Amazon Rebrands IMDb Freedive to IMDb TV, Ramping Up Ad-Supported Video Strategy

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In a significant move for the company's larger advertising goals, Amazon is rebranding its barely six-month-old streaming service to further ramp up its ad-supported video strategy.

Last week, Amazon announced that its free streaming service IMDb Freedive will rebrand as IMDb TV—a bit of a misnomer since it will stream movies as well—with the aim of tripling its content selection and eventually launching in Europe later this year.

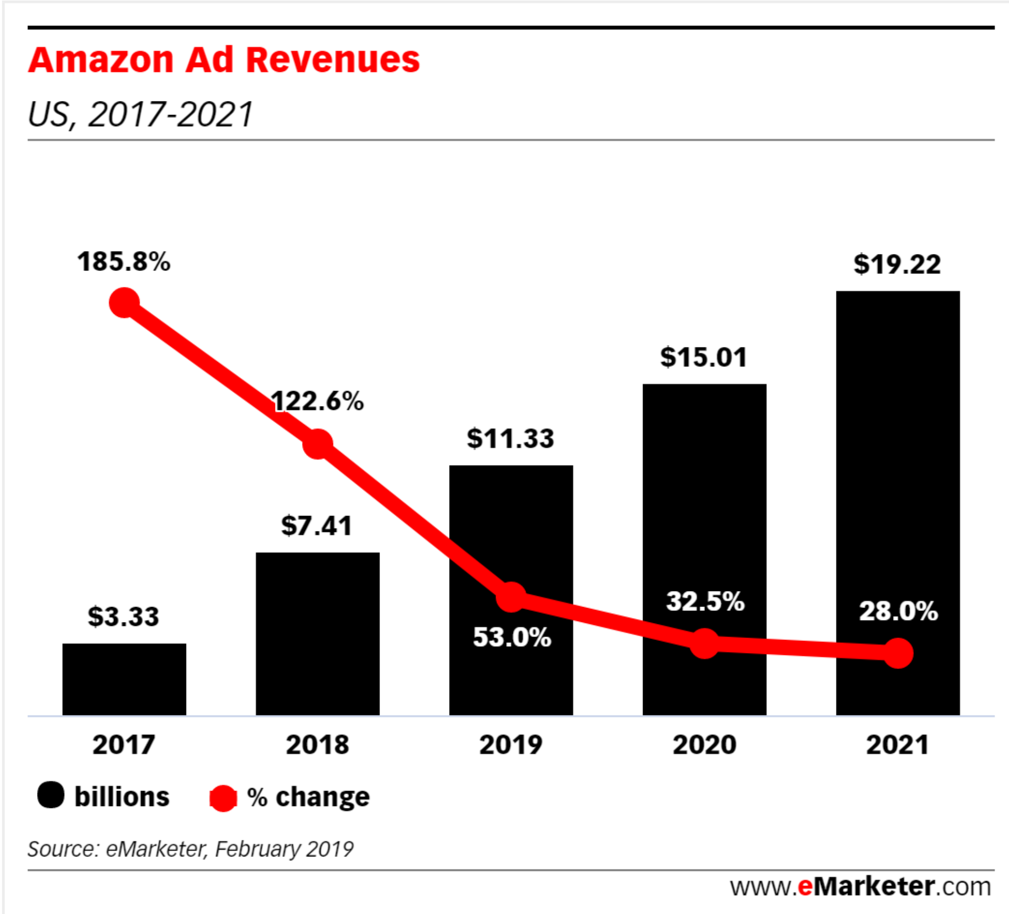
The service is currently ad-supported and runs about half of the number of ads that a typical TV network broadcasts, according to Amazon. Brands like AT&T, Proctor & Gamble, Verizon and PepsiCo have already run 15- and 30-second spots within the platform's movies and shows.

"Amazon's growth into the No. 3 digital advertising platform means it now has a seat at the table with major brands, which will become increasingly significant as Amazon steers its ad business in the direction of video," said Andrew Lipsman, eMarketer principal analyst. "While the rebranding of IMDb TV isn't earth-shattering news on its own, it's another incremental step along Amazon's path to becoming a power-player in ad-supported video."

Although Prime Video is Amazon's prestige video content brand, the ecommerce company's push with ad-supported content could have implications for its competitors. In the more immediate future, IMDb TV could be competition to ad-supported over-the-top (OTT) players like Hulu or Roku, but probably won't compete directly for those dollars right away.

"There's still growth in the digital video and OTT advertising space that there's plenty of room for everyone to continue on their strong growth trajectories in the near term," Lipsman said. "At the same time, the competition ought to keep an eye on what Amazon is doing because they enter the ad-supported video space with key advantages given their valuable first-party consumer purchase data."

This advantage even poses a long-term threat to TV networks. With its immense data trove, Amazon can leverage its customer information to become a dominant advertising platform. Last year, Amazon's ad revenues reached $7.41 billion, which we estimate will grow 53% to $11.33 billion this year. By 2021, Amazon could make nearly $20 billion in ad revenues.



If Amazon expands its ad-supported video inventory and continues to fine-tune its advertising platform, it can command a much larger share of brand budgets over time.

"While Amazon's digital ad business has been the talk of the industry over the past year or two, the real market to watch is what happens to TV advertising as Amazon opens up more ad-supported video inventory," Lipsman said.

For more analysis on Amazon’s ad revenues and how it stacks up against the competition, eMarketer PRO subscribers can read our latest Digital Ad Spending report:

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