



2024: MIDDLE EAST BEAUTY MARKET REPORT

PAST. PRESENT. FUTURE.

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INTRODUCTION

This market report is a deepening of the research arm of BeautyMatter, demonstrating our commitment to data, intelligence, and storytelling. Commissioned by Messe Frankfurt Middle East, organizers of Beautyworld, we explore the intersection of history, culture, and economic dynamics to unpack why the Middle East is a hotbed for growth in the global beauty and wellness ecosystem. The latest research, forecasting, and interviews reveal the opportunities in the region and inform a future-looking playbook for capturing its full potential.

The blueprint that guided international expansion over the last decade has evolved, and fueling growth requires looking beyond China. As distribution paradigms around the world shift to embrace omnichannel strategies that serve consumers who are not constrained by borders, the Middle East is emerging as a hotspot for beauty brands to expand their footprints.

With its rich history and rapidly evolving society, the Middle Eastern beauty market is one of the most lucrative beauty and wellness markets in the world, according to Euromonitor International, which values the beauty and personal care market in the broader Middle East and North Africa (MENA) region at over \$46 billion and estimates it will reach around \$60 billion by 2025.

The region is home to a large, young customer base that is digitally connected and eager to learn. Urbanization, rising disposable incomes, and a growing expat community have expanded the beauty consumer base and contributed to the category growth in this emerging region, presenting opportunities for both local and foreign brands.

For many Westerners, the region is just an amorphous area on the map somewhere south and east of Europe. Defining the market and getting accurate and consistent data can be complex. The Middle East is a flexible geographic term that shifts depending on the user and the era.

Cross-cultural connections stretch from North Africa through Western Asia into Central Asia.

Sometimes, the market can be as narrowly defined as just the six countries comprising the Gulf Cooperation Council (GCC) or as expansive as the Middle East and North Africa (MENA). The fluidity in defining what constitutes the Middle East is an important consideration when researching the market.

The region is intricate and fragmented, requiring an understanding of the nuances between and even within markets. What is appropriate in the UAE may not be appropriate in neighboring Saudi Arabia, and it might be simply incomprehensible in Algeria. Some nuances will be regulatory, others religious, cultural, or even linguistic.

The Red Tree's Amy Ward, a brand consultant in the Middle East, shared, "The Middle East has so many nuances by country. You may find you need strategies within strategies."

The real opportunity is for those who not only view the Middle East as a critical market for selling their products and services but for those who engage in the region, supporting the visionaries and innovative entrepreneurs co-creating the region's future. The blending of tradition and transformation, demographic shifts, cultural influences, and technological innovation are converging to make the region a global player ripe with opportunity.

The report uses data, intelligence, and insights from industry executives and experts to distill the intricacies of consumer demographics, the driving forces behind evolving trends, and the emergence of the new beauty consumer in the region.

COLLABORATION

MESSE FRANKFURT MIDDLE EAST

The Messe Frankfurt group is the world's largest trade fair, congress, and event organizer with its own exhibition grounds. For more than 25 years, the Beautyworld brand's growing portfolio of international events, headlined by Beautyworld Middle East in Dubai, provides all-encompassing business platforms to the beauty, spa, and wellness industries, with eight events globally across the Middle East, Japan, Taiwan, and Uzbekistan.

beautyworld MIDDLE EAST

One of the world's largest and most important trade shows for the beauty industry, the event provides professionals from across the entire value chain a platform for connection, education and global trade. The 2023 edition saw over 1,765 exhibitors –the most in the event's history–and a record 65,000+ visitors from 156 countries.

October 28-30, 2024
Dubai, UAE
www.beautyworld-me.com

beautyworld SAUDI ARABIA

The Kingdom's largest international trade fair for the beauty and wellness industry provides a pathway into one of the most important markets in the Middle East. The 4th edition marked a groundbreaking conference and BeautyLIVE! theatre with 350 international exhibitors and over 15,000 visitors.

April 21-23, 2025
Riyadh, Saudi Arabia
www.beautyworld-ksa.com

BeautyMatter™

The rules of engagement have changed, and success requires a lens that is cross-vertical and looks beyond the obvious confines of the industry. As a group of brand builders, operators, and investors, we don't just cover the news; we understand how to provide crucial context, making information and data actionable. BeautyMatter is recognized globally as an essential resource for beauty insiders, filling the void, connecting the dots, and providing a perspective that is informed, analytical, and has a compelling point of view. We curate, cultivate, and create content that informs and inspires those defining the future of beauty. We believe real connection happens organically, and everything we do is aimed at creating value for our global community.

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INSIGHT FROM THE INSIDE: FROM MESSE FRANKFURT MIDDLE EAST

Flyn Roberts has an insider's view of the current state of the beauty and wellness market as well as a view to where it is heading in her role as the Chief Commercial Officer of Messe Frankfurt Middle East. She oversees the company's event portfolio and commercial activities, which are experiencing unprecedented growth and potential.

Originally from Australia, Roberts is one of the many expats who call the Middle East home, providing a unique perspective of being fully immersed in the business of the region while having a lens to help international brands identify commercial opportunities while navigating the cultural nuances of the market.

What is the current state of the Middle East beauty market?

The Middle East is showing significant growth opportunities for the beauty industry due to the strong purchasing power of consumers, digitalization, and a rising and diversifying population. With a young and aspirational urban middle

class investing more and more in both beauty and wellness, it's not surprising to see expected CAGR's double that of the more traditional beauty markets like Europe and the US.

What are the most common misconceptions of the market?

The biggest misconception still lies around female representation. It is true that the Middle East is a conservative market where many women can choose to cover up when outside of their homes for their religious reasons, however these women are extremely well groomed and take much pride in their appearance. Many people assume that women who wear a hijab don't care about their hair because they don't show it, but it's quite the opposite. Choosing to cover hair is an act of worship but also one of empowerment.

Men in the Middle East also take great pride in looking their best, particularly when it comes to grooming and scent with fragrance—the one beauty category in the Middle East where men consume more than women.

With expats now representing 48.1% of the population in the Gulf Cooperation Council (GCC), countries like the United Arab Emirates (UAE), Kuwait, and Qatar with an average 81% expat population between them, are a melting pot of diversity among society, with influences from western culture, Asia, and Africa flowing through everyday Middle Eastern life, including beauty ideals.

What are the most common mistakes brands make when entering the market?

Its important international brands are mindful of the cultural sensitivities of the Middle East. While there has definitely been a shift over the years, what may work in advertising and market activities back home will not always resonate or be accepted locally in the Middle East—in particular overtly sexual content or imagery. Recognition of cultural and religious practices such as halal products is appreciated but not demanded, along with showcasing diversity that includes Arabic models and trends rather than only traditional western beauty ideals.

What trends have you seen emerging?

The demand for clean beauty products is on the rise in the region, with consumers increasingly seeking out brands that prioritize transparency and sustainability.

The resurgence of traditional practices and indigenous ingredients from the region is making its way into modern life and influencing a beautiful new fusion of history with modern science and technology.

The recognition that beauty starts from within is shaping a holistic health and wellness movement. Skin health and hydration is particularly at the core for a region that is faced with year-round sun, heat, and humidity.

What is the biggest opportunity in the market?

In terms of markets within the region itself, the beauty industry in Saudi Arabia is glowing with incredible opportunity. Rapid growth and development in The Kingdom, driven by a young population, changing cultural norms, and economic diversification has made it the biggest and fastest growing market in the GCC.

A recent report by luxury goods retailer The Chalhoub Group, revealed that Saudis are now the highest spenders on beauty products in the Middle East, and as Saudis' doors continue to open wider to the rest of the world, this has been reflected in the growth of the Beautyworld Saudi Arabia event earlier this year, which doubled in size since the last edition; and demand continues to swell.

What advice would you give to brands looking to launch in the market?

First, consider rolling out strategically country by country rather than grouping the entire region together because no two countries are the same. For example, UAE stands out for many brands as a first point of entry to the Middle East market, however what works in the UAE will not necessarily work in other parts of the region. Trends, consumer spending power, and even regulatory compliance vary as you cross borders.

Second, assess your existing marketing campaigns and be prepared to make adjustments in order to resonate with local

audiences ... but don't completely dilute any link to your origins and overall brand image. Always be authentic but also be respectful.

And last, consider your distribution channels and what support they can provide in terms of their experience on the ground in the region. Finding partners who understand the market intimately and can also advise you on how to best introduce your brand to the Middle East will inevitably set you up for success.

What role does Beautyworld play in the beauty ecosystem of the Middle East?

With two events each year in Dubai and Riyadh, Beautyworld Middle East and Beautyworld Saudi Arabia are the premier platforms to bring the largest industry gatherings together in the region.

Hosting the entire beauty ecosystem, with over 2,000 participating international and local brands, Beautyworld Middle East is the go-to source for 65,000+ buyers from 156 countries.

For a manufacturer or a brand owner, we offer an entire supply chain, featuring raw materials and ingredients, private label and contract manufacturing, primary and secondary packaging, machinery, and other solutions for the beauty industry. For a retailer or distributor looking to add to its portfolio, we have finished product brands within fragrance, hair and nails, cosmetics and skincare, personal care and hygiene, beauty tech, clean and conscious, each showcasing their latest products and innovations. Overlaying an exceptional sourcing experience involves plenty of networking, education, and inspiration, so if you are looking to tap into the beauty and fragrance market in the Middle East and beyond, Beautyworld is a must attend event where beauty means business.



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GEOGRAPHY OF THE REGION



\$60 Billion

The beauty and personal care market in the broader MENA region is valued at \$46 billion and projected to reach \$60 billion by 2025

- Euromonitor International.

The Middle East is a flexible geographic term that shifts depending on the user and the era. It is also a region divided by economic, cultural, and historical factors. While there is no single accepted definition, the Middle East is generally separated into three distinct areas: the Gulf Cooperation Council (GCC), the Levant, and North Africa. Sometimes, the entire region is referred to as MENA (Middle East and North Africa), which is typically considered to include around 19 countries, but some definitions include up to 27 countries.

With the exception of the GCC region, the fluidity in defining what constitutes the Middle East is an important nuance to consider when researching the market. The most expansive definition includes regional disparity and inequality from the economic powerhouses of the GCC to some of the most lagging and developing nations globally.



NORTH AFRICA

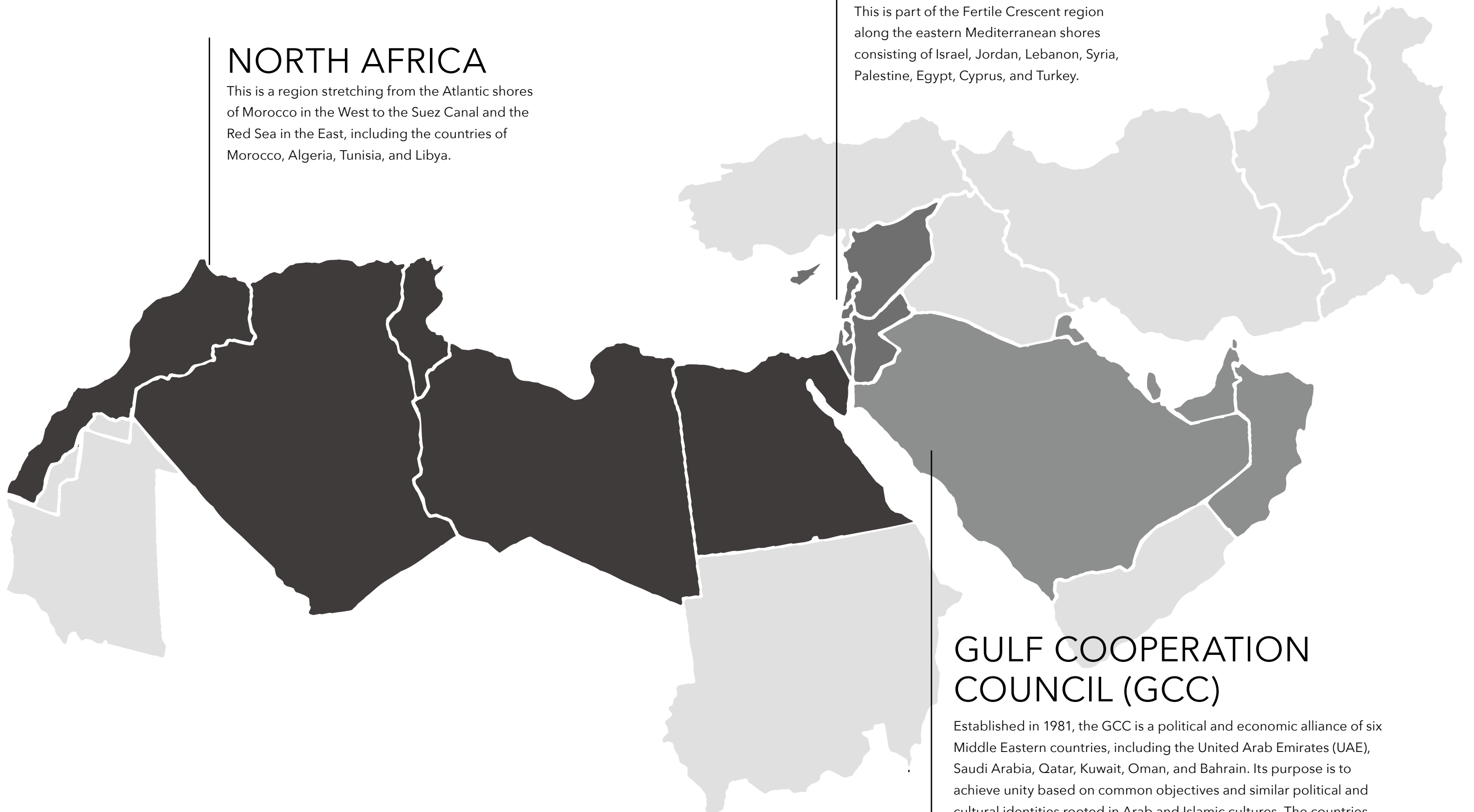
This is a region stretching from the Atlantic shores of Morocco in the West to the Suez Canal and the Red Sea in the East, including the countries of Morocco, Algeria, Tunisia, and Libya.

LEVANT

This is part of the Fertile Crescent region along the eastern Mediterranean shores consisting of Israel, Jordan, Lebanon, Syria, Palestine, Egypt, Cyprus, and Turkey.

GULF COOPERATION COUNCIL (GCC)

Established in 1981, the GCC is a political and economic alliance of six Middle Eastern countries, including the United Arab Emirates (UAE), Saudi Arabia, Qatar, Kuwait, Oman, and Bahrain. Its purpose is to achieve unity based on common objectives and similar political and cultural identities rooted in Arab and Islamic cultures. The countries share a common language (Arabic), religion (Islam), politics (all monarchies), and economy (mainly oil and gas).



\$13 Trillion

Projected GDP growth by 2050

- World Bank estimate

The GCC is home to some of the world's fastest-growing economies. It is increasingly considered an economic powerhouse, creating an environment ideal for international businesses, investors, and expatriates looking for a new challenge. The World Bank anticipates the region's GDP to triple to \$6 trillion by 2050, but it could grow to \$13 trillion.

For the purpose of this report, we will focus on the GCC and Levant regions, although some of the data included will be inclusive of the entire MENA region.

REGIONAL GROWTH DRIVERS ARE:

GROSS DOMESTIC PRODUCT (GDP)

The region's GDP is substantial. The GCC expects 3.6% growth in 2024, with the World Bank anticipating GDP will triple by 2050. One of the many contributing factors is the stability of oil prices.

GREEN GROWTH

The GCC countries are pursuing ambitious targets for achieving renewable resources for electricity generation. A more eco-conscious economic model drives sustainable growth and opens up new sectors for job creation and innovation.

POPULATION

The region's size directly impacts its economic muscle. The population nearly doubled between 1995 and 2021, reaching a demographic milestone of 56 million. The UN World projects growth to peak at 68 million by 2048.

URBANIZATION

The GCC countries' urbanization rate of 80% or higher, which is anticipated to climb to 90% by 2050, is one of the highest in the world and speaks to concentrated areas of economic activity and increased productivity.



PART 1

HISTORY OF BEAUTY CULTURE

A BIRTHPLACE OF BEAUTY

THE EVOLUTION
OF BEAUTY IDEALS

CULTURAL RELATIONSHIP WITH
FRAGRANCE

THE HAMMAM
PAST AND PRESENT

PART 1 HISTORY OF BEAUTY CULTURE

A BIRTHPLACE OF BEAUTY

Archeologists recently uncovered what is presumably the earliest example of lipstick to be scientifically documented and analyzed in southeastern Iran. The small, ornate stone vial containing a deep, red paste was likely used for coloring the lips nearly 4,000 years ago. The artifact offers a glimpse into the ancient rituals of beauty, adornment, and the allure of a crimson lip across millennia.

"We hypothesize a lip paint, rather than a solid lipstick because we have no certain idea about the original consistency or fluidity of the cosmetic substance," explains Massimo Vidale, Professor of Archaeology at the University of Padua in Italy. "This revelation underscores the complexities of ancient cosmetic practices, offering insight into the materials and techniques employed by our ancestors in their quest for beauty."

Beauty rituals have been passed down through generations, but many can be traced back to the adornment practices in the Middle East. Al-Jahiz, the 9th-century author, wrote on the adornment methods of the women of his time, which included "perfumes, dyes, henna, kohl, plucking, hair-cutting, hairdressing, shaving, and adorning garments."



Beauty rituals have been passed down through generations, but many can be traced back to the adornment practices in the Middle East.

THE SMOKEY EYE

Kohl in Arabic, kajal in Indian, and surma in Persian is a black eyeliner used by men and women in the ancient world. It was believed to have medicinal and protective properties but was also used for adornment. Having large, well-defined eyes was considered the epitome of Arab beauty.

COSMETOLOGY

The famous Muslim physician Abu al-Qasim al-Zahrawi, known in the West as Albucasis or Zahravius, born in 936 AD in Andalusia, wrote a multivolume medical encyclopedia. The 19th volume contained an entire chapter on cosmetics and is considered the first original Muslim work in cosmetology.

SKINCARE

The anti-aging, cleansing, and exfoliating properties of rosewater facial toner, shea butter lotion, and clay face masks can all also be traced back to Egypt.

MAKEUP

Egyptians mixed colored crushed minerals like malachite and ochre with oils on stone palettes to make lipstick, blush, and eyeshadow. The pigment from burnt almonds was used to fill in the eyebrows.

HAIR EXTENSIONS AND GELS

The discovery of loose human hair and horsehair in archaeological sites suggests wigs and hair extensions were common in ancient Egypt. Research on mummies showed that a fatty material was applied to the styled hair.

ORAL CARE

The earliest recorded dentist was the Egyptian, Hesy-Ra, who lived during the Third Dynasty (2600 BCE). The ancient Egyptians are often credited with the first recorded toothpaste formula of salt, pepper, mint leaves, and iris flowers.

SUN PROTECTION

Red ochre smeared on the cheeks offered daily skin protection against desert conditions. Arab mothers applied kohl to their young children to protect them from the unforgiving Arabian sun.

HAIR REMOVAL

Ancient Egyptians practiced hair removal by tweezing, shaving, and using a paste of sugar and honey to remove hair that is still used today (known as sugaring, a gentler alternative to other waxing alternatives).

HAMMAM

The traditional Ottoman-style bath originated in Turkey but is also a long-standing element of Moroccan culture. Queen Cleopatra is famed for her milk and honey baths. For Muslims living in the Middle Ages, hygiene was a part of everyday grooming and a requirement for fulfilling religious obligations.

PERFUME

As early as 10,000 BCE, both men and women used scented oils and ointments to mask body odor and clean and soften the skin. Scientific achievements in chemistry during the Arab Golden Age (8th century to the 13th century) led to huge strides in perfumery, distillation, and incense-making.

SOAP

Many believe, but historians cannot confirm, soap originated in Aleppo in the Levant Region of Syria around the 7th or 8th century and became a heavily traded commodity by the time of the Crusades.

PART 1 HISTORY OF BEAUTY CULTURE

THE EVOLUTION OF BEAUTY IDEALS

Beauty finds a thriving home in the Middle East: McKinsey data for MENA predicts healthy CAGR growth rates for fragrance (11%) and haircare (12%), with double digit growth across all beauty sectors from 2022 to 2027. But what about the beauty standards underlying it?

Dr. Bibi Ghalaie, founder and Medical Director of Doctor Bibi Clinic on London's famed Harley Street, pinpoints the definitive beauty aesthetic of the region as comprising almond-shaped eyes, full lips, bold brows, sharp features, and a strong hairline. "The Middle Eastern beauty aesthetic has become a mainstream and aspirational beauty ideal for both men and women globally. What is also very interesting is that, in my opinion, Middle Eastern individuals seem to know exactly how best to highlight and draw attention to their very best features, and in doing so, they complement their respective femininity or masculinity in such an elegant way," she adds.



The Middle Eastern beauty aesthetic has become a mainstream and aspirational beauty ideal for both men and women globally.

In terms of the procedures she sees these clients requesting the most, their genetic disposition for dark circles, caused by bone structure, loss of volume, or pigmentation, makes eye contour a popular treatment area, through use of microneedling for skin rejuvenation, filler for volume loss, chemical peels for pigmentation, and the latest injectable polynucleotides for regeneration. Lip enhancements are also popular, with patients traveling from Qatar, Kuwait, the UAE, and Oman to receive the treatment.

With primitive plastic surgery practices dating back as far as 3000 BC in Persia, it is not surprising its popularity remains strong in the region. Tehran is considered the nose job capital of the world, while Dubai, home to 47 surgeons per million residents, has been termed the “plastic surgery hub” of the Middle East with the highest concentration of operating professionals.

Whether it’s prominent noses, coarser curls, or thicker body hair, many individuals have felt the strong pressures of conforming weigh heavily on them. This burden has been the cause of individual and artistic discourse. London-based Iranian artist Shirin Fathi captured the pressures on women to alter their appearance in the photography series “The Disobedient Nose,” while Lara Chahine’s ongoing series “Bless Your Beauty” explores how the intersections of internet culture, capitalism, religion, and Westernization created Middle Eastern beauty standards, driven by her experience of Lebanon’s booming plastic surgery industry.

Much of this was driven by the desire to conform to Western ideals, but younger generations and a bigger celebration of homegrown looks are also championing an alternative that looks inwards, rather than West. Dr. Ghalaie adds, “From my experience over the last ten years in cosmetic medicine, beauty ideals in the Middle East have gone from being somewhat extreme and even unrealistic, to understated and more in line with natural beauty. A few years ago, extreme augmentations, dramatic procedures were all popularized. Whereas in the last two years, the focus has moved towards healthy skin, tweakments, baby Botox, and subtle enhancements. I believe this is partly because Middle Eastern women have undergone a reign of empowerment and are given increasing respect and consideration in their roles in society, but also because conservative attitudes toward the expression of the physical self is becoming a thing of the past, slowly but surely.”

Maintaining an ode to their heritage and a desire for more subtle shifts are testament to that change. “My patients don’t wish to look radically different; moreover, they want to look refreshed, youthful, healthy, and well rested,” Dr Ghalaie comments. Noninvasive treatments (skin boosters, mesotherapy, and chemical peels) and high-tech skin procedures are helping them get results without needing to resort to drastic measures, she notes, and that through online education, many are homing in on the ingredients and treatments that can help them achieve the skin clarity and texture they desire.

A 2019 study across 17 plastic surgeons and dermatologists in the region, led by Mohamed Khater, Global Medical Director for Swedish skincare company Galderma Uppsala, found that Middle Eastern women seeking plastic surgery were most likely to desire full lips; a well-defined jaw; full cheeks; a small, straight nose; and prominent chin. Oval/round faces (especially in the UAE), elevated eyebrows and almond-shaped eyes (particularly in the MENA region)





Middle Eastern women have undergone a reign of empowerment and are given increasing respect and consideration in their roles in society, but also because conservative attitudes toward the expression of the physical self is becoming a thing of the past, slowly but surely.

were also preferred. In terms of historical references, ancient Egyptian Queen Nefertiti was cited as a visual influence, as were the “Cinderella of Arab cinema” Soad Hosny and Princess Soraya Esfandiari-Bakhtiari. Modern-day beauty idols are Saudi Princess Ameera Al-Taweel, Angelina Jolie, Lebanese actress Nadine Njeim, and Queen Rania of Jordan.

“Even sub-regions have their own specific characteristics when it comes to beauty,” Dr Khater, adds. “It is because of different facial anthropometry and genetics.” Interestingly enough, he also adds that the beauty standards of today mimic the features of Middle Eastern women, hence Jolie’s placement of influence in an otherwise native lineup.

In a 2021 study published in *The Journal of Clinical and Aesthetic Dermatology* conducted across 178 participants, 91% of whom were female and 58% of whom were 19-21 years old, it was found that 63% see cosmetic procedures as slowly being accepted in UAE society, while 20% felt it was frowned upon.

A 2023 report by Chalhoub Group, *Decoding the Beauty Consumer in the GCC*, surveying over 2,600 beauty consumers reported a shift towards finding an Arabic beauty ideal rather than trying to conform to European standards and a desire for the products that help them highlight their features best. Huda Kattan, an international presence on the beauty scene as both a brand founder and influencer, is termed as a proponent of Middle Eastern beauty, although she has also been open about her use of fillers, Botox, and a rhinoplasty.

In terms of the products used in the region, neutral shades of eyeshadow and lip liner, felt tip liquid eyeliner, and sheer lipsticks are popular products. BB creams are gaining popularity over full-coverage foundations as shoppers invest more into their skincare routine for a flawless complexion. Women in the Gulf region have an average monthly spend of \$52 on skincare and \$63 on makeup.

