

RETAIL

## Emerging Middle Eastern ecommerce market necessitates differentiated approach

October 17, 2018



*Layeur by The Modist is the platform's new private label. Image credit: the Modist*

By SARAH JONES

NEW YORK Whereas the ecommerce market is built up in markets such as the United States and China, the Middle East still represents a largely untapped online market ripe with opportunity for luxury brands.

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With a wealthy population that is heavily connected via the Internet and smartphones, the foundation is set for luxury ecommerce in the region, but online retail in the Gulf States remains in its infancy. In a keynote at Luxury Interactive on Oct. 15, an executive from Al Tayer Group laid out both the challenges and solutions for tapping into the region via digital channels.

"The Middle East is still very new to ecommerce for a number of reasons," said Mari Corella, head of digital merchandising at **Al Tayer Group**. "It's a bit of an untapped market."

### Middle Eastern mindset

The Middle East has a population of about 50 million, with a high GDP per capita. Consumers here are highly connected to the Internet, with many owning more than one smartphone.

As Ms. Corella explained during "Case Study Interactive: Providing That Next Fresh Experience to Boost Brand Awareness and Lead Customers Down the Path to Purchase," there are a number of differences between the Gulf region and more established ecommerce markets such as the United States that make ecommerce trickier.

One of the challenges for retailers in the Middle East is the fact that consumers often do not have credit cards. The preferred ecommerce payment method is therefore cash on delivery.

Mailing addresses are also not as common as they are in the United States, and shipping infrastructure is not as developed.

While most online sales take place during daytime hours in the U.S., the Middle Eastern client tends to be a night owl.

Providing examples of ways to combat these potential issues, Ms. Corella pointed to what Middle Eastern-based

ecommerce sites including The Modist and Al Tayer Group's Ounass have done.



*Ounass caters to clientele in the GCC. Image credit: Ounass*

As an alternative for a mailing address, The Modist allows consumers to drop a pin at their location, directing the courier to their home. Sites can also offer the option for cash on delivery.

Retailers can also enable consumers to pick a delivery time that works for them, enabling night owls to specify later delivery.

With ecommerce in its early stages, consumers are still very wary of fraud when shopping online. Having a marketing presence can help assure consumers that a brand is legitimate.

Also, since consumers may be new to online shopping, it is smart for brands to guide them through the process at every step. Being available via their preferred communication method WhatsApp is also key.

Cultural and regional differences also impact how brands should market and merchandise. For instance, using snowflake themes in the winter is not apt to resonate with consumers who live in the warmer climate, while differences in religious holidays should also be taken into account.

Additionally, brands should think about product assortments or visual merchandising that are more modest. Ms. Corella noted that one brand's sheer bodysuit was made more opaque and styled differently for The Modist.



*Mari Corella*

Going beyond logistics, brands can win the Middle Eastern luxury client with services such as personal shopping, closet cleaning or perks, for example special events and gifts.

Market trends

Lagging luxury ecommerce in the Middle East has prevented the market from reaching its full potential, according to a white paper by The Chalhoub Group.

The Chalhoub Group's "[Luxury in the GCC: Age of Digitalization](#)" white paper examines the six countries within the Gulf Cooperation Council and how luxury in the market has been affected by the digital revolution. For more than 50 years, The Chalhoub Group has worked with brand partners to establish their businesses in the Middle Eastern market, which offers clients a deep understanding of the region and consumer behavior ([see story](#)).

While modesty is key for the Middle Eastern market, it has a demand beyond the region.

Online retailer The Modist is now working with Farfetch in the hopes to expand luxury modest fashion worldwide.

The Modist is hoping to tap Farfetch's wide research to help woman around the world dress in modest, but still fashionable clothing. With a deep background in the Middle East, the goal is to bring the brand's consumer what it believes is the best curated fashion ([see story](#)).

"A lot of times when people want to take their Web site on a global scale, they just think they need to translate the site and maybe change some of the content to speak to the face of the local consumer," Ms. Corella said. "And it's a lot more than that. Yes, that is one aspect of it, but there's a lot more key components that need to be taken into consideration."

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