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Global Digital Index:

GCC in Perspective

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Introduction

The new Global Digital Index: GCC in Perspective edition offers a clear-eyed look at the digital shopping landscape in the GCC (Gulf Cooperation Council, namely Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the UAE) region. Developed through a partnership between **the RLC Global Forum** and **EMARKETER**, this inaugural report provides practical insights into digital engagement, cross-border ecommerce, and the changing behaviors of consumers in the Gulf.

This research reveals a complex but straightforward market reality. Despite high digital engagement—with consumers spending significant time on social media and streaming platforms—ecommerce penetration remains in an early stage of development. Countries like Saudi Arabia, the UAE, and Qatar show promising but tempered growth in retail ecommerce, particularly when compared to global market leaders.

The digital ecosystem in the Gulf is characterized by the strong presence of cross-border platforms like Shein and Temu. These platforms have quickly dominated mobile app downloads and consumer engagement, becoming key players in the region's digital marketplace. However, the analysis suggests a potential slowdown in their growth, which presents a strategic opportunity for local businesses to differentiate themselves through improved selection, convenience, and innovative physical-digital retail experiences.

By positioning the Gulf's digital trends within a global context, this report offers a comparative view of digital engagement across different regions, including Asia and Europe. This approach provides stakeholders with a comprehensive understanding of the unique characteristics and potential of the Gulf's digital market.

This report aims to guide strategic decision-making, inform policy development, and highlight potential growth opportunities in the region's rapidly evolving digital landscape

As the first report in a series created by the RLC Global Forum in partnership with EMARKETER, this document serves as a crucial resource for businesses, policymakers, and investors. It aims to guide strategic decision-making, inform policy development, and highlight potential growth opportunities in the region's rapidly evolving digital landscape.

The insights contained in these pages are more than just data—they are a roadmap for understanding and navigating the complex, dynamic world of digital commerce in the GCC region.

Global Digital Index: GCC in Perspective

There are countless reports on the rise of digital shopping in different countries around the globe. Studies on earlier-stage markets often highlight factors like a growing middle class, low median age, mobile-centric users, and high digital engagement—dynamics that are often different from what we see in the US or Europe. These same market drivers are cited in analysis on regions from Latin America to Southeast Asia, Africa, and the Gulf States.

What's often missing is the fact that these factors don't necessarily indicate an ecommerce market is set to soar in the near future. Our EMARKETER research shows that **the countries that spend the most time on social and messaging, for example, still see relatively low penetration of ecommerce.** High consumption of digital media also doesn't correlate with high growth in online spending. **In 2025, only one of the 66 countries we forecast will see retail ecommerce growth rates over 20%: the Philippines.**

To understand how ecommerce markets will evolve, it's important to look at the broader global context rather than simply looking at a single region and the factors that could propel the market forward. Our new research aims to put different parts of the world into a global perspective, showing where they over- and underindex.

We also dive into some of the similarities in terms of how markets evolve, and provide a point of view on what to expect going forward. For example, Asia's cross-border ecommerce titans that soared from 2022-2024 (and now dominate many markets) are starting to show cracks in their armor.



**High
consumption
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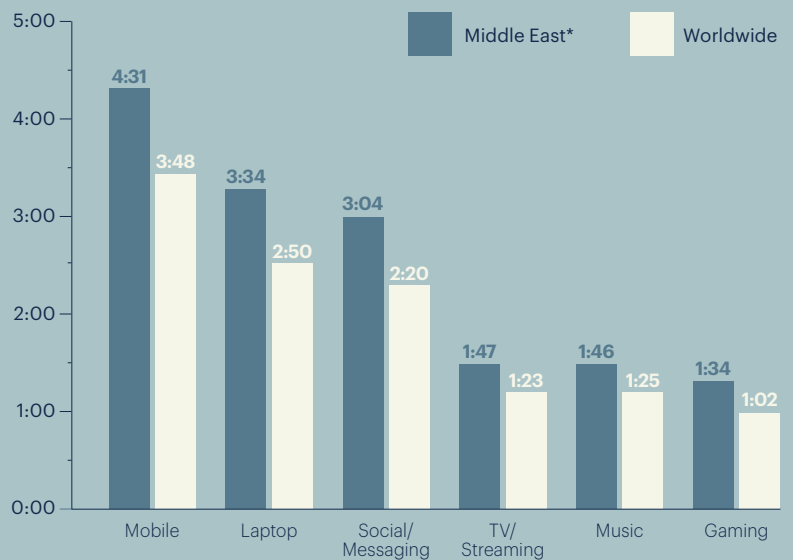
Introducing Our New Global Digital Index with RLC Global Forum

