

A decorative graphic consisting of several blue elements: a large arc at the top, a central orange-outlined box icon with a smaller box on top, and several smaller blue 'x' marks and horizontal lines scattered around. The background is white with a dark blue curved bottom edge.

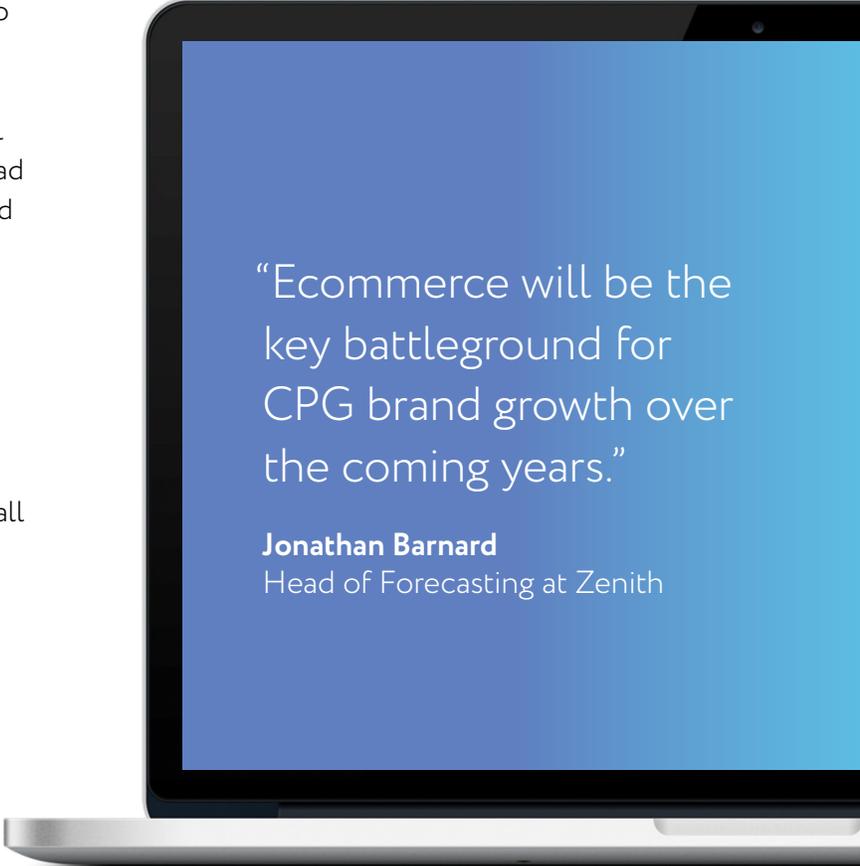
TREND REPORT

# A Look Back at CPG Advertising in 2021—Plus What to Expect in 2022

For CPG brands, it's no surprise to say that the last two years have been unpredictable. In 2020, COVID-19 and pandemic-induced shortages realigned consumer shopping behavior while also forcing marketers to pull or pause campaigns. These unprecedented changes had a cascading impact on all publishers with millions of ad dollars lost and considerable resources exhausted to cater to the shifts.

Unfortunately, COVID continued to wreak havoc on CPG well into 2021, with the second half of the year – and the holiday period, in particular – hurt by supply chain challenges, threatening deliveries and shorting inventory. All of this has occurred while overall consumer spending has gone up, widening the gap between supply and demand.

To understand market headwinds, we at [MediaRadar](#), looked at our data (US-only). Here's what we found.



“Ecommerce will be the key battleground for CPG brand growth over the coming years.”

**Jonathan Barnard**  
Head of Forecasting at Zenith

## How is the market shifting?

As a result of the pandemic, online shopping for groceries and toiletries – staples of brick-and-mortar c-stores and drug chains – has normalized. [Forty-five percent](#) of consumers report shopping online for groceries more now than before the pandemic. This will only continue moving forward, driven by convenience and safety on the consumer side.

