State of the industry 2021

Mobile marketing in MENA

in association with the MMA

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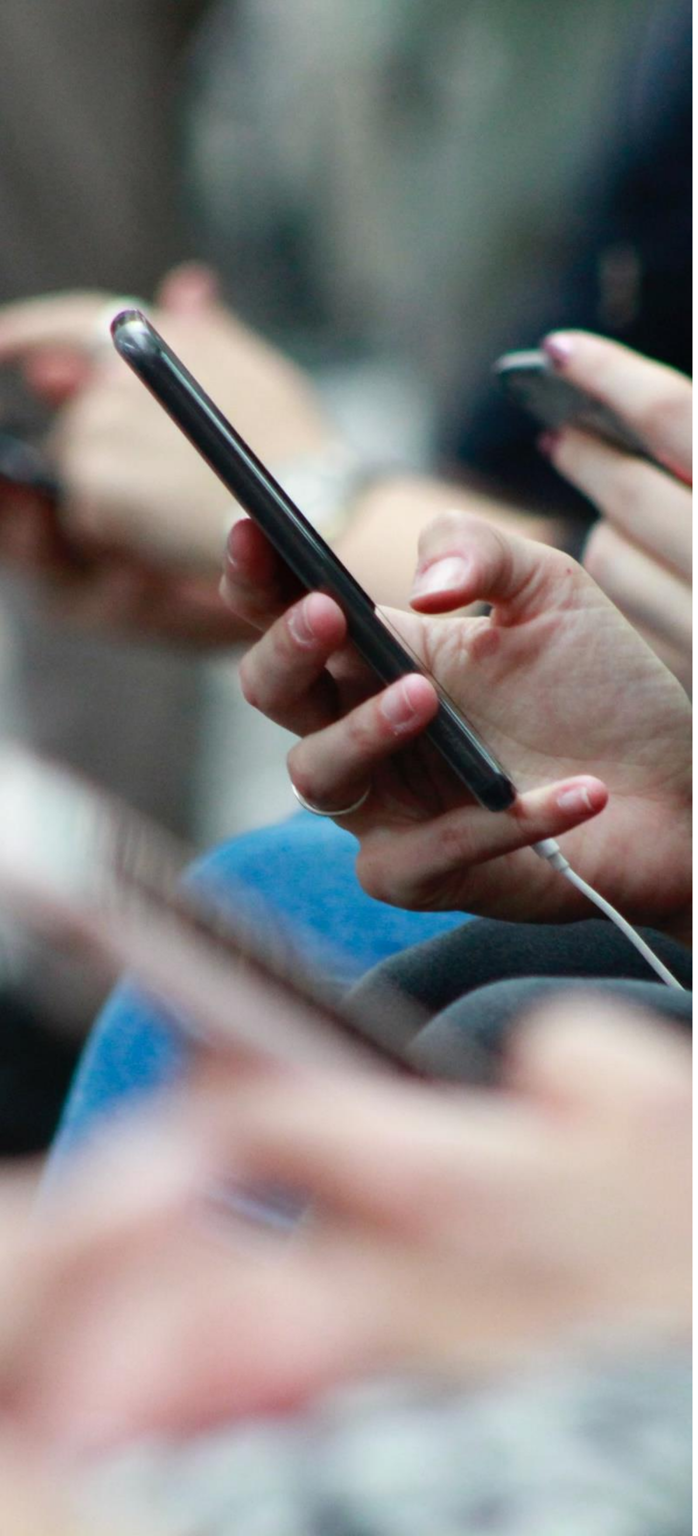


Takeaways

1. Brand awareness is the most common key objective when running mobile marketing campaigns in MENA. As for marketing channels, display, in-store and TV are the most effective channels when run alongside mobile.

2. The majority of MENA marketing professionals are expecting growth in their mobile budgets. This year, no respondents expect a decrease, whilst majority (77%) expect an increase, indicating more confidence in both market conditions and in mobile as a channel.

3. Social is by far the most used marketing channel with mobile. 87% of respondents are using social in their mobile marketing strategy. Facebook, Youtube, Instagram and Twitter are the platforms most used for display marketing.

4. M-commerce and mobile gaming is one of the most important industry changes during COVID-19. Overall respondents are seeing increased m-commerce capabilities and more than half (56%) say it is one of the most important consumer behaviours.

5. Mobile marketing needs to overcome metric and measurement problem to realise growth potential. As we are approaching the end of the third-party-cookie as a means to target and measure, marketing professionals are facing more pressure. Three in four predict to be affected by the 'death' of the cookie.

6. The future of mobile technology looks towards AI, machine learning and mobile wallet. Marketing professionals are investing significant portions of their budgets into mobile technology to ensure they keep up with the latest innovations in the industry, especially as interest in AI continues.

What this means for…

Advertisers

- COVID-19 has led to improvements in mobile marketing capabilities for advertisers.
- Growth in m-commerce and shoppable media over the last year is providing brands with new opportunities to reach consumers.
- Concerns around measurement of the data are increasing as we are approaching the end of the third-party-cookie as a means to target and measure.

Agencies

- As mobile budgets are growing, it is important that agencies support their clients by helping them adapt to changing consumer behaviours and advancing technologies.
- Agencies can also play a key role in helping brands to develop the data expertise required for post-cookie success, especially as first-party data becomes more important.

Media owners

- With the rise of online commerce as a result of COVID-19, media owners have an opportunity to find new ways to monetise audiences, for example through e-commerce, subscriptions or memberships.

Mobile marketing objectives and capabilities

Over the time that WARC has carried out this survey with the MMA, the role of mobile in the arsenal of marketers has grown significantly. As smartphone technology becomes more and more sophisticated, the line between the mobile medium and the rest of the online media mix is increasingly blurred.

This chapter looks at the mobile capabilities of MENA marketers, and how it is being used in the media mix.

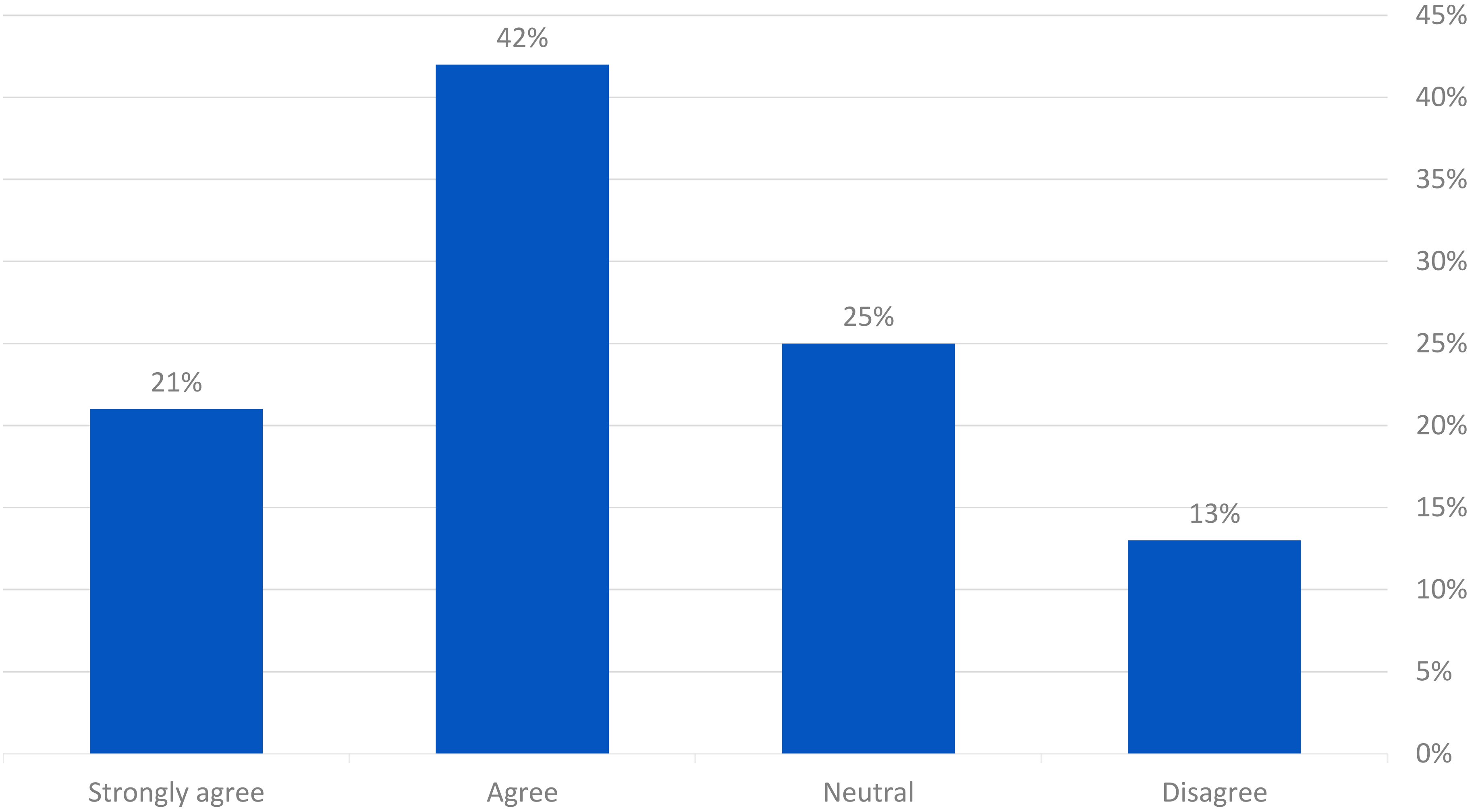
Two in three MENA marketers say they have adapted a mobile-first approach with their marketing strategy

Quarter of respondents feel neutral towards the statement.

Those who strongly agree with the statement has increased by 11pp showing more people are shifting towards a mobile-first approach.

According to GSMA The Mobile Economy, by the end of 2020, nearly 280 million people in the region (45% of the population of MENA) will be connected to mobile internet.