In this first edition, we start by exploring retail and ecommerce in the Gulf States of the Middle East. When looking at these countries on a global basis, we see:

Middle East top lists of digital engagement

Consumers in the Middle East are some of the most digitally engaged in the world. Their time spent on media exceeds the global average in all key digital media categories. And in some areas, they rank at the very top. Saudi Arabia, for example, ranked No. 1 alongside the US among the 49 countries we surveyed for time spent on streaming and online TV. The UAE came in at No. 4 in this category, behind Egypt.

Chart 1
Middle East's Digital Media Consumption is Far Above the Global Average
hrs:mins spent per day on digital media consumption among internet users in the Middle East vs. worldwide, by device/activity, H1 2024*



Note: ages 16-64; *Egypt, Israel, Saudi Arabia, South Africa, and the UAE
Source: GWI as cited in EMARKETER's Global Media Intelligence report, Oct 2024

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Digital engagement, spending and advertising are all very different

Most of the high-engagement countries would fall into the category of "early stage" when it comes to areas like ecommerce. And even digital spending by consumers and marketers doesn't always go hand in hand. Countries like China, the UK, and the US all see high penetration of both ecommerce and online advertising. Meanwhile, others like South Korea would count as an ecommerce leader, but a digital advertising laggard.

Introducing Our New Global Digital Index with RLC Global Forum



Our new Global Digital Index showcases relative digital development

Created in partnership with RLC Global Forum, this index illustrates how different countries and regions stack up on the international stage. Each version of the index will dive into an area of the digital economy within a specific region, showcasing data and critical trends to understand ecommerce, digital advertising, and media adoption. The data in the index includes a snapshot of EMARKETER forecasts for both ecommerce and digital ad spending, as well as data from our “Global Media Intelligence 2024” report, done in partnership with GWI.

Chart 2
Gulf Countries Trail on Ecommerce and Digital Ad Spend but Lead on Social Media and Messaging - Select digital usage metrics, by country/region, 2025

Country or Region	Retail ecommerce as a % of total retail	Digital ad spend as a % of total media spend	Time spent on social/messaging per day (hrs:mins)*
Qatar	7,6%	34,3%	-
Saudi Arabia	7,6%	32,3%	2:55
UAE	12,0%	44,9%	2:56
Western Europe	12,9%	68,5%	1:47
North America	16,6%	80,9%	2:18
Asia-Pacific	33,3%	65,6%	2:14
Worldwide	20,8%	72,3%	2:20

Note: *time spent figures from GWI as cited in EMARKETER'S Global Media Intelligence report, Oct 2024
Source: EMARKETER Forecast, Nov 2024; GWI as cited in EMARKETER'S Global Media Intelligence report, Oct 2024

Index snapshot

As Chart 2 shows, Saudi Arabia, the UAE, and Qatar all still see penetration levels that fall well below worldwide averages when it comes to both retail ecommerce and digital advertising. By contrast, time spent on social and messaging in the region exceeds the global average by a wide margin, indicating a highly engaged digital audience. There are a few important factors to consider when looking at the totals:

China creates an artificially high global figure

There's always more to data than meets the eye. The digital penetration rates of retail and advertising in the three Gulf countries appear low, but when it comes to ecommerce, it's often better to use a global average that excludes China. China's massive size (50% of all retail ecommerce revenues globally) and sky-high ecommerce penetration of retail (also around 50%) skew global figures, per our forecasts.



