

Global Ad Trends

COVID-19 One Year On

The lasting impact on media habits [SAMPLE]

WARC
DATA



04/21

COVID-19 One Year On

Long-term changes and opportunities in advertising and consumption across e-commerce, online video, social media, and gaming and esports.

GWI: Attitudes to advertising

Consumer opinion of advertising, digital media, brand safety and data-driven targeting in the UK and the United States.

Latest market intel

Charts and datasets relating to media spend, consumer sentiment and media consumption habits.

Takeaways

1. The disruption from COVID-19 was unprecedented, with digital media being the main winner.

Consumption surged and advertising spend followed, with these media buying trends likely to continue into 2021. A greater focus on agility, innovation and effectiveness is the main lesson for marketers in the long term.

2. E-commerce grew 30x quicker than online advertising and 75% of the consumer's shift to digital groceries will be permanent.

Competition will increase as offline retail recovers and major players like Amazon become more attractive, though flexibility from brands offers new opportunities.

3. Online video is eroding linear TV advertising as platforms like YouTube become more popular and reach more TV devices.

Audiences care more about the content than the delivery platform. Ad-supported video-on-demand has room to grow, while brand integrations on Netflix can reach unique audiences.

4. TikTok was the social media winner of 2020 with user activity doubling and brands upping their investment for 2021.

Entertainment has driven this growth and new social commerce capabilities mean TikTok can help brands shorten the funnel.

5. Gaming and esports audiences grew rapidly last year and are providing brands with a range of creative opportunities.

Esports sponsorship will top \$600m this year while Twitch approaches three million viewers. Gamers prove receptive to advertising, with brands able to engage audiences with everything from celebrity collaborations to mobile branded games.

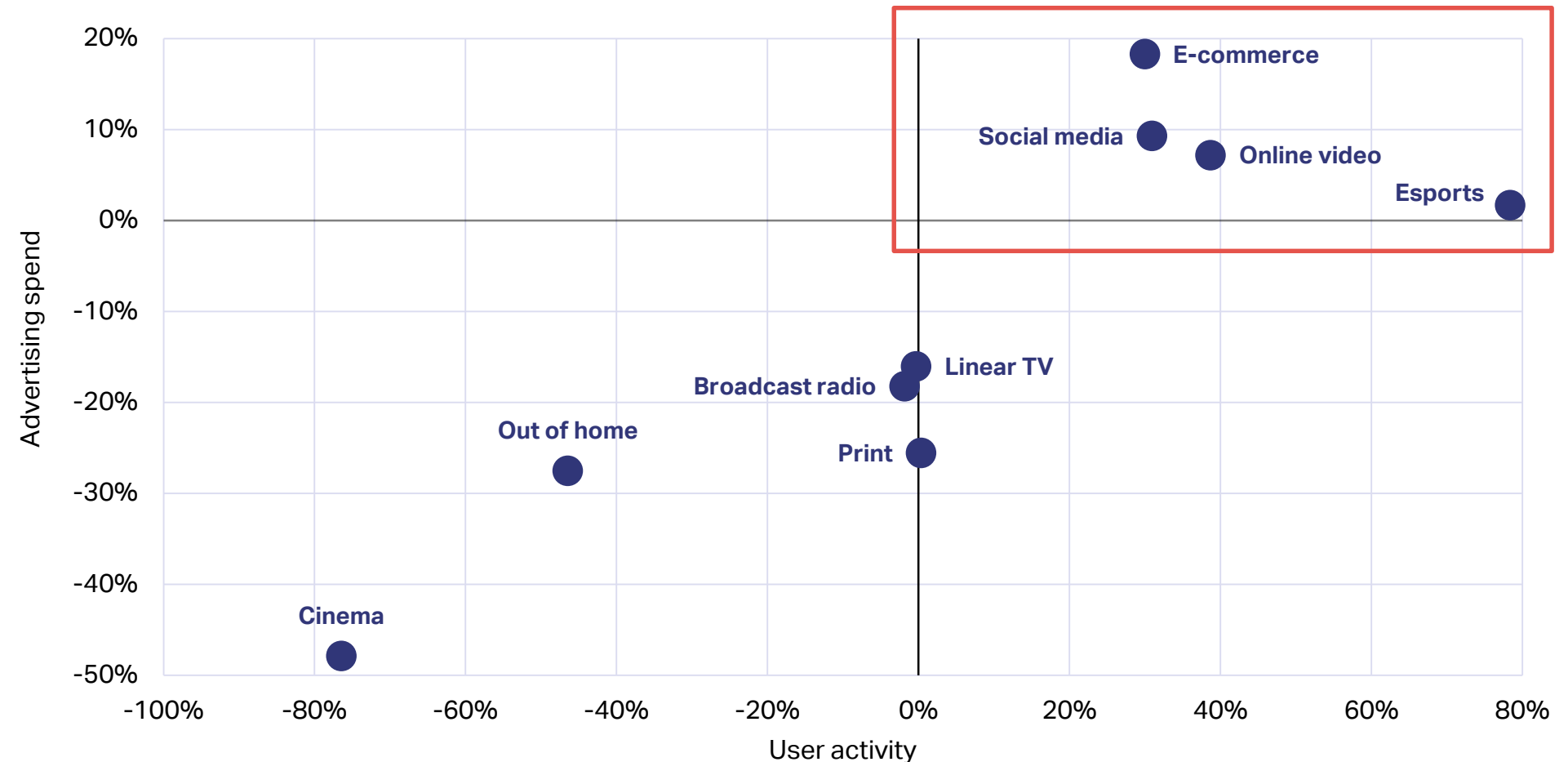
An unprecedented disruption to media

The media disruption from COVID-19 was both rapid and severe, but data suggest that brands were largely able to adapt to the immediate shifts in consumer behaviour. There is a clear correlation between changes in user activity and advertising spend in 2020.

