



E-commerce Market INSIGHTS IN THE UAE Q3-2020

EDITION 2



28%

increase in Q3

E-commerce value (amount) growth

As digital acceptance is trending, the volumes of E-commerce are growing nationwide across all sectors.



9%

increase in Q3

E-commerce volume (count) growth

The number of customers moving to online payments is increasing, reflecting the number of transactions committed by consumers

Top E-commerce growing sectors in Q3



78%



Education



44%



Utilities



43%



Petrol/Gas



41%



Government



25%



Retail

Considering the current period and the payment cycle of the education sector for the new academic year, Education has topped the list of growing sectors for this quarter, with a 78% growth rate. This was followed by the growth of the Utilities sector which recorded 44% growth. As a result of the relaxed restrictions, and people starting to go out, Petrol/Gas recorded in Q3 a growth rate of 43%. The Government sector spend also increased by 41%, while the increase of online marketplaces reflected well in the retail's sector growth, recording 25% in Q3.



4.6%

Domestic

12.1%

International

International E-commerce

The return of international tourism is crucial to a number of sectors and the economy as a whole, resulting in a growth of the international E-commerce traffic. Domestic and international payment transactions were recorded at 4.6% and 12.1% respectively in Q3.



4.8%

Cash to Card percentage

The use of digital payments generally and contactless purchases specifically, was promoted to consumers as a safer alternative to cash, with a 4.8% recorded shift from cash to card payments in Q3. Customer behavior is significantly changing, avoiding touching and payments with paper cash.



12%

increase in Q3

Brick-and-Mortar to Click-and-Mortar transformation

Abreast of this market switch, and showing a noticeable level of growth, brick-and-mortar businesses are seeing some recovery, with a reported 12% increase in Q3. Merchants are aggressively moving from physical to digital and have started operating and investing in their online stores as well as expanding into marketplaces as well.



17%

in Q3

Average Transaction Value of E-commerce

The ATV of E-commerce reverted to a state of normality with a good growth from Q2 to Q3, reflecting higher spending behavior by consumers, with higher purchase power, standing currently at 17%.



25%

increase in Q3

Online retail growth

As a result of the end of the lockdown during Q2, online shops, apparel, marketplaces, and electronics are picking up and have experienced a steady increase in customers' online spending. This resulted in the UAE's retail sector recording a 25% growth in Q3.