"We have adopted a mobile-first approach with our marketing strategy"



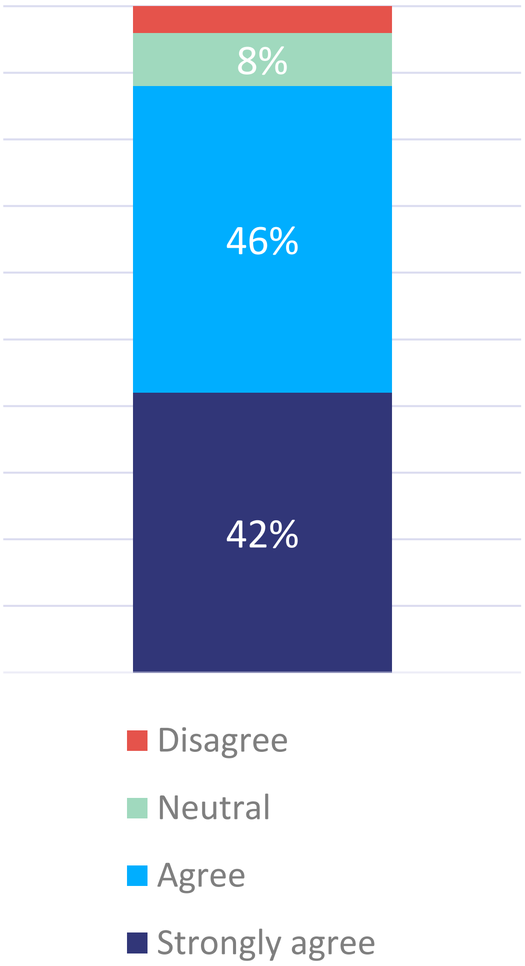
Note for charts throughout the report: Percentages may not sum to 100% due to rounding.

Agencies rate clients' their mobile marketing capabilities highest

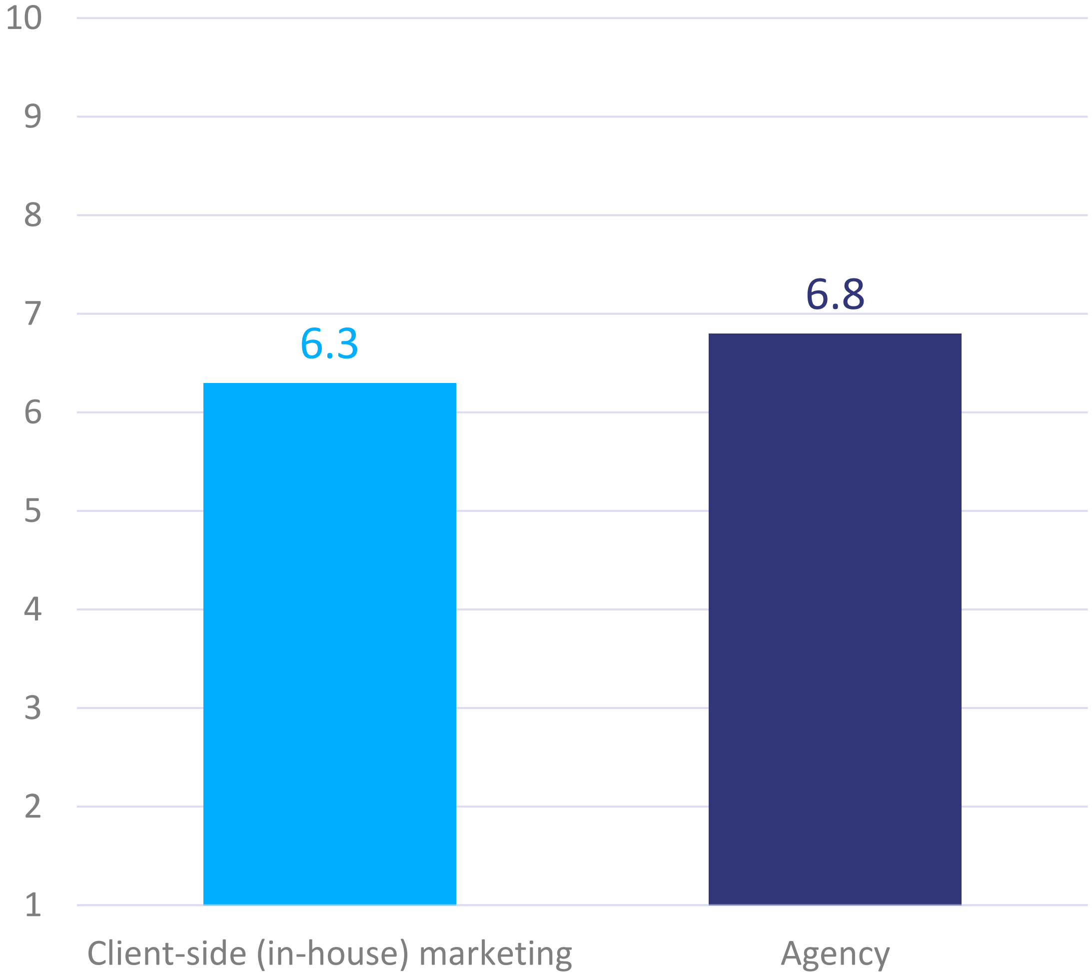
Client-side respondents gave an average score of 6.3 out of 10 when asked to rate their mobile marketing capabilities, 0.5 points lower than the agency average of 6.8, indicating that there is a small gap between the capabilities agency professionals feel their clients have versus the skills the clients feel they have.

Furthermore, 86% of respondents agree that the pandemic has improved mobile marketing capabilities. This is likely the result of the pivot to online as consumer behaviour changed. Increased focus on agility and effectiveness has been a key lesson for marketers in the last year.

"The pandemic has resulted in improved mobile marketing capabilities within my business"



Rate your / your typical client's marketing capabilities in mobile on a scale of 1 to 10 where 10 is the highest

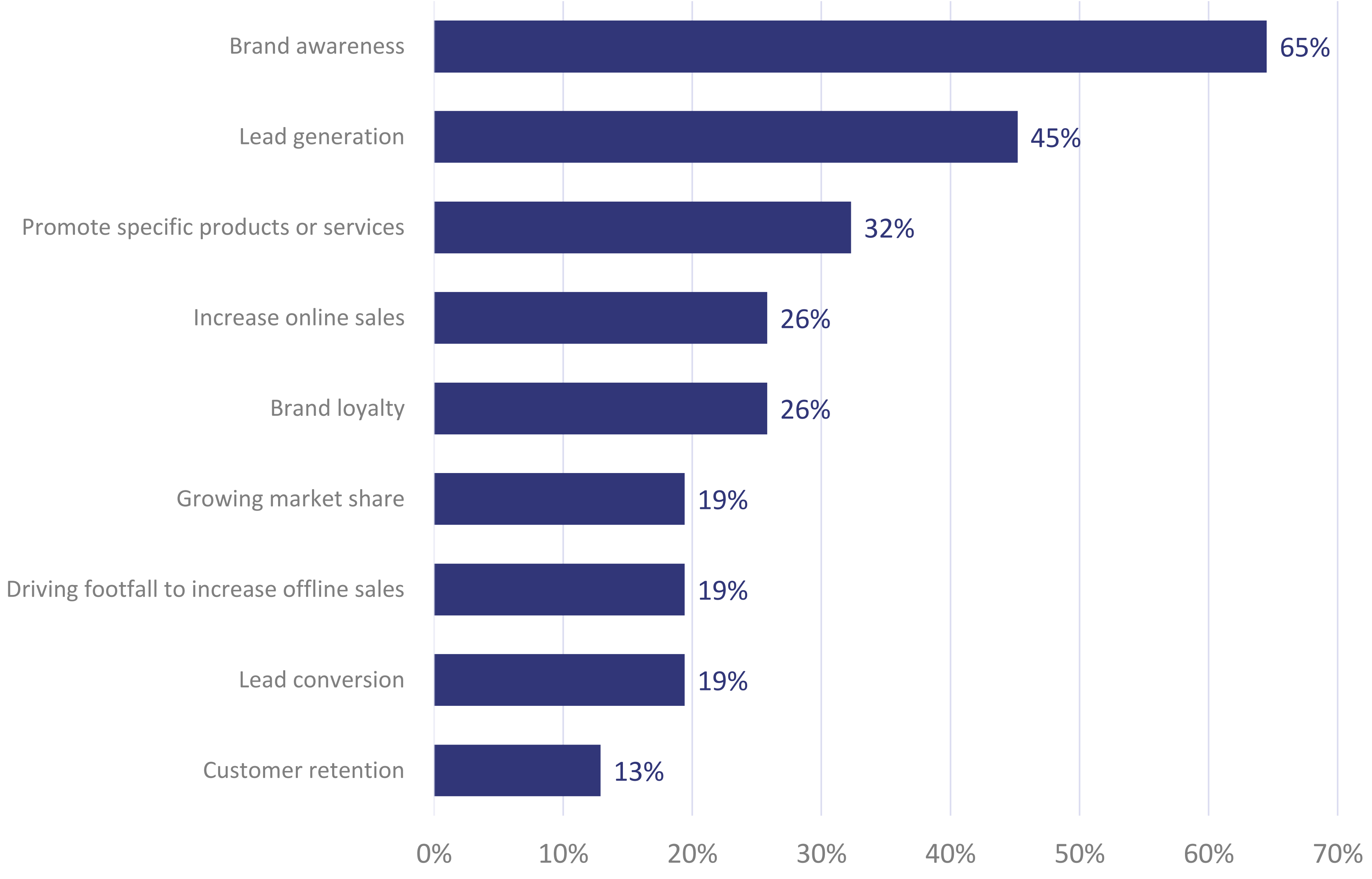


Brand awareness is a key objective for mobile marketing in MENA

More than half (65%) of MENA marketing professionals focus on brand awareness when marketing via mobile. Lead generation and Promoting specific products or services is also a key goal for 45% and 32% of respondents.

Even if brand awareness is the top sole objective, it is clear performance marketing is also important to respondents. Nearly quarter said increasing online sales and brand loyalty were key objectives (26%).

Which of the following are your / your typical client's key objectives when marketing via mobile?



