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LOGISTICS HUB

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DUBAI SOUTH

E-commerce in MENASA 2026

EUROMONITOR INTERNATIONAL

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Foreword

Dear industry colleagues,

We are pleased to present the sixth edition of the EZDubai Logistics Hub annual e-commerce report, developed with Euromonitor. Each year, this report has tracked the growth of e-commerce across the UAE and the region. This edition marks a shift as the sector is no longer just growing, it is maturing.

Businesses today want more than to just reach customers online. They want to earn trust, deliver reliably, and build fulfilment networks that support long-term growth. This is a sign of a sector that is becoming more sophisticated, with more demanding customers to match.

Dubai's infrastructure gives e-commerce companies a strong place to grow. Its ports, airports, and free zones connect businesses to markets across the region and the world. Government policy has helped too, from the UAE's digital economy strategy to Dubai's long-term plan for trade and logistics. Together, these give companies the confidence to scale fast and compete globally.

EZDubai Logistics Hub was built for this moment. As an integrated logistics ecosystem at Dubai South, our role is to give global and regional players the infrastructure and logistics access which they need to grow. That mandate has not changed, but the businesses we support are more ambitious than ever.

This year's report looks closely at what is driving the sector's next phase, which is market maturity, cross-border trade, fulfilment speed, and the rising importance of consumer trust. We hope it gives businesses and policymakers the insight they need to plan their next move with confidence.

Dubai South will keep building the platform this sector needs, in line with the government's vision for a stronger and more connected digital economy.

Mohsen Ahmad
CEO of EZDubai Logistics Hub, Dubai South

GEOGRAPHIES

MENASA

- UAE* (Core market)
- Saudi Arabia*
- Algeria
- Egypt*
- Iran
- Jordan
- Kuwait*
- Lebanon
- Morocco
- Oman*
- Qatar
- Tunisia
- India*
- Pakistan

Global Markets

- China
- Indonesia
- Turkey
- USA
- Brazil
- South Korea
- UK
- France
- Kenya
- South Africa

CATEGORIES

- Apparel and Footwear
- Beauty and Personal Care
- Consumer Appliances
- Consumer Electronics
- Consumer Health
- Home Care
- Home and Garden
- Media Products
- Foods and Drinks

DATA POINTS

- Total e-commerce market size and growth
- Sub-category e-commerce market size and growth
- Historic: 2020-2025: current prices, y-o-y exchange rate
- Forecast: 2026-2030: constant prices, fixed exchange rate (2026 considered an estimate)
- RSP: Retail selling price, inclusive of tax

Note: *Countries with e-commerce data available at subcategory level in Passport

Executive Summary

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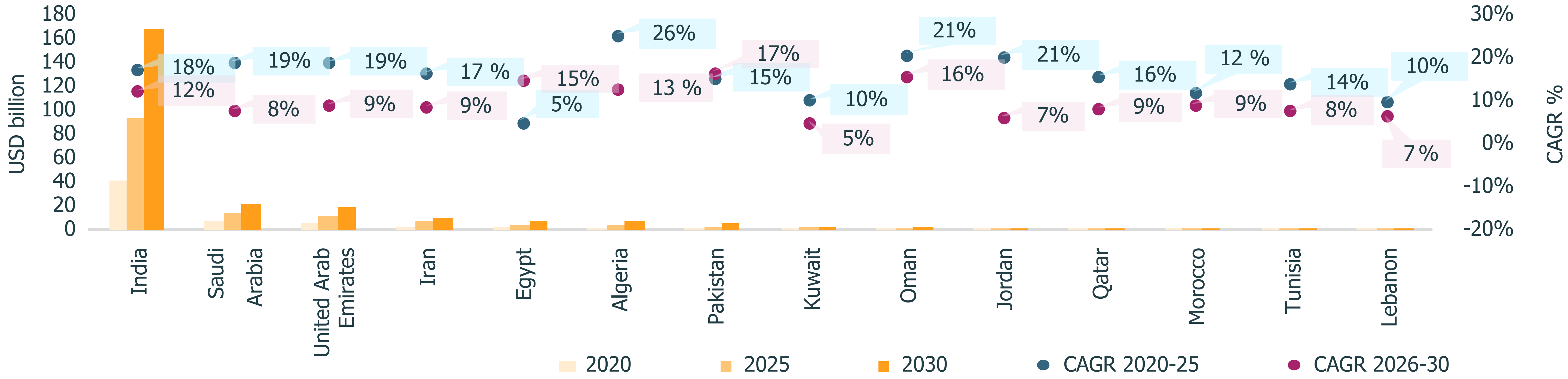
EXECUTIVE SUMMARY

ECOMMERCE SNAPSHOT IN MENASA

MENASA's e-commerce market has more than doubled every five years, with rising penetration driven by flexible payment options and strong government support

	2020	2025	2030
MENASA e-commerce Market Value (USD bn)	63.2	141.4	247.6
MENASA e-commerce Penetration (%)	4.7%	8.0%	11.3%

MENASA countries: E-commerce market size
USD billion (2020/2025/2030) and CAGR % (2020-25/2026-30)



MENASA: E-commerce market share by country - Share % (2025)

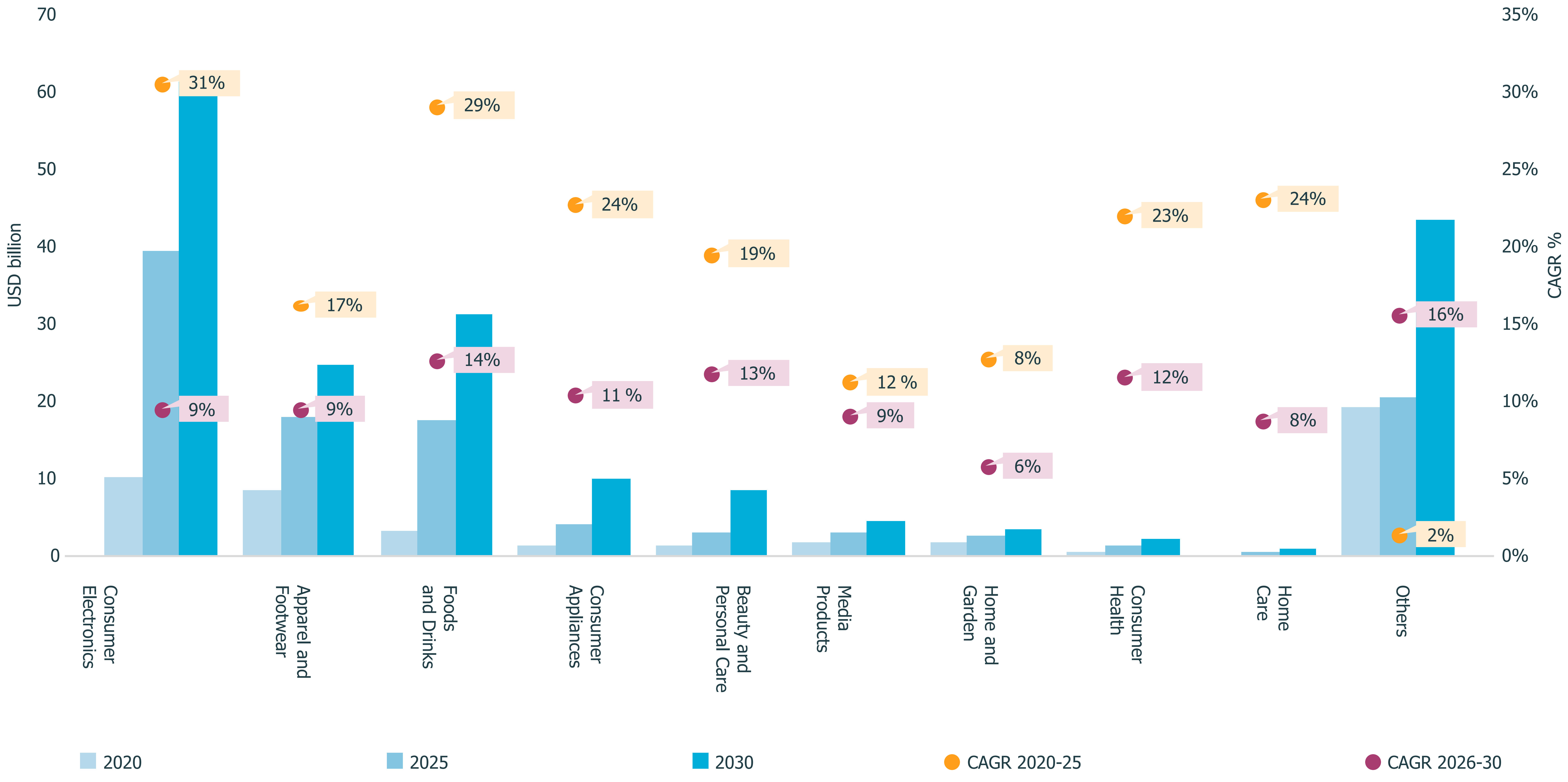
EXECUTIVE SUMMARY

ECOMMERCE SNAPSHOT IN MENASA

Industries recording 20%+ historic CAGR in e-commerce market size were largely functional categories, making them ideal for online purchases due to easy reordering, and strong brand loyalty

MENASA: Total e-commerce market size by industry

USD billion(2020/2025/2030) and CAGR % (2020-25/2026-30)



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EXECUTIVE SUMMARY

KEY TRENDS IN MENASA

Seamless payments, smarter regulation, and platform-driven innovation are accelerating a more integrated, value-focused e-commerce ecosystem across MENASA

Value-driven e-commerce

The cost-of-living crisis and high inflation are driving more cautious spending, boosting the appeal of low-cost platforms like Temu, Shein, and TikTok Shop. These platforms use aggressive promotions, social media, and data-driven strategies to attract budget-conscious shoppers, pushing established retailers to rethink strategies.

Social shopification

As consumers spend more time on social media, they increasingly use these platforms to connect and shop. Platforms are embracing shopification, adding direct purchasing capabilities, with some evolving into online retailers themselves. This is converging content and commerce, accelerating impulse purchases.

Seamless payments

As digital adoption accelerates across MENASA, payments are becoming more embedded and frictionless within the shopping journey. The rise of digital wallets, BNPL, and real-time payments is reducing checkout friction, boosting conversion, and enabling flexible purchasing.

AI driven commerce

As AI adoption accelerates across MENASA, it is transforming e-commerce into a more personalised and intelligent experience. From recommendations and search to customer service and pricing, AI is helping platforms understand user intent and optimise the shopping journey.

Regulatory enablement

As governments across MENASA strengthen digital frameworks, evolving regulations are enabling safer and more transparent e-commerce ecosystems. Initiatives like the UAE's Aani real-time payments system improve transaction efficiency and trust, while efforts in consumer protection, data privacy, and digital payments support adoption.

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Industry Size And Growth Drivers

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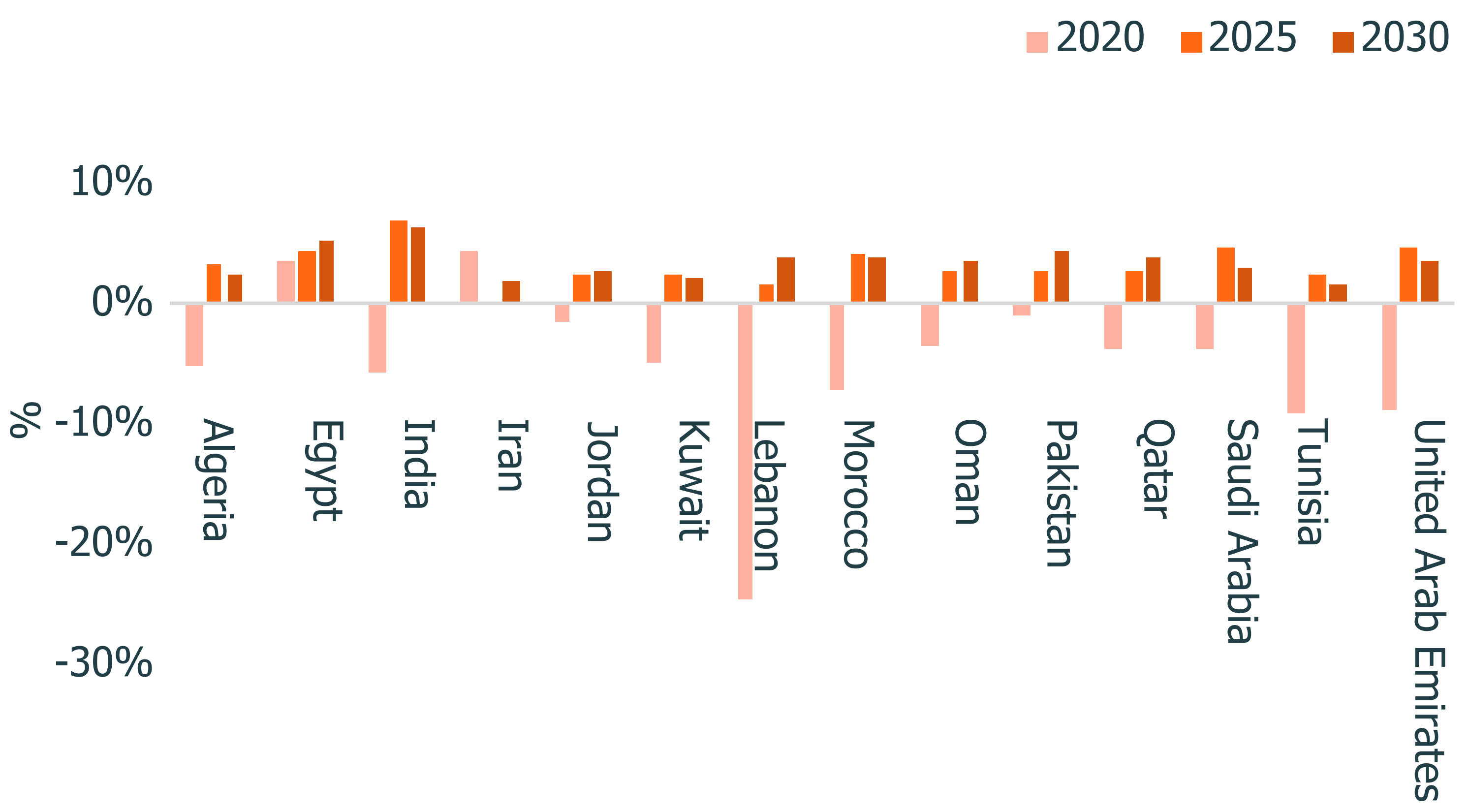
INDUSTRY SIZE AND GROWTH DRIVERS

MACRO-ECONOMIC DRIVERS

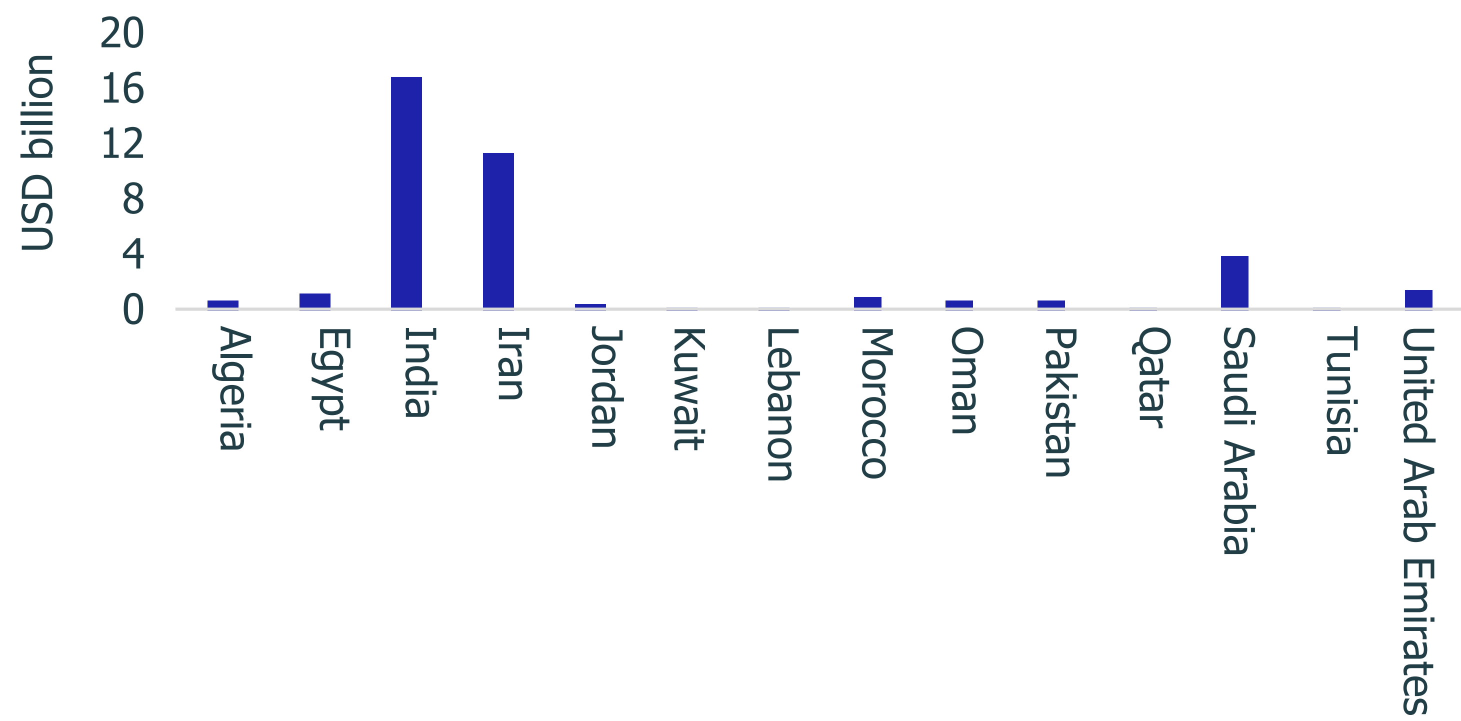
MENASA e-commerce growth will be driven by near-universal internet access, a young population, and expanding economies

Real GDP growth

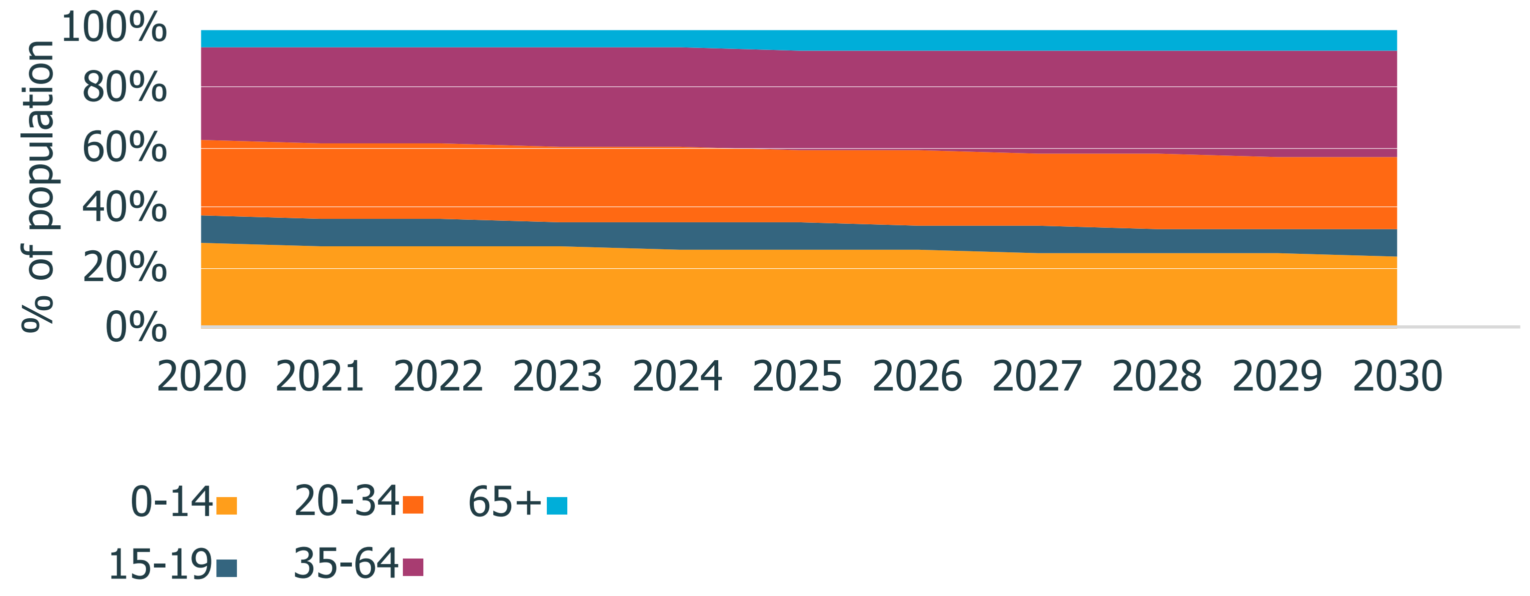


Internet penetration (%)

Capital investment in telecommunications, 2025



Demographics by age bracket across MENASA, 2020 - 2030



INDUSTRY SIZE AND GROWTH DRIVERS

MACRO-ECONOMIC DRIVERS

Geopolitical dynamics and strategic AI investments are reshaping trade, innovation, and competitiveness across MENASA

Telecommunications investment drives digital growth

Telecommunications investment is emerging as a key growth driver across MENASA, averaging USD 2.8 billion in 2026. Higher-than-average expenditure in markets such as Saudi Arabia, India, and Iran is accelerating network infrastructure and 5G deployment. This sustained investment is expected to enhance connectivity, drive digital adoption, and support long-term economic expansion.

