

MARKETING

Digital ad spend up as consumers shop from home

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Spending on digital advertising, including email and mobile ads, is on the rise. Image credit: Contentsquare

By ELLEN KELLEHER

Spending on digital advertising climbed 22 percent from the previous year during the 2020 holiday period as brands invested heavily in promotions to reach online shoppers marooned at home amid the COVID-19 pandemic.

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The results of this push proved successful as the conversion rate, or the percentage of people who clicked on the ads and then made a purchase, came in 32 percent higher in 2020 than in 2019, according to a joint study from marketing and advertising platforms [LiveIntent](#) and [MediaRadar](#). Conversion rates were particularly high during the weekend of Black Friday and Cyber Monday, a yearly shopping bonanza.

"Consumption of email newsletters continues to rise," said Kerel Cooper, chief marketing officer at [LiveIntent](#), New York. "The pandemic has accelerated that even more and we see that highlighted during the holiday season."

The study analyzed ad spending across email advertising campaigns that ran in November, as well as the year-over-year advertising spend of traditional retailers and the apparel and accessories and health and fitness industries across digital, print and television in October and November of 2020 and 2019. It was conducted jointly by LiveIntent, which reaches 250 million logged-in users each month via its 2,500 brands and publisher partners, and MediaRadar, an advertising platform that supports broadcasters, tech companies, magazines and newspapers.

Conversion rates rise

The analysis found that the surge in the conversion rate for retail advertisements stemmed from advertisers paying more attention to the intent of their promotions and targeting advertising across devices, channels and platforms.

Style and fashion ads enjoyed the highest conversions on the LiveIntent platform over the holiday period, seeing click-through rates two times higher than the average.

That is partly because style and fashion advertisers spent more than normal for Black Friday pushes and became more aggressive about getting in front of customers within the platform by spending three to four times their average spend.



Black Friday played a key role for retailers in a pandemic year. Image credit: Placer.ai

Livelihood also reported that retail ads placed in email newsletters dedicated to personal finance and law as well as government and politics which are read by readers with more disposable income, saw a higher CTR of two-times the average rate.

On top of this, retail ads placed in newsletters dedicated to family and parenting and shopping also saw high conversion rates which were between 1.5 to 2 times higher than the average thanks to target audiences looking to stock up on holiday gifts.

Fitness and advertising spending across digital, television and print was up double year-over-year, as advertisers attempted to woo consumers who were forced to exercise while confined to their homes.

As a result, health and fitness advertisers reported two times the click-through rates compared to average on the Livelihood platform for November, as home fitness regimes made consumers more interested in such promotions.

Advertisers in the apparel and accessories space also ratcheted up digital advertising spending in 2020 from the previous year, per MediaRadar's data. Shopping and hard news newsletters had the most impressions, or 10 times and 5 times the impressions compared to average, respectively.

Social media also plays key role

The shift to spending on digital advertising in 2020 was matched by advertisers paying more of an interest to social media platforms, which have become invaluable discovery channels for luxury brands and retailers.

Instagram and its owner Facebook show more advertisements to users than any other platform, including Generation Z-favorite TikTok.

New data from StitcherAds reveals that retailers spent nearly 40 percent more on ads on Instagram and its owner Facebook over Black Friday and 26 percent more on Cyber Monday's ads than in 2019. Brands which advertised on Facebook and Instagram over the Thanksgiving holiday period saw their audience balloon and in-app transactions jump by 26 percent year-over-year ([see story](#)).

On average, advertisements make up more than 20 percent of the content shown on Facebook and Instagram feeds, according to a recent study from Whistle Out.

Respectively, Facebook and Instagram feeds consist of an average 21.2 and 20.6 percent ads or paid posts. By comparison, Twitter feeds are 14.2 percent ads and TikTok is only 2.4 percent ads ([see story](#)).