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Gartner for Marketers

Digital IQ: Advertising Benchmarks for 2021

Digital Performance Benchmarks Team

Gartner's digital advertising benchmarks measure B2B and B2C brands from six industries and rank their performance. Digital marketing leaders should use Gartner's digital advertising benchmarks to keep a pulse on successful strategies and priorities of leading brands in and out of their industry.

Digital Performance Benchmarks Team



Introduction

Marketing in 2021 has brought new, pressing challenges. In the past year, the pandemic disrupted campaign planning, sparked a recession and pushed consumers onto new digital channels, such as video. Marketers not only needed to respond but simultaneously adjust to a growing role in dialogues on the pandemic, racism and politics. This year, while the macroeconomic recovery gains pace, Apple's new restrictions on Identifier for Advertiser (IDFA) tracking are impacting ad targeting and measurement while Google's coming deprecation of third-party cookies creates further uncertainty.

Facing cross-industry challenges, digital marketing leaders can't afford to silo comparisons within a small set of close competitors. Gartner's Digital IQ: Advertising Benchmarks for 2021 serves as a critical starting point for marketing teams looking to capture a greater share of consumer attention while navigating these new and evolving challenges. Our industry-agnostic benchmarks measure and compare the digital advertising performance of over 1,100 brands. Brands are scored and ranked alongside each other to uncover the top digital advertisers across the following six industries:

- Consumer products
- Financial services
- Healthcare
- Manufacturing and natural resources
- Retail
- Travel and hospitality

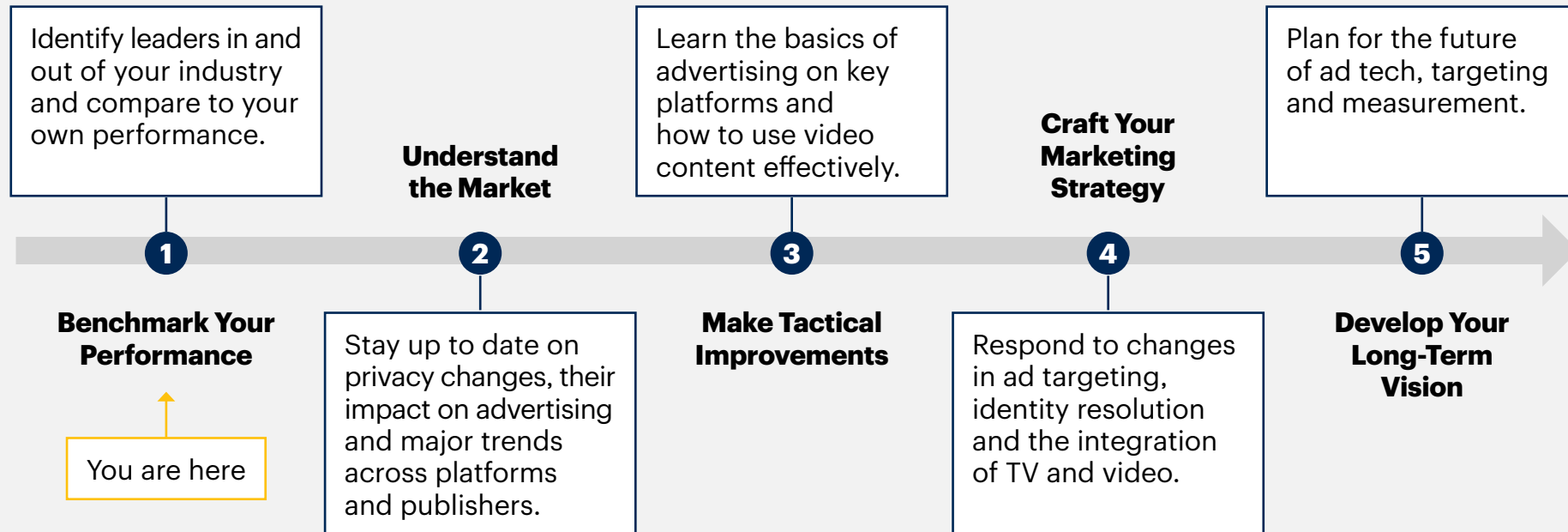
Facing cross-industry challenges, brands can no longer afford to compare their digital advertising efforts to just a small subset of competitors. Instead, digital marketing teams should look to leaders inside and outside of their industry to glean insights into how leading brands are capturing audiences with compelling and differentiating ad experiences.

