

It's time for consumer - centred metrics

Since 2010, PwC has annually surveyed over twenty thousand consumers around the globe to track shopping behavior. In this year's survey, we reached out to more than 22,000 consumers in 27 territories across the globe, including 1,004 respondents from the Middle East.

The regional Middle East findings vary from those at a global level, where we focus more so on how the customer experience is being redefined.



2019 Global
Consumer Insights
Survey reveals what
the Middle East
Consumers want

Key findings for the Middle East include:



Shopping by Channel

In-store sales still dominates in the region, with smartphone purchases the next most popular channel in the Middle East. Smartphone growth is at a 54% CAGR from 2016 to 2019.



In-store Experiences

Middle East consumers' in-store experiences rely on a balance of engagement through store layout, the store's digital connectivity, and personalisation.



Payment

Mobile payment usage in the Middle East is almost double the rate than in Western markets. Middle East consumers are willing to pay premium prices in all categories but especially on clothing/footwear, health and wellness, and dining out.



Shipping & Delivery

Consumers' willingness to pay for quick delivery has declined due to an increase in retailer offering free next day delivery



Online Retail Market

Amazon remains dominant in the region with 23% of Middle East consumers using Amazon exclusively (vs 12% globally).



Online Grocery

The demand for online grocery shopping is increasing in the Middle East, with 73% of regional consumers likely to shop online vs 58% last year, and 50% globally.



Social Media

Buying behaviours are heavily influenced in the region by social media than elsewhere in the world. Fashion purchases are the most influenced, followed by Technology.

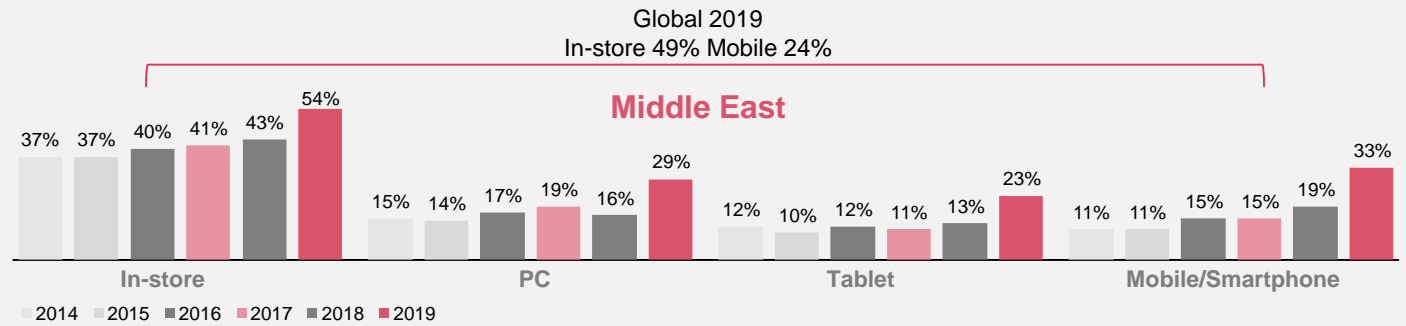
Middle East key findings at a glance

Shopping by channel

In-store is still the shopping channel of choice at both the Middle East and global level though smartphones are running a close second, especially in the region. This year, for the first time, smartphones outpace PC as a channel globally (second year in a row for the Middle East).

Q. How often do you buy products (e.g. clothes, books, electronics) using the following shopping channels? (Excluding grocery shopping)

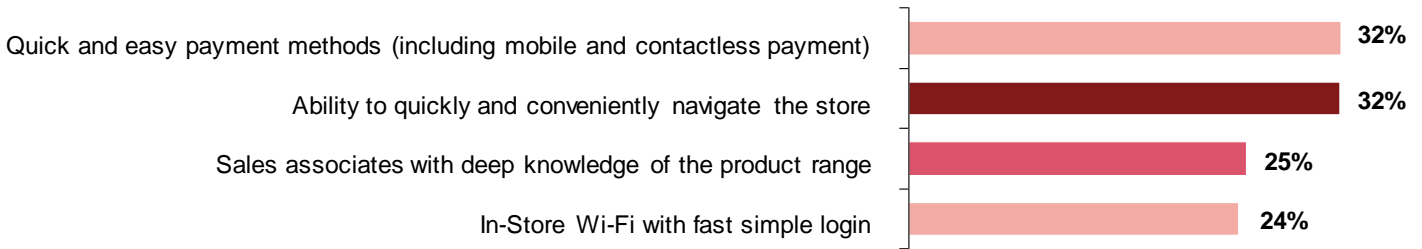
Note: Chart combines 'daily' and 'weekly' shopping



