

# US Ecommerce Channel Ad Spending Will Jump Nearly 40% This Year to More than \$17 Billion

Amazon will drive roughly three-quarters of the market, but another retail giant continues to gain share

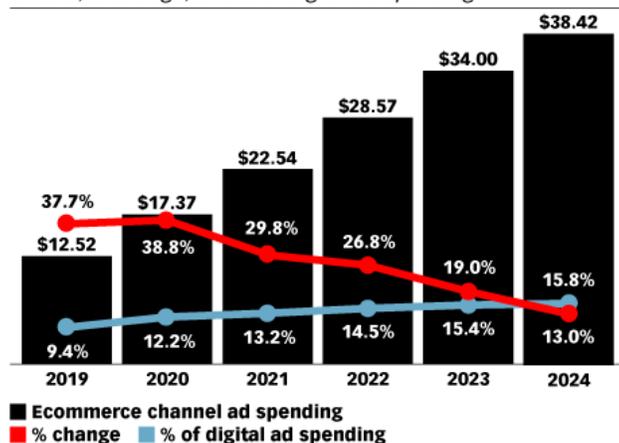
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### eMarketer Editors

**M**arketers will spend \$17.37 billion on advertising on ecommerce sites and apps this year, according to eMarketer's first-ever forecast of ecommerce channel ad spending.

Ad spending on ecommerce properties will be up 38.8% from 2019—an acceleration of spending growth, thanks to the pandemic. By the end of this year, ecommerce channel advertising will represent 12.2% of US digital ad spend.

**Ecommerce Channel Ad Spending in the US, 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, Oct 2020

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“Ecommerce channel ads are gaining popularity as brands realize the value of targeting prospects exhibiting purchase intent within the large ecommerce marketplaces,” said Andrew Lipsman, eMarketer principal analyst at Insider Intelligence. “The trend has only accelerated during the pandemic as ecommerce accounts for a higher percentage of most brands’ and retailers’ sales. While Amazon has already proven itself as an ad platform, the next wave of ecommerce power players is now making more aggressive moves in the space.”

Ecommerce channel advertising, sometimes known as retail media advertising, is digital advertising that appears on websites or apps that are primarily engaged in retail ecommerce.

“This type of advertising has benefited massively from the pandemic-accelerated shift of retail sales to ecommerce, but other disruptive forces in the digital media world are also driving more dollars to Amazon, Walmart, and their competitors in the space,” said eMarketer principal analyst at Insider Intelligence Nicole Perrin. “As advertisers look to a future where it’s harder to identify and track users, ecommerce properties have the advantages of shopping and intent data on the targeting side plus closed-loop attribution for measurement and optimization.”

Amazon is by far the largest platform. This year, the company will net \$13.18 billion in ecommerce channel ad revenues, up 39.1% from 2019. This represents 75.7% of overall ecommerce channel ad spending and 90.6% of Amazon's net US digital ad revenues. Amazon will continue to dominate the ecommerce advertising space, reaching nearly 77% of the market by 2022.

We also expect Walmart to grow its share of the market, in our first-ever forecast of Walmart's net digital ad revenues. Its ecommerce channel ad revenues will reach \$849.4 million this year, thanks to the highest year-over-year (YoY) growth among any company eMarketer breaks out, at 73.4%. Walmart will represent 4.9% of total US ecommerce channel ad spending. By 2022, its share will reach nearly 7%.

We expect two other market leaders to maintain their share over the next few years as the overall market grows rapidly:

- eBay's ecommerce channel ad revenues will reach \$328.3 million this year, up 30.3% YoY.
- Etsy's ecommerce channel ad spending is on track to bring in \$133.2 million, up 69.8% YoY.