

Digital Advertising Trends for 2022



Introduction

In 2022 the drive to become digital is even more important than ever before. This trend manifests in ever-growing digital marketing spending. More and more marketers spend the majority of their budget digitally. This enables, if not requires, the analysis of marketing data on a different level.

Nexoya is a major player in the digital marketing analytics market in Switzerland. Over 6% of the total digital ad spend in Switzerland is managed over the Nexoya platform. This gives the unique opportunity to aggregate and standardize the data to generate insights into the digital marketing landscape in Switzerland. The data is completely anonymous and always standardized to protect the individual advertiser and to avoid bias.

We are happy to share those insights to drive data-based decision-making across channels and industries. It is part of our mission to enable marketers to think differently and in a more holistic way. Nexoya facilitates the move from traditional silo management of channels to managing the digital world cross-channel in an automatic and AI-enhanced way. With our data-based insight into the Swiss advertising market, we are able to give answers to questions such as: Which channels work when? How does Bing compare to Google? What are common trends we see over the year and weeks for various channels?

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Trends & Insights



Microsoft Advertising (formerly Bing) is gaining more traction!

As a marketing channel, Microsoft Ads is driving higher conversion rates with lower CPL compared to Google Ads. The CTR is considerably higher too. Although the capacity is still low on Microsoft Ads (Impression Share), it grew significantly in 2021. Make sure to stay on top of this trend in 2022 to not miss out on leads on this channel.



The summer months hold potential.

Fall is a very crowded month for advertising, which drives the CPC and CPL up. However, the summer months hold potential because of lower CPC, especially for Search. Think about how you can leverage the seasonalities of different channels to boost your marketing performance.



Weekly patterns vary on the different channels.

Social Media Ads have a higher CPC on Friday and Saturday, Display has a peak Mid-week, Search has a higher CPC during the week. Compare these trends to your CPC and your CPL.



Display is by far the most popular channel!

It receives the highest amount of digital ad spend in Switzerland. At the same time, it is also the most expensive one in terms of CPC and CPL. Therefore, the best digital advertising strategy is to leverage all platforms simultaneously.

Overview

After 2020, we felt a strong upwind in 2021. Marketing spendings in Switzerland are still slightly below 2019, but they have recovered from the pandemic-driven drag down we saw in 2020. Especially in the last quarter of 2021, spending has massively increased overall. In this report, we share our learnings and key take-away from 2021 based on our anonymized dataset.

This report includes insights from all major digital marketing channels:

 Facebook

 Instagram

 Display (GDN, Splicky, MediaMath, etc.)

 Google DV

 Google Search

 Apple Search

 Microsoft Ads

 Twitter

 LinkedIn

For the sake of easiness, this report summarizes top, mid and low funnel activities and mainly focusses on channel-based activities and their respective performance. To avoid bias, the data points are standardized per advertiser. Standardization enables the identification of underlying trends despite spending differences amongst big and smaller advertisers.

Ad spend insights

Comparing the years 2020 and 2021 gives a good idea of when the budget is spent and how external influences might affect set spending, especially given the pandemic situation during these timeframes.



When do advertisers spend their budgets?

2020 was a year of turbulence and insecurities. With the first lockdown in March, a Swiss-wide drop in ad spend was recorded. While the seasonalities were still present, the ad spending stayed low for the rest of the year. This trend carried on in the first half of 2021 but recovered in the second half, making 2021 a stronger year in terms of digital ad spending.

There are high season and low seasons when it comes to marketing spending. Overall the summer months are quieter, while the spendings skyrocket in Q4 2021.

Normalized ad spend per advertiser



Not only pandemics influence the ad spend. Seasonalities are driven by different industries' peaks driven by systemic factors:

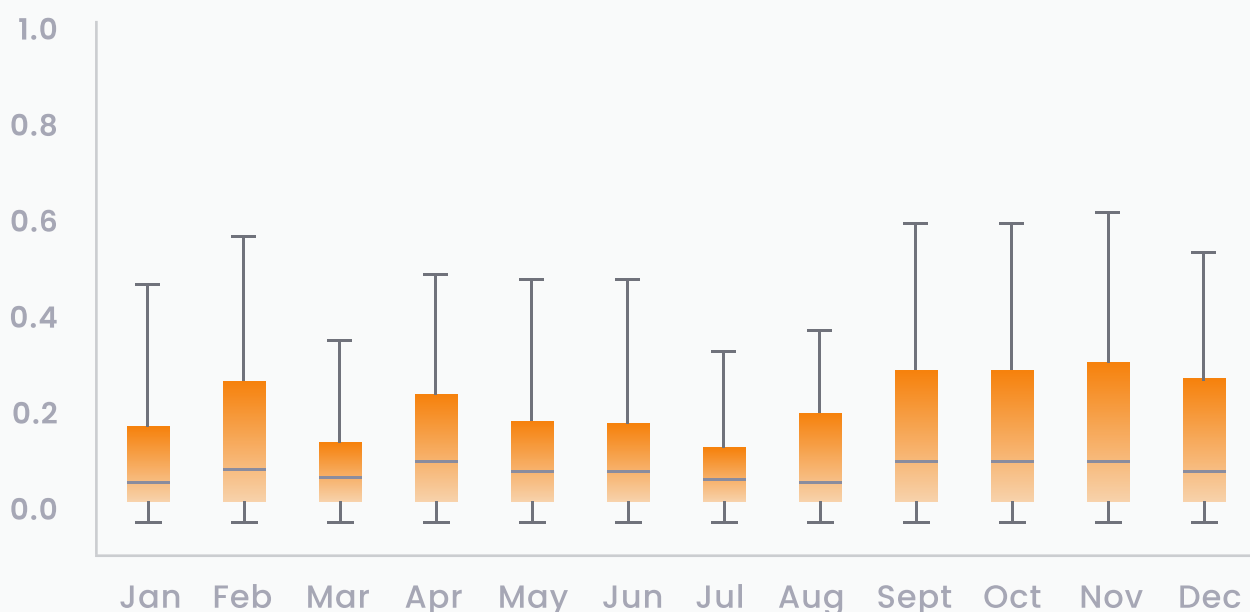
Q1 Pharmaceutical, Health and Tourism
Q3 Vehicles, Food and Finance

Q2 Beverages, IT and Transport

Q4 E-commerce, Insurances and Finance

The seasonality during 2020 to 2021 can easily be summarized in boxplots. It provides a standardized way to display the distribution of the ad spend per month, including the range of ad spend per budget recorded. The colored area shows the 25% to 75% percentile of ad spending in Switzerland. The line in the colored area is the Median.

