



REPORT



American and Saudi Brands
Battle for Market Share

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A KING-CASEY REPORT by Howland Blackiston, Principal, King-Casey

Many American brands have come to realize the huge growth potential that the Saudi market holds. The Kingdom of Saudi Arabia (KSA) has been emerging as the largest market in the entire Gulf. They also have the money to spend and an insatiable appetite for quality American brands.

American Food Brands Dominate the Growth

The relatively low failure rate of Western chains in the KSA continues to attract an increasing number of Saudi investors. And it's restaurant franchises that account for over 60% of this growth.

Saudi Shoppers Are Sophisticated

Many Saudis have traveled to or studied in the USA. They have become very sophisticated when it comes to retail. More than ever, they demand top quality, excellent service, an innovative and entertaining retail experience, and good value for money. Much of this is simply not available from the local brands. American and European brands have good recognition, and they tend to have a higher degree of retail sophistication than local brands. So these western brands tend to attract a large percentage of Saudi consumers.

In Saudi, It's Not Business as Usual

It's not enough to just transplant an American brand in Saudi Arabia. The Saudi culture is different. Consumer needs and expectations are different. American brands must adapt and modify what's been so successful in the States, to ensure acceptance and success in this part of the world. What's proved to be so successful for the brand in the States needs to be carefully crafted to work for Saudi consumers.

For example, in KSA restaurants, tables and booths must be roomier to accommodate the typically large family (5 to 6 children and a nanny). Women must dine apart from single men, creating the need for separate entrances, and separate order and dining areas. In the family dining areas, it's important to use tables and booths with privacy screens, so that women cannot be seen by others in the dining room.

Saudi Brands Reinvent Themselves to Compete

With the influx of all of these well recognized and sophisticated American restaurant brands, local Saudi brands are investing heavily in growth strategies to better compete.

They are recognizing that being established and local is not enough. They are implementing strategies to elevate their brands to a level of retail sophistication that can effectively compete with these incoming world brands. They are reinventing themselves by optimizing their menu strategies, refining their brand identity, enhancing visual merchandising strategies, and by creating proprietary and exciting 3-D branded retail environments.

Retailtainment Rules!

Keep in mind that in Saudi Arabia, there are no theaters to go to, no movies to go see and absolutely nothing that comes close to a pub or bar. Citizens must find other ways to entertain themselves. That entertainment comes primarily from retail shopping and dining. Brands are looking for ways to one-up the other. They are designing concepts that have more "wow", more retail innovation, more customer focus and more proprietary features that out-do the competition.

Where to Start?

Whether you are an American brand coming to Saudi Arabia or a Saudi brand seeking to differentiate itself from the ever-growing list of



competitors, these are some useful “rules of the road” to consider.

1. If you haven’t done so already, develop a brand positioning statement that puts into words what is unique about your brand. Develop a list of brand attributes - descriptive words that collectively represent the essence of your brand. Having this documented will help guide all else that follows.

2. Make sure your brand identity (logo) is a solid visual reflection of your brand positioning. If it’s not, it’s time to develop a new one.

3. Benchmark best practices. Someone out there is doing a better job than you are when it comes to retail design and the customer experience. Find out what they do well, how they do it, and adapt those best practices that would support your brand positioning and retail strategy.

4. Develop a design strategy. This narrative document serves as a blueprint to inspire the creations that will become your enhanced restaurant or retail store concept. What is it about your brand experience that will result in a unique customer experience? What can customers see, touch and experience that makes you stand out from the competition.

5. Put an unwavering focus on meeting and exceeding customer needs and expectations. It’s all about delighting the customer. Go beyond what is expected and develop an experience that surprises and delights. Identify those design and communication strategies that differentiate your brand from all others.

6. Continually Improve. Even if your enhanced concept hits a home run, never be satisfied with “good enough”. The very best brands are continually improving, evolving and anticipating

consumers’ ever-changing needs and expectations.

What Our Saudi Clients Are Saying

“After interviewing many retail branding and design firms, we selected King-Casey to help SACO with the creation of a “next generation” store concept. The King-Casey team developed 3-Dimensional Branding concepts, enhanced store layouts and improved visual merchandising to optimize the overall customer experience. It’s refreshing to engage such an established firm, that is big on experience and innovation, and yet small enough that I dealt directly with their most senior and experienced professionals.” - Haytham M. Al-Hamidi, Executive Manager for Sales and Marketing

“It is a true pleasure to work with the world-class team of King-Casey. We have been working together on various strategic projects since 2005, and their team, through highest integrity and professionalism has shown nothing but relentless dedication and creativity to our brand. They were able to grasp the uniqueness of the culture in Saudi Arabia, and developed dynamic, exciting concepts to enhance the customer experience at ALBAIK.” - Rami Abu Ghazaleh, CEO

“For a project of this significance, we sought an experienced branding and retail design firm that would deliver world-class results. We interviewed firms from all around the world, and selected King-Casey. The firm was a pleasure to work with, and King-Casey’s sensitivity to our regional culture and their profound understanding of branding, package design and merchandising have provided us with more than we could have dreamed for. It really pays to work with the masters!” – Sardar Wahid Ullah, Business Development Manager

King-Casey Can Help

For 60 years, we have been helping many of the world's leading retail brands succeed. We understand how branding and retail design strategies can dramatically improve the customer experience, and increase sales and profits. With offices in the USA and Saudi Arabia, King-Casey is poised to help American brands grow in the region, and help Saudi brands compete in an ever-expanding global marketplace.

King-Casey provides a complete range of services including assessment, research, branding, visual merchandising, retail store design, and rollout. We develop turn-key solutions that result in increased customer loyalty, higher sales and greater ROI.

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