SETTING THE CONTEXT

Introduction | Methodology
‘The State of Influencer Marketing in UAE 2023’ is a study conducted by YAAP in collaboration with Khaleej Times aimed at understanding the Influencer Marketing industry, upcoming trends and the future of the industry from the marketer’s perspective. Top brands across categories like Banking & Finance, Retail, Healthcare, Real Estate FMCG, Technology & Gaming participated in the study.

The Influencer Marketing space has seen exponential growth in the past few years, with the market poised to cross $20 Billion by 2024. As brands continue to evolve and change the way they approach their communications, Influencer Marketing continues to evolve with it. The introduction of new technology, platforms & content styles are changing the way influencers & content creators create content and the way users consume it. According to our estimates, the Influencer Marketing industry in the Middle East will be a $1.3 Billion market in 2023. YAAP’s report aims to understand the marketers’ perspective and the importance of Influencer Marketing in their marketing efforts.

Some of the brands that participated:

[Images of participating brands]
YAAP surveyed CMOs, Marketing Heads, & Digital Marketers from brands across the UAE ranging from a multitude of sectors to better understand and gain insights into the Influencer Marketing landscape in the UAE.

YAAP conducted the survey in March 2023.

Research Tool: Online Survey

The survey has been independently conducted by YAAP and all warranties and responsibilities pertaining to the survey rest with YAAP.
SIGNIFICANCE FOR MARKETERS
Influencer Marketing stands second amongst the focus areas for marketers

76.9% of marketers said that Influencer Marketing is a top priority for their brand

Which of the following is high on the list of priorities for your brand? (Select as many as applicable)
Influencer Marketing budgets are on the rise

46.2% marketers said that their Influencer Marketing budgets have increased in 2023

How has your Influencer Marketing budget changed in 2023?
**Budgets are moving from traditional media to Influencer Marketing**

76.5% of marketers said that they’ve shifted their budgets from TV, Print and Outdoor to Influencer Marketing

If your budgets have decreased/increased, which marketing channel have they been shifted to/from?
Brands have Influencer Marketing campaigns just around the corner

87.2% respondents are to launch an Influencer Marketing campaign in the next 6 months

Do you expect to launch at least one Influencer Marketing campaign in the next 6 months?
Influencer Marketing is becoming an integral part of retail & product launches

71.9% of respondents engage with influencers for product and retail launches followed by 61.5% leveraging them for content distribution & promotion

Under which scenarios have you/do you plan to engage Influencer Marketing?

- **Product/Retail launches**: 71.9%
- **Content Promotion**: 61.5%
- **Events Promotion**: 41.0%
- **Community Management**: 23.1%
- **Corporate Communications**: 2.6%
- **Crisis Management**: 0%
Influencer Marketing has become a bigger priority during budget allocation

59% of brands are spending up to AED 250,000 annually on their influencer marketing campaigns while 28.2% brands still prioritise barters

On average, how much are you spending per Influencer Marketing campaign in 2023?

- No spends, only barter
- Under AED 50,000
- AED 50,000 - 100,000
- AED 100,000 - 250,000
- AED 250,000 - 400,000
- AED 500,000 - 1,000,000
Who runs the show?

46.2% of brands manage their Influencer Marketing campaigns in-house & 53.8% through an agency partner

How do you manage your Influencer Marketing campaigns?

- In-house: 46.2%
- Media Agency on record: 10.3%
- PR Agency: 5.1%
- Current Digital Marketing Agency: 25.6%
- Specialist Influencer Marketing Company: 12.8%
87.2% of brands say that they work with lifestyle influencers the most, followed by fashion at 35.9%
Engagement is king

71.8% of respondents said that they measure the success of their Influencer Marketing campaign through engagement

How do you measure the success of your Influencer Marketing programs?

<table>
<thead>
<tr>
<th>Metric</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engagement</td>
<td>71.8%</td>
</tr>
<tr>
<td>Reach and Views</td>
<td>59%</td>
</tr>
<tr>
<td>Brand Awareness</td>
<td>56.4%</td>
</tr>
<tr>
<td>Conversions/Sales Lift</td>
<td>51.3%</td>
</tr>
<tr>
<td>Product Sales</td>
<td>43.6%</td>
</tr>
<tr>
<td>Clicks/Traffic Generation</td>
<td>41%</td>
</tr>
<tr>
<td>Impressions</td>
<td>38.5%</td>
</tr>
<tr>
<td>Audience Sentiment</td>
<td>33.3%</td>
</tr>
</tbody>
</table>
Analytics & tools have a high significance on Influencer Marketing strategy

74.4% of the respondents feel that tools are very important in planning their Influencer Marketing strategy & selecting influencers

How important are tools/analytics in determining an influencer marketing strategy for your brand and selection of influencers?
PRESENT APPROACH & FUTURE LOOKOUT
A majority of brands are running up to 5 campaigns a year

61.5% of respondents said that they run up to 5 Influencer Marketing campaigns a year for their brand

How many Influencer Marketing campaigns do you typically run per year?

- 1-2: 35.9%
- 2-5: 20.5%
- 5-10: 25.6%
- More than 10: 17.9%
71.8% of brands said that they work with less than 10 influencers for their Influencer Marketing campaigns

How many influencers do you typically work with for an Influencer campaign?

