

QUARTERLY ADVERTISING SPEND A BENCHMARKING REPORT FOR Q1 2021

May 2021

BACKGROUND

Standard Media Index, the most trusted and recognized global source of advertising revenue and pricing globally, is present in 5 markets – Australia, New Zealand, UK, US, and Canada.

SMI accesses actual spend from the world's largest media buying groups, as well as leading independents, and then harmonizes and structures that data to **create a clear, granular, and easy-to-use database for our clients and agency partners.**

COVERAGE OF NATIONAL BRAND AD SPEND



AUS

93%



NZ

99%



UK

60%



USA

84%



CAN

94%

CANADIAN PARTNER AGENCY ROSTER

COVERING \$6B IN ACTUAL ANNUAL SPEND



Coverage is **94%** of agency market in Canada

Source:

SMI CANADA – MEDIA TREE



Television

Conventional
Specialty
Spot TV
Ad Sales House



Digital

Pure Play – Content
Pure Play – Search
Pure Play – Social
Pure Play – Video
Pure Play – Internet Radio
Print – Digital
TV Network – Digital
Ad Network/Exchanges



Newspapers

Dailies
Community
Business Journals
Ad Sales House



Magazines

Consumer
Trade
Newspaper Insert
Ad Sales House



Radio

Spot Radio
Ad Sales House



Out of home

Cinema
Billboards
Stadiums & Arenas
Transit
Street
Furniture/Retail
Events
Digital OOH

