

**EZDUBAI** | by  
E-COMMERCE ZONE



# E-commerce Report 2025



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## Foreword

Dear industry colleagues,

We are proud to unveil the fifth edition of the EZDubai annual e-commerce report, which is in collaboration with Euromonitor. This report continues to serve as a valuable resource for understanding the evolving e-commerce landscape across the UAE and the MENA region.

We are fortunate to operate in a region experiencing strong growth across various sectors, and e-commerce is no exception. The UAE's robust digital infrastructure, the government's long-term vision for the logistics sector and the smooth integration of advanced payment and logistics solutions continue to drive this momentum, solidifying the country's position as a leading e-commerce hub in the region.

Innovation continues to shape the way we operate—from the rise of AI-powered platforms to the adoption of secure, data-driven technologies that enhance both customer experience and supply chain efficiency. These advancements are not only transforming operations but also setting new benchmarks for the future of e-commerce in the region.

When we launched EZDubai as a dedicated e-commerce zone within Dubai South, our goal was clear: to attract leading global players and strengthen Dubai's position as a central hub for global e-commerce. Today, we remain firmly committed to bridging gaps in the e-commerce landscape—not only in Dubai, but across the wider GCC—through our state-of-the-art infrastructure, supportive regulatory environment, seamless connectivity, and streamlined logistics solutions.

We trust this year's report will offer meaningful insights to all stakeholders and help guide strategic decisions as the region's e-commerce sector enters its next phase of development. We remain focused on driving innovation, shaping the future of e-commerce, and creating new opportunities for sustainable growth and strategic collaboration.

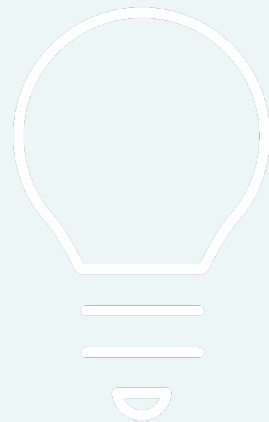
**Mohsen Ahmad**

CEO of the Logistics District, Dubai South





# Introduction



## INTRODUCTION: PROJECT BACKGROUND AND SCOPE

Dubai South is establishing itself as a leading player in e-commerce and logistics by publishing in its website insightful reports on these sectors, covering various industries across the UAE, the Middle East, and global markets.

These informative reports serve as a valuable reference to the local and international business communities as well as governments; covering key information such as industry size, growth, trends across the different verticals on regular basis.

Dubai South approached Euromonitor in 2025 to develop another comprehensive report on the e-commerce industry, focusing on UAE, Middle East and few other key international markets.



### GEOGRAPHIES

#### MENA

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

#### Global Markets

- China
- Indonesia
- Turkey
- USA
- Brazil
- India
- South Korea
- UK
- France



### 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: 2019-2024: current prices, y-o-y exchange rate
- Forecast: 2025-2029: constant prices, fixed exchange rate (2025 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 MENA

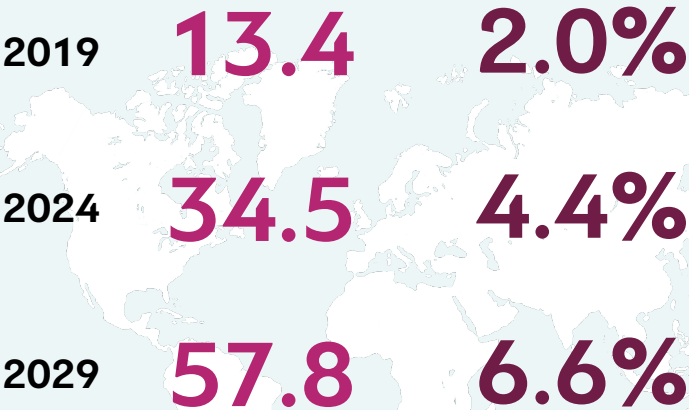
E-commerce booms in MENA with KSA, UAE and Iran accounting for over 70% of market value, driven by economic growth and digital adoption



MENA e-commerce  
Market Value (USD bn)

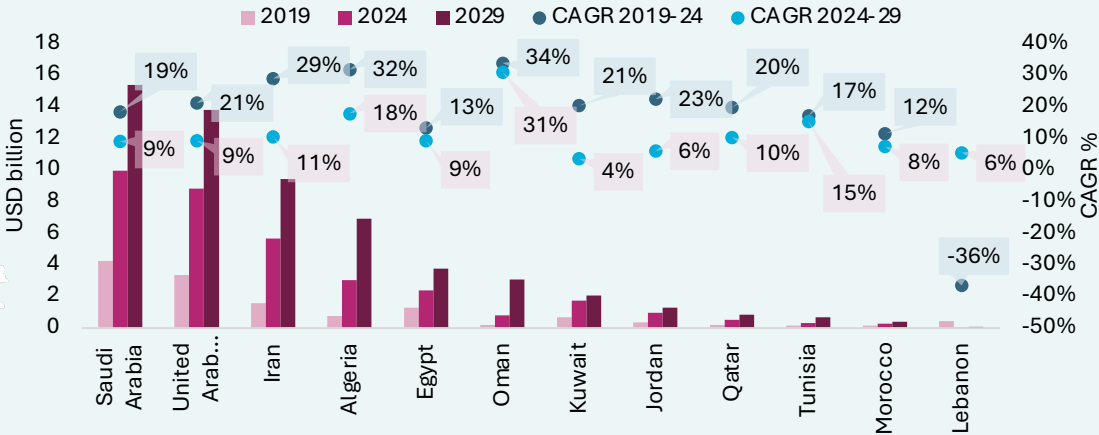


MENA e-commerce  
Penetration (%)



## MENA countries: E-commerce market size

USD billion (2019/2024/2029) and CAGR % (2019-24/2024-29)



## MENA: E-commerce market share by country

Share % (2024)



■ Saudi Arabia ■ United Arab Emirates ■ Iran ■ Algeria ■ Egypt ■ Oman ■ Kuwait ■ Jordan ■ Others

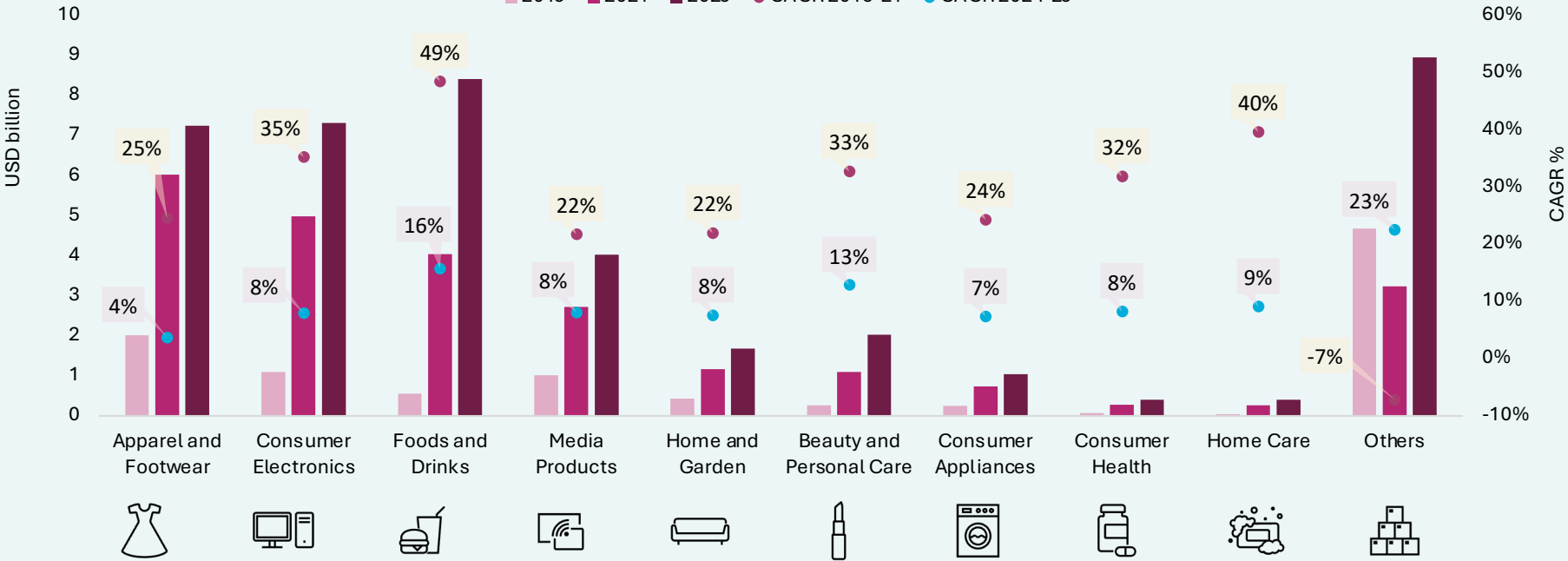
# EXECUTIVE SUMMARY: ECOMMERCE SNAPSHOT IN MENA

Foods and drinks and home care saw strong growth from 2019 to 2024, driven by faster delivery and enhanced refunds, a trend expected to expand to other categories.

## MENA: Total e-commerce market size by industry

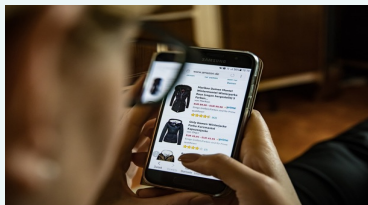
USD billion (2019/2024/2029) and CAGR % (2019-24/2024-29)

2019 2024 2029 CAGR 2019-24 CAGR 2024-29



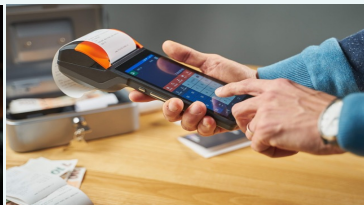
## EXECUTIVE SUMMARY: KEY TRENDS IN MENA

Cross-border e-commerce in MENA is growing due to rising demand for imported products, improved logistics and payment systems, and streamlined customs across the region.



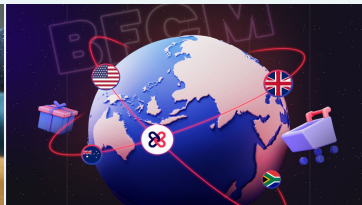
### Rapid mobile commerce growth

Mobile devices are the primary access point for e-commerce in many MEA countries, driven by high smartphone penetration and young, tech-savvy populations. Consumers increasingly **prefer mobile apps and mobile-optimised websites** for shopping, making mobile-first strategies essential for e-commerce success.



### Rising digital payments and fintech integration

Digital payment adoption is accelerating due to **improved infrastructure, fintech innovation and financial inclusion** efforts. Countries such as Egypt and the UAE are seeing strong growth in e-wallets, BNPL (Buy Now, Pay Later) and mobile money services, reducing reliance on cash-on-delivery.



### Cross-border and international brands gaining traction

Consumers in MEA are increasingly open to purchasing from international platforms such as Amazon, Temu and global DTC brands, especially in the Gulf Cooperation Council (GCC) region. Improved logistics and customs processes are supporting this cross-border e-commerce trend.



### Logistics and last-mile delivery innovation

The need for reliable, fast delivery is prompting investments in **local fulfilment centres, dark stores and tech-enabled logistics networks**. In markets such as the UAE and Egypt, same-day or next-day delivery is becoming the new standard.

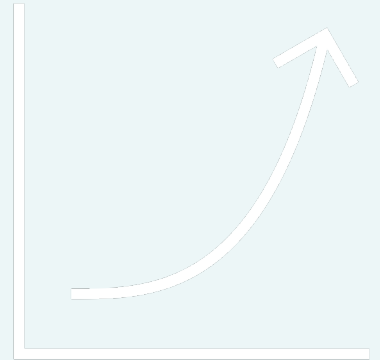


### Government and policy support driving digital economy

National initiatives such as Saudi Arabia's Vision 2030, **UAE's digital transformation** agenda and **Africa's AfCFTA** are encouraging e-commerce through infrastructure development, start-up ecosystems and regulatory reforms. These efforts are creating a more enabling environment for e-commerce growth.



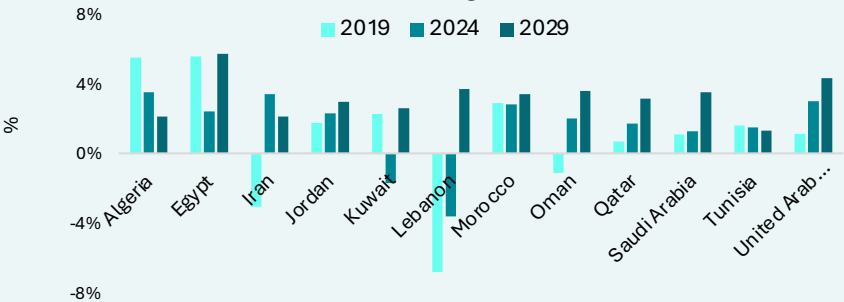
# Industry Size and Growth Drivers



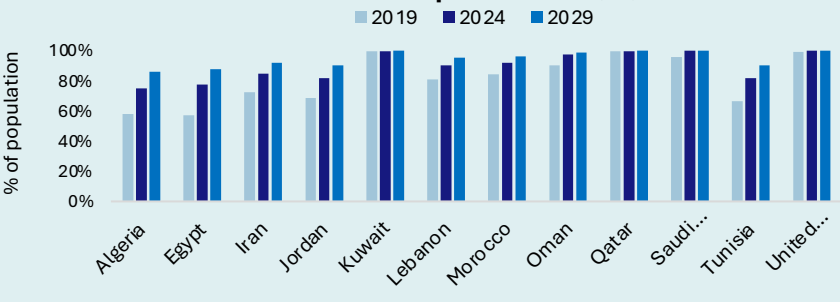
# INDUSTRY SIZE AND GROWTH DRIVERS – MACRO-ECONOMIC DRIVERS

E-commerce growth in MENA will be fuelled by economic improvement, rising purchasing power, consumer spending and population growth

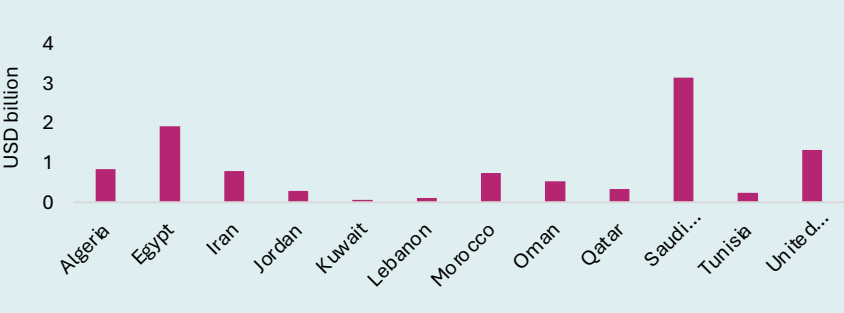
Real GDP growth



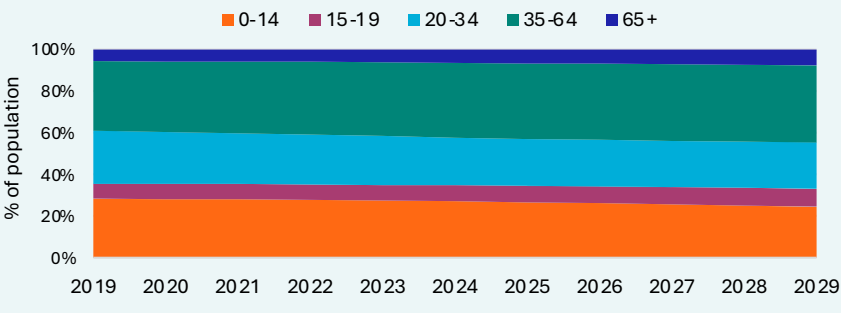
Internet penetration (%)



Capital investment in telecommunications, 2024



Demographics by age bracket across MENA



## INDUSTRY SIZE AND GROWTH DRIVERS – MACRO-ECONOMIC DRIVERS

Youthful demographic, alongside mobile-first behaviours and increasing digital payment adoption, accelerating MENA's e-commerce growth



### Mobile subscriptions markedly outpace population

MENA markets such as KSA and UAE have almost **two mobile subscriptions per capita**, driven by **workplace technology use and high consumer purchasing power**. Consequently, the m-commerce sector in these countries is poised for growth, with its share of total e-commerce revenues expected to increase.



### Tourism and urbanisation to stimulate infrastructure investment

The growth of **tourism and urbanisation** in MENA is driving substantial economic development through **increased spending, technological investments, and infrastructure upgrades**. Saudi Arabia's "**giga projects**" aim to position the Kingdom as a top global tourist destination by 2030, while rising urbanisation is fuelling demand for urban-centric services and improved city infrastructure.