Geopolitical dynamics reshaping e-commerce supply chains

Geopolitical dynamics across MENASA are directly impacting the e-commerce industry by disrupting supply chains and delaying cross-border trade, particularly in import-dependent markets such as the UAE and Saudi Arabia. Ongoing tensions involving Iran, as well as India–Pakistan trade frictions, are affecting key shipping routes and regional trade flows, influencing product availability and pricing.

Economic diversification drives steady GDP growth across MENASA

Real GDP growth across MENASA averaged 3.3% in 2026, reflecting steady economic momentum led by India, the UAE, and Morocco. Ongoing economic diversification across sectors such as technology, tourism, and manufacturing is reducing reliance on traditional industries, improving economic resilience, and strengthening long-term growth potential across the region.

AI investment drives e-commerce growth

Government investment in AI and digital infrastructure across MENASA is emerging as a key driver of e-commerce growth. Countries such as the UAE and Saudi Arabia are deploying significant capital towards AI adoption, smart services, and digital transformation initiatives, enabling more efficient platforms, enhanced personalization, and improved consumer experiences across online retail.

Stricter regulations in 2025 are increasing transparency, compliance, and formalization across MENASA e-commerce markets

India's proposed requirements for country-of-origin disclosure and filtering on e-commerce platforms are increasing transparency and steering consumers towards local goods. This is raising entry barriers for foreign sellers, as algorithmic prioritisation of local products makes it harder for new international entrants to gain visibility and scale on e-commerce platforms.

Pakistan introduced E-Commerce Policy 2.0 in 2026, establishing a structured regulatory framework covering digital payments, taxation, logistics, and consumer protection. The policy aims to formalize informal sellers, improve cross-border trade facilitation, and strengthen regulatory oversight of online platforms.

Saudi Arabia strengthened enforcement of its existing e-commerce law in 2025, particularly around mandatory seller disclosures, return/refund policies, and data protection requirements. This has increased compliance costs for platforms while improving consumer trust and transaction security.

Egypt expanded enforcement of its Consumer Protection Law to more explicitly cover e-commerce in 2026, focusing on fraud prevention, transparent pricing, and dispute resolution mechanisms. This enhances regulatory oversight of online marketplaces and protects consumers in digital transactions.

Morocco accelerated regulatory reforms in 2025 to formalize its digital commerce ecosystem, particularly through electronic invoicing rollout and stricter digital payment oversight. The government progressed its e-invoicing framework into a pilot phase in October 2026, requiring businesses to adopt standardized digital invoices integrated with the tax system, improving transaction transparency and compliance.

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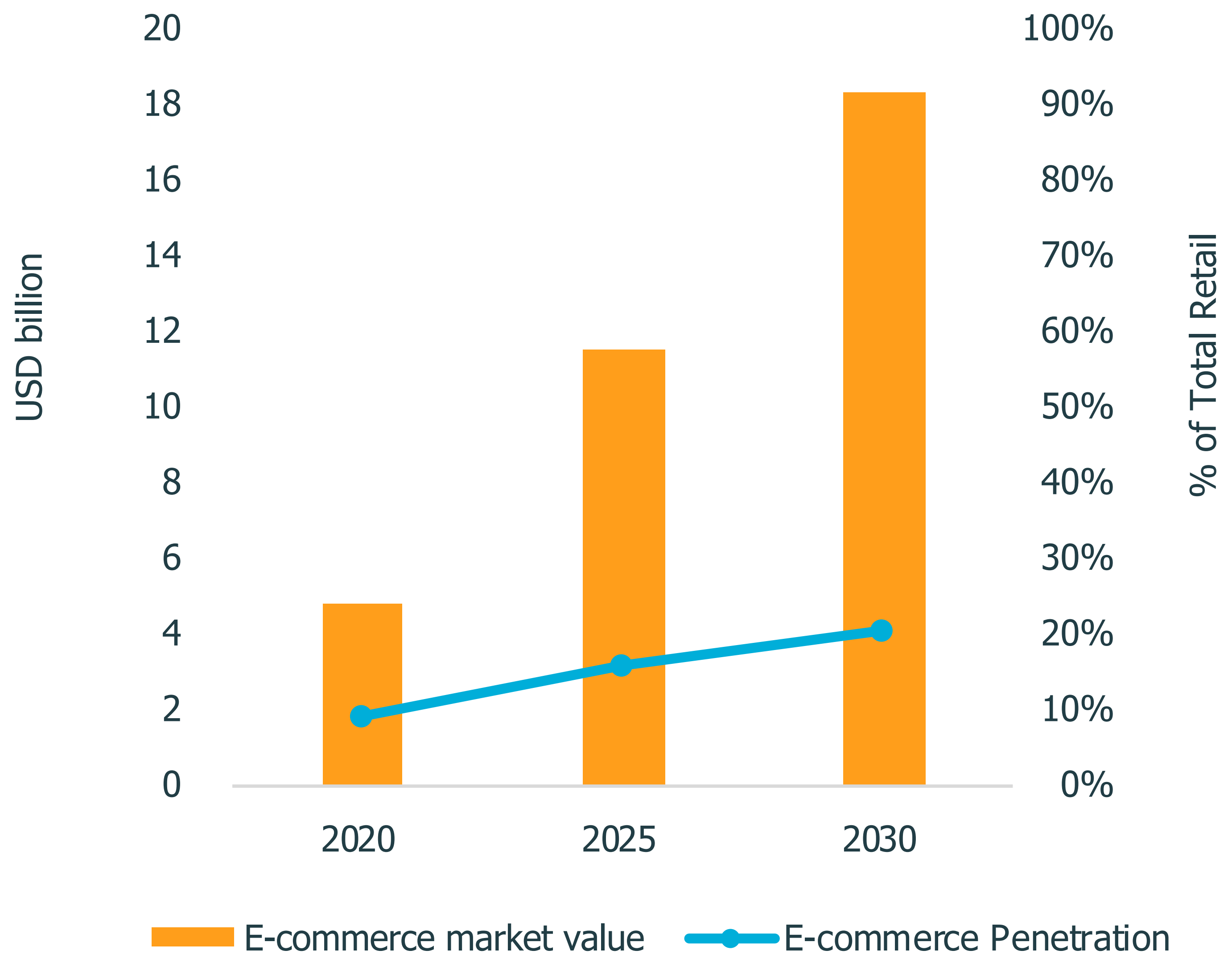
INDUSTRY SIZE AND GROWTH DRIVERS

E-COMMERCE SNAPSHOT IN UAE

Consumer appliances are set to lead UAE e-commerce growth, driven by high purchasing power, premiumisation, and frequent household upgrades

United Arab Emirates:
E-commerce market size



Top E-commerce Verticals

Value, 2025	CAGR (2026-30)
1 Apparel and Footwear 3.1 USD BN	Consumer Appliances 18.5%
2 Consumer Electronics 2.7 USD BN	Beauty and Personal Care 13.5%
3 Home Care 2.0 USD BN	Home Care 10.4%

19.0%
CAGR (2020-25)
E-commerce Value

9.9%
CAGR (2026-30)
E-commerce Value

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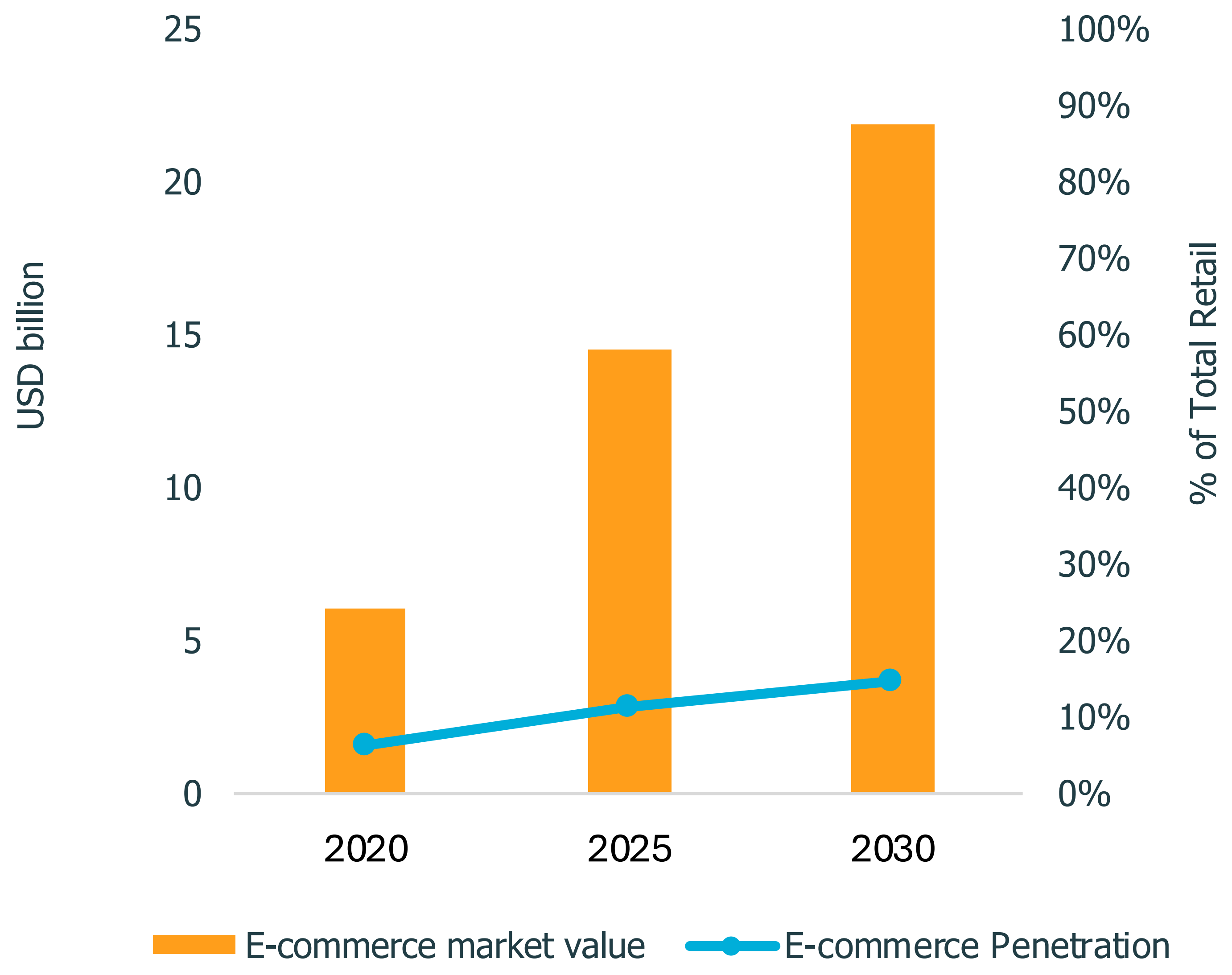
INDUSTRY SIZE AND GROWTH DRIVERS

E-COMMERCE SNAPSHOT IN KSA

Food and drinks remains one of the largest e-commerce categories in Saudi Arabia, supported by high urbanisation, and a young, digitally savvy population

Saudi Arabia:
E-commerce market value



Top E-commerce Verticals

Value, 2025		CAGR (2026-30)	
1	Apparel and Footwear — 3.1 USD BN	Foods and Drinks	14.5%
2	Consumer Electronics — 2.6 USD BN	Beauty and Personal Care	13.8%
3	Foods and Drinks — 1.7 USD BN	Media Products	13.6%

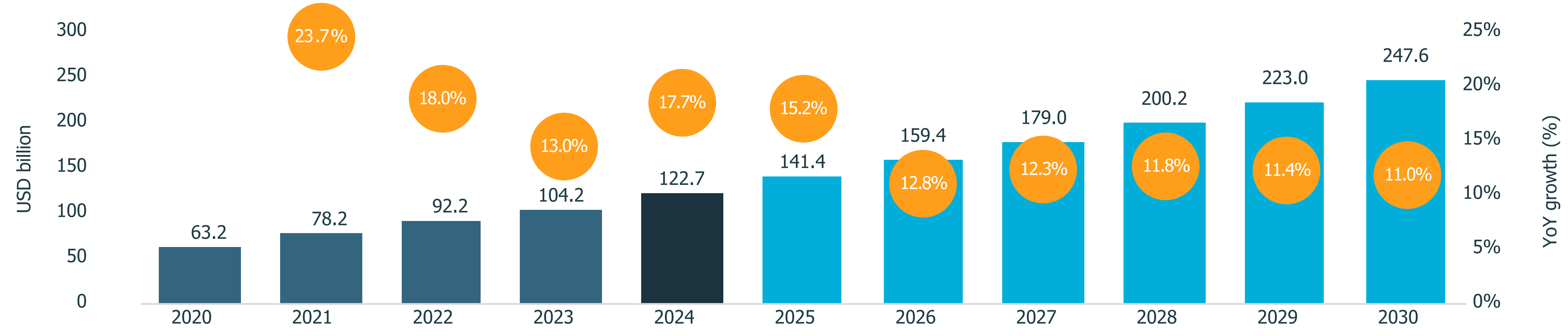
19.3%
CAGR (2020-25)
E-commerce Value

8.3%
CAGR (2026-30)
E-commerce Value

INDUSTRY SIZE AND GROWTH DRIVERS

MENASA e-commerce is set to grow at an 11.9% CAGR over 2026–30, supported by rising BNPL adoption, broader consumer participation, and expanding infrastructure beyond major cities

MENASA: Total e-commerce market size
USD billion and YoY growth (2020-30)



MENASA's e-commerce market is expected to expand at an 11.9% CAGR over 2026-30, with Oman, Pakistan, and Egypt emerging as high-growth markets (15%+ CAGR), driven by improving internet penetration, and rapid expansion of digital payments and logistics infrastructure.

UAE stands apart as a mature e-commerce market, with growth expected to moderate from 19.0% CAGR (2020–25) to 9.9% (2026–30), increasingly driven by payment innovation rather than new user adoption. BNPL is playing a central role in raising basket sizes and improving conversion, expanding into everyday spending through partnerships with platforms such as Amazon UAE and Noon, as well as omnichannel retailers.

India's e-commerce market continued to grow at 14.2% CAGR over 2020-25, supported by its large, young population and rising internet penetration. Growth is driven by expansion into tier 2/3 cities and the rise of value-focused and quick-commerce platforms such as Meesho, Zepto, and Blinkit, increasing access and purchase frequency.

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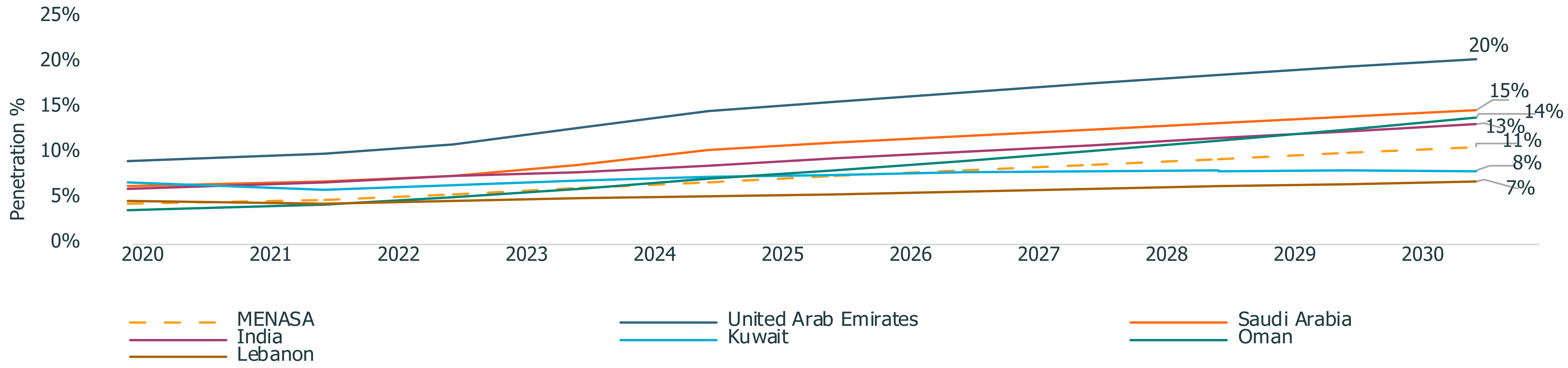
INDUSTRY SIZE AND GROWTH DRIVERS

ECOMMERCE TO OVERALL RETAIL

E-commerce penetration across MENASA remains low overall compared to global average, with leading markets outperforming while others lag due to structural constraints

MENASA: Total e-commerce penetration in the top markets

Percentage of total retail sales (2020-30)



E-commerce penetration across MENASA stood at approximately 7.5% of total retail sales in 2025, compared to the global average of 8.5%, with more mature markets such as the UAE, Saudi Arabia, and India significantly outperforming the regional average due to strong digital infrastructure, higher consumer purchasing power, and more developed logistics ecosystems.

