RESEARCH

Connected Consumer Survey 2018: OTT services in the Middle East and North Africa

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 and North Africa (MENA). In particular, it focuses on respondents' usage of over-the-top (OTT) communication and paid-for online video services.

The survey was conducted in association with On Device Research (ODR) between August and October 2018. The survey groups were chosen to be representative of the mobile-Internet-using population in the Middle East and North Africa. We set quotas on age, gender and geographical spread to that effect. There were a minimum of 750 respondents per country.

GEOGRAPHICAL COVERAGE

Middle East and North Africa

- Morocco
- Oman
- Qatar
- Saudi Arabia
- United Arab Emirates (UAE)

KEY QUESTIONS ANSWERED IN THIS REPORT

- Which OTT communication and paid-for online video apps are used most in the Middle East and North Africa?
- Where is there potential for growth in the OTT communication and paid-for online video space?
- Which features are most frequently used on OTT communication apps?
- How do smartphone in the Middle East and North Africa balance their use of paid-for video services, traditional pay TV and free-to-air services?
- Is there any remaining potential for monetisation for mobile operators?

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 and video service 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 communications and paid-for online video 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 services.

There are sizeable niches of non-Facebook services users, despite the dominance of WhatsApp and Facebook Messenger in the communication services market

Almost all smartphone users in MENA (97%) use OTT communication services. WhatsApp is the default messaging app, and is used by more than 70% of respondents in all countries surveyed. FB Messenger is in second position and its penetration has grown by 6 percentage points (pp) overall since 2017 (unchanged in Morocco, –4pp in Oman, +7pp in Qatar, +18pp in Saudi Arabia and +11pp in the UAE).

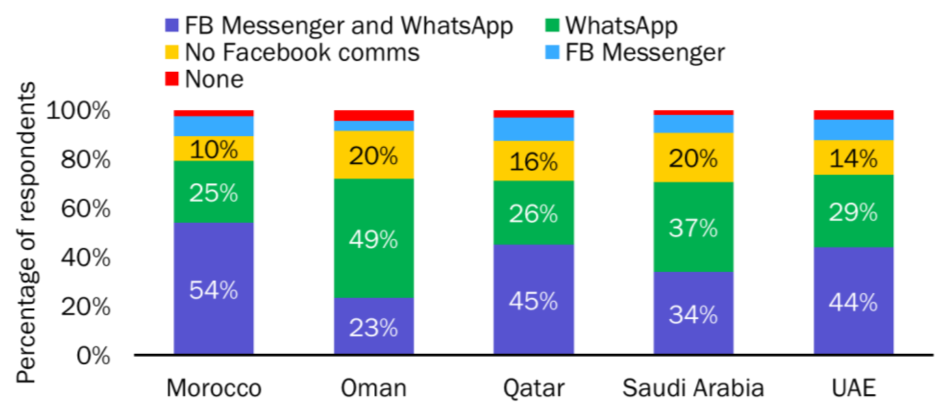
The Facebook ecosystem dominates the OTT communications market in MENA (as in other regions). Facebook's services are used by more than 81% of respondents, but the pockets of smartphone users that have not yet adopted them are larger than those in other regions.[1] 19% of users aged between 18 and 24 do not use Facebook or WhatsApp, compared to 15% of 25–34 year olds and 10% of users aged 35 and over. Outside the Facebook ecosystem, imo is both the most popular app, and the one whose penetration grew the most since 2017. It is used by 21% of non-Facebook users in Oman, 40% in Qatar and 22% in Saudi Arabia. Its penetration grew by +5pp overall (–3pp in Morocco, –7pp in Oman, +23pp in Qatar, +7pp in Saudi Arabia and +5pp in the UAE).

WhatsCall[2] is the worst performing OTT communication app in MENA. It is used by 20% of non-Facebook users in Morocco and the UAE, but its penetration decreased by 6pp overall (–6pp in Oman, –14pp in Qatar and –3pp in the UAE; it remained stable in Saudi Arabia).

