

# ADVANCING DIGITAL ADVERTISING MATURITY IN SAUDI ARABIA

# Table of contents

|                                                                                     |           |
|-------------------------------------------------------------------------------------|-----------|
| <b>Executive Summary</b>                                                            | <b>03</b> |
| <b>Introduction: The new age of digital advertising in Saudi Arabia</b>             | <b>05</b> |
| <b>The shift from scale to effectiveness</b>                                        | <b>09</b> |
| <b>A Saudi-first digital advertising maturity framework</b>                         | <b>17</b> |
| <b>The Saudi digital advertising maturity diagnostic</b>                            | <b>39</b> |
| <b>Case studies: How digital advertising maturity aligns with brand performance</b> | <b>45</b> |
| <b>Conclusion</b>                                                                   | <b>48</b> |
| <b>Methodology</b>                                                                  | <b>51</b> |
| <b>About the Authors</b>                                                            | <b>54</b> |
| <b>Acknowledgements</b>                                                             | <b>55</b> |

# Executive summary

Like many aspects of life, advertising has gone digital. Across the globe, companies are allocating more of their ad spend to digital media to capitalize on its penetration in society and the growing sophistication of digital ad channels.

Saudi Arabia is no exception. The Kingdom has the structural foundations for a world-class digital advertising ecosystem: a digitally native population, accelerating e-commerce adoption, concentrated platform ecosystems, and rapidly expanding data capabilities. These dynamics continue to drive strong growth in digital advertising investment across industries.

Yet advertisers, no longer constrained by access to channels, platforms, or tools, now face a different challenge: how to effectively translate these ecosystem advantages to deliver measurable business outcomes for their growing investment.

The answer is greater maturity across four capabilities: strategy and organizational alignment, cultural and creative localization, consumer journey activation, and disciplined use of data, technology, and measurement. These capabilities form the pillars of the Saudi digital advertising maturity framework, which provides a structured way to understand what effective digital advertising in Saudi Arabia looks like at successive stages of development and clarifies how strategy, localization, experiences, and technology must evolve in concert.

Through our research, we found organizations that strengthen these capabilities move beyond campaign execution toward integrated digital advertising in the Saudi market that delivers sustained and measurable impact.

The **Saudi digital advertising maturity diagnostic** provides a structured pathway to stronger capabilities and business outcomes by assessing current capabilities, identifying priority gaps, and defining clear steps for improvement. It's an important tool that can help advertisers address the key drivers that convert ad spend growth into sustained business value:

**Aligning strategy, objectives, and budgets** while maintaining flexibility to adapt to insights and evolving market conditions.

**Embedding Saudi cultural relevance** across language, creative development, and content execution.

**Designing integrated consumer journeys** that connect discovery, engagement, and conversion across platforms.

**Building stronger data and measurement foundations** to enable advanced targeting, performance evaluation, and continuous optimization.

Organizations that effectively embrace these drivers achieve stronger performance. They will not simply participate in digital growth but also shape it.

**Snap Inc. is ready to help advertisers in Saudi Arabia assess their current digital advertising maturity, identify gaps, and define clear steps to strengthen their capabilities to deliver greater return on their ad spend.**

# The new age of digital advertising in Saudi Arabia

01

# The Saudi performance tension

1.1

**“What are the drivers that separate advertisers that convert growth into sustained business value from those that struggle to translate scale into returns?”**

Saudi Arabia is one of the fastest-scaling digital economies globally, with digital activities accounting for SAR495 billion in economic value and close to 16% of GDP in 2025.<sup>1</sup> Digital adoption is near-universal, platform usage is among the highest in the region, and advertising investment continues to rise.

Yet many advertisers, both local and global, are asking a hard question: **If the market is growing, why am I not extracting proportional value from it?**

Despite scale, reach, and rising budgets, performance outcomes remain uneven. Some advertisers are compounding their returns and strengthening brand equity. Others are experiencing margin compression, rising acquisition costs, and diminishing incremental impact.

**This dynamic defines the Saudi performance tension, where growth is visible, but value extraction isn't automatic.**

Rather than question whether to invest in digital, today's advertisers must ask if their operating model, localization strategy, creative approach, and measurement discipline are calibrated to how value is created in the Saudi context.

Without this calibration, increased spend doesn't translate into greater effectiveness. It simply amplifies inefficiency.

What are the drivers that separate advertisers that convert growth into sustained business value from those that struggle to translate scale into returns? That's the question we sought to answer.

Based on a robust multi-method research foundation — including in-depth interviews with senior advertisers from leading brands, a survey of 400 consumers across KSA, and comprehensive market analysis — this report identifies those value drivers by examining the digital advertising landscape across five advertiser maturity cohorts and four strategic pillars.

Together, these insights highlight the critical capabilities brands must build to compete and lead in the Kingdom's next phase of digital growth.

*Source: 1. General Authority for Statistics.*

# Why digital advertising matters now

1.2

**34.1**  
**million**

social media user  
identities in 2025<sup>2</sup>

Saudi Arabia's rapid digital economic growth has positioned the Kingdom among the most digitally advanced markets globally. Digital is no longer an emerging channel; it's the default infrastructure of commerce, communication, and consumer behavior. In Saudi Arabia, reach is abundant; it's attention and orchestration that are scarce.

## A fully connected population

Internet penetration in Saudi Arabia has reached a nearly universal 99% of the population in 2025, placing the Kingdom among the most connected countries globally.<sup>1</sup>

There are more than 48 million mobile connections,<sup>2</sup> equivalent to roughly 140% of the population in 2025,<sup>2</sup> reflecting widespread multi-device use and always-on engagement.

Social media adoption is also extremely high, with 34.1 million social media user identities in 2025,<sup>2</sup> representing approximately 99.6% of the population.<sup>2</sup>

Consumers operate in an always-on environment where brands are continuously present across platforms. When access is abundant, competitive advantage depends on relevance, precision, and execution quality.

## A mobile-first consumer environment

Median mobile internet download speed was reported at 124.6 Mbps in January 2025,<sup>2</sup> a pace that supports rich media, streaming, video, and engagement.

As of 2025, digital advertising delivery is mobile-led, with close to 64% of spend and close to 67% of impressions being on mobile.<sup>3</sup>

Together, infrastructure strength and behavioral patterns reinforce a clear reality that mobile has become the primary gateway to digital engagement.

Consumer journeys increasingly begin, evolve, and conclude within mobile-native ecosystems. Brands must design creative, media allocation, and measurement systems with mobile as the default operating environment and not as an adaptation layer.

**“Saudi consumers are highly digital, yet technology adoption is shaped by strong cultural norms around trust and community.”**

#### **A young, digitally native population**

Saudi Arabia's median age is close to 30,<sup>4</sup> with a large share of the population residing in urban areas where digital adoption is highest.

Among Saudis aged 25 and below, social media usage is ubiquitous, with approximately 96% using social platforms on a daily basis.<sup>3</sup>

Saudi Arabia's demographic profile accelerates platform adoption, content innovation, and digital commerce expansion, increasing the pace at which brands must evolve their advertising capabilities.

Saudi consumers are highly digital, yet technology adoption is shaped by strong cultural norms around trust and community. While behaviors evolve rapidly, these factors remain central to how consumers engage and build brand relationships. A survey of 750-plus Saudi consumers shows that demand for digital innovation is rising, but not at the expense of trust, with 86% citing data protection as a key driver.<sup>5</sup> As a result, brands must pair innovation with experiences that reinforce trust, credibility, and community connection.

Source: 1. Communications, Space & Technology Commission; 2. Saudi Arabia Market Research by Euro Group Consulting; 3. Ipsos advertising data (KSA 2025); 4. General Authority for Statistics; 5. PwC (Voice of the Consumer 2024 survey). \*Saudi Arabia ranked #1 globally in the 2025 ICT Development Index.

# The shift from scale to effectiveness

02

Building on Saudi Arabia's structural digital transformation, advertising investment has shifted decisively toward digital channels. Growth has been strong, budgets are expanding, and digital now captures the majority of incremental spend.

# Digital advertising is now the primary driver of ad market growth

2.1

**“Digital usage in Saudi Arabia keeps compounding, across platforms, user bases, and how people interact online.”**

Saudi Arabia's advertising market is undergoing a structural realignment. No longer an emerging growth channel, digital has become the **structural core of advertising investment**. While total advertising spend continues to grow steadily, nearly all incremental growth now comes from digital channels, fundamentally reshaping how brands compete for attention, relevance, and growth. Industry interviews highlight that this shift is underpinned by the scale and ubiquity of digital adoption across the Kingdom.

