

University of Economics, Prague

# **Master's Thesis**

2016

Simona Makovská

University of Economics, Prague  
Faculty of Business Administration  
Master's Field: International management



Title of the Master's Thesis

# **The Effects of Online and Offline Marketing on Consumer Behavior in the UAE Telecommunication Industry**

Author:  
Supervisor:

Simona Makovská  
Gina Cook, Ph.D.

### **D e c l a r a t i o n   o f   A u t h e n t i c i t y**

I hereby declare that the Master's Thesis presented herein is my own work, or fully and specifically acknowledged wherever adapted from other sources. This work has not been published or submitted elsewhere for the requirement of a degree programme.

Prague, May 16, 2016

Simona Makovská

**Title of the Master's Thesis:**

The Effects of Online and Offline Marketing on Consumer Behavior in the UAE Telecommunication Industry

**Abstract:**

The master thesis is concerned with the impact of online and offline marketing. These effects are researched in the conditions of United Arab Emirates and its telecommunication industry. The goal of the thesis is to identify the effects of online and offline marketing tools on consumer behavior in the UAE telecommunication industry. The main added value of the thesis is brought through primary research that was conducted on the sample of 100 respondents living in the UAE. The results show the increasing importance of online marketing tools and stress the significance of synergic effects of implementing adequate online and offline marketing tools.

**Key words:**

Offline marketing, Online marketing, United Arab Emirates, Consumer behavior, Telecommunication industry

## **ACKNOWLEDGMENT**

I would like to express my gratitude to my supervisor, Ms. Gina Cook, Ph.D., for the useful comments, remarks and engagement through the learning process of this master thesis. Also, I would like to thank the participants in my survey, who have willingly shared their precious time during the process of interviewing.

# Table of Contents

List of Illustrations.....	8
List of Abbreviations .....	10
Introduction.....	11
1 Theoretical Background.....	13
1.1 Marketing and Marketing Communication.....	13
1.1.1 Marketing.....	13
1.1.2 Marketing Communication .....	15
1.1.3 Marketing Mix .....	15
1.1.4 Communication Mix .....	17
1.2 Offline and Online Marketing.....	20
1.2.1 Offline Marketing .....	21
1.2.2 Online Marketing.....	22
1.2.3 Comparison between Online Marketing and Traditional Marketing.....	27
2 Overview of the UAE Market.....	29
2.1 General Description of the UAE.....	29
2.2 Characteristics of the Consumer Behavior in the UAE .....	31
2.3 Online and Offline Media in the UAE .....	36
2.3.1 Offline Media in the UAE .....	37
2.3.2 Online Media in the UAE .....	38
2.4 Telecommunication Industry in the UAE .....	45
2.4.1 Etisalat .....	47
2.4.2 du .....	48
3 Research Analysis.....	49
3.1 The Goal of the Research.....	49
3.2 Research Questions .....	49
3.3 Questionnaire as a Method of Data Collection .....	49
3.4 Realization of the Survey .....	50
3.5 Limitations of the Research .....	50
3.6 Sampling .....	51
3.7 Results.....	53
4 Discussion and Recommendations .....	65

4.1	Discussion .....	65
4.2	Research Questions .....	66
4.3	Managerial Implications.....	67
	Conclusion .....	69
	Bibliography .....	71
	Appendices.....	78
	Appendix A: Questionnaire .....	79

# List of Illustrations

## List of Figures

Figure 1 Marketing process .....	14
Figure 2 Marketing Mix.....	16
Figure 3 The communication mix and the interrelations between media tools and audiences.....	17
Figure 4 Some of the Essential Internet Marketing Tools .....	24
Figure 5 UAE population structure according to ethnic origins .....	33
Figure 6 Social segmentation of Muslim countries .....	36
Figure 7 The logos of current telecommunication operators in UAE (from left to right: Etisalat, du, Al Yah Satellite Communications) .....	46
Figure 8 The gender structure of participants .....	51
Figure 9 The age structure of participants .....	52
Figure 10 Participants structure based on the type of economic activity .....	52
Figure 11 The participants according to their nationality .....	53
Figure 12 Answers to question no. 1 .....	53
Figure 13 Answers to question no. 2 .....	54
Figure 14 Answers to question no. 3 .....	54
Figure 15 Answers to question no. 4 .....	55
Figure 16 Answers to question no. 5 .....	55
Figure 17 Answers to question no. 6 .....	56
Figure 18 Answers to question no. 7 .....	56
Figure 19 Answers to question no. 8 .....	57
Figure 20 Answers to question no. 9 .....	57
Figure 21 Answers to question no. 10 .....	58
Figure 22 Answers to question no. 11 .....	58
Figure 23 Answers to question no. 12 (offline marketing tools) .....	59
Figure 24 Answers to question no. 12 (online marketing tools).....	59
Figure 25 Answers to question no. 13 .....	60
Figure 26 Answers to question no. 14 (offline marketing tools) .....	60
Figure 27 Answers to question no. 14 (online marketing tools).....	61
Figure 28 Answers to question no. 15 .....	61
Figure 29 Answers to question no. 16 .....	62
Figure 30 Answers to question no. 17 .....	62
Figure 31 Answers to question no. 18 .....	63



Figure 32 Answers to question no. 19 .....	63
Figure 33 Answers to question no. 20 .....	64

### **List of Tables**

Table 1 Overview of some economic indicators in the UAE .....	30
Table 2 Population change in UAE .....	34
Table 3 Subscribers to telecoms services in the UAE (million) .....	47

## List of Abbreviations

AED	Arab Emirates Dirham (currency)
CPC	Cost per Click
CPM	Cost per Mille
CRM	Customer Relationship Management
DMA	Direct Marketing Association
EU	European Union
eWOMM	Electronic Word of Mouth Marketing
FTTH	Fiber to the Home
FTTP	Fiber to the Premises
GCC	Gulf Cooperation Council
GDP	Gross Domestic Product
GIF	Graphics Interchange Format
ICT	Information and Communication Technologies
IPTV	Internet Protocol Television
MENA	Middle East and North Africa
OPEC	Organization of the Petroleum Exporting Countries
POP	Point of Purchase
PPC	Pay per Click
PR	Public Relations
SEO	Search Engine Optimization
TRA	Telecommunications Regulatory Authority
TV	Television
UAE	United Arab Emirates
USD	United States Dollar (currency)
VPN	Virtual Private Network
WEF	World Economic Forum

# Introduction

The Internet is, no doubt, one of the most important technological breakthroughs of the 20<sup>th</sup> century. Access to the Internet provides people with new possibilities and for millions of consumers it has become an indispensable part of their daily lives. The role of the Internet differs based on the needs of an individual but it is clear that this technology has shifted consumer habits and behavior.

The way the Internet influences consumers' lives is also reflected in businesses and their marketing activities. More brands are refocusing from traditional media to online platforms because this is the place where consumers are present. While traditional advertising, often referred to as "offline advertising", is still very important and frequently used by both big and small businesses, online advertising is getting popular among all businesses at a record pace.

In light of these facts, this master's thesis main goal is to assess the effects of online and offline marketing on consumer behavior in the United Arab Emirates telecommunication industry. The topic of the master thesis was chosen for of two main reasons. The United Arab Emirates is a fast growing economy with many of specifics, regarding not only the telecommunication sector. Advancements in technology and the ever increasing online population have transformed the face of advertising over the last year significantly. The United Arab Emirates represents a perfect example of an ever increasing online population where companies still heavily invest into traditional media.

Another factor that contributed to the author's interest in the matter was an internship at the marketing department at Google Dubai where the author spent ten months and gained experience concerning online and offline advertising in the region. The telecommunication industry was selected for simplification, as there are only two national players holding an oligopoly in the country and therefore it is easier to assess their marketing impact comparing to other glutted industries.

In order to gather relevant information related to the topic, a literature review (Kotler, Chaffey, Příkrilová, Smith, etc.) integrates the findings of the prior studies of published books and articles on the current state of marketing theories, application of marketing tools, and influences of the Internet on marketing strategy. The thesis also conducts primary research through a questionnaire in order to discover purchasing behavior of consumers in the UAE telecommunication industry.

From a methodology point of view, the thesis applies theoretical methods of analysis and comparison. For the purpose of supplementing the appropriate visualization of the results of the questionnaire, tabular and graphical representations are used throughout the thesis.

The master's thesis is divided into four major chapters. The first one explains the most important terms and theory necessary to comprehend the topic. It contains two sub sections that are ordered chronically. The first sub chapter focuses on the related theory of marketing, marketing communication and describes the principal marketing

communication tools. The second subsection focuses on the explanation of the terms offline and online advertising as well as provides an introduction to advertising most popular channels and tools that are most frequently used by the companies to help position the product in the minds of the target customer. The chapter finishes with a comparison between online and traditional marketing in the literature.

The second chapter focuses mainly on the United Arab Emirates' market and its development. First subchapter provides a general description of the UAE and gives perspectives on further development in the coming years. The second subchapter portrays characteristics of the consumer behavior in the UAE, where the author elaborates on its diversity, population and religion that shapes the Emirati consumer behavior. The subchapter evaluates in detail offline and online media within the UAE framework. It provides the key existing data about the Internet and mobile usage that are analyzed in order to present a general overview about today's UAE Internet society. Furthermore, the subchapter discusses the influence of social media, video and e-commerce on UAE consumer behavior. Finally, the chapter finishes with a description of advertising regulations and Internet filtering faced by the market. The second subchapter summarizes the history of the telecommunication industry, gives an overview of the telecommunication ecosystem and describes the roles of the main bodies of the market, namely Etisalat and du.

The third and most extensive part contains the practical perspective and thus the findings of the author's online research, which was conducted with 100 residents in the United Arab Emirates. The chapter starts with the research analysis, continues with the background of the research, and states the research questions together with a brief overview of the questionnaire.

The forth chapter concludes the most important findings and offers a discussion, in view of the main goal of the thesis. The chapter closes with the conclusions, recommendations and managerial implications derived from analyzing the primary research, which demonstrates the effects on online and offline marketing on consumer behavior in the United Arab Emirates.

The data for the particular parts are collected mainly from Internet resources, annual reports, academic papers and the realized survey, since the majority of the information is very recent and describes the current situation of online trends.

The thesis may bring relevant information and added value to practitioners, but also the general public interested in the issue of offline and online marketing instruments in the context of telecommunication industry in the UAE.

# 1 Theoretical Background

The first chapter of the master thesis describes important theoretical aspects of the topic. It includes definitions and characteristics of marketing, marketing communication, marketing and communication mix as well as the description of offline and online marketing tools and its comparison in today's fast changing marketing environment.

## 1.1 Marketing and Marketing Communication

Marketing and marketing communication are key factors of success for companies in current turbulent market conditions. Marketing has its origins in the fact that people represent the sum of their needs and desires.<sup>1</sup> These needs become wants when they are directed to specific objects that might satisfy the given need. It is essential that marketers understand consumers' desires in order to offer the right products and services to the customers.

Nowadays, end consumers and buyers are facing a wide range of products and services that are offering means to satisfy their desires.<sup>2</sup> Customers choose a product according to its features, attributes, price, offered benefits and personal preferences. The interaction between organization and customer represents an exchange process and according to the quality of this exchange process, it will or will not be repeated. Therefore the knowledge and satisfaction of consumers with highly competitive offer is the key to the successful existence of every business entity.<sup>3</sup>

### 1.1.1 Marketing

Marketing is a function of the company that defines the target audience and is looking for the best way to identify and satisfy their needs at maximum effectiveness of all operations<sup>4</sup>. Marketing represents a comprehensive set of activities focused on target markets, for which the company is adapting its marketing strategies. It is based on definition of customer needs and offer creation leading to satisfaction of those needs, with an emphasis on long-term relationships with the customers.<sup>5</sup>

---

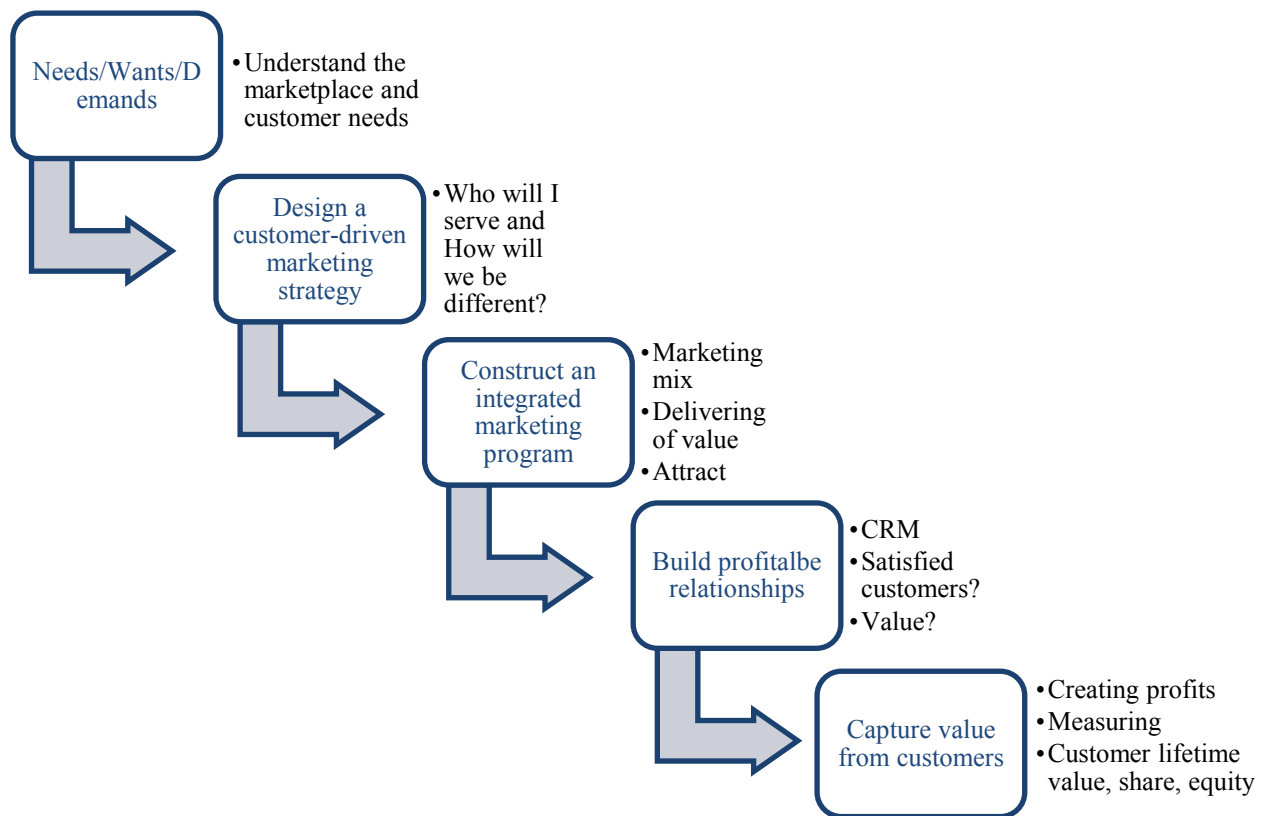
<sup>1</sup> Příkrilová, J. & J. Jahodová. 2010. Modern marketing communication. Prague: Grada. p. 16.

<sup>2</sup> Fill, Ch. & B. Jamieson. Marketing Communications. Edinburgh: Heriot-Watt University.

<sup>3</sup> Příkrilová, J. & J. Jahodová. 2010. Modern marketing communication Prague: Grada. p. 16.

<sup>4</sup> Smith, P. et al. 2002. Strategic Marketing Communications: New Ways to Build and Integrate Communications. London: Kogan Page. p. 4.

<sup>5</sup> Příkrilová, J. & J. Jahodová. 2010. Modern Marketing Communication. Prague: Grada. p. 16.



**Figure 1 Marketing process<sup>6</sup>**

According to Chartered Institute of Marketing, “Marketing is the management process responsible for identifying, anticipating and satisfying customer requirements profitably. This process calls for management decisions on product, pricing, distribution, promotion and personal selling, and in some instances customer service.”<sup>7</sup> Kotler defines marketing as “the science and art of exploring, creating, and delivering value to satisfy the needs of a target market at a profit. Marketing identifies unfulfilled needs and desires. It defines measures and quantifies the size of the identified market and the profit potential. It pinpoints which segments the company is capable of serving best and it designs and promotes the appropriate products and services.”<sup>8</sup> Kotler also stated that marketing is “The process by which companies create value for customers and build strong customer relationships in order to capture value from customers in return.” One of the most concise and general definitions of marketing is “meeting needs profitably”.<sup>9</sup>

<sup>6</sup> Pearson Canada Inc. 2013. Available at: [http://www.pearsoncanada.ca/media/highered-showcase/multi-product-showcase/showcase-websites-4q-2012/01\\_kotler\\_ch01\\_pp002-039.pdf](http://www.pearsoncanada.ca/media/highered-showcase/multi-product-showcase/showcase-websites-4q-2012/01_kotler_ch01_pp002-039.pdf)

<sup>7</sup> Mustafi, S. et al. 2011. The relationship between online and offline marketing. Available at: <http://fjalaime.ch/wp-content/uploads/The-Relationship-between-Online-and-Offline-Marketing.pdf>

<sup>8</sup> Kotler, P. et al. 2007. Modern Marketing. 4th European edition. Prague: Grada Publishing.

<sup>9</sup> Kotler, P. and L., K. Keller. 2013. Marketing Management. 14th ed. Prague: Grada Publishing.

### **1.1.2 Marketing Communication**

Communication is a constant activity. It is a universal and essential feature of human expression and organization. Companies engage with a variety of audiences in order to pursue their marketing and business objectives. Marketing communication is a fundamental and complex part of a company's marketing efforts. There is no universal definition of marketing communication, and there are many interpretations of the subject. Generally, marketing communication provides the means by which brands and organizations are presented to their audiences and it also can be described as all the messages and media the company deploys to communicate with the market.

Marketing communication is associated with the concept of communication process that encompasses transmission of messages from sender to recipient. This process takes place between the seller and the buyer, the company and its current and potential customers as well as between the company and its stakeholders among which are employees, suppliers, business partners, shareholders, media, governmental bodies, public authorities, investors, associations, unions, nongovernmental organizations and local communities. Marketing communication is a creative form of differentiation seeking to persuade customers, shareholders and employees that company's own market offering is the best choice available.<sup>10</sup> Marketing communication is an audience-centered activity used to convey the details about a business organizations products and services to the market segments and subsequently to build long lasting customer relationships. In order to be effective, marketing communication needs to primarily present benefits that are crucial for a buyer.<sup>11</sup>

### **1.1.3 Marketing Mix**

Orientation on a customer and target market means knowledge of all the characteristics that allows the company to grow, produce and offer products and services at competitive prices, on a specific place under condition that the potential customer can be reached. Such conditions create the marketing mix, which Kotler defines as a set of controllable tactical marketing tools that the firm blends to produce the response it wants in the target market.<sup>12</sup> Marketing communication is presented by the 4Ps of the marketing mix, which represent "every form of controlled communication that the company uses to inform, persuade or influence consumers, intermediaries and certain groups of the public. This is intentional and targeted generation of information that intended for the market in a form that is acceptable for the target group."<sup>13</sup> Kotler further states that this mix consists of everything the firm can do to influence the

---

<sup>10</sup> Smith, P. et al. 2002. Strategic Marketing Communications: New Ways to Build and Integrate Communications. London: Kogan Page. p. 4.

<sup>11</sup> Machková, H. International Marketing. Prague: Grada Publishing.

<sup>12</sup> Kotler, P. et al. 2008. Principles of Marketing. London: Pearson Education.

<sup>13</sup> Boučková, J. 2003. Marketing. Prague: Beck.

demand for its product and categorizes these tools into four main groups of variables known as the '4 Ps': Product, Price, Place and Promotion.<sup>14</sup>

1. Product - Anything that can be offered to the market for attention, acquisition, use or consumption that might satisfy a want or a need. It includes physical objects, services, persons, places, organizations and ideas.
2. Price - Refers to the amount of money charged for a product or service, or the sum of the values that consumers exchange for the benefits of having or using the product or service.
3. Promotion - Means activities that communicate the merits of the product and persuade target customers to buy it.
4. Place includes company activities that make the product available to target customers.



**Figure 2 Marketing Mix<sup>15</sup>**

Today some marketers talk about an additional four Ps:

- People
  - How your staff (or employees), are different from those in a competitor's organization, and how your clients are different from your competitor's clients.
- Physical presence:
  - How your shop or website looks.
- Process:
  - How your product is built and delivered, or how your service is sold, delivered and accessed.
- Physical evidence:
  - How your service becomes tangible, e.g. tickets, policies and brochures create something the customers can touch and hold

---

<sup>14</sup> Příkrilová, J. & J. Jahodová. 2010. Modern Marketing Communication. Prague: Grada.

<sup>15</sup> Kotler, P. et al. 2007. Modern Marketing. 4th European edition. Prague: Grada Publishing.

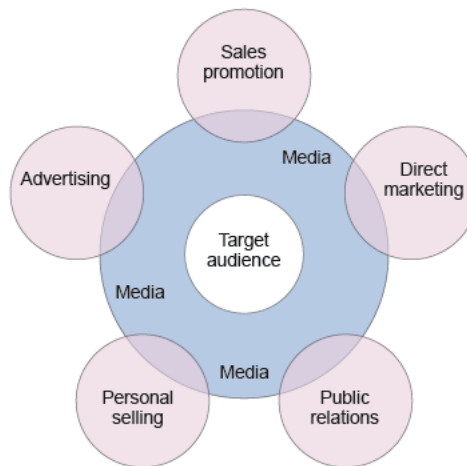


### 1.1.4 Communication Mix

Marketing communication is generally one of the fundamental components of tactical marketing. Within the division into four classic "P", marketing communication mix is described by Kotler as the "Promotion" and covers every method and medium of communicating with a target audience. Communication mix is defined as: "A specific mix of advertising, personal selling, sales promotion and public relations, which the company uses to achieve its advertising and marketing objectives."<sup>16</sup> Marketing communication mix plays a critical role in informing consumers about products and services, including where they can be purchased and in creating favorable images and perceptions. For companies to be successful, it is crucial to choose the right communication mix as the acquisition of the target group determines their existence. The marketing communication mix consists of a set of tools that can be used in various combinations and different degrees of intensity.

