

November ad spend fell for the first time in 2 years, marking a return to pre-pandemic growth

Article

The news: Despite being the highest-performing month of the year, **November ad spend** dropped for the first time since 2020, declining 8% year over year to \$9.4 billion, according

to the Standard Media Index.

As of November, ad spending declined for seven consecutive months, bookending a year of decline for the ad industry and marking a true return to pre-pandemic growth rates.

The low in context: While the stiff drop is a sign that times are changing in the ad industry, it's important to remember that the decrease is from record highs during earlier stages of the pandemic.

- November 2021 was the only month of the year to reel in more than \$10 billion in ad spending —so it's only natural that the number would dip this November in a year where consumer habits stabilized relative to the pandemic, even without economic concerns dragging spending down.
- One surprising stat is that search ad spending, which proved resilient throughout 2022's advertising troubles, **fell 24% year over year** as advertisers turned to platforms like **TikTok** and retail media networks to reach consumers.
- November is typically the top month for advertising spending due to the holidays, but advertisers were feeling tepid before the holiday period began. An October [survey](#) from Adobe found that 53% of marketers expected lower profits from the holiday period, which in turn led Adobe to predict ad spend growth of 2.5% compared with 8.6% in 2021.

Our take: That November, a month usually flush with holiday ad spending, would see its first decline in two years is a sign that the pandemic advertising boom has finally come to a full-on close.

- Aside from the return to more pre-pandemic norms, there were two major culprits behind November's ad spend drop: Economic concerns and a longer-than-ever holiday retail sales period. Consumer spending was rocky in the second half of 2022, causing advertisers to slow their budgets. But many brands also began the holiday retail period earlier than ever, pulling up sales that might have occurred during November into the earlier fall.

Marketing Strategy Shifts and Permanent Changes Since the Coronavirus Pandemic According to Marketers Worldwide, Aug 2022

% of respondents

	Strategy shifts made since the pandemic	% of respondents who consider the change permanent
Targeted new customer segments	38%	68%
Investment in collaboration technologies	38%	70%
Investment in digital-first experiences	37%	69%
Investment in virtual and hybrid events	37%	63%
Changed our business model	37%	61%
New product fulfillment options	36%	68%
Expanded geographical targets	35%	66%
Investments in process/workflow automation	35%	70%
Expanded product offerings	35%	66%

Source: Salesforce, "The 8th Edition State of Marketing Report," Nov 1, 2022

279213

eMarketer | InsiderIntelligence.com