



# Impact Survey Report

Preferences of Online Shoppers in Qatar

MARCH, 2019

وزارة المواصلات والاتصالات  
MINISTRY OF TRANSPORT  
AND COMMUNICATIONS



# Table of Contents

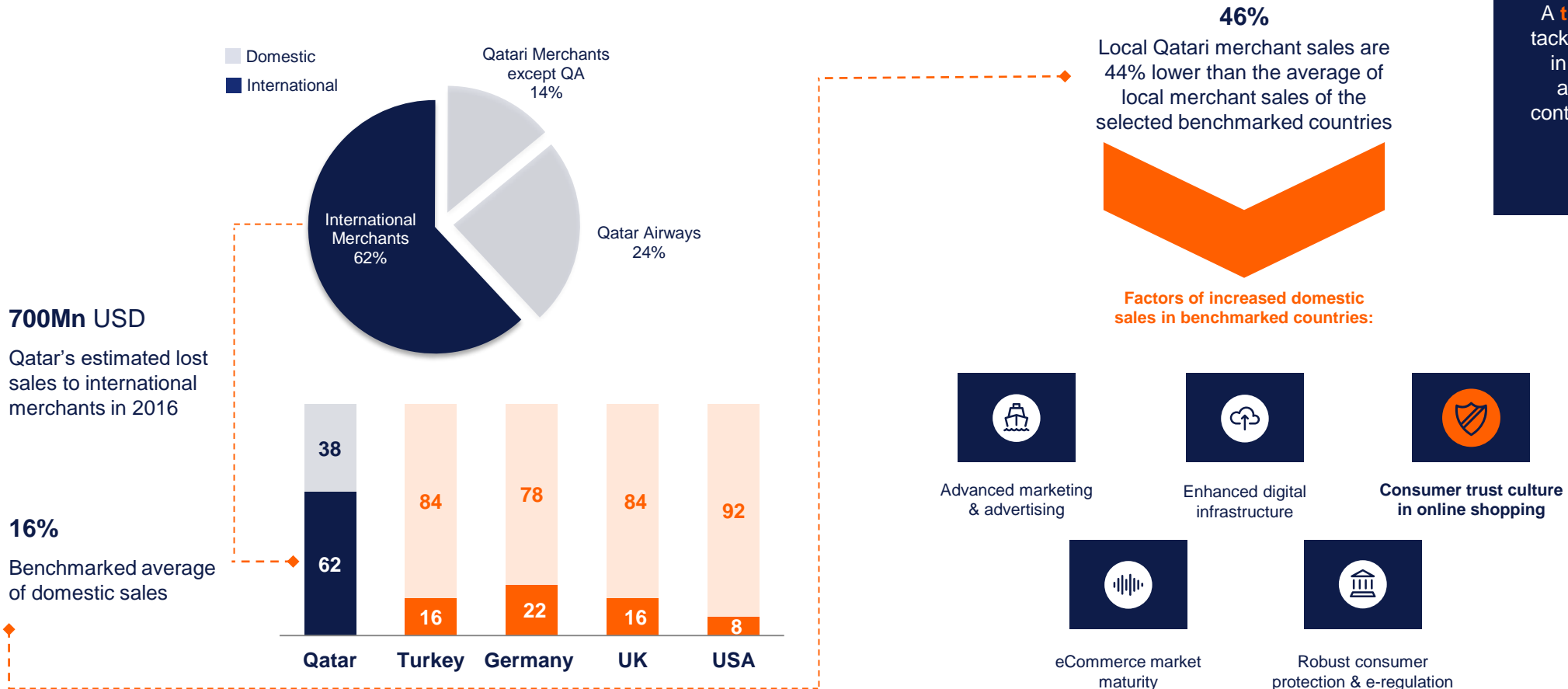
1. Introduction
2. Survey Overview
3. Key Insights & Detailed Results

# 1. Introduction



# E-Commerce in Qatar | Domestic E-Commerce Sales

Despite these positive growth trends in eCommerce, Qatar's domestic e-sales are lagging behind international averages; instilling trust in online shopping is one key local adoption effort



A **trustmark program** can help tackle one of the key factors, trust in online shopping, as well as address other elements that contribute to helping Qatar realize its potential in domestic eCommerce sales




Source: MoTC, Monitor Deloitte Research & Analysis - \*based on 17% market growth per year & 70% possible local sales

# E-Commerce in Qatar |

## Introducing Theqa

Theqa is an active program that will certify local online merchants based on a set of identified criteria and monitor its members adherence to the code of conduct



-  Theqa will contribute to an enhanced online user experience with local online merchants
-  Theqa will help increase consumer trust in local eCommerce merchants
-  Theqa will contribute to decrease eCommerce sales leakage to online international merchants and redirect it to local online merchants

## 2. Survey Overview



# Survey Overview

A group of 500 residents in Qatar were surveyed online in order to gain key insights and trends to find out shoppers' needs and wants. This data was collected to contribute to reducing the international eCommerce sales leakage.

## Objective

- **Measure the incidence of purchasing online:**
  - ✓ Reasons and important factors for shopping online
  - ✓ Preferred channels and methods
  - ✓ Average spend and frequency
- **Understanding the reasons for:**
  - ✓ Not purchasing online / using e-commerce
  - ✓ Preferring international e-commerce companies to local
  - ✓ Lack of trust to local e-commerce

## Sample Pool

- **Sample size:** 500
- **Nationality:** Qatari, Western, Asian, Arab, Other
- **Age:** 18 – 50 years old
- **Demographics:**
  - ✓ 75% Expats / 25% Local
  - ✓ 76% Male / 24% Female
- **Income:** All income ranges (From below QAR 2,000 to above QAR 48,000)

## Methodology

- **Run online through a partner market research firm:** *Ipsos*



Ipsos MORI

### **3. Key Insights & Detailed Results**





## Key Insights

At an e-commerce penetration rate of 37%, e-commerce in Qatar holds promising opportunities for the ecosystem to both seize and benefit from

### Electronics & Taxi/Limo

Are the most frequently purchased **products & services** online in Qatar

37%

Of respondents have **purchased** a product or service online in Qatar (past 12 months)\*

### Mobile Application

Is the preferred **channel for online shopping** as per over 50% of the respondents

26%

Of the respondents make an online purchase from local merchants at least once a week

### Facebook Ads

Is the preferred means of communication to learn about new online shops & new arrivals/promotions

76%

Of respondents prefer shopping from “marketplace” platforms vs. “single vendor” platforms