### GCC powers MENA growth amid inflation challenges

The MENA region is experiencing modest growth, with **GDP expected to rise to 2% in 2024** primarily driven by **Gulf Cooperation Council (GCC) countries**. These countries enjoy relatively optimistic economic stability while economies such as Lebanon face heightened uncertainty due to ongoing conflicts which **constrain discretionary spending**.



### Digital-first youth shape e-commerce

MENA will remain a young region, with a **median age of 24.1 years**, compared to the global average of 35.2. This demographic is fuelling a surge in digital engagement, with Millennials and Gen Z showing a strong inclination toward **mobile-first experiences**, seamless digital payments (including digital wallets and BNPL options), and **immersive shopping formats** such as social commerce and live shopping.

## INDUSTRY SIZE AND GROWTH DRIVERS – REGULATORY LANDSCAPE

Digital upskilling and data governance policies are shaping the regulatory landscape of the region.



UAE's Ministry of Industry and Advanced Technology launched a **voluntary Compliance Pledge**, signed by 11 leading e-commerce platforms, including Amazon and Noon, to ensure that products sold online adhere to **UAE standards and technical regulations**. Additionally, the country introduced a **new VAT refund system** to boost online purchases from tourists and strategically position itself as a global digital shopping destination.



Saudi Arabia's government is accelerating digital transformation through initiatives such as the **Nawafth app** and **upskilling camps**, alongside infrastructure upgrades that **enhance internet speed** and data capacity. Retail e-commerce is set to benefit from the **2030 Digital Strategy**, focusing on citizen engagement, data governance, and emerging technologies.



The Egyptian government is **prioritising delivery and logistics** as a key component of e-commerce growth by **rebuilding road networks, upgrading infrastructure, and improving trade routes**. Simultaneously, the constant enhancement of technological infrastructure is driving e-commerce towards becoming a more regulated industry, with the introduction of **stricter policies, security verifications, and authorisation requirements** for all market players.



Morocco launched **Digital Morocco 2030 Strategy** aiming to strengthen the country's digital ecosystem by training young professionals in digital fields by 2030. The plan also seeks to **expand internet access** to underserved rural areas by 2026 and invest in advanced infrastructure such as **cloud and AI**. This initiative is expected to boost e-commerce by enhancing online service access, expanding the skilled workforce, and improving operational efficiency.

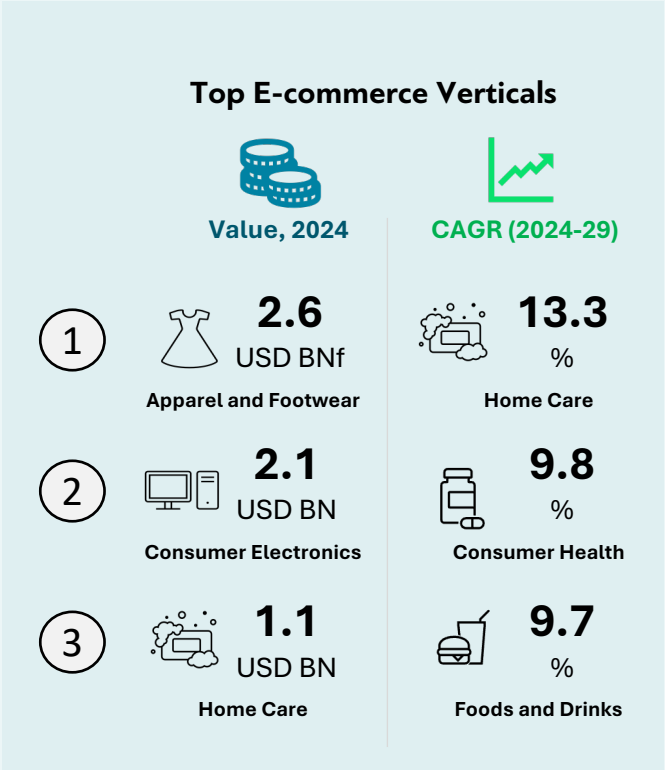
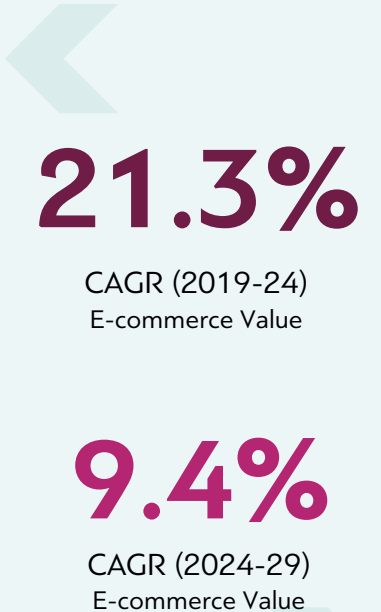


Algeria launched the **National Strategy for Digital Transformation 2024-2029** to digitise government services, reduce bureaucracy, and enhance transparency through new legislation and stronger cybersecurity to boost economic performance. However, the sector faces **strict data protection requirements**, mandating that data must be stored locally. This regulation may create **barriers for foreign firms** looking to operate in the country.

# INDUSTRY SIZE AND GROWTH DRIVERS: E-COMMERCE SNAPSHOT IN UAE



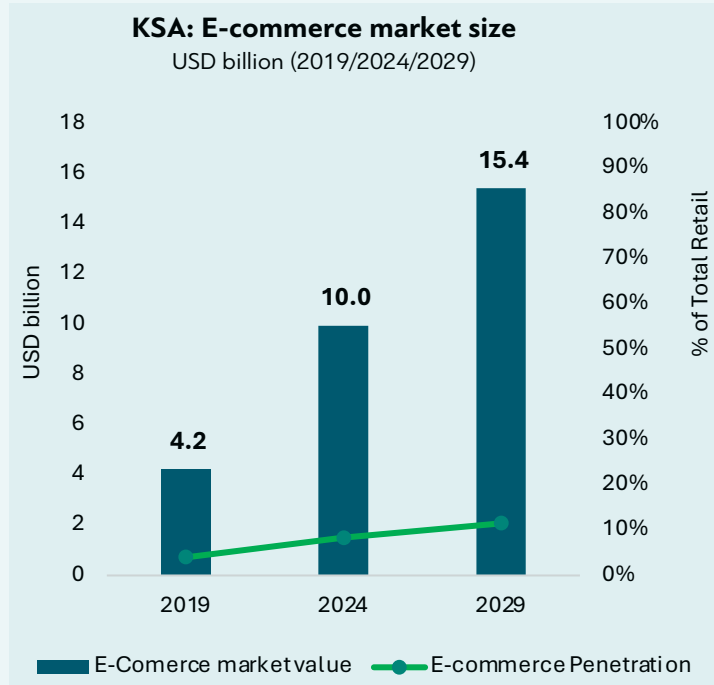
Home care remains one of the largest categories by both value and forecast growth as demand for multifunctional products rise and consumers seek more efficient and value-driven solutions.



## INDUSTRY SIZE AND GROWTH DRIVERS: E-COMMERCE SNAPSHOT IN KSA



Foods and drinks e-commerce to mushroom, underpinned by subscription services, reward programmes and collaboration with third parties such as Careem and Deliveroo.



# 18.6%

CAGR (2019-24)  
E-commerce Value

# 9.1%

CAGR (2024-29)  
E-commerce Value

### Top E-commerce Verticals



Value, 2024

1



**3.1**  
USD BN

Apparel and Footwear

2



**2.4**  
USD BN

Consumer Electronics

3



**0.9**  
USD BN

Foods and Drinks



CAGR (2024-29)



**23.5**  
%

Foods and Drinks



**15.3**  
%

Beauty and Personal Care

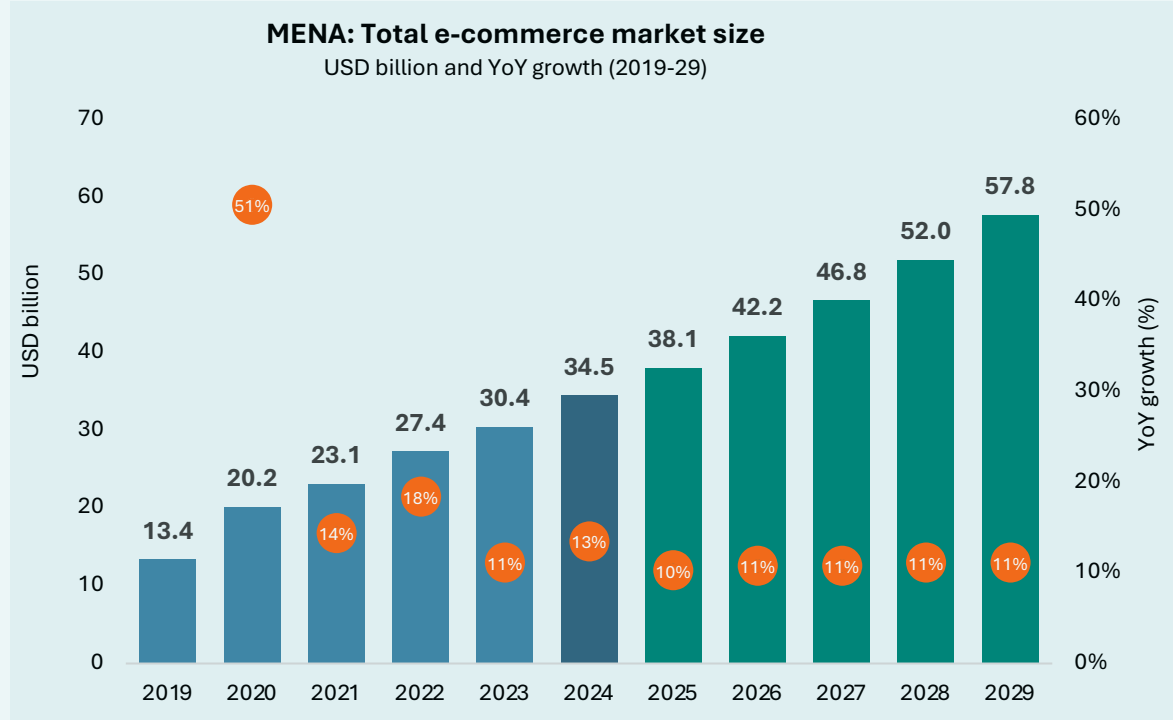


**13.7**  
%

Media Products

## INDUSTRY SIZE AND GROWTH DRIVERS

E-commerce in MENA sees strong growth reinforced by infrastructure developments, government initiatives and tech-savvy consumer base of the UAE and Saudi Arabia.



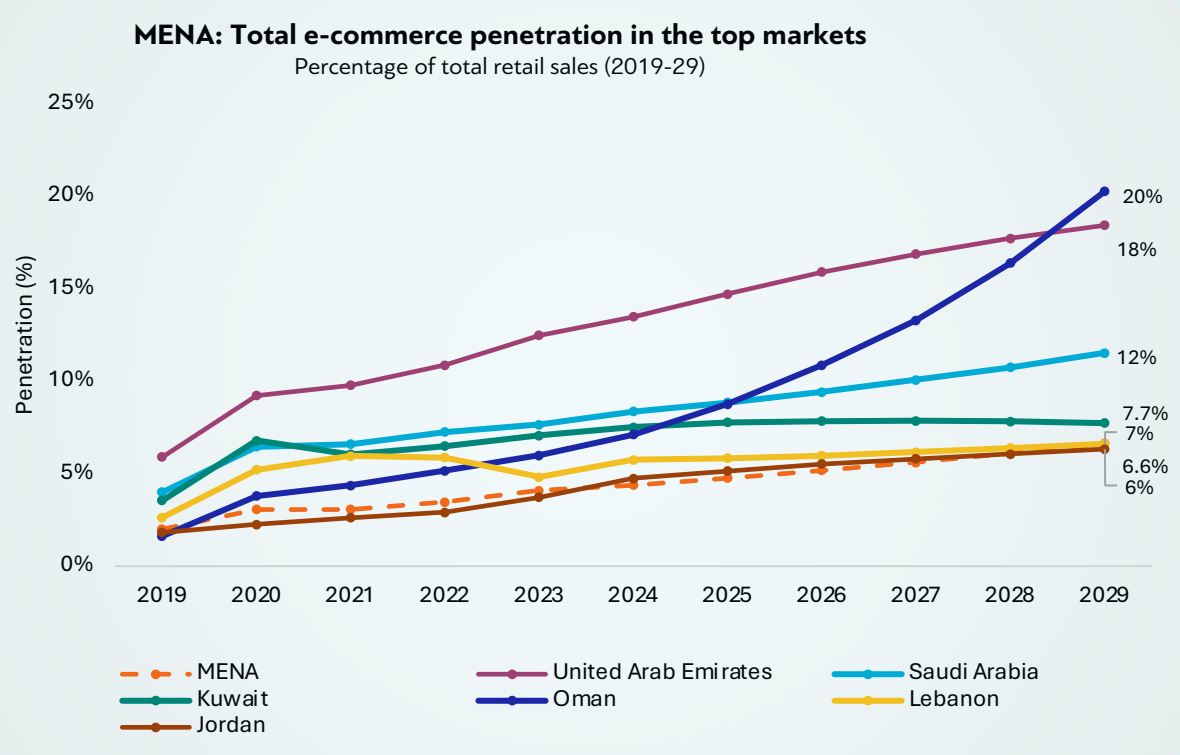
E-commerce in the MENA region is expected to grow at a **CAGR of 11% over 2024- 29** primarily driven by its rising adoption in markets such as the **UAE, Saudi Arabia, Oman and Algeria**.

The UAE's e-commerce market is steadily growing, driven by a growing tech-savvy youthful population showing preference for online shopping and **advanced supporting infrastructures** that facilitate higher internet penetration and **faster delivery services**. There is also an **influx of new players such as eJaby**, leading to more innovative and diversified offerings across price spectrums.

Saudi Arabia's e-commerce adoption is also on the rise, fuelled by a growing **digital-native population, rapid urbanisation, government support, and improved last-mile delivery infrastructure**.

# INDUSTRY SIZE AND GROWTH DRIVERS – ECOMMERCE TO OVERALL RETAIL

Lebanon is set for a comeback, driven by signs of economic recovery and the region's highest internet penetration.



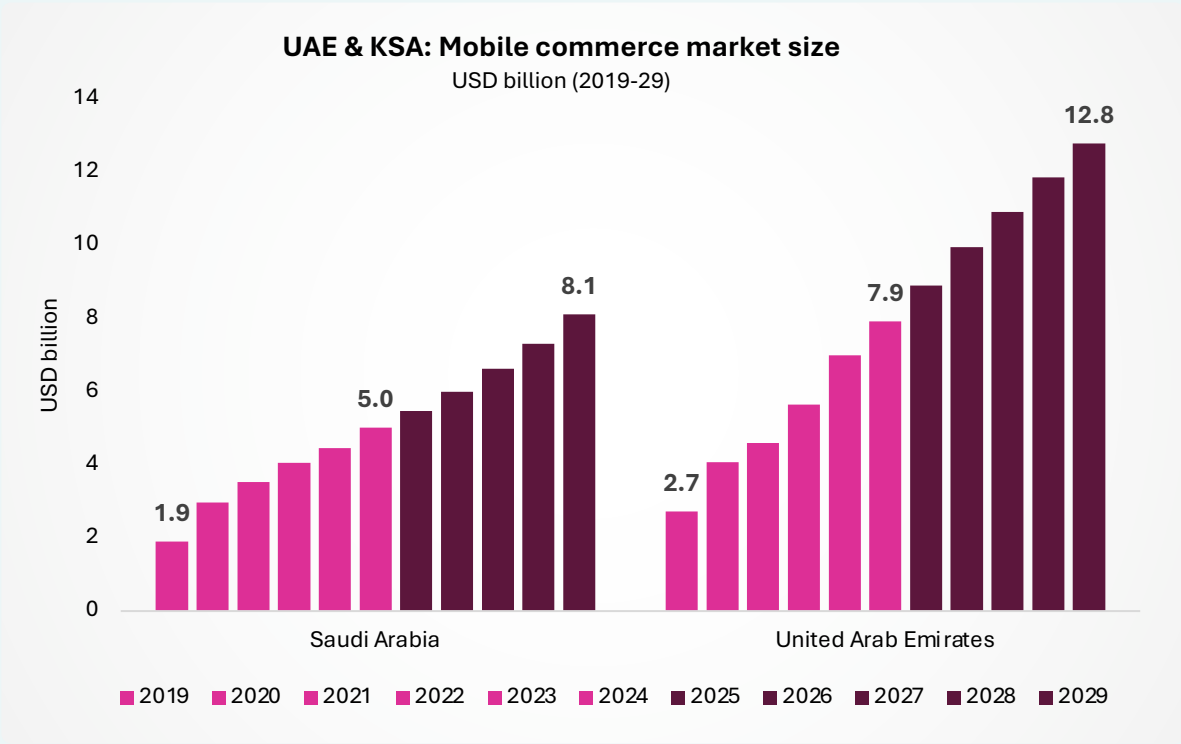
E-commerce sales in the MENA region reaches approximately **4% of total retail sales in 2024**, with more mature markets such as **the UAE and KSA exhibiting higher penetration rates at 14% and 8%, respectively**. However, these figures remain comparatively lower than the global average, which **stands at around 26% in 2024**.

