IAB MENA Insights: Understanding AI Adoption in MENA
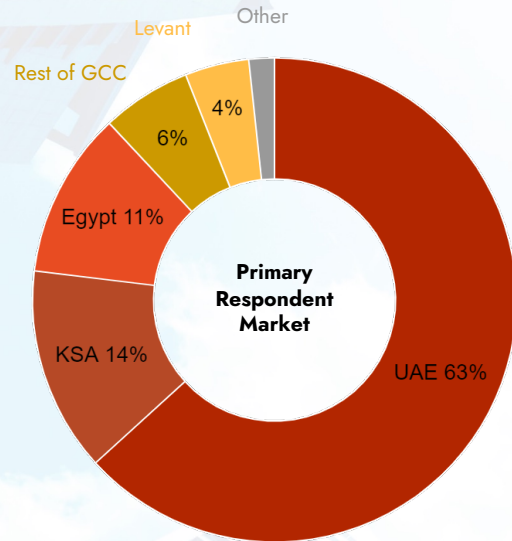
Date: November 2023

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IAB MENA AI Survey Objectives & fieldwork

- Objective: Understand the current level of adoption and challenges impacting the future outlook of AI in the MENA region

- Approach: Quantitative survey conducted by the IAB MENA Measurement Taskforce

- Fieldwork: The survey fieldwork during October 2023 consisted of 24 questions, receiving in total 117 responses, of which 77 were fully completed responses.

IAB MENA AI Survey Key Learnings

- Artificial Intelligence (AI) adoption is growing in MENA, but not yet adopted by all MENA ad professionals

  - AI is used at least weekly by more than half of survey respondents, and most have tried an average of 2 AI tools across a range of use cases
  - However, adoption of AI is challenged in MENA by a perceived lack of understanding, less than by common concerns or scepticism

- AI's practical application is challenged by professionals having only a moderate level of trust in AI

  - Questions still exist around the proven efficacy of AI, retaining the need for human intelligence in the near term

- AI is not without risks and confusion concerning intellectual property (IP) rights and ownership

  - MENA respondents agree on a clear and present risk of IP infringement when using AI, but do not agree on ownership of AI tools' output
  - Majority of respondents are concerned about risks with data privacy and confidentiality when using AI, while also fearing negative outcomes of AI driven ads

- There is a need for MENA Ad tech industry leaders and the IAB MENA to prepare the market

  - A broad range of skills in AI is needed. Training existing talent is the preferred way to obtain these skills, given the perceived lack of qualified candidates
  - The industry perceives the existing leaders to be best placed to take a lead in AI development, while the IAB MENA is best placed to support market education on AI applications

IAB MENA Insights: Understanding AI Adoption in MENA, November 2023

Survey Respondents Profile

Primary Respondent Market

- UAE 63%
- KSA 14%
- Egypt 11%
- Rest of GCC 6%
- Levant 4%
- Other

Company Type

- Agency 65%
- AdTech 15%
- Publisher or Sales House 11%
- Advertiser/ In-house Team 3%
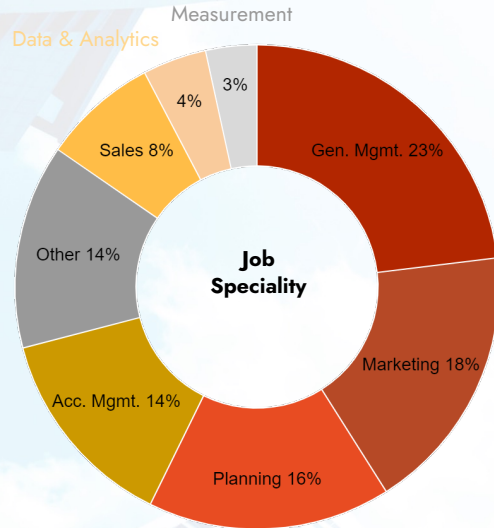- 3rd Party Measurement Vendor 3%
- Other 4%

