

DRIVING IMPACT IN A CHANGING WORLD

Ipsos in UAE Conference
Wednesday, March 13th, 2019



MENA Decoded

Key Trends Shaping the Region

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Session 1: A Changing World

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GAME CHANGERS

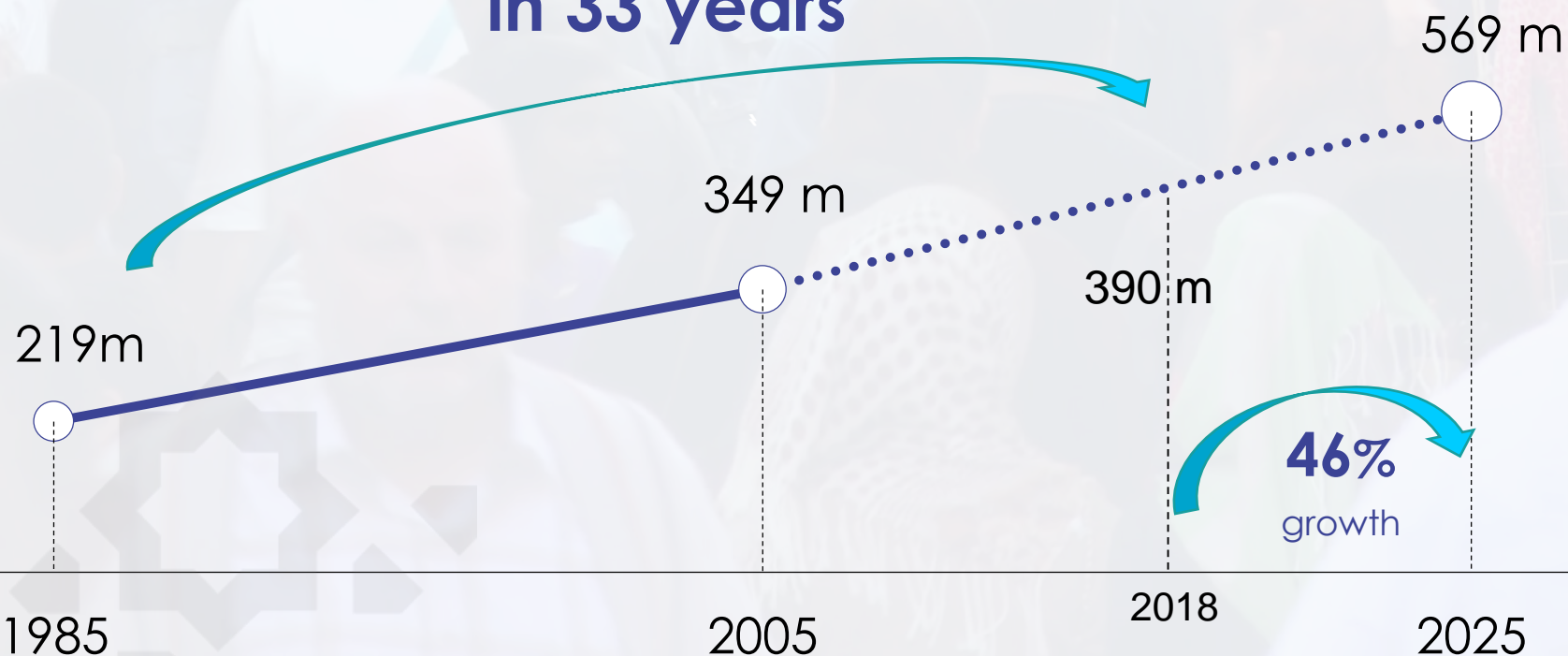




MENA experienced the **highest rate of population growth** of any region in the world over the **past century**...

