


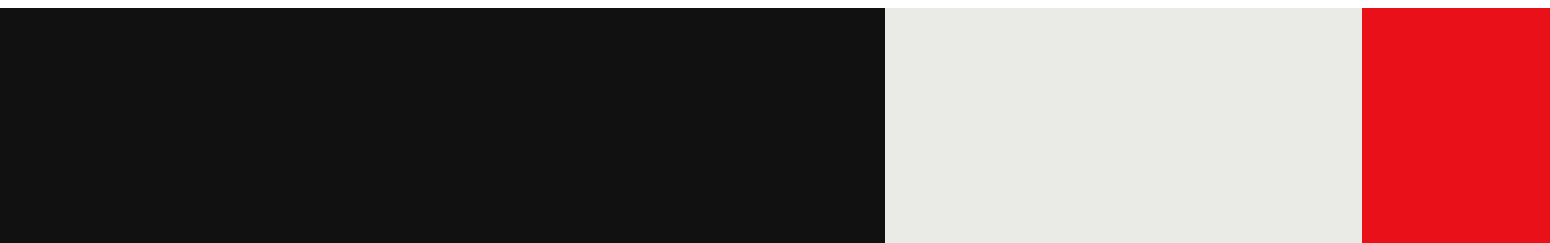
Amazon gains on Google and Meta, as the duopoly becomes a triopoly

Article



“If you want to dominate the digital landscape, you’ve got to win or be a clear leader on the three core pillars: media, advertising, and commerce,” our analyst Andrew Lipsman said during our [recent “Attention!” summit](#).

Amazon’s flywheel gives it a shot at all three pillars, setting itself up for retail media success. “It’s really the focal point in the tether between the media ads and commerce,” said Lipsman.