Q: In which market are you primarily located
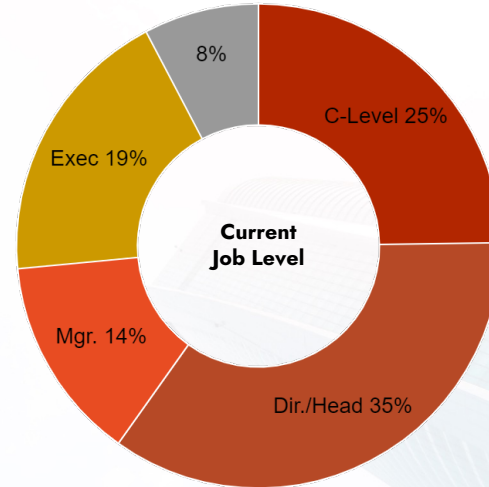N=117, IAB MENA Insights: Understanding AI Adoption in MENA
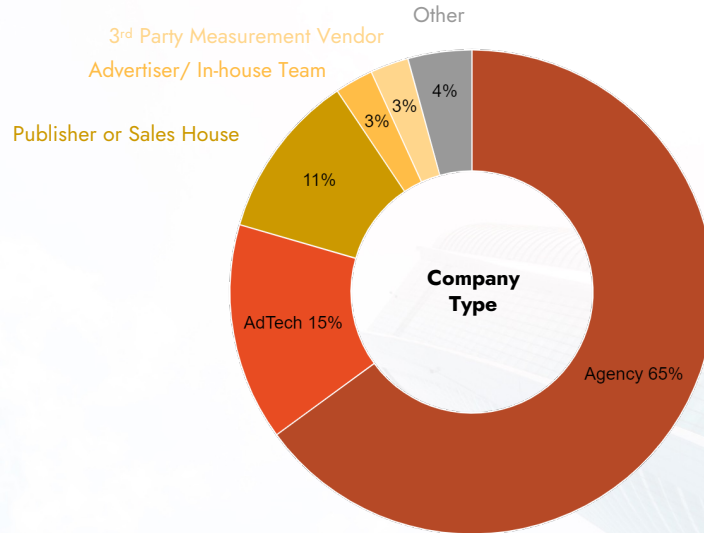
Q: What best describes the type of company you work at?
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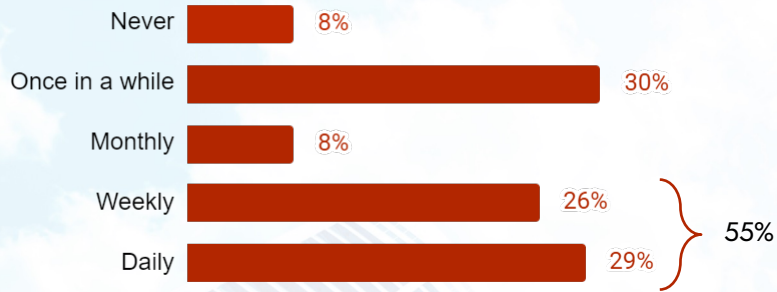
Survey Respondents Profile

Job Speciality

- Gen. Mgmt. 23%
- Marketing 18%
- Planning 16%
- Acc. Mgmt. 14%
- Other 14%
- Sales 8%
- Data & Analytics 4%
- Measurement 3%

Current Job Level

- C-Level 25%
- Dir./Head 35%
- Mgr. 14%
- Exec 19%
- 8%

Artificial Intelligence (AI) adoption is steady and certain in MENA, but has not yet fully convinced its ad professionals yet

