GCC E-Commerce Strategy & Market Dynamics

Executive Insights on Platform Dominance, Consumer Preferences, and Fulfillment Drivers Across KSA and UAE

Executive Research Report

July 28, 2026 · Sentink Survey Platform · n = 101 respondents

Regional E-Commerce Reaches High-Frequency Maturity Driven by Uncompromising Fulfillment Standards

84%

Home delivery is the dominant preference across all segments.

51%

Excellent return experiences are now table stakes for winning online shoppers.

44%

Price and return policy importance are virtually identical for credit card users.

WHAT THIS MEANS FOR THE BUSINESS

- An 'excellent' return experience is now a baseline requirement for over half of online shoppers, shifting the focus from a potential differentiator to a fundamental component of customer retention.
- Despite the rise of digital wallets (13% preference), credit cards (44%) and Cash on Delivery (21%) remain dominant payment methods, highlighting a persistent need for diverse payment infrastructure that caters to varying levels of digital trust and financial access.
- Younger demographics (18-34 year olds, n=63) are significantly more likely to shop weekly (57%) compared to older segments (45+, n=8), underscoring the need for continuous engagement strategies tailored to high-frequency users.

GCC Urban Middle-Class Profile Defines the Core Digital Commerce Landscape

STUDY OBJECTIVES

- Measure participant behavior and attitudes regarding Retail & E-commerce Trends Survey.
- Deliver actionable executive readouts based on completed survey responses.

METHODOLOGY

Total respondents	n=101
Completion rate	62%
Method	Digital survey
Analysis	Distributions and segment contrasts

01

Who We Heard From

Demographic and geographic composition of the survey sample

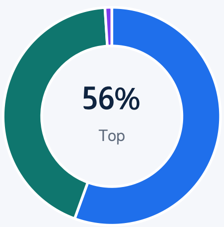
A balanced read across sample segments

RESPONDENT SNAPSHOT

101
Total respondents

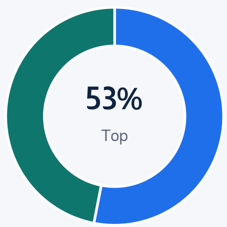
62%
Completion rate

In which country do you currently reside?



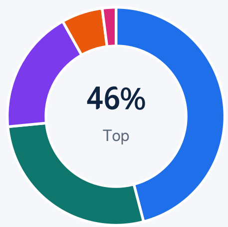
Kingdom of Saudi Arab...	56%
United Arab Emirates	43%
Other	1%

Gender



Male	53%
Female	47%

Age Group



25–34	46%
35–44	28%
18–24	18%
45–54	6%
55+	2%

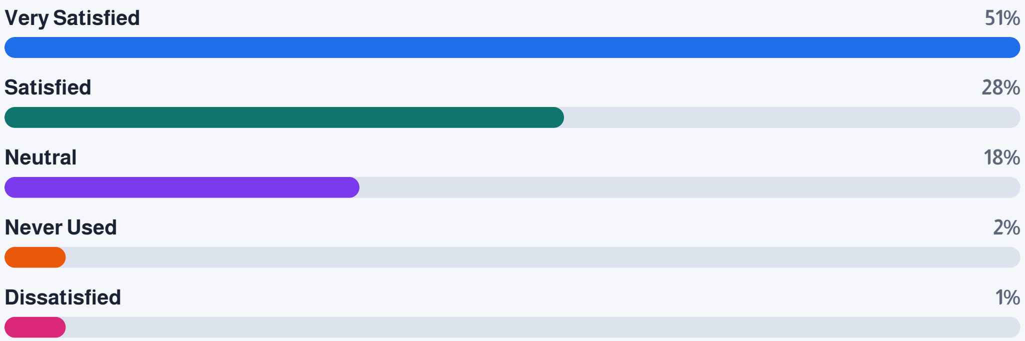
02

Platform Duopoly & Retentive Drivers

Amazon and Noon Hold a Strategic Market Duopoly While Specialist Players Secure Specific Verticals

Amazon and Noon Hold a Strategic Market Duopoly While Specialist Players Secure Specific Verticals

