# RETAIL MEDIA INDUSTRY REPORT

INNOVATING TO IMPACT

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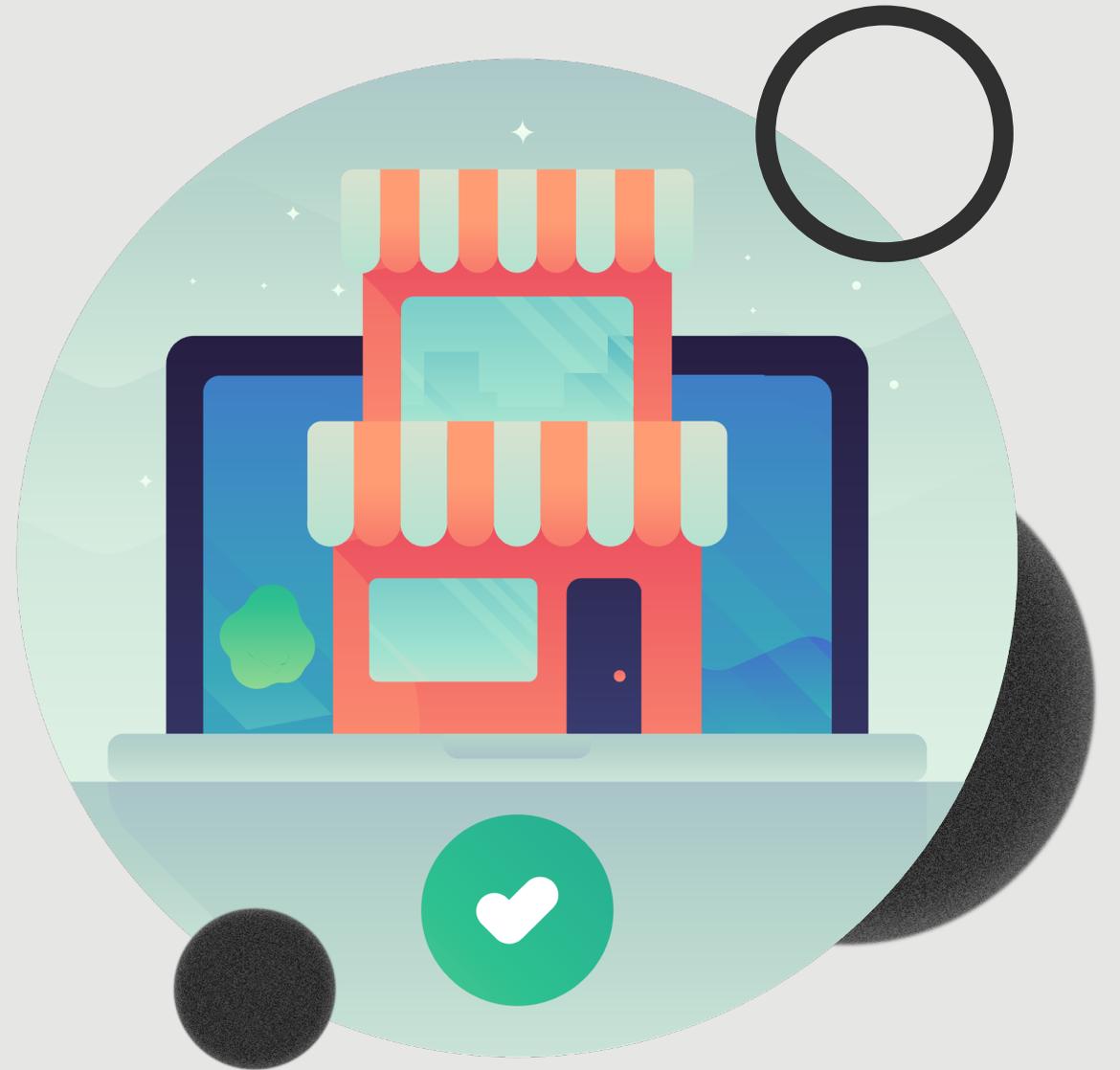
ABOUT THE

RESEARCH

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WHO WE SURVEYED

The data in this report was collected via survey in August 2024 in the US. We surveyed 100 executive, senior, and mid-level decision makers from retailers and brands. They serve in marketing, retail media, merchandising, ecommerce, and shopper marketing roles.

Respondents work at companies with over $50M in annual revenue. All participating retailers have a shopper marketing or co-op marketing program, as well as a monetization program that's incremental to their shopper marketing. All brands categorize themselves as either CPGs or consumer brands.

Brands **Retailers**
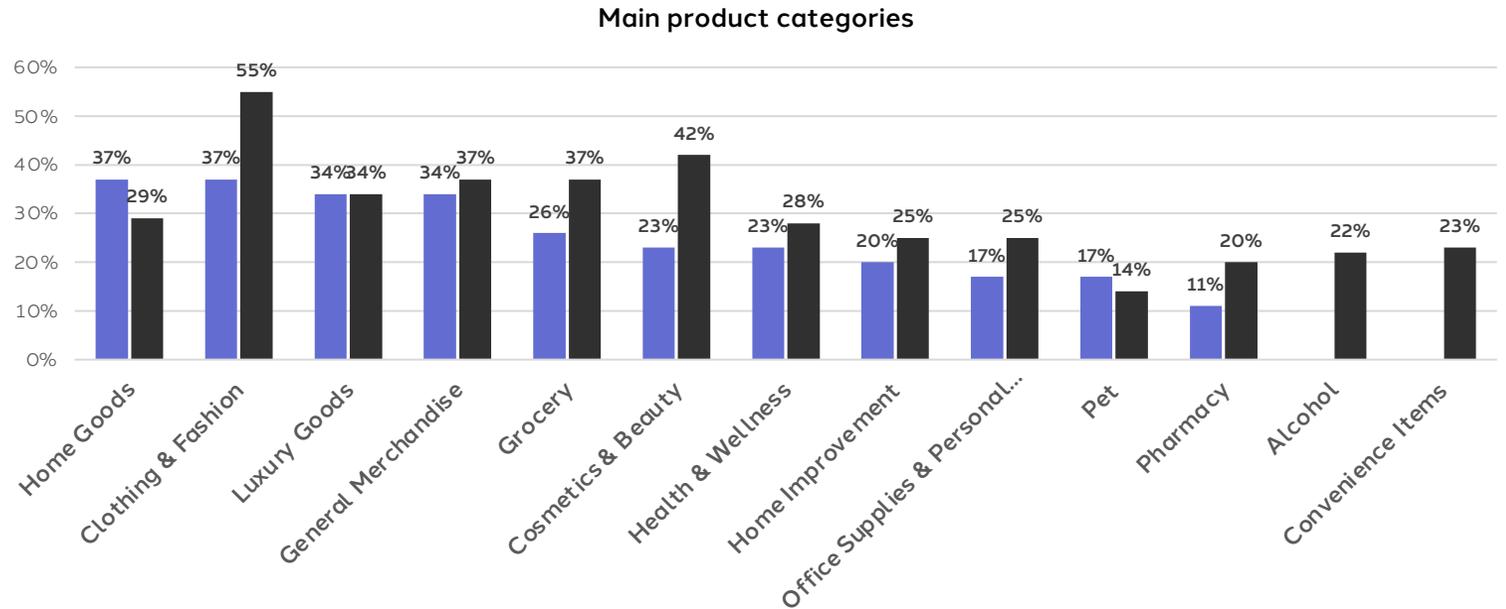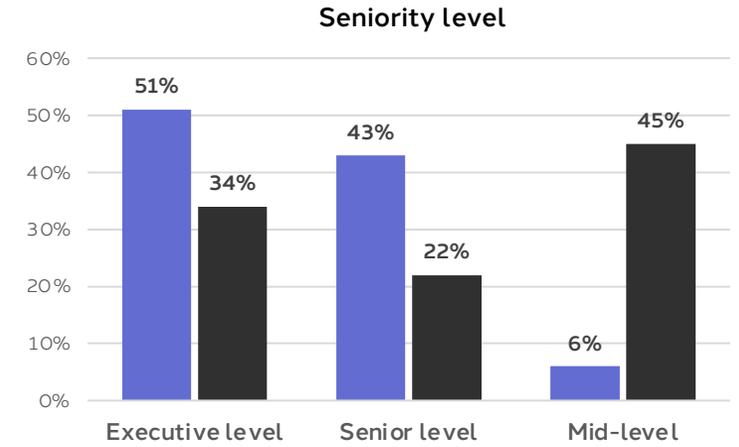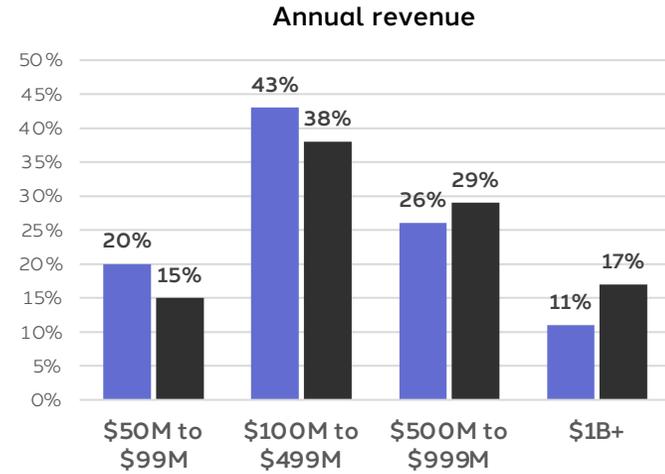
Annual revenue

	Brands	Retailers
$50M to $99M	20%	15%
$100M to $499M	43%	38%
$500M to $999M	26%	29%
$1B+	11%	17%

Seniority level

	Brands	Retailers
Executive level	51%	34%
Senior level	43%	22%
Mid-level	6%	45%

Main product categories

	Brands	Retailers
Home Goods	37%	29%
Clothing & Fashion	37%	55%
Luxury Goods	34%	34%
General Merchandise	34%	37%
Grocery	26%	37%
Cosmetics & Beauty	23%	42%
Health & Wellness	23%	28%
Home Improvement	20%	25%
Office Supplies & Personal...	17%	25%
Pet	17%	14%
Pharmacy	11%	20%
Alcohol		22%
Convenience Items		23%

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INSIDE

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TODAY'S RETAIL MEDIA LANDSCAPE (RMN) LANDSCAPE

RETAILER OWNED

Grocery

AOD retail media · ALBERTSONS MEDIA COLLECTIVE · Cub FOODS · Harris Teeter · H·E·B · King Kullen · Kroger · SPROUTS FARMERS MARKET · Wakefern FOOD CORP.

