

DIGITAL MARKETING AD SPEND STUDY

(2021 TO 2023)



READ ABOUT...

- Social platforms will continue to play a major part in advertising
 - Targeting remains one of online advertiser's biggest pain points
 - Even with doubts about targeting, most aren't concerned about the removal of third-party cookies
 - Marketers remain confident - and will increase ad budgets because of it
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Overview:

Despite an overall willingness to experiment with different ad types and platforms and increase paid media budget, most marketers still aren't confident they can use it to target their audiences correctly. With this lack of trust in targeting, how will the removal of third-party cookies affect marketers' paid media strategy? *The results may surprise you.*

We surveyed 200 marketers about trust in paid media platforms, the loss of third-party cookies, and which platforms they would - and wouldn't - be willing to spend budget on. *Here's a look at what we found:*

- Instagram and Amazon are the most trusted ad networks, but most will **allocate more budget to Facebook, YouTube and Google Search Ads.**
- Snapchat, Microsoft networks and Niche programmatic solutions will get the least spend.
- Despite strong inventory and targeting abilities, platforms like Microsoft Ads still aren't showing enough potential to draw ad dollars. **Only 14.8% will be spending the bulk of their budget there, while 65% have allocated the most spend for Facebook Ads.**
- TikTok remains one of the least trusted platforms by marketers: **28% trust it the least of all platforms.**
- Despite that, **33% are most excited to test it, and 27% plan to spend the bulk of their marketing dollars there** - beating Twitter and LinkedIn in spend.
- New tools, cookie removal, and growing reliance on AI haven't swayed marketers - **91% reported confidence in their ability to manage marketing changes occurring in the digital environment.**

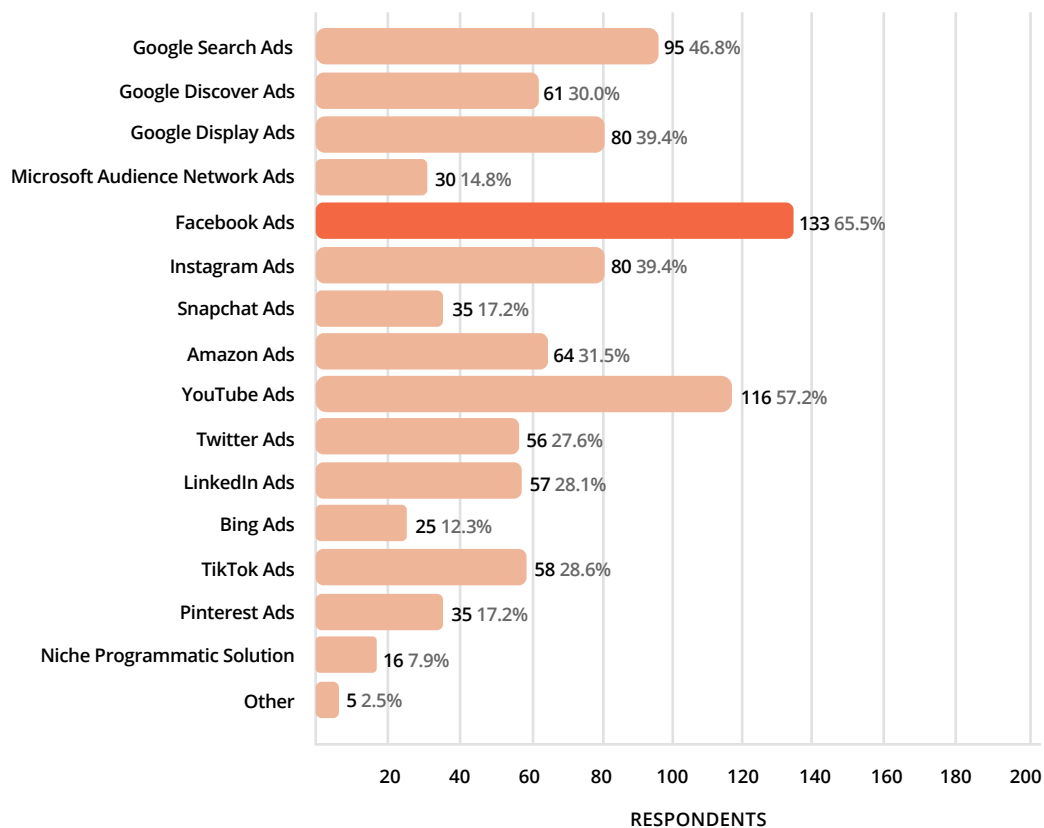
Want more results? *Read on for our full report.*