54% CAGR increase in smartphone usage from 2016-2019 in the Middle East

Improving the in-store experience

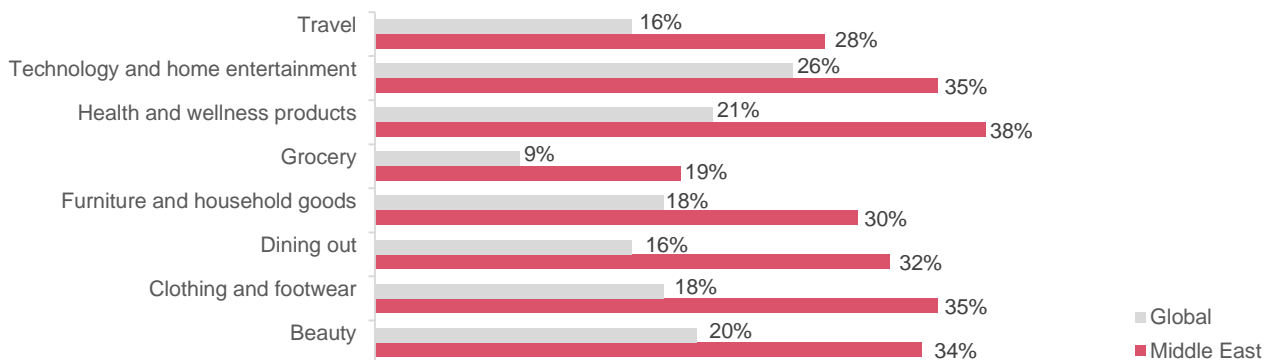
The in-store experience is an important factor to shopping in the Middle East. The overall shopping experience in the region is heightened, especially in UAE and KSA given the want to shop in-store. So we asked our regional shoppers, what attributes are most important to your in-store experience?



Spotlight on: Luxury in the region

Q. Thinking of majority of your purchases across the following categories, please indicate whether you tend to buy low, mid or premium price ranges.

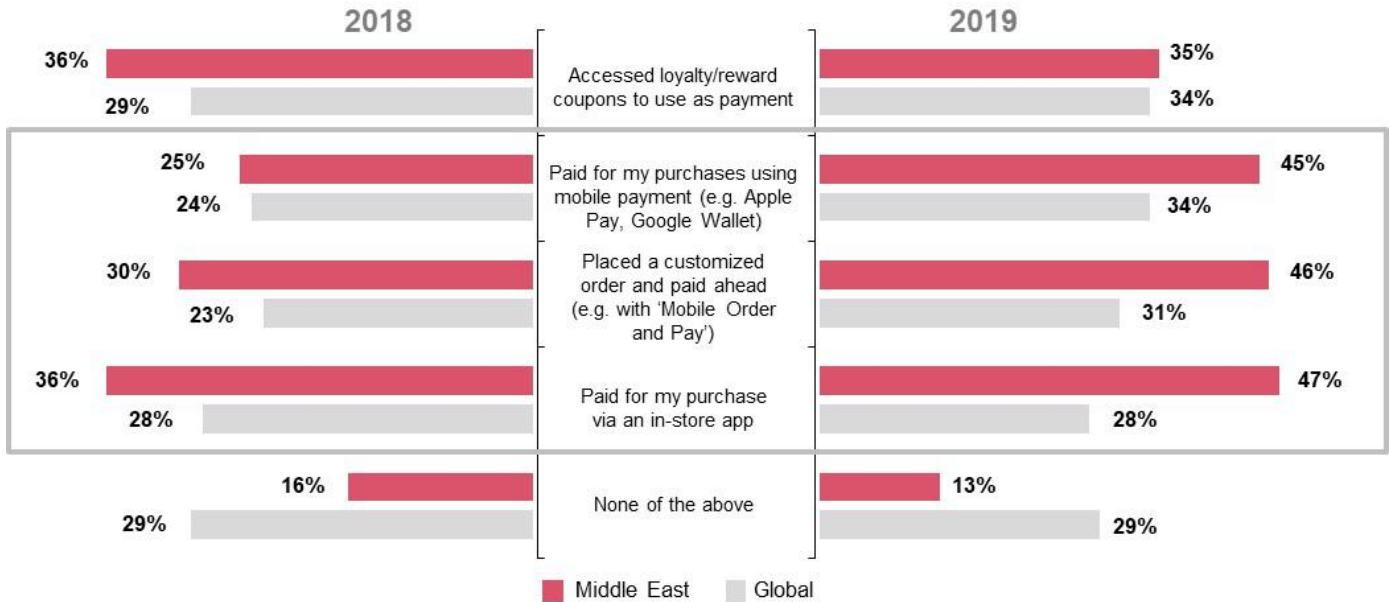
The region is not afraid to pay a premium, when asked Middle East consumers were willing to pay a premium on health and wellness products followed by technology/home entertainment and clothing/footwear.



Payment through in-store apps leads the way

Our survey reveals that the biggest growth in mobile payment was experienced in the Middle East region to reach 45%. The results differ by geography with KSA leading the way, followed closely by the UAE. Egypt lags behind with only 29% choosing mobile payment.

This is a long way from a few years back when KSA consumers preferred cash on delivery payment and reported the lowest percentage of payment via credit cards.

