

E-commerce in the Region

E-commerce and Classified Marketplaces in Selected Countries

Business Insight Team

December 2021



3	Executive Summary
8	Introduction
11	e-commerce Landscape in Selected Countries
20	Key e-commerce Players in Selected Countries
55	Classified Marketplaces
71	Key e-commerce/Classified Platforms Ranking
74	Our Take on Countries
79	Our Take on Companies





Executive Summary



Executive Summary

1. The role of international know-how and investment is indispensable for the regional companies Almost all of the key e-commerce companies in the region have been backed by knowledgeable foreign investors or global e-commerce players.

2. Global e-commerce players in the region prefer acquisitions and strategic partnerships Global e-commerce players strengthen their presence in the region mainly through acquisitions or strategic partnerships, not through building from scratch.

3. More IPOs and M&As are yet to come

We expect the continuation of IPOs and M&As as the e-commerce industry matures in the region.

4. Increasing number of classified platforms are entering the realm of transaction Classic classifieds are turning into marketplaces. This trend may threaten classic e-commerce supremacy.

5. E-commerce in Turkey is booming

Besides being an attractive e-commerce market, Turkey is seen as a strategic gateway to the European market.

6. The UAE, increasingly, plays the role of e-commerce hub for Arabian countries

The UAE is becoming the hub of multinational e-commerce players, which are determined to have a strong presence in Arabian countries' markets and gain a foothold in Africa from the Middle East.



7. Pakistan seems to be strategic for Chinese e-commerce players

As well as the potential market of Pakistan with around 200 million population, it can act as a strategic distribution chain in the international supply chain of companies such as Alibaba.

8. The viable cross-border market for Iranian players seems to be the Iraqi market

Iraqi e-commerce players are still in their nascent phases and cannot pose competitive threats to multinational players. Furthermore, the Iraqi market size is large and this makes this market more attractive.



Selected Countries at a Glance

Country	Population in 2019 (Million)	GDP in 2020 (Billion Dollar)	Internet Penetration in 2020	E-commerce Market Size in 2020 (Billion Dollar)	Online retail/Total retail
Turkey	82	720.1	77.7%	12	6.2%
Saudi Arabia	34.2	700	95.7%	7	3.8%
UAE	9.7	421.1	99%	6	8%
Pakistan	216.6	263.6	27.5%	4	-
Egypt	100.4	363	57.3%	3	2.5%
Iran	82.9	191.7	70%	2.5	3.2%
Iraq	39.3	167.2	75%	-	-



Executive Summary

Key Regional Companies at a Glance

#	Name	Headquarters	Total Visits (M)	Most Visits	Alexa Rank in the Home Country (Aug, 2021)
1	Trendyol	Turkey	195.65	96.94% from Turkey	4
2	Sahibinden*	Turkey	133.18	98.34% from Turkey	5
3	Hepsiburada	Turkey	95.30	97.98% from Turkey	7
4	Digikala	Iran	64.24	93.14% from Iran	3
5	N11	Turkey	44.88	98.82% from Turkey	11
6	Opensooq*	Jordan	35.41	29.55% from Saudi Arabia	23
7	Haraj*	Saudi Arabia	34.29	94.47% from Saudi Arabia	5
8	Gittigidiyor	Turkey	31.38	98.44% from Turkey	24
9	Divar*	Iran	24.13	94.68% from Iran	8
10	Amazon.ae	UAE	22.16	75.14% from UAE	4

Source: Similarweb, Jul. 2021

* Classified Platforms





Introduction



Introduction

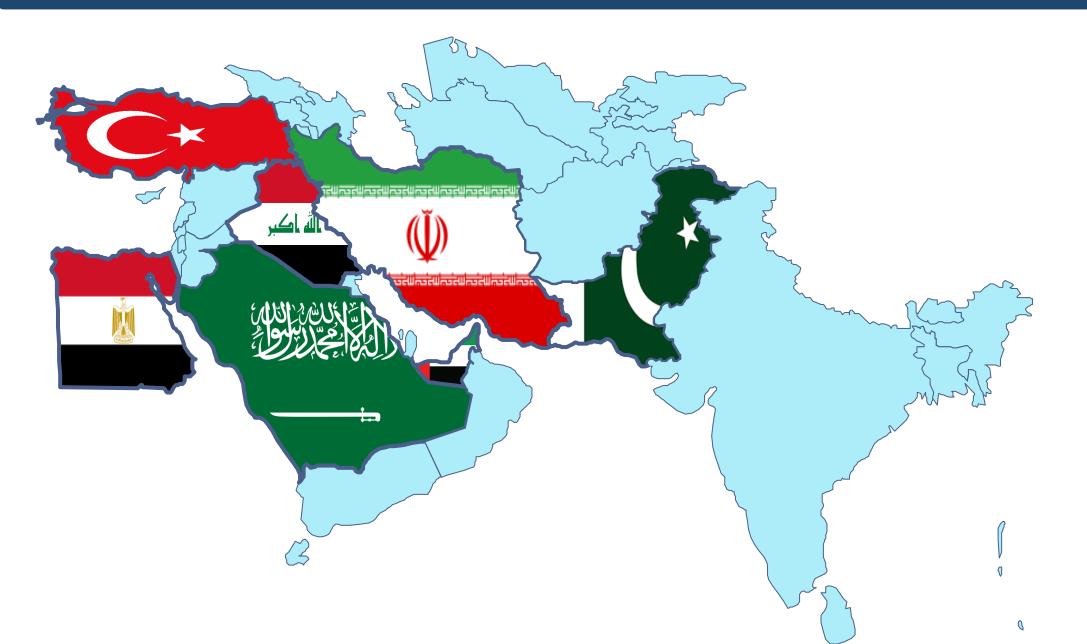
The data on well-known e-commerce and classified markets such as the USA and China and outstanding companies such as Amazon is abundant. But when it comes to the emerging e-commerce and classified markets in the region, the opposite is the case. The situation gets worse when beyond data, insight on these markets and companies within is sought. What we have tried to address in this report is gathering sufficient data and shaping it in an informative form. Furthermore, we did our best to extract valuable insight. As some markets seem more strategic than others, especially for Iranian companies and decision-makers, we focused on some selected countries and the strategic companies active in them. The criteria for selecting countries in this report are as follows:

- The country is either a **neighboring country** or identified as a **regional hub for e-commerce** such as Turkey, Iraq, and Pakistan.
- It hosts valuable e-commerce players or has a considerable market size relative to regional standards such as the UAE and Saudi Arabia.
- The country is **similar to Iran** in some **economic** and **demographic** factors such as Egypt.