The seasonality during 2020-2021



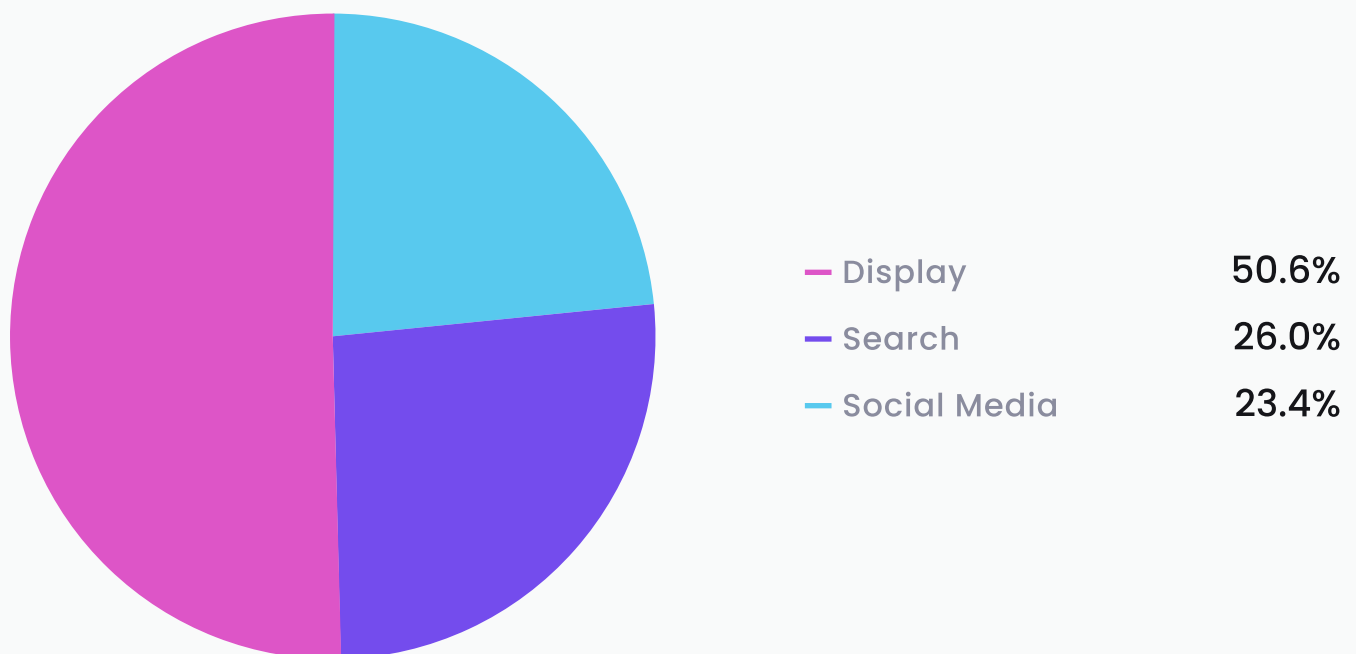
Leverage Seasonality for a competitive advantage

- The month with the lowest ad spend is July, followed by March.
- Conversely, the month with the highest ad spend is November.
- Q4 is the strongest quarter overall.

Where do advertisers spend their budget?

Most digital advertising budget goes to display and related activities, followed by search and social. In the search market, most of the budget goes to Google Search Ads. Microsoft Ads receives only a fraction of the total ad spend. In the social media market, Facebook (including Instagram) is the dominant player with the channels Instagram, Facebook and Whatsapp combined.

Distribution of ad spend per category during 2020-2021



How do they spend their budget?

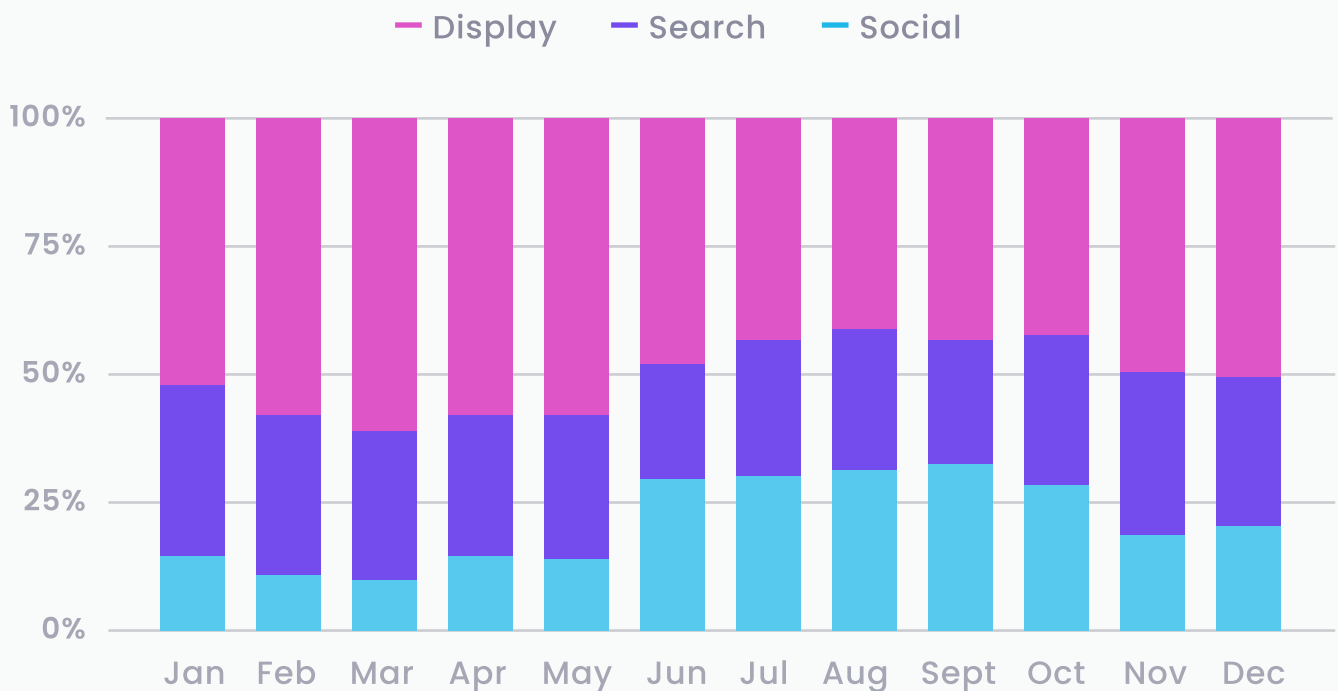
Given 100% of the budget in 2021 and 2020, the relative spending per ad category gives insights into the shift in focus over the year.