As one digital advertising executive noted during an interview, *“Digital usage in Saudi Arabia keeps compounding, across platforms, user bases, and how people interact online. Whether in cities, suburbs, or even remote areas, almost everyone has some form of digital presence, making the Kingdom one of the most active markets globally in terms of platform engagement.”*

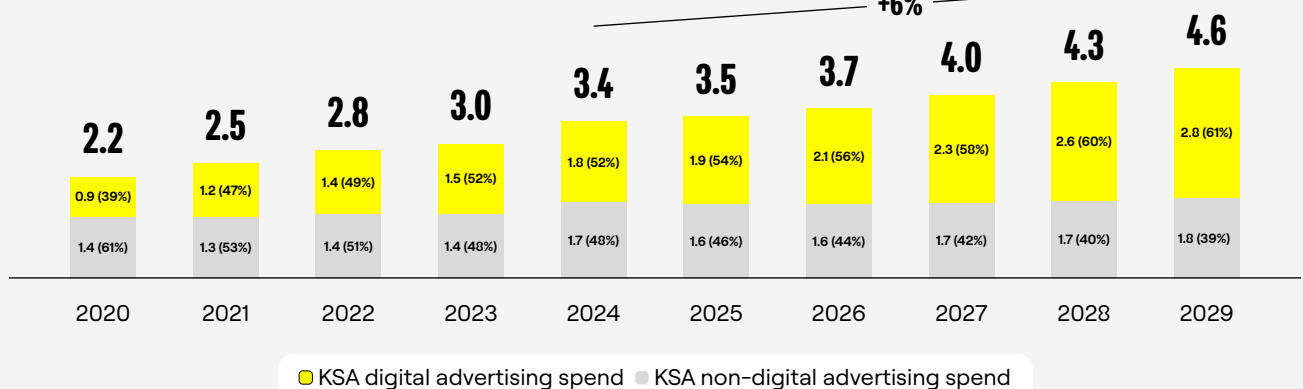
In fact, as illustrated in the figure below, spend on digital advertising is expected to rise from close to USD 0.9 billion in 2020 to close to USD 2.8 billion in 2029, growing at 10% CAGR.<sup>1</sup> Conversely, non-digital channels are growing slowly, from close to USD 1.4 billion to close to USD 1.8 billion over the same period at close to 2% CAGR.<sup>1</sup>

Regional tracking further reinforces this shift: In 2024, Saudi Arabia was the fastest-growing digital advertising market in MENA, expanding 23.5% year-over-year<sup>2</sup> and outpacing peer economies.

# 10%

CAGR is expected to grow digital advertising spend from nearly USD 0.9 billion in 2020 to USD 2.8 billion by 2029.

## Saudi Arabia advertising spend<sup>1</sup> (USD Bn)



Source: 1. MAGNA Atlas, by MAGNA Intelligence (IPG Mediabrands), Saudi Arabia advertising market forecast; 2. IAB MENA – MENA Digital Adspend 2024.

This growth is being reinforced by emerging technologies that are reshaping how digital impact is created. Immersive formats such as Augmented Reality are increasing attention and interaction; AI-driven programmatic buying is making planning and optimization more algorithm-led; and newer environments such as CTV and gaming are expanding where and how audiences are reached. As a result, the next phase of digital growth in Saudi Arabia will depend not only on continued budget expansion, but on how effectively advertisers adapt to a more interactive, automated, and cross-platform ecosystem.

# Saudi Arabia is entering its optimization era

## 2.2

The next phase of Saudi Arabia's digital evolution is not defined by scale, but by effectiveness. Over the past five years, digital advertising investment has grown at high double-digit rates, while observable e-commerce growth (one measurable proxy of digital-driven revenue) has expanded at a consistently lower pace (see figure).

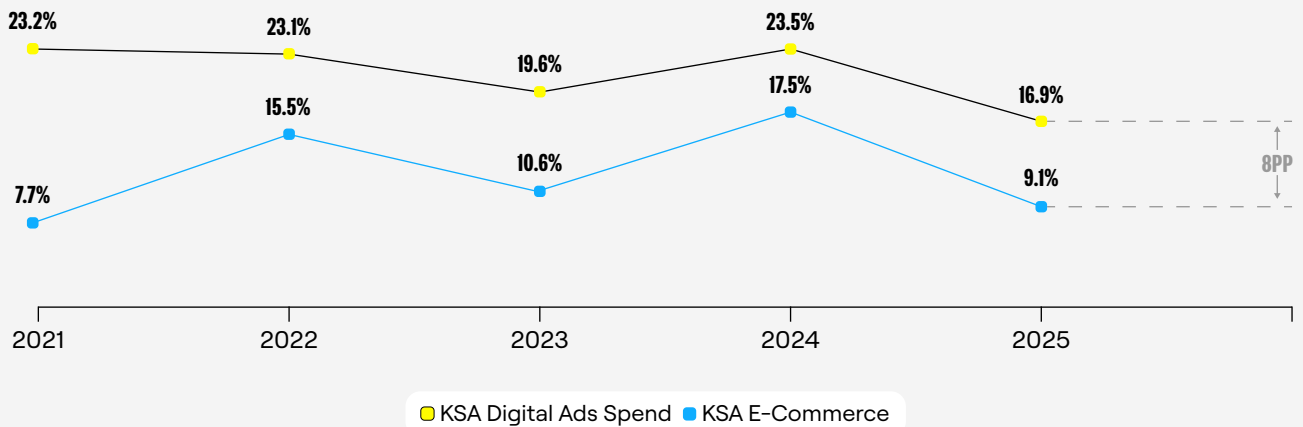
While digital advertising influences more than online transactions – shaping in-store visits, offline purchases, and brand consideration – this divergence highlights an important pattern: **Increasing spend doesn't automatically translate into proportional commercial impact.**

This doesn't imply that investment should slow, nor does it diminish the importance of long-term brand building. Rather, it underscores that budget expansion must be matched by effectiveness discipline. **Budget growth alone will not unlock proportional value.**

Full-funnel optimization, creative differentiation, measurement rigor, and precision targeting are becoming decisive factors in campaign performance. The market is shifting from a growth-driven expansion phase to a performance-driven optimization phase.

Source: 1. Euromonitor – Retail e-commerce in Saudi Arabia.

**Rising digital ad spend is not translating into proportional e-commerce growth, highlighting a widening performance gap:**  
Saudi Arabia e-commerce growth vs. digital ads spend growth<sup>1</sup> (YoY %)



# Rising integration is exposing structural gaps

2.3

92%

of impressions in 2025 came from social environments, making them the default gateway for consumer interaction.

The widening gap between investment and outcomes reflects an advertising environment that's becoming more competitive, integrated, and demanding. At the same time, uneven capability depth across the Saudi digital ecosystem is limiting the market's ability to consistently translate spend into value.

## Social platforms have become commerce ecosystems

Social platforms are no longer simply awareness channels. They now function as embedded commerce infrastructure across an advertising funnel. Beyond discovery, they increasingly support:

**Search and consideration** (reviews, creator recommendations, digital word of mouth)

**Conversion** (native checkout, deep linking, dynamic product ads)

**Re-engagement** (readvertising, personalized offers)

In 2025, social environments accounted for approximately 92% of impressions and 86% of spend,<sup>1</sup> making them the default gateway for consumer interaction.

As content, creators, commerce, and performance converge, social has become a full-funnel environment where discovery to conversion happens in one place.

This requires brands to tightly integrate creative, targeting, offers, and conversion journeys, as misalignment at any stage directly impacts outcomes.

## Competition for attention is intensifying

In an environment where consumers are continuously exposed to content and offers, incremental performance becomes harder to generate.

Creative quality, media orchestration, and full-funnel optimization increasingly determine whether campaigns break through or blend in. Incremental spend must now work harder to deliver measurable returns.

**“Aggressive data exploitation may improve short-term targeting precision. Without trust, however, it risks eroding long-term engagement.”**

#### **Trust and data governance are becoming strategic**

With the enforcement of Saudi Arabia’s Personal Data Protection Law (PDPL) and rising consumer awareness, data governance is no longer a compliance checkpoint, but a determinant of sustainable performance.

As personalization and precision targeting become central to efficiency, advertisers face a structural tension: increase data sophistication to drive performance while simultaneously reinforcing transparency, consent management, and a clear value exchange.

Aggressive data exploitation may improve short-term targeting precision. Without trust, however, it risks eroding long-term engagement.

In this environment, responsible data stewardship becomes a competitive advantage, enabling both efficiency and sustained consumer confidence.

#### **Capability depth remains uneven**

Advanced capabilities and outcome-based optimization aren’t uniform across the ecosystem, while performance-specialist roles and integrated measurement frameworks are still developing. As a result, many organizations are scaling media investment faster than they’re upgrading operating models.

Those that can achieve scale with talent, data infrastructure, and disciplined optimization convert ad spend growth into sustained performance.

#### **Saudi Arabia’s digital advertising value chain continues to evolve**

Global platforms are enabling broader ecosystem participation, which is helping smaller advertisers build digital capabilities, access advanced tools, and participate more effectively in the market. At the same time, demand for hyper-local, Arabic-first content and creator-led advertising is expanding the role of other players across the value chain, including domestic publishers, retail media networks, and creator ecosystems.

Continued ecosystem evolution means advertisers must navigate a broader set of platforms, partners, and activation channels. In turn, coordination, capability development, and measurement integration is increasingly critical to capturing value.

Closing these gaps across the ecosystem will be central to unlocking the full economic potential of rising digital investment.

