



Whitepaper: The Evolving Landscape of Influencer Marketing Within the **UAE** and **KSA**



November 2024



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WHAT IS INFLUENCER MARKETING?

Influencer marketing is a form of advertising that involves collaborating with influential individuals or entities to promote a brand, product, or service. These influencers have a significant following on social media platforms and can use their influence to reach and engage a targeted audience. Influencer content is considered marketing communication if the influencer receives compensation, regardless of whether it is monetary or in the form of free goods or services.

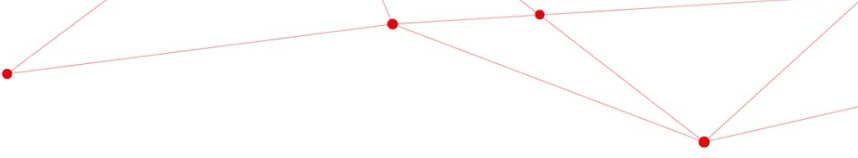
When done correctly, influencer marketing can be a highly effective way for brands to reach their target audience and build brand awareness, when done incorrectly, it can lead to reputational damage and harm both brand and influencer.

The type of influencers can range from celebrity and household names, to the smaller, niche and highly engaged influencers, with each having a vital role to play in the customer funnel, but what cuts through is authenticity. Influencers are seen as trusted sources of information and recommendations, and consumers turn to social platforms for recommendations, relatability, entertainment and inspiration and so forth, so when the lines get blurry on what is and isn't advertising, disclosure is key.

INTRODUCTION

A cornerstone of digital advertising strategies, influencer marketing has become a key component of advertising within the GCC, significantly impacting brand awareness and consumer engagement. This whitepaper delves into the heart of the influencer marketing landscape within the United Arab Emirates (UAE) and the Kingdom of Saudi Arabia (KSA).

Based on in-depth conversations with key stakeholders – influencers, brands, and agencies – this whitepaper explores the intricacies, opportunities, and challenges within



this dynamic space. These firsthand accounts provide valuable insights into crucial topics shaping the industry and help lay the groundwork for identifying areas where the industry can be further improved.

A Brief History

The United Arab Emirates (UAE) media landscape has evolved significantly over the years. In 2006, the National Media Council (NMC) was established as a regulatory body for the media industry. However, in 2021, the NMC merged with the Ministry of Culture and Youth, establishing the Media Regulatory Office (MRO). The MRO now oversees media activities, ensuring compliance with national and ethical standards, and promoting a vibrant media ecosystem aligned with the UAE's cultural and societal values.

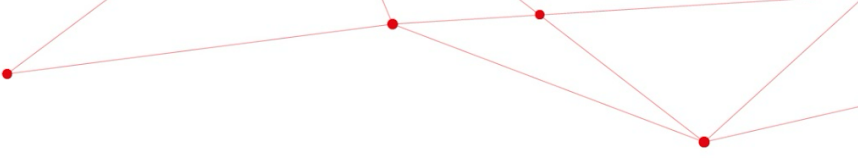
The UAE's Federal Decree-Law No. 55 of 2023 on Media Regulation: is the latest law governing media activities in the UAE, which includes influencer marketing. It updates and expands on previous media laws. The law applies to all media activities in the UAE, including traditional media, digital platforms, social media, and influencer marketing. Influencers, media companies, and digital content creators are subject to this law, especially if they engage in paid promotions or advertising.

As for Saudi Arabia, the regulating body in the General Commission for Audiovisual Media (GCAM), is the primary regulator for media activities, including digital content. They can enforce regulations related to content that is deemed inappropriate or harmful, and as of 2021, it requires Saudi and non-Saudi influencers to obtain a license called the Mawthooq License when advertising on social media.

Saudi Arabia's Audiovisual Media Law (Royal Decree No. M/33 of 25/3/1439) applies to content creators and influencers who engage in audiovisual content production, including advertisements. Any influencers promoting products or services via audiovisual media must comply with the guidelines of accurate representation and avoid any misleading claims.