Display Channels received the largest amount of ad spend. Yet it lost some of its ad spend to social media over the summer months.

Search is mainly driven by Google Ads. Here, the beginning and end of the year were strong, while during the summer months relatively less money was spent on Search. This trend is similar to the one recorded on Display.

Social Media Channels received only very little of the ad spend in the beginning of the year. This is followed by strong summer months with a slight reduction in spendings towards the end of the year.

Relative ad spend per category during 2020–2021

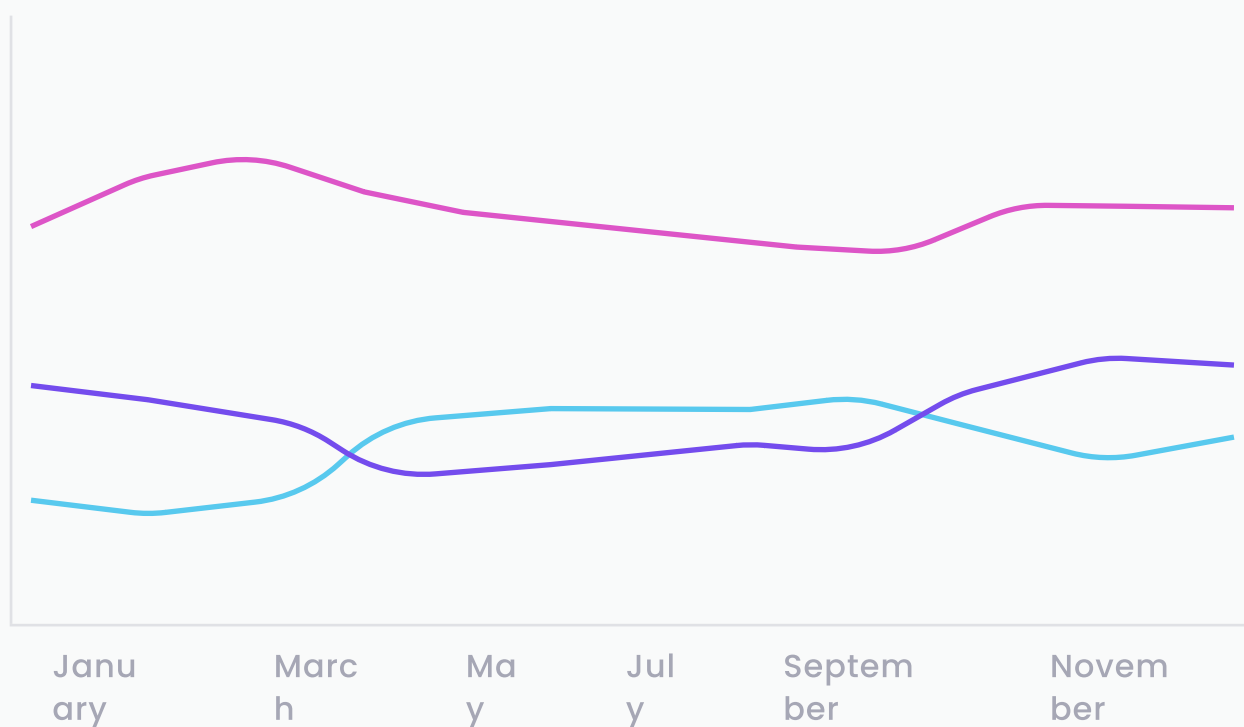


The absolute spending levels give further insights into how the market spends the budget.

One reason is that not every channel works the same for each industry. Another reason could be that consumers are using platforms differently throughout the year and therefore allow the advertiser to spend more or less. This is why it is crucial to optimize the budget allocation across channels.