Gen Z is a key proponent in the movement towards highlighting heritage and inclusivity, rather than feeling pressured to conform to Western ideals. In a 2023 *Fast Company* article, Prachi Bishnoi, founder and Chief Creative Officer of digital marketing agency Glomm, states, “Their global exposure fosters brand awareness; they embrace diverse cultures, promoting fusion in lifestyle choices. This generation’s influence extends to local markets, introducing international brands and trends, reshaping the region’s cultural and economic landscape.”

The ongoing dialogues enabled through social media, and a vast sea of influencers representing all types of Middle Eastern beauty on these platforms, are also pushing the tides forward. As much as the very same platforms can also be seen as perpetuating Westernized beauty standards, at least the dialogue is diversifying. As the beauty industry as a whole flourishes in the region—with more homegrown brands created to offer further representation and international brands considerate of the models they use to speak to their audiences—the future is likely to see a continued discussion, be it online or visual, of the Middle East’s beauty ideals.

PART 1 HISTORY OF BEAUTY CULTURE

CULTURAL RELATIONSHIP WITH FRAGRANCE

Anointing oneself with a fragrance before heading out the door can be seen as a sacred daily ritual, but in the Middle East, perfume takes on an even more highly prized position. From ancient times through today, there are rich practices surrounding scent for the body, clothing, and home, which has created fertile ground for a booming fragrance market, but its importance goes beyond mere shopping value. In fact, one could argue that the Middle East, especially Egypt and Mesopotamia, are some of the original birth places of perfumery.

The use of fragrance dates back to the pharaohs. Queen Hatshepsut's love of fragrance reached so far that she sent groups to the Land of Punt to gather myrrh and turpentine pine resin. The Egyptians burned an incense known as kyphi (a concoction including cypress grass, raisins, and wine) as an offering and connection between the earthly and godly domains. They also extracted the oil of flowers such as lilies through wooden pressing machines, blending the result with resins, beeswax, and spices to create solid perfumes.



During the Islamic Golden Age (from the 8th to 13th century) the process of steam distillation using an alembic still was invented by Persian chemist Abdullah Ibn Sina (known as Avicenna in the West). In 1200 BCE Mesopotamia, female perfumer and chemist Tapputi created the first recorded fragrance formula containing flowers, oil, and calamus, etched in Akkadian on a clay tablet. Middle Eastern perfume recipes from 801 CE show the precursor to the modern perfume pyramid of top, heart, and base notes.

The Incense Route saw Arabs bring frankincense and myrrh via camel caravan to Europe between 3rd century BCE to 2nd century CE, but those aren't the region's only precious ingredients. Rose is another wildly popular material, not just as a fragrance but also as a drink (rose water), a sweet (Turkish delight), and to scent mosques. Leather, amber, sandalwood, vanilla, and saffron are also well-loved, unlike white floral fragrances that are less seen. Orange blossom remains a popular fragrance material in Syria, Lebanon, and Jordan, while jasmine, bergamot, neroli, and lavender are also often used in creations from the Levant region—in these regions, lighter summer fragrances are especially popular.

One of the most famous ingredients of the region is oud, which was introduced via trade with Southeast Asia. The ingredient's recorded use dates back to 1400 BCE. Beginning in 14th Century CE Cyprus, it was used to treat medical conditions including ailments of the skin and intestines. Also spelled oudh and known as "black gold" or "wood of the gods," the ingredient is derived from the Aquilaria tree, also known as agarwood, of which 15 species exist. When wood has been attacked by a fungus, its light wood turns into a "rotten" wood. Its wood chips can be burned as incense, but the oil derived from it is used in perfumery. Both have a distinctive scent that can smell animalic (at times almost fecal) and resinous.

One kilo of agarwood, which can cost anywhere between \$8,000 to \$30,000 depending on quality, is needed to produce a mere 1ml of resin. Due to its endangered status, most fragrances on the market contain a synthetic alternative, but that doesn't mean the oud doesn't work its same magic: lending a unique depth and intensity to whatever fragrance formula it graces.

The ingredient reached worldwide mainstream acclaim in the 2010s with releases by Western houses such as Tom Ford's Oud Wood (launched in 2007) and Maison Francis Kurkdjian's Oud (launched in 2012), becoming best-selling interpretations of the material, drawing increased outside interest to the scent practices of the region.

Long before the Western world was proclaiming scents should be unisex, that men are free to wear florals and women woody scents, the Middle East was a region of nongendered fragrance—and fragrance aplenty. It is more than a home accessory or personal touch-up, but rather an intrinsic part of Middle Eastern customs and cultures. In traditional homes, one can encounter the scent of bakhour (scented wooden chip incense, the smoke of which is also used to scent clothing) or be offered a tray of scents to perfume themselves with. Bakhour is something of a fragrance family signature, with specific types being unique to a certain lineage and select bakhour buying expeditions ensuring they have enough stock for all occasions. Higher-quality versions of it are lit on special events, and wedding guests are anointed with the aromatic smoke upon arrival.

Wearing a scent, especially one with plenty of projection and sillage, is seen as a sign of generosity towards others, but also a practice of self-care. The bolder, the better: being beautifully scented is part of a wider cultural practice of giving back to those around you. If you can gift them with the beautiful waft of fragrance that lingers long before (and after) you are in the room, all the better.



Long before the western world was proclaiming scents should be unisex, that men are free to wear florals and women woody scents, the Middle East was a region of nongendered fragrance—and fragrance aplenty.

\$7.21 Billion

Projected size of the the global fragrance market largely driven by the UAE and Saudi Arabia

- Expert Market Research

Fragrance can be a way to express their individuality when they are unable to do so through fashion or hair styles. Layering different formats of fragrances (including oud and musk oils on the heat points of the body, as well as hair perfumes) are popular practices. Wearing three or four perfumes at a time is commonplace. Beyond a mere finishing touch, perfumes operate as an expression of individualism, so finding the perfect mix of fragrances and spraying oneself generously in them throughout the day, is welcomed. In regions of fragrance enthusiasts, finding the ultimate unique potion is a pursuit of passion. That also equates to buying fragrance in bulk. McKinsey data shows projected sales figures of \$5.4 billion by 2027, while Expert Market Research predicts it will be worth \$7.21 billion by 2032, largely driven by the UAE and Saudi Arabia. According to research by IMARC Group, the UAE market will grow at a CAGR of 8.4% until 2026, Kuwait is one of the fastest growing markets for premium fragrance products, and customers in Oman, Bahrain, and Qatar prefer oil-based formats. Male purchasing power is also increasing, boosting sales. Case in point: Annual sales of Omani-based luxury fragrance house Amouage have now surpassed \$210 million.

Regional brands include Ajmal Perfumes, Abdul Samad Al Qurashi, Arcadia, Anfas, Armaf, Lattafa and Oman Luxury, which produce bold and long-lasting fragrances—some drawing on ingredients and inspirations

from the area but others taking a more international approach to their fragrance creations. Attars are a popular format due to their lack of alcohol content but also strong and potent scent. But aside from homegrown companies, there is also interest in rose- and vanilla-based scents from European houses, specifically high-end niche and legacy brands

Western brands are also paying more attention to this blossoming fragrance market. Region-exclusive launches from international brands—such as Scandal Gold by Jean Paul Gaultier, Diptyque's Eau Nabati, and Eau Rihla, or Christian Louboutin's Loubiprince—are a testament to the thriving fragrance culture. The brands realizing the wide variety of tastes for statement-making perfumes and exclusive blends will reap the benefits.

Following social media, the region's fragrance consumer of today is more driven than ever to find the ideal fragrance wardrobe to complement their daily spritzes of eau de parfum and appointments of fragrance oil. Meanwhile, Western shoppers are discovering the strong and long-wearing fragrances of houses from the region. From its historical contributions to fragrance as we know it today, to an undeniably alluring practice of scenting the everyday, the Middle East is a fragrance destination not to be missed.

Wearing a scent, especially one with plenty of projection and sillage, is seen as a sign of generosity towards others, but also a practice of self-care. The bolder, the better: being beautifully scented is part of a wider cultural practice of giving back to those around you.



PART 1 HISTORY OF BEAUTY CULTURE

THE HAMMAM PAST AND PRESENT

More than a bath, the history of the hammam is an amalgam of elements from Roman, Byzantine, and Central Asian bathing traditions and is inextricably tied to Islamic and Middle Eastern culture. While the concept of the hammam throughout the Middle East was very similar, the structure and decoration of the baths were often regionally specific.

In the early Islamic period, cleanliness and purification became religiously significant, integrating hygiene with the spiritual aspect of purification required for prayer. Without public plumbing in most homes, hammams were commonly located next to mosques and medinas.

From the 14th to the early 20th century, Ottoman architects perfected the art of hammam construction, designing sophisticated structures that were marvels of engineering and aesthetics across Eastern Europe, the Middle East, and North Africa. Beyond their hygienic function, hammams played a crucial role in social life as a gathering place for purification before prayer and catching up on the latest gossip.



THE DESIGN AND ARCHITECTURE

Intricate geometric tile work, fountains, and high domed ceilings punctuated with small round glass windows allow natural light to permeate the steamy interior; arched doorways and wall niches for candles or lamps are functional elements while adding to the ambiance of the bathhouse. A large, heated marble platform or navel stone is at the heart of the design and used for bathers to receive massages or body scrubs. A fire tender stokes flames below the structure of the building to keep the floors warm and the water hot. Hammams are separated (or scheduled) by gender.

HAMMAMS TYPICALLY HAVE A SEQUENCE OF THREE MAIN ROOMS:

- The cold room is for undressing and relaxation.
- The warm room is used to adjust to the heat and initiate cleansing.
- The hot room is home to the central massage platform and is the hottest part of the bath.

THE MODERN INTERPRETATION

However, with the advent of advancements in plumbing, private bathrooms, and modern lifestyles, many of the hammam services have become obsolete, leading to a widespread decline of hammams. Despite this, many historic hammams continue to operate, catering to traditionalists and modern users looking for an authentic experience. The legacy of the hammam continues, embodying a rich history of cleanliness, community, and architectural beauty.

The epitome of cultural richness and holistic well-being of the ancient bathhouse has transcended time. The allure of communal bathing rituals bridges the past with the present. The rise of the wellness economy has created a bathhouse renaissance across the globe.

In a race to offer the newest and best amenities in residential buildings and resorts, architects and developers are drawn to the wow factor of hammams, incorporating this ancient feature and ritualistic design updated with moody lighting, modern amenities, and restorative treatments.

HISTORIC HAMMAMS IN THE MIDDLE EAST

Hamam Al-Nahhasin, Aleppo, Syria

Hamam Al-Bakri, Cairo, Egypt

Hamam Yalbugha, Aleppo, Syria

Hamam e-Qasemi, Isfahan, Iran

Hamam Al-Sultan, Istanbul, Turkey

Hamam Al-Ayn, Fez, Morocco

Hamam Dar el-Bacha, Marrakech, Morocco

Hamam-e-Ganjali Khan, Kerman, Iran

Hamam Bey, Tunis, Tunisia

Hamam Ziani, Algiers, Algeria



PART 2

WHY THE
MIDDLE EAST
MATTERS NOW

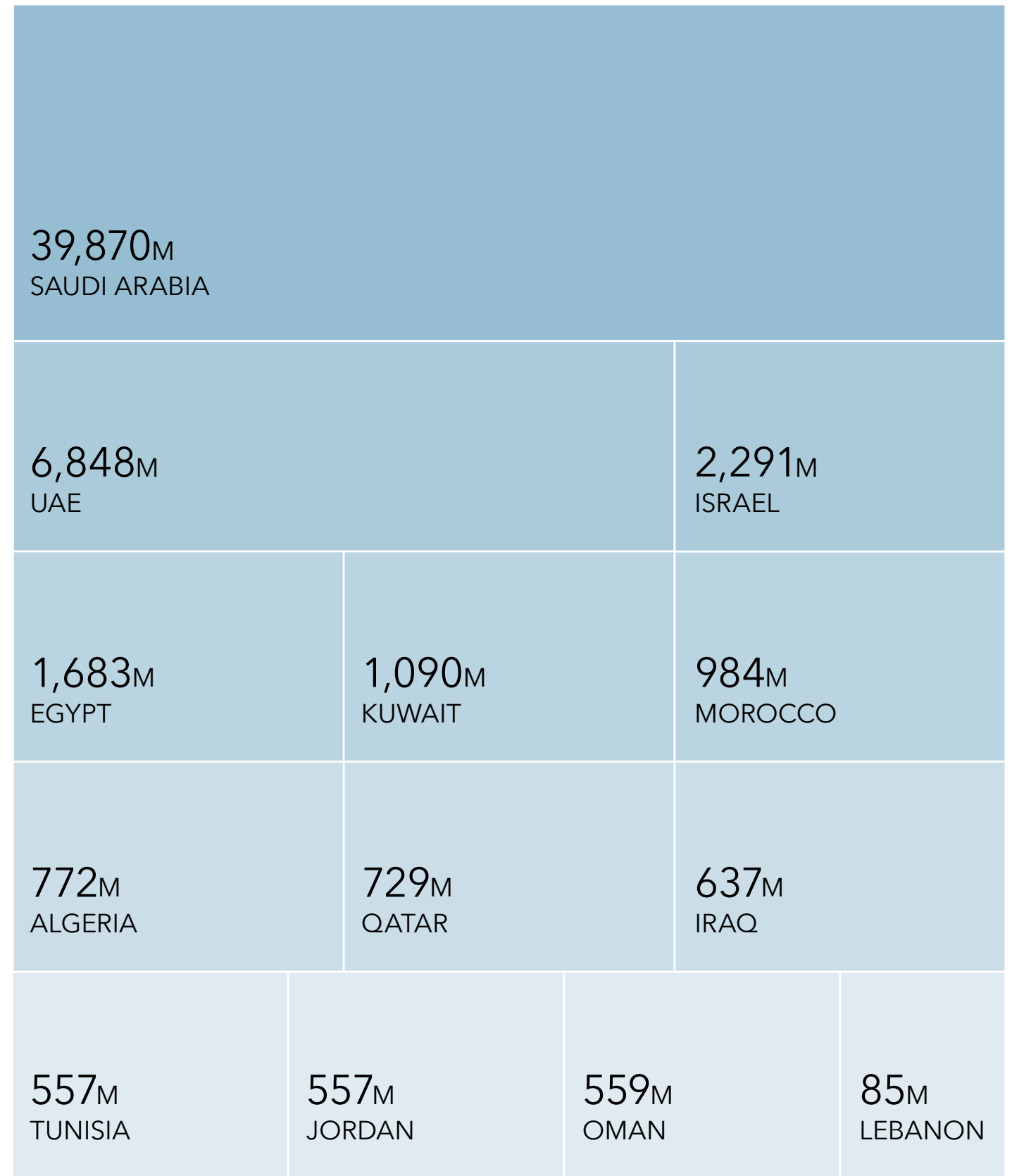
THE STATE OF PLAY IN MENA

PART 2 WHY THE MIDDLE EAST MATTERS NOW

THE STATE OF PLAY IN MENA

The Middle East boasts an extensive history of beauty rituals and skin-care practices that go back many centuries. While certain traditions may stay the same—such as the use of oud-based perfumes—this region’s approach to beauty has shifted radically within the last few years due to a rise in disposable incomes, urbanization, and a growing young population, which has only expanded the consumer base for cosmetics and contributed to the growth of the beauty industry in this emerging region.

2023 TOP BEAUTY AND PERSONAL CARE MARKETS



- McKinsey based on Euromonitor International released April 2023



The beauty and personal care market in the broader Middle East and North Africa (MENA) region is valued at \$46 billion and projected to reach \$60 billion by 2025

- Euromonitor International



Middle Eastern women, regardless of social class or age, have traditionally used more personal care and beauty products than women in Western cultures. With its rich history and rapidly evolving society, the Middle Eastern beauty market is one of the most lucrative beauty and wellness markets in the world, according to Euromonitor International. The market research firm values the beauty and personal care market in the broader Middle East and North Africa (MENA) region at over \$46 billion and estimates it will reach around \$60 billion by 2025. The area's growing population and increased disposable income contribute to the increased demand for beauty products from both local and foreign brands.

Women in the Gulf (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates (UAE)) spend an average of \$63 on makeup and \$52 on skincare per month, with men spending an average of \$16 per month on skincare.

Because this region holds a significant portion of the world's oil and natural gas reserves, the Middle East has remained largely unaffected by the global cost of living crisis despite the tensions in the area. Fueled by a strong economy, booming tourism, and an increase in government infrastructure spending, this region currently holds the highest global consumer spending on makeup and skincare. Women in the Gulf (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates (UAE)) spend an average of \$63 on makeup and \$52 on skincare per month, with men spending an average of \$16 per month on skincare.

Saudi Arabia's economic output is becoming increasingly diversified, with a plan to spend more than \$3.2

trillion to transform its economy by 2030. The country hopes to end its dependence on oil revenue while developing sectors such as tourism, entertainment, and sustainability. The Saudi Public Investment Fund has been deploying capital to help stimulate private sector investment, which has resulted in increased disposable incomes and consumer spending on luxury items, including beauty products.

32 years old

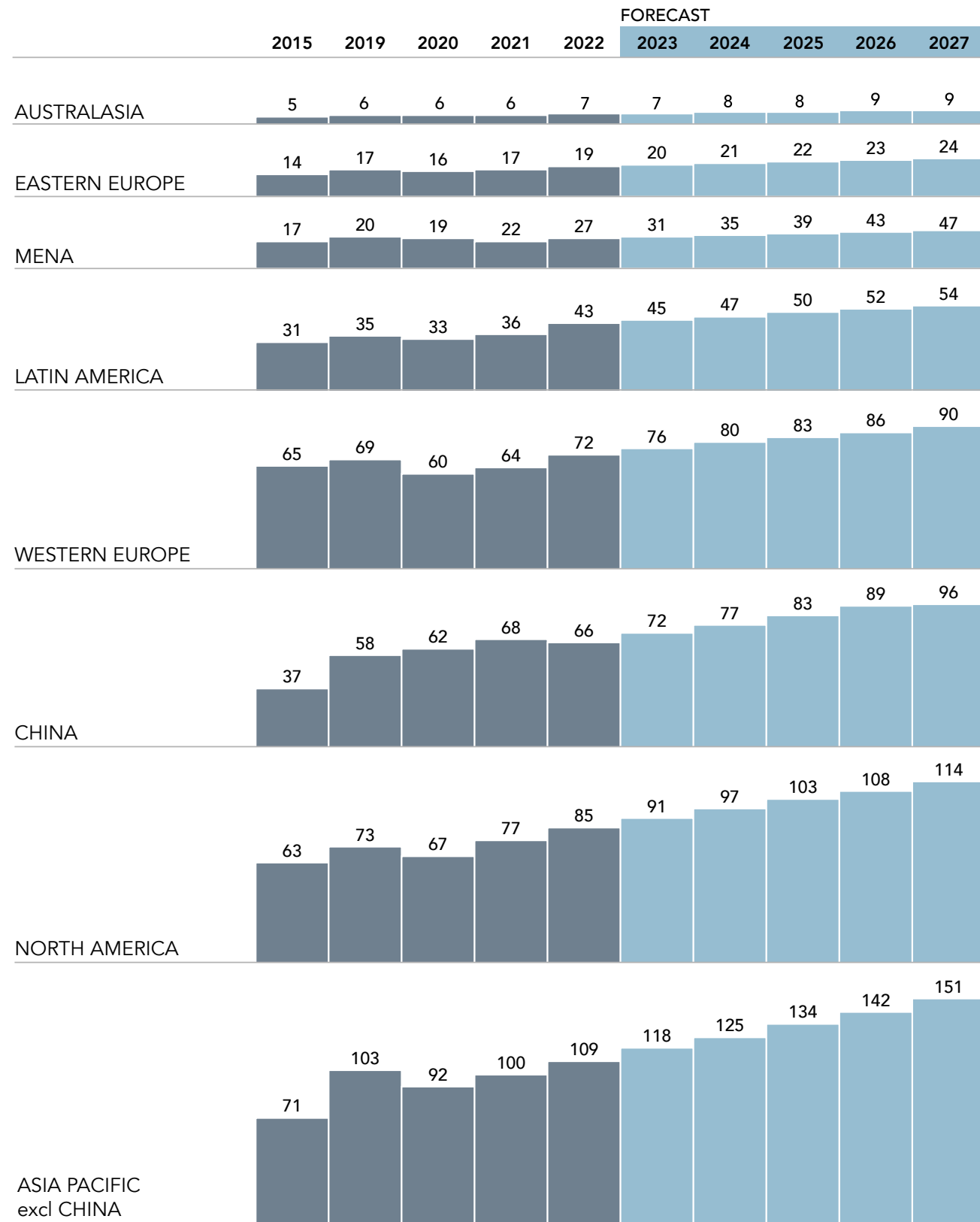
Average age of the Middle East's younger demographic points to future market growth

The Middle East's younger demographic points to future market growth, with an average consumer age of only 32. Multiple countries across the region report similar demographic trends. In the UAE, 60% of the population is under 25, and with a population of 80 million, Egypt's median age is 24, and in Saudi Arabia roughly 70% of the population are under 30. Consumers in Saudi Arabia and the UAE are the highest spenders in the Middle East due to their younger age demographic. This youthful and tech-savvy demographic grew up with an appreciation for beauty, which they picked up from older generations, and which has only grown as they get older. They spend significantly more on cosmetics and are more likely to experiment with new products than the previous generation.

Traditionally, gender segregation has been prevalent in the Middle East, resulting in women spending much of their time in the company of other women. Girls learn the importance of beauty and engage in small acts of beautification from a very young age. Through beauty rituals, products, and techniques, they forge bonds with other women.

BEAUTY IS EXPECTED TO GROW 6% A YEAR GLOBALLY THROUGH 2027

Retail sales by region, 2015 - 2027 [forecasted] USD Billions



- McKinsey based on Euromonitor International released April 2023

©BeautyMatter

\$3.82 Billion

Value of the Saudi beauty sector in 2021

However, recent social reforms have ushered in a new era, granting women the opportunity to question and challenge traditional gender roles and participate more actively in society. In Saudi Arabia, women who were previously confined to domestic roles are now increasingly visible in public spaces pursuing careers. The surge in female employment rates has provided women with newfound financial independence, enabling them to manage their own finances and make independent spending decisions.

While beauty was once considered a private affair, shared primarily among women, it has now evolved into a symbol of shifting social and cultural norms. Today, beauty serves as a platform for women to assert their identities and express themselves more openly in public spheres.

Arab women view the digital world as an online expansion of their real-life community, with 71% of all women participating in social networking. The Middle East has witnessed significant growth in e-commerce and social media in the last 10 years. Saudi Arabia, in particular, stands out, boasting one of the world's highest online content consumption rates at 82%. Saudi women value femininity and look to social media for makeup inspiration. Saudi Arabia boasts the most engaged users

of makeup and fragrance. In 2021, the Saudi beauty sector was valued at \$3.82 billion, but experts predict it could attain a valuation of \$5 billion in the near future. Driven by a digital transformation, the increased demand has attracted global companies to invest in the Saudi beauty market, which in turn has provided Saudi women with more options when it comes to beauty products they can use to express their individuality and celebrate Arabic beauty.

Due to the region's long history of wearing makeup and how fast consumer behaviors and expectations are changing, makeup trends in the Middle East tend to lean towards heavier makeup. A popular expression in Saudi Arabia is "Wishik yohmoul," which literally means your face and coloring can take a more full-makeup look. Unlike white women with light skin and smaller features, Arab women tend to have big eyes, full lips, and thick brows, meaning that they can experiment with pops of colors and different techniques without looking over-the-top.

Beauty consumers in the Middle East have unique needs and preferences when it comes to makeup and skincare. The extreme weather conditions can be tough on their skin, and any makeup they wear needs to be able to withstand intense dry heat, excessive humidity,

A popular expression in Saudi Arabia is “Wishik yohmoul,” which literally means your face and coloring can take a more full-makeup look.

and everything in between. Recently, the region has seen a rise of A-beauty (Arab beauty) brands and products designed to meet these needs and resonate deeply with the new Middle Eastern consumer. Like J-beauty and K-beauty, A-beauty embraces native ingredients and builds on cultural traditions to create products that cater to the diverse populations of Arab regions. Brands like Asteri Beauty and Huda Beauty are leading this trend.

Beauty standards have recently shifted in favor of common Arabic and Middle Eastern features: full lips and cheeks, thick eyebrows, prominent cheekbones, and big eyes replaced the Western and white beauty ideals that became the global beauty standard starting in the late nineteenth century. The popularity of celebrities like Kim Kardashian and Huda Kattan led to a shift from European beauty ideals to a celebration of Arabic beauty and Middle Eastern features. Arab women want

to enhance the natural features that make them the new ideal beauty standard, which white women today pay a hefty price to achieve.

The Middle East stands out as a dynamic market for the beauty and wellness industry and is positioned as a prime destination for growth and innovation. Social reforms have empowered women to deepen their involvement in the public sphere and take control of their lives, and many women view beauty as an avenue of self-expression. The rise of digital connectivity through social media has led to increasing demands in the market for beauty products that resonate with Middle Eastern consumers and their unique needs. As this market evolves, it will continue to shape global trends by building on its rich cultural heritage. Brands that authentically embrace and celebrate the essence of Middle Eastern beauty will be well-positioned to succeed in this emerging market.

