethos. This balance is pivotal in redefining industry standards and ensuring the company's relevance in a competitive landscape.

> **Leadership Development: A Paradox**

Despite the acknowledged importance of cultivating leadership skills, the actual investment in leadership development is often found lacking. This paradox highlights the need for a more concerted effort to foster leadership qualities across all organizational levels, ensuring a robust pipeline of future leaders equipped to navigate the challenges of the retail sector's new normal.

Effective leadership in the retail sector's evolving landscape requires a thorough understanding of the interplay between adaptability, continuous learning, mission orientation, and authenticity. By embodying these principles, leaders can steer their organizations toward enduring success, navigating the complexities of innovation and disruption with agility and foresight.

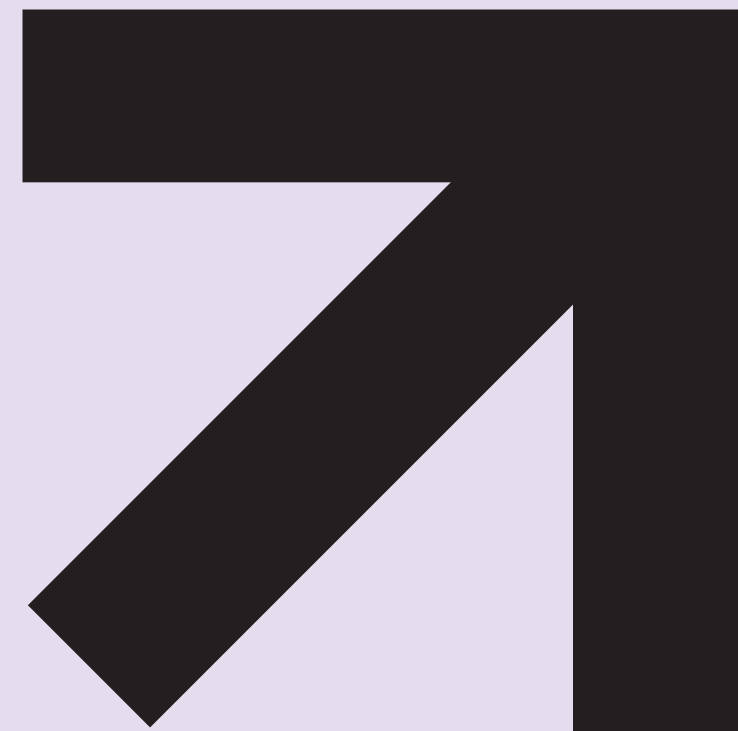
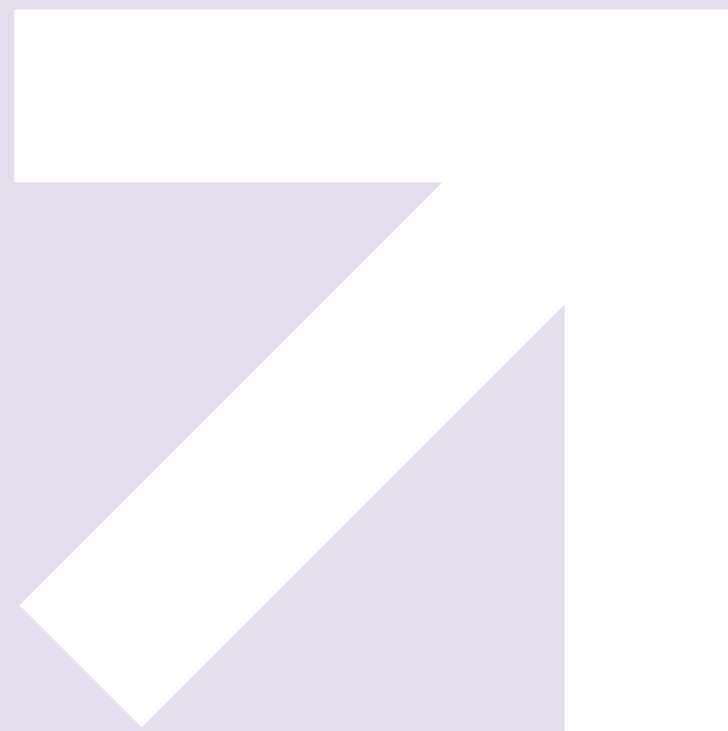


It starts with the very person in the leadership role to create that opening for others to shine and grow.

Ali Mansour

BNPL in the GCC

A Stellar Ascent with Promising Prospects



Discover insights from Tamara and Retail Leaders Circle, the GCC's leading BNPL platform, as they dive into the meteoric rise and vast potential of the GCC's thriving BNPL industry in their latest white paper.

Explore the white paper [here](#)



Simplify payments, elevate experiences

Attract more customers, boost sales, and unleash your business potential. Allow your shoppers to Split payments in up to 4 or Pay in Full!

Top-line growth

50% Increase in Average Order Value (AOV)

12% Increase in Customer Acquisition

15% Increase in Conversion Rates

50% Increase in Customer Acquisition

15X ROI on Marketing Spend

Optimize your cost

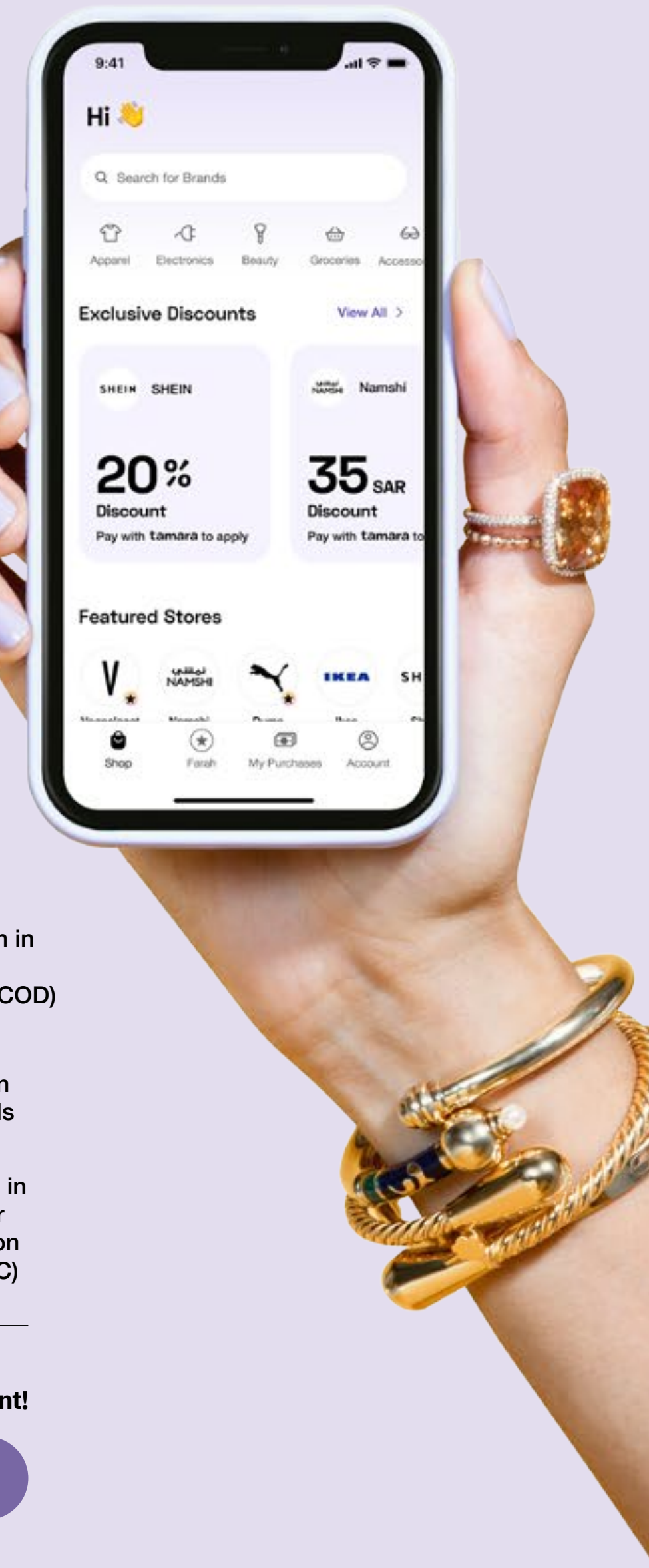
50% Reduction in Cash on Delivery (COD)

20% Reduction in Refunds

25% Decrease in Customer Acquisition Cost (CAC)

No late fees, Sharia Compliant!

APPLY TODAY



Available both online and in-store across KSA, UAE and Kuwait. Supports cross-border payments.

PURPOSE, PROFIT & CONSCIOUS CONSUMERISM

The intersection of purpose, profit, and conscious consumerism is marking a shift in consumers' behavior who now increasingly seek out brands that align with their values. This shift has prompted brands to integrate social responsibility, environmental care, and ethical considerations into their core business strategies. By doing so, companies not only meet the growing demand for sustainable and ethical products but also build stronger, more meaningful connections with their customers.

This trend towards conscious consumerism is driving innovation in product development, supply chain management, and customer engagement. **Retailers are exploring new materials, processes, and business models that minimize environmental impact and promote social good.**

In turn, these efforts are translating into competitive advantage, brand loyalty, and financial performance, proving that purpose and profit can go hand in hand in the new retail landscape.

Charting the Uncharted: Transformation Crossroads



The retail sector is currently at a pivotal juncture, marked by polarization on spending, lower gross margins and higher operational expenses, prompting retailers to reimagine their strategies and operations.

Bander T. Hamooh, CEO of Panda Retail Company, **Sélim Chidiac**, CEO of Lazurde Company for Jewelry and **Abdel-Salam Bdeir**, CEO of SACO spoke with **Hisham Abdul Khalek**, Partner & Managing Director at AlixPartners about their strategic initiatives to navigate these changes.

> **Consumer-Centric Transformation**

Retailers are increasingly prioritizing direct engagement with consumers to better understand their preferences and behaviors. This strategic pivot from wholesale to direct retail and e-commerce channels allows businesses to collect valuable consumer insights firsthand. The creation of new brands and product lines tailored to specific consumer segments exemplifies a targeted approach to satisfying diverse consumer demands.

The development of new brands and product assortments is a key element of this consumer-centric approach. Retailers are focusing on diversifying their offerings to cater to various consumer needs, from premium products to more affordable options. This strategy includes not only expanding product ranges but also refining product quality and price points to enhance value for the consumer.

Improving the in-store experience is crucial for attracting and retaining customers. Retailers

have invested in revamping store layouts and product offerings, particularly in high-impact areas such as fresh food departments. These efforts are aimed at creating an inviting and efficient shopping environment that encourages repeat visits.

