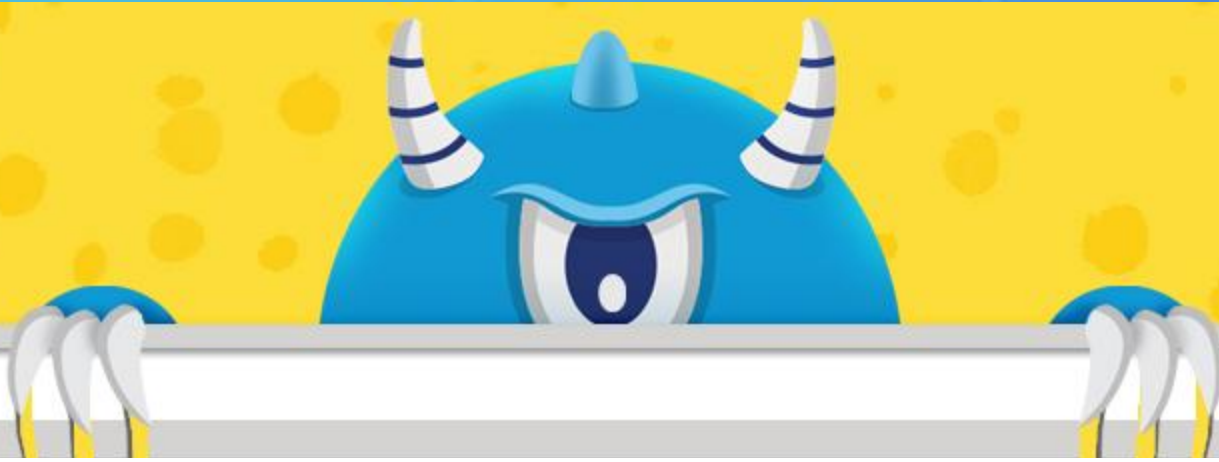




A Look At 1st Quarter 2021



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# Facebook revenue almost doubled: Here's what it means for advertisers

In addition to a decrease in overall metrics, some marketers reported a decline in the performance of lookalike audiences.

Carolyn Lyden on April 29, 2021 at 1:28 pm

Earnings reports released on Wednesday show that Facebook nearly doubled its [Q1 earnings](#) compared to last year. Revenue from advertising was up 146% compared to 2020 while daily active users only increased 8%.

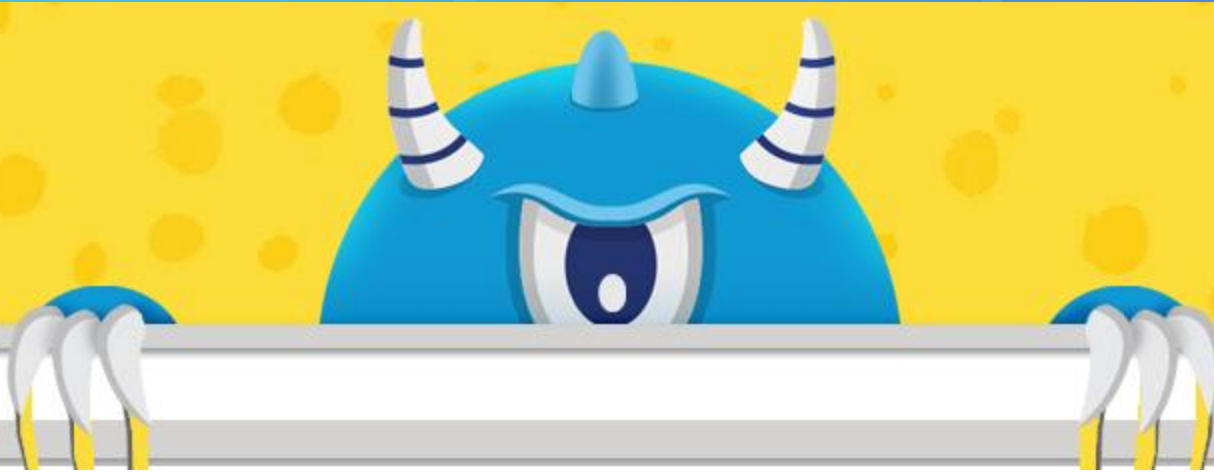


The increase was driven largely by an uptick in ad prices, according to the CFO outlook commentary on the earnings report: “We are pleased with the strength of our advertising revenue growth in the first quarter of 2021, which was driven by a 30% year-over-year increase in the average price per ad and a 12% increase in the number of ads delivered.”

**COVID affects reporting numbers.** When pulling your own numbers, it’s important to remember that [metrics for most businesses may be off](#) one way or another this year as COVID lockdown began in Q1 of 2020 and lingered for the rest of the year. As such, numbers may have been lower or stagnant in 2020, making 2021 seem exceptionally high (or even low depending on your or your client’s business).

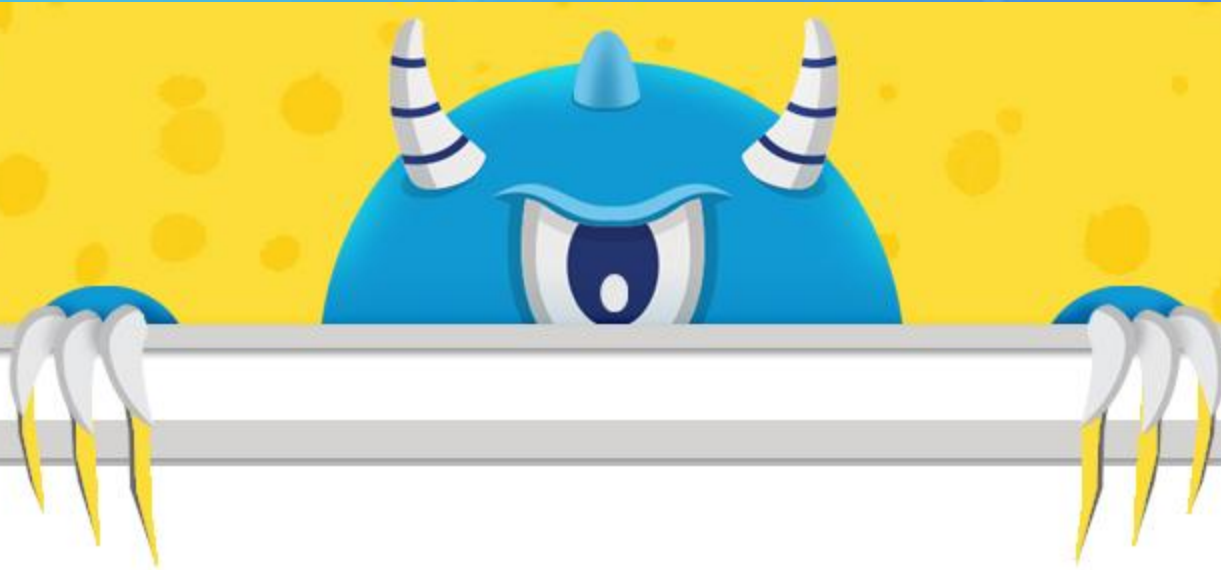
**COVID accelerated digital advertising.** After an initial dip when COVID-19 lockdowns began and consumers figured out what was going on at work and at home, digital advertising increased. Quarantine, plus working and schooling from home, meant even more time in front of screens and more opportunity for advertisers to reach their audiences. It also meant an increase in competition for ad visibility and, hence, an increase in ad prices.