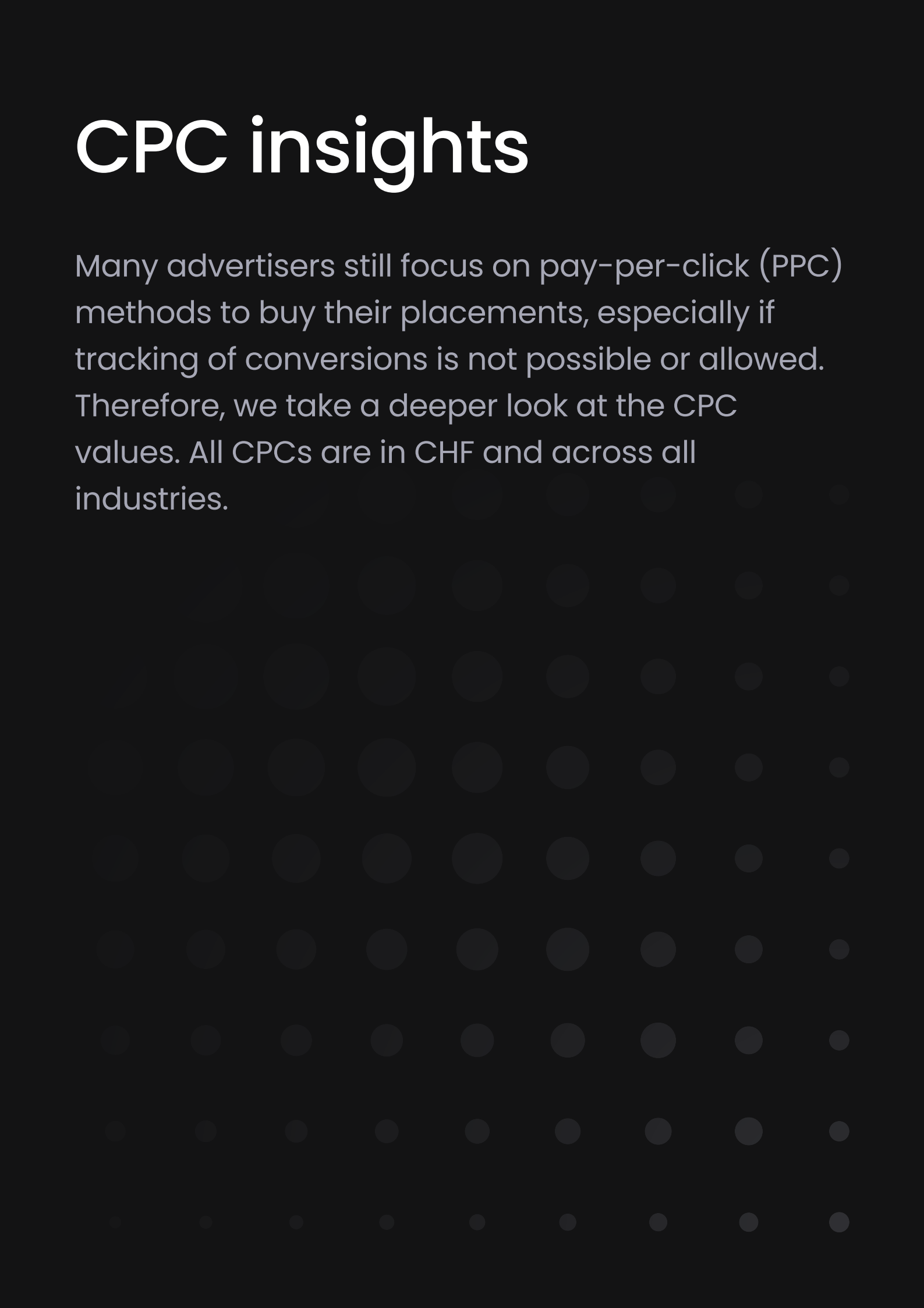
Normalized absolute ad spend per category in 2020–2021

— Display — Search — Social



CPC insights

Many advertisers still focus on pay-per-click (PPC) methods to buy their placements, especially if tracking of conversions is not possible or allowed. Therefore, we take a deeper look at the CPC values. All CPCs are in CHF and across all industries.

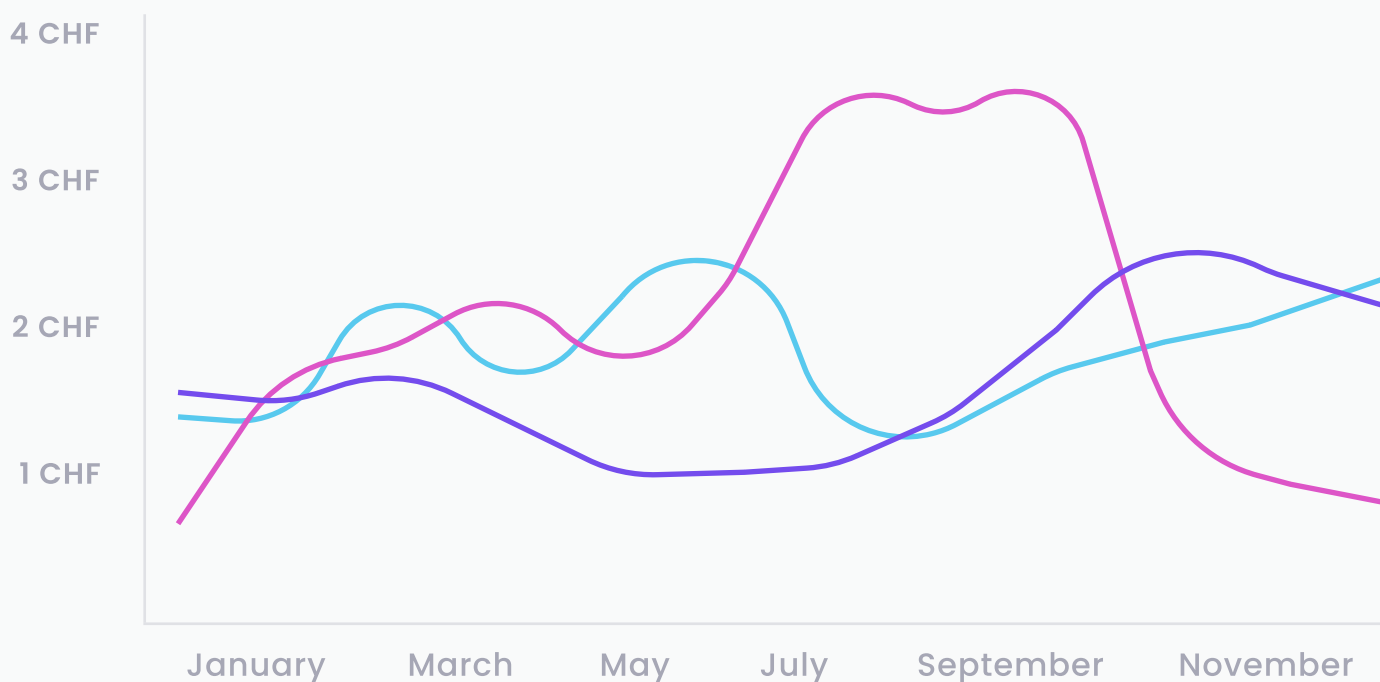


What's the most expensive CPC month?

