



QUARTERLY NATIONAL BRAND ADVERTISING SPEND

A BENCHMARKING REPORT FOR Q3 2021

October 29, 2021



STANDARD MEDIA INDEX OVERVIEW



Global partnership model with major holding company agencies and leading independents. HQ'd in NYC since 2011, Canada launch in 2020.

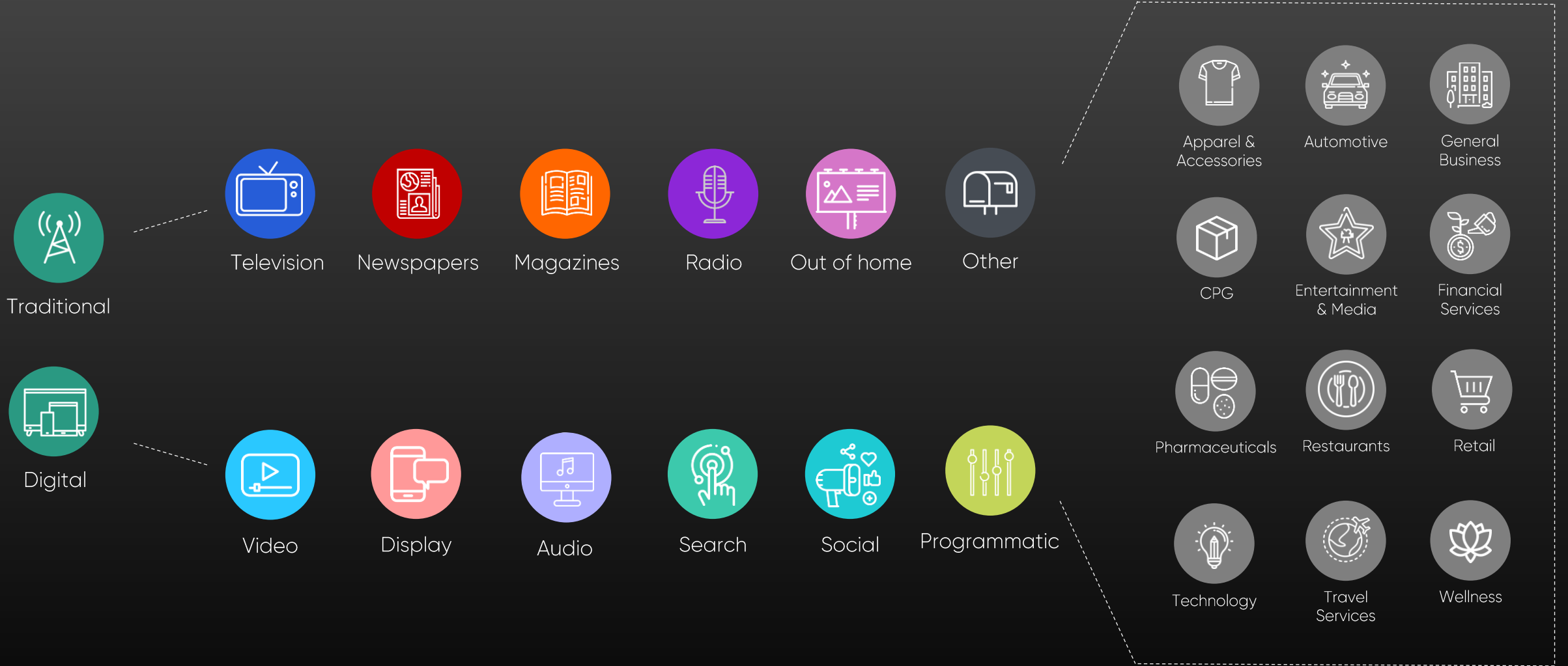


Clean and harmonize client level data for faster and better reporting, insights, trends, and forward-pacing.



Produce category, spend and cost level insights which then becomes SMI data products. Clients include publishers, finance, consulting, brands and tech.

STANDARD MEDIA INDEX REPORTING

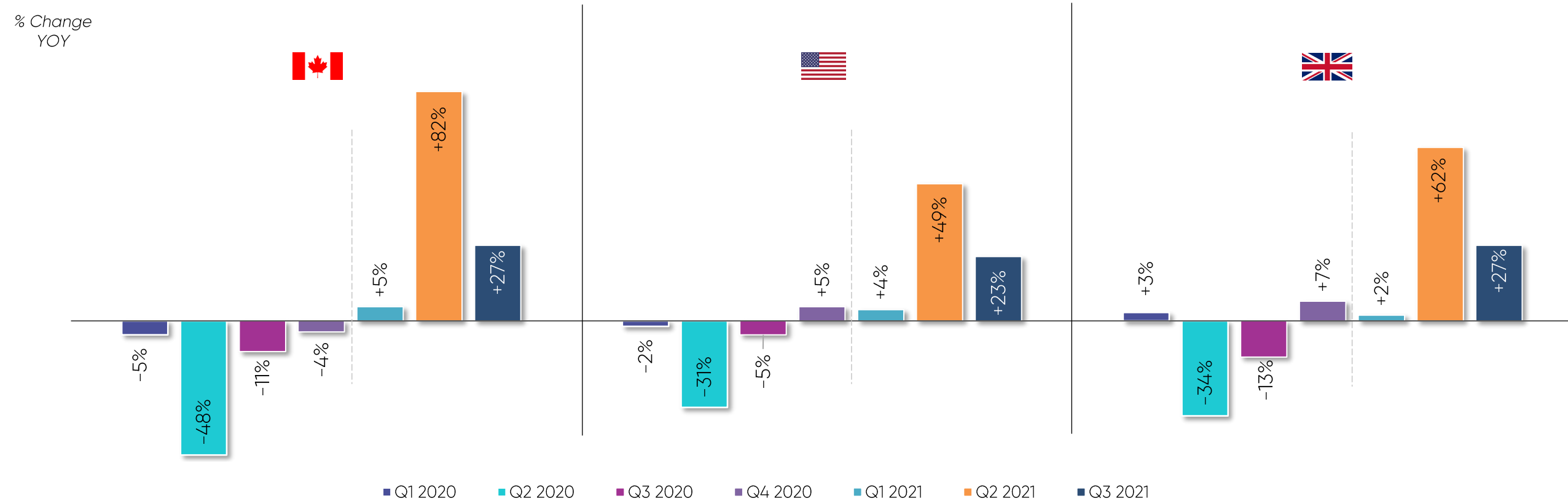


CANADA VS. GLOBAL MARKETS



ALTHOUGH SLOWER TO ENTER RECOVERY THAN OTHER ENGLISH-LANGUAGE MARKETS, CANADA HAS NOW SEEN YOY GROWTH IN EVERY QUARTER OF 2021

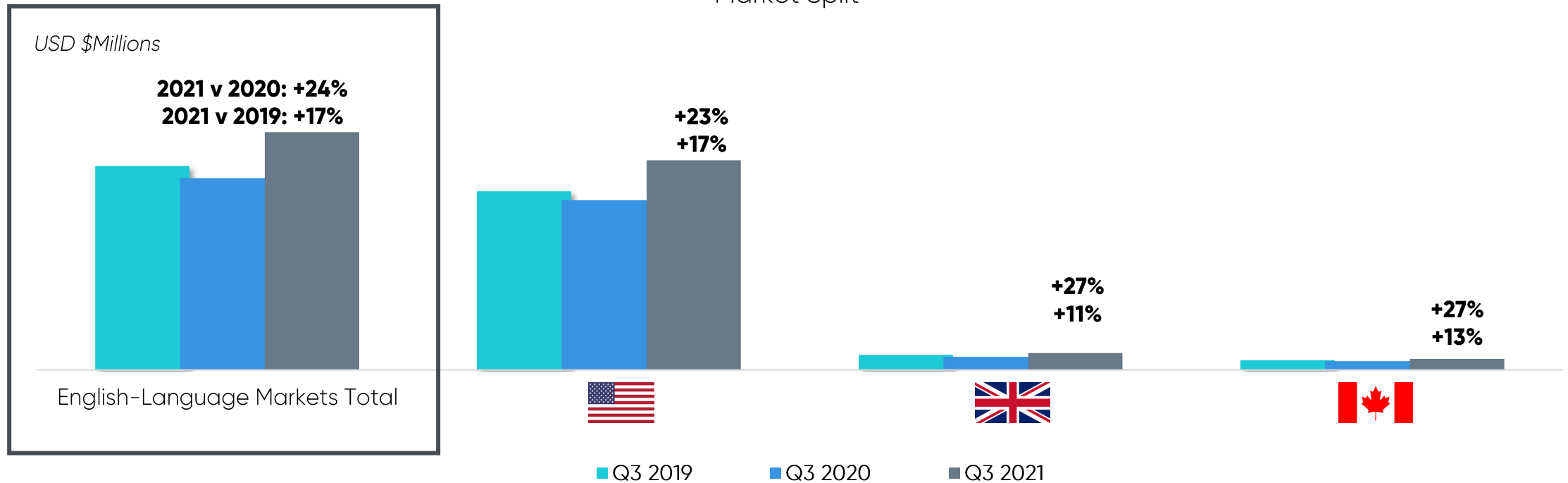
Cross-Media National Brand Ad Investment
Quarterly YoY Percent Change