The role of technology in enhancing customer experience cannot be overstated. Investments in digital platforms, category management systems, and staff training programs are designed to ensure that every customer interaction is positive and engaging. These initiatives underscore the importance of both technological solutions and human capital in delivering superior customer service.

> **Operational Efficiency and Optimization**

Efficient supply chain management has emerged as a critical factor for retail success. Initiatives aimed at improving shelf availability through centralized ordering and supply chain optimization have led to increased sales and reduced operational costs. Retailers have also focused on optimizing their store footprints, closing underperforming locations while streamlining their operations to boost efficiency.

In an effort to combat rising operating expenses and squeezed margins, retailers have implemented various cost-reduction strategies. These include renegotiating supplier contracts

to secure better terms and reducing operational costs through strategic store closures and operational streamlining. These measures have not only improved gross margins but also contributed to a healthier bottom line.

> **Financial Management and Sustainability**

Financial discipline is a key component of successful retail management. Strategies to reduce borrowing costs, optimize inventory levels, and improve working capital efficiency have been pivotal. Retailers have demonstrated a proactive approach to financial management, from reducing bank loans to negotiating more favorable payment terms with suppliers, which has enabled them to maintain profitability in challenging times.



I believe the most important thing in this journey is to have a proper diagnosis, look at people, process systems, financials, legal, study your footprint and look at your competitors. And based on that diagnosis, identify what is the root cause impacting your financial results.

Bander T. Hamooh

Ensuring sustainable growth includes continued investment in digital transformation, exploring new market opportunities, and adopting a long-term perspective on business development. The emphasis on building a sustainable business model reflects an understanding that adaptability and financial health are essential for long-term success.

> **Future Aspirations and Strategic Direction**

Future aspirations among retail leaders include harnessing artificial intelligence and digital innovation to enhance customer personalization and operational efficiency. The goal is to leverage data analytics and machine learning to deliver personalized customer experiences and optimize business operations.

Creating a culture that values performance, accountability, and innovation is also a key aspiration. Retailers are focusing on empowering their teams, recognizing, and rewarding performance, and fostering a culture of excellence. This approach aims to ensure that the organizational culture aligns with strategic objectives and supports sustainable growth.

The retail sector's response to current challenges and opportunities is multi-dimensional, involving strategic shifts in consumer engagement, operational optimization, customer experience enhancement, and financial management.

Sustainability Leadership in Retail

Hani Weiss, CEO of Majid Al Futtaim - Retail, discussed the importance and impact of sustainability with **Cyrille Fabre**, Senior Partner at Bain & Company Middle East. In the evolving landscape of global retail, sustainability has emerged as a cornerstone for long-term success and environmental care.

A pivotal approach to sustainability in retail involves embedding environmental and social considerations directly into the core business model. The essence of this strategy lies in balancing economic goals with environmental care and social responsibility. A paradigm of this approach, illustrated by Majid Al Futtaim, showcases a structured framework based on rethinking resources, transforming lives, and empowering employees. Through setting science-based targets and enhancing transparency via systematic reporting, businesses can demonstrate a profound commitment to sustainability.

but also meet evolving consumer expectations for sustainable shopping experiences. The transition towards sustainable retailing necessitates active consumer engagement and encouragement of eco-conscious behaviors. Implementing measures that initially challenge conventional shopping habits, such as retrofitting refrigeration units with doors, highlights the importance of educating consumers about the environmental benefits of such changes. **Successful retail leaders leverage strategic communication and incentives to foster a culture of sustainability among consumers,**

circularity represent how collective action can address comprehensive emission reductions and promote the principles of a circular economy. **By partnering with suppliers and engaging in sector-wide collaborations, retail businesses can amplify their sustainability impact, addressing broader environmental challenges such as scope 3 emissions.**

The pursuit of sustainability in the retail sector is both a challenge and an opportunity, demanding a shift in how companies operate, engage with consumers, and collaborate with partners. The collective efforts of the retail industry will be crucial in advancing towards a more sustainable and equitable future, underscoring the importance of shared commitment and action in this transformative journey.



Operational excellence in sustainability is marked by the adoption of innovative solutions that minimize ecological footprints. This encompasses practices such as securing Green Star certifications for new outlets, integrating energy-efficient technologies, and committing to the elimination of single-use plastics. Majid Al Futtaim exemplifies how these initiatives not only adhere to environmental responsibilities

demonstrating that informed engagement can lead to positive sales outcomes and greater acceptance of sustainable practices. Achieving significant environmental impact extends beyond individual company actions to encompass collaborative efforts across the value chain. Initiatives like the formation of sustainability forums and associations for packaging



We started with a very simple aspiration: “Change today to change tomorrow.” This slogan guides our sustainability transformation agenda, focusing on rethinking resources, transforming lives, and empowering our people.



THE CLOCK TOWERS SHOPPING CENTER

The Clock Towers Shopping Center is part of The Clock Towers Complex, which strategically falls in the heart of Makkah. It is the greatest meeting point for cultures coming from around the world as it welcomes more than 20 million visitors every year. The Clock Towers Shopping Center is offering leasing services for you to grow your business by joining our team.

For inquiries : leasing@theclocktowers.com



Retail Innovation vs. Customer Expectation: Who is Falling Behind?

The intersection of retail innovation and customer expectations has emerged as a critical area of focus in the rapidly evolving retail landscape. Recent insights reveal a significant gap between the pace of technological advancements within the retail sector and the rising demands of consumers, particularly in the Saudi market.

Dina Al Sabbagh, Research & Insights Lead at Snap Inc. and Mohammed Dhedhi, Consumer & Retail Partner MEA at Kearney, explain that despite retailers recognizing the urgency to embrace digital transformation and innovate, a common challenge has been the precise understanding and implementation of these innovations in a manner that aligns with shifting consumer behaviors and preferences.

A comprehensive analysis involving over 1,000 Saudi consumers alongside in-depth interviews with retail experts uncovered several key findings. It was noted that **less than 30% of Saudi consumers view the retail sector as a leader in technological innovation, placing it behind government and consumer services in terms of digital advancement.** This discrepancy highlights the urgent need for retailers to adopt a more integrated and customer-centric approach to innovation.

The research identified a prevailing mindset among retail executives that treats innovation as a separate entity rather than an intrinsic part of their operational strategy. This mindset hinders the ability to leverage technology effectively across various facets of the business, from enhancing customer engagement to streamlining back-end operations. Key areas of focus for driving retail innovation include optimizing digital advertising, building strong

brand identities in the digital sphere, maximizing ecommerce potential, improving in-store operations through technology, and reinforcing supply chain efficiencies.

To bridge the gap between retail innovation and customer expectations, the study recommends a shift towards viewing technological advancements as enablers for enhancing existing consumer needs and behaviors. For instance, the increasing preference for on-line and hybrid shopping models among Saudi consumers underscores the importance of integrating offline experiences within a broader digital strategy. Additionally, the proliferation of mobile usage presents an opportunity for retailers to engage with consumers more effectively through personalized, tech-driven solutions.

Ultimately, the study emphasizes the need for a holistic approach to retail innovation, one that transcends traditional boundaries and fully embraces the potential of digital technologies.

By aligning innovation efforts with the evolving needs and expectations of consumers, retailers can foster more meaningful connections, drive growth, and remain competitive in the evolving retail landscape.

In sectors such as beauty, with a plethora of consumers to be served, it is very important to have a hybrid approach in order to achieve the right share of wallet.

Simone Dominici
CEO, KIKO Milano



Retail Leaders' Perspectives

It's just a matter of time before we see the brands from the region expanding to global markets.

Neeraj Teckchandani
CEO, Apparel Group

10TH RLC THEMES > PURPOSE, PROFIT & CONSCIOUS CONSUMERISM

Hybrid Retail: The New Norm

Hybrid retail represents the innovative blending of physical and digital shopping experiences, offering consumers a seamless and integrated approach to purchasing products across multiple channels.

Simone Dominici, CEO of KIKO Milano, Çağrı Orçan, Co-founder & CSO at Akinon and Otto Williams, Senior Vice President, Head of Product, Partnerships & Solutions CEMEA at Visa discussed with Raffaella Campagnoli, Chief Strategy & Transformation Officer at Majid Al Futtaim Retail the challenges hybrid retail entails for businesses.

The complexity of maintaining a unified brand identity across diverse markets is exemplified by KIKO Milano's international expansion. This expansion underscores the necessity for clear

However, the integration of digital commerce platforms emphasizes the operational complexities of a unified commerce ecosystem that aims to create a seamless operational flow and accommodate multiple purchasing paths and enable sales across any channel at any time. **Customer satisfaction and operational excellence should be the core objectives from the beginning.** By prioritizing a straightforward approach initially, then progressively implementing more sophisticated systems like order management, Akinon facilitates a transition to unified

perience across channels, enhancing customer satisfaction and loyalty. Furthermore, strategies need to include managing fraud and risk more effectively, and ultimately growing basket size, especially with emerging payment preferences like buy now, pay later among Gen Z consumers. **The integration of these elements not only improves the customer experience but also contributes to operational efficiency and cost reduction for retailers.**

Hybrid retail emerges as a key strategy for businesses looking to adapt to the changing preferences of their target audiences and maintain a competitive edge in the market. Transitioning to unified commerce necessitates substantial investments in technology, training, and consultancy, justified by the potential for increased market penetration, customer loyalty, and operational efficiency.



brand guidelines that ensure a coherent presentation across various channels and geographies, addressing the unique needs and behaviors of individual consumers in a globally diversified market. **Highlighting the project's complexity, there is substantial investment in integrating various platforms and hardware across a large number of stores and training thousands of staff.**

The transition from viewing unified commerce as merely a convenience to recognizing its role in empowering consumers, suggests a shift towards evaluating success through customer satisfaction and net promoter scores rather than traditional key performance indicators. **This approach signifies a move towards prioritizing the quality of customer experience over quantifiable metrics in isolation.**

commerce. Failure to implement systems like order management from the start can lead to failed deliveries and dissatisfied customers, underscoring the critical nature of a well-orchestrated unified commerce strategy that places the customer at the center of all operations.