AI is used weekly or more frequent by more than half of survey respondents, while they have tried on average two AI tools. Professionals in more senior positions such as C-Level/VP/SVP/Director/Head are some of the most active users of AI tools in frequency and number of tools utilized
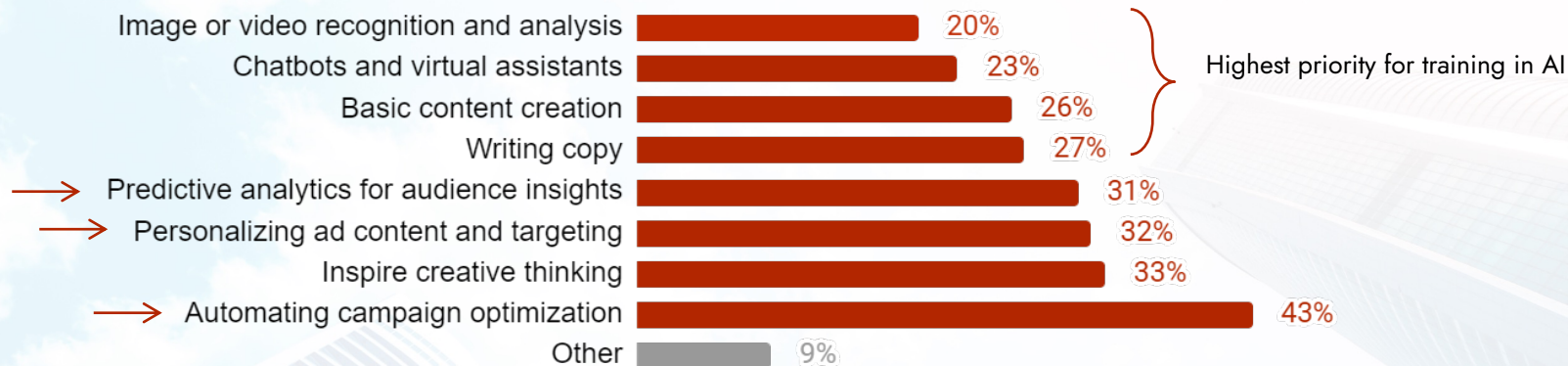
Never	8%
Once in a while	30%
Monthly	8%
Weekly	26%
Daily	29%

55%

None	8%
1-2	57% ←
3-5	28%
5-10	4%
10+	3%
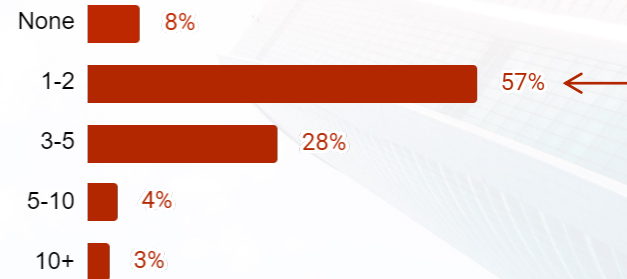
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AI has a broad range of use cases for MENA ad market professionals, but skews towards campaign optimization/targeting uses cases that have been in-market for longer
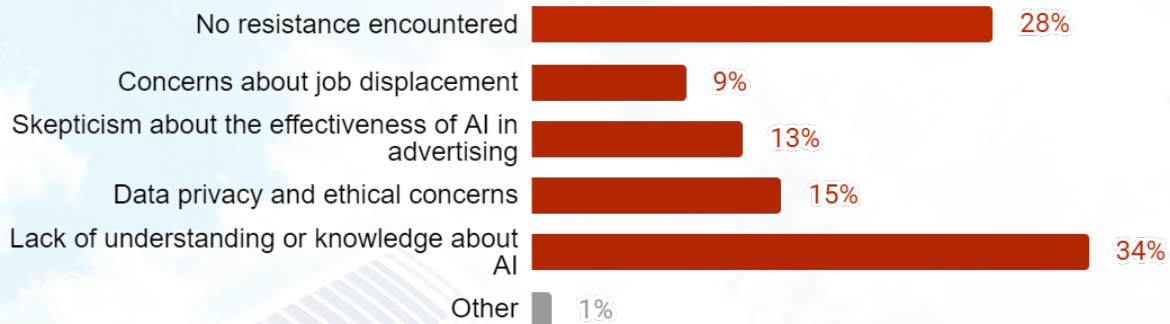
Use case	%
Image or video recognition and analysis	20%
Chatbots and virtual assistants	23%
Basic content creation	26%
Writing copy	27%
Predictive analytics for audience insights	31%
Personalizing ad content and targeting	32%
Inspire creative thinking	33%
Automating campaign optimization	43%
Other	9%

