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About the Digikala report

This report contains a selection of data and statistics about the Digikala Group. The contents have been provided by Digikala's Business Intelligence unit for the public. This is an updated version of the first semi-annual report of the Persain year 1398 (2019-2020). The main goal of this report is to answer the question: "What is the market behavior of Iranian users and customers in the digital world in the year 1398?". Digikala is the dominant player in the Iranian digital market, testified by its wide range of products offered, the assortment of SKUs (Stock Keeping Unit) surpassing two million in number, the collaboration of thousands of Iranian businesses and around 26 million monthly visitors on Digikala's website and mobile app. Hence, the information presented in this report sheds light not only on the company but also on Iran's online retail market in general.

Digikala is an Iranian e-commerce startup that provides services for Iranians across the country – from big metropolitan areas to distant villages. Therefore, this and future reports will provide our user base with the opportunity to observe the services of Digikala with greater accuracy and transparency. In addition, these reports provide insight into Iran's online market through the lens of the biggest online store in the country and can aid many big and small decisions in the future.

More than 60 thousand Iranian businesses sell their products via Digikala's marketplace. This report can help these businesses to offer and sell their products more efficiently. Both Manufacturers and distributor companies all over the country can use the information presented in this report to optimize their supply chain, sales departments, and marketing strategies. Furthermore, this report can assist policymakers in designing more precise plans with regards to microeconomics, macroeconomics, transportation, and infrastructure hence helps to depict Iranian customer behavior in the retail market.

Digikala group

digikala

Sales Platforms

digikala

Innovation

digikalanext

Advertisement

Advertising

Solutions

Payment

digipay

Con

Commercial

Logistics

Content

Local Sourcing

Fulfillment Services **CONTENT**FACTORY



International Sourcing

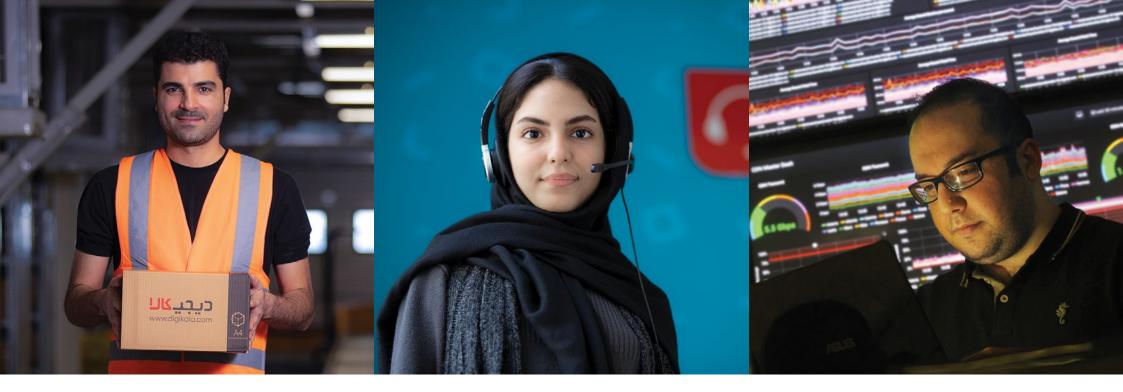
Logistic Services

digikalama

DIGISTYLE







Digikala was founded as a startup company in 2006, with a very limited budget. Today, it is the most visited online store in Iran and the region. The subsidiary companies and the main services of the group include Digikala (online store), Digistyle (online fashion and clothing store), Fidibo (e-book and audio book store), Digikala Fresh (online supermarket), Digipay (online payment services), Digikala Next (innovation center), online and offline advertising services, logistics, cloud services, big data, Content Factory (content services) and Digikala Mag. In early 2020, Digikala also invested in the startup Komodaa, a social networking retail platform.

Ever since its establishment, Digikala has always considered "customer-centricity" as the most important business value. Also, Digikala finds its most important duty to raise the shopping experience of Iranians to the world standards.

By establishing the Danesh Fulfillment Center in Tehran, Digikala now operates the biggest fulfillment center in the Middle East and North Africa. This center, with an area of 50,000 square meters, capacity for storing 5 million SKUs, and a daily capacity of fulfilling 500,000 SKUs, is comparable to the most innovative fulfillment centers in the world. Moreover, the existence of 31 distribution centers, after-sale services, and collection points all over the country has provided an opportunity to express delivery even for the furthest locations of the country.



Digikala at a glance

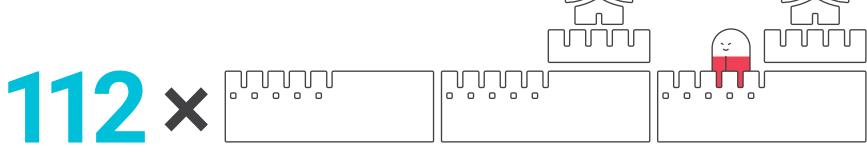
0	26,000,000 Monthly unique visitors
0	The most popular Online store in the middle east
	+2,000,000 SKU
	+4,000 Direct job opportunities
	+61,000 Iranian businesses
	496,000 Tomans Average order value

A normal day in Digikala

Daily visitors on website and App	5.4 million
Average session duration for the website	4 min 54 sec
Average session duration for the application	8 min 35 sec
New added customers	12,000
Newly added SKUs	3,154
Sold items	300,000

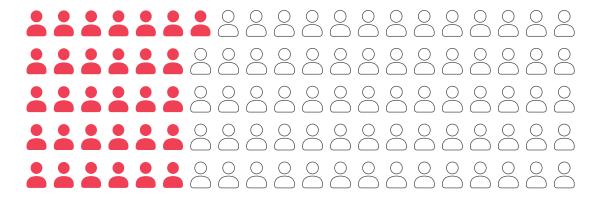
Total time spent by users on Digikala

It took about 200 years to build the Great Wall of China. If we could employ the time users spent on Digikala in 1398 for that purpose, we would have 112 Great Walls.



More than 26 million Iranians visit Digikala every month (31.5%)

In 1398, the number of monthly unique visitors of Digikala reached 26 million.









Digikala; home to Iranian businesses

The marketplace is a platform that provides an opportunity for customers to buy products from thousands of different sellers. In Digikala, more than 60 thousand sellers have joined the Marketplace in competition with each other, and customers can evaluate their services and buy whatever they need, from whoever they want. In this platform, sellers can offer their products to Iranians all over the country and gain exposure to millions of customers. Customers also have access to a variety of different products with competitive pricing, so they have more options to choose from. By developing and providing the Marketplace platform for the sellers, Digikala empowered suppliers and manufacturers to offer their products and gain access to Digikala's userbase and its national and widespread distribution network, without much technical concerns regarding infrastructure. Digikala is a national brand and considers the empowerment of Iranian businesses as one of its most important social responsibilities. Digikala's marketplace platform directly connects the Iranian manufacturer, artisan, artist, and businesspeople to a market as wide as the whole nation. It provides all the logistical infrastructure, storage, payment, packaging, marketing, content creation, market insight, and aftersales services that they require. Hence, the Iranian manufacturer's only concern is to provide supply. Today, more than 61 thousand businesses are active on this platform.

Digikala's position among Iranian online stores

31,343 + @@

Online stores in Iran Social commerce gov.ir

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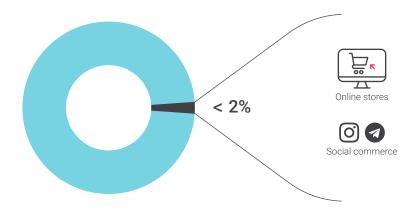
Digikala is one of the tens of thousands of online stores with the electronic trust symbol (enamad).



Online retail share of the Iranian retail market

- The whole retail market of Iran
- Online retail share

Source: Digikala's estimate based on data from the Iran Central Bank, Volume of online business transactions, and Digikala's share



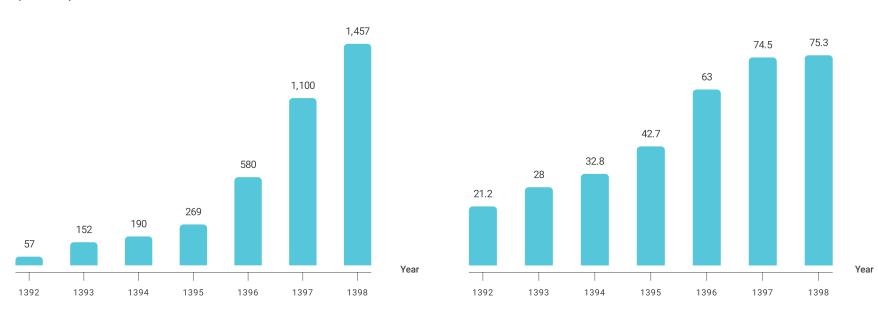
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By the end of 1398, the share of online retail was about 2% of the total retail market in Iran. An increasing growth for the online retail industry in Iran is also expected following the outbreak of COVID19.

A platform for online retail in Iran

Growth in the number of online transactions in Iran (million)

Growth of mobile internet users in Iran (million)



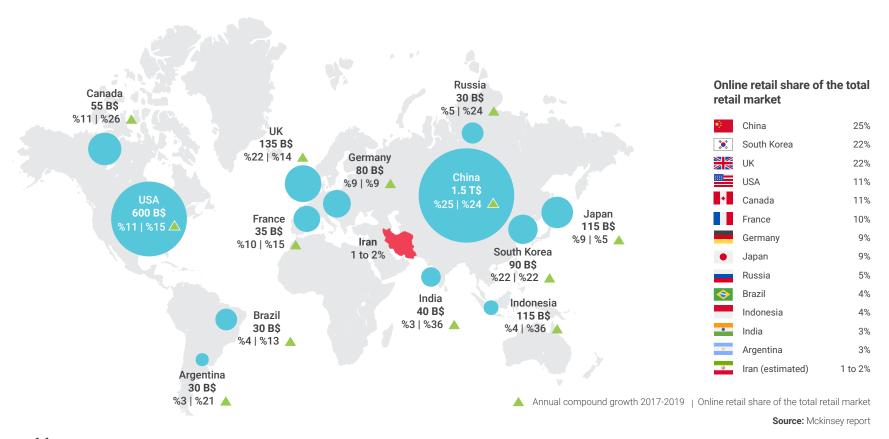
Source: Shaparak annual economic report

Source: Report of the Communication Regulatory Authority Iran

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The number of Internet users and the volume of online transactions indicate a ready platform for the growth of online businesses.

Online retail in some countries



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Online retailing accounts for a significant share of the global retail market. It also expects to grow dramatically following the outbreak of Covid-19.

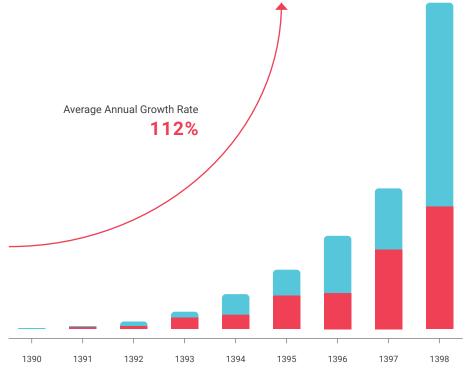


How much has NMV (Net Merchandise Value) grown in Digikala?

- Digikala's net sales (in Rials) have grown yearly by an average of 112% over the past eight years.
- CAGR (Compound annual growth rate) of Digikala's Net Sales Value (in Rial) from 1390 to 1398 (April 2011 to March 2020) was 106%.



H1



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Due to the compound annual growth rate (CAGR) and the average annual growth rate (Year on Year), the net sales of Digikala in Rials have increased exponentially.

How has the variety of products changed in Digikala?

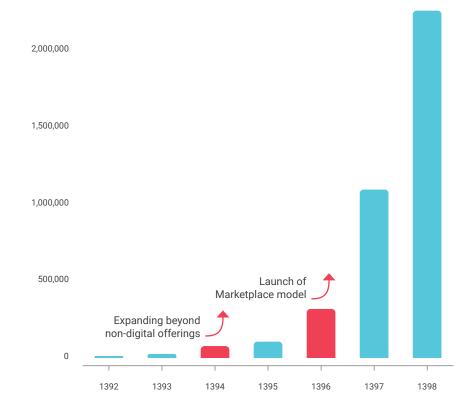


1,153,000New SKU in 1398



2,238,287

The overall variety of SKU



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The variety of goods in the largest hypermarkets and physical stores is not more than 20 thousand items.



Do all Iranians benefit from online shopping?

All residents in any part of the country can buy any product at the same price, regardless of where they live. This is one of the advantages of developing online stores in the country.

One of the most important goals of the development of Digikala's distribution centers is the access of all Iranians to the benefits of online shopping.



Residents in 12,230 villages

They buy from Digikala

Pasa Bandar

The longest order delivery route

Game handle HV-G69

purchased from Pasabander



Geographical extent of Digikala's direct job opportunity

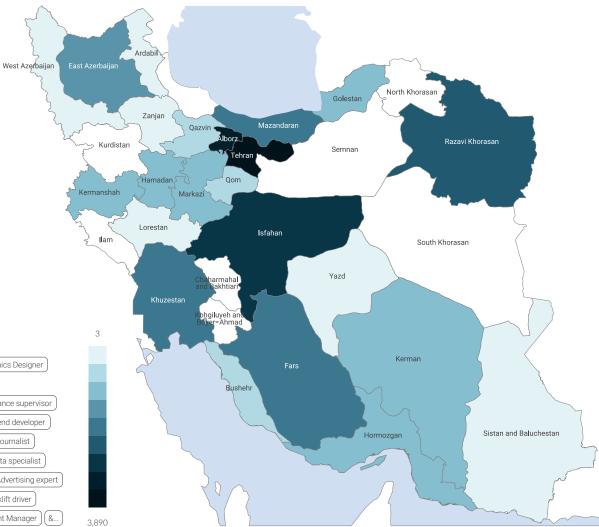
4073 full-time personnel have been working in 35 centers of Digikala until the end of 1398 in 26 provinces of Iran. The development of Digikala's business as well as the growth of the share of online retail in Iran promises more job opportunities in other provinces of the country.

