

GAMNED MEA

YOUR DIGITAL MEDIA EXPERT

CRISIS IMPACT ON UAE ECONOMY & MARKETING STRATEGIES

A Strategic Guide for Business Resilience

Produced on the 16th March 2026

FOREWORD

Since February 28th, our region has found itself at the epicenter of escalating tensions. The UAE and GCC countries now stand in the midst of a conflict that arrived at our doorstep with sudden intensity.

We recognize that these are not just headlines, they are your daily reality. *The pressure of making critical business decisions with poor visibility, the responsibility you carry for your teams, your customers, and your stakeholders.*

*At **GAMNED MEA**, we don't claim to have all the answers. But what we do have is perspective drawn from observing how businesses in our region weathered previous storms: the **2008-2009 financial crisis**, the **COVID-19 pandemic**, and multiple **geopolitical and environmental disruptions**.*

What we've learned: *Resilience is not about having a crystal ball it's about having a framework.*

This guide is our modest contribution to your resilience strategy. It synthesizes patterns, data, and proven responses from past crises, adapted to our region's unique context and the current situation.

*We share it not as consultants claiming absolute expertise, but as **your partners in growth** committed to standing beside you when it matters most.*

The insights that follow aim to help you make more informed decisions, protect what you've built, and when the time is right emerge stronger.

We're in this together.

The GAMNED MEA Team

"Uncertainty is inevitable. Unpreparedness is optional."

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CONTEXT

The background features a color gradient from a deep red on the left to a vibrant purple on the right. Overlaid on this gradient are several faint, white-outlined geometric shapes, including a large circle on the left and several overlapping polygons and triangles on the right, creating a layered, abstract composition.

UAE ECONOMIC VULNERABILITIES

KEY EXPOSURE FACTORS

Factor	Impact	Context
Expatriate Population	88.5%	High consumption volatility ¹
Import Dependency	80% consumer goods	Supply chain vulnerability ²
Tourism Contribution	11.5% GDP	Crisis-sensitive ³
Regional Hub Status	High	Geopolitical exposure ⁴

Crisis Amplifiers:

- Employment-linked visa system → rapid expatriate outflow
- Oil price volatility impact on government spending
- Regional conflict sensitivity

Sources: 1 - UAE Federal Competitiveness and Statistics Centre, 2023, 2 - UAE Ministry of Economy, Trade Statistics 2023, 3- World Travel & Tourism Council, UAE Economic Impact Report 2023, 4 - Dubai Chamber of Commerce, Regional Trade Report 2023

CONSUMER BEHAVIOR SHIFTS

THE CRISIS CONSUMPTION CYCLE

PHASE 1: Shock (0-3 months)

- Non-essential spending:
-25% to -40%
- Panic buying essentials:
+45%
- Big-ticket purchases:
-60%

PHASE 2: Adaptation (3-12 months)

- E-commerce adoption:
+150%
- Price sensitivity:
+35%
- Home investment:
+28%

PHASE 3: New Normal (12 + months)

- Precautionary savings:
+25%
- Digital first Behavior:
Permanent
- Health Wellness priority:
Sustained

Sources: 1 - McKinsey Consumer Pulse Survey MENA, Q2 2020, 2 - Nielsen Retail Measurement Services UAE, March 2020, 3 - Dubai Statistics Center, Retail Sales Index 2020, 4 - Checkout.com, E-commerce Report UAE 2020-2021, 5 - Majid Al Futtaim, Consumer Confidence Index 2020, 6 - IKEA UAE & Home Centre, Sales Data 2020, 7 - UAE Central Bank, Household Savings Report 2021

MOST IMPACTED SECTORS

HIGH RISK INDUSTRIES

Sector	Peak Impact	Recovery Time	Key Data Point
Tourism & Hospitality	-73%	18-24 months	Hotel occupancy Dubai ¹
Aviation	-70%	24-36 months	Passenger traffic DXB ²
Physical Retail (Non-food)	-42%	12-18 months	Footfall malls ³
Events & MICE	-88%	18-24 months	Industry revenue ⁴
Luxury Retail	-38%	12-18 months	Tourist spending ⁵
Commercial Real Estate	-27%	24-36 months	Rental rates ⁶

Critical Factor: Expatriate departures : during COVID = **8.4% population decline** ⁷

UAE Advantage: Recovery **2-3 quarters faster** than global average ⁸

Sources : 1 - STR Global, Dubai Hotel Performance Report 2020, 2- Dubai Airports, Annual Traffic Report 2020, 3- Majid Al Futtaim, Footfall Analytics 2020, 4- Dubai World Trade Centre, MICE Industry Report 2020, 5 - Global Blue, Tourist Shopping Data UAE 2020, 6 - CBRE UAE, Real Estate Market View Q4 2020, 7 - UAE Federal Competitiveness and Statistics Centre, Population Estimates 2020-2021, 8 - S&P Global Ratings, UAE Economic Outlook 2021-2023

