CIO OPINION
The CISO arena: Transforming from tech to strategy

FEATURE
Modern day cybersecurity: Enabled by AI, managed by human skills

TALKING BUSINESS
Boosting resilience of critical infrastructure

TRANSFORMING CUSTOMER LOYALTY PROGRAMMES WITH AI

We live in a world which is very data driven and AI has accelerated the need to be data driven. Al-Futtaim's vision is to be a data driven intelligent organisation, and the UAE based business conglomerate has integrated AI into its Blue customer loyalty programme to enhance consumer engagement. Supporting its vast business processes and operations around 200 brands is its Intelligent Data Platform and SAP S/4HANA ERP and CRM.

HIMANSHU SHRIVASTAVA, CHIEF TECHNOLOGY AND DATA OFFICER, AL-FUTTAIM

We live in a world which is very data driven and AI has accelerated the need to be data driven. Al-Futtaim's vision is to be a data driven intelligent organisation, and the UAE based business conglomerate has integrated AI into its Blue customer loyalty programme to enhance consumer engagement and experiences. Supporting its vast business processes and operations around 200 brands is its Intelligent Data Platform and SAP S/4HANA ERP and CRM.

Transforming customer loyalty programmes with AI

Himanshu Shrivastava,
Chief Technology and
Data Officer, Al-Futtaim
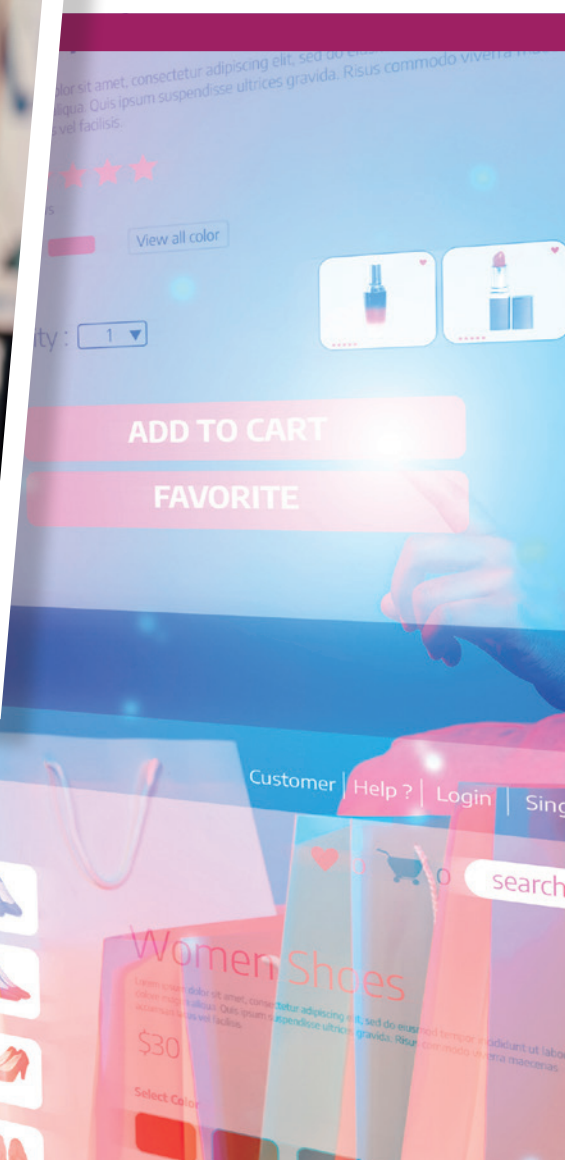
Al-Futtaim's consumer business spans a broad range of sectors, including automotive, retail, real estate, financial services, and healthcare. With a workforce of nearly 33,000 colleagues and operations across 18 countries, Al-Futtaim has built a reputation for delivering quality, scale, and service over its 90-year history. Headquartered in Dubai, Al-Futtaim manages a diverse portfolio of more than 200 globally recognised brands.

