



The MENA

cCommerce Report 2024

**How WhatsApp is changing
the way we shop**

Foreword



Ramy Assaf

Co-founder and
CEO Zbooni

We are living in a new age of expectation. Our demands as everyday consumers for convenience and speed have skyrocketed with the development of technology.

For businesses, 2024 will bring further evolution to the personalization of customer interactions. The ability to harness vital customer data to create uniquely individual experiences, will set the great companies apart from the norm.

With the rising prevalence of AI, businesses who can continue to connect and relate with customers on a human level, will be the ones who succeed. Fortunately, knowing your customer and being able to better engage with them is something Zbooni can help with.

This report looks further into the key channel that Middle East consumers prefer, WhatsApp, and how it can be used most effectively to drive better business results. For this year's report, we sanctioned a proprietary survey with YouGov in order to better understand the consumer relationship with popular channels such as WhatsApp. In our final section, we explore humans vs. machines, including a closer look at when businesses should deploy generative AI, chatbots or real people to do the job.

Thank you for reading this report, we hope you find the information and insights valuable and useful professionally.

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Reaching the Middle East Consumer



MENA snapshot

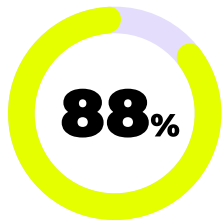
Demographics

466 million

Total MENA population (2022)



MENA population
24 or younger



MENA population using
social media daily

Online Retail



\$1 trillion

Total MENA retail size



\$57 billion by 2026

MENA eCommerce market
growth at 11% CAGR



8.3%

eCommerce
penetration (MENA)



75%

Average eCommerce
abandoned cart rate (Global)



2.86%

Average eCommerce
sales conversion (Global)

What is cCommerce?

Zbooni defines cCommerce as **'connected commerce'** with a focus on chat based engagement and checkout.

40% +

Zbooni estimate of total
MENA retail that could be
powered by cCommerce

70% +

Growth of social + chat
commerce per year

85%

Average checkout conversion
for businesses that use Zbooni

Starting conversations - How businesses speak to customers

Conversations between customers and businesses have happened for millennia. Over time the channels and methods that businesses use to communicate have changed.

In the past few decades, the rate of change has amplified with the development of the internet, smartphones, and social media.

Artificial intelligence (AI), augmented and virtual reality (AR/VR), and Web3 environments will continue to change the way businesses communicate with customers.

Ultimately, a business needs to communicate through trusted and relevant channels to provide a strong customer experience. That brings us to today's world of unified, connected commerce which we call cCommerce.

