REPORT

MENA Digital Adspend in 2021

RELEASED

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ORGANIZED BY iab GCC

The IAB GCC

The IAB aims to be the catalyst for growing the MENA digital advertising economy by nurturing the community, accelerating knowledge sharing and establishing accountability standards that cultivate trust and credibility.

We have over 40 members including advertising platforms, agencies, publishers, sales houses, measurement companies and advertisers.

Introduction

Ian Manning
CEO IAB GCC

For the second consecutive year, the IAB GCC has conducted the annual Digital Adspend Study across MENA aiming to build on the successful ad market sizing for 2020 that sized the MENA Digital Adspend at $3.6B.

I'd like to thank all the companies and individuals who took part, sharing insights, data and knowledge. With such an increase in participation, we were able to increase the level of detail allowing us to break out sub-regional splits, year-over-year growth rates, social & video. This makes the 2021 report even more useful and insightful.

This methodology was in fact addressing an issue that many markets across the world had been grappling with in getting accurate figures - the lack of total platform spends. By including a mix of reported actuals, collaborative estimates, mathematical modelling and comparative benchmarks to come to an agreed industry figure, we were able to estimate the total market more accurately.

Dr Daniel Knapp
Chief Economist
IAB Europe

The Study

- Second Consecutive year
- Increased number of participating companies by 30%
- Increased granularity of data – geo, format and trends
- Provided free of charge to the whole industry

Geographic Coverage

Data from 17 markets in MENA

- Algeria
- Bahrain
- Egypt
- Iraq
- Jordan
- Kuwait
- Lebanon
- Libya
- Morocco
- Oman
- Palestine
- Qatar
- Saudi Arabia
- Syria
- Tunisia
- United Arab Emirates
- Yemen

5 tier approach to ensure estimates are enriched, benchmarked and robust

1

Company 1 | Company 2 | Company 3 | Company 4

Share their estimates of the total market size, split out by key sub-segments

2

Anonymous estimates put in a large file to establish differences and similarities

3

Corporate filings | Checking estimates | Ad forecaster feedback

4

Development of benchmarks to establish ratios: Adspend/capita; Adspend as share of GDP; Adspend per 4g subscription; etc

5

Workshop with IAB GCC members to fine-tune estimates

iab GCC

Definitions

Display: Display advertising spend (Banners, Native, Special Ads, Integrated Content, Newsletter Ads). We also include social and video in the total to align with international best practice. Subsegments of display are split out in more granular segmentations.

Affiliate: Fees paid to third party (affiliate) for traffic generation (e.g. pay-per-visit). These can be display-like units, paid-for listings or sponsored links. *These are included in the 'other' section.*

Video: in-stream video advertising (pre-rolls, mid-rolls, post-rolls), in-stream banner overlays, out-of-stream, in-banner video advertising, in-text video advertising, contextual video advertising (e.g. branded video players, contextual banner advertising sold against video content), in-feed video. *Video is a subsegment of display and broken out separately.*

Audio: Streaming audio advertising including pure-play music services, IP-based radio, podcasts. *These are included in the 'other' section.*

Paid-For Search: Advertising appearing on specific word requests on search engines.

Classifieds: A fee is paid by an advertiser to display an ad or listing around a specific vertical such as automotive, recruiting and real estate, regardless of the outcome of the ad (i.e., the fee is paid even if there is no 'sale'). *These are included in the 'other' section.*