Social platforms will continue to play a major part in advertising

Search engines are taking a backseat to social media in terms of ad dollars. Despite all the government issues facing Facebook, 66% still plan to spend the majority of their ad dollars on Facebook Ads. Facebook, YouTube, and Google will get the bulk of ad budgets over the next two years.

Where will you be spending the bulk of your marketing dollars over the next two years?

(Please select all that apply.)



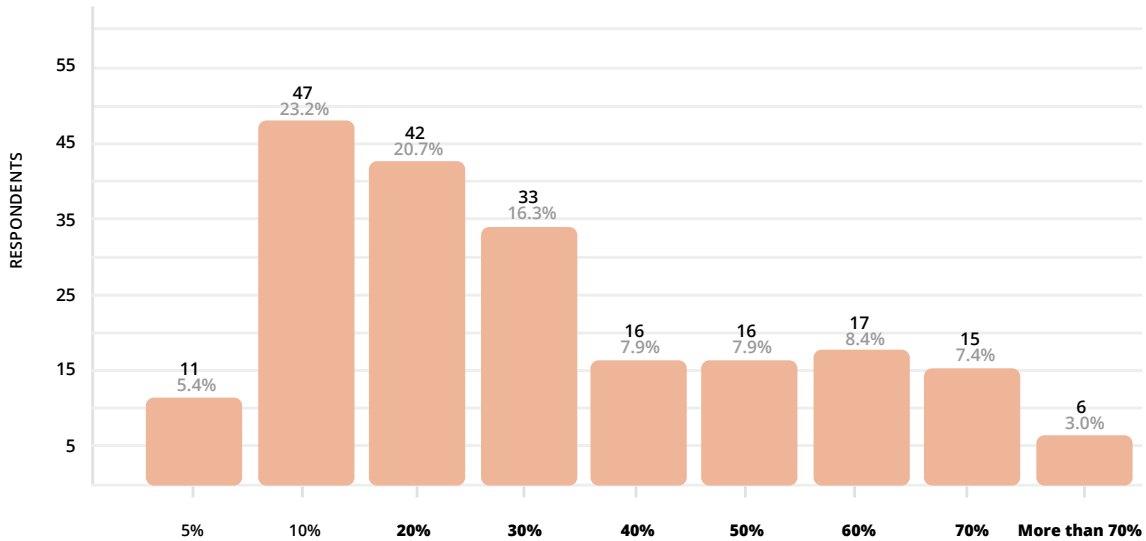
In fact, social is predicted to be the most important advertising channel over the next 3 years

It beat out SEO, email marketing, PR, affiliate marketing, and more.