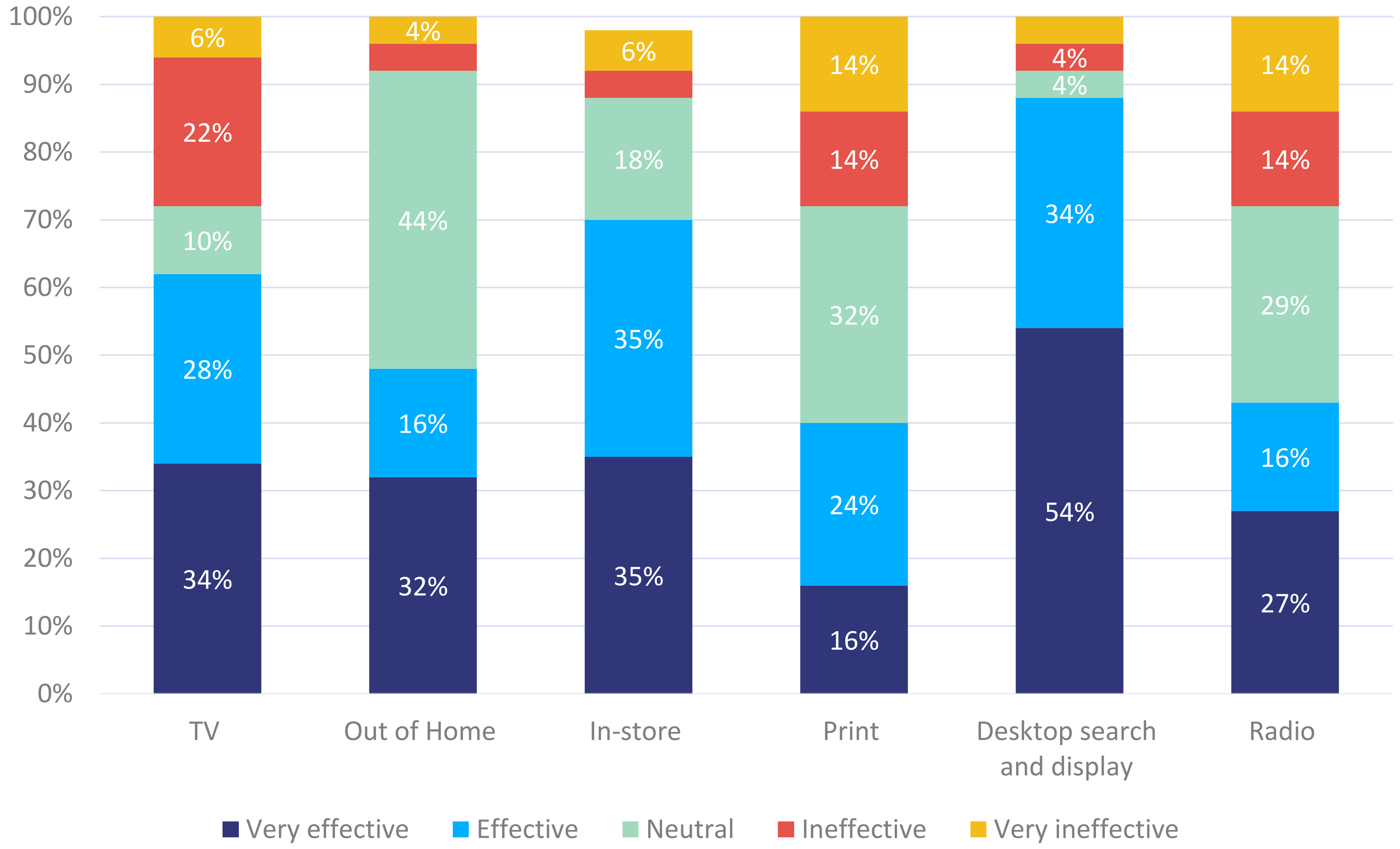
Desktop search and display are most effective channels when used alongside mobile

This is unsurprising as marketers often will display ads across both mobile and desktop in tandem when running campaigns.

TV and In-store is also considered an effective channel to use with mobile, with a combined total of 60% and 70% saying the channel was effective or very effective.

While no media channels are considered overly ineffective when used with mobile, many marketers feel neutral towards the impact of print and out of home with mobile.

In your experience with media plans, please rate the effectiveness of the following media channels when used alongside mobile

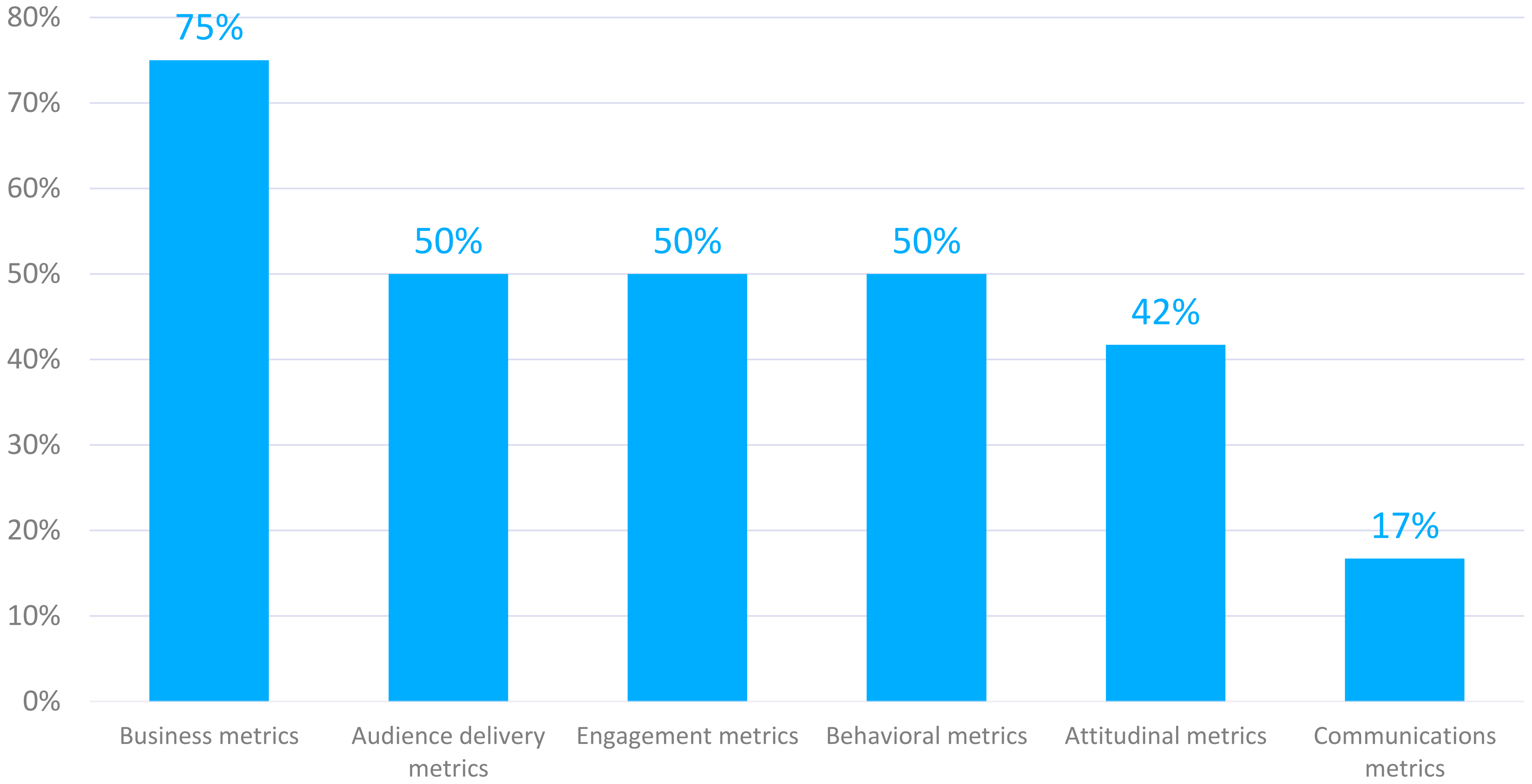


Business metrics are most used to measure marketing effectiveness

Audience delivery, engagement and behavioral metrics are still in the core of measurement in 2021.

Marketers are expecting a greater focus on campaign effectiveness as a long-term impact of COVID-19. This could mean more attention towards optimisation and measurement. For many, it will be an important challenge to find the right balance between short-term and long-term effectiveness as well as finding the right metrics to measure it.

Which of the metrics below do you or your clients most use to measure mobile marketing effectiveness?



Audience delivery metrics: *Impression delivered by target group, or viewable impressions*
Behavioural metrics: *Post-click engagement, traffic to sites etc.*
Engagement metrics: *Video completion rates, social sharing, CTR etc.*
Business metrics: *ROI, incremental sales, profit, LTV*
Attitudinal metrics: *Awareness, image and other brand KPIs based on surveys*
Communications metrics: *PR value*

Mobile budgets

After a year when marketing budgets have been significantly impacted by the global COVID-19 pandemic, mobile, as a medium, was one of the least hit. In last year's survey, the proportion of marketers expecting a decrease in their budgets in light of the pandemic was 28%.

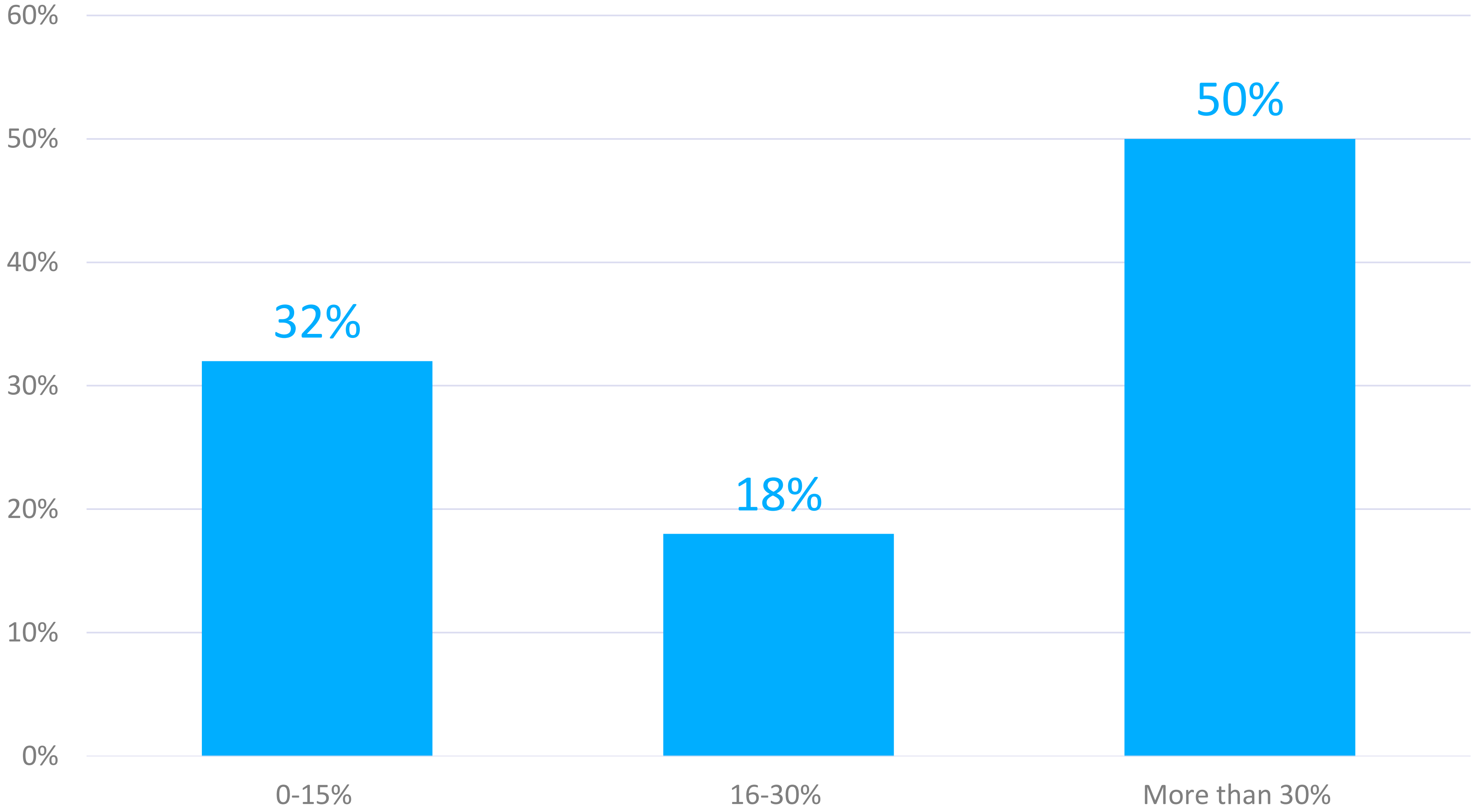
This year, as we emerge from the pandemic, none of the respondents are expecting a budget decrease. With many workforces still working remotely, and with social and m-commerce technologies rapidly developing, mobile budgets look set to head in only one direction.

