

Simplifi Advertising Trends Throughout COVID-19

July 2020

Introduction

The impact of COVID-19 has been significant, altering our everyday lives and presenting unprecedented challenges for many businesses.

The overall advertising industry has felt the effects of the pandemic, as 75% of advertisers in the U.S. opted to pause their campaigns in mid-March to determine how to navigate through these uncertain times ([IAB](#)). Brands began changing their messaging to resonate with the challenges that consumers are facing. Many advertisers pivoted their advertising strategies to utilize solutions like OTT/CTV advertising, as 57% of consumers have increased their online streaming time ([ZDNet](#)). Marketers across the country have remained agile to continue to reach their customers despite numerous challenges.

At Simplifi, we wanted to help advertisers understand how different industries have been impacted by COVID-19. We took a deep dive into our data and analytics from thousands of advertisers. Below is a look at how advertisers across top-performing industries have adapted from the initial shutdown to the gradual reopening of businesses.

Simplifi Platform-Level Data

We pulled data from March 9, 2020 through the end of June 2020 to look at the timeframe from when shelter-in-place orders began to take effect to the eventual reopening of certain cities and states.

We analyzed these top-performing industries:

- Healthcare
- Food & Beverages
- Education
- Home & Garden
- Finance
- Real Estate
- Automotive
- Attorneys & Legal
- Arts & Entertainment

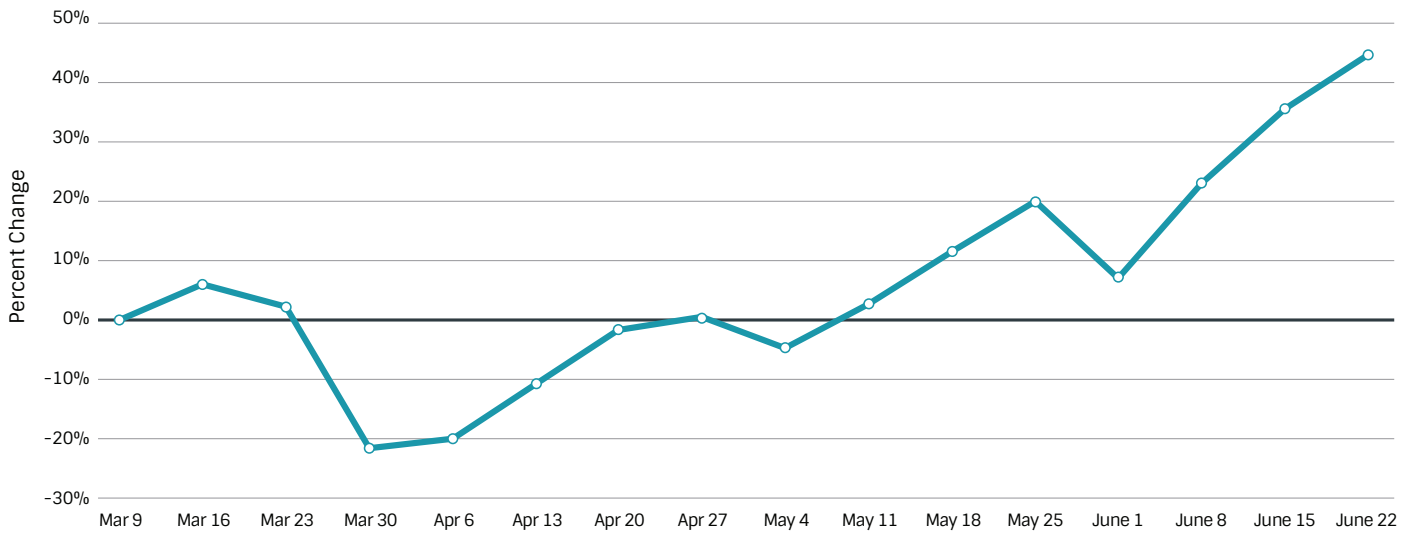
Overall, spend for most industries declined in mid-March as consumers began sheltering in place. It then increased in April as businesses adapted to new consumer behaviors and reopening plans. Depending on the nature of the industry, some industries have seen consistent growth rates since March, while others have been slower to recover.

Advertisers in all industries turned to [Addressable Geo-Fencing](#) and [OTT/CTV](#) advertising in order to reach consumers at the right place and right time. Faced with limited advertising budgets, advertisers needed to ensure they were reaching their ideal audience with minimal wasted impressions. To achieve their goals, they also layered multiple targeting tactics to help narrow in on interested consumers.

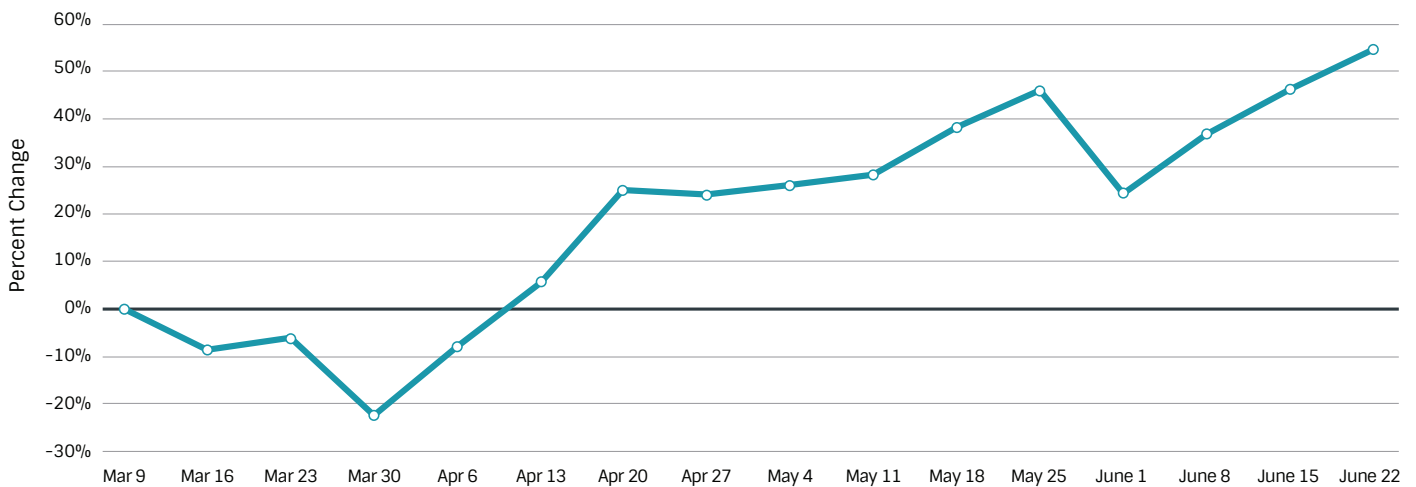
Healthcare

Healthcare has been top of mind for consumers as they looked to stay informed about the ongoing health crisis. Initially, advertisers decreased their spending as stay-at-home orders went into effect in mid-March, but increased spending by 44.8% at the end of June compared to the beginning of social distancing. In addition, the weekly spend increased in late June by 54.2% compared to pre-pandemic spend.

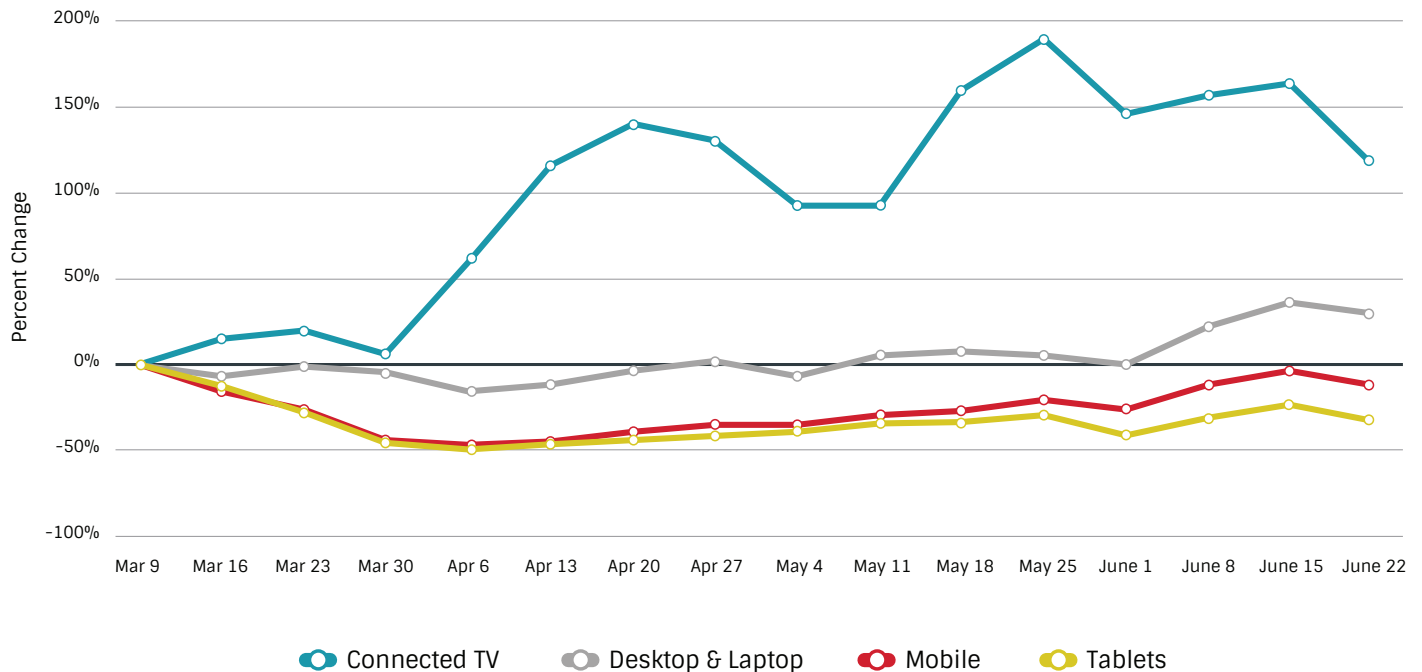
Healthcare: Percent Change in Overall Spend



Healthcare: Percent Change in Weekly Average Campaign Spend



Healthcare: Percent Change in Device Type Spend



Healthcare: Insights and Trends

Addressable Geo-Fencing: With more consumers homebound, healthcare advertisers utilized Addressable Geo-Fencing to target their audience at a household-level. Spend on Addressable Geo-Fencing rose as social distancing continued, increasing by 99.7% in mid-June compared to spend in mid-March as states reopened their economies.