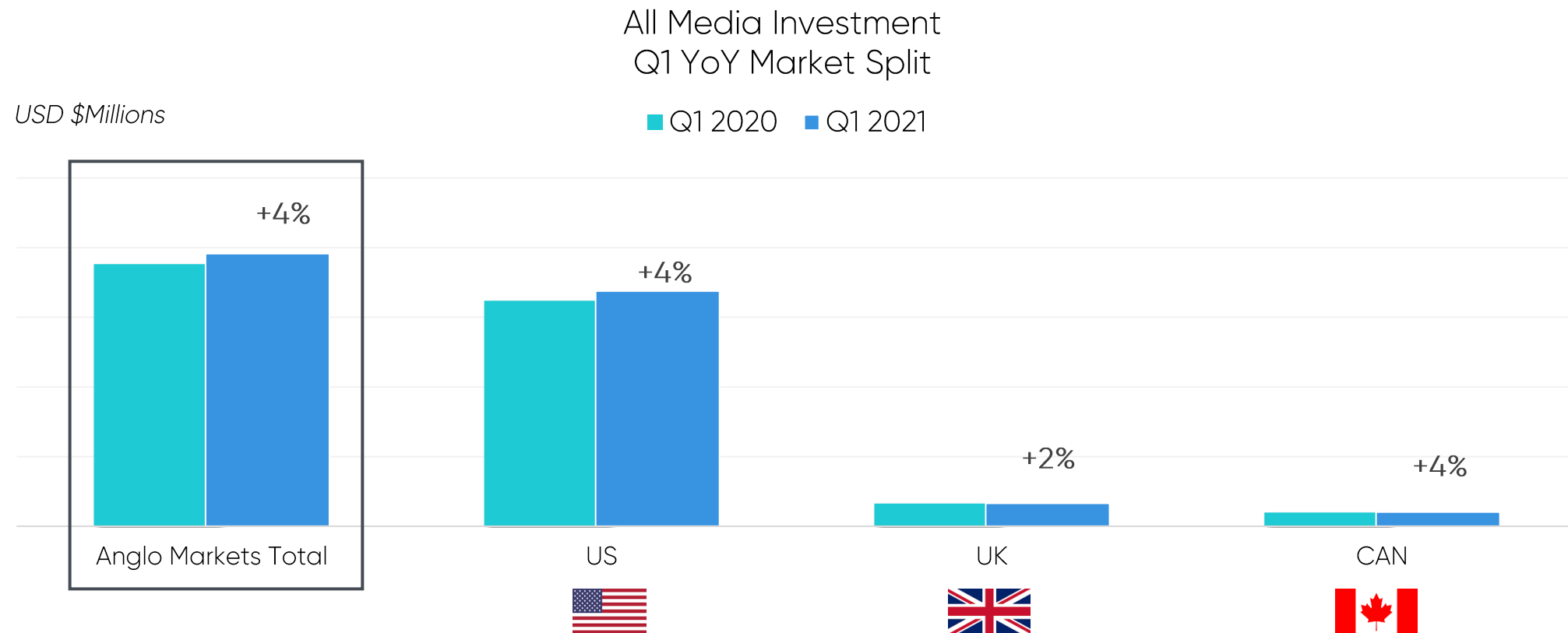


Other

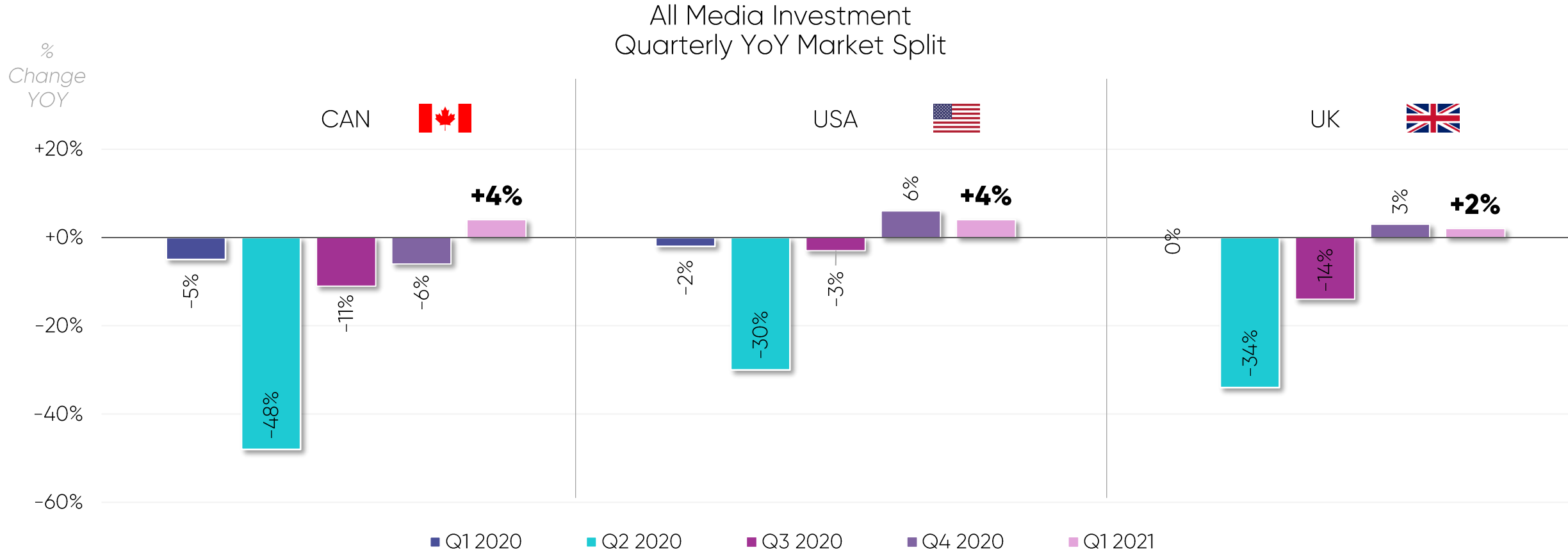
Direct Mail

CANADA VS. GLOBAL MARKETS

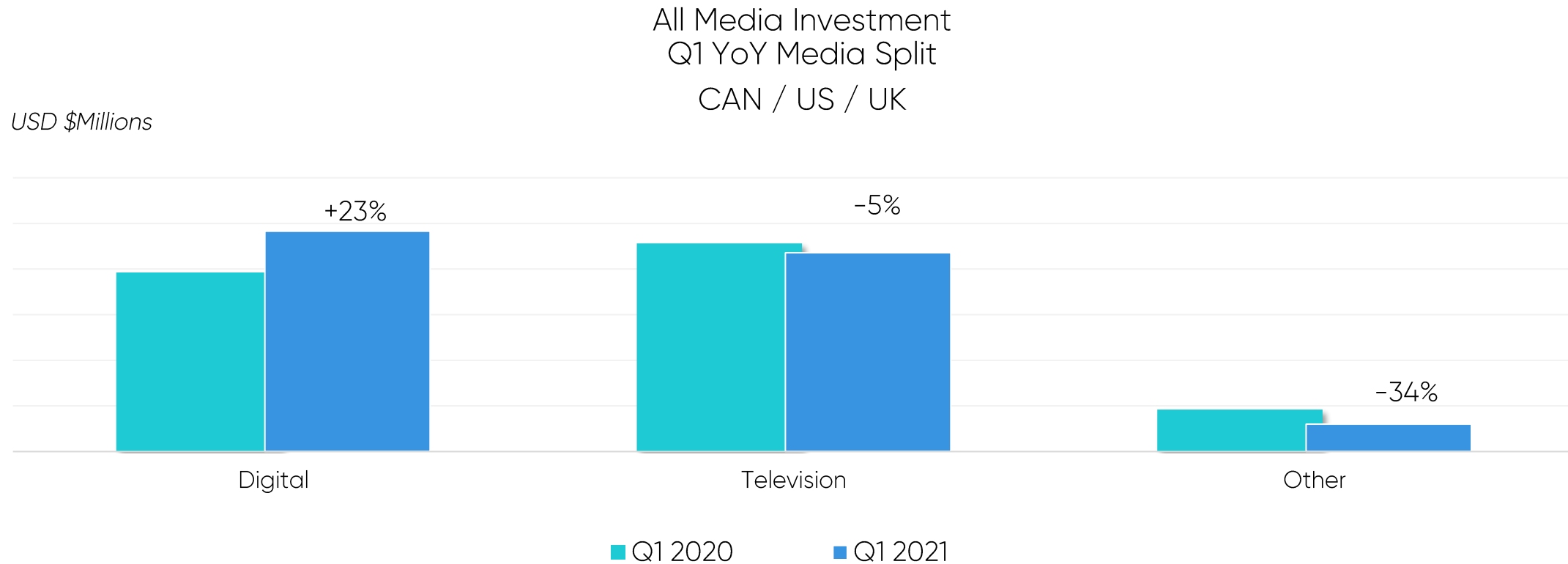
Q1 +4% IN CANADA, MIRRORING US TRENDS SUGGESTING THE START OF A NORTH AMERICAN RECOVERY PERIOD



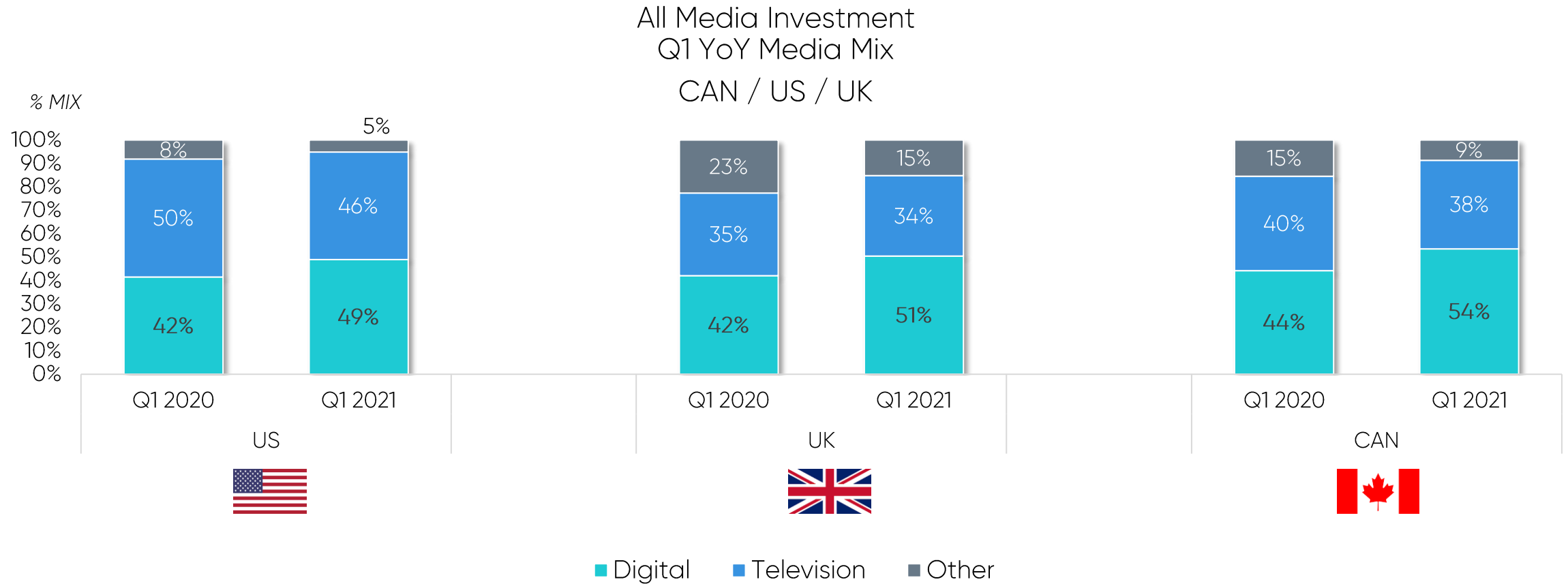
HARDEST HIT IN 2020, CANADA AD INVESTMENT IS BOUNCING BACK



DIGITAL IS THE ONLY MEDIA TYPE TO SEE GROWTH VS. Q1 2020, AND IS ALSO UP VS. 2019 LEVELS



DIGITAL SHARE INCREASING, FURTHERING THE DECLINES IN TV SHARE



KEY TAKEAWAYS



