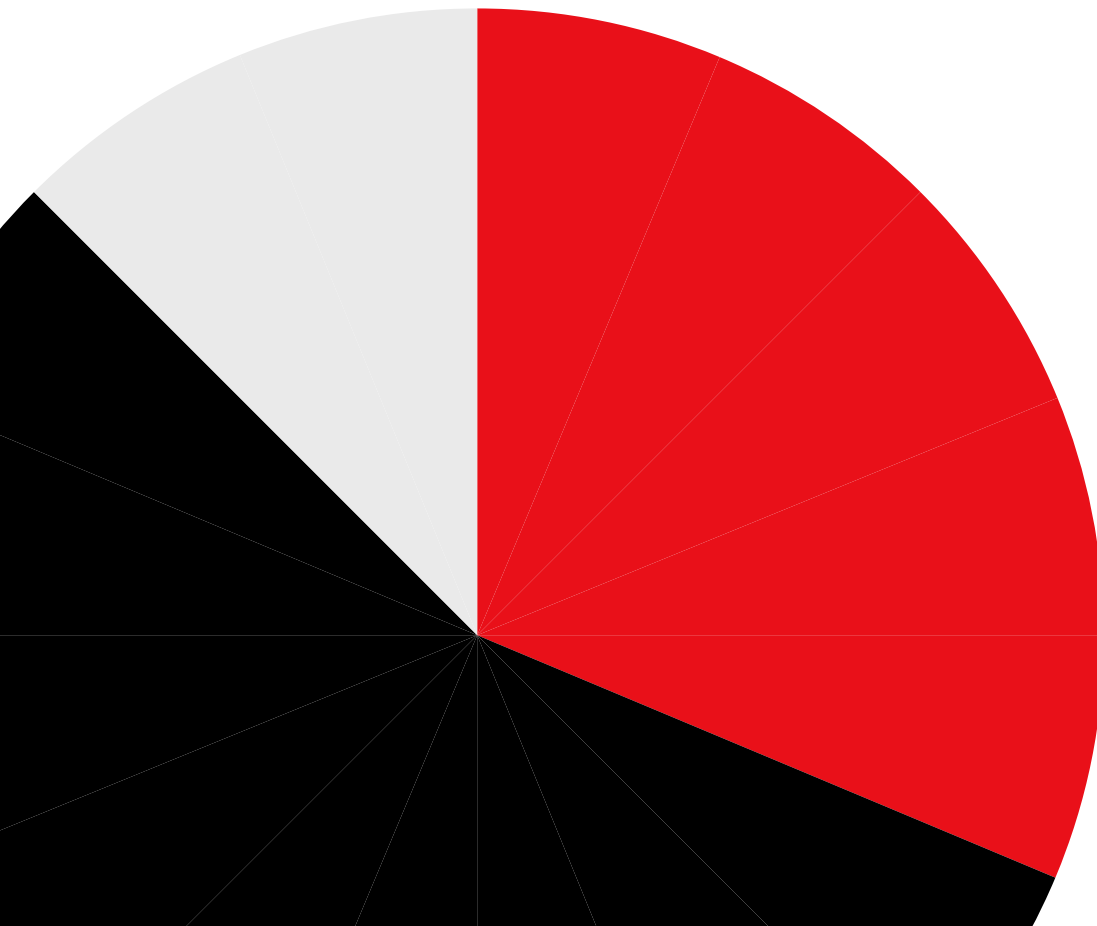


Retail Media Advertising

More Retailers, More Advertisers, More Shopping

Retailers have vast amounts of customer data that's highly valuable to advertisers, since that data can help target ads based on a shopper's likelihood to make a purchase and measure results in a closed loop. This eMarketer Report provides an overview of the fast-growing retail media advertising opportunity and key retailers driving the market.



presented by

inMOBI
Driving Real Connections

Dear eMarketer Reader,

eMarketer is pleased to make this report, **Retail Media Advertising: More Retailers, More Advertisers, More Shopping**, available to our readers.

This report features eMarketer data and insights, and provides an overview of the fast-growing retail media advertising opportunity and key retailers driving the market.

We invite you to learn more about [eMarketer's approach to research](#) and why we are considered the industry standard by the world's leading brands, media companies, and agencies.

We thank you for your interest in our report and **InMobi** for making it possible to offer it to you today.

Best Regards,

Nancy Taffera-Santos

Nancy Taffera-Santos
SVP, Media Solutions & Strategy, eMarketer

Retail Media Advertising 2021: More Retailers, More Advertisers, More Shopping

Retailers have vast amounts of customer data that's highly valuable to advertisers, since that data can help target ads based on a shopper's likelihood to make a purchase and measure results in a closed loop. We expect advertisers to continue increasing their investments in retail media to access these benefits.

How big is retail media advertising in the US?

Our latest forecast for ecommerce channel advertising—a close proxy for retail media advertising—projects that spending will increase by 27.8% year over year to reach \$23.92 billion in 2021. Expect this forecast to be revised upward in the fall as a result of Amazon and Walmart posting much higher growth for their respective ad businesses in recent earnings reports.

What's driving the trend of retailers getting into the digital advertising business?

Brand dollars are gravitating toward retailers for their valuable first-party consumer purchase data, ability to target ads close to the point of purchase, and closed-loop measurement capabilities. Retailers are motivated to enter the digital ad business because this incremental revenue stream comes with attractive margins.

