

**EZDUBAI**  
E-COMMERCE ZONE

by

دبي الجنوب  
**DUBAI SOUTH**

# E-commerce Report 2024



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## Foreword

Dear industry colleagues,

We are pleased to be launching the fourth edition of our annual EZDubai e-commerce report, in partnership with Euromonitor, to highlight the latest trends and insights from the industry across the UAE and the wider MENA region.

There is no doubt that e-commerce operations have been on the rise in the UAE for the past few years. This has been reinforced by the advanced digital infrastructure, the increased demand for online shopping experiences, and enhanced digital payment systems, which are all complemented by the overall logistics ecosystem. This puts the UAE at the forefront of adapting technological advancements to maintain its leading position in regional e-commerce.

Several other factors have contributed to the sector's growth, including the rise of e-commerce platforms that provide customised solutions to consumers, the expansion of cross-border trade, and investments in technology such as AI and blockchain. These technologies enhance personalisation, as well as efficiency and security in logistics processes.

EZDubai, our dedicated e-commerce zone, was designed for start-ups, SMEs and multinationals, and our mandate is to support regional and international players in expanding their reach, benefitting from our state-of-the-art infrastructure, advanced services and solutions, as well as the overall ecosystem of Dubai South.

As we release our latest e-commerce report, we are confident of the added-value it provides to industry stakeholders across the region, through various findings that are propelling us forward and reinforcing the UAE and MENA's role as a key component in the global e-commerce landscape. Our commitment will remain steadfast in advancing the sector and supporting our partners in achieving their business objectives.

**Mohsen Ahmad**

CEO of the Logistics District, Dubai South

# INTRODUCTION



## Harnessing the potential of e-commerce in MENA

Adapting to the post-pandemic world requires a deeper understanding of digital trends shaping the retail and consumer landscape.

This report is part of a series of reports focusing on e-commerce and key digital consumer and industry trends from 2023, across MENA region and other global markets.

The e-commerce industry is estimated at USD28.9 billion in 2023 within the MENA\* region and is projected to grow by 11.6% CAGR over the 2023-2028 period.



### Geographies

#### MENA\*

- UAE
- Algeria
- Egypt
- Iran
- Jordan
- Kuwait

- Lebanon
- Morocco
- Oman
- Qatar
- Saudi Arabia
- Tunisia

#### Other Global Markets

- China
- Indonesia
- Turkey
- Mexico
- China
- Brazil

\*Note: This report defines MENA including all countries listed above, unless otherwise stated



### Categories

- Apparel and Footwear
- Beauty and Personal Care
- Consumer Appliances
- Consumer Electronics
- Consumer Health

- Home Care
- Home and Garden
- Media Products
- Foods and Drinks



### Key Data Points

- Total e-commerce market size and growth
- Sub-category e-commerce market size and growth
- Historic: 2018-2023; current prices, y-o-y exchange rate;
- Forecast: 2023-2028: constant prices, fixed exchange rate (2023 considered an estimate)
- RSP: Retail selling price, inclusive of tax

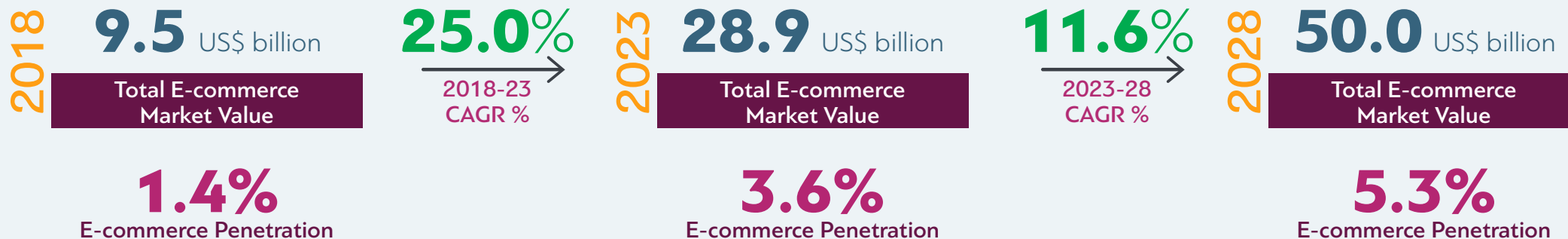
# EXECUTIVE SUMMARY



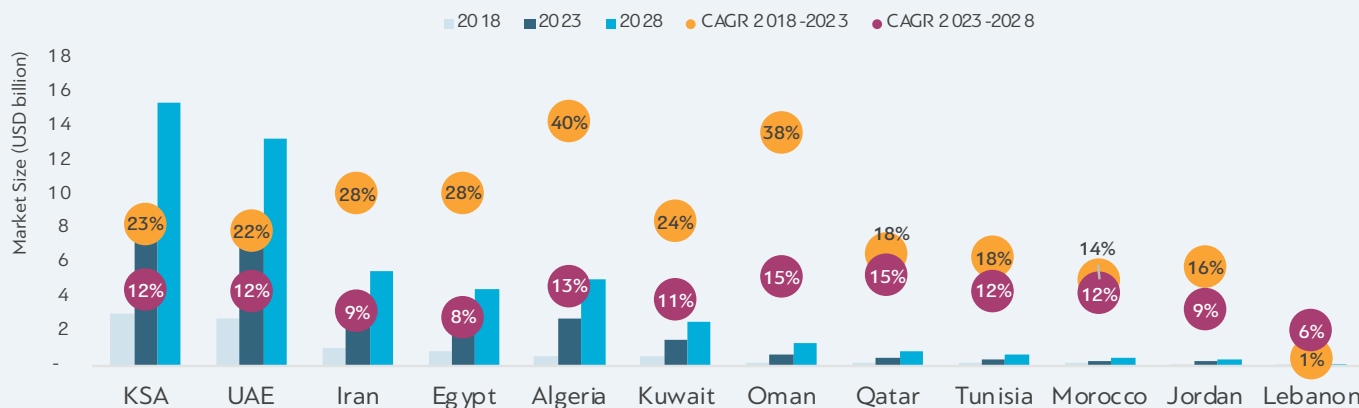
# Introduction- Executive Summary

## E-commerce Snapshot in MENA\* region

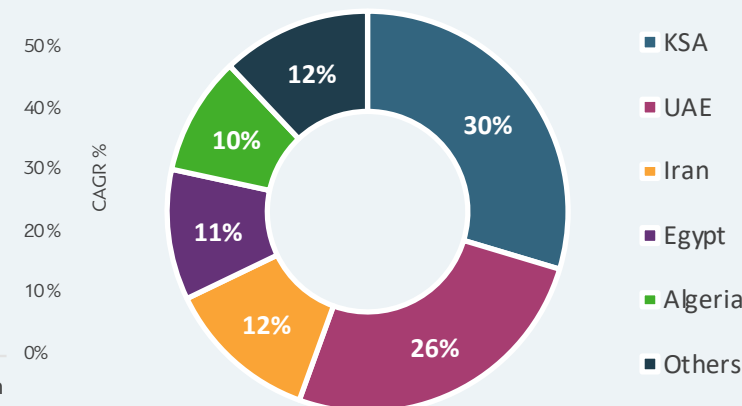
Growing investments in digital infrastructure, stronger regulations and rising consumer confidence in digital payments is likely to drive an over-5x growth in e-commerce over the decade, 2018-28



**E-commerce Market Size in Selected MENA\* Countries**  
USD billion (2018/2023/2028) and CAGR % (2018-2023/2023-2028)



**Total E-commerce Market Share by Market in MENA in 2023\*** USD billion

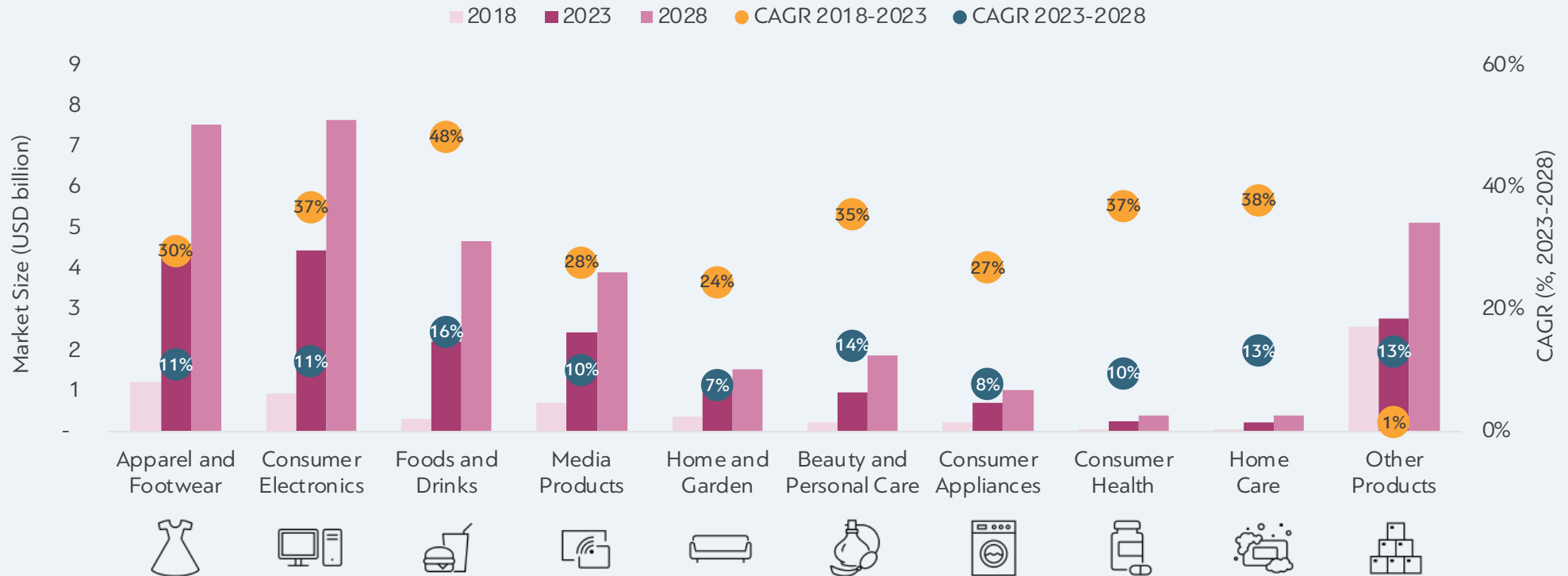


Source: Euromonitor International  
Note:\*MENA includes Algeria, Egypt, Iran, Israel, Jordan, Kuwait, Lebanon, Morocco, Oman, Qatar, the KSA, Tunisia, and the UAE

# Executive Summary – E-commerce in MENA Region

Most product categories see strong growth, driven by wide product offering, extensive promotions and rising consumer confidence in online purchases post COVID-19

**Total E-commerce Market Size by Industry across key markets in MENA\***  
 USD billion (2018/2023/2028) and CAGR % (2018-2023/2023-2028)



Source: Euromonitor International  
 Note: \*MENA for category performance analysis includes only the UAE, KSA, Egypt, and Morocco  
 Historic data: current prices, y-o-y exchange rate



# Executive Summary – Industry Trends – MENA Region

Top five trends shaping the MENA e-commerce market prioritizing customer convenience and seamless shopping experiences



## Increased Omnichannel Adaptation

- The omnichannel approach is gaining traction as consumers seek seamless shopping experiences.
- This trend, fueled by the use of promo codes, discounts, and loyalty points, is expected to grow with the rising demand for fast delivery.



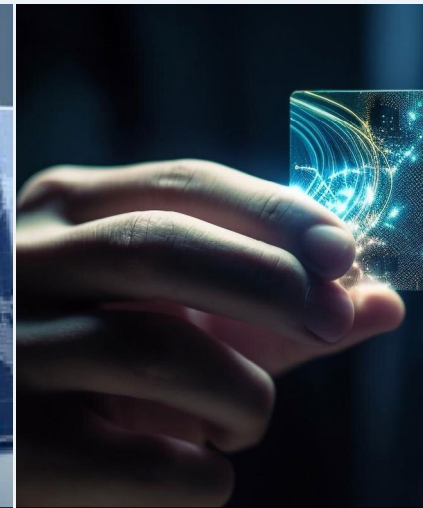
## Rise in Digital Payments

- The MENA region is experiencing a surge in digital payments, such as E-wallets, P2P payments, and BNPL services, driven by growing trust in their security.
- BNPL services are broadening consumers' shopping options.



## A Shift to Mobile Apps

- E-commerce is shifting towards mobile apps for convenience and personalized experiences, where a seamless user experience (UX) is crucial.
- Noon and Sharaf DG are leading this trend with regular usability testing and UX audits.



## Rising Appeal of Membership Programs

- Various e-commerce platforms are introducing membership programs to encourage repeat purchases and higher spending.
- In 2023, noon launched its program, noon One, providing unlimited free deliveries and extra savings.



## Online Grocery Boom

- Online grocery shopping is booming post-pandemic in the MENA region.
- Investment in e-commerce infrastructure has improved last-mile delivery efficiency, with platforms like noon offering select items with a 15-min delivery option.



