



# Mobile payments and commerce in the Middle East: consumer survey



Karim Yaici

## About this report

This report focuses on how consumers in the Middle East engage with mobile financial services. It presents data on mobile payments, mobile commerce and consumers' attitudes towards data harvesting by various service providers including digital economy players.

The survey was conducted in association with On Device Research between July and August 2022. 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 750 respondents per country, and 3000 in the region.

### KEY QUESTIONS ANSWERED IN THIS REPORT

- What are the main payment mechanisms for physical and e-commerce in the Middle East?
- How often do consumers in the Middle East engage in physical and e-commerce?
- What are the most popular m-wallet services in the region?
- Which organisations are consumers in the Middle East most willing to trust with their personal data?



### GEOGRAPHICAL COVERAGE

#### Middle East:

- Kuwait
- Oman
- Saudi Arabia
- UAE



### WHO SHOULD READ THIS REPORT

- Operator-based strategy teams and marketing managers who are interested in understanding consumer market trends and the changing role of operators as digital service providers.
- Market intelligence teams in payment and e-commerce service providers that are responsible for understanding consumer trends and supporting business units in addressing new e-commerce/payment opportunities.

## Executive summary

### M-wallet penetration is plateauing in the Middle East, but usage is becoming more frequent, especially in Kuwait.

M-wallet penetration remained unchanged between 2021 and 2022, but the frequency of m-wallet usage increased. The high usage levels in Saudi Arabia and the UAE are likely to have been driven by support from local authorities and the emergence of new fintech players.

Oman offers the greatest potential for m-wallet penetration growth given the current low adoption rates and the underdevelopment of the banking sector. Operators can gain a foothold in the m-wallet space by partnering with local banks and exploiting assets such as customer relationships.

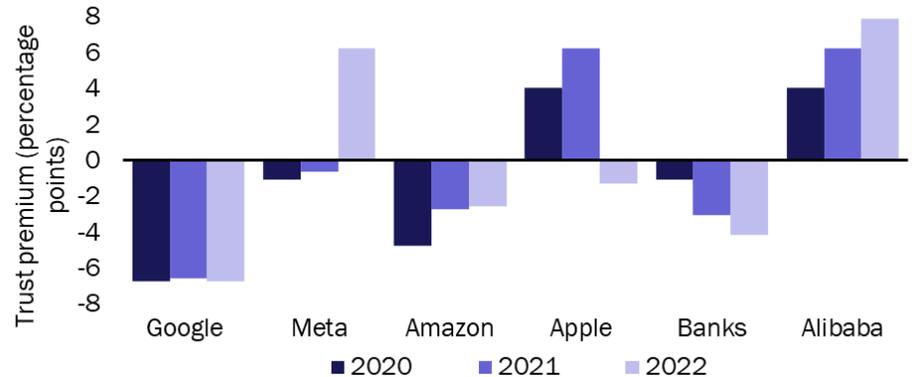
### Operators' m-wallets are competing against those from global technology players, as well as debit/credit cards and cash.

PayPal is the most popular m-wallet service in all of the surveyed countries in the region. It benefits from having a strong brand, good levels of consumer trust and growing partnerships with local banks. It is also the second-most-used e-commerce payment method (ahead of cash-on-delivery but behind credit/debit cards).

Operators should differentiate their m-wallets by creating appealing mobile apps, supporting a wide range of use cases and having extensive merchant networks. stc play is the only operator-run service in the top four m-wallets in the region thanks to its growing number of features and the size of its merchant network.

<sup>1</sup> Please refer to the methodology and panel information section for the sample size and relevant survey questions. We calculate trust premiums by taking the average operator trust score (that is, the percentage of respondents that feel comfortable sharing private data with an operator) and subtracting competitors' trust scores.

Figure 1: Operators' trust premiums over other competitors in the digital economy, Middle East, 2020–2022<sup>1</sup>



Source: Analysys Mason

### Operators trail behind key digital economy rivals in terms of user trust, but they have an opportunity to change this.

Consumers' willingness to entrust their personal data to digital economy service providers (which we use as a proxy for consumers' trust of these players) is important because digital economy services rely on harnessing user data.

Operators remain behind key rivals in this regard, but investments in digital ventures can boost their performance, as illustrated by the relatively high scores of stc (Saudi Arabia) and Etisalat, both of which have invested in new digital services. Operators must focus on services that target local needs that global players are unlikely to pursue (for example, shariah-compliant investments)



Executive summary

Analysis

Methodology and panel information

**About the author and Analysys Mason**

## About the author



**Karim Yaici** (Senior Analyst) leads Analysys Mason's The Middle East and Africa regional research programme. His primary areas of specialisation include operators' digital strategies, new telecoms opportunities such as private networks, IoT, and consumer trends in growth markets. Prior to joining Analysys Mason, Karim was an associate analyst at Ovum, where he authored reports on mobile accessories and mobile applications. Prior to that, he worked as a research engineer at the Institute for Communication Systems and Vodafone in the UK. Karim holds an MSc in Information Systems Management from the University of Southampton and a PhD in human-computer interaction from the University of Surrey.