PROJECTED SALES GROWTH BY REGION AND CATEGORY

USD (billions), growth to 2027, and GAGR, 2022-2027,
% Retail sales by region, 2015 - 2027 [forecasted] USD Billions

	FRAGRANCE	COLOR COSMETICS	HAIR CARE	SKIN CARE	TOTAL
AUSTRALASIA	0.6 9%	0.7 7%	0.3 4%	0.9 6%	4.5 4%
EASTERN EUROPE	1.1 5%	0.8 4%	1.1 4%	1.5 5%	1.5 5%
LATIN AMERICA	3.9 5%	1.7 5%	2.8 4%	3.1 5%	11.5 5%
MENA	5.4 11%	3.7 11%	6.1 12%	4.7 12%	19.9 12%
WESTERN EUROPE	6.1 6%	3.0 4%	3.1 4%	5.5 4%	17.7 4%
NORTH AMERICA	4.5 6%	6.7 6%	7.2 7%	10.9 6%	29.3 6%
CHINA	2.6 19%	5.3 10%	4.3 7%	17.1 7%	29.6 8%
ASIA PACIFIC excl CHINA	4.6 12%	7.2 6%	4.1 4%	26.2 7%	42.1 7%

- McKinsey based on Euromonitor International released April 2023

PART 3

TRENDS DRIVING THE MARKET

CULTURAL TRENDS

PIONEERING THE REGION'S CLEAN AND
CONSCIOUS BEAUTY MOVEMENT

GEN Z REDEFINING THE REGION'S
CONSUMER LANDSCAPE

FEMALE EMPOWERMENT AND
ENTREPRENEURSHIP

BEAUTY TRENDS

SUSTAINABILITY TAKES CENTER STAGE

PART 3 TRENDS DRIVING THE MARKET

CULTURAL TRENDS

Culture, a shared set of traditions, belief systems, and behaviors, is shaped by history, religion, ethnic identity, language, and nationality, among other factors. The Middle East consists of approximately 20 countries, with a variety of ethnic and linguistic groups and many different religions. Given the region's diversity, a multitude of cultures co-exist, but hospitality and generosity are universal. While social restrictions across the region are giving way to more relaxed norms, generally, the society is considered more formal and more traditional than in the West. The young population, in particular, is playing a significant role in remaking culture. They are using avenues of expression, such as creating a new fashion heritage and using beauty as an avenue for showcasing creativity, to challenge and redefine societal norms. What is emerging is a unique blend of modern and traditional styles.



BIOHACKING THEIR BODIES

As a region that strives for everlasting youthfulness, consumers are turning to technology to enhance and optimize their health in order to reduce their biological age. From ice baths and saunas to fitness trackers, red-light therapy, and nootropics, Middle Eastern consumers are exploring a range of biohacking methods to enhance their physical and mental performance. In a constant endeavor for self-optimization, consumers are finding new ways to monitor their health in real time, aiming to enhance their cognitive function, productivity, creativity, and overall success in their professional lives. This biohacking thus represents a shift towards embracing technology and scientific advancements in order to unlock the full potential of the mind and body.

INCLUSIVE & WELCOMING

With expats finding new opportunities and choosing to migrate to Middle Eastern countries, the region is becoming home to a wide range of consumers from all over the world. As consumers advocate for more inclusivity across the board, branding, marketing, and advertising is being reshaped to include all body types, skin tones, and preferences. Businesses are thus recognizing the importance of representing the diverse identities of the region to foster a sense of belonging for all.

CUSTOMIZED & PERSONAL

Tailored products and services that cater to specific concerns and requirements are being increasingly favored in the region. Ranging from personalized meal plans that address specific dietary requirements to made-to-measure clothing that can be customized based on client's preferences, consumers in the region are being drawn to brands that can cater to their individual needs. With consumers realizing that a one-size-fits-all strategy doesn't work for them, they are prioritizing customized fitness plans, tailored supplements, and skin-specific beauty and wellness products.

DEEPLY-ROOTED IN TRADITION

Revisiting ancient practices, rituals, and remedies that worked centuries ago, Middle Eastern consumers are channeling a back-to-basics approach and revival of ancestral practices. From indigenous ingredients to age-old treatments, there's a palpable resurgence of interest in the way their ancestors used to live that make them relevant to the modern lifestyles of today. From the incorporation of traditional ingredients in cooking to the application of natural products on the skin, expect a blend of tradition, technology, and modernism to pave the way for a new way of living that addresses overall health and well-being at its core.

GLOCALLY INSPIRED

Marrying local culture with global trends, Middle Eastern consumers are choosing to adopt fusion lifestyles that enable them to draw the best of various cultures and make them their own. As a region that is positioning itself as a multicultural hub, consumers are being influenced by a diverse range of international influences while still celebrating and preserving Middle Eastern roots. With social media and technology playing a significant role in the cultural exchange, everything from fashion and food to music and art is being blended to acknowledge what is happening globally and also showcase and celebrate what makes the region unique.

EMBRACING NATURE & NATURALE

As Middle Eastern consumers seek out ways to incorporate more natural, organic, and clean products into their daily lives, there is a shift towards authenticity as they seek to align with their truest selves. In a bid to celebrate their core identities, there is a newfound appreciation for embracing all things natural and clean. Ranging from subtler cosmetic enhancements and organic food to toxic/paraben free home cleaning products and cruelty-free makeup and cosmetics, anticipate a gravitation towards holistic well-being and sustainable living.



PIONEERING THE REGION'S CLEAN AND CONSCIOUS BEAUTY MOVEMENT

While clean beauty has become mainstream in Western beauty markets in the Middle East and Asia, the concept of clean is still a nascent category. *Organic, Natural & Clean Beauty - MENA Market Report 2023* found the region has one of the highest per capita spends (\$247) in the world on beauty and personal grooming, and that the clean beauty industry in the six Gulf Cooperation Council (GCC) nations will be worth \$2.6 billion by 2025.

While the concept of "conscious consumption" is new, it's growing fast. Ex-Amazonian Anisha Oberoi has built a unique framework committed to "people, planet, and purpose" to harness the opportunity. Founded in 2020, Secret Skin is often called the "Goop of the Middle East." The award-winning e-commerce discovery platform connects globally conscious brands to beauty consumers in the Middle East.

She believes in a gentle touch, opting for creative communication to encourage adoption rather than the fearmongering we saw in the early days of clean in Western markets. Secret Skin's mission is to raise awareness about "clean beauty," mindful consumption, and women's health in the region.

Oberoi discusses her hybrid model and dives into what makes the beauty consumer in the Middle East tick.



What was your impetus for launching Secret Skin?

When I moved here [Dubai] in 2019, I found toxin-free products were scarce and awareness around the harmful effects of ingredients on fertility and hormones was low. Women had no choice but to import from foreign shores and pay 50% to 80% in shipping and customs. I didn't know it then, but Covid was about to engulf the world, so it was the perfect timing to create a platform advocating self-care through beauty and wellness.

In Western beauty markets, clean has become both table stakes and a nebulous concept because there is no homogenized definition. However, in the MENA that is not the case. Can you unpack the state of clean beauty in the region?

For this very reason we have intentionally kept it quite simple at Secret Skin to demystify the category for the customer. From the start, the strategy has been to bust the local misconceptions that clean beauty is (a) expensive, (b) not luxurious, (c) not easily available, and (d) not efficacious, and to intentionally sway the customer sentiment towards responsible consumption—without it sounding like a new fad. Our primary efforts in the last three years have diligently been around education and social advocacy on what “clean beauty” stands for i.e., simply put: product integrity, ingredient transparency (natural, organic, no parabens, or nasty synthetic preservatives), cruelty-free testing, fair trade, ethical sourcing, etc. The concept of conscious consumption is new but growing fast post-Covid, so it must be treated gently instead of using fearmongering as a tactic. We have to be creative in the way we communicate this change to encourage adoption.

What opportunities does this present for international brands looking for growth?

There is ample opportunity to scale up in the region for brands that invest in a strong go-to-market strategy.

After learnings from UAE, those that are determined to succeed are focused on expansion into neighboring markets, primarily Saudi Arabia through multiple channels and with key local retail partners that have strong physical presence. Nuanced changes in global consumption patterns, premiumization, and affordability in beauty, as well as increasingly price sensitive skin-care consumers are a rising opportunity. If we consider the high average per capita spend in the beauty and personal care category in GCC, and the sustainability-savvy Gen Z consumer who represents a significant percentage of the regional audience, then the prospects for growth are undeniably attractive.

Your B2B2C is quite ambitious. Most beauty start-ups pick a lane, but with Secret Skin, you are straddling B2C and B2B. Can you share the opportunity you've identified and how you fill the white space?

The intention right from the start was to build the ecosystem regardless of channel, although there was a strategic cadence of which verticals we launched first. The landscape is quite complex here, where traditional brick-and-mortar reigns supreme despite incredible online penetration. We have a more aware Middle Eastern customer who doesn't hesitate to make informed choices, who looks beyond brand face value, where 68% of regional customers purchase directly from a brand's website. Consumer behavior continues to evolve into a more tech-savvy group of shoppers signifying empowerment through digital transformation. At the same time, we saw legacy retailers, hotels, and spas rapidly looking to elevate their category mix and selection by tapping into the “clean” trend. This presented an opportunity to create a dynamic shopping landscape across revenue streams that was expansive yet focused. We stayed in our lane to build a hybrid model (tech-enabled platform with omnichannel distribution capabilities) that was more suited to this evolving retail environment—and this today is our strongest USP.

The business started online, but you recently established an offline presence within Majid Al Futtaim Lifestyle's THAT Concept Store in Mall of the Emirates. How have you translated the Secret Skin experience in physical retail?

We launched RMS beauty's first brick-and-mortar in January 2024 at THAT Concept store, UAE's most prestigious retail address, in partnership with Majid Al Futtaim. Given its elite clientele and eclectic category selection, the brand (now omni) has seen quite a good response indicating the rise of clean color in a strong beauty cohort that includes Aesop, Bader, and Sturm. We had to be creative as traditionally, trends showed that customer returns were greatest for concealer and foundation (due to the customer's inability to correctly choose their perfect shade online) and in-store experiences (swatching, beauty advisor recommendations, etc.) reaffirmed trust during purchase. Apart from physical events such as Makeup Masterclasses, retail staff training, and tester sampling programs, we added on tablets preloaded with rich educational content on the brand and products. This proved to be a good conversion tool to engage the shopper with DIY aspirational videos towards purchase. The “content and community” aspect is unique to Secret Skin, so we also leveraged our ambassador program (Secret Skin Society) where micro influencers created content at THAT to showcase that you could “try and buy” at a physical location. Our marketing campaigns included locally shot imagery on modestly clad models with diverse complexions to show inclusivity in the RMS range. This experiential, personalized strategy has appealed to the local audiences that are quite active on social media. These efforts also give us rich data on what category/shade is popular and what is slow/requires more awareness.

While you have big plans for Secret Skin as a business, it is far more than simply scaling and revenue. You are also building a social and environmental change framework. Can you share your vision for the impact you hope to create?

Secret Skin's mission from day one has been to raise the awareness of women's health and wellness through the narrative of sustainable beauty. We had envisioned an ecosystem that aligned with the Sustainable Development Goals of UAE. Today we align to #3 (Good Health & Wellbeing), #11 (Sustainable Cities & Communities), and #12 (Responsible Consumption & Production). As another example, Vision 2030 is a proactive stance by The Kingdom of Saudi Arabia (KSA) to incorporate ESG principles into the fabric of society and economy, with sustainability as a pillar. On a grassroots level, this means affecting change with every consumer at Secret Skin towards a different, conscious consumption mindset. We are seeing an encouraging response from the community in choosing alternatives to mass-produced beauty products. The basic idea is to embed “Good for your Health and that of the Environment” in their consumption patterns as a discipline.

What is next for Secret Skin?

I am excited at the prospect of launching Secret Skin brands across the region this year, so that we continue to push the beauty ecosystem with our pioneering standards and customer-centric innovations. We are preparing to enter The Kingdom to capture fast-evolving opportunities, which will add to our growth and scale. 2024 will see us partner with multiple legacy (and modern) retailers and spas across the UAE, KSA, Qatar, and Kuwait, with sights set on India in our fourth year.

PART 3 TRENDS DRIVING THE MARKET

GEN Z REDEFINING THE REGION'S CONSUMER LANDSCAPE

Gen Z has been seen as a global proponent of the consumer of tomorrow but nowhere does this sentiment ring as true as in the Middle East. While previously known as a brand-orientated luxury consumer, younger audiences bring additional nuance to the conversation.

Under-30-year-olds make up 55% of the MENA population. By comparison, this figure is 36% for the Organization for Economic Cooperation and Development (OECD) countries. Sixty-three percent of the Saudi Arabian population is under the age of 30. However, in other regions, this figure varies: Kuwait's under 30s are 38%, for example. As always, making room for regional interpretation, rather than a one-size-fits-all approach when researching the Middle East, remains crucial.



MENA DEMOGRAPHICS

55%
Under 30 yrs

Compared to 36% average for
the OECD countries

While luxury brands still perform well, a legacy name is not enough to entice this generation. Instead, they are looking for more niche brands that hold modern views in terms of social values and sustainability—at least if the evolution of the region's fashion landscape is any indication. Finding that unique item, rather than an overexposed label, is more important to these individuals who are more desiring to express individual taste than following mass waves.

Beauty companies are eager to tap into this younger consumer generation. K-beauty retailer Olive Young launched into the UAE with its in-house color cosmetics brand Wakemake in March 2023, specifically due to the region's under-30s population. In terms of the values they are looking for in consumer brands; a solely pretty face is no longer sufficient. A PwC Consumer Insights survey found that in the region, 71% of respondents bought items with eco-friendly packaging, and 74% checked for sustainability certification on product labels. Seventy-five percent of MENA consumers would buy from eco-conscious brands.

On the subject of Gen Z's purchasing habits, they are more interconnected than ever thanks to social media. Zoha Zoya, Head of Experience Design at R/GA London, explains that in the UAE and Saudi Arabia, 90% of purchases are influenced by online content. According to Lucidity Insights, in Saudi Arabia, 82% of surveyed participants across all generations were social media users while the smartphone penetration rate was 97%. The e-commerce sector in the Middle East is projected to reach \$50 billion by 2025.

Middle Eastern Gen Z and Alpha are inspiring the global conversation on fragrance with the hashtags #ArabianPerfume and #LayeringPerfume sweeping TikTok. For this generation, perfumes must encapsulate

their dreams, and storytelling is paramount. Informed by an approach to the category where tradition intertwines with modernity, they are steering trends toward fresh creative expressions.

That tech-savviness also extends to how brands can reach this audience. Metaverse and gaming activations are ripe opportunities. According to research done by the Chalhoub Group, 67% of the Saudi Arabia population (23.5 million individuals) are gamers. As of October 2022, there has been a total of \$553 million in funding in companies of the GCC region. Crypto transactions in Saudi Arabia have seen 195% year-over-year growth, and the metaverse is expected to increase Dubai's GDP by \$4 billion in the next five years. An amount of \$15 billion could be added to the GCC economies by 2030.

63%
of entrepreneurs in the
Middle East are age 35 or under

Many young people are striving to build their own businesses to be a part of the wave of change for the future. A HSBC Private Bank report across 2,800 business owners states that 63% of entrepreneurs in the Middle East are age 35 or under, the highest ratio anywhere, and the average age was 26.

Speaking to this audience requires a digital-native, multifaceted approach; one adapted to the nuances of the region rather than tapping into outdated or too simplistic narratives. However, given the large wave of influential individuals prospering in the region (now and for the future), it is worth it to grab their attention.



PART 3 TRENDS DRIVING THE MARKET

FEMALE EMPOWERMENT AND ENTREPRENEURSHIP

The history of women's rights and empowerment in the Middle East is one that is particularly pertinent, as well as presenting a more optimistic future that lies ahead.

In 2018, Saudi Arabia granted women permission to drive, and in 2020, Qatar ceased to require male guardian permission for women wishing to obtain driving licenses. In Iran, female labor market participation in 2020 was at 19%, with this expected to grow as 50% of university students are currently female.

A new wave of ambitious, courageous, and creative female minds is looking to further push for new opportunities, increased freedom, and a strong, empowered vision of Middle Eastern womanhood.



\$2.7 Trillion

A majority of STEM graduates in the Middle East are women. Increased female participation in the workforce could boost its economy by \$2.7 trillion by 2025.

- The World Economic Forum

ENABLING ENTREPRENEURS

The opportunity landscape is not linear. *Women and Entrepreneurship in MENA: The Cases of Bahrain, Lebanon, and Tunisia*, published in March 2023, states that while worldwide 34% of small and medium enterprises are female-owned, in the MENA region this figure drops to 23%. Educational access also varies throughout the region. Recent female literacy rates range from 77% in Tunisia to 93% in Bahrain.

But thanks to increased funding, government initiatives, and growing global representation, change is afoot: According to McKinsey, the number of women (currently 78 million and counting) in highly productive jobs in the Middle East could more than double by 2030. The World Economic Forum reported that a majority of STEM graduates in the Middle East are women. Increased female participation in the workforce could boost its economy by \$2.7 trillion by 2025.

The next wave of female visionaries is certainly gaining momentum as governments and ruling bodies look to enable more educational and professional access. In a Stimson study, *The Status of Women's Rights in the Middle East*—a comparative study of economic and sociopolitical status across Qatar, Oman, Iran, the UAE, and Saudi Arabia—it was revealed that more than 70% of university graduates in the Emirati region are women, and 50% of the Federal National Council are female seats. The UAE's 20 for 2020 initiative is aiming to increase female presence in the engineering sector. Organizations like Abu Dhabi Businesswomen Council and Dubai Women Establishment are further pushing their presence and influence.

Last year, women's participation in the UAE private sector saw a 23.1% increase. The region has also seen the highest level of gender parity in the Arab world. On March 4, 2024, the Ministry of Economy UAE and the European Women Association (EWA) launched the Investment Readiness Acceleration initiative to

empower female-led start-ups in the UAE. The region also committed an additional \$15 million to UN Women in June 2023 to advance gender equality worldwide.

Saudi Vision 2030, a government program launched by KSA (Kingdom of Saudi Arabia) is looking to boost the cultural, social, and economic diversity of the region and create one million jobs for women in the region. According to WealthBriefing, one in three new businesses is founded by women.

The Oman's Vision 2040 plan helped literacy rates surge to 91% and 50% enrollment, with 46% of women in the workforce. Aisha al-Kharusi notably became the CEO of Oman Investment Authority in 2016. HH Sayyida Basma Al Said, founder of Whispers of Serenity Clinic, continues to campaign for mental health and women's rights.

In Qatar, individuals such as Hessa Sultan Al Jaber, Minister of Information and Communications Technology, as well as Sheikha Moza bint Nasser, leader of the Qatar Foundation, and Sheikha Hanadi bint Nasser Al Thani, founder of the Qatar Ladies Investment Company, are increasing female presence in typically male-dominated fields.

The *GEM 2022/23 Women's Entrepreneurship Report: Challenging Bias and Stereotypes* found that the Middle East was one of the global leaders when it came to business growth desire, with one in three women expressing entrepreneurial intentions. Beauty entrepreneurs like Huda Kattan of Huda Beauty, Mona Kattan of Kayali, Hind Sebt of whind, Mouna Abbassy of Izil Beauty, Salama Mohamed of Peacefull, Sara Al-Rashed of Asteri Beauty, and Doaa Gawish of The Hair Addict are proving that success is possible. On a collective front, the UN Women's Oasis program was set up to enable women in Jordan and Syria to participate in the labor market, emerge as leaders, and confront social violence through aspects like education and community building. Since 2012, 22 centers have been built.

“We should try to always create our own homemade recipes of multiple feminisms, which should be contextualized within our own cultural, social, political, and socioeconomic realities.”



REDEFINING FEMINISM

A discussion of women’s rights isn’t possible without including the f-word: feminism. But before unpacking its nuances, one has to understand that there is no one universal standard. “We have to steer away from the whole notion of imposing some kind of preprepared, prepackaged form of Western feminism. Rather, we have to create our own homemade feminist recipe,” comments Dr. Sahar Khamis, co-editor of *Arab Women’s Activism and Socio-Political Transformation: Unfinished Gendered Revolutions*. “We should try to always create our own homemade recipes of multiple feminisms, which should be contextualized within our own cultural, social, political, and socioeconomic realities, which, of course, are different—not just between the West and the East or the Western world and the Arab world—but even within, and across, different Arab countries.

Aside from not trying to apply a one-size-fits-all approach to feminism, perhaps other facets of the conversation could also be reframed. Speaking on the hijab, perhaps one of the most significant visual signifiers in discussion worldwide, Khamis comments, “People might think, ‘Oh my god, the veil is restrictive and it’s very suppressive.’ Well, guess what? It can be very liberating, when it is your personal choice, and it can even be a symbol of resistance, when you fight for it. In other words, it could never be seen in black and white terms.” She also sees the Arab Spring of 2010 as a pivotal moment when feminism took a more grassroots form.

The voices of grassroots feminism are certainly growing louder and harder to ignore. Online female-led media platform Khateera, founded by Amanda Abou Abdallah and based in Beirut, has a name derived from the feminine form of “dangerous” in Arabic. Content includes discussions around societal issues, patriarchy,

and feminism, delivered with a satirical style and light-hearted tone. It currently has 178,000 subscribers on YouTube and 231,000 followers on Instagram, and the first season of its program garnered over 26 million views across various platforms.

In the creative realms, women from the MENA region are also making waves. Work by feminist artists from the region such as Manal Al Dowayan and Sophia Al-Maria has gained international acclaim. In 2017, the music video for pop song “Hwages” (Arab for “Concerns”) went viral, garnering over 49 million views to date. Its protagonists are skateboarding Saudi women dressed in niqabs challenging cultural norms in the Middle East through their lyrics. *AZEEMA* magazine, an online and print publication, as well as creative agency, while based in the UK, is “exploring the strength and creativity of women and nonbinary folk of the Global Majority.” Founded by photographer and Creative Director Jameela Elfaki, its content highlights fashion, art, and cultural leaders from the MENASA regions. A children’s book, *Brave and Bold*, highlighting 12 feminists from the MENA region from the 19th century onwards to present-day, was published in 2023.

NEW APPROACHES, NEW OPPORTUNITIES

The investment in female-led businesses and increasing support for social and humanitarian issues is illuminating a contemporary wave that will not only have personal impact, but also contribute to a more equal and prosperous society. There are undoubtedly still huge improvements to be made in more conservative regions, but with increased awareness through social media, these issues will hopefully become too loud to ignore. Other countries that are already investing in female entrepreneurs are showing that these minds are an unstoppable force to be reckoned with—for 2024 and beyond.

PART 3 TRENDS DRIVING THE MARKET

BEAUTY TRENDS

Beauty is defined differently across the region. Women in the UAE consider themselves trendsetters and are exposed to a large variety of brands. They use makeup to emphasize their natural Arabic beauty. In the KSA, women gain most of their inspiration from social media and focus on eye makeup to emphasize their beauty. Kuwaiti women follow trends on social media that are most relevant to them individually and are more concerned than other countries about the condition of their skin. A new definition of beauty is evolving in the region driven by a sophisticated consumer tapped into global trends.



STROBE SKIN

Highly pigmented, glowy highlighters and beauty products that highlight their sharp features have always been highly desired, with strobe skin becoming a popular makeup trend. Also known as pearl skin, the look is characterized by an iridescent, mother-of-pearl, luminous sheen on the skin. Unlike glass skin, the look is less wet and the application of products to achieve the look is more intentional. While the intention with glass skin is to make the skin look almost transparent, with pearl/strobe skin, the skin looks softer, more milky, and almost ethereal. Similar to applying highlighter which includes applying product on the cheekbones, with strobe skin, the product is blended on the apples of the cheek, along the cheekbone, and on the forehead too.

A SCULPTED GLOW

Consumers in this region are very aware of the importance of looking after their bodies in order to look and feel their best. From meticulous skincare regimes to diligent fitness routines, there is great emphasis placed on enhancing the way one looks in order to improve one's mood and physical appearance. Prioritizing self-care is deeply ingrained in the culture, owing to which practices like face yoga, lymphatic drainage, and regular facial massages are gaining much traction. These techniques not only sculpt and tone facial muscles to achieve that much-desired sculpted look, but also nurture their inner beauty. Enabling them to achieve a radiant glow that comes from within and reflects their overall positive well-being.

PEACH FUZZ

Characterized by a warm, peachy undertone, the color is gaining popularity in makeup products in the region such as eyeshadow palettes, blush, and lipsticks. As a color, peach contains nearly every color undertone, so it provides the skin with a naturally flushed glow that adds brightness and light to the face. As the warmest of all pastel shades, it instantly brightens under-eyes and helps one look awakened and fresh even when tired. By incorporating a monochromatic peach hue while applying makeup, one can easily combat hyperpigmentation, dark spots, and dark circles, owing to which it is gaining much popularity.

SHARP MIDDLE EASTERN FEATURES

Stepping away from European influences, Middle Eastern beauty consumers are on the lookout for ways to feel more connected to their roots. This includes enhancing and emphasizing their natural features in the most natural way possible. Strong Middle Eastern features are characterized by well defined, arched, dark eyebrows, chiseled jawlines, large almond shaped eyes, full lips, and a pointed chin. This can be achieved either through subtle cosmetic enhancements or strategic makeup application, if one's features are already aligned with the desirable look.