Iran and the other selected countries in the region



10





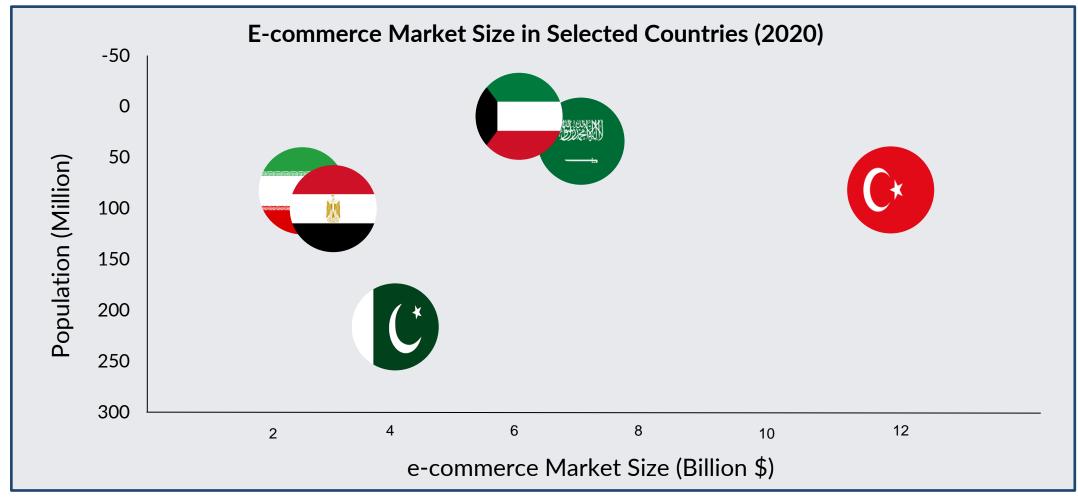
E-commerce landscape in Selected Countries

In this section we are going to have a glance over the e-commerce landscape in the selected countries through a macro point of view. These countries are ranked in terms of their estimated e-commerce market size.



Turkey, with a population close to Iran, has an e-commerce market almost five times larger

SARAVA



Source: ecommerceDB, Aug. 2021

*: Iran market size is estimated based on Digikala 1399 report

**: Iraq due to lack of trusted data is excluded

e-commerce Landscape in Selected Countries

Key e-commerce Players

Classified Marketplaces



The e-commerce market in turkey is growing fast but is fragmented among a couple of key players

SARAVA





Population: 82 million (2019)



GDP: \$720.1 billion (2020) Source: world Bank



Internet Penetration: 77.7% (2020) Source: Hootsuite, Jan 2021



E-commerce Market size: \$12 billion (2020) Source: ecommerceDB



Online retail/Total retail: 6.2%

Source: Deloitte, April 2020

E-commerce websites in top 50 Alexa ranking in Turkey

	8 ,
Alexa Rank (Aug, 2021)	Website
4	Trendyol
5	Sahibinden*
7	Hepsiburada
11	N11
22	Gittigidiyor
30	Amazon.com.tr
33	Amazon.com

* Sahibinden is a classified website

e-commerce Landscape in Selected Countries Key e-commerce Players in Selected Countries

Classified Marketplaces

Key e-commerce/Classified Platforms Ranking

Our Take on Countries



A number of multi-national e-commerce players are vying for the market of Saudi Arabia

SARAVA







Population: 34.2 million (2019)



GDP: \$700 billion (2020) Source: world Bank



Internet Penetration: 95.7% (2020) Source: Hootsuite, Jan 2021



E-commerce Market size: \$7 billion (2020)

Source: ecommerceDB



Online retail/Total retail: 3.8%

Source: go-gulf.ae

E-commerce websites in top 50 Alexa ranking in the KSA

Alexa Rank (Aug, 2021)	Website
5	Haraj*
8	Amazon.com
9	Amazon.sa
14	Aliexpress
26	Noon
35	Jarir
36	Alibaba
47	Apple

* Haraj is a classified website

e-commerce Landscape in Selected Countries



Most of the well-known Arabian e-commerce companies are headquartered in the UAE

UAE



Population: 9.7 million (2019)



GDP: \$421.1 billion (2020) Source: world Bank



Internet Penetration: 99% (2020) Source: Hootsuite, Jan 2021



E-commerce Market size: \$6 billion (2020) Source: ecommerceDB



Online retail/Total retail: 8%

Source: zawya, Jun 2021

E-commerce websites in top 50 Alexa ranking in the UAE

Alexa Rank (Aug, 2021)	Website	
4	Amazon.ae	
8	Amazon.com	
10	Dubizzle*	
22	Noon	
25	Aliexpress	
29	Alibaba	
43	Apple	

* Dubizzle is a classified website

e-commerce Landscape in Selected Countries Key e-commerce Players in Selected Countries

Classified Marketplaces



Although Pakistan has good e-commerce potential in terms of large population, underlying factors such as unsatisfactory literacy rate and low internet penetration have held it back

SARAVA





Population: 216.6 million (2019)



GDP: \$263.6 billion (2020) Source: world Bank



Internet Penetration: 27.5% (2020) Source: Hootsuite, Jan 2021



E-commerce Market size: \$4 billion (2020) Source: ecommerceDB



We could not find any reliable sources to quote or estimate Pakistans's ratio of online retail to total retail.

E-commerce websites in top 50 Alexa ranking in Pakistan

-	9
Alexa Rank (Aug, 2021)	Website
4	Amazon.com
8	Daraz
16	OLX*
26	Aliexpress

* OLX is a classified website

e-commerce Landscape in Selected Countries Key e-commerce Players in Selected Countries

Classified Marketplaces



Though Egypt is an African country, the UAE-based e-commerce Souq is more popular than the African multinational Jumia in this country

SARAVA







Population: 100.4 million (2019)



GDP: \$363 billion (2020) Source: world Bank



Internet Penetration: 57.3% (2020) Source: Hootsuite, Jan 2021



E-commerce Market size: \$3 billion (2020) Source: ecommerceDB



Online retail/Total retail: 2.5%

Source: Oxford Business Group, Aug. 2021

E-commerce websites in top 50 Alexa ranking in Egypt

	0 0/1
Alexa Rank (Aug, 2021)	Website
13	Souq
21	Amazon
27	OLX*
42	Jumia

* OLX is a classified website

e-commerce Landscape in Selected Countries Key e-commerce Players in Selected Countries

Classified Marketplaces



The data well suggests that the Iranian e-commerce market is more concentrated than most of the countries in the region

SARAVA





Population: 82.9 million (2019)



GDP: \$191.7 billion (2020) Source: world Bank

Source: world Ban



Internet Penetration: 70% (2020) Source: Hootsuite, Jan 2021



E-commerce Market size: \$2.5 billion (2020)

Source: Estimated based on Digikala 1399 (2020) Report



Online retail/Total retail: 3.2%

Source: Digikala 1399 (2020) Report

E-commerce websites in top 50 Alexa ranking in Iran

-	.
Alexa Rank (Aug, 2021)	Website
3	Digikala
8	Divar*
11	Torob**
22	Emalls**

Divar is a classified website

** Torob and Emalls are price comparison websites

e-commerce Landscape in Selected Countries Key e-commerce Players in Selected Countries

Classified Marketplaces



According to some local sources, Iraq is in the fledgling phase of e-commerce growth, and a few local e-commerce companies have raised small funds in this regard

SARAVA





Population: 39.3 million (2019)



GDP: \$167.2 billion (2020) Source: world Bank



Internet Penetration: 75% (2020) Source: Hootsuite, Jan 2021





We could not find any reliable sources to quote or estimate Iraq's e-commerce market size and the ratio of online retail to total retail in this country.

E-commerce websites in top 50 Alexa ranking in Iraq

	_
Alexa Rank (Aug, 2021)	Website
9	Amazon
28	Opensooq
39	Aliexpress

* Opensooq is a classified website

e-commerce Landscape in Selected Countries Key e-commerce Players in Selected Countries

Classified Marketplaces





Key e-commerce Players in Selected Countries

In this section, we overview the e-commerce players in the selected countries through a micro point of view. These players are ranked in terms of their estimated monthly total visits.



