

DoorDash courts CPG ad dollars

Article

The news: DoorDash added a series of tools to help CPG brands advertise on its platform, including:

- A self-service ads manager that allows brands to create, manage, and measure sponsored product ads
- Third-party platform management via **Pacvue** and **Flywheel**
- API integrations to let brands bring ad management in-house

DoorDash's value proposition: With the new tools, CPGs have more ways to drive incremental purchases among DoorDash's over 25 million monthly active customers.

- In the period between July 2021 and June 2022, **ads and promotions on DoorDash's platform led to over \$3 billion in incremental sales**, the company said.
- More than half of orders that come from ads on DoorDash are from new customers. Half of the customers who ordered from **Clorox's** recent ad campaign on the platform were first-time buyers.

The bigger picture: While retail media networks have benefited from marketers' desires to find an alternative to **Meta's** and **Google's** walled gardens and prepare for the cookieless future, most offer a relatively basic set of tools—paid listings, display ads, sponsored search ads—that are limited to the company's owned channels.

Advertising platforms will have to get much more sophisticated if they want marketers to view them as more than an experiment in cookieless advertising. That's why DoorDash, along with **Lowe's**, **Walmart**, **Drizly**, and many others are enhancing their capabilities. **Only by offering a more complete set of advertising tools can retail media networks hope to capture more marketing dollars**

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US Advertisers Who Anticipate an Increase in Spending Levels with Retail Media Networks, by Product Category, March 2022

% of respondents



Note: in the next year; *includes food, beverage, and household products

Source: McKinsey & Company, "Busted! Five myths about retail media," June 7, 2022

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