

Amazon Beefs Up Its Display Business

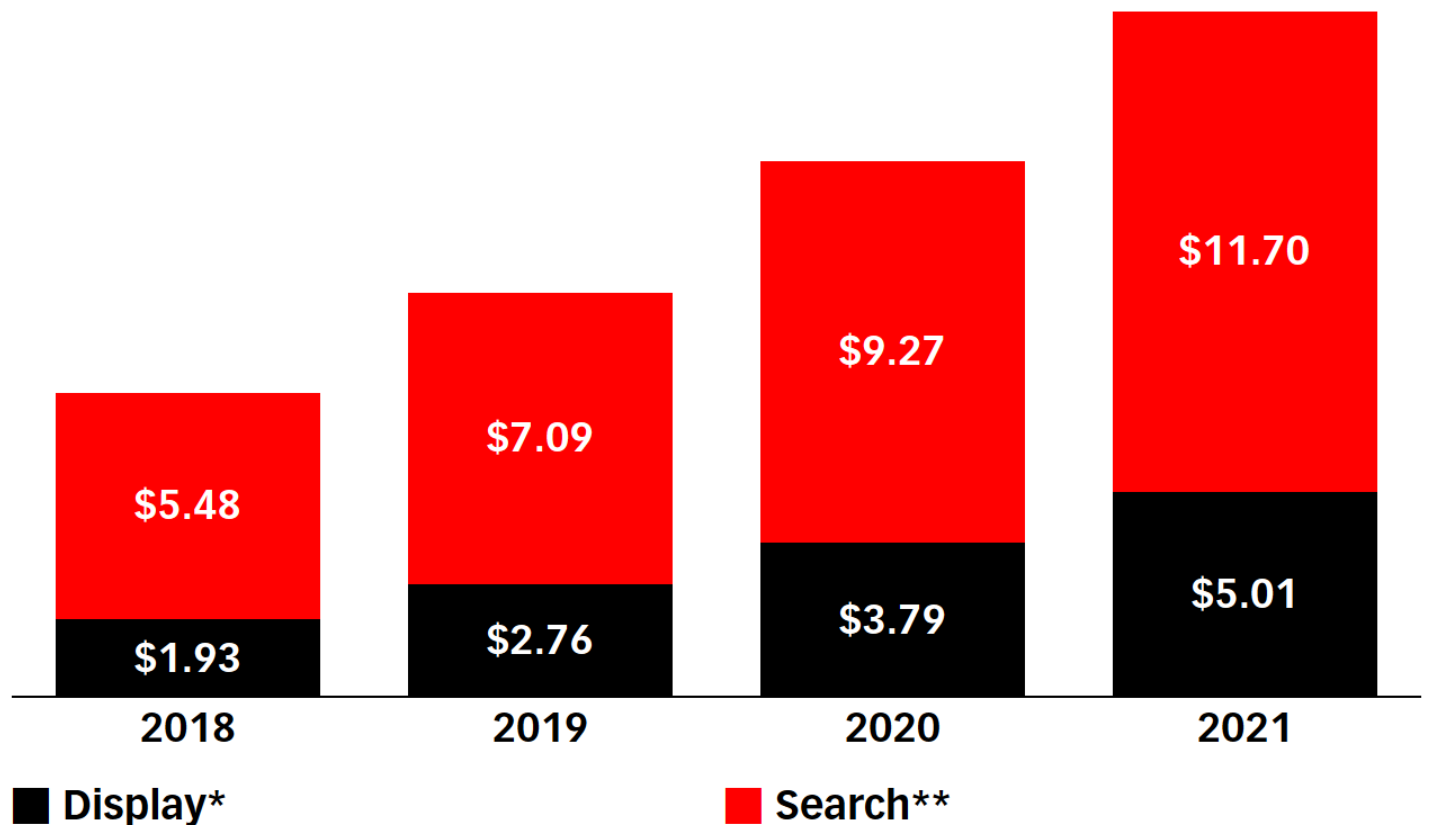
Article

Most of Amazon's digital ad revenues comes from search, but it's done a lot to build out a display business as well, and that's where we expect growth to be fastest in the coming years.

This year, Amazon will net \$2.76 billion in US digital display ad revenues, making it the No. 3 digital display ad seller in the US after Facebook and Google. Amazon earns display revenues from a number of places, including display ads on Amazon and its other properties (e.g. Twitch), video ads on those same sites and also from off-property ads purchased through Amazon DSP.

Amazon Net Digital Ad Revenues in the US, by Format, 2018-2021

billions



*Note: includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets and other internet-connected devices; net ad revenues after companies pay traffic acquisition costs (TAC) to partner sites; *includes banner ads and other (static display ads such as Facebook's News Feed Ads and Twitter's Promoted Tweets), rich media (including in-stream and outstream video ads) and sponsorships; **includes contextual text links, paid inclusion, paid listings (paid search) and SEO*

Source: eMarketer, October 2019

T10683

www.eMarketer.com

According to performance ad agency Tinuiti, advertisers have been increasing their Amazon DSP budgets this year, including a 30% increase in Q3. CPMs are also up by 15%. Most impressions on the DSP occur on Amazon's owned and operated properties—along with an even greater share of purchases and spending (CPMs are higher on the owned properties due to higher effectiveness and more competition). In Q3, almost three in four purchases made due to Amazon DSP ads were made from ads placed on Amazon-owned properties.

Tinuiti's clients are still using Amazon DSP mostly for lower-funnel objectives, but that is changing over time. In Q1 2019, there was a 74-26 split in favor of purchase-oriented ads as opposed to awareness- or consideration-oriented placements. By Q3, the ratio had shifted to 58-42, still favoring purchase.

That's an important reminder that display doesn't always translate to branding, and experts interviewed for our report on Amazon's ad business agreed that the company is still developing its brand-building muscle. Brand Stores were mentioned by several as an important piece of the ecommerce marketplace's branding push.

Most also agreed that advertisers would like to see more video placements from Amazon, though there was disagreement as to whether Amazon would begin running ads in Prime Video content in the future. eMarketer principal analyst Andrew Lipsman **is confident that it will**—and his vision of consumers clicking to buy from a video ad is also one of performance-oriented display.

For now, Amazon sees video as having a place at the bottom of the funnel: One of its major newer offerings is video ads in search results.

For further information about leveraging Amazon for advertising, eMarketer PRO subscribers can read our latest report:

Report by Nicole Perrin Nov 07, 2019

Amazon Advertising 2019



Not sure if your company subscribes? [You can find out here.](#)