

# Media Buyers Don't Expect Ad Spend to Return to Normal Levels This Year

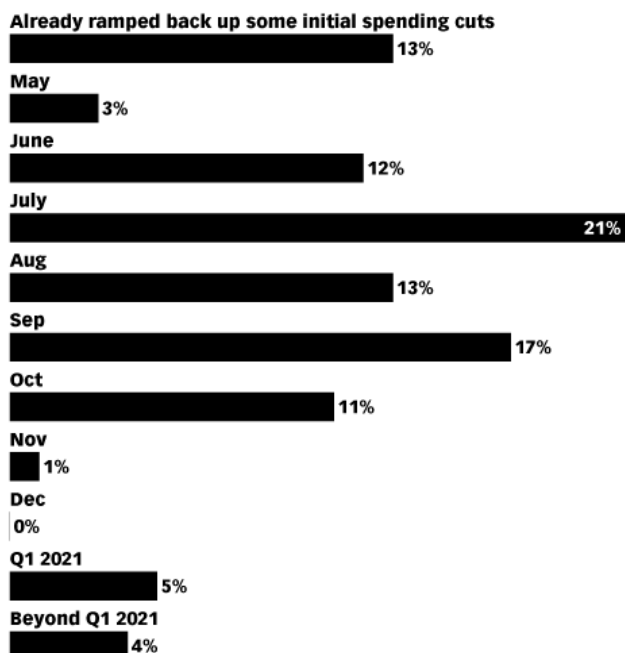
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Signs of media buyer optimism in early May seem to have been outliers, based on recent research from Advertiser Perceptions, which has been tracking US marketers' attitudes during the pandemic.

## When Do US Agencies and Brand Marketers Anticipate that Ad Spending Will Resume or They Will Ramp Up Their Advertising Efforts?

% of respondents, May 2020



*Note: respondents who have paused/held back/canceled recent or ongoing advertising efforts*

*Source: Advertiser Perceptions, "Coronavirus Effect On Advertising Report: Wave 5," June 9, 2020*

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More than two in five respondents to wave 5 of the research, fielded in late May, said there would still be a "major impact" on ad spending in Q3, in line with responses to waves 2 and 3. The wave 4 survey had found, by contrast, that fewer than one in three respondents expected major impacts in Q3.

Just 13% of US media buyers said ad spending had already begun to ramp up by the time wave 5 was fielded from May 18 to 21, with an additional 3% anticipating that would happen by the end of the month. Some 79% of respondents said spending would start picking up by the end of Q3—including 51% who expected it to happen during Q3.

"Ramping back up" isn't the same thing as returning to normal, and two other findings show buyers were more cautious about when they expected a return to normal spending levels:

- Most respondents in wave 5 expected moderate or major impacts to continue through the end of this year. One-third expected at least

moderate impacts to continue into 2021.

- More respondents expected impacts to remain significant. Wave 5 of the research found that 43% of respondents expected a "major impact" on ad spending to continue into Q3, up from 31% of those surveyed in wave 4 from May 1 to 5. In addition, 17% expected major impacts to continue into Q4.

We also anticipate that digital ad investments will continue to be depressed through the end of this year. It's likely that a bottom will be hit in Q2, but we don't expect year-over-year spending increases to return to pre-pandemic ballparks until at least 2021. That's under a scenario that anticipates continuing (but not dramatically worsening) effects of the pandemic itself. The digital ad industry should stay prepared for a slow climb to a new normal.