**What's changing for Facebook?** With the release of [Apple's iOS 14 and IDFA](#), Apple users will have to consent to cross-app tracking and advertisers will have two short lines of text to make their case to consumers. Facebook initially came out disparaging the change, saying it will hurt publisher revenues. "We know this may severely impact publishers' ability to monetize through Audience Network on iOS 14, and, despite our best efforts, may render Audience Network so ineffective on iOS 14 that it may not make sense to offer it on iOS 14 in the future," [wrote Facebook](#).

In an update to the announcement, Facebook confirmed that they'd adopt Apple's SKAdNetwork API but won't implement Private Click Measurement (PCM), claiming that it doesn't capture the complexities of the user journey. Instead, Facebook created Aggregated Event Measurement (AEM) in order to measure conversion events on iOS.



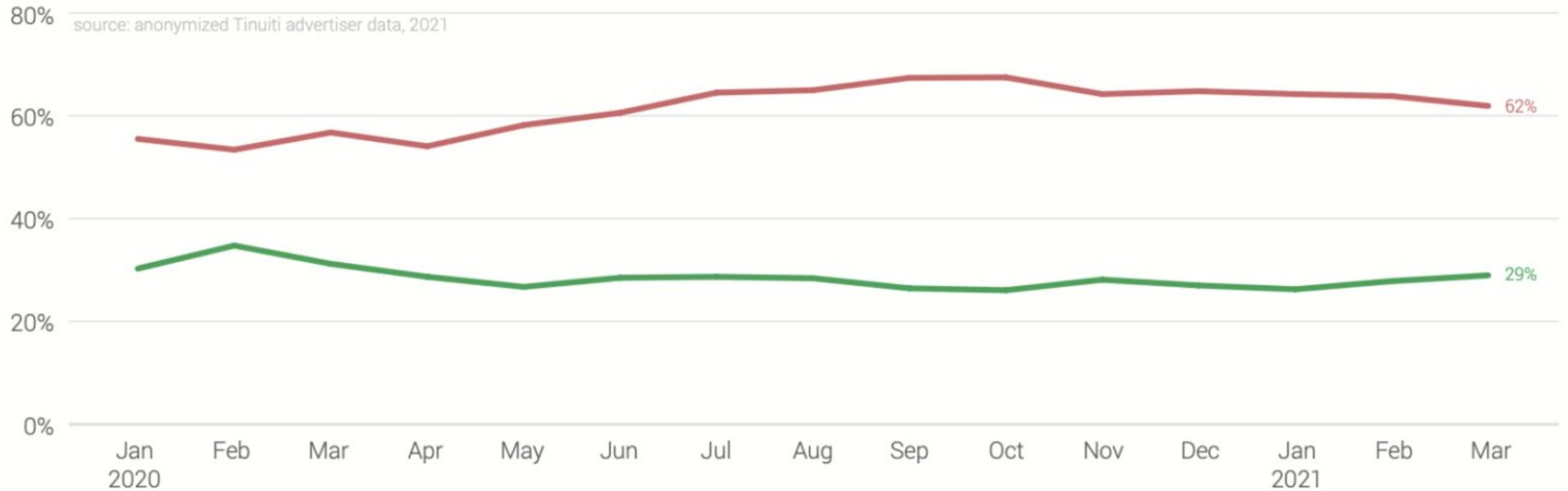
**Will Apple's App Tracking Transparency change the game for advertisers?**

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## Device Share of US Ad Impressions Across All Facebook Properties

● Android Smartphone ● iPhone



It's been about ten months since Apple first announced that apps will have to seek explicit consent from users if they want to track their activity across other apps and websites, but App Tracking Transparency has finally launched as part of iOS 14.5.

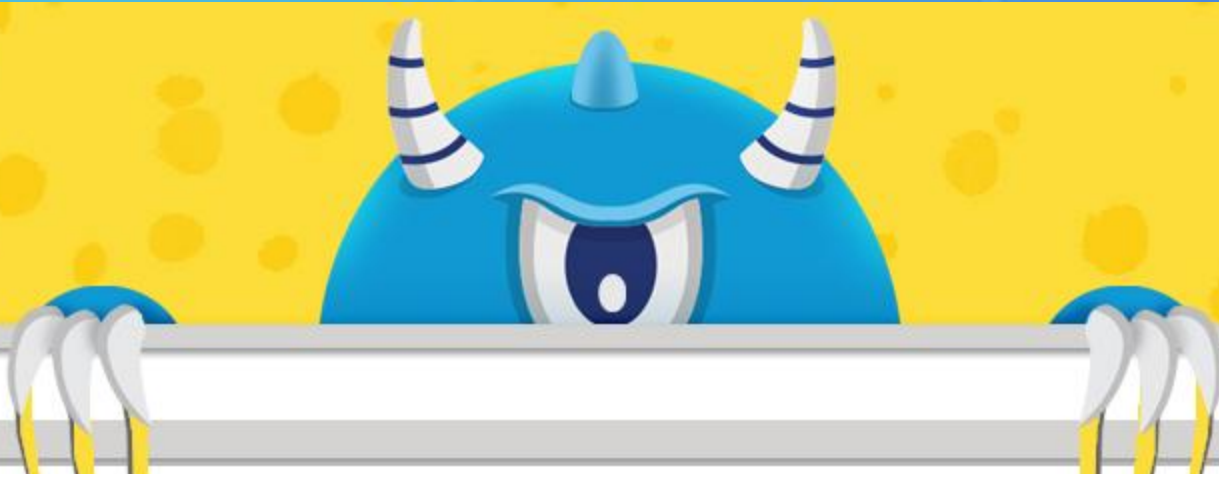




You may recall that Facebook decried the new feature, even going as far as to take out ads in *The Washington Post*, *The New York Times* and *The Wall Street Journal* stating that it was taking a stand against Apple on behalf of “small businesses everywhere.” It’s easy to see that Facebook is downplaying how Apple’s change affects its own business, but many small businesses do rely on personalized ads to reach audiences.

iPhones accounted for 62% of all domestic ad impressions on Facebook, Instagram, Messenger and the Audience Network in March (up from 56% compared to the year prior), according to Tinuiti’s [Q1 2021 Facebook Ads Benchmark Report](#). Android, on the other hand, accounted for 29%, which is actually a slight decrease from what it was in March 2020.

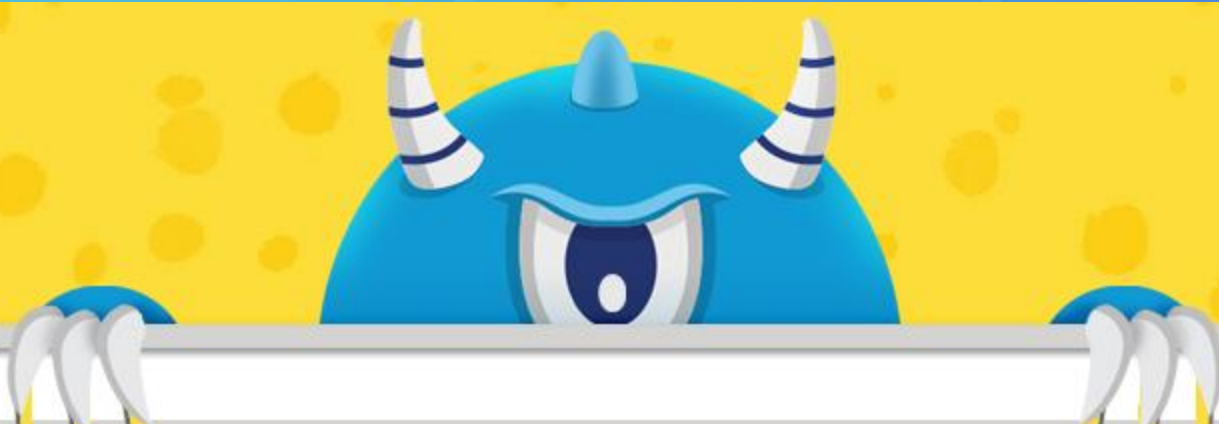
**Why we care.** This discrepancy highlights the potential impact that App Tracking Transparency may have. “With Apple devices accounting for such a large share of ad impressions, it will be crucial for advertisers to quickly adapt to the new state of campaign optimization and management to succeed moving forward,” a representative for Tinuiti commented.