Leap with myperks · meijer media · piggly wiggly · Price Chopper · RedMedia A HyVee Company. · SpartanNash · UNFI BETTER FOOD. BETTER FUTURE. · weis markets · Wegmans

Department Store

bloomingdales · LORD & TAYLOR

macy's · KOHL'S · NORDSTROM

Mass/Dollar/Club

amazon · COSTCO WHOLESALE · BJ's Wholesale Club · DCMN DG Media Network

ROUNDEL · sam's club map · Walmart Connect · CMG Chesapeake Media Group

Office Supply

Office DEPOT · Staples

Home Improvement

LOWE'S MEDIA NETWORK · orange apron media

Specialty

SHERWIN WILLIAMS · DICK'S MEDIA · PETSMART · Michaels · petco · GULP MEDIA NETWORK · AutoZone · BEST BUY

Convenience Store

Wag Walgreens Advertising Group · RITE AID · GOOSE MEDIA NETWORK · CVS Media Exchange

Pharmacy/Convenience/Beauty

UB MEDIA · SEPHORA · freshdirect · Casey's ACCESS
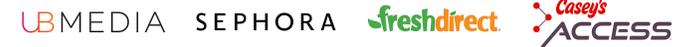
AGGREGATED MARKETPLACES

Walmart Connect · kevel · amazon.com · Quotient · Google · theTradeDesk · Carrot Ads · Bridg · CRITEO · CitrusAd

ECOMM OWNED

Commerce Intermediary

Uber Eats · instacart · Shipt · freshdirect · DRIZLY · DOORDASH

Specialty

chewy · wayfair · BED BATH & BEYOND · Etsy · shopify · B&H PHOTO · VIDEO · PRO AUDIO · asos · Adorama · ebay

COMMERCE MEDIA NETWORKS

Travel

Uber · lyft media · expedia group · kinective Media by United Airlines

Financial

Western Union · Klarna · CHASE Media Solutions · INTUIT SMB MediaLabs

Entertainment/Fitness/Services

T ADVERTISING SOLUTIONS · ticketmaster · SIMON · FANDANGO · CARS COMMERCE · planet fitness · LIVE NATION
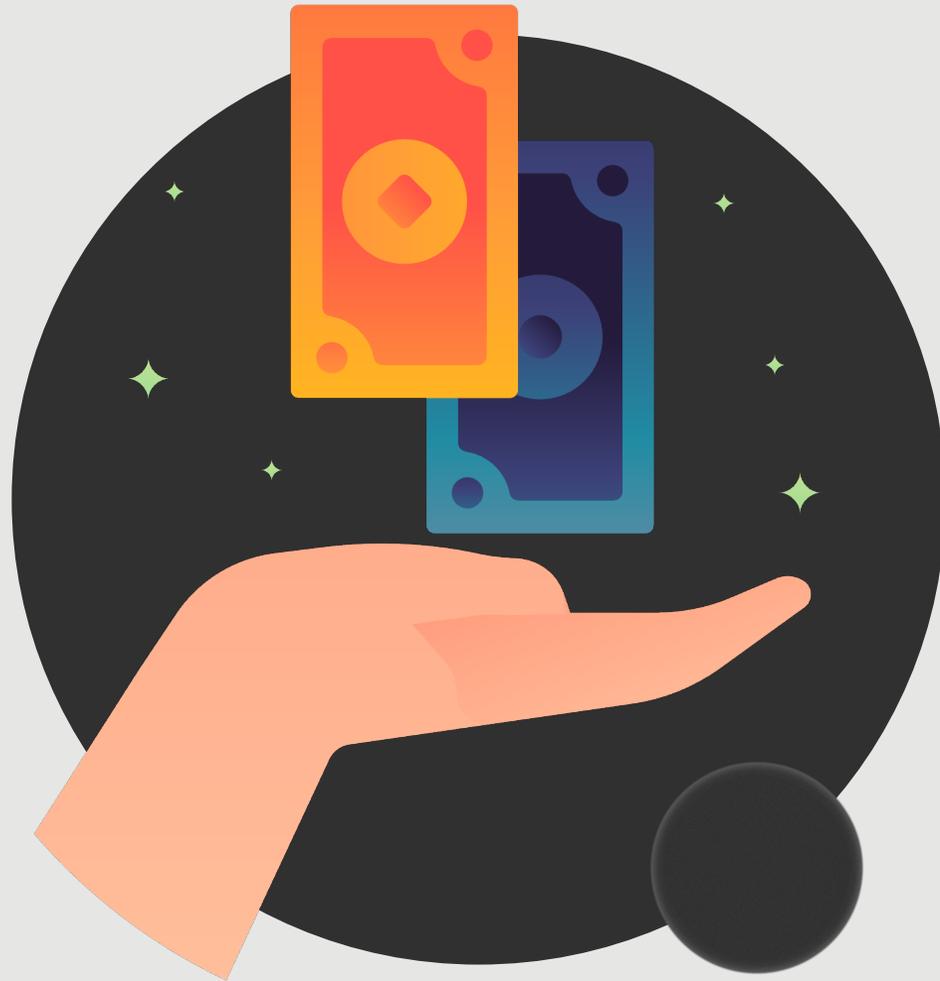
RETAIL MEDIA IN 2025 HAS REACHED A TIPPING POINT

In four short years, retail media has exploded from being an [$18.8B business to one that's worth $54.9B](). And as the pie has grown, more and more players have jumped in to grab a piece: our 2020 landscape included just 28 RMNs, while this year's has an impressive 94.

Growth has been fast – and it's not clear if that growth is in the right areas. Commoditized ad formats, like sponsored search and banner ads, get a lot of investment and attention, but the future of retail media will be in differentiated offerings like data and audiences.

The current state simply isn't sustainable. We predict a convergence moment coming soon, where some RMNs will merge and others will fold. But we'll also see some RMNs thrive. To get there, they'll need to create clear value for brands while expertly controlling their costs.

This year's report focuses on helping RMNs and brands alike manage efficient retail media operations and navigate the complexities of the landscape. Dive in for our exclusive survey-based insights to prepare for retail media success in 2025 and beyond.

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FOCAL POINTS FOR

RETAILERS

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78%

expect revenue to increase

TODAY'S REALITY FOR RETAIL MEDIA NETWORKS

Seventy-eight percent of retailers expect their RMN revenue to increase in the next three years, compared to 91% last year, suggesting that RMNs are less confident in their ability to continue to stand out and grow in a crowded marketplace. What's causing that?

- **Fragmentation in the competitive set increases complexity for RMNs.**

- **There are growing pains to meet demand.**

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TODAY'S REALITY FOR RETAIL MEDIA NETWORKS

Fragmentation in the competitive set increases complexity for RMNs.

RMNs called out first-party data vendors and media providers (Meta, Meredith, YouTube, other commerce media network) as their top competitors this year, with direct and indirect RMNs coming after. RMNs are challenged to navigate a landscape where the number and variety of players makes it hard to define a competitive set.

There are growing pains to meet demand.

The landscape is becoming more mature, and how RMNs operate within it is also maturing. This year's data showed that RMNs aren't focused primarily on just one or two top concerns; RMNs are managing complex and competing priorities in their business daily and it's challenging to identify a single solution that addresses them all.

The current landscape is unsustainable, and to thrive through an industry consolidation, retailers must take advantage of their unique position as publishers, tech providers, media networks, and much more.

Read on for fresh insights into the current state for RMNs and to learn how to navigate the evolving landscape, with a focus on competitive differentiation and cost management.

RMN OFFERINGS SPAN NEARLY EVERY AISLE

RMNs now cover nearly all product categories, making retail media relevant for more brands and solidifying it as an integral part of a standard media strategy.

Of note is the luxury goods category, which grew from 22% last year to 34% this year. In the early years, many saw retail media built exclusively for CPGs. However, as commerce has evolved to be "everywhere, all the time," there are use cases for luxury brands that make retail media an attractive opportunity.

If desired, nearly any brand could find an RMN to work with that sells in their category, presenting more options than ever.

This, combined with the crowded landscape on page 4, highlight the need for RMNs to develop non-media solutions to stay competitive.

What best describes the categories that you sell?

| Category	%
Pet	14%
Pharmacy	20%
Alcohol	22%
Convenience items, such as grab-and-go food, drinks, or gasoline	23%
Office supplies and personal computing	25%
Home improvement	25%
Health and wellness	28%
Home goods	29%
Luxury goods	34%
Grocery	37%
General merchandise (includes mass merchandisers, variety stories, and membership warehouse clubs	37%
Cosmetics and beauty	42%
Clothing and fashion	55%

LANDSCAPE FRAGMENTATION LEADS TO A COMPLEX COMPETITIVE SET

RMNs consider first-party data vendors and media providers as their biggest competitors, beating out other media networks. This suggests that RMNs see their first-party data as a significant asset and perceive the platform audiences as a significant threat as a viable alternative for brands.

In an ideal world, platforms would be partners rather than competitors. The more we see RMNs build their offering around customer data, the more likely opportunity there is to build partnership bridges with media and data providers. Albertsons and NBC Universal are examples of brands who have successfully turned overlapping offerings into value for both parties.

There may also be opportunities for RMNs to collaborate with media networks outside of retail for second-party audience targeting since RMNs do not view them as competitors.

Who do you consider to be competitors to your retail media program?

Category	Percentage
First-party data vendors (other commerce media networks, Meta, Pinterest, etc.)	74%
Media providers (YouTube, Meredith, etc.)	62%
Select retail media networks that are similar to your business in some way (product assortment, revenue, etc.)	55%
All other retail media networks	31%
All media networks outside of retail	6%
None of the above	2%

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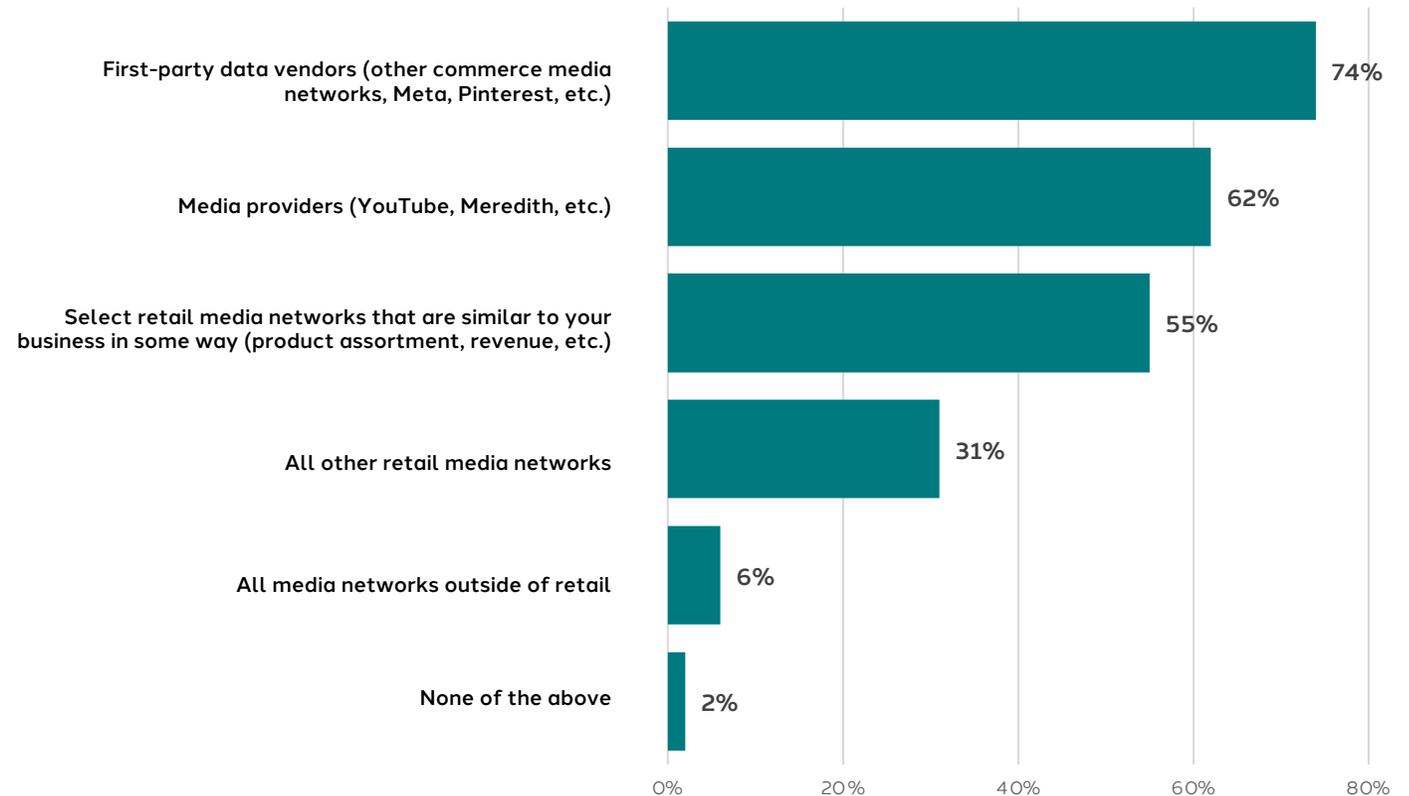
NON-MEDIA OFFERINGS MAKE UP AN INCREASING PORTION OF RMN VALUE

What % of your RMN gross annual value goes to non-media solutions?

