



Online Fashion Destination of Pakistan



Agenda

1. Misconceptions about E-commerce

2. Why E-commerce

3. Why Pakistan

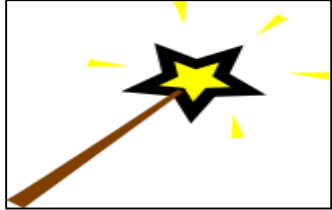
4. Why Fashion

5. Daraz.pk

Misconceptions about E-commerce



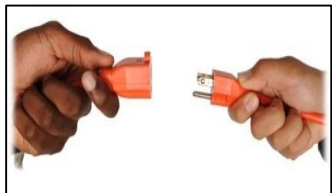
- Not a “website”



- Not a magic wand



- Not a tech company



- Is not disconnected from the offline market



- Is not a channel to get rid of merchandise that isn't selling elsewhere

Agenda

1. Misconceptions about E-commerce

2. Why E-commerce

3. Why Pakistan

4. Why Fashion

5. Daraz.pk

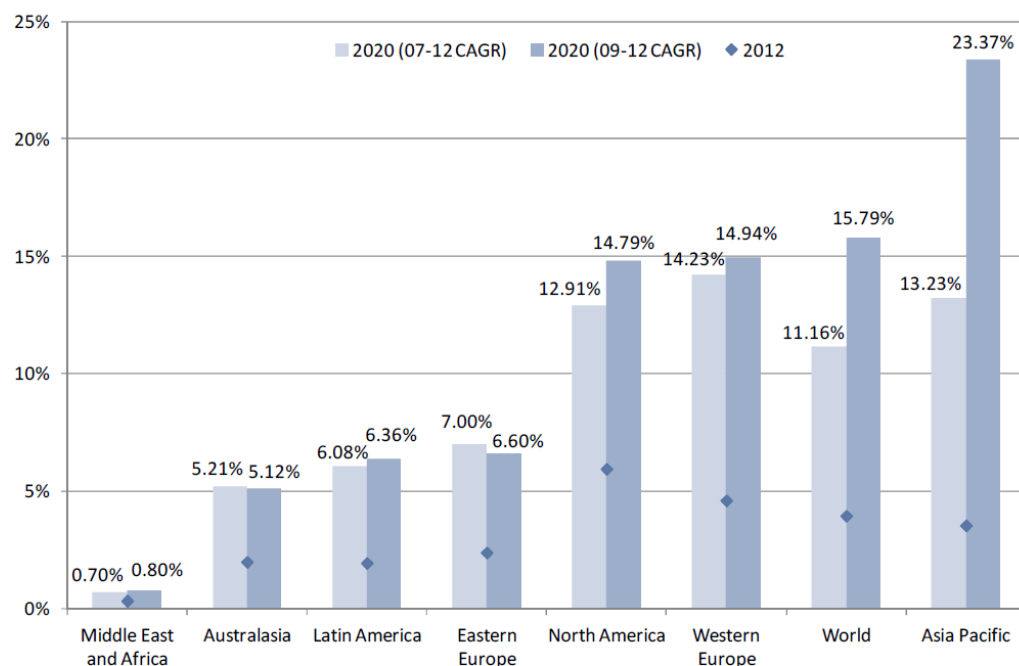
E-Commerce Penetration to be at 11-15% of global retail by 2020