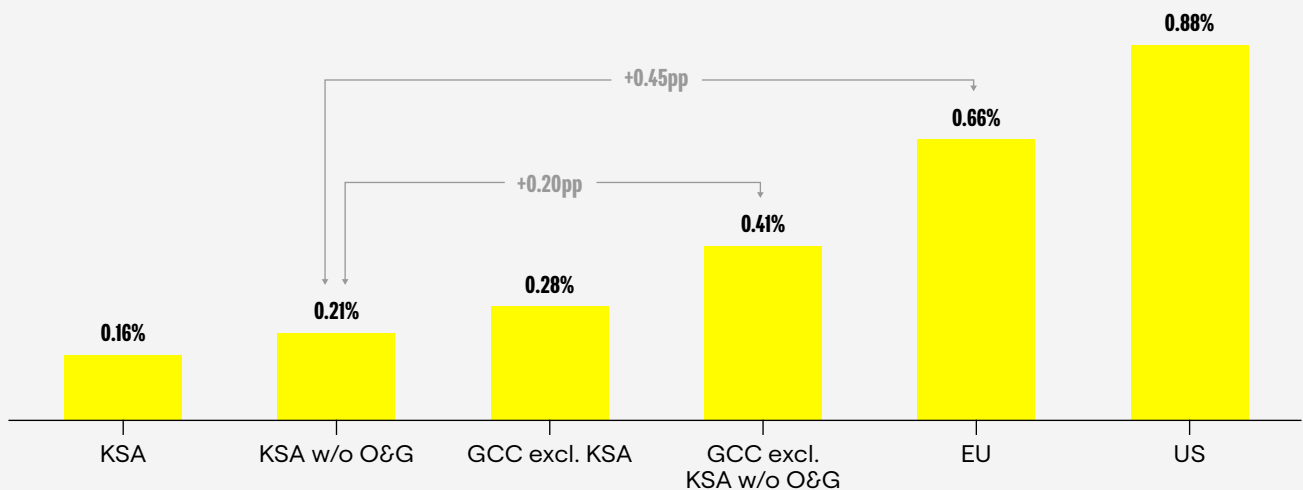
*Source: 1. Ipsos advertising data (KSA 2025).*

# Structural headroom remains in Saudi digital advertising

2.4

Saudi Arabia continues to lag in advertising intensity relative to its economic scale (see figure). In 2025, digital ad spend represented approximately 0.16% of GDP, rising to around 0.21% when oil and gas are excluded.<sup>1</sup> This remains below the other GCC markets\* (0.28–0.41%) and significantly behind mature benchmarks such as the EU (0.66%) and the US (0.88%), where advertising investment typically ranges between 0.6% and 1.0% of GDP.<sup>1</sup>

Ad Intensity<sup>1</sup> (Digital ad spend as % of GDP, 2025)



Increasing advertising intensity will require broader recognition, across both public and private sectors, of advertising's role in building brand equity, stimulating demand, and supporting economic diversification. As this understanding deepens, budgets will likely expand. However, unlocking long-term growth will depend not on expanding budgets alone, but on strengthening advertising maturity across strategy, localization, activation, and measurement. **Saudi Arabia doesn't lack growth potential; it lacks structural advertising maturity to fully unlock it.** "Advertising still under-contributes to GDP in Saudi Arabia relative to more mature markets, which highlights clear headroom for growth," notes Abdulla Alhammadi, Snapchat KSA Managing Director. "But closing that gap will require more than higher spend alone. Many organizations are still building the talent, data capabilities, and operating maturity needed to scale investment effectively."

# **“Advertising still under- contributes to GDP in Saudi Arabia relative to more mature markets”**

The next phase of digital advertising development in Saudi Arabia will be defined by both spend expansion and capability evolution.

To fully capture this opportunity, advertisers must address two structural dynamics: market growth that is outpacing the evolution of strategy, execution, and measurement, and Saudi Arabia’s distinct cultural context that requires deeply localized approaches to convert scale into relevance. Together, these forces highlight the need for a Saudi-specific maturity framework — one that defines how to translate growth into sustained, measurable impact.

*Source: 1. IMF 2025 GDP Report. \*Other GCC markets include Bahrain, Kuwait, Oman, Qatar, UAE.*

# A Saudi- first digital advertising maturity framework

03

**“To drive greater business value from this growing investment, advertisers need to greatly advance the maturity of their capabilities”**

As digital investment scales in Saudi Arabia at a faster pace than most markets, organizations with comparable tools and resources are generating materially different outcomes because of how their advertising systems are designed. To drive greater business value from this growing investment, advertisers need to greatly advance the maturity of their capabilities.

To that end, Kearney and Snap Inc. developed a maturity framework that provides a structured way to understand what effective digital advertising in Saudi Arabia looks like at successive stages of development and clarifies how strategy, localization, experience activation, and technology must evolve in concert. It assesses whether the advertising system functions cohesively, and whether investment will translate into measurable business impact.

This framework also recognizes maturity is progressive. Organizations don't move from underperformance to excellence overnight but, rather, advance through stages, strengthening foundational disciplines before integrating more advanced capabilities. Therefore, our Saudi-specific framework describes not only what “good” looks like, but how progression unfolds and what distinguishes foundational, emerging, and advanced states of execution.

A Saudi digital advertising maturity framework defines what effective and scalable digital advertising looks like in Saudi Arabia and outlines a clear pathway toward stronger and more sustainable impact.

Drawing on the combined industry expertise, proprietary data, and advertiser insights of Snap Inc. and Kearney, this model reflects a collaborative effort to define what effective digital advertising looks like in Saudi Arabia. The framework is Saudi-first and designed to adapt across distinct business cohorts, with clear and prioritized pathways toward maturity. It provides advertisers with a practical lens to assess their current state and identify how to evolve toward stronger and more sustainable performance.

Four core pillars shape digital advertising maturity and ultimately determine advertising effectiveness in the Kingdom (see figure).

### The four pillars of digital advertising effectiveness in Saudi Arabia

**01**

**Strategy, objectives, and operating clarity shape performance**

**02**

**Localization in Saudi Arabia goes beyond creative adaptation**

**03**

**Tailored consumer journeys are as important as local messages and creatives**

**04**

**Sustained impact requires disciplined use of data and technology**

These pillars represent the operational capabilities that determine whether digital investments translate into sustained business impact:

- 01 Strategy, objectives, and operating clarity shape performance:** High-performing advertisers define clear objectives for Saudi Arabia, align KPIs with business outcomes, and establish structured decision right across teams and partners.
- 02 Localization in Saudi Arabia goes beyond creative adaptation:** Effective advertisers embed Saudi cultural nuance into creative development, creator partnerships, platform strategy, and messaging tone, rather than adapt global assets.
- 03 Tailored consumer journeys are as important as local messages and creatives:** Leading organizations treat digital advertising as an integrated consumer journey rather than isolated campaigns, aligning discovery, engagement, conversion, and post-purchase experiences.
- 04 Sustained impact requires disciplined use of data and technology:** Organizations that build strong experimentation discipline, integrated data capabilities, and advanced measurement frameworks consistently achieve stronger performance outcomes.

**“Each cohort brings different structural strengths and constraints that shape how effectively the four pillars are developed.”**

While the framework is consistent across the market, the adoption and execution of its pillars vary depending on an organization’s starting position. Governance structures, scale, international exposure, and institutional mandates all influence how advertisers develop these capabilities.

For example, Saudi Arabia has five structurally distinct advertiser cohorts:

- | **Local large enterprises**
- | **Local SMEs**
- | **Established global enterprises**
- | **Global new entrants**
- | **Government and semi-government entities**

Each cohort brings different structural strengths and constraints that shape how effectively the four pillars are developed (see figure).

The sections that follow dive into each of these pillars, showcasing considerations from different segments where relevant to illustrate how capabilities manifest in practice across the Saudi market.

#### The distinct advertiser cohorts in KSA: What differentiates them in digital advertising?

**01**

##### **Local large enterprises**

- | Strong brand recognition and proximity to local consumers
- | Opportunities lie in further integrating advanced analytics into their operating discipline

**02**

##### **Local SMEs**

- | High agility and speed of execution
- | Limited resources and measurement infrastructure to scale performance systematically

**03**

##### **Established global enterprises**

- | Mature processes and advanced capabilities
- | Constrained by global frameworks limiting local adaptation

**04**

##### **Global new entrants**

- | Strong technology and data foundations
- | Success depends on rapidly embedding Saudi cultural and consumer context

**05**

##### **Government and semi-government**

- | Institutional scale and high visibility
- | Governance, procurement, and accountability structures can influence experimentation speed