Aligning to International Standard: “Gross Adspend” View

Ratecard

Campaign x ratecard

Gross

after discounts, before agency commissions/ SSP fees to publisher

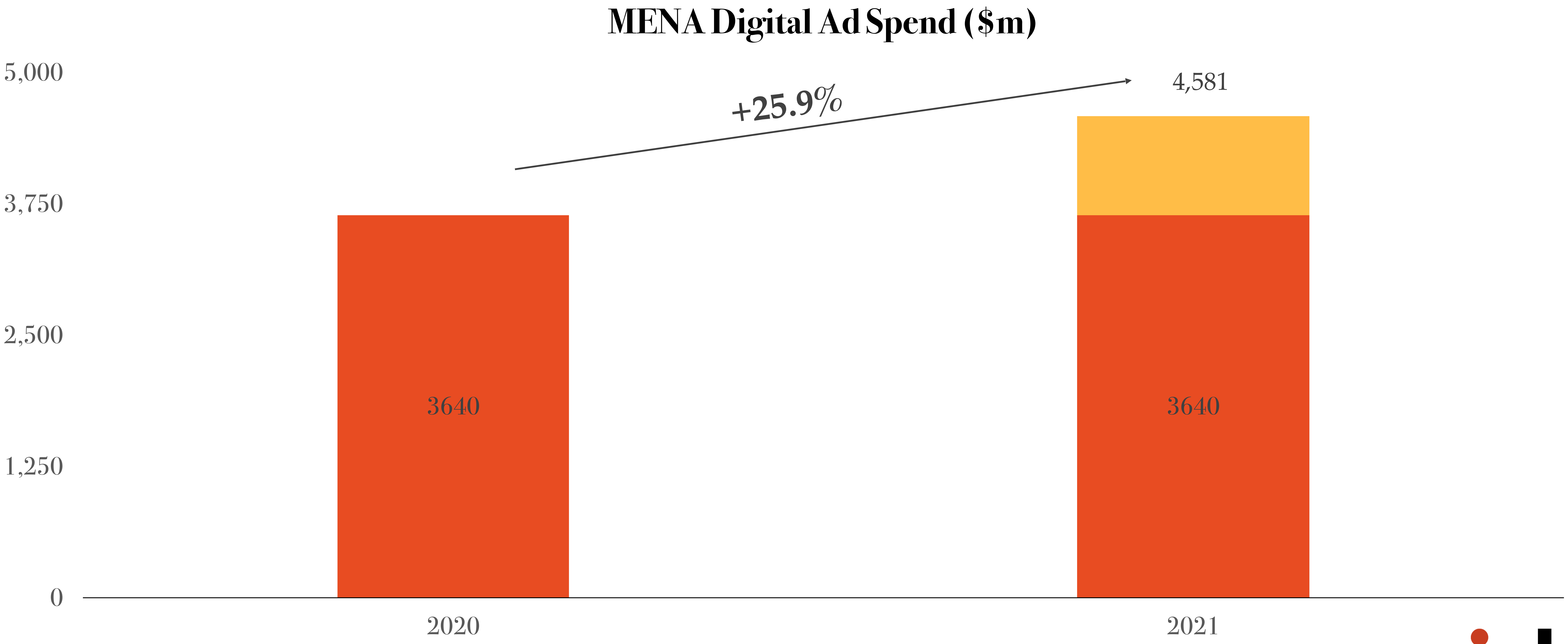
Net

Media owner net revenue

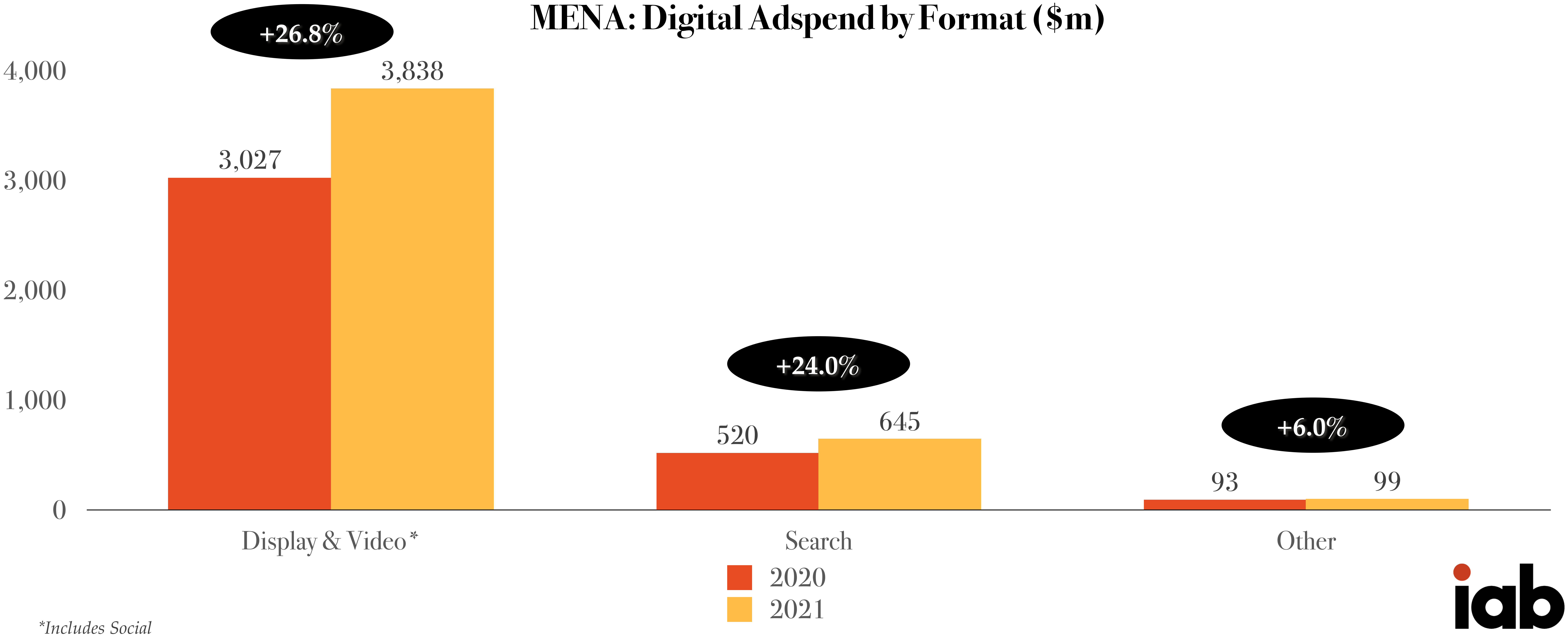