4073
Direct job opportunity created

77
%77
Operational Personnel

+450
Job Title



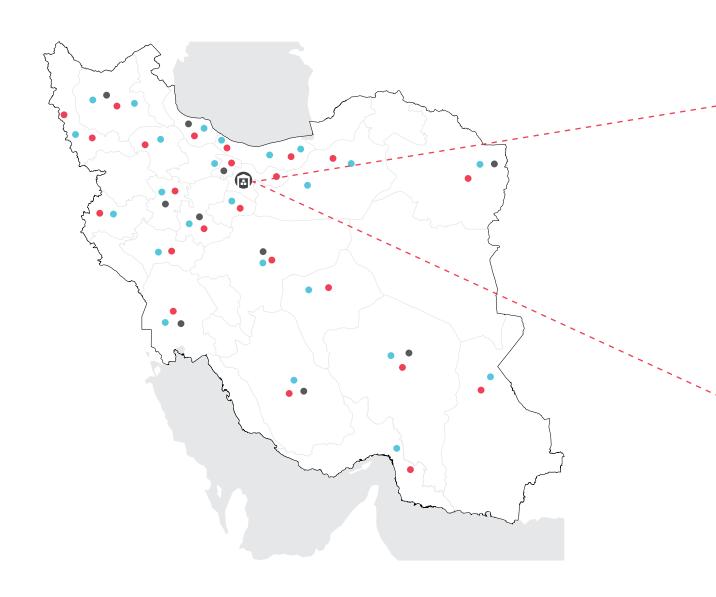


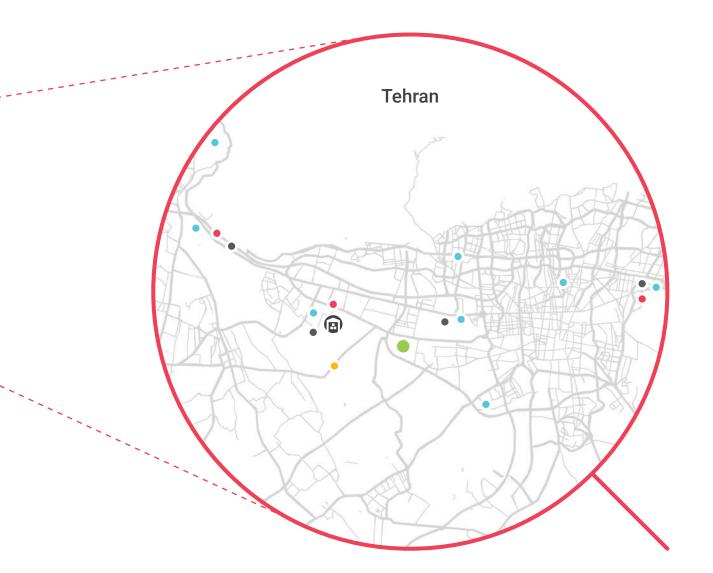


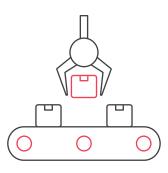
Map of Digikala infrastructure centers

Business development, sales growth, and support for local businesses in Digikala would not have been possible without the development of infrastructure and processing power. By the end of 1398, Digikala had 31 centers for processing goods, distributing goods, after-sales services, and collecting goods from sellers across the country. Besides, Digikala set up new warehouses and centers in 9 provinces of the country to increase the speed of order processing and reduce the cost of supply and delivery of products.









600,000 products

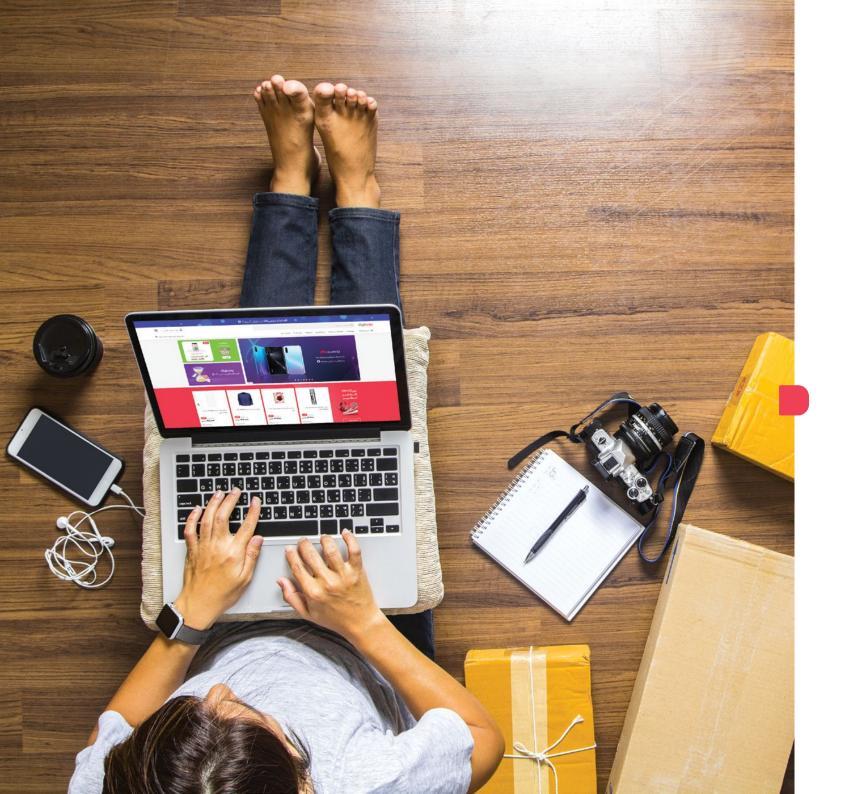
Ability to process in Digikala centers every day



The total area of Digikala's infrastructure centers square meters 146,800 Titanic ships or 19 equals

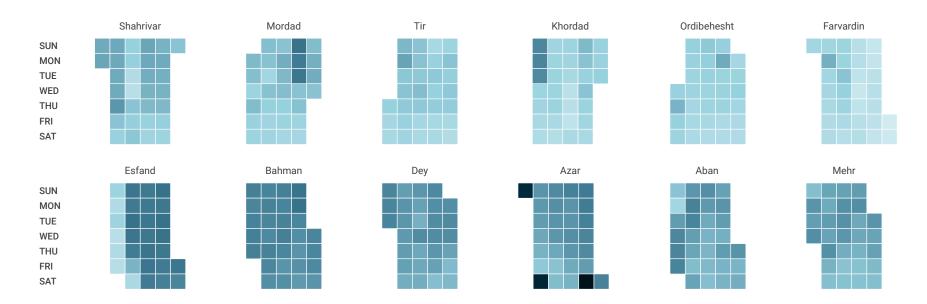
How long were the orders in 1398?

If we could plant all the boxes of orders in 1398 in the ground, its length would be about 12 thousand kilometers. Approximately the diameter of the earth. 12,000 km As the diameter of the earth Diameter of the earth



Chapter 1
User behavior

The best-selling days in Digikala



The average number of orders on different days of 1398

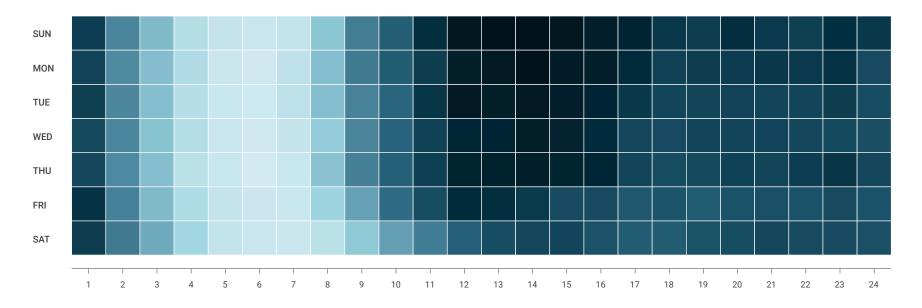
Least Visited Most Visited



The largest number of orders in 1998 was on November 29 at the same time as the "This friday you will need" festival. Also, on December 20 and 21, simultaneously with the "Yalda" festival, a significant increase in the number of orders by Digikala customers can be seen.

Chapter 1 Users behavior 17

The most visited times in Digikala



The average hourly visits to Digikala in 1398

Least Visited Most Visited



The opening days of the week are more popular for shopping, and the tendency to shop at the end of the week decreases. On the other hand, the second half of the day is more welcomed by buyers.



The most diverse order in 1398; A Digikala dowry for 44 million Tomans



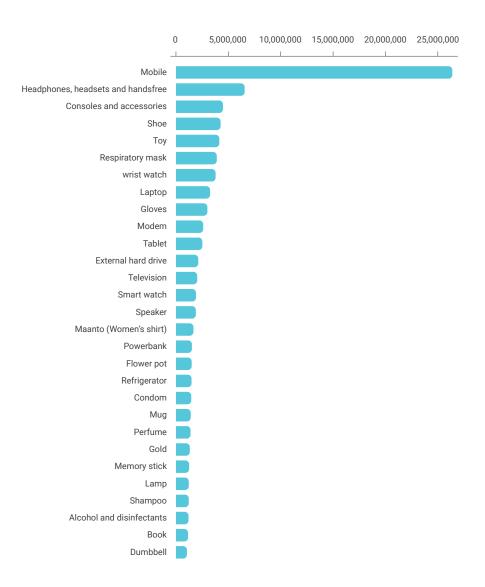




What products are Digikala users searching for?

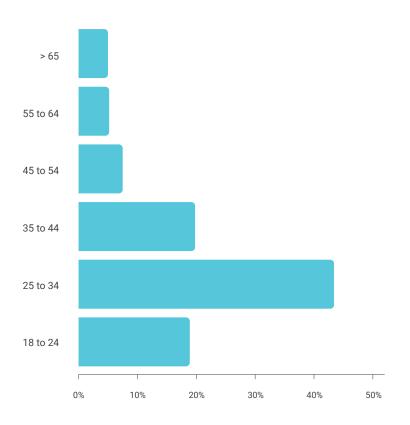
Searching on Digikala is one of the first actions internet users in Iran perform before buying online or offline. A significant part of users' needs can be determined by studying these searches. In 1398, Digikala users were mostly looking for mobile phones, headphones, and game consoles.





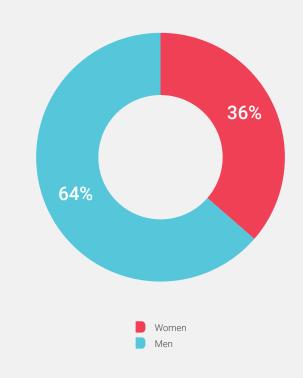
Chapter 1 Users behavior 21

How old are Digikala users?



Most Digikala users are in their tens and twenties.

Who mostly shop online, men or ladies?



6636.4% of the total users of Digikala are women and 63.6% of them are men.



Chapter 1 Users behavior 23

The busiest shopping cart

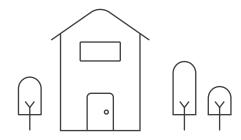
The goods in a shopping cart in 1398 included 1604 items from the category of detergents!

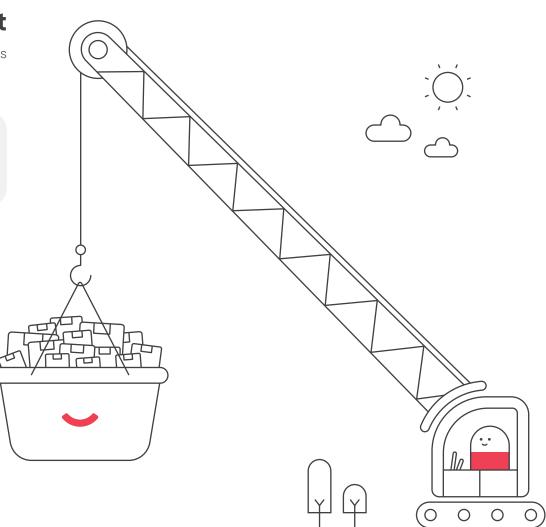


1604

pieces of dishwashing powder and tablets







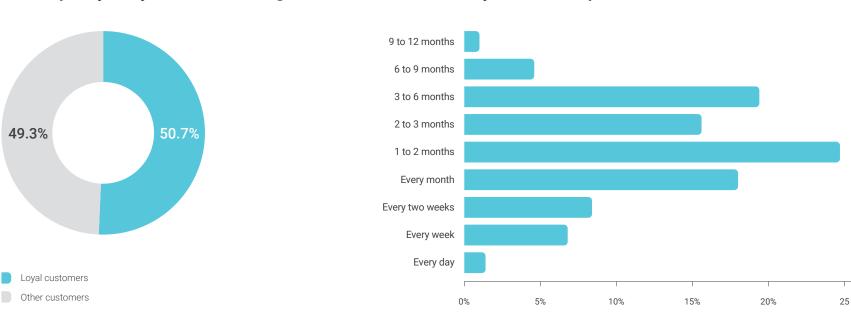


How often do loyal customers of Digikala buy?

Loyal customers of Digikala are those who have made purchases at least twice in 1398. The following charts show the frequency of purchase by loyal customers of Digikala.

The frequency of loyal customers of Digikala

Interval of loyal customers' purchases

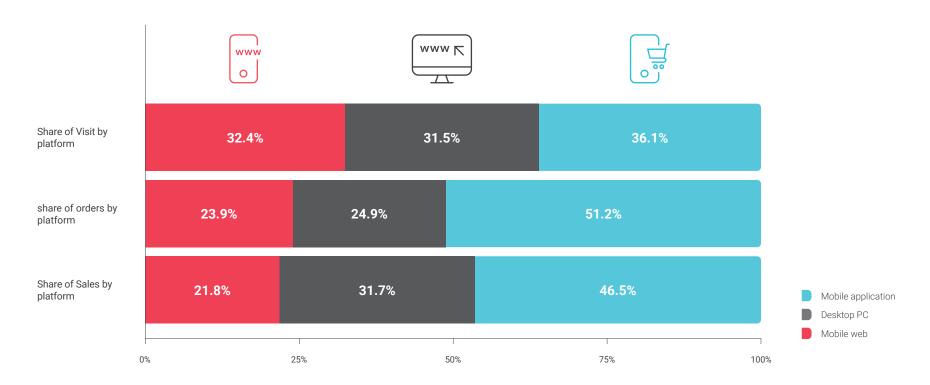




60% of Digikala's loyal customers do not leave more than 2 months between their two purchases. Also, 35% of these customers buy from Digikala at least once a month.

Chapter 1 Users behavior 25

What tools do Digikala users use to shop online?