The integration of payment processing within the unified commerce framework highlights the strategic importance of converging consumer data, inventory management, and payment systems. This convergence enhances customer satisfaction by offering convenience, security, and personalized engagement through innovative payment solutions that cater to both offline and online transactions. **There is a notable shift from traditional brick-and-mortar to a click-and-mortar approach where consumers enjoy both in-store experiences and online interactions.** Visa's solutions, like card-linked offers, enable a unified shopping ex-



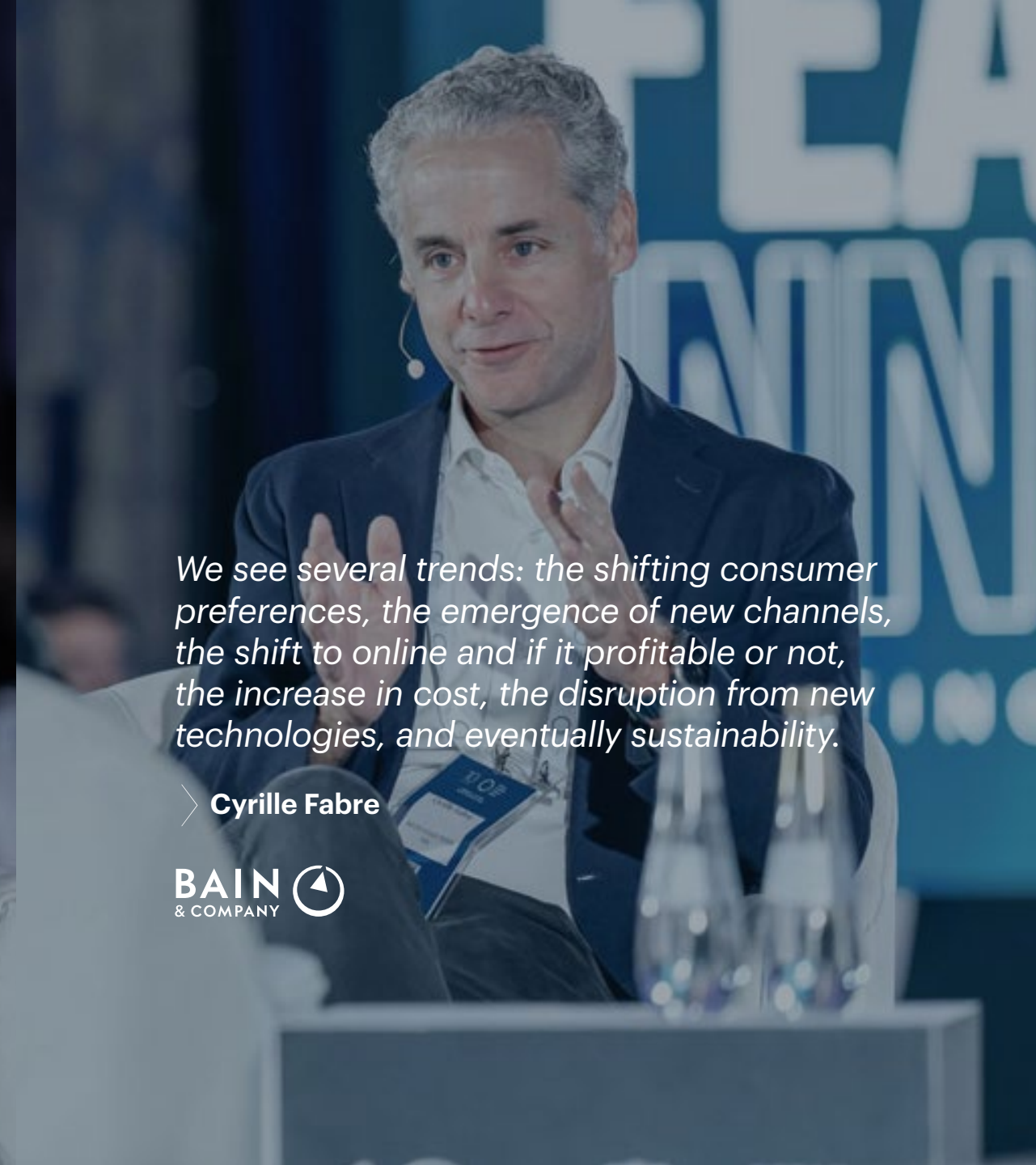
Most of the time, I have seen companies starting from technology to move towards unified commerce, which to me is wrong. You need to start with the people, the objective, the strategy, and then identify the technology that serves your business. Because otherwise you will never see a return on your investment.

Simone Dominici



If you can create that loyalty, even if you don't get the sale on this one time, over the long term, those customers stay loyal to you. And that's what's really more important to the bottom line.

➤ **Mina Fader**



We see several trends: the shifting consumer preferences, the emergence of new channels, the shift to online and if it profitable or not, the increase in cost, the disruption from new technologies, and eventually sustainability.

➤ **Cyrille Fabre**



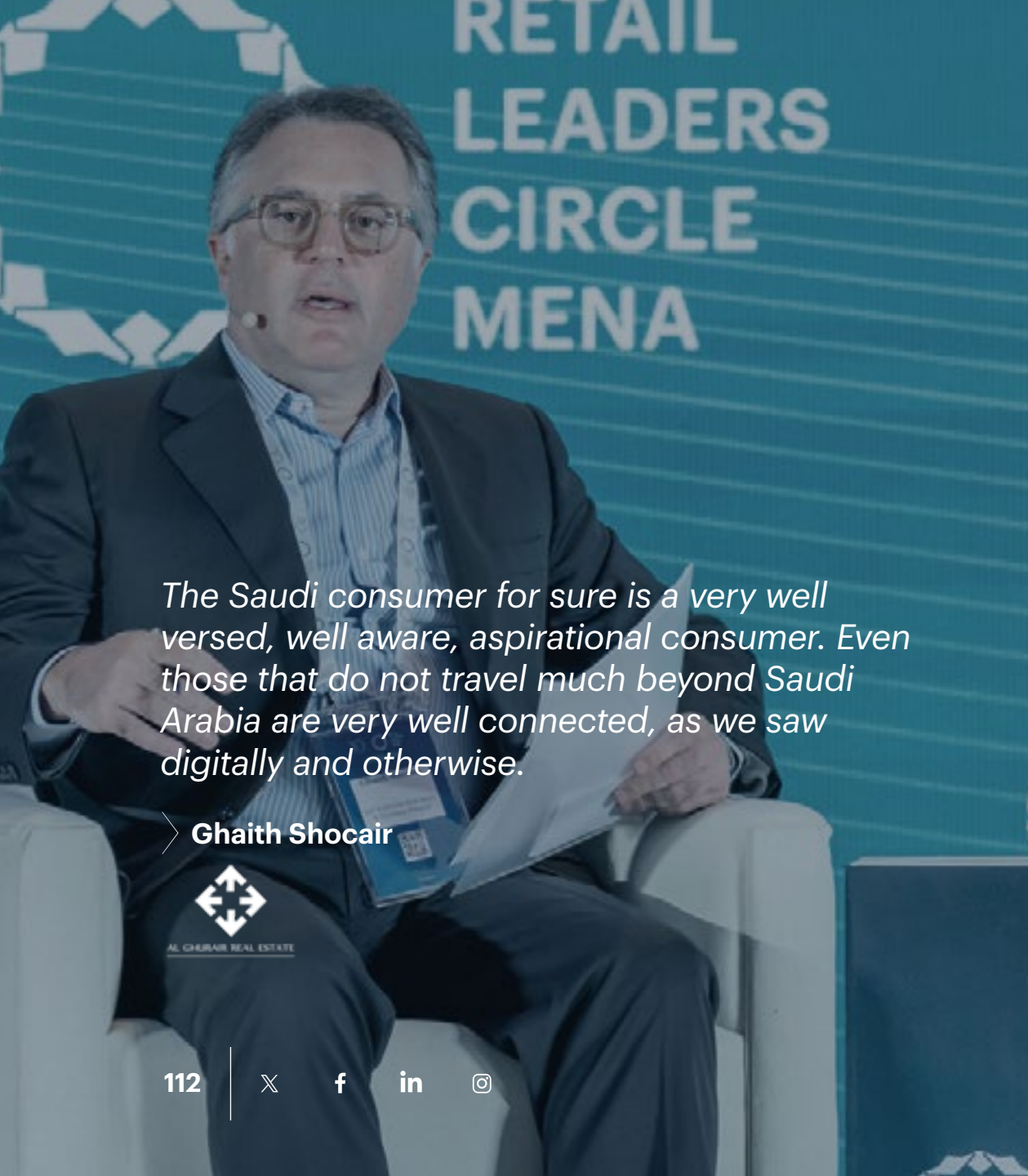
It's very interesting when we talk about homegrown brands and I think we've heard earlier on-stage that it really takes awareness, credibility, and being in touch with your consumer.

➤ **Lynn Al-Khatib**



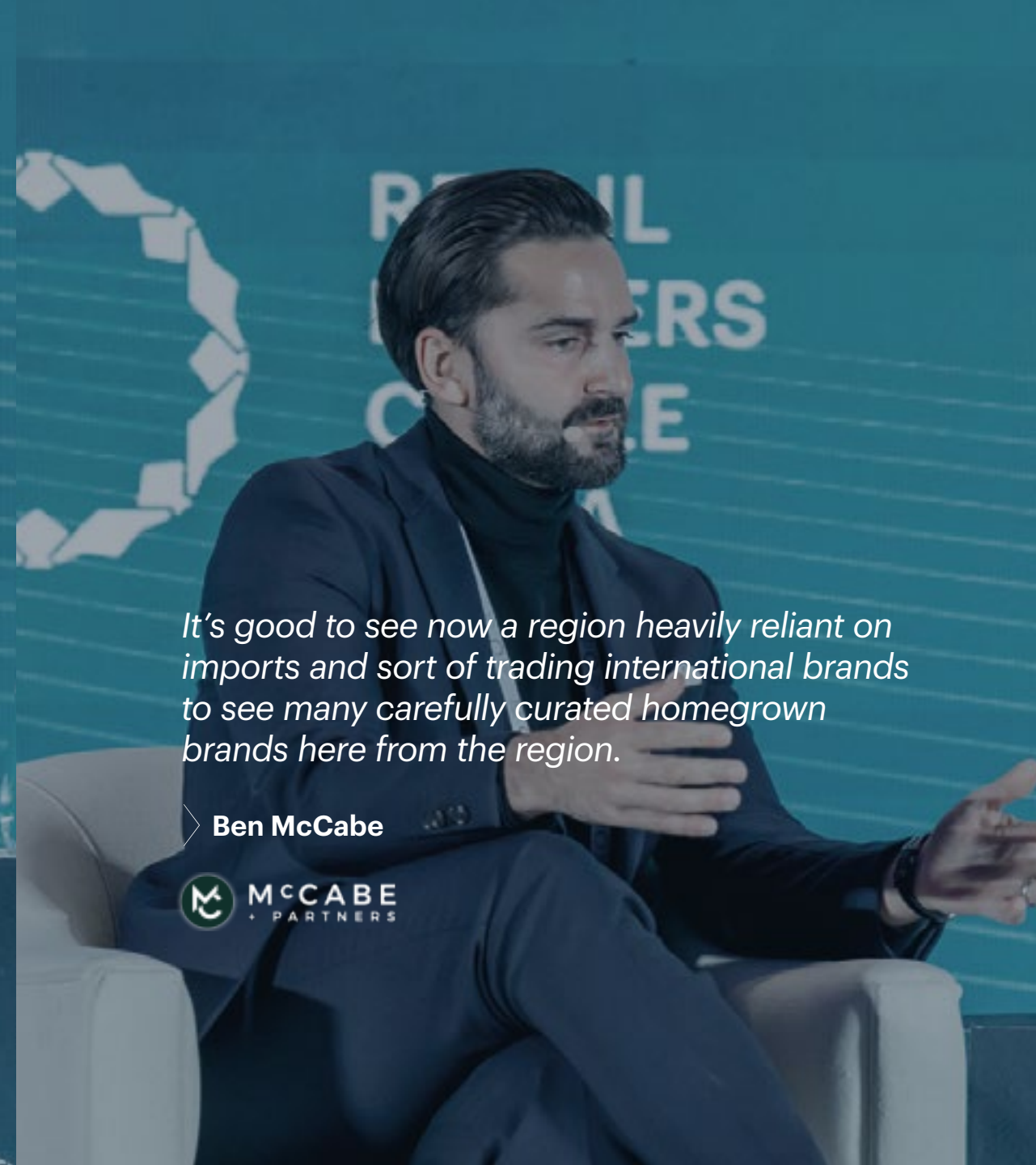
If you look at profit and loss of retailers, but also companies across industries in Saudi, their operating expenses are going up, making it very difficult from a profitability point of view.