OTT/CTV Advertising: As online streaming time rose due to more people staying at home, healthcare advertisers were quick to target streaming devices. OTT/CTV advertising spend increased from March, peaking at a 189.4% increase by the end of May and continuing to exceed 100% growth at the end of June.

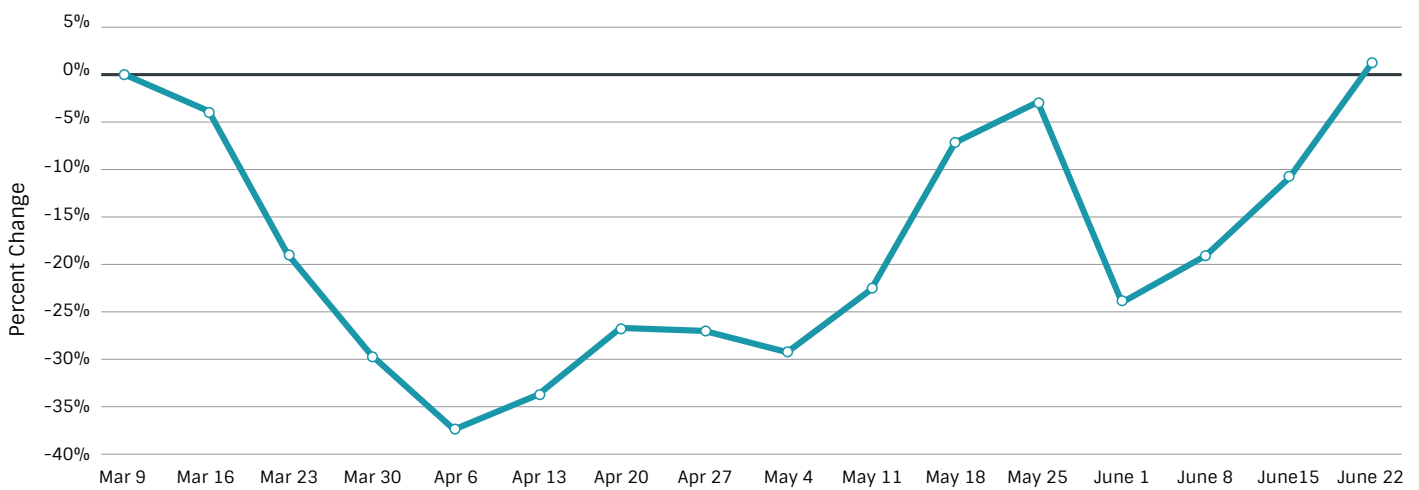
Site and Search Retargeting: Advertisers began increasing spend on search and site retargeting to reach consumers who have been looking for information on healthcare. Search retargeting steadily increased throughout May and reached a 9.1% increase in mid-June compared to pre-pandemic spend. **Site retargeting** declined in late March, but rose by 79.5% in mid-June as more consumers looked to stay informed about COVID-19 as states reopened.

Device Types: Despite taking a dip in spending in late March, advertisers continued to allocate most of their spend on OTT/CTV advertising. Advertisers also saw an opportunity in desktops, and increased spending by 31.2% in mid-June compared to mid-March.

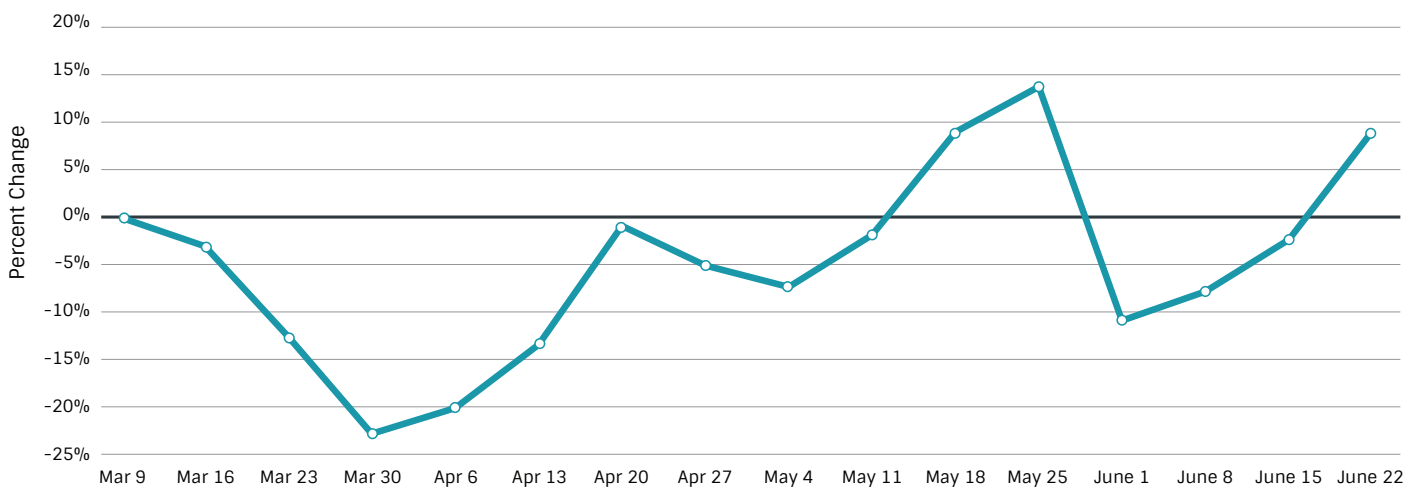
Home & Garden

As consumers' time at home increased, so did the number of home projects. There was initially a decline in spending at the beginning of social distancing. However, as states extended stay-at-home orders in early April, advertisers saw an opportunity to reach consumers who showed interest in home improvement projects. The overall spend increased by 0.9%, the first positive growth since the beginning of the pandemic, at the end of June compared to spend in mid-March. Weekly average spending began to increase every week in May, and was 8.63% higher than pre-pandemic spend by end of June.

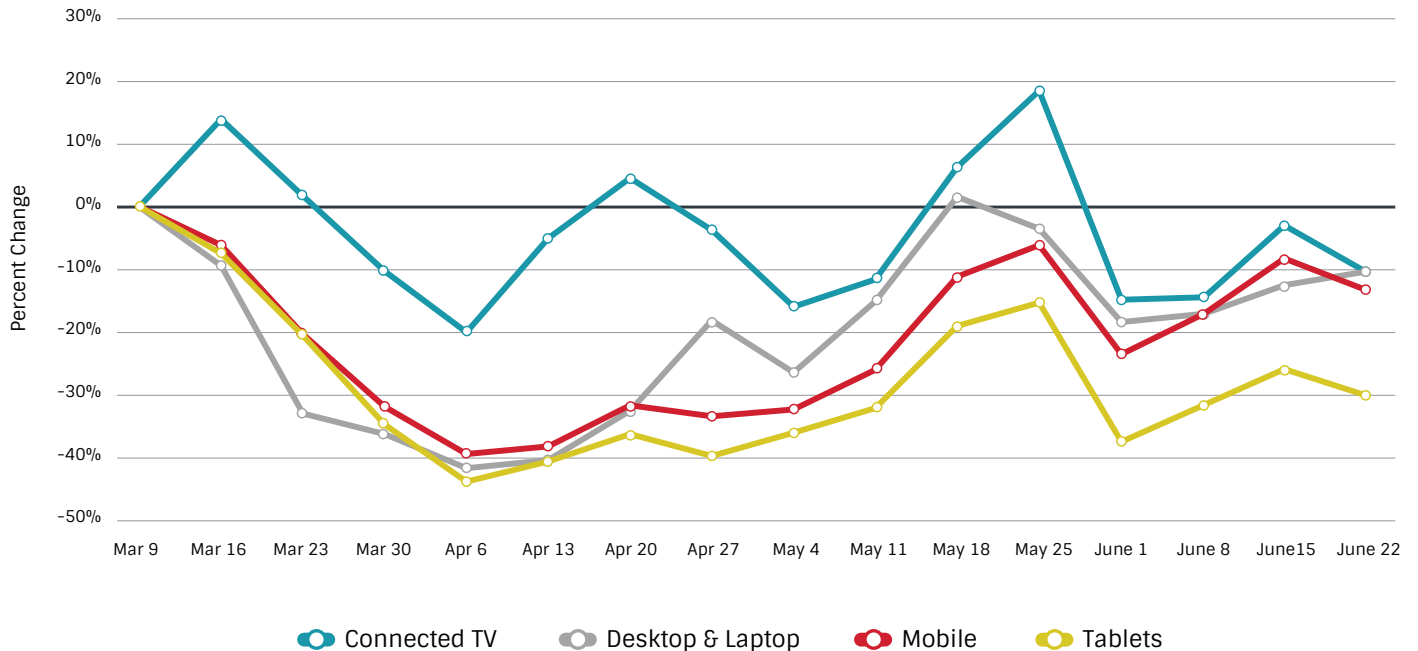
Home & Garden: Percent Change in Overall Spending



Home & Garden: Percent Change in Weekly Average Campaign Spend



Home & Garden: Percent Change in Device Type Spend



Home & Garden: Insights and Trends

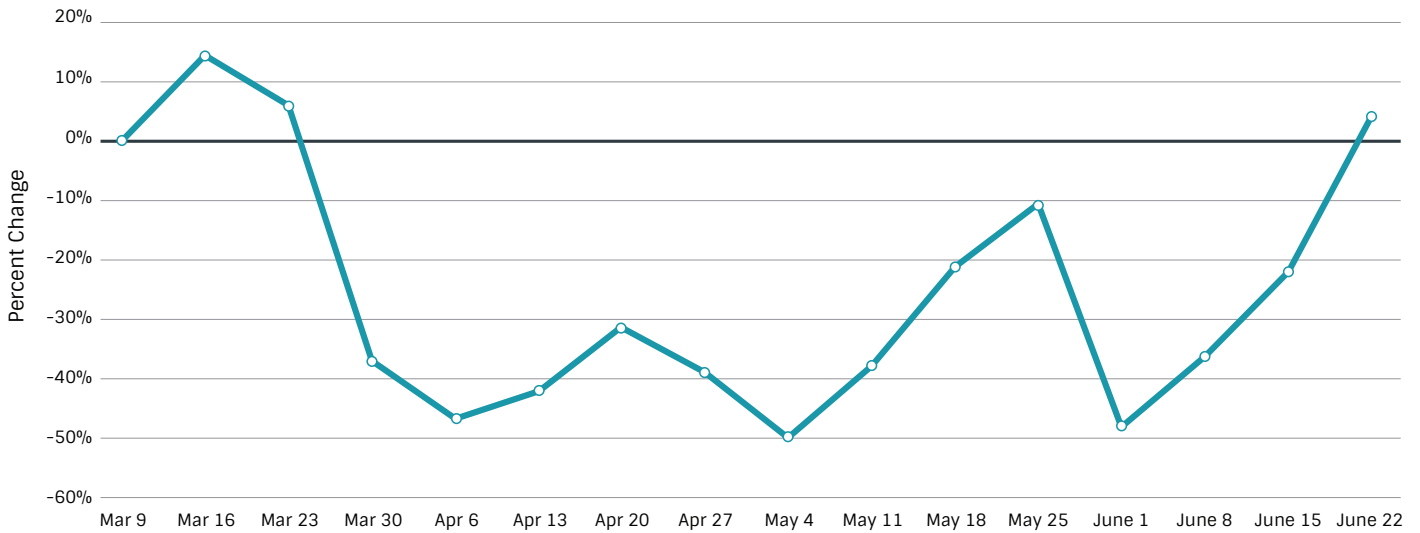
Search Retargeting: With more homeowners looking up projects to take on, advertisers adjusted their campaign strategies to include [more search retargeting](#), increasing spend by 2.5% by mid-June compared to pre-pandemic spend.

