



 PACVUE

Q2 2024 Retail Media Benchmark Report

- Amazon Ads
- Walmart Connect
- Instacart Ads
- Category Highlights

Explore Pacvue's comprehensive Q2 2024 Retail Media Benchmark Report, offering a detailed analysis of advertising and eCommerce trends across Amazon, Walmart, and Instacart, alongside insights into major product categories. Gain valuable industry expert perspectives on the evolving landscape of retail media in the United States and the biggest European markets. With in-depth data and benchmarks provided, this report equips you with the necessary tools to evaluate your performance and gain insight into the latest industry trends.

About the Report

Q2 2024 REPORT

Q2 Key Findings

- Amazon Sponsored Brands US average daily spend up 22.6% YoY
- Amazon Sponsored Brands European conversion rate up 29.1% YoY
- Walmart Sponsored Products CPC up 21.8% YoY
- Walmart Sponsored Products average daily spend up 23.2% YoY
- Instacart's average daily spend up 12.8% YoY

This report provides an expansive overview of advertising data spanning the last five quarters on a broad scale. Drawing on insights gathered from thousands of advertisers representing diverse brand sizes and product categories such as Pet Food and Supplies, Beauty and Personal Care, and Electronics, it stands out as one of the most comprehensive reports available in the industry.

How we Measure

<u>2</u>	Introduction
<u>4</u>	Executive Summary
<u>6</u>	Amazon Ads U.S. Benchmarks
	• New at Amazon
<u>13</u>	Amazon Ads Europe Benchmarks
	• European Market Highlights
<u>20</u>	Walmart Connect Benchmarks
	• New at Walmart Connect
<u>27</u>	Instacart Ads Benchmarks
	• New at Instacart Ads
<u>33</u>	Category Data
	• Pet Supplies
	• Beauty & Personal Care
	• Electronics
<u>44</u>	Looking Ahead
<u>45</u>	Conclusion
<u>46</u>	About Us

Table of

Q2 2024 REPORT

Contents

Dear Readers,

When we published last quarter's retail media benchmark report, we saw the adoption of AI by retailers and brands and anticipated that the trend would only continue. We also noted the innovation across the retail media landscape as retailers diversified their offerings for advertisers.

Since the start of the year, AI has started to make a big difference in ROI for commerce media advertisers: [Amazon recently reported](#) that advertisers using the company's Image Generator saw 20% higher campaign submissions and nearly a 5% increase in Gross Merchandise Sales.

In June, Pacvue announced the next iteration of our AI innovation, with several cutting-edge AI solutions across our product suite to enable small and large brands alike to improve efficiencies and execute campaigns faster, including:

- **Pacvue Copilot:** An eCommerce companion that provides real-time analysis and simplifies reporting and workflows by allowing advertisers to use natural language prompts to pull insights and gain intelligent recommendations based on campaign goals.
- **Pacvue Gen AI:** A solution that allows advertisers to generate item listings and enable product image generation for effortless creation, customization,

and fine-tuning of high-quality, brand-aligned creative.

- **Pacvue AI Review:** An AI-powered competitive research tool that shows how a product ranks against the competition, making it easy to understand positive and negative sentiment for any product and to identify customer trends for similar products ahead of activation.
- **Pacvue AI Insights:** A measurement and reporting tool that helps generate insights from retailer data. Query data from Amazon Marketing Cloud (AMC) and receive intelligent guidance on recommended actions to increase performance without the need for manual analysis.

What we've seen so far this year is that AI has enabled businesses of every size to achieve a new level of scale and speed. This is good news, considering how many new kinds of retail networks and ad formats have emerged. More innovation means more opportunity - as long as advertisers know where to look and how to adapt.

This edition of Pacvue's Retail Media Benchmark Report will help advertisers understand this ever-evolving landscape: first, we'll cover the key developments across commerce media and AI for three key retailers: Amazon, Walmart, and Instacart.

A letter from our President



Melissa Burdick | Pacvue President & Co-Founder

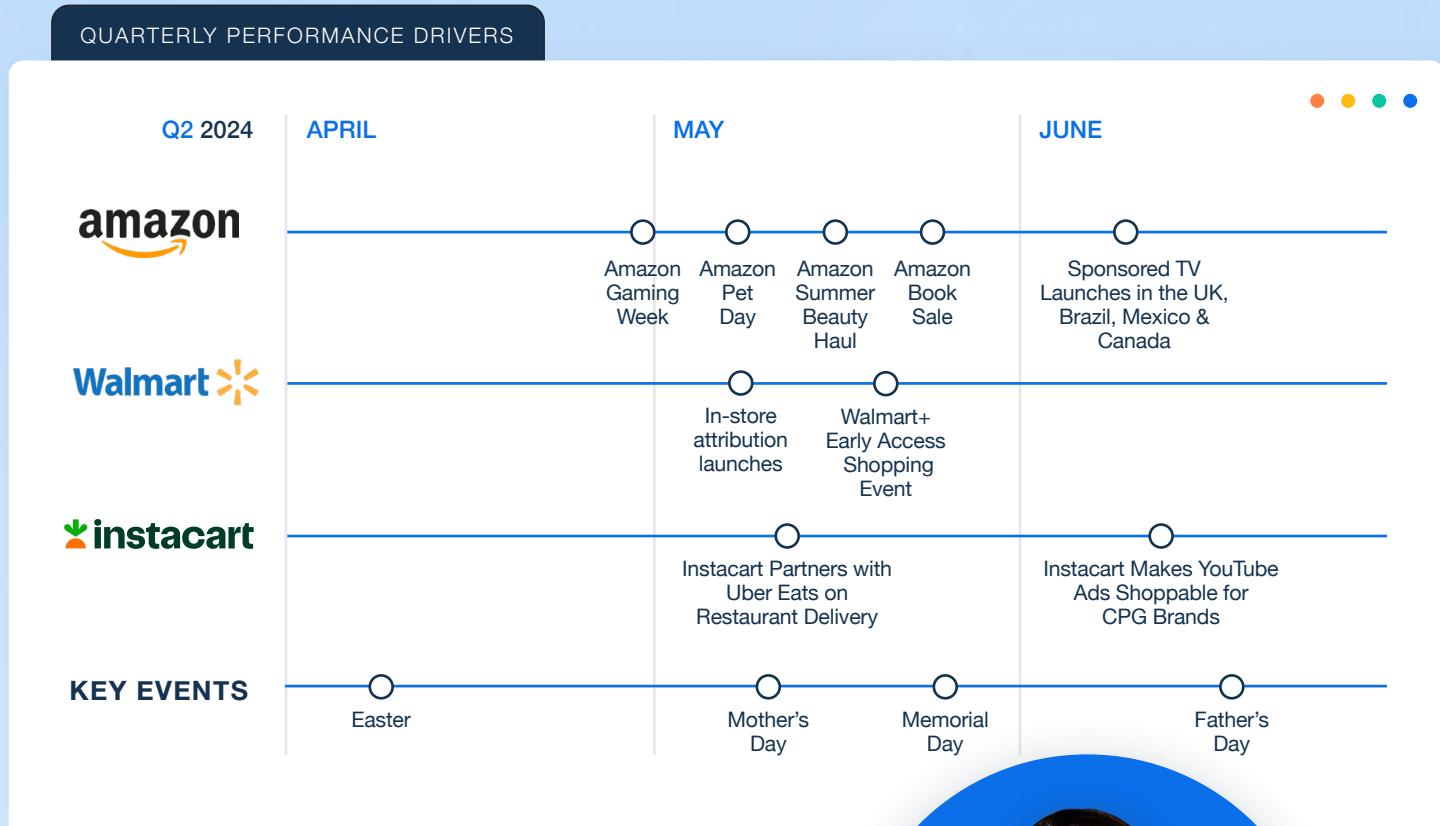
Then we'll also look at Pacvue's exclusive CPC and ROAS data.

From there, we'll dive into category-level spend data, taking a closer look at Pet Food & Supplies, Beauty & Personal Care, and Electronics. Finally, we'll highlight the big opportunities for Q3 when it comes to holiday planning - and how AI can help you drive a new level of efficiency and effectiveness for your campaigns.

We hope that this summer gives you the time to relax, recharge, and, finally, refresh your approach to eCommerce. There's never been a more exciting time to be in the commerce space and the Pacvue team can't wait to share these new insights with you to help you achieve your goals for the rest of this year and beyond.

Melissa Burdick

Pacvue President & Co-Founder



A letter from our President



Melissa Burdick | Pacvue President & Co-Founder



 PACVUE

Amazon Ads U.S. Benchmarks

Outperform Your Competitors with Powerful Commerce Benchmark Data

Amazon Ads U.S.

Q2 Overview



“Search, whether on or off the retailer’s site, is being increasingly **augmented by AI that starts with solutions**, rather than expecting the shopper to already have those solutions in mind. While I don’t expect the weekly purchase journey for milk or eggs to shift seismically, **higher consideration journeys, especially gifting, will have changes**. I think we’ll see a range of **different shopping behaviors this holiday as a result.**”

SPONSORED PRODUCTS

	CTR	CPC	CPA	CVR	ACOS	ROAS	eCPM	Brand Avg Daily Spend
2023-Q2	0.34%	\$1.32	\$6.63	19.93%	20.23%	\$4.94	\$4.46	
2023-Q3	0.34%	\$1.35	\$6.37	21.11%	19.81%	\$5.05	\$4.52	
2023-Q4	0.32%	\$1.36	\$6.59	20.65%	20.52%	\$4.87	\$4.29	
2024-Q1	0.34%	\$1.28	\$6.00	21.27%	20.33%	\$4.92	\$4.37	
2024-Q2	0.32%	\$1.36	\$6.18	21.93%	20.37%	\$4.91	\$4.28	
QoQ Change	-5.9%	6.3%	3.0%	3.1%	0.2%	-0.2%	-2.1%	11.7%
YoY Change	-5.9%	3.0%	-6.8%	10.0%	0.7%	-0.6%	-4.0%	18.1%

Amazon Ads U.S.

Q2 Overview



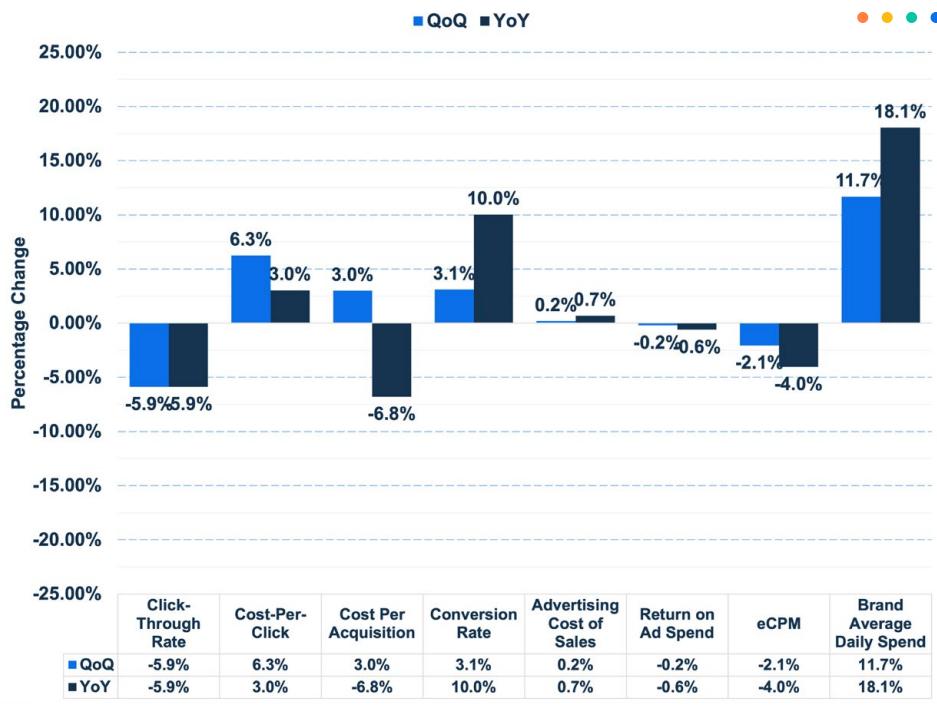
SPONSORED BRANDS

"We're seeing that copycat products are increasingly entering the market with a lower average sale price (ASP) than the current market leaders. This leads to market share erosion for the category leaders as consumers' wallets are increasingly strained. What is exciting is that we're proving **heightened collaboration between paid and organic keyword strategies** to be an effective way to combat and reverse that market share erosion. **Pacvue Commerce allows us to quickly see the correlation between changes** in glance views, conversion rate, ad spend, and ASP, making it a key tool for diagnosing current performance and probable causes, which is then used to create a 'treatment plan.'"

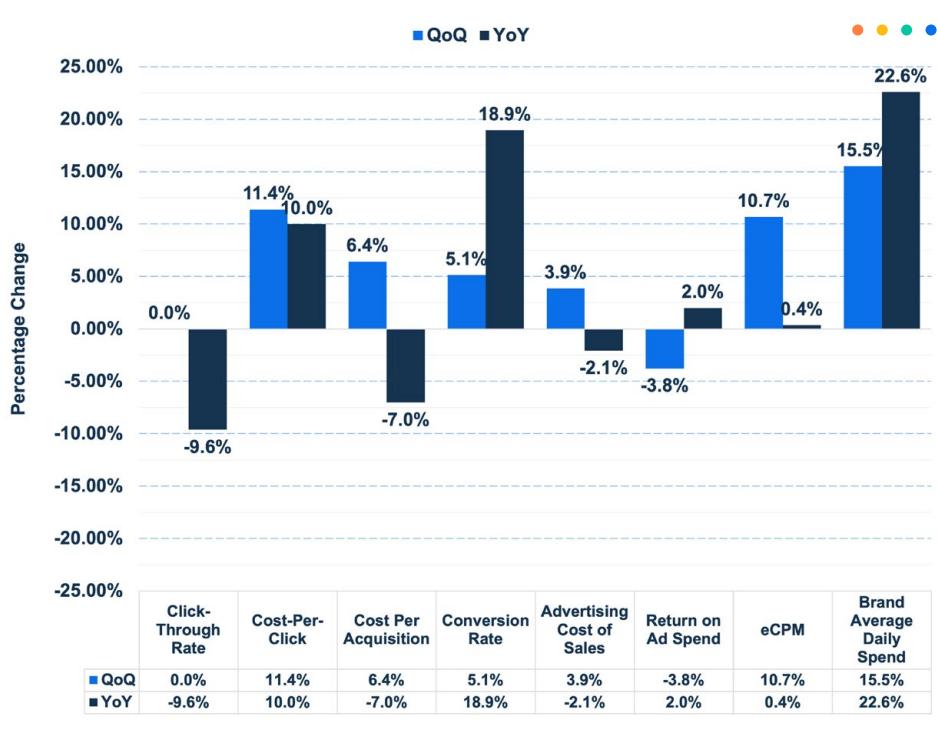
	CTR	CPC	CPA	CVR	ACOS	ROAS	eCPM	Brand Avg Daily Spend
2023-Q2	0.52%	\$1.60	\$9.98	15.99%	25.00%	\$4.00	\$8.25	
2023-Q3	0.51%	\$1.65	\$10.07	16.35%	24.28%	\$4.12	\$8.42	
2023-Q4	0.47%	\$1.66	\$9.96	16.67%	23.92%	\$4.18	\$7.74	
2024-Q1	0.47%	\$1.58	\$8.72	18.09%	23.57%	\$4.24	\$7.48	
2024-Q2	0.47%	\$1.76	\$9.28	19.02%	24.48%	\$4.08	\$8.28	
QoQ Change	0.0%	11.4%	6.4%	5.1%	3.9%	-3.8%	10.7%	15.5%
YoY Change	-9.6%	10.0%	-7.0%	18.9%	-2.1%	2.0%	0.4%	22.6%

