

MENASA eCommerce Landscape: B2C Products Edition

The Biggest Global eCommerce
Growth Market

October 2018

PROJECT OF:

**DUBAI
IRPC
FREE** Zone
Dubai
Airport
Freezone
Free to grow



PRODUCED BY

**DUBAI
COMMERCE**CITY



Table of Contents

4	1.0 Introduction	23	5.0 MENASA region eCommerce activity	57	7.0 MENASA eCommerce Strategic Enablers
8	2.0 Summary Insights		Fast growing regional eCommerce		Success criteria
			MENASA growth drivers & challenges		Role of Freezones in eCommerce
			User Journeys		Dubai, UAE as the MENASA eCommerce hub
10	3.0 Purpose and Methodology	41	6.0 Top 100 B2C eCommerce Companies of MENASA	63	8.0 MENASA eCommerce Roadmap
			Analysis		eCommerce growth checklist
			List Top 100 MENASA eCommerce Companies List		Six eCommerce strategic considerations
			Interviews		
13	4.0 Global eCommerce Overview				
	Fast growing global eCommerce				
	Global eCommerce innovation drivers				
	Top 10 Future of eCommerce Innovation Trends				
9.0	Dubai CommerCity				69
10.0	Acknowledgements				71
11.0	Appendix				73

Acknowledgements

PROJECT OF:



KNOWLEDGE PARTNER:



PRODUCED BY



1.0 Introduction

These are truly exciting times for the Middle East and South Asia (MENASA) regions' eCommerce industry as it grows faster than anywhere else in the world. The 22 closely linked countries of the Middle East, North Africa and South Asia – 'MENASA' region have been trading partners throughout history. The region is developing at a remarkable pace led by a young, tech-savvy population with a fast-growing middle class who are buying more and more products online. With greater internet penetration and social media use soaring, online transactions have become increasingly attractive for consumers and businesses alike. Customers are expecting and welcoming faster deliveries and better services such as cash-on-delivery payment options.

This opportunity more than ever deserves a focused review. What are the regions eCommerce growth drivers? Who are the key players? What are its unique customer trends? What are the specific challenges? What are the success criteria?

This MENASA eCommerce Landscape Report for the first time addresses these questions to inspire and drive international and regional businesses and entrepreneurs to realize and benefit from the high growth MENASA eCommerce opportunity.

With all of the expected growth and positive outlook, there remain challenges that the industry must overcome to reach its full potential. There still remains a preference for cash payments in large parts of the region with more than 90% of consumer transactions in KSA and UAE still being cash based. There are also concerns around cyber security and data protection. According to a recent Norton study, 40% of mobile shoppers in the MENA region have been victims of cybercrime.

The region has more work to do in order to develop its infrastructure and logistics as well. In terms of distribution, most retailers have inadequate warehouse coverage across the region for the rapid delivery of products that more customers are demanding.

The newly formed Dubai CommerCity, the first freezone dedicated entirely to eCommerce in the Middle East and North Africa region, addresses this opportunity. The AED 3.2 billion development - a joint venture between DAFZA and Wasl Asset Management Group - will play a key role in energizing regional trade. This Reports serves towards building an ecosystem for eCommerce across the MENASA region that we expect to boost opportunities for the industry that will stem from Dubai and lead to growth regionally and globally.

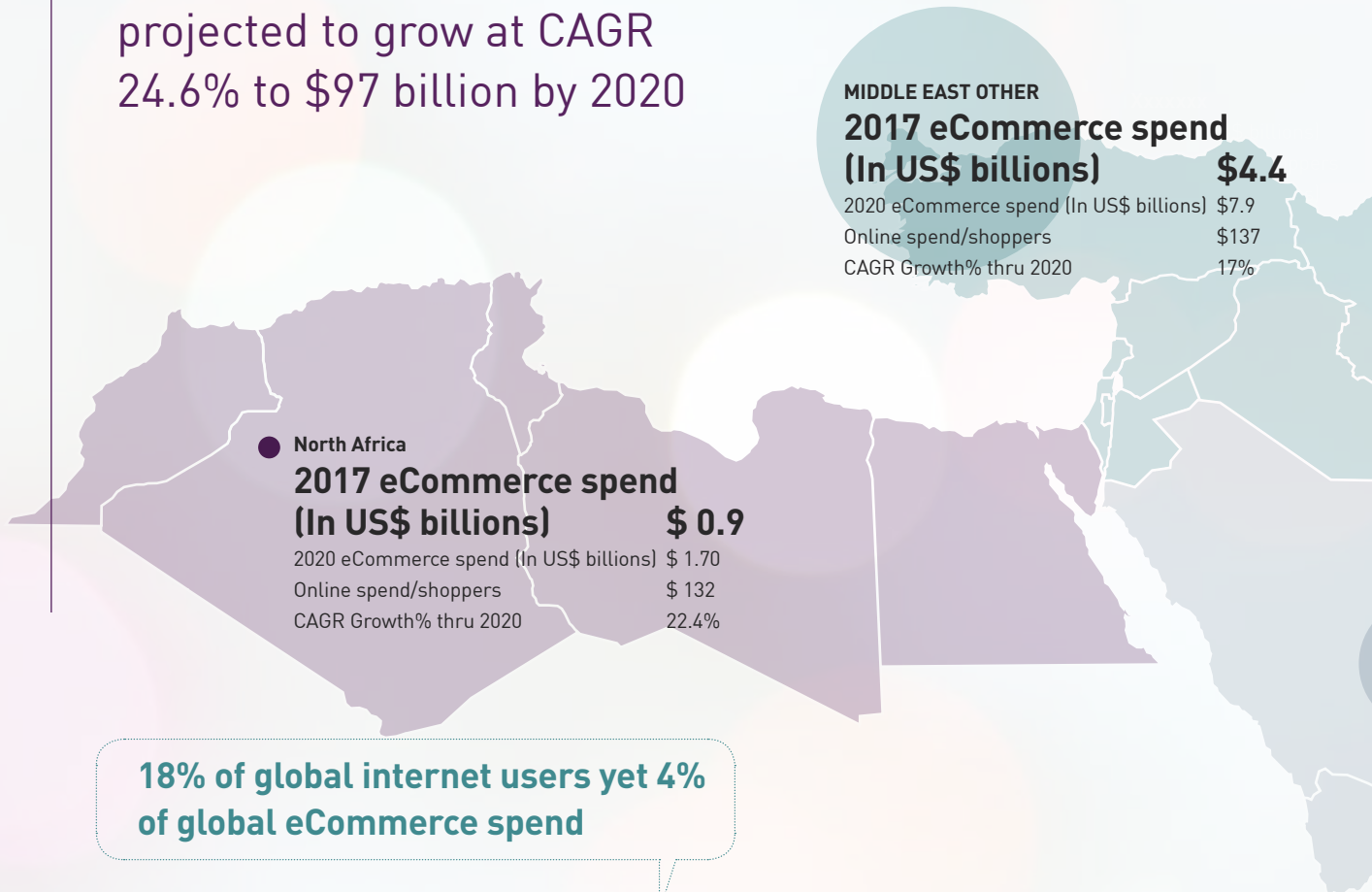


We decided to create a platform that will drive innovation, revolutionize logistics technology and create the right infrastructure.”



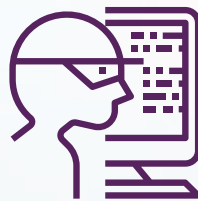
MENASA eCommerce* Landscape Overview

\$51 billion total spending (2017)
projected to grow at CAGR
24.6% to \$97 billion by 2020



MENASA Overview:

Large Population:
2.19 billion
(29% of global population, 2017)



of Internet Users:
754 million
(45% of population;
GCC 85%;
South Asia 27%)



of eShoppers:
115 million
15% of internet users are eShoppers versus 40% global average; GCC 26%; North Africa 8%



% of eCommerce versus Offline Retail: 3% (10% global; 4% in South Asia; 0.4% in North Africa)

Source: MENASA eCommerce Landscape: B2C Products Edition, October 2018. Dubai CommerCity 2018 All Rights Reserved.

*Report focusses on B2C product eCommerce market (Services B2C and B2B not included). MENASA includes following countries by region: Middle East – GCC: KSA, UAE, Oman, Bahrain, Kuwait; Middle East – Other: Jordan, Lebanon, Syria, Iraq, Palestine, Yemen & Turkey; North Africa: Morocco, Algeria, Tunisia, Libya, Egypt; South Asia: Afghanistan, Pakistan, India, Bangladesh, Sri Lanka

Global eCommerce Spending

WORLD
2017
eCommerce spend
(In US\$ billions)
\$1,729.69

2020 eCommerce spend (In US\$ billions) \$3,104.26
 Online spend/shoppers \$1,042
 CAGR Growth% thru 2020 20.6%

Top 10 Innovation Opportunities



Products/ Sourcing	eCommerce Platform	Distribution	Customer Engagement
"Made on the Internet"	Brain-to-cloud interfaces	Automated warehouses	AI Virtual Assistant
	Retail-tainment / hyperconnected 'micro city' malls	AI customer call centers	VR/AR integrated
	Dynamic pricing linked to eye gaze tracking	Autonomous delivery vehicles and trucks	Preventing Returns through VR

GCC
2017 eCommerce spend
(In US\$ billions) **\$5.4**
 2020 eCommerce spend (In US\$ billions) \$10.8
 Online spend/shoppers \$586
 CAGR Growth% thru 2020 26.6%

South East Asia
2017 eCommerce spend
(In US\$ billions) **\$40.3**
 2020 eCommerce spend (In US\$ billions) \$76.5
 Online spend/shoppers \$207
 CAGR Growth% thru 2020 24.6%

GCC is fastest growing while South Asia offers the largest market

Top 100 MENASA eCommerce sites

#Top Sites per Region Top 5 Sites per Region

South Asia	30	Flipkart	Snapdeal	Myntra	Paytm Mall	Shopclues
Non-Menasa	26	Amazon	Microsoft	Apple	Samsung	Aliexpress
ME OTHER	25	Hepsiburada	N11	Gittigidiyor	Trendyol	Yemeksepeti
ME GCC	18	Souq	Jarir	Awok	Sharaf DG	Extra Stores
North Africa	1	Technopro				

List represents **618 million** unique visits/ month. Multi-product/ brand **Marketplaces** represent **63%** of the overall unique user base.

Refer to Report Chapter 6 for the full list

Summary Insights

- The main **purpose** of the MENASA eCommerce Landscape: B2C Products Edition Report is to inspire and drive international and regional businesses and entrepreneurs to realize and benefit from the high-growth MENASA eCommerce opportunity.
- This Report covers eCommerce activity across 22 closely linked countries of the Middle East, North Africa and South Asia – the '**MENASA**' region. Grouped by the four subregions of GCC, North Africa, Middle East Other, and South Asia, these countries have been trading partners throughout history.
- The region is home to 2.3 billion people, representing 30% of the global population in 2017 and emerging as a powerful economic bloc with a solid growth trajectory. The Report focusses on the **B2C product eCommerce** market. B2C services as well as B2B eCommerce are a whole other significant area that will be explored in subsequent Reports.
- **Fast-growing eCommerce market:** This Report estimates \$51 billion of eCommerce sales across MENASA in 2017. While this accounts for only 3% of global eCommerce sales, the region's eCommerce is growing aggressively at 24.6% CAGR growth through 2020, faster than any region in the world (global projected growth during the same period is at 20.6% with a declining growth trajectory.) Relative to the declining eCommerce growth rate globally, MENASA's is rising.
- **Regional leaders:** While South Asia represents the biggest market in size, GCC represents the fastest-growing and highest-spending sub-region within MENASA. India stands out as the biggest, most mature eCommerce market with \$39 billion in estimated eCommerce sales in 2017 and the highest penetration of eCommerce (5.3%) as a % of total retail sales. UAE represents the biggest spending per online shoppers at \$1648 (average spend/ year) with third-highest growth projected through 2020 at 29.6%. Bangladesh, meanwhile, represents the fastest-growing individual country market and is projected to grow 37.5% through 2020.
- **Seven key growth drivers:** The Report has identified seven key growth drivers that include: huge latent demand; high internet/ mobile adoption; a young/internet-savvy population; high social media usage; cross-border eCommerce; entrepreneurship; and growing government support.
- **A big segment ripe for eCommerce:** While overall retail sales (offline and online) across MENASA is 12% of overall global retail sales, its eCommerce penetration

within global eCommerce activity is only 3%. This represents a big gap/opportunity for the region to catch up on eCommerce activity to the level of global eCommerce reach.

- This opportunity is further reflected by the fact that in 2017, an estimated 16% of MENASA internet users, approximately 115 million people, were internet shoppers compared to 40% of global internet users who are e-shoppers. This is a big gap despite the fact that mobile internet usage in parts of the region is amongst the highest in the world (96% in UAE, 88% Saudi Arabia.)
- **Five key challenges:** The Report highlights five key challenges that can be attributed to limited eCommerce penetration relative to rest of world: lack of consumer awareness; limited payment solutions/behavior; logistic challenges; customs duties and taxation; and limited product coverage.
- **Top 100 B2C eCommerce companies:** The Report presents a first-ever listing of Top 100 B2C eCommerce Companies of the MENASA region, focused on B2C eCommerce companies focusing on product offerings. Collectively the list represents **618 million unique visits/month. Out of the top 100 list, 76 companies are based in the MENASA region which is a very healthy sign of local eCommerce development.** Turkey has the most eCommerce companies on the list with 24 companies represented, followed by US 14, India 12 and UAE 11. Multi-product marketplace sites represent the highest number of companies on the list at 26, followed by 17 consumer electronics sites, 13 fashion sites, and 8 single retailer sites, 7 deal products sites, and 7 bookstores. While there seems to be good diversity of types of eCommerce sites, **Multi-product/brand marketplaces** represent 63% of the overall unique user base.
- **14 key success criteria & growth checklist:** Based on a thorough analysis of eCommerce opportunity, success stories, pitfalls, and challenges across the MENASA region, the

Report presents 14 key success criteria across four key areas of eCommerce value chain – product/sourcing, eCommerce platform, logistics/distribution and customer engagement. A practical growth checklist worksheet is also provided for eCommerce companies.

- **Six eCommerce strategic considerations for government/industry support:** Given key issues that are limiting the growth of eCommerce across MENASA, the Report identified six government-and-industry-level strategic considerations to address. These include: eCommerce policy enhancement around customs duties, taxation and consumer protection; addressing consumer awareness; consumer trust building; local economy protection; dedicated eCommerce zones; and financial institution engagement.
- **In conclusion,** this Report attempts to provide eCommerce companies and entrepreneurs a clear view and a roadmap to realizing the eCommerce opportunity across the strongly interconnected wider MENASA region. As discussed in the Report, the region's retail customers seek a wider portfolio of eCommerce product propositions – a key factor in moving eCommerce penetration from 3% of retail to the global average of 10%. It will also guide government entities and industry bodies in the region to drive key structural improvements to facilitate the region's eCommerce success for the benefit of the region.

3.0 Purpose and Methodology

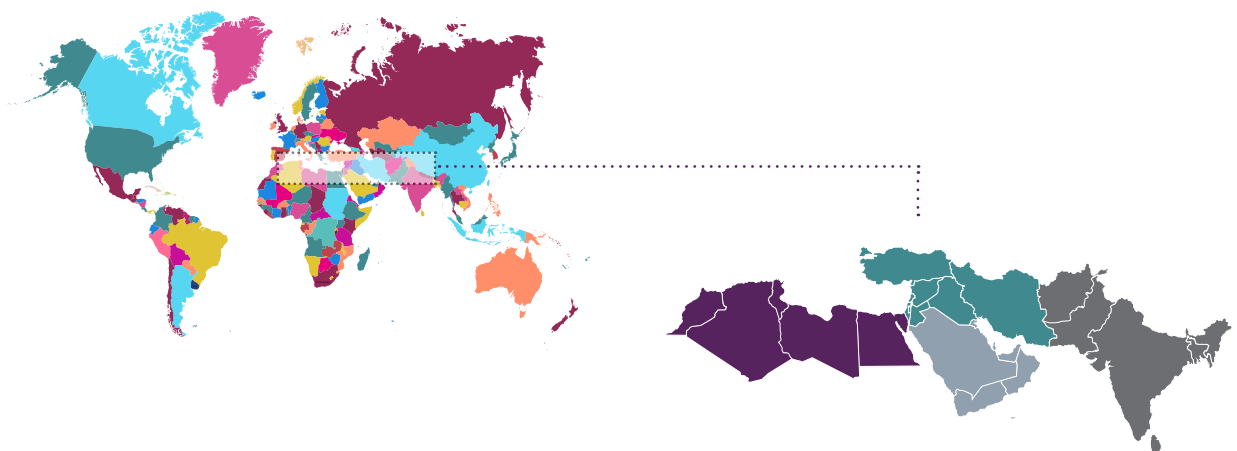
Context

We are living in a world that is connected more than ever before. Marketplaces are evolving rapidly, increasing connectivity via the internet at decreasing costs and increasing speed/bandwidth. While these fast changes come with large business opportunities, being successful in this new reality means to create effective business models specific to eCommerce. But where to start and how?

This Report covers eCommerce activity across 22 closely linked countries of the Middle East, North Africa and South Asia – ‘MENASA’ region. Grouped by four subregions of GCC, North Africa, Middle East Other, and South Asia, these countries have been trading partners throughout history. There is also shared customs, strong people to people linkages, traditions, and

languages that have developed deep economic opportunities and connectivity. The region has a population of 2.3 billion people representing 30% of the global population in 2017. Meanwhile its population growth has been almost twice as much as rest of the world 2012-2017 (2.25% vs 1.2%)

- Middle East – GCC: KSA, UAE, Oman, Bahrain, Kuwait
- Middle East – Other: Levant (Jordan, Lebanon, Syria, Iraq, Palestine), Yemen & Turkey
- North Africa (Morocco, Algeria, Tunisia, Libya, Egypt)
- South Asia (Afghanistan, Pakistan, India, Bangladesh, Sri Lanka)



B2C Products focus: It is important to note that this Report focusses on B2C product eCommerce market. B2C services as well as B2B eCommerce are a whole other significant area that will be explored in subsequent Reports.