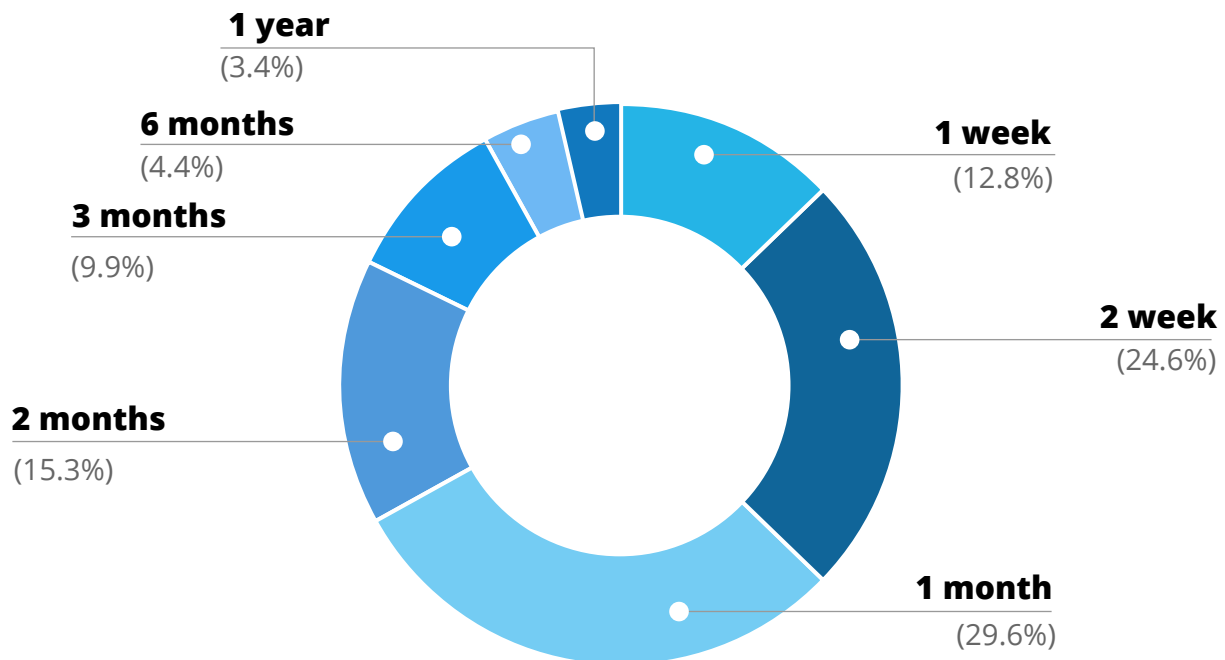
Despite leaning on tried-and-true platforms like Facebook and Google, marketers are still willing to gamble

Over 70% of marketers allocate 20% or more of their budget to testing. In terms of timeframe, most only test for one month before determining a new network's effectiveness.

What percentage of your marketing budget do you use to test a new network?



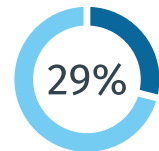
How long do you test a new network before determining its effectiveness?



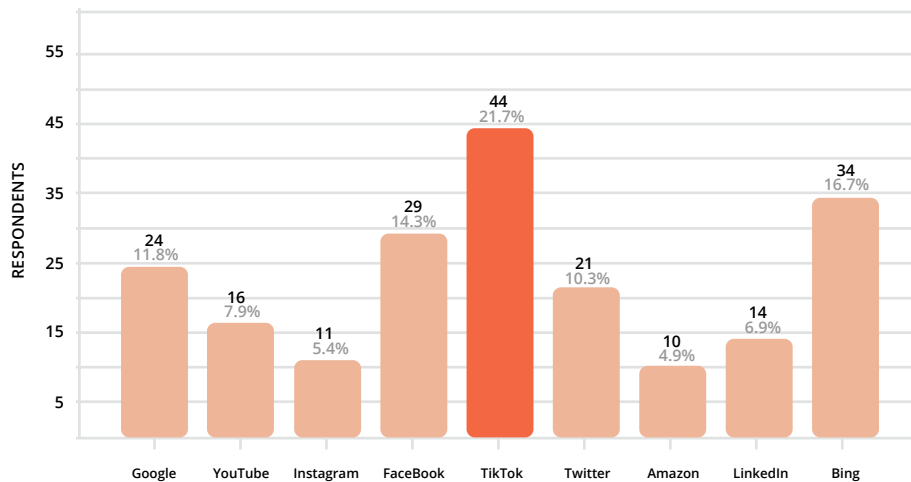
Just because they don't trust it, doesn't mean they won't test it

TikTok came in as the least trusted advertising network, with 22% of the vote. This isn't surprising, as the platform's content doesn't always align with that of big brands. The style of ads will need to be the style of content consumed on TikTok, and many bigger companies simply don't want to do this.