### Product variety & availability

Are the primary reasons online shoppers prefer **international** online shops

31%

Of respondents have voted that they **do not trust local online shops**

### Online Chat

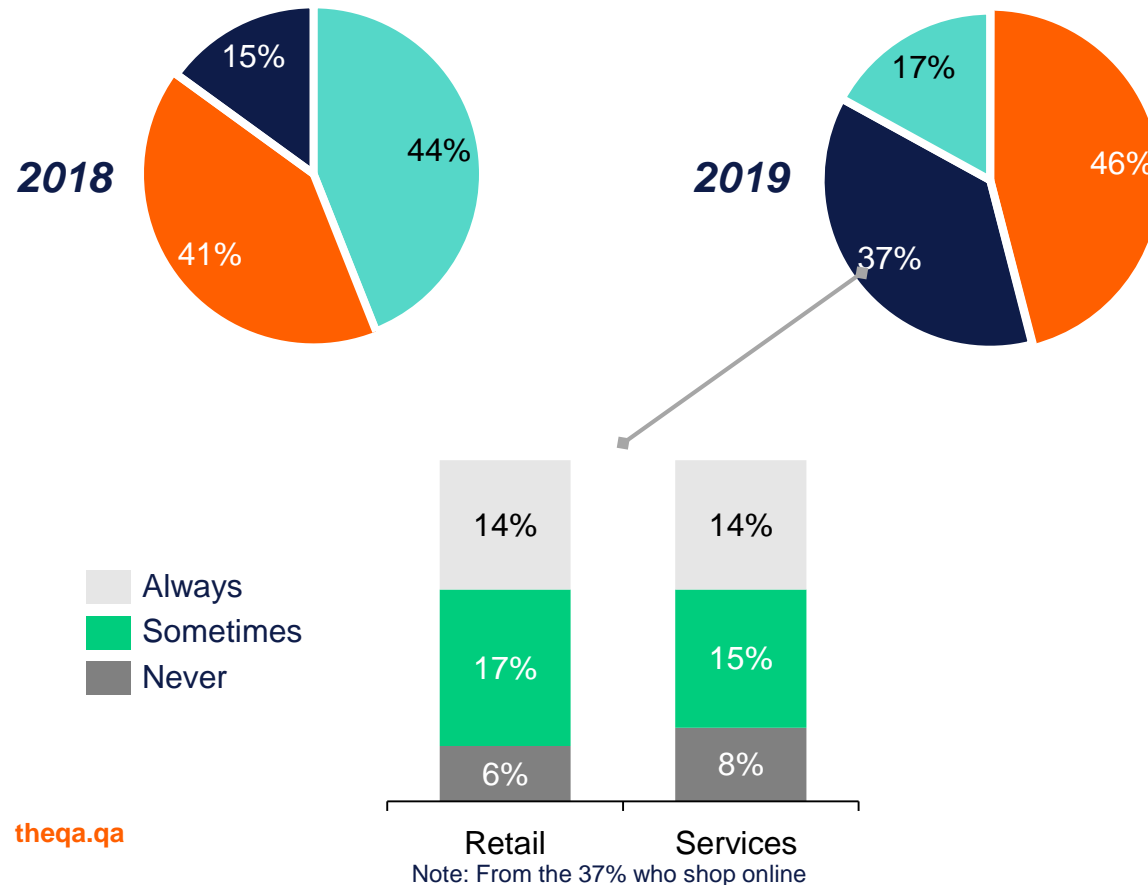
Is the most preferred **method of communication** for local online shoppers when it comes to inquires & complaints

# E-commerce Penetration in Qatar 2018 vs. 2019

The eCommerce penetration rate in Qatar in 2019 is 37% versus 15% in 2018, with a similar distribution between shopping in the retail industry and service the industry for 2019

## Q1. Online shopping penetration in Qatar

- I have purchased a product or service online in the past 12 months
- I have not purchased a product or service online in the past 12 months, but I am willing to do so
- I have not purchased a product or service online in the past 12 months, and I am not willing to do so



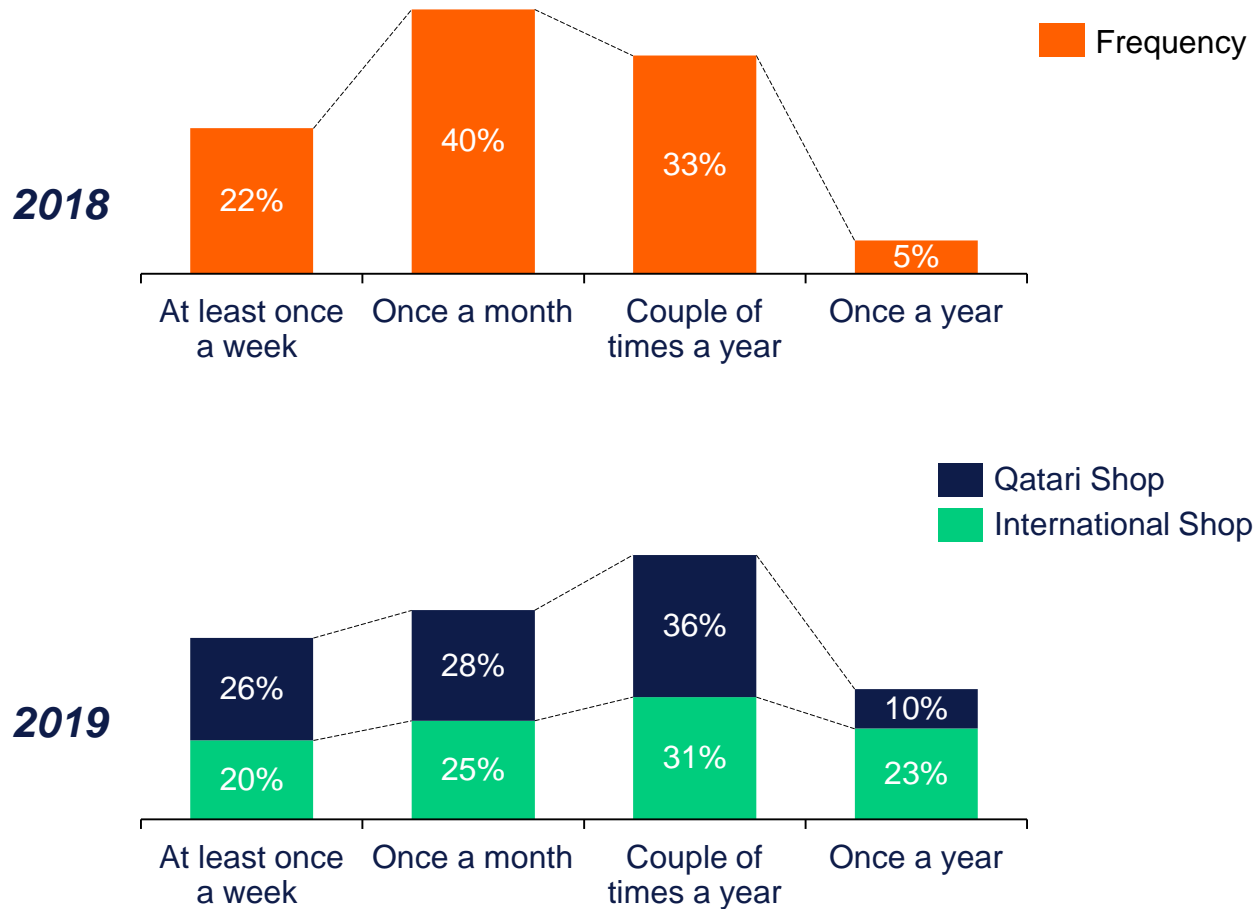
## Key Takeaways

- **The eCommerce penetration rate in Qatar** which reflects the number of shoppers who have purchased a product or service online in the past 12 months **was 15% in 2018 compared to 37% in 2019.**
- This number has increased to reach more than double the percentage from last year. This may be explained by the increasing number of eCommerce players and increase in marketing which we have noticed.
- **From the 37% who have shopped online in the past year**, there are 14% who always bought a product, **17% who sometimes bought a product** and 6% who never bought a product; whereas 14% have also always bought a service, **15% sometimes bought a service** and 8% never bought a service online.
- Of the remaining 63% who do not shop online in 2019, **17% are willing to shop online**, with the remaining not potentially having the inclination to shop online.