HEALTHY & HYDRATED

Being a region that is characterized by hot weather, dry air, and humidity, hydration is key and is an important factor that contributes to overall health and well-being. The combination of intense sun exposure coupled with prolonged time spent in air conditioning, leaves the body and skin depleted of natural fluids and moisture. Owing to which, consumers in this region are hypervigilant about their hydration levels and prioritize hydration as a fundamental part of their daily routines. They are aware of how insufficient hydration can contribute to poor skin health, low productivity, and a general dip in vitality. Gravitating towards products that support hydration, they choose skincare products that have moisture locking properties like hyaluronic acid, glycerin, ceramides, squalene, and humectants like aloe and moisture-retaining lipids—in addition to effective SPF's and electrolytes that ensure appropriate hydration.

MULTISCENTSORIAL

In an attempt to feel closer to their roots, consumers in the region are gravitating towards scents and fragrances that are inherently Arab. The act of applying fragrances is more than just to smell good but instead is considered an integral part of self-care and a daily ritual. With the ability to evoke emotion, spark nostalgia, and remind them of fond memories, consumers are being drawn to fragrances that remind them of their roots, childhood, and homes. Traditional Arab fragrance notes like oud, rose, and musk are being contemporized for a modern audience. Fragrance brands are innovating to provide fresh perspectives to legacy smells and scents in order to cater to a growing, cosmopolitan demographic of consumers.

CLEAN & CONSIDERED PRODUCTS

With a new-found interest and awareness of understanding where products are made, how they are made, and with what ingredients, clean beauty products are winning the hearts of Middle Eastern consumers. Gravitating towards naturally derived ingredients and products, there is a growing affinity for products that are consciously made to be as kind to the planet and skin as possible. However this desire for "clean beauty" doesn't solely involve naturally derived formulations. Instead, it begins with an emphasis on cleansing the skin and body, giving it TLC, and adopting simple yet effective daily skincare routines.

SCALP CARE

With high mineral content in the water and a hot and dry climate nearly all year round, many Middle Eastern consumers struggle with weak, easily breakable strands and hair loss. Recognizing the importance of good scalp health as the foundation for strong, healthy hair that isn't prone to breakage, consumers in the region, both men and women, are increasingly prioritizing scalp care in their haircare routines. Seeking products and treatments that are formulated to address these concerns, they are investing in scalp care, water filters, red-light therapy, and frequent hair oiling in order to combat the effects of the environmental factors and maintain healthy, shiny, hair.

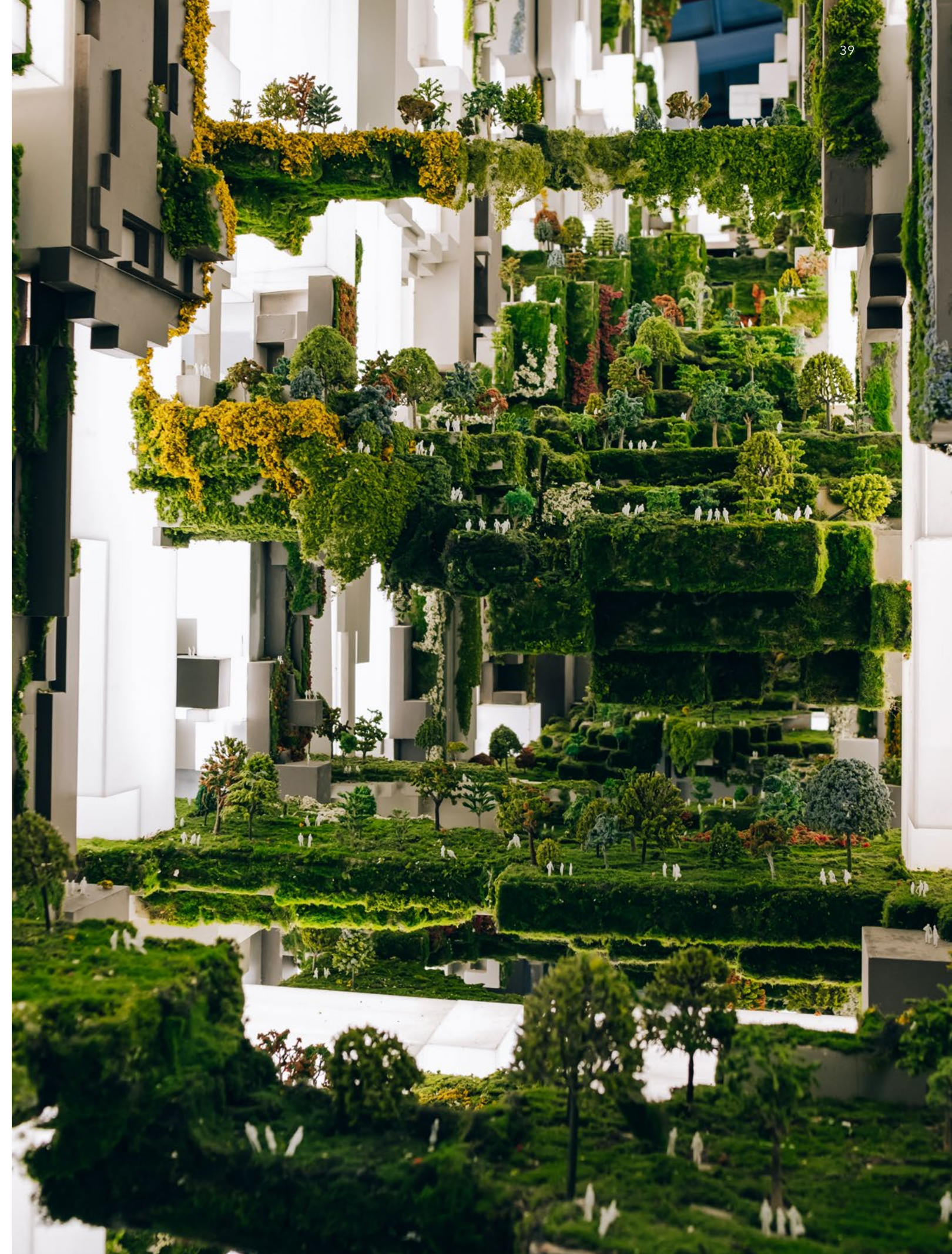
A-BEAUTY

Mirroring the success of global beauty trends like K-beauty and C-beauty, A-beauty involves marrying traditional beauty and wellness practices with technology. As consumers in the region choose to honor their traditional approaches to beauty and skincare and embrace technological advancements, A-beauty emerges as a trend that celebrates the uniqueness of Middle Eastern beauty with global influences. From argan oil and rosewater to red-light therapy, hammams, and herbal medicine, beauty in the region will draw on the wisdom of centuries-old practices with modern advancements to improve and enhance results.

SUSTAINABILITY TAKES CENTER STAGE

In a region long known as a bastion of oil wealth, a green revolution is quietly unfolding. Sustainable investment trends are gaining traction here, marking a significant shift in how the region views its economic future and environmental responsibilities. No region will evade the consequences of the climate crisis, but MENA is at severe risk, warming at twice the global average and projected to be up to 4°C warmer by 2050. Some research indicates that this threat—compounded by food security, droughts, and pollution—risks human habitability in many cities by the end of the century.

In proactive measures to mitigate the pressing global issue, some countries in the region have begun integrating climate commitments into their strategic planning. The UAE, who hosted the successful COP28 meeting in 2023 and Oman have announced a goal of net-zero by 2050, and the Saudi Green Initiative aims for net-zero by 2060. In support of these goals, ambitious programs to scale decarbonization pathways like renewables and nuclear, and to develop emerging low-carbon technologies like green hydrogen and carbon-capture and utilization systems have been initiated.



The sustainability journey for the Middle East is more than a global trend. It represents a strategic reorientation of its economic compass.

The sustainability journey for the Middle East is more than a global trend. It represents a strategic reorientation of its economic compass. The region, known for harsh climates and reliance on hydrocarbons, is redefining its legacy. Mohammed bin Rashid Al Maktoum Solar Park in the UAE is poised to be the largest single-site solar park in the world, and Saudi Arabia’s ambitious NEOM project, which includes plans for massive renewable energy installations. These initiatives aren’t just power projects. They are bold statements moving from an oil-rich past to a new renewable-rich future.

Governments are actively promoting sustainable and eco-friendly practices. The UAE, for example, has taken bold steps towards environmental sustainability with the recent ban on single-use plastic bags, effective from early 2024. As a result, consumers are following suit, seeking eco-friendly formulations, sustainable packaging, and stress-relieving fragrances tailored to regional preferences. Brands prioritizing eco-friendly products and aligning with these evolving consumer trends are poised to capitalize on this evolving opportunity.

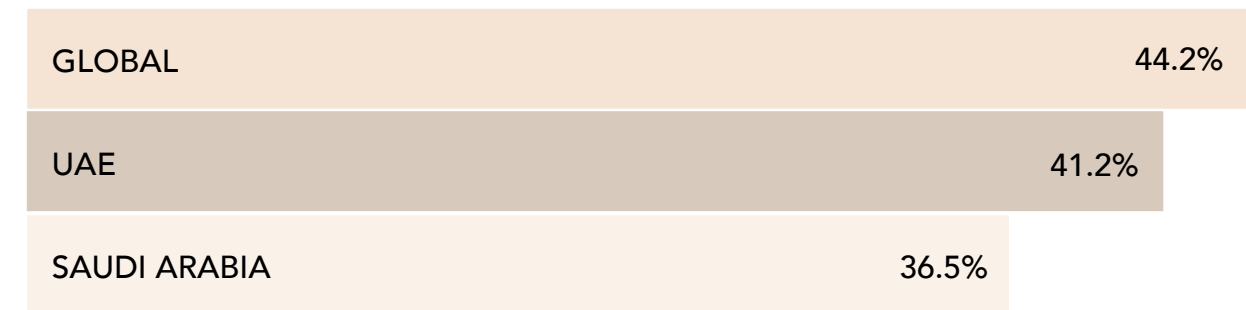
Flyn Roberts, Chief Commercial Officer at Messe Frankfurt Middle East, organizer of Beautyworld in the UAE and Saudi Arabia, said, “With a more thoughtful approach to purchasing, the conscious consumer is taking a closer look at a brand’s values and actions in order to make informed and responsible choices. With this important and clear demand, the evolution of our own show segment sits alongside the innovation within the sector and the sheer array of new products, services, and opportunities that the consumer demand has created.”

According to Euromonitor research, 41% of UAE consumers express their commitment to reducing energy consumption and opting for more energy-efficient products as part of their pursuit of sustainable living, aligning closely with the sentiment of 36.5% of consumers in Saudi Arabia.

“The clean beauty market has become a fast-growing category and is redefining the beauty industry in the region. Consumers have grown more conscious of their skincare and overall well-being and are opting for “greener” and “safer” products,” said David Vercruysse, President of Managed Companies Vertical at Chalhoub Group.

GREEN ACTIVITIES AND SUSTAINABLE CONSUMPTION

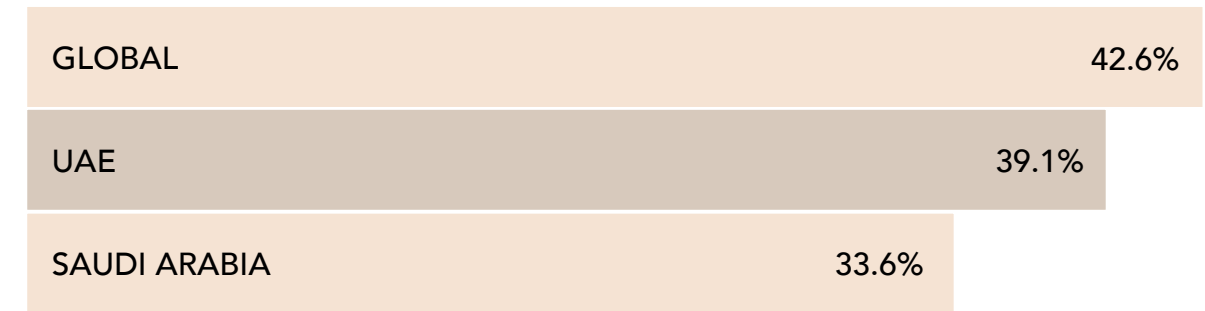
Reduce my energy consumption/use more energy-efficient products



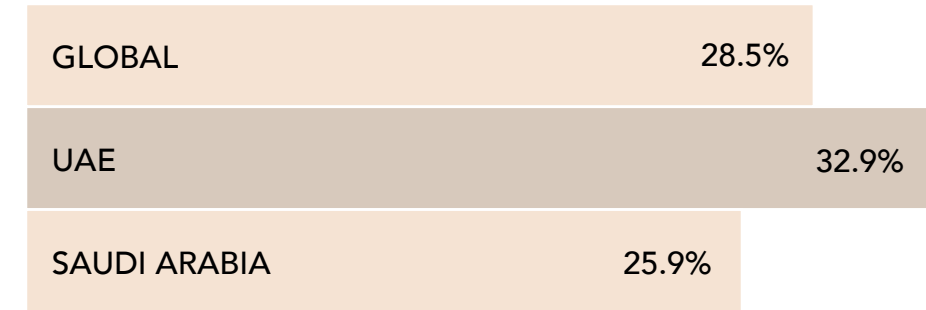
Use less water



Use sustainable packaging (refillable, recyclable, biodegradable, or compostable)



Buy sustainably produced items



PART 4

INFLUENCERS AND INFLUENCING FACTORS

TOP INFLUENCERS IN THE REGION

TOP REGIONAL INFLUENCERS
BY SECTOR

REGIONAL CONTEXT IN
FORMULATION & MARKETING CLAIMS

THE CONNECTION BETWEEN
INDIA AND THE UAE

TOP INFLUENCERS IN THE REGION

Karen Wazen @karenwazen

Instagram 8.2M / TikTok 4.4M

Jwana Karim @jwanagram

Instagram 4.2M

Yara Bou Monsef @yaraboumonsef

Instagram 1.5M / TikTok 1.9M

Deema Al Asadi @deemaalasadi

Instagram 1.1M

Rozzah @rozzah

Instagram 5.4M / YouTube / TikTok 2.4M

Darin Al Bayed @darin00013

Instagram 4.1M

Yalda Golsharifi @ygalsharifi

Instagram 1.1M

Deema Al Asadi @deemaalasadi

Instagram 1.1M

Mariam Rod @mariam

Instagram 1.1M

Nada Baeshen @nadabaeshen

Instagram 710K

Farhana Bodi @farhanabodi

Instagram 2.8M

LJ Loujain Adada @loujainaj

Instagram 1M

Zeina Khoury @thezeinakhoury

Instagram 978K

Danya FM Almulla @thedivadee

Instagram 946K

Nipun Kaur Sohal @nipunkapur

Instagram 902K / YouTube 477K / TikTok 212K

Alizey Mirza @Al1zey

Instagram 253K

Rosemin @roseminsworld

Instagram 201K

Yara Ayoob @yarziezz

Instagram 255K / TikTok 237K

Jumana Abubaker @jumanajumana

Instagram 263K

Roma Abdessealam @therealsahd

Instagram 172K / TikTok 660K

Khadija Hallouty @khkiddo

Instagram 229K

TOP REGIONAL INFLUENCERS BY SECTOR

FRAGRANCE

Demi Rawling @demi.rawling

Instagram 70.5K / YouTube 337K / TikTok 134.4K

Curly Fragrance @Curlyfragrance

Instagram 137K / YouTube 379K / TikTok 203.7K

Mona Kattan @monakattan

Instagram 3.4M / YouTube 105K / TikTok 677K

Yusuf Bhai @yusufbhaiperfumer

Instagram 2.9M / TikTok 281.8K

Yasser Saleh @yassersalahaalem

Instagram 163K / YouTube 2.88K / TikTok 207K

BEAUTY

Joelle Mardinan @joellemardinian

Instagram 21.8M / YouTube 252K / TikTok 559.9K

Elnaz Golrokh @elnaz_golrokh

Instagram 8.2M / YouTube 45.3K / TikTok 509K

Samer Khouzami @samerkhouzami

Instagram 3.1M / YouTube 329K / TikTok 901K

Dalal Al Doub @dalalid

Instagram 3.2M / YouTube 892K / TikTok 518.8K

Salama Mohammed @salamamohamed

Instagram 1.5M / YouTube 95.8K / TikTok 176.5K

Huda Kattan @huda

Instagram 4.2M / YouTube 4.1M / TikTok 350K

Hamza Slim @bouba

Instagram 1M

Sonia @soniafyza

Instagram 1.5M / YouTube 20.4K / TikTok 19.4K

PART 3 INFLUENCERS AND INFLUENCING FACTORS

REGIONAL CONTEXT IN FORMULATION & MARKETING CLAIMS

The Middle East is one of the oldest regions in the world that uses raw materials in beauty recipes and rituals—from the Babylonians in Iraq who used perfumed ointments and incense, to the ancient Egyptians who used creams and preservatives. Today niche brands feature local ingredients to celebrate the authenticity and heritage.

“In the Middle East, consumers seek brands that value and use local resources, preserve indigenous traditions, and support local economies with 79% of Saudi Arabian consumers agreeing that heritage is an important part of their identity,” Jane Henderson, Chair of Beauty and Wellness at the Mintel Group shared. “Local ingredients often offer unique and distinctive qualities, contributing to a more authentic and memorable product experience, which of course promotes repeat purchases.”

When launching in the Middle East or developing products specifically for the market, success requires considering the region’s unique cultural preferences, climate conditions, and beauty standards. The trends and consumer behavior are not a monolith. Recognizing the diversity within this market is crucial; consumer needs can vary widely across different countries and communities within the Middle East.



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CLIMATE & WEATHER

The harsh and dry weather conditions of the region pose many challenges for consumers, owing to which beauty formulations that combat extreme dryness, protect against intense sun exposure, and address the high mineral content in water are essential. With most consumers in the region, battling constant dehydration, skin irritation, and brittle hair, beauty products must prioritize effective hydration, sun protection, scalp nourishment and waterproof, long-lasting makeup in order to thrive. Additionally, prolonged exposure to air conditioning strips the skin of natural oils and moisture and exacerbates dryness, as well as leaving the hair brittle and more susceptible to hair loss. Consumers gravitate towards formulations that are rich in hyaluronic acid, glycerin, and ceramides that have moisture-locking properties and are able to restore, rebalance, and assist the skin's natural protective barrier. Humectant serums, nourishing hair oils, and gentle cleaners are also highly favored as well as hydrating lip balms and masks. In order to effectively combat these issues that are unique to the region, brands must tailor their beauty products to the environment and offer resilience against the challenging weather conditions.

DIVERSITY & INCLUSION

The Middle East is a melting pot of cultures and communities, therefore it is important that all marketing and communication reflects this diversity. Diversity and inclusion, specifically in terms of skin tones and varying ethnicities, is paramount to effectively engage with a diverse range of consumers who call the Middle East home—all of whom are looking to find their place in the region and want to be recognized and appreciated as valued members of the community.

RELIGIOUS FESTIVALS & IMPORTANT DATES

Religion still plays a significant role in consumer behavior and buying patterns in the region. It is crucial for beauty brands to keep these important days and religious festivals in mind when planning marketing and advertising campaigns. For instance, in the holy month of Ramadan, all practicing Muslims observe a fast from sunrise to sunset and engage in reflection, family, and community gatherings. Spending and shopping also significantly increases during this season. Most brands and retailers also offer special Ramadan discounts to reward consumers for fasting and honor the festive season.

MODESTY & RESPECT FOR CULTURAL NORMS

The Middle East has conservative values and norms. While this is changing as it becomes increasingly cosmopolitan, it is still important to be sensitive to cultural norms relating to modesty while marketing beauty products. Images that showcase women in revealing clothing or overly sexualized are not appreciated and could impact the appeal of the brand and product.

Brands that connect to local and cultural touchpoints are more likely to resonate with customers. While significantly influenced by the West, Arabic is still widely spoken and all branding and written communication should be also available in local languages to appeal with a larger demographic. Doing this not only showcases the brand's commitment to supporting consumers in the region but also pays respect to the local culture.

SUSTAINABILITY

As the climate crisis worsens, Middle Eastern consumers are increasingly becoming concerned about water preservation, pollution, and waste management. Brands and marketers now bear the responsibility of assisting their consumers in living more sustainably. Initiatives like removing single-use plastic, adopting circular business practices through water recycling, and zero-waste strategies are all gaining traction. According to a Kantar report, nonrecyclable packaging ranks as the top consumer concern in the beauty and cosmetics industry in the region. The intention is thus for brands in the region to remain as green and profitable as possible. This involves transitioning to eco-friendly packaging, minimizing waste wherever possible, offering user friendly alternatives to extend product life cycles, and being clear and transparent when communicating their eco-efforts to their consumers.

HALAL

Halal cosmetics can be defined as cosmetic products that do not contain ingredients derived from pork or alcohol. Muslim women often look out for Halal products—whether it's something they consume or use. Halal, a term which means "permissible" in Arabic, denotes that a product is manufactured with ingredients that are in accordance to Islamic law. Halal products are free from animals, alcohol, and carmine, meaning these products are usually vegan and cruelty-free as well. A product certified as vegan is therefore considered to be more attractive in the Middle East.

The gap between halal beauty and natural cosmetics is narrowing; brands that integrate natural and vegan ingredients are by default inherently halal.

THE CONNECTION BETWEEN INDIA AND THE UAE

With geographical proximity, cultural affinity, and relations dating back to the 1970s, India and the United Arab Emirates (UAE) have historically had close ties, but relations have significantly deepened in recent years.

India and UAE bilateral trade represented \$84.84 billion during 2022-2023. After the US and China, UAE became India's third largest trading partner and India's second-largest export destination.

Affluent Indians have a new address—a shiny, urban, concrete jungle called Dubai. Geographically positioned perfectly to act as a bridge between their original homes and the rest of the world, Dubai is quickly becoming a haven for Indians seeking aspirations for a luxurious life. A community of 3.3 million Indians represents the largest expat community in the UAE, and the Indian diaspora is growing at a rate of 10.7% annually.

It's no surprise that India's favorite homegrown beauty brands are also looking to spread their wings and establish a foothold in this vibrant market. Omnichannel beauty platform, Nykaa, is the most recent beauty business jumping on the UAE expansion bandwagon.





NYSAA, NYKAA'S NEW UAE ARM

Already a market leader in India, the retailer has its eyes firmly set on the UAE for its next phase of expansion. The brand entered a joint venture with the GCC-based Apparel Group last year, with Nykaa holding a majority stake of 55%, while Apparel Group owns the remaining 45%. The entity secured \$2.5 million from its UAE partner, Nessa International (Nysaa Beauty LLC), to expedite expansion in the UAE.

Together, they've launched a novel omnichannel retail concept named Nysaa for the market. The innovative beauty concept seamlessly blends in-store engagement with digital gratification, resonating with the needs and preferences of the modern beauty consumer in a way that feels authentic and accessible. A rollout plan of 100 stores across the GCC over the next five years while developing a strong online presence has the potential to redefine the beauty landscape across the GCC.

Commenting on this significant moment, founder and CEO Falguni Nayar said, "Nysaa's first store in Dubai marks a significant milestone in our international foray. Our partnership with Apparel Group is a powerful collaboration of Nykaa's beauty leadership in India and their retail expertise in the GCC region. Having garnered tremendous love and trust among Indian consumers for more than a decade, we are looking forward to recreating an exceptional beauty shopping experience, online and offline, for the discerning consumers of the GCC."

The first Nysaa store, which opened this year in Dubai's Mirdif City Centre Shopping Mall, boasts a premium selection of international, Indian-born, and local brands. Spanning 2,436 square feet, the retail concept focuses on an immersive, personalized in-store experience with knowledgeable beauty advisors on hand and available to assist customers. Additionally, the store invites content creators and customers to create engaging content for social media using Nysaa's products in the eponymous Nysaa Content Creation booth, further enhancing the interactive in-store shopping experience.

With an estimated 24.1% of the total revenue in the UAE beauty and personal care market expected to come from online sales, Nysaa's e-commerce first model aligns well with the market trends. Expansion to the UAE allows it to not only further accelerate the presence of other Indian brands in the GCC region but also allows Nykaa to tap into the growing online consumer market in the UAE to strengthen its overall position as a beauty leader globally.

INDIA'S EVOLVING RELATIONSHIP WITH THE UAE

With a significant Indian expatriate community, exponentially growing purchasing power, and access to new opportunities that far surpass those available in India, Nykaa's expansion to the UAE signifies a deeper connection between the two regions. Historically, Indian brands have leveraged their entry into the Middle East to gain access to new customers with familiar ethnicities, wide international networks, and access to new collaboration opportunities.

However, in recent years, the market has not only emerged as an important pillar in India's outreach to the Gulf region as a whole but has also become a region that provides seamless transition and expansion opportunities for Indian brands across various industries.

By capitalizing on cultural sensitivities and the consumer demand for trusted brands, expansion to the UAE—especially Dubai—appears almost organic and natural for Indian brands. With ease of access and an existing customer base of clients already familiar with the brands, expansion to the UAE provides the perfect segue for Indian brands in their overarching "going global" strategy.

As the allure of obtaining a Golden Visa in Dubai increasingly attracts more Indian consumers to establish businesses in the UAE, Dubai is becoming a magnet for affluent Indians seeking respite from the inefficiencies of financial restrictions in India. By offering an attractive tax-free personal income scheme, Dubai provides a lucrative opportunity for individuals to diversify their financial portfolios and reap the benefits of economic freedom.

WHAT MAKES THE UAE AN ATTRACTIVE MARKET FOR INDIAN BRANDS?

