

Amazon dominates the fast-emerging retail media ad market

Article

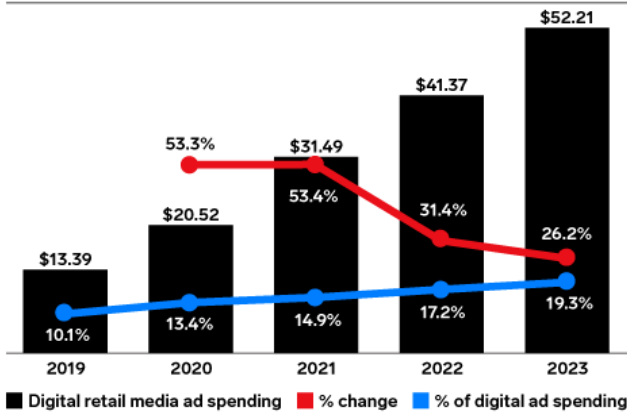
Amazon's quiet ascendance to the digital advertising elite has spawned the now fast-emerging trend of retail media advertising.

“Amazon and all of these retailers follow the same script—they start with the gateway drug of retail media with sponsored product ads, which are bottom-funnel, high-intent, high-ROAS ads,” said Adam Epstein, vice president of growth at Perpetua, an ecommerce ad tech

provider. “The way these retailers scale their advertising businesses is by slowly moving up the funnel to provide full-funnel strategies for advertisers.”

US digital retail media advertising is surging. Per our inaugural forecast for this channel, we expect spending to jump **53.4%** this year to **\$31.49 billion**, representing **14.9%** of the digital ad market. US retail media growth will outpace the **38.3%** growth of the total digital ad market, as brand dollars chase the dramatic shift to ecommerce.

US Digital Retail Media Ad Spending, 2019-2023
billions, % change, and % of digital ad spending



Note: digital advertising that appears on websites or apps that are primarily engaged in retail ecommerce or is bought through a retailer's media network or demand-side platform (DSP); examples of websites or apps primarily engaged in retail ecommerce include advertising on Amazon, Walmart, and eBay; examples of retail media networks include Amazon's DSP and Etsy's Offsite Ads; includes ads purchased through retail media networks that may not appear on ecommerce sites or apps
Source: eMarketer, Oct 2021

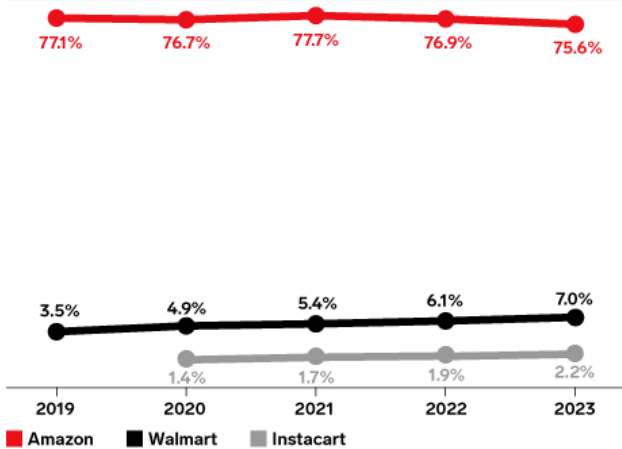
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Amazon dominates retail media ad spend. The company will drive an incredible **77.7%** of US retail media digital ad spend this year.

US Digital Retail Media Net Ad Revenue Share, by Company, 2019-2023

% of digital retail media ad spending



Note: includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets, and other internet-connected devices, and includes all the various formats of advertising on those platforms; net ad revenues after companies pay traffic acquisition costs (TAC) to partner sites

Source: eMarketer, Oct 2021

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With **41.0%** of the country's ecommerce sales, the highest traffic, and the most mature capabilities among retail media ad platforms, Amazon rules the retail media roost, and that should come as no surprise.

For more on how Amazon is powering the retail media revolution, Insider Intelligence subscribers can read our latest report:

Report by Andrew Lipsman Nov 17, 2021

Amazon Advertising 2021



