

# CORONAVIRUS *IMPACT*

On the US Digital  
Advertising market



Pathmatics

# State Of The Market

Global Pandemic: It used to be a term reserved for movie plots and thriller novels. However, in only 3 months, the Coronavirus (COVID-19), has dominated the news cycle and become ingrained in our daily lives. From a single alert on December 31st, 2019 in Wuhan, China, to outbreaks in 168 countries/regions to date, it has changed everything from our individual routines, to our social interactions, to how we behave as a society.

There's no question that advertisers, marketers, agencies and publishers will feel the effects of our disrupted economy. So, while everyone is sheltered in place, our teams are working tirelessly to understand how, when, where, and why these unprecedented changes are impacting digital advertising.

Using data from Pathmatics Explorer, we looked at thousands of advertisers and publishers across over 20 industries and six digital channels to bring you the latest on digital advertising during the COVID-19 pandemic.

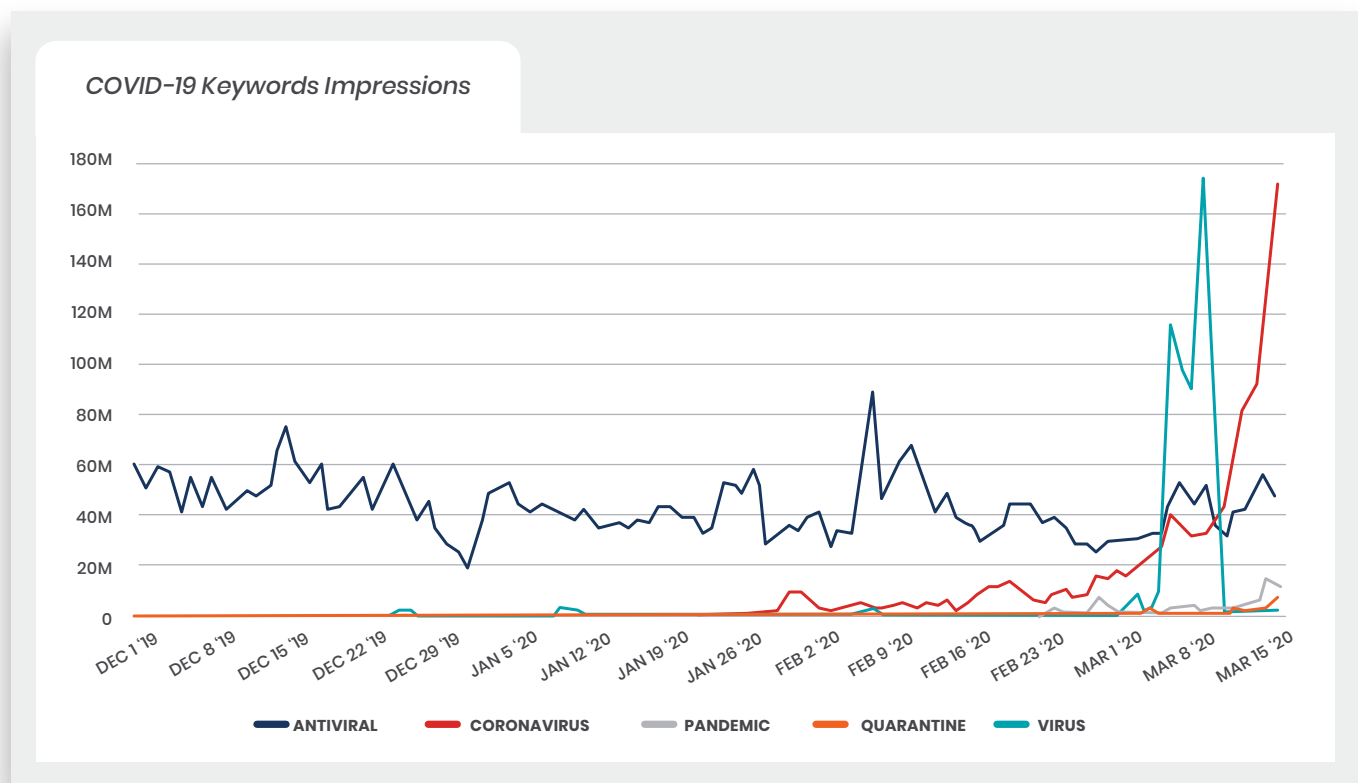
Read on to check out our findings. ►

# Impact On US Advertising Market

In the US, response to Coronavirus fears could reduce total 2020 marketing communications investments by as much as \$11 billion, according to a new analysis of 62 marketing and media categories from [The Myers Report](#).

It's not all bad, though. While original predictions for 2020 advertising growth forecasted a 6.2% increase over 2019, updated estimates still show a 4.8% increase—not too shabby for a year marked by a global pandemic.

