

INTERNET A FAVOURED MEDIA

July 2007



Executive Summary

- Note: Survey conducted among customers of Bayt.com who have internet access and is not representative of the general public
- Usage of internet encompasses numerous areas
- 35 per cent of Middle East and North Africa residents feel they are of expert calibre in their knowledge and use of the internet
- 47 per cent spend more than three hours daily on the internet
- It is an important source of information and research prior to deciding the product or brand to purchase featuring higher on the list than newspapers. 76 per cent sought more information on a service or product on the internet after having seen its ad on other media.
- 39 per cent purchased an item due to online advertising in the last 12 months – more among GCC Arabs (49 per cent)
- An attractive online ad for new products will generally receive a response among 45 per cent of users
- The full benefits of online advertising would be difficult to measure since it also has an impact on outlet behaviour. 64 per cent agreed that they often noticed a web ad and then saw the product later in the store.
- The internet has a role to play in influencing brand awareness, perceptions and purchase
- 81 per cent were more favourable towards certain brands due to the internet
- 83 per cent came to be aware of a new brand and 68 per cent later bought a brand they first saw on the internet
- Only 31 per cent bought the product online which again corroborates the fact that the internet indirectly impacts in store purchase behaviour
- The internet influenced 59 per cent to switch brands
- 39 per cent have ever purchased a product online. This was more prevalent in the GCC countries and the high income group
- Items purchased online in the last 12 months mainly related to travel, software, books and electronics
- Main online services used concerned travel, job hunting/hiring and bill payments
- Only 14 per cent were not satisfied with their online transactions
- 50 per cent will consider making online purchases in future
- Users typically refrain from making online purchases for either or a combination of the following reasons:
 - o wanting to see the physical products
 - o security and trust concerns
 - o lack of a credit card
- Therefore, products on trusted sites that do not really need a physical check before purchasing would be more appealing

“Nowadays, anyone who cannot speak English and is incapable of using the Internet is regarded as backward.”

Prince Alwaleed Bin Talal Alsaud

“The new information technology, Internet and e-mail, have practically eliminated the physical costs of communications.”

Peter Drucker

“The Internet will help achieve "friction free capitalism" by putting buyer and seller in direct contact and providing more information to both about each other.”

Bill Gates

“The Internet is turning economics inside-out. For example, everybody on the internet now wants stuff for free and there are so many free services available.”

Uri Geller

“The Internet has been the most fundamental change during my lifetime and for hundreds of years. Someone the other day said, "It's the biggest thing since Gutenberg," and then someone else said "No, it's the biggest thing since the invention of writing.””

Rupert Murdoch

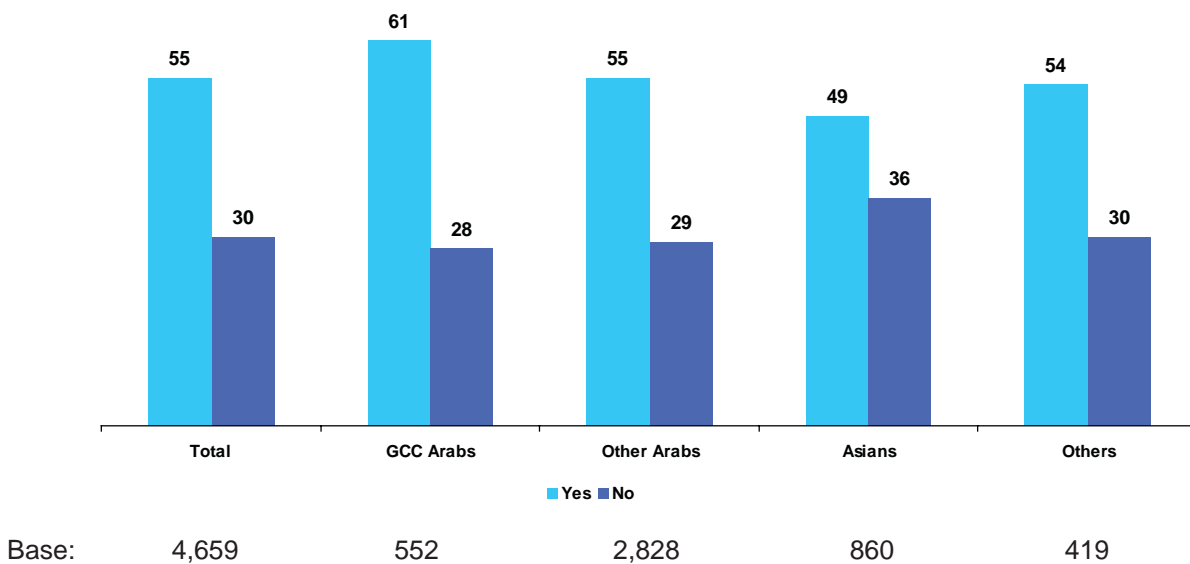
“I agree completely with my son James when he says 'Internet is like electricity. The latter lights up everything, while the former lights up knowledge'.”