- Overall National ad spend in Q1 2021 up +4% YoY (CAN/US/UK)
- Canada Q1 2021 also up +4% mirroring the US trend
- Digital was the only media type to see a Q1 YoY increase (+23%) in ad spend across CAN/US/UK
- Canada had the biggest increase in digital share (+10 pts)

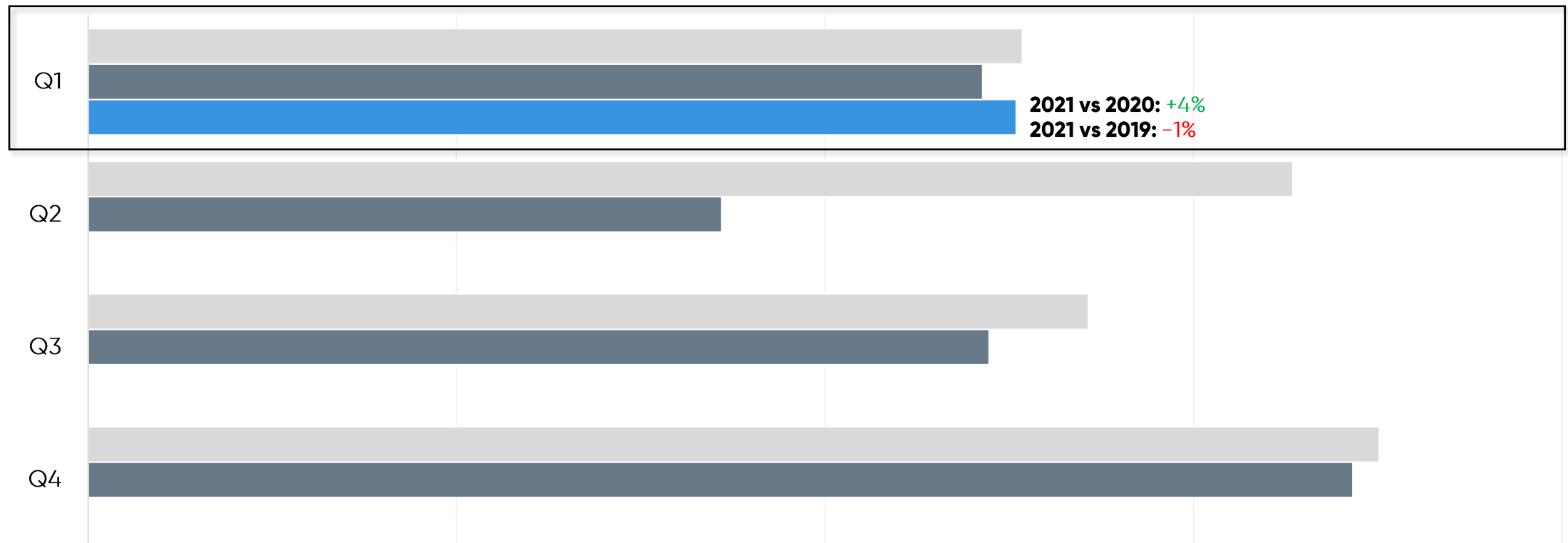
A person is holding a maple leaf on a stick, likely a maple syrup sample, against a teal background. The leaf is positioned in the center of the frame, and the person's hand is visible on the left side. The text "FOCUS ON CANADA" is overlaid on the image in a white, sans-serif font.

