

Amazon and IPG Mediabrand's strike a three-year video advertising deal

Article

The news: Amazon Prime Video has struck a three-year deal with IPG Mediabrand's to feature its clients' advertisements when they [launch on the service in 2024](#). The agreement will

also give IPG first-look access to new video ad formats Amazon develops.

Kicking into gear: Amazon's 2023 has been spent bolstering its video advertising business, and it's beginning to enjoy some success. Ad formats centered on **Thursday Night Football** (TNF) are expected to drive millions in revenues, and the retailer is aggressively pushing to get advertisers on board.

- Two new ad forms for TNF are expected to generate \$100 million in revenues for Amazon this year. The company also tried to make a "mini Super Bowl" out of its **Black Friday** game. The event underperformed in viewership, but advertisers expressed confidence in new formats.
- Outside of Prime, Amazon is aggressively courting advertisers of various sizes to spend on **Twitch** and **Freevee**, even offering to cover the cost of creative for brands that spend at least \$15,000 in order to get them embedded in its advertising stack.
- The deal with IPG, which controls \$47 billion in yearly advertising spending, shows that Amazon's video ad business has the potential to attract heavy hitters even before ads reach the general public.
- Prime Video's ad-supported strategy could be a factor. Rather than introducing a cheaper ad-supported tier à la Disney and Netflix, Amazon is making ad-supported viewing the default for Prime Video and will charge an extra \$2.99 monthly to avoid ads rather than trying to entice longtime ad-free subscribers to make the switch.

Our take: The IPG deal is a major vote of confidence in Prime Video advertising and could cause other major ad-supported streaming services still gaining a foothold in the market to seek out similar partnerships.

- With TNF as an anchor for its video advertising business, Amazon has quickly emerged as a major competitor in the ad-supported streaming race.

Netflix vs. Amazon Prime Video Viewers in Select Countries, 2024

millions

	Netflix viewers	Amazon Prime Video viewers
US	173.7	163.6
India	48.1	65.9
UK	35.0	26.9
Germany	29.4	32.3
France	27.1	13.6
Canada	18.9	14.6
Australia	10.5	4.9
Japan	10.4	16.2

Note: Individuals of any age who watch Netflix or Amazon Prime Video via app or website at least once per month

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