Source: SMI Pool | Markets include USA, UK, Canada
Media formats include TV, Magazines, Newspapers, OOH/Cinema, Radio, and Digital
SMI Client Report | Cannot be Distributed Without SMI's Consent

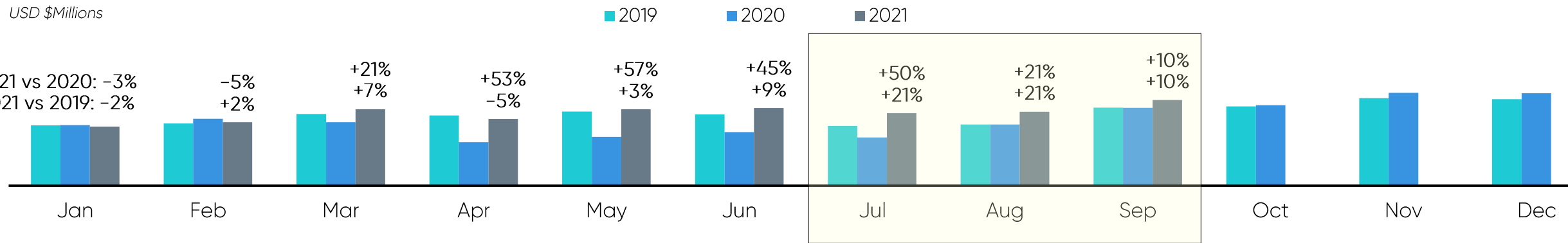
US, UK, AND CANADA ARE NOW IN A GROWTH POSITION VS BOTH Q3 OF LAST YEAR AS WELL AS VS Q3 OF PRE-PANDEMIC 2019

Cross-Media National Brand Ad Investment
Q3 - 2019, 2020, 2021
Market Split

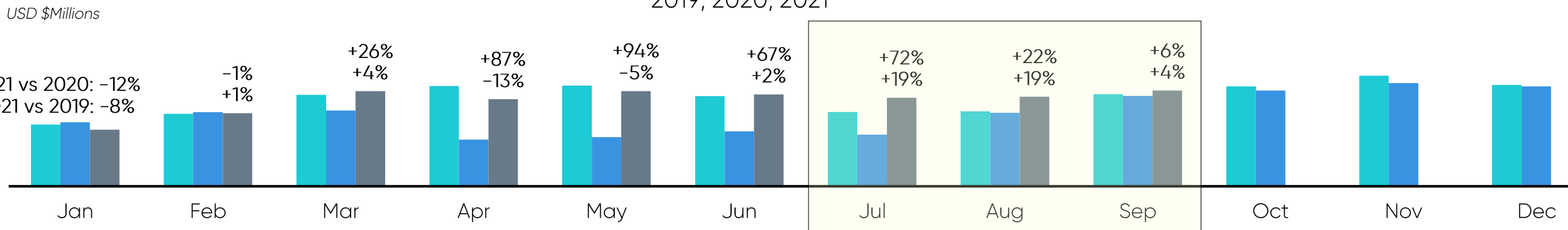


ON PAR WITH OTHER MARKETS, CANADA SAW YOY GROWTH VS BOTH 2020 AND 2019 EACH MONTH IN Q3, A FIRST FOR 2021

English-Language Markets – Cross Media Investment Seasonality
2019, 2020, 2021

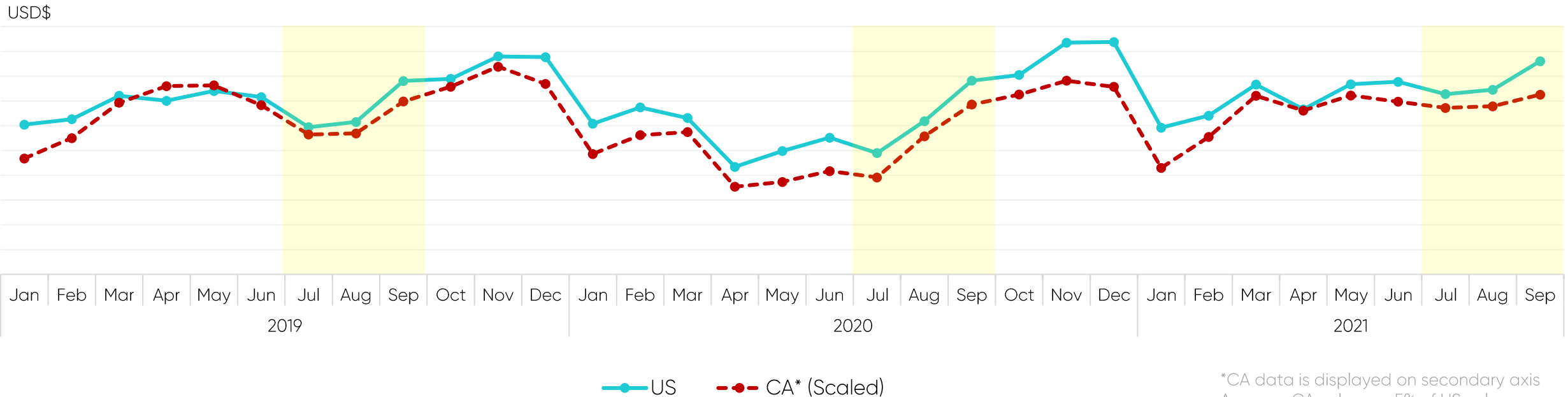


CANADA Market – Cross-Media Investment Seasonality
2019, 2020, 2021



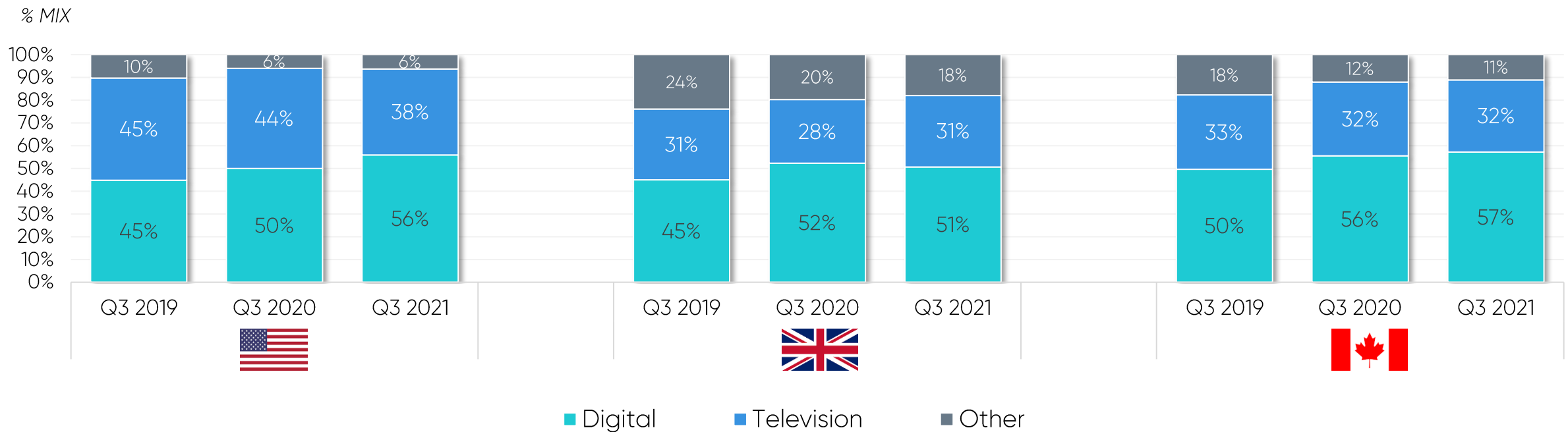
BUILDING ON A STRONG Q2, CANADA CONTINUED TO TRACK WELL VS THE U.S. IN Q3, WITH SEPTEMBER SEEING THE HIGHEST INVESTMENT LEVELS OF THE QUARTER