Highest priority for training in AI

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Brands are not directly demanding the use of AI for their advertising strategies, but see it as a nice to have

No, brands rarely request or require AI usage — **40%**

Yes, but not a requirement — **40%**

Yes, it's a common requirement — **13%**

Not sure — **8%**

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Adoption of AI is challenged in MENA by a perceived lack of understanding, but less by common concerns or scepticism

| Category	Percentage
No resistance encountered	28%
Concerns about job displacement	9%
Skepticism about the effectiveness of AI in advertising	13%
Data privacy and ethical concerns	15%
Lack of understanding or knowledge about AI	34%
Other	1%

AI adoption can be accelerated through training and education programmes

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However, given the emerging nature of some AI technologies, there is still scope and need for human intelligence

MENA Advertising professionals are divided on AI's impact on time saving and efficiency, indicating that proving efficacy is key for further investment in AI efforts

6%	41%	32%	21%
None/Minimal	Some but Not Significant	Moderate Impact	Significant Impact
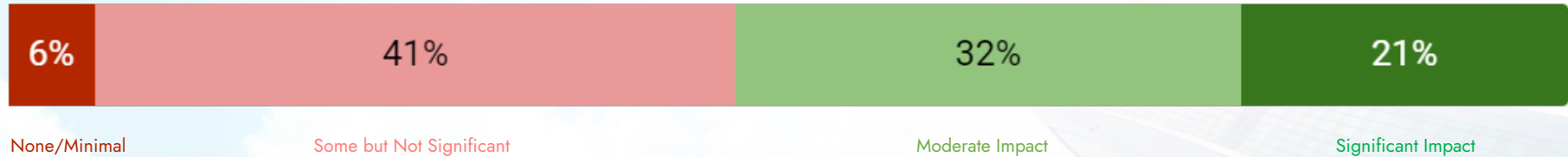
While the efficiency from AI still has room for improvement...

70% of industry professionals believe that AI will have moderate to significant value for the industry in the next year or so
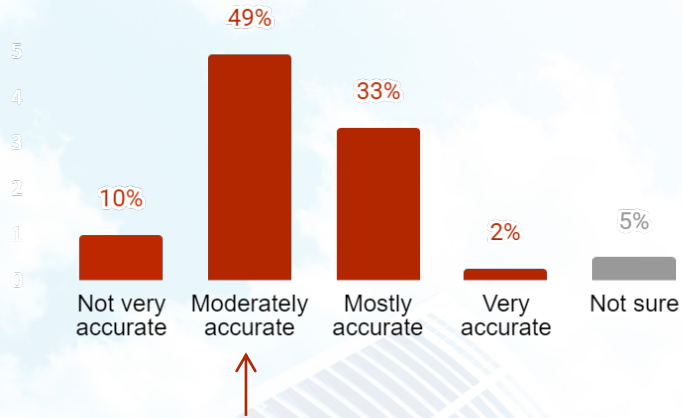
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"Today's AI is the worst it will ever be" AI is perceived to be moderately accurate and AI results are not yet fully trusted

Left chart:
- Not very accurate: 10%
- Moderately accurate: 49% ↑
- Mostly accurate: 33%
- Very accurate: 2%
- Not sure: 5%