MENA Digital Adspend 2021

$4.58bn

MENA Digital Ad Market grew by 25.9% in 2021, adding nearly $1bn in spend

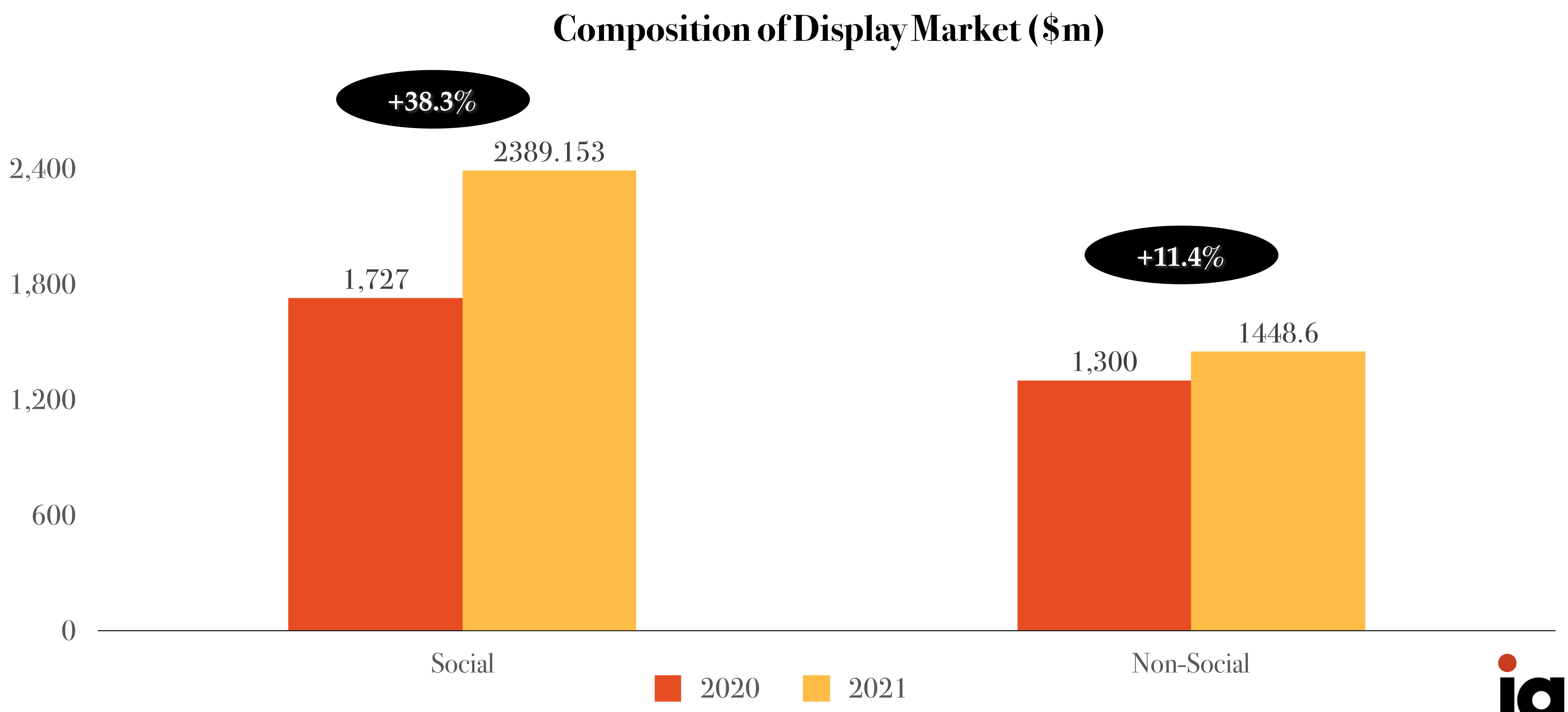


Display & Video Lead Growth

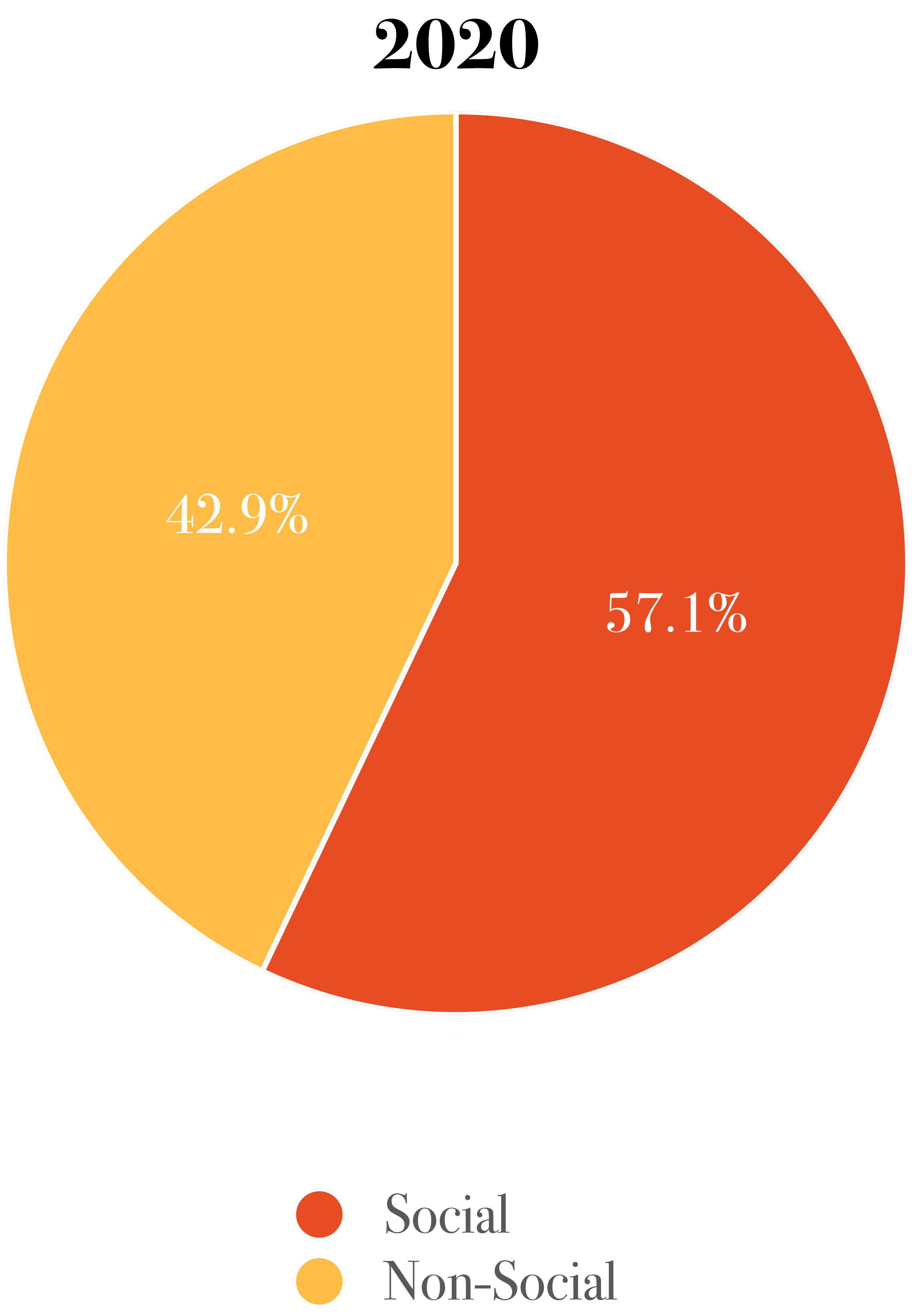


