



INTERNET MARKETING TRENDS REPORT 2012

MIDDLE EAST

TABLE OF CONTENTS

Executive Summary	2
Internet Usage	3
Mobile Internet	4
Advertising Spend	5
Social Media	6
About WSI	7

Source of all statistics:





Despite Economic Turmoil, Digital Ad Spending on the Rise; Mobile Marketing to Spike in 2012

As the world continues to struggle with a stubborn financial crisis, online ad spending is actually prospering, despite the difficult general economic environment. Given the harsh fiscal climate, however, total media ad spending is not expected to rise substantially. As a result, the burgeoning online ad spending market will take a greater share of total ad spending and remain one of the only growing forms of ad spend. Overall, market conditions highlight the importance of and place more emphasis on forms of Internet marketing and communication.

In similar fashion to the past few years, Internet advertising formats such as paid search, display ads and social media marketing experienced an increase in spending among worldwide Marketers in 2011, continuing the shift away from offline advertising like newspaper, radio and television. Recent statistics suggest that this trend will continue through 2012 and beyond.

A relative newcomer to online advertising, mobile marketing exploded in 2011 and all signs indicate that it will become one of the leading forms of Internet ad spending in the very near future. The use of smartphones and tablets is increasing so rapidly that, in most countries, at least 60% of the population operates a mobile device. As people get more comfortable searching and interacting on the go, the Internet's landscape is once again changing, and mobile marketing is certainly at the forefront.

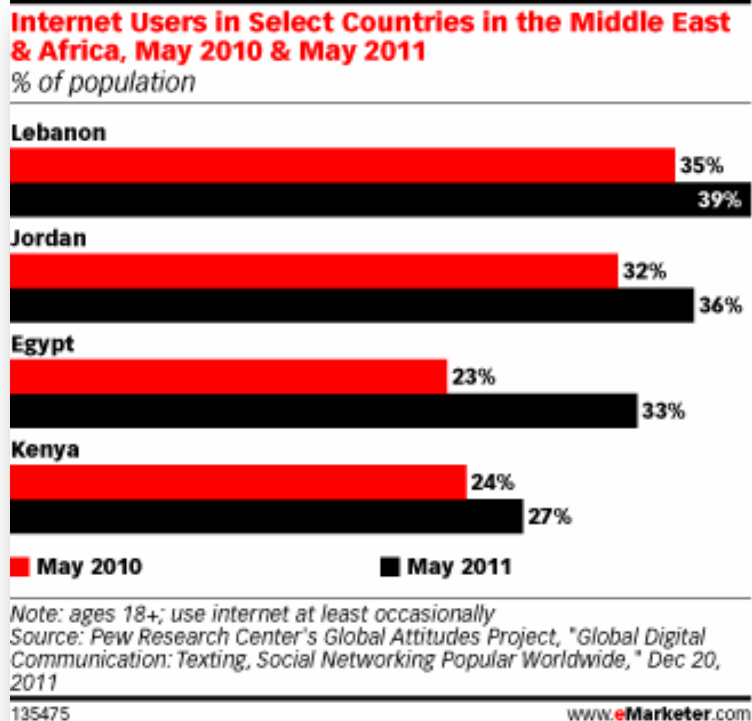
This Internet Marketing Trends Report is a brief summary of the current International online marketing stats and patterns, as well predictions for the next few years. Specifically, the report covers Internet usage and penetration, advertising spending, Internet marketing, social media trends and activities and the expansion of mobile marketing.

