

Nearly 30% of Instacart's revenue is from advertising

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Instacart may be known for delivering groceries, but advertising delivered \$740 million in revenue for the company in 2022.

Instacart made \$740 million in ad revenue in 2022, a 30% increase over 2021.

Surging ad business. The Information reported:

"The grocery-delivery firm's ad revenue totaled about \$740 million last year, up 30% from 2021, according to a person familiar with the matter. That's a striking increase, given that the digital ad market was largely stagnant last year. Nearly 30% of Instacart's 2022 revenue came from selling advertising rather than actually delivering groceries."

Ads accounted for about 20% of Instacart's \$1.5 annual revenue in 2021 – about \$300 million – according to a June 2021 Insider report.

For comparison. Advertising accounted for about 10% of Amazon's revenue in 2022, according to The Information. Meanwhile, Amazon made \$37.7 billion in revenue through advertising last year.

Why we care. Instacart remains a viable alternative for brands to promote products directly to consumers. And the company has updated its platform to attract more advertisers.

The bigger picture. In 2022, Google and Meta's advertising market share dropped below 50%. This trend is expected to continue in 2023, in part, due to the rise of emerging ad platforms like Instacart.

The rise of retail media networks. Retail media search spend is forecast to be near \$30 billion this year – and RMN digital ad revenue is expected to hit \$45 billion. Dig deeper in U.S. paid search spend forecast to hit \$110 billion in 2023.

Tags: advertising, Instacart's