

# The State of Health & Wellness Ads

An Analysis of Health & Wellness Category Ad Spending Trends and Top Advertisers

## The State of Health & Wellness Ads:

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The State of Health & Wellness report offers analysis on the latest ad spending trends for the category

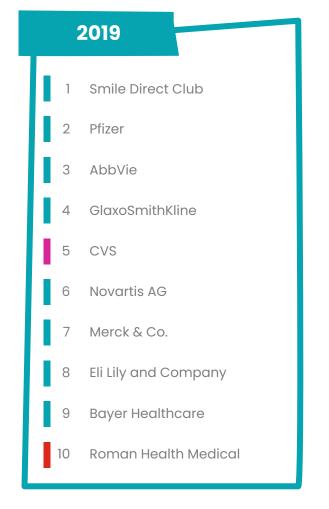
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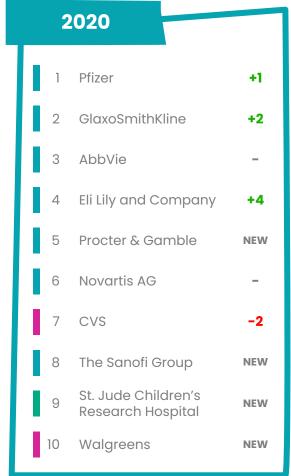
## Health & Wellness Ad Overview: United States

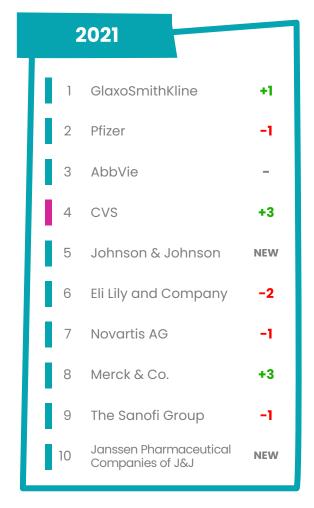


## GlaxoSmithKline was the Top Advertiser in 2021

Top Health & Wellness Advertisers by U.S. Ad Spending









## Health & Wellness Ad Spend Surpassed \$900M in 4Q21

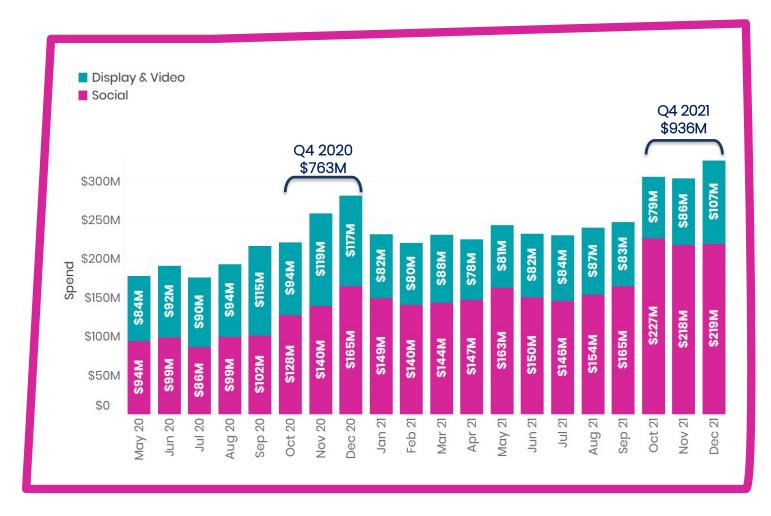
Monthly Digital Health & Wellness Ad Spending in the U.S.

Ad spending for the Health & Wellness category surpassed \$900 million in Q4 2021, a record year-overyear increase of \$173 million compared to Q4 2020.

Despite similar ad spending on Display & Video and Social in early 2020, the share of ad spend has shifted to Social channels since October 2020. Ad spending on Social channels accounted for nearly 70 percent by the end of 2021.