Which retailers are the biggest players in retail media?

Amazon dominates retail media, with an estimated 76.2% of US ecommerce channel ad spending in 2021. Digital marketplaces like eBay, Etsy, and Instacart have flourishing retail media businesses, while brick-and-mortar leaders like Walmart, Target, The Home Depot, Best Buy, Walgreens, and CVS are also advancing their efforts. Recent entrants include DoorDash, Gopuff, and Uber.

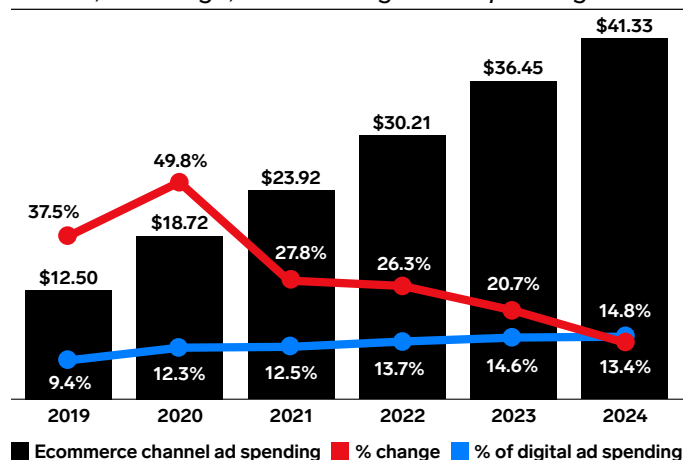
How is retail media advertising evolving?

Historically, retail media has been driven by bottom-funnel sponsored search ads on retailers' ecommerce websites. Recent emphasis on upper-funnel display and video ads, as well as the use of demand-side platforms (DSPs) to deliver ads across the open web, points to what's ahead.

WHAT'S IN THIS REPORT? This report provides an overview of the fast-growing retail media advertising opportunity and key retailers driving the market.

US Ecommerce Channel Ad Spending, 2019-2024

billions, % change, and % of digital ad spending



Note: digital advertising that appears on websites or apps that are primarily engaged in retail ecommerce; examples include advertising on Amazon, Walmart, and eBay; excludes advertising on social networks or search engines
Source: eMarketer, March 2021

264881

eMarketer | InsiderIntelligence.com

KEY STAT: After almost 50% growth in ecommerce channel ad spending during 2020, advertisers will increase those allocations by another 27.8% this year. One in 8 digital ad dollars will go to advertising on ecommerce properties.

Contents

- 3 Retail Media Advertising 2021: More Retailers, More Advertisers, More Shopping
- 4 Understanding the Retail Media Opportunity
- 7 Retail Media Is Changing—and Changing Advertising
- 9 Acting on the Opportunities
- 10 Key Takeaways
- 13 Insider Intelligence Interviews
- 14 Editorial and Production Contributors

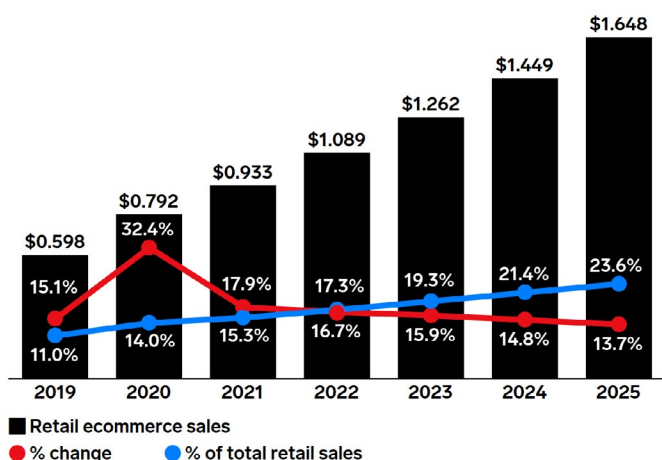
Understanding the Retail Media Opportunity

The purpose of advertising is ultimately to drive sales. Retail media allows advertisers to do that by placing messages either directly on retailers' properties—where people are shopping—or elsewhere using retailers' proprietary data.

Digital Retail Sales and Audiences Are Significant

The pandemic boosted the potential influence of digital retail media by increasing the proportion of retail sales transacted online. We estimate that the share of US retail sales that occur online has jumped by an unprecedented amount, from 11.0% in 2019 to 14.0% last year, and that it will keep rising by more than 1 percentage point annually through the end of our forecast period in 2025.

Retail Ecommerce Sales in the US, 2019-2025
trillions, % change, and % of total retail sales



Note: 2019-2025 CAGR=18.4%; includes products or services ordered using the internet, regardless of the method of payment or fulfillment; excludes travel and event tickets, payments such as bill pay, taxes, or money transfers, food services and drinking place sales, gambling, and other vice goods sales
Source: eMarketer, May 2021

T11666

eMarketer | InsiderIntelligence.com

Digital retail media can influence offline purchases as well—especially with the rise of digitally transacted ads that have a physical presence, like in-store video advertising. We estimate that total retail sales in the US will rise by 7.9% this year to more than \$6 trillion.

Digital retailers have significant audiences—and accordingly, significant stores of audience data.

