



2020/21 COVID Impact on Advertising Survey #6 Results: Light at the end of the tunnel

9/2/20

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Executive Summary

- **Across all media, FY average estimated U.S. ad spend is expected to fall by -8% in 2020 vs. 2019**
-

Total FY Traditional Media: -30%

Total FY Digital Media: +6%

- **A notable difference between traditional and digital media ad spend indicates continuing shifts in budget from Traditional TV to Digital CTV:**

2020 Traditional TV (Linear/Broadcast): -24% vs. 2019

2020 Digital Media Connected TV (CTV): +19% vs. 2019

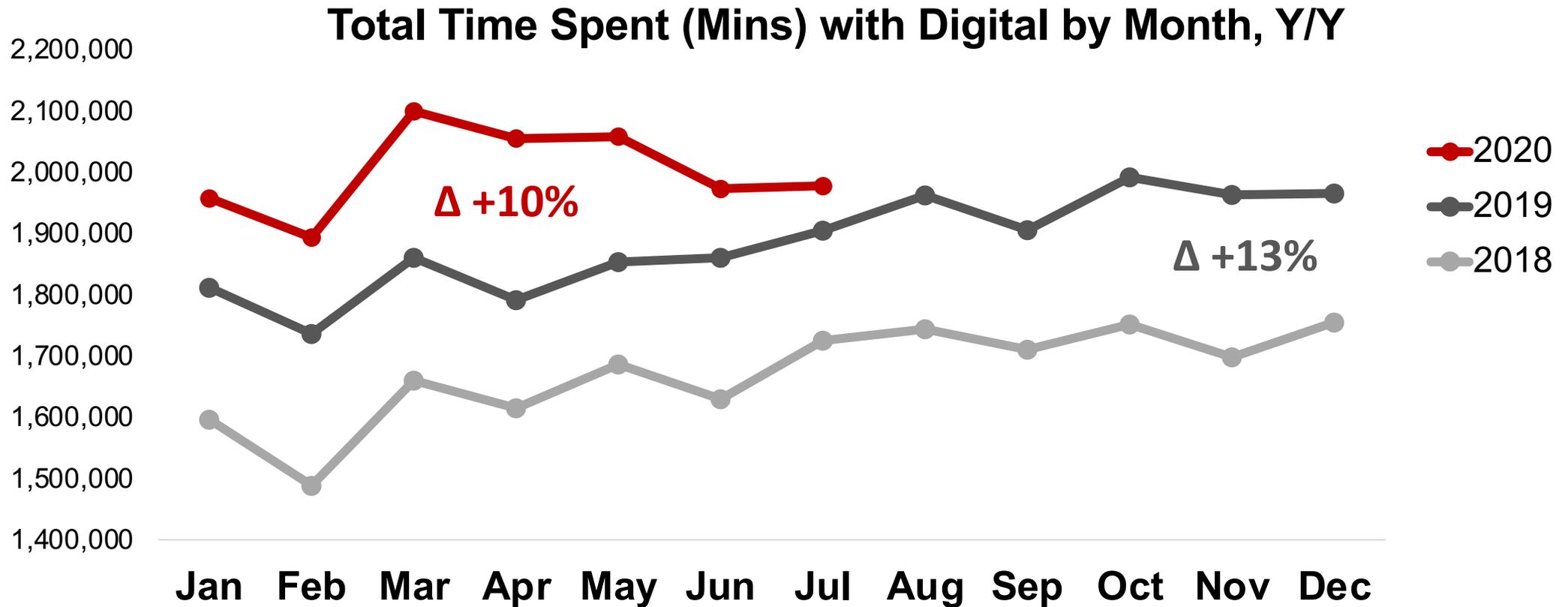
- **Buyers report that 2021 ad budgets are still reasonably in flux**
 - 9% have clearly defined budgets
 - 70% of buyers report having at least ballpark 2021 budget estimates
- **90% of Buyers are concerned about UGC social media adjacencies**