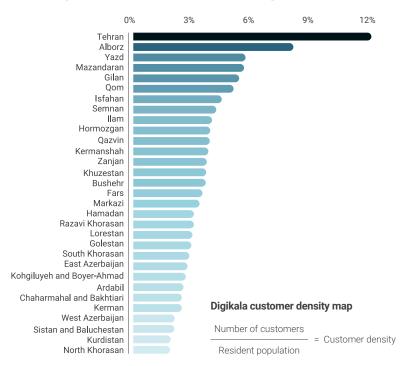


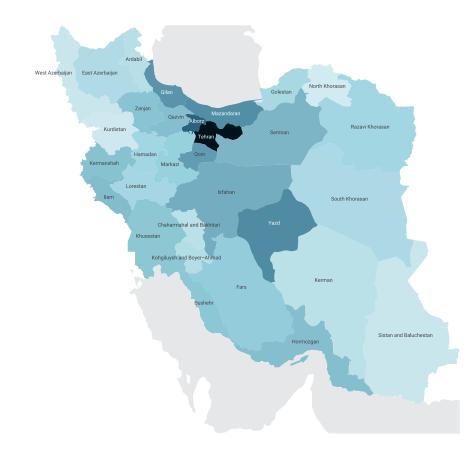


Almost 70% of DK users are engaged via mobile.



In which provinces is the density of Digikala customers higher?





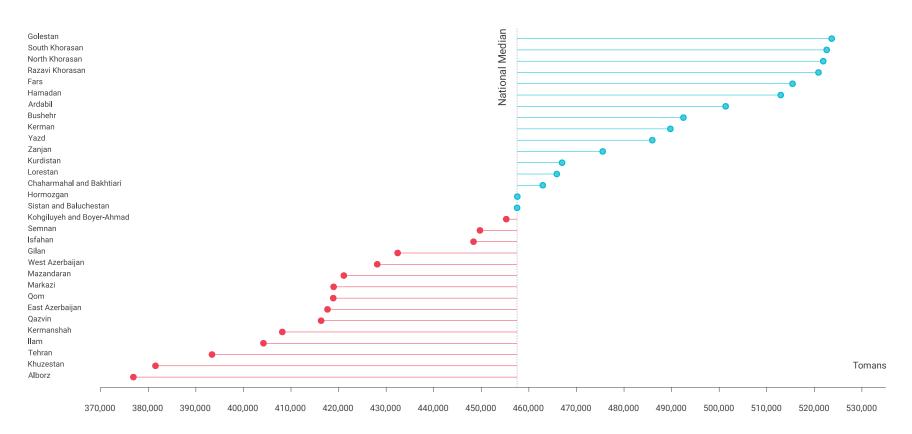


The density of Digikala customers in proportion to the population of each province is higher in Tehran, Alborz, and Yazd provinces than other provinces. Also, the density of customers in Sistan and Baluchestan, Kurdistan, and North Khorasan provinces is lower than in other provinces.

Chapter 1 Users behavior 27

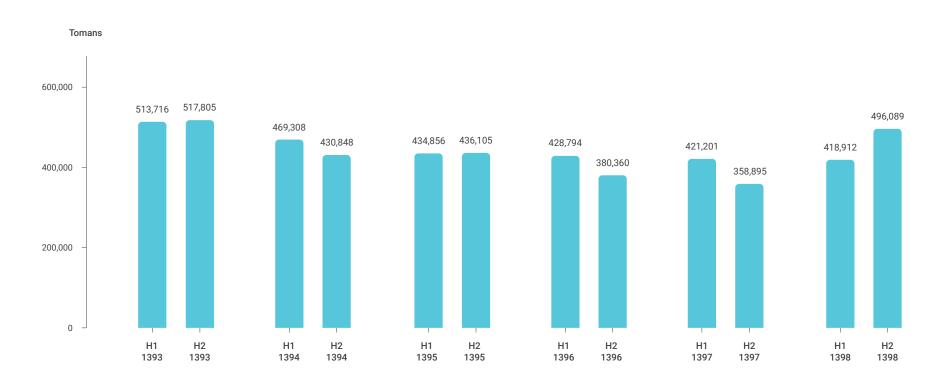
What is the average value of orders in each province?

The average value of each order in Tehran, Khuzestan and Alborz provinces is less than other provinces. It should be noted that in provinces such as Tehran and Alborz, customers are able to order supermarket and fast-consuming products which leads to more frequent customer purchases in a certain period of time, and therefore reduces the average amount of each order in these provinces. In general, increases in the number of purchases per customer causes a decrease in the average value of each order.





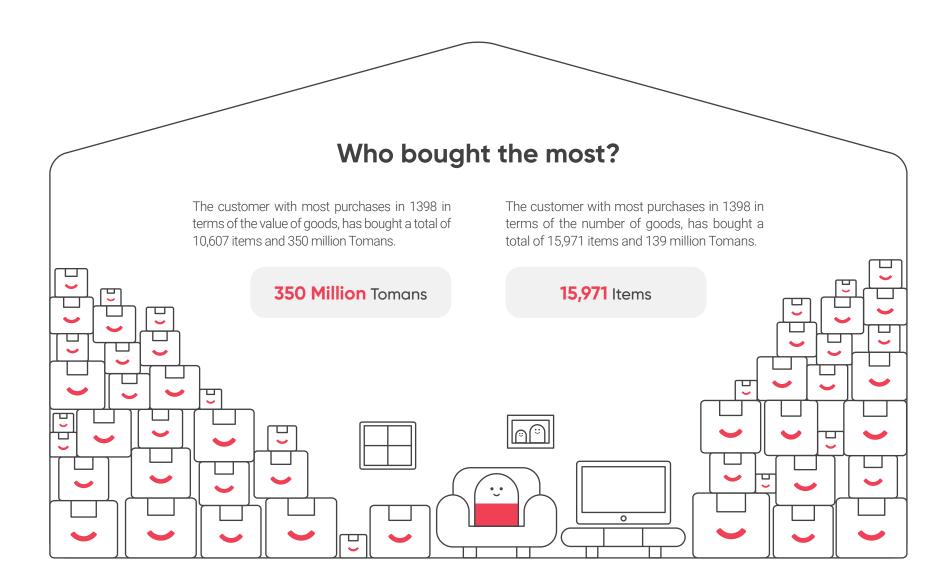
Average annual changes in the value of each order





Over the years, with the increase in the number of purchases by costumers and the addition of non-electronic and fast-moving goods (FMCG), the average value per order has decreased. The second half of each year generally increases the number of purchases.

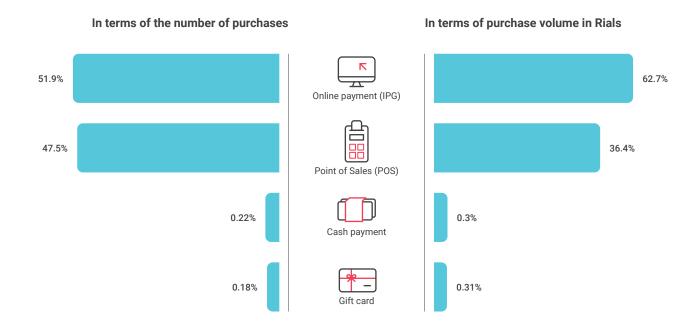
Chapter 1 Users behavior 29





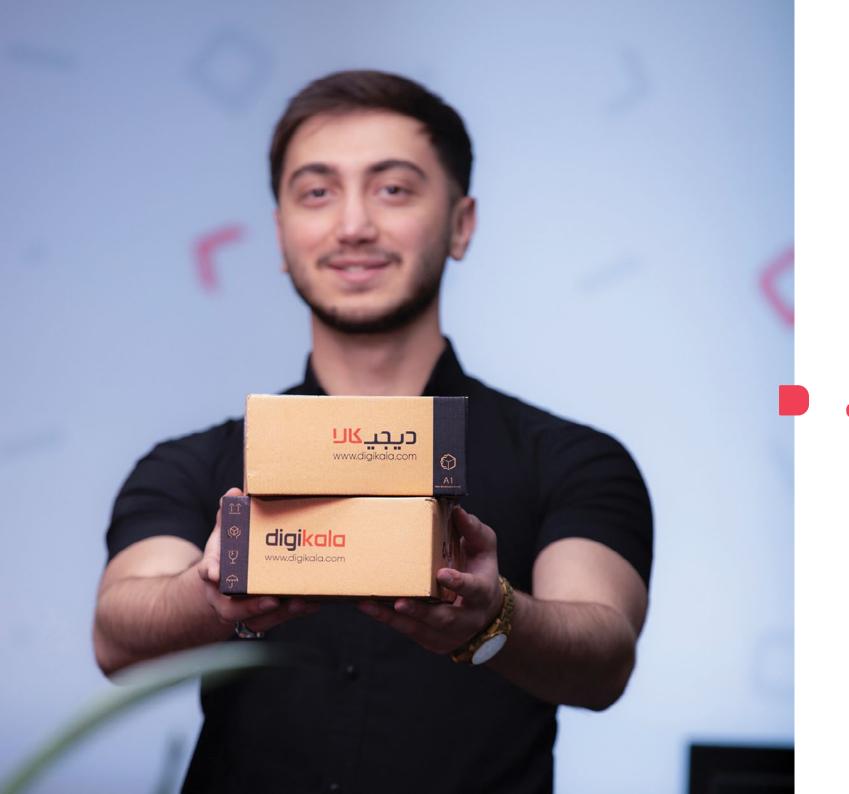
How do Digikala users pay for online shopping?

52% of digital orders are paid through Internet Payment Portal (IPG) and 47.5% are paid via mobile card reader (POS). However, the share of payment value through the Internet portal is close to 63% of the total purchase amount of Digikala.



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Increased Online payment might be justified by disabling cash payment.

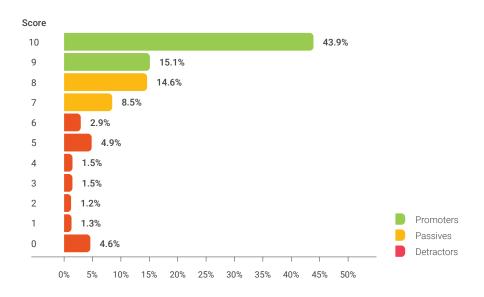


Chapter 2

Customer feedback

How often do customers recommend Digikala?

Customer orientation is the most important organizational value of Digikala. Hence, evaluating customer satisfaction is one of the most important indicators in Digikala. Net Promoter Score (NPS) is one of the common methods to assess customers' satisfaction. Digikala sends an SMS to the customers who have received their order and asks them: "Based on this order, from 0 to 10, how likely are you to recommend this shopping experience?". The chart below shows the percentage of people who gave a 0 to 10 score in 1398. On average, around 10% of DK customers participate in the survey.



The most common reasons for customer dissatisfaction:

- 1. Quality of Products
- 2. The inconsistency between website information and delivered products
- 3. Technical issues of the product
- 4. Insufficient product information
- 5. Price
- 6. Delivery delay
- 7. Packaging
- 8. Inability to edit orders
- 9. Terms and conditions for returning orders
- 10. product variety



One of the priorities of Digikala is to minimize dissatisfaction and improve the pleasant shopping experience of customers by focusing on these reasons.

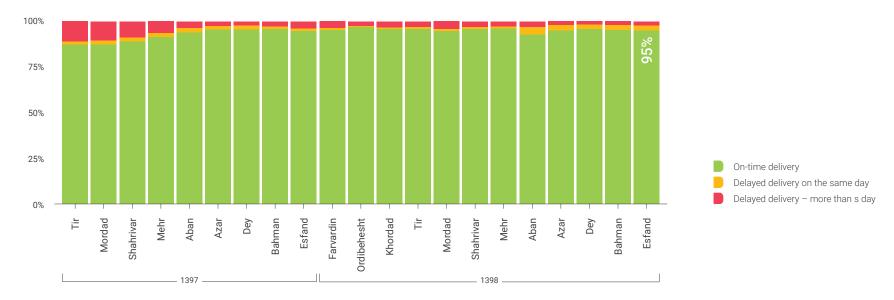
Chapter 2 Customer feedback 33

What percentage of orders are delivered on time?

On-time delivery (OTD) is one of the most important factors for achieving customer satisfaction. Digikala customers can select a date and time for their delivery during checkout.

The delivery delay is caused by factors such as delay on the part of Marketplace sellers or general delivery problems such as street traffic. We evaluate the OTD indicator using the GPS devices of Digikala couriers.

About 80% of customers' orders are delivered using Digikala Express. In Shahrivar 1398 (September 2019), 96% of these orders were delivered on-time.





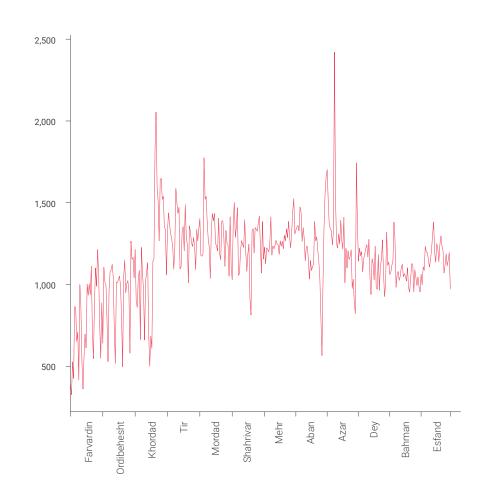
Although the percentage of on-time deliveries is very high, there are still hundreds of orders that are not delivered on-time and one of Digikala's highest priorities is to decrease delayed deliveries as much as possible.



How do digikala users participate in price monitoring?

In Digikala, there is an option below "Buy Box" for suggesting lower prices. If costumers are aware of lower prices for a product, they can inform us. Digikala's price monitoring team uses this feedbacks to its advantage.





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On average, 787 Digikala customers give feedback on prices every day

Chapter 2 Customer feedback 35

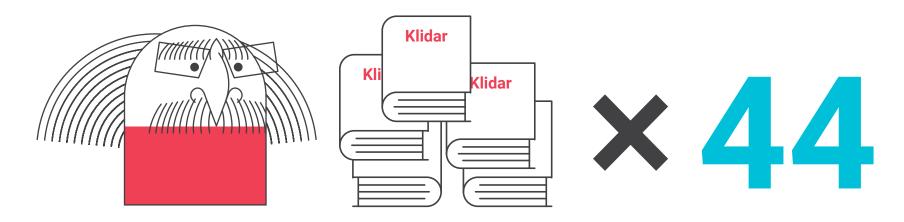
Encyclopedia of product review

User-generated content is one of the most important tools of Digikala. It helps users to make better choices by examining the experience of previous customers. In addition to the possibility of submitting reviews and comments, users can ask their questions in the "Questions and Answers" section and receive answers to their ambiguities and questions.