FOCUS ON CANADA

Q1 REVENUE SURPASSES 2020 LEVELS AND IS ALMOST FLAT TO 2019

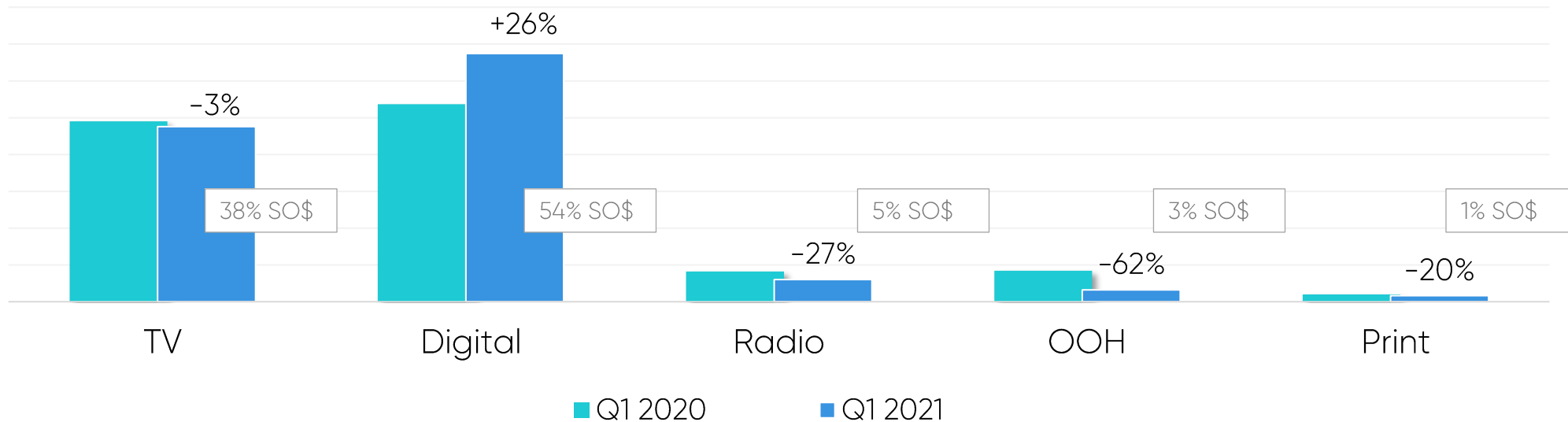
Quarterly Revenue By Year

■ 2019 ■ 2020 ■ 2021



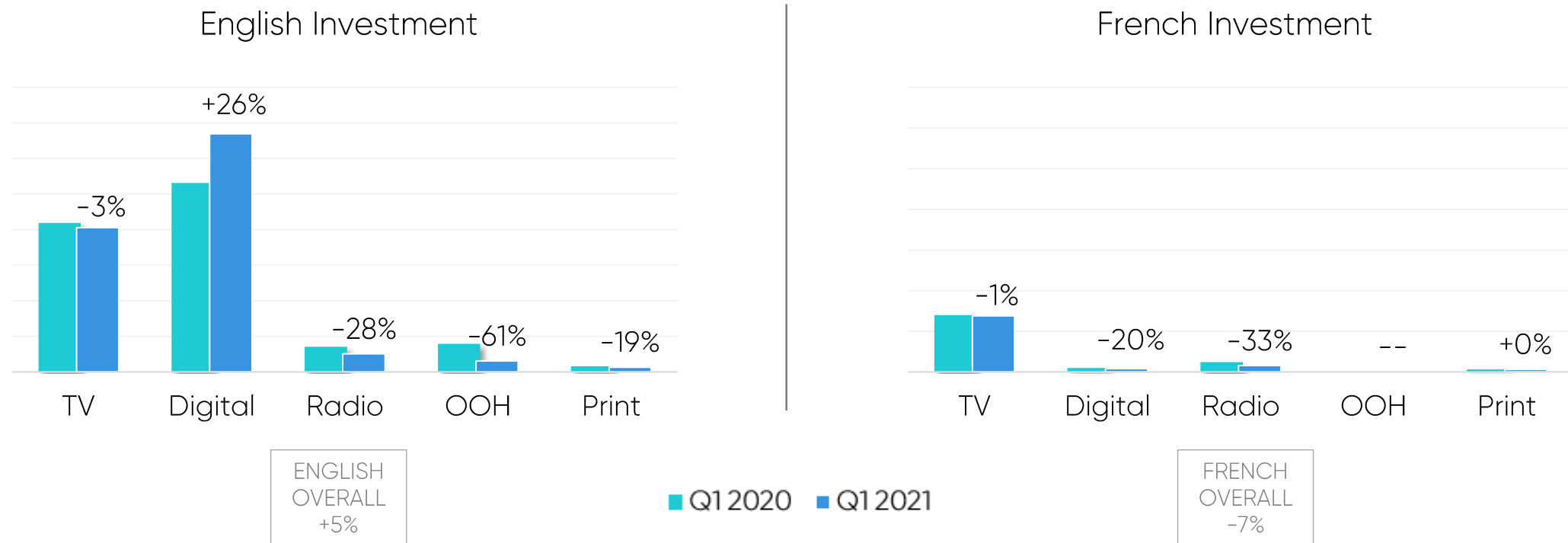
DIGITAL IS THE ONLY MEDIA TYPE TO SEE YOY INCREASES IN Q1 2021

Canada – All Media
Q1 YoY



ALTHOUGH TV DECLINES WERE GREATER IN ENGLISH CANADA, OVERALL MEDIA WAS UP, WITH FRENCH INVESTMENT DOWN VS Q1 2020

Canada – All Media
Q1 2021 vs. Q1 2020



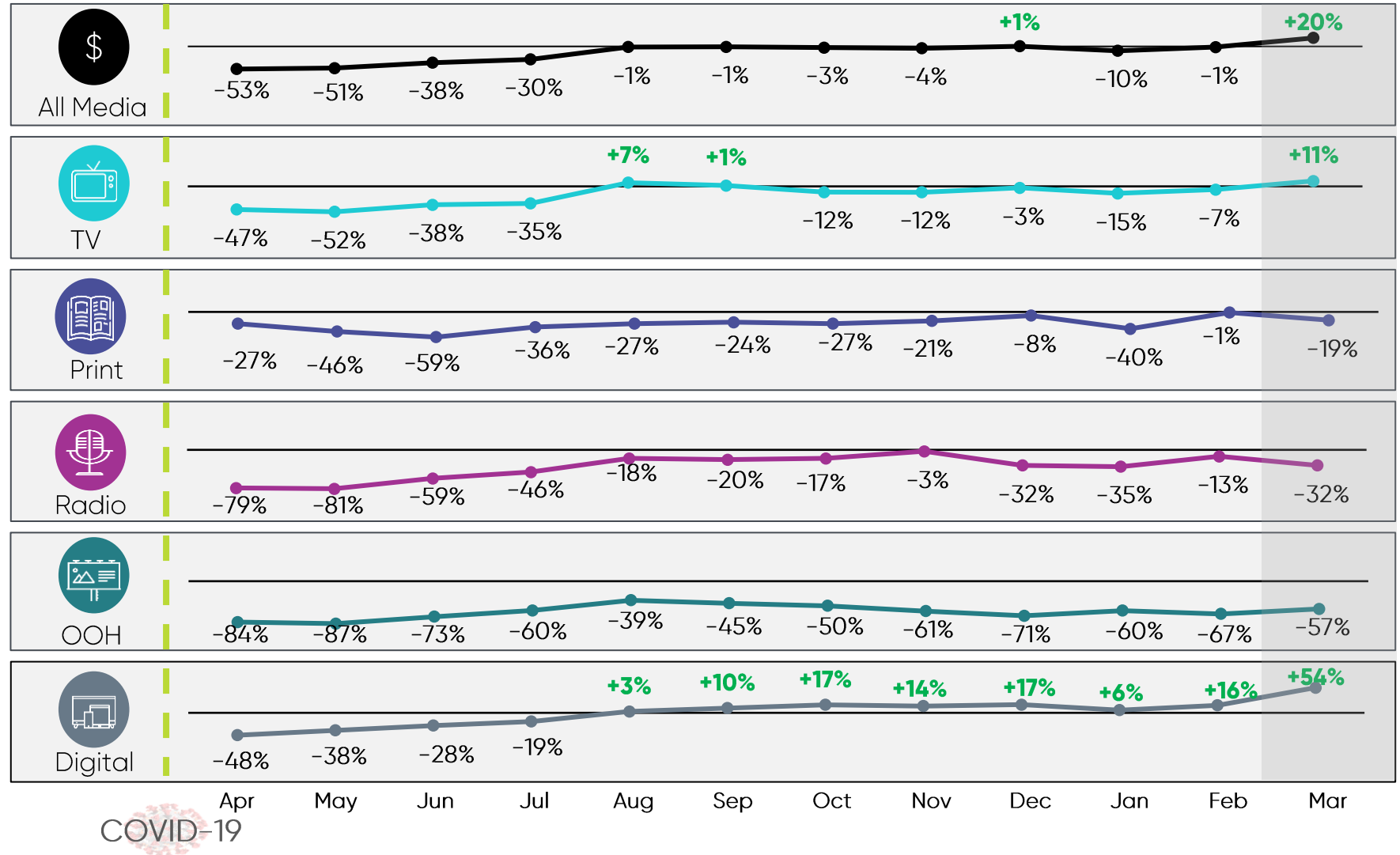
March all-media monthly growth reached +20% YOY, reflecting strong lift against last year's softer base given the emergence of COVID-19.

TV & Digital national advertising forces combine to carry March improvement, despite continuing lockdown in certain regions.

TV, newly up by double digits, is driven strongly by sports like NHL.

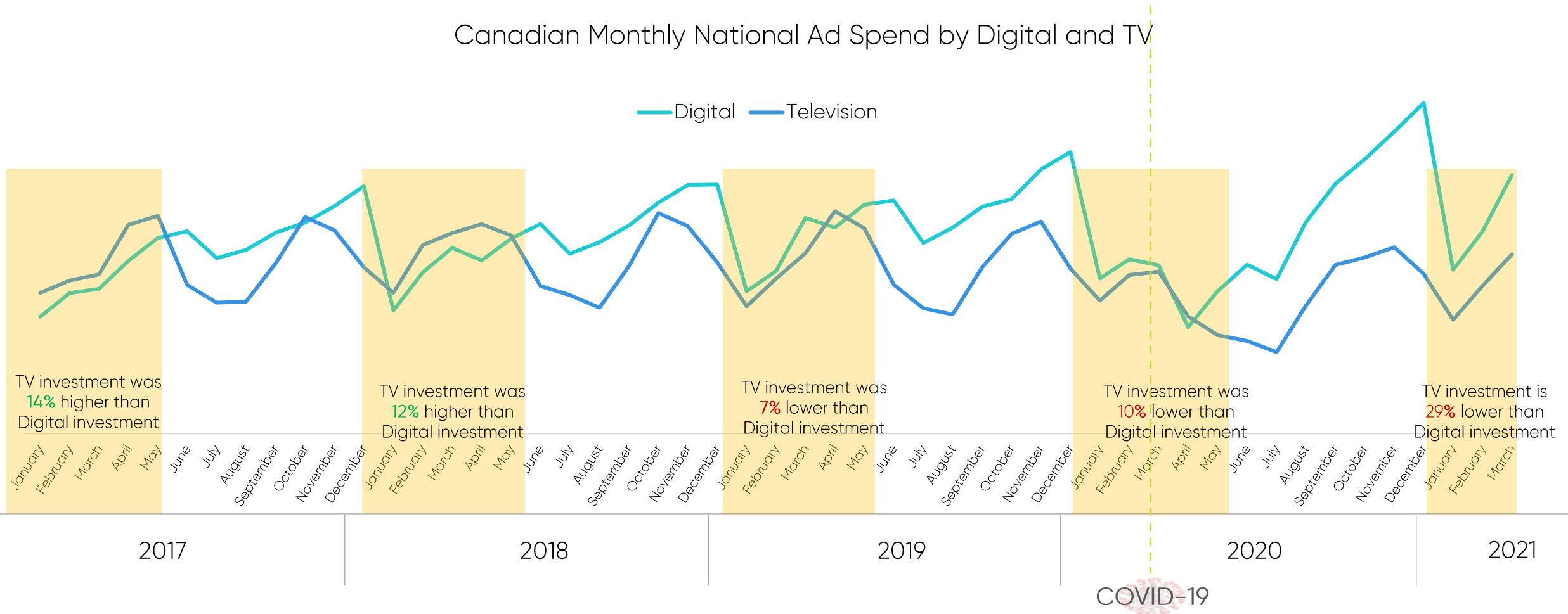
Digital continued to thrive. Online ad spend increased by +54%. Social and search, holding almost 50% share of Digital, propel the ad method forward.

Canada National Advertising Revenue Monthly Percent Change By Channel (ROLLING 12 MONTH YOY APRIL 2020 – MAR 2021)