Though Trendyol entered the e-commerce scene almost a decade after Hepsiburada, the fashion-centric e-commerce strategy along with the international knowledge and capital fueled its meteoric rise

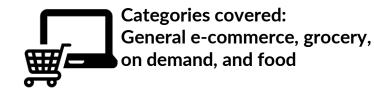
SARAVA







Countries Covered: Over 190 countries with the help of AliExpress Active Customers (2020)***: 19.3 m





Value(2021)*: \$16.5 b



Number of Items Sold (2020)****: 347 m





Total Net Sales**: \$792 m Alexa Rank In Turkey (Aug 2021):

Sources:

*: Based on \$1.5 b investment, Techcrunch, Aug. 2021

- **: Ecommercedb.com
- ***: Ecommercenews.eu

****: Ecommercenews.eu

e-commerce Landscape in Selected Countries Key e-commerce Players in Selected Countries

Classified Marketplaces

Key e-commerce/Classified Platforms Ranking

Our Take on Countries

Our Take on Companies

21

SARAVA



Investors	Investment amount	Year
Tiger Global Management	TL 4.3 m + \$10 m	2010-2011
Kleiner Perkins	\$25 m with two other investors	2011
Emre Kurttepeli	Undisclosed	Undisclosed
EBRD (European Bank for Reconstruction and Development)	Undisclosed	Undisclosed
Alibaba Group	\$730 m	2018
Alibaba Group	\$125 m	2020
General Atlantic, SoftBank Vision Fund 2, Princeville Capital and sovereign wealth funds, ADQ (UAE) and Qatar Investment Authority	\$1.5 b	2021

e-commerce Landscape in Selected Countries Key e-commerce Players in Selected Countries

Classified Marketplaces



2

3

4

5

6

Among the 98,000 businesses on Trendyol, most of them (97,000) are micro enterprises and SMES. (Ecommercenews.eu, Jan 2021)

Alibaba Group owns 86% of Trendyol. (Alibaba group, Annual report, 2020)

With Alibaba Group's investment, Trendyol's brands will now be available worldwide through AliExpress, with free shipping to over 190 countries. (Sale.aliexpress.com)

In 2016, Trendyol served more than 12 million women. In fact, 70% of all women in Turkey who shop online have shopped on Trendyol. (Businesswire.com)

Before the investment of Alibaba, Tiger Global owned 54 percent of the shares. (Webrazzi.com)

In March 2018 Trendyol acquirer Dolap, the second hand marketplace. (Crunchbase)

e-commerce Landscape in Selected Countries

trendvol

Trendyol

Key e-commerce Players in Selected Countries

Classified Marketplaces

Key e-commerce/Classified Platforms Ranking

Our Take on Countries

Our Take on Companies



Hepsiburada was the first well-established e-commerce company in Turkey to become a publicly-traded company with a value of \$3.9 billion at the time of IPO

SARAVA





Founded:



Countries Covered: Turkey, the neighboring countries of Turkey, and Europe





Categories covered: General e-commerce, grocery,





Value(IPO Date)*: \$3.9 b

Alexa Rank In Turkey (Aug 2021):

Sources: *: Bloomberg **: Dailysabah

e-commerce Landscape in Selected Countries

Key e-commerce Players in Selected Countries

Classified Marketplaces

Key e-commerce/Classified **Platforms Ranking**

Our Take on Countries





Investors	Investment amount	Year
Abraaj Group	\$100 m	2015
Franklin Resources*	Undisclosed	2019

e-commerce Landscape in Selected Countries Key e-commerce Players in Selected Countries

Classified Marketplaces



in Selected Countries

in Selected Countries

Hepsiburada is owned by the Dogan family, controlling shareholders of the Dogan Group, a leading Turkish conglomerate active in the media, energy, financial services and tourism sectors. (Acquisitioninternational.com) The Abraaj Group is a global institution investing in select markets across Africa, Asia, Latin America, the 2 Middle East and Turkey. (The Abraaj Group sustainability report, 2015) Hepsiburada With Alibaba Group's investment, Trendyol's brands will now be available worldwide through AliExpress, 3 with free shipping to over 190 countries. (Sale.aliexpress.com) Hepsiburada statistics: 95 million visits per month, Access to over 14 million SKUs, 10 million monthly shipment. 100,00 m2 fulfillment center, More than 12.000 suppliers, 22 million unique monthly visitors 4 (Hepsiburada.com) Key e-commerce/Classified e-commerce Landscape **Key e-commerce Players**

Platforms Ranking

Classified Marketplaces

Our Take on Companies

Our Take on Countries



Digikala is the largest e-commerce player in Iran





Number of enterprises on the platform +150 thousand

()







Number of products: +4.5 million



Founded:

2006



Monthly Unique Visitors: +30 million



Source: * Digikala 1399 (2020) Report

e-commerce Landscape in Selected Countries

digikala

Key e-commerce Players in Selected Countries

Classified Marketplaces

Key e-commerce/Classified **Platforms Ranking**

Our Take on Countries



Digikala is an Iranian e-commerce company based in Tehran. It was founded in July, 2006 by twin brothers Hamid and Saeid Mohammadi who had an unpleasant experience when they tried to buy a digital camera. (Digikala 1399) (2020) Report) 2 At the end of 2020, Digikala has 55 distribution centers and 32 centers to collect goods from vendors who ligikalo are dispersed all over Iran. (Digikala 1399 (2020) report) Digikala 3 Digikala has three fulfillment centers in Tehran (Digikala 1399 (2020) report) With an area of 50,000 square meters, a storage capacity of 5 million goods, and a daily fulfillment capacity of 750 thousand items, Digikala has one of the largest fulfillment centers in the region. (Digikala 1399 (2020) 4 report) On average, every active seller on the Digikala marketplace sold IRR 510 Million monthly in 2020. (Digikala 1399) 5 (2020) Report) Key e-commerce/Classified 28 e-commerce Landscape **Key e-commerce Players Classified Marketplaces Our Take on Countries Our Take on Companies** in Selected Countries in Selected Countries **Platforms Ranking**









Turkey



Major Prescence: Turkey

2013



Number of users*: 11 million

Alexa Rank In Turkey (Aug 2021): 11

64 million

Source:

- *: Routers.com
- *: Redhat.com, 2018

**: Redhat.com, 2018

e-commerce Landscape in Selected Countries

Key e-commerce Players in Selected Countries

Classified Marketplaces

Key e-commerce/Classified **Platforms Ranking**

Our Take on Countries





Investors

N11 is a joint venture between Doğuş Group and Korean SK Group. SK Group is the third largest conglomerate in South Korea

e-commerce Landscape in Selected Countries Key e-commerce Players in Selected Countries

Classified Marketplaces



in Selected Countries

in Selected Countries

SK Planet a subsidiary of SK Telecom (Part of SK Group), is an internet platform development company located in South Korea's silicon valley with operations in 8 countries. SK Planet owns and operates 11st.co.kr - an e-commerce shopping website in South Korea. SK Planet became a global e-commerce company by expanding 11st into new international markets with its first global venture in 2013 with N11.com in Turkey. 11.com Dogus Holding hired Citigroup and Bank of America to weigh options for their Turkish online retailer, 2 including a possible initial public offering. (Bloomberg, 2020) According to its website, it has access to more than 115,000 stores and more than 14 million products. 3 (Bloomberg.com, 2020) N11 4 The platform has reached 2.14 billion site visits. (Redhat.com, 2018) Dogus Planet, is jointly owned by Turkey's Dogus Holding and South Korea's SK Group, released on the company's website, said it had applied to the SPK for a public offering on May 20. The prospectus did not give a public offering price per share 5 but it said the company's capital would be raised to 215.6 million lira from 182.6 million, indicating an offering amounting to 15.3% of the company. **Key e-commerce Players** Key e-commerce/Classified 31 e-commerce Landscape **Classified Marketplaces Our Take on Companies Our Take on Countries**

