

# Consumers' evolving search habits fuel retail media advertising in Western Europe and Latin America

Article

## Western Europe:

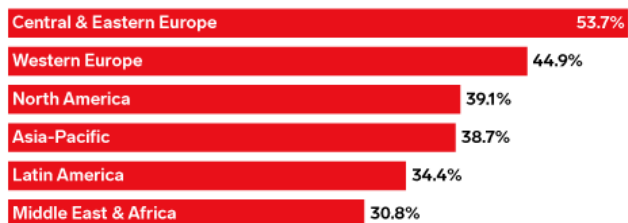
**Every euro spent on digital ads must pull its weight in 2023.** Advertisers and marketers can't afford to waste budget, so we foresee a partial shift away from display ads and renewed emphasis on search—with one big exception, retail media.

**Search spending will rise faster than total digital ad spending.**

- In Western Europe, digital ad spending will increase 8.9% in 2023, per our forecast. Search spending will outpace that at 9.2%.
- Across Europe search will claim a higher share of digital ad spending in 2023 than in other regions.

### Search Ad Spending Worldwide, by Region, 2023

% of total digital ad spending



Note: includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets, and other internet-connected devices; includes paid listings, contextual text links, and paid inclusion  
Source: eMarketer, Oct 2022

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**Meanwhile, spending on retail media networks is surging.** Total outlays on retail media in Europe hit €7.9 billion (\$7.97 billion) in 2021, according to Interactive Advertising Bureau (IAB) Europe, and are expected to reach €25 billion (\$25.21 billion) by 2026. A 2022 survey by IAB Europe and Xandr found 92% of advertisers and 74% of agencies were already using retailers' media platforms. Another study, by Publicis Commerce, revealed 52% of marketing and business professionals in France expected their investments in retail media to rise in 2023.

## Predictions

- **Search will generally repay advertisers' trust in 2023.** Search engines remain the first port of call for many consumers hunting for goods or services. That's not changing anytime soon. Researching target audiences and refining search advertising strategies and tactics will be crucial for positive results.

- **Retail media will be a godsend for brands that use it wisely.** Potential benefits include better ad placements, digital promotions, and tapping into retailer loyalty programs and validated sales data. Brands that don't take advantage of retail media opportunities will suffer.

Report by Karin von Abrams Jan 06, 2023

## Western Europe Trends to Watch for 2023



## Latin America

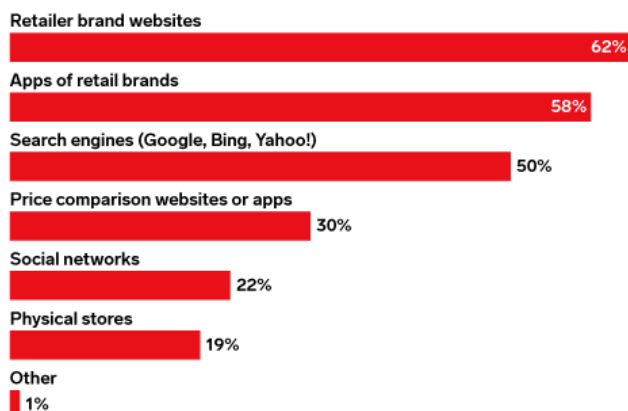
**Google will struggle to remain relevant for product research.** Many consumers in Latin America now start on retailers' digital properties to research products, find inspiration, and search for deals—a **shift** also seen in countries like the US, the UK, and France.

**Mainstream search engines' dominance is no more.**

- In Mexico, for example, January 2022 was the first time retailers' digital properties **achieved parity** with traditional search engines like Google and Bing for product research.
- The gap between the two has only widened, especially in Brazil, where digital buyers said they prefer to search for deals on retailers' websites over search engines by double-digit percentage points.

## Channels Most Used to Search for Deals According to Digital Buyers in Brazil, Aug 2022

% of respondents



Note: n=2,123 ages 18+ who have made at least one digital purchase within the past 12 months

Source: Opinion Box and Americanas Advertising, "Retail Media: o comportamento de compra online e a percepção do consumidor sobre a publicidade," Oct 20, 2022

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## Predictions

**Marketers will reallocate ad dollars to bottom-funnel performance ads on retailers' digital properties**, as they face mounting pressure to deliver solid returns on investments. Budgets for linear TV and traditional search engines will shrink as a result.

**Offsite targeting solutions will become a vital part of retailers' ad offerings this year**, as the need to find newer pockets of value intensifies. Prominent players like Amazon, Mercado Libre, Rappi, and Walmart de México y Centroamérica (Walmex) already offer brands the ability to programmatically buy ads on and off their websites. Others will likely follow suit as competition for ad dollars heats up.

**Brick-and-mortar will be retail media's next frontier**. As in-store sales return to—and even exceed—their pre-pandemic levels, retailers like Walmex and Cencosud are quickly turning their physical stores into monetizable media assets. Brands can now place advertising on in-store digital screens, in parking lots, on shopping carts, and in shopping aisles.

Report by Matteo Ceurvels Jan 11, 2023

# Latin America Trends to Watch for 2023