Half of respondents are allocating more than 30% of the budget

Over recent years mobile has gradually been getting a larger chunk of the marketing budget. The proportion of people allocating more than 30% of the budget to mobile has notably increased in the past years.

According to WARC's Global Marketing Index, both mobile and digital budgets are showing increased rates of growth month by month, whilst traditional media, barring TV, remains in decline. Overall, mobile is becoming a bigger part of the marketing budget.

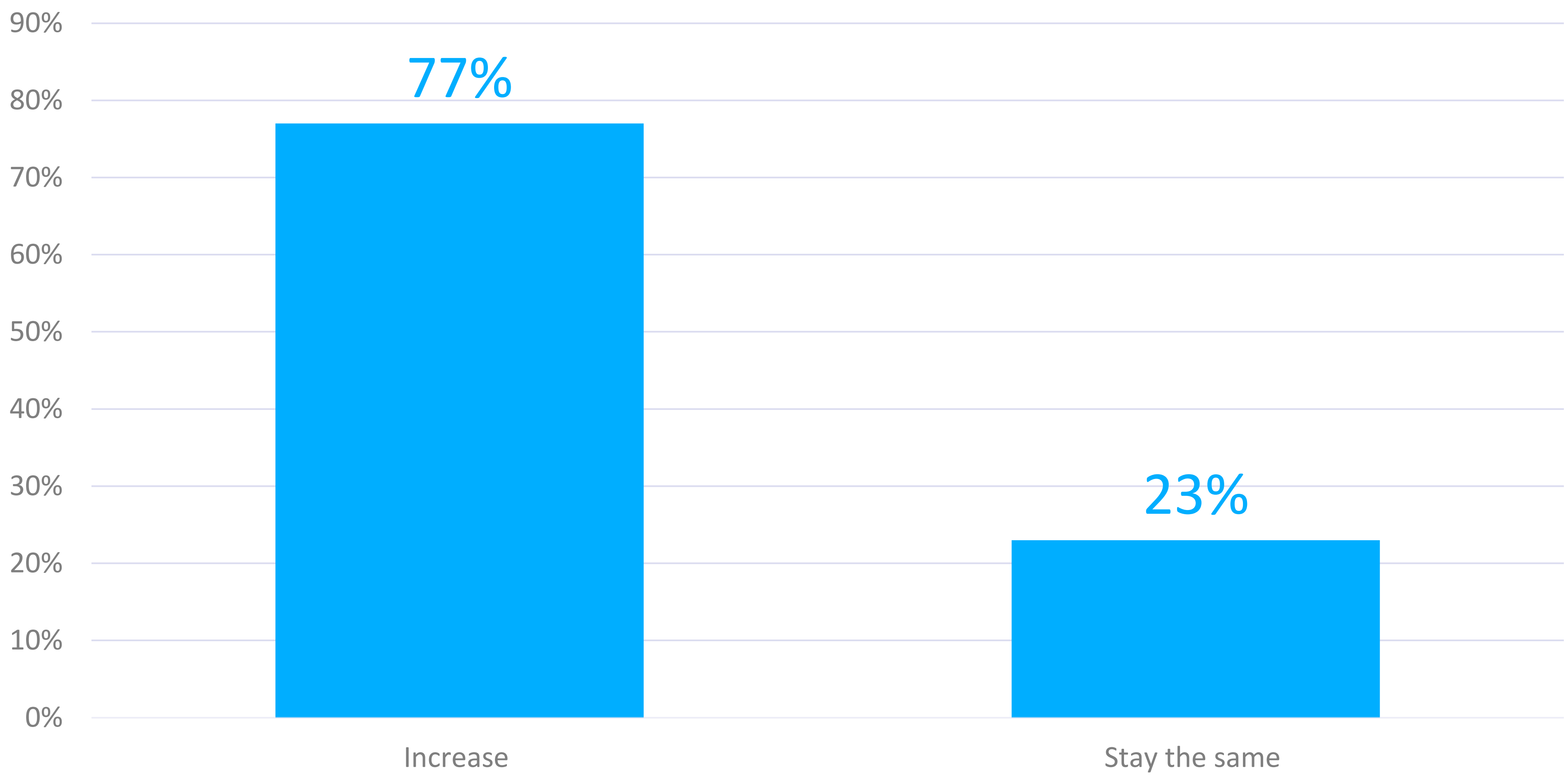
What percentage of your / your typical client's marketing and advertising budgets are being allocated to mobile marketing and advertising?



Majority (77%) are expecting growing mobile budgets in the coming year

As mobile has bounced back well after the initial hit of the pandemic, budgets have been growing and in 2021, lower than quarter of marketing professionals were expecting decreasing budgets.

How do you expect your / your client's mobile marketing and advertising budgets to change over the next twelve months?



Note: The question was worded slightly differently in 2020: “Now, given the Coronavirus outbreak, how do you expect your/your clients’ mobile marketing and advertising budgets to change over the next twelve months?”

Mobile is social

Nearly all responding marketers use social media as part of their mobile marketing strategies. With its ability to drive brand awareness, participation and user-generated content, social media is a key link between offline and online marketing strategies, and the flexibility and accessibility of mobile make the two effective partners.

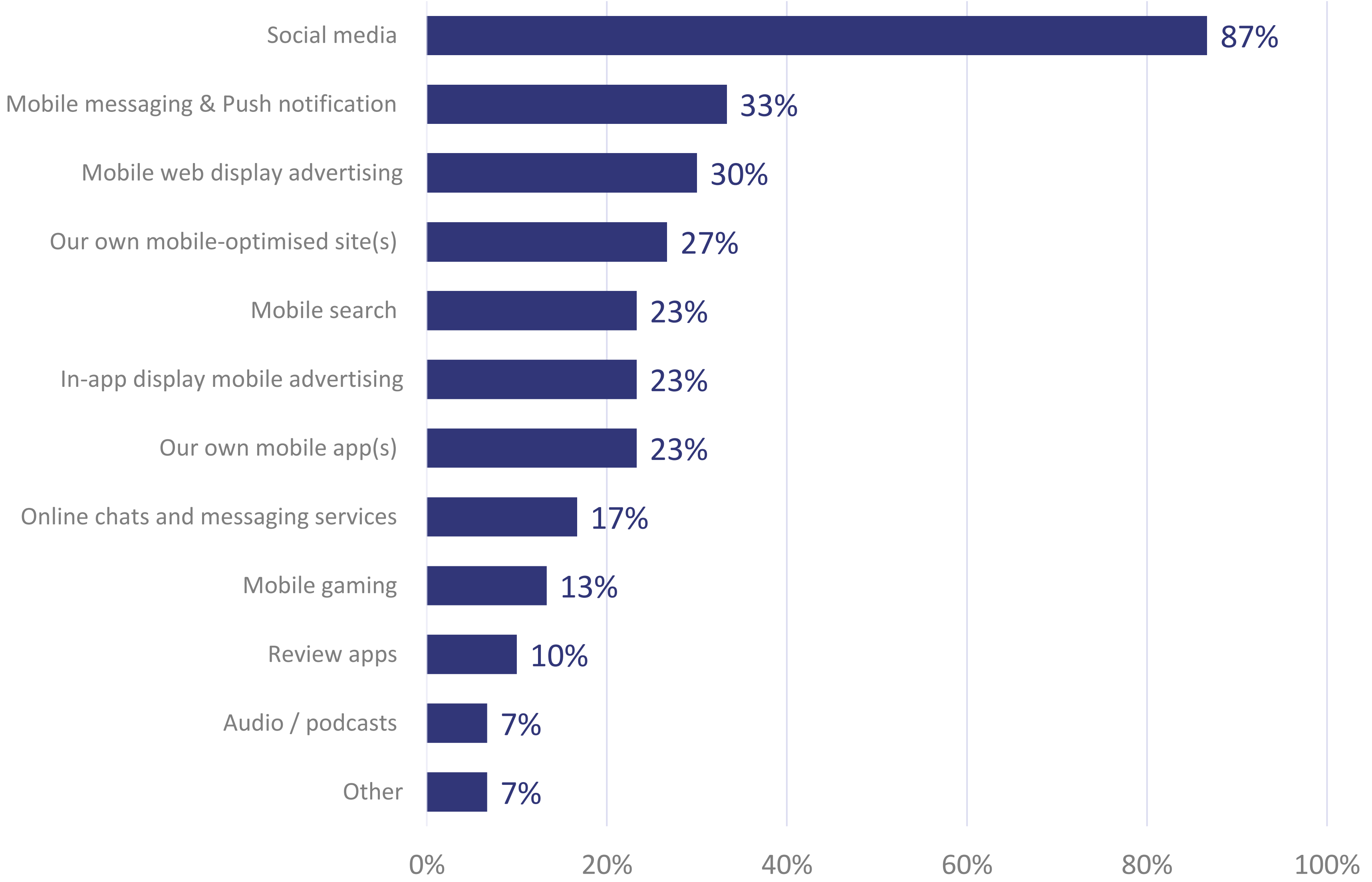
Social platforms are increasingly providing brands with ways to monetise their mobile audiences, and the growth of in-platform display advertising and influencer partnerships has been significant.