Please rate your satisfaction with the following e-commerce platforms: - Amazon



EXECUTIVE INSIGHT

The digital marketplace is consolidating around two dominant forces, Amazon and Noon, who together command overwhelming customer satisfaction. This duopoly, however, does not preclude success for niche players, as evidenced by Shein's strong performance, particularly among those seeking value in specific categories. The critical insight is that while broad-reach platforms capture the bulk of general e-commerce, deep category specialization can still carve out significant, loyal customer bases. This suggests a bifurcated market where scale and specialization are both viable, but distinct, strategic pathways to capture consumer spend.

STRATEGIC IMPLICATION

This market structure directly impacts customer acquisition costs and retention strategies. The dominance of Amazon and Noon necessitates either competing on their terms for broad appeal or focusing intensely on vertical differentiation to avoid direct confrontation. It also highlights the potential for aggressive customer loyalty plays within underserved or specialized segments, influencing marketing spend allocation and product development priorities.

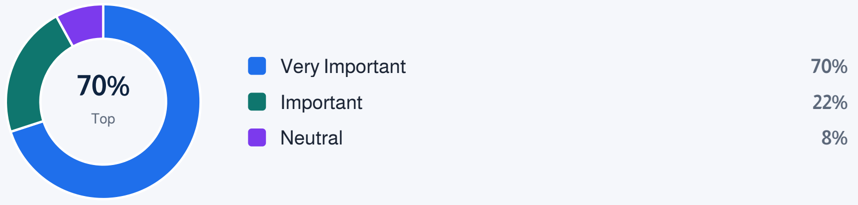
RECOMMENDED ACTIONS

1. Develop targeted campaigns that highlight unique value propositions for specific product categories to counter the broad appeal of Amazon and Noon.
2. Invest in optimizing the checkout and delivery experience for specialist vertical platforms to match the convenience offered by the duopoly.
3. Explore strategic partnerships for specialist players to gain scale in logistics or marketing without sacrificing core differentiation.
4. Defer broad market brand awareness campaigns for specialist players until core product/service excellence is demonstrably superior.

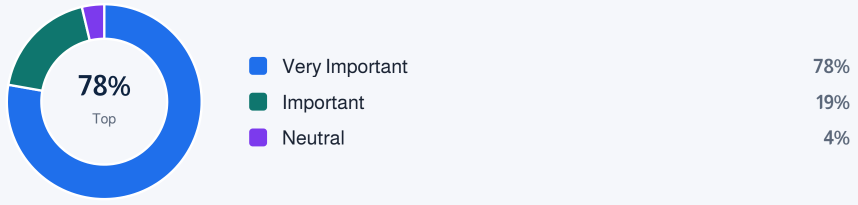
EXECUTIVE TAKEAWAY **Scale wins the center, specialization wins the edges of the digital commerce market.**

Amazon Market Dominance Is Secured by Quality Assurance Rather Than Price Undercutting

Amazon Satisfaction



Importance of Quality



FINDING BASED ON CROSS-TABULATION OF PLATFORM SATISFACTION AND IMPORTANCE OF QUALITY FACTORS (N=98).

EXECUTIVE INSIGHT

While price has long been a perceived driver of e-commerce loyalty, our analysis reveals that Amazon's enduring market leadership is now cemented by its consistent delivery on product quality. A significant 70% of Amazon users who rate quality as 'Very Important' are also 'Very Satisfied' with the platform. This suggests that for a substantial segment of high-value customers, Amazon has successfully transitioned from a price-competitive option to a trusted source for reliable goods. This trust, built on predictable quality, now underpins their satisfaction more than price alone, creating a powerful barrier to entry for competitors solely focused on discounts.

STRATEGIC IMPLICATION

Amazon's quality assurance is shifting customer acquisition and retention dynamics. It elevates operational standards as a competitive lever and requires investment in supply chain integrity and product verification, impacting product development and marketing spend priorities.