Over 2026-30, emerging markets like Pakistan and Oman are projected to surpass regional average of 10.8% (2030), supported by improving internet access, digital payments, and expanding last-mile delivery networks.

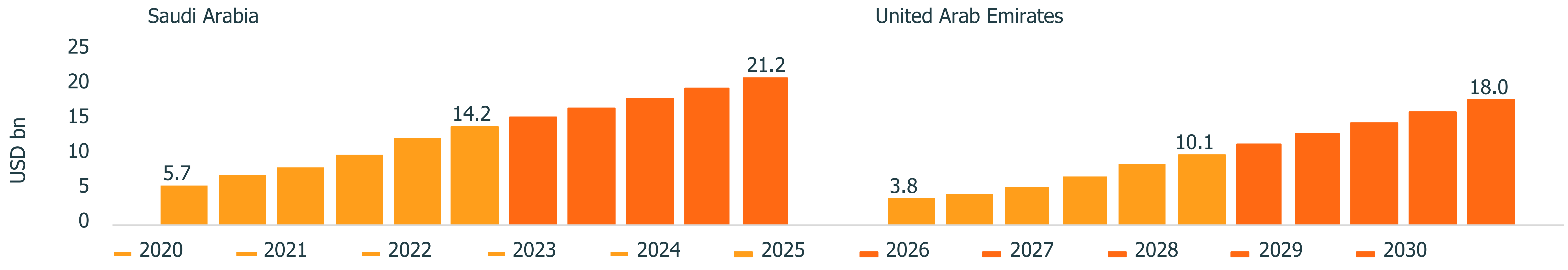
In contrast, markets such as Kuwait and Lebanon are expected to have limited growth. In Kuwait, e-commerce penetration is limited by a strong offline retail culture and preference for in-store shopping experiences. In Lebanon, penetration remains low due to weak logistics infrastructure, low digital payment adoption, and ongoing economic instability.

INDUSTRY SIZE AND GROWTH DRIVERS

MOBILE-COMMERCE

Mobile-led ecosystems are driving sustained mobile commerce growth in Saudi Arabia and the UAE through high app engagement and integrated digital payment adoption

UAE and KSA: Mobile commerce market size
USD billion (2020-30)



Saudi Arabia and the UAE saw strong mobile commerce growth, with market size increasing from USD 5.7 bn to USD 14.2 bn in Saudi Arabia and from USD 3.8 bn to USD 10.1 bn in the UAE over 2020–25, as transactions increasingly shifted to app-based environments. This growth was driven by high smartphone dependency and widespread use of in-app wallets such as Apple Pay, STC Pay, and Mada Pay. It is further supported by the dominance of mobile-first platforms like Jahez, Talabat, and Noon Minutes, where ordering, payment, and tracking are fully integrated within apps.

Over 2026-30, growth will be further supported by the expansion of superapps like Careem, increasing use of app-exclusive discounts and flash sales, and tighter integration of loyalty programmes within mobile apps. Retailers such as Noon, Amazon and Carrefour are prioritising mobile UX optimisation, including one-tap reordering, push notifications, and personalised home screens, which are driving higher frequency of purchases and increasing the share of e-commerce conducted via mobile devices.

INDUSTRY SIZE AND GROWTH DRIVERS

INDUSTRY TRENDS - MENASA REGION

Data-driven personalization

- Platforms are leveraging consumer data to deliver personalized recommendations, targeted promotions, and notifications, with players like Amazon and Noon in the UAE tailoring homepages and offers based on browsing and purchase behaviour, while super apps like Careem integrate loyalty programs and cross-service offers to drive engagement and repeat usage.
- Retailers are applying data insights to refine pricing, assortment, and regional targeting strategies, enabling platforms such as Flipkart and Meesho in India to cater to local preferences and price sensitivity, while also optimizing inventory planning and demand forecasting to improve availability, reduce stockouts, and enhance overall customer experience.

Expanding quick commerce

- E-commerce players are investing heavily in quick commerce models and last-mile logistics, enabling 10–30 minute delivery through platforms such as Noon Minutes and Talabat in the UAE and Saudi Arabia, Blinkit and Zepto in India, and Jahez in Saudi Arabia, supported by the expansion of dark stores in dense urban areas.
- Governments across MENASA are supporting this ecosystem through investments in logistics infrastructure, smart city initiatives, and digital transformation programs, such as Saudi Arabia's Vision 2030 and the UAE's advanced logistics strategy, which are enhancing delivery efficiency and enabling faster e-commerce growth.

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INDUSTRY SIZE AND GROWTH DRIVERS

INDUSTRY TRENDS - MENASA REGION

Influencer-led commerce

- Platforms are integrating social commerce features such as in-app shopping, live streaming, and influencer-led content, enabling users to discover and purchase products seamlessly within platforms like Instagram, TikTok, and Meesho, particularly in high-engagement markets such as the UAE and Saudi Arabia.
- These platforms are also lowering entry barriers by enabling direct-to-consumer selling and simplified seller onboarding, allowing small businesses and individual sellers to scale quickly, while leveraging creator-driven trust and community engagement to drive higher conversion rates and expand overall e-commerce participation.

Embedded finance options

- E-commerce platforms are integrating BNPL solutions and digital wallets such as Tabby, Tamara, Apple Pay, and STC Pay, enabling flexible and seamless checkout experiences that reduce upfront costs and increase conversion rates, especially for high-value purchases.
- The rise of embedded finance within apps is allowing users to complete transactions without leaving the platform, improving checkout speed and reducing cart abandonment.
- Partnerships between fintech providers and e-commerce platforms are expanding access to credit and instalment-based payments, particularly for younger and underbanked consumers, driving higher average order values and supporting broader e-commerce adoption.

Trends In Global Markets

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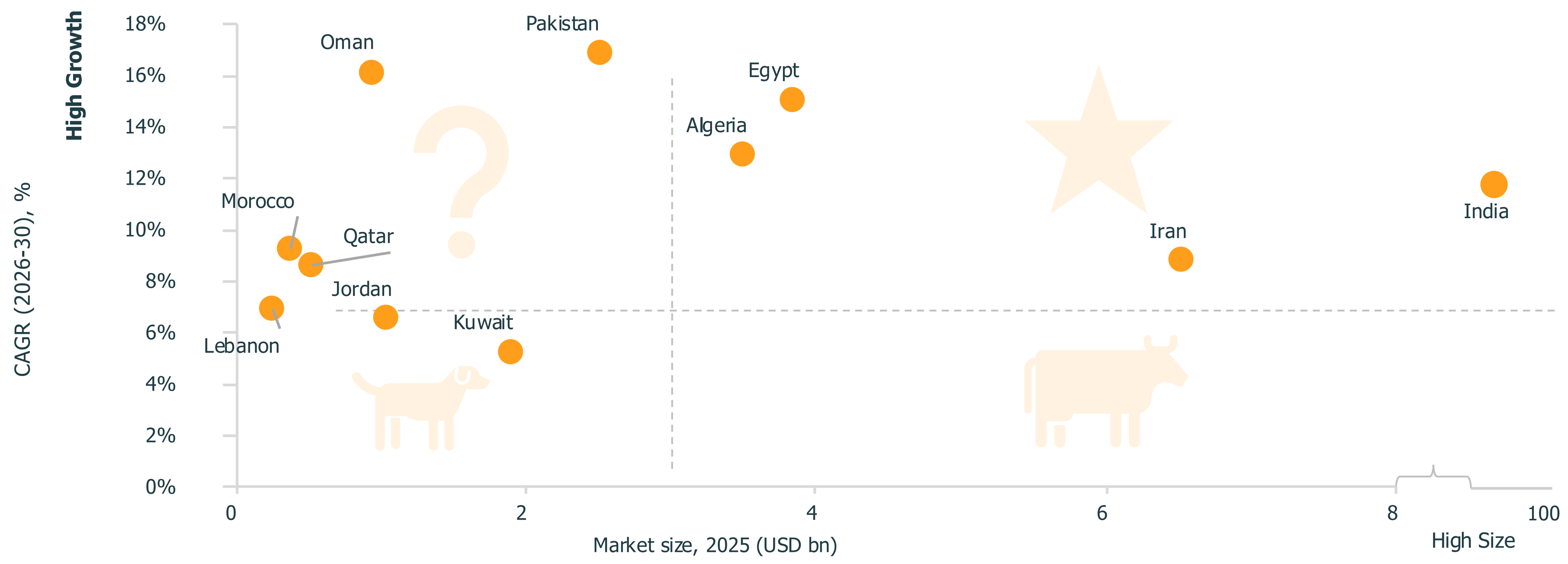
E-commerce TRENDS IN GLOBAL MARKET

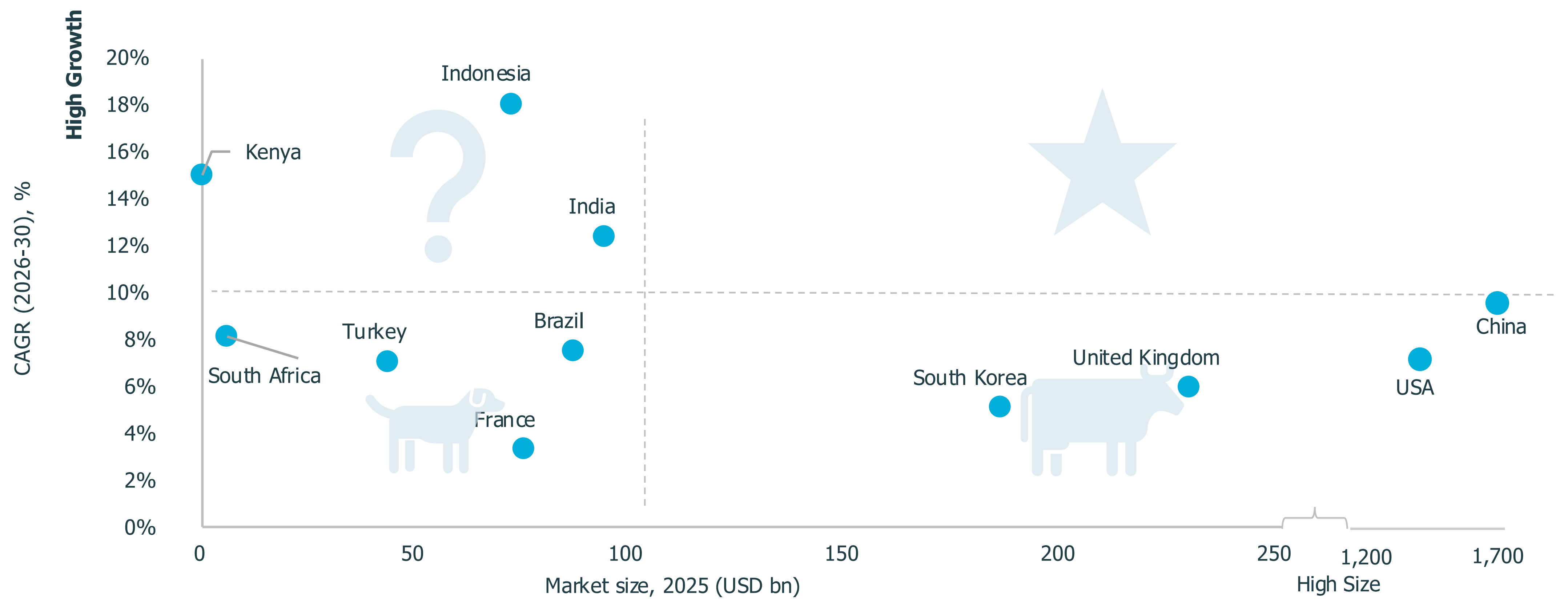
GROWTH SHARE MATRIX (BASED ON BCG METRICS)

Mass-market demand, improving digital payments, and rapid quick-commerce expansion are expected to drive high-value e-commerce growth in Iran, Algeria, Egypt, and Pakistan

MENASA markets:
Market size and forecast CAGR
USD billion (2025) and CAGR (2026-30, %)



Global benchmark markets:
Market size and forecast CAGR
USD billion (2025) and CAGR (2026-30, %)



Star: High size, high growth, Question mark: Low size, high growth, Dog: Low size, low growth, Cash cow: High size, low growth

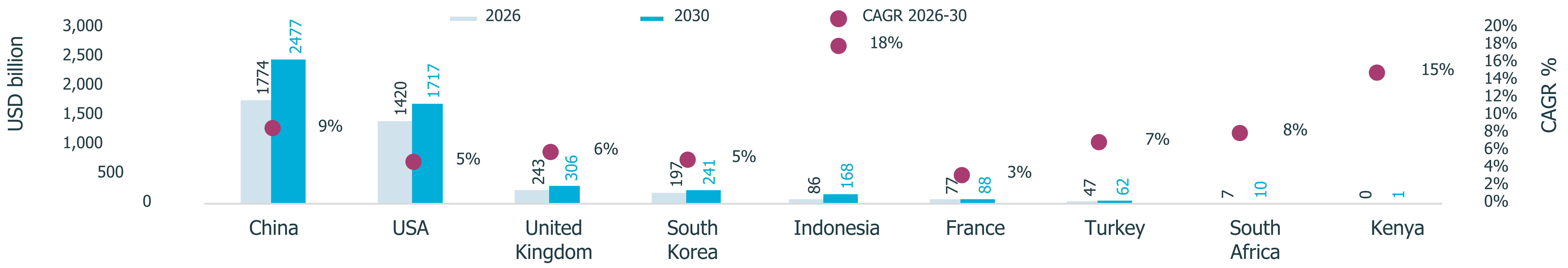
![EZDUBAI Logistics Hub | Dubai South]

E-COMMERCE TRENDS IN GLOBAL MARKET

SNAPSHOT IN OTHER MARKETS

Conversion-focused ecosystems are transforming e-commerce growth through content-based buying, retail media revenue, mobile-first experiences, and fast fulfillment

Global benchmark markets: E-commerce market size
USD billion(2026/2030) and CAGR (2026-30, %)



- E-commerce growth in China is being driven by social commerce and live-streaming, where platforms like Taobao Live and Douyin turn content into real-time transactions, boosting conversion rates while lowering customer acquisition costs.
- In the US, e-commerce expansion is increasingly driven by retailers such as Amazon and Walmart turning their websites and apps into advertising platforms, where they use first-party shopper data to deliver highly targeted ads to brands. By enabling advertisers to reach consumers closer to the point of purchase, these platforms achieve higher conversion rates, creating a high-margin revenue stream alongside traditional retail sales.
- The UK's e-commerce market is driven by mobile-first shopping, with widespread use of digital wallets such as Apple Pay driving on-the-go purchases. This is accelerating demand for frictionless, one-tap checkouts and pushing retailers to prioritise app-based, conversion-focused mobile experiences.
- South Korea's e-commerce growth is fuelled by hyper-efficient logistics networks that enable same-day or next-day delivery as a default, driving strong consumer reliance on speed and reliability.
- E-commerce growth in Indonesia is expected to be the highest globally over 2026–30, driven by the scale and maturity of social commerce, where platforms like Tokopedia directly convert content into purchases. This is further supported by widespread adoption of e-wallets such as GoPay, which reduce payment friction and expand access across an underpenetrated retail market.

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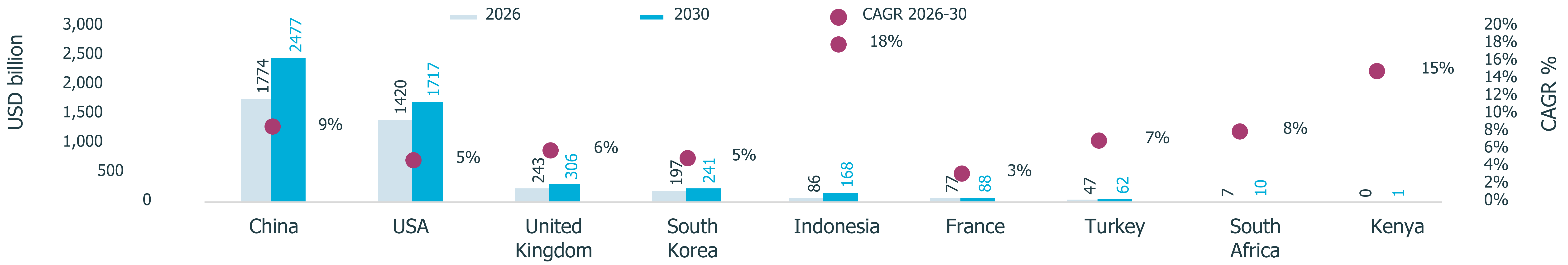
E-COMMERCE TRENDS IN GLOBAL MARKET

SNAPSHOT IN OTHER MARKETS

Immersive shopping and localisation are key growth levers, with AR enhancing discovery and regulation accelerating the shift to trusted local platforms

Global benchmark markets: E-commerce market size
USD billion(2026/2030) and CAGR (2026-30, %)



- France's e-commerce market is increasingly driven by the rise of augmented reality (AR) shopping, enabling more interactive and immersive product experiences beyond static images. Tools like Shopify AR are helping retailers enhance engagement and boost conversion rates, with players such as L'Oréal leveraging AR for virtual try-ons to drive purchase confidence and adoption.
- In Turkey, e-commerce expansion is supported by strong domestic marketplaces like Trendyol and Hepsiburada, where inflation-driven price sensitivity is pushing consumers online for comparison, while investments in last-mile delivery improve fulfilment speed and reliability.
- South Africa's e-commerce market is being shaped by tighter cross-border regulations and import duties, which are reducing the price advantage of international platforms like Shein and Temu. This is driving a shift towards local platforms such as Bash, which offer faster delivery, competitive pricing and more tailored service, creating new growth opportunities while supporting local businesses, innovation and broader ecosystem investment.
- In Kenya, e-commerce growth is enabled by mobile money adoption, particularly M-Pesa, which supports seamless low-value transactions, while increasing smartphone usage and improving logistics connectivity are expanding reach beyond urban centres.