Nearly all (87%) MENA marketers use social media in their marketing strategy

Social media (87%), mobile messaging & push notifications (33%) and mobile web display (30%) are the top three most used marketing and advertising types for mobile.

Social media platforms have become important marketing channels that allow marketers to combine high reach with the ability to target based on consumer interests and profiles. To meet objectives, brands need to understand how people use, and are influenced by, the diversity of platforms in order to choose the best channels for the brand's objectives.

Which of the following mobile marketing and advertising types are currently part of your / your typical client's marketing strategy?

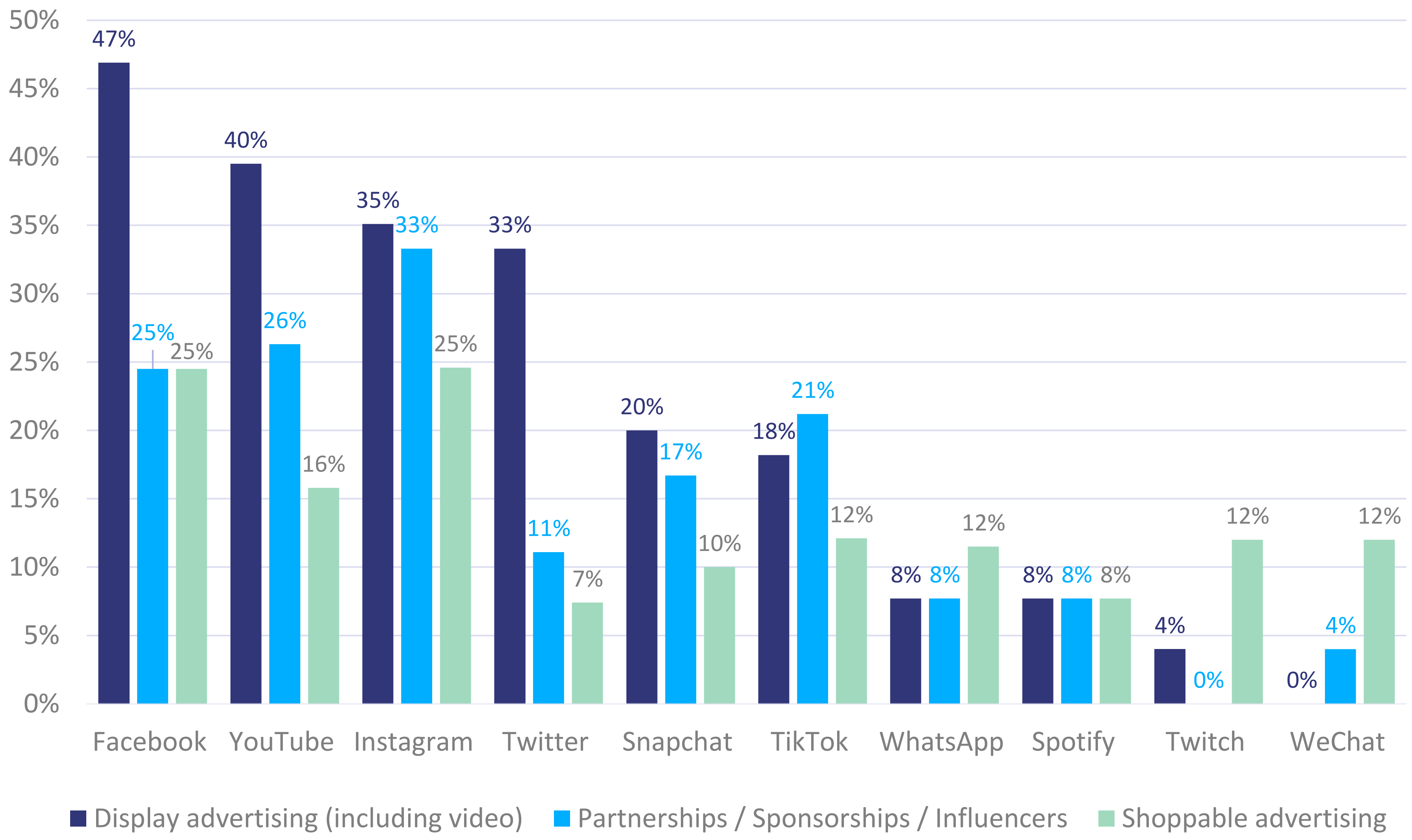


Facebook is the most used social media platform for display advertising in MENA

Just under half (47%) of respondents have used Facebook for display advertising, while 40% have used Youtube for the same purpose. This is followed by Instagram (35%) and Twitter (33%).

Instagram and Youtube are the most used platforms for partnerships / sponsorships / influencers. Instagram, in particular, is considered a key platform for influencers. According to Klear's State of Influencer Marketing report, weekly sponsored Instagram Stories grew by 32% between 2019 and 2020, globally.

For each of the social media platforms listed, select if you have used it for each of the content types: display and partnerships / sponsorships / influencers



COVID-19 drives m-commerce transformation

The accelerative impact of COVID-19 on digital transformation has been well-documented. This impact has been seen most significantly in e-commerce, when lockdown restrictions meant shopping online had to fill the offline gap, and 73% of respondents have seen improved m-commerce capabilities as a result.

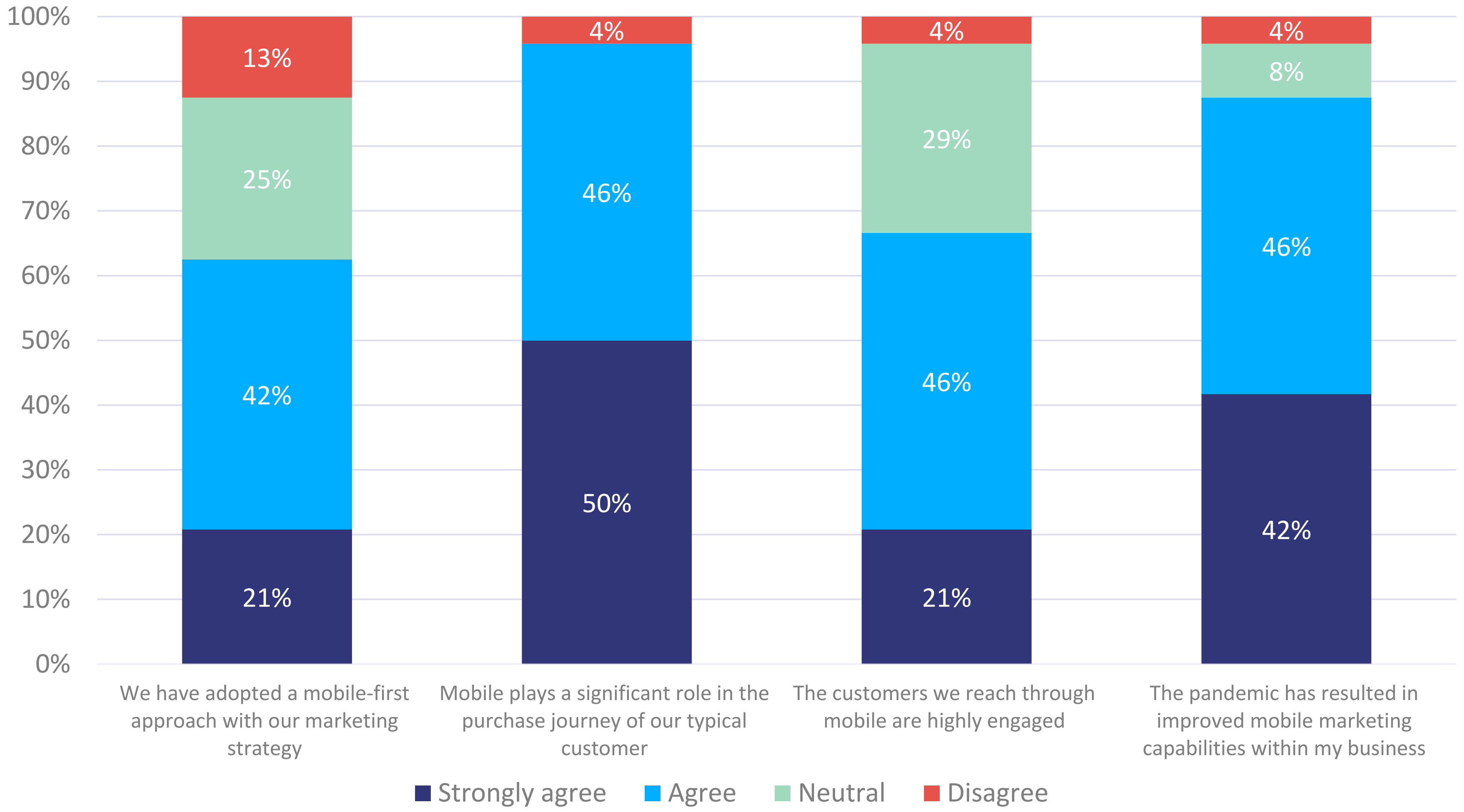
The combination of this increased e-commerce demand with increased use of social media has driven innovations in shoppable media – a significant opportunity for marketers to monetise their mobile audiences.

Due to the growth of e-commerce, three in four respondents are accelerating their m-commerce capabilities

Half of all MENA respondents strongly agree shoppable media is an exciting business opportunity in 2021. A further nearly half (46%) agree with the statement.

According to metadata;
in UAE e-commerce, the average revenue per user is expected to amount to $1,075,81, with user penetration expected to hit 66.1% by 2025.

To what extent do you agree or disagree with the following statements about mobile?

