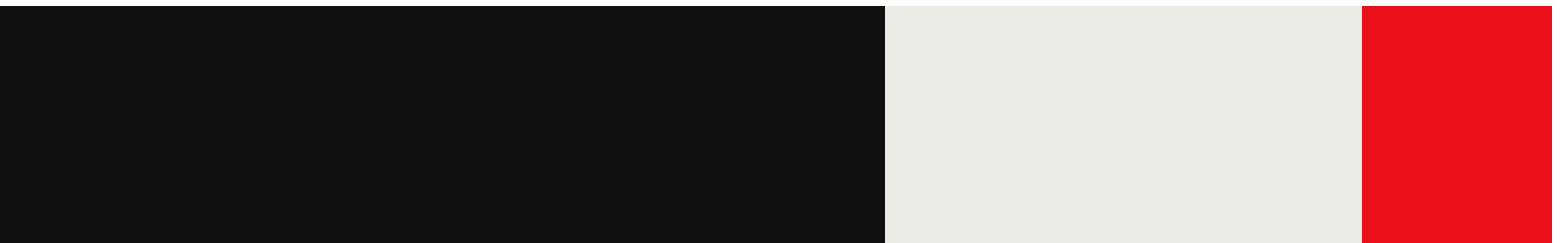


Shoppable ads will be a top focus for brands in 2025

Article



The allure of closed-loop measurement and “collapsing the funnel” fuels investment in shoppable media

Media and commerce continue to converge. Shoppable ads and other integrated marketing formats remain a focal point for retailers, social networks, CTV platforms, broadcast TV

networks, and online publishers. As these lines blur, brands are seizing new opportunities to connect content and commerce.

Shoppable media offers two alluring advantages for marketers. The first is the potential to compress the purchase funnel, allowing shoppers to purchase products directly from the media they consume. The second is the potential for closed-loop measurement, as media placements can be directly attributed to ecommerce sales—bolstering performance tracking for media platforms and ad networks.

Certain formats are already successful. US social commerce is expected to grow nearly 20% in 2025, reaching \$85.58 billion in sales, according to our forecast. Other formats, such as shoppable TV shows, are still in the experimental phase—and it's still too early to know how consumers will respond en masse.

Nearly All Digital Media Can Be "Shoppable"



Source: EMARKETER, Feb 2024

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Retailers and their media partners have led the charge to expand shoppable media formats. Shoppable video ads, in particular, have been introduced across various channels. They have become a popular tactic for retailers hoping to win a larger share of advertisers' budgets while staying true to retail media's core value proposition of full-funnel attribution.

- **Amazon** launched shoppable ads on Prime Video and entered a partnership with TikTok to enable purchases of Amazon products via ads on the TikTok app.
- **Walmart** expanded its retail media offering to linear TV (using QR codes) through its partnership with NBCUniversal. The retail giant also completed its acquisition of Vizio, paving the way for a much larger CTV ad offering that could include shoppable ads.
- **Instacart** launched shoppable ad formats on YouTube and Roku, expanding its off-site advertising offerings.
- **Albertsons Companies'** retail media network (RMN) launched "Collective TV," expanding its CTV ad offering, which includes a shoppable ad product for YouTube and other platforms.

Combining premium video, RMN data, and frictionless checkout holds substantial potential.

But it will create a complex framework for retailers to navigate. Those that own media properties will be better positioned to optimize measurement, but scale will be limited to their existing audiences. And retailers relying on partnerships will have access to larger audiences but will face complexities regarding measurement.

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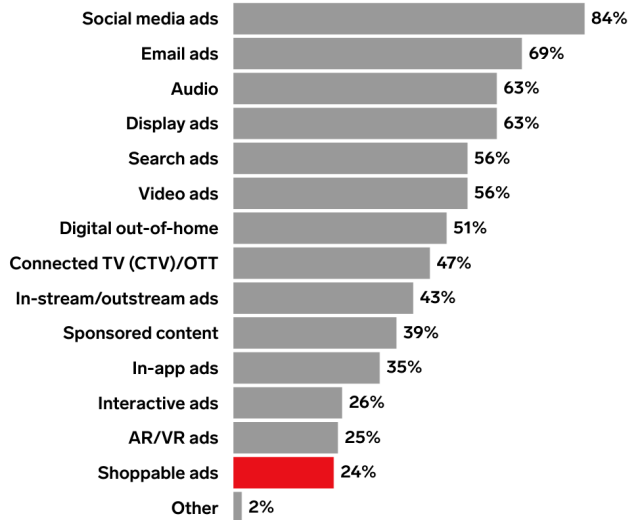
Despite the investment from ad sellers, shoppable ads are still a niche format for brands.

Nearly one-quarter of advertisers worldwide were creating shoppable ads as of July 2024, per Digiday. While that's by no means a small percentage of advertisers, shoppable ads are not nearly as widely used as foundational forms of digital advertising like social media, display, and search.

Shoppable Media Is Not an Essential Ad Format, but Nearly 1 in 4 Advertisers Uses It

% of creative brands and agencies worldwide, July 2024

Q: What types of digital ad creative is your organization creating?



Note: n=111

Source: Digiday, "The State of Ad Creative" in partnership with Celtra, Aug 29, 2024

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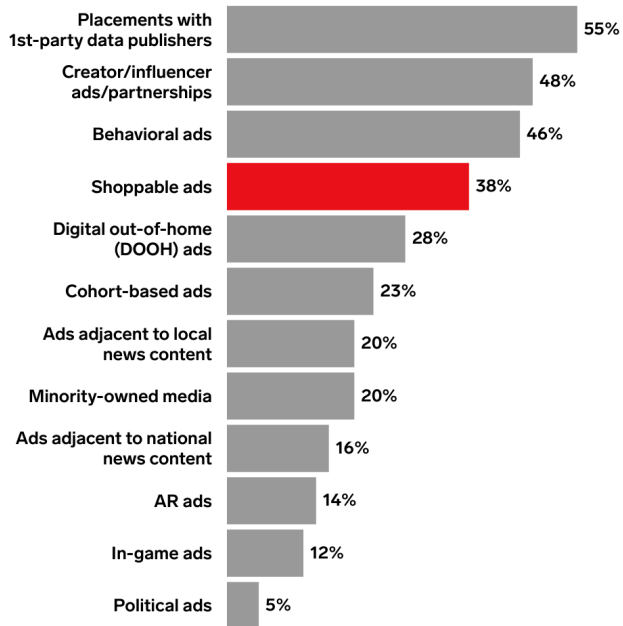
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However, some brands that are allocating budget to shoppable ads are seeing positive results. Several media buyers had dedicated as much as 10% of their monthly budgets to shoppable ad formats in November 2024, according to reporting from Digiday. Battery-maker Duracell reported an 86% increase in add-to-cart rates using one of Amazon's shoppable Prime Video ads.

RMNs are likely to encourage existing endemic advertisers to test shoppable ad formats. If more brands are successful with this format, investments could expand significantly. In December 2024, 38% of US ad buyers planned to focus more on shoppable ads, making it a key priority, according to the Interactive Advertising Bureau (IAB).

More Than 1 in 3 Marketers Plan to Increase Focus on Shoppable Ads in 2025

% of US ad buyers who plan to focus more on select ad types/tactics in 2025, Dec 2024



Note: n=200; "significantly/somewhat more" responses shown
Source: Interactive Advertising Bureau (IAB), "2025 Outlook Study," Jan 16, 2025

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Read the full report, [Shoppable Media 2025](#).

Report by Blake Droesch Feb 24, 2025

Shoppable Media 2025