ABOUT ABG

The Advertising Business Group, was founded in March 2007 & formerly known as the Advertisers Business Group, the Advertising Business Group was relaunched in November 2016 and rebranded to reflect the interests of the wider industry including advertisers,



agencies, platforms and media owners. As the United Arab Emirates' Self-Regulatory Organisation, ABG defends and promotes the interests of the UAE's advertising industry and advocates for responsible advertising and communications in the country.

With the steadily growing ecosystem, influencer marketing in the UAE and KSA has become a key focus for the Advertising Business Group (ABG) in its mission to promote responsible and ethical advertising. Transparency in influencer marketing is a shared responsibility between creators, brands, platforms and agencies. This whitepaper aims to provide a snapshot of the influencer marketing industry from the experts within it.

KEY TAKEAWAYS

Over the course of July-October 2024, a total of 14 stakeholder interviews took place with Influencers, Brands, Platforms and Agencies to understand key insights of the Creator ecosystem within the UAE and KSA across the four key topics:

- 1. Regulations and Compliance:** Navigating regulations, and disclosure compliance under MRO and GCAM guidelines, understanding the evolving influencer landscape, and the current disclosure practices.
- 2. Best Practices of Influencer Marketing:** The power of brand-influencer relationships, opportunities and examining the effectiveness of influencer marketing compared to traditional strategies.
- 3. Pay Parity:** Exploring the fairness and practices of current compensation structures
- 4. The Future of Influencer Marketing:** What's next? - Anticipating upcoming trends for the UAE and KSA in this ever-evolving space.

Topic 1: Regulations and Compliance within the UAE and KSA

Focus A)

When asked if the regulations in their respective countries (UAE and KSA), were easy to understand and implement respondents replied:

Yes, they were: 57%

No, they were not: 21%

Somewhat: 21%

Focus B)

When asked about the familiarity with any penalties relating to posting content that does not adhere to the regulations in their respective countries (UAE and KSA), respondents replied:

Yes, they were familiar: 50%

No, they were not familiar: 29%

Somewhat familiar: 21%

Focus C)

When asked about the familiarity of the International Code for Conduct of Advertising that emphasizes truthful and honest marketing communication, as outlined by the International Chamber of Commerce respondents replied:

Yes, they were familiar: 14%

No, they were not familiar: 50%

Somewhat familiar: 36%

Focus D)

When asked about the latest Abu Dhabi Influencer Legislations for content creators?

- a. *All social media influencers residing in Abu Dhabi must obtain a license from ADDED for paid collaborations on social media. Including:*

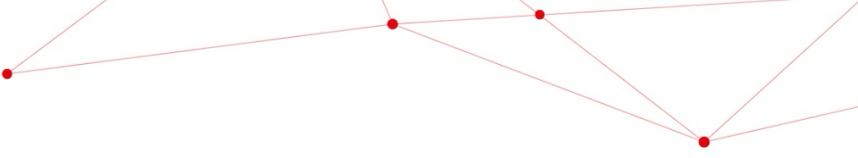
Yes, they were familiar: 64%

No, they were not familiar: 0%

Somewhat familiar: 36%

Topic 1: Executive Summary

Within the UAE, the discussion around license requirements for content creators was a point of confusion for brands and influencers. There was an awareness that licenses were needed, but most were uncertain about whether licenses were necessary to work across all areas of partnerships, including barter agreements and 'freebies'. The majority of agencies and influencer management platforms were aware and comfortable with the license requirements for content creator advertising, however one Public Relations agency was not, mentioning the majority of their work was barter based, as opposed to paid collaborations.



Only one micro influencer shared they did not have a license as they create content on a part time basis, and felt they were less likely to get a license for their work, due to the cost and effort they feel it takes for mainly barter relationships with brands. While there was a perception of inconsistent enforcement of licensing and disclosure requirements in the UAE, one influencer reported having direct communication from the authorities requesting the content to be taken down due to negative comments from audiences outside of the country. Similarly, another brand in KSA received a phone call from GCAM to verify the authenticity of content posted by an influencer, ensuring that the collaboration was legitimate and the content aligned with regulatory guidelines.