Report purpose and objectives

The main **purpose** of *MENASA eCommerce Landscape: B2C Products Edition* Report is to inspire and drive international and regional businesses and entrepreneurs to realize and benefit from the high growth MENASA eCommerce opportunity.

The Report has the following **objectives**:

- Sketch a **global picture** of eCommerce and other digital mediums and how disruptive technologies will shape digital commerce over the next 20 years
- Provide a geographically segmented view of **MENASA eCommerce opportunities**, core trends and expected developments over the next 10 years
- **Illustrate the landscape** of global and regional industry participants across eCommerce and other digital mediums, including enabling ecosystem
- **Highlight strategic enablers** of eCommerce in the MENASA region, notably freezones and UAE's logistical importance
- **Present a practical strategic roadmap** for international businesses, entrepreneurs and investors to engage with these regional opportunities

Methodology

This Report applies both qualitative and quantitative methods to its primary and secondary research.

- **Market Sizing**

The Report presented an original analysis of MENASA eCommerce spending data as well as its projections. The market sizing was derived primarily by leveraging baseline data from global entities as follows:

Retail market sizing: Baseline used World Bank's 2011 ICP Data and derived through 2017 using World Bank Household consumption annual % growth through 2017 per country. Only

included household expenditure of B2C products (excluded services and travel.)

eCommerce market sizing: Core global and MENASA eCommerce sizing was done applying eCommerce sales to total retail sales ratio per country on the previously determined retail market sizing number. The eCommerce to total retail sales ratio per country was determined using multiple sources of surveys. These sources include: eMarketer, PayFort, national trade organizations, trade publications.

eCommerce projections: Growth trajectory of five core eCommerce indicators were averaged – 1) internet shoppers' growth, 2) penetration of internet users in a country, 3) rate of fixed broadband subscription, 4) rate of mobile cellular subscriptions. 5) regulation trajectory. Average CAGR 2012-17 is applied on World Bank projected GDP growth through 2022 to achieve the projected CAGR eCommerce growth rate. Data sources: World Bank UNCTAD data, ITU (International Telecommunication Union (ITU).

eCommerce spending per shopper: Baseline data from UNCTAD's B2C eCommerce Index 2017 on number of internet shoppers as a % of total population was utilized. Number of internet shoppers per country was derived and divided by the estimated eCommerce sales value to get eCommerce spending per shopper per year.

- **Top 100 Methodology**

The Report presented an original listing of Top 100 eCommerce companies in MENASA region. Data leveraged for evaluation was monthly unique visitor traffic data from the Similarweb database with a wider screening utilizing Alexa's top 500 list per country. Other national and regional sources were used to validate the list. Key criteria of inclusion on the list were: B2C/ C2C companies with products or product management; No services companies were included (e.g. travel booking, job listing, etc.); Only parent companies are included (e.g. Amazon) unless operating with distinct brand name in select markets.

- **Interviews**

Following interviews were conducted across the region to get first-hand perspectives:

- Mr. Bilal Bajwa, Country Manager OLX Pakistan
- Mr. Sebastian Mitchell, Director/CMO The Modist, UAE
- Mr. Kerim Türe, Founder & CEO Modanisa.com, Turkey
- Mr. Geoff Walsh, Country Manager DHL Express UAE

- **User Journeys**

In addition, unique original ‘user journey’ mapping were produced based on four distinct end users experience with eCommerce. Each participant was asked to conduct an eCommerce transaction and log every step of their experience. The journeys covered were from the following markets:

- Jordan
- India
- UAE
- Morocco

- **Secondary Research**

In addition to the above research methods, a comprehensive review of existing research and Report by various industry publications and research houses were done. Over 40+ sources were reviewed that covered both global and regional eCommerce trends, challenges and projection views.

- **Innovation Trackers & Custom frameworks**

DinarStandard’s proprietary Innovation Tracker database was leveraged to identify and frame future innovation opportunities across the global eCommerce value chain. In addition, custom evaluation framework were developed providing a robust view of the MENASA eCommerce opportunity.

CONCEPT	DEFINITION
Retail sales	The selling of mainly goods from businesses to individuals from a traditional or so called “bricks-and-mortar” shops.
eCommerce	(or electronic commerce), a subset of ebusiness: any B2C contract on the sale of products or services fully or partly concluded by a technique for distance communication.
E-services or electronic services	Deeds, efforts or performances whose delivery is mediated by information technology. Such e-service includes the service element of e-retailing, customer support, and service delivery.” This definition reflects three main components: service providers, service receivers and the channels of service delivery (i.e. technology). (Jennifer Rowley, Professor Information and Communications, Manchester Metropolitan University, UK)
Market place	Online platform on which companies (and consumers) sell goods and/or services.
Mobile commerce (or m-commerce)	The ability to conduct commerce using a mobile device e.g. a mobile phone, a PDA, a smartphone, a tablet or other (emerging) mobile equipment.
Single eRetailer’s Multibrand Shop	An online store owned and operated by one single company who sells wide range of products from fashion to consumer electronics sourced by many different brands. These are B2C stores.
Online buyer (or e-shopper, e-buyer)	An individual who regularly bought or ordered goods or services through the Internet.

Source: Ecommerce Foundation, DinarStandard

Disclaimer: The data of this Report is believed to be correct at the time of publication but cannot be guaranteed. Please note that the findings, conclusions and recommendations that Dubai CommerCity and DinarStandard have delivered are based on information gathered in good faith from both primary and secondary sources, whose accuracy we are not always in a position to guarantee. The findings, interpretations, and conclusions expressed in this Report do not necessarily reflect the views of Dubai CommerCity. As such the information contained in this Report is intended to provide general information only and, as such, should not be considered as legal or professional advice or a substitute for advice covering any specific situation. Dubai CommerCity and DinarStandard specifically disclaim all liability arising out of any reliance placed on this material. Dubai CommerCity and DinarStandard make no representations or warranties of any kind, express or implied, about the completeness, accuracy, reliability or suitability of this material for your purposes. All product names, logos, and brands are property of their respective owners. All company, product and service names used in this Report are for identification purposes only. Use of these names, logos, and brands does not imply endorsement. Dubai CommerCity 2018 All Rights Reserved. The material in this Report is subject to copyright. Because the Dubai CommerCity encourages dissemination of this Report, this work may be reproduced, in whole or in part, for non-commercial purposes as long as full attribution to this work is given.

4.0 Global eCommerce Overview



Global eCommerce Overview

Introduction

Business activities of the 21st century are no longer confined to physical and geographic marketplaces. Instead, new technologies transcend previous boundaries and have created a new distributional system: electronic commerce (i.e., eCommerce), or the buying and selling of goods and services via technological networks such as the internet.

The virtual nature of the eCommerce marketplace has redefined global business boundaries. As a result, previous barriers of

entry for small- and-medium-sized enterprises across the world are fading at an increasing rate. This development not only benefits businesses but also consumers worldwide, who enjoy a larger selection of goods and services at a competitive price because of it.

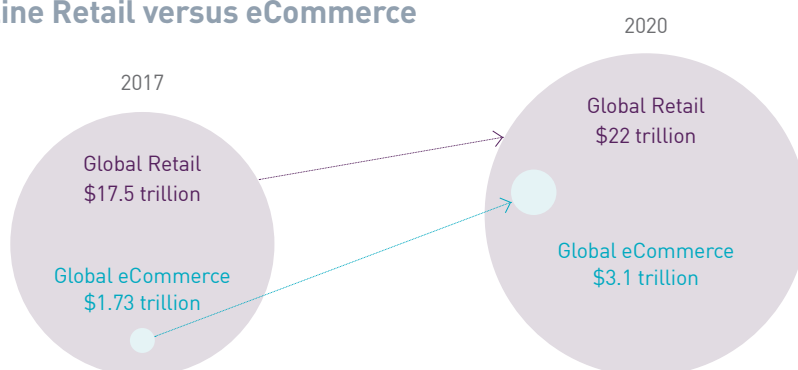
While this Report focuses on the MENASA region, it is important to contextualize regional opportunity with global eCommerce trends, developments and opportunities.

Fast growing global eCommerce

Globally, eCommerce is growing much faster than offline retail commerce, showing a strong convergence towards an integrated offline and online retailing world. Technology-driven customer shopping experience demands and supply chain innovations are validating the trend towards an ever expanding omni-channel global retail.

This Report estimates B2C (business-to-consumer) products-based eCommerce spending at US\$1.73 trillion in 2017, which represents around 10% of global retail sales. The projected growth of products-based eCommerce sales is expected to be at CAGR 20.62% through 2020 to reach \$3.1 trillion globally.

Global Offline Retail versus eCommerce



In 2017, an estimated 40% of internet users, approximately 1.66 billion people were internet shoppers. According to eMarketer, mobile purchases (mCommerce) represents the largest method of digital sales, representing 58.9% of total eCommerce sales in 2017 and expected to reach 70% by 2020.

¹Refers to retail that integrates different types of methods of shopping available to consumers – online, physical shops, by phone, mobile kiosks, while traveling, etc.

Number of eCommerce Shoppers Worldwide (2017)

	2017
Total Population	4.1 billion (54% of population)
... on Internet	1.66 billion (40% of Internet users)
... shopping online	1.66 billion (40% of Internet users)
... mCommerce	59% of eCommerce (growing to 70% of eCommerce by 2020)

In addition to eCommerce retail sales or 'B2C' sales, B2B or business-to-business eCommerce is even bigger worldwide. Forrester Research has estimated that B2B eCommerce reached \$889 billion in the USA alone at the end of 2017, representing 11% of total B2B sales in the US. While this is not a key topic for this Report, it does give an important context about the overall eCommerce ecosystem.

Source: World Bank, ITU, DinarStandard Analysis, UNCTAD, InternetWorldStats, eMarketer, CIA World Factbook

Key Players

The global prominence of eCommerce was highlighted in 2018 when Amazon crossed \$1 trillion market valuation, becoming only the second company in the world to do so. Amazon is today a disruptive force in the future of commerce. According to eMarketer, Amazon is the largest retail eCommerce player globally, representing 72% of the total market share from the top six retail eCommerce players.

Top Retail eCommerce Players

COMPANY	HEADQUARTERS	MARKET SHARE OF TOP 6 E-RETAILERS	REVENUE (2017) (\$ BILLIONS)
Amazon	Seattle, Washington (United States)	72%	\$177.9
Alibaba	Hangzhou, China	9%	\$23
JD.com	Beijing, China	7%	\$16.9
Walmart	Bentonville, Arkansas (United States)	5%	\$11.5
eBay	San Jose, California (United States)	4%	\$9.6
Rakuten	Tokyo, Japan	3%	\$8.3

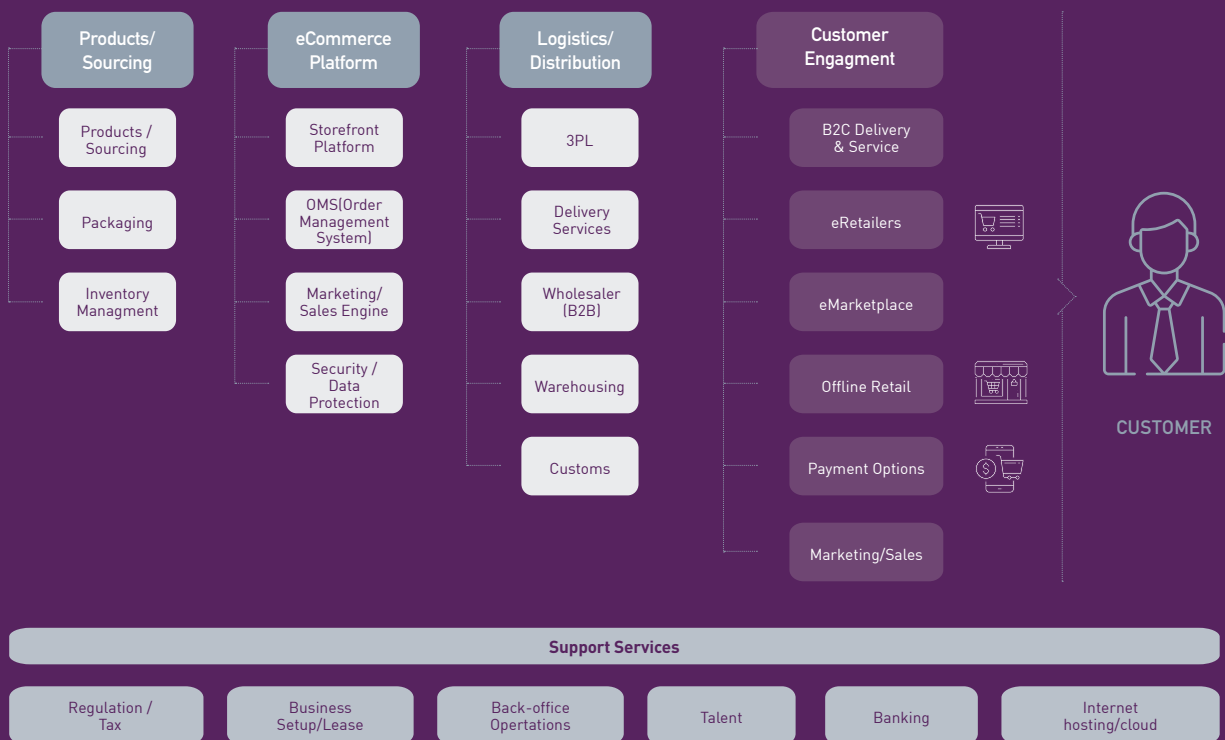
Source: Company websites

eCommerce Value Chain

The eCommerce industry participants span across the full value chain from products and sourcing to customer engagement channels. There are various key eCommerce ecosystem players and service providers that together enable eCommerce activity worldwide. In this Report, eCommerce is structured into five value chain categories (see figure below):

1. Products/Sourcing;
2. eCommerce Platform;
3. Logistics and Distribution;
4. Support Services; and
5. Customer Engagement.

B2C Product eCommerce Value chain Framework



Source: DinarStandard's Product eCommerce Value-Chain Framework, 2018



In 2017, an estimated 40% of internet users, approximately 1.66 billion people were internet shoppers



Global eCommerce innovation drivers

The fast-paced global growth of eCommerce is being driven by various technology and business model innovations, customer expectations/behavior and infrastructure drivers. Across the eCommerce value chain, continuous innovation is also disrupting the experience of all stakeholders. Key short-term innovation trends in Products and Sourcing include Artificial Intelligence and Blockchain; in eCommerce

Platform include Automation and Machine Learning; in Logistics and Distribution include Robots and Drones; in Customer Engagement include Augmented Reality and the Internet of Things. Below is a summary of key trends across the value chain of eCommerce driving innovation today and expected to reach mass adoption within the next two years.

Customer Engagement

(Delivery & Service, eRetailers, eMarketplace, Offline Retail, Payment Options, Marketing / Sales)

- **Augmented Reality** will continue to drive eCommerce sales as brands roll out features to allow consumers to visualize items in their homes. Companies including Ikea and Amazon have already started using such applications. **“Selfie Commerce Marketing” with AR** - ads will let you try new things on in AR (e.g. trying sunglasses or lipstick on in Facebook). Also, AR hologram apps that allow shoppers to view products in 3D will be available.
- **Mobile eCommerce already represents** the majority of eCommerce transactions in 2017 and will continue to drive eCommerce sales. By diversifying payment technology to include facial recognition and fingerprinting, the volume of transactions completed on mobile will continue to grow. As highlighted earlier, global mobile penetration is expected to grow from 58.9% in 2017 to 64.3% in 2019.
- **Omni-channel marketing** will be more widely available in shopping areas, offering customers a seamless blend of shopping via desktop, mobile or at a retail store.
- **Growth of cross-border eCommerce:** According to Forrester, cross-border eCommerce will grow by 17% between 2017 and 2022, faster than the rate of overall B2C eCommerce. Forrester also predicts cross-border purchases will represent 20% of eCommerce sales in 2022 or \$600 billion. The key driver for the growth in cross-border eCommerce is the number of travelers exposed to international brands.
- **Social eCommerce:** Climate change impact, growing population with reduced jobs due to automation, refugee crisis, health issues, education and other socio-development needs are driving a major social economy. The UN Social Development Goals through 2030 are expected drive \$12 trillion in economic activity. eCommerce solutions are a big part of bringing efficiency and impact. Innovative profitable business models are developing across the value chain from financing, distribution, and ‘bottom of the pyramid’ solutions that eCommerce is able to address more efficiently than pure brick-and-mortar operations.