Platforms Ranking



Although some competitors, such as Dolap, are growing fast in the C2C e-commerce market, Gittigidiyor is still the leading player in Turkey





Founded:

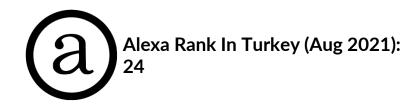


Countries Covered: 192 countries with the help of eBay





Number of products*: 15 million







Registered users*: 19 million

Source: *: Tamebay.com, 2018

e-commerce Landscape in Selected Countries

Key e-commerce Players in Selected Countries

Classified Marketplaces



Investors	Investment amount	Year
eBay	Undisclosed	2007
еВау	\$235 m	2011

e-commerce Landscape in Selected Countries Key e-commerce Players in Selected Countries

Classified Marketplaces



In 2011, eBay announced that it has agreed to acquire additional shares in GittiGidiyor. The deal followed eBay's acquisition of a minority stake in the company in 2007. Upon closing of the transaction, eBay owned approximately 93% of the outstanding shares of GittiGidiyor. (Businesswire.com, 2011) gittigidiyor GittiGidiyor, now an eBay company, will bring Turkish products to 175 million active buyers in 192 2 countries through this initiative. (Dailysabah, 2018) gittigidiyor GittiGidiyor is still one of the most popular online shopping site in Turkey with over 15 million products in 3 more than 50 categories. (Tamebay.com, 2018) It has 60 million monthly visits on average. (Tamebay.com, 2018) 4 **Key e-commerce Players** Key e-commerce/Classified 34 e-commerce Landscape **Classified Marketplaces Our Take on Countries Our Take on Companies** in Selected Countries in Selected Countries **Platforms Ranking**



Souq, an Amazon subsidiary, continues its market leadership in Arabian countries such as the UAE, Saudi Arabia, and Egypt

SARAVA

an amazon company

In May 2019 Souq.com UAE became Amazon.ae, and in June 2020 Souq.com KSA became amazon.sa







Countries Covered: Egypt, Saudi Arabia, **United Arab Emirates**, Jordan, and Kuwait





Value(2017)*: \$580 m



Alexa Rank In UAE (Aug 2021): 3



Sources: * Based on Amazon acquisition for \$580 m **ecommerceDB (Souq.com+ Amazon.ae)



Total Net Sales**: \$518 m

Key e-commerce Players in Selected Countries

Classified Marketplaces

Souq Investors





Investors Investment amount Year \$35 m 2012 \$40 m Naspers, Tiger Global Management 2012 **Tiger Global Management** \$35 m 2013 \$75 m 2014 Naspers \$275 m **Tiger Global Management** 2016 \$35 m 2012 Naspers, Tiger Global Management \$40 m 2012

e-commerce Landscape in Selected Countries Key e-commerce Players in Selected Countries

Classified Marketplaces



Some facts about Souq

The website was founded in 2005 by Ronaldo Mouchawar and was originally a consumer to consumer auction site part of Maktoob Group. (BBC) In 2010, Wisam (Sam) Daoud joined Soug from eBay as Chief Technology Officer and led the transformation of 2 SOUQ the business from auctions to a fixed price catalog based business similar to Amazon.com. (arabianbusiness) In March 2014, Naspers invested another \$75 million in the company, the largest amount raised by any 3 internet-based business in the Middle East. (Wall Street Journal) Souq In October 2015, it was reported that in a round of fundraising, the company was valued at around \$1 4 billion. At the time, it had around 10 million visitors monthly in the 2nd place after Digikala by 51 million visitors monthly. (Bloomberg) 5 On March 27, 2017, Emaar Malls, made an offer for Soug of \$800 million. (BBC) 6 On March 28, 2017, Amazon.com Inc. confirmed it would be acquiring Soug.com for \$580 m. (Amazon, 10-Q Form)

e-commerce Landscape in Selected Countries

Key e-commerce Players in Selected Countries

Classified Marketplaces

Key e-commerce/Classified **Platforms Ranking**

Our Take on Countries

37



Noon partnered with eBay to bring the eBay products to its marketplace in the UAE & Saudi Arabia

SARAVA







Countries Covered: UAE, KSA, Egypt





Alexa Rank In UAE (Aug 2021): 22





Total Net Sales**: \$190m

Sources: * based on \$1 b funding from PIF and other private investors **ecommerceDB

e-commerce Landscape in Selected Countries

Key e-commerce Players in Selected Countries

Classified Marketplaces

Key e-commerce/Classified **Platforms Ranking**

Our Take on Countries





Investors

noon.com is a joint venture between the Public Investment Fund of Saudi Arabia and Mohamed Alabbar

e-commerce Landscape in Selected Countries Key e-commerce Players in Selected Countries

Classified Marketplaces



in Selected Countries

in Selected Countries

Noon.com has, according to Reuters, \$1 billion in funding from Saudi Arabia's Public Investment Fund (PIF) and other private investors. Noon.com was 50% owned by the Saudi sovereign wealth fund, while the other 50% was owned by Mohamed Alabbar and other regional private investors, which he declined to identify. (Forbes) u o o u 0 Noon In 2018 Noon signed a new partnership with eBay to give customers in the region the opportunity to buy products from the US and other parts of the globe. (arabianbusiness) Noon said in 2016 that it aims to expand online sales in the region from 2 percent of the total retail market 3 (\$3 billion), to 15 percent (\$70 billion) within a decade. (arabnews) **Key e-commerce Players** Key e-commerce/Classified 40 e-commerce Landscape **Classified Marketplaces Our Take on Countries Our Take on Companies**

Platforms Ranking



Jarir's e-commerce revenue is still small relative to its total sale, but it is growing fast

SARAVA







Countries Covered: Saudi Arabia and other arabian Countries



Revenue from retail sector (2020)** About \$2.4 b

E-commerce Revenue to total commerce revenue in Q1 2021***: 8%

2021):

35



Categories covered: consumer IT products, **Electronics, Office supplies** and Books





Sources: *Bloomberg, Aug 2021 **Jarir 2020 Annual report *** Based on chairman's interview

e-commerce Landscape in Selected Countries

Key e-commerce Players in Selected Countries

Classified Marketplaces

Key e-commerce/Classified **Platforms Ranking**

Value(Aug, 2021)*: About \$6.3 b

Our Take on Countries

Alexa Rank In Saudi Arabia (Aug



Jarir Marketing Company (also popularly known as "Jarir Bookstore" or "Jarir") was established in Riyadh in 1974 as a small bookshop. In the 80s, Jarir opened a second branch in Riyadh followed by one in the 90s. Jarir now is considered the market leader in the Middle East for consumer IT products, Electronics, Office supplies and Books.(Jarir.com) Jarir is a retailer and wholesaler of its products in Saudi Arabia and in other arabian Countries. In 2002, 2 Jarir became a Joint Stock Company and was listed in the Saudi Capital Market (Tadawul) in the year 2003. Currently, Jarir has a paid-up capital of SR 1.20 Billion.(Jarir.com) Jarir BookStore Jarir's headquarter is located in Riyadh, Saudi Arabia. Jarir operates through two divisions namely Retail 3 (including online sales), under the trademark of Jarir Bookstore, and a Wholesale division.(Jarir.com) The activities of the company include trading in Office and School Supplies, Children's Toys and Educational Aids, Arabic and English Books and Publications, Arts and Crafts Materials, Computer Peripherals and Software, 4 Mobile Phones and Accessories, Audio Visual Instruments, Photography Tools, Smart Television and Maintenance of Computers and Electronic items.(Jarir.com) **Key e-commerce Players** Key e-commerce/Classified 42 e-commerce Landscape **Classified Marketplaces Our Take on Countries Our Take on Companies** in Selected Countries in Selected Countries **Platforms Ranking**