Online Usage Climbing Steadily

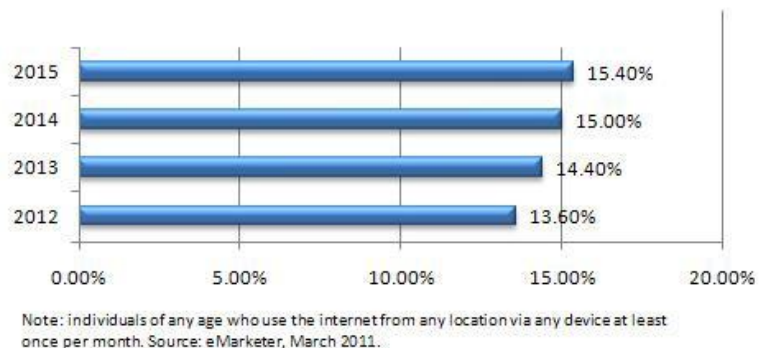
- A recent study analyzing Internet use in selected Middle Eastern countries concluded that more people in Lebanon, Jordan and Egypt are using the Internet.
- Both Lebanon and Jordan experienced a 4% jump in growth from 2010 to 2011, with the former moving from 35% to 39% and the latter from 32% to 36%
- Egypt exhibited the most growth of the analyzed countries, showing a 10% spike in 2011 over 2010 (23% to 33%)

Internet User Penetration

- This year, 13.6% of the entire population in the Middle East and Africa is expected to use the Internet
- Internet user penetration is projected to increase to 14.4% 2013 and then 15% in 2014.
- Research shows that 15.4% of the region's entire population will be online by 2015



Internet User Penetration in the Middle East & Africa 2012 - 2015 (% of Population)

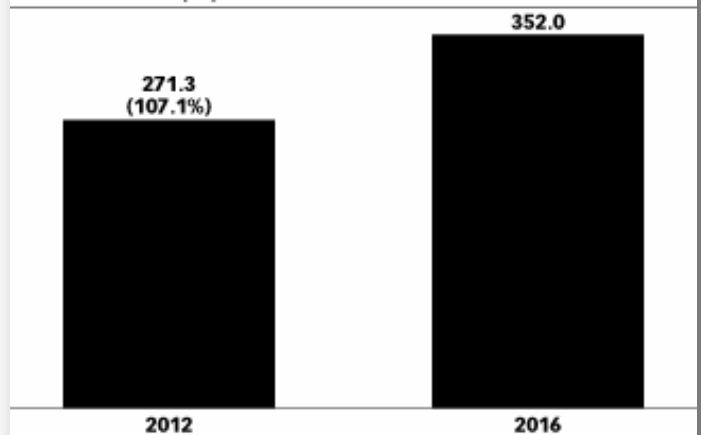


Mobile Subscriptions and Penetration

- In a survey published by *Informa Telecoms & Media*, mobile subscriptions and penetration in the Middle East is expected to reach 271 million people in 2012
- By 2016, mobile subscriptions and penetration in the Middle East is projected to reach 352 million people

Mobile Subscriptions and Penetration in the Middle East, 2012 & 2016

millions of % of population



Note: includes Afghanistan, Bahrain, Iran, Iraq, Jordan, Kuwait, Lebanon, Oman, Palestine, Qatar, Saudi Arabia, Syria, UAE and Yemen
Source: Informa Telecoms & Media as cited in press release, Nov 28, 2011

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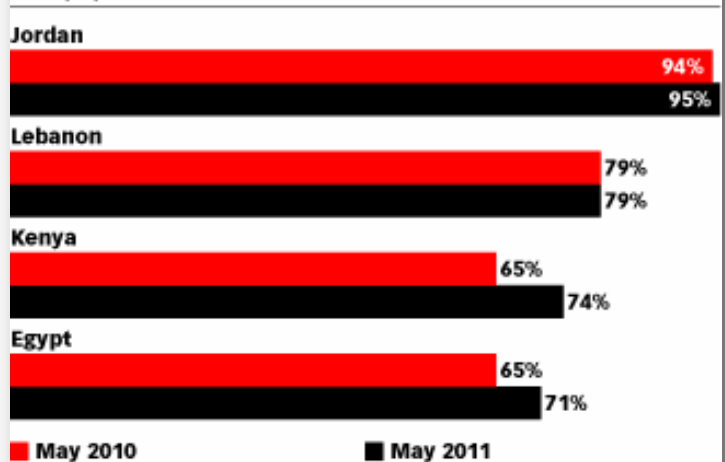
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Mobile Phone Ownership

