

Case Study

Retail Channels in Gulf Tourism Centers: A Consumer Triple Play



Even makers of the world's most iconic consumer brands rely upon local channel partnerships. If you're charged with mapping channel expansion, pay heed to new frontiers such as the Middle East and North Africa (MENA).

Apart from an affluent local population, such areas as Dubai play host to a world-class of discriminating, jet-setting tourists, and an entire expatriate population there to serve them.

How about that? A triple play of desirable consumer targets.

Tourism centers are no different than the typical US metro market: local partnerships are always valuable, and often mandatory. Indeed, it's in such countries that retail has been dominated until recently by the aptly named "unorganized retail" channel. Unorganized, yet powerful, they've held the key to premium shelf space and brand awareness.

Trading companies who've established a regional base in the Middle East are gatekeepers to your success in retail. Influential in property development, transport and logistics, wholesale brokerage, and finance, they have naturally branched into retail to complete the distribution food chain. So, you can bet they will not yield market share to the invading big boxes, mega-malls, and hypermarkets from the US and Europe. These hard-to-find local retailers are growing up and out, occupying places in shiny new mega-malls.

As you prepare your launch in the prosperous Gulf Countries, for instance, get to know Jacky's Electronics, an influential retail and trading group in fast-growth, premium retail sectors found from Hong Kong to the United Arab Emirates. Or make friends with the Al-Futtaim Group, a UAE-based trading company who convey such global brands as Marks & Spencer, Lexus, and Toys-R-Us. These and other retailers recognize the "triple play" opportunity from serving one of the globe's most vibrant and growing tourist centers.

It's the every day trips to buy a microwave, flat screen, shoes, or wall paint by residents who live and work in these countries that matter. And, since retail therapy is here to stay as part of vacationing, it's also the emergence of mega-malls that hook tour buses in such places as Dubai. You know what else I find interesting about this particular retail setting? It's the added influence of foreign service workers — their buying power, day in and day out, after the tourists return home.

Filipino expatriates who live and work in Gulf locales have no ties to the traditional, "unorganized retail" storefronts in the old markets. As newcomers, they seek a more generic, anonymous shopping experience, such as that offered by big box retailers and hypermarkets.

They, along with tourists, are the “Preferred Customer” that regional merchants have in mind as they make the shift from a neighborhood storefront — Unorganized Retail — to a master-planned retail environment.

And all this makes the job of vaulting that wall and finding trusted, innovative channel partners in these not-so-new frontiers much easier. And more rewarding, as your products now catch the eye of three prized consumer profiles: well-heeled jet setters, prosperous residents, and industrious expatriates.

The best part about succeeding in retail channel sales in tourism centers is that visitors buy products that evoke the carefree times spent there, then return home and ask for more of the product in their local retailers.



For more market-leading ideas on how to build and grow effective international business relationships, please contact me today. Happy Landing!

Tom Hanson
Hanson Marketing

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