Nykaa's ambitious UAE expansion underscores the vibrant prospects that the market offers to Indian and global brands at large. Serving as a bridge between cultures, countries, and beauty ideals, Nykaa's strategic decision reflects the evolving landscape of beauty without borders.

Acting as a conduit between East and West, the UAE and Dubai, in particular, will retain its status as a prime hub for international trade and commerce, providing beauty brands from all over the world access to thrive in this flourishing market. Furthermore, the UAE's strategic location makes it the perfect springboard for brands looking to enter new emerging markets such as Africa.

PART 5

REGIONAL BRANDSCAPE

LOCAL BRANDS TO WATCH

ASTERI: BREAKING SAUDI ARABIAN
BEAUTY STEREOTYPES

REGIONAL BRANDS COMPETING
WITH INTERNATIONALS

AMOUAGE: WHERE LEGACY MEETS
MODERNITY

PART 5 REGIONAL BRANDSCAPE

LOCAL BRANDS TO WATCH

Middle Eastern brands founded by Arab influencers and makeup artists continue to proliferate in the market, while start-ups like Asteri are challenging regional stereotypes, and local brands like Amouage and Huda Beauty are playing on the international stage. The rise of beauty brands created by Arab women, for Arab women, is representative of a new wave of creative female entrepreneurs embracing increased freedom and an empowered vision of Middle Eastern womanhood. These dynamics have global beauty conglomerates and investors scouting the region for the next breakthrough brand.



PEACEFULL

Launched: 2021 - UAE

Founded by Emirati influencer, Salama Mohamed, Peacefull was born out of Salama's personal journey of not being able to find clean, effective, results-driven skincare products in the region. A vitiligo sufferer, she spent years formulating the perfect products for sensitive skin. All Peacefull products are backed by K-beauty and halal.

YASKIN NATURAL

Launched: 2021 - UAE

Founded by Kuwaiti-Palestinian born, Yasmeena Khalil, Yaskin Natural was born out of her own struggle to have a clear, radiant complexion. The hand-blended range of botanical products draw on the wisdom of ancient rituals and techniques to offer luxurious skincare essentials.

BARKHA BEAUTY

Launched: 2018 - UAE

Barkha Beauty was founded by Dubai-based Indian Barkha Shewakramani. The brand offers a makeup range catering to diverse skin tones. The philosophy of the brand is to offer a high range of quality beauty products that are pocket friendly.

MARIAM EM

Launched: 2022 - UAE

Founded by Mariam Almazrouei, Mariam Em was born with the intention to create holistic beauty and wellness rituals. The brand offers a collection of clean face, body, and haircare products that hero the ancient Arabic ingredient Ziziphus spina-christi, more commonly known as Sidr. The cherished botanical is renowned for its incredible healing properties in beauty and medicine.

GLOSSY MAKEUP

Launched: 2016 - UAE

Launched by Dubai-English Egyptian makeup artist Natasha Zaki, Glossy Makeup is best known for its cruelty-free eyelashes and makeup brushes.

ASTERI

Launched 2023 - Saudi Arabia

Founded by Sara Alrashed, Asteri is a Saudi Arabian beauty brand that aims to celebrate and empower Arab women. The clean, cruelty-free, vegan makeup brand prides itself on its high-quality products and densely pigmented formulas that are "desert-proof."

HAN MAKEUP

Launched: 2015 - Saudi Arabia

HAN Makeup is a Saudi company founded by Hessa AlAjaji, a professional makeup artist. The brand offers premium quality makeup brushes and products for women of all ages.

SHIFFA BEAUTY

Launched: 2004 - UAE

Founded by Emirati businesswoman, Lamees Hamdan, Shiffa Beauty is a pregnancy friendly, luxury, organic skincare brand. The brand offers highly effective face and bodycare that combines potent natural ingredients with advanced skincare science to heal the skin from within.

IZIL BEAUTY

Launched: 2012 - UAE

Founded by Mouna Abbassy, Izil Beauty draws on her Moroccan roots and offers natural products made from the finest ingredients. The brand opened its first flagship store and spa in Dubai Mall in 2020 to give customers a chance to engage with their products in an immersive way.

MOONGLAZE

Launched: 2024 - Saudi Arabia

Founded by Saudi influencer and former makeup artist, Yara Alnamah, Moonglaze is a makeup brand that draws on Yara Alnamah's signature glowy looks. The brand recently launched with two signature highlighters and a multipurpose brush that sold soon after launch.

SKIN STORY

Launched: 2021 - UAE

Founded by sister duo Nidhi and Rashi Sethi, Skin Story is a Dubai-based clean makeup brand that is designed for makeup enthusiasts who are seeking out nontoxic, versatile everyday makeup products.

MUSC

Launched: 2024 - UAE

Founded by Fatema Alghfeli, MUSC is a bodycare brand that is handmade in the UAE. Formulated with natural ingredients, the small-batch, homegrown bodycare line features a range of body scrubs, polishes, and oils.

K7L COSMETICS

Launched: 2003 - Kuwait

Founded by Areej Sultan Al-Essa, K7L is a comprehensive makeup brand that caters to Arab women. Specially formulated for women living in Arabia, the 500-strong product line caters to Arab-specific concerns like anti-humidity, waterproof, antioxidant rich, and skin protection.

ARCADIA

Launched: 2015 - UAE

Arcadia is a niche perfumery born in Dubai. Founded by Amna Al Habtoor, the brand offers exclusive fragrances that are inspired by the city's rich cultural heritage and cosmopolitan environment. Arcadia focuses on evoking a feeling of nostalgia through its luxurious scents.

JUANA

Launched: 2021 - UAE

JUANA is the first CBD-based skincare brand in the region. Launched by Juana Martini and her son Yann, the brand is championing the healing properties of CBD through its cruelty-free, clean skincare brand that combines high-potency CBD with naturally effective botanicals, designed to rebalance and de-stress the skin.

YOME NATURAL CARE

Launched: 2019 - Oman

Founded by Sama Al Mahruqi, Yome Natural Care is an Oman-inspired natural skincare brand that is enriched with the finest indigenous Omani ingredients.

GLOSSIC

Launched: 2023 - UAE

Founded by Sahar Zarghamian, Glossic is a vegan, cruelty-free, natural beauty brand with a mission to empower women to look good, feel good, and "sparkle." Powered by Sahar's love for nature, Glossic offers high-quality, budget-friendly makeup and bodycare products that are designed to make women feel incredible in their own skin.

GREEN BAR

Launched: 2012 - Bahrain

Founded on the island of Bahrain, Green Bar's natural beauty products draw inspiration from age-old Middle Eastern practices that founder, Reem Al Khalifa grew up learning. Its range of face, body, and spa experiences are designed to share and rediscover the Arabian peninsula's healing powers.

BASSAM FATTOUH COSMETICS

Launched: 2010 - Lebanon

Bassam Fattouh is a Lebanese makeup brand founded by one of the most renowned and globally recognized makeup artists, Bassam Fattouh. The brand offers a range of makeup products that are tailored specifically to Middle Eastern women.

THE COMPANY IS CERTAINLY HELPING TO FORTIFY THAT COSMETIC COSMOS, NOT ONLY BECAUSE OF THE "SISTERS UNDER THE STARS."

The Middle East beauty landscape is rich in culture and history, yet when it has come to its representation in beauty outside of its own borders, imagery is often one-sided: kajal-lined eyes; long, long, thick hair; strongly defined brows.

Cosmetics brand Asteri is looking to celebrate and uplift the beauty of the Saudi Arabia region in all its modern glory. Commenting on the beauty landscape of the region, Asteri founder Sara Al Rashed notes, "On a local level it's very small; we have every international brand you can imagine, but we don't have a local beauty brand scene. We have a lot of local salons, spas, and services but very minimal products. Production locally is limited to perfumes, and we have some body-care brands arising but not makeup. I hope that the scene will get bigger [in the future]." The company is certainly helping to fortify that cosmetic cosmos, not only because of the "sisters under the stars" motto informing it.

Al Rashed grew up with the transformative power of beauty alongside her other two siblings, highlighting one of their weddings at six years old as a memorable beauty moment. "My idea of a modern tribe or sisterhood is like looking at the stars—if you get closer to them, they all look different, but from a distance, they

become brighter as a collective," she stated upon the launch of the brand. That sisterhood is even reflected in products like the HERizon Eye Liner or the Legacy Lipstick, the shades of which are all named after important women in the founder's life.

Given the extreme weather of the region—summer months see the temperature hover around 98°F on average, with temperatures plummeting in the evening and a dry and intensely sunny climate—formulas are made with protective skincare properties and high-performance color that is weatherproof, designed for a diverse range of skin types and colors. That includes the Arabian Sun Bronzer, which is infused with vegetable squalene to moisturize the skin, the all-day wearing and smudge-proof Supermassive Kohl, and Cipher Pressed Powder, a translucent and breathable setting powder.

The formulas are also vegan and developed to clean beauty standards. On the packaging front, lipsticks and brow pencils are refillable to reduce waste, and over half of the brand's units contain post-consumer recycled materials. Aside from the striking green components for its lipsticks, other colors resemble the different hues of a desert sunset: peach, gold, and pink. Tattoos of the Bedouin tribes inform its iconography,



while the “sisters under the stars” brand motif, inspired by decorative calligraphic Arabic art, is engraved into powder products. Its logo pairs Roman and Arabic character forms.

Part of creating that image is the London-based brand innovation studio Dalziel & Pow. “This is a brave brand with a maximalist, fun, and spirited character,” Sarah Fairhurst, Creative Director at Dalziel & Pow, states. “Working closely with Sara and the Asteri team, it was apparent that there is so much richness and creativity in Saudi Arabian culture that can sometimes be overlooked and misunderstood. This was a unique opportunity to be able to shine a light, discover, reveal, and to tell stories that have previously been untold. We created a brand identity that ‘lets the light shine.’”

Helping to let that light shine was not only avoiding clichés and expected codes of Arabic heritage and luxury beauty, Fairhurst notes, but also finding a brand that has appeal with a local and worldwide audience, thanks to “a palette of culturally authentic brand assets, grounded in Saudi Arabia, proud to live on the global stage.” Al Rashed adds that it was important “to represent women and our culture in a modern and global way.”

Speaking on their collaborative process, Fairhurst explains, “Being guided by our North Star ‘sisters under the stars’ meant we shared the same vision from day one. There was a ‘more is more’ approach so every new story or reference just added to the richness and depth of the brand. Every brand asset and story was guided with care by Sara and her local team of sisters, to ensure that what we creatively delivered together is a brand toolkit for a diverse audience.”

A former interior architect, Al Rashed’s background has been a benefit to her work as a brand founder. “It helped a lot in the product design, manufacturing, the brand identity, and architecture too,” she comments. The architecture in question includes a recent pop-up in Riyadh Park. Inspired by the concept of a star falling to earth, the structure contained reflective mirror panels and shades of emerald green, beige, and azure blue. Rather than dipping its toes in with one or two SKUs, the brand launched with an entire range (20 products in total). “I wanted to present a full face to the client and the opportunity to choose what they like. We are aiming to grow, so a single-SKU approach wouldn’t have worked with us,” Al Rashed comments.

The company is currently DTC, including stand-alone physical spaces. “Our focus right now is to make sure we are delivering the right message to our clients, so we are focusing on DTC to make sure we have control over the narrative,” Al Rashed states. Asteri will also soon set its sights beyond the Middle East, with an international expansion strategy underway. True to its mantra “Born in Arabia. Raised to Take on the World,” it looks like Asteri could be the new leading voice of A-beauty.

The brand has opened three flagship brick-and-mortar stores. The Riyadh outpost was inspired by the mystic vibes of the desert, Jeddah inspired by the colors of the sea, and Dhahran by the natural pearls from the waters of the Arabian Gulf.

REGIONAL BRANDS COMPETING WITH INTERNATIONALS

HUDA BEAUTY

Launched: 2013 - UAE

Founder: Huda Kattan

Born in Dubai, Huda Beauty was built off the super influencer's huge Instagram following with her sisters, Mona and Alya Kattan, and her husband, Christopher Goncalo. The business has also served as a platform to launch several sub-brands. In 2017, TSG partners invested in the business that was once valued at \$1.25 billion.

BY MINA AL SHEIKHLY

Launched: 2020 - UAE

Founder: Mina Al Sheikhly

Founded by Emirati/Iraqi lifestyle blogger, Mina Al Sheikhly, the interior-designer-turned-makeup-entrepreneur brand draws inspiration from interior design to provide a luxurious range of mascaras, eyelashes, and brow products. Produced and formulated in Italy and headquartered in Dubai, the products are made with natural ingredients and designed to nourish, lengthen, and elevate lashes and brows.

KAYALI

Launched: 2018 - UAE

Founder: Mona Kattan

Mona Kattan has always had a fascination for fragrances, so after building and growing Huda Beauty with her sister, she launched Kayali, her own fragrance brand. Kayali, which translates to "imagination" in Arabic, features a captivating range of fragrances formulated in France.

CAMEL SOAP FACTORY

Launched: 2011 - UAE

Founder: Stevi Lawmass

The Camel Soap Factory is a Dubai-based manufacturer of natural skincare products handcrafted with locally sourced camel milk and frankincense. Inspired by a trip to a soap factory in Australia, Stevi Lawmass realized that most gifts were not made in the UAE, and she wanted to create natural products that celebrate the culture of Dubai and give people something they can carry home with them.

CTZN COSMETICS

Launched: 2019 - UAE/US

Founder: Aleena, Aleezeh, and Naseeha Khan

Founded by three Pakistani sisters, CTZN Cosmetics is a makeup and cosmetics brand that champions inclusivity and cultural awareness. The brand offers a range of cruelty-free, vegan, and sustainable makeup that aims to empower Asian and Middle Eastern makeup consumers. All its products are made in Europe, and the three founders live in Dubai.

AMOUAGE

Launched: 2006 - Oman

Founder: Prince Sayyid Hamad bin Hamoud Al Busaidi

Founded in the Sultanate of Oman, Amouage is a fragrance brand that has redefined the art of Arabian perfumery and garnered a reputation for being one of the most loved internationally recognized fragrance brands.

HINDASH COSMETICS

Launched: 2021 - UAE

Founder: Mohamed Hindash

Founded by YouTuber and makeup artist Mohamed Hindash, Hindash Cosmetics is a multipurpose makeup brand. An artist turned celebrity makeup artist, Mohamed Hindash's eponymous makeup line blends art, innovative formulations, and fresh textures to cater to diverse skin tones and textures.

AROOPA BEAUTY

Launched: 2023 - UAE/UK

Founder: Arooba Anwar

Arooba is a makeup brand that was founded in the UAE and made in the UK. The brand's mission is clean, cruelty-free, vegan makeup that celebrates authenticity and empowers the wearer. Its flagship line includes a range of eyeshadow palettes in innovative, lightweight, long-lasting formulas.

AMOUAGE

WHERE LEGACY MEETS MODERNITY

“WE ARE ON A QUEST TO DEFINE THE NEW LUXURY BEAUTY. WE WANT TO BRING SOME MAGIC BACK INTO THE CATEGORY.”

Marco Parsiegla, Chief Executive Officer of Amouage, reflects on a sunny afternoon in Muscat, Oman, the company's headquarters and also the site of its in-house fragrance production. Perfume is, by its very nature, a thing of magic. It's a collision of materials—be they synthetic, natural, or bioengineered—in a beaker. Sometimes the act is more calculated, other times more impulsive, but the final end result finds its way to a blotter at the nose's (or consumer's) discretion.

But Amouage's take on said sorcery, that chemical alchemy, is a love letter to craftsmanship. Born in 1983 on the insistence of Qaboos Bin Said, the Sultan of Oman, to spread the “The Gift of Kings,” or gifts of Oman, to the wider world, the company began in the hands of Prince Sayyid Hamad bin Hamoud al bu Said.

“From the very beginning, Oman has always described itself as the door to the world, and so it was also with Amouage from the very beginning,” Parsiegla says.

The name Amouage marries the French word “amour” (love) with Arabic *أمواج* (pronounced mawja), which means wave. “That wave of emotions is still there today,” he adds. Describing the evolution of the business as a seeding phase in the early '80s to international growth over the last 20 years, Parsiegla sees its next chapter as the “bloom” stage. “It's going back to the roots. We took a decision to actually take more inspiration back from Oman and bring them to the world,” he explains.

In its 40th anniversary year, reported annual growth reaching +24%, is driven by Amouage's strongest performing markets Oman, UAE, United States, and China, which together account for over 40% of the total revenue. Retail sales in European markets increased by over 39%, the Asia-Pacific region achieved 28% growth, while Americas marked a growth of over 21%. In the GCC region,





sales in Oman grew by 33% and in the UAE sales increased over 30%. The brand's website also saw revenue grow by over 31%.

Reflecting on the drivers for this growth, Parsiegla pinpoints four pillars: the creative power of its creations, geographic expansion, a communication-earned online strategy, and agility, in part due to their fully integrated value stream. "We see ourselves much more like a manufacturer than a big producer. This is coming with an entrepreneurial setup in mind: risk taking and seizing the opportunities there are in the marketplace," he proclaims.

From the onset, the brand hoped to fuse craftsmanship and an admiration of Omani materials, especially frankincense, rock rose, and ambergris, with Western sensibilities. While the general modus operandi of the industry has been that certain regions will favor specific types of scents—oud-heavy fragrances in the Middle East, sweeter fragrances in the West, lightweight formulations in the East—Amouage's track record shows a vastly different perspective. "We're actually seeing a little bit of the opposite," Parsiegla states. Silver Oud, a potent woody leather scent, was originally launched with intent for the Middle East market, but resonated so well that the brand rolled it out globally. The Renaissance Collection, a "more contemporary take," was received well in the Middle East, while best-sellers in China are Memoir and Epic, aromatic leather and woody amber creations. The key takeaway? Craft fragrances in line with your creative vision, rather than preconceived and partially outdated consumer taste references.

"A growing market presence can carry some risks when it comes to the creative vision for Amouage as it might be tempting to become ubiquitous and think that we need to adopt a more mainstream language when it comes to our identity," Renaud Salmon, Chief Creative Officer remarks, "I actually pushed the creative direction in the opposite direction: as we get exposed to

more clients, I believe that it is crucial to reinforce the house essence and stand for something very unique and simple to appreciate in the perfume industry. A consistency in our creation philosophy. Every day, I strive to stay committed to what we are doing and not what others are doing."

Take for instance the company's range of Attars, a format of 100% pure oil fragrance native to the Middle East, the use of which dates back to ancient India. In the hands of Salmon and Parsiegla, blended with the modern palette in mind and presented in sleek, modern dropper bottles, they have become one of the brand's bestsellers, as have the Exceptional Extractions with industry-leading concentrations of 45-56%. For reference, usual concentration levels lie around 15-20% for an eau de parfum or 20-30% for an extract. The maturation process is more akin to whiskey or wine production rather than the mass operations of the mainstream fragrance industry, with eight weeks of maturation and 16 weeks of maceration. Getting global clearance for the Attars took two years of effort, given the restrictions on levels of raw material concentrations and shipping regulations.

"It all starts with the product, the creation, and the art. We actually overinvest in our products, starting from the ingredients. Our strategy and objective is to become the leader in the luxurious long-lasting fragrances category," Parsiegla states. It's no coincidence that one of their most well-known fragrances, Interlude for Man, is nicknamed "The Blue Beast." For Interlude 53, the duo took the bestseller and pumped up its concentration to 53%. "We were actually quite surprised with the journey ourselves. When we started experimenting and dialed up the concentration, working with the perfumer Pierre Negrin, it actually became more round through the longer maturation process," Parsiegla recalls. "In the consumer reaction, Interlude lovers and connoisseurs upgraded Interlude 53, but very importantly, it pulled new consumers in as well."

Such dedication to the art of perfumery comes at a price—the Exceptional Extraits start at \$430 for 50ml, Attars start at \$540 for 12ml, while the starting price for its main line eau de parfums is \$265 for 50ml—but the Amouage team reports a 25% higher spend per item among its customers. It's indicative of the booming prestige fragrance category with its global value is set to reach over \$19 billion by 2026.

\$19 Billion

The expected size of the prestige fragrance market by 2026

For Amouage, clearly, the luxury is in the details. As Salmon states, "Modern luxury is a luxury aware of time and circumstances. Today, it is a luxury that reveals the house's sincerity: a careful and thoughtful approach of creation and of the relationship with its clients, thus defying the recent trend of overshadowing the actual perfumes and interactions with entertainment marketing. A modern luxury client does not expect brand names to be the singular defining standard of quality."

It's not just inside the bottle where the magic happens. Amouage's retail presence is an equal display of beauty, currently available across 80 countries, 14 stand-alone boutiques, and 1,000 retail outlets. Parsiegla states that 80% of sales are still in physical stores. In a time where most brands might be shunning physical retail for the ease of online, the company opened its luxurious flagship boutique in Muscat at the Mall of Oman. "We had lots of debates around that. We see ourselves as an experience business. The more senses you have in an experience, the more touch points, the better. Whereas retail in the past was much

more transactional, now it is about an immersion place into the brand itself," he says.

Created in collaboration with Héroïne design agency, the space was inspired by an eclipse in the Omani desert. At the center of the store is a white orb, split through in the middle with a gold-leaf interior housing its Attar line. The structure sits in the middle of the store like the sculptural spaceship in Denis Villeneuve's *Arrival*, an unknown but captivating entity luring in the passerby. Travertine battlements line each side of the store, housing screens that display the work of digital artists. For the store opening, the artwork was "Eclipse" by French director Thomas Vanz, an exploration of the intersectional dynamics between scent, light, and music, backed by an original soundtrack courtesy of Belgian music producer Copal. The screens also change in correspondence to the fragrances that customers are sampling, echoing a synaesthesis approach to scent discovery. "Amouage is not about being literal. As a creative director, I like to leave room for interpretation rather than forcing personal ideas onto our clientele," Salmon notes.

The fragrance sampling process has also received an upgrade from standard practices. Instead of paper blotters, curious noses dip a Qalam—a feather pen historically used in Islamic calligraphy to register the country's gold trade records—into the Attar bottles to then transfer to their pulse points. Parsiegla states the intent is not just to showcase the brand's vision and offer an immersion into its product offerings, but also to act as a hub for the Amouage community and events. Equally, the company's Visitor's Centre takes attendees inside the world of fragrance making, from its perfumes and candles to bath products, while showcasing the history of the brand.

The company is passionate about having this immersion not just at a retail level but online as well. Award-winning fragrance writer Dariush Alavi penned a fable entitled *The Fullness of Paradise* for readers to dive into on the brand's online presence. "It's very important to be multisensorial, experiential, and doing that in a modern way. For us, this means working with the creative collective, that is for us a very important element to drive the desirability," Parsiegla said. Another example: The brand partnered with online content creator The Tingle Perfumer on a 52-minute ASMR journey into Amouage's fragrance creation process, racking up nearly 1.4 million views on YouTube. Parsiegla adds, "It's very important to be credible, relevant, and at the same time also educational, especially in our field where we have a lot of connoisseurs and experts. It's moving to a much more transparent and conversational dialogue." As for its marketing strategy, again, high-value creation is taking priority over mass coverage, with the company using earned instead of paid influencer strategies. Its e-commerce growth is up 43% this year, and it is ranked as a top 10 brand on Tmall since launching with the online giant in August 2021.

Despite its royal lineage and immersion in Omani history, Parsiegla is opposed to letting Amouage get too comfortable. "We do not want to be a heritage brand, which gets dusted and ends up in a museum. For us, it's all about taking our vision and bringing it to the next generation, modernizing it. That's where we see such a great reaction from the consumers around the world because there is depth and richness in the brand, but it's done in a very contemporary undertaking," he proclaims. Salmon and Parsiegla are currently working on packaging and sample kit redesigns, including a more abstract painterly approach to its boxing components and opening spaces in cities such

as Milan, Shanghai, and New York. With 2023 marking Amouage's 40th anniversary, the brand is sure to commemorate the occasion in trademark opulence.

Most recently, the company signed a partnership with Oman's Ministry of Heritage and Tourism to develop a UNESCO World Heritage site called Wadi Dawkah, which will house hundreds of frankincense trees across five kilometers in Sultanate of Oman in the Southern Governate of Dhofar, ensuring its impact goes beyond the product. "Thanks to this exceptional arrangement, this is an opportunity to create a compelling tourism and cultural destination and drive the international promotion of the unique treasures of the Dhofar region," comments Sayyid Khalid bin Hamad Al Busaidi, Chairman of the Board of Directors of Amouage. "Respecting nature means protecting the ecosystems that have gifted us, and by doing so we ensure that generations to come can continue to enjoy and experience the beauty of our fragrances."

Growth figures, revenue, and sales figures are of course vital parts of the industry's operations, but the worldwide adoration and love for the house of Amouage among its customers is the result of an elusive formula that many struggle to define. It's the type of connoisseurship that truly treasures fragrance and the hands that make it, for the noses that cherish the ritual of scent. And even in the world of high-end luxury fragrance, that's something you can't put a price on.

PART 6

UNDERSTANDING THE RULES OF ENGAGEMENT

CHANNEL DYNAMICS

WHAT IT TAKES TO LAUNCH,
COMPETE, AND GROW

LEGAL AND REGULATORY

LEADING BEAUTY GROUPS AND
DISTRIBUTORS

PART 6 UNDERSTANDING THE RULES OF ENGAGEMENT

CHANNEL DYNAMICS

When entering any market, understanding the channels of distribution and rules of engagement is crucial to building a successful market entry strategy. In the Middle East, retail distribution is highly fragmented, with online penetration in the beauty category growing rapidly. Six distribution channels range from offline retail, e-commerce, and DTC to spas, salons, and clinics.

