

Logging on

Arabic-specific websites are becoming evermore relevant as increasing numbers of people come online in the Middle East. Laura Collacott talks to Samih Toukan, CEO of the Maktoob Group, to find out more about regional developments in the online sector.

The internet is undoubtedly becoming more widespread in the GCC. According to the website Internet World Stats, the use of the internet across the Middle East has grown by a staggering 920% between 2000 and 2007, with the largest increase in Iran where usage has gone up by 7,100%. This growth has naturally led to a proliferation of Arabic online companies emerging, all seeking to exploit the budding online marketplace.

One such company is the Maktoob Group which consists of a growing number of online media companies, portals and websites. It focuses its activities on internet solutions that allow users to engage in different social and professional communities to share information and opinions. Of these, the most well known are maktoob.com, an Arab online community portal; souq.com, a regional auction site akin to ebay; and araby.com, the world's first Arabic search engine.

The company started in 1998, born of a partnership between Samih Toukan and Hassan Khoury. Having seen the growth and prosperity of email providers such as hotmail, the two decided to create a brand that would provide a similar service to the Arab world (reflecting these roots, the company name is Arabic for 'email'). Since then the company has gone from strength to strength, expanding the number and range of services offered. The success of the group is best illustrated by the figures relating to Maktoob.com which was recently confirmed as having the biggest internet audience in the Arab world totalling almost 7 million unique users each month.

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The proportion of the regional population with access to the internet is steadily increasing and as it stands in 2007, there are 33.5m internet users in the Middle East, a penetration rate of 17.3%. With figures projected to continue growing into the future it is clear that there is still room for expansion, a fact that has not escaped the attention of Toukan, the group's CEO. He believes that there is great potential in the Middle East to be exploited: “We think that this is just the beginning of the internet in the region. There are only 30 million people online out of a population of 300 million but the growth rates are very high. In the next five years we will see a lot of people coming online and the internet really penetrating the masses.”

As more people come online, so the business opportunities grow. Bearing this in mind, the company has identified

NAME Samih Toukan
TITLE CEO of Maktoob Group
LENGTH OF TIME IN POSITION 8 years
PREVIOUS ROLE MD Business Optimization Consultants

CORE VALUES Integrity, transparency, love your customer, innovate or die
BEST PIECE OF ADVICE Work hard, enjoy what you do, think big, think long term, make achievement your goal and money will come later



several niche requirements in the region as focus areas for development. The most significant of these is a search engine that is tailored for the Arabic language; as most of us will know, trying to navigate the internet without a good search engine is an impossible task. Google is recognised as one of the world's

leading English search engines (success that Maktoob hopes to emulate with araby.com) but Toukan believes that it and its current peers cannot offer the same quality of search to an Arabic platform as it can to the English counterpart.

The linguistic differences between Arabic and English are enormous and warrant a completely different programming structure for searches. Add to this the fact that the engines will largely be searching an entirely distinct set of websites and the justification for an Arabic-specific search engine becomes exceptionally strong. "We believe there is a need for an Arabic search engine," echoes Toukan. "We are a focused Arabic search engine; we understand the Arabic language better in terms of retrieving the relevant information and so on." Reports that traffic on araby.com has risen by 120% over the last six months would suggest that this is very much true.

Similarly, there is a demand for more culturally and linguistically relevant services in other areas. Global though the internet may be, there is still a demand for regional sites that the user-base can relate to. Souq.com has been a popular local variation of the more international eBay.com whilst AlFrasha.com provides a video-sharing alternative to YouTube.com and cashU is equivalent to PayPal.

Despite identifying Arabic-specific sites as an area for exploitation, Toukan recognises the challenges from the competition: "We consider international brands our competition as well, so we try to offer a service that is comparable to international, global players. They are only a click away; the user can go to any international portal that they like, so we have

to have the same level of service and products as international players as well as regional players." When working in an environment like the world wide web that is so comparatively level, quality is an important consideration, a reality that the company is very conscious of.

There are other challenges particular to online business as well. As with any industry, it is important to stay at the forefront of the sector by continually striving to launch new and relevant products but Toukan notes that the pace of development in the domain makes this constant process of innovation much faster. "The internet is not a traditional business so you have to innovate all the time – you have to be quick, you have to create products and get these products out," he says. "Sometimes they are not perfect but it's important to get them out quickly and to continuously develop and improve them." Practising this strategy keeps the company at the head of the field and has led to the abundance of sites

that now operate under the banner of Maktoob.

However in order to pursue this policy it is vital that the management keep their finger on the pulse of changing internet trends. One of the ways that Maktoob continue to go about this is through a programme of constant customer review so that they can ensure that the products are as relevant as possible to their audiences. Again, this is a policy that is demonstrably successful as (taking one example) araby.com has won the Pan Arab Web Awards' 'Best Arabic Website' award this year. Toukan attributes this success to the very fact that he listens to customer requirements. Lately, this has led to a number of

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developments to Maktoob services: “Thanks to feedback from our loyal users, araby.com undertook significant improvements to existing features and introduced attractive new features such as Araby Dictionary and Araby music.”

Away from the particular business policies that Toukan is instigating, it transpires in the course of the interview that he likes to travel. Though this is partially because he enjoys soaking up different landscapes and cultures, it is also because it is when relaxing that he may best pursue his preferred part of business – strategising. “A lot of ideas come to me while I’m relaxing or travelling because you detach from day-to-day operations and issues and start thinking about where you want to take your business and what new ideas there are. It definitely helps on a strategic level,” he says. Many business leaders will recognise that it is when you take the time to switch off and relax that some of the best ideas will come to you.

This penchant for travelling very much reflects the role that he likes to play in the running of the company. Toukan professes that he likes to tackle the strategic side of the business. With a business model that thrives on the uncovering and exploitation of new trends and a correspondingly large portfolio of web portals, there is clearly a place for his tactical expertise.

To fulfil the requirements of a strategic role, managers have been installed in each of the respective companies under Maktoob to ensure that they all run smoothly. Balancing the simultaneous needs for distance and awareness of the issues within the services, Toukan divulges his attitude towards upper management: “We’re a group of companies – each one is led by its own general manager so our culture is a culture of empowerment and delegation but at the same time I like to be

involved and see what’s happening.” Equally, this role requires a certain amount of distance from the detailed everyday workings of each business. “I don’t like details to take me away from the overall picture, the strategic picture, but sometimes you have to be involved and see what the customers want and be on the ground,” he elaborates.

Though there are significant differences between countries on cultural and many business levels, the internet is a domain in which differences are minimised. This certainly helps internet companies in the Middle East to trend-spot. Toukan notes that: “There’s difference between internet businesses from one country to another but the similarities worldwide in the internet industries are much higher than in any other industry and a lot of the trends that we’ve seen in many markets are happening now in our region.” Although this does confirm that the Middle East is behind the Western world in the online realm, in terms of business planning, this is fortuitous.

There are lessons that Arab companies working in the internet sector can take from the progress of their Western counterparts but the speed of development as a result is a great deal faster. If projections for future internet uptake in the Middle East prove to be true, the scope for growth for astute online developers is enormous: keeping pace with the swift online advancements is surely one of the biggest challenges facing Arabic companies.

The key to successful growth in this environment is to effectively judge future consumer patterns and position online companies to exploit the emerging opportunities. If Maktoob continues to be skilled at reading these online trends, it will continue to prosper. 