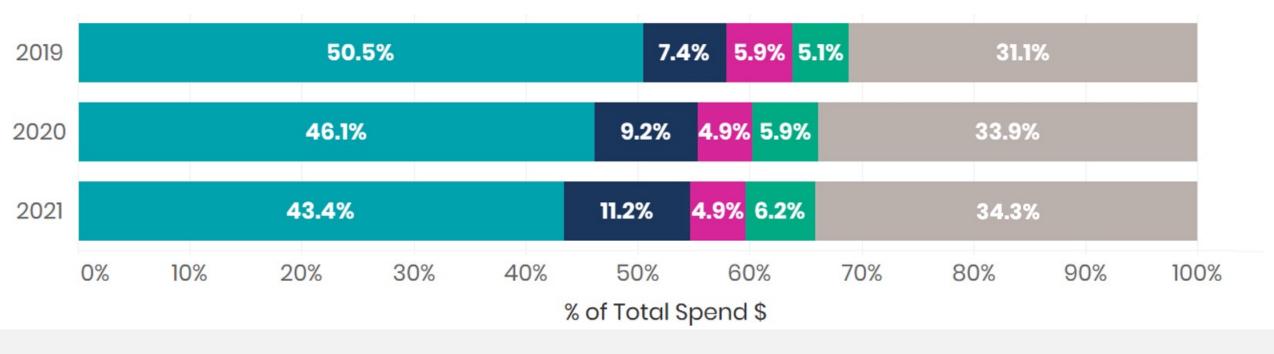






## Vitamins & Supplements Gained Market Share

Yearly U.S. Health & Wellness Ad Spending Market Share by Category



The bulk of Health & Wellness ad spending was from Prescription & Nonprescription Drugs and Vitamins & Supplements. These two categories combined for approximately 55 percent of Health & Wellness ad spending over the past three years.

Vitamins & Supplements, Telehealth & Prescription Discounts, and Hospitals & Health Clinics have each gained a few points in ad spending market share since 2020, while Prescription & Nonprescription Drugs category have lost approximately 7 percent of ad spending market share.

■ Prescription & Nonprescription Drugs ■ Vitamins & Supplements Pharmacies Hospitals & Health Clinics Other



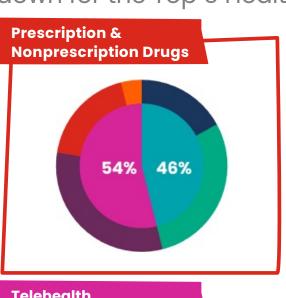
## Social Channels Continued to Lead Advertising Trends

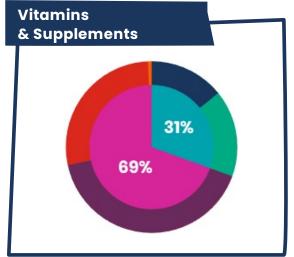
U.S. Ad Spending Device Breakdown for the Top 5 Health & Wellness Categories

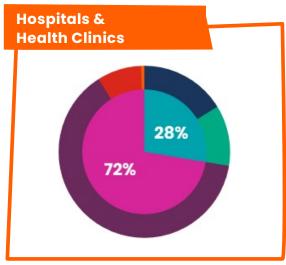
Social devices have been a key digital ad channel for top Health & Wellness categories, especially on Facebook and Instagram. Social channels have accounted for at least 75 percent of spending for Telehealth & Prescription Discounts and Pharmacies.

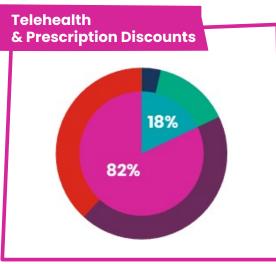
**Prescription & Nonprescription** brands invested approximately 29 percent of their total ad spending on Desktop/Mobile Video while other categories only spent roughly 11 to 16 percent on those channels.

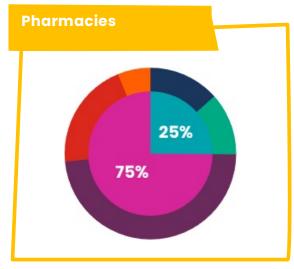
Note: Data from May 2020 to Dec. 2021









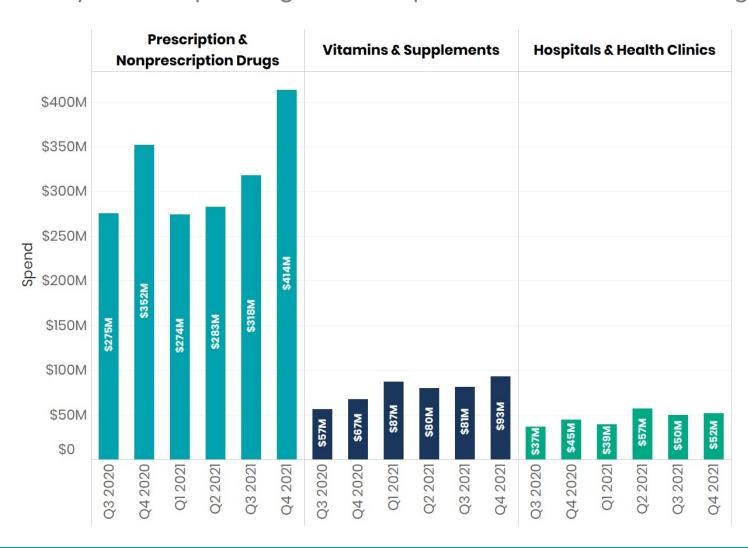






# Ad Spending Trended Upwards Across Top Categories

Quarterly U.S. Ad Spending for the Top 3 Health & Wellness Categories, Q3 2020 to Q4 2021