# Key takeaways and maturity levels of segments across each pillar

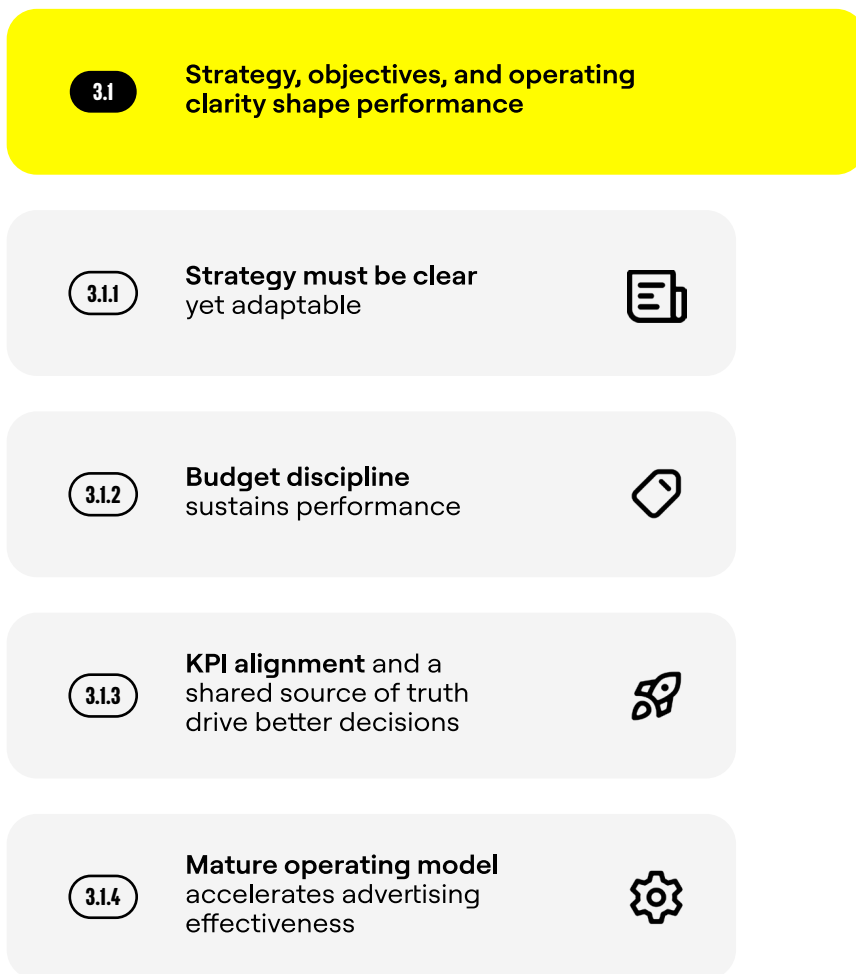
|                                                | Strategy, objectives, and operating clarity shape performance                                          | Localization in Saudi Arabia goes beyond creative adaptation                                 | Tailored consumer journeys are as important as local messages and creatives                                  | Sustained impact requires disciplined use of data and technology                           |
|------------------------------------------------|--------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| <b>Local large enterprises</b>                 | Strong local context, but strategy and full-funnel discipline are not always formalized                | Local proximity supports relevance, but campaigns don't always capture evolving Saudi nuance | Local understanding can support stronger commercial alignment, though scalable journey frameworks are uneven | Some still rely heavily on platform-reported metrics, limiting measurement rigor           |
| <b>Local SMEs</b>                              | Agility is high, but strategy, KPI discipline, and operating structure are often less formalized       | Cultural and community fluency are often natural strengths                                   | Activation can feel locally relevant, but scalable journey design is often limited                           | Leaner structures often constrain advanced measurement and data sophistication             |
| <b>Established global enterprises</b>          | Strong governance supports clarity, but local responsiveness is often slowed by headquarters alignment | Localization is often the clearest gap, as global guardrails can limit Saudi adaptation      | Execution can be strong, but local offers and journeys may adapt more slowly                                 | Measurement frameworks are often more advanced, though not always fully localized          |
| <b>Global new entrants</b>                     | Greater agility supports faster adaptation, though local objectives often need rapid refinement        | Localization is often still developing, with reliance on local partners to build it          | Leaner structures can support faster alignments of offers, journeys, and activation                          | Measurement capability can be relatively strong, though local maturity is still developing |
| <b>Government and semi-government entities</b> | Strategic intent is often clear, though execution depends on governance complexity and coordination    | Localization matters for trust and clarity but capability levels vary by mandate             | Citizen-facing journeys are rising in importance, though experience quality remains uneven                   |                                                                                            |

Level of Maturity ■ High ■ Medium ■ Low

# Strategy, objectives, and operating clarity shape performance

**3.1** Digital effectiveness in Saudi Arabia increasingly depends on **how clearly advertisers define local strategy and objectives**, and **how consistently they translate them into decisions and execution**. What differentiates advertisers is clarity of direction, governance discipline, and the ability to adapt strategy to a fast-moving local environment.

Across our research interviews and survey, four key learnings emerged in the Saudi market (see figure).



### **Strategy must be clear yet adaptable**

High-performing advertisers begin with clearly articulated Saudi-specific objectives grounded in business priorities and informed by historical performance. A shared definition of success (whether sales, penetration, market share, or brand lift) creates alignment across teams and partners from the outset. Critically, these objectives must be explicitly mapped across the full advertising funnel — clarifying the role of awareness, consideration, and conversion investments — rather than defaulting to short-term performance signals alone.

At the same time, the Saudi market is trend-sensitive and culturally dynamic. Rigid annual planning cycles often fail to capture shifts in platform usage, cultural moments, and competitive activity. The strongest organizations treat strategy as adaptable, recalibrated as learning accumulates.

Established global enterprises often operate within global frameworks that provide structure and governance. However, local teams face constraints when shifts require alignment with headquarters, slowing responsiveness in a fast-moving market.

Global new entrants tend to demonstrate greater agility as they establish their presence, but may initially lack deep local insight, requiring rapid learning and localization of objectives.

Local advertisers, by contrast, typically begin with the Saudi context embedded in their objectives and decision-making. However, many remain heavily focused on short-term sales performance and lower-funnel outcomes, which can limit investment in upper-funnel capabilities that build sustained demand over time. Their challenge is less about localization and more about ensuring strategy is formalized and evolved with the same strategic discipline seen among larger international players.

### **Budget allocation discipline reflects strategic maturity**

Across interviews, many advertisers said they follow an “always-on plus bursts” structure, anchored around key cultural and commercial moments such as Ramadan and major promotional cycles. While this reflects the rhythm of the Saudi market, budgets aren’t always explicitly linked to clearly defined funnel objectives or long-term growth priorities. Reallocations are often driven by short-term performance signals. This can result in over-optimization toward immediate efficiency metrics, creating campaign volatility and systematic underinvestment in upper-funnel drivers that build demand over time.

**“Established global enterprises operate within globally approved budget envelopes, but local teams can often unlock shifts when supported by business case”**

## “Local advertisers have greater agility around cultural peaks”

Established global enterprises operate within globally approved budget envelopes, but local teams can often unlock shifts when supported by business case.

Global new entrants may invest aggressively to build presence but not always with full-funnel balance.

Local advertisers have greater agility around cultural peaks, though allocation frameworks may be less formalized. In many cases, budget shifts occur close to decision-makers, enabling rapid adjustments to market signals but increasing risk of impulsive reallocations.

Advertisers must connect spend to clearly defined objectives to generate sustained returns.

### **KPI alignment and a shared source of truth drive better decisions**

Advertisers track a wide range of metrics, from brand lift and engagement to conversion and efficiency, but the key question is whether these metrics translate into clear priorities and actionable choices.

Too often, teams optimize toward signals that aren't fully aligned with the intended business outcome. *“One of the biggest challenges we see among local advertisers is aligning the KPI with the right source of truth,”* noted a Marketing Science Director at Snap Inc. *“Too often, campaigns optimize toward platform-reported metrics that were never designed to reflect the underlying business outcome. When the KPI and measurement source are misaligned, optimization can move performance in the wrong direction.”*

Establishing a clear source of truth is critical, but equally important is ensuring teams share a focused KPI set, understand trade-offs across the funnel, and use these priorities consistently in decision-making.

While global players often operate with established frameworks, these aren't always fully localized to Saudi market dynamics or translated into clear in-market priorities. Conversely, local advertisers are closely aligned to business context but may face challenges in structuring, simplifying, and consistently applying performance priorities across teams.

Bridging this gap requires not only robust measurement, but clearer prioritization and stronger alignment across objectives, metrics, and execution.

# **“Operating model effectiveness in Saudi Arabia is less about structure alone and more about how capabilities come together at the point of decision-making.”**

## **Operating model maturity determines speed**

Operating model effectiveness in Saudi Arabia is less about structure alone and more about how capabilities come together at the point of decision-making.

A consistent theme emerged from our interviews: Those setting strategy and allocating budgets must understand how business priorities, creative direction, media choices, and performance signals interact, and when to act on them. Without this integrated perspective, campaigns struggle to deliver sustained impact.

Capability gaps extend beyond activation. While expertise in areas such as attribution, testing, and advertising technology remains uneven, broader challenges often lie in how teams collaborate and execute. *“The largest improvements in advertising effectiveness occur when strong measurement expertise sits on the strategy side of the organization, where investment decisions and budget allocations are made,”* notes a Marketing Science Director at Snap Inc. *“However, measurement remains a highly specialized capability, and experienced talent is still limited across many organizations.”*

The most effective models observed are hybrid. Brands retain ownership of strategic direction and objective setting, ensuring internal alignment, while platform partners contribute technical depth, localization, and execution scale. Ultimately, stronger operating models are defined by their ability to translate insights into action quickly and consistently across the organization.

In Saudi Arabia’s fast-evolving digital ecosystem, sustained performance emerges not from isolated campaign execution but from the disciplined alignment of strategy, investment, and operating capability

# Localization in Saudi Arabia goes beyond creative adaptation

## 3.2

Localization in Saudi Arabia isn't an aesthetic choice, but a structural performance lever. In a market where cultural fluency shapes trust, attention, and conversion, the depth of localization consistently influences performance. Four recurring dynamics define how localization shapes effectiveness (see figure).

3.2

**Localization in Saudi Arabia goes beyond creative adaptation**



**Cultural legitimacy** drives brand trust and audience resonance

3.2.1



**Language** in Saudi advertising functions as a strategic choice

3.2.2



**Creator ecosystems** amplify culturally resonant narratives

3.2.3



**Saudi moments** reset demand patterns and require adaptation

3.2.4

Source: 1. Ipsos survey, 2025, 400 participants in Saudi Arabia; 2. Ipsos advertising data (KSA 2025).

### Cultural legitimacy is earned, not assumed

Saudi audiences reward brands that demonstrate cultural awareness through behavior, not just translation. Messaging aligned with local humor, social codes, and lived realities strengthens trust.