When it came to the regulations and disclosure practices within the UAE, most creators and brands know there are some sort of regulations but they're unclear on the specifics, whereas agencies were the most knowledgeable. Overall brands, influencers and agencies said it would be helpful to generate more awareness around the required licenses, including how to obtain them, and the regulations in a simplified way.

Additionally, those that were aware of the recent announcement for license requirements and regulations in Abu Dhabi asked the question: is this applied for the whole of the UAE, (namely Dubai)? Most had mentioned their awareness around the new legislations had come from press or circulation of the announcement on social media, but were unsure as to whether it was country wide or Emirate specific.

Interviewees that were working within KSA while not so aware of the ICC rulings, were aware of the licensing requirements and the regulations within Saudi Arabia set out by GCAM, and emphasized that it was common knowledge to those working within the industry, pointing to the idea that the regulations are more stringent there.

Topic 2: Best Practices

Respondents were asked the following questions:

Focus A)

"Do you think it's helpful for audiences to know upfront when content involves a brand partnership and why?"

Focus B)

"Can you tell me a bit about how you approach disclosing collaborations or sponsored content?"

Topic 2: Executive Summary

Majority of creators in the UAE stated they prefer to not disclose when they are being paid to promote a brand, service or product, expressing they felt it lowered their audience engagement and perceived authenticity; while some cited concerns about algorithm limitations that might hinder post reach, and engagement when using sponsored content tags, in turn, providing a potentially lower result for campaigns.

However, it seems that some brands also share this sentiment. One UAE based influencer mentioned being asked by multiple brands not to disclose their paid partnerships and in one case, they were asked to sign a non-disclosure agreement (NDA) stating that they hadn't been paid. Other influencers in the UAE noted that while brands didn't explicitly prohibit disclosure, they often didn't request edits to content after it was published.

The majority of the creators that were interviewed believe that consumers are savvy enough to instinctively recognise sponsored content just by looking at the style of the influencer's posts, or when a brand is directly involved in the publication, such as a joint publication tag. They also believe there is an understanding that brand partnerships are common practice for both influencers and brands.

All creators said they only promoted items, products or services that they believed in and that are relevant and useful for their audiences, ensuring the authenticity of their content, with an example given from one creator who returned the money due to experiencing a faulty product. While the regulations in the UAE are less enforced, in KSA agencies advise that even when endorsing a branded product and not being paid, creators should include #ad to be on the safe side.

In further afield markets, such as the UK, the ASA (Advertising Standards Agency) have gone as far as ruling that a jointly published piece of content is not immediately identifiable as an advert, due to a grey area and blurring of the lines between editorial and advertising: <https://www.asa.org.uk/news/joint-partnerships-on-instagram-why-you-still-need-to-disclose.html>

Agencies in the UAE say they are advising brands to disclose paid partnerships, but ultimately, it is the brands who are in control of making the final decision of whether they want disclosure or not, however the majority listen to the advice and disclose.



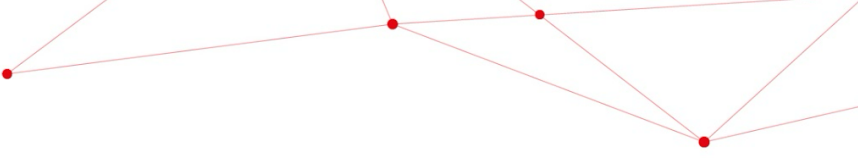
Brands in the UAE exhibited a 'follow the leader' mentality when it comes to influencer marketing regulations, meaning they may be hesitant to be the first or only brand in their industry to strictly enforce disclosure requirements, especially if competitors are less stringent. In contrast, brands publishing paid influencer content and working with influencers in Saudi Arabia are more cautious and proactive about enforcing disclosure practices, likely due to a perceived stricter regulatory environment, while there are few documented cases of penalties for non-compliance in the UAE. One brand mentioned the difference between working with influencers in Saudi Arabia and the awareness the creators had around regulations, sharing that the talent based in KSA had insisted on putting disclaimers of the paid partnership.