RESILIENT & WINNING SECTORS

GROWTH OPPORTUNITIES

Sector	Performance	Key Driver
E-commerce	+210%	Digital acceleration ¹
Food Delivery	+320%	Behavioral shift ²
Health & Pharmacy	+22%	Health prioritization ³
Grocery Retail	+18%	Essentials + stockpiling ⁴
Digital Entertainment	+65%	Home entertainment ⁵
EdTech	+180%	Remote learning ⁶
Home Improvement	+31%	Nesting trend ⁷
Fintech	+45%	Digital payments ⁸

Sources: 1 - Checkout.com & Dubai Economy, E-commerce Growth Report 2020-2021, 2 - Talabat & Deliveroo, Combined Market Data 2020, 3 - Aster Pharmacy & Life Pharmacy, Sales Reports 2020, 4 - Carrefour UAE & Lulu Hypermarket, Annual Reports 2020, 5 - OSN & Starzplay, Subscription Data 2020, 6 - Alef Education & Noon Academy, User Growth 2020, 7 - ACE Hardware & Home Centre UAE, Sales Data 2020, 8 - Dubai Economy, Digital Payment Adoption Report 2021

PRACTICAL
OBSERVATIONS

EARLY WARNING INDICATORS

MACRO SIGNALS

Indicator	Source	Alert Threshold
Expatriate Departures	FCSC ¹	>3% quarterly decline
Oil Price	Bloomberg ²	<\$60/barrel sustained
DXB Airport Traffic	Dubai Airports ³	-20% YoY
Consumer Confidence	MAF Index ⁴	<100 baseline
Hotel Occupancy	STR Global ⁵	<65%

MICRO SIGNALS

- ⚠ Customer Acquisition Cost: +25%
- ⚠ Conversion Rate: -15%
- ⚠ Average Order Value: -20%
- ⚠ Payment Delays: >45 days
- ⚠ Customer Churn: >5% monthly

Sources: 1 - Federal Competitiveness and Statistics Centre, 2 - Bloomberg Energy, 3 - Dubai Airports Monthly Reports, 4 - Majid Al Futtaim Consumer Confidence Index, 5 - STR Global Hotel Performance Reports

CRISIS OPPORTUNITIES

STRATEGIC ADVANTAGES

Market Share Gains

- During 2008 crisis, brands that maintained advertising gained **+17% market share**¹

Talent Acquisition

- UAE job market surplus: **Opportunity for top talent**²

Reduced Acquisition Costs

- Digital ad costs during COVID: **-32% CPC average**³
- Retail lease negotiations: **15-25% rent reductions achieved**⁴

Innovation Acceleration

- Companies that innovated in crisis: **2.4x growth post-recovery**⁵

Brand Loyalty

- Consumers remember brands present in crisis: **+60% favorability**⁶

Case: Noon & Talabat invested during COVID → **Combined 78% market share**⁷

Sources: 1 - McGraw-Hill Research, "How Advertising in Recession Pays Off"; 2 - Bayt.com, MENA Salary Survey 2021, 3 - WordStream, COVID-19 Digital Ad Cost Analysis 2020, 4 - CBRE UAE, Retail Leasing Report Q3-Q4 2020, 5 - BCG, "Innovation in Crisis" 2021, 6 - Edelman, Trust Barometer 2021, 7 - RedSeer & Bain, Food Delivery Market Report UAE 2021

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STRATEGIC
RECOMMENDATIONS

STRATEGIC PILLAR 1

DIGITAL ACCELERATION

Immediate Actions

- **E-commerce Platform**
 - UAE e-commerce penetration: 8% (2019) → 18% (2021)¹
 - Mobile commerce: **67% of online transactions**²
- **Social Commerce**
 - Instagram Shopping adoption: +340%³
 - WhatsApp Business usage: **85% UAE businesses**⁴
- **Omnichannel Customer Service**
 - 24/7 digital support expectation: **72% consumers**⁵
- **Digital Payments**
 - Contactless preference: +156%⁶
 - **KPIs to Track:** Online revenue %, conversion rate, CAC (Customer Acquisition Cost)

Sources: 1 - Dubai Economy & Checkout.com, E-commerce Report 2021, 2 - Visa, Digital Payment Study UAE 2021, 3 - Facebook/Meta, Business Growth Report MENA 2021, 4 - WhatsApp Business Survey UAE, 2021, 5 - Zendesk, Customer Experience Trends MENA 2021, 6 - Mastercard, Contactless Payment Adoption UAE 2021