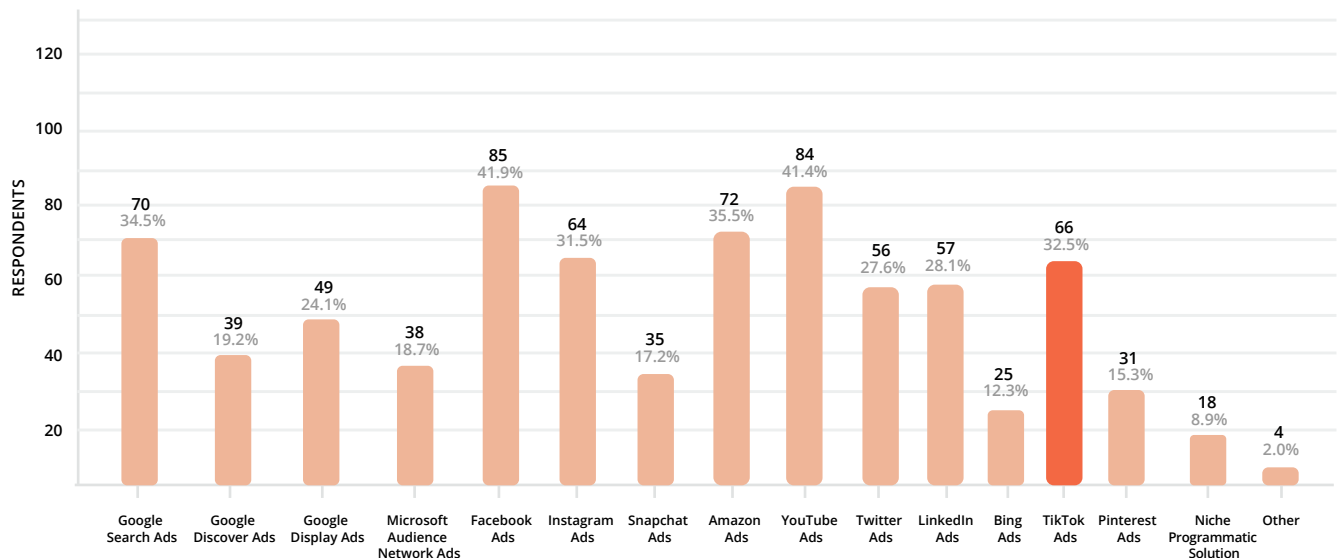
But all certainly isn't lost for TikTok as an ad platform: in a surprise move, 29% reported they were more excited to test TikTok than Twitter, Instagram, or LinkedIn.



Out of these major advertising networks, which do you trust **the least**?



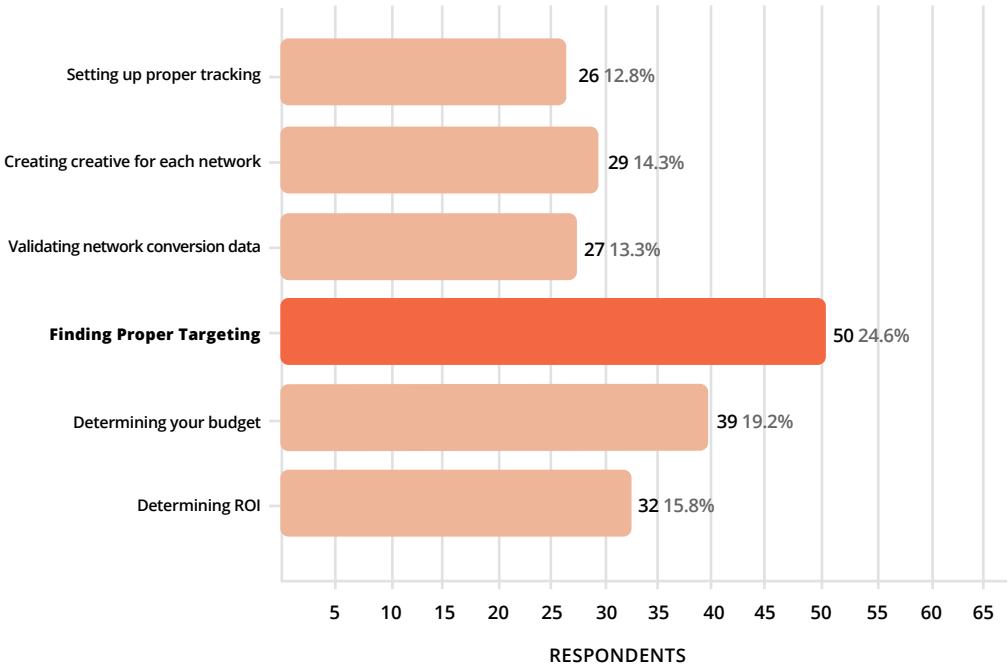
Which ad networks are you most excited to test? *(Please select all that apply.)*



25% of marketers report targeting as their biggest pain point

This shows marketers are having an issue getting a niche enough audience with a high enough return. In part, due to the multitude of audiences available to test now. Other big issues are setting the right budget and determining ROI.