Looking at the CPC patterns, it becomes clear that the beginning of the year, especially January, is cheaper than the rest of the year. Search CPCs are highest at the end of the year. Display is most expensive in late summer. Social Media has two spikes in the first half of the year that are mainly driven by Instagram. You can find more detailed insights in the deep dive sections.

Average CPC per month

— Display — Search — Social



💡 Get a better overall CPC

- Planning your budget plan throughout the year and recognizing the patterns might help you to get a better CPC trough out the year.
- Alternatively, using modern cross-channel optimization tools such as Nexoya helps you do this automatically and seamless.

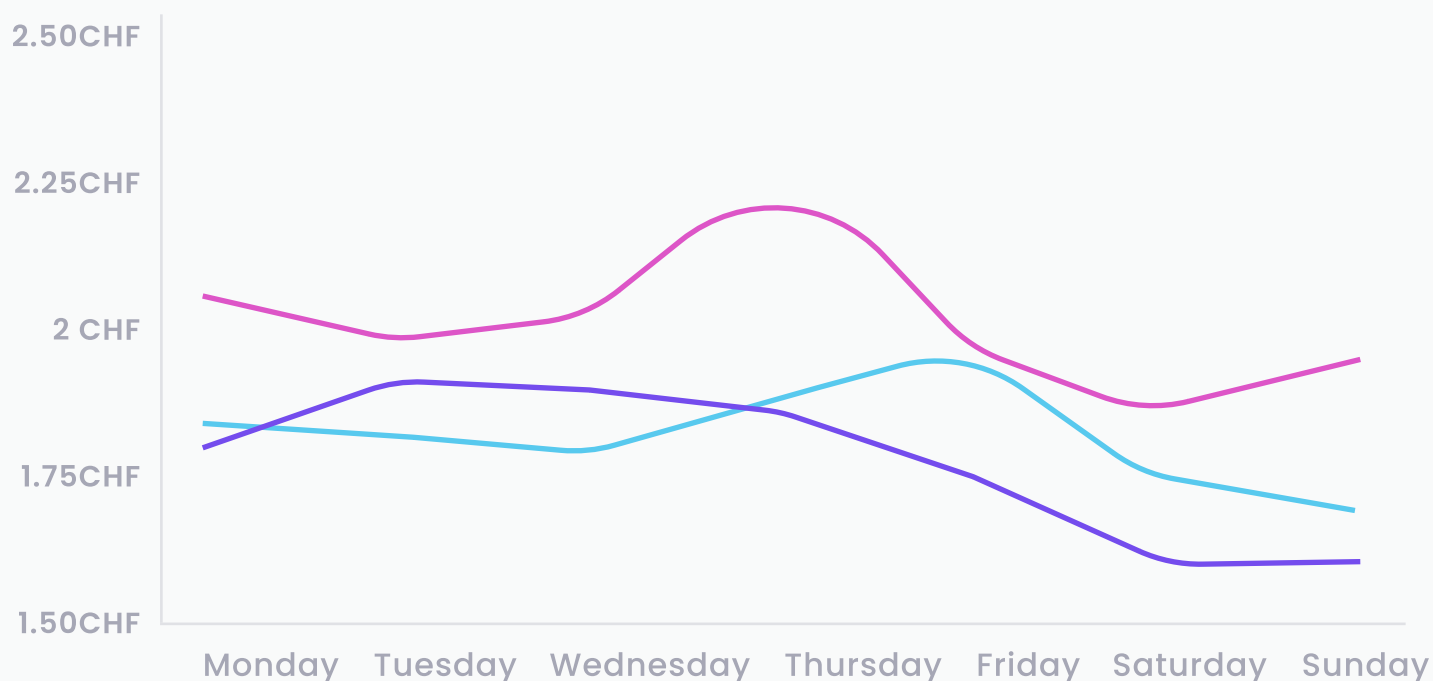
When is the CPC most expensive in the week?

Everybody talks about weekly seasonality – but how does this change across channels? We had a deeper look and compared the channel's CPC over the weekdays.

Overall the weekend has a lower CPC compared to the rest of the week. Display has on average the highest CPC. The overall peak is on Thursday, while the CPC decrease over the weekend again. Search has the lowest CPC over all channels on Saturday and Sunday. At the beginning of the week, Search is slightly more expensive than Social Media. Social Media shows a spike in CPC on Fridays and has the lowest CPCs on Sunday.

