

Guest Opinion

Going online: Are we on the right track?

Karim Saikali, founder of marketing agency [E-comLebanon.com](#) and shopping site [BuyLebanese.com](#), says we are – and that more Lebanese brands are taking to the Web



When we started advertising online in Lebanon back in 2000, we thought the market would react positively. It turned out that many companies were reluctant to establish an online presence at the time.

Fortunately, things have changed dramatically over the past five years. Countless companies are now connected to the Internet and a number of these have started relying on their websites to generate business, and are using online advertising.

There are several factors that encouraged Lebanese firms to make use of the Internet for their communications.

First is the market appeal of Lebanese expatriates. They often have strong purchasing power and can easily be reached by advertising on Lebanese websites. Expats actually generate

more than 50 percent of the traffic on various local portals.

Second is the curiosity, or need, to follow a new trend and explore marketing vehicles other than traditional advertising. The process triggered a snowball effect and many competitors had to follow in order not to be left behind.

Finally, the fast-growing penetration of Facebook in Lebanon is also a factor. Today, some 900,000 Lebanese users are registered on the social network, which creates a substantial market for advertisers.

During the past three years, Lebanese real estate developers and international online foreign-exchange trading companies have been the biggest online ad spenders in our country.

Numerous industries in the following fields have also advertised online: banking, insurance, mobile, automotive, fast-moving consumer goods, e-commerce, fashion, cosmetics, software, shopping malls, and others.

It is difficult to estimate the amount of money spent on online advertising by local firms and individuals, because a significant part of it goes to Facebook, Google, and Yahoo, and we don't have access to their figures. However, less than \$1 million went to Lebanese websites this year, including spend from international advertisers. This is not a substantial sum, although there has been a continuous increase in ad revenues from year to year.

In fact, for the first time in 10 years we had difficulties finding ad space on several portals, specifically during the summer period. We had to create locations on a few websites in order to satisfy the increasing demand for online advertising. Some portals even shifted from a fixed-unlimited-impressions-per-month model to the more expensive CPM (cost per thousand impressions) model, to be able to accommodate more advertisers.

The surge has also pushed several agencies to set up their own online ad units with the aim of better serving their customers.

We expect the online advertising trend to continue escalating, provided there is political stability, prices remain reasonable, advertising agencies allocate more budgets, and clients get proper consulting. By the last point, we mean getting good feedback often means more than simply placing a link or a banner online. ■