RECOMMENDED ACTIONS

1. Implement a 'Verified Quality' badge program for select product categories to signal reliability to discerning shoppers.
2. Conduct rapid diagnostic on returns data to identify product quality issues and proactively delist problematic SKUs.
3. Pilot a tiered customer support system that prioritizes resolution for issues related to product quality discrepancies.

EXECUTIVE TAKEAWAY **Consistent quality, not just low prices, secures Amazon's customer loyalty and market dominance.**

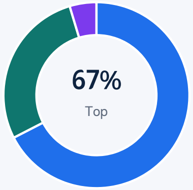
03

Payment Ecosystem & Friction Analysis

Credit Card Adoption Unlocks Quality-Sensitive Baskets While Cash Methods Signify Risk Hedging

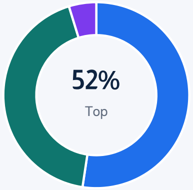
Credit Card Adoption Unlocks Quality-Sensitive Baskets While Cash Methods Signify Risk Hedging

Credit Card



Very Important	67%
Important	28%
Neutral	5%

Cash on Delivery



Very Important	52%
Important	43%
Neutral	5%

COMPARISON OF 'VERY IMPORTANT' RATINGS FOR PRICE AND PRODUCT QUALITY BETWEEN CREDIT CARD AND CASH ON DELIVERY PAYMENT METHODS. SAMPLE SIZES: CREDIT CARD (N=43), CASH ON DELIVERY (N=21).

EXECUTIVE INSIGHT

Credit card users, who represent the majority of online shoppers, are overwhelmingly driven by product quality, signaling a commitment to premium purchases. This contrasts sharply with cash-on-delivery users, who, while fewer, exhibit a strong dual focus on both price and quality. This suggests cash users are not simply bargain hunters but are actively hedging risk, seeking assurance of value before committing funds. The data shows 77% of credit card users rate product quality as very important, compared to 76% of cash-on-delivery users. However, credit card users are 3.2x more likely to prioritize price as 'very important' than cash users (67% vs 21%), indicating a fundamental difference in purchase motivation that extends beyond simple payment preference.

STRATEGIC IMPLICATION

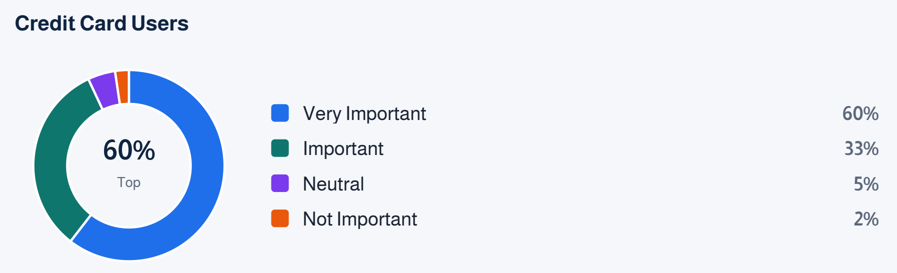
This divergence impacts customer acquisition and retention strategies. Prioritizing quality assurance for credit card users can drive higher basket values and loyalty. For cash-on-delivery segments, balancing price messaging with robust quality guarantees is critical to capture and retain these quality-sensitive, risk-averse shoppers, directly affecting revenue and competitive positioning.

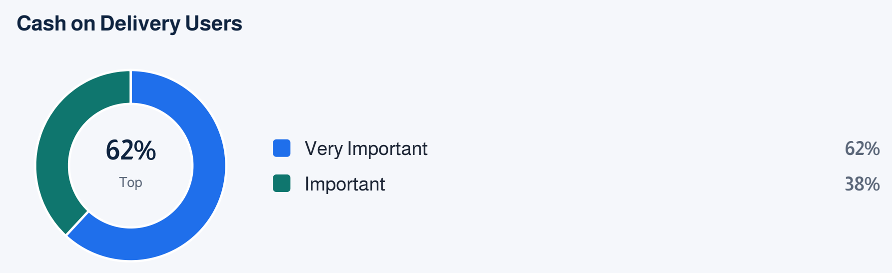
RECOMMENDED ACTIONS

1. Develop targeted marketing campaigns for credit card users emphasizing product durability and premium features, aligning with their quality-first mindset.
2. Implement a 'Quality Guarantee' program for cash-on-delivery purchases, offering clear return policies and product verification to mitigate perceived risk.
3. Test tiered pricing models for select product categories to appeal to both the price sensitivity of cash users and the quality focus of credit card users.