In 1398, Digikala users submitted more than five million comments on the products. About 80% (about 4 million comments) of them were approved and the rest were rejected due to violations of the submission regulations. Also in 1398, Digikala users asked about 285,000 questions and received 115,000 answers.



If we turned all the words written by users about digital products into books, we would have written 44 "Klidar" (the longest Persian novel and the second-longest novel in the world).







What are the most popular products in digikala?

1398



Rank 1

Samsung Galaxy
A50 SM-A505F/DS Dual SIM
128GB Mobile Phone









Rank 4

Redmi Note 8 M1908C3JG/DS

64GB Mobile Phone





Chapter 2 Customer feedback 37



Which products do customers want to be restocked?

1398



Rezarad hand disinfectant solution Dermosept+ volume 500 ml



Rank 2
Libraton Respiratory Mask Model
0011 Pack 50



Rank 3 Respiratory Mask 3M Code 008



Rank 4
Flu-guard hand sanitizing gel
volume 70 ml



Rank 5

Rezarad hand disinfectant solution

Dermoseptgel volume 1000 ml



What is happening in Digikala's customer service center?



336

Number of call center agents



18,200

Average daily calls



817

Average weekly answers to; User's comments on social media

7	Twitter	512
O)	Instagram ———	287
in	Linkedin ———	18



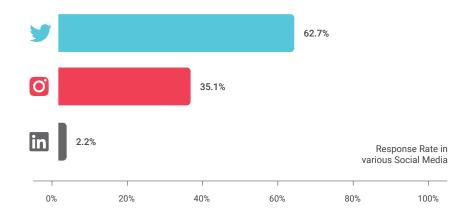
9,286

Average weekly replies to emails

Digikala in social media

On a monthly average, SCET (Social Communication Engagement Team) answers about 3300

comments and tweets. 63% of them are Instagram comments, 35% being tweets and only 2% of them consist of LinkedIn comments.



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- Most tweets are posted between 4:00 P.M. to 12:00 A.M.
- The maximum delay in answering such comments is 4 hours.
- Most of these comments are about sales consultation, order follow-up, multi-shipment orders and criticism regarding policies.



Chapter 3

Marketplace and
Iranian businesses

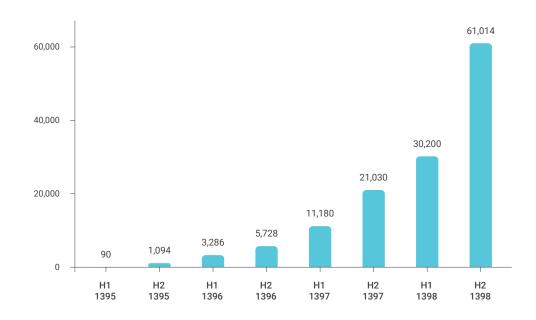
Digikala; home to 61,000 Iranian businesses

Digikala considers the empowerment of Iranian businesses as one of its most important social responsibilities.

Digikala's Marketplace platform directly connects the Iranian manufacturer, artisan, artist and businesspeople to a market as wide as Iran itself and provides all the logistical, storage, payment, packaging, marketing, content providing, market insight and after sales services that they require.

- In the first half of 1398, each active seller in the Marketplace sold 39 million Tomans worth of products on a monthly average.
- One of the sellers in the Marketplace managed to sell 39 billion Tomans worth of products, in Bahman 1398.
 That's the highest registered monthly sales record for a Marketplace seller.
- A handicrafts workshop (Enameling and inlay work) sold 85 Million Tomans worth of products in Azar 1398.

The growth rate of Iranian businesses in the Marketplace platform



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In the past 6 months, 105,712 businesses made a request to become sellers in the Marketplace. 57% of these businesses were qualified to be a seller in Digikala and they were added to the list.

Chapter 3 Marketplace and Iranian businesses 41

How does the marketplace promotes "Full market competition" among sellers?

The price of products is shown in the Buy Box, one of the most important sections that the users see at the start of their shopping journey. Marketplace sellers can make their products available on the Buy Box (the default button for adding products to the cart) by providing lower prices, having their products ready for delivery and gaining higher performance rating.







مشاهده (۶) فروشنــده / گارانتی بیشتـــر



What happened previously...

In 1398, Digikala's fleet traveled 33 million kilometers to deliver customers' goods.

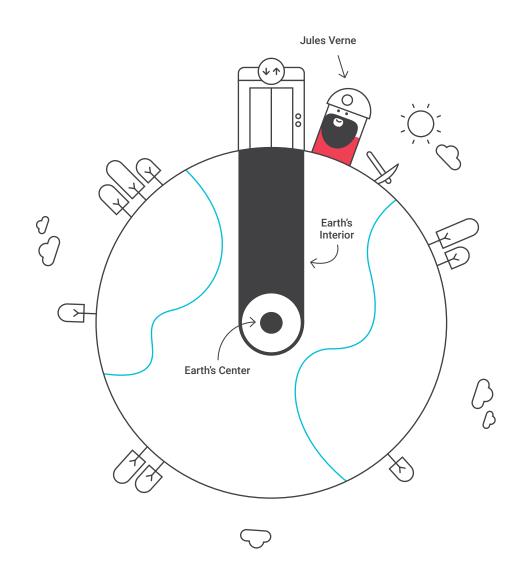


33 million km Mileage

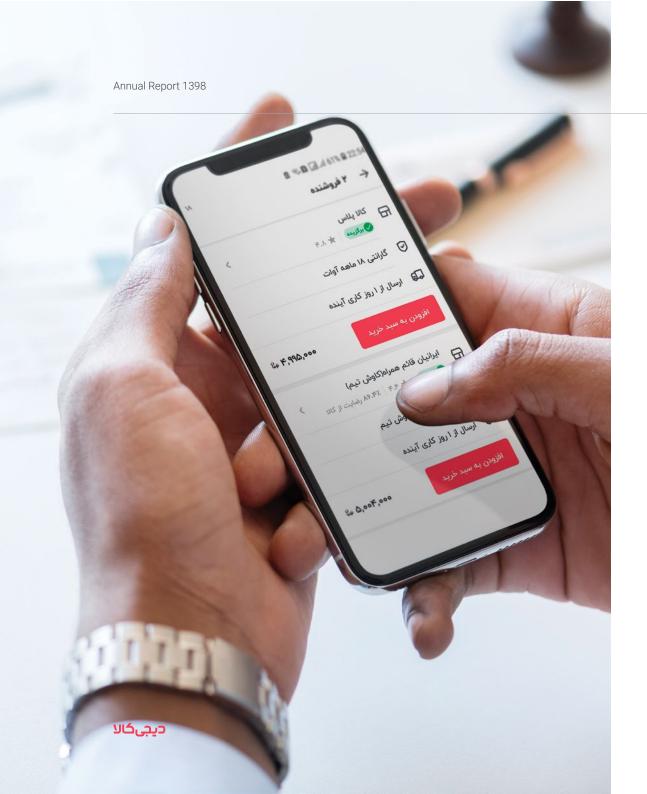
Jules Verne could have traveled 2,615 times to the center of the earth and back if he had boarded Digikala's fleet!



By buying online, Digikala customers have prevented the release of 19 million tons of carbon dioxide and helped reduce air pollution.







Which goods are most in demand in Digikala?

Bigdata analysis of customer and user behavior can provide insights on supply and demand in online retail environments. Meaningful data will help tens of thousands of manufacturers, craftsmen, artists, distributors, and retailers to elevate themselves above other competitors by optimizing supply chains, marketing, and sales. This analysis is based on a wide range of variables from User and Customer Behavior and Digikala Online Store Data.

Behavioral variables include the following:

- Number of visits (Sessions) to the Product Detail Page and Product Listing Page
- Average Sessions Duration
- The number of orders
- Conversion Rate
- The number of new users
- The number of views (Impression) of detail pages and product listings in Google search results and their Clickthrough Rate.

Also, the total number of product variety, the number of visits to the sellers' products, and product satisfaction have been used in this analysis.

Chapter 3 Marketplace and Iranian businesses 45

Supply and demand in Digikala product categories





Demand and satisfaction in Digikala product categories





Counterfeit products on Digikala

Ever since the launch of the Marketplace platform, counterfeit products have been one of Digikala's biggest concerns. Since 1397 (2018-2019), 0.016% of the offerings have been reported as counterfeit (16 products out of 100,000). When it comes to counterfeit products, Digikala does not compromise. That is why Digikala ended the partnership with the sellers of these products. It is Digikala's responsibility to supervise the price and quality of the sellers' products.

We apologize to all the customers who were affected by the malpractices of Marketplace sellers and inform that in the first 6 months of 1398, a monthly average of 293,000,000 Tomans gift cards was paid to these customers. These inconveniences included delivery delay, delivery cancellation, and delivering counterfeit products, which took place in 1.16% of the total registered orders.



Monitoring the performance of the sellers



Goods quality

The level of customer satisfaction regarding product quality is assessed by the after-sales customer satisfaction survey. Thereby, the products that have caused dissatisfaction are identified and inspected. Once the causes of customer dissatisfaction are recognized, Digikala takes measures to ensure the improvement of customer experience. These measures include editing products' content, editing products' profile pictures, improving the packaging of products, or deactivating access of sellers to products.



Average satisfaction with goods' quality

80.8%



Goods originality

Once a fraudulent product is reported, the supplying seller is fined and has to pay up to 10 times the price. If the seller is caught selling fraudulent products the second time, in addition to being fined, their access to the product category will be banned. If they are caught doing so for the third time, their partnership with Digikala will be terminated. Digikala takes full responsibility for compensating customers who are affected by this infringement. The fraudulent products will be returned and the customer is refunded in full.



Percentage of fraudulent goods

0.016%



Rate of order return

The products that are returned frequently by customers are reviewed regularly. If the inspections reveal the misconduct of a seller as the main cause of the high return rate, their access will be prohibited. Customers also have the opportunity to check the return rate of products in the seller's points section when choosing the product. This point, along with the point of timely supply and the commitment to deliver, shows the final point of the seller.



average return of goods by customers due to seller error

0.016%



Successful and on-time delivery

If the seller fails to provide the product after receiving the customer order, they will be fined for double the sales commission of the product. In cases of high cancellation rate, not only the sellers' performance rating drops but also their access to product category is banned. The customer will be fairly compensated.



Average rate of failed goods supply

0.41%

What can't you sell on Digikala?



Contraband and illegal goods



Medications



Firearms and cold weapons

Cigarettes and

Tobacco



Herbal and animal poison



Hunting Equipment



Artwork without the permission of the original artist



Military Equipment



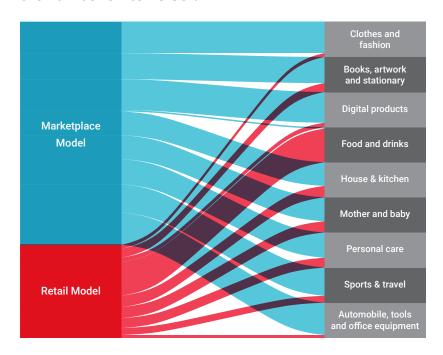
The full list of disallowed products is available in the Academy of Digikala Sellers Center

What is the share of marketplace sales in the main product categories?

Share of marketplace in Digikala's overall sales based on net merchandise value



Share of marketplace in Digikala's overall sales based on the number of Items Sold



Marketplace: In this model, more than 60,000 active sellers in Digikala's marketplace compete with each other and offer their goods to customers. **Retail:** In this model, Digikala's commercial department offers goods to customers by directly supplying goods (domestic and international).

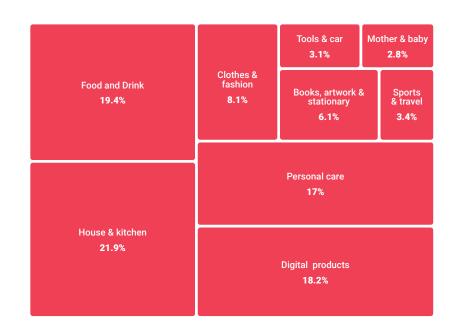
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Supply and demand in Digikala product categories

Share of main product categories based on the net merchandise value

Food and Drink 2.8% Sports & travel 3.1% Personal care 7.4% Clothes & fashion 6.4% House & kitchen 20.8%

Share of main product categories based on items sold



66

Unsurprisingly, digital products such as laptops, cellphones and power banks take the largest share of net merchandise value, even though they come 3rd in number of sold items. On the other hand, supermarket products i.e., fastmoving consumer goods (FMCG) in the context of the retail market are bought in large volumes.

