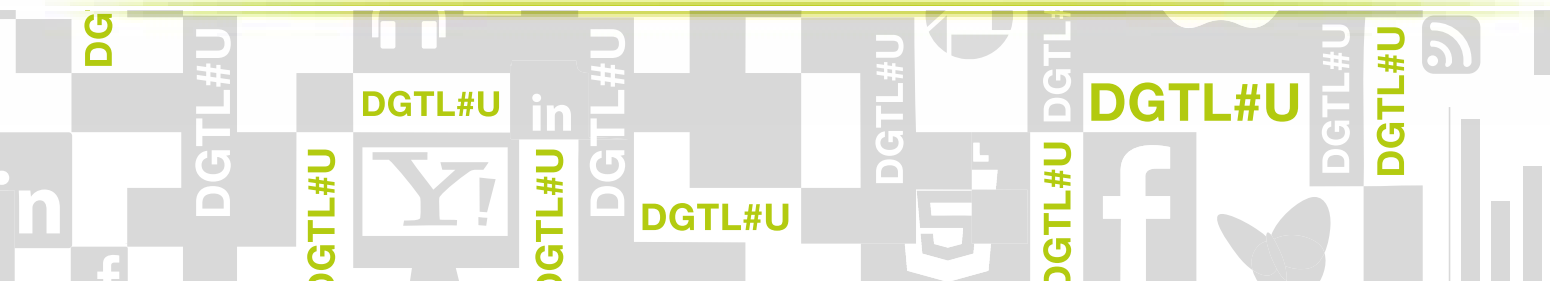
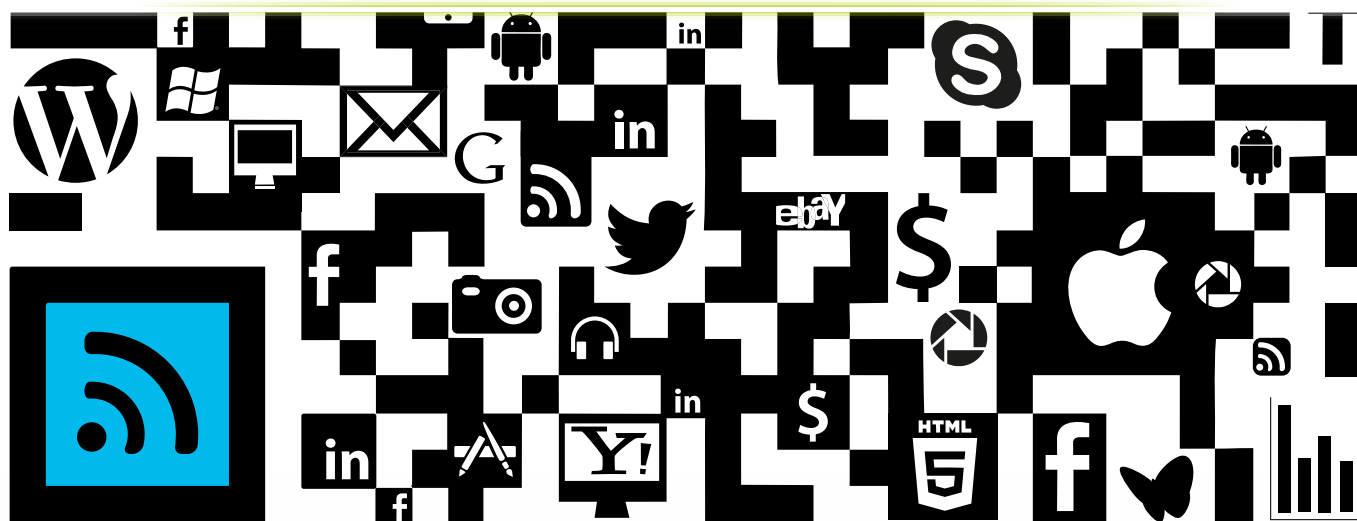


**DGTL#U** Beirut

# State of *Digital Marketing* in Lebanon: *Insights from the Experts*



### Digital Strategy

Digital branding

Mobile **apps**

Tablets

Smartphones

M-Commerce

**M-payment**

E-commerce

**Viral Campaigns**

Security

**Social Media**

Social CRM

ROI

SEO

Advertising

Workshops

Hands on clinics

International Experts

**In BEIRUT!**

**Digital Strategy**

Digital branding

Mobile **apps**

Tablets

Smartphones

M-Commerce

**M-payment**

E-commerce

**Viral Campaigns**

Security

**Social Media**

Social CRM

ROI

SEO

Advertising

**Workshops**

Hands on clinics

International Experts

**In BEIRUT!**

**Digital Strategy**

Digital branding

Mobile **apps**

Tablets

Smartphones

M-Commerce

**M-payment**

E-commerce

**Viral Campaigns**

Security

**Social Media**

Social CRM

ROI

SEO

Advertising

Workshops

Hands on clinics

International Experts

**In BEIRUT!**

**Digital Strategy**

Digital branding

Mobile **apps**

Tablets

Smartphones

M-Commerce

**M-payment**

E-commerce

**Viral Campaigns**

Security

**Social Media**

Social CRM

ROI

SEO

Advertising

**Workshops**

Hands on clinics

International Experts

**In BEIRUT!**

In a world rapidly becoming more and more digitalized, corporations have found themselves forced to follow the trend and to be up to date with all changes in communication and internet technology.

Mobile applications, m-payment, social media marketing, blogs amongst others have become “must-haves” for the world’s companies be it in their marketing strategies, customer services, recruitment plans and work tactics, as well as other activities.

Lebanese corporations are slowly but surely appreciating and embracing these technological changes, and our DGTL#U – Beirut event will ease the way and show them the path to follow a successful and visible online and digital presence.

In order to have an accurate view on how involved Lebanese corporations are in digital strategies, we have conducted a survey on a sample of 48 PR agencies which includes the top 10 agencies in Lebanon (based on biggest account holders).

Our survey aims to shed light on the activities of these agencies and transmit an accurate image on how corporations are faring in the midst of the digitalized world. It’s the first of numerous studies about digital marketing in Lebanon and the Arab world. Industry and other country specific reports are also planned.

The results of this first Corporate Digital Marketing Survey seek to demonstrate how far Lebanese corporations have come in this respect, their commitment and attitude towards these new plans, how strategies translate into sales and branding awareness, and what is keeping them from going further and expanding their online presence.

## Digital Marketing: where does it stand today?

While customers in Lebanon increasingly develop a taste towards everything digital, companies still lag behind when it comes to using digital tools and techniques to market their products and services.

When asked whether they believe the Lebanese customer is ready for an entirely digital service, 60.9% of survey respondents said yes versus only 26% who said the customers weren't ready (figure 1). But when asked about the most effective channel for marketing any type of product or service, the majority of respondents (52.2%) answered that it was television. Social media was considered the most effective digital marketing channel, it ranked second but far behind TV with only 26.1%. Other digital marketing mediums were considered much less effective with only 4.3% of respondents choosing websites or paid online ads (figure2).



Do you agree that Lebanese customers are ready for an entirely digitalized service?