- eMarketer estimates that 92.6% of US internet users ages 14 and older, or 84.0% of the US population in that age range, will browse, research or compare products digitally via any device at least once this year, making them digital shoppers.
- Almost 9 in 10 of these digital shoppers will make one or more purchases via a digital channel this year. That translates to 209.6 million digital buyers in the US, or 75.5% of the overall population ages 14 and older. (That's greater than the share of the population that will use social networks at least once per month.)
- Amazon Prime alone has an audience of more than half the US adult population, per our estimates. This year, 151.9 million adults in the US—or 58.2% of the population ages 18 and over—will have an Amazon Prime account and sign in to it at least once. Amazon's audience is even larger when we include its shoppers and buyers who don't have a Prime membership.
- 2021 will be the first year in which a majority of US consumers buy groceries via digital channels. We forecast that 142.9 million people ages 14 and older will make at least one digital grocery order this year, which comes out to 51.5% of the population in that age range. Last year brought huge growth to this audience, but it didn't quite crack 50%.

Retail properties are critical to getting ads in front of audiences when they're showing intent to purchase. For several years, consumer surveys have found that shoppers start their product searches on Amazon or other retailer sites more often than they do on general search engines like Google.

- In August 2020, ecommerce cloud software provider ChannelAdvisor and Dynata found that 77% of US adults surveyed started their product search on a retailer site or marketplace before making a digital purchase.

Digital Channels Where US Adults Begin Their Product Search When Digitally Purchasing Products, Aug 2020

% of respondents



Note: *eBay, Walmart, Target, Newegg, etc.

Source: ChannelAdvisor as cited in company blog conducted by Dynata, Oct 9, 2020

260280

eMarketer | InsiderIntelligence.com

See our November 2020 report “[Search Marketing 2020: Pandemic Promises Short-Term Pain but Long-Term Gain](#)” for more on how and where consumers search for products.

The Retailers-as-Publishers Landscape

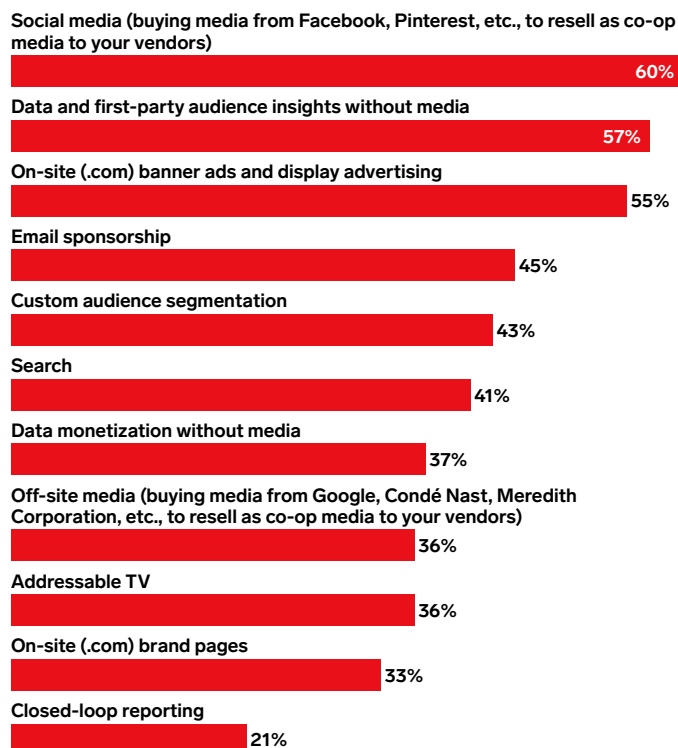
The overall structure of the retail media market is similar to that of other performance channels like traditional search or social media advertising. In some cases, companies that started in those other areas have branched out to serve clients interested in retail media. The difference is that the publishers or platforms in this case are typically retailers or retail marketplaces, rather than media companies like Google and Facebook.

Key constituencies in the retail media landscape include:

- **Retailers.** Most retail media ads are served on retail properties—this is the subcategory of digital ads we call “ecommerce channel advertising.” In other retail media setups, retailers provide data to execute programmatic buys elsewhere on the web, including on social media platforms and more traditional publisher sites.

Types of Solutions that US Retail Marketers Offer in Their Retail Media Networks, Aug 2020

% of respondents



Note: among those who have monetization programs

Source: Merkle, “The Growth of eRetail,” Nov 4, 2020

265536

eMarketer | InsiderIntelligence.com

- **Sell-side tech partners.** While the largest retailers have built retail media businesses in-house, others have partnered with firms such as CitrusAd (now owned by Publicis Groupe), Criteo, Google, and Inmar to enter the space. The sell-side partner role here is similar to that of a supply-side platform (SSP) in the “traditional” programmatic display world, and some traditional SSPs are also engaging in these opportunities due to the growing interest in retail media in recent years.
- **Buy-side tech partners and agencies.** Larger advertisers have long relied on a tech partner, agency, or both to help them execute retail media buys more efficiently, especially as it’s become more common to buy across multiple platforms. The focus for tech vendors is on helping advertisers to buy, measure, and optimize in more sophisticated ways than is possible with a given platform’s native tools, as well as to enable this optimization and reporting across multiple platforms.