	2023	2024
0%	0	2%
1% - 20%	13%	14%
21% - 40%	55%	40%
41% - 60%	25%	34%
61% - 80%	8%	8%
81% - 100%	0	3%

■ 2023 ■ 2024
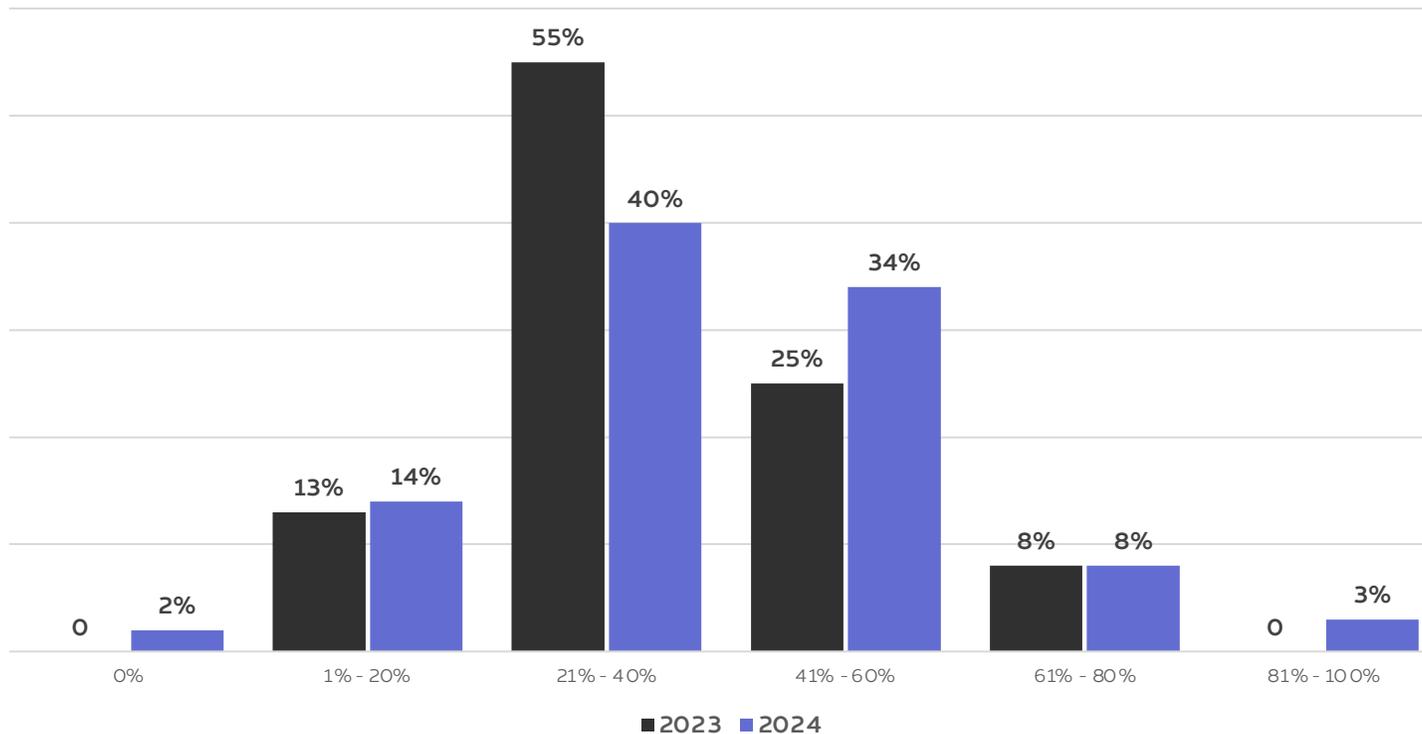
For 45% percent of RMNs, non-media solutions make up >40% of their RMN revenue, up from just 33% RMNs last year. **In fact, RMN is starting to become a misnomer – today's RMNs are closer to "retail audience connectors" than media networks.**

Advertisers, brands, and agencies are demanding more for their investment, requiring RMNs to advance their non-media solutions. These solutions are often more scalable for the retailer and can impact both top-line revenue and bottom-line profitability.

Often, RMNs will invest in multiple complementary non-media solutions to create personalized experiences that resonate for shoppers.

RMNS' TOP NON-MEDIA SOLUTIONS FOCUS ON AUDIENCE DATA AND FIRST-PARTY INSIGHTS

RMNs aren't just publishers - they're increasingly serving as data providers and even tech companies.

The top non-media category RMNs report participating in relates to audiences, with the top offering being data and first-party audience insights without media (35%). As global data regulation advances and cookie deprecation expands, RMNs will continue to lean into their first-party targeting value proposition to meet brands' demand.

Next was creative, suggesting that RMNs recognize the importance of helping brands manage those components of their media campaigns to create a consistent shopper experience with the brand, both on network and off.

These top offerings provide incentive levers to obtain committed ad investment growth from brands, and when they're add-ons RMNs have more flexibility in the final deliverable to brands. That said, RMNs that can commercialize the model for these items stand to gain a first-mover advantage and capture pent-up demand.

What types of monetization solutions do you offer for brands/advertisers to participate in?
Non-media solutions, averaged across categories

| Category	2024	2023	2022
Audience	32%	24%	25%
Creative	30%	21%	26%
Reporting	18%	14%	11%

■ 2024 ■ 2023 ■ 2022
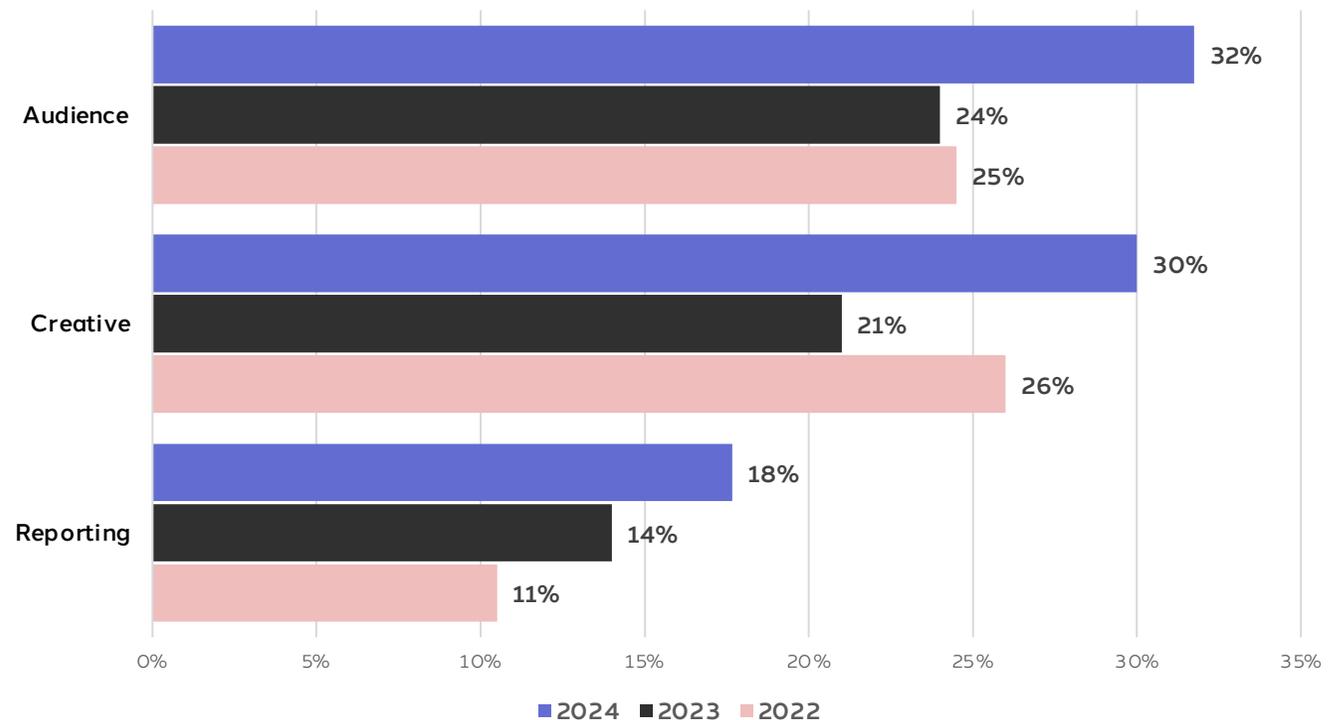
BRANDS NOW WORK WITH RMNS PRIMARILY TO UNDERSTAND AND INFLUENCE THEIR SHARED CUSTOMER

In 2024, brands' reasons for working with RMNs are focused less on performance; third-party cookie deprecation and media close to the point of purchase plummeted Y/Y as decision factors.

Instead, they're focused on a deeper understanding and greater influence over the shared customer. Three of the four top reasons brands reported working with RMNs in 2024 center around the shopper and their experience, with each one growing in importance compared to last year. This reinforces the idea that RMNs are less "media networks" and more "audience connectors" in today's landscape.

Why do you work with retail media networks?

Reason	2024	2023
To better understand the shopper at the retailer	63%	58%
To create a better shopping experience	57%	42%
To build a stronger partnership with the retailer	54%	47%
To deliver more personalized communications	54%	50%
Feel compelled to as part of merchant negotiations	23%	25%
To buy media that's close to the point of purchase	23%	42%
To prepare for changes due to third-party cookie deprecation	23%	44%

■ 2024 ■ 2023

A CONSOLIDATION IN RETAIL MEDIA IS ON THE HORIZON

Brand and agency expectations for RMNs are increasing. They want more standardization, control, and transparency across media buys, performance reporting, and more.

RMNs are publishers, tech partners, media networks, and much more. With that convergence of disciplines, they have a massive opportunity to deliver on brands' biggest reasons for working with RMNs: to better understand their shopper and create a better shopping experience. But to continue to succeed, RMNs must commit to innovation, create easy partnerships, advance their media practices, and prove effectiveness.

Those who succeed will capture demand from top-tier brands and keep larger market share. Mid- and long-tail RMNs that are unable to evolve to show differentiation will be capped by their available first-party audience size and the traffic it drives, forcing consolidation into cross-RMN collaborations or shared data partnerships to keep or maintain their scale.

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HOW TO PREPARE FOR A SHIFTING LANDSCAPE

There are several steps RMNs can take to continue to thrive as the industry consolidates:

1. **Understand the unique value proposition of their first-party audience offering** to find the right brands and sell to them effectively.

2. **Recalibrate their competitor set to RMNs with similar audiences.** Knowing who RMNs are really playing against will be critical for investing in areas that will help them stand out.

