

Retail media goes beyond direct response

Article

Retail media has revolutionized the search ad market, where most of the focus still is. But display and video ads that target consumers higher in the funnel are becoming a more important part of the mix, and technological innovation is ushering in new ad products that bring together the best of branding and the best of performance marketing.

As we've previously discussed, among **Amazon's various query-targeted**, cost-per-click-based ad products, Sponsored Product ads (for a single product listing) have recently been losing share to Sponsored Brand ads (featuring a brand logo, custom headline, and multiple product

listings), which are a bit higher in the funnel. And within Sponsored Brands, ads with video have taken off over the past couple of years.

But Sponsored Brands Video ads are just a few short steps up the funnel from Sponsored Product search results. Other video ad formats, such as those appearing against video content on Amazon properties like Twitch or IMDb TV, provide a more TV-commercial-like branding experience while being targeted with the rich shopping data Amazon owns. The company's Interactive Advertising Bureau (IAB) Newfronts presentation this year highlighted new shoppable video formats that allow viewers to add to cart, buy now, and so forth, by using their voice or an Amazon Fire TV remote to interact with the ads.

There are other ways to use retailer data to buy video ads in a TV-like experience, for example by taking advantage of Kroger's data partnership with Roku. Earlier this year, Walmart announced a partnership with The Trade Desk, the largest independent DSP, to create Walmart DSP. The new platform, which goes live in October 2021, will use The Trade Desk's technology plus Walmart's data to allow advertisers to purchase ads on and off Walmart properties. Given The Trade Desk's strong focus on CTV, we expect advertisers to look to Walmart DSP to help them target TV screen ads with Walmart's shopper data.