Products / Sourcing

(Product Sourcing, Packaging, Inventory Management)

- **AI (Artificial Intelligence) predictions on inventory stock refills:** Through AI companies are able to more reliably predict when to order inventory refills, since overstocking and understocking can increase problems. E.g., Salesforce and Coca-Cola partnered with “Einstein AI” to monitor inventory. Also, machine learning can help with fulfillment issues like transportation constraints or routes, enabling companies to be able to fill orders.
- **Using blockchain and IoT to improve supply chain traceability and transparency:** Using blockchain, IoT, and cryptocurrencies in the supply chain can improve checks on fresh food products and authenticity of raw ingredients, giving the consumer transparency about each step of the supply chain (e.g., smart contracts; Carrefour; HalalChain, HalalTrail, HealthFX, IBM, Walmart). Also, the Chinese retailer JD.com launched a Blockchain Food Safety Alliance collaboration to improve food tracking and safety in China. Additionally, IBM and Maersk are working on a joint venture to apply blockchain to global trade, while the Blockchain in Trucking Alliance (BiTA) is working on blockchain standards for the freight industry.
- **Smart supply chain control towers:** Dashboards with the use of machine learning and predictive analytics will be used by companies to leverage social media data to gain an early insight into whether product demand will spike in a region. Then “prescriptive analytics” would narrow down to the best alternatives.

eCommerce Platform

(Storefront Platform, OMS (Order Management System), Marketing / Sales Engine, Security / Data Protection)

- **Predictive analytics - AI data mining for consumer behavior (data is the most precious resource):** AI mining and machine learning is used to analyze market data and consumer behavior, (e.g., tailoring fashion production) to predict customers’ needs, to refine customer leads or to predict likelihood of losing a customer (Salesforce). Machine learning can also look at social media trends, activity from eCommerce websites, or other sources like point of sale or weather data to see how pricing or promotions might be adjusted.
- **Dynamic pricing:** In the future, dynamic pricing will also be used more often, where supply and demand drives pricing. Uber already knows when demand is high, or when a person is distant from their house, and can charge more as a result.
- **Mobile-first eCommerce websites:** Many eCommerce sites are remaking their platforms as mobile first, or omni-channel (e.g., Singapore Airlines; ordering through Alexa or Siri). Also, there are now digital mobile-only banks (e.g., one announced by Dubai Holding).⁴ One of the major drivers for this trend is increasing number of smart phone users is expected to increase from 2.32 billion this year to 2.87 billion by 2020.
- **Accepting blockchain-based payments:** Companies will begin accepting blockchain-based payment services (e.g., Alibaba, London mosque, municipal government in Florida, USA, Schiphol airport, EDM festival tickets) and digital wallets (Singapore Airlines, Dubai Atlantis), enabling community currencies (e.g., Bancor in Kenya, Dubai ArtBank).
- **Automated checkout with no cashiers:** Currently, automated checkouts, and ‘no cashiers or checkout lines’ (e.g., Amazon, Zippin) have evolved. In the near future,

⁴UAE is set to open its first digital only bank.” May 2018., <http://whatson.ae/dubai/2018/05/the-uae-is-set-to-open-its-first-digital-only-bank/>

drones in stores will help customers find the item they are looking for (Walmart). Robots will also be used in retail stores and banks (e.g., HSBC)

- **Experimenting with new eCommerce business models, e.g. 'social commerce' on WeChat:** Companies will also be subject to

new ways of selling products such as group-buying deals facilitated through chat groups (e.g., WeChat in China).

- **Improved fraud prevention mechanisms** - detecting fraudulent transactions will be high priority for companies (Fraud.net, Amazon).

Logistics / Distribution

(3PL, Delivery Services, Wholesalers (B2B), Warehousing, Customs)

- **eCommerce special trade zones:** Special eCommerce trade zones - pilot zones provide a streamlined system with simplified regulations for faster examination and approval, custom clearance, and easier information sharing for cross-border eCommerce imports and exports (e.g., in Malaysia, Thailand, CommerCity launched in Dubai).
- **Elevating the importance of last-mile delivery:** Robots, autonomous drones, **multi-carrier parcel management apps**, and dynamic routing will be more common in the near future.
- **Dynamic routing:** The possibility of open-source online maps, with the inclusion of

private data from Uber, etc. (considering the current location of vehicles and other real-time data instead of a static fleet schedule).

- **Logistics investments:** With the proliferation of cross-border eCommerce, eCommerce logistics infrastructure is becoming an attractive investment target. Recently, Alibaba invested in Singapore-based SingPost that provides leading end-to-end eCommerce logistics and fulfilment services across the Asia Pacific region. Its network spans more than 10 countries and the company offers customers eCommerce logistics solutions and warehousing across Asia Pacific.

Support Service

(Regulation/Tax, Business Setup/ Lease, Back-office Operations, Talent, Banking, Internet Hosting/Cloud)

- **Online sales taxes to eCommerce sites:** Online sales taxes will continue to bring in revenue for governments (e.g., USA). eCommerce companies will have to address this trend and manage complex cross-border implications.
- **Growth of mobile-broadband subscription** has grown 20% annually worldwide over the past five years (2012-2017), reaching 4.3 billion people worldwide. In developed markets, almost 98% of inhabitants have mobile-broadband subscriptions .

- Continued growth in **internet penetration** from 47% (3.5 billion) of the global population using internet in 2017 to 54% (4.1 bill) by 2021 . Youth are leading this growth as already 71% of youth (ages 15-24) use internet compared to total population average of 47% globally.

Top 10 Future of eCommerce Innovation Trends

Breakthrough technology-led innovation is growing at an exponential pace. eCommerce will most certainly evolve with these 4th industrial revolution trends. Below we present 10 selected eCommerce innovation trends that will drive the future of eCommerce over the next five years.

The basis of this evaluation are **four key technology megatrend categories** that will impact the global eCommerce value chain.

- **Connectivity Backbone**, which includes the Internet, Internet of Things, Internet of Healthcare Things, Blockchain and the Cloud.
- **Computation, Decision, and Automation**, which includes Big Data & HPC (High Performance Computing), Spintronics, Artificial Intelligence, Machine Learning & Cognitive Science, Autonomous Navigation, Robotics and Automation.
- **Power, Matter and Space**, which includes 3D Printing, Materials & Polymers, Green Technology, Nuclear Energy, and Space Technology.
- **The Body**, which includes Augmented Reality, Virtual Relation and Bio-Technology.

Analyzing the role of these emerging technology megatrends on eCommerce value chain, we have identified and selected the following Top 10 Future of eCommerce Innovation Trends.

Top 10 Future of eCommerce Innovation Trends



Products/ Sourcing

1. "Made on the Internet"



eCommerce Platform

2. Brain-to-cloud interfaces
3. Retail-tainment with hyperconnected 'micro city' malls
4. Dynamic pricing linked to eye gaze tracking



Distribution

5. Automated warehouses
6. AI customer call centers
7. Electric and/or autonomous delivery vehicles and trucks



Customer Engagement

8. AI Virtual Assistant
9. VR/AR integrated
10. Preventing Returns through VR

⁴International Telecommunication Union (ITU) 2017 data

⁵eMarketer April 2017

⁶DinarStandard's Innovation Tracker mega-trends database

Products / Sourcing

(Product Sourcing, Packaging, Inventory Management)

- **“Made on the Internet”:** In the future, there will be no “Made in China” or “Made in America” labels, but “Made on the Internet” labels from 3D printing.

eCommerce Platform

(Storefront Platform, OMS (Order Management System), Marketing / Sales Engine, Security / Data Protection)

- **Brain-to-cloud interfaces:** There will be an emergence of emotion recognition tech, brainwave-to-cloud interfaces, wearables, and sensors that translate thoughts, and devices that can change your expression, with applications across eCommerce, from manufacturing to marketing and communications.
- **Retail-tainment with hyperconnected ‘micro city’ malls:** In the future, hyper-connected ‘micro-city’ shopping centers with sensory gardens, combining entertainment, wellness, learning, and personalized product-matching to meet evolving consumer needs will emerge.
- **Monitoring consumers’ eye gaze to offer them immediate dynamic pricing:** In the future, beyond knowing what you purchased, stores will monitor your eye gaze, knowing what you glanced at, what you picked up and considered, and put back on the shelf. Dynamic pricing will entice you to pick it up again.

Logistics / Distribution

(3PL, Delivery Services, Wholesalers (B2B), Warehousing, Customs)

- **Automated warehouses:** There are fulfillment centers globally with a low number of employees which will eventually be fully automated.
- **AI customer call centers:** The use of chatbots and AI assistants for customer service, and conducting mundane troubleshooting conversations and admin tasks will be common, e.g., Google’s Duplex AI will be a threat to call centers.
- **Electric and/or autonomous delivery vehicles and trucks:** Electric and/or autonomous cars, trucks, bikes, and hyperloop trains will be making deliveries.

Customer Engagement

(Delivery & Service, eRetailers, eMarketplace, Offline Retail, Payment Options, Marketing / Sales)

- **AI Virtual Assistant buys your stuff:** In the future, an AI virtual assistants or digital assistants - will book appointments and buy things, and choose what to buy (which can lead to an advertising transformation—e.g., digital teachers in New Zealand; AI stylists who know what you like to wear invents new outfits for you)
- **VR/AR deep integration** across the eCommerce experience (e.g., virtual social shopping trips.) Innovations in healthcare, biometrics, and heart rate monitoring such as Oura or electrogastrography wearables for a hyper-personalized experience are driving future use. Also, healthcare wearables like smart eyewear, smart contact lenses, smart clothing, implantables, and AR/VR tools for patient education will be widely available as products.
- **Preventing returns by using VR for product fitting:** Companies will be able to address decreasing returns with visual recognition technology to help customers choose clothes based on shape instead of size (e.g., Savitude), compare dimensions of clothes they already own with online items they are considering (e.g., Virtusize), or upload photos of themselves where the company matches it with 3000 3D body scans (e.g., CALA).

5.0 MENASA region eCommerce activity



MENASA region eCommerce activity

Introduction

The 22 MENASA countries as covered in this Report (See Purpose & Methodology Section) represent 2.3 billion people, representing 30% of the global population in 2017. The MENASA region is emerging as a powerful economic bloc with solid growth trajectory. It represents a GDP of \$8.3 trillion with a projected DGP growth rate of 4% annually (latest IMF data).

In this section we present original analysis-based estimation of eCommerce spending across each of the markets and sub-region levels. We also present the projected growth of eCommerce through 2020. In order to give a clear view of the distinct growth drivers and challenges, we present seven key growth drivers and five key challenges that have been identified by this Report's research. It is important to note that the scope of this research is around the B2C product eCommerce market. B2C services as well as B2B eCommerce are a whole other significant area that will be explored in subsequent Reports.

2.3 billion people representing 30% of the global population in 2017

Fast growing regional eCommerce

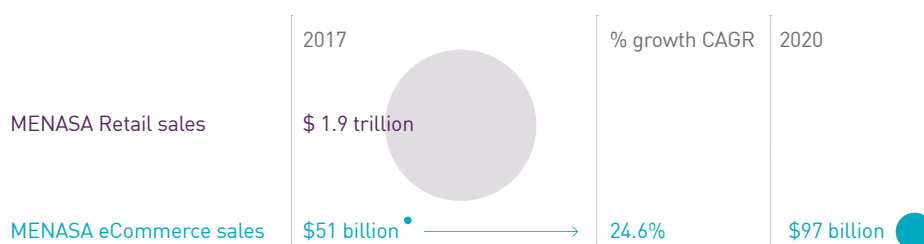
At **\$51 billion in 2017**, the MENASA region accounted for only 3% of the global eCommerce sales, but is growing at an aggressive **24.6% CAGR growth through 2020 faster than any region in the world**⁸ (global projected growth during the same period is at 20.6% with a declining growth trajectory.) **Relative to the declining eCommerce growth rate globally, MENASA's is rising.**

Another key fact is that overall retail (offline and online) across MENASA was \$1.9 trillion in 2017, representing 12% of overall offline and online retail sales globally.

Comparative to the global eCommerce/offline retail ratio, MENASA has a big gap in its 12% of global overall retail spending versus only the 3% of global eCommerce spending. This represents a big opportunity for the region to catch up on eCommerce activity to the level of global eCommerce reach.

Given the demographics and socio-economic developments in the region, and assuming some structural improvements, **MENASA opportunity is certainly the biggest growth market for global ecommerce.**

MENASA Offline Retail versus eCommerce



⁸As researched and projected by this Report. See Methodology Section

In 2017, an estimated 16% of MENASA internet users, approximately 115 million people were internet shoppers. This is a big gap compared to 40% of global internet users being shoppers.

On a wider view, about 34% of MENASA's population of 2.19 billion are internet users (754 million people). However, that usage is highest in GCC at 85% and lowest in South Asia at 27%.

MENASA Offline Retail versus eCommerce

	2017	CAGR GROWTH% THRU 2020	ECOMMERCE SALES 2020
Total Population	2.19 billion		
... on Internet	754 million	45% of population	
... shopping online	115 million	15% of Internet users	
... Online spending/ shopper	\$240 (\$1648 highest in UAE) 2017		

Source: World Bank, ITU, DinarStandard Analysis, UNCTAD, InternetWorldStats, eMarketer, CIA World Factbook

Sub-Regions: While South Asia represents the biggest market in size, GCC represents the fastest growing and highest spending/shopper.

MENASA eCommerce Spend by Region

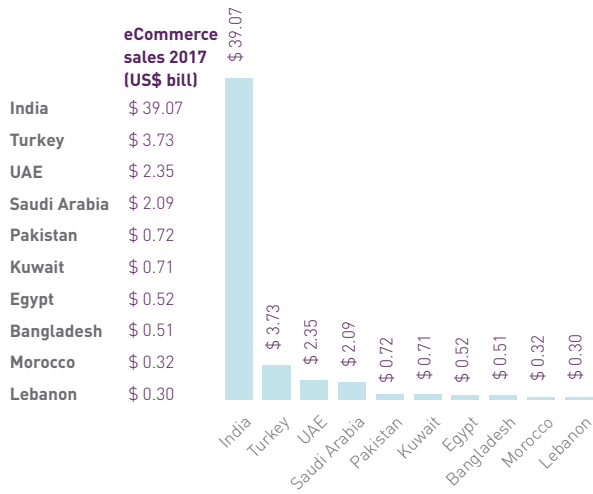
	2017 (IN US\$ BILLIONS)	2020 (IN US\$ BILLIONS)	ONLINE SPEND/ SHOPPER	CAGR GROWTH% THRU 2020
MENASA	\$51	\$97	\$240	24.6%
ME - GCC	\$5.4	\$10.8	\$586	26.6%
SOUTH ASIA	\$40.3	\$76.5	\$207	24.6%
NORTH AFRICA	\$0.9	\$1.70	\$132	22.4%
ME - OTHER	\$4.4	\$7.9	\$137	17%

Across the MENASA region, **India** stands out as the biggest, most mature eCommerce market with \$39 billion in estimated sales in 2017 and the highest penetration of eCommerce (5.3%) as a % of total retail sales.

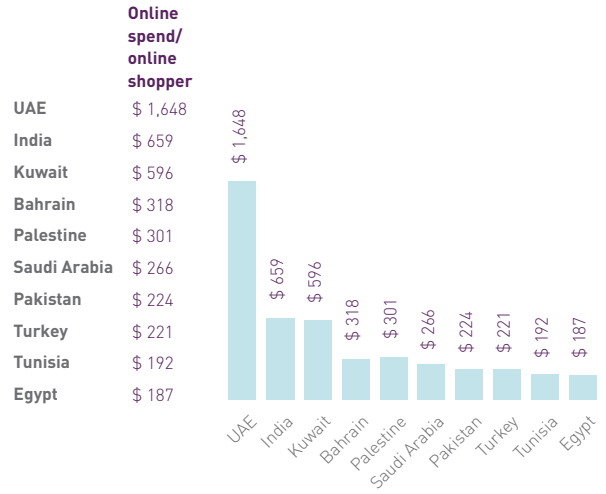
UAE represents the biggest spending per online shoppers with third-highest growth projected through 2020 at 29.6%. **Bangladesh**, meanwhile, represents the fastest growing market and is projected to grow 37.5% through 2020.

[See Appendix for full table of each MENASA country's data]

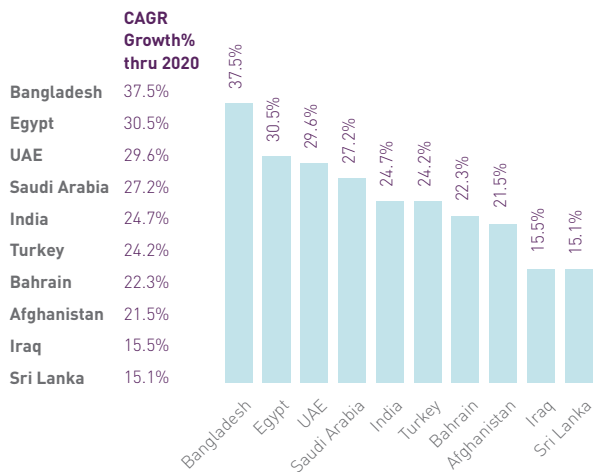
eCommerce sales 2017 (US\$ bill)



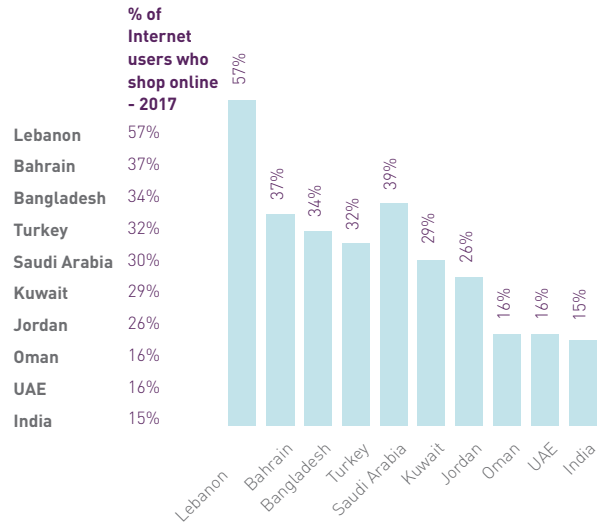
Online spend/ online shopper



CAGR Growth% thru 2020



% of Internet users who shop online - 2017



MENASA growth drivers & challenges

Seven key growth drivers: With the earlier estimation of the large size of the MENASA eCommerce market and its projected growth, below we look at seven key drivers of this growth:

- Huge latent demand:** The MENASA region perhaps represents the largest eCommerce latent demand market ripe for major growth. As highlighted earlier, the MENASA region accounted for 4% of global eCommerce sales, meanwhile it represents 12% of overall retail sales globally. In addition, an estimated 16% of internet users were internet shoppers compared to 40% globally. This shows a big gap, and opportunity for the region to catch up on eCommerce activity to the level of global eCommerce reach, given that there is strong offline retail spending. Linked to this gap is the fact that while growth of global eCommerce is declining, MENASA has a positive growth trajectory, growing aggressively at 23% CAGR growth through 2020.
- High internet and mobile adoption:** Another driver is high mobile adoption. There are more people with a mobile telephone subscriptions than with a subscription to fixed-broadband. For many, a web-enabled mobile phone is the only possibility to access the internet. This presents a serious opportunity for mobile retail and explains why mCommerce is an upcoming force in the region to be taken into account.