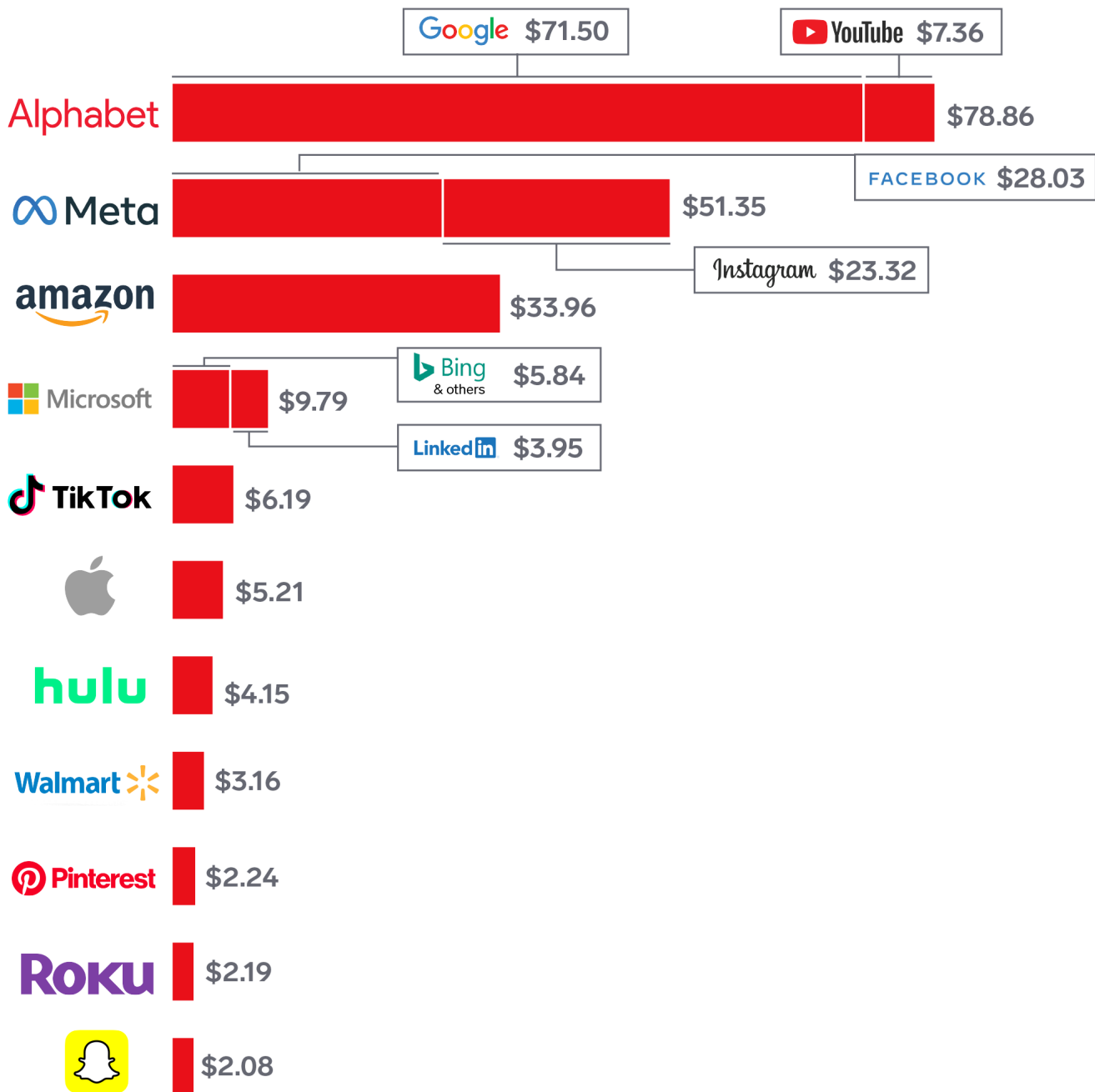


“They’ve taken all these pieces and put them on steroids.”

The players: Amazon accounts for less US ad share than Google and Meta, but while the duopoly’s share is declining, Amazon’s is increasing, according to our forecast.

- Amazon will see \$33.96 billion in US ad spend this year.
- For Meta, that figure will be \$51.35 billion.
- Google will lead the pack with \$71.50 billion (\$78.86 billion when combined with YouTube).

Companies With Over \$2 Billion in US Net Digital Ad Revenues, 2023



Note: includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets, and other internet-connected devices, and includes all the various formats of advertising on those platforms; net ad revenues after companies pay traffic acquisition costs (TAC) to partner sites; excludes spending by marketers that goes toward developing or maintaining a platform presence

Source: eMarketer, March 2023

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Ecommerce: Amazon is the clear winner, accounting for 37.6% of total US retail ecommerce sales this year, according to our forecast. Its biggest competitor, Walmart, makes up just 6.4% of US ecommerce sales.

Amazon's play: Amazon isn't satisfied with owning only ecommerce. "They're moving into physical retail, which is still 85% of retail [sales] today. Amazon Fresh is the big ambition there because this is where large national consumer brands are going to be purchased," Lipsman said.

Media: Meta has the advantage, making up 75.0% of total social network ad spending and 14.5% of total media ad spending in the US this year, per our forecast.

- But an ad downturn and privacy changes from Apple caused the Facebook and Instagram parent's US ad revenues to contract by 1.1% last year, and this year's revenues will grow by just 2.7%.
- Google has shifted into media through YouTube, which currently accounts for just 2.1% of total US media ad spend but will grow by double digits in 2024 and 2025.

Amazon's play: Amazon's Fire TV and Alexa automation offers the company a position as a central point for engaging in other media—and offering shoppable ads. Prime Video and Freevee are valuable assets as well.

Advertising: "Google obviously built the first really revolutionary digital ad machine," said Lipsman, who also noted that Meta is "a real performance advertising machine."

Amazon's play: Amazon's ecommerce channel ad revenues, which are included within retail media spend, will approach \$30 billion this year, accounting for 76.2% of all ecommerce channel ad spending in the US, according to our forecast. When it comes to entertainment ads, "they're moving into formats like Thursday Night Football to deliver streaming video advertising at a really high-quality premium," said Lipsman.

[Watch the full session.](#)

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