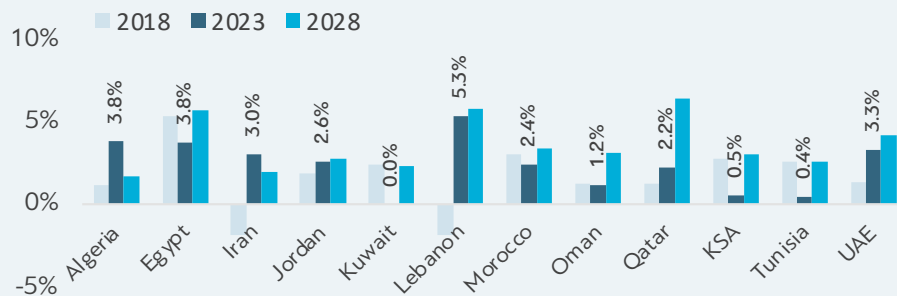
## INDUSTRY SIZE AND GROWTH DRIVERS



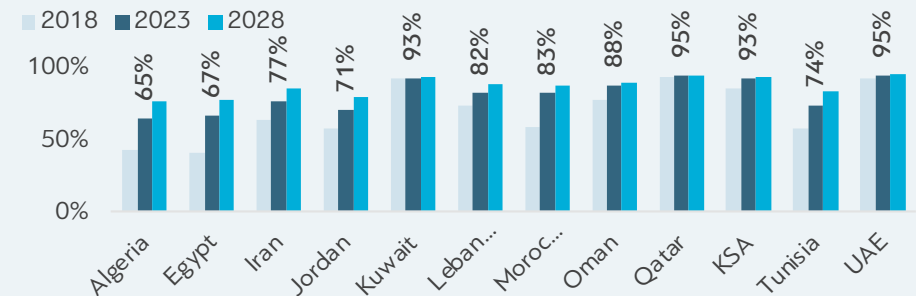
# Industry Size and Growth Drivers – Macro-Economic Drivers

Stable GDP growth and a sizeable tech-savvy youth population will encourage growing investments in telecommunication landscape

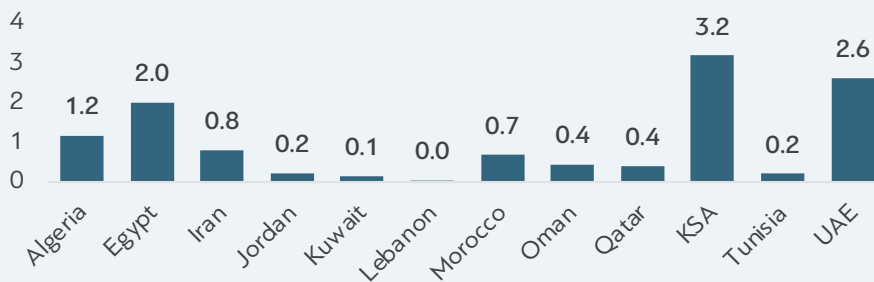
**Real GDP Growth**  
% (2018/2023/2028)



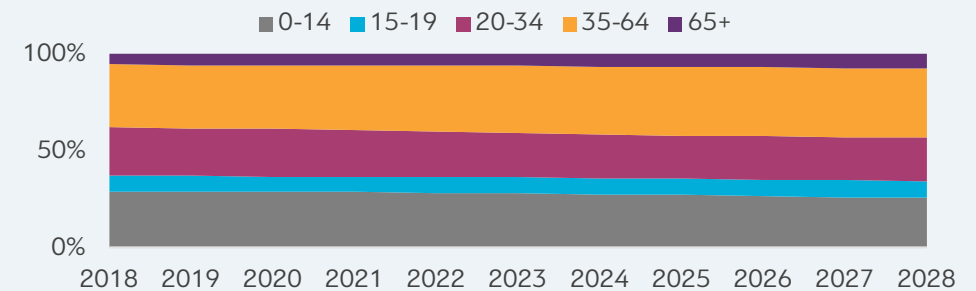
**Internet Penetration**  
% of population (2018/2023/2028)



**Capital Investment in Telecommunications**  
USD billion (2023)



**Demographics by Age Bracket Across MENA\***  
% of total population (2018-2028)



Source: Euromonitor International  
Note: \*MENA includes Algeria, Egypt, Iran, Jordan, Kuwait, Lebanon, Morocco, Oman, Qatar, KSA, Tunisia, and the UAE

# Industry Size and Growth Drivers – Macro-Economic Drivers

Channelizing oil revenues into infrastructure development and rise in disposable income among youth emerge as key drivers for e-commerce adoption across MENA

## Internet Penetration

- With a focus on **financial inclusion through digital payment innovations** in non-GCC markets, MENA's e-commerce growth is fueled primarily by internet penetration.
- Access to high-speed internet is significant among GCC markets which constitute three **global leaders in internet speed**, while other MENA markets like Egypt and Algeria are prioritizing investments in telecommunications infrastructure.

## Economic Performance

- MENA countries are leveraging strong uptake in global demand for oil and **diversifying their economies across sectors**, notably in e-commerce, logistics and tourism.
- This shift has provided resilience despite the **volatile geopolitical landscape in 2023**, leading to increased employment, higher disposable income and government's focus on improving quality of life amidst rising inflation.

## Young Demographics

- The MENA region maintains a **youthful demographic**, with over half of its population aged below 30, which presents a strong ground for e-commerce growth, as millennials exhibit stronger propensity for being **tech-savvy with prolonged internet and mobile usage**, a **willingness to pay for convenience**, and **novelty-seeking behavior**.
- This encompasses **embracing innovations in platform interactions, payment methods, and various other facets of e-commerce**.

## Strong Investments

- Despite the geopolitical instabilities in the region, MENA recorded **investments of an estimated USD4 billion in over 580 deals**. Saudi Arabia, the UAE and Egypt contributed to over 75% of all transactions.
- Fintech entities, led by BNPL service providers, Tamara and Tabby contributed to 57% of the overall funding while e-commerce platforms like Floward raised an estimated USD195 million from both regional and global investors.



# Industry Size and Growth Drivers – Regulatory Landscape

## Strong regulatory push strengthens expansion and growth of e-commerce across the region



- The Saudi government is advancing e-commerce as part of Vision 2030 through initiatives like the National Industrial Development Program, the Cloud First Policy, and strategic guidance for emerging industries. Furthermore, the Digital Cooperation Organization (DCO) expanded to include Nigeria and Oman, joining other members to foster digital economic growth.



- The UAE has introduced a new e-commerce law (Federal Decree Law No. 14 of 2023), aiming to enhance its digital economy by encouraging investment, protecting consumer rights, and fostering innovation. The law regulates consumer data monitored and used, technology integration like blockchain, and platform monitoring to ensure a seamless consumer experience.



- Egypt government's initiatives to urbanize population, modernize banking to enable financial inclusion, and expand retail sectors have propelled investments in e-commerce. This is further backed by growing investments in logistics infrastructure by startups. Supporting this expansion further, the government is formulating legislation covering taxation and security in e-commerce.



- Since 2018, the Algerian government has removed sales taxes on online electronics and appliance purchases, introduced Islamic finance-based credit facilities for e-commerce, and supported telecom infrastructure upgrades for improved internet access, notably 5G rollouts.



- Morocco is updating regulations to enhance transparency and compliance in the e-commerce sector.



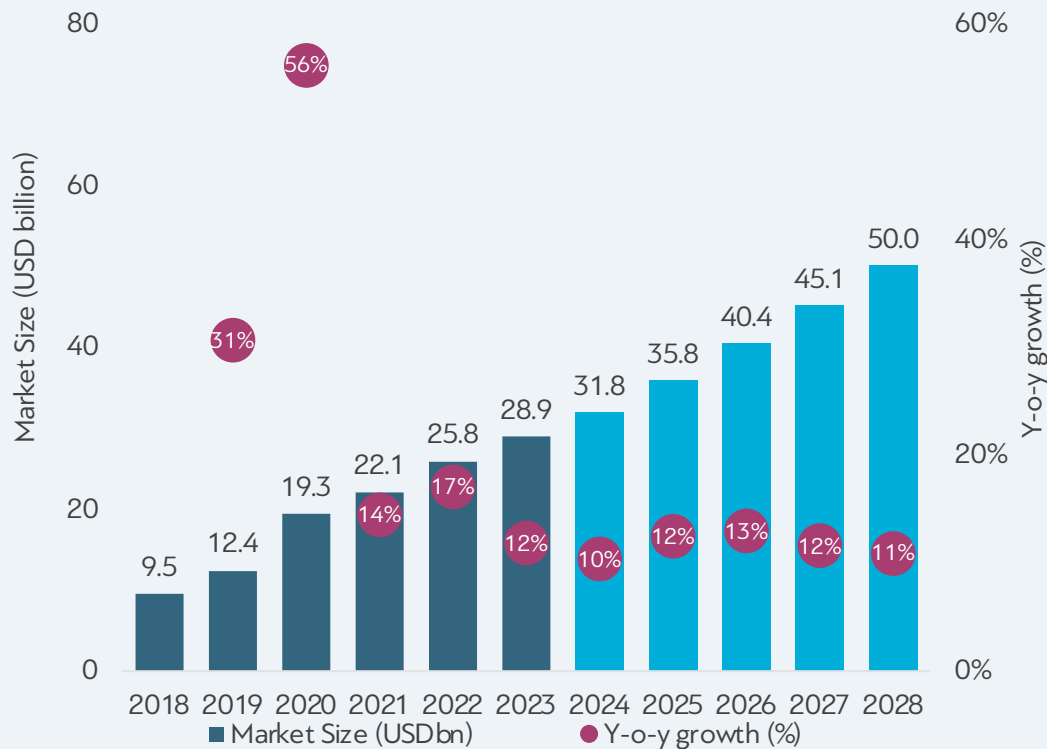
- The Tunisian government conducts campaigns to crack down on illicit trade, creating a conducive environment for sustained e-commerce market growth.



## Industry Size and Growth Drivers

Despite growth stabilization in 2023, MENA is poised for a strong forecast CAGR of 11.6% until 2028, driven by a well-developed e-commerce ecosystem

**Total E-commerce Market Size in MENA**  
USD billion and CAGR (2018-2028)



- E-commerce in the MENA region continues its growth trajectory in 2023, albeit at a slower pace due to the post-pandemic normalization trend and a shift towards offline shopping. As a result, the market registered a modest y-o-y growth of 11.8% to reach nearly **USD28.9 billion** in 2023 after reflecting strong online adoption over the historic period, with a **CAGR growth of 25.0%** since 2018.
- Nevertheless, the market is primed for robust growth in the upcoming years, particularly fueled by **widespread high-speed internet connectivity**, and favorable policies mainly focused on development of **digital payments and logistics infrastructure**.
- **Saudi Arabia** leads adoption of e-commerce in the region on the back of **robust government policies and technological investments** by e-commerce firms on the supply side, combined with **rising disposable income and omnichannel interests** among Gen Z and Millennial consumers.
- Similarly, the **UAE** thrives as **global leaders in high-speed internet**, a **large expatriate cosmopolitan population** and **ease-of-access to digital infrastructure** across social classes.

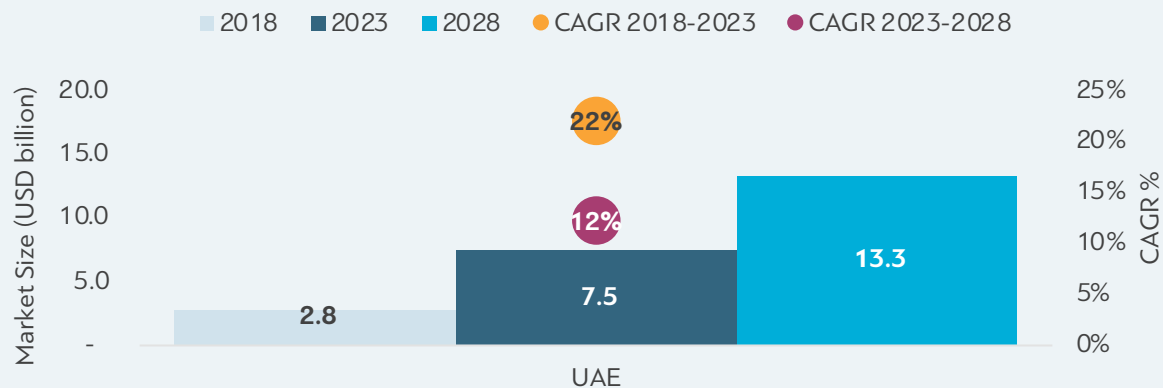
## E-commerce Snapshot in in the UAE

Rapid surge in UAE's e-commerce adoption is fueled by tech-savvy Gen Z and millennial population, empowered by strong government support in regulations and backed by substantial investments in digital infrastructure



### E-commerce Market Size in the UAE

USD billion (2018/2023/2028) and CAGR % (2018-2023/2023-2028)



**2018**  
**4.8%**

E-commerce Penetration

**2023**  
**11.4%**

E-commerce Penetration

**2028**  
**15.3%**

E-commerce Penetration

### Top 3 verticals by value size, 2023

Apparel and Footwear



**2.4**  
US\$ billion

Consumer Electronics



**1.9**  
US\$ billion

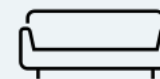
Media Products



**1.7**  
US\$ billion

### Fastest growing verticals, 2018-2023

Home and Garden



**74.3%**  
CAGR

Foods and Drinks



**53.6%**  
CAGR

Consumer Electronics



**47.1%**  
CAGR

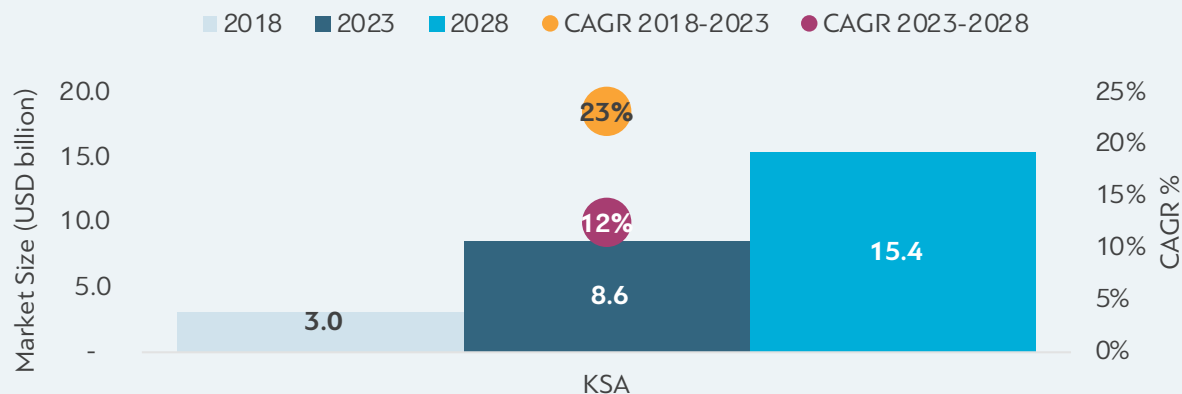
## E-commerce Snapshot in Saudi Arabia

E-commerce in Saudi Arabia is driven by high internet penetration, robust government support, improved logistics and payment systems, and a growing trend towards online shopping for convenience and competitive pricing



### E-commerce Market Size in Saudi Arabia

USD billion (2018/2023/2028) and CAGR % (2018-2023/2023-2028)