Kerry Packer

An Active Market with a High Degree of Consumer Knowledge

The majority of internet users in the Middle East and North Africa feel they are active online users of things such as blogs, social network sites, email discussion groups, online community boards etc., according to an e-commerce and e-confidence survey from leading online job site Bayt.com conducted in conjunction with market research leader YouGovSiraj.

Active online user of blogs, social network sites etc.



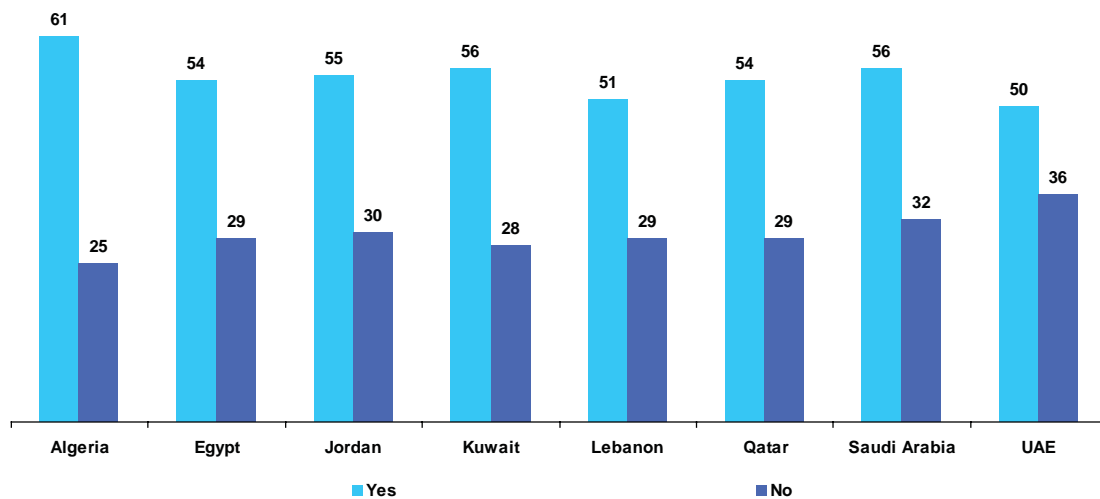
The online survey questioned more than 4,600 customers of Bayt.com, male and female, across the GCC, Levant and North Africa on:

- their attitudes towards the internet
- online behaviour and
- impact of the internet on shopping behaviour and attitudes

The results will be a pioneering step in understanding internet usage, habits and perceptions in the region.

Algeria is notable for its active use of blogs, social network sites compared to other countries. This was slightly higher among students (69%) as compared to other occupations/working status.

Active online user of blogs, social network sites etc.

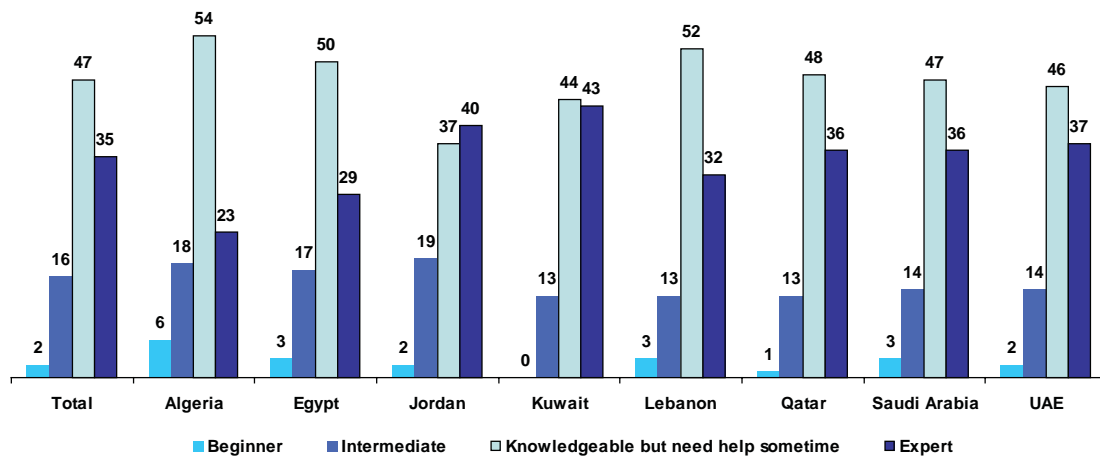


Base: 142* 826 515 411 139* 168* 837 1,045

Note: Sample sizes less than 200 have a larger statistical error.