- According to a study concluded in December 2011, a staggering 95% of the population of Jordan owns a cell phone (up 1% from 2010)
- Lebanon's mobile phone ownership hit 79% of the population in 2010 and held steady at that number thru 2011
- 65% of Egypt's population owned a mobile phone in 2010, but that number jumped to 71% in 2011
- Overall, the study indicates that mobile phone ownership is prominent and only increasing in the Middle East

Mobile Phone Owners in Select Countries in the Middle East & Africa, May 2010 & May 2011

% of population



Note: ages 18+

Source: Pew Research Center's Global Attitudes Project, "Global Digital Communication: Texting, Social Networking Popular Worldwide," Dec 20, 2011

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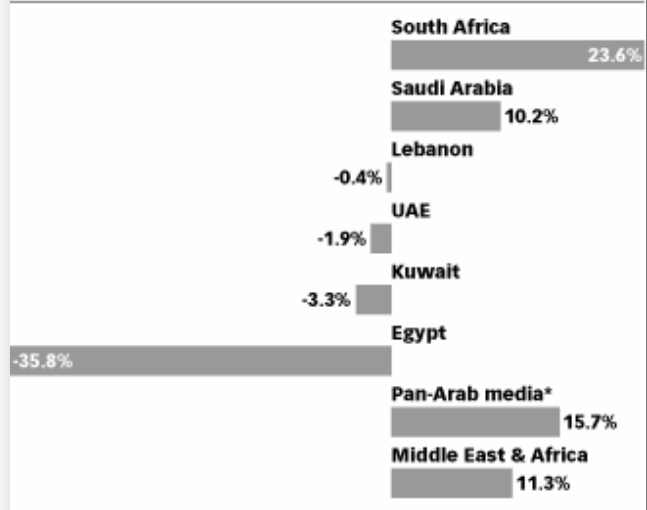
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More Money Being Spent Advertising Online

- According to *Nielsen*, ad spending in the Middle East grew 11.3% in 2011
- Ad spending in Saudi Arabia jumped by 10.2% in 2011
- On the other side of things, we see that Lebanon, the UAE and Kuwait all experienced a minor drop in ad spending in 2011
- Finally, we see that despite the Middle East's overall ad spending growth, Egypt's spending actually fell 35%

Ad Spending Growth for Select Countries in Middle East and Africa, 2011

% change



Note: based mainly on published rate cards and includes TV, newspapers, magazines and radio; *media outlets in the Middle East that have significant viewership, readership or listenership in two or more markets, are not localized to only one market in the region, do not represent a duplication with the coverage of each country and gather a significant amount of the advertising in the region
Source: Nielsen, "Global AdView Pulse Lite: Q4 2011," April 9, 2012

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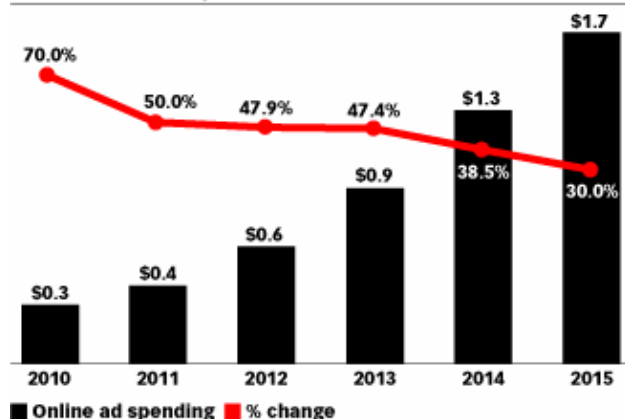
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Online Ad Spend Growth

- When reviewing the rate at which online advertising spending is expected to change, we see that online ad spend will increase by 47.9% this year
- Online advertising will grow by another 47.4% and 38.5% in 2013 and 2014 respectively
- Online marketing is projected to see a 30% increase in spending by 2015