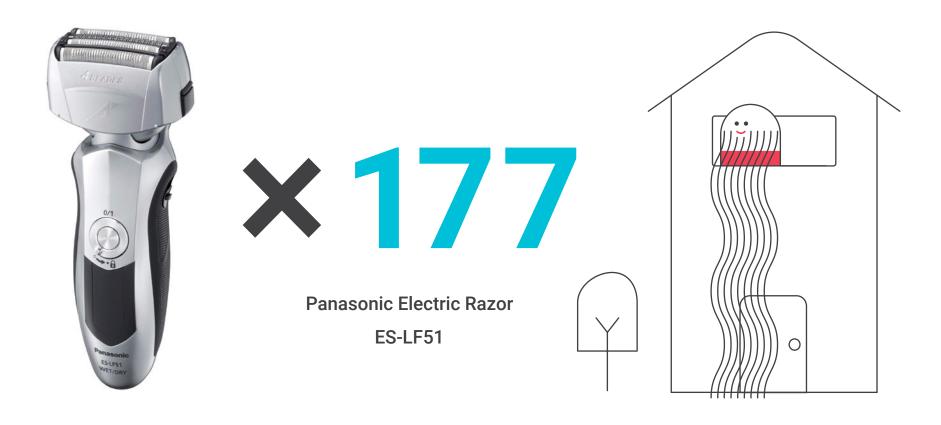




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The most expensive order on Digikala

With the purchase of 177 electric razors, One of the Digikala customers has registered the most expensive order in 1398 with a value of 244 million Tomans.





digikala

Top 10 best-selling products

(Item Sold)

1398



Rank 1
Littomax 001 7W LED Lamp E14







Nokia 106 2018 Dual SIM Mobile Phone





Rank 3
Kemei KM-5017 Rechargeable Professional Hair Trimmer





Rank 4
Flexible USB LED Light





Rank 5

Samsung Galaxy A10 SM-A105F/DS Dual SIM 32GB Mobile Phone





Littomax 001 12W LED Lamp E27





Rank 7

Remax RA-OTG Connector





Rank 8

Modir Charm MKM6 Belt For Men





Rank 9

Nokia 130 (2017) Dual SIM Mobile Phone





Rank 10

SanDisk Cruzer Blade CZ50 Flash Memory - 16GB





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digikala

Top 10 best-selling products

(NMV)

1398



Rank 1



Samsung Galaxy A50 SM-A505F/DS Dual SIM 128GB Mobile Phone







Samsung Galaxy A10 SM-A105F/DS Dual SIM 32GB Mobile Phone





Rank 3

Samsung Galaxy A10s SM-A107F/DS Dual SIM 32GB Mobile Phone





Rank 4

Samsung Galaxy A20 SM-A205F/DS Dual SIM 32GB Mobile Phone







Huawei Y7 Prime 2019 Dual SIM 32GB Mobile Phone





Samsung Galaxy A30 SM-A305F/DS Dual SIM 64GB Mobile Phone





Rank 7

Samsung Galaxy A70 SM-A705FN/DS Dual Sim 128GB Mobile Phone





Rank 8

Huawei P30 Lite MAR-LX1M Dual SIM 128GB Mobile Phone





Rank 9

Huawei Y7 Prime 2019 Dual SIM 32GB Mobile Phone





Rank 10

Huawei Y9 2019 JKM-LX1 Dual SIM 64GB Mobile Phone







Top 10 best-selling supermarket products

(NMV)

1398



Rank 1

Teno Classic Toilet Tissues 24pcs







Mahya Protein Ground Veal and Sheep Meat - 1 kg







Saharkhiz Cover Saffron 4.608 gr





Rank 4

Teno Soft Tissue Paper 250 pcs Pack of 10







Easy Life Medium Adult Protective Diaper 16 pcs





Golestan Permuim Tarom Rice 4.5 Kg





Rank 7

Azarkandoo Natural Honey 1.5 kg





Rank 8

Paper towel 100 sheets courier package 10 pcs





Rank 9

Aghajanian Sadri Hashemi Rice 5 kg







Eyelash 7m







Top 10 best-selling supermarket products

(Item Sold)

1398



Rank 1

Tabiat Tuna Fish in Vegetable Oil -180 gr







Bahar Almas Deep Frying Oil 1.8 Lit







Paper towel 100 sheets courier package 10 pcs





Rank 4

Tabiat Tomato Paste 800gr







Teno Classic Toilet Tissues 24pcs





Rank 6

Zar Macaron Diameter 1.2 Spaghetti 700 gr





Rank 7

Maz Maz Peanuts 350 gr





Rank 8

Azarkandoo Natural Honey 1.5 kg





Rank 9

Saharkhiz Cover Saffron 4.608 gr



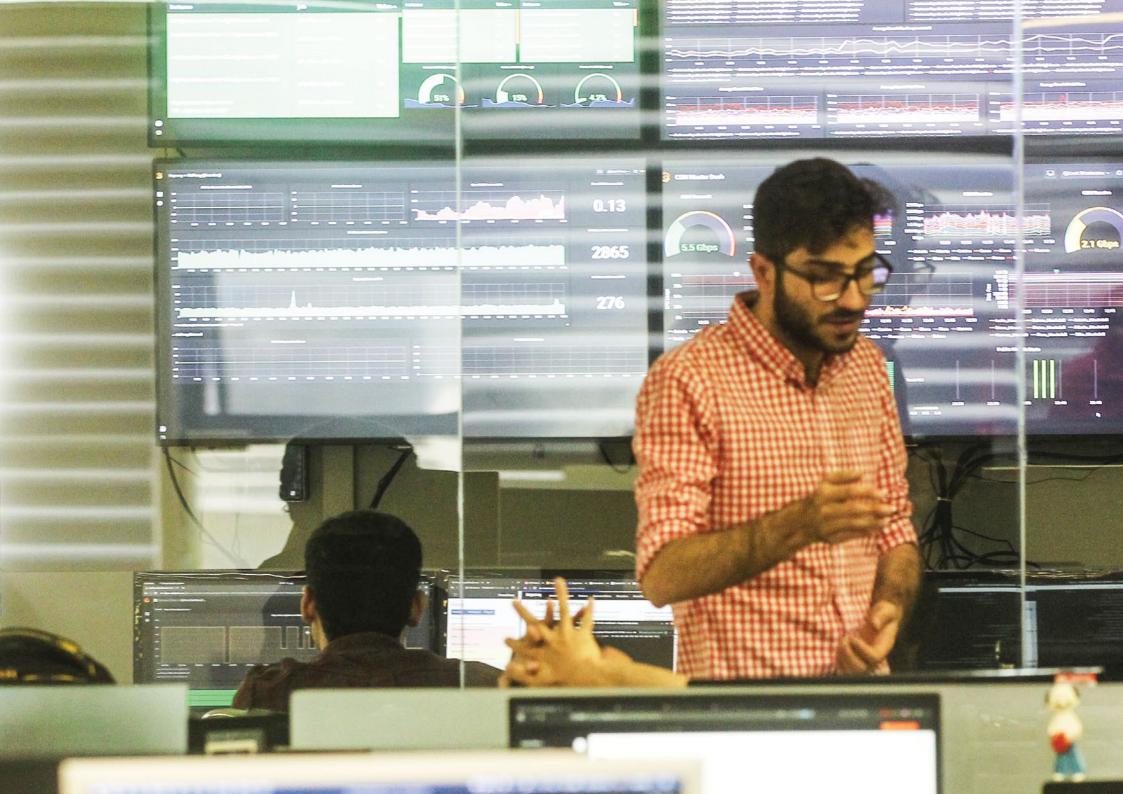


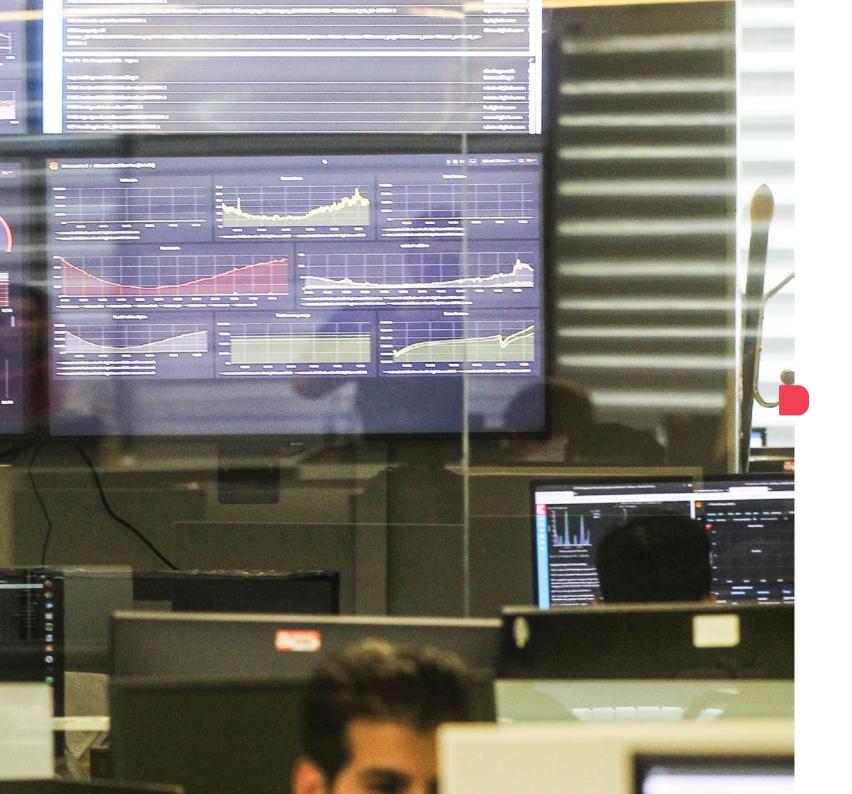
Rank 10

Ladan Sunflower Liquid Oil Contain Vitamin D and E 1620g





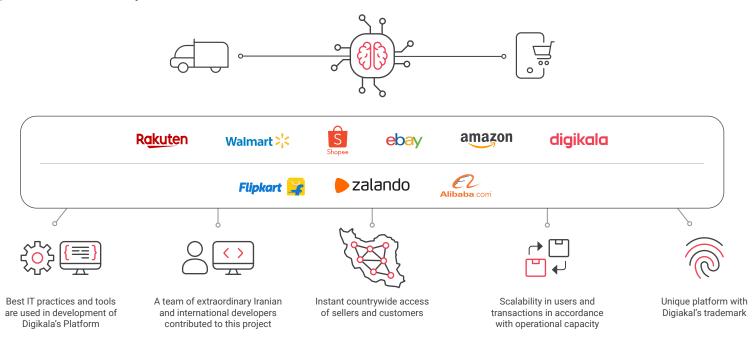




Chapter 4
Technology
infrastructure

Digikala platform

The technical knowledge of developing an online retail platform is only available to a limited number of companies in the world. Of these, fewer can compete and gain a large market share. The development of business infrastructure and logistics, the operational capacity for hundreds of thousands of users to simultaneously purchase, and online processing systems such as searching and offering for this number of users are part of the complexities of this industry.

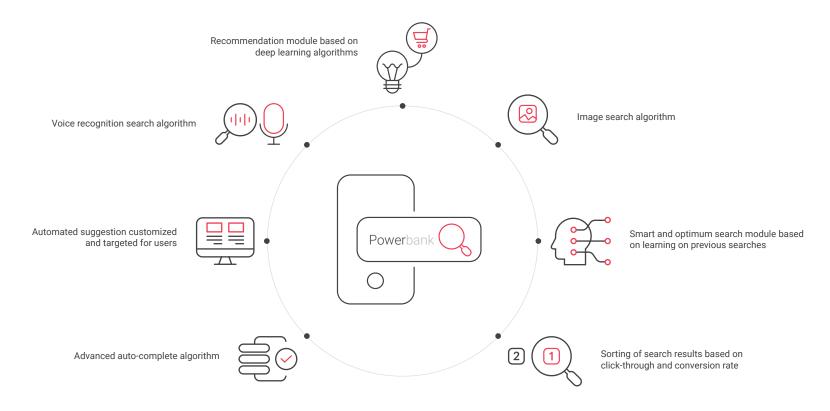


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Digikala platform is one of the most important assets of Digikala.

Chapter 4 Technology infrastructure 65

Intelligent algorithms in shopping experience

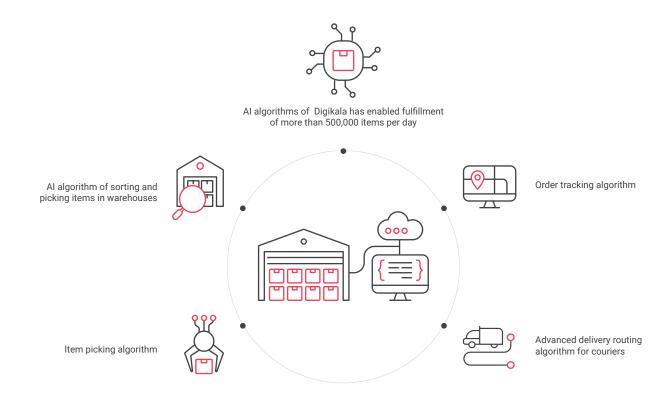


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Intelligent algorithms that make the shopping experience pleasant are some of Digikala's most important intellectual assets.



Intelligent algorithms in logistics and fulfillment

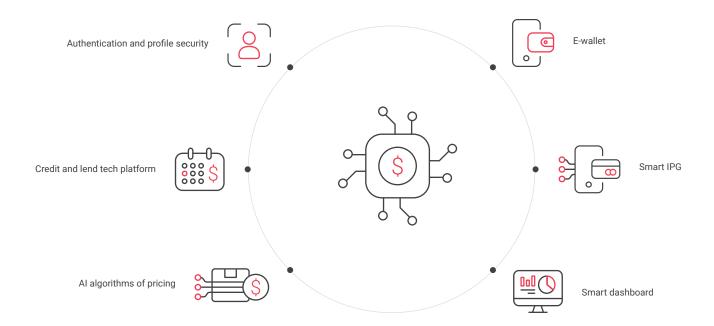


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Warehousing, processing, and distribution of goods is a time-consuming and complex process that is made possible using intelligent and automated algorithms.

Chapter 4 Technology infrastructure 67

Intelligent algorithms in Fintech and Payment

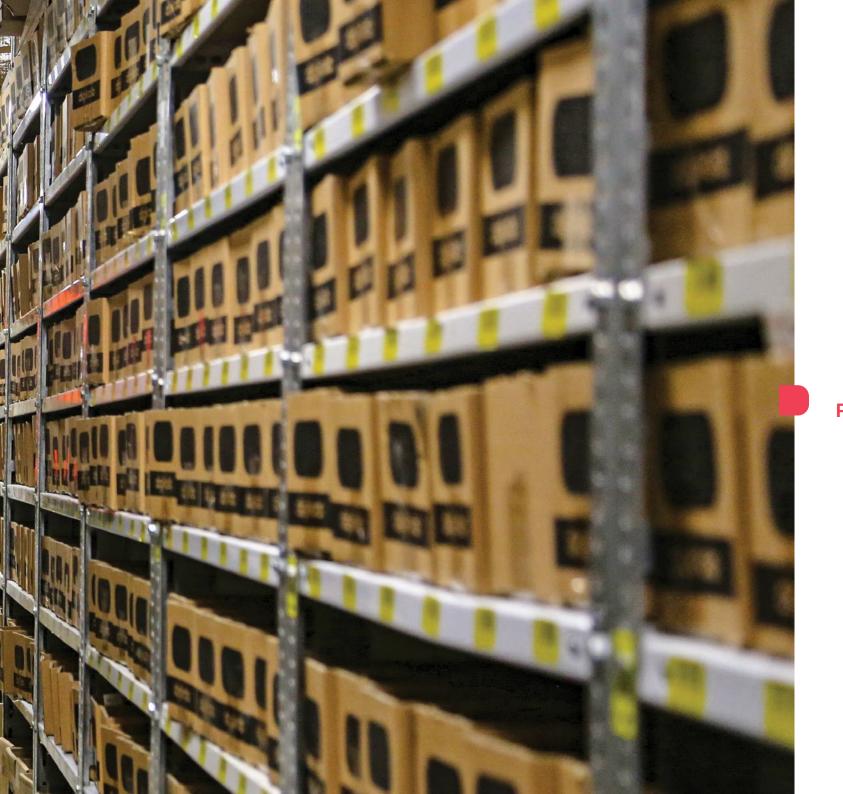




Intelligent algorithms in Fintech and Payment help facilitate online shopping and enable the processing of 30,000 transactions at a time.







