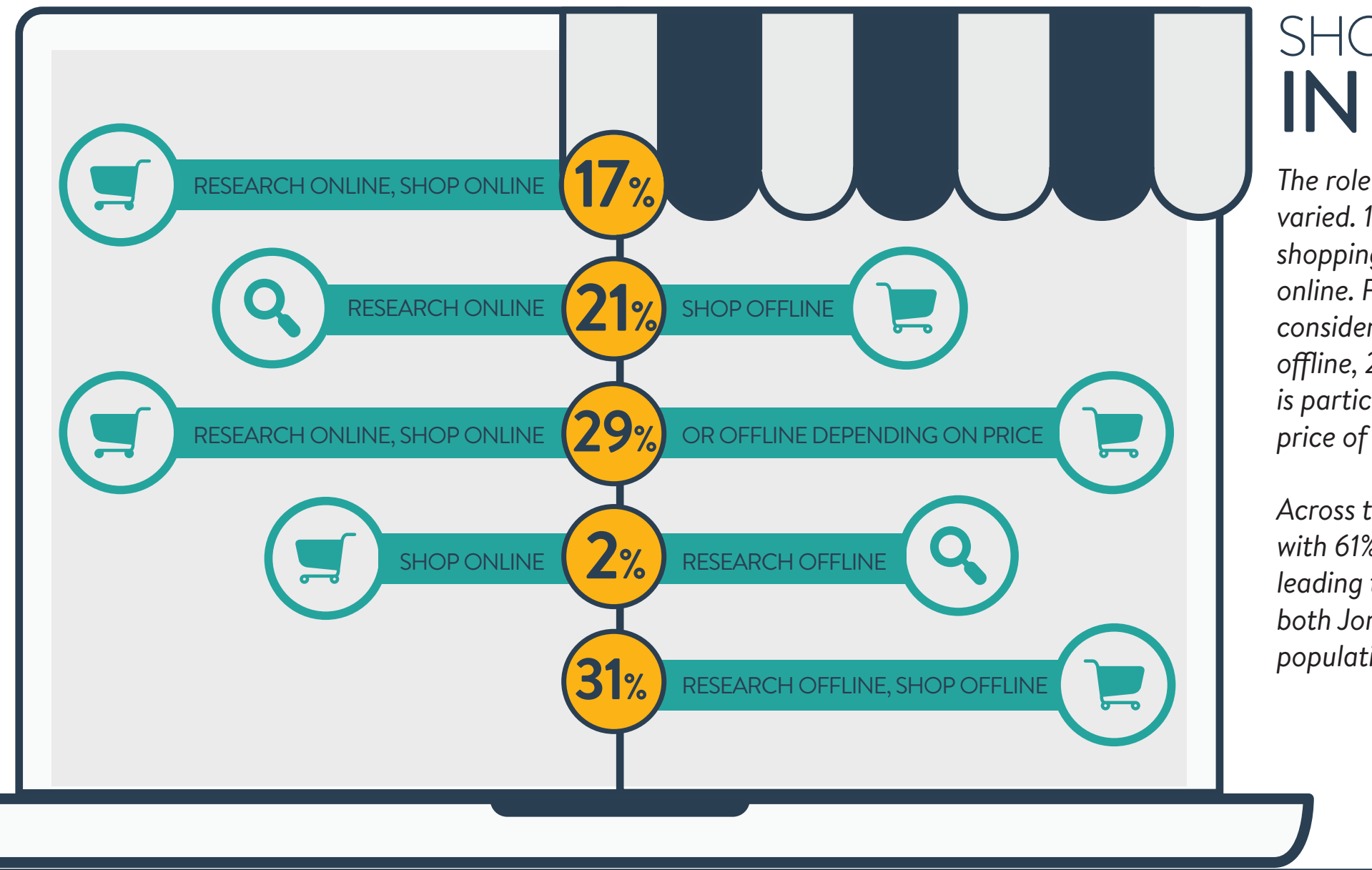


ONLINE SHOPPING IN THE ARAB WORLD



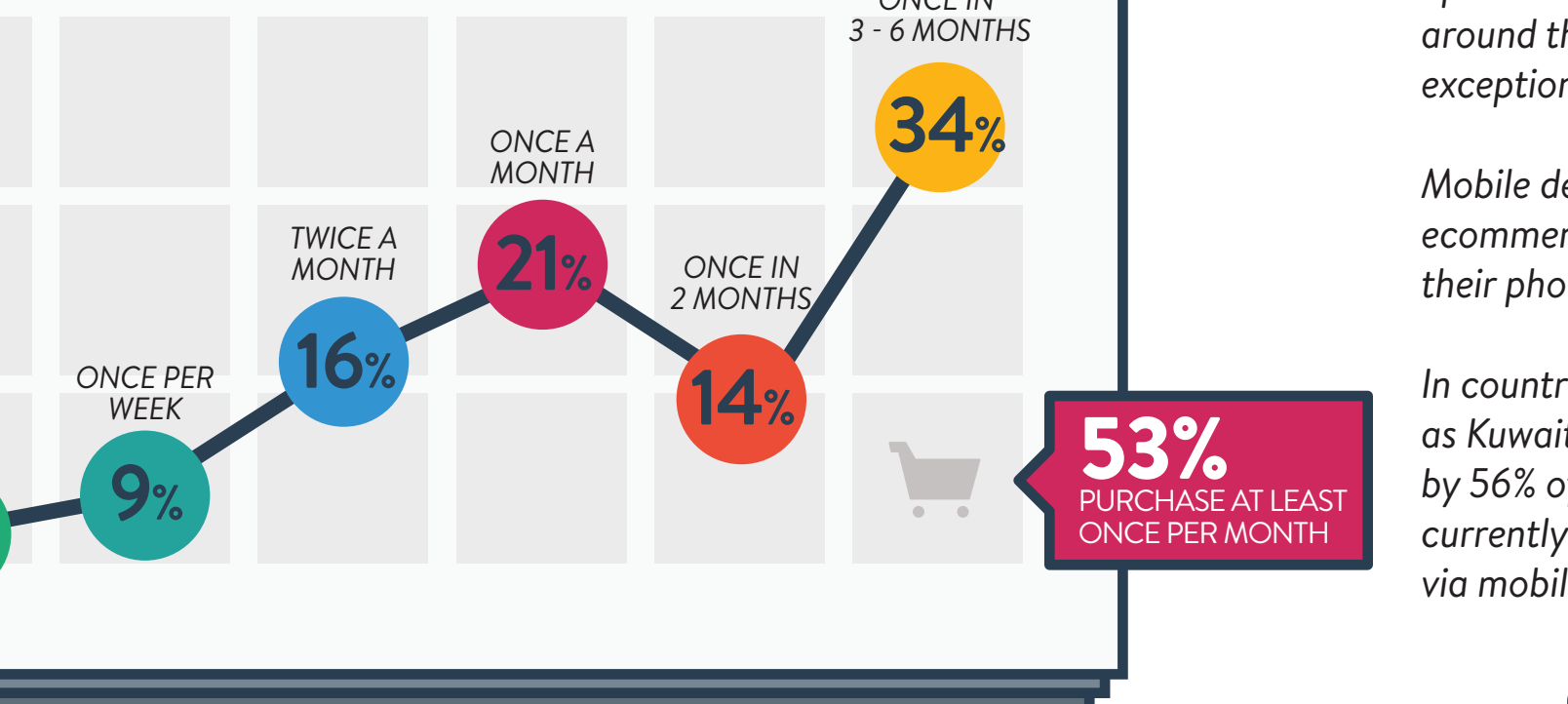
SHOPPING BEHAVIOUR IN THE REGION

The role the internet plays in consumer shopping remains varied. 17% of shoppers say they complete their entire shopping journey online and 67% are doing their research online. For many users the cost of an item is a major consideration when choosing between purchasing online or offline, 29% of shoppers say price is the deciding factor. This is particularly true for the UAE where 39% of shoppers say the price of a product affects whether they buy online.

Across the Middle East online shopping continues to grow with 61% of the population shopping online. The UAE is leading the region with 71% of the country shopping online; both Jordan and Morocco remain behind with 50% of the population remaining offline.