➤ **Karl Nader**



The Saudi consumer for sure is a very well versed, well aware, aspirational consumer. Even those that do not travel much beyond Saudi Arabia are very well connected, as we saw digitally and otherwise.

➤ **Ghaith Shocair**



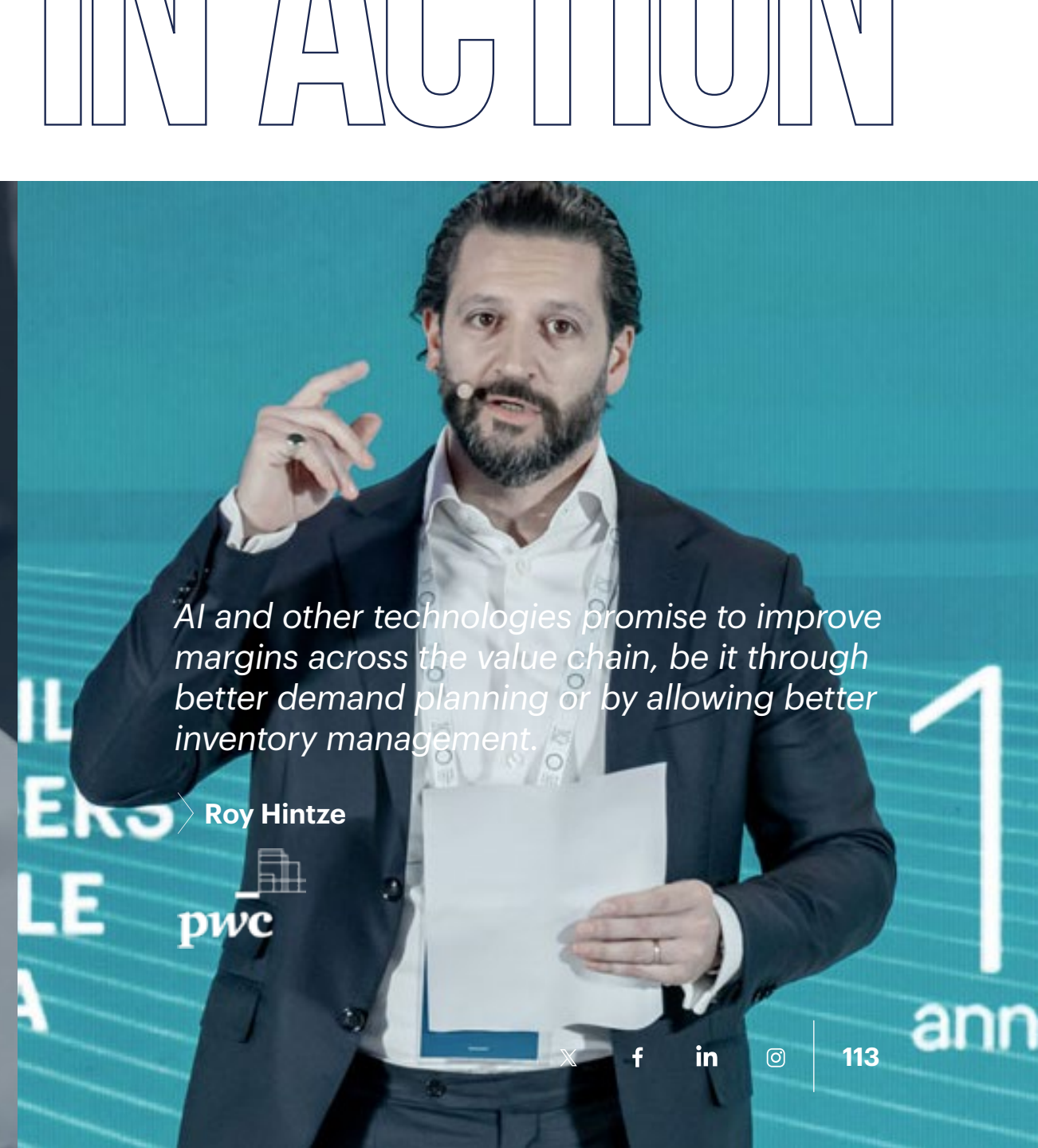
It's good to see now a region heavily reliant on imports and sort of trading international brands to see many carefully curated homegrown brands here from the region.

➤ **Ben McCabe**



We've come to discover that the innovation of the private sector is faster than the regulations that exist today and that reflects how trends shift.

➤ **Razan Farham Alaqil**



AI and other technologies promise to improve margins across the value chain, be it through better demand planning or by allowing better inventory management.

➤ **Roy Hintze**



KEY TAKEAWAYS

The retail sector, a key player contributing significantly to Saudi Arabia's non-oil GDP, stands at the forefront of significant change, characterized by unprecedented technological growth and changing consumer demands. The key to navigating the evolving landscape lies in fearless innovation: a bold embrace of new technologies, a steadfast commitment to diversity and inclusion, and a strategic approach to sustainability and collaboration.

EMBRACE EXPERIENTIAL RETAIL

Focus on creating experiences rather than just selling products to attract consumers who prioritize value for money and unique experiences.

FOCUS STRATEGICALLY ON INCLUSION & SUSTAINABILITY

Embracing diversity and inclusion is a competitive advantage for businesses. A broader range of perspectives enhances decision-making processes, fosters innovation, and supports a deeper connection to diverse customer bases.

With a significant portion of consumers willing to pay more for eco-friendly products, retailers must incorporate sustainability into their business models. Eco-friendly practices and buildings that support sustainability can attract retailers and consumers alike.

UNDERSTAND AND MEET THE CHANGING CONSUMER

The need to cater to a wide range of consumers, from brand-loyal older generations to budget-conscious Gen Z shoppers requires tailoring product offerings, marketing strategies, and shopping experiences.

Rising marketing strategies include social commerce with a focus on convenience in the buying process, and storytelling which creates a deeper emotional connection to the brand.

INVEST IN TALENT

As retail becomes more technologically driven and customer-focused, investing in the right talent and ongoing training for staff is a critical factor.

ADOPT AI AND DIGITAL TECHNOLOGIES

AI and digital technologies are no longer optional but an absolute necessity to stay competitive and offer a consistent and seamless experience across all channels, ensuring the responsible use of consumer data to maintain trust.

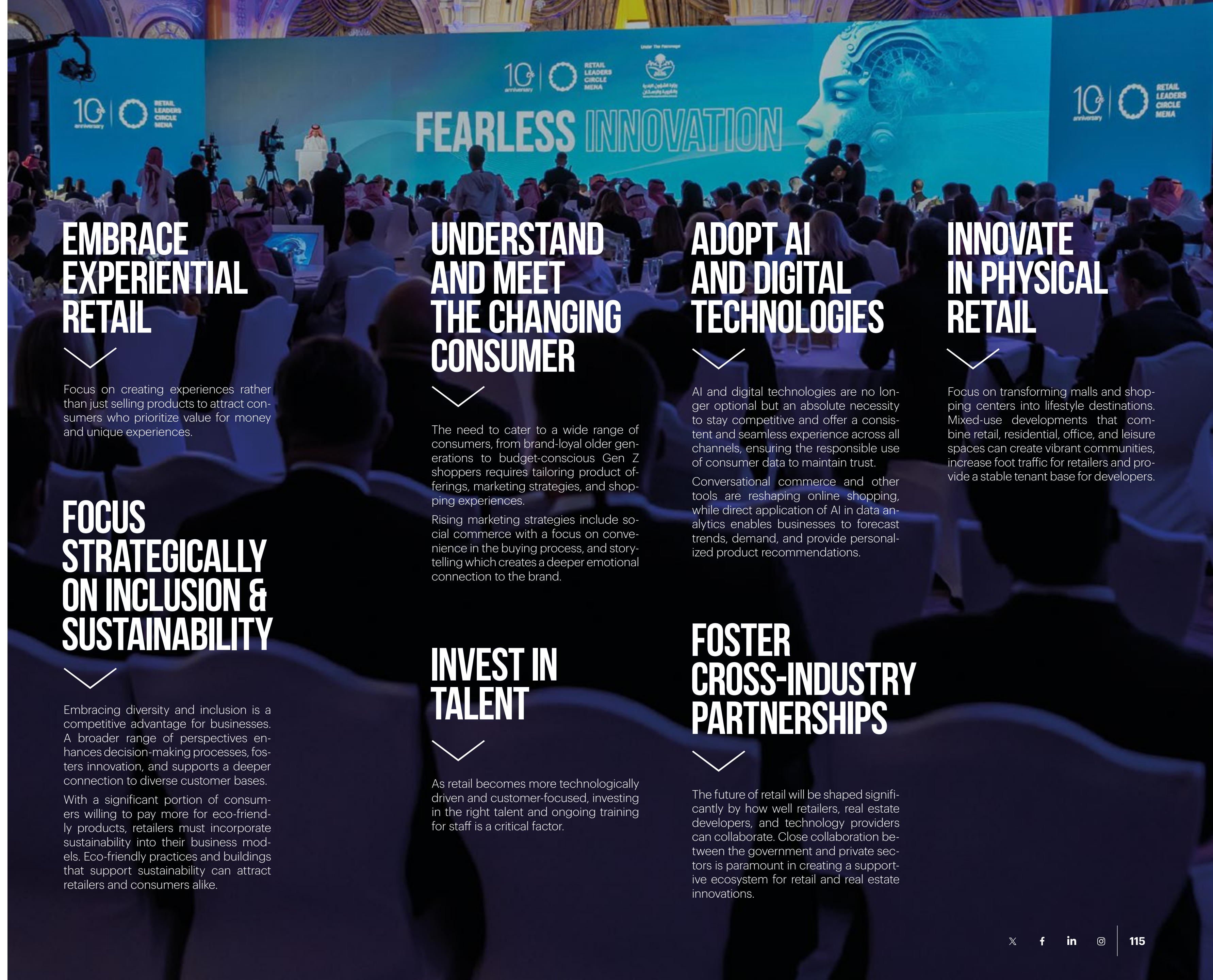
Conversational commerce and other tools are reshaping online shopping, while direct application of AI in data analytics enables businesses to forecast trends, demand, and provide personalized product recommendations.