Amazon Ads U.S. Trends

SPONSORED PRODUCTS



SPONSORED BRANDS



Amazon Ads News

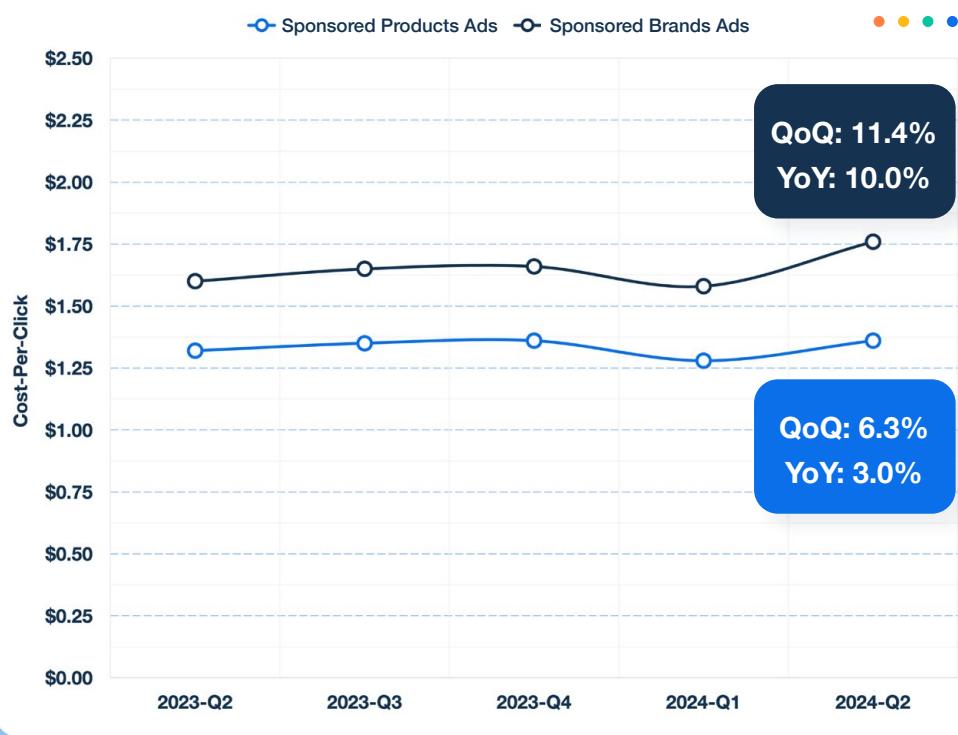
Amazon's AI Image Generator, which launched last fall for beta customers, introduced a new Aspect Ratio capability in June. The update now allows brands to generate images in multiple dimensions and resolutions, ensuring that brand imagery remains consistent across ad formats. Advertisers can now test out more creatives to see what resonates with customers and easily create custom micro-season content to boost conversions during key drive periods.

Ahead of Amazon's Upfront in May, Amazon Ads expanded its Prime Video advertising suite with new interactive, shoppable formats. The new formats include shoppable carousel ads, interactive pause ads, and brand trivia ads. With an average monthly ad-supported reach of 200 million global customers, including 115 million in the US, these new formats will help brands extend reach and enhance viewer engagement and product interaction.

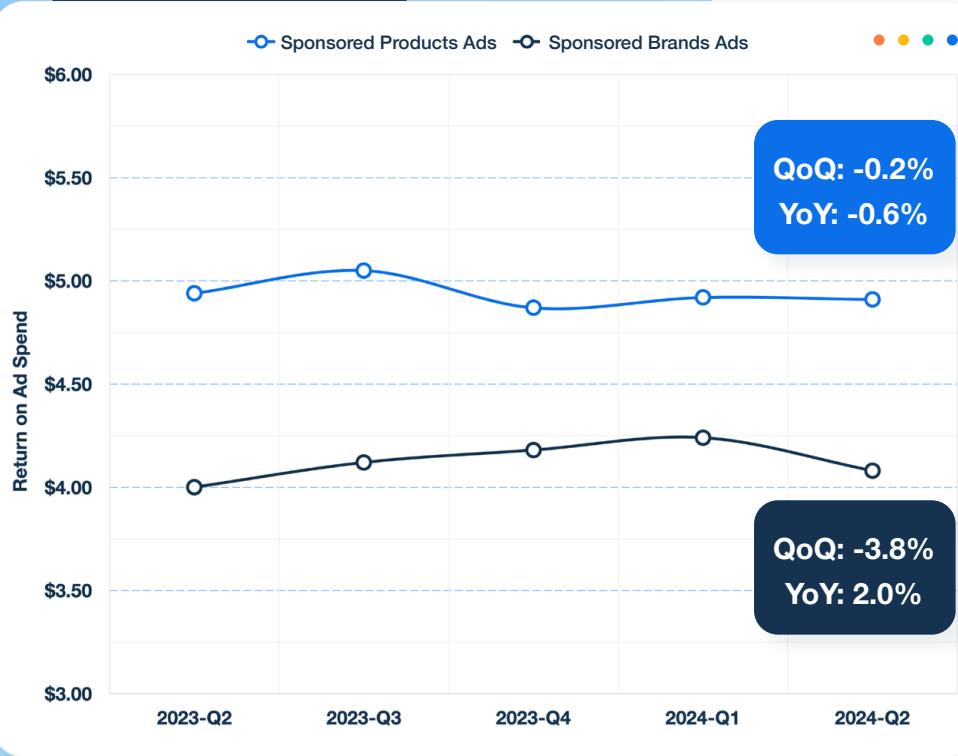
As shown in Amazon's Q2 releases, custom creative continues to gain importance in ad campaigns. Heads up: Sponsored Brands campaigns that do not utilize custom creative (ASIN only) will deprecate on August 31st, 2024.

Amazon Ads U.S. CPC & ROAS

CPC COMPARISON



ROAS COMPARISON



Highlights

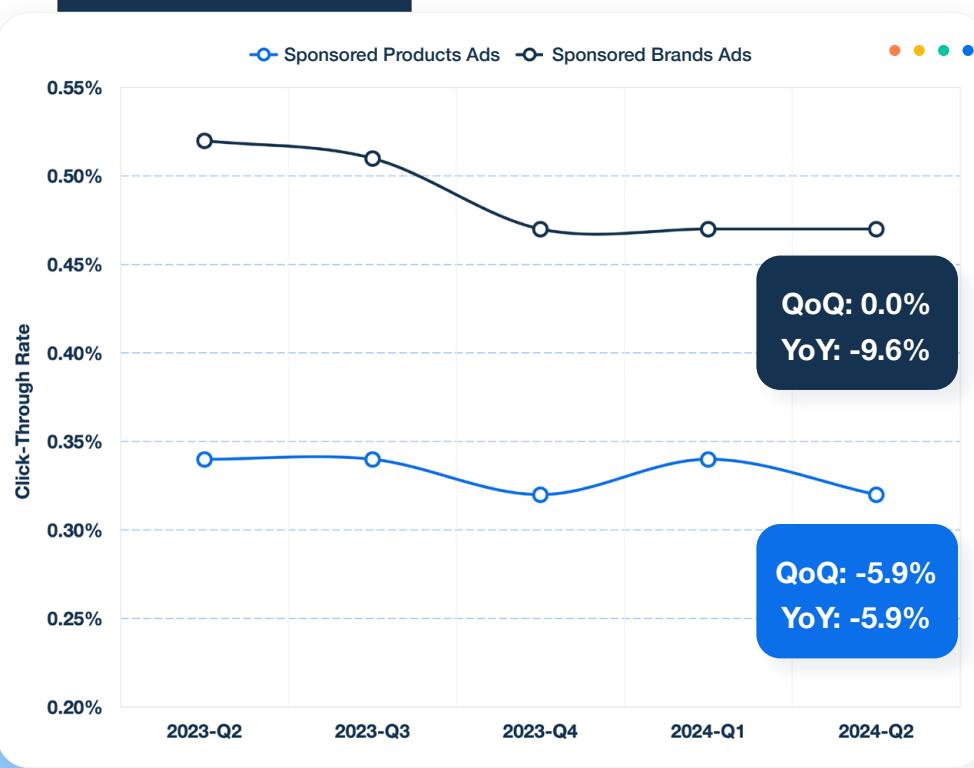
Between multiple shopping events and the seasonal ramp-up in ad spending, the average cost-per-click (CPC) increased 11.4% for Sponsored Brands and 6.3% for Sponsored Products quarter-over-quarter. The increased CPC costs were also seen year-over-year, with Sponsored Brands up 10% and Sponsored Products up 3%.

However, the increased CPCs are likely due to increased competition, especially for Sponsored Brands ads, as brands invest more in the ad type and new placements open up. New features like Amazon's AI Image Generator have made it significantly easier for brands to launch campaigns with custom creatives and compete across more ad placements.

With CPC seemingly always on the rise, ROAS declined slightly in Q2, with Sponsored Brands declining by -3.8% but increased marginally by 2% year-over-year. Sponsored Products ROAS have remained flat for the past year due to increased spending and costs.

Amazon Ads U.S. CTR & Spend

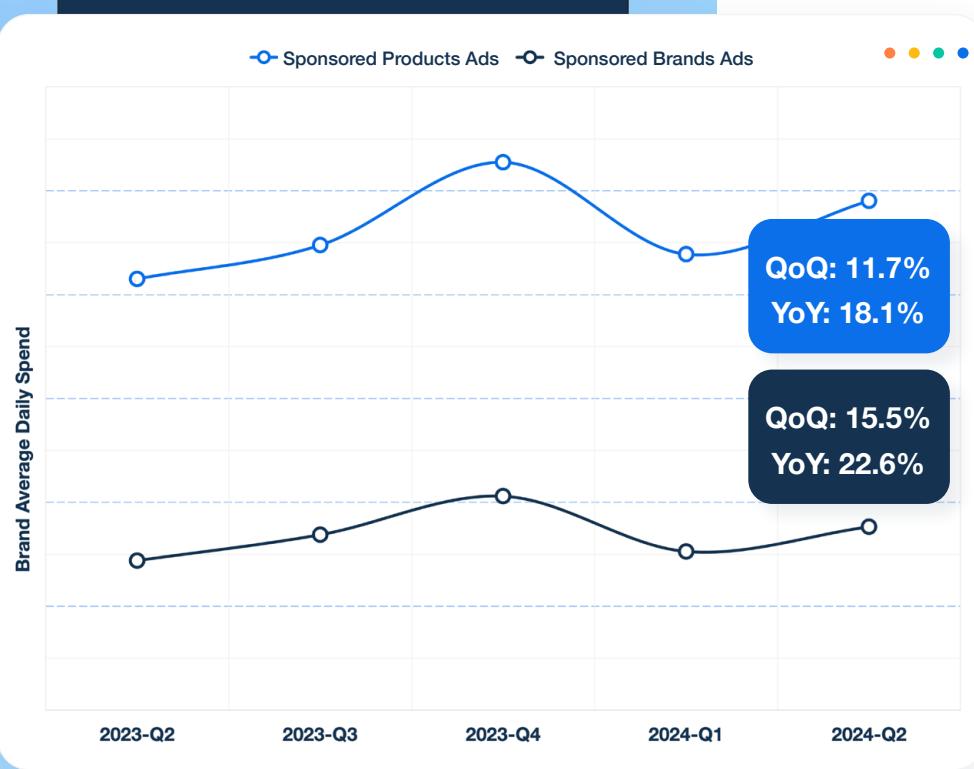
CTR COMPARISON



Highlights

With no site-wide shopping event like Prime Day, Amazon held multiple category-specific shopping events, such as Pet Day, Summer Beauty Haul, and Gaming Week. Between the micro-season shopping events and the lead-up to Prime Day 2024, ad spending increased 15.5% quarter-over-quarter for Sponsored Brands and 11.7% for Sponsored Products. Compared to Q2 2023, Sponsored Brands spending is up 22.6%, and Sponsored Products is up 18.1%, showing significant continued investment in Amazon as conversion rates are up year-over-year, 18.9% and 10% respectively.

BRAND AVG DAILY SPEND COMPARISON



Between increased competition and ad fatigue, Sponsored Brands CTR remained flat quarter-over-quarter and decreased -9.6% year-over-year. To combat declining CTRs, now is a good time to review and update your custom creatives with high-quality and seasonally relevant images to stay competitive and appealing to customers.

Sponsored Products CTR decreased -5.9% both quarter-over-quarter and year-over-year. For brands seeing a similar trend in CTR, review your ad placements, content, and bidding strategies to ensure you're targeting the right audience with compelling content.

Focus On:

Amazon New Releases



AMZ

New Streaming TV Ad Formats

After rolling out ads on Prime Video earlier this year, Amazon Ads announced three new interactive, shoppable formats at its inaugural Upfront presentation. The ad formats include shoppable carousel ads, interactive pause ads, and brand trivia ads, allowing customers to explore and add products to their cart using most living-room remotes. The new ad types aim to boost ad effectiveness by offering advertisers a new way to reach and convert customers, aligning with Amazon's goal to transform streaming TV advertising.

AMC Supports Offline Sales Insights

Historically, Amazon has led the march forward to integrate the world of retail media into the greater eCommerce ecosystem. The latest advancement towards this goal, granting CPG-based AMC users access to off-site attribution via [NCS Insights Stream](#), might be their longest stride yet. This attribution data will grant advertisers the ability to develop a more accurate, robust, and comprehensive media strategy. With AMC's strength being its raw power, improving its versatility is a move for which many marketers have been hoping.



Amazon Ads

Europe Benchmarks

Outperform Your Competitors with Powerful Commerce Benchmark Data

Amazon Ads Europe

Q2 Overview



“Retail media offers a wealth of opportunities for brands and agencies alike. **The key is to ensure you are not trying to ‘boil the ocean’ and have a clear, prioritized roadmap.** For brands, retail media can offer incremental revenue streams and more data solutions. On the other hand, agencies can develop more personalized campaigns, create a seamless customer experience, and even join up on and offline media.”

SPONSORED PRODUCTS

	CTR	CPC	CPA	CVR	ACOS	ROAS	eCPM	Brand Avg Daily Spend
2023-Q2	0.31%	\$0.65	\$4.05	15.96%	13.79%	\$7.25	\$2.03	
2023-Q3	0.31%	\$0.68	\$4.31	15.82%	12.81%	\$7.80	\$2.14	
2023-Q4	0.30%	\$0.71	\$4.51	15.75%	12.84%	\$7.78	\$2.12	
2024-Q1	0.32%	\$0.65	\$3.89	16.73%	12.80%	\$7.81	\$2.05	
2024-Q2	0.31%	\$0.73	\$3.99	18.21%	14.47%	\$6.91	\$2.22	
QoQ Change	-3.1%	12.3%	2.6%	8.8%	13.0%	-11.5%	8.3%	4.9%
YoY Change	0.0%	12.3%	-1.5%	14.1%	4.9%	-4.7%	9.4%	18.9%

Amazon Ads Europe

Q2 Overview



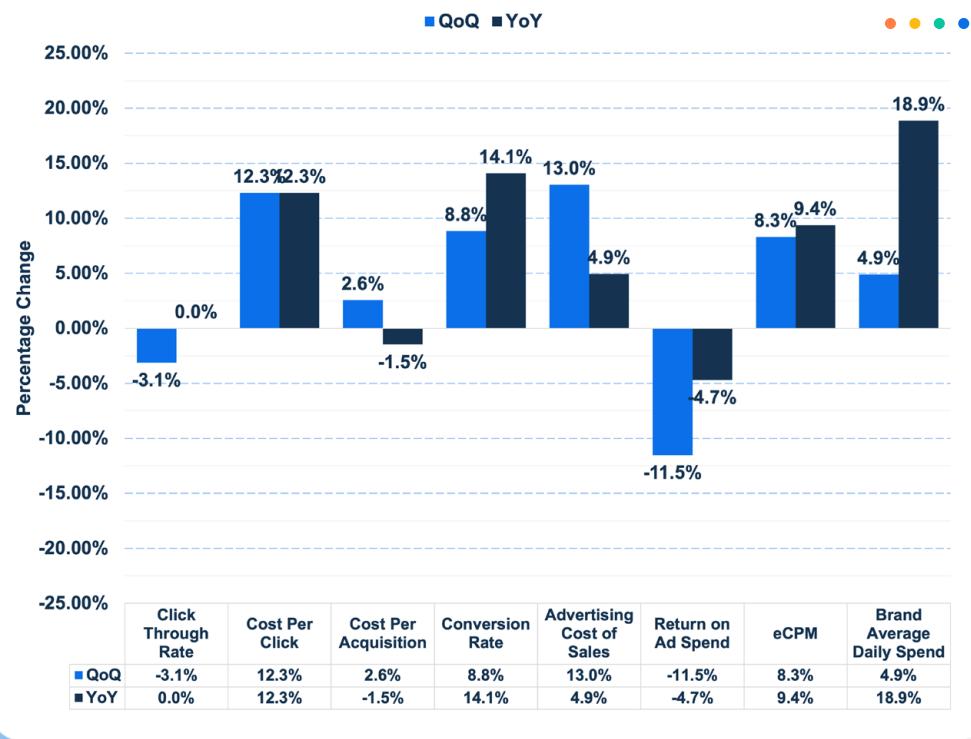
"The three **major opportunities** I see in today's retail media space are the use of **AI**, **data clean rooms**, such as **Amazon Marketing Cloud (AMC)**, and the simplified access to **TV ads**. At Cannes Lions, Amazon presented its AI tool for advertisers, reducing the creative effort by 90% and making creatives accessible to all companies. AMC is getting stronger by the day and more and more user-friendly. TV ads are now available for every brand with Sponsored TV Ads. **This is a game changer** for SMBs and will disrupt the market of TV ads with a new offer that is incredibly efficient."