ONLINE SHOPPING FREQUENCY



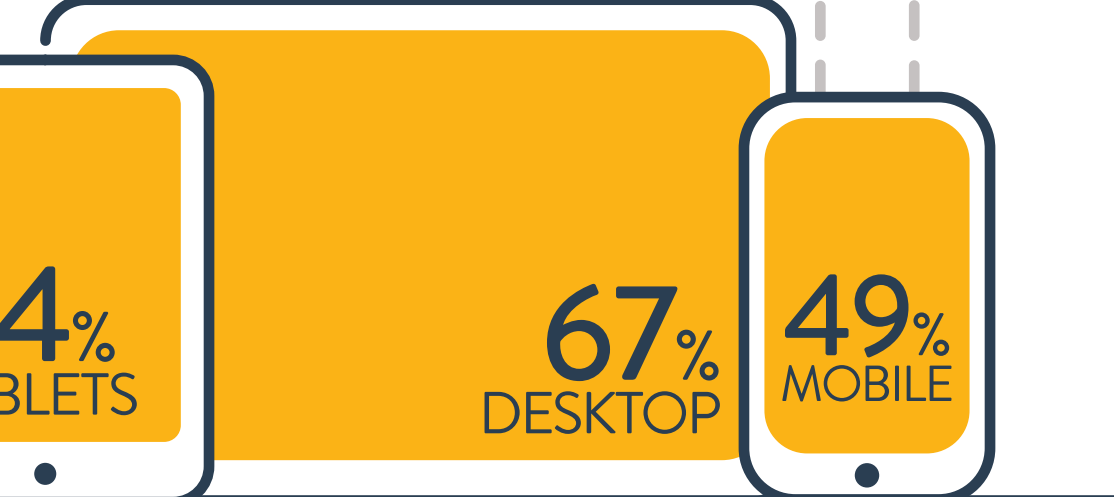
Online shoppers in the region are slowly increasing their purchase frequency with 53% of the population making at least one purchase per month. Though still lagging behind more developed online marketplaces, this is a positive sign that confidence in Arab ecommerce is continuing to grow.

DEVICE OF CHOICE FOR ONLINE SHOPPERS

The introduction of tablets and smartphones has opened a range of innovative shopping experiences around the world and the Arab market is no exception.

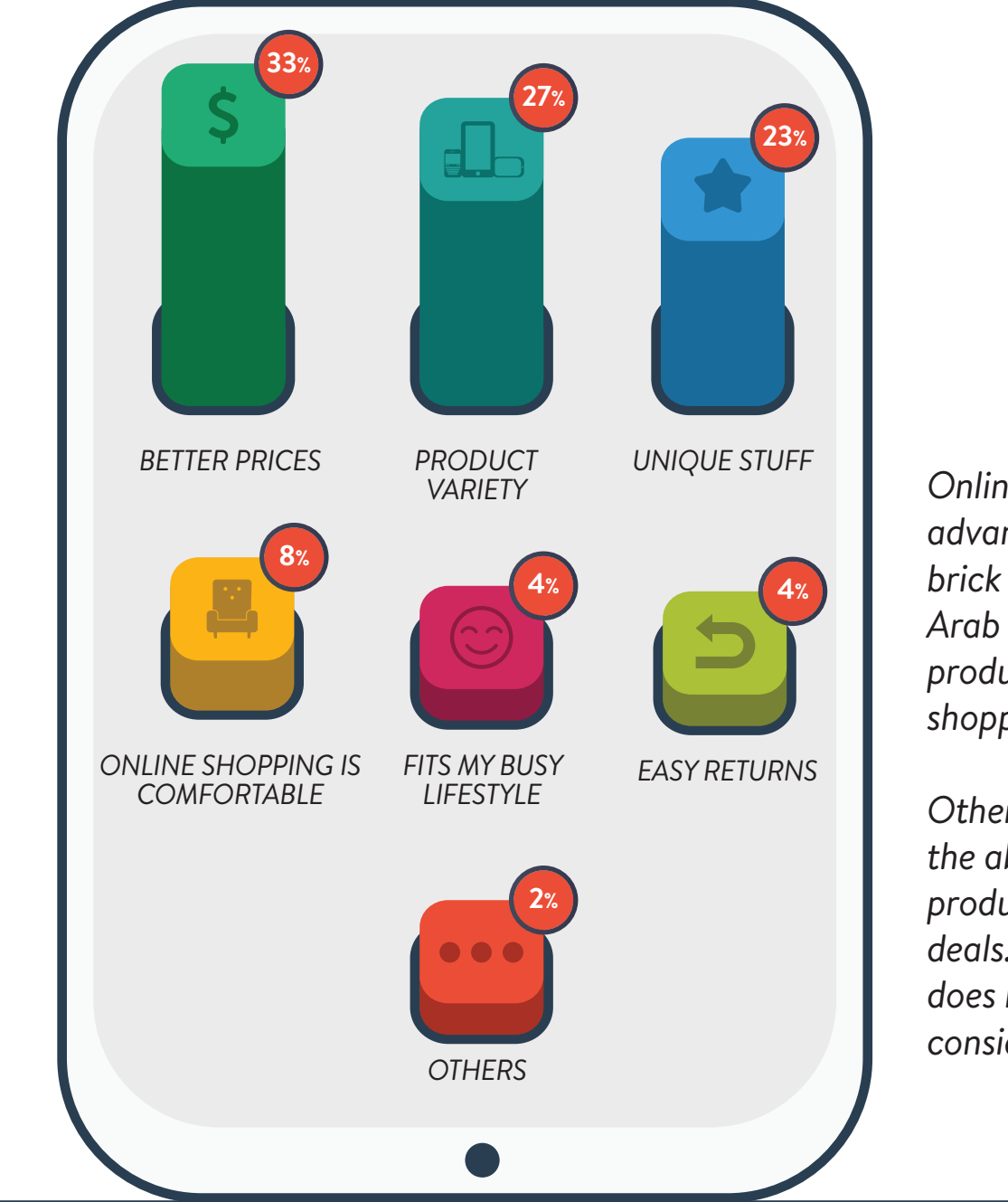
Mobile devices are quickly becoming a staple of ecommerce with nearly 50% of customers using their phones to complete their online shopping.

