



Crimson Hexagon



The Middle East Consumer Trends Report





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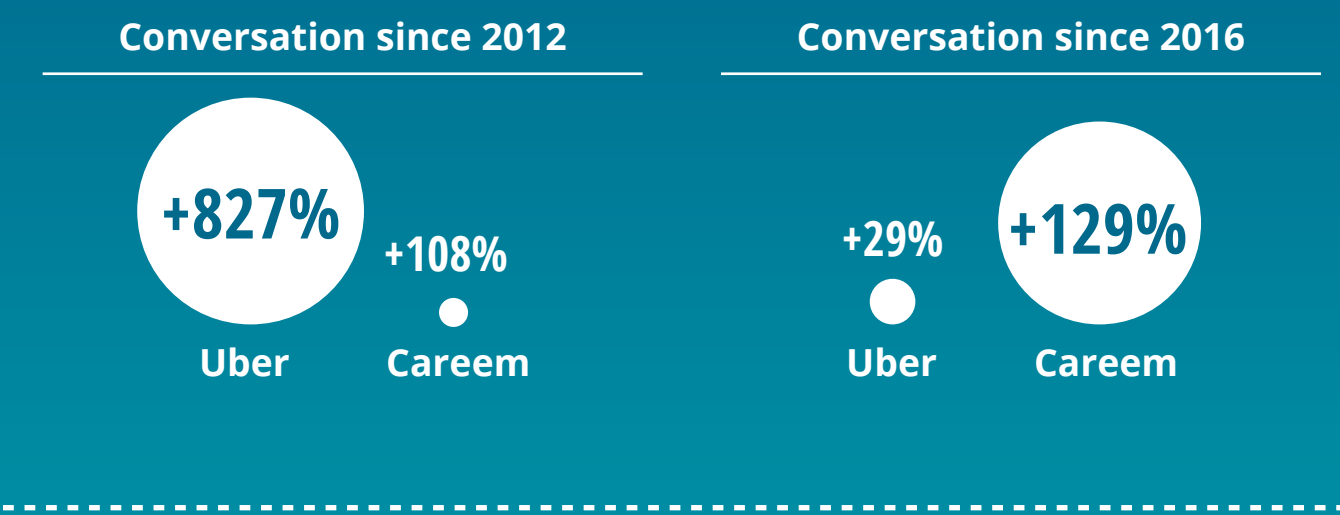
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Key Findings

The Sharing Economy

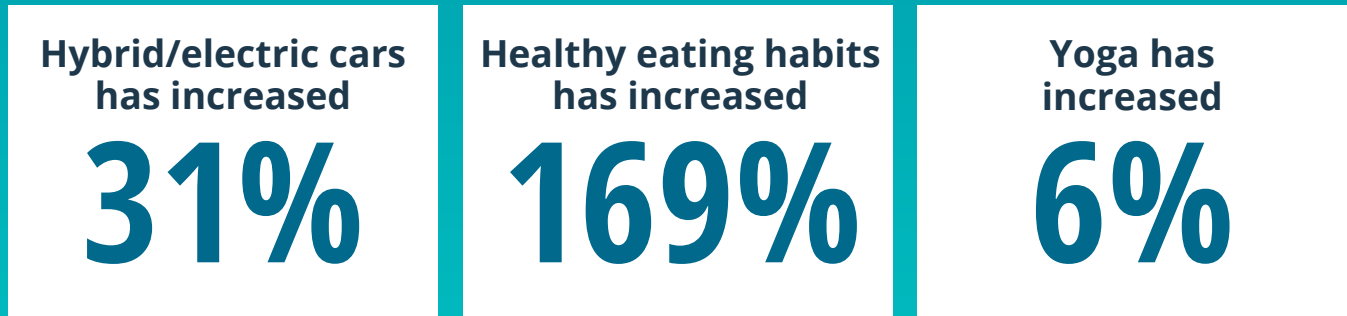
Middle Eastern consumers still prefer established local competitors despite a growing presence of international sharing economy conglomerates.



Health Revolution

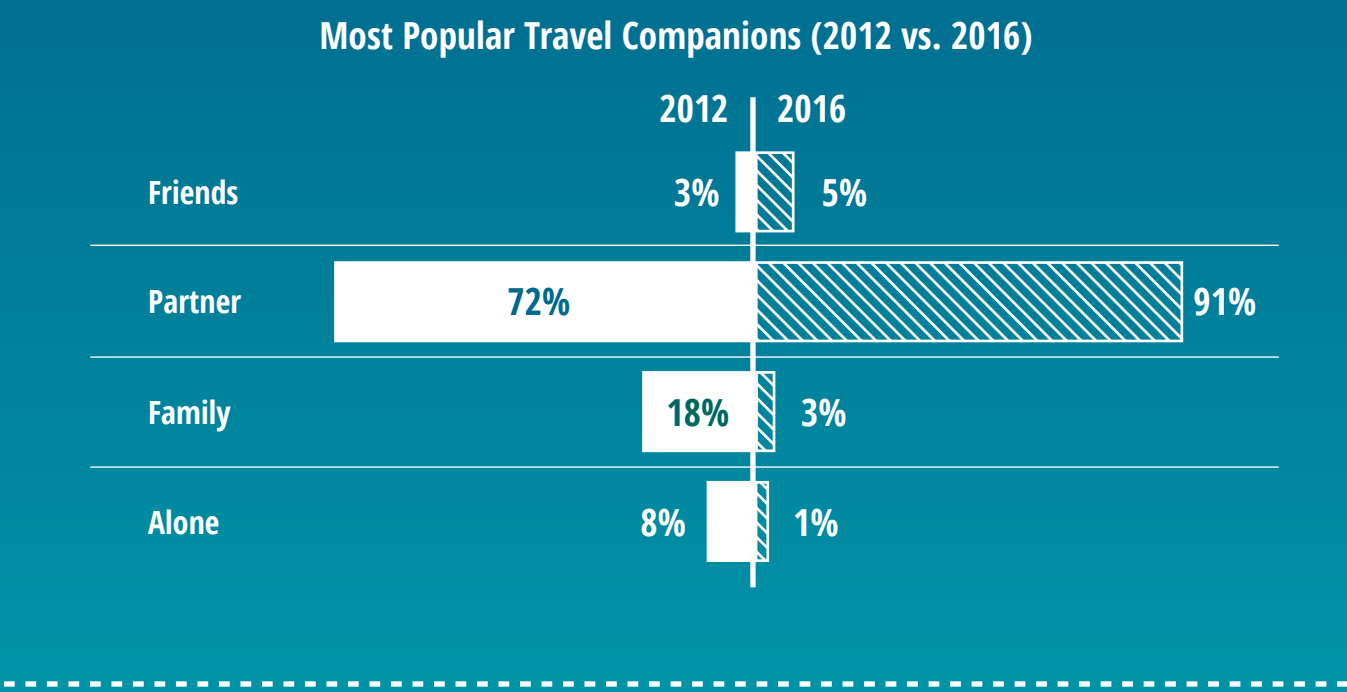
Middle Eastern consumers are becoming more interested in healthy lifestyles, both for themselves and the environment, a shift that has been primarily driven by access to social media and an increasingly global, fashion-oriented mindset.

Conversation around:



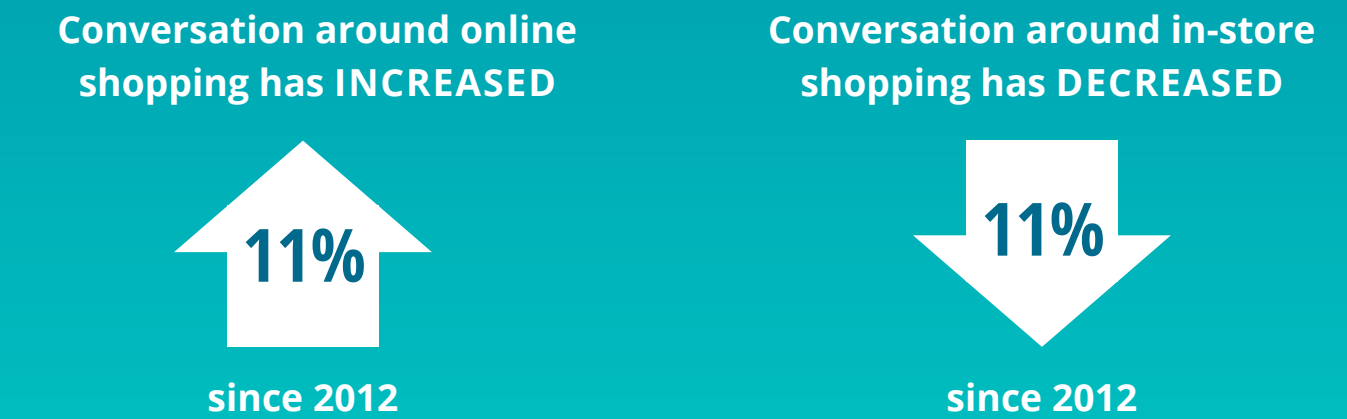
Travel

Middle Eastern consumers continue to value their more traditional preference for traveling within the Middle East, while also incorporating more international travel experiences with their partners.



eCommerce

Middle Eastern consumers are making a cautious move towards non-cash and eCommerce options, but are still deeply rooted in traditional banking, shopping, and payment methods.



Introduction

Few parts of the world are changing more quickly or thoroughly than the Middle East. Politics, culture, and **business** are remarkably fluid in the area, and the region itself is uniquely diverse, containing 17 countries and over 20 languages.

All of this makes it incredibly difficult to get a coherent picture of how the Middle East is evolving and what these changes mean. In a region so dynamic and diverse, can we ever hope to pin down the “Middle East consumer” and their motivations?

If there’s an answer, it’s social media. Consumers in the region post **over 17 million tweets a day**, and that’s just one of several increasingly popular social networks. In a few short years, the Middle East has become an active and fluent participator in the global social media conversation. The popularization of social media offers a unique lens through which to analyse consumer trends across the Middle East.

In this report, we use social media data to explore several of the key consumer trends as they develop in the Middle East. We analysed millions of conversations across popular social networks, blogs, and forums in an attempt to better understand the consumer base of the Middle East and analyse regional trends like:

- The emergence of the sharing economy
- The growth of the ‘green’ revolution
- The rise of international travel
- The modernisation of commerce

Methodology

In this report, our goal was to use social media analytics to get a clearer picture of the consumer landscape in the Middle East. To do so, we concentrated on the GCC+ countries, including:

- United Arab Emirates
- Saudi Arabia
- Kuwait
- Bahrain
- Oman
- Jordan
- Egypt
- Lebanon



Using our language-agnostic social analytics platform, we looked at English- and Arabic-language conversation across Facebook, Twitter, blogs, and forums in these regions between 2012 and 2016. By analysing historical data and comparing past and present conversations, we are able to gain insights into what is important to the Middle East consumer and what trends are growing in the region.

The majority of the report is built off of the English-language insights, but where we found a significant divergence between the English- and Arabic-language conversations we have included analyses of the Arabic-only conversations.



Has the Sharing Economy Spread to the Middle East?

What happens when global and local meet?

In the last decade, sharing-based companies like Airbnb and Uber have exploded in popularity. Airbnb is now **more talked about on social** than the leading hotel brands, and it is threatening to **unseat hostels in Europe**. Uber is now active across the industrialized world, and making inroads in even the most **remote locations**.

But the Middle East has always been different. Its unique customs and history make the region, in some ways, harder to disrupt than places like Europe and Asia. Is this changing? Or should we expect Middle Eastern consumers to remain strong in their preference for local options?

In this section, we look at two major mounting sharing-economy battles, each between a Middle East incumbent and a global titan:

- Airbnb vs. Local Hotels
- Uber vs. Careem

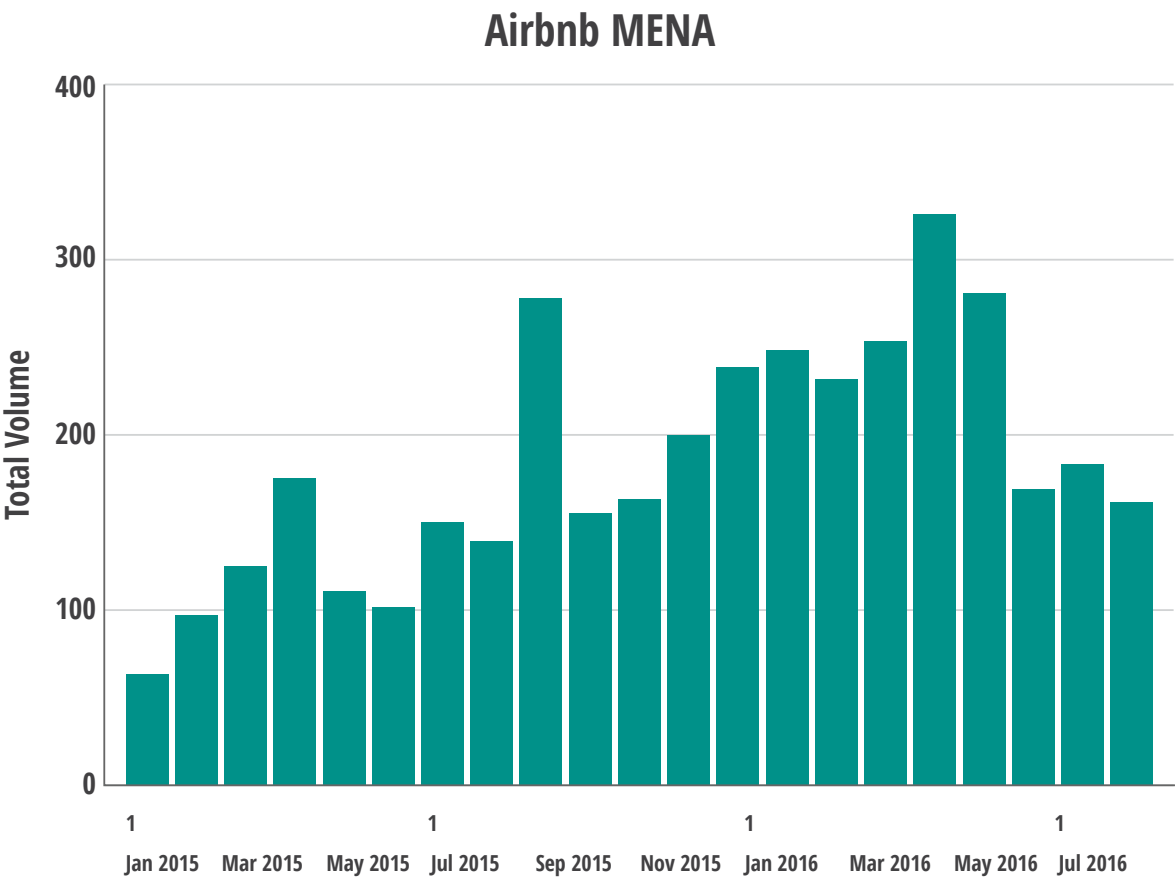
SECTION ONE The Sharing Economy

Be My Guest?