SPONSORED BRANDS

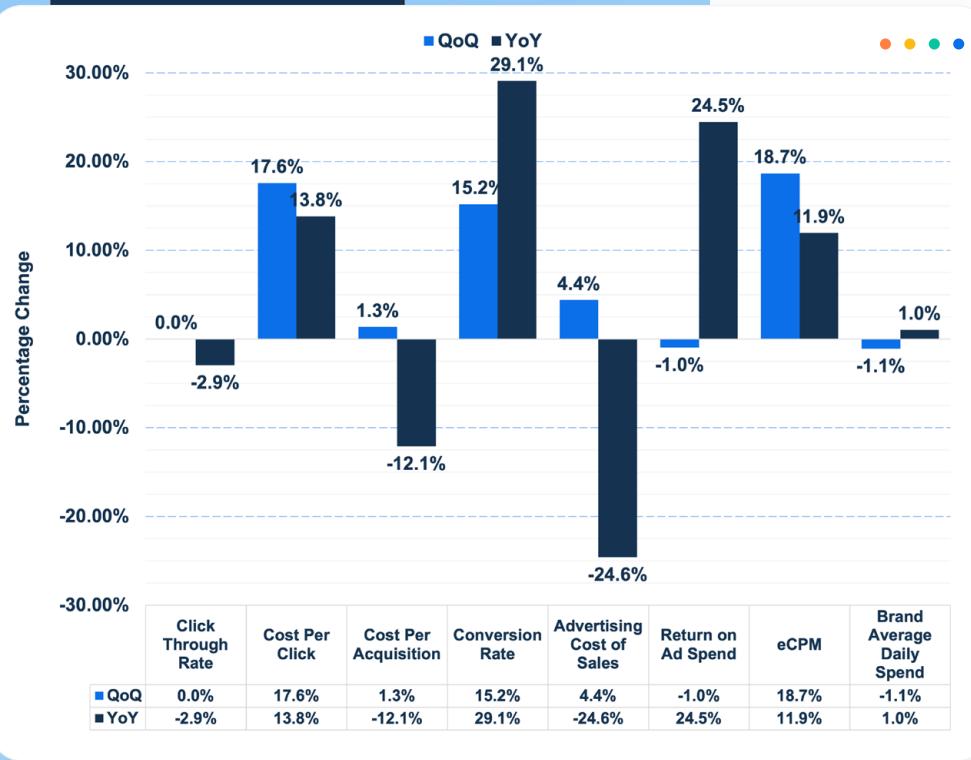
	CTR	CPC	CPA	CVR	ACOS	ROAS	eCPM	Brand Avg Daily Spend
2023-Q2	0.34%	\$0.94	\$8.59	10.93%	23.95%	\$4.17	\$3.18	
2023-Q3	0.37%	\$0.99	\$8.81	11.27%	22.27%	\$4.49	\$3.69	
2023-Q4	0.38%	\$0.94	\$8.16	11.47%	19.98%	\$5.00	\$3.56	
2024-Q1	0.33%	\$0.91	\$7.45	12.25%	17.30%	\$5.24	\$3.00	
2024-Q2	0.33%	\$1.07	\$7.55	14.11%	18.06%	\$5.19	\$3.56	
QoQ Change	0.0%	17.6%	1.3%	15.2%	4.4%	-1.0%	18.7%	-1.1%
YoY Change	-2.9%	13.8%	-12.1%	29.1%	-24.6%	24.5%	11.9%	1.0%

Amazon Ads Europe Trends

SPONSORED PRODUCTS



SPONSORED BRANDS



Amazon Ads News: Europe

Sponsored TV

Expands Globally

Launched last fall in the US, Sponsored TV recently expanded to the UK, Brazil, Mexico, and Canada. Amazon's Sponsored TV ads can be a powerful tool for reaching engaged audiences, building brand awareness, and driving sales. With its accessibility, targeting capabilities, and interactive formats, Sponsored TV empowers brands of all sizes in the UK to make their mark in an ever-evolving advertising landscape.

Learn more by checking out our recent article, [Amazon Sponsored TV Launches in the UK: Everything Brands Need to Know](#).

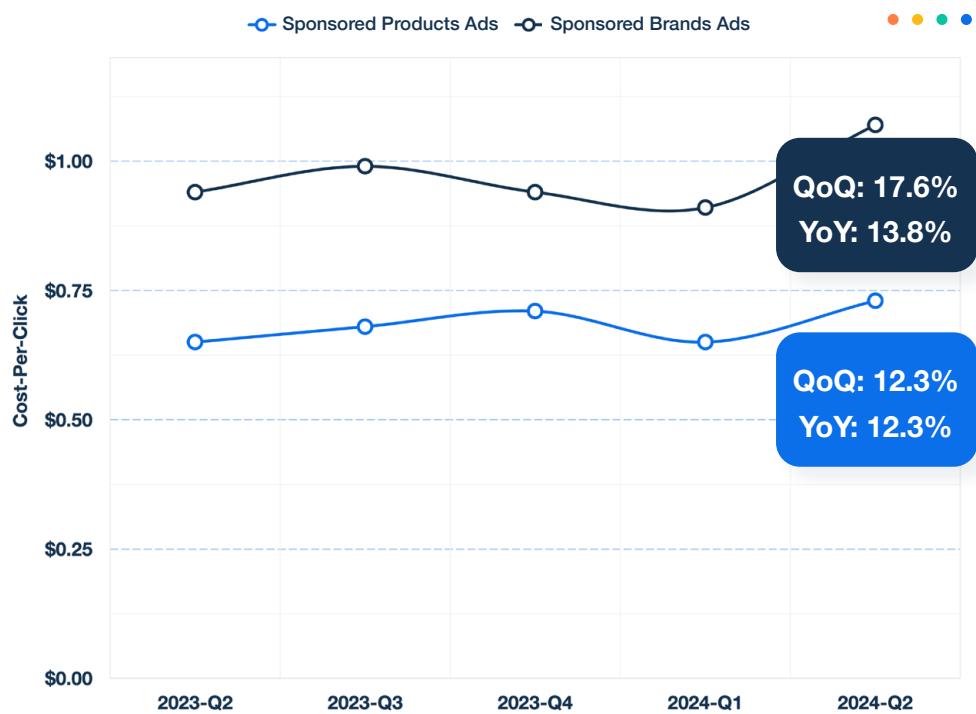
Currency Selection

Now Available

Advertisers can now choose their preferred currency when creating ads in Amazon DSP. Historically, Amazon DSP tied self-service advertisers' currencies to their target marketplace, complicating things for regional, cross-border, and global buyers. This feature allows buyers to manage all aspects of their campaigns using their preferred currency, offering flexibility for those buyers working across multiple markets.

Amazon Ads Europe CPC & ROAS

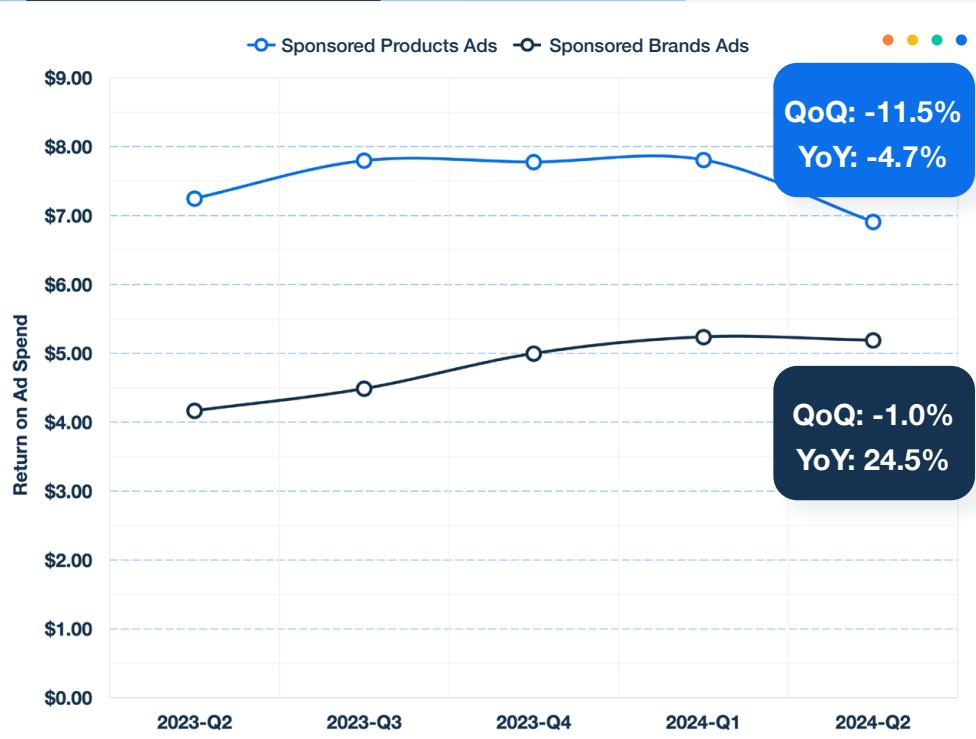
CPC COMPARISON



Highlights

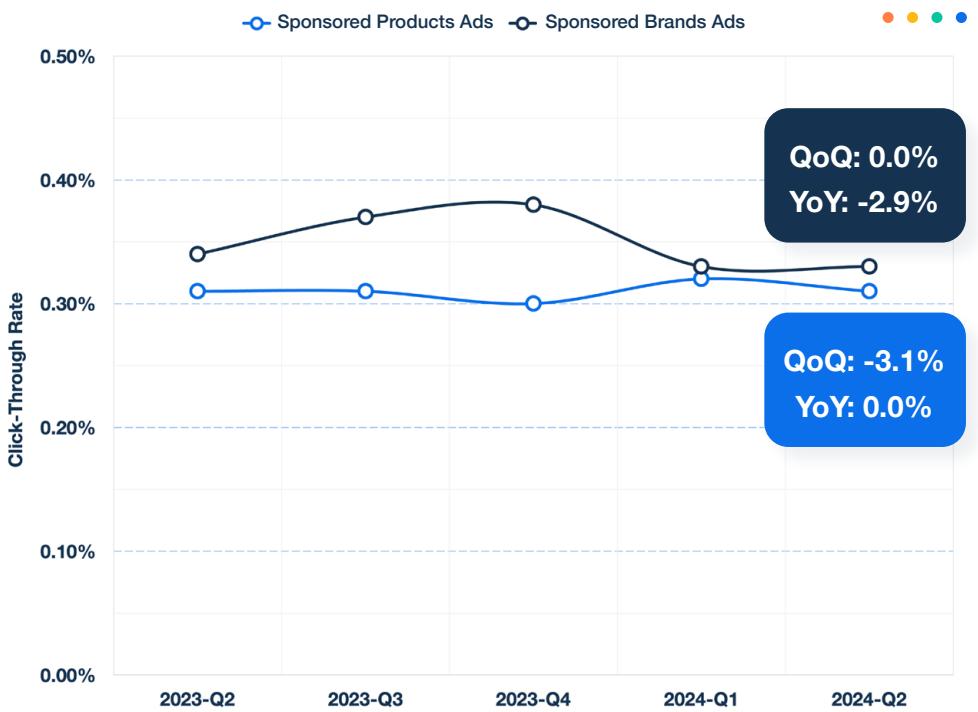
Amazon's European marketplaces continue to see CPC increase at a faster rate than the US marketplace, with Sponsored Brands increasing 17.6% and Sponsored Products increasing 12.3% in Q2. In a rare deviation, ROAS for Sponsored Brands ads saw a 24.5% year-over-year increase while Sponsored Products declined -4.7%. This is likely due to a steadily increasing conversion rate, reaching a new high of 14.1% in Q2, increasing 29.1% year-over-year, as brands continue to improve targeting strategies and test out new ad types.

ROAS COMPARISON



Amazon Ads Europe CTR & Spend

CTR COMPARISON

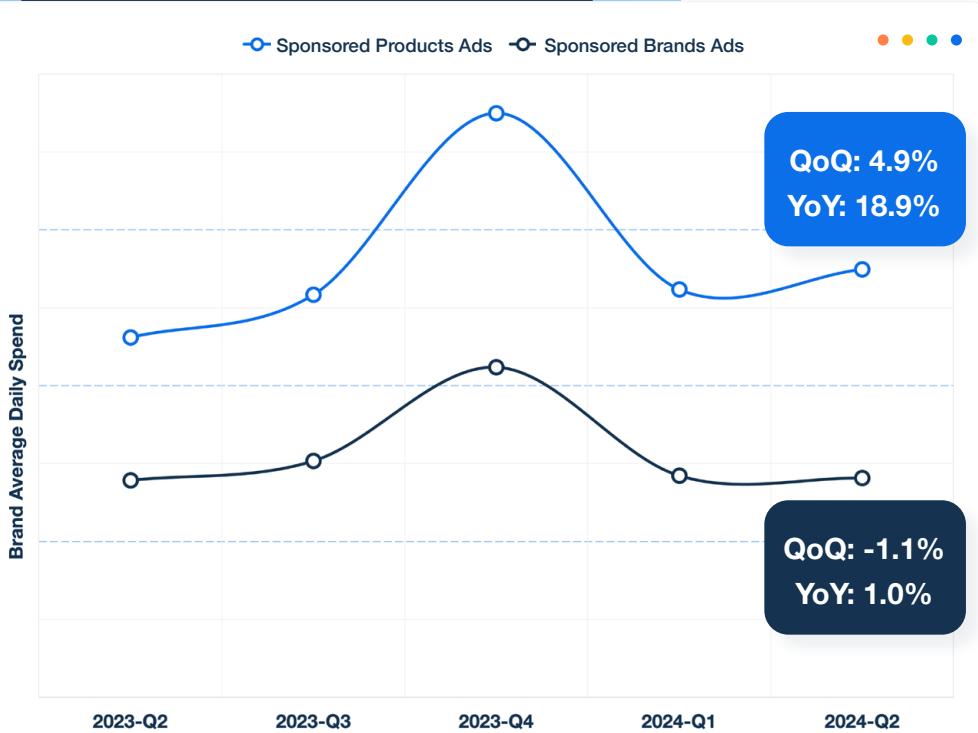


Highlights

For Sponsored Brands, CTR remained flat quarter-over-quarter, down -2.9% year-over-year. Similarly, Sponsored Products saw a -3.1% decrease quarter-over-quarter, with no change year-over-year. The continued increase in spend, then, is compelling.

You may wonder why European brands would increase spending with declining CTR and ROAS? The answer: A year-over-year surge in CVR, with Sponsored Products increasing 8.8% and averaging 18.2%, and eCPM increasing 8.3% to \$2.22. Just another example of how ROAS is never the be-all-end-all in Amazon advertising.