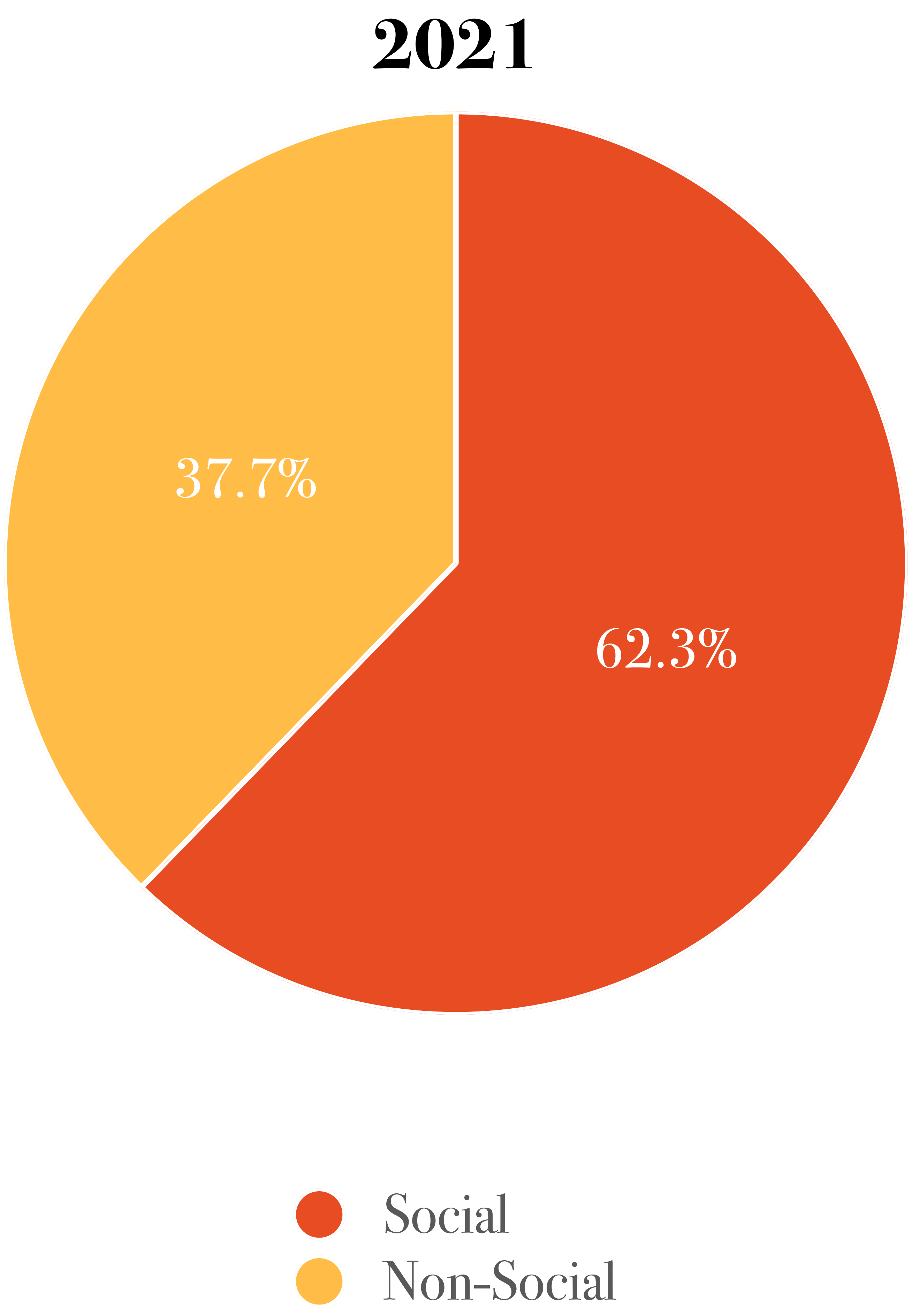
*Includes Social

Social grew more than 3x other display formats…

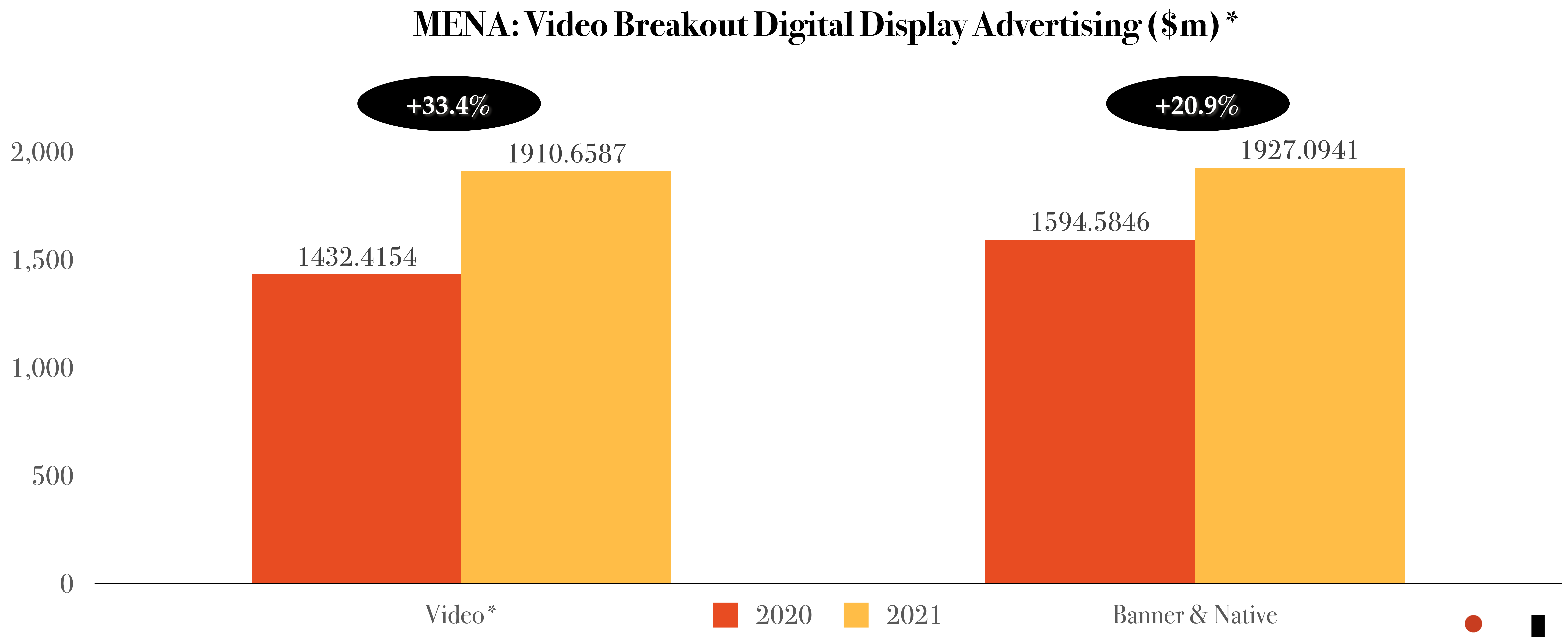


...driving the social share of display to 62%



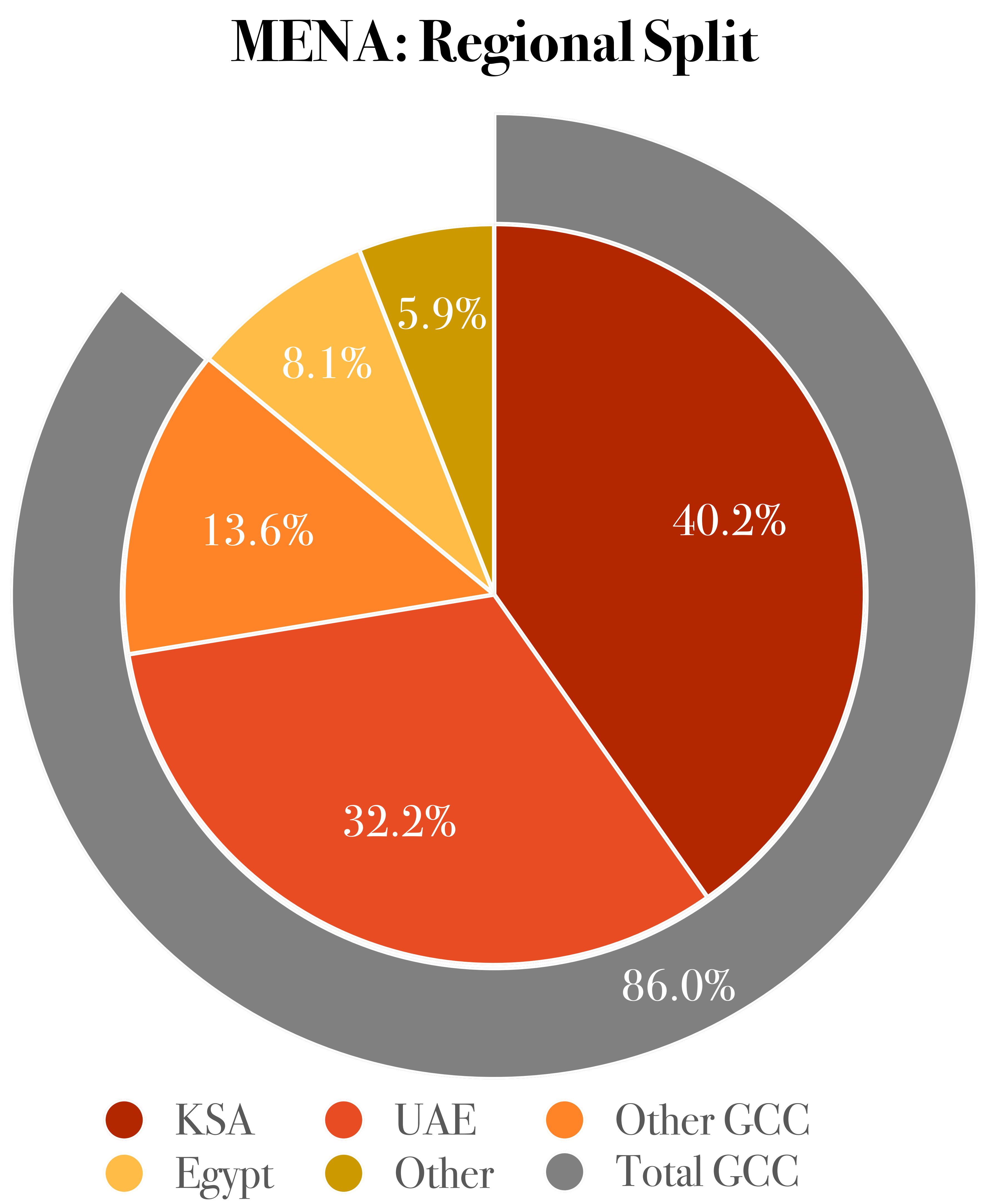


Video outperformed other display growth