The survey showed GCC Arabs as more active users and online shoppers compared to other nationalities. Slightly more than a third (35%) regarded themselves as experts with regard to their internet capabilities and another 47% felt they were knowledgeable but still needed help sometime. This indicated a high level of internet knowledge and comfort in its usage. Kuwait and Jordan had a higher perception of their capabilities than other countries.

Rating of Internet Capabilities

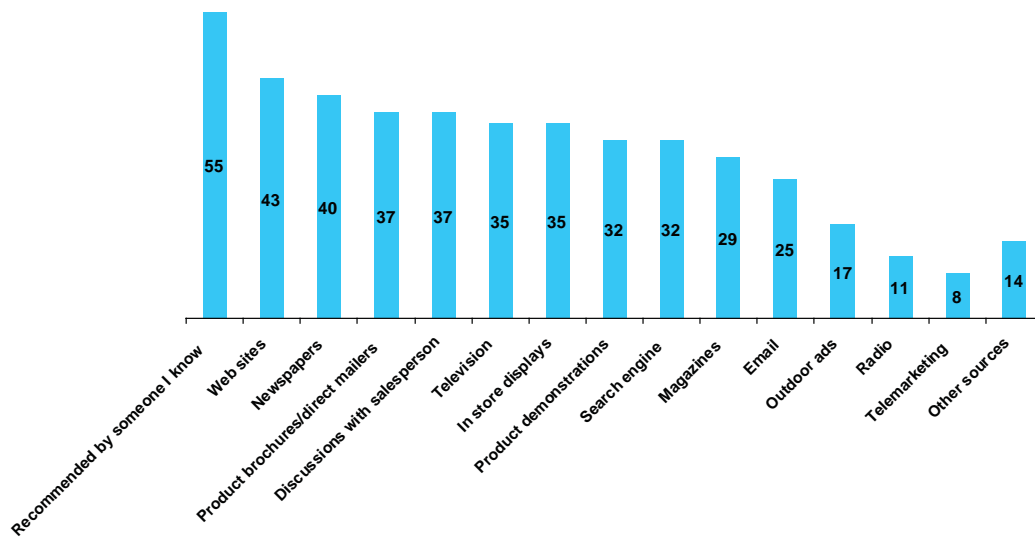


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 Note: Sample sizes less than 200 have a larger statistical error.

An Active Market with a High Degree of Consumer Knowledge

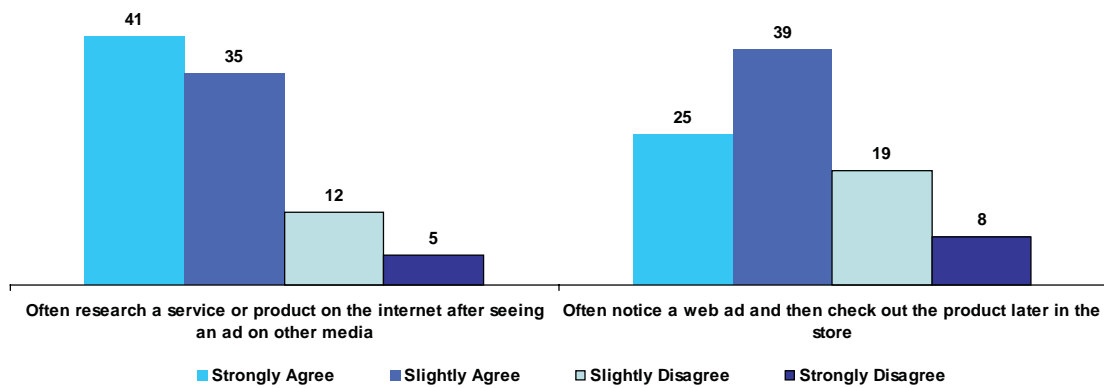
Apart from word of mouth (55%), the internet ranked as the topmost source of information considered by respondents before deciding the product or brand to purchase. Web sites were looked up by 43% followed by newspapers at 40%. The proportion among the higher income groups (monthly household income USD 3,000+) rose to 50%+ for web sites. Additionally, search engines and emails were considered by 32% and 25% respectively.