**A Positive Outlook.....**

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# More than half a million new businesses opened in the last year

Yelp released its [Q1 2021 Yelp Economic Average \(YEA\) report](#), which reveals strong signals of local economic recovery through new business openings, business reopenings and consumer interest changes. Key findings from the report indicate that business reopenings are hitting their highest levels since Q2 2020 and more new businesses have opened in Q1 2021 than any other period over the last 12 months. What local businesses are seeing the biggest increases?

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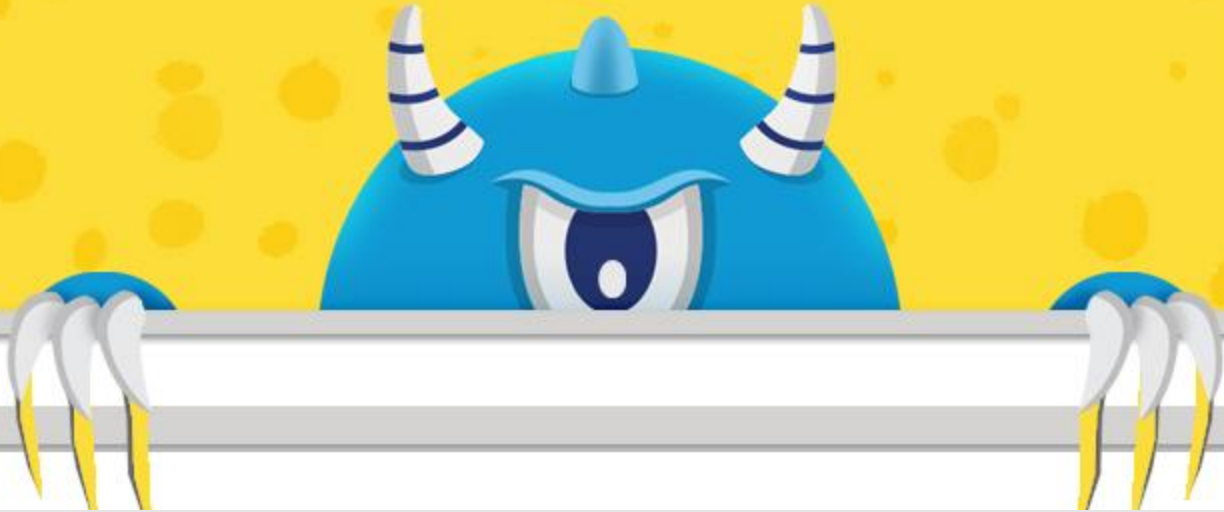
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- In preparation to move or declutter, consumer interest for junk removal services was up by more than 100% in every state.
- Consumer interest was also up by more than 100% in nearly every state for architects, electricians and handymen.



Economic Average

[YEA Reports](#) ▼

[Local Economic Impact Reports](#) ▼

[About Yelp Data](#)

[Methodology](#)

## **New Restaurant and Food Businesses Are Opening Near Pre-Pandemic Levels**

New restaurant and food business openings\*, 2016–2019 vs. 2020

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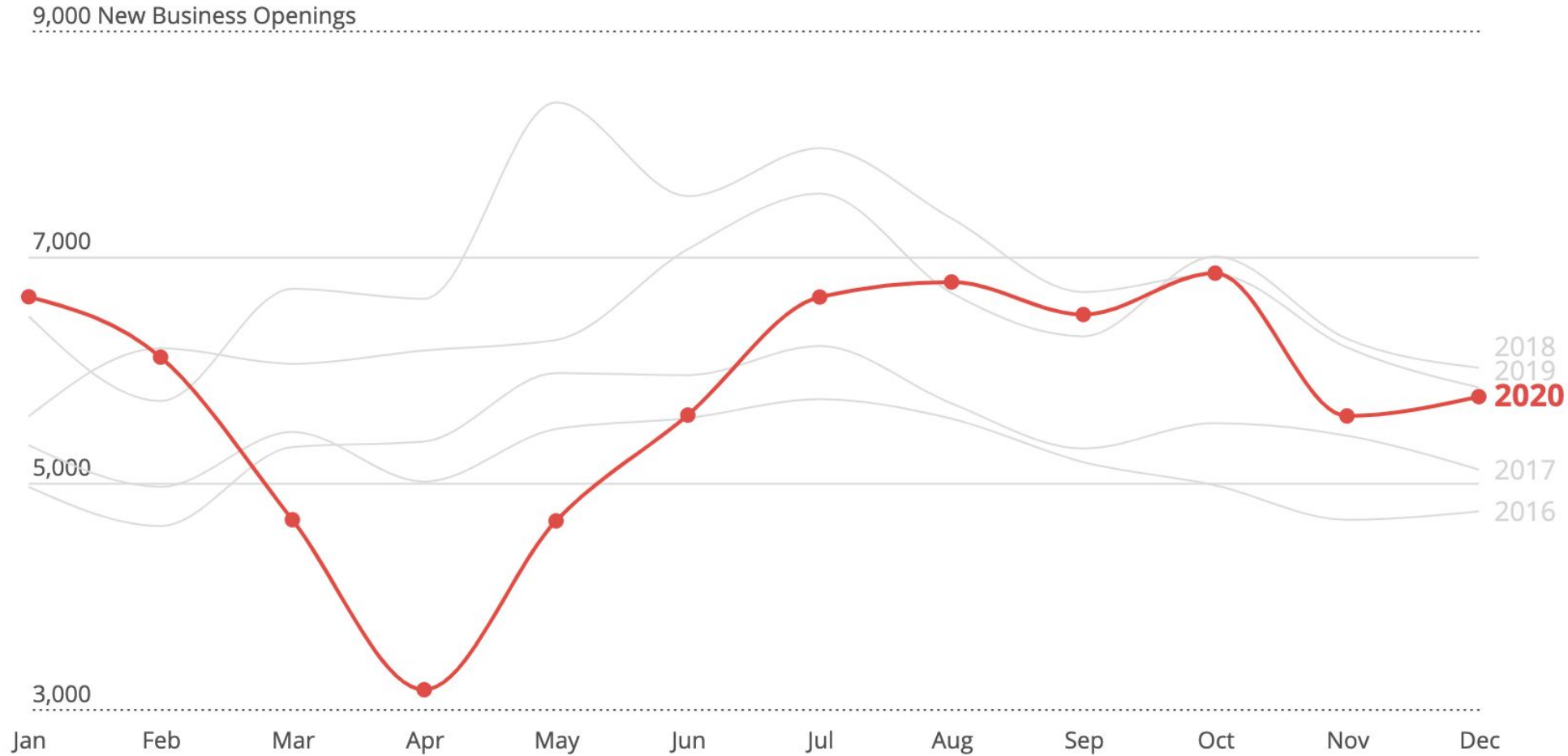
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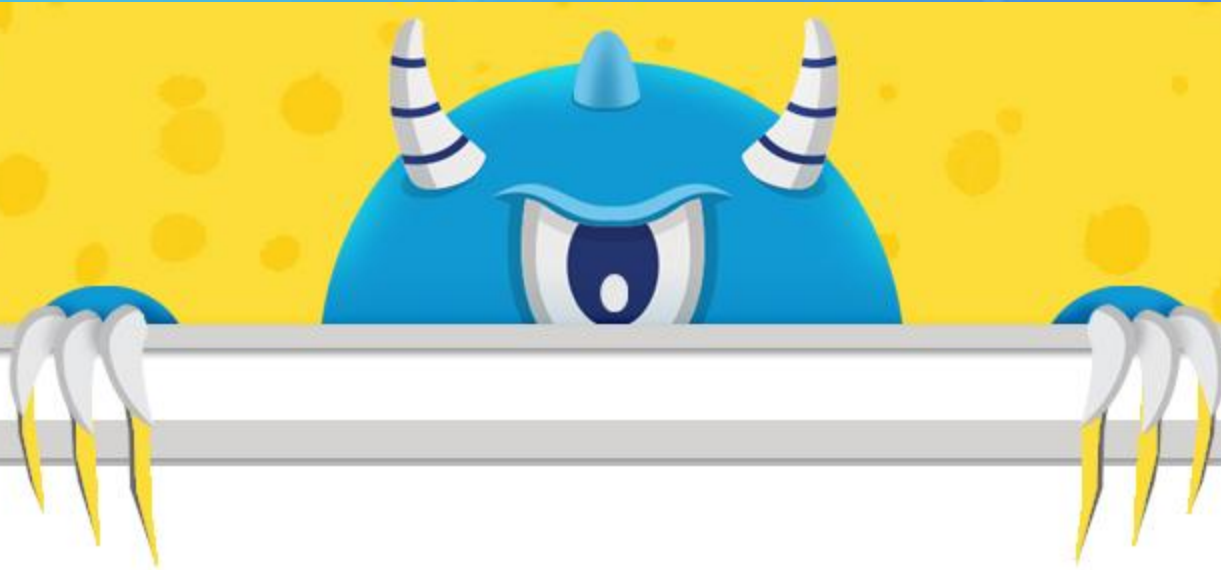