I. Full Year 2020 Ad Spend Context & Latest Projections

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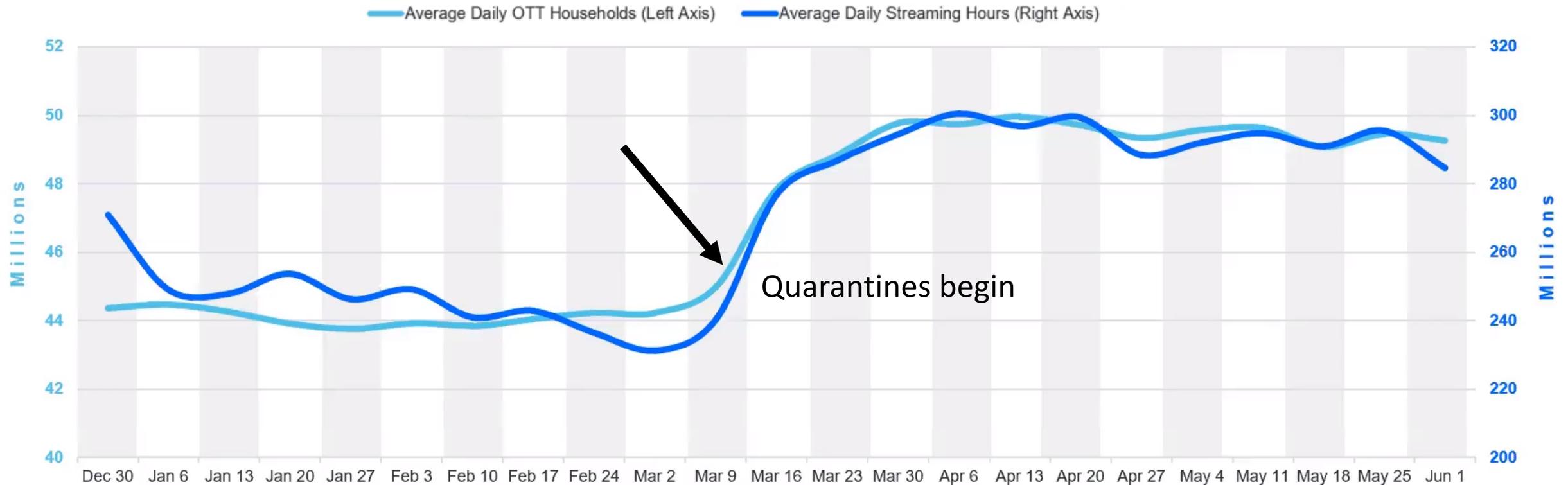
Average time spent with Digital has increased during Covid...

Consumers spent 10% more time with Digital in March-July 2020 Y/Y (vs. March-July 2019)



... with Video (OTT/CTV) seeing particularly increased audience attention.

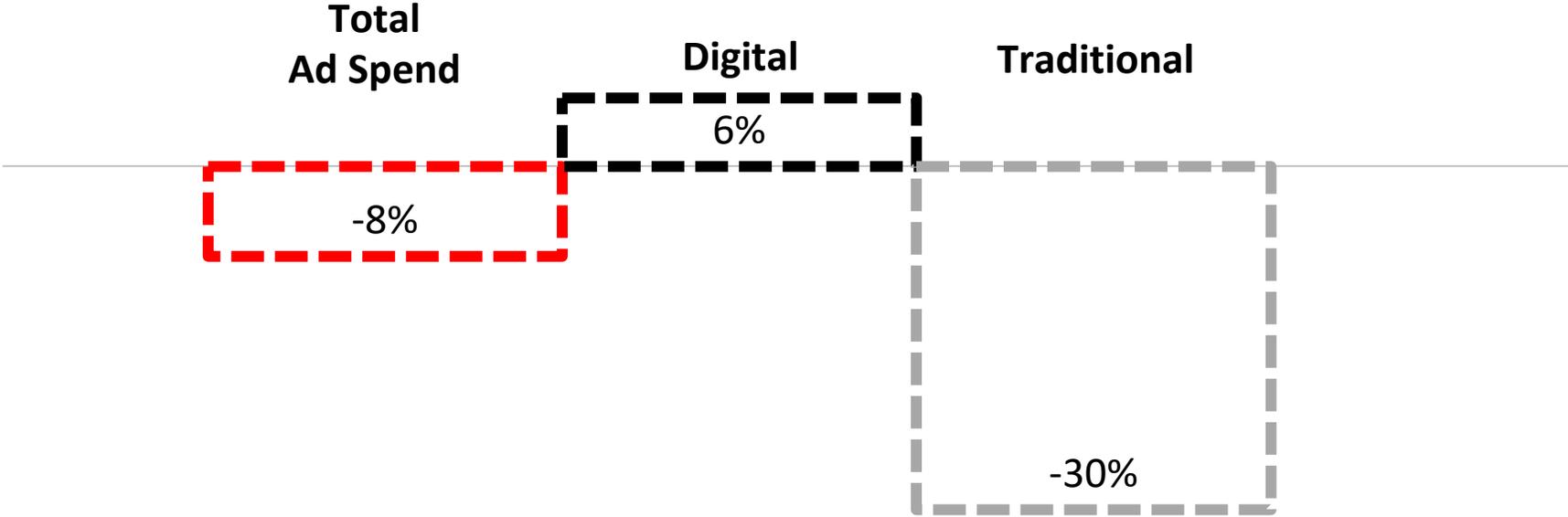
Average daily streaming households and hours by week (custom weekly data)