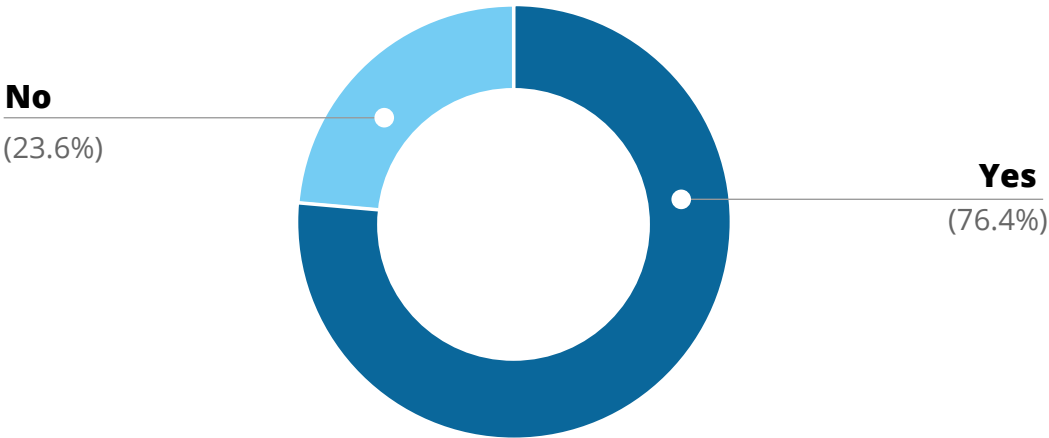
What is the biggest pain point in online advertising?



One issue we're not seeing?

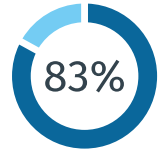
Target CPA. 76% reported that they knew their target cost per acquisition for each channel.

Do you have a target cost per acquisition for each channel?

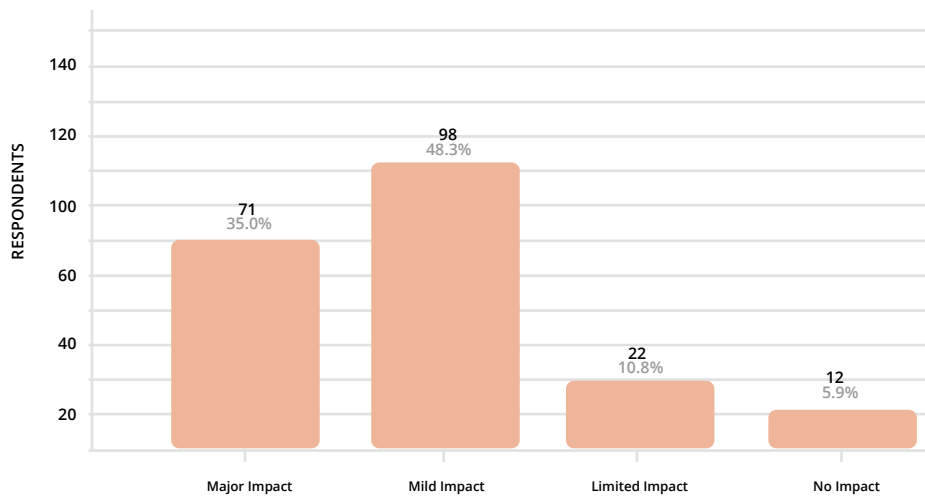


Even with doubts about targeting, 83% of marketers aren't concerned about the removal of third-party cookies

83% of marketers think getting rid of cookies will have a mild to major impact on advertising strategy. That said, 29% feel the other methods will be more effective and 58% feel they will be as effective. So while marketers are aware of this large shift, they are confident new modes will work just fine.