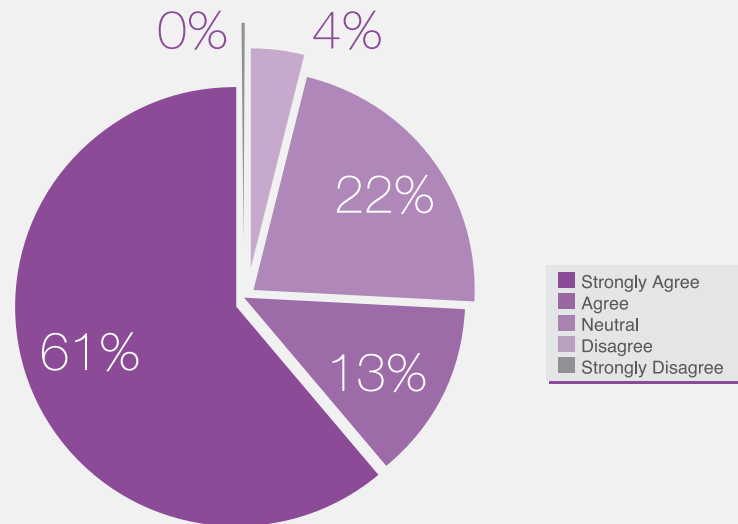


Figure 1



What is your most effective marketing channel for any business type?

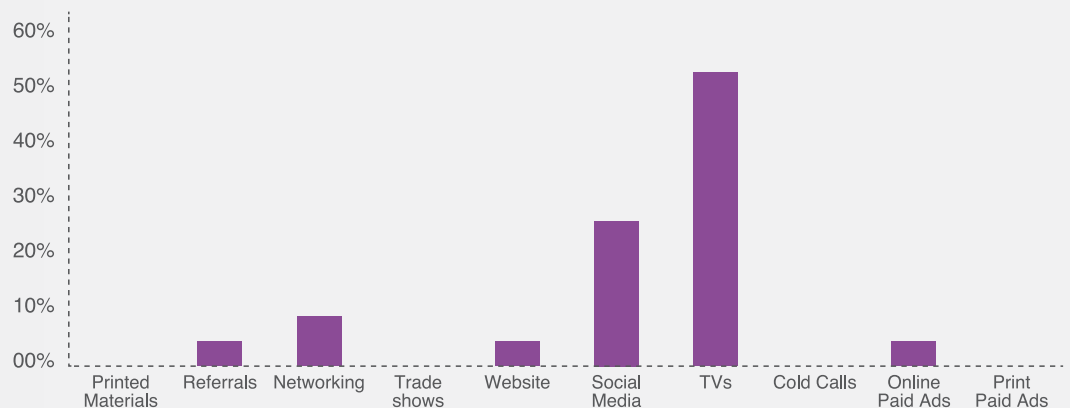


Figure 2

Digital Strategy  
Digital branding  
Mobile apps  
Tablets  
Smartphones  
M-Commerce  
M-payment  
E-commerce  
Viral Campaigns  
Security  
Social Media  
Social CRM  
ROI  
SEO  
Advertising  
Workshops  
Hands on clinics  
International Experts  
In BEIRUT!  
Digital Strategy  
Digital branding  
Mobile apps  
Tablets  
Smartphones  
M-Commerce  
M-payment  
E-commerce  
Viral Campaigns  
Security  
Social Media  
Social CRM  
ROI  
SEO  
Advertising  
Workshops  
Hands on clinics  
International Experts  
In BEIRUT!  
Digital Strategy  
Digital branding  
Mobile apps  
Tablets  
Smartphones  
M-Commerce  
M-payment  
E-commerce  
Viral Campaigns  
Security  
Social Media  
Social CRM  
ROI  
SEO  
Advertising  
Workshops  
Hands on clinics  
International Experts  
In BEIRUT!

Digital Strategy  
 Digital branding  
 Mobile apps  
 Tablets  
 Smartphones  
 M-Commerce  
 M-payment  
 E-commerce  
 Viral Campaigns  
 Security  
 Social Media  
 Social CRM  
 ROI  
 SEO  
 Advertising  
 Workshops  
 Hands on clinics  
 International Experts  
 In BEIRUT!  
 Digital Strategy  
 Digital branding  
 Mobile apps  
 Tablets  
 Smartphones  
 M-Commerce  
 M-payment  
 E-commerce  
 Viral Campaigns  
 Security  
 Social Media  
 Social CRM  
 ROI  
 SEO  
 Advertising  
 Workshops  
 Hands on clinics  
 International Experts  
 In BEIRUT!  
 Digital Strategy  
 Digital branding  
 Mobile apps  
 Tablets  
 Smartphones  
 M-Commerce  
 M-payment  
 E-commerce  
 Viral Campaigns  
 Security  
 Social Media  
 Social CRM  
 ROI  
 SEO  
 Advertising  
 Workshops  
 Hands on clinics  
 International Experts  
 In BEIRUT!  
 Digital Strategy  
 Digital branding  
 Mobile apps  
 Tablets  
 Smartphones  
 M-Commerce  
 M-payment  
 E-commerce  
 Viral Campaigns  
 Security  
 Social Media  
 Social CRM  
 ROI  
 SEO  
 Advertising  
 Workshops  
 Hands on clinics  
 International Experts  
 In BEIRUT!

This helps illustrates the situation in Lebanon where companies are increasingly adopting digital marketing techniques but where traditional media still dominate the field. One explanation could be that although most respondents (60.9%) believe that companies can go completely digital without losing a segment of their customers, 1 out of four people still think that going completely digital results in losing a segment of customers.



Do you agree that companies can go completely digital without losing a segment of their customers?

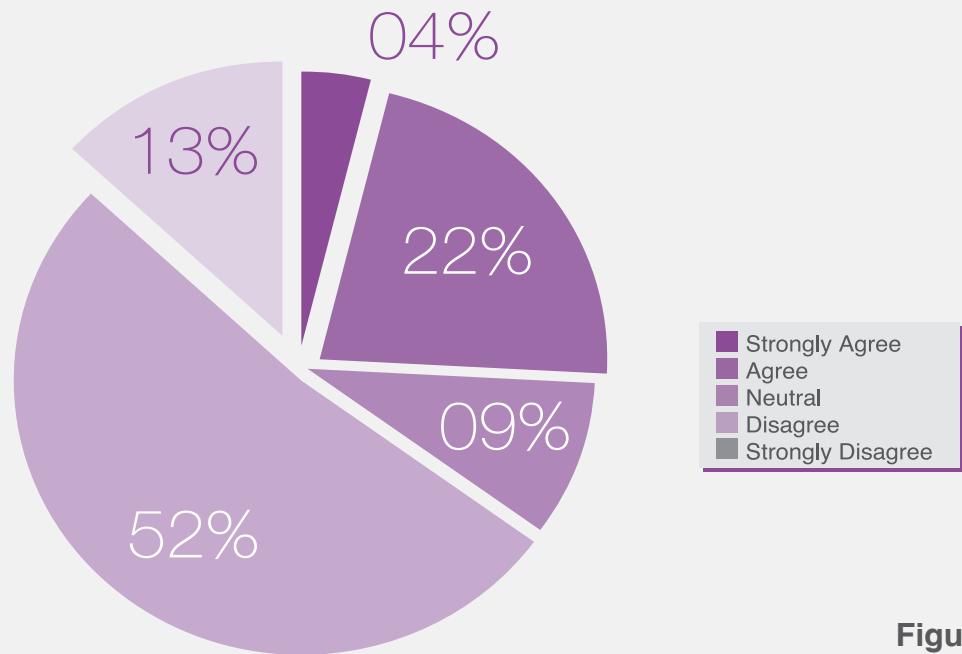


Figure 3

Other factors could be technology readiness, infrastructure, legal framework, lack of skills, etc.