3. **Use data to prioritize solutions that meet market needs.** Use the graph to the right as your innovation roadmap to-do list. Creative and connected loyalty strategies are essentials for today's brands.

4. **Build a team that's not just "retail media" folks.** Talent investments must align with offerings, whether that's creative, loyalty, in-depth reporting, or other components.

5. **Add transparency wherever possible,** especially with addressable targeting to show the effectiveness of media campaigns

What are the three most important services/solutions that retail media networks offer?
Top 3 choices

Service/Solution	2024	2023
Creative services, including personalization and co-branded opportunities through creative	74%	44%
Connected strategy across retail media, loyalty, and merchant teams	66%	42%
Access to digital/ecommerce owned and operated media/properties	54%	50%
Access to in-store owned and operated media/properties within the retailer's footprint	54%	78%
First-party sales data	34%	33%
Closed-loop reporting	17%	31%
Co-branded opportunities	0	19%
Other	0	3%

■ 2024 ■ 2023

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# RMNs MANAGE COMPLEX, COMPETING PRIORITIES TO MEET DEMAND, WITH SCALING THE TEAM AS THE TOP CONCERN

The top concern retailers see for their RMN business is scaling the team to meet demand, which is often costly (both to build and maintain). This aligns with one of the challenges many RMNs reported: finding the right partner for people. Compiling a team with the best mix of expertise and experience can be tough in a competitive, rapidly growing industry.

That said, with the industry maturing, we now see a more even distribution across the challenges RMNs report rather than just one or two stand-outs. In 2022, the spread between the highest and lowest concerns was 18 points; this year it was just 9. That alone can make finding and scaling the support team challenging.

Areas we weren't even asking about 3 years ago, like AI and automation, are now top-of-mind for many retailers, and finding the right solutions can be expensive.

Please rank the following potential concerns or challenges about your retail media business in order of how large a concern they are to your organization

Top ranked

Concern	2024	2023	2022
Scaling the team to meet demand	15%	9%	17%
Keeping up with innovation	12%	3%	11%
Data privacy and regulations	12%	13%	4%
Figuring out how to fit automation/AI into the business	11%	6%	
Collaboration across merchant, loyalty, and retail media teams	11%	11%	4%
Managing margin	11%	11%	15%
Solutioning for new ad products	11%	16%	20%
Competition	11%	19%	22%
Demands of brand/advertiser partners	6%	13%	7%

■ 2024 ■ 2023 ■ 2022

RMNS SHOW INCREASED INTEREST IN SPECIALIZED PARTNERSHIPS

Retailers in our survey reported working with more than 23 different technology partners. RMNs diverted share from larger providers to partners who offer solutions more tailored to retail media. Some of the biggest winners were the Trade Desk, PromoteIQ, and Placements IO.

RMNs' evolving needs require a different partner set – and with so many options available, RMNs no longer need to settle for an imperfect fit. Aligning solutions to needs is key for cost management, especially when retailers can reduce the number of partners they're working with. Smaller specialty partners may also provide some cost savings over enterprise solutions.

As retailers explore new and emerging partners, it will be critical to properly evaluate any foundational tech integration work, like APIs, that new partners require. Those projects should be considered as part of the overall cost/benefit equation.

Which partners do you work with to support your monetization program?

Partner	2024	2023
Criteo	8%	8%
Citrus Ad	9%	6%
Pubmatic	9%	8%
Placements IO	11%	5%
Trade Desk	14%	5%
PromoteIQ	14%	9%
Instacart	28%	27%
Salesforce	42%	50%
Amazon	72%	77%
Google	77%	80%

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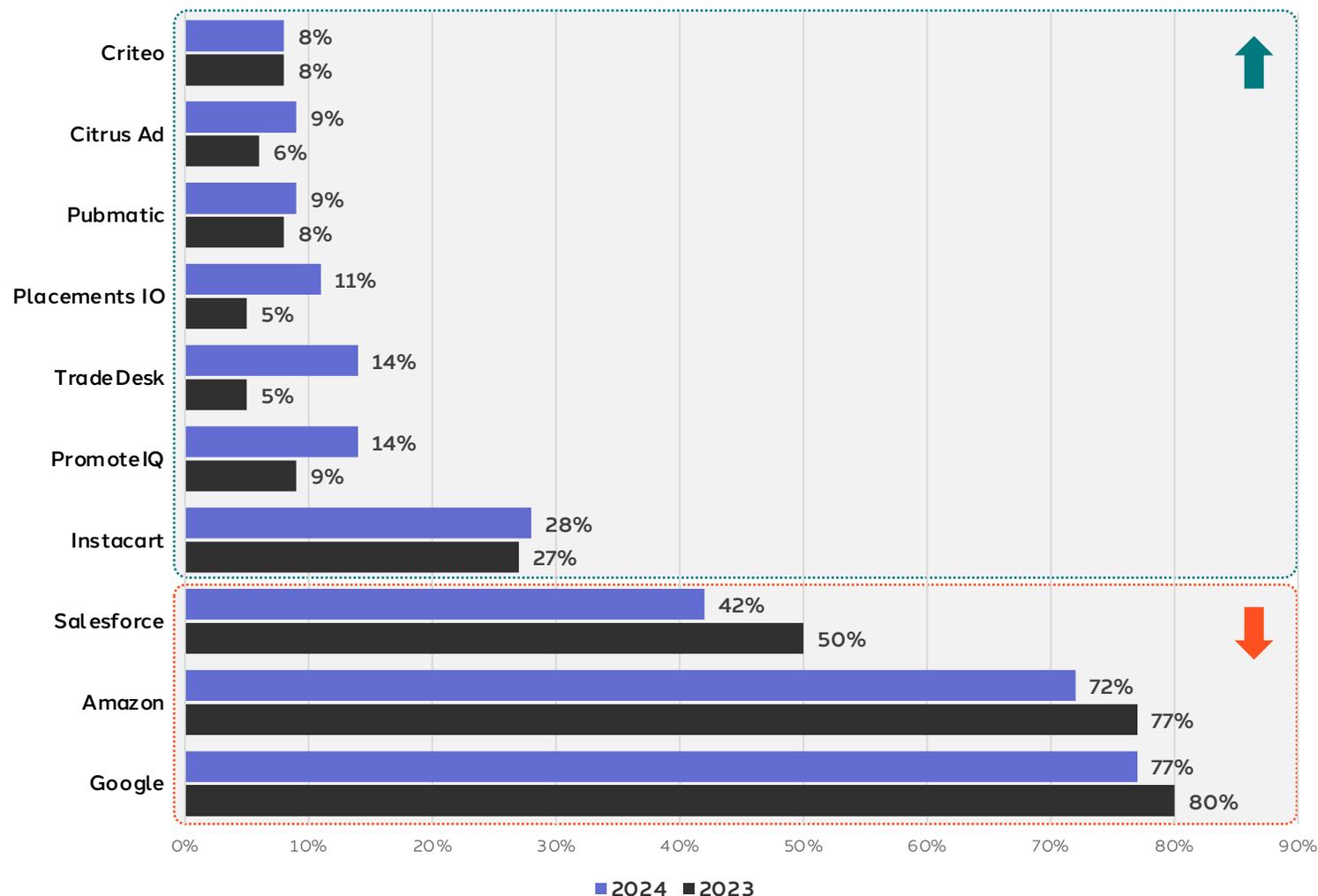
Please rank the below factors in order of importance when deciding which technology to use for your retail media network

Top ranked

Factor	2024	2023
The innovation roadmap	17%	8%
Commercial terms and/or cost	15%	11%
Managed service component	14%	11%
Ease of implementation	14%	14%
Reputation of partner	12%	16%
Ability to scale onsite/offsite/in-store	11%	25%
Sales team support/offering	9%	11%
Built-in access to existing advertisers	8%	5%

■2024 ■2023
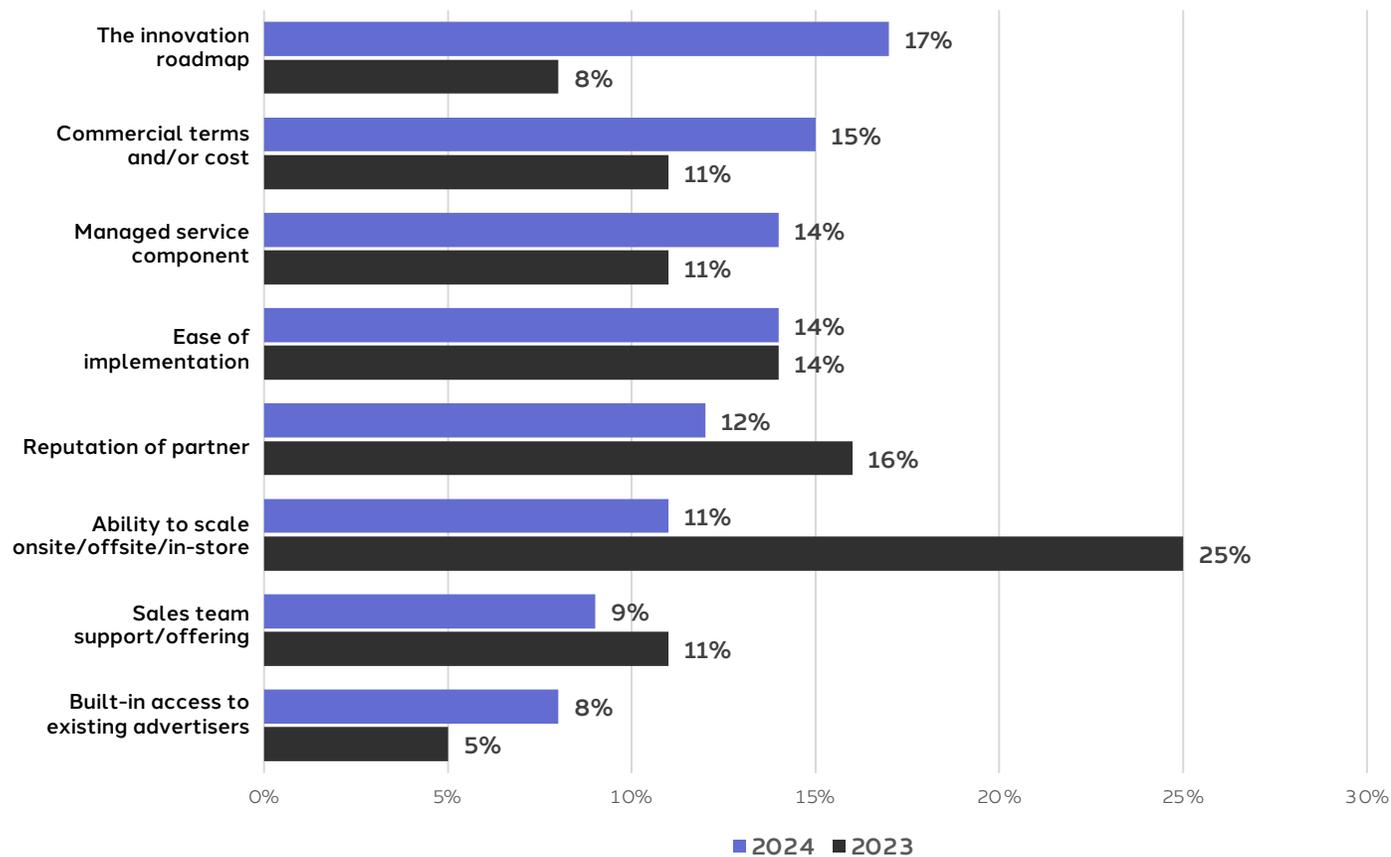
COST BECOMES A GREATER CONSIDERATION FOR TECH DECISIONS

Year over year, more retailers cited "commercial terms and/or cost" as their top factor when deciding what technology to use for their RMN.

