



Reach
COUNTRY PROFILES

United Arab Emirates



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Country Facts



9,890,400
TOTAL POPULATION

CURRENCY
AED
UAE Dirham¹

GDP
\$69,900 USD
Per Capita PPP

**AVERAGE HOUSEHOLD
MONTHLY INCOME**
AED 18,248
Per Capita²



URBAN POPULATION
87%



RURAL POPULATION
13%



MEN
69.3%



WOMEN
30.7%



MEDIAN AGE
32.6

Important Shopping Holidays

Dec 17-Jan 30:	Dubai Shopping Festival
Jan 1:	New Years Day
Jan 31-Feb 13:	Chinese New Year
Mar 4-20:	Spring/Summer Collection Launch
Apr 12-May 12:	Ramadan
May 11-13:	Eid Al Fitr (First Eid Holiday)
June 24-Sep 4:	Dubai Summer Surprises
Jul 19:	Arafat Day
Jul 19-22:	Eid Al Adha (Second Eid Holiday)
Aug 12:	Al Hijri (Islamic New Year)
Aug 15-Sep 4:	Back to School
Sep 5-18:	Fall/winter Collection Launch
Sep 19-30:	Dubai Home Festival
Oct 21:	Prophet Muhammad's Birthday
Oct 29-Nov 27:	Dubai Fitness Challenge
Dec 1:	Commemoration Day
Dec 2:	UAE National Day ³

*Dates are based off of 2021 calendar. Specific dates may vary based on year.

Ethnic Origins

Much of the UAE's population is comprised of foreign nationals; only 11.5% of the country is Emirati. Many immigrants to the country are from countries in Asia such as Bangladesh, Pakistan, Sri Lanka, India, the Philippines, and Iran. Many westerners have also become expatriates in the nation.

Languages

The UAE's official language is Arabic; however, there are numerous other dialects with a large population of immigrants. The most common are English, Persian, Hindi, and Urdu.

Type of Government

The system of government in the country is made up of presidential, federal, and monarchy branches. Seven emirates make up the federation, each of them has its own constituent monarchy. The ruler of Abu Dhabi is the President and head of state, whereas the ruler of Dubai is the Prime Minister and head of the UAE government.⁴

Type of Economy

The UAE is a high-income nation, thought to be one of the wealthiest areas in the world due to its heavy involvement in the petroleum sector.⁵

Consumer Profile & Behaviour

Due to the high demand for labour, only 11.5% of the population is Emirati - the rest are expatriates and immigrants that move to the country as foreign labour.



83% of the country's population of the age of 25 have completed lower secondary education, while 70% of them have completed higher upper-secondary.



As the UAE is a sizeable petroleum-producing nation, 31% of its workforce is employed in the extractive industry.



There is a huge wage gap in the UAE. Most foreign workers live under the poverty line and make, on average, less than USD \$20 a day.



More than 30% have tried new brands, and more than 20% have tried new retailers, stores, and online shopping websites since the start of 2020.⁶



As the UAE's population heavily uses digital platforms, many use hybrid shopping to purchase goods. It is common for them to find product reviews and testimonials online and then buy the product in-store.

The Impact of COVID-19




As COVID-19 drove people to find contactless ways to purchase goods, 49% of the UAE population was found to shop more online than in brick & mortar.⁷

Many people in the UAE found their way to digital shopping channels in the pandemic, and 45% of them expect to continue shopping online in the post-COVID world. As the population went online, up to 95% of the people tried new brands and products, which led to a massive drop in consumer loyalty.⁸