Online Ad Spending in the Middle East & Africa, 2010-2015

billions and % change



Note: includes banner ads, classifieds, email (embedded ads only), lead generation, rich media, search, sponsorships and video; includes mobile ads within the existing formats
Source: eMarketer, June 2011

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Social Network Usage in the Middle East

- 42% of Internet users in Saudi Arabia admitted to using social networks at least once in February 2012
- This access rate is slightly lower than the Middle East's overall percentage of the population that has used social media, which is 60% of Internet users

Social Network Growth

- According to an eMarketer study, social network users in the Middle East grew by 33.9% in 2011
- The same study predicts that social network user growth in the Middle East will expand similarly in 2012 (33.6%)
- Social media network user growth in the Middle East is projected to drop slightly in both 2013 and 2014 – to 23.3% and 15.6% respectively – but these numbers still represent significant growth and digital opportunity for the region

Social Media Users in Select Countries the Middle East and Africa, Feb 2012

% of internet users

South Africa	73%
Saudi Arabia	42%
Middle East & Africa	60%

Note: in the past three months; visitors to social network sites, forums or blogs

Source: Ipsos, "Interconnected World: Communication & Social Networking," March 27, 2012

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Social Network User Growth Worldwide, by Region and Country, 2011-2014

% change

	2011	2012	2013	2014
Middle East & Africa	33.9%	33.6%	23.3%	15.6%
Asia-Pacific	27.5%	24.8%	21.1%	14.5%
—India	51.5%	51.7%	37.9%	23.2%
—Indonesia	51.4%	51.6%	28.8%	18.0%
—China*	23.9%	19.9%	19.1%	13.2%
—Japan	20.7%	13.1%	7.0%	6.0%
—Australia	17.1%	11.7%	9.8%	8.4%
—South Korea	13.2%	9.9%	8.1%	5.2%
—Other	26.8%	23.3%	20.7%	14.7%
Latin America	22.9%	16.3%	12.6%	9.7%
—Mexico	18.4%	17.9%	16.8%	14.0%
—Brazil	22.7%	14.4%	11.0%	8.0%
—Argentina	22.0%	12.7%	6.7%	5.5%
—Other	25.2%	18.6%	14.0%	10.6%
Eastern Europe	23.3%	13.2%	12.1%	9.2%
—Russia	25.0%	11.1%	10.9%	7.9%
—Other	22.4%	14.5%	12.9%	9.9%
Western Europe	18.1%	11.9%	9.7%	7.1%
—Germany	20.8%	13.7%	11.1%	7.0%
—Italy	27.8%	13.0%	10.3%	8.0%
—Spain	18.8%	13.0%	11.5%	8.8%
—France	12.2%	10.1%	7.6%	5.8%
—UK	9.9%	8.1%	7.0%	6.0%
—Other	22.0%	13.6%	11.0%	7.5%
North America	9.5%	6.6%	4.1%	4.0%
—US	9.8%	6.8%	4.1%	4.0%
—Canada	6.8%	4.7%	4.6%	4.4%
Worldwide	23.1%	19.2%	16.0%	11.6%

Note: internet users who use a social network site via any device at least once per month; *excludes Hong Kong

Source: eMarketer, Feb 2012

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ABOUT WSI

WSI leads the global Internet industry offering best of breed [digital marketing solutions](#) to suit the needs of multiple industries. The company has the world's largest Internet Consultants' network across 80 countries with its head office in Toronto, Canada. WSI Consultants have helped thousands of businesses realize their online marketing potential. By using innovative Internet technologies and advanced digital marketing strategies, businesses can have a WSI [Digital Marketing](#) Plan tailored to their individual needs to elevate their Internet presence and profitability to new levels. With the support and cooperation of its customers, franchise network, employees, suppliers and charitable organizations, WSI aims to help make child poverty history through its global outreach program (www.makechildpovertyhistory.org). For more information about WSI's offerings and business opportunities, please visit our website at www.wsiworld.com.

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