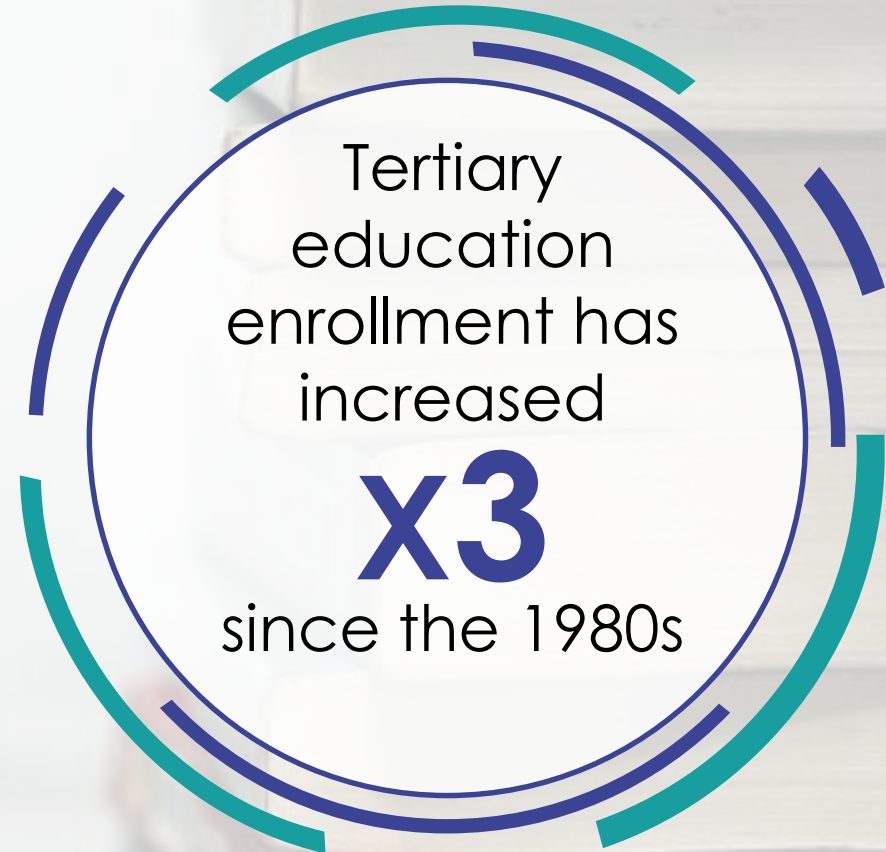
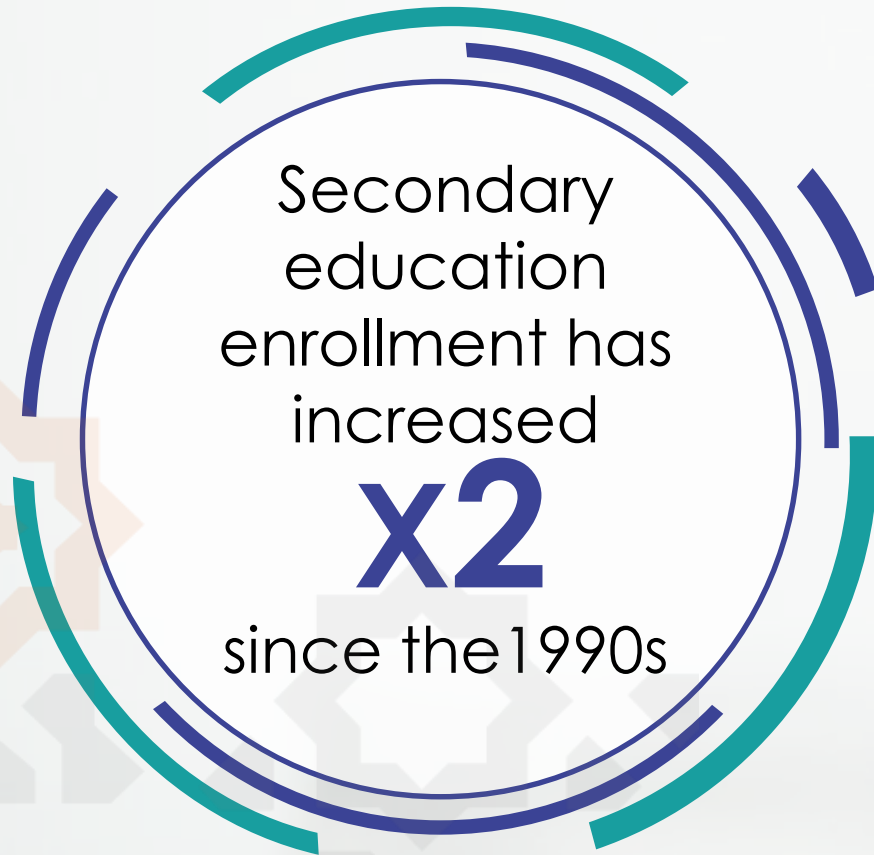
Population in Millions