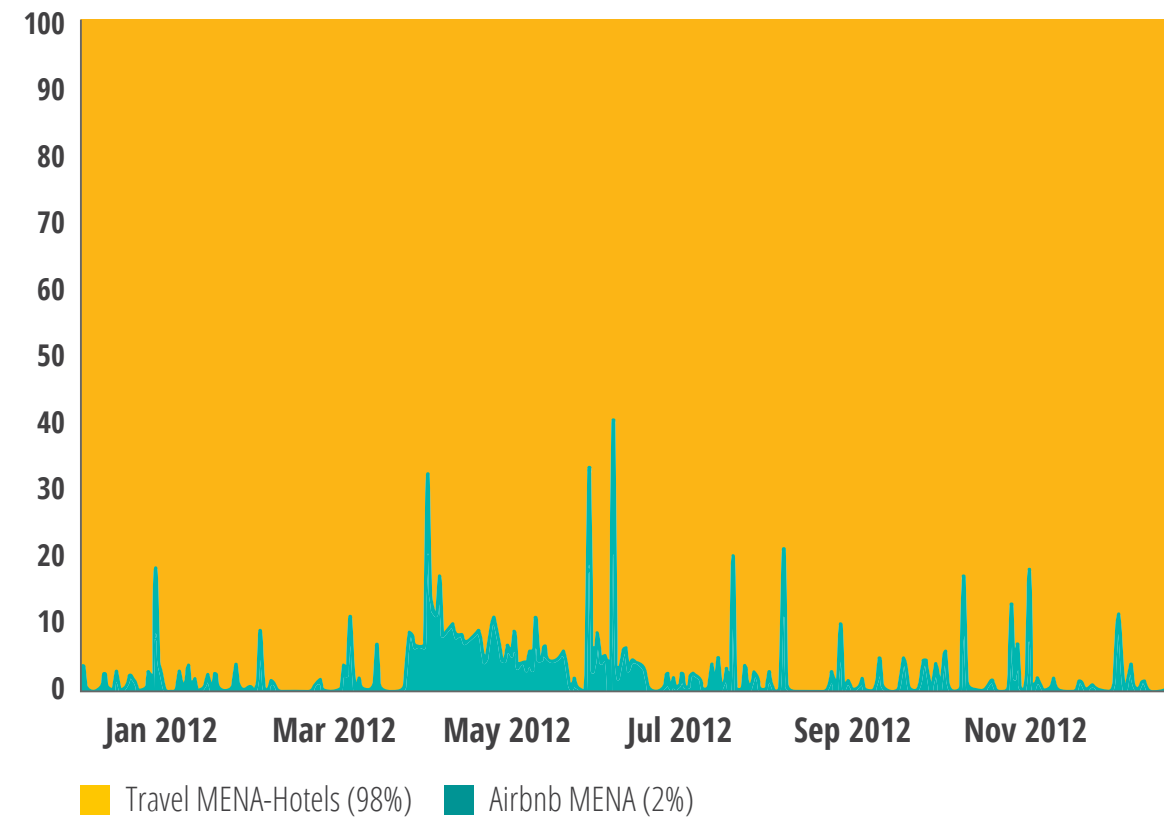
Airbnb takes on local hotels

Airbnb first launched in the Middle East in 2011, and has grown significantly in popularity since. In fact, social conversation in the region surrounding the home-sharing service has grown more than 120% since the beginning of 2015 alone.

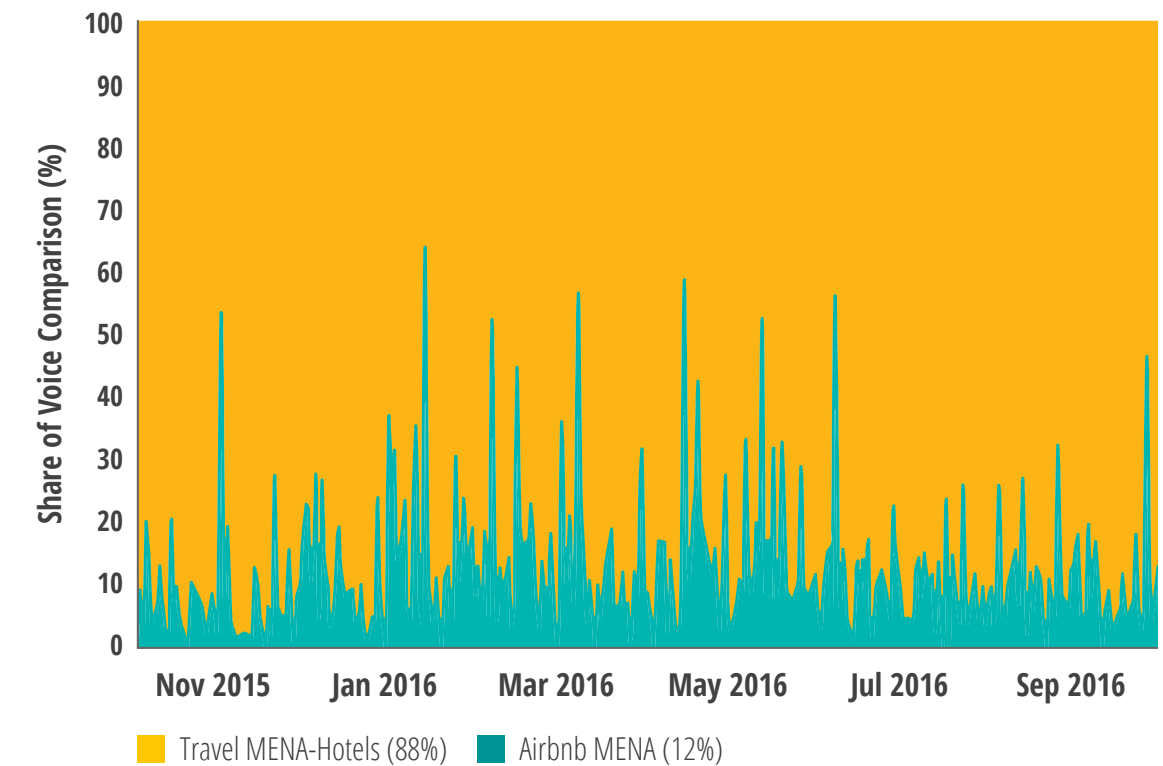
While Airbnb conversation in isolation has risen rapidly, it still hasn't mounted a serious fight against the region's established hotel industry. *When we compare the social conversation surrounding Airbnb to the discussion about the local hotel industry, we see that—despite making up considerable ground between 2012 and 2016—Airbnb still accounts for only a fraction of the overall conversation.*



Share of Voice: Hotels vs. Airbnb (2012)



Share of Voice: Hotels vs. Airbnb (2016)



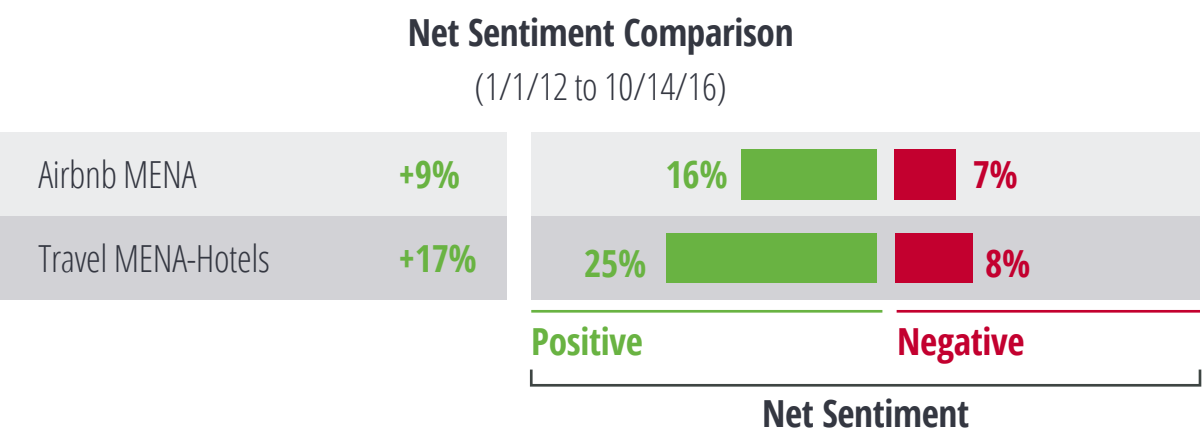
Clearly, the trend indicates that Airbnb will make up an increasingly large portion of the Middle East lodging conversation over time. But how far will it go? Is it threatening the existing local hotel industry? Or is it more likely to hit a ceiling?

To answer these questions it is helpful to not only compare shares of voice, but also to analyse how consumers actually feel about the growing fight between Airbnb and local hotels.

For that we turn to sentiment.

Rate Your Stay

If we want to assess whether the home-sharing trend is likely to grow or peter out in the Middle East, we must get to the core of how consumers in the region feel about it, not simply whether they talk about it. Using Crimson Hexagon’s sentiment analysis, we were able to do just that.



As you can see, Airbnb has a lot of ground to make up in terms of eliciting positive reactions from consumers: conversation surrounding the home-sharing company is 9% more positive than negative. Local hotels, on the other hand, nearly double that rate, with the conversation being 17% more positive than negative.

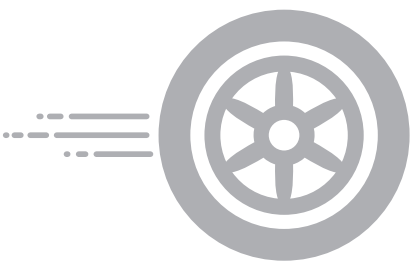
From the data outlined in this section, we can glean that Middle Eastern consumers are increasingly interested in Airbnb, and more accustomed to using it in conjunction with or in place of local hotels. But not completely. **Consumers still prefer local hotels, both in terms of how much they talk about them and how positively they feel about them. Home sharing is likely to become a bigger part of the Middle Eastern landscape, but it is unlikely to supplant the local hotel industry any time soon.**

Can the same be said for another American-born sharing economy giant?



Uber Hits the Road

But can it speed past the homegrown option?



In much of the world, Uber’s main competition is traditional taxis. But in the Middle East, Uber is pitted against a different kind of competitor, one that looks and acts a lot more like itself.

Careem is a Dubai-born, app-based taxi-booking service operating throughout the Middle East since 2012. When Uber entered the region, it had an uphill battle

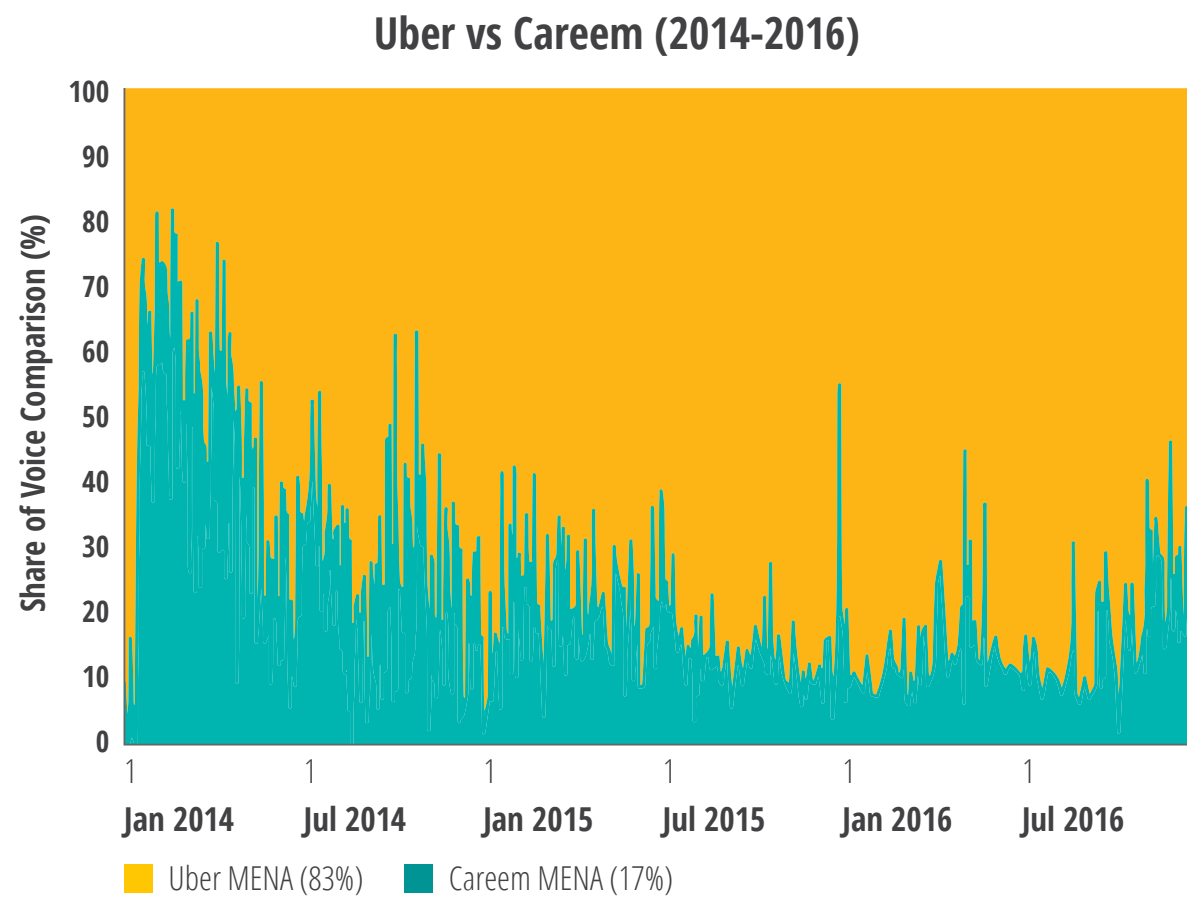
in displacing a similarly tech-enabled option that already had a foothold among local consumers.

So how is Uber doing in the Middle East? Has it managed to capture a majority of the ride-hailing market like it has in so much of the world?

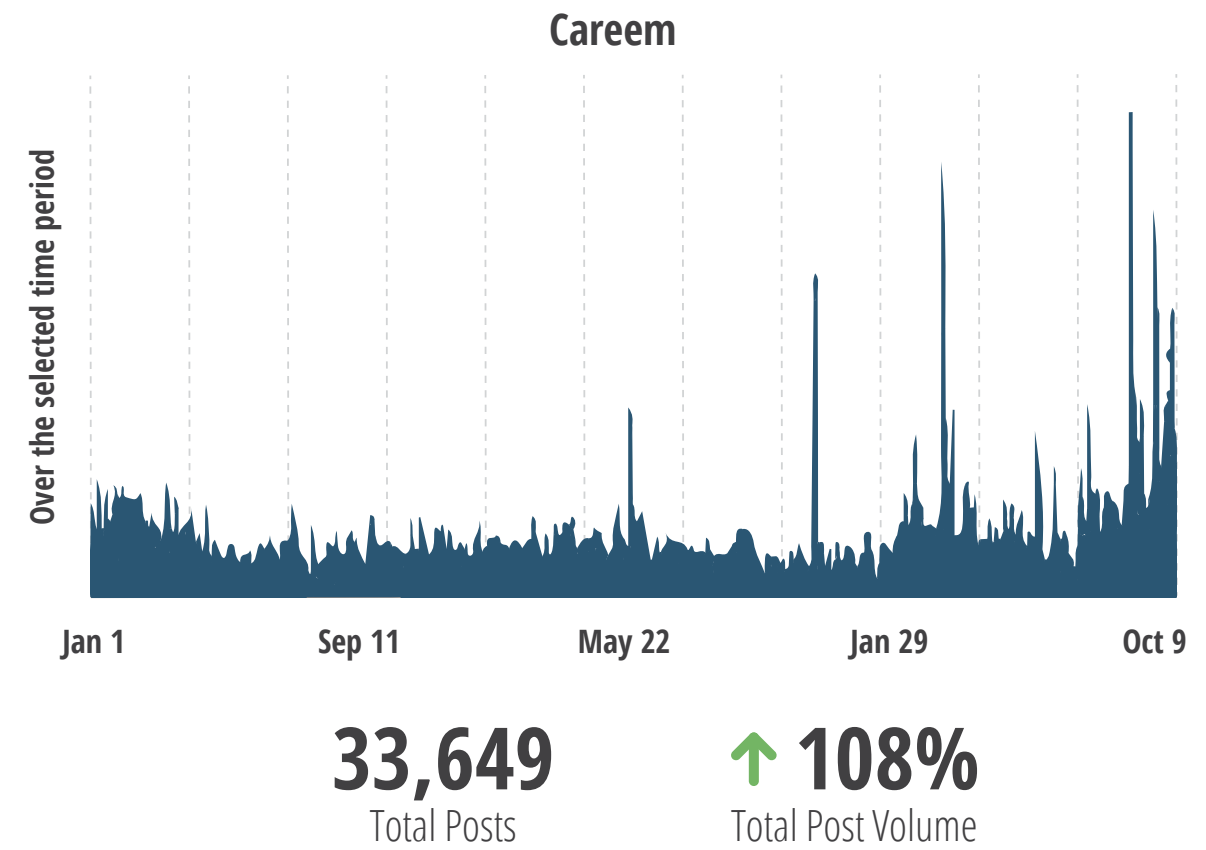
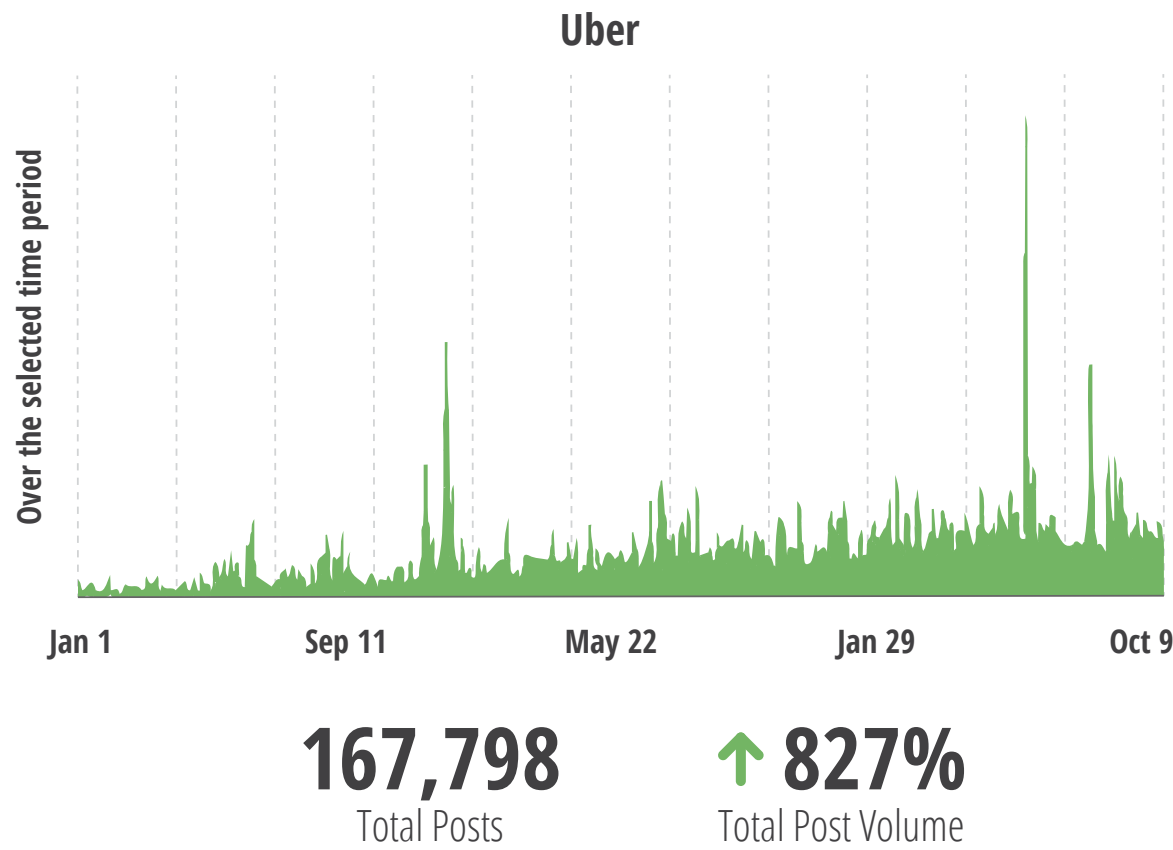
Sprint or a Marathon?