Chapter 5 **Products and brands**

Best-selling refrigerators and Freezers (Items Sold)



EastCool TM-835 Refrigerator





EastCool TM-919 Refrigerator





Emersun TFH14T Refrigerator





Philver TDF-342N Refrigerator





Emersun IR5T Refrigerator





Best-selling Refrigerators and Freezers (NMV)



EastCool TM-835 Refrigerator





Emersun TFH14T Refrigerator





EastCool TM-919 Refrigerator



Philver TDF-342N Refrigerator





Emersun BFN22D-M/TP Refrigerator





Best-selling Laptops (Items Sold)



Lenovo Ideapad 330 - E 15 inch Laptop





ASUS VivoBook X543MA - A 15 inch Laptop

Rank 2





Lenovo Ideapad 330 - F 15 inch Laptop

Rank



Lenovo Ideapad 330 - FA 15 inch Laptop

Rank



Lenovo Ideapad 330 - NXB 15 inch Laptop

Rank



Best-selling Laptops (NMV)



Lenovo Ideapad 330 - E 15 inch Laptop





ASUS VivoBook X543MA - A 15 inch Laptop

Rank 2





Lenovo Ideapad 330 - FA 15 inch Laptop

Rank



Lenovo Ideapad 330 - F 15 inch Laptop

Rank



ASUS VivoBook K543UB - D 15 inch Laptop





Best-selling Musical Albums (Items Sold)



Afsaneye Cheshmhayat Album By Ghorbani & Homayoun Shajarian



Iran e Man Music Album By Homayoun Shajarian & Sohrab Pournazeri



No Name Album by Mohsen Chavoshi



Khorasaniyat Album by Shajarian & Meshkatian

Rank



Arameshe Khial Instrumental Music Behyad

Rank



Rank

Rank

Rank

Best-selling Paperback Books (NMV)



Four Works by Florence Scovel Shinn





Girl, Wash Your Face by Rachel Hollis







Unf*ck Yourself by Gary John Bishop





Becoming by Michelle Obama







Make Your Bed by William H. McRaven



Best-selling Consoles and Gaming Accessories (Items Sold)



Game Box Sup Portable Game Console





Sony Playstation 4 Slim 2TB Region 2 CUH-2216B

Rank 2



Portable Game Console 0110

Rank 3



Sony Playstation 4 Slim 1TB Region 2 CUH-2216B

Rank 4



Sony Playstation 4 Slim 500GB Region 2 CUH-2216B

Rank 5



Best-selling Consoles and Gaming Accessories (NMV)



Sony Playstation 4 Slim 1TB Region 2 CUH-2216B





Sony Playstation 4 Slim 1TB Region 2 CUH-2216B

Rank





Sony Playstation 4 Slim 1TB Region 2 CUH-2216B

Rank



Sony Playstation 4 Pro 1TB 2018 CUH-7216B Region 2

Rank 4



Sony Playstation 4 Slim 500GB Region 2 CUH-2216B





Best-selling Televisions (Items Sold)



Xvision 24XS460 LED TV 24 Inch

Rank 1



X.Vision 43XT725 Smart LED TV 43 Inch

ank 2



X.Vision 43XK570 LED TV 43 Inch

Rank



X.Vision 55XT515 Smart LED TV 55 Inch

ank 4



Shahab 24SH81N1 LED TV 24 Inch

Rank



Best-selling Televisions (NMV)



X.Vision 55XT515 Smart LED TV 55 Inch

Rank





X.Vision 49XTU725 Smart LED TV 49 Inch

Rank 2





X.Vision 55XTU725 Smart LED TV 55 Inch

Rank





X.Vision 43XT725 Smart LED TV 43 Inch

Rank





Xvision 24XS460 LED TV 24 Inch



Best-selling Smart Watches (Items Sold)



We-Series A1 Smart Watch





GTab W101 Smart Watch

Rank 2



Mi Band 2 Silicone Wrist Strap

Rank 3



GTab W101 Smart Watch

Rank 4



A1 Smart Watch with Wireless Hands Free I7S-TWS Ear Buds

Rank



Best-selling Smart Watches (NMV)



Samsung Galaxy Watch SM-R800 Smart Watch

Rank 1



Samsung Galaxy Watch SM-R810 Smart Watch

Rank 2





Apple Watch Series 5 44m Space Aluminum Case Sport Band

Rank





Samsung Galaxy Watch SM-R810 Smart Watch

Rank





We-Series A1 Smart Watch





Best-selling Cell Phones (Items Sold)



Nokia 106 2018 Dual SIM Mobile Phone

Rank



Samsung Galaxy A10 SM-A105F/DS Dual SIM 32GB Mobile Phone



Samsung Galaxy A10s SM-A107F/DS Dual SIM 32GB Mobile Phone



Huawei Y5 lite 2018 Dual SIM 16GB Mobile Phone



Nokia 130 (2017) Dual SIM Mobile Phone

Rank



Best-selling Cell Phones (NMV)



Samsung Galaxy A50 SM-A505F/DS Dual SIM 128GB Mobile Phone

Rank





Samsung Galaxy A10 SM-A105F/DS Dual SIM 32GB Mobile Phone

Rank



Samsung Galaxy A10s SM-A107F/DS Dual SIM 32GB Mobile Phone

Rank



Samsung Galaxy A20 SM-A205F/DS Dual SIM 32GB Mobile Phone

Rank





Huawei Y7 Prime 2019 Dual SIM 32GB Mobile Phone



Best-selling Cameras (Items Sold)



Samsung ST150F Digital Camera

Rank



Samsung ES95 Digital Camera

Rank 2



Samsung ST69 Digital Camera

Rank



Samsung WB30F Digital Camera

Rank



Fujifilm Instax Mini 9 Instant Camera

Rank



Best-selling Cameras (NMV)



Canon EOS 4000D Digital Camera

Rank



Canon Eos 80D EF S 18-135mm f/3.5-5.6 IS USM Kit Digital Camera

Rank 2



Nikon D5300 kit 18-140 **VR Digital Camera**

Rank



Gopro Hero7 Black Action Camera

Rank



Nikon D3500 Digital Camera With 18-55mm VR AF-P Lens

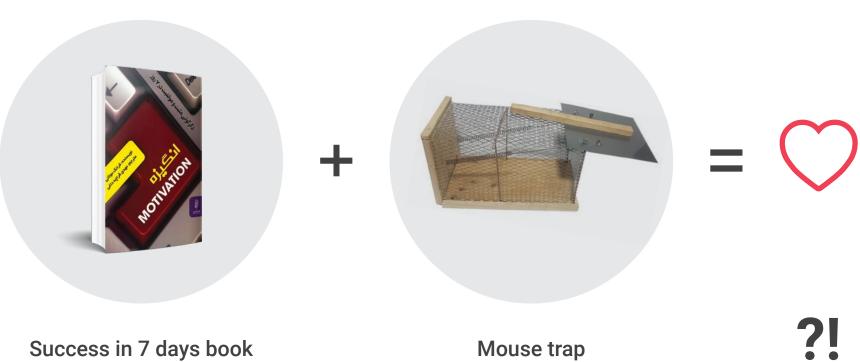






Products and brands Chapter 5 79

A strange order for Valentine's Day







The most searched Iranian brands in DigiKala

1398

TSCO	51,652
COMEON	41,367
لمرسان	23,737
וھیّت	11,146
ياس كزر	8,389



The most searched Foreign brands in DigiKala

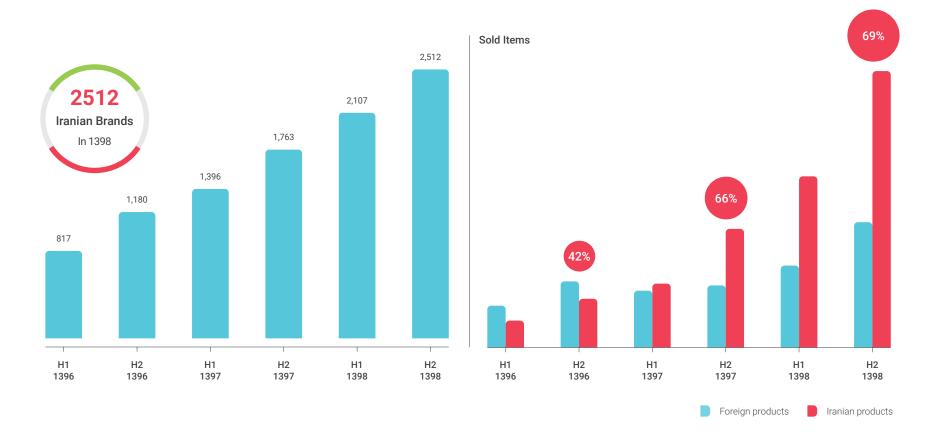
1398

SAMSUNG	2,279,441
É	888,897
וח	870,157
HUAWEI	656,008
NOKIA	177,785

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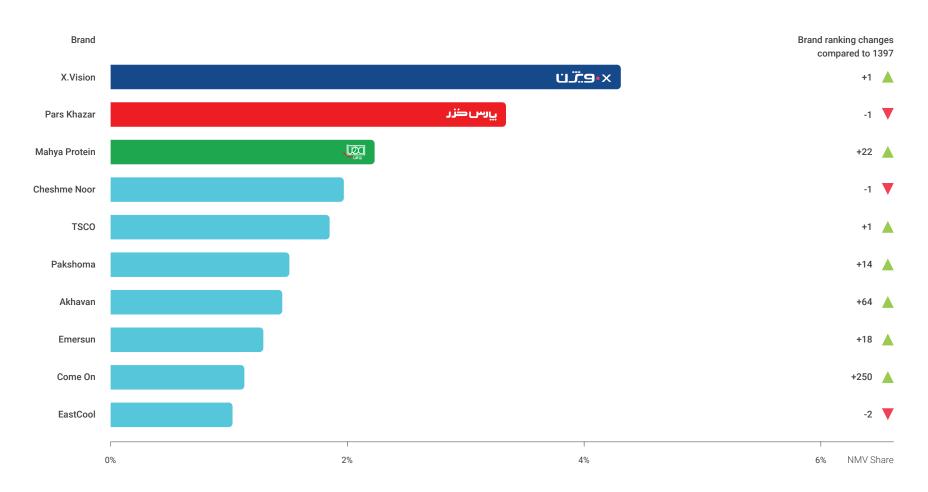
What is the share of Iranian goods sales in Digikala?





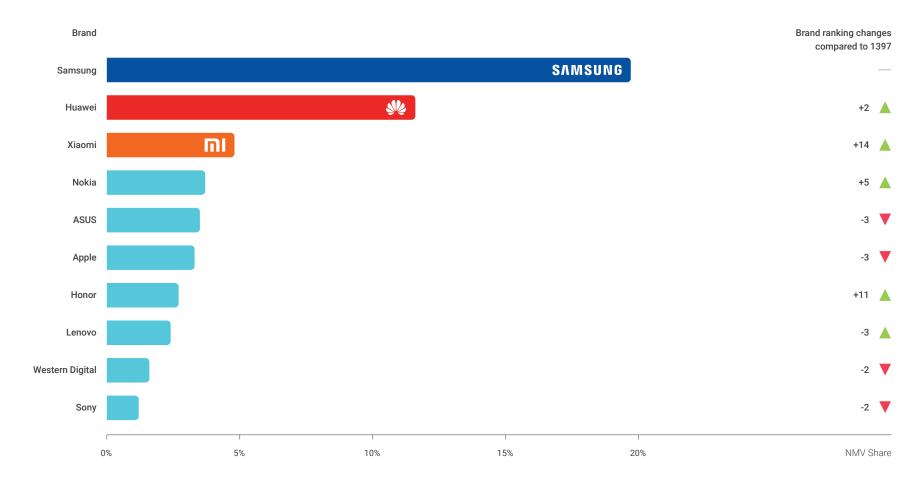


The best-selling Iranian brands (In Rial)



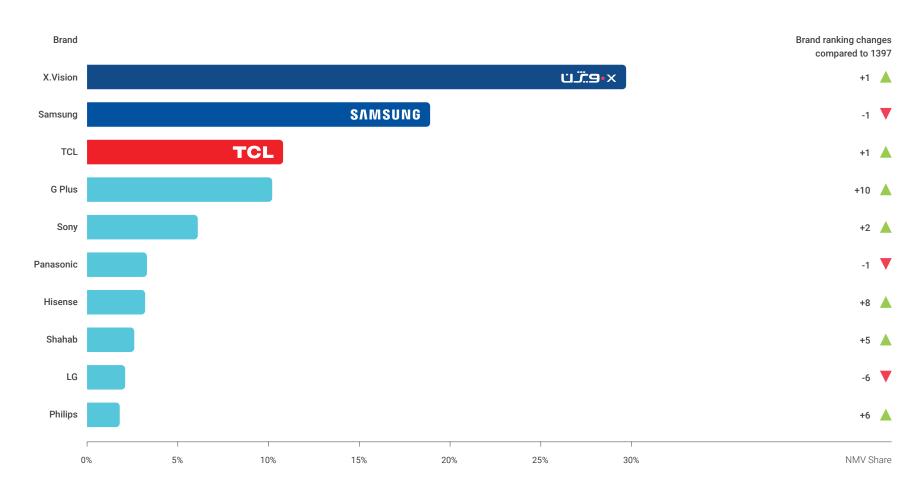
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The best-selling foreign brands (In Rial)