In countries with high smartphone penetration such as Kuwait, mobile based shopping has been adopted by 56% of the population. In contrast Egypt currently only has 42% of its population shopping via mobile devices.



EGYPTIANS SHOP VIA MOBILE 42%

KUWAITI SHOP VIA MOBILE 56%

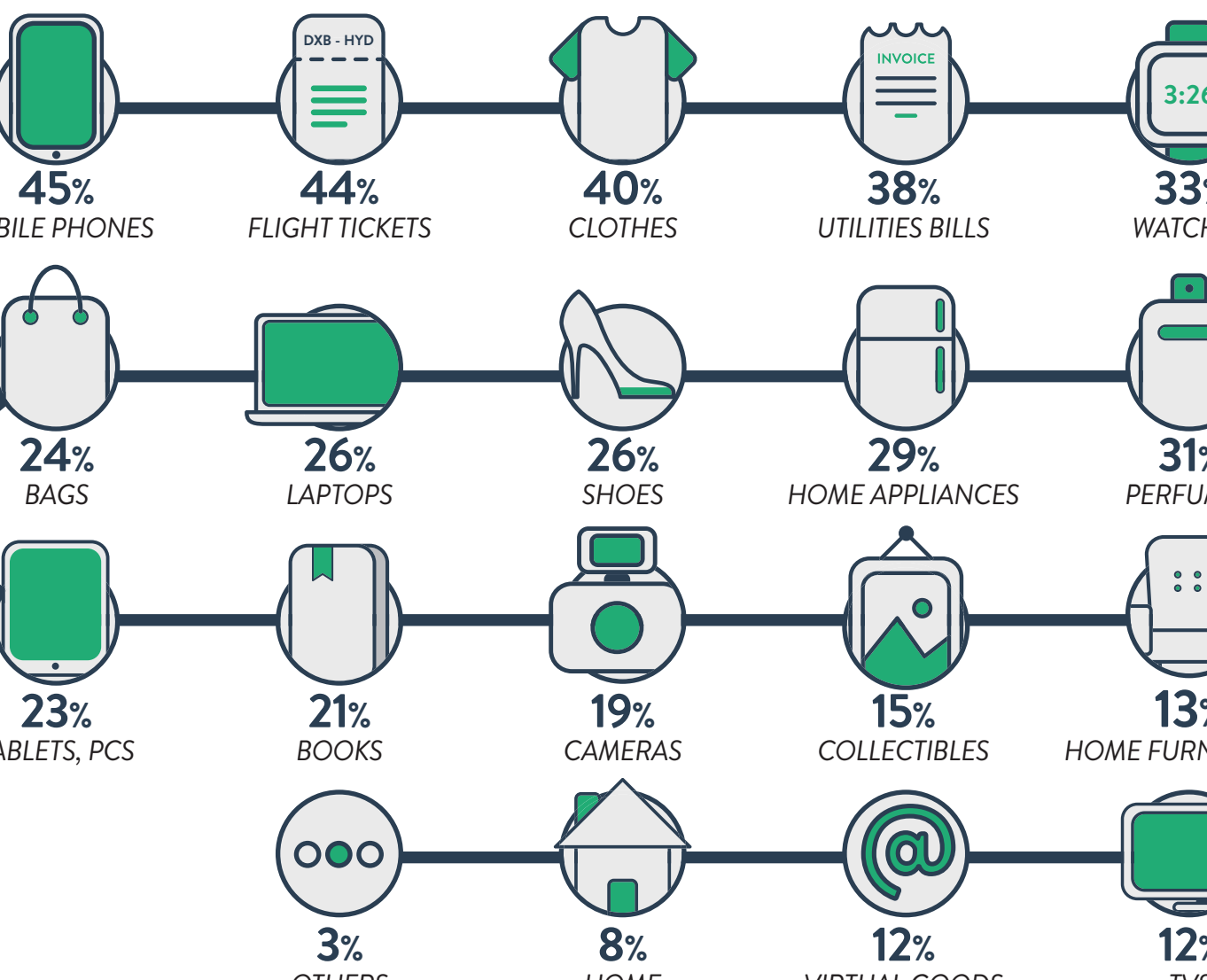