Use Gartner's Digital Advertising Benchmarks as Your Starting Point for Improving Ad Performance

Digital marketing leaders should use this research as a starting point for improving digital advertising performance (see Figure 1). Start with this document to benchmark your performance against both in-category and out-of-category peers. Using these benchmarks as the foundation of your overall digital advertising journey, you can then begin to evaluate current market conditions and transformations taking place in the ad industry and make tactical improvements to meet these changes with agility. As you progress on your journey, craft a long-term vision for your digital advertising efforts and plan for future disruptions in ad tech.

Figure 1. Gartner Research Roadmap

Use Benchmarks as Your Starting Point for Improving Ad Performance



Source: Gartner

Key Findings

- Retail is the top-performing industry overall and the leader in ad impressions on Facebook. Financial services makes up seven of the top 10 brands in our ranking and outperforms other industries on video advertising.
- Top-performing brands are agile across the media mix. They quickly test and adapt their ad campaigns and publisher placements.
- Consumers significantly increased their video consumption during the pandemic. Top-performing brands continue to increase investments in video ads to take full advantage of this ongoing boom.

Recommendations

To enhance your digital advertising strategy and execution:

- Use Gartner’s digital advertising benchmarks to keep a pulse on successful advertising strategies and priorities of cross-industry leaders.
- Don’t commit to long-term media investments. Revise media plans often to remain agile in response to disruptions from Apple and Google.
- Extend the use of your video ads by reusing shorter content elements for various platforms, devices and customer journey stages.

Analysis

Despite marketing budgets falling to their lowest point in recent history, Gartner’s CMO Spend Survey, 2021 found that digital advertising still captures the second-greatest share of marketing channel investments at 11.2%. This investment focus will likely continue, as investments in pure-play digital channels dominate CMOs’ investment priorities. However, marketing leaders have their work cut out for them as they navigate new and evolving challenges to compete for consumers’ finite attention.

Remain Agile in the Face of Data Privacy Disruptions

Digital marketing teams shouldn’t commit to long-term media investments. Instead, they should build flexibility into their media plans to allow for agile adjustment in the face of three major developments in data privacy that are impacting their ability to track users across websites, channels and devices:

- **Apple Restricts IDFA.** As part of Apple’s iOS 14.5 update, Apple’s AppTrackingTransparency (ATT) framework requires app developers to prompt Apple device users to opt in to all app-specific targeting or tracking via Apple’s Identifier for Advertisers (IDFA).
- **Third-Party Cookie Deprecation.** Major web browsers such as Chrome, Safari and Firefox continue to phase out the use of third-party cookies by default.
- **First-Party Cookie Persistence.** With the newest upgrade to Apple’s Intelligent Tracking Prevention (ITP), the life span of first-party cookies is severely limited on Apple’s Safari web browser.

While Google's delay of third-party cookie deprecation to the end of 2023 gives marketers more time to plan, these developments will still create new and unpredictable challenges in the near future. An agile response will be key. Leading brands in this study typify an agile approach to the digital media mix, shifting spend between channels throughout the year as the pandemic affected the advertising landscape.

Leading Brands Are Increasing Investments Within “Walled Gardens”