Cost per Action (CPA): The home and garden industry's CPA declined by 51.8% at the beginning of June compared to pre-pandemic CPA, as advertisers saw higher conversions for every campaign dollar spent.

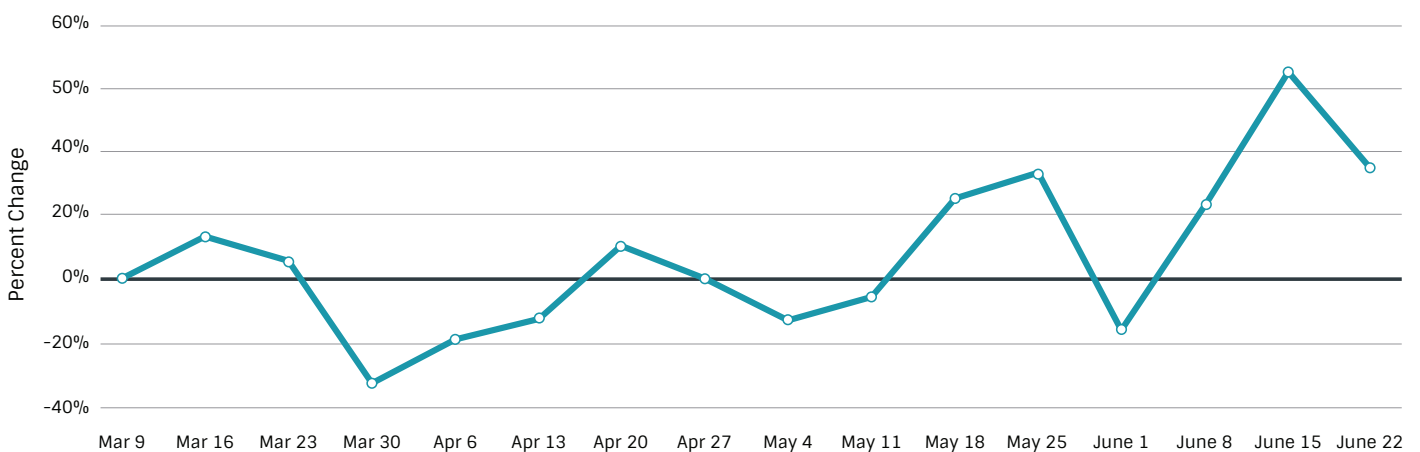
Automotive

The automotive industry was heavily impacted by social distancing orders. The overall spend for automotive declined at the beginning of the pandemic and has since steadily increased, sitting at 2.4% above pre-pandemic spend by the end of June. Weekly average spend began to increase in mid-May, rising to 54.1% above pre-pandemic spend by mid-June as states started to reopen.

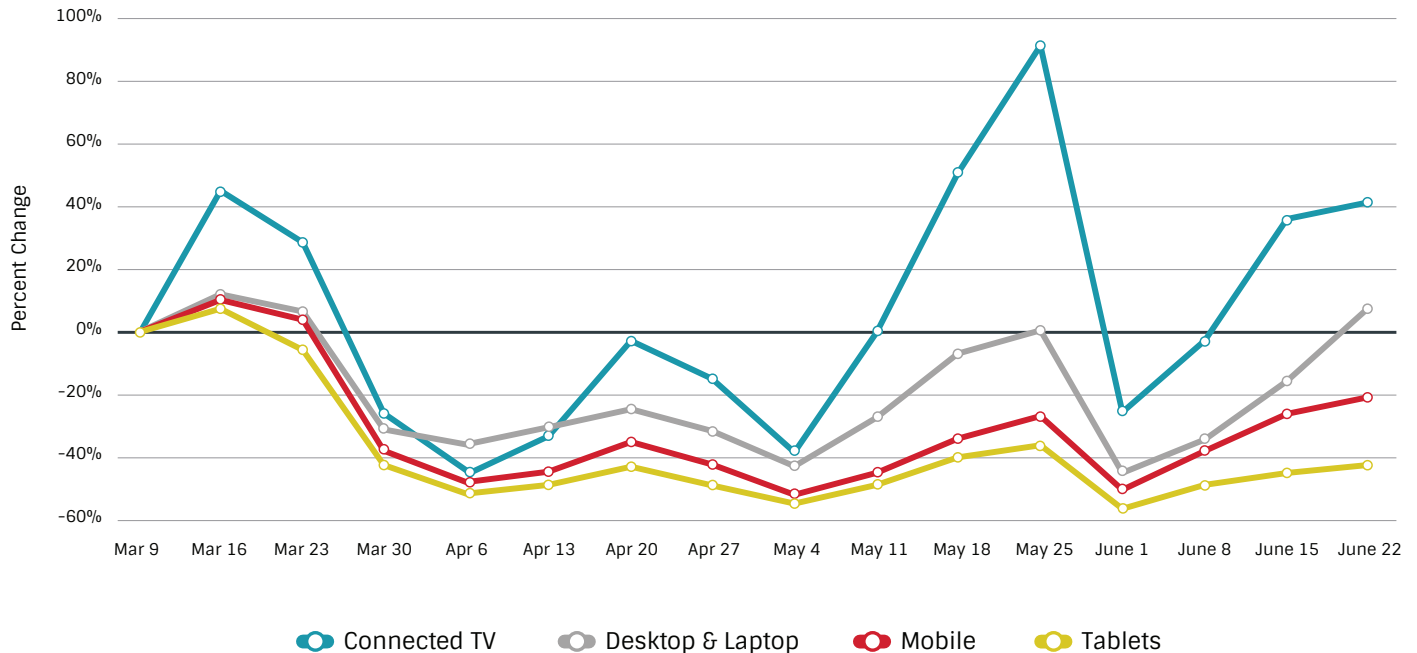
Automotive: Percent Change in Overall Spend



Automotive: Percent Change in Weekly Average Campaign Spend



Automotive: Percent Change in Device Type Spend



Automotive: Insights and Trends:

Addressable Geo-Fencing: As states began to ease restrictions, automotive advertisers increased their Addressable Geo-Fencing spend by 22.4% at the end of June to target consumers as they begin to drive around to visit brick and mortar locations again.

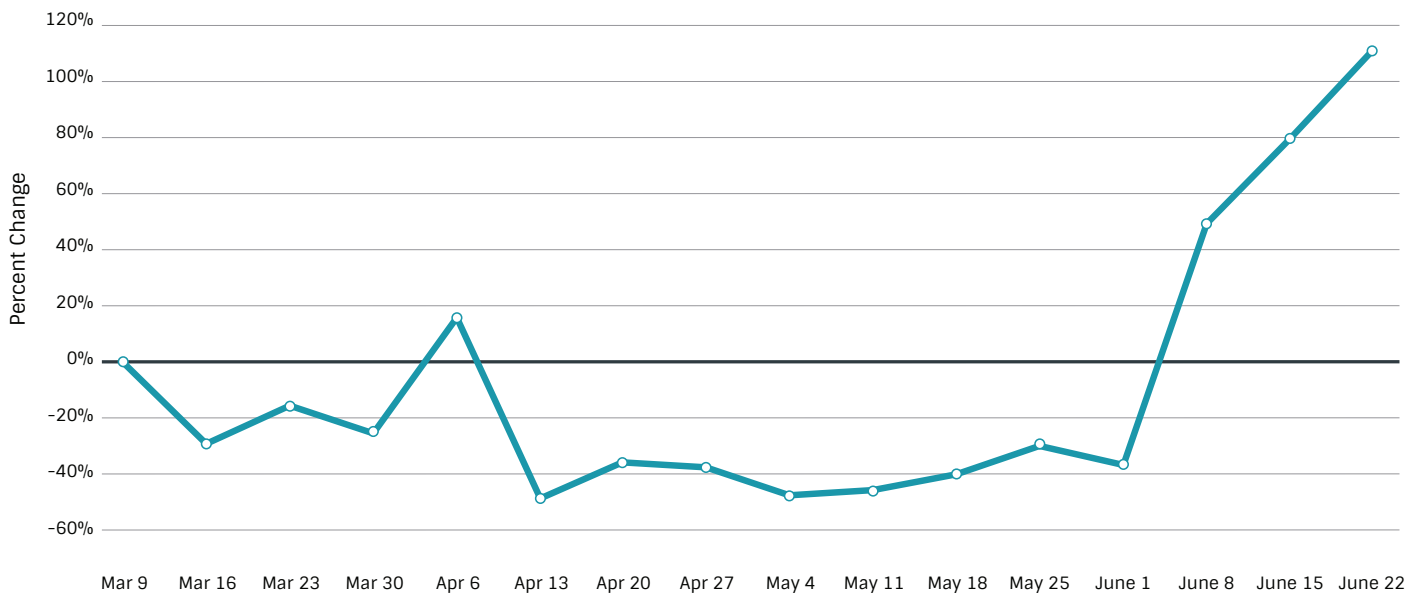
OTT/CTV Advertising: Beginning in May, advertisers significantly increased their spend on OTT/CTV advertising to reach their consumers through their devices. Spend soared by 92.0% in late May and remains at a 41.2% increase by the end of June compared to spend in mid-March.

Site and Search Retargeting: Initially, nearly every targeting tactic declined as consumers began to stay at home. Beginning mid-April throughout June, advertisers started to increase their spending on search and site retargeting to reach consumers who have been actively looking for vehicles, shifting their strategies from awareness and higher-funnel tactics to more lower-funnel tactics to help drive immediate revenue.