Sources of Information considered before making a purchase



Web sites also scored highly among sources of information thought to be important and relevant (48%). The internet was also an important source of research with 76% agreeing that they sought more information on a service or product on the internet after having seen its ad on other media. Online advertising also impacted outlet behaviour as nearly two thirds (64%) agreed that they often noticed a web ad and then checked out the product later in the store.

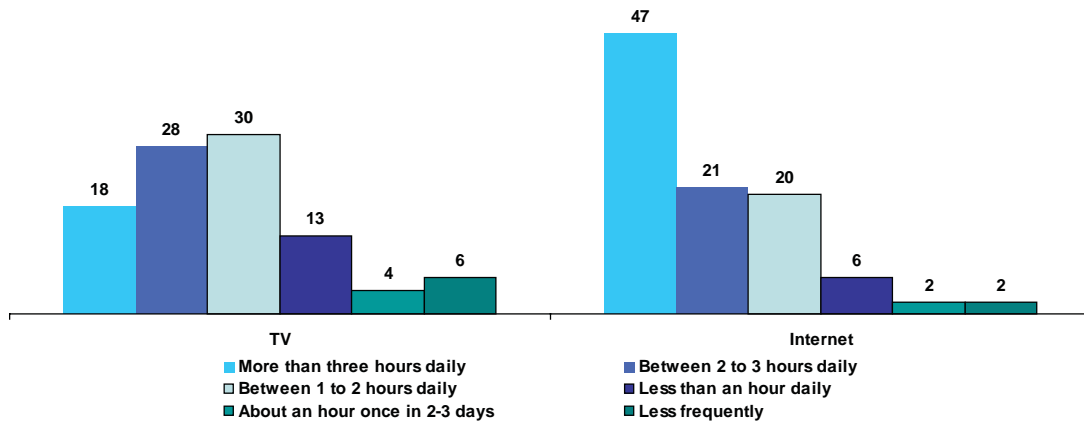
Impact of Internet on Purchase



High Amount of Time Spent

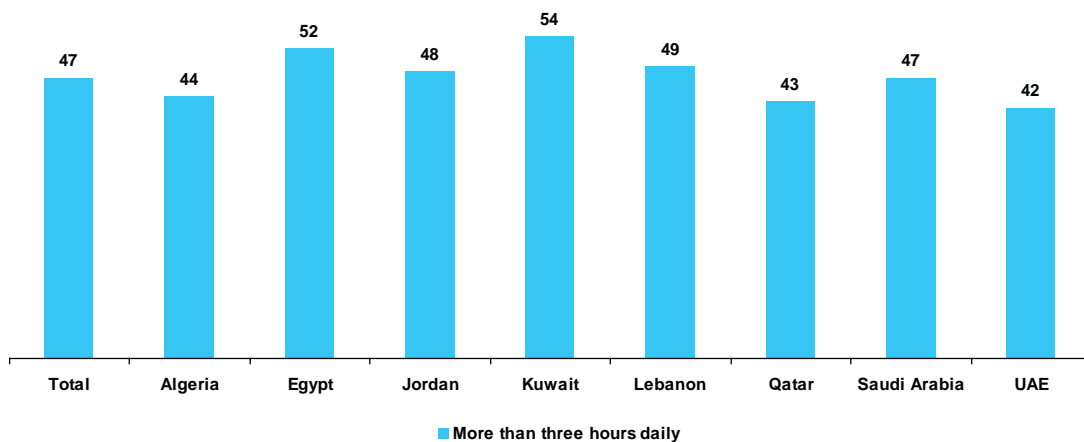
Internet is clearly a media where users spend a large amount of time. Compared to 18% who watched television more than three hours daily and a total of 76% who spent at least an hour daily watching television, internet was being used by 47% and 88% respectively.

Amount of Time Spent Television vs. Internet



Kuwait and Egypt displayed relatively longer usage than others with 54% and 52% respectively online for at least three hours daily. It must be reiterated that this is reflective of the behaviour of customers of Bayt.com who have internet access and is not representative of the general public.