While most brands and agencies prioritize pre-approval of influencer content, there have been instances of flexibility. Some influencers have successfully published content without prior approval, while others have been asked to make post-publication adjustments, which can lead to a feeling of frustration and delays and in one Saudi Arabia case, the influencer charged the additional hourly costs for editing.

Brands and agencies reported providing brand and campaign briefing documents outlining key messages, objectives, and tone of voice, along with a contract in place to support, but none in the UAE mentioned explicitly they include the regulatory guidelines or disclosure requirements. One international brand we spoke to said they implemented additional measures requested by their HQ, such as ensuring the influencer had an individual license to work as a freelancer, and not a license through a third party company or agency. One Saudi-based agency reported requiring influencers to sign their in house digital communications policy as part of their representation agreement.

Brands working with talent and influencer agencies, including Department of Economy and Tourism (DET), said they rely on the platforms to handle disclosure matters and to ensure the legal requirements are met, and to guide the influencer if needed as part of the relationship management service, as well as ensuring the influencers they suggest to work with have an authentic following, including a low level of suspicious or fake followers through their API integrated platforms.

An acceptable level within the UK and US is around 30%, however in conversation with the Founder of Atlaseek, Kristina Melsova, explained [it's not unusual to see GCC influencers with 70% fake followers](#) - what would be considered a red flag in the US or EU might be standard in the Gulf.



Brands are increasingly aware of the prevalence of fake followers, and are getting more accustomed to doing their homework on creators, and are taking steps to verify the authenticity of influencers when not working with an agency, to gauge their audience insights and engagement rates. However, not all brands are necessarily tech savvy and aware of the tools available to them. One UAE-based creator shared an experience where they were invited to a promotional trip alongside other creators, many of whom had a significant number of fake followers.

Not only are brands becoming more aware of fake followers, but social media platforms themselves are taking steps to combat this issue. For example, Instagram recently released [a new feature](#) whereby you can review and remove flagged followers from your account in an effort to combat spam accounts. This not only means accounts have a more engaged audience, but it also increases views and authentic engagement rates.

Topic 3: Pay Parity

Respondents were asked the following questions:

Focus A)

How fair do you believe the current pay scale is for content creators in the UAE for influencer marketing?

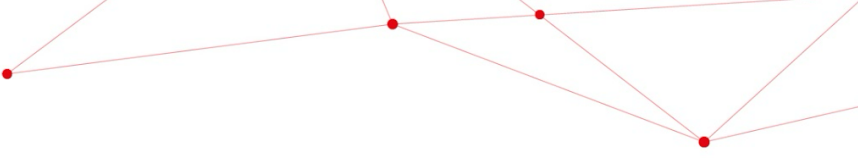
Focus B)

Would you like to see the creation of new categories or a tiered licensing system fairer to small influencers?

Topic 3: Executive Summary

A key takeaway from this topic was that all stakeholders in the industry are seeking a common and fair benchmark for payment terms.

The influencers interviewed expressed concerns about the transparency of commission rates in their contracts with brands. Delayed payments and legal threats have been reported in some cases due to unclear financial arrangements. One influencer in the UAE shared a personal experience of an agency unexpectedly doubling their fee from AED 7,000 to AED 14,000, leading to the termination of the partnership. Additionally, there have been instances where influencers have acted as intermediaries, connecting other influencers with brands and charging a commission for their services. This practice, while



not uncommon, highlights the need for clear communication and transparency between all parties involved.

Brands and agencies generally recognize the need for additional contractual agreements when using influencer content for extended periods, including provisions for ongoing payments and exclusivity. However, there have been instances where brands have misused influencer content by repurposing it as UGC without proper permission or compensation, negatively impacting the influencer's brand integrity, especially when they have multiple brand partnerships.