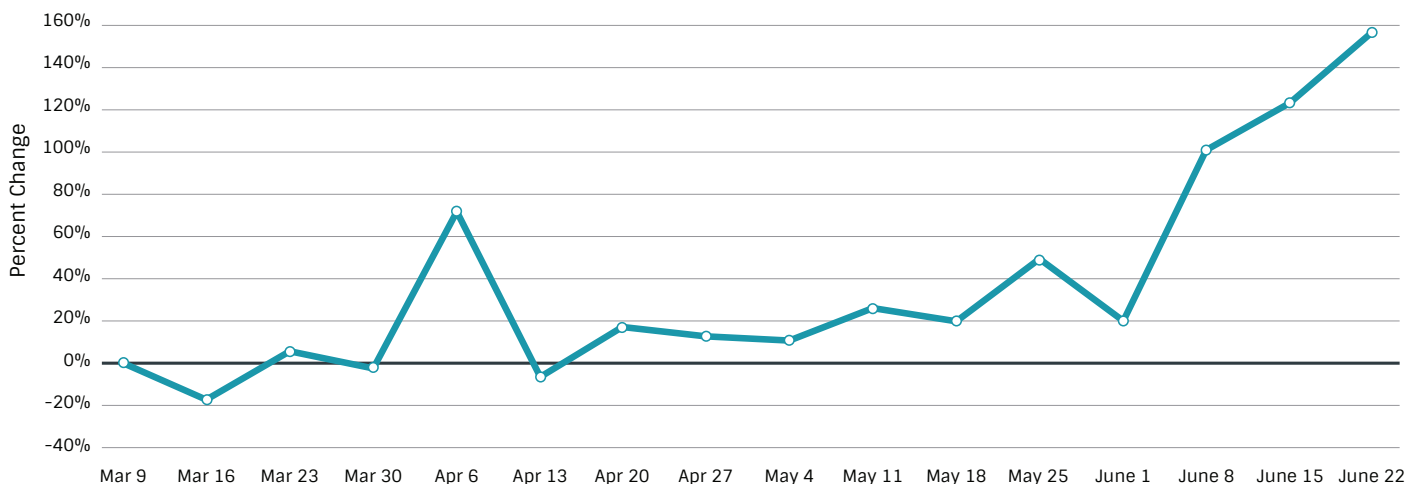
Food & Beverage

The food and beverage industry has been severely impacted by COVID-19 as restaurants closed dining rooms and moved to a takeout-only or delivery model. More consumers were visiting grocery stores and searching online for recipes as they began to cook more meals at home. The weekly spend for the industry initially declined at the beginning of stay-at-home orders as most restaurants stopped to navigate new regulations in local areas. It has since steadily increased by 156.9% at the end of June compared to pre-pandemic spend as restaurants begin to reopen across various states. In addition, overall spend increased as well, sitting at 110.9% higher at the end of June compared to spend in mid-March.

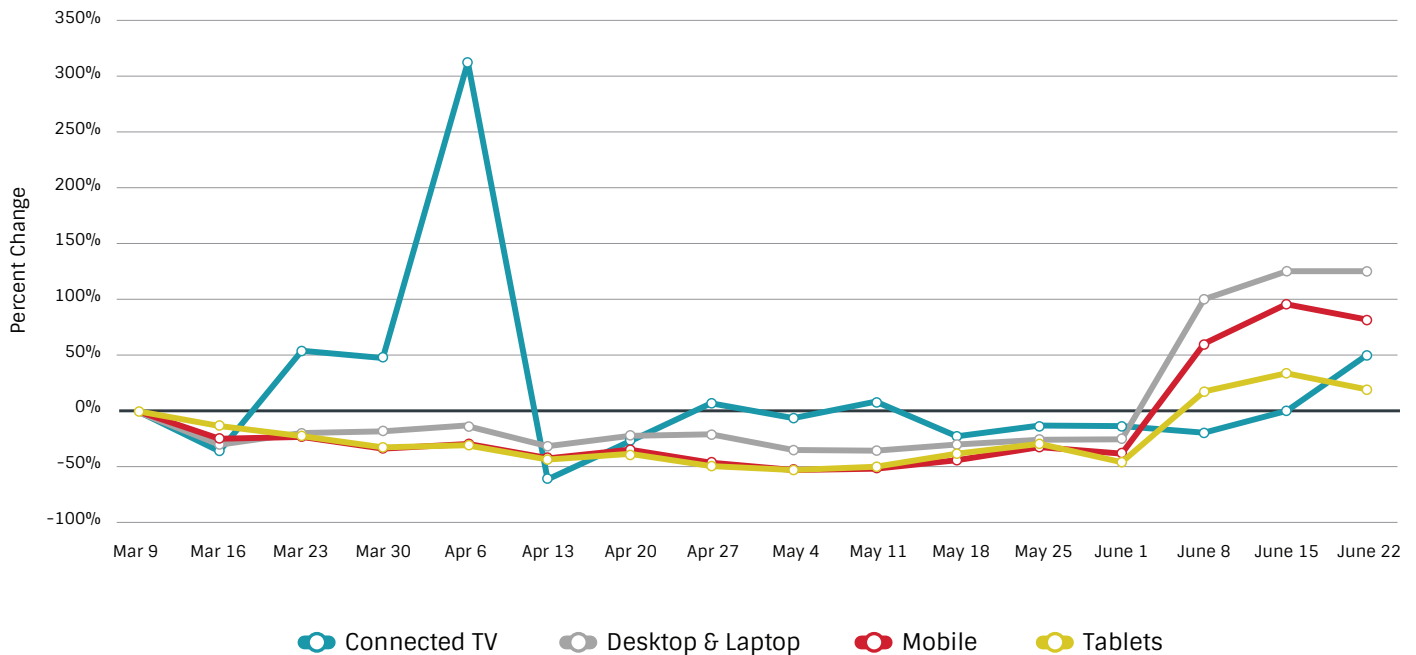
Food & Beverage: Percent Change in Overall Spend



Food & Beverage: Percent Change in Weekly Average Campaign Spend



Food & Beverage: Percent Change in Device Type Spend



Food & Beverages: Insights and Trends

Geo-Fencing: As restaurants began to reopen their dining rooms in June, **Geo-Fencing** spend increased drastically, ending the month with spend 122.2% higher than pre-pandemic spend.

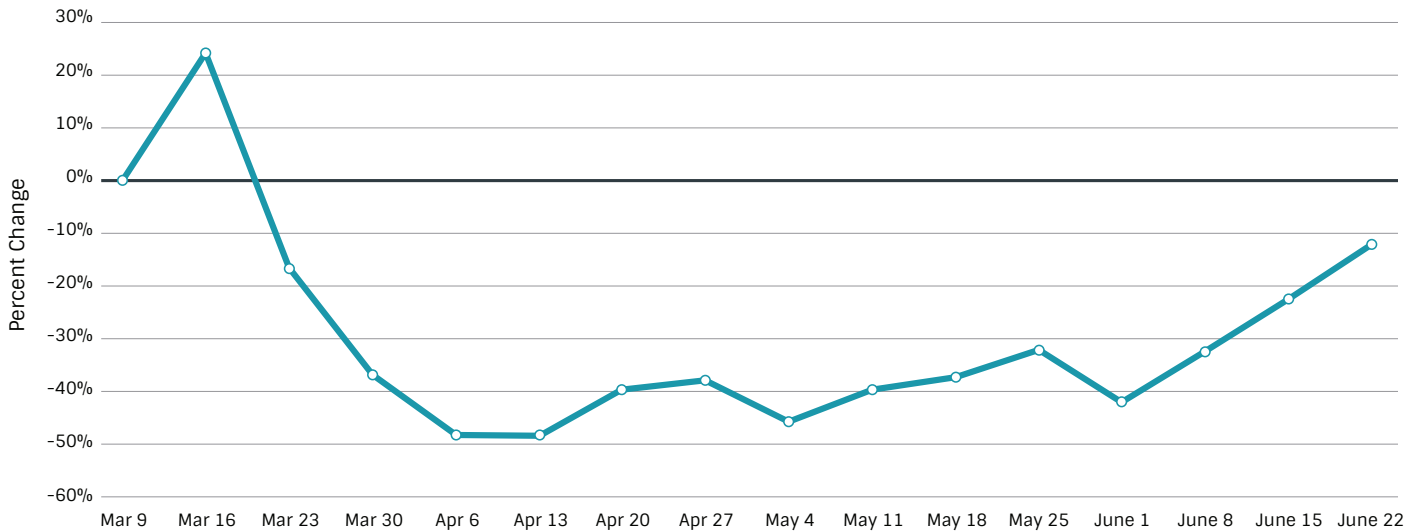
OTT/CTV Advertising: Advertisers quickly increased their spending on OTT/CTV advertising by 53.8% as social distancing went into effect to reach consumers through their devices as screen time increased. OTT/CTV advertising spending then sharply declined, but has since increased as summer began, sitting at 54.4% higher than pre-pandemic spend at the end of June.

Device Types: Initially, spend across all device types, with the exception of Connected TV, decreased and stayed below spend in mid-March. However, as states began to reopen dining rooms at the beginning of June, spend across all device types increased above pre-pandemic spend.