BRAND AVG DAILY SPEND COMPARISON



What's New: Amazon Europe



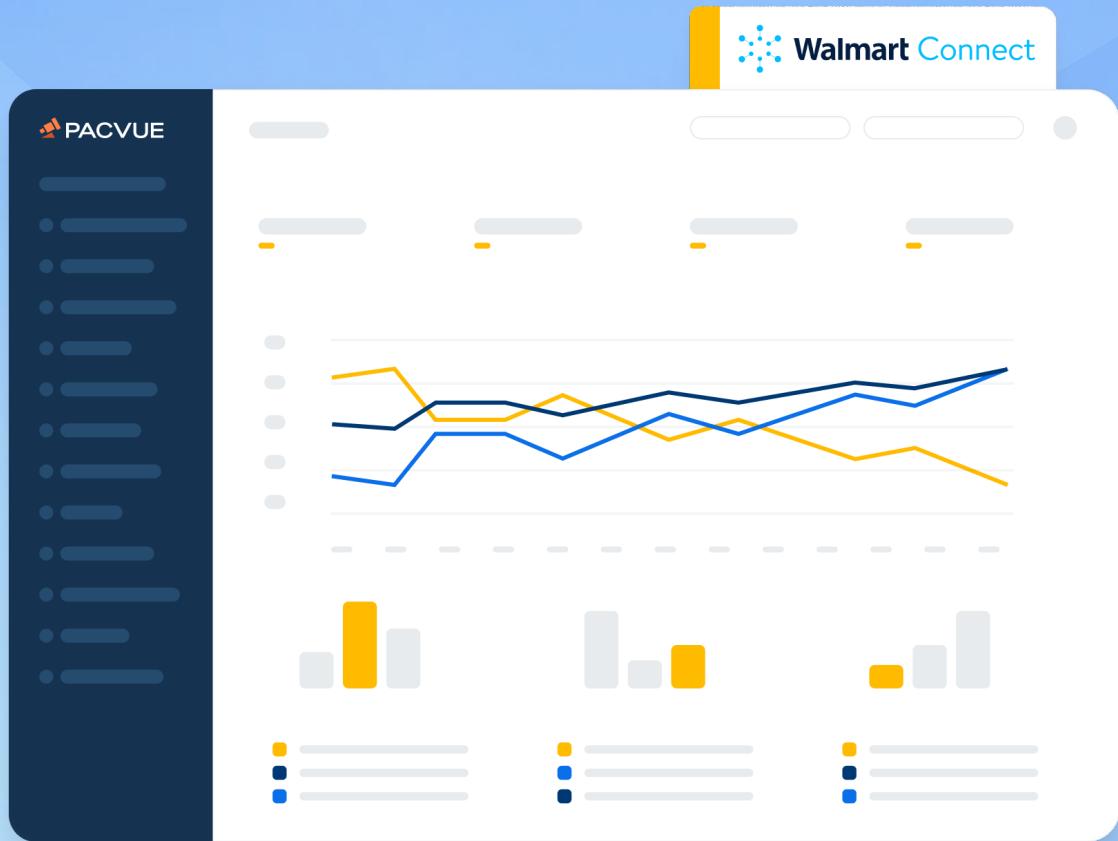
AMZ

AI Image Generation (Beta) Now Available in Parts of Europe

Amazon has expanded AI image generation (beta) to all Sponsored Brands and Sponsored Display advertisers in France, Germany, Italy, Spain, and the UK, as well as North America. With the help of AI image generation, advertisers can now save time creating and optimizing campaigns in those markets. The new tool reduces the need for manual curation and testing of creatives by generating customized product images quickly and efficiently.

Line Item Moderation Expands to Markets Including Sweden & the Netherlands

Amazon has expanded its line item enforcement to additional countries, including Sweden and the Netherlands. This feature reviews the line item settings for non-approvals and associates them with the specific creative instead of affecting the entire creative. This allows the creative to continue running where there are no violations. As a result, advertisers can now leverage this feature to pinpoint which line item needs to be adjusted to meet policy requirements.



 **PACVUE**

Walmart Connect Benchmarks

Outperform Your Competitors with Powerful Commerce Benchmark Data

Walmart Connect

Q2 Overview



“The biggest opportunities for eCommerce success lie in the actual attribution of sales to advertising types that traditionally lacked them. For instance, you can now get real sales attribution from streaming TV ads. The ability to measure—and not just estimate—is the most valuable aspect of retail media, especially as it moves up-funnel with larger retailers that have other media outlets, like Prime Video. You can run upper-funnel ads on inventory from HBO Max using Amazon DSP, which means you can truly see the TV attribution.”

SPONSORED PRODUCTS

• • • •	CTR	CPC	ACOS	ROAS	eCPM	Brand Avg Daily Spend
2023-Q2	1.03%	\$0.55	12.72%	\$7.86	\$5.67	
2023-Q3	1.08%	\$0.58	12.70%	\$7.87	\$6.26	
2023-Q4	1.01%	\$0.63	14.52%	\$6.89	\$6.35	
2024-Q1	1.05%	\$0.65	13.55%	\$7.38	\$6.80	
2024-Q2	1.14%	\$0.67	13.38%	\$7.47	\$7.64	
QoQ Change	8.6%	3.1%	-1.3%	1.2%	12.4%	14.5%
YoY Change	10.7%	21.8%	5.2%	-5.0%	34.7%	23.2%

Walmart Connect

Q2 Overview

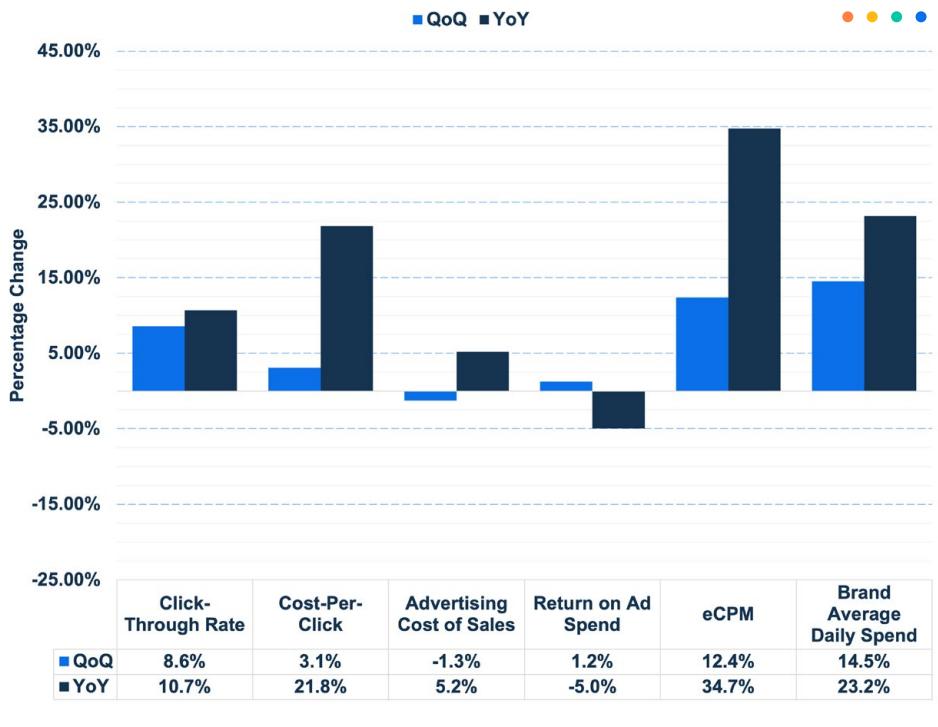
SPONSORED BRANDS

	CTR	CPC	ACOS	ROAS	eCPM	Brand Avg Daily Spend
2023-Q2	0.22%	\$1.26	39.74%	\$2.52	\$2.82	
2023-Q3	0.23%	\$1.29	38.28%	\$2.61	\$2.99	
2023-Q4	0.24%	\$1.29	36.06%	\$2.77	\$3.15	
2024-Q1	0.22%	\$1.35	35.47%	\$2.82	\$2.99	
2024-Q2	0.23%	\$1.41	37.00%	\$2.70	\$3.19	
QoQ Change	4.5%	4.4%	4.3%	-4.3%	6.7%	-4.4%
YoY Change	4.5%	11.9%	-6.9%	7.1%	13.1%	-5.3%

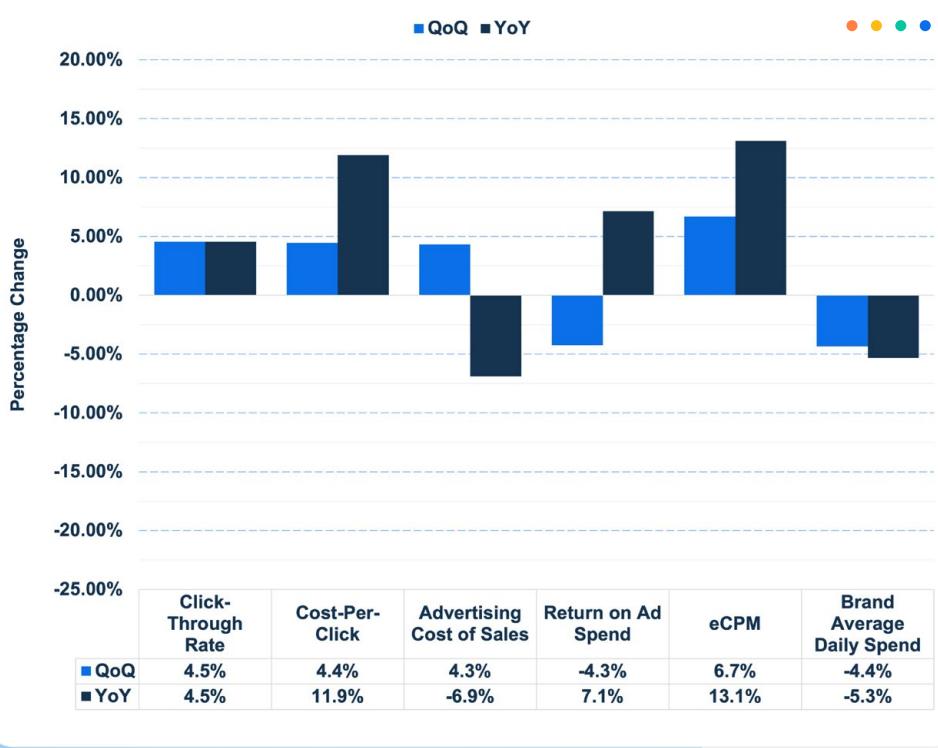


Walmart Connect Trends

SPONSORED PRODUCTS



SPONSORED BRANDS



Walmart Connect News

Walmart continued to roll out new features and updates in Q2 to enhance advertising effectiveness and support a broader range of advertisers.

Walmart launched a new set of store attribution metrics enabling brands to track the direct impact of Sponsored Search ads on in-store purchases at Walmart, changing the game for advertisers. With the new metrics, brands can better understand how digital campaigns influence in-store buying decisions and be able to optimize campaigns with detailed metrics like in-store attributed sales, advertised sales, and more.

In another exciting collaboration, Disney Advertising and Walmart Connect also joined forces to offer advertisers the ability to match Walmart's shopper data with Disney's proprietary Audience Graph tools. This allows advertisers to hyper-target Disney's streaming portfolio, which includes Disney Plus and Hulu.

Lastly, Walmart expanded access to non-endemic advertisers, allowing brands that don't sell physical products on Walmart.com but that are relevant to Walmart customers, such as automotive brands, financial services, and travel companies, to serve ads.

Walmart Connect CPC & ROAS

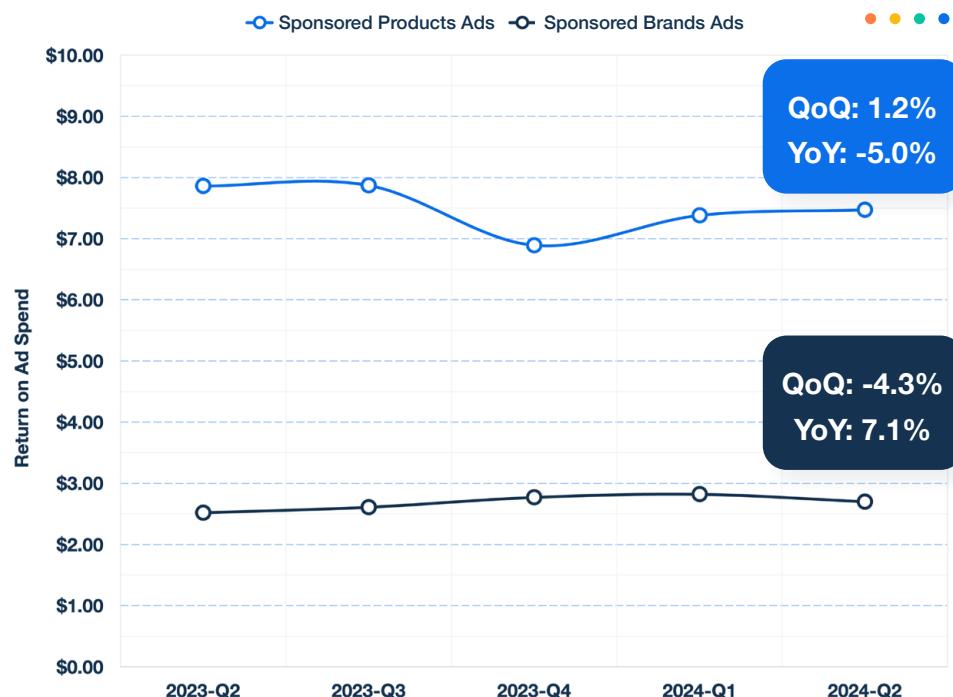
CPC COMPARISON



Highlights

Competition continued to increase on Walmart, with Sponsored Products CPC increasing 3.1% quarter-over-quarter and a whopping 21.8% year-over-year. Similarly, Sponsored Brands increased 4.4% quarter-over-quarter and 11.9% year-over-year. With Walmart adding its new set of store attribution metrics, competition will continue to rise as it provides advertisers with more data to justify increasing ad spend on the platform.

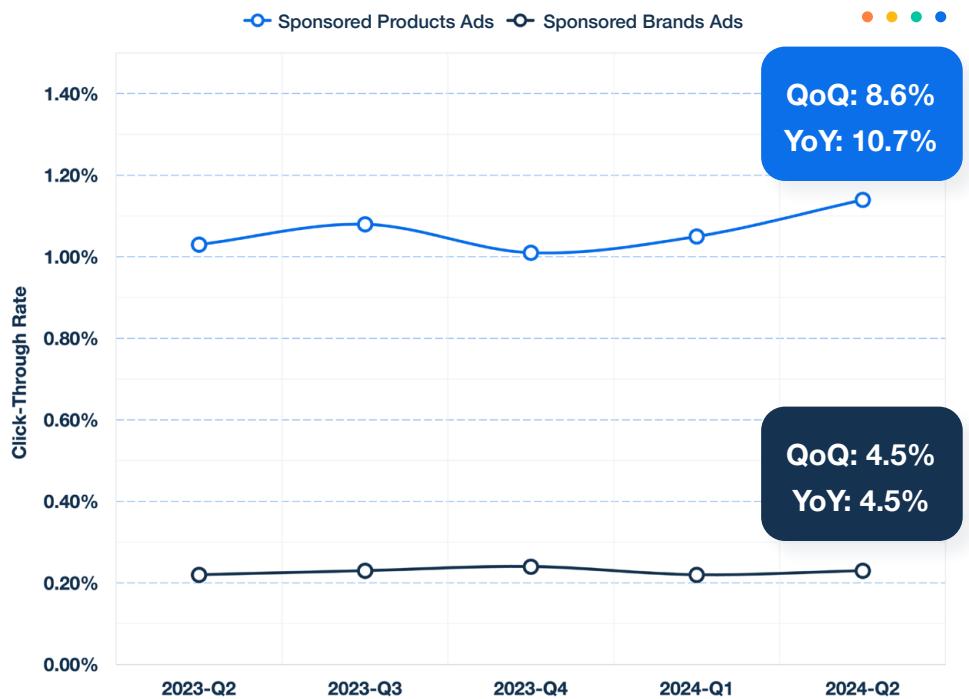
ROAS COMPARISON



With increasing CPCs, ROAS often takes a hit, and this quarter was no exception. Sponsored Brands ROAS decreased -4.3% quarter-over-quarter but increased 7.1% year-over-year, showing that despite costs continuing to rise, ROAS can also increase. Sponsored Products ROAS were nearly flat, only increasing 1.2% quarter-over-quarter and decreased -5% year-over-year.