Amount of Time Spent on Internet



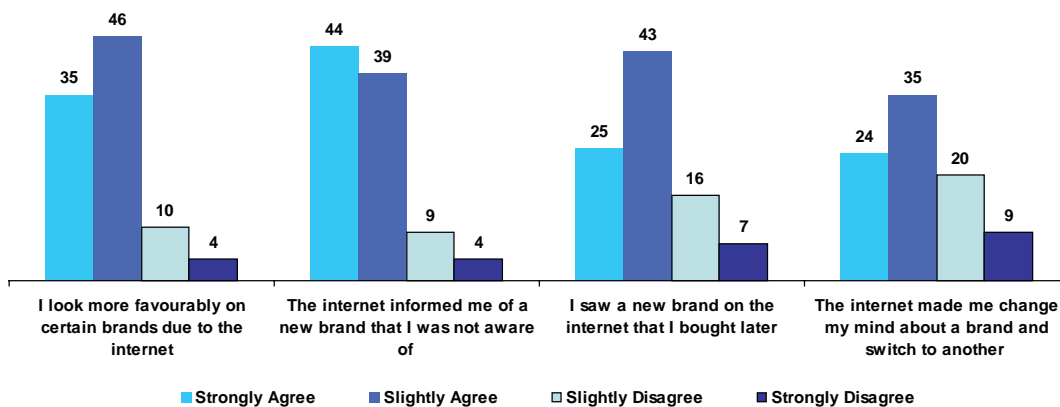
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Strong Influence on Purchase Behaviour

Overall, there was a positive feeling regarding the impact of the internet on purchase and shopping behaviour and attitudes. A large majority of 81% agreed that, as a result of the internet, they were more favourable towards certain brands. The internet made 83% aware of a new brand while 68% later bought the brand. Less than a third (31%) of these purchasers recalled buying the product online. This indicates that the internet also plays a key role in impacting in store purchase behaviour. Furthermore, switching brands due to the internet's influence was apparent in 59% of our sample.

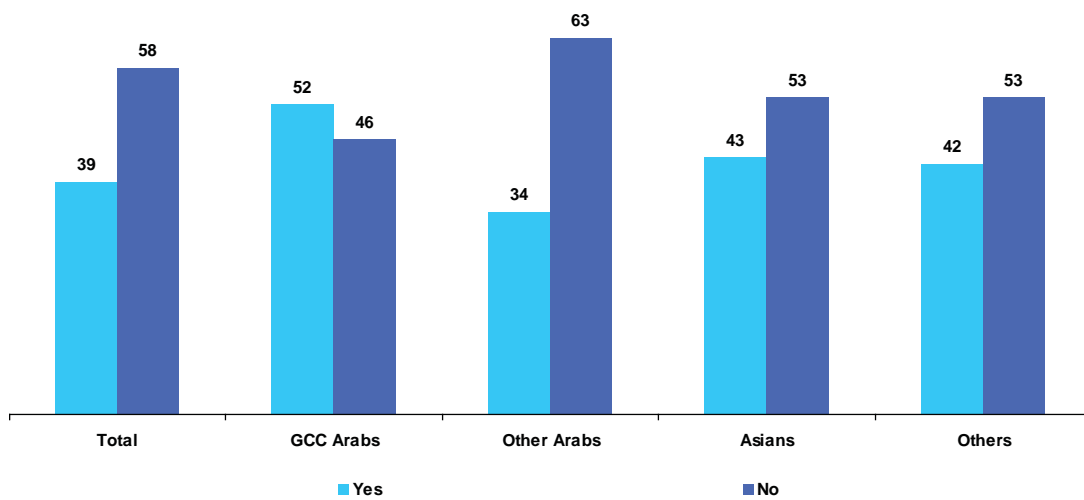
Impact of the Internet on Purchase Behaviour & Attitudes



Online Shopping and Advertising

39% of the respondents had ever purchased an item online. This rose to 52% among GCC Arabs and 68% in the top income bracket of USD 5,000+ (monthly household income).

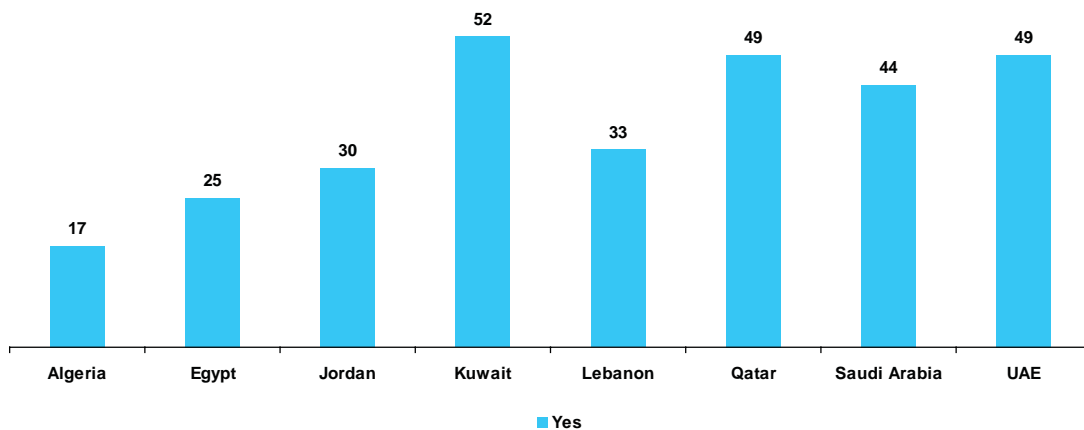
Online Purchase



Base: 4,659 552 2,828 860 419

Within countries, it was dominated by the main GCC countries: Kuwait was the most active market followed by Qatar, UAE and Saudi Arabia.