There are five principal marketing communication tools according to Kotler:

1. advertising,
2. sales promotion,
3. public relations,
4. direct marketing and
5. personal selling.



**Figure 3 The communication mix and the interrelations between media tools and audiences<sup>17</sup>**

*Advertising* is defined as "any paid form of non-personal presentation and promotion of ideas, goods and services through mass media such as newspapers, magazines, television or radio by an identified sponsor"<sup>18</sup>. The general goal of advertising is to

---

<sup>16</sup> Kotler, P. et al. 2008. Principles of Marketing. London: Pearson Education.

<sup>17</sup> Fill, P. 2008. The marketing communication mix. p. 14

<sup>18</sup> Kotler, P. et al. 2008. Principles of Marketing. London: Pearson Education.

transmit information to a specific group of recipients in order to achieve the desired effect. Kotler defines advertising as an activity or profession of producing information for promoting the sale of commercial products or services. Accordingly, the task of advertising is to systematically plan, design, coordinate, and control all communicational activities of an organization with respect to relevant recipient groups in order to contribute to the marketing objectives. The ultimate role of advertising is to create demand for a product. Five main stages in a well-managed advertising campaign are:<sup>19</sup>

Stage 1: Set advertising objectives.

Stage 2: Set the advertising budget.

Stage 3: Determine the key advertising messages.

Stage 4: Decide which advertising media to use.

Stage 5: Evaluate the results of the advertising campaign.

*Sales promotion* is defined as "Short-term incentives to encourage the purchase or sale of a product or service."<sup>20</sup> It is a component of the communication mix, which serves to support and supplement ads. The primary objective of sales promotion is to induce certain behaviors of the target group. Companies use sales promotion not only towards the end consumer, but also to stimulate and support their sales representatives, distributors and others. Sales promotion differs from other marketing communication tools (mainly from advertising) as it can stimulate a buyer's response immediately if the target customers are sufficiently motivated. This characteristic allows easy measurability of sales promotion. The disadvantage, on the other hand is a relatively high cost and a temporary nature that in the long run doesn't lead to an increase of sales. Tools for sales promotion focused on the end customer include: presentation of the product (i.e. test drive); tastings (especially for food products); sampling (free samples - mainly for new products in the early stage of a life cycle); discounts and coupons (discount rates are most offered, if the price is the main driver of purchasing decisions); premium (a product that the consumer receives for free or at minimal cost as a reward for the purchase of another product); gifts and cost-effective packaging (e.g. 2 + 1 free); consumer contests (games, drawing) and loyalty programs; POP communications (sales promotion); events (exhibitions, shows, fairs - in which companies present their products) and others.

*Public Relations (PR)* is building good relations with different target groups, using favorable publicity, a good company image and averting or dispelling rumors, information and events, which puts the company in an unfavorable light.<sup>21</sup> In recent years, the importance of this discipline has been increasing as the companies want to

---

<sup>19</sup> Kotler, P. et al.. 2008. Principles of Marketing. London: Pearson Education.

<sup>20</sup> Kotler, P. et. al. 2007. Modern Marketing. 4th European edition. Prague: Grada Publishing.

<sup>21</sup> Ibid.

secure their reputation while achieving their corporate goals. Generally PR works with: customers (both existing and potential), trade unions, local communities, investors, employees (both current and potential), suppliers, government organizations and institutions, media, key opinion leaders and others. The most important PR tools are: press conferences, annual reports, brochures, corporate newspapers and magazines, media interesting, sponsorship (commercial objectives are not a priority, rather the aim is to increase the knowledge and strengthen positive reputation of the sponsor) and lobbying (companies monitoring economic development and state legislation, environmental movements, local government and state institutions, whose development in the future could threaten the existence of the company).

*A personal sale* is a presentation conducted by the company representative with the purpose of selling and building customer relationships. Unlike advertising and sales promotion which main focus are to create awareness about the existence of a product or service and provide information as to the features of the products, its availability and price on a mass basis, personal selling is an individualistic approach that is designed to meet specific need of prospects. It is usually directed to specific market segments. It goes beyond the fundamental role of marketing communication and it plays significant role in the entire exchange process. A major advantage of personal selling is a two-way communication between seller and buyer, and immediate feedback which can increase the effectiveness of sales. Personal selling is the oldest marketing communication tool.

*Direct marketing*, according to the Direct Marketing Association (DMA), is defined as an interactive marketing system that uses one or more advertising media to affect a measurable response and ideally transaction at any location.<sup>22</sup> This definition emphasizes a measurable response, typically a customer order. Thus, direct marketing is sometimes called direct-order marketing. Direct marketing includes all market activities in which the company generates direct contact with the target group. The positive aspects of this tool are: marketers have the ability to better target specific narrower market segments (niches); the possibility of secrecy of these activities ahead of the competition and easy measurable effect of such communication. Direct marketing could not function without high quality database with current contacts. In many cases direct-response media such as direct mail, magazine inserts, television and print advertisements that use telephone numbers to encourage a direct response, build market knowledge and develop the database, is the key to the direct marketing approach. Direct marketing seeks to target individual customers with the intention of delivering personalized messages and building a relationship with them based upon their responses to the direct communications. In contrast to conventional approaches, direct marketing attempts to build a one-to-one relationship – a partnership with each customer – by communicating with the customers on a direct and personal basis. The downsides of direct marketing are high costs in absolute numbers. There has been a dramatic rise in

---

<sup>22</sup> Toh, G. K. 2012. Direct Marketing. Available at:  
<http://www.referenceforbusiness.com/encyclopedia/Dev-Eco/Direct-Marketing.html>

the use of direct-response media as direct marketing becomes adopted as part of the marketing plan for many products. The Internet and digital technologies have made possible new interactive forms of communication, where the receivers have greater responsibility for their part in the communication process. The growing utilization of direct marketing by organizations over recent years signals a shift in focus from mass to personalized communications.

Marketing communication is overall an audience-centered activity where the exchange process is developed and managed by researching consumer needs, identifying, selecting and targeting particular groups of consumers who share similar discriminatory characteristics, including needs and wants, and developing an offering that satisfies the identified needs at an acceptable price while made available through particular sets of distribution channels. The next task is to make the target audience aware of the existence of the offering.

## **1.2 Offline and Online Marketing**

Nowadays businesses not only need a well-developed product at an attractive price, but due to increasing competition, they need to communicate with their current and potential customers effectively through the right channels while monitoring whether their communication was received and understood by the customer properly.

There is increasing importance in effective communications, which is why the organizations use a variety of promotional tools. When combining different tools into the communications mix, the marketer needs to take account of their particular appropriateness for the target market, the rate at which each tool will generate sales or awareness, and the rate of sales response when the tools are combined into the mix. The importance of each communications tool varies according to the type of customer and the general pattern of communication in a market. There have been some major changes in the environment and in the way organizations communicate with their target audiences. New technology has given rise to a raft of different media, which is referred to as media and audience fragmentation, and organizations have developed fresh combinations of the promotional mix in order to reach their audiences effectively.<sup>23</sup>

Properly chosen communication channels are effective support of marketing communication. To get the messages through, businesses use traditional channels such as print and broadcast, cinema and radio; but increasingly digital media, and the Internet in particular, has revolutionized the way individuals and businesses communicate. Given the Internet's tremendous rise in popularity, today's marketers refer to traditional media channels that aren't connected to the World Wide Web as "offline."

---

<sup>23</sup> Smith, P. et al. 2002. Strategic Marketing Communications: New Ways to Build and Integrate Communications. London: Kogan Page. p. 10.

## 1.2.1 Offline Marketing

Traditional media is a method of communication or a form of publication conventionally used to distribute news and information. Traditional marketing refers to any type of promotion, advertising or campaign that has been in use by companies for years. According to Solis<sup>24</sup> traditional media, also referred to as ‘old media’, is defined as media introduced before the advent of Internet and that uses various pre-Internet media platforms.

Traditional marketing utilizes conventional media outlets, such as radio, TV and print to convey its message to the target audience. Methods of traditional marketing include print advertisements, such as newsletters, billboards, flyers and newspaper print ads, as well as television spots, commercials, telemarketing and radio spots advertising a business, product or service. To achieve its objective, traditional media marketing uses the technique of mass advertising, i.e. sending marketing messages to a huge mass audience. This concept is based on an assumption that when a marketing message is sent out to a huge mass probability of converting some of the audience into a consumer is higher.

However, some experts believe that in traditional marketing messages targeting mass audience result in a waste of advertising resources by addressing both target groups and non-target groups. In addition, this one-size-fits-all approach of advertising in mass marketing is against the basic assumption of the marketing concept, according to which products and services should be produced and marketed based on the expressed needs and wants of their consuming public. In the traditional marketing setup, most businesses are characterized by practicing ‘product-centered marketing’ a marketing approach that prioritizes the sales of a particular product or group of products above all other marketing objectives.

Furthermore, according to Bell and Emory, the most common criticism faced by traditional media marketing is the use of manipulative marketing.<sup>25</sup> The authors define manipulative marketing as a way of delivering misleading advertisement through hard selling with the objective of creating demand to meet the requirements of supply. In 1960s major corporations have been accused of: a) misleading and manipulating children through TV advertising; b) producing merchandise with miracle ingredients which in fact are of little value; c) advertising ordinary or inferior features in a way that suggests that they are actually superior features; d) using advertising in a way that exploits the agonies and anxieties of consumers etc. As a result, it has become very clear for marketers that manipulative marketing is self-destructive for corporation or a brand and goes against its perceived long-term interest.

---

<sup>24</sup> Solis, B., 2007. The definition of social media. Available at: [www.briansolis.com/2007/06/defining-social-media/](http://www.briansolis.com/2007/06/defining-social-media/)

<sup>25</sup> Bell M.L. & C., W., Emory. 1971. The Faltering Marketing Concept. In *Journal of Marketing*. No. 35, October, pp. 37-42

## 1.2.2 Online Marketing

While many businesses use traditional marketing methods to attract new business and clients, others have added or completely replaced traditional “offline” marketing with new or innovative “online” marketing tactics. Online marketing is a broad term that includes a large number of tools, procedures and techniques, how to transmit communications from the source to the target company's customers. Generally, online marketing is the same as the theoretical basis of traditional marketing, but is adapted to the Internet environment. Within the division of the communication mix, personal selling is the only category that you will not find in the communications mix of Internet marketing.

The first online advertisement appeared in 1993<sup>26</sup>, thirty years after the creation of the Internet. Since that time, many authors trying to find the right words to define online marketing. Some of the definitions lost their meaning because of dynamic changes of the online environment and others influenced the overall understanding of online marketing, its importance and its role in company marketing strategy.

One of the best-known authors for online marketing, Dave Chaffey, defined online marketing as: “Applying digital technologies which form online channels (Web, e-mail, databases, mobile, wireless and digital TV) to contribute to marketing activities aimed at achieving profitable acquisition and retention of customers (within a multi-channel buying process and customer lifecycle) through improving the customer knowledge (of their profiles, behavior, value and loyalty drivers), then delivering integrated targeted communications and online services that match their individual needs.”<sup>27</sup> Cooperating with Smith, Chaffey pointed out that “e-Marketing can identify, anticipate and satisfy customer needs efficiently”<sup>28</sup>.

Other researchers defined online marketing as “the use of information technology in the processes of creating communicating and delivering value to customers, and for managing customer relationships in ways that benefit the organization and its stakeholders. Or simply as the result of information technology applied to traditional marketing.”<sup>29</sup> To summarize, all the authors with same or other words agree that online marketing is built on electronic means. Chaffey as bases of online marketing defines digital technologies which form online channels. Other authors highlight the creation of values from customers using information technologies, and all tools which are used to push this value creation, regardless of online or offline, are seen as part of online marketing.

---

<sup>26</sup> Kharabanda, R. P. S. 2010. Will Predictive Behavioral Targeting Change Online & Direct Marketing Ways? Hamburg: Diplomica.

<sup>27</sup> Chaffey, D. et al. 2009. Internet Marketing: Strategy, Implementation and Practice. 4th ed. Essex: Pearson Education Limited.

<sup>28</sup> Chaffey, D. & P., R., Smith. 2013. Emarketing Excellence: Planning and Optimizing your Digital Marketing. Abingon: Routledge.

<sup>29</sup> Ibid.

Online marketing is constantly developing, and as this development continues, different definitions about online marketing will continue emerging. Despite all these differences, authors agree that online marketing is living and evolving alongside the developments of information technology. The Internet tools are crucial and indispensable in forming the online marketing concept and its understanding. Technically, improvements of online tools are improving online marketing. The discovery of new tools is changing online marketing understanding and its impact on overall company marketing.

According to this kind of understanding the authors can be grouped in three main groups:

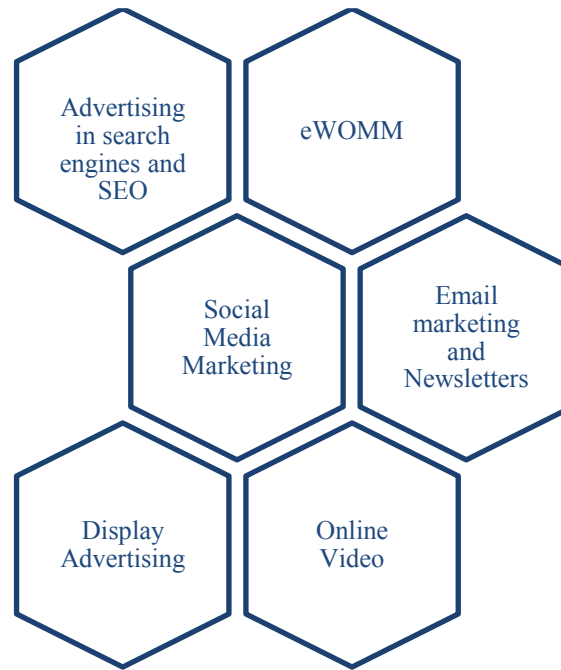
- 1) Ones that see online marketing as part of offline marketing
- 2) Ones that see online and offline marketing as part of overall company marketing
- 3) Ones that see offline marketing as part of online marketing.

This kind of grouping is a result of the online marketing development, its place in company structure and its part in the overall marketing improvement and success. For companies which have a low investment rate in online marketing, online marketing is just part of the offline marketing strategy, and in overall marketing, online marketing is considered as part of offline marketing.

Other ones, such as pure online companies, consider offline marketing as part of online marketing in the overall company marketing. Beside these, there are some companies which consider overall company marketing as a composition of offline and online marketing, both valued as very important for overall successful company marketing. Implementation and analyzing of marketing frameworks practically are very important, but not sufficient in explaining the relation between online and offline marketing, therefore analyzing core elements of marketing, functions and instruments, and their relations is necessary.

### **Online marketing tools**

Online marketing is usually used as a synonym to digital marketing. Digital Marketing is the use of digital advertising and communication channels to promote a brand and reach a target audience. For a basic outline for a description of online marketing communication tools serve the below diagram that is based on traditional communication mix. Individual instruments, however, are many, so selected were those which can be in the context of this work considered significant. The first category is advertising. This is traditionally the most visible form of marketing as it is focused on addressing the mass.



**Figure 4 Some of the Essential Internet Marketing Tools<sup>30</sup>**

#### *Advertising in search engines and SEO*

Today, search engines are the primary entry points to the Internet world. In general, there are two types of online advertisement associated with Internet search engines: paid placement and Search Engine Optimization (SEO).

Paid placement is operated by search engines in the form of sponsored or paid results, where an advertisement is displayed in a pre-specified region of a search result page along with web search results. The service is based on the relevance of search words on the user's side and the keywords on the advertiser's side. The target groups are therefore people who already generally know what they're looking for. Search engines charge placement fees tied to the price of the relevant keywords, which is primarily determined by auction and measured by CPC (cost per click), and the number of click-throughs the advertisement receives. The advertiser in this case is not charged for a certain number of views of his ad, but only for actual clicks on this ad.

SEO, on the other hand, is the practice of optimizing web pages in a way that improves their ranking in the web search results, which are also known as natural or organic results because they are supposed to reflect relevancy in searchers' standard. Location on the forefront of the search results ensures higher click through rates and more traffic to the site. This raises the need for optimization of the site so as to ensure the best possible placement in search results while maintaining the relevance of keywords to website content. SEO can be described as absolutely fundamental, although at first glance not very visible, part of today's Internet marketing.

---

<sup>30</sup> Roberts, M. L. & D. Zahay. 2012. Internet Marketing: Integrating Online and Offline Strategies.



### *Display Advertising*

Display advertising has become one of the most profitable areas of online services. Unlike sponsored search, where textual ads are displayed along with the results of a keyword search, display advertising targets specific audiences by showing graphical banner ads on regular content pages. Online display ads use the Internet as an advertising medium where promotional messages appear on other websites that contextually appeal to a target customer. These ads frequently contain information such as text, logos, photographs or other pictures. The images displayed may be static or animated. Two common ways to purchase display ads are PPC (pay per click) or CPM (cost per impression or cost per mill) where an advertiser pays a set price for one thousand views of an ad.

Banner ads are the most common format used for display advertising. Banner is a graphic image that announces the name and identity of a website, along with a brief description and call to action. There are typically various shapes and sizes available, as well as location choices on a web page where the ad will be displayed. Choices are made by the advertiser based on budget. The banner is usually represented in the form of a still image, picture in GIF<sup>31</sup> format, or in interactive ad format that uses Flash technology and other rich media.<sup>32</sup> Banner ads may also include audio or video content.

### *Online video*

Video ads are TV-like ads that appear as in-page video commercials or before, during, or after a variety of content. Video ads are one of the fastest growing forms of online advertisement; however, from a total spending standpoint, online video ads are still very small when compared to the amount spent on search engine advertising, and are also dwarfed by the amount spent on television advertising.

The explosion of online video content across major news and entertainment sites, web portals, and humor and user-generated sites has created huge opportunities for brand marketers to better reach their target audiences. With online video quickly becoming a key means for people to satisfy their information and entertainment needs, small businesses that fail to include it in their Internet marketing strategies will do so at their peril. Video is the future of content marketing, according to The Guardian.<sup>33</sup>

---

<sup>31</sup> European Commission. 2016. The EU Internet Handbook: Graphics Interchange Format (GIF). Available at: [http://ec.europa.eu/ipg/standards/image/gif/index\\_en.htm](http://ec.europa.eu/ipg/standards/image/gif/index_en.htm)

<sup>32</sup> Pasternack, T. 2010. Rich media ads. Available at: [http://www.adobe.com/devnet/flash/articles/rich\\_media\\_ads.html](http://www.adobe.com/devnet/flash/articles/rich_media_ads.html).

<sup>33</sup> Trimble, Ch. 2015. Why online video is the future of content marketing. Available at: <http://www.theguardian.com/small-business-network/2014/jan/14/video-content-marketing-media-online>

### *Electronic word of mouth marketing (eWOMM)*

WOM marketing is unpaid spreading of positive marketing message from person to person.<sup>34</sup> Customers' recommendations on the basis of WOMM are crucial for the company as these recommendations create a positive image and a stronger preference for referenced product or service for other people. Nowadays, classic conversational model of two participants is supplemented by the possibility of electronic sharing, i.e. communication with a group of people. While eWOM communication has some characteristics in common with traditional WOM communication, it is different from traditional WOM in several dimensions.

First, unlike traditional WOM, eWOM communications possess unprecedented scalability and speed of diffusion. The use of various electronic technologies such as blogs, online discussion forums, newsgroups and review sites facilitate the information exchange among communicators. Second, opposite to traditional WOM, eWOM communications are more persistent and accessible. Most of the text-based information presented on the Internet is archived and thus would be made available for an indefinite period of time. Third, eWOM communications are more measurable than traditional WOM and information available online is far more voluminous in quantity compared to information obtained from traditional contacts in the offline world and therefore eWOM has undoubtedly become a powerful marketing force in recent years.<sup>35</sup>

### *Email marketing and Newsletters*

E-mail marketing is one of the most powerful elements in the online marketing toolbox. It facilitates the communication with the customers on a personal level through a universally accepted digital medium. An email newsletter uses the electronic email as a means of distribution of content to subscribers on a regular basis, at no cost to them and with the objective of generating direct sales or producing indirect benefits for the sending organization<sup>36</sup>. Email marketing is considerably cheaper compared to traditional print and television based marketing and allows companies to target specific demographics for better efficiency when sending out emails. Advertisers can use email lists from their own customer relationship management (CRM) systems or purchase them from data aggregators. Email marketing also provides direct communication with the customer, allowing two-way conversation and so immediate interactivity. Additionally there are advanced techniques that can personalize email for specific people, which helps build an intimate business relationship with qualified leads as well as loyalty for the brand.<sup>37</sup>

---

<sup>34</sup> Word of Mouth Marketing Association. 2015. WOMMA defines WOMM. Available at: <http://womma.org/>

<sup>35</sup> Tella, A. 2015. Social Media Strategies for Dynamic Library Service Development.

<sup>36</sup> PewResearchCenter. 2014. Internet Use Over Time. Available at: <http://www.pewinternet.org/Static-Pages/Trend-Data/Online-Activites-Total.aspx>

<sup>37</sup> BookBoon. 2011. Email Marketing. New York: The Internet Marketing Academy and Ventus Publishing.

### *Social media marketing*

Social media is the umbrella term for web-based software and services that allow users to come together online and exchange, discuss, communicate and participate in any form of social interaction. That interaction can encompass text, audio, images, video and other media. It can involve the generation of new content; the recommendation and sharing of existing content; as well as reviewing and rating products, services and brands.<sup>38</sup>

The growing popularity of social media has without question brought about a paradigmatic shift in the way advertisers and marketers seek to promote their goods and services and affect the purchasing decisions of their customers and targets. Social networks such as Facebook, YouTube, Google+ and Twitter provide companies with an entirely new means of communication.

By utilizing the social aspect of the web, social media marketing is able to connect and interact on a much more personalized and dynamic level than through traditional marketing. The advantages are low cost, very precise targeting and the possibility to establish communication with the target group in a way that defies conventional advertising. In the case of marketing on social networks, the potential for the development of two-way communication between the brand and the users of social networks is on a much more opened and more individualized basis.

### **1.2.3 Comparison between Online Marketing and Traditional Marketing**

Television and radio have influenced people's daily lives and routines determining the content that audiences watch and listen to. Traditional media has served as a companion as well as an important source of information for the audience for a long time. Despite the achievements of traditional media marketing, several criticisms have been made by the industry experts about traditional media marketing practices.