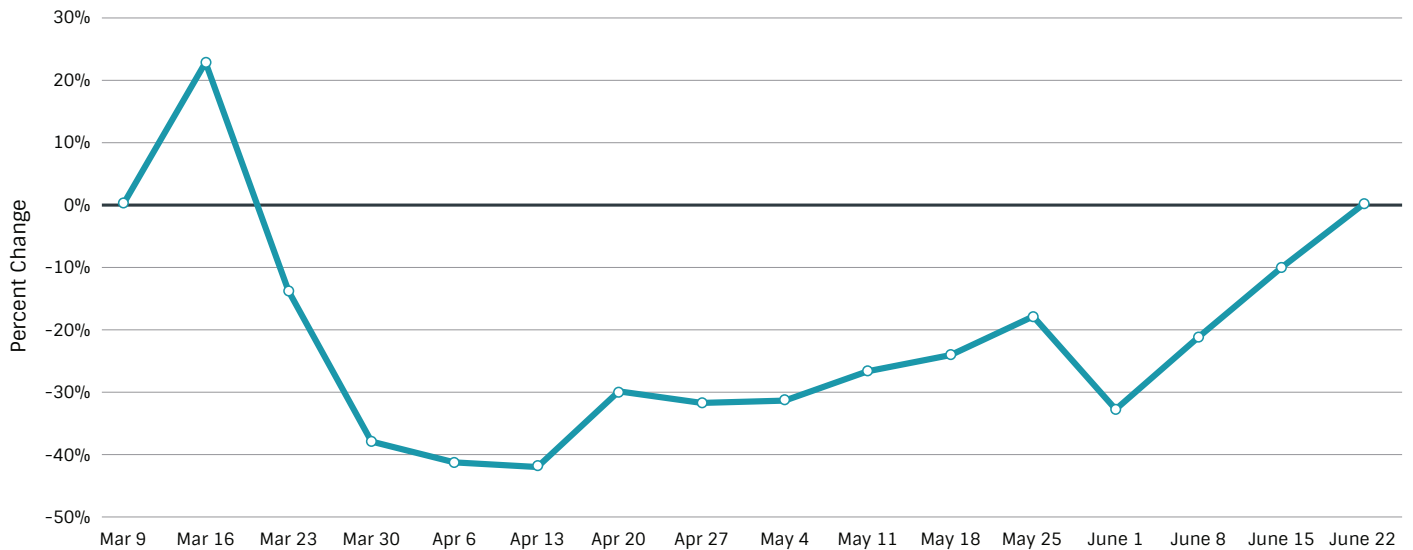
Finance

The financial industry saw a decline at the beginning of the pandemic, but trended upwards around mid-April as the Small Business Administration turned to financial institutions like banks and credit unions to help distribute loans. For the first time since mid-March, the weekly spend reached a positive increase of 0.9% at the end of June.

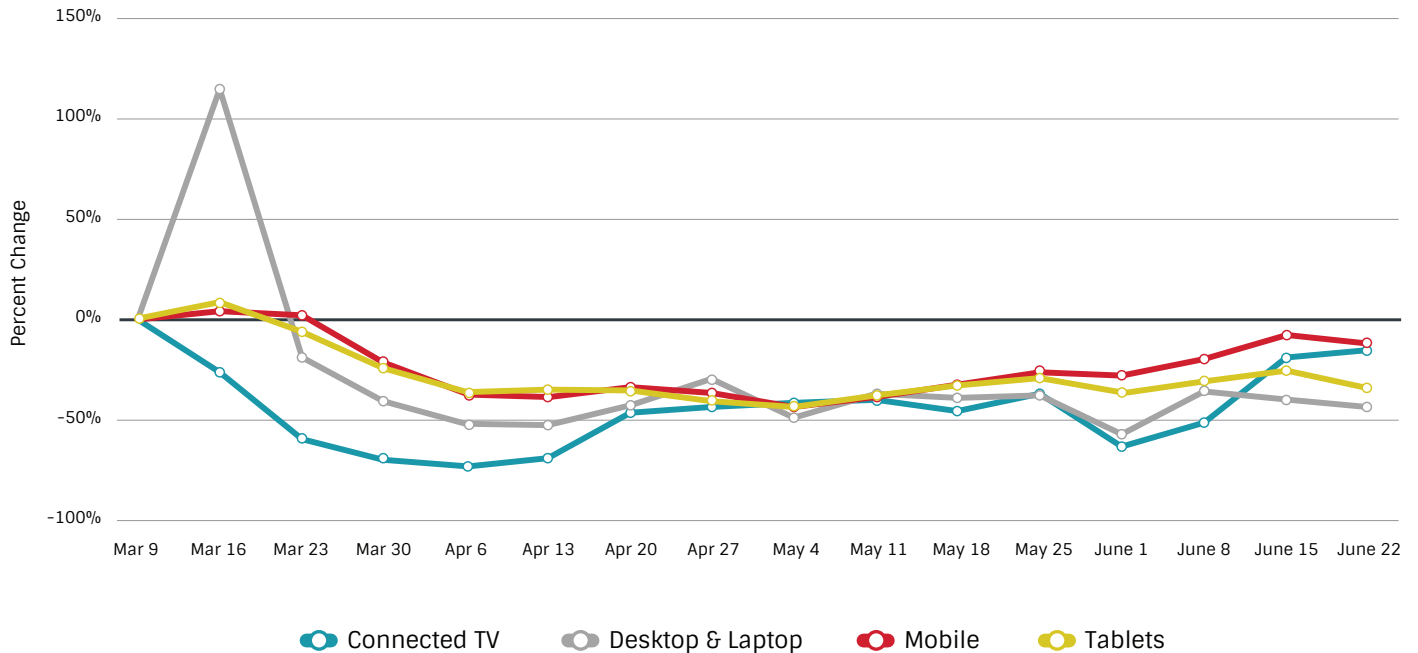
Finance: Percent Change in Overall Spend



Finance: Percent Change in Weekly Average Campaign Spend



Finance: Percent Change in Device Type Spend



Finance: Insights and Trends

Addressable Geo-Fencing: Advertisers initially decreased their spending on Addressable Geo-Fencing at the beginning of the pandemic. By mid-June, they increased their Addressable Geo-Fencing spend by 61.6% more than spend in March to target consumers at home.

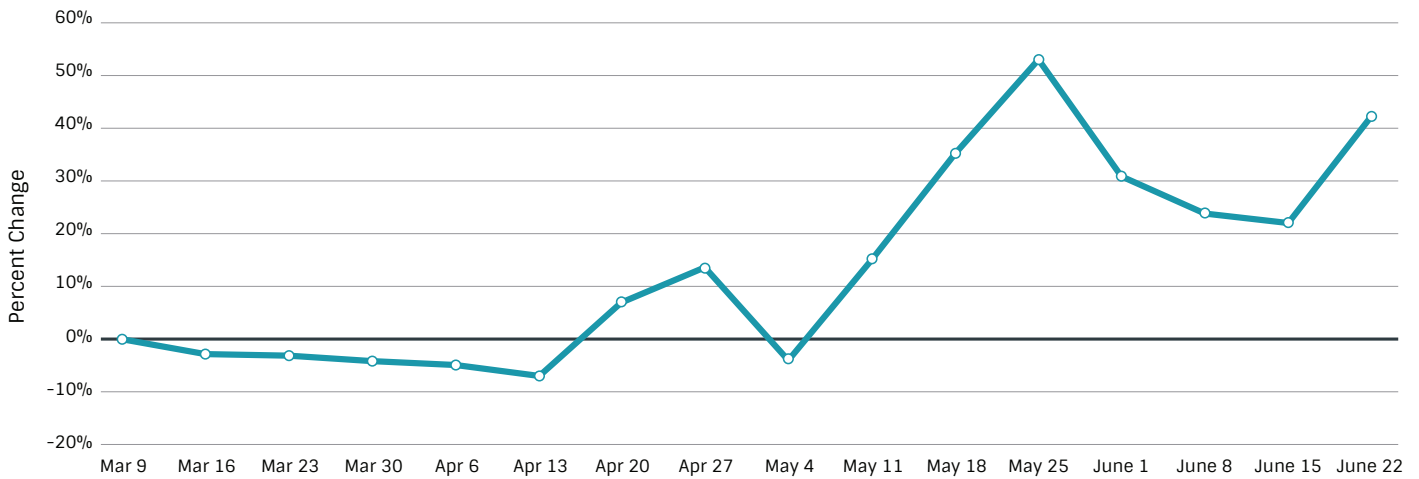
Search and Site Retargeting: Site retargeting spend remained relatively the same during the first ten weeks, and increased by 29.3% in mid-June as advertisers actively targeted consumers who were seeking financial services. Search retargeting and **keyword contextual targeting** declined in mid-March and have stayed relatively the same as spend at the beginning of April, and began to increase at the end of June as advertisers allocated their spend towards those who were ready to use their services.

Click Through Rate: Financial advertisers saw a positive CTR growth throughout April, reaching an increase of 33% at the beginning of June, showing consumers are still seeking financial services.

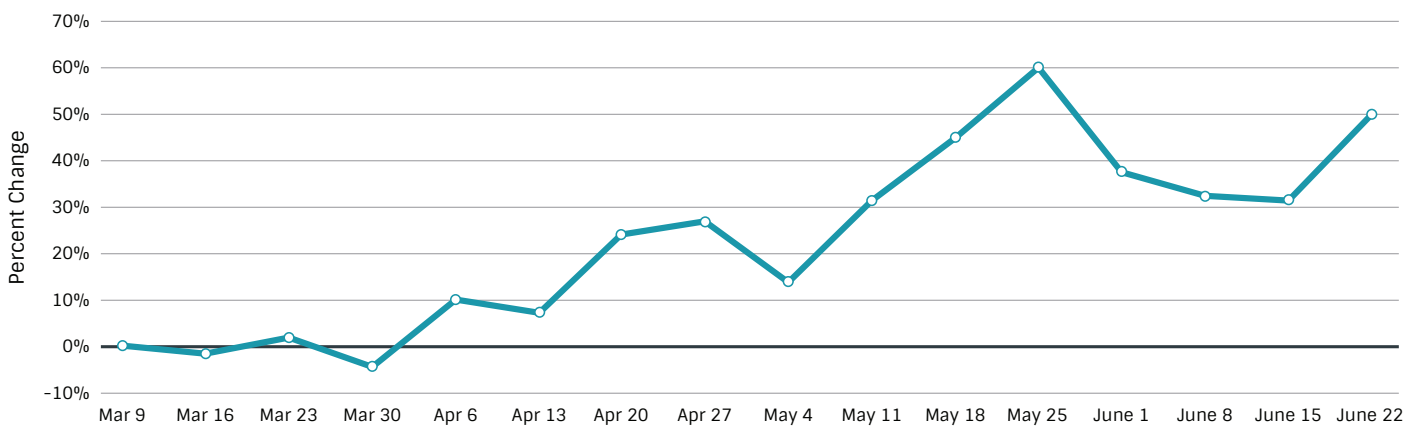
Attorneys & Legal

The attorneys and legal industry saw a small dip in overall spending during the first two weeks of the pandemic. Spend began to rise in mid-April, reaching a 41.5% increase in late June compared to spending in March. Legal advertisers also boosted their weekly spend by almost 49.6% by the end of June.