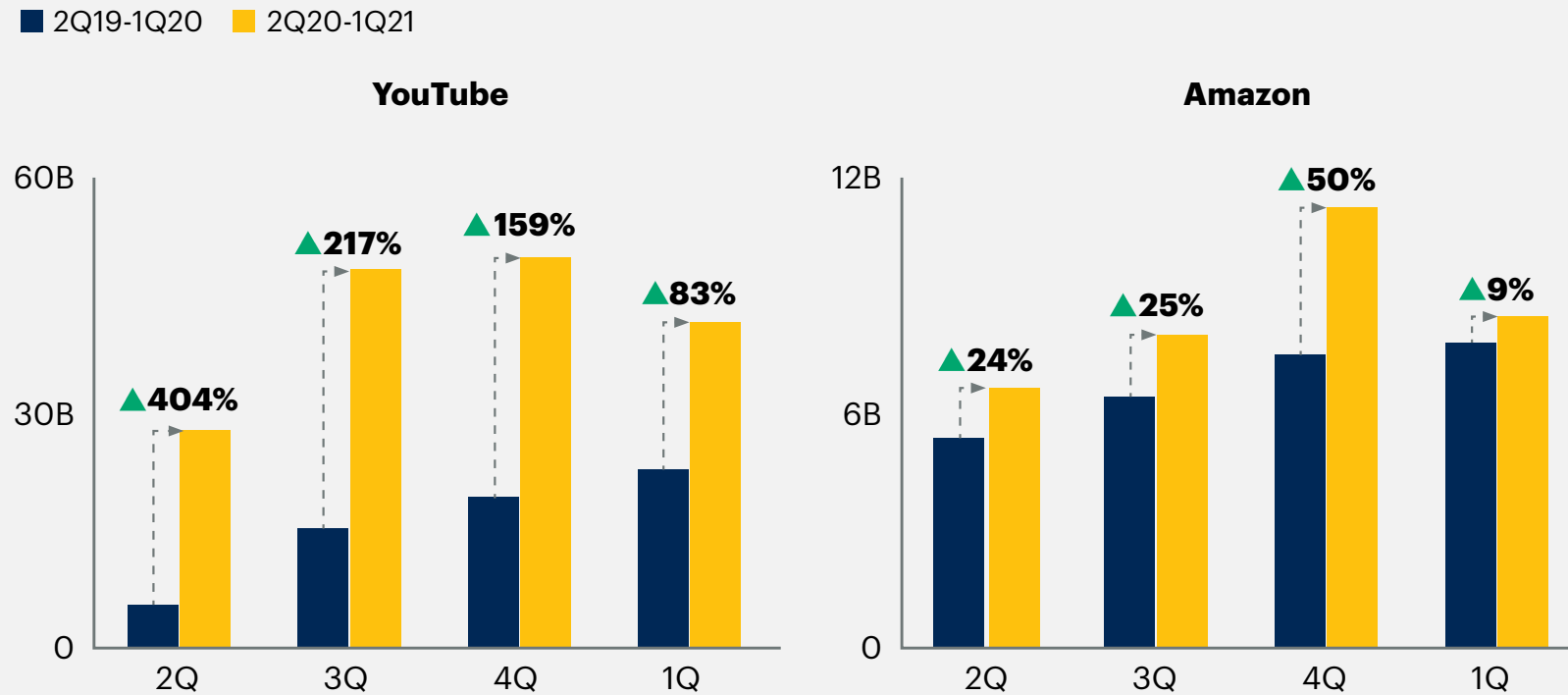
Given these recent disruptions, marketers are faced with three primary scenarios for the future of digital advertising:

- **Consent Economy:** In this scenario, consent to track limits the fallout of data privacy changes, so players with consent have new market and legal power. One such example is the Unified ID 2.0 approach piloted by major demand-side platforms (DSPs).
- **Identity Innovation:** In this scenario, new methods arise to fill the gaps created by privacy changes. Blockchain and intelligent proxy agents like voice assistants are potential components of a future solution.
- **Walled Garden World:** In this scenario, Google, Facebook and Amazon increase their dominance as ad publishers, matching their owned audience data with advertisers' first-party data for targeting and measurement.

Because many marketing organizations are already plugged into these closed-loop platforms, the walled garden world is the most likely outcome in the immediate term. We find leaders in digital advertising significantly increasing investments in walled garden publishers even before these privacy changes come into full effect, both to prepare for the change and test performance on these growing channels (see Figure 2).

Figure 2. Walled Garden World: YouTube and Amazon Growth

Desktop Web Advertising Impressions



n = 922 brands on YouTube and 348 brands on Amazon from six industries: consumer goods, financial services, healthcare, manufacturing & natural resources, retail and travel & hospitality

Source: Gartner analysis of Pathmatics data

Note: Advertising impressions include desktop static and desktop video; excludes mobile apps, nonstandard IAB sizes, custom skins and site takeovers; mobile web excludes most highly targeted and retargeted ads, ads behind a log-in and interstitials.