While there was an uptick in consumption for many media during the initial outbreak, this had been nullified within core traditional channels by the second half of the year.

Digital media, however, have proven more attractive, and the dynamics explored in this report suggest this is likely to continue in response to newly formed consumer appetites.

Global, Year-on-year % change in user activity and advertising spend in 2020



Note: User activity is time spent per user, out-of-home audience or cinema admissions.

SOURCE: WARC Data, GWI, App Annie, Comscore, MPA, European Audiovisual Observatory, JCDecaux, Stream Hatchet, Newzoo

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E-commerce

**\$900bn more was spent at online retailers
last year, and the competition is heating up**

E-commerce activity reaches new heights

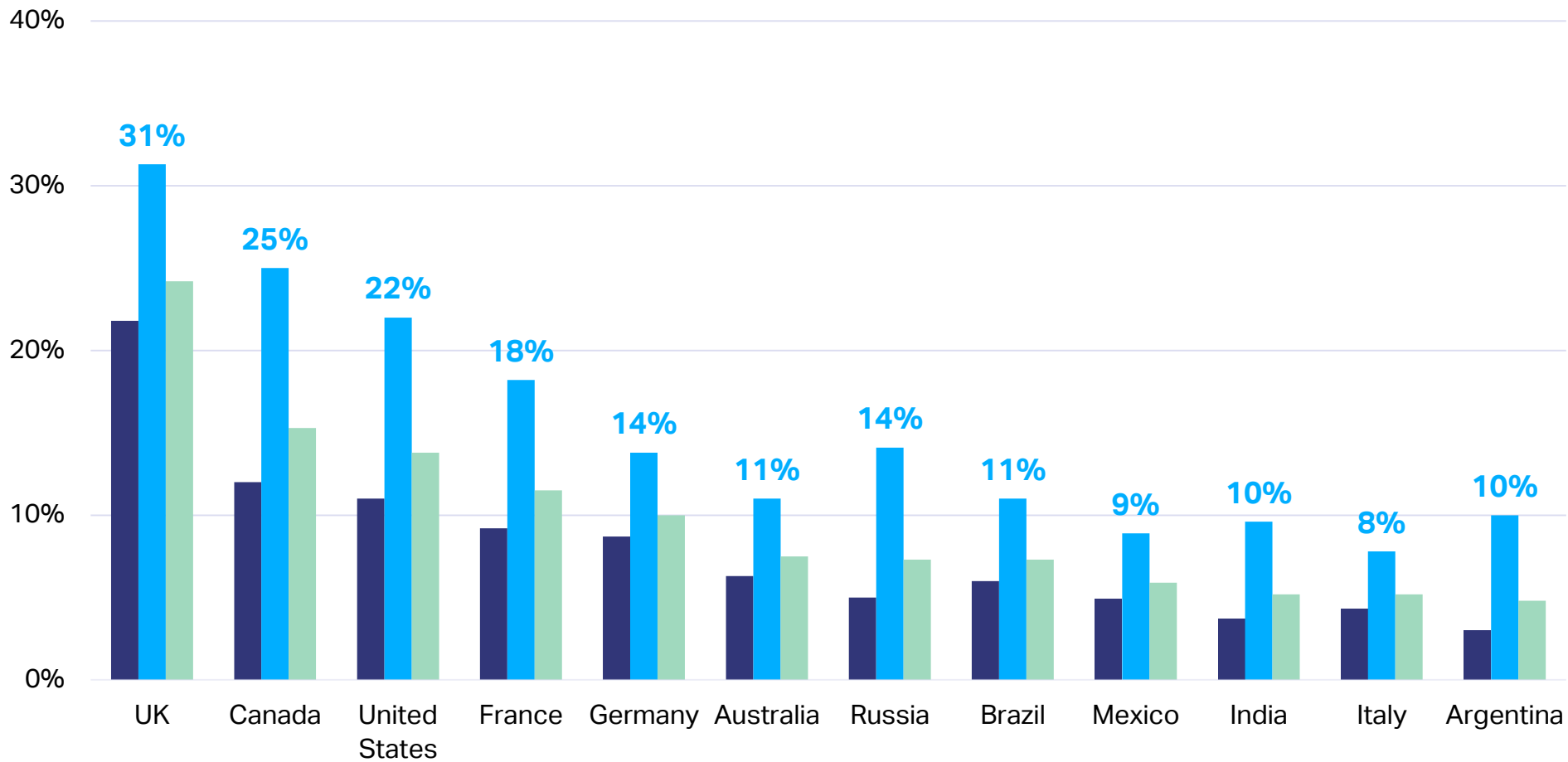
The initial shift to shopping online was rapid, with its share of retail sales doubling in major markets like the United States, India and France. While this has dipped from the initial peak, a long-term shift to online shopping has begun.