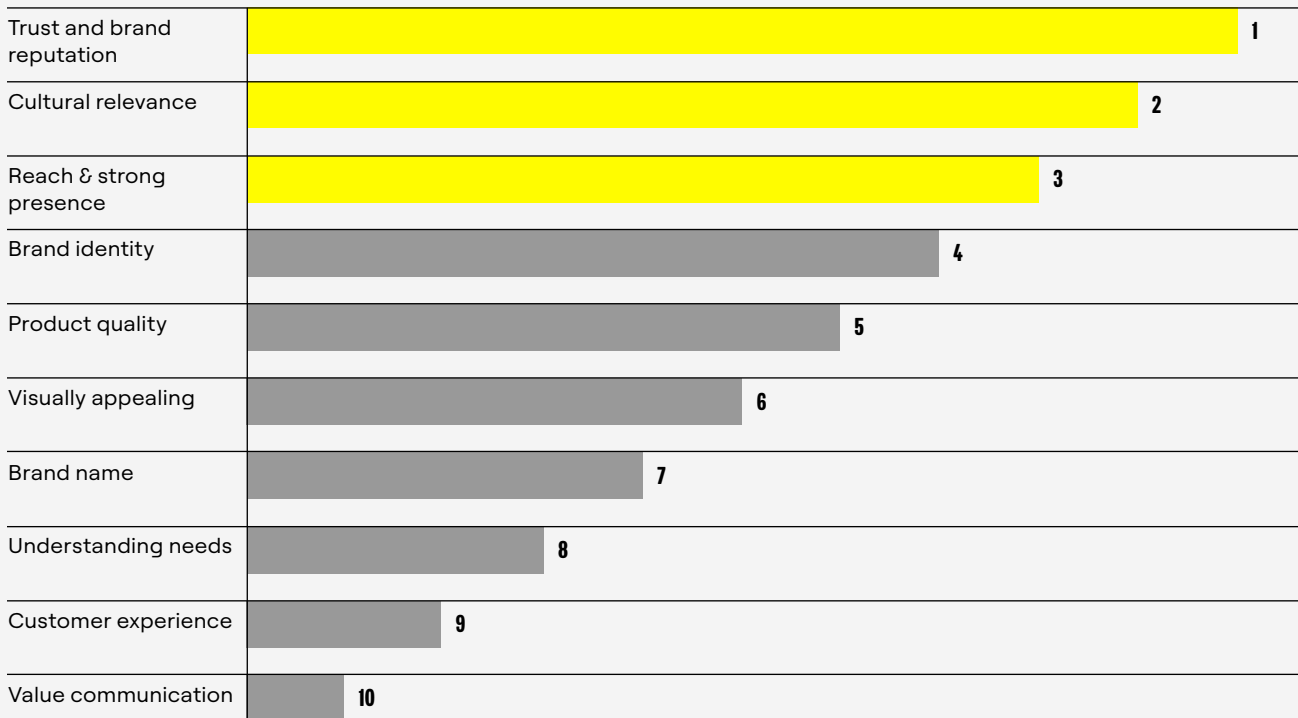
Messaging that feels imported, even when technically translated, often struggles to drive meaningful brand perception gains.

Industry practitioners highlight that culturally fluent execution can resonate even through small contextual signals. As one agency expert shared, “A large global F&B brand preparing to open local outlets replaced ‘opening soon’ signage with locally recognizable humor tailored to Saudi audiences. The concept resonated widely online, with impact exceeding initial expectations as audiences recognized the brand’s effort to engage with everyday local humor.”

Our survey reinforces this dynamic (see figure). Cultural relevance ranked second among the factors that make a brand credible and positive online in Saudi Arabia, cited by 19% of respondents, second only to trust and brand reputation at 29%.<sup>1</sup>

### Drivers of brand credibility and positive perception online in Saudi Arabia<sup>1</sup>

(Ranks of drivers in terms of share of respondents selecting each factor, open-ended survey, top 10 responses)



Source: 1. Ipsos survey, 2025, 400 participants in Saudi Arabia.

# >30%

of respondents<sup>1</sup> report that online advertising of local brands still lacks cultural relevance, suggesting some campaigns still fall short in reflecting the nuance of Saudi culture and evolving audience expectations.

Established global enterprises often operate within global brand guardrails that ensure consistency but constrain local experimentation. New entrants, by contrast, recognize the cultural headwinds of entering Saudi Arabia and rely on local agencies to navigate social sensitivities.

Local advertisers, while inherently rooted in the market, aren't immune to this challenge. Cultural fluency requires ongoing attentiveness to rapidly evolving trends, platform behaviors, and generational shifts. Remaining local doesn't automatically guarantee relevance, as sustained resonance requires continuous recalibration.

Our survey backs this up. More than 30% of respondents<sup>1</sup> report that online advertising of local brands still lacks cultural relevance, suggesting some campaigns still fall short in reflecting the nuance of Saudi culture and evolving audience expectations.

### Language in Saudi advertising functions as a strategic choice

In Saudi Arabia, language choice signals positioning, audience intent, and cultural alignment. Arabic and bilingual executions account for approximately 78% of digital spend,<sup>2</sup> reflecting the central role language plays in audience reach and engagement. However, effectiveness is shaped less by language selection alone and more by tone calibration. Formal versus colloquial Arabic, modern versus traditional phrasing, and the integration of English all influence how brands are perceived.

Generational differences are particularly pronounced, with Gen Z audiences responding differently to tone, humor, and linguistic fluidity than older cohorts. As a result, uniform messaging across age groups often underperforms. Industry practitioners note that these differences reflect broader cultural dynamics shaping Saudi society.

*"For many years, Saudi audiences consumed global culture without being equally visible to it," stated one agency executive. "Millennials were influenced by international content and often incorporated it into daily expression. Today, with Saudi culture more visible globally, Gen Z is shaped by a two-way cultural exchange, which has strengthened cultural pride in how they expect brands to communicate."*

Established global enterprises frequently deploy regional Arabic voiceovers or pan-GCC language frameworks designed to scale across markets. While efficient, this approach can dilute local specificity if not carefully adapted.

# “Everyone agrees that working with creators helps brand businesses grow,”

| Rami Saad, Cofounder of Halo AI

New international entrants often localize language more directly for Saudi audiences, but must balance experimentation with brand consistency.

Local advertisers typically demonstrate stronger instinctive fluency, though they don't always embed systematic tone testing and structured experimentation into planning processes.

High-performing advertisers treat language as a testable variable. They refine tone, adapt expression to platform context, and ensure linguistic choices directly support defined audience segments and business objectives.

## Creator ecosystems have become structural, not tactical

In Saudi Arabia, creators function as trust intermediaries between brands and communities. In a digitally engaged and socially attentive market, credibility is often transferred through individuals who are culturally embedded and socially relevant.

Survey results highlight this clearly: 73% of respondents report positive perception when brands feature Saudi creators,<sup>1</sup> compared with 57% of non-Saudi or international creators,<sup>1</sup> a 16% decrease in positive perception.

Creator strategy is therefore evolving from tactical amplification into a structured component of media planning. *“Everyone agrees that working with creators helps brand businesses grow,” Rami Saad, the cofounder for Halo AI, an AI-driven creator marketing company, observed. “There is little debate about that today. The challenge lies in the missing infrastructure that streamlines discovery and enables execution at the scale of thousands of creators per campaign.”*

For example, macro- and micro-influencers play distinct roles. While larger creators drive scale, micro-creators often deliver stronger engagement and community trust within specific niches, particularly among younger audiences.

The complexity now lies in scale and governance. Identifying credible voices, maintaining authenticity, ensuring brand safety, and measuring impact require structured processes. As the ecosystem professionalizes, discovery, contracting, and performance tracking become more operationally demanding.

Across segments, one pattern remains consistent: Localization depth compounds performance when it's embedded structurally across creative, language, and creator strategy, and when organizations remove internal friction that slows adaptation to Saudi-specific signals.

**“The most effective advertisers plan Saudi moments as business cycles rather than calendar activations.”**

## **Saudi moments reset demand patterns and require adaptation**

Saudi advertising cycles are defined by culturally significant moments. Ramadan, National Day, Riyadh Season, and category-specific peaks meaningfully shift consumer intent, spending patterns, and engagement behaviors. Treating these periods as simple “media spikes” overlooks their structural impact.

Survey findings reinforce this notion: 89% of respondents report seeing brands communicate strategically during key local moments positively influences brand perception.<sup>1</sup> Presence during these periods isn’t neutral, but actively shapes credibility and relevance.

The most effective advertisers plan Saudi moments as business cycles rather than calendar activations. Objectives are recalibrated, budgets reallocated, creative adapted, and channel mixes refined to reflect changing consumer behavior. When moments are embedded into strategy, performance compounds rather than resets.

Agile local and regional players often capitalize quickly on emerging moments but may lack structured post-moment measurement. Larger international advertisers tend to plan more comprehensively, though global approval processes can limit in-market responsiveness.

Saudi-first execution isn’t achieved through translation workflows or reactive trend participation. It’s achieved when creativity, messaging strategy, activation flows, and experience align around local behaviors.

**89%**

of survey respondents report seeing brands communicate strategically during key local moments positively influences brand perception.<sup>1</sup>

# Tailored consumer journeys are as important as local messages and creatives

## 3.3

In Saudi Arabia, digital effectiveness is no longer defined by message strength alone. Beyond culturally relevant messaging, performance increasingly depends on how well brands localize the commercial journey around the audience insights. As competition intensifies, the differentiator isn't reach, but whether the journey reflects audience intent, trust thresholds, and decision behaviors.

Across interviews, journey discipline separates compounding performance from fragmented execution. Several structural dynamics define this capability (see figure).

3.3

**Capturing the full local experience matters as much as the message**



**Audience segmentation**  
must translate into  
differentiated journeys

3.3.1



**Journeys must be tailored**  
to match audience priorities

3.3.2



**Cross-platform orchestration**  
drives incremental impact

3.3.3

## “Behaviors at the individual level are shifting rapidly in Saudi Arabia”

### Audience segmentation must translate into differentiated journeys

Saudi Arabia isn't a homogeneous market. Generational, cultural, and behavioral differences create materially distinct engagement patterns. Gen Z in Saudi Arabia is more discovery-led and influenced by creators and peer content, while millennials rely more on brand familiarity and planned purchase behavior. As these differences grow, brands must tailor journeys to distinct decision triggers and content formats rather than applying a one-size-fits-all approach.

