

# Retail media proves its value amid ad spending slowdown

Article



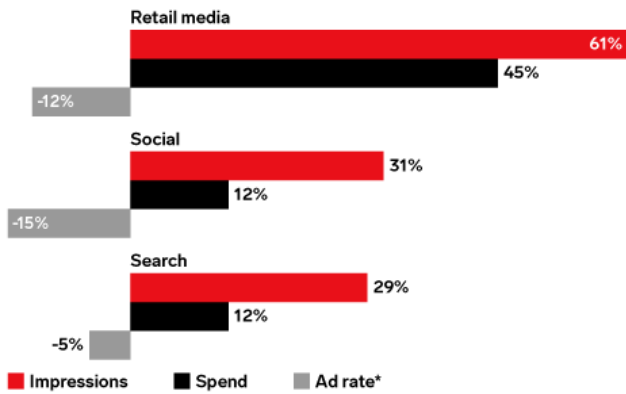
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Retail media was the fastest-growing digital ad channel worldwide in Q3 2022, with retail media spend increasing 45% versus a year ago, according to Skai. It also gave advertisers

more bang for their buck with impressions up 61% and costs per click down 12% year over year.

### Digital Ad Spending, Impressions, and Ad Rate\* Growth Worldwide, by Channel, Q3 2022

% change vs. same period of prior year



Note: represents activity on the Skai platform, broader industry metrics may vary; \*retail media and search prices measured in cost per click (CPC), social measured in cost per thousand (CPM)

Source: Skai, "Digital Marketing Quarterly Trends Report: Q3 2022," Oct 27, 2022

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**Beyond the chart:** Even in a challenging macroeconomic environment, US marketing dollars are shifting to retail media, in what we call the third wave of digital advertising. While it will represent only about 16% of the US digital ad market this year, spending on retail media will continue to grow by double-digit percentages through 2024, when it will top \$55 billion, per our forecast.

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*Methodology: Data is from the October 2022 Skai "Digital Marketing Quarterly Trends Report: Q3 2022." Analysis is drawn from a population of approximately \$9 billion in advertising spending over five quarters, comprising more than 3,000 advertiser and agency accounts across 40 vertical industries and more than 150 countries running on the Skai*

*platform on Google, Microsoft, Baidu, Yandex, Yahoo! Japan, Verizon Media, Amazon, Walmart, Instacart, Criteo, Apple Search Ads, Pinterest, Snapchat, Facebook, and Instagram. Except where noted, analysis is based on Skai advertisers with 15 consecutive months of performance data. Some additional outliers have been excluded. Ad spending and pricing have been translated to USD at the time the spending was incurred. For charts showing impressions, clicks, and spending, volume metrics have been normalized to a factor of 1 based on the initial volume for the first quarter of data. Data points from subsequent quarters are based on a multiplier from the first quarter. For example, 1.6 means that volume is 60% greater than volume on the initial quarter measured.*