



Mail Power

WORDS *Cory Eldridge* PHOTOGRAPHY *Sima Zureikat (sima@jo.jo)*

Created as a side project by two young Internet enthusiasts in 1998, Maktoob.com is today the single most successful Arabic portal online. Cory Eldridge meets up with the company's founders to find out how a combination of foresight and good business sense helped them make it to the top of a lucrative industry that, ten years ago, didn't even exist.

The computer monitor looks as if this computer is the fourth, maybe fifth one it has been attached to during its long life. The other monitors seem to share the experience; one is so old it has a screen to protect the secretary from its cancerous radiation. Keyboards, mice, printers, even the fax machine would be better placed in a seedy Internet café on Gardens Street, not in the home of the Internet portal and e-mail service that most of the café's surfing customers are visiting.

Maktoob's home near Amman's Third Circle lacks all the glitz usually associated with a rocketing business that leads its field and challenges the predominance of international mainstays. The office has none of the modern lines, the power logos, the affected hip, young, cool, look-at-us aesthetic gimmicks of many other Amman-based businesses. Even calling it an office just doesn't seem right: it is an old house with a small sign whose brightest color is baby-blue, and it is easy to miss.

According to Hussam Khoury, Maktoob's president and co-founder, this dearth of high-tech and high-flash is half of why the Arabic-language dot com still exists. "We were thrifty, maybe even frugal, when we started," Khoury says.

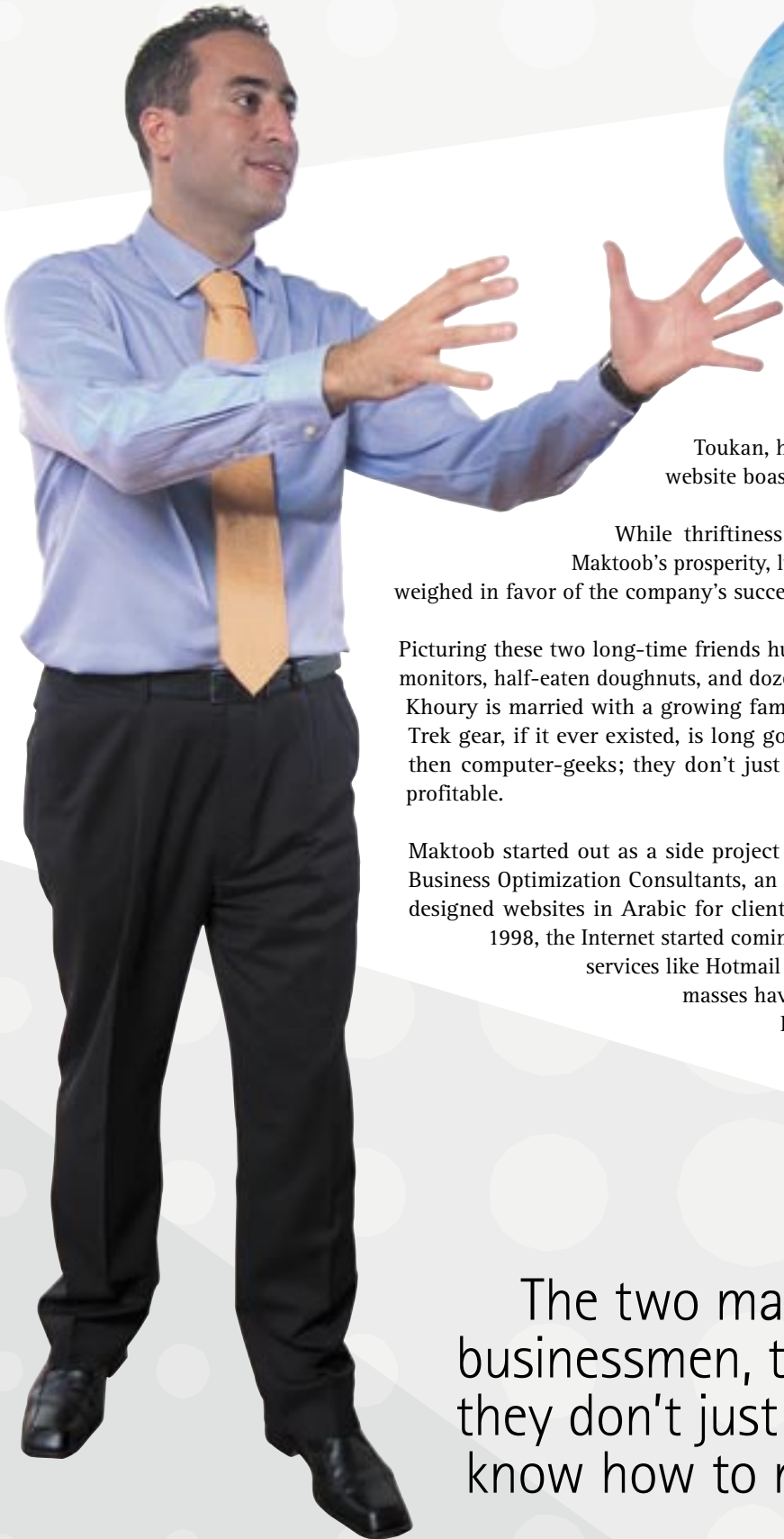
Frugal and stingy are antonyms for the spending of most dot coms that were created or became momentarily rich in 2000. Cars with nobuisnessplan.com or willnevermakeaprofit.net logos plastered across the side can still be found in used car lots in the US. Khoury and Samih Toukan, Maktoob's CEO and other co-founder, avoided these temptations and it helped them

survive the dot com bust in late 2000.