Right chart:
- Do not trust at all: 1%
- Little trust: 23%
- Somewhat trust: 44% ↑
- Mostly trust: 27%
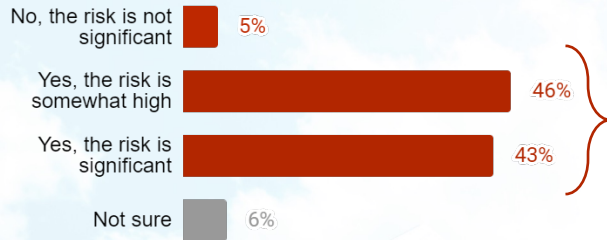- Completely trust: 4%

Q: How accurate do you consider AI to be in its current applications within the advertising industry?
N=81, IAB MENA Insights: Understanding AI Adoption in MENA
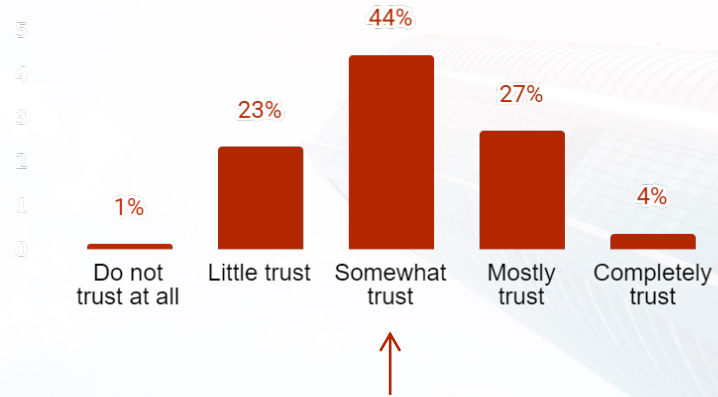
Q: To what extent do you trust AI in decision-making processes related to advertising?
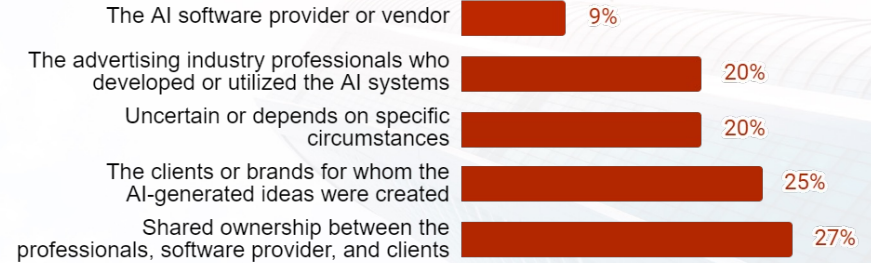N=81, IAB MENA Insights: Understanding AI Adoption in MENA

AI is not without risks and not without confusion concerning intellectual property (IP) rights and ownership

MENA respondents agree on a clear and present risk of IP infringement when using AI, but do not agree on ownership of AI output

No, the risk is not significant — 5%
Yes, the risk is somewhat high — 46%
Yes, the risk is significant — 43%
Not sure — 6%

89%
Are concerned about the risk of plagiarism or IP infringement

The AI software provider or vendor — 9%
The advertising industry professionals who developed or utilized the AI systems — 20%
Uncertain or depends on specific circumstances — 20%
The clients or brands for whom the AI-generated ideas were created — 25%
Shared ownership between the professionals, software provider, and clients — 27%

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Majority of respondents are concerned about risks with data privacy and confidentiality when using AI, while also fearing negative outcomes of AI driven ads

How concerned are you about…

…risks associated with data privacy and confidentiality when using AI in advertising?
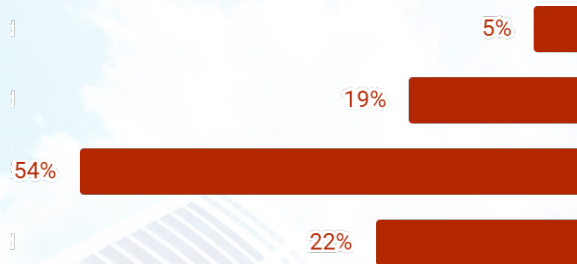
… potential backlash or negative outcomes resulting from AI-driven advertising initiatives (e.g., racist chatbots)?