E-Commerce Global Penetration

All categories; percentage of total retail

Exhibit 4: ... and could be 11% to 15% of global retail sales by 2020

Internet retail as % of total retail, projected till 2020



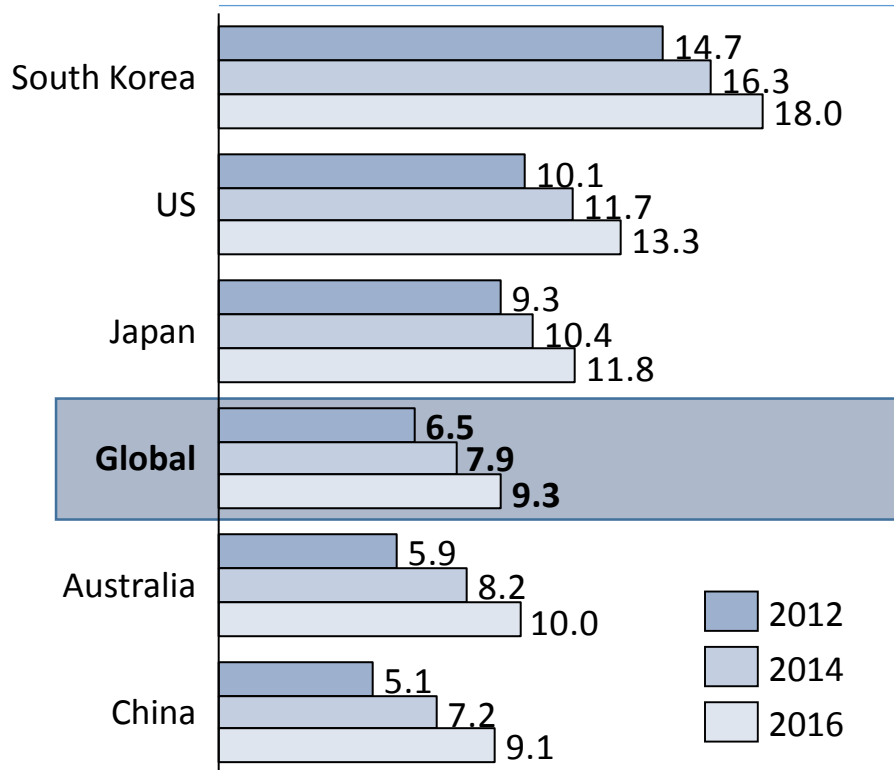
Source: Goldman Sachs Research estimates, Euromonitor

Adoption of online is accelerating, driving disruption at all points of the value chain
Consumers are adopting the online retail channel at an accelerating rate: 15% CAGR since 2009, vs. 10% CAGR 2006-09. GS projects that 11%-15% of total global retail sales will be conducted through the online channel by 2020

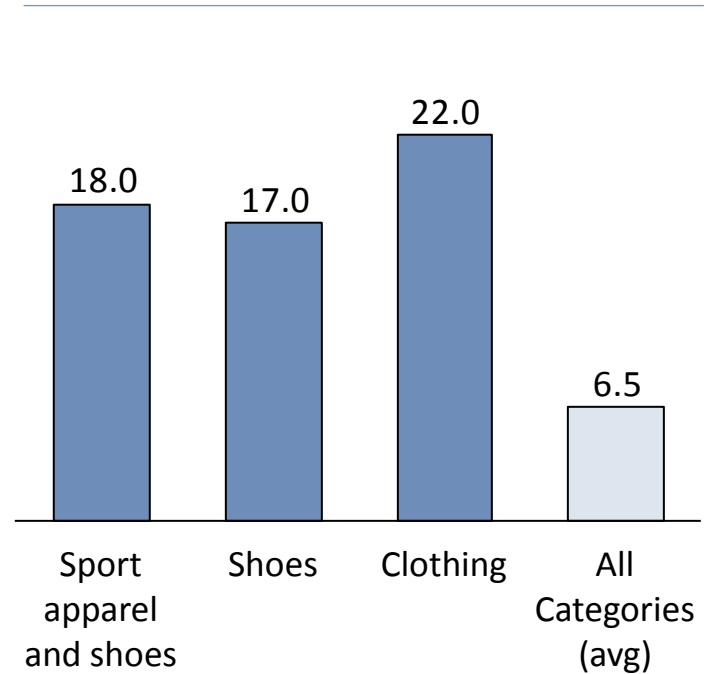
Source: Goldman Sachs Chain reaction: Online disruption gains traction March 2013

E-Commerce projected to play a key role in Fashion

E-Commerce Penetration – All Categories
percentage of total retail



Global 2012 E-Commerce Penetration for Fashion Categories - percentage of total retail