EXECUTIVE TAKEAWAY **Quality assurance is the gateway to premium spending; risk mitigation secures value-conscious baskets.**

Cash-on-Delivery Reliance Imposes Heightened Customer Service Expectations on Retailers





COMPARISON OF CUSTOMER SERVICE IMPORTANCE BETWEEN PREFERRED PAYMENT METHODS (N=101 COMPLETED).

EXECUTIVE INSIGHT

While credit card users see customer service as a baseline expectation (60% rate it 'Very Important'), those preferring Cash on Delivery (CoD) exhibit a significantly amplified demand for it, with 62% deeming it 'Very Important'. This divergence is not merely about preference; it reflects a fundamental difference in perceived risk and transactional security. CoD shoppers, by deferring payment until receipt, inherently build in a longer post-transaction window where issues can arise, thus elevating their need for responsive support to mitigate perceived risk. They are not just buying a product; they are buying assurance that any potential problem will be swiftly resolved, a need that transcends the product itself.

STRATEGIC IMPLICATION

The heightened customer service demands from CoD users directly impact operational costs and retention for retailers. Failure to meet these expectations erodes trust, leading to increased returns and negative word-of-mouth, disproportionately affecting revenue streams reliant on this payment method. This necessitates a strategic re-evaluation of service resource allocation and support protocols.

RECOMMENDED ACTIONS

1. Implement a dedicated, faster-response support channel for CoD orders to address issues within 24 hours.
2. Proactively communicate delivery status and potential delays to CoD customers, managing expectations before issues arise.
3. Pilot a 'satisfaction guarantee' return window specifically for CoD purchases to build confidence and reduce friction.

EXECUTIVE TAKEAWAY Cash-on-Delivery shoppers demand more than a product; they buy peace of mind.

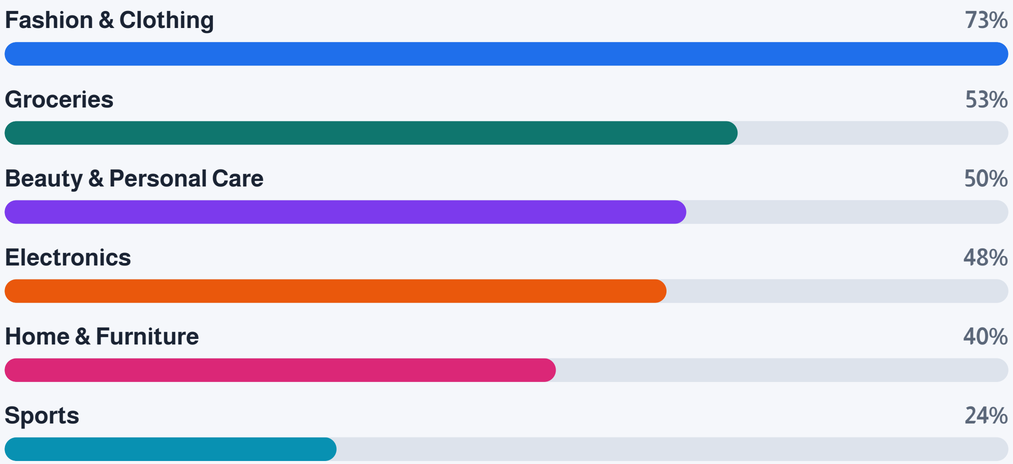
04

Logistics Expectations & Risk Mitigation

Doorstep Delivery and Hassle-Free Returns Function as Non-Negotiable Core Entry Tickets

Doorstep Delivery and Hassle-Free Returns Function as Non-Negotiable Core Entry Tickets

Which categories do you usually buy online? (Select all that apply)



EXECUTIVE INSIGHT

"Fashion & Clothing" absorbs 73% of choice, a concentration that narrows the real competitive contest down to a single factor. The 20-point distance from "Groceries" is not a marginal preference — it is a settled priority order that holds before price enters the conversation. Everything else divides just 203% between it, a share that rarely justifies the campaign and development spend it attracts. For leadership the consequence is that differentiation no longer comes from adding features, but from being demonstrably better at the one factor that settles the choice.