Developed markets such as the UAE and KSA are set to maintain their growth trajectory, while markets such as **Oman and Kuwait are expected to exceed the regional average with e-commerce penetration rates of 20% and 8% by the year 2029, respectively**.

Lebanon's e-commerce penetration declined since 2021, with a sharp drop in 2023 due to ongoing **economic crisis, political instability and budget constraints due to hyperinflation caused by currency devaluation**. However, it gained momentum in 2024 and is expected to recover gradually.

# INDUSTRY SIZE AND GROWTH DRIVERS – MOBILE-COMMERCE

Retailers drive sales and retention with mobile-first strategies during peak shopping events and promotional periods.



The mobile commerce market in Saudi Arabia and the UAE has nearly **quadrupled in value** from 2019 to 2024, reaching around **USD 5 billion and USD 8 billion, respectively, in 2024.**

White Friday, the Middle East's version of Black Friday, is driving mobile commerce. Retailers use **mobile-first strategies** during these events to boost revenue and retention to enhance customer engagement. This approach includes **responsive design** for seamless browsing, **fast-loading pages** to reduce drop-offs, **easy navigation** for better usability and mobile payment options such as digital wallets. By leveraging **personalised recommendations, push notifications and app-based loyalty programmes**, retailers are improving customer satisfaction, driving repeat purchases and maximising conversions in the growing mobile commerce landscape.

### Enhancing e-commerce with AI

- AI integration is reshaping MENA e-commerce by delivering **hyper-personalised experiences**, streamlining operations and enhancing customer engagement.
- Riyadh-based Taffi's AI stylist, Amira, offers real-time, **personalised fashion advice**, simplifying decision-making and boosting conversion rates.
- These advancements enhance the overall shopping experience and customer satisfaction through real-time personalisation and create differentiation in an increasingly competitive market.

### Discounts drive online retail

- Consumers across MENA are increasingly prioritising value-based online shopping even as economic conditions improve, seeking **competitive prices, discounts and bundled deals** to maximise savings.
- In response, brands such as Noon hold bi-weekly flash sales featuring discounts up to 75% and free returns **create urgency while rewarding loyal customers**.
- This value focus is reshaping the industry by spurring more **innovative promotions and pricing models** that drive customer engagement and sustain growth.

### Incentivising loyalty to enhance retention

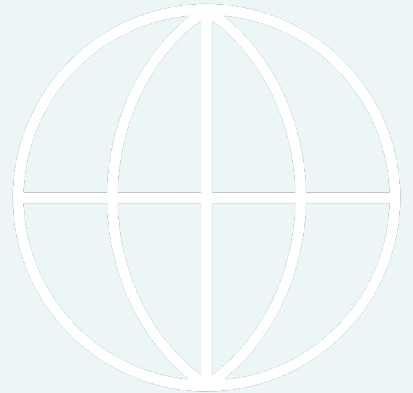
- Loyalty programmes have become essential in MENA e-commerce, as consumers increasingly seek **personalised rewards and exclusive benefits**.
- For example, **Noon's VIP programme** offers members perks such as free shipping, exclusive deals and personalised promotions, leveraging **machine learning to tailor rewards** based on individual shopping habits and preferences.
- These programmes not only enhance customer retention but also **boost engagement and lifetime value**.

### Value-driven consumer engagement

- As consumer expectations rise in MENA, e-commerce platforms are offering perks such as **free delivery, flexible payments and easy returns** to stand out.
- For example, Noon provides discount coupons in the form of **"Sorry for the inconvenience"** codes post-return, driving shoppers back with time-limited offers.
- Brands are also using store credit and discounts on returns to **soften the inconvenience and drive repurchase**.

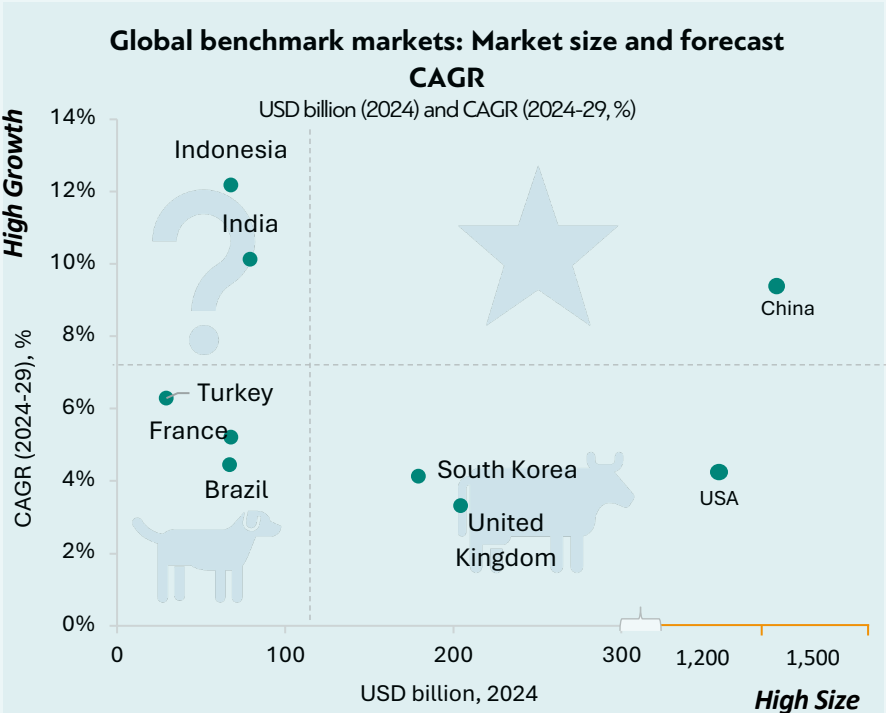
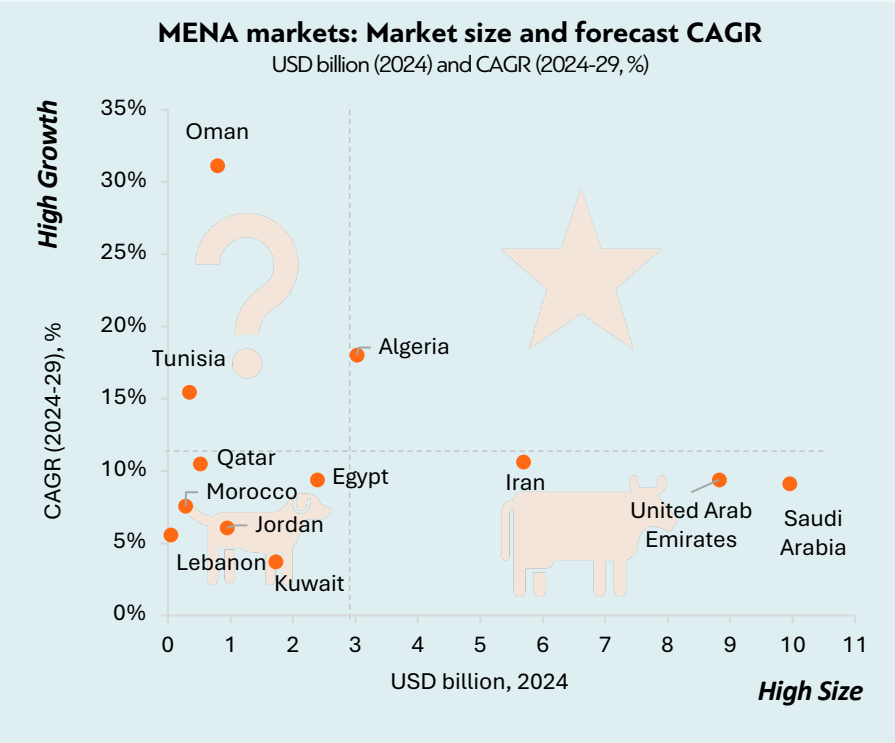


# Trends In Global Markets



# E-COMMERCE TRENDS IN GLOBAL MARKET – GROWTH SHARE MATRIX (BASED ON BCG METRICS)

China remains a key growth market driven by cross-border trade, while Oman, Algeria and Tunisia show potential with rising digital infrastructure.



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

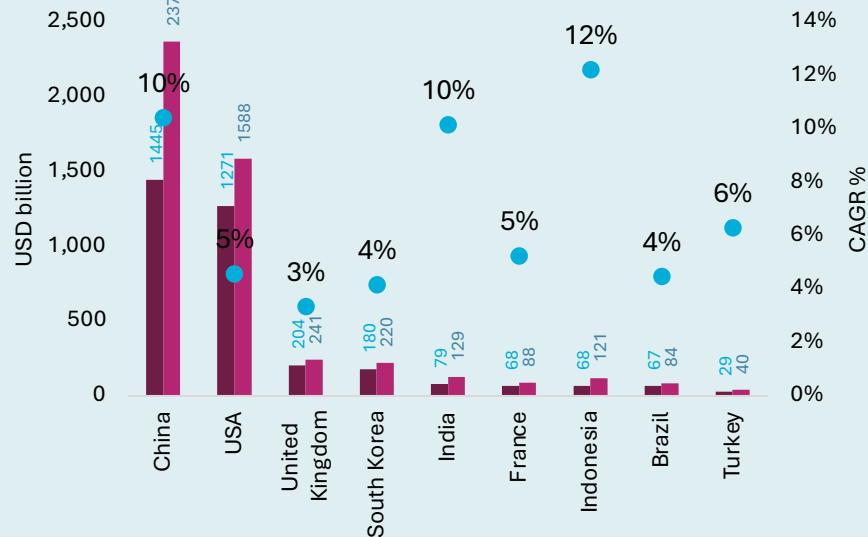
## E-COMMERCE TRENDS IN GLOBAL MARKET – SNAPSHOT IN OTHER MARKETS

China and US remain the leaders in e-commerce adoption, while Indonesia and India gain momentum.

### Global benchmark markets: E-commerce market size

USD billion (2019/2024) and CAGR (2024-29, %)

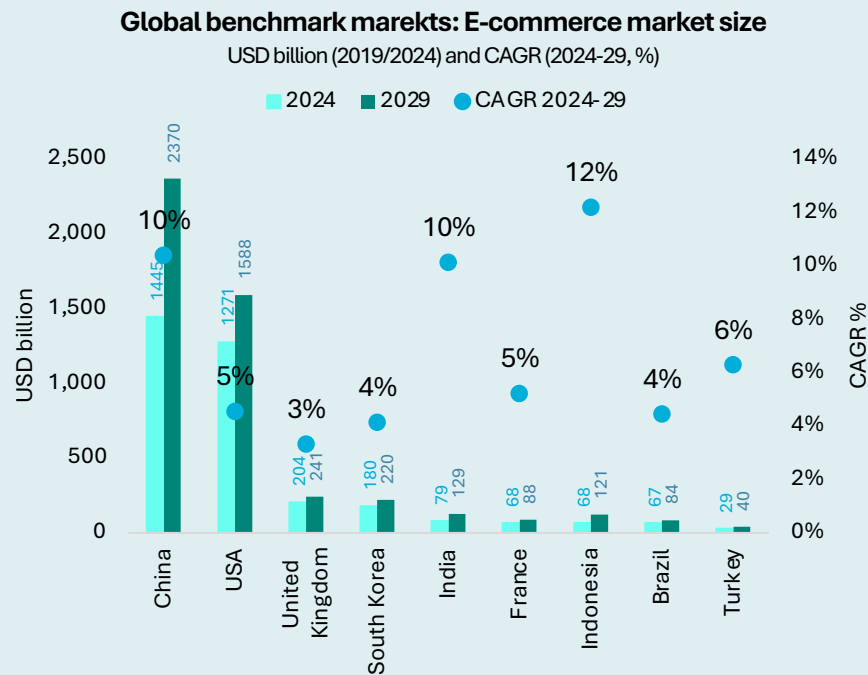
■ 2024 ■ 2029 ● CAGR 2024-29



- China's e-commerce saw the **adoption of AI and big data** enabling hyper-personalised shopping and targeted marketing, enhancing customer satisfaction and reducing return rates. AI systems are predicting demand, **enabling quicker deliveries and reduced waste**.
- As the US e-commerce market continued to grow, major players embraced third-party marketplaces. Retailers such as **Amazon prioritised speed, while China-based Temu** appealed to inflation-weary US consumers with **ultra-low prices with longer shipping times**.
- **Live shopping**, which blends online shopping with social media, is gaining traction in the UK's e-commerce scene. Alongside social commerce, advancements in **AR/VR, smart wearables and AI-powered home automation** enhance user experience and connectivity.
- South Korea's e-commerce market is evolving **with faster delivery, membership programmes, AI-driven recommendations and personalised promotions**. Cross-border e-commerce and overseas direct purchases are also set for steady growth, fuelled by **streamlined customs processes**.
- India's e-commerce market is rapidly evolving, driven by **the rise of quick commerce** for instant deliveries, the growing popularity of **social shopping** through influencers and content platforms, and the integration of **AI for deeper and tailored personalisation**.

## E-COMMERCE TRENDS IN GLOBAL MARKET – SNAPSHOT IN OTHER MARKETS (2/2)

Enticing value-added services and simplified user journey drive growth in developing markets.



- Indonesia's e-commerce space is witnessing steady growth due to **increasing internet penetration**, helping players such as **Shopee and Tokopedia** due to their ability to **expand especially in rural areas**. **Value-for-money deals** remained in focus as the region's demographic is **price sensitive with a weaker sense of brand loyalty**.
- In 2024, pure players and online marketplaces dominated France's e-commerce landscape. Fast fashion disruptors such as **Shein, with its constant new designs, and Temu, with its low prices**, are rapidly gaining market share. The rapid growth of mobile commerce is driven by **advances in 5G, app optimisation, AR, AI algorithms and voice search**.
- Brazil's e-commerce market maintained steady value growth with average **ticket per consumer reaching BRL492 in 2024 from BRL470 in 2023**. Major players are focusing on optimising delivery efficiency, **live delivery tracking, competitive pricing strategy** and adding a **variety of products** to their portfolios, strengthening market engagement.
- In Turkey, the e-commerce market is dominated by **online marketplaces, multi-category retailers and private shopping sites**. These players use value-added services such as **artificial intelligence and virtual reality**, along with **efficient logistics in terms of delivery and seamless refunds** as competitive tools.

Global Trend

# AGENTIC COMMERCE



## INDUSTRY SIZE AND GROWTH DRIVERS – GEN AI

Consumer expectations of greater personalisation becoming more feasible with GenAI.

Half of consumers globally want tailored products or services, and one in five want personalised shopping experiences, with these sentiments highest among the most digitally savvy. These shoppers are the ones that more frequently shop across online channels where tech integrations have the potential to create more intuitive shopping experiences.

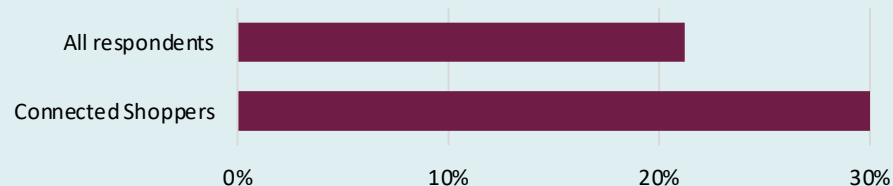
More broadly, the expanding influence of the digital channel is elevating shopper expectations. In part, this means ensuring the online channel is more akin to what a consumer might experience in person. This is becoming more possible due to evolving data-gathering strategies and emerging technologies. Although inherent challenges in shopping online have held back e-commerce to some degree, a transformative shift is on the horizon as emerging technologies such as GenAI become more embedded into shopping.

While artificial intelligence synthesises large amounts of information, GenAI creates something new such as images, videos, audio, text and code that did not exist before. Nearly two thirds of global internet-connected consumers indicate they see at least one benefit of shopping on platforms that leverage GenAI, with the top benefit being more relevant product recommendations.