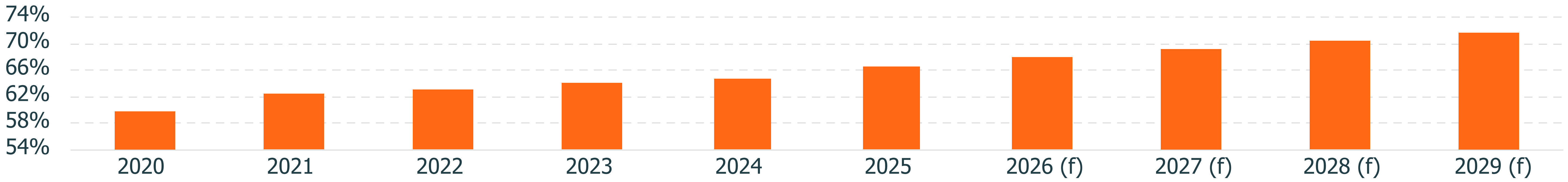
Trends In Global Markets

Chat checkout

Growing consumer trust in digital wallets paves the way for AI-native checkout

- As discovery shifts to GenAI, and AI assistants increasingly take on the cognitive load of search by collapsing it into guided conversations, the expectation that AI should also handle the transaction becomes a natural next step. Digital wallets, embedded payments and tokenised checkout have already reduced friction, while years of exposure to one-click checkout and in-app purchases have shaped expectations for seamless, low-effort payment experiences.
- While trust in AI chatbot-led payments is still evolving, consumers are already accustomed to approving transactions through familiar wallets such as PayPal and Apple Pay, regardless of the retailer or interface. The trust anchor therefore sits with the wallet or payment network, not the platform itself.
- User behaviour around cart abandonment further highlights the inefficiencies in today's purchase journey. In 2025, 26% of consumers abandoned an online purchase after changing their mind, while 17% did so due to long or complex checkout processes. This indicates that conversion loss is not only driven by price or logistics, but also by the fragility of intent in the final stages of purchase. AI-led journeys are inherently more intent-rich, and embedding payments directly within these flows can reduce last-mile drop-off, ultimately unlocking meaningful conversion gains for retailers and brands.

Mobile commerce's value share of global e-commerce sales 2020-2029
% share of global e-commerce (goods and services) sales,
(USD, retail RSP excl. VAT, constant prices, fixed-exg-Yr Curr)



Source: Euromonitor International Passport: Digital Shopper, 2025 edition
Note: f = forecast

Top reasons for cart abandonment when shopping online

26% Consumer changes their mind

17% Long and complicated checkout process

Source: Euromonitor Voice of the Consumer: Digital Shopper Survey, fielded March 2025

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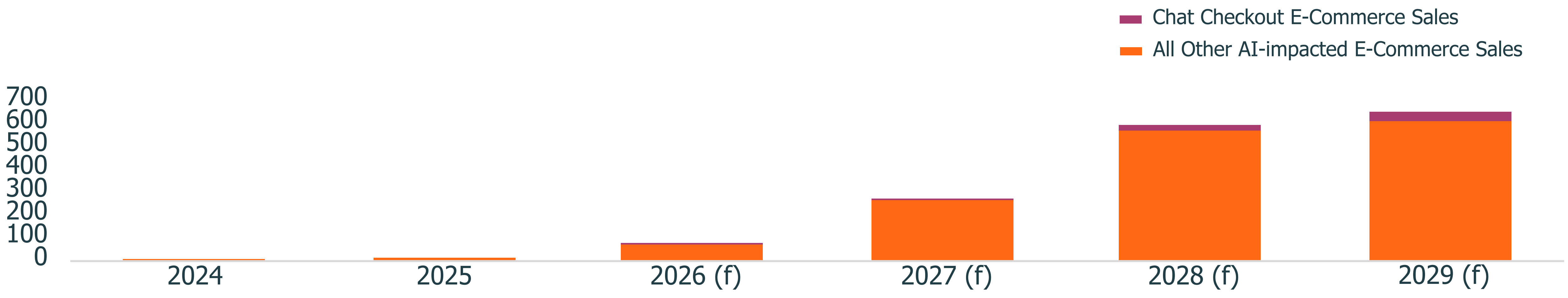
E-COMMERCE TRENDS IN GLOBAL MARKET

CHAT CHECKOUT

Industry players gear up to orchestrate the chat checkout experience

- Given the strategic implications, the e-commerce industry is moving toward chat checkout, enabling transactions entirely within GenAI platforms. In September 2025, OpenAI introduced Instant Checkout via the Agentic Commerce Protocol in collaboration with Stripe. OpenAI and Perplexity also partnered with PayPal to enable in-platform payments, marking the start of a new competitive battleground. In China, Alibaba's Qwen app is emerging as a consumer-facing GenAI assistant, with plans to integrate deeper into the Taobao and Tmall ecosystem.
- While Stripe and PayPal secured early partnerships, payment networks responded to the shift. Mastercard introduced agentic tokens through Agent Pay in 2024, replacing traditional card details in AI-led transactions, alongside a controlled acceptance framework for platform access, and expanded the solution to the UAE in November 2025, marking its first launch outside the US. Similarly, Visa launched Visa Intelligent Commerce in 2025, enabling AI agents to transact via APIs using tokenised credentials and passkeys with user-defined spending controls, and also introduced the Trusted Agent Protocol to help merchants identify legitimate agents.
- As technology and merchant integration improve conversion, GenAI-driven transactions are set to scale rapidly. By 2028, agentic AI is projected to influence over USD 595 billion in global retail e-commerce sales.

AI-Impacted e-commerce and chat checkout evolution 2024-2029
USD billion (excl. VAT, current prices, fixed-exg-Yr Curr)



Source: Euromonitor International Passport: E-Commerce
Note: f = forecast

40% Share of industry professionals reporting that GenAI impacted their businesses in 2025

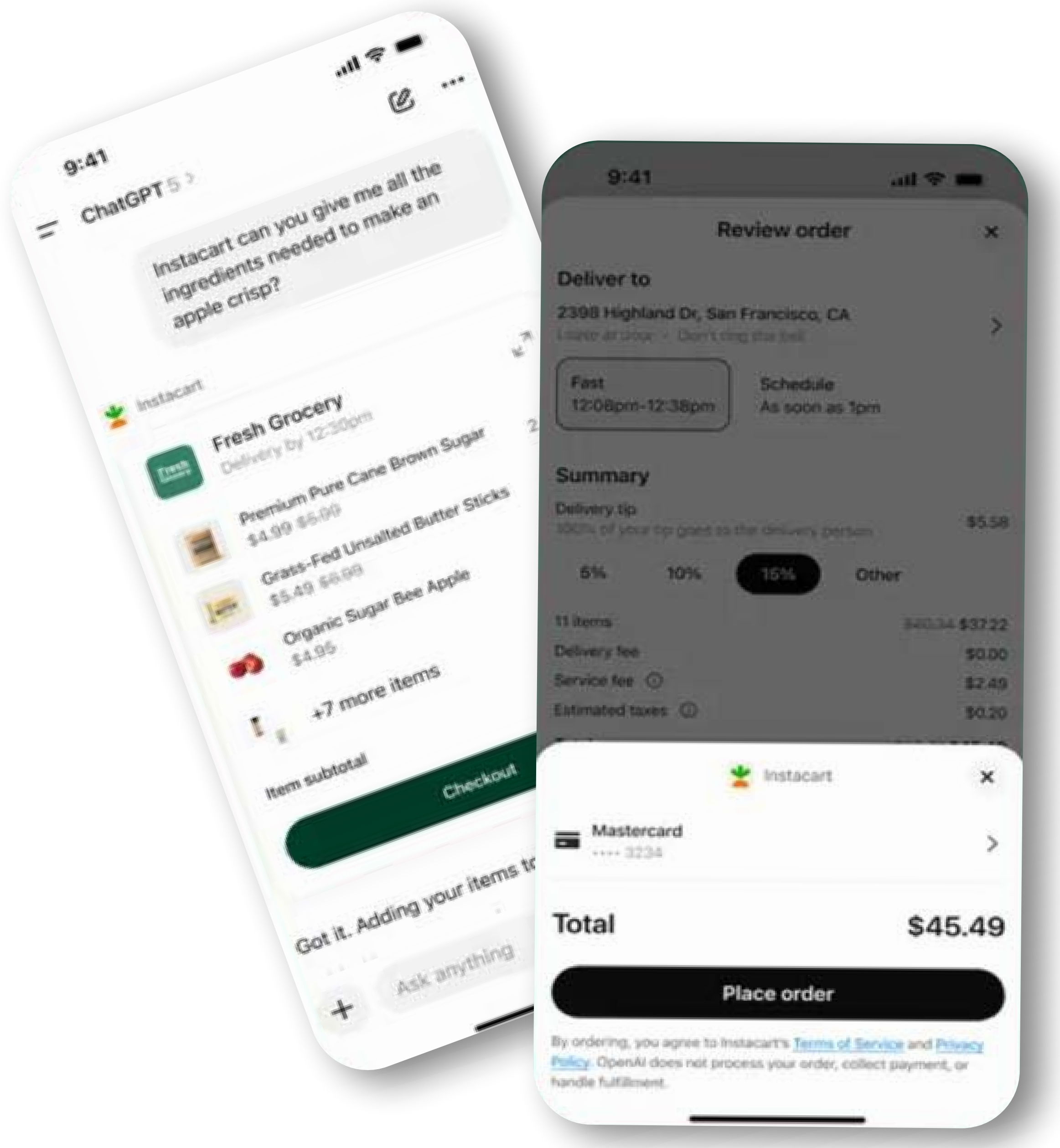
Source: Euromonitor Voice of the Industry Survey, fielded September 2025

E-COMMERCE TRENDS IN GLOBAL MARKET

CHAT CHECKOUT

Instacart app launches in ChatGPT as the first fully embedded grocery platform

- In December 2025, Instacart launched a fully integrated app inside ChatGPT, offering end-to-end shopping with Instant Checkout. Consumers can pay without leaving the chat, drawing on Instacart's network of over 1,800 retailers and using a familiar card-style checkout powered by Stripe.
- Instacart is a leading player in US grocery e-commerce, accounting for 9% of value sales in 2025, but it has not generated many referrals from GenAI given that it is an app-based platform. Through OpenAI's Agentic Commerce Protocol, vertical specialists can now plug into agentic commerce through in-app presence, eliminating any limitation in a complex category such as grocery.
- For consumers, the Instacart app in ChatGPT collapses inspiration, list-building and checkout into a single flow, setting a benchmark for how AI-led grocery shopping should work. For Instacart and its retail partners, it opens a new, high-intent demand channel where AI agents route baskets directly into their network instead of sending generic clicks to retailer sites.



9% Instacart's share of US grocery e-commerce sales 20251

Amazon, Walmart and Target Top 3 retailers with highest GenAI referral traffic in the US, 2025[1]

821 M Daily average app users for Instacart in North America 2025[2]

Sources:
1 Euromonitor International Passport E-Commerce;
2 Apptopia

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Trends In Global Markets

Shoppertainment

E-COMMERCE TRENDS IN GLOBAL MARKET

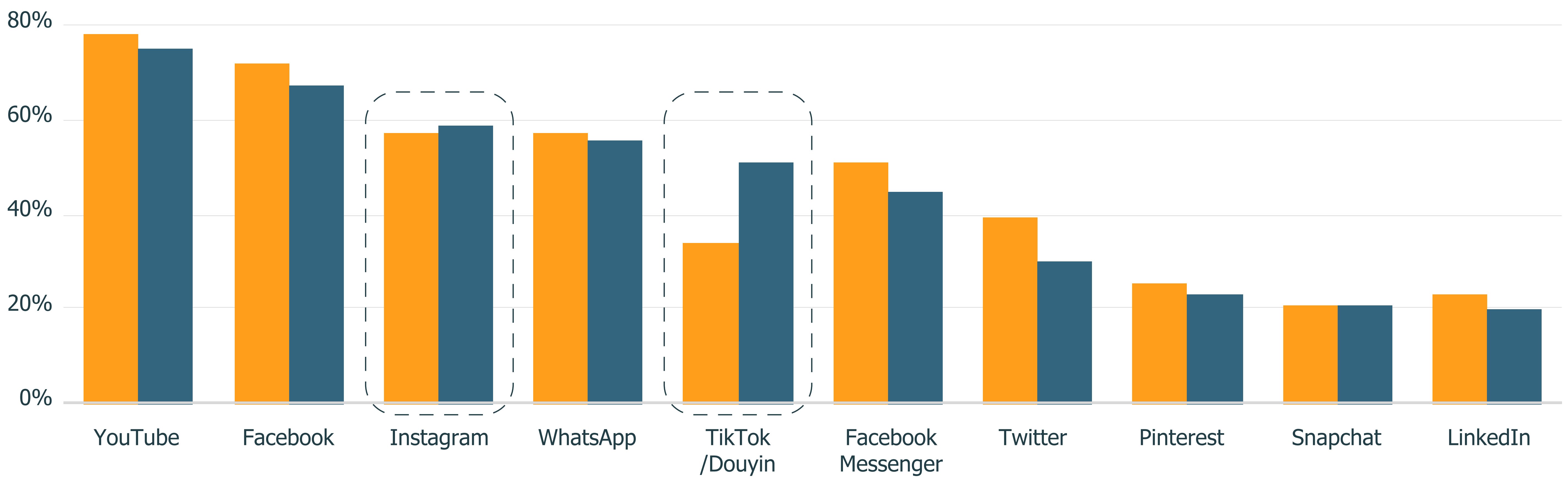
SHOPPERTAINMENT

In an era of choice and distractions, consumers expect concise, personalised content

- With faster-paced lifestyles and digital overload, consumers are becoming more selective, leading to shorter attention spans, especially among younger audiences. As a result, short-form content has become the dominant format. Scrollable, bite-sized content popularised by TikTok and Douyin aligns with the need for speed, immediacy and convenience.
- Consumers also expect personalisation, with content tailored to their preferences and behaviour. Platforms leverage advanced data and algorithms to curate highly relevant feeds based on demographics, past interactions and usage context.
- This creates an infinite scroll experience of continuous, engaging content with minimal friction. Features like likes, comments and shares, combined with unpredictability, drive anticipation and reward. Platforms such as TikTok/ Douyin and Instagram have mastered this model through short-form video, livestreaming and interactive formats, sustaining strong engagement and growth from 2021 to 2025 even as other platforms declined.

Overall use of leading social media platforms globally (2021-2025)

% share of connected consumers who have used the platform in the past month



Source: Euromonitor Voice of the Consumer: Digital Shopper Survey, fielded March 2025

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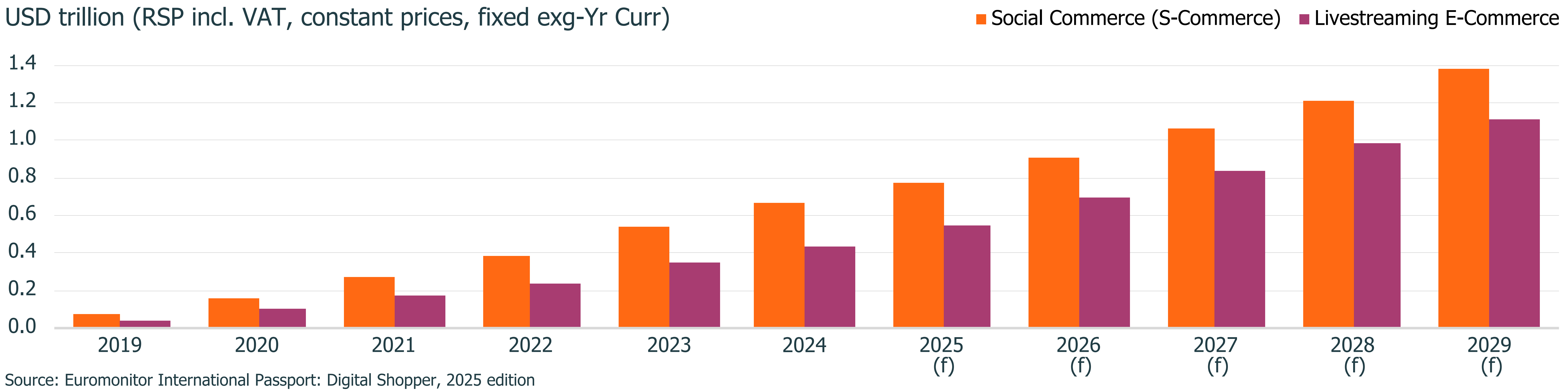
E-COMMERCE TRENDS IN GLOBAL MARKET

SHOPPERTAINMENT

Growing user demand drives innovation and growth of novel entertainment formats

- Rising demand for concise, personalised and engaging content has accelerated the growth of new entertainment formats. Livestreaming and short-form video, along with micro dramas and interactive formats, have rapidly gained traction across social platforms.
- Livestreaming stood out for its interactivity, allowing users to engage with hosts and audiences in real time. Platforms like TikTok and Douyin have driven its adoption, with formats such as group-based livestreaming in China gaining popularity through high-quality, interactive performances that boost engagement and virtual gifting.
- Short-form video has become a core content format, offering relatable, bite-sized content suited to shorter attention spans and on-the-go consumption. Its accessibility and authenticity continue to drive strong user engagement.
- The integration of content and commerce has further accelerated growth. In 2025, livestreaming and social commerce generated USD 548 billion and USD 772 billion in sales globally, growing at CAGRs of 40% and 38% over 2020-25, respectively.
- This growth is supported by enabling technologies such as high-speed internet, cloud infrastructure and rising smartphone adoption, which have expanded access to seamless, on-demand digital experiences, particularly in emerging markets.

Global social commerce and livestreaming
e-commerce sales 2019-2029
USD trillion (RSP incl. VAT, constant prices, fixed exg-Yr Curr)



Source: Euromonitor International Passport: Digital Shopper, 2025 edition
Note: f = forecast

E-COMMERCE TRENDS IN GLOBAL MARKET

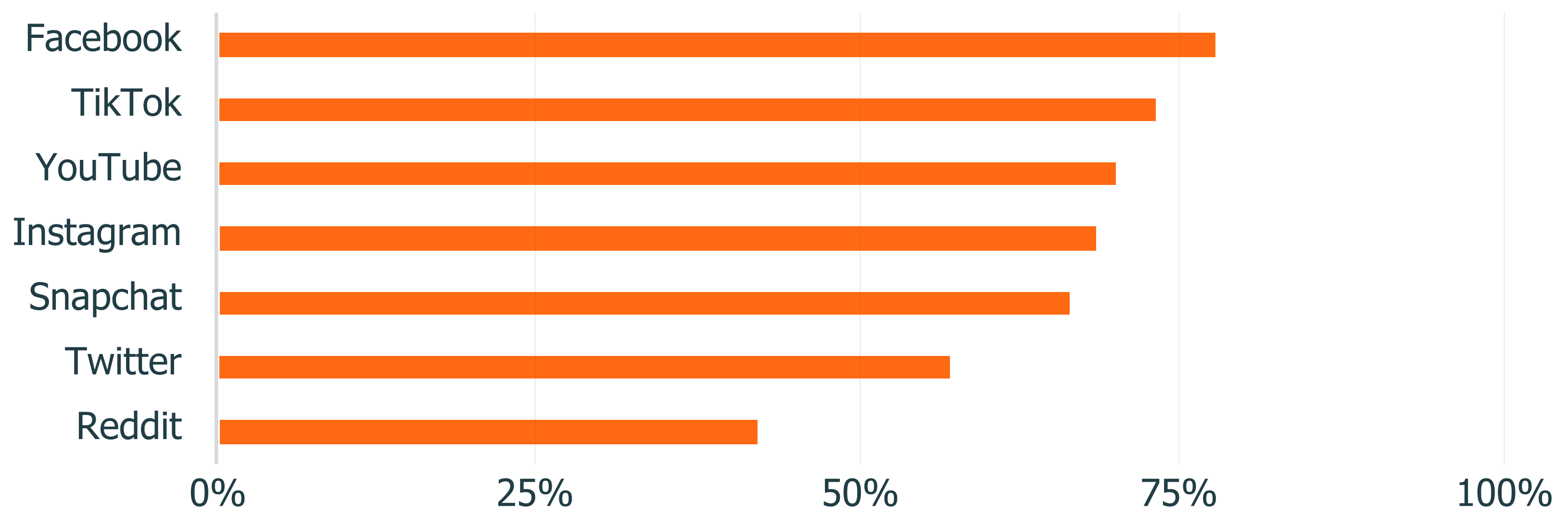
SHOPPERTAINMENT

P&G brand Native has launched a micro drama "The Golden Pear Affair" to promote its personal care range in early 2026

- Native, a Procter & Gamble personal care brand, has launched its 50-episode micro drama - "The Golden Pear Affair" - in early 2026 on social media platforms such as Facebook and YouTube, with the US its primary market. The series is intended to promote Native's new limited-edition Global Flavors collection, launched in December 2025.
- US micro drama content uses fast-paced "soap opera" storylines, such as romance or inter-person conflict, to capture viewers' attention. Native is expected to tie the soap-style, action-packed nature of micro dramas to the scents within its portfolio of cleanly formulated deodorant, moisturiser and shampoo personal care products.
- Vertical micro dramas are poised to leverage tailwinds such as mobile-first viewing habits and explosive demand for short-form content to drive growth. P&G's investment in micro drama content to complement and promote its products highlights the format's significance and potential as an influential tool in modern media advertising.

