PubMatic and Instacart join forces to marry retail media data with programmatic advertising

Article

The news: PubMatic has announced a significant collaboration with **Instacart** that will allow it to harness the grocery delivery platform's first-party retail media data for enhanced

programmatic advertising.

- **GroupM** will be the first agency to participate; **Mars** is among the first brands using this initiative for its advertising strategies on PubMatic's Convert platform.

  How it works: In an EMARKETER interview, **Hashim Mian**, vice president of commerce media at PubMatic, told us that Instacart's retail media data offers detailed information on buyer behavior, helping advertisers guide consumer choices throughout the shopping process. This information allows marketers to target new customers and entice those in specific categories to try certain brands.

- PubMatic will select the most suitable inventory for each campaign using its network of nearly 1,800 top publishers and by analyzing context and content signals.

- Mian gave the example of a food advertiser aiming to promote a new product: It could target audiences effectively through cooking channels on connected TV and refine the campaign over time by adjusting the publishers it includes.

- The partnership can help brands "measure the increase in awareness, consideration, ROAS, and lift in new-to-brand sales," among other metrics, Mian said.

- PubMatic upholds strict data privacy and security measures in its processes, Mian says. Although advertisers can target specific audience segments through this service, they do not receive personal data of individuals within those segments.

  Why it matters: Advertisers are seeking enhanced targeting and measurement methods for their connected TV (CTV) campaigns amid the challenges of signal loss. The significance of this partnership lies in its promise of more accurate consumer pinpointing with Instacart's detailed shopper behavior data, allowing advertisers to reach potential customers more effectively at the point of purchase.
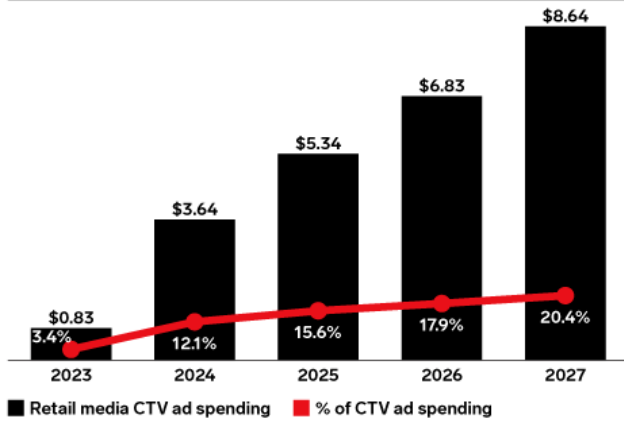
- PubMatic plans to incorporate this data with selected inventory for approved advertisers, ensuring a direct measure of advertising impact and sales through Instacart.

- This partnership shows the use of advanced data analytics to enable more targeted and personalized advertising is continuing to grow. It represents the ongoing fusion of ecommerce and ad tech.

- This year, we forecast Instacart's grocery sales to reach $39.1 billion, growing 12.8% over last year. Our forecast has its ad revenues narrowly surpassing $1 billion for the first time this year,

reaching $1.36 billion by 2026.

Our take: The PubMatic-Instacart partnership will offer advertisers better, data-based targeting—possibly creating a new standard for highly-efficient programmatic campaigns.

US Retail Media Connected TV (CTV) Ad Spending, 2023-2027
billions and % of CTV ad spending

Year	Retail media CTV ad spending	% of CTV ad spending
2023	$0.83	3.4%
2024	$3.64	12.1%
2025	$5.34	15.6%
2026	$6.83	17.9%
2027	$8.64	20.4%

■ Retail media CTV ad spending ■ % of CTV ad spending

Note: digital advertising that appears on websites or apps that are primarily engaged in retail ecommerce or is bought through a retailer's media network or demand-side platform (DSP); examples of websites or apps primarily engaged in retail ecommerce include Amazon, Walmart, and eBay; examples of retail media networks include Amazon's DSP and Etsy's Offsite Ads; includes ads purchased through retail media networks that may not appear on ecommerce sites or apps
Source: Insider Intelligence | eMarketer Forecast, Oct 2023

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