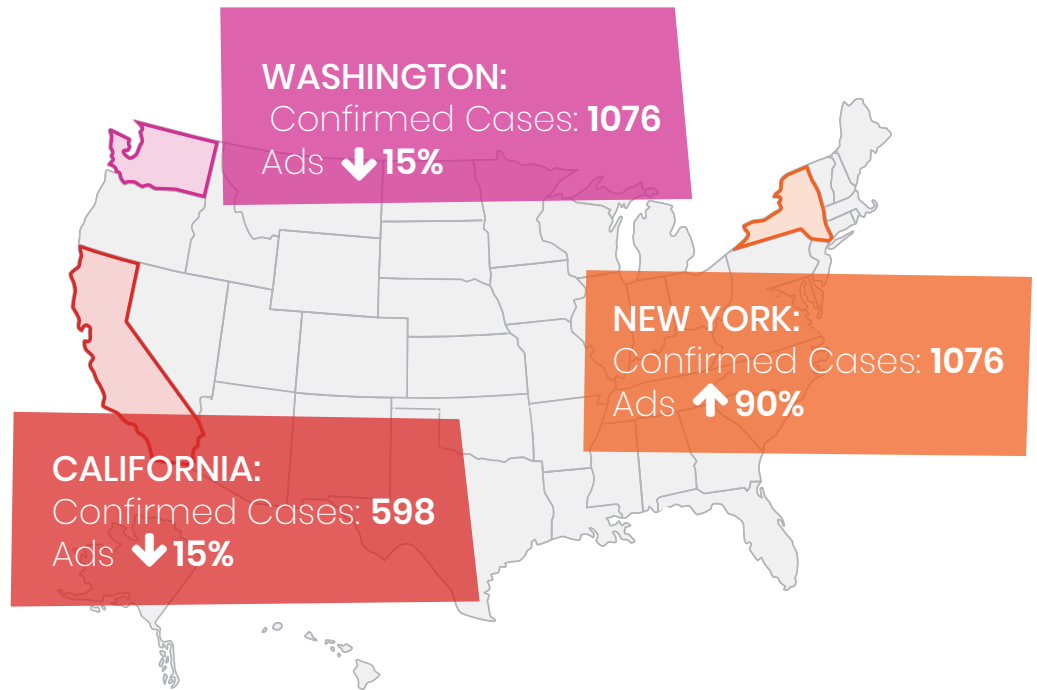
Accordingly, Data from [Pathmatics Explorer](#) shows how advertisers have taken notice of the growing pandemic. As early as December of 2019, we began to see coronavirus-adjacent keywords popup in creatives. While early keyword usage could be attributed to normal flu season marketing, 2020 spikes in Coronavirus, and increasingly, quarantine, show a clear trend.



## Reaching Consumers In A Stay-at-home Economy

As consumers have shifted to consuming digital media from their homes, desktop display and video ads have surged, with consumers seeing nearly 25% more ads on desktop devices since March 7th.

By state, the numbers also vary widely. Of the three states hit the hardest by Coronavirus at time of publication, only one of them—New York State—saw a significant uptick in digital ads.



## Publisher Impact

Among publishers, news sites and Medical resource websites are the biggest early beneficiaries COVID-19 outbreak in terms of ads served. In March, the number of ads served on these sites skyrocketed in comparison with January and February. Sports sites, which have suffered from the swift cancellation of games across disciplines, have seen drops both in traffic and ads served.

*Digital Ads Served In March By Publisher*

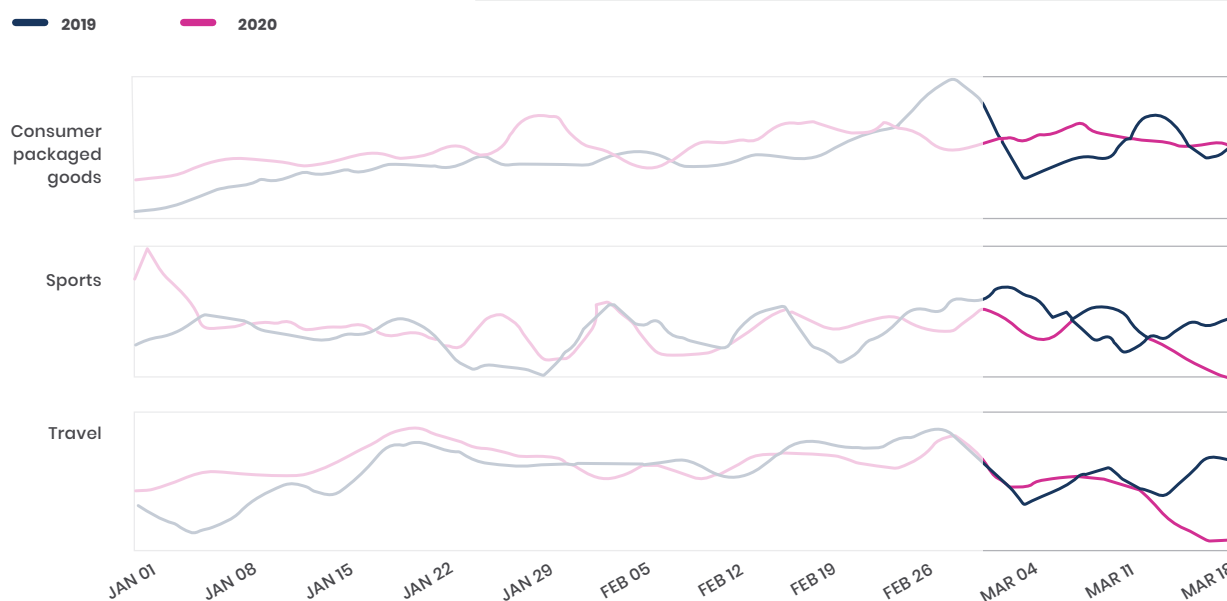
NEWS			
↑	<b>NYTIMES.COM</b> <b>+40%</b>	<b>CNN.COM</b> <b>+90%</b>	<b>FOXNEWS.COM</b> <b>+40%</b>
MEDICAL RESOURCES			
↑	<b>WEBMD.COM</b> <b>+20%</b>	<b>HEALTHLINE.COM</b> <b>+20%</b>	
SPORTS SITES			
↓	<b>ESPN.COM</b> <b>-13%</b>	<b>NBA.COM</b> <b>-35%</b>	<b>SPORTS.YAHOO.COM</b> <b>-27%</b>