OFFLINE RETAIL	<p>PRESTIGE : Sephora, Faces</p> <p>DEPARTMENT STORE : Harvey Nichols, Bloomingdale's</p> <p>FMCG : Pharmacy, Watson, Spinneys</p>
E-COMMERCE	<p>REGIONAL HEROES : Ounass, Namshi, Secret Skin</p> <p>CROSS BORDER COMPETITION : Cult Beauty, Nykaa</p> <p>MARKETPLACES : Noon, Souq, Amazon</p>
SPA	<p>Spa culture heavily adopted by locals and expats alike</p> <p>Hotel properties reinforce halo of brand positioning</p>
SALON	<p>Weekly visits are common</p> <p>Service to retail conversation is strong</p>
CLINIC	<p>Dubai has one of the highest penetrations of plastic surgeons in the world</p>
DTC	<p>Brand e-commerce websites</p> <p>Branded stores and pop-ups</p> <p>Increasing focus - most developed in the UAE</p>

OPERATING MODELS

Essentially, there are three paths to enter the market: distributor, brand-operated/joint venture, or direct-to-retailer exclusives. Most brands enter the market through a distributor relationship with a regional strategy focused on achieving scale and profitability.

The Red Tree’s Amy Ward, a brand consultant in the Middle East noted, “Typically brands have a distributor. This is not simply a wholesale partner. In the Middle East, you are essentially signing your business over and they are managing your brand in its entirety in the region—they have a lot of control.”

Choosing the right distributor for your brand in a market as important and nuanced as the Middle East should not be taken lightly. The wrong distributor can be costly in terms of being locked into a contract for three to five years only to have to pull out and clean up the market afterward. Getting this relationship right from the start is critical. For larger brands, the joint venture path is with players like the Chaloub Group, Al Tayer, or Alshaya.

For instance, Ward said, “To the consumer, Charlotte Tilbury is, in every way, independent but is actually an Alshaya partner, which has given it immediate access to key mall locations and power in the market.”

Recently we’ve seen more brands launch in the market direct-to-retailer with Sephora exclusives as the retailer has focused on expansion in the Middle East. This decision may be the path of least resistance, and brands like The Ordinary and Sunday Riley have had some success, but the decision may cap the market opportunity.

Working directly with department stores is also an option but not a huge opportunity in terms of volume sales, but they do “create great brand curiosity,” according to Ward. Expanding physical and online distribution networks, particularly in smaller markets, is crucial for wider reach.

The professional channel in the Middle East is a meaningful one with an abundance of salons, aesthetic clinics, and luxury spas. Treatment with retail can be a winning combination for brands suited for the channel.

According to The Red Tree, 40% of the 14.3 million tourists visiting Dubai each year come for cosmetic treatments; that’s in addition to the almost \$1 billion in spa revenue, of which 58% is domestic.

“Spa is huge in the Middle East and a key distribution channel, and similarly the salon. Culturally it is a social thing that people do together on a weekly basis, like people might go to the pub in the UK.”

1. DISTRIBUTOR

- Dr. Barbera Strum
- 111 Skin
- Hourglass
- Anastasia Beverly Hills
- Olaplex
- Kevin Murphy

2. BRAND OPERATED & JOINT VENTURE

- L’Occitane
- ELEMIS
- Kerastase
- Estée Lauder
- Charlotte Tilbury
- Foreo

3. DIRECT TO RETAILER EXCLUSIVES

- Drunk Elephant
- The Ordinary
- Laneige
- Sunday Riley
- Mario Badescu
- The INKEY List

WHAT IT TAKES TO LAUNCH, COMPETE, AND GROW

Beauty’s international playbook for growth is shifting. While the United States and China will remain global powerhouses, markets like the Middle East and India are emerging as new hotspots with underserved consumers open to local and foreign brands. The combined GDP of countries in the Middle East is \$3.9 trillion, putting it on a par with Germany, the fourth largest economy in the world. The per capita annual beauty spend in the Middle East is around \$50, compared to more than \$200 in the US.

Global distribution can fuel growth and provide resilience and adaptability. Market diversification helps mitigate risks associated with market downturns. However, navigating new markets requires understanding specific cultural nuances and market dynamics. It also involves identifying the right partners who have a deep understanding of the local market and consumer preferences.

Identifying the right partner is a crucial element in building a sustainable and profitable presence in any market but especially in one as fragmented and diverse as the Middle East. Building a new market requires trusting your partner but also being an active participant investing not only financial resources but time making regular market visits to understand the region and nurture the relationship. The market is growing incredibly fast, and long-term success will require remaining relevant to the evolving consumer.

Cost Structure and Requirements

MARGIN & TERMS	COST REQUIREMENTS
<ul style="list-style-type: none"> • 60%-70% off home market MSRP – model dependent • Partner invests in sales and marketing to localize, seed, and grow the brand • Joint awareness building programs • Terms – Ex-works to Net 60 	<ul style="list-style-type: none"> • 8%-15% free of charge for product seeding • Potential coinvestment for marketing activations and launches • Product registration, translation, and labeling in Arabic • Trademark registration

Due Diligence: Internal Audit and Alignment

GOALS FOR MARKET ENTRY	READINESS
<ul style="list-style-type: none"> • Growth targets and timelines • Business performance metrics • Building brand values 	<ul style="list-style-type: none"> • Financial – cost structure, capital allocation, production • Operational – supply chain, logistics • Organizational – right-sized resources

Due Diligence: External Audit and Partner Alignment

MARKET ENTRY GOALS	READINESS
<ul style="list-style-type: none"> • Partner fit with brand vision, positioning, category, business goals • Cost structure and profitability • Path to market strategy – channels, platform mix, customers • Building brand value – multichannel marketing strategy 	<ul style="list-style-type: none"> • Understand local consumer and why your value proposition resonates • Product market fit • Regulatory compliance, trademark, legal • Sales strategy and education • Marketing and PR strategy

Roles and Responsibility

BRAND	PARTNER
<ul style="list-style-type: none"> • Market opportunity and sizing • Become an expert on your customer and ensure product market fit • Benchmark competition, define competitive advantage • Establish positioning, pricing, assortment • Innovate through local lens, make regular market visits • Manage brand USPs across geographies 	<ul style="list-style-type: none"> • Brand strategy and management • Marketing strategy and executions • Sales strategy and discounts • Forecasting and reporting • Market intelligence and insights

LEGAL AND REGULATORY

Legal and regulatory requirements for selling cosmetics and personal care are equally as fragmented as the region and can be challenging. Countries within the Middle East and GCC differ in their requirements regarding what is necessary for exporting goods.

The regulatory registration process can be as short as three to four months in the UAE but up to two years in Qatar with requirements and processes varying by country. In an effort to facilitate trade and ensure consumer safety, the countries in the GCC recently harmonized regional regulatory requirements. Any cosmetic product sold in the market must comply with the requirements of GSO 1943/2016 for product safety and GSO 2528/2016 for claims. The GCC cosmetics legislation closely follows EU Cosmetics Regulation 1223/2009. The new guidelines helped establish a common set of requirements for the GCC countries. However, each country has its own competent authority with specific requirements and processes.

While not a requirement, Halal certification may be helpful given the significant Muslim population in the Middle East. Halal certification is based on the harmonized Halal Standards & Islamic Sharia requirements for the GCC region.

GENERAL REGULATORY REQUIREMENTS:

- Pre-market approval and registration
- Proof of good manufacturing process (GMP)
- Full ingredient lists with compliant INCI names, functions, percentages, and CAS Registry Numbers
- Product safety data such as stability, preservative efficacy and microbiological quality tests, and a Certificate of Analysis (CoA)
- Product label artwork, which may require local language translation
- Certificates of Free Sale for each country
- Some product types may require additional testing for heavy metals
- Some countries may require samples to be sent for laboratory testing

GENERAL LEGAL CONSIDERATIONS:

Some markets (Bahrain, Oman, UAE) are signatories to the Madrid System for international trademark protection; it is generally advised that brands file across all territories to protect intellectual property. However timing matters because trademarks become vulnerable for nonuse after three to five years depending on the market.

- Implement and maintain global brand protection strategy
- Register trademarks in strategic territories
- Protect “house” brand but also consider other trademarks and IP
- Trademarks are protected for specified goods/services using a numbered classification system
- Unregistered rights provide some protection
- No single application available (unlike EU) but bundle pricing available from local lawyers
- UAE, Bahrain, and Oman are signatories to Madrid Protocol but many others are not
- Most GCC territories are party to Paris Convention and can claim priority from earlier first filing
- Copyright, registered design protection, and patent registration are also available

ADMINISTRATIVE PROCESS:

- POA and company documents required to be notarized and legalized No proof of use requirements at time of filing
- Nonuse period three to five years
- Timeframe to registration varies by territory, 3 to 24 months for straightforward filing; longer if any objections arise
- Local transliteration is automatically protected in Kuwait, Qatar, Saudi, and UAE. In other territories such as Bahrain, separate Arabic applications must be filed
- Filing fees are among the most expensive in the world

MARKETING AND ADVERTISING:

It is important to be aware of the region’s diversity and have some understanding of the nuances that exist between markets and even within markets. What is appropriate in the UAE may not be at all appropriate in neighboring Saudi Arabia. There are also significant variations in law, lifestyle, and language across the region. Saudi Arabia has very strict advertising laws and under the “Mawthooq” program, the Saudi Communication and Information Technology Commission (CITC) has established regulations for influencer and foreign commercial marketing.

LEADING BEAUTY GROUPS AND DISTRIBUTORS

ALSHAYA GROUP

The family-owned enterprise was established in Kuwait in 1890 and has been a pioneering force in international brand franchising since 1983. It operates 70 consumer retail brands and 4,000 stores across 16 markets across MENA, Turkey, and Europe

Beauty: Bath & Body Works, Charlotte Tilbury, Jo Malone, Le Labo, Dr. Vranjes, MAC, Estée Lauder Companies, NYX Professional Makeup, VaVaVoom, Victoria's Secret.

CHALHOUB GROUP

Founded in 1955 and headquartered in Dubai, UAE, the privately held luxury goods retailer and distributor is the largest in the Middle East, with 14,000 employees in 14 countries. It provides distribution and marketing services to a portfolio of eight owned brands and over 300 international brands in the luxury, beauty, fashion, and art de vivre categories. The group also has an investment arm and a start-up incubator.

Beauty: Sephora, Patyka, Yves Saint Laurent Beaute, La Bouche Rouge, Roberto Cavalli Perfumes

Owned Beauty Concepts: Faces, Ghawali, Tangra

GULF MARKETING GROUP

The business started with one small shop in Dubai in 1977 and has grown into a global well-being company operating across sports, everyday goods, health and beauty, properties, and logistics with owned concepts and a distribution arm.

Beauty: Revive Collagen, Alma K, Australian Gold, Calypso Sun Protection, Dermedic, Gallinee, Imarais Beauty, Mill Creek Botanicals, Talika

Owned Beauty Concepts: Supercare Pharmacy, Beauty Bar, Glu

AL TAYER GROUP

Established in 1979 and headquartered in Dubai, UAE, the privately held holding company has evolved into a diversified portfolio of businesses across automotive, retail, real estate, and ventures. It operates in six countries in the Middle East, including nearly 200 stores and 23 showrooms, and employs almost 9,000 people. The group is the exclusive licensee of Harvey Nichols in the UAE, Bloomingdale's in the UAE and Kuwait, and owner of luxury e-commerce company Ounass.

Beauty: Kiehl's, Santa Maria Novella, Aveda, Diptyque, Bvlgari, La Prairie

Owned Beauty Concepts: retailer Areej

NICHE FRAGRANCE

DISTRIBUTORS

Sagma Corp
GDS Prestige
Luxe Port Trading
Europian Perfumes
Scentitude
The Scent Lab
Beidoun Trading Company
Karji Group

RETAILERS

Atelier Perfumery
Villa 515
Harvey Nichols
Bloomingdale's
Scentitude
Golden Scent (online)
Beautique
Tyrano

HAIR, SALON & SPA

DISTRIBUTORS

Nazih Group
Madi International
Eideal Trading
DBD Holding
Creative Beauty Source
Neu Cosmetics
Cosmetica Beauty Trading
Najafi Cosmetics

SPAS & SALONS

Hologic, Inc.
Cynosure, Inc.
Lumenis Ltd. (Xio Group)
Sciton, Inc.
Canyon Ranch, Inc.
Clinique La Prairie
Hyatt Hotels Corporation
Syneron Medical Ltd. (Apax Partners)
Chiva-Som International
Health Resorts Co., Ltd.
Allure Medspa and Biovital Medspa (Tattarang)

COSMETICS & SKINCARE

DISTRIBUTORS

Beauty Solutions
Al Tayer Group
Secret Skin
Powder Beauty
Al Shaya Group
Al Chalhoub Group
Ali bin Ali
GMG Group

RETAILERS

Sephora
Areej
Faces
Tyrano
Watsons
Secret Skin (online)
Powder Beauty (online)
Noon (online)
Nysaa Beauty (JV with NYKAA)
Life Pharamcy
Super Care Pharmacy

PART 7

DISTRIBUTION LANDSCAPE

THE MEGA MALL AND THE MIDDLE EAST

TOP OFFLINE RETAILERS

SEPHORA PROVIDES A PATH TO THE MIDDLE EAST

THE ONLINE RETAIL EVOLUTION

TOP ONLINE BEAUTY RETAILERS

THE FUTURE OF RETAIL IS OMNICHANNEL

TRAVEL RETAIL OPPORTUNITY

THE SPA AND CLINIC CHANNEL

THE WELLNESS ECONOMY AND TOURISM

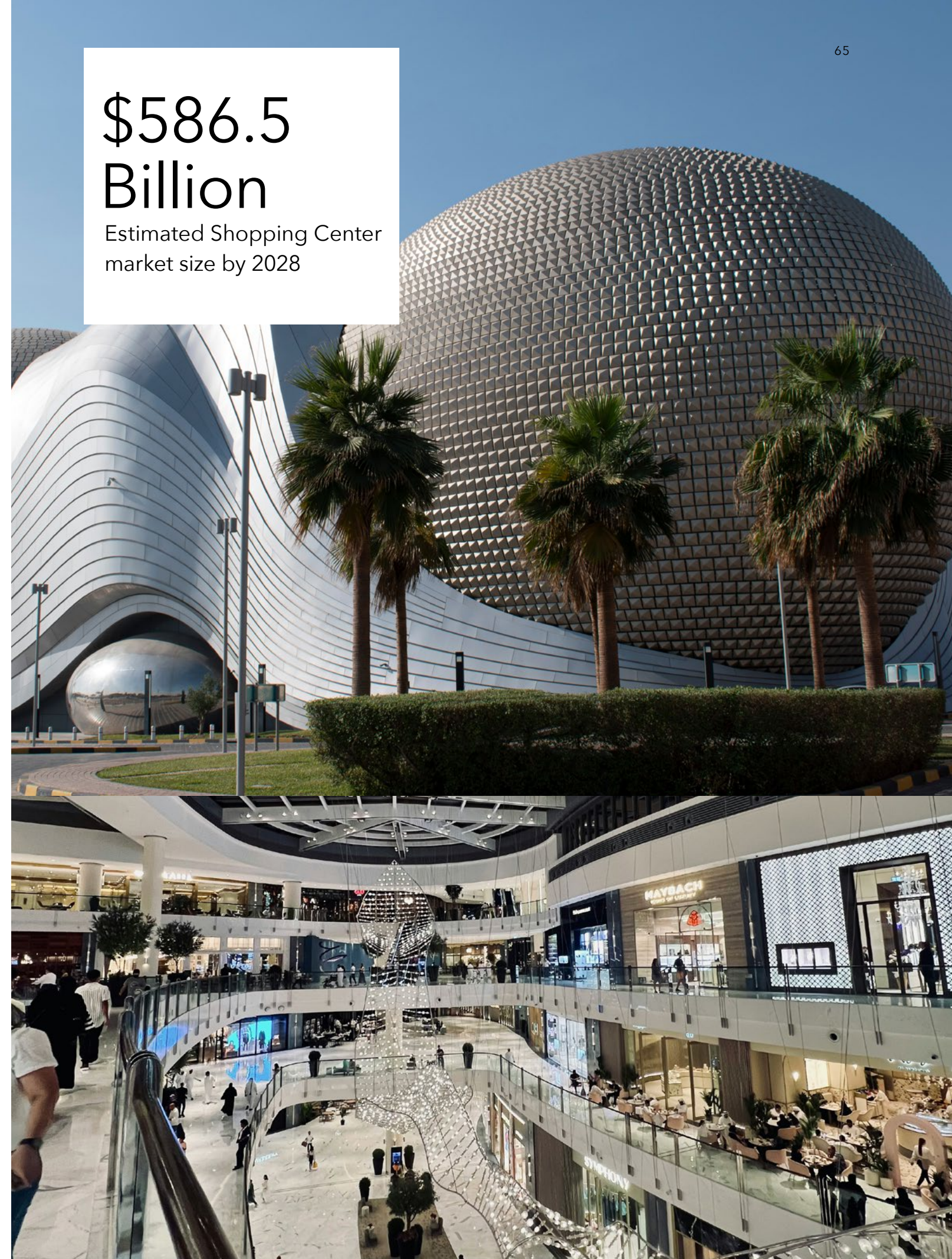
PART 7 DISTRIBUTION LANDSCAPE

THE MEGA MALL AND THE MIDDLE EAST

Despite the growth of e-commerce, consumers in the Middle East prefer to visit physical stores, and mall culture remains firmly ingrained in the region. While Westerners often look at the proliferation of malls through the lens of consumerism, their role in the lives of people in the region goes beyond retail space. They are social and entertainment hubs. These sprawling complexes across the Middle East have become symbols of an ongoing evolution into a global hub of culture and commerce where history and modernity intertwine to create shopping, dining, and entertainment destinations.

\$586.5 Billion

Estimated Shopping Center market size by 2028



TOP MEGA MALLS OF THE MIDDLE EAST

Iran Mall (Tehran, Iran)

Dubai Mall (Dubai, UAE)

Mall of Arabia (Jeddah, Saudi Arabia)

Mall of Qatar (Al Rayyan, Qatar)

The Avenues (Kuwait City, Kuwait)

City Centre Mirdif (Dubai, UAE)

Dalma Mall (Abu Dhabi, UAE)

360 Mall (Kuwait City, Kuwait)

Bahrain City Centre (Manama, Bahrain)

Oman Avenues Mall (Muscat, Oman)

Lebanese-Iraqi architect Karl Sharro sees a clear link between the traditional souqs and the modern mall—what he refers to as “cultural resonance.” He says, “We don’t separate the idea of trade from our everyday social interactions. Going to the mall, like going to the souq, is not purely a matter of utility; it is a way to meet other people.”

Because malls are large, open, climate-controlled spaces, they act as de facto community centers and public squares. The long summer stretches from mid-April through October, with temperatures hovering around 105° Fahrenheit (41° Celsius) or higher, making it unbearable to be outside for long periods.

The Middle East Council of Shopping Centres & Retailers projects the shopping center market to grow

from \$376.0 billion in 2023 to \$586.5 billion in 2028 at a CAGR of 6.2% from 2023 to 2028, driven by evolving consumer preferences, expanding middle class, rising disposable income, and urbanization. Many feel the mall has been a conduit for the region’s social transformation over the last twenty years. It’s a place that’s a little freer where generations can interact and socialize.

The mega malls are monstrous ecosystems comprising shopping, tourism, leisure, and entertainment under one roof. Corner after corner, floor after floor, you never know what to expect. They are simply awe-inspiring, from libraries to luxury hotels, ice rinks to ski slopes, amusement parks to aquariums, and dinosaur skeletons to waterfalls. The one-upmanship of developers has created an increasingly outlandish array of attractions.

“We don’t separate the idea of trade from our everyday social interactions. Going to the mall, like going to the souq, is not purely a matter of utility; it is a way to meet other people.”

To this point, one of the world’s largest shopping malls is set to get even bigger. Emaar Properties announced plans for a \$408 million expansion of Dubai Mall. Located opposite the planet’s tallest skyscraper Burj Khalifa, the world’s second-largest mall spans 12 million square feet and welcomed 105 million visitors in 2023, a 19% increase year-on-year. It is home to over 1,200 stores and 200 food and beverage outlets, a 10-million-liter aquarium, an Olympic-sized ice skating rink, an indoor Chinatown, a virtual reality park, an indoor SEGA theme park, and one of the world’s largest candy stores. The expansion will add an additional 240 luxury retail and dining outlets.



PART 7 DISTRIBUTION LANDSCAPE

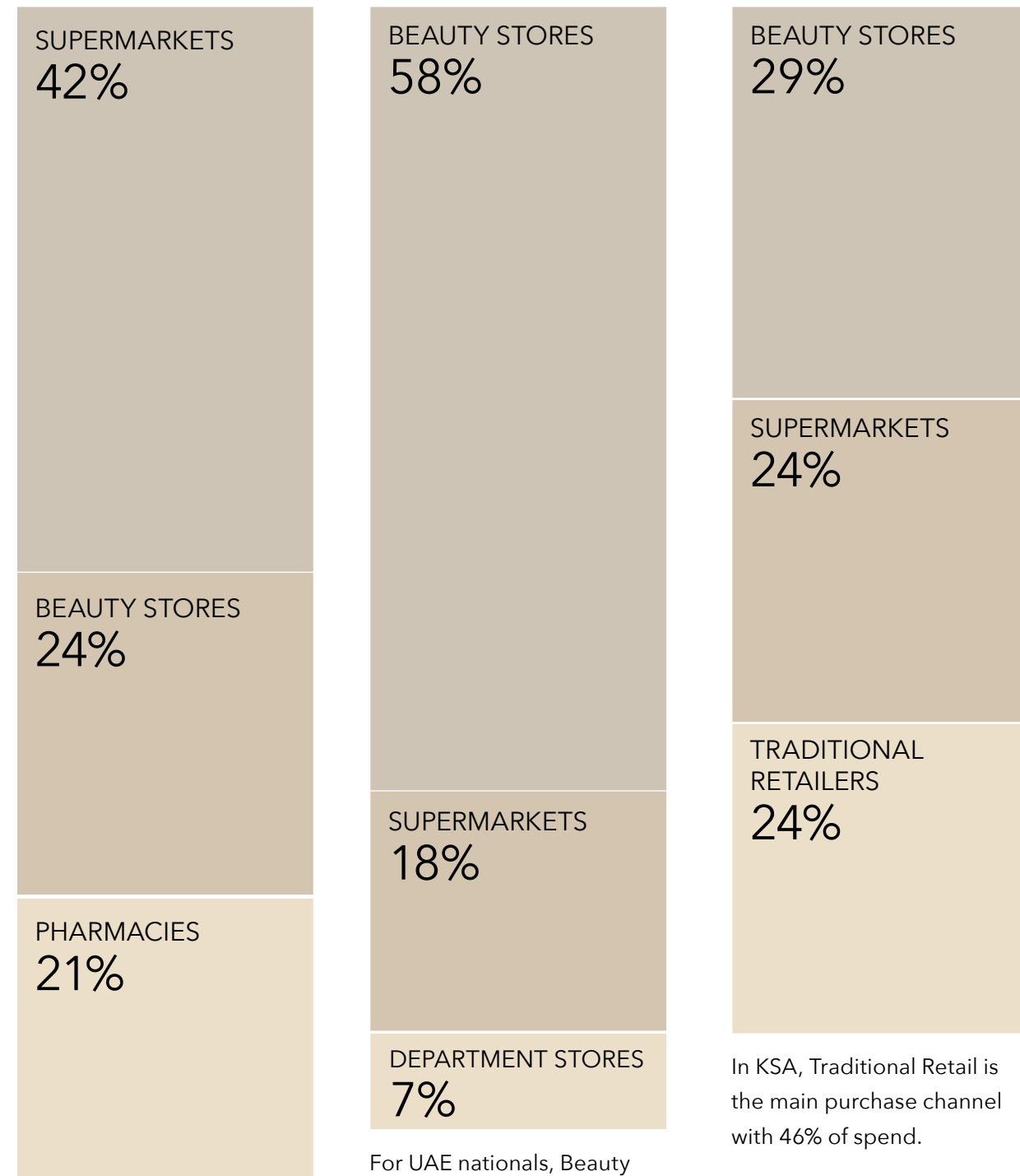
TOP OFFLINE RETAILERS

The retail industry in the Middle East is incredibly diverse but also extremely concentrated offering consumers a breadth of choice with most luxury retailers having a presence in the region. The retail ecosystem of most countries in the region are controlled family-owned businesses that hold the franchisees to the majority of all international brands. For instance, the Chalhoub Group owns the regional beauty retail concept Faces with 70 locations across the region and also controls Sephora's 85 locations through a joint venture. While international brands dominate the luxury channel lower down the retail value chain, local retailers own a greater market share.