# Shopping Frequency 2018 vs. 2019

From 2018 to 2019, we notice a slight increase in weekly shopping from local merchants vs. a shift from monthly and a couple of times a year in 2018 to once a year in 2019 for international merchants

## Q2. Shopping frequency: international vs. local online shops



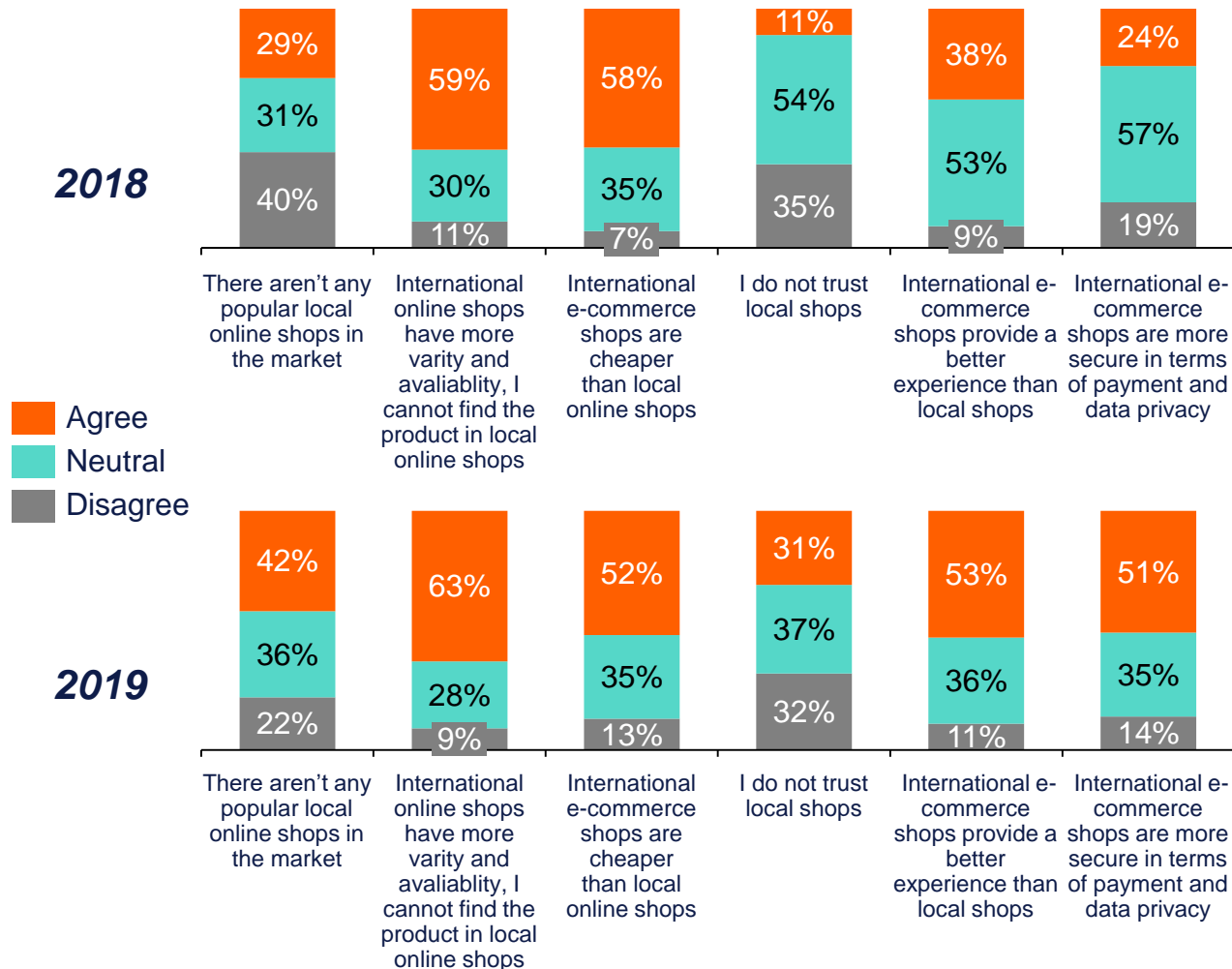
## Key Takeaways

- Comparing shopping frequency from 2018 to 2019, we notice a **slight increase in shopping at least once a week with Qatari merchants**, this may be explained by the increase in transportation and food delivery services used by shoppers.
- We also notice a **shift from once a month and couple of times a year towards once a year for international shops** leading to one of MoTC's main objectives to reduce international leakage.

# International vs. Local Online Shops 2018 vs. 2019

There is a significant increase in not trusting local shops and seeing international shops as more secure between 2018 and 2019 for online shoppers in Qatar, highlighting the need to an eCommerce Trustmark

## Q3. Point of view of international vs. local online shops



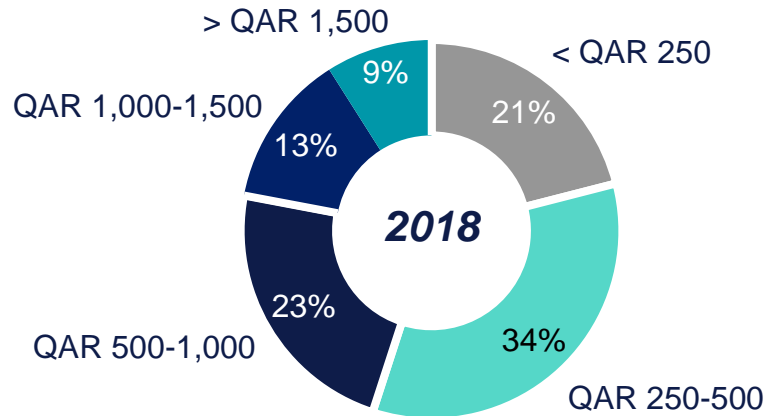
## Key Takeaways

- Based on the data from 2018, there has been an **increase in “agree” for all the statements about international shops vs. local shops** in 2019 except for the price advantage.
- There is a **high increase** in 2 statements which highlight the need of an eCommerce Trustmark in Qatar which are **“I do not trust local shops”** and **“International eCommerce shops are more secure in terms of payment & data security”**
- **The top 3 answers for international vs. local sites** are that customers believe “International online shops have more **variety and availability**”, “International eCommerce shops provide a **better experience** than local shops” as well as “International eCommerce shops are **cheaper** than local online shops”.

