http://www.insideradio.com/free/despite-pandemic-direct-to-consumer-ad-spending-expected-to-rise/article_96b5f278-7587-11ea-b924-77ed467c4cc7.html

Despite Pandemic, Direct-To-Consumer Ad Spending Expected To Rise.

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An ad category that is surviving, and may even thrive, despite the economic downturn related to the COVID-19 outbreak, is direct-to-consumer (DTC) brands. eMarketer projects consumer spending on DTC brands will increase more than 24%, reaching $18 billion in the U.S. in 2020, despite “mounting challenges” created by the pandemic.

A DTC brand is any business that sells their products directly to consumers, rather than going through a retail store or other traditional distribution channel. Some of the more prominent brands include ZipRecruiter, SimpliSafe, Audible and Hims.

While DTC advertising has been declining, it is projected to see double-digit growth over the next few years, MediaPost reports. The article says that some analysts predict DTC marketing could actually benefit from consumers shifting to online shopping as they avoid brick and mortar stores, many which are temporarily closed in the wake of the health crisis.

DTC brands are turning more to radio as their marketing needs evolve. “DTC brands fell in love with audio via podcasts and now are falling in love with AM/FM radio,” Pierre Bouvard, Chief Insights Officer at Cumulus Media told **Inside Radio** in March.

One of the factors behinds the eMarketer projection is the expansion of the DTC consumer base – internet users 14 years or older who have purchased at least one DTC product in the past year. eMarketer projects 87.3 million Americans now fall in that category, which represents more than 43% of all online shoppers.

“DTC brands have been leveraging radio to reach audiences and reinforce their unique value propositions. Radio has been a proven channel for both acquisition and brand lift,” Bart Roselli, VP of Strategy at ad agency Veritone One told **Inside Radio**. “Used as part of a comprehensive audio strategy we've seen radio maximize reach and scale.”