DIGITAL WAS SEPARATING FROM TV, ACCELERATED BY THE PANDEMIC, THE DELTA CONTINUES TO GROW IN 2021

Canadian Monthly National Ad Spend by Digital and TV

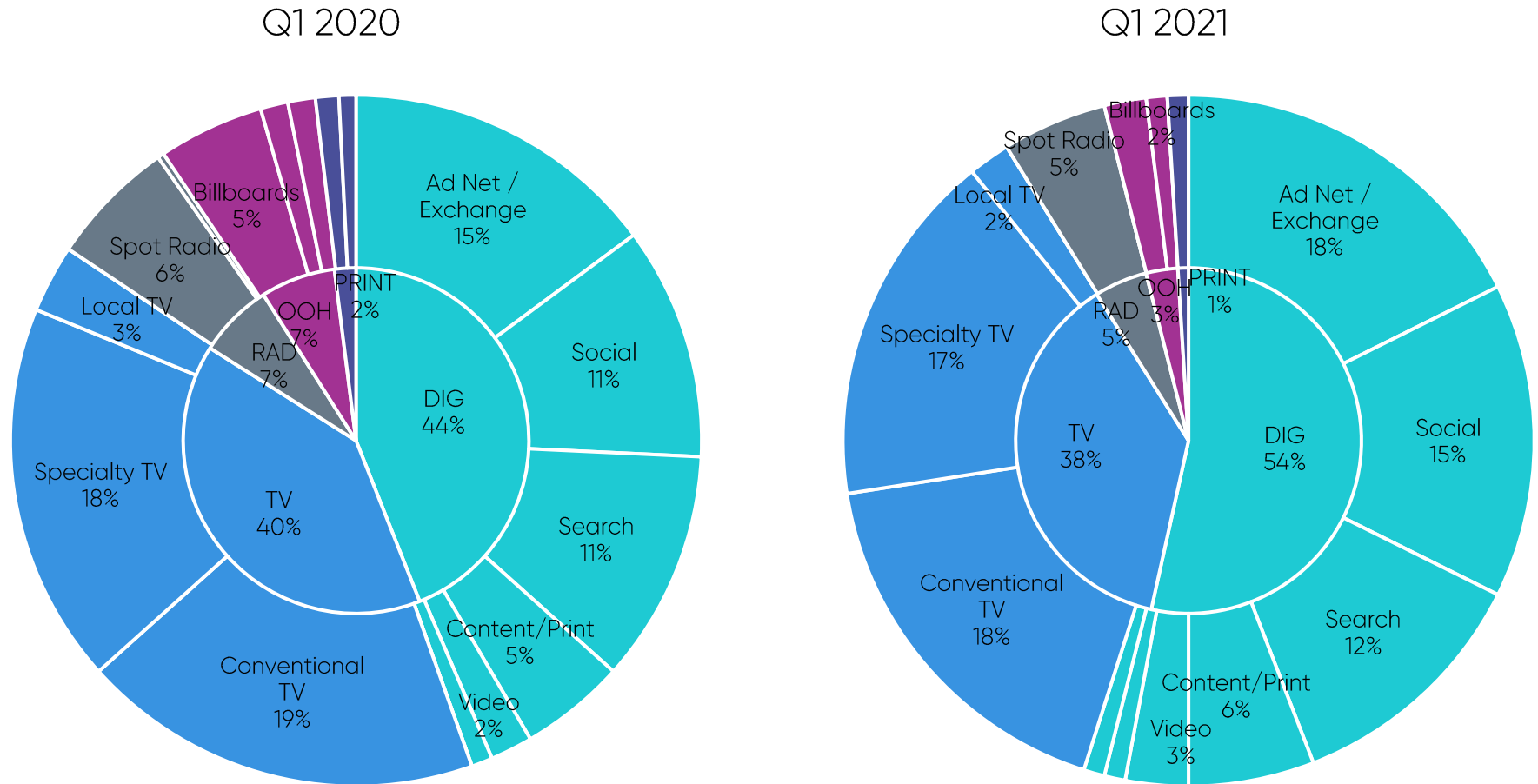


Source: SMI Pool

SMI Client Report | Cannot be Distributed Without SMI's Consent

ALONG WITH A +26% INVESTMENT INCREASE, DIGITAL IN CANADA SAW A 10-POINT SHARE INCREASE, WITH ALL MEDIA SUB-TYPES INCREASING SHARE AS WELL

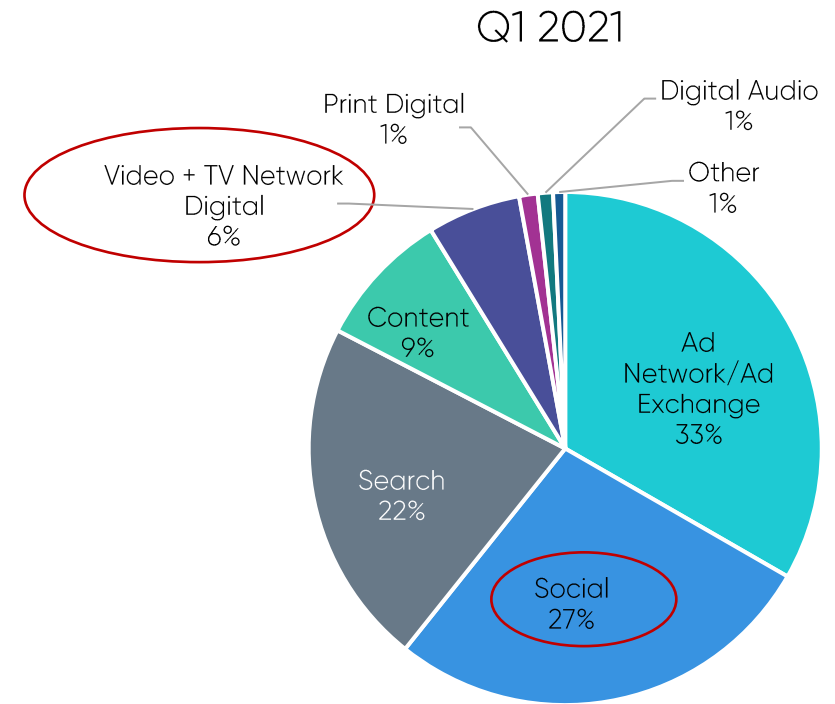
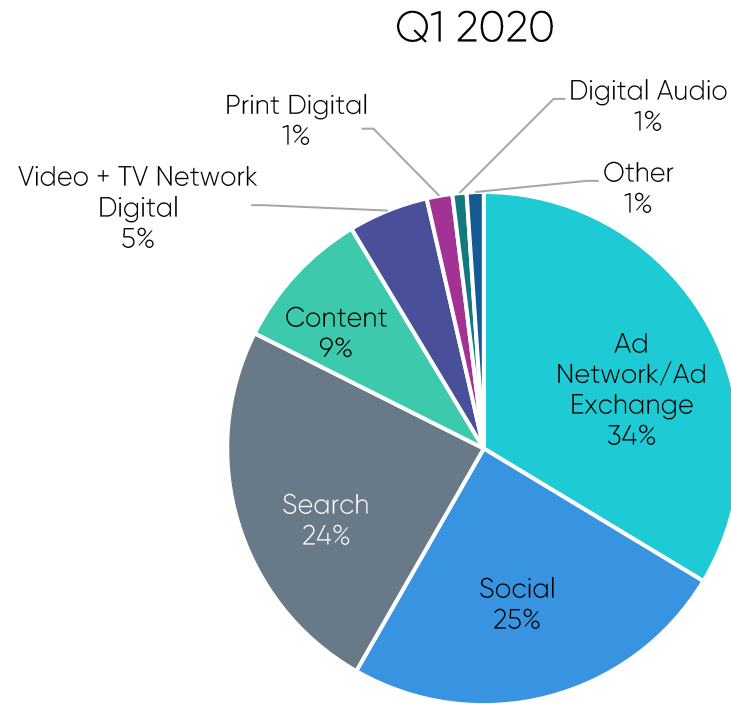
All Media Investment Sub-Types Q1 YoY



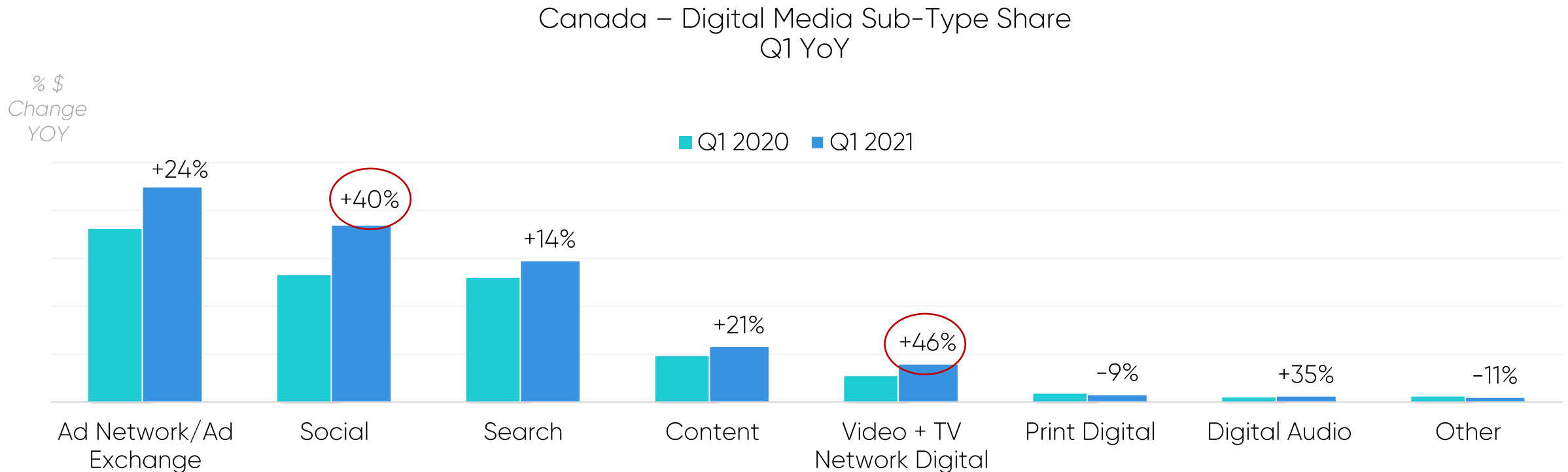
TOTAL DIGITAL INVESTMENT AND DIGITAL SHARE OF TOTAL MEDIA ARE BOTH UP VS Q1 2020