*Note: “Connected Shoppers” refers to a segmentation that isolates consumers that most actively participate in a variety of digitally-driven activities*

### “I am looking for personalised and tailored shopping experiences” 2024

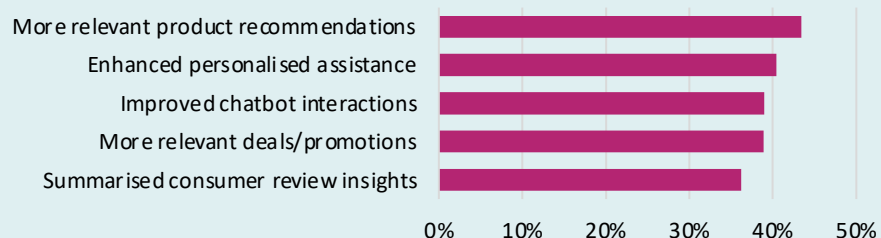
% of internet-connected consumers



Source: Euromonitor Voice of the Consumer: Lifestyles Survey, 2024

### Advantages of shopping with GenAI 2024

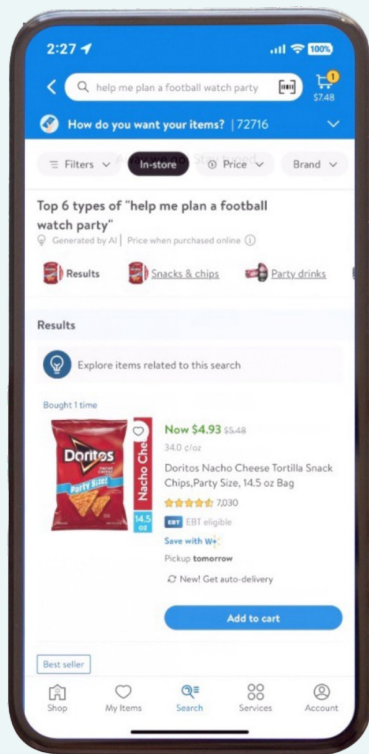
% of internet-connected consumers who see benefit of shopping with GenAI



Source: Euromonitor Voice of the Consumer: Digital Shopper Survey, 2024

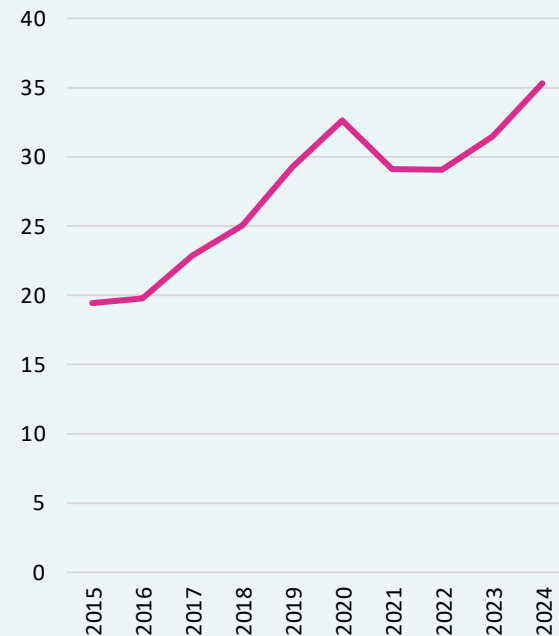
## INDUSTRY SIZE AND GROWTH DRIVERS – GEN AI

Retailers such as Walmart are building AI-powered assistants to enhance online experience.



- As of June 2024, Walmart began beta testing a GenAI shopping assistant and announced it is expanding the test in January 2024. The assistant can engage customers in natural, free-flowing conversations to help them arrive at the best choice for their specific need.
- Many retailers are actively working on an AI-powered shopping assistants. Besides Walmart, others such as Amazon, Target and IKEA have launched AI assistants. Amazon's cloud division, AWS, also released a white label AI shopping assistant for retailers and other businesses in late 2024.
- As more shopping shifts online, retailers are becoming increasingly challenged with how to mimic the in-store experience online. AI-powered assistants have the potential to improve the online experience through GenAI-powered product reviews, product summaries and comparisons.

### Walmart's share of US grocery e-commerce 2015-2024 (%)



Source: Euromonitor Passport: Retail, 2025ed

# INDUSTRY SIZE AND GROWTH DRIVERS – GEN AI

Perplexity's AI shopping assistant takes aim at Amazon and Google Shopping.

What is the best computer for travel?

❖ Sources

10 Best Travel Laptops of 2025 - The Broke Backpacker  
thebrokebackpacker

Travel Laptops - Best Buy  
bestbuy

Best Travel Laptop - Lenovo  
lenovo

Show all

⚙️ Answer

For travel, the best laptops combine portability, performance, and battery life. Here is a comparison of top options:

Laptop	Weight	Screen Size & Resolution	Battery Life	Key Features
Microsoft Surface Laptop Go 3	2.49 lbs	12.4" PixelSense Touchscreen	Up to 15 hours	Lightweight, Intel Core i7, 256GB SSD
Microsoft Surface Pro Copilot+	~2 lbs (tablet mode)	13" OLED (2880x1920)	Up to 14 hours	2-in-1 design, Snapdragon X Plus, 16GB RAM, 512GB SSD
Lenovo Yoga 7	~3.09 lbs	14" 2K Touchscreen (1900x1200)	Up to 12.5 hours	Convertible design, AMD Ryzen 5, 8GB RAM, 512GB SSD
Asus Zenbook 15 OLED	3.31 lbs	15.6" FHD OLED	All-day battery life	Slim design, AMD Ryzen 7, 16GB RAM, 512GB SSD
Dell XPS 13	~2.7 lbs	13" InfinityEdge	~14 hours	Compact design, Intel Core i7, 16GB RAM, 512GB SSD

🔍 Auto Ask follow-up

- In late 2024, AI platform Perplexity launched its Shop **Like a Pro** feature to enable native shopping within its search engine. Upon asking a question, shoppers are shown relevant products with unbiased recommendations. Users can shop from select merchants and check out on its platform.
- Besides investment from retailers in agentic commerce, non-retailers such as Perplexity, Google and Apple are leveraging the new technology to place themselves at the centre of commerce. AI search engines provide shoppers with comparisons in clear, everyday language.
- AI agents have the potential to drive seismic shifts in the way people shop by reducing the reliance on traditional search engines. This shift could profoundly disrupt advertising, which has traditionally targeted intent through lower-funnel tactics, such as search ads and retail media.



**15 mn**  
Monthly active users on Perplexity

**2 mn**  
Users visit Perplexity AI daily



**50 mn**  
Global visitors to the platform each month

Source: Perplexity

Global Trend

# VALUE- BASED SHOPPING



## INDUSTRY SIZE AND GROWTH DRIVERS – VALUE SHOPPING

Cheap clicks: Consumers actively explore low-cost and value platforms when seeking budget-stretching options.

Persistent high inflation has led consumers to adopt more cautious spending habits. With global inflation outpacing disposable income growth, this trend is likely to persist into 2025. In fact, 68% of consumers feel unsafe about their financial situation, according to Euromonitor's Voice of the Consumer: Lifestyles Survey. After years of navigating the cost-of-living crisis, budget optimisation has become ingrained as a habit.

Finding the best price remains the top motivation for shopping online, driving many consumers towards low-budget platforms as they seek to reduce spending. Previously, concerns about quality and reliability caused hesitation, particularly regarding platforms with Chinese origins. However, growing comfort with online shopping and increased trust have shifted this perception. As of 2024, seven of the top 10 leading e-commerce companies operate as marketplaces, with four having ties to China, reflecting this change.

The rising time spent on social media has further amplified the appeal of value and low-budget platforms. By leveraging targeted ads and influencer endorsements, these platforms effectively engage a younger, tech-savvy audience that is more inclined to shop online. The combination of affordability, product offerings and digital promotion has solidified their popularity among budget-conscious consumers.

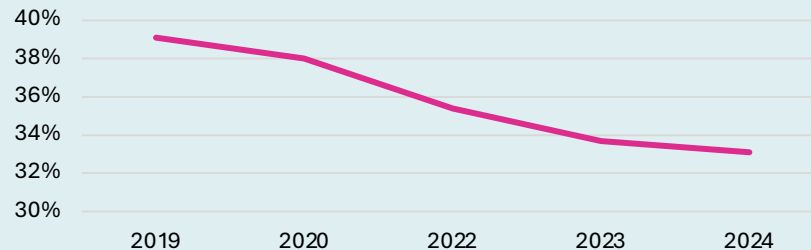
### Online shopping motivations 2024

Share of internet-connected consumers



### "I would rather buy fewer, but higher quality things" 2024

Share of internet-connected consumers



Source: Euromonitor Voice of the Consumer: Digital Shopper Survey, 2024

## INDUSTRY SIZE AND GROWTH DRIVERS – VALUE SHOPPING

Temu is reshaping the online landscape and consumer expectations.

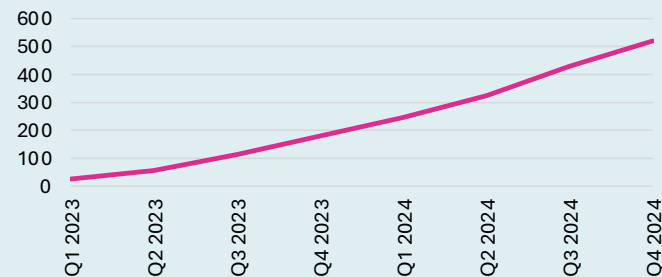
China's cross-border e-commerce giant Temu is a key player in this shift. Since its launch in September 2022, the Temu app has been downloaded over 975 million times, with an average of 520 million monthly active users in December-more than double its January 2024 figure.

Temu's global growth is attributed to its ultra-affordable pricing strategy, efficient supply chain and market adaptability. Temu's business model relies on high-volume sales of non-branded products and minimises intermediaries. The platform leverages local tax advantages and adopts a "direct delivery" model to eliminate inventory fees and ensure faster delivery. Temu leverages consumer trend data, such as the most searched and clicked products, sharing it with manufacturers for free. This allows producers to test the market with limited product ranges before scaling up, enabling lower prices. Beyond cost savings, Temu has gained momentum through social media trends and aggressive advertising, becoming the top advertiser on Meta and running high-visibility campaigns such as Super Bowl ads. It also invests in micro-marketing on platforms such as TikTok and YouTube to drive rapid growth. What sets Temu apart from rivals such as Amazon and Walmart is its gamified shopping experience. Features such as spinning wheels, countdown timers and promotions requiring active participation- such as sign-ups and timed deals- create urgency and engagement, further attracting price-sensitive shoppers.

Temu faces growing criticism over sustainability, product quality, data privacy, labour practices and its impact on local retailers- issues tied to its low-price strategy. Despite this, Temu has disrupted the market, setting new pricing standards, raising consumer expectations and pushing competitors to rethink their strategies.

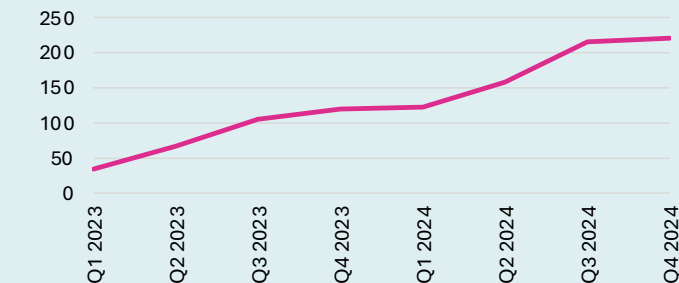
### Temu monthly active users, Q1 2023- Q4 2024

Million users



### Temu downloads, Q1 2023- Q4 2024

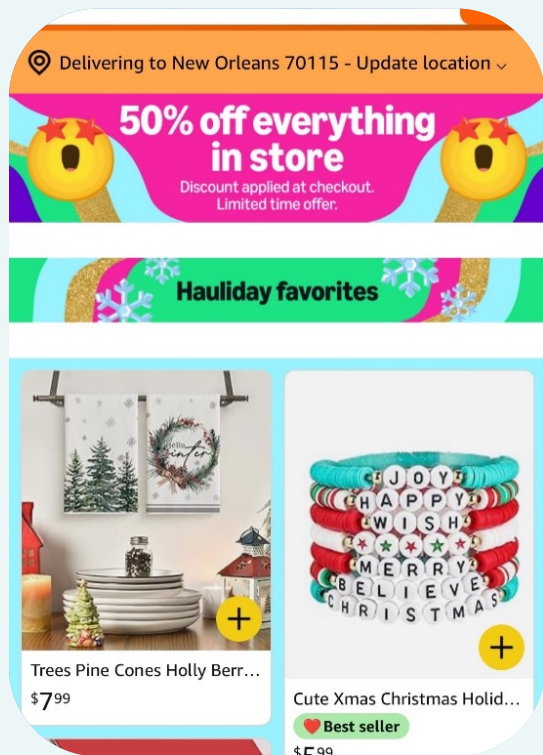
Million downloads



Source: Apptopia

## INDUSTRY SIZE AND GROWTH DRIVERS – VALUE SHOPPING

Amazon launches its own online “discount store” to stave off Temu and Shein.



- In November 2024, just in time for Black Friday, Amazon- the world's largest e-commerce retailer by sales- launched Amazon Haul. This new budget-focused shopping platform offers unbranded, low-cost products priced under USD20 across categories, with most items priced at USD10 or less.
- The launch of Haul is part of Amazon's strategy to counter the growing influence of online platforms such as Temu and Shein, which have found success by offering goods at ultra-competitive prices. For now, Amazon remains the leader in global e-commerce, but it is clearly taking notice of low-budget upstarts.
- In a nod to the increasing centrality of mobile e-commerce, Haul is only accessible via mobile app or browser. The influence of Temu and Shein- both of which have their origins in China, a “mobile-first” market:is clear; Amazon is copying a strategy that has already worked for its upstart rivals.



**15%**

Amazon's share of global retail e-commerce sales in 2024

**49%**

Of consumers consider value for money to be a key factor in their purchasing decisions in 2024



**70%**

Share of retail e-commerce sales, by value, conducted via mobile devices in 2024

Source: Euromonitor International Passport: Retail, 2025ed (top); Euromonitor Voice of the Consumer: Lifestyles Survey, 2024 (middle); Euromonitor International Passport: Digital Shopper, 2025ed (bottom)

## INDUSTRY SIZE AND GROWTH DRIVERS – VALUE SHOPPING

Providing value beyond low prices: Loyalty, personalisation and exclusivity emerge as the new beacons.

Heightened convenience powered by technology and the sheer availability of high-quality choices are continuing to redefine value. Therefore, for retailers, retaining customer loyalty is becoming critical to protect future growth as they strive to deliver new levels of quality, service and experience without eroding profit margins. As a result, the proliferation of cross-channel loyalty programmes today signals the rise of omnichannel ecosystems unifying online and offline experiences. While aimed at driving loyalty, these programmes must fulfil the purpose of offering a personalised, convenient and exclusively curated reward or service to be acknowledged as valuable. An example of this development is CVS Health's 2024 enhancement of its ExtraCare loyalty programme, which simplified multiple membership programmes into two tiers. This move, addressing friction in the user experience, boosted participation by offering simplicity and clarity.

Community building and trust have become critical in reshaping the loyalty landscape, as retailers seek deeper emotional connections with consumers. Authentic engagement- through exclusive access, personalised rewards, or purpose-driven initiatives- is now a competitive advantage in a market flooded with choice and information. For example, US beauty retailer Ulta revamped its Ultamate Rewards programme with gamification via the "GlamXplorer" initiative, encouraging members to earn points by writing reviews or engaging on social media. This drives engagement and incentivises repeat purchases through experiential elements. Loyalty platforms are evolving from purely transactional tools into engagement hubs that foster emotional bonds and provide richer consumer insights, enabling retailers to better meet shifting preferences.

51%

Share of digital consumers that want products and services uniquely tailored to them in 2024, as compared to 48% in 2023

30%

Share of digital consumers that participate in loyalty programmes to get members-only benefits in 2024

15%

Share of digital consumers that seek niche brands that are unique or hard to find in 2024

Source: Euromonitor Voice of the Consumer: Lifestyles Survey, 2024

Global Trend

# LOYALTY PROGRAMS



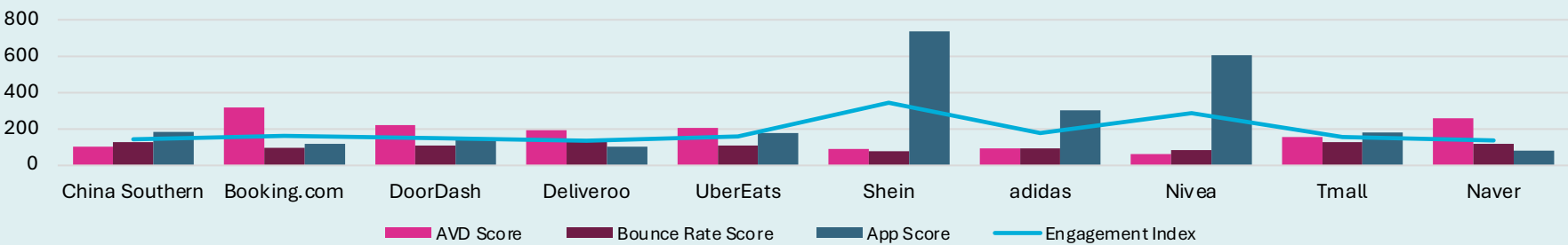
# INDUSTRY SIZE AND GROWTH DRIVERS – LOYALTY PROGRAMMES

Loyalty programmes are evolving into key drivers of revenue and profitability.