- **Advertisers.** These include both endemic and non-endemic brands, and they can vary significantly depending on the retailer in question. Retail media is particularly important for consumer packaged goods (CPG) advertisers, which have long relied on retailers to mediate their relationship with customers. We expect more brands of all types to increase their attention on retail media as other sources of customer data become less accessible.

The most important retailers selling retail media include:

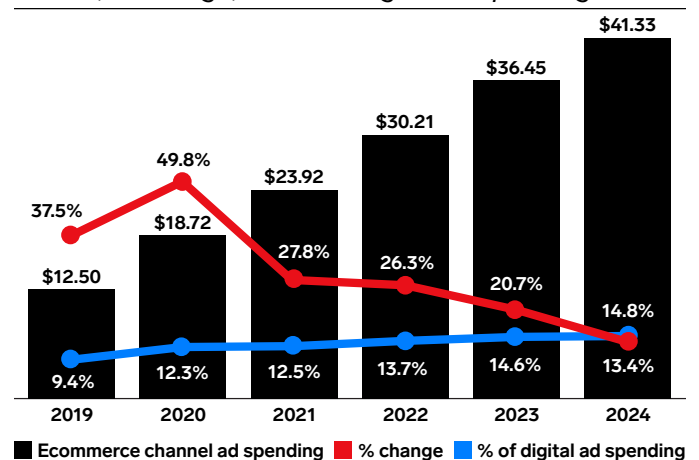
- **Amazon**, which boasts its own DSP and SSP, nets about three-quarters of US ecommerce channel ad spending. Both Amazon's DSP and SSP are considered to be among the top five in the programmatic display industry, according to surveys of US agencies, brands, and publishers conducted by Advertiser Perceptions in the past year.
- **Walmart**, which holds a distant second place in ecommerce channel advertising, more than doubled its net US ad revenues last year to just over \$1 billion and captured 5.4% of ecommerce channel ad spending.
- **eBay**, which will bring in about 2% of US ecommerce channel ad revenues this year, also saw significant growth in that category last year, at 52.9%. We expect its net US ad revenues to exceed \$525 million this year.
- **The Kroger Co.**, along with its data-driven advertising arm, Kroger Precision Marketing, has been key to many CPG marketers for years, and the rise of digital grocery shopping during the pandemic emphasized its importance.
- **Instacart**, among the buzziest of the digital grocery shopping options during the pandemic, has also caught the eye of advertisers. Instacart made big hires this year that suggest it will be focusing on the ad business as it continues to grow: new CEO Fidji Simo, who previously led Facebook's main "blue" app, and president Carolyn Everson, who previously managed Facebook's relationships with its biggest advertisers.

To find out which retailers three of the analysts who worked on this report are most excited about, listen to [this August 2021 episode](#) of our podcast "The Ad Platform."

Retail Media Grabs 1 in 8 Digital Ad Dollars

Last year, advertisers increased their spending on retail media by nearly 50% year over year (YoY) in the US. In March 2021, we forecast that ad spending in the ecommerce channel—a close proxy for digital retail media—would grow by 27.8% YoY to reach \$23.92 billion in 2021, or 1 in 8 digital ad dollars. Given the massive growth rates for the respective ad businesses of Amazon (up 87% YoY) and Walmart (up 95% YoY) in their most recent quarterly earnings, this forecast will see a significant upward revision when we update it later this year.

US Ecommerce Channel Ad Spending, 2019-2024
billions, % change, and % of digital ad spending



Note: digital advertising that appears on websites or apps that are primarily engaged in retail ecommerce; examples include advertising on Amazon, Walmart, and eBay; excludes advertising on social networks or search engines
Source: eMarketer, March 2021

264881

eMarketer | InsiderIntelligence.com

To some extent, ecommerce channel ad spending has become a cost of doing business for brands selling on these platforms. Take Amazon, for example: With fierce competition for ad slots, and with high ad loads on search results pages, it can be hard (or impossible) for a brand to be seen without paying. Even on platforms with lower ad loads and a higher share of organic search results, conquering is often a danger. A brand may have an organic result on the first page, but if competitors are bidding on its name or most common search terms, it most likely will want to do so as well.

For advertisers, increased spending—along with increased complexity in the market—is making it more important than ever to use technology, and potentially expert partners, to ensure they are allocating dollars as efficiently as possible.

Retail Media Is Changing—and Changing Advertising

Digital retail media is itself a disruptor—of traditional forms of retail marketing, like shopper marketing, as well as of traditional forms of digital media, like search. For example, it's been Amazon, not another general search engine, that has chipped away at Google's share of the search advertising market in the US.