	Left	Right
Not concerned	5%	4%
Not very concerned	19%	17%
Somewhat concerned	54%	63%
Very concerned	22%	16%

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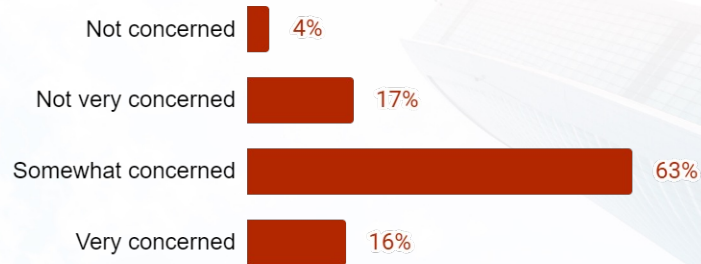
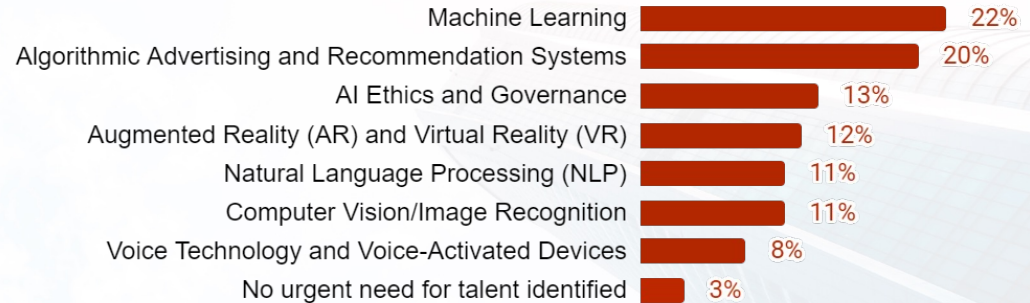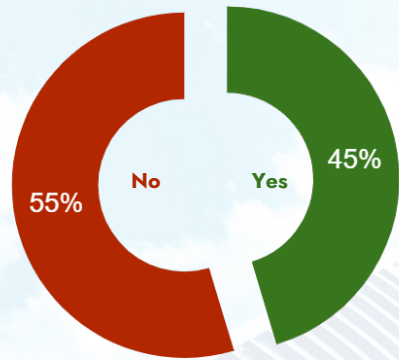# Meaning that there is still an opportunity for MENA Ad tech industry leaders and the IAB to step up to ready the market and ensure talent is in place

55% feel that the industry is not adequately equipped to quickly adapt and prepare for AI…

… with ML and algorithmic systems being the areas where talent is most urgently needed.

Machine Learning	22%
Algorithmic Advertising and Recommendation Systems	20%
AI Ethics and Governance	13%
Augmented Reality (AR) and Virtual Reality (VR)	12%
Natural Language Processing (NLP)	11%
Computer Vision/Image Recognition	11%
Voice Technology and Voice-Activated Devices	8%
No urgent need for talent identified	3%