Cross-Media Investment - U.S. & Canada
January 2019 - September 2021



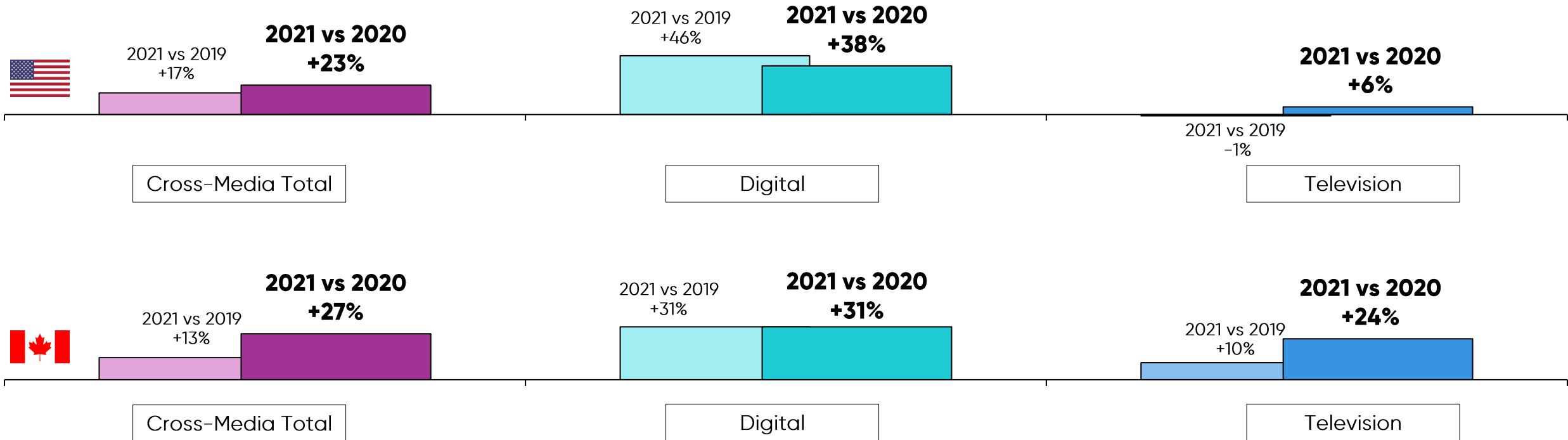
WITH ALL MARKETS ABOVE THE 50% DIGITAL MARK IN Q3, CANADA'S IS HIGHEST AT 57% AND RELATIVELY FLAT TO Q3 LY, UNLIKE THE U.S. WHICH INCREASED BY 6 PTS AT THE EXPENSE OF TV

English-Language Markets – Cross-Media Mix
Q3 – 2019, 2020, 2021



CROSS-MEDIA AND DIGITAL ARE BOTH UP IN Q3 YOY AND VS 2019 ACROSS NORTH AMERICAN MARKETS, WITH TV ALSO REBOUNDED VS 2019 FOR THE FIRST TIME IN 2021

Digital vs Traditional Media
Cross-Media Investment Percent Change
Q3 (Jul - Sep) 2021 vs 2020 & 2019



SECTION TAKEAWAYS



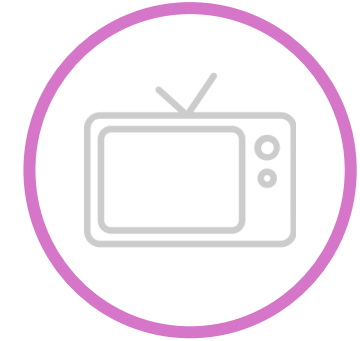
ENGLISH-LANGUAGE MARKETS SOLIDIFY RECOVERY POSITION IN Q3

All markets saw YoY growth in Q3 as well as vs pre-pandemic 2019



DIGITAL APPROACHES 60% SHARE IN CANADA

Canada saw a 1 pt. increase in Digital share vs same time last year. Unlike the U.S., whose digital share increase came at the expense of TV, Canada's digital share came from other media such as Radio, OOH, and Print



TV EXCEEDS BOTH 2020 AND 2019 LEVELS

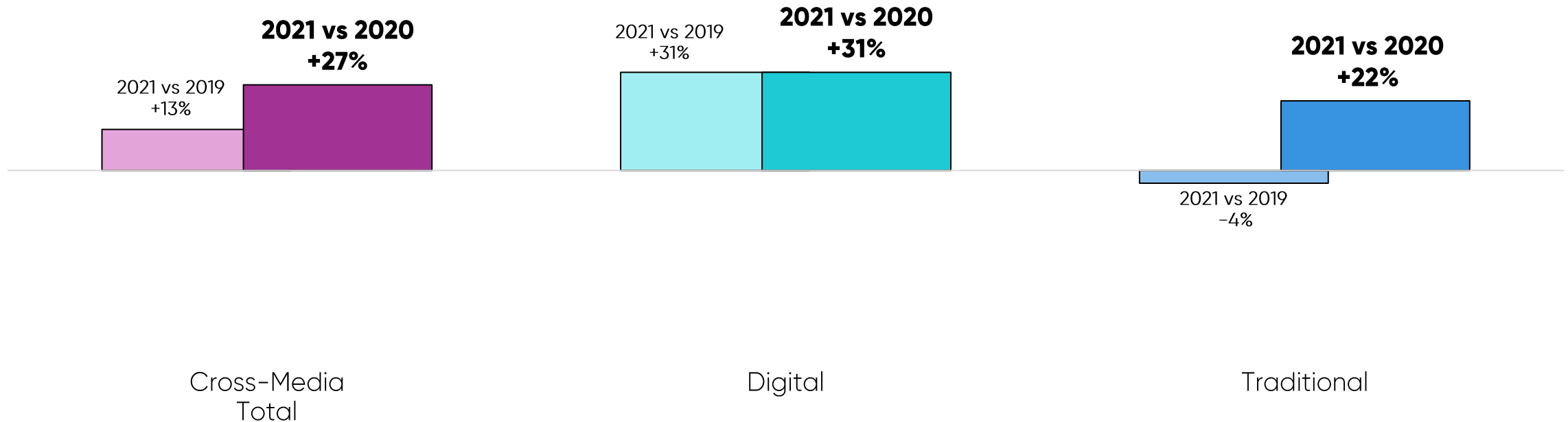
Television in Canada has met and exceeded both Q3 2020 and Q3 2019 levels after struggling to meet pre-pandemic investment levels in Q1 and Q2

FOCUS ON CANADA



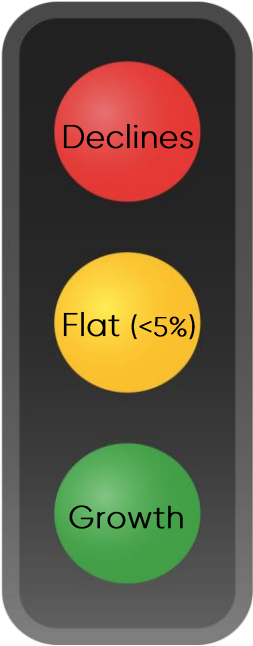
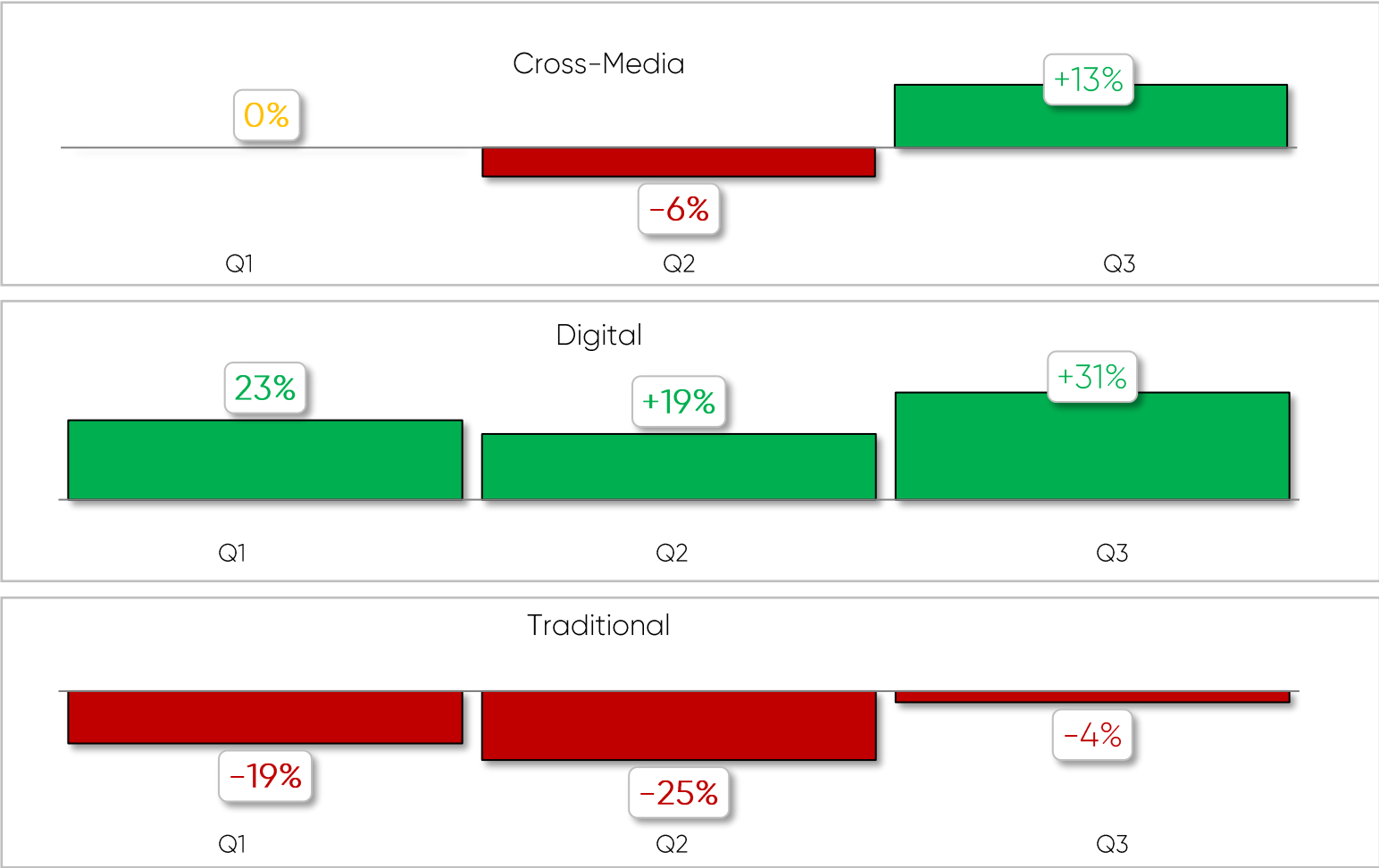
WHILE CROSS-MEDIA AND DIGITAL ARE BOTH UP VS LY AND VS PRE-PANDEMIC, TRADITIONAL IS STILL NOT AT Q3 2019 LEVELS, BUT IS CLOSING THE GAP SEEN IN H1

