

# How Uber, Lyft, and Instacart are building their ad businesses

Article

**The insight:** Uber, Instacart, and Lyft are trying to strike a balance between growing their lucrative ad businesses and keeping users happy.

- All three platforms are relying on personalization, engaging activations, and smaller ad loads to ensure maximum relevance and engagement.

**A targeted approach:** As with other retail media networks, Uber, Lyft, and Instacart's appeal to advertisers is rooted in their first-party data and ability to reach consumers at key moments in the customer journey.

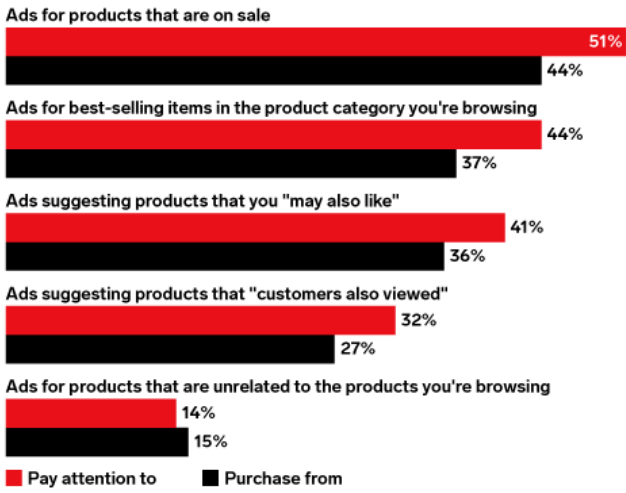
- Both Uber and Lyft are using trip data to tailor ads based on where users are going and what that behavior reveals about them. For example, Uber served ads for **Lacoste** tennis apparel to riders traveling to and from the US Open, the company [told](#) The Wall Street Journal.
- Instacart uses generative AI to predict what shoppers are cooking based on the items they add to their baskets, enabling it to make product recommendations, some of which may be sponsored. While its in-store advertising capabilities (via its smart [Caper Carts](#)) are still nascent, the company eventually expects to be able to offer shoppers' real-time suggestions based on their location and what they add to their carts.
- Fellow aggregator **DoorDash**'s advertising model—in which the company only gets paid if users make a purchase—is incentivizing its efforts to personalize ads based on individual purchasing habits in order to maximize conversions.

**The big takeaway:** While the aforementioned companies are seeing healthy growth in their ad businesses, they're still in the process of assessing what works and what doesn't.

- Users aren't thrilled about receiving ads in their push notifications, as Uber quickly discovered—but they are more receptive to partnerships where the promotion is embedded into the native app experience, like the Lyft campaign for the latest "Trolls" film that replaced the company's car icons with movie characters.
- And less is more: Uber and Lyft are capping ads at one and two per trip, respectively, while DoorDash and Instacart are focusing on endemic brands to avoid putting off shoppers.

## Types of Retail Media Ads That US Digital Shoppers Pay Attention to vs. Purchase From, March 2023

% of respondents



Note: in the past 12 months

Source: Integral Ad Science (IAS), "Driving ROI In Retail Media Networks," Aug 8, 2023

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