TOP OFFLINE RETAILERS

PRESTIGE	LOCATIONS AND COUNTRIES	
Sephora	85	UAE, Saudi Arabia, Qatar, Kuwait, Bahrain
Faces	70	UAE, Kuwait, Saudi Arabia, Egypt, Lebanon, Qatar, Jordan, Morocco, Bahrain
Areej	70	UAE, Oman, Qatar
DEPARTMENT STORE	LOCATIONS AND COUNTRIES	
Gazzaz	35	Saudi Arabia
Rubaiyat	50	Saudi Arabia, UAE, Bahrain
Debenhams	3	Saudi Arabia, UAE, Kuwait, Oman, Bahrain, Egypt
Saks Fifth Avenue	1	Bahrain
Harvey Nichols	4	UAE, Saudi Arabia, Qatar, Kuwait
Bloomingdales's	3	UAE, Kuwait
BHV Marais	1	UAE
Blue Salon	1	Qatar, Saudi Arabia
Galleries Lafayette	1	UAE
INDEPENDENT	LOCATIONS AND COUNTRIES	
Paris Gallery	40	UAE, Saudi Arabia, Qatar, Bahrain
Sensi	41	Saudi Arabia
Al Hawaj	7	Bahrain
VaVaVoom	3	Kuwait
Secret Notes	3	Qatar, Saudi Arabia
Nazih	200	UAE, Saudi Arabia, Lebanon, Bahrain, Kuwait, Qatar, Oman, Egypt, Jordan

TOP PURCHASE CHANNELS IN THE PAST 12 MONTHS



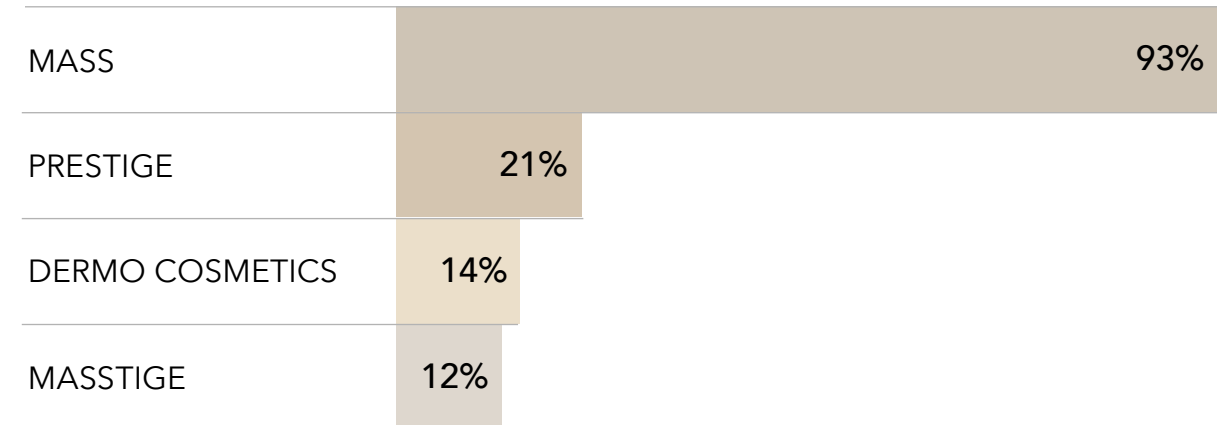
64% of males visit Supermarkets most frequently for beauty purchases vs 37% of females.

For UAE nationals, Beauty Stores account for 80% of offline spend.

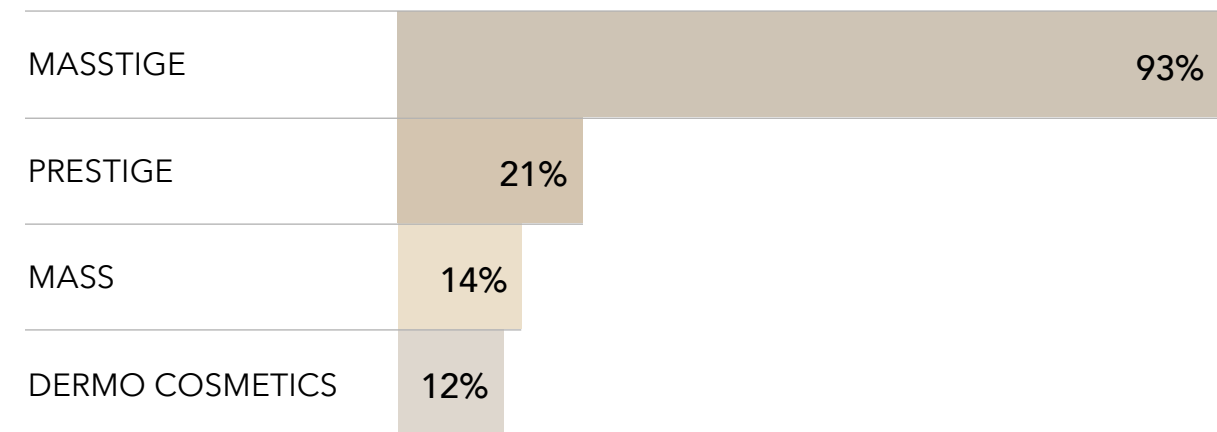
In KSA, Traditional Retail is the main purchase channel with 46% of spend.

CONSUMER PURCHASING WITHIN EACH CATEGORY IN THE PAST 12 MONTHS

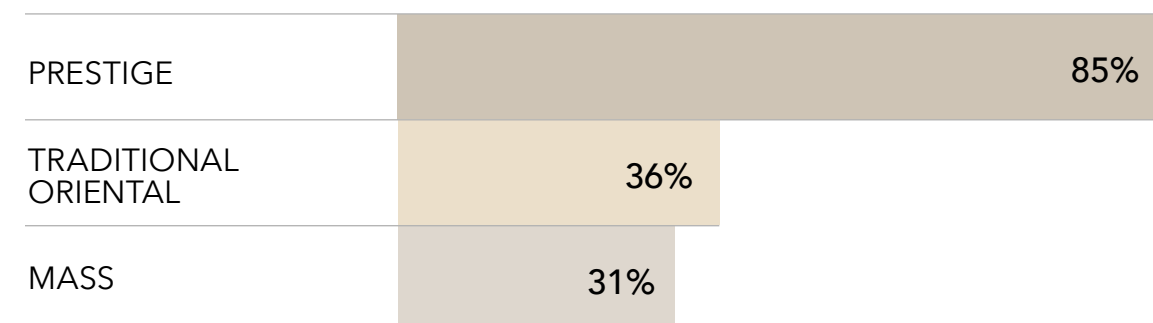
SKINCARE



MAKEUP



FRAGRANCE





SEPHORA PROVIDES A PATH TO THE MIDDLE EAST

Sephora opened its first store in the region in 2007 and has grown exponentially through a joint venture with the Chaloub Group to 66 stores in five markets (UAE, KSA, Bahrain, Qatar, Kuwait). The flagship store in Dubai Mall ranks as the number one store worldwide.

Sephora is a meaningful incubator for indie beauty brands. Huda Beauty launched with a simple selection of false lashes in Sephora's Dubai store in 2011 and has since grown into a global beauty powerhouse. Many founders have followed suite, trading exclusivity for the ability of leveraging the retailer's infrastructure, logistics, and retail footprint to expand into international markets.

In early 2020, Akash Mehta launched Fable & Mane, an Ayurvedic-inspired haircare brand, with his sister Nikita Mehta, launching exclusively with Sephora in North America as the first Ayurvedic and sibling-founded brand. Last year the brand made a big splash when it entered the Middle East with the retailer.

Sephora offers the stage, but Akash spent time understanding the nuances of the market to ensure they built a strategy that would create a solid foundation for growth. In fact, the brand is using the market to test retail animations concepts before deploying them in North America or Europe.



What is the opportunity you see in the region to justify the investment of launching in the Middle East?

The Middle East is an emerging and growing market in beauty, and we saw that opportunity many years ago. It was important for us to build the foundations of Fable & Mane in the right way, so we wanted to find the market leader in beauty—which was Sephora—to work on understanding how to launch it in a way that was relevant to its local culture and speaking to its hair concerns and hair types (i.e., heat, humidity, lifestyle habits). So, we spent a lot of time deep diving into how we should launch with them. We found it was an incredible fit for us because the Middle East is built on rituals, heritage, passed-down traditions—much like Ayurveda in India. It was a perfect match. Investment is needed, especially for a young start-up, but only if it's done in the right way by building a community and loyalty and going slow and steady.

You did a big marketing push in Dubai at the launch, but you also focused on Saudi Arabia. What interests you about the Saudi beauty market?

Saudi Arabia is a very important market that's experiencing tremendous growth from all types of verticals—retail and beauty, tourism boards, its efforts in inviting influencers and entrepreneurs, work opportunities. It's growing quickly, but we want to make sure we're doing it justice as well; not just in Dubai and Saudi, but all Gulf Coast countries—Kuwait, Qatar, Oman, Bahrain. They are individual countries, and you have to view that region in its entirety rather than focus on just Dubai. There's a lot of cross-pollination between them, so you'll make a bigger impact by focusing on them all. Beauty is becoming a huge focus for consumers there, and we're seeing trends stem especially in Snapchat and TikTok. What are some of the things brands need to contemplate when entering the market? Think about local relevancy, invest in education and language/translation, understand their way of life, and respect it. For example, in Saudi, I don't perform head massages

during my masterclasses to respect their religion and beliefs. I make sure a woman is doing them, and I educate from afar. You need to look at each region and adapt; you can't just copy and paste in the Middle Eastern world. What they're looking for is feeling like they're spoken to and not just told. I spent a lot of time understanding each market and visited a lot before launch. It takes money, time, and energy to build and grow there, but it's so worth it!

What have been some of your learnings?

The market is growing incredibly fast. What you know from two months ago will probably be different in some way to now. Be agile, prepared to adapt, and what you think you know, you don't know. The region is a driver of trends and influencing my decisions in product and market strategy globally. Lastly, it surprised me how diverse the region was with people—lots of different hair types, so many expats; it's becoming a very cosmopolitan area, which adds to the growth.

What sort of regionalization have you had to do?

We've hosted quite a few regional events like local store trainings in Arabic and local dialects. We've hosted intimate events that are co-hosted by influencers who speak to their own communities. We make sure to adapt our masterclasses per region, and this is important because what's interesting in Saudi can be different to what they like in Dubai or Kuwait.

Anything else you want to share?

The Middle East market has been a good pilot playground for us to test retail animations concepts before deploying them in North America or Europe. For example, the build created for our Dubai Mall windows or the Sephora Middle East's PR events were opportunities for us to establish proof of concept before replicating or amplifying them in the rest of our markets. There are incredible high-quality vendors that work quickly in Dubai, which makes creating such experiences in the Middle East easier than anywhere else.



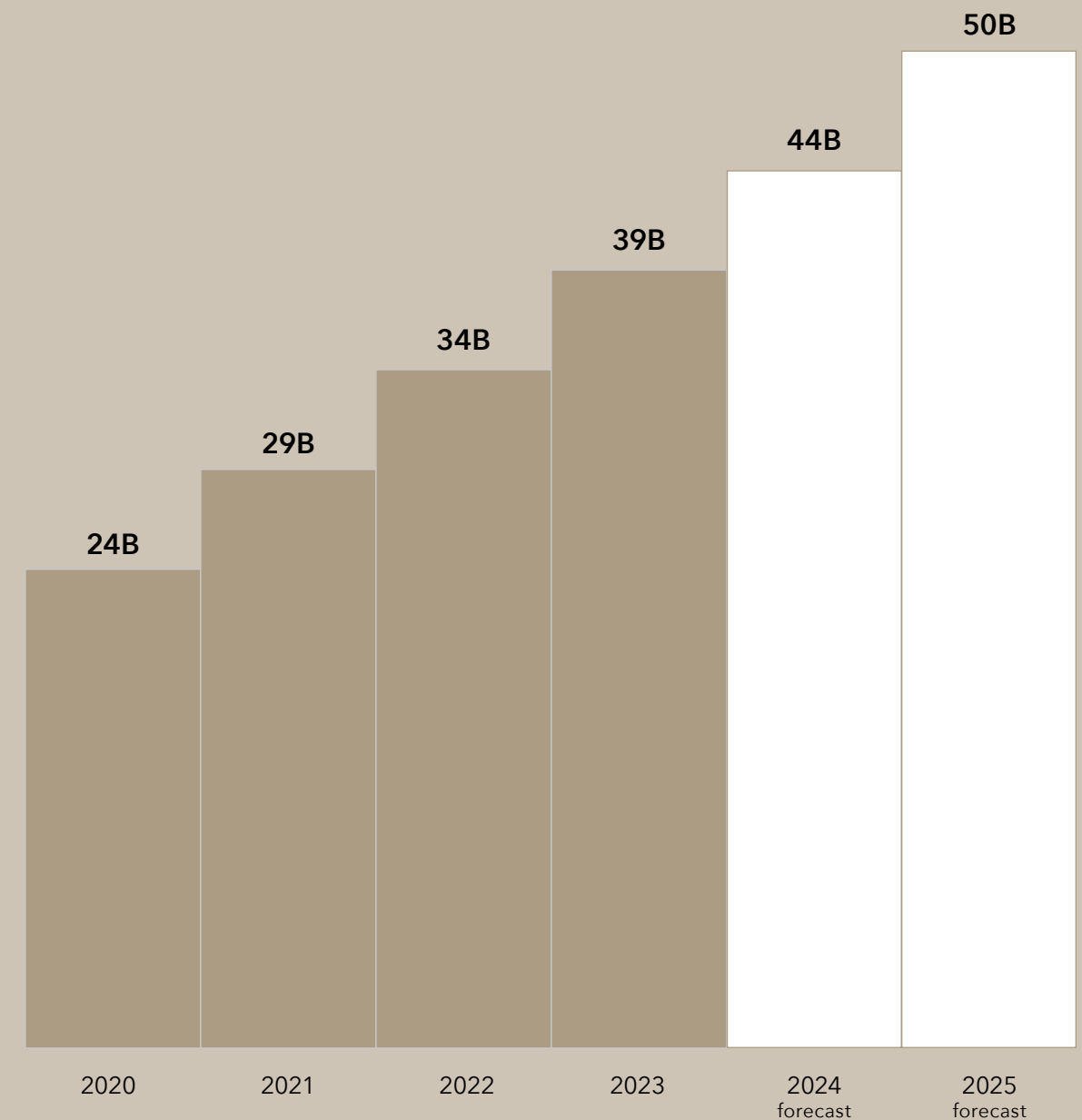
THE ONLINE RETAIL EVOLUTION

Over the past decade, the Middle East has transitioned from a retail market reliant on brick-and-mortar stores to one where the click of a button has become second nature. Brick-and-mortar stores face tough competition from online platforms, leading to a transformation in consumer shopping patterns.

The ecommerce evolution in the Middle East has given rise to an era of retail that bridges tradition and technology and is projected to reach \$50 billion by 2025, according to Statista. Poised for substantial growth, the path is one of transformation, innovation, and boundless possibilities driven by favorable government initiatives to promote digital economies representative of the region's dynamic spirit and forward-looking approach.

E-commerce has had a profound impact on the Middle Eastern economy and consumer habits providing convenience, expanded product choices, and competitive prices. The region has seen an increase in digital market entrants, including super apps, social media players, aggregators, and global e-marketplaces. The acquisition of Souq.com by Amazon in 2017, along with the emergence of new platforms such as Noon, and the growth of mobile wallets, have played a pivotal role in changing perceptions of e-commerce.

FORECASTED GCC E-COMMERCE MARKET SIZE 2020-2025



This shift has pushed traditional retailers to adapt by establishing their own online presence offering omnichannel experiences and leveraging technology to enhance the customer journey. The region's young tech-savvy population that's spending more time online coupled with rising disposable incomes creates fertile ground for e-commerce expansion. Statistics from Checkout.com show internet penetration is close to 100% with 91% of consumers across MENA having purchased products online.

265% ↑

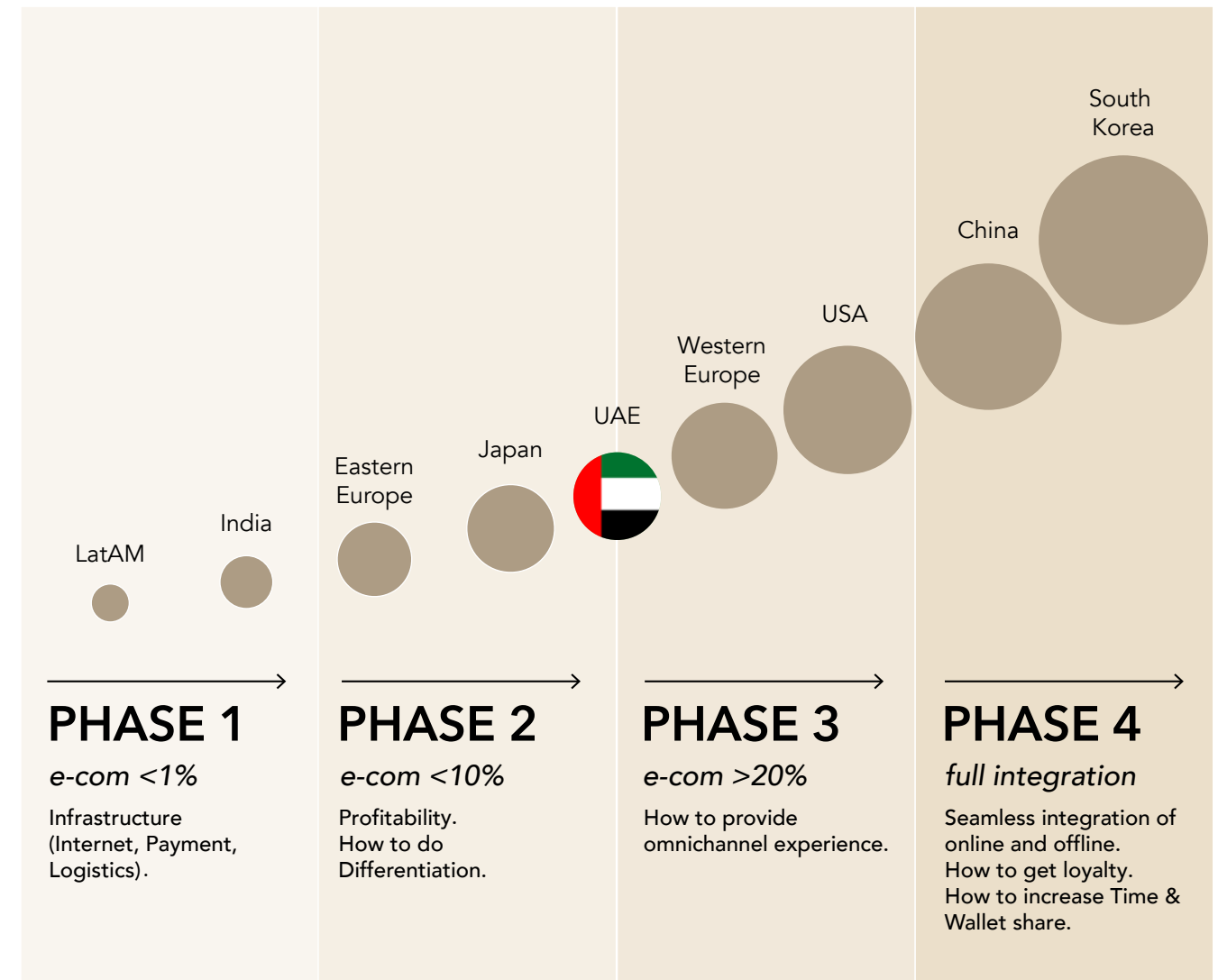
In the MENA region, the online percentage of total sales rose from 2.3% in 2018, to 6.1% in 2023

Andrey Dvoychenkov, General Manager of Arabian Peninsula and Pakistan at NielsenIQ, underlined the online journey he has observed in the region and stressed, "E-commerce in the UAE is jumping from one phase of its development to the next without even looking back."

"Against the backdrop of an e-commerce boom, the question for brands is how to differentiate themselves from their competitors," says Dvoychenkov. "Beyond hard tactics, namely price and promotions to meet the needs of wallet-constrained consumers, client satisfaction must be the goal of every player. This necessitates a refocus on soft tactics around products themselves, which include texture, packaging, special ingredients, the 'brand story,' and the overall client experience to make the in-store journey a joyful experience."

While the Middle East e-commerce market shows tremendous potential, there are also challenges to contend with to ensure sustained growth. Enhanced cybersecurity measures and collaboration among governments and the online ecosystem to create a safe online environment are required to build consumer trust. And the region is geographically vast with varying levels of infrastructure making last-mile delivery a challenge. As the region embraces digital transformation, e-commerce will play a pivotal role in shaping the future of retail, trade, and entrepreneurship in the Middle East.

**DIGITAL COMMERCE EVOLUTION:
UAE PROGRESSING FAST FROM PHASE 2 TO 3**



- NielsenIQ FMCG data up to the end of August 2023

©BeautyMatter

TOP ONLINE BEAUTY RETAILERS

NOON

noon.com

Noon is the most favored and loved online superstore in the Middle East. Backed by Amazon, the platform brands itself as an “Arabic-first” shopping platform that offers a more regionally focused alternative to the American version. Noon.com is headquartered in Dubai and offers a wide range of products ranging from electronics and fashion to food delivery, groceries, and beauty and home essentials. The site records nearly 15 million visitors per month.

SECRET SKIN

theseecretskin.com

Secret Skin is a conscious discovery platform that connects mindful consumers to clean and conscious beauty brands from around the world. Headquartered in Sharjah, the e-commerce platform focuses on socially and environmentally conscious brands and is rooted in a mission to raise awareness about clean beauty, mindful consumption, and women’s health in the region.

NYSAA

nysaa.com

Nysaa is an omnichannel beauty and personal care retailer in the Middle East, born out of a joint venture partnership between Indian beauty giant Nykaa and The Apparel Group.

THE SKINCARE EDIT

theskincareedit.ae

Founded by an aesthetician and member of the British Cosmetology Association, The Skincare Edit is a popular online platform that provides information, reviews, and recommendations of skincare products—offering an expertly curated range of face, body, makeup, and haircare products with a skincare focus.

NAZIH

nazih.ae

Nazih.ae is the flagship e-commerce platform belonging to the Nazih Group that has been in operation since 1975 in the Middle East. Nazih is the market leader in marketing and distribution of professional beauty products, services, and equipment to salons, beauty parlors, spas, and fitness centers. Nazih brings in approximately 50,000 visitors per month.

GLAMAZLE

glamazle.com

Glamazle is an online beauty retailer based in the UAE, offering a wide range of makeup, skincare, haircare, and fragrances from global brands. Shipping to nine countries in the Middle East as well as South Africa, the platform offers convenience with competitive shipping rates and cash on delivery options, with over 1 million online visitors per month, 70% repeat customers.

POWDER BEAUTY CO.

powderbeauty.co

Powder is the region’s first and most comprehensive beauty destination for conscious products. It is best known for its expertly curated collection of beauty, skincare, and wellness products from across the globe. It takes pride in its ability to scour luxurious, indie, and disruptive global brands and bring them to Middle Eastern customers.

NICE ONE

niceonesa.com

Nice One is an online retailer for beauty and hair products, as well as beauty appliances and home accessories. This Saudi Arabian beauty company was founded in 2016 and helps residents of the MENA region stay on top of international trends. The site garners approximately 800,500 visitors per month.

APOTHECA BEAUTY

apothecabeauty.com

Apotheca beauty is a Kuwaiti-based online marketplace specializing in beauty and skincare products. The three-sister company takes pride in its personally curated selection of high-quality skincare, makeup, haircare, and wellness products. It often focuses on natural and organic products and caters specifically to customers who are looking to live and shop more sustainably.

BEAUTH ME

beauth.me

Beauth is a beauty and wellness platform and online marketplace that aims to promote mindfulness and self-care. Its expertly curated conscious beauty and wellness products are designed to support the mind, body, and soul.

BEAUTY SOLUTIONS

beautysolutions.me

Based in Dubai, Beauty Solutions is one of the top beauty shopping and retail hubs in the world and is the leading distributor and marketer of globally recognized beauty and lifestyle brands in the Middle East. Its team of international experts work together to ensure each brand’s equity in the region and continue to actively research global markets for the most innovative and pioneering products in the beauty industry.

THEKÜR

thekur.com

THEKÜR is an inclusive skincare and beauty platform that aims to cater to women of color. By understanding that a one-size-fits-all strategy doesn’t work with beauty products, the e-commerce platform aims to improve access to beauty and haircare products for individuals with melanin-rich skin and textured hair.

BEAUTY TRIBE

beautytribe.com

Beauty Tribe is an online marketplace for haircare products where all the products are handpicked by a team of salon professionals. Although best known for its wide range of global haircare products, the e-commerce site also plays host to a range of makeup, skincare, bodycare, and men’s personal care products.

PEACH

peach.shop

Peach is an Emirati-founded beauty and personal e-commerce company designed to be the go-to destination for beauty, wellness, and self-care. It provides a curated collection of emerging beauty and wellness brands and an immersive online shopping experience that prioritizes convenience and efficiency.

PROJECT BYOUTY

projectbyouty.com

Project bouty is a UAE-based online shopping platform for all things consciously beauty and wellness. The interactive e-commerce site offers a range of skincare, haircare, bodycare, well-being, gifts, and baby products.

RENEEN

reeneen.com

Reneen is an Egyptian online superstore that sells electronics and home essentials but also offers beauty care and medical supplies. Headquartered in Egypt, the e-commerce platform brings in over 1 million visitors per month.

PART 7 DISTRIBUTION LANDSCAPE

THE FUTURE OF RETAIL IS OMNICHANNEL

The future of beauty retail in the Middle East is omnichannel. Gold Apple is one of the newest concepts to hit the region, opening this spring in Doha Festival City, Qatar. Established in 1996, Gold Apple is an omnichannel beauty retailer with 31 stores across Russia, Kazakhstan, and Belarus; the opening of the Doha stores marks its entry in the Middle East market.