Source: Morgan Stanley eCommerce paper 2013

Agenda

1. Misconceptions about E-commerce

2. Why E-commerce

3. Why Pakistan

4. Why Fashion

5. Daraz.pk

Rising Internet and Mobile Penetration

- **190 million** population of which 36% is urban
- 70% population under 30 years old
- **31 million internet users**
- **5th largest** mobile phone market in Asia with **125 million mobile phone subscribers**
- 30% smartphone penetration
- 11% of internet visitors in 2013 came from mobile
- 80% of internet users spend over 1 hour online each day.
- 3G rollout expected in 2014



Rising Consumerism and Disposable Income

- **Globalization** is driving consumerism
- **exposure from cable TV and internet** in Tier 2 and Tier 3 cities
- growing **fashion conscious** middle-class

facebook

Facebook penetration is **12.2 Million** or 42% of total internet users

👍 677k

33% of Pakistanis access Facebook from smartphones



3 trends are fueling the rapid growth of E-Commerce in Pakistan and most developing countries

1 – Strong uptake of Internet users

Aspiring countries are **quickly catching up** to the penetration **levels of mature economies** especially with mobile internet

2 – Rising disposable income

High GDP growth compared to mature economies coupled with **growing middle-class** in most countries

3 – Lack of retail infrastructure outside major metros

E-Commerce is the only option in Tier 2 & 3 cities for access to new fashion trends

The rise of e-commerce in developing countries is likely to be **faster than in North America and Western Europe** as consumers follow existing consumption habits across the globe and will gain confidence in e-commerce quicker