FOSTER CROSS-INDUSTRY PARTNERSHIPS

The future of retail will be shaped significantly by how well retailers, real estate developers, and technology providers can collaborate. Close collaboration between the government and private sectors is paramount in creating a supportive ecosystem for retail and real estate innovations.

INNOVATE IN PHYSICAL RETAIL

Focus on transforming malls and shopping centers into lifestyle destinations. Mixed-use developments that combine retail, residential, office, and leisure spaces can create vibrant communities, increase foot traffic for retailers and provide a stable tenant base for developers.





EXPERIENTIAL SHOWCASE

2500 ^{m²}
exhibition
space





Meet with the people who matter

From showcasing a diverse range of industry innovators to connecting senior policy-makers and investors, unveiling groundbreaking technologies to delivering insights from thought leaders, the Hybrid Hall of RLC is the place where our community meets and does business.







RLC HONORS



Highlights from an Exclusive Evening with Industry Leaders

As part of the 2024 RLC MENA Summit, government and industry dignitaries convened for an exclusive VIP dinner to network and recognize the outstanding achievements of industry leaders. **Renuka Jagtiani**, Chairwoman of Landmark Group and **H.E. Dr. Ghassan Alsulaiman**, Chairman of Alsulaiman Group were honored with the Lifetime Achievement Leadership Award, recognizing their profound contributions to the retail sector and their pivotal roles in driving economic development in Saudi Arabia.

With the
kind support of

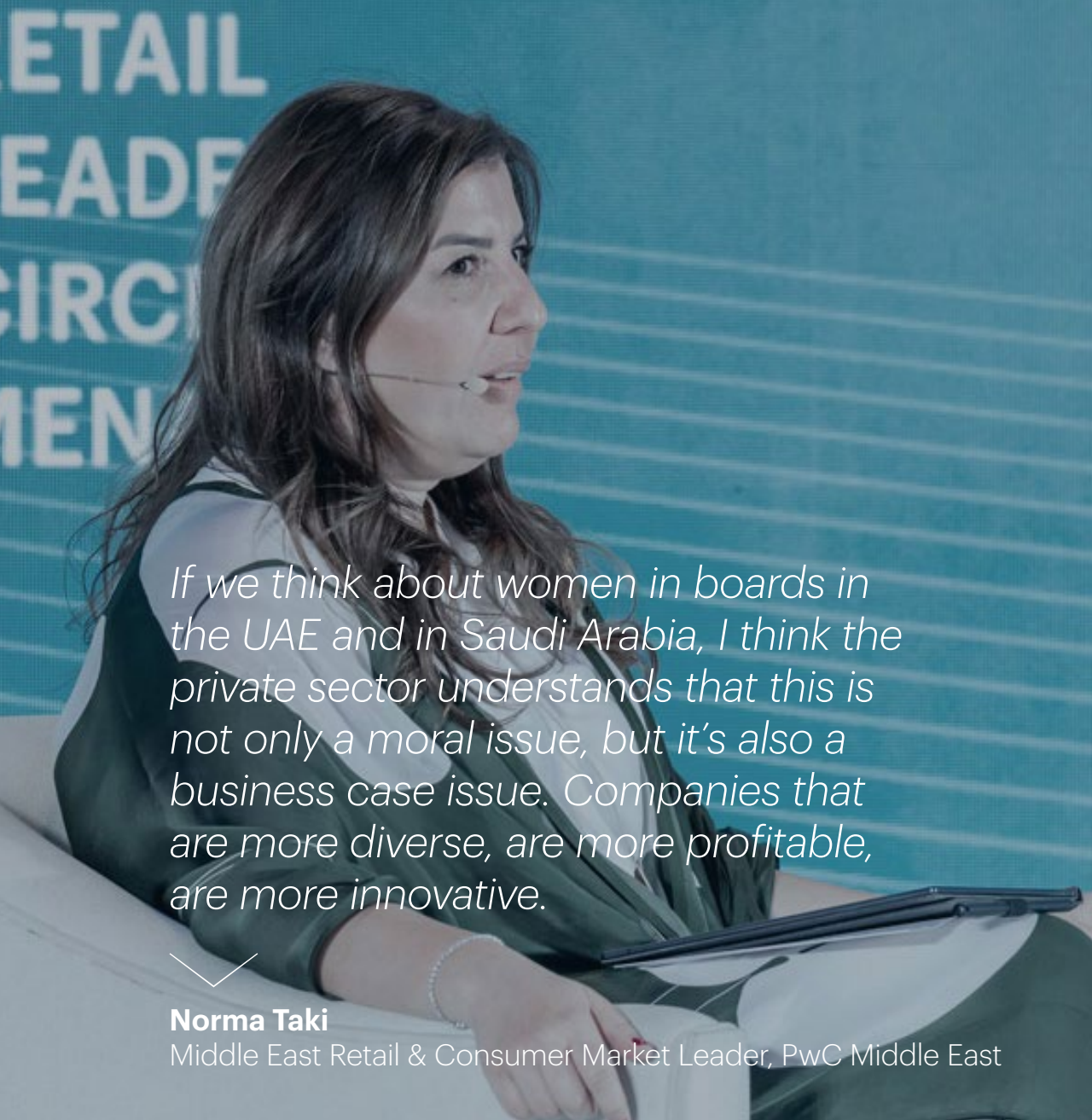
VISA





WOMEN AT THE FOREFRONT OF RETAIL





If we think about women in boards in the UAE and in Saudi Arabia, I think the private sector understands that this is not only a moral issue, but it's also a business case issue. Companies that are more diverse, are more profitable, are more innovative.

▼
Norma Taki
Middle East Retail & Consumer Market Leader, PwC Middle East



When you're an entrepreneur I think it's key to be able to surf any concern, to always try to find a solution and not let yourself be affected by the fluctuations of the market, whichever industry you're in.

▼
Faiza Bouguessa
Owner & Creative Director, Bouguessa



Women with their natural ability to nurture actually end up mentoring employees, and they push them to their fullest potential.

▼
Sima Ganwani Ved
Founder & Chairwoman, Apparel Group



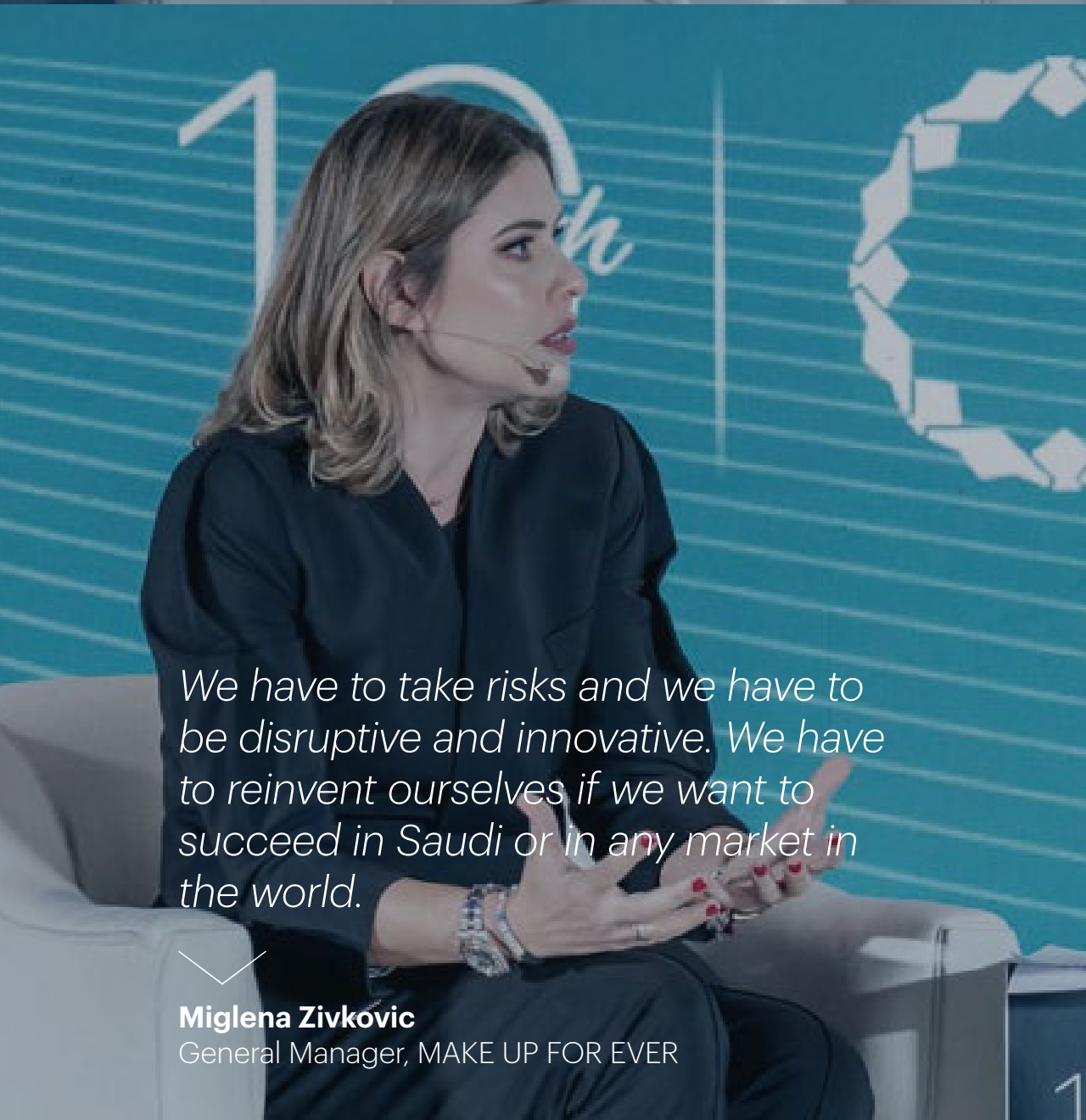
AI-powered solutions have increased conversions for about 20% on average as AI is very strong at surfacing the right product to the right consumer at the right time.