Described as an omnichannel beauty convenience store spanning over 1,300 square meters (13,993 square feet), the store features over 600 global brands and more than 25,000 products including Yves Saint Laurent, Giorgio Armani, Valentino, Maison Margiela, Kilian Paris, Clinique, Kenzo, Paco Rabanne, La Roche-Posay, Eau Thermale Avène, and more.

Modeled in the form of a “beauty supermarket” as a one-stop shop for beauty enthusiasts, the space delivers an immersive shopping experience with relaxing zones, makeup stations, VIP shopping rooms, and a coffee bar. Clients can experience high-touch beauty advice, VIP services, free treatments, and goodies, with the promise of new products arriving daily.

Gold Apple has entered the market with an omnichannel strategy supplementing the physical store with the launch of a premium e-commerce experience where shoppers can receive the convenience of free, next-day deliveries across Qatar.



PART 7 DISTRIBUTION LANDSCAPE

TRAVEL RETAIL OPPORTUNITY

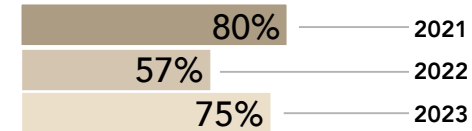
Travel retail has played a vital role in supporting growth in the beauty category. International airport hubs in the region have given brands exposure to nationalities such as the Indians and the Chinese who, in previous years, did not have easy domestic access to many labels. In numerous cases, they still don't, which is why airport stores thrive in emerging markets: they have the brands consumers crave.

Travel retail is, first and foremost, a strategic brand-building channel for beauty. Multinationals like L'Oréal, Estée Lauder Companies, and LVMH have been proactive in internationalizing their portfolios using airports. In the Middle East, state-owned Dubai International Airport in the United Arab Emirates (UAE) has been the mainstay for travel retail sales. Its core retailer, Dubai Duty Free (DDF), generated record revenue of \$2.16 billion in 2023, of which perfumes generated 17% or \$374 million. This makes perfume the biggest product category for the retailer, significantly ahead of liquor in second place.

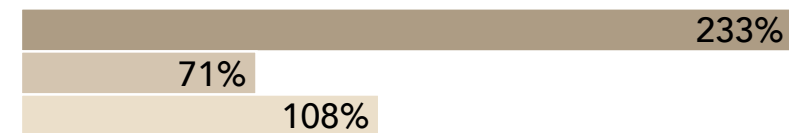


**DDF MAJOR CATEGORY SALES COMPARISON
2023 VS 2019 VS 2022**

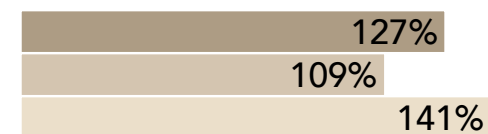
DELICATESSEN



COSMETICS



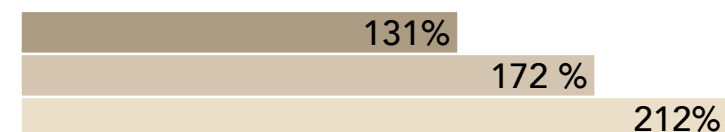
CONFECTIONARY



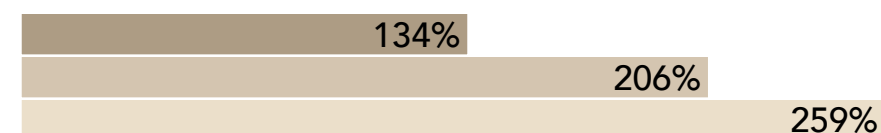
TOBACCO



GOLD



FASHION



LIQUOR



PERFUMES



THE LANDSCAPE HAS EVOLVED

However, conditions for beauty have changed. Pre-pandemic, the cosmetics segment was the third-ranked category by DDF with sales of \$233 million in 2019. Last year that had collapsed to \$108 million. The main reason was that skincare-obsessed Chinese travelers were banned by their government from international travel during the Covid-19 crisis. The ban was lifted about 18 months ago, but the Chinese, who are partial to luxury lines, are still largely missing at many airport hubs, including Dubai.

This year, DDF's Chief Operating Officer, Ramesh Cidambi, is predicting total revenue of \$2.19 billion, more or less in line with increasing traffic at the Emirates hub. Indian travelers, the retailer's biggest buyers, are increasingly affluent and are partially filling the gap left by the Chinese. Beauty is also a leading category in other Middle East hubs like Hamad International in Qatar, where a Dior Spa opened in May; and Abu Dhabi International, also in the UAE, whose new Terminal A opened in November 2023, setting a new benchmark for beauty in the region.

Then there are the smaller airports of Bahrain, Beirut, Kuwait, Oman, and Sharjah, to name a few, where beauty has a substantial (usually the biggest) share of revenue. In part, this is due to the fact that liquor is frowned upon in several Middle East markets and mostly bought by transfer or international passengers. However, local interest in beauty has become a strong purchase driver. Historically, the region was driven by fragrances, but skincare and color are in greater demand in the social media age.

SAUDI ARABIA COMES KNOCKING

One of the fastest-growing markets for travel retail beauty will be Saudi Arabia. The kingdom has a long-term plan to diversify away from oil income and into tourism, among other sectors. This means the construction of new airports and the expansion of existing ones. Associated with this is the build-out of new airport retail stores bringing further opportunities for beauty brands in a market where liquor sales had been prohibited for decades, though this is expected to change, gradually.

Saudi's plans are backed by some serious investment, both governmental and private. The country's airport projects have attracted global travel retailers like Ireland's Aer Rianta International, Lagardère Travel Retail from France, and, most recently, Germany's Gebr. Heinemann, all experts in beauty retailing,

Heinemann has greatly stepped up its focus on the Middle East and Africa region. It opened an office in Dubai last year and has set up new distribution deals in the region with retail plans also pipelined. In Saudi Arabia, Heinemann is preparing a 7,000-square-meter (7,534-square-foot) duty-free offer in Jeddah, the first phase of which will open in July 2024. Co-CEO Raoul Spanger comments, "We had planned to grow in the Middle East Africa region in 2023 and won the concession at Jeddah Airport and signed the contract for the stores aboard Aroya."

Aroya is the first cruise ship of Cruise Saudi, a recently established cruise company, that aims to capture a slice of this market and is forecasting 1.3 million cruise passengers to Saudi Arabia via sea by 2035.

Fiona Glen, Head of Projects at beauty consultancy, The Red Tree, puts the average age of Saudi Arabia’s 36 million population at just 32 and digital consumption at 82%, one of the highest in the world. This means experimentation and newness will appeal in the airport retail environment. Meanwhile, expats make up 75% of the population in the UAE, making it a melting pot of cultures. Airports are therefore a place to create brand awareness as this large segment will travel regularly to see family and friends.

REGIONAL PULLING POWER

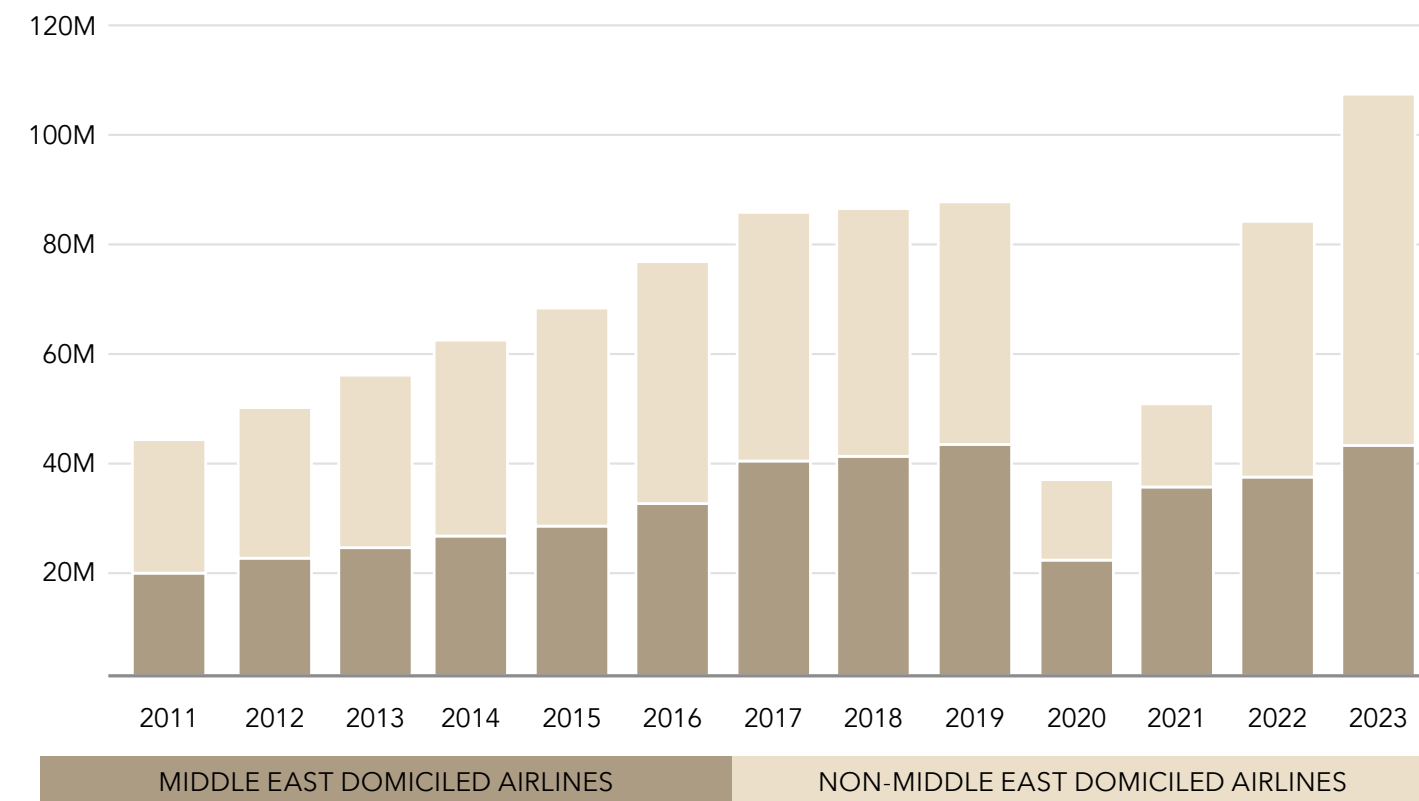
Luxury travel retailer, DFS Group, owned by luxury conglomerate LVMH, is also throwing its hat into the Middle East ring, which might mean stiffer competition across the channel for retailers but more choice for brands. In March, DFS Group Chairman and CEO Benjamin Vuchot made it very clear that the market was a major target. He said, “We are eager to grow our presence in the Middle East. The region offers immense potential. By establishing a stronger foothold

and leveraging our expertise in the luxury retail sector, we aim to capture a significant market share and forge long-lasting partnerships in the Middle East.”

In terms of current Middle East travel retail locations where beauty brands might want to list, Dubai Duty Free is the holy grail but not easy to enter because of the competition from other brands. For international travel retail operators, the listing process will, most likely, be centralized via their headquarters, with regional distribution dependent on internal decision-making.

The chart at right shows the biggest airport locations for passenger traffic in 2023 in the Middle East (excluding Turkish gateways). Well ahead is Dubai International with nearly 90 million travelers, followed by Qatar’s Hamad International with 46 million, and Saudi Arabia’s King Abdulaziz International Airport in Jeddah with 42.7 million.

ESTIMATED PASSENGER BOOKINGS TO/FROM SAUDI ARABIA, 2011-2023



MIDDLE EAST AIRPORT PASSENGER TRAFFIC 2023

Dubai International Airport	Dubai	UAE	86.9M
Hamad International Airport	Doha	Qatar	45.8M
King Abdulaziz International Airport	Jeddah	Saudi Arabia	42.7M
King Khalid International Airport	Riyadh	Saudi Arabia	29.0M
Cairo International Airport	Cairo	Egypt	26.0M
Abu Dhabi International Airport	Ahbu Dhabi	UAE	22.8M
David Ben Gurion International Airport	Tel Aviv	Israel	21.0M
Kuwait International Airport	Kuwait City	Kuwait	15.6M
Sharjah International Airport	Sharjah	UAE	15.3M
Muscat International Airport	Muscat	Oman	12.6M
Mehrabad International Airport	Tehran	Iran	TBU
King Fahd International Airport	Dammam	Saudi Arabia	10.9M
Queen Alia International Airport	Ammam	Jordan	9.5M
Prince Mohammad bin Abdulaziz International Airport	Medina	Saudi Arabia	9.4M
Bahrain International Airport	Manama	Bahrain	8.7M
Hurghada International Airport	Hurghada	Egypt	8.7M
Larnaca International Airport	Larnaca	Cyprus	8.1M
Beirut-Rafic Hariri International Airport	Beruit	Lebanon	7.1M
Imam Khomeini International Airport	Tehran	Iran	TBU

- Adapted from operator data and civil aviation authorities

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AIRPORT EXPANSION PLANS

Competition is fierce, and the Gulf States are abuzz with record-setting airport development plans.

Saudi Arabia's King Fahd International Airport wears the crown as the largest airport in the world by area with 780 square kilometers (about 300 square miles). For context, that's bigger than the neighboring country of Bahrain. As if that is not big enough, the Saudis currently have a new six-runway airport under development on the King Fahd International site set for completion by 2023, with an eventual capacity for 185 million passengers per year.

Not to be outdone, Dubai's leadership has approved a \$35 billion plan to build a new passenger terminal at the Emirate's Al Maktoum International Airport, which also goes by the name of Dubai World Central (DWC). The new airport will be five times the size of the current Dubai International Airport, cover 27 square miles with 400 aircraft gates, five parallel runways, and employ innovative aviation technologies for the first time in the aviation sector. In addition to its projected capacity of 260 million passengers annually, it also aims to have a capacity of 12 million tons of cargo per year. The new plans will also double retail space from the current 40,000 square miles. Work is set to commence immediately, with the first phase of the project expected to be finished within the next 10 years. When completed, it will be the largest airport in the world.



PART 7 DISTRIBUTION LANDSCAPE

THE SPA AND CLINIC CHANNEL

Consumers in the Middle East have long associated spas with relaxation, pampering, and socializing. Rising incomes, population growth, and increased tourism inflows in the Gulf countries have continued to drive the growth of day spas and hotel spas, many of which also target the luxury local consumer segments.

In 2022, there were 8,762 spas in the MENA, representing \$4.4 billion and a 49.2% increase from the 2020 market, according to the Global Wellness Institute. Stellar Market Research pegs the Middle East and Africa spa service market at \$25.77 billion in 2023 and estimates it will grow at a CAGR of 13.43 %.



The Key Players in the regional Spa Channel are:

Hologic, Inc.

Cynosure, Inc.

Lumenis Ltd. (Xio Group)

Sciton, Inc.

Canyon Ranch, Inc.

Clinique La Prairie

Hyatt Hotels Corporation

Syneron Medical Ltd. (Apax Partners)

Chiva-Som International

Health Resorts Co., Ltd.

Allure Medspa and Biovital Medspa
(Tattarang)

CLINICS AND COSMETIC PROCEDURES

Research by *The Journal Of Clinical and Aesthetic Dermatology* shows cosmetic procedures are increasingly being accepted among youth in the Middle East, with skin and nasal procedures being the most popular.

The medical aesthetics market in MEA is expected to grow from \$656.04 million in 2021 to \$1,295.62 million by 2028; it is estimated to grow at a CAGR of 10.2% from 2021 to 2028. The Middle East has shown significant growth due to economic and lifestyle changes.

The UAE has become a regional plastic surgery hub, with the number of plastic surgeons per capita in Dubai among the highest in the world. According to a Dubai Health Authority (DHA) report, the UAE has the highest number of cosmetic surgeons per capita in the region—about 50 specialists for a million people. Last year, the most popular cosmetic procedures were lip fillers, liposuction, microneedling, and Botox, according to local plastic surgeons and dermatologists.

The Saudi Arabia cosmetic procedure market is booming and is quickly becoming one of the biggest markets in the region—fueled by evolving beauty ideals, disposable income, and social media influence. Younger women drive growth and clinics dominate the channel, offering privacy and cutting-edge procedures.

According to the latest research by Astute Analytica, the Saudi Arabia cosmetic surgery market is projected to reach a valuation of \$1,877.8 million by 2032, up from \$789.9 million in 2023, at a CAGR of 10.1% during the forecast period 2024-2032. The top five most popular cosmetic treatments among women include Botox, chemical peel, laser hair removal, microdermabrasion, and sclera therapy while breast augmentation, liposuction, nose reshaping, eyelid surgery, and tummy tuck are the most common surgical procedures.

NUMBER OF SPA ESTABLISHMENTS BY REGION 2019-2022	2019	2020	2021	2022	PER CAPITA 2022	AVERAGE ANNUAL GROWTH	
						2019- 2020	2020- 2022
NORTH AMERICA	\$277.4	\$154.4	\$205.5	\$266.8	\$44.56	-44.3%	31.4%
EUROPE	\$248.2	\$124.9	\$175.8	\$250.7	\$75.85	-49.7%	41.7%
ASIA-PACIFIC	\$145.4	\$51.2	\$56.5	\$85.1	\$5.20	-64.8%	29.0%
LATIN AMERICA CARIBBEAN	\$31.9	\$12.7	\$19.5	\$29.4	\$10.11	-60.1%	52.0%
MENA	\$12.1	\$5.2	\$6.9	\$13.6	\$8.30	-57.0%	61.5%
SUB-SAHARAN AFRICA	\$5.5	\$2.1	\$2.6	\$5.0	\$4.15	-60.8%	53.1%
WORLD	\$720.4	\$350.6	\$446.8	\$650.7	\$81.82	-51.3%	36.2%

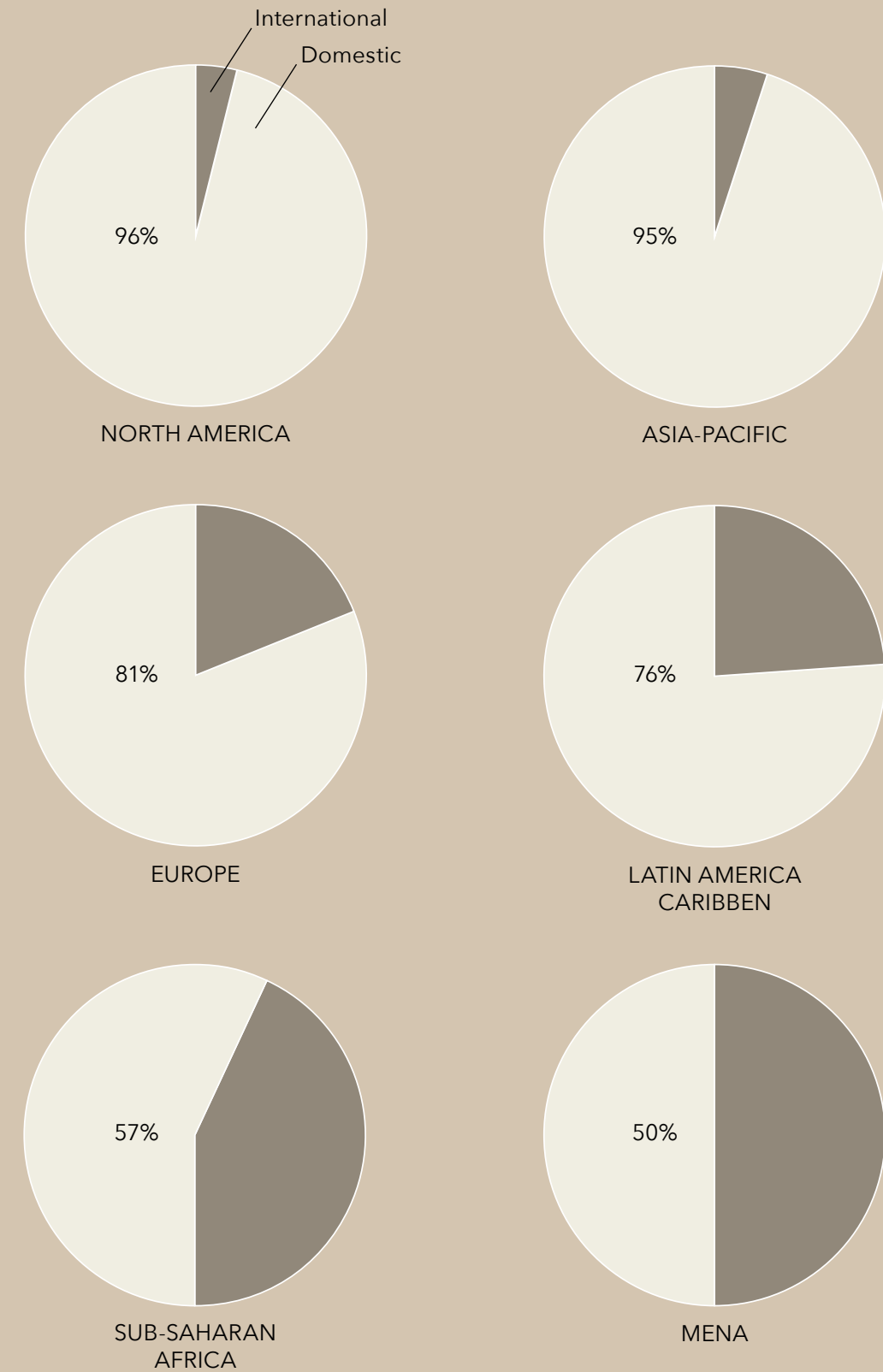
SPA REVENUES BY REGION 2019-2022 (USD)	2019	2020	2021	2022	AVERAGE EXPENDITURES PER TRIP (USD)
					2022
NORTH AMERICA	\$277.4	\$154.4	\$205.5	\$266.8	\$1,250
EUROPE	\$248.2	\$124.9	\$175.8	\$250.7	\$834
ASIA-PACIFIC	\$145.4	\$51.2	\$56.5	\$85.1	\$351
LATIN AMERICA CARIBBEAN	\$31.9	\$12.7	\$19.5	\$29.4	\$623
MENA	\$12.1	\$5.2	\$6.9	\$13.6	\$1,354
SUB-SAHARAN AFRICA	\$5.5	\$2.1	\$2.6	\$5.0	\$878
WORLD	\$720.4	\$350.6	\$446.8	\$650.7	\$794

PART 7 DISTRIBUTION LANDSCAPE

THE WELLNESS ECONOMY AND TOURISM

Research by the Global Wellness Institute predicts the Middle East-North African overall wellness economy (which includes all 11 wellness markets—from physical activity to mental wellness to healthy food/nutrition/weight loss to the spa industry) is the world's second-fastest regional wellness growth leader. The region has one of the strongest post-Covid rebounds, showing resilience, recovery, and growth in its wellness market since the pandemic. The Middle East wellness market was worth \$110.5 billion in the pandemic year of 2020; it grew 14.7% annually from 2020 to 2022 to reach \$145.4 billion. The market is at 119% of its pre-pandemic levels in 2019 (\$122 billion).

BREAKDOWN OF WELLNESS TRIPS: INTERNATIONAL VS DOMESTIC 2022



- Global Wellness Institute 2023 Global Wellness Economy Monitor

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THE TOP FIVE WELLNESS MARKETS ACROSS MENA ARE:

UAE at \$23 billion

Saudi Arabia at \$19.8 billion

Israel at \$19.1 billion

Egypt at \$15.8 billion

Iran at \$13.7 billion

“The recent growth of the Middle East wellness tourism market is a big story because it’s the #1 growth leader of any region in the world. If it was worth \$5.2 billion in 2020, it soared to \$13.6 billion by 2020—an extraordinary growth rate of 61.5% a year,” shared Beth McGroarty, VP of Research for the Global Wellness Institute. “There are now 10.1 million wellness trips taken annually across MENA, and what’s striking is that travelers are spending \$1,354 per wellness trip on average in the region—the highest spend of any region in the world, even in North America.”

The Middle East wellness and wellness tourism markets have tremendous potential. McGroarty said the forces driving the future demand for wellness in the region are a modern lifestyle resulting in an increase of chronic diseases and obesity and expanding middle class, the awareness of wellness, and the importance of prevention rising across the board—along with governments from Saudi Arabia to the UAE to Qatar making major investments in public health and wellness.

There are also unprecedented investments being made to establish parts of the region as wellness tourism destinations as is strikingly evidenced by Red Sea Global’s (RSG) ambitious investments in the luxury regenerative tourism destinations. Owned by the Public Investment Fund (PIF) of Saudi Arabia and chaired by HRH Crown Prince Mohammad bin Salman bin Abdulaziz Al Saud, RSG is a cornerstone of Saudi Vision 2030.

The portfolio includes three world-leading destinations along Saudi Arabia’s west coast focused on responsible tourism and sustainability. Red Sea opened its first resort in 2023, plans to open 16 more resorts in the first phase during 2024/2025, and projects to have 50 resorts by 2030.

McGroarty said every major global wellness travel brand has their eye on opening properties in the region.

WELLNESS TOURISM EXPENDITURES BY REGION 2019-2022 (USD BILLIONS)	2019	2020	2021	2022	PER CAPITA 2022	AVERAGE ANNUAL GROWTH	
						2019-2020	2020-2022
NORTH AMERICA	\$277.4	\$154.4	\$205.5	\$266.8	\$44.56	-44.3%	31.4%
EUROPE	\$248.2	\$124.9	\$175.8	\$250.7	\$75.85	-49.7%	41.7%
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Source: Global Wellness Institute 2023 Global Wellness Economy Monitor

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