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## Food and Drink E-Commerce in Saudi Arabia

### PROSPECTS

#### Healthy Products See Increased Demand, In Line with Global Trends

When it comes to healthy eating, Danube Online has recently observed an almost identical rise in demand among female and male shoppers for health-related products. This category includes fresh fruit and vegetables, whole grains, and organic products. The trend is evident alongside a dip in demand for highly processed food among males and females. It is also in line with global trends among millennials who prefer fresh and organic food. Across baby product categories, data collated at the end of the review period shows an increase of over 5% in male customers buying baby products. During the same period, there was a 5% rise in Danube Online female customers ordering the same products, bringing the gender ratio buying patterns in this category more into balance.

#### Meal Kits See Potential Among more Affluent, Busy Consumers

Meal kits remains a niche category, despite an overall increase in food and drink e-commerce. As consumers become more accustomed

to shopping for their food in stores, they are less inclined to subscribe to meal services. Nonetheless, meal kits are expected to gain popularity among the working consumer base, particularly expat men residing in the country without their families, and the increasing number of working women, who have little time to prepare meals.

#### Grocery Shopping Offers Potential from Low Base

Buying groceries either through a website or app is increasingly the norm for many people across Saudi Arabia and it has especially brought convenience for working class women by reducing the chore of grocery shopping, as companies such as Carrefour, Danube, and smaller supermarkets offer their produce direct to the customer. Around 30% of users in the region now shop this way. E-shopping for groceries remains relatively small in the Gulf Cooperation Council (GCC) region, thus offering high potential for growth.

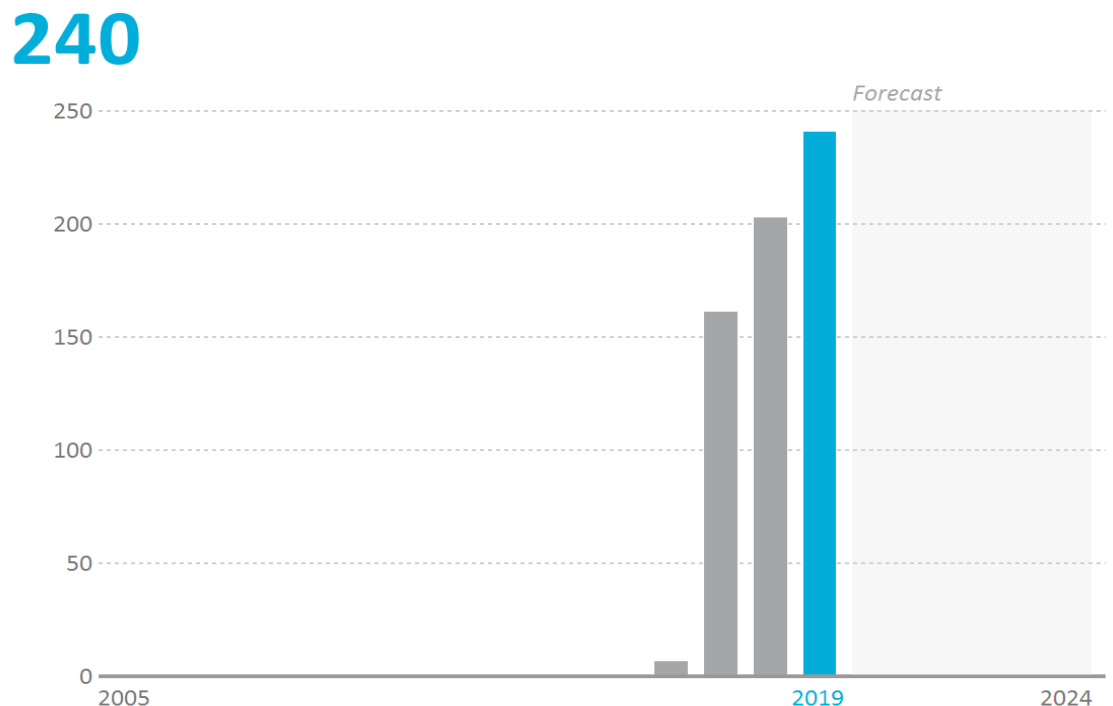
### PROSPECTS

#### New Apps Offer Convenience and Competitive Pricing

The BinDawood app was launched in 2019, and offers consumers a wide range of products at cost effective prices. Danube Online was awarded

