

Why Saudi Arabia is a booming market for D2C industry

The Middle East region consists of one of the highest chunks of digital natives, a population that grew up with smartphones.

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/EINPresswire.com/ -- These young tech-savvy consumers are massively influenced by social media and are more informed, value-driven as compared to their older generations. They are open to exploring and experimenting with newer brands that relate to their ideals and ideologies. McKinsey's study found Millennials to be 3 times more likely to see new brands as better and more innovative

and 2 times more likely to prefer up-and-coming designer brands. Pushed by the pandemic and stay-at-home restrictions, people have changed the ways they shop, and brands need to adapt and change as per the needs of the people. Many of the world's consumer brands have accelerated their investment strategies to D2C ([Direct to Consumer](#)).

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YRC is a Management Consulting Company, especially for the B-C Sector. Empowering Retail & E-commerce businesses.”

Nikhil Agarwal



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shopping to brick-and-mortar stores with long queues to car parking and checkout have reduced substantially and are being replaced by web-enabled purchases providing safety, simplicity, and speed. This has opened a plethora of opportunities in the retail sector for innovation and improvisation.

What is Direct-To-Consumer Selling?

With D2C selling, buyers are in full control and this has allowed brands to create a shopping seamless experience across different touchpoints. D2C offers the brand a quick and easy way to reach customers via online medium, strengthening customers relationships, and understanding what they expect out of a brand.

Consumers now depend on social media platforms and Instagram, Facebook, etc for recommendations on new brands and products. This shift is particularly evident and materialized in regions like KSA where the media penetration has been quite high.

Benefits of a D2C model

Brands are in control of the customer relationship along with the product experience and presentation of the brand to differentiate from the competition

Brands have full visibility and ownership to valuable customer data like behavior, preferences, wish lists, purchase history and patterns, concerns and reviews, and demand for new products/innovations

Gives brands the ability to nurture and sustain significant meaningful relationships with customers and their brands

Control market expansions and response to fluctuations in your terms

Increased margins

Top trends in the Direct-to-Consumer market in Saudi Arabia

D2C e-commerce market is soaring

With D2C even smaller brands have as much potential to reach the customers as a multinational conglomerate. With innovative digital marketing, brands can establish and nurture the intimate connection with the consumer as such home-grown brands with D2C models have been successful in creating rival bigger brands. The D2C trends continue to make inroads in the Saudi region with many bigger brands joining the bandwagon.

Personalized shopping offers

Unlike the traditional models, D2C companies can establish a direct connection with their customers and deliver personalized customizations to their products as per the unique needs of the customer. This model allows companies to integrate with smaller market segments and gather considerable feedback to apply customizations to their product. Brands use digitized tools to get search history and previous purchases to gather customer interest and preference. Customizations help build customer brand loyalty and establish personalized relationships. Customers tend to purchase from brands that they have a long-standing relationship with and know their personal preferences and lifestyle choices.

Customers prefer to shop from niche brands

Easy Internet access has made today's consumers spoiled for choices and thereby inform themselves of exactly what they want. Customers prefer to shop for niche products that cater to different demand segments. This is especially evident in the fashion, skincare, and cosmetics industries. There is increased demand for vegan and cruelty-free products and products derived from niche ingredients like ginseng, tea-tree, etc.

Subscription-based selling is on the rise

Subscription models provide doorstep delivery of a monthly bundle of regularly bought staples and household products to consumers. D2C brands now offer subscription services aimed at retaining the existing customer base, strengthening customer relationships, and encouraging recurring purchases and a steady revenue stream. This is especially evident for FMCG brands where consumers make routine purchases of edible and perishable goods. The subscription model offers customers everything they crave today: value for money, convenience, and exclusive "members-only" perks, like free shipping, insider discounts, and loyalty points.

There is no doubt, the Saudi D2C market is expected to assume mass levels with an increase in eCommerce in the region. Through the mode of direct selling, consumers and sellers are seeking to increase engagement levels by building a strong consumer base and building a more intelligent consumer-based conversation and social network. These trends are expected to shape the market landscape of the [Saudi Arabia D2C market](#) in the impending period. Backed by the increasingly young Internet-savvy generation, and shopping rituals, the Saudi D2C market is expected to create lucrative opportunities for the D2C sellers to find their true market growth potential.

About YRC

Your Retail Coach (YRC) is a retail consulting and eCommerce outsourcing firm that serves a variety of businesses with a wide range of services in retail offline, [retail eCommerce](#), and retail omnichannel.

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