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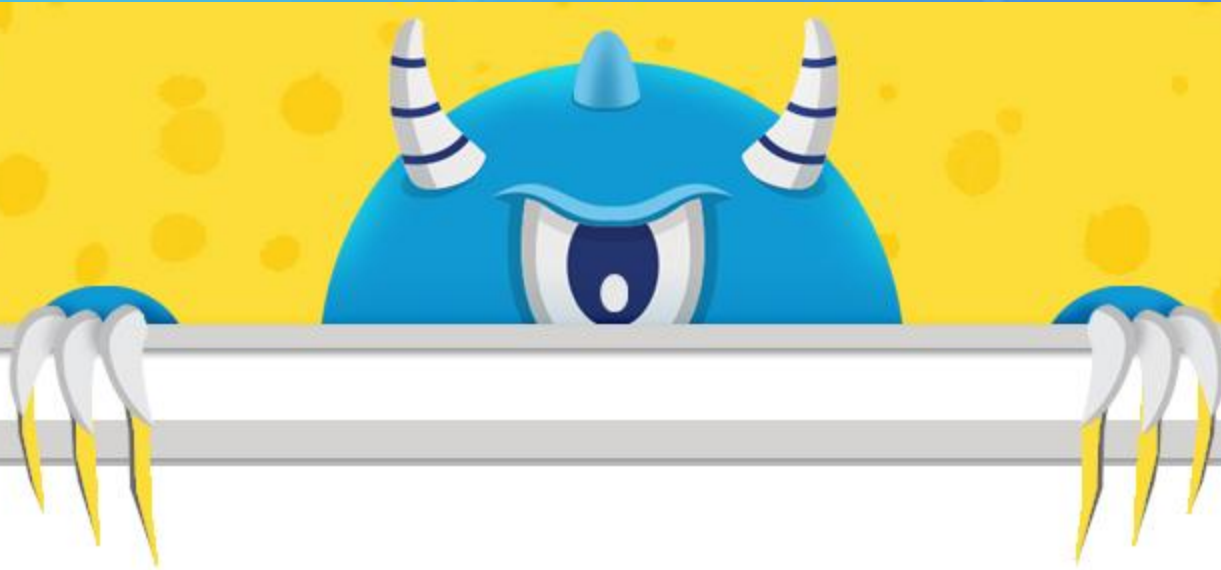


\*Read about the methodology [here](#)



## **Home, Professional, and Local Services Openings Suffered in Q2, but Recovered by the End of the Year**

Beyond the resilience we're seeing in restaurants and food businesses, entrepreneurs across categories displayed tenacity by starting new home, local, professional, auto, retail, fitness and beauty businesses in Q4, revealing both the struggle of local economies as well as promising signs of recovery. Yelp compared monthly openings in 2020 to openings in 2019 for some of the most popular categories to determine the level of recovery in the industry.



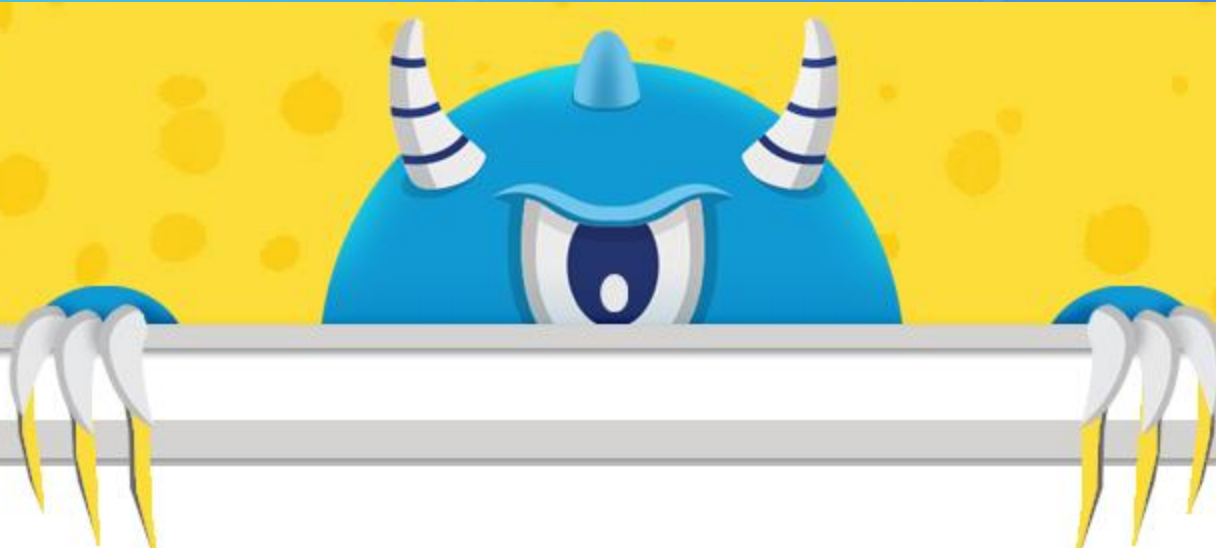
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Home and professional services proved to be the most resilient and poised for growth throughout the pandemic. In April, openings dropped by only 4% for home services and 6% for professional services compared to April 2019, the smallest decreases of major categories on Yelp. Throughout the remainder of the year (May through December), home services and professional services had an average increase in openings of 7% and 4%, respectively, from the same periods in 2019. Consumers have spent the majority of 2020 at home, causing many people to update and improve their spaces, and in Q4 landscaping (3,123 openings), painters (2,789 openings), handymen (2,242 openings), and flooring businesses (1,319 openings) experienced the highest openings. Meanwhile, in Q4, professional services categories that experienced the highest openings include: office cleaning (2,939 openings), business consulting (1,017 openings), and graphic design (925 openings).