8 OUT OF **10** ▶ businesses that improve customer service increase their revenue

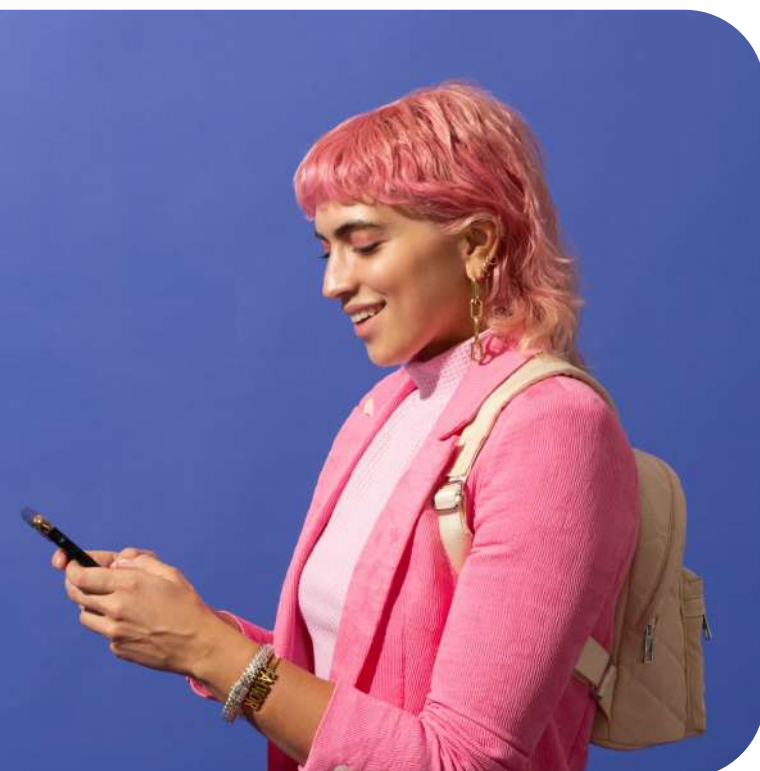
**BETTER CUSTOMER
INTERACTIONS**



**BETTER
RETENTION**

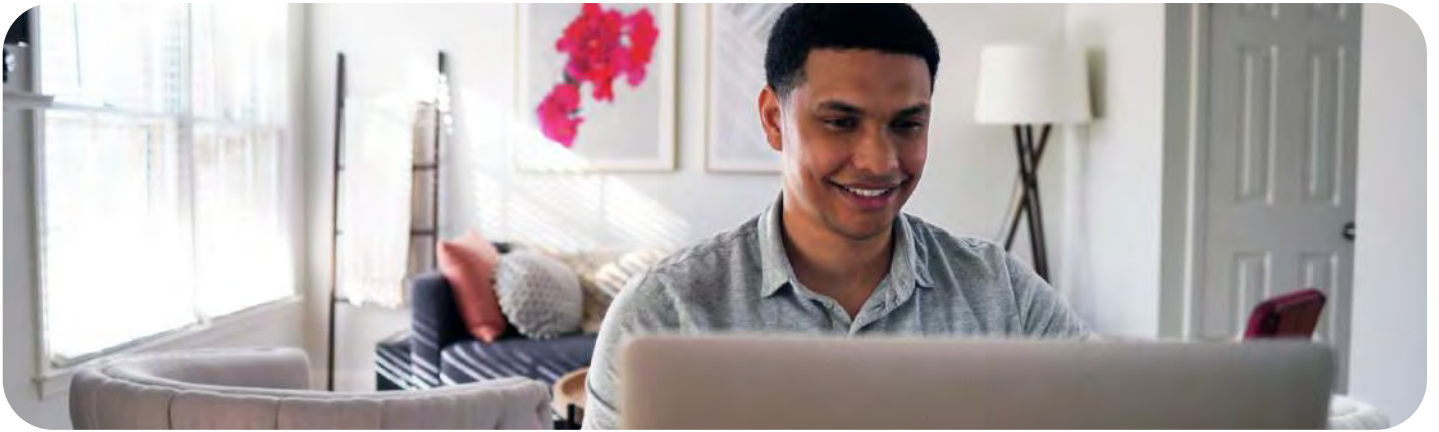


**INCREASE IN
REVENUE**



McKinsey revealed in a 2020 report that organizations who use technology to improve customer service saw enhanced customer experiences, including a 20-40% reduction in costs to serve those customers, 15-20% improvements in customer satisfaction, and 20% growth in conversion rates. And the opposite is true - if businesses fail to improve the experience, customers will switch because they feel unappreciated and take their business elsewhere.

According to a global report by Vonage, it's the top reason that customers stop buying from a brand.



People are willing to buy more frequently and pay more money for the right experiences too. Zendesk's CX Trends Report shows that 7 out of 10 customers are willing to buy more often when they have 'seamless conversational experiences' with brands.

Furthermore, a 2021 report by Gladly identified 82% of customers are happy to spend more money with brands that offer superb customer service. However, customers are demanding - they want brands to interact straight away and not face any delay in response. Research shows 72% of customers expect brands to immediately respond to enquiries.



83%

Of consumers are **emotionally connected to a brand that delivered a good customer experience**



80%

Of consumers are **happy to buy digitally but only if they trust the brand**



76%

Of consumers **expect personalization**

Challenges of creating a seamless online experience

The Middle East is a mobile-first region, where consumers are more likely to download and use a brand or marketplace app (more than Europe or North America). This presents opportunities for personalization, remembering preferences, saving payment details, building a profile about a customer, which can support businesses in creating enhanced customer experiences.

In fact, one of the biggest reasons for not adopting digital purchasing methods for goods and services is the overall online experience. 60% of consumers shop in physical stores because it's easier and quicker (McKinsey). The digital experience needs to be able to offer the same, or better, as an in-person physical experience.

#1

Chat apps and SMS most requested form of consumer-brand communication

6 in 10

GCC consumers have had a bad brand interaction in the past year

63%

Proportion of GCC consumers who think brands should be omni-channel across chat, social and SMS