The main drawback with traditional media has been and is the fact that it is limited to a one-to-many approach. An ad campaign on a newspaper can be sent by a business and will be seen by thousands of people, however this approach does not allow the ad readers to communicate with the business, or easily disperse the information. Therefore, the outcome of the campaign using traditional media cannot be immediately calculated and only special marketing techniques can identify the results.

Marketers need to rely on a combination of sales analysis and market research for feedback in order to know what effect their messages were having on their market. This builds a time delay into the marketing communication process, as it can be several weeks before the effects of a particular communication can be calculated. Due to this fact traditional media have been challenged by new media, which is changing the participation habits of the audiences. In a new digital world, the rules of the

---

<sup>38</sup> Ryan, D. 2014. Understanding Digital Marketing. London: Kogan Page.

communication have advanced. Due to the increasing participation of the audience, immediate feedback and possibility for the exchange of information, the new many-to-many (two way communication) model of communication was developed.

There was also a shift in power from advertisers to the customer, where information is the core of the communication. In traditional media advertisers have the control over which, when and how the consumers get the advertisements. Unlikely in the online world the control over the information switched to the consumer. Researchers S. Rodgers and E. Thorson have developed the framework of the Interactive Advertising model where they identified the consumer controlled and advertiser controlled part of online communication process.<sup>39</sup> Consumer uses the Internet with the defined motive to research, shop, surf or communicate and according to motivation will chose the ad type or feature that he or she is interested in.

Additionally, it will result in different outcomes and consumer responses on the advertiser controlled structures. Therefore it is crucial for advertisers to understand the motives and possible outcomes of the consumers to adapt their marketing strategy and may be to lead consumer to the desirable response.

Successful marketing campaigns will usually employ multiple strategies across multiple channels to ensure the message reaches target audience. Development, in which there is a closer connection between all the marketing tools and a gradual blurring of boundaries between them, is characteristic for the whole field of marketing communication. The variety of strategies with different share of usage of online and offline marketing depends on the uniqueness of the target group and market. Each of these strategies can use either the traditional offline or new online media and the choice is based on which would better reach the desired market.

Recently, offline marketing and online marketing strategies are more frequently used in collaboration with one another. Traditional boundaries between advertising and other tools of communication mix are increasingly less distinct and there is a growing application of an integrated online and offline communications campaign, based on the optimal choice of multiple instruments and their mutual combinations.<sup>40</sup>

---

<sup>39</sup> Rodgers, S. & E., Thorson. 2000. The Interactive Advertising Model: How users perceive and process online ads. In *Journal of Interactive Advertising*, Vol. 1.

<sup>40</sup> Copley, P. 2014. *Marketing Communications Management: Analysis, Planning, Implementation*.

## 2 Overview of the UAE Market

The second chapter of this master's thesis provides a description of the consumers, media and telecommunication industry in the UAE. While the first subchapter portrays a general overview of the country, the second one describes the characteristics of consumer behavior in the UAE and the society from the religious perspective. The third subchapter focuses on the usage, development and constraints of online and offline marketing in the UAE and also outlines the telecommunication industry and the major players in the Emirates.

### 2.1 General Description of the UAE

The United Arab Emirates, often abbreviated as UAE or shortened to The Emirates, was established on December 2, 1971 and is a federation of seven emirates: Abu Dhabi, Dubai, Sharjah, Ajman, Umm al-Qaiwain, Ras al-Khaimah and Fujairah.<sup>41</sup> An area of 83,000 kilometers is bordered by the Arabian Gulf to the north, by the Gulf of Oman and the Sultanate of Oman to the east, Saudi Arabia to the south and Qatar to the west. The gulf has been a vital waterway since ancient times as a link between Europe and the Indian subcontinent, the Far East and Africa. The capital, Abu Dhabi, is the country's center of political, industrial and cultural activities.

Due to its location, the UAE is a significant distribution hub for the Middle East, Eastern Africa, India and some European countries. The region's financial base was originally dependent on subsistence agriculture, nomadic animal husbandry, pearling, and fishing. The discovery of oil in the 1960s dramatically altered the future of the area and provided the revenue required to move the federation's economy rapidly forward.<sup>42</sup> Since the UAE was established, its economy has grown 200-fold, developing into a modern and open economy. Totalling close to USD 587 billion<sup>43</sup>, it is now the second biggest economy in the Arab world, after Saudi Arabia, and accounts for more than a quarter of the gross domestic product (GDP) of the Gulf Cooperation Council ("GCC"). It was also estimated to be the 33th largest economy in the world and 13th in purchasing power per capita in 2014.<sup>44</sup>

Islam, as the official religion of the country, plays a major role in the conducting of business activities but not necessarily to the extent that exists in the more fundamentalist neighboring nations. While rooted in Middle-Eastern custom, the UAE

---

<sup>41</sup> Pillar, A. & J. Miguel. 2015. Analyzing the Cultural Diversity of Consumers in the Global Marketplace

<sup>42</sup> Ibid.

<sup>43</sup> World Bank Group. 2015. Databank. Available at: [data.worldbank.org/indicator/NY.GDP.MKTP.PP](http://data.worldbank.org/indicator/NY.GDP.MKTP.PP).

<sup>44</sup> CIA. 2015. The World Factbook. Available at: <https://www.cia.gov/library/publications/resources/the-world-factbook/rankorder/2004rank.html>

is seeing a more cosmopolitan, consumer-oriented lifestyle evolve, buoyed by oil revenues, massive infrastructure development and a growing multinational workforce.

Despite describing the UAE as very successful state, the GDP strongly depends on the income from oil. This fact affects the performance of economy and variability in the oil industry led, in the light of current decline of oil prices, into the worsening performance of the UAE and its economy. The UAE is often classified as so called “rentier economy”. The emergence of the new oil states and their increasing importance in world trade in the 1970s brought a renewed interest in rentier economies, firstly introduced by Marxist. A rentier state is a state which derives all or a substantial portion of its national revenues from the rent of indigenous resources to external clients.<sup>45</sup> Examples of rentier states include oil-producing countries in the MENA region including Saudi Arabia, United Arab Emirates, Iraq, Iran, Kuwait, Qatar, Libya and Algeria as well as a few states such as Venezuela in Latin America, all of whom are members of OPEC. Rentier state theory explains the predominance of authoritarian regimes in the Middle East and the apparent lack of success of democracy in the region. While many states export resources or license their development by foreign parties, rentier states are characterized by the relative absence of revenue from domestic taxation, as their naturally occurring wealth precludes the need to extract income from their citizenry.<sup>46</sup> This leads to increased net income of the individual economic subjects, but on the other side it defines the UAE as an economy with strong governmental influence. The following Table shows the quick overview of basic economic indicators of the UAE in the period from 2013 to 2015. The data for 2015 is estimation.

**Table 1 Overview of some economic indicators in the UAE<sup>47</sup>**

	2013	2014	2015
<b>Population (in million)</b>	9,00	9,30	9,60
<b>GDP (USD million)</b>	402,30	401,70	363,70
<b>GDP per capita (USD)</b>	44 552	43 180	37 962
<b>Real GDP Growth (%)</b>	4,30	4,60	4,00
<b>Inflation (%)</b>	1,10	2,30	2,10
<b>Exports (USD billion)</b>	374,20	370,70	346,30
<b>Exports (YoY %)</b>	4,00	-0,90	-6,60
<b>Imports (USD billion)</b>	230,00	240,00	247,00
<b>Imports (YoY %)</b>	5,50	4,30	3,00
<b>Exchange Rate (AED/USD)</b>	3,67	3,67	3,67

<sup>45</sup> Madhavy, H. 1970. The Pattern and Problems of Economic Development in Rentier States: The Case of Iran", in *Studies in the Economic History of the Middle East*, ed. M.A. Cook. Oxford University Press, Oxford, 1970.

<sup>46</sup> Smith, B. 2004. Oil Wealth & Regime Survival in the Developing World: 1960–1999. In *American Journal of Political Science*, Volume 48, Issue 2, Pages 232–246.

<sup>47</sup> World Bank Group. 2015. *Databank*. Available at: <http://data.worldbank.org/country/united-arab-emirates>

Another characteristic of the UAE is the use of wealth coming from oil. Revenue has allowed significant social and economic development in the areas of finance, business, education, transportation, housing, health and welfare. The federation has established a series of “free zones” in centers across the UAE with various types of economic incentives, such as exemptions from corporate taxes or import/export duties, to encourage investment and commercial development in specific sectors. As a result, Dubai is gaining a reputation for being the trading, financial and tourist hub of the Emirates, while Abu Dhabi is expanding beyond its petrochemical center into aerospace, defense, information technology and environmental industries.

## **2.2 Characteristics of the Consumer Behavior in the UAE**

Consumer behavior involves the study of the processes which individuals, groups, or organizations perform to acquire products, services, experiences, or ideas to satisfy their needs and how these processes have impacted the consumer and society.<sup>48</sup> The role that consumers play in these days is very crucial to businesses' survival. It is the driving force behind the success of many businesses, as most of the contemporary consumers spend most of the time on buying decisions.

The buying behavior is considered to be a very complex phenomenon because it consists of a wide set of prior and after purchase activities. The buying process consists of five stages. Starting from recognizing a need that must be satisfied, the consumer then begins to search for information related to that problem or need. After evaluating different alternatives, the consumer makes the decision to purchase the most suitable alternative and the final stage comes after purchasing, when the consumer evaluates the choice being made.<sup>49</sup>

Generally speaking, the analysis of research and analyses of literature revealed that there are not many papers discussing consumer behavior in the UAE as such. This corresponds with the finding of Vel and others who described the purchase behavior of luxury goods in the UAE by stating the following: “purchase behavior of the same has not been documented as yet.”<sup>50</sup>

The various aspects of Arab society and culture could be considered as one of the main drivers of consumer behavior in the UAE. The Middle East is home to ancient civilizations and trading has long been important in this region of the world. In recent years, Middle Eastern consumers have become increasingly sophisticated in their needs. Many Gulf region customers have high disposable incomes and the

---

<sup>48</sup> Perner, L. 2008. Consumer behaviour: the psychology of marketing. Available at: <http://www.consumerpsychologist.com>

<sup>49</sup> Mansoor, D. & A. Jalal. 2011. The Global Business Crisis and Consumer Behavior: Kingdom of Bahrain as a Case Study. In. International Journal of Business and Management Vol. 6, No. 1.

<sup>50</sup> Vel, P. K. et al. 2011. Luxury Buying in the United Arab Emirates. p. 1.

means to buy luxury products. The Arabian Gulf region can be considered a unique culture, as it has a unique pattern of life, which is generally consistent within the region as compared to other parts of the globe. The economic benefits of oil reserves have played an important part in developing the current culture of the Gulf region especially in the UAE.

The country's historical population as a small tribal community has been changed with the arrival of other nationals — first by the Iranians in 1810, then by Indians and Pakistanis in the 1960s that were later followed by Westerners in the late 1980s. The country is rich in its tradition, with great combination of the traditional values of the East, in terms of modesty, and the technologies of the West in terms of development.<sup>51</sup>

It is an anticipating society, which envisions its future at the same time it is equally bound to its culture and heritage. Factors such as economic prosperity, cultural differences, ethnic mix, and lifestyle changes in the UAE have transferred the UAE consumers' shopping behavior from traditional marketplace “souq” to shopping centers and visiting high end luxury brands stores. The UAE sees the family as the most important institution in the society and the basis of societal life. Many families in the UAE usually influence the purchase decisions of an individual on any item he wishes to own.

Price is also a strong factor in the consumption choices of Emirati consumers, but other considerations like product quality, after-sales service and degree of innovation are important as well. Using Arabic-language packaging constitutes an advantage on the domestic market. Further, it is essential to be sensitive to local traditions and religious beliefs. There are substantial differences between the consumption profiles of high- and low-income populations. Price is the determining factor for low-income consumers, but is comparatively less important in the affluent segments of the population. Certainly there are other aspects than culture including values, religion, and social consumption motivation that would have influenced the UAE consumers' purchase.

### **The Diversity of the UAE**

The UAE's fast-growing population, high purchasing power and booming tourism have been driving the country's consumer market. Located at the historical crossroads of commerce and conquest, the UAE has been flooded with a rich variety of cultural influences and has one of the most diversified consumer markets in the world.

According to the World Bank, the population had reached 9.1 million<sup>52</sup> by the end of 2014, more than double the 4.1 million residents recorded in the last national census undertaken in 2005.<sup>53</sup>

---

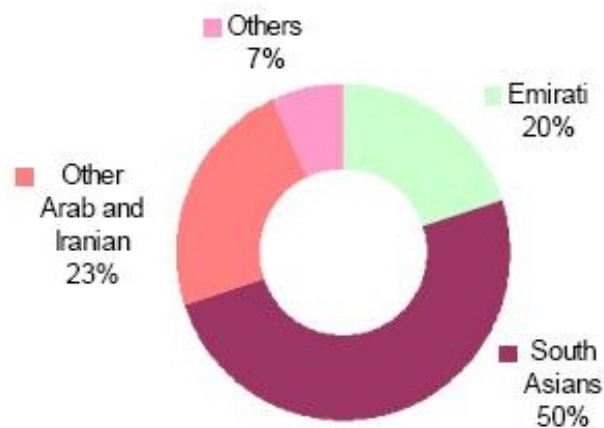
<sup>51</sup> Raven, P. & D. Welsh. 2004. An exploratory study of influences on retail service quality: a focus on Kuwait and Lebanon. In *Journal of Services Marketing*. Vol.18, No.3.

<sup>52</sup> World Bank Group. 2015. Databank. Available at: <http://data.worldbank.org/country/united-arab-emirates>



Only 19%<sup>54</sup> of the population is Emirati and citizens of the country. Eighty percent of the population are expatriates, mostly from South Asia (Pakistanis, Indians, Filipinos, Yemenis, Egyptians, Jordanians, and Omanis)<sup>55</sup>, which account for 50% of the expatriate population and are followed by other Arabs, Iranians and Western nationalities.

There is a high imbalance in the ratio between the population figures for UAE citizens and the proportion of expatriates that have assisted in the recent economic boom. Males outnumber women by around three to one, due to the migration flow of working-age men. As a result of this influx, the UAE has one of the highest population growth rates in the world and has a predominantly male and youthful populace.



**Figure 5 UAE population structure according to ethnic origins<sup>56</sup>**

An influx of foreign workers, which has driven up the UAE's population over the past 10 years, will remain the key population driver of the country in the next decade. In recent years, the UAE government has been offering various incentives to UAE nationals to raise bigger families. The government hopes that this will help to achieve a better balance between Emirati and expatriate populations. However, the gap is unlikely to narrow any time soon, as the country's rapid economic growth and huge increase in labor demand keeps expanding the size of the expatriates.

<sup>53</sup> UAE National Bureau of Statistics. 2010. Methodology of estimating the population in UAE. Available at: <http://fcsa.gov.ae/ReportPDF/Population%20Estimates%202006%20-%202010.pdf>

<sup>54</sup> Razzouk, Y. N. – Seitz, V. & A. R. Al-Shamsi. 2010. Market segmentation in the United Arab Emirates: an exploratory investigation. Available at: <http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.199.9032&rep=rep1&type=pdf>

<sup>55</sup> Hong Kong Trade Development Council. 2011. UAE's consumer market is about diversity. Available at: <http://economists-pick-research.hktdc.com/business-news/article/Research-Articles/UAE-s-consumer-market-is-about-diversity/rp/en/1/1X000000/1X09U0Z1.htm>

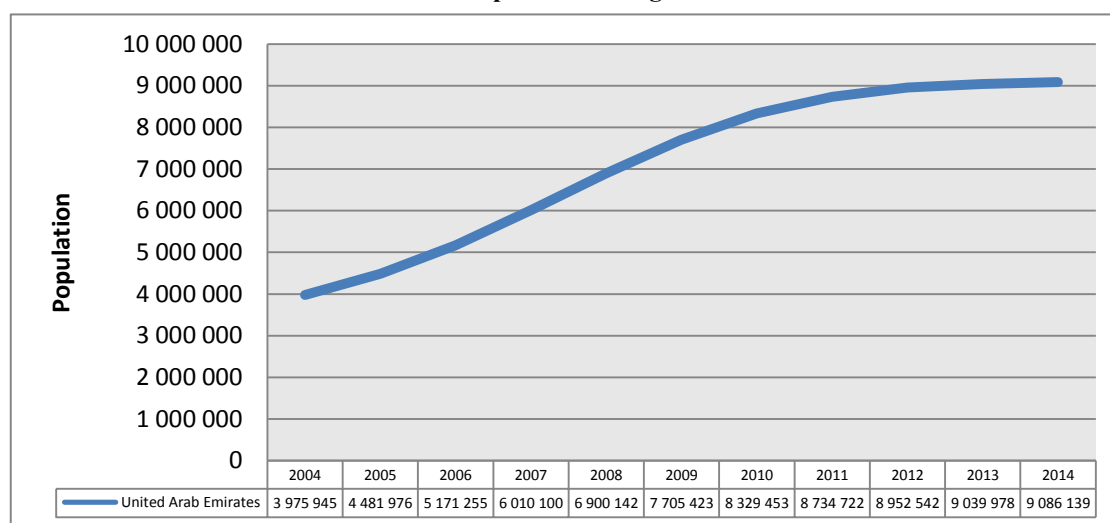
<sup>56</sup> Euromonitor. 2015. Available at: <http://economists-pick-research.hktdc.com/business-news/article/Research-Articles/UAE-s-consumer-market-is-about-diversity/rp/en/1/1X000000/1X09U0Z1.htm>

## Population Growth

The UAE's enviable track record of economic growth going back decades has ensured continued growth in both Emirati and expatriate population numbers. Population growth (annual %) in the United Arab Emirates was last measured at 0.51 in 2014, according to the World Bank. Population is based on the de facto definition of population, which counts all residents regardless of legal status or citizenship – except for refugees not permanently settled in the country of asylum that are generally considered part of the population of the country of origin.

The following table shows development of population growth in the UAE.

**Table 2 Population change in UAE<sup>57</sup>**



## Islam and Customer Behavior

The UAE is home to people of many faiths, but the influence of Islam molds the consumer market. Regardless of individual religious beliefs, Islam touches virtually every consumer and every company in the UAE. The teachings of Islam encompass the essence of peace, economic well-being and development of the individual Muslim as part of a family, a social group, and an entire nation. Thus, marketers must be able to categorize potential consumers according to definable characteristics and to tailor the products and services to the needs of each category. Notwithstanding, the role and value of the individual consumer in an Islamic culture are very different from those in the Western world. The main social and economic unit in the Middle East has been, and still is, the family, as a consumption unit, property owner, employment exchange, social security, and financial broker, compared to the depersonalization and individualization of the Western system.

Owing to its multicultural population, the UAE sees a mixed picture of consumer behavior. For example, Westerners tend to grab a drink in bars and clubs, where there are many after-work pub hangouts in Dubai, while Muslims, who account for most of

<sup>57</sup> World Bank. 2015. Databank. Available at:  
<http://data.worldbank.org/indicator/SP.POP.TOTL/countries/AE?display=default>

the country's population, prefer watching movies in cinemas with no alcoholic drinks. Therefore, goods and services providers, such as supermarkets, restaurants and even schools, offer customized goods and services to satisfy specific needs of customers with different cultural backgrounds. The diversity and wealth of the UAE provide an incredible array of opportunities for consumer companies that take the time to understand the people and their culture. Marketers need to overcome the difficulty of serving customers with different needs, such as Emiratis, expatriates, tourists and overseas buyers.

Income inequality is another major reason for consumer diversity. There are huge income disparities between highly-skilled workers and low-skilled workers. According to Dubai's government statistics<sup>58</sup>, the 2008 average annual salary of Western nationals, mostly in white-collar managerial positions, was US\$49,046. UAE nationals and residents from other Arab countries earned US\$30,790 and US\$18,529 respectively. Meanwhile, Asians, who often fill lower-skilled service and laborer jobs, earned only US\$16,349 on average.

### **UAE "New Age" Muslim**

A 2008 report, "The Life and Times of the Modern Muslims: Understanding the Islamic Consumer,"<sup>59</sup> jointly conducted by JWT, a global advertising company, and AMRB, an Arab market research firm gives companies deeper insight into the values and behaviors of Muslim consumers. While the study did find that there are certain traits – such as identification with religion over nation and strong emphasis on family – that unite all Muslim consumers, it also broke each country's population into social and cultural groups that could help marketers target them more efficiently. These included religious conservatives, societal conformists, pragmatic strivers, liberals and New Age Muslims.

Muslim consumers respect and adhere to their religion-influenced cultural traditions, but they also share a strong desire for those traditions to adapt with the times. A significant and growing percentage of the world's 1.4 billion Muslims are striving for lifestyles that are both religious and modern, representing a largely untapped market.

This profile particularly describes consumers in the UAE, where 45 percent<sup>60</sup> of the national population – the highest percentage of all the countries studied – fit this category of the so-called "New Age Muslim". The New Age Muslims were defined as religious individuals who do not expect others to follow religious practices, believe in

---

<sup>58</sup> Federal Competitiveness and Statistics Authority. 2015. Statistics by Subject. Available at: <http://fcsa.gov.ae/EnglishHome/ReportsByDepartmentEnglish/tabid/104/Default.aspx?MenuId=1&NDId=447>

<sup>59</sup> Vohra, M. 2009. Understanding the Islamic Customer. Available at: [http://americanmuslimconsumer.com/wp-content/uploads/2013/09/marketing\\_to\\_muslims.pdf](http://americanmuslimconsumer.com/wp-content/uploads/2013/09/marketing_to_muslims.pdf)

<sup>60</sup> Hagey, K. 2008. Emirates emerges as home to 'modern Muslim' consumer. Available at: <http://www.thenational.ae/business/retail/emirates-emerges-as-home-to-modern-muslim-consumer>

societal progression and support female empowerment and gender equality. They were described as "pro-media" and aware of the potential advantages of the Internet. Because this category tended to be both affluent and receptive to media, it represented a huge potential market for brands. The study directs marketers away from stereotypes, especially the link between religion and backwardness. Vohra and his research team divided population of Muslim countries into several segments. Each segment has the different approach to the consumer behavior. The UAE has high the “New Age Muslim” segment (see following figure).