In fact, when Al-Iktissad Wal-Aamal asked experts in PR agencies about the major obstacles preventing companies from using digital marketing, limited internal understanding and lack of a correct skill base came in first (73.9%) followed by lack of infrastructure (43.5%) as shown in figure 4. Similarly, lack of skills also emerged as the central barrier preventing new strategies and budget increases in digital marketing (figure 5). As for the key issue PR agencies take into consideration when convincing customers to go digital, technological readiness was the number one challenge (figure 6).





main obstacles preventing new strategies and budget increase

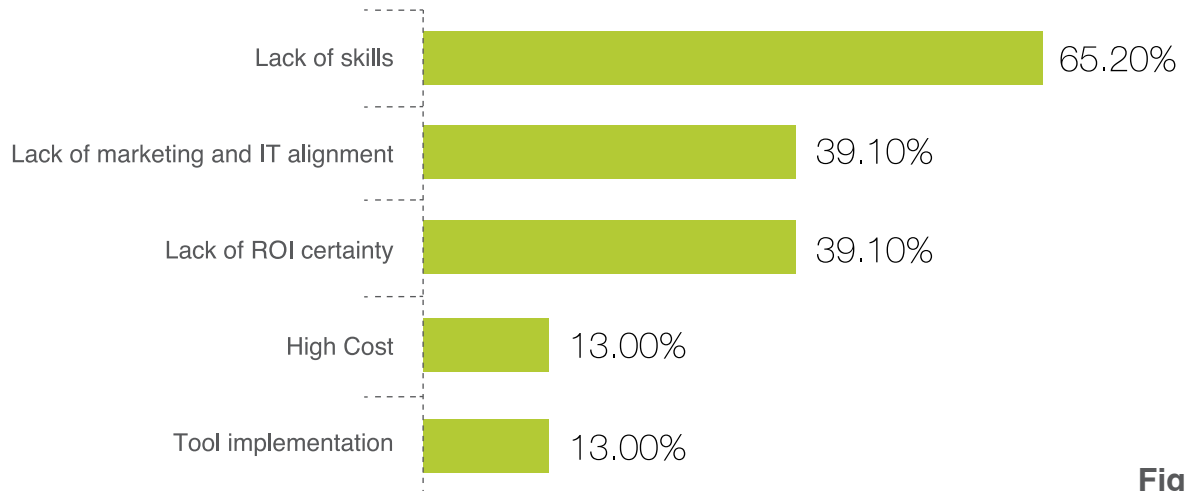


Figure 5



Rank the main barriers you take into consideration when you convince a customer of going digital



**1** Technological readiness



**2** Connection problems



**3** Cost



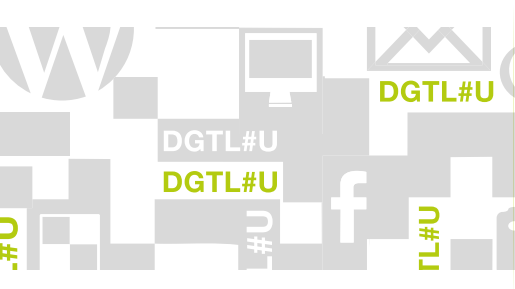
**4** Employees' digital literacy



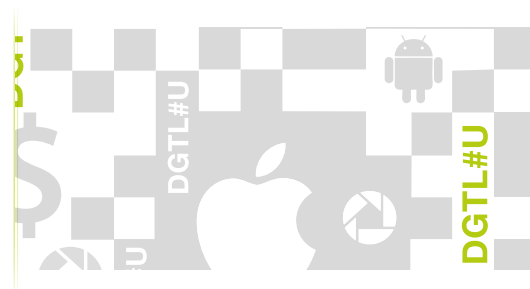
**5** Safety concerns

Figure 6

Clearly, it's a combination of an absence of infrastructure, lack of a comprehensive legal framework along with a general lack of understanding and skill base inside companies that prevent organizations in Lebanon from fully taking advantage of the digitalization in marketing tools and techniques. This may be one of the reasons why 96% of PR agencies claim that they suggest digital marketing campaigns to their clients versus the clients asking for a digital solution.



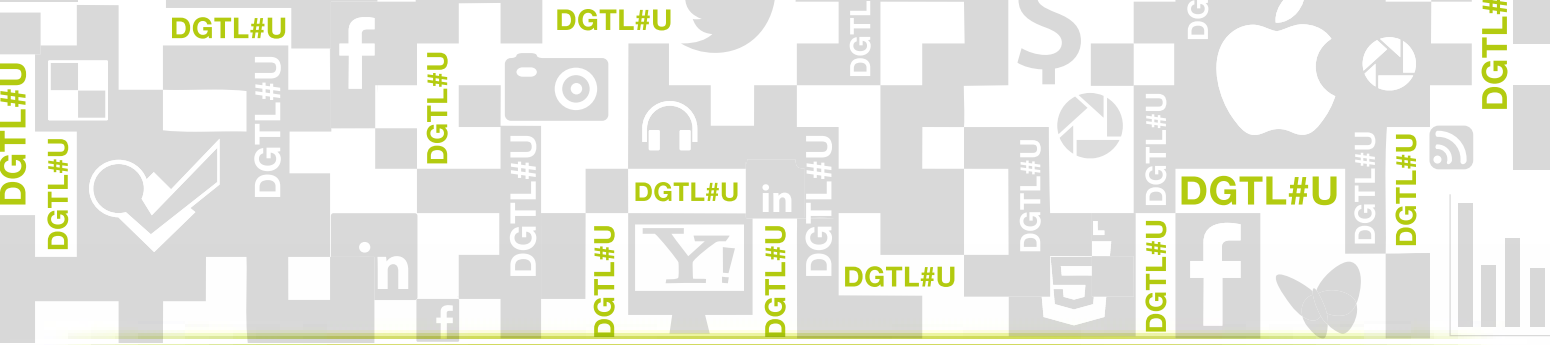
**Digital Marketing:  
where & how  
is it best applied?**



To better understand the digital marketing state and company practices in Lebanon, Al-Iktissad Wal-Aamal asked PR professionals about the main reasons their customers use digital marketing. They answered sales.



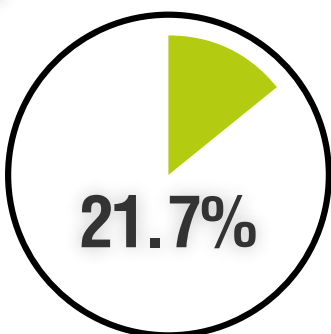
**Figure 7**



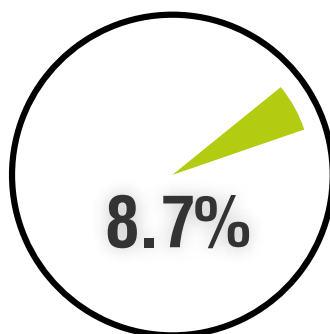
Sales however came in before last when it comes to measuring the results of digital marketing efforts. Brand awareness is the first criteria for measuring digital marketing ROI (52.2%) followed by customer satisfaction (30.4%) and sales leads (26.1%). An interesting finding that is worth noting is that 1 out of 5 companies do not at all measure their digital marketing impact.