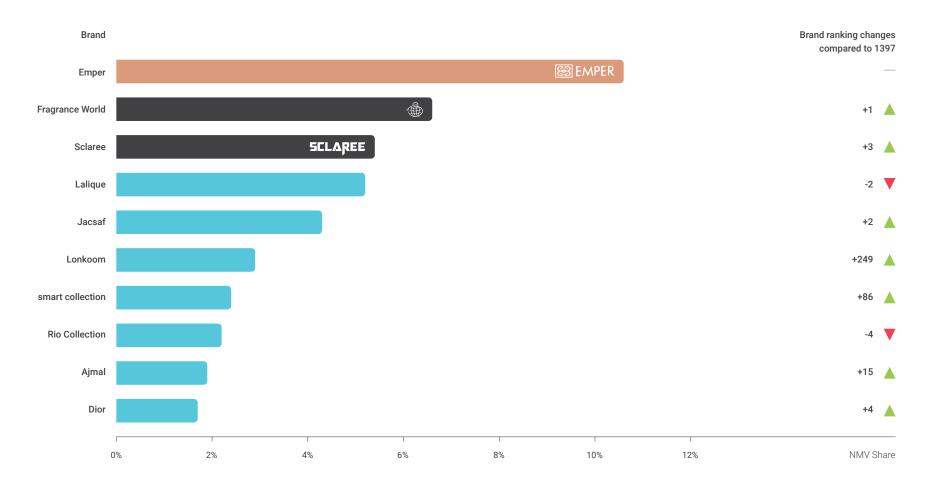


The best-selling TV brands (In Rial)



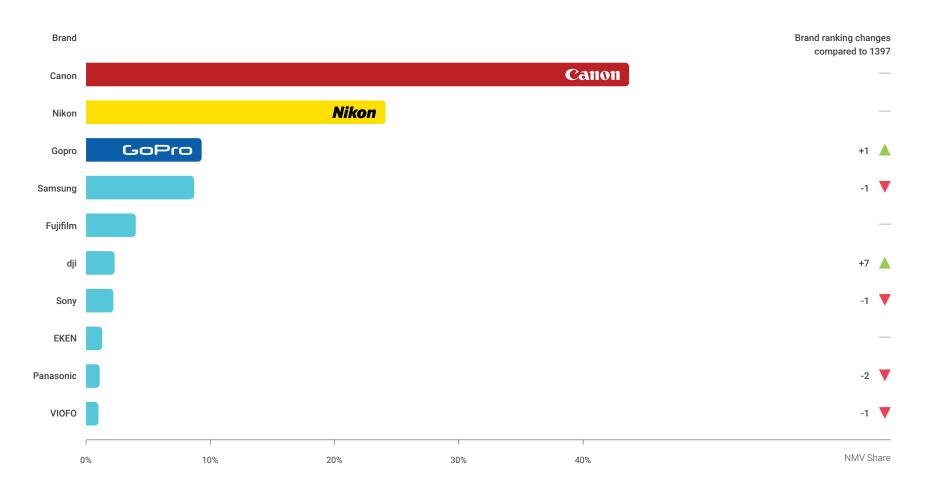
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The best-selling perfume brands (In Rial)



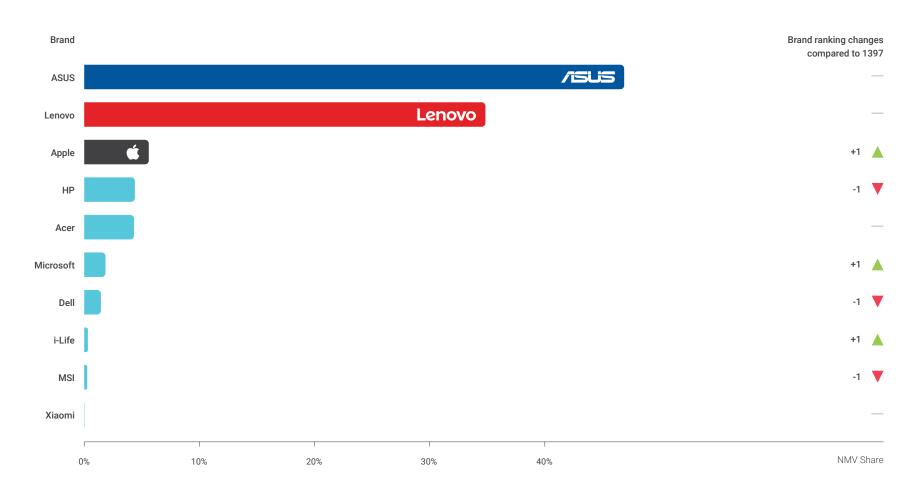


The best-selling camera brands (In Rial)



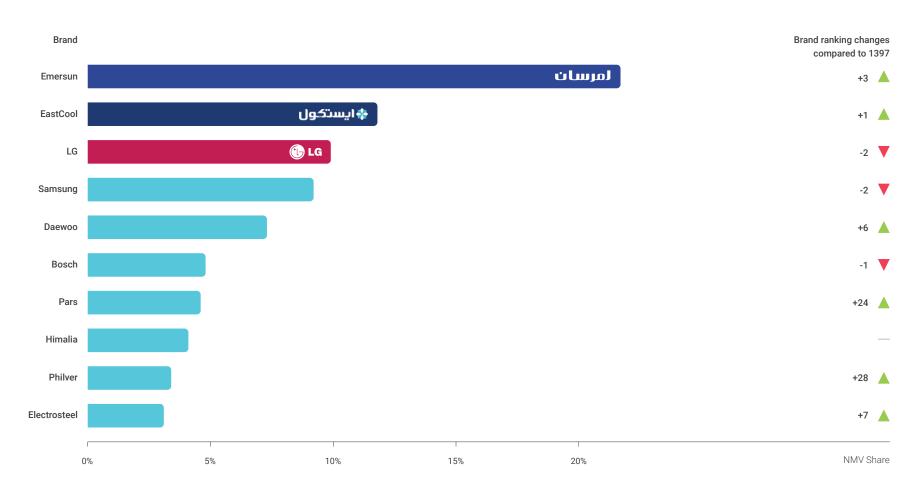
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The best-selling laptop and ultrabook brands (In Rial)



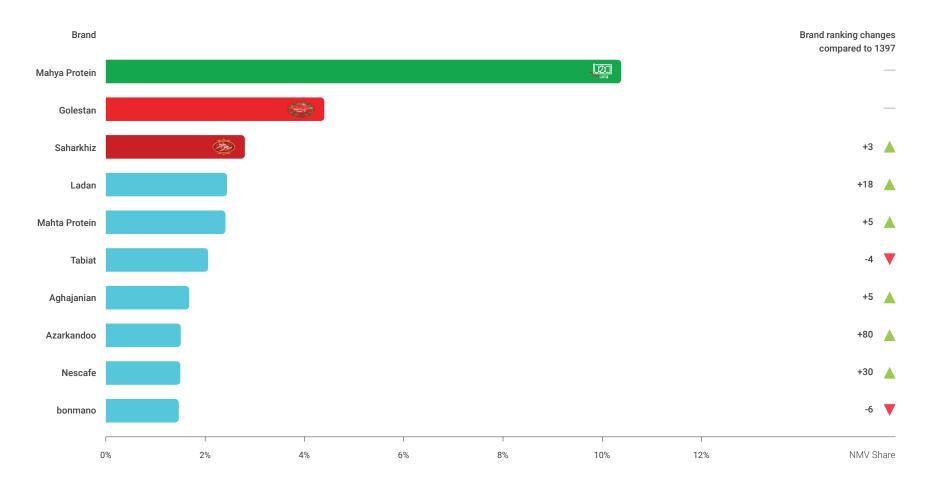


The best-selling refrigerator brands (In Rial)



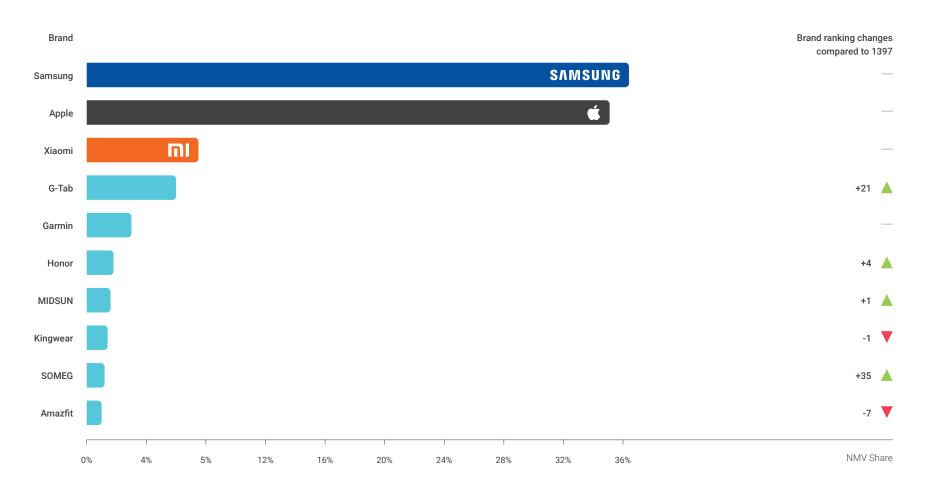
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The best-selling food brands (In Rial)



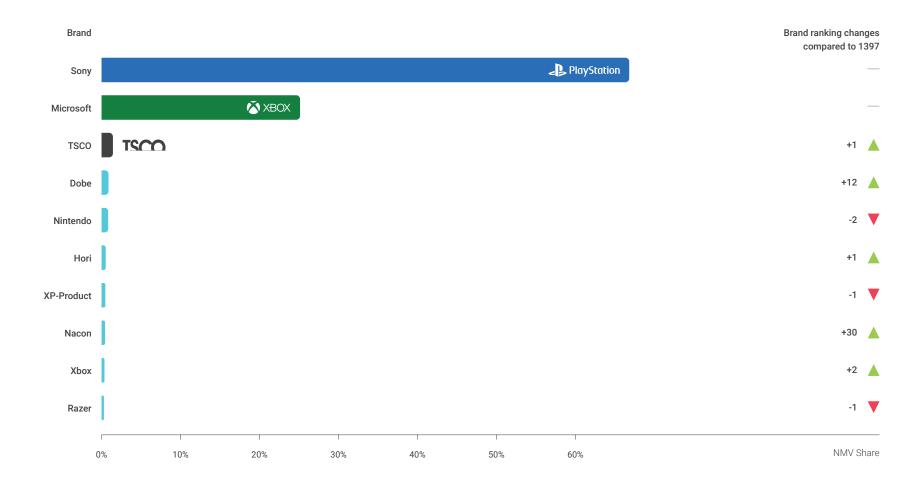


The best-selling smart watch brands(In Rial)



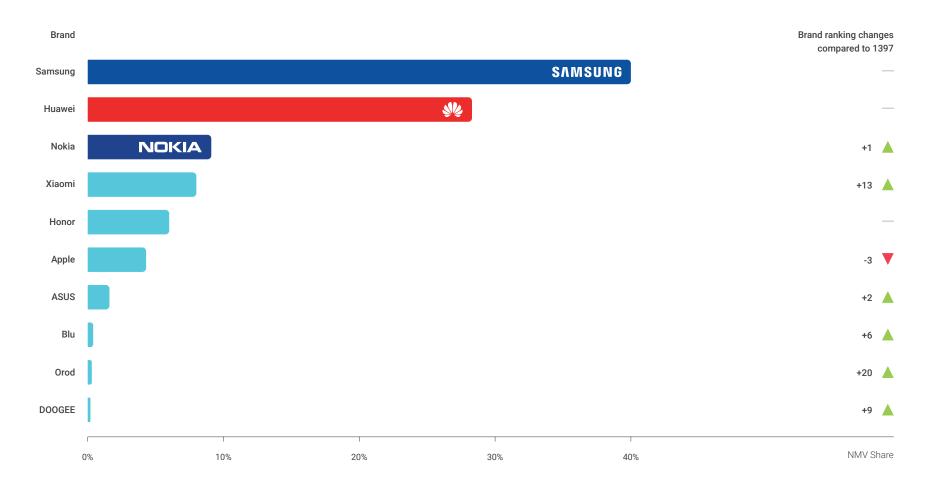
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The best-selling gaming console brands (In Rial)





The best-selling mobile phone brands (In Rial)





Chapter 6 **Digikala in 1398**

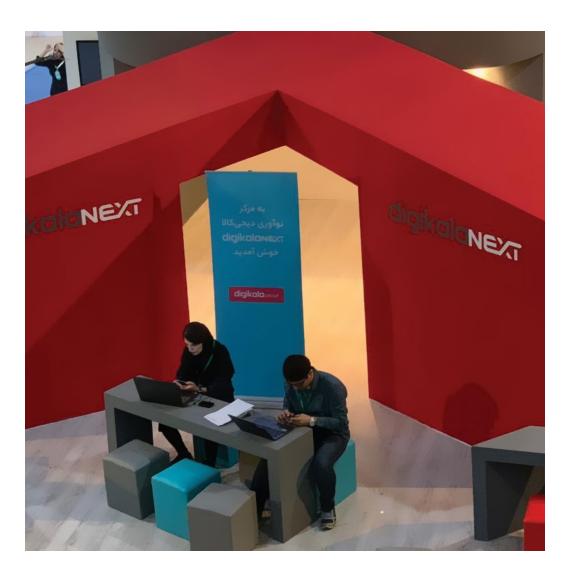
Digikala events in 1398

"Nim-Dayereh" E-commerce event

Last year, the Digikala group held various events and participated in several programs to connect more with the audience. "Nim-Dayereh" event was a specialized event in the field of the digital economy, which was held by the Donya-e-Eqtesad newspaper in December, and the first report of Digikala was unveiled at the same time. In this event, which was held in the presence of the main players of e-commerce in Iran, The subject of e-commerce with the focus on online retail was discussed, and the Information Technology Organization and other influential players in this field each analyzed the market from a different perspective. The analytical and statistical semi-annual report of 1398 by Digikala includes details of consumer behavior, marketplace platform, and market analysis.



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Participation in specialized exhibitions

At INOTEX exhibition in 1398, for the first time, Digikala Next, Digikala's innovation arm, was introduced so that artificial intelligence businesses could become more familiar with this firm. Digikala Next executives also spoke at the exhibition, covering topics such as why startups succeed and fail, and how to grow a business from idea to product.