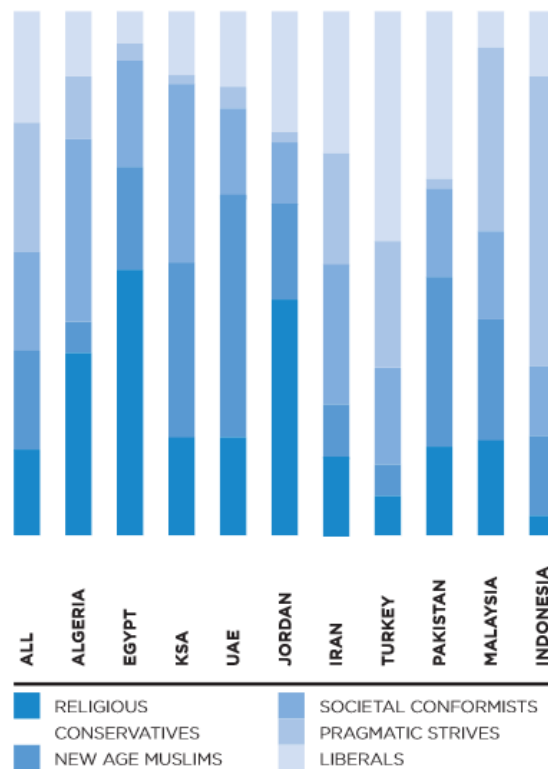


Figure 6 Social segmentation of Muslim countries <sup>61</sup>

## 2.3 Online and Offline Media in the UAE

The UAE Government has been actively encouraging dynamic offline and online media sector throughout the country and as a result, media institutions in the UAE have made considerable progress quantitatively and qualitatively in recent years. Having a high media presence, the country has become one of the most wired in terms of the proportion of media outlets to the size of the population and has seen steady growth during the past two decades in the number of media institutions, media activities and technology.

<sup>61</sup> Vohra, M. 2009. Understanding the Islamic Customer. Available at: [http://americanmuslimconsumer.com/wp-content/uploads/2013/09/marketing\\_to\\_muslims.pdf](http://americanmuslimconsumer.com/wp-content/uploads/2013/09/marketing_to_muslims.pdf)

### 2.3.1 Offline Media in the UAE

The UAE is the commercial heart of the Middle East's media sector, serving as both a regional hub for a rapidly growing list of international media companies and as a fertile field for the development of one of the region's most robust domestic media industries. The region's most prominent television broadcasters, advertising agencies and print publications are all based in the country. A positive business environment has seen many UAE headquartered media companies make great strides, attracted by the UAE's highly developed infrastructure, business-friendly environment and growing market.

#### **Advertising**

The UAE advertising market was hit hard by the global recession, as were most other markets across the Middle East and North Africa. This was compounded by political turmoil in the region, which prompted a heavy drop in Arab advertising sales. However, according to Zenith Optimedia's ad spend forecast, the Emirates still accounts for almost 13 percent of the total regional media spend in 2014, with advertising expenditure still slated to grow by 7.2 percent in 2015 to reach almost US\$6 billion by 2016 – up from \$528 million in 2014.<sup>62</sup>

#### **Print Media**

Newspapers and magazines are thriving in the UAE, especially in comparison to the problems the industry is facing in other parts of the world. Print media institutions in the country have made considerable progress in market size and quality in recent years. There are seven Arabic newspapers and eight English language newspapers produced and published in the UAE. The magazine and specialist periodical sector continues to grow with a vast number of subscription, controlled circulation and free circulation titles available. In the media free zones in Dubai, there are over 120 publishing houses producing some 400 publications, whilst media free zones in Abu Dhabi account for 135 domestic and foreign companies producing and distributing print and audiovisual media content.<sup>63</sup> At a time when print media is suffering steep declines in much of the world, the UAE remains a beacon, a place where almost 70 percent<sup>64</sup> of the population still reads a newspaper every day and about the same percentage of advertising spending goes into print. Newspapers and magazines continue to attract high amount of the UAE's advertising spending that counted for US\$302 million in 2014.<sup>65</sup> Other media,

---

<sup>62</sup> Pilkington, F. 2015. Can you guess who spends the most on ads in the UAE? Available at: <http://www.kippreport.com/fcs/can-you-guess-who-spends-the-most-on-ads-in-the-uae/>

<sup>63</sup> National Media Council. 2014. UAE Yearbook 2013. Available at: <http://www.uaeyearbook.com/yearbook2013.php?lang=ENG>

<sup>64</sup> eMarketer. 2013. The Global Media Intelligence Report. Available at: [http://iabsa.net/assets/eMarketer\\_The\\_Global\\_Media\\_Intelligence\\_Report-Middle\\_East\\_and\\_Africa\\_2013.pdf](http://iabsa.net/assets/eMarketer_The_Global_Media_Intelligence_Report-Middle_East_and_Africa_2013.pdf)

<sup>65</sup> Ibid.

notably Internet but also television and radio, are expected to grow revenues over the next three years. But magazines and newspapers are forecast to see a fall in advertising spending in line with global trends, according to the Arab Media Outlook.

### **Broadcast Media**

Television in the Arab world is unlike anywhere else, as satellite owners from Morocco to Saudi Arabia share access to the same feed of more than 400 free-to-air channels. Within this vast choice, Abu Dhabi TV and Dubai TV have staked out a respectable market share, registering among the most popular channels. According to the Arab Media Outlook, almost half of UAE residents spend between one and three hours watching TV every day. MBC2 is the most-watched channel in the country, followed by MBC Action, MBC1, Dubai TV, Abu Dhabi Al Oula, MBC4, Al Jazeera, Al Arabiya, Fox Movies and Zee TV. The UAE is home to the main headquarters of scores of TV channels, with at least 72 free-to-air stations operating from the country.<sup>66</sup>

## **2.3.2 Online Media in the UAE**

### *Internet penetration in the UAE*

The UAE shows the second highest Internet penetration in the entire Middle Eastern region. Approximately 8.8 million Internet users out of 9.6 million people in the country shows a penetration rate of 92%.<sup>67</sup> The Global Information Technology Report 2015 study released by the World Economic Forum (WEF) reveals that the impact of the information and communication technology („ICT”) on UAE residents’ social life is the second highest in the world.<sup>68</sup> This is thanks to access to basic services, Internet access in schools, ICT use and government efficiency. In terms of economic impact, UAE is 27th in the world. The high penetration of Internet and mobile is reflected in the individual and businesses usage as well, ranked 20th and 27th – respectively – worldwide. According to the WEF report, the UAE maintained its leading position and also further improved global ranking in Networked Readiness Index. The UAE is ranked first in the Middle East and North Africa (Mena) and 23rd worldwide, one ranking up from the previous year. The UAE’s effort to push for information and communication technology advancement is paying off as the country sees its rating improving year-on-year among the comity of nations. Internet advertising in the UAE is also set to grow the fastest in the world, according to research from PWC.<sup>69</sup>

---

<sup>66</sup> Dubai Press Club. 2015. Arab Media Outlook. Available at: <http://stmjo.com/wp-content/uploads/2015/06/Arab-Media-Outlook-2011-2015.pdf>

<sup>67</sup> Global Media Insight. 2015. UAE Internet Social & Mobile Statistics 2015 Infographics. Available at: <http://www.globalmediainsight.com/blog/uae-internet-stats-infographics-2015/>

<sup>68</sup> World Economic Forum. 2015. Global Information Technology Report 2015. Available at: <http://reports.weforum.org/global-information-technology-report-2015/economies/#economy=ARE>

<sup>69</sup> PWC. 2014. Global entertainment and media outlook 2014 – 2018. Available at: <https://www.key4biz.it/files/000271/00027176.pdf>

The yearly Entertainment and Media Outlook report outlines the latest trends in the industry and says the UAE's Internet advertising sector is worth \$229 million, but that is set to rise to \$735 million by 2018, for a compound annual growth rate of 34.6 per cent. The growth is directly related to Internet access and the number of Internet subscribers. The substantial growth rate is also primarily a result of the low starting base.

### *Mobile penetration in the UAE*

The UAE has the highest mobile penetration rates in the region according to eMarketer statistics as nearly 73%<sup>70</sup> of the population used a mobile phone in 2015. Mobile penetration in the UAE is also among the highest in the world, with 178 subscriptions per 100 people,<sup>71</sup> largely due to the country's affluence as well as to a significantly sized and fluid population of expatriate workers. Often, consumers own more than one SIM card to take advantage of promotional offers.

The UAE sits atop the region with 65% for smartphone user penetration as well. The high smartphone usage are driving two segments of the population: consumers trading up from more basic feature phones, and new subscribers particularly younger, affluent individuals entering the market at a time when smartphones are affordable for them.

According to the Nielsen findings, UAE consumers are also avid users of the Internet from their smartphones – almost one in two UAE youth's access the Internet via their mobile phones more than five times a day.<sup>72</sup> The most popular uses for the devices according to Consumer Barometer are accessing social networks (77%), email (67%), watching online videos (66%) and using search engines (62%).<sup>73</sup>

Smartphone usage also affects the handling of other screens. Behavior whilst watching TV is changing due to high engagement with smartphones. 80 percent<sup>74</sup> of UAE smartphone users claim that they access digital content while watching TV, coupled with the high usage of video content accessed via mobile phones, it is clear to see that UAE residents are combining their TV and mobile worlds. According to the TNS research, respondents in the United Arab Emirates frequently research online and then buy offline, and particularly in the case for mobile phones, with 53 percent of users on

---

<sup>70</sup> eMarketer. 2015. United Arab Emirates Leads Middle East and Africa in Mobile Phone Penetration – Available at: <http://www.emarketer.com/Article/United-Arab-Emirates-Leads-Middle-East-Africa-Mobile-Phone-Penetration/1011971#sthash.xYnCjiJq.dpuf>

<sup>71</sup> World Bank Group. 2015. Databank. Available at: <http://data.worldbank.org/indicator/IT.CEL.SETS.P2>

<sup>72</sup> Nielsen. 2014. Decoding the UAE smartphone usage. Available at: <http://www.nielsen.com/mena/en/press-room/2014/Decoding-the-UAE-Smartphone-Usage.html>

<sup>73</sup> Google, Inc. 2015. Consumer Barometer AE. Available at: <https://www.consumerbarometer.com/en/graph-builder/?question=M7b1&filter=country:uae>

<sup>74</sup> Google, Inc. 2015. New Trends in Digital: UAE's Connected Consumer Survey 2015. Available at: <https://www.thinkwithgoogle.com/intl/en-ae/infographic/new-trends-in-digital-uaes-connected-consumer-survey-2015/>

the Internet having used a smartphone during their last purchase.<sup>75</sup> Another survey conducted by market research firm YouGovSiraj<sup>76</sup> on social media and consumer behavior also shows that a large majority of customers are actively seeking and searching product information online and through social media platforms. Seventy percent of the respondents would look for online reviews before making a purchase decision, while over 80% of them said that they would look for the website of the seller. Interaction levels with companies online are still rising where 41% of the respondents said they interact with their favorite brands through platforms like Twitter, Facebook, YouTube and LinkedIn, while 65% said they would more likely to interact with emails sent to their inboxes. The figures show that businesses cannot afford to dismiss social media. The study also revealed that companies in the region are aware of the importance of including social media in their overall media relations and marketing plan, but lack the know-how to successfully create buzz online. The research shows emerging pattern that highlights the urgency for brands to invest in smartphone-friendly websites and mobile applications to raise the bar of customer engagement and satisfaction.

## **Digital Media Platforms**

### *Social Media*

According to Arab Social Media report, social media is perceived as having numerous positive aspects that enhance the quality of life of individuals, business profitability and governmental interaction with the public.<sup>77</sup> The UAE leads the region in digital media development. Social networking plays a big part in shaping the social media scene in UAE. Facebook is still predominant with 6.3 million users which mean that 90% of the population is subscribed to Facebook.<sup>78</sup> In the UAE, netizens<sup>79</sup> mainly use social media as a means of communication, building a community and entertainment. Netlog is also popular in the Middle Eastern region, partly because its Arabic social network is completely separated from its English sister network. Unusually, 78% of Netlog's UAE members were UAE nationals in 2011.<sup>80</sup> The UAE network is littered with active groups and discussion boards that are great avenues from which businesses could obtain information on what really interests and concerns the consumer.

---

<sup>75</sup> Al Arabiya. 2015. Google releases latest version of Consumer Barometer. Available at: <http://english.alarabiya.net/en/business/technology/2015/03/04/Google-releases-latest-version-of-Consumer-Barometer.html>

<sup>76</sup> Business Intelligence Middle East. 2010. 80% of UAE consumers use social media to make purchase decisions reveals YouGovSiraj poll. Available at: <http://www.bi-me.com/main.php?id=44560&t=1>

<sup>77</sup> TNS. 2015. Arab Social Media Report. Dubai: Arab Social Media Influencers Summit. Available at: <http://www.wpp.com/govtpractice/~media/wppgov/files/arabsocialmediareport-2015.pdf>

<sup>78</sup> Bhargava, J. 2015. How Young Arabs are fueling the MENA Media Market.

<sup>79</sup> Netizen: a collocation of words Internet and citizen and it can be understood as a word describing „the citizen of the Internet“, a person actively involved in online communities or the Internet in general.

<sup>80</sup> Baldwin, D. 2011. Social Portal Netlog expanding in UAE. Available at: <http://gulfnews.com/business/sectors/features/social-portal-netlog-expanding-in-uae-1.838545>



## *Video*

There are a vast plethora of video-sharing websites in the UAE, but many of them have their own eclectic fan following. Of the mainstream channels, YouTube is the most popular. It is the third most accessed website in UAE after Google and Yahoo, and is used to mainly search for music videos, and to subscribe to popular Middle Eastern channels. ShoofTV targets those segments that are looking for local content. According to Vuclip, the premium mobile video on demand service for emerging markets, video quality and caliber of content are key drivers of mobile video sharing in the UAE.<sup>81</sup>

## *E-commerce*

The most important trend in the UAE is the rise of the number of people engaging in e-commerce, with an increase to 83% of the total population in 2015 from 51% in 2013, as per a MasterCard survey.<sup>82</sup> The MENA region's e-commerce industry has been booming alongside a thriving retail sector. The UAE is home to a tech-savvy population and the country's e-commerce is forecast to reach \$10 billion in value by 2018.<sup>83</sup>

Online is quickly becoming the norm for more shoppers in the UAE due to the high level of awareness amongst consumers about the convenience, speed and safety of their transactions. Results of the survey also highlighted an affinity for making purchases through smartphones. Respondents pointed to convenience and the wide availability of apps as key reasons for relying on their mobile phones, with fewer people mentioning a preference to shop in brick and mortar stores compared to the results of the 2014 study.

Also according to A.T. Kearney's, UAE's e-commerce industry ranks 25th on global retail index<sup>84</sup> and has a strong potential to grow in the next five years and rival the markets of developed countries. The study reveals that consumers in developing markets are fast adopting behaviors similar to those in more developed countries. For example, UAE consumers use their phones to research products, compare prices and seek input from their friends on social media as much as western countries. The growth of fixed and mobile Internet access has resulted in annual growth of between 35 to 45 percent for the Gulf's online shopping industry. Euromonitor report also predicted that Middle Eastern customers will spend around \$2.2 billion online by 2016.

---

<sup>81</sup> Sharma, P. 2015. Vuclip Survey Reveals Increasing Pace of Mobile Video Sharing, Highlights Emerging Trends in Consumer Behavior. Available at: <http://www.marketwired.com/press-release/vuclip-survey-reveals-increasing-pace-mobile-video-sharing-highlights-emerging-trends-2059602.htm>

<sup>82</sup> Engagement Bureau. 2015. Online shopping continues to gain popularity in the UAE: MasterCard Study. Available at: <http://newsroom.mastercard.com/mea/press-releases/online-shopping-continues-to-gain-popularity-in-the-uae-mastercard-study/>

<sup>83</sup> Maceda, C. 2014. UAE leads e-shopping in Middle East. Available at: <http://gulfnnews.com/business/sectors/general/uae-leads-e-shopping-in-middle-east-1.1308741>

<sup>84</sup> Gulf Business. 2013. UAE's E-Commerce Industry Ranks 25th On Global Index. Available at: <http://www.gulfbusiness.com/articles/industry/uaes-e-commerce-industry-ranks-25th-on-global-index/>

Generally speaking, e-commerce is growing in the stabilized markets of the Middle East and the UAE's growing wealth and Internet usage have spurred the development of e-commerce, with more and more shoppers being attracted by the value of online purchases, secure payment facilities, the reputation of the website, and the speed of transactions.<sup>85</sup>

### **Advertising Regulations**

The United Arab Emirates has its own rules and regulations specific to advertisements. Advertisements are regulated by numerous laws such as the Printing and Publication law, National Media council regulations and Cybercrime law as well as laws governing consumer protection and commercial activities particularly in relation to anti-competitive practices and illegal monopolies.

Some of the most important advertising laws in the UAE are:

- Federal Law No. (7) of the year 2002 Concerning Copyrights and Neighboring Rights
- Federal Law No. (15) of the year 1980 Concerning Publications and Publishing
- Cabinet Decision No. 14 of 1999 regarding the license fees information of a commercial nature
- Cabinet Decision No. 14 of 2006 on the system the National Media Council
- Council of Ministers Resolution No. (70/13) for the year 2007 meeting No. 4 to regulate the exercise of some of the free zones of media licenses
- President of the Council Decision No. 35 for the year 2012 on the criteria content and advertising media<sup>86</sup>

The set of the UAE media regulations is also called as "Advertising Standards". The regulation contains frames and standards regulating advertisements and procedures to follow their implementation in accordance with international laws and regulations pertaining to this sector that are in alignment with the general local politics and federal government strategies. The regulation also contained an article stressing that the used language in the advertisement should be either standard Arabic or local Emirati dialect.

Additionally, in this region, advertisements need to be sensitive to the cultural expectations and tolerances of the target audience in addition to the legal framework governing the dissemination of advertising content. It is important to remember that,

---

<sup>85</sup> Budde Comm. 2016. United Arab Emirates - Fixed Broadband Market, Digital Economy and Digital Media - Statistics and Analyses. Available at: <http://www.budde.com.au/Research/United-Arab-Emirates-Fixed-Broadband-Market-Digital-Economy-and-Digital-Media-Statistics-and-Analyses.html>

<sup>86</sup> National Media Council. 2016. Media laws and regulation. Available at: <http://nmc.gov.ac/en/pages/MediaLawsAndRegulation.aspx>

whilst advertisers have freedom to be creative, there are limits imposed by these laws and local culture.<sup>87</sup>

The Advertising Standards set out principles in relation to all digital and traditional advertisements broadcast or published through any media corporation and outlet in the UAE. Although, the Advertising Standards do not define the meaning of these terms, they may be interpreted broadly to include advertisements issued by shops, for example. Many of the standards set out in the Advertising Standards reiterate principles already established under various existing legislations and regulations, while others introduce new rules governing advertisements and advertising content in the region.

The summary of the main standards is below:

- Respect for religion and political institutions: Advertising content must be respectful of all divine religions and not offend Islamic beliefs. It must not disrespect the regime in the UAE and/or the symbols and political institutions thereof. Further, no content broadcast or published by a media corporation or outlet may disrespect the local and international policies of the UAE or disrespect the cultural heritage of the UAE.
- Prohibited products/services: The Advertising Standards explicitly prohibit advertising alcoholic beverages, tobacco, smoking and all banned products or services including banned narcotics.
- Prohibited content: The Advertising Standards prohibit the publication of words and pictures that breach public morals. They further prohibit the spread and dissemination of information that may prejudice children, women or any other members of society. The Advertising Standards also prohibit the provocation of violence, hatred and sectarianism via advertising content.
- Privacy: With a view to protecting the privacy of individuals, the Advertising Standards explicitly prohibit the broadcast and publication of misleading news and rumors.
- Consumer Protection: The Advertising Standards mandate compliance with the laws governing consumer protection and commercial activities particularly in relation to anti-competitive practices and illegal monopolies.
- Health regulations: Advertising content relating to medicines or pharmaceutical products must comply with the rules set out by Cabinet Resolution No. 7 of 2007 Regarding Health Advertisements Regulation.<sup>88</sup>

---

<sup>87</sup> Al Tamimi & Co. 2015. Advertising in the UAE: The legal framework and key issues. Available at: <http://www.tamimi.com/en/magazine/law-update/section-11/may-8/advertising-in-the-uae-the-legal-framework-and-key-issues.html>

<sup>88</sup> Saleem, S. & A. Siassios. 2013. Advertising standards for the UAE. Available at: <http://www.tamimi.com/en/magazine/law-update/section-5/february-4/advertising-standards-for-the-uae.html>

The summary of additional requirements in respect of advertisements is below:

- All advertisements broadcast or published in the UAE must be clear and must not contain incorrect information. Advertisements must not create confusion between products. Misleading claims of a comparative nature that have a tendency to mislead consumers are prohibited. Additionally, statements relating to uniqueness that have a tendency to deceive consumers are also prohibited.
- The Advertising Standards prohibit the unlawful use of trademarks in advertisements. Advertisements must not contain fraudulent or imitated trademarks. The use of labels or pictures that are unrightfully used is also prohibited.
- Broadcast or publication of specialized advertisements, i.e. advertisements about medicines or pharmaceutical products, food products and promotions require special permission of the relevant authority prior to issuance. Similarly, advertisements relating to properties, universities and kindergartens must be approved by the relevant authority.

### **Internet Filtering**

Internet filtering in the UAE was listed as pervasive in the social and Internet tools reads, as substantial in the political area, and as selective in the conflict/security area by the OpenNet Initiative in August 2009. The UAE has been listed as "Under Surveillance" by Reporters without Borders since 2008.

The United Arab Emirates censors the Internet using Secure Computing's solution. The nation's ISPs Etisalat and du ban pornography, politically sensitive material, all Israeli domains and anything against the perceived moral values of the UAE. All or most VoIP services are blocked. The Emirates Discussion Forum has been subjected to multiple censorship actions by UAE authorities. The WhatsApp calling function is blocked in the UAE, to comply with Voice over IP ("VoIP") regulations.

Telecommunications Regulatory Authority (herein after referred as "TRA") instructs Etisalat and du to block parts of Wikipedia, all VoIP services such as Skype and some social networking services like hi5, Friendster, and all dating sites like Yahoo! or Match.com. For political reasons, the entire Israeli Internet domain, .il, is also blocked.