Digital vs Traditional Media
Cross-Media Investment Percent Change
Q3 (Jul-Sep) 2021 vs 2020 & 2019



Canada recovers beyond 2019 investment levels in Q3 2021

National Brand Ad Spend
2021 vs 2019, YoY Percent Change by Quarter



2021 signaled the start of a recovery for the Canadian ad market.

With media investment levels sitting well below the norm in 2020, comparing to 2019 is the real benchmark for growth.

Q3 Cross-Media has recovered to beyond 2019 levels at +13%.

Traditional media closed the gap in Q3, seeing its first quarter of 2021 without double-digit declines.

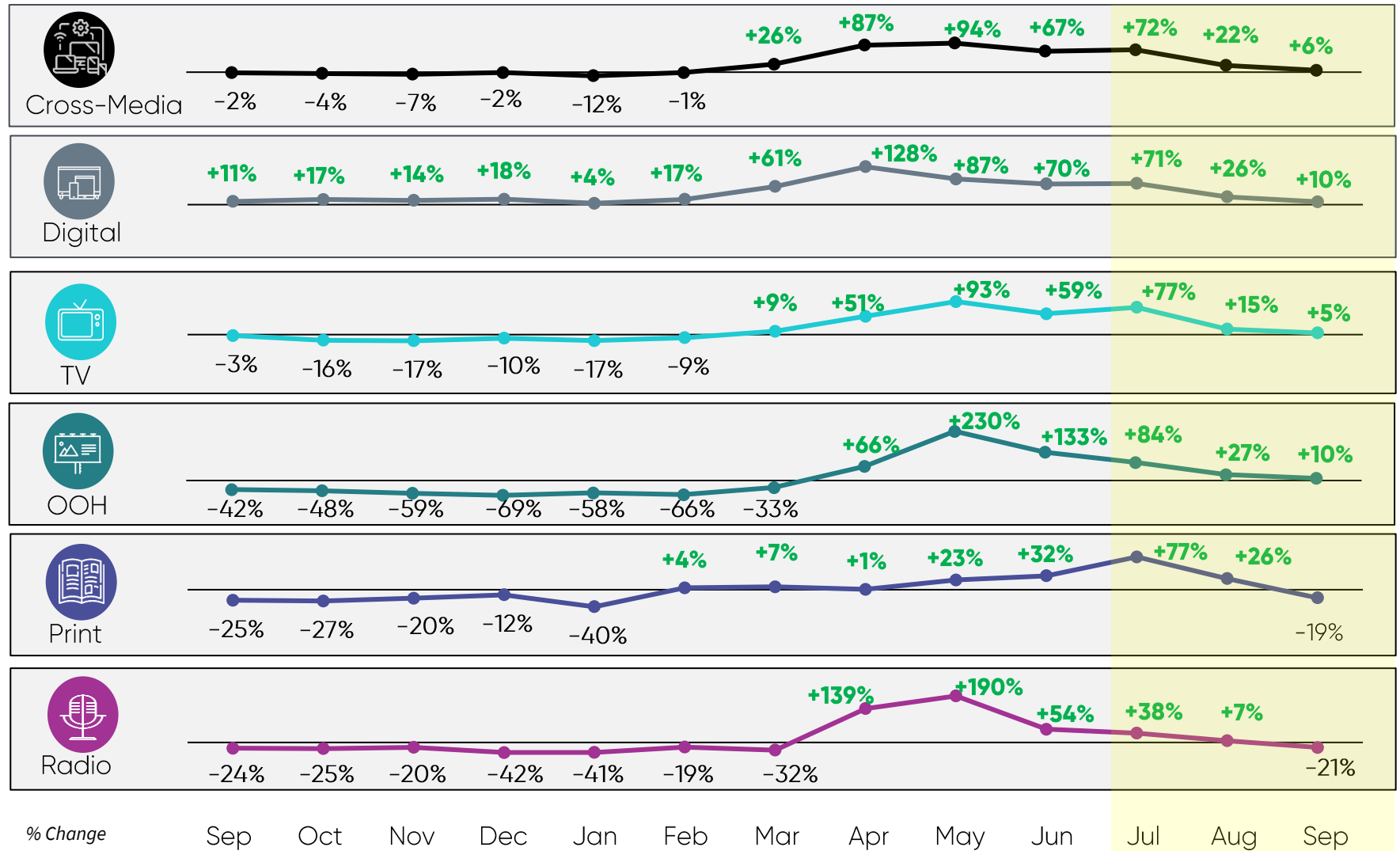
Within Traditional, TV is up +10% vs Q3 2019.

Monthly National Brand Advertising Spend Percent Change by Channel 13-Month Rolling

WITH THE EXCEPTION OF RADIO AND PRINT IN SEPTEMBER, EVERY MEDIA CHANNEL SAW YOY GROWTH IN EACH MONTH OF Q3.

RADIO FINISHED THE QUARTER +3% VS 2020 BUT STILL DOWN -31% VS Q3 2019.

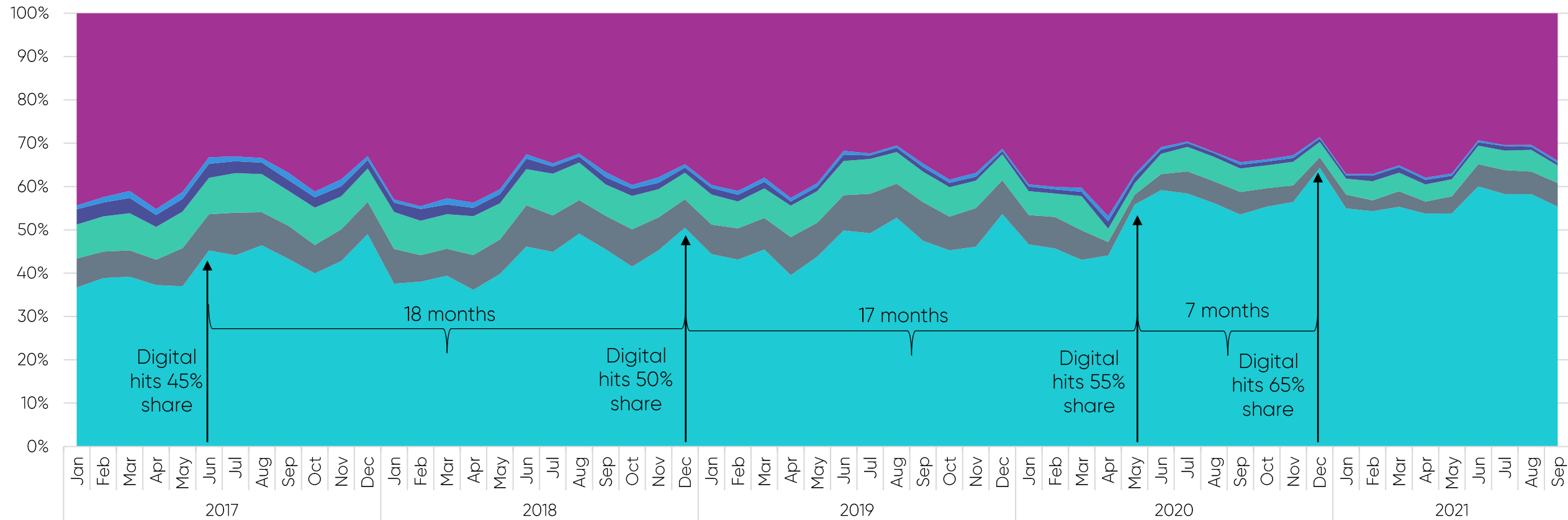
PRINT WAS UP +17% VS Q3 LY BUT STILL DOWN -16% VS Q3 2019.