#### **Prescription & Nonprescription Drugs brands** saw their investment peak in Q4 2021.

Ad spending in Q4 2021 reached \$400 million. Compared with same period in 2020, ad spending increased 17.6 percent (from \$352 million to \$414 million in Q4 2021). Some of the fastest growing subcategories included Infections as well as the largest subcategory by ad spend, Pain Relief & Management.

For Vitamins & Supplements and Hospital & Health Clinics brands, ad spending slightly increased year-over-year.

Comparing with same period in 2020, Vitamins & Supplements and Hospital & Health Clinics brands' ad spending increased 40.3 percent and 24.4 percent in H2 2021, respectively.

Note: OTT excluded



# Health & Wellness Category:

Prescription & Nonprescription Drugs United States



# Pain Relief & Management Topped Drug Ad Spending

Top Prescription & Nonprescription Drugs Subcategories by U.S. Digital Ad Spending by Year

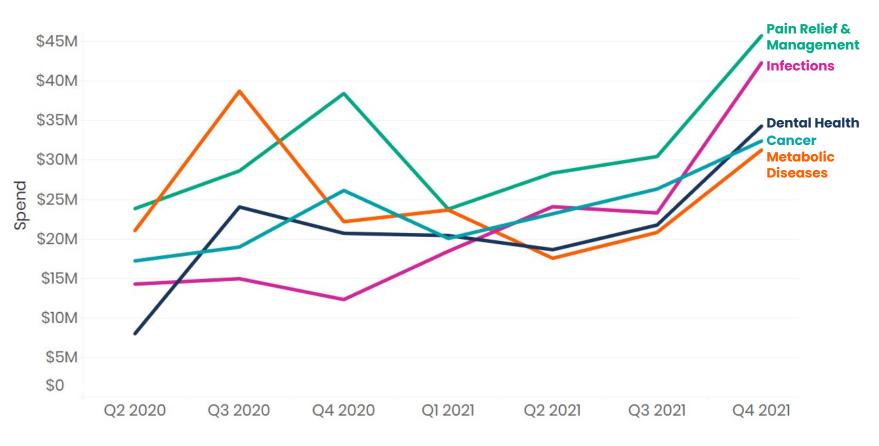


2	2020	
1	Pain Relief & Management	+2
2	Metabolic Diseases	+5
3	Cancer	-1
4	Dental Health	-3
5	Allergy & Sinus	+1
6	Digestive Health & Disorders	-2
7	Sexual & Reproductive Health	+1
8	Skin Conditions & Skin Health	-3
9	Infections	+1
10	Arthritis	NEW



## **Ad Spending for Infections Drugs Surged in 2021**

Quarterly U.S. Digital Ad Spending by Subcategory



In 2019, Infections ranked as the No. 10 subcategory under Prescription & Nonprescription Drugs. Infections brands' ad spending has climbed following the outbreak of COVID-19 and in 2021 in particular. Top brands in the Infection subcategory included Biktarvy and EPCLUSA from Gilead Sciences, Eli Lily, GlaxoSmithKline, and Pfizer. Pain Relief & Management was the only subcategory with higher spending in 2021.

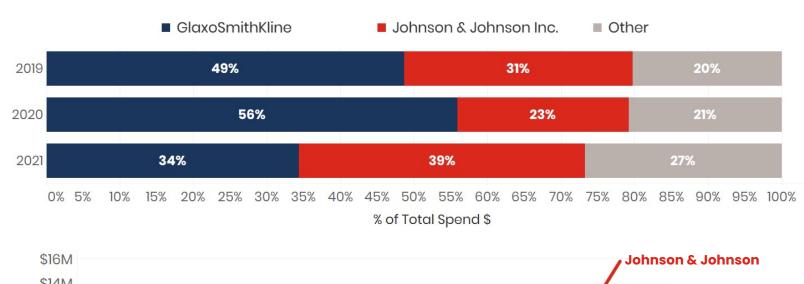
Comparing this with same period in 2020, Infections ad spending increased 249 percent, to \$42.3 million, in Q4 2021. In contrast, Metabolic Diseases brands' ad spending has decreased since its peak in O3 2020.