A common method of circumventing Internet censorship is by using virtual private network (hereinafter referred to "VPN") services. In March 2015, the Dubai Police declared the usage of VPN illegal. Although action may not be taken against an individual for simply using a VPN, the usage of VPN combined with other illegal acts would lead to additional charges. Mr. Al Hajri, Director at the Cyber Crime division of Dubai Police, said for one article following: "Tampering with the Internet network is a crime. An action may not be initiated against anyone using a VPN service, additional charges can be filed against a person caught in an illegal act and when he or she is found to have used VPN as well. Once we identify a suspect; he can be under constant

surveillance, even if it means a three to four year.”<sup>89</sup> UAE Cyber Police pays extra attention to Twitter and other social media, if the person is found guilty of tweeting content that is abusive, blasphemous, helps terrorist groups, insults the country or the Royal family, he can be jailed. The TRA has said publicly they are monitoring every social media platform in the UAE.<sup>90</sup>

## 2.4 Telecommunication Industry in the UAE

The telecommunication industry in the UAE is primarily controlled and supervised by a governmental agency called Telecommunications Regulatory Authority (“TRA”). TRA has a mandate to manage “every aspect of the telecommunications and information technology industries in the UAE”<sup>91</sup>. This includes issuing licenses, enforcing regulations, promoting e-government and the sector as a whole, establishing access management policy, resolving disputes, and ensuring service quality and access equity. The federal government, which includes the Ministry of Communications, progressively nationalized the telecommunication sector.<sup>92</sup>

The telecommunication industry in the UAE is not very diversified, speaking about the number of the actors interested in market sharing. The result was a monopoly of the Emirates Telecommunications Corporation, nowadays known as *Etisalat*. The company was the sole telephone and telecommunications provider in the UAE from 1976 to 2006. And while there were exceptions for free zones and modern housing developments, for the majority of the UAE, Etisalat held a monopoly on business and personal telecommunications services.

The situation changed in February 2006 when this monopoly market structure became a duopoly when a new telephone company and Internet Service Provider, *du* was established to offer mobile services across the UAE and Internet and TV services to some free zone areas.

Due to geographical distribution of service areas, the companies do not compete for customers and thus effectively operate as monopolies on smaller geographically segmented markets.

Sustained growth of its customer base, rising consumer purchasing power, and availability of high-end smartphones is fueling the telecommunications market in UAE. A new company called Al Yah Satellite Communications has received a license to provide satellite telecom services. With the entrance of additional operators, competition will probably increase further and prices are expected to drop.

---

<sup>89</sup> Waqas, A. 2013. Dubai Police: Using VPN in United Arab Emirates is a Punishable Crime. Available at: <https://www.hackread.com/using-vpn-in-united-arab-emirates-is-a-punishable-crime-dubai-police/>

<sup>90</sup> Ibid

<sup>91</sup> UAE Federal Law by Decree No. 3 of 2003

<sup>92</sup> Oxford Business Group. 2015. Growing market saturation in Dubai telecoms increasing competition for high-quality content. Available at: <http://www.oxfordbusinessgroup.com/overview/growing-market-saturation-dubai-telecoms-increasing-competition-high-quality-content>

*Etisalat* and *du* are particularly focused on the mobile broadband and enterprise communications segments, which show the highest potential for growth. Both operators have already launched 4G services. There are currently new negotiations about 5G services (the next major phase of mobile telecommunications standards beyond the current 4G standards).<sup>93</sup>

Even though the government partly owns both operators, the competition in the UAE market is fierce. Aggressive marketing campaigns and competitive pricing is essential to gain broadband market share. While intense demand has allowed operators to keep fixed broadband prices relatively high, decreasing prices will also enable them to meet margins as usage continues to grow.

Further, both operators concentrate on value-added services such as mobile content development and enterprise-focused services such as managed services and cloud computing to gain additional revenue. When it comes to core segments such as fixed-line services, Internet and cable TV, there is no competition between the two operators as *du*'s services are restricted to newly-developed areas of Dubai. Its focus is on retaining clients and increasing the post-paid subscriber base as these clients consume more than double the number of minutes used by pre-paid subscribers.

*Etisalat*'s attention over the next two years will be on retaining its leading position in the domestic market. This effort will be bolstered by the UAE government giving priority to the development of IT and telecommunication over the next five years.<sup>94</sup>



**Figure 7 The logos of current telecommunication operators in UAE (from left to right: Etisalat, du, Al Yah Satellite Communications)**

The United Arab Emirates is moving forward toward higher utilization of digital technologies and it has one of the most advanced telecoms sectors in the Middle East and with a government actively supporting *Smart City* and *Digital Transformation* initiatives – the future for the sector continues to look bright. This is assisted by the high rate of fiber penetration in the Emirates, where around 85% of all fixed broadband subscribers utilize FttH/FttP (world's most cutting edge types of fiber broadband).

The UAE possesses a strong mobile market which includes high smart phone penetration. The focus of the operators in recent times has been revenue growth through

---

<sup>93</sup> [http://www.uaeinteract.com/docs/UAE\\_telecom\\_giant\\_du\\_bets\\_big\\_on\\_5G/73399.htm](http://www.uaeinteract.com/docs/UAE_telecom_giant_du_bets_big_on_5G/73399.htm)

<sup>94</sup> Zelba, J. 2015. UAE Telecom Market: Will the Country Finally have Fixed-line Telecom Competition? Dubai: Frost & Sullivan research service, 2015.

offering increased service options such as bundling aimed at increasing mobile data usage. Their efforts are succeeding with mobile data now making up over 30% of both Etisalat's and du's mobile services revenue in the UAE.

**Table 3 Subscribers to telecoms services in the UAE (million)<sup>95</sup>**

	<b>2012</b>	<b>2015</b>
<b>Fixed Broadband</b>	0,95	1,15
<b>Fixed-line telephony</b>	19,97	2,12
<b>Mobile phone</b>	13,78	18,00

Interesting comparison of telecommunication market was made by Renata Kovacs, from the Central European University.<sup>96</sup> She examined the telecommunications market in the EU, USA and UAE. It can be stated that UAE's telecommunications market players (Etisalat, du) behave as one big monopoly due to their market power. This position is just further strengthened by certain telecom policies such as being exempted under competition law and telecom licenses are not given freely. Consequently, Etisalat and du in the UAE's telecommunications market are generating enormous super-normal profits originating from their monopoly.

### **2.4.1 Etisalat**

Etisalat has served the telecommunications needs of individuals and businesses in the UAE and Gulf Region since 1976. Over that time, Etisalat has built a modern telecom infrastructure, established itself as a technology leader and continued to expand the reach not only through innovative services for UAE customer base, but through growing international markets. Etisalat is the UAE's leading telecommunications operator and one of the largest corporations in the GCC ("Gulf Cooperation Council"). As well as establishing several "firsts" over almost four decades of operations, Etisalat has deployed many innovative mobile and fixed technologies that have helped the UAE maintain its position as a leading global ICT economy. Headquartered in Abu Dhabi, Etisalat serves almost 11 million customers in the UAE.

Etisalat's current market cap is 87.7 billion AED (23.8 billion USD). With reported net revenues of AED 48.8 billion and net profit of 8.9 billion for 2014, Etisalat ranks amongst the most profitable telecom groups in the world. Etisalat provides innovative solutions and services to 169 million subscribers in 18 countries across the Middle East, Asia and Africa. Etisalat built the UAE's first and the region's widest 4G LTE (a standard for wireless communication of high-speed data for mobile phones) network in 2011 and it has an extensive network of over 680 international roaming partners.

---

<sup>95</sup> ITU Telecom World. 2015. Available at: <http://telecomworld.itu.int/2015-highlights/>

<sup>96</sup> Kovacs, J. R. 2014. Economic and legal analysis of the United Arab Emirates telecommunications market. Budapest: Central European University.

Etisalat has established an extensive FTTH network (“fiber-to-the-premises”, a form of fiber-optic communication delivery), making the UAE rank as the most fiber-connected country in the world with 85 percent fiber-optic penetration. Connecting more than 1.3 million homes in the UAE, FTTH network enables an ultrafast residential Internet network speed of 500 Mbps, one of the highest recorded in the world. Over the years, Etisalat has transformed into a fully integrated telecom operator and ICT solutions provider. Etisalat provides a range of end-to-end managed solutions to a range of industry verticals and it also delivers wholesale products and services to communications services providers.<sup>97</sup>

## 2.4.2 du

The official name of du is Emirates Integrated Telecommunications Company. Ever since du opened for business in 2006, it has worked hard to enhance and expand its bouquet of services in an industry that is at the heart of economic and social transformation. du offers mobile and fixed telephony, broadband connectivity and IPTV (“Internet protocol television”) services to people, homes and businesses all over the UAE. It also provides carrier services, a data hub, Internet exchange facilities and satellite services for broadcasters.

du is an integrated telecom service provider, dedicated to providing customers the best in choice, quality, innovation and pricing. The company’s commitment to the country extends beyond communications services as it strives to contribute towards a positive national transformation in both the Emirates’ people and environment. As a rapidly growing business, du has over 2,000 people working to develop service offerings. Employees come from over 60 countries - du mirrors the rich cultural diversity of UAE nation, while being able to serve the customers in a variety of languages in a cosmopolitan working environment.<sup>98</sup> So far, du serves more than 6.5 million mobile customers (almost 50% market share), 555 000 fixed line subscribers, 180 000 home services subscribers and over 70 000 businesses. In a survey conducted by ARC Chart, du was named the Best Mobile Broadband Network in the Middle East and Africa region in 2012.<sup>99</sup> Annual revenue now exceeds AED 10 billion<sup>100</sup>. Du operates exclusively in the UAE, with the headquarters in Dubai Media City. This office is supported by four other offices in Dubai and Abu Dhabi, as well as a call center in Fujairah and several warehouses. The company also has a countrywide network of over 52 du shops, e-shop and more than 10,000 authorized dealers.

---

<sup>97</sup> Etisalat. 2015. Company profile. Available at:

<http://www.etisalat.ae/en/aboutus/etisalatcorporation/corporation/profile/company-profile.jsp>

<sup>98</sup> du. 2016. Who we are. Available at: <http://www.du.ae/en/about/messages/who-we-are>

<sup>99</sup> du. 2014. Sustainability report. Available at: <http://www.du.ae/docs/default-source/About-Docs/du-sustainability-report-2014.pdf?sfvrsn=4>

<sup>100</sup> du. 2016. Investor relations. Available at: <http://phx.corporate-ir.net/phoenix.zhtml?c=199506&p=irol-homeProfile&t=&id=&>



## **3 Research Analysis**

The third chapter of this master thesis deals with the design, realization and interpretation of a questionnaire. Analyzing the effects on online and offline marketing in the United Arab Emirates through a questionnaire delivers practical information on consumer behavior in the telecommunication industry, thus providing the scientific added value of the thesis.

### **3.1 The Goal of the Research**

The goal of the research is to identify what offline and online marketing tools used by UAE telecommunication companies have a major influence on existing or potential customers in the UAE. The data gathered from this research could be a valuable input for marketing specialists in the telecommunication industry.

### **3.2 Research Questions**

By realization of the survey, we would like to answer the following research questions:

1. What are the opinions of the respondents on traditional marketing tools used by the UAE telecommunication companies?
2. What are the opinions of the respondents on online marketing tools used by the UAE telecommunication companies?
3. What are the opinions of the respondents on the comparison of traditional and online marketing tools used by the UAE telecommunication companies?
4. How do respondents perceive and compare YouTube and TV video advertisement?

### **3.3 Questionnaire as a Method of Data Collection**

Questionnaires are the most common way of gathering data from a sample of individuals. A questionnaire represents a list of questions each offering a range of answers. This format enables data to be gathered in a standardized and relatively structured manner. Questionnaires are now commonly used at all levels of social research, from small scale student projects through to large scale international surveys. The main common characteristic of these surveys is the formulation of a set of questions that is going to help the researcher to answer his/her research questions or test his hypothesis. Most questionnaires include structured answers together with open questions that gather semi structured data.

Following the literature (Saldaña<sup>101</sup>, Phillips<sup>102</sup>, Matthews, Ross<sup>103</sup>) designing the questionnaire is the most important stage in this type of research because once the questionnaire is constructed, the researcher has determined the questions and the answers and he/she will not be able to go back and gain further information. The researcher needs to be certain that the questions he/she asks are going to enable gathering of the needed data.

### **3.4 Realization of the Survey**

The master thesis used a questionnaire as a method for data gathering. The questionnaire included 25 closed questions where 20 questions focused on customer behavior and 5 questions dealt with the demographics of the sample. The questionnaire, available in appendix A, was converted into Google docs form and was distributed among the participants. Because of the topic and the main goal of the research, an online form of the questionnaire was used in order to reach the nationals in the UAE.

The survey was conducted in the period from March 19, 2016 to April 5, 2016. The distribution was secured through various forums and social media community pages where the questionnaire was placed. The objective was to cover the whole UAE area, including major cities such as Dubai, Fujairah, or Abu Dhabi. When the requested number of answers – 100 respondents – was met, we have stopped receiving new answers.

### **3.5 Limitations of the Research**

The limitation of this thesis is the application of the survey results to a broader group of consumers than represented by the sample of respondents. The survey findings cannot be applied to the general population and biased implications might present due to the structure and size of the sample and the methods used to distribute the survey in this regard. For more detailed research on the topic, a wider selection of sample should be incorporated to obtain more precise results. Nevertheless, the survey collected responses from 100 respondents and revealed valuable insights based on this specific group. Another limitation of the research represents focusing on one specific industry in one country. Therefore, conclusions of the research are limited to the research situation. For the reasons of the limitations mentioned above, future research is needed to develop the favorable impacts of advertising in more detail.

---

<sup>101</sup> Saldaña, J. 2011. Fundamentals of qualitative research. New York: Oxford University Press.

<sup>102</sup> Phillips, P. 2008. Data Collection: Planning for and Collecting All Types of Data. Hoboken: John Wiley & Sons.

<sup>103</sup> Matthews, B. & L. Ross. 2010. Research methods: a practical guide for the social sciences. Rotolito Lombarda: Pearson Education Limited.

### 3.6 Sampling

A *population* is a group of individual units with some commonality. The population in our research includes all natural persons who live in the UAE and are or potentially could be a customer of telecommunication companies in the UAE. The sample unit is therefore one existing or potential customer.

There is a lot of debate on how many participants are adequate for the sampling as correct sampling enhances the reliability and validity of the survey data. The number of sampling participants can depend on many factors, but as long as the researcher has sufficient interview data, he or she then possess a sufficient corpus for the analysis<sup>104</sup> The *sample* used in this survey was 100 persons who live in the UAE. We believe that the size of the sample could be larger; nevertheless 100 participants provide an adequate overview of participants' opinions and viewpoints on the topic.

The *non-probability sampling* was used, specifically the *type of convenience or accidental sampling*. This is typically done in studies where randomization is not possible in order to obtain a representative sample. Participants were selected based on availability. The following charts show the demographic aspects of the sample in this survey. The questions represent the gender, age, employment status and nationality of the sample. The specifics of the results will be discussed in more detail below.

#### What is your gender?

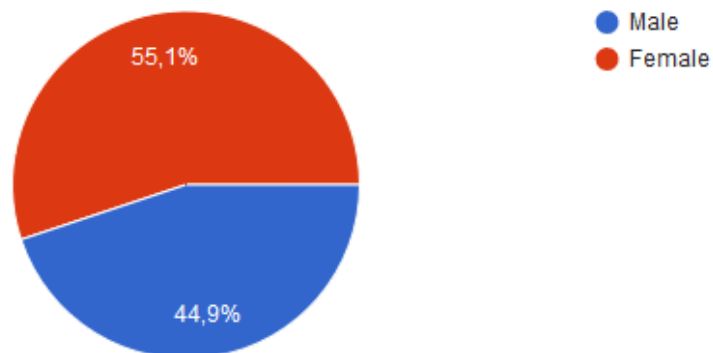


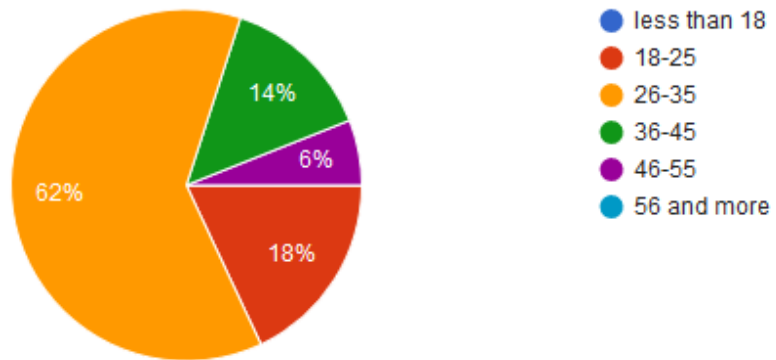
Figure 8 The gender structure of participants

Female participants (55%) compromised a slightly larger part of the respondents in the questionnaire comparing to their male participants (45%).

---

<sup>104</sup> Saldaña, J. 2011. Fundamentals of qualitative research. New York: Oxford University Press.

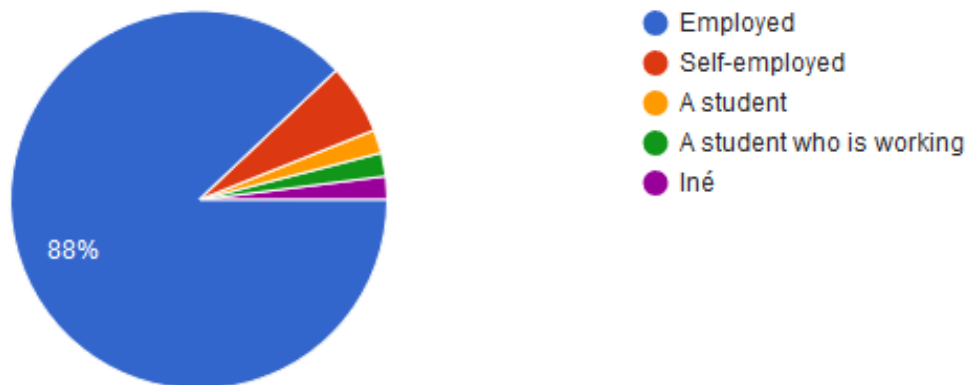
### What is your age?



**Figure 9 The age structure of participants**

The age structure of the participants revealed that the most frequent age group of the respondents was between 26 and 35 years old. The second and third most numerous groups were represented by the age between 18 – 25 years and 36 – 45 years respectively.

### You are currently:



**Figure 10 Participants structure based on the type of economic activity**

From the economic activity stand point, the majority of the respondents were employed. This group covered almost 88% of all the participants. The second most numerous groups were represented by self-employed individuals.

## What country are you from?

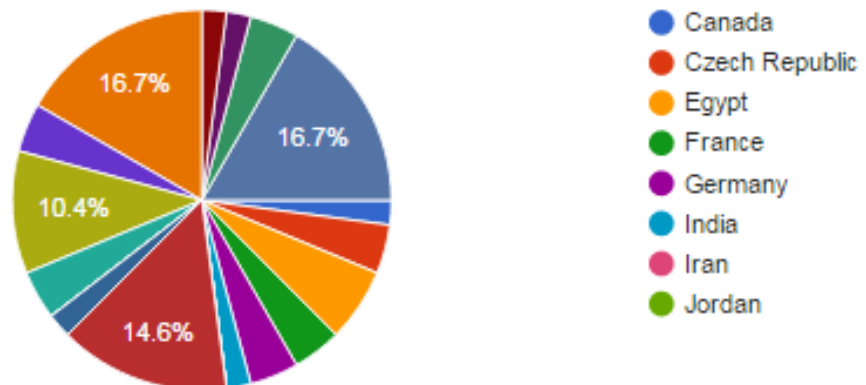


Figure 11 The participants according to their nationality

The structure of the nationalities who took part in the survey represent the findings in chapter two, where we discussed the wide variety of nationalities residing in the UAE. The most frequent respondents who took part in the survey were Emiratis (16.7%), Lebanese (14.6%), Jordanians, Indians and Egyptians.

## 3.7 Results

This subchapter is focusing on the interpretation and visualization of the participants responses to questions regarding their viewpoint on the effects of offline and online marketing tools used by telecommunication companies in the UAE market.

1. Which of the following traditional marketing tools have you perceived as the most frequent when communicating a marketing message of telecommunication companies? (Please mark all that applies).

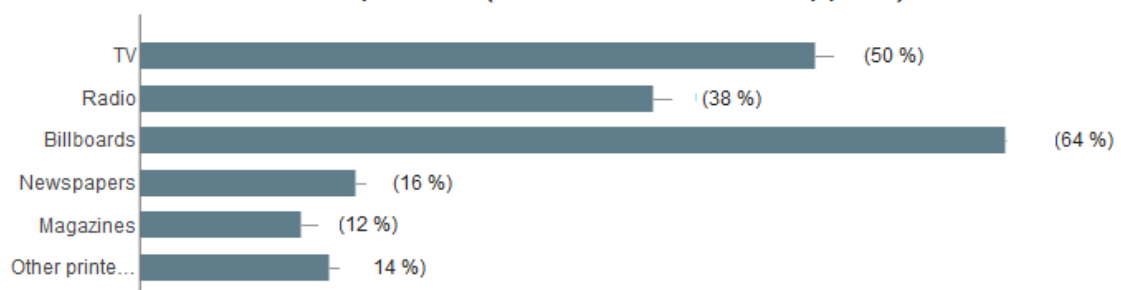
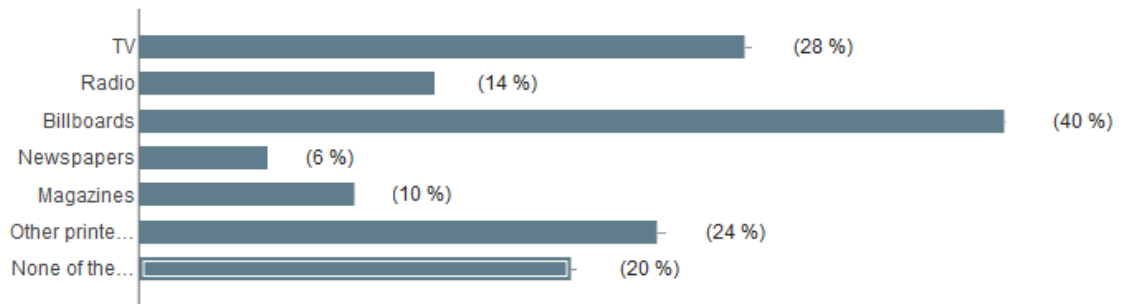


Figure 12 Answers to question no. 1

The participants indicated that traditional marketing tool which they perceive as the most frequent when communicating a marketing message of telecommunication

companies was billboards. This answer was reported by 64% of the participants. The second most essential traditional marketing tool was TV with 50% of the answers that were followed by radio (38%). The newspapers, magazines and other printed materials were less relevant, marked by fewer than 20% of respondents each.

