Reddit enhances advertiser experience with ads manager updates ahead of potential IPO

Article

The news: **Reddit** has announced updates to its Ads Manager to simplify campaign setup and management, including a new **Simple Create** flow for quick and easy campaign creation, multicurrency support, and improved community search for its targetable communities.

- The platform says these new features are designed to support a diverse marketer base and meet the needs of new and longtime advertisers, while also scaling their businesses and making the experience more intuitive, dynamic, and user-friendly.
- The features are also intended to aid self-service and international clients.

Why it matters: As Reddit prepares for its IPO, expected in the second half of this year, the company is courting advertisers and maintaining up-to-date paperwork alongside other firms like Instacart.
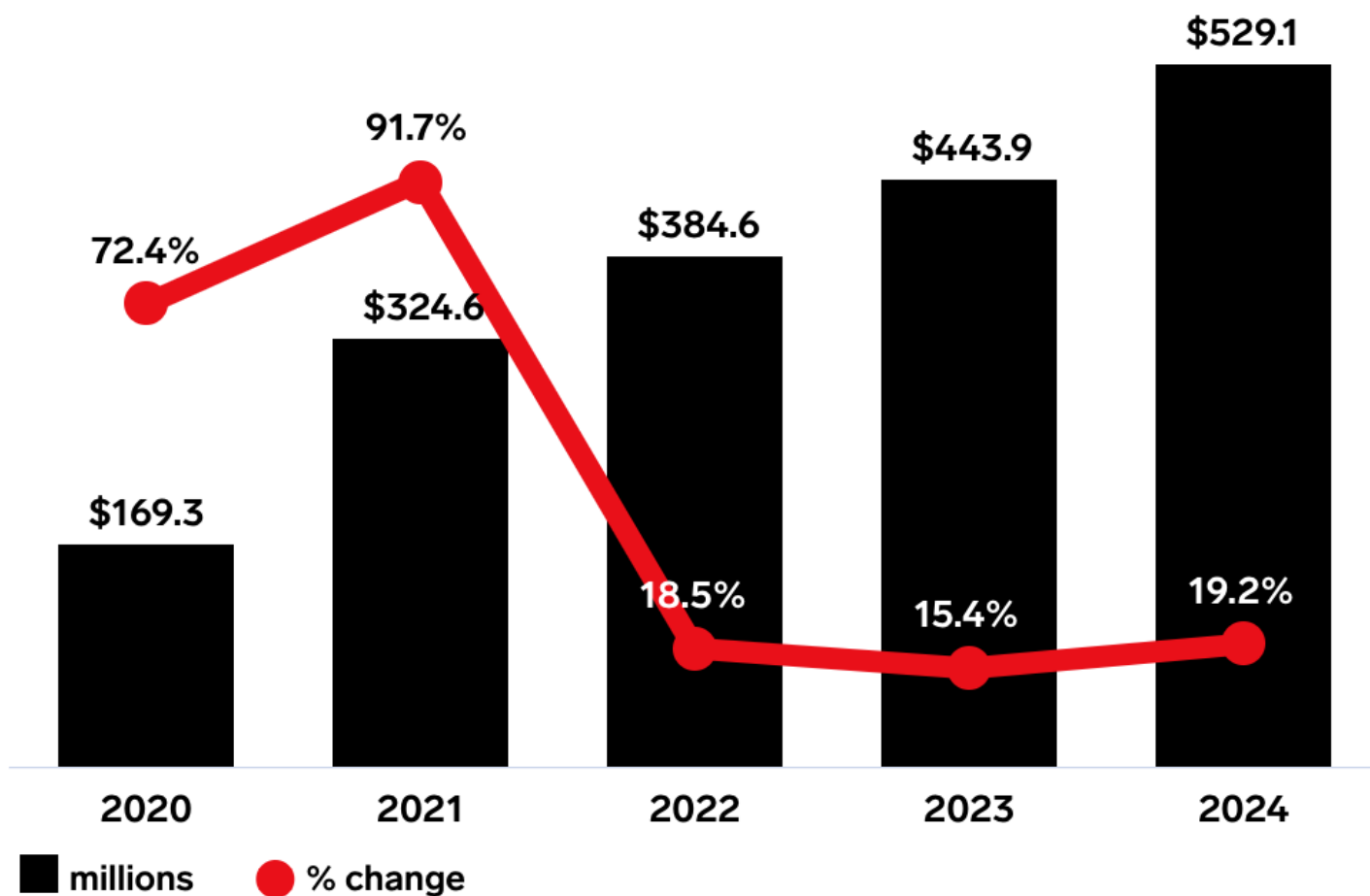
- After last year's IPO market slowdown, Reddit's launch as a public company could give advertisers **greater confidence in Big Tech** in general—which makes these incremental upgrades by Reddit **more impactful than they might appear**.
- Reddit has brought on new clients in categories including automotive, pharma, entertainment, and retail in the past 6 months, including names such as **Walmart**, **CVS**, **H&M**, **Sephora**, **Peacock** and **Netflix**.
- The company is getting more serious about building out its agency ecosystem: Last year, Reddit announced its first independent agency partnership with **Tinuiti**, and chose **Omnicom** as its flagship enterprise partner in both the US and Canada, **WPP** for a commerce advisory partnership, and **IPG Mediabrands** as its first global enterprise partner.

Our take: With TikTok and Twitter under fire and Meta and Snap having had a few weak earnings reports, Reddit has an opening.

- "Our platform is growing and appealing to people for reasons that are striking a chord right now, like privacy," said **Mary Ann Belliveau**, vice president of North America large customer sales. "Reddit has stayed true to [the idea that] privacy is core to our DNA."
- It still needs to better communicate its value proposition, considering the platform's mechanics operate quite differently than some of the companies it is (arguably unfairly) benchmarked against. The company "has been doing an increasingly better job of explaining itself to consumers and marketers" from Belliveau's perspective, but there's still work to be done.

Reddit Ad Revenues
Worldwide, 2020-2024

Year	2020	2021	2022	2023	2024
millions	$169.3	$324.6	$384.6	$443.9	$529.1
% change	72.4%	91.7%	18.5%	15.4%	19.2%

■ millions ● % change

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; excludes non-advertising revenues (e.g. Reddit Premium, Reddit Coins); net ad revenues after companies pay traffic acquisition costs (TAC) to partner sites
Source: eMarketer, October 2022

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