It turns out that declaring a victor in this race is particularly more nuanced than in the case of Airbnb vs. Middle East’s local hotels.

First things first: There is no denying that Uber has gained serious traction in the Middle Eastern Market since 2014. In fact, during that time, Uber has caught up to, surpassed, and then lapped Careem in terms of social media volume.



When each company is looked at individually, the picture is even clearer. **Uber’s post volume has increased an astounding 827% since 2014. Careem’s social footprint has grown, too, but by a much more pedestrian 108%.**

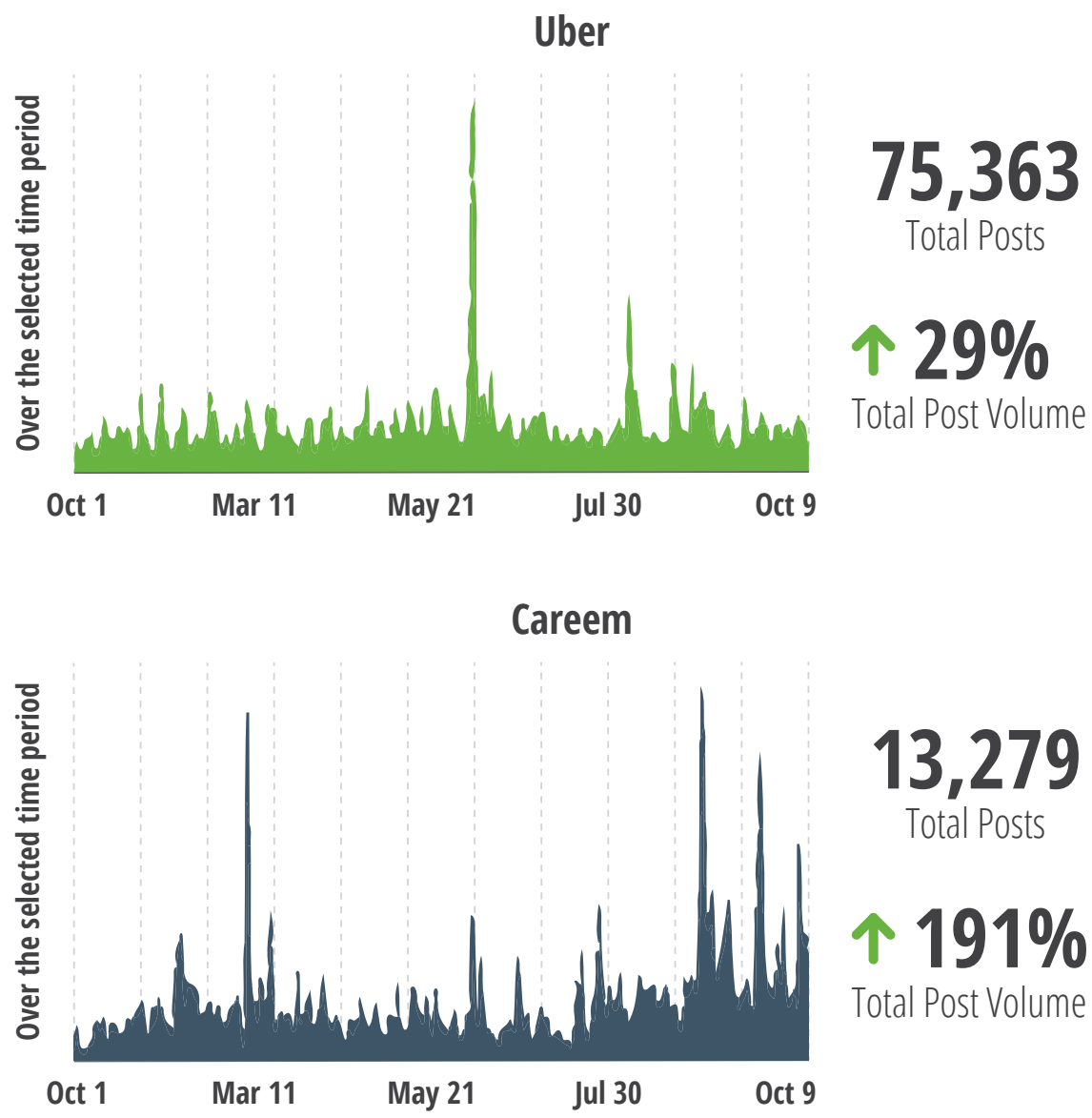


This data makes a pretty convincing case that Uber is in pole position in the Middle East, right? In fact, extending that trajectory, we should be assume that Uber will dominate almost the entire ride-sharing conversation in the region in just a few years, right?

Not so fast. When we zoom in on a much more recent window, the story takes on a new tone. **Despite early success, Uber’s dominance in the region appears to be flagging, thanks largely to declining consumer sentiment.**

How's My Driving?

When we narrow our focus to just 2016, we start to see that Uber appears to have hit a bump in the road. *In the last year, Uber's conversation volume has slowed, while Careem's has picked up steam.*



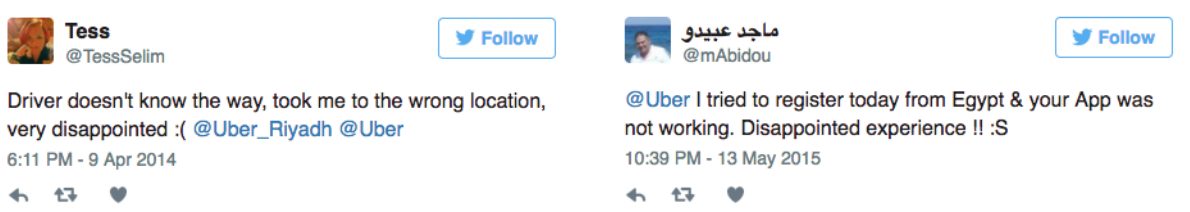
In a clear reversal, Careem and Uber now seem to be moving in opposite directions. The question is why?

Just as it was in the home-sharing conversation, it is useful to turn to sentiment analysis here—how do consumers feel about each service?

Before we do however, its important to mention that current events, specifically government funding of Uber in Saudi Arabia and recent investment by Saudi Telecom Co. in Careem may have had some effect on these results. While our analysis is more an overarching look at the region, and not focused so much on incidentals, we felt it irresponsible not to at least mention these important happenings amongst the industry. Now onto sentiment!

Although consumers discuss Uber on social media more, they are also much more likely to do so negatively than when they talk about Careem. In fact, the difference is stark: Uber conversation is only 4% more positive than negative, while Careem conversation is 25% more positive than negative.

When we dive into the conversation, we start to understand this notable disparity. The negative sentiment surrounding Uber typically stems from frustrations with the app and with rude or unpleasant drivers.



One of the most persistent themes in our analysis of consumer trends in the Middle East is the preference for local services. The negative sentiment surrounding Uber offers another angle on this: consumers in the region tend to think of Careem as a much more local and familiar option than the international Uber.

An analysis of both sides of the conversation bears this out.

Local Guides

When we separate the Uber audience from the Careem audience, we see that the two sides have markedly different interests, especially through the lens of local vs. global.

On the left, we see that consumers discussing Careem are much more likely to be interested in Middle East-specific topics and areas such as Dubai, the Emirates, and small businesses.

The Uber audience, on the other hand, is much more centered on international, tech-focused topics such as Silicon Valley, digital media, and entrepreneurship.

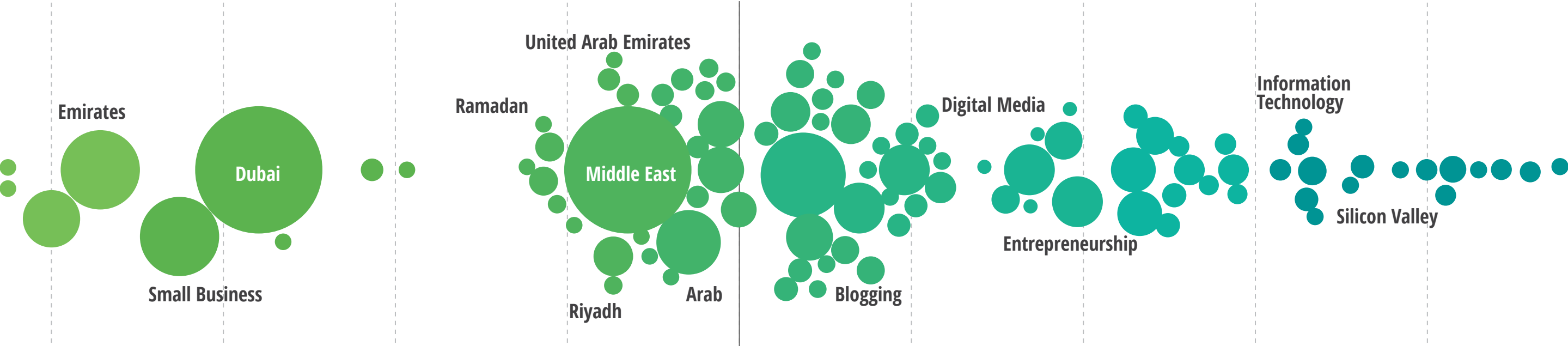
Think Globally, Act Locally

What does all this data tell us about the future of the Middle Eastern consumer? Mostly it suggests that they are at a bit of a crossroads—caught between tradition and modernisation and, most importantly, between local and global.

The differences in consumer sentiment between home-sharing and ride-sharing is a useful way to look at these competing forces. Airbnb’s rising conversation volume and relatively high sentiment suggests that home sharing may have a future in the region. Although it is competing against an established (and seemingly popular) local hotel industry, Airbnb shows signs of gaining a foothold in the Middle East.

But where Airbnb is locals offering their homes to visitors from both within and outside the region, Uber is slightly different. It is competing against a similar service that has a much more local presence and history. Uber’s arrival in the region was greeted with excitement and much discussion, but those have both declined as problems around the service’s local knowledge have surfaced.

Careem MENA vs Uber MENA Affinities





SECTION TWO

Health Revolution

Across the globe, consumers have shown a growing interest in health, both for themselves and the environment. Staying active, eating well, and exhibiting eco-friendly behaviours have all become integrated into daily life, as well as on social media.

But is this the case in the Middle East? Do consumers in that region share the growing interest in health and wellness? How is the perception of personal and environmental health evolving in the Middle East.

In this section, we use social media to analyse how consumer opinion about these topics is evolving, and look specifically at:

- Clean Energy
- Healthy Eating
- Staying Active

A Green Revolution in the Desert?