Agenda

1. Misconceptions about E-commerce

2. Why E-commerce

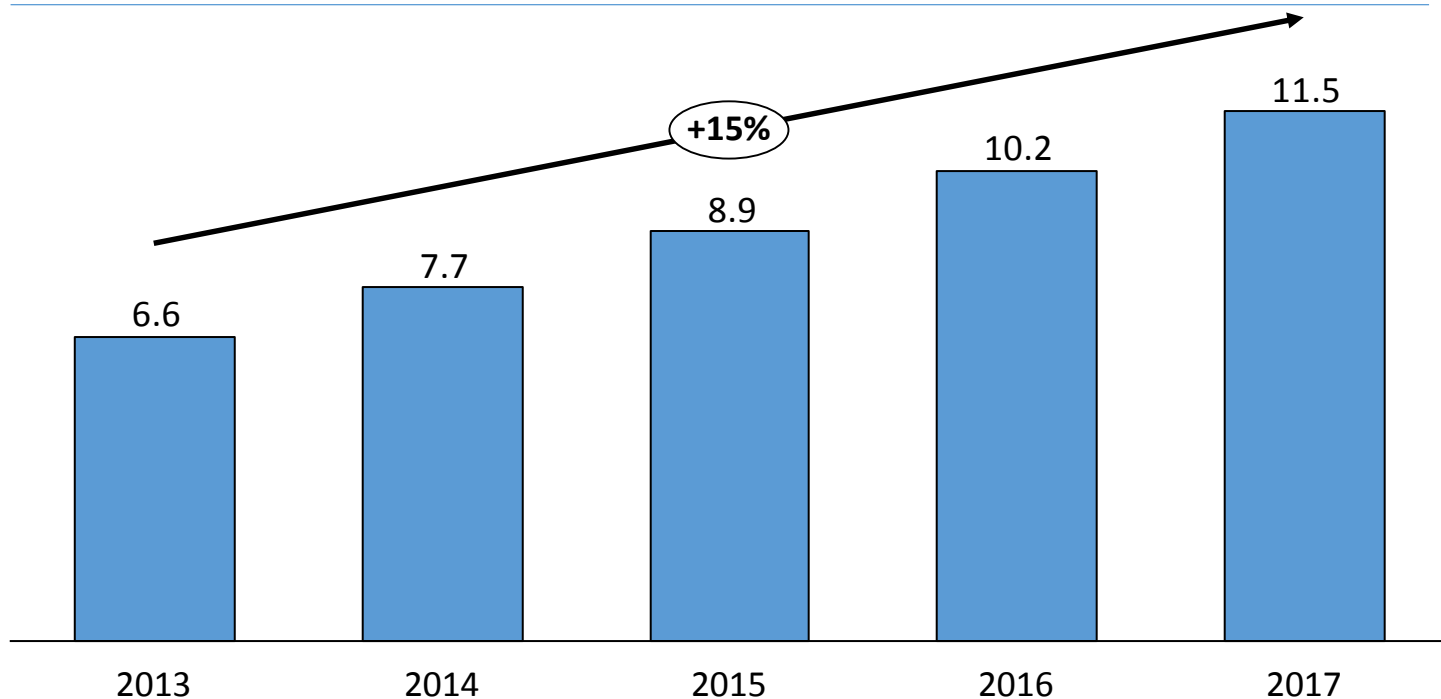
3. Why Pakistan

4. Why Fashion

5. Daraz.pk

Sizable Fashion Market that is projected to grow at a CAGR of 15% to €11.5 billion in 2017

Size of Pakistan's Clothing, Footwear and Accessories Market



Source: [Euromonitor April 2013, Report: Non-Grocery Retailers in Pakistan](#)
(Current Prices & Fixed 2012 Exchange Rates, Retail Value RSP incl Sales Tax)

Agenda

1. Misconceptions about E-commerce

2. Why E-commerce

3. Why Pakistan

4. Why Fashion

5. Daraz.pk

Daraz.pk – your one stop fashion destination

The screenshot displays the Daraz.pk website interface. At the top, there is a search bar with the text "Search for brands, products, styles, etc." and a "Search" button. To the right, it says "INTERNATIONAL DELIVERY AVAILA..." and "View cart" with a shopping bag icon. Below the search bar is a navigation menu with categories: MEN, WOMEN, KID \$, SPORTS, HOME & LIFE STYLE, PREMIUM, BRAND \$, SALE %, and NEW ARRIVAL \$.

The main content area features several promotional banners and category lists. On the left, a "Special Offer!" section includes "Gift Cards" and "New Arrivals". Below this is a "Women" category list with sub-items: Tops, Kurtas & Shalwar Kameez, Pants & Tights, Flats & Sandals, Shirts, Garmgs, More Women's Clothing, Men, T-Shirts, Shirts, Jeans, Sandals Slippers, Dress Shoes, Watches, and Ties. The central banner is for "2014 LAWN PRINTS VOL.1" by "J. Azeed Bano" with a "SHOP NOW" button. To the right, there is a banner for "alkaram" and another for "Bonanza" featuring a man in a white shirt and tie. Below these are banners for "NINE WEST" shoes, "urbansole" shoes, and "Daraz.pk MAGAZINE".

At the bottom, a "Top brands" section displays logos for Timberland, Mash Poppies, TISSOT, PUMA, alkaram, Nike, and ego.

Daraz.pk – A venture of Rocket Internet

- Started in 2007, Rocket Internet is the worlds largest internet incubator
- German firm headquartered in Berlin with 75+ independent portfolio companies in 50 countries
- Fashion is one of the most successful models undertaken by Rocket covering 40+ countries with global successes such as Zalando, Zalora and Jabong
- Zalando, Rockets European fashion venture, is the fastest company to hit a billion euros of revenue in Europe.

ALL VENTURES



Daraz.pk is leading the way in fashion e-commerce in Pakistan

DARAZ KEY FACTS

▪ Launched in Q3 of 2012

- Multi-brand online fashion store
- Selling clothes, shoes & fashion accessories
- Delivering all over Pakistan
- All payment methods including COD and credit cards
- In-house production facilities for model and product photography
- E-commerce focused item level warehousing

▪ Current Status

- 100+ employees
- Over 400 brands and 15,000 products online
- 1,000 new products every week
- Delivered to 178 cities in Pakistan
- 50% sales are outside of KLI
- International Delivery kicked off
- Established own logistics arm

How Daraz.pk Operates?