Industry practitioners also note audience fragmentation is accelerating. *“Behaviors at the individual level are shifting rapidly in Saudi Arabia,”* one interviewee noted. *“It is an extremely dynamic environment where multiple cultural influences are merging, and within a few years we might see hundreds of distinct consumer personas.”*

In fact, high-performing advertisers don't simply target differently, but design journeys differently. They tailor:

- | Messaging cadence and format sequencing by intent.
- | Offer framing based on price sensitivity and behavioral triggers.
- | Platform mix according to depth of engagement.
- | Conversion pathways to match trust thresholds and decision timelines.

In this context, scale without differentiation leads to diminishing returns.

### Journeys must be tailored to match audience priorities

Path-to-purchase alignment determines whether attention converts to sales. Even the strongest message underperforms if the path-to-purchase experience doesn't reinforce it. In Saudi Arabia, attention is rarely the only constraint. Conversion often depends on whether the end-to-end journey delivers on the promise communicated in-market.

High-performing advertisers treat activation as structured journey design rooted in local commercial realities. *“When a global brand adapts its product or offer specifically for Saudi audiences, people notice immediately because it signals that the brand has adjusted its global playbook exclusively for them,”* an agency executive highlighted.

**Product selection:** Promoting assortments that reflect local demand patterns, seasonality, and Saudi-specific preferences (e.g., modest fashion bundles ahead of Eid). As Ahmed Sedeek, the Digital Marketing Director at Level Shoes, a leading retail brand, noted in our interviews, *“KSA is highly responsive to value-led propositions at scale, but top-tier customers also show strong demand for new season designer products, making assortment balance critical.”*

**Pricing logic:** Structuring value propositions, bundles, and promotional mechanics in line with local willingness-to-pay and perceived fairness (e.g., Ramadan “Iftar bundles” and short-window promotions timed around salary-week shopping cycles).

**Payment experience:** Ensuring checkout flows and payment options align with Saudi consumer behavior and trust expectations (e.g., Mada-enabled debit payments or installment plans via Tamara).

Activation maturity varies by segment. Established global enterprises often navigate stricter internal approval processes that slow adaptation of commercial elements.

Global new entrants can often move faster, with fewer legacy constraints and greater agility in aligning offers, journeys, and activation across channels. Their advantage, however, depends on how quickly that agility is grounded in local market understanding.

Community-built local brands frequently exhibit stronger instinctive alignment with consumer expectations but may lack scalable frameworks.

Government and semi-government entities increasingly face pressure to align activation with measurable outcomes, particularly in citizen-facing mandates.

70%

of platform-driven impact  
is linked to synergy across  
channels<sup>1</sup>

### Cross-platform orchestration drives incremental impact

In Saudi Arabia's concentrated platform landscape, impact increasingly stems from orchestration rather than isolated channel performance. Cross-media analyses indicate average campaign uplift on brand KPIs of approximately 4%, with a significant portion of that impact attributable to interaction effects rather than standalone contributions.<sup>1</sup> In some cases, close to 70% of platform-driven impact is linked to synergy across channels.<sup>1</sup>

Different platforms contribute to different stages of the consumer journey. For example, visual and discovery-led environments may primarily influence awareness and consideration, while final conversions occur on search or retail platforms.

*Source: 1. 2025 KSA Kantar Cross Media Analysis commissioned by Snap Inc.*

This reflects a structural shift: Optimizing platforms independently can under-deliver total business impact. Greater returns emerge when sequencing, creative narratives, and engagement mechanics are coordinated across touchpoints.

For example, a campaign may begin with awareness-building video on social platforms, followed by creator content that reinforces credibility, then retargeting ads across display platforms to capture interest, and finally CRM or loyalty messaging to reinforce conversion and retention.

The strategic question is no longer which platform to choose, but how platform capabilities combine to create a unified experience system.

Effectiveness in Saudi Arabia increasingly depends on building a localized experience architecture, one that connects audience definition, commercial design, and platform orchestration into a coherent pathway rather than fragmented activation.

# Sustained impact requires disciplined use of data and technology

## 3.4

As activation improves and localization matures, measurement becomes the next priority in Saudi Arabia. Campaign scale is achievable, but sustained impact depends on whether data is structured and acted upon in ways that guide capital allocation.

3.4

**Sustained impact requires disciplined use of data and technology**



**Signal integrity** is the foundation of reliable performance measurement

3.4.1



**A clear source of truth** determines decision quality

3.4.2



**Improved performance requires moving from optimization metrics to incrementality-based allocation**

3.4.3

The market is becoming more “measurable,” yet progress remains uneven. Three structural trends consistently define the ceiling (see figure).

### Signal integrity remains the non-negotiable foundation

Tracking and instrumentation (e.g., conversion pixels, event tagging, signal governance, POS integrations) remain practical bottlenecks. Without clean event tracking, structured data flows across web, app, and offline touchpoints. And without consistent KPI definitions across systems, performance signals become fragmented or misleading.

In many cases, instrumentation is treated as a technical setup rather than the backbone of strategy. Campaigns scale before

# “Many local advertisers continue to rely heavily on platform dashboards to assess campaign success”

tracking maturity catches up, resulting in inconsistent learning loops. Readiness begins with signal integrity, not dashboards.

## A clear source of truth determines decision quality

In Saudi Arabia, measurement is often organized across three layers:

- Platform-reported measurement (e.g., Ads Manager dashboards) used primarily for day-to-day campaign optimization.

- Advertiser first-party data environments (e.g., Google Analytics, mobile measurement partners) used to validate performance across channels and reconcile platform signals.

- Independent third-party validation (e.g., incrementality testing, advertising mix modeling, econometric analysis) used to guide budget allocation and long-term impact evaluation.

Many advertisers today operate primarily within the first two layers. Some local large enterprises still rely heavily on platform-reported measurement as the operational source of truth. Others have shifted toward advertiser first-party data to validate performance across channels.

Industry interviews suggest this divergence often reflects differing levels of trust in platform-reported metrics. *“Many local advertisers continue to rely heavily on platform dashboards to assess campaign success, while global organizations place greater emphasis on advertiser-controlled validation frameworks,”* according to a Senior Account Manager at Snap Inc.

However, systematic incrementality-driven budget allocation remains limited. The challenge isn’t tool availability, but clarity. High-performing advertisers explicitly define:

- The primary business objective.

- The KPI category aligned to that objective.

- The authoritative source(s) of truth governing that KPI.

- How performance signals trigger budget reallocation.

Without this hierarchy, data exists, but capital allocation lacks coherence.

**60%**

of organizations are expected to adopt AI-driven attribution by 2027<sup>3</sup>

## Improved performance requires moving from optimization metrics to incrementality-based allocation

Confidence in traditional web analytics models continues to decline. In 2025, only 22% of advertisers globally believed legacy web analytics provide a definitive view of long-term advertising impact.<sup>1</sup>

As Saudi Arabia's digital market matures, advertisers are increasingly emphasizing incrementality, cross-platform contribution, and budget efficiency. In practice, this transition involves several shifts in how advertisers evaluate performance:

Moving beyond platform-level metrics toward cross-channel business impact. Rather than optimizing each platform independently, advertisers increasingly assess how channels work together to drive outcomes.

Using econometric frameworks to guide budget allocation. Regional analyses suggest full-funnel approaches, such as advertising mix modeling (MMM), can deliver stronger ROI, with some cases showing close to 1.5X improvement compared with performance-only optimization.<sup>2</sup>

Combining multiple measurement approaches with AI-enabled attribution. Advanced measurement environments increasingly integrate MMM, experimentation, and algorithmic attribution. AI-driven attribution adoption is expected to exceed 60% by 2027,<sup>3</sup> with companies using algorithmic attribution achieving close to 1.7X faster revenue growth than those relying on traditional models.

However, adoption in Saudi Arabia still has considerable room to grow, with cost constraints, integration complexity, and limited measurement talent continuing to slow progress.

Saudi Arabia's next phase of digital impact will depend on clearer measurement governance, integrated systems, and incrementality-based allocation.

Source: 1. Snapchat: Navigating the new era of media measurement; 2. Snapchat × Annalect × Omnicom MediaGroup: Uncovering Snapchat's ROI in the GCC; 3. Advertising LTB: Advertising Attribution Statistics 2025. 99+ Stats & Insights [Expert Analysis]

**The Saudi  
digital  
advertising  
maturity  
diagnostic**

**04**

# Defining the Saudi digital advertising maturity diagnostic

4.1

**“The diagnostic includes four key capabilities, aligned with the four integrated pillars of our maturity framework.”**

The Saudi digital advertising maturity framework we developed from our research clearly illustrates the core pillars that drive maturity. It provides a practical view of where advertisers must focus their efforts to boost the maturity of their capabilities and, consequently, advertising effectiveness and ROI.

To make the framework more tangible and actionable, we’ve developed a comprehensive diagnostic that assesses how effectively organizations design, execute, and measure digital advertising in the Kingdom.

The diagnostic includes four key capabilities, aligned with the four integrated pillars of our maturity framework. These capabilities together shape digital advertising effectiveness:

- |                                        |                                              |
|----------------------------------------|----------------------------------------------|
| Strategy, objectives, and organization | Consumer experience, journey, and activation |
| Creative, content, and localization    | Data, technology, and measurement            |

Within each capability, several dimensions capture the operational capabilities required to execute effectively. Each dimension is assessed through a set of diagnostic questions designed to evaluate how consistently these capabilities are applied in practice. Responses are translated into standardized maturity scores across three stages of development: nascent, emerging, and advanced.

