

BANKING ON KNOWLEDGE

Digital banking – a key enabler for Qatar’s e-commerce market

By Dr R Seetharaman

According to Fitch Solutions, “Qatar offers an e-commerce market worth almost \$1.5bn in 2019. The Middle East and North Africa (Mena) region is projected to record e-commerce sales growth of 21.4% to reach \$28.5bn in 2019. A common feature across the Gulf is a youthful demographic profile and high income levels. A high proportion of young adults (20-39 years old), making up more than a third of the total population. This age bracket is traditionally more tech-savvy than other generations and is a highly influential consumer base that tends to be the key target audience for retailers, as well as e-commerce majors. Qatar leads the way on that front, with the largest share of young adults in the region at 54% in 2019.”

We are seeing a clear shift in customers’ preferred mode of transaction. According to GSMA Intelligence, “Qatar



is first among Arab countries in terms of engagement with mobile services and applications. Qatar reached the highest score 6 on the GSMA Global Mobile Engagement Index (GMEI). This is due to the high usage, particularly for messenger and VoIP applications

where Qatar ranked highest in the world. This indicator does not only look towards Qatar’s leadership in technological infrastructure development, but also it includes users’ development and their high ability to use and deal with modern technology. More than 50% of phone owners in Qatar use at least once per month mobile Internet communication (voice and video calls), social networking and entertainment as playing games, watching online video or listening to online music.”

In response to the growing e-commerce and increased usage of mobiles in Qatar, last year Doha Bank announced the launch of new Doha Sooq’s Arabic website to extend the e-commerce portal’s services to its Arabic-speaking customers, which was in addition to its Doha Sooq English platform.

In addition, Doha Bank has revamped the order management system of the shopping platform to allow customers to track their orders more efficiently



and with ease on both the English and Arabic portals with the “first-of-its-kind integration of a cutting-edge driver application.”

Doha Sooq has also added new payment acceptance solutions and an extra layer of security to their checkout system to allow users to make convenient, safe and secure payments. Consumers are increasingly demanding secure and easy-to-use digital payments when making purchases online, which is also reflected by Qatari customers. Financial institutions are realising that they need focus on a different sort of innovation, better technology and modernise infrastructure and improve customer experience. The financial institutions will aim

to improve customer experiences through better offerings through digital banking.

Today, consumers take a multi-device path “journey” to purchase and navigate seamlessly between various touch points. While customers change usage habits based on their context, mobile is the first channel customers will adopt and hence the first focus for any digital solution.

The bank can invite customers through social media channels and make customers emotionally involved. Banks must connect with their customers every day. Using social media to provide, product information, product sales, and customer service is crucial for banks knowing the new lifestyle choices that millennials make and how

much time they spend online. To keep up with consumer preferences, banks are rethinking their approaches to innovation to provide better customer experience. That e-commerce is growing in technology has increased many of the traditional Information security risks associated with banking activities.

With the significant change on how banks do business, these days the rules have changed and the information security risks are greater than ever. The risks have further compounded today due to privacy concerns, vulnerabilities, cyber terrorism, insider sabotage, mobile computing, wireless access and spyware.

Qatari banks are also working with various payment institutions to make e-commerce transactions safer and more convenient. On the whole, digital banking is a key enabler for Qatar’s e-commerce.

■ The author is Group CEO of Doha Bank.