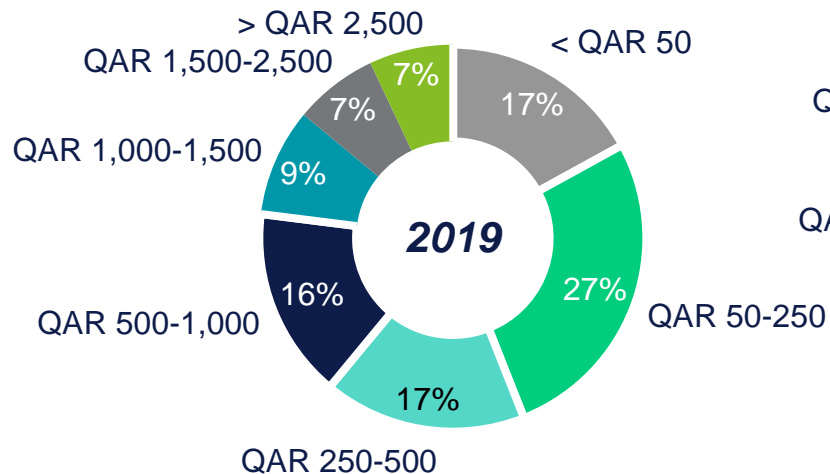
# Online Shopping Spend 2018 vs. 2019

More than 25% of online shoppers spend QAR 50 to QAR 250 on products and about 30% spend less than QAR 50 on services in 2019 compared to only 21% spending less than QAR 250 in 2018.

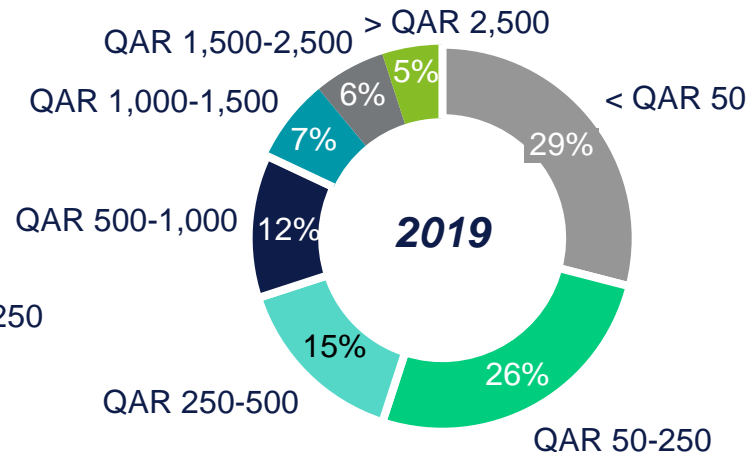
## Q5. Average amount spent per transaction



### RETAIL



### SERVICE



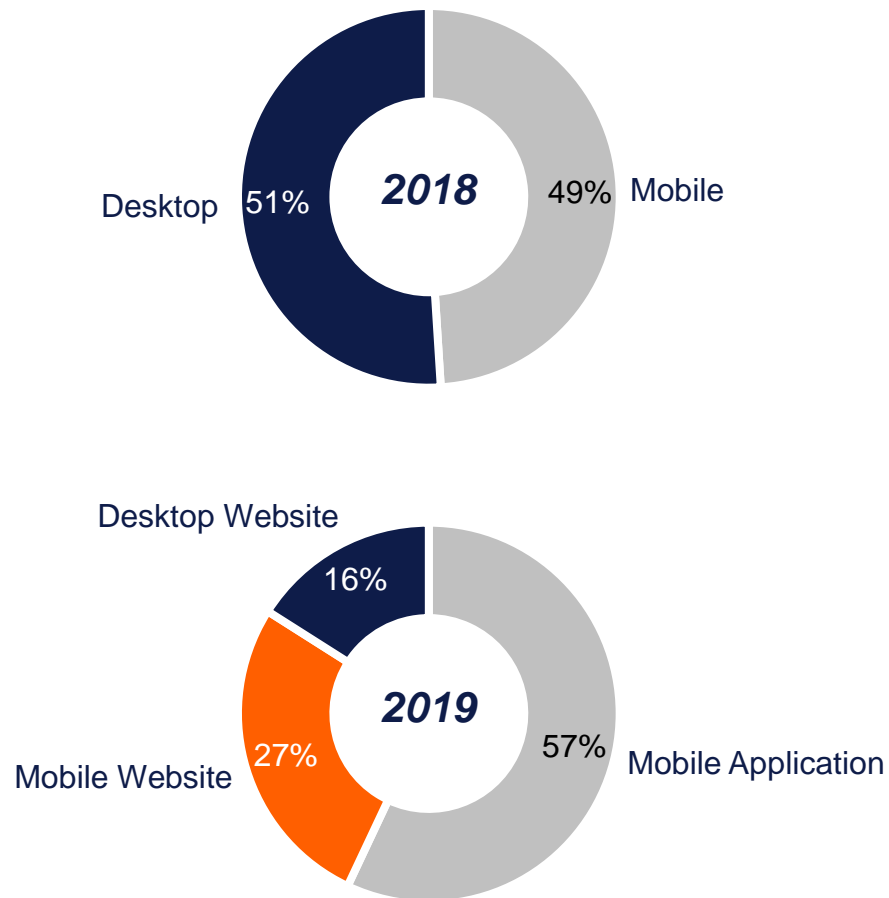
## Key Takeaways

- In 2018 the most recurrent average amount spent per online shopping transaction was QAR 250-500 whereas **in 2019, the most recurrent range for retail is QAR 50-250 and less than QAR 50 for services**. We see a change in the behavior of spending where people seem to use online shopping for purchases of lower value.
- If we were to compare purchases under QAR 250 between 2018 & 2019, we notice a significant increase from 21% to an average of 50% whereas purchases with a higher value have decreased between 2018 and 2019.
- We assume that the range for the service industry has a low value due to the increasing accessibility of taxi/limo hailing along with its competitive pricing.

# Preferred Channel for Online Shopping

There is a significant change in the proffered channel to shop online in Qatar with 57% of online shoppers preferring a mobile application, 27% preferring a mobile website and only 16% preferring a desktop website in 2019 as compared to 51% preferring desktop in 2018

## Q8. Preferred channels for online shopping



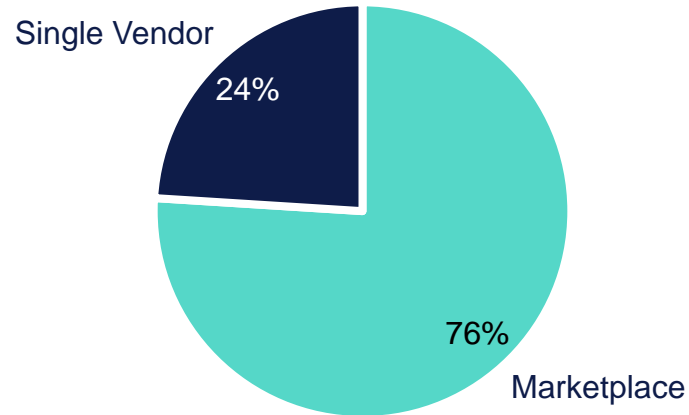
## Key Takeaways

- Compared to 2018, there is a very significant decrease in online shoppers who prefer using a desktop for online shopping in 2019.
- Over 50% of respondents prefer using a mobile application for online shopping which highlights the importance of investing in mobile applications. It is important to provide the user with a seamless experience and ensure user experience is given special attention. As we know mobile phones have made online shopping easier and more accessible at all times.