Chrome, Firefox and other browsers are getting rid of cookies. How much of an impact will this have on your advertising targeting?



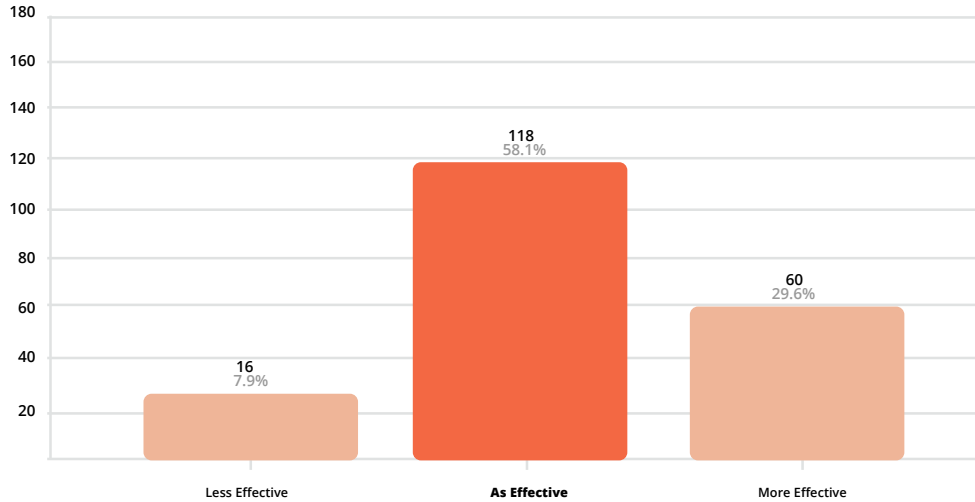
Case in point: FLoC

Federated Learning of Cohorts (FLoC) proposes a new way for businesses to reach people with relevant content and ads by clustering large groups of people with similar interests. This approach effectively hides individuals “in the crowd” and uses on-device processing to keep a person’s web history private on the browser.

By creating simulations based on the principles defined in Chrome’s FLoC proposal, Google’s ads teams have tested this privacy-first alternative to third-party cookies.

And it appears most marketers believe FLoC will be as effective, if not more effective, than cookie-based targeting. **58% believe it will be more effective, while almost 30% believe it will be more effective. Just 12% think it will be less effective.**

How effective do you think consumer targeting will be based on Google's FLoC?

