

US retail, CPG, and entertainment industries drive nearly 47% of all digital ad spending in 2021

Article

The forecast: Following mixed effects of the pandemic in 2020, the US retail, consumer packaged goods (CPG), and entertainment industries are rebounding in 2021. By the end of this calendar year, we expect that each of these industries will grow their digital ad spending by over 31%.

Digital Ad Spending Growth, by Industry US, 2021, % change

| | |
|-------------------------|-------|
| CPG & consumer products | 31.7% |
| Entertainment | 37.2% |
| Retail | 34.5% |

Source: eMarketer, June 2021

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- The **entertainment industry** will lead the way, bouncing back from a more subdued year in 2020. With the reopening of cinemas and amusement parks and strong advertising from companies promoting mobile video games, new generation consoles, and streaming video-on-demand platforms, we expect a strong year of digital ad spending targeting younger consumers and the reemployed. Digital ad spend in the entertainment industry will grow by 37.2% to reach over \$11 billion.
- On the **retail** front, pure-play ecommerce players, big-box retailers, and direct-to-consumer (D2C) brands will continue to target consumers as they battle for market share and dollars. We expect retailers to grow their digital ad spending by 34.5% in 2021, reaching nearly \$48 billion dollars in ad spending.
- With brand loyalty low following pandemic-driven shortages, **CPG** companies will look to refocus their efforts on asserting their image, competing with private-label brands and retailers as they look to expand more into D2C sales. CPG digital ad spending will grow by 31.7% in 2021 to reach nearly \$31 billion in ad spending.

How does this compare? Although entertainment will see the highest growth in digital ad spending of any US industry, it will only account for about 6% of 2021's digital ad dollars. For context, retail will spend the most of any industry: 1 in 4 digital ad dollars will be spent on retail. Second will be CPG, holding 16.0% of the pie, and behind that will be financial services at close to 13%.

Digital Ad Spending Share, by Industry

US, 2021, % of total

Automotive



Banking



Card network



Computing products & consumer electronics



CPG & consumer products



Entertainment



Financial services



Healthcare & pharma



Insurance



Media



Retail



Telecom



Travel



Other



Other financial services



Source: eMarketer, June 2021

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Looking ahead: We predict entertainment, retail, and CPG will continue to see higher digital ad spending growth than other US industries in 2022, though growth will be in the 10% to 20% range rather than 30% to 40%. Insider Intelligence subscribers can read more about this and other predictions in our [Digital Ad Spending](#) forecast.