Figure 2: OTT communication service penetration, by country[3]

	Morocco	Oman	Qatar	Saudi Arabia	UAE
WhatsApp	79%	72%	71%	71%	74%
FB Messenger[1]	62%	27%	55%	41%	53%
imo	10%	19%	48%	28%	25%
Skype	14%	6%	19%	21%	28%
BBM	3%	26%	5%	20%	9%
Viber	8%	6%	17%	14%	14%
LINE	6%	7%	8%	20%	11%
WeChat	3%	10%	6%	10%	12%
WhatsCall		9%	14%	15%	17%
SOMA	3%				
Other	12%	14%	15%	12%	11%
None	2%	4%	3%	2%	4%

Figure 3: The adoption of Facebook services, by country[3]

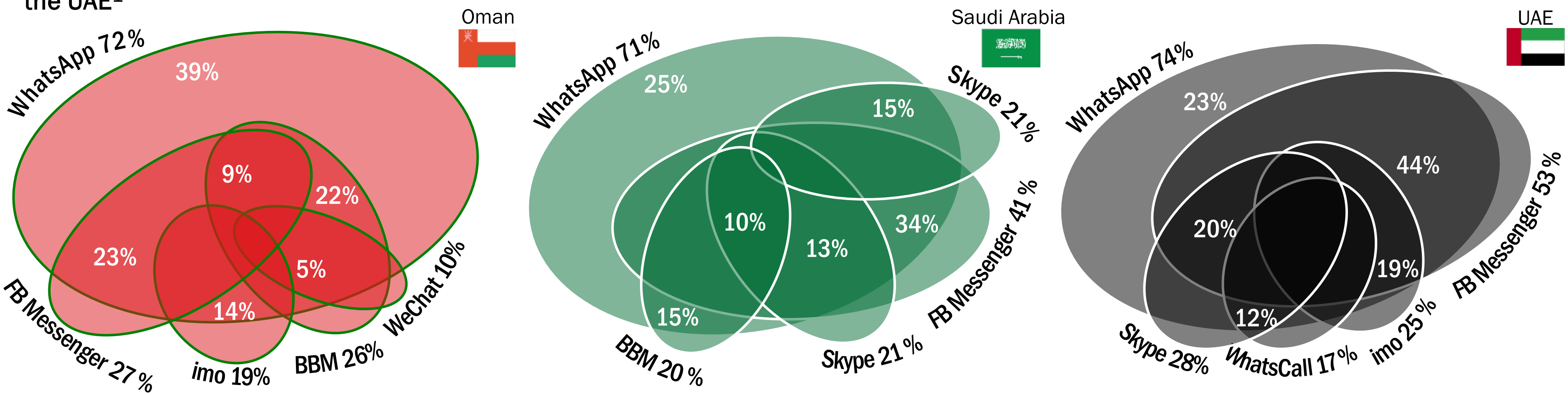


Source: Analysys Mason

[1] 16% in MENA, compared to 5% in Sub-Saharan Africa (SSA) and 11% in emerging Asia–Pacific (EMAP).
[2] For more information on WhatsCall, see Analysys Mason's WhatsCall: the biggest OTT app that you have never heard of.
[3] Please refer to the appendix for sample size and relevant survey questions.

Respondents from Qatar, Saudi Arabia and the UAE have a very fragmented communication experience

Figure 4: Proportion of respondents using OTT apps, showing the intersection of the main app communities in Oman, Saudi Arabia and the UAE[1]



The average OTT communication service user in MENA uses 2.4 apps. Respondents shared their communication activities across WhatsApp, FB Messenger and sometimes another app, such as imo or BBM, or a voice and video proposition, such as Skype, Viber or WhatsCall.

Respondents in Morocco and Oman have the least fragmented communication experience in the region; they use an average of 2.1 services each. WhatsApp is the default messaging service in both countries. FB Messenger is the second-most popular app in Morocco and all other OTT services are used by less than 15% of the respondents. The use of niche apps is more widespread in Oman; Skype and imo are used by 28% and 25% of the panellists, respectively.

The level of fragmentation was significantly in the other countries surveyed. The average user in Qatar used 2.7 OTT apps, while that in Saudi Arabia and the UAE used 2.6. Non-Facebook apps (particularly platform propositions such as BBM and imo) have a much higher penetration in these countries than elsewhere in the region.

[1] Please refer to the appendix for sample size and relevant survey questions.