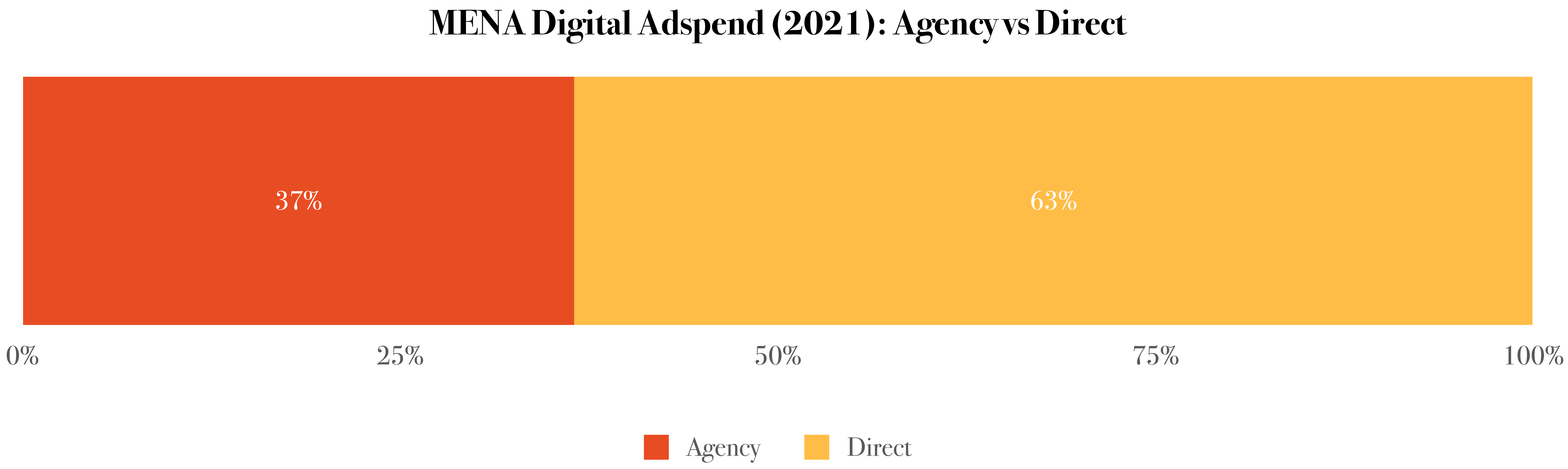


*We have revised our definition of video to include Social and enhanced the method of capturing other video ad spend. We have restated 2020 data accordingly – data from last years' study is not comparable.