BUYERS



- State of the art technology being used by Rocket Internet globally
- Advanced adaptation of highly successful online fashion ventures such as Zappos, Zalando, ASOS and Zalora
- Provides state of the art warehousing, logistics and in-house production facilities
- Core strength in online and offline marketing
- Dedicated category management teams to ensure all requirements of the brand are always met

BRANDS



DARAZ.PK AIMS TO BECOME THE LEADING DESTINATION FOR ONLINE FASHION IN PAKISTAN

400+ brands & growing daily!



DARAZ.PK NOW HAS OVER 50% OF THE FASHION BRANDS IN PAKISTAN

Customised E-store for your Brand



Search for brands, products, styles, etc.

Search

1 item available

VIEW CART
Cart empty

MEN

WOMEN

KIDS

SPORTS

HOME & LIFESTYLE

PREMIUM

BRANDS

SALE %

NEW ARRIVALS

STONEAGE ONLINE STORE



**Men's
Clothing**

[Shop Now](#)



**Women's
Clothing**

[Shop Now](#)



**Men's
Upto 10% off**

[Shop Now](#)



**Women's
Upto 10% off**

[Shop Now](#)



Warehousing Expertise



- State of the art **warehousing process intelligence** and technology
- Daily shipments to Karachi are delivered at an average order to delivery **timeframe of 24 hours**



Last mile Logistics - eShipped.com



- Covers 6 major cities
- Covers 50% of all shipments
- Improves cash cycle & delivery rate
- SMS triggered shipment tracking



Daraz branded packaging

In-house Photography & Editing

- Core **expertise in model and product photography** gives us an edge on content over any ecommerce venture in our market
- Distinguish between **informational and exciting photography** and use both effectively
- We add over a **1,000 new products every week** which allows us to stay current in terms of fashion



Marketing Expertise

Consolidated Marketing Effort

Online Marketing

- Facebook paid
- Facebook social
- Google
- SEO and SEM
- Daraz.pk branded newsletters



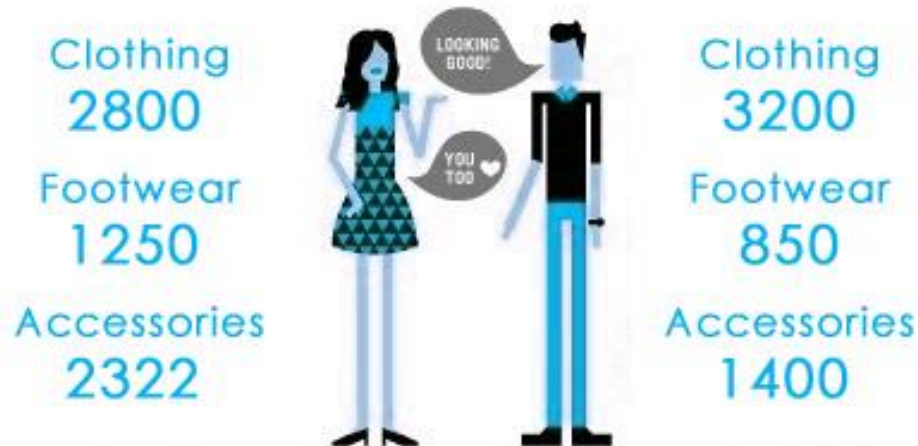
Offline Marketing

- Print (mainly various magazines)
- Radio
- TV
- Joint marketing campaigns with various partners including TCS, Standard Chartered and Pizza Hut



Daraz.pk - Current Milestone

daraz.pk ► THANKS TO YOU, WE'VE HIT 100000 ORDERS



OUR CURRENT NUMBER OF PRODUCTS...& GROWING BY THE MINUTE!

We have 22000 sq ft of warehouse space across karachi



We ship 60% of our orders within hours

1000 New products are uploaded to our site every week! ▲▲▲



Daraz.pk – Speed and Reach



We've shipped orders to over **180 Cities** across Pakistan

WE HAVE OVER



670,000

FACEBOOK FANS

International delivery also available



50% of our orders are in the major cities

50% are in the non-metro ones



1.2
MILLION
VISITORS GO
TO OUR SITE

monthly



(We make sure everyone gets covered)



Questions?