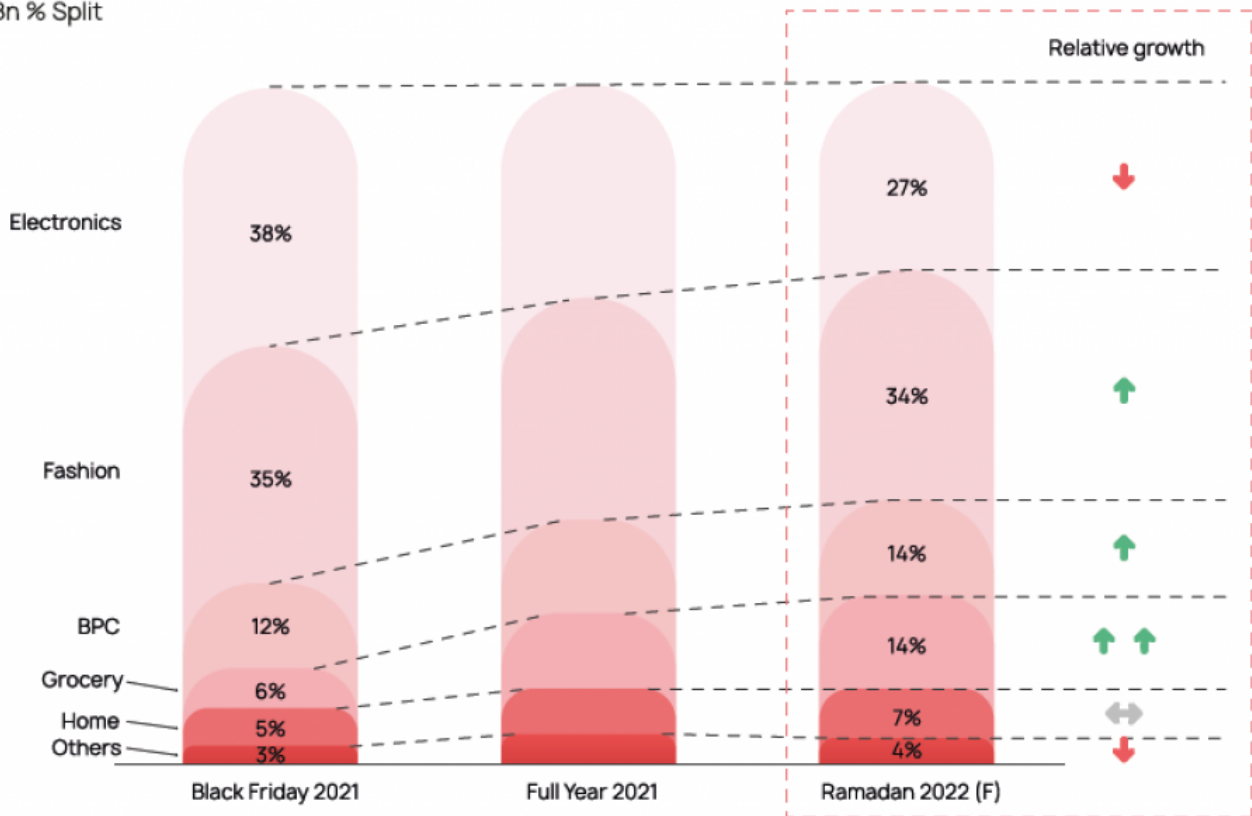


MENA consumers to spend \$6 bn online during Ramadan in 2022; RedSeer Consulting

The holy month of Ramadan is also one of the vital retail periods that set MENA apart from the rest of the world, with consumers planning to spend \$6.2bn on online goods during the period this year.

E-tail GMV - Sector Mix

USD Bn % Split



Ar-Riyad, Saudi Arabia Mar 29, 2022 (Issuewire.com) - Ramadan is a crucial event for retailers in MENA, with sales expected to reach ~\$6.2Bn this year, accounting for 16% of annual sales, according to the latest report. “[Unwrapping Ramadan 2022 - Decoding the Upcoming Sales Extravaganza](#)” by RedSeer Consulting.

The report also featured a panel discussion comprised of Ankit Sarwahi (Managing Director at MEVP), Jochen Bischoff (Head of Business Partnerships for Consumer Brands), Mehdi Moutaoukil (Chief Marketing Officer at L’Oreal), and Clemence Dutertre (VP of Demand for Careem). The panel was moderated by Triska Hamid (Editorial Director at Wamda).

Grocery and Fashion see the most significant rise with 87% and 70% of consumers planning increased spending respectively; Digital Economy Thrives

Both Grocery and Fashion will experience heavy increases in spending, with 87% and 70% of

consumers intending to increase their spending in these sectors. The grocery will see its contribution to the e-tail mix increase from 11% to 14%. This boils down to the fact cooking for large gatherings and buying sweets are some of the most significant purchase motivations for Ramadan. Similarly, Fashion will see its share grow beyond a third of e-tail GMV. There are two distinct sales peaks during the season. The first one is Pre Ramadan when an increase in demand for Groceries and Home décor/essentials is seen, and the 2nd one is Pre Eid when Fashion & Beauty pick up as gifting increases. These variations in sales highlight the necessity of supplier proactiveness throughout the month. Clemence Dutertre, VP of Demand at Careem, confirmed this, stating, "Ramadan induces consumer behavior that is very different to normal working times, particularly the peak demand time shifts. Use cases change massively as people work from home, while others return home at a different time of the day. For us at Careem, the biggest criteria are that we have to be proactive with these changes in demand patterns in order to add maximum value to our consumers."

