Starting a beauty eCommerce business in Dubai & Middle East - YourRetailCoach UAE

United Arab Emirates, Dubai, Mar 22, 2021 (Issuewire.com) - About the beauty industry

Looks may fade but the need to look good is not going anywhere. We want to look good so that we look naturally young and socially impressive. Sometimes it is also about personal care - using an SPF cream for shielding our skins against UV exposure or using a shampoo for clean hair and scalp. These aspects are fundamental to being human and social. And this is not a new phenomenon. Human records of beauty and personal care have been dated back to 10,000 BCE. The word 'beauty' comes from the Latin *bellus* – beautiful or fine. And this neatly encompasses our endeavour for both beauty and personal care.

Another aspect of the beauty and personal care industry is that it is split in terms of gender. Men are as likely to use beauty or personal care products and services as women. If there's a specific-purpose shampoo for women, there's a counterpart shampoo for men too. If there are facial creams for soft skin for women, there are more masculine-branded facial creams for men. The same can be said of services like spas, salons, and beauty parlours.

Globally, the beauty industry is worth more than USD 500 billion with an annual projected growth rate of over 5 percent. The United States and China are the two largest markets of beauty products. There is no reason to doubt why the beauty industry in the Middle East and Dubai will not grow at the global velocity or even better. When we mention the Middle East, we cannot ignore the GCC and when we mention the GCC, we cannot ignore the UAE and Dubai. Dubai is the epicentre of all the major retail and eCommerce developments in the region. For business, Dubai is a tough ground but is capable of validating business ideas for the greater region. The city features high internet penetration and smartphone usage, high-income levels, high literacy and employment, an uber lifestyle, a rich cultural heritage, and a cosmopolitan tinge.

Going about starting a beauty eCommerce business in Dubai or the Middle East

Being in the industry of beauty eCommerce consulting for Dubai and the Middle East*, we have seen many challenges that come up for eCommerce players in this sector. Let us quickly go through a few prominent ones.*

Competition from brick and mortar retailers

For eCommerce players, a great deal of competition comes from the local stores and malls that can deliver a better customer experience especially in terms of product demonstration. Customers are more comfortable making a purchase decision when such opportunities for trial and demonstration are provided to them. Ecommerce carries an inherent disadvantage here.

Competition from other eCommerce players and online marketplace platforms

You are not the only one to spot the potential of eCommerce in tapping the region's beauty and personal care market. Ecommerce players and online market platforms have made a foray into the Dubai and Middle East market a long time back. Even though there are demand gaps to be fulfilled, the real big challenge here for new players would be to create a profitable business model. Beauty and personal care products are mostly homogenous. Products alone will not be sufficient to sustain a business. The services, UVP and brand positioning, and efficiency of the channel and logistics strategy will have bigger roles.

Working with given margins

When it comes to beauty and personal care products, customers are extremely particular. They prefer to go by names they know and trust. A few reputed brands hold the majority of the market share. This also empowers them to dictate the margins for retailers. To ensure steady business, eCommerce retailers do not have many options but to go for sales maximization and an efficient model for procurement and distribution.

Changing consumer behaviour

A big positive from the year 2020 is that consumers, in general, have become more prudent with their spending habits. This is also applicable to the beauty and personal care sector in the Middle East. There is a rise in the tendency to prioritise convenience, health and hygiene, and budgeted expenditures. The line between beauty and personal care has started to blur even further. This aspect of consumer behaviour will play a vital role in brand positioning.

As beauty eCommerce consultants for Dubai and the Middle East, we have seen what separates business performances and what goes right for a few ones and augurs not so well for the majority. Let us quickly highlight a few important considerations.

Read the market

Good market research will enable you to better comprehend a market on various relevant parameters. This will further enhance your ability to make more effective assessments and decisions pertaining to identifying and defining the target market segments, better understand consumer behaviour, adopting the right competitive stance, choosing the right channel strategy, etc.

Build a robust business model

A good business model features a strong value proposition to make a business sustainable and maps out how that value can be created and delivered, profitably. Product homogeneity is a big challenge for retailers in the beauty and personal care sector. Services and business model plays a decisive role.

Get done with the eCommerce business strategies

Running your eCommerce enterprise will entail various core and non-core business functions. The working of these functions must support your business model. These functions include inventory management, logistics, and delivery, fulfillment centre, digital marketing, website/mobile application, IT systems, HR, finance, legal and regulatory, etc.

Sort the finances

Once you have the detailed mapping of how your business will function, you would be in a position to make the financial projections to see if how you have planned your business model and functioning is going to be commercially viable or not. If your planning does not lead to desired levels of profitability, then you will have to retrograde and revisit your plans, market assessments, business model, and functioning. After exploring the possibilities at this stage, it is also quite possible that you might have to drop the whole business idea.

Map the business processes and operations

Once you have the right vision, planning, and numbers, you should head towards mapping your business processes and operations. Having mapped and defined business operations will help your business become a process-driven enterprise. In a planned working system, business operations and activities are less likely to deviate from the established standards of performance and output. This has repercussions on the ability of your eCommerce enterprise to work on the lines of the intended business model.

The beauty industry, globally as well as in the Middle East, will be growing steadily. There are no reasons to believe otherwise. People will keep spending on beauty and personal care within the realms of treating it as a necessity. And eCommerce has further added its virtues to the vertical that will keep the market buzzing. But to do well in the beauty and personal care sector of the Middle and especially, Dubai, businesses will have to pull up their sleeves and go professional irrespective of the size and volume of business.

Media Contact

YourRetailCoach UAE

yourretailcoachae@gmail.com

+91-9860-426-700

Source : YourRetailCoach UAE

See on IssueWire