

INTERNET

Flash-sales site MarkaVIP positioning itself as “Gilt Groupe” of the Middle East

October 24, 2011



By KAYLA HUTZLER

Ecommerce destination MarkaVIP is positioning itself as the "Gilt Groupe" of the Middle East and possibly opening the doors for luxury brands to tap the region's quickly-growing market.



MarkaVIP has gained almost 500,000 members and is the largest Facebook retail community in the Middle East. The company offers flash-sales on new and upcoming brands as well as luxury labels such as Burberry, Chloe and Moschino.

“The per capita wealth is quite high here, and the people are very sophisticated in terms of their fashion and their luxury brands,” said Ahmed Alkhatib, founder and CEO of **MarkaVIP**, Amman, Jordan.

“They are fanatics about their brands, so we are giving them the opportunity and the convenience to shop from their home and we are giving them more brands and more variety,” he said.

“In the Middle East, it is quite difficult to go to the mall because of the heat and traffic conditions, and the bricks-and-mortar shops do not provide all of the selection that you find online.”

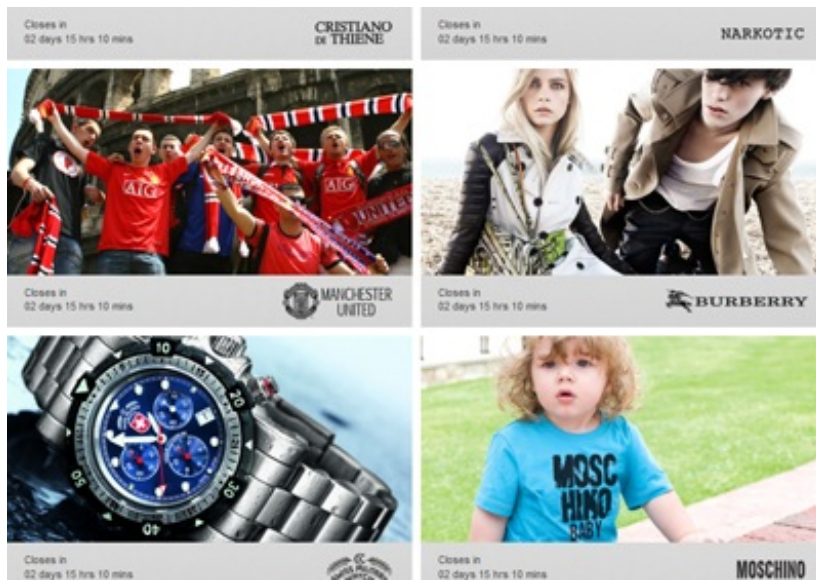
Making its mark

MarkaVIP is the Middle East's version of Gilt Groupe or RueLaLa, per Mr. Alkhatib.

The site offers up-and-coming brands and luxury brands alongside each other with average discounts of 40-70 percent.

Found at <http://www.markavip.com>, the site offers women's, men's and children's apparel and accessories as well as lifestyle products and techy gadgets.

For example, the flash-sales site was selling Burberry apparel, Chloe sunglasses, BlackBerry and HTC mobile devices at press deadline.



MarkaVIP has become the leading ecommerce site in the country, having found a way to battle the insecurities that the Middle East consumer feels about entering information online.

The online retailer does not require consumers to buy the products with a credit card.

Instead, shoppers can have the products delivered to their house and pay with cash upon delivery.

MarkaVIP uses its own, personal delivery system, except for in the Gulf Cooperation Council region, including Saudi Arabia, Qatar, United Arab Emirates, Oman, Bahrain and Kuwait, where the deliveries are made by UPS and FedEx.

"It's similar to the United States in the early days," Mr. Alkhatib said. "When the first online shops became available in the States, people did not trust giving their credit cards to the browser.

"That is the [current] situation in the Middle East, so we let people pay cash when the order arrives at their door," he said.

Go east, young brand

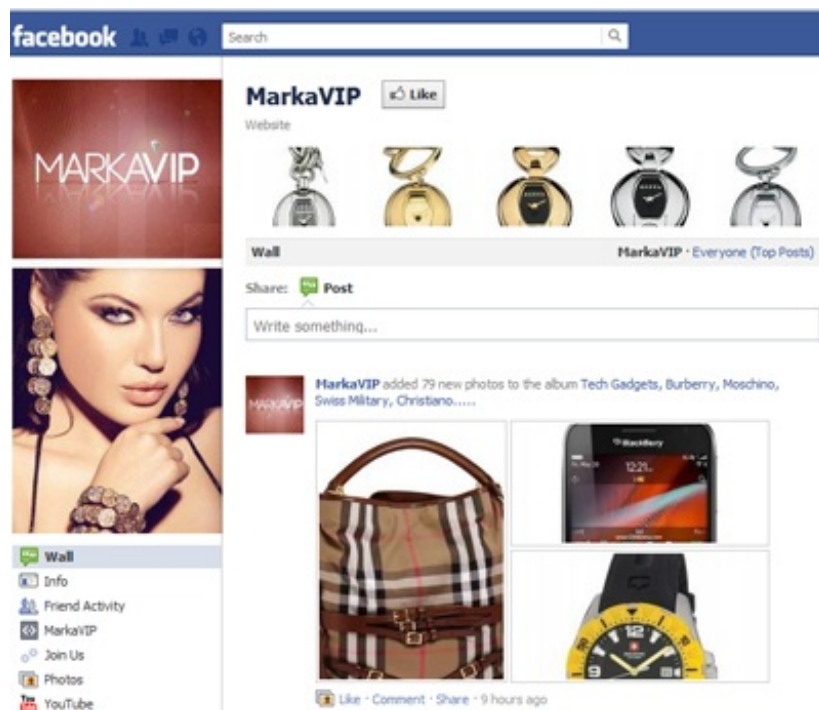
The best way to reach consumers in the Middle East is through digital and mobile media, according to Mr. Alkhatib.

This became apparent with the recent Arab Spring, where activists used mainly Facebook

and Twitter to help overthrow the government.

For this reason, the flash sale-site mainly markets itself through Facebook.

MarkaVIP has the largest Facebook community in the region with more than 190,000 fans, as of press deadline.



Indeed, the MarkaVIP strategy appears to be working.

The flash-sale site accepts about 2,000-4,000 members each day and garners about 3 million unique visitors each month.

Additionally, luxury brands may want to focus their Middle East attention on Saudi Arabia.

The country accounted for 40 percent of MarkaVIP's third-quarter sales.

The flash-sales site can act as a case-study for luxury brands who wish to gauge the Middle East market, Mr. Alkhatib said.

While building a bricks-and-mortar store can be expensive in the area, cultural differences, language barriers and technological infrastructure can make it exceedingly difficult for luxury brands to launch ecommerce sites in the Middle East.

MarkaVIP can help them increase brand awareness in the Middle East, and help guide them into creating their own, independent store, per Mr. Alkhatib.

"The demand for the platform amongst suppliers is increasing heavily," Mr. Alkhatib said.

"That is because we at MarkaVIP provide a launchpad for those brands that are not yet in the Middle East but would like to be.

"They may not have the ability to set up a bricks-and-mortar store, so they can use MarkaVIP as a case study," he said. "We give them feedback on what the consumers feel about their prices and their brand, which has been a hit with existing luxury brands that are not in the Middle East."

Final Take

Rachel Lamb, associate reporter on Luxury Daily

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