

Funding and market insights

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Region's first decentralised e-commerce platform for SMEs — ZON to launch in 2020

A project by ASA Ventures, a UAE-based VC firm.

Now we hear ASA Ventures, a venture capital firm based in the UAE, is set to launch ZON — the region's fully decentralised mobile based e-commerce network for SMEs — at the start of 2020. This new launch could disrupt the traditional e-commerce sector in the market by focusing on retail SMEs who have been facing a number of issues in shipping and making a profitable cut via e-commerce.

ASA ventures has already raised USD 5 million in Seed funding, and after successfully completing pilot tests they are currently raising Series A to fund the venture.

ZON is designed to be a mobile-first e-commerce platform with a focus on retail SMEs who, as the statement reads, are "currently unserved by online marketplaces." Mobile-first engine will disrupt traditional e-commerce through in-situ order fulfilment and real-time image-based stock validation.

"For the past 4 years, we have been using proprietary machine learning algorithm to collect and analyse data, which has made it possible to fulfil orders using real time inventory information across every product category, regardless of the size of the seller,"

Arif Saiyad, Founder and CEO of ASA Ventures

Arif adds, "The key aspect of ZON is its decentralised model that allows for in-situ order fulfilment and real time image-based validation of stock. We are launching in the UAE and will look to grow aggressively in other emerging markets thereafter."

ASA Ventures raised \$5 million in Seed funding which has been deployed for market research, product development, retailer network expansion and pilot testing. The platform claims to already have "on-boarded, tested and trained over 30,000 sellers since February 2019 – nearly twice the number of sellers active on the country's largest online marketplace."

Through its seller network, ZON claims to have "over 16 million SKUs (stock keeping units) currently registered on its platform, many times higher than any other online marketplace in the country," as per the statement issued.

It is in the process of raising their Series A round.

By virtue of expanding the universe of options for consumers, ZON is able to offer almost any product for cheaper than the cheapest e-commerce deal and deliver any product almost instantly, so we are confident consumers will embrace and love it. The real time geo-tracking and advanced search capabilities that allow for price and proximity filters makes the ordering process fun and entirely transparent.

Arif Saiyad, Founder and CEO of ASA Ventures

The UAE Ministry of Economy estimates 10 percent of total sales in the UAE are via e-commerce. However, with 100 per cent smartphone ownership and internet penetration in the country, UAE has enormous potential to grow the sector.

Furthermore, according to data gathered by Mashreq Bank, "e-commerce spending in the UAE rose by 48 per cent in 2018. Last year, a BMI Research report forecasted the region's e-commerce market to grow to US\$ 48.6 billion by 2022, up from an estimated \$26.9 billion in 2018."

E-commerce still has immense potential to grow in the country as online shopping behaviour is changing to incorporate many market segments that were traditionally bought from brick and mortar shops. We're excited to see how ZON will change this sector for the betterment of the SMEs.