DIGITAL SHARE HAS BEEN GROWING STEADILY SINCE 2017 BUT WAS GREATLY ACCELERATED BY THE PANDEMIC, PEAKING IN Q4 OF 2020

The Great Media-Mix Shift in Canada

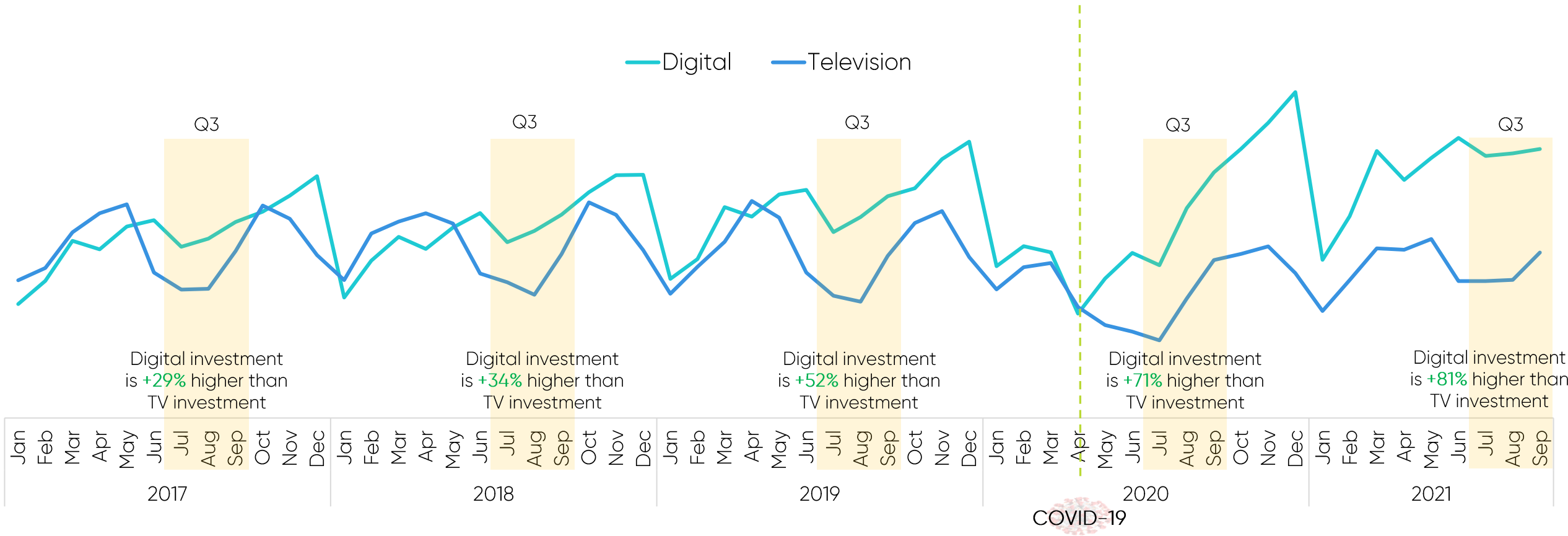
■ Digital
 ■ Out of Home
 ■ Radio
 ■ Newspapers
 ■ Magazines
 ■ Television



Source: SMI Pool | Canada
 Media formats include TV, Magazines, Newspapers, OOH/Cinema, Radio, and Digital
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HISTORICALLY DIGITAL SPEND HAS ALWAYS BEEN HIGHER THAN TV SPEND IN Q3, BUT DIGITAL BEGAN TO SEE SIGNIFICANT INCREASES IN 2019. SINCE THE PANDEMIC HIT IN Q2 OF 2020 THE DELTA KEEPS GROWING THROUGH Q3 2021

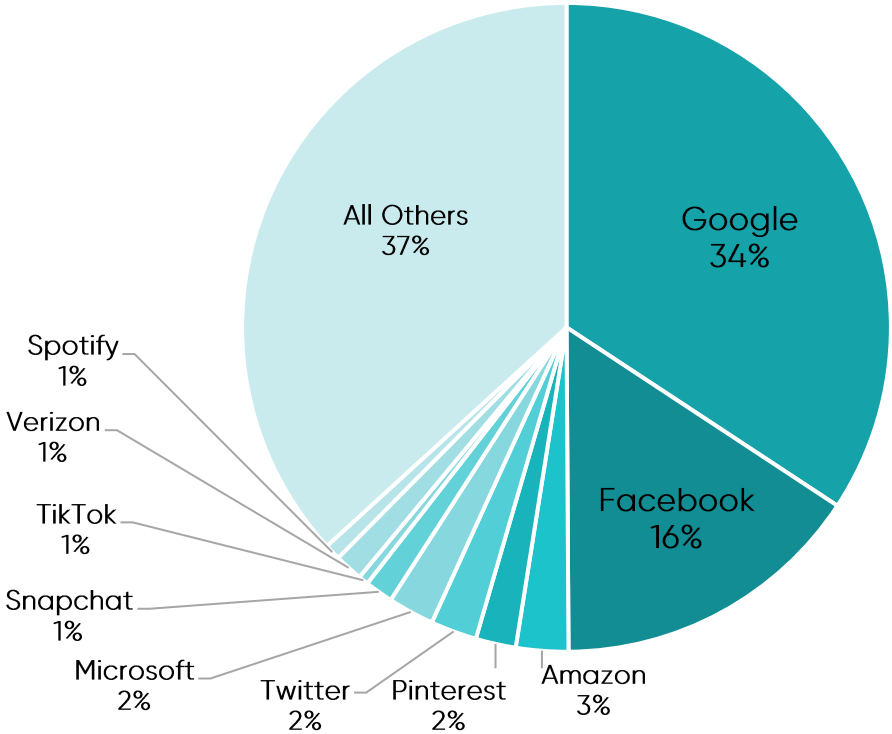
Canadian Monthly National Ad Spend by Digital and TV
Jan 2017 - Sep 2021



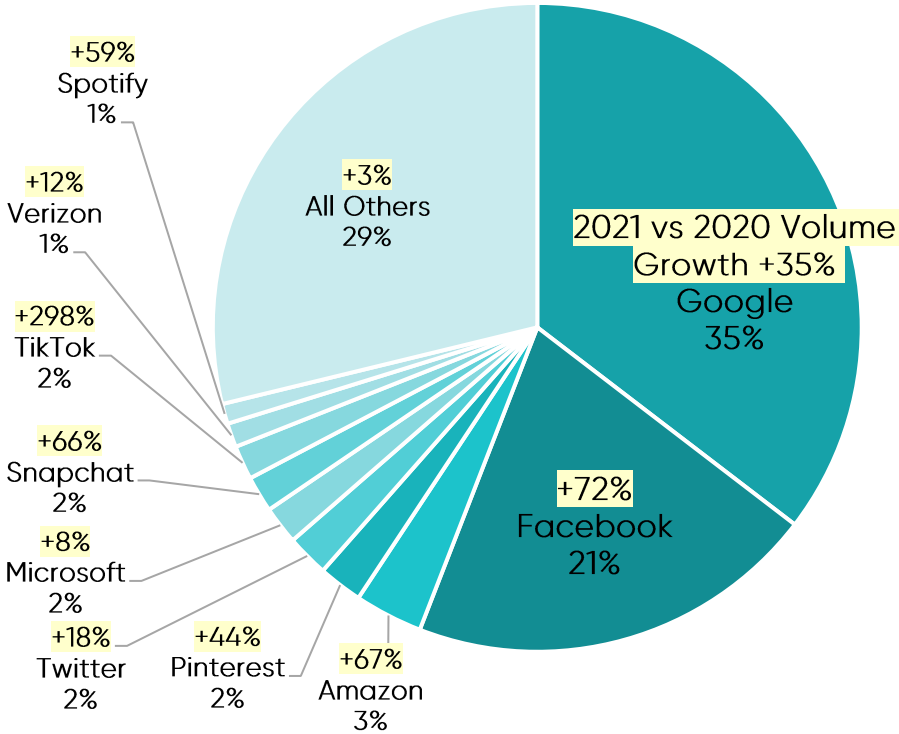
Source: SMI Pool | Canada Media formats include TV and Digital

