

Retail media will be the source of most search ad spending growth in the coming years

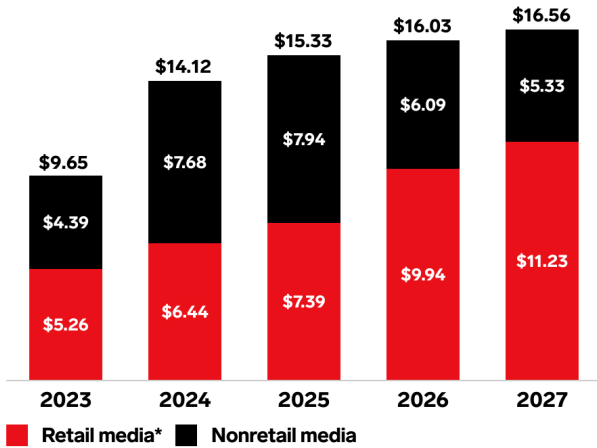
Article

As generative AI's influence over the search market grows, so will a crop of thorny issues: increased ad costs, assimilation of new infrastructures, diminished user interactions, and

more. But retail media search will thrive. This year, just over a quarter (26.7%) of all search ad dollars will be spent on retailer and retailer-affiliated properties. Over the next few years, retail media will account for more new search ad dollars, and by 2027 it will represent well over a third (37.2%) of the market.

Retail Media Will Account for Most Search Ad Spending Growth by 2027

incremental US search ad spending, billions, by channel, 2023-2027



Note: includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets, and other internet-connected devices for all formats mentioned; includes contextual text links, paid inclusion, paid listings, and SEO; *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); 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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Insider Intelligence | eMarketer

Amazon's scale is unmatched amid increasing competition

- **Amazon is leading the market—by a lot.** It will rake in nearly \$24.54 billion in search ad revenues this year, making its search ad business more than 12 times bigger than that of Walmart, the next largest player in retail media search.
- **Walmart is still one to watch.** It will only account for 6.6% of retail media search ad spending this year, but its search ad revenues are growing more than twice as fast as those of any other platform we track.

Report by Evelyn Mitchell-Wolf Dec 20, 2023

Search Ad Spending Forecast and Trends H2 2023