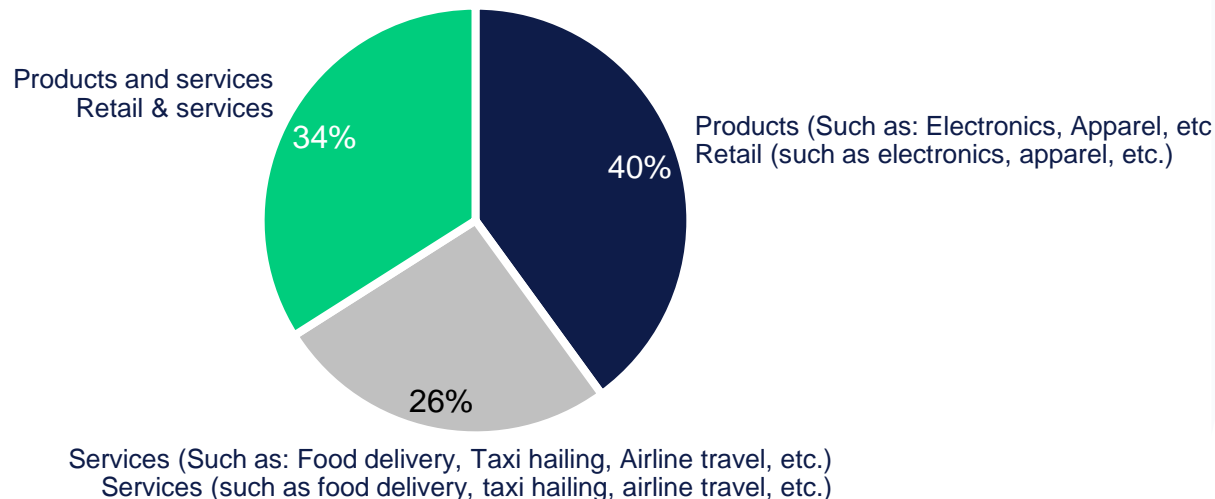
# Shopping Preferences: Preferred Platform & Most Procured

A marketplace platform (76%) seems to be preferred over a single vendor platform in Qatar, along with a strong prevalence of retail as compared to services with only 26% purchasing services only

## Q9. Preferred type of platform for online shopping to shop from



## Q4. Using e-commerce to procure products vs. services



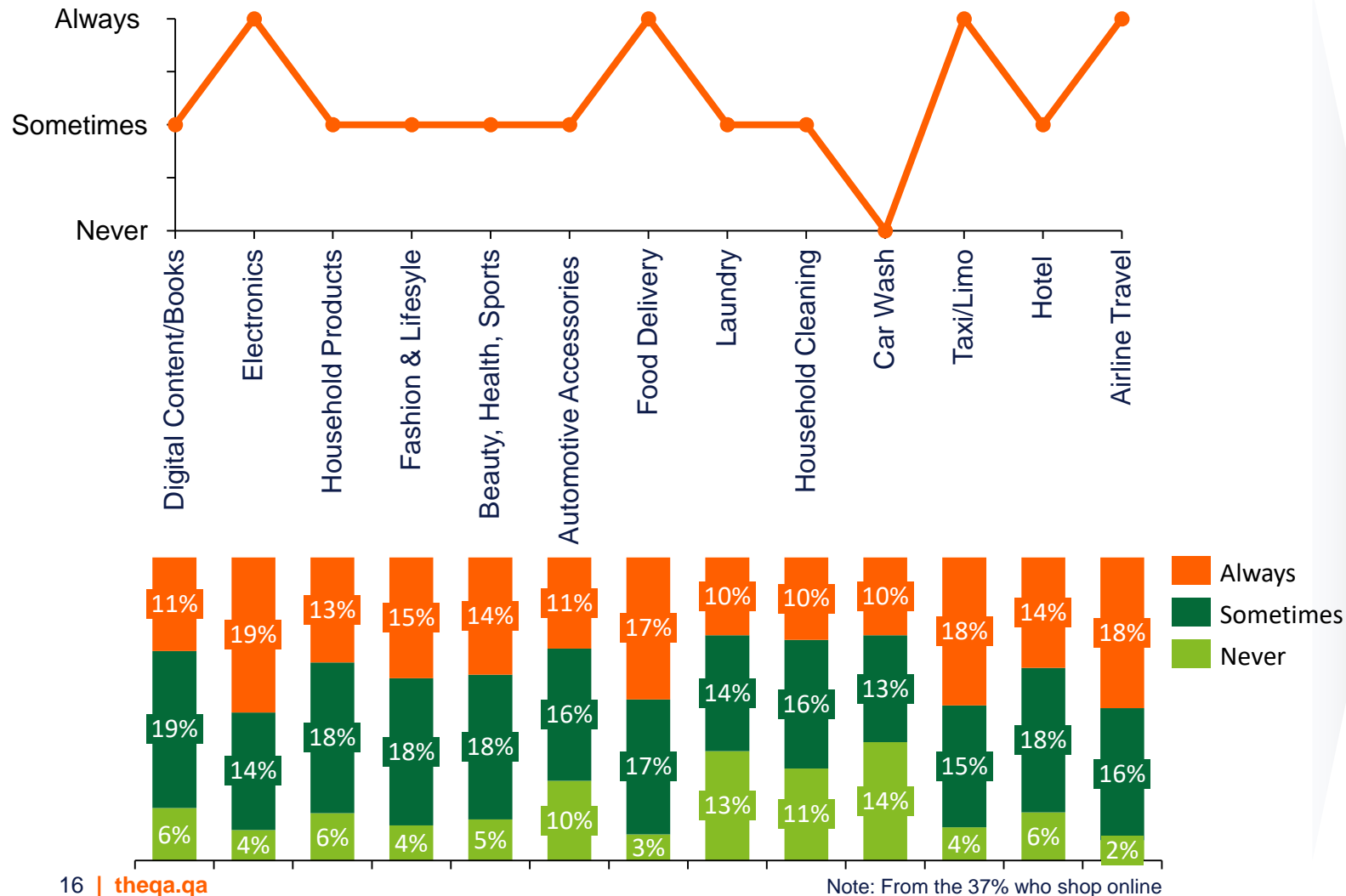
## Key Takeaways

- Over 75% of online shoppers prefer shopping from a “marketplace” platform rather than a “single vendor” platform as the marketplace will provide a bigger variety of products and brands to choose from. We encourage businesses to join or create more marketplace like platforms to meet shoppers’ preferences
- We notice that as little as 26% of online shoppers only purchase services implying that retail is still the main industry online shoppers are after. In fact, **40% procure only from the retail industry**, whereas 34% purchase from both industries.