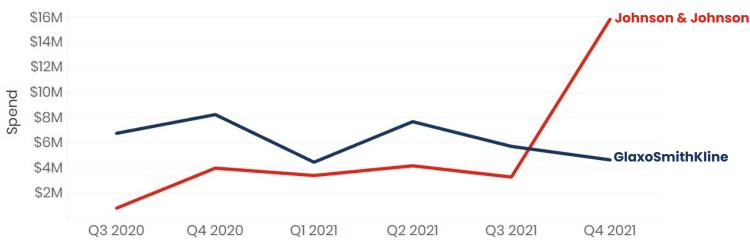
Note: OTT excluded



## GlaxoSmithKline and J&J Drove Pain Relief Trends

Pain & Fever Relief (OTC) Share of Voice & Quarterly Digital Ad Spending in the U.S.





GlaxoSmithKline and Johnson & Johnson were the top two advertisers for Pain & Fever Relief category. Their ad spending accounted for approximately 80 percent of total Pain & Fever ad spending in 2019 and 2020. In 2021, Johnson & Johnson's Share of Voice (SOV) surpassed GlaxoSmithKline for the first time.

GlaxoSmithKline's ad spending decreased yearover-year, from \$8.2 million in Q4 2020 to \$4.6 million in Q4 2021. Meanwhile, Johnson & Johnson spent \$15.8 million in Q4 2021 on Pain & Fever Relief, nearly 4 times as much as its ad spending at same period in 2020.

Johnson & Johnson increased ad investment on the brands Tylenol (Cold & Flu, Rapid Release Gels) and Zarbee's in Q4 2021. They spent over \$12.7 million on these two brands that quarter.

> Note: Focusing on oral medication, topical cream & patches ads are excluded



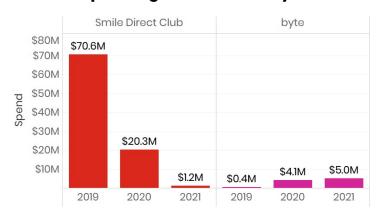
## Competitors Look to Fill Void Left by Smile Direct Club

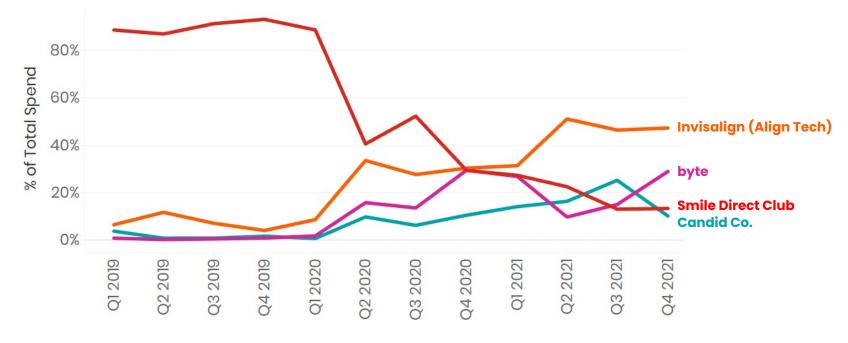
Dental Health Share of Voice in U.S. Ad Spending: Smile Direct Club vs. Competitors.

Smile Direct Club was No. 1 Dental Health advertiser in 2019. Its ad spending accounted for 88 percent of the U.S. spend among its top competitors Invisalign, Byte, Candid.

However, since Q2 2020, Smile Direct Club's ad spending decreased quarterover-quarter, and by the end of 2021, its SOV had dropped to 13 percent.

#### Ad Spending on Facebook by Year





Facebook was a key digital ad channel for Smile Direct Club, with Smile Direct Club investing more than \$70 million on Facebook in 2019. In Q2 2020, however, ad spending on Facebook decreased 94 percent guarter-over-quarter. Smile Direct Club only spent \$20 million on Facebook in 2020 and this declined further to \$1.2 million in 2021. In contract, Byte's ad spending on Facebook increased year-over-year from \$400 thousand in 2019 to \$5 million in 2021.