Internet Access,
% Of Internet Users
By Country



United Arab Emirates **99%**
10 million users



Saudi Arabia **90%**
37 million users



Egypt **71%**
107 million users

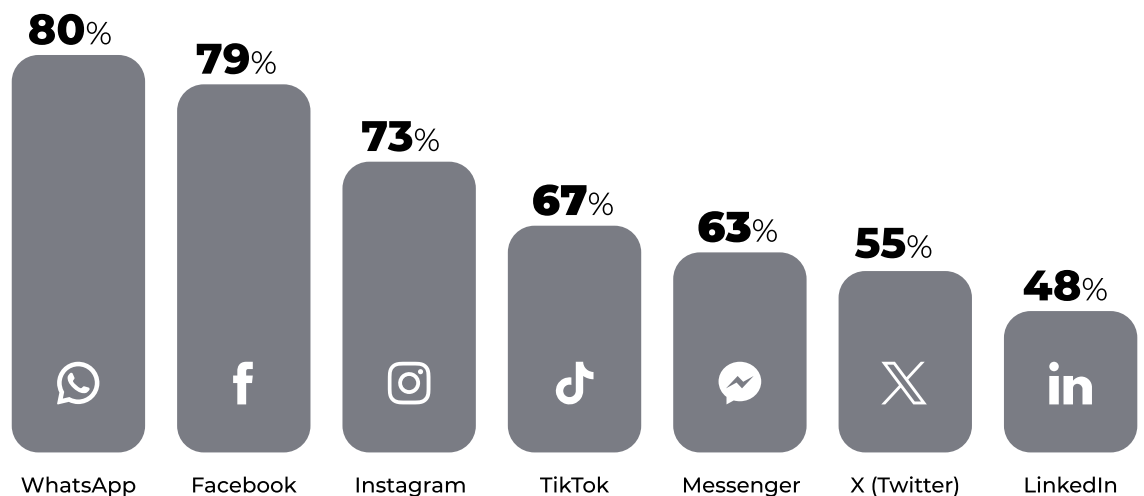


Messaging and social media

Global Insight

- ▶ **More than 1bn** users send messages to businesses every week using Meta channels (WhatsApp, Facebook, Instagram etc.)
- ▶ **7 in 10** people say they feel more connected to a business they can message
- ▶ **65%** of global respondents prefer messaging than email or phone
- ▶ **90%** of Instagram users are following businesses

Most used platforms in the UAE



UAE Insight

10 million

social media users

2h 30min

hours spent on social each day

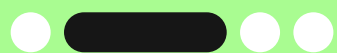
30%

find things to buy through social channels



2

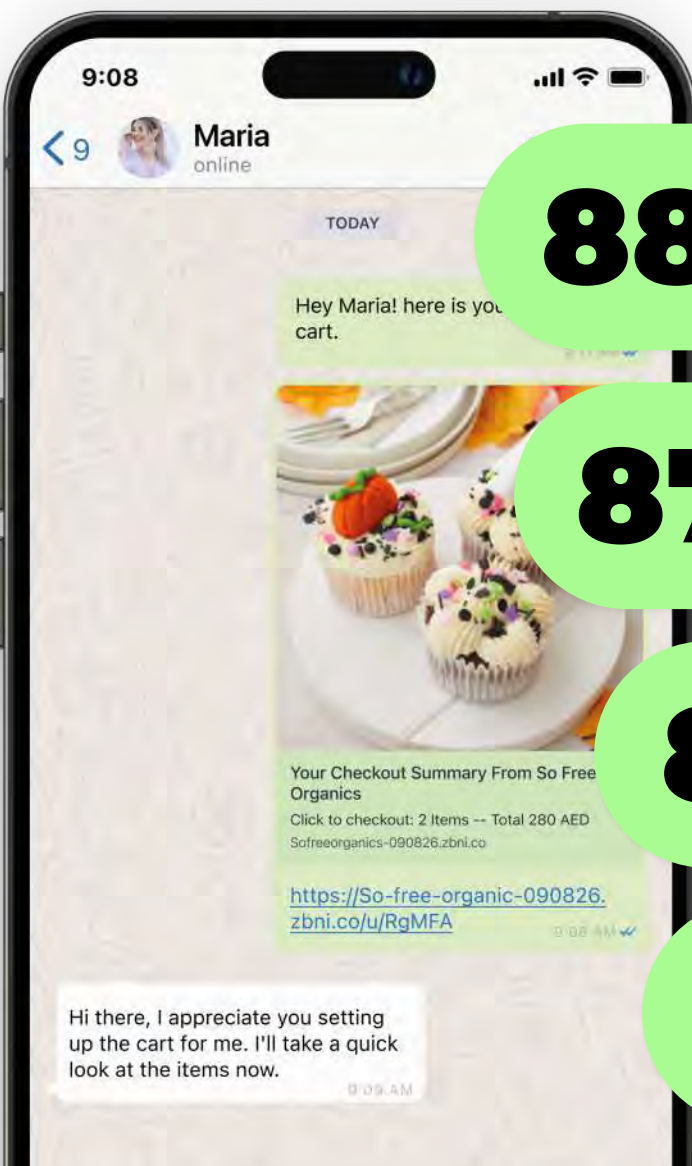
WhatsApp is King



WhatsApp - Changing the way people communicate

Towards the end of 2023, Zbooni polled 1,000 people in the UAE through independent researcher YouGov. The sample was a proportional representation of the demographic make-up of the UAE. Zbooni hypothesized that because WhatsApp is synonymous with daily life, consumers would be open to interacting with businesses via the channel.