## Global leaders in TMT management consulting



[analysismason.com/what-we-do](https://analysismason.com/what-we-do)

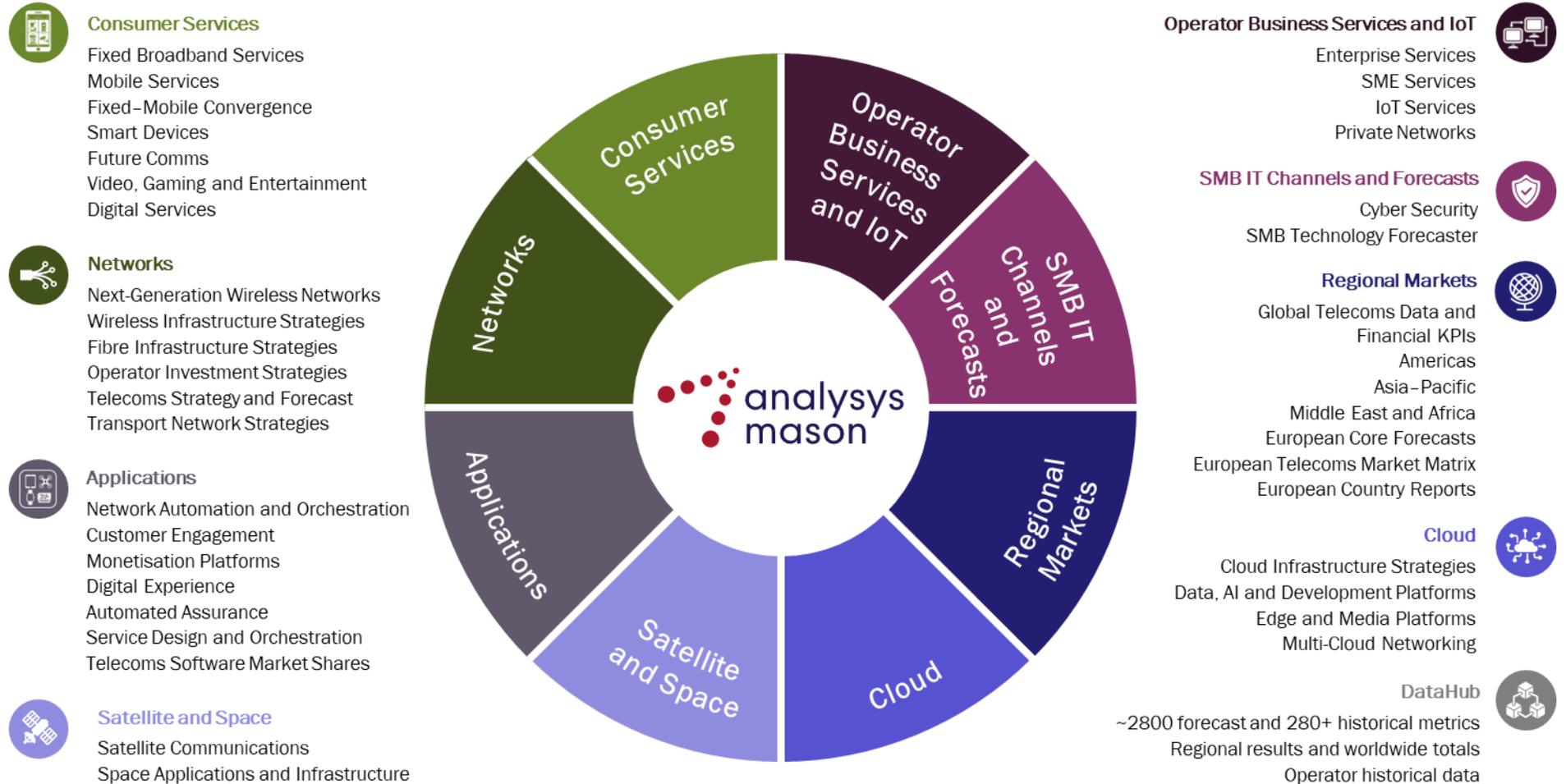
Analysys Mason is the world’s leading management consultancy focused on TMT, a critical enabler of economic, environmental and social transformation.

We bring together unparalleled commercial and technical understanding to deliver bespoke consultancy on strategy, transaction support, transformation, regulation and policy, further strengthened by globally respected research.