Table : Active Internet Users versus Active Mobile Internet Users - 2018

COUNTRY	INTERNET USERS (MILLION)	% OF TOTAL POPULATION	MOBILE INTERNET USERS (MILLION)	% OF TOTAL POPULATION
India	462.1	34%	430	32%
Bangladesh	81.66	49%	76	46%
Turkey	54.33	67%	51	63%
Egypt	49.23	50%	46	47%
Pakistan	44.6	22%	41	21%
Saudi Arabia	30.25	91%	29	88%
Morocco	22.56	63%	20	56%
Algeria	21	50%	19	46%
Iraq	19	49%	17	44%
United Arab Emirates	9.38	99%	9	96%

Source: Digital report 2018 – We Are Social

- **A young/ internet savvy population:** Youth are at the forefront of internet adoption worldwide, as 71% of youth (ages 15-24) use the internet compared to total population average of 47%. The MENASA region has a very young population. 51% of the population is under 25 compared to 43% worldwide, reflecting a strong growth market.
- **Social media usage:** In the GCC, there is 70% social media adoption. Businesses are focusing heavily on targeting customers online, on apps, and on social media via digital platforms.

Table : Top Social Media Usage MENASA - 2018

COUNTRY	ACTIVE SOCIAL MEDIA USERS (MILLION)	VIA MOBILE (MILLION)	FACEBOOK USERS (MILLION)	INSTAGRAM USERS (MILLION)
India	250	230	250	52
Turkey	51	44	51	33
Egypt	39	35	39	10
Pakistan	35	32	35	5.2
Bangladesh	30	28	30	1.8
Saudi Arabia	25	18	25	12
Algeria	21	19	21	3.4
Iraq	19	17	19	6.3
Morocco	16	15	16	3.5
United Arab Emirates	9.38	8.7	10	3.3

Source: Digital report 2018 – We Are Social

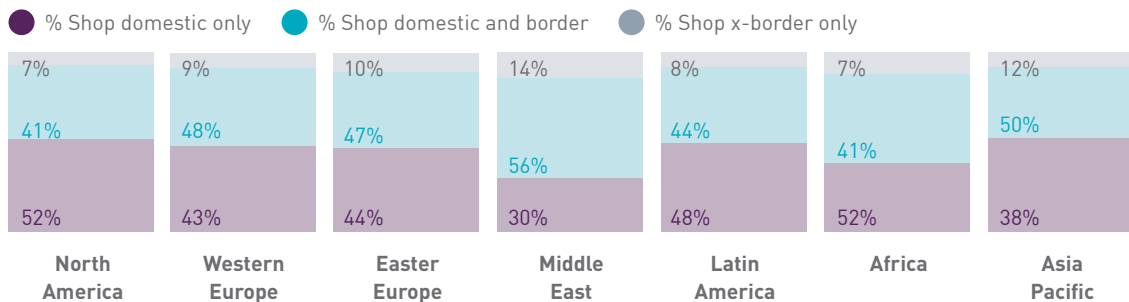
- **Cross-border eCommerce is prevalent:** Cross-border shopping across MENASA is among the highest in the world. As per the latest 2018 PayPal Report, 70% of online shoppers shop cross-border (including those who exclusively shop cross-border.) This trend is reflective of the weak supplier base of local eCommerce solutions and an area of opportunity for growth.

⁸Venture Capital in the Middle East, MENAScapes.com

⁹Entrepreneurship in MENA: McKinsey 2018 Report

Incidence of online cross-border shopping

Consumers in the Middle East are most likely to shop cross-border



Source: PayPal Cross-Border Trade Consumer Research 2018, Retrieved Oct 20, 2018 from <https://www.paypal.com/ca/webapps/mpp/stories/media-resources/research>

- Entrepreneurship:** Another key driver is significant entrepreneurship development across MENASA. Across GCC, major government diversification and job creation plans are aggressively funding startup ecosystem building and entrepreneurship programs. India has one of the largest entrepreneurship and VC ecosystems in the MENASA region, as well as Turkey. Within MENA, the estimated total number of VC-like investors grew from just nine in 2008 to 145 by the end of 2016.⁸ eCommerce is the most mature of all digital entrepreneurship categories⁹.
- Government support:** Various government initiatives are supporting a regulated business environment to build trust for both eCommerce companies as well as the customer. In Saudi Arabia, the Ministry of Communication and Information Technology (MCIT) has launched several initiatives including 'Maroof'. This is a platform which allows shoppers to validate genuine sellers and share ratings and reviews from previous customers. One of the results is in addressing counterfeit products online. Since June 2017, the MCI has closed more than 75 social media accounts that had been advertising and selling counterfeit products.

In 2016, the Arab Federation of eCommerce was established with the mission to adopt legislative and regulatory initiatives and frameworks to support development, innovation and creativity of eCommerce application solutions. The Dubai Department

of Economic Development launched a mobile payment solution called emPay, through their company Emcredit. In 2016, the Central Bank of the UAE issued new regulations for digital payment services.

India is looking into loosen FDI rules to boost the eCommerce sector. The government has allowed 100% foreign ownership in firms that employ the marketplace model, like Flipkart.

Five key challenges: There are select key challenges that continue to limit the growth of eCommerce across the MENASA region. While different markets in the region are at different levels of the challenges, these five challenges are certainly key ones affecting the region's eCommerce growth:

- Lack of consumer awareness:** One reason attributed to low eCommerce penetration even with high internet/mobile/broadband penetration in GCC region is low consumer awareness¹⁰. For example, only 35% of internet users in Saudi Arabia and 55% in the UAE are even aware of eCommerce platforms¹¹.
- Limiting payment solutions/behavior:** Across most of the MENASA region there is very low penetration of banking and payments cards. COD (Cash on Delivery) and CCOD (Credit Card on Delivery) are still a major form of payment. In Saudi Arabia, for example, about half of the population is unbanked, and payment card penetration is only about 40%—much lower than the developed world's banking and cards penetration of more than 80%¹². The primary

¹⁰Getting in on the GCC E-Commerce Game - AT Kearney

¹¹E-commerce in the Middle East gets ready for a makeover. COMmsMEA. 29 March 2017

¹²Getting in on the GCC E-Commerce Game - AT Kearney

factors influencing this high use of cash are limited alternatives to cash and consumers' low satisfaction with existing payment methods and or lack of trust. According to

a Norton study, 40% mobile shoppers in the MENA region have been victims of cyber crime.

Table : Financial Indicators - 2018

COUNTRY	HAS A BANK ACCOUNT	HAS A CREDIT CARD	MAKES ONLINE PURCHASES AND/OR PAYS BILLS ONLINE
India	84%	37%	34%
Turkey	83%	4%	2%
Egypt	82%	28%	29%
Pakistan	74%	27%	n/a
Bangladesh	73%	26%	26%
Saudi Arabia	69%	12%	16%
Algeria	57%	33%	19%
Iraq	53%	4%	1%
Morocco	50%	6%	6%
United Arab Emirates	47%	11%	4%

Source : Digital Report 2018 – We Are Social

Table: Preferred Online Payments methods – % of total spend - 2016

METHOD	EMEA	ASIA PACIFIC	INDIA	TURKEY	UAE
Credit Card	22%	30%	12%	80%	24%
Bank Transfer	19%	16%	24%	3%	10%
Debit Card	18%	7%	9%	6%	10%
eWallet	17%	22%	26%	7%	22%
Cash on Delivery	9%	11%	19%	3%	20%
Charge & Deferred Debit card	7%	4%	3%	n/a	4%
Pre-Paid	3%	4%	3%	1%	3%
Popular alternative methods			Paytm Bank transfer PayPal	BKM Express Bank Transfer 3Pay	Cash On Delivery Bank Transfer PayPal

Source: Worldpay – Global Payment Report 2017

Thanks to new digital solutions, a large part of the unbanked population can be reached and converted to e-shoppers. In India for example, eWallet payment solutions are the most popular with leading apps such as Snapdeal, MobiKwik and Paytm. In Turkey however, most of the Turkish e-shoppers prefer to use their credit card for their online purchases. According to Worldpay, in the UAE, millennials seem to be using their credit and debit cards especially for travel, leisure, electronics and clothing. Although Cash On Delivery is also a popular way of paying online, because some customers do

not always trust credit card payment.

- Logistic challenges:** A critical part of product eCommerce business is its logistics- -from warehousing to delivery. In most MENASA markets, delivery is expensive and challenging. According to UNCTAD, “well-functioning road transport, ports, postal delivery services and customs help ensure effective order fulfilment. Inefficiencies in the logistics system, increase trade costs of firms engaging in eCommerce, and particularly SMEs.”

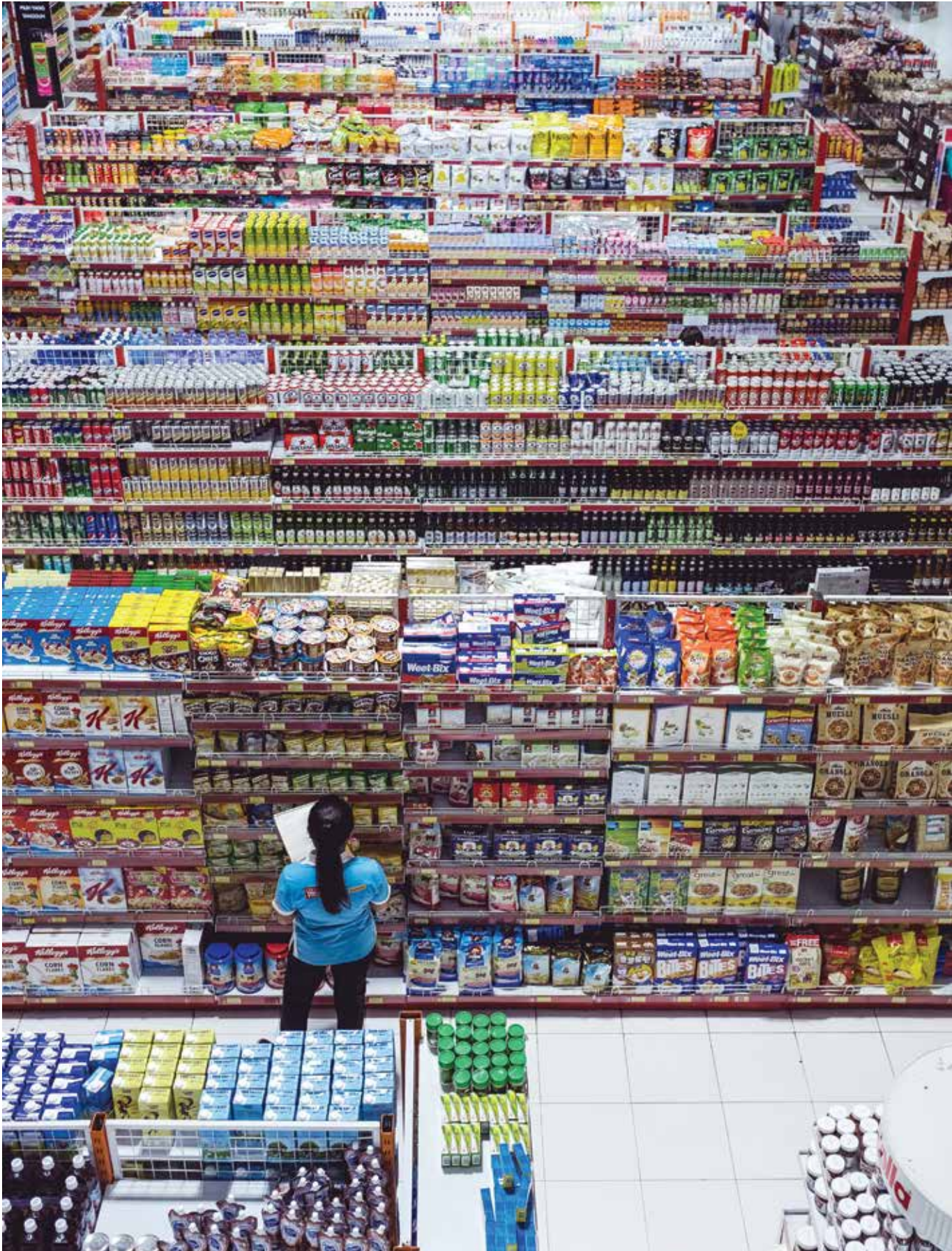
Underdeveloped postal services and limited delivery options are prevalent. As a result, local eCommerce players are building their own ecosystems to overcome delivery challenges. Fetchr's from the UAE is an example. UAE ranks the highest among MENASA countries in its logistics performance as per World Banks – Logistics Performance Index 2018.

Table: Logistics Performance Index – MENASA region (ranking and index)

COUNTRY	RANK	CUSTOMS	INFRASTRUCTURE	LOGISTICS COMPETENCE	TRACKING & TRACING	TIMELINESS
UAE	11	3.63	4.02	3.92	3.96	4.38
Oman	43	2.87	3.16	3.05	2.97	3.8
India	44	2.96	2.91	3.13	3.32	3.5
Turkey	47	2.71	3.21	3.05	3.23	3.63
Saudi Arabia	55	2.66	3.11	2.86	3.17	3.3
Bahrain	59	2.67	2.72	2.86	3.01	3.29
Kuwait	63	2.73	3.02	2.8	2.66	3.37
Egypt	67	2.6	2.82	2.82	2.72	3.19
Lebanon	79	2.38	2.64	2.47	2.8	3.18
Jordan	84	2.49	2.72	2.55	2.77	3.18

Source: World Bank – Logistics Performance Index

- Customs duties & taxation:** One of the other challenges for eCommerce companies in the region is different import duties, tariffs and tax legislations across different countries. Given the prevalence of cross-border eCommerce, this challenge is quite acute and expensive. A customs union does exist within the GCC, meaning that deliveries originating within the GCC and destined for GCC customers are not subject to any duties. However, this does not extend across the entire MENASA region.
- Limited product coverage:** One of the limiting factors of eCommerce growth has been attributed to limited inventory and or product category coverage. According to the AT Kearney Report, more than 90% of the GCC eCommerce market is in only four product categories: consumer electronics, fashion, lifestyle, and health and beauty. The top categories represented in the MENASA Top 100 eCommerce list from this Report also confirm these limited coverages.



User Journeys



Laith
27, male
Market Analyst



Household: 2 parents
Household income: 3,000 JOD/month
Residency status: Resident
Country: Jordan



SELECTION

Laith (27) chooses to buy a laptop case or bag as protective gear for his recently purchased laptop. As reason for buying it online he mentions that products and services are “listed at a lower price than [in] retail outlets”. He usually uses different devices for online purchases: Laith uses applications on his mobile phone to find items he is interested in and then uses the laptop with its larger screen to look into the details.



SEARCH

Laith starts the search using the following steps:

- Step 1.** Search on Google and/or eCommerce platforms like Souq, Amazon, or OpenSooq to identify a suitable brand and model
- Step 2.** Filter by budget
- Step 3.** Filter by style
- Step 4.** Filter by size
- Step 5.** Read reviews on the quality, delivery time, and size of the product.



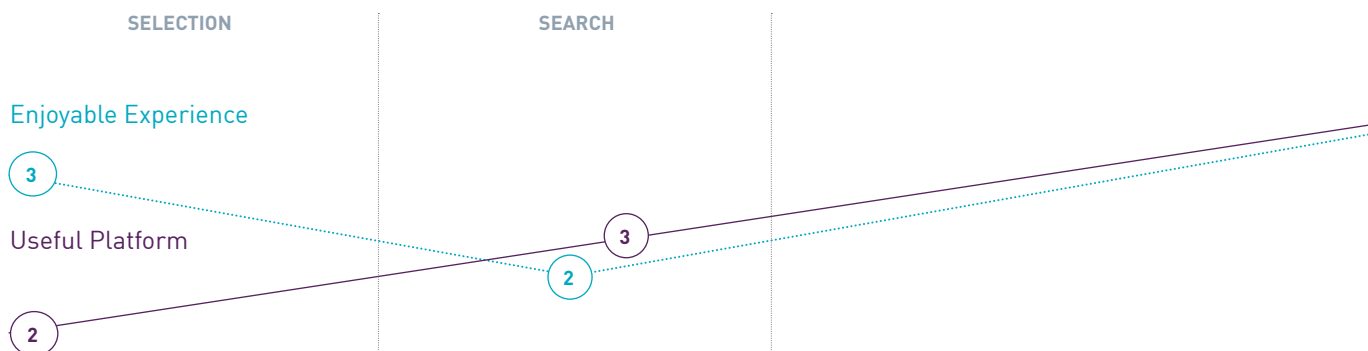
EVALUATION

He continues by comparing and evaluating as follows:

- Step 1.** Enlarge picture to check material and color of the product
- Step 2.** Weigh prices against attributes (cost- benefit analysis)



EXPERIENCE BY STAGE Rated 1 (high) out of 5 (low)



The following actual eCommerce activity logs present a sneak peak into the actual user experience across MENASA region.



EVALUATION

Step 3. Compare descriptions



Step 4. Check original website of the brand to get more information



PURCHASE

These are the steps Laith takes to actually make the purchase:

- Step 1.** Add item to cart and check out
- Step 2.** Fill in required information to create account (location, user name, password)
- Step 3.** Choose Cash on Delivery payment, which adds 3 JOD to the receipt. Place order.
- Step 4.** Confirmation page displays order number. Confirmation to be sent to email



DELIVERY

The description of receiving the product is not applicable in this case.