Online shopping can offer many advantages over traditional brick and mortar stores. For the Arab world, the wide variety of products is a major driver for shopping online.

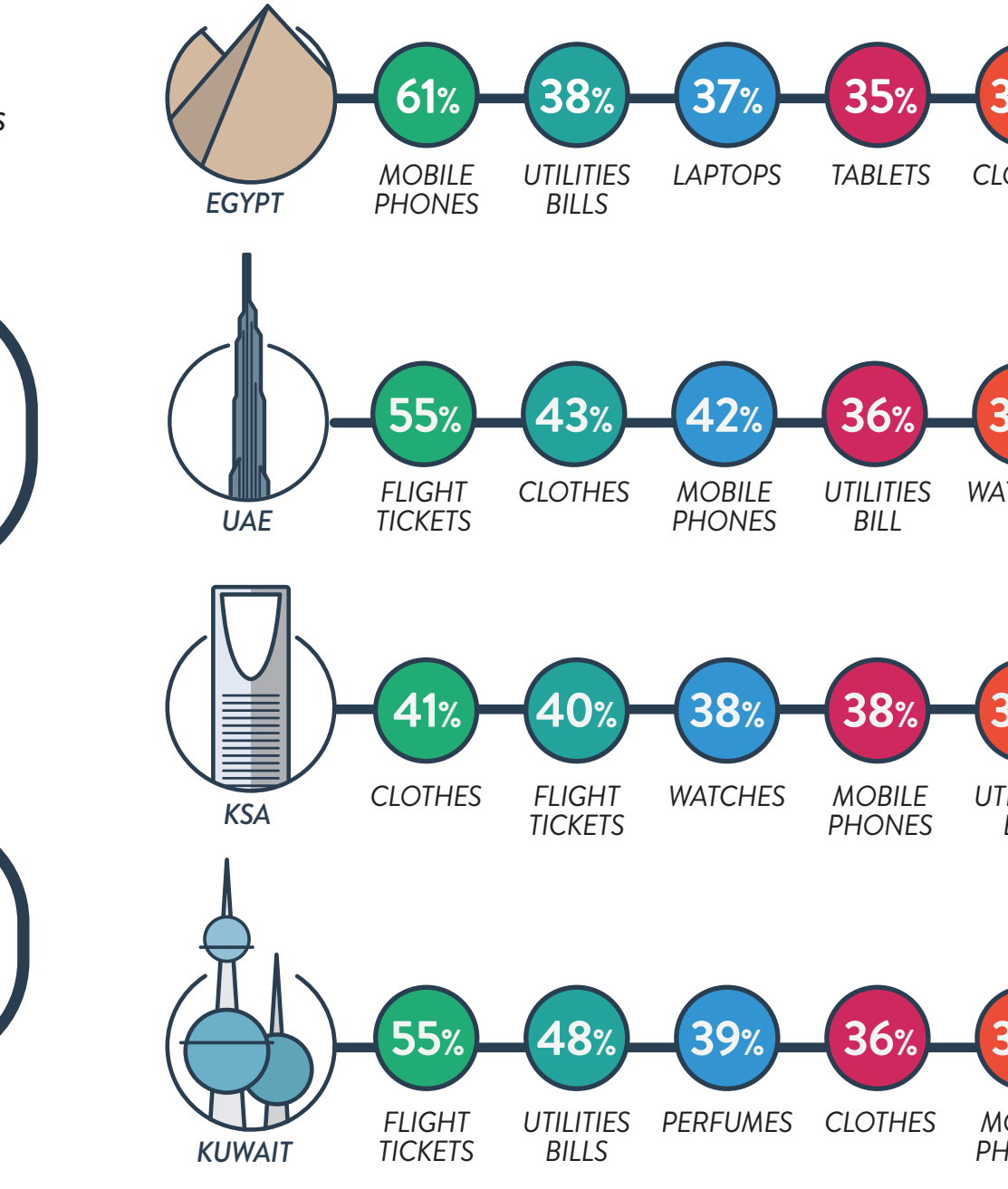
Other important factors include the ability to find 'niche' products and overall better deals. Surprisingly 'convenience' does not appear to be a consideration for Arab shoppers.

