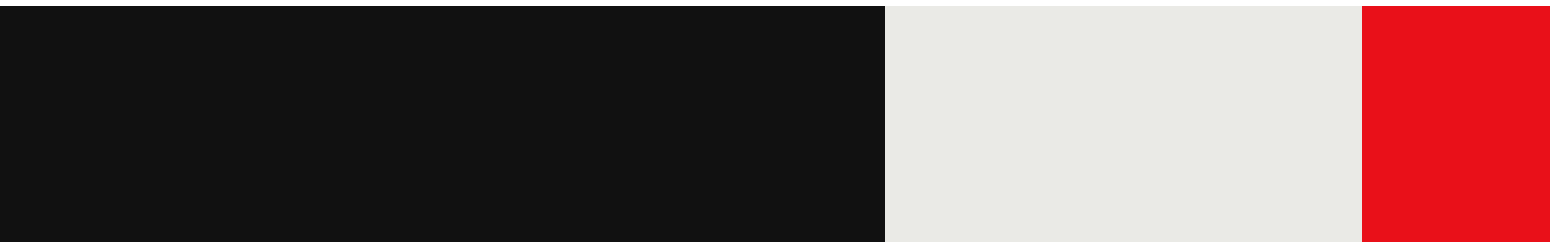



Commerce video drives retail growth

Article



The news: 70% of digital video advertisers are deploying Commerce Video ads as consumers combine product discovery and purchasing into a more seamless experience, with nearly all planning to increase spending on the format, according to the Interactive Advertising Bureau (IAB).

- These digital video ads prompt specific actions like “purchase” or “shop now.” With clear calls to action, these videos help guide consumers directly into the purchase journey.

- Commerce video is a growing force in digital [advertising](#), with 75% of consumers finding it aligns with their buying process, and 95% of advertisers using it more often to drive sales.

Yes, but: Despite the format's growing popularity, there is a misalignment between how brands deploy Commerce Video and how consumers engage with it.

- While 96% of advertisers feel their Commerce Video efforts are effective, 70% of consumers report feeling annoyed by these ads on a monthly basis or more.
- 71% of consumers find Commerce Video ads more repetitive than other ad types. Advertisers must rethink how often they serve these ads, as excessive repetition can harm brand perception.
- **Consumers prefer longer Commerce Video ads**, ideally from 30 to 60 seconds, to allow time to absorb product information and make informed decisions. However, most advertisers favor shorter videos, typically under 15 seconds—exposing a gap between consumer preferences and ad deployment.

A full-funnel opportunity: Advertisers primarily view Commerce Video as a lower-funnel tactic, focusing on driving direct conversions. However, 64% of consumers find these ads helpful during the brand discovery phase, suggesting an opportunity for advertisers to engage users earlier in the purchasing journey.

- When they are ready to purchase, though, shoppers expect Commerce Video ads to feature clear product demonstrations, pricing details, and promotions. In fact, 83% of consumers agree that such ads help them finalize purchasing decisions.
- Just 40% of advertisers incorporate creator-generated content into their Commerce Video campaigns. Consumers, however, cite creator videos as one of the most impactful factors in their shopping decisions, highlighting yet another opportunity.

Our take: US digital video ad spending will [grow 20.8% this year](#) to \$108.15 billion; while expansion will slow over the next few years, it will reach \$176.67 billion by 2028, per our forecast. Commerce video is poised to play a notable role as brands increasingly turn to this format to capitalize on the rapid shift toward digital shopping.

Video Ad Spending, by Industry

US, 2024, billions

Retail

\$25.67

CPG

\$17.82

Media & entertainment

\$12.59

Financial services

\$12.18

Technology & electronics

\$10.12

Automotive

\$9.58

Telecom

\$8.86

Healthcare & pharma

\$6.02

Other

\$3.54

Travel

\$1.79

Note: includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets and other internet-connected devices on all formats mentioned; numbers may not add up to 100% due to rounding

Source: EMARKETER Forecast, August 2024