THE BIGGEST DIGITAL MEDIA OWNERS GOT BIGGER, TAKING SHARE FROM THE LONG-TAIL, SMALLER-SHARE PLAYERS

Digital Top 10 Master Owner Share of Digital Q3 2020



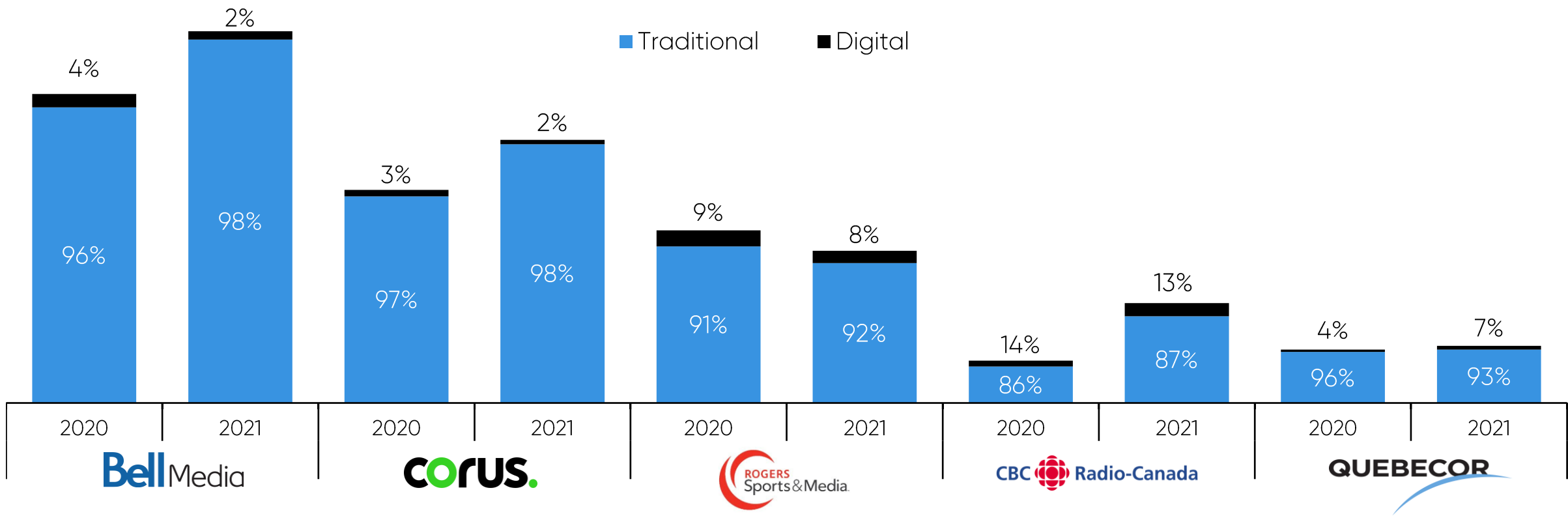
Digital Top 10 Master Owner Share of Digital Q3 2021



Source: SMI Pool | Canada
 Media formats include Digital
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MOST OF THE INVESTMENT TO THE TOP 5 CANADIAN MEDIA OWNERS IS TRADITIONAL, WITH ONLY CBC AND QUEBECOR GROWING THEIR DIGITAL REVENUE SHARE VS LY

Top 5 Canadian Cross-Media Owners
Split by Digital / Traditional
Q3 2021 vs 2020



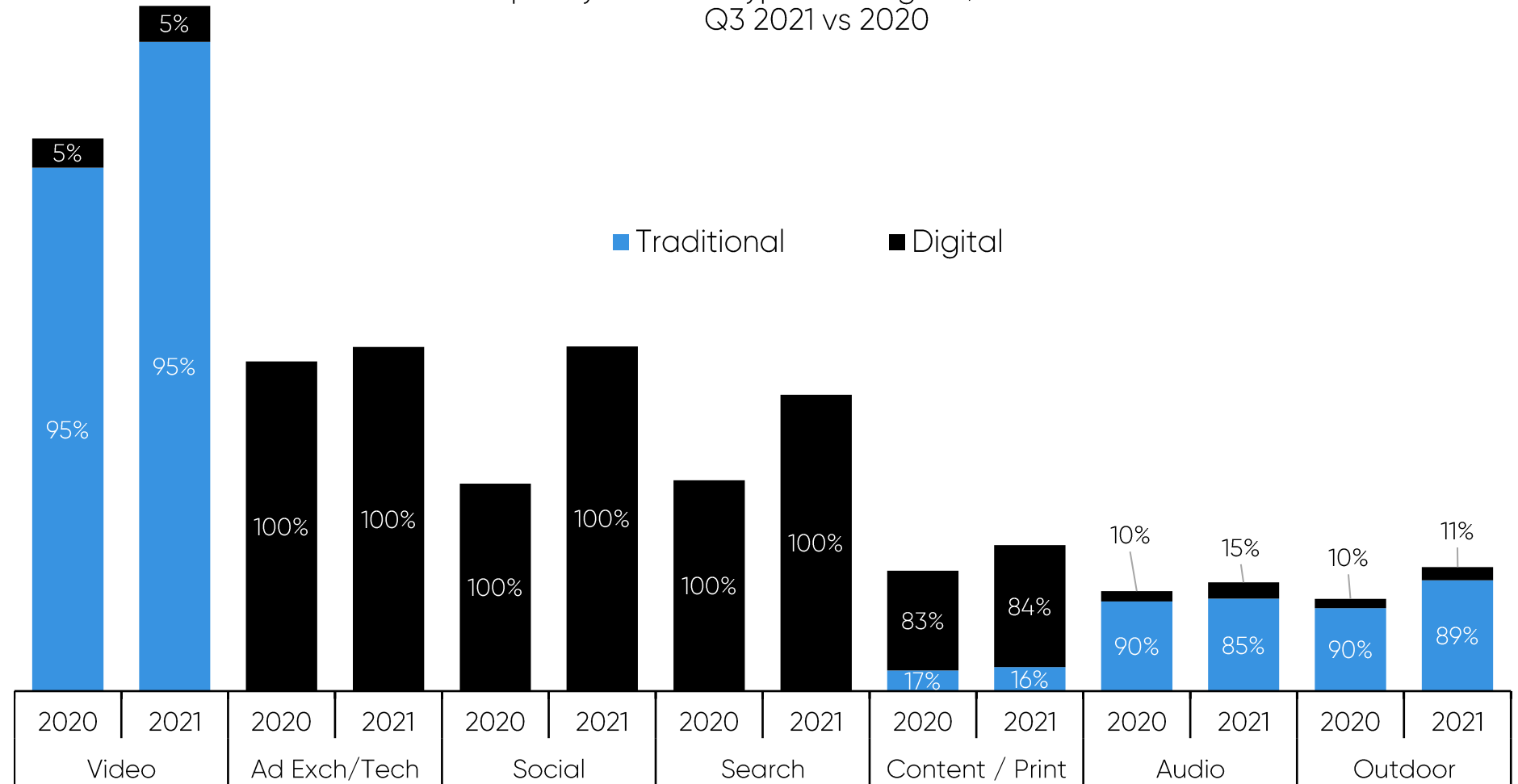
Source: SMI Pool | Canada Media formats include TV, Magazines, Newspapers, OOH/Cinema, Radio, and Digital

95% OF ALL VIDEO INVESTMENT FALLS INTO TRADITIONAL MEDIA IN Q3 AND IS FLAT TO LY, ALTHOUGH VOLUME INVESTMENT IS UP BY +24%.

MOST OF AUDIO INVESTMENT ALSO FALLS WITHIN TRADITIONAL MEDIA IN Q3, WITH ONLY 15% OF TOTAL AUDIO INVESTMENT GOING TO DIGITAL AUDIO. MOST OF OUTDOOR INVESTMENT IS ALSO WITHIN TRADITIONAL, WITH ONLY 11% GOING TO DIGITAL OUTDOOR.

HOWEVER AUDIO AND OUTDOOR ARE THE ONLY CONTENT TYPES TO SEE THEIR DIGITAL SHARE INCREASE VS Q3 2020.