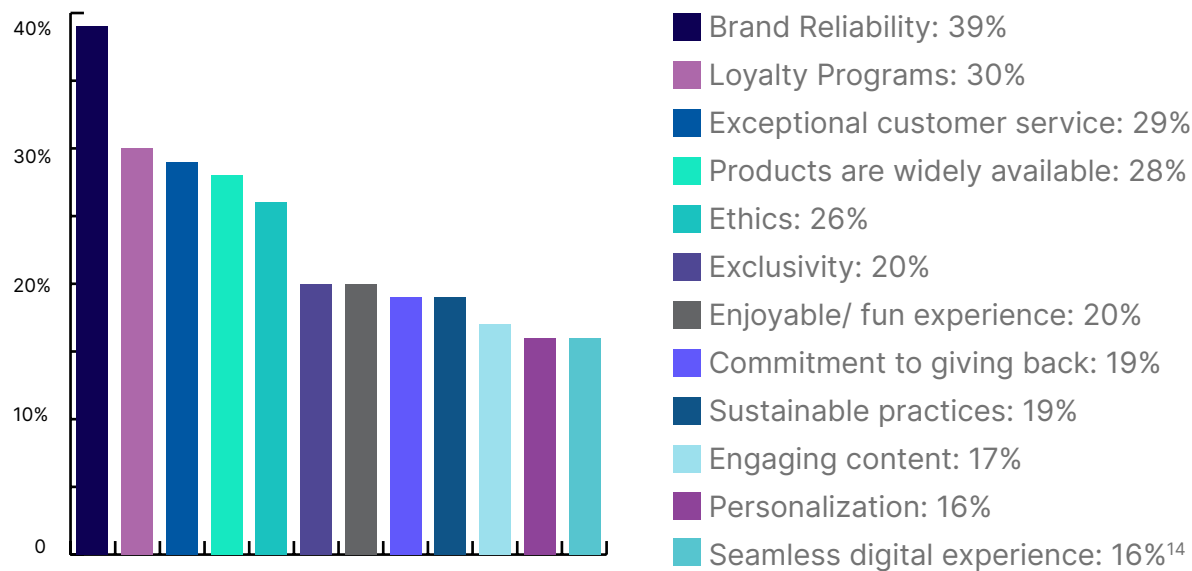
While the country is known for its love of luxury goods and brands, many are now becoming price-conscious. During the pandemic, spending across most online categories decreased, except groceries, home goods, and entertainment products. As the population became more conscious of its spending, many found ways to save with loyalty programs, coupons, and limiting their purchasing.⁹

WHERE

Emerati Place Value

-  Brand recognition and status are highly valued by Emerati. Even if a product has more tangible value, many will purchase a luxury version of that product because of the brand recognition and status.¹⁰
-  As luxury items are very popular in the country, the population places lots of value on the quality of service and sales. The Emirati are hard to impress and need a high-touch approach and personalized experience.¹¹
-  Convenience and value are increasing in importance to the Emirati; 69% look for better prices and the accessibility of an item when it comes to purchasing decisions. This has become highly prevalent as many looked to have items readily available from their homes during the pandemic.¹²
-  Trust is essential to the population of the UAE, and they have high expectations for the trustworthiness of brands. Data suggests that 75% of UAE citizens think businesses need to do more to build trust, compared to the global average of just 60%.¹³

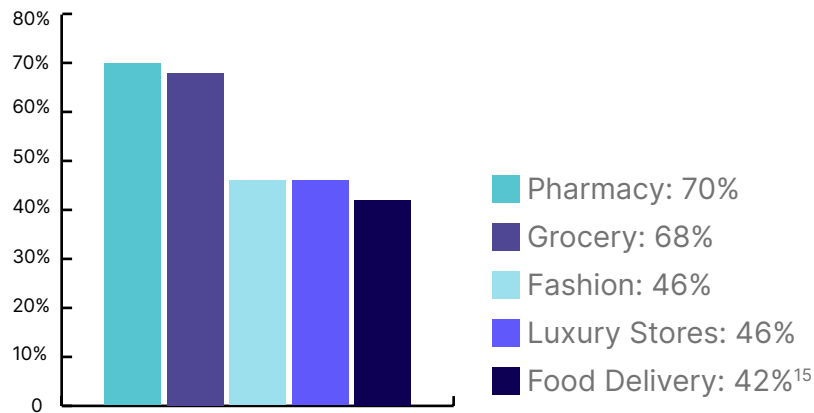
Brand Attributes that influence loyalty



Emerati Spend Their Money



Share of First-Time Online Shoppers During the Pandemic



Emerati Shop Online

Mobile Commerce

The UAE has one of the highest smartphone penetration rates at 99%.¹⁷ Data in 2020 showed that **per 100 people in the UAE there were approximately 202.5 cell phone subscriptions**.¹⁸

As the Emirati value convenience and availability, shopping via apps has driven mobile adoption. Super apps are also becoming popular; over 60% of people in the UAE are interested in using these all-in-one apps. The demand for this has been increasing due to the convenience and security perceived by consumers regarding super apps.¹⁹ In 2020, data showed that 95% of online shoppers used a smartphone to make a purchase.²⁰