**Nearly Doubling
in 33 years**





And Is Becoming More **Educated**





With rapid **Urbanization** and huge **Expansions** of major cities in MENA





Declining **Fertility Rates**, yet one that is still growing, only driven by its **Aging Inhabitants**

2.6

Children per woman in 2018, down from 6.2 in 1960

75

Years: Life expectancy, up from 50 in 1960



**MENA WILL ALSO WITNESS THE
RISING INFLUENCE OF WOMEN,
WHO WILL PLAY A CRUCIAL ROLE
IN SHAPING MENA'S FUTURE**



Gender disparity in the workforce will **vanish** and MENA will face the social **impact** of **women entering the workforce**

While Women already
form a majority
among university
students in many
countries in the
region



Currently only **1 in 5**
females in the Region are
part of the workforce

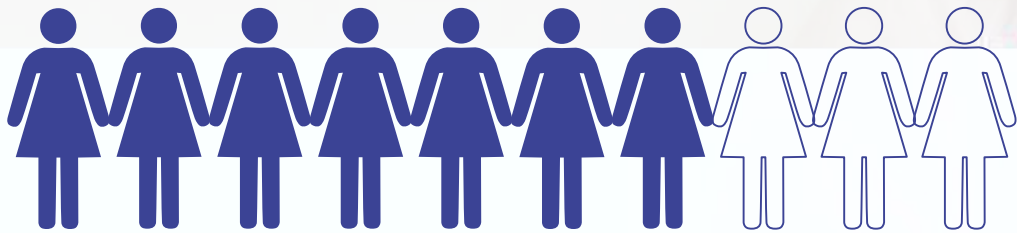
Source:

Ipsos "She Speaks" Survey : 10 Things You Need To Know About Women in MENA Survey
& PWC MENA Megatrends Report & World Bank.

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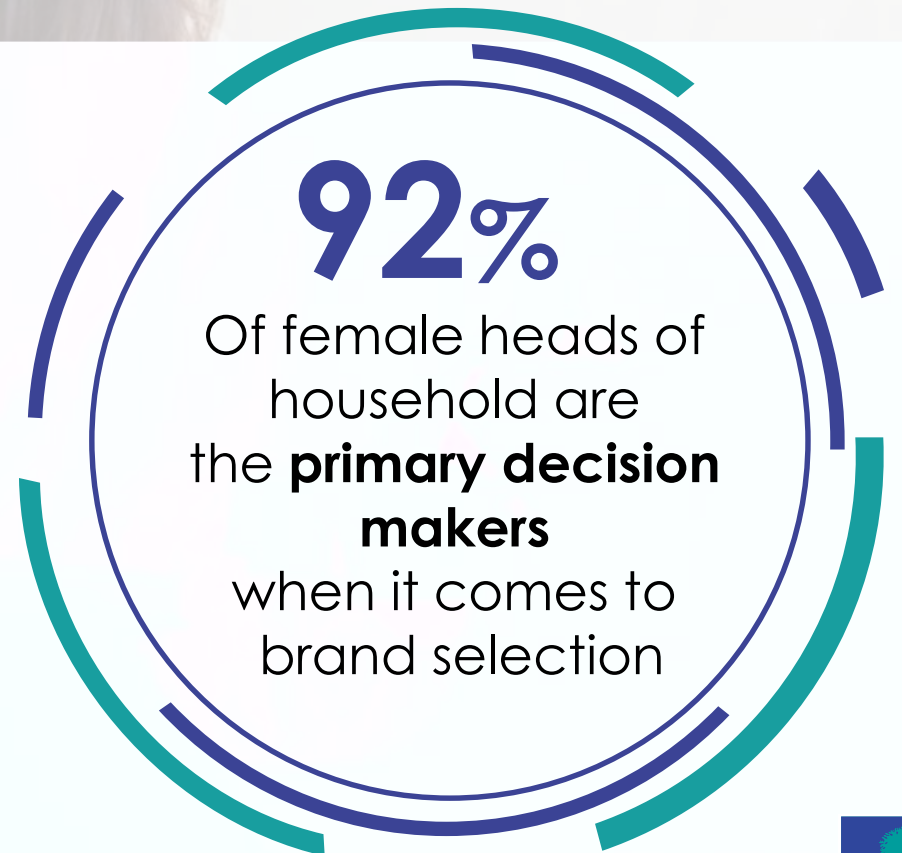