Increased audience time spent is driving ad spend to Digital

Buy-side average estimated total ad spend in 2020 is now projected at -8%, with only Digital showing Y/Y growth at +6%

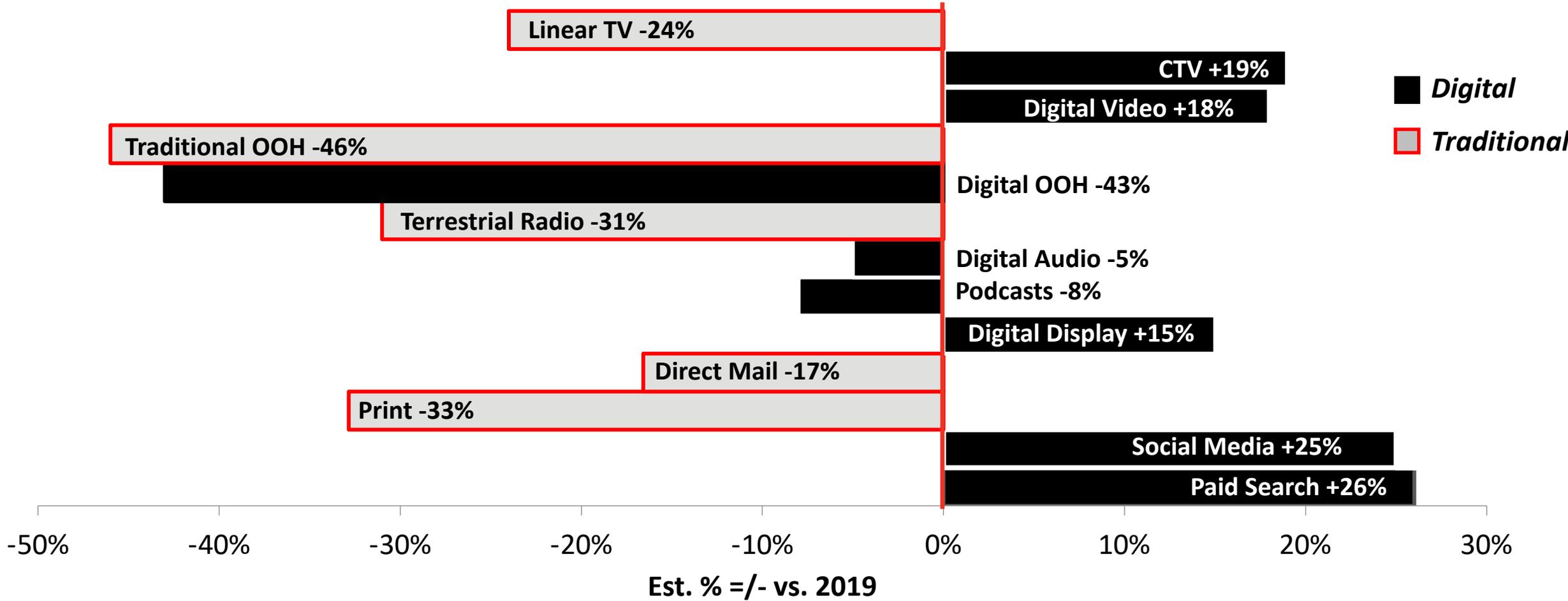
2020 Est. % Change Ad Spend Y/Y



Buy-Side, n=135
Q: Please share your expected % increase/decrease or (0) for no change for 2020 (Jan-Dec) vs. 2019 (Jan-Dec) by CHANNEL for your primary brand.
Note: Total Traditional Media & Total Digital Media percentages are average estimates based on Buy-Side projections per channel