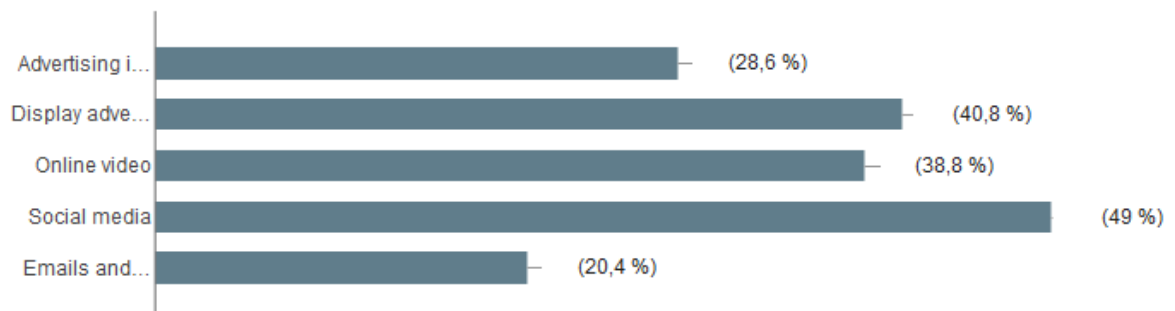
**2. Which of the following traditional marketing tools have had the highest impact on your purchase decisions (when buying telecommunication products or services)? (Please mark all that applies).**



**Figure 13 Answers to question no. 2**

Participants reported that the most influential offline marketing tool was billboard (40%), followed by TV (28%) and other printed materials (24%). Radio (6%) was reported as the least influential offline marketing tool.

**3. Which of the following online marketing tools have you perceived as the most frequent communicating you a marketing message of telecommunication companies? (Please mark all that applies).**



**Figure 14 Answers to question no. 3**

When responding to which online marketing tool is perceived as the most frequent, social media was reported by the highest number of the participants (49%). With almost 41%, display advertisement was perceived as the second most frequent when communicating marketing message and email, on the other hand, it was perceived as the least frequent.

4. Which of the following online marketing tools has had the highest impact on your purchase decisions (when buying telecommunication products or services)? (Please mark all that applies).

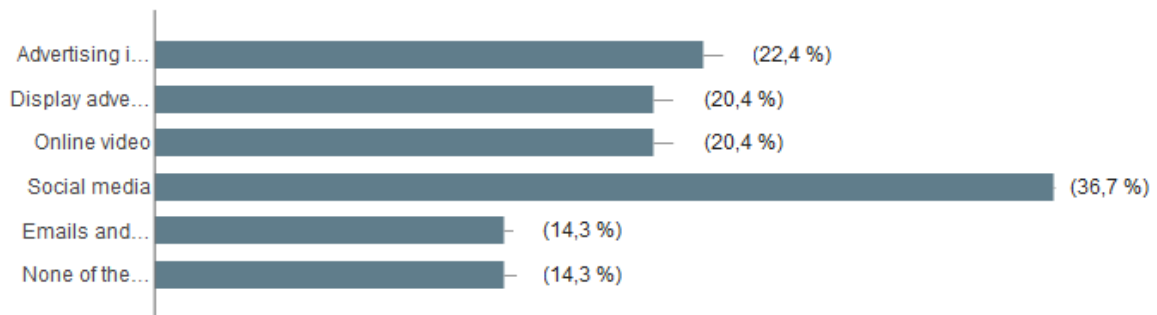


Figure 15 Answers to question no. 4

According to participants, the most impactful marketing tool was social media, followed by relatively homogeneously distributed advertising in search engine, display advertisement and online video. The least impactful tool on purchase behavior was email, according to respondents.

5. What is the main reason that you choose to click on an ad?



Figure 16 Answers to question no. 5

The participants stated that the most important reason why they choose to click on an ad is the fact that it is relevant to what they want or what they are interested in (56%).

Similarly, they click on an ad when they are curious about the product or service offered (52%). The fact that participants recognize the brand or the company is not an important reason why they click on an advertisement, according to the research results.

6. Have you ever bought a telecommunication product or a service after seeing an ad promoting it on television?

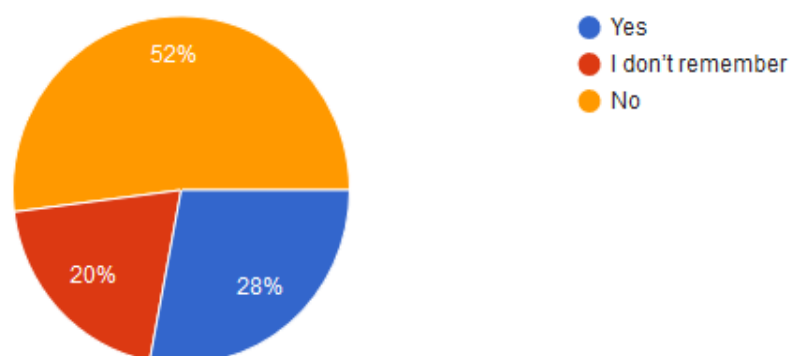


Figure 17 Answers to question no. 6

The majority of the participants (52%) have never bought a telecommunication product after seeing an ad promoting it on television. The percentage share of participants who actually bought a product or service marketed on TV was 28%. The rest of the sample, 20% of participants, did not remember.

7. Have you ever bought a telecommunication product or a service after seeing an ad promoting it on the Internet?

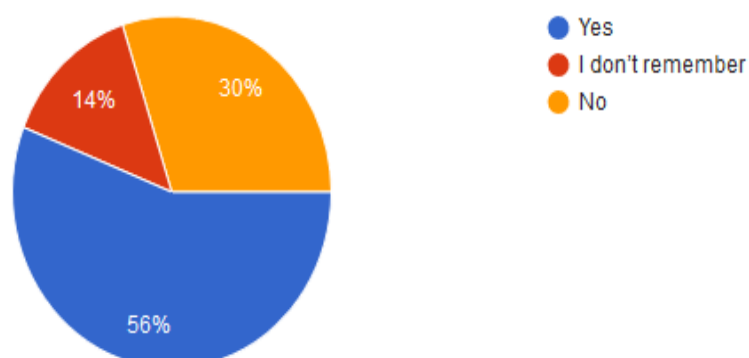


Figure 18 Answers to question no. 7

Question number 7, an analogical question to the previous one, revealed that in 56% of the cases, participants have bought a telecommunication product or service after seeing an add promoting it on the Internet. The percentage share of participants who have never bought a telecommunication product or service after seeing an ad promoting it on the Internet was 30% and 14% of participants did not remember.



8. What types of telecommunication products or services have you ever purchased on the Internet? (Please select all items that you have purchased)

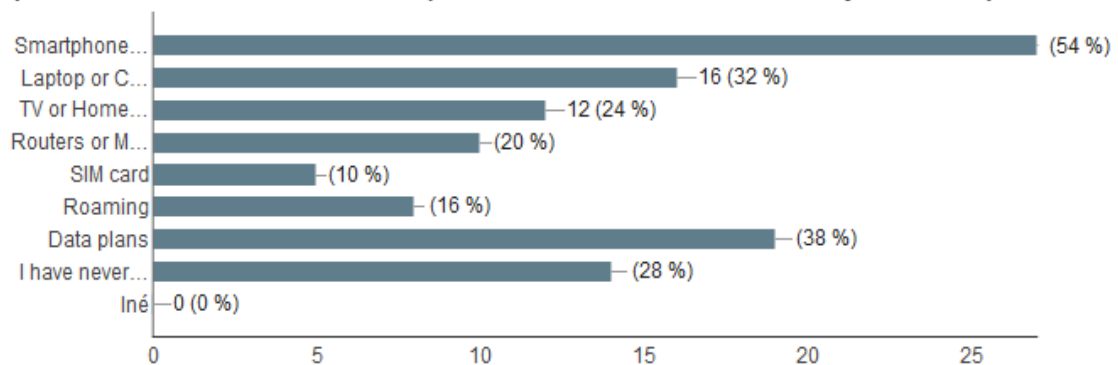


Figure 19 Answers to question no. 8

According to the answers, 54% of the respondents have purchased smartphones through the Internet, 38% data plans and 32% laptop or computer. In 28% of the cases, respondents have never purchased any of the offered products on the Internet.

9. Have you ever researched a telecommunication product or service offline (in the store) and purchased it online (through the website)?

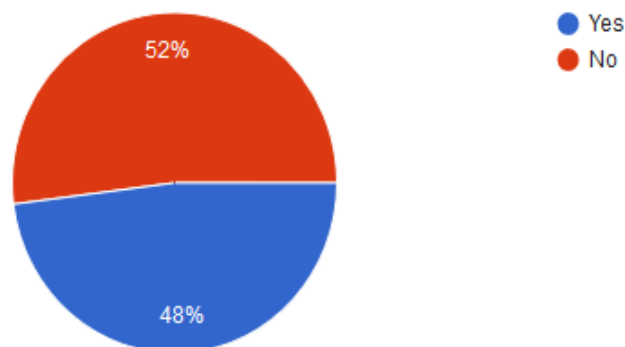
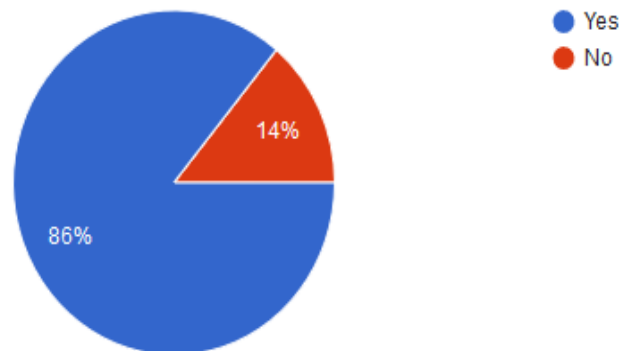


Figure 20 Answers to question no. 9

The answers to question no. 9 revealed that almost half of the survey participants (48%) had at least once researched a telecommunication product or service offline and purchased it online while 52% of the respondents have never done such an action.

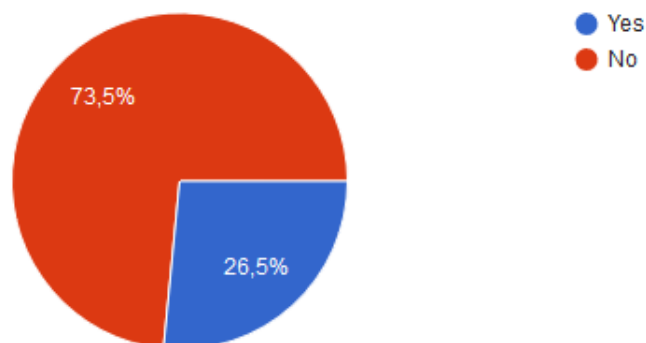
10. Have you ever researched a telecommunication product or service online (through the website, social media, YouTube, etc.) and purchased it offline (in the store)?



**Figure 21** Answers to question no. 10

The analogical question no. 10 showed that respondents are more likely to do the research about a product online and then purchase it offline. 86% of the survey participants at least once researched a telecommunication product or service online and then purchased it offline, for example in the store. The rest of the sample, 14% of respondents had never done such an action.

11. Do you like or follow a particular telecommunication brand (Etisalat, Du, Virgin Mobile, etc.), or multiple telecommunication brands, on social media sites or blogs?



**Figure 22** Answers to question no. 11

The answers to question no. 11 revealed that almost 74% of respondents do not follow any particular telecommunication brand on social media or blogs, while almost 27% do follow a telecommunication company on social media.

12. How often are you in connection with the following marketing tools?  
(Please mark one „x“ in each column according to how often you do the stated activity).

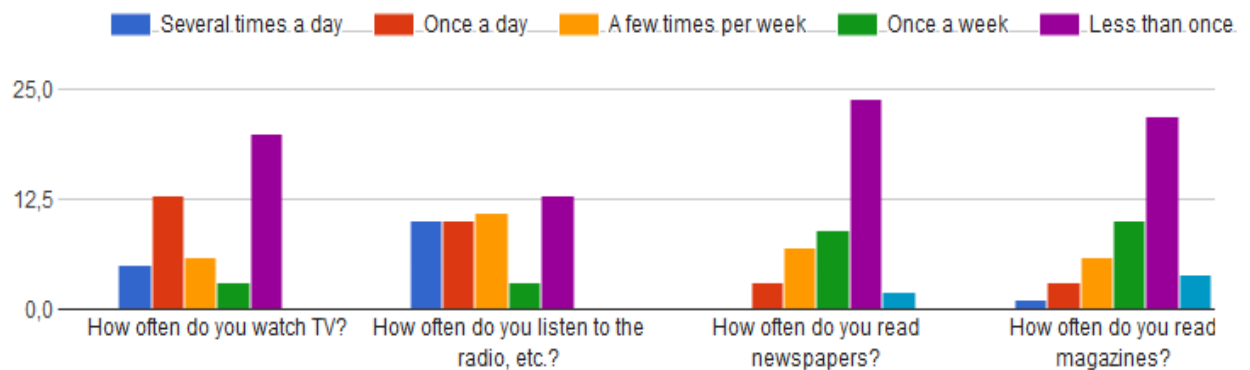


Figure 23 Answers to question no. 12 (offline marketing tools)

From the offline marketing tools, respondents were most frequently in contact with television. The results also show that the participants were, with a majority of the offline marketing tools, in connection only less than once a week.

12. How often are you in connection with the following marketing tools?  
(Please mark one „x“ in each column according to how often you do the stated activity).

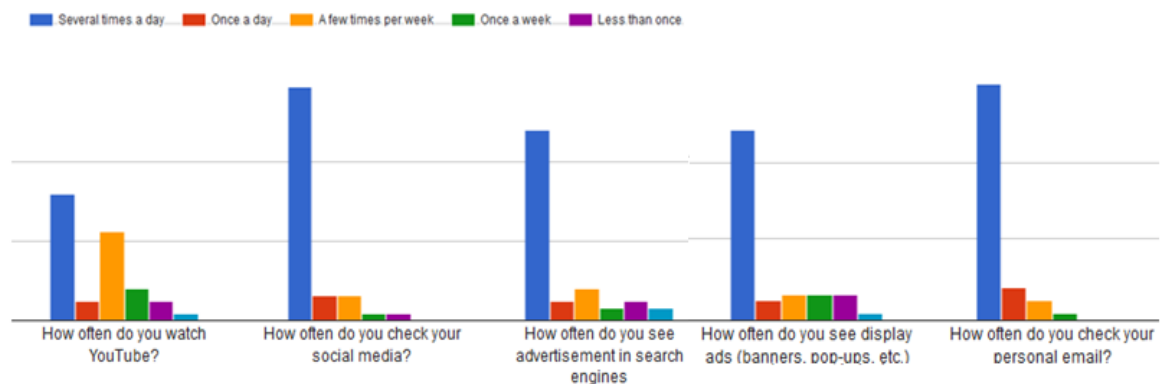


Figure 24 Answers to question no. 12 (online marketing tools)

From the online marketing tools, respondents were mostly in contact with their social media accounts and personal email that were followed by advertisements in search engines and display advertisements. They also reported that they interact with these online marketing tools on daily basis.

13. Please, compare the credibility of online and traditional marketing tools.

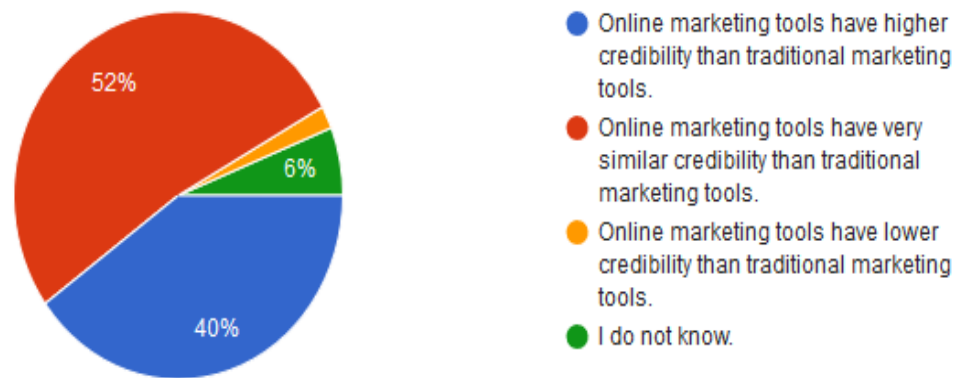


Figure 25 Answers to question no. 13

Question no. 13 reveals that more than half of the respondents (52%) think that online marketing tools have very similar credibility to traditional offline marketing tools while 40% of the respondents stated that online marketing tools are even more reliable than traditional offline marketing tools. Only 2% of the respondents reported that online marketing tools have lower credibility than traditional marketing tools.

14. How do you feel about the following types of advertisement? (Please, mark the chosen cell by "x").

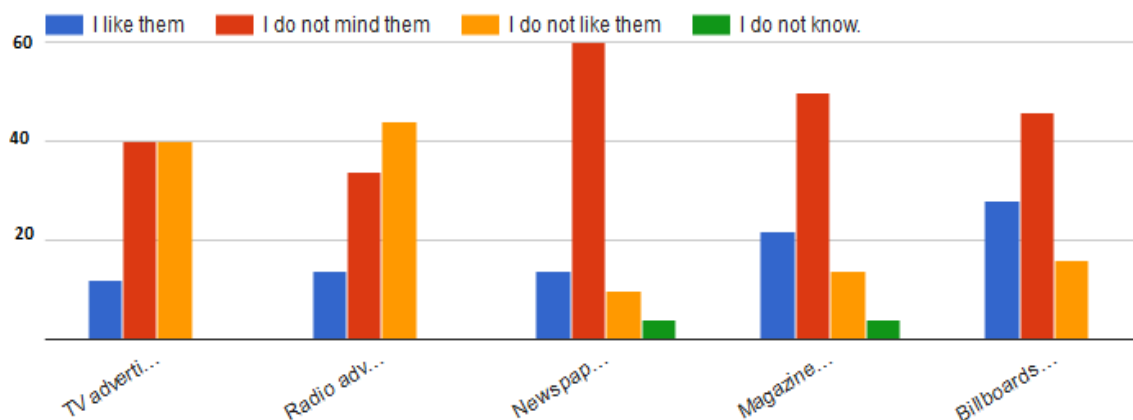


Figure 26 Answers to question no. 14 (offline marketing tools)

Billboards and magazines advertisements were the most preferred form of offline marketing tools by the respondents. TV advertisements, on the other hand, were the least preferred offline marketing tools by the participants of the survey.

14. How do you feel about the following types of advertisement? (Please, mark the chosen cell by "x").

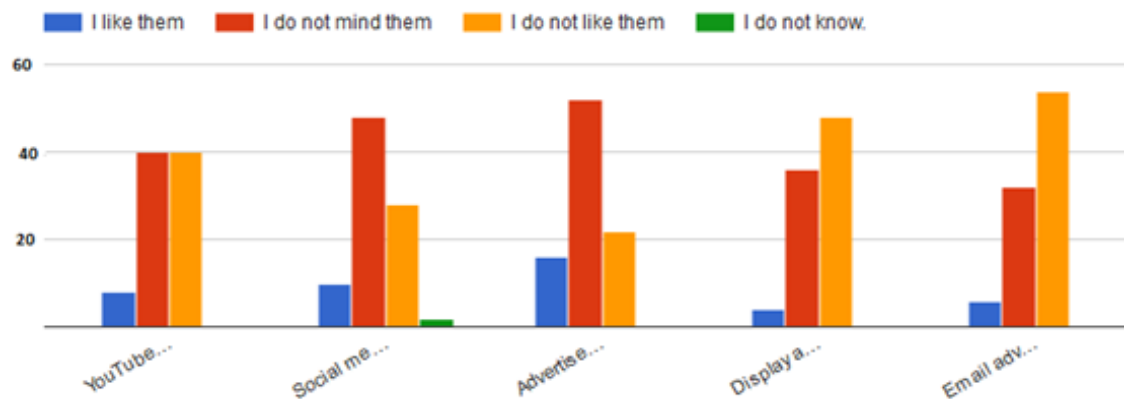


Figure 27 Answers to question no. 14 (online marketing tools)

From online marketing tools, respondents liked the advertisements in search engines the most. Email advertisements and display advertisements, on the other hand, were the least preferred by the respondents.

15. How much do you agree with following statement: „Advertising on YouTube is more engaging than television advertising. “

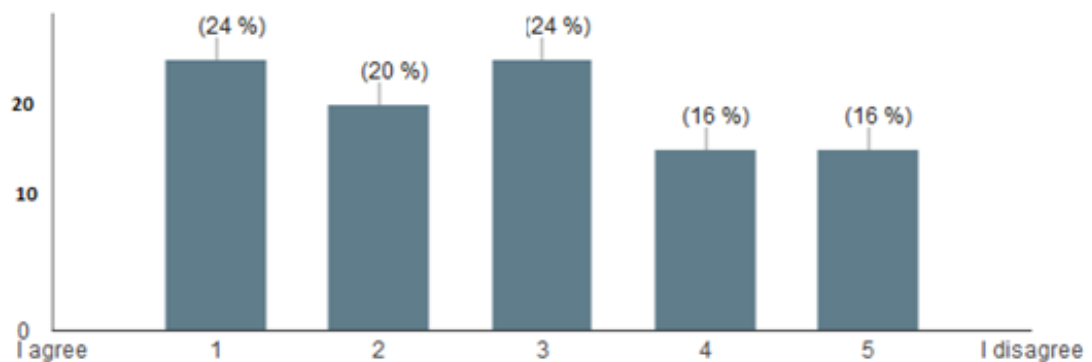


Figure 28 Answers to question no. 15

The distribution of the answers to question no. 15 shows that the majority of the respondents were more likely to agree with the statement that “advertising on YouTube is more engaging than television advertising” (44%). 24% of the respondents reported a neutral answer and the percentage share of respondents who were more likely to disagree with this statement was 32%.

