UAE retailers put Nestle in top three favourite suppliers

Dubai, 14 April 2013 – UAE retailers continue to see the globally recognised brands of Unilever and P&G as being the top suppliers in the region, with fellow multinational Nestlé joining them in a breakaway top three, according to a new survey.

But regional distributor Al Seer still just about remains in touch with the leading pack of multinationals showing that strong local brands are still important to shoppers and retailers.

The findings come from the annual Voice of the Trade survey for the UAE by Kantar Retail Middle East, which asks UAE retailers to rank suppliers in a range of criteria.

Nestlé’s score of 50% in the overall “best of the best” composite was an improvement of 36 points on last year, helping it to complete a trinity of dominant suppliers with Unilever (72%) and P&G (71%).

But Al Seer came a respectable fourth, with a score of 30%, up 11 points on its 2012 score. Al Seer also came fourth in the questions about which suppliers had the brands most important to retailers, with retailers praising their “excellent depth of products across a number of categories”, and Clearest Company Strategy. The distributor’s sophisticated discussion material and involvement of some principal brands were highlighted as the reason for its improved score.

The position of Al Seer is impressive in a country where much of the population is composed of expats with globally recognised brands able to build trust in shoppers more easily. The importance of these established brands increased this year as retailers focus on sustainable category growth and the marketing and innovative expertise that multinational organisations can offer. P&G and Unilever came joint top in this area with 88% and Nestlé third at 58%.

The survey – now in its second year – was conducted with some of the largest grocery retailers in the UAE, asking them to assess the most important aspects of their trading relationships with suppliers and rate which ones perform the best.

The findings make essential reading for suppliers wanting to build closer relationships with retailers in the UAE. The survey reveals three distinct opportunities for suppliers:

- **Insight expertise**: Retailers are turning to suppliers with strong credentials in loyalty programmes to marry up specific shopper data with regional and global category and shopper trends.
- **‘Value Add’ Teams**: Sales teams must now be able to bring information and ideas that drive the business in the modern age, such as knowing their companies digital strategy and technological innovations to improve logistics efficiency.
- **Innovation leadership**: suppliers must be seen as innovators in their marketing, NPD, and in-store activities to be perceived as ‘traffic drivers’ by retailers.
The UAE market continues to develop at one of the fastest rates within the Gulf region and whilst new store growth has slowed over the last few years, supermarket chains are opening smaller store formats. Carrefour, Spinneys, Chotihrams and Lulu opened a number of convenience stores in areas that would normally be serviced by more traditional grocery outlets. The challenge for suppliers is how to serve retailers at both a central and store level.

**Andy Williams, Regional Director – Kantar Retail Middle East, said:**

“It would appear that retailers in this market are increasingly expecting strategic conversations at head office level. As loyalty becomes more important they will naturally welcome the sharing of insight from suppliers as they look to make sense of their own shopper and sales out data. However, suppliers must remember the basics and any top level initiatives must be supported by an efficient supply chain and strong operational team.”

**Andrew Mardon, Senior Consultant – Kantar Retail Middle East, said:**

“It is interesting to see how the collective assessment of suppliers has changed versus the previous year’s survey. Whilst the dominant players remain in a strong position there are some other major International companies who have moved up the rankings. This is strong evidence that making focused changes in the way that suppliers approach their relationships with retailers can make an impact in a relatively short period of time.

“For suppliers who understand what retailers value there is an opportunity to strengthen business relationships in a way that is beneficial to both the supplier and the retailer. The joint initiatives they create will undoubtedly have a positive effect on the UAE shopper experience too.”

Kantar Retail launches the 2012 Voice of the Trade UAE report at an event in Dubai on 14 April 2013.

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**Notes to editors**

**About Voice of the Trade**

The Voice of the Trade report is inspired by Kantar Retail’s PoweRanking® Survey. Kantar Retail sponsored the first PoweRanking® survey in the United States in 1997. The Survey originated from its industry benchmarking studies on Category Management and Trade Promotion management which, for the past 17 years, have provided insight into industry best practices in these areas. The objective of the PoweRanking study is to research and benchmark how retailers and manufacturers evaluate each other in the most important areas of the manufacturer/retailer relationship. This is the 360 degree dimension that Kantar Retail Middle East aim to develop the Voice of The Trade Report into in the coming years.

**About Kantar Retail**

Kantar Retail (www.kantarretail.com) is the world’s leading shopper and retail insights and consulting business and is part of the Kantar group of WPP. The company works with leading branded manufacturers and retailers to help them transform the purchase behaviour of consumers, shoppers and retailers through the use of retail insights, consulting, analytics and organizational development services. Kantar Retail tracks and forecasts over 1000 retailers globally, has purchase data on over 200m shoppers and among its market-leading reports are the annual PoweRanking survey (USA and China), and Industry Shopper Study Across Retailers. Kantar Retail works with over 400 clients and has 20 offices in 15 markets around the globe.
Contact:

Simon Morris
Regional Director
Kantar Retail, UAE
simon.morris@KantarRetail.com
+971 – (04) 3748179

Andrew Mardon
Consultant
Kantar Retail, UAE
andrew.mardon@kantarretail.com
+971 – (04) 3748179