### Top 3 verticals by value size, 2023



### Fastest growing verticals, 2018-2023



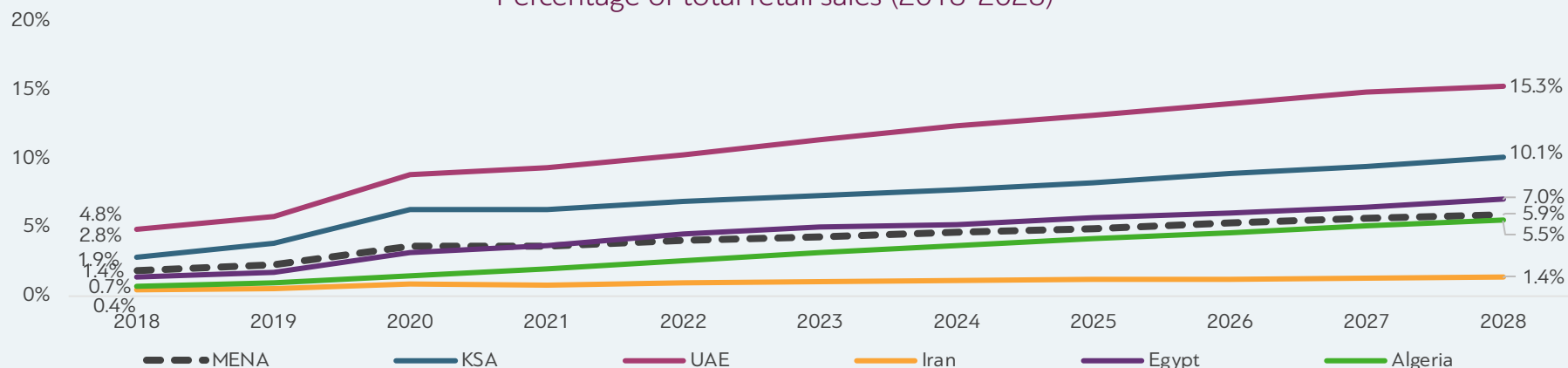


## Industry Size and Growth Drivers - E-commerce to overall retail

Though still below the global average, e-commerce penetration in the MENA region experienced strong growth across nearly all markets from 2018 to 2023

### Total E-commerce Market Size in Top Markets Across MENA

Percentage of total retail sales (2018-2028)



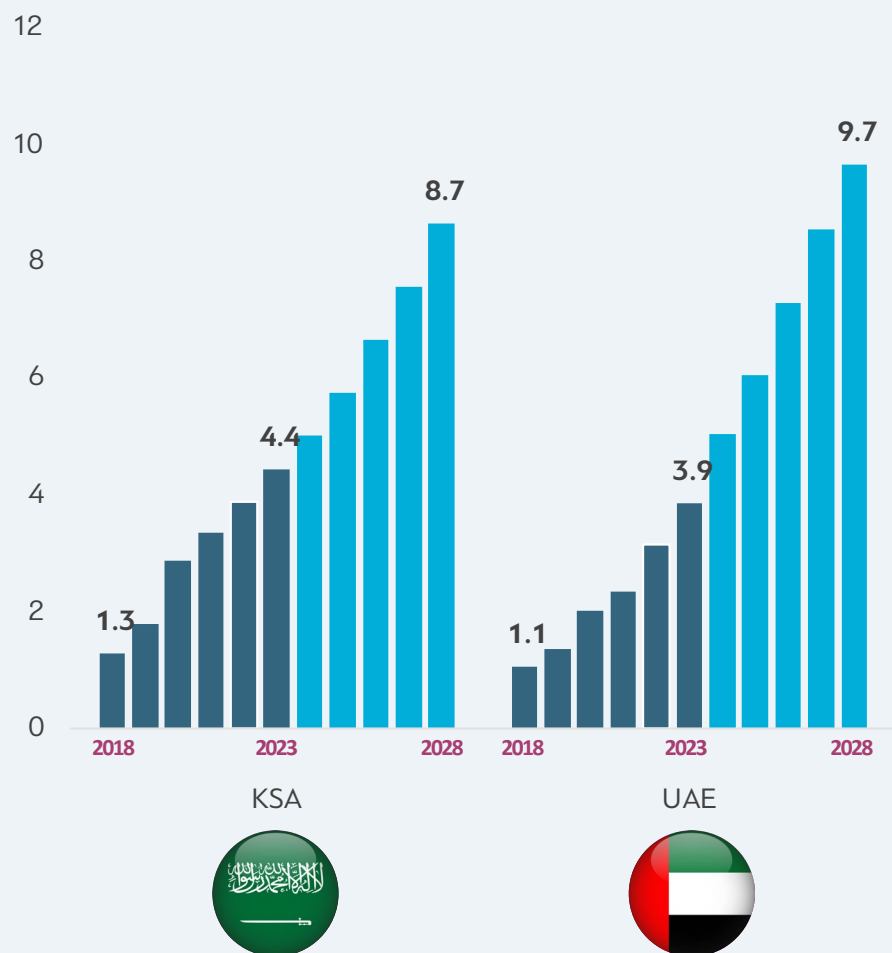
- E-commerce sales in the MENA region reaches approximately 3.6% of total retail sales in 2023, with more mature markets like the UAE and Saudi Arabia exhibiting higher penetration rates at 11.4% and 7.3%, respectively. However, these figures remain modest compared to the global average, which stands at around 21.9% in 2023.
- The expansion is driven not only by the convenience and pandemic-induced convenience, but also by the wider product mix, particularly affordable alternatives amidst the rationalization trends among consumers in various markets to cope with high inflation. This is resulting in e-commerce becoming a platform for periodic discount and promotion programs.
- Mature markets like the UAE and Saudi Arabia are set to sustain strong performance, while others like Egypt and Algeria are expected to benefit from recent developments, exceeding the regional average with e-commerce penetration rates of 7.0% and 5.5% by 2030, respectively.

# Industry Size and Growth Drivers - Significance of M-commerce

Mobile commerce in Saudi Arabia and the UAE sees remarkable growth fueled by high smartphone penetration, social media shopping features, and diverse payment choices

## Mobile Commerce Market Size Across Key Countries

USD billion (2018-2028)

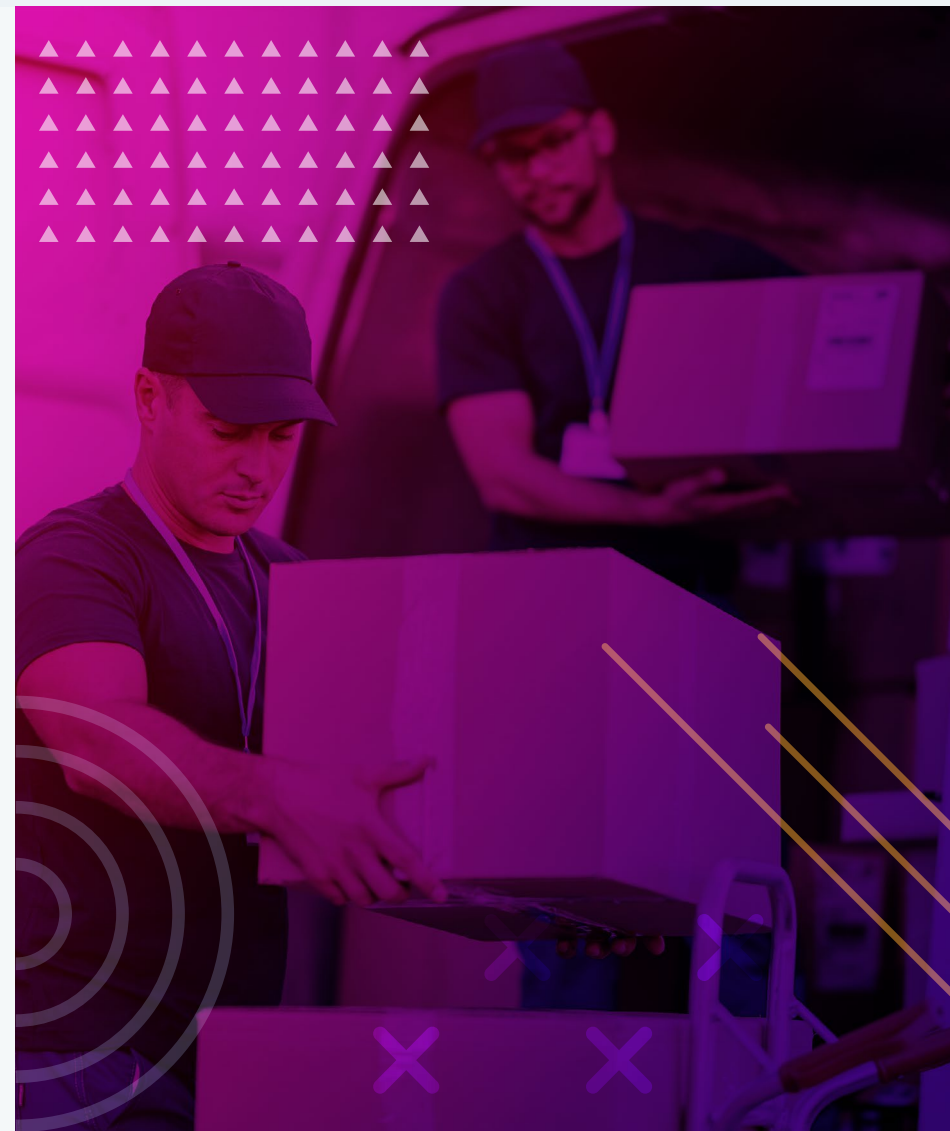


- Mobile commerce has seen significant uptake in both Saudi Arabia and the UAE, nearly quadrupling in value size from 2018 to 2023, reaching around USD4.4 billion and USD3.9 billion, respectively, in 2023.
- High smartphone penetration rates with access to high-speed internet in both markets have fueled mobile app-based shopping, especially among the young, tech-savvy population seeking convenience and accessibility. This has been further enhanced by consumer preference for apps and super-apps in the region.
- Social media platforms like Instagram and Facebook are integrating shopping features, blurring the lines between browsing and buying. This is significant in Saudi Arabia, where approximately 79% of the population are social media users with the same in the UAE being around 99%.
- On the back of growing consumer confidence in digital payments, both markets offer diverse and secure payment options, including rising popularity of global digital wallets like Apple Pay in both the UAE and Saudi Arabia, along with a variety of innovative options like BNPL through platforms such as Tabby.
- Snapchat is seen as a valuable tool for e-commerce businesses that reach a younger audience, create engaging content, and drive brand awareness. noon, Shein, Namshi uses AR filters, and stories, with engaging content creating a fun and interactive experience for customers encourages a sense of urgency and exclusivity, accelerating traction.
- Despite being relatively new to the MENA region, TikTok already boasts around 27 million active users in 2023. However, TikTok's e-commerce business, TikTok Shop, is still in early testing phases, with live-streaming paused in Saudi Arabia since December 2023, and slow progress in recruiting vendors

## Industry Size and Growth Drivers - Delivery E-commerce

Delivery e-commerce is set to grow further and remain key, driven by ongoing efforts from platforms and retailers to expand their product range and offer subscription services

- COVID-19 accelerated growth in delivery e-commerce, with CAGRs of around 22.4% and 21.3% in 2018-2023 in Saudi Arabia and the UAE. However, a more modest CAGR of about 12.0% is projected for both markets in 2023-2028 as pandemic-induced behaviors persist, sustaining growth despite a shift back to offline shopping habits.
- E-commerce platforms are broadening their delivery offerings with new product categories while investing in strategically located logistics centers, including fulfillment centers, to enable faster, sometimes same-day, delivery options.
- Consumer electronics dominate both markets, comprising more than one-fifth of total delivery e-commerce in Saudi Arabia and the UAE, respectively, in 2023.
- In addition, both markets exhibit similar consumption patterns, with other leading categories including apparel and footwear, media products, and foods and drinks.
- Apps like Porter, Mrsool, Fetchr and Lyft are shaping the future of e-commerce logistics in UAE And Saudi Arabia by providing innovative solutions and hub-and-spoke model that ensures fast, efficient and convenient delivery for both businesses and consumers.
- Other MENA countries, like Egypt and Algeria, are expected to follow a similar path with growing e-commerce penetration, and evolving consumer behavior towards online shopping, fueled by smartphone usage, government initiatives, and emergence of local players.



### Shares of Click & Collect services remain minimal despite offering cost savings for both businesses and consumers in Saudi Arabia and the UAE

- As a solution to supply chain challenges and answering to consumer's concerns around delivery fees in certain instances predominantly in smaller basket sizes, Click & Collect (C&C) has experienced **strong growth**, **expanding significantly from its modest beginnings in 2018** to reach over **USD250 million** in both Saudi Arabia and the UAE by 2023.
- However, its presence in overall retail e-commerce remains minimal, comprising about **3.0% of Saudi Arabia's** and **3.5% of the UAE's total e-commerce in 2023**.
- This option has been **beneficial for companies aiming to reduce operational costs** by eliminating last-mile delivery fees and utilizing stores as mini-fulfillment centers, thus minimizing the need for additional warehouse space, in addition to offering consumers more delivery options to choose from.
- Popular companies offering C&C services include IKEA, Max Fashion, H&M and Sephora in Saudi Arabia, and Carrefour, Centerpoint, and Bloomingdale's in the UAE, with some offering discounts to incentivize this alternative.
- In addition, when consumers opt to pick up products in-store, it provides **new opportunities for brand engagement interactions**.
- C&C is still in a growth stage in some developing MENA markets like Egypt and Jordan. While it offers benefits like faster pick-up, wider adoption awaits further investment in last-mile logistics infrastructure.

# Click & COLLECT



# Industry Size and Growth Drivers

Convenience and loyalty lead investments and expansions of platforms to facilitate e-commerce growth and penetration across the region



## Increased Omnichannel Adaptation

E-commerce is evolving into an **omnichannel** approach. Consumers want best prices across both online and offline platforms, prompting widespread use of discounts, promo codes, and loyalty points.


**Omnichannel growth relies heavily on quick commerce services** including same-day and hourly delivery. This tends to prove costly for end customers and challenges e-commerce platforms and retailers to optimize fulfillment practices that will help in reducing shipping fees.



## Rise in Digital Payments

The MENA region is witnessing a **surge in digital payments**, fueling the expansion of e-commerce markets.

Consumers are embracing innovative options such as **e-wallets** (such as STCpay or du Pay), **BNPL services** (Tabby, Tamara, etc.), **biometrics** (such as Carrefour's Face Pay), and **payment-enabled wearable technology**. This has resulted in increased consumer confidence in secure payments and hence, online purchases.