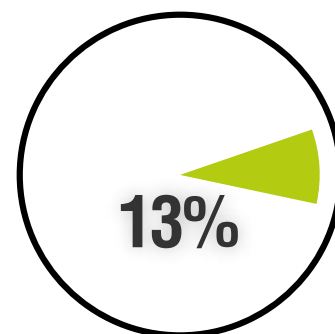
Usually based on what criteria does your firm measure digital marketing results?



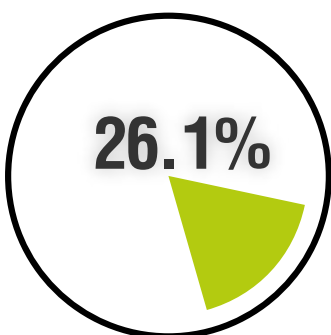
We do not measure digital marketing impact



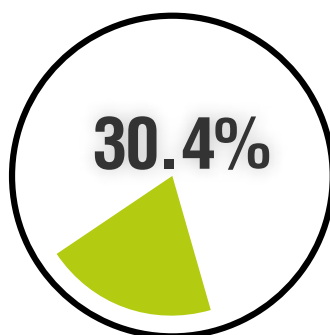
Profits



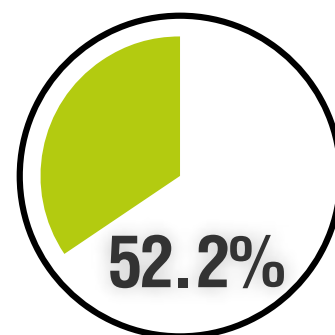
Sales



Sales Leads



Customer Satisfaction



Brand Awareness

Figure 8



While PR experts are still struggling to find accurate and measurable criteria to quantify the dollar return on investments in digital marketing, they have already gained significant insights on the effectiveness of digital channels when it comes to building awareness, customer satisfaction and engagement. They recommend banners and online media as the most effective digital medium with the highest return on investment, followed by inbound linking, website design and mobile marketing.

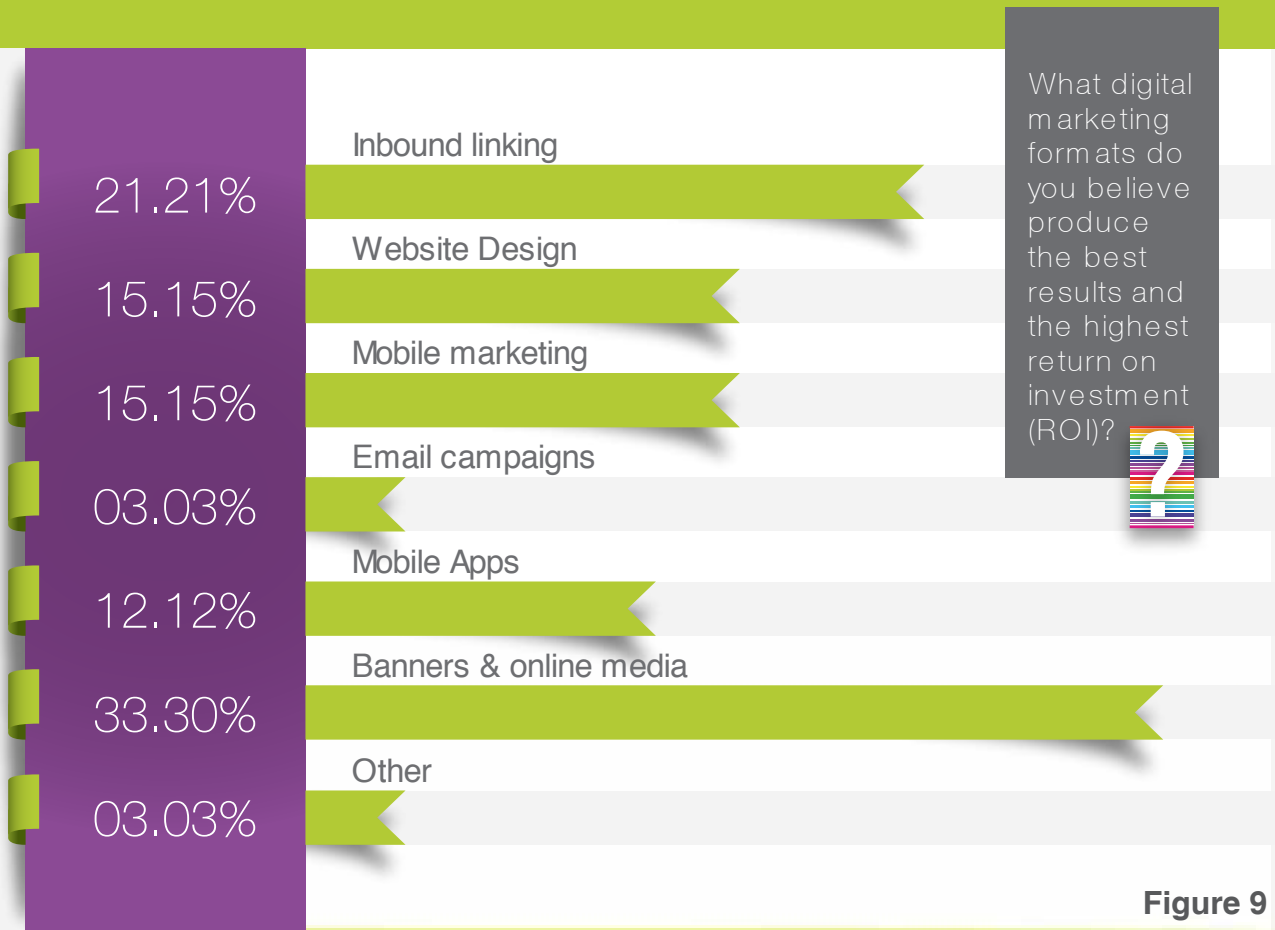
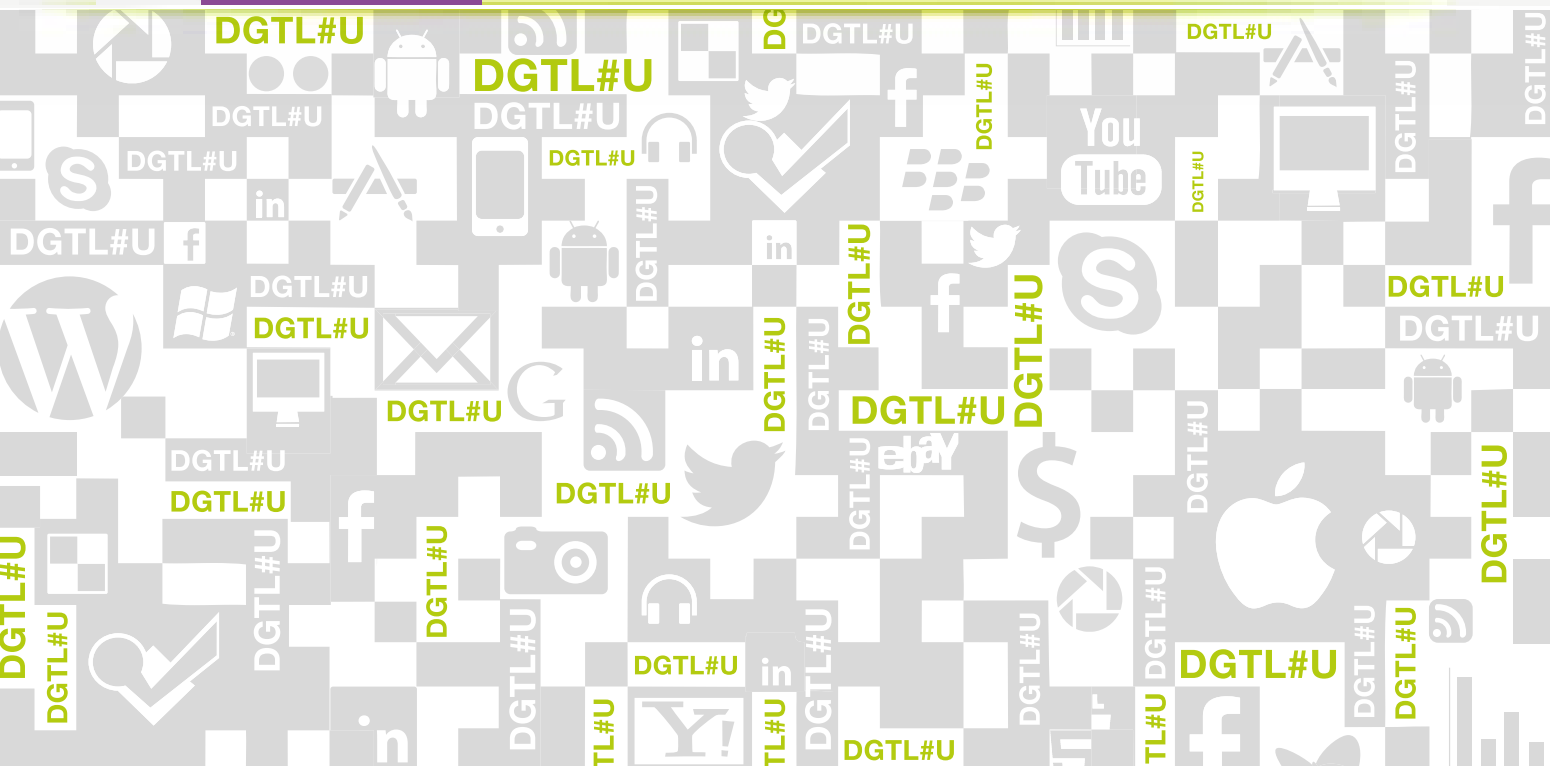