In the automotive sector, its brands include Toyota, Lexus, BYD, and Polestar. The retail division features household names such as IKEA, Marks & Spencer, ACE Hardware, and Watsons, offering a range of lifestyle, fashion, beauty, and home improvement products.

Al-Futtaim's real estate arm covers residential, commercial, and mixed-use developments, while financial services spans insurance, banking, and investment solutions. In healthcare, Al-Futtaim operates a growing network of clinics.

Blue and Blue AI

Blue is Al-Futtaim's digital engagement and loyalty platform, present across GCC and Middle Eastern markets. Within this platform, Blue AI is an intelligent feature that acts as a lifestyle advisor, using AI to analyse customer data and deliver personalised recommendations.

Blue AI developed by Al-Futtaim in UAE, is a smart lifestyle advisor and customer engagement platform that offers guidance and tailored insights across the Blue ecosystem of products and services, setting a new standard in personalised customer engagement.

Blue AI offers features designed to enhance the customer journey; users can browse fashion essentials tailored to their unique tastes, get instant access to beauty products with expert guidance, enjoy automated product recommendations, access test drive bookings at their fingertips and also seamlessly

THE RETURN ON INVESTMENT FOR BLUE AI IS JUSTIFIED THROUGH INCREASED CUSTOMER ENGAGEMENT, HIGHER PURCHASE FREQUENCY, AND IMPROVED RETENTION.

integrates a streamlined one-click multi-brand checkout experience that simplifies shopping like never before.

The UAE was chosen as the pilot market for Blue AI due to its advanced digital infrastructure, high levels of technology adoption, and scale of Al-Futtaim's customer base. As a mature market, UAE provides ideal conditions to launch and refine innovation. Blue AI will roll out to Egypt and Saudi Arabia later this year.

IT architecture and applications

Al-Futtaim's consumer business leverages a suite of IT applications to manage end-to-end operations, from customer-facing digital channels to back-end logistics, fulfilment, and inventory.

On the front end, Al-Futtaim utilises modern digital commerce platforms and mobile applications tailored for brands such as Marks & Spencer and IKEA, enabling customers to browse, order, and track products seamlessly. These platforms are integrated with digital payment gateways and customer engagement tools powered by AI for personalised recommendations and targeted promotions.

At the core of its operations lies SAP S/4HANA, which acts as the backbone ERP system, managing finance, procurement, supply chain, and inventory across retail stores and distribution centres. For customer relationship management, Al-Futtaim employs SAP CRM/CDP, Emarsys, Bloomreach and others, for enabling a unified view of customer interactions across touchpoints and facilitating personalised marketing, loyalty management, and service excellence.

For order fulfilment and warehousing, Al-Futtaim uses advanced warehouse management systems, integrated with ERP to optimise inventory levels, track stock movements in real time, and enhance delivery timelines. IT Service Management platforms like Symphony Summit are used internally to ensure smooth technological operations and service continuity.

AI and Generative AI have increasingly been integrated into various parts of the consumer ecosystem. AI models uplift existing capabilities in key areas like demand forecasting, pricing optimisation, and intelligent routing of customer service queries.

Generative AI, through initiatives like Blue AI, is being piloted to enhance customer service via conversational assistants, support content creation for marketing, and streamline internal operations like product cataloguing.

Enabling business processes

"We live in a world which is increasingly very data driven and AI has accelerated the need to be data driven. At Al-Futtaim our vision has been to be a data driven intelligent organisation," says Himanshu Shrivastava, Chief Technology and Data Officer, Al-Futtaim.

Data is generated across all business processes, from front-office interactions to back-office operations. Front-office processes, such as customer registrations, online purchases, and in-store transactions, generate valuable customer data.

Middle-office activities, including order fulfilment, marketing campaigns, and customer support interactions, produce transactional and engagement data.

Meanwhile, back-office functions, such as inventory management, supply chain operations, and financial transactions, generate valuable operational and financial data.

Key processes like customer onboarding, order processing, inventory replenishment, marketing campaign execution, and customer service resolution rely on this data to function efficiently.