EVALUATION

4

PURCHASE

DELIVERY

3

2

User Journeys

2



Abdul
male
Project Manager



Household:
Household income:
Residency status:
Country:

Wife + 2 children
15,000 MAD/month
National
Morocco



SELECTION

Abdul decides to book a hotel room for a weekend stay. He uses the internet because it is a fast and secure service and he can pay in his local currency. He carries out the booking using his smartphone.



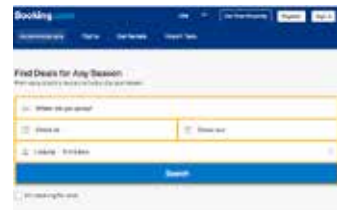
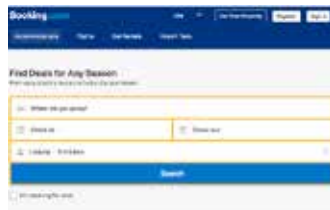
SEARCH

Abdul always uses booking.com to find a suitable hotel.



EVALUATION

Step 1: He uses the direct search on the start page.
Step 2: Uses sort and filter tools to adjust; uses localization to find accommodation close to public transport.



EXPERIENCE BY STAGE Rated 1 (high) out of 5 (low)

SELECTION

EVALUATION

Enjoyable Experience

1

1

Useful Platform

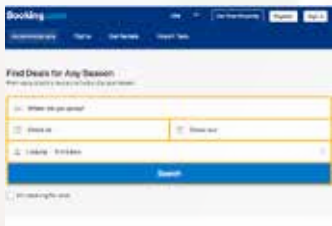
1

1



EVALUATION

Step 3. Chooses property and starts reservation process.



PURCHASE

These are the steps Abdul takes to actually make the purchase:

- Step 1.** View the detailed summary of reservation.
- Step 2.** Fill in payment and contact information.
- Step 3.** Receive confirmation online and by text message.



DELIVERY

The description of receiving the product is not applicable in this case.

PURCHASE



DELIVERY

Delivery Not applicable

Useful Platform

User Journeys



Bushra
32, female
Working



Household:
Household income:
Residency status:
Country:

Husband + 2 children
50,000 INR/month
National
India



SELECTION

Bushra (32) chooses to buy a trolley bag as she is traveling abroad in a few days. She frequently purchases goods online for her children and groceries for the family. What she likes about online shopping is that it saves time during her busy day.

In the case of this particular item she does not have time to go to a retailer nor a luggage store close by. She also does it because she can purchase items at a discount, which she usually cannot do in a retail store. She usually uses both her laptop and mobile phone.



SEARCH

- Step 1.** Go to Amazon and type in 'luggage trolley bags'.
 - Step 2.** Select brands of interest.
 - Step 3.** After selecting brand select the size and material.
 - Step 4.** Add a price range
- Comment: "Searching for the item from the wide range was easy as I've selected my preferences like brands, bag size, price and material from the search filters which made my work easier."*



EVALUATION

- Step 1.** Select a bag; look at the images on the details page.
- Step 2.** She looks at the product specifications.
- Step 3.** : Before finalizing, she checks for reviews and comments.
- Step 4.** Check whether previous customers uploaded pictures of the item.

EXPERIENCE BY STAGE Rated 1 (high) out of 5 (low)

SELECTION

SEARCH

Enjoyable Experience

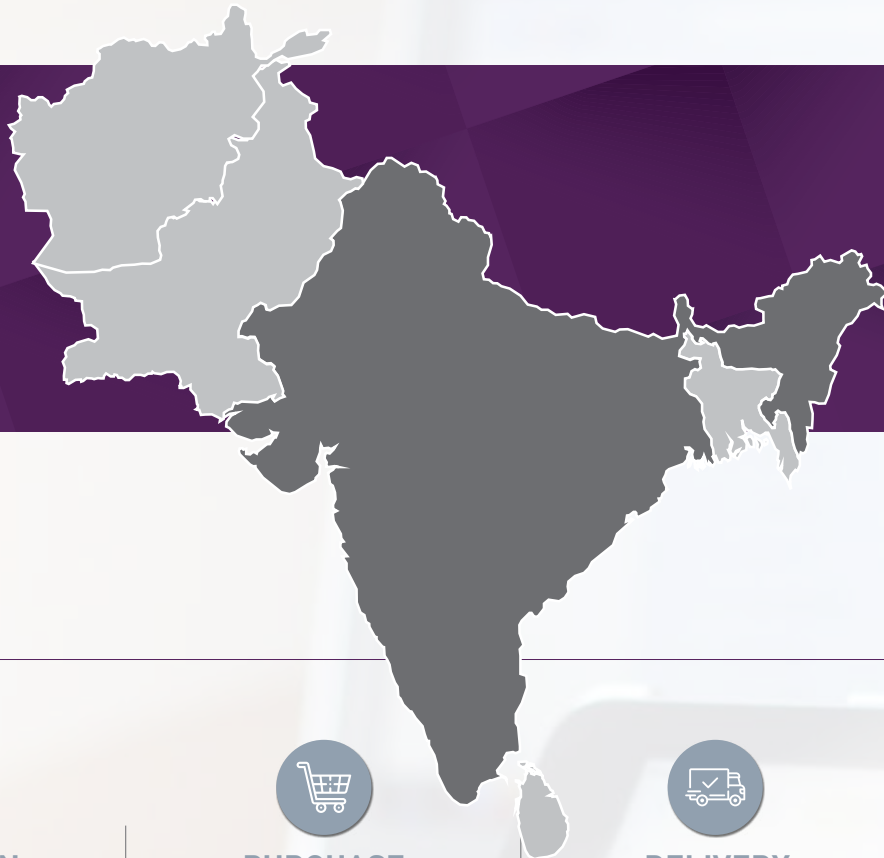
1

1

Useful Platform

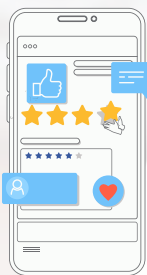
1

1



EVALUATION

Comment: "After selecting the item, I've checked the details and the customer reviews to know the feedback of the item. As the customer reviews are satisfying I'll be going ahead and placing the order for this item."



PURCHASE

- Step 1.** Add item to shopping cart.
- Step 2.** Check cart and continue with the next step in the process.
- Step 3.** Select the delivery address from her account.
- Step 4.** Choose the only option for delivery speed.
- Step 5:** Get several payment options (debit/credit cards net banking, cash on delivery). Even have the option of easy monthly installments



DELIVERY

- Step 1:** Package arrived on promised date. Received text message on day of delivery informing of delivery.
- Step 2:** Packaging of item was good.
- Step 3:** Received email confirmation that package has been delivered.
- After purchase
- Step 1:** Item received was in a different color and defective.
- Step 2:** Using Amazon app asked to get a replacement for defective item.

EVALUATION

PURCHASE

DELIVERY

AFTER PURCHASE

1

1

1

1

2

2

2

User Journeys

4



Roudha
25, female
Marketing Specialist



Household:
Household income:
Residency status:
Country:

Parents, 2 siblings & husband
3,0000 AED/month
National
UAE



SELECTION

Based on her previous great experience with Sephora.ae, Roudha (25) chose to re order cosmetics (face mask & eye shadow palette).

Reason for buying it online she mentions that its very convenient to buy online rather than buying in a store.

She usually uses her mobile phone to shop online.

Roudha does online shopping as it saves her a lot of time.



SEARCH

Roudha starts the search for the product using the following steps:

- Step 1.** Open Sephora.ae website from the mobile browser.
- Step 2.** Search for the eye shadow palette.
- Step 3.** Sort by bestsellers.
- Step 4.** Read reviews on the quality, delivery time, and no. of color palettes available in the product.



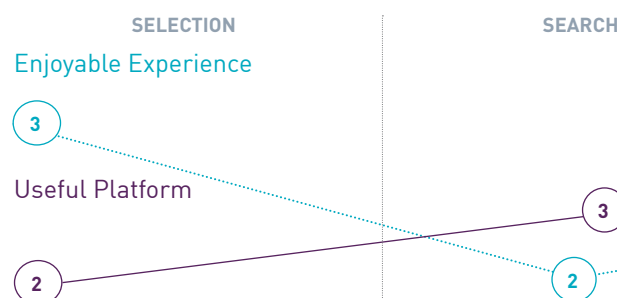
EVALUATION

She continues by comparing and evaluating as follows:

- Step 1.** Compare palette 1 by Huda Beauty with palette 2 from Anastasia
- Step 2.** Look at the color selection



EXPERIENCE BY STAGE Rated 1 (high) out of 5 (low)





EVALUATION

- Step 3.** Compare the prices
- Step 4.** Made a decision to purchase eyeshadow palette by Huda Beauty as it has more color selections.
- Step 5.** Also added a Sephora collection face mask, as I have used it earlier and I am very happy with the product.



PURCHASE

- These are the steps Roudha takes to actually make the purchase:
- Step 1.** Add item to cart and check out.
 - Step 2.** Fill in required information (address) to complete the transaction.
 - Step 3.** Choose Cash on Delivery payment, which I find it very convenient.
 - Step 4.** Order confirmation page displays order number. Confirmation to be sent to email.



DELIVERY

- Step 1:** Package arrived in 2 working days.
Received text message that the item is out for delivery.
- Step 2:** Packaging of item was good. The items were secured with bubble wrap.
- Step 3:** Received email confirmation that package has been delivered.

EVALUATION

4

PURCHASE

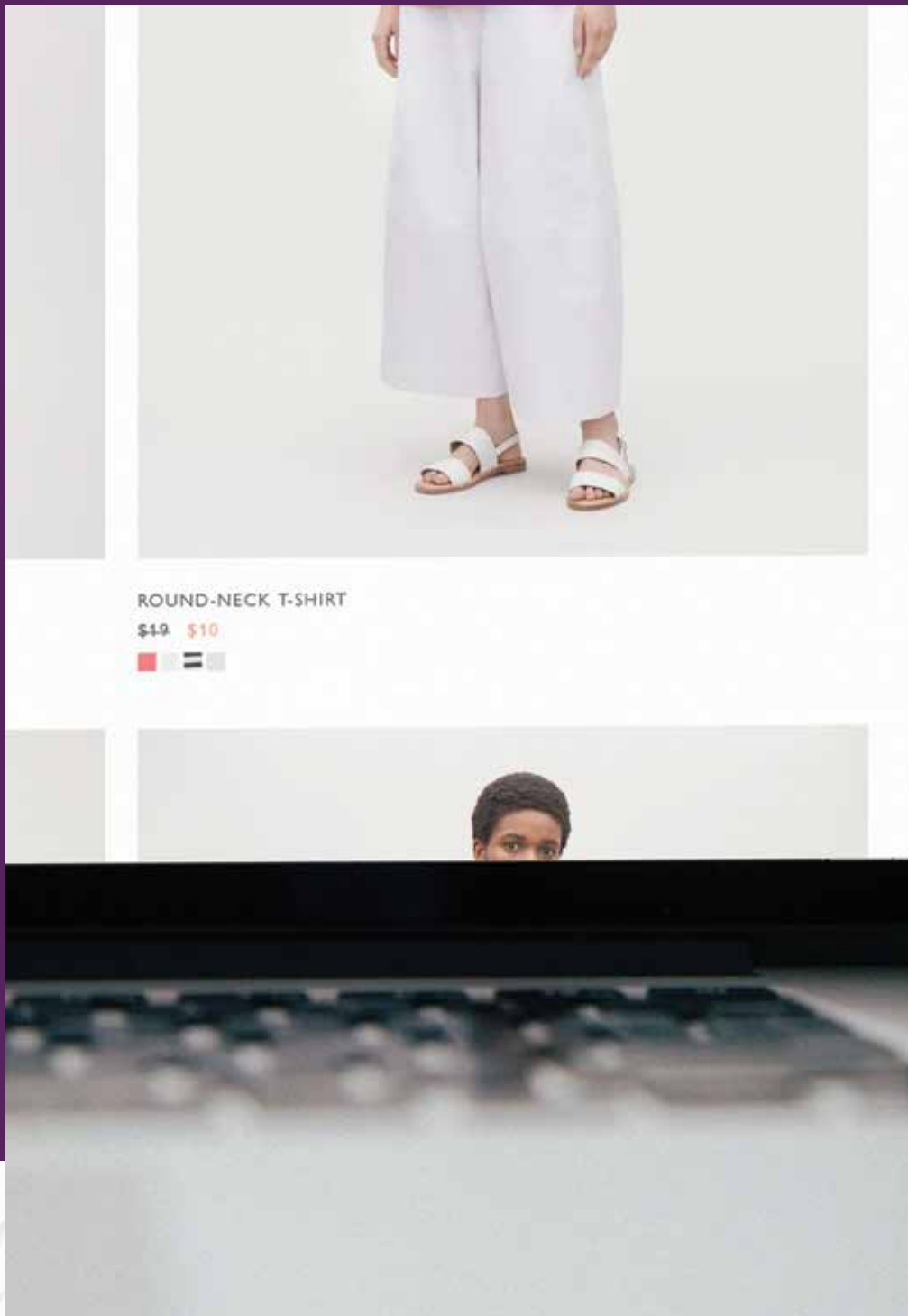
DELIVERY

3

2



6.0 Top 100 B2C eCommerce Companies of MENASA



Top 100 B2C eCommerce Companies of MENASA

Introduction

While the previous section provides a comprehensive overview of MENASA eCommerce size, profile, and drivers, we now look at the leading eCommerce players in the region to get a good view into the current level of activity, areas of focus, and potential gaps.

This Report introduces a first ever listing of the Top 100 B2C eCommerce Companies of MENASA region. The listing is of B2C or retail eCommerce companies focusing on product offerings. (See Methodology section for details.)

Analysis

The Top 100 B2C eCommerce Companies of MENASA list presents an overview of the landscape of key eCommerce players across the region. Collectively, they represent **618 million unique visits/month**¹³.

The Leaders: Amazon leads the list as the #1 most visited eCommerce company across the region with an estimated 139 million monthly MENASA unique visitors. This is followed by India-based #2 **Flipkart** (73 million MENASA unique visitors), with **Microsoft** at #3 (estimated 46 million MENASA unique visitors).

Categorization: Multi-product marketplace sites represent the highest number of companies on the list at 26, followed by 17 consumer electronics, 13 fashion, and 8 single retailer sites, 7 deal products, and 7 bookstores. While there seems to be good diversity of types of eCommerce sites, **multi-product/brand marketplaces represent 63% of the overall unique user base.** Consumer electronic shops represent a distant 16%, and fashion & clothing 8%. The rest all are less than 5% of the user base on the list.

Top 100 by Categories



Top 100 Categories by Unique Visitors

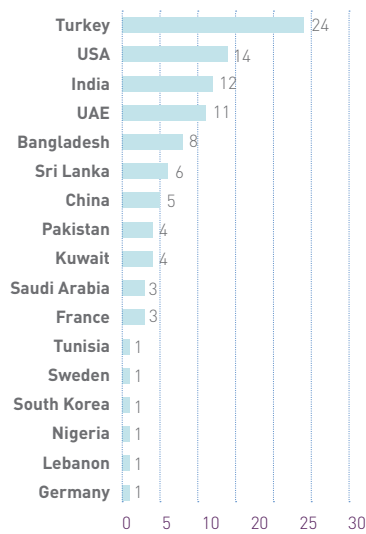


¹³Represents the month of Sep 2018, data sourced from Similarweb. (See Methodology section for details.)

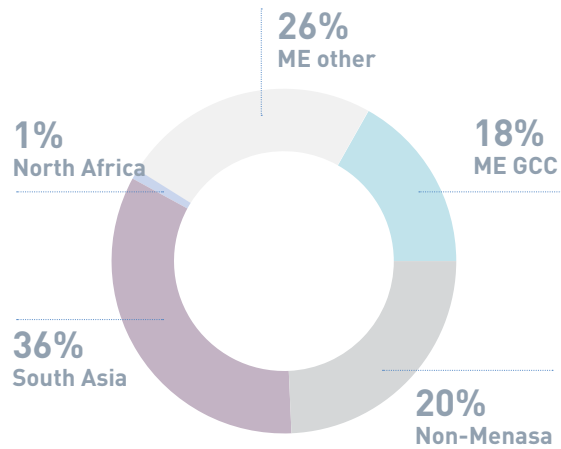
Geographically: Turkey has the most eCommerce companies on the list with 24 companies represented, followed by US 14, India 12, and UAE 11.

A key indicator of local eCommerce development and leadership is the number of companies from the region. **Out of the top 100 listed, 76 are based in the MENASA region which is a very healthy sign of local eCommerce development.** There are 18 from GCC, 30 from South Asia, and 26 from ME - Other. However, 47% of the user base is from sites from non-MENASA-based companies. 25% of the overall unique user base is represented by Amazon alone (including Souq.com), reflecting their global and regional dominance.