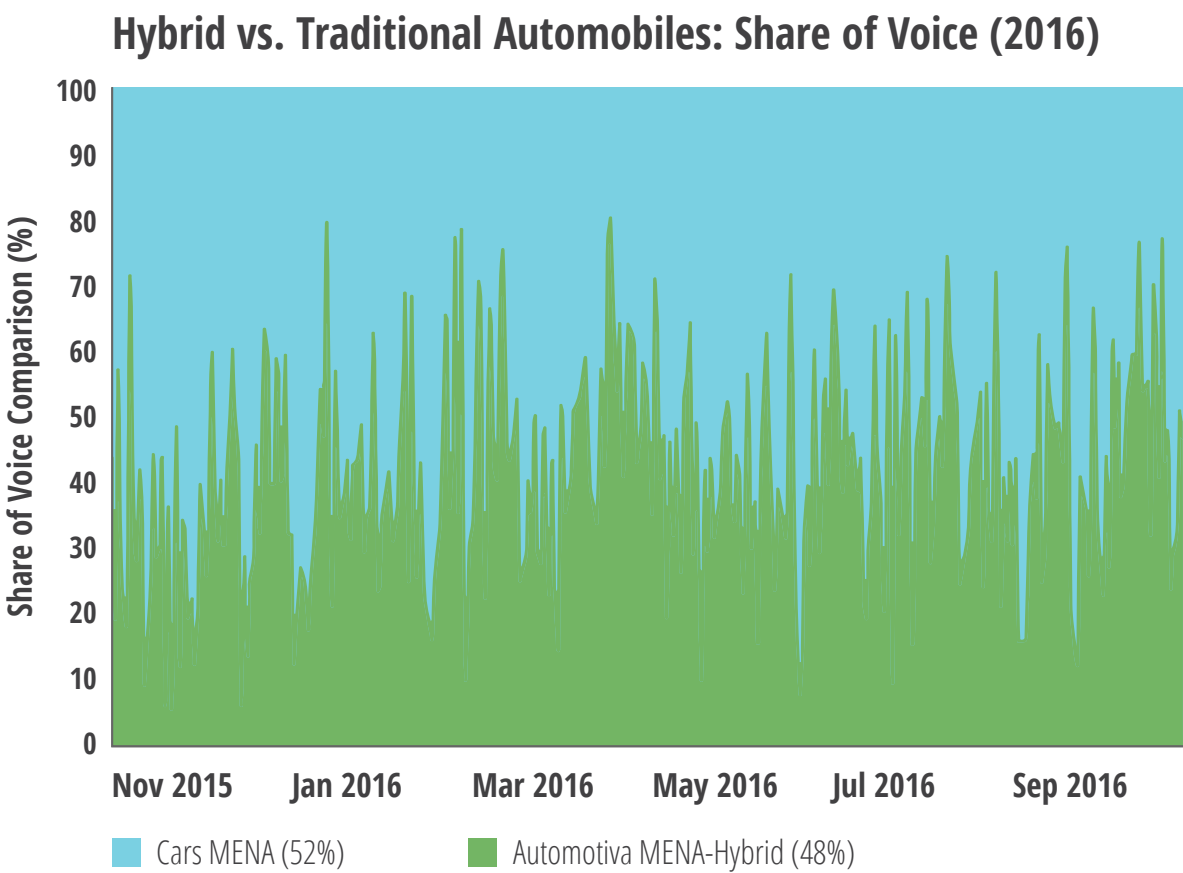
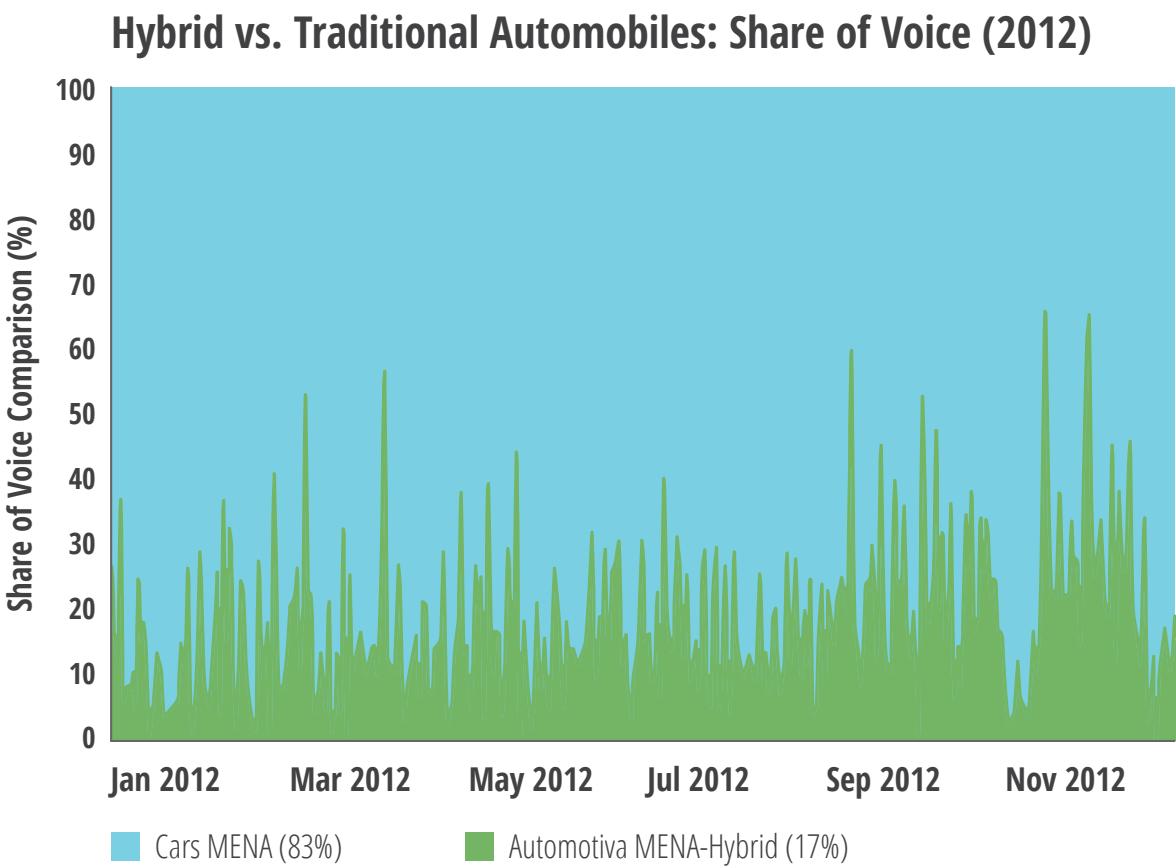
Evolving perception of clean energy in the Middle East

The Middle East and oil are often mentioned in the same breath. The region has long been the main exporter of oil for the world, and as such, has helped support the boom of automobiles everywhere from Europe and the United States to Asia and Africa.

But growing awareness about the environmental impact of emissions and petrol has caused many consumers and organizations to promote alternatives. Has this environmental concern made its way to the Middle East?

The short answer is yes. ***Between 2012 and 2016, social conversation in the Middle East has become increasingly focused on clean and energy-efficient cars.*** At the same time, total conversation surrounding traditional automobiles has declined.

When we place these two conversations on the same chart and look at them in both 2012 and 2016, we get a clear picture of the evolving discussion.

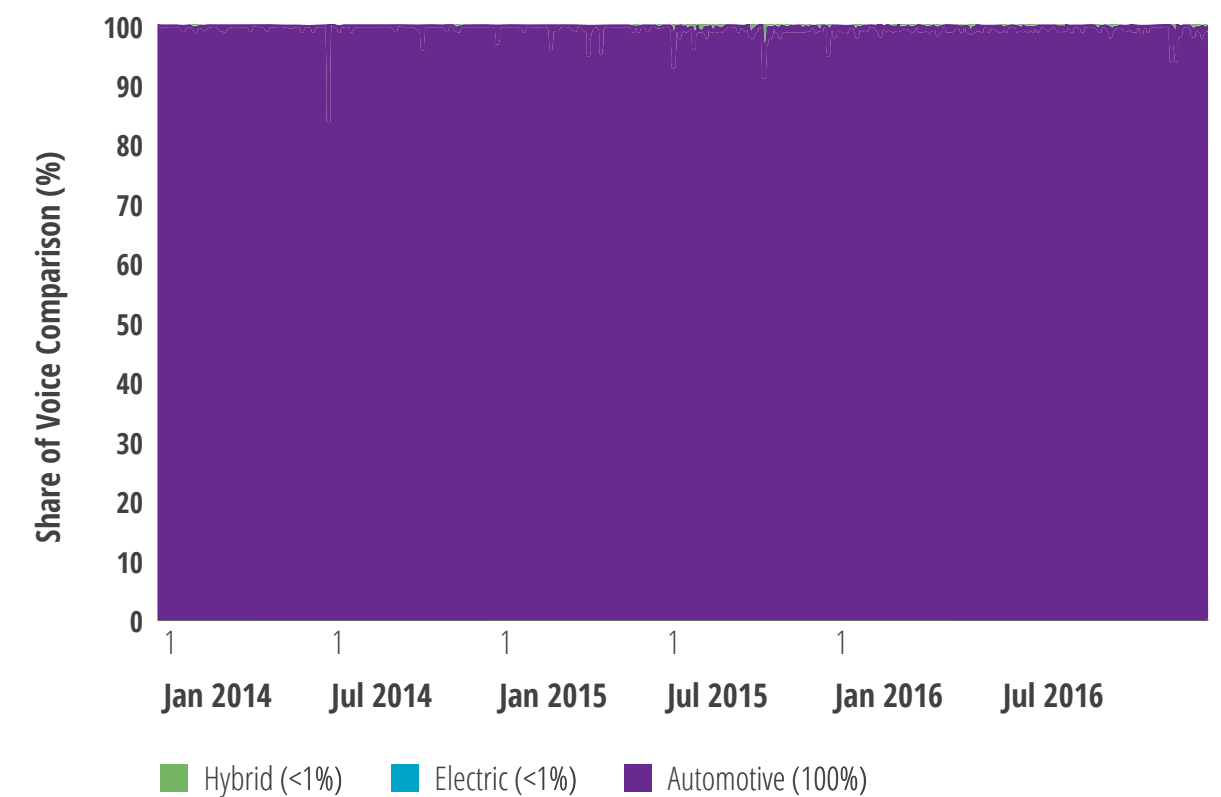


ARABIC-LANGUAGE INSIGHT

Petrol is More Popular

While hybrid and electric cars are on the rise in the English-language conversation, gas- and petrol-powered cars still dominate the Arabic-language conversation.

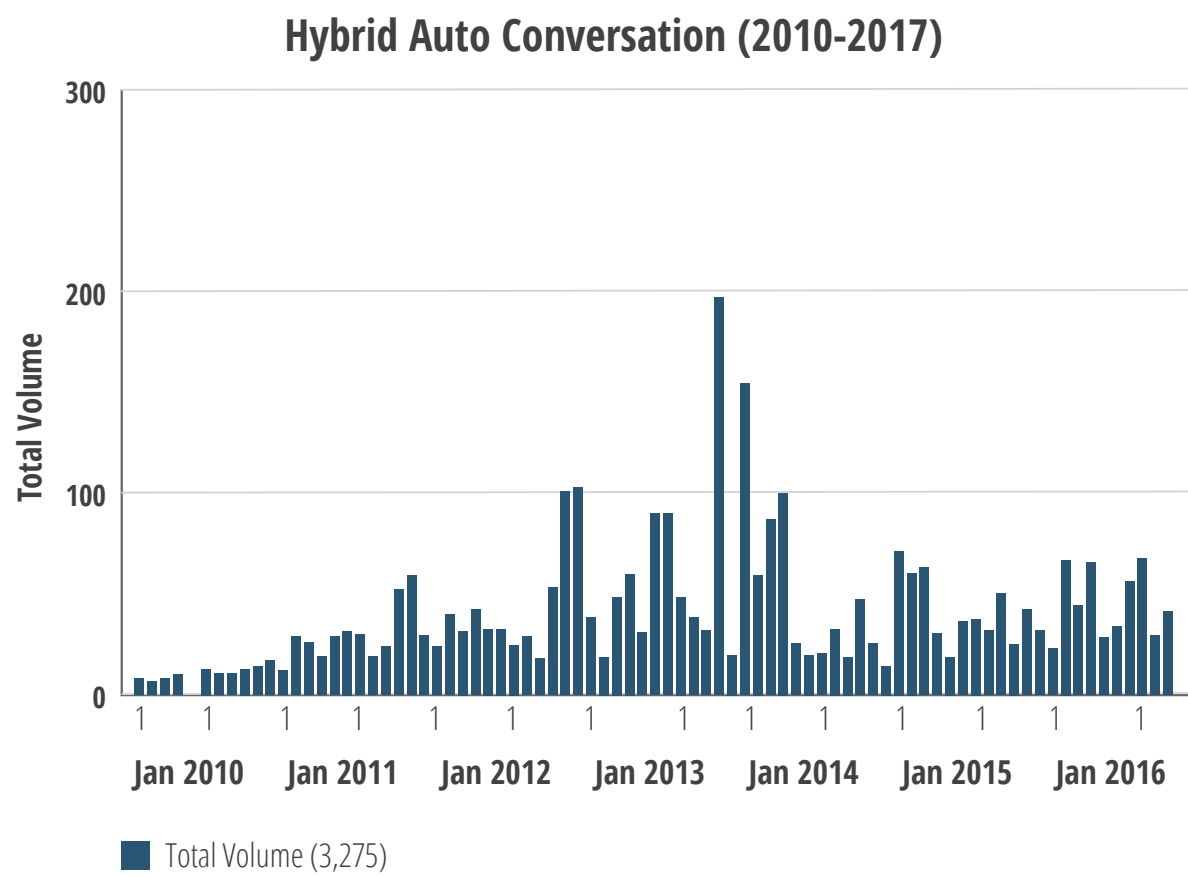
Automotive Trends: Hybrid vs Electric (Arabic Language)



Hybrid vs. Electric

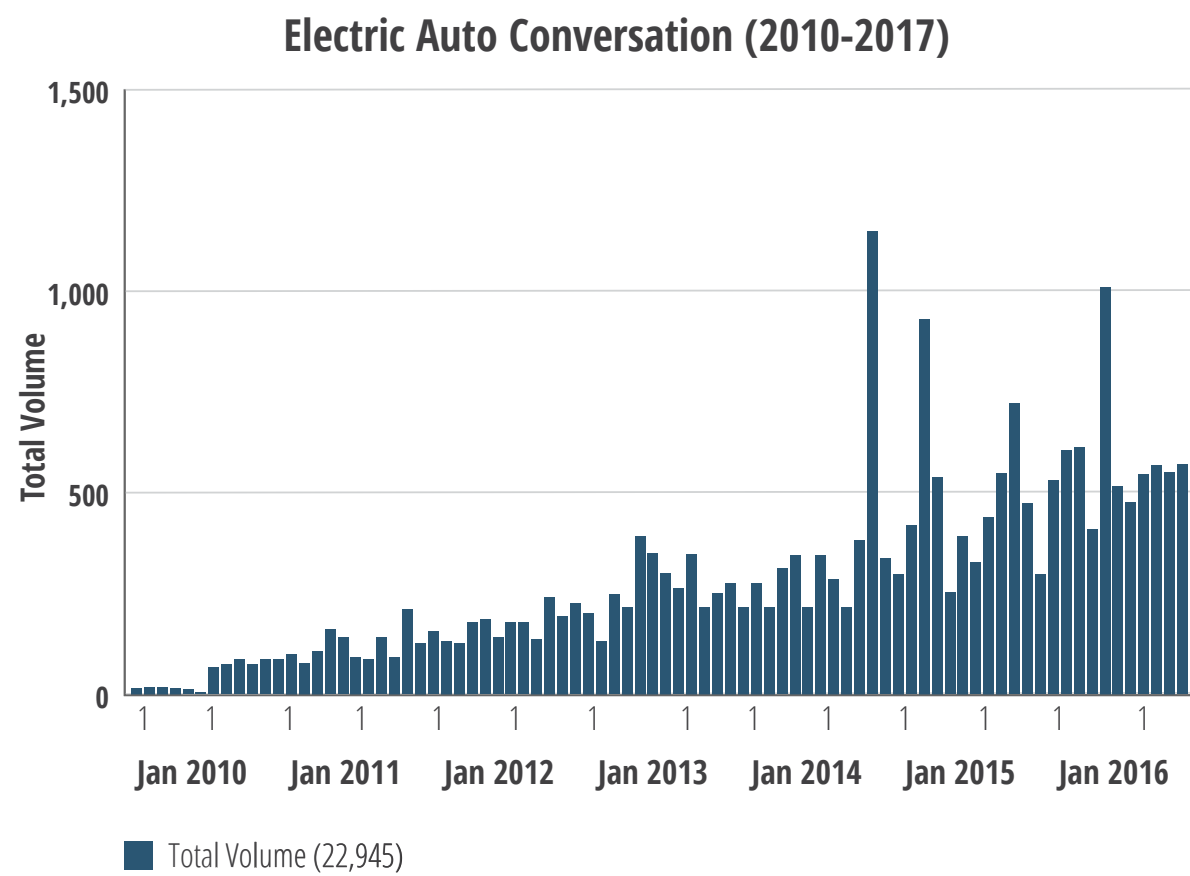
It's clear that the conversation surrounding more energy-efficient vehicles is growing, but can we get more granular? What can we learn by looking at the specific types of energy-efficient vehicles most popular among Middle Eastern consumers?

We start to see this differences when we separate hybrid and electric cars and analyse their conversation volume over time.



Electric cars are clearly winning this battle. Despite a spike in 2013, social conversation about hybrid cars has remained flat, while conversation about electric cars has grown steadily for the last half decade.

There's no certainty that this trajectory will continue, but the data makes a compelling case that Middle Eastern consumers are increasingly interested in electric cars, while hybrid conversation has stalled, and discussion of petrol-burning cars is going in reverse.



Regional Differences

We’ve already discussed that accounting for the diverse nature of the Middle East is critical for accurately understanding emerging trends there, and this is especially true in regards to energy preferences.