▼
Anna Germanos
Group Director CPG, Retail, Ecommerce & Luxury, Meta for Middle East & Africa



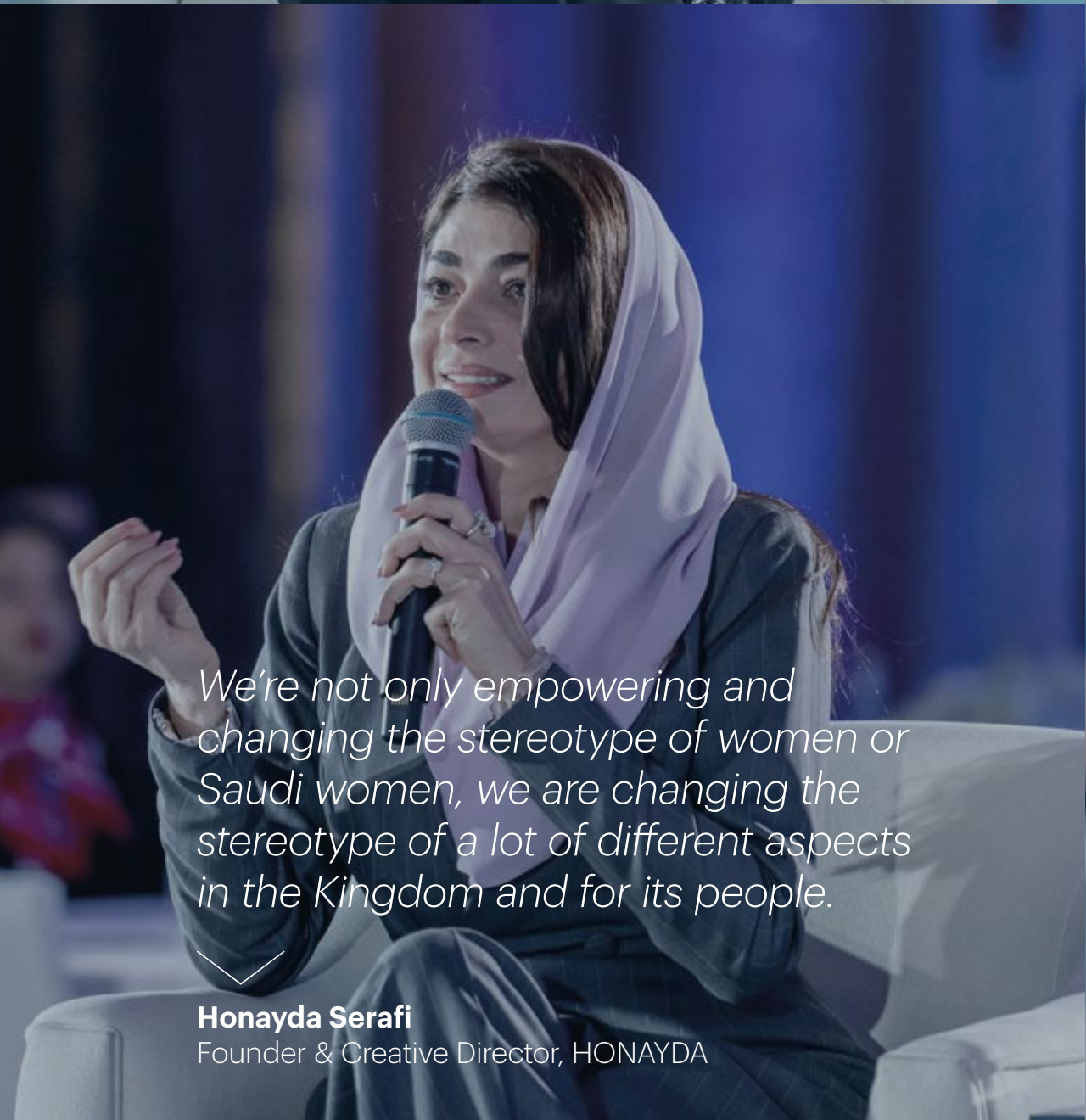
Being a woman is an education on its own and with my brand, I make sure we always have a unique point of difference and are on the right trajectory of growth and innovation.

▼
Dima Ayad
CEO & Founder, Dima Ayad & DAC Communications



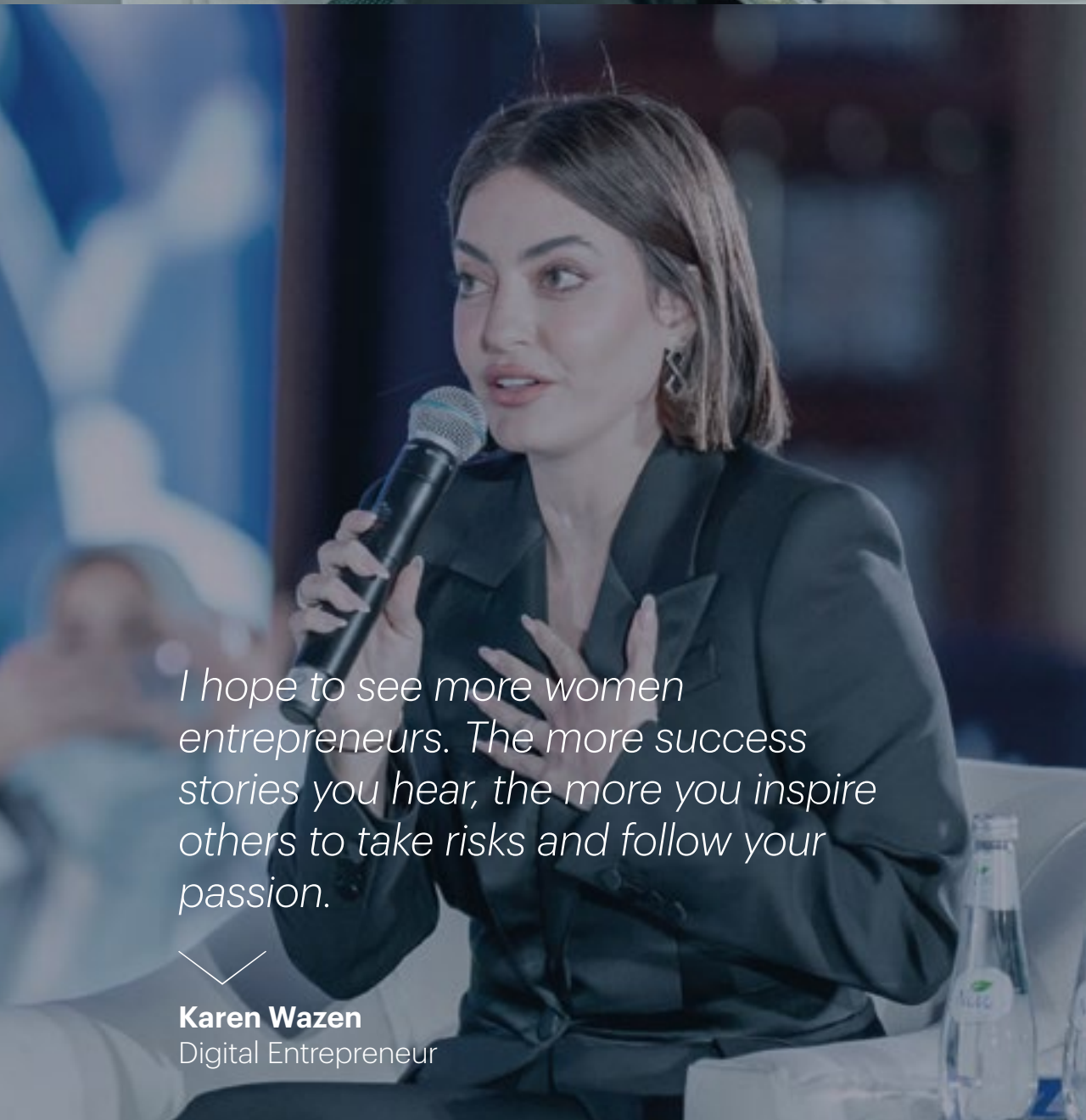
We have to take risks and we have to be disruptive and innovative. We have to reinvent ourselves if we want to succeed in Saudi or in any market in the world.

▼
Miglana Zivkovic
General Manager, MAKE UP FOR EVER



We're not only empowering and changing the stereotype of women or Saudi women, we are changing the stereotype of a lot of different aspects in the Kingdom and for its people.