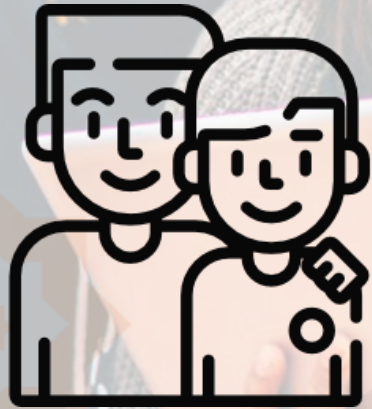
And even though the **majority** of women in the region **don't generate income**, they remain the **main decision makers** when it comes to **purchases**



7 in 10

Depend on Receiving an Allowance as a Primary Source of Income



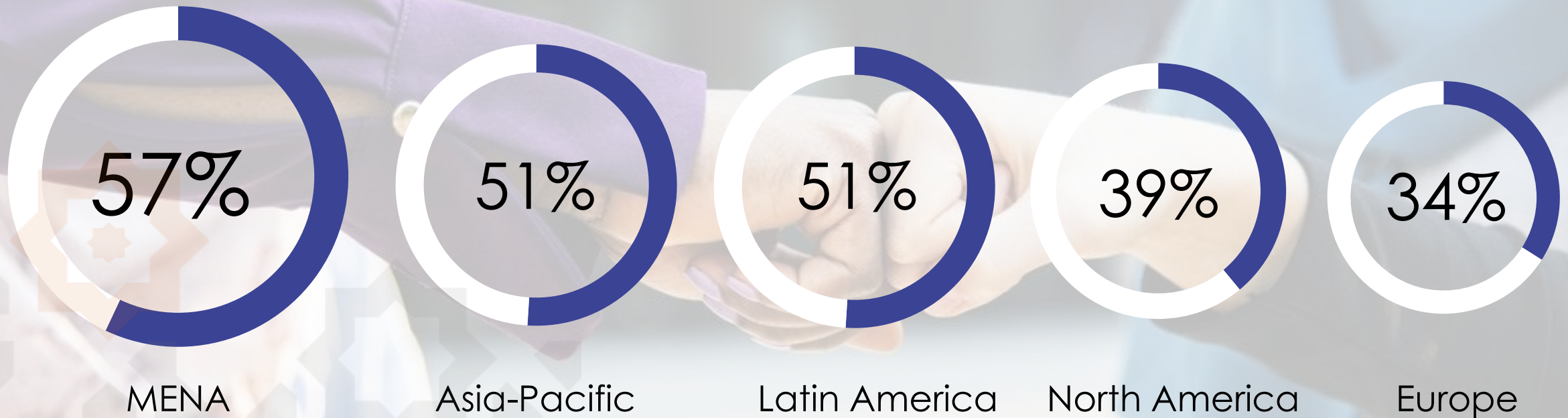


**WE CAN'T TALK ABOUT CHANGE
IN MENA WITHOUT TALKING
ABOUT THE REGION'S YOUTH...**



MENA is one of the **youngest regions** in the world (below 30 years of age)