Without China, the UAE is near the global average for ecommerce penetration of total retail sales

If China is excluded from the total, the UAE (at 12.0%) is much closer to the global average (12.5%). And it's above the levels in European economies like France and Spain (10.2% and 11.0%).



Saudi Arabia and Qatar lag behind

By contrast, Saudi Arabia and Qatar will both hover between 7% and 8% in 2025, putting them squarely in the "still emerging" category. These percentages are closer—albeit higher—than the stubbornly low penetration levels in European ecommerce markets like Austria and Italy.

≈ 8%

Saudi Arabia and Qatar ecommerce penetration

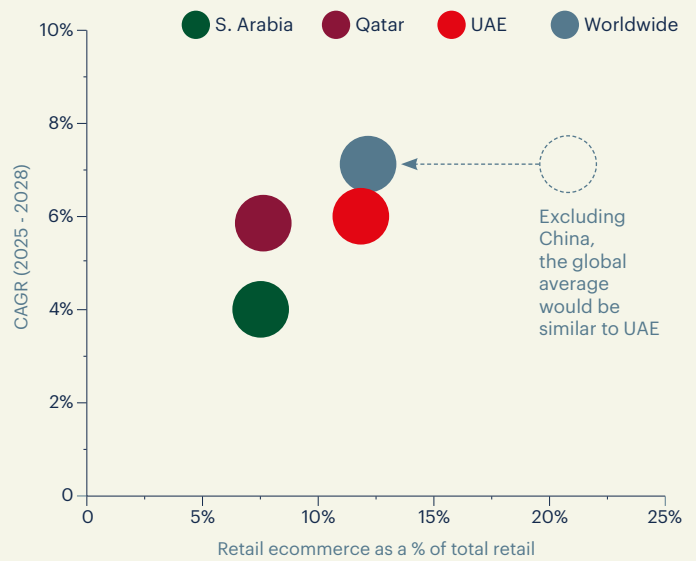
What to Expect as Ecommerce Markets Mature

These ecommerce penetration figures in the Gulf, however, translate into billions of dollars of revenues every year. Our EMARKETER forecasts show the three Gulf countries reaching a total of just under \$15 billion in retail ecommerce revenues in 2025, followed by steady but modest (around 10%) growth.

When it comes to the breakdown of that \$15 billion, it's important to note that ecommerce markets don't typically show the same revenue split between categories. Apparel or electronics, for example, may represent very different percentages of the total market in different countries.

What we do see, however, is that markets often have similar patterns in terms of category migration online:

Chart 3
UAE Ecommerce Penetration Is Well Above Saudi Arabia and Qatar - Retail ecommerce sales as % of total retail sales and 3-year CAGR (2025-2028), by country, 2025



Note: EMARKETER Forecast, Nov 2024

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Digital distribution and price comparison

Products that are largely distributed digitally—e.g., music and video—tend to see high online channel share early on.

So do categories like computers, where consumers look to compare prices and customize products. In the US, for example, our forecast shows 86% of computer sales are now online.

Tactile categories

Lower online channel share is typically seen in categories with a strong tactile component, like apparel, beauty, or grocery. Indeed, while there's often strong digital traction in subcategories that lend themselves to replenishment (e.g., pet food, coffee), discovery in sensory-rich categories still has a strong physical component.

The laggard: Grocery

In addition to the sensory aspects of grocery shopping, the razor-thin margins in this category mean it's difficult to execute on last-mile deliveries economically. Digital penetration of grocery remains low in most global markets, although it often ranks as one of the fastest-growing categories.

The Wild Card of Cross-Border Ecommerce in the Gulf

Nearly every country has a thriving cross-border ecommerce market. In some markets like Singapore, Canada, and Brazil, **over half of all digital shoppers buy cross-border**. Factors that drive cross-border growth include limited local product selection, favorable import duties and taxes, global pricing discrepancies, positive trade relations, and/or proximity to a large ecommerce market that can easily serve their needs.



In the Gulf, all of these factors have contributed to the growth of cross-border purchases. The relatively slow adoption of digital channels by local retailers in the Gulf means local product selection hasn't been extensive. Thus, many well-known brands in the US and Europe have expanded their reach over the past decade to serve shoppers in the region.

