

Middle East Marketing And Advertising Agency Market - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts 2019 - 2030

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Report description:

The Middle East Marketing And Advertising Agency Market size is estimated at USD 7.70 billion in 2024, and is expected to reach USD 9.87 billion by 2030, growing at a CAGR of 4.94% during the forecast period (2024-2030).

The Middle East has experienced a swift digital shift characterized by a rise in smartphone and Internet usage. Consumer behavior has been significantly impacted by this change, which has prompted businesses to concentrate more on digital marketing tactics due to the widespread use of social media sites like Facebook, Instagram, and X (formerly Twitter). Marketing agencies are changing to fit in this new digital environment.

Key Highlights

- The Middle East has one of the highest rates of mobile penetration. Campaigns now cannot function without mobile advertising, which includes SMS marketing and in-app advertisements. In order to reach customers on their chosen devices, agencies are investing more and more in mobile-centric campaigns. Good marketing strategies frequently require a thorough comprehension of regional dialects and cultural quirks. Effective location techniques help agencies connect with their target audience more deeply. Ramadan promotions are a common example of how the month is significant in the region where Muslims predominate.
- Consumers in the Middle East are quick to accept new technologies. In order to create immersive and captivating brand experiences, augmented reality (AR) and virtual reality (VR) experiences are increasingly being included in marketing campaigns. One instance of technological integration is the virtual reality showroom that IKEA has set up in several Middle Eastern nations. Before making a purchase, shoppers may virtually explore and engage with IKEA products due to the VR experience. This creative marketing strategy appeals to tech-savvy Middle Eastern customers who value modern and immersive retail environments.
- Building a competent workforce is a priority in order to satisfy the industry's changing demands. To ensure that its talent pool has the newest capabilities in digital marketing, data analytics, and creative content creation, marketing agencies in the Middle East

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are investing in training programs and forming collaborations with educational institutions. An illustration of industry efforts in talent development is the Dubai-based creative lab. With resources, training, and coaching to help them thrive in the advertising profession, it acts as an incubator for upcoming creatives. These kinds of programs support the development of a trained labor force and creativity in the quickly changing field of marketing and communication.

-The Middle East is undergoing a swift digital revolution as a growing proportion of its consumers depend on Internet channels. Digital platforms such as social media search engine marketing and online display advertising receive a large share of organizations' advertising spending. The population in the Middle East is growing, giving firms access to a wider consumer base. Organizations are spending on aggressive advertising strategies to increase brand awareness and market share to enter into this market.

-Although the Middle Eastern market for marketing and advertising agencies has a lot of room to grow, there are several obstacles in the way, chief among them being financial limitations and the low uptake of marketing and advertising services by smaller businesses. Enterprises in the Middle East frequently face tighter budgets as a result of periodic economic downturns brought on by variables, including shifting oil prices, geopolitical unrest, and general global economic conditions. One of the first things to be examined and reduced during one of these downturns is marketing and advertising spending.

Middle East Marketing And Advertising Agency Market Trends

Small and Medium Enterprises to Witness Significant Growth

- SMEs are enterprises that have an employee size of less than 250 employees and annual revenue of less than SAR 200 million (~USD 53.31 million). Increased advertisement spending across end-use industry verticals is expected to drive the demand for the marketing and advertising agencies market in Saudi Arabia. An increase in ad investment owing to the rising trends of video and mobile ads is a significant contributor to the development of marketing and advertising agencies in Saudi Arabia.

- The rise in social media platforms is essential in shaping consumer behavior in the country. Consumers engage with brands and influencers across social media platforms for product research, reviews, and recommendations. As a result, adapting to evolving consumer preferences is essential for market players to gain a competitive edge and meet customers' changing needs.

- Small- and medium-sized enterprises (SMEs) in Saudi Arabia are embracing digital transformation and innovative technology. Emerging technologies such as AI, blockchain, and the Internet of Things (IoT) enhance the SME's business operations. Further, digital technologies have revolutionized the advertising landscape in the country.

- According to the Small and Medium Enterprises General Authority (Monsha'at) report, Small- and medium-sized enterprises in the Kingdom of Saudi Arabia reflected a 4.8% surge in 2023 compared to the final quarter of 2022. The report further revealed that 88,858 new businesses were launched across the country in the first quarter of 2023. Riyadh was home to 41.4%, followed by Makkah at 18.1%, the Eastern Province at 11.1%, and the other cities for 28.6% of the total SMEs in Saudi Arabia. This is anticipated to spur new growth across critical sectors such as tourism, e-commerce, retail, food and beverage, and fintech. The growing e-commerce sales are expected to boost the market studied.