**Loyalty programmes** are key drivers of revenue and profitability, though returns often take time to materialise making initial investment a challenge. However, modern loyalty formats are gaining traction, particularly among brands aiming to boost **customer retention** and **lifetime value**. These include subscription models such as seasonal plans, pay-as-you-go options and curated boxes tailored to consumer preferences. Additional revenue streams are emerging through **retail media**, bank partnerships and tokenisation. As competition intensifies, **embedding loyalty benefits** directly into the **checkout process** has become essential, particularly in lower-frequency sectors such as travel and apparel, where 37% of global consumers say rewards take too long to earn. Seamless integration ensures shoppers see value with every purchase, though friction (personal details or QR scans) can deter engagement.

To maximise impact, loyalty programmes must go beyond transactional rewards and evolve into **engagement hubs** that build emotional connections. Strategies should consider the frequency of member interactions, relevant channels and **personalisation** powered by technology. **Gamified experiences**, such as Ulta’s GlamXplorer initiative, which rewards social engagement and reviews, show how loyalty can become experiential. A strong engagement strategy is now a cornerstone of **differentiation**- without it, brands risk weak consumer ties and higher churn. As such, industry players, especially in luxury foodservice and retail, are prioritising **loyalty innovation** over the next year. The focus is on understanding evolving consumer expectations, embracing purposeful design, and aligning loyalty initiatives with **broader business goals**.

Loyalty engagement index metrics for the top 10 brands worldwide, Q4 2024



Source: Euromonitor Passport Loyalty  
Note: AVD score refers to the average time visitor spends on a brand’s website or app

## INDUSTRY SIZE AND GROWTH DRIVERS – LOYALTY PROGRAMMES

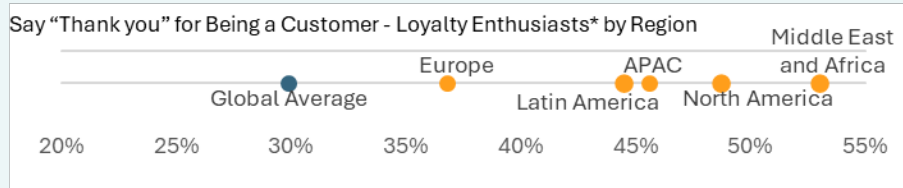
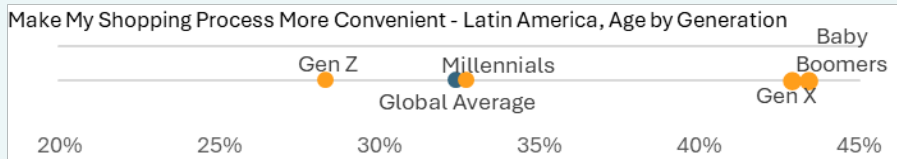
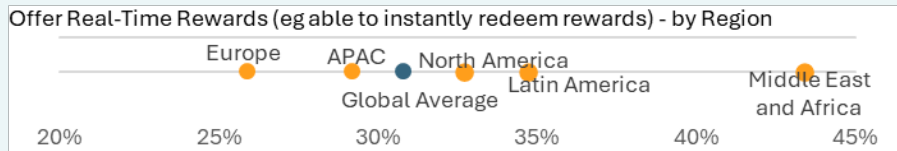
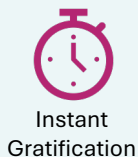
The power of micro-segmentation in loyalty programme success.

Consumer wants and needs are becoming increasingly fragmented, as consumers are well-informed about the products and services they intend to purchase, often conducting quick research via laptops, mobile devices and especially on social media. This shift requires more sophisticated customer segmentation strategies tailored to each brand's business model and competitive advantages, in addition to traditional tiered approaches that distinguish purchase frequency and intensity.

Each demographic and profile entails different behaviours and needs for loyalty programmes. Middle East and Africa respondents value instant gratification more than the rest of the world, while their sophisticated “Loyalty Enthusiasts” segment also sees higher tendency to seek for brands’ gestures of appreciation compared to the global average. Latin American respondents have different views on the importance of convenience in their brand experience among different age generations, according to the same survey. Through micro-segmenting the customer base, companies can tailor loyalty programme structures and rewards strategically to the cohort they hope to resonate with the most.

### Influential loyalty programme features, 2024

% global respondents

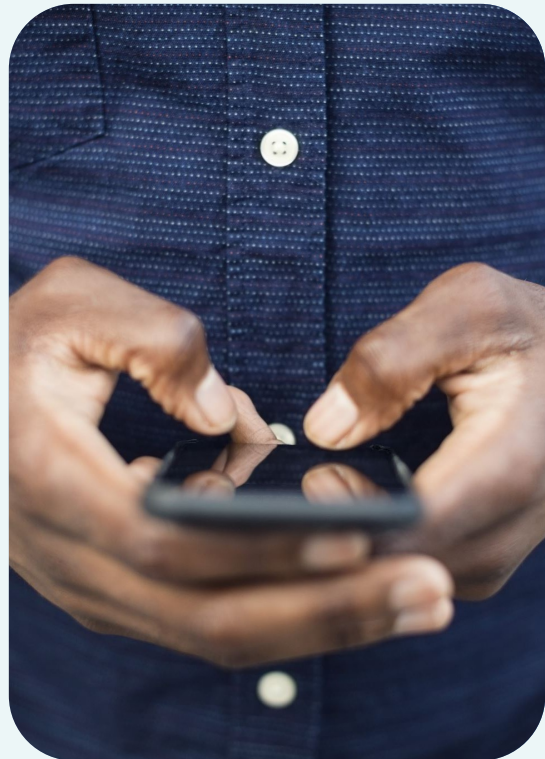


Source: Euromonitor Voice of the Consumer: Loyalty Survey 2024

Note: \*Loyalty Enthusiast: Participate in five or more loyalty programmes

## INDUSTRY SIZE AND GROWTH DRIVERS – LOYALTY PROGRAMMES

Pointspay: a payment facilitator that converts points to cash for easy redemption.



- Pointspay allows members to instantly convert points or miles into cash, which can be spent at affiliated outlets worldwide. The cash is integrated into a virtual Visa payment card for secure transactions. Members can also pay any remaining balance for an item using a regular payment card.
- For point-based programmes, the slow accumulation of points- particularly in sectors with infrequent purchases: can make it difficult for consumers to redeem meaningful rewards. This often leads to unused points, diminishing the overall appeal and effectiveness of the scheme.
- The flexibility to combine points and use them beyond a brand's network benefits both the user and the brand. Additionally, offering diverse payment methods contributed for a more seamless solution that encourages purchases, enhances the user experience and opens opportunities for instant gratification.



**100 mn**  
Unique merchant visits as  
of 2024

**20%**

Of repeated purchases  
according to  
pointspay.com

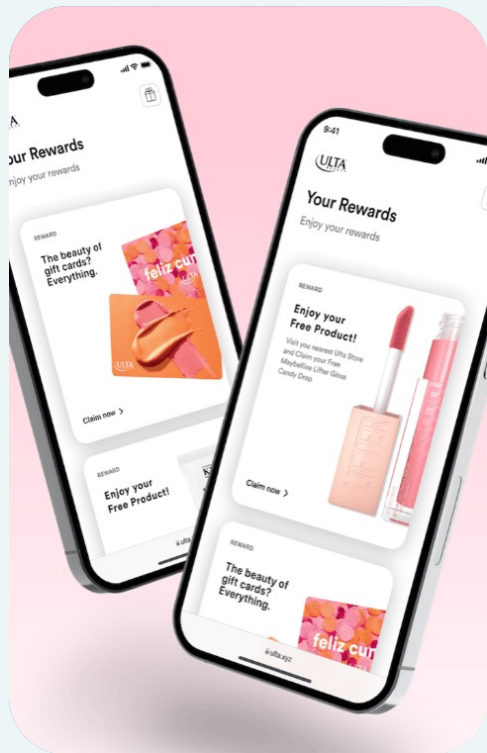


**8 mn**  
Customers connected to  
Pointspay as of 2024

Source: Euromonitor Voice of the Consumer: Loyalty Survey 2024, Pointspay.com

## INDUSTRY SIZE AND GROWTH DRIVERS – LOYALTY PROGRAMMES

Ulta's GlamXplorer maximises interaction through mini-games.



- GlamXplorer involves 42 engaging mini-games as well as 30 quests featuring virtual make-up try-ons through Ulta's VTO GLAMlab. Participants receive rewards based on their engagement levels, including personalised benefits such as gift cards, discounts and beauty products. GlamXplorer supplements Ulta's existing Ultimate Rewards Program, providing an additional layer of entertainment and rewards without replacing the original programme.
- With competitors in the fragmented beauty market such as Sephora with strong loyalty programmes, Ulta Beauty hopes to differentiate through launching a gamified loyalty programme, "GlamXplorer", which offered interactive experiences for its top 1,000 spenders in 2024 as a pilot.
- The programme's success lies in its ability to keep users interested and returning, with 86% of players revisiting the mini-games weekly according to company sources in 2024. Users engage with the activities multiple times per week, spending a median 11 minutes per session, showcasing the programme's effectiveness in capturing and retaining user interest.



**1.2%**

Beauty and personal care value CAGR in North America over 2025-2028

**20%**

Of US beauty and personal care market contributed by loyal customers



**3.2%**

Global mobile games value CAGR over 2025-2028

Source: Euromonitor Beauty and Personal Care System 2024ed, Loyalty Value Contribution Dashboard, Toys and Games System 2024ed

Williams-Sonoma: Redefining home shopping with personalised and sustainable solutions.

# WILLIAMS SONOMA

### Market Presence and Product Mix

- Williams-Sonoma operates in the **US, Canada, Puerto Rico, Australia and the UK**, with a strong e-commerce presence.
- Offers premium kitchenware, furniture, home décor and personalised accessories through brands such as Williams Sonoma, Pottery Barn and West Elm.

### Company Background

- Founded in 1956 by Chuck Williams, Williams-Sonoma is a leading American retailer specialising in high-quality home products with a market cap of approximately USD18 billion.

### Differentiating Services/Initiatives

- **Virtual Design Consultations:** Provides AI-driven virtual design consultations to help customers create personalised home spaces. Customers can interact with design experts online, receive tailored recommendations and visualise their home décor choices using advanced technology.
- **Sustainability Initiatives:** Emphasises sustainable practices, including eco-friendly product lines and a commitment to 100% sustainable packaging by 2025. Williams-Sonoma's sustainability efforts include sourcing materials responsibly and reducing carbon footprint, appealing to environmentally-conscious consumers.
- **Omnichannel Retail Strategy:** Combines physical stores with a robust online platform, ensuring a seamless shopping experience across channels. This strategy includes features such as buy online, pick up in-store (BOPIS), and integrated inventory management to provide flexibility and convenience.
- **Personalised Customer Engagement:** Utilises AI technologies to offer tailored product recommendations and enhance customer satisfaction. By analysing customer data, Williams-Sonoma delivers personalised shopping experiences, improving customer loyalty and driving sales.

Amazon unveils Rufus: AI-powered shopping assistant for smarter, faster decisions.

# Ask Rufus



### Market Presence and Product Mix

- Amazon operates in 100+ countries, with one of the world's largest e-commerce and digital ecosystems, connecting millions of customers with a vast network of sellers, brands and service providers.
- Through advanced data-driven marketing and personalised recommendations, Amazon enhances customer engagement, boosts sales and drives repeat purchases across its global marketplace.

### Company Background

- Founded by Jeff Bezos in 1994, Amazon began as an online bookstore and grew into a global leader in e-commerce, cloud computing and digital services. With innovations such as Amazon Prime, Go and Alexa, the company has transformed retail, logistics and technology. Its focus on customer experience, fast delivery and AI-driven solutions keeps Amazon at the forefront of the digital economy.

### Differentiating Services/Initiatives

- In 2024, Amazon introduced **Rufus**, an **AI-powered shopping assistant** designed to simplify navigation through its vast product selection. Shoppers can use the chatbot for product comparisons and personalised recommendations, saving time and enabling informed decisions.
- To help consumers navigate an overwhelming number of SKUs and simplify decision-making, Amazon is leveraging digital integrations to analyse vast customer data and enhance personalisation. This also helps consumers save valuable time in today's fast-paced world.
- Winning in retail is about serving the shopper with the right product at the right time. Personalised interactions and engaging experiences enhance the shopper-brand relationship. GenAI helps to unify customer and brand data for accurate insights and actions.

## INDUSTRY SIZE AND GROWTH DRIVERS – GLOBAL COMPANY PROFILES

Pinduoduo: Transforming e-commerce with innovative social commerce strategies.



### Market Presence and Product Mix

- Pinduoduo primarily operates in mainland China, with a significant focus on rural and lower-tier city markets. PDD's monthly active user base in China reached around **637 million** in 2023.
- Pinduoduo specialises in **agricultural products, household items, electronics and clothing**. The platform offers a diverse range of products, with a strong emphasis on fresh produce and daily necessities.

### Company Background

- Founded in 2015 by Colin Huang, Pinduoduo is a Chinese e-commerce platform known for its innovative group buying model. It has rapidly grown to become one of China's largest e-commerce platforms, focusing on social commerce and rural market penetration. As of 2025, PDD Holdings has a market cap of approximately USD131billion.

### Differentiating Services/Initiatives

- **Group Buying Model:** Encourages users to form groups to purchase products at discounted prices, making shopping a social and collaborative experience. This model leverages social networks to drive engagement and lower customer acquisition costs.
- **Social Commerce:** Pinduoduo leverages social media networks to create an interactive shopping experience, where users share products with their network, driving engagement and lowering customer acquisition costs.
- **Duo Duo Maicai:** A service that allows consumers to preorder groceries for pickup at designated locations, enhancing convenience for rural customers. This initiative supports local farmers and ensures fresh produce availability.
- **Gamified Shopping Experience:** Integrates games and social sharing mechanisms to engage users and reduce individual product costs. Users can earn discounts and rewards through interactive games, making shopping more enjoyable and cost-effective.



## Social Shopification

- As consumers spend more time on social media, they increasingly view these platforms not only as places to connect, but also to shop. In response, companies are embracing shopification, integrating more direct purchasing capabilities. Some platforms are even becoming online retailers themselves.
- Globally, social commerce (s-commerce) sales recorded a CAGR of 39% over 2019-2024, with sales expected to rise another 22% in 2025.



## Social Trust

- Consumers initially turned to influencers for authentic, independent reviews, but growing social media commercialisation has led to scepticism about content authenticity. Consumers now research brands and services directly rather than relying solely on influencers. For example, the share of TikTok users using the platform for research grew to 41% in 2024, up 14 points from 2023.
- To rebuild trust, brands are focusing on transparency, reevaluating partnerships, investing in micro influencers and engaging directly with their audience.



## Subscription Service

- Currently, a gap exists between consumer interest in paid subscriptions and their adoption across industries beyond retail. With global inflation projected at 4% in 2025, consumers across all income levels increasingly seek ways to maximise their purchasing power.
- Paid subscriptions, offering perks such as free shipping and exclusive discounts, have become a compelling solution. This shift has led more industries to adopt the subscription model including LG Electronics in South Korea and Best Buy in the US.

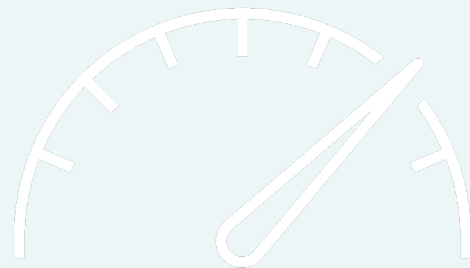


## Shoppable Streams

- The incorporation of immersive video elements into online spaces is transforming how consumers experience and interact with brands. By embracing video commerce, brands are boosting sales and creating more engaging customer experiences. This is fuelling the growing ubiquity of shoppable videos, as well as the explosive growth of the livestreaming e-commerce model.
- Livestreaming e-commerce sales have increased at a CAGR of 64%, in constant terms, from 2019 to 2024, with additional growth of 27% projected for 2025.

