

# Prime Video's pitch deck includes fixed CPMs and precision targeting in Amazon's bid to advertisers

Article

**The news:** Amazon is wooing advertisers with three distinct plans for its **Prime Video** ad-supported streaming tier that [launches on January 29](#), according to a pitch deck viewed by Adweek.

- The pitch details the targeting capabilities advertisers can use to leverage the extensive data insights of the tech giant. At the heart of Amazon's new advertising model are the **Preferred Deal, Guaranteed Buy, and Premium Sponsorships**.
- The Preferred Deal, exclusively self-serviced via Amazon's platform, presents the most economical option with a base CPM (cost per thousand viewers reached) of \$26, allowing advertisers to harness the retailer's vast audience data for precise targeting.
- Guaranteed Buy and Premium Sponsorships escalate the engagement level, offering more intricate targeting options and exclusive program sponsorships at higher price points.
- Notably, these CPMs are fixed, ensuring stability in pricing irrespective of auction dynamics.
- Comprehensive third-party measurement partnerships, outlined in the pitch deck, offer advertisers a robust framework for assessing campaign performance, further solidifying the plan's appeal.

**Why it matters:** Amazon Prime Video's upcoming ad-tier launch promises to transform the streaming industry and redefine the advertising market landscape.

- We forecast that this year, Amazon Prime will reach [317.8 million households worldwide](#). Given that, the company's entry into ad-supported streaming is poised to command a significant share of the ad market, potentially diverting billions of dollars from traditional TV and other streaming services.
- Analysts are bullish, predicting billions in new ad revenues, underscoring the potential of Amazon's venture.

**Our take:** Amazon's introduction of ads in Prime Video marks a major shakeup in streaming, leveraging its pricing strategy, vast subscriber reach, and extensive ad options to potentially eclipse rivals like **Netflix** in the ad-supported sector.

- However, the move extends beyond just market dominance. It signals a pivotal shift in streaming, blending premium content and live sports with targeted advertising, marrying the appeal of traditional TV with the precision of digital marketing.

## Costs per Thousand (CPMs), Ad Loads, and Viewers on Ad-Supported Tiers of Select US Streaming Services, 2023

	Q2 2023 CPMs*	June 2023 ad loads (minutes per hour)**	June 2023 ad loads (% change since Jan 2023)**	2023 ad-supported viewers (millions)
Netflix	\$52.36	2.9	67.2%	7.7
Disney+	\$47.21	6.5	42.1%	18.8
Peacock	\$37.34	5.2	28.0%	54.4
Hulu	\$23.59	7.7	45.8%	84.0

Note: individuals of any age who watch the streaming service via app or website through an ad-supported subscription at least once per month; average cost per thousand (CPM) is the amount advertisers pay for every thousand impressions of their ads delivered via the streaming service's ad-supported tier; includes in-stream ads such as those appearing before, during, or after digital video content (pre-roll, mid-roll, or post-roll video ads), and video overlays; appears on desktop and laptop computers as well as mobile phones, tablets, connected TVs, and other internet-connected devices; \*Insider Intelligence | eMarketer; \*\*MediaRadar

Source: Insider Intelligence | eMarketer KPI Forecast, Sep 2023; Insider Intelligence | eMarketer Forecast, Sep 2023; MediaRadar, Sep 2023

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