Only Digital channels can expect net gains in FY2020 ad spend

Est. % Change in FY 2020 Ad Spend vs 2019



Buy-Side, n=135
Q: Please share your expected % increase/decrease or (0) for no change for 2020 (Jan-Dec) vs. 2019 (Jan-Dec) by CHANNEL for your primary brand.

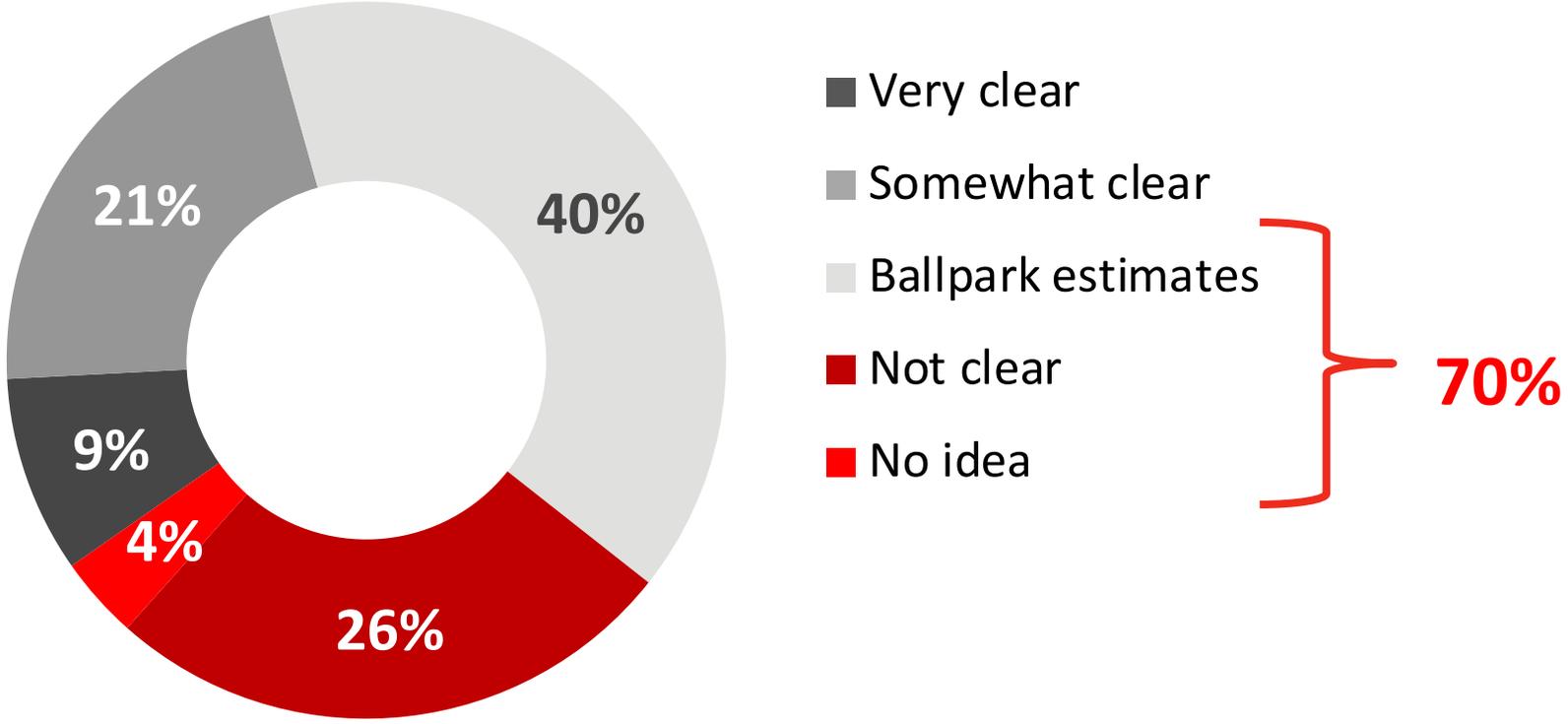
II. 2021 Ad Spend Projections

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Budget clarity remains elusive for 2021...

