

## Investors Are Giving Millions To Online Beauty Stores

With e-commerce platforms gaining in popularity across the Arab world, fashion and beauty online marketplaces are becoming a favorable option with the region's shoppers. As a result, investors are increasingly pumping in fresh capital to help these platforms expand their presence.

According to a report by global management consultancy firm, Bain & Company, beauty and personal care categories in the Middle East have a penetration level close to what's seen in developed e-commerce markets, whereas fashion still lag behind.

"The beauty and personal care market is expected to keep growing over the next five years and according to our estimations, already accounts for over \$1 billion in the Levant," explains Maurice Mattar, CEO and cofounder of Feel22.

Companies in the fashion and beauty sector have also been witnessing acquisitions. In February AMC Group, which owns Sudan Digital and Wfir, acquired the majority share of M3roud.com, a Sudanese marketplace for products including fashion, clothes, accessories and jewelry.

In late 2017, a group of Saudi investors took over the online beauty subscription service, GlamBox Middle East, which had previously raised over \$4 million in venture capital funding from regional investors including STC Ventures, MBC Ventures, R&R Ventures and KSA strategic investors.

"The e-commerce market in the Middle East and North Africa is expected to reach \$28.5 billion by 2022. The Saudi e-commerce market is expected to reach \$10 billion, while the UAE will reach \$9 billion and Egypt \$3 billion by 2022," said Bain & Company in a report.

Here are some of the fashion and beauty startups that have gathered significant investment in recent months.

### **Nalbes**

Kuwait-based online fashion marketplace, Nalbes, raised \$2 million in its Series B round in February. Nalbes previously raised \$1.5 million in its Series A round in August 2017.

The platform was founded in January 2017 by a group of Kuwaiti entrepreneurs and offers clothing, bags, shoes and accessories for men, women, and kids. It sells its products across the GCC and plans to scale up the business while keeping its focus on the Gulf.

### **Feel22.com**

Launched in August 2016, this Lebanese beauty e-commerce platform closed a Series A funding round in last October. The amount of the funding was undisclosed, but the round

was led by Equitrust, Choueiri Group's investment arm, along with other private investors.

Feel22.com quickly crossed the \$1 million mark in revenues, with a community of over 200 beauty influencers and more than 400 brands. It plans to expand to Iraq, Jordan and Syria in 2019.

### **Boutiqaat**

This Kuwaiti beauty e-commerce startup raised \$45 million last year from the Boubyan Petrochemical Company. It was reportedly the largest investment ever received by a Kuwaiti startup and came against a valuation of between \$250 million to \$300 million.

Boutiqaat is a virtual makeup showroom featuring a hand-curated mix of beauty and fashion products from over 700 international brands, plus local and exclusive in-house brands.

Envisaged in 2015 by a young Kuwaiti entrepreneur, Boutiqaat features Arab celebrities and social media influencers who recommend products, allowing consumers to shop directly from influencers' virtual stores inside Boutiqaat.

### **La Reina**

This platform gives women the opportunity to monetize their bridal and evening gowns by showcasing them for rent on its website.

Last year, La Reina closed a \$1 million investment from Cairo's Algebra Ventures and U.S.-based global venture capital seed fund 500 Startups.

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