Media Type Spend
Split by Content Type and Digital / Traditional
Q3 2021 vs 2020

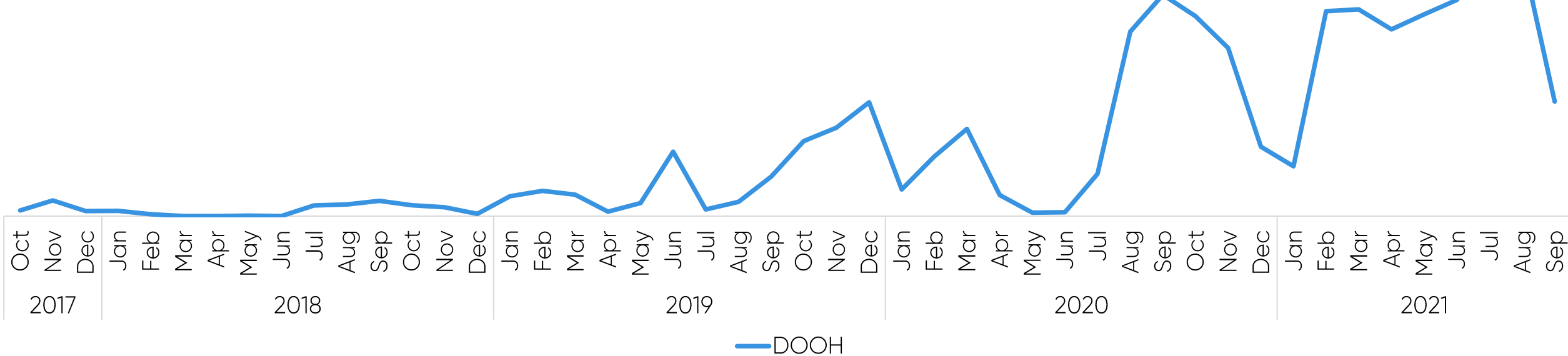


WITHIN THE DIGITAL SPACE, ALL MEDIA TYPES ARE FLAT OR EXCEEDING Q3 OF 2020, WITH DOOH, TV NETWORK DIGITAL VIDEO, AND INTERNET RADIO CONTINUING TO GROW

Media Type	Media Sub-Type	Volume Investment Index to PY			
		Q3 2018	Q3 2019	Q3 2020	Q3 2021
Digital	Programmatic Digital	108	105	114	101
Digital	Pure Play - Search	96	114	87	141
Digital	Pure Play - Social	115	117	92	166
Digital	Pure Play - Content	122	94	114	120
Digital	Pure Play - Video	80	95	101	100
Digital	TV Network - Digital Video	91	94	77	184
Digital	Pure Play - Internet Radio	130	83	114	161
Digital	Digital Print	82	93	91	136
Digital/OOH	Digital OOH	NA	160	744	141

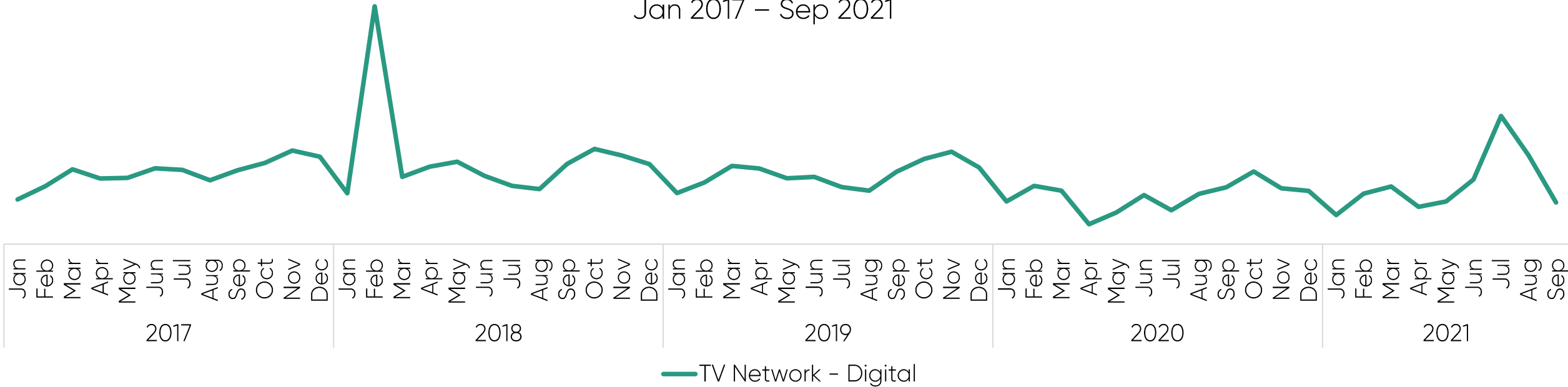
DIGITAL OUT-OF-HOME INVESTMENT HAS BEEN ON THE RISE SINCE AUGUST 2020 AND IS SEEING SIMILAR INVESTMENT LEVELS IN Q3 2021

DOOH Seasonality
Oct 2017 – Sep 2021



WHILE TV NETWORK DIGITAL VIDEO IS STABLE, IT HAS YET TO SEE THE SAME GROWTH TRAJECTORY AS OTHER DIGITAL MEDIA SUB-TYPES

TV Network – Digital Seasonality
Jan 2017 – Sep 2021



INTERNET RADIO INVESTMENT HAS BEEN ON THE RISE SINCE Q2 2020 AND SAW ITS HIGHEST INVESTMENT LEVEL TO-DATE IN AUGUST OF 2021

Internet Radio Seasonality
Jan 2017 – Sep 2021

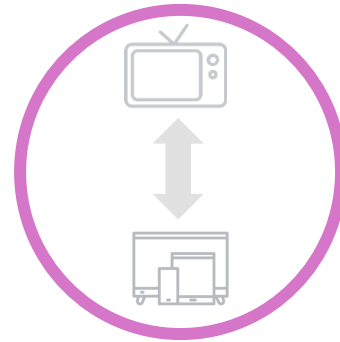


SECTION TAKEAWAYS



CANADA SOLIDIFIES AD SPEND RECOVERY POSITION IN Q3

Canada is seeing growth YoY as well as vs pre-pandemic 2019 in each month this quarter, a first for 2021



GAP BETWEEN TV AND DIGITAL CONTINUES TO GROW

Canadian media owners need to increase their digital offerings to gain share within the digital space as it shows no signs of slowing down



DOOH AND INTERNET RADIO CONTINUING GROWTH

Both digital media sub-types saw increases in 2020 vs PY and are continuing to see those YoY increases in Q3 of 2021. These are channels to keep an eye on as we enter Q4.

CANADA CATEGORY ANALYSIS

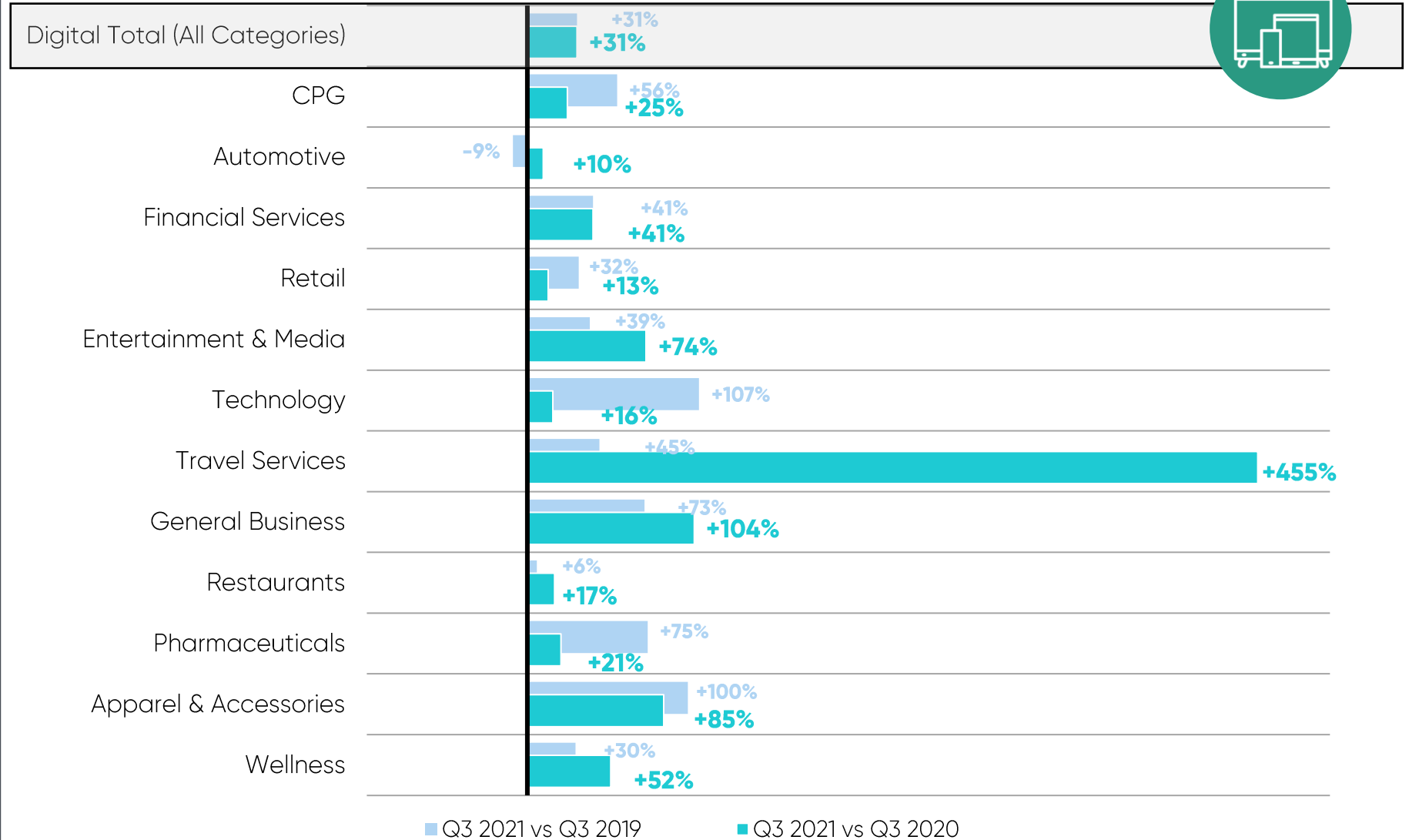


Q3 2021 DEMONSTRATED ALL TWELVE OF SMI'S TRACKED PRODUCT CATEGORY GROUPS IN A GROWTH POSITION VS THE SAME QUARTER IN 2020.