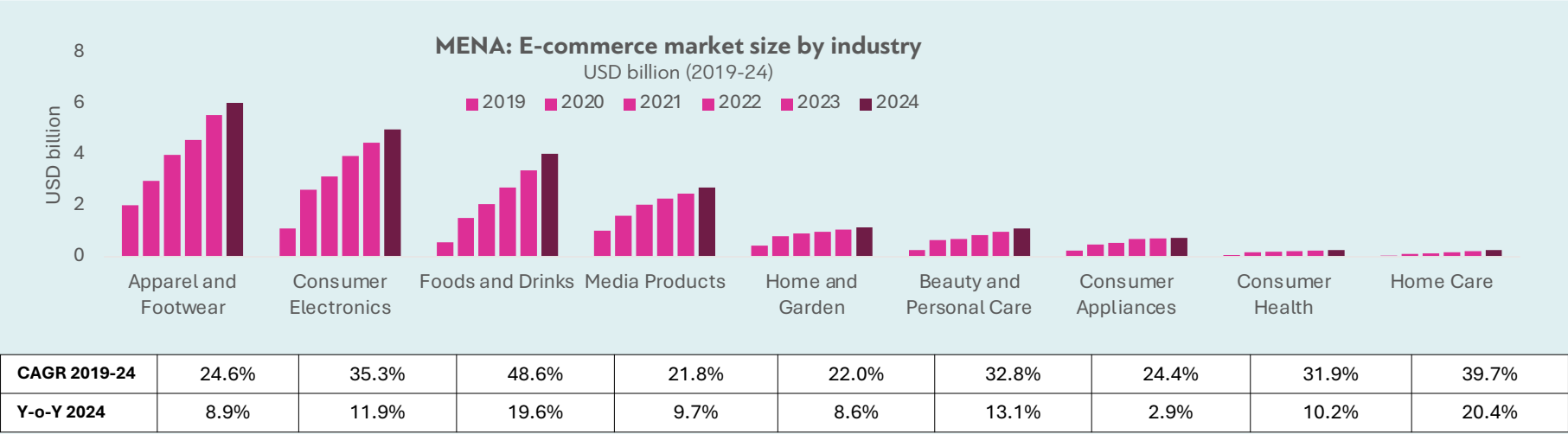


# Category Performance



# CATEGORY PERFORMANCE

Booming resale market and government initiatives push MENA's apparel and footwear e-commerce forward.



- **Apparel and footwear** remains the dominant e-commerce industry in MENA, driven by a **booming resale market**, rising demand for **fast fashion**, and a young, tech-savvy population. In countries such as UAE, local designers are gaining global recognition, supported by initiatives such as **Dubai Design District** and Fashion Forward Dubai. The market thrives on **third-party platforms with fast inventory turnover**, appealing to novelty-seeking consumers.
- The foods and drinks and home care categories have seen impressive historic **CAGRs of 49% and 40%**, respectively. This growth is driven by **discounts and intense competition among delivery apps**, especially on speed. Consumers are increasingly opting to purchase these products online driven by **brand loyalty** towards home care brands. Moreover, the **convenience of purchasing** these items without the need for in-person shopping has further contributed to the rise in online sales.

## CATEGORY PERFORMANCE – KEY TRENDS PER CATEGORY

Players are prioritising localisation across products, content and experiences to better align with regional preferences and foster deeper audience connection.



### Apparel and Footwear

E-commerce is modernising apparel and footwear shopping in the MENA region with tech-driven experiences **such as AI-powered recommendations** on platforms such as Namshi and Ounass, and **livestream shopping via influencers** on Instagram and Shein Live. **AR/VR try-ons** by brands such as Eyewa and Nike help customers visualise fit, while home try-on services from players such as The Luxury Closet in the UAE offer the convenience of **at-home try-on service**, blending digital ease with in-store confidence, **increasing consumer engagement and reducing the return rate.**



### Beauty and Personal Care

E-commerce is reshaping the beauty and personal care industry in MENA, with platforms such as **Sephora Middle East and Namshi using high-quality visuals, video tutorials and customer reviews** to boost trust and consumer engagement. Features such as **virtual try-ons** for make-up shades, **live Q&As with beauty experts** and instant chat support enhance product understanding, leading to higher conversions, positive feedback and a stronger sense of brand loyalty, positioning online channels as a key growth driver in the region.



### Media Products

E-commerce in the digital media products category is rapidly gaining momentum with platforms such as StarzPlay providing **exclusive sports streaming**, and Shahid offering **localised Arabic content**, signalling the significance of **cultural relevance** on the maturing digital entertainment market in MENA. Additionally, the rise of hybrid monetisation models such as **FAST (Free Ad-Supported Streaming TV)** is expanding access and making premium content more accessible to price-sensitive users while opening **new ad revenue opportunities for platforms and brands.**

## CATEGORY PERFORMANCE – KEY TRENDS PER CATEGORY

Fast delivery and exclusive deals are fueling e-commerce growth in MENA by catering to young population's rising expectations for convenience and competitive pricing.



### Foods and Drinks

E-commerce is redefining grocery shopping by offering convenience and a wider variety of products, both in quality and value. **Quick-commerce** players such as **Careem NOW** and **InstaShop** are fulfilling orders often within 30 mins catering to low-ticket products with immediate need, and low decision-making effort, while traditional retailers such as **Carrefour, Lulu and Spinneys** are offering services such as **“Click-and-Collect”**, aligning well with the region's younger population demanding flexibility and instant gratification.



### Home Care

E-commerce is reshaping the home care category in MENA with quick-commerce platforms such as Talabat, Instashop and Nana **enable fast delivery of everyday items** such as detergents and cleaners, catering to urgent needs. Meanwhile, e-commerce players such as Amazon, Noon and Carrefour Online offer **bundled deals, exclusive packs and subscriptions** that drive bulk buying and higher basket values. This shift enhances **consumer access, brand visibility and efficiency**, making online channels a key growth engine for home care in the region.

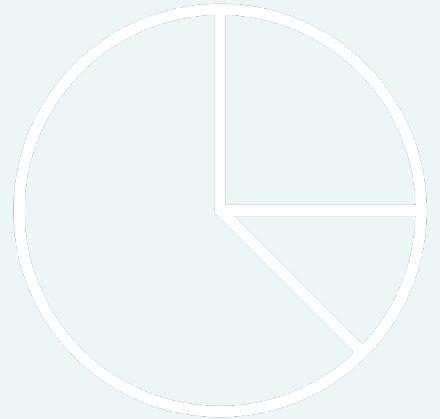


### Consumer Electronics

E-commerce is reshaping consumer electronics in MENA, with platforms such as Amazon.sa, Noon and Extra offering **exclusive deals, BNPL options (eg Tabby, Tamara) and fast delivery**. Shoppers benefit from product **comparisons, reviews and “click-and-collect”**, while brands such as Samsung and Xiaomi use online stores and marketplace partnerships to **boost reach and launch exclusives**. Additionally, platform compliance **ensures reliable service and expanded delivery options**, making online shopping a preferred channel for consumer electronics.



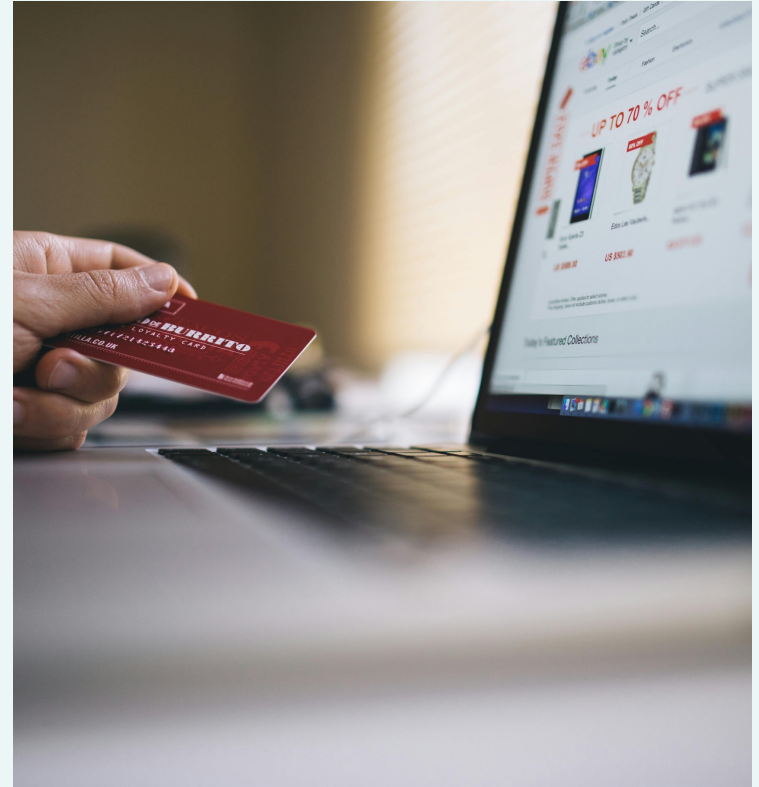
# Competitive Landscape



## COMPETITIVE LANDSCAPE: OVERVIEW

Fast delivery and convenience continue to fuel e-commerce growth in MENA.

- Since the pandemic, MENA grocery retailers have partnered with delivery platforms such as **InstaShop and UberEats** to meet rising demand for speed and convenience. Majid Al Futtaim advanced this with **Carrefour's 24/7 express delivery** in Dubai, offering service in under an hour via the app. E-commerce competition is intensifying, especially in **value-driven segments** such as apparel.
- D2C brands like Türkiye's Trendyol and India's Styched are tapping into digital growth in the UAE, KSA, and Oman, while leaders stay competitive by adopting **AI assistants, fast delivery, and personalised services**. In Egypt, the market is fragmented, with players such as Amazon and Mastercard enhancing checkout options for smoother payments.
- Social commerce is gaining traction among Gen Z and Alpha users, supported by start-ups such as Taager and tools such as livestreaming and digital wallets. In Morocco, Alibaba launched its B2B platform in 2024, aligning with national goals to **boost exports and digital autonomy** by fostering innovation, reducing foreign investor reliance, and promoting fair taxation.
- In Lebanon, private businesses are driving e-commerce through mobile commerce, social media, and digital payments despite economic challenges. In Algeria, growth continues steadily with platforms such as Jumia and OuedKniss leading, **though logistics and payments remain key challenges**.

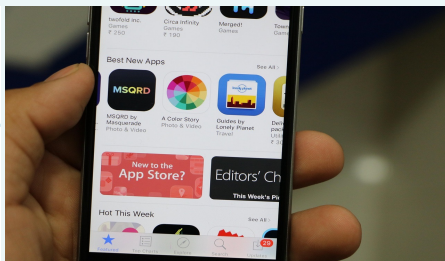


## COMPETITIVE LANDSCAPE: KEY DIFFERENTIATING FACTOR



### Global e-commerce Players localise in MENA

Global e-commerce players such as Amazon and Temu are strengthening ties in MENA through Arabic interfaces, localised apps and region-focused campaigns. Amazon.sa launched the “Saudi Made” store front, spotlighting locally-made products across categories, while Temu localised its app in Arabic and launched flash sales during regional festivals such as Ramadan.



### Players diversify services, evolving into “super-apps”

Pioneers of e-commerce sector in MENA are now diversifying their services to become a one-stop solution for consumers. For example, Careem, once a ride hailing app now offers rapid grocery delivery via Careem Quik, perks through Careem Plus and seamless transactions with Careem Pay, making it a “super-app” for transport, shopping and payments.



### Players boost customer loyalty through integrated reward systems

MENA e-commerce players are using loyalty programmes to boost customer retention. For example, Blue Rewards programme by Carrefour franchise and Aura by Alshaya Group utilise AI to analyse shopper behaviour across retail ecosystems, enabling personalised offers and allowing reward points to be carried across vendors within the parent group.



### Players differentiate with smart AI experiences

MENA e-commerce players that are leveraging AI to personalise shopping, streamline logistics and enhance engagement are standing out. For example, Talabat’s ChatGPT-powered AI assistant helps users find recipes and shop for the needed ingredients and Noon uses predictive analytics to forecast demand across categories.

## INDUSTRY SIZE AND GROWTH DRIVERS: COMPANY PROFILES

Yango Group: Blending e-commerce, smart logistics, and Arabic-first digital assistants into a seamless super-app experience.



### Market Presence and Product Mix

- Active in MENA, Africa, Europe and South Asia, with super-app offerings including e-grocery, delivery, smart mobility, entertainment and fintech.
- Key markets in the region include the UAE, Saudi Arabia, Egypt and Kuwait.

### Company Background

- Headquartered in Dubai, Yango Group (founded in 2018) is a diversified digital platform offering e-commerce, logistics, AI solutions, ride hailing and entertainment across 30+ markets.

### Differentiating Services/Initiatives

- **AI-Powered Retail Solutions: AlInventory and White-Label App:** Yango Tech introduced "AlInventory," an AI-powered real-time shelf monitoring system that alerts staff when inventory does not comply with planograms for products or prices, leading to improved inventory management and streamlined operations. Additionally, its white-label app includes advanced search algorithms, personalised product suggestions, pricing strategies and promotional tools, all aimed at enhancing the customer experience.
- **AI-Driven Warehouse Robotics:** In May 2024, Yango introduced AI-driven warehouse robotics and pick-and-place solutions in Dubai, enhancing operational efficiency.
- **Localised AI Assistant: Yasmina:** Yango launched "Yasmina", an Arabic-speaking, human-like AI assistant, catering to the linguistic and cultural preferences of MENA users. Yasmina interacts with smart home systems such as climate control and lighting, providing a seamless user experience.
- **Entertainment Expansion: Yango Play:** The introduction of "Yango Play", an entertainment super-app, in seven MENA countries, including the UAE, Kuwait and Egypt, showcases the company's diversification strategy.
- **Strategic Partnerships:** Collaborations with local retailers such as Nana, Al Sadhan and Spar have strengthened Yango's presence in the GCC market.

## INDUSTRY SIZE AND GROWTH DRIVERS: COMPANY PROFILES

Talabat: AI-driven hyperlocal delivery powerhouse with strong loyalty ecosystem.

The Talabat logo is displayed in a bold, orange, lowercase sans-serif font.

### Market Presence and Product Mix

- Operates across eight MENA countries, namely the UAE, Saudi Arabia, Oman, Qatar, Bahrain, Jordan, Iraq and Egypt.
- Serves over six million active customers, offering food delivery, groceries, pharmacy and retail services via over 65,000 partners.

### Company Background

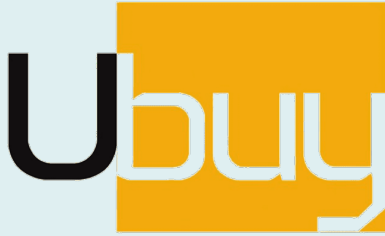
- Founded in 2004 in Kuwait and now headquartered in the UAE, Talabat is one of the leading online food, grocery and q-commerce platforms in the MENA region. In November 2024, Talabat raised approximately USD2 billion through its IPO on the Dubai Financial Market, achieving a market capitalisation of around USD10.1 billion.

### Differentiating Services/Initiatives

- **Talabat AI:** Launched in 2023, this ChatGPT-based feature assists users in searching for recipes, auto-generating shopping lists and providing nutritional tips, all integrated directly into Talabat Mart. Initially available for Talabat Pro users in the UAE, it is expanding to more markets.
- **t-pro and Nojoom Partnership:** Talabat's t-pro subscription offers unlimited free delivery and exclusive discounts. In 2024, Talabat integrated with Ooredoo Qatar's Nojoom rewards programme, allowing users to earn and redeem points on orders, enhancing customer engagement.
- **Localised Content and Product Offerings: Homegrown Partnership:** Through its collaboration with Homegrown, a UAE-based platform promoting local start-ups, Talabat Mart now offers local FMCG brands, catering to regional tastes and supporting small businesses.
- **Hardware Integration: Xiaomi Preloads and Huawei Petal Ads:** Talabat is pre-installed on Xiaomi devices across the region and integrated with Huawei's Petal Ads platform for better customer targeting, increasing brand accessibility and retention.
- **Urban Logistics Expansion: Dubai Taxi Partnership:** A May 2024 collaboration with Dubai Taxi Corporation enables Talabat to utilise its fleet for more efficient last-mile delivery, helping scale operations, especially during peak times.

## INDUSTRY SIZE AND GROWTH DRIVERS: COMPANY PROFILES

Ubuy: Democratising global shopping through localised interfaces, diverse payment options and wide international reach.