## A Shift to Mobile Apps

E-commerce is **increasingly mobile-driven, shifting towards digital apps** that provide convenience and personalized experiences, alongside value-added features like retail digital wallets and social media integration.

**Enhancing user experience (UX) has become crucial**, focusing on such areas as **simplified navigation, personalized content, visually-engaging interfaces, and seamless and secure checkouts**, among others.

Key players such as noon.com and Sharaf DG improve their apps through constant usability testing and UX audits.



## Rising Appeal of Membership Programs

Ensuring customer loyalty amidst rising competition has become paramount for e-commerce platforms. Besides providing convenience and hassle-free experience, **e-commerce platforms are introducing loyalty programs to encourage repeat purchases and higher spending**.

In 2023, noon launched its loyalty program, called "noon One," which seeks to drive repeat purchases from consumers with a reward system of unlimited free deliveries across its offerings. It also enables noon consumers to save more on their purchases.



## A Boom in Online Grocery

MENA region saw a steep **rise in online grocery shopping** of food, drink, home, and personal care products.

E-commerce platforms are aiming to convert this into a quick-commerce opportunity by **boosting delivery efficiency and offering subscription services to meet consumer needs**.

Despite challenges in maintaining profitability with this business model, regional players like Amazon and noon are adopting a 15-minute / hourly / same-day delivery of groceries to improve penetration.

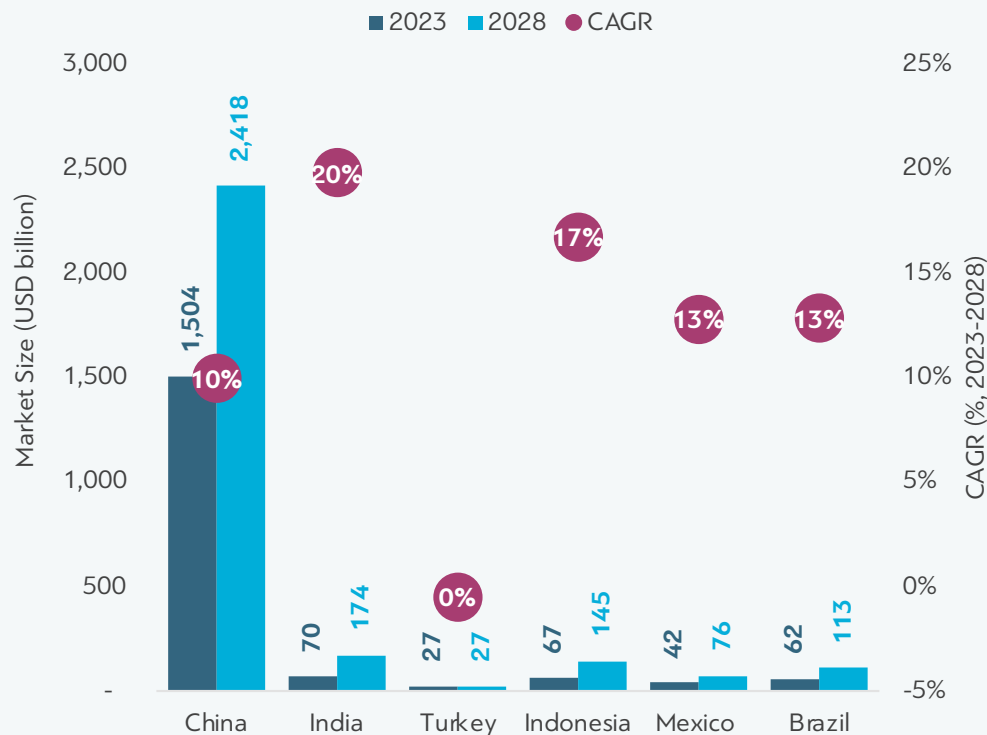
# E-COMMERCE TRENDS IN GLOBAL MARKETS



## E-commerce Snapshot in Selected Global Markets

China leads e-commerce adoption globally while India and Turkey follow suit on the back of robust government support and strong investments across the e-commerce value chain

**E-commerce Market Size in Selected Global Markets**  
USD billion (2018/2023) and CAGR (2023-2028, %)



China's e-commerce reaches over **USD1,500 billion** in 2023, making up about **36.2%** of its total retail sales, driven by **high internet penetration, digital savviness of consumers and last-mile logistics enabling fast and affordable shipping**. Several regions within China are serving as export hubs with special custom clearance procedures to promote cross-border e-commerce across markets.



India's e-commerce increases to over **USD70 billion** in 2023, accounting for **8.3%** of total retail sales. Besides widespread smartphone penetration and affordable internet access, industry efforts, including **diverse payment options, enhanced user experience, hyperlocal services, and the rise of social commerce**, shows strong potential for further growth and penetration.

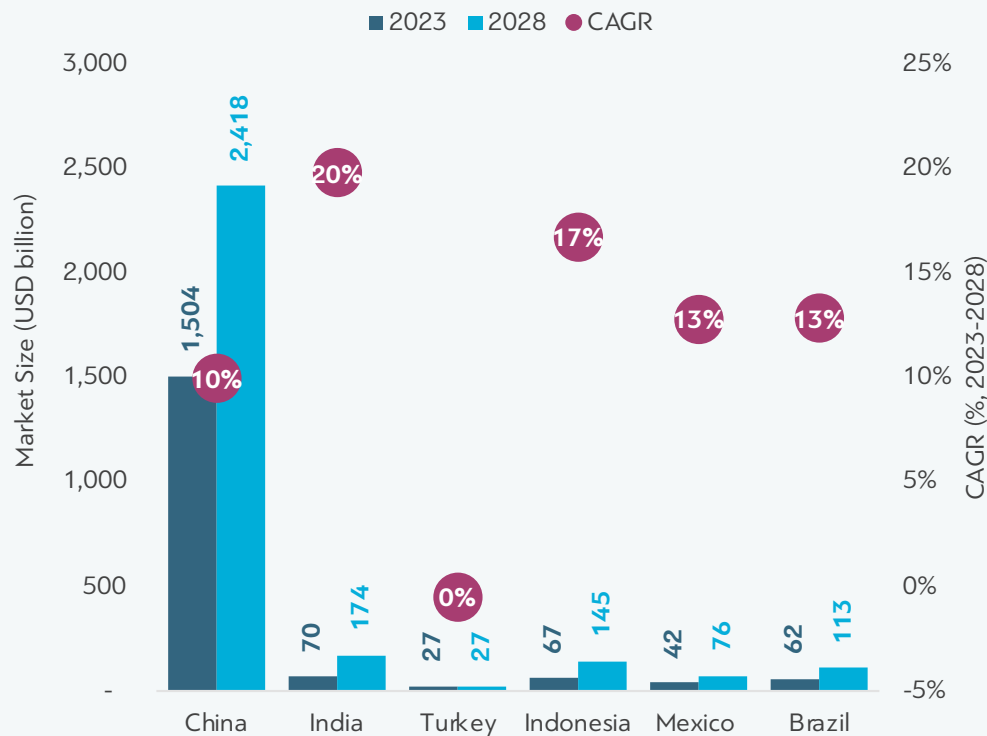


Turkey's e-commerce surpasses **USD27 billion** in 2023, contributing to an estimated **16.3%** of the retail sales. Despite currency devaluation, **rapid development in the digital payment landscape** combined with robust delivery services is expected to drive a CAGR growth of over 40% (equivalent to 0% in USD) in the next five years in the local currency.

## E-commerce Snapshot in Selected Global Markets

Improved logistics and convenient payment options have significantly boosted the e-commerce sector across price-sensitive markets such as Indonesia, Mexico, and Brazil

**E-commerce Market Size in Selected Global Markets**  
USD billion (2018/2023) and CAGR (2023-2028, %)



Indonesia's e-commerce totals nearly **USD67 billion** in 2023, contributing **31.5%** of overall retail sales. This surge is attributed to a burgeoning middle-class population, **increased internet and smartphone usage**, and a rapid increase in fintech firms providing secure digital payments. **Government-led digital transformation, infrastructure enhancements and private investments** establishes a foundation for strong growth in e-commerce.



Mexico's e-commerce reached almost **USD41.7 billion** in 2023, constituting about **12.1%** of total retail sales, propelled by **increased digital inclusion and an improving digital payment landscape**, which boost confidence in online transactions. The **BNPL option targeting unbanked customers** has grown strongly.



Brazil's e-commerce totals almost **USD61.8 billion**, contributing to an estimated **19.5%** of the overall retail market. Major players are **prioritizing enhancing logistics** through more fulfillment center networks to **reduce high shipping costs**, a major concern currently for many customers making online purchases.





### Hyperlocal deliveries benefits various E-commerce categories in India

The surge in online shopping among Indian consumers is driving the **growth of hyperlocal e-commerce services**, particularly driven by consumer behavior that has shifted towards convenience, resulting in more frequent, smaller purchases. In response, e-commerce giants, like Blinkit, Zepto, Swiggy Instamart, and Dunzo, are entering the hyperlocal market to meet demand for quick deliveries, joined by newcomers Amazon and Flipkart. These hyperlocal services **benefit a range of categories, especially food, drinks, and groceries, enhancing customer satisfaction across the board.**



### Live-streaming gains traction in China and Indonesia

Livestreaming provides an interactive space for consumers and is regarded by various retailers in China and Indonesia as a more efficient way of distributing coupons and other promotional deals. **Additional discounts and promotions during limited-time live-streaming sessions** further prompt quick purchases. The method can also increase customer loyalty and encourage repeat sales, especially when it **allows for engagement between sellers and clients, facilitating visualization of products** like footwear, which is crucial given the limitations of trying items on in traditional e-commerce. Major platforms such as Taobao, JD.com, and Shopee provide this feature to their merchants.

# Trendyol's meteoric rise from bridging the fashion gap to becoming Turkey's largest E-commerce company, reaching Dedacorn status in 2021

### Company Background

- Founded in 2010, Trendyol has grown to be the **largest e-commerce company in Turkey** by reaching dedacorn status in **2021**, with a current valuation of over **USD10 billion**.

### Market Presence and Product Mix

- Trendyol was designed as a **marketplace** to bridge the gap between fashion-conscious consumers and a wide array of clothing brands. They provide an extensive selection of products of over **200 million+ items** from over **240,000 sellers** to their customers spanning categories such as fashion, technology, and home furnishings. With a customer base of 30 million, Trendyol dispatches over **1.5 million items daily** to **27 distinct countries**.

### Differentiating Services/Initiatives

- By harnessing data and advanced algorithms, Trendyol delivers **personalized product suggestions and precise promotions** customized to individual customer preferences and **browsing patterns**. This personalized methodology enriches the **shopping journey**, introducing customers to items aligned with their interests and providing pertinent discounts and offers, thereby elevating their overall experience.
- Ongoing initiatives like the **'User Trust Program,' #VOC (Voice of Customer) reports**, and distinct recognition schemes underscore the company's dedication to prioritizing the customer experience, ensuring consistently excellent interactions at every stage.
- All the while, they also prioritize maintaining a balance between the needs of sellers and users, actively involving sellers in programs such as **'Seller Trust'** and **'Voice of Seller'** to ensure their feedback is acknowledged and addressed.
- The platform provides an extensive array of **payment choices**, encompassing credit and debit cards, digital wallets, and online banking, as well as buy BNPL, thereby ensuring a **flexible and secure** checkout experience for customers.
- Trendyol's **network of warehouses and fulfillment centers across Turkey** plays a vital role in inventory management, order processing, and timely customer dispatch. Utilizing advanced systems and tracking capabilities, Trendyol ensures **transparency** and minimizes delays or stockouts. Additionally, the company offers a variety of **last-mile delivery solutions**, including standard, expedited, and same-day or next-day delivery options, tailored to meet diverse customer preferences for a seamless and convenient shopping experience.



## Douyin revolutionized China's digital Landscape through livestreaming and E-commerce integration

### Company Background

- Launched in **2016** by ByteDance, Douyin has made significant waves in the **Chinese digital landscape**, emerging as a **top success story**, particularly in the **short video space**. Its success is partly due to its strategic timing, coinciding with China's booming mobile internet and growing appetite for short-form video content.

### Market Presence and Product Mix

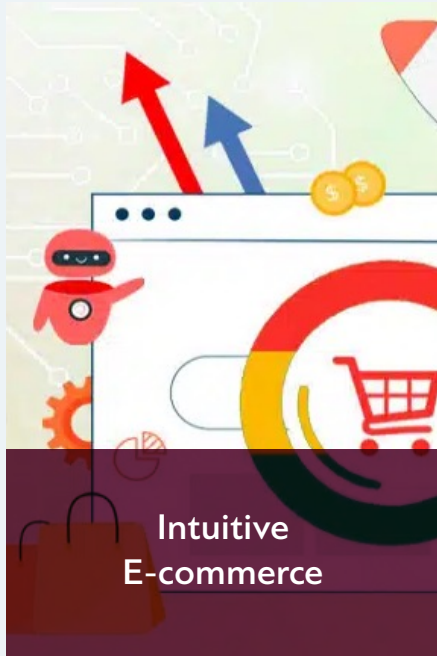
- Douyin achieved **150 million daily active users** as early as **June 2018**, establishing itself as the world's fastest-growing app. **Presently**, Douyin boasts **over 800 million users**, positioning itself as a formidable competitor in the digital realm and a hub of e-commerce activity.
- Douyin's support for **over 300k brands** showcases its vast potential for businesses to engage their target audience through creative content and precise targeted ads, challenging traditional online shopping norms.

### Differentiating Services/Initiatives

- Douyin's **user-friendly interface** and **innovative editing tools, filters, and special effects** cater to this demand, enabling users to easily create visually captivating and entertaining videos with minimal effort.
- Beyond entertainment, Douyin serves as a **powerful marketing tool for brands**, enabling them to target younger Chinese consumers who increasingly favor digital platforms over traditional advertising channels. Douyin's significant influence on consumer behavior has given rise to a new industry of **"Douyin marketing"** agencies, specializing in assisting brands in leveraging the app's extensive user base and unique features to enhance their reach and engagement.
- Douyin's success in **driving sales** stems from its **engaging short-form video content, influencer endorsements, and seamless e-commerce integration**. Through captivating videos featuring products and **trusted influencers**, users experience a persuasive and **user-friendly shopping journey** within the app. Additionally, Douyin's **integration with multiple e-commerce platforms** like Taobao, JD, and Tmall enhances accessibility and convenience for both users and brands.
- By seamlessly blending entertainment with commerce, Douyin sets new trends in digital marketplaces, leveraging a combination of **entertainment, trust, and convenience** to effectively drive sales.