There is an appetite from the smaller creators for a tiered approach to licensing for different levels of influencers in the UAE. For example, an entry level license with a lower cost for a micro/nano influencer that creates content as a hobby or a part time and not as a full-time job with a financial dependency.

A UAE-based influencer who hired a manager to help generate new leads and handle business enquiries reported increased earnings from brand partnerships, while in contrast, a KSA based company that previously worked with a Saudi influencer who also hired a manager has found it challenging to continue the partnership due to a significant increase in the influencer's rates, in essence out pricing them for this particular local brand.

Brands spoke about seasonality playing a part in the skewing of influencer fees, with one smaller UAE based brand giving an example that during Ramadan, in a high season for paid influencer collaborations for retail industry, the rates went up but the deliverables stayed the same, with a saturated content in a highly competitive industry.

One Saudi based agency has prioritized content quality as a key factor in determining influencer rates and securing repeat partnerships, along with a good reputation within the industry, establishing an in-house production studio with professional level equipment. This initiative not only benefits the agency by attracting high-quality content creators but also educates and empowers creators with the skills and tools to produce professional content, leading to increased opportunities.

Topic 4: The Future of Influencer Marketing in the UAE and KSA

Respondents were asked the following questions:



Focus A)

Do you feel Influencer Marketing is more effective than traditional marketing?

Focus B)

What do you think we could be doing better in Influencer Marketing?

Focus C)

How do you think Influencer Marketing will change in the future?

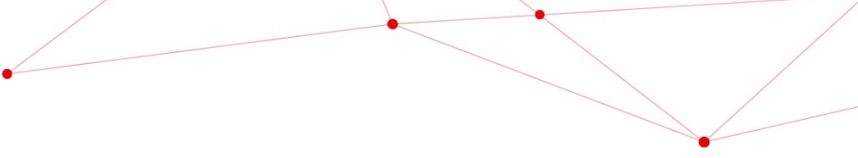
Topic 4: Executive Summary

All interviewees felt that influencer marketing was an effective and promising form of marketing within the UAE and Saudi Arabia, with a growing trajectory. This sentiment is further supported by the UAE government's recent announcement of a AED 150M fund in early 2024, aimed at supporting up-and-coming influencers and content creators, aligning with the nation's vision of amplifying its global media presence.

They felt strongly that the desire for brands to utilise and sponsor influencer created content for their marketing efforts with amplification and co-creation reflects this with brands stating that they were allocating anywhere from 20%-60% of their total marketing budget on influencer marketing (within the upper funnel driving awareness) heading into 2025.

Agencies based in both UAE and KSA stated there is an opportunity in a co-creation relationship with influencers, not just a marketing tactic and quick win campaigns. Emphasizing this point, one agency gave the example that a struggling restaurant about to close its doors in KSA, gave one last bid to save it and created a new menu with a dish co-created and named after a popular influencer, turning the restaurant's trajectory around.

They continued by saying brands are seeing influencers as their own brand and are investing in the opportunity of long-term social selling and ambassador programs, however, with this increased recognition comes greater responsibility. Influencers must be mindful of their digital footprint and ensure that their online presence aligns with their personal brand. It's essential to post authentically and respectfully, as negative or harmful content can have lasting consequences.



While AI technology is rapidly advancing, many stakeholders believe that human influencers continue to hold a unique advantage due to their ability to forge authentic connections with audiences. The consensus is that human experiences and emotions remain irreplaceable in building genuine relationships and engaging communities.

While most brands currently have no immediate plans to work with virtual influencers, some are beginning to explore the potential of AI in marketing. One retail brand in KSA for example, was already in discussion with AI developers to generate product imagery in hard-to-reach locations, such as mountain tops, stating this innovative approach reduces their costs and still creates impactful marketing campaigns.

A common sentiment among participants was the need for transparency regarding AI-generated content. While the use of AI tools for editing purposes, such as deepfakes or filters, may not require explicit disclosure, content generated entirely by AI should be clearly labeled.