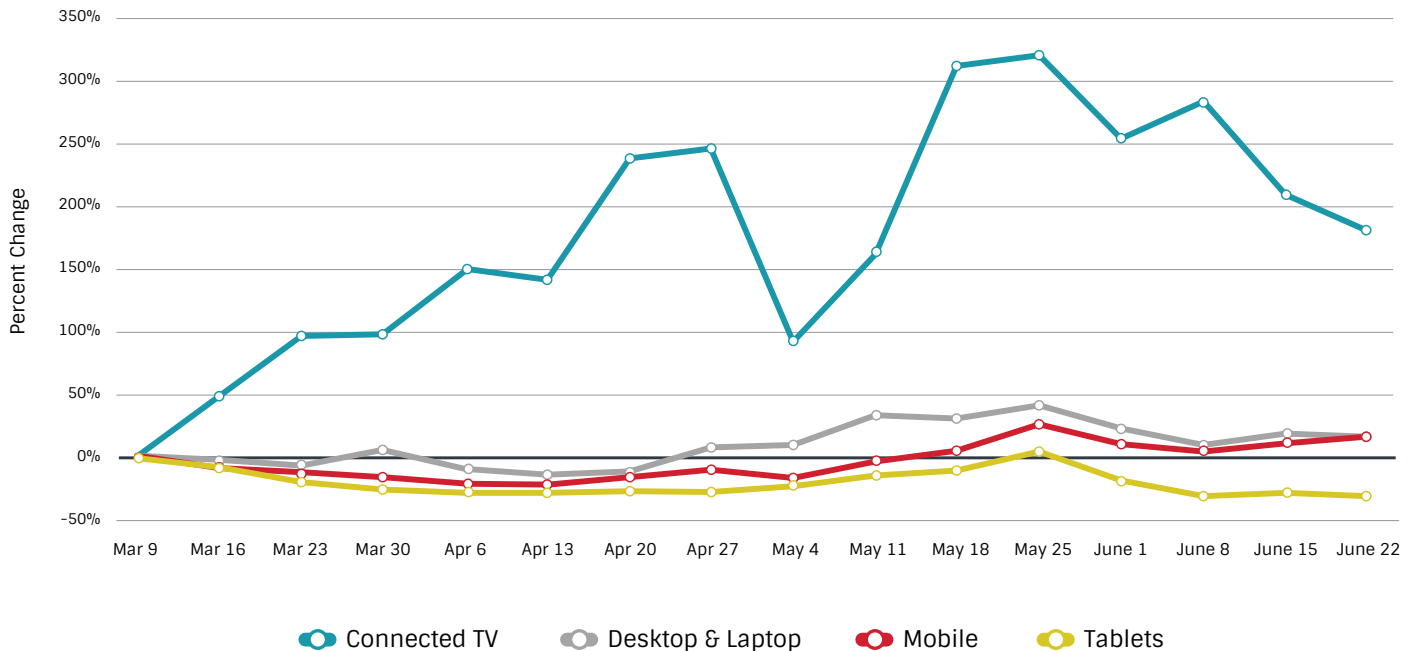
Attorneys & Legal: Percent Change in Overall Spend



Attorneys & Legal: Percent Change in Weekly Average Campaign Spend



Attorneys & Legal: Percent Change in Device Type Spend



Attorneys & Legal: Insights and Trends

Addressable Geo-Fencing: Addressable Geo-Fencing spending initially declined as consumers started to stay home. Legal advertisers began to increase AGF spend beginning in April, which has since increased by 64.6% in late June as consumers continued to seek legal services.

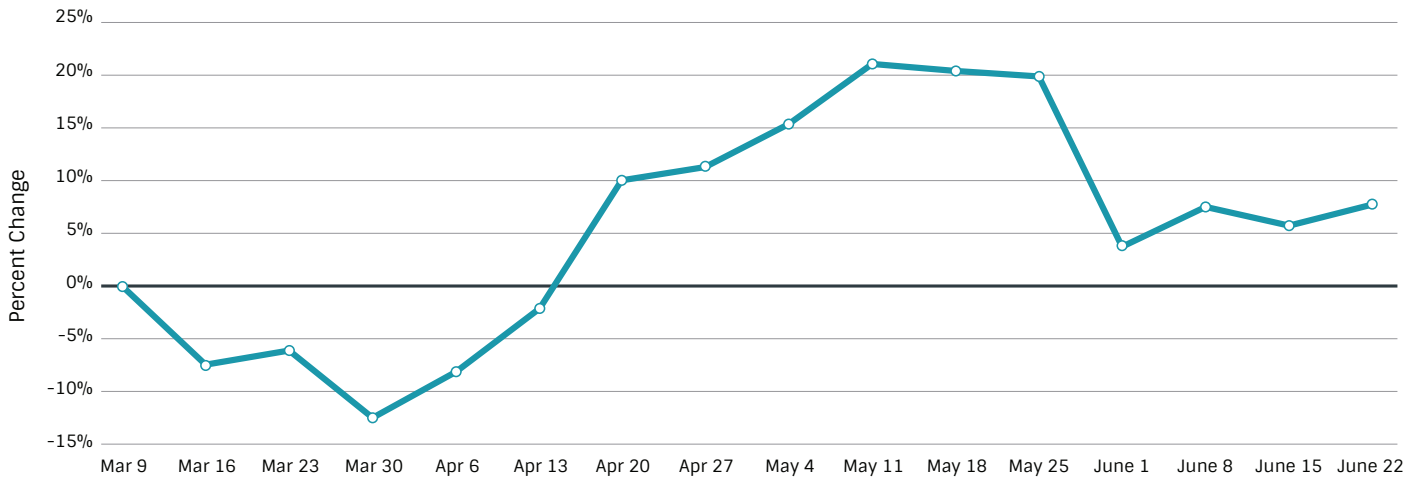
OTT/CTV Advertising: As online video streaming increased, legal advertisers quickly saw the need to target consumers on their streaming devices and heavily invested in OTT/CTV ads. Spend increased by 321.5% at the end of May compared to the beginning of the pandemic, and has since maintained a growth of over 180% throughout the month of June.

Site and Search Retargeting: Legal advertisers narrowed their targeting to consumers who have shown interest in their services. Site retargeting peaked at the end of May as spend increased by 118.1%, and has since stayed above a 40% increase throughout June compared to spend in mid-March. Advertisers also increased spending on search retargeting campaigns beginning in mid-April, reaching a 67.5% increase at the beginning of June compared to spend in mid-March.

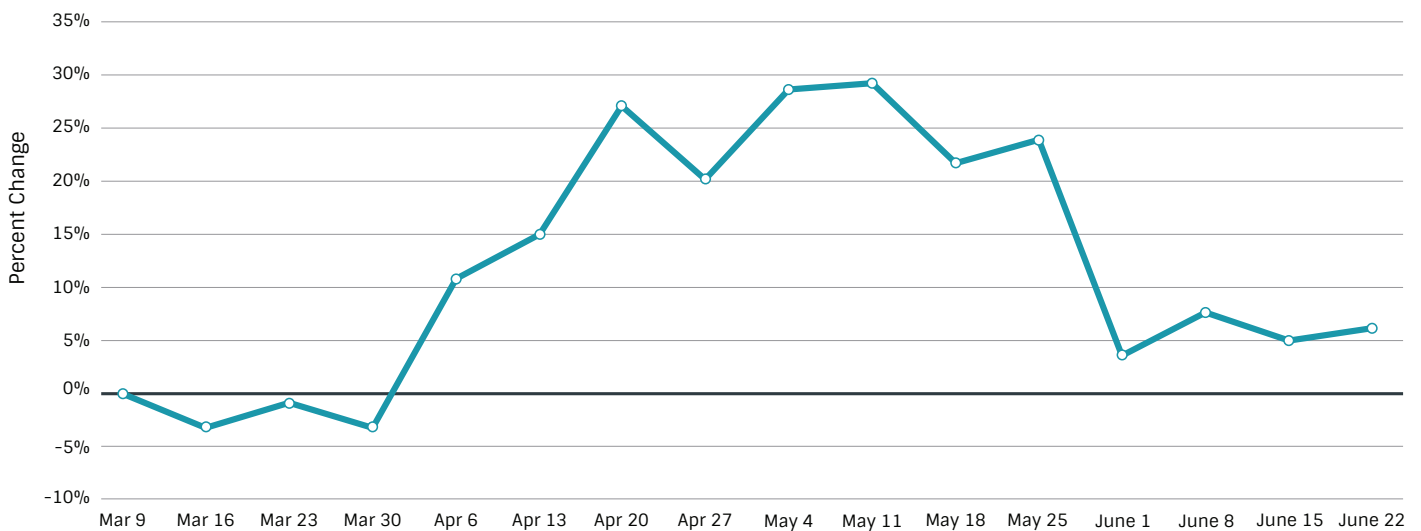
Education & Training

Education has seen significant growth since the beginning of the pandemic as classes moved online, and more consumers looked for continuing education and training classes in their spare time. Both overall and weekly average spending for the industry peaked in mid-May compared to March, and has had a positive growth throughout June.

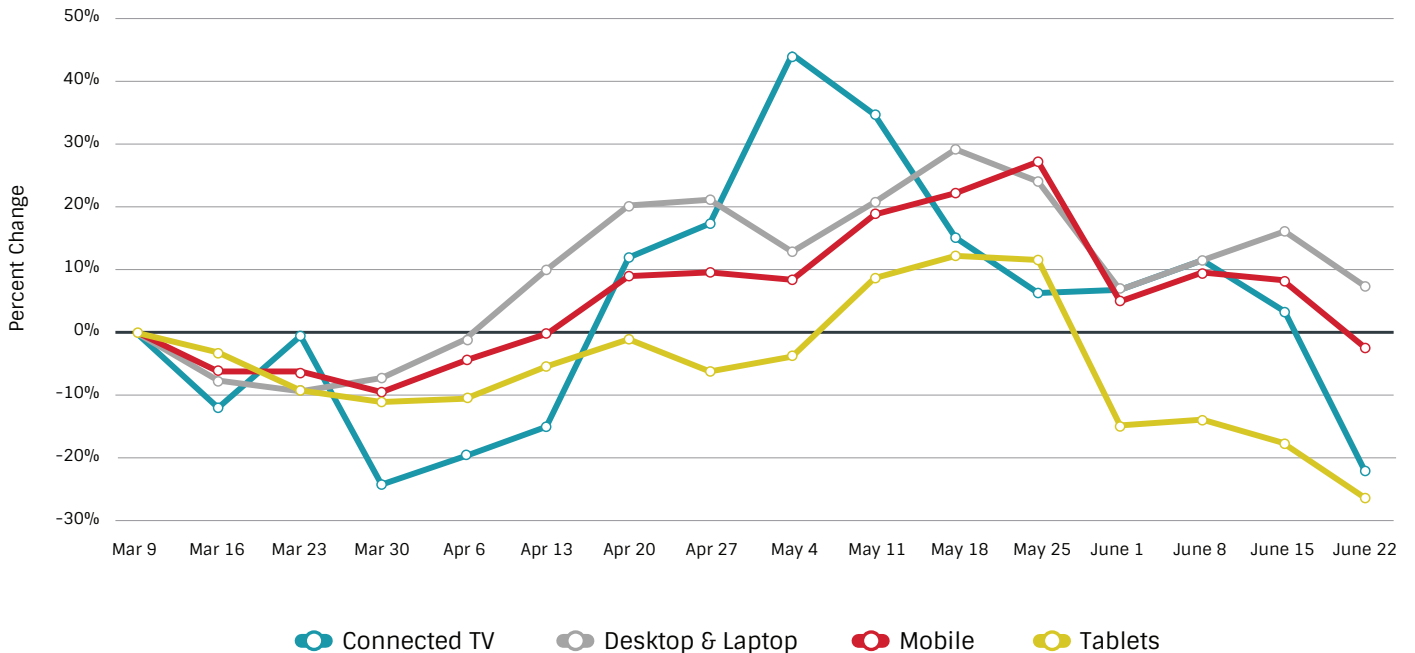
Education & Training: Percent Change in Overall Spend



Education & Training: Percent Change in Weekly Average Campaign Spend



Education & Training: Percent Change in Device Type Spend



Education & Training: Insights and Trends

Addressable Geo-Fencing: Spend on Addressable Geo-Fencing declined as consumers began to practice social distancing. As consumers continued to spend more time at home, advertisers began to target them at a household-level, increasing Addressable Geo-Fencing spend by 11.3% at the beginning of June compared to mid-March.

