

Best Buy launches in-house ad business

Article

The news: Best Buy launched an in-house media company, Best Buy Ads, per a company announcement on Tuesday.

- In addition to ads on its own properties, Best Buy will be able to serve ads on external partner sites.

What this means: Best Buy joins several other major retailers, like Amazon, Walmart, Kroger, CVS, and Instacart, in hopping on the retail media network bandwagon. While ads on retailer

sites aren't anything new, the twin tailwinds of **rising** ecommerce sales and the increasing importance of first-party data have kicked the trend into high gear.

- Of our **top 15** US ecommerce retailers, more than half have their own media networks, many of which were launched during the pandemic.

Large retailers are finding that ad networks are a win-win: They gain an extra revenue stream to help offset inflation and other cost pressures, while brands can leverage retailers' treasure trove of customer data and get as close to the point of purchase as possible.

- We **predict** US retail media ad spending will continue to grow rapidly this year, jumping 31.4% to \$41.37 billion.

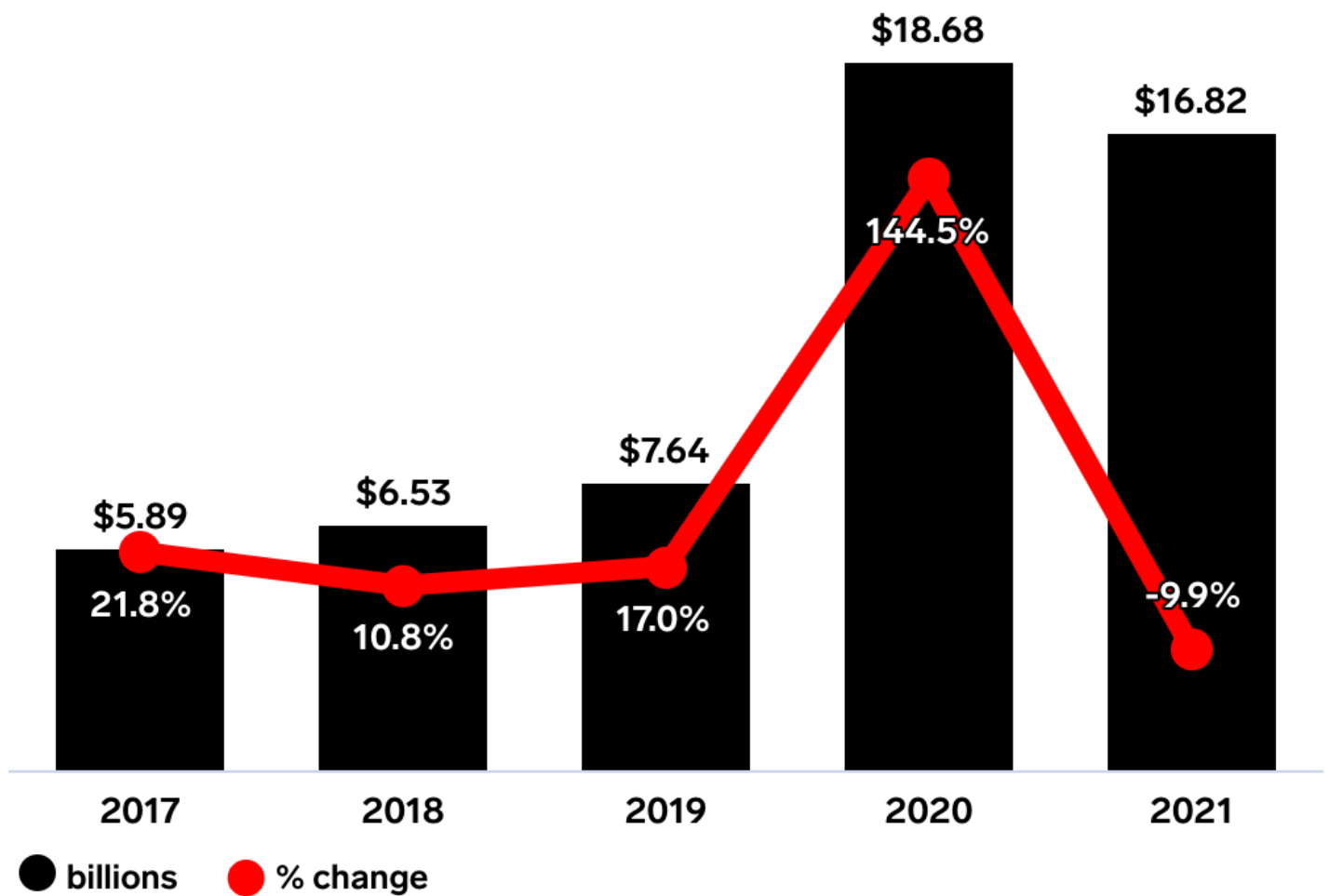
Why it matters to marketers: Best Buy's electronics focus makes it an especially attractive offering for brands, as many of the top retailers with media networks specialize in grocery and home goods. In terms of electronics sales, the chain is only beaten by Amazon—but as Amazon's ad prices **rise**, Best Buy offers a more specialized (and potentially cheaper) option.

Key stats: Last year, Best Buy's US retail ecommerce sales actually fell by 9.9%. However, that was likely a normalization from 2020, when the company's sales increased by 144.5% to \$18.68 billion as consumers loaded up on electronics early in the pandemic.

- Despite last year's dip, Best Buy's online sales were still more than double those of 2019 at \$16.82 billion, making the company the seventh-largest ecommerce retailer in the US.

Best Buy Retail Ecommerce Sales

US, 2017-2021



Source: eMarketer, October 2021

eMarketer | InsiderIntelligence.com

For more on this topic, check out our [“Retail Media Advertising 2021”](#) report.