Alibaba expanded its e-commerce market into south Asia with the acquisition of Daraz

daraz







Countries Covered: South Asian Countries



Number of products*: +10 million



Alexa Rank In Pakistan (Aug 2021):





Number of orders delivered*: More than 2 million packages every month*

Source: * Daraz.com, Aug 2021

e-commerce Landscape in Selected Countries Key e-commerce Players in Selected Countries

Classified Marketplaces



Daraz Investors

daraz

Investors	Investment amount	Year
Asia Pacific Internet Group	\$56.3 m	2015
CDC Group, Asia Pacific Internet Group	€50 m	2017

e-commerce Landscape in Selected Countries Key e-commerce Players in Selected Countries

Classified Marketplaces



in Selected Countries



Platforms Ranking

Classified Marketplaces

in Selected Countries

Our Take on Companies

Our Take on Countries



Jumia is one of the most important e-commerce players among the African countries including Egypt

SARAVA







Sources: * Yahoo finance ** Jumia 2020 Annual report



Countries Covered: 14 African countries (including Egypt)



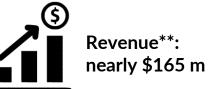


Value(Aug, 2021)*: \$1.73 B



Alexa Rank In Egypt (Aug 2021): 42





e-commerce Landscape in Selected Countries Key e-commerce Players in Selected Countries

Classified Marketplaces

Key e-commerce/Classified Platforms Ranking

Our Take on Countries

Our Take on Companies

46

Jumia Investors



H JUMIA

Investors	Investment amount	Year
Blakeney Management	\$40 m	2012
Millicom Systems	\$130 m	2013
-	\$150 m	2014
MTN Group, Rocket Internet	\$360 m	2016
Pernod Ricard	\$84.4 m	2018
Mastercard	\$56 m	2019
-	\$341.2 m	2021

e-commerce Landscape in Selected Countries

Key e-commerce Players in Selected Countries

Classified Marketplaces

Key e-commerce/Classified **Platforms Ranking**

47



Some facts about Jumia

In 2012, Jeremy Hodara and Sacha Poignonnec, ex-McKinsey consultants, founded Jumia along with Tunde Kehinde and Raphael Kofi Afaedor. 2 Jumia was launched in Nigeria in 2012 and expanded to five other countries : Egypt, Morocco, Ivory Coast, Nigeria and South Africa. (Bloomberg) **JUMI** Jumia In June 2013, Jumia launched Jumia Travel, a hotel booking platform, and Jumia Food, a food delivery 3 platform. (itnewsafrica) 4 In 2016, Jumia became the continent's first unicorn being valued over 1 billion USD. (WSJ) 5 In April 2019, Jumia went public on the New York Stock Exchange (NYSE) and raised \$196 million in net proceeds. (Reuters) 48

e-commerce Landscape in Selected Countries Key e-commerce Players in Selected Countries

Classified Marketplaces



Namshi's fashion-centric strategy helped them to become one of the most important fashion destinations in the Middle East

نىنىتى NAMSHI









Countries Covered: UAE, KSA, Bahrain, Kuwait, Oman, Qatar ,



Value(2019)*: \$264 m



Alexa Rank In UAE (Aug 2021): 138



Sources: * Based on the amount paid by Emaar Mall ** ecommerceDB



Revenue(2020)**: \$358 m

e-commerce Landscape in Selected Countries Key e-commerce Players in Selected Countries

Classified Marketplaces



نصننى NAMSHI

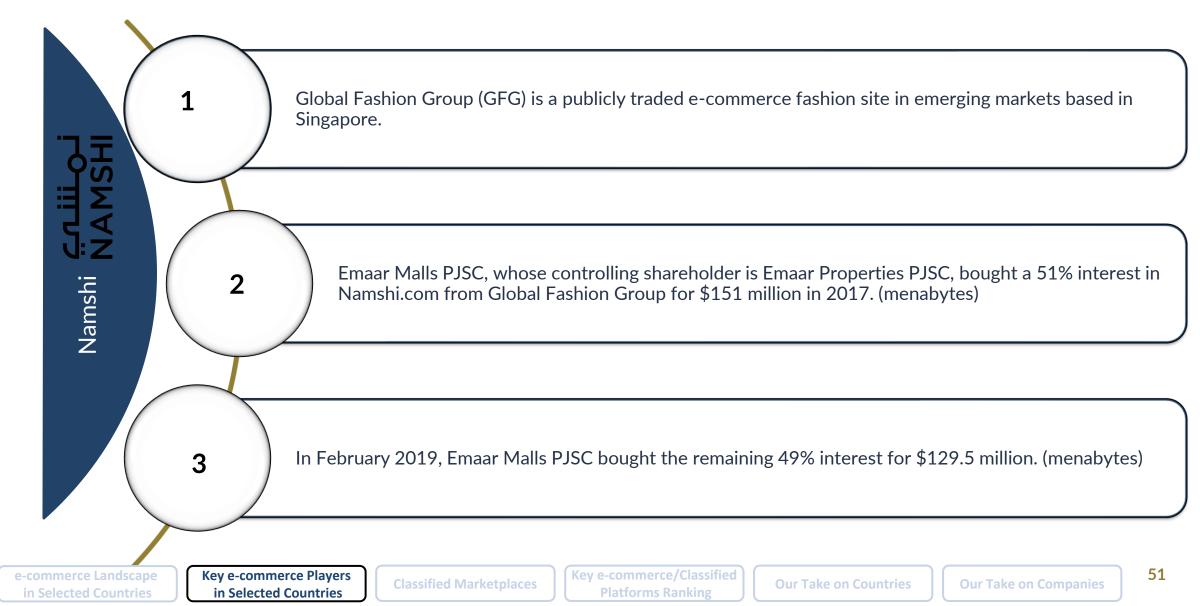
Investors	Investment amount	Year
Summit Partners	\$13 m	2013
Blakeney Management, JPMorgan Partners (JPMP)	\$20 m	2012

e-commerce Landscape in Selected Countries Key e-commerce Players in Selected Countries

Classified Marketplaces



SARAVA





Orisdi is still extremely small compared to the e-commerce giants, however, it shows some market potential for the future of Iraqi e-commerce

Orisdi









Countries Covered: Iraq



Number of products(2019)*: 30K





Compound Monthly Growth Rate since launching 23%

Source: *magnitt.com, Orisdi press release , Feb 2021

e-commerce Landscape in Selected Countries Key e-commerce Players in Selected Countries