Together, the dimension scores provide a baseline of digital advertising maturity while outlining a practical pathway for strengthening each capability and the digital advertising system as a whole.

Global new entrants, established international brands, government entities, large local enterprises, and local SMEs often operate with different governance models, capabilities, and resource constraints. Thus, the tool is designed to be modular. While the diagnostic structure remains consistent, its application can vary across advertiser segments, allowing organizations to assess progress relative to their operating context while maintaining a consistent evaluation logic.

# The Saudi digital advertising maturity diagnostic

| Capability                                                       | Dimension                                                 | Description                                                                                                                             |
|------------------------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|
| <b>01</b><br><b>Strategy, objectives, and organization</b>       | <b>1A</b><br>Saudi advertising objective setting          | Clarity and local grounding of Saudi-specific advertising objectives with built-in strategic flexibility                                |
|                                                                  | <b>1B</b><br>Budget allocation                            | Alignment of budget setting and reallocation to defined objectives, funnel priorities, and agreed source of truth                       |
|                                                                  | <b>1C</b><br>Organization & operating model               | Definition of decision rights, talent depth, and in-house versus agency roles to enable accountability and compounding performance      |
| <b>02</b><br><b>Creative, content, and localization</b>          | <b>2A</b><br>Cultural and creative localization           | Depth of authentic Saudi cultural integration beyond translated global assets                                                           |
|                                                                  | <b>2B</b><br>Language and messaging strategy              | Strategic calibration of language, tone, and generational nuance to Saudi audience segments                                             |
|                                                                  | <b>2C</b><br>Creators, celebrities, and UGC               | Structured use of local creators and UGC to build credibility and relevance at scale                                                    |
|                                                                  | <b>2D</b><br>Saudi moments                                | Integration of culturally significant moments (e.g., Ramadan, national events) into strategic planning and activation                   |
| <b>03</b><br><b>Consumer experience, journey, and activation</b> | <b>3A</b><br>Audience and experience tailoring            | Precision of audience segmentation and tailored journey design to match audience intent and value sensitivity                           |
|                                                                  | <b>3B</b><br>Journey localization                         | Alignment of product, pricing, and payment pathways with Saudi buying logic                                                             |
|                                                                  | <b>3C</b><br>Platform capabilities and journey enablement | Coordination of platform capabilities and roles to enable seamless cross-channel customer journeys                                      |
| <b>04</b><br><b>Data, technology, and measurement</b>            | <b>4A</b><br>Data coverage and augmentation               | Strength and integration of foundational tracking and data infrastructure                                                               |
|                                                                  | <b>4B</b><br>Data activation and decision use             | Effectiveness of measurement frameworks in guiding KPI alignment, optimization, and budget allocation                                   |
|                                                                  | <b>4C</b><br>Technology and advanced enablement           | Adoption of experimentation, incrementality measurement, and advanced modeling to improve advertising efficiency and capital allocation |

The dimensions outlined above represent the core capability areas that define digital advertising maturity in Saudi Arabia. The full maturity diagnostic includes a more detailed assessment used to evaluate how organizations perform across each capability area.

**Organizations can work with Snap and Kearney using the full diagnostic to identify capability gaps,** understand their current digital advertising maturity level, and define targeted actions to progress toward more advanced levels, ultimately driving stronger advertising outcomes and brand impact.

# How the digital advertising maturity diagnostic drives measurable impact

4.2

**30%**

lower operational costs are associated with mature digital advertising systems

The maturity diagnostic translates into measurable business impact by identifying and quantifying where a company can build or strengthen the capabilities that research has found critical to greater advertising effectiveness. In doing so, it can help companies both translate ad investment into stronger revenue growth and customer acquisition while enhancing audience perception and brand consideration.

## Higher maturity drives stronger financial outcomes

Digital advertising maturity delivers measurable business advantage. Across markets and industries globally, organizations operating at higher levels of digital maturity consistently outperform less mature peers across growth, profitability, operational efficiency, and capital productivity. The evidence points to a clear “maturity premium”:

**Revenue growth accelerates:** Organizations with advanced digital advertising maturity typically demonstrate annual revenue growth rates of 10–30%,<sup>1</sup> reflecting their ability to convert advertising investment into sustained expansion rather than episodic spikes.

**Cost efficiency compounds:** Mature digital advertising systems are associated with close to 30% reduction in operational costs<sup>2</sup> and roughly 25% lower nonproductive spend,<sup>3</sup> driven by clearer governance, stronger measurement frameworks, and more data-driven decision-making.

# 78-80%

overall perception scores were achieved by top-performing brands.

**Sales and acquisition economics strengthen:** Advanced digital maturity correlates with an 18% lift in total sales,<sup>2</sup> alongside stronger capital efficiency.

**Precision targeting and integrated activation** can increase the customer lifetime value to customer acquisition cost ratio (LTV/CAC) to 6.7x, compared with approximately 4.0x under traditional approaches.<sup>4</sup>

Taken together, these metrics demonstrate maturity influences not just advertising KPIs, but broader enterprise-level economics. As organizations strengthen digital advertising capabilities, revenue growth accelerates, costs scale more efficiently, and sales productivity improves.

### Higher maturity strengthens brand perception and consideration

Financial outcomes tell only part of the story. Digital advertising maturity also shapes how audiences perceive brands and their digital advertising presence.

To understand these dynamics, our survey assessed audience perceptions of a variety of brands representing different advertiser segments and levels of digital advertising maturity. Perceptions were evaluated across attributes such as cultural appropriateness, relevance, clarity, consistency, and action orientation. The results reveal a clear dispersion in perception strength. Top-performing brands achieved overall perception scores of approximately 78–80%, while lower-performing brands clustered closer to the 60–65% range.<sup>5</sup>

When analyzing the drivers behind these differences, two attributes consistently emerged as the strongest contributors:

| Alignment of online content with Saudi culture

| Perceived personal relevance of online content

*Source: 1. BigCommerce Research (2025); 2. AI Digital Group (2026) – Martech: Complete guide to advertising technology in 2026; 3. Nielsen (2024) – Optimizing in-flight digital ad campaigns; 4. Macabus (2026) – Forecasting CLV: Modeling Customer Lifetime Value Changes; 5. Ipsos survey, 2025, 400 participants in Saudi Arabia.*

Brands that performed strongly on these dimensions consistently achieved higher overall perception scores. In the Saudi market, cultural grounding and personal relevance act as perception multipliers, reinforcing the importance of contextual intelligence in digital advertising execution.

Importantly, perception strength doesn't cluster by advertiser segment (see figure). Across established global enterprises, global new entrants, government entities, and local large enterprises, perception scores span a similar range (close to 60–80%).<sup>1</sup> Local

**50%**

brand consideration was achieved by higher-perception brands, compared with 39% for lower-perception brands.<sup>1</sup>

SMEs show a slightly narrower range (close to 66–73%),<sup>1</sup> suggesting modest structural constraints but still meaningful variation. Overall, the overlap across segments indicates advertiser type alone doesn't determine performance.

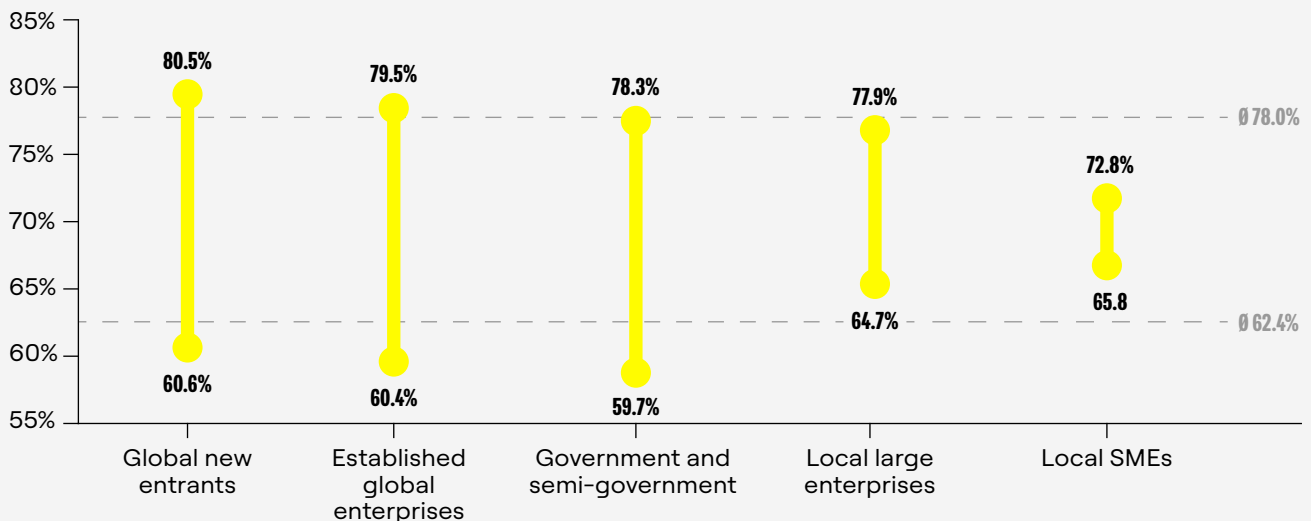
Stronger perceived digital advertising performance also translates into greater brand consideration. Across the brands assessed in our survey, higher perception scores were consistently associated with stronger audience consideration.