CPG CONTINUED TO HOLD THE TOP-SPENDING SPOT IN Q3 SITTING AT +25% VS LY AND +56% VS 2019.

FURTHER CEMENTING CANADA'S Q3 AD SPEND RECOVERY, ELEVEN OF SMI'S TRACKED PRODUCT CATEGORY GROUPS FINISHED Q3 2021 AHEAD OF Q3 2019 LEVELS. THE EXCEPTION WAS AUTOMOTIVE WHICH IS STILL DOWN VS Q3 2019 (-9%).

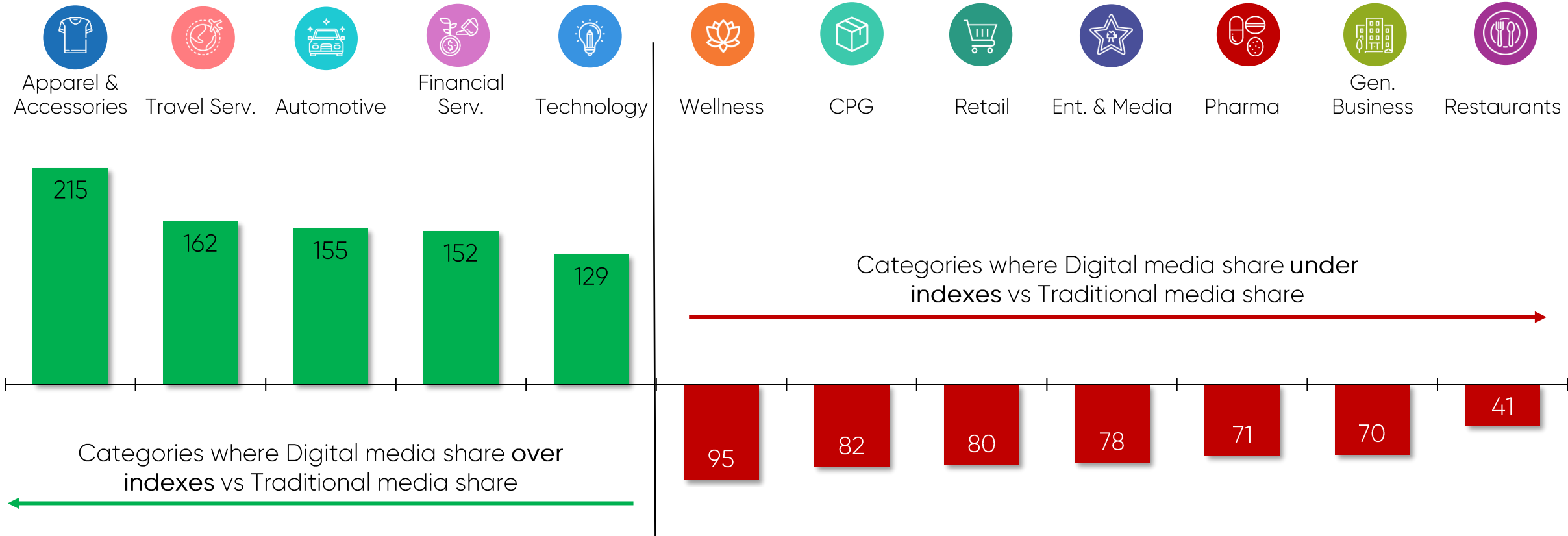
Digital National Brand Ad Spend, by Product Category Group
Volume Percent Change, Q3 2021 vs 2020 & 2019



Source: SMI Pool | Canada Media formats include Digital

WHICH CATEGORIES LEANED MORE HEAVILY ON DIGITAL MEDIA IN Q3?

Product Category Group Index
Digital vs Traditional – Q3 2021



WITHIN SOCIAL AND SEARCH, SOME OF THE HARDEST-HIT CATEGORIES ARE MAKING STRONG RETURNS WITH TRIPLE-DIGIT GROWTH VS Q3 2020



Social

	Index vs PY	
	Q3 2020	Q3 2021
CPG	101	170
Financial Services	76	169
Automotive	61	198
Retail	106	162
Entertainment & Media	94	159
Technology	179	127
Travel Services	40	553
Restaurants	61	163
General Business	83	209
Apparel & Accessories	122	197
Pharmaceuticals	192	115
Wellness	108	181
TOTAL SOCIAL	92	166



Search

	Index vs PY	
	Q3 2020	Q3 2021
Automotive	81	138
Financial Services	81	152
Retail	95	129
CPG	134	133
Entertainment & Media	82	169
Technology	91	162
General Business	87	382
Travel Services	21	279
Pharmaceuticals	96	112
Restaurants	175	47
Apparel & Accessories	21	625
Wellness	65	96
TOTAL SEARCH	87	141

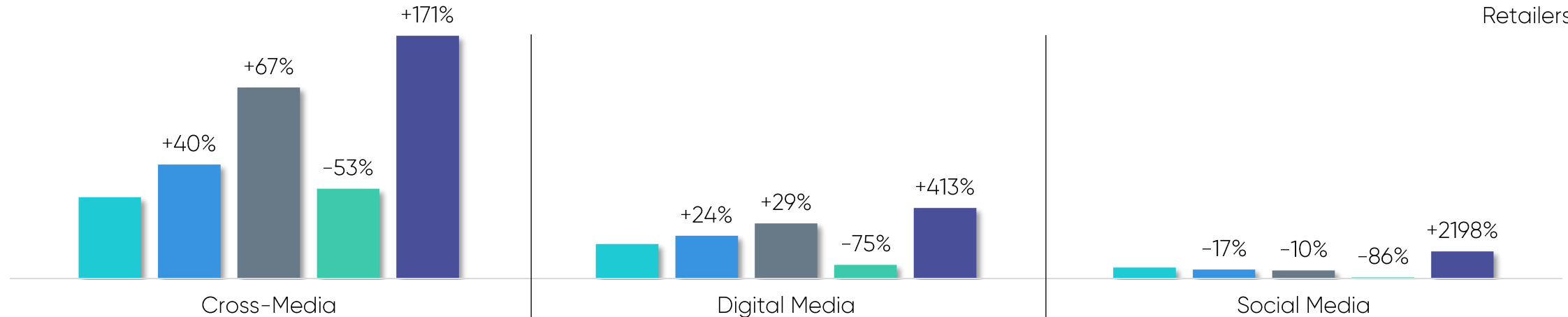
WITHIN RETAIL, ONLINE RETAIL AD SPEND IS SEEING YOY VOLUME GROWTH IN BOTH CROSS-MEDIA, TOTAL DIGITAL, AND SOCIAL WITH SHARE EXCEEDING 2020 LEVELS, ESPECIALLY WITHIN THE SOCIAL SPACE



Online Retailers

Online Retail National Brand Ad Spend
Q3, YoY Percent Change, 5-Year Trend

■ Q3 2017 ■ Q3 2018 ■ Q3 2019 ■ Q3 2020 ■ Q3 2021



	Q3 2017	Q3 2018	Q3 2019	Q3 2020	Q3 2021
Share of Media	0.4%	0.6%	1.0%	0.5%	1.2%
Share of Retail Category	4.6%	6.0%	10.0%	4.7%	11.0%
	4.6%	5.7%	6.6%	1.4%	6.4%
	5.7%	4.2%	4.4%	0.6%	8.5%

SECTION TAKEAWAYS



ALL CATEGORIES UP IN DIGITAL MEDIA VS LY

Cementing Canada's recovery in Q3, all categories are showing growth vs LY, with Entertainment & Media, General Business, Travel, Apparel & Accessories, and Wellness all seeing >50% gains vs Q3 of 2020. With the exception of Automotive, all categories also saw growth vs. 2019.



ONLINE RETAIL SHOWS NO SIGNS OF SLOWING DOWN

Within the broader category of Retail (which is in a growth position vs both 2019 and 2020) Online Retail ad spend is showing both share and volume growth in Q3 2021

WHAT'S NEXT?



“

SMI will continue its commitment to working with the IAB to keep on top of Q4 and 2H ad spend trends in both the Canadian and global markets.

We hope to see you again for our upcoming Q4/Full Year update.

”

Standard Media index



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