Social Commerce

On average **Emirati spend, approximately 2 hours and 47 minutes on social media per day**, and 99% of the country has an active social media account.²¹

The Emirati spend a lot of time on social platforms looking for reviews and product testimonials. This is also where they expect customer service, and many reach out on social for support through chat options.²²

Voice Commerce

While the use of voice and smart home technology is relatively new, the Emirati have heavily adopted this tech. Depending on the region in the Emiratis, **40%-60% of the population regularly use voice tech already**. The eager adoption of this technology is driven by the Emirati’s desire for a more enriched and immersive consumer experience.²³

Shoppers Find Out About New Brands

Online Search

The Emirati are becoming “digital natives,” with many starting their product search with search engines, social media, and online reviews. In January 2021, 83.1% of internet users between the ages 16-64 searched for a product or service online.²⁷

Social Media

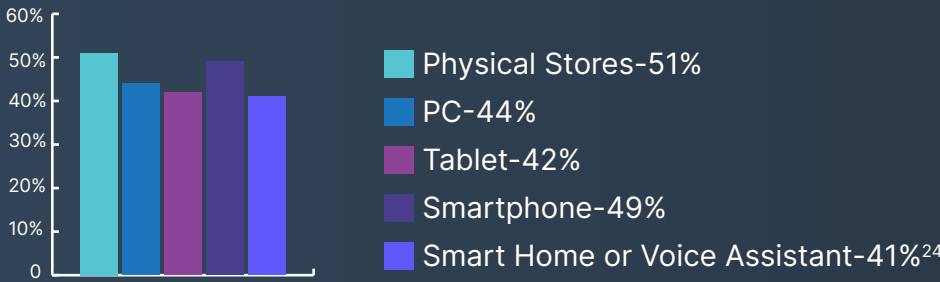
For Emirati social media has become an essential part of their product discovery and search. 52.1% of Emirati are found to visit social media when search for a product or brand.²⁸

Bloggers & Influencers

Emirati turn to bloggers and influencers on social to discover luxury brands, 3 in 5 saying that they influence their purchase decision on buying luxury goods.²⁹



Popular Devices for Online Shopping



Other Trending Ecommerce Platforms²⁵



Top Search Engines Used in UAE²⁶



Emerati Prefer to Pay



Mobile Wallets

Due to the impact of COVID-19 and the UAE's connection to the digital landscape, they have become global leaders in mobile wallet adoption. By 2022 it is expected that the UAE's mobile wallet market will be worth USD 2.3 billion, and by 2030 two-thirds of the population is expected to be completely cashless.³²



Cash On Delivery

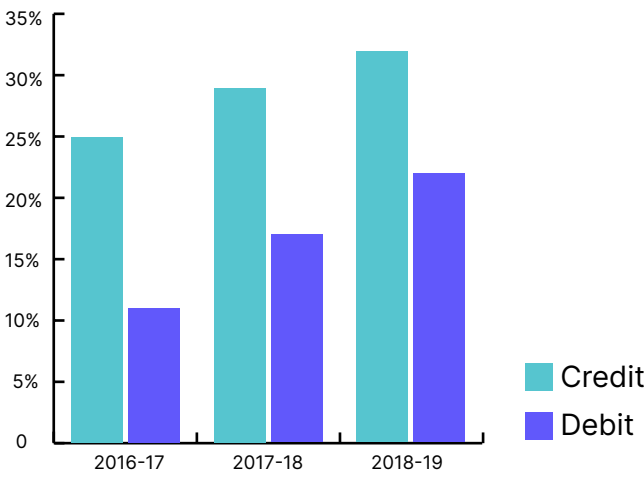
In 2019 it was estimated that 44% of the population preferred this payment method for online goods.³³ However, this is changing as the Emirati begin to place more trust in other digital payment methods.³⁴