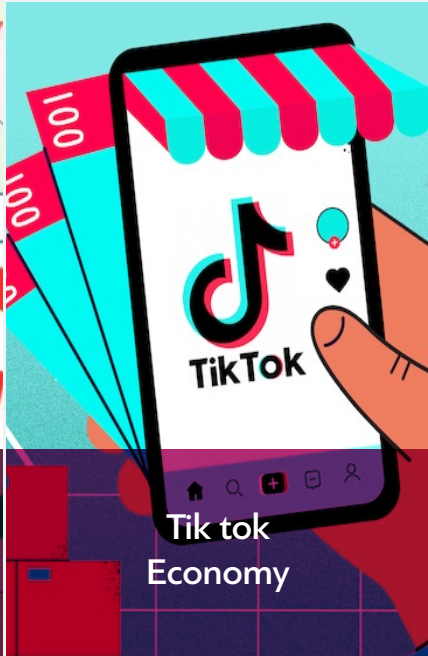


# Global e-commerce trends that are influencing consumer behavior for the forecast period



Intuitive  
E-commerce

The rise of digital channels demands improved **online shopping experiences** akin to in-person interactions, facilitated by evolving **data strategies and Gen AI**. To leverage the latter technology, **brands need innovative approaches to gather first-party data**, potentially through enhanced loyalty programs or retail media networks



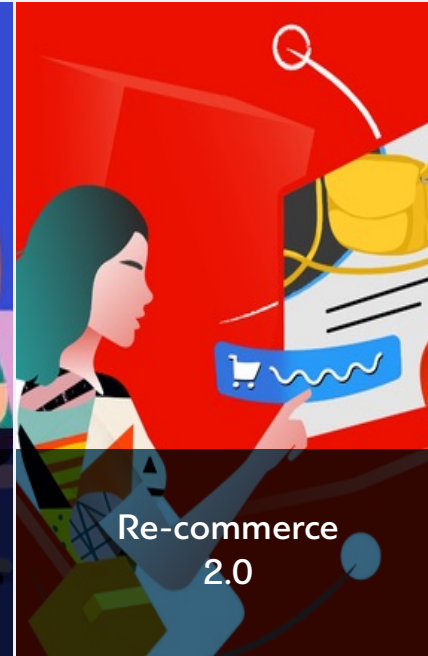
Tik tok  
Economy

TikTok's rise as a shopping influencer, especially for younger audiences, highlights the **power of viral videos to drive sales**. Consumers favor **peer recommendations**, and consequently, organic viral content remains influential. **Brands can capitalize on this by encouraging user-generated content and letting viral trends spread naturally**.



Outsmart  
Online

Amid economic concerns, consumers are increasingly turning to **budget-saving strategies**. They're utilizing pricing comparison platforms, second-hand online stores, discount codes, flash-sales websites, and other savvy "**hacks**" to make the most of their money. This trend highlights a shift towards more prudent spending habits in the face of economic uncertainty.



Re-commerce  
2.0

Resale gains traction due to **affordability and eco-consciousness**, prompting consumers to embrace pre-owned items. Businesses, such as Luxury Closet (the UAE) are seizing this opportunity by **providing re-commerce platforms, integrated payment solutions, and enhanced services**, while also **utilizing sustainability messaging to attract consumers** and comply with evolving regulations.



Revamped  
Returns

To stay competitive, retailers will prioritize **customer experience over return costs**. They are **offering user-friendly return processes**, including tiered policies based on product value or loyalty programs, while **leveraging stores for cost-effective returns and potential upsells** for refunded customers.

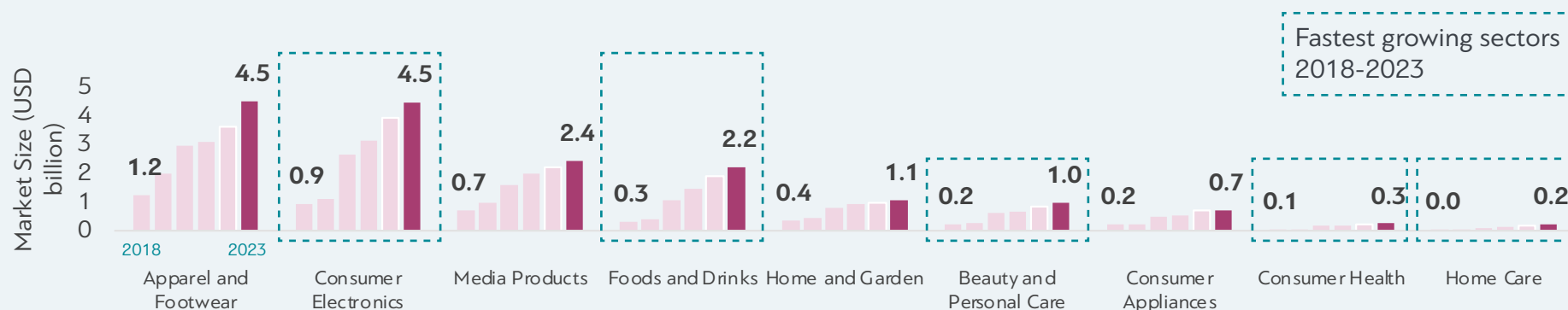


# CATEGORY PERFORMANCE



MENA e-commerce thrives post-pandemic with convenience, wider product choices, and competitive pricing driving growth across various industries, led by Apparel and Footwear

**E-commerce Market Size by Industry in Selected MENA\* Countries**  
USD billion (2018-2023)



CAGR 2018-2023	29.6%	36.7%	27.6%	48.2%	24.4%	35.5%	26.8%	36.9%	37.9%
Y-o-Y Growth 2023	24.0%	12.9%	9.9%	14.5%	9.3%	15.5%	1.5%	13.0%	25.0%

- Growth across industries continues post-COVID-19, propelled by key factors like convenience, with fast delivery and easy returns; expanding product variety, in both local and international brands; and competitive pricing through deals, discounts, and loyalty programs.
- Apparel and footwear dominate MENA's e-commerce, thanks to a broad product range, convenient shopping experiences with free exchanges and returns, and innovative features like online try-ons on platforms like noon and Namshi. Consumer electronics and foods and drinks follow closely.
- Consumer health, media products, beauty and personal care, and home care categories have seen significant growth, propelled by brands expanding their product ranges and enhancing pricing strategies to remain competitive amidst increasing competition.

## Category Performance

Industries with high-value average ticket sizes are gaining penetration through easy-payment options and omnichannel preference for product selection

### Apparel and Footwear

Total Market Size in MENA\* (2023): USD4.5 billion

CAGR (2018-2023): 29.6%

Brands and retailers are embracing **omnichannel approaches** for **improved customer experiences**, accompanied with increased **investment in app and platform enhancements** such as noon's virtual try-ons and Namshi's personalized styling advice.

In the meantime, **localization efforts**, such as providing dedicated modest clothing sections (for such items as abayas, hijabs, and kaftans), and collaborations with local designers, fuel growth. Moreover, **BNPL options and installment schemes** like Tabby's virtual Visa card enhance product accessibility for various consumers.

### Consumer Electronics

Total Market Size in MENA\* (2023): USD4.5 billion

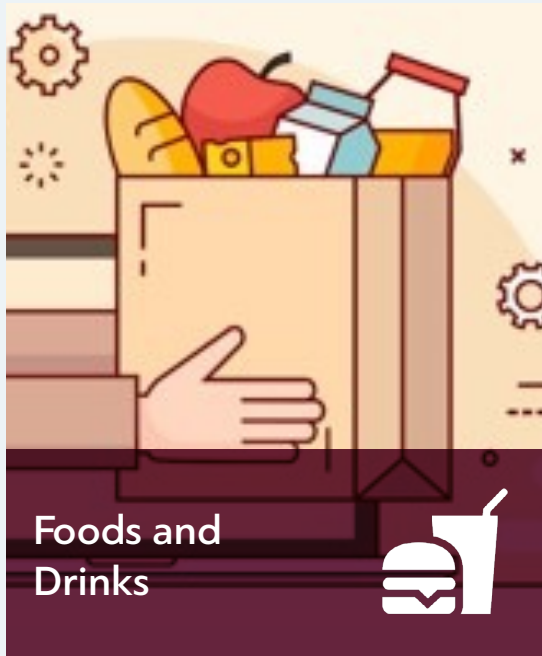
CAGR (2018-2023): 36.7%

**Omnichannel approach** also drives growth in consumer electronics, as manufacturers and brands offer consistent delivery, installation, and warranty services regardless of the purchase platform. **Flexible payment options, including installment schemes**, are favored by customers, particularly for high-end electronics.

Microless & Carrefour elevate **marketplace offerings** beyond local preferences, catering to global trends. Wider selection includes **high-end products, accessories, & cutting-edge tech like drones, AI, and VR devices**. **Robust deliveries, and secure payments** ensure seamless shopping experiences, delivering exceptional value

## Category Performance

### Product mix and convenience emerge as key drivers for fast-growing categories in e-commerce



Foods and Drinks



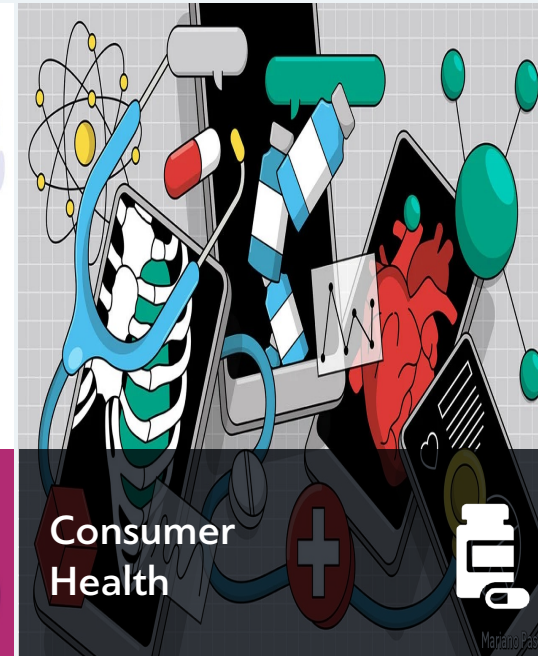
Online grocery shopping allows busy consumers to skip supermarket queues and eliminates the need for heavy groceries. In response to this demand for convenience, platforms like noon Grocery offer hyperlocal delivery, subscription boxes, and meal kits. Similarly, Carrefour provides click-and-collect options, promotions, and loyalty programs, utilizing its physical stores to enhance the shopping experience.



Home Care



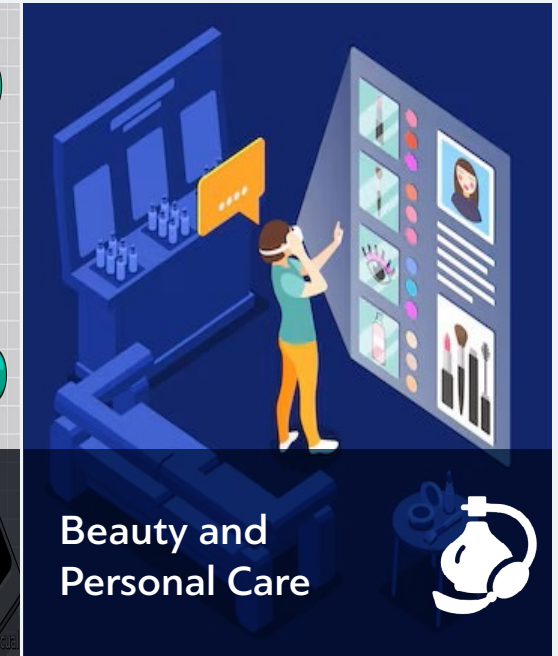
Home care online sales see substantial growth as customers seek wider selections, favoring cost-effective brands and niche products like unique formats and fragrances, and competitive pricing through online promotions and discounts. Major manufacturers like Henkel and Unilever are increasing their online presence, evident in frequent promotion programs.



Consumer Health



Sub-categories like OTC products, nutritional supplements, sports nutrition, and weight management have seen significant online sales growth. This surge is driven by more pharmacies and other retailers embracing online sales, benefiting from the convenience, competitive pricing, broader product selection, and increased anonymity, allowing customers to discreetly purchase items such as weight loss products.



Beauty and Personal Care



Customers increasingly prefer online beauty and personal care shopping for its wide selection, such as K-beauty brands, and convenience. Competitive pricing, boosted by online-exclusive deals and subscription models, enhances affordability. Features like Sephora UAE's AR makeup try-ons enrich the shopping experience, while collaborations with influencers and integration with social media platforms drive online sales.