16. How much do you agree with following statement: „Advertising on YouTube influences my buying decisions more than the television advertising.

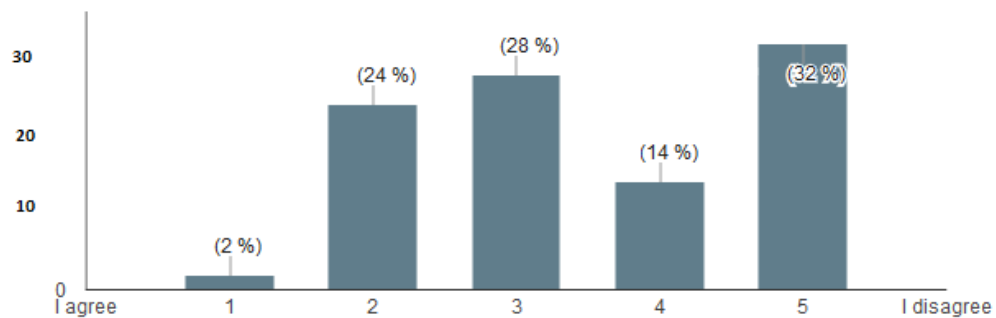


Figure 29 Answers to question no. 16

The respondents are more likely to disagree with the statement that “advertising on YouTube influences their purchase behavior more than the television advertising” (46%). 28% of respondents indicated neutral answer and 26% of respondents agreed that advertising on YouTube influences their buying decision more than the TV.

17. How much do you agree with following statement: „Advertising on YouTube offers better addressed advertisements than television advertising (the advertising on YouTube better corresponds to my needs and interests).”

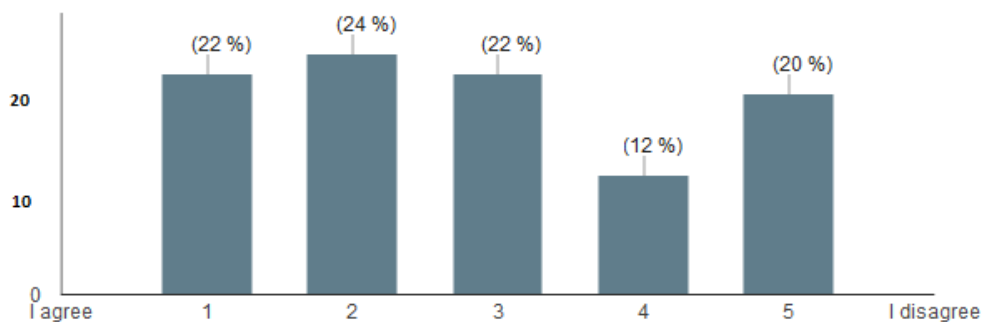


Figure 30 Answers to question no. 17

Forty-six percent of the participants of the survey were more likely to agree with statement that “advertising on YouTube offers better addressed advertisement than television advertising” whereas 32% were more likely to disagree with this statement.

18. How much do you agree with following statement: „After watching an ad on YouTube I subsequently visited the advertiser's website. “

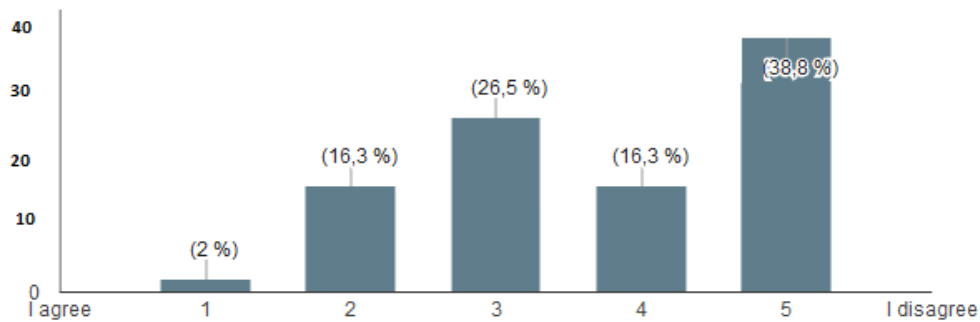


Figure 31 Answers to question no. 18

Almost 55% of the respondents disagreed with statement that they visited the advertiser's website subsequently after watching an advertisement on YouTube. Slightly more than 26% of the respondents had a neutral opinion on this statement and only approx. 18% of the respondents did such an action.

19. How much do you agree with following statement: „I share an ad that I find interesting on social channels or other online platforms. “

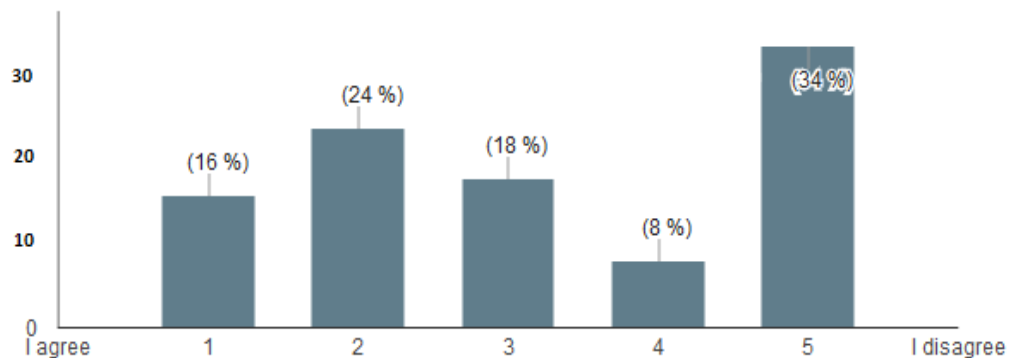
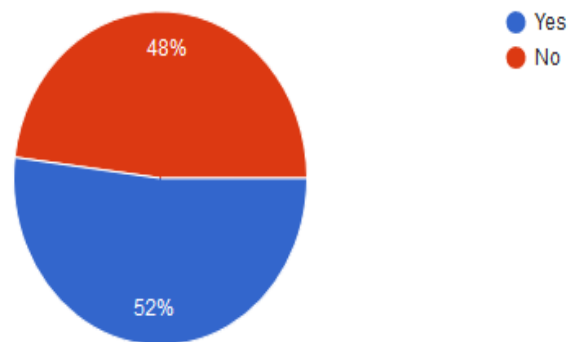


Figure 32 Answers to question no. 19

Answers to question no. 19 show that 40% of the respondents agreed with the statement that they “share an ad that they find interesting on social channels or other platforms” whereas 42% stated the opposite.

20. Do you think that YouTube will replace television broadcasting in the next decade?



**Figure 33** Answers to question no. 20

The question no. 20 that was concerned about the future of YouTube and TV broadcasting revealed that respondents are almost equally divided in two groups. 52% of the respondents reported that they believe that the television broadcasting will be replaced by online, for example YouTube broadcasting, while 48% of the respondents stated the opposite.



## 4 Discussion and Recommendations

The fourth chapter of the master thesis discusses the results of the primary research. It also contains answers to the research questions stated in the third chapter and formulates possible managerial and marketing implications for the UAE telecommunication companies.

### 4.1 Discussion

The participants indicated that the traditional marketing tool which they perceive as the most frequent and most impactful when communicating marketing message of telecommunication companies were billboards. This answer was reported by 64% of the participants. The second most essential traditional marketing tool was TV with 50% of the answers, which was followed by radio (38%). This result deviates from the Central European perspective where TV has the highest impact on purchase behavior.<sup>105</sup> It could be considered as a specific feature of the UAE market given the high density of inhabitants, cumulated in the main cities, such as Dubai or Abu Dhabi and enormous highways, such as Sheikh Zayed Road, that are widely used as the most important traffic veins for personal and public transport as it aggregates thousands of people on a daily basis. Typically, the impact of billboards on customer purchase behavior is usually depending on message format and location. If the way of delivering the message is clear, understandable and if the billboards are properly located (as they usually are in the UAE), then people's purchase behavior can be influenced.<sup>106</sup> Therefore, this research supports existing research that billboards are a highly significant offline tool in the context of delivering a marketing message in the UAE.

A very important finding that should be taken into consideration is the ROPO (research online purchase offline) effect. 86% of the respondents bought a product offline after seeing and ad promoting it online which clearly demonstrates the power of online advertising. Results from the research suggest that online marketing tactics have considerable impact on purchasing behavior in the UAE. Survey results indicated that when a potential customer is interested in a product or service, he/she usually does the research about product online and then he/she either purchases it through online media or offline, by visiting a branch or a store. The problem arises when a customer does the research online and then purchases it offline (ROPO effect). Such purchase can't be tracked by usual online marketing measurement tools. The challenge for a business is to

---

<sup>105</sup> compare Hámorská, L. 2013. Psychological and economical influence of media on the purchase behavior of selected groups of citizens. Košice. Technical University in Košice, Faculty of Economics. 87 pp.

<sup>106</sup> Taylor, C.R., Franke, G.R. and Hae-KyONG. 2006. Use and effectiveness of billboards. Perspectives from Selective-Perception Theory and Retail-Gravity Models'. In Journal of Advertising, vol. 35, No. 4, p. 21–34.

map out how digital technologies and new consumer behavior affect their businesses and how they can exploit them.

The research also suggests that social media are the most important online marketing tool in the area of frequency and impact. Despite this fact, the majority of respondents do not follow telecommunication brands on social media sites. The respondents probably do not feel the need to follow telecommunication brands what creates opportunities for telecommunication companies to establish sustainable motivation for existing or potential customers to increase their engagement. A significant impact of social media comes from advertisements displayed on the user interface and from “word of mouth”, as users share information about new proposals among each other. According to the data, customers mostly clicked on an ad because they found it relevant to their needs and interest, which points out high customization of online advertisement. From the marketing point of view, the comparison of how often respondents are in contact with various marketing tools is very important.

There is a high discrepancy between online and offline marketing tools indicated in the survey. Apart from TV, respondents are in contact with newspapers, magazines and radio only a few times per week or even less than once a week. On the other side, they are in contact with basically all of online marketing tools, including YouTube, social media, display or search engine advertisements and email on a daily basis. As it was stated by Pisharody from New York University, “the television industry is on the path to a drastic paradigm shift – from satellite and cable connections to internet platforms. This is a factor of changing consumer tastes, technological progress and increasing competition. Online streaming has increasingly become the norm especially amongst younger viewers, who access programming through services such as Netflix and YouTube.”<sup>107</sup> The results of the research agree with this statement as 48% of respondents believe that YouTube will replace TV broadcasting in the next decade. The author believes that it will take a considerable amount of time to confirm if this development takes a place, but the results of this survey are one indicator that points to YouTube becoming a fair replacement for TV especially for younger generation.

## 4.2 Research Questions

The subchapter 3.2 proposed four research questions. Research results provide the following answers:

1. *What are the opinions of the respondents on traditional marketing tools used by the UAE telecommunication companies?*

The most frequent traditional marketing tools are billboards, TV and radio. Results showed that the billboards have the highest impact on purchase decisions in the area of telecommunication industry. Billboards are followed by TV, printed materials and

---

<sup>107</sup> Pisharody, A. 2013. The future of television: Will broadcast and cable television networks survive the emergence of online streaming? New York: New York University. p 56.

radio. The majority of the respondents have never bought a telecommunication product or service after seeing an advertisement in television.

2. *What are the opinions of the respondents on online marketing tools used by the UAE telecommunication companies?*

In the case of online marketing tools, the most frequent are social media, followed by display advertisements and online video advertisements. Consequently, social media demonstrate the highest impact on purchase decisions of customers in the UAE. Despite the fact that social media are the most frequent online marketing tool, the majority of respondents do not knowingly follow telecommunication brands on social media sites.

3. *What are the opinions of the respondents on the comparison of traditional and online marketing tools used by the UAE telecommunication companies?*

When comparing the answers to questions no. 6 and 7 (whether he/she ever bought a telecommunication product or a service after seeing an ad promoting it on television versus on the Internet), it is clear that advertisement on the Internet has a considerably higher impact on purchase decision of a perspective customer than TV advertisement. The research also suggests that respondents are doing research about telecommunication products or services they are interested in more frequently through the Internet, than offline (for example, by visiting a branch). The comparison of online and offline marketing tools from the frequency point of view showed that with exemption of TV, respondents are in contact with offline marketing tools less than once a week. On the contrary, they are in contact with online marketing tools on a daily basis. According to the research, online marketing tools have equal or even higher credibility than traditional marketing tools. From offline marketing tools, respondents do not like TV and radio advertisements whereas display and email advertisements are the least preferred online marketing tools by the respondents.

4. *How do respondents perceive and compare YouTube and TV video advertisement?*

Respondents still perceive TV advertisements as a relevant element of marketing and there are no strict opinions on prevalence of YouTube or TV marketing channels. On the other side, the fact that respondents widely accept YouTube as an equal marketing tool in comparison to the TV, is very interesting and confirms the significance of video advertisements in the future. Almost 50% of respondents believe that YouTube will replace television broadcasting in the next decade, which again confirms and stresses the importance of usage of online marketing tools in a marketing strategy.

### **4.3 Managerial Implications**

Results of the research mentioned above may lead to the managerial implications for telecommunication companies in the United Arab Emirates. Nevertheless, a wider sample selection might give more accurate implications derived from the research results.

- Survey results indicate that social media are the most impactful online marketing tool and therefore the telecommunication companies may want to consider increasing their presence in the social media world and engage customers through well suited marketing strategies.
- Respondents indicate that other printed material, besides billboards and TV, is the third most impactful offline marketing tool on their purchase behavior. Occasional usage of special offers in the form of leaflets or flyers delivered to a customer's home or work address could make a significant impression on the prospect. In combination with the opportunity to purchase the offer through the Internet, it might be a very efficient and cost effective way to reach and attract existing and potential customers.
- To gain the synergic effect from a marketing campaign, offline and online marketing tools should be used in combination. Marketing practitioners could possibly integrate online marketing tools to improve the effectiveness of offline tools and vice versa. Marketers shouldn't be dependent solely on TV advertisement as it was favored in the past. In order to reach modern audiences, companies should be integrating online marketing tactics to reach a wider spectrum of target audience.
- Given that respondents are in contact with offline media less than once a week and that especially younger generations watch more YouTube than any other network or cable channel, using video ads on YouTube is a desirable tool to position the brand in the minds of the populous young generation in the UAE.
- Research suggests that email marketing should be used thoughtfully. Respondents perceive advertisements received through emails more subjectively and sending unrequested offers and promotions could be possible not received well. Email as a marketing tool should be used only in cases when the proposal is strongly personalized.
- Because of the density of inhabitants, billboards are the most effective and impactful offline marketing tool in the UAE. The interconnection between billboards and online marketing can be a key factor for successful marketing campaign.
- Research results also point to an opportunity for UAE telecommunication companies to take advantage of a wide variety of possibilities in the area of customization of online advertisements. Customization can serve for better targeted campaigns with higher impact than traditional one-to-many offline approaches as they don't allow almost any personalization.
- The ROPO effect is prevalent in the research results and suggests its existence in the UAE telecommunication industry. To avoid it, companies should increase the trust in online channels and convince the people about the e-commerce benefits. There are many possible ways that could potentially decrease the impact of ROPO on online sales. Companies could implement discounts in the online shop, offer extra warranty when purchasing online, create the option of product's personalization or offer faster shipping.

## Conclusion

The first chapter of the master thesis provided a general introduction to the theory of marketing. Based on secondary research, it described marketing communication and principal marketing communication tools and presented comparison of offline and online marketing channels. The main function of marketing communication is to create a message and transfer the message to the target audience through selected channels, together with promotional and advertising activities. To transfer the message to the target audience, companies need to choose appropriate marketing channels. Therefore the first chapter gives an overview of the offline and online advertising ecosystem and describes roles of both approaches used in marketing. The main advantages of traditional marketing are physical access to product, personal service, face to face communication and accessibility. On the other hand, the disadvantages of traditional marketing are product centricity; need of a huge advertising budget and one size fits all approach of marketing message. Online marketing tools, on the contrary, are more flexible with great impact not just only on online products and services, but also over offline ones. New marketing methods are highly customized and are potentially capable of boosting a company's client base more efficiently than offline marketing tools. Based on the above mentioned facts and the dynamics of online media, it is clear that online media marketing is challenging traditional marketing practices.

The second chapter of the thesis offered a general overview about the history and Internet society in the United Arab Emirates. Traditional tribal culture along with modern cultures created a unique society which looks at both maintaining traditions and opening to new changes in the world. Oil discovery in the 1960's has dramatically altered the region financially and has provided revenue required for growth in the region. This has led to a cosmopolitan, growing multinational workforce, consumer-oriented lifestyle, and massive infrastructure marked by oil revenues. The region has experienced an increase in financial income by the locals that in turn raised consumer's purchasing power. UAE has a relatively young population, which enjoys a high standard of living. As analyzed, usage of mobile devices has a great impact not only on the consumer behavior but also on the marketing activities. Smartphones have become central to consumers' lives and are an inseparable twin for most. The United Arab Emirates is also a prime location for the rise of streaming video and social media due to its strong mobile and fixed infrastructure and a population which traditionally enjoys TV and entertainment. UAE is rooted in Middle Eastern customs and consumers purchase goods and services based on their opinions, views, and behaviors of others as long as it is not against the laws and traditions of the Middle East.

In the third chapter, the primary research provided valuable insights and generated many ideas for development of new growth opportunities for telecommunications companies. Research that was conducted over 100 respondents residing in the UAE revealed significant observations on the effects of offline and online marketing. According to the results, most of the respondents are in contact with offline media

channels once a week, whereas on the other hand, online media are accessed by the respondent at least once a day. The high usage of online media in the UAE is a great input for the understanding of consumers' habits seeing the considerable amount of free time the respondents spent online. Research also showed that, most influential channels from offline advertising tools were billboards and TV ads whereas online channels with the highest impact on purchase decisions were social media, advertising in search engines and online video. Outstanding insight was also revealed by a question regarding purchase of telecommunication product or service. 52% responded stated that they never did so after seeing the advertisement in TV, whereas 56% bought a product or service after seeing an ad promoting it on Internet. This clearly proves significant impact of online advertising on purchase behavior in the UAE telecommunications industry. 86% of the respondents bought a product offline after seeing an ad promoting it online, which clearly demonstrates the power of online advertising which cannot be directly tracked by usual marketing measurement practices. According to the data, customers mostly clicked on an ad because they found it relevant to their needs and interest which points out high customization of online advertisement. Findings gained from the presented research highlighted a positive effect of online advertising and purchase behavior of the customers in the UAE. Despite the limitation of the master thesis that focuses on one specific industry and represents a limited sample of respondents in the research, data gathered from this study could be a valuable input for the telecommunications marketers that could possibly alter scenarios for their online and offline strategies.

Based on conclusions and explanations drawn from researching secondary and primary data, the author came to understand that online marketing is developing very fast and has a considerable impact on consumer behavior in the UAE. With world markets becoming more and more integrated as globalization continues to spread, the competition to grab the attention and awareness of customers will not only rise but become increasingly more difficult. If advertisers can get a good grasp on balancing out strategies of both online and traditional media, there will be a synergy effect. In conclusion, the researcher believes that online media serve for businesses as an incredible marketing tool in the UAE. However, the fact that whether online media could replace traditional marketing completely in the future is debatable, but it is evident that online marketing has become one of the main components of the promotional mix for most businesses and has a substantial impact on consumer behavior in the United Arab Emirates.

# Bibliography

1. AL ARABIYA. 2015. Google releases latest version of Consumer Barometer. [online]. [cited 2016-03-31]. Available at: <http://english.alarabiya.net/en/business/technology/2015/03/04/Google-releases-latest-version-of-Consumer-Barometer.html>
2. AL TAMIMI & CO. 2015. Advertising in the UAE: The legal framework and key issues. [online]. [cited 2016-03-31]. Available at: <http://www.tamimi.com/en/magazine/law-update/section-11/may-8/advertising-in-the-uae-the-legal-framework-and-key-issues.html>
3. AMERICAN MARKETING ASSOCIATION. 2013. Definitions of marketing. [online]. [cited 2016-03-31]. Available at: <https://www.ama.org/AboutAMA/Pages/Definition-of-Marketing.aspx>
4. BALDWIN, D. 2011. Social Portal Netlog expanding in UAE. [online]. [cited 2016-03-31]. Available at: <http://gulfnews.com/business/sectors/features/social-portal-netlog-expanding-in-uae-1.838545>
5. BELL M.L. & C., W., EMORY. 1971. The Faltering Marketing Concept. In Journal of Marketing. No. 35, October, pp. 37-42
6. BHARGAVA, J. 2015. How Young Arabs are fueling the MENA Media Market.
7. BOOKBOON. 2011. Email Marketing. New York: The Internet Marketing Academy and Ventus Publishing.
8. BOUČKOVÁ, J. 2003. Marketing. Prague: Beck.
9. BUDDE COMM. 2016. United Arab Emirates - Fixed Broadband Market, Digital Economy and Digital Media - Statistics and Analyses. [online]. [cited 2016-03-31]. Available at: <http://www.budde.com.au/Research/United-Arab-Emirates-Fixed-Broadband-Market-Digital-Economy-and-Digital-Media-Statistics-and-Analyses.html>
10. BUSINESS INTELLIGENCE MIDDLE EAST. 2010. 80% of UAE consumers use social media to make purchase decisions reveals YouGovSiraj poll. [online]. [cited 2016-03-31]. Available at: <http://www.bi-me.com/main.php?id=44560&t=1>
11. CIA. 2015. The World Factbook. [online]. [cited 2016-03-31]. Available at: <https://www.cia.gov/library/publications/resources/the-world-factbook/rankorder/2004rank.html>
12. COPLEY, P. 2014. Marketing Communications Management: Analysis, Planning, Implementation.