Net Search Ad Revenue Share in the US, by Company, 2019-2023

% of total search ad spending

	2019	2020	2021	2022	2023
Google	61.3%	57.0%	56.8%	54.8%	53.3%
Amazon	13.3%	18.6%	19.0%	21.1%	22.6%
Microsoft	6.6%	5.6%	5.3%	5.0%	4.6%
Verizon Media	1.9%	1.5%	1.3%	1.2%	1.1%
Yelp	1.7%	1.3%	1.2%	1.2%	1.1%
Walmart	0.3%	0.8%	1.1%	1.5%	1.9%
IAC	1.0%	0.7%	0.6%	0.6%	0.5%
Other	14.1%	15.1%	15.8%	16.2%	16.8%

Note: includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets, and other internet-connected devices; includes contextual text links, paid inclusion, paid listings (paid search), and SEO; net ad revenues after companies pay traffic acquisition costs (TAC) to partner sites; numbers may not add up to 100% due to rounding

Source: eMarketer, March 2021

T11360

eMarketer | InsiderIntelligence.com

As more retailers and brands get involved, we expect retail media to continue its disruption of the advertising space, for reasons including the following:

- **Third-party data deprecation**—such as the demise of third-party cookies in Chrome, Apple's AppTrackingTransparency framework, and the increase in government regulation of consumer data collection and processing—will make retail media more attractive than other forms of advertising and marketing. Retailers will continue to collect and use first-party data with high commercial value about their own customers.
- **The rise of connected TV (CTV) and decline of linear TV** mean advertisers will purchase more upper-funnel advertising and use data to target, measure, and optimize buys. A major driver of that is the increase in the programmatic accessibility of CTV inventory, some of which is owned and operated directly by Amazon. Retailers will also make their data available for targeting and measurement of TV advertising, including through partnerships with other streaming video companies. Roku and Kroger announced such a deal in June 2020, for example.

Retail media also faces its own disruptions, including these:

- **The landscape is becoming crowded.** More retailers are getting involved. So are more brands. That means more competition for ad space at any given retailer, and more retailers to consider when spreading budget around. And prices keep rising.
- **Retail media is moving up the funnel.** Traditionally, the focus has been on search ads, the absolute bottom of the purchase funnel. Search still accounts for the lion's share of ecommerce channel ad spending, but display—and its video subcategory, in particular—is becoming more important.
- **Retail media isn't immune to consumer privacy and data protection concerns.** The regulatory and technical changes in progress and to come will have an effect here, too—it's just that the impact will likely be less severe than in other channels.
- **Consumers may tire of retail media ads.** So far, consumers have been relatively open to this type of advertising, perhaps because they often don't realize that it's advertising at all. But with ad loads high and likely rising, that could change.

Every Retailer Jumps on Board

Perhaps because it seemed niche and unusual at the time, Amazon's ad business flew under the radar of many in the digital media industry until 2018, when the ecommerce giant became the No. 3 digital ad seller in the US. Retailers took notice—especially of the fact that advertising was becoming nearly as important to Amazon's profits as its cloud computing business, Amazon Web Services (AWS). In the years since, more retailers have either launched new retail media businesses or invested more in existing ones.

Those retailers include Walmart, which brought its ad business (now called "Walmart Connect") in-house and worked to build out its offering significantly. They also include a host of smaller and more specialized retailers, marketplaces, and delivery services, such as Best Buy, CVS, Dollar Tree, DoorDash, Gopuff, Instacart, Target, The Home Depot, Uber, and Walgreens.

This means advertisers have to make more decisions about which platforms to advertise on—and how many. One approach is for brands to advertise anywhere they're selling their products. Most experts we spoke with for this report recommended that brands, at the very least, test ads on any retail platform where they sell goods and ultimately focus on those with the greatest bang for buck. A possible hitch is that platforms can share results differently from each other, such as with different attribution windows. Advertisers can seek out tech solutions that make it easier to compare results across platforms.

What the retail media boom doesn't necessarily mean is that the current market leaders will lose share. In fact, we expect Amazon to continue growing its share of ecommerce channel ad spending (if slightly) through the end of our forecast period in 2023.

As more retailers offer ads, more brands are realizing that these ads can provide them a positive return on investment. Plus, the rise of ecommerce over the course of the pandemic has made digital sales more important to more brands. Together, these factors heat up advertiser competition for retail media ads—and these ads are typically sold via auction, which means rising prices.

That's not a new trend; the prices of Amazon ads have been rising for a while, including both Sponsored Product and Sponsored Brand search-type ads. In turn, this has pushed down ROI over time, though it's still positive. We typically don't see prices drop except when supply chain problems result in significant out-of-stocks for brands and sellers on marketplaces—in other words, when they have no goods to advertise.

For more on Amazon's rising ad prices, read our ongoing coverage:

- [“Amazon ad prices are on the rise,” June 2021](#)
 - [“The pandemic may be slowing, but Amazon's ad business isn't,” April 2021](#)
 - [“Prices for Amazon Sponsored Product ads continue to climb,” February 2020](#)
-

Retail Media Goes Beyond Direct Response

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.

In our November 2020 report [“Amazon Advertising 2020: Pandemic Trends Push the No. 3 US Digital Ad Seller Forward,”](#) we discussed how, 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.

Data Privacy and Protection Are Still a Factor

Retailers are in a relatively good position when it comes to the identity crisis and the overall deprecation of third-party data. Retailers have logged-in users, and they have clear reasons for obtaining personal information from consumers (for example, so they can charge for and ship goods). And they own this data themselves and can use it to help brands reach shoppers for a win-win result.

But retailers also have an obligation to protect that data and keep it secure, which means they aren't typically interested in revealing it to brands directly, and certainly not at a granular level. In a growing number of jurisdictions, they also have to gain consent to process shopper data for advertising purposes. In July, Amazon was fined a record \$887 million by regulators in Luxembourg for violations of the EU's General Data Protection Regulation (GDPR) relating to that very issue. Amazon disputes the decision and plans to appeal.