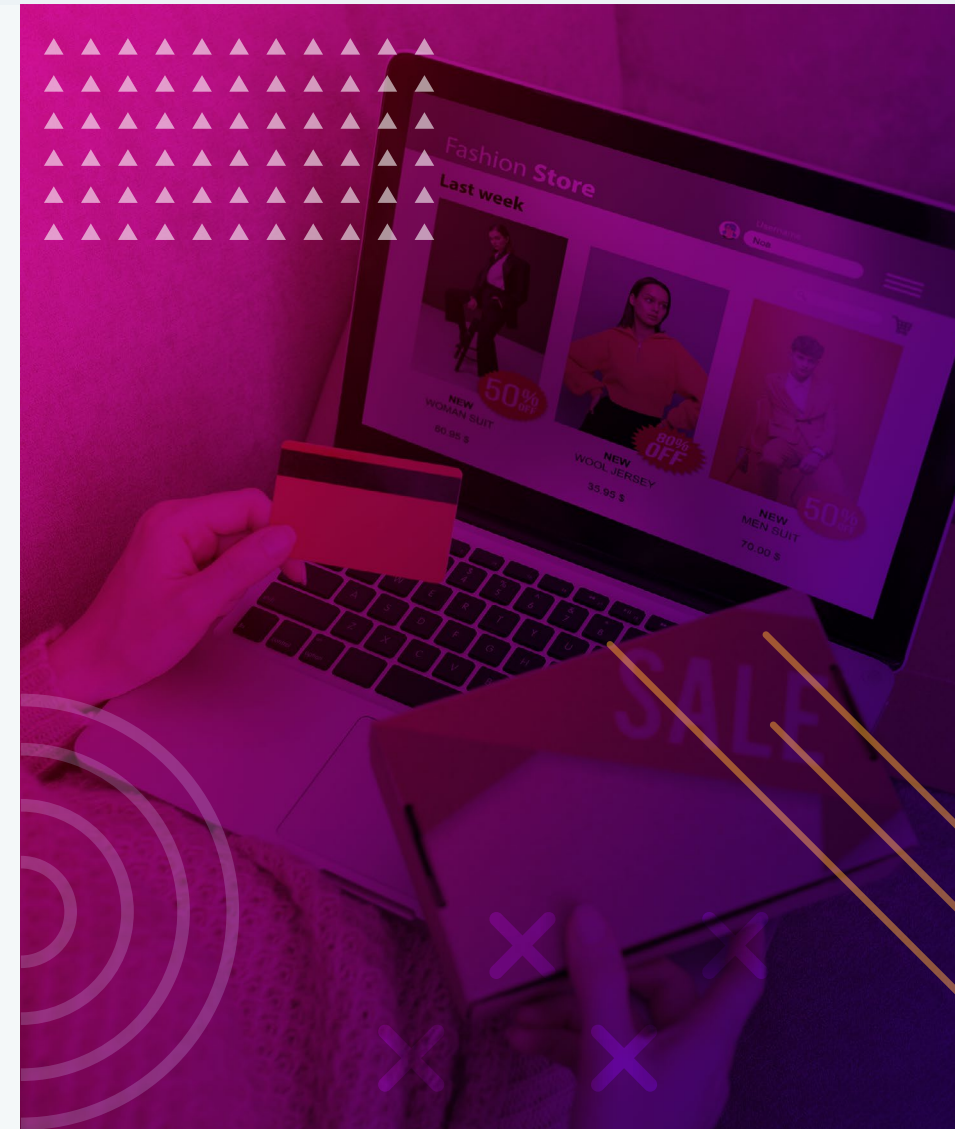


# COMPETITIVE LANDSCAPE



### The MENA e-commerce market, while fragmented, exhibits a dynamic landscape

- MENA e-commerce remains highly fragmented, with only a few marketplaces like Amazon and noon having regional visibility. This fragmentation poses challenges such as intense competition, fragmented logistics infrastructure, and difficulty achieving economies of scale. Competition among players primarily revolves around product variety, competitive pricing, and the availability of promotions and discounts.
- At the country level, while the level of consolidation varies, most markets have a few big players and numerous smaller ones. In the UAE, Amazon, noon, and Landmark Group collectively lead total e-commerce sales in 2023, while the rest is divided among many smaller players, with only a few having significant market share figures. Similarly, in Saudi Arabia, Amazon and noon dominate the e-commerce landscape.
- In such a competitive landscape dominated by cross-category giants like Amazon and noon, focusing on specialized segments can be a desirable strategy to gain visibility. This is demonstrated by platforms such as Namshi for fashion and extrastores.com for electronics, whose success highlights the potential benefits of targeting specific consumer groups with curated product offerings and dedicated customer service.
- Online channels developed by major hypermarkets/supermarkets like Carrefour in the UAE and Saudi Arabia have also gained popularity, initially for their wide range of groceries, including food and drinks, home care, and beauty and personal care products. Their appeal has subsequently extended to other categories, notably apparel and footwear, home and garden items, small home appliances, and consumer electronics, broadening their market presence.



# Competitive Landscape

Adding value at every consumer touchpoint from browsing to product selection, delivery, review and returns are key differentiators to stand-out in a competitive environment



**Loyal Programs,  
A winning formula**

The convergence of loyalty programs and subscription models represents a paradigm shift in the MENA e-commerce landscape to establish long-standing relationships with customers.

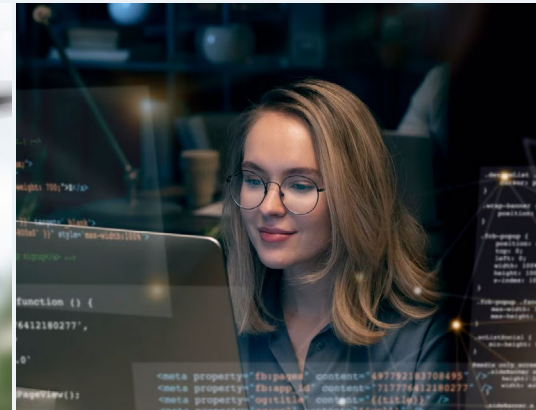
For example, **Amazon's Prime** offers same or next day delivery and access to its streaming platform with a minimal fee. MAF's Share app provides Similarly, **OSN Streaming** is a subscription-based service that provides subscribers with access to exclusive content.



**Quick Commerce,  
A key differentiator**

MENA e-commerce landscape is experiencing fulfillment on fast-forward revolution; demanding **quick commerce**, with expectations for deliveries arriving in minutes, not hours.

For instance; UAE-based **Careem's Quik** and **Saudi Arabia's Nana** leverage dark stores to fulfill quick commerce orders, while companies like **Talabat** are piloting robotic and drone deliveries promising ultra-fast delivery times.



**User Experience,  
Seamless interface matters**

Tech-savvy MENA consumers demand seamless online experiences. Here, powerful but emerging technologies like **blockchain** automate tasks (inventory, fraud prevention) for a smooth User interface.

For instance, UAE's **Emaar Malls** leverages blockchain to automate loyalty programs, enhancing the customer journey across platforms.

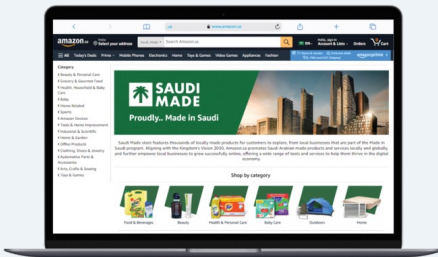


**Tech-based promotions,  
A must-have for consumers**

E-commerce in the region is a battleground for customer attention, Impressive deals, influencer marketing, personalization, and adding gamification elements boost engagement.

**UAE's Sharaf DG** and **Saudi Arabia's STC** have successfully implemented gamified elements for repeat purchases. Mastering the art of creative promotions conquer hearts and wallets of MENA online shoppers.

Amazon's dominance in MENA stems from its vast product range, competitive pricing complemented by frequent promotions, and well-developed fulfillment networks facilitating fast delivery options



Amazon's "Saudi Made" storefront in Saudi Arabia



Amazon's outdoor billboards in Egypt

## Company Background and Market Presence

- Amazon has established a strong presence in MENA since its expansion in 2017 through the acquisition of Souq.com. With fulfillment centers and delivery networks strategically located across the region, Amazon MENA serves a substantial customer base, with localized strategies in such markets as the UAE, Saudi Arabia, and Egypt, and cross-border sales to customers in other countries.

## Product Mix and Focus Areas

- The platform offers a wide array of products, with bestsellers including smartphones, e.g. from Apple and Samsung, fashion items by both local and international designers, beauty products, and essential home items like kitchen appliances and furniture. In addition, Amazon's key strengths in MENA include tailored shopping experiences with Arabic language support, local payment options like cash on delivery (COD), fast delivery, reliable customer service, and competitive pricing, accompanied with a variety of discounts and promotions.

## Key Differentiating Services/Initiatives Offered

- Amazon has introduced several innovative services to enhance the shopping experience for customers, such as same-day and next-day delivery options in select areas, Amazon Prime membership for faster shipping and exclusive benefits, and Amazon Fresh for grocery delivery.
- Its website and mobile app are both appreciated for their user-friendly interface, available in both Arabic and English, makes browsing and purchasing products intuitive and convenient.
- Amazon uses diverse marketing strategies, including both traditional marketing and digital ads, social media campaigns, email marketing, and partnerships with influencers. It also host promotional events like Prime Day.

## Strategic Collaborations

- The company collaborates with a variety of industry players, both local and international. Particularly, It prioritizes collaboration with government entities to boost local businesses, notably through Fulfillment by Amazon (FBA) available in various markets, the "Saudi Made" storefront in Saudi Arabia since 2023, or various seller workshops and summits in the UAE since its launch.

# Competitive Landscape

noon competes with Amazon across various fronts, emphasizing extensive product selections, fast delivery, and increased promotional activities to meet the rising demand for affordability



Mashreq noon Visa Credit Card



noon launches partnerships with Saudi Made

## Company Background and Market Presence

- Founded in 2017, noon serves customers in countries such as the UAE, Saudi Arabia, Egypt, and other Gulf Cooperation Council (GCC) countries.

## Product Mix and Focus Areas

- It features a **wide selection of products**, with popular items including smartphones, laptops, TVs, fashion apparel and accessories, beauty products from well-known brands, kitchen appliances, and children's toys.
- In addition, the platform also offers **fast delivery, secure payments, dedicated customer support**, and particularly **competitive pricing, complemented by a great deal of attractive promo codes and exclusive deals**. For example, some consumer electronics can be bought at nearly 50% off their original prices on noon. Furthermore, it frequently hosts **sales events and discount campaigns like the Big Ramadan sale**, offering up to 70% off home decor and 75% off groceries, and the Eid sale, providing discounts of up to 80% on clothing, toys, and makeup.

## Key Differentiating Services/Initiatives Offered

- noon has launched several innovative services to enrich customer experiences. These include **noon 15-min** and **noon Express** for fast deliveries, **noon Daily** for grocery delivery, and **noon VIP** offering exclusive benefits like free shipping. In addition, it offers **noon lockers**, and **partnered pick-up points strategically located for easy access in crowded areas**, for its Click & Collect option.
- It also **prioritizes user-friendly interfaces for its website and app**, available in both English and Arabic.
- noon utilizes various marketing strategies, including both **traditional marketing and digital ads, social media, email newsletters, influencer collaborations, and targeted promotions**.

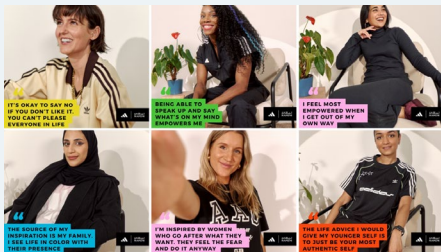
## Strategic Collaborations

- It has **continuously intensified its partnerships with various stakeholders**, including brands, retailers, logistics providers, payment service providers, and government agencies, to retain its competitiveness. Certain partnerships can enhance the platform across multiple fronts, notably in branding to distinguish itself, such as its collaboration with Neolix – a Chinese tech company – for driverless delivery since 2019.

# Competitive Landscape

Namshi is known for its wide array of fashion and lifestyle products across various price points, coupled with its trend-driven approach to ensure customers stay abreast of the latest trends

نمشي  
NAMSHI



Namshi collabs with adidas and various influencers



Namshi launches special-edition shirts for Ramadan

## Company Background and Market Presence

- Founded in 2011, Namshi primarily serves customers in the Middle East region, with a focus on the UAE, Saudi Arabia, Kuwait, Oman, Bahrain, and Qatar.

## Product Mix and Focus Areas

- Namshi specializes in fashion and lifestyle products, featuring a curated selection of products for men, women, and children, from popular and trendy fashion brands, both international and regional. Some of its bestselling products include casual and formal wear, athleisure apparel, footwear from renowned brands, beauty products, and accessories like handbags and jewelry.
- Namshi stands out for its personalized shopping experience and trend-focused approach, complemented by such features as fast delivery, easy returns, and dedicated customer services.
- Namshi follows a competitive pricing strategy, offering a range of price points to cater to different budget preferences. It occasionally offers discounts, promo codes, and seasonal sales.
- Namshi utilizes a wide range of marketing strategies, such as digital ads, social media, email newsletters, and influencer collaborations to promote its brand.

## Key Differentiating Services/Initiatives Offered

- Namshi has introduced innovative services to increase its customer satisfaction, including same-day delivery in select areas, and personalized recommendations based on customer preferences and browsing history.
- User experience (UX) is also a strong focus of Namshi, offering a sleek and user-friendly interface that allows customers to make purchases with just a few clicks. It also offers multiple payment options and secure checkout processes.

## Strategic Collaborations

- It intensively collaborates with influencers and fashion bloggers to showcase its products and engage with its target audience. It frequently launches exclusive collections in collaboration with fashion designers and brands.

# Competitive Landscape

Landmark Group focuses on providing value-for-money shopping experiences across multiple categories, with proliferation fortified further by its loyalty program “Shukran”



Landmark group partner with influencers for Between two Moons campaign during Ramadan



Centrepont stores celebrities' collaboration for Saudi Arabia

## Company Background and Market Presence

- Founded in 1973 in Bahrain, Landmark Group has a significant presence across the Middle East, Africa, and the Indian subcontinent.

## Product Mix and Focus Areas

- Landmark Group's retail portfolio encompasses a wide range of product categories, including apparel, footwear, accessories, home furnishings, electronics, beauty products, sports equipment, and groceries.
- It operates numerous retail outlets with a notable presence online through websites and mobile applications for the following brands: Homebox, Homecenter, Emax, Splash, Max Fashion, Centerpoint, Babyshop, and Splash.
- Each brand in its lineup prioritizes user experience, drawing about 2 million monthly website visits, with up to 30% of traffic from Millennials aged 25-30. Additionally, 60% of organic traffic is sourced from Facebook. 92% Mobile penetration rate spanning both genders, 40% audience drawn to Centrepont, fueled by 20% text ads on Google.
- Landmark Group's retail brands stand out by offering quality products at affordable prices and providing a convenient shopping experience. They cater to a variety of consumer preferences with a broad product range, frequent discounts, and flash sales throughout the year.
- It employs a mix of marketing strategies, including social media campaigns, influencer partnerships, email newsletters, and seasonal promotions, to attract and engage customers.

## Key Differentiating Services/Initiatives Offered

- At the core of providing affordability, flexibility, and value-for-money, Landmark Group introduced their loyalty program “Shukran”, designed to reward customer loyalty. It offers a range of benefits and perks to members, encouraging repeat purchases, with points that can be used on all Landmark group brands across all categories.

## Strategic Collaborations

- The Group forged partnerships with external brands such as Smiles, Kalyan Jewelers, Careem, and Sukoon Insurance to bolster customer loyalty, thereby expanding reach to a broader audience.
- Payment methods include international wallets and BNPL boosts seamless experience.