For example, when we separate the Middle East into countries, we start to see that these subregions have different opinions and proclivities around car types. **For example, both electric and hybrid vehicles are popular in the UAE, but consumers in Saudi Arabia and Egypt are more likely to discuss electric cars, while hybrids take the top spot in Jordan and Qatar.**

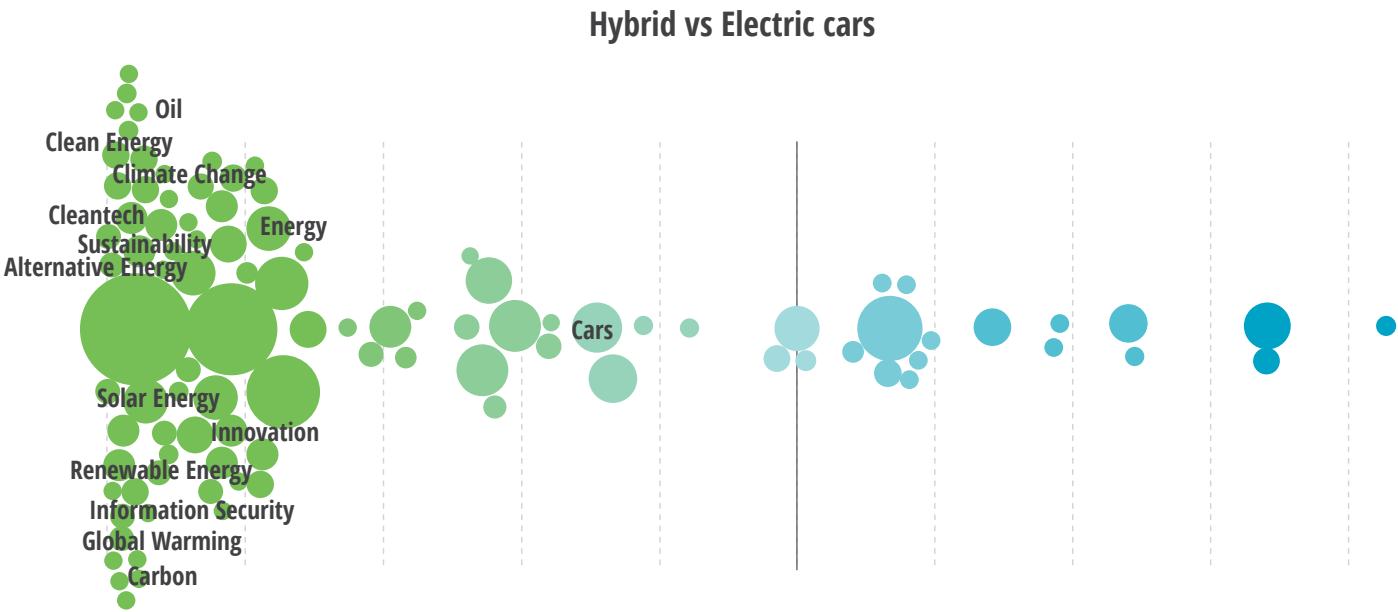
Electric Cars			
#	Country	Posts ↓	% of total
1	United Arab Emirates	1,403	42.55%
2	Egypt	413	12.53%
3	Jordan	377	11.43%
4	Saudi Arabia	314	9.52%
5	Qatar	266	8.07%
6	Lebanon	231	7.01%
7	Kuwait	140	4.25%
8	Bahrain	83	2.52%
9	Oman	70	2.12%

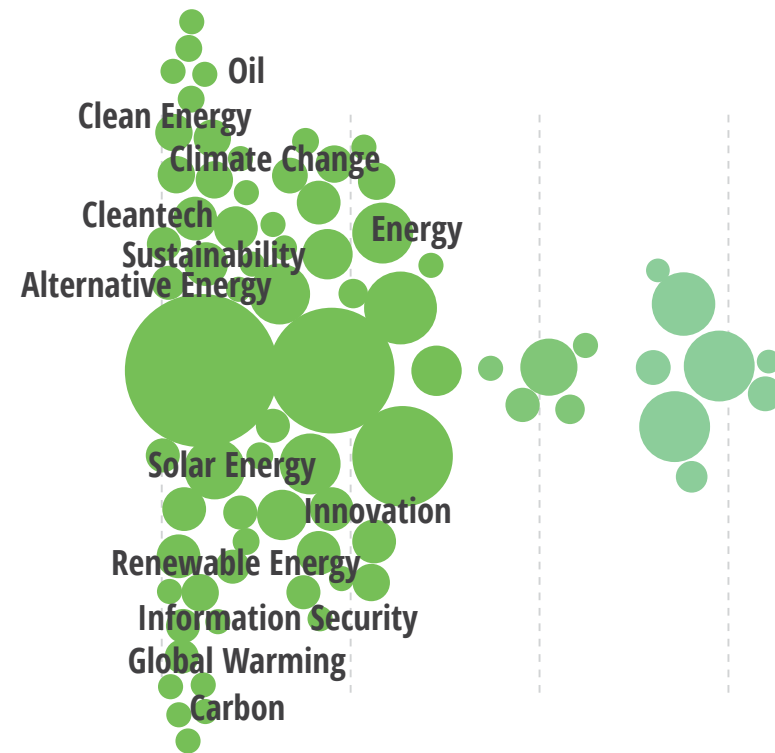
Hybrid Cars			
#	Country	Posts ↓	% of total
1	United Arab Emirates	8,383	35.81%
2	Saudi Arabia	3,887	16.60%
3	Egypt	3,653	15.61%
4	Lebanon	2,076	8.87%
5	Qatar	1,519	6.49%
6	Kuwait	1,330	5.68%
7	Jordan	1,310	5.60%
8	Bahrain	757	3.23%
9	Oman	452	2.10%
10	United States of America	2	0.01%

This exemplifies a recurring theme in our analysis of trends in the region: **The Middle East is not a monolith**, and the nuances within the larger trends are just as important as the broader shifts themselves.

What’s driving the interest in energy-efficient cars?

We’ve shown how consumer interest in energy-efficient vehicles is growing, and the specifics of what this trend looks like. But we’re still left with a larger, and more important, question: **what is behind this growing interest?**





One way to get at this is to look more closely at the consumers who are participating in this conversation. What other interests do they have? What sets them apart from other consumers in the region?

To do this, we used Crimson Hexagon to analyse the interests of consumers discussing hybrid vehicles and compare them to the overall interests of the rest of Twitter.

Looking at this analysis, it's clear that the interest in cleaner cars is part of a larger trend of 'greener,' more environmentally focused Middle Eastern consumers, who show related interests in topics like climate change, solar energy, and sustainability.

Does this profile of an environmentally conscious Middle Eastern consumer carry over to often related trends like healthy eating and lifestyles?

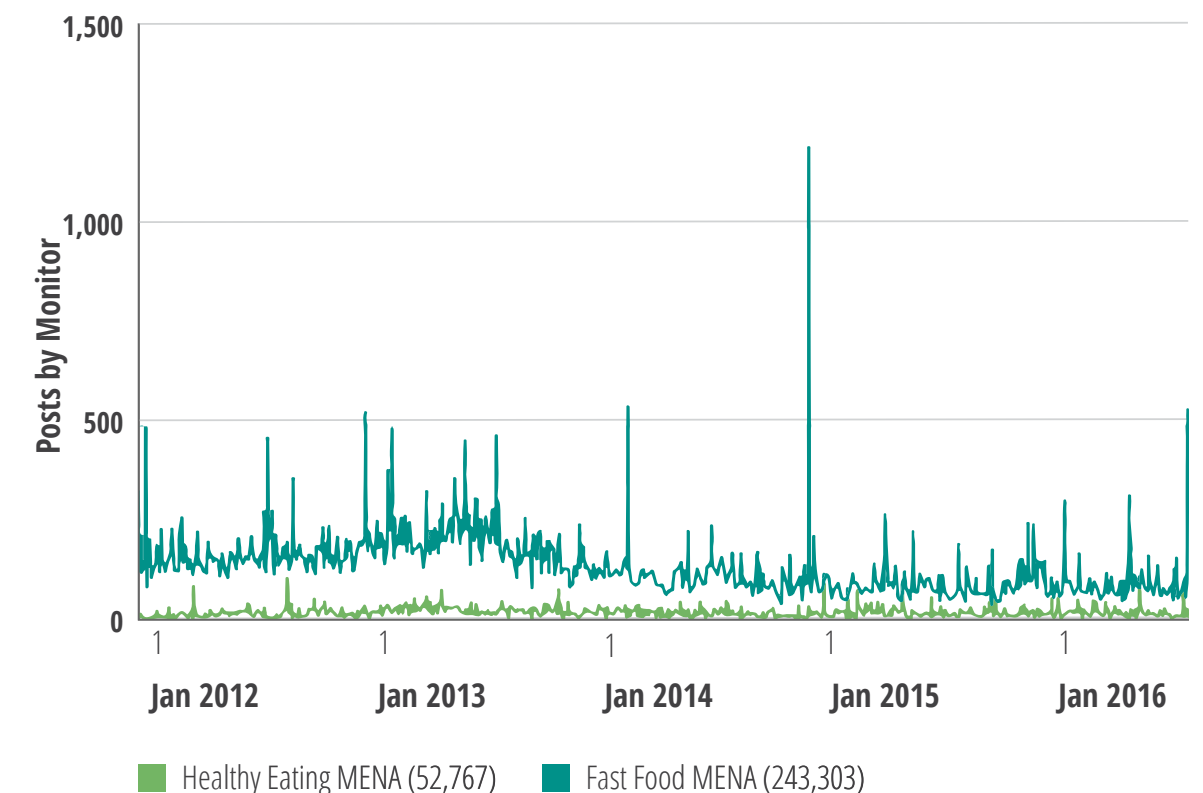
Healthy Habits Hit a High Note

Healthy eating habits surge, while fast food takes a hike

Although personal health and environmental health aren't strictly related, there is often overlap in the minds of consumers. Being conscious about what we put into our bodies often coincides with being conscious about what we put into the environment.

In the Middle East these trends tend to be related as well. ***When we analysed conversations around eating habits throughout the Middle East, we found conversation about healthy eating and natural foods has remained constant while conversation about fast food has declined 62% since 2012.***

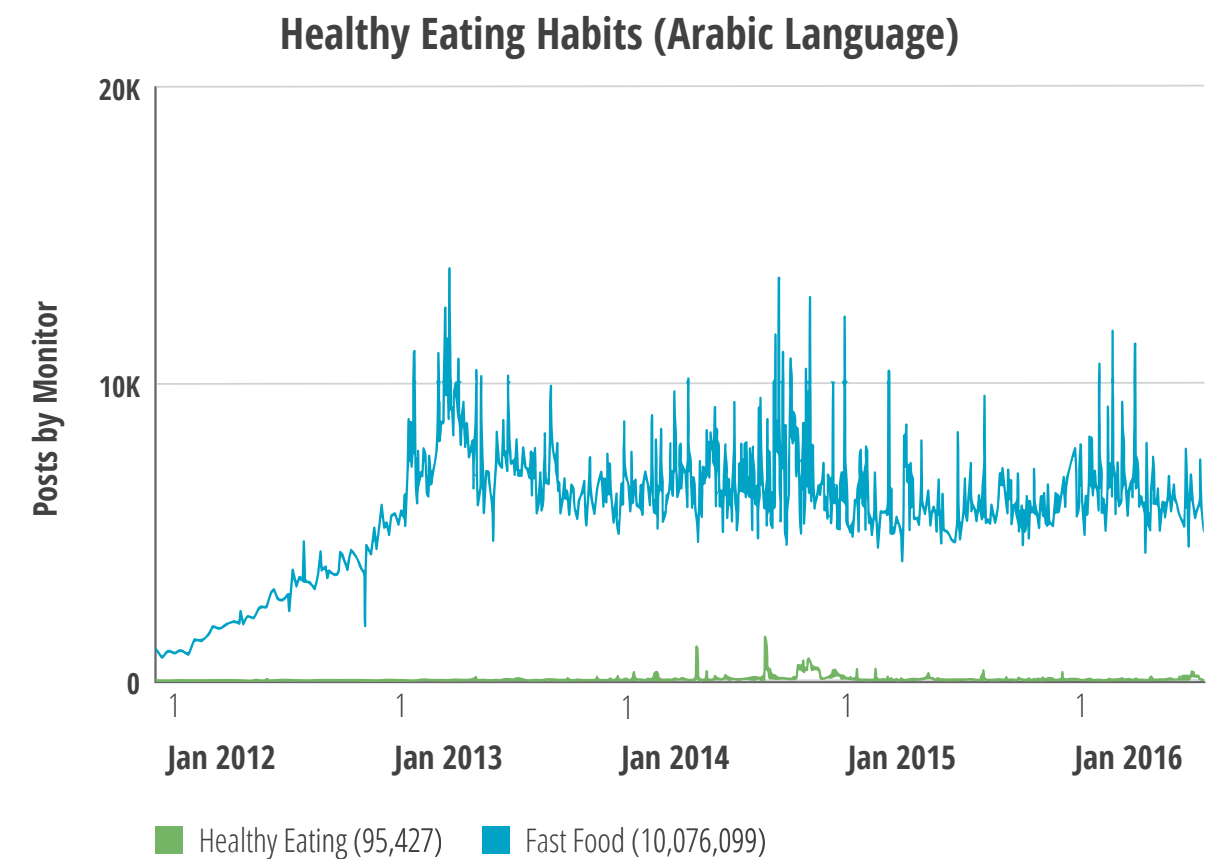
Fast Food vs. Healthy Eating (2012-2016)



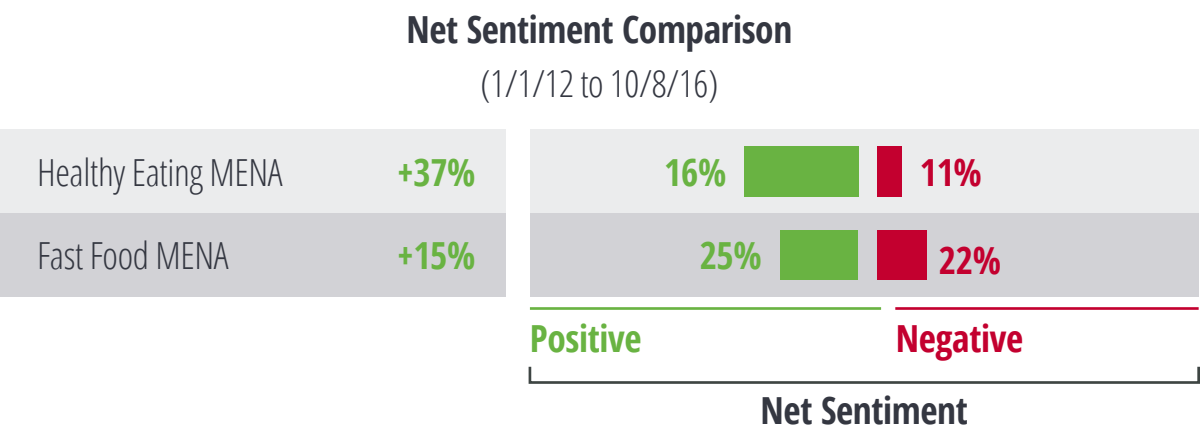
ARABIC-LANGUAGE INSIGHT

Healthy Eating: Not So Hot

When we analysed the English-language conversation, we saw that conversations about healthy eating were on the rise while fast food discussion was dwindling. But when we filtered just for Arabic conversation, the opposite was true: fast food conversation was rising sharply and eliciting a much more positive sentiment



And it's not just the conversation volume about eating fast food that has changed; consumers' feelings have also evolved.