Khoury says the second half of Maktoob's survival and later success is the strong brand name the company created. The company offers its users Arabic e-mail, an Arabic portal with a search engine, advice and gossip, chats and forums, and world, local and sports news.



4,000,000
Registered Users



All of this is in Arabic, though much of the site can be viewed in English as well. The Arabic e-mail, chats and portal were all world firsts and they worked well, which according to Toukan, helped gain the Maktoob users' trust. Currently, the website boasts over four million registered users.

While thriftiness and good service certainly provided much of Maktoob's prosperity, luck and timing, as in so many other success stories, weighed in favor of the company's success.

Picturing these two long-time friends hunched in a small room filled with computers and monitors, half-eaten doughnuts, and dozens of used paper coffee cups does not come easily. Khoury is married with a growing family and Toukan dresses in fashionable suits; Star Trek gear, if it ever existed, is long gone. The two make it clear they are businessmen, then computer-geeks; they don't just have cool ideas, they know how to make them profitable.

Maktoob started out as a side project for Khoury and Toukan who were then running Business Optimization Consultants, an Internet technology and consulting company that designed websites in Arabic for clients such as Aramex and the late King Hussein. In 1998, the Internet started coming into average American and European homes and services like Hotmail became popular. "We thought, 'Why shouldn't the masses have Arabic e-mail? They don't want to use English,'" Khoury says.

The two make it clear they are businessmen, then computer-geeks; they don't just have cool ideas, they know how to make them profitable

"Maktoob is not looked at as the ultimate source of content. We want to change that"

According to Toukan the number of Arab Internet users in the world is low: 20 percent of Jordanians and only five percent of Egyptians are online, but in 1998 the numbers were far lower. Long before Books@Cafe opened and offered the web with a cup of coffee, or Irbid was in *Guinness's Book of World Records* for most Internet cafés on one street, the Maktoob e-mail site was thriving, Khoury says, "It blew up. After one year we had 100 thousand users and it began to require much more time."

In 2000, Maktoob, which had begun adding extra features to complement the e-mail, attracted the attention of the Egyptian bank EFG Hermes which invested \$2.5 million into Maktoob. The side project then became the main gig and the Maktoob portal reached maturity. In addition to its more than four million e-mail users, alexa.com, a website ranking service owned by Amazon, ranks Maktoob as the most visited Arabic language site on the web, beating out Al Jazeera's website and even Google's Arabic search engine.

This high traffic has brought in many advertisers for both regional Arab companies, such as Aramex and Gulf state businesses, and also international companies, such as Nestle and Pepsi. According to Khoury and Toukan, Maktoob made its first profit in 2003, then in 2004 the company reported another profit. However, no numbers have been presented.

Most of this came from advertising revenue. Khoury says this success, combined with the clear business plan he and Toukan created, brought another large investment from Abraaj Capital, the region's largest private equity house, last year.

"The hype about the Internet is returning," Khoury says. "Investors are gaining confidence again and beginning to look at the dot coms that have survived and proven they can make money."

The profits and the investment have allowed Khoury and Toukan to move their company in other directions, not simply providing e-mail and a search engine.

"In the beginning, our focus was to build our traffic and brand," Toukan says. "Now we focus on the services, we diversified, we built a good business plan and have taken good care of it. Now we're in an expansion process."

The expansion has included acquiring adabwafan.com, which sells Arabic books, music, and software, strategiy.com, which provides business news, and SportUp Jordan, which now is Maktoob Sports and provides news on Arabic athletes and teams.



"Maktoob is not looked at as the ultimate source of content. We want to change that," Toukan says. "We look for websites that specialize. If we had made a sports website it would have been halfhearted, but we used an existing site run by someone who knows sports."

Creating as broad an appeal for their site as possible is a main focus of Khoury and Toukan. Destinations such as Strategy and Maktoob Sports cater to businesspeople and sport enthusiasts respectively, but the portal also has destinations targeting women, children, gamers, cooks, travelers and even those searching for love through Maktoob's Mabrook matchmaking service.

This wide appeal is intended to keep as many users on their site as long as possible. "The Internet is just a click away and people will go somewhere else," Toukan says.

Both Khoury and Toukan say that their main competition comes from Yahoo and MSNArabia. These are hefty challengers: According to Alexa.com, Yahoo is the most visited website in the world and MSNArabia's parent site, MSN, is the second most visited and is owned by Microsoft.

"It's not easy to compete with the internationals," Toukan says. "You have to offer better service. When Google announced they would offer 1000 megabytes of free storage on e-mails, we didn't announce it, we did it."

The two founders believe that because they are Arabs and that their company focuses solely on an Arabic audience they have an advantage over the larger companies.

"If an Arab wants to use Arabic on the Internet, he will come to Maktoob," Khoury says.

"(The other websites) aren't flexible enough and we understand the local users better."

Toukan says that Maktoob also aims to improve the quantity and quality of information in Arabic and about Arabs on the Internet. "Arabic is the sixth language in the UN but Arabic content on the Internet is weak; only half a percent," he says. "Promoting Arabic culture through the Internet is important."

As Maktoob acquires more sites, joins with other companies to offer new services, and expands its existing features, the goal of creating better Arabic material on the web will likely happen.

Maktoob's expansion is not in the electronic world only. The computer monitors are gaining a new layer of dust, but not from old age - the dust floats in from the renovation work that is being done throughout the old house. Maktoob is now

well and truly established, the business plan has come full circle, the dividends are being paid and, by the looks of things, Khoury and Toukan might just be ready to turn in their frugal and thrifty ways for something a little more liberal. Perhaps even a little more glitzy. Perhaps. JO



"When Google announced they would offer 1000 megabytes of free storage on e-mails, we didn't announce it, we did it"