OTT/CTV Advertising: OTT/CTV advertising also declined in late March. As screen time increased, advertisers began targeting consumers on their large screen devices. Large screen OTT/CTV spend increased by 11.8% in mid-June.

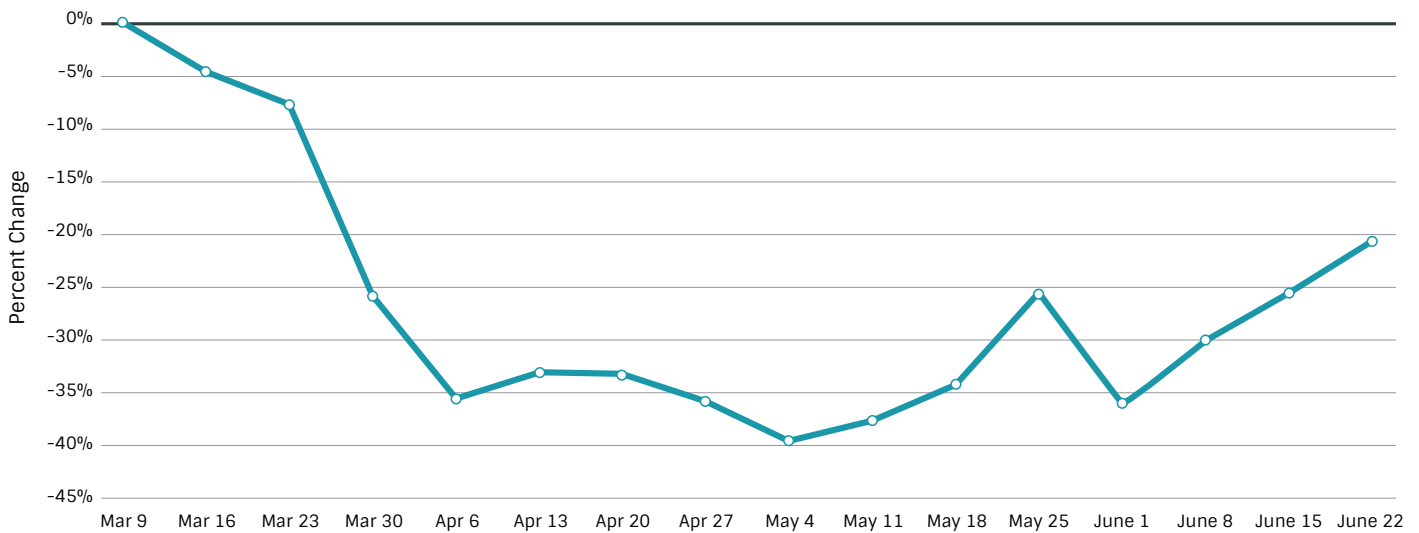
Layering Targeting Tactics: Advertisers heavily utilized site retargeting, increasing their spend by 2.2% in late June compared to spend in March. Advertisers also layered in keyword contextual and search retargeting to reach consumers who are actively searching for education and training programs. Lastly, Geo-Fencing spend began to increase throughout the month of June, coinciding with the reopening of states across the country.

Cost per Action: Advertisers are seeing a high rate of return in early June, with CPA decreasing by 21.5% compared to rates in mid-March. The results show that consumers are wanting to invest in their education, and advertisers are reaching them through the right channels.

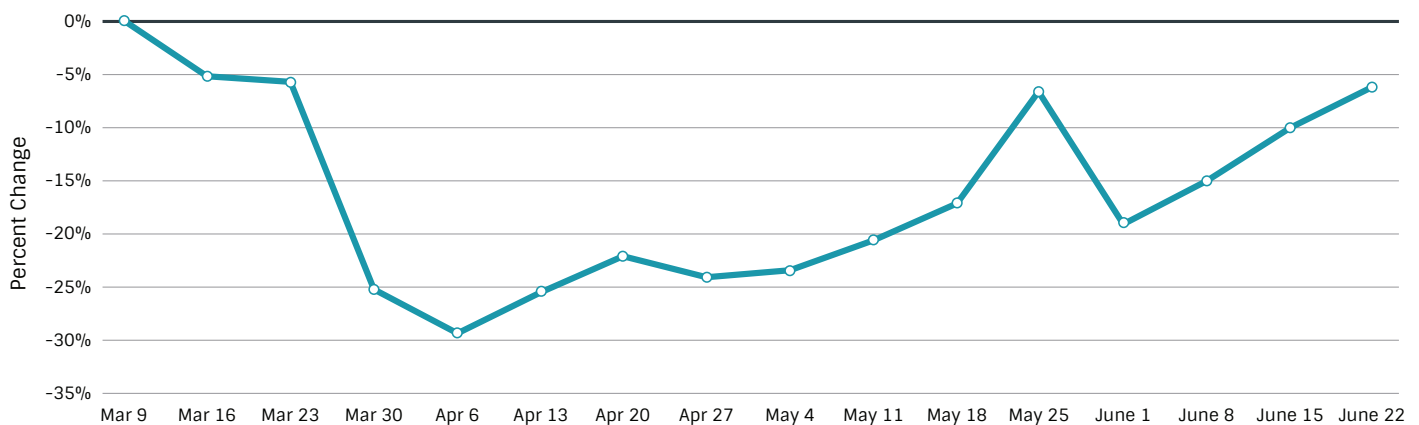
Real Estate

The real estate industry saw a decline in spending at the end of March as consumers continued to social distance. Spend began to increase as real estate advertisers quickly adapted to the changes, opting for virtual tours of homes instead of in-person tours. After taking a decline during the first week of June, the overall and weekly spend began to rise throughout the month, and are at their highest increase since declining in late March.

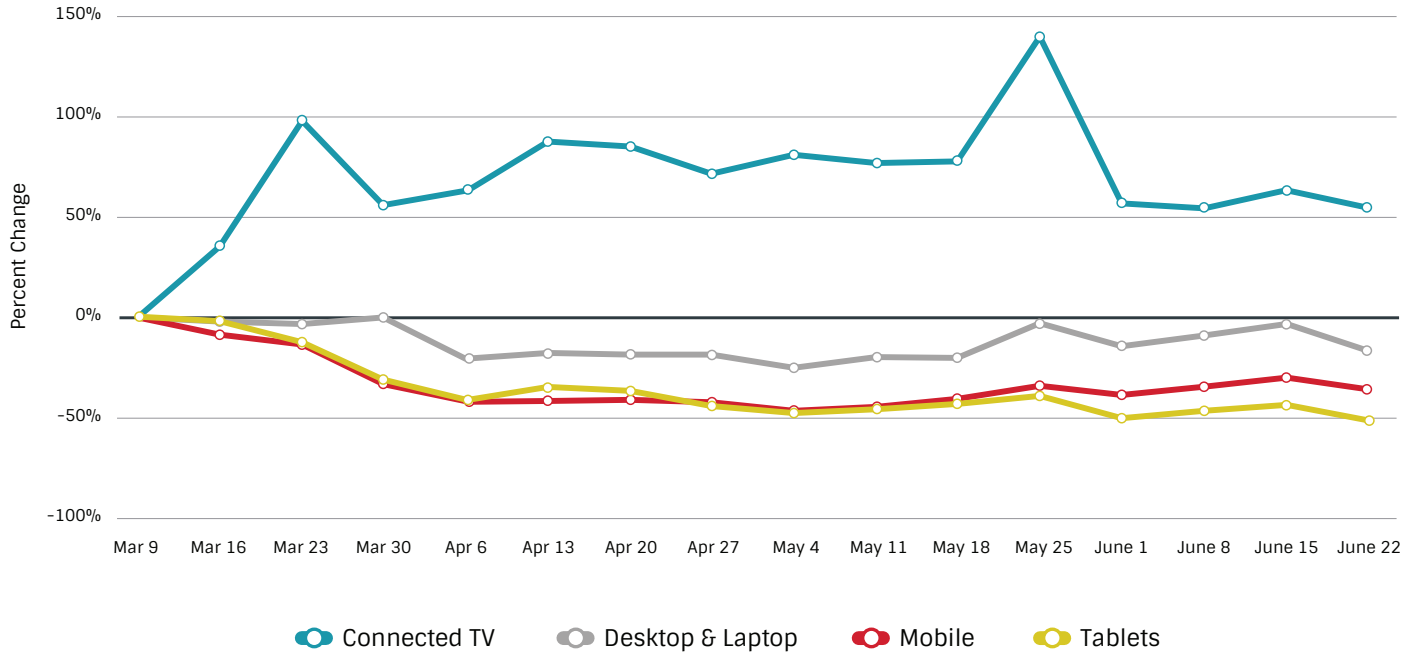
Real Estate: Percent Change in Overall Spend