Retail and shopping businesses averaged approximately 3,118 openings per month in 2020, a 25% decrease from 2019 where the category averaged 4,175 openings per month. The industry experienced its highest number of business openings since February in October, followed by a slow down of new openings in November and December. Cellphones and accessories (606 openings), gardening (199 openings), spiritual shops (101 openings), and bikes (87 openings) experienced increased openings in Q4 2020 compared to 2019.

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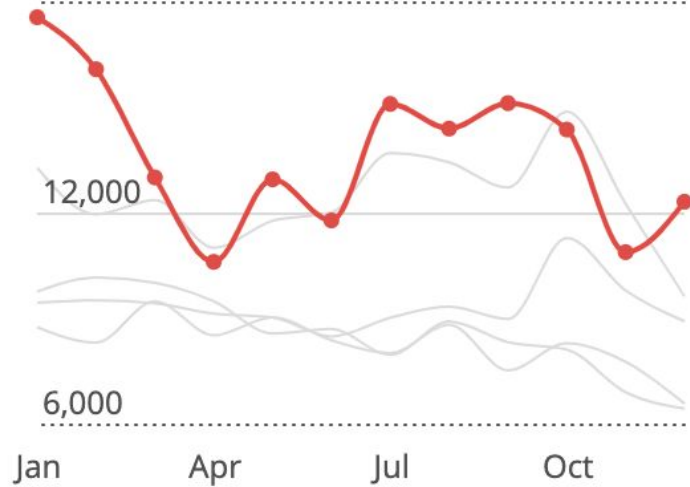


# New Businesses Are Opening Across Categories

Home, local, professional and automotive services end the year with higher monthly openings than prior years

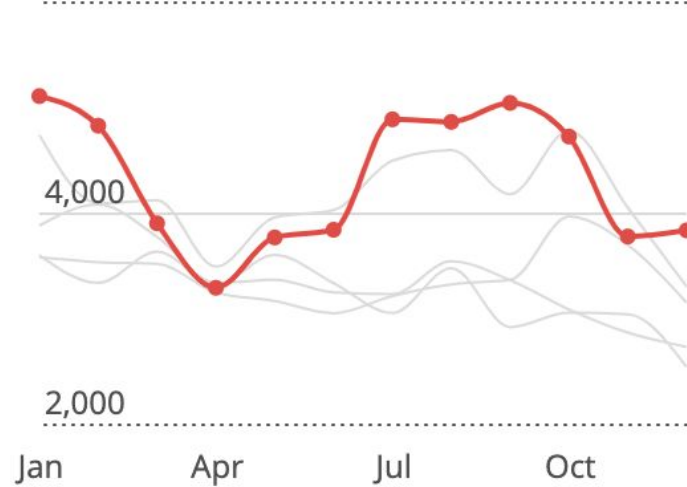
## Home Services

18,000 New Business Openings



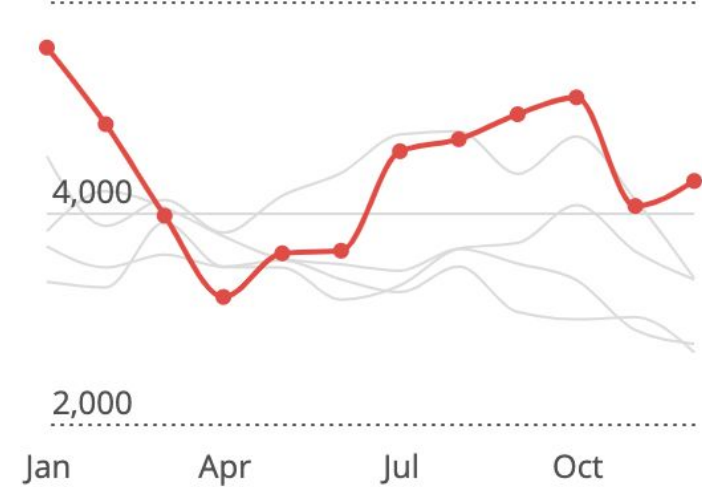
## Professional Services

6,000 New Business Openings



## Local Services

6,000 New Business Openings

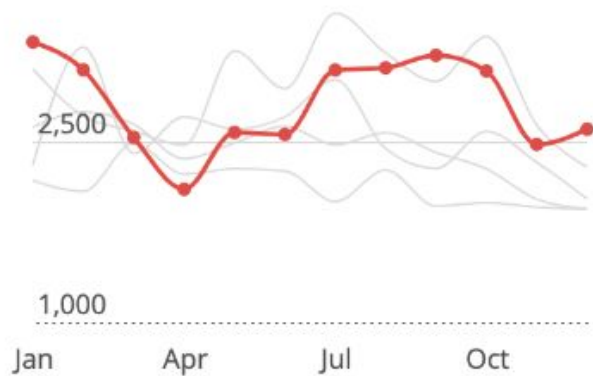






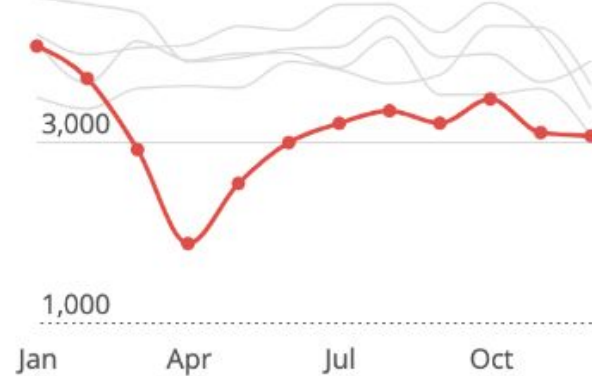
## Automotive

4,000 New Business Openings



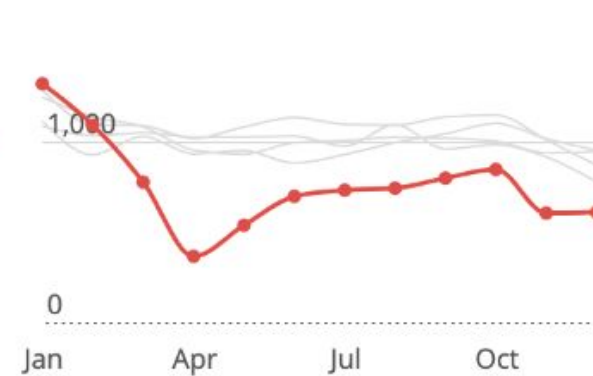
## Retail and Shopping

5,000 New Business Openings



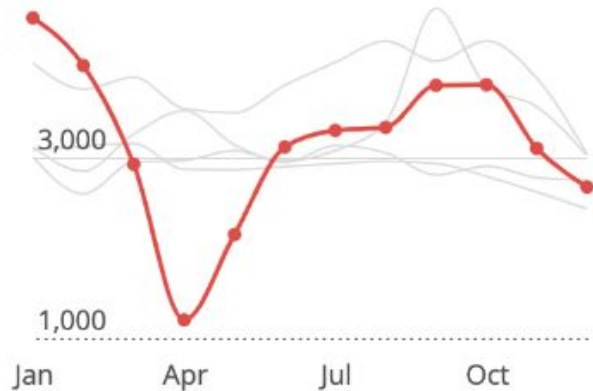
## Fitness

2,000 New Business Openings



## Beauty

5,000 New Business Openings



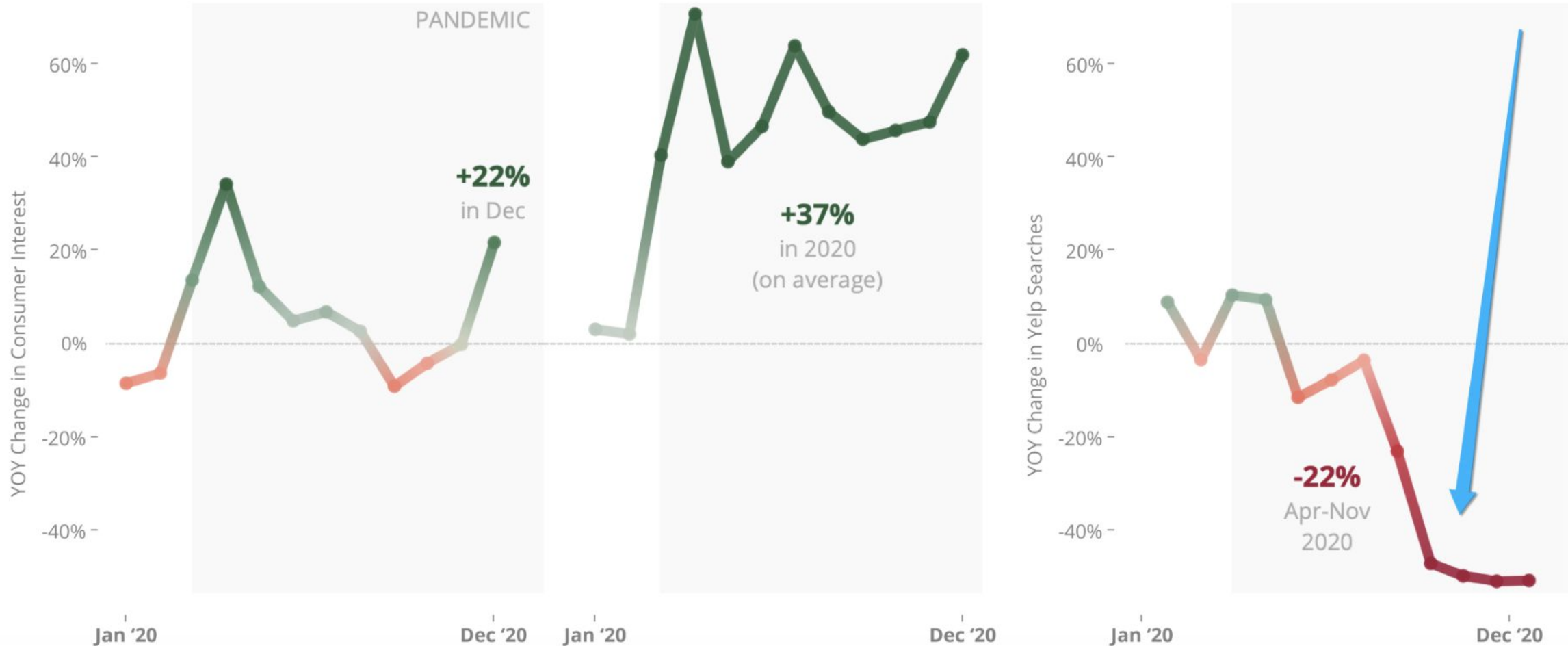
# The Pandemic Caused Major Shifts in Wedding Categories

Interest in wedding planning and officiants increased, while searches for wedding venues dropped

Consumer Interest\* in  
**Wedding Planning**

Consumer Interest\* in  
**Officiants**

Yelp Searches\*\* for  
**Wedding Venues**



# New Business Openings

April 1, 2020 – March 31, 2021

## Total New Business Openings

**516,754**

↓ 11% YoY

## New Restaurant and Food Business Openings

**69,001**

↓ 14% YoY

## New Professional, Local, Home and Auto Services Business Openings

**272,749**

↑ 2% YoY



## New Business Openings Increase in States with Decreased Pandemic Restrictions

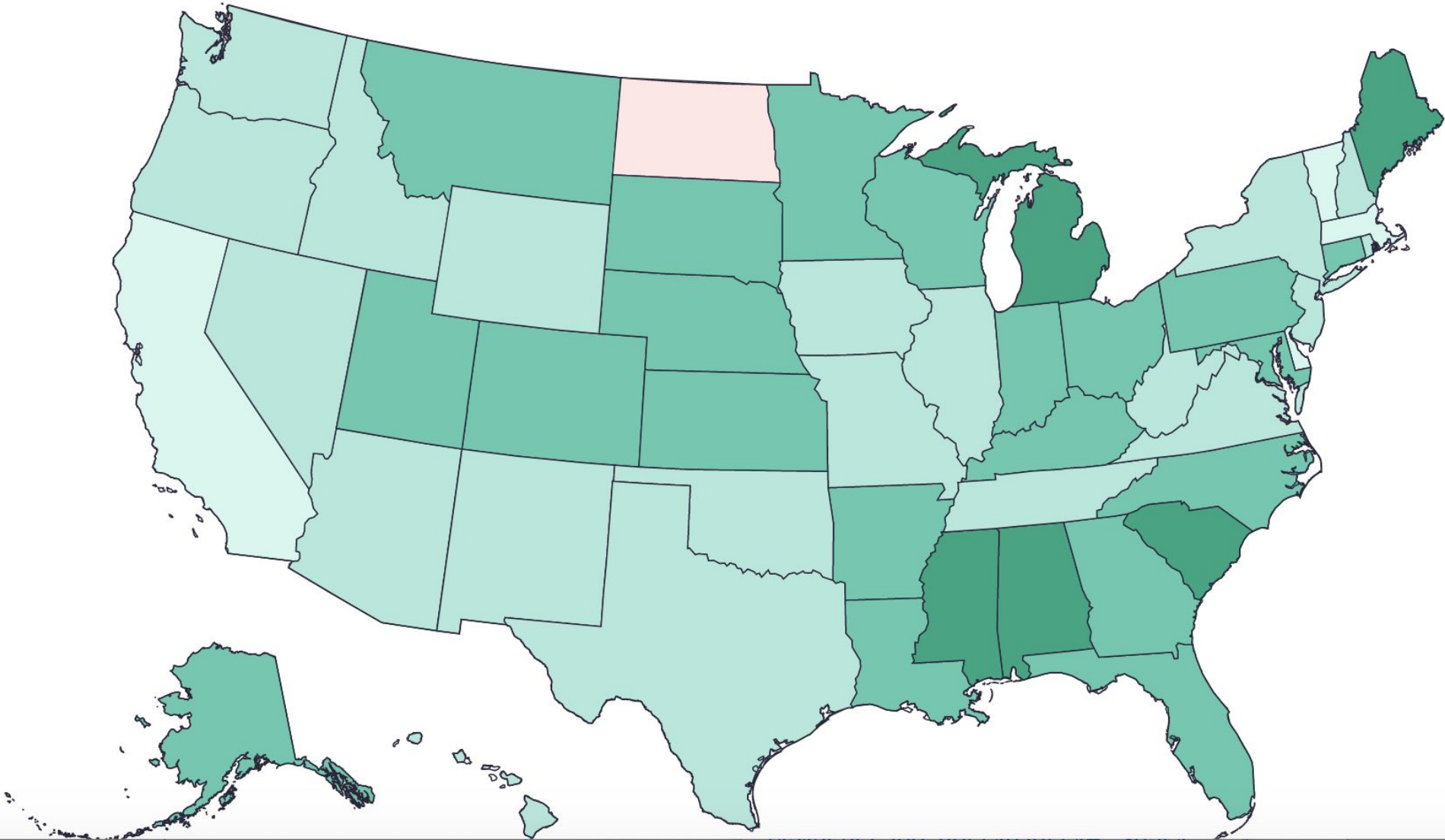
While many states and counties still enforced COVID-19 restrictions throughout Q1, others eased guidelines or lifted restrictions completely. Nearly every state in the U.S. saw an increase in new openings in Q1 2021, compared to Q4 2020. States with the largest increase in new openings in Q1 compared to Q4 were Mississippi (979 openings, up 39% QoQ), Alabama (1,921 openings, up 35%), Maine (450 openings, up 32%), South Carolina (2,493 openings, up 31%), and Michigan (3,557 openings, up 30%). Each of these states experienced easing of pandemic restrictions, such as allowing indoor dining at 50% or more capacity, and reducing limits on mass gatherings throughout March. The largest counts of openings in the quarter tend to be in larger and more heavily populated states, including California (22,157 openings), Texas (14,860 openings), Florida (14,793 openings), and New York (7,080 openings).

