



Shopping Redefined

How E-commerce Is Reshaping
Shopper Behavior In MENA

May 2023

GAME CHANGERS





Introduction: How E-commerce Is Reshaping Shopper Behavior In MENA

The e-commerce market in the Middle East is expanding rapidly and is among the fastest-growing globally. It is anticipated grow at a rate of 7% annually between 2023 and 2027, resulting in a market size of \$169 billion by 2027 ¹. This growth will be largely driven by the GCC region and Egypt.

Within this growth however, some important shifts in shopper behaviors and attitudes are slowly taking shape. These shifts include how online shoppers plan their shopping journeys, the criteria defining their shopping choices, as well as their shopping frequency and expenditure.

In this report, we take a closer look at how e-commerce is transforming shopper behavior in the region, and what this means to brands and retailers as online shopping continues to grow.

Online Shopping Is A Highly Planned Affair

Shopping in the real world is leisure-based, but the virtual shopping world is being approached very differently. MENA's online shoppers are significantly more planned in their approach, with the majority starting their shopping journey already aware of what they want to purchase, with many having a pre-selected brand in mind.

As a result, impulse buying is much less likely to happen online than during physical shopping trips. Brand selection is becoming more habitual in nature and shoppers are more likely to resort to the familiar and less likely to explore new options.

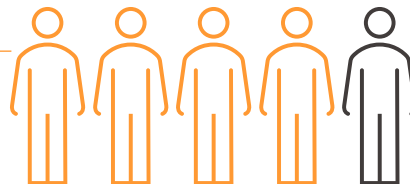


71%

Plan Ahead The Category They Want To Purchase

4 In 5

Planners Know The Brand They Want To Purchase



Despite Spending More Online, Shoppers Are Becoming More Price Sensitive

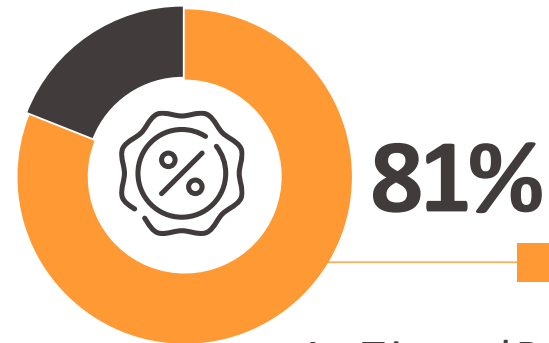
As online shopping allows for easy price comparison on a large scale, it is creating a more conscious shopper that is more price sensitive. Prices and promotions are now the primary factors driving people in the region to shop online, a trend that has increased significantly in recent years.

Better prices online also mean that today online shoppers are starting to spend more online than offline, a noticeable shift in behavior when compared to pre-pandemic levels where 3 in 4 shoppers were spending more in-store.



4 In 5

Have Become More Price
Aware Since They Started
Shopping Online



Are Triggered By
Prices/ Promotions
To Shop Online

29%
Spend More
In-store

29%
Spend
Equally

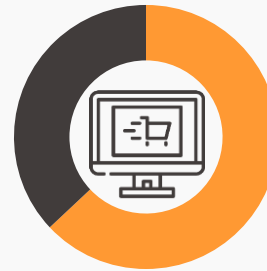


42%
Are Spending
More Online

Shopping Frequency Is On The Rise

The convenience of online shopping has resulted in a surge in shopping frequency. 2 in 3 shoppers are shopping more frequently since they started shopping online, compared to their in-store buying patterns. This is because most shoppers are turning to online shopping to address immediate needs, such as running out of certain products, rather than buying in bulk.

As a result, shoppers are generally spending more time shopping because their online shopping journeys usually consist of several, smaller purchases, each based on specific needs. As shoppers become more comfortable with the online shopping experience, they tend to purchase more items online as well.



63%

Are Shopping
More Frequently



50%

Are Spending
More Time
Shopping



49%

Are Buying
More Items

Shoppers Rely More Heavily On Online Sources Of Information

With online shopping being more planned, shoppers are taking the time to better prepare themselves prior to making a purchase, actively researching products and brands to familiarize themselves with the options available to them. To do so, they are putting great focus on online touchpoints such as brand websites, retailer websites and social media pages.

Very little research now happens offline, and when it does, it is mostly restricted to word of mouth and recommendations.



83%
Acquire Information
Through Online
Sources

Top Online Sources



Visiting Brand
Websites
44%



General Browsing
Of Retailer Websites
33%



Visiting Social
Media Sites
32%

Wisdom Of Crowds Is A Key Influencing Factor

The role that recommendations play in determining whether consumers will buy a product or not becomes even more important online in the form of customer reviews. When purchasing a product for the first time, 7 in 10 shoppers will look up other people's reviews prior to deciding, this compared to only 1 in 4 being influenced by celebrities or social media influencers. Online shoppers are more likely to value genuine experiences of other shoppers over paid endorsements and testimonials. 3 in 5 shoppers were influenced by the reviews they have read from other shoppers when making their final purchase decision.