Image Source:
P&G Studios, Dentsu Entertainment

Leading social media platforms in the US by share of consumers who access them daily, 2025
% share of connected consumers in the US who use the platform at least once per day



Source:
Euromonitor Voice of the Consumer: Digital Shopper Survey, fielded May 2025

Trends In Global Markets

Earn now, pay later

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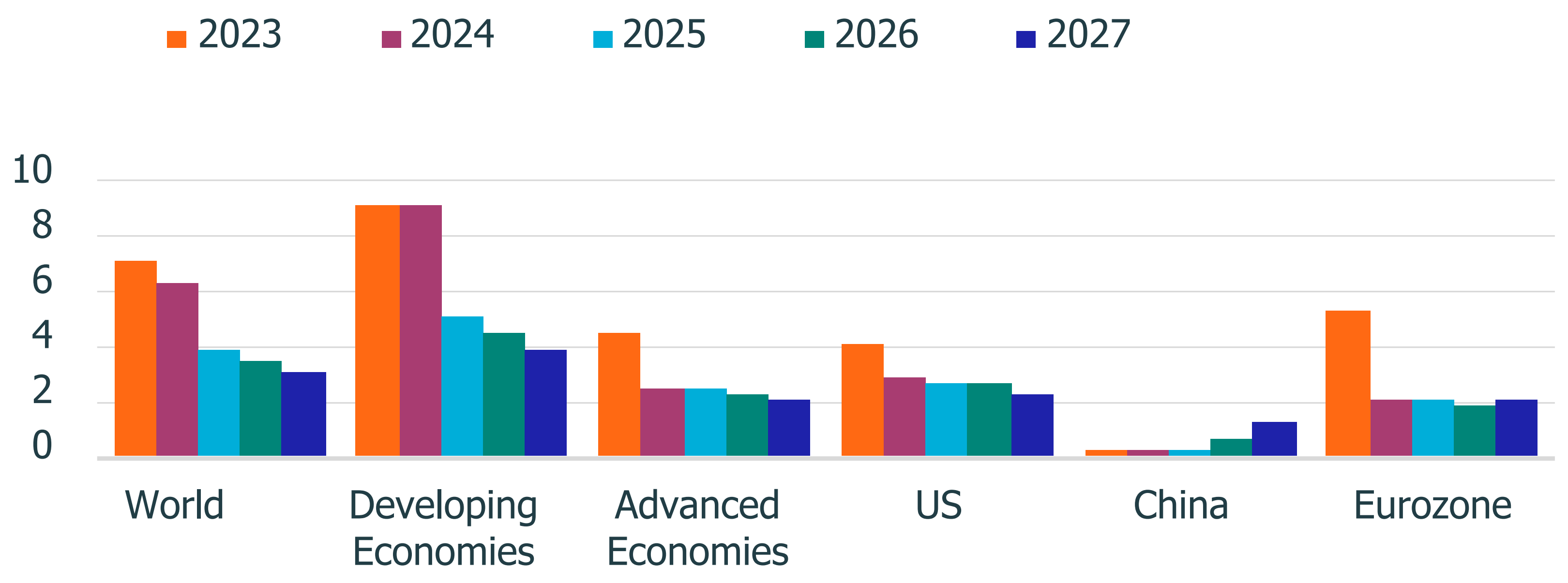
E-COMMERCE TRENDS IN GLOBAL MARKET

EARN NOW, PAY LATER

BNPL is evolving into a loyalty-driven model that combines financial flexibility with rewards-led engagement

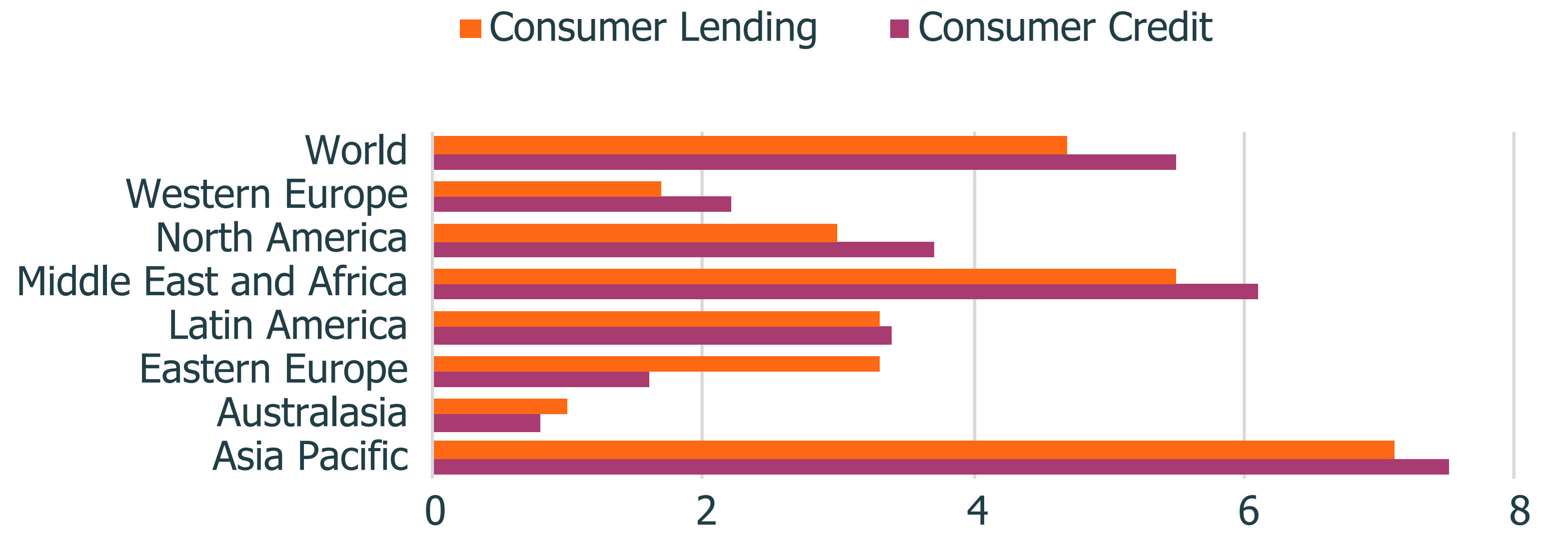
- BNPL platforms are increasingly integrating loyalty features, allowing consumers to spread payments while earning rewards and perks. This strengthens engagement and drives repeat purchases, particularly among younger consumers seeking flexible, interest-free ways to manage cash flow without missing out on loyalty benefits.
- Despite global inflation stabilising at around 3.5% in 2025, household budgets remain under pressure. As a result, consumers are using BNPL not just for affordability, but to maximise value through rewards. Pairing instalments with instant loyalty benefits delivers both short-term flexibility and long-term value, while giving users greater control over spending.
- Regional trends reinforce this shift. Asia Pacific is set for the fastest growth, with a CAGR of 8% over 2020-25 in consumer credit and 7% in lending, supporting expansion of BNPL-led loyalty models. Super-app ecosystems enable seamless integration, and 30% of Millennials in the region prefer real-time rewards in 2025, according to Euromonitor's Digital Shopper Survey, 2025.
- Overall, BNPL + loyalty is evolving into a digitally native, high-engagement model that combines financial flexibility with rewards-driven experiences.

Global consumer price inflation baseline outlook 2023-2027
% y-o-y growth



Source: Euromonitor International Macro Model
Notes: Data from 2025 onwards is forecast, updated 3 November 2025; regional aggregates calculated using PPP weights

Consumer lending and credit by region 2025-2030
USD billion (2020-30)

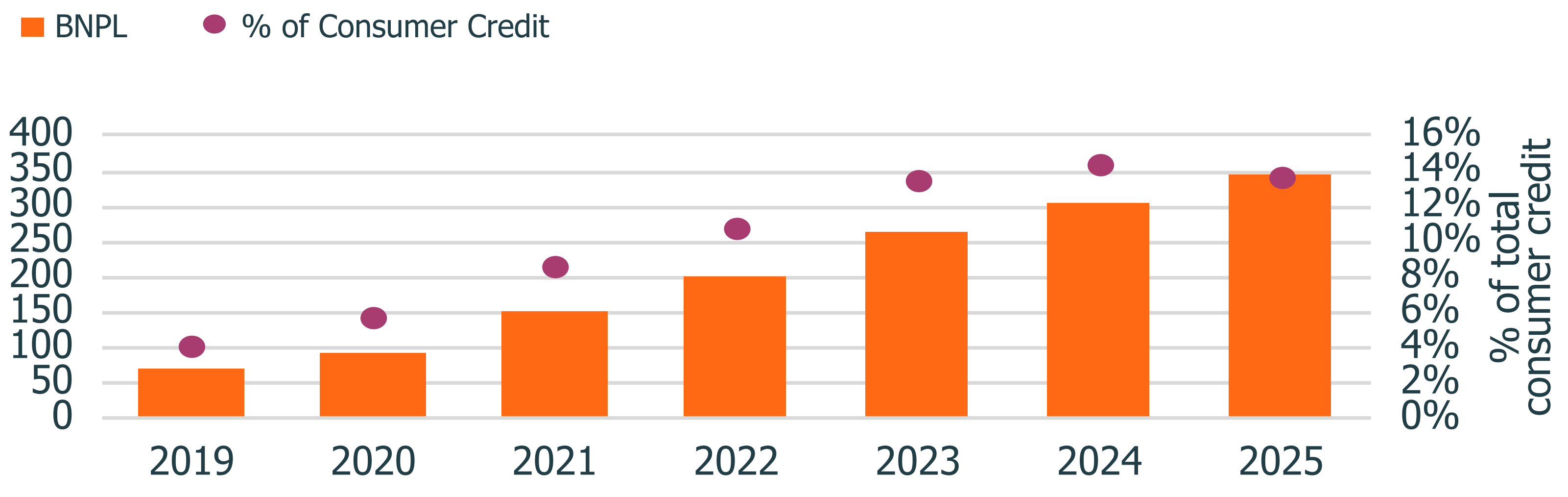


Source: Euromonitor International Passport: Payments and Lending, 2026 edition

BNPL is becoming a core checkout tool, creating new opportunities to integrate loyalty and drive engagement

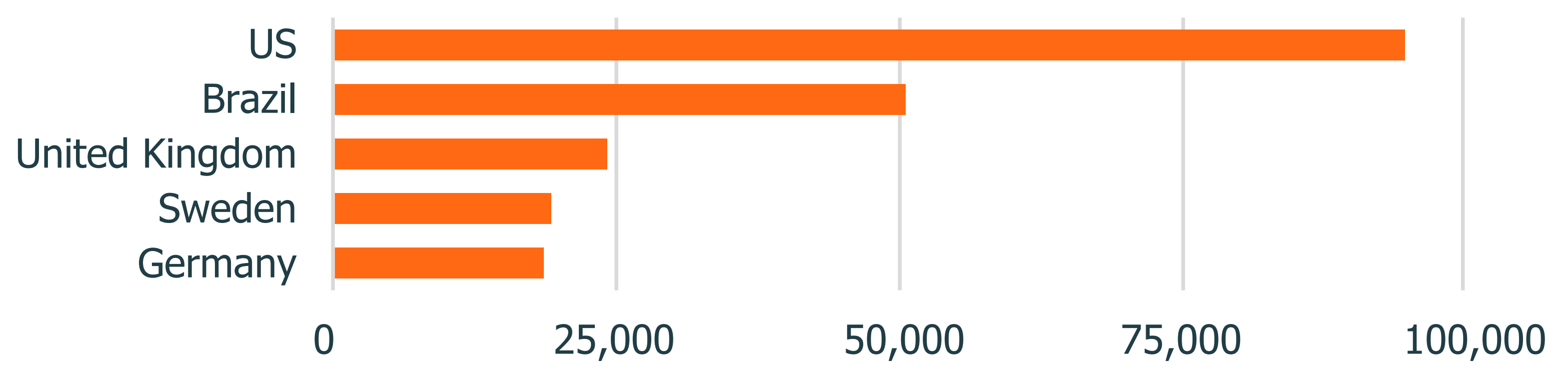
- BNPL is seeing strong growth across both emerging and developed markets, evolving from a niche option into a core part of the checkout experience. Consumers increasingly use BNPL not just for convenience, but as a tool to manage cash flow and financial risk, enabling immediate purchases. Markets such as the US, Brazil, the UK and Sweden lead adoption, with BNPL emerging as a more flexible alternative to traditional credit.
- This shift creates a clear opportunity to integrate BNPL with loyalty and digital wallets. Wallets are well positioned to manage the full customer relationship, including payments, rewards and personalised offers, with 49.0% of users citing convenience as a key adoption driver (Euromonitor). Embedding BNPL into loyalty programmes can convert intent into transactions, while making credit feel like a value-added benefit rather than a standalone feature.
- When linked to loyalty, BNPL becomes more engaging, allowing consumers to combine points with instalments and earn additional rewards. This creates a more interactive experience that strengthens engagement, drives higher spend and reinforces long-term loyalty.

BNPL volume 2019-2025*
USD billion (Current prices, fixed-exg-Yr Curr)



Note: *In 47 researched markets

Top five BNPL markets worldwide 2025
Gross lending (USD million)



Source: Euromonitor International Passport: Payments and Lending, 2026

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E-COMMERCE TRENDS IN GLOBAL MARKET

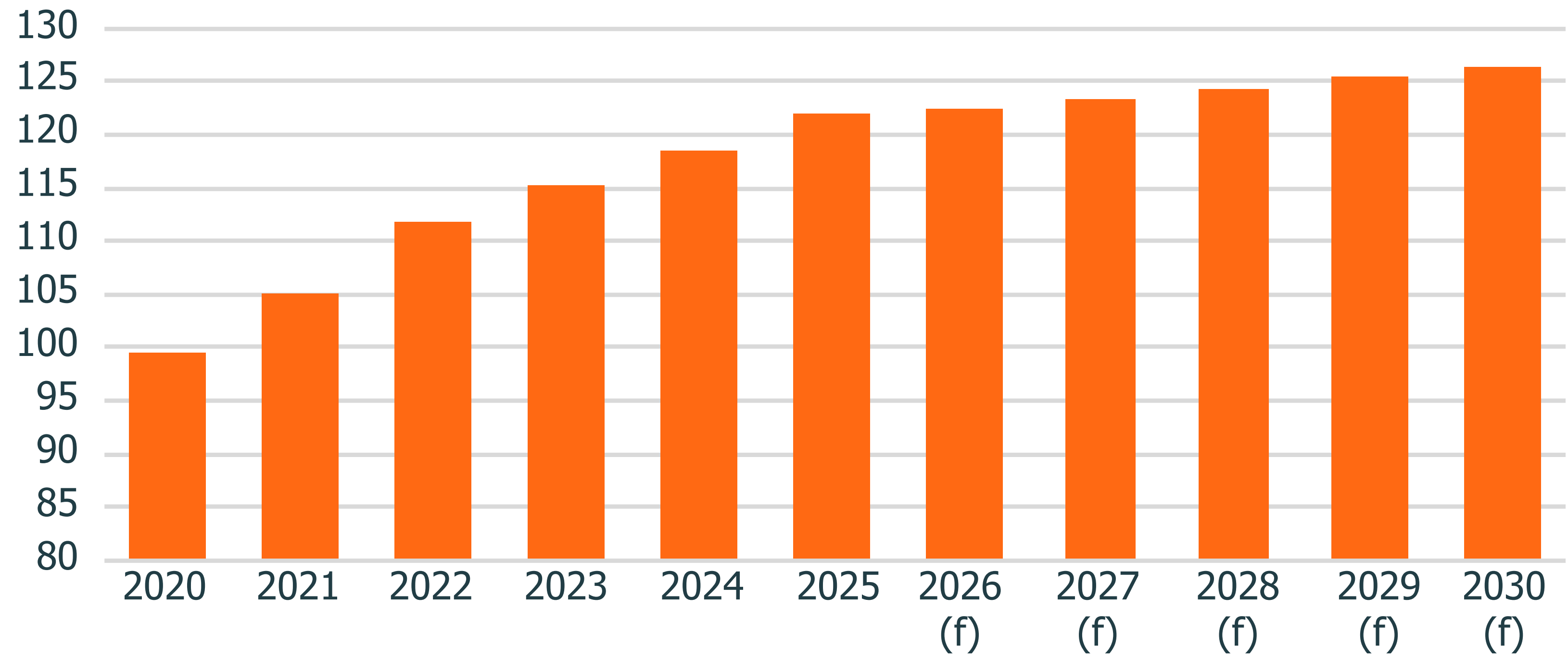
EARN NOW, PAY LATER

Atokara combines BNPL and loyalty rewards to drive e-commerce engagement and value

- Atokara, a BNPL service offered by Sumitomo Mitsui Card, a Japanese credit card company, allows users to split online purchases into up to 36 instalments, take advantage of six months of interest-free payments and earn or redeem V Points. The latter feature was introduced in April 2025, while leveraging a vast loyalty member network to drive engagement and value.
- The Atokara-V Point partnership targets over 140 million members, extending post-paid solutions beyond e-commerce and boosting engagement in a market with limited flexible financing for mid- to high-value purchases. With V Points redeemable at one point per yen, the service is poised to capture a meaningful share of Japanese retail e-commerce, projected to reach USD126 billion by 2029.
- By integrating one of Japan's largest loyalty programmes (V Points) directly with a non-credit BNPL product, Atokara not only builds a seamless closed loop ecosystem with automatic point-earning but also raises the competitive bar, challenging rivals to match this combination of flexibility and loyalty-driven value.