The big finding? WhatsApp topped every single question in the public poll, underlining it as the most popular communication tool for businesses. The results not only confirmed the hypothesis, but showed that WhatsApp was overwhelmingly the preferred form of communication.



Zbooni Survey Data

88%

think WhatsApp is the easiest way to get quick, accurate responses from a business

87%

agree they get clear answers from businesses through WhatsApp

85%

want all businesses to offer WhatsApp as a channel for customer support and enquiries

84%

agree that WhatsApp is more helpful than email to chat with a business

How MENA businesses can learn from the emerging markets of Latin America

Typically, MENA countries have looked to North America and Europe for best practice technology implementation. But, for WhatsApp Business, Latin America provides useful strategies that can be replicated. More than 90% of people use WhatsApp in countries like Brazil and Mexico. As such, WhatsApp launched several business features in these countries, enabling customer-focused conversations and functionality, such as payments, catalog sharing and automation.

These powerful features combined with the ability to chat and interact with customers has created a multibillion-dollar sales opportunity for businesses, with Brazil topping global revenues for WhatsApp in 2022. While major businesses like Noon and Careem are already sending communications and offers via WhatsApp, there are many more ways that MENA businesses could take advantage.

Case Study agibank®

10x

message open rates in WhatsApp compared to email or SMS

25x

ROI compared to email or SMS

20%

of all credit renewals came through WhatsApp in less than a year

Take the case study of Agibank, a leading Brazilian neobank. The challenge for Agibank was seeing low open rates for messages sent through email and SMS. They wanted to build stronger personal relationships with customers, increase accessibility and convenience, while generating higher profitability. Agibank worked with a third-party provider to develop a customer engagement channel using the WhatsApp Business platform.

Using “Gi”, a virtual assistant built into WhatsApp, the bank sends customers messages via WhatsApp. One example of this, is whether they want to renew their credit, with customers invited to answer with a simple ‘Yes’ or ‘No’ option. Customers who answer ‘Yes’ receive a link inviting them to complete a biometric authentication process, before being routed back to WhatsApp to complete the process. This is just one small example which made a huge difference in results.

Increase engagement and ROI

For SMEs in Latin America, solutions through WhatsApp Business have provided the opportunity to engage customer bases without the huge costs associated with more complex enterprise software platforms. So, how do businesses in MENA replicate the huge potential of WhatsApp to drive revenue? This is where Zbooni’s curated solutions come into play, helping companies of different scales to maximize WhatsApp as a viable, personalized sales channel.

The WhatsApp model



WhatsApp

Personal use - individuals and groups

iOS and Android App

Account made using a mobile number

Text messages, multimedia, location, files and documents (up to 100mb)

Voice and video calls (select territories)

App broadcast to max 256 contacts

No automations

Contacts - through phone contacts

Free

ADVANTAGES

- Easiest to get started, free to use

DISADVANTAGES

- Account can only be used by one user/device

WhatsApp Business App

Local businesses for business chats

iOS and Android App

Account made using a mobile or landline number

Text messages, voice, multimedia, location, files and documents (up to 100mb)

Voice and video calls (select territories)

App broadcast to max 256 contacts

Simple automation of greetings, away messages and quick replies

Contacts - through phone contacts

Free

ADVANTAGES

- Basic automations, catalog and profile, free to use

DISADVANTAGES

- Account can only be used by one user/device, no advanced automation

WhatsApp Business API

Medium to large companies with centralized support

Unlimited broadcasts

No real mobile interface

API automation

Account made by applying through WhatsApp partner

Contacts - through API

Templates approved by WhatsApp

Charges for messages sent via API, per template or session

No calling capability

ADVANTAGES

- Can connect to WhatsApp Business Solutions or CRM integrations
- More complex automated messages
- Unlimited users