Average CPC per weekday

— Display — Search — Social



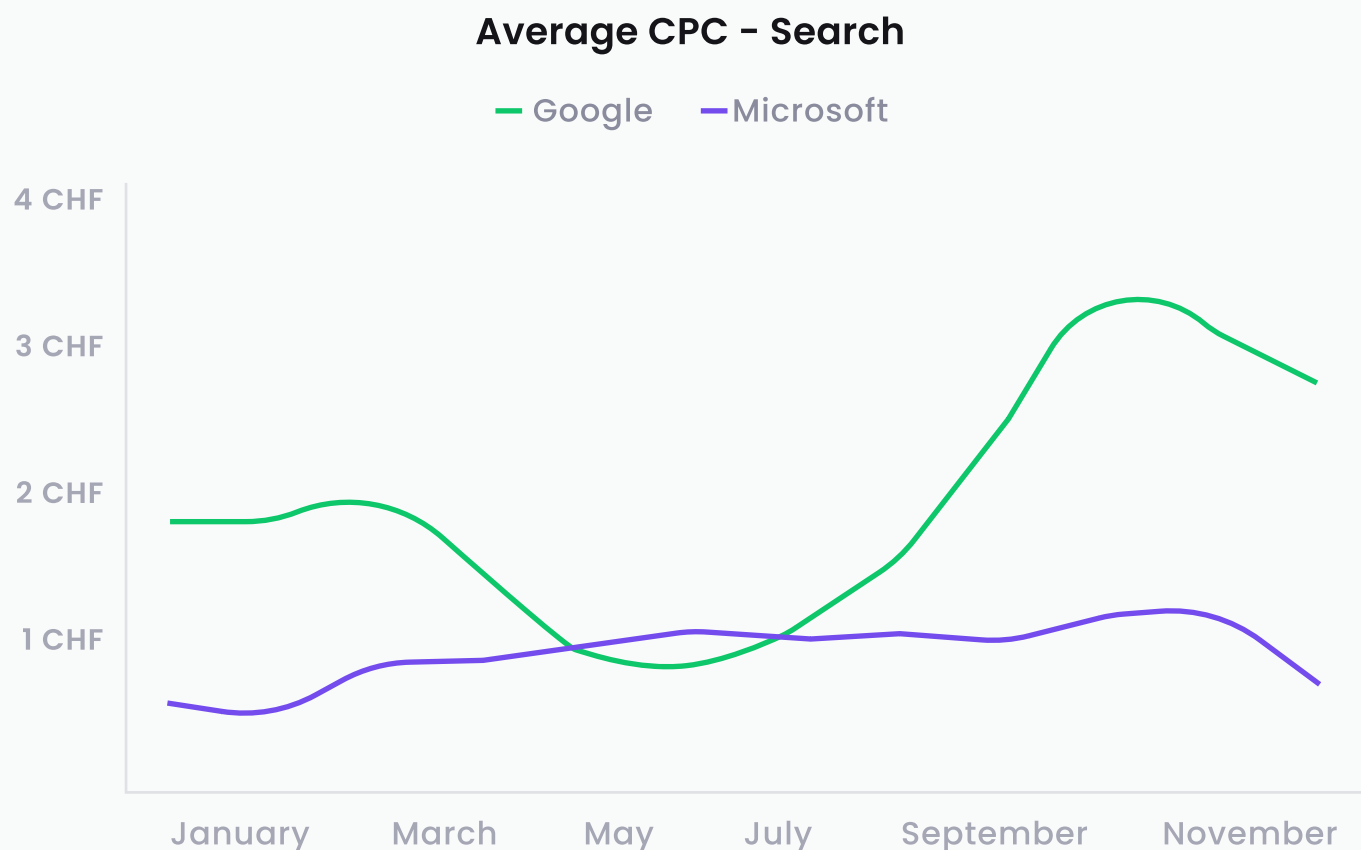
Deep Dive: Search

Search is clearly known as a lower-funnel channel to generate customer intended conversions. When done right, Search advertising is highly effective in bringing in new business and online sales. Search ads reveal a lot about the intent behind, rather than just implicitly hypothesizing about what they might be after.

We, therefore, compare search on its own – which is two players in Switzerland: Google Search Ads and Microsoft Advertising (formerly Bing).

What's the most expensive CPC month on Search?

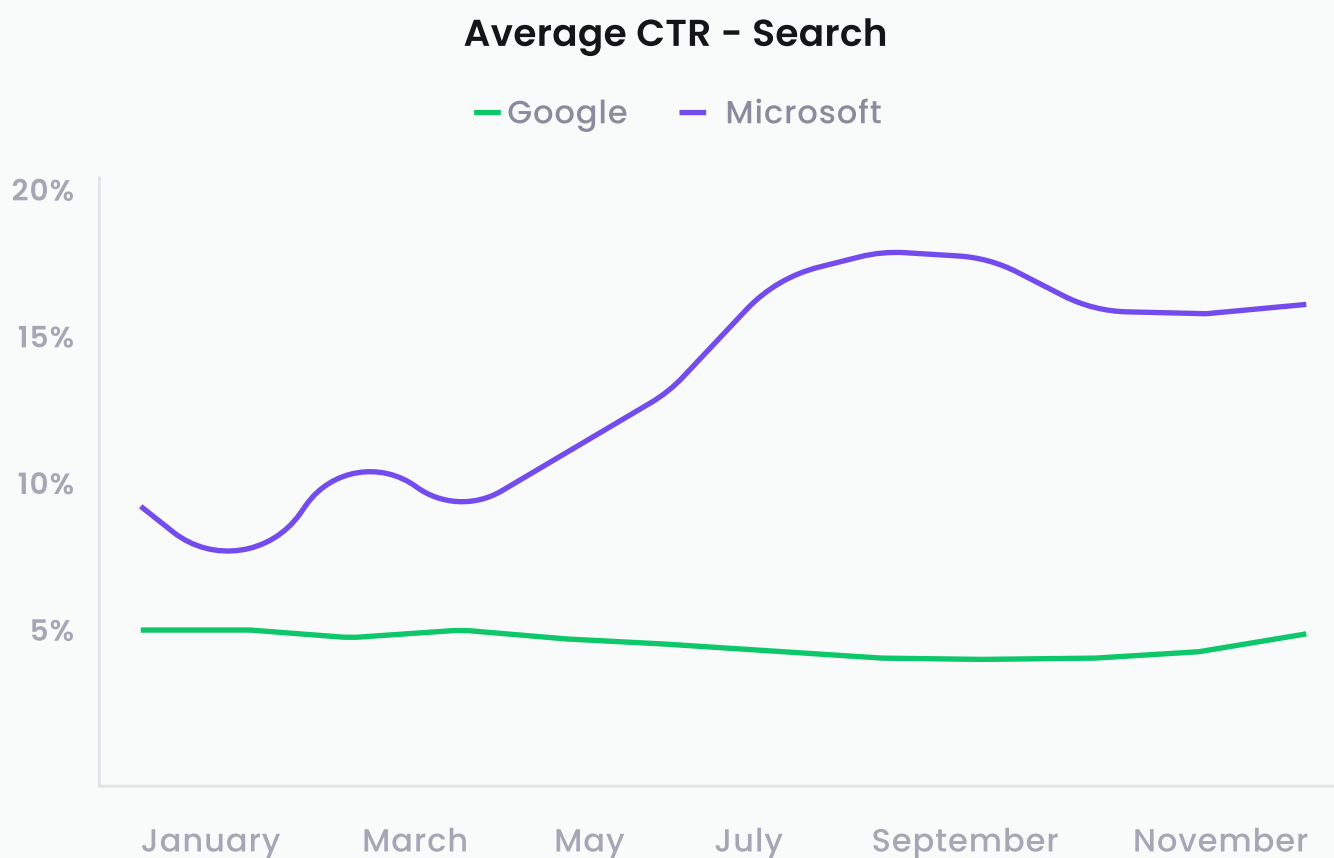
Especially on Google, there is a significant change in the levels of CPC over the year. Keep in mind, this is still the pandemic year, nevertheless, we see Q4 as almost 3x more pricy than the summer season.