Another driver – CPG brands are getting into more direct online sales, with [Clorox](#), [Nestle](#), [Ocean Spray](#), and others launching or investing in web-based DTC offerings amid the pandemic. These same CPG brands are also increasing their social activations with [live streaming](#) and live shopping options in the US, again, to build direct relationships with a growing cohort of online shoppers.

“Ecommerce will be the key battleground for CPG brand growth over the coming years,” [says](#) Jonathan Barnard, Head of Forecasting at Zenith.

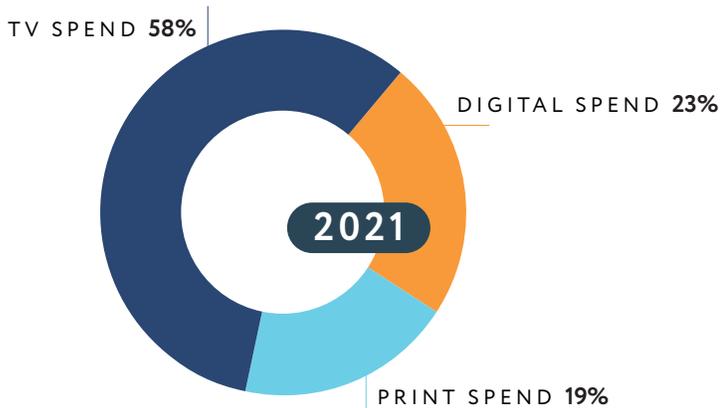
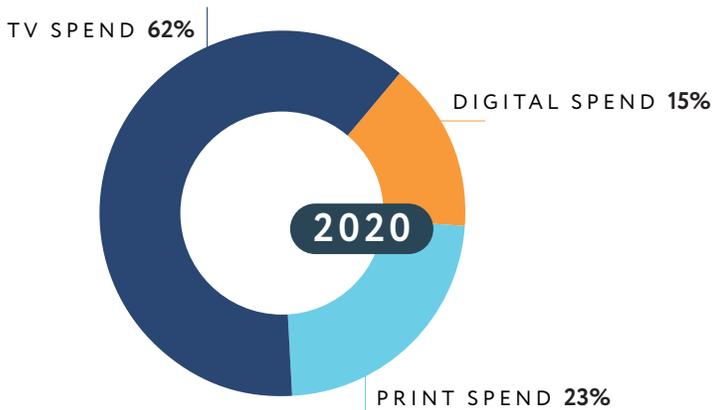
# Where are the dollars going?

## Digital sees huge growth

With more CPG brands shifting focus to online versus brick-and-mortar channels, our own MediaRadar analysis reveals that spend is too. Comparing 2020 to 2021, here's what we saw:

### Media Spend

JANUARY 1 – DECEMBER 31



Overall, print is down by 27%, totaling around \$1 billion in 2021 versus nearly \$1.5 billion in 2020. TV is also down by 15%, with spend totals of over \$3.4b in 2021 compared to roughly \$4 billion in 2020.

Digital, however, grew and is up an eye-popping 43% since 2020. Spending last year was over \$1.3 billion while 2020 saw investments sit at just \$930 million. The growth speaks to changing strategies for CPGs, who are investing more and more in online sales.