% Youth By Region



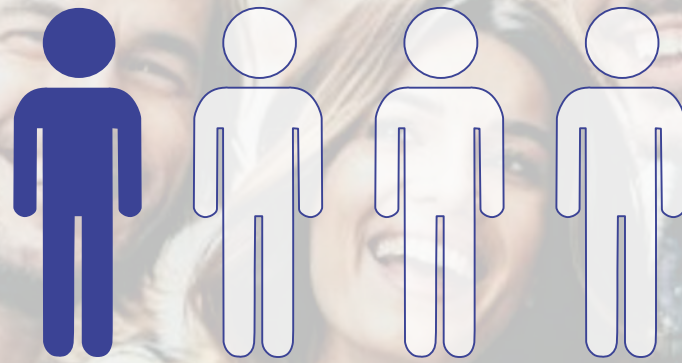
Source: United Nations DESA Population Division 2017

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Close to a **quarter** of MENA's population are Millennials; **setting the future trends**



100,000,000
Millennials



They are becoming **more culturally diverse**



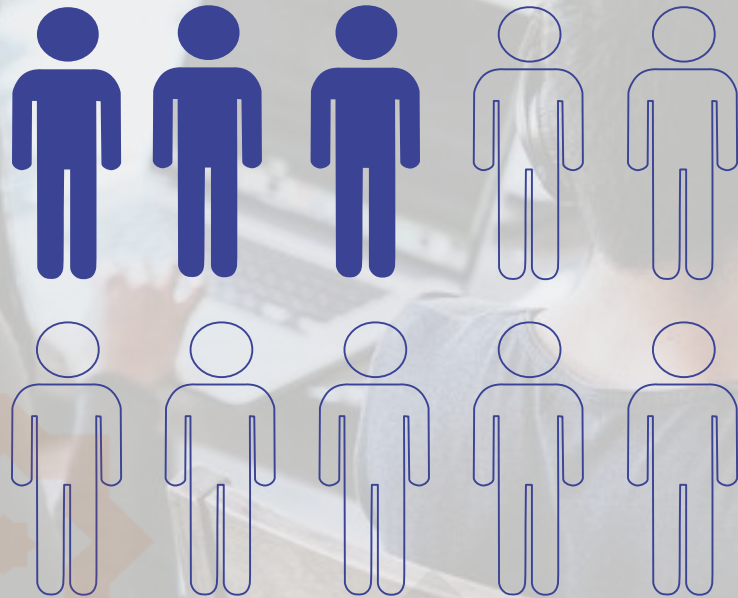
1 in 2

**Consider Themselves
Global Citizens**

“Connected & Informed,
CONSUMERS”



But at the same time - They are a **Struggling Generation**



3 in 10
Are Unemployed





And thus, they are skillful **deal seekers**

64%

Always look for
the best offers &
deals available..



Which has led to the birth of the **Super Searchers**

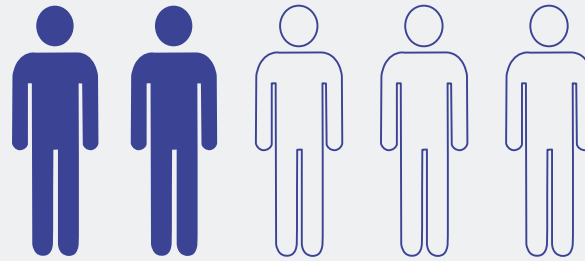
**“Super
Search
Generation”**



And MENA's Millennials tend to be **experiential**, they're willing to **explore new brands**