- Bing is overall the least expensive channel in terms of CPC. Especially at the beginning of the year, CPC is the lowest, growing over time.
- Google Ads CPC increase in Q4. In October Google Ads is the most expensive channel in terms of CPC in general.
- Over the summer months, Google has a lower CPC.

Which months are the best to reach users on Search?

The CTR helps you to see the relevance of your campaigns but at the same time, the competition of it and how high you get in your results. The answer is clear here, trough out the whole year, Bing is significantly better than Google when getting a better CTR. Also relevant, Google's CTR drops in Q4, whereas the Bing Ads Network seems to grow.



- On average, Bing has a much higher CTR than Google.
- These numbers are averages. In reality, they can be higher depending on the industry and type of ad. For example, CTRs tend to be higher for brand ads.

Search Takeaways



1

Microsoft Advertising by default has the “Search Syndicate Partner Network” enabled, which means your reach is more than just Bing, such as:

- Ask.com
- Bloomberg
- Cnet
- DuckDuckGo
- Ecosia
- Gumtree
- Infospace
- Zapmeta

This is the reason, Microsoft Advertising has higher capacity than the search volume in Switzerland.

2

The best digital advertising strategy is to leverage both platforms simultaneously!

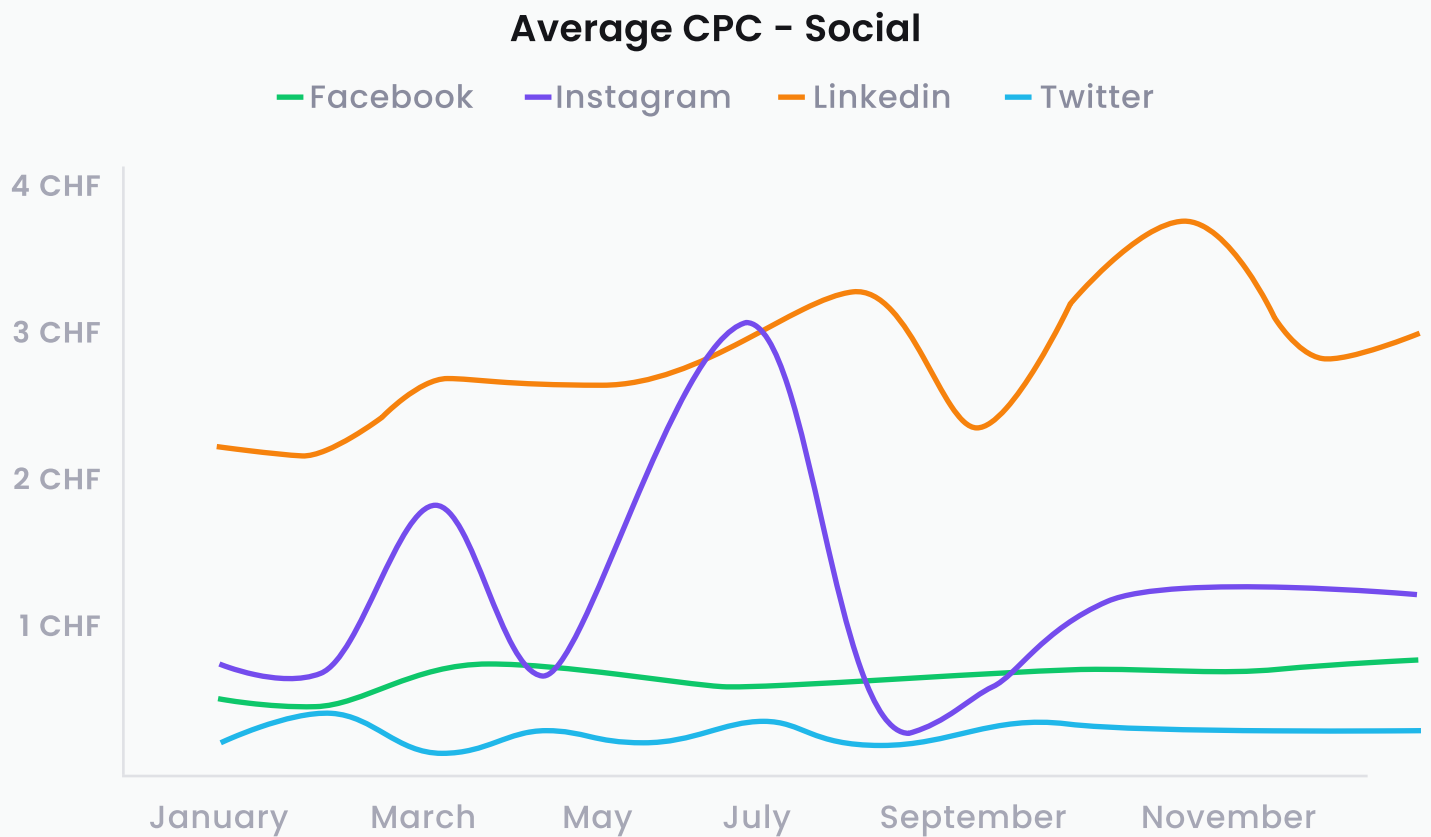
3

Even though Google has more search volume, Bing has better CTRs due to less bidding competition.