# Health & Wellness:

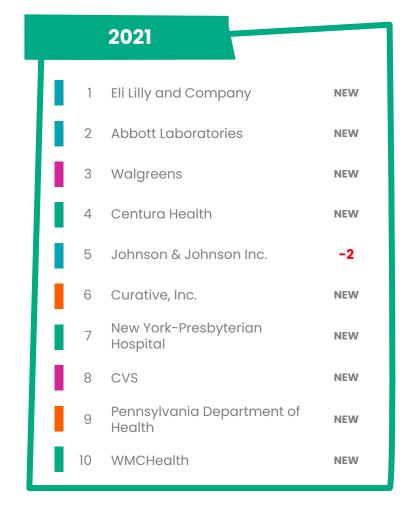
COVID-19 & Vaccine Themed Ads United States



## Top Advertisers for COVID-19 Ads by Ad Spending

Creatives with keywords including "Covid", "Coronavirus", "Covid vaccine"

		2020
h	1	Northwell Health
ı	2	The Pharmaceutical Research and Manufacturers of America
	3	Johnson & Johnson Inc.
	4	One Medical Group
	5	Advent Health
	6	GlaxoSmithKline
	7	WellStar Health System
	8	Janssen Pharmaceutical Companies of Johnson & Johnson
	9	Science 37
	10	Hackensack Meridian Health

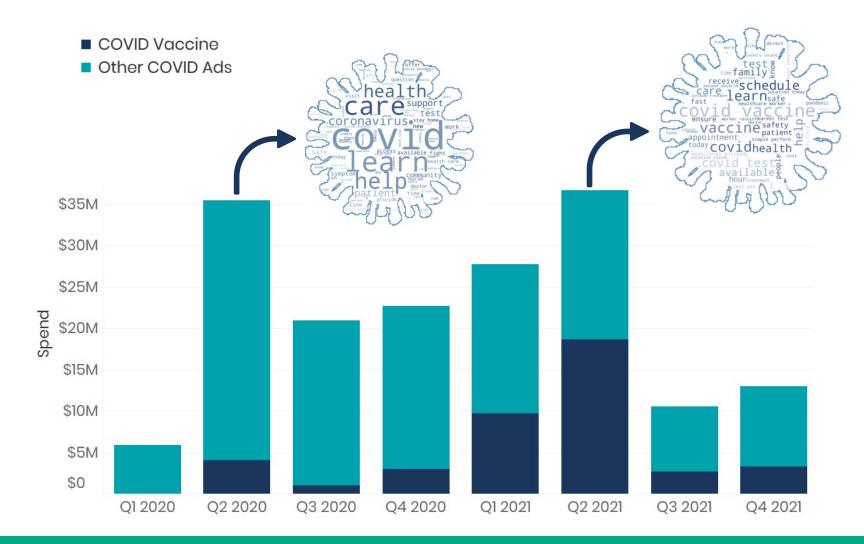




Note: Data is for creatives with keywords including "Covid", "Coronavirus", or "Covid vaccine".

## Vaccine-Related Ads Created a Second Peak in 2Q21

U.S. COVID-19 Quarterly Ad Spending and Messaging Trends in Top Creatives



#### COVID ad spending peaked in Q2 2020 and Q2 2021:

COVID-19 related ad spending reached its first peak early into the pandemic in Q2 2020 with creative keywords like "health care", "stay home", "symptom", "pandemic", and "vaccine".

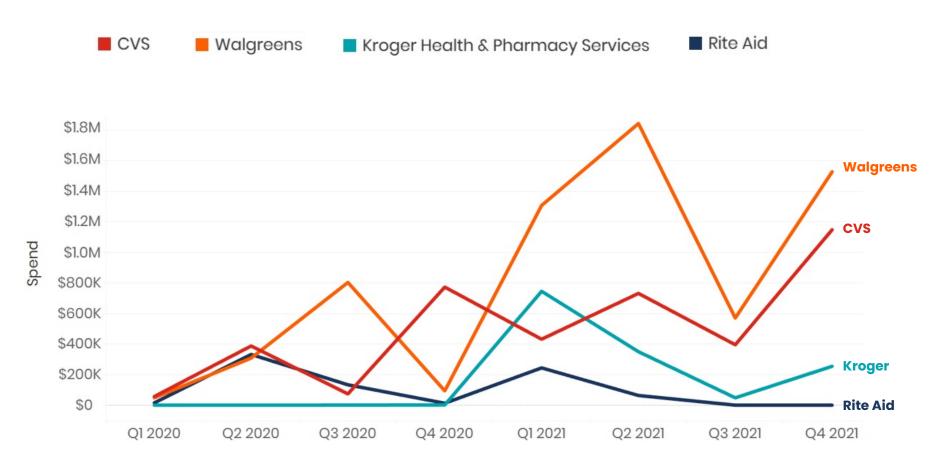
Mass vaccinations in the U.S. began in December 2020 and picked up early into 2021. COVID-19 themed ad spending increased quarter-over-quarter the next two quarters, reaching its second peak in Q2 2021.

All U.S states opened vaccine eligibility to residents aged 16 and over by April 19, 2021. At same time, ad spending related to COVID-19 vaccines surpassed \$18.6 million in Q2 2021. Creative keywords that quarter were vaccine focused, including "COVID vaccine", "COVID test", "schedule", and "appointment."