# The Advertiser Response

Our research shows that most verticals have kept digital advertising spend consistent through these tough times. But a few key verticals have significantly changed their investment strategy in a response to the COVID-19 outbreak.

When looking at three of the most affected categories, we saw that compared to 2019, CPG spending has remained relatively stable, while sports and travel have both taken significant hits.

## Spend change by category



## Which Industries Were Hit The Hardest?



TRAVEL

↓ 27%



Sports

↓ 25%



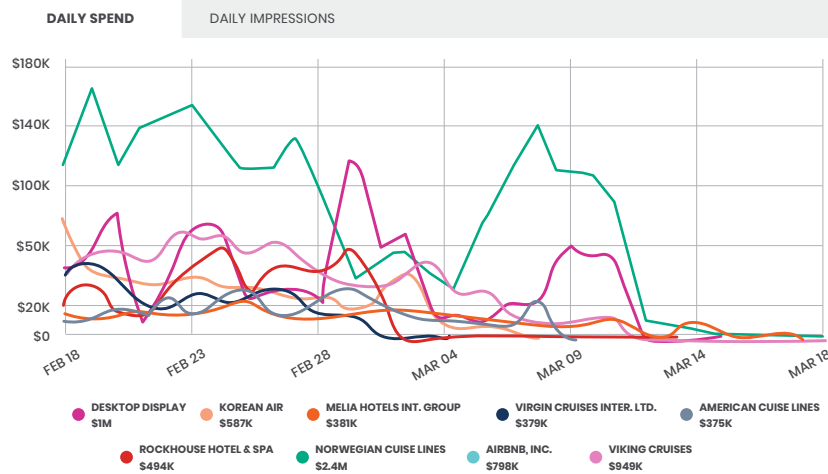
Arts & Entertainment

↓ 26%

## Travel takes a hit

Travel companies have been some of the hardest hit by the virus, due in part to fears of spreading germs and in part to increasing travel bans and shelter in place mandates. As of mid-March, nearly 10 major companies—many of them cruise lines—had pulled digital advertising spend completely.

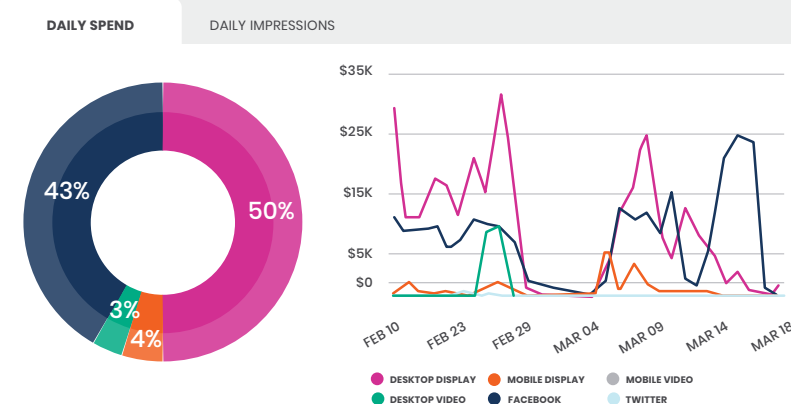
### Advertiser Comparison: Travel



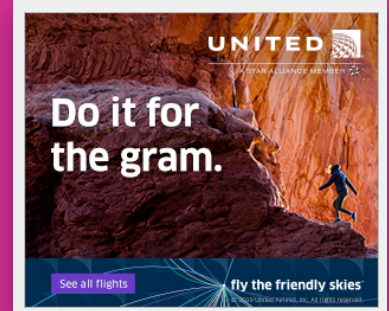
As for airlines, strategies have varied. Korean Air stopped spending completely in early March (as shown above), while United Airlines has taken a different approach entirely.