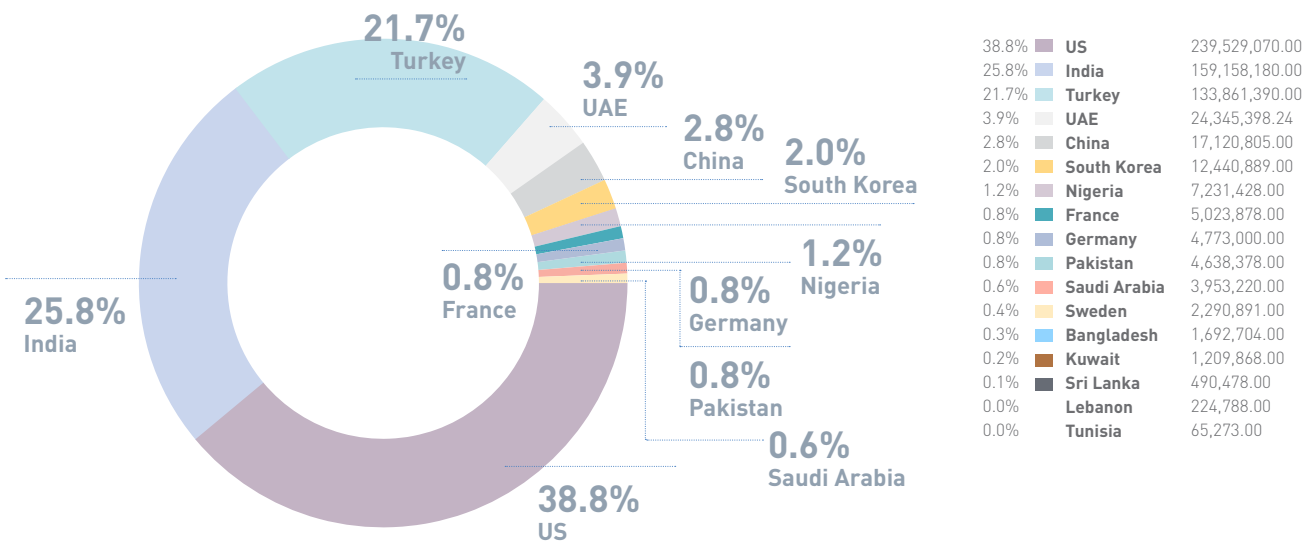
Top 100 by Countries



Number of Companies by Region



Top 100 eCommerce sites by base countries (by unique users)



List Top 100 MENASA eCommerce Companies

NO	COMPANY NAME	WEBSITE	BASE COUNTRY	SECTOR	MONTHLY UNIQUE VISITORS FROM MENASA
1	Amazon	amazon.com	US	Marketplace	139,381,510
2	Flipkart	flipkart.com	India	Marketplace	73,178,370
3	Microsoft	microsoft.com	US	Consumer Electronics	46,547,400
4	Snapdeal	snapdeal.com	India	Marketplace	23,668,740
5	Hepsiburada	hepsiburada.com	Turkey	Marketplace	23,039,190
6	N11	n11.com	Turkey	Marketplace	22,789,140
7	Gittigidiyor	gittigidiyor.com	Turkey	Marketplace	18,491,460
8	Apple	apple.com	US	Consumer Electronics	17,799,800
9	Souq	souq.com	UAE	Marketplace	17,184,000
10	Samsung	samsung.com	South Korea	Consumer Electronics	12,440,889
11	Myntra	myntra.com	India	Fashion & Clothing	12,041,400
12	Aliexpress	aliexpress.com	China	Marketplace	11,985,600
13	Paytm Mall	paytmall.com	India	Marketplace	11,548,320
14	Ebay	ebay.com	US	Marketplace	10,883,820
15	Trendyol	trendyol.com	Turkey	Fashion & Clothing	10,602,570
16	Shopclues	shopclues.com	India	Marketplace	9,374,225
17	Shein	shein.com	US	Single Retailers Multibrand	7,560,106
18	HP	hp.com	US	Computer	7,247,610
19	Jumia	jumia.com	Nigeria	Marketplace	7,231,428
20	Rediff	rediff.com	India	Marketplace	6,994,208
21	Jabong	jabong.com	India	Fashion & Clothing	6,221,754
22	Yemeksepeti	yemeksepeti.com	Turkey	Food Delivery	5,979,274
23	Teknosa	teknosa.com	Turkey	Consumer Electronics	5,453,757
24	Tata Cliq	tatacliq.com	India	Marketplace	5,048,413
25	Mediamarkt	mediamarkt.de	Germany	Consumer Electronics	4,773,000
26	Dell	dell.com	US	Consumer Electronics	4,531,410
27	DR	dr.com.tr	Turkey	Bookstore	4,336,900
28	Tekzen	tekzen.com.tr	Turkey	House & Garden	4,291,738
29	Morhipo	morhipo.com	Turkey	Deal Products	4,138,989
30	Daraz	daraz.pk	Pakistan	Marketplace	3,795,996

NO	COMPANY NAME	WEBSITE	BASE COUNTRY	SECTOR	MONTHLY UNIQUE VISITORS FROM MENASA
31	Kitapyurdu	kitapyurdu.com	Turkey	Bookstore	3,704,633
32	Bigbasket	bigbasket.com	India	Grocery	3,506,365
33	Çiçek Sepeti	ciceksepeti.com	Turkey	Gift Delivery	3,025,459
34	LC Waikiki	lcwaikiki.com	Turkey	Fashion & Clothing	2,989,739
35	Gearbest	gearbest.com	China	Single Retailers Multibrand	2,777,130
36	Pepperfry	pepperfry.com	India	Home & Furniture Marketplace	2,731,433
37	Decathlon	decathlon.fr	France	Fashion & Clothing	2,716,315
38	Swiggy	swiggy.com	India	Food Delivery	2,594,736
39	Idefix	idefix.com	Turkey	Bookstore	2,504,723
40	Koctas	koctas.com.tr	Turkey	House & Garden	2,470,012
41	Evidea	evidea.com	Turkey	Home&Furniture	2,455,944
42	Jarir	jarir.com	Saudi Arabia	Bookstore	2,335,061
43	Boyner	boyner.com.tr	Turkey	Fashion & Clothing	2,315,865
44	Flo	flo.com.tr	Turkey	Shoes	2,304,875
45	Ikea	ikea.com	Sweden	Home & Furniture	2,290,891
46	Ajio	ajio.com	India	Fashion & Clothing	2,250,216
47	Defacto	defacto.com.tr	Turkey	Fashion & Clothing	2,164,775
48	Koton	koton.com	Turkey	Fashion & Clothing	2,090,068
49	Sanalmarket	sanalmarket.com.tr	Turkey	Grocery	2,040,596
50	ePttAVM	epttavm.com	Turkey	Marketplace	1,959,785
51	Carrefour	carrefour.com	France	Grocery	1,939,563
52	Moda Nisa	modanisa.com	Turkey	Fashion & Clothing	1,860,617
53	Kitapsec	kitapsec.com	Turkey	Bookstore	1,705,287
54	Sharaf DG	sharafdg.com	UAE	Consumer Electronics	1,614,500
55	Walmart	walmart.com	US	Single Retailers Multibrand	1,566,400
56	Wish	wish.com	US	Single Retailers Multibrand	1,268,190
57	Extra Stores	extrastores.com	Saudi Arabia	Consumer Electronics	1,252,969
58	Nadir Kitap	nadirkitap.com	Turkey	Bookstore	1,145,994
59	Noon	noon.com	UAE	Marketplace	1,093,465
60	KFC	kfc.me	US	Food Delivery	1,090,387

NO	COMPANY NAME	WEBSITE	BASE COUNTRY	SECTOR	MONTHLY UNIQUE VISITORS FROM MENASA
61	Bang Good	banggood.com	China	Single Retailer's Multibrand	1,056,600
62	Namshi	namshi.com	UAE	Fashion & Clothing	1,046,781
63	Iherb	iherb.com	US	Hers & Supplements Marketplace	887,880
64	Huawei	huawei.com	China	Consumer Electronics	879,280
65	Talabat	talabat.com	Kuwait	Food Delivery	672,354
66	Etsy	etsy.com	US	Marketplace	614,480
67	Ajker Deal	ajkerdeal.com	Bangladesh	Deal Products	431,535
68	Jolly Chic	Jollychic.com	China	Single Retailer's Multibrand	422,195
70	Maxfashion	maxfashion.com	UAE	Fashion & Clothing	414,010
71	Cdiscount	cdiscout.com	France	Marketplace	368,000
72	Wadi	wadi.com	Saudi Arabia	Consumer Electronics	365,190
73	Luluwebstore	luluwebstore.com	UAE	Grocery	355,122
74	X-cite	xcite.com	Kuwait	Consumer Electronics	337,702
75	Centre Point	centrepoinstores.com	UAE	Single Retailer's Multibrand	325,797
76	iShopping	ishopping.pk	Pakistan	Marketplace	292,276
77	Pickaboo	pickaboo.com	Bangladesh	Consumer Electronics	291,714
78	Home Shopping	homeshopping.pk	Pakistan	Consumer Electronics	287,525
79	Goto	goto.com.pk	Pakistan	Marketplace	262,581
80	Ryans Computer	ryanscomputers.com	Bangladesh	Computer	230,836
81	Startech	startech.com.bd	Bangladesh	Computer	227,835
82	Gosawa	gosawa.com	Lebanon	Deal Products	224,788
83	Jumbo	jumbo.ae	UAE	Deal Products	210,193
84	Chaldal	chaldal.com	Bangladesh	Food Delivery	154,626
85	Rokomari	rokomari.com	Bangladesh	Bookstore	141,205
86	Wow	wow.lk	Sri Lanka	Single Retailer's Multibrand	140,342
87	Taw9eel	taw9eel.com	Kuwait	Marketplace	136,465
88	Vip Brands	vipbrands.com	UAE	Fashion & Clothing	119,476

89	Bagdoom	bagdoom.com	Bangladesh	Marketplace	118,984
90	Othoba	othoba.com	Bangladesh	Marketplace	95,969
91	Sporter	sporter.com	US	Sports & Health	90,245
92	Wasi	wasi.lk	Sri Lanka	Consumer Electronics	88,082
93	Mydeal	mydeal.lk	Sri Lanka	Deal Products	84,480
94	Our Shopee	ourshopee.com	UAE	Deal Products	72,356
95	Takas	takas.lk	Sri Lanka	Consumer Electronics	68,801
96	Technopro	technopro-online.com	Tunisia	Consumer Electronics	65,273
97	Trycarriage	trycarriage.com	Kuwait	Food Delivery	63,347
98	Singer	singersl.com	US	Consumer Electronics	59,832
99	Buyabans	buyabans.com	Sri Lanka	Computer	54,677
100	Kapruka	kapruka.com	Sri Lanka	Gift Delivery	54,096

Source: DinarStandard MENASA estimate, based on latest monthly unique visitor/traffic data collected from Similarweb, Oct, 2018. Detailed selection criteria in Methodology section.



Profiles of select leading companies:

AMAZON.com (USA/ Souq.com from UAE)

Amazon.com is a global internet retailer and considered to be one of the largest in the world. Founded in 1994, the tech giant has since then developed its business model from being an online bookstore to offering a wide range of consumer products.

Amazon.com has launched local/regional retail websites for the United States, the United Kingdom and Ireland, France, Canada, Germany, Italy, Spain, Netherlands, Australia, Brazil, Japan, China, Mexico and Singapore.

The online retailer expanded its operation to the MENASA region as well, with a launch in India (2013), Turkey (2018) and the GCC (through the acquisition of Souq.com in 2017).

JARIR.com (Saudi Arabia)

Part of the Jarir Marketing Company, Jarir Bookstore is a well-known brand in the GCC. Founded by the Alagil brothers, the company sells books, office supplies and electronics. However, it was only in 2016 when they launched their online store. Number 43 in our Top 100 eCommerce companies in the MENASA region, Jarir.com had 2.3 million unique visitors per month, which can be considered a success since it only launched two years ago.

NOON.com (UAE)

Noon.com is one of the few local marketplaces in the GCC, which was recently launched. This multi-category online marketplace has set its eyes on the region and is an ambitious project of Emaar Properties.

Just recently, the founder of Noon.com and Chairman of Emaar, Mohamed Alabbar, announced a new shopping mall which will be 'connected' to the online shopping platform. They also partnered up with eBay to allow regional customers to buy products in the US and other parts of the world.

HEPSIBURADA.com (Turkey)

Sometimes referred to as the Amazon.com of Turkey, Hepsiburada.com is the largest multi-category online retailer in Turkey. Established in 1998 and owned by the Dogan Group, the eCommerce platform has now more than 23 million monthly unique visitors and offers products from 20,000 leading sellers.

In 2015, the Abraaj Group acquired a minority stake in Hepsiburada.com. Last year the company launched an R&D center to boost innovative, local eCommerce solutions.

FLIPKART.com (India)

This Indian eCommerce giant is number 2 on our MENASA Top 100 eCommerce companies, and for a reason. With more than 73 million unique visitors per month and USD\$2.8 billion in revenue (2017), it makes sense why.

As a recently 'young' company, founded in 2007, its founders Sachin Bansal and Binny Bansal have succeeded in riding the eCommerce wave. This success story did not go unnoticed: this year the American retailer Walmart invested a dazzling USD\$16 billion in Flipkart, making it the majority owner of the Indian e-tailer.

DARAZ.com (Pakistan)

Another success story in the MENASA region: Daraz.com was founded in 2012 as an online shopping store operating in Pakistan, Bangladesh, Nepal, Sri Lanka and Myanmar.

Pakistan's leading online retailer started as an online fashion retailer in Pakistan but then changed its business model to become a general online marketplace. In 2017, Daraz.com generated more than 3 billion rupees during the Big Friday sales event. In 2018, the online retailer was acquired by the Chinese tech giant Alibaba Group.



Interviews

Mr. Bilal Bajwa, Country Manager OLX Pakistan



Located in Dubai, UAE, Mr. Bilal Bajwa is the Country Manager of the global online marketplace OLX (Pakistan).

Unique Success Factors

According to Mr. Bilal, there are mainly 4 aspects that contributed to the company's success and growth.

- 1. Team composition.** Not only does this include efforts to create cross-cultural teams but OLX also prioritizes "tapping into the local talent" as Mr. Bajwa puts it, which brings the company closer to its customers.
- 2. Customer-centricity.** Since the consumer behavior of OLX customers does not only differ with respect to markets but also depending on the specific region and demography, one key to the company's success is its ability to be in tune with specific customer needs on the ground.
- 3. Data-driven.** These factors need to be grounded in and driven by data to extract accurate trends, according to Mr. Bajwa.
- 4. Coherent Branding.** Altogether, the team-oriented, customer-centric, data-driven approaches of OLX merge into a coherent, globally recognized brand, which constitutes the fourth and final element of the company's success stories.

Key Challenges

The MENASA region faces several common challenges.

- 1. Political and economic stability.** This factor affects the basic conditions for the company as well as individual consumer behavior. In connection to the political and economic characteristics of the region.
- 2. Financial factors.** The specifics of finances like the ease of online payments or taxes and regulations pose a challenge for the company and its customers.
- 3. Internet access.** Similarly, other framework requirements like access to internet still constitute a barrier in many MENASA countries.
- 4. Trust.** While these challenges require innovation on a functional level, Mr. Bajwa also highlights trust as a core obstacle in his field because OLX is a platform where people buy and sell used items. As such, it takes a certain level of trust and feeling of safety for a transaction to take place, in particular when customers meet in person for the exchange.

Strengths of MENASA eCommerce

Despite these challenges, Mr. Bajwa is optimistic about the state of the MENASA eCommerce ecosystem today because of the ongoing tremendous growth of eCommerce startups. Additionally, although offline retail is still dominant, he emphasizes the region's demographics as a key strength: In comparison



Mr. Bajwa is optimistic about the state of the MENASA eCommerce ecosystem today because of the ongoing tremendous growth of eCommerce startups.”

to, for example, the West & the MENASA region is comprised of a very large, young population that “grows up online” in an increasingly technology-driven environment.

Future Trends

By looking at the strengths of MENASA eCommerce and putting them into context, Mr. Bajwa expects the following trends to take place.

1. Regions that observed a shift from offline to online retail in the past (such as the United States) serve as an indication for the direction for the MENASA market in his opinion.
 - a. From a business perspective, such a shift would result in a vast increase in business opportunities;
 - b. From a consumer perspective, it amounts to excitement about the increasing number and quality of available services, Mr. Bajwa predicts.
2. Convenience and the ease of transaction are going to progress, not the least because “users are getting busier so when you can give them back time they are willing to pay for it”.
3. He also believes that a more sophisticated payment and shipping system will be instated in the MENASA region in order to match the growing demand.

Top wishes for organization

1. Continued emphasis on team composition
2. Customer-centricity
3. Data-driven approach
4. Coherent Branding
5. Equal opportunities in employment
6. Even stronger brand recognition in the future
7. Openness and Transparency
8. Quick pace and innovative spirit in order to outperform other companies in the emerging market of the MENASA region and “solve the next big problem”.

The Role of a Freezone

Mr. Bajwa argues that a Freezone could be a potential enabler for the growth of eCommerce. He illustrates this point by examining Dubai as a sample case in which low taxes and other business-related regulations have made the city very attractive for diverse start-ups and foreign investments thus driving eCommerce forward. As such, Dubai has set an example in terms of Freezones for other parts of the MENASA region. At the same time, however, Mr. Bajwa also draws attention to the fact the effect of a Freezone on MENASA eCommerce depends to a very large extent on the exact location and details of the agreement.

Interviews

Mr. Geoff Walsh, Country Manager, DHL Express UAE



Mr. Geoff Walsh is the Country Manager of DHL Express in the United Arab Emirates..

Unique Success Factors

- 1. Strong aviation network.** DHL Express has a strong aviation network of their own fleets as well as a strong relationship with commercial and charter flights. This helps DHL ensure the best quality service, transit times, and greater flexibility.
- 2. Global network and reach.** With 360,000 employees in over 220 countries and territories worldwide DHL has a wide reach. It is well connected with local and global stakeholders as well as government entities.
- 3. Fastest customs clearance.** DHL processes millions of customs entries every day. With the help of local expertise for these regulations, shipments can be cleared quickly and efficiently.
- 4. Dedicated customer service team.** Customers are serviced by a dedicated team who manages customer and shipment queries and provide detailed reports.
- 5. Investments.** DHL has been heavily investing in infrastructure to cater to the remarkable growth patterns with B2B and B2C business in the region. In the UAE, DHL Express has extended its current Hub in Dubai airport

to increase the sorting capacity to 120,000 shipments per day. As Saudi Arabia is one of its top trade lanes, DHL Express has invested heavily in the airports in Jeddah, Dammam, and Riyadh.