- The SME sector aims to contribute 35% of the gross domestic product by 2030 as part of the Vision 2030 goals. Vision 2030 elevates the country's advertising sector, making it a vital component of the cultural, economic, and social transformation through a unique partnership between public and private investments and agencies. The advertising sector in Saudi Arabia is witnessing an exponential rise in growth and demand within both local and global agencies to converge and invest in expanding their capacity. This surge has also led to the emergence of numerous independent marketing and advertising agencies in the country.

- Vision 2030 also aims to reduce Saudi Arabia's over-dependence on oil as the main economic driver. As a result of these reforms, Saudi Arabia boasts the highest annual economic growth rate and possesses a young demographic that prefers digital technology and social media. Therefore, marketing and advertising enterprises and startups have access to limitless opportunities and growth potential. Additionally, to boost entrepreneurship, the Saudi Arabian Ministry of Commerce issued 314,500 commercial registrations for firms and establishments in 2022. Riyadh led the most commercial registrations, making it the city with the most

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emerging entrepreneurs in the business landscape, most of whom operate within the advertising sector.

Riyadh to Witness Major Growth

- Saudi Arabia's capital and largest city, Riyadh, is leading the nation's digital revolution. The marketing and advertising industry will be greatly impacted by Crown Prince Mohammed bin Salman's Saudi Vision 2030 plan, which intends to diversify the economy.
- Moreover, Saudi Arabia, which includes Riyadh, has one of the highest rates of social media adoption worldwide. Because of their enormous popularity, platforms like Snapchat, Instagram, Twitter, and YouTube are essential for marketing campaigns.
- In Riyadh, influencers have a big impact on customer preferences, making influencer marketing quite successful. Influencers from a variety of industries, including fashion, tourism, technology, and lifestyle, may be found in Riyadh. These influencers are used by brands to establish a connection with particular target markets. For instance, influencers such as Abdulaziz Baz have become quite well-known in Riyadh. Brands work with him on promotional initiatives, particularly in the fashion and lifestyle domains. For example, a fashion firm with headquarters in Riyadh elaborates with Abdulaziz Baz to present its most recent collection, which would reach a large number of prospective buyers.
- Due to the diverse population in Riyadh, marketing agencies must take cultural sensitivity into account while creating campaigns. In order to connect with the intended audience, advertisements frequently incorporate regional traditions, values, and rituals. Companies that are cognizant of and respectful of Saudi culture have a greater chance of establishing a strong rapport with Riyadh consumers. For instance, Coca-Cola made sure that the advertisement accurately captured the cultural significance of the holy month when it launched a campaign in Riyadh during Ramadan.

Middle East Marketing And Advertising Agency Industry Overview

There is a notable presence of major international advertising firms in the area, including Impact Creative Waves, Extend The Ad Network, Creative Habbar, and Advertising Ways Company. Although the market is consolidated, agencies are fighting it out for big accounts in various sectors like retail, technology, and finance. Influencer marketing has been more popular in recent years, and the Middle East has a thriving influencer culture. The e-commerce industry, in particular, is seeing a surge in demand for digital marketing services due to the growth of online purchasing.

- October 2023: Saudi Arabia's one of the leading out-of-home advertising firms, AlArabia Outdoor Advertising, won a project proposed by Remat Al-Riyadh Development company to establish, operate, and maintain outdoor advertising billboards in Riyadh. The city will be transformed into a digital, innovative, and sustainable region, achieved through an alliance with the Saudi Artificial Intelligence Company (SCAI), one of the Public Investment Fund companies, as a part of the project.
- June 2023: AstroLabs, a digital capability-building company, and TikTok concluded their flagship partner program supporting small- and medium-sized businesses in Saudi Arabia. TikTok partnered with AstroLabs to effectively equip small and medium enterprises with the knowledge and tools to advertise and thrive in the digital era. AstroLabs' partnership with TikTok will support the digital transformation efforts of SME businesses, bringing cutting-edge advertising tools to the fingertips of local SMBs.

Additional Benefits:

- The market estimate (ME) sheet in Excel format
- 3 months of analyst support

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