In early March, United pulled nearly all digital advertising for 4 days, and then, came back with a completely new message touting flexibility.

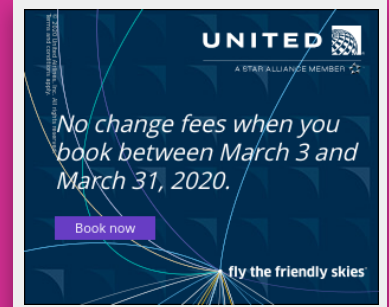
### Overview for United air Lines, Inc.



United ads 1/1/20-2/28/20

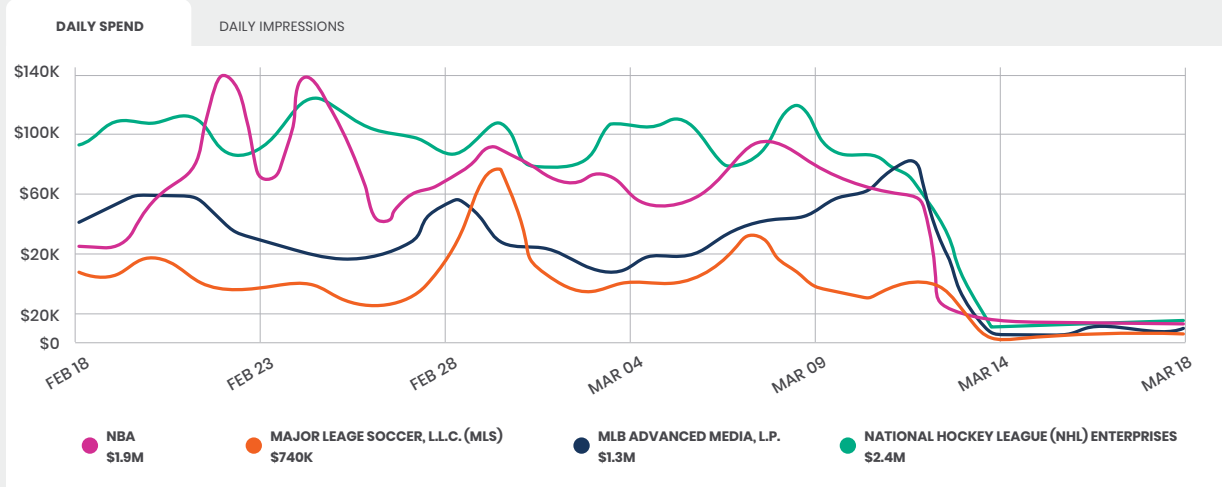


United ads beginning 3/4/20



With NBA, NFL, and MLS seasons cut short, and MLB postponing their season, digital ad budgets have also been halted. Overall, the sports category has seen a decrease of 25% in average daily spend since March 12th (compared to the previous 30 days).