54%

Are moving away from heritage brands they grew up with



2 in 5

Like to try new things



63%

Are not willing to give a company they had a bad experience with, another chance

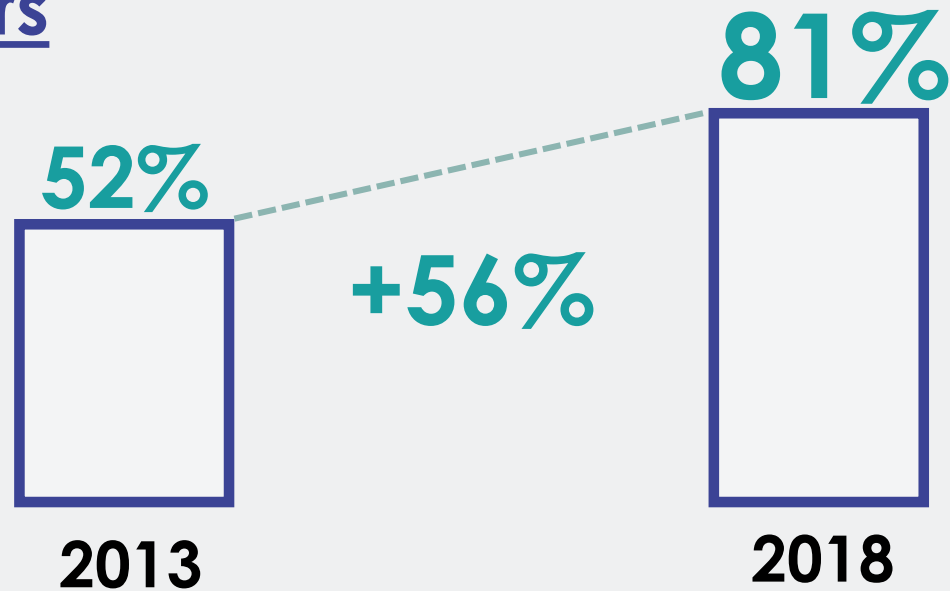


ALL THIS IS HAPPENING AMIDST A DIGITAL REVOLUTION



Internet growth has **dramatically accelerated** in the last **five years**

% internet users



94%
GCC

77%
Levant

60%
North Africa

Source: Ipsos Tech Tracker Survey – 2013-2018

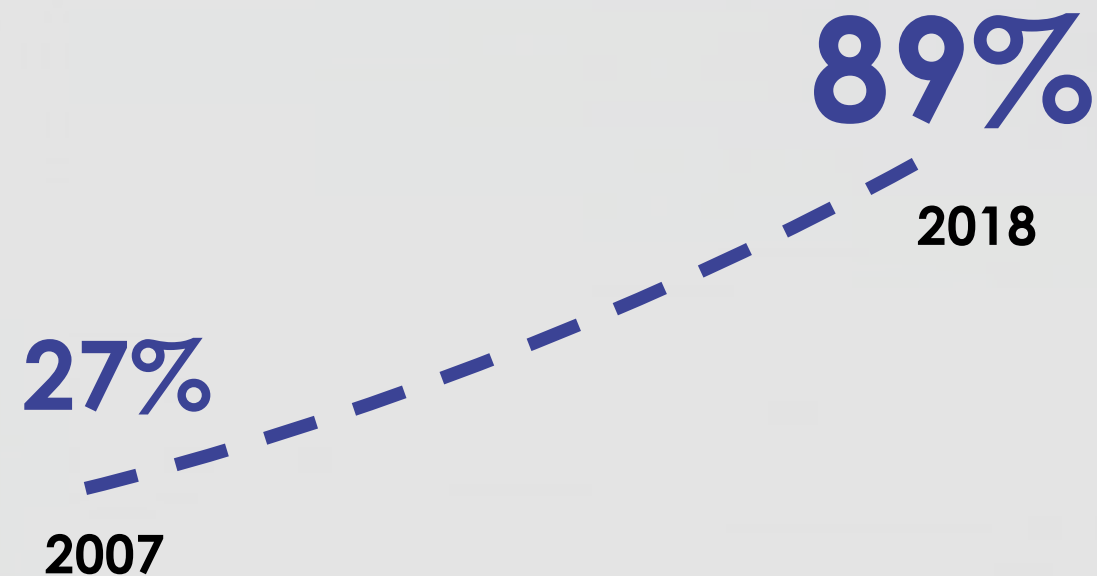
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Driven by an increase in **smartphones** penetration levels