DISADVANTAGES

- Technically challenging
- Requires approvals
- Metered and charged messaging



How Businesses Should use WhatsApp

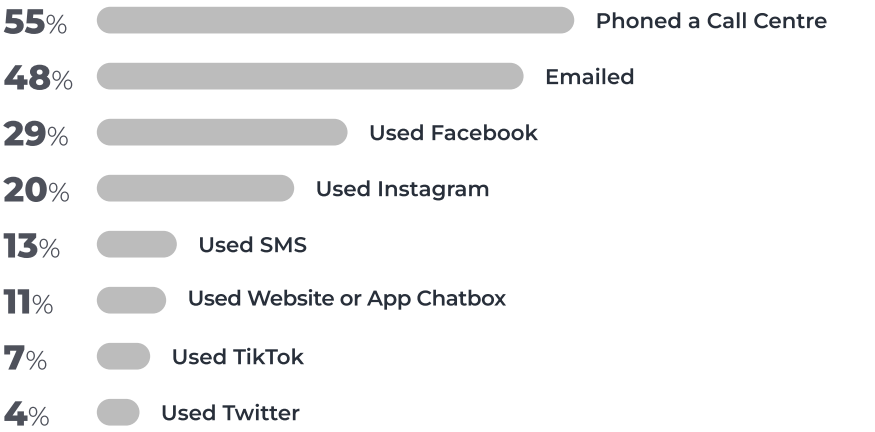


WhatsApp - The UAE's favorite channel

In Zbooni's survey, consumers in the UAE selected WhatsApp as the most preferred and most often used channel for business enquiries and customer support.

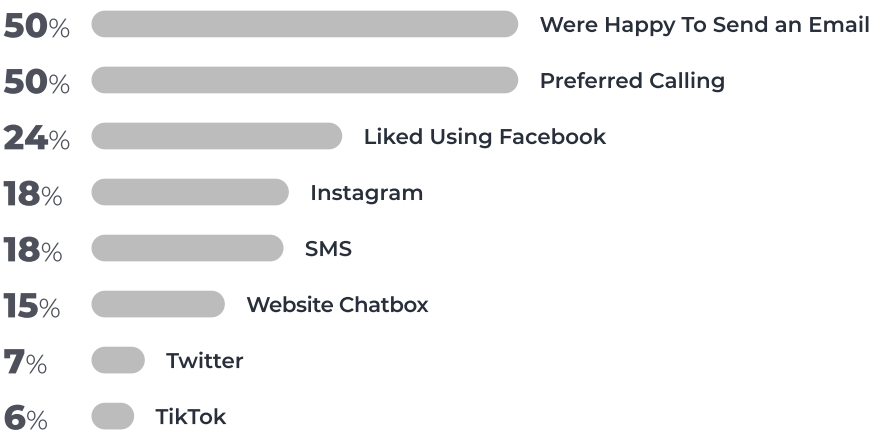
65%
of people

in the past year have used WhatsApp to contact a business



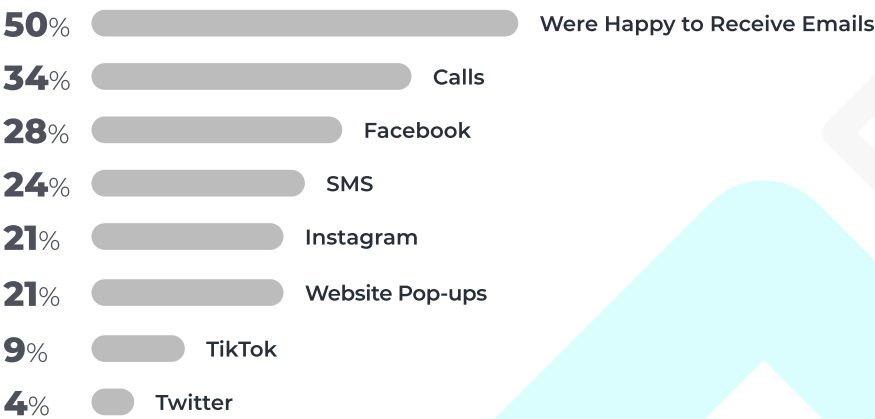
59%
selected

WhatsApp as their preferred channel for customer support



56%
preferred

to receive marketing/sales info through WhatsApp



The sales journey

Reasons customers get in touch with brands prior to purchasing:



**PRICE, DISCOUNTS
AND NEGOTIATION**



**LEARN MORE ABOUT
PRODUCTS / SERVICES**



**THE BUYING AND
ORDERING PROCESS**

If you consider the typical questions, all of them can be answered via WhatsApp. Product and customization can be discussed on WhatsApp, prices can be negotiated, discounts applied and checkout links shared via WhatsApp. Even delivery info / tracking codes can be shared via WhatsApp too. Making a phone call to a call center can be time consuming, with queues during busy periods. An agent can be on one call at a time, but with WhatsApp, they can manage multiple conversations at once.

With email it is hard to know whether your enquiry was received or when you'll expect a reply. WhatsApp offers the right blend of immediacy and removes many of the frustrations when looking for support, like listening to hold music endlessly.



Marketing & re-marketing



Email

45% of global email traffic is defined as unsolicited spam.



