



Connected Consumer Survey 2019: OTT communication services in the Middle East



Giulio Sinibaldi

About this report

This report focuses on aspects of Analysys Mason's *Connected Consumer Survey* that relate to the behaviour, preferences and plans of smartphone users in the Middle East. In particular, it focuses on respondents' usage of over-the-top (OTT) communication services.

The survey was conducted in association with On Device Research (ODR) between August and September 2019. The survey groups were chosen to be representative of the mobile-internet-using population in the Middle East. We set quotas on age, gender and geographical spread to that effect. There were a minimum of 1000 respondents per country.

KEY QUESTIONS ANSWERED IN THIS REPORT

- Which OTT communication and paid-for online video apps are used the most in the Middle East?
- Where is there potential for growth in the OTT communication and paid-for online video space?
- Which OTT communication app features are used most frequently?
- Is there any remaining potential for monetisation by mobile operators?
- Which channels do consumers prefer to use to interact with brands?

GEOGRAPHICAL COVERAGE

Middle East:

- Kuwait
- Oman
- Qatar
- Saudi Arabia
- UAE

WHO SHOULD READ THIS REPORT

- Operator-based strategy executives and marketing managers who are interested in understanding consumer market trends, and the changing role of operators as communications providers.
- Market intelligence and research executives in service providers that are responsible for understanding end-user trends and supporting business units in identifying and addressing new opportunities in mobile communication services.
- Equipment/device manufacturers and software providers that want to identify end-user trends in service and device usage and help their operator customers to better address market opportunities in mobile services related to communication and entertainment.

Facebook Messenger and WhatsApp are the most popular apps in the Middle East, but they are not as dominant as in other regions

Only 4% of the respondents in the Middle East do not use OTT comms. Facebook Messenger and WhatsApp are the most-adopted services in the region; the level of adoption of either app was the highest in the UAE (78%) and the lowest in Qatar (61%). Overall, 71% of respondents in the Middle East use at least one Facebook app; this figure is lower than that in other regions (91% in Sub-Saharan Africa and 82% in emerging Asia–Pacific).

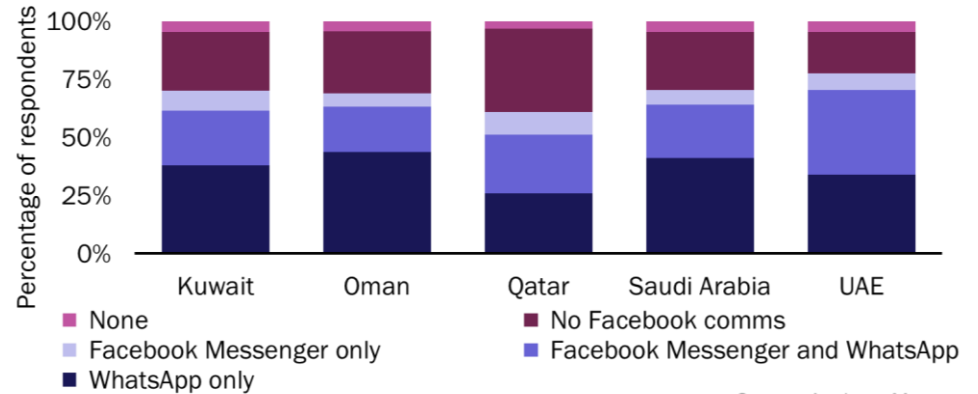
Facebook is the main player in the region thanks to the success of the parent Facebook social media service and Instagram. These apps were able to prevent the early adoption of platform propositions such as LINE and WeChat and encouraged the use of Facebook Messenger and WhatsApp. However, there are other apps that register significant levels of adoption in the region.

Snapchat is the second-most popular app among the young panellists: it is used by 32% of the 18–24 year olds. Indeed, it is the second-most adopted app overall in Saudi Arabia thanks to its success among 18–24 year olds (46%; the highest adoption rate for this demographic in the region).