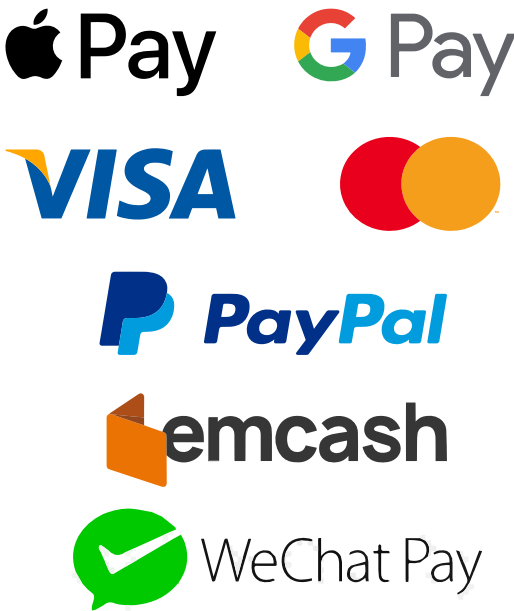
Debit & Credit Cards

Card payments in the UAE increased 21.9% in 2020 as more people adopted online retail and opted for contactless payment methods.³⁰ Overall, credit cards are preferred over debit in the UAE, with over 5 million active credit cards.³¹

Ecommerce Penetration of Credit Cards vs. Debit Cards³⁵



Popular Payment Methods³⁷



Banks in the UAE³⁶

- First Abu Dhabi Bank (FAB)
- Emirates NBD
- Abu Dhabi Commercial Bank
- First Gulf Bank
- Dubai Islamic Bank
- Mashreq Bank
- Abu Dhabi Islamic Bank
- Commercial Bank of Dubai
- RAKBANK

WHY

Merchants Should Tap Into the UAE Market

The UAE is one of the most digitally connected nations globally; however, its adoption of ecommerce has been slow. As most of the nation treats shopping as a social occasion, traditional brick & mortar shopping dominates. Only 4.2% of UAE retail takes place online, but growth is evident, and the market is expected to increase at an average of 23% by 2022.⁴³



Ecommerce in the UAE grew to USD 3.9 billion in 2020, which is a 53% year-on-year increase.



By 2025 UAE ecommerce is expected to top USD 8 billion.³⁸



High internet penetration with 99% of the country's population having access.



58% of the UAE's online purchases come from cross-border merchants and vendors.³⁹



The UAE makes 30% of the Middle East's luxury goods purchases.⁴⁰



95% of online shoppers tried new brands during the pandemic.⁴¹



The average the individual spend per online shopper a year is USD 1,648 in the UAE, which is the highest in the Middle East.⁴²



WHAT

Merchants Should Know Before Tapping Into the UAE Market



Regulations & Trends

The Telecommunications and Digital Government Regulatory Authority (TDRA) is in charge of regulating electronic payments and commerce in the country.⁴⁴

In 2006 the TDRA passed the “Electronic Commerce and Transaction” Act that regulates the public and commercial use of ecommerce and e-communications. It is designed to protect individuals in the online marketplace and determine their responsibilities in online transactions.⁴⁵



Barriers & Benefits

There are two different types of licenses, one of which is required to sell online in the UAE.

The first is the “Mainland” license which requires an Emirati entity or person to have a minimum 51% stake in your business but allows for the ability to conduct business anywhere in the UAE.

The second license is the “Free Zone,” of which there are 40 jurisdictions within the UAE. A free zone company maintains sole ownership and enjoys no corporate or income tax to increase foreign direct investment. However, these companies can only conduct business in their free zone jurisdiction.⁴⁶



Merchants Can do to Optimize



Use Social Commerce

The Emirati are digital natives with 99% of the population active on social media. This channel is not only a place where they find new brands but also where they find reviews. Another benefit of social commerce is the merchant's ability to quickly and cheaply connect with a consumer to increase the quality of experience while eliminating any friction.⁴⁷



Optimize For Mobile

There are an estimated 202.5 smartphones to 100 people in the UAE,⁴⁸ and 95% of online shoppers have purchase through one.⁴⁹ By optimizing your webstore for mobile you can easily reach the Emirati where they shop most and provide a better shopping experience.



Personalise, Personalise, Personalise

The Emirati are extremely high-touch consumers, and they have high expectations of service. By personalizing their experience throughout their consumer journey will help you build loyalty and increase your conversions. Brands must offer ease of connection through these platforms (social media) to smooth out any consumer friction and meet the Emirati service expectations.



Ready to start your expansion to the UAE? Reach can help.

In the excitement about sharing your brand with the world, it is easy to forget the critical part global payment solutions play in the success of your business when entering new markets.

Reach understands global consumers and how changes in their shopping experience affect your business. Our experienced legal, financial, compliance and local-market experts provide in-depth global analytics for your business, as well as duty and tax calculations so that you can expand your business to new markets with certainty and ease.



Website
withreach.com



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Blog
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