## Walgreens Topped Pharmacy COVID-19 Ad Spending

Quarterly U.S. COVID-19 Ad Spending for Top Pharmacies



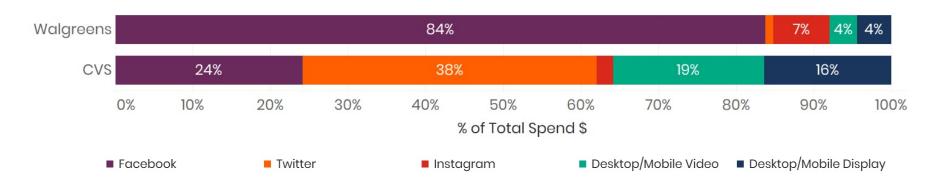
#### Walgreens and CVS were the top two pharmacy advertisers for COVID-19 ads:

Walgreens increased COVID related ad spending from \$1.3 million in 2020 to \$5.3 million in 2021. \$1.9 million was related to vaccines, with all of this ad spend occurring in 2021.

Like Walgreens, CVS also increased COVID ad spending year-over-year from \$1.3 million in 2020 to \$2.7 million in 2021. \$1.1 million (28 percent) of CVS spending was related to vaccines.

## Recent Creatives Focused on COVID Tests

U.S. Ad Spend by Device and Creative Strategy for Walgreens vs. CVS



Facebook was a key digital ad channel for Walgreens' COVID-19 related ads. Walgreens spent 84 percent of its total COVID ad spending on Facebook.

CVS had a more diversified strategy across channels, spending at least 15 percent on four different channels. Twitter led the way at 40 percent.

#### **Top Walgreens & CVS Covid Creatives:**

Walgreens' top **COVID** creatives were focused on "Covid-test availability" and "Covid booster".







Top CVS creatives mentioned "Covid self test kit" and "Covid vaccination"







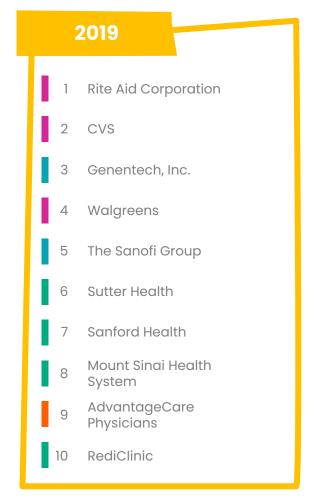
## Health & Wellness:

Flu Shot Themed Ads United States

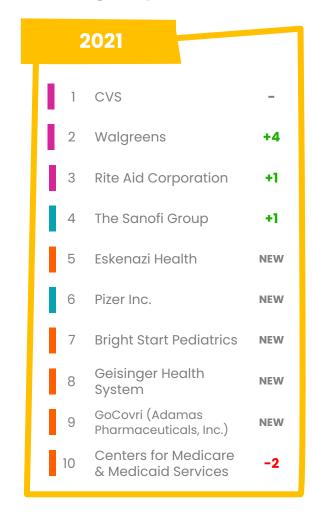


## Pharmacies Led Flu Shot Ad Spending in 2021

Top Advertisers by U.S. Ad Spend with Creatives Including Keywords for "flu shot" or "flu vaccine"



2020				
	1	CVS	+1	
	2	Genentech, Inc.	+1	
	3	Health Net	NEW	
	4	Rite Aid Corporation	-3	
	5	The Sanofi Group	-	
	6	Walgreens	-2	
	7	The Kroger Co.	NEW	
	8	Centers for Medicare & Medicaid Services	NEW	
	9	Baptist Health (Kentucky)	NEW	
	10	MedExpress	NEW	





## Flu Shot Ad Spend Fell as COVID Ads Began

Quarterly Digital Ad Spending for Flu Shots in the U.S.

#### Seasonal trend for flu shot ads:

Flu shot ad spending increased dramatically during the fourth quarter each year as flu activity peaks between December and February.