# Competitive Landscape

Jumia, a leading e-commerce platform in Egypt and the wider African continent, focuses on providing flexibility, convenience, and value-for-money deals through discounts and giveaways

## JUMIA



Jumia launches “Ramadan Kareem” campaign with up to 70% discount on household products



Jumia engages with consumers through an online guessing game during Ramadan giving away 300 EGP per winner per day

### Company Background and Market Presence

- Founded in 2012, Jumia, “an online shopping mall” operates primarily in Africa, with a presence in multiple countries across the continent, including Nigeria, Egypt, Kenya, Morocco, and Ghana. It is one of the largest e-commerce platforms in Africa.

### Product Mix and Focus Areas

- It offers a wide range of products across various categories, including electronics, fashion, beauty, home appliances, groceries, and health and wellness products.
- It’s unique selling proposition lies in its ability to provide convenient online shopping experiences to consumers in regions where traditional retail infrastructure may be limited. It offers a diverse selection of products, competitive prices, and reliable delivery services.
- Jumia employs diverse marketing strategies to attract customers, including digital marketing campaigns, social media advertising, influencer partnerships, competitions and giveaways, as well as promotional events.
- Jumia follows a competitive pricing strategy, offering discounts, deals, and promotions, notably around black Friday and Eid among other occasions, to attract customers and drive sales. It also offers payment options such as cash on delivery and installment plans through the National Bank of Egypt, Banque Misr, aiBANK, Aman, and EasyPay to accommodate customers’ preferences.

### Key Differentiating Services/Initiatives Offered

- Jumia has introduced various innovative services and initiatives to cater to the needs of its customers, including JumiaPay, Jumia Prime, and Jumia Express.
- It focuses on providing a user-friendly interface and seamless website experience to enhance customer satisfaction. Its platform features intuitive navigation, detailed product descriptions, reviews, and secure payment options.

### Strategic Collaborations

- Jumia also collaborates with local businesses, pushing forward homegrown brands under the banner of “Made in Egypt”.



# E-COMMERCE CONSUMER BEHAVIOUR IN THE UAE



### UAE consumers prefer mobile-based shopping, prioritizing convenience and cost-effectiveness

- In the UAE, **credit and debit cards** are the dominant payment methods for online purchases, reported by 93.2% of respondents in Euromonitor International's 2023 survey, showing strong confidence in traditional banking.
- **E-wallets** are the second most popular cashless payment method, used by 50% of respondents, driven by convenience and a variety of promotional offers.
- **Smartphones** are a widely preferred medium for online shopping, indicating a growing reliance on seamless, mobile-centric shopping experiences, and emphasizing the importance of social media.
- This is also reflected in the **increased preference for phone-based customer service**, highlighting the need for personalized, real-time support across multiple channels, including live chat and social media messaging.
- **Geolocation-based delivery** is the top choice among respondents, with the growing acceptance of receiving packages at the office, suggesting a shift towards workplace-centric lifestyles.
- **Free delivery** (selected by 58.5% of respondents) and **free returns** (52.4%) are highly valued by customers, indicating a preference for cost-effective shopping and transparent pricing.
- **Instagram** remains a top social media platform in the UAE, regularly used by 79.8% of respondents. The platform's visual content, interactive features like Stories and Shopping, and influencer collaborations drive product discovery, marketing, and customer engagement, allowing for direct purchases and real-time customer service.



## E-commerce Consumer Behavior in the UAE

Credit and debit cards remain the top choice for online payments, showing consumer preference for trust and security, whereas the convenience of e-wallets represents a growing opportunity

- In the UAE, credit and debit cards continue to dominate as the preferred payment method for online purchases across all e-commerce categories, selected by 93.2% of respondents, according to Euromonitor International's Digital Consumer Survey in 2023.
- This underscores consumer confidence in and familiarity with conventional banking systems compared to e-wallets and alternative payment options, indicating a preference for security in online transactions.
- Additionally, efforts to educate consumers about the security measures are in place for online transactions can help alleviate concerns and further boost confidence in card payments.
- E-wallets stand as the second most popular choice for cashless payments, with approximately 50% of respondents using them regularly. This is driven by their convenience, as well as the multitude of promotions and discounts provided by service providers, including BNPL options.
- With the increasing adoption of digital payment solutions, especially contactless payments, monitoring shifts in consumer preferences over time becomes crucial. This insight underscores the importance of staying attuned to evolving payment trends and adapting business strategies accordingly.

**Cross-category Payment Types in the UAE**  
% of Respondents (2023)



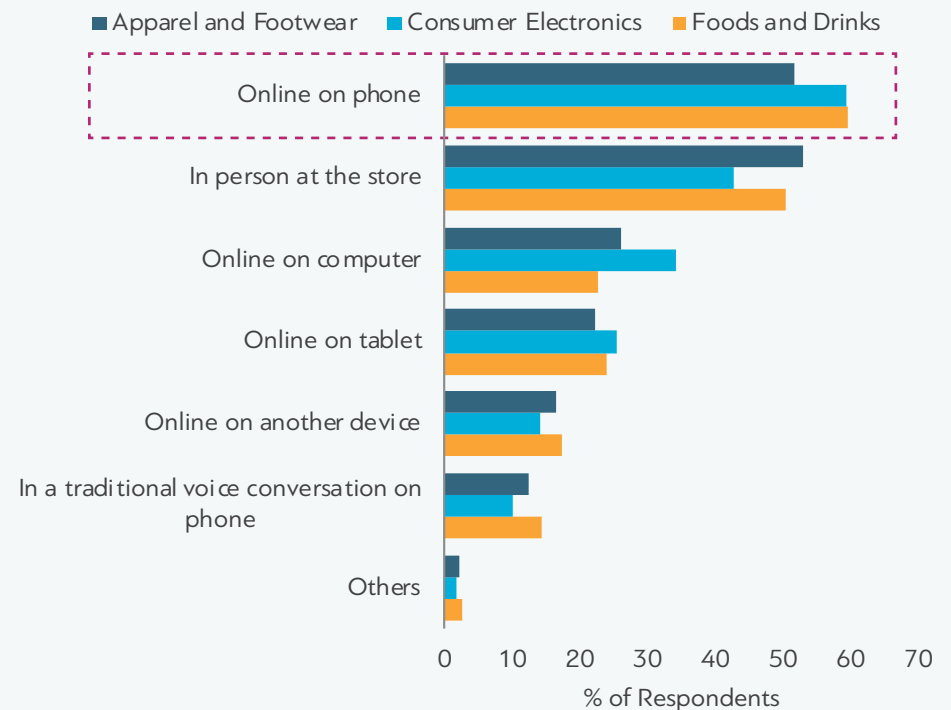
Source: Euromonitor International, Digital Consumer Survey, 2023, n=1,001

## E-commerce Consumer Behavior in the UAE

The popularity of online shopping via smartphones underscores the need for UAE retailers to embrace omnichannel strategies, prioritize UX, and leverage social media for competitiveness

- Online shopping via smartphones remains widely popular across diverse e-commerce sectors in the UAE, notably in consumer electronics and foods and drinks, highlighting the convenience and accessibility offered by smartphones.
- This trend is indicative of shifting consumer behaviors, where individuals seek seamless shopping experiences that align with their on-the-go lifestyles.
- This also highlights the growing significance of social media, particularly as the demand for smooth transitions from browsing to purchasing becomes more pronounced.
- This underscores the need for traditional store-based retailers to adopt omnichannel approaches to stay competitive in the rapidly evolving digital landscape.
- Incorporating mobile platforms into their retail strategies and enhancing the mobile shopping journey can facilitate seamless integration between online and offline channels, catering to a wide range of consumer preferences.
- Improving the mobile shopping experience with enhanced user experience (UX) elements like responsive design, intuitive navigation, and simplified checkout processes can boost conversion rates and cultivate customer loyalty even more.

**Purchase Channels by Major E-commerce Categories in the UAE**  
% of Respondents (2023)



Source: Euromonitor International, Digital Consumer Survey, 2023, n=1,001

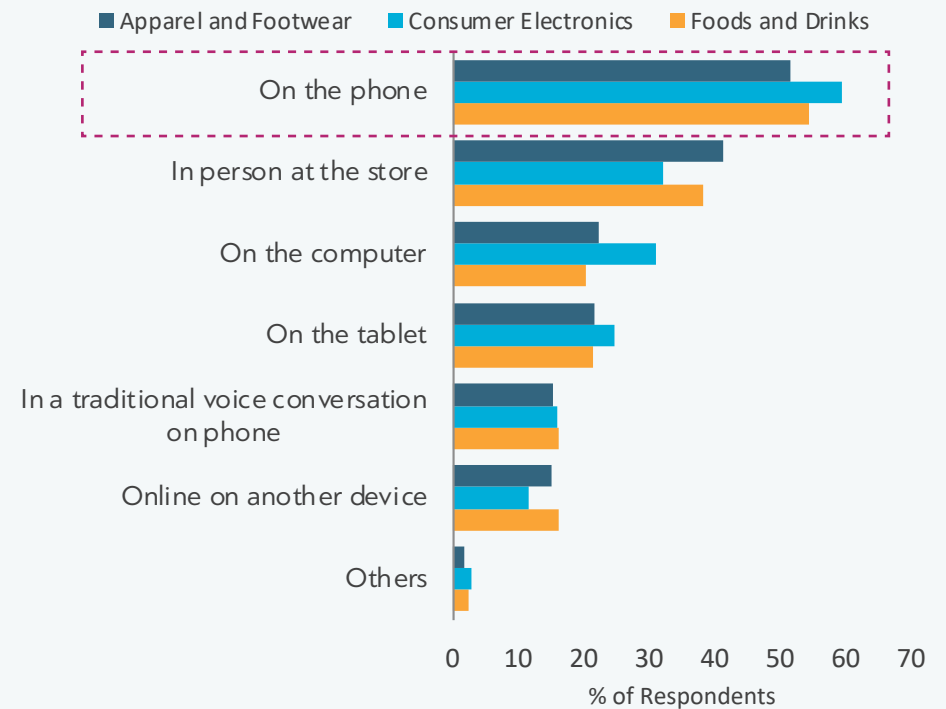
## E-commerce Consumer Behavior in the UAE

UAE customers value personalized phone support, and live chat with well-trained agents in multilingual support can be essential a seamless omnichannel experience

- The preference for phone-based customer service interactions underscores the **importance of personalized assistance and real-time support**, necessitating attention to **various channels such as email, live chat, and social media messaging** by platforms and retailers.
- Instead of automated chatbots, there is a **growing preference for live chat support**, where customers can interact directly with a human representative in real-time. Live chat support offers a human-centric alternative to automated solutions, allowing customers to receive personalized assistance tailored to their specific needs and concerns.
- Implementing live chat support can **enhance the overall customer experience by offering instant access to support agents** who can provide timely guidance and assistance throughout the purchase journey.
- **Investing in comprehensive training programs for live chat support agents** is essential for ensuring consistent service quality and customer satisfaction.
- **Multilingual support, or at least bilingual support in Arabic and English**, is crucial due to the significant expatriate population in the UAE.

### Typical Customer Service Interaction by Major E-commerce Categories

% of Respondents (2023)



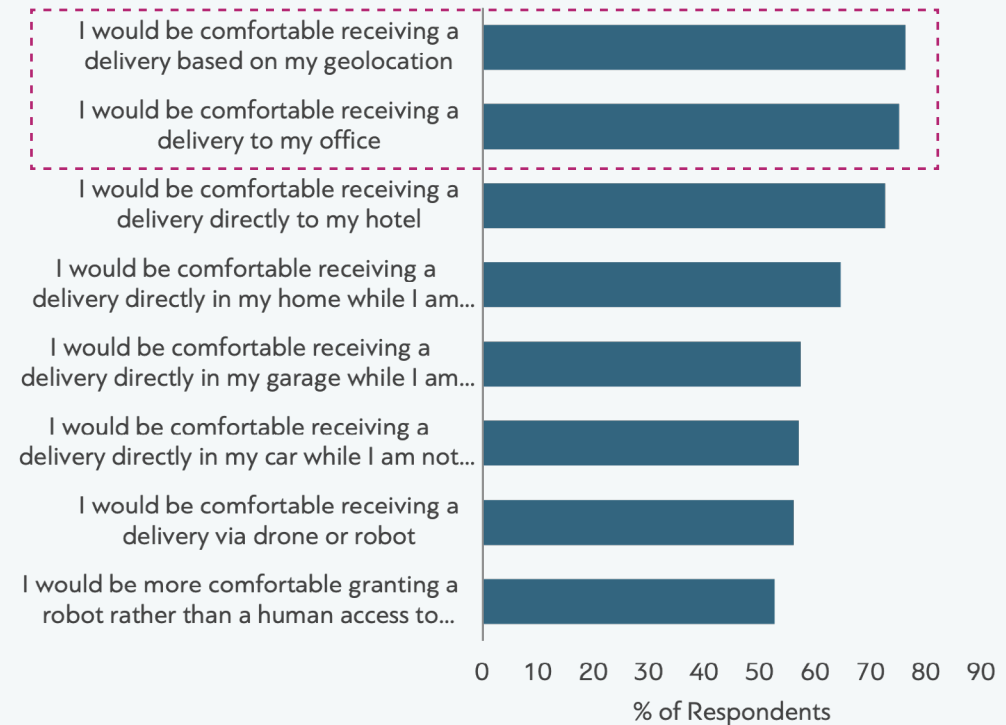
Source: Euromonitor International, Digital Consumer Survey, 2023, n=1,001

## Customizable delivery options, particularly those catering to workplace addresses, have gained traction due to a shift towards workplace-centric lifestyles

- Geolocation-based delivery remains the top choice among respondents, suggesting a need for collaboration between logistics providers and e-commerce platforms to offer customizable delivery options.
- Implementing scheduled delivery windows and real-time tracking updates can improve the overall delivery experience and minimize inconvenience.
- The growing acceptance of receiving packages at the office reflects a pragmatic approach to managing busy schedules and ensuring timely receipt of deliveries. This trend indicates a shift towards workplace-centric lifestyles, where individuals spend significant portions of their day in professional environments.
- Exploring partnerships with corporate entities to facilitate workplace deliveries can yield mutual benefits for businesses and consumers alike. Offering dedicated delivery services to office complexes and business districts can streamline logistics operations and enhance customer satisfaction.