People's inboxes are full!



SMS

7million SMS messages were sent in a trial by Inphota in UAE to test effectiveness...



Three people responded, but not a single sale was made.



WhatsApp

WhatsApp is specifically designed to offer more control for customers in receiving messages - a customer can choose to ignore, block or reply.



With this context in mind, it's easy to see why consumers prefer WhatsApp to receive sales and marketing info.

After-sales support

“PEOPLE ARE MORE THAN TWICE AS FRUSTRATED WITH BRANDS THAN IN THE '70s”

As well as the real-time nature of WhatsApp support, a primary reason why WhatsApp is a sought after tool for communicating issues, is that photos and videos can be shared to identify issues. Whether it's a screenshot of a tech service problem, or a photo/video of a product that isn't working properly, WhatsApp provides more detailed context for customer support teams that supersedes any description that can be relayed over a phone call. Simply, it gets to the heart of the problem faster than any other channel, meaning customer service teams can also advise and direct customers and potentially resolve issues in a shorter time span.

With customers seeking support via WhatsApp, brands have a choice on how to use the channel - through personal interaction with a human or increasingly through automated bots and generative AI. But do customers actually want to speak to a bot or would they prefer the human touch? Let's find out.



4

Human Vs. Machine

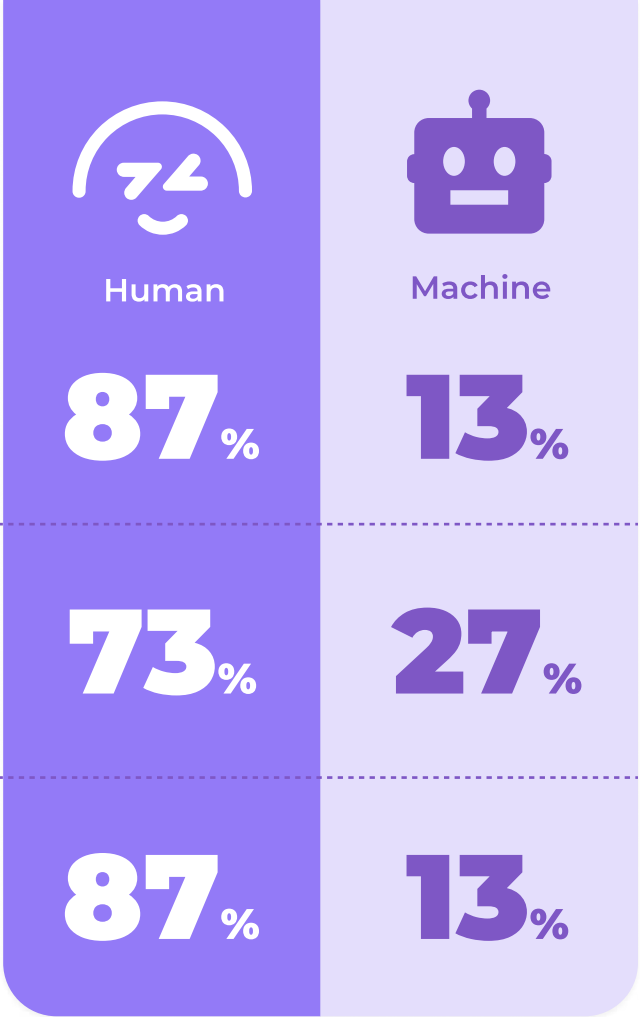


UAE consumers want real people over machines

People that prefer inquiring about products or services with a human

People that prefer receiving marketing and sales information from a real person

People that want a real person to handle their customer support



Human vs. machine



Customers are growing accustomed to automated chatbots and now, more intuitive artificial intelligence agents. The Middle East is highly receptive to AI technology too. A report by McKinsey showed people in Egypt, Saudi Arabia and UAE were far more likely to think positively about the effect of AI technology than people in Europe or North America.

For straightforward tasks and repetitive enquiries, these systems can quickly handle customer tickets. If the organization has human support agents, chatbots can handle easier tasks and then hand over more complex ones.

But for most consumers, an end-to-end customer journey with a real person ticks the boxes.