## CPG ad spend has fallen

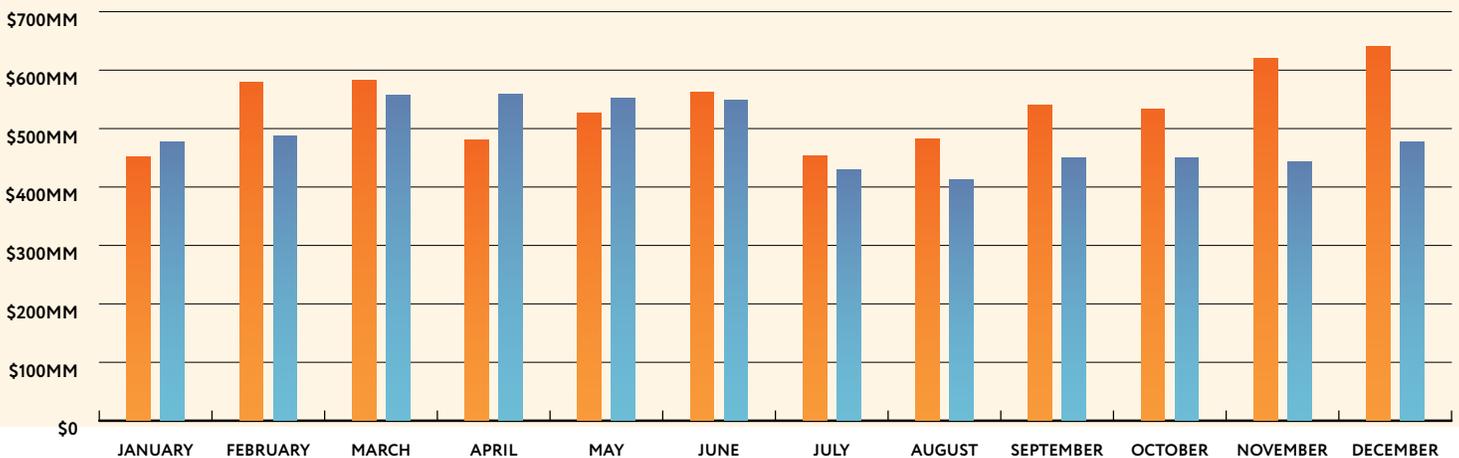
Even with the exploding online spend, however, CPG ad spend has decreased since 2020, and is now down 10%. COVID-enabled sensitivities and supply chain shortages are the likely culprits, of course, as advertising is shifting to available supply or adapting to mitigate it.

## Unsurprisingly, TV stays on top

Overall, TV still tops other media and remains hugely popular among CPG brands for brand lift, owning 58% of all ad spend in 2021 with \$3.4 billion. However, digital overtook print as the second most popular medium, spending around \$1.3 billion.

## Changes in monthly spending

Note the month-to-month changes as there were decreases with ad spend every month with the exception of January (+6%), April (+16%) and May (+5%) as a result of CPG companies reacting to supply chain challenges and leveraging data to react to consumers' needs.