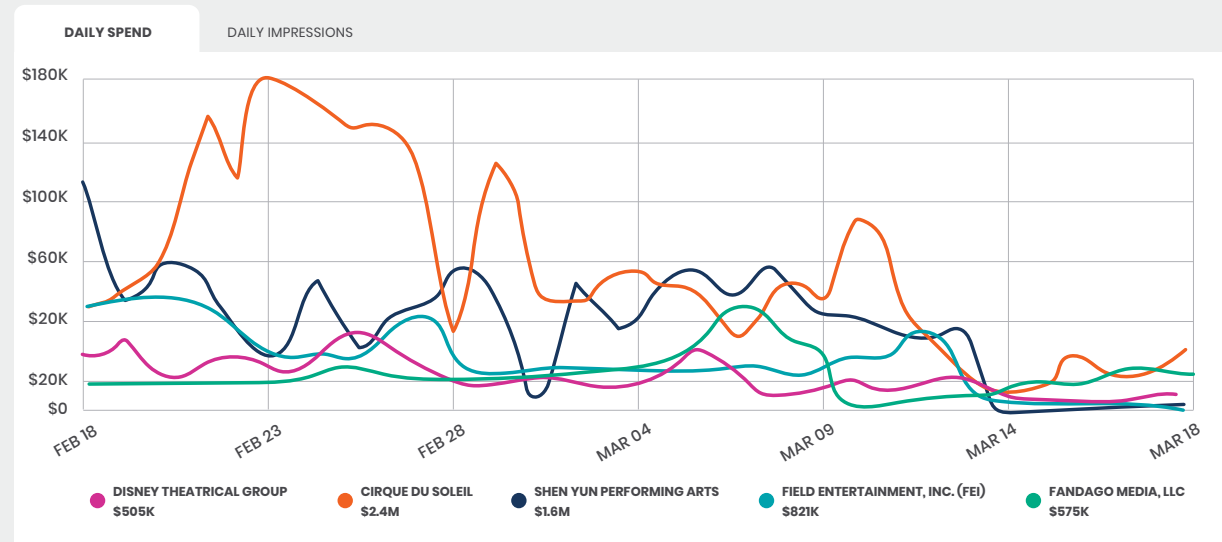
### Advertiser Comparison: Sports



### Lights out on Entertainment

Advertisers with live action performances including Cirque Du Soleil, Shen Yun Performing Arts, and Disney Theatrical Group all had huge drop-offs in spend starting on 3/13. Additionally, as movie theatre closures cause studios to rethink their strategies, many recently released and upcoming movies have cut spending completely.

### Advertiser Comparison: Entertainment



# How Advertisers are Adapting?

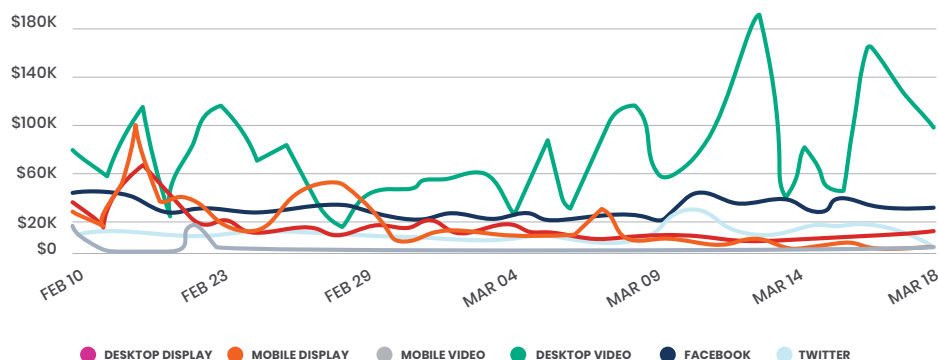
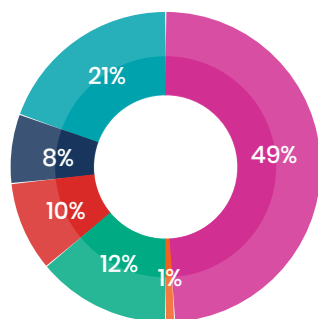
## CPG holds steady

While brands like SC Johnson, Procter and Gamble (P&G) and Clorox have found themselves in a unique position, owning many of the products that are suddenly in high demand, we haven't seen much change from these brands' ad spend overall—with a few exceptions.

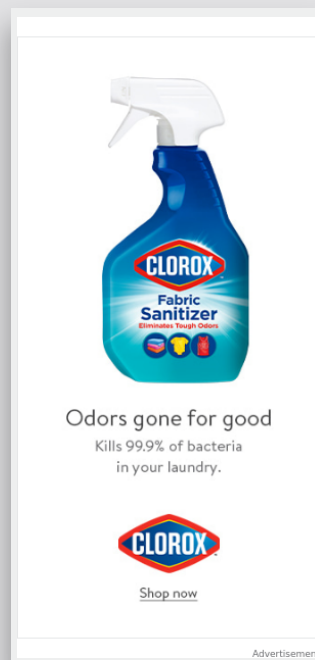
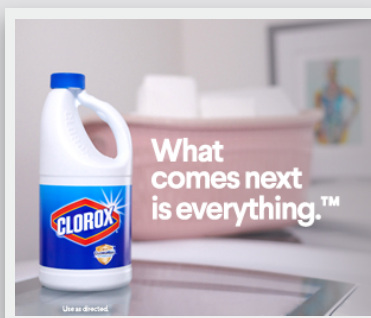
### Overview for The Clorox Company

