Drizly looks to capitalize on the retail media boom

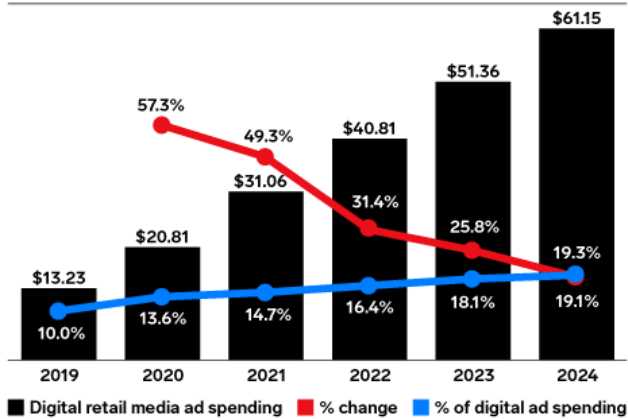## Article

The news: **Uber**-owned alcohol delivery service **Drizly** has launched its own advertising network called Drizly Ads, per The Wall Street Journal.

- While Drizly already offered display ads on its app and website, **Drizly Ads offers a broader array of self-service and custom products** including search and display ads, premium brand pages, and sponsored product listings.

- The launch comes at a time when several retail companies—including **Kroger**, **Best Buy**, and **Walmart**—have taken steps to build out their retail media offerings to grab a larger share of a

rapidly growing channel. **We expect US digital retail media ad spending will account for 16.4% of total US digital ad spending this year**, in a marked jump from 10.0% in 2019.

US Digital Retail Media Ad Spending, 2019-2024
billions, % change, and % of digital ad spending

	2019	2020	2021	2022	2023	2024
Digital retail media ad spending	$13.23	$20.81	$31.06	$40.81	$51.36	$61.15
% change	57.3%	49.3%	31.4%	25.8%		19.3%
% of digital ad spending	10.0%	13.6%	14.7%	16.4%	18.1%	19.1%

■ Digital retail media ad spending   ■ % change   ■ % of digital 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: eMarketer, March 2022

274637   eMarketer | InsiderIntelligence.com

A unique space: One of the primary drivers behind retail media's growth are the networks' unique first-party data sets. That information is all the more valuable given the ongoing deprecation of third-party cookies and mobile identifiers.

- These data are particularly useful for alcohol brands, which have traditionally spent the majority of their paid media budgets on brand awareness efforts. The networks enable them to shift more money toward targeted direct-response ads.

- However, Drizly isn't without competitors as both **Instacart** and **DoorDash** offer their own retail media networks.

The big takeaway: Given retail media's growth curve, and Drizly's unique niche, the company's new ad network could unlock a significant revenue channel for Uber.

Go further: Read our Retail Media Ad Spending Forecast here.

*This article originally appeared in Insider Intelligence's **Retail & Ecommerce Briefing**—a daily recap of top stories reshaping the retail and marketing industries. Subscribe to have more hard-hitting takeaways delivered to your inbox daily.*

- *Are you a client? [Click here to subscribe](#).*

- *Want to learn more about how you can benefit from our expert analysis? [Click here](#).*