Further, as we've discussed, retail media consists of more than just ads on retail properties. The two largest players—Amazon and Walmart—either have or will have a DSP, and many other popular offerings such as Kroger's include ad buys not just on other websites, but also within social platforms. In every case, some type of identity matching is involved when using the retailer's data to find people elsewhere on the internet. Digiday reported in June that Amazon was working on a new identifier for use in these circumstances.

Consumer Attitudes May Shift

Internet users don't love digital ads, but they don't hate all formats equally. Consumer surveys have found it's interruptive ads that frustrate users most: ads that take over the screen, prevent users from reading text, or force them to wait before a video plays, for example. By contrast, they've been pretty open to "native" ad formats, where the ad fits in with the content on the page—especially if the message is somewhat relevant or useful.

The latter category is where retail media ads have fallen so far. In prior years, we've found that US Amazon buyers relatively rarely said they notice ads on the site, even after being exposed to significant ad loads in search results. When they did notice ads, they were more likely to characterize these ads as useful, helpful, or aligned with their shopping habits than as distracting or untrustworthy.

In research from August 2020 by performance agency Tinuiti, most US Prime members ages 18 and older said they had not had a negative experience with ads on Amazon. Across most demographics, survey respondents were at least as likely to report poor experiences with product quality as with ads.

Reported Negative Amazon Experiences with Ads vs. Product Quality Among US Amazon Prime Members, by Demographic, Aug 2020
% of respondents in each group

	Ads	Product quality
Gender		
Male super spenders*	21%	21%
Female super spenders*	11%	20%
Age		
Gen Z (18-23)	25%	20%
Millennials (24-39)	19%	19%
Gen X (40-55)	11%	22%
Baby boomers (56-74)	10%	14%
Seniors (75+)	11%	9%

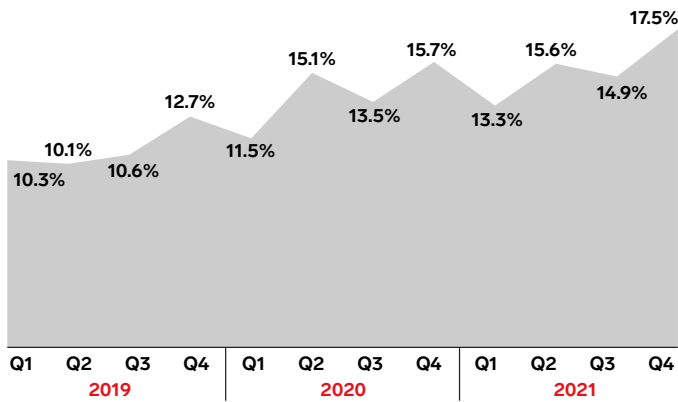
Note: *who spend \$100+ a month on Amazon.com
Source: Tinuiti, "The State of Amazon Prime in 2021" conducted by Survata, Oct 15, 2020
259883 eMarketer | InsiderIntelligence.com

For more on the types of ad experiences consumers do and don't appreciate, see our July 2021 report "[Consumer Attitudes Toward Digital Advertising 2021: Reaching the Concerned and Ad-Avoidant User.](#)"

Acting on the Opportunities

Ecommerce's rising share of retail sales makes it hard for advertisers to ignore the growing opportunity in retail media advertising. But other trends mean non-endemic brands will also take a harder look at the channel.

Retail Ecommerce Sales as a Percent of Total Retail Sales in the US, Q1 2019-Q4 2021



Note: includes products or services ordered using the internet, regardless of the method of payment or fulfillment; excludes travel and event tickets, payments such as bill pay, taxes, or money transfers, food services and drinking place sales, gambling, and other vice goods sales

Source: US Department of Commerce, Q4 2020; eMarketer, May 2021

266603

eMarketer | InsiderIntelligence.com

- **Endemic brands.** For brands that sell goods through retailers, the natural starting point for retail media investment is with existing retail partners. These brands should explore existing offerings, with an eye to the importance of each sales channel. Be ready to run tests as retailers launch new ad platforms, formats, and targeting options.

Even in a less complex retail media world, the prospect of joining advertising with merchandising meant that advertisers needed specialized software and agencies to get the most out of retail media ads. Now, with more retail platforms involved and more ad options available than ever, tools and expert help are in even greater demand and can provide significant benefits.

Brands active in retail media should also prepare to use more data clean rooms and other secure second-party data insights tools if they aren't doing so already. The insights that a data clean room can provide on even a single retailer can be more valuable than what brands would otherwise have access to. These tools can help brands see how much of their audience was reached, for example, or which brand-built audience segments responded best to a particular ad. Such insights will be critical to understanding the overall ROI of retail media and how to optimize allocations across retailers and formats, which requires more than just last-touch attribution.

- **Non-endemic brands.** Brands that don't sell through retailers might not see the obvious benefits of advertising directly in a retail environment. Given the value of retailers' consumer data, there's a place here for these brands, too, like financial services firms, automakers, and more. Heavy buyers of baby gear, for example, could be attractive audiences for life insurance and SUV brands.

Many of these types of advertisers have already realized they could find their audiences on retailers' platforms, and some have been doing so for years. As more third-party data is deprecated, and as identifying and tracking users becomes more difficult, retail media will look like an increasingly attractive option.