WITHIN DIGITAL, SOCIAL AND VIDEO ARE SEEING INCREASED SHARE

Digital Investment Sub-Types Q1 YoY

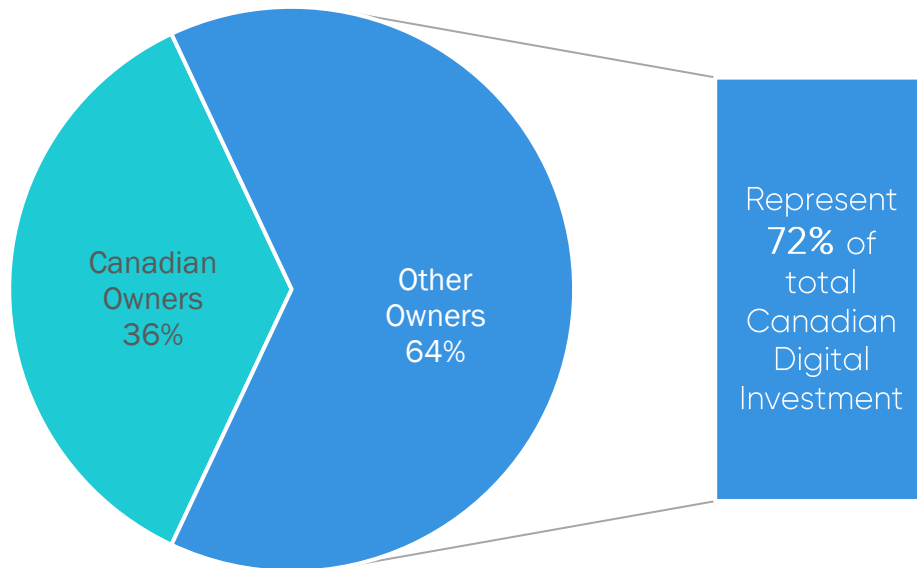


INVESTMENT GROWTH WAS SEEN ACROSS MOST DIGITAL MEDIA SUBTYPES, WITH THE LARGEST GAINS AGAINST SOCIAL AND VIDEO

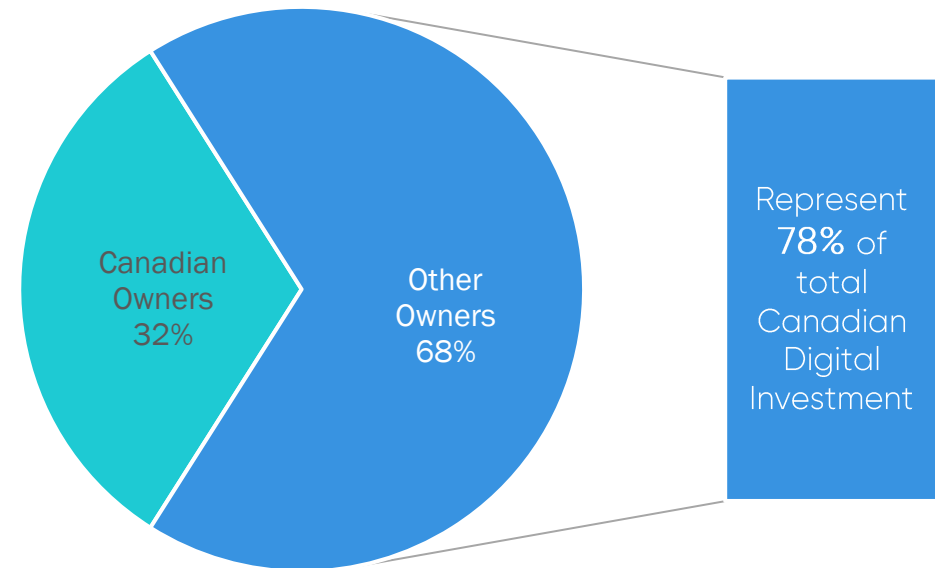


LESS CANADIAN OWNERS ARE IN THE MARKETPLACE, BUT INVESTMENT AGAINST THEM GREW 9% IN Q1 2021

Q1 2020 Top 50 Digital Owners

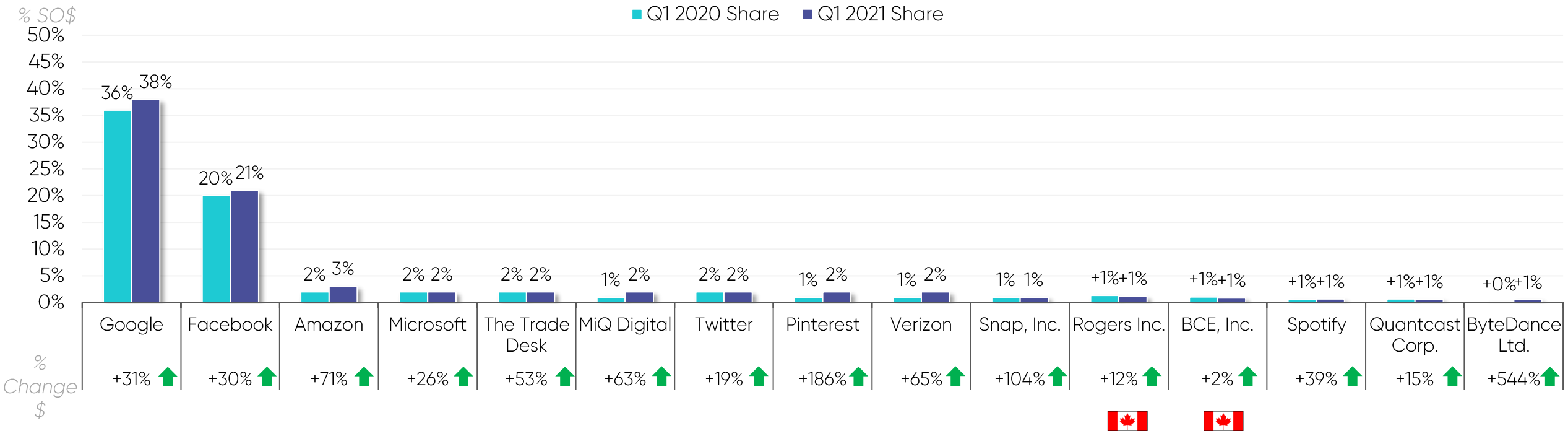


Q1 2021 Top 50 Digital Owners

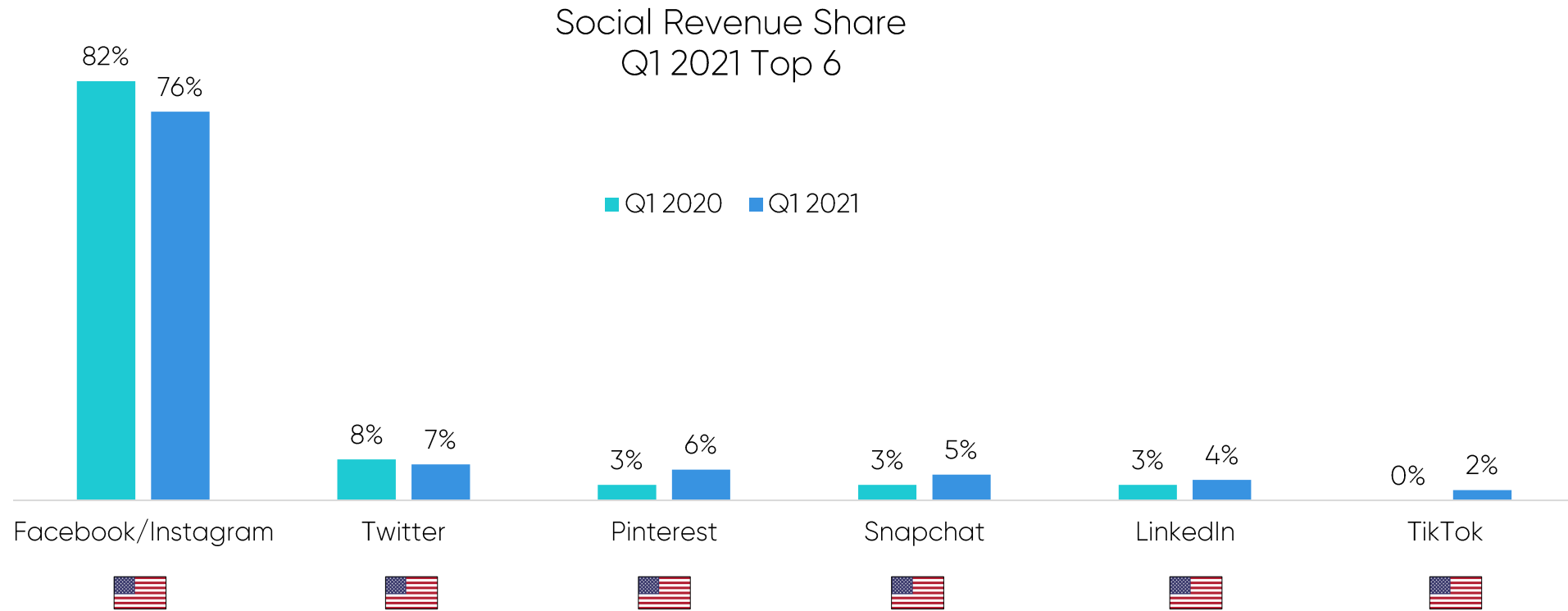


GOOGLE AND FACEBOOK STILL TAKE THE BIGGEST SHARE OF DIGITAL, SHOWING BOTH VOLUME AND SHARE INCREASES IN Q1 2021











Digital Media – Top 15 of Q1 2021 – Media Owner Share



FACEBOOK/
INSTAGRAM
STILL TAKES
THE
GREATEST
SHARE OF
SOCIAL,
WITH NO
CANADIAN
OWNERS IN
THE TOP 6