DAILY SPEND

DAILY IMPRESSIONS

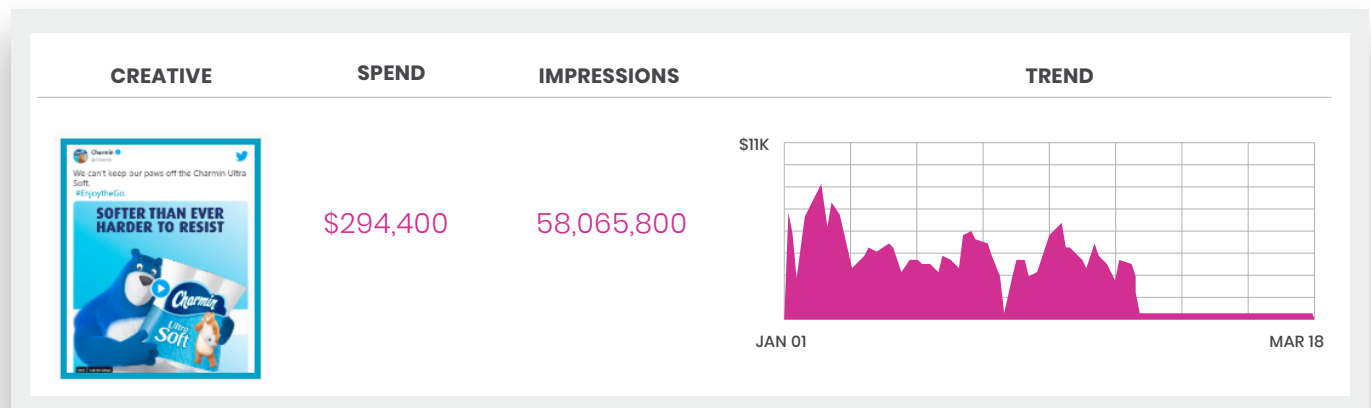


Take The Clorox Company: While we do see significant spikes in spend on March 12 and 16th, their creatives didn't change at all.

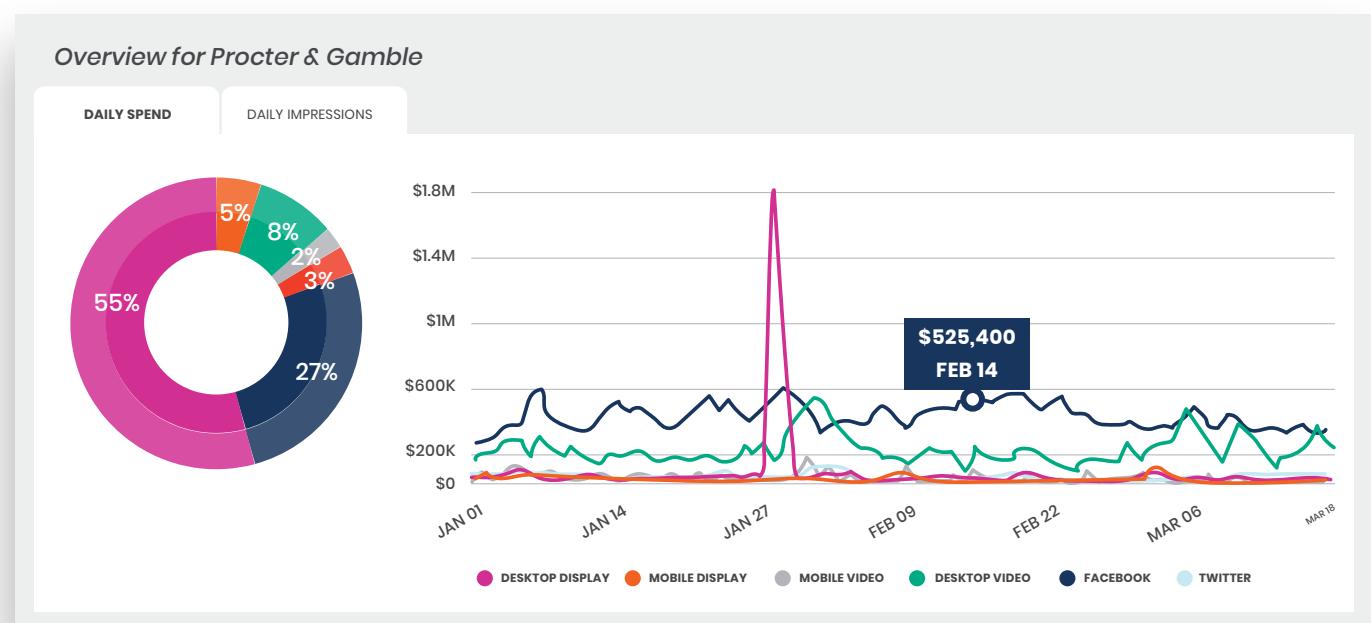




Similarly, P&G has unwittingly hit a gold mine, as droves of people suddenly realized they needed to stock up on Charmin. Interestingly, P&G appears to want no part of this new craze, dropping their spend on Twitter to 0 in recent weeks. No need to advertise for a product that's already flying off the shelves.