Key Takeaways

- **Retail media is the next big wave in digital advertising.** Ecommerce channel advertising will be among the fastest-growing segments of digital advertising, accounting for 1 in 8 digital ad dollars this year. Amid the decline of cookies and other third-party identifiers for digital ad targeting, retail media offers a compelling alternative. Retailers' wealth of first-party shopper data for targeting and closed-loop measurement is attracting increasing investment from brands.
- **Amazon's retail media dominance will persist, but other retailers now boast formidable offerings as well.** Amazon will own a commanding 76.2% of US ecommerce channel ad spending this year and ranks as the No. 3 player in the digital ad market overall. While the ecommerce giant's digital ad business is only getting stronger, retailers including Walmart, Instacart, and eBay have built—or are well on their way to building—billion-dollar ad businesses of their own.
- **Retail media's disruption of digital advertising will extend beyond search and into new areas.** Long dominated by sponsored search ads, retail media is now moving up the funnel, as retailers push more display and video ad formats on their platforms. In addition to powering off-site ads through DSP offerings, retail media will also play a bigger role in CTV and in-store digital media experiences in the years ahead. As retail media advertising moves beyond the ecommerce channel, expect it to attract the attention of non-endemic brands.

Disrupting retail media with video

This article was contributed and sponsored by [InMobi](#).



Inder Singh
SVP of Commerce,
InMobi

Retail ecommerce sales have been on a steady rise, and the pandemic accelerated this trend with double-digit sales growth from 2019 to 2020. Now, as savvy retailers look to capitalize on the \$100 billion dollar opportunity that is retail media, they will be looking towards the next challenge on the horizon: keeping shoppers engaged.

Consumer shopping preferences continue to evolve, and so do the tools marketers have to reach and engage those shoppers. But, as more retail media networks emerge and consumer screen time increases, so will the number of ads shoppers are exposed to every day. Marketers will need to leverage ad units that tell a story and capture consumer attention—that's how video is going to disrupt retail media.

Here are three ways video will impact and disrupt retail media:



Videos increase engagement

On a retailer's ecommerce site, consumers are flooded with product options. In these situations, a static advertisement isn't going to cut through the clutter. In a recent study, InMobi found that the average clickthrough rate for video ads is [7.5 times higher](#) than display. Consumers also [spend more time on a website](#) that includes video, providing more opportunities for the retailer to influence incremental purchases along the consumer's digital shopping trip.



Videos educate shoppers

Communicating a product's value is difficult in a single image—this is why videos are such an effective ad medium. [According to Amazon](#), 66% of consumers prefer watching a product video as opposed to reading about the product. The right video not only captures shopper attention, but provides product education and purchase inspiration.



Videos impact purchase decisions

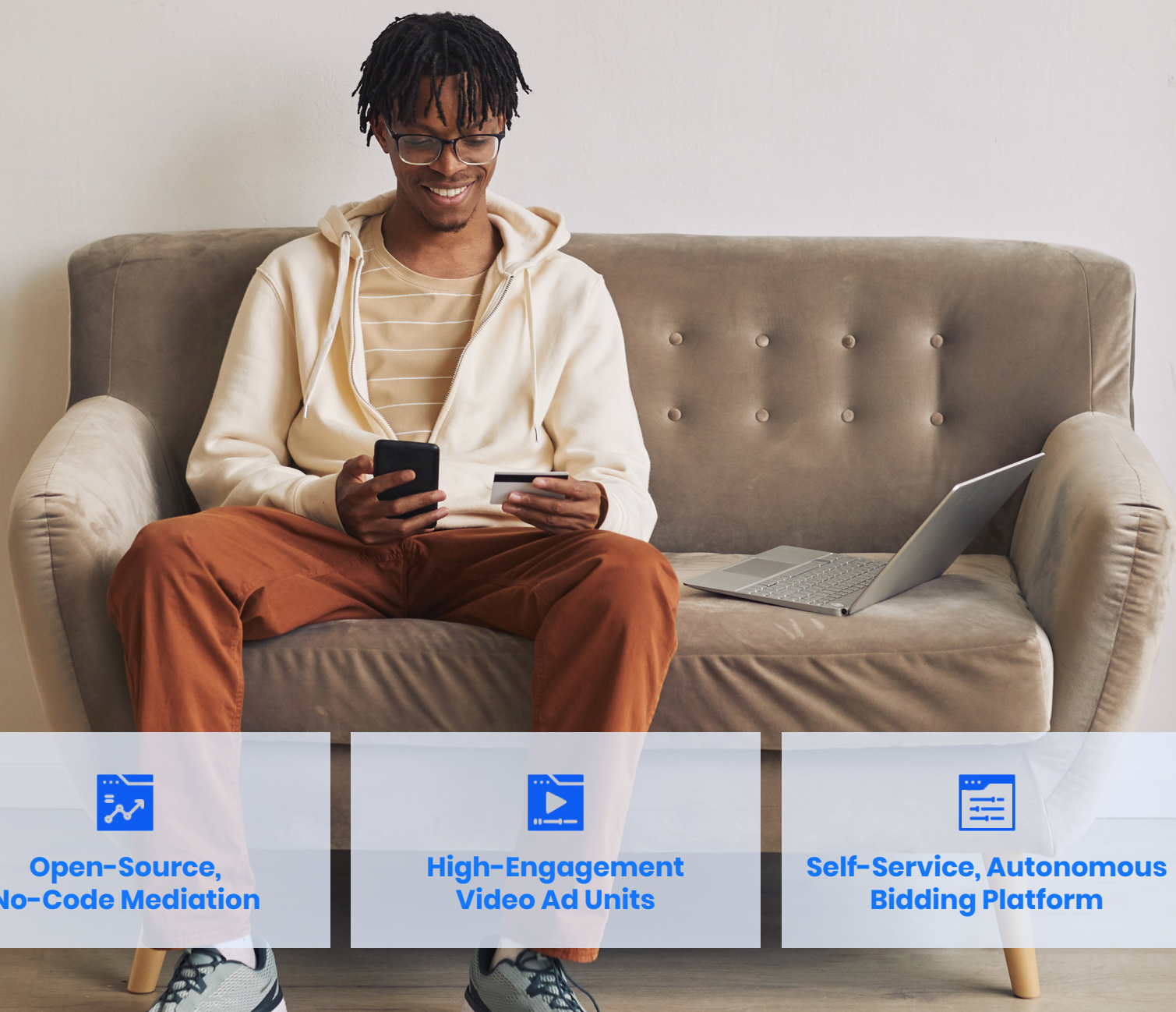
Perhaps most importantly to marketers, video ads are also extremely effective at increasing purchase intent. Unsurprisingly, because videos are able to hold customer attention and cut through advertising clutter, a shopper's positive experience with a video ad [increases their purchase intent by 97%](#) and brand association by 139%.