Figure 9



Digital Strategy  
 Digital branding  
 Mobile apps  
 Tablets  
 Smartphones  
 M-Commerce  
 M-payment  
 E-commerce  
 Viral Campaigns  
 Security  
 Social Media  
 Social CRM  
 ROI  
 SEO  
 Advertising  
 Workshops  
 Hands on clinics  
 International Experts  
 In BEIRUT!  
 Digital Strategy  
 Digital branding  
 Mobile apps  
 Tablets  
 Smartphones  
 M-Commerce  
 M-payment  
 E-commerce  
 Viral Campaigns  
 Security  
 Social Media  
 Social CRM  
 ROI  
 SEO  
 Advertising  
 Workshops  
 Hands on clinics  
 International Experts  
 In BEIRUT!  
 Digital Strategy  
 Digital branding  
 Mobile apps  
 Tablets  
 Smartphones  
 M-Commerce  
 M-payment  
 E-commerce  
 Viral Campaigns  
 Security  
 Social Media  
 Social CRM  
 ROI  
 SEO  
 Advertising  
 Workshops  
 Hands on clinics  
 International Experts  
 In BEIRUT!

Looking more closely into the available online marketing tools, Facebook & YouTube are considered the most effective social media channels by professionals in the leading PR agencies in Lebanon.



How effective are online mediums for marketing different services and products?

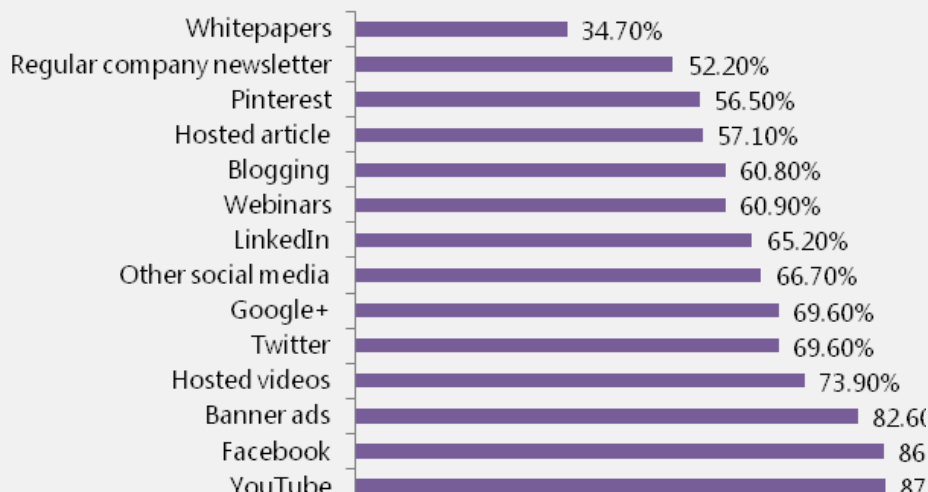


Figure 10

Respondents also recommend different usage and audiences for different channels as shown in the below figures. For instance, websites are, naturally, used to provide information while online advertising is used primarily to raise awareness and email marketing to promote products and services. The main target usage of social media is to build the credibility of the brand or the organization.