Online Purchase

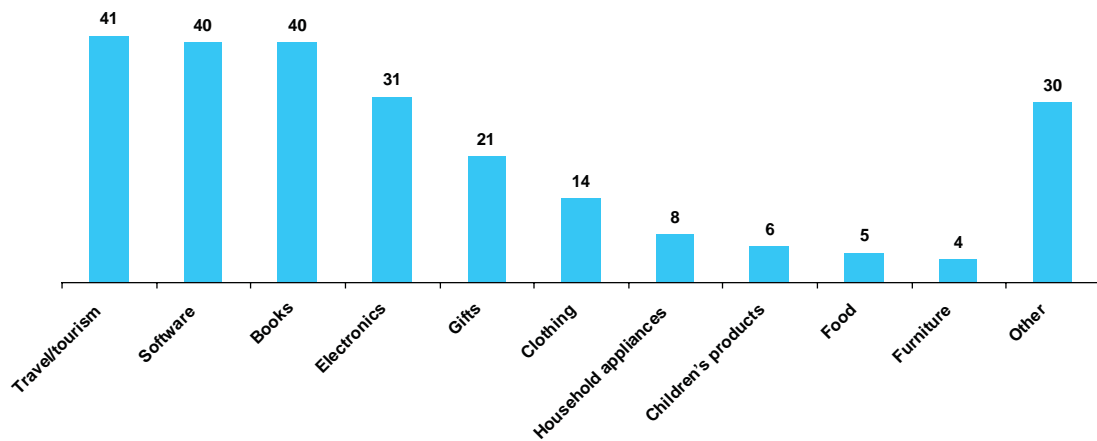


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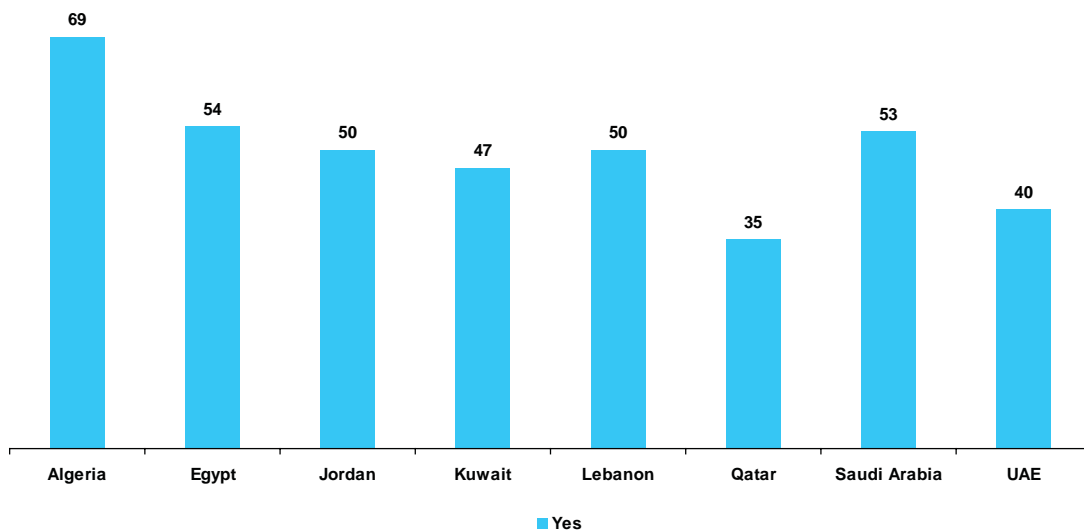
The main purchases made online in the last 12 months related to travel, software, books and electronics.

Items Purchased Online in Last 12 months



Half the participants would consider making online purchases in future. Algeria displays a higher potential.

