What Amazon Advertising Will Look Like in 2020

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Amazon doesn’t generally speak to future plans, so it didn’t have much to say about what 2020 has in store for its growing advertising business. Agency insiders who work with clients on the platform, however, say they expect big changes in 2020, especially when it comes to data and insights.

Amazon got a late start in digital marketing, so it still trails Google and Facebook in both revenue and tools.

But Eric Heller, chief knowledge officer at digital marketing company Wunderman Thompson, said he’d rather be Amazon in this scenario.

“If you imagine Google going through a forest with a machete and creating this from scratch, Amazon is coming through eight to 10 years later, and someone has already macheted through the forest,” Heller said. “You’re late, but … you’re able to basically … reuse learnings that are already well-trodden.”

That’s not to say Amazon will simply follow in Google’s footsteps without any innovation of its own.

Andrew Ruegger, managing partner and head of commerce and data science at advertising media company GroupM, said Amazon will have to “unpack their platform in a way that makes information available to advertisers and to brands that previously hasn’t been made available,” in part because the market is becoming more competitive and expensive—WPP has seen the price of search ads like sponsored products, sponsored brands and sponsored display ads triple since 2017.

But even as digital budgets shift to Amazon, advertisers are

complaining about its tools. And while we're likely to see "a ton of investment" in 2020, how that translates to specific products is hard to say, according to Rob Gonzalez, CMO of product experience management platform Salsify. It will depend on platform usage, so we'll see more investment in whatever advertisers find useful as well as "anywhere that drives the top line," Gonzalez said.

Where Amazon still lags

For now, agencies' biggest complaint is that Amazon doesn't offer as much insight into what's working and what is not.

Elizabeth Marsten, senior director of strategic marketplace services at digital marketing agency Tinuiti, said you can only go back 30 to 60 days with Amazon, whereas Google offers historical data for all time—or at least back to the beginning of digital marketing time. That's why her Amazon Advertising wish list includes more historical data.





Another gap lies in keywords. Google has a keyword planner, but Amazon doesn't have a tool that shows how big the market is for a given keyword. That means brands and agencies can't calculate what they need to spend in order to maximize their Amazon investments because they don't know how many times customers are searching for relevant keywords, Ruegger said. In turn, it's difficult for advertisers to project returns and plan budgets. In 2020, however, we will start to see tools fill this gap, but they won't be comparable to Google's Keyword Planner.

"It's more likely we will see tools surrounding keywords and contextual targeting within Amazon DSP," Ruegger said.

What's more, Heller noted, Amazon doesn't offer insights into how advertisers can grow their market share on the platform, such as by showing advertisers which ads convert the best for their products, Heller said.

"It's very, very hard to infer right now," he said.

But, according to Heller, Amazon has indicated it will fill some of these gaps soon and eventually, advertisers will be able to cross-reference Amazon data with their own customer databases.

Building on momentum from 2019

In addition, Amazon will prioritize the OTT video ads it debuted in 2019 and increase its share in programmatic as it focuses on targeting nonendemic advertisers with its OTT offerings, Joshua Kreitzer, CEO of advertising and marketing agency Channel Bakers, said.

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