main reasons for using each of the digital marketing features

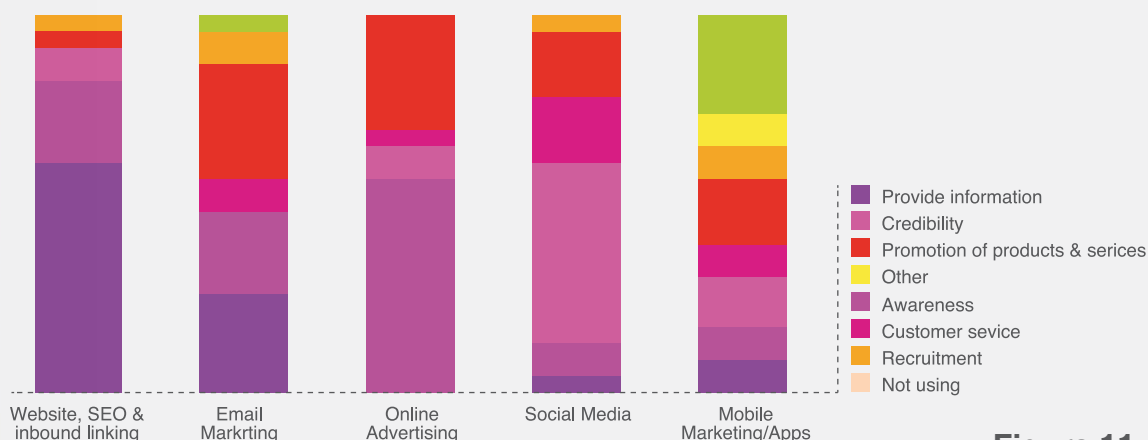


Figure 11

Digital Strategy  
 Digital branding  
 Mobile apps  
 Tablets  
 Smartphones  
 M-Commerce  
 M-payment  
 E-commerce  
 Viral Campaigns  
 Security  
 Social Media  
 Social CRM  
 ROI  
 SEO  
 Advertising  
 Workshops  
 Hands on clinics  
 International Experts  
 In BEIRUT!  
 Digital Strategy  
 Digital branding  
 Mobile apps  
 Tablets  
 Smartphones  
 M-Commerce  
 M-payment  
 E-commerce  
 Viral Campaigns  
 Security  
 Social Media  
 Social CRM  
 ROI  
 SEO  
 Advertising  
 Workshops  
 Hands on clinics  
 International Experts  
 In BEIRUT!  
 Digital Strategy  
 Digital branding  
 Mobile apps  
 Tablets  
 Smartphones  
 M-Commerce  
 M-payment  
 E-commerce  
 Viral Campaigns  
 Security  
 Social Media  
 Social CRM  
 ROI  
 SEO  
 Advertising  
 Workshops  
 Hands on clinics  
 International Experts  
 In BEIRUT!



## Digital marketing target audience by gender

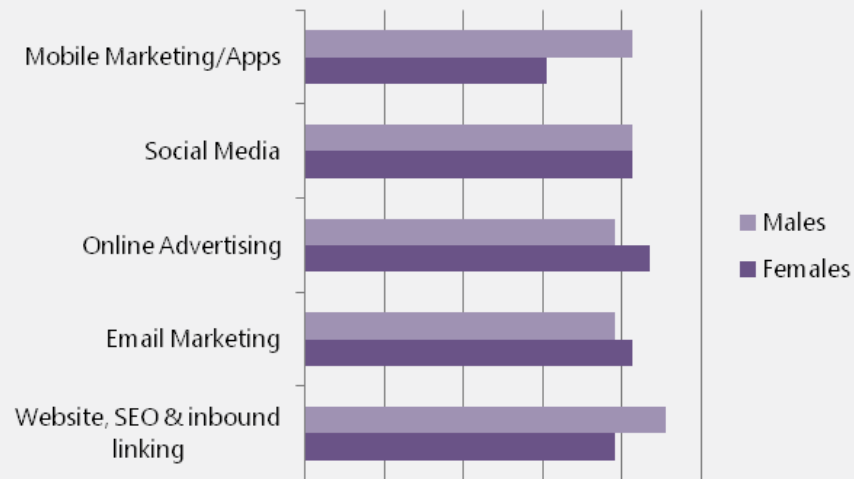


Figure 12



## Digital marketing target audience by age

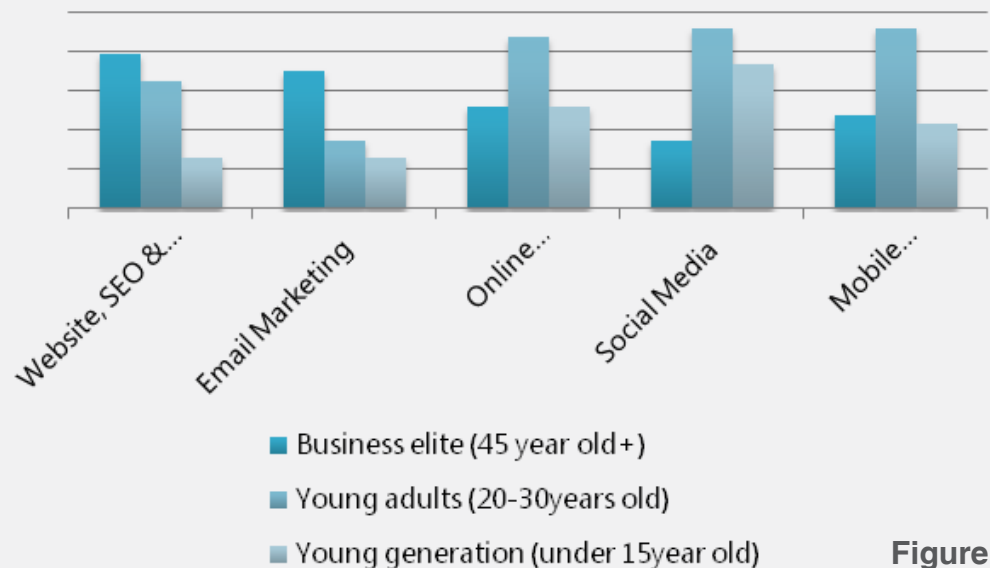


Figure 13

Looking more closely inside each category, we can also determine the strategic differences in the usage of various online tools such as blogging and social media.

PR agencies expert recommend targeting different demographic audiences on the various social networks.