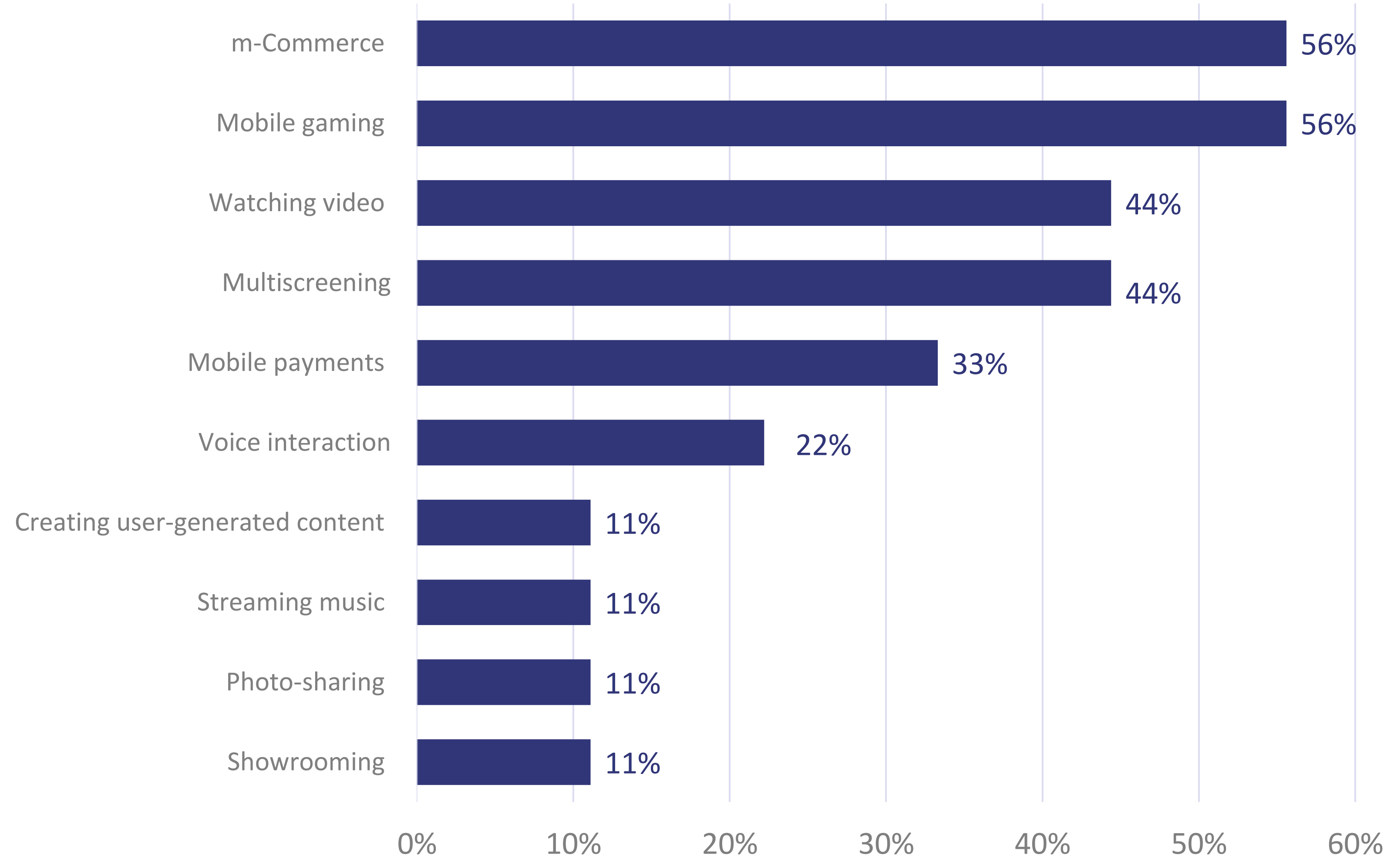


Nearly three in five say m-commerce and mobile gaming is the most important consumer behaviour

M-Commerce and mobile gaming (56%) are significant consumer behaviours affecting the marketing industry.

Watching video and multiscreening seeing a lot of traction as well as stated by nearly half of the respondents which mobile payments and voice interaction follows them.

Of the following consumer behaviours that are increasingly involving mobile devices, which do you think have the most significance for the marketing industry?



Note: Creating user-generated content and engaging with virtual and augmented reality were new options in 2021. Mobile games was called playing games in 2020

Targeting in a cookie-free era

2021 will see the end of the third-party cookie as a mechanism for targeting, tracking and measurement, and for more than 65% of MENA marketers, this will have a significant impact on their mobile marketing strategy. And with privacy requirements being the biggest barrier to mobile growth in the region, the use of location data – the most popular technology in mobile campaigns – needs to be approached carefully.

Over the next year, marketers will need to strengthen their first-party data strategies, or build partnerships to access such data, to gain attention in a crowed marketplace.

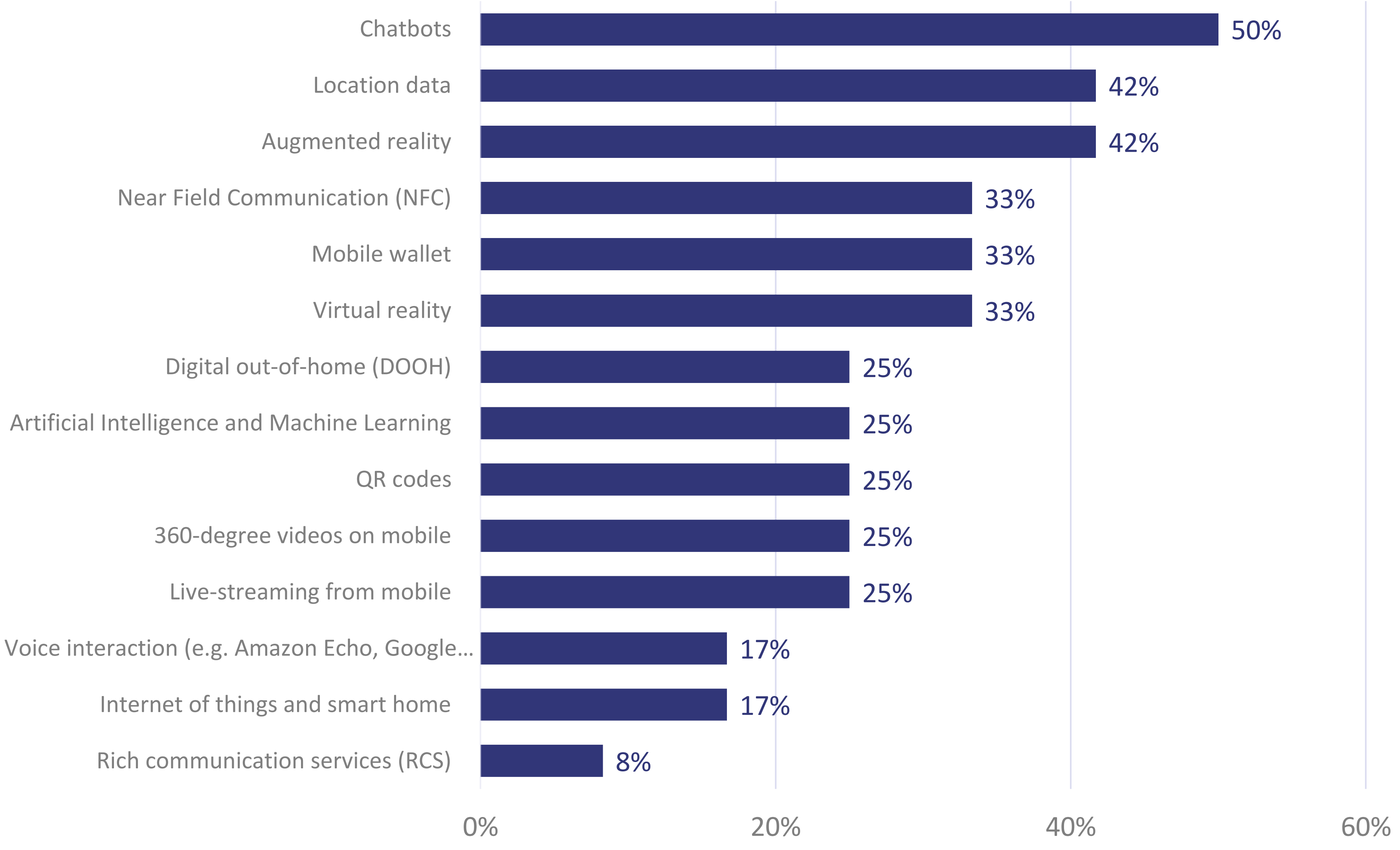
Half (50%) of respondents are using chatbots

With customer experience being one of the most significant detail, chatbots are gaining a lot of traction on the mobile technologies.

This is followed by location data, augmented reality and NFC.

There is an opportunity for marketing professionals to harness the power of location data, augmented reality and mobile wallet to target consumers in a more creative way.

Are you / your clients planning to use any of the following and their associated mobile technologies in 2021?



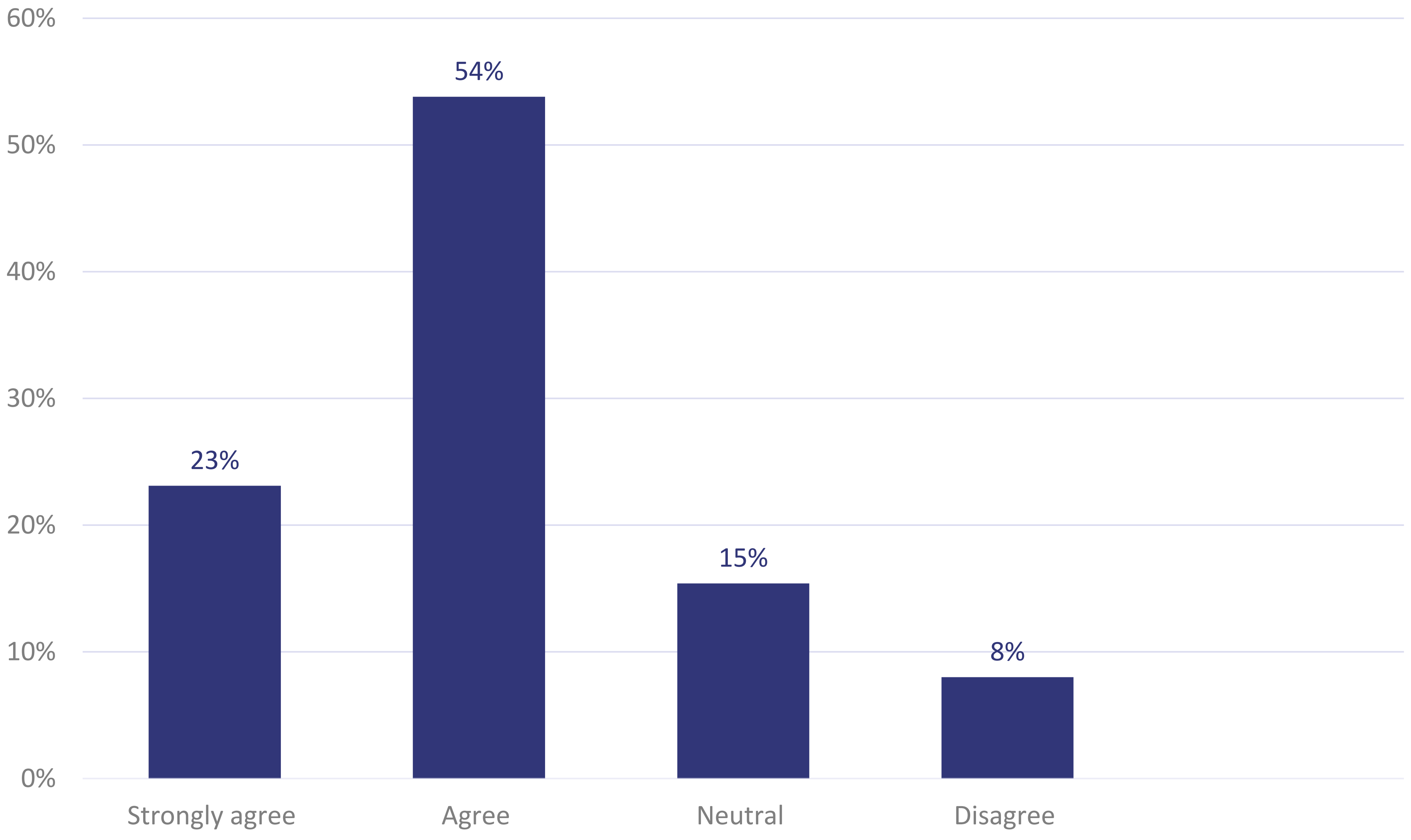
Three in four predict that the 'death of the cookie' will impact their mobile marketing strategy