### Attitudes Towards Delivery Methods in the UAE

% of Respondents choosing Strongly Agree and Agree (2023)



Source: Euromonitor International, Digital Consumer Survey, 2023, n=1,001

## E-commerce Consumer Behavior in the UAE

Cost-conscious options like free delivery and returns are highly sought-after, but same-day delivery also appeals to customers, requiring considerable supply chain and fulfillment optimization efforts

- Free delivery and free returns are sought-after by many customers, reflecting a trend towards cost-conscious shopping behavior and a preference for transparent pricing policies.
- In a competitive e-commerce landscape, offering value-added services such as complimentary shipping and hassle-free returns can serve as key differentiators for businesses.
- These features can then be utilized as strategic marketing tools to both attract and retain customers, effectively incentivizing purchase decisions and nurturing brand loyalty.
- Same-day delivery garners significant interest, despite being known for its relatively higher costs.
- To efficiently offer these features, optimizing supply chain and fulfillment processes is essential. Implementing inventory management systems, route optimization algorithms, and warehouse automation technologies can enhance operational efficiency and reduce overhead expenses.
- Moreover, leveraging advanced technologies enables businesses to provide package tracking and customizable delivery options, which are also in high demand.

### Preferred Features of Delivery Services in the UAE

% of Respondents (2023)



Source: Euromonitor International, Digital Consumer Survey, 2023, n=1,001

### Instagram emerges as a powerful platform in the UAE, seamlessly blending visual storytelling, influencer marketing, shoppable features, and personalized customer engagement

- Instagram stands out as a top social media platform in the UAE, regularly used by **79.8% of respondents** according to Euromonitor International's 2023 Digital Consumer Survey.
- The platform's focus on **visual storytelling** effectively enables brand and product discovery, while its **engaging interface** allows brands to showcase products in context, **fostering emotional connections with consumers**.
- More importantly, **influencer and celebrity collaborations on Instagram can drive significant purchase conversions** compared to other platforms.
- Focusing on Instagram can greatly benefit brands, retailers, and even e-commerce platforms. Beyond marketing, particularly influencer marketing, its popular features like **Instagram Stories can be used to enable behind-the-scenes glimpses, tutorials, user testimonials, and interactive polls/quizzes to boost engagement**.
- Meanwhile, **Instagram Shopping facilitates tagging products for seamless navigation and direct purchases** within the app. It also supports hosting live shopping events, engaging customers with real-time product showcases and exclusive deals.
- In addition, **Instagram direct message feature can also be leveraged to provide responsive customer service** to ensure personalized interactions and enhance satisfaction among customers.

#### Preferred Features of Delivery Services in the UAE % of Respondents (2023)



Find out information about a brand, company, or products and services

Receive an offer from a company or brand after referring someone

Buy goods or services after seeing an influencer review or post about it

Buy goods or services on social media platform

Engage with a company or brand about a product or service

Buy goods or services after seeing a company or brand advertisement

0 10 20 30 40 50 60  
% of Respondents

Source: Euromonitor International, Digital Consumer Survey, 2023, n=1,001

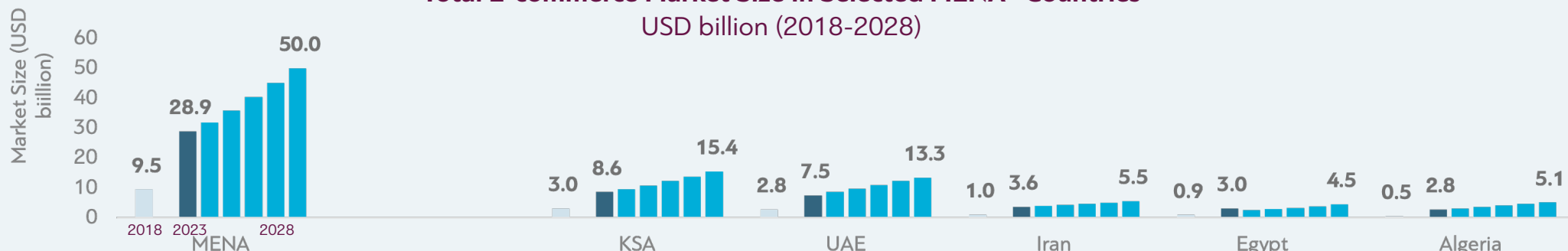


# INDUSTRY OUTLOOK



MENA e-commerce is expected to maintain the growth momentum, driven by economic expansion and infrastructure investments, with Saudi Arabia and the UAE leading the way

**Total E-commerce Market Size in Selected MENA\* Countries**  
USD billion (2018-2028)



<b>CAGR 2018-2023</b>	25.0%	23.2%	22.1%	28.1%	28.2%	39.8%
	↓	↓	↓	↓	↓	↓
<b>CAGR 2023-2028</b>	11.6%	12.5%	12.3%	9.0%	8.0%	13.0%

- MENA e-commerce is projected to reach nearly **USD50.0 billion** by 2028, growing at a CAGR of **11.6%** from 2023. **Saudi Arabia and the UAE** are expected to lead, comprising **57.5%** of the region's market. Other regional players like Iran, Egypt, and Algeria are also poised for significant growth, with Algeria showing the fastest, at a CAGR of **13.0%** in 2023-2028, attributed to its substantial investments in telecommunications infrastructure.
- The region's projected growth driven by **strong and stable economic expansion**, supporting the governments' **continued investment in digital infrastructure**. This extends beyond e-commerce to support sectors like digital payment and logistics, which then tends to foster **greater attention and investment from the private sector**, from both domestic and international players, in the digital economy.

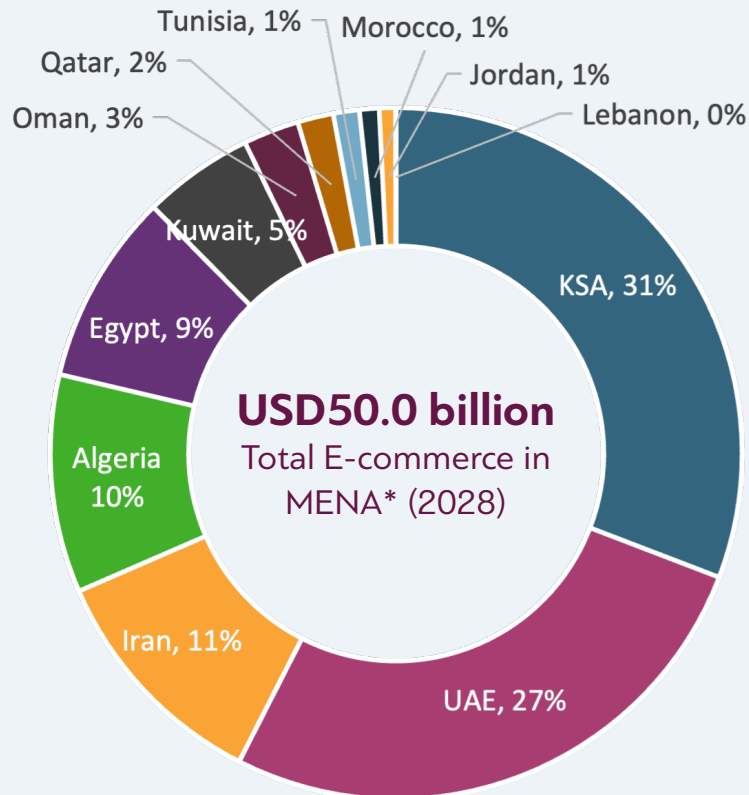
Source: Euromonitor International

Note: \*MENA includes Algeria, Egypt, Iran, Jordan, Kuwait, Lebanon, Morocco, Oman, Qatar, KSA, Tunisia, and the UAE

Historic data: Current prices, y-o-y exchange rate; Forecast: Constant prices, fixed exchange rate

## Technological innovations and government investments are driving e-commerce growth in the UAE and Saudi Arabia

**E-commerce Market Size (2028)**  
Share by country (%)



### Saudi Arabia's e-commerce growth is expected to continue greatly benefiting from government investment

Saudi Arabia is advancing its economic infrastructure with initiatives like the **National Industrial Development Programme** and a **"Cloud First Policy,"** in line with Vision 2030, while also focusing on emerging sectors like IT, logistics, and e-commerce.

The **convenience** of e-commerce is poised to fuel its growth, particularly as consumers adopt **busier lifestyles**, a trend amplified by rising female workforce participation.



### Advancements in technology will enhance consumer confidence in online shopping in the UAE

**Digital payment innovations**, like BNPL options such as Tamara and Tabby, are transforming UAE e-commerce, attracting diverse consumers and boosting higher-value purchases.

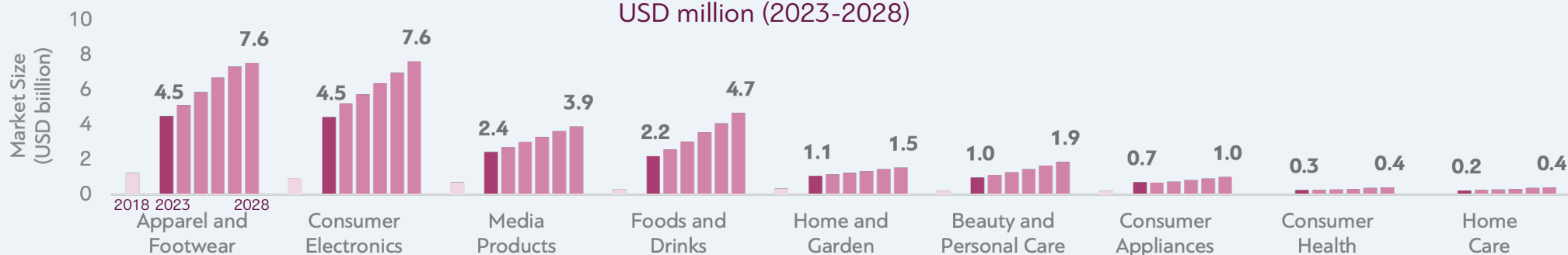
**Newcomers with innovative concepts**, such as Temu's blend of competitive pricing, entertainment, and gamification shopping experiences, have strong potential for success.

Source: Euromonitor International  
Note: \*MENA includes Algeria, Egypt, Iran, Jordan, Kuwait, Lebanon, Morocco, Oman, Qatar, KSA, Tunisia, and the UAE  
Historic data: Current prices, y-o-y exchange rate; Forecast: Constant prices, fixed exchange rate

Continued growth is anticipated across e-commerce product categories, driven by the convenience advantages provided to consumers through various efforts by platforms and brands

**E-commerce Market Size by Industry in Selected MENA\* Countries**

USD million (2023-2028)



<b>CAGR 2018-2023</b>	29.6%	36.7%	27.6%	48.2%	24.4%	35.5%	26.8%	36.9%	37.9%
	↓	↓	↓	↓	↓	↓	↓	↓	↓
<b>CAGR 2023-2028</b>	10.9%	11.4%	10.0%	16.3%	7.5%	14.0%	7.7%	9.5%	13.2%

- Continued growth is expected across various product categories, driven by growing consumer appreciation for the convenience of e-commerce and supported by a variety of efforts from platforms and brands. Key focuses include secure digital payments for high-value purchases, quick delivery for perishables, flexible exchange and return policies for apparel and footwear, and dependable warranties for electronics and appliances, among others.
- Apparel and footwear, consumer electronics, and foods and drinks will continue to lead, in both sales value and growth rates.

Store-based retailers are increasingly adopting e-commerce and omnichannel strategies, driving competition and fostering increased collaborations and innovation in user experience

## Omnichannel strategies to thrive



Many store-based retailers are launching e-commerce stores, pursuing omnichannel strategies to cater to both traditional and tech-savvy younger customers. Various engagement options are provided, including click-and-collect, to meet diverse customer needs.

## Competition to further intensify



Competition spans various areas, including product availability, pricing, delivery efficiency, and advanced technology aimed at improving shopping experiences. Competition is not confined to specific countries but extends across regions.

## Digital payments on the rise



Cashless and digital payments further benefit e-commerce, especially thanks to a great deal of promotions. Local banks increasingly promote flexible payment options, including instalments, and partner with E-commerce platforms to boost transactions.

E-commerce drivers

Beyond 2023



## Fintech empowerment driving change

MENA countries witness rising investments in fintech, driven by both government and private sector, including international investors. The trend is attributed to the adoption of fintech-friendly regulations and the increasing use of digital banking and fintech tools.



## Legislations to boost confidence

Enhanced e-commerce regulatory frameworks in MENA markets like the UAE and Egypt are expected to boost customer confidence, and at the same time, incentivize investment in innovations by supply-side players.



## Platform loyalty becoming crucial

Various e-commerce platforms increasingly offer loyalty programs to differentiate themselves. However, there is still room for improvement as most of those programs are limited to subscription models.

# Ensuring a positive influence across all consumer touchpoints is the key driver for e-commerce growth across the MENA region



### Rapid Growth of Q-commerce

The rapid **rise of quick-commerce (q-commerce)** is expected to drive growth in various e-commerce markets, particularly in the foods and drinks, and consumer electronics categories. This trend is fueled by the **expansion of hyper-local dark store networks**, catering to consumers' demand for near-instant gratification.

For example, noon Grocery in Saudi Arabia offers same-day delivery, while Quick Market by Hungerstation takes it a step further, delivering within 20 minutes. The UAE's Careem Quik raises the bar even higher, aiming a 15-minute delivery time for groceries.



### Growing Influence of Social Media

**Social media platforms are emerging as powerful sales channels**, offering convenience for customers to find products and complete purchases seamlessly. For example, Jumia in Egypt extensively utilizes Facebook and Instagram for product promotion, influencer marketing, and in-app payments management.

As online platforms continue to gain prominence as effective marketing tools, **brand collaborations with influencers and celebrities** are expected to remain a hugely popular strategy. These collaborations will involve **both locally and globally recognized influencers and celebrities**, reflecting the ongoing globalization of trends.



### Growing Adoption of AI

The mass adoption of **generative artificial intelligence (GenAI)** is **reshaping consumer behaviors**, influencing their decisions, choices, and expectations of products and brands.

Businesses adopting **GenAI solutions, particularly for fashion and beauty product recommendations**, are poised to gain substantial traction, aligning with the increasing importance of personalization in enhancing customer satisfaction throughout the purchase journey.

This can mark the **earlier steps toward more ambitious investments, like intuitive AI**, aimed at replicating offline shopping experiences for customers.

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