Each category will feel this differently, though. While some, like [automotive](#), are less suited to online buying, others are experiencing a fundamental shift – 75% of the digital shift to grocery will be permanent.

Regardless of the category, [WARC research](#) shows that improving the online customer experience is the most common strategy from brands this year.

Global, E-commerce’s % share of retail

Pre-crisis Peak of crisis Expected permanent shift



SOURCE: Mastercard Economics Institute

Online video

**Linear TV advertising drops \$34bn as
YouTube, social video and brand integrations
prove popular**

YouTube consumption expands and shifts to the TV

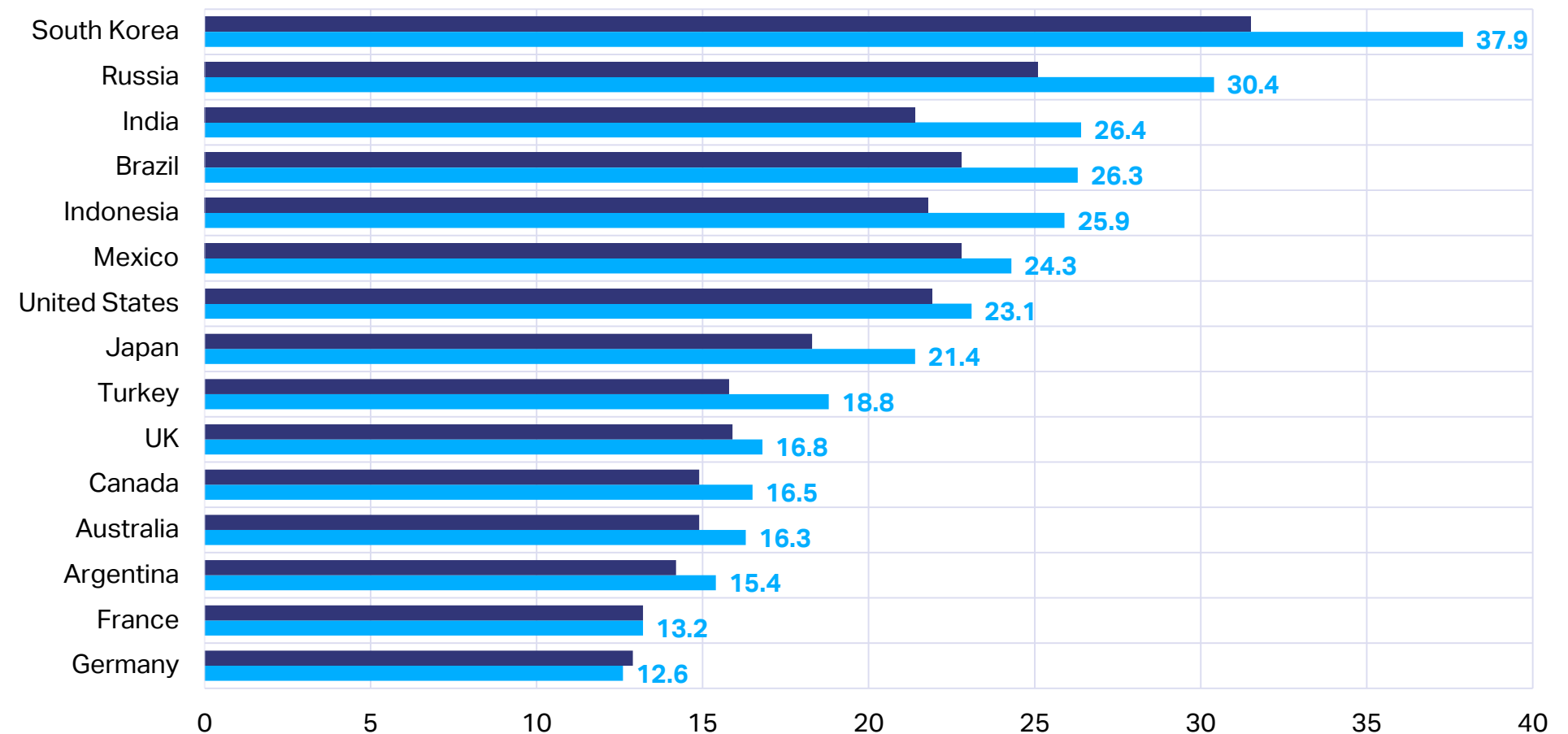
YouTube mobile consumption grew strongly last year and audiences now watch over 20 hours of content each month.

Connected TVs are also surging and now account for over [a quarter](#) of all viewing. This means YouTube is increasingly a [mix of](#) lean-in consumption combined with the potential for mass reach, posing a direct challenge to linear TV activity.

A [growing emphasis](#) on live and short-form video will likely attract bigger audiences and higher consumption in the future. Shoppable video will also be a [key theme](#) for 2021.

Global, YouTube mobile consumption, average monthly hours spent

■ 2019 ■ 2020



Note: YouTube is the most used video streaming app across all 15 markets. Analysis only covers Android devices.