Deep Dive: Social

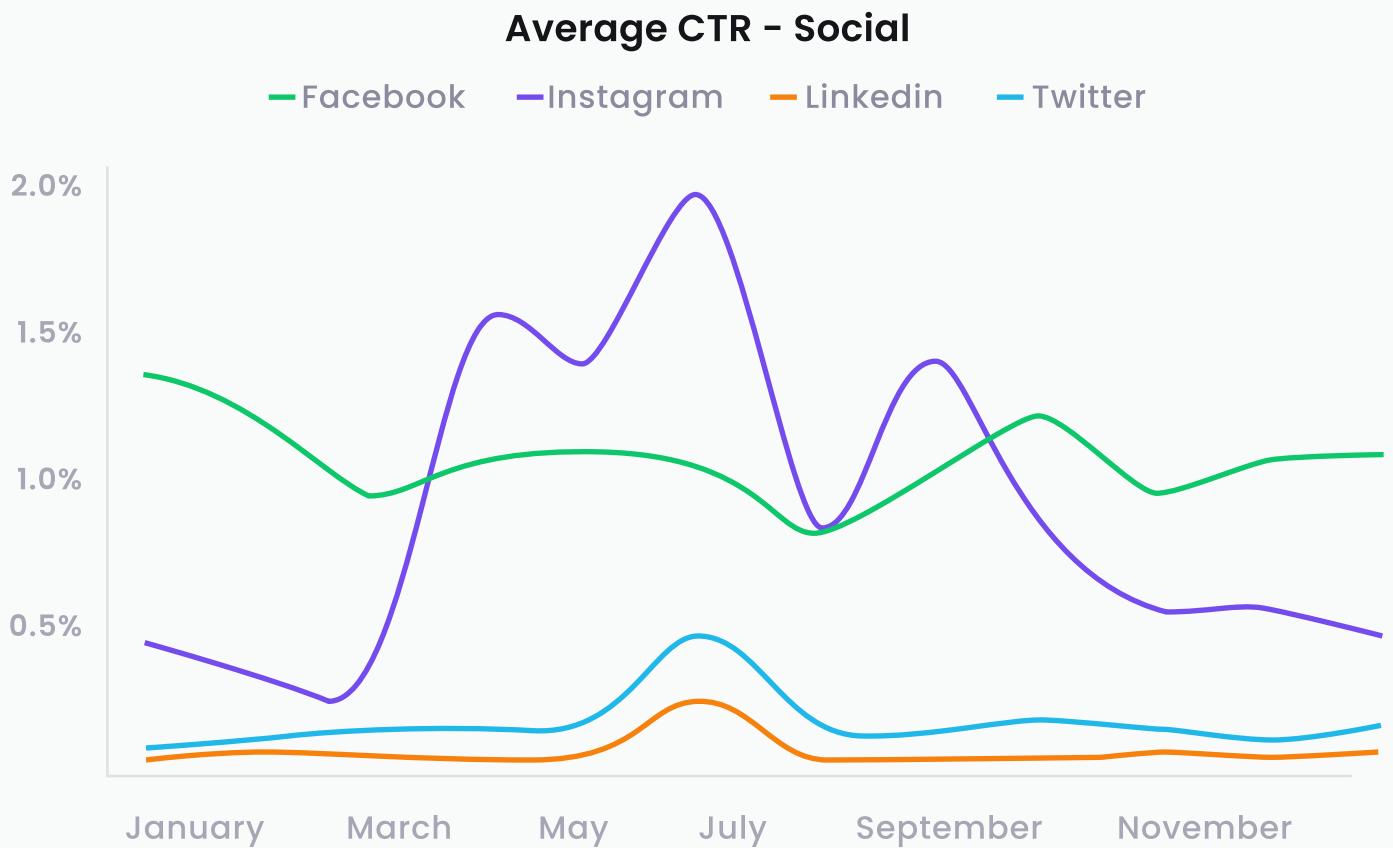
Social Media is more often considered an upper-to mid-funnel channel. There are many different platforms, such as Facebook, LinkedIn, Pinterest or Twitter, there are also many new channels that have only recently established their presence in the advertising market, like TikTok or Snapchat. For this report, we will focus on the established platforms with significant digital ad spend in Switzerland: Facebook, Instagram, Twitter and LinkedIn.

What's the most expensive CPC month on Social Media?



- Overall, LinkedIn has the most expensive CPC. The trend shows that LinkedIn CPCs increase towards the end of the year.
- Instagram has a higher CPC in the first half of the year.
- Facebook has a constant CPC, it only slightly increases towards the end of the year
- Facebook's CPC on average is lower than Instagram's CPC
- Twitter has the lowest CPC. Similar to Facebook it is very constant over the year.

During which months do you reach users best on Social Media?



- Overall, Social Channels have lower CTRs compared to Search. This is due to the different focus of the channel. Where Search is considered to be lower funnel, hence higher CTRs, Social Channels are usually considered upper to mid funnel. Therefore these shall not be compared directly.
- Facebook and Instagram have a higher CTR compared to Twitter and LinkedIn.

Social Takeaways



1

Even though Facebook, Instagram, Twitter and LinkedIn are all considered Social Media Channels, they have a very different user base and focus. **Make sure you're active on the platform that best matches your business.**

2

Facebook's main benefit is that it offers a targeted reach of customers. Twitter on the other hand is an underused channel when it comes to advertising. It still has great features such as Twitter Cards, which make it easy to collect emails and generate leads.

3

In general, the bounce rate of link clicks from Facebook & Instagram are significantly higher than the other platforms. Therefore make sure you **optimize on the micro-conversion underneath, not just the click** (e.g. 3sec on page or in basket etc.).

Summary

With the growing pressure on marketing cost and its performance, it is essential to be aware of underlying trends in the ad market and how your competitors act. Knowing the trends across the year and week helps determine which marketing tactics to pursue. With the statistical analysis of data, the impact of advertising on sales/leads/micro-conversions can be established. AI tools are able to determine how much success was generated by each factor by analyzing vast amounts of data. Even more excitingly, AI tools forecast what future success can be created by optimizing the marketing mix.

This is where Nexoya comes in! Our AI algorithm optimizes budget allocation across marketing channels to determine the optimal allocation of monetary resources to drive the best performance.

Do you want to find out more?

[Request a free demo!](#)

About Nexoya

Nexoya's mission is to enable data-driven decisions for marketers. With Nexoya's AI marketing analytics tool, you will have a holistic understanding of how your marketing campaigns, conversions, clicks and other KPIs are performing as well as the ability to track each of them on a centralized, AI-based platform. You will learn which channel is the best and where you get the best return-on-ad-spend (ROAS) by optimizing your budget allocations on various channels.

[Visit nexoya.com](https://nexoya.com) to learn more.