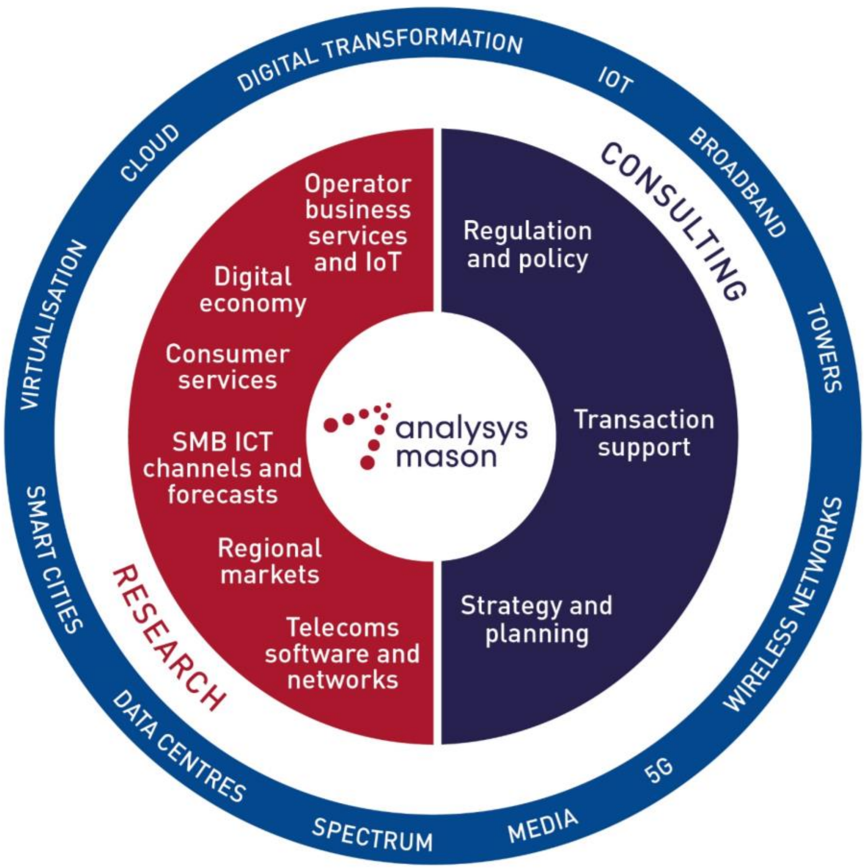
Contents

About the author

Giulio Sinibaldi (Research 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.

Analysys Mason's consulting and research are uniquely positioned

Analysys Mason's consulting services and research portfolio



Consulting

We deliver tangible benefits to clients across the telecoms industry:

- communications and digital service providers, vendors, financial and strategic investors, private equity and infrastructure funds, governments, regulators, broadcasters and service and content providers

Our sector specialists understand the distinct local challenges facing clients, in addition to the wider effects of global forces.

We are future-focused and help clients understand the challenges and opportunities new technology brings.

Research

Our dedicated team of analysts track and forecast the different services accessed by consumers and enterprises.

We offer detailed insight into the software, infrastructure and technology delivering those services.

Clients benefit from regular and timely intelligence, and direct access to analysts.

Research from Analysys Mason

Consumer services programmes

Mobile Services
Mobile Devices
Fixed Broadband Services
Convergence Strategies
Video Strategies

Operator investment programmes

Operator Investment Strategies
Network Traffic
Spectrum

Telecoms software and networks programmes

Software Forecast and Strategy
Telecoms Software Market Shares

Network-focused

Next-Generation Wireless Networks
Video and Identity Platforms
Service Design and Orchestration
Automated Assurance
Network Automation and Orchestration
Digital Infrastructure Strategies

Customer-focused

Digital Experience
Customer Engagement
Monetisation Platforms
AI and Analytics

Digital economy programmes

Digital Economy Strategies
Future Comms

Operator business services and IoT programmes

Large Enterprise Voice and Data Connectivity
Large Enterprise Emerging Service Opportunities
SME Strategies
IoT and M2M Services
IoT Platforms and Technology

SMB ICT channels and forecasts programmes

Managed Service Provider Strategies

Regional markets programmes

Global Telecoms Data
Americas
Asia–Pacific
Middle East and Africa
European Core Forecasts
European Telecoms Market Matrix
European Country Reports

DataHub

~2500 forecast and 250+ historical metrics
Regional results and worldwide totals
Operator historical data

Consulting from Analysys Mason

REGULATION AND POLICY

- Policy development and response
- Ex-ante market reviews, remedies, costing ...
- Universal Service Obligation (USO)
- Scarce resources: radio spectrum management, auction support, numbering ...
- Ex-post/abuse of dominance
- Postal sector

analysysmason.com/consulting

TRANSACTION SUPPORT

- Commercial due diligence
- Technical due diligence
- Mergers and acquisitions (M&As)
- Debt and initial public offerings (IPOs)
- Joint-venture structuring
- Mid-market financial sponsors

STRATEGY AND PLANNING

- Commercial expertise
- Technology optimisation
- New digital frontiers

PUBLISHED BY ANALYSYS MASON LIMITED IN **MARCH 2019**

Bush House • North West Wing • Aldwych • London • WC2B 4PJ • UK

Tel: +44 (0)20 7395 9000 • Email: research@analysysmason.com • www.analysysmason.com/research • Registered in England and Wales No. 5177472