Real Estate: Percent Change in Weekly Average Campaign Spend



Real Estate: Percent Change in Device Type Spend



Real Estate: Insights and Trends

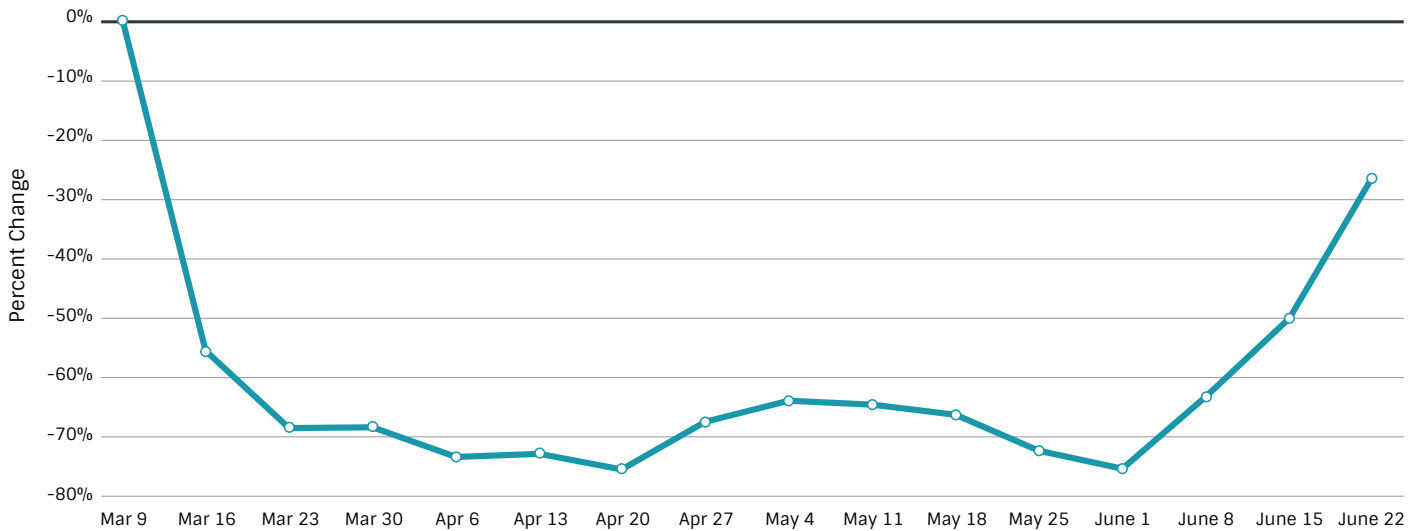
OTT/CTV Advertising: Real estate advertisers saw an opportunity to reach consumers with OTT/CTV advertising. They began investing in OTT/CTV ads as online streaming time went up, increasing spend by 65.2% in mid-June compared to mid-March.

Cost per Action: Because the real estate industry was nimble in adapting to the challenges presented by COVID-19, CPA decreased by 19.8% in early June compared to mid-March.

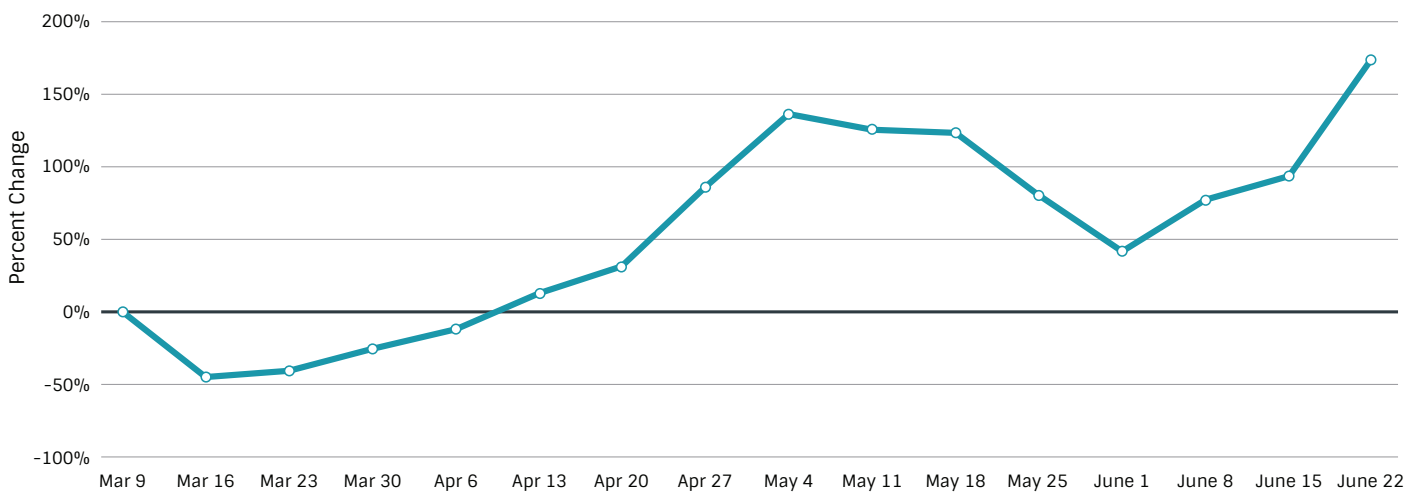
Arts & Entertainment

The arts and entertainment industry was severely impacted as live performances were canceled, and museums and theaters remained closed. The industry saw a significant decline at the beginning of the pandemic, but has been steadily increasing as states begin to reopen. By the end of June, the average weekly spend per campaign increased to 168.1% higher than before the pandemic, as theatres and museums began to reopen.

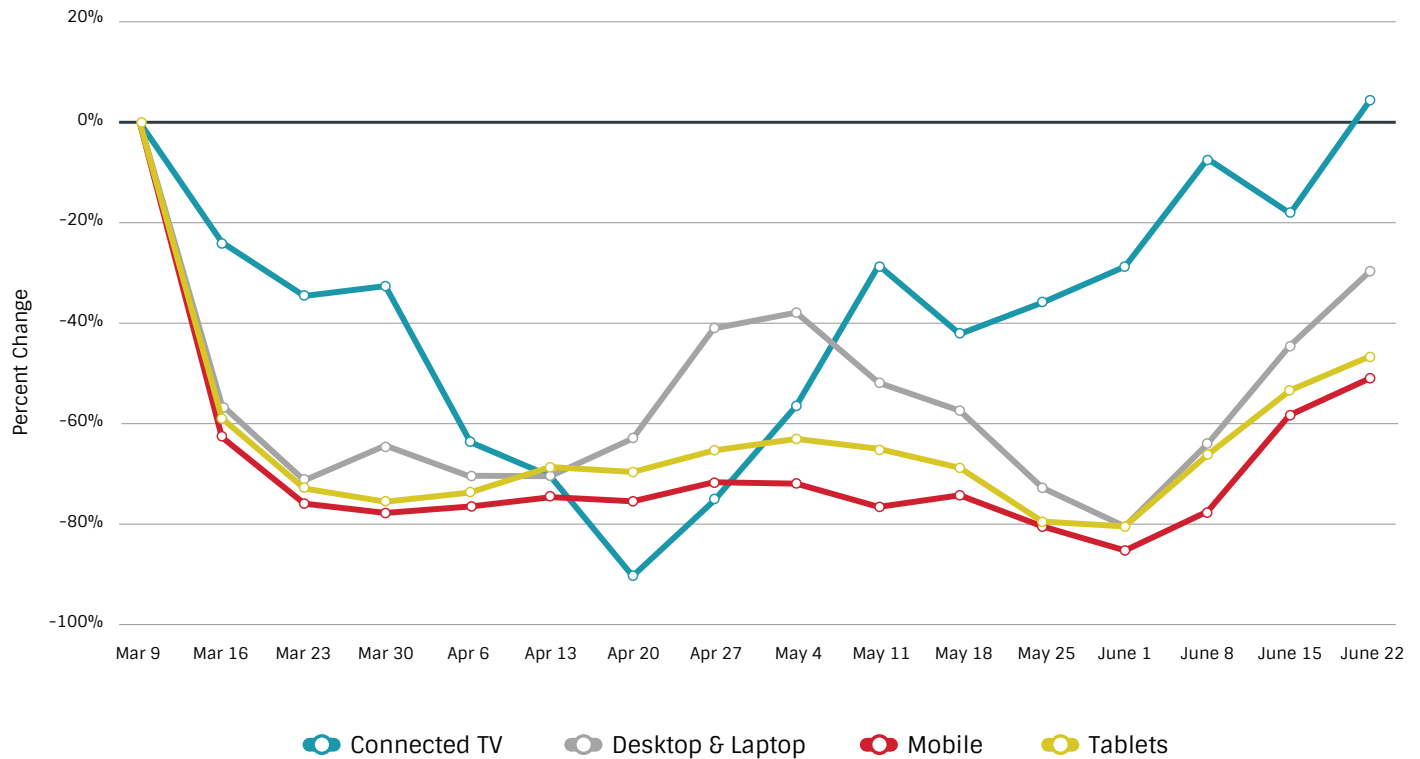
Arts & Entertainment: Percent Change in Overall Spend



Arts & Entertainment: Percent Change in Weekly Average Campaign Spend



Arts & Entertainment: Percent Change in Device Type Spend



Arts & Entertainment: Insights and Trends

Addressable Geo-Fencing: As theaters, concert venues, and museums began to close in mid-March, advertisers decreased spend on Addressable Geo-Fencing. Spend started to increase in late April as states began to reopen, reaching a 23.8% increase at the end of June compared to March.

OTT/CTV Advertising: Arts and entertainment advertisers initially reduced spend overall at the beginning of the pandemic, but started to increase OTT/CTV advertising spend in mid-April to reach consumers across multiple devices. By the end of June, spend was 4.2% higher than pre-pandemic spend.

Layering Targeting Tactics: As consumers began to stay at home, arts and entertainment advertisers began to increase their spend on site retargeting to reach consumers who were actively seeking their business. In addition, search retargeting and keyword contextual targeting increased to create multiple touchpoints and remain top of mind.

Click Through Rate: CTR increased by 54% at the beginning of June as many states began to reopen entertainment venues, indicating consumers are beginning to show interest in visiting museums and theaters.

Conclusion

Every advertising industry has been impacted in one way or another by COVID-19. Some industries were able to adapt more quickly, while others have experienced a longer recovery timeframe. However, there have been opportunities for advertising in every industry throughout. Advertisers who were able to shift their strategies to [Addressable Geo-Fencing](#) and [OTT/CTV advertising](#) were able to precisely reach consumers where they were spending time – at home and across many devices. In many cases, this has resulted in stronger performance than pre-pandemic, including higher conversion rates and lower CPAs.

There are still a lot of unknowns as many regions and businesses continue their path to reopen. Advertisers must continue to stay agile as we move forward in order to reach consumers where they are.

**Interested in learning how you can
amplify your advertising campaigns?**

Contact your Simpli.fi representative or reach
out at hi@simpli.fi.