WITHIN VIDEO
THESE TOP 10
MAKE UP 99%
OF ALL VIDEO
INVESTMENT IN
CANADA WITH
5 OF THE TOP
10 OWNERS
BEING
CANADIAN

TV Network Digital + Pure Play Digital Video Revenue Share Q1 2021 Top 10			
		Q1 2020	Q1 2021
	YouTube, LLC	54%	70%
	Pelmorex Media, Inc.	13%	8%
	Roku, Inc.	4%	5%
	CBC Television	7%	4%
	Rogers Television	4%	4%
	Corus Television	5%	3%
	Tremor Video, Inc.	1%	2%
	Vevo, LLC	7%	2%
	Bell Media, Inc.	1%	1%
	ViacomCBS Networks International	0%	1%

CANADA CATEGORY ANALYSIS

ADVERTISING
SENTIMENT
PULSE CHECK



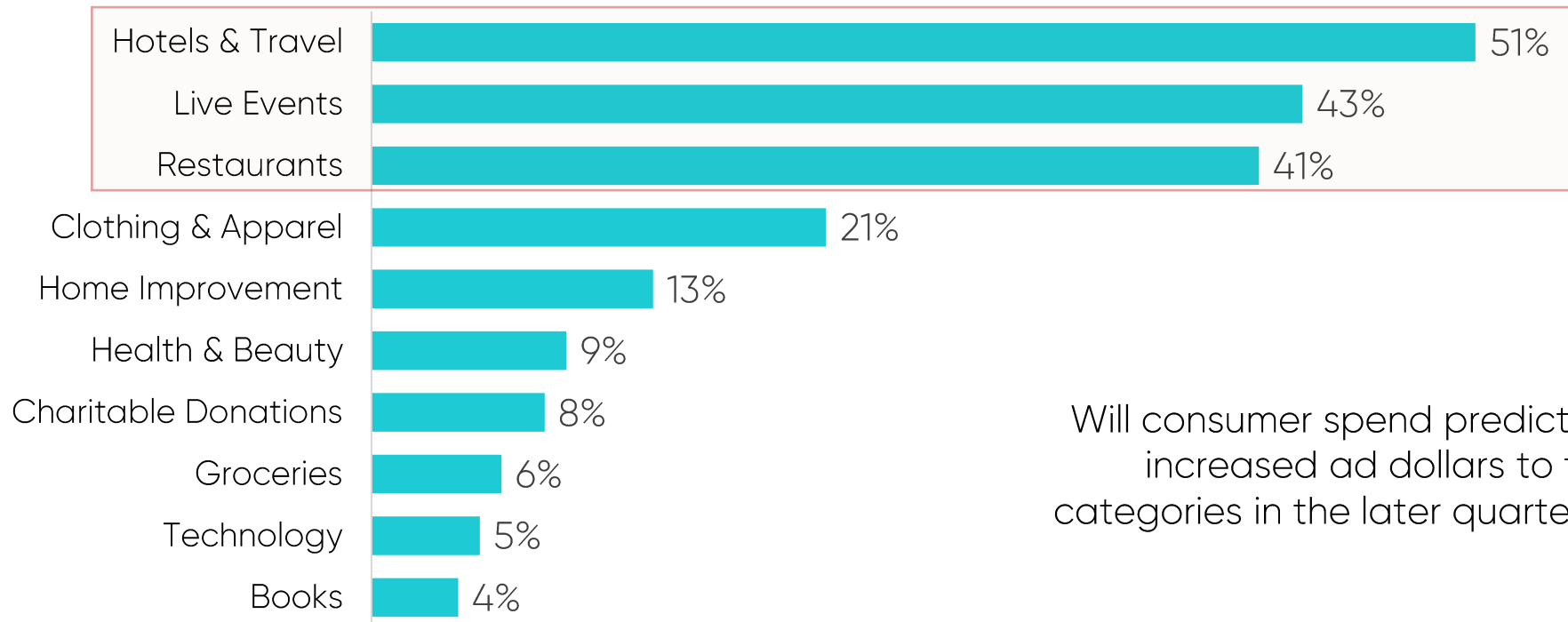
“

Advertisers must now be extra careful to strike the right balance between relevancy and alienation.

”

WILL THESE CATEGORIES SHOW GROWTH IN 2021 OR IS IT WISHFUL THINKING?

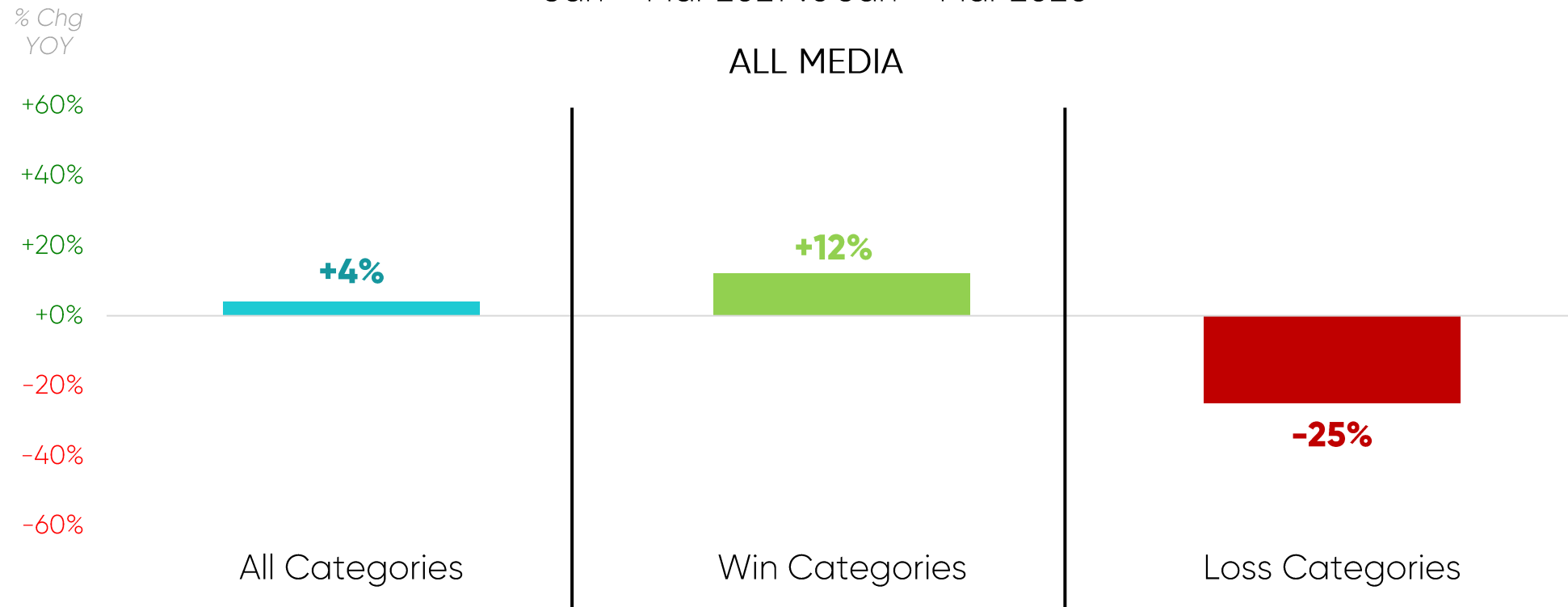
What Will Canadians Spend More On in 2021?