### Sales of Food and Drink E-Commerce in Saudi Arabia

Retail Value RSP excl Sales Tax - SAR million - Current - 2005-2024



the Industry Excellence in Food and Beverages award at the Saudi Top Achiever Awards. Preferred payment methods among Danube App customers saw the greatest discrepancy between male and female shoppers, with men 10% more likely to pay by credit card than their female counterparts. However, at the end of the review period there was a huge increase in credit card payments generally across female and male Danube App customers, rising by over 600% for women and 500% for men.

**Competition Increases, Online Offer of Groceries Intensifies**

Talabat now offers groceries via its platform, highlighting the natural progression in food consumption and delivery. E-commerce platform Wadi.com has completely shut down its non-food offering to focus on grocery delivery, in partnership with Carrefour. Majid Al Futtaim,

which owns the franchise rights to the French hypermarket, led an investment round worth USD30 million in Wadi.com in October 2018.

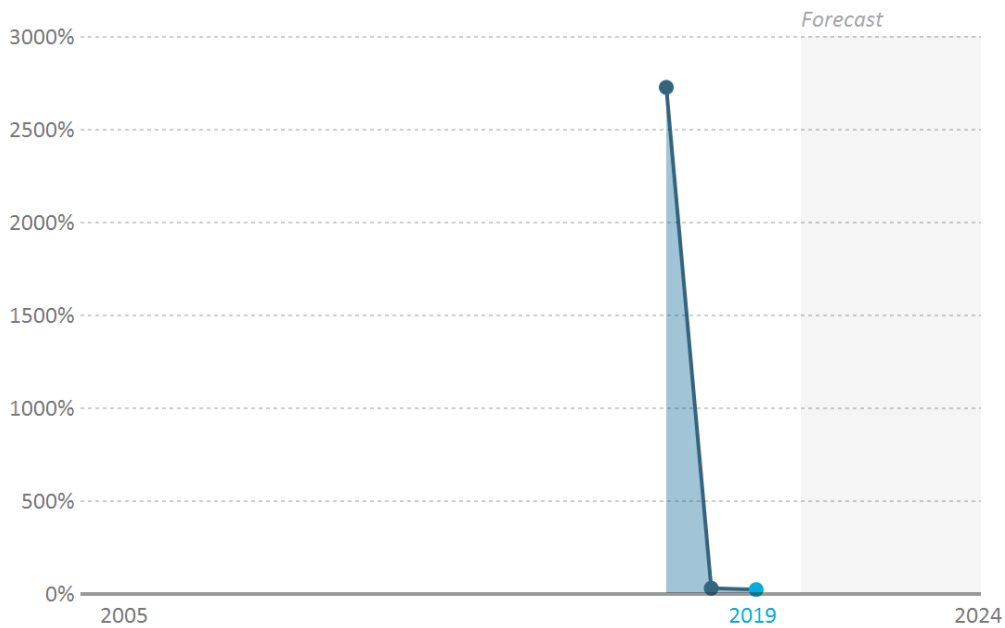
**Nana Direct Seeks to Compete with Hypermarkets Following Investment Round**

Riyadh-based online grocery delivery marketplace Nana Direct has raised USD6 million in investment from Middle East Venture Partners, Impact 46, and Saudi Venture Capital Investment Company. It is one of the biggest funding rounds ever raised by a Saudi start-up. According to its website, Nana Direct is currently available across 12 cities in the Kingdom, selling over 13,000 products through its Arabic-only apps for iOS and Android. The products include almost everything a hypermarket would offer, even medicines. ■

**Sales Performance of Food and Drink E-Commerce in Saudi Arabia**

% Y-O-Y Retail Value RSP excl Sales Tax Growth 2005-2024

**18.6%**



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