Walmart Connect CTR & Spend

CTR COMPARISON

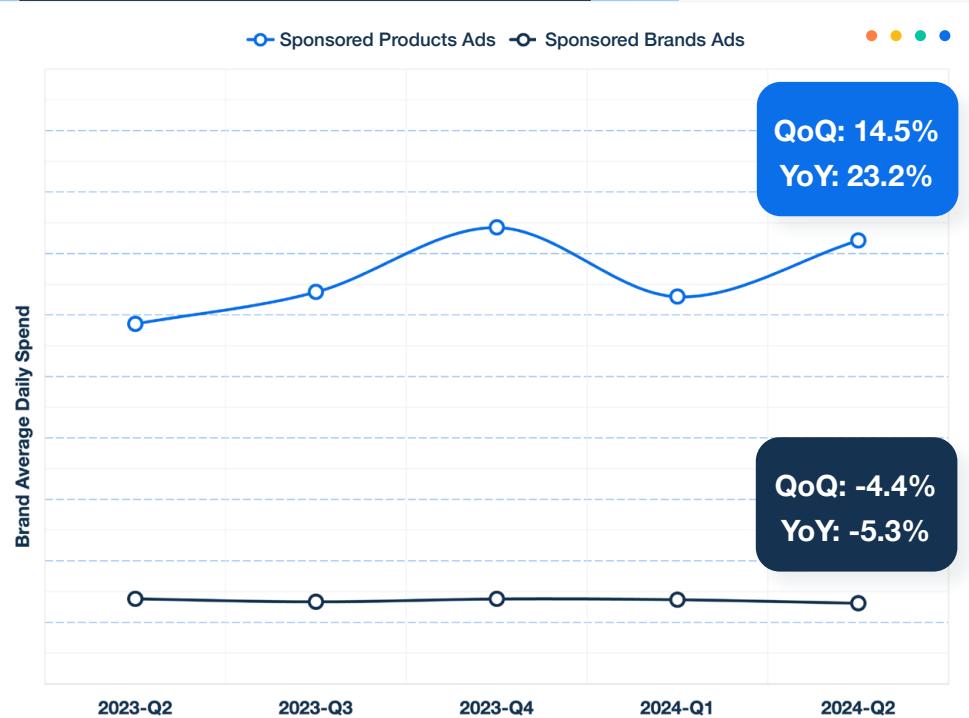


Highlights

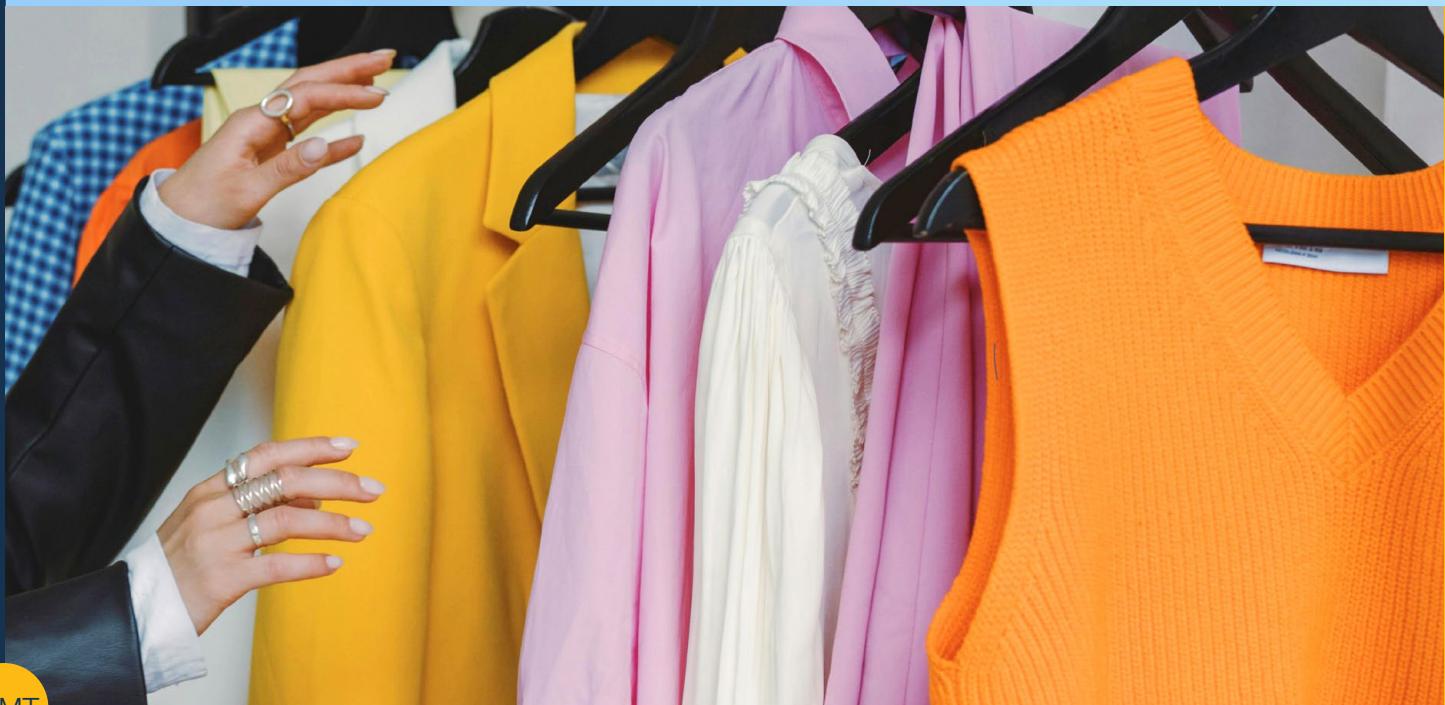
CTR increased 4.5% for Sponsored Brands and 10.7% for Sponsored Products year-over-year, likely due to the increase in onsite and in-store placements and expansion of Sponsored Brand and video placements on Walmart.

Brands continued to invest in Walmart, with Sponsored Products ad spend increasing 14.5% quarter-over-quarter and 23.2% year-over-year. While Sponsored Products greatly increased spending, Sponsored Brands decreased -4.4% quarter-over-quarter and -5.3% year-over-year. While costs are going up for Sponsored Products, the average CPC in Q2 for Sponsored Products on Walmart was 50.7% cheaper than Amazon Sponsored Products, making it a good time for brands looking to start advertising on Walmart.

BRAND AVG DAILY SPEND COMPARISON



Focus On: Walmart Connect Releases



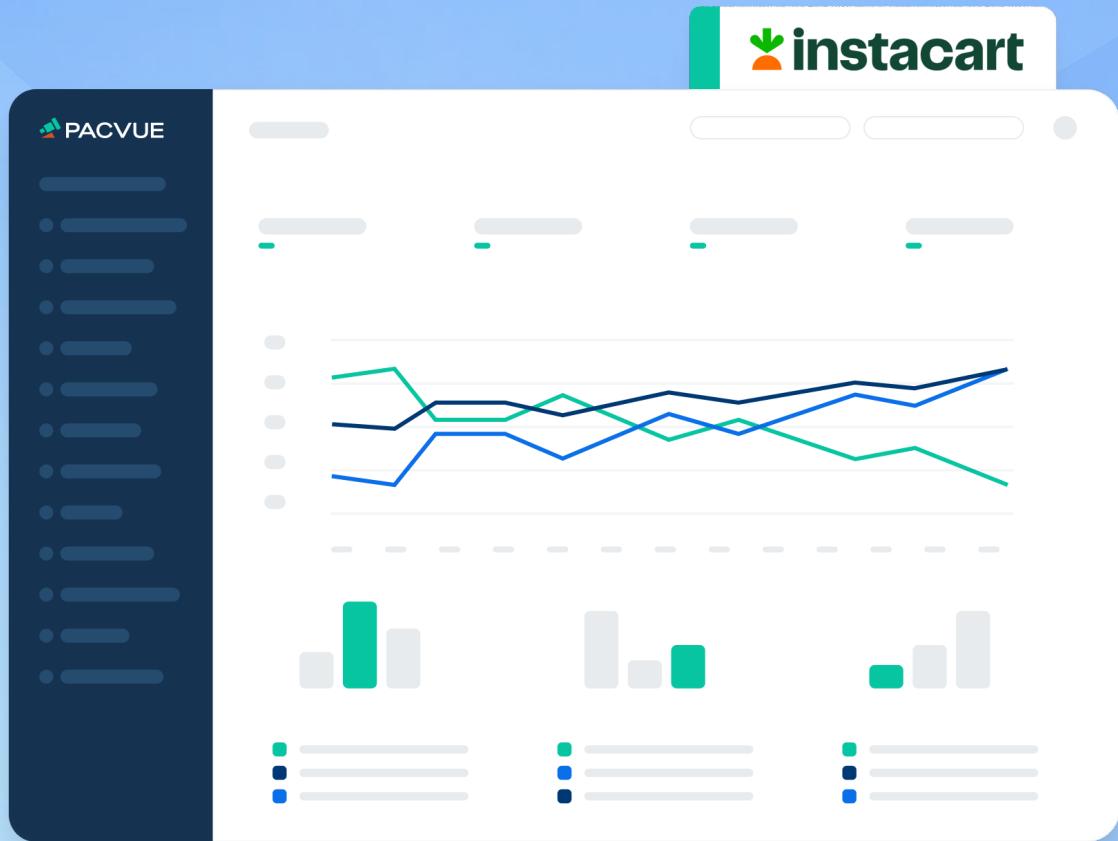
WMT

In-Store Attribution

Walmart Connect released In-Store Attribution in early Q2, changing the game for brands by allowing them to track the direct impact of their Sponsored Search ads on in-store purchases. Available now in the Pacvue platform, you can view KPIs such as in-store advertised sales, in-store other sales, and in-store attributed sales. The new measurement capabilities allow brands to make informed decisions by optimizing their budgets and targeting strategies based on comprehensive performance data.

Walmart Launches Digital Landscapes

As the largest retailer in the United States, Walmart has consistently impressed marketers with its access to sales data. In June 2024, they expanded their upper-funnel access with the beta launch of Digital Landscapes. With general availability slated for later this summer, this launch brings Walmart's media platform closer to parity with its digitally native competitors. For retail media marketers looking to diversify their media mix, this might be the exact thing they've been looking for.



 PACVUE

Instacart Ads Benchmarks

Outperform Your Competitors with Powerful Commerce Benchmark Data

Instacart Ads

Q2 Overview



“Consumers are moving towards social commerce and **putting more trust in new social platforms**. We are also seeing many retailers move from being the ultimate conversion engines, wanting people in and out as quickly as possible to **being publishers and/or destinations in their own right**. Retail media can also be rich media, video, native - the **options are almost limitless**.”

SPONSORED PRODUCT

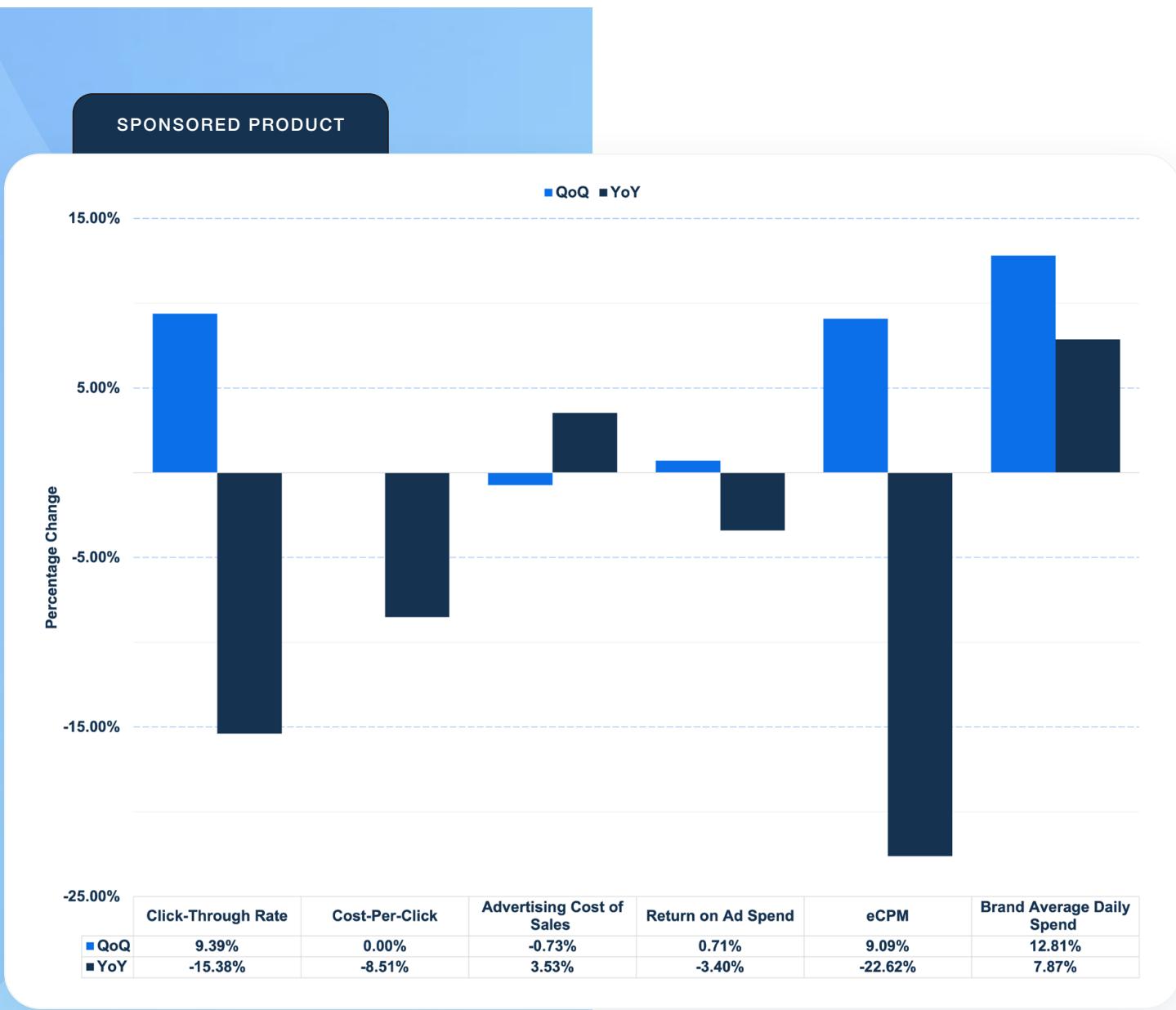
• • • •	CTR	CPC	ACOS	ROAS	eCPM	Brand Avg Daily Spend
2023-Q2	2.34%	0.94	17.00%	5.88	22.02	
2023-Q3	2.37%	0.94	16.75%	5.97	22.25	
2023-Q4	2.14%	0.94	17.58%	5.69	20.16	
2024-Q1	1.81%	0.86	17.73%	5.64	15.62	
2024-Q2	1.98%	0.86	17.60%	5.68	17.04	
QoQ Change	9.39%	0.00%	-0.73%	0.71%	9.09%	12.81%
YoY Change	-15.38%	-8.51%	3.53%	-3.40%	-22.62%	7.87%

Instacart Trends

Instacart Ads News

The launch of shoppable YouTube Ads, Instacart's largest announcement of Q2, is as exciting as it is intuitive. Continuing off their Q1 integration with Google Shopping ads, it's no surprise that the trend towards off-platform expansion would expand shortly after with

Google's video hosting subsidiary. The results of this growing alliance need time to fully ripen, but in the context of a thriving overall business and stabilized search performance, Instacart looks primed to completely change the game.



