

mobile habits in the United Arab Emirates

A mobile phone is so much more than a communications device – often being a source of information and entertainment. A common sight in the United Arab Emirates (UAE) is people navigating public places such as streets, malls and parks, all the while remaining firmly engrossed with their mobile device. One might indeed wonder what they find so compelling. Recent studies have tried to answer this precise question.

data usage, gaining insight

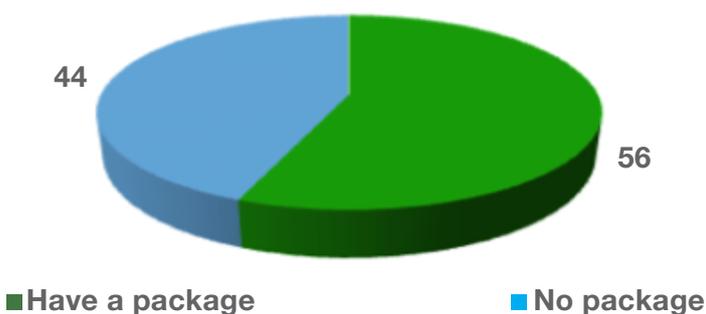
Subscribers in the UAE have become accustomed to a greater availability of applications and with this an increased variety of mobile services and content. This has come as a result of increased investment in infrastructure and the implementation of content strategies by mobile operators.

A recent survey by Plus7 served to highlight the favourable uptake of data by mobile subscribers in the UAE. According to the survey, (conducted amongst people using online and mobile advertising platforms), it was ascertained that over half of UAE residents subscribe to a data package. It was also determined that subscribers are likely to use data services more extensively than their counterparts. As a result they are likely to have higher mobile expenses. This is good news for operators and content providers with 22% of those surveyed stating that their mobile bill is higher than AED 500 per month

exhibit 1

UAE residents with a data package

Source: Plus7.



The UAE follows the MENA trend of having a high proportion of internet users accessing the web using their mobile devices. It shows a 50% level of internet users accessing the web over mobile. This ratio has existed since early 2011 and to top it off, 47% of people state that they access the internet many times a day. It is interesting to explore the different motivations for accessing mobile internet services.

According to the Plus7 research, news and information is the number one reason for mobile surfing. Females tend to make greater use of instant messaging and teens shower a keener interest in gaming than the other market segments surveyed.

exhibit 2

UAE mobile internet uses

Source: Plus7.me

	Male	Female	13-18 yrs	19-24 yrs	25-35 yrs	36-50 yrs	51+ yrs
Base:	303	166	66	54	192	104	53
News and Information	48	41	24	32	48	57	53
Email	45	42	27	32	45	55	51
Social Networks	39	40	15	44	51	37	28
Searching information	36	40	21	35	38	49	36
Games	24	30	33	33	29	18	19
Instant Messaging	23	33	21	30	30	24	19
Multimedia	19	16	24	15	20	14	13

Base: 469

Figures are in percentages

Applications are a key vehicle for content consumption on mobile devices. The recognition of this growing trend has prompted radio, TV and newspaper outlets to develop apps that allow their audiences to consume content using a mobile. There is a high demand for mobile applications with over 55% of mobile users in the UAE reportedly downloading more than ten applications. The highest propensity for this is to be found in males between the ages of 25 to 50.

how does the UAE measure up in the region?

The MENA region is recognised as one of the most diverse mobile markets globally. On the one hand, markets such as the UAE, Saudi Arabia and Oman

boast high mobile penetration while on the other hand; Egypt and Sudan still offer operators growth through subscriber addition.

Most players in the mobile industry believe that applications are the best bet for growth and survey results echo this belief. The UAE shows one of the highest propensities for applications purchase with almost half (48%) of surveyed subscribers stating that they paid for applications. A healthy proportion of these subscribers downloaded more than 10 applications. In almost all of the countries surveyed within the MENA region, approximately half of all subscribers have downloaded more than 10 applications. At first glance this seems like a great figure, but it remains to be seen whether or not subscribers are prepared to pay for applications.

exhibit 3

paid application trends in MENA

Source: Plus7.me

Country	Paid	Free
UAE	48%	52%
Oman	39%	61%
KSA	32%	68%
Kuwait	48%	52%
Egypt	39%	61%
Bahrain	54%	46%
Qatar	51%	49%

The results paint a favourable picture with the lowest indicator of willingness to purchase applications in Saudi Arabia at 32%. Oman and Egypt follow with 39% of their mobile subscribers deciding against the purchase of an application. The country most willing to pay for mobile applications is Qatar with just over half (51%) stating that they purchased applications.

operators' dilemma of monetizing content

The development of usage habits by subscribers in the MENA region would indicate that there is a growing demand for data. Supporting this is the increased earnings contribution that mobile operators attribute to data revenues in their financial results.

While it is clear that there is an appetite for data and increasingly for applications, mobile operators are still grappling with the best means of profiting from this apparent fascination with apps. The number of ways subscribers gain access to apps is second only to the number of apps that are available for download. This poses a major challenge for operators and other service providers when trying to ascertain which content delivery model is most suitable for the market.

In some instances operators have established branded stores and either produced or licensed content from third parties. Others have partnered with handset manufacturers and positioned content that is exclusive to registered subscribers. Results have been poor with several app stores opened since 2010 already closing.

There are hopes that a greater uptake of mobile commerce services (such as remittances) will assist the growth of application revenues. Although this may be the case, the evidence already suggests that subscribers download apps based on a variety of factors, which makes it challenging for content providers to effectively target and market their products.

As new devices and content consumption trends emerge, there is seemingly only one point of certainty. Despite the favourable prospects for mobile applications, it's only those providers that can combine relevant, easy-to-access content with innovative revenue models that will make the most of this promising market.