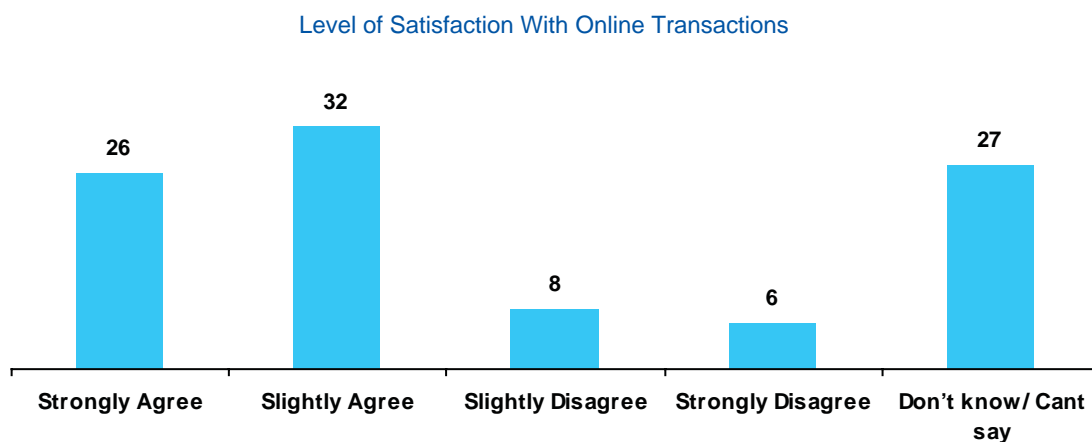
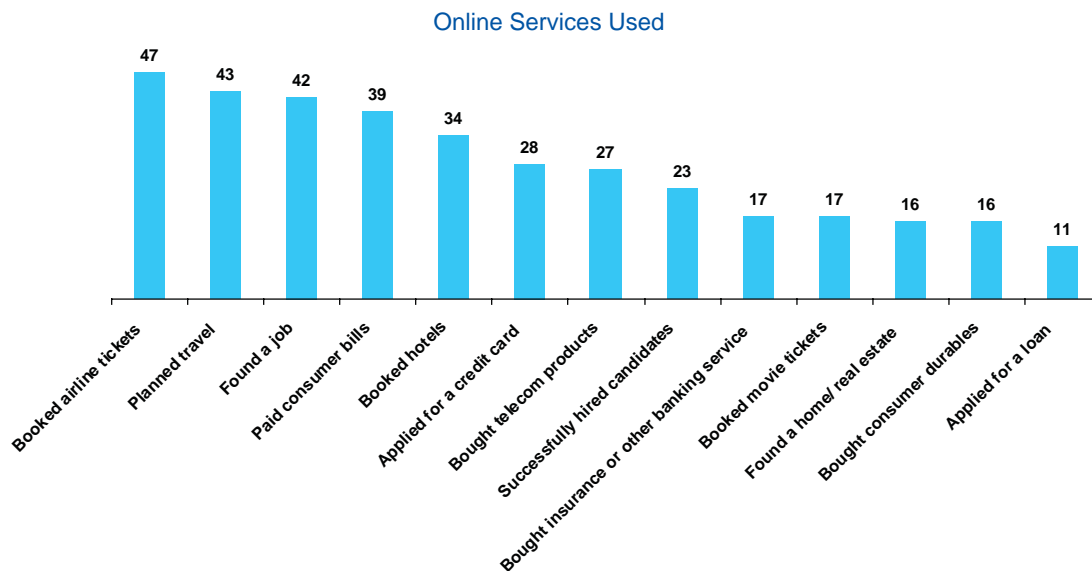
Consider Online Purchase in Future



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Online services used mainly concerned travel, job hunting/hiring and bill payments. There were some key differences by nationality and country worth highlighting:

- Booking of Airline Tickets: Higher among Asians (65%), GCC Arabs (59%) and in Kuwait (77%), UAE (64%) and Saudi Arabia (62%)
- Travel planning: Higher among Asians and GCC Arabs (51%) and in Saudi Arabia (45%), Qatar (42%) and Kuwait (41%)
- Landed a job: Higher among Asians (54%) and in Qatar (52%), UAE and Kuwait (48%)
- Payment of consumer bills: Higher among GCC Arabs (57%) and Asians (51%) and in Saudi Arabia (59%), UAE (50%) and Qatar (48%)
- Booking of hotels: Higher among GCC Arabs (47%) and in Kuwait (54%), Qatar (52%) and Saudi Arabia (51%)
- Movie tickets: Higher among Asians (28%) and in Kuwait (34%)