21% of panellists use imo. Voice apps such as Skype, Viber and WhatsCall are resisting the competitive pressure from the Facebook apps, which also offer voice services. They are strong international calling brands and offer off-net calls (Facebook Messenger and WhatsApp do not). The restrictions to OTT VoIP by operators and regulators mean that the Facebook apps may not be able to differentiate with voice services.

¹ Please refer to the appendix for sample sizes and relevant survey questions.

Figure 2: Adoption of Facebook services, by country, Middle East, 2019¹



Source: Analysys Mason

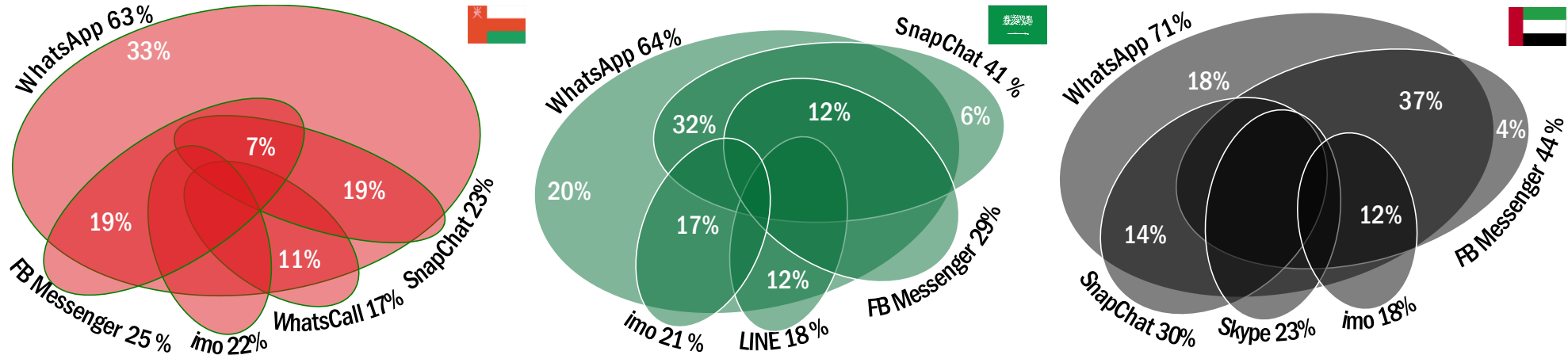
Figure 3: Penetration of OTT comms, Middle East, 2019¹

App name	Kuwait	Oman	Qatar	Saudi Arabia	UAE
WhatsApp	62%	63%	51%	64%	70%
Facebook Messenger	32%	25%	35%	29%	44%
Snapchat	26%	23%	18%	41%	30%
imo	19%	22%	28%	21%	17%
Skype	12%	10%	16%	15%	23%
WhatsCall	14%	17%	14%	12%	15%
Viber	20%	7%	12%	10%	10%
LINE	9%	8%	13%	18%	9%
WeChat	6%	8%	7%	9%	11%
Other	10%	13%	11%	11%	14%

Source: Analysys Mason

The communication experience is becoming less fragmented; many smartphone users are choosing WhatsApp over Facebook Messenger

Figure 4: Proportion of respondents using OTT comms apps, showing the intersection of the main app communities in Oman, Saudi Arabia and UAE¹



The average OTT comms user in the Middle East uses 2.1 apps, down from 2.5 in 2018.² WhatsApp is the default service for most users, in addition to one other app.