ELECAMP 98 was the first place where the Digikala group came together in full. Digikala, Digikala Next, Digipay, Digikala Fresh, Digistyle, Fidibo, and Adro were present in one centralized booth and introduced the activities of Digikala Group. In this event, Digikala shared the knowledge and experiences of the managers of different departments with the interested people in this field by holding the "Experience Room" workshop. Topics such as the importance of monitoring business operations in the e-commerce, career path, growth in the e-commerce industry, work culture in startups, and marketplace challenges were presented.





Handicrafts exhibition

For four consecutive years, Digikala has been present at the handicrafts exhibition with Iranian artists to support Iranian businesses and facilitate the process of delivering handicrafts to end customers. Digikala is the home of more than 61,000 Iranian businesses operating in this online store from all over Iran. In this exhibition, in addition to supporting handicrafts, workshops were held on the topics of handicraft branding, pricing and packaging, content production, project management and the importance of national brands.

Chapter 6 Digikala in 1398











Visiting Digikala fulfillment center

With the opening of Danesh fulfillment center in Tehran, Digikala now has the largest product fulfillment center in the Middle East. With an area of 50,000 square meters, a storage capacity of five million items, and a processing capacity of 500,000 goods per day, this center is a fulfillment center compared to world leaders. Also, 31 centers for distribution, processing, and order collection in all provinces provide the possibility of fast delivery and after-sales services to customers as well as collecting and processing goods of sellers in the farthest parts of Iran.

New technologies of Digikala fulfillment center is one of the interesting parts of this center. In each visit program, visitors are introduced to new technologies that have been used in various areas of product entry, processing, order preparation, and logistics. The technology of product assortment based on the





Chapter 6 Digikala in 1398 99



customer's order in the shortest possible time and separating packages based on the order delivery region are among these technologies that help to make the ordering process smarter.

Since 1396, it has been possible to visit this center so that those interested can get acquainted with the processes and delivering goods.

In 1398, more than 50 tours on Digikala product fulfillment center were held, and more than a thousand people from different age groups and active in different occupations participated in these tours.

Professors and students of universities from different provinces, managers and colleagues of pharmaceutical and food as well as transportation companies were among the visitors of this center in 1398. The center also hosted several big startups, freelance journalists, the editorial board of magazines and newspapers, news websites, managers and deputies of the Ministries of Communications, Industry, Mines and Commerce, and a number of MPs.

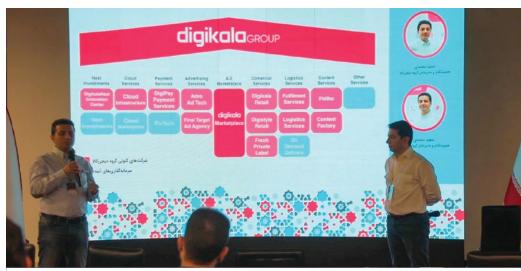
During these visits, professors and students of Sharif University, Tehran University, Imam Khomeini of Qazvin University, Tehran school students, journalists in the fields of economics, science and technology, and economic activists from Oman got acquainted with Digikala and its process, shipping goods, and content production. In addition, events with FMCG and Iranian electronics industry activists have been held in this center aiming to bring offline businesses closer to the environment of an online business.



Digikala Next opening; Digikala's innovation arm

1398 was the year of Digikala Next official launch which is Digikala's innovation arm. Digikala Next supports start-ups with creative ideas to start their own artificial intelligence business. Digikala Next has been formed with the aim of connecting Iran's largest electronic market to top startups. The group invests in startups with the potential to have a profound impact on society through innovative business models and new technologies.

Organizing artificial intelligence startup camps is one of Digikala Next activities. Digikala Next opening was held in June 2017 along with the Iftar ceremony. Startup ecosystem activists, experts in the field of artificial intelligence, and media people were present in the program. In that program, the managers of Digikala talked about the goals of starting this team and holding startup camps to develop creative ideas in the field of artificial intelligence. Ideas that have earned achievements in less than a year since the launch of Digikala Next, and whether they have investors or are looking to raise capital to continue their activities.





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Digikala social responsibilities in 1398

Together for Iran

The year 1398 began with an unexpected crisis for the Iranian people. Floods caused irreparable damage to the cities and villages of Iran. In line with its social responsibility, Digikala launched the "Together for Iran" campaign to give a hand to injured compatriots and endeavored to have a small contribution in helping crisis-affected people in the hard time. In this campaign, Digikala devoted some of the essential items to several regions of Golestan province. Also, essential goods were offered on a special page named



"Golestan Flood" at a purchase price and without profit margins, so that those who wished to engage in this movement could register their humanitarian order and join this campaign. In total, packages including heating equipment, sanitary ware, and canned food were sent to Golestan province in three stages. These packages were distributed in cooperation with the Red Crescent of Golestan Province in the cities of Aggala and Gomishan and a dozen of crisis-stricken villages. Unfortunately, in February floods also occurred in other parts of our country and caused critical situations. This time, the province of Sistan and Baluchestan and the southern regions of Iran were affected by floods, and many residents of villages far from cities and main roads faced access problems. The floods in Sistan and Baluchestan caused severe damages to houses, farms, livestock, and road infrastructure. Passages in the regions of Zarabad, Nikshahr, Chabahar, and Dashtiari and also the villages of Korchi, Apkan, Laki, and Poshti were closed due to floods and inundation. Following the activities of the "Together for Iran" campaign, Digikala started to provide some of the essentials for the people in these regions. As in the past, it was not possible to complete this campaign without the support of our compatriots. These packages were distributed in the impassable areas of these regions with the support of the Red Crescent of Sistan and Baluchestan Province, Mohsenin Zahedan Charity, and Imam Rezaei Charity. Part of the fund was also spent on rebuilding the affected areas.



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Back to school

Education is the right of all children in our country. But children from all over Iran, with all the taste and motivation they have to study, do not have access to the minimum facilities. Every year, in early October, a number of our children drop out of school for this reason. In 1398, at the same time with the "Back to School" campaign, in the project "for all of Iran", Digikala tried to make a small contribution to meeting these needs with the help of those interested in participating in the project. Digikala provided part of the financial needs of this project and with the help of the Child Foundation, delivered these supplies to children all over Iran. The people of Iran also bought and donated stationery, which Digikala had placed on the campaign page with a zero profit margin, and thus participated in the campaign.



Digikala; Sponsor of the children's painting contest in the World Food Program

In line with its social responsibility, Digikala supported a national painting competition in Iranian "guest-cities" in November 1398. These guest-cities are home to refugees from neighboring countries in different provinces of Iran. Organized annually by the United Nations World Food Program (WFP) in Iran, children in guest-cities from different cities are asked to draw pictures with their creative ideas according to the theme of the competition. In 1398, this competition started with the theme of healthy breakfast among 6,000 children from Afghanistan, Pakistan, and Iraq. After assessing these works, an exhibition of 32 selected paintings was held on November 8, 1398, and these paintings





were sold for the benefit of these children. In fact, the outcome of selling each painting goes to the same child to help them take a small step towards achieving their dreams. Although the lives of these children cannot be changed all at once, every step can have a small impact on the lives of them who are promising. Digikala was one of the main sponsors of the painting competition held on the occasion of the 32nd anniversary of the World Food Program in Iran. The UN World Food Program auctioned 32 paintings selected by a jury from among 6,000 works. After the ceremony, Digikala bought another 500 paintings, and the income of each painting went directly to the owner of the work in the guest-cities.

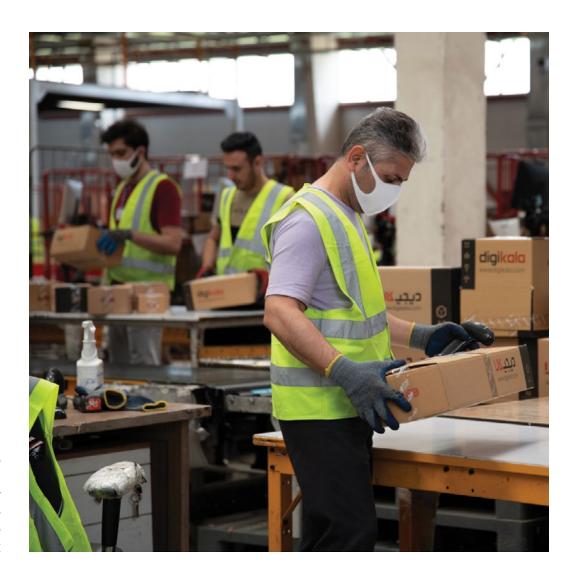
Currently, 30,000 refugees in Iran are covered by the World Food Program, of which 6,650 children in different parts of the country are studying in the organization accommodation.



Digikala actions in COVID-19 crisis

Digikala's support for businesses Affected by the Corona crisis

The last days of 1998 were not pleasant days for us. The days when people were forced to stay at home due to the spread of the Coronavirus in the world and communicating became more virtual than ever in the communication era. Meanwhile, many of the country's offline businesses were forced to close due to movement restrictions in cities. From the first



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days of March, Digikala provided opportunities for these businesses to join the Digikala marketplace in the shortest possible time and to offer their goods in the Iran online market without any restrictions. In this way, sellers were able to use the system of sales, online payment, warehousing, and delivery of goods. In less than three months, more than 30,000 sellers joined the marketplace, bringing the number of Digikala businesses to 61,000. In addition to Tehran, warehouses and fulfillment centers were set up in 9 provinces of the country in the cities of Tabriz, Isfahan, Hamedan, Karaj, Mashhad, Shiraz, Kerman, Ahvaz and Arak to increase order processing speed and reducing supply and delivery costs.

Also, software advantages and the possibility of using special plans to support Iranian businesses were established. Holding daily sales training webinars online and for free, activating the online sales panel in one day, and producing textual and visual content for the goods were among the plans that were provided for the sellers in the shortest possible time.

A tripartite memorandum was also signed between Digikala, the national Committee on Combating Coronavirus in Tehran, and the Iran Chamber of Guilds to improve the situation of damaged businesses and reduce unnecessary urban travel. Hence, with no added expenses for the sellers, thousands of businesses entered the marketplace platform to solve some of the problems of these businesses in this hard time.



A small appreciation to health heroes

Another action of Digikala was a small appreciation of the medical staff, these national champions. More than ever, the country's medical and health personnel were in direct contact with patients and at the forefront of the fight against Corona. A work that meant self-sacrifice and greatness for all of us. The medical staff of the hospitals of Central Corona is still working day and night to return to normal situations as soon as possible. In appreciation of a part of the medical staff in Tehran, Digikala, in coordination with the Medical System Organization, the Ministry of Health and the "Nafas" Campaign, provided some essential items to these people in the early days of 1399 to alleviate some of their families' concerns.

In two weeks, Digikala's personnels sent more than 2,000 packages of essential items and food to Firoozgar, Sina, Imam Khomeini, Rasoul Akram, Firoozabadi, Taleghani and Hasheminejad hospitals. Also, a thousand packages were sent to the residents of the corona ward of Tehran hospitals. One of the needs of Imam Khomeini Hospital in Tehran in the peak days of the outbreak was tablets for video communication of quarantine staff and patients with their families. To this end, Digikala sent several tablets to the ward of patients infected with the coronavirus at Imam Khomeini Hospital to enable them to communicate virtually with their families.





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Digikala's customer support

The global corona pandemic has led to three major changes in the delivery of Digikala's goods to customers:

- Increase in the number of requested orders.
- Travel restrictions that disrupted the delivery of sellers' goods to Digikala's product fulfillment centers.
- Slow processes due to the implementation of health protocols for packing and shipping goods and the presence of partners.

Despite all these difficulties, Digikala partners worked around the clock to use all the logistical, technological and infrastructure capacity to serve millions of people. Hiring nearly 2,000 new staff, increasing order processing capacity and implementing strict health protocols in the fulfillment centers, warehouses, distribution machines and delivery centers were some of Digikala's solutions to support customers in the days of the global pandemic of the Corona crisis.

During the height of the coronavirus outbreak, Digikala was forced to temporarily limit delivery intervals to deliver essential orders to all customers. This was accompanied by the complete observance of health standards for the optimal management of sending all orders. But in less than a month, shipping intervals returned to normal.

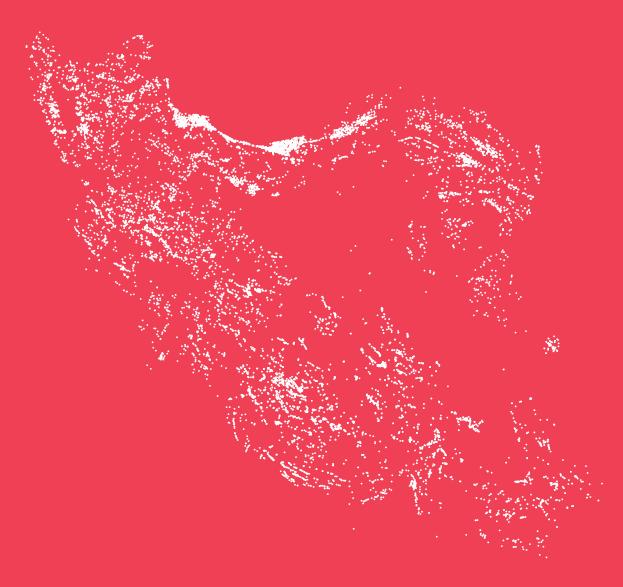


Digikala partners in the Corona crisis

The global Corona epidemic for Digikala was a real battle between customer accountability and a commitment to protecting the health of our co-workers and their families. To protect the health of Digikala colleagues in the critical days of the Coronavirus outbreak, as remote working was not possible for all departments, in addition to daily monitoring of colleagues' health, work shifts were reduced. If the slightest symptoms appeared, colleagues could go on leave. More than 3,500 members of Digikala's 5,000 person family work in operations and distribution, working harder than ever to process and deliver customer orders in the early days of the Corona crisis. Digikala's co-workers were constantly trained to stay healthy and clean from the workplace, and shifts were reduced by relying on the recruitment of 2,000 new employees to increase rest time and reduce their risk of illness. Also, during this time, Digikala colleagues have been constantly updated to maintain their health against the Coronavirus and to avoid contamination of the workplace, and shift hours during the peak of the Coronavirus outbreak have been changed to allow more rest time for each person.

These days, Digikala has recruited nearly 2,000 new employees aiming to bring back some of the compatriots that lost their jobs due to the crisis, as well as improve the quality of services to its customers.





The points which have made Iran's map, include 12,230 villages where Digikala has delivered at least one order in 1398