A broad range of skills in different AI areas is needed, but challenges to hiring AI talent are abundant, with chiefly a perceived lack of qualified candidates and awareness
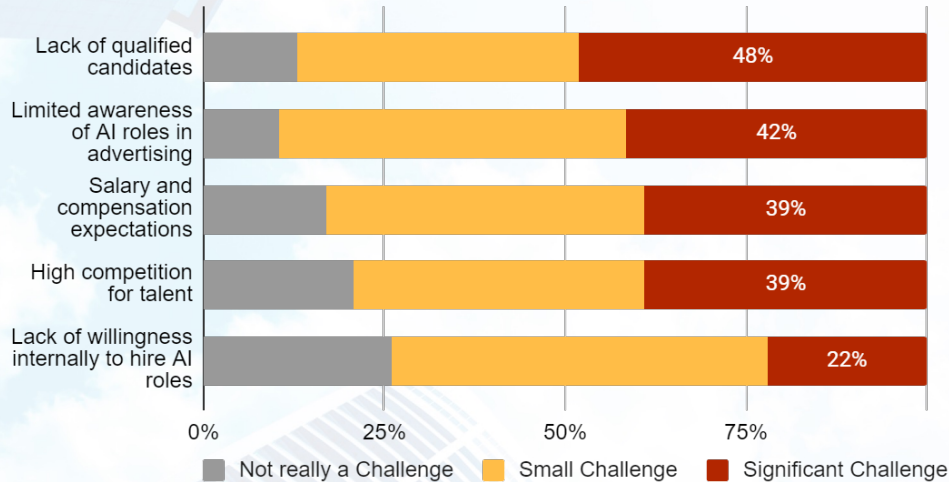
Given the perceived lack of qualified candidates, training existing talent is key to obtaining these skills

Chart data:

Challenge	Not really a Challenge	Small Challenge	Significant Challenge
Lack of qualified candidates			48%
Limited awareness of AI roles in advertising			42%
Salary and compensation expectations			39%
High competition for talent			39%
Lack of willingness internally to hire AI roles			22%

x-axis: 0%, 25%, 50%, 75%

Legend: Not really a Challenge, Small Challenge, Significant Challenge

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As a result, training existing talent is the preferred way, but >70% of respondents said their company is not offering internal training programs yet
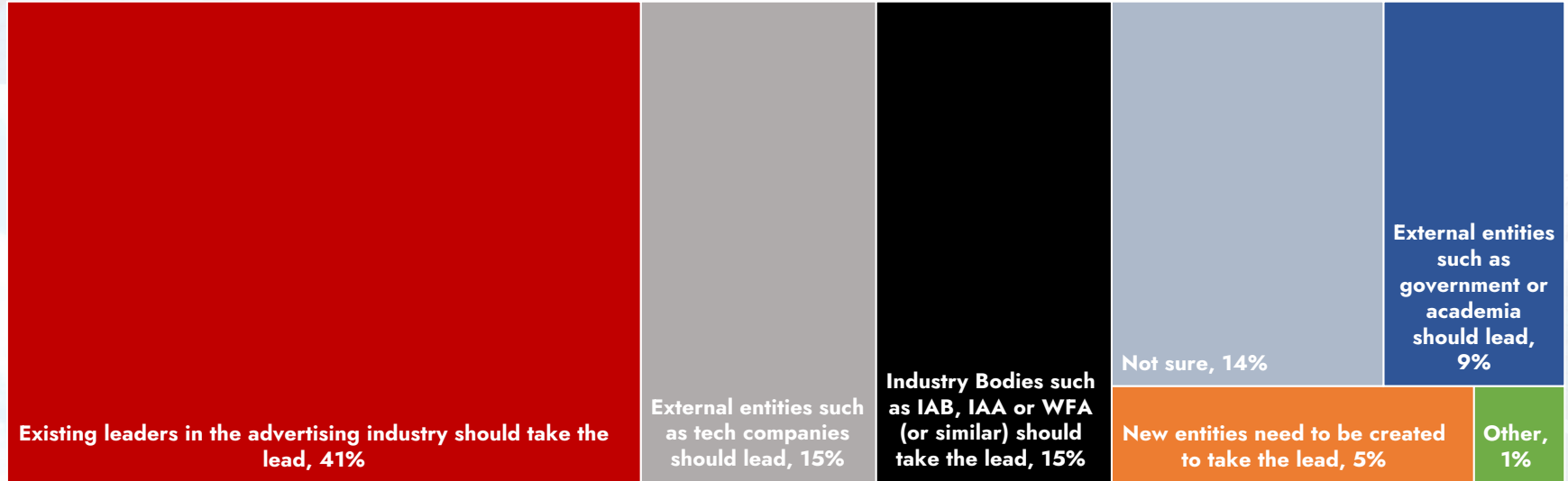
Training: We would train our people in AI solutions — 51%