SOURCE: [App Annie](#)

Social media

TikTok was the social winner of 2020 – user activity doubled and brands are upping their investment

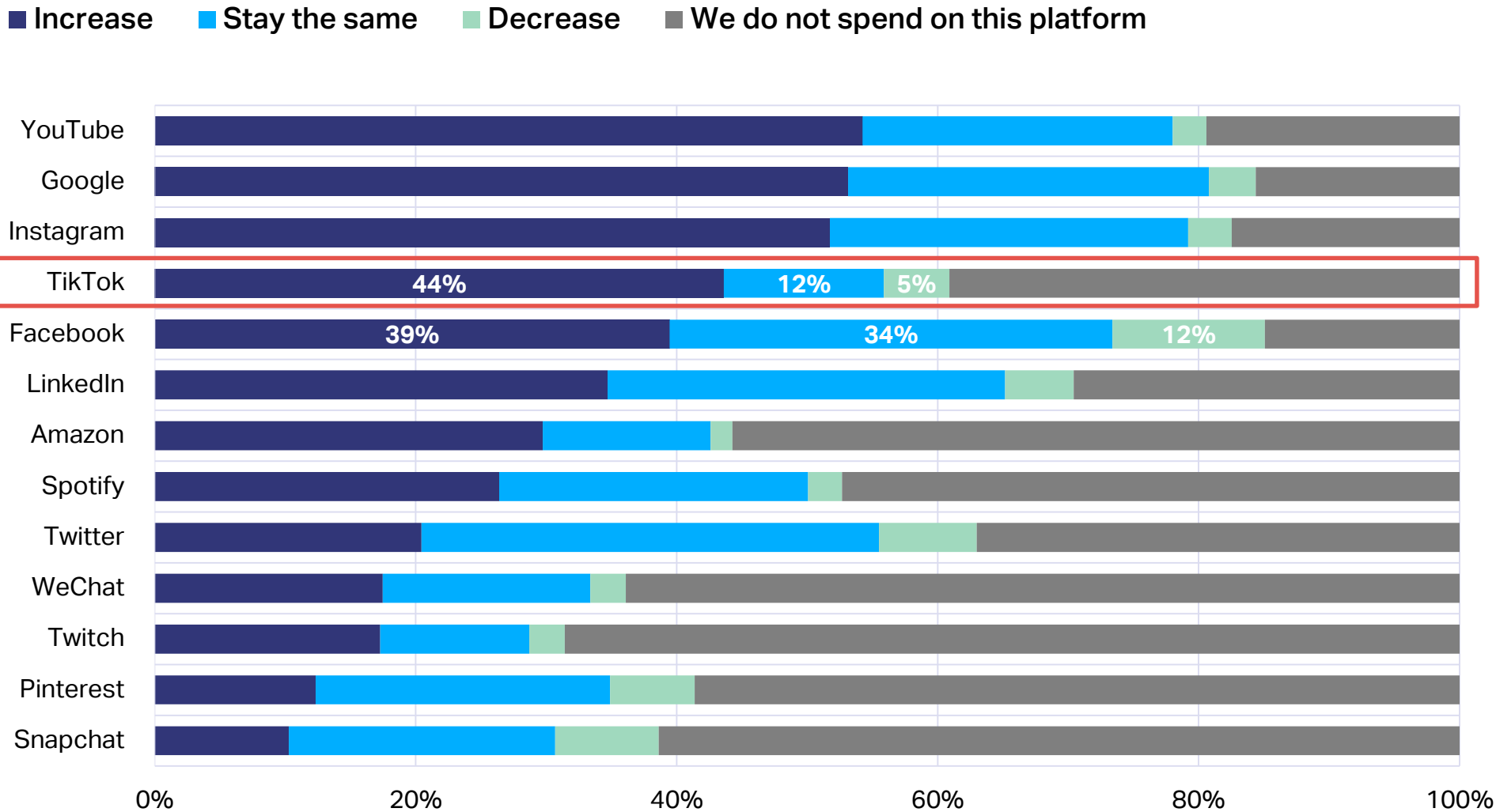
TikTok pulls ahead of Facebook in 2021 budget plans

WARC Data forecasts social advertising spend to grow by double digits this year and Instagram and TikTok will be two of the main beneficiaries.

Instagram’s focus on inspiration and TikTok’s emphasis on creativity has attracted brands, particularly in contrast to the more information-driven Facebook. Having a clear role in popular culture also means TikTok has overtaken Facebook on influencer campaigns.

Organic and more spontaneous content has also been successful on TikTok, with brands engaging with audiences and going viral.

Global, Digital advertising budgets in 2021, % of marketers



Note: Based on a survey of over 1,000 client- and agency-side marketing executives around the world.
SOURCE: WARC Marketer's Toolkit 2021

Gaming and esports

Brands tap into sponsorship, mobile creative and celebrity collaborations as audiences expand