### Market Presence and Product Mix

- Ships to 180+ countries, with strong presence in Saudi Arabia, the UAE, Qatar and expanding in Africa.
- Offers electronics, fashion, home goods and personal care items from global marketplaces.

### Company Background

- Founded in Kuwait by Dhari AlAbdulhadi, Ubuy is a global cross-border e-commerce platform offering millions of products across categories from international brands.

### Differentiating Services/Initiatives

- **Global Access with Local Flavour:** Supports 81 languages and accepts 220+ payment methods, enabling localised shopping in users' preferred currencies, languages and methods. Each market version of the site is customised for local holidays, logistics providers and product assortments.
- **Strategic Payments Partnership: Nuvei Integration:** In 2024, Ubuy partnered with Nuvei to streamline payments, reduce cart abandonment and support localised options such as Mada (KSA), Fawry (Egypt) and KNET (Kuwait).
- **Localised UX Optimisation:** Features include adaptive interfaces per region, personalised recommendations based on browsing patterns and regional warehousing hubs for faster delivery.
- **App and Logistics Enhancements:** Introduced deep-link mobile sharing and upgraded its last-mile delivery integrations in key cities to compete with regional leaders.

## INDUSTRY SIZE AND GROWTH DRIVERS: COMPANY PROFILES

Flowwow: The emotion-led gifting platform fuelling mobile-first growth.



### Market Presence and Product Mix

- Present in the UAE, Saudi Arabia and other GCC countries, with significant growth during holiday seasons, especially in Saudi Arabia.
- Offers flowers, customisable gifts, cakes, perfumes and handmade goods, supporting local artisans and businesses.

### Company Background

- Flowwow is a fast-growing UAE-based online gifting marketplace that connects customers to local flower and gift shops, facilitating personalised presents globally.

### Differentiating Services/Initiatives

- **Holiday Momentum and Mobile Focus:** In 2024, Flowwow experienced an 86% increase in sales turnover during the holiday season, with 62% of purchases in Saudi Arabia made via mobile, highlighting its mobile-first commerce strategy.
- **Local Merchant Ecosystem:** The platform collaborates with regional florists, bakeries and artisans, offering hyper-localised product listings and same-day delivery, differentiating it from generic global players.
- **Personalisation Engine:** Offers deep customisation options- such as gift wrapping, handwritten notes and personalised products- via in-app modules that enhance emotional resonance and user satisfaction.
- **Localised Shopping Experience:** Emphasises language localisation, cultural event tie-ins (such as Eid and National Days) and provides native-language support, enhancing shopper comfort and conversion rates.

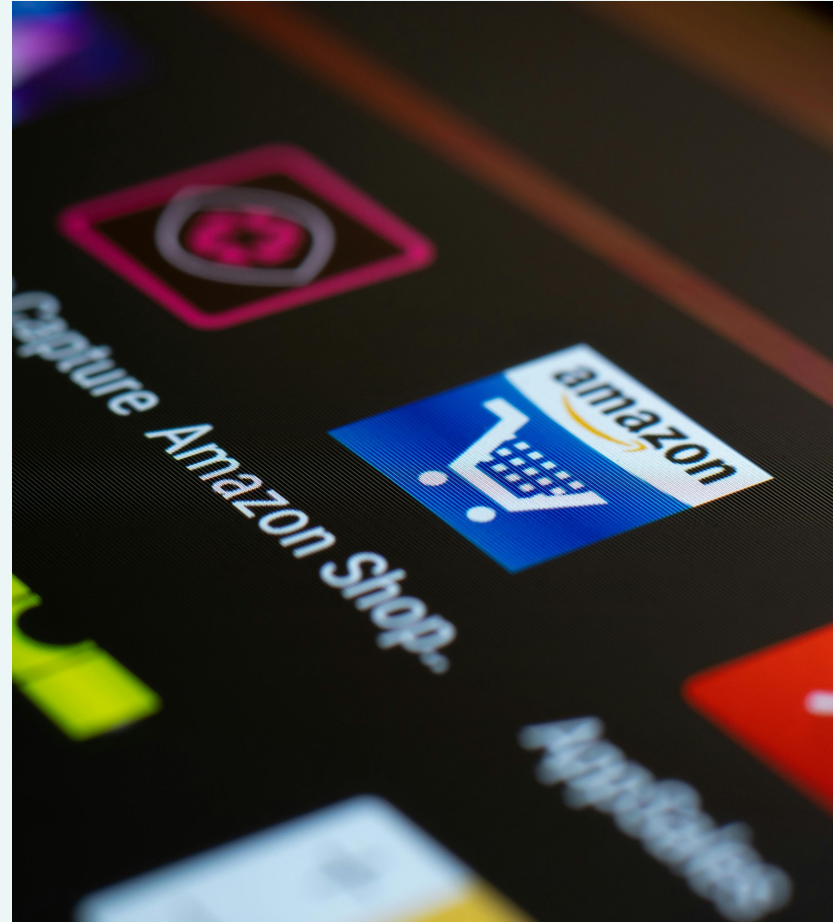
# Consumer Behaviour in the UAE



## CONSUMER BEHAVIOUR IN THE UAE

Digital wallet adoption is on the rise driven by increasing preference for seamless online and offline transactions.

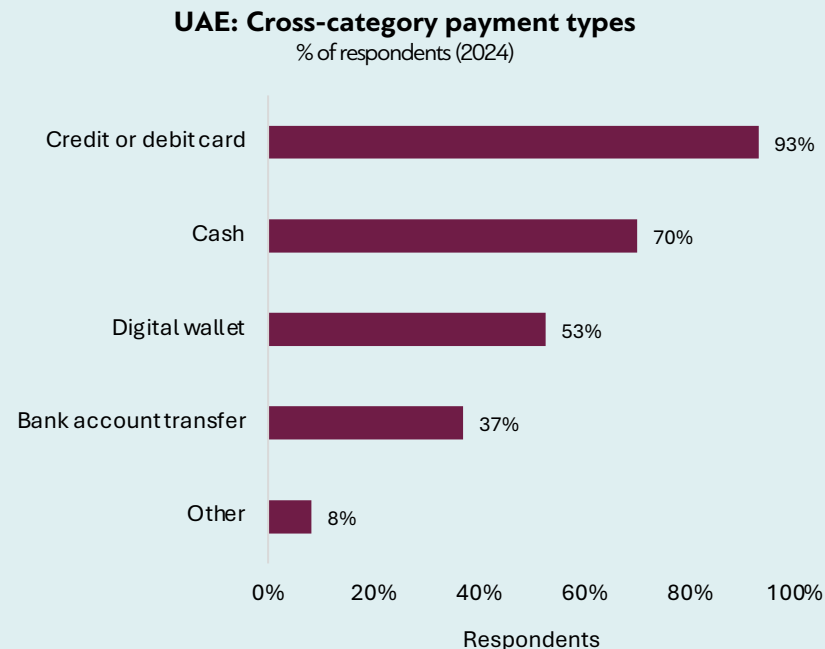
- According to Euromonitor's Digital Consumer Survey, credit and debit cards remain the leading payment method for online shopping in the UAE. However, **digital wallet adoption has increased**, rising from being used by **41% of respondents in 2020 to 53% in 2024**. Additionally, an increasing number of operators are embracing alternative payment methods such as **Buy Now, Pay Later** to **boost average basket value** and increase conversion rates, reflecting **growing consumer trust with alternative payment methods**.
- **Click-and-collect service** is gaining traction in the UAE, with **25%** of respondents in Euromonitor's Digital Consumer Survey preferring it in 2024, up from **23.1%** in 2020. This flexible option **lets shoppers collect their orders at their convenience**, while retailers benefit from lower last-mile costs and increased in-store traffic for upselling.
- **Free delivery and free returns** are powerful drivers of e-commerce in the UAE, with retailers strategically balancing these offerings to enhance customer satisfaction while carefully managing logistics to minimise their impact on profitability. As consumers increasingly expect **fast delivery, easy returns and great service** from online retailers, brands have introduced value-added offerings such as **discount vouchers issued alongside** refunds to compensate for any inconvenience, thereby strengthening customer retention and loyalty.



## CONSUMER BEHAVIOUR IN THE UAE - CONSUMER PAYMENT PREFERENCES

Adoption of digital wallets rose by 3% in 2024 in the UAE, driven by demand for seamless integration across e-commerce platforms, loyalty programmes and app ecosystems.

- **Cash** usage for online shopping has **declined by 4%** between **2023** and **2024**. However, it is unlikely to be fully phased out, as many consumers remain comfortable with and **trust the cash-on-delivery (COD)** method, preferring to pay only once the product is received.
- In the UAE, **credit cards or debit cards remain the top choice** for online shopping **payments selected by 93% of respondents** participating in Euromonitor's Digital Consumer Survey, 2024.
- Digital wallet usage for online purchases rose from **50% in 2023 to 53% in 2024**, according to Euromonitor's Digital Consumer Survey, 2024. This increase reflects growing consumer preference for the **convenience, security and accessibility** offered by digital wallets, further supported **by retailer adoption** and attractive features such as rewards and partnerships.
- This shift signals a gradual move towards a **cashless economy**, accelerated by government initiatives such as the **UAE's Aani platform**, which enhances **real-time payment infrastructure**. Brands and retailers that fail to integrate digital wallet options risk **losing relevance** among digitally inclined consumers.



Source: Euromonitor Voice of the Consumer: Digital Consumer Survey, 2024, n=1,005

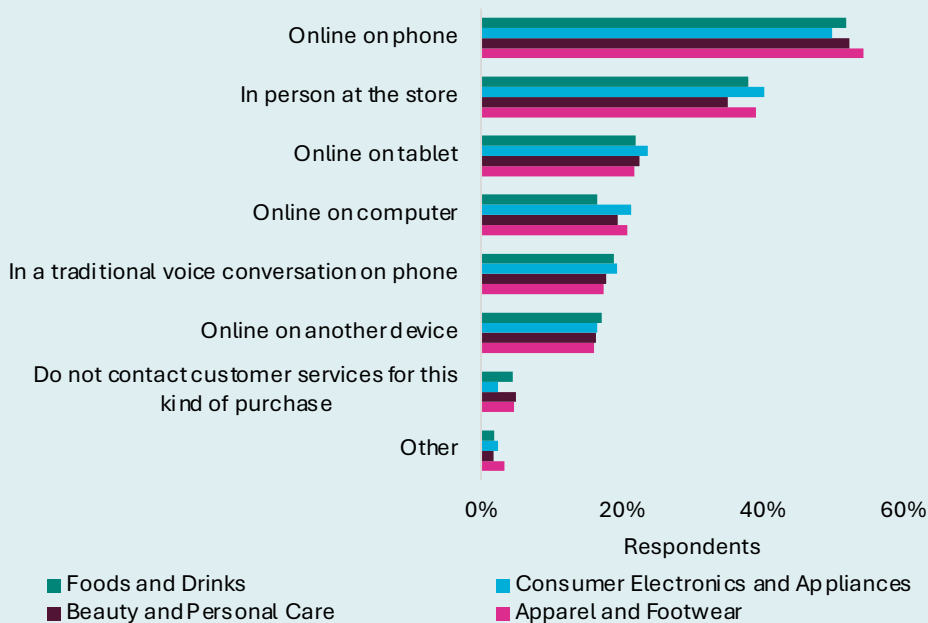
## CONSUMER BEHAVIOUR IN THE UAE - SERVICE INTERACTION PREFERENCES

Service preferences vary by category in the UAE, but traditional voice calls continue to be a go-to for quick support.

- As digital shopping becomes more routine, consumers are increasingly engaging with brands online. Euromonitor's Digital Consumer Survey, 2024, shows a **rise in online brand contact via phone**, particularly in categories such as apparel and footwear, where preference grew from **51% in 2023 to 54% in 2024**. Additionally, **one in four** digital consumers reached out to brands through social media. This shift underscores the growing need for brands to **optimise mobile responsiveness and social media customer service**, particularly in visually-driven categories such as fashion.
- According to Euromonitor's Digital Consumer Survey, 2024, **traditional voice calls** remain a popular method for customer service interactions, with phone conversations continuing to gain share across all categories. This growth comes at the expense of in-person and online computer-based support, highlighting that most digital consumers still **value speaking directly with a human** when resolving issues.
- Ounass, a fashion luxury retailer of beauty, lifestyle and homeware products, uses a WhatsApp-based AI chatbot to offer 24/7 support in English and Arabic, helping with **order tracking, returns and payments**. It also provides personalised styling advice, enhancing consumer convenience and aligning with the brand's premium, **customer-first approach**.

### UAE: Typical customer service interaction by major e-commerce categories

% of respondents (2024)



Source: Euromonitor Voice of the Consumer: Digital Consumer Survey, 2024, n= 998

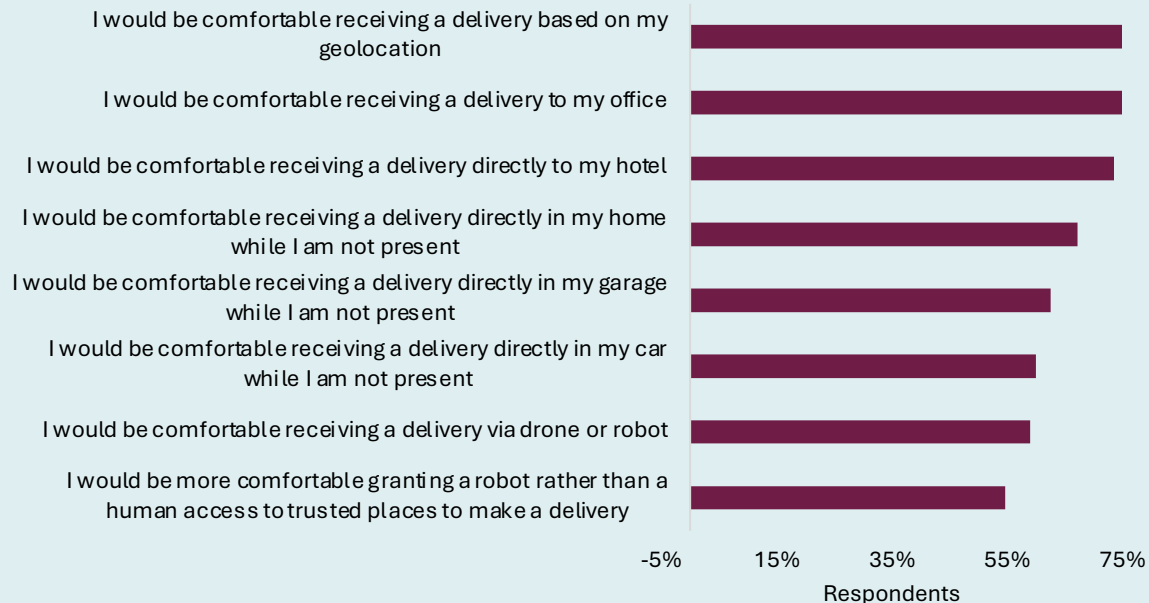
## CONSUMER BEHAVIOUR IN THE UAE - ATTITUDES TOWARDS DELIVERY METHODS

Consumers are embracing technologies such as robots and drones for faster and smarter delivery.

- According to Euromonitor's Digital Consumer Survey, 2024, **75%** of respondents prefer deliveries based on geolocation, valuing the added **convenience and accuracy**. Real-time location sharing allows delivery agents to find customers wherever they are, either at home, work, or on the go, **eliminating address errors and making the process faster** and more flexible.
- According to Euromonitor's Digital Consumer Survey, 2024, **67% of consumers** said they are comfortable with receiving deliveries when they are not home due to **improved tracking, secure drop-off options and widespread use of smart doorbells and package lockers**. These solutions offer greater convenience and peace of mind, making unattended deliveries a trusted norm in modern e-commerce.
- Consumers are increasingly comfortable **with drone and robot deliveries**, for their speed and contactless convenience as trust in automation grows. Reflecting this trend, Talabat launched "Talabots" in Dubai Silicon Oasis - autonomous robots that navigate independently to deliver food directly to customers' doorsteps.