Are you looking to unlock incremental budgets from existing advertisers who are eager to influence consumer purchase decisions? [Click here](#) to find out how to enhance your media offerings to include high-impact ad units like shoppable videos and integrated influencer content.

The clickthrough rate for video ads is nearly eight times higher than the clickthrough rate for display ads, InMobi research shows.

The Retail Media Revolution is Here.

Activate your audience to deepen relationships with brands, diversify revenue, and increase sales.



**Open-Source,
No-Code Mediation**



**High-Engagement
Video Ad Units**



**Self-Service, Autonomous
Bidding Platform**

Transform your retail media experience today by visiting inmobi.com/retail-media

Insider Intelligence Interviews

Insider Intelligence and eMarketer research is based on the idea that multiple sources and a variety of perspectives lead to better analysis. Our interview outreach strategy for our reports is to target specific companies and roles within those companies in order to get a cross-section of businesses across sectors, size, and legacy. We also look to interview sources from diverse backgrounds in order to reflect a mix of experiences and perspectives that help strengthen our analysis. The people we interview for our reports are asked because their expertise helps to clarify, illustrate, or elaborate upon the data and assertions in a report.

Randy Browning

President

Night Market

Interviewed June 2, 2021

John Nardone

CEO

Flashtalking

Interviewed June 9, 2021

Melissa Burdick

Co-Founder and President

Pacvue

Interviewed June 8, 2021

Cara Pratt

Senior Vice President, Kroger Precision Marketing

84.51°

Interviewed May 17, 2021

Stan Coignard

Co-Founder and CEO, Americas

S4M

Interviewed May 27, 2021

Prerna Talreja

Managing Director, Digital Activation

Crossmedia

Interviewed May 20, 2021

Shareena Fontaine

Marketing Manager, US

S4M

Interviewed May 27, 2021

Lex Josephs

Vice President, Ad Sales and Ad Tech Partnerships

Walmart

Interviewed July 1, 2021

Julie Kenny

Managing Director

Crossmedia

Interviewed May 20, 2021

Geoffroy Martin

General Manager and Executive Vice President, Growth Portfolio

Criteo

Interviewed June 23, 2021

Editorial and Production Contributors

Anam Baig	Senior Report Editor
Rahul Chadha	Director, Report Editing
Jason Clinkscales	Senior Report Editor
Matthew Corkins	Copy Editor
Justin DeVoursney	Graphic Designer
Joanne DiCamillo	Senior Production Artist
Magenta Fox	Senior Chart Editor
Donte Gibson	Senior Chart Editor
Katie Hamblin	Director, Charts
Dana Hill	Director, Production
Erika Huber	Senior Copy Editor
Ann Marie Kerwin	Vice President, Content
Na Li	Senior Data Research Manager
Penelope Lin	Copy Editor
Reuben Loewy	Director, Report Editing
Jennifer Merritt	Executive Editor
Stephanie Meyer	Product Specialist
Heather Price	Senior Director, Managing Editor
Amanda Silvestri	Senior Copy Editor
Julia Woolever	Senior Report Editor
Ali Young	Copy Editor

Power your next move with clear and credible insights.



Stay informed with daily newsletters

Keep up with timely digital trends delivered straight to your inbox.

[Learn More](#)



Get the bigger picture

Our research is trusted by industry leaders. Over 100,000 business decision-makers, including many of the Fortune 1000, and most major media companies and agencies, subscribe to Insider Intelligence research.

Learn if your company [subscribes](#).



Learn more about retail and ecommerce trends

For more coverage, visit our [website](#).

Your account team is here to help.

Contact accounts@insiderintelligence.com or 1-866-345-3864 for answers to any research- and account-related questions.

To learn about advertising and sponsorship opportunities, contact advertising@insiderintelligence.com.