Classified Marketplaces



Orisdi Investors

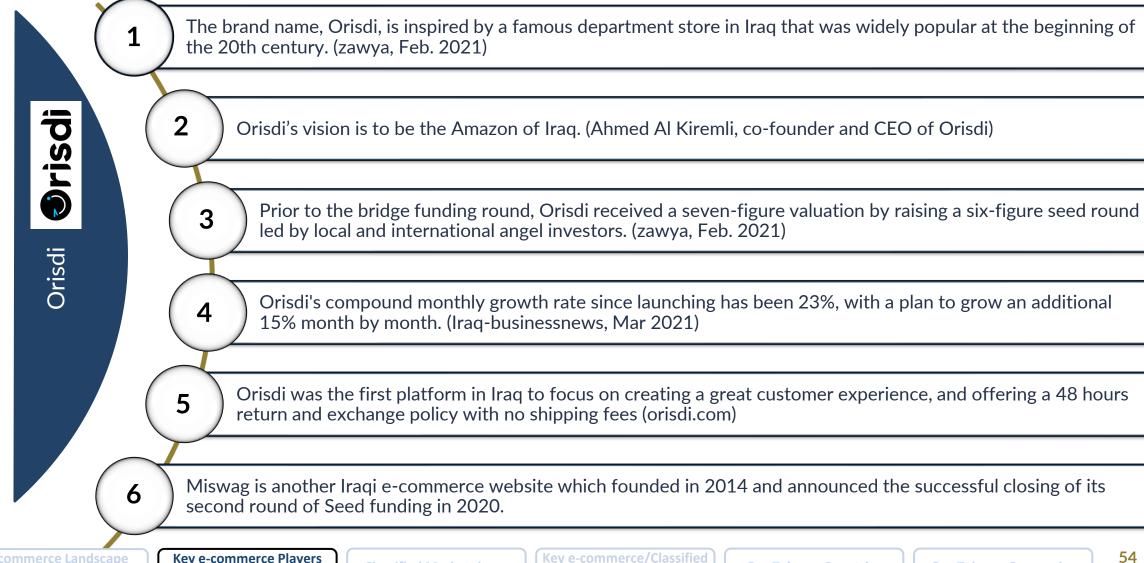


Investors	Investment amount	Year
Innovest Middle East VC, Amar Shubar, Partner at Management Partners Consulting, Omar Al-Handal, Managing director of Al Handal International Group	six-figure bridge round.	2021
Nour Sabri from IBM, Mohammed Shaikley, Kerem Danish from Mr Usta, Ammar Jaafer from Colors, and Ahmed Emad from ITC	six-figure seed round	2021

e-commerce Landscape in Selected Countries Key e-commerce Players in Selected Countries

Classified Marketplaces





Platforms Ranking

e-commerce Landscape in Selected Countries

Key e-commerce Players in Selected Countries

Classified Marketplaces

Our Take on Countries

54





Classified Marketplaces

In this research, the focus was mainly on the e-commerce platforms in the region. Yet, an increasing number of classified platforms are trying to become marketplaces. As some of them attract huge user traffic, they have the potential to threaten classic e-commerce business models. We included Divar, OLX, Sahibinden, Opensooq, Dubizzle, and Haraj as they are the largest classified platforms in the region and demonstrate the potential of this kind of business model in the realm of online commerce.



Classic classified platforms, increasingly, are transforming themselves into marketplaces

A Steps classified platforms take to become full-fledged marketplaces:

Classic Classified			Digital orefront		Toward Transaction Model Model		Full-Fledged Marketplace
حراج		السوق المفتوح opensooq	du <i>ديوار</i>	Jbizzle	S sahibinden.co	m	Compk
Phase	Reve	enue	Store Profile	Buy button	Financial Services* (Escrow payment, Credit, Installment,)	Delivery Service	After-sales Services
	Ad	Fee	FIOIIIC	Dutton	(Escrow payment, credit, instailment,)	JEIVICE	(Return policy, Seller response,)
Classic Classified	\checkmark	×	×	×	×	×	×
Digital Storefront	\checkmark	×	\checkmark	×	×	×	×
Toward Transaction Model	✓	×	\checkmark	\checkmark	\checkmark	×	×
Toward Marketplace Model	V	×	\checkmark	\checkmark	\checkmark	\checkmark	×
Full-Fledge Marketplace	√	√	\checkmark	\checkmark	\checkmark	\checkmark	\checkmark
* At least one of the financial services is offered							

e-commerce Landscape in Selected Countries Key e-commerce Players in Selected Countries

Classified Marketplaces

Key e-commerce/Classified Platforms Ranking

Our Take on Countries

56



With the conspicuous presence of third-party stores and adding complementary services such as escrow payment, Sahibinden has taken a major step towards becoming an ecommerce marketplace

S sahibinden.com





Business Model: Classified



Number of users*: More than 62 million



Monthly Unique Visitors*: 21 million

Average Visit duration*:

14 minutes



Alexa Rank In Turkey (Aug 2021):



Countries Covered: Turkey

Source: * sahibinden.com



Key e-commerce Players in Selected Countries

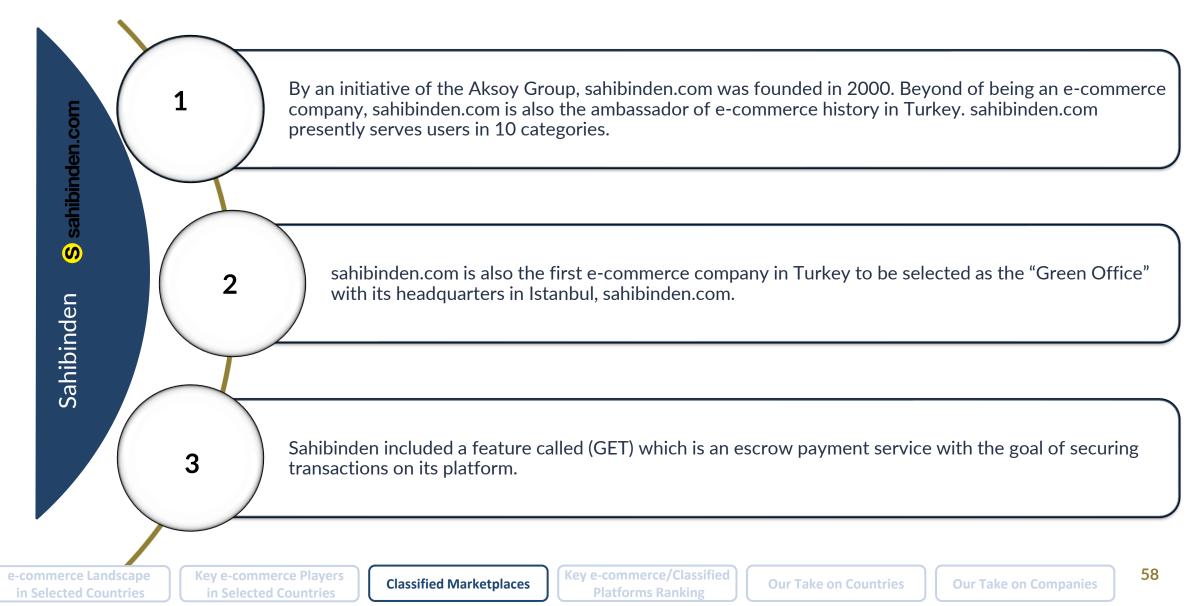
Classified Marketplaces

Key e-commerce/Classified Platforms Ranking

Our Take on Countries



SARAVA





With the completion of its newest round of fundraising, Opensooq is looking forward to securing its foothold in strategic markets such as Saudi Arabia and the UAE

SARAVA





2000



Countries Covered: 19 countries across the Middle East and North Africa



Business Model: Classified



Monthly Unique Visitors*: 21 million

Source: * sahibinden.com

e-commerce Landscape in Selected Countries Key e-commerce Players in Selected Countries

Classified Marketplaces



Opensooq Investors



Investors	Investment amount	Year
Saudi Jordanian Investment Fund	\$24 m	2021

e-commerce Landscape in Selected Countries Key e-commerce Players in Selected Countries