At least 70% of Buyers still have 2021 ad dollars in flux

Buyers' Ad Budget Outlook for 2021



...but those buyers with a view expect spend to increase by 5.3%

Buy-side estimate: Y/Y % change for 2021 ad budgets:

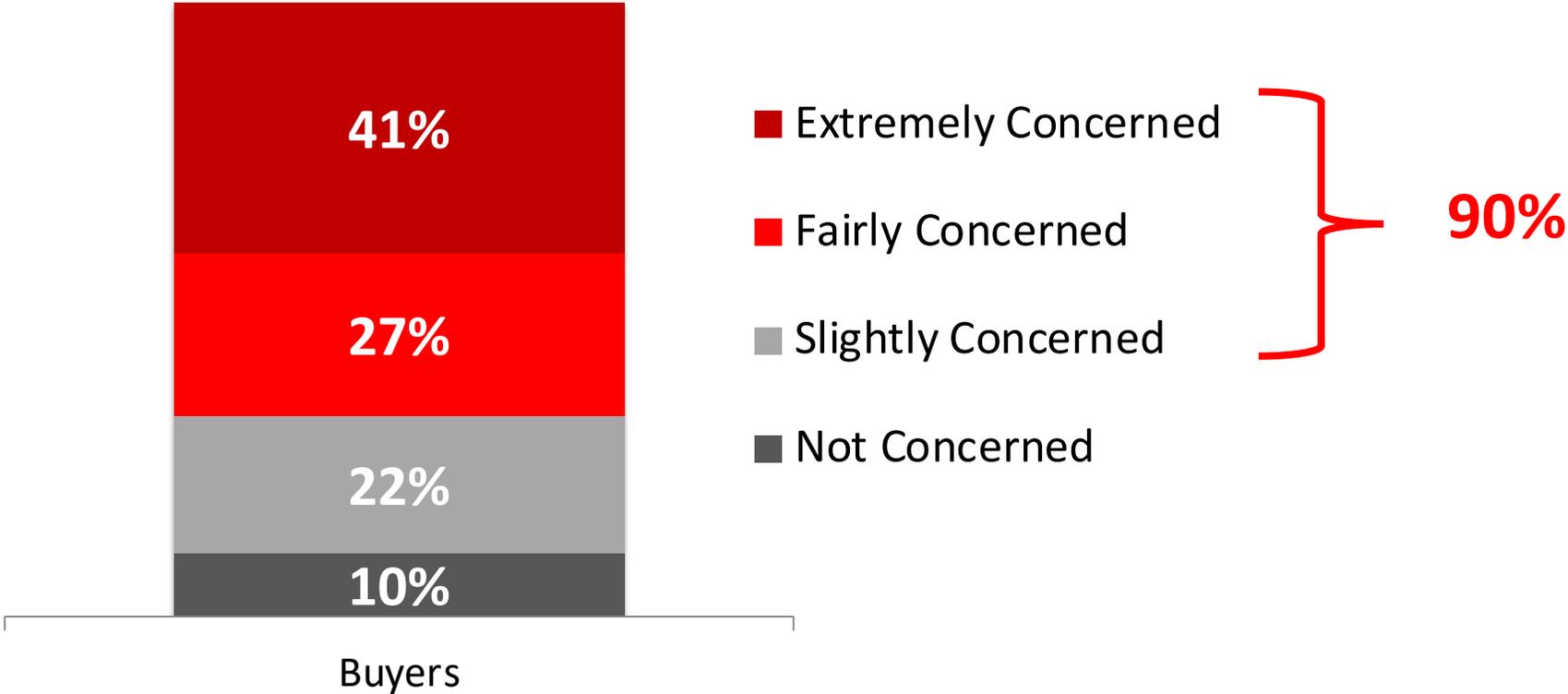
+5.3%

III. Brand Anxieties around UGC & Social

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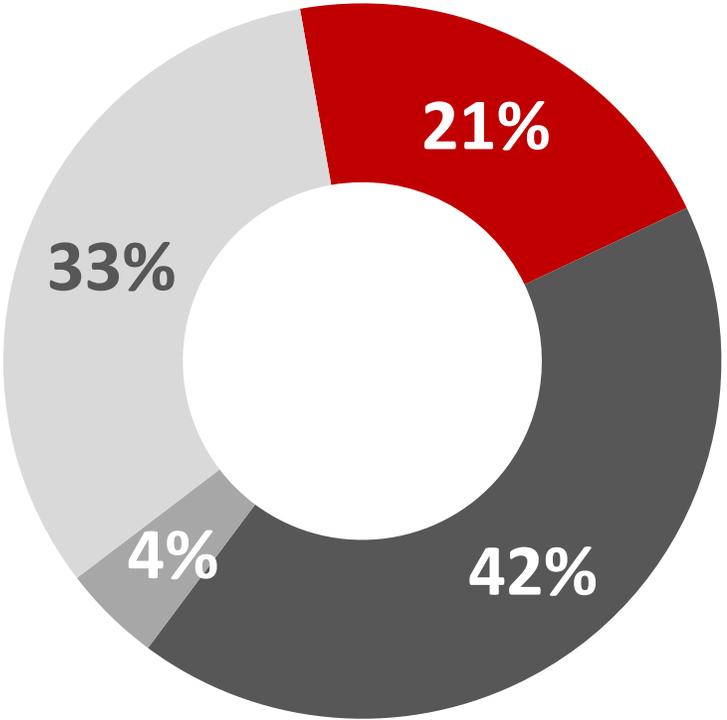
Buyers remain concerned about UGC Social Media adjacencies...