When the landscape was more nascent, retailers were looking for the easiest implementation. After learning that all tech implementations are relatively hard, it's no longer the top priority when making a decision.

RMNs are likely getting more internal IT support as retailers prioritize their business build as a transformation project. With IT support it's less of a focus to be "easy" and more of a focus to be "right" for the long-term play.

RMNs FIND A "HAPPY MEDIUM" WITH BOUGHT TECHNOLOGY

Year over year, more retailers reported buying technology across all areas except creative.

Buying strikes a balance across convenience, ownership, and total cost. Building requires significant time and upfront investment to see longer-term efficiencies, while partnering provides less control and ongoing fees. Buying is a happy medium, providing greater control than partnering with less investment than building.

RMNs are most willing to build their CRM technology to manage their shopper data as the backbone of their personalization efforts. They're most likely to partner for media sales and creative, which allows them to capitalize on industry innovations without having to make sweeping changes themselves.

Which best represents your approach to technology?

Category	Built	Bought	Partnered
Media Sales	25%	35%	40%
Media Tech/Ad Serving	26%	43%	31%
Audience Development	28%	48%	25%
Reporting and Insights	29%	37%	34%
Creative	38%	23%	38%
CRM	45%	38%	17%

■ Built ■ Bought ■ Partnered
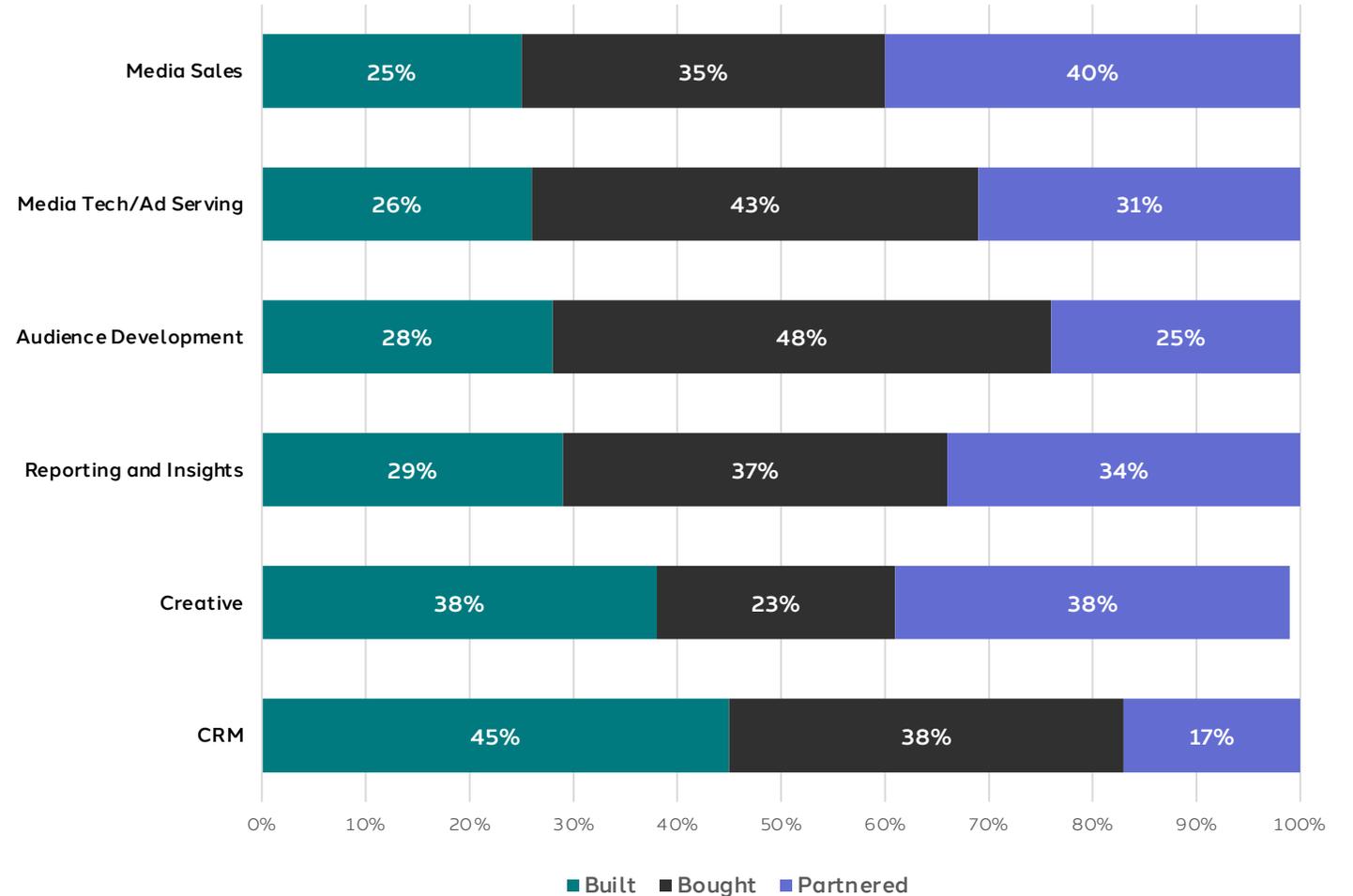
TOP CHALLENGES ARE COSTLY – BUT ESSENTIAL – ENDEAVORS FOR INNOVATION

Last year, RMNs' biggest challenge to scaling their digital business was finding the right tech. This year, it's putting a technology infrastructure in place to get as much value as possible from their tech investments.

As the industry has matured, investments in tech and people are must-haves. "Good enough" solutions that got RMNs to where they are won't propel them forward as the industry moves toward consolidation. More tailored tech solutions and specialized personnel will be key for innovation.

The industry's maturity is also shining through in the Y/Y decrease in "conflict with merchant or trade teams", as these issues have increasingly been resolved internally.

YoY % change

Bar chart with the following values:

- Lack of expertise in-house: 57%
- Finding the right partner for people: 35%
- Getting internal buy-in or funding: 14%
- Technology Infrastructure: 9%
- Finding the right tech (internal change management, etc.): -14%
- Internal or outsourced sales of the data or media solution: -16%
- Conflict with internal merchant or trade teams: -59%
- Lack the data expertise in-house: -100%

RMNS LOOK TO EMERGING TECHNOLOGY FOR EFFICIENCY GAINS

RMNs reported using a mix of methods to drive efficiencies, with AI and automation being the most prevalent. To use these tools effectively, retailers should:

Have specific pain points they're trying to address, and define concrete AI and automation use cases that can solve those challenges. Too many companies are jumping into AI to stay on-trend rather than thinking through the unique business challenge it can help them solve.

Create aligned KPIs and realistic goals for efficiency gains. Success metrics should tie directly to the challenge being solved, and timelines should consider implementation, QA, optimization, etc.

Ensure data integrity and fidelity. AI is only as good as the data it's fed and trained on.

Which of the following have you used, or are you currently using, to drive efficiencies?

AI **86%**

Automation **72%**

Restructuring of teams and/ or outsourcing models **26%**

Other technology **12%**
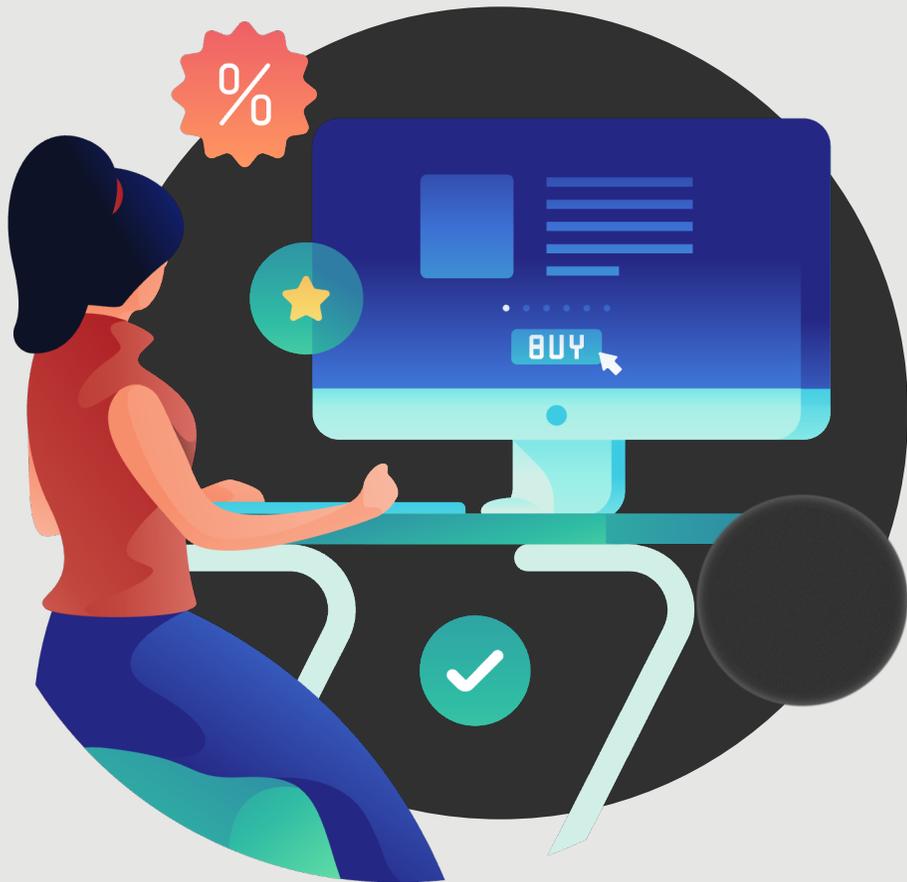
HOW TO FIND AVENUES FOR GROWTH

There are growth opportunities for all RMNs – though they may require new infrastructure or partnerships. At this stage, RMNs must think critically about where they are, where they want to go, and what they need to get there so that every dollar invested contributes to future success. What makes sense for a scaled big-box player may not work for a specialty RMN.

1. **Evaluate the full value of partnerships or tech investments,** including their ability to adapt to emerging technology, against the cost. Be open to smaller partners if they have the capabilities that match your needs.

2. **Take a long-term view when determining whether to build, buy, or partner.** There is no one right answer – it depends on your team's gap areas, your capital on-hand, your ability to iterate as the industry evolves, and more.

3. **Stay true to your unique differentiation and the customer you share with your brands.** A laser focus on your core strengths will help avoid wasted effort or investment in offerings that won't deliver value.

4. **Follow the best practices we've outlined for AI and automation** – start with the question, "what can AI do for me" rather than "what can I do with AI"?