Strengths of MENASA eCommerce

- 1. Dubai as a logistical hub.** The UAE plays a key role in the global supply chain as it serves as a major hub for international trade routes between Europe and Asia. Additionally, the economic benefits of Freezones, logistics infrastructure, warehousing, global coverage, diverse workforce and weather have placed the UAE as one of the most developed logistics networks in the MENASA region.
- 2. Ease of doing business.** Dubai was ranked 21st in the globe for ease of doing business out of 190 countries according to the World Bank's Doing Business 2018 study. UAE ranks 2nd in the Middle East attracting investors and businesses to set up their business operations from the UAE.
- 3. Startup ecosystem.** The Dubai government has been promoting the culture of bussing entrepreneurs and investors setting up new businesses with its initiatives and policies over the years.
- 4. Fashion capital.** Dubai has been developing and setting itself as a fashion hub with the increasing demand for unique clothing. The Design District has enabled the journey towards making Dubai the fashion capital of the Middle East. As more fashion designers

and companies set up and grow their operations, Dubai's dream of competing with the likes of New York, Paris and Milan is close to reality.

Key Challenge

- 1. Tax structure.** Due to the current model of operations an eCommerce shipment is subject to a variety of charges such as VAT, import and export bills and other regulatory fees. Charges range from 70AED – 190AED for regulatory fees, 5% for VAT and 5% duty for dutiable goods. This makes the operating cost high for eCommerce companies, which in turn makes it difficult to currently operate in a Freezone or local market. Given the profile of eCommerce companies whose average order values ranges from low to high value goods, the current regulations do not provide the best environment for all types of eCommerce businesses to operate profitably.
- 2. Return process.** Since customers return their purchases for a number of reasons eCommerce companies have an order returns ratio of as low as 10%-40% which is a significant portion of shipments. These returned products are again subjected to a series of regulatory charges, VAT & duty.

Future Trends and the Role of Freezones

A shift in operations towards a more digital centric future has become paramount to DHL's future vision to provide the best customer experience to today's digitally savvy consumers. Some of the major trends are:

- 1. Society and business trends.** Some of these trends DHL Express has been working on are Digital work, Omni-channel logistics, Green logistics, Fresh chain, and Connected life to name but a few.
- 2. Technology trends.** Some technological trends DHL is working on globally are big data analysis, block chain, cloud logistics, robotics and automation, internet of things, augmented reality, and self-driving vehicles to name a few.

Top wishes for organization

1. More refined customer regulations
2. Freezone for eCommerce
3. Financial incentives from the government for SME Startup incubators

The Role of a Freezone

Retail and eCommerce companies recognize the strategic advantage the UAE market provides for operating their global business from here. With more optimized regulations, more global brands will be willing to move to Dubai for operations as they see the Middle East consumer as a premium consumer who is willing to spend 2-3 times more than other markets. As global brands move to Dubai, DHL Express' experience and capabilities will enable growth. A dedicated Freezone with the right regulatory framework, cost effective warehousing capabilities and right logistics partners will be the operational dream for every global brand.

Interviews

Mr. Kerim Türe, Founder & CEO Modanisa.com



Mr. Kerim Türe is the Founder and CEO of Modanisa.com, an eCommerce fashion retailer.

Unique Success Factors

- 1. Being the first to market.** When Modanisa.com was launched in 2011, it was among the very first retail platforms dedicated to modest fashion. The dream of Modanisa.com was to fulfil the desire of modest women to wear clothes that best reflect their life, values and environment. Today, the company serves as an 'enabler', giving women the freedom to choose what they wish to wear, and to look good and feel comfortable and confident without compromising on their values, beliefs or individuality.
- 2. Thinking globally.** From the outset, the aim was to create a global business, which underpinned the business strategy. For example, the company created multi-lingual web content to engage overseas customers and sought to quickly establish itself in key foreign markets. The MENA region has always been vital for Modanisa.com.
- 3. Customer-centricity.** Modanisa.com places a lot of emphasis on understanding customers' needs and providing them with fashionable modest garments that offer great value for money.

4. Investment strategies. The company invests heavily in technology and teams to glean insights about what customers desire and tailor products, services and promotions accordingly. Tapping into Turkey's huge textile industry to create affordable modest fashion has also been a significant factor in the success since launch.

5. Passion. "Today we have customers in over 130 countries and it's growing! We are constantly striving to improve and we put a lot of love into all that we do."

Strengths of MENASA eCommerce

Consumers in the region are, by and large, well-educated and their purchasing power is strong, which is helping to fuel the rapid growth of e-commerce businesses like Modanisa.com. Compared to the West, there is currently less competition across MENASA as there are fewer brands to contend with, especially in modest fashion. This gives companies like Modanisa a chance to stand out.

Key Challenge

- 1. Customer feedback.** In the Middle East, for example, customers are young, educated and informed. They know the type and quality of the garment they are after and are happy to share their views with their networks. It is an effective way to grow the business, but it also means any service failings are quickly publicized too.



Consumers in the region are, by and large, well-educated and their purchasing power is strong, which is helping to fuel the rapid growth of e-commerce businesses like Modanisa.com.

- 2. Logistics.** Logistics is an ongoing challenge. Istanbul is a great global hub for the company although Modanisa.com is working on reaching more distant markets.
- 3. Consumer preferences.** Another factor that has to be accepted across the MENASA region is that not all customers are comfortable with online shopping. Many customers still prefer to feel the fabric and try on garments before they buy.

Future Trends and the Role of Freezones

In the Middle East, business is growing three-fold. The number of modest fashion shops online is increasing too, and global giants like Amazon have also entered the market. Consumer expectations are rising, as are business standards. To remain competitive, it is important to maintain a diverse product range (Modanisa stocks 70,000 products), while improving online content and post-purchase customer experience, as these are pivotal in influencing consumer behaviour.

There are also niche markets like Saudi Arabia Modanisa.com is heavily courting. With such a large consumer base, they will become a dynamic player in shaping modest fashion – trends and business – across the Middle East.

Top wishes for organization

1. Continued emphasis on team composition
2. Customer-centricity
3. Data-driven approach
4. Coherent Branding
5. Equal opportunities in employment
6. Even stronger brand recognition in the future
7. Openness and Transparency
8. Quick pace and innovative spirit in order to outperform other companies in the emerging market of the MENASA region and “solve the next big problem”.

The Role of a Freezone

In the ever-changing world of global trade, Modanisa.com welcomes inventive new models of growth such as Freezones and other supportive initiatives and interventions. Being the point of access for foreign capital, the interface between local and global business know-how, as well as at the cutting edge of public service and regulatory policy development, Freezones can and should play a critical role in innovating for growth.

Interviews

Mr. Sebastian Mitchell, Director of Operations & Performance Marketing, The Modist



Mr. Sebastian Mitchell is the Director of Operations & Performance Marketing of The Modist, a Dubai-based eCommerce women's fashion retailer that merges modesty with luxury fashion.

Unique Success Factors

- 1. Prior research.** Mr. Mitchell explains how extensive prior research allowed for the identification of a sector-specific niche that combines modest clothing with the luxury aspect of fashion.
- 2. Customer centricity.** The Modist focuses on customer needs by emulating the entire purchasing experience of luxury goods. For instance, online purchases are accompanied by a signature scent that mirrors the experience one has when entering a luxury apparel store.
- 3. Purpose and authenticity.** The Modist places the purpose and authenticity of its brand at the core of decision-making in order to foster diversity and empowerment of women's voices both within the company as well as on the part of its customers.

Strengths of MENASA eCommerce

- 1. Logistics.** Especially in terms of logistics, Mr. Mitchell showcases the strategically ideal position of Dubai not just within the MENASA

region but also beyond, which enables next day deliveries across the globe.

- 2. Growth potential.** He also cites the enormous growth potential of MENASA eCommerce across all markets that has yet to be harvested.

Key Challenge

Custom Duties: The laws thus far accommodate more to B2B rather than B2C. Ultimately, since the online eCommerce business is in its nascence regionally, the most viable solution for The Modist is the establishment of the Freezone since it currently pays both an entry fee and exit fee for all goods shipped outside the region.

Future Trends and the Role of Freezones

Mr. Mitchell cautions that future developments depend to a large extent on the implementation of Freezones - not just locally in Dubai but also more generally across the globe.

Overall, he is optimistic looking into the near future of the establishment of DAFZA. He suggests to connect different regional Freezones that could ensure local specificities are met and implemented on the ground. Overall, he remains optimistic that the MENASA region, and particularly Dubai, will establish such eCommerce-friendly arrangements that will eventually make everyone better off in the long-run.

7.0 MENASA eCommerce Strategic Enablers



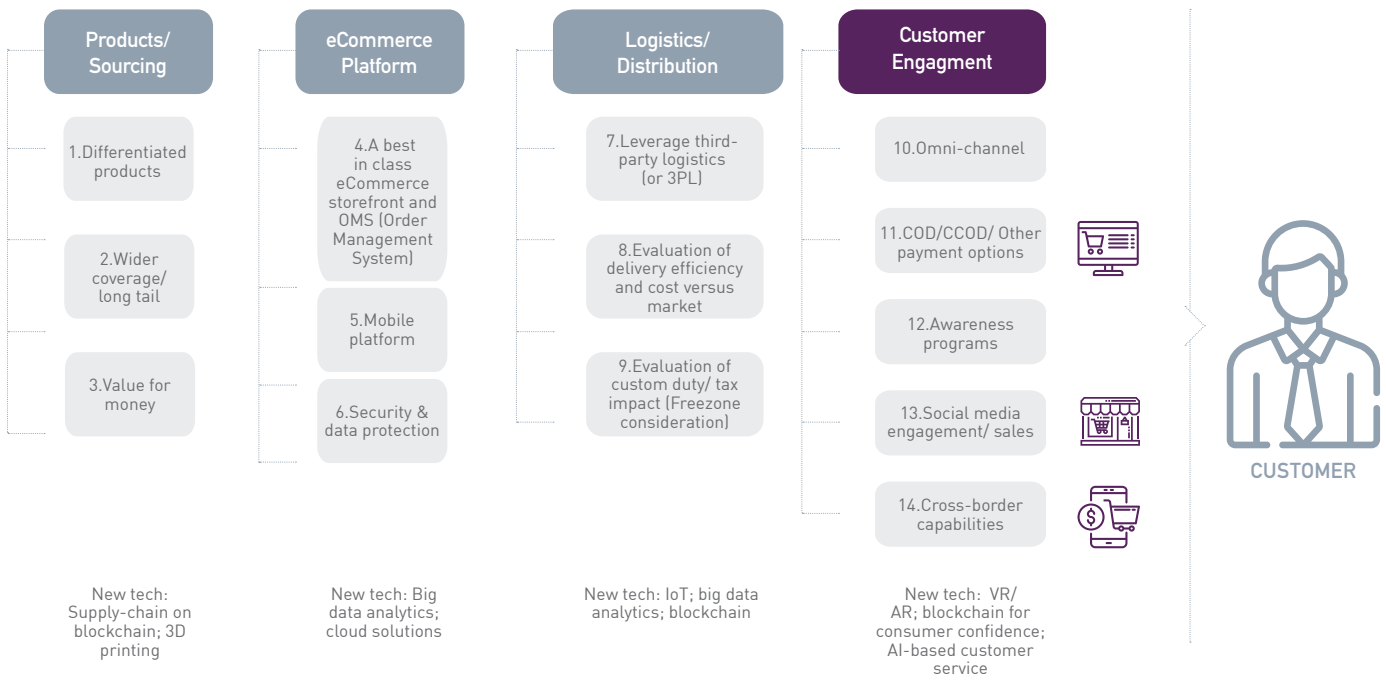
MENASA eCommerce Strategic Enablers

Introduction

Earlier in the Report, we established the strong momentum and opportunity that eCommerce presents across MENASA region. Now let's go over what will it take to succeed in this eCommerce market. Amazon, AliExpress (part of the Alibaba Group), Ebay and Wish are some of the few global players shaping the future of eCommerce, but other more regional e-tailers are disrupting the local industry. Cdiscount in France, Bol.com in the Netherlands and Belgium, Flipkart in India, and Souq.com and Noon.com in the Middle East. Their success is due to a set of success factors and enablers as well as region-specific nuances and critical considerations.

Based on a thorough analysis of eCommerce opportunity, success stories, pitfalls, and challenges across the MENASA region, we present 14 key success criteria as well as new technology considerations to build a strong, competitive eCommerce B2C business serving the MENASA region.

14 Key Success Criteria & New Technologies





Products/Sourcing success criteria:

The limited product choices by eCommerce players within MENASA have been attributed to relatively low penetration, even though there is high internet/mobile usage. Given that, wider coverage of products is an important opportunity and success criteria.

In addition, given a proliferation on dedicated brand online retailers and marketplaces, it's important to have a differentiated proposition to stand out.

Finally, MENASA markets are certainly very price sensitive and so, even with a thriving luxury eCommerce segment, value for money has to be carefully factored in, which is usually affected by cost-of-doing-business making limited margins unsustainable.

Regarding new technology opportunity for competitiveness, enabling the supply-chain on blockchain can give MENASA eCommerce players distinct advantage in building customer trust and supply chain efficiencies. In addition, distinct 3D printing platforms for consumers are expected to emerge which will enable eCommerce leadership to those who adopt early.

eCommerce platform success criteria:

The equivalent to the brick-and-mortar store for an eCommerce company is its eCommerce technology platform. A best in class eCommerce storefront and OMS (order management system) is key to delivering on customers' high-quality digital shopping experience.

In addition, given the continued growth of mCommerce, a strong mobile platform that works seamlessly across multiple platforms is key in the region as well. Similarly, strong and credible security protocols and technologies for data and fraud protection should be incorporated, including available verification and certifications for consumer confidence building.

Regarding new technology opportunity for eCommerce platforms, big data analytics for

personalization, offering optimization and reporting would be strong differentiators. Ensuring a strong and scalable cloud-based platform will also be an essential competitive factor.

Logistics/Distribution success criteria:

Given the major challenges around logistics and delivery across the MENASA region, leveraging third-party logistics (or 3PL) companies would be an important strategy for those who are starting or have not achieved significant market traction. Moreover, a 3PL will have invested in the latest technology solutions, offering customers real-time information about product availability, order status and shipment tracking. 3PL companies also have the capacity to handle fluctuating volumes.

Efforts to manage logistics on one's own should be carefully evaluated to ensure delivery efficiency, customer expectations, and costs versus current market benchmarks.

Similarly, business operations logistics as they relate to import/export custom duty and tax impact should be carefully evaluated. Economic freezones that provide the best options in this regard should be considered.

Regarding new technology opportunity in logistics, IoT (Internet of things) and using big data analytics for inventory management and delivery optimization should be pursued. In addition, incorporating a blockchain solution across the supply chain would be an advantage to initiate at this stage of eCommerce in MENASA.

Customer engagement success criteria:

Perhaps the most important success criteria are those relating to customer engagement.

Omni-channel retail (i.e., retail across multiple online and offline channels) is critical for any significant eCommerce proposition today globally as well as in the MENASA region. This means eCommerce propositions will have to integrate with a variety of online and offline

channels for sales or for linkage across the research, selection, purchase, service and delivery phases of a customer's journey.

A critical avenue of online marketing channels is social media engagement that should go beyond promotion to potential direct-buying propositions.

On the critical payment processing aspect, COD (cash on delivery) and CCOD (credit card on delivery) options are a must at this stage. Other payment options in line with market expectations would also have to be made available, from online major credit card processing to mobile payment solutions.

Given the region's relative lack of awareness of eCommerce options, eCommerce startups should drive general eCommerce awareness campaigns and promotions. This is an area where collaboration with government agencies as well as industry bodies should also be pushed for.

Cross-border capabilities are another important aspect of customer engagement given the opportunity and existing trends. Logistics, distribution and marketing would all have to support cross-border across key markets to benefit from customers' openness to cross-border purchasing something most players in the region are enjoying.

Regarding new technology opportunity in customer engagement, VR/AR integration across shopping experience, customer service as well as returns management become key areas of competitiveness in the region. In addition, a blockchain-linked product profile will build differentiated consumer confidence. Finally, AI-driven advanced customer service and offering personalization capabilities are also a competitive advantage in the region's eCommerce space.

Role of Freezones in eCommerce

Creating the right environment for eCommerce companies can stimulate the economic development of a country. It is, however,

important to have a clear strategy to meet the outlined objectives.

Freezones can play a significant role as incubators, nurturing the 'inhabitants' to achieve their full potential. When a balanced ecosystem is created, all stakeholders will witness growth. The freezone should facilitate access to local, regional and global markets. Favorable regulations and the ease of doing business can be one of the enablers to achieve this objective.

Access to the right talent and capital will also be key to assure a continuity. Foreign and domestic investment will assure that an eCommerce freezone is commercially viable, and the necessary work force is attracted and developed.

Furthermore, the freezone must have state-of-the-art facilities and infrastructure, such as access to airports, ports, road networks ... eCommerce companies must be able to move their goods and people in a safe and efficient way.

Dubai, UAE as the MENASA eCommerce hub

Dubai is confident in being the right partner to offer a nurturing environment for eCommerce companies who want to reach out to the online shopper in the MENASA region.