Classified Marketplaces



Started in 2012, OpenSoog claims to have become the leading mobile-based classifieds marketplace of the region, with over 65 million consumers and businesses using its web and mobile apps, across the region. opensooq Its website alone according to publicly available data receives over 20 million visitors every month. In a 2 statement, it said that the value of items sold through the website on an annual basis is \$30 billion. (menabytes) Opensood OpenSoog's co-founder and CEO Adey Salamin, commenting on the occasion, said, "Every 13 seconds an 3 item is sold on OpenSoog. (menabytes) OpenSoog has raised \$24 million in an investment round led by Saudi Jordanian Investment Fund. Existing 4 investors including FJ Labs and iMENA Group also participated in the deal. (menabytes) **Key e-commerce/Classified Key e-commerce Players**

e-commerce Landscape in Selected Countries

Classified Marketplaces

Platforms Ranking



Haraj is the leading online classified platform in Saudi Arabia which is seriously challenged by its regional competitor, Opensooq, in recent months

34.3 million

SARAVA









Business Model: Classified



Countries Covered: KSA, UAE, Kuwait



Alexa Rank In Saudi Arabia(Aug 2021): 5

Total Monthly Visit (Jul, 2021)

e-commerce Landscape in Selected Countries Key e-commerce Players in Selected Countries

Classified Marketplaces



fact about Haraj

حراج

Haraj

e-commerce Landscape in Selected Countries Key e-commerce Players in Selected Countries Classified Marketplaces

Haraj is the leading online classified company in Saudi Arabia. It started focusing on Cars, then, moved to Real estates and ended up being the 1-stop shop for all classifieds in Saudi Arabia. Haraj receives over half a million daily visitors; and growing. (Company profile on Linkedin)

Key e-commerce/Classified Platforms Ranking 63



Divar is the leading online classified platform in Iran with 44 million active downloads





Business Model: Classified



Number of Ads*: 129.5 million

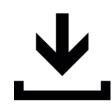


Monthly Unique Visitors*: 24.31 million

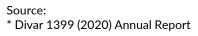




Countries Covered: Iran



Number Active Downloads*: 44 million



e-commerce Landscape in Selected Countries

Key e-commerce Players in Selected Countries

Classified Marketplaces



in Selected Countries

Divar is the second most downloaded Iranian app. (Divar 1399 (2020) Report) ral 2 On an average day, Divar posts almost 400 thousands advertisements. (Divar 1399 (2020) Report) Divar 3 in 1399 (2020), Divar officially launched "Divar-e-Foroushgah" to enter e-commerce market. (Divar.com) By Esfand of 1399 (2020), the number of sellers on Divar-e-Foroushgah reached more than 20,000 sellers. 4 (Divar.com) Key e-commerce/Classified **Key e-commerce Players** 65 e-commerce Landscape **Classified Marketplaces Our Take on Countries Our Take on Companies**

Platforms Ranking



OLX Pakistan, as one of OLX's subsidiaries, has ventured into becoming a full-fledged ecommerce

SARAVA







Founded: 2006



Countries Covered: More than 30 countries including Pakistan, Egypt, Saudi Arabia and Turkey



Business Model: Classified



Revenue*: \$ 1599 million

Source: * Prosus 2021 Annual Report, OLX Group Revenue

e-commerce Landscape in Selected Countries Key e-commerce Players in Selected Countries

Classified Marketplaces





Investors

OLX is owned by Prosus, the international assets division of the South African multinational Naspers.

e-commerce Landscape in Selected Countries Key e-commerce Players in Selected Countries

Classified Marketplaces



Some facts about OLX

2

3

4

1 OLX is part of OLX Group, a network of leading marketplaces present in 30+ countries with 20+ brands. (OLX.com)

OLX helps people buy and sell cars, find housing, get jobs, buy and sell household goods, and much more with more than 20 local brands including Avito, OLX, OLX Autos, Otomoto, and Property24. (OLX.com)

OLX Pakistan, the country's leading horizontal, has ventured into e-commerce. (AimGroup, 2021)

OLX launched the beta version of its b-to-c marketplace at Mall.olx.com.pk to provide "genuine products, 14day returns and nationwide express delivery through its logistics arm OLX Move. (AimGroup, 2021)

e-commerce Landscape in Selected Countries

OLX

Key e-commerce Players in Selected Countries

Classified Marketplaces



Dubizzle was fully acquired by Naspers at a value of \$400 million in 2019

dubizzle





Business Model: Classified



Total Monthly Visit (Jul, 2021): 6.10 million

Value(2019):

\$400 million



Countries Covered: UAE and eight countries across MENA



Alexa Rank In UAE (Aug 2021): 10

e-commerce Landscape in Selected Countries Key e-commerce Players in Selected Countries

Classified Marketplaces



Dubizzle has been fully acquired by Naspers, a South Africa-based investor through its subsidiary OLX Group, for \$190 million. (thenationalnews.com, Jan 2019) dubizzle 2 Naspers had held a 51 per cent controlling stake since 2013. (thenationalnews.com) Eight years after launching, co-founders J.C. Butler and Sim Whatley sold a majority stake to Naspers for 3 Dubizzle \$120m and stepped down from running its daily operations. (thenationalnews.com) Dubizzle acquired UAE-based start-ups Expat Wheels, Masterkey, Airlist and WeCashAnyCar and expanded operations in eight countries across Mena including Egypt, Lebanon and Saudi Arabia. (thenationalnews.com, 4 Jan 2019) Naspers-owned Prosus poured \$150 million in Emerging Markets Property Group (EMPG) last April, which led to EMPG 5 taking over OLX's operations in Egypt, Lebanon, Pakistan, Saudi Arabia, Bahrain, Kuwait, Qatar and Oman, as well as the acquisition of UAE-based horizontal Dubizzle. (AimGroup, 2021)

e-commerce Landscape in Selected Countries Key e-commerce Players

Classified Marketplaces

Key e-commerce/Classified Platforms Ranking

Our Take on Countries

Our Take on Companies

70







Digikala is the fourth most visited website among e-commerce and classified platforms in the region after Trendyol, Sahibinden, and Hepsiburada

SARAVA

#	Name	Headquarter	Total Visits (M)	Most Visits	Second Most Visits
1	Trendyol	Turkey	195.65	96.94% from Turkey	1.29% from Azerbaijan
2	Sahibinden*	Turkey	133.18	98.34% from Turkey	0.34% from Germany
3	Hepsiburada	Turkey	95.30	97.98% from Turkey	0.28% from the USA
4	Digikala	Iran	64.24	93.14% from Iran	
5	N11	Turkey	44.88	98.82% from Turkey	0.18% from the USA
6	Opensooq*	Jordan	35.41	29.55% from Saudi Arabia	11.96% from Jordan
7	Haraj*	Saudi Arabia	34.29	94.47% from Saudi Arabia	0.92% from the USA
8	Gittigidiyor	Turkey	31.38	98.44% from Turkey	0.29% from the USA
9	Divar*	Iran	24.13	94.68% from Iran	
10	Amazon.ae	UAE	22.16	75.14% from UAE	3.07% from turkey

Source: Similarweb, Jul. 2021

* Classified Platforms

e-commerce Landscape in Selected Countries



The rest of e-commerce/Classified platforms ranking in selected countries

#	Name	Headquarter	Total Visits (M)	Most Visit from	Second Most Visit From
11	Noon	UAE	17.55	42.51% from the UAE	37.79% from Saudi Arabia
12	Jarir	Saudi Arabia	12.16	87.11% from Saudi Arabia	2.86% from Egypt
13	Daraz.pk	Pakistan	8.95	90.69% from Pakistan	1.35% from USA
14	Souq	UAE	8.58	89.38% from Egypt	2.43% from Saudi Arabia
15	Amazon.sa	UAE	7.54	83.19% from Saudi Arabia	2.64% from china
16	OLX.com.pk*	Pakistan	7.45	94.13% from Pakistan	1% from the USA
17	Dubizzle	UAE	6.10	86.77% from the UAE	2.68% from India
18	OLX.com.eg*	Egypt	5.69	85.49% from Egypt	5.15% from Saudi Arabia
19	Jumia.com.eg	Nigeria	3.73	93.09% from Egypt	1.41% from the USA
20	Namshi	UAE	2.79	40.39% from Saudi Arabia	34.75% from the UAE