### UAE: Attitudes towards delivery methods

% of respondents choosing 'Strongly agree' and 'Agree' (2024)

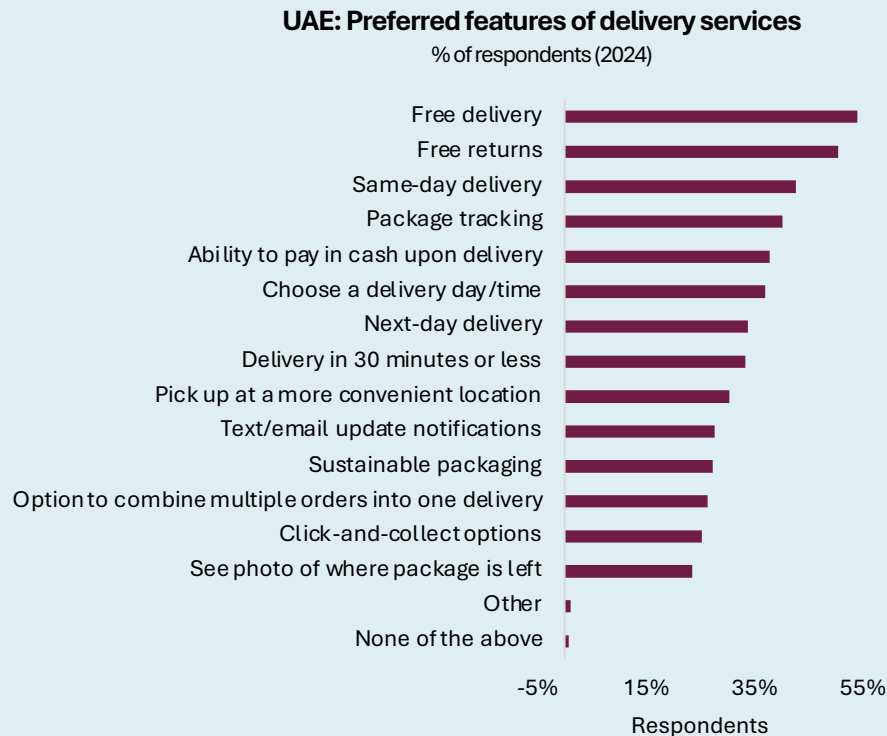


Source: Euromonitor Voice of the Consumer: Digital Consumer Survey, 2024, n=1,005

## CONSUMER BEHAVIOUR IN THE UAE - PREFERRED FEATURES OF DELIVERY OPTIONS

E-commerce players in the UAE are leveraging AI and micro-fulfilment centres to transform delivery into a value-driven service offering, to enable faster, more flexible delivery.

- Free delivery remains a powerful driver in e-commerce, with brands strategically encouraging consumers to increase their **cart value to meet minimum spend** thresholds and unlock the benefit. This not only boosts sales but also strengthens the shopper's sense of getting an added benefit with their purchase. However, since it brings financial strain on retailers from **absorbed delivery costs**, players in the region explore sustainable logistics and pricing strategies to maintain margins and meet consumer expectations.
- Quick commerce and same-day delivery are on the rise in the UAE, with players such as Amazon and Noon merging free and same-day options through investments in **predictive logistics, AI-powered routing and urban micro-fulfilment centres**. Talabat's Daily offers 30-minute grocery deliveries 24/7 across half of Dubai, while WEE Marketplace delivers non-food items in 45 minutes. With 33% of survey respondents preferring 30-minute delivery, these innovations reflect the **growing demand for instant delivery solutions** in e-commerce.
- According to Euromonitor's Digital Consumer Survey, 2024, consumers now expect **free returns, fast refunds and convenient return options**. To manage costs, platforms such as Bazaar and FairPrice charge fees for returns due to change of mind or incorrect sizing. Meanwhile, brands such as Eyewa use tools such as high-quality visuals and Virtual Try-On to reduce return rates from style or fit issues.



Source: Euromonitor Voice of the Consumer: Digital Consumer Survey, 2024, n=1,005

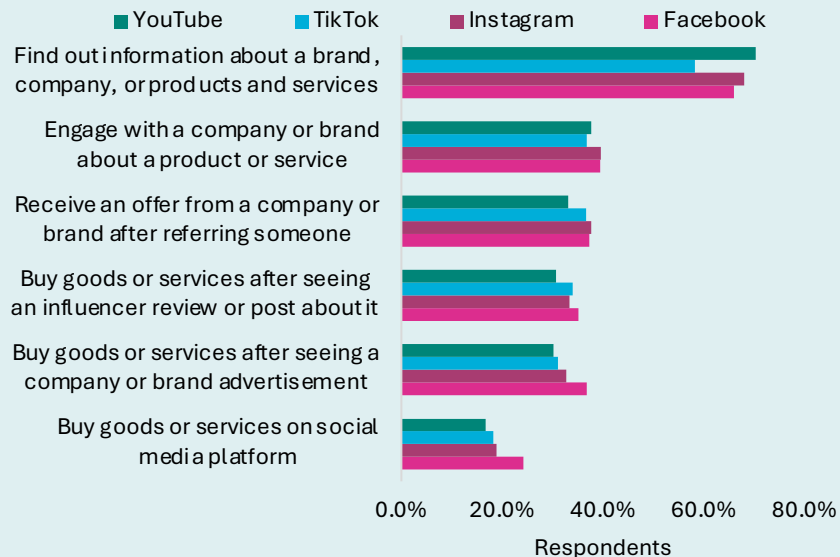
## CONSUMER BEHAVIOUR IN THE UAE - BRAND OR SHOPPING RELATED ACTIVITIES

Consumers move to micro-influencers for genuine reviews reflecting a shift to authenticity over algorithms.

- Social media features such as **Instagram Checkout, TikTok Shop and Facebook Marketplace** are transforming these platforms into fully-fledged shopping destinations, seamlessly blending e-commerce with social interaction through **in-app purchasing, shoppable posts and livestream experiences**. In the UAE, livestream shopping on TikTok and Instagram is gaining momentum, offering real-time product showcases and exclusive deals that boost impulse buying and drive instant conversions. As platforms grow more commercialised, consumers are turning to **micro-influencers and authentic communities**, leading brands to prioritise them for their higher engagement, cost efficiency and credibility.
- According to Euromonitor's Digital Consumer Survey, 2024, 70% of respondents ranked YouTube as the top platform for product research due to its **strong searchability** and rich content such as **reviews and tutorials**. As the second-largest search engine after Google, it offers brands a key opportunity to influence purchase decisions early through engaging, informative videos.
- The Luxury Closet, an online marketplace for pre-owned designer items, is a leading social commerce player, integrating **Instagram Shopping and AR Try-On** on its platform to engage affluent, young shoppers. These innovations have contributed to approximately **20% of its gross merchandise value** in the first half of 2024, highlighting the significant impact of social commerce on its sales performance.

### UAE: Brand or shopping related activities on popular social media platforms

% of respondents (2024)



Source: Euromonitor Voice of the Consumer: Digital Consumer Survey, 2024, n=700-899

# Industry Outlook

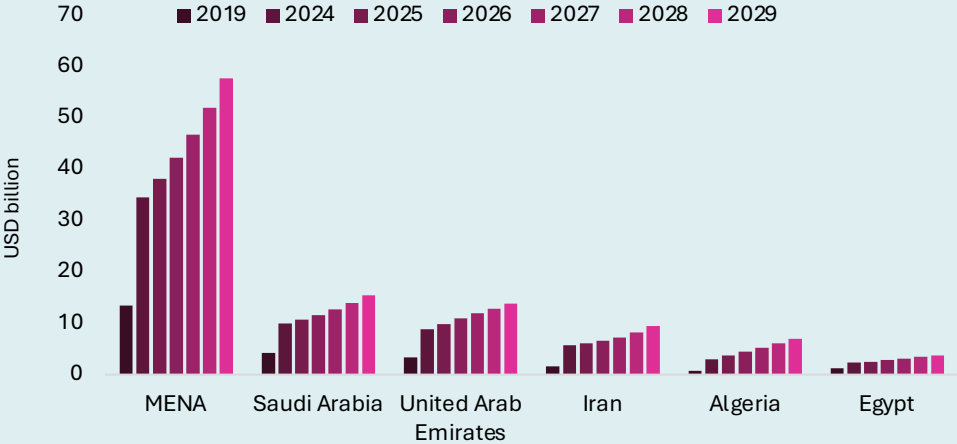


# INDUSTRY OUTLOOK

Markets such as Algeria and Egypt are expected to post high growth, driven by rising digital adoption, improved infrastructure, supportive government policies and youthful, tech-savvy populations.

MENA (Select Markets): Total e-commerce market size

USD billion (2019-29)



CAGR 2019-24	20.8%	18.6%	21.3%	29.1%	31.9%	13.4%
CAGR 2024-29	10.8%	9.1%	9.4%	10.6%	18.0%	9.4%

- In 2024, MENA’s e-commerce market size **reached USD 35 billion**, showing a Y-o-Y growth of 13%. This growth was supported by cross border e-commerce and mobile commerce dominance.
- Egypt’s e-commerce is projected to grow at a **CAGR of 9%** from its relatively low base over 2024-29, driven by improved digital infrastructure, rising mobile connectivity. Economic recovery is expected to ease **inflationary pressures** and **increase disposable incomes**, while urban development projects like the **New Administrative Capital (NAC)** and **Ras El Hekma** will open up new markets and logistics corridors. To support these developments, the government launched the “**Regulated E-Commerce**” initiative in December 2024 to boost transparency and consumer confidence. These efforts are anticipated to drive **larger basket sizes** and a **broader user base**.
- Algeria’s retail e-commerce market is also growing strongly, supported by **73% internet penetration** in 2024, a youthful population (70% under 30) and **one third of residents using e-payments**. Growth is further fuelled by government investment in digital and logistics infrastructure and evolving regulations, while tech-savvy consumers are increasingly turning to digital platforms. While **the market is still nascent**, e-commerce in Algeria is projected to grow at a **CAGR of 18%** over 2024-2029.

## INDUSTRY OUTLOOK - TRENDS EXPLAINING GROWTH IN KSA AND UAE

Digital cash strategy and stablecoin launch accelerate e-commerce expansion in Gulf giants like the UAE and Saudi Arabia.



### Digital innovation and logistics transform Saudi e-commerce

- In 2024, Saudi Arabia's e-commerce market saw significant growth, with online transactions made via Mada card, the national debit card managed by the Saudi Central Bank (SAMA), reaching USD 53 billion in 2024, driven by **expanded NFC adoption and Vision 2030's push towards a 70% cashless economy**.
- Economic diversification proved effective, as non-oil GDP grew by 4% in 2024, fuelling increased consumer spending online. Enhanced logistics, including Saudi Post's partnership with GN TEQ which leverages digital solutions to **ease customs, streamline delivery and enhance cross-border e-commerce operations**, reinforces the Kingdom's position as a regional e-commerce powerhouse.

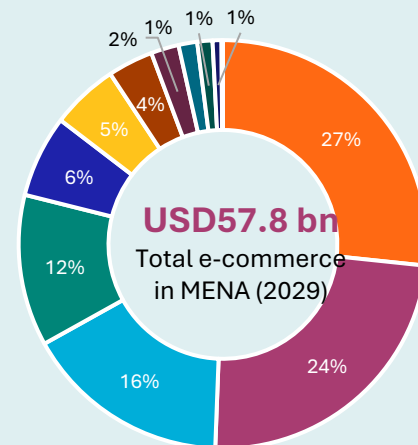


### UAE e-commerce expands fuelled by cashless push

- In 2024, the UAE's e-commerce market grew with the number of online orders rising by about 7% compared to 2023. The Central Bank of the UAE advanced its **Digital Cash Strategy**, licensing Tap Payments and targeting 90% cashless transactions by 2026, and granted the final license to AED Stablecoin LLC to launch **AE Coin**, country's first regulated dirham-pegged stablecoin, fully backed 1:1 by reserves held within the UAE, in December 2024 to add momentum to country's digital finance.
- The government has introduced platforms like **DubaiNow and Abu Dhabi Pay** to enable cashless payments for over 120 services, like fines, utility bills, school fees and parking. This shift toward **seamless digital transactions** is accelerating consumer adoption and firmly positioning the country as a leading e-commerce hub in the Middle East.

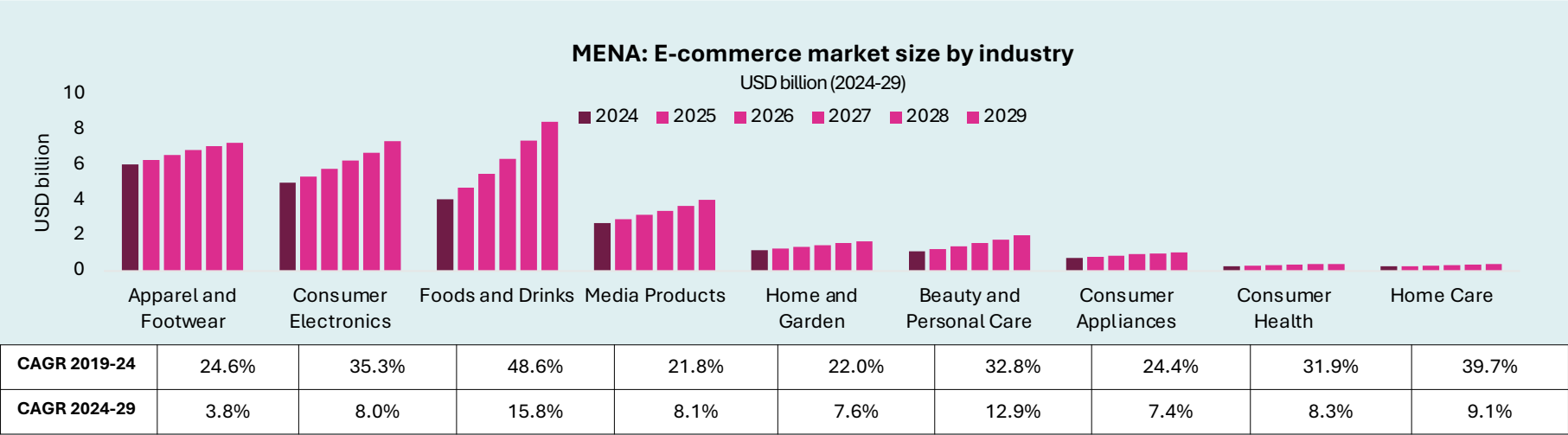
### MENA Countries: E-commerce market size

Share by country (% ,2029)



# INDUSTRY OUTLOOK - OVERVIEW BY CATEGORY

Subscription models and AI-powered personalisation drive strong e-commerce growth in food and beauty.



- **Foods and drinks** e-commerce is expected to grow at a CAGR of **16% over 2024-2029**, driven by brands catering to the region’s tech-savvy and **time-constrained consumers** through innovations such as **auto-replenishment** for essentials and **flexible subscription models** for **staples** such as coffee, snacks, baby food and beverages, bringing added convenience to everyday life.
- **Beauty and personal care** e-commerce is set to witness a strong **CAGR of 13%** over 2024-2029, driven by the rise of cultural beauty brands such as Arooba Beauty that are redefining quality and global appeal through **digital platforms**. Retailers like MirrorMirror and BYÔME LABS are using AI, big data, and biotech ranging from skin type and climate-based recommendations to DNA-driven skincare and microbiome analysis to deliver culturally rooted, hyper-personalised beauty experiences that deepen consumer connection.

## INDUSTRY OUTLOOK - DRIVERS SUPPORTING E-COMMERCE GROWTH IN THE FORECAST PERIOD

1

### Tokenisation and consumer trust

- Rising data privacy concerns in MENA are being addressed through **regulations and tokenisation**, enabling broader adoption of generative AI and e-commerce innovations.
- Enhanced encryption protects consumer data, fostering trust and **encouraging data sharing**. As mobile-first behaviour grows, strong security policies are set to drive regional growth.

2

### Localisation

- Local platforms will continue to thrive by curating region-specific product assortments and designing marketing campaigns that align with **cultural norms, religious sensitivities and local holidays such as Ramadan**.
- E-commerce platforms will prioritise **Arabic-first interfaces and localised support** to enhance accessibility and build consumer trust.

3

### Buy now, pay later

- BNPL is set to thrive in MENA e-commerce as players such as Tamara and Tabby benefit from **growing investment and government support**.
- Rising demand may prompt larger retailers to **develop in-house BNPL solutions**, helping them cut third-party costs, retain customers and offer personalised services through **deeper consumer insights**.

4

### Drones and robot deliveries

- Consumer demand for delivery speed in e-commerce is driving **logistics innovations** to reshape last-mile delivery in MENA.
- **Careem and Flytrex are piloting drone deliveries across the Gulf** to avoid traffic and speed up service.
- **Yango's autonomous robot deliveries**, cutting labour costs and enabling contactless drop-offs to meet growing demand for faster e-commerce fulfilment.

5

### Digital luxury

- Digital luxury is on the rise in the UAE and KSA, with consumers increasingly purchasing **premium fashion and beauty** online.
- Platforms such as Ounass and Farfetch have started capturing market share by offering services such as **same-day delivery and personalised styling**. The segment is set for accelerated growth, driven by growing consumer appetite for **exclusivity and premium experiences**.



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