Our clients value our advice which combines deep domain knowledge with global reach and local insight into markets to help them achieve meaningful business results.

We are committed to our clients, employees and communities – contributing to a world where technology delivers for all.

# Our research services



[analysismason.com/what-we-do/practices/research](https://analysismason.com/what-we-do/practices/research)

# Our areas of expertise



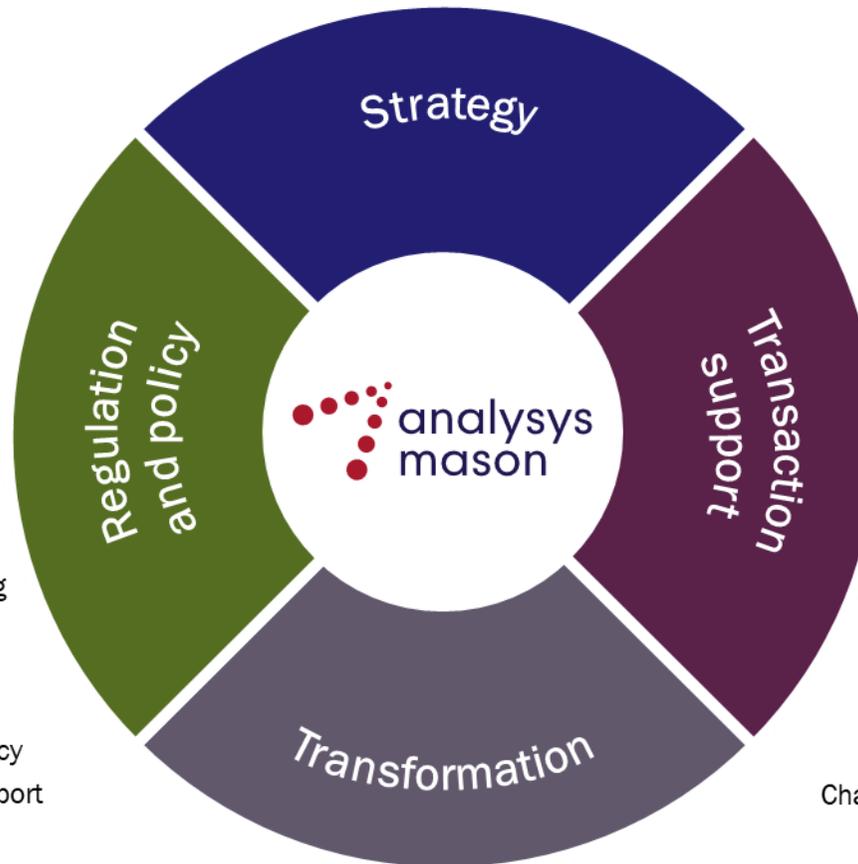
## Strategy

- Corporate growth strategy
- Business unit strategy
- Infrastructure strategy



## Regulation and policy

- Network and platform
- Public sector broadband intervention
- Accelerating digital transformation of society
- Price controls and cost modelling
- Regulatory accounting
- Regulatory benchmarking and analysis
- Spectrum management and policy
- Expert witness and litigation support
- Postal regulation and policy



## Transaction support



- Commercial due diligence and market review
- Technical due diligence
- Post-merger integration
- Periodical business monitoring and loan technical advisory
- Opportunity scouting and pre-deal support



## Transformation

- Business transformation
- Digitalisation
- Operational excellence
- Data, BI, steering and insights
- Change and programme management
- Sustainability

[analysismason.com/what-we-do/practices](https://analysismason.com/what-we-do/practices)

PUBLISHED BY ANALYSYS MASON LIMITED IN **NOVEMBER 2022**

**Analysys Mason Limited.** Registered in England and Wales with company number 05177472. Registered office: North West Wing Bush House, Aldwych, London, England, WC2B 4PJ.

We have used reasonable care and skill to prepare this publication and are not responsible for any errors or omissions, or for the results obtained from the use of this publication. The opinions expressed are those of the authors only. All information is provided “as is”, with no guarantee of completeness or accuracy, and without warranty of any kind, express or implied, including, but not limited to warranties of performance, merchantability and fitness for a particular purpose. In no event will we be liable to you or any third party for any decision made or action taken in reliance on the information, including but not limited to investment decisions, or for any loss (including consequential, special or similar losses), even if advised of the possibility of such losses.

We reserve the rights to all intellectual property in this publication. This publication, or any part of it, may not be reproduced, redistributed or republished without our prior written consent, nor may any reference be made to Analysys Mason in a regulatory statement or prospectus on the basis of this publication without our prior written consent.

© Analysys Mason Limited and/or its group companies 2022.