It's China's cross-border players, however, that are the ones making the biggest mark on ecommerce in the region today. **Platforms like Shein and Temu are thriving due to wide product ranges and competitive pricing.**



The Wild Card of Cross-Border Ecommerce in the Gulf

Cross-border players rank at the top of mobile app download lists

According to “State of Mobile 2024” from data.ai, the top four shopping apps in Saudi Arabia were all cross-border players: **Temu, Trendyol, AliExpress, and Shein**. In the UAE, Temu, Trendyol, and Shein topped the list, while AliExpress came in at No. 6.



There are high levels of engagement with both Shein and Temu

Engagement with Temu’s mobile app is particularly high in the Gulf States. October 2024 Similarweb data shows that in terms of Android usage, there were **7.6 million monthly active users of the Temu app in the UAE and 5.6 million in Saudi Arabia**. Both of those figures are significantly higher than the **3.8 million monthly users in the UK**, an ecommerce market that’s over 18 times the size of these two markets combined.



Estimates show Shein as a leading apparel retailer in the region

Although none of the players selling into the countries in the Gulf break out their regional revenues, **Shein and local player Namshi had the highest online apparel sales in Saudi Arabia and the UAE in 2023**, according to ECDB estimates.



The Wild Card of Cross-Border Ecommerce in the Gulf

The growth of these two mega players has not been accidental—**both have been on deliberate, costly paths to win over buyers in countries around the world.**



Market share gains have taken place through massive ad spending globally

As early as 2023, analysts estimate that **Shein spent \$300 million to \$400 million on marketing and customer acquisition**¹. By contrast, **Temu spent \$386 million on advertising in the first four months of 2024 alone**². And the company reported to be **Meta's top-spending advertiser globally in 2023**³. Additionally, though Saudi Arabia and the UAE combined represent just 0.2% of all digital ad spending globally, both Shein and Temu are increasing spending in these markets to build their regional brand awareness.

Cross-border players are honing in on key regions

Shein, in particular, has worked to raise its profile and boost its credentials in key markets, launching fashion shows and partnering with local celebrities in countries from Brazil to France. Shein targeted Saudi Arabia through different initiatives such as an immersive shopping experience at Al Nakheel mall in Riyadh in 2023 and the launch of a new collection for Saudi youth through a 2024 fall/winter show in Riyadh.

¹<https://content-na1.emarketer.com/temu-shein-win-more-repeat-shoppers-ad-blitzes-pay-off>

²<https://content-na1.emarketer.com/temu-s-has-allocated-93-of-its-ad-budget-digital-advertising-channels>

³<https://www.wsj.com/business/media/temus-push-into-america-pays-off-big-time-for-meta-and-google-f2721b32>

The Wild Card of Cross-Border Ecommerce in the Gulf

However, these two companies may be losing some of their luster as growth rates start to come down.



Temu's engagement is slowing

Temu has warned of a slow-down in global revenue growth; engagement with the platform has stalled in both the US and the UK. And while October 2024 visits to Temu's mobile app on Android devices were up by 87% YoY in the UAE and 234% in Saudi Arabia, according to Similarweb, growth in monthly active users has been flat in the UAE and even saw declines over the past few months in Saudi Arabia.

Shein is also seeing some hurdles

Reports have indicated Shein is seeing a slowdown in global revenues and a decline in profits⁴, although engagement is still rising in major markets like the UK⁵ and the US⁶. In October 2024 in the Gulf, monthly average users of the Shein mobile app in both Saudi Arabia and UAE were showing month-on-month declines that contrasted with steady increases each month earlier this year.

Other players are getting into the game

Not to be outdone by Asia-based players, Amazon launched a discount offering, Haul, with shipping from China. Alibaba also developed a similar service through AliExpress called Choice. And Turkey's Trendyol, majority-owned by Alibaba, has been expanding its cross-border options with a focus on the Gulf. It's also worthwhile noting that while players like Shein and Trendyol are taking a big share of apparel purchases in the Gulf, Amazon continues to be the go-to source when it comes to purchases of electronics.