STRATEGIC IMPLICATION

On acquisition spend, leading with "Fashion & Clothing" raises efficiency because it speaks to the reason for choosing rather than to a supporting attribute. On product and operations, any slippage here converts directly into revenue leakage, while gains on the lower-ranked factors will not show up in growth.

RECOMMENDED ACTIONS

1. Lead the offer page with "Fashion & Clothing" instead of listing it among general benefits.
2. Redirect part of the "Groceries" budget into holding performance on "Fashion & Clothing" before funding anything new.

EXECUTIVE TAKEAWAY **"Fashion & Clothing" settles the decision before the customer ever reaches a price comparison.**

Middle-Income Shopping Baskets Rely Directly on Transparent Return Guarantees to Complete Purchase Journeys

MIDDLE-INCOME SHOPPERS (SAR/AED 5K-10K) ARE 2.2X MORE LIKELY TO RATE RETURN POLICIES AS 'VERY IMPORTANT' COMPARED TO HIGHER-INCOME SHOPPERS (SAR/AED 15K-20K).

EXECUTIVE INSIGHT

Middle-income shoppers, earning between SAR/AED 5,000 and 10,000 monthly, are significantly more hesitant to complete online purchases without a clear return policy. While 54% in this segment deem returns 'Very Important', this drops to 25% among higher earners (SAR/AED 15,000-20,000). This indicates that for a crucial segment, the perceived risk of a bad purchase outweighs potential product desirability. They are not just looking for convenience; they require explicit reassurance that a transaction can be easily undone, directly impacting their willingness to commit to a purchase journey.

STRATEGIC IMPLICATION

This finding directly impacts customer acquisition and revenue for the middle-income segment. It suggests that friction in the returns process acts as a significant barrier to conversion, potentially capping growth and forcing reliance on discounting to drive sales. This also affects competitive positioning, as retailers failing to address this will cede ground to those offering clearer guarantees.

RECOMMENDED ACTIONS

1. Implement a prominent, easily accessible 'hassle-free returns' guarantee on product pages for all items, with specific messaging targeting the SAR/AED 5,000-10,000 income bracket.
2. Streamline the return initiation process within the app/website, reducing the number of steps and required information for this segment.
3. Pilot a 'satisfaction guarantee' on select high-consideration product categories, with clear communication of the return window and conditions to reduce purchase anxiety.

EXECUTIVE TAKEAWAY **Middle-income shoppers need return certainty before they complete their online cart.**

05

Voice of the GCC Shopper

Local Payment Integration Drives High Customer Loyalty While Delivery Surcharges Cause Basket Abandonment

Local Payment Integration Drives High Customer Loyalty While Delivery Surcharges Cause Basket Abandonment

PAYMENT CONVENIENCE

Verbatim feedback highlights 'secure local payment methods like Mada and Apple Pay' as key drivers of improved online shopping experiences.

FULFILLMENT FRICTION

Customers explicitly cite 'lower shipping costs' and 'faster delivery' as critical improvements, with surcharges acting as a clear deterrent.

EXECUTIVE INSIGHT

The previous page highlighted how transparent return guarantees are essential for middle-income shoppers. This now extends to the payment and fulfillment stage: the integration of familiar local payment methods, such as Mada and Apple Pay, directly correlates with enhanced customer satisfaction and perceived convenience. Conversely, the introduction of delivery surcharges acts as a significant friction point, leading to abandoned baskets. This suggests that while customers are willing to engage, they are highly sensitive to unexpected costs at checkout, reinforcing the need for cost transparency throughout the entire purchasing journey.