# Online Shopping Frequency

The top products and services bought online in Qatar are electronics, airline travel, taxi/limo and food delivery whereas the least sought products and services are car wash and laundry

## Q6 & Q7. How often these products/services are purchased



## Key Takeaways

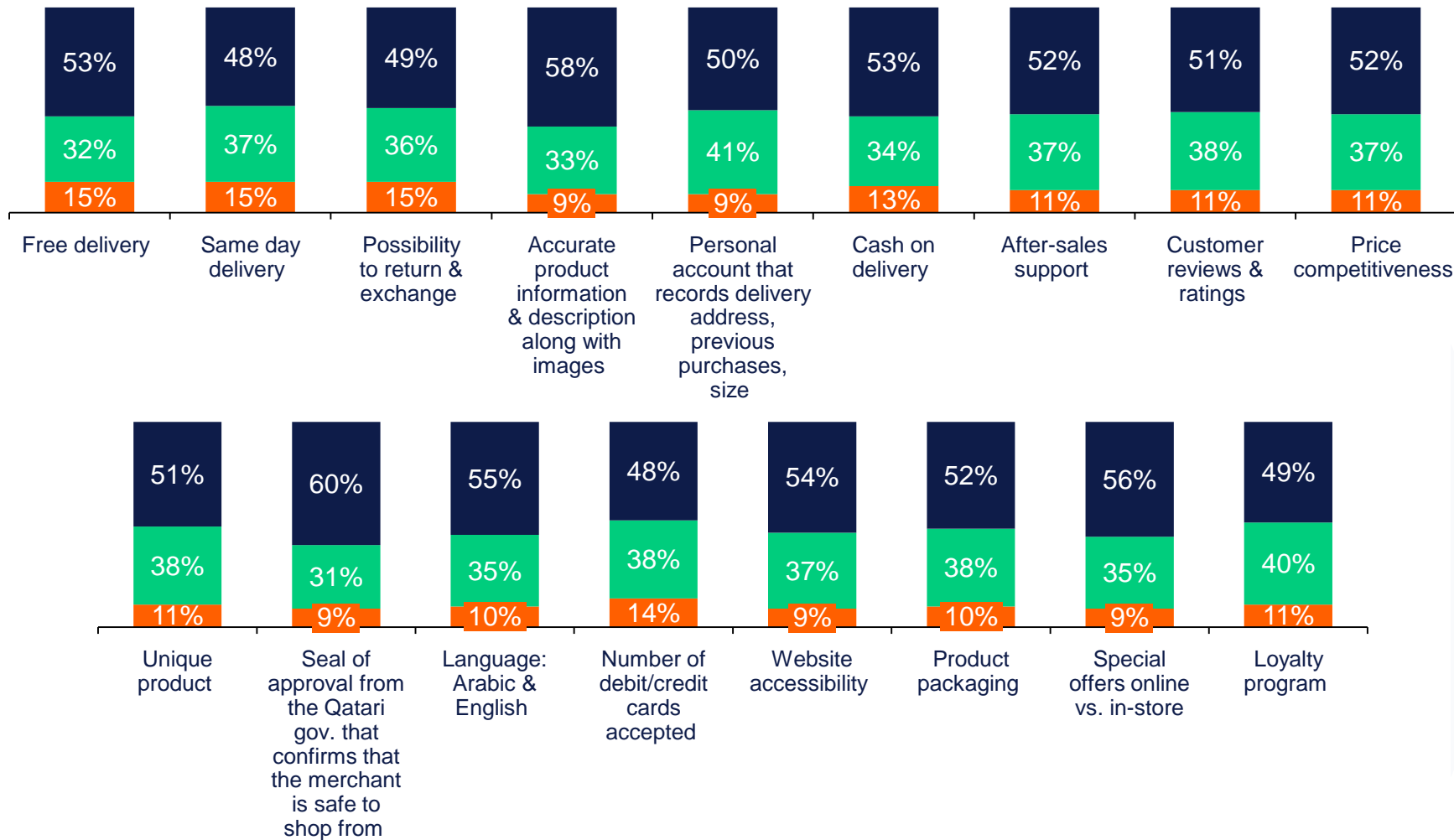
- The top 4 most frequently bought products/services are “**Electronics**”, “**Airline travel**”, “**Taxi/Limo**” and “**Food delivery**”.
- In fact from the 37% who shop online, 19% always purchase electronics, 18% always purchase airline tickets, 18% always use taxi/limo services and 17% always use food delivery.
- The least sought products/services are “**Car wash**” and “**Laundry**” used through online platforms.



# Factors Considered for Online Shopping

The highest ranked factor that affect online shoppers when considering which platform to shop from is a deal of approval from the Qatari government, emphasizing the need of an eCommerce trustmark in Qatar

## Q12. Factors to consider when shopping from local online platform



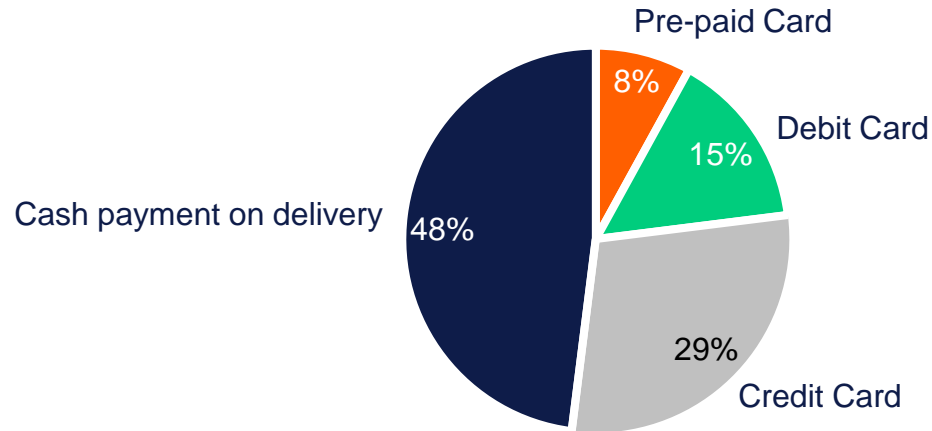
## Key Takeaways

- Although all the factors seem important for online shoppers when deciding which platform to shop from, the top 3 factors that seem to affect shoppers most are “Seal of approval from the Qatari gov.”, “Accurate product information & description” and “Special offers online vs. in-store”. This again highlights the need for an eCommerce trustmark in Qatar to provide shoppers peace of mind.