Concern about Potential Adjacency to Controversial Content Posted by Consumers



...with 46% of buyers taking a brief stand against Social Media

Buyers: Action Taken

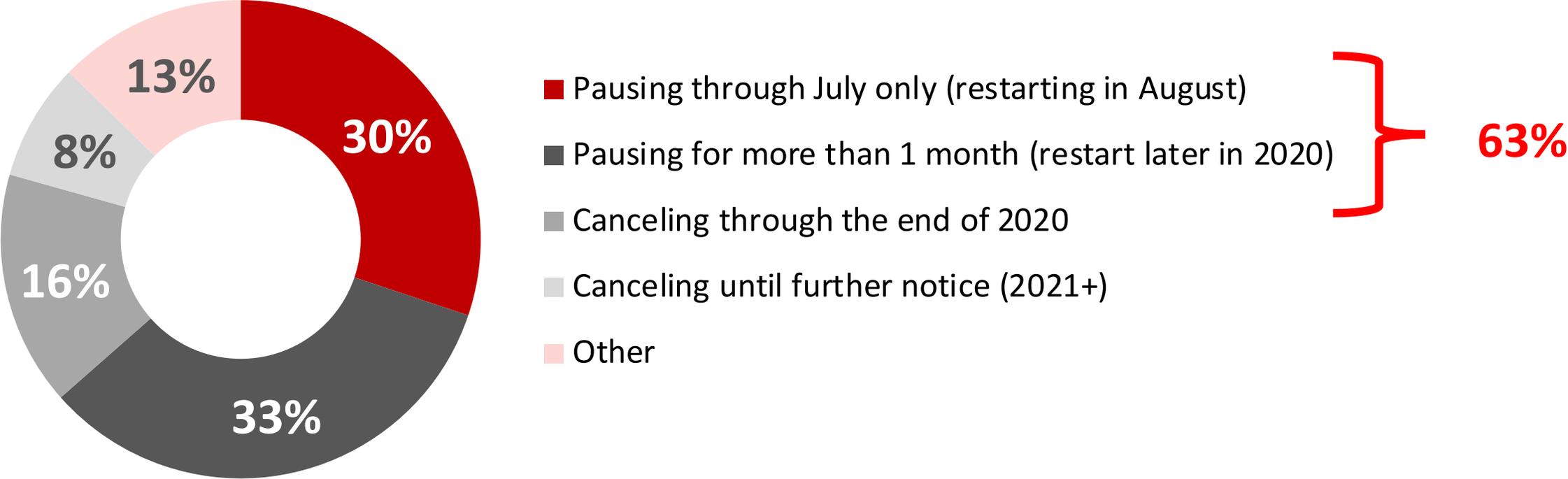


- Increased/planning to increase Social Media ad budgets
- Temporarily paused/planning to pause Social Media ad placements
- Canceled/planning to cancel Social Media ad placements
- No changes made