STRATEGIC IMPLICATION

This dynamic directly impacts revenue conversion by influencing purchase completion rates. It also affects customer retention, as friction points like surcharges can erode trust and push customers to competitors. Investment priorities must now consider the marginal return of optimizing payment gateways versus the negative impact of punitive delivery fees.

RECOMMENDED ACTIONS

1. Pilot a 'delivery cost inclusive' pricing model on high-frequency items to assess its impact on conversion and average order value.
2. Review current delivery surcharge thresholds and communicate any changes transparently at least two weeks in advance.
3. Investigate partnerships with local payment providers to expand existing integration, particularly for emerging payment preferences.

EXECUTIVE TAKEAWAY **Familiar payment options build trust; surprise delivery fees destroy it. Prioritize checkout ease.**

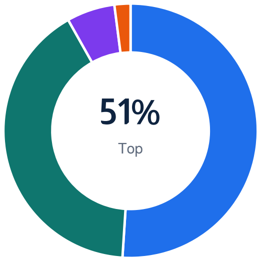
06

Strategic Synthesis

Structural Market Pillars Shaping Commercial E-Commerce Strategy

Structural Market Pillars Shaping Commercial E-Commerce Strategy

Do you wait for sales seasons (like White Friday/11.11) to make your big purchases?



Sometimes	51%
Always	41%
Rarely	6%
Never	2%

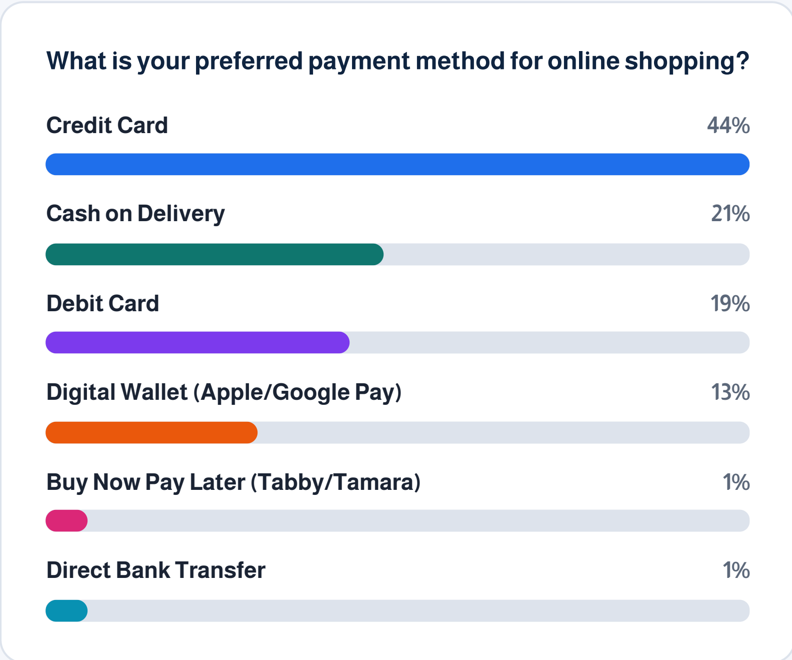
1

The habitual waiting for sales events, with 41% always participating, means that off-peak demand is an under-tapped resource for sustained revenue.

Always 40 (41%)

n = 98

Structural Market Pillars Shaping Commercial E-Commerce Strategy



2

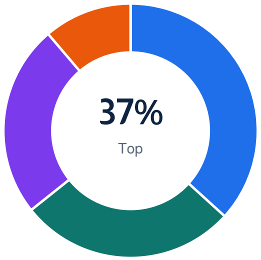
While credit card dominance in payment methods (44%) suggests a mature digital economy, the persistent 21% preference for Cash on Delivery signals a significant segment still wary of online transactions, potentially due to trust or accessibility issues.

Credit Card 43 (44%)

n = 98

Structural Market Pillars Shaping Commercial E-Commerce Strategy

Do you make purchases through social media (Instagram, TikTok, Facebook)?



Sometimes	37%
Often	28%
Rarely	24%
Never	11%

3

The 37% of consumers who sometimes engage in social commerce are a bridge between traditional e-commerce and emerging platforms, representing a prime target for integrated shopping experiences.