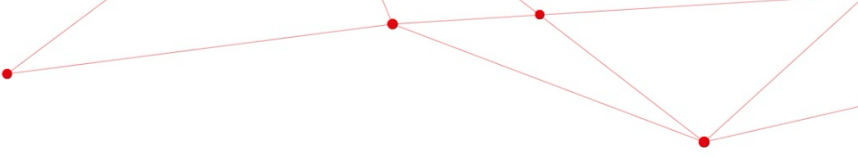
The European Parliament recently came out with the [AI Act](#), which is set to become the world's first comprehensive law regulating artificial intelligence (AI) where it deems “Content that is either generated or modified with the help of AI - images, audio or video files (for example deepfakes) - need to be clearly labeled as AI generated so that users are aware when they come across such content.”

AI-created influencers may have a role to play in the future, regulating their use in influencer marketing presents significant challenges. The industry will need to carefully consider the ethical implications and potential risks associated with AI-generated content.

CONCLUSION

The influencer marketing landscape in the UAE and KSA is rapidly evolving. Driven by an ever-growing number of talented influencers, and supported by a keen interest from brands, agencies and platforms to create brilliant marketing, the industry is poised for further expansion; with a willingness to do so responsibly.

Influencer marketing has proven to be a powerful tool for brands to connect with their target audience and drive engagement, but authenticity remains paramount. For brands and Influencers to build trust with their communities, consistent self-regulation is beneficial to everyone and is key to driving sustainable success that builds lasting relationships with consumers, while within the ecosystem itself, ensuring fair



compensation and ethical practices for influencers is vital to foster long-term partnerships and growth.

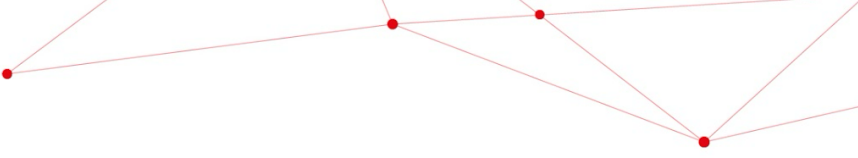
AI can enhance content creation and audience targeting, but human connection and creativity remain indispensable to brands wanting to emotionally reach their target audiences. There is power in embracing emerging technologies responsibly, and upholding high standards of transparency and authenticity while doing so.

Simplified guidelines for licensing and disclosure practices would benefit both influencers and brands as the GCC continues to mature in its practice, and to ensure it strikes a balance between innovation and ethical considerations, therefore the ABG has developed comprehensive best practice guidelines for influencers, brands, agencies, and platforms in the UAE and KSA. These guidelines, available on the ABG website, aim to promote transparency, accountability, and ethical conduct within the industry. By providing clear guidelines on disclosure, compensation, and content authenticity, the ABG seeks to foster a culture of accountability in the influencer marketing ecosystem, while the industry continues to thrive sustainably.

A key takeaway from the research was the need for clearer understanding of licensing requirements and disclosure practices among content creators and brands. The ABG recognizes the opportunity to empower influencers by providing training and in Q1 of 2025, aims to release a short online course, empowering creators to learn the rules and regulations of influencer marketing and provide valuable knowledge about best practices, with a certification of completion. These courses are being developed with the aim of mitigating potential risks of miscommunication and to develop the skills to navigate the regulatory landscape confidently, building successful careers and drive the growth of the industry.

Looking into 2025, and to further understand the current state of influencer transparency in the UAE and KSA, the ABG will be conducting a comprehensive study analyzing influencer content across various platforms to assess disclosure rates and identify areas for improvement. By gaining insights into current practices, the ABG aims to develop strategies to promote transparency and encourage ethical behavior within the industry.

The ABG is committed to fostering collaboration among brands, influencers, agencies, and platforms. By joining the ABG, you can contribute to the development of a thriving and



ethical influencer marketing ecosystem. Together, we can address industry challenges, share knowledge, and shape the future of influencer marketing in the UAE and KSA.

By working together, we can ensure that influencer marketing continues to be a powerful tool for brands and a rewarding career path for influencers.