

How Advertisers Are Approaching Amazon

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eMarketer Editors

Advertisers' reasons for working with Amazon haven't changed much this year—it's the leading digital retailer and one of the most-visited web properties in the US. The ecommerce giant has vast amounts of data to use to target ads, and it can do so down to the bottom of the purchase funnel. It can also measure the results in a closed loop because it's processing the transactions.

Amazon is still a relatively new place for advertisers to buy media, and in some categories, it remains far from the norm. (Automotive is probably the most cited among these categories, but there are still many areas where Amazon isn't a leading marketplace.)

For our latest report, ["Amazon Advertising 2019: Growth and Performance Are Strong at the No. 3 US Digital Ad Seller,"](#) all the experts who spoke with us agreed that advertisers who have been spending on Amazon continue to gain sophistication and rely on specialized agencies or technologies to optimize their advertising efforts. More advertisers are also turning to Amazon in a test-and-learn capacity.

"But for all advertisers, it's a fast-growing market where the rules are still shifting as Amazon adds capabilities and changes how some products work," said Nicole Perrin, eMarketer principal analyst and

author of the report. “And the market is more competitive. Prices are high because advertisers are seeing high returns.”

In a December 2018 poll conducted by performance advertising software provider Nanigans and industry researcher Advertiser Perceptions, US retail marketers cited strong performance, audience scale, audience reach and context as playing major roles in their decision to advertise on Amazon.

What Is the Primary Reason that US Retail Marketers Advertise on Amazon?

% of respondents, Dec 2018



Note: among those who have advertised on Amazon; numbers may not add up to 100% due to rounding
Source: Nanigans and Advertiser Perceptions, "Amazon's Advertising Ascent: What Retail Marketers Really Think," Feb 6, 2019

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Despite this, just 11% of brands worldwide said they advertised on Amazon, according to a July 2019 poll by performance agency Hanapin Marketing. By comparison, 96% of respondents advertised on Google, and 81% did so on Facebook. Amazon fell somewhere between Pinterest and reddit in terms of advertiser penetration. But Amazon was listed higher when advertisers and agencies were asked where they planned to increase spending in the next 12 months.

According to polling by ClickZ and performance advertising agency Kenshoo, fewer than 16% of marketers worldwide ran holiday season ads in 2018 on Amazon Marketing Services—the CPC suite of products

including Sponsored Products ads. That put it far down the list, but apart from YouTube, it showed the highest gain from 2017 to 2018.

On What Advertising Channels Do Marketers Worldwide Run Holiday Season Ads?
% of respondents, 2017 & 2018

	2017	2018
Google search	75.5%	77.6%
Facebook	75.2%	71.8%
Instagram	42.3%	44.8%
Display ads	36.6%	38.7%
YouTube	26.3%	33.4%
Bing Search	24.8%	27.3%
Google Shopping/product listing ads	25.7%	26.4%
Twitter	23.0%	25.8%
Amazon Marketing Services	11.8%	15.6%
Pinterest	9.4%	12.9%
Bing Shopping/product listing ads	6.6%	9.8%
Snapchat	4.8%	8.3%
Other search engines	10.6%	13.2%

Source: ClickZ, "Digital Advertising Trends for the 2018 Holiday Season" in partnership with Kenshoo, Nov 14, 2018

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Digiday polled a small sample of US media buyers in March 2019, 90% of whom advertised on Amazon. Among that group, 80% planned to increase their spending on Amazon ads this year.

For further information about leveraging Amazon for advertising, eMarketer PRO subscribers can read our latest report:

Report by Nicole Perrin Nov 07, 2019

Amazon Advertising 2019

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