Image Source: Atokara

Japan retail e-commerce sales 2020- 2030
USD billion (RSP excl. VAT, constant prices, fixed exg-YrCurr)



Source: Euromonitor International Passport: Retail, 2026 edition
Note: f = forecast

blinkit

Blinkit: Redefining e-commerce through ultra-fast, convenience-led quick commerce

Company Background

Founded in 2013 as Grofers and rebranded to Blinkit in 2021, Blinkit is an India-based quick commerce platform focused on ultra-fast delivery of groceries and daily essentials. As of 2025, Blinkit is one of the leading players in India's quick commerce market, competing on speed, assortment and delivery efficiency.

Differentiating Services/Initiatives

- Ultra-fast Delivery Model: Blinkit's core model centres on delivering groceries and essentials within 10–20 minutes through a network of strategically located dark stores. This proximity-based fulfilment enables rapid order processing and significantly reduces delivery times compared to traditional e-commerce.
- Convenience-led, High-frequency Consumption: The platform focuses on everyday, high-frequency categories such as fresh produce, packaged food, personal care and household essentials. By enabling instant fulfilment of immediate needs, Blinkit drives habitual usage and embeds itself into users' daily routines.
- Dark Store-led Supply Chain Infrastructure: Blinkit operates a dense network of micro-warehouses (dark stores) to ensure high inventory availability and faster last-mile delivery. This asset-heavy model improves order reliability while enabling better control over supply chain efficiency and unit economics.
- App-based Discovery and Personalisation: The platform leverages user data to personalise product recommendations, optimise search and enable quick reordering. Features such as saved baskets, smart suggestions and time-based demand optimisation enhance user experience and increase basket size.

Market Presence and Product Mix

- Operates primarily in India, with a strong presence across major urban centres such as Bengaluru, Delhi NCR, Mumbai, Hyderabad and Pune, reflecting rapid expansion within tier 1 and tier 2 cities.
- Key categories include groceries, fresh produce, packaged food, personal care and household essentials, with a quick commerce model leveraging dark stores and last-mile delivery to fulfil high-frequency consumer demand.

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E-COMMERCE TRENDS IN GLOBAL MARKET

GLOBAL COMPANY PROFILES

Walmart Connect

Walmart Connect: Enhancing shopper journeys through personalized, intent-driven product discovery

Company Background

Founded in 1962, Walmart is a US-based global retail and e-commerce leader operating across physical stores and digital channels, with a market cap of ~USD 950 billion (2025).

Differentiating Services/Initiatives

- Personalized Product Discovery: Walmart Connect leverages first-party shopper data and real-time behavioural signals to surface highly relevant product recommendations within search and browsing journeys, helping users discover products aligned with their preferences and purchase intent.
- Seamless Native Shopping Experience: Sponsored products are embedded directly within search results, category pages and product listings, ensuring that discovery remains fully integrated within the shopping journey without requiring users to navigate away or disrupt their flow.
- Contextual and Intent-based Suggestions: Product recommendations are dynamically adjusted based on current queries, browsing patterns and basket context, enabling more precise suggestions such as substitutes, complementary items or higher-value alternatives at key decision points.
- Enhanced Decision-making at Point of Purchase: By surfacing relevant alternatives, promoted products and bundled options within the same interface, Walmart reduces information gaps, improves comparison visibility and supports faster, more confident purchase decisions.

Market Presence and Product Mix

- Operates across North America, Latin America, Asia and Africa, with strong presence in the US, Mexico, Canada, China and India (via Flipkart).
- Offers a wide assortment spanning groceries, electronics, apparel, home goods and essentials, supported by a hybrid online and offline retail model.

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E-COMMERCE TRENDS IN GLOBAL MARKET

GLOBAL COMPANY PROFILES

coupang

Coupang: Setting new standards in e-commerce through speed and delivery reliability

Company Background

Founded in 2010, Coupang is a South Korea-based e-commerce platform known for its logistics-led model, and is publicly listed with a market cap of ~USD 45 billion (2025).

Differentiating Services/Initiatives

- Rocket Delivery as a Default Standard: Coupang has made next-day delivery the default across much of its assortment, with orders delivered within one day or less without extra fees, shifting expectations from paid express shipping to speed as a baseline service.
- Dawn Delivery for Grocery: Customers can order fresh and grocery items late at night and receive them early the next morning, integrating e-commerce into daily routines, especially for time-constrained urban consumers.
- Logistics-led Customer Experience: Investments in fulfilment centres and last-mile delivery enable high delivery reliability and consistency, positioning logistics as a key differentiator beyond price and assortment.
- Membership-driven Convenience (Wow Membership): Bundles free delivery, fast shipping and digital benefits, driving repeat usage and stronger customer retention within the platform.

Market Presence and Product Mix

- Operates primarily in South Korea, with expansion into Taiwan.
- Offers categories including groceries, electronics, fashion and household goods, across both first-party retail and third-party marketplace models.

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E-COMMERCE TRENDS IN GLOBAL MARKET

Retail Media Monetisation

- E-commerce platforms are increasingly monetizing first-party data through sponsored listings, display ads, and highly targeted promotions, creating a high-margin revenue stream that complements and, in some cases, outpaces core retail profitability.
- This is intensifying competition for digital shelf space, forcing brands to reallocate marketing budgets toward retail media, invest in advanced analytics, and continuously optimise visibility, conversion, and return on ad spend within platform ecosystems.

Fulfilment Speed

- Rising consumer expectations for instant and reliable delivery are driving the expansion of same-day and sub-hour fulfilment models across multiple categories, moving beyond grocery into electronics, personal care, and everyday essentials.
- Significant investments in dark stores, micro-fulfilment centres, and last-mile logistics optimisation are increasing operational complexity, making speed, accuracy, and delivery reliability key competitive differentiators.

Platform Owned Brands

- Retailers and marketplaces are rapidly scaling private label and platform-owned brands such as Amazon Basics to capture higher margins, improve pricing control, and build stronger customer loyalty in increasingly competitive categories.
- By leveraging granular consumer behaviour and search data, platforms can identify unmet demand, launch highly targeted products faster, and optimise pricing strategies, putting sustained pressure on traditional branded players.

Cross-Border e-commerce

- Platforms such as Temu, Shein, and AliExpress are accelerating direct-from-origin purchasing, supported by competitive pricing, broad product assortment, and improving delivery timelines through more efficient global logistics networks.
- This is increasing price transparency and global competitive intensity, forcing domestic retailers and brands to rethink pricing strategies, differentiate offerings, and strengthen supply chain agility to remain competitive.

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Category Performance

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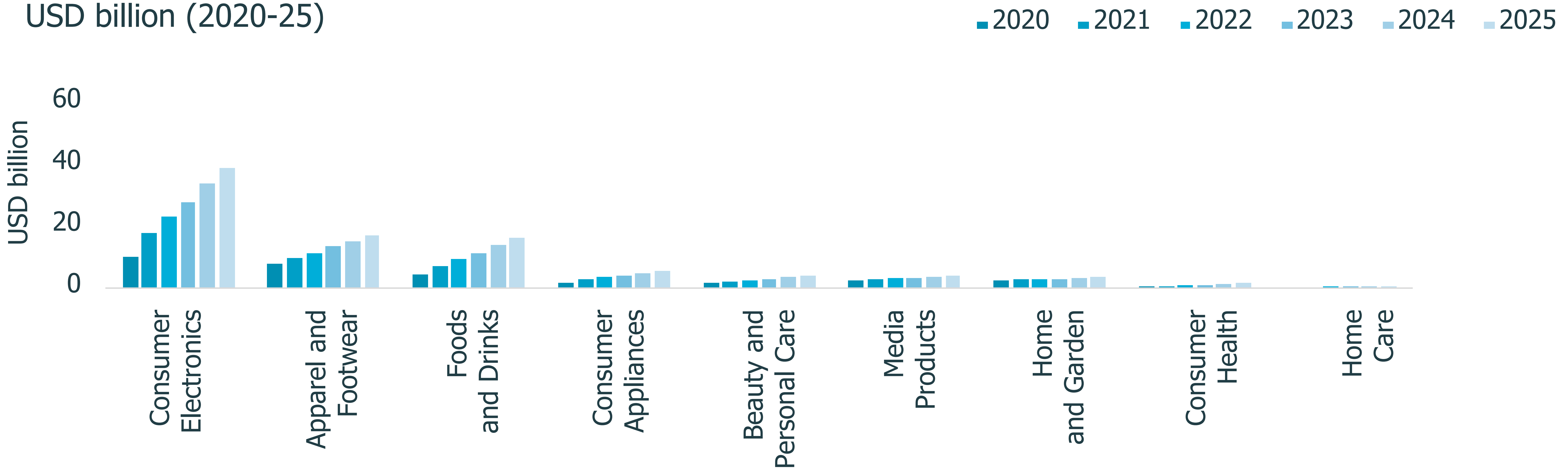
CATEGORY PERFORMANCE

Strong demand for tech upgrades and convenience-led consumption is shaping e-commerce growth in MENASA

MENASA: E-commerce market size by industry
USD billion (2020-25)



	Consumer Electronics	Apparel and Footwear	Foods and Drinks	Consumer Appliances	Beauty and Personal Care	Media Products	Home and Garden	Consumer Health	Home Care
CAGR 2020 - 25	30.9%	16.8%	28.8%	23.9%	19.4%	11.8%	8.2%	22.9%	24.4%
Y-o-Y 2025	14.5%	11.5%	18.5%	16.8%	14.1%	9.2%	4.8%	18.9%	9.2%

- Consumer electronics is the dominant e-commerce category across MENASA, accounting for USD 39.2 billion in 2025, driven by strong online suitability. High-value purchases benefit from price transparency, specifications, and reviews on platforms like Amazon and Noon, while discounts and financing options such as Tabby and Tamara lower purchase barriers. Growth is further supported by frequent upgrade cycles and the convenience of home delivery and installation services.

- Food and drinks is one of the fastest-growing e-commerce categories across MENASA, recording a CAGR of 28.8% over 2020-25, driven by rising demand for convenience and increasing frequency of online grocery purchases. Growth is supported by higher order frequency due to everyday consumption, expanding platform penetration across urban consumers, and greater use of loyalty programs and bundled offers to drive repeat purchases while managing margin pressures.

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CATEGORY PERFORMANCE

KEY TRENDS PER CATEGORY

Personalisation and enhanced user experience are driving e-commerce growth across fashion, beauty and personal care, and media products in MENASA

Apparel and Footwear

Across MENASA, e-commerce is reshaping apparel and footwear through high return tolerance, fast trend cycles, and discovery-led shopping behaviour, making it inherently suited to online channels. Platforms such as Namshi and Noon Fashion in the UAE and Saudi Arabia are driving growth through frequent assortment refreshes, influencer-led edits, and limited-time drops, which encourage repeat visits and impulse purchases. In India, players like Myntra and Ajio are leveraging event-led sales such as End of Reason Sale and app-exclusive launches, combined with easy returns, try-at-home options, and size recommendation tools, reducing purchase hesitation and increasing conversion rates.

Beauty and Personal Care

Across the MENASA region, e-commerce is enhancing beauty and personal care retail through more personalized and convenience-led shopping experiences. Platforms such as Golden Scent (Saudi Arabia) and Faces (UAE) are expanding online consultations and routine-based product bundling, while Sephora Middle East (UAE, Saudi Arabia) is leveraging virtual shade-matching tools to support informed purchasing. Features such as trial-size discovery kits and subscription-based replenishment services are also improving access to premium formats, supporting product trial and encouraging routine-based usage within online channels.

Media Products

E-commerce in the media products category is expanding rapidly across MENASA in 2026, driven by growing demand for on-demand entertainment providers such as Netflix and Shahid and increasing subscription-based consumption. Platforms such as OSN+ and Watch IT in Egypt are gaining traction by offering region-specific content and exclusive releases, reinforcing the role of localization in retaining users. At the same time, the emergence of ad-supported and bundled subscription models is making digital content more accessible, particularly in price-sensitive markets like India and Pakistan, while enabling platforms to diversify revenue streams and scale user bases more effectively.

CATEGORY PERFORMANCE

KEY TRENDS PER CATEGORY

Convenience, affordability, and fulfilment innovation are driving e-commerce growth across food and drinks, home care, and consumer electronics in MENASA

Foods and drinks

E-commerce is transforming food and drinks retail across MENASA by structurally shifting consumption from store-based bulk shopping to frequent, digital replenishment. The category's inherently high purchase frequency and low-ticket size makes it well suited to online channels, with platforms like Talabat, Noon, and Carrefour embedding food purchases into daily routines. At the same time, retailers are driving customer lifetime value through subscription models, basket-building strategies, and loyalty programs, while using data-led demand planning to optimize assortment and reduce stockouts. This is repositioning e-commerce from a convenience channel to a core grocery shopping medium, supporting sustained long-term growth.

Home Care

E-commerce is transforming the home care category across MENASA by driving routine and bulk purchasing behaviour through online channels. Platforms like Amazon, Noon, and BigBasket promote value packs, subscription models, and auto-replenishment services, encouraging consumers to stock up on essentials such as detergents and cleaning products. Meanwhile, quick-commerce players including Blinkit, Talabat, and Noon Minutes enable rapid delivery of everyday essentials, meeting immediate household needs. This blend of planned bulk buying and instant fulfilment is boosting purchase frequency, basket sizes, and positioning e-commerce as a key growth driver for home care in the region.

Consumer Electronics

E-commerce is strengthening the consumer electronics category across MENASA by improving purchase confidence and affordability. Platforms such as Amazon, Noon, and Flipkart offer product comparisons, reviews, and competitive pricing, while BNPL solutions like Tabby, Tamara, and Simpl make high-value purchases more accessible.

At the same time, brands such as Samsung, Apple, and Xiaomi are leveraging online launches and direct-to-consumer channels, supported by improved delivery and installation services, reinforcing e-commerce as a preferred channel.

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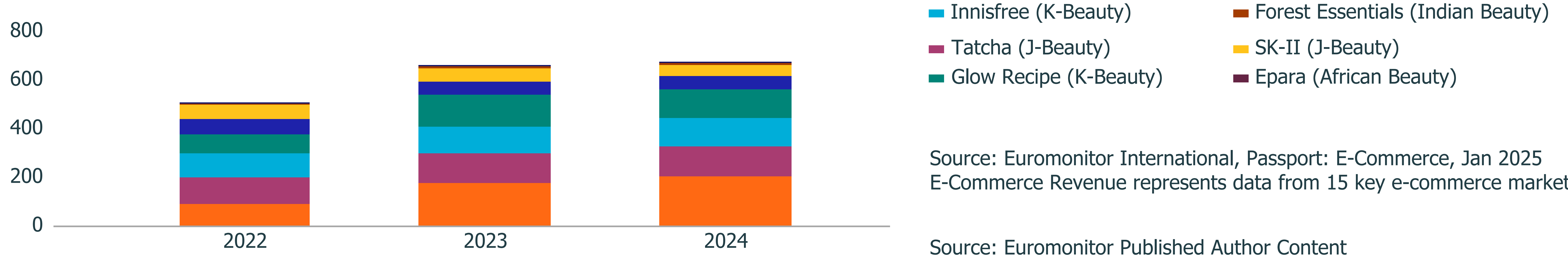
CATEGORY PERFORMANCE

HOW E-COMMERCE IS BRIDGING TRADITIONS AND TRENDS GLOBALLY

E-commerce is transforming cultural beauty from local rituals into globally scalable, demand-driven categories by enabling global access, marketplace-led scale, and content-driven discovery

- E-commerce has removed geographic barriers, enabling rituals such as K-beauty, J-beauty, and Ayurveda to scale globally, with brands like COSRX, Innisfree, and Forest Essentials reaching international consumers and significantly expanding addressable demand.
- Marketplaces are acting as the primary growth engine, with ~70% of beauty e-commerce driven through platforms like Amazon, enabling brands such as COSRX to achieve rapid global scale without physical retail investment.
- Third-party sellers are accelerating cross-border expansion, introducing brands like Sulwhasoo and SK-II into new markets, allowing brands to test demand and build presence before direct entry.
- Social media is tightly integrated with e-commerce discovery, with TikTok and Instagram amplifying trends such as #Kbeauty, compressing the funnel from awareness to purchase and accelerating global adoption.
- Digital-first cultural brands are scaling cross-border from inception, with players like COSRX generating a majority of sales outside their home market, demonstrating how e-commerce enables borderless brand building.

E-Commerce growth of prominent cultural beauty brands 2022-2024
Retail value RSP, USD million



Source: Euromonitor International, Passport: E-Commerce, Jan 2025
E-Commerce Revenue represents data from 15 key e-commerce markets

Source: Euromonitor Published Author Content

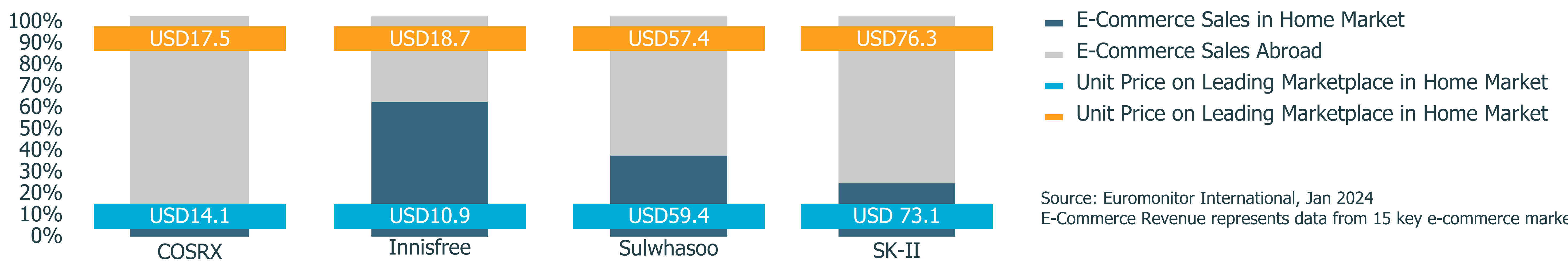
CATEGORY PERFORMANCE

HOW E-COMMERCE IS BRIDGING TRADITIONS AND TRENDS GLOBALLY

AI and e-commerce are enabling hyper-personalised, culturally relevant beauty experiences at scale

- AI-driven personalisation is reshaping discovery and conversion, with platforms using skin type, climate, and behavioural data to recommend culturally relevant products and routines, increasing relevance and purchase likelihood.
- Hyper-personalisation is reconnecting consumers with cultural beauty practices, surfacing traditional ingredients and rituals tailored to individual needs rather than one-size-fits-all solutions.
- Personalised marketing is already improving engagement, with 47.0% of industry professionals reporting stronger customer interaction and 38.0% expecting continued growth in 2025, highlighting rising ROI from AI-led strategies.
- Advanced diagnostics are expanding the role of e-commerce, including DNA-based skincare, microbiome analysis, and AI beauty advisors, enabling more precise product matching and differentiation.
- AI is enhancing product efficacy and trust, through curated routines, ingredient matching, and traceability, addressing growing consumer demand for authenticity and ethical sourcing.
- The convergence of technology and tradition is redefining competition, shifting beauty e-commerce towards data-driven personalisation, cultural relevance, and higher consumer lifetime value.