As perceived performance increased, brand consideration rose from close to 39% among lower-perception brands to close to 50% among higher-perception brands.<sup>1</sup> This demonstrates that when strategy, cultural context, and execution are aligned, digital advertising maturity strengthens both brand equity and commercial impact.

Greater digital advertising maturity drives impact by aligning strategy, culture, activation, and measurement. As organizations' capabilities mature, they reinforce one another, strengthening both brand equity and commercial performance.

### Perceived strength of brand's digital advertising in Saudi Arabia<sup>1</sup>

(Range of perception % scores by advertiser segment, survey responses)



Source: 1. Ipsos survey, 2025, 400 participants in Saudi Arabia

# Case studies:

How digital advertising  
maturity aligns with  
brand performance

05

Two examples illustrate how organizations that demonstrate stronger capabilities across the maturity diagnostic tend to achieve stronger audience perception, while gaps in specific dimensions can correspond with weaker performance indicators.

# Case Study 1: High maturity correlates with strong brand perception

In our survey, a local fast-moving consumer goods (FMCG) company ranked among the top-performing brands, achieving close to 80% perception strength.<sup>1</sup> When assessed using our Saudi digital advertising maturity diagnostic, the brand also scored highly across all four capability pillars.

**Strategy, objectives, and organization:** The brand deploys campaigns with clear Saudi-specific objectives, supported by structured KPIs across the full advertising funnel. For example, a Ramadan awareness campaign reached 50% of its target audience within the first 10 days,<sup>2</sup> generating +15% ad recall and +25% purchase intent.<sup>2</sup>

**Creative, content, and localization:** Content is consistently embedded within Saudi cultural narratives. One example is a Saudi-focused culinary content series in which creators explored regional dishes and heritage while naturally integrating brand products into the storytelling.

**Experience, journey, and activation:** Audience segmentation and platform capabilities are effectively aligned. In one Ramadan campaign, search trends and in-market signals informed the development of 1,200 localized video creatives, generating 29.4 million views.<sup>2</sup>

**Data, technology, and measurement:** Engagement signals are systematically translated into actionable insights. A recent campaign achieved engagement rates above 8%, while post-campaign brand lift analysis recorded double-digit increases in brand love and purchase intent, informing future media allocation and content strategy.<sup>2</sup>

# Case Study 2: Maturity gaps correspond with weaker brand performance

On the other hand, one global digital retailer that recently entered the Saudi market scored relatively strongly across most pillars of our maturity diagnostic, with one exception.

The company demonstrates advanced capabilities in data utilization, audience targeting, and performance measurement. It leverages platform analytics, first-party data, and customer data platforms (CDPs) to augment and reconcile consumer signals across channels, while also using MMM and other advanced frameworks to guide advertising investment and evaluate channel effectiveness.

These capabilities allow the brand to refine targeting, optimize product and pricing offers, and continuously adjust strategy, budgets, and KPIs based on performance insights, reflecting strong maturity across three pillars: Strategy, Objectives and

Organization; Experience, Journey and Activation; and, Data, Technology, and Measurement. However, within the Creative, Content, and Localization pillar, the brand primarily deploys creative formats and campaign styles adapted from broader regional markets, rather than content specifically developed for Saudi audiences. As a result, campaigns may be well targeted and commercially optimized, but lack the cultural specificity needed to fully resonate locally.

This gap is reflected in audience perception. In our survey, only 46% of respondents agreed the brand's online content or advertising feels made for people in Saudi Arabia.<sup>1</sup>

As these two case studies show, digital advertising maturity ultimately determines how effectively organizations convert capability into impact. Those that systematically align strategy, localization, activation, and measurement outperform peers — translating stronger audience resonance into sustained commercial growth and more efficient, scalable marketing performance.

*Source: 1. Ipsos survey, 2025, 400 participants in Saudi Arabia; 2. Brand website.*

# Conclusion

06

Saudi Arabia's digital advertising market has moved past the question of whether to invest. Reach is abundant, platforms are sophisticated, and budgets are expanding. The harder question — the one this report set out to answer — is why some advertisers compound returns from that investment while others see spend grow faster than results.

The evidence points consistently in one direction: the gap is one of maturity, not opportunity. Advertisers with comparable tools and budgets generate materially different outcomes because of how their advertising systems are designed.

Stronger performance is concentrated among organizations that have built capability across four reinforcing pillars: strategy and organizational alignment, cultural and creative localization, consumer journey activation, and disciplined use of data, technology, and measurement.

A few takeaways stand out:

**The Saudi market has structural headroom, but spend alone will not unlock it.** Saudi Arabia advertising intensity still sits well below mature benchmarks, leaving clear room to grow. Capturing that growth will depend on capability evolution, not incremental budget.

**Maturity is progressive, and no cohort has a monopoly on it.** Across established global enterprises, new entrants, government entities, and local players, performance and perception scores span a similar range. Advertiser type alone doesn't determine outcomes. Capability depth does.

**Strategy, objectives, and operating clarity are critical.** High-performing advertisers anchor Saudi-specific objectives in business priorities, map them across the full funnel, and maintain the discipline to recalibrate as the market shifts. Clarity of direction and a shared source of truth separate compounding performance from campaign volatility.

**Ads must be localized beyond creative adaptation.** Saudi cultural grounding is a structural performance lever, not a finishing touch. Leaders embed local insight into language, creator strategy, and Saudi moments from the outset

**Consumer journeys must be tailored.** Message strength alone no longer determines effectiveness. The strongest advertisers design differentiated journeys that match Saudi audience segments, align product, pricing, and payment to local buying logic, and orchestrate platforms as a unified system rather than optimizing each in isolation.

**Disciplined data and technology use is foundational.** Measurement is the ceiling most advertisers have yet to break. Sustained impact depends on clean signal integrity, a clear hierarchy between KPI and source of truth, and the shift from optimization metrics to incrementality-based capital allocation.

The Saudi digital advertising maturity diagnostic can help make progress tangible. It allows organizations to assess their current position, identify the pillar and dimension holding performance back, and define targeted actions to advance, calibrated to their governance model and resource constraints.

**The next step is practical.**

Snap Inc. and Kearney are ready to partner with advertisers in Saudi Arabia to run the diagnostic, identify the highest-return capability gaps, and build a sequenced roadmap to greater maturity. Those that make that shift won't simply participate in the Kingdom's digital growth, they will shape it.

# Methodology

07

### 01 Consumer survey

#### Objective

Understand how consumers in Saudi Arabia perceive and engage with digital marketing across brands

#### Approach

Structured quantitative survey (14 questions) covering brand perceptions, content relevance, cultural fit, and behavioral impact

#### Sample

400 Saudi-based consumers (ages 16–44), across gender, income, and nationality groups

### 02 Industry interviews

#### Objective

Capture practitioner perspectives on digital marketing maturity, challenges, and best practices

#### Approach

In-depth discussions with senior marketing leaders to assess current practices, identify gaps, and explore future opportunities

#### Sample

CMOs, marketing heads, and digital leaders across Saudi-based organizations

### 03 Market research

#### Objective

Ground findings in market evidence and validate key trends

#### Approach

Synthesis of multiple sources, including industry reports, benchmarks, and platform data

Targeted analysis of Ipsos campaign-level data to assess digital advertising activity in KSA across brands over the past year

Integration of insights with survey findings and industry perspectives

#### Focus Areas

Market trends, channel dynamics, and evolving advertising practices in Saudi Arabia

# KEARNEY

Kearney is a leading global management consulting firm, working with organizations across sectors to address their most critical strategic and operational challenges.

In Saudi Arabia, Kearney has been at the forefront of growth strategy, media and digital transformation supporting public and private sector leaders in navigating rapid market evolution and increasing competitive intensity.

Through this collaboration, Kearney brings a structured, analytical lens to digital advertising maturity, combining market analysis, consumer research, and industry perspectives to define a Saudi-specific framework that reflects the Kingdom's unique dynamics.

Our approach integrates strategic rigor with practical applicability, helping organizations translate insights into actionable improvements across advertising effectiveness and performance.

# Snap Inc.

Snap Inc. is a technology company focused on empowering people to express themselves, live in the moment, and connect through innovative digital experiences. Through Snapchat, Snap has built a highly engaged platform at the center of daily communication, content, and discovery.

In Saudi Arabia, Snapchat plays a significant role in how audiences engage with brands, particularly among younger, mobile-first consumers, offering unique opportunities for immersive, visual, and culturally relevant storytelling.

For this paper, Snap contributes deep platform expertise and real-world perspective on how brands can effectively engage Saudi audiences — highlighting evolving consumer behaviors, creative best practices, and emerging opportunities in digital advertising.

This collaboration reflects Snap's ambition to help companies advance their digital advertising maturity, realize greater impact from increased digital spend, and translate market insight into more effective advertising outcomes.

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08

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The authors would like to thank the team at Snap Inc. — including Abdulla Alhammadi (Managing Director, Snapchat KSA), Youmna Bourghol (former EMEA Marketing Science Director), and Ahmed Kaise (Head of Account Management) — for their guidance, collaboration, and valuable contributions throughout the development of this report.

We would also like to extend our sincere appreciation to the industry experts who generously shared their time and perspectives through interviews, including Claudia Raya, Rami Saad, Ahmed Sedeek, Taoufik El Jamali, and Omar Alshoubaki. Their insights have been instrumental in shaping the findings and ensuring the relevance of this work to the Saudi market.

Finally, we would like to thank the Snap Inc. and Kearney editorial and marketing teams for their support in refining, designing, and producing this report.