Global insights



Chatbots

86%

of customers expect online self-service from chatbots or AI

70%

reduction in call, chat and/or email enquiries after implementing a virtual customer assistant



Generative AI

95%

of customer service leaders expect customers to be served by AI bots by 2025

75%

of people think generative AI will drastically improve their interactions with businesses

61%

think generative AI should create individual personalized interactions



Human

79%

of consumers had a valuable experience from participating in an online chat with a customer service representative

75%

of consumers found value in interacting with other customers in a brands' online community

75%

of people across the world prefer authentic human interactions that are less scripted and more personal

67%

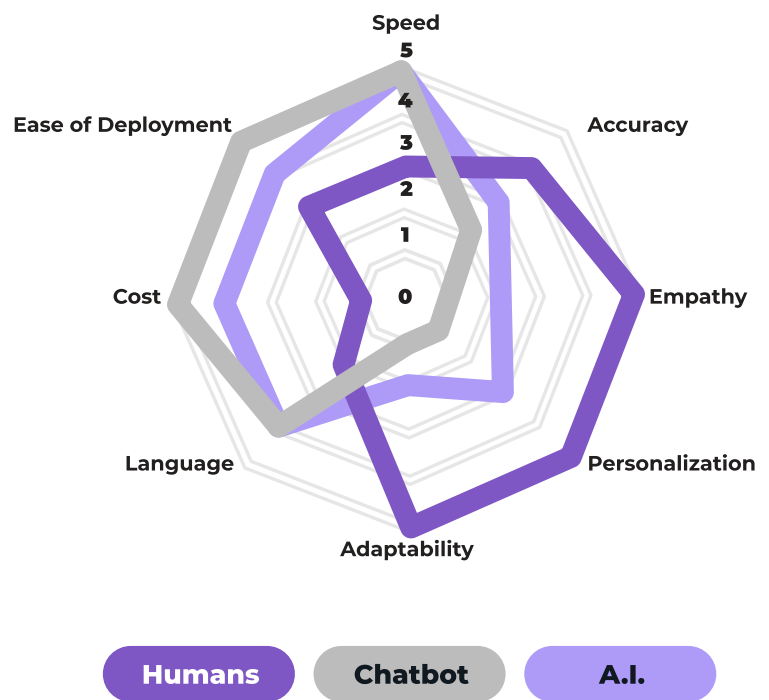
found value from messaging a brand through their mobile app

Human Vs. chatbot Vs. artificial intelligence

Through consumer responses and proprietary data, Zbooni has ranked the strengths and weaknesses of serving customers through human agents, chatbots and generative AI.

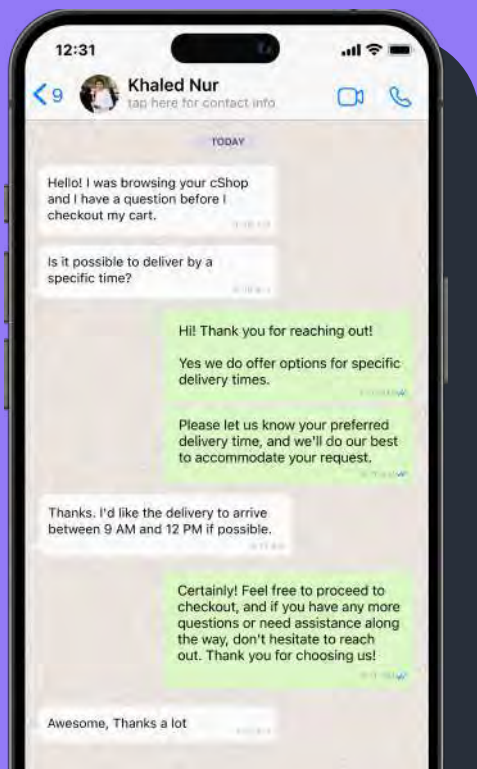
There are pros and cons of using chatbots, generative AI and human customer service agents - so how do you decide what to deploy? Businesses have a range of needs and it depends on requirements.

Humans come out on top of AI primarily because of warmth, accuracy and personalization. But what does that mean for businesses and, if WhatsApp is the channel of choice, when should we use bots or real people?



*Accuracy in responses for chatbots varies on the questions it is programmed. It can provide accurate answers as long as customer inputs(questions) are straightforward and match the frequently asked questions template.

Key takeaways - plugging into WhatsApp



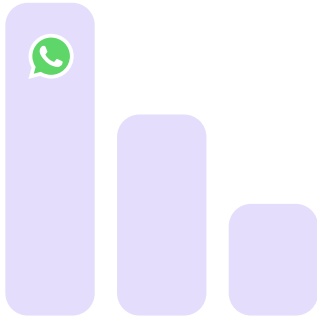
Bots and generative AI are good at creating and sharing standardized responses via WhatsApp - simple automated responses can be great for letting customers know you've received the enquiry and for answering straightforward questions.

Where personalization is required or customers demand more of a 'VIP' or concierge service, businesses need human agents who can respond with elevated empathy and warmth.

For loyalty and retention, brands can activate general broadcast messages or hyper-targeted individual offers customized to specific customers.