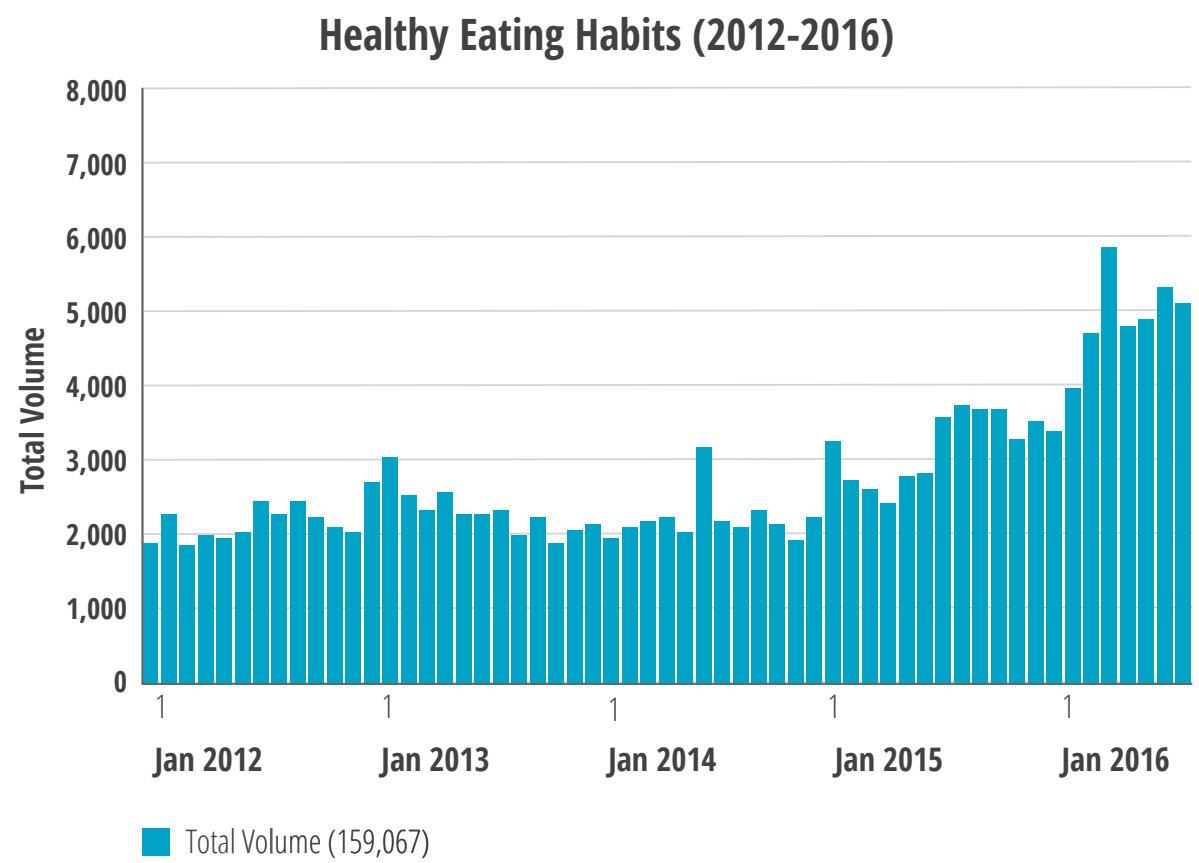


As the chart shows, the social conversation around healthy eating since 2012 has a net positive sentiment of 37%, while fast food conversation is much lower, at just 15% positive. When we analyse this sentiment over time, the picture is even clearer: **Sentiment around fast food has dropped 16% since 2012.**



So we can tell that public opinion about fast food in the Middle East is declining over time, but what about the opposite? Are healthier eating options showing a reciprocal uptick?

They are. *When we look at the discussion surrounding healthier eating habits—by looking at the conversation of vegetarian and vegan diets—we see the direct inverse: This conversation has climbed 169% since 2012.*



The conversation surrounding vegetarian eating is climbing, but what does it look like? When we zoomed in we found that the healthy, vegetable-focused eating conversation is:

- [illegible]

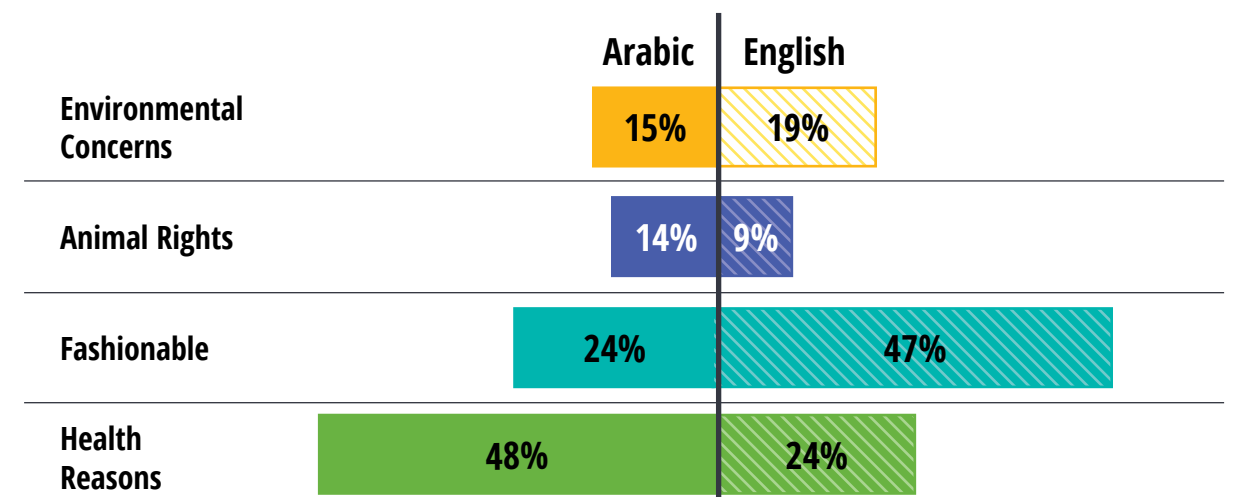


ARABIC-LANGUAGE INSIGHT

Health Tops Trendiness for Veggie Diets

In our analysis of the Arabic conversation about veggie-friendly diets, we found that health was the main factor for consumers giving up meat. This is a significant divergence from our English-language analysis, which showed that being “fashionable” was a much more important reason for going veggie.

Why do Consumers Choose Healthy Eating Habits? (English Language vs Arabic Language)



Why are consumers eating healthy?

The anatomy of the healthy-eating conversation is useful for understanding the consumers who are participating in the discussion. It is also important because it can give us a glimpse into the more important question: *Why* are consumers adopting healthier eating habits?

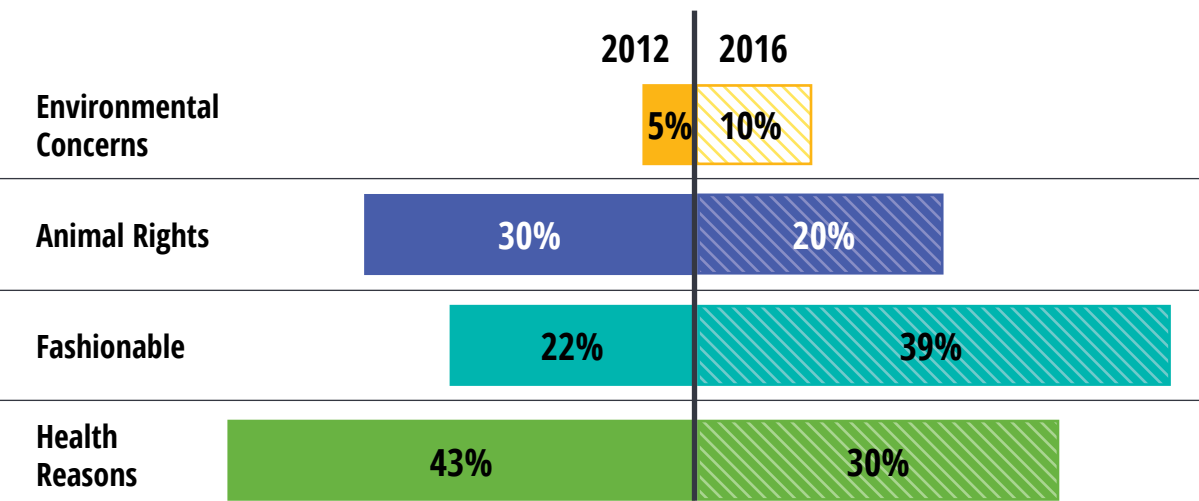
As we noted, the most common topics associated with the healthy-eating are most often related to the broader trends of making our planet and our bodies more healthful. But we also noticed that there’s a significant portion of the conversation centered around the fashionable aspect of healthy eating.

Is there really a connection between fashion and healthy eating?

Yes, and it is becoming stronger.

When we broke down the healthy-eating conversation by year and compared 2012 to 2016, we got a clear story: ***Healthy eating has become more fashionable in the last half decade, and it is a major reason why the trend of healthy eating is gaining steam.***

Why do Consumers Choose Healthy Eating Habits? (2012 vs. 2016)



Since 2012, the fashionable aspect of the healthy-eating conversation has grown 25%, significantly more than any other reason.

What does this tell us about the green trend in the Middle East? Can it help us better understand how consumers in the region think about other aspects of personal health?

The obvious next place to look is exercise.



Actively Changing

Just as global consumers have changed how they think about their diets, they have also evolved the ways they think about working out.

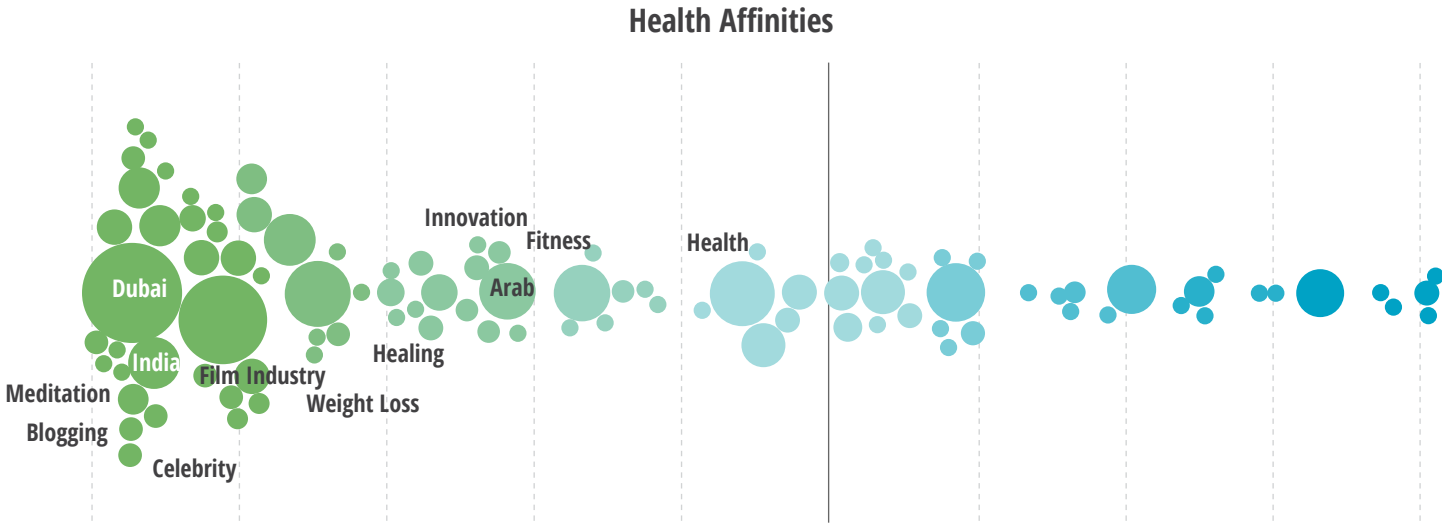
We wanted to identify exercise trends in the Middle East, so we looked the most commonly discussed sports and fitness options in both 2012 and 2016.

Sport	2012	2016
Yoga	4%	10%
Crossfit	1%	2%
Skydiving	2%	2%
Football	81%	72%
Rugby	3.5%	3.7%
Gulf	8.5%	11%

The key finding here is yoga. More than any other topic in the conversation, yoga has become increasingly popular in the last half decade. **More Western fitness options like Crossfit and golf have also seen increases over this time period, but not nearly as significant as yoga.**

What’s driving the surge in yoga’s popularity? Looking at the other interests of consumers who talk about yoga on social media, we see a familiar trend.

In addition to unsurprising topics like fitness and health, we see fashion-focused topics like ‘celebrity’ and ‘film industry.’ Just as we saw with healthy eating, **the growing interest in yoga seems at least partially related to a desire for a fashionable, modern lifestyle.**



ARABIC-LANGUAGE INSIGHT

Arabic Speakers Prefer Football to Yoga

In contrast to the findings from our English-language analysis, yoga was hardly mentioned at all in the region's Arabic conversation. Instead, football and handball topped the list.

Sport Conversation (Arabic)



Starting from the biggest then moving clockwise:

Football (team, Etihad, Saudi, Real Madrid Arab, but) / Football association (Football association, game, saudi, association head, sport) / to (but, Allah, team, national team, sport) / Hostory (best, best club in history, best team in history of football, greatest, one time) / Handball (Football, the handball association, Al Ahli team, Cup, team)



Healthy Direction

Together, the three trends discussed in this section—eco-friendliness, healthy eating, and active lifestyles—help us get a clear picture of evolving consumer attitudes in the region. Across the board, there has been a noticeable uptick in health- and environment-related topics.

What's interesting about this, however, is not just the direction of these trends, but the reasons propelling them. ***Social media has helped Middle Eastern consumers tap into modern, global issues, and as a result, consumers in the region have absorbed and nurtured an environmentally friendly, health-focused mindset.***

Although these beliefs are informed by concrete, science-backed findings, they are also driven by a growing global and fashion-oriented mindset. Electric cars (typically made by international companies), healthy-eating choices (often popularized by global celebrities), and international fitness trends (like yoga and Crossfit) are all reflective of a more international approach to health and the environment that is spreading throughout the Middle East.

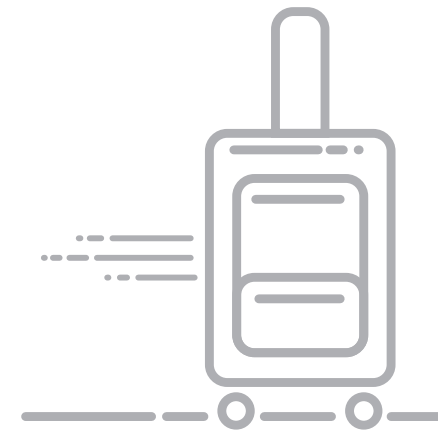
In the next section, we will use social media to analyse how this increasingly global mindset is affecting another growing trend: travel.





SECTION THREE

Travel



As we've seen in the other sections of this report, a global mindset is becoming more popular in the Middle East, and this extends to travel.

Are Middle Eastern consumers more likely to travel outside the region than they have been in the past? If so, are their travel preferences changing?

In this section, we use social media to analyse how Middle Eastern consumers think about international travel, and how their approach to it has changed in recent years. Specifically, we will look at consumers':

- Most discussed travel destinations
- Evolving travel preferences
- Preferred vacation types

Beyond Borders

ME Consumers prefer vacations outside the region, over ‘stay-cations’

In 2012, most of the vacation conversation in the Middle East centered around destinations within the region. Indeed, five of the top six locations were in the Middle East. But by 2016, that number had dropped to three.

Most Popular Travel Destination (2012 vs. 2016)	
2012	2016
Dubai	Dubai
Egypt	Egypt
Lebanon	Qatar
London	India
Qatar	Europe
Kuwait	Tokyo
Jordan	Saudi Arabia
Korea	Kuwait
Singapore	UK
America	Mexico

■ Located Outside ME Region

It’s also interesting to look at how the preferred destinations have themselves changed. London (an international city with a sizable population of Middle Eastern immigrants) was the most popular international destination in 2012. By 2016, it had been pushed down the list (and expanded to include the rest of the UK) and supplanted toward the top by a more diverse group of locations including India, Europe and Tokyo.

It’s worth noting that countries within the Middle East still represent a full half of the top 10 list. ***This reinforces another theme of our Middle East trend analysis: the push and pull between global and localized trends within the region.*** Unlike other regions across the globe that have more fully and comprehensively embraced international trends, Middle Eastern consumers appear to be doing so more cautiously. Slowly but surely a global, modern mindset is spreading throughout the region’s social media conversations, but it is held in balance with a more traditional, Middle East-first approach that appears to be a long way away from completely disappearing.

However, while the balance between international and intra-region travel may not be changing wholesale, some travel preferences are. First and foremost is how (and with whom) Middle Eastern consumers choose to travel.



Traveling Companions

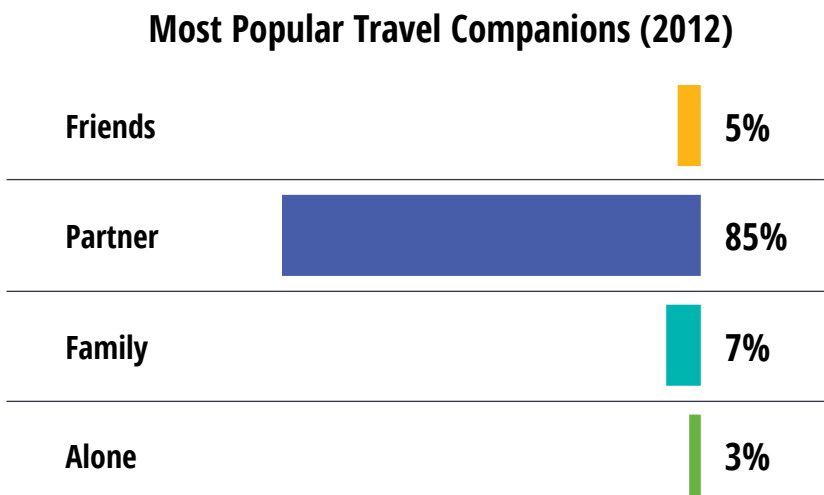
When Middle Eastern consumers travel, who do they go with? This is an important question because it provides insight into not only *where* people are going (or hoping to) but also how and why they are doing so.