### Online Networks target audience by gender

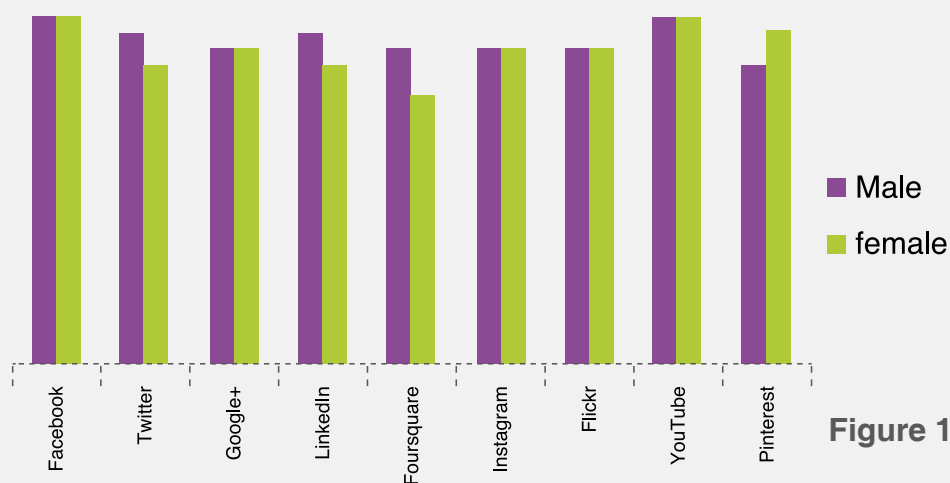


Figure 14



### Online Networks target audience by age

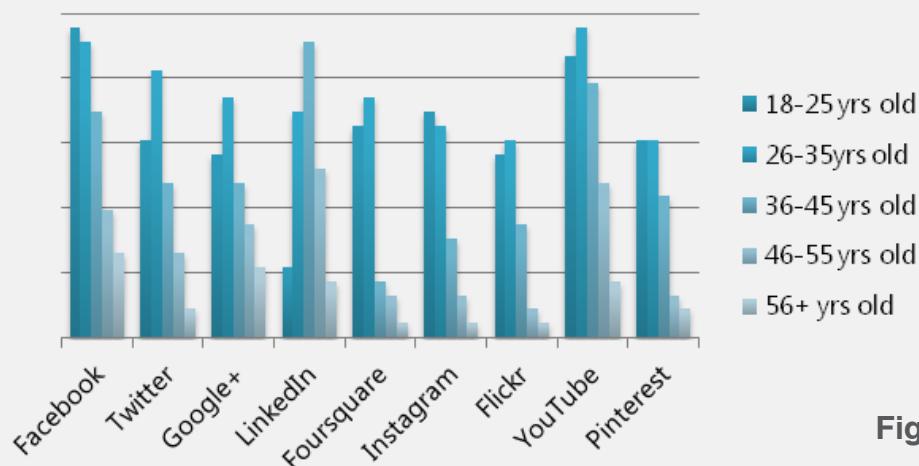


Figure 15

When asked about where social media marketing has the most impact, respondents answered increased exposure, improved sales and reduced expenses (figure 16). It's interesting at this stage to compare these results with those of the previous question (figure 11, page Y) where respondents were asked to list the reasons why companies should use social media and where they answered credibility, promotion, and customer service. This is the second instance where strategic objectives are not aligned with corresponding metrics. This could probably be explained by the fact that it is still hard to set accurate metrics for all the digital marketing tools and channels.



## Ranking of the impact of social media

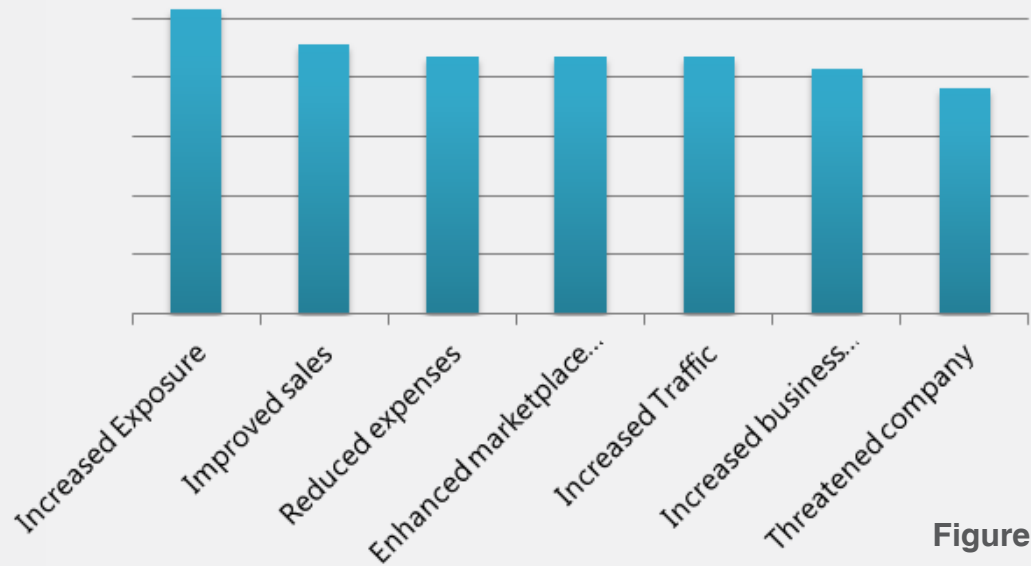


Figure 16

Last but not least, while blogging was ranked in the bottom 5 on marketing effectiveness compared to other online tools, 68.2% of respondents said they encourage their customers to create a blog. Yet, only a third of respondents said their agencies maintain a blog!

The below figure confirms that blogging is still unpopular among corporations in Lebanon with close to 60% PR agency respondents stating that less than 20% of their client companies maintain a blog.



## How many of your client Companies maintain a blog

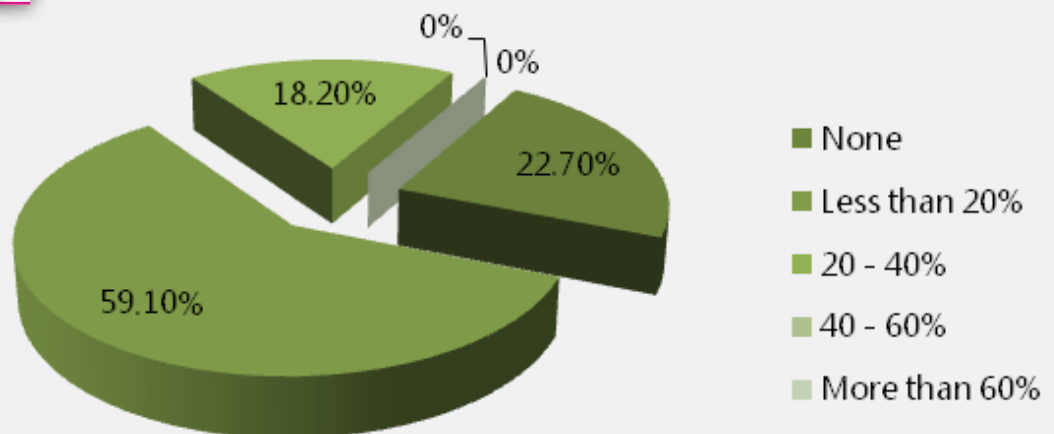


Figure 17



As digital Marketing takes a bigger role in the marketing function, it is without surprise that 100% of PR agency respondents encourage their clients to increase spending on digital channels in 2013.

When comparing how the digital marketing budget should be allocated to the various channels, similarities between B2B & B2C stood out more than the differences. For both B2B & B2C, PR agencies recommend Mobile Marketing, Social Media, Banners & online advertising as well as SEO as the top 4 digital channels with the most budget expenditure. The difference resides only on the ranking and the amounts allocated. These results are consistent with the outcomes of which digital media channel has the best ROI (figure 9 on page Y).