13. DU. 2014. Sustainability report. [online]. [cited 2016-03-31]. Available at: <http://www.du.ae/docs/default-source/About-Docs/du-sustainability-report-2014.pdf?sfvrsn=4>
14. DU. 2016. Investor relations. [online]. [cited 2016-03-31]. Available at: <http://phx.corporate-ir.net/phoenix.zhtml?c=199506&p=irol-homeProfile&t=&id=&>
15. DU. 2016. Who we are. [online]. [cited 2016-03-31]. Available at: <http://www.du.ae/en/about/messages/who-we-are>
16. DUBAI PRESS CLUB. 2015. Arab Media Outlook. Available at: <http://stmjo.com/wp-content/uploads/2015/06/Arab-Media-Outlook-2011-2015.pdf>
17. EMARKETER. 2013. The Global Media Intelligence Report. [online]. [cited 2016-03-31]. Available at: [http://iabsa.net/assets/eMarketer\\_The\\_Global\\_Media\\_Intelligence\\_Report-Middle\\_East\\_and\\_Africa\\_2013.pdf](http://iabsa.net/assets/eMarketer_The_Global_Media_Intelligence_Report-Middle_East_and_Africa_2013.pdf)
18. EMARKETER. 2015. United Arab Emirates Leads Middle East and Africa in Mobile Phone Penetration. [online]. [cited 2016-03-31]. Available at: <http://www.emarketer.com/Article/United-Arab-Emirates-Leads-Middle-East-Africa-Mobile-Phone-Penetration/1011971#sthash.xYnCjiJq.dpuf>
19. ENGAGEMENT BUREAU. 2015. Online shopping continues to gain popularity in the UAE: MasterCard Study. [online]. [cited 2016-03-31]. Available at: <http://newsroom.mastercard.com/mea/press-releases/online-shopping-continues-to-gain-popularity-in-the-uae-mastercard-study/>
20. ETISALAT. 2015. Company profile. [online]. [cited 2016-03-31]. Available at: <http://www.etisalat.ae/en/aboutus/etisalatcorporation/corporation/profile/company-profile.jsp>
21. EUROMONITOR. 2015. [online]. [cited 2016-03-31]. Available at: <http://economists-pick-research.hktdc.com/business-news/article/Research-Articles/UAE-s-consumer-market-is-about-diversity/rp/en/1/1X000000/1X09U0Z1.htm>
22. EUROPEAN COMMISSION. 2016. The EU Internet Handbook: Graphics Interchange Format (GIF). [online]. [cited 2016-03-31]. Available at: [http://ec.europa.eu/ipg/standards/image/gif/index\\_en.htm](http://ec.europa.eu/ipg/standards/image/gif/index_en.htm)
23. FEDERAL COMPETITIVENESS AND STATISTICS AUTHORITY. 2015. Statistics by Subject. [online]. [cited 2016-03-31]. Available at: <http://fcsa.gov.ae/EnglishHome/ReportsByDepartmentEnglish/tabid/104/Default.aspx?MenuId=1&NDId=447>
24. FILL, CH. & B. JAMIESON. 2013. Marketing Communications. Edinburgh: Heriot-Watt University.



25. FILL, P. 2008. The marketing communication mix.
26. GLOBAL MEDIA INSIGHT. 2015. UAE Internet Social & Mobile Statistics 2015 Infographics. [online]. [cited 2016-03-31]. Available at: <http://www.globalmediainsight.com/blog/uae-internet-stats-infographics-2015/>
27. GOOGLE, Inc. 2015. Consumer Barometer AE. [online]. [cited 2016-03-31]. Available at: <https://www.consumerbarometer.com/en/graph-builder/?question=M7b1&filter=country:uae>
28. GOOGLE, Inc. 2015. New Trends in Digital: UAE's Connected Consumer Survey 2015. [online]. [cited 2016-03-31]. Available at: <https://www.thinkwithgoogle.com/intl/en-ae/infographic/new-trends-in-digital-uaes-connected-consumer-survey-2015/>
29. GULF BUSINESS. 2013. UAE's E-Commerce Industry Ranks 25th On Global Index. [online]. [cited 2016-03-31]. Available at: <http://www.gulfbusiness.com/articles/industry/uaes-e-commerce-industry-ranks-25th-on-global-index/>
30. HAGEY, K. 2008. Emirates emerges as home to 'modern Muslim' consumer. [online]. [cited 2016-03-31]. Available at: <http://www.thenational.ae/business/retail/emirates-emerges-as-home-to-modern-muslim-consumer>
31. HÁMORSKÁ, L. 2013. Psychological and economical influence of media on the purchase behavior of selected groups of citizens. Košice. Technical University in Košice, Faculty of Economics. 87 pp.
32. HONG KONG TRADE DEVELOPMENT COUNCIL. 2011. UAE's consumer market is about diversity. [online]. [cited 2016-03-31]. Available at: <http://economists-pick-research.hktdc.com/business-news/article/Research-Articles/UAE-s-consumer-market-is-about-diversity/rp/en/1/1X000000/1X09U0Z1.htm>
33. CHAFFEY, D. et al. 2009. Internet Marketing: Strategy, Implementation and Practice. 4th ed. Essex: Pearson Education Limited.
34. CHAFFEY, D. & P., R., SMITH. 2013. Emarketing Excellence: Planning and Optimizing your Digital Marketing. Abingon: Routledge.
35. ITU TELECOM WORLD. 2015. Highlights of telecom world. [online]. [cited 2016-03-31]. Available at: <http://telecomworld.itu.int/2015-highlights/>
36. KHARABANDA, R. P. S. 2010. Will Predictive Behavioral Targeting Change Online & Direct Marketing Ways? Hamburg: Diplomica.
37. KOTLER, P. et al. 2007. Modern Marketing. 4th European edition. Prague: Grada Publishing.

38. KOTLER, P. et al. 2008. Principles of Marketing. London: Pearson Education.
39. KOTLER, P. & L., K. Keller. 2013. Marketing Management. 14th ed. Prague: Grada Publishing.
40. KOVACS, J. R. 2014. Economic and legal analysis of the United Arab Emirates telecommunications market. Budapest: Central European University.
41. MACEDA, C. 2014. UAE leads e-shopping in Middle East. [online]. [cited 2016-03-31]. Available at: <http://gulfnews.com/business/sectors/general/uae-leads-e-shopping-in-middle-east-1.1308741>
42. MADHAVY, H. 1970. The Pattern and Problems of Economic Development in Rentier States: The Case of Iran", in Studies in the Economic History of the Middle East, ed. M.A. Cook. Oxford University Press, Oxford, 1970.
43. MACHKOVÁ, H. 2012. International Marketing. Prague: Grada Publishing.
44. MANSOOR, D. & A. JALAL. 2011. The Global Business Crisis and Consumer Behavior: Kingdom of Bahrain as a Case Study. In. International Journal of Business and Management Vol. 6, No. 1.
45. MATTHEWS, B. & L. ROSS. 2010. Research methods: a practical guide for the social sciences. Rotolito Lombarda: Pearson Education Limited.
46. MUSTAFI, S. et al. 2011. The relationship between online and offline marketing. [online]. [cited 2016-03-31]. Available at: <http://fjalaim.ch/wp-content/uploads/The-Relationship-between-Online-and-Offline-Marketing.pdf>
47. NATIONAL MEDIA COUNCIL. 2014. UAE Yearbook 2013. [online]. [cited 2016-03-31]. Available at: <http://www.uaeyearbook.com/yearbook2013.php?lang=ENG>
48. NATIONAL MEDIA COUNCIL. 2016. Media laws and regulation. [online]. [cited 2016-03-31]. Available at: <http://nmc.gov.ae/en/pages/MediaLawsAndRegulation.aspx>
49. NIELSEN. 2014. Decoding the UAE smartphone usage. [online]. [cited 2016-03-31]. Available at: <http://www.nielsen.com/mena/en/press-room/2014/Decoding-the-UAE-Smartphone-Usage.html>
50. OXFORD BUSINESS GROUP. 2015. Growing market saturation in Dubai telecoms increasing competition for high-quality content. [online]. [cited 2016-03-31]. Available at: <http://www.oxfordbusinessgroup.com/overview/growing-market-saturation-dubai-telecoms-increasing-competition-high-quality-content>
51. PASTERNAK, T. 2010. Rich media ads. [online]. [cited 2016-03-31]. Available at: [http://www.adobe.com/devnet/flash/articles/rich\\_media\\_ads.html](http://www.adobe.com/devnet/flash/articles/rich_media_ads.html).

52. PEARSON CANADA INC. 2013. [online]. [cited 2016-03-31]. Available at: [http://www.pearsoncanada.ca/media/highered-showcase/multi-product-showcase/showcase-websites-4q-2012/01\\_kotler\\_ch01\\_pp002-039.pdf](http://www.pearsoncanada.ca/media/highered-showcase/multi-product-showcase/showcase-websites-4q-2012/01_kotler_ch01_pp002-039.pdf)
53. PERNER, L. 2008. Consumer behaviour: the psychology of marketing. [online]. [cited 2016-03-31]. Available at: <http://www.consumerpsychologist.com>
54. PEWRESEARCHCENTER. 2014. Internet Use Over Time. [online]. [cited 2016-03-31]. Available at: [://www.pewinternet.org/Static-Pages/Trend-Data/Online-Activites-Total.aspx](http://www.pewinternet.org/Static-Pages/Trend-Data/Online-Activites-Total.aspx)
55. PHILLIPS, P. 2008. Data Collection : Planning for and Collecting All Types of Data. Hoboken: John Wiley & Sons.
56. PILKINGTON, F. 2015. Can you guess who spends the most on ads in the UAE? [online]. [cited 2016-03-31]. Available at: <http://www.kippreport.com/fcs/can-you-guess-who-spends-the-most-on-ads-in-the-uae/>
57. PILLAR, A. & J. MIGUEL. 2015. Analyzing the Cultural Diversity of Consumers in the Global Marketplace.
58. PISHARODY, A. 2013. The future of television: Will broadcast and cable television networks survive the emergence of online streaming? New York: New York University. 56 pp.
59. PŘIKRILOVÁ, J. & J. JAHODOVÁ. 2010. Modern Marketing Communication. Prague: Grada. p. 16.
60. PWC. 2014. Global entertainment and media outlook 2014 – 2018. [online]. [cited 2016-03-31]. Available at: <https://www.key4biz.it/files/000271/00027176.pdf>
61. RAVEN, P. & D. WELSH. 2004. An exploratory study of influences on retail service quality: a focus on Kuwait and Lebanon. In Journal of Services Marketing. Vol.18, No.3.
62. RAZZOUK, Y. N. – SEITZ, V. & A. R. AL-SHAMSI. 2010. Market segmentation in the United Arab Emirates: an exploratory investigation. [online]. [cited 2016-03-31]. Available at: <http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.199.9032&rep=rep1&type=pdf>
63. ROBERTS, M. L. & D. ZAHAY. 2012. Internet Marketing: Integrating Online and Offline Strategies.
64. RODGERS, S. & E., THORSON. 2000. The Interactive Advertising Model: How users perceive and process online ads. In Journal of Interactive Advertising, Vol. 1. pp. 11-25.

65. RYAN, D. 2014. Understanding Digital Marketing. London: Kogan Page.
66. SALDAÑA, J. 2011. Fundamentals of qualitative research. New York: Oxford University Press.
67. SALDAÑA, J. 2011. Fundamentals of qualitative research. New York: Oxford University Press.
68. SALEEM, S. & A. SIASSIOS. 2013. Advertising standards for the UAE. [online]. [cited 2016-03-31]. Available at: <http://www.tamimi.com/en/magazine/law-update/section-5/february-4/advertising-standards-for-the-uae.html>
69. SHARMA, P. 2015. Vuclip Survey Reveals Increasing Pace of Mobile Video Sharing, Highlights Emerging Trends in Consumer Behavior. [online]. [cited 2016-03-31]. Available at: <http://www.marketwired.com/press-release/vuclip-survey-reveals-increasing-pace-mobile-video-sharing-highlights-emerging-trends-2059602.htm>
70. SMITH, B. 2004. Oil Wealth & Regime Survival in the Developing World: 1960–1999. In American Journal of Political Science, Volume 48, Issue 2, Pages 232–246.
71. SMITH, P. et al. 2002. Strategic Marketing Communications: New Ways to Build and Integrate Communications. London: Kogan Page. 158 pp.
72. SOLIS, B., 2007. The definition of social media. [online]. [cited 2016-03-31]. Available at: [www.briansolis.com/2007/06/defining-social-media/](http://www.briansolis.com/2007/06/defining-social-media/)
73. TAYLOR, C.R., FRANKE, G.R. and HAE-KYONG. 2006. Use and effectiveness of billboards. Perspectives from Selective-Perception Theory and Retail-Gravity Models'. In Journal of Advertising, vol. 35, No. 4, p. 21–34.
74. TELLA, A. 2015. Social Media Strategies for Dynamic Library Service Development.
75. TNS. 2015. Arab Social Media Report. Dubai: Arab Social Media Influencers Summit. [online]. [cited 2016-03-31]. Available at: <http://www.wpp.com/govtpractice/~media/wppgov/files/arabsocialmediareport-2015.pdf>
76. TOH, G. K. 2012. Direct Marketing. [online]. [cited 2016-03-31]. Available at: <http://www.referenceforbusiness.com/encyclopedia/Dev-Eco/Direct-Marketing.html>
77. TRIMBLE, Ch. 2015. Why online video is the future of content marketing. [online]. [cited 2016-03-31]. Available at: <http://www.theguardian.com/small-business-network/2014/jan/14/video-content-marketing-media-online>
78. UAE Federal Law by Decree No. 3 of 2003

79. UAE NATIONAL BUREAU OF STATISTICS. 2010. Methodology of estimating the population in UAE. [online]. [cited 2016-03-31]. Available at: <http://fcsa.gov.ae/ReportPDF/Population%20Estimates%202006%20-%202010.pdf>
80. VEL, P. K. et al. 2011. Luxury Buying in the United Arab Emirates.
81. VOHRA, M. 2009. Understanding the Islamic Customer. [online]. [cited 2016-03-31]. Available at: [http://americanmuslimconsumer.com/wp-content/uploads/2013/09/marketing\\_to\\_muslims.pdf](http://americanmuslimconsumer.com/wp-content/uploads/2013/09/marketing_to_muslims.pdf)
82. WAQAS, A. 2013. Dubai Police: Using VPN in United Arab Emirates is a Punishable Crime. [online]. [cited 2016-03-31]. Available at: <https://www.hackread.com/using-vpn-in-united-arab-emirates-is-a-punishable-crime-dubai-police/>
83. WORD OF MOUTH MARKETING ASSOCIATION. 2015. WOMMA defines WOMM. [online]. [cited 2016-03-31]. Available at: <http://womma.org/>
84. WORLD BANK GROUP. 2015a. Databank. [online]. [cited 2016-03-31]. Available at: [data.worldbank.org/indicator/NY.GDP.MKTP.PP](http://data.worldbank.org/indicator/NY.GDP.MKTP.PP).
85. WORLD BANK GROUP. 2016. Databank. [online]. [cited 2016-03-31]. Available at: <http://data.worldbank.org/country/united-arab-emirates>
86. WORLD ECONOMIC FORUM. 2015. Global Information Technology Report 2015. [online]. [cited 2016-03-31]. Available at: <http://reports.weforum.org/global-information-technology-report-2015/economies/#economy=ARE>
87. ZELBA, J. 2015. UAE Telecom Market: Will the Country Finally have Fixed-line Telecom Competition? Dubai: Frost & Sullivan research service, 2015.

# Appendices

## Appendix A: Questionnaire

# Appendix A: Questionnaire

## Du + Etisalat (Questionnaire survey)

Dear Participant,

This questionnaire is being carried out as a part of the research for a Master's thesis on The Effects of Online and Offline Marketing on Consumer Behavior in the UAE Telecommunication Industry and the results of this survey will be used for academic purposes.

The survey is anonymous and personal information cannot be connected to a specific respondent. The estimated time of completion for this questionnaire is approximately 10 minutes.

This survey has been designed to analyze the customer behavior in the telecommunication industry. While answering, please consider the telecommunication context of the survey and respond to the statements that most closely match your opinion. If you do not visit telecommunication websites or do not buy telecommunications products or services online, please think what potentially might attract you to telecommunications websites and check the box that best reflects your impressions.

Some introductory definitions of used terms:

- Telecommunication companies in the UAE - Etisalat and Du.
- Online marketing tools - advertisements in search engines, display advertisement (banners, pop-ups, online video (YouTube), social media (Facebook, LinkedIn, Twitter) emails and online newsletters.
- Traditional marketing tools - TV, radio, newspapers, magazines, billboards and other printed advertisement.

I greatly appreciate your help and support with this research. Thank you for your valuable contribution!

Simona Makovska  
University of Economics, Prague

### Survey questions

1. Which of the following traditional marketing tools have you perceived as the most frequent when communicating a marketing message of telecommunication companies? (Please mark all that applies).

- ☐ TV
- ☐ Radio
- ☐ Billboards
- ☐ Newspapers
- ☐ Magazines
- ☐ Other printed advertisement (flyers, newsletters, etc.)

---

2. Which of the following traditional marketing tools have had the highest impact on your purchase decisions (when buying telecommunication products or services)? (Please mark all that applies).

- ☐ TV
- ☐ Radio
- ☐ Billboards
- ☐ Newspapers
- ☐ Magazines
- ☐ Other printed advertisement (flyers, newsletters, etc.)
- ☐ None of the above

3. Which of the following online marketing tools have you perceived as the most frequent communicating you a marketing message of telecommunication companies? (Please mark all that applies).

- ☐ Advertising in search engines (Google, Yahoo, etc.)
- ☐ Display advertisement (Banners, pop-ups, etc.)
- ☐ Online video
- ☐ Social media
- ☐ Emails and online newsletters

4. Which of the following online marketing tools has had the highest impact on your purchase decisions (when buying telecommunication products or services)? (Please mark all that applies).

- ☐ Advertising in search engines (Google, Yahoo, etc.)
- ☐ Display advertisement (Banners, pop-ups, etc.)
- ☐ Online video
- ☐ Social media
- ☐ Emails and online newsletters
- ☐ None of the above



5. What is the main reason that you choose to click on an ad?

- ☐ It is relevant to what I want/am interested in
- ☐ I recognize the brand or company
- ☐ I am curious about the product or service offered
- ☐ Iné:

6. Have you ever bought a telecommunication product or a service after seeing an ad promoting it on television?

- ☐ Yes
- ☐ I don't remember
- ☐ No

7. Have you ever bought a telecommunication product or a service after seeing an ad promoting it on the Internet?

- ☐ Yes
- ☐ I don't remember
- ☐ No

8. What types of telecommunication products or services have you ever purchased on the Internet? (Please select all items that you have purchased)

- ☐ Smartphone or Tablets
- ☐ Laptop or Computer
- ☐ TV or Home devices
- ☐ Routers or Modems
- ☐ SIM card
- ☐ Roaming
- ☐ Data plans
- ☐ I have never purchased a telecommunication product or service on the Internet
- ☐ Iné: \_\_\_\_\_

9. Have you ever researched a telecommunication product or service offline (in the store) and purchased it online (through the website)?

☐ Yes

☐ No

10. Have you ever researched a telecommunication product or service online (through the website, social media, YouTube, etc.) and purchased it offline (in the store)?

☐ Yes

☐ No

11. Do you like or follow a particular telecommunication brand (Etisalat, Du, Virgin Mobile, etc.), or multiple telecommunication brands, on social media sites or blogs?

☐ Yes

☐ No

12. How often are you in connection with the following marketing tools? (Please mark one „x“ in each column according to how often you do the stated activity).

	Several times a day	Once a day	A few times per week	Once a week	Less than once a week	I do not know.
How often do you watch TV?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How often do you listen to the radio, etc.?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How often do you read newspapers?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How often do you read magazines?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How often do you watch YouTube?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How often do you check your social media?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How often do you see advertisement in search engines	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How often do you see display ads (banners, pop-ups, etc.)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How often do you check your personal email?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

13. Please, compare the credibility of online and traditional marketing tools.

- ☐ Online marketing tools have higher credibility than traditional marketing tools.
- ☐ Online marketing tools have very similar credibility than traditional marketing tools.
- ☐ Online marketing tools have lower credibility than traditional marketing tools.
- ☐ I do not know.

14. How do you feel about the following types of advertisement?  
(Please, mark the chosen cell by "x").

	I like them	I do not mind them	I do not like them	I do not know.
TV advertisement	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Radio advertisement	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Newspaper advertisement	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Magazines advertisement	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Billboards advertisement	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
YouTube advertisement	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Social media advertisement	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Advertisement in search engines Advertisement in search engines	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Display ads (banners, pop-ups, etc.)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Email advertisement	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

15. How much do you agree with following statement:  
„Advertising on YouTube is more engaging than television advertising. “

	1	2	3	4	5	
I agree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	I disagree

16. How much do you agree with following statement:  
„Advertising on YouTube influences my buying decisions more than the television advertising. “

	1	2	3	4	5	
I agree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	I disagree

17. How much do you agree with following statement:  
„Advertising on YouTube offers better addressed advertisements than television advertising (the advertising on YouTube better corresponds to my needs and interests).“

	1	2	3	4	5	
I agree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	I disagree

18. How much do you agree with following statement: „After watching an ad on YouTube I subsequently visited the advertiser's website. “

	1	2	3	4	5	
I agree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	I disagree

19. How much do you agree with following statement: „I share an ad that I find interesting on social channels or other online platforms. “

	1	2	3	4	5	
I agree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	I disagree

20. Do you think that YouTube will replace television broadcasting in the next decade?

- ☐ Yes
- ☐ No

## Demographic questions

What is your gender?

- ☐ Male
- ☐ Female

What is your age?

- ☐ less than 18
- ☐ 18-25
- ☐ 26-35
- ☐ 36-45
- ☐ 46-55
- ☐ 56 and more

What is the highest level of education you have completed?

- ☐ High school graduate
- ☐ Bachelor's degree
- ☐ Master's degree
- ☐ Ph.D.
- ☐ Other advanced degree

You are currently:

- ☐ Employed
- ☐ Self-employed
- ☐ A student
- ☐ A student who is working

What country are you from?

- ☐ Canada
- ☐ Czech republic
- ☐ Egypt
- ☐ France
- ☐ Germany
- ☐ India
- ☐ Iran
- ☐ Jordan
- ☐ Lebanon
- ☐ Libya
- ☐ Pakistan
- ☐ Philippines
- ☐ Slovakia
- ☐ Syria
- ☐ UAE
- ☐ Ukraine
- ☐ United Kingdom
- ☐ USA
- ☐ Iné: