

Performance-driven ad formats dominate Latin American retail media markets

Article



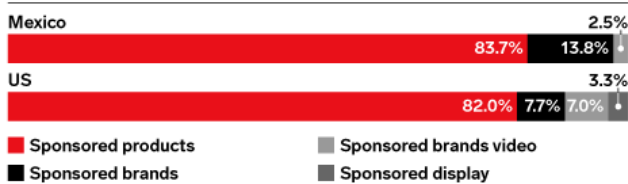
In Latin America, ad buys on ecommerce channels consist of lower-funnel actions like sponsored product ads. Although brands are shifting spending to more upper-funnel formats,

such as sponsored display and video, these performance-driven formats will remain the cornerstone of marketers' retail media strategies in the near term.

This was especially true in Mexico, where **more than 80%** of all ad buys on **Amazon's** official country site were for its sponsored ad format, according to client activity tracked by DataHawk in Q4 2021. Sponsored video and other ad buys paled in comparison.

Digital Ad Spending Share on Amazon Ads* Among Companies in Mexico vs. the US, by Format, Q4 2021

% of total



Note: represents client activity among n=39 accounts in Mexico and n=1,305 accounts in the US tracked by DataHawk during Q4 2021, broader industry metrics may vary; *on www.amazon.com.mx in Mexico and www.amazon.com in the US
Source: DataHawk, Feb 15, 2022

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Businesses' overwhelming reliance on sponsored product ads is not surprising, given that it was one of the first ad formats Amazon launched in Mexico back in October 2018. However, DataHawk found that format allocations differed depending on the size of each company's monthly budget for Amazon ads:

- Those that spent **over \$100,000** per month employed a much more sophisticated mix of ad formats to reach consumers on Amazon.
- Conversely, those that spent less, or that had much smaller budgets to work with, tended to stick with one or two advertising solutions—most notably, sponsored product ads.

Advertisers also made “similar” allocations on **Mercado Libre**, Rubio said. “Mercado Libre is one of the **most-used product search engines** in Latin America,” and ad formats, like product ads, “allow brands and sellers to increase their visibility, exposure, and boost sales on the digital shelf.”

Since sponsored product ads are also seamlessly integrated into retailers' UX, “there is tremendous opportunity to increase the number of product ad placements on their digital properties without negatively affecting, or disrupting, the customer experience for shoppers,” said Grégoire Flatin, head of retail media solutions at RelevanC.

Read the full report.

Report by Matteo Ceurvels Apr 15, 2022

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