GCC commands 86% of MENA Digital Adspend



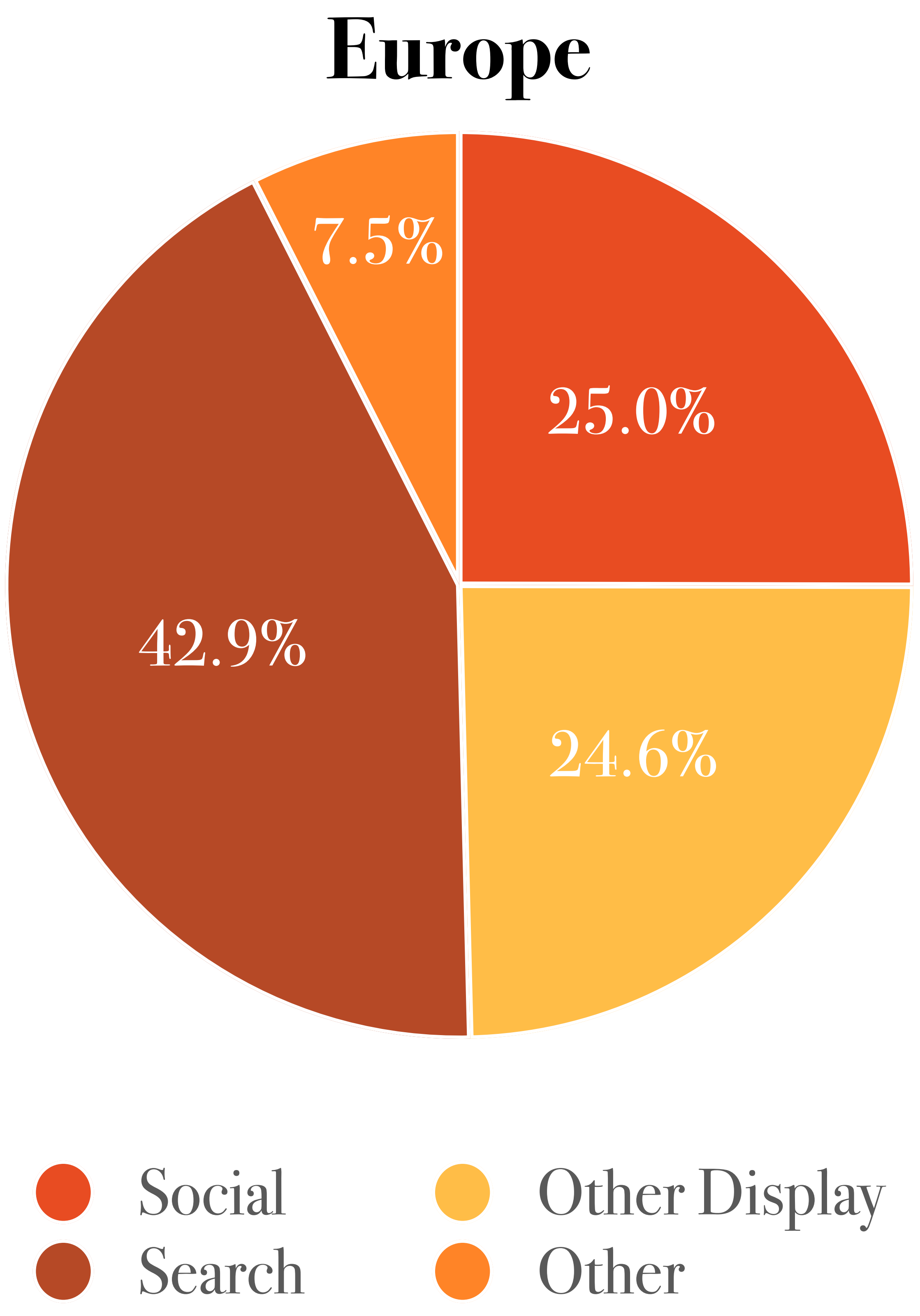
Long-tail & SMEs in the region affect agency vs. direct ratio