Instacart CPC & ROAS

COST-PER-CLICK



Highlights

Competition for ad placements on Instacart remained flat quarter-over-quarter, with the average CPC costing \$0.86. While CPC remained steady in Q2, it decreased by -8.5% year-over-year, likely due to shifting media budgets.

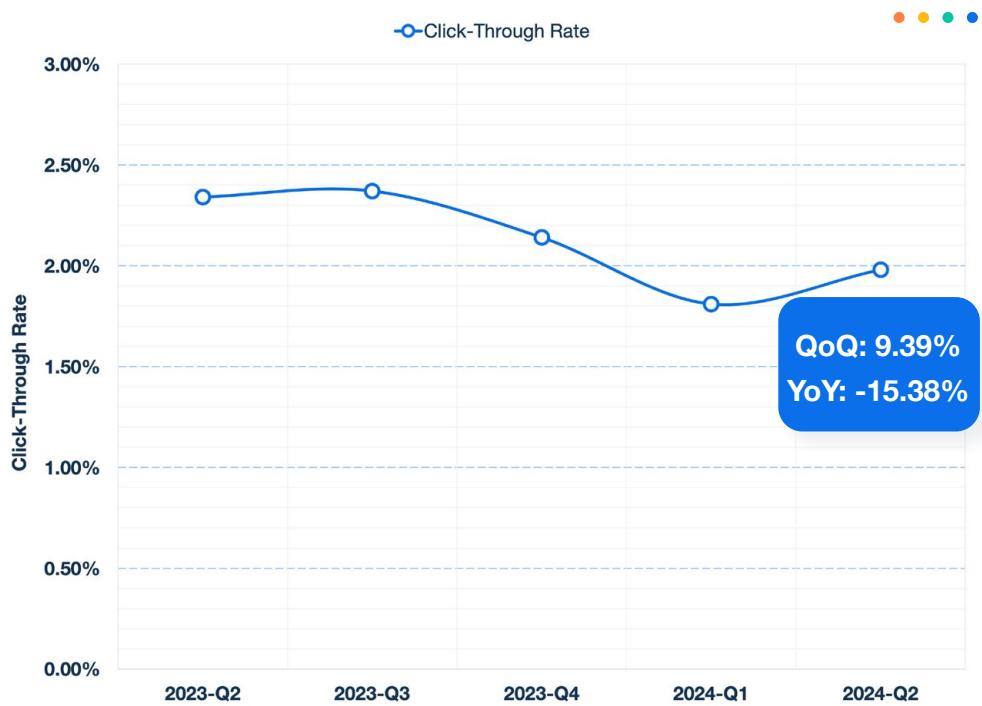
With CPC remaining flat, ROAS also remained flat quarter-over-quarter. Despite CPC becoming more affordable over the past year, ROAS decreased by -3.4%. The decreased advertising effectiveness could be due to shifting consumer spending habits, lower conversion rates, or more competition among marketplaces for consumers.

RETURN ON AD SPEND



Instacart CTR & Spend

CLICK-THROUGH RATE

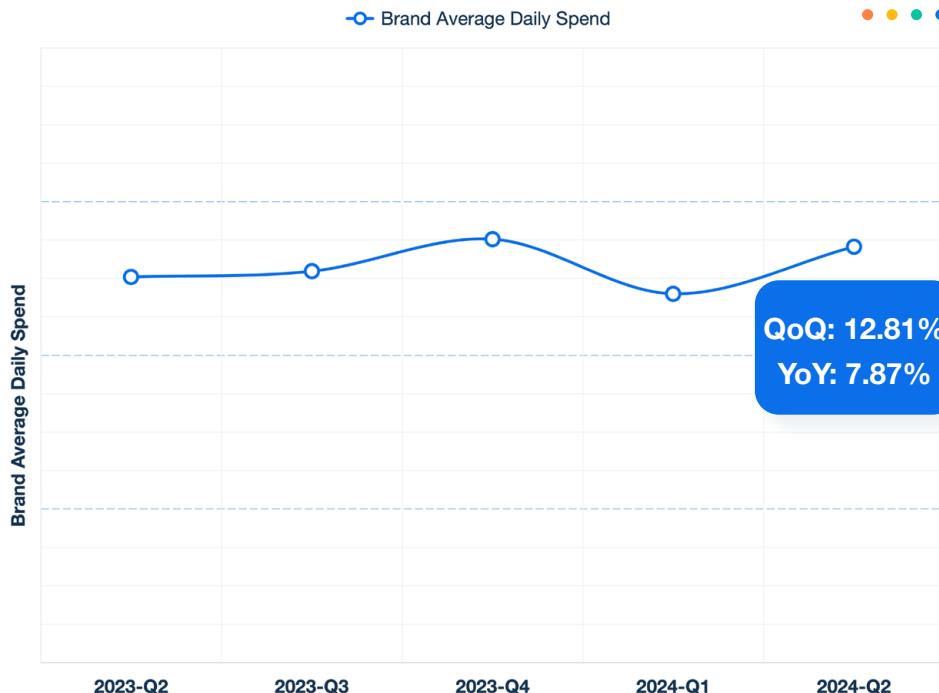


Highlights

Advertisers continue to invest in Instacart, with ad spend increasing 12.8% quarter-over-quarter. Ad spend increased nearly 8% year-over-year, with Instacart now solidified into many brands' retail media strategies.

CTR increased 9.4% quarter-over-quarter but decreased -15.4% year-over-year. With ROAS remaining flat, the cause may be from customers simply browsing the site and finding better deals elsewhere, the product page may not align with the ad, or the rising cost of food.

BRAND AVG DAILY SPEND



Focus On: Instacart New Releases



IC

Shoppable Ads on YouTube

Instacart continues to expand its advertising reach with shoppable YouTube ads. By leveraging its first-party retail media data, this initiative aims to deliver actionable ads to high-intent consumers. Seeing as YouTube is a top resource for product research, the ability for viewers to click directly on these ads to purchase featured products is undeniably effective.

After expanding into Google Shopping Ads earlier this year, moving further into the Alphabet stratosphere looks like a no brainer for Instacart. The simplicity of the move should not be mistaken as bland strategy, since by all accounts Instacart is proving to be an impressive broker of partnerships – like its somewhat overlooked deal in Feb '24 with Whole Foods Canada. Since its early days, Instacart has operated as a disruptor in the industry of online grocery, but with a regular cadence of key developments it has shown to be more of a leader than ever before.



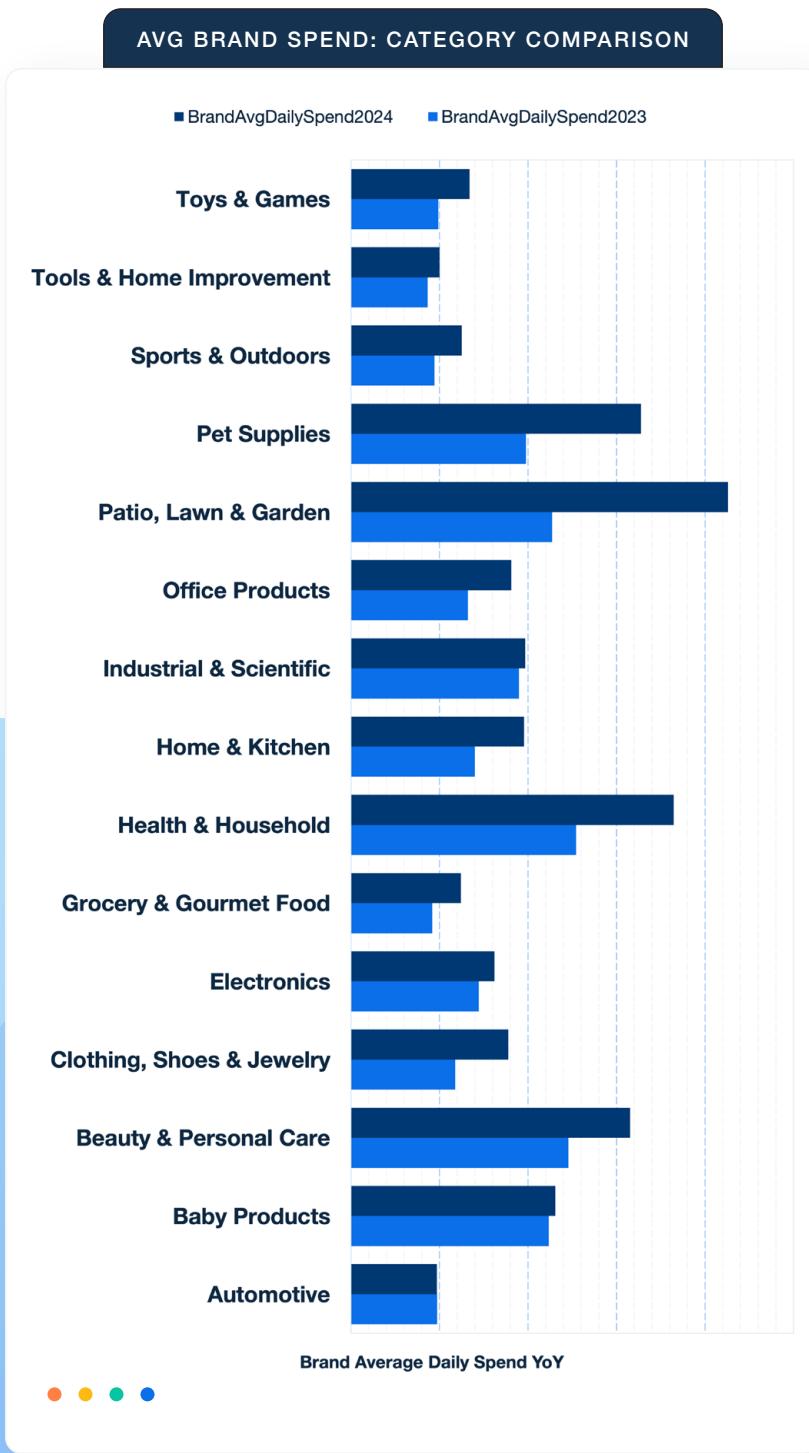
 PACVUE

Category Benchmarks

Outperform Your Competitors with Powerful Commerce Benchmark Data

Categories

Q2 Spend Comparison



Category Highlights

Backyards and gardens across the US must be in good shape this year, as the Patio, Lawn, & Garden category saw a massive surge in ad spend, increasing 87.6% year-over-year and a 35.7% increase in CPC. The ever-growing Pet Supplies category also saw a 65.9% increase in ad spend, and the Clothing, Shoes, & Jewelry category came in with a 51.1% increase in spending. Despite ROAS staying relatively flat or declining year-over-year for most categories, the automotive category saw ROAS increase by 22.4%.



Focus On: Pet Food & Supplies



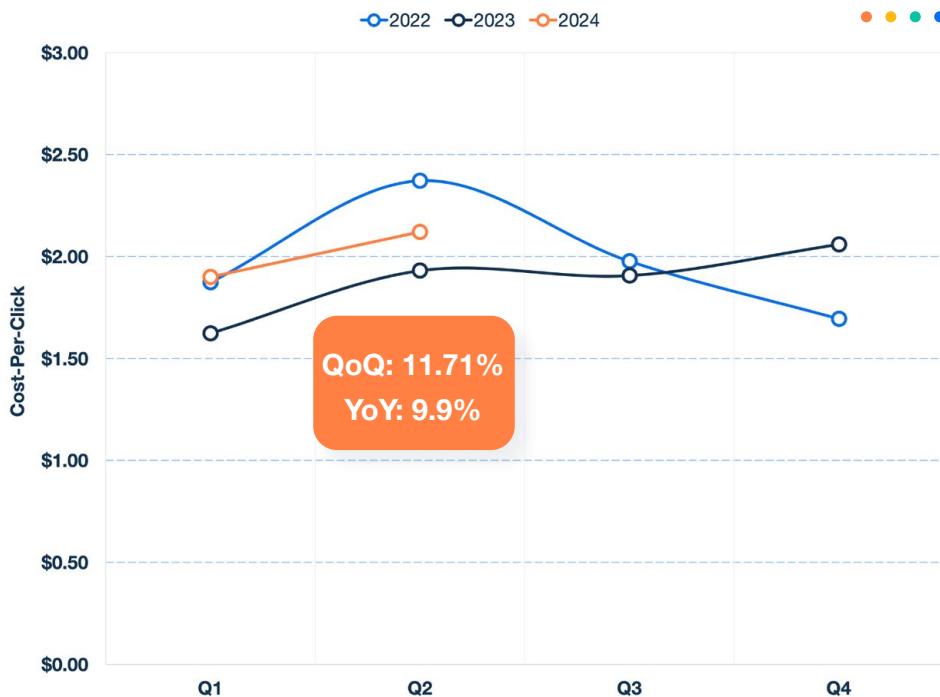
A Treat for Pet Owners

Despite a slight [decrease in the number of households owning pets from 90.5 million to 86.9 million](#) in 2023, the Pet Food & Supplies market is expected to experience significant growth in 2024. [EMarketer projects a 6.1% increase, with retail sales reaching a paw-some \\$83.28 billion](#). Pet owners continue to spoil their furry friends, even as they reduce spending in other areas. With the recent growth,

retailers are pouncing on this opportunity with Amazon's successful Pet Day, PetSmart's revamped rewards program featuring personalized offers and early sales access, and Walmart's pet service centers offering veterinary care and grooming. The category is expected to outperform the Beauty and Personal Care category, which is predicted to reach \$100 billion in 2024.

Pet Supplies CPC & ROAS

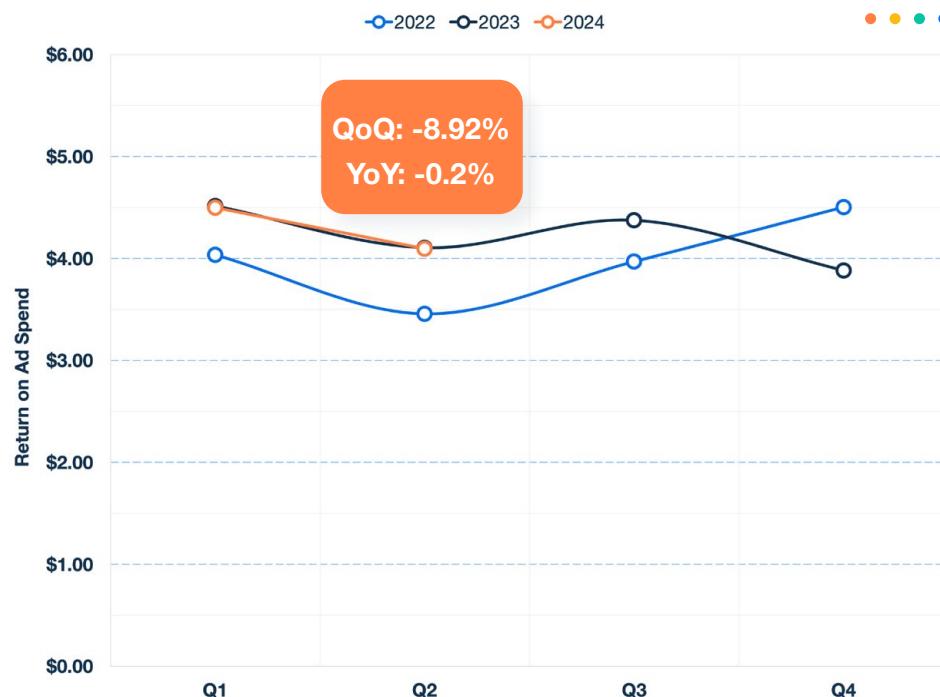
CPC COMPARISON



Highlights

For the second quarter in a row, pet brands are spending more on Amazon ads. While Amazon's 48-hour sales event "Pet Day" may have impacted performance this quarter, the nearly 10% year-over-year increase in CPC is large enough to indicate a larger movement towards the platform. Existing advertisers need not worry, since despite the high cost to entry, average ROAS remained flat year-over-year.