Brands Focus Resources on Video Advertising

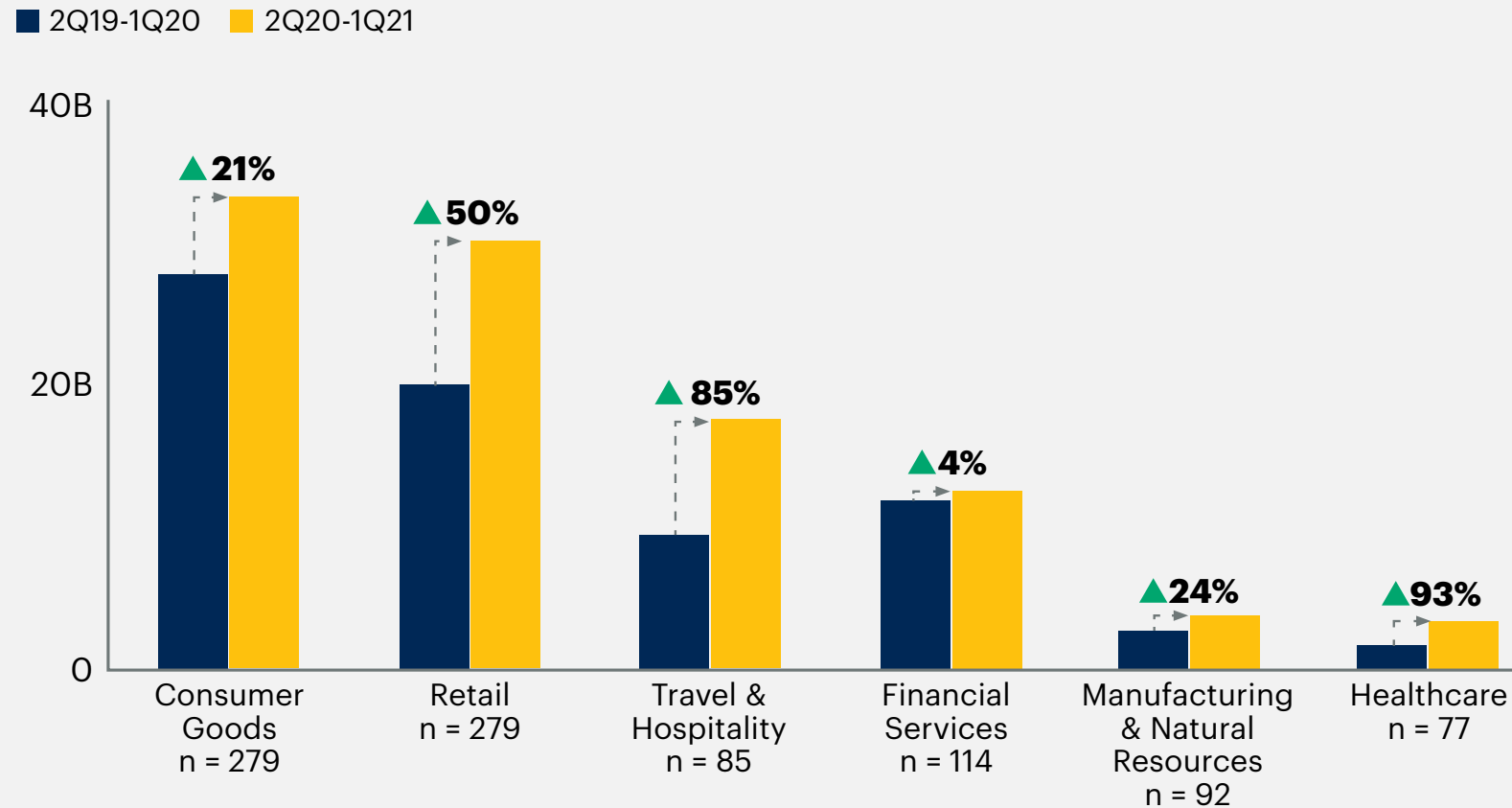
With consumption of online video content on the rise, marketing teams are focusing efforts on video advertising to capture a greater share of target audiences. Digital marketing leaders should extend the use of these often expensive content assets across channels and formats to receive a greater return on their efforts.

When asked about their media consumption since the height of the pandemic, respondents in a Gartner Consumer Community survey in June 2020 cited increasing their use of online video platforms. Fifty-six percent of respondents increased consumption of online TV/streaming (e.g., Hulu, Netflix, Disney+), 55% on live streaming (e.g., Instagram Live, Facebook Live, Twitch) and 44% on YouTube. With the U.S. and other geographies now beginning to regain a sense of normalcy, many of these viewing habits will likely persist. Nearly half of respondents in another Gartner survey said that they plan on keeping their new way of doing things online even after the pandemic subsides.

Brands are taking advantage of this ongoing boom in video consumption by substantially increasing investments in the format. Our benchmarks found brands significantly increasing YouTube ad impressions between the second quarter of 2020 and the first quarter of 2021. Facebook video impressions also increased across all industries year over year (see Figure 3).

Figure 3. Growth on Facebook Video for All Industries

Mobile Facebook Video Impressions




Source: Gartner analysis of Pathmatics data

Note: Facebook mobile app video impressions include sponsored video posts appearing in the News Feed.


Actionable, objective insight

Explore these additional complimentary resources and tools to improve your brand's digital advertising performance:



Webinar
The Gartner Advertising Benchmarks Digital IQ 2021
Discover what separates top industries and brands in digital advertising.

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How Top Brands Are Excelling at Video Advertising
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