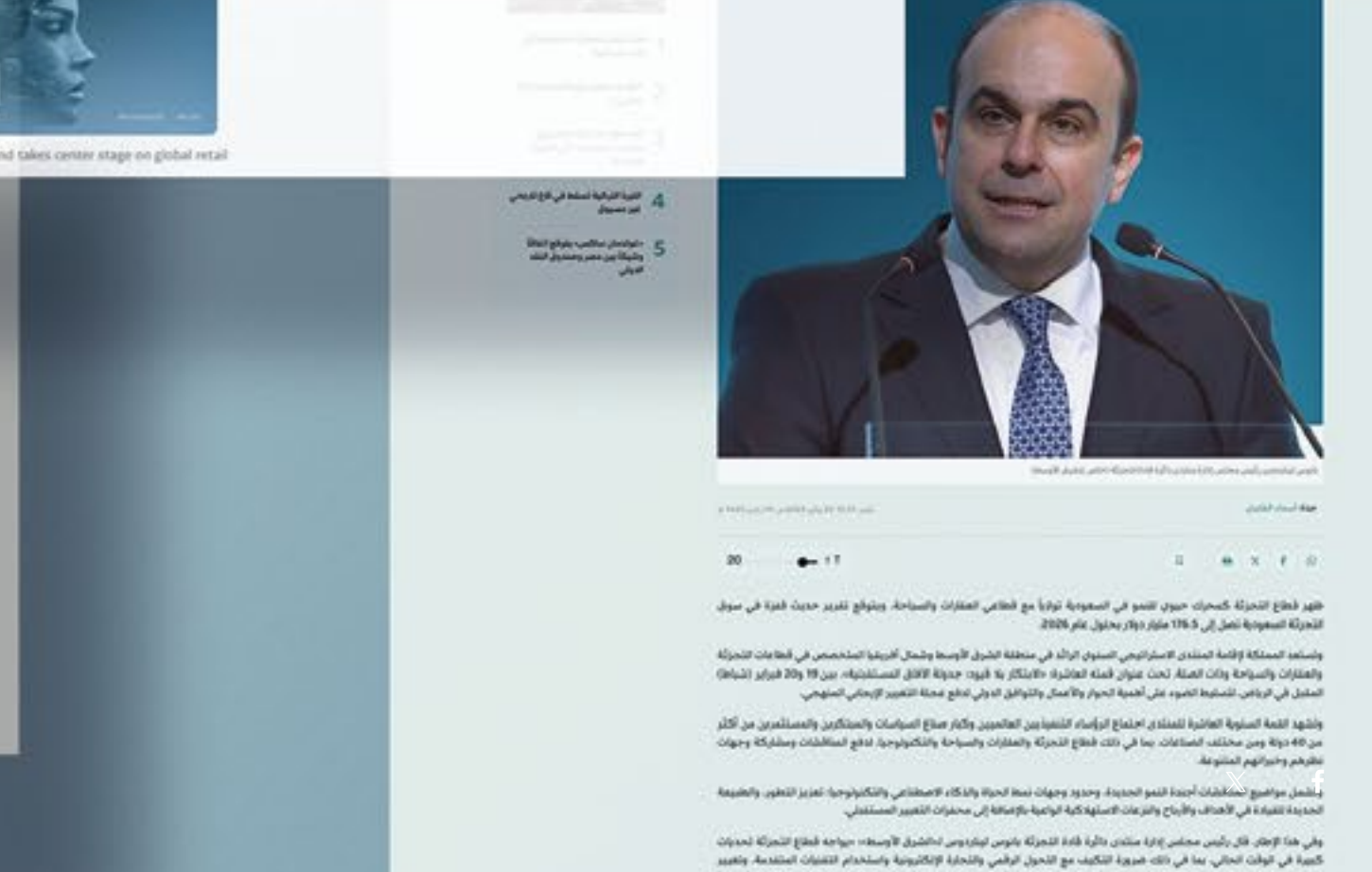
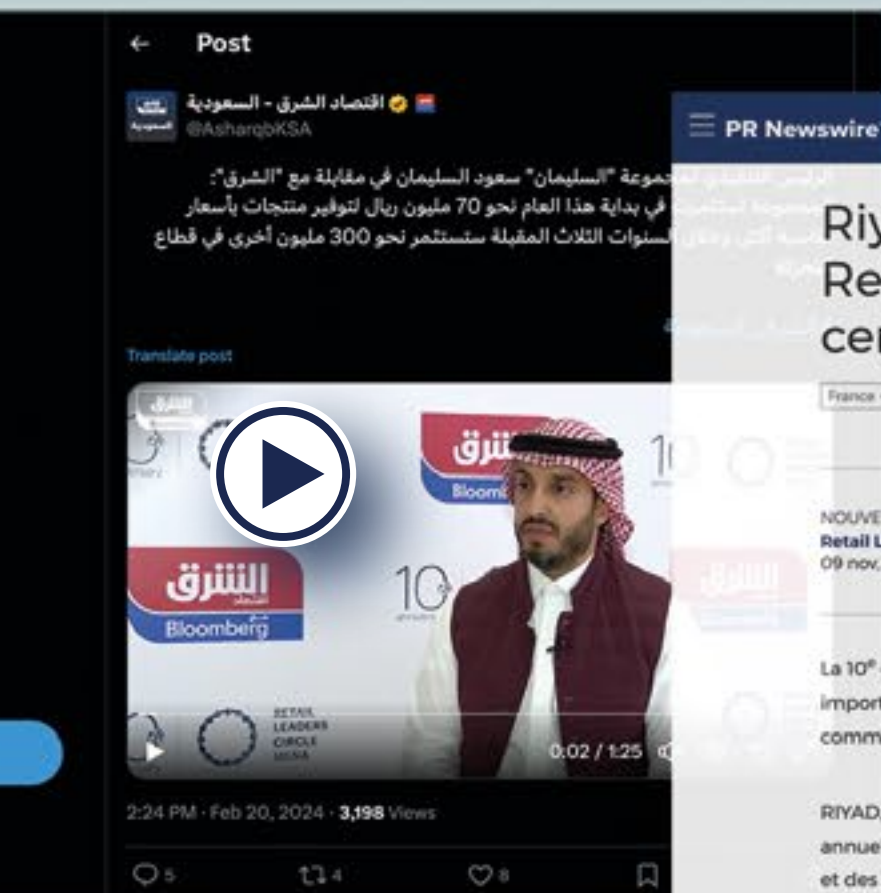
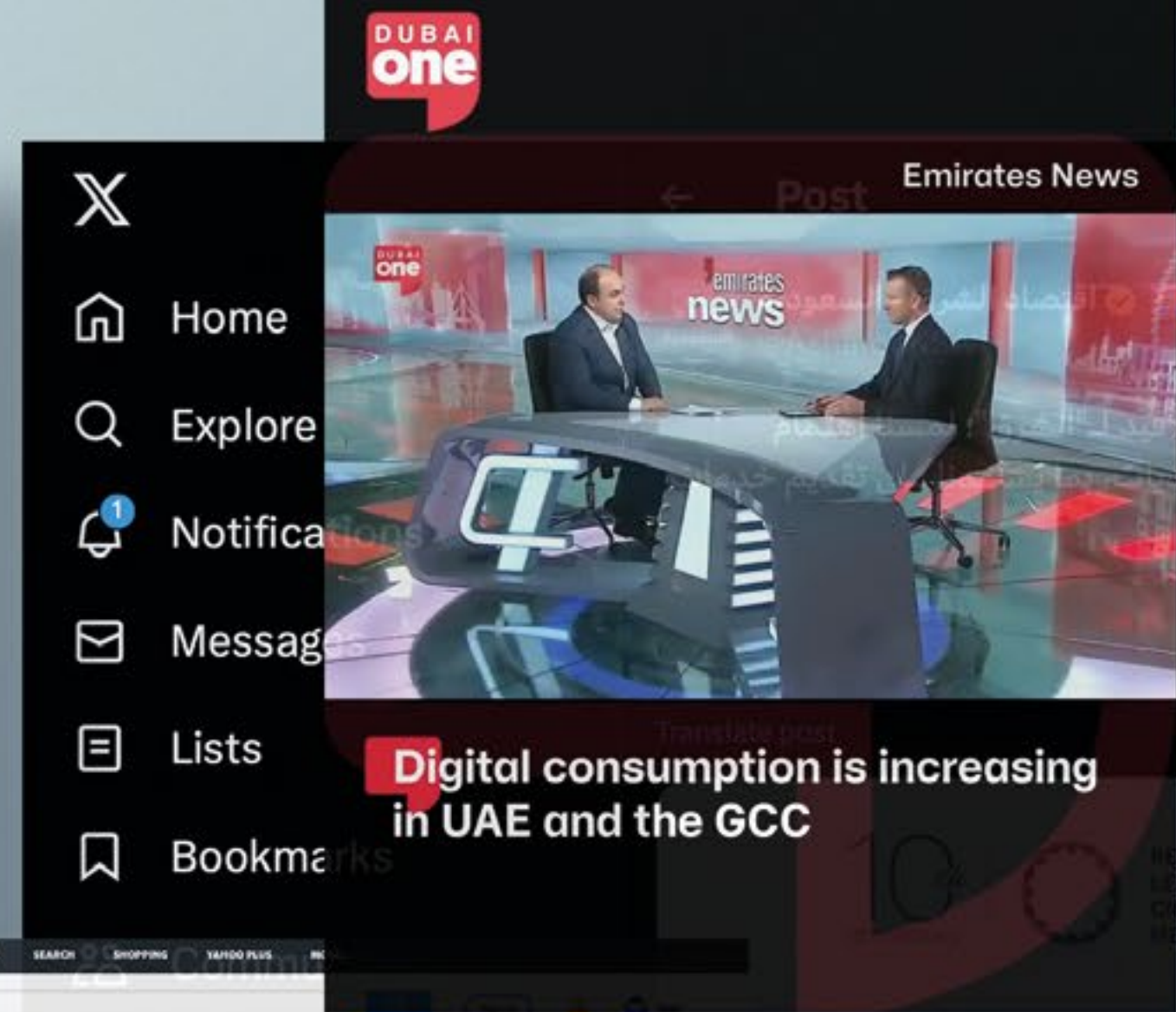
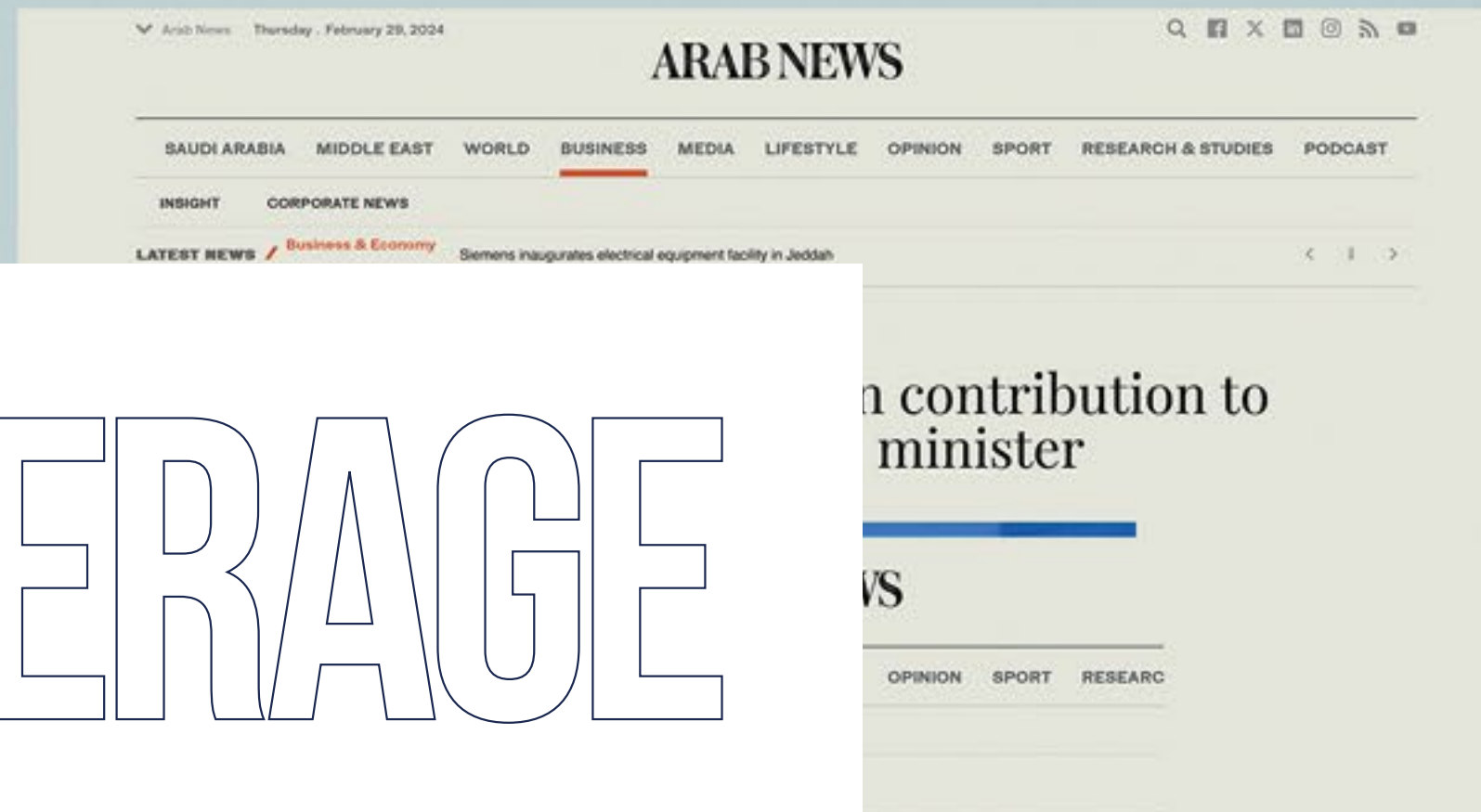
▼
Honayda Serafi
Founder & Creative Director, HONAYDA



I hope to see more women entrepreneurs. The more success stories you hear, the more you inspire others to take risks and follow your passion.