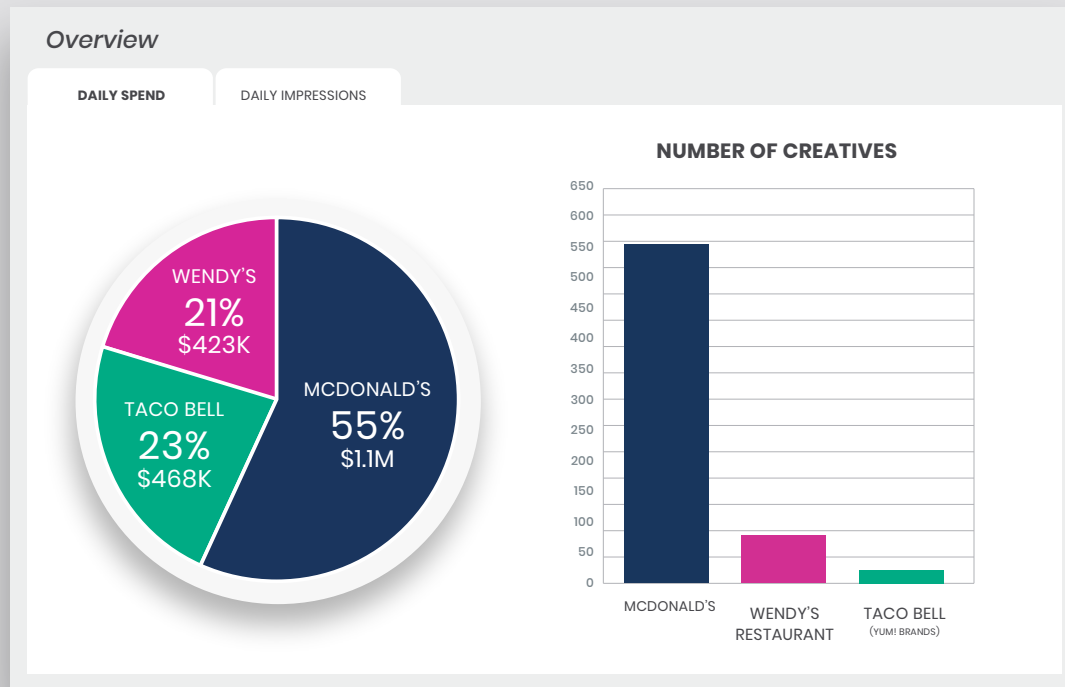


However, P&G's overall spend has remained somewhat constant, with brands like Gillette, Pantene and Dawn Dish Soap holding steady since the beginning of the year.

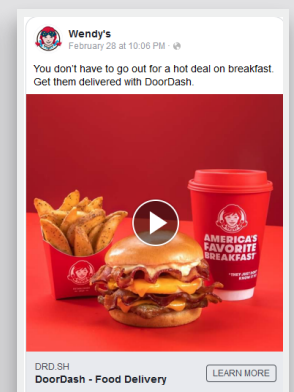
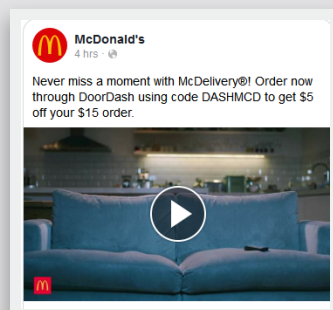


## Fast Food Takes on A Whole New Meaning

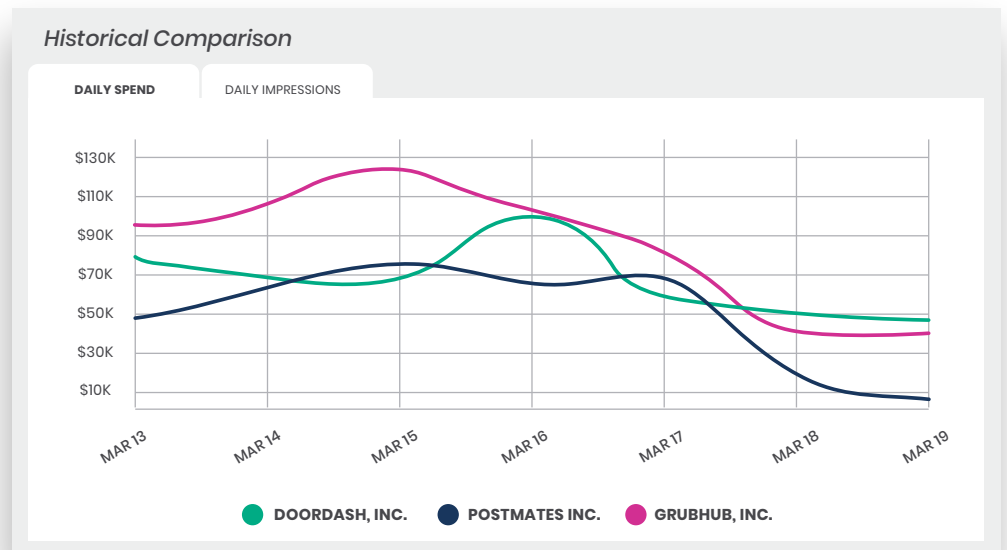
As restaurants are increasingly forced to shift from dine-in to take-out and delivery only, fast-food establishments like McDonalds, Taco Bell, and Wendy's have changed their digital creatives to market their new business models. Since many major city closure announcements on March 15th, the number of creatives released by these companies have spiked, especially with McDonalds.