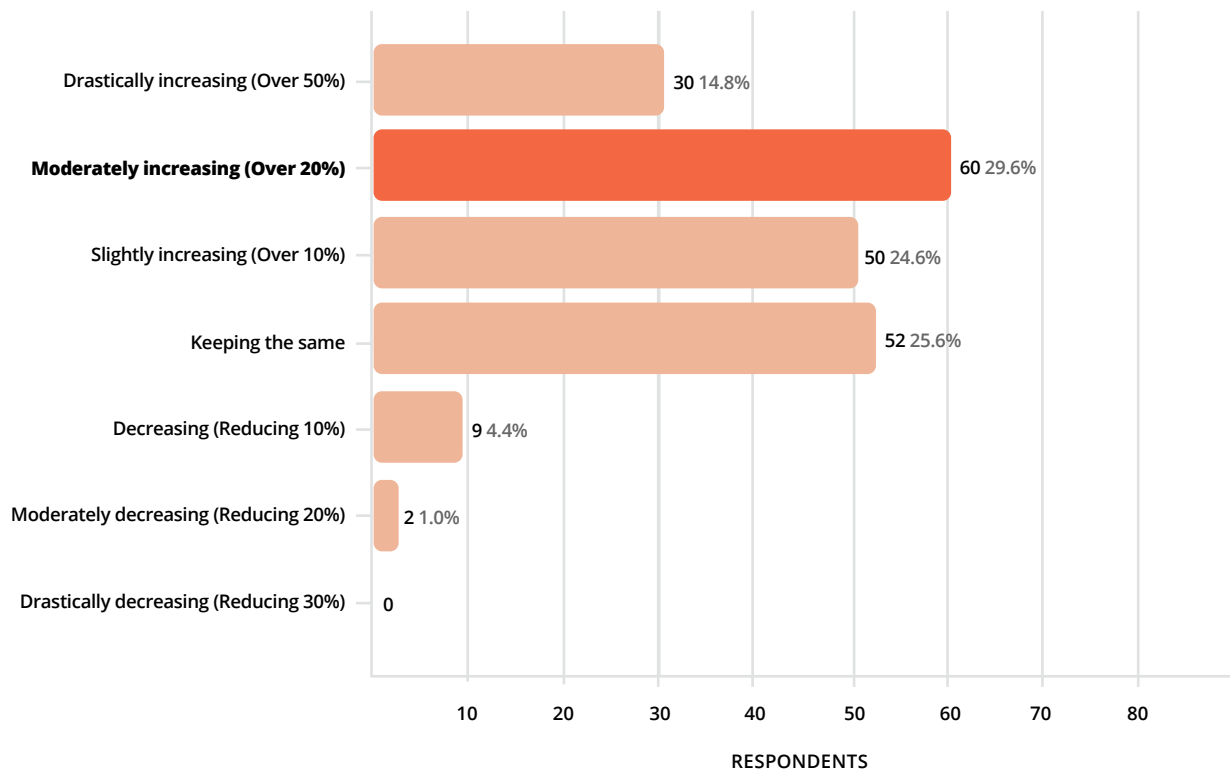


Marketers remain confident - and will increase ad budgets because of it

Over the next two years, 69% of marketers will be increasing their budgets. This shows more money coming into marketing and a strong demand.

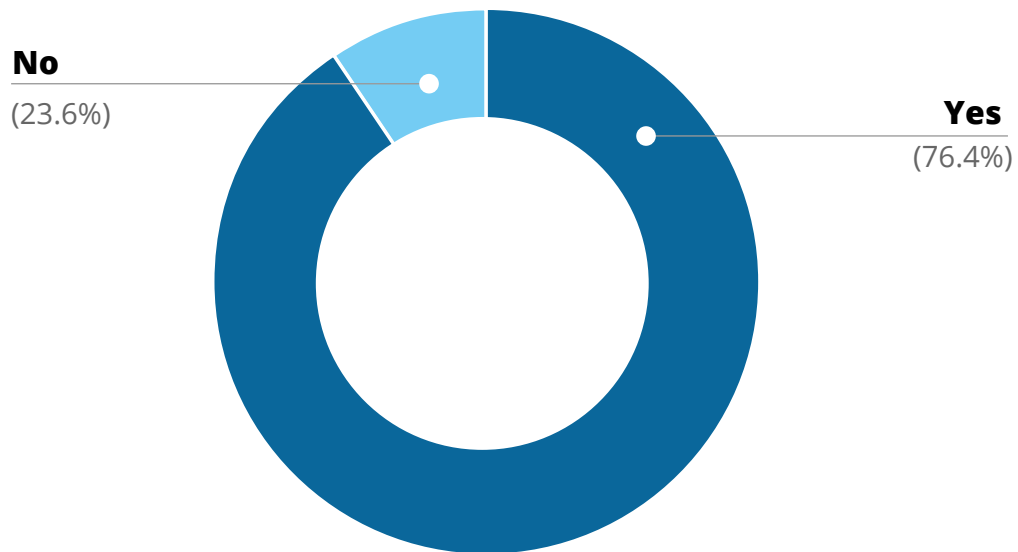
Interestingly, **80.8% will be spending more on YouTube and 83.7% will be spending more on Google Discover Ads.**

Will you be increasing or decreasing your marketing budget in 2022 and 2023?



There is also a very strong confidence in marketers, with **90.6% reporting they can navigate the digital marketing environment.**

Do you feel confident in your ability to properly manage marketing with the changes occurring in the digital marketing environment?



Takeaways

Overall, we're seeing very strong signs of growth and confidence in the digital marketing space. There is some hesitancy for certain networks based on content, specifically around newer platforms like TikTok. Fighting off this same level of aggressive growth from their competition might be the biggest challenge marketers will face. Those with the best ads, targeting, and digital marketing skills will win in this new world of business that's dependent on digital marketing.