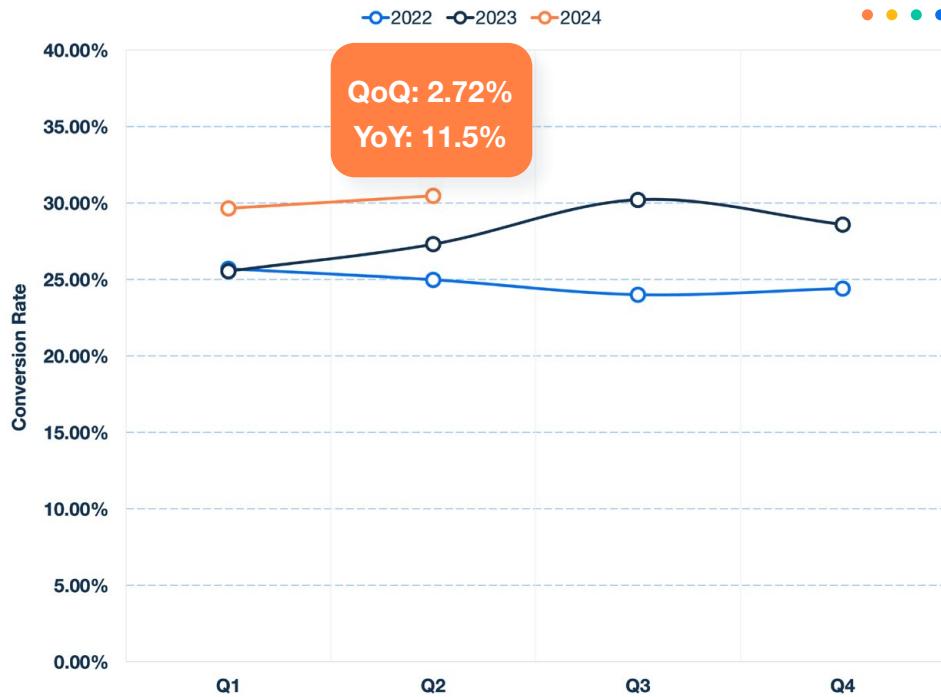
ROAS COMPARISON



Short term, pet brands may feel a bit of a sting due to CPC increasing 11.7% and ROAS declining -8.9% quarter-over-quarter. As shown on the next page, this might prove to be a case of growing pains in an industry filled with eager advertisers.

Pet Supplies CTR & Spend

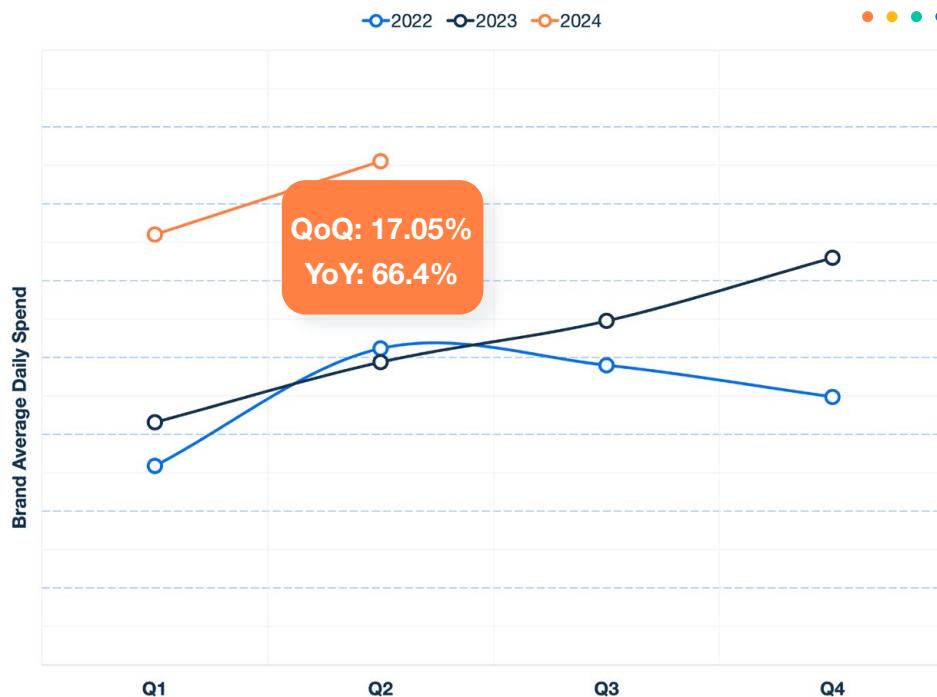
CVR COMPARISON



Highlights

A 17.1% increase in average daily spend tells the story of the pet industry – pet brands continue to look to Amazon to establish their brand or grow. This uptick in ad spend, alongside modest increase in conversion rate at 2.7%, up 11.5% year-over-year, indicates persistent optimism on the platform for pet brands. However, due to the nature of the category, with higher levels of brand loyalty among consumers, this influx of ad dollars may just as quickly slow down as shoppers find their brand and stop clicking on ads. One thing is for certain, though: The mailman might be the dog's worst enemy, but the Amazon driver has become their new best friend.

BRAND AVG SPEND COMPARISON



Focus On: Beauty & Personal Care



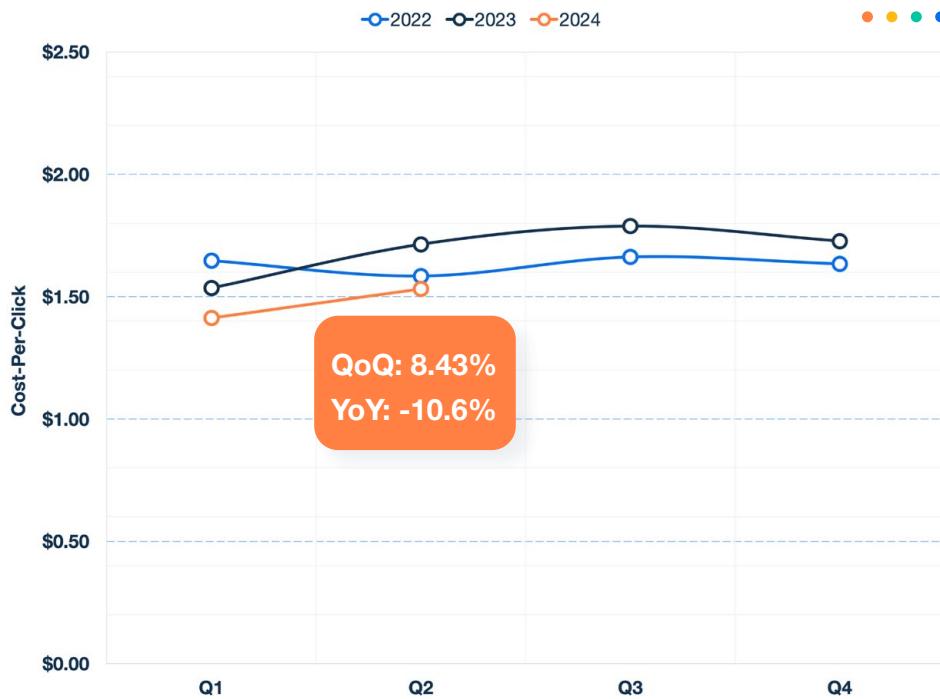
Big Beauty Names Adopt Amazon

Since the early days of eCommerce, a common practice held by beauty companies like Estee Lauder and L'Oréal has been to keep certain luxury brands off Amazon – The idea being that potential risks to the brand status would outweigh the benefits. This calculation, seemingly, has changed. Perhaps the critical

mass of buyers on the platform has been reached. [Gen Z shopping habits](#) might have moved the needle, too. Regardless of the exact reason, the numbers speak for themselves, with Amazon set to become the [top beauty retailer by 2025](#) according to Morgan Stanley.

Beauty & Personal CPC & ROAS

CPC COMPARISON

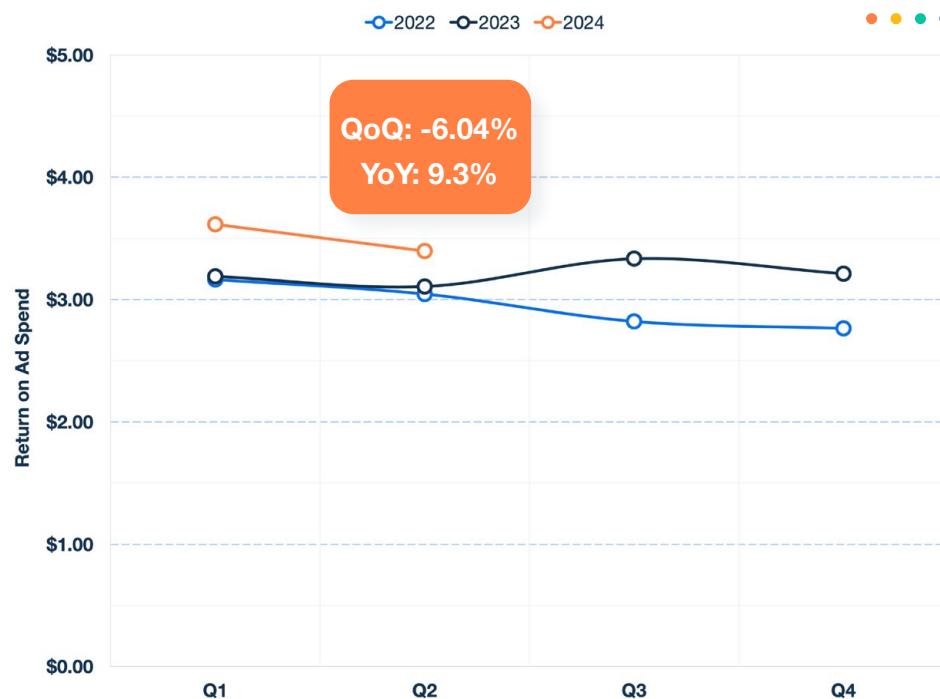


Highlights

The low CPCs of Q1 saw a slight return to normalcy for beauty brands, with an 8.4% increase, ultimately leading to a decrease in ROAS of around -6%. This shouldn't worry marketers, though, with average results being better still than this period last year, -10.6% CPC and 9.3% ROAS.

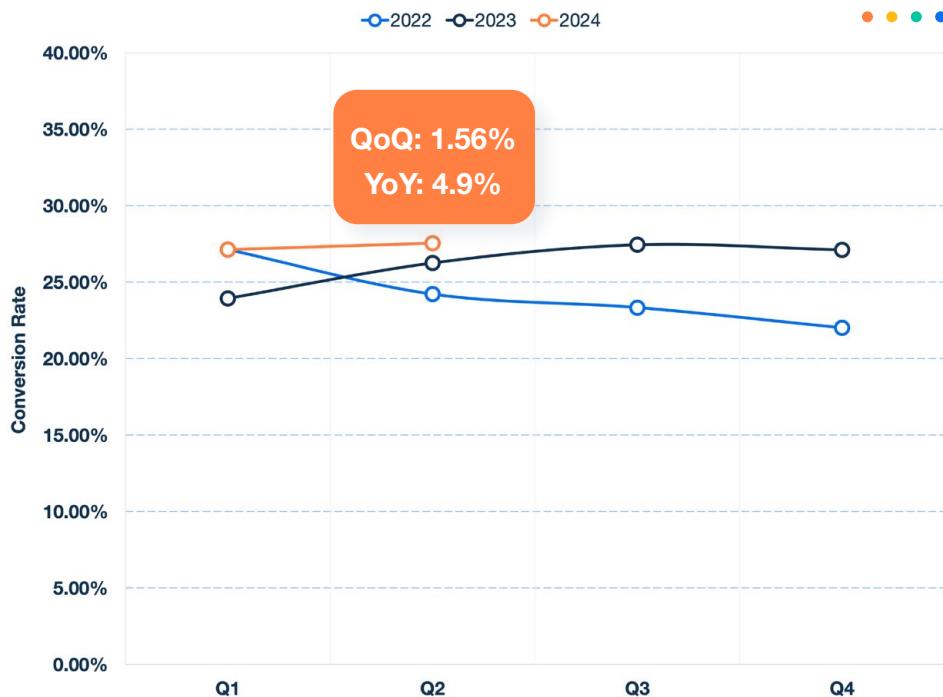
The signs of a booming category are all present – brands continue to join the platform, ad spend is profitable, and the cost of entry is still affordable.

ROAS COMPARISON



Beauty & Personal CTR & Spend

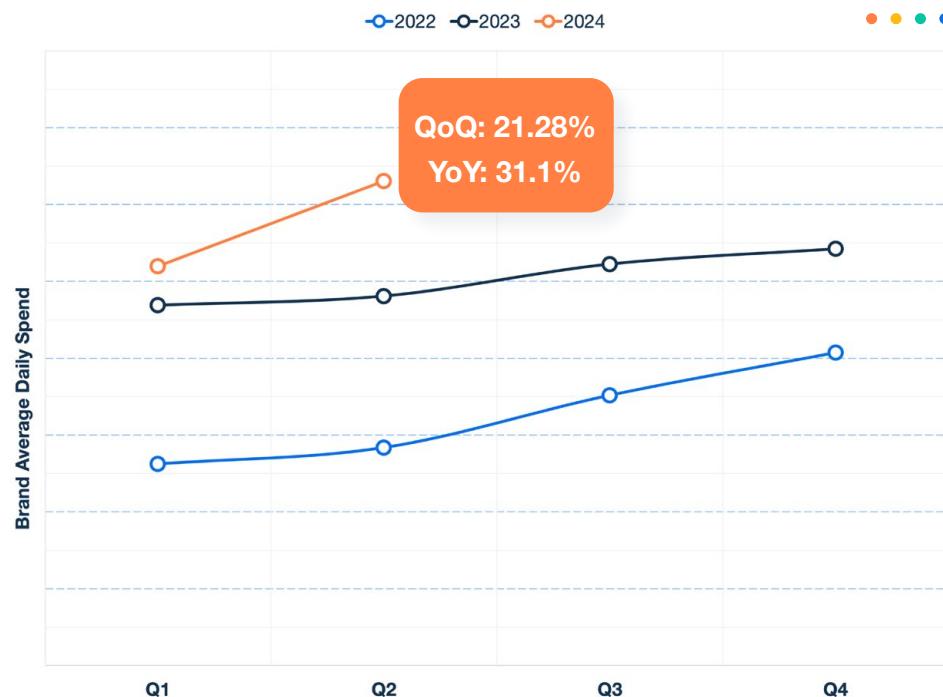
CVR COMPARISON



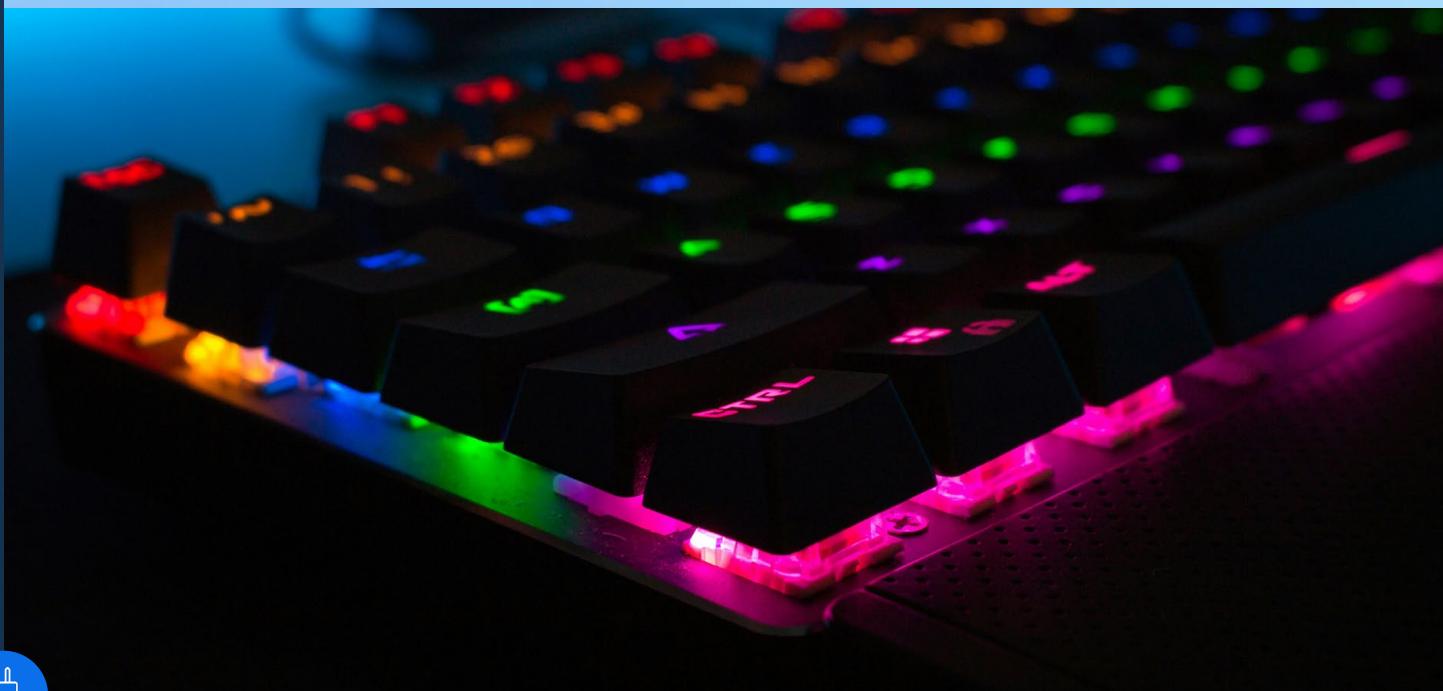
Highlights

Perhaps encouraged by the efficient ad spend, beauty brands are taking recent ad performance as a positive sign with the average daily spend across the category skyrocketing: 21.3% quarter-over-quarter and 31.1% year-over-year. Conversion rates ticked up slightly, too, at 1.6% quarter-over-quarter and 4.9% year-over-year. With TikTok Shop establishing itself as a contender in the industry, it's a positive sign for Amazon that beauty brands are deciding to further establish themselves on the marketplace.