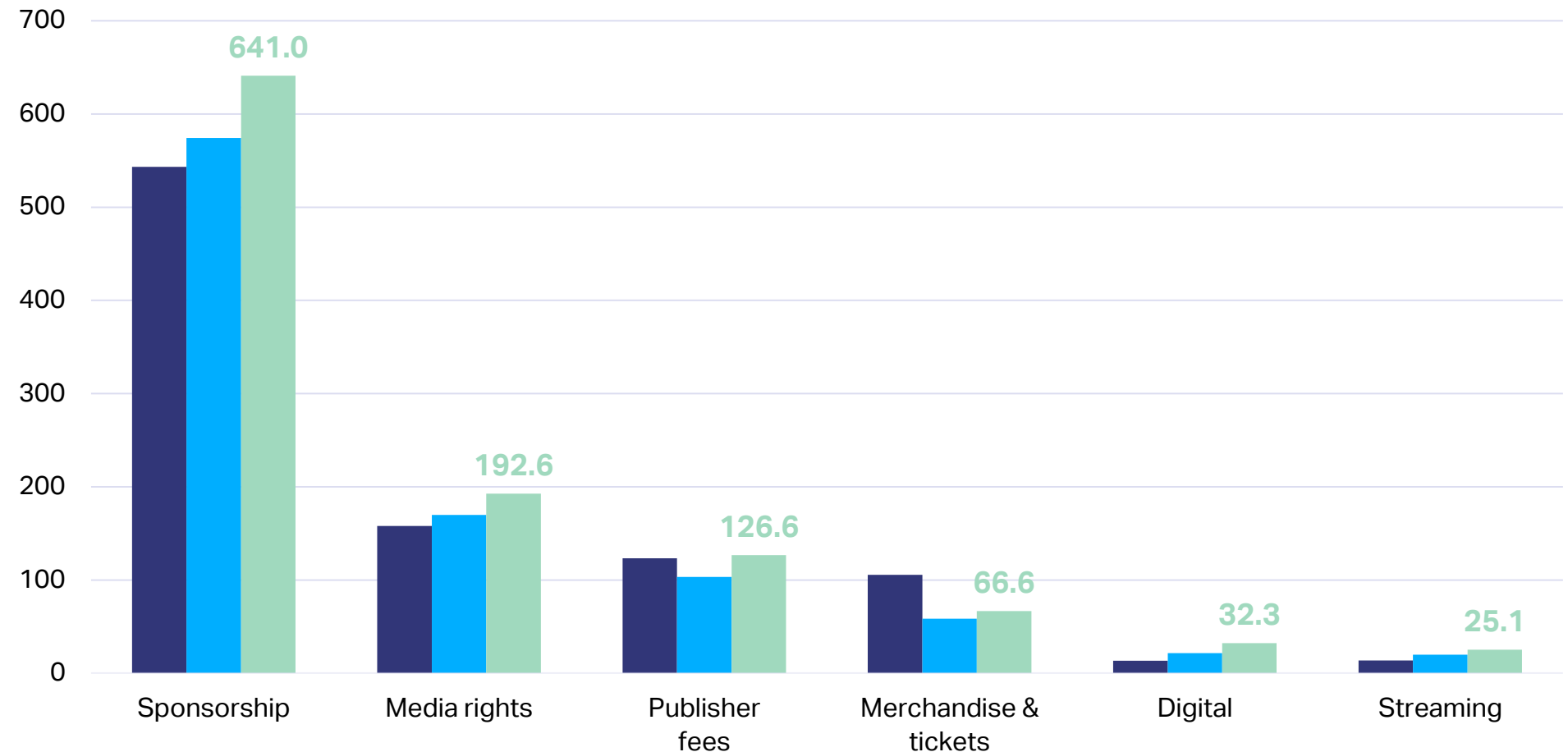
Esports sponsorship grows but some brands are unconvinced

Engaged audiences, rising consumption and cancelled traditional sports have made esports an attractive channel for brands. Sponsorship has proven particularly popular as esports offers collaborations not available in traditional sport disciplines.

However, a third of brands say gaming and esports is not an area of greater focus in 2021. This is likely a result of multiple factors including a lack of standardised measurement, concerns around brand safety and a greater focus on more familiar channels that have a proven sales impact.

Global, Esports revenue by segment, US\$ millions

■ 2019 ■ 2020 ■ 2021(f)



SOURCE: Newzoo

Global Ad Trends

Attitudes to advertising

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Consumer opinion of advertising, digital media,
brand safety and data-driven targeting

In collaboration with **GW**I.



Takeaways

1. The latest survey data from [GWI](#) in the UK and US show that younger audiences want to connect with advertising on an emotional level. Older audiences look for product information, though brands can stand out with emotive messaging that dispels age stereotypes.

2. TV delivers more favourable advertising, with social media campaigns often called 'excessive' or 'intrusive'. Television also performs better even among audiences who actively avoid advertising.

3. Brands need a new social strategy for older consumers. Older audiences are engaging with online media more than ever before, but they are also significantly more likely to view social advertising negatively.

4. Younger audiences are easily distracted online. One in two say they regularly switch between multiple smartphone apps. This means brands only have a short amount of time to deliver entertaining campaigns – they must cut through, otherwise the audience will move on.

5. Too many ads has the greatest impact on brand sentiment. Ads that block content, are irrelevant or next to inappropriate content are also highly damaging. A rising focus on advertising in quality contexts will help avoid this.

6. Data-rich audiences are turned off by targeting. The largest consumers of digital media are most resistant to targeted advertising, undermining one of the main benefits of digital TV and audio campaigns.