⁴ <https://www.reuters.com/business/retail-consumer/sheins-revenue-growth-slows-first-half-amid-ipo-plans-information-reports-2024-10-22/>

⁵ <https://gwsolutions.com/2024/07/16/amazon-prime-day-in-the-uk-challengers-fail-to-break-amazons-dominance-as-temus-growth-plateaus-2/>

⁶ <https://gwsolutions.com/2024/07/16/amazon-prime-day-in-the-us-challengers-fail-to-break-amazons-dominance-despite-meteoric-rise-as-temus-growth-plateaus/>

The Wild Card of Cross-Border Ecommerce in the Gulf

What Does This Mean for Businesses with Digital Aspirations in the Gulf?

Our forecast for growth is modest

Despite having a young, digitally savvy population, our forecasts for ecommerce in the region are more conservative than some. That's due to the fact that several early-stage categories have already made a shift online. It becomes harder for businesses to drive consumers to purchase online in later-stage categories like grocery. There's also a very strong culture around malls as well-established leisure destinations in the region. Only more aggressive digital initiatives would drive up growth rates beyond our current estimates.



The age-old trio of price, selection, and convenience still drives purchase decisions

Slowing global momentum for cross-border players like Shein and Temu opens up opportunities for local players in the Gulf to expand their offerings and drive up penetration of ecommerce. Within ecommerce circles, there's long been discussion of price, selection, and convenience as the three most important factors influencing consumers' decision to purchase from one online store over another; these factors still heavily impact where consumers buy.



Local players must lean into selection, convenience, and experience

While brands and retailers in the Gulf likely won't win on price over the discount players from Asia, they have great ability to influence both selection and convenience—not to mention leveraging physical locations to create brand experiences that speak to consumers.

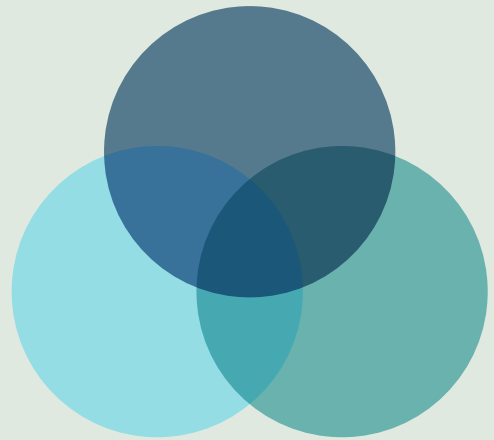


The Wild Card of Cross-Border Ecommerce in the Gulf

What Does This Mean for Businesses with Digital Aspirations in the Gulf?

Look for blended physical-digital experiences to grow in 2025 and 2026

The groundwork is being laid for blended retail experiences that combine physical and digital benefits. For example, two Dubai-based retail powerhouses with growing digital offerings have big plans for the region. Apparel Group announced it opened 100 stores in H1 2024 across the Middle East and Asia with hundreds more planned. And Landmark Group recently announced its intent to launch 400 stores across the Gulf Cooperation Council region, India, and Southeast Asia in the next three years. The size and momentum of the market will be affected by companies' rollout of options like ship-from-store and click-and-collect.



Don't expect massive shifts in digital grocery just yet

By contrast, there's not the same physical-to-digital momentum in the region in sectors like grocery, especially in markets beyond the UAE. Adoption in this category tends to be heavily driven by the supply side: once reasonably priced, convenient offerings are available, previously reluctant shoppers often make the shift to digital. For grocery retailers to win over digital shoppers in a cost-effective way, they need to promote click-and-collect fulfillment options over expensive delivery.





About



The RLC Global Forum is a leading platform that brings together the world's most influential global retail leaders, innovators, and policymakers to drive positive industry change. The Forum marks the next phase of the Retail Leaders Circle's (RLC's) decade-long mission to connect and empower leaders within the retail sector. Through high-level discussions and strategic cross-industry initiatives, the Forum addresses the long-term forces shaping a brighter future for retail and its interconnected sectors.

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