E-Commerce sales home market vs abroad – Key cultural beauty brands, 2024
Share of total e-commerce sales



Source: Euromonitor International, Jan 2024
E-Commerce Revenue represents data from 15 key e-commerce markets

Source: Euromonitor Published Author Content

Competitive Landscape

COMPETITIVE LANDSCAPE

OVERVIEW

E-commerce competition is evolving through platform innovation and new monetisation models

- Open-network models such as the Open Network for Digital Commerce (ONDC) are reshaping e-commerce by lowering entry barriers through interoperability and reduced commissions, enabling greater participation from small and independent sellers. While currently centred on India, this model signals a potential shift for MENASA markets such as the UAE and Saudi Arabia, where increased seller fragmentation and price transparency could intensify competition and challenge established platform dynamics.
- Regional players are strengthening their position through acquisitions and ecosystem expansion, with Noon's acquisition of Namshi deepening its presence in fashion across the UAE and Saudi Arabia. Continued investments in logistics, delivery infrastructure, and adjacent services are helping improve customer experience and competitiveness.
- E-commerce players in the UAE are diversifying their revenue streams beyond transactions, increasingly generating income through advertising and retail media, with platforms like Amazon and Noon expanding sponsored listings and brand partnerships to drive additional revenue.
- Competition is shifting toward experience-led differentiation, with players focusing on faster delivery, AI-powered personalisation, and omnichannel strategies. Digital-first brands such as Styched planning offline expansion in the UAE reflect how companies are combining online and physical retail to improve reach and engagement.

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COMPETITIVE LANDSCAPE

KEY DIFFERENTIATING FACTOR

AI is driving hyper-personalised commerce

E-commerce players in MENASA are leveraging AI to enhance product discovery and conversion. Platforms like Namshi use visual search and recommendations, while Trendyol optimises search and merchandising in real time. In quick commerce, Instashop applies AI for basket recommendations and substitutions, improving overall shopping efficiency.

Platforms are integrating content and commerce through shoppertainment

Leading players are increasingly investing in shoppertainment to drive user engagement and purchase frequency. Platforms such as Noon are leveraging influencer-led campaigns and in-app content, while TikTok is accelerating social commerce through shoppable videos and live content. This approach is making online shopping more interactive, entertainment-driven, and discovery-led.

Payment innovation is driving conversion and access

Given varied digital payment adoption across MENASA, players are differentiating through flexible payment options. In markets like Egypt and Pakistan, platforms support cash-on-delivery alongside BNPL, digital wallets, and simplified checkout flows, helping improve conversion rates and expand access to digitally underserved consumers.

Cross-border scale is enabling stronger assortment and pricing

E-commerce players are leveraging regional expansion and sourcing networks to offer wider selection and competitive pricing. For example, Trendyol's entry into GCC markets with local warehousing enables faster delivery of international brands and broader assortment, strengthening its position in fashion and lifestyle categories.

COMPETITIVE LANDSCAPE

COMPANY PROFILES

Careem: Building a "super app" to integrate commerce, mobility, and payments in MENASA

Company Background

Founded in 2012 in Dubai, Careem began as a ride-hailing platform and was acquired by Uber in 2020, later repositioned as a multi-service app across the MENASA region.

Differentiating Services/Initiatives

- Super App Integration: Careem brings together mobility, food, grocery, and payments into one app, allowing users to complete multiple everyday transactions in a single ecosystem with a single login and payment layer, increasing convenience and frequency of use.
- Quick Commerce and Integrated Payments (Careem Quik and Careem Pay): Combines rapid grocery delivery through dark stores with seamless in-app payments, including peer-to-peer transfers and bill payments, reducing checkout friction and embedding high-frequency purchases into daily routines.
- Subscription-led Engagement (Careem Plus): Offers bundled benefits such as free or discounted deliveries across services, encouraging cross-category usage, higher order frequency, and stronger customer retention.
- AI-driven Personalisation and Offers: Leverages AI to deliver personalised recommendations, dynamic offers, and contextual nudges across services, improving user engagement and increasing conversion through more relevant, behaviour-driven experiences.

Market Presence and Product Mix

- Operates across key MENASA markets including the UAE, Saudi Arabia, Egypt, Jordan, and Pakistan.
- Offers services across ride-hailing, food delivery, grocery (Careem Quik), and digital payments (Careem Pay), expanding its role beyond a single-category platform.

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COMPETITIVE LANDSCAPE

COMPANY PROFILES

Daraz

Daraz: Building an Alibaba-backed e-commerce and logistics ecosystem in South Asia

Company Background

Founded in 2012 and later acquired by Alibaba Group, Daraz is a leading e-commerce platform operating across South Asian MENASA markets, particularly Pakistan, Bangladesh, Sri Lanka, and Nepal.

Differentiating Services/Initiatives

- Logistics-led Ecosystem (DEX): Daraz has built its own logistics arm, Daraz Express (DEX), enabling end-to-end control over fulfilment, warehousing, and last-mile delivery, which is critical in infrastructure-constrained markets like Pakistan.
- Digital Payments Push (Daraz Wallet): Promotes its in-app wallet to reduce reliance on cash-on-delivery, supporting faster checkout, refunds, and improved transaction reliability in low card-penetration markets.
- Mega Campaign-driven Demand: Daraz runs large-scale annual sales events on November 11 (11.11) and December 12 (12.12), offering deep discounts, flash deals, and heavy marketing to drive traffic spikes, acquire new users, and anchor consumer shopping behaviour around online sale periods.
- Seller Ecosystem Development: Actively onboards and trains local SMEs, enabling marketplace expansion and supply growth, while helping traditional sellers transition online.

Market Presence and Product Mix

- Strong presence in Pakistan, one of the fastest-growing e-commerce markets in MENASA.
- Offers a wide range of categories including electronics, fashion, beauty, and everyday essentials, operating a hybrid model of marketplace and first-party retail.

COMPETITIVE LANDSCAPE

COMPANY PROFILES

سلة salla

Salla: Enabling SME-led e-commerce and direct-to-consumer selling in Saudi Arabia

Company Background

Founded in 2016, in Saudi Arabia, Salla is an e-commerce enablement platform that allows SMEs and individuals to set up online stores and sell directly to consumers, supporting the Kingdom's growing digital entrepreneurship ecosystem.

Differentiating Services/Initiatives

- Social commerce enablement: Enables merchants to integrate storefronts with social channels such as Instagram and TikTok, allowing direct traffic redirection, link-in-bio storefronts, and content-led conversions, aligning with the rise of influencer-driven shopping.
- Merchant-first model: Provides full control over branding, pricing, promotions, and customer data, enabling businesses to build long-term customer relationships, run targeted marketing campaigns, and avoid dependency on marketplace algorithms and commissions.
- Integrated ecosystem: Combines payments, shipping, order management, and storefront customisation into a single platform, reducing reliance on third-party tools and enabling faster onboarding and operational efficiency for sellers.
- SME digitisation and scaling: Offers tools for inventory tracking, sales analytics, and performance monitoring, helping small businesses transition from informal selling to data-driven digital operations and scale more efficiently.

Market Presence and Product Mix

- Strong presence across Saudi Arabia, particularly among SMEs, home-based businesses, and local brands.
- Provides tools for store creation, payments, and logistics integration, enabling merchants to manage end-to-end online sales operations.

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COMPETITIVE LANDSCAPE

COMPANY PROFILES

nana

Nana: Redefining grocery e-commerce through marketplace-led fulfilment in Saudi Arabia

Company Background

Founded in 2016, Nana is a leading online grocery marketplace in Saudi Arabia, connecting consumers with supermarkets, hypermarkets, and specialty retailers through a single platform.

Differentiating Services/Initiatives

- Marketplace-led grocery model: Aggregates inventory from multiple partner retailers, enabling asset-light scaling, broader assortment, and reduced inventory risk compared to dark store-led models.
- Personal shopper fulfilment model: Relies on trained in-store pickers to select products directly from partner outlets, improving freshness, quality control, and substitution accuracy, particularly for perishables.
- Hyperlocal inventory and pricing optimisation: Uses store-level data and location-based routing to surface the most relevant assortment, optimise delivery times, and improve price competitiveness across retailers.
- Platform orchestration and scalability: Functions as a demand aggregator and logistics coordinator, integrating retailers, shoppers, and delivery networks, allowing it to scale efficiently without heavy infrastructure investments.

Market Presence and Product Mix

- Strong presence across major Saudi cities, with growing penetration beyond tier-1 locations.
- Offers a wide assortment of groceries, fresh produce, household essentials, and personal care, sourced from multiple retail partners.

Consumer Behaviour in the UAE

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CONSUMER BEHAVIOUR IN THE UAE

Consumer lifestyles in the UAE are increasingly shifting online, driving more digital and interactive e-commerce behaviour

- Consumer behaviour in the UAE is increasingly shifting online, shaping how people shop, pay, and engage with brands. According to Euromonitor's Lifestyle Survey, 2025, 22.0% of respondents expect more of their everyday activities to move online, while 40.0% report being more comfortable taking fitness classes online, highlighting a broader transition towards digitally integrated lifestyles that is extending into e-commerce behaviour.
- This shift is also reflected in how consumers pay, with credit and debit cards continuing to dominate usage. According to Euromonitor's Digital Shopper Survey, 2025, 87.0% of respondents use cards for online purchases, reflecting strong trust and widespread acceptance. At the same time, 51.0% of consumers use digital wallets, driven by the need for faster, more seamless checkout experiences that align with increasingly app-based and mobile-first consumption patterns.
- Consumer engagement is also becoming more interactive and content-driven. According to Euromonitor's Digital Shopper Survey, 2025, 56% of respondents have purchased products through livestream commerce, reflecting a shift towards real-time, immersive shopping experiences where product discovery, evaluation, and purchase happen simultaneously.

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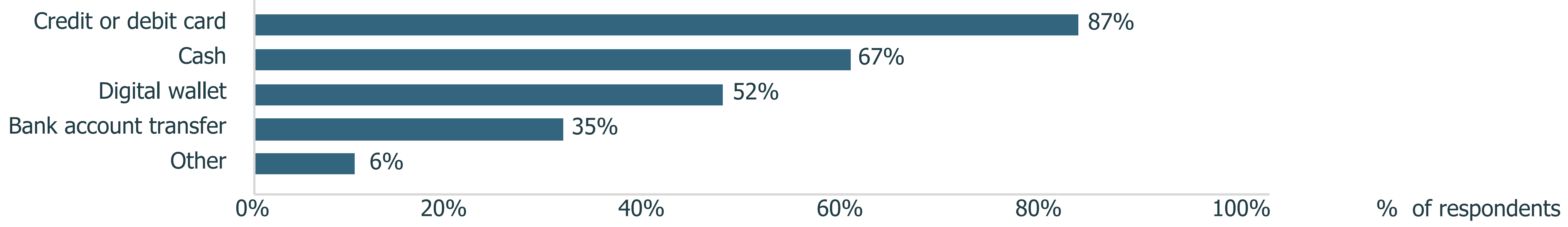
CONSUMER BEHAVIOUR IN THE UAE

CONSUMER PAYMENT PREFERENCES

Payment preferences in the UAE are shifting from cash and cards towards more flexible, digital-first and embedded payment solutions

- Cash usage for online shopping declined from 70.0% in 2024 to 67.0% in 2025, signalling a gradual shift away from cash-on-delivery as consumers grow more comfortable with digital transactions. However, its continued relevance highlights that trust and control remain important, particularly for first-time purchases and lower-confidence transactions.
- In the UAE, credit and debit cards remain the dominant payment method, used by 87.0% of respondents in 2025, although down from 93.0% in 2024. This decline suggests early signs of payment diversification, as consumers move towards faster and more seamless alternatives, even as cards continue to anchor the ecosystem due to their reliability and universal acceptance.
- Digital wallets now account for 52.0% of online payment usage, reflecting a shift towards mobile-first and embedded payment experiences. Their growth is driven not just by convenience, but by integration with loyalty programmes, promotions, and super apps, with solutions such as Apple Pay, Google Pay, Samsung Pay and Careem Pay increasingly positioning payments as part of a broader digital ecosystem rather than a standalone step.
- Alternative payment methods, particularly BNPL, are gaining traction among younger and credit-averse consumers. Providers such as Tabby and Tamara enable interest-free instalments and support higher-value purchases, while real-time payments supported by Aani are gradually expanding the payment mix.

Cross-category payment types in the UAE
% of respondents (2025)



Source: Euromonitor Voice of the Consumer: Digital Consumer Survey, 2025, n= 977

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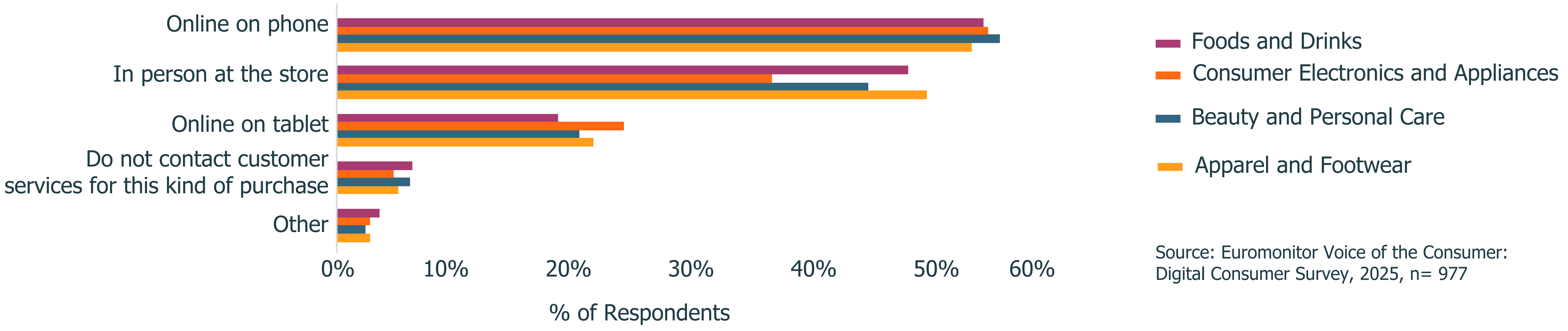
CONSUMER BEHAVIOUR IN THE UAE

SERVICE INTERACTION PREFERENCES

Mobile-first shopping is redefining consumer journeys, with physical retail evolving into a complementary validation and fulfilment channel

- According to Euromonitor's Digital Shopper Survey, 2025, online shopping via mobile phones exceeded 50% across all categories, indicating a shift towards continuous, app-driven engagement, where browsing, discovery, and purchasing increasingly happen within a single mobile ecosystem.
- In-store shopping ranking as the second most preferred option across categories reflects how consumers are using stores more selectively for product validation, immediacy, and experiential touchpoints, rather than as the primary discovery channel.
- Brands are responding by embedding commerce into everyday digital behaviours. For instance, Zara integrates its mobile app with features such as real-time store inventory visibility, in-store navigation, and click-and-collect, enabling consumers to seamlessly move between digital browsing and physical purchase, and reinforcing a mobile-led omnichannel experience.
- AI agents are increasingly being integrated into customer service ecosystems in the UAE, with platforms such as Noon and Careem deploying AI-powered chatbots to handle order tracking, refunds, and query resolution. This reflects a shift towards automated, always-on customer support, where AI agents are not just assisting but gradually taking over routine service workflows.

Typical customer service interaction by major ecommerce categories
% of respondents (2025)



Source: Euromonitor Voice of the Consumer: Digital Consumer Survey, 2025, n= 977

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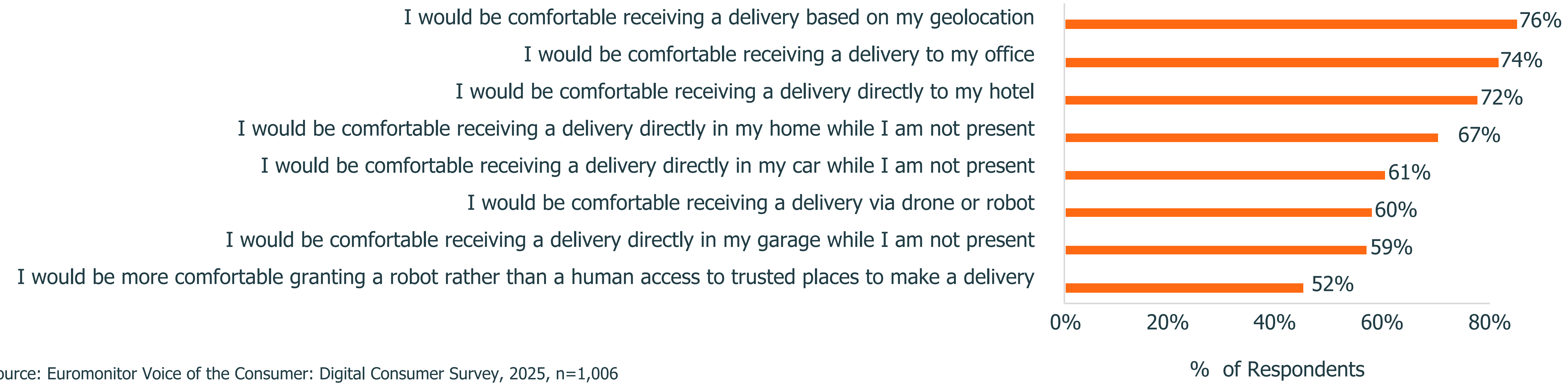
CONSUMER BEHAVIOUR IN THE UAE

ATTITUDES TOWARDS DELIVERY METHODS

Geolocation-based delivery and rising trust in automation are reshaping last-mile expectations in the UAE

- According to Euromonitor's Digital Shopper Survey, 2025, 76% of UAE consumers prefer deliveries based on their geolocation, highlighting a shift towards on-demand, location-aware fulfilment. This is particularly relevant in dense urban hubs like Dubai, where platforms such as Careem and Talabat already enable deliveries to offices, public locations, and live pins, reflecting rising expectations for flexibility beyond fixed home addresses.
- The survey also shows growing trust in automation, with 52% of respondents more comfortable granting access to a robot than a human for deliveries. This aligns with initiatives such as Talabat's "Talabot" robots in Dubai Silicon Oasis, which demonstrate how autonomous last-mile solutions are gaining acceptance for secure and contactless delivery.
- Together, these trends indicate that last-mile delivery in the UAE is evolving towards hyper-convenient, tech-enabled fulfilment, where real-time location tracking and automation are becoming key differentiators for platforms competing on speed, precision and user experience.