WHAT TYPE OF PRODUCTS ARE ARAB SHOPPERS BUYING

Arab shoppers are buying a range of products and services online. Mobile phones proved to be the most popular products with 45% of shoppers claiming to have bought their device online. Flight tickets also remain a common product with clothing, bill payments and watch purchases rounding out the top 5.



TOP FIVE PRODUCTS BY COUNTRY



WHAT SITES ARE POPULAR IN THE ARAB WORLD

Souq.com has found the most success in the region with nearly 75% of shoppers going to the site for their shopping needs.

Despite minimal support in the region Amazon is the number two site, likely a result of their vast inventory and range of niche products.

HOW SHOPPERS ARE INFLUENCED



BEST DEALS
PRODUCT REVIEW
FRIENDS RECOMMENDATION

WHAT INFLUENCES ARAB SHOPPERS

With better prices bringing more Arab shoppers into the online realm, it's no surprise that when it comes to completing the transaction price has the biggest influence. Fifty five percent of shoppers say that the 'best deal' impacts their final decision.

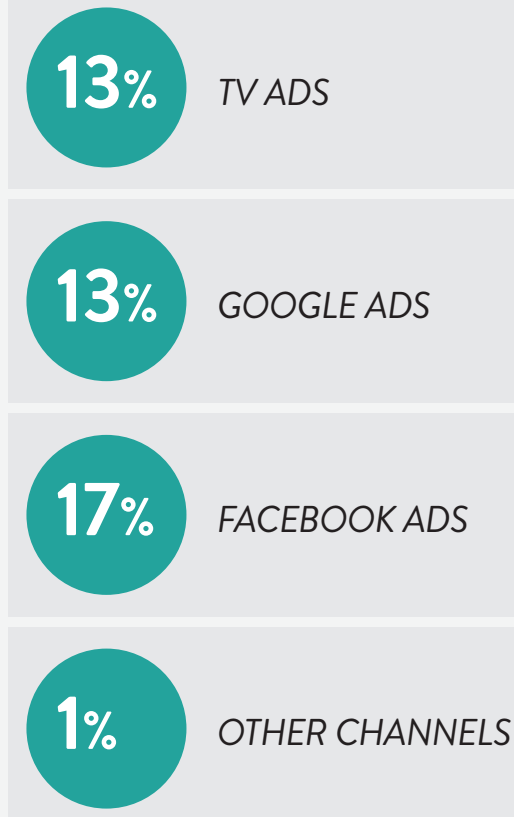
Past experience with the website as well as product reviews and recommendations from friends also affect a shopper's decision to buy.

While ads and email marketing have some impact, price and third party reviews are what influence shoppers.

PAST EXPERIENCE WITH THE SAME WEBSITE

41%

ADVERTISEMENTS



EMAIL SUBSCRIPTION 14%

9/10 PEOPLE CHECK REVIEWS BEFORE ONLINE PURCHASE



REVIEWS MATTER TO ONLINE SHOPPERS

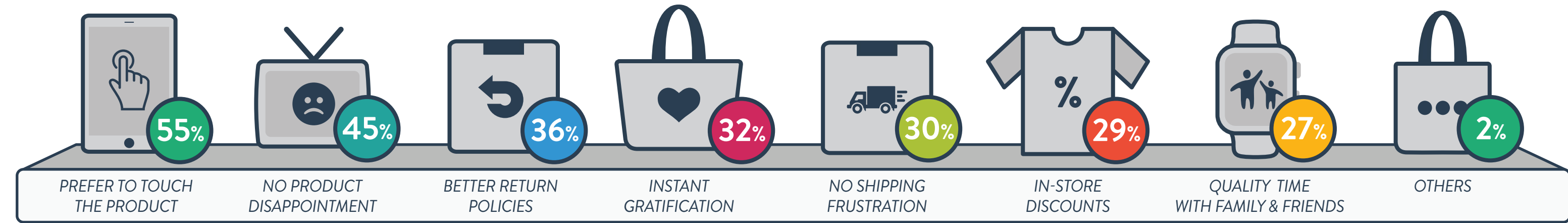
Reviews play an important role in the online shopping experience globally and this trend is also apparent in the Arab world. With 9 out of 10 people checking reviews before making an online purchase, they have the potential to make or break a sale.