BRAND AVG SPEND COMPARISON



Focus On: Electronics



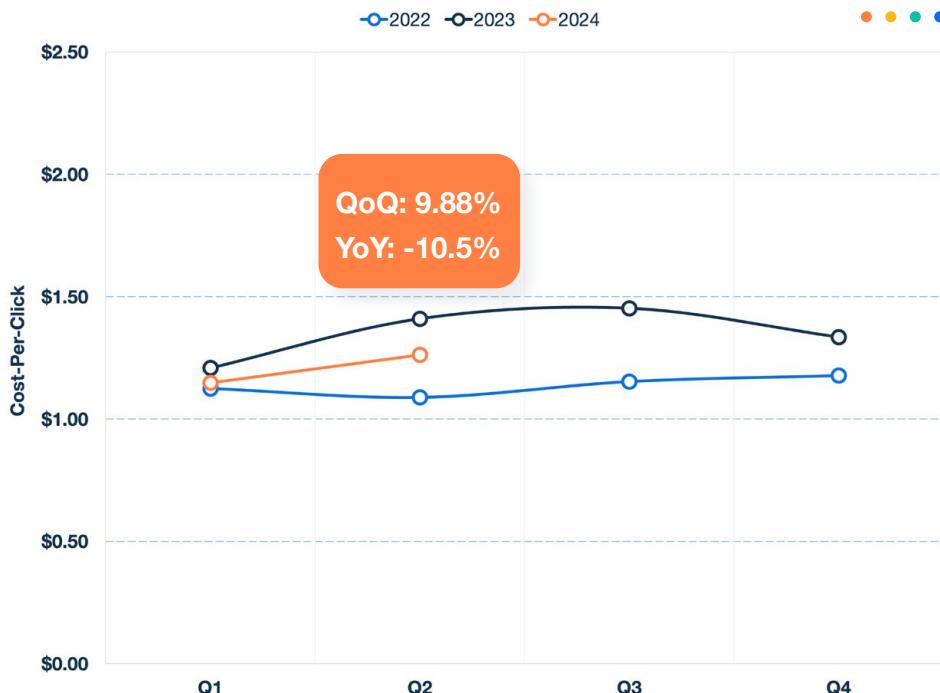
Electronics Remain Bright

Popular, high margin, and with consistently exciting innovations, it's no wonder that the electronics category remains the darling of eCommerce. The category's preeminence leads marketplaces to prioritize new, targeted tactics to gain share, such as [Walmart Deals](#) and [Amazon Gaming Week](#). Amazon adding category-specific shopping events in addition to its two-yearly Prime Day events, which already

boosted Amazon to the #1 electronics retailer in the months they take place, implies a dedicated effort to take market share. Best Buy, looking to retain the title of #1 seller of electronics in the U.S., continues to build out a digital commerce strategy, improving the speed and efficacy of their online sales. Walmart also remains one of the top marketplaces in the category and with its impressive overall digital sales growth, its future looks brighter than a Bluetooth controlled, 6500k LED strip.

Electronics CPC & ROAS

CPC COMPARISON

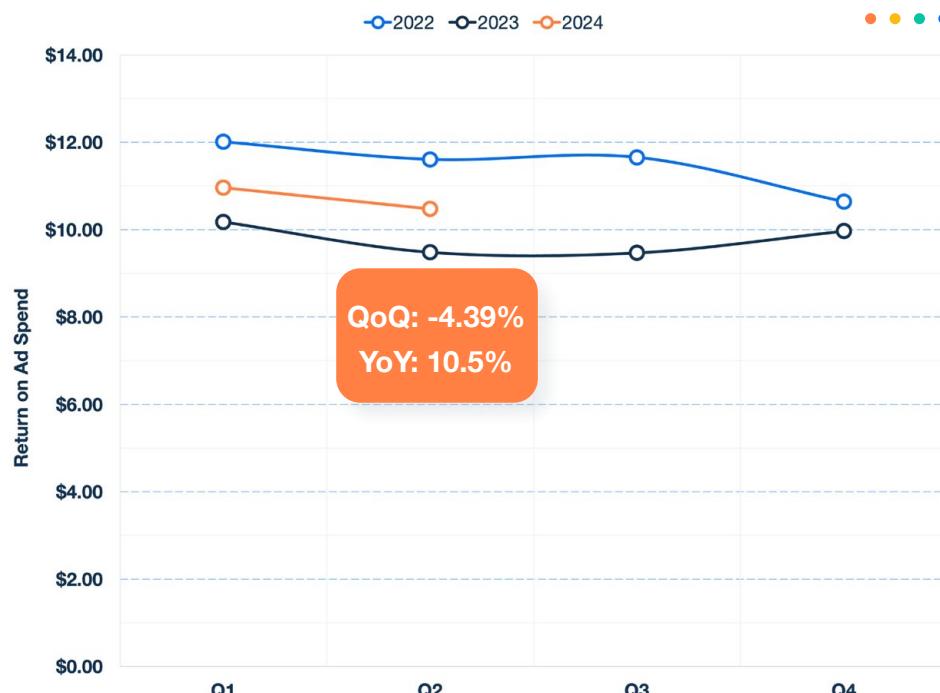


Highlights

The average CPC increased 9.9% in Q2, following the same trend as last year, albeit at a -10.5% lower cost. Unsurprisingly, the average ROAS moved in lockstep, down 4.4% quarter-over-quarter and up 10.5% year-over-year.

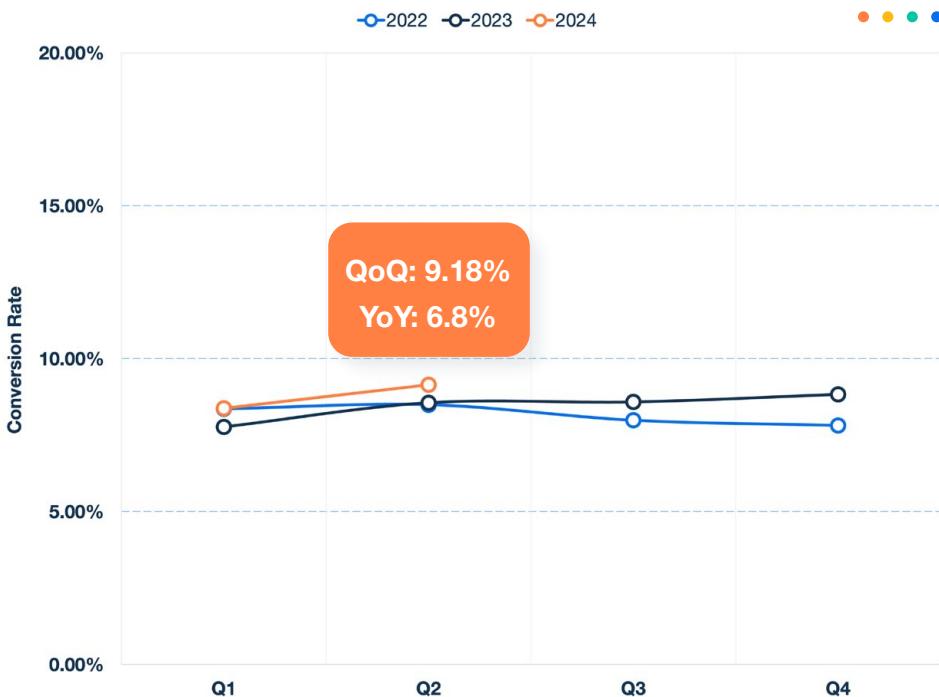
While the category sees the most sales in the latter half of the year, Amazon's week-long promotion in May titled "Gaming Week," gave advertisers additional opportunities last quarter.

ROAS COMPARISON



Electronics CTR & Spend

CVR COMPARISON

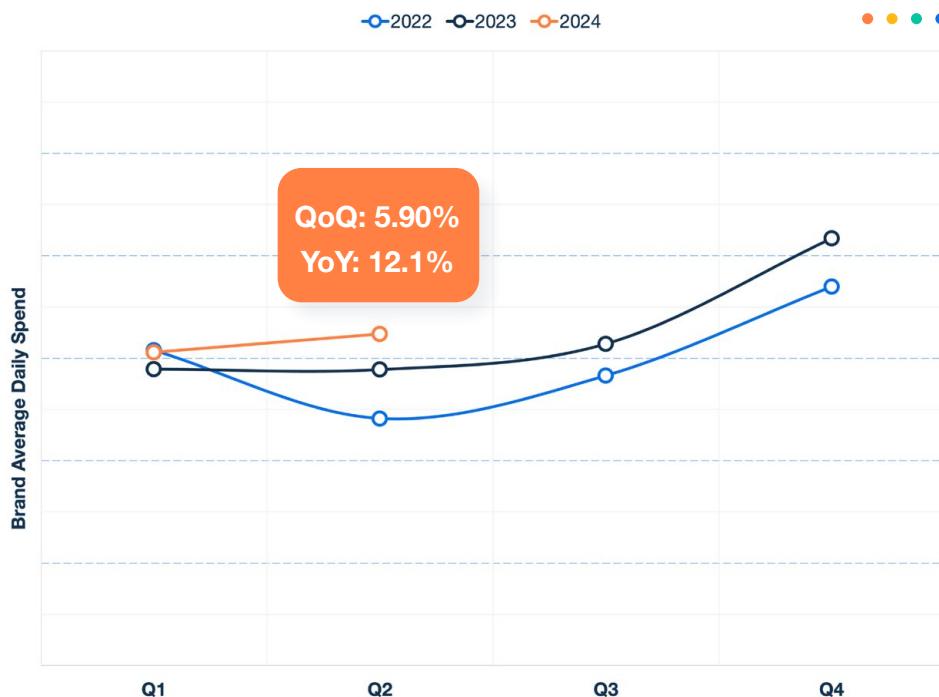


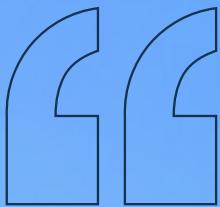
Highlights

Advertisers benefited from an impressive 9.2% increase in the average conversion rate this quarter, up 6.8% from Q2 last year. Average ad spend reflects their confidence, increasing 6% for the quarter and 12.1% year-over-year.

As electronics are the most heavily influenced by promotions, it's important to note how a later Prime Day may affect this data. Savvy shoppers don't wait until the last minute, and savvy advertisers do the same.

BRAND AVG SPEND COMPARISON





“The use of Generative AI for display creatives, and even video and audio formats, is enabling teams to have additional ways to convert shoppers. As adoption increases, I think we'll see many brands that couldn't afford robust creative assets punch above their weight.”

Lee Dunbar



SVP, Head of
Retail Media
Starcom

Looking Ahead

AI Changing the Game

Since ChatGPT took the world by storm in November 2022, AI has become a fixture in nearly every aspect of our lives. The inundation of AI was so rapid and omnipresent that “AI fatigue” became a part of our daily vernacular by 2024 - this fatigue might have led you to under-appreciate the incredible developments happening in our own industry.

Generative AI is changing everything about retail media. With its capabilities finally reaching critical competency, marketers can begin deploying a strategy of “relevance at scale”. Early results around GenAI are promising, with [Amazon reporting users of the image generator improving sales by nearly 5%](#). As advertisers’ familiarity with the tool improves, and as the tool itself sees improvement, the full potential of GenAI will reveal itself. In other words, human practitioners and AI are just getting to know each other... we still haven’t hit our honeymoon period.

The use cases expand beyond expedited campaigns or listings - consider the benefits to reporting or competitor research. Aggregating data and category analysis is nothing new, but with AI, the barriers to entry have been demolished. While traditional methods can take weeks to analyze competitor products, competitive AI reviews technology can summarize selling points and pricing strategies in real time. GenAI-powered chatbots will provide on-demand, custom reports, recommendations and analyses, like Pacvue’s recently launched Copilot.

Our firm stance at Pacvue is that AI should enable human expertise, not replace it. Humans alone contain the remarkable abilities to envision a marketing plan, create novel and compelling narratives, and season a data-driven strategy with a pinch of intuition. Understanding the power of GenAI, as well as its shortcomings, will become increasingly valuable into the latter half of 2024 and years to come.

In Summary

The first half of 2024 saw several new ad types, features, and GenAI tools. Some of the most significant announcements included the launch of Amazon's new Sponsored TV ads, Walmart's in-store attribution, and Instacart's Shoppable Ads on YouTube, highlighting the growing retail media ecosystem shaping the future of commerce. AI is already changing the game for advertisers, making developing creatives more efficient and seasonal. "As an early beta partner that has since fully integrated Image Generator into our platform, Pacvue has already seen that Amazon Ads advanced AI-powered tools eliminate creative barriers and enable increased ROI, a reduction in production costs, and faster multivariate testing for advertisers of all sizes. It's thrilling to watch Amazon Ads introduce new offerings that transform our approach to branded imagery in a way that enables efficiencies and facilitates increased clickthrough rates and conversions for brands." stated Melissa Burdick, President and Co-founder at Pacvue, in [Amazon Ads GenAI announcement](#) article.

Categories like Pet Supplies, Beauty & Personal Care, and Electronics are often first to experience change,

from advertisers and marketplaces alike. Beauty brands continue to establish themselves on Amazon, a shift from their earlier aversion to the platform. The pet category continues to see increased investment from their brands, showing the value of brand loyalty for a successful eCommerce strategy. Electronics, the top grossing category, invites innovations from Walmart and Amazon with additional sales events and strategic discounts.

Despite the many innovations and experiments we see; the core tenants of ecommerce remain the same. Amazon and Walmart will fight for supremacy, and Instacart develops itself with confidence. Retail Media is firmly established as a crucial building block of holistic marketing strategies. And data remains the king, undisputed.

[For more benchmarks and insights to power up your advertising efforts for 2024, visit us at pacvue.com.](#)

Q2 2024

Q2 2024 REPORT

Takeaways



About Pacvue

A commerce acceleration platform that empowers businesses to discover the most impactful opportunities, activate sales growth, and streamline daily operations. The platform turns insights into actionable recommendations by integrating retail media, commerce management & measurement.



About Helium 10

A commerce suite of tools for entrepreneurs and businesses to manage and sell products, find keywords, identify trends, optimize listings, and more on Amazon & Walmart Connect. Helium 10 champions entrepreneurship at all stages with the playbook to build, grow and scale a meaningful and steadfast e-Commerce business.