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FOCAL POINTS FOR

BRANDS

dentsu

$1M

Average media investment per brand, according to RMNs
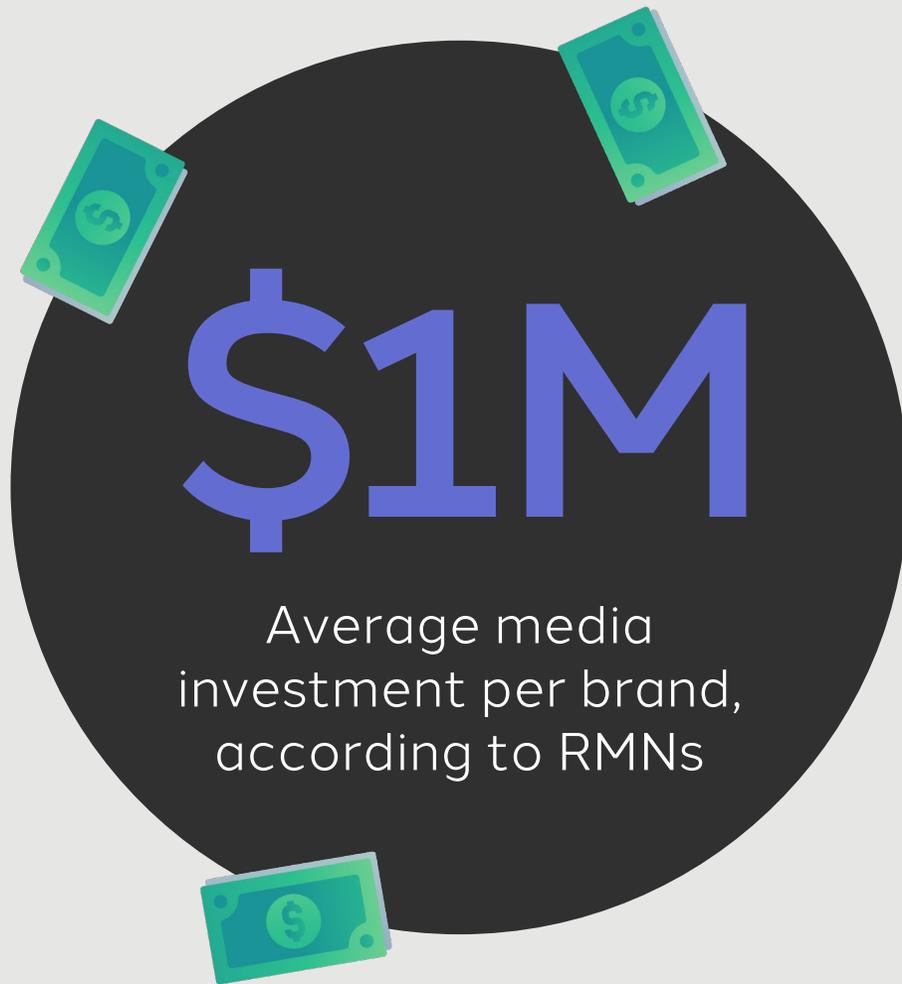
TODAY'S REALITY FOR BRANDS

As the RMN industry continues to grow, so too do many brands' retail media programs. Most RMNs report that each of their brand partners invest over **$1 million annually**, on average - and those brands may be spending that much with multiple retailers. The current landscape is forcing brands to prioritize two key areas to operate at scale.

• **Finding efficiencies to grow sustainably.**

• **Managing the complexity of multi-faceted programs.**

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TODAY'S REALITY FOR BRANDS

Finding efficiencies to grow sustainably.

With increasing retail media investments, brands must figure out ways to work smarter across functions like creative, reporting, and more; otherwise, they'll either need to spend more on personnel, sacrifice quality in some area of their program, or both.

Managing the complexity of multi-faceted programs.

RMN fragmentation impact both retailers and brands alike. As a brand, running a retail media program that spans multiple retailers, channels, endemic and non-endemic offerings, etc. is complicated — especially when each RMN has its own systems for tasks like reporting and campaign creation. That also means it's hard to measure holistic success and determine the best place to invest your next dollar.

Thankfully, many RMNs recognize these challenges and provide solutions as part of their offering to brands. Keep reading for a look at the latest options RMNs have for brands, and where gaps still exist, when it comes to finding efficiencies and navigating complexities.

BRANDS CAN TAKE ADVANTAGE OF SELF-SERVICE TOOLS ACROSS MANY KEY MANAGEMENT AREAS

A majority (69%) of brands reported accessing an RMN themselves using self-service tools, with an additional 29% sharing that their agencies use self-service tools on their behalf. Self-service options have become table stakes as brands seek not just efficiencies, but also more control over their media's performance.

The most-provided self-service tools offered in 2024 support creative production and development, which enable branding consistency across retail media advertising and other channels. They can also reduce time-to-market by removing back and forth on proofing, revisions, and approvals. This is valuable, considering 34% of brands cited their biggest creative challenge with RMNs as "taking a long time from when I secure a placement to when I can get creative into market."

Does your monetization program provide any of the below self-service tools for brands/advertisers?

Creative production or development: 2024 66%, 2023 72%, 2022 74%
Search campaigns: 2024 63%, 2023 58%, 2022 63%
Media inventory management with custom-built audiences: 2024 60%, 2023 63%, 2022 20%
Reporting dashboards: 2024 54%, 2023 39%, 2022 63%
Media inventory management with evergreen audiences: 2024 42%, 2023 64%, 2022 65%

■ 2024 ■ 2023 ■ 2022
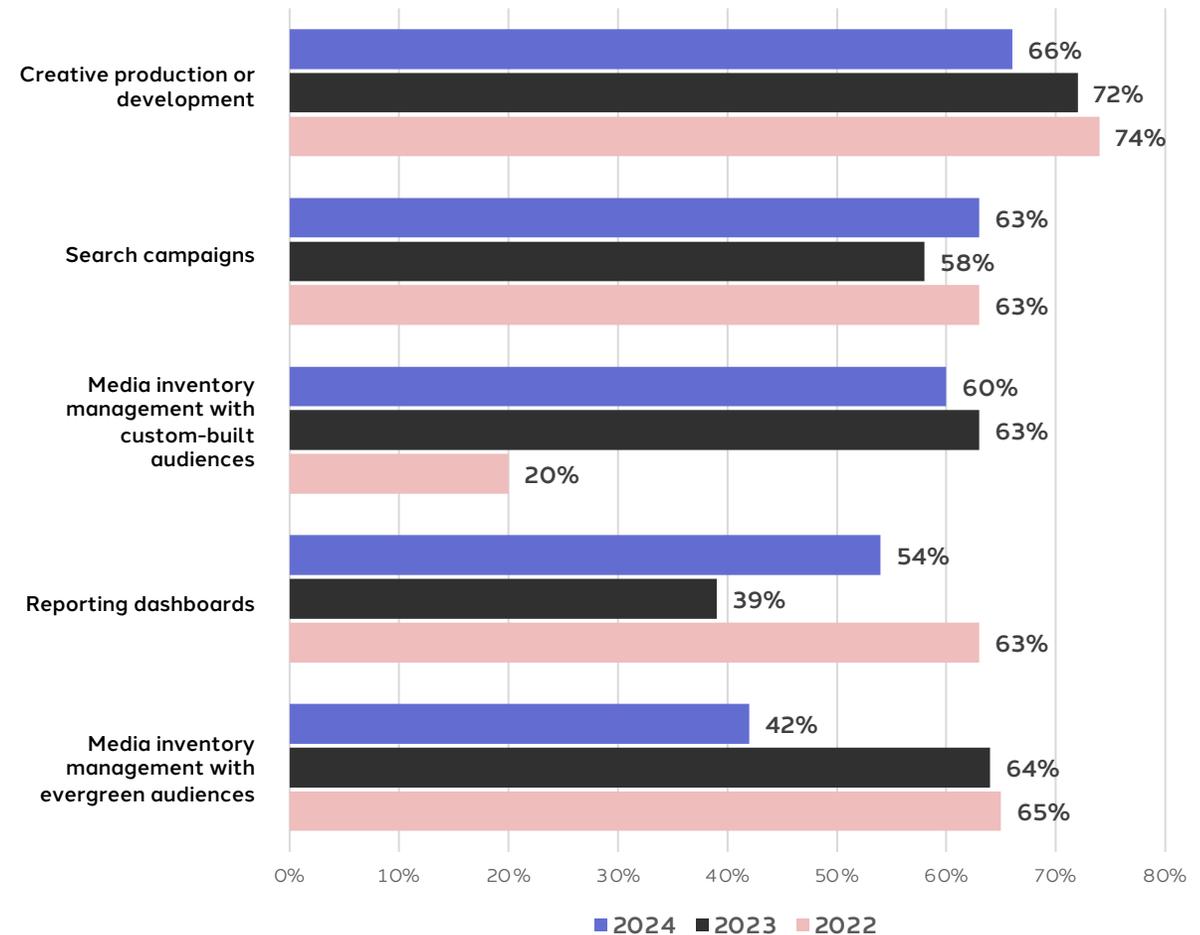
A NOTE ON SELF SERVICE AND JOINT BUSINESS PLANS

Self-service is a great tool for efficient buying, but it can come with drawbacks. To encourage managed service versus self service, many RMNs will only give partial credit toward a joint business plan (JBP) for a self-service investment. For example, spending $1000 through self service may only count as a $750 in spend toward a JBP commitment. This can handcuff brands into investing through managed service, even if it's not the best fit for their needs.

An agency partner can help alleviate this pain point for brands by negotiating with RMNs to count each dollar equally toward the JBP, whether it's invested through self service or managed service.

CREATIVE IS AN EASY AREA FOR BRANDS TO FIND EFFICIENCY

When it comes to creative, self-service isn't the only way brands can save time. Most RMNs offer moderately or highly templatized creative specifications that allow brands to plug-and-play their assets to generate ads.

While this appeals to most brands, any brand that wants fully customizable creative should explore whether that option exists before investing with a particular RMN.

Outside of the RMN itself, brands can look to AI tools that help with their content supply chain and media creative across DSP, search, connected TV, out-of-home, and other formats. This can provide efficiencies for retail media as well as other channels.

What creative flexibility, if any, do you primarily offer to advertisers?

| Category	Percentage
Moderately templatized to support retailer branding, but the advertiser can supply their customized ad within the designated template	28%
Highly templatized with ads built via dynamic creative optimization (DCO) feeds with advertiser supplied SKUs	55%
Highly templatized product/logo/offer copy only provided by the advertiser	62%
Freely allow advertiser to supply custom ad units to general size specifications	60%

AUTOMATION AND DATA ARE TOP ASKS FOR BRANDS SEEKING MORE VALUE FROM RMNs

Several of the areas brands cited as opportunities for RMNs to add more value show a desire for efficiency. Easier buying through automation tools tied for the top spot (51%), while more timely access to reporting and optimizations was a priority for 31% of brands.

Data without media can also create efficiencies for larger brands who have the internal capabilities to manage media campaigns themselves.

Retailers need to make all aspects of media buying as easy as possible, with limited friction and hold ups. As brands consider an RMN, it's important they ask up front which self-service offerings exist, with an understanding of which capabilities are just nice-to-haves versus dealbreakers.

Where can retail media networks add more value to the brand/advertiser relationship?

Category	2024	2023
Offer data product without having to buy the media	51%	42%
Make it easier to buy through automation tools	51%	56%
Greater partnership opportunities	37%	44%
Provide more timely access to reporting and optimizations	31%	31%
Provide greater personalization tools like dynamic creative or dynamic pricing	29%	14%
Offer insights products without having to buy the media	26%	22%
Lower CPMs	23%	47%
	17%	33%

■2024 ■2023

AGENCIES BRING EFFICIENCY BY CONNECTING STRATEGIES AND LEVERAGING INDUSTRY EXPERTISE

Eighty-nine percent of brands reported using an external agency for retail media activity, with 63% using an agency with a wide range of specialties.

A multi-faceted agency can connect initiatives across retail media and other parts of a brand's business, like loyalty, search, and more, to help create consistent messaging and cohesive strategies. Consumers increasingly expect seamless interactions across touchpoints with a brand, and having multiple practices managed under one roof can promote that. It can also help with standardization in reporting.