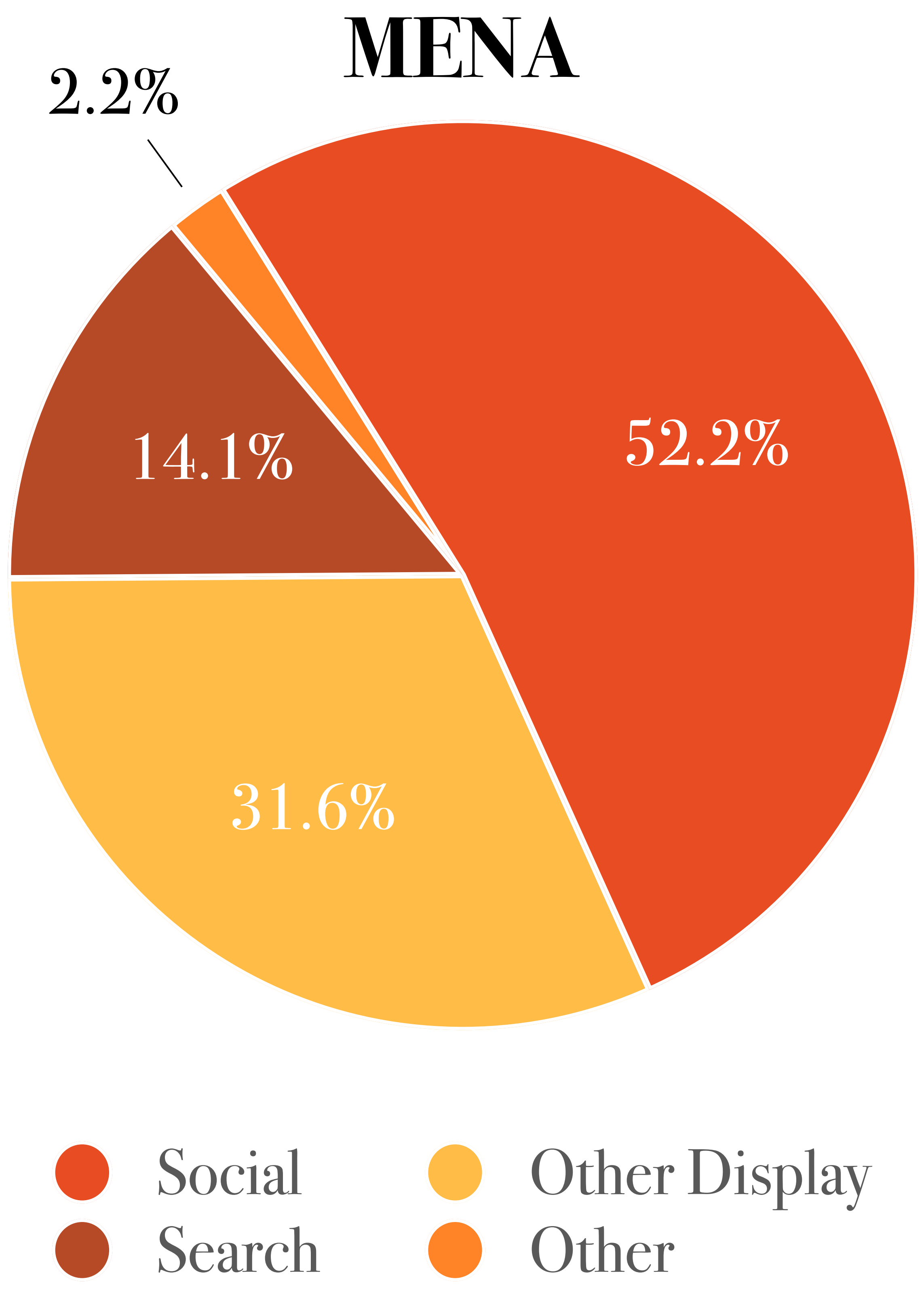


Note: Agency means 'Network Agency'

