

US B2B Digital Advertising Thrives amid the Coronavirus as Traditional B2B Spend Plummetts

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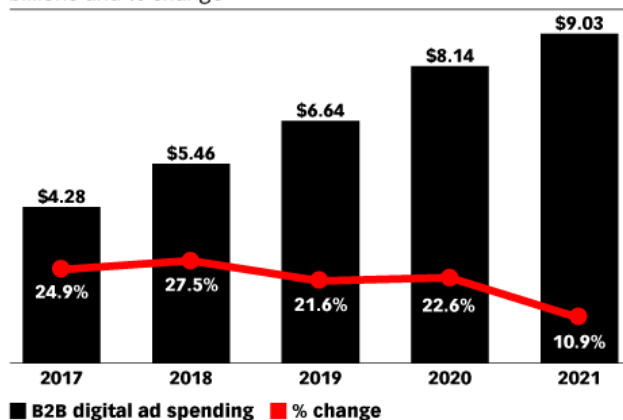
Jillian Ryan

Though the B2B digital ad market represents a small slice of total US digital ad spending, it is thriving as the coronavirus pandemic continues to plague parts of the world and hinder the economy.

We forecast that US B2Bs will spend \$8.14 billion on digital ads this year, up 22.6% from 2019 when spending was \$6.64 billion. B2B digital ad spending growth in recent years has outstripped digital ad spending growth overall, with a CAGR from 2016 through 2019 of 24.7%, vs. 22.6% for all US digital advertising. We estimate that growth in B2B digital ad spending peaked in 2018 at 27.5%, falling almost 6 percentage points last year. But due to the pandemic and the unique conditions for B2B marketers who are rapidly shifting spending from in-person events, growth will reaccelerate this year by 22.6%.

US B2B Digital Ad Spending, 2017-2021

billions and % change



Note: includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets and other internet-connected devices on all formats mentioned; includes ads such as Facebook's News Feed Ads and Twitter's Promoted Tweets
Source: eMarketer, Aug 2020

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www.eMarketer.com

Many B2Bs have reduced their overall marketing spend, but even with budget cuts, paid digital channel use has surged amid the pandemic:

- In March 2020, 43% of US B2B marketers surveyed by B2B Marketing Zone said they would reallocate live event budgets to content creation. Digital ads have become a primary driver to this new content.
- Digital ads are a principal touchpoint to reach B2B buyers, who are spending more time at home in front of screens.
- Pullbacks from bigger powerhouse advertisers have depressed once-step ad prices. With lower-than-average, competitive CPMs, B2Bs are turning to digital advertising to combat the loss of in-person events, meetings and traditional sales channels. This reallocation isn't dollar for dollar, but there has been enough budget shift to drive substantial growth on paid digital channels.

To learn more about how the coronavirus pandemic has affected US digital B2B advertising, eMarketer PRO subscribers can read our recent report:

Report by Jillian Ryan Aug 13, 2020

US B2B Digital Advertising 2020

US B2B DIGITAL ADVERTISING 2020

As US Ad Market Contracts in COVID-19's Wake, B2B Digital Ad Spending Grows 22.6%

ANALYST DATA
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