Source: Similarweb, Jul. 2021

* Classified Platforms

e-commerce Landscape in Selected Countries





Our Take

Countries



Besides being an attractive e-commerce market, Turkey is seen as a strategic gateway to the European market

It seems Alibaba, the giant e-commerce player, is looking to Turkey as a strategic gateway to Europe and securing its foothold there. Turkey, besides its market potential, facilitates the presence of international e-commerce players in Europe. Giant ecommerce players such as Alibaba, Amazon, eBay, and SK group of Korea are directly or indirectly present in **Turkey**.



e-commerce Landscape in Selected Countries

Key e-commerce Players

Classified Marketplaces



The UAE is becoming the hub of multinational e-commerce players, which are determined to have a strong presence in Arabian countries' markets and gain a foothold in Africa from the Middle East

Noon, Sooq (acquired by Amazon), and Namshi are vying to gain and increase their market shares in strategic markets of Arabian countries beyond their home turf, the UAE. It is also plausible to see them extend their reach in Africa in the foreseeable future and become fierce competitors of players such as Jumia.



e-commerce Landscape in Selected Countries Key e-commerce Players in Selected Countries

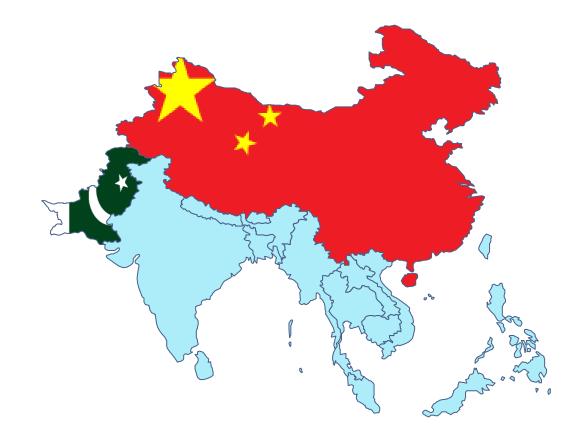
Classified Marketplaces

Key e-commerce/Classified Platforms Ranking

Our Take on Countries



Though the **Pakistani e-commerce** market is still nascent, it is of **strategic value for Chinese giants** such as **Alibaba**. As well as the potential market of Pakistan with around 200 million population, it can act as a **strategic distribution chain** in the international supply chain of companies such as **Alibaba** through its international leg, **AliExpress**. Alibaba owns the majority share of **Daraz**, the biggest Pakistani e-commerce player.



e-commerce Landscape in Selected Countries Key e-commerce Players in Selected Countries

Classified Marketplaces



The viable cross-border market for Iranian players seems to be the Iraqi market

Based the presence of well-established e-commerce players in **countries such as Turkey and the UAE** and their ongoing plans to expand beyond their home turfs, Iraqi market seems more attractive for **Iranian players** to enter.

Iraqi e-commerce players are still in their **nascent phases** and cannot pose competitive threats to multinational players. Furthermore, the Iraqi market size is large and this makes this market more attractive. On the other hand, there are serious downside risks in this country in terms of infrastructure, security threats, and political stability that should be well heeded in advance.



e-commerce Landscape in Selected Countries Key e-commerce/Classified Platforms Ranking

78





Our Take

Companies



Almost all of the main e-commerce companies have been backed by knowledgeable foreign investors or global e-commerce players

To have any chance for success, local e-commerce players should leverage sophisticated technology and know-how and scale fast. Thanks to their expertise and financial resources, Global ecommerce players and investors are the **best** options to help local players. This way, they bridge the knowledge gap and secure financial resources. Besides, by forming strategic relationships with international players, local e-commerce players can connect to the global network built by each international player.

KLEINER PERKINS TIGERGLOBAL **NASPERS** amazon Alibaba Group daraz trendyol JUMIA SOUQ NAMSHI an amazon company hepsi burada **Key e-commerce/Classified Our Take on Companies** 80

e-commerce Landscape in Selected Countries

Our Take on Countries

Platforms Ranking



Global e-commerce players strengthen their presence in the region mainly through acquisitions or strategic partnerships, not through building from scratch

SARAVA

Household names such as **Amazon** and **Alibaba** along with **venerable technology investors** want to secure their foothold in the region. Two of the salient benefits are:

- 1. They can tap into the potential of regional markets and **expand their reach**.
- 2. Success in e-commerce tends to favor bigger and more connected players. Global e-commerce players are building a robust and connected worldwide supply chain through the hub and spoke model. They need local hubs in different regions of the world. As we saw previously, the countries such as the UAE and Turkey have been chosen to play this role. Main e-commerce players in these countries, such as Trendyol, look beyond their local markets.

Usually, this presence has been realized **through acquisitions** or **partnerships**. Amazon acquired Souq, Alibaba acquired Trendyol, and eBay acquired Gittigidiyor. Also, Noon has formed a **strategic partnership** with eBay to cover the region. We see almost no successful direct attempt to build an e-commerce player by global players. The most notable case was Amazon which entered the Turkey market in 2018, which **has not been a successful initiative** yet.





ebay

e-commerce Landscape in Selected Countries

Classified Marketplaces



We expect the continuation of IPOs and M&As as the e-commerce industry matures in the region

The region has already witnessed a number of important deals. As it was mentioned before, e-commerce success usually comes with scale. The business scale helps ecommerce platforms both with the reduction in cost and **increased engagement** for users. Therefore, it is expected of these players to feel the need for huge financial **resources**. Consequently, as this scene matures, we expect mergers and acquisitions with the goal of raising the **competitiveness** of these players. Besides M&As, another way is **getting listed on stock markets**. Recently, Hepsiburada, the second-largest e-commerce player in terms of monthly total visits in Turkey went public on Nasdaq, one of the well-known stock markets in the world.





Classic classifieds are turning into marketplaces. This trend may threaten classic ecommerce supremacy

Classic classified platforms have felt **the need for change**. Thus, through a series of trial and error, an increasing number of them are adding additional services with the goal of **entering the realm of transaction**. This means they do not want to be just advertising providers. Leveraging their huge **brand awareness** and **network effects**, they hope users will stick around.

Classic classified platforms move toward the marketplace model by providing **complementary services** and **more supervision** on interactions to build mutual trust between sellers and buyers. As a consequence, this new trend blurs the existing boundaries between classified marketplaces and e-commerce marketplaces. The jury is still out on how much **threatening** this new business transform is for classic e-commerce platforms. In the end, it is the **total customer experience** including the service levels (such as the quality of complementary and aftersales services) and mutual trust levels which identifies the outcome of this new battle.







e-commerce Landscape in Selected Countries



Shahryar Vaziri

- Business Insight Analyst
- S.vaziri@Saravapars.com



Khatereh Saedifar

•

•

- Business Insight Analyst
- Kh.saedifar@Saravapars.com



Babak Yazdi

- Business Insight Lead
- B.yazdi@Saravapars.com



insight@saravapars.com

JANAVA

PINSIGHT

insight.saravapars.com