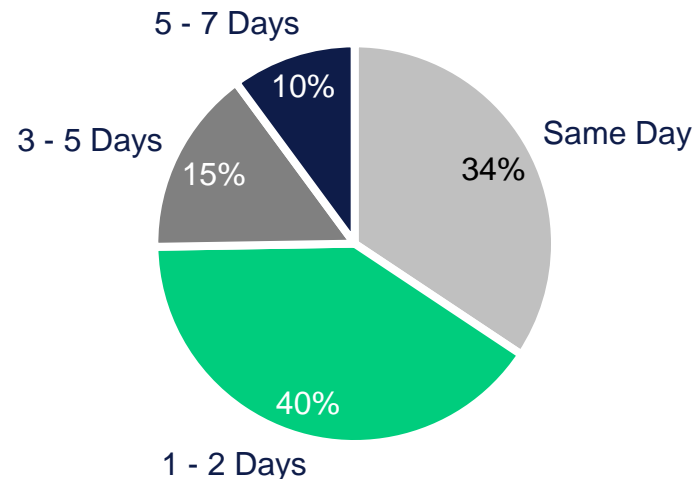
# Preferred Means of Payment & Delivery Time

Almost half the online shoppers in Qatar prefer settling their payment through cash on delivery and about 75% believe delivery from local online shops should be on the same day or within 1-2 days

## Q10. Preferred means of payment for online shopping



## Q14. Acceptable range of delivery time for a product from a local online shop



## Key Takeaways

- **Cash payment upon delivery seems to be the preferred means of payment followed by credit card payments in Qatar.** It is important for merchants to have several means of payment on their platform, specially cash on delivery.
- **40% of local online shoppers believe that acceptable delivery time is 1 to 2 days** whereas **one third of online shoppers believe delivery should be on the same day** given it is a local purchase.
- Delivery time is perceived as an important component that contributes to poor customer service and **should be given its importance** when considering a customer journey.

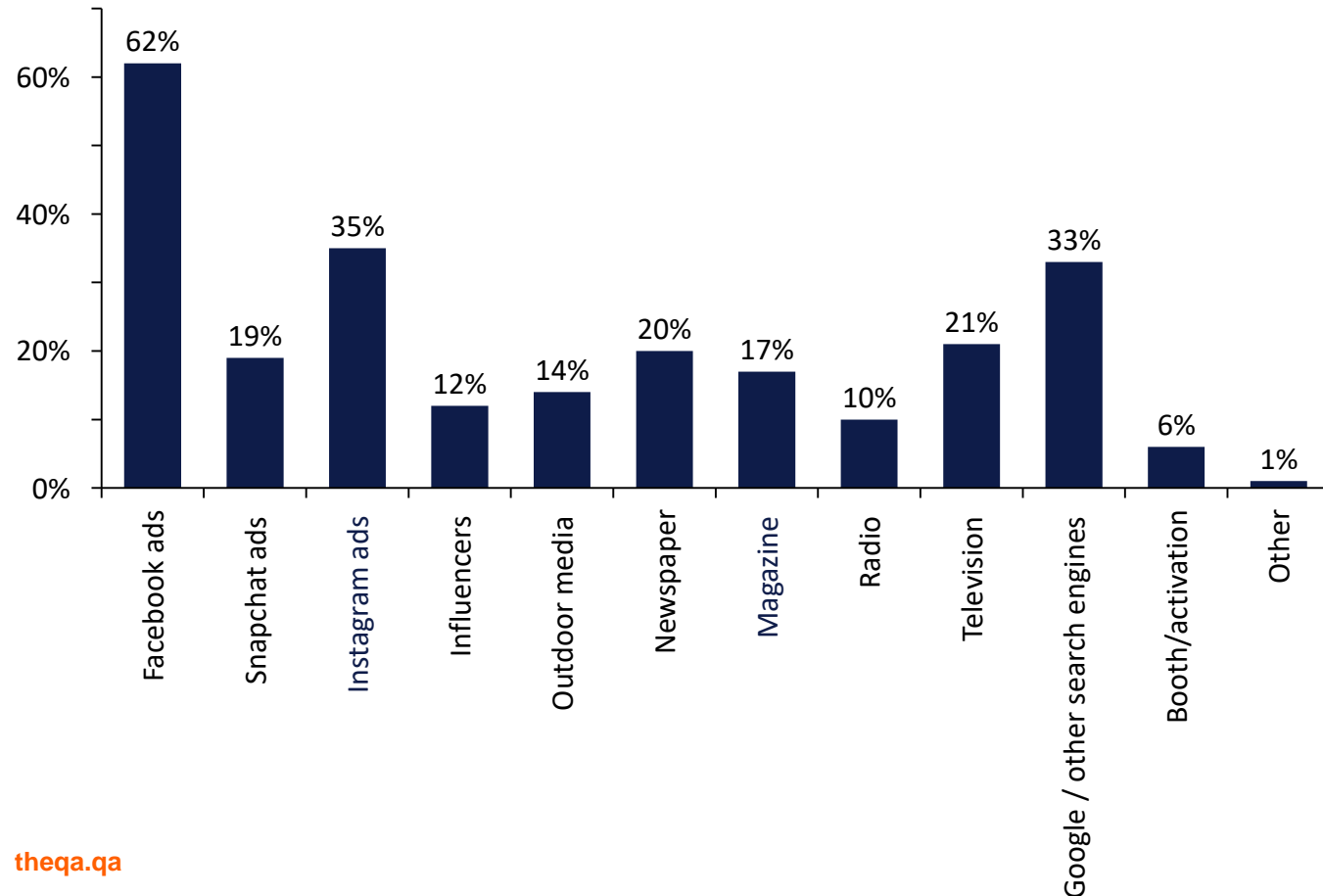
# Preferred Channel of Communication

The highest ranked channel of communication for new online shops, new arrivals and promotions is by far Facebook ads, followed by Instagram ads and Google ads at the same average

**Q15. Preferred channel of communications for new online shops, new arrivals and promotions in Qatar**

## Key Takeaways

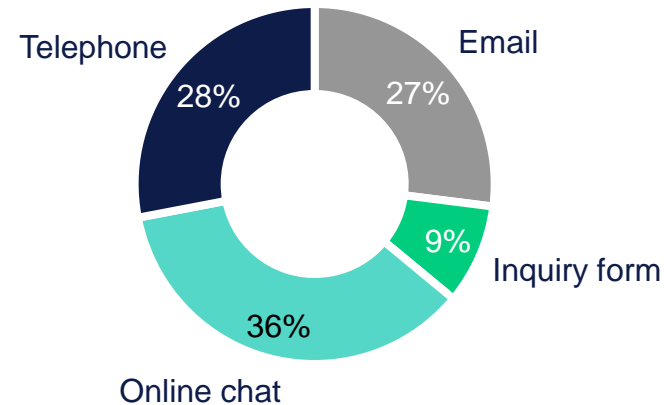
- The top 3 means of communications online shoppers prefer to learn about new online shops, new arrivals and promotions are “Facebook ads”, “Instagram ads” and “Google ads”.
- The top 3 channel of communication fall under **digital marketing** highlighting the importance of digital transformation in eCommerce like all industries.
- The **least preferred** channels of communication for new online shops, new arrivals and promotions are “Booth/activation”, “Radio” and “Influencers”.