8% of respondents disagree that the loss of the cookie will have a significant impact on their strategy.

The third-party cookie is no longer a sustainable mechanism for targeting, tracking or measurement in digital marketing later than 2023.

As a result, contextual targeting is becoming more important and will be further enabled through AI advancements. AI can, for example, discern web page sentiment, understand the nuance of language and ascertain content and tone of images and video.

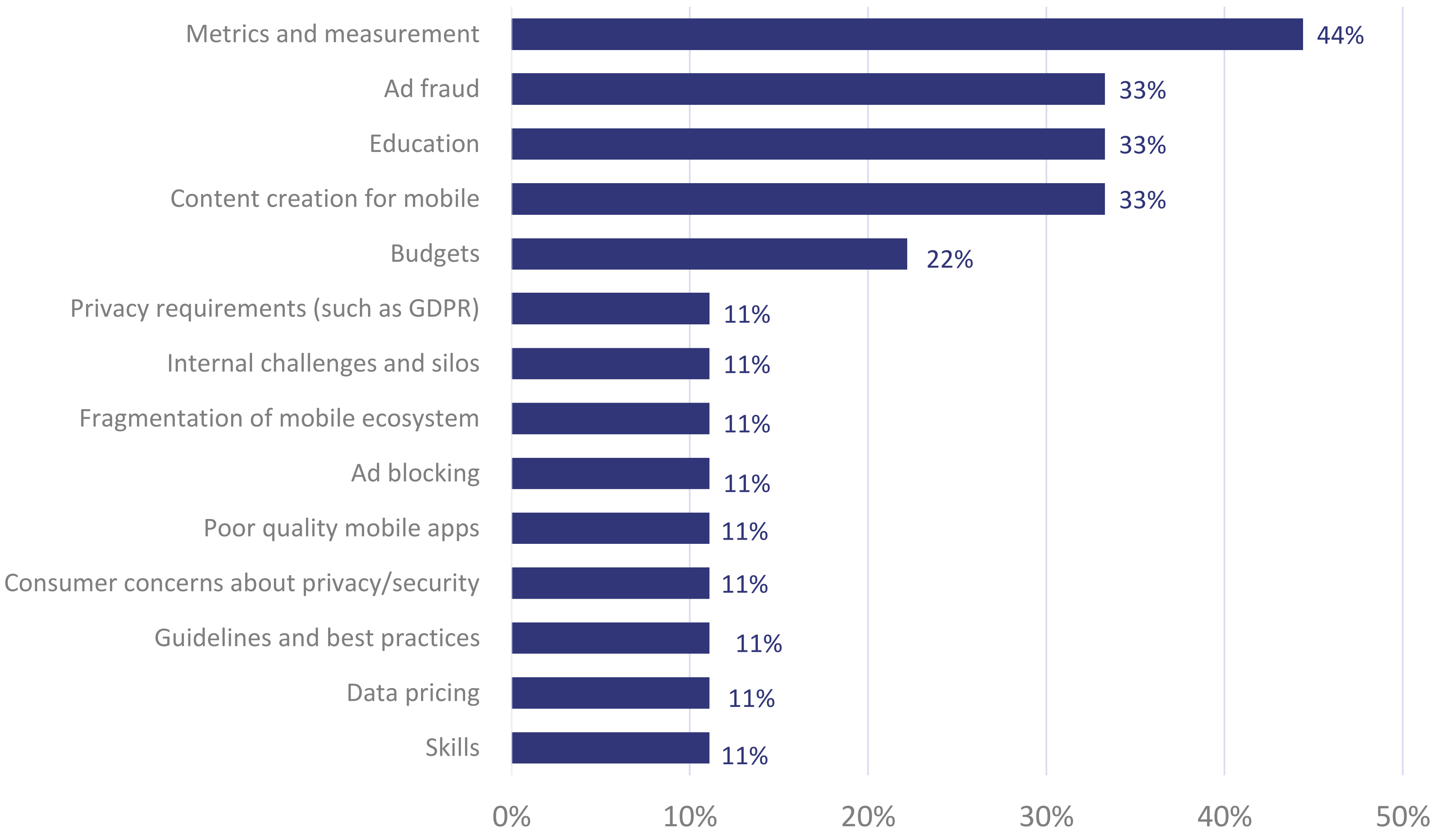
The 'death of the cookie' will significantly impact our mobile marketing strategy



Mobile marketing needs to overcome metrics and measurement problems to realise true growth

Metric and measurement requirements, a new option in 2021, enters the list as the biggest barrier to growth (44%) while ad fraud, education, content and budgets are the comes second (30%).

In your opinion, what are the biggest barriers to the growth of mobile marketing and advertising in your region?



The future of mobile technology

The speed of innovation within digital marketing continues to drive mobile marketing forwards. These innovations are linking offline and online together like never before, and marketers are making significant investments in mobile marketing technologies to ensure they keep up with their competition.

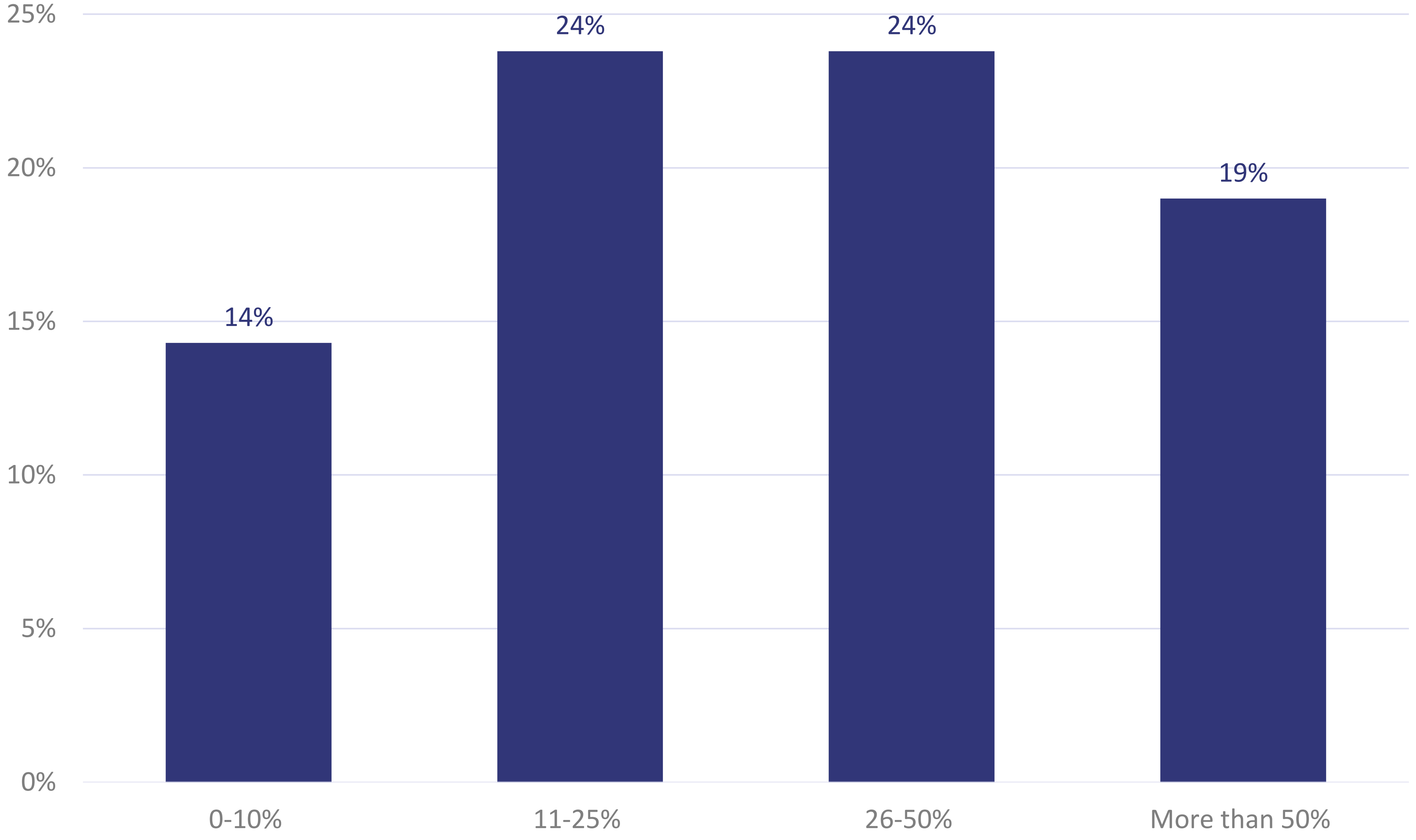
We asked respondents what technologies they thought would be most significant in five years' time. Nearly half pointed to artificial intelligence and machine learning – technologies that promise to improve efficiency and precision in reaching the right people, in the right place, at the right time.