} 46%

However, 63% of the Buyers who took a brief stand plan to reengage with Social platforms in the near term—either in August or by Q4 of 2020

How Long Buyers will be Temporarily Pausing or Completely Canceling Social Media Placements



Base: Buy-Side (46% of Buyers taking a Stand)

What's Coming up from IAB Research?

- **Buy-side projections for FY 2021 ad spend**
- **Consumers Perspective: The Value of News**
- **Understanding 2020's Impact on Brands**
- **Brand Disruption: Challenges & Trends**

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Appendix

Who We Surveyed

Fielded Aug 3-Aug 13, 2020.

N=242 completes from those who have purview into US advertising spend and revenue in 2020.
Note: earlier studies cited have higher completes and remain at a near 50/50 sell/buy split.

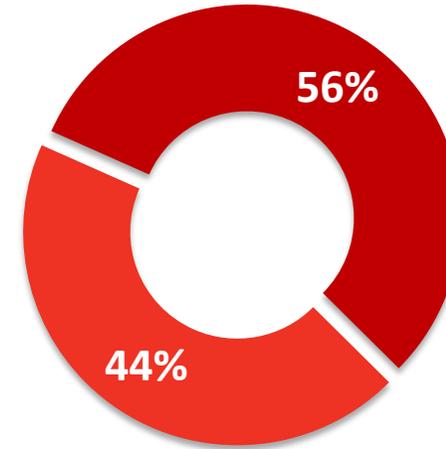
Buy-Side / Spend purview:

- Media leaders: planners, strategists, Buyers

Sell-Side / Revenue purview:

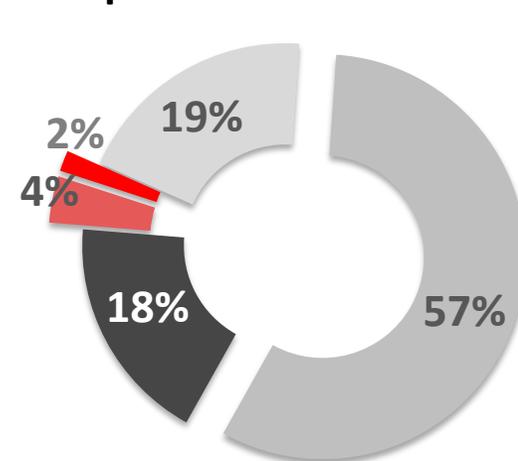
- Publishers
- Programmatic Specialists (e.g., SSPs, Ad Exchanges, Ad Networks)

Company Type:



■ Buy-Side ■ Sell-Side

Respondent Role:



■ C-Level, President, EVP
■ SVP, VP, Director
■ Mgr, AE, Planner or Buyer
■ Media Consultant, Media Strategist
■ Other Staff: e.g., Analyst, Associate, Assistant, Coordinator

About Us



The Interactive Advertising Bureau (IAB) empowers the media and marketing industries to thrive in the digital economy. Its membership is comprised of more than 650 leading media companies, brands, and the technology firms responsible for selling, delivering, and optimizing digital ad marketing campaigns. The trade group fields critical research on interactive advertising, while also educating brands, agencies, and the wider business community on the importance of digital marketing. In affiliation with the IAB Tech Lab, IAB develops technical standards and solutions. IAB is committed to professional development and elevating the knowledge, skills, expertise, and diversity of the workforce across the industry. Through the work of its public policy office in Washington, D.C., the trade association advocates for its members and promotes the value of the interactive advertising industry to legislators and policymakers. Founded in 1996, IAB is headquartered in New York City.

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