- 71.8% Less than 10
- 17.9% 10-25
- 10.3% 25-50
- More than 50
Instagram, TikTok & YouTube come out as the most important platforms for marketers

With blogs, Pinterest and LinkedIn coming out as the least important platforms

Which social platforms are the most important to your Influencer Marketing strategy in 2023? (Select as many as applicable)

- Instagram: 71.8%
- TikTok: 61%
- YouTube: 56.4%
- Facebook: 51.3%
- Twitter: 27.5%
- Snapchat: 10%
- LinkedIn: 7.26%
- Pinterest: 4.7%
The content created by influencers is multifaceted

51.3% of brands use influencers to boost the performance of their other channels and nearly 43.6% say that they leverage them to boost e-commerce sales

Which of the following marketing trends have you adopted in 2023? (Select as many as applicable)

- To improve channel performance: 51.3%
- To drive product sales on e-commerce platforms: 43.6%
- Shifted to an “always-on” influencer strategy: 23.1%
- To contract influencers as ambassadors: 23.1%
- Haven’t evolved influencer strategy in 2023: 23.1%
- Used celebrities & famous influencers in chatbots: 2.6%
79.5% of marketers say determining ROI is their top challenge for Influencer Marketing campaigns

What do you see as top Influencer Marketing challenges in 2023?
(Select as many as applicable)

<table>
<thead>
<tr>
<th>Top Challenge</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Determining the ROI</td>
<td>79.5%</td>
</tr>
<tr>
<td>Choosing the Influencer Marketing provider</td>
<td>43.6%</td>
</tr>
<tr>
<td>Social network algorithms making organic influencer content less visible</td>
<td>41%</td>
</tr>
<tr>
<td>Time taken to manage Influencer Marketing programs</td>
<td>30.8%</td>
</tr>
<tr>
<td>Determining where Influencer Marketing fits in the marketing mix</td>
<td>23.1%</td>
</tr>
<tr>
<td>No, we can optimise as per our strategy</td>
<td>2.6%</td>
</tr>
</tbody>
</table>
Mid-Tier influencers are most important to brands

71.8% of brands feel mid-tier influencers are most important to deliver their brand message

What tier of influencers (No. of followers) are most important to your brand/to your messaging?

- Mid-Tiers (50k to 300k): 71.8%
- Macros (300k to 1M): 43.6%
- Micros (10k to 50k): 41%
- Celebrities (1M+): 35.9%
- Nanos (1k to 10k): 15.4%
INFLUENCERS BUILD TRUST & AID STORYTELLING
Influencer Marketing builds trust & helps with storytelling

71.8% of marketers say that Influencer Marketing helps them build trust followed by 69.2% who say it helps them with storytelling.

What do you see Influencer Marketing driving for your brand? (Click as many as applicable)

<table>
<thead>
<tr>
<th>Activity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boosting affinity &amp; trust for your brand</td>
<td>71.8%</td>
</tr>
<tr>
<td>Telling brand stories</td>
<td>69.2%</td>
</tr>
<tr>
<td>Increasing purchase intent &amp; driving conversions</td>
<td>61.5%</td>
</tr>
<tr>
<td>Engaging with online consumers</td>
<td>51.3%</td>
</tr>
<tr>
<td>Driving website traffic</td>
<td>25.6%</td>
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KEY TAKEAWAYS
Key Takeaways from the Study

1. Influencer Marketing budgets are on the rise, as budgets continue to shift from traditional media like print to Influencer Marketing.

2. Influencers are driving new product/brand launches through live coverage, promotions & on-ground activations.

3. Brands are turning to influencers to drive sales & build brand awareness as their two biggest priorities from their Influencer Marketing campaigns.

4. Determining ROI on Influencer Marketing continues to be a defining challenge for brands as they plan their marketing budgets.
5. Mid-tier influencers (50k to 300k followers) are the most preferred by brands for their campaigns with 72% of respondents highlighting this preference.

6. Influencer Marketing technology has come front & centre with a majority of brands saying it plays an integral role in their influencer campaigns.

7. Engagement is still the most important performance indicator with brands measuring likes, comments & shares as their biggest metric for success.

8. Social commerce will continue to grow with social creators and influencers leading the way to the transformation of online retail.
KEY TRENDS IN 2023
The rise of CGI influencers

The entry of CGI influencers into the Influencer Marketing Industry has changed the way brands view collaborations.

Socially-conscious influencers are gaining prominence

Customers are becoming more aware of the authenticity of brands they spend money on and want to spend in socially conscious places. Hence, influencers supporting good causes are more likely to encourage sales.
Niches are becoming even more specialized

Finding a niche has long been effective for content creators and influencers. With the seemingly unquenchable thirst of audiences for content, niches are likely to become even more specialized in the near future.
Live shopping is gaining popularity

Live shopping has increased in popularity and will continue to increase in 2023 and beyond. They are often extremely interactive, with influencers presenting a product to their audience, answering any questions in the chat, and providing real-time links to purchase the product.

Brands & influencers continue to collaborate & co-create

Brands are teaming up with their ambassadors to create products or collections, which send out a powerful message to the influencer's audience: There's a genuine connection between the brand and the product.
The rise of AI tools

AI helps measure an influencer campaign’s performance and provides insights into what works well and what could be improved. This helps to optimize future campaigns for better results. AI also offers real-time insights into the performance of an influencer campaign, allowing businesses to make changes on the fly to improve outcomes.
ABOUT YAAP
Built for now

We’re a new-age specialized content company that brings together technology, data, and content, to deliver high-quality creative solutions. The 3D philosophy of YAAP forays into a full communication spectrum, from creation to amplification: Design, Discovery, and Distribution. YAAP has a global presence with 7 offices across UAE, India and Singapore.
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