



**E-COMMERCE MARKET**  
**INSIGHTS IN THE UAE**  
**Q2-2020**

**EDITION 1**



# 33%

increase in Q2

## **E-COMMERCE VALUE (AMOUNT) GROWTH**

With retail and hospitality operating largely un-impinged and inbound international tourism recommencing as of 7 July, the speed of recovery is hard to predict. Network as the leading merchant acquirer in the UAE, we believe in sharing our insights on the consumer payments will be highly beneficial and help our clients and partners understand the performance of our local economy in these unprecedented times.



# 100%

increase in Q2

## E-COMMERCE VOLUME (COUNT) GROWTH

The e-commerce sector is also benefitting from a 100% increase in volume during Q2. However, there has been some contraction in the percentage of virtual transactions, down 50 index points from its peak as shoppers return to physical outlets.

## TOP ECOMMERCE GROWING SECTORS IN Q2



# 228%

Retail



# 208%

Hospitals/Clinics



# 165%

Restaurants



# 131%

Supermarkets



# 118%

Pharmacies

The electronics retailers being one of the top growing sectors registered a growth of 228% and recovering strongly, followed up by hospitals and clinics showing a growth of 208%. Restaurant performance is also improving (165%) as capacity restrictions are eased, with fine dining establishments showing strong growth through June. As well supermarkets (131%) and pharmacies (118%) showed a well-documented steady growth due to change in people buying behaviors.



# 90%

Domestic

# 10%

International

## DOMESTIC VS. INTERNATIONAL CARD PAYMENT

The return of tourism, additionally, is crucial to a number of sectors and the economy as a whole. Though domestic and international payment transactions were recorded at 90% and 10% respectively.



# 46%

shift from Cash to Card payments in Q2

## CASH TO CARD PERCENTAGE

The card spending in the UAE remains suppressed, but still down from its typical 20 – 30%. This factor becomes more pronounced when the early stages of the pandemic are considered, during which the use of digital payments generally, and contactless specifically, was promoted to consumers as a safer alternative to cash, with a 46% recorded shift from cash to card payments in Q2. This has resulted in a significant increase in the use of contactless payments, which grew across all sectors.



## 16%

increase in Q2

### BRICK-AND-MORTAR TO CLICK-AND-MORTAR TRANSFORMATION

Abreast of this market switch, and showing a noticeable level of growth, brick-and-mortar businesses are seeing some recovery, with a reported 16% increase in Q2.



## 300AED

in Q2

### AVERAGE TRANSACTION VALUE OF ECOMMERCE

The average online ticket size now 30% below pre-lockdown levels, and brick-and-mortar businesses witnessed an average value of AED 300 in Q2.



## 37%

in Q2

### ONLINE RETAIL GROWTH

All that said, the UAE's retail sector registered a 37% growth in Q2 and experienced a steady and sustained recovery from its low point in mid-April. Spend in traditional brick-and-mortar retail outlets has grown by 30 index points up to the first week in July. In fact, the weekend of 3rd and 4th of July was the strongest weekend for retail sales since the start of the pandemic, driven by post-salary day spends and coinciding with children and elders being allowed to visit malls for the first time.