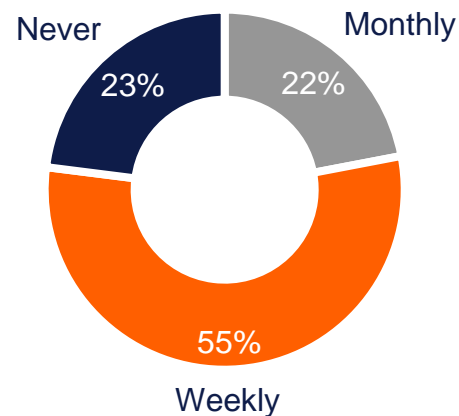
# Preferred Means & Frequency of Communication

Online shoppers in Qatar prefer submitting inquiries and complaints through an online chat and seem to appreciate frequent engagement with more than 50% of online shoppers wanting to receive a weekly newsletter

## Q16. *Inquires and complaints for online shopping*



## Q17. *Receiving/a newsletter by email for online shopping*



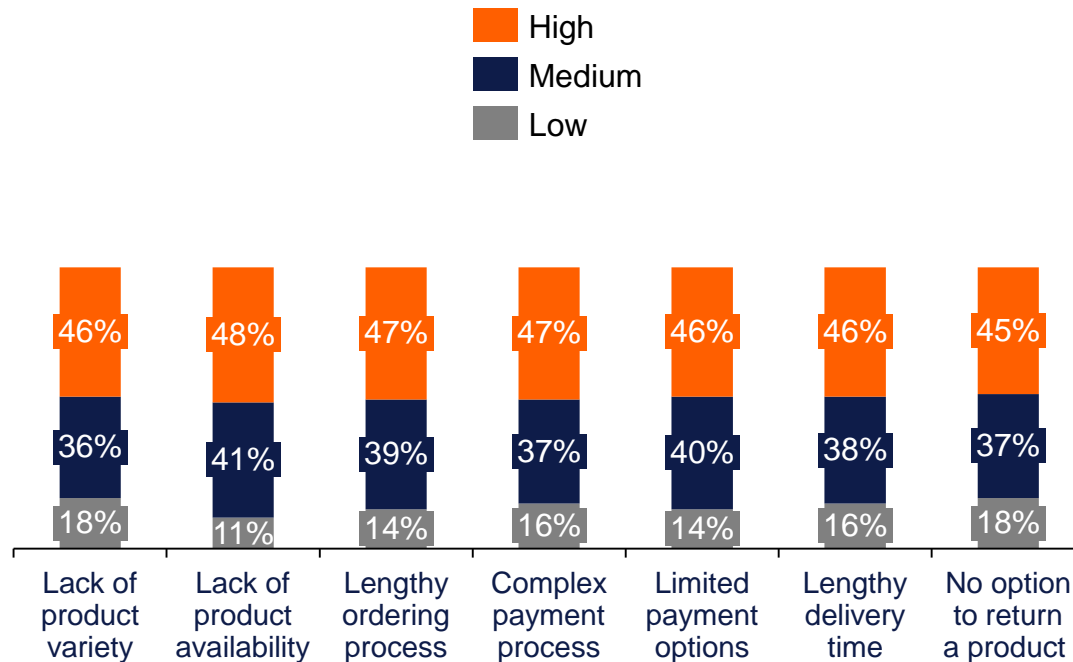
## Key Takeaways

- The majority of online shoppers prefer having their inquiries and complaints addressed through an online chat. It is the most convenient communication tool and offers a quick response.
- The least preferred tool for inquiries and complaints is the inquiry form followed by email, probably due to the absence of an immediate response and longer turn-around time.
- More than 50% of online shoppers prefer receiving a weekly newsletter as compared to 20% for a monthly newsletter, implying that online shoppers appreciate frequent engagement with online shops.

# Poor Customer Service Factors

Poor customer service can be enhanced through little changes with the most contributing factor in Qatar being lack of product availability followed by a complex payment process and a lengthy ordering process

## Q13. Factors contribute to poor customer experience in online shopping



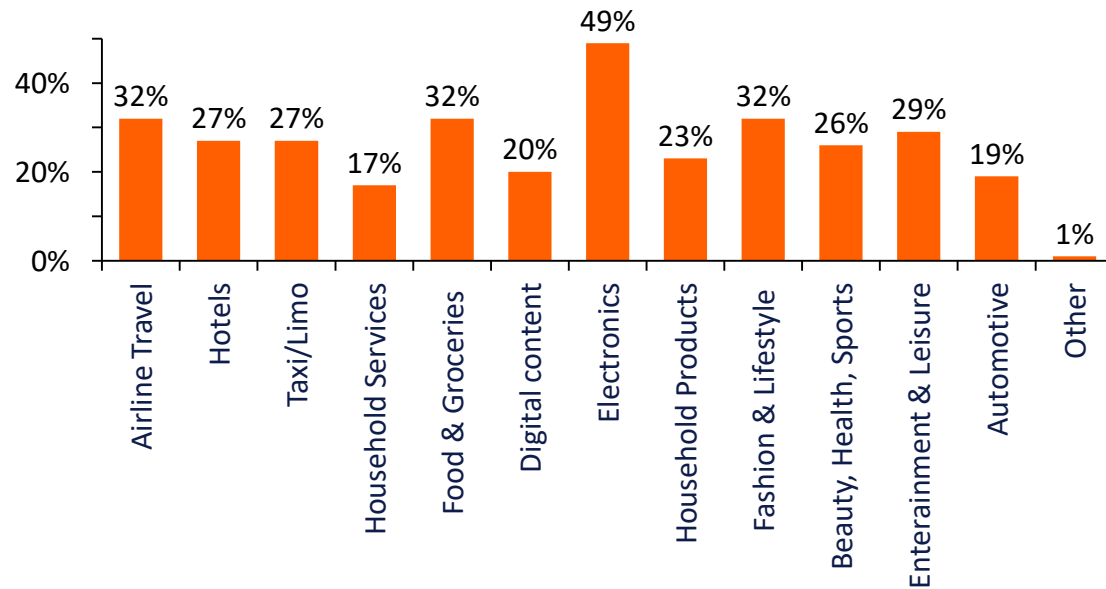
## Key Takeaways

- Although all the factors seem to contribute to **poor customer service** the top 3 factors include “**Lack of product availability**”, “**Complex payment process**” and “**Lengthy ordering process**”.
- Online merchants should try investing in a couple of these factors to ensure their customers enjoy their journey through the online platform and return to shop online.
- We advise merchants to consider the one-click payment and reducing the ordering steps on their platforms

# Desired Products to Shop Online

Online shoppers in Qatar would like to see more electronics, food & groceries, fashion & lifestyle and airline travel online and seem to care less about household services, automotive accessories and digital content online

## Q11. Types of products & services desired to see more of online



## Key Takeaways

- Online shoppers seem to want to have more online shops in Qatar that sell **Electronics, Food & Groceries, Fashion & Lifestyle** and **Airline Travel**.
- The least preferred categories to have more of on online platforms in Qatar are “Household services”, “Automotive” and “Digital content”.

# Thank You

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