Partnering: We would likely partner specialist companies to obtain AI skills and know-how — 18%

Hiring: We would look to hire people with experience in AI — 17%

We aren't (yet) actively thinking about AI skill building — 9%

Don't know — 5%

Offering internal training programs — 28%

Not currently preparing existing talent adequately — 23%

Encouraging external courses or certifications — 22%

Providing hands-on project opportunities — 13%

Collaborating with educational institutions or training providers — 13%

Given the lower AI usage frequency amongst entry to mid level professionals, trainings should have a practical focus with B-level applications

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The industry perceives the existing leaders to be best placed to take a lead in AI development

Existing leaders in the advertising industry should take the lead, 41%

External entities such as tech companies should lead, 15%

Industry Bodies such as IAB, IAA or WFA (or similar) should take the lead, 15%

Not sure, 14%

New entities need to be created to take the lead, 5%

External entities such as government or academia should lead, 9%

Other, 1%

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While the IAB is best placed to support market education on AI applications

Training: IAB MENA should ensure AI and its applications are well understood **48%** →
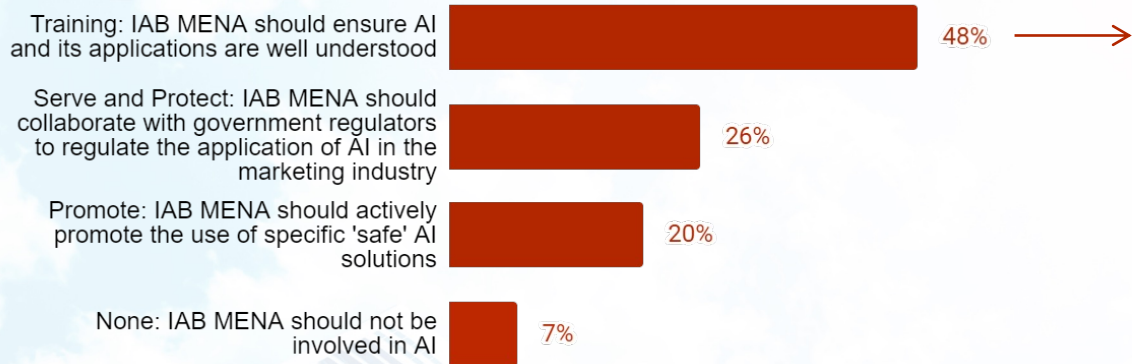
The IAB has a neutral role in supporting ad professionals in keeping up with industry developments

Serve and Protect: IAB MENA should collaborate with government regulators to regulate the application of AI in the marketing industry **26%**

Promote: IAB MENA should actively promote the use of specific 'safe' AI solutions **20%**

None: IAB MENA should not be involved in AI **7%**

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Industry Food for Thought

- How do we make AI more accessible to industry ad professionals at all company types and job levels?

- What are the best practices to prevent copyright infringement or backlash when using AI?

- How do we ensure that MENA's voice is included in any global regulations around plagiarism and IP ownership?

- How should we create the committee of ad industry leaders who should take a lead on moving the industry forward?

- How do we attract the best-in-class talent in AI to the MENA ad industry?

- How should the industry collaborate to create trainings that everyone can benefit from?

- Who should drive internal trainings to upskill professionals in MENA?

- How do we ensure MENA is positioned to become one of the most innovative regions in AI in Advertising?

With thanks to the Insights Taskforce for creating, distributing and analyzing the survey

The IAB aims to be the catalyst for growing the MENA digital advertising economy by nurturing the community, accelerating knowledge sharing and establishing accountability standards that cultivate trust and credibility.

We have over 75 members including advertising platforms, agencies, publishers, sales houses, measurement companies and advertisers.

For more insights: https://iabmena.com/explore-all/
To join IAB MENA: https://iabmena.com/membership/

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