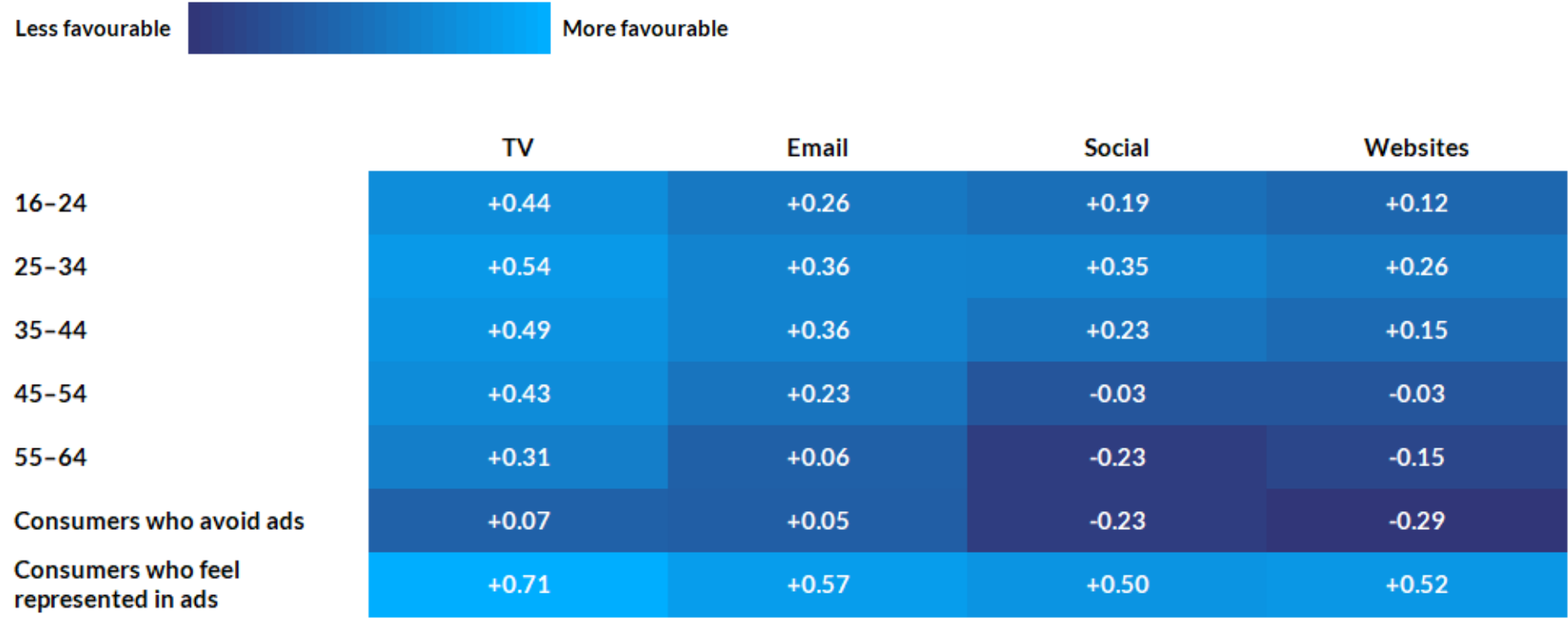
TV delivers more favourable advertising

TV is described more favourably than digital advertising across all age groups and even among those who avoid advertising.

Although social advertising spend is growing rapidly, it is most often described as 'excessive' or 'intrusive'. Audiences also question how much they can trust social media advertising. TV ads, in contrast, attract the more positive adjectives of 'entertaining' or 'informative'.

Reach and ad quality are the most important drivers of return on investment, both factors that TV can lead on.

UK and US, Describing ads on each medium, average score of favourability



Note: Based on a survey of internet users aged 16-64 in the UK (n=2,000) and US (n=2,013), February 2021.
SOURCE: GWJ