## The top CPG advertisers

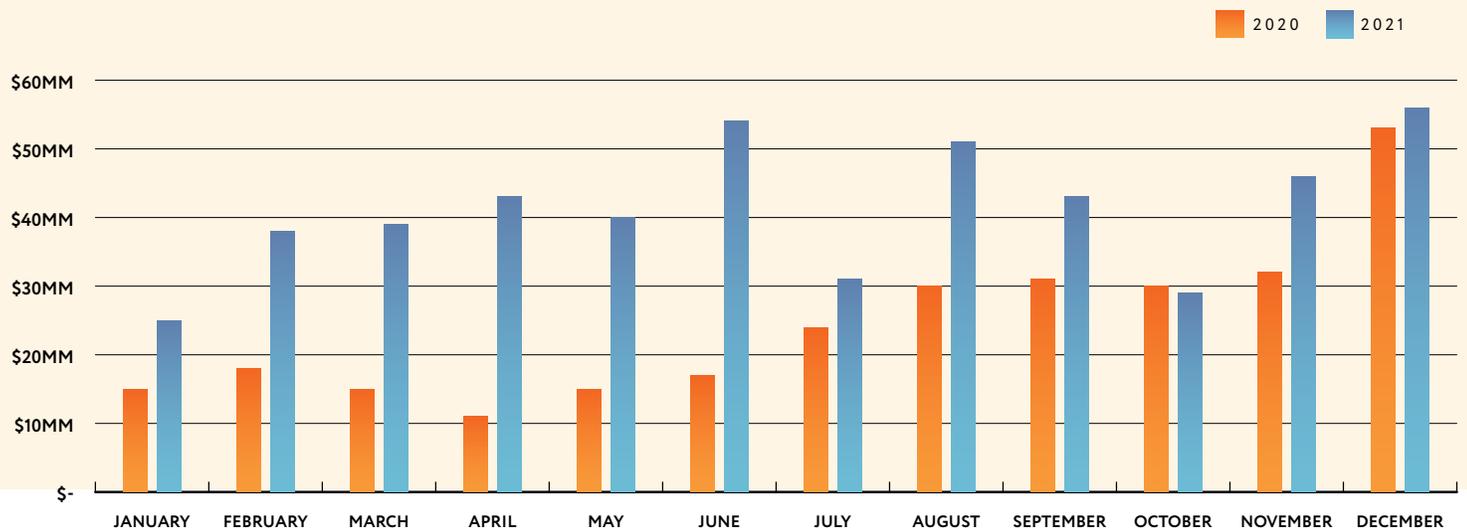
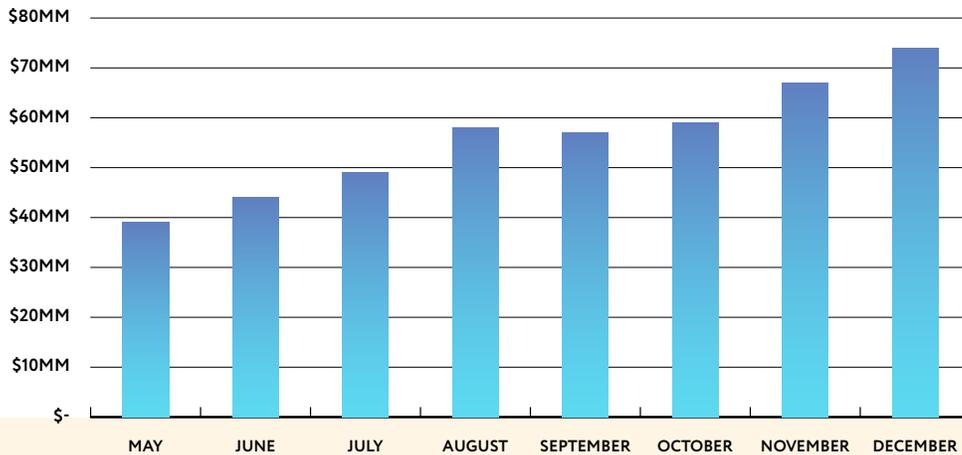
According to our analysis, the number of CPG advertisers grew annually, with 10,140 in 2020, and 12,792 in 2021. 2021 experienced a 45% advertiser retention rate. New companies advertised their brands, such as Beautcella presented DERM iNSTITUTE and The Naked Bee provided their skincare lines.

Top spenders remained unchanged in 2021 – L’Oreal, The Hershey Co, Johnson & Johnson, Procter & Gamble, and Unilever. These companies account for more than one-quarter (29%) of the overall 2021 category spend. While each brand’s total spend is down YoY, all except Johnson & Johnson (-6%) experienced growth in digital formats. With each, we see large Video and Facebook buys adjusting to consumer buying patterns.

## Retail Tracking

MediaRadar started tracking digital ads with 22 retailers such as Amazon, CVS, Target and Walmart in May 2021. There's been 10% average MoM growth since tracking began. Of the CPG retailer ads, 66% was Food and 34% Beauty with the majority dedicated to Native.

**CPG Retail Digital Ads**  
MAY 2021 - DECEMBER 2021



## YouTube Video Tracking

Video tracking via YouTube expanded in 2020. We're seeing CPG top spenders like L'Oreal and The Hershey Company take advantage of this media. L'Oreal's 2021 video ad buys increased 168% and The Hershey's Company increased 211% from 2020.

**CPG YouTube Ads**  
JANUARY 2020 - DECEMBER 2021

# What's next?

Because it's the beginning of the year, publishers need a sense of what to expect moving forward. We believe that CPG companies will continue to reshape portfolios with [DTC offerings and investment](#), while also zeroing in on health conscious lines to support consumers' changing demands and needs. Ad spend distribution will likely shift in tandem, with more dollars headed to digital and social media. To win those open web dollars and compete with the walled gardens of Meta, Google, Snapchat, Pinterest, and TikTok, publishers should emphasize in-demand formats like video, OTT, etc.

A graphic of a smartphone with a red frame, tilted slightly to the right. The screen is blue and contains white text and an orange button.

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