While over 90% of individuals rely on reviews to aid in their decisions, only 60% regularly give feedback after a purchase. This leaves 60% of consumers informing 90% of future shoppers.

LEARNING FROM OFFLINE SHOPPING BEHAVIOUR

For many shoppers, the offline experience keeps them from exploring online shopping options. The ability to touch and interact with the product before buying remains an important aspect of the shopping experience for many shoppers.

Though it's difficult to replicate product interactions in the online space, providing better return policies and more on site discounts can easily be translated to an ecommerce platform.



PAYMENT, SECURITY & PRIVACY

HOW DO ARAB SHOPPERS WANT TO PAY

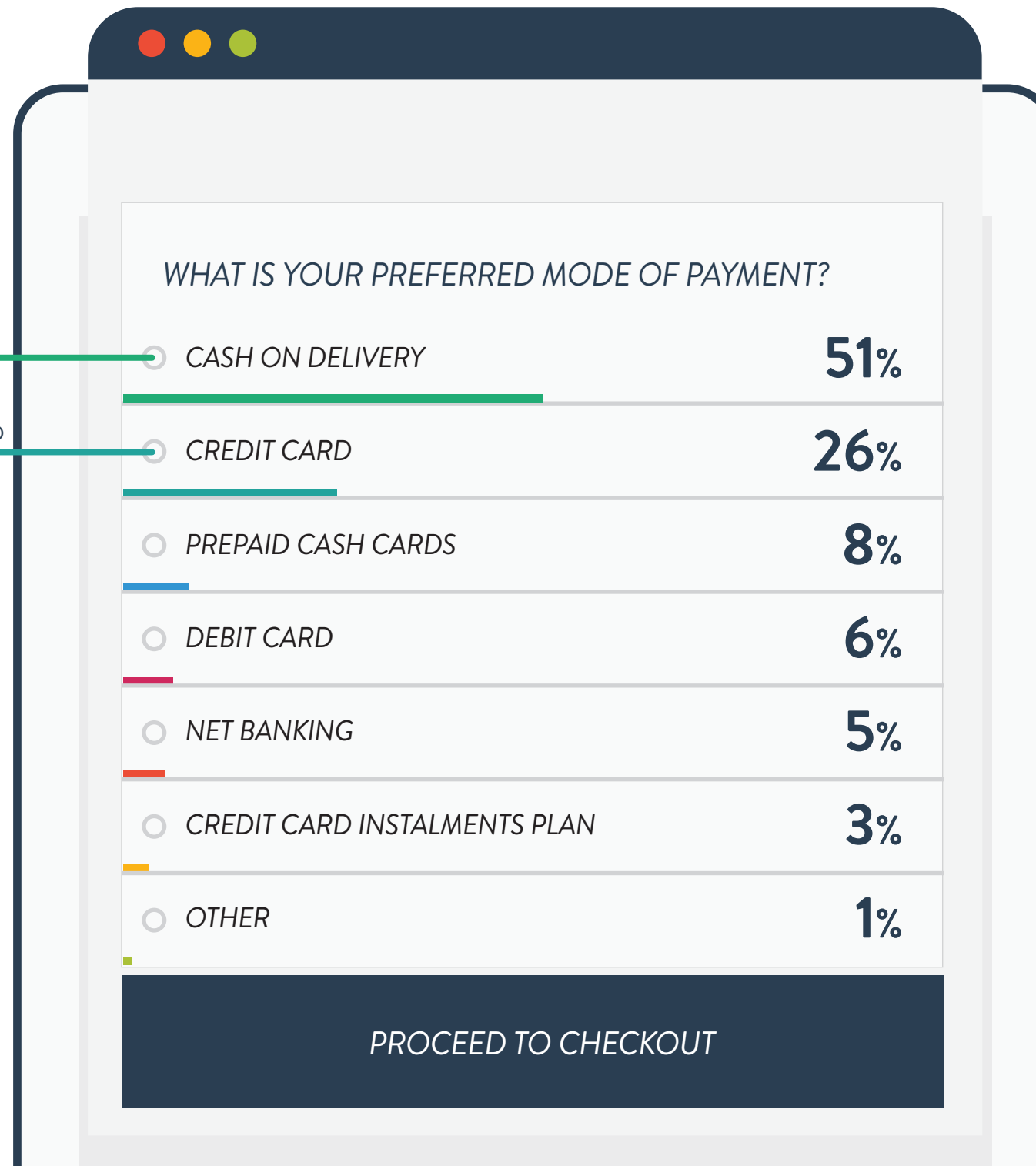
Cash on Delivery continues to be the most popular payment option in the region with 50% of shopper preferring this method of payment. This preference is most prevalent in Egypt where 70% of the shopping population prefers Cash on Delivery.