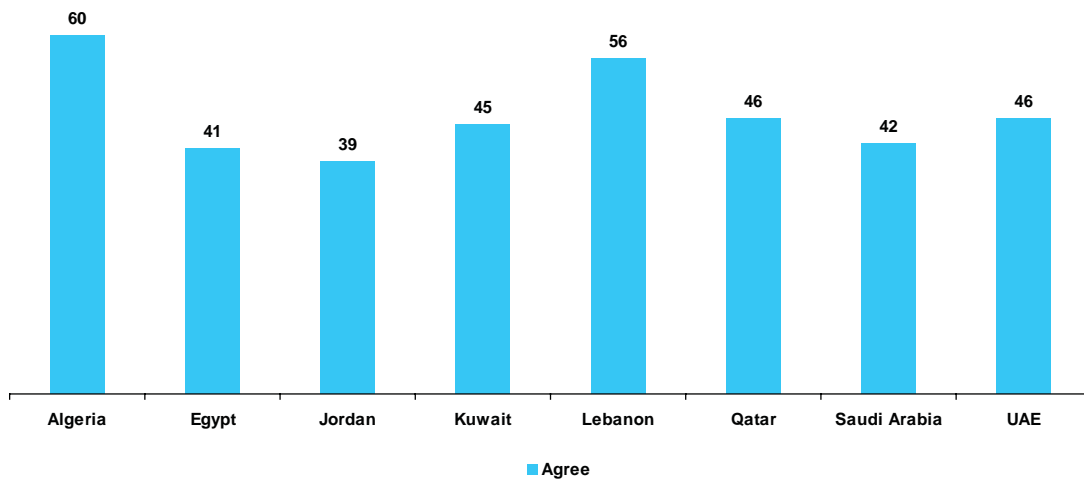


There was a high degree of satisfaction with online transactions as only 14% mentioned some dissatisfaction.

Issues Impacting Career Prospects

Online advertising has impacted purchases of 39% of respondents in the last 12 months. Among GCC Arabs, it was 49%. 45% also felt that they were curious enough to click on any ad that they found attractive. Residents of Algeria and Lebanon were more prone to being attracted to online ads. All this indicates that online shopping and advertising is a significant market.

Will click on any ad if it is compelling enough

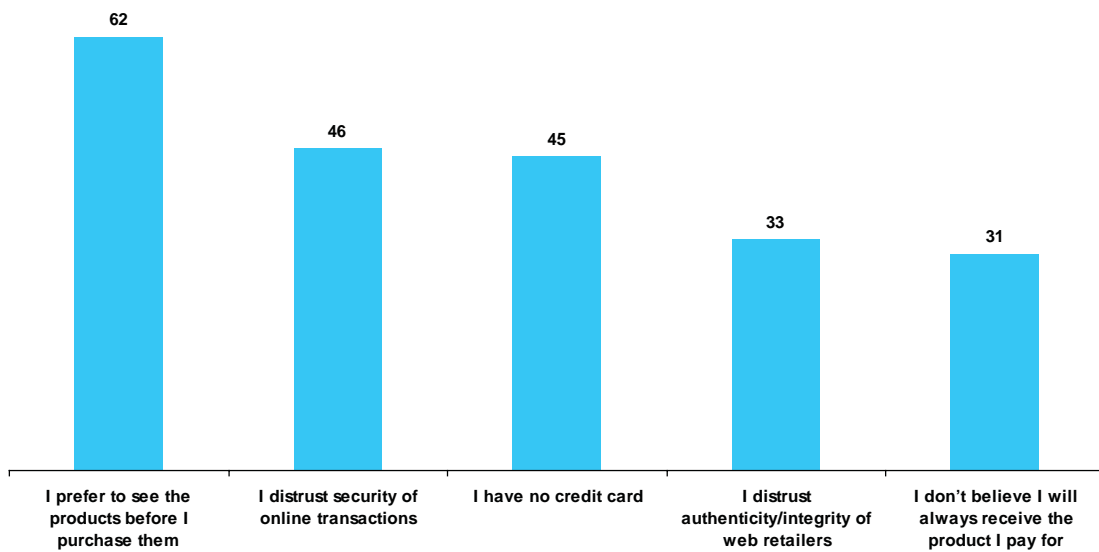


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The main reasons for refraining from making online purchases related to wanting to see the physical products, security and trust concerns and lack of a credit card. This explains to some extent the nature of online purchases made – travel packages, software and books do not really need a physical check before purchasing. Therefore, online advertising definitely has a strong influence on brand awareness and consequent purchase but online purchases might be restricted to certain products and trustworthy sites.

Barriers to Online Purchase



Find Jobs

- Jobs in UAE
- Jobs in Bahrain
- Jobs in Egypt
- Jobs in Jordan
- Jobs in Kuwait
- Jobs in Lebanon
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- البحث عن الوظائف في الكويت
- البحث عن الوظائف في لبنان
- البحث عن الوظائف في المغرب
- البحث عن الوظائف في قطر
- البحث عن الوظائف في السعودية
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