Executive summary

The dominance of WhatsApp



Communication preferences have shifted and UAE consumers now prefer using WhatsApp to interact with businesses over other channels.

Demand for businesses to use WhatsApp



There is huge demand from customers for businesses to adopt WhatsApp. Its real-time nature, coupled with the ability to share photos and videos, make it a powerful tool for addressing customer concerns promptly.

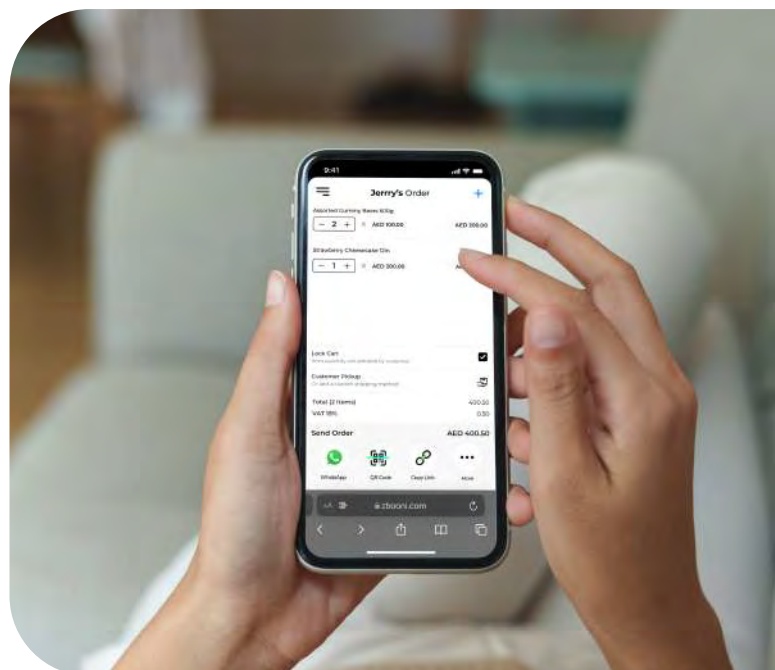
Customers still want the human touch



While AI and chatbots can provide speed and cost efficiencies, customer satisfaction is dictated by real human interaction. Consumers value being treated as individuals and this approach can lead to stronger sales and revenue.

Zbooni can help you maximize the potential of your business through WhatsApp – from enhancing interactions, to capturing more sales through checkout and payment.

While nobody can deny the power and importance of Generative AI in transforming business processes, the real gold lies in providing human, personalized experiences for your customers



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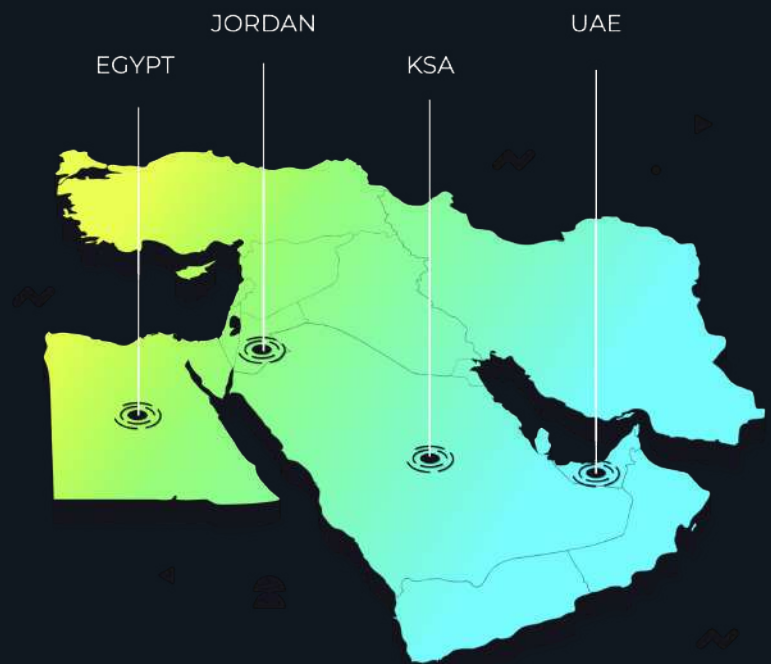
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About us

Zbooni is the leading eCommerce platform for MENA. With offices and operations across four countries, the company offers a local competitive advantage to its clients and their customers, in a rapidly evolving segment of the market.

The company's flagship application was launched in 2018 after completing its incubation by Meta.

Headquartered in UAE, Zbooni proudly serves as the category leader in its space.



Zbooni is empowering 10K+ businesses to serve their customers better

Learn more



www.zbooni.com

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