The more ecommerce friendly credit card method is beginning to close the gap, with the UAE seeing 1/3 of shoppers selecting credit card as their preferred payment method. With credit card penetration growing year on year cash on delivery will begin to fade.

Cash still dominates offline shopping however with 80% of offline shoppers preferring to pay with cash at brick and mortar locations. This trend is most prominent in Egypt where 91% of offline transactions are settled with cash.

91% OF EGYPT SHOPPERS SELECT CASH

33% OF UAE SHOPPERS SELECT CREDIT CARD



HOW CONFIDENT ARE YOU THAT YOUR PERSONAL INFORMATION IS KEPT CONFIDENTIAL



HOW CONFIDENT ARE YOU THAT YOUR PAYMENT INFORMATION IS SECURE



HOW OFTEN DO PRIVACY CONCERNS PREVENT A PURCHASE

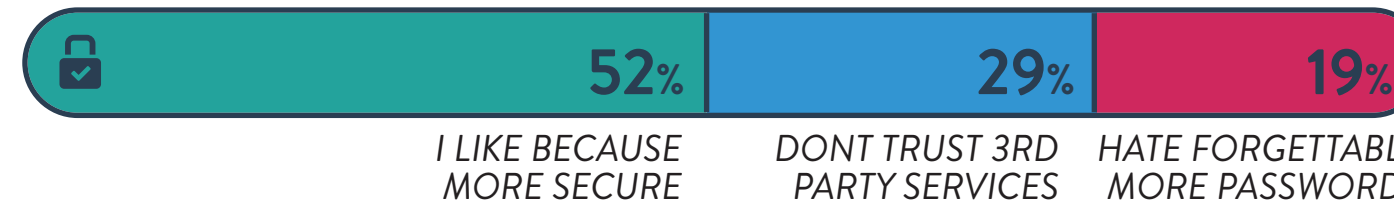


SECURITY & PRIVACY

Privacy and security remain major concerns for shoppers across the region. While there have been dramatic improvements over the last five years, confidence in online shopping is still lower than in more mature markets.

HOW DOES 3D SECURE IMPACT SHOPPER CONFIDENCE?

WHAT DO YOU THINK ABOUT THE 3D SECURE SYSTEM?



3D Secure is an internationally recognised security standard for online credit card payments which has recently made its way to the region; It adds an additional security layer for online credit and debit card transactions and aims to prevent online fraud.

Though still new to the region the security feature is resonating well with the population. It is proving most popular in the UAE, KSA and Kuwait where well over 50% of shopper say it makes them feel more secure. Egypt is still catching up however with only 43% of the population feeling more secure and 36% concerned about entering banking details on a 3rd party site.



UAE, KSA & KUWAIT SHOPPERS FEEL SECURE USING 3D SECURE

HOW TO BRING THE REMAINING ARAB SHOPPER ONLINE

Those shoppers that remain offline cite not having a credit card and a lack of trust in the payment systems as their main reasons for not embracing online shopping.

In Egypt for example low credit card penetration continues to disrupt ecommerce with 39% of the population remaining offline due to a lack of credit card. The Kuwaiti population exemplifies online payment trust issues with 56% of shopper claiming they do not trust online payments.

For businesses, communicating security features and educating consumers remains critical to the success of ecommerce in the region. At the same time banks need to find solutions that enable more consumers to participate in the digital marketplace.

As these two critical issues are addressed a greater shift to ecommerce will be seen across the region.

WHY DON'T YOU SHOP ONLINE

44% DON'T TRUST ONLINE PAYMENTS

35% DON'T HAVE CREDIT CARDS

11% LOCAL ONLINE SERVICES ARE NOT GOOD

10% OTHERS