Will consumer spend predictions drive increased ad dollars to these categories in the later quarters of 2021?

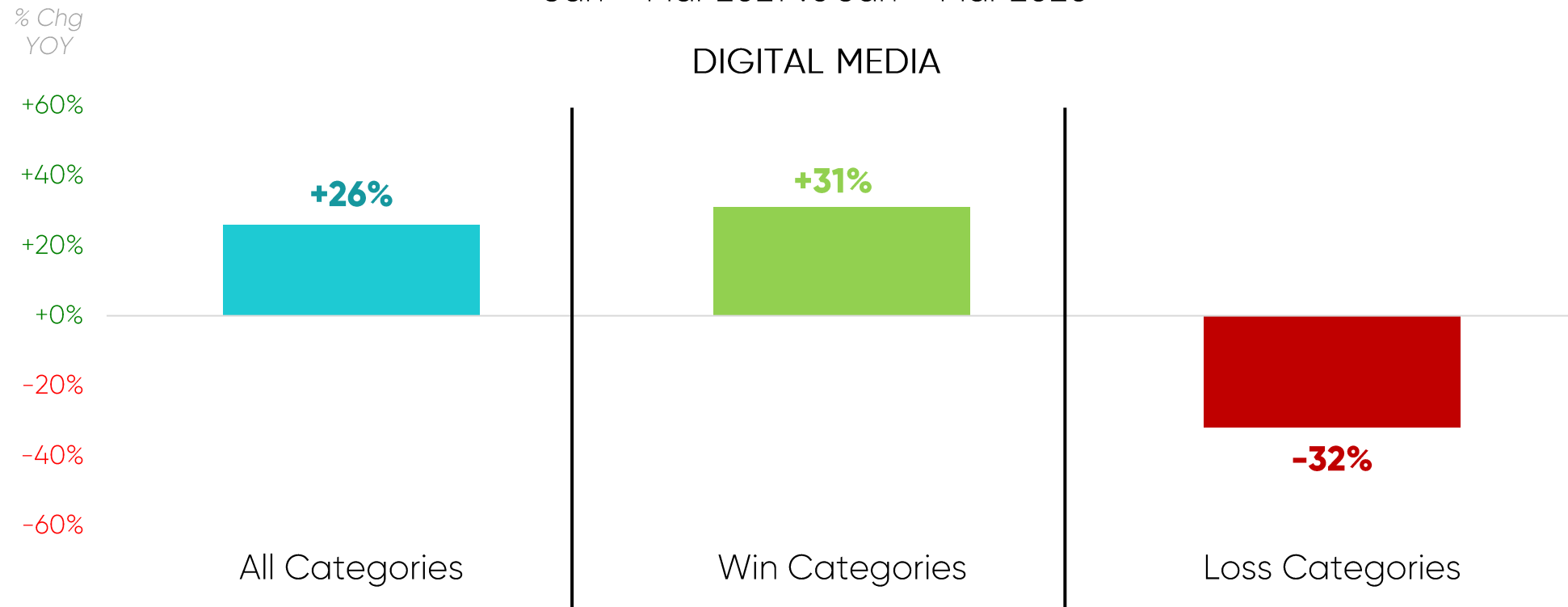
WHICH CATEGORIES ARE TRACKING AHEAD IN Q1 2021?

Canada National Advertiser Investment Trend by Category Group
Jan – Mar 2021 vs Jan – Mar 2020















WHICH CATEGORIES ARE TRACKING AHEAD IN Q1 2021 FOR DIGITAL?

Canada National Advertiser Investment Trend by Category Group
Jan – Mar 2021 vs Jan – Mar 2020



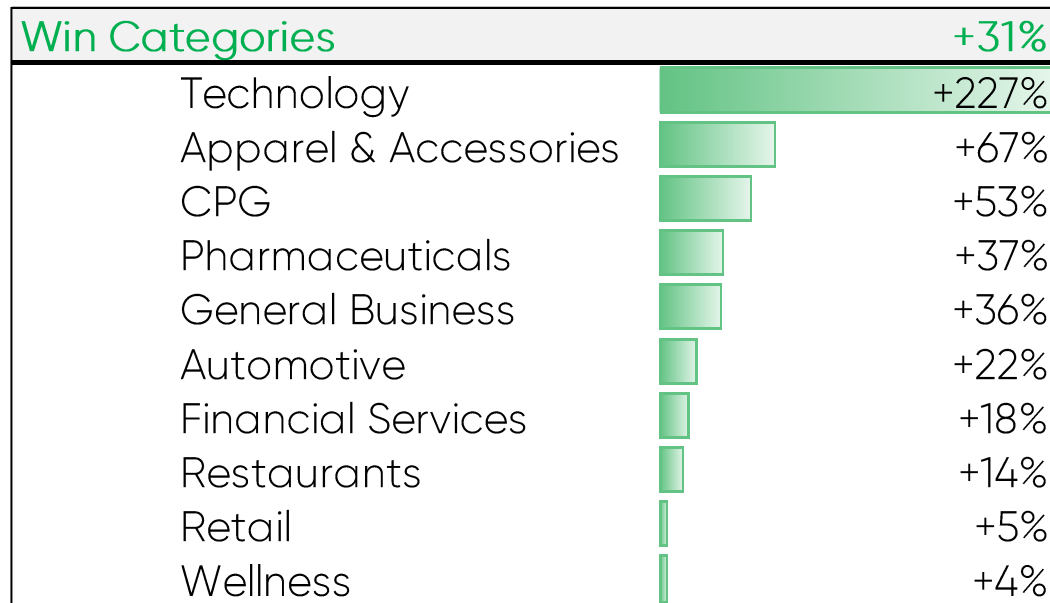
ALMOST ALL CATEGORIES ARE SHOWING DIGITAL RECOVERY

Canada National Advertiser, Digital Investment Trend by Category
Q1 2021 vs. Q1 2020

Total - All Categories		+26%
Win Categories		+31%
Technology		+227%
Apparel & Accessories		+67%
CPG		+53%
Pharmaceuticals		+37%
General Business		+36%
Automotive		+22%
Financial Services		+18%
Restaurants		+14%
Retail		+5%
Wellness		+4%
Loss Categories		-32%
Entertainment & Media		-11%
Travel Services		-78%

CAN THESE CATEGORIES SUSTAIN THE GROWTH THEY SAW IN Q1 THROUGH THE REMAINDER OF 2021?

Canada National Advertiser, Digital Investment Trend by Category
Q1 2021 vs. Q1 2020



Gains in Technology were driven by an increase in Software ad spend, Apparel & Accessories increases were driven by Accessories rather than Apparel, and CPG growth was driven by Alcoholic Beverages and Household Supplies

WILL CONSUMER DEMAND FOR TRAVEL AND LIVE EVENTS DRIVE AD SPEND IN THESE CATEGORIES AS RESTRICTIONS LIFT?

Canada National Advertiser, Digital Investment Trend by Category
Q1 2021 vs. Q1 2020

Loss Categories		-32%
Entertainment & Media		-11%
Travel Services		-78%

Within Ent & Media small increases against Toys & Games weren't enough to grow the category, while Travel continues to feel the effects of COVID restrictions

KEY TAKEAWAYS



- Gap between Digital and TV is growing in favour of Digital
- Digital showing share shifts within media sub-types towards Social and Video
- Less Canadian owners within Digital, but investment towards them increasing

WHAT'S NEXT?



“

We've heard 2020 described as 'unprecedented' so many times. We saw so many changes that no one could have predicted what 2021 was going to hold.

Along with this Q1 2021 update, SMI will commit to working with the IAB to present ongoing quarterly updates (vs. yearly) so that we can all stay on top of the rapid shifts and help inform the remainder of 2021 and beyond.

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Questions?

Thank you!

Standard Media index



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