68%

Look Up People's Reviews Before Making A Decision



3 In 5

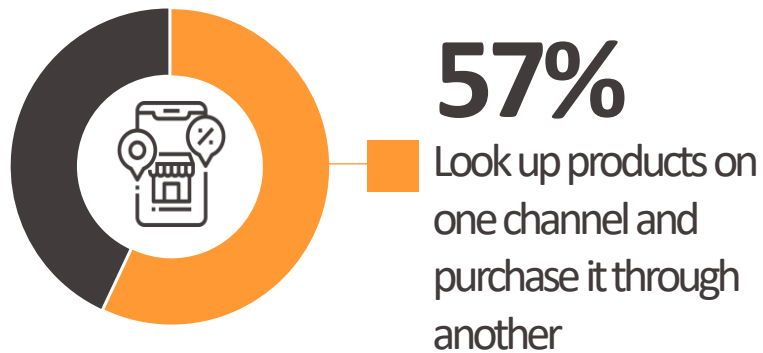
Are Influenced By People's Reviews When Making A Decision



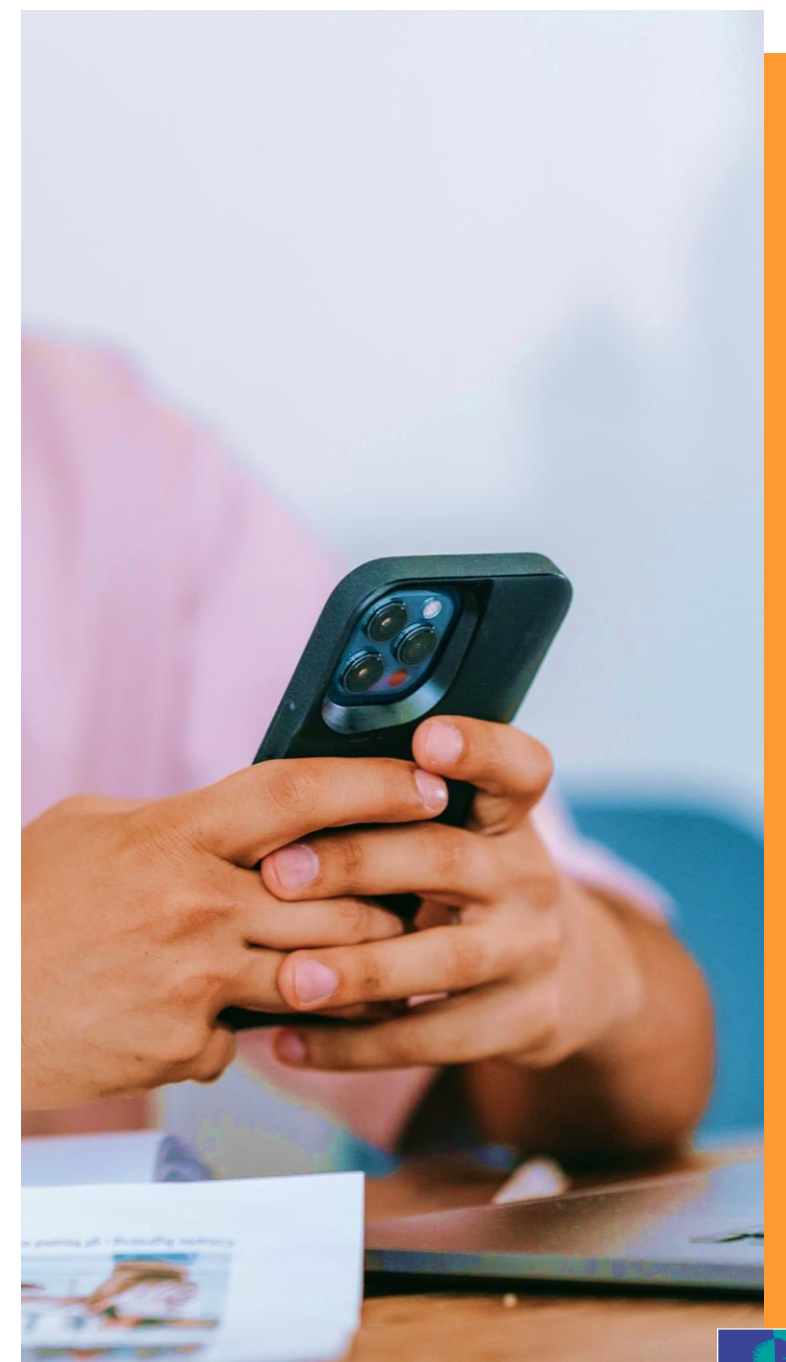
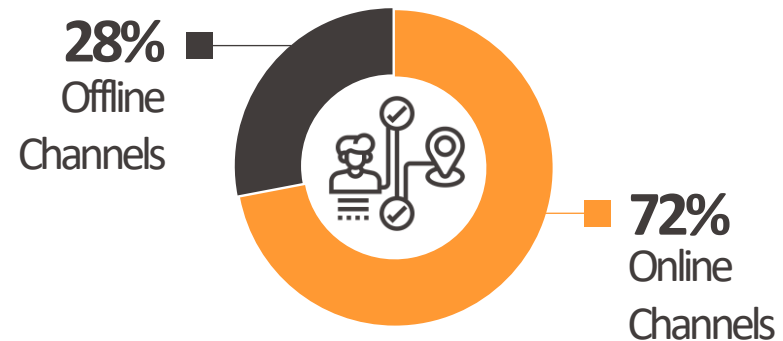
Hybrid Shopping Is More Digital Than Physical

Hybrid shopping is a very common practice with over half of online shoppers looking up products on one channel and fulfilling their purchase on another. However, as with the quest for information, more and more of this hybrid journey is happening online rather than offline.

Online shoppers in MENA will spend more time across more touchpoints online in a typical shopping journey than they will offline, ranging from product search to making the final purchase. The share of the offline part of the journey continues to diminish.



Channel Share of Shopping Journey





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