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STRATEGIC PILLAR 2

PRODUCT/SERVICE OPTIMIZATION

Value Engineering

- **Pricing Strategy:**
 - **Economy tier introduction:** 43% consumers trading down¹
 - **Premium tier maintenance:** 28% HNWI unaffected²
 - **Bundle offers:** +35% uptake during crisis³
- **Product Mix Adjustment:**
 - **Essentials focus:** Basic needs over aspirational
 - **Flexible payment:** BNPL (Buy Now Pay Later) usage ****+270%****⁴
 - **Subscription models:** 52% prefer predictable costs⁵

Case Study: Noon.com launched "Noon Minutes" (2-hour delivery) + "postpay" → **+190% GMV growth**⁶

STRATEGIC PILLAR 3

CRISIS COMMUNICATION

The 4 Es Framework

1. EMPATHY

- Tone adjustment essential: **78% consumers expect brand empathy**¹

2. EVIDENCE

- Safety measures communication: **Priority for 81% shoppers**²

3. ENGAGEMENT

- Content consumption: **+95% during lockdowns**³
- Community building: **Long-term loyalty driver**

4. EFFICIENCY

- Response time expectation: **<1 hour on social media**⁴

Channel Priority (UAE)

- **Instagram:** 9.57M users (79% penetration)⁵
- **WhatsApp:** 96% smartphone users⁶
- **TikTok:** 4.8M users (fastest growing)⁷

Sources: 1 - Edelman, Trust Barometer Special Report 2020, 2 - YouGov, Consumer Safety Concerns Survey UAE 2020, 3- Hootsuite, Digital 2021 UAE Report, 4 - Sprout Social, Social Media Response Time Study 2021, 5 - DataReportal, Digital 2023 UAE, 6 - Statista, Messaging App Usage UAE 2022, 7 - TikTok & We Are Social, UAE User Statistics 2023

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STRATEGIC PILLAR 4

COST OPTIMIZATION & AGILITY/MARKETING BUDGET REALLOCATION

Pre-Crisis vs. Crisis Allocation:

Channel	Pre-Crisis	Crisis	Change
Digital			
Performance	35%	55%	+20pp
Traditional Media	30%	10%	-20pp
Brand Building	20%	10%	-10pp
CRM/Retention	15%	25%	+10pp

ROI Benchmarks:

- Digital ads: **average ROAS¹**
- Email marketing: **ROI²**
- Social media: **ROAS³**

Budget Strategy: Maintain **60-70% of normal budget** to retain market presence⁴

STRATEGIC PILLAR 5

RETENTION & LOYALTY / EXISTING CUSTOMER FOCUS

Economic Rationale:

- New customer acquisition cost: **5-7x retention cost**¹
- Customer lifetime value decrease: **-30% in crisis**²
- Loyalty program members spending: **+67% more**³

Proven Tactics

- **Enhanced Loyalty Programs**
 - Carrefour MyClub doubled points: **+42% active users**⁴
- **Exclusive Communications**
 - Personalized email: **6x higher transaction rates**⁵
- **VIP Treatment**
 - Early access to products/sales
 - Dedicated customer service
- **Community Building**
 - 71% consumers more loyal to brands with strong communities⁶

Sources: 1 - Harvard Business Review, "The Value of Keeping the Right Customers" 2014, 2 - Bain & Company, Customer Loyalty in Recession 2020, 3 - Bond, Loyalty Report 2021, 4 - Majid Al Futtaim, Share Carrefour Customer Data 2020, 5 - Campaign Monitor, Email Marketing Benchmarks 2021, 6 - Sprout Social, Community Impact Study 2022

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ACTION PLAN



RECOMMENDED NEXT STEPS

Engagement Pathway

PHASE 1: Assessment (Week 1)

- Prepare and complete a diagnostic questionnaire
- Financial health check
- Digital maturity audit
- Competitive landscape analysis

PHASE 2: Strategy (Week 2-3)

- Customized crisis response plan
- Marketing budget reallocation
- Quick-win identification
- 90-day roadmap

PHASE 3: Execution (Week 4+)

- Digital infrastructure deployment
- Campaign launches
- Performance monitoring
- Bi-weekly optimization

Deliverables:

- ✓ Crisis Response Playbook
- ✓ Marketing Budget Model
- ✓ Implementation Roadmap
- ✓ Performance Dashboard

CONCLUSION

KEY TAKEAWAYS

1. Act Fast, But Strategic

- First 30 days critical for positioning
- Balance cost-cutting with market presence

2. Digital is Non-Negotiable

- E-commerce +210% growth is permanent shift¹
- UAE digital adoption accelerated by 3-5 years²

3. Customer Retention > Acquisition

- 5-7x cost difference
- Loyalty drives recovery phase

4. Crisis = Opportunity

- Market share gains during downturn
- Brand building when others retreat

5. UAE-Specific Advantages

- Government support programs
- Infrastructure resilience
- Faster recovery trajectory

***"In the midst of chaos,
there is also opportunity" -***

Sun Tzu

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