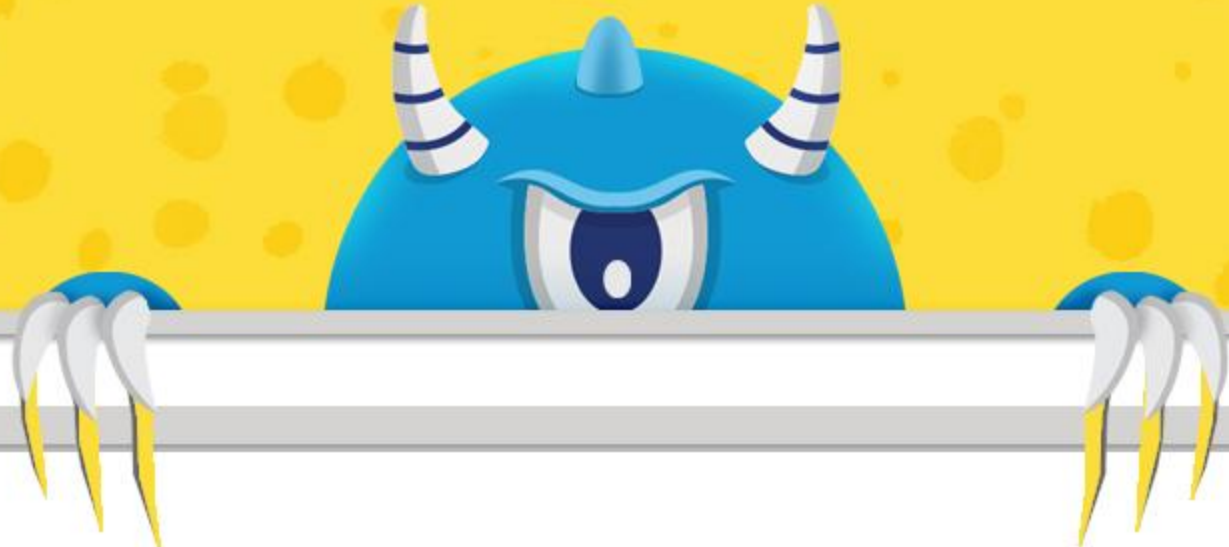
# Business Openings Rebounded Across America in Q1

Change in business openings on Yelp, Q1 2021 vs. Q4 2020

Change in Openings, Q1 2021 vs. Q4 2020

-10% [light red] [lightest green] [light green] [medium green] [dark green] +40%





TOP CUSTOMER INTEREST CATEGORIES



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# Consumers are Focused on Buying and Improving Their Homes Across the U.S.

IN ALL STATES

**Real Estate Agents**

**+90%**

or greater change in consumer interest\*



IN ALL STATES

**Junk Removal Services**

**+100%**

or greater change in consumer interest



IN ALL STATES BUT MI

**Handymen**

**+100%**

or greater change in consumer interest



IN ALL STATES BUT DC

**Electricians**

**+100%**

or greater change in consumer interest



IN ALL STATES BUT NV

**Architects**

**+100%**

or greater change in consumer interest





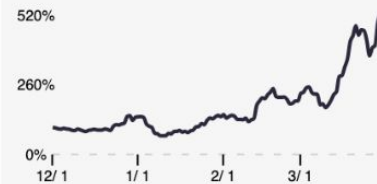
## Consumer Interest in Categories Has Shifted Since December

Change in share of consumer interest on Yelp for select categories

### Rising Interest

Art Installation

+525%



Boat Tours

+235%



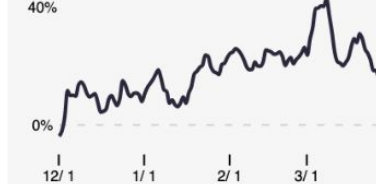
Child Care & Day Care

+59%

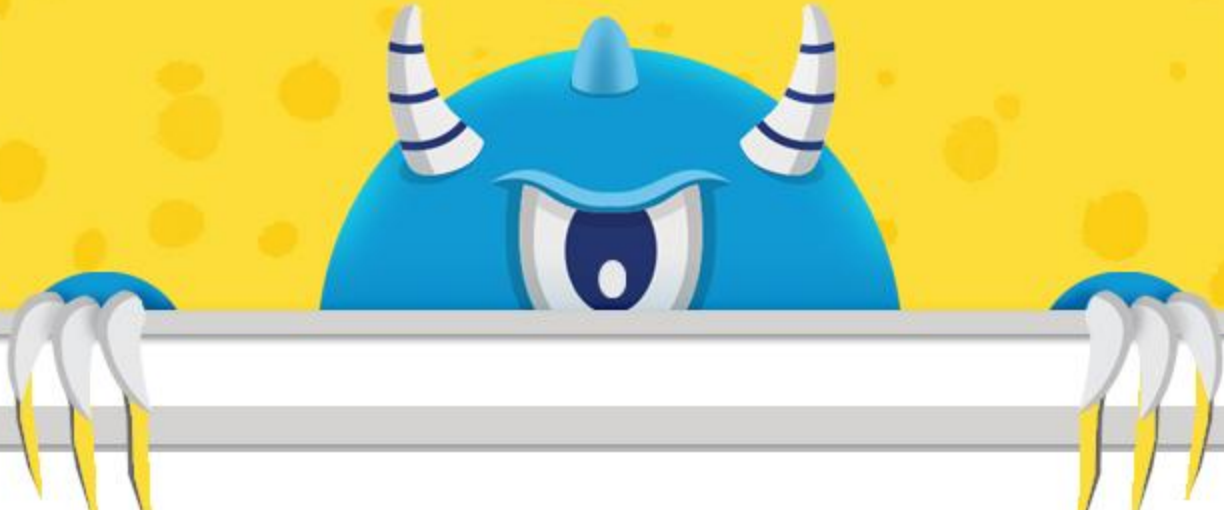


Architects

+27%



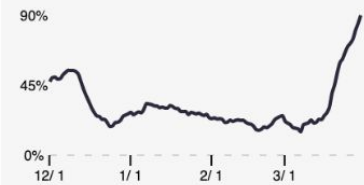
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## Recovering Interest

