

TREND REPORT



US CPG Advertising Trends and Ad Sales Advice for 2023

MediaRadar recently conducted a review of 2022 advertising spend in the Consumer Packaged Goods Industry (CPG). CPG brands consists of merchandise that consumers use on and replace on a frequent basis. For this analysis, MediaRadar looked at beauty, food, and household maintenance products. This analysis didn't include non-alcoholic beverages. Among our sample of multimedia advertising data, we observed the industry remained relatively flat. Brands in this category invested over \$9.2b in advertising in 2022. This represents an increase of 3% from 2021.

However, we did see a notable shift in TV advertising in 2022.

In 2022, advertising investment in Cable TV was -9% YoY and among Broadcast Networks it was -14% YoY. Despite this decline, they remained the top mediums for advertising used by CPG brands. Cable represented 33% of total ad spend in 2022 while broadcast television was 15% of total investment during the same time period.

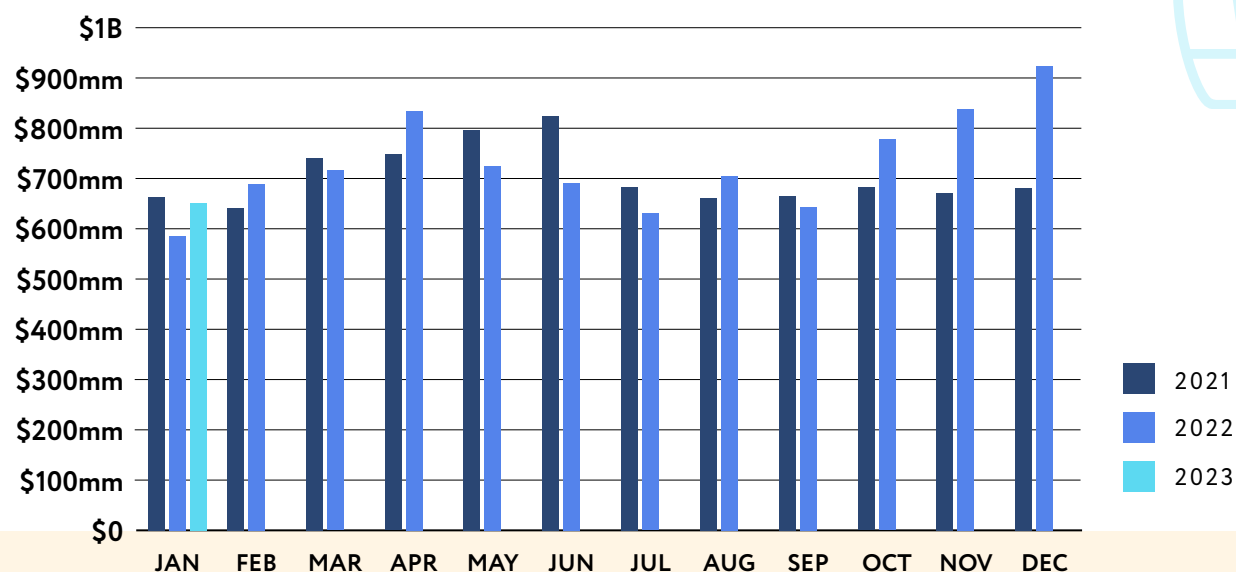
Category Insights

The top subcategories within the CPG industry in 2022 included: Skincare, Chocolate, Laundry Products, Cosmetics, and Hair Care.

- Skincare advertisers, consisting of brands like **Old Spice**, **Hims**, and **Olay Regenerist Collection**, represented 8% of total CPG ad spend for 2022. This was an increase of the 10% YoY. Old Spice and Hims both increased ad spending by over 100% YoY. Old Spice's growth came primarily from increasing their Online Video spend, while Hims increased their Cable advertising investment.
- As a sweet surprise MediaRadar saw Chocolate advertisers made up 7% of total CPG ad spend in 2022. This represents a YoY increase of 9%. The leading Chocolate brands include **Reese's**, **Lindt Lindor**, **Hershey's Bars**, and **Kinder Bueno**.
- Laundry Product brands were also among the top CPG advertising investors in 2022. However, this category reduced their advertising investment by 8%. Top Laundry Product brands who cut ad spend in 2022 include **Gain Laundry Pacs** (-16%), **Tide** (-19%), **Tide Pods** (-10%), and **Lysol Laundry Sanitizers** (-12%).

CPG AD SPEND

JANUARY 2021 - JANUARY 2023



Peak Spend Insights

October through December were peak spending months among CPG brands. When combined, Q4 made up 30% of total ad spend for the year, an increase of 25% from 2021. December saw the highest monthly advertising investment from this segment.

Much of the ad spend from October through December 2022 was from products that make excellent gifts and considered party essentials. MediaRadar observed Skincare, Chocolate, Laundry Products, Chips, Cosmetics, Crackers, and Meat/Seafood/Poultry to be top spenders during the holiday months.

Market Insights

Thanks to rising prices and a looming recession, many consumers are more price-focused than they've ever been. According to [a recent report](#) from McKinsey & Company, U.S. consumer prices increased by 9.1% in June 2022 compared with the previous year—a 40-year high. Meanwhile, Deloitte found that [40% of global consumers](#) say their finances have gotten worse over the past year. While prices fell slightly in August, consumers are still feeling squeezed and are looking to save money where they can.

Online commerce and digital ads will likely provide new opportunities for CPG brands. E-commerce sales growth for the CPG industry [passed 30% for the first time](#) in 2022, a trend that could be especially beneficial for direct-to-consumer brands since it opens up access to first-party data.

This could lead to a boost in programmatic ad sales as well since they enable advertisers to target shoppers more successfully. Besides engaging consumers directly, brands can also offer attractive deals, cross-sells, and unique experiences that big box stores cannot compete with.

However, large retailers win customers thanks to private label brands like Kirkland (Costco), AmazonBasics (Amazon.com), and Crooked Coffee (Crooked Media). Almost [80% of adults](#) polled a year ago said they have bought or were willing to buy private-label goods. So it makes sense that that number would increase in 2023. Customers may be willing to switch to store brands and reallocate the savings into gas, grocery, or other necessities.



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