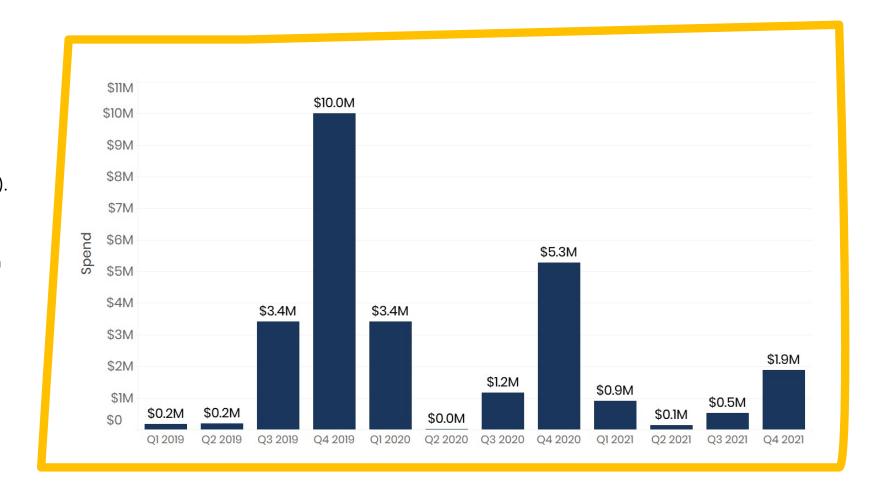
In Q4 2019, flu shot ad spending reached \$10 million, and Rite Aid's flu shot ads accounted for over 50 percent (\$5 million).

However, flu shot ad spending decreased in Q4 2020 falling to \$5.3M, down 47 percent year-over-year. In Q4 2021, Health and Wellness advertisers only spent \$1.9 million on flu shot digital ads.

Pharmacy advertisers including CVS, Walgreens, and Rite Aid shifted some of their flu vaccine ad budgets to COVID vaccines. They spent \$3 million on COVID vaccine ads in 2021.

#### Note:

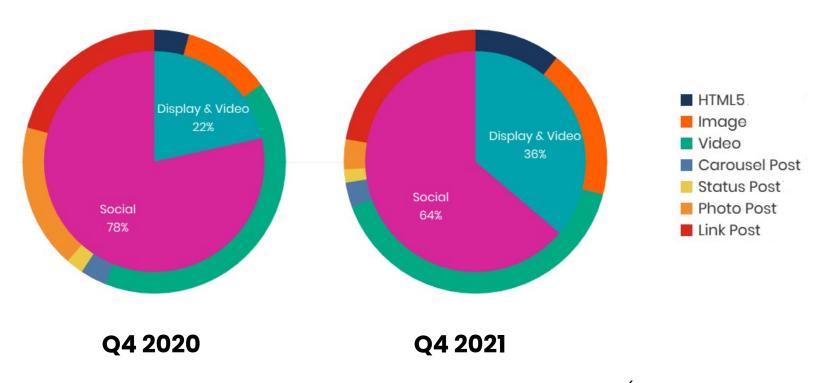
Twitter date starting from May 1, 2019 Instagram data starting from April 15, 2020 OTT excluded





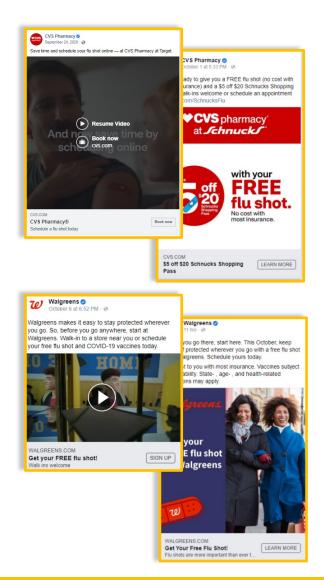
## Most Flu Shot Spending is Still on Social Channels

Flu Shot U.S. Ad Spending Share by Device & Creative Type



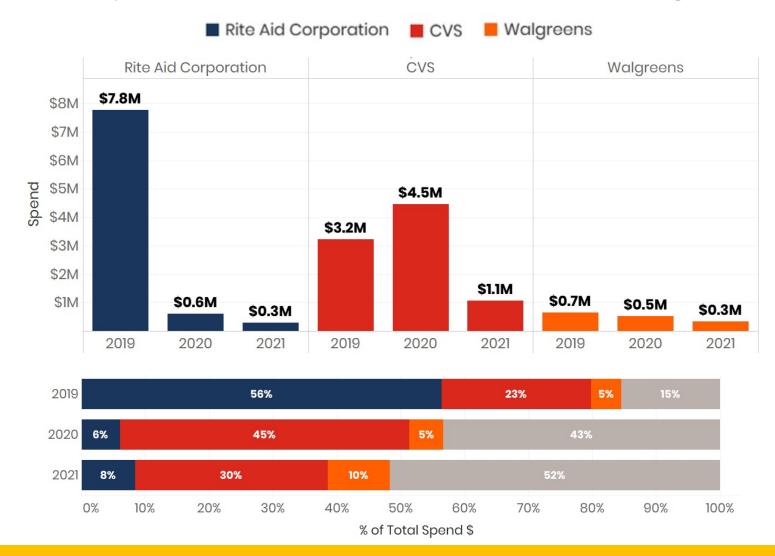
Health & Wellness advertisers spent primarily on social channels for flu shot ads (78 percent of ad spending was from social channels in Q4 2020). Although there was a 14 percentage point shift from Social channels to Display & Video in Q4 2021, social still accounted for more than 60 percent of total flu shot ad spending.