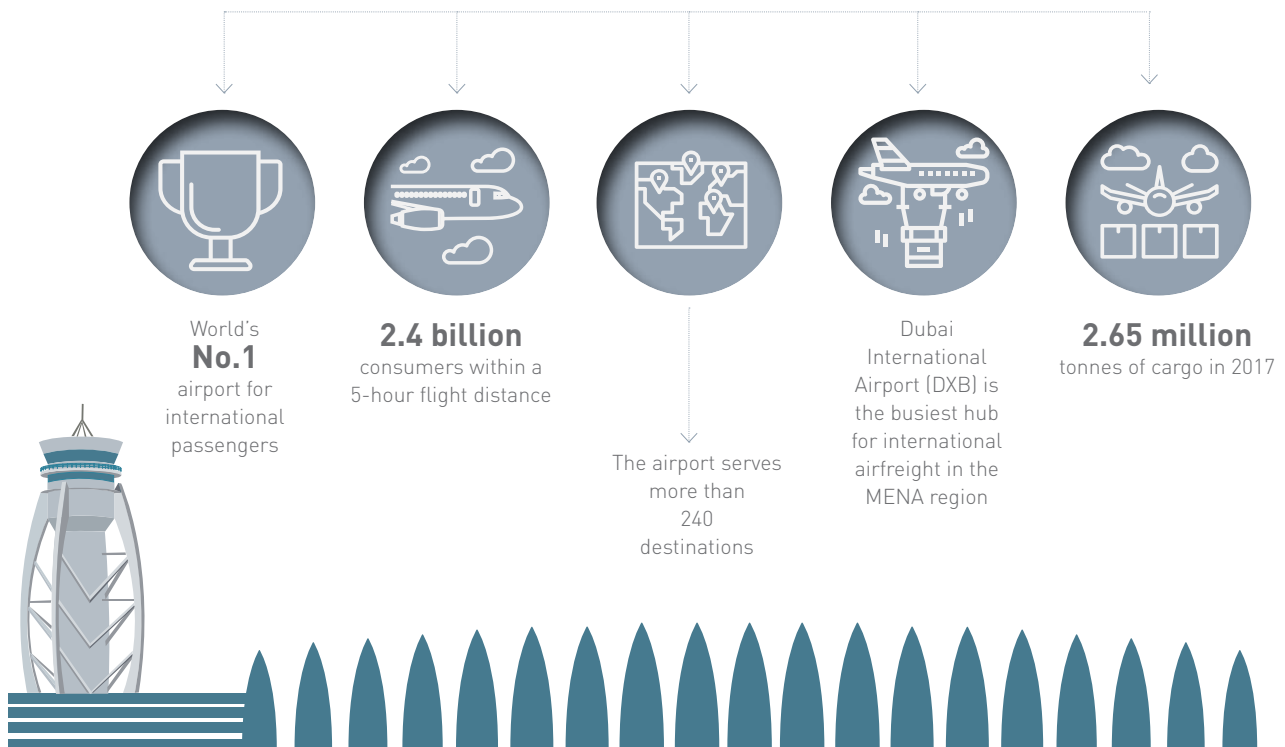
Most of the countries in this region have double-digit growth in the online spending of their people, who are often looking across the border because they do not find the products they want locally.

eCommerce companies are looking for a stable business environment which will allow them to build a solid and profitable business. Moreover, they want to have access to high-class and modern infrastructure, so that they can easily source, ship, store and ship again. Ideally, they do not want to open a branch in each country of the MENASA region, so if they can operate from one central place this will help them to build a sustainable business and manage their overhead efficiently.

Dubai has always successfully positioned itself as a hub for multinationals and innovative startups who wanted to access the MENASA region. Thanks to a long-term vision and a comprehensive strategy, the eCommerce sector is next in line. Dubai implemented business-friendly government policies decades ago, which helped this cosmopolitan city to attract more than 200 nationalities who are currently living in Dubai. Located at the heart of the crossroad of the trade routes of East and West, Europe and Asia, companies can reach up to 2.4 billion consumers within a 5-hour flight distance!

With the first and only freezone in the MENA region dedicated to eCommerce, Dubai CommerCity is stepping up to claim its position as the regional eCommerce hub. Thanks to its unique ecosystem, CommerCity is helping global and regional brands to set up and operate their eCommerce business in the MENASA region.

Dubai: Gateway to global connectivity



8.0 MENASA eCommerce Roadmap



MENASA eCommerce Roadmap

Introduction

This report has presented the tremendous growth opportunity for B2C product eCommerce across the MENASA region. It is clear that the regions eCommerce market is still in its infancy relative to the size of the market potential. At the same time there are certain structural barriers that are being addressed by governments but need to be addressed further rather than relying on individual companies to address them on their own, limiting the ability of local companies and startups to compete.

In this chapter we present, 1) a clear growth checklist for companies who want to succeed in the MENASA region's B2C product eCommerce opportunity, 2) a strategy roadmap for government entities to ensure the region's eCommerce market thrives with competitive level playing field ensuring local and regional competitors' success as well.






eCommerce growth checklist

Below is a growth success checklist for eCommerce businesses to succeed in the region based on all they key findings of this Report.






The checklist worksheet is aligned to the key value-chain framework referenced in this report representing all areas to be covered by any eCommerce player and considering all areas of insights from the Report.

MENASA eCommerce Growth Checklist Worksheet




1) PRODUCT/ SOURCING

Key Questions	Key Considerations	Your Notes
 What is the optimal eCommerce proposition strategy (marketplace, sector specific, e.g. fashion products; are you a strong offline retail brand to pursue dedicated brand site?)	Multi-product Marketplaces are dominant in MENASA; Other popular segments: consumer electronics, fashion, food delivery. See Chapter 6/ Top 100 analysis, plus Chapter 4 for global categories for gap areas	
 Geographically which MENASA markets are a best fit to your capabilities/offering, access, and growing?	South Asia represent biggest volume opportunity while GCC markets are growing fastest with bigger wallet size per purchase. Turkey is another key major regional market. See Chapter 5	
 What is the right business model to ensure sustained revenue growth as well as profitability?	Cross-border eCommerce is prevalent in the region for scaling, reach and price competitiveness.	
 What is the right supplier strategy? (specific partnership, exclusivity, distributorship, drop shipping etc.)	New tech: Block chain; 3D printing. See Chapter 4	
 What are the new technology opportunities?		





2) eCommerce PLATFORM

Key Questions	Key Considerations	Your Notes
 Do you leverage existing major marketplace for your eCommerce or market your own?	Marketplace considerations: Their reach, fees/commission, service-level KPIs, integration with own store, operational support	
 If you will create your own, will you build it or leverage a ready integrated eCommerce solution/ OMS?	Opensource platforms: e.g: Magento, Prestashop etc Limited configuration. Plug-and-play platforms: (e.g.: Amazon, Shopify) Not much customization	
 Should you be a mobile first eCommerce platform; how do you ensure its full accessibility?	Mobile eCommerce is dominant now globally and in the region. See Chapter 4	
 Is your eCommerce security and data protection at par with customer and compliance expectations?	New tech: Big data analytics; Cloud solutions. See Chapter 4	
 What are the new technology opportunities?		


3) LOGISTICS/ DISTRIBUTION

Key Questions	Key Considerations	Your Notes
 What is your logistics/ distribution strategy?	Third-party logistics solutions (3PL) are a prevalent strategy given the complexity and cross-border needs (See Chapter 6)	
 Have you carefully calculated custom duty and tax impact across your value-chain and distribution?	New tech: IoT, big data analytics, blockchain solutions	
 What are the new technology opportunities?		

4) CUSTOMER ENGAGEMENT

Key Questions	Key Considerations	Your Notes
 How are you effectively incorporating an Omni-channel strategy in product sales, marketing, and servicing?	Omni-channel selling, marketing and servicing is now an imperative in eCommerce success (See Chapter 4 and 7)	
 Have you identified and setup the right payment options for your market?	COD/CCOD are prevalent payment options, while fintech solutions are evolving (See Chapter 4, 5, 6)	
 How will you engage and build loyal customer base?	Lack of customer awareness needs to be creatively handled by individual eCommerce players. Social media engagement with cross-border marketing (See Chapter 5, 7)	
 What are the new technology opportunities?	New tech: VR/AR; blockchain verification for consumers; AI based customer service (See Chapter 5, 7)	

5) SUPPORT/ OPERATIONS

Key Questions	Key Considerations	Your Notes
 Do you have a competitive operational setup and resourcing strategy and plan?	Freezone's offer strong options in terms of operational setup, custom duty and tax incentives (See Chapter 7)	



Six eCommerce strategic considerations

As concluded by this report's finding, while eCommerce in MENASA is indeed the biggest opportunity globally, certain key structural barriers have to be addressed at the Government or Industry support level. This is important to ensure that the regions eCommerce market thrives with competitive level playing field, but also ensuring local and regional competitors succeed as well given their bigger impact on local economies.

Six Government and Industry level strategic considerations around key eCommerce barriers identified are as follows:

1) eCommerce policies/ representation:

- Strengthened dedicated government agencies and Industry representative bodies are needed in MENASA region. A focused coordination will ensure key structural challenges are prioritized and effectively addressed.
- Government policies are needed to address key challenges around custom duties, taxation, and consumer protection.

2) Address consumer awareness:

- Both government economic development agencies and industry bodies should drive campaigns to address the big gap in consumer awareness of eCommerce. (This has to happen in parallel to local offline retailers engaging through eCommerce else they would lose to eCommerce players.)

3) Consumer trust building:

- Establish an eCommerce quality label, which will help to increase trust in online shopping: existing and new eCommerce companies can obtain an eCommerce quality certificate, which they can put on their website. The certificate stands for a thorough quality check in terms of speed, user-friendliness, secured payment methods, a customer charter and standard terms and conditions.

4) Cross-border eCommerce with local economic protection:

- Cross border customs, taxes, and consumer protection regulations are needed to address the current related challenges
- At the same time, ensure local offline retailers engage aggressively with customers through eCommerce else they would lose to eCommerce players

5) Dedicated eCommerce economic zones:

- Dedicated eCommerce economic and infrastructure zones where eCommerce start-ups and companies can find every service they need from fulfilment and a custom office to digital marketing agencies supported by incentives and regulation.

6) Financial institution engagement:

- Banks should be stimulated to drive payment solutions including trustworthy E-payment solutions that are cross-border.

DUBAI 9.0 COMMERCITY



DUBAI COMMERCE CITY

Dubai CommerCity is the first and only freezone dedicated to the burgeoning e-commerce sector in the Middle East and North Africa (MENA) region. It is a joint venture between Dubai Airport Freezone Authority (DAFZA) and the Wasl Asset Management Group.

BACKED BY DAFZA AND WASL

The Dh3.2 billion, 2.1-million square feet futuristic freezone development is a joint venture by two of the leading organisations in the UAE: Dubai Airport Freezone Authority (DAFZA) and Wasl Asset Management Group. Both partners envision to build a new world-class freezone and the creation of a unified platform for government, administrative, customs and logistics services that meet the needs of the ecommerce sector in the region.

STRATEGIC LOCATION

The new freezone is strategically located near the Dubai International Airport, well-connected to major local and national highways. It provides direct access for eCommerce stakeholders in the MENA and South Asia regions. It offers world-class logistics services and an integrated and sophisticated infrastructure with easy access to land and seaports, enabling swift and efficient distribution and delivery of services which are essential to competing in the world of eCommerce, as well as minimising supply chain costs.

ECOMMERCE READY

The project is intended to be a comprehensive and modern system that supports the e-commerce sector and meets the future needs of the clients in terms of logistics, electronic payments, IT solutions, customer services, and other related businesses. The project will

be an ideal opportunity for major regional and international distributors to store their goods, products and spare parts in fully-equipped, technology-enabled warehouses, to be shipped later to the local markets in record time via eCommerce.

STATE-OF-THE-ART INFRASTRUCTURE

The high-end modern business community zone will include premium offices with flexibility and scalability option, as well as furnished ready-to-use offices. All investors will have access to on-site ecosystem service providers such as payment gateways, marketing services agencies, call centres and web developers for global and regional brands to setup and operate their e-commerce business.

SUSTAINABILITY

Dubai CommerCity is fully committed to reduce the UAE carbon footprint by 25% by 2030 through the adoption of non-traditional methods in accordance with global standards for a sustainable environment and a green economy.

Dubai CommerCity plans on reducing electricity consumption by using solar energy and lowering water wastage by 40% through the treatment of polluted water and the collection and reuse of rainwater.

Website: dubaicommercycity.ae

Contact:

tel: +97142995555; 24/7 on 6005-6-0000

info@dubaicommercycity.ae

10.0 Acknowledgements



Acknowledgements

Produced by:



Dubai CommerCity is the first and only freezone dedicated to the burgeoning eCommerce sector in the Middle East and North Africa (MENA) region. It is a joint venture between Dubai Airport Freezone Authority (DAFZA) and the Wasl Asset Management Group. (See profile in previous section)

Project of:



Established in 1996, Dubai Airport Freezone (DAFZA) is Dubai's premium freezone and one of the world's ultimate freezone destinations. Its distinct advantages are, its strategic location in the middle of Dubai, a city linking East and West; direct access to the MENA and Asia-Pacific regions; world class services & facilities and state-of-the-art infrastructure; seamlessly integrated solutions; 100% tax exemption, 100% foreign ownership and zero currency restrictions; and an investor-friendly environment which offers global business the freedom to perform at its best.

DAFZA currently hosts over 1,600 multinational companies from various industries including IT and telecommunications, aviation, freight and logistics, pharmaceuticals, engineering, food and beverage, jewelry, and cosmetics. Some of the world's most recognized brands – from Rolls Royce and Roche to Boeing and Chanel – have set up their Middle Eastern base in this prestigious freezone.

DAFZA's recognitions include: 2013 Dubai Quality Award from the Dubai Economic Department and the titles of "Global Freezone of the Future" (2012/ 2013) and "Top Middle East Freezone of the Future" (2013/ 2014) from the Financial Times' Foreign Direct Investment (fDi) Magazine.



Wasl LLC, an asset management group, was established by the Dubai Real Estate Corporation (DREC) in 2008 to manage its various operations and investments in the real estate and business sectors. The group currently encompasses three subsidiaries including wasl properties, wasl hospitality and Dubai Golf.

Set up to strengthen Dubai's success and to actively secure its future growth objectives, wasl pursues a vision 'to value and be valued by our stakeholders'. The group aim is to achieve this objective by creating a legacy of trust and respect, acting as a responsible corporate entity, and as a platform for innovation in asset management.

The word 'wasl', which means 'connection' in Arabic, is symbolic of the strong relationship the group shares with its stakeholders. Wasl was the original name for historic Dubai and represents its profound link to the past, its present rapid evolution as a strategically located global hub and vision for the future.

Knowledge Partner:



DinarStandard is a USA based growth strategy research and advisory firm with branch office in Dubai and partner offices in Kuala Lumpur, Jakarta, Cairo and Istanbul. Its vision is to empower organizations for profitable and responsible global impact. DinarStandard specializes in innovation, investments and marketing strategies. Since 2008, DinarStandard has been global thought leader on future innovation foresight and strategies, the Islamic economies, as well social entrepreneurship. Its market insights are recognized regularly in global media (CNN, BBC, Economist, etc.).

11.0 Appendix



Appendix

	ECOMMERCE SALES 2017	CAGR GROWTH% THRU 2020	ECOMMERCE SALES 2020	ONLINE SPEND/ ONLINE SHOPPER	E-COMMERCE AS % OF RETAIL SALES - 2017	# OF INTERNET SHOPPERS (MILLION)	% OF INTERNET USERS WHO SHOP ONLINE - 2017
	(In US\$ bill)		(In US\$ bill)				
MENASA	\$ 51.00	24.60%	\$97	\$240	2.7%	230.6	18%
WORLD	\$ 1,729.69	20.60%	\$3,104	\$1,042	9.9%	1660.0	40%
India	\$ 39.07	24.7%	\$ 74.25	\$ 659	5.3%	59.3	15%
Turkey	\$ 3.73	24.2%	\$ 7.07	\$ 221	1.1%	16.9	32%
UAE	\$ 2.35	29.6%	\$ 5.06	\$ 1,648	4.0%	1.4	16%
Saudi Arabia	\$ 2.09	27.2%	\$ 4.28	\$ 266	1.6%	7.9	30%
Pakistan	\$ 0.72	5.6%	\$ 0.84	\$ 224	0.5%	3.2	10%
Kuwait	\$ 0.71	14.9%	\$ 1.07	\$ 596	3.0%	1.2	29%
Egypt	\$ 0.52	30.5%	\$ 1.14	\$ 187	0.4%	2.8	6%
Bangladesh	\$ 0.51	37.5%	\$ 1.30	\$ 50	0.6%	10.2	34%
Morocco	\$ 0.32	9.8%	\$ 0.42	\$ 102	0.8%	3.1	13%
Lebanon	\$ 0.30	11.2%	\$ 0.41	\$ 114	1.4%	2.6	57%
Jordan	\$ 0.26	7.9%	\$ 0.32	\$ 167	2.0%	1.5	26%
Bahrain	\$ 0.17	22.3%	\$ 0.31	\$ 318	3.0%	0.5	37%
Palestine	\$ 0.06	8.0%	\$ 0.08	\$ 301	0.9%	0.2	7%
Tunisia	\$ 0.06	3.5%	\$ 0.07	\$ 192	0.3%	0.3	5%
Oman	\$ 0.06	12.8%	\$ 0.08	\$ 101	0.5%	0.6	16%
Algeria	\$ 0.05	14.6%	\$ 0.08	\$ 48	0.1%	1.1	6%
Iraq	\$ 0.04	15.5%	\$ 0.06	\$ 43	0.1%	0.9	5%
Sri Lanka	\$ 0.03	15.1%	\$ 0.05	\$ 59	0.1%	0.6	8%
Afghanistan	\$ 0.01	21.5%	\$ 0.02	\$ 41	0.1%	0.3	8%
Yemen	\$ 0.01	9.3%	\$ 0.01	\$ 14	0.1%	0.5	7%

Source Notes: eCommerce sales - DinarStandard analysis based on baseline UN ICP data & Internet shopper data by ITU/UNCTAD; Projections based on mobile penetration, broadband and regulatory changes; See methodology section for details.





Dubai Commerc City
www.dubaicommerc City.ae