Attitudes towards delivery methods in the UAE
% of Respondents choosing Strongly Agree and Agree (2025)



Source: Euromonitor Voice of the Consumer: Digital Consumer Survey, 2025, n=1,006

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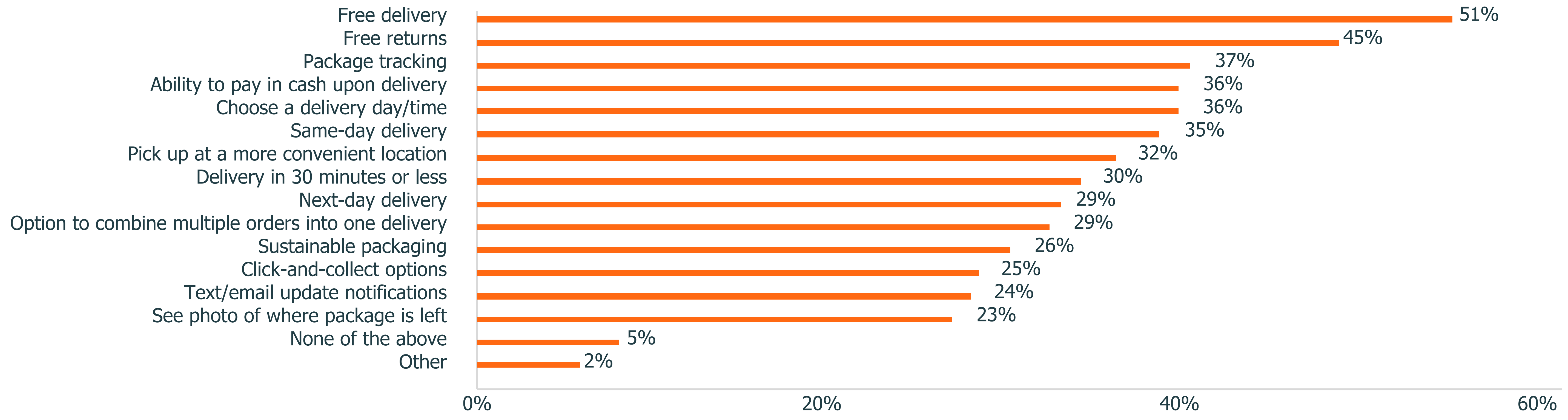
CONSUMER BEHAVIOUR IN THE UAE

PREFERRED FEATURES OF DELIVERY OPTIONS

Core delivery features such as free delivery, returns, cash on delivery, and tracking are key drivers of conversion and trust

- Free delivery continues to drive conversion, as consumers anchor purchase decisions around perceived value. Retailers use minimum order thresholds, subscriptions, and bundled offers to offset costs, turning free delivery into a tool for increasing basket size and frequency rather than just a cost centre.
- Free returns are shaping purchase behaviour by reducing perceived risk, especially in categories like fashion. This has enabled more impulse and multi-item purchases, while pushing retailers to invest in fit accuracy, virtual try-ons, and better product information to control return-related costs.
- Cash on delivery (COD) persists as a trust-building mechanism, particularly for first-time buyers and lower-ticket purchases, indicating that despite digital payment growth, trust gaps still exist. This forces e-commerce players to maintain hybrid payment models to maximise reach and conversion.
- Package tracking has evolved from a value-add to a core expectation, with consumers demanding real-time visibility and control. Enhanced tracking reduces delivery anxiety, lowers failed deliveries, and strengthens post-purchase engagement, making it a key lever for improving overall customer experience.

Preferred features of delivery services in the UAE,
% of respondents (2025)



Source: Euromonitor Voice of the Consumer: Digital Consumer Survey, 2025, n=1,006

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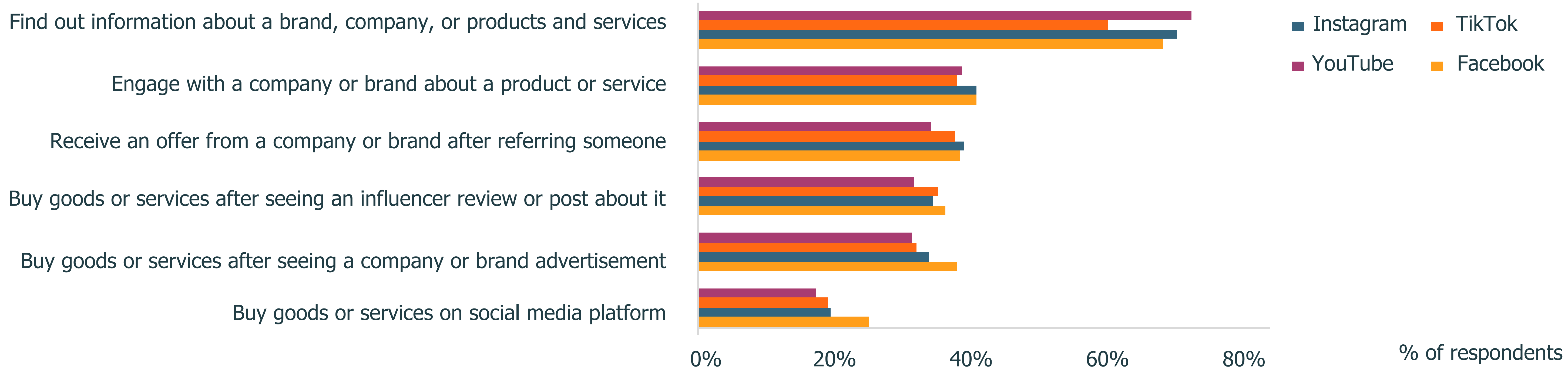
CONSUMER BEHAVIOUR IN THE UAE

BRAND OR SHOPPING RELATED ACTIVITIES

Social media is shifting from a transactional channel to an influence-driven engine shaping discovery, research, and purchase decisions

- Social media platforms are increasingly evolving into influence-led commerce ecosystems, where discovery and decision-making play a larger role than direct transactions. According to Euromonitor's Digital Shopper Survey, 2025, while 24% of consumers purchase directly on Facebook, the stronger impact lies in how platforms shape purchase intent through content, ads, and engagement.
- Advertising and influencer content are key conversion triggers, with a significant share of consumers purchasing after exposure to brand campaigns and creator reviews, highlighting a shift towards trust-based, content-driven commerce rather than purely transactional behaviour.
- At the same time, social media plays a critical role in the research and consideration phase. According to Euromonitor's Digital Shopper Survey, 2025, 70% of consumers use YouTube to find information about products and brands, driven by its strong search functionality and long-form content such as reviews and tutorials.
- Brands are adapting by embedding commerce into content and creator ecosystems. For example, Namshi leverages influencer-led campaigns and social-first collections on Instagram and TikTok to drive discovery and conversion, reflecting how content, community, and commerce are increasingly interconnected in the UAE.

UAE: Brand or shopping related activities on popular social media platforms
% of respondents (2026)

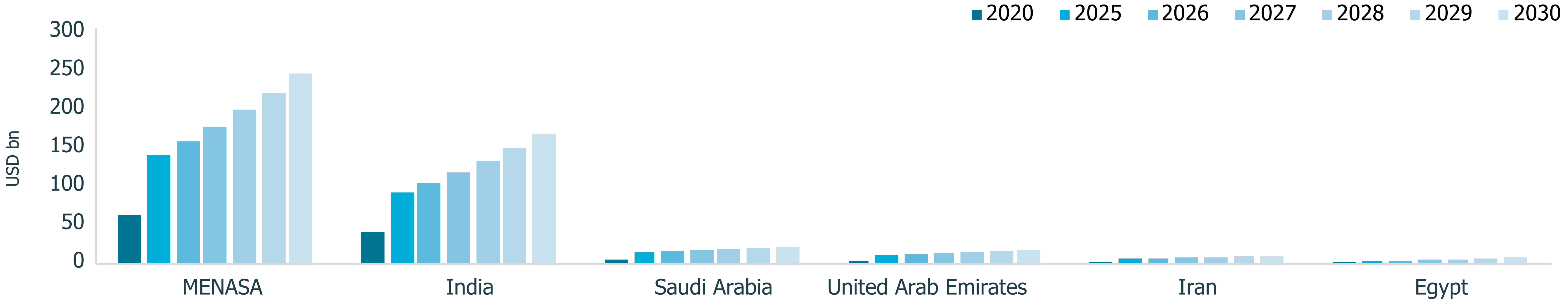


Source: Euromonitor Voice of the Consumer: Digital Consumer Survey, 2025, n=700-899

Industry Outlook

Long-term e-commerce growth in MENASA is anchored in large, underpenetrated markets like India, Iran, Pakistan and Egypt which show strong double-digit forecast growth

MENASA (Select Markets): Total e-commerce market size
USD billion (2020, 2025-30)



CAGR 2020-25	17.5%	17.8%	19.3%	19.1%	16.7%	5.3%
CAGR 2026-30	11.6%	12.4%	8.0%	9.2%	8.8%	15.1%

- MENASA's e-commerce outlook remains strong, with an expected CAGR of 11.6% over 2026–30, reflecting sustained but uneven growth concentrated in a few key markets. The most attractive opportunities lie where scale meets momentum, with India emerging as a clear sweet spot, while high-growth markets like Egypt, Pakistan, Oman, and Algeria offer significant headroom for early-stage investment and expansion.

- India's e-commerce market is projected to grow at a CAGR of 12.1% over 2026–2030, driven by expansion into tier-2 and tier-3 cities, supported by affordable smartphones and low-cost data. Growth is reinforced by D2C brands, quick commerce, and BNPL, while initiatives like ONDC are expected to increase competition and seller participation.

- Egypt's e-commerce sector is expected to grow at a CAGR of 15.1% over 2026–2030, accelerating from a low base as improvements in digital infrastructure, mobile connectivity, and logistics expand access. Government initiatives such as the "Regulated E-Commerce" framework are enhancing transparency and consumer trust, while urban projects like the New Administrative Capital are opening new demand clusters. The rise of BNPL and digital payments is further supporting higher basket sizes and broader adoption.

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INDUSTRY OUTLOOK

TRENDS EXPLAINING GROWTH IN KSA AND UAE

Policy-led digital transformation and cashless ecosystems are accelerating e-commerce growth in Saudi Arabia and the UAE

Regulatory reforms and digital payments acceleration are transforming Saudi Arabia's e-commerce ecosystem

- Saudi Arabia's e-commerce landscape is being structurally reshaped by regulatory reforms such as the Personal Data Protection Law (PDPL), and SME enablement initiatives, which are enhancing consumer trust, improving data governance, and driving the formalisation of online retail. This is lowering entry barriers for local merchants while creating a more transparent and competitive marketplace.

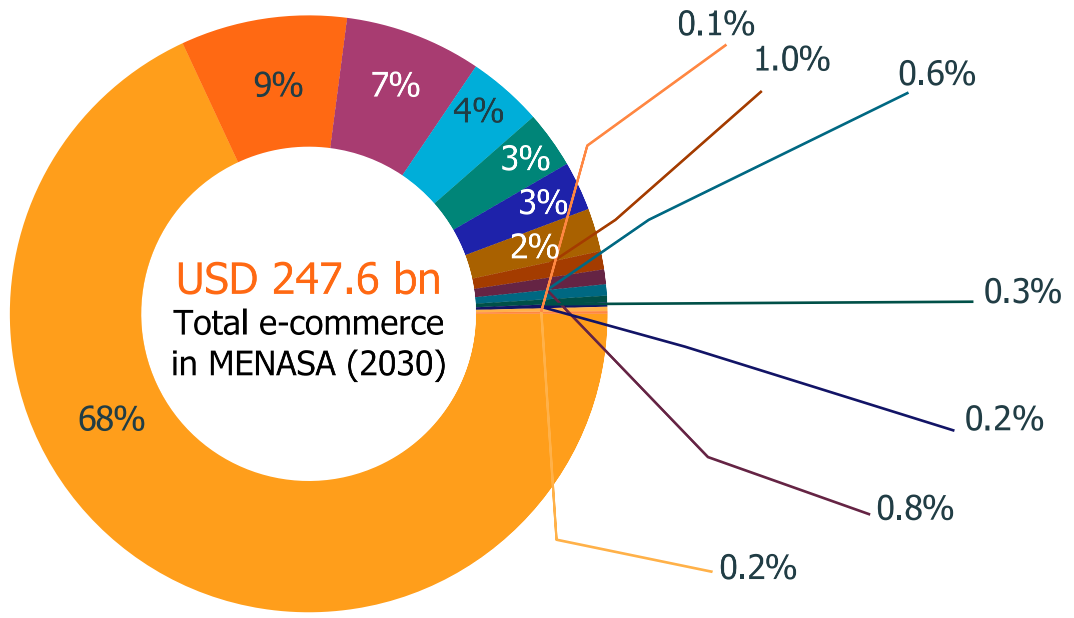
- The rapid adoption of Mada, the national payment network of Saudi Arabia and broader digital payment initiatives is accelerating the transition towards a cashless economy, reducing friction across online and offline transactions. This shift, supported by Vision 2030, is not only improving checkout efficiency but also enabling higher transaction volumes.

Policy-led digital payments and infrastructure investments are reinforcing the UAE's role as a regional e-commerce hub

- The UAE's push towards a cashless economy, supported by initiatives like Aani and the broader Financial Infrastructure Transformation programme, is enabling faster, more frictionless transactions across platforms. This is reinforcing consumer trust, improving checkout efficiency, and embedding digital payments deeper into everyday commerce journeys.

- In parallel, investments in free zones such as Dubai CommerCity and advanced logistics infrastructure are attracting global and regional players. This positions the UAE as a highly digital, innovation-led e-commerce ecosystem with strong cross-border relevance.

MENASA: E-Commerce market size
Share by country (%, 2030)



Note: The Personal Data Protection Law (PDPL) is a data privacy law in Saudi Arabia that regulates how personal data is collected, processed, stored and shared.

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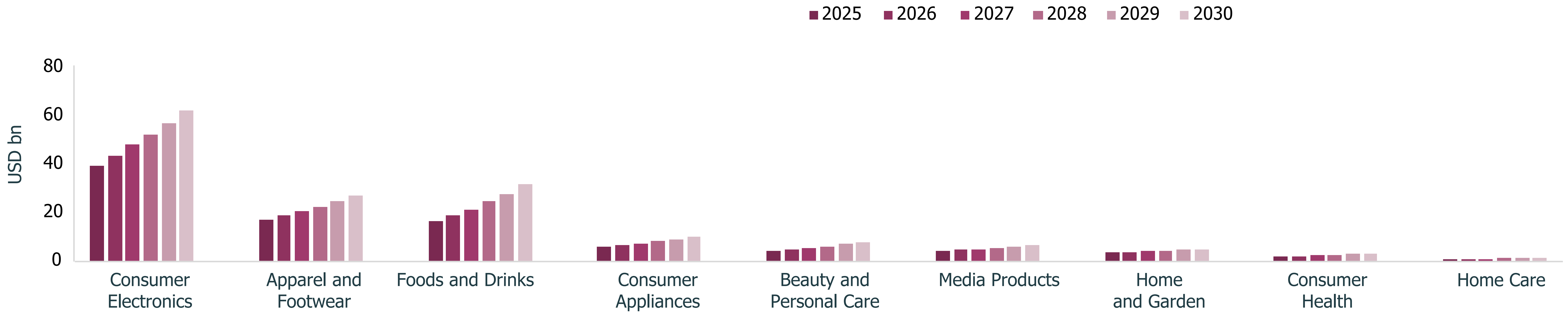
INDUSTRY OUTLOOK

Overview by category

Future e-commerce growth is expected to be driven by high-frequency, functional categories such as beauty and personal care, and consumer health, supported by repeat purchasing behaviour

MENASA: E-commerce market size by industry
USD billion (2025-30)



	Consumer Electronics	Apparel and Footwear	Foods and Drinks	Consumer Appliances	Beauty and Personal Care	Media Products	Home and Garden	Consumer Health	Home Care
CAGR 2020-25	30.9%	16.8%	28.8%	23.9%	19.4%	11.8%	8.2%	22.9%	24.4%
CAGR 2026-30	11.8%	12.2%	17.7%	10.9%	7.6%	16.3%	14.0%	15.9%	9.9%

- Food and drinks is expected to be the fastest-growing e-commerce category, with a CAGR of 17.7% over 2026–2030, as consumption shifts online and becomes more frequent and habitual. With over 50% of millennials making online purchases weekly (Euromonitor Lifestyles Survey 2025), everyday categories like groceries are naturally moving to digital channels. Features such as quick commerce, scheduled deliveries, and subscriptions are embedding grocery into daily routines, making it a utility-like, high-retention category.
- Beauty and personal care is expected to grow at a CAGR of 7.6% (2026–2030), becoming increasingly content-driven and personalised. As consumers spend more time online, discovery is shaped by tutorials, influencers, and AI-led recommendations. At the same time, digital-first cultural brands are scaling cross-border, with e-commerce enabling trends like K-beauty, J-beauty, and Ayurveda to reach global audiences, driving routine-based, high-engagement purchasing.

INDUSTRY OUTLOOK

Drivers Supporting E-Commerce Growth In The Forecast Period

1

Product discovery is being transformed

- Product discovery is expected to evolve rapidly, driven by advances in AI and GenAI, with AI-generated summaries and recommendations already reducing the need to browse multiple links and streamlining product research.
- This shift is set to accelerate further, as search moves from keyword-based algorithms to context-aware, intent-driven models that better understand user needs, enabling more personalised and efficient shopping journeys.

2

Emerging engagement strategies

- As more of the shopping experience shifts online, retailers and brands are expected to increasingly adopt shoppable videos, gamification, and conversational commerce to enhance engagement and improve the digital journey.
- These innovations are set to scale further, enabling more interactive and immersive experiences, and driving a more personalised, experience-led shopping environment with higher engagement and conversion.

INDUSTRY OUTLOOK

Drivers Supporting E-Commerce Growth In The Forecast Period

3 Video commerce on owned platforms

- Video commerce is expected to become a key part of e-commerce, shortening the path to purchase through livestreams and shoppable videos. Consumers will be able to discover, evaluate, and buy products within the same experience, reducing friction in the journey.
- As adoption grows, brands and platforms are expected to integrate these formats into their own websites and apps, enhancing customer retention and engagement.

4 Super app ecosystems

- Platform ecosystems and super apps are expected to further redefine e-commerce across MENASA, as players continue integrating shopping, payments, mobility, and services into unified digital environments, embedding commerce into daily life.
- As these ecosystems scale, they are expected to drive higher engagement and retention, enabling platforms to capture greater share of wallet, leverage data for personalisation, and create more seamless, end-to-end journeys.

5

Voice platform e-commerce

- Voice commerce is expected to emerge as a hands-free extension of e-commerce, supported by the growing adoption of voice assistants such as Alexa, Google Assistant, and Siri. These technologies are enabling more seamless, voice-led interactions across search, discovery, and transactions.
- However, adoption is expected to remain gradual, as concerns around trust and control, along with limited use cases, continue to restrict widespread uptake, particularly for high-value or complex purchases.

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