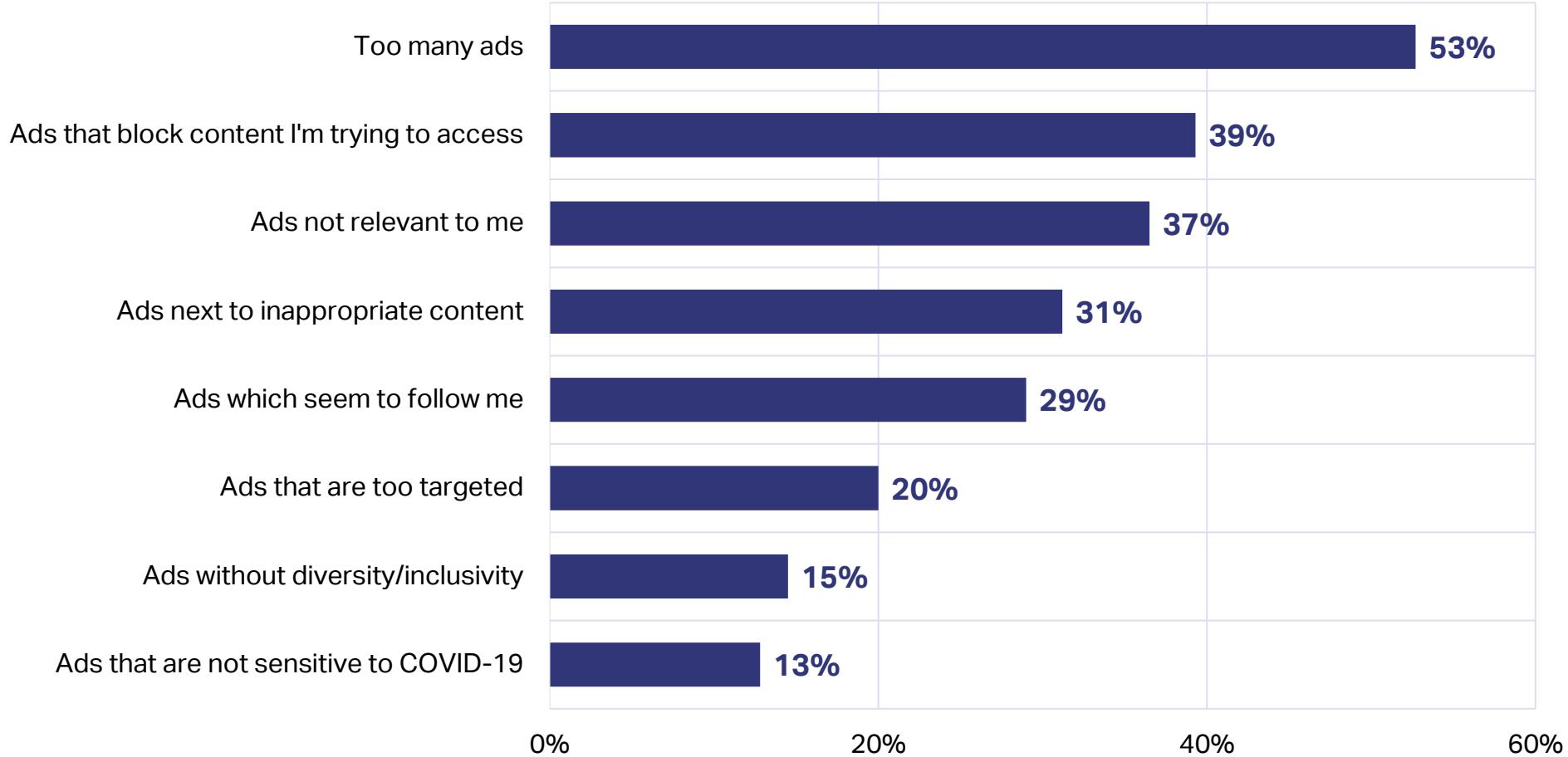
Excessive frequency risks brand damage

Brand safety concerns often focus on inappropriate content, but it is an excessive number of ads that is most damaging for brands.

This can be difficult for marketers to manage, though. The growing number of channels used by consumers has made cross-media measurement vital, but far from straightforward.

Ads that block content, are not relevant or next to inappropriate content are also highly damaging for brands. A growing emphasis on advertising in quality contexts should go some way in helping marketers avoid this potential damage.

UK and US, Would negatively impact your view of a brand, % of online audience



Note: Based on a survey of internet users aged 16–64 in the UK (n=2,000) and US (n=2,013), February 2021.
SOURCE: GWJ



About GWI

GWI (formerly GlobalWebIndex) is a target audience company that provides consumer insight across 47 countries to the world's leading brands, communication agencies and media organisations.

The company runs a global survey representing more than two billion connected consumers, which offers up over 40,000 data points on the behaviours and perceptions of internet users around the world.

Using the subscription-based platform, clients including Twitter, Google, Spotify, WPP, IPG and Omnicom Group can gather in-depth insights into audience

behaviours, attitudes and interests through a combination of survey data and analytics.

Among a range of leading data products available alongside its flagship survey are its B2B dataset, GWI Work, which analyses professionals across 10 global markets, and its TV reach and frequency solution, which enables advertisers to target previously untapped audiences.

Its newest dataset launched in July 2020, GWI USA, responded to the increasing demand for more relevant and timely insight into the modern American consumer.

Representing over 240 million people across all 50 states, the study tracks new and emerging trends not typically covered by traditional market research providers, including key questions around cultural identity, race and ethnicity.

Global Ad Trends

Latest market intel

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Global



Note: Value above 50 is growth, below 50 is decline. Larger/smaller values signal severity. Media breakdown is change in marketing budgets.

SOURCE: WARC Data, [Global Marketing Index](#)

Spotify edges ahead of Apple Podcasts in downloads
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Coca-Cola cuts ad budgets by a third, spends less than PepsiCo
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Over half of adults feel comfortable buying medications online
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Uncertainty means limited rebound for content-led advertising in 2021
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China and digital are Nike's redeemer as marketing budgets are slashed
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Structural factors like brand size and budget have greatest influence on ROI
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Two in three adults prefer digital finance services
[read more](#)

Airbnb cuts performance marketing by \$541m
[read more](#)

Americas



Note: Value above 50 is growth, below 50 is decline. Larger/smaller values signal severity. Media breakdown is change in marketing budgets.

SOURCE: WARC Data, [Global Marketing Index](#)

80% of postponed major purchases to be made within one year

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Growth in marketing staff accelerates in March

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Half of Mexican adults say they are engaging with social advertising more

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Traditional sports more popular than esports among older gamers

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More than 60% of Brazilian consumers will spend more online than in store

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Podcast listeners more diverse than US population

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Americans comfortable going on vacation reaches new high

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Digital health proves popular as marketers plan 2021 strategies

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Asia Pacific



Note: Value above 50 is growth, below 50 is decline. Larger/smaller values signal severity. Media breakdown is change in marketing budgets.