Creatives themselves have also changed, with McDonalds now touting its “McDelivery”, and Wendy’s “You don’t have to go out for a hot deal on breakfast,” both leveraging cross promotions for DoorDash’s delivery service as well as GrubHub for Taco Bell.

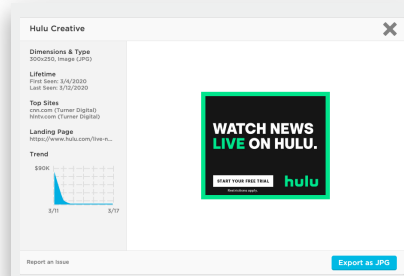
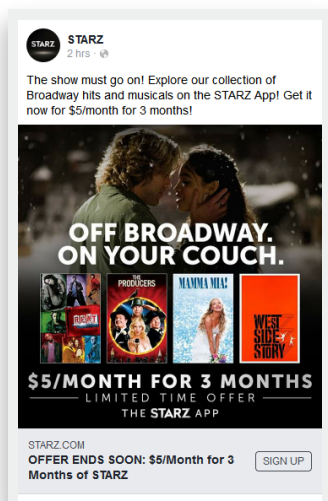
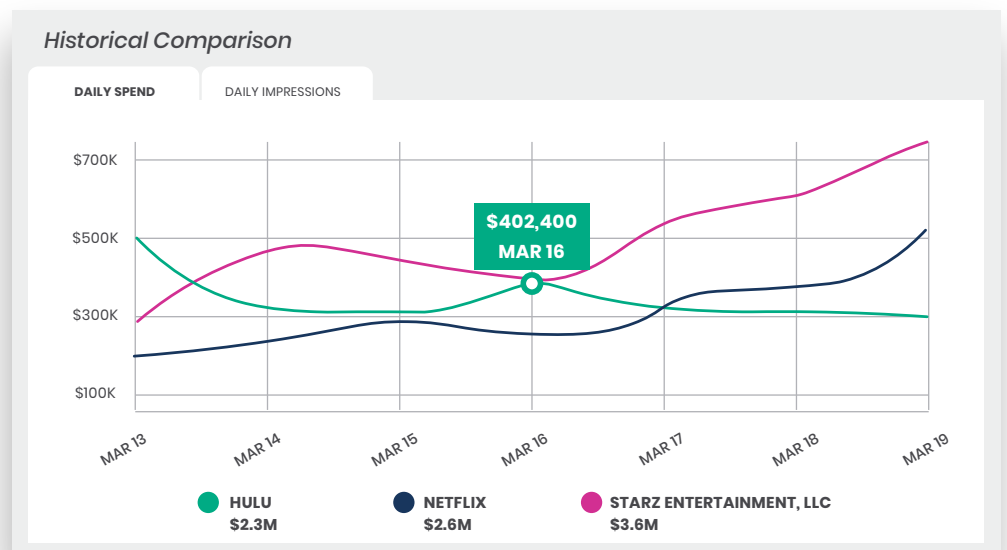


You may have noticed the Grubhub and DoorDash mentions in these creatives. We expected these delivery advertisers to ramp up spending, but if we compare each service in the last 7 days, all have significantly dropped off. The reason - the restaurants are marketing for them.



## Streaming Services Save the Day

Just like Fast Food, Streaming has significantly inflated their ad spend in the last 7 days, prepping for the influx of binge watching that would otherwise only be reserved for weekends and late nights.



Streaming services like Starz and Hulu are markedly releasing new ads, Hulu reminding us we can watch the news through their platform, while Starz trumpets, "The Show Must Go On!"

# What's next for advertising and COVID-19?

As the virus and social distancing become more impactful, we'll get a broader picture of who pulls back and who ramps up. Our only frame of reference is the Spanish Flu outbreak of 1918-19, and let's be honest, that digital ad data isn't the most reliable. :)

What we do know, is that as the news cycle changes, almost hourly, so does consumer and advertiser behavior. And we remain committed to analyzing the data as it happens, to bring you the useful insights you need. So, everyone please stay safe - we're all in this together.

## For more COVID-19 insights:

[Request a free insights report](#)

## About Pathmatics

Pathmatics turns the world's marketing data into actionable insights. As consumption rapidly shifts to digital, media decisions have become complex and opaque. Pathmatics Explorer, the Pathmatics marketing intelligence platform, creates trust and transparency, bringing visibility into the digital ad performance of brands, their competitors, and entire industries across display, social, video, mobile, and native advertising data. Brands and agencies get access to the creative used by all advertisers, spend and impression data, and path from publisher to viewer, empowering them to minimize waste from their budgets, better position their marketing, and predict the next moves of their competitors. Pathmatics data powers Nielsen's digital ad intelligence offering, Kantar Media's Facebook intelligence, and is used by agencies like Mindshare, Mediacom and Possible. Founded in 2011, Pathmatics is headquartered in Santa Monica, California, and backed by Upfront Ventures, BDMI, and Baroda Ventures.