Smartphone penetration has increased **threefold** in the last decade



98%
GCC

86%
Levant

70%
North Africa

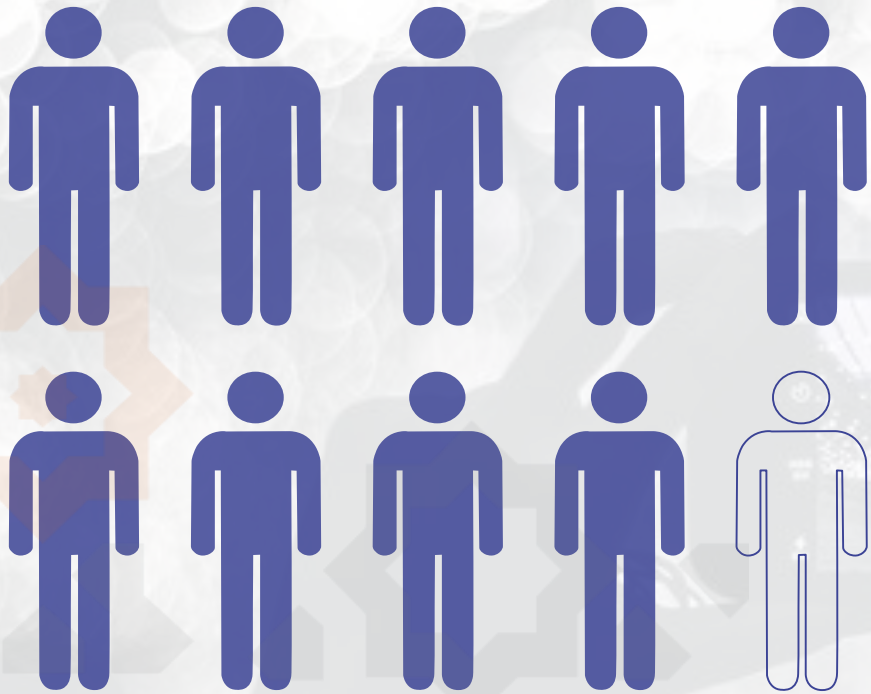


Source: Ipsos Tech Tracker Survey- 2007-2018

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Social Media is also playing a **more pivotal** role in people's lives...



9 in 10

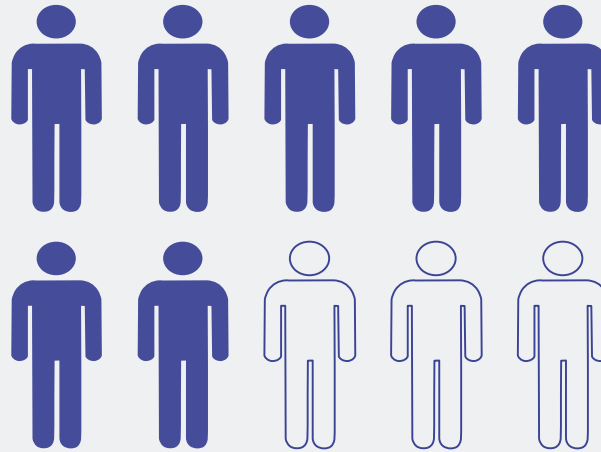
Internet users in MENA
are on social media



Leading to **increased levels of brand engagement**

47%

Follow brands
on social
media



7 in 10

Get their Information from
online sources

Around **50%**
Make purchases
based on social
media reviews



Transforming the **online space** from a **source of information** to a **channel of purchase**



30%

of MENA's **adults today** have done some form of e-commerce, a **threefold increase** since 2015.