Historically, travel has largely been a family affair. But in recent years, this has **started to change**. Globally, young consumers are traveling more often before they start families, and there is a marked growth in the number of **'solo travelers.'**

Are these trends present in the Middle East?

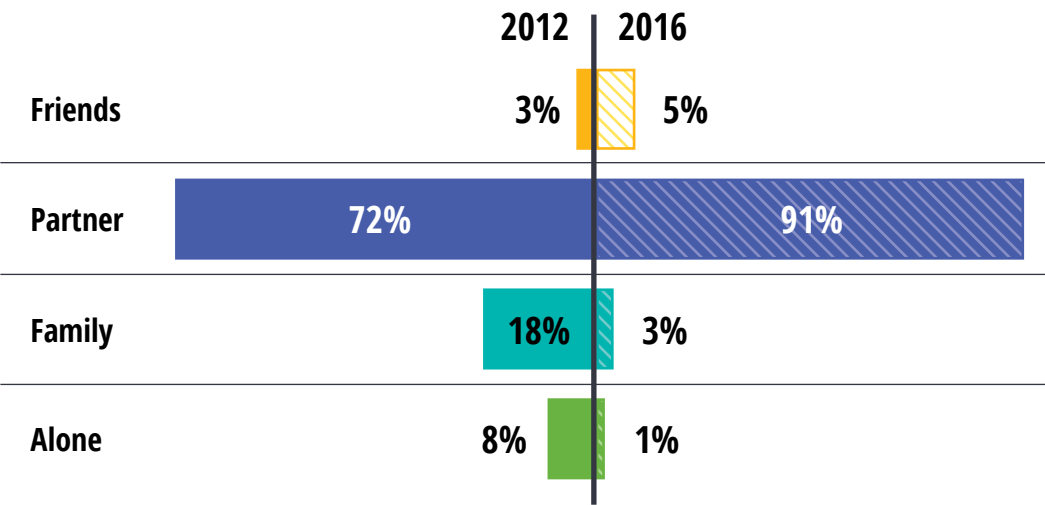
To answer this, we used Crimson Hexagon’s opinion analysis to go beyond mentions and volume, and understand the who, what, and why behind the conversation.

The most important thing we learned was that the vast, vast majority (85%) of Middle Eastern consumers opt to travel with their partners.



This trend becomes even more pronounced when we look at it over time. Comparing how this conversation broke down in 2012 vs. how it looks today shows that the number of Middle Eastern consumers who opt to travel with their partner is growing, and quickly.

Most Popular Travel Companions (2012 vs. 2016)



The fact that the percentage of consumers traveling with their partners has climbed 20% in just five years is compelling, but it’s also important to note where that increase is coming from. Every other option has declined over the period, especially family travel, which plummeted from 18% in 2012 to just 3% by 2016.

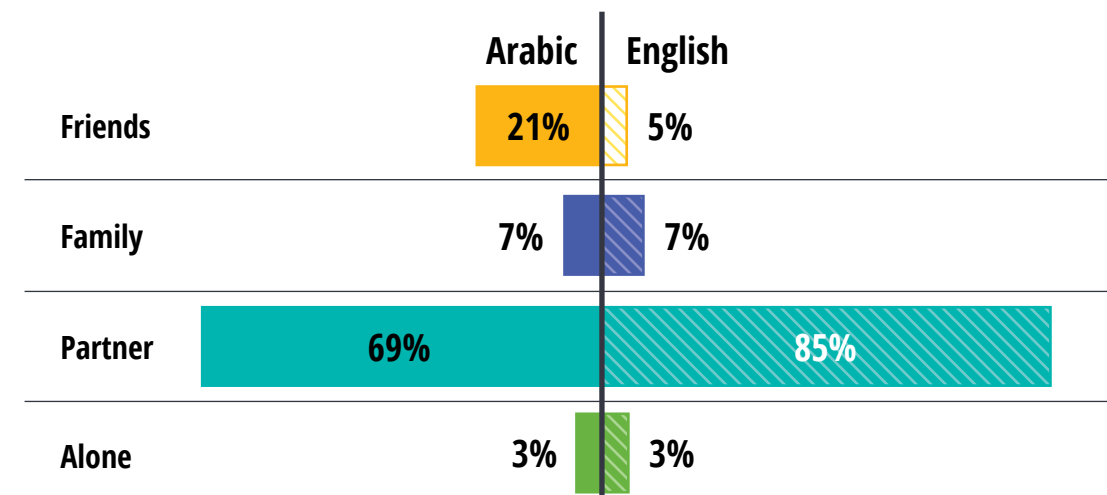
So when all these Middle Eastern consumers are traveling with their significant others, what types of holidays are they taking?

ARABIC-LANGUAGE INSIGHT

Friendly Travel

Traveling with a partner or spouse was most popular in both our English- and Arabic-language analyses, but friends are much more common travel companions among Arabic speakers than English speakers.

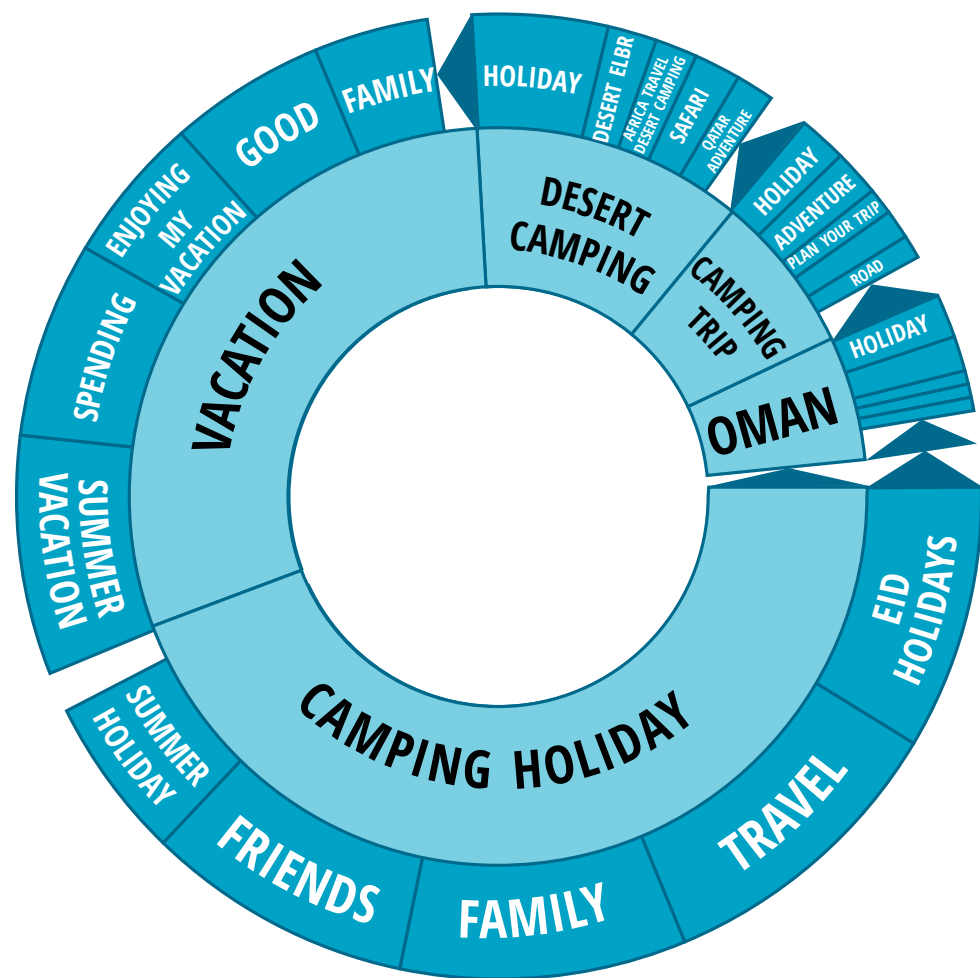
Most Popular Travel Companions (English Language vs Arabic Language)



Gone Camping

We know what regional and international destinations Middle Eastern travelers want to visit, and who they want to go with—but what do they hope to do on these holidays?

When we explored the topics surrounding the travel conversation in the Middle East, we found that camping tops the list.



Perhaps in-keeping with the previously discussed growing interest in greener cars and healthier lifestyles, camping is the most commonly discussed vacation type in our analysis.

Seeing the World

When we used social media to analyse travel trends in the Middle East, we learned that consumers’ opinions about vacationing fit in with the larger trends outlined in this report in many ways. Consumers in the region are simultaneously retaining some of their more traditional preference for traveling within the Middle East, but also updating their behaviours by incorporating more international travel experiences accompanied by their partners.





SECTION FOUR

Personal Finance



All of the trends we have discussed in this report so far—the sharing economy, the green revolution, international travel—are connected by something: a more technology-enabled, modern personal economy. Using apps to order taxis or rent rooms from strangers, purchasing healthier meals and more environmentally-friendly cars, and traveling abroad—these are all parts of a modernizing economy that is erasing the traditional borders between consumers and companies.

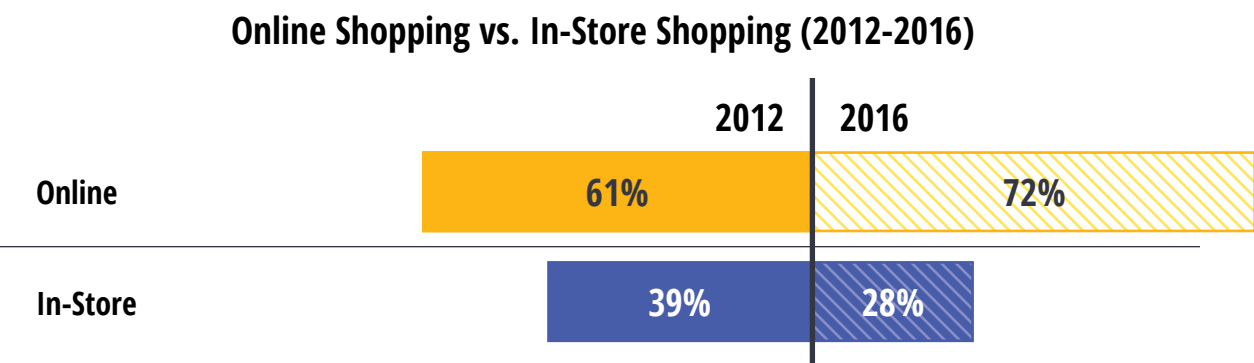
In our last section of this report we look at this system. How do Middle Eastern consumers think about their finances? How do they share and save money? How do these choices affect their lives, and where are they likely to lead?

To answer these questions, we analysed the social conversations surrounding topics like:

- The rise of eCommerce
- The prospect of a cashless economy
- The trajectory of modern banking

The Modern Storefront
ME consumers cautiously adapt to eCommerce

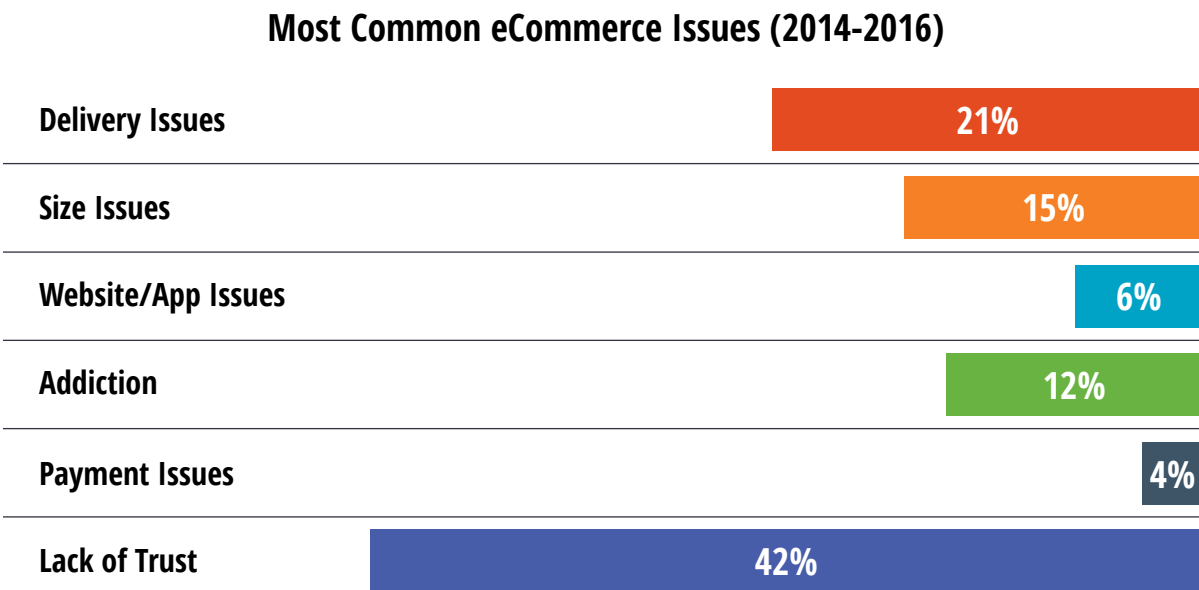
The Middle East has historically been slow to completely buy into online shopping. But in the last few years, this reticence has started to erode, even though consumers still don't totally trust eCommerce. *Since 2012, social conversation surrounding online shopping has climbed 11%, while conversation about in-store shopping has dropped a reciprocal 11%.*



As you can see, online shopping now dominates the discussion accounting for nearly three-quarters of the entire conversation surrounding shopping.

But, as we've seen throughout this report, conversation volume is only part of the puzzle. The other, perhaps more important, component is the tone of this conversation. How do Middle Eastern consumers feel about online shopping?

Here the picture isn't so rosy. *Consumers still have trust issues with eCommerce, as well as common complaints around deliveries and sizing.*



Clearly, consumers in the region still don't feel completely secure paying for goods and services electronically. As we saw with the sharing economy, there is a lot of excitement (and conversation) surrounding online shopping, but it is tinged with a fair share of skepticism. Consumers in the region understand the appeal of modernising the way they interact with goods and services, but they have not yet committed to switching over entirely.

It's not just online shopping that Middle Eastern consumers are apprehensive about—they are similarly hesitant to make the leap to online banking.

