

Be Like Amazon: Achieving a Competitive Advantage Based on Digital Footprint Analysis

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EXECUTIVE SUMMARY

Gaining competitive advantage requires a detailed benchmark of performance against other market players, and profound gap analysis in comparison to the best practice applies to the audit of the digital presence (online footprint analysis), which, based on scripting codes, is done easily on its premises. SEO software and social medial listening tools allow for a comprehensive understanding of the digital performance of the company. Unfortunately, some businesses underestimate the potential dormant in different types of live analytics and performance trackers and being unaware of the analysis capacity to be performed on competitors and market leaders completely off cost. The case presents a study of a digital footprint template analysis performed for Amazon in the United Arab Emirates and shows the comparison with local and global market players like Noon.com, eBay, or Alibaba using software like SEMrush, SimilarWeb, and Brand24 to showcase how to leverage on gathered insights and gain competitive advantage.

ORGANIZATION BACKGROUND: UNDERSTANDING THE E-COMMERCE MARKET IN UAE

According to Visa (2021), the eCommerce market in the United Arab Emirates (UAE) is on a path of visible growth, in comparison to other both emerging and mature economies. High internet penetration ratio (Internet World Stats, 2020), reaching 100%, along with eCommerce payments, driven mainly by government-initiated and education-driven transactions, make the country unique. But still in the long run UEA's role among other big eCommerce players (like China, US, UK) is negligible. Comparing the retail eCommerce sales worldwide, predicted for 2021 by eMarketer (2019) as \$4.93 trillion, eCom-

merce revenue brought locally, according to Statista (2021), the amount totaling to \$7.456 million, which seems insignificant. However, one needs to understand that these numbers are generated by a society of 9.5 million inhabitants, with a 66% eCommerce adoption rate (We Are Social, 2021). Moreover, is not only the current status of the market, with expected CAGR of 10.30% for 2021-2025, (resulting in a projected market volume of \$11,034million by 2025, with predominant component coming from the Fashion Industry, instead of leading now government-related transactions) and expected average revenue per user (ARPU) with an amount of \$1,075.81 (Statista, 2021). Worth noting is as well the fact that for the same period predictions of Euromonitor International (2021) predict the Retail Value RSP in the UAE (2021-2025) for the eCommerce 15% and 18% for mobile eCommerce.

According to Fielding & Armstrong (2020) e-commerce in the UAE represents currently 4.2% of the retail revenue and is estimated to grow by an average of 23% by 2022. What is important, more and more visible becomes the transition from a characteristic offline shopping experience towards digital shopping, online self-service, and everyday e-commerce transactions. Previously preferred CoD (Cash on Delivery) is being replaced with credit card payments and wire transfers. The ease of digital payments starts to play an increasingly important role. This transition has not happened by coincidence but was triggered by pandemic circumstances and “hard lockdown” between March and June 2020, which visibly sped up the digital transformation. Moreover, the same approach was visible everywhere. According to McKinsey (2020), calculating the average share of digital customer interactions in comparison to all exchanges, globally the digital adoption accelerated by 3 years, being the most visible in the Asia-Pacific region, with an average of 4 years. Digitization of almost all industries in the Emirates was therefore inevitable and as per data of Emirates News Agency (2020) in the first five months of 2020, an increase of 300% in consumer demand for e-commerce services was recorded. Moreover, the DED Trader license in Dubai (which supports the growth of UAE e-commerce) noted 943 licenses were issued to new businesses in the first three months of 2020, leading to a 179% YoY increase in comparison to the same period in 2019. With a society willingly “embracing tomorrow and foreseeing the future”, the shift towards digital was obvious. Not only on the big scale – like digitization of processes, government transactions but impacted everyday life - work from home, grocery shopping and facilitated digital payments.

SETTING THE STAGE: AMAZON.AE AMONG THE MAIN UAE MARKET PLAYERS

With many businesses struggling for survival during the Covid-19 pandemic and post-pandemic time, the e-commerce market in the UAE is thriving. A set of well-established players like Amazon, eBay, Noon, Namshi, Deliveroo, or Zomato is being followed by more incumbent operators like Aido, Awok, Careem Eats, FarFetch, Mumzworld, Ounas, DesertCart, and many more. But Amazon.ae was not there always. Souq.com (سوقس, “market” in Arabic), the largest e-commerce platform in the Arab World, was acquired in March 2017 for \$580 million by Amazon. Brands co-existed for a while, but on 1st May 2019 Souq.com in the UAE got rebranded as Amazon.ae. The same process was applied in June 2020 for Souq.com in the Kingdom of Saudi Arabia (nowadays Amazon.sa). The Egyptian version operates under the original name till today.

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