What is the nature of the external agency used for retail media activity?

9% Search agency

11% Don't use one

46% Performance agency

17% Dedicated retail agency

17% Global media AOR
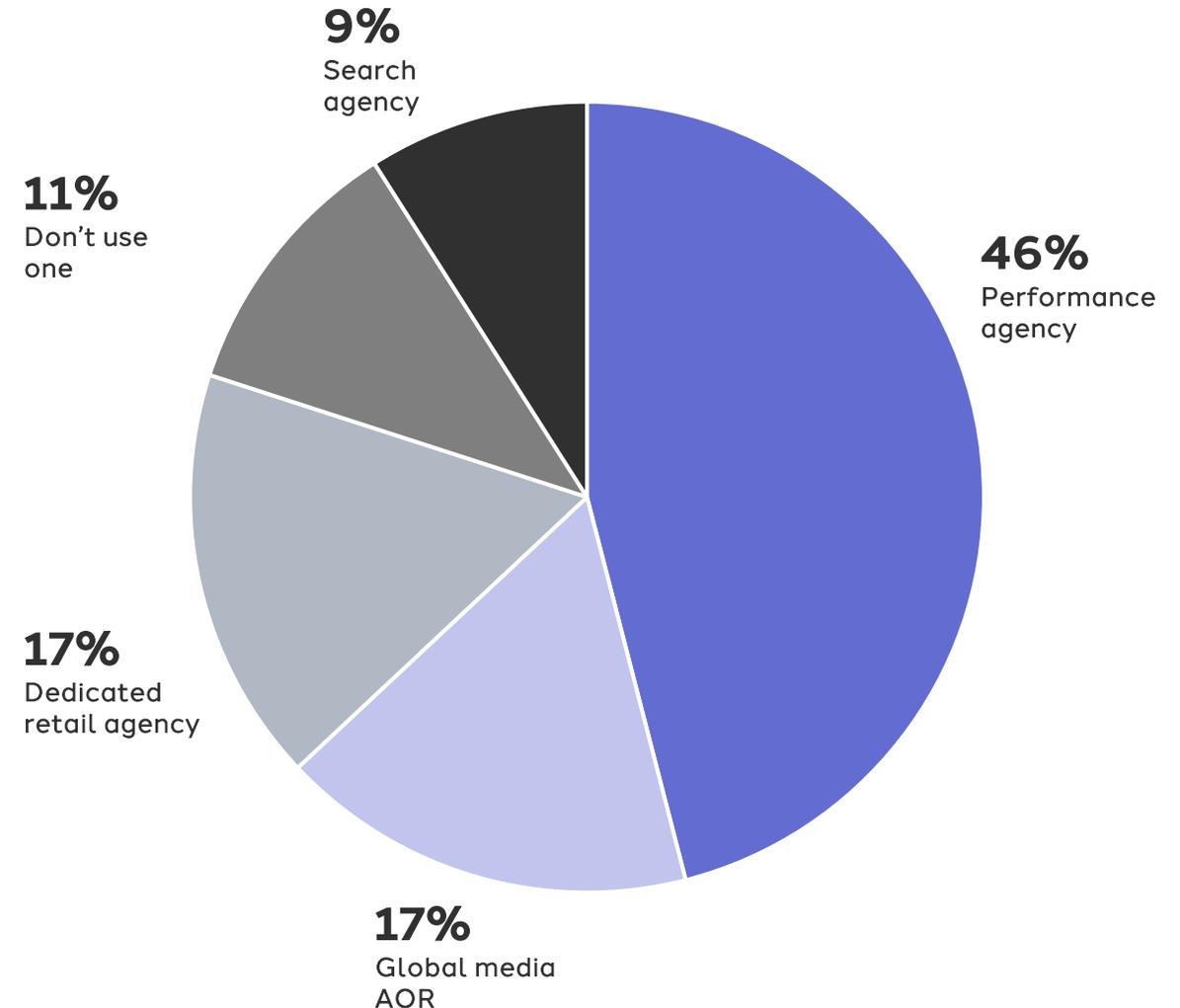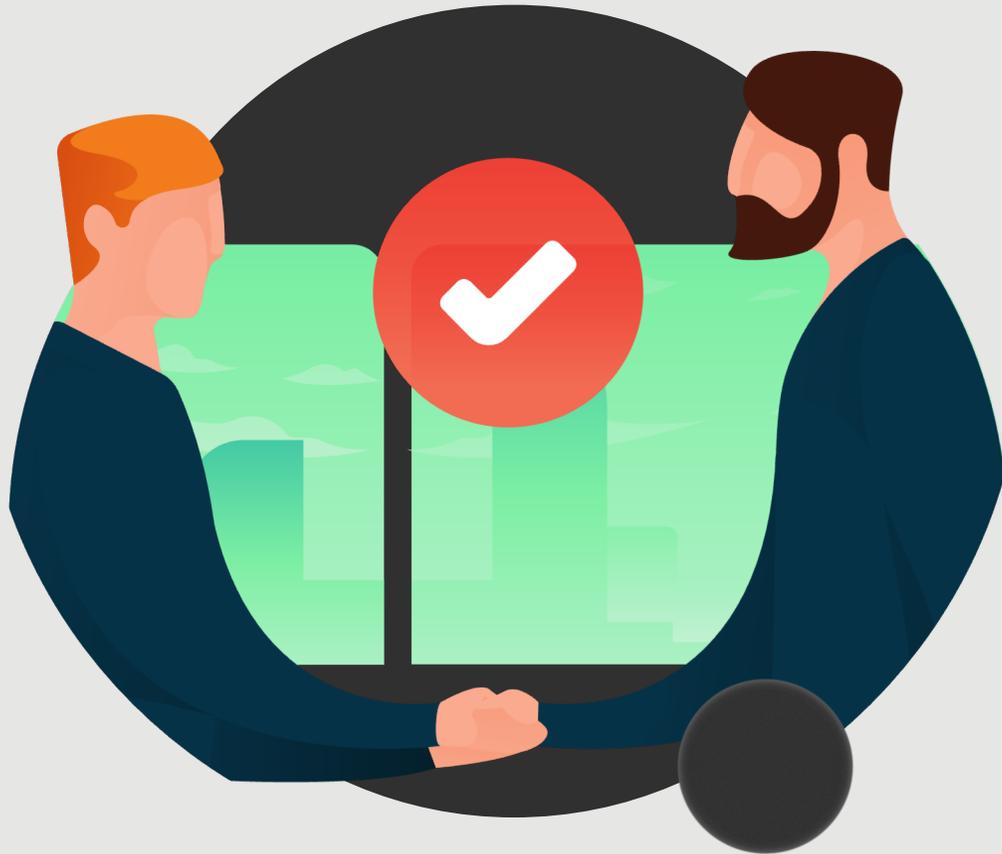
HOW TO FIND EFFICIENCIES FOR GROWTH

Brands have several opportunities to find efficiencies across their RMN program:

1. **Prioritize self-service options in areas where their team has the expertise and confidence to manage things on their own.** Full-service offerings will be most valuable in areas where the brand's internal or agency team is less experienced.

2. **Ask for a demo or references to vet any self-service tools important to their business.** Not all self-service tools are created equal, and an ineffective or non-intuitive tool can create new hurdles that cancel out the promised efficiency gains.

3. **Leverage agencies for efficiency.** Brands considering a larger agency should make sure that agency has dedicated media teams with the skill sets and experience to deliver retail media excellence.

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MOST BRANDS THINK THE NUMBER OF RMNS AVAILABLE TO THEIR BUSINESS IS "JUST RIGHT"

The majority of brands (66%) are happy with the number of players in the RMN space. However, there has been an increase in the number of respondents with negative sentiments: in 2020, just 10% of brands found the landscape confusing. Now, 17% say there are too many RMNs in the space.

Not all brands are overwhelmed by the number of RMNs to choose from, with many continuing to favor the larger options that can deliver scale over smaller players. Brands are self-selecting which and how many RMNs they want to work with, so they have landed on a number that feels right for their program rather than feeling overburdened by all the potential options.

Fill in the blank. "I find the number of retail media network options available to my business to be…

17%
Too many

17%
Too few

66%
Just right
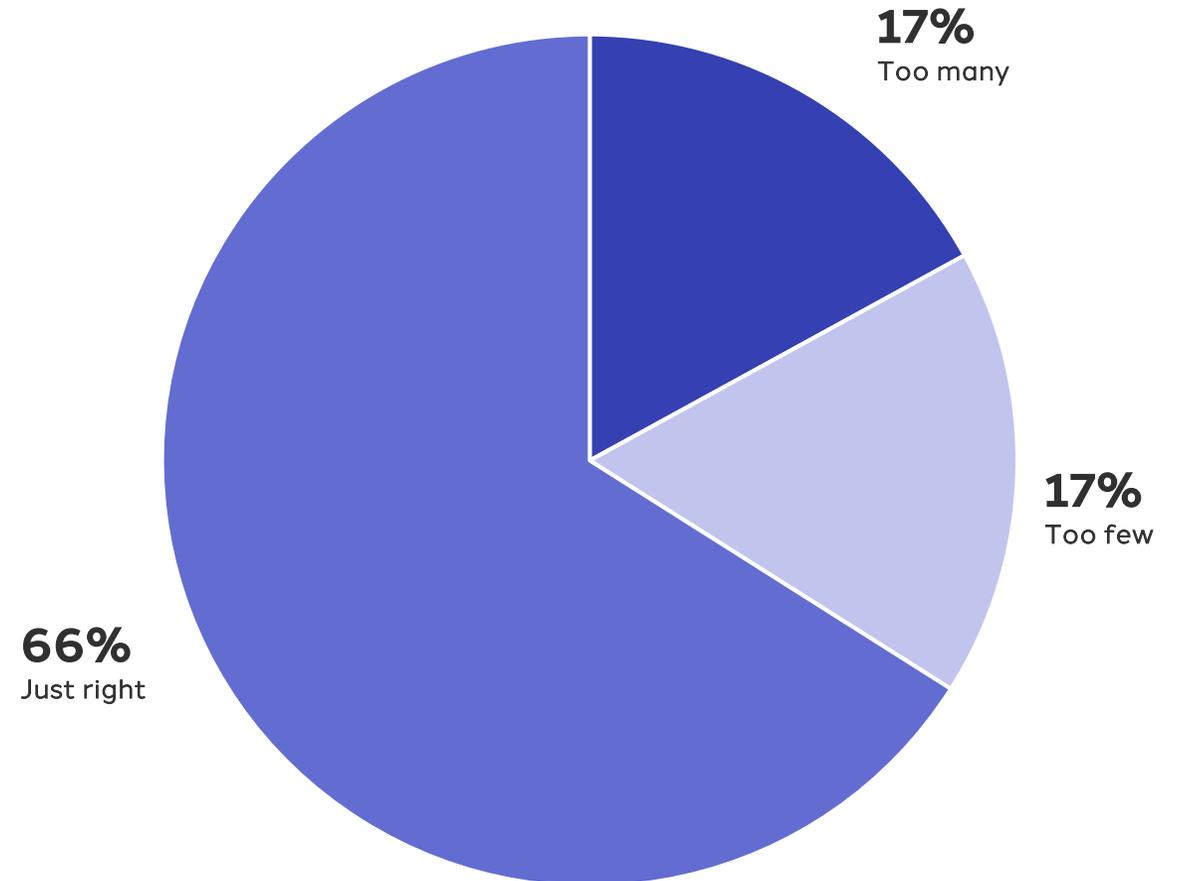
A MAJORITY OF BRAND RMN SPEND NOW GOES TO OFFSITE MEDIA

Retail media started largely as an onsite play, where retailers capture the largest profit margin. As that inventory has become saturated, we continue to see expansion of offsite inventory for most large clients.

