

# How eBay Ads grew its retail media network 35% with new ad types, improved measurement

Article

eBay recently posted **ad revenues of \$367 million** in Q2 2023—a growth of 35% YoY—in its latest earnings. But much of that can be tied to innovation in its ad types, improved

measurement capabilities, and expanded third-party ads. eBay's market also gives it a retail media opportunity outside of consumer packaged goods (CPG). Let's break down what eBay is doing right.

**Innovation:** eBay Ads boosted revenues through tech improvements.

- The platform's improved search ranking system provides better relevance and monetization, including looking at ad performance more holistically rather than at one specific ad. That means not focusing on return on ad spend in a bubble but also including **additional KPIs** like incrementality, said Alex Kazim, vice president and general manager of global advertising at eBay Ads.
- eBay also updated seller guidance for ad rates and listing standards. "A seller has to say, 'This is how much I'm willing to pay for a particular sale.' And we provide what we call a suggested ad rate," said Kazim.
- Through promoted **display ads**, eBay is also pushing buyers to store pages rather than specific listings. "It's the first product we have that actually helps drive traffic to a seller store, not specifically a seller's item," said Kazim.

**Measurement:** eBay ads also introduced a form of **halo attribution**, where the company takes credit for ads that drive a purchase of a seller's promoted items, even if it's not the item a user clicked.

"We think [this] gives the sellers a much clearer view of the value of the advertising and the return they're actually getting on it," said Kazim.

**Market:** "We don't focus on CPG, and so we have a kind of a different advertiser base. We do have large brands who sell directly on the site, and for them, this is **performance marketing** and direct response," Kazim said.

eBay Ads has found the most **retail media success** with parts and accessories, fashion, home, garden, and electronics.

**Third-party sites:** eBay Ads purchases placements on behalf of sellers as part of its overall transaction feed, with ad placements currently on **Google and expanding to Bing**. This helps sellers drive traffic from outside of eBay, Kazim said.