AI is increasingly integrated into these processes to enhance decision-making and service delivery. For instance, AI-driven analytics personalise marketing campaigns and predict customer behaviour, leading to more targeted and effective outreach.

In supply chain management, AI optimises inventory levels and forecasts demand, ensuring smoother operations and reduced waste. Customer service benefits from AI-powered chatbots that handle initial queries, improving response times and efficiency. Additionally, AI algorithms analyse customer feedback to refine service offerings and product development.

A SATISFIED CUSTOMER IS THE BEST BUSINESS STRATEGY OF ALL

WE HAVE CREATED A STRONG DATA PLATFORM CALLED THE INTELLIGENT DATA PLATFORM TO ESTABLISH A SINGLE SOURCE OF TRUTH.

This data-driven approach enables businesses to make more informed decisions, improve customer experiences, and drive overall efficiency. By leveraging AI, Al-Futtaim is able to enhance personalisation, streamline operations, and achieve greater agility in an increasingly competitive landscape.

Enterprise wide data management

"We have created a strong foundational data platform called the Intelligent Data Platform, which brings together the data from all our divisions and markets to establish a single source of truth. With the move to S/4HANA, we now have a robust digital core, with in-built AI capabilities," explains Shrivastava.

These platforms provide a unified view of all business activities, enabling real-time data processing and analytics.

This approach helps to support a self-serve model, where individual business users can leverage the data platform to develop the required analytics. A centralised platform with self-serve capabilities allows Al-Futtaim to monitor performance, identify trends, and respond swiftly to market changes, ensuring a cohesive and efficient operation across Middle East markets.

Activating and rolling out Blue AI

The Blue loyalty application was built by leveraging the flutter framework and over time, Al-Futtaim has enhanced its features. Blue AI was developed through a combination of internal teams and Al-Futtaim's technology partners. At the heart of Blue, is an intelligent personalisation engine, which is built on a customer data platform. This allows Al-Futtaim to offer a personalised, engaging experience for its Blue customers.

Business processes involving customer enrolment, points accumulation, and rewards redemption, are managed through the application. Data from customer interactions, purchase history, and preferences are analysed to provide personalised offers and recommendations. This data-driven approach enhances

customer engagement and loyalty, driving repeat business and increasing customer lifetime value.

Blue AI integrates advanced AI and Generative AI technologies to offer tailored customer experiences. Business applications include AI-driven recommendation engines, virtual assistants, and predictive analytics tools. These applications analyse customer data to provide tailored product suggestions, automate customer support, and forecast demand.

The integration of AI enhances the functionality of the Blue Rewards application, making it a smart lifestyle advisor that offers seamless and personalised interactions across various brands.

Blue AI serves as an intelligent lifestyle advisor within the Blue Rewards application, using AI to analyse customer data and deliver tailored recommendations. Key features include personalised product and service suggestions, in-app shopping, and the ability to book test drives. These capabilities enhance the customer experience, boost engagement, and improve conversion rates.

The return on investment for Blue AI is justified through increased customer engagement, higher purchase frequency, and improved retention. By offering hyper-personalised experiences, the platform strengthens customer loyalty and drives long-term revenue growth.

Moving forward

The long-term vision for Blue AI involves expanding its capabilities to integrate more brands and services while incorporating ongoing Generative AI feature enhancements. Future developments include automating customer service, bringing in a broader ecosystem of partner offerings and hyper-personalised marketing.

The roadmap focuses on scaling the platform to new markets and refining its features based on customer feedback.

As Al-Futtaim progresses in its consumer AI journey, opportunities include creating seamless end to end customer journeys that lead to exceptional customer experiences, with data driven hyper-personalisation at its core. There is also the opportunity for improved operational efficiency, and data-driven decision-making. AI can unlock new revenue streams and drive innovation across the business.

Balancing these opportunities and challenges will be crucial for Al-Futtaim to fully realise the potential of AI and maintain its competitive edge in the market. ◻