The main creative type that advertisers used for flu shot ads were link posts and video posts on social channels. More than 50 percent of total flu shot ad spending utilized these two creative types.



## Top Pharmacies Spent Less on Flu Shot Ads Since 2019

U.S. Ad Spend and Share of Voice for Flu Shot Advertising



In 2019, Rite Aid was the top advertiser for flu shot ads. Rite Aid invested \$7.8 million while its competitors, CVS and Walgreens, combined for less than \$4 million.

Rite Aid's ad spending on flu shot significantly dropped in 2020, declining 92 percent to \$600,000 in 2020 and down to \$300,000 in 2021.

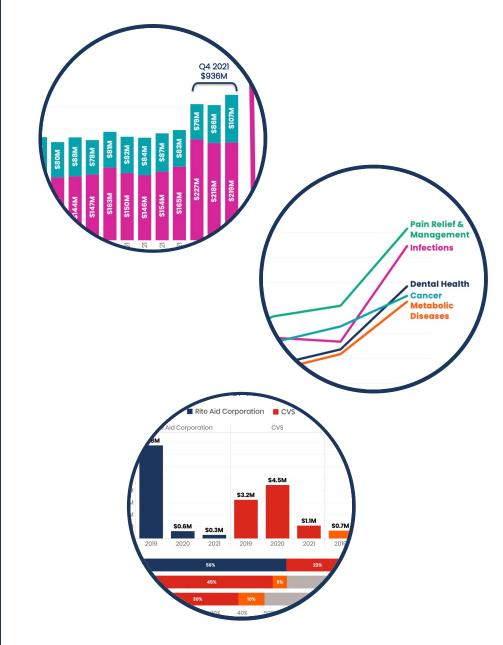
The top three pharmacy advertisers accounted for more than 80 percent of Share of Voice for flu shot advertising in 2019. As Rite Aid's ad spend declined, this provided an opportunity for other advertisers to enter the market. Still, the top three pharmacies controlled nearly half of the market in 2021.

# Conclusion



## Conclusion

- U.S. ad spending for the Health & Wellness category surpassed \$900 million in Q4 2021. Compared with same period in 2020, Health & Wellness ad spending in Q4 increased by \$173 million or 23 percent.
- Prescription & Nonprescription Drugs accounted for 43 percent of Health & Wellness ad spending in 2021. However, this was down from 50 percent in 2019, giving room for Vitamins & Supplements and Hospitals & Health Clinics to gain market share.
- Infection treatment brands' ad spending grew rapidly following the outbreak of COVID-19 and has continued to increase in 2021. Infections ad spending in the U.S. increased 249 percent year-over-year to \$39.9 million in Q4 2021.
- COVID-19 related ad spending peaked in Q2 2020 and Q2 2021. The first peak occurred right after the initial outbreak of COVID-19 as advertisers were quick to react to consumers' needs during the pandemic, and the second peak occurred after all U.S states opened vaccine eligibility to residents aged 16 and over.
- Flu shot ad spending has a seasonal pattern, picking up at the end of each year along with the start of peak flu season. Flu shot ad spending reached \$10 million in Q4 2019 but decreased year-over-year in Q4 from \$10 million in 2020 to \$1.9 million in 2021. Some of this decrease can be attributed to increase spend in other areas, such as for the COVID-19 vaccines and tests.





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#### North America

2261 Market Street #4331 San Francisco, CA 94114 USA

501 Santa Monica Blvd #301 Santa Monica, CA 90401 USA

135 Madison Avenue New York, NY 10016 USA

#### **EMEA**

3rd Floor, Hend House 233 Shaftesbury Ave London WC2H 8EE **United Kingdom** 

#### Japan

NN Building, 1-7-7 Jinnan, Shibuya-ku, Tokyo 150-0041 Japan

#### Korea

66 Chungmin-ro Songpa-gu, Seoul Republic of Korea

#### China

43F Maxdo Centre. No. 8 Xingyi Road Shanghai 200336 China

Guanghua Ocean International Center, 10 Jintong Rd (W.), Tower AB, 7/F, Chaoyang, Beijing, 100020 China