▼
Karen Wazen
Digital Entrepreneur

MEDIA COVERAGE





The discussion never stops

RLC prioritizes extensive media engagement by building strong relations with prominent media entities, both regionally and globally. This collaboration is extending across various channels including print, digital, broadcast, and social media, offering extensive visibility to partners, speakers and attendees. Moreover, it serves as a way to share invaluable insights, industry trends, and successful case studies.



ARAB NEWS



FINANCIAL TIMES

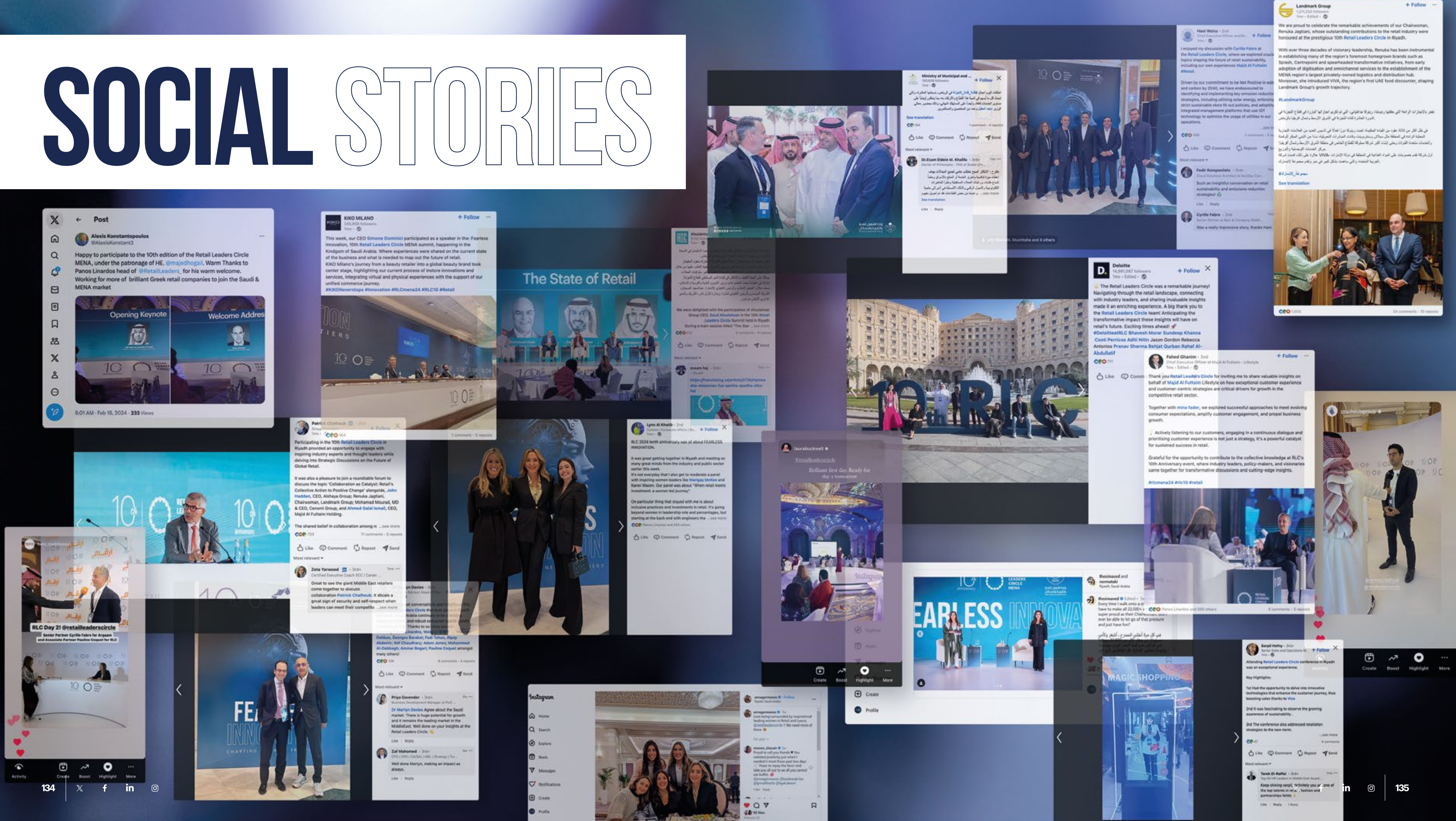


Gulf Business

ArabianBusiness



SOCIAL STORIES



A wide-angle photograph of an awards ceremony stage. The stage is set against a large, teal-colored backdrop. On the stage, several individuals are present: a woman in a white suit on the left, a man in a white thobe and ghutra in the center, and another man in a dark suit to his right. They are surrounded by photographers and videographers with professional equipment. The audience, seen from behind, is seated in the foreground. The backdrop features the '10th anniversary' logo and the text 'RETAIL LEADERS CIRCLE MENA' repeated across it.

Awards Ceremony

PARTNERSHIP **RECOGNITION**

Thank you to our Partners

- STRATEGIC



PARTNERS -



- HEADLINE



PARTNERS -



- PLATINUM PARTNERS -



- GOLD PARTNERS -



- AI PARTNER -



- SILVER PARTNERS -



- KNOWLEDGE PARTNERS -



- TECH & AI TRACK PARTNER -



- BREAKS PARTNER -



- SUPPORTING PARTNER -



- POWERED BY -



- MEDIA PARTNER -



- GIFT SPONSORS -



Creating Better Possibilities

Check out our latest news via:

alsulaimangroup.com
@Alsulaimangroup
@Groupalsuliaman



Leadership in Real Estate

Shomoul was founded in 2014 through a strategic vision of a Saudi - Kuwaiti partnership between three prominent companies, Mabanee Company, Al-Fozan Holding, and Alshaya Group. This partnership is based on the extensive experience of partners in the Arab Gulf region and the Middle East.

Shomoul is developing two unique projects, The Avenues - Riyadh and The Avenues - Khobar in Saudi Arabia.

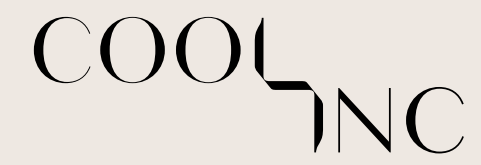
The Avenues - Riyadh will be one of the largest lifestyle destinations in the Middle East making it an ideal destination for shopping, entertainment, and accommodation in the Kingdom of Saudi Arabia. As for The Avenues - Khobar, it will feature a modern and unique design that reflects the nature of the Eastern Province and will soon become a retail landmark in Al Khobar.



www.shomoul.com.sa

theavenues.khobar@shomoul.com.sa
theavenues.riyadh@shomoul.com.sa





Cool Inc is a luxury and lifestyle hospitality holding, shaping the future of what's cool in Saudi Arabia. Pioneering the transformation of the leisure and hospitality market in the Kingdom, Cool Inc combines the local entrepreneurial spirit with an affluent global skillset to provide consumer-centric experiences.

Cool Inc is committed to introducing a vibrant lifestyle to the Kingdom's selective clientele, with an exclusive portfolio of leading destination dining, bespoke travel, luxury lodging and adventure experiences.

COOL INC VERTICALS

DESTINATION DINING



CATERING & EVENTS



BESPOKE TRAVEL



LUXURY LODGINGS & ADVENTURE



coolinc.com.sa



Commerce Without Limits

A cloud-native, composable, unified commerce platform, designed to empower B2C, B2B, and marketplace operations, crafted with a retail experience of over two decades...
Join us in pioneering the future of digital commerce, a realm filled with limitless possibilities.



akinon.com

company/akinon

akinon.official



أزاد العقارية
AZAD PROPERTIES

Growing Together

9200 225 75

Corniche
Commercial
Center

سوق الدرّاجة
DARRAJA CENTER

KEARNEY

Download
the whole
report using
this QR code

Retail Innovation vs. Customer Expectation: Who is falling behind?

FEBRUARY 2024

ذا بوينت
THE POINT

BECOME A PART OF ASIR'S FUTURE

The Point represents a strategic partnership between the Red Sea Markets For Real Estate Investment Company | Asir and the Tourism Development Fund. The Red Sea Markets Company a member of the SEDCO Holding Group, owns one of the most important shopping and entertainment projects in the Kingdom, Red Sea Mall in Jeddah and it is working to replicate this success in Abha and position The Point as Asir Region's leading tourist destination for shopping, entertainment, and recreation. Asir region has become one of the most important tourist attractions in the Kingdom, which aims to attract more than 10 million tourists by the year 2030. Book your space now in the heartbeat of Asir's lifestyle.

• 14 Glorious Years in KSA • 250,000 + Happy Customers everyday

HAPPINESS SERVED IN-STORE, EVERYDAY

We not only bring you the best products at the most competitive prices, but we also go that extra mile to serve you better each time you shop with us.

4,000 Plus Friendly Saudi Team Members, of which 1,500 are women.
Our Goal is to employ 10,000 Saudi Nationals by 2030.

#HappyShopping

Scan to know more

lulupermarket.com lulupermarketsa luluhypersa luluhypersa luluhypersa luluhypersaudi



Scale your business

Join the platform economy

[Discover How](#)



URBAN OUTFITTERS