Nearly half (43%) of respondents are spending over one quarter of the budget on mobile martech

Only 14% are investing between 0 and 10% of the budget on martech with the majority making larger investments into technology. 24% of respondents are investing 11-25% whilst another 24% are investing 26-50%.

WARC's Marketer's Toolkit found that the majority of marketers need to invest further in marketing technology as 40% of respondents said they do not have all the tools they need and do not fully use what they already have.

How much of your budget for 2021 will be invested in mobile marketing technology?

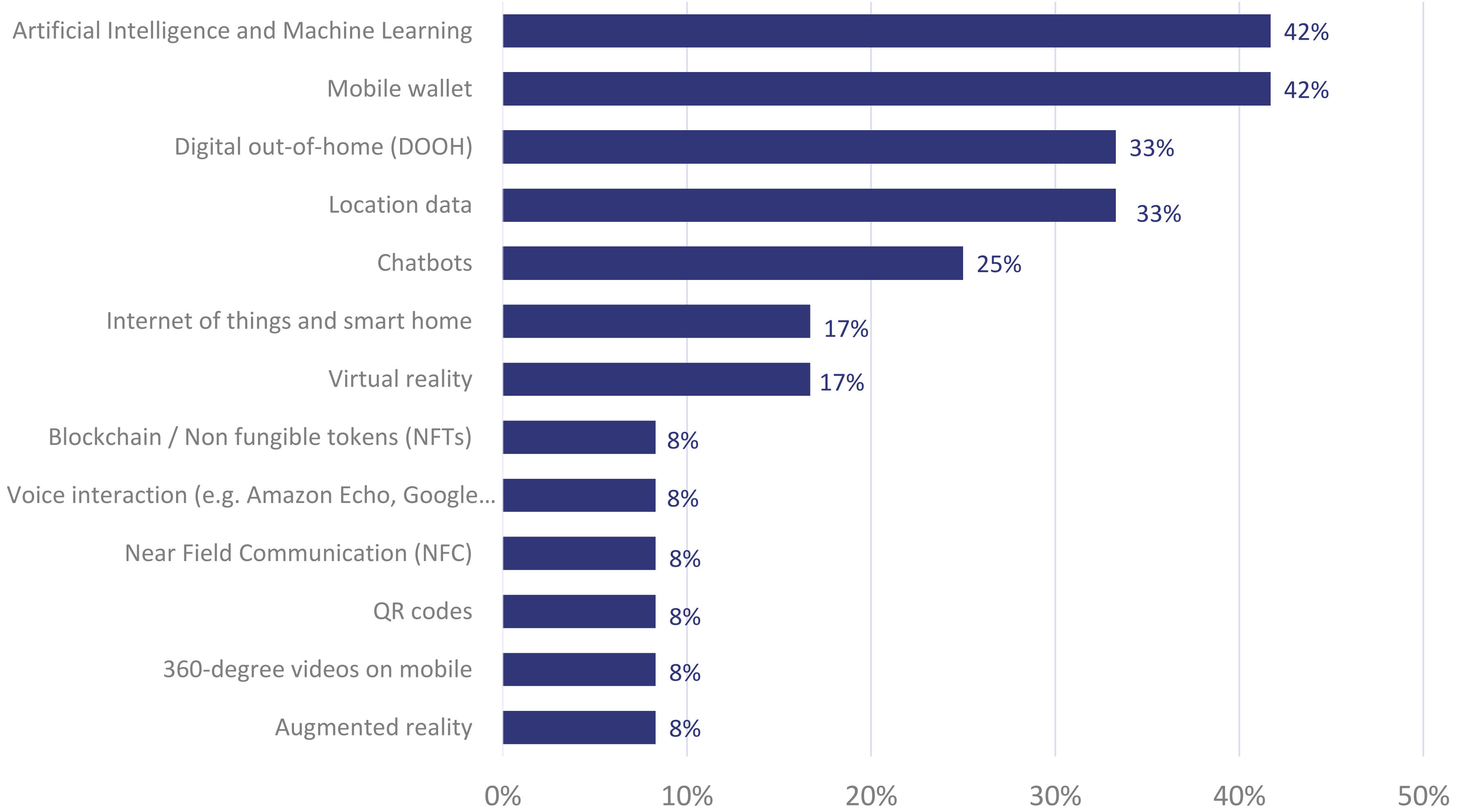


AI, machine learning, mobile wallet and DOOH are predicted to be the biggest technologies in 2026

While chatbot is the most important today (50%), it is not among the most important technologies in the five years (25%). AI and machine learning, the fourth most used technology today (25%), is predicted to be the most important in five years (42%), alongside mobile wallet.

Whilst AI will be even bigger in the future, it is already earning a larger role in marketing. AI was used in nearly all of the Rakbanks succesful campaigns in 2020.

Which of these technologies do you expect to be most significant in five years' time?



About

About the study

This report is based on an online survey of EMEA marketing professionals, carried out in April and May 2021. The data in this report is the response from 64 marketers based in MENA.

The survey link was disseminated to WARC and MMA lists, and respondents received a complimentary copy of the report.

Respondents were a mix of client-side, agency, media owner and technology vendor marketers.

About WARC

Warc.com is an online service offering advertising best practice, evidence and insights from the world's leading brands. WARC helps clients grow their businesses by using proven approaches to maximise advertising effectiveness. WARC's clients include the world's largest advertising and media agencies, research companies, universities and advertisers.

About the MMA

The MMA is the world's leading global non-profit trade association composed of more than 800 member companies, from nearly fifty countries around the world. Our members hail from every faction of the mobile marketing ecosystem including brand marketers, agencies, mobile technology platforms, media companies, operators and others. The MMA's mission is to accelerate the transformation and innovation of marketing through mobile, driving business growth with closer and stronger consumer engagement.

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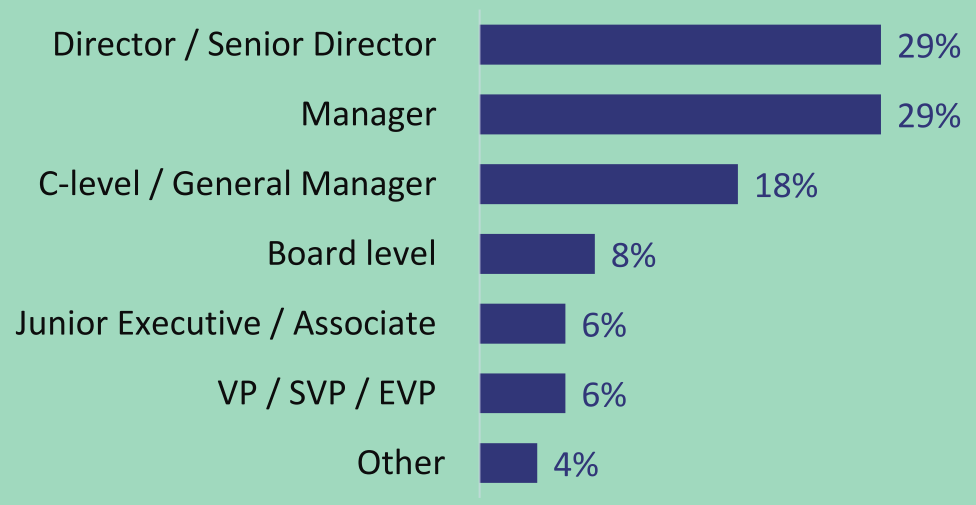
Appendix

Demographics

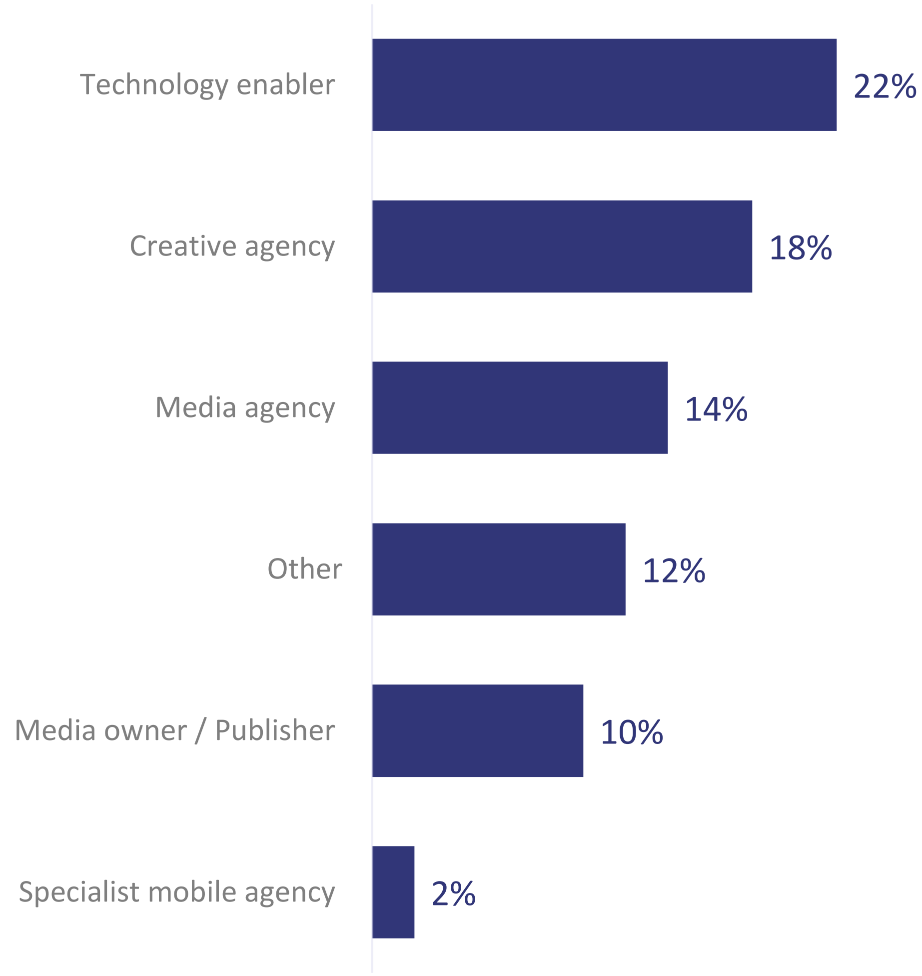
The survey was conducted in MENA. Respondents are most likely to work for creative agencies. In terms of job roles, most respondents hold a director level or managerial position.

Also more than half of the respondents were from UAE, followed by Lebanon, Saudi Arabia, Bahrain and Morocco.

Job role



Company type



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