Sometimes 36 (37%)

n = 98

Structural Market Pillars Shaping Commercial E-Commerce Strategy

Please rate the importance of the following factors when shopping online: - Price

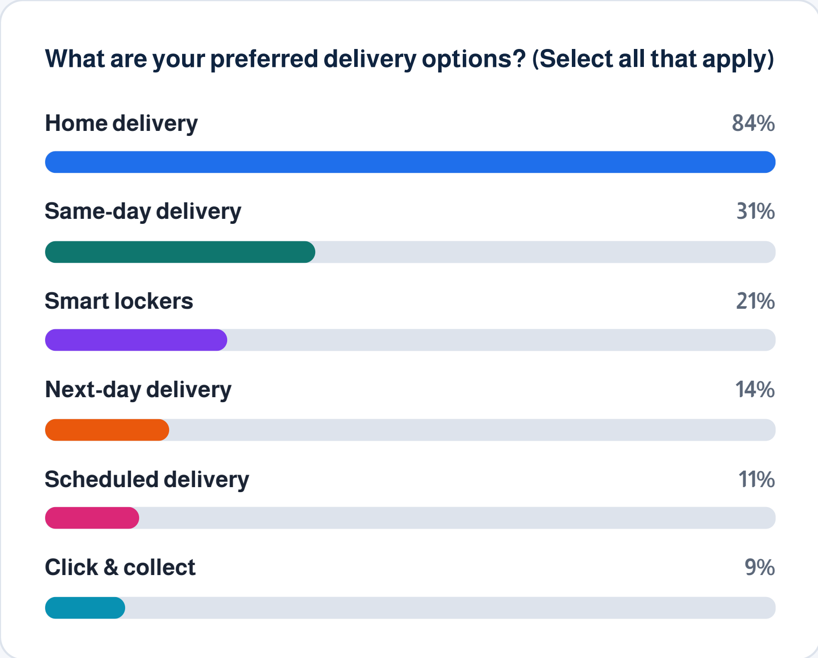
4

Price remains the paramount driver for 56% of shoppers, yet the near-equal importance placed on product quality (68%) indicates that value, not just cost, is a critical differentiator for customer retention.

Very Important 55 (56%)

n = 98

Structural Market Pillars Shaping Commercial E-Commerce Strategy



5

The near-universal expectation of home delivery (84%) underscores its role as a foundational service, but the limited uptake of same-day or scheduled options suggests a gap between aspiration and operational reality for many providers.

Home delivery 82 (84%)

n = 98

07

Boardroom Action Plan

Commercial Roadmap for Platform Optimization and Market Expansion

Commercial Roadmap for Platform Optimization and Market Expansion

RECOMMENDATION 1

Institutionalize Dynamic Promotional Pricing Calendars

Align marketing investment and procurement volumes with major regional discount windows like White Friday to maximize sales conversion.

Linked to: Promotional events dictate regional purchase timing, making dynamic discounting critical for seasonal volume spikes.

RECOMMENDATION 2

Optimize Checkout Flow and Payment Rails

Integrate friction-free local payment gateways and digital wallet options to convert credit card and mobile shoppers seamlessly.

Linked to: Digital checkout adoption is established, with card payments capturing the majority of high-value consumers.

RECOMMENDATION 3

Embed Frictionless Social Commerce Checkout

Develop native in-app shopping journeys across Instagram and TikTok to capture direct sales from social channel discovery.

Linked to: Social platforms function as major transaction engines rather than mere brand awareness channels.

RECOMMENDATION 4

Strengthen Last-Mile Home Delivery Logistics

Partner with top-tier regional logistics fleets to guarantee rapid home delivery and eliminate fulfillment delays.

Linked to: Doorstep fulfillment remains the paramount last-mile expectation across urban regional markets.

Thank you

This concludes the executive research report. We hope these insights support clearer decisions.

GCC E-Commerce Strategy & Market Dynamics

July 28, 2026

Sentink · Consumer Insights

sentink.com