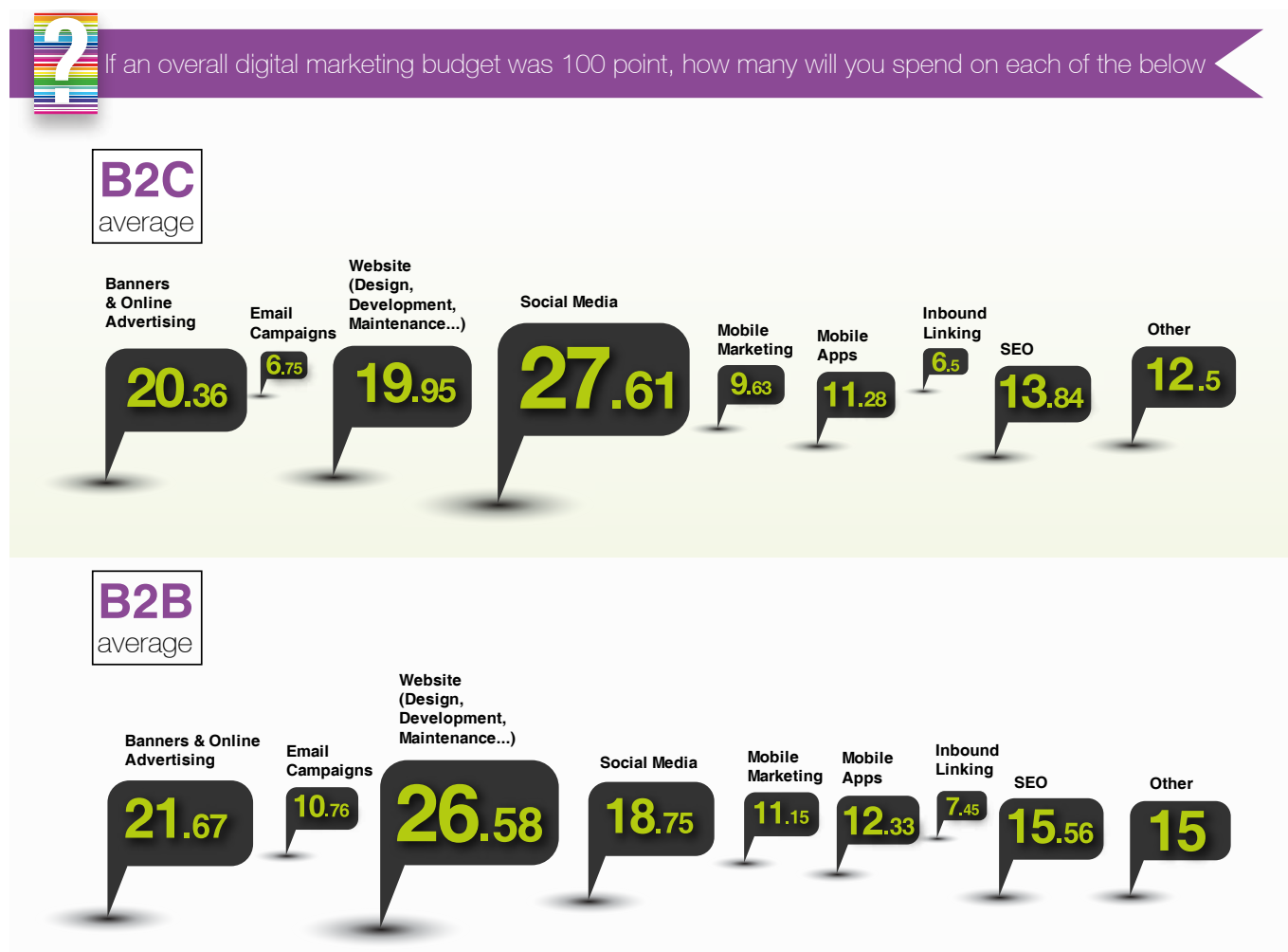


Figure 18

Al-Iktissad Wal-Aamal also asked PR agencies to rank the industries that spend the most on digital marketing. Here is their answer:

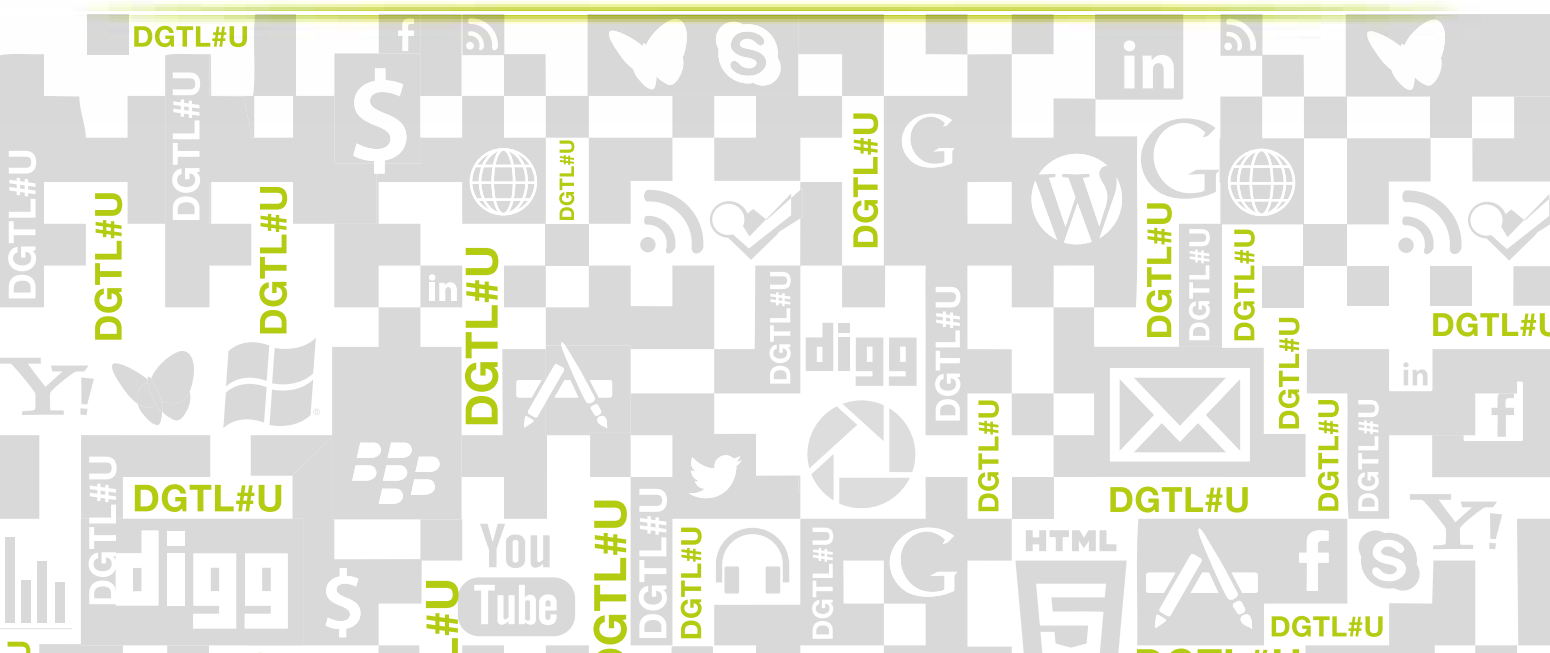


Rank these industries from those who invest and use digital marketing most to those who use it least

Banking	★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★	78.30%
Retail / Fashion	★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★	52.20%
Hospitality / Tourism / F&B	★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★	52.20%
Defense	★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★	00.00%
ICT (telecom, IT services, .digital services..)	★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★	34.80%
Media	★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★	13.00%
Governmental	★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★	04.30%
Healthcare / Pharmaceutical	★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★	00.00%
Real Estate	★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★	34.80%
Consumer Goods	★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★	13.00%
Design Services	★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★	00.00%
Beauty salons, Spas...	★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★	13.00%
Recreational Centers	★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★	04.30%
Education	★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★	00.00%

Figure 19

The banking industry leads with 78.3% of survey respondents mentioning it as the sector that spends the most on digital marketing in the country. Second is a tie between the Retail & Fashion sector and Hospitality, Tourism and Food & Beverage industry.



[illegible]





@iktissad

## Contact Details

Tel: +961 1 780200

Fax: +961 1 780206

P.O. Box 113-6194, Hamra, Beirut 1103 2100, Lebanon

[www.dgtlu.com](http://www.dgtlu.com)



@iktissad



Al-Iktissad Wal-Aamal



Al-Iktissad Wal-Aamal Group