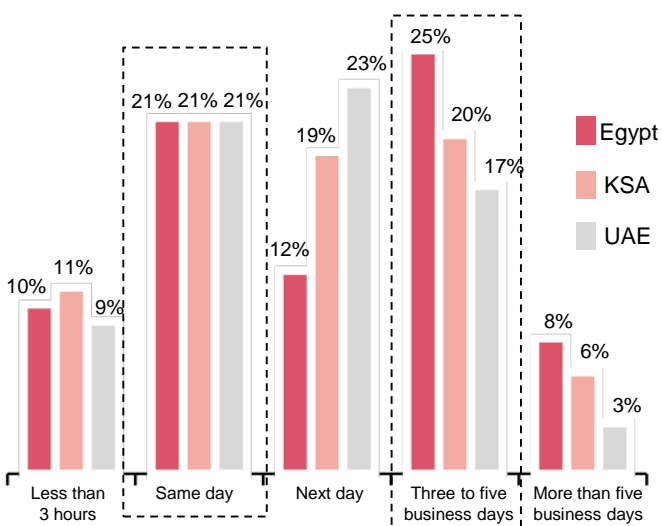


Shipping & Delivery

When we asked regional shoppers what is the longest delivery lead time you are willing to pay a fee for, the UAE showed a favourable response to 'next day'. However, Egypt respondents are more willing to pay for 'delivery within 3-5 business'. KSA respondents were pretty steady across those two categories, plus 'same day' delivery.

This is a big drop from last year, where 41% of regional respondents were willing to pay for same day delivery.

Longest shipping & delivery time consumers are willing to pay for 2019



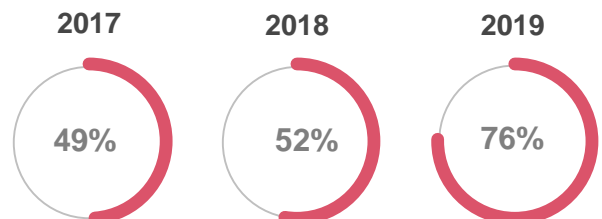
Online retail market

When consumers think online retail, they think Amazon, even in the region. So it makes sense for us to focus some of our research on this online retail giant.

Over the years, shoppers in the region increased their shopping with Amazon; with 76% shopping with Amazon at some point. What is more interesting is that 23% of Middle East respondents use Amazon exclusively (vs 12% globally).

Amazon in the Middle East

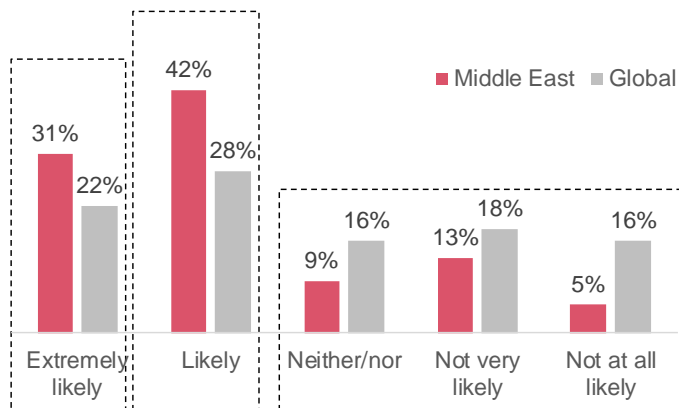
Shop with Amazon



Online grocery shopping a regional favourite

Regional shoppers enjoy ordering their groceries online; but this is a recent trend. 73% of Middle Eastern shoppers are overall 'likely to purchase groceries online in the next 12 months' compared to 50% globally: a noticeable increase from last year with 58% Middle Eastern shoppers likely to purchase groceries online vs 48% globally.

Q. Over the next 12 months, how likely are you to purchase grocery online?

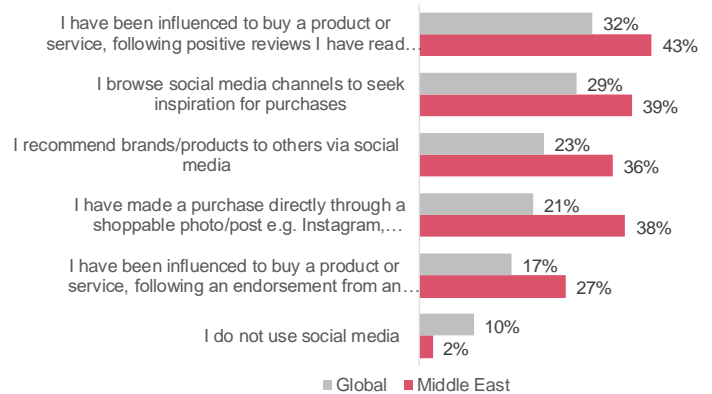


Social media influences buying behaviours

It is no secret that social media is more widely used in the region, than globally. Therefore it is not a surprise that social media should impact buying behaviours. The power of social media on regional consumers came through clearly in our results, when compared to global.

Q. Thinking about social media channels and how you use them, which of the following activities best describes your online behavior?

Influence of Social Media on purchases 2019



60% of Middle East respondents say social media influenced their 'fashion' purchase, followed by Technology purchases (at 53%)

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