

Amazon secures over \$1.8 billion in streaming ad commitments

Article

The news: Amazon has passed its goal of **\$1.8 billion in streaming advertising commitments**, marking a major milestone for its rapidly growing video business during the upfront season, according to The Information.

The news comes weeks after the company said **50 new brands** signed on to advertise during **Thursday Night Football (TNF)** and on **Prime Video**, which debuted ads in January.

Meteoric rise: Amazon's introduction of ads to Prime Video gave it a near-instant US ad-supported audience of 130.4 million (approximately 80% of Prime Video viewers), according to our February forecast. That figure dwarfs the ad-supported audience on streaming leaders **Netflix** and **Disney**, giving Amazon a major leg up in securing advertising commitments.

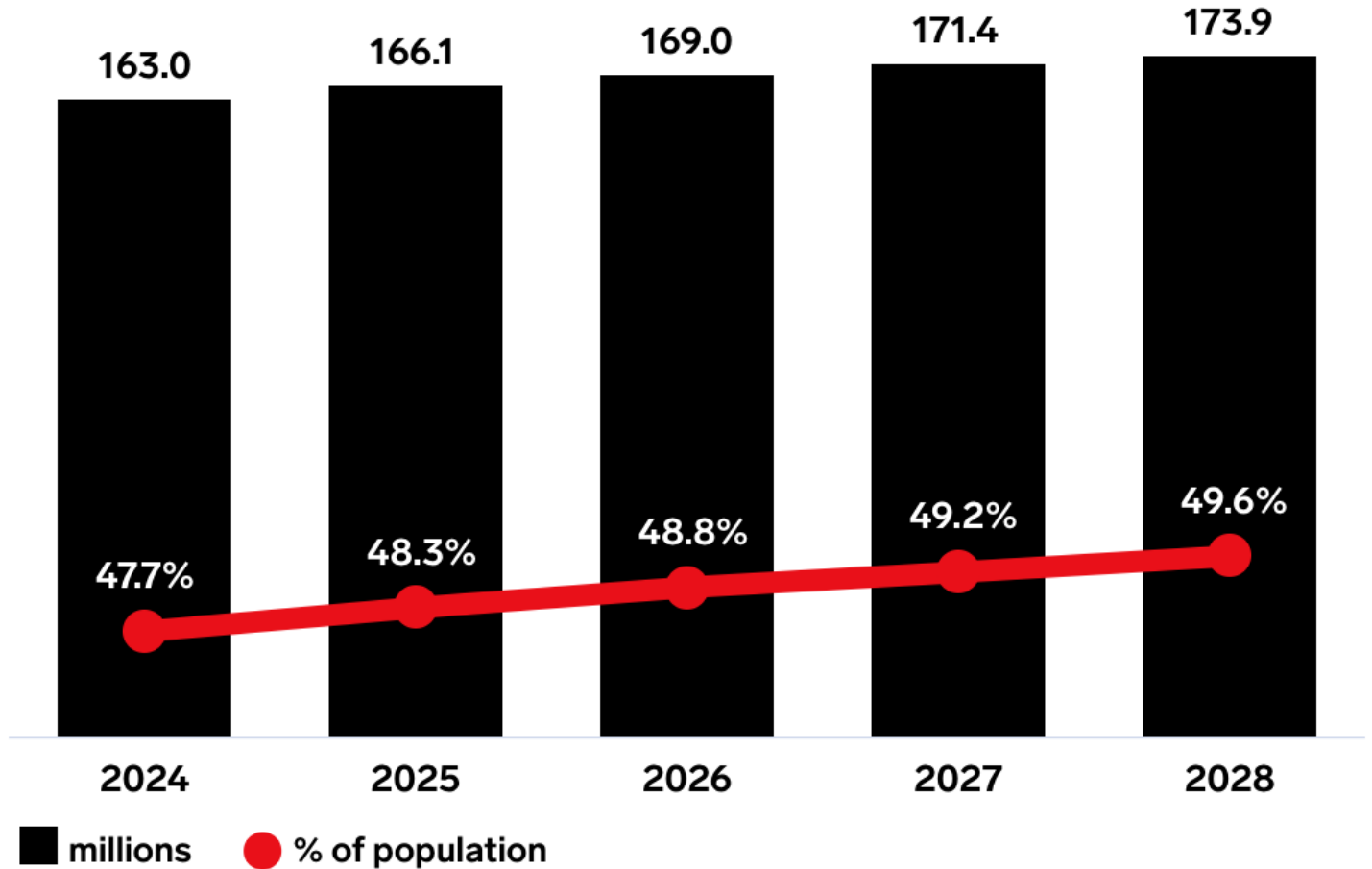
- While the launch of ads on Prime Video upended the streaming race nearly overnight, TNF continues to be a major revenue generator for Amazon. Last fall, leaked documents obtained by Business Insider showed that two new ad formats were expected to generate \$100 million in revenues.
- Disney and Netflix have taken different approaches to creating an ad-supported audience. Both companies have offered cheaper access to their streaming services with such tiers, and Disney announced last week that it was beginning its long-anticipated password-sharing crackdown.
- Netflix is still seeing advertising growth thanks to password sharing crackdowns and bundle offerings and recently announced a strong slate of upfront commitments, but we don't expect it to pass \$1 billion in US ad revenues until 2025..

Our take: Amazon has quickly emerged as a leader in ad-supported video, solidifying its position across several major advertising sectors. Its strong offerings in retail media, video, and connected TVs will allow advertisers embedded in one sector of its ad business to test other formats.

- Last fall, ahead of the Prime Video ad launch, Amazon offered significant ad credits and perks to advertisers who explored its video ad space. Amazon was reportedly seeking as much as \$100 million in commitments from some advertisers, and offered to produce creative for brands that spent at least \$15,000 on struggling video platform **Twitch**.
- Amazon's competitive content offerings, large ad-supported audience, and TNF appear to be driving organic advertiser interest. But as its video ad business matures, Amazon is likely to create pathways that help advertisers move from video to its other core advertising products.

Amazon Prime Video Viewers

US, 2024-2028



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

Source: EMARKETER Forecast, February 2024