Even in the Home and Electronics sectors, 62% and 58% of consumers express intent to increase their spending. Electronics however sees a drop in contribution to GMV mix by four percentage points.

The E-tail eco-system ramps up heavily during a critical retail period like Ramadan. This comes during a period when tech start-ups, in general, have begun to flourish throughout the region. Ankit Sarwahi, Managing Director at MEVP, stated, "One of the most nuanced challenges for brands going into this Ramadan season is to match consumer expectations from the past, in the face of the inconsistent global supply across sectors. The true success formula for these brands will be to engage with consumers ahead of D-Day to develop leads and analytically gauge expectations in terms of demand volumes and user experience. Proactively assessing and securing supply will be a key success factor. This Ramadan just availability could win you the game."

Ramadan has a drastic impact on Digital Behavior (12%-time increase).

Among the most noticeable impacts that Ramadan has on consumers is digital time spent. Time spent on digital channels shoots up by nearly 12%. The biggest gainers are social media & messaging, OTT (Over the top media), and short-form content (TikTok, Instagram Reels, YouTube shorts). An additional 35 mins are spent daily on average on social media and Shortform alone during Ramadan.

This increase in average time spent online directly correlates to consumer spending behavior. Consumers thus become far more likely to discover new brands and products through online channels than ever before. Compared to the past Black Friday 2021, there is a higher preference for Digital channels like Brand/Retailer App, Social Media platforms, etc., for product discovery during Ramadan. Brand/retailer is still the leading online discovery channel, with 56% of consumers preferring it. Social media and messaging see the biggest growth in terms of preference, with 55% of shoppers discovering products through it, compared to just 38% during BF 2021.

Beyond product discovery, consumers' preferences have evolved towards the type of content that influences their purchase decisions. Shortform video is by far the most influential content category, reflecting upon consumers' needs of acquiring product information in a fun & lighthearted manner.

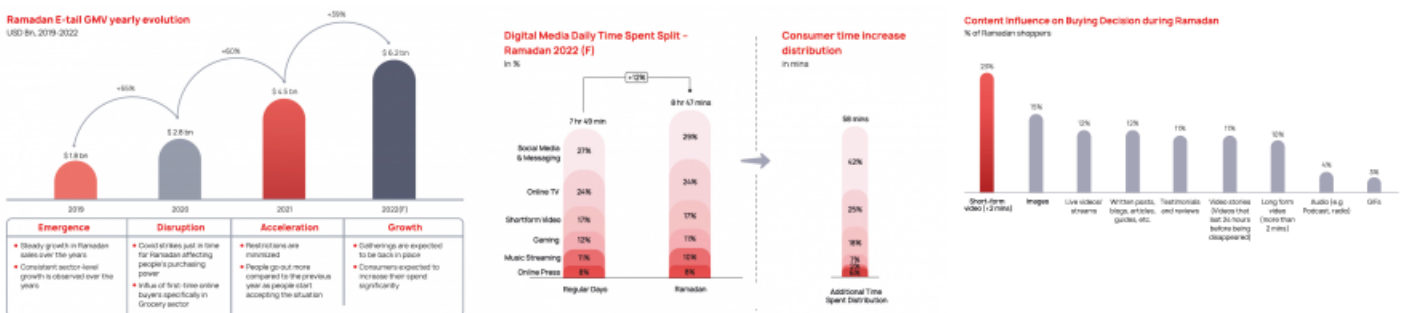
Akshay Jayaprakasan, Engagement Manager at RedSeer, elaborated, "These channels will be used for entertainment, socializing, and product discovery, implying a stronger influence on the purchase decision. Consumers want to be informed about products by relatable people in a more light-hearted and entertaining manner, which maximizes engagement and drives upconversion."

Family & Community, now more than ever:

Perhaps one of the most prominent themes to emerge this Ramadan is the overwhelming sense of the need for connecting with family, cooking for gatherings, gifting for others, and belonging to a community. This can be attributed to the somewhat detached Ramadan experience of 2021 and the pent-up demand for such activities. This is reflected in consumers' motivations to purchase during the festive period. Cooking for gatherings, buying sweets, and decorating the home are top motives, with 55%, 46%, and 35% of Ramadan shoppers identifying them as top needs, respectively. This shows how consumers long for social gatherings and is reflected in group and bulk purchasing behavior in stark contrast to Black Friday. On this topic, Jochen Bischoff, Head of Business Partnerships for Consumer Brands at ByteDance, said, "Reach, and the commoditization of media has resulted in repetitive and generic advertising that fails in making brands relevant. A brand's measure of success is linked to its relevance, making relevance the new reach. Relevance is amplified by creativity, emotions, and genuine consumer connections, often triggered by Creators. This paradigm shift in advertising is at the core of TikTok's platform proposition."

Another key trend is the massive skew towards creators/social media influencers when compared to celebrities. Across all sectors, % of consumers that prefer creators over celebrities is greater by at least 33%. This reflects consumers' need of being able to connect with individuals marketing the product, identify them as trustworthy, and confirm that their interests are similar. Mehdi Moutaoukil, Chief Marketing Officer at L'Oreal, addressed this, stating: "At L'Oreal, we believe in our brand advocates and expect to derive true value and meaningful conversations from them for us as a brand and do so even more during Ramadan. We rely on them to create fun and addictive content that engages our consumers. Moreover, we count on them to represent the brand in a form that establishes trust with consumers because, for us, trust is a new love."

Hence, the rapidly growing influence of creators over renowned celebrities. This all points towards a more inclusive Ramadan this year centered around communities of trust and interaction.



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