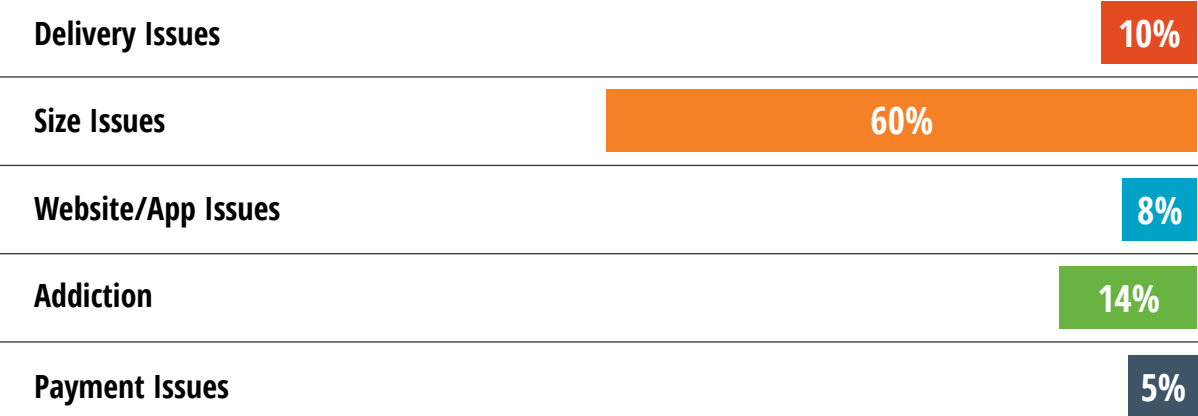


ARABIC-LANGUAGE INSIGHT

Web Issues

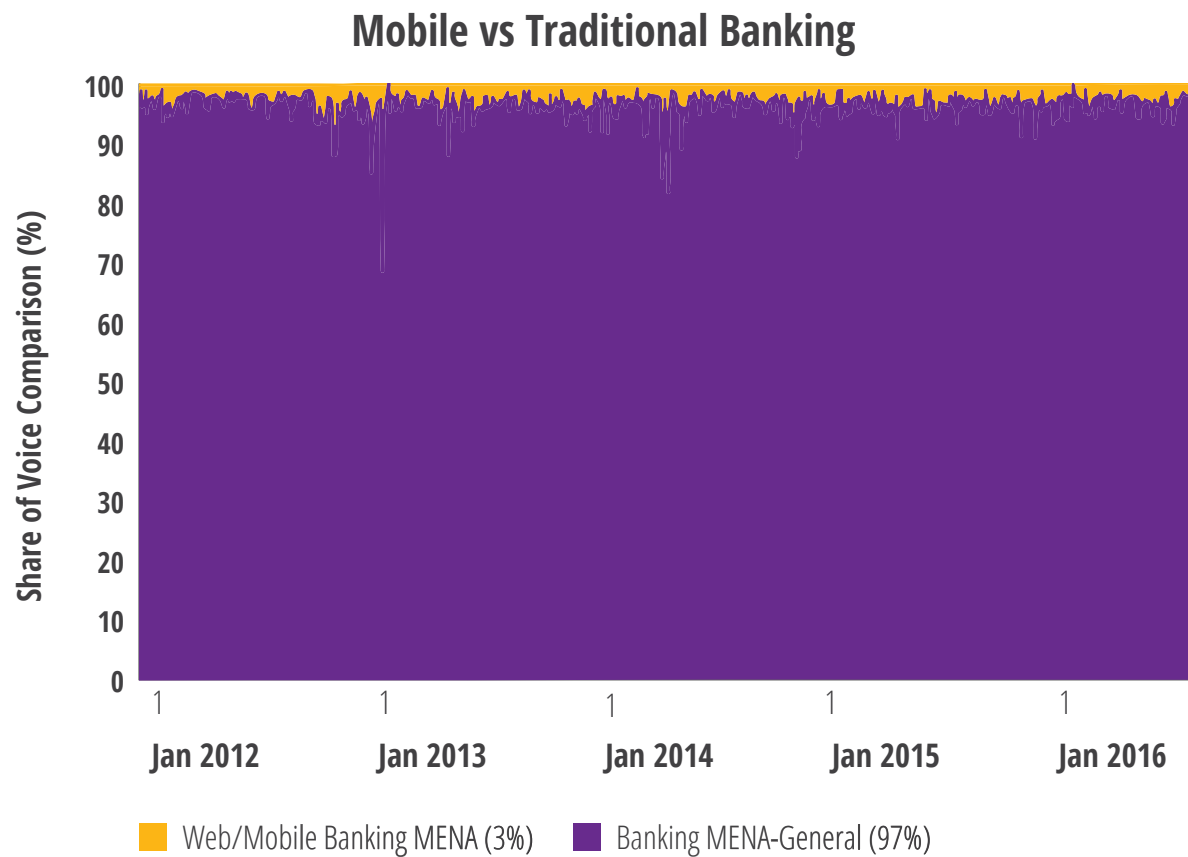
When we analysed the conversation surrounding eCommerce, we found another discrepancy between English and Arabic speakers. English speakers are most concerned with ‘trust issues’ while Arabic speakers are most anxious about ‘web issues’.

Most Common eCommerce Issues (Arabic Language)



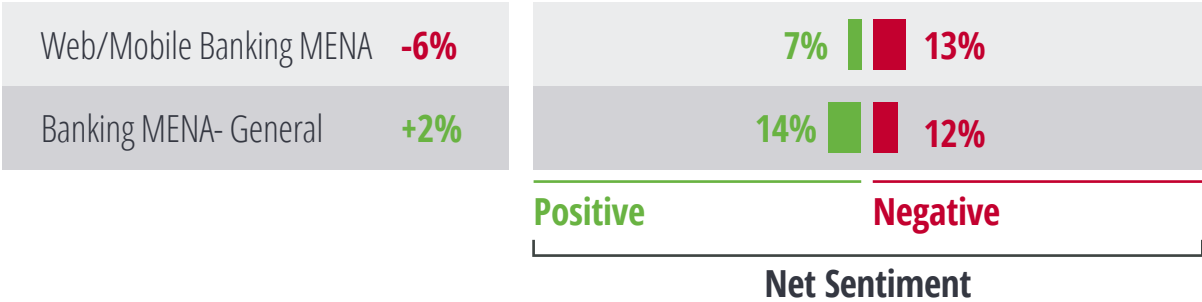
Banking on the Future?
Online banking has a long way to go before displacing the traditional model

We’ve seen that there is a lot of social conversation around modern shopping methods in the Middle East, but discussion of online banking is lagging behind. *Since 2012, online/mobile banking has made up only 10% of the overall conversation, with traditional banking accounting for the other 90%.*

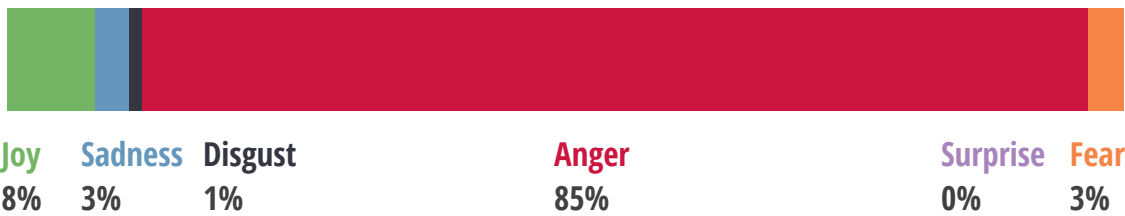


It’s not just conversation volume either—online banking also lags behind traditional banking in terms of consumer sentiment. The conversation surrounding online banking has a net sentiment score of -6, while traditional banking has a score of +2.

Net Sentiment Comparison
(1/1/12 to 10/10/16)

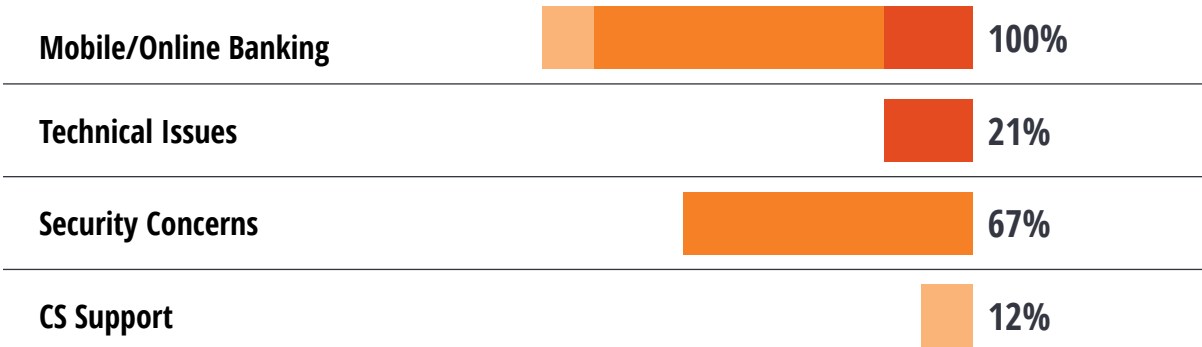


And when we dig in, we start to see why.



The online banking conversation is dominated by anger—anger around technical issues and support, and especially around security.

What are Consumers Saying About Banking? (2010-2016)



As you can see, nearly two-thirds of the conversation around online banking is about security fears.

Clearly, Middle Eastern consumers don’t yet feel secure ditching the banking practices that they have used for decades. How does this affect the type of transactions they engage in?

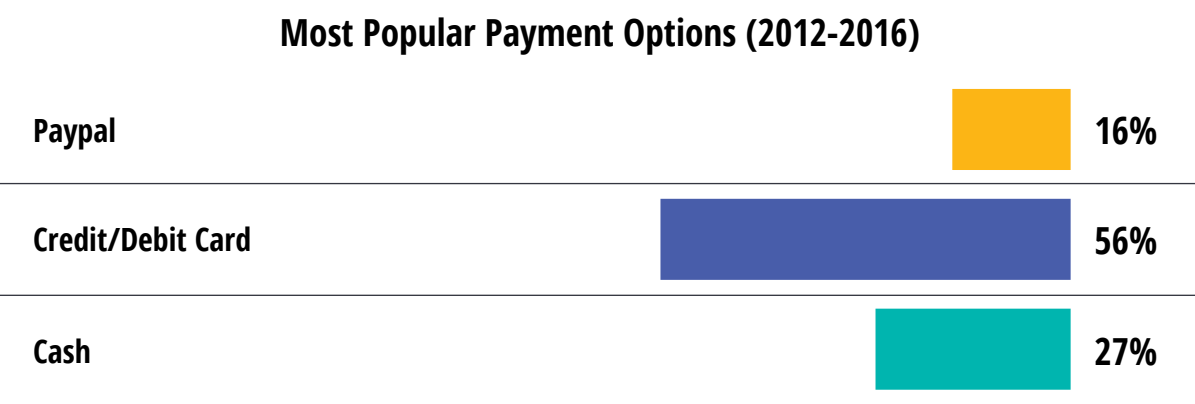
Paper or Plastic?

How does the modern ME consumer pay?

Around the world, consumers are increasingly turning to new options to pay for goods and services. Despite some initial fears, a growing number of consumers are ditching paper-money transactions (and even credit cards) in favor of online payments and services like Venmo, Paypal and bitcoins.

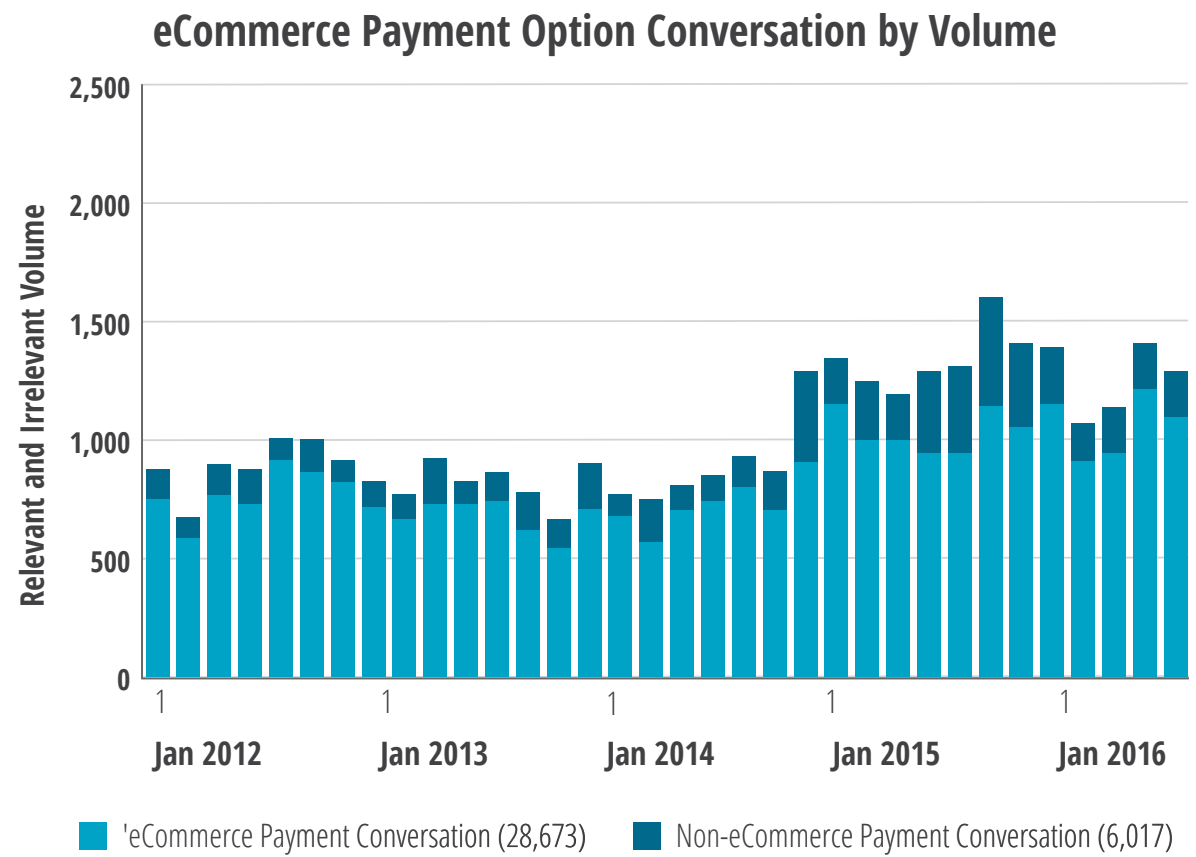
We've seen that Middle Eastern consumers have more hesitance in this regard than many of their global neighbors — does the same hold true for transactions?

The answer is a little bit of both. *Credit and debit cards make up more than half of the payment conversation, but Paypal hasn't yet fully caught on.*



But the social data does suggest that the conversation is moving toward mobile. Since 2014, eCommerce conversation has grown by 66%.

Like the other trends we analysed, online and mobile payments and banking are on the rise. They haven't yet become totally accepted (and consumers are still largely wary of them) but they do comprise a growing share of the overall conversation. If the region follows a similar pattern to that of the rest of the world, we can expect that this conversation will sooner or later convert into consumer decision-making behaviour.

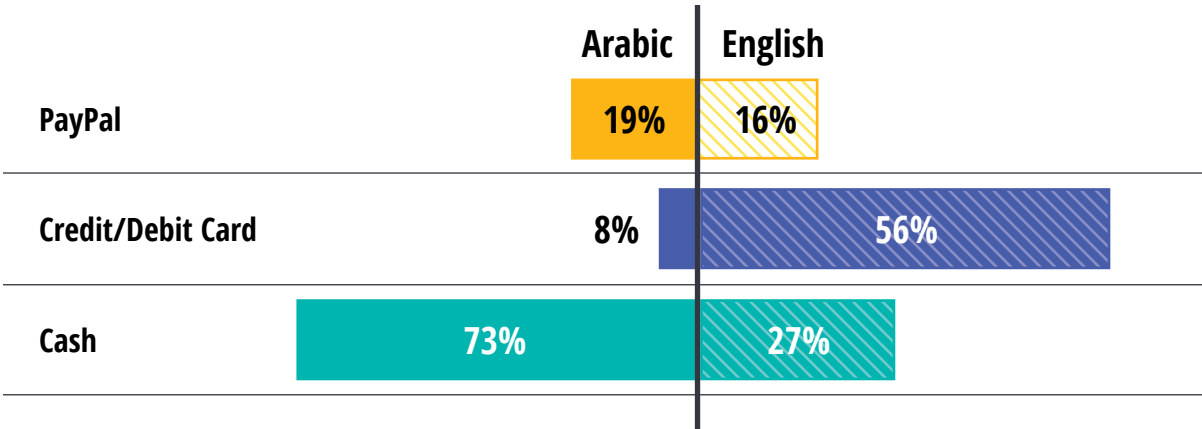


ARABIC-LANGUAGE INSIGHT

Amongst Arabic Speakers, Cash Is King

When we peared the ‘How Do People Pay’ conversation down to arabic language we only, we found that people preferred to pay in cash, as opposed to credit card as we found in English language conversation.

Most Popular Payment Options (2012-2016)



Conclusion

By analyzing the social conversation in the Middle East we were able to uncover several key trends in the region around **the rise of the sharing economy, the emergence of a more healthy and environmentally friendly mindset, evolving travel habits, and a gradual shift toward modern commerce and banking.**

But we also learned something important about the Middle East: It is a region caught between the competing pulls of modernisation and tradition. The social conversation reveals that there is a growing discussion around and interest in the previously mentioned trends, but that there is also a pervasive hesitance to fully make these changes.

Where does this leave us in regards to our understanding of the modern Middle Eastern consumer?

Above all, it tells us that we must continually observe and analyse their behaviours and conversation to see how these trends continue to evolve and take shape. The unique diversity and dynamic nature of the region make it difficult to pin down, but social media can help us better understand the nuances and implications behind the trends.





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