SOURCE: WARC Data, [Global Marketing Index](#)

Half of over 55s in Southeast Asia are gamers
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Australian consumers want brands to be responsive and responsible
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Four in five South Koreans will spend more online than in store this year
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Indian consumers prefer brands that are eco-friendly and listen to feedback
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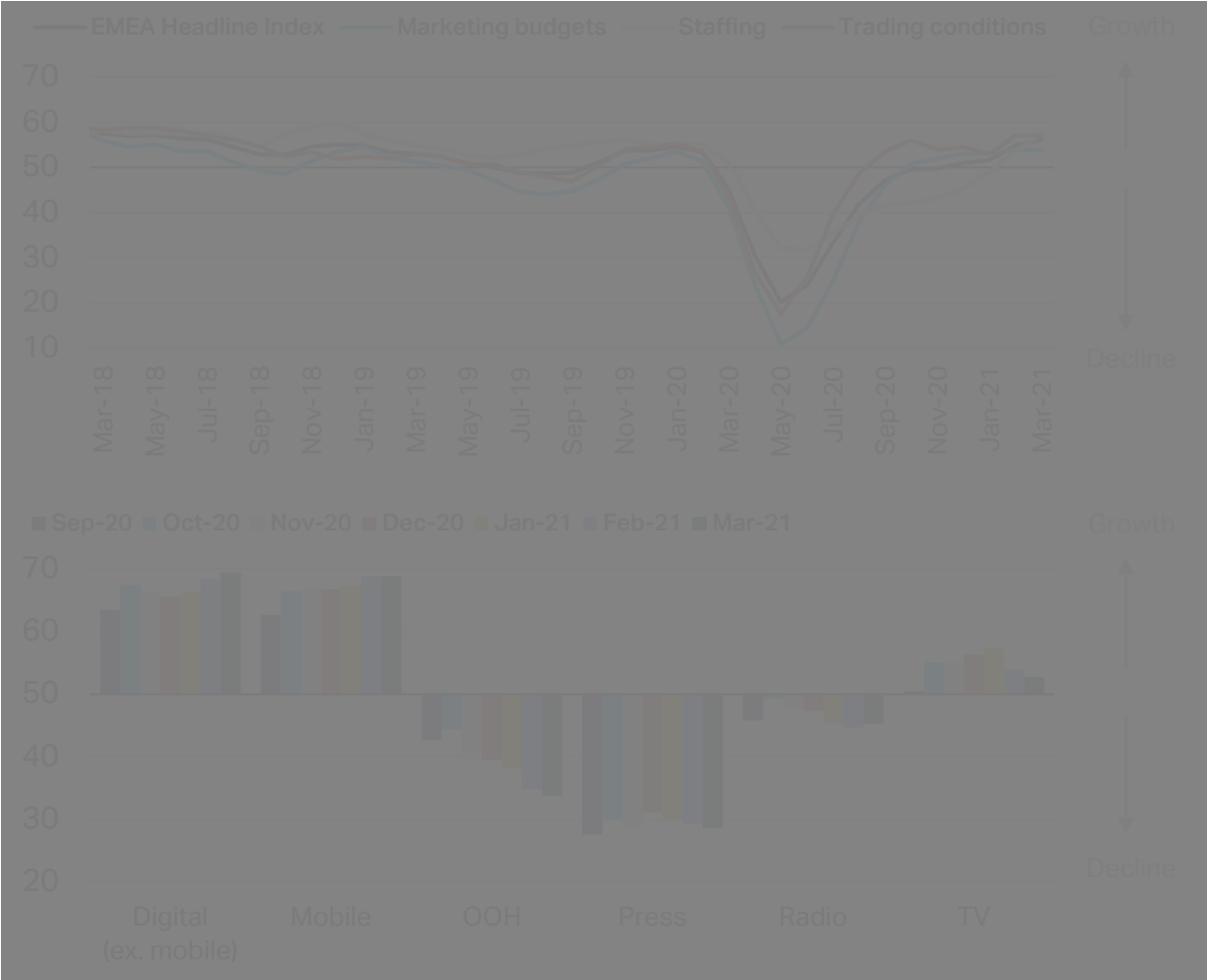
Social media advertising most trusted in India
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Tencent advertising revenue tops ¥24bn, driven by social growth
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Subscription services see quickest growth in China and Australia
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Three-fifths of Southeast Asians use social networks to learn more about brands and products
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EMEA



Note: Value above 50 is growth, below 50 is decline. Larger/smaller values signal severity. Media breakdown is change in marketing budgets.

SOURCE: WARC Data, [Global Marketing Index](#)

One in three young adults in UK prefers brands with a sonic identity

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More than 80% of Turkish consumers will spend more online than in store

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Digital finance services prove most popular in Poland and Spain

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Half of UAE adults are engaging with social media advertising more

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Disney+ attracted most new subscribers in 2020

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8% of direct mail items lead to a website visit

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Two in three Swedish adults are comfortable buying medications online

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Subscription services see strong growth in Spain, Italy and the Netherlands

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