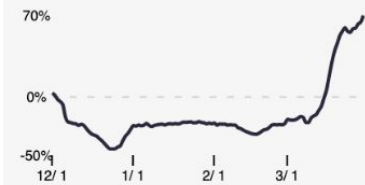
### Driving Schools

+90%



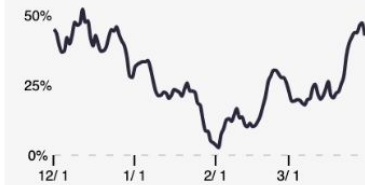
### Walking Tours

+70%



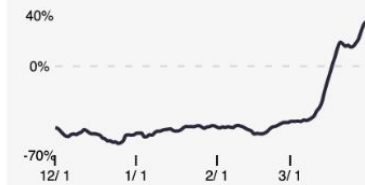
### Motorcycle Rental

+43%



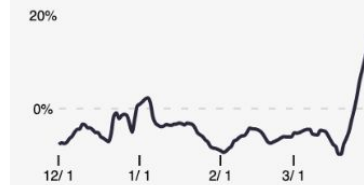
### Bus Tours

+35%



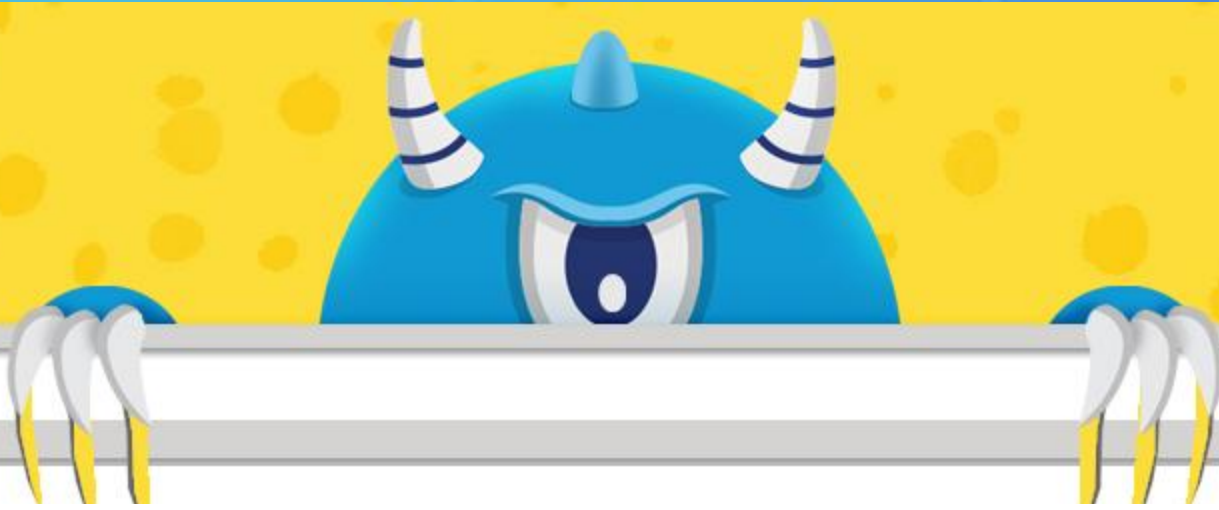
### Nail Salons

+16%



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## Declining Interest

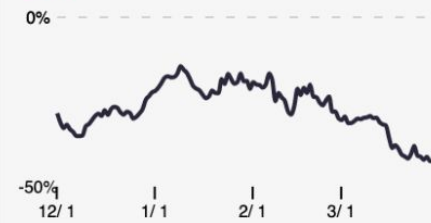
### Wedding Chapels

**-20%**



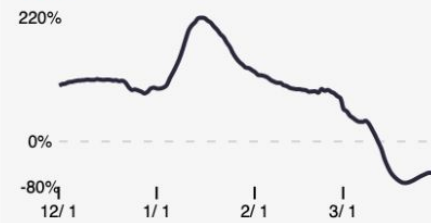
### Pet Insurance

**-42%**



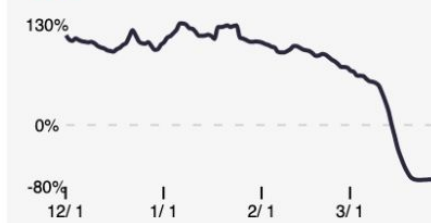
### Guns & Ammo

**-56%**

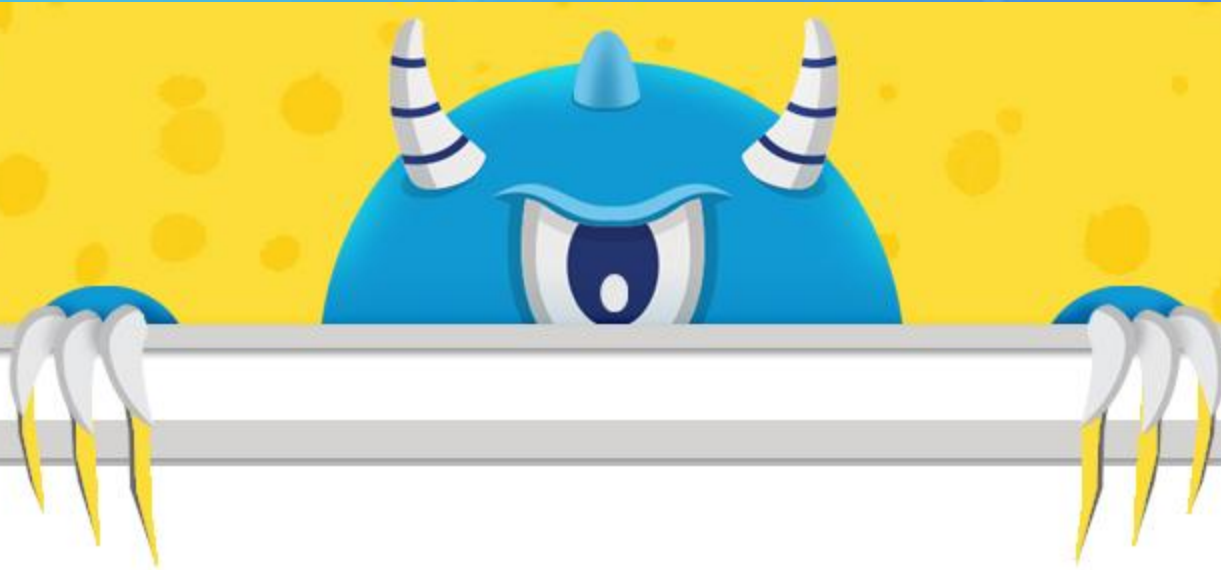


### Fitness/Exercise Equipment

**-73%**



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**IDFA officially launches next week.** Apple confirmed that the IDFA prompt that will ask users to opt-in to cross-app data collection will launch next week. “iOS 14.5 has a lot of new features, but the one that’s being most closely watched is called ATT, or App Tracking Transparency,” said [Kif Leswing](#).

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# What do SEOs think of the latest Google lawsuit?

**ICYMI.** The *Daily Mail*, a British news tabloid, filed an antitrust lawsuit against Google saying that “Google punishes publishers in [organic] search rankings if they don’t sell enough advertising space through Google’s marketplace,” wrote [Patience Haggin](#) for *The Wall Street Journal*. This came after our own [Barry Schwartz wrote](#) about how the *Daily Mail’s* SEO posted in a search forum in 2019 asking for advice when they lost over half their traffic to an algorithm update.



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Marketing Group, LLC



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**Google’s response.** “The Daily Mail’s claims are completely inaccurate. The use of our ad tech tools has no bearing on how a publisher’s website ranks in Google Search. More generally, we compete in a crowded and competitive ad tech space where publishers have and exercise multiple options. The Daily Mail itself authorizes [dozens of ad tech companies](#) to sell and manage their ad space, including Amazon, Verizon and more. We will defend ourselves against these meritless claims,” a Google spokesperson told Search Engine Land.



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**SEOs react.** “Let me get this straight, the Daily Mail is claiming that Google suppresses their organic results because the algorithms prioritize publishers with larger ad budgets? So basically they did 0 research about how search works before filing the lawsuit,” [tweeted Lily Ray](#) from Path Interactive. “The Daily Mail is failing to meet users’ needs. They fail at #MobileFirst (Due in Feb), Nonintrusive Interstitials, [and] the site takes 45 seconds to load,” [agreed Lea Scudamore](#) from AimClear. “This is absolutely hilarious. Any SEO would tell you why Daily Mail doesn’t rank well. It’s because it’s a terrible website with thin content and an awful user experience,” [said Kate Neuens](#) with Beyond Identity.