MENA region skews towards social and overall display vs Europe

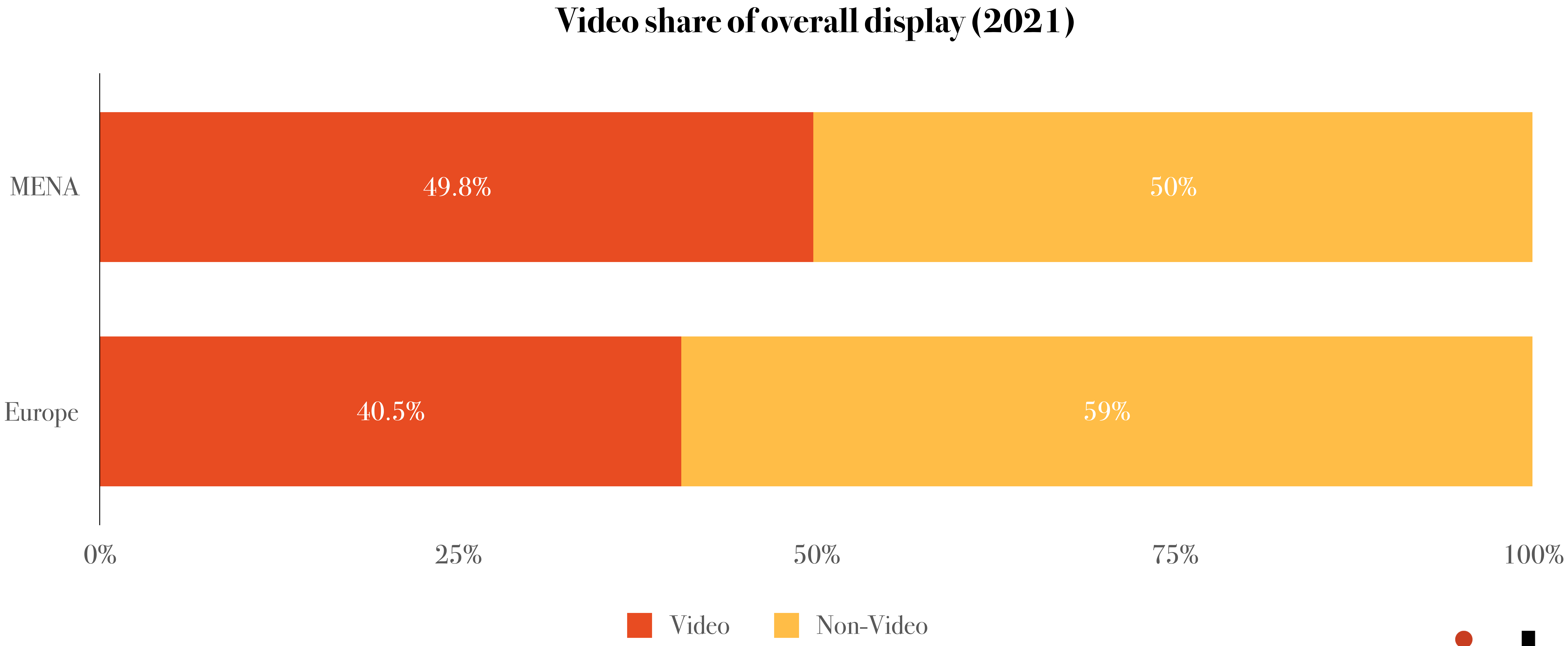
Digital Ad Market Shares by Format 2021





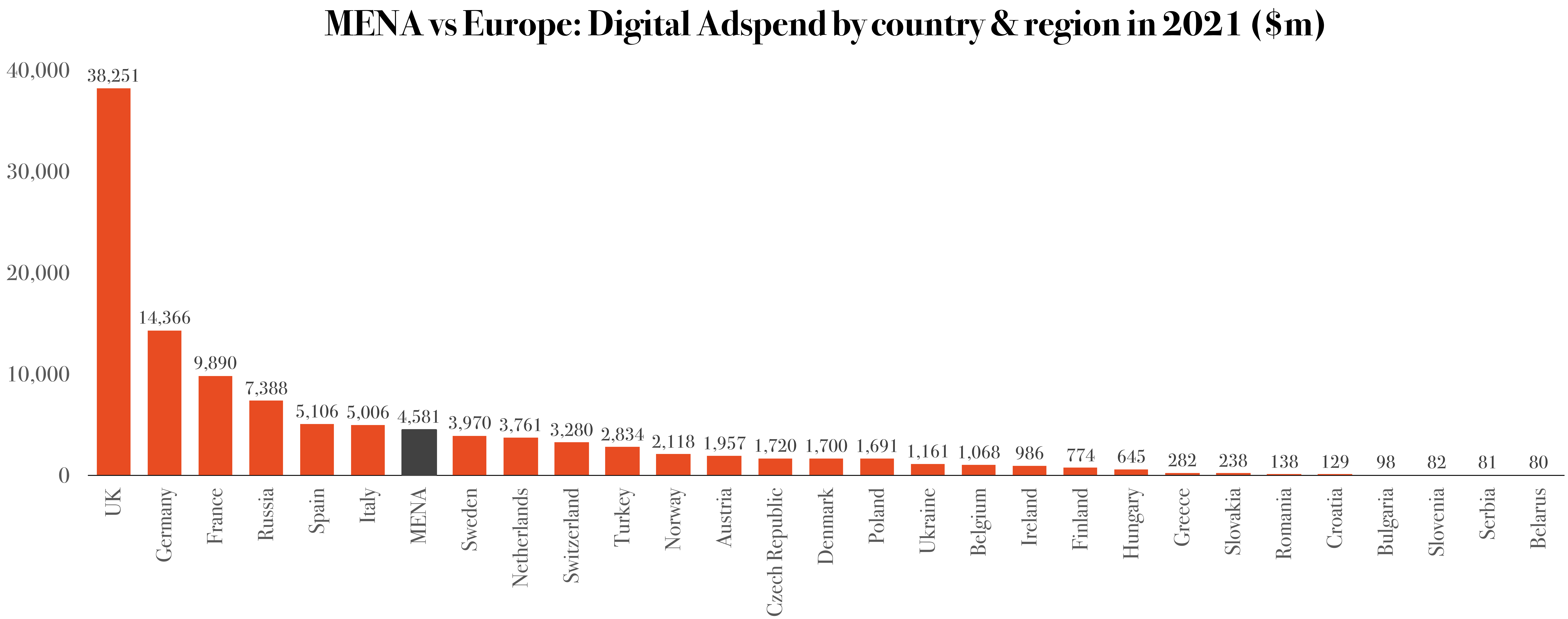
Source: IAB GCC and IAB Europe Adex Benchmark

…and MENA is ahead on video share of display



Basis: IAB GCC MENA Digital Display Adspend, IAB Europe Adex Benchmark

In a European Context: MENA Digital Ad Market size is 7th largest



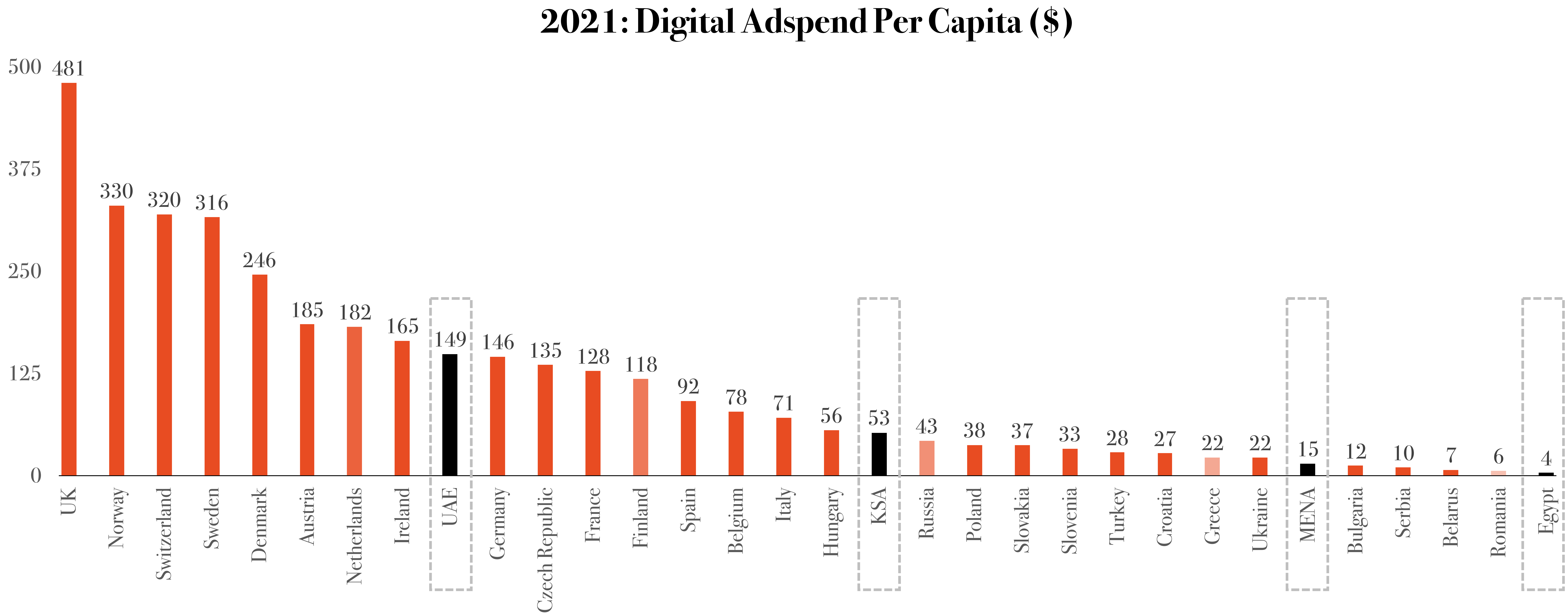
Source: IAB GCC and IAB Europe Adex Benchmark

MENA region grew above European median

Digital Ad Spend Year-on-Year Growth 2021

Source: IAB GCC and IAB Europe Adex Benchmark

Digital Adspend per capita in MENA still low vs Europe but clear difference between MENA countries



Source: IAB GCC, IAB Europe Adex Benchmark, International Monetary Fund

Conclusion & Key Learnings

- Refined Adspend model for more accurate segmentation and new splits to capture trends in the MENA region
- Double-digit growth in MENA fuelled by Covid-19 rebound, consumer shifts and maturation of digital channels
- GCC takes lion's share of digital ad spend in the region
- Long-tail of spend in line with other regions drives direct vs agency ratio
- Strong emphasis on social in the MENA region, video share relatively higher than in Europe
- Different stages of market maturity across the region influenced by population size and purchasing power