However, E-commerce in MENA is still in its infancy
AND is **expected to grow rapidly**

From USD
27 Billion in
2018

To a
Projected
USD 50
Billion in
2022

*With estimates reaching
USD 200 Billion From the Arab
Federation of E-Commerce*



Driven mainly by consumers in the **GCC** region

40%

GCC

(purchasing power)

19%

Levant

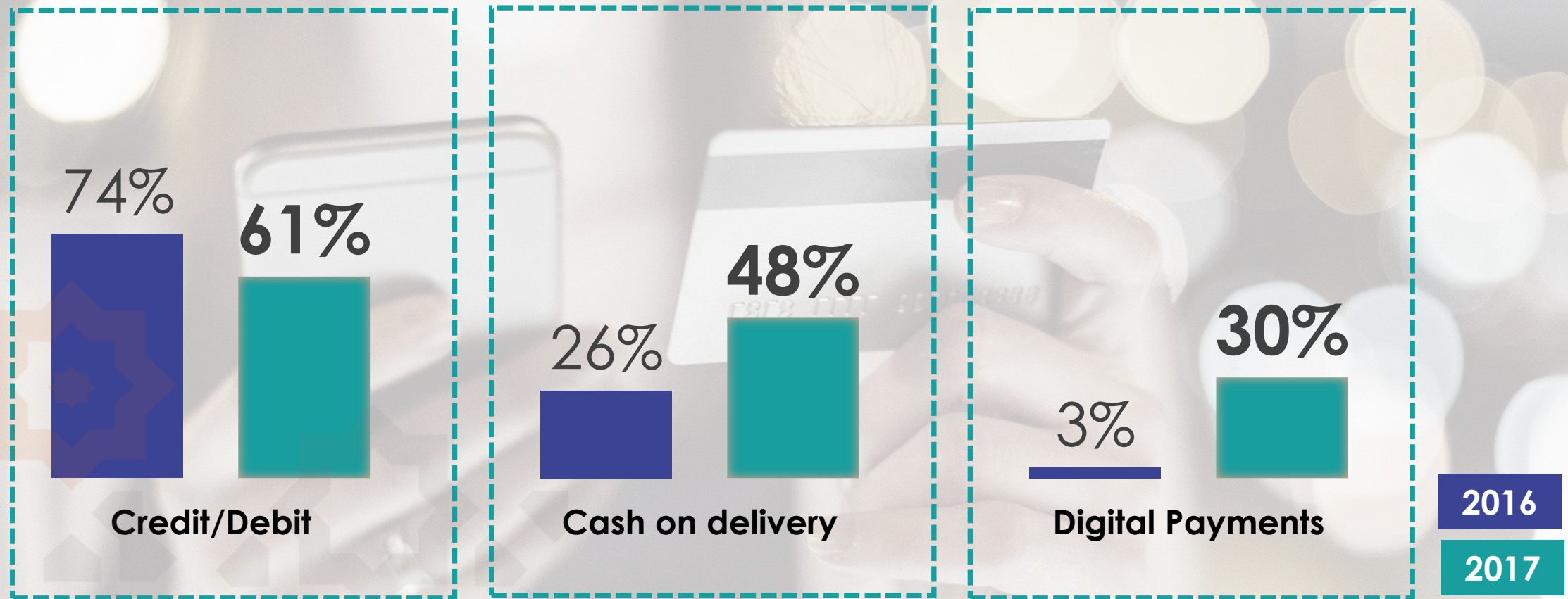
16%

North Africa

(populous)



Facilitated by the growth of **cash on delivery** and **digital payments**; taking on a larger share of total transactions



Source: Ipsos Tech Tracker Survey- 2016-2017

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Consumers are **ready** to adopt **non-traditional** payment providers

66%

likely to conduct financial transactions through non-traditional providers



62%

Via mobile service providers



57%

Via mobile tech companies



53%

Via digital payment companies



The Game has Changed

The game changers...

1

Population: a more urbanized ageing population, with a smaller household size, that is more educated and more informed

2

Women – their growing influence in society, much higher future levels of involvement in the laborforce; the ultimate decision makers for brand selection.

3

Millennials – the largest segment and the disruptive deal seeking, Super Searchers.

4

Digital First – from shopping to financing, managing the E-commerce boom and its implications on our business models.

The most adaptive creature on earth



...but slow



Jump into the
future...



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IN A CHANGING
WORLD



Thank you

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