Respondents in Oman use 1.8 apps each, down from 2.1 in 2018. Respondents in the 18–24 age group use only 1.6 apps each; this is the lowest level of any of the age cohorts in the region. Many of these users prefer Snapchat (24%) over Facebook Messenger and imo (17%). Respondents in Saudi Arabia use 2.2 apps per person, down from 2.6 in 2018. Saudi respondents dropped Facebook Messenger (–12 percentage points (pp) since 2018) in favour of WhatsApp. Respondents in Saudi Arabia aged between 18 and 24 use only 1.8 comms apps each (compared to 2.3 for 25–34 year olds and 2.6 for those aged 35 and over). These users use WhatsApp and Snapchat; these apps are the only two services with a penetration higher than 20% (57% and 46%, respectively). Smartphone users in the UAE use an average of 2.3 apps each, down from 2.6 in 2018. The penetration of Facebook Messenger dropped the most (–9pp since 2018), but that of Skype and Viber also decreased (–4pp), as did that of imo (–7pp). This is probably due to the combination of a tightening of the OTT VoIP services ban and an increase in the adoption of operator-sponsored OTT VoIP services, such as Voico (150 000 users in the UAE by 3Q 2019).³

¹ Please refer to the appendix for sample sizes and relevant survey questions. ² The figures from Kuwait are not included when comparisons with data from 2018 are made because it was not included in the 2018 study. ³ Gulf News (2020), *Voico UAE 'in final stages' of getting approved by du*. Available at: <https://gulfnews.com/business/voico-uae-in-final-stages-of-getting-approved-by-du-1.68863742>.



Executive summary

OTT communication services

Methodology and panel information

About the author and Analysys Mason

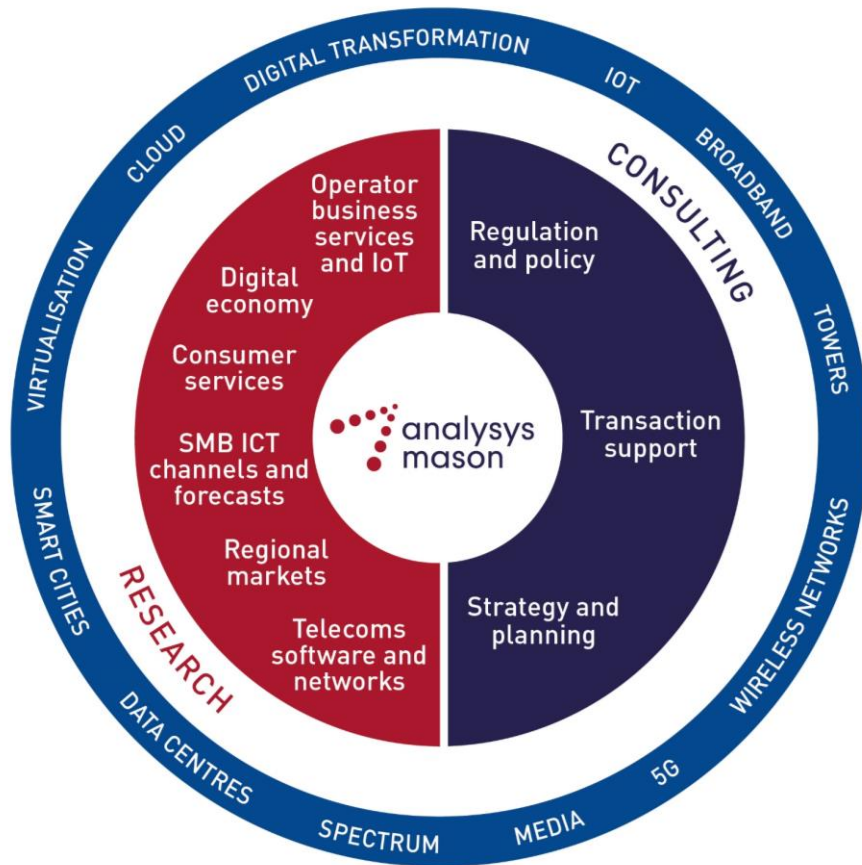
About the author



Giulio Sinibaldi (Senior Analyst) is a key contributor to Analysys Mason's *Consumer Services* and *Digital Economy* research practices. He is interested in mobile strategies, over-the-top (OTT) platforms, Internet regulation and consumer behaviour, and his skillset includes quantitative forecast modelling and big data analytics. Giulio holds a BSc and an MSc in Economics from Bocconi University.

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