This year, brands reported that 53% of their RMN spend now goes to offsite channels. Offsite in-store media showed the greatest Y/Y growth as retailers find creative ways to monetize their brick-and-mortar footprints.

Offsite media adds a layer of complexity because it can result in duplicate targeting that's more difficult to control when paired with brand media. This can result in wasted ad spend and inconsistent touchpoints across the customer journey.

Of the three channels, onsite media is still the largest, which many RMNs still have room to scale through onsite search and display.

What % of your RMN spend goes to onsite versus offsite media?

	Onsite (.com/app)	Offsite display/social	Offsite in-store
2022	34%	36%	31%
2023	46%	31%	23%
2024	47%	25%	28%

■ 2022 ■ 2023 ■ 2024
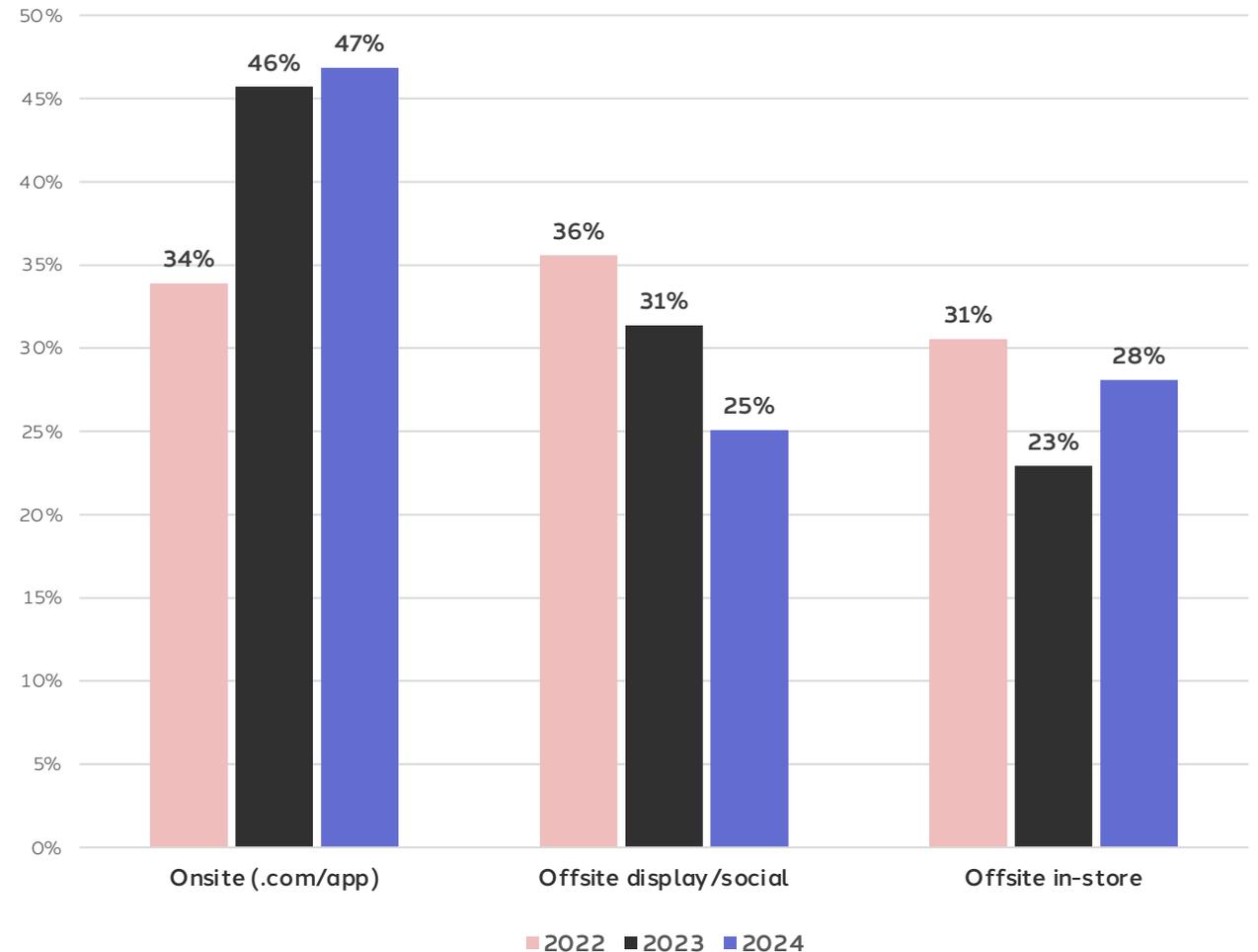
Who has responsibility for ad spend with retailers in your organization?
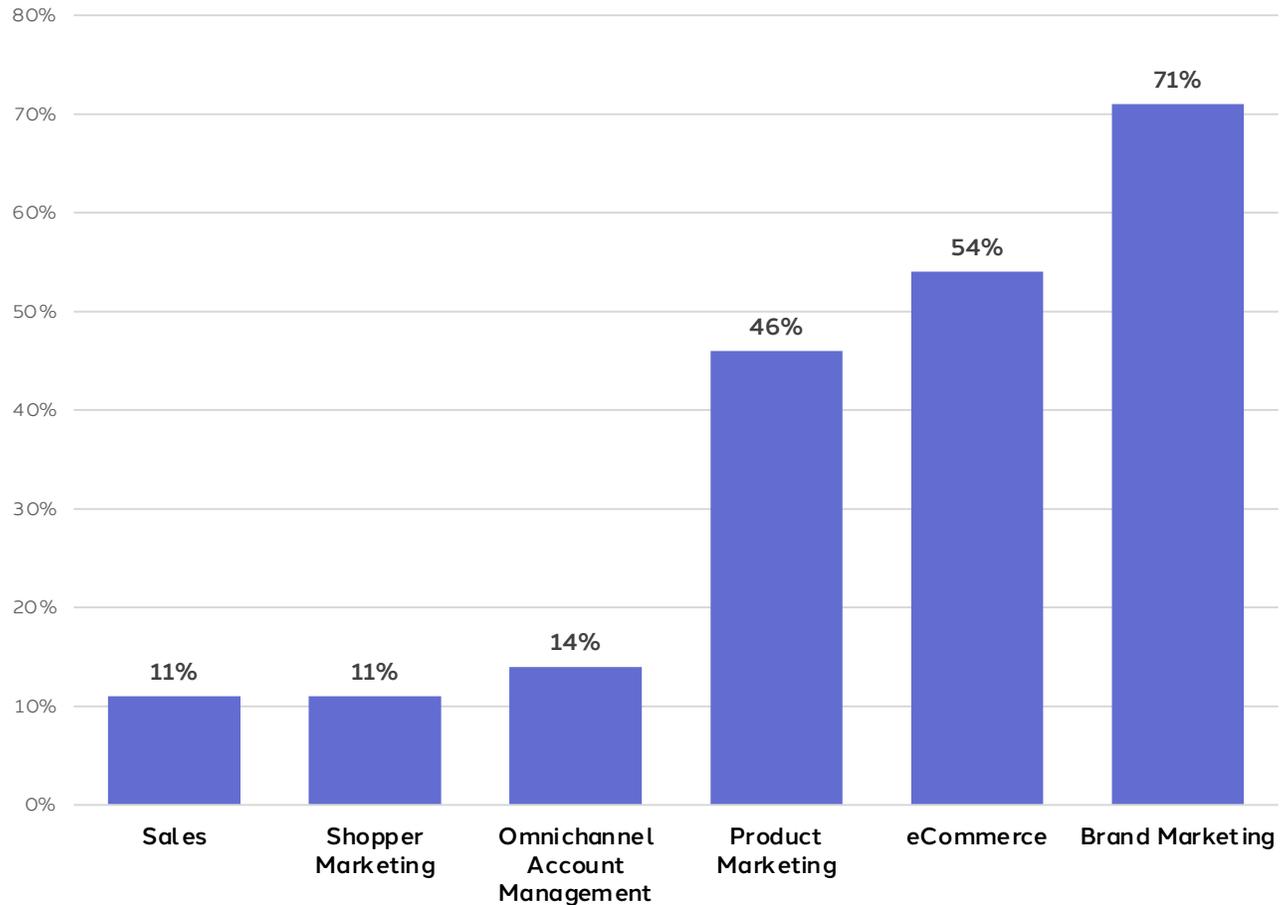
AD SPEND RESPONSIBILITY IS SILOED WITHIN MULTIPLE TEAMS THROUGHOUT BRAND ORGANIZATIONS

When we started our survey in 2021, shopper marketing was a prevalent source of RMN budget, responsible for ad spend with 37% of brands. Now it takes a backseat to several other areas of the brand organization.

The multiple parties responsible for ad spend are often siloed - shopper marketing and brand marketing do not always work together to allocate spend effectively. This creates challenges with strategic integration and budget fluidity.

In an ideal state, there would be one funding source across all working media to allow for greater flexibility in budgeting in planning.

COMPARING RESULTS ACROSS MULTIPLE RMNS REMAINS CHALLENGING

Brands recognize that it's important to compare performance across their RMN portfolio if they work with multiple retailers. However, only 50% find that comparison somewhat or very easy.

Key differences remain across retailers, particularly when it comes to lookback windows and how revenue is attributed when the SKU purchased is not the one advertised (known as "halo revenue").

The majority of brands who do compare results across RMNs lean on an agency or partner to do so. Compared to an in-house team, they're more likely to have mature performance analytics practices or proven methods for calculating incrementality. Still, holistic reporting for retail media remains a work in progress.

How easy is it to compare results across the RMNs you work with?

(5) Very easy	22%
(4) Somewhat easy	28%
(3) Neither difficult nor easy	31%
(2) Somewhat difficult	16%
(1) Very difficult	3%
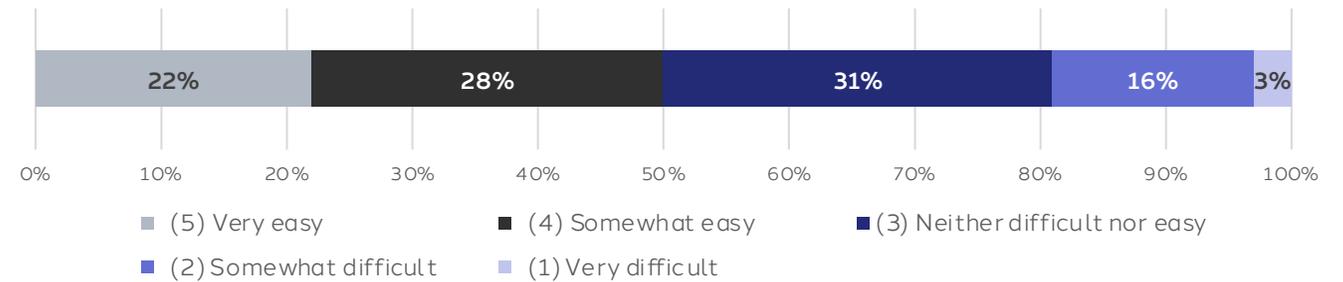
If you work with multiple retail media networks, how do you compare performance across them?

We have an in-house analytics team
- 2024: 49%
- 2023: 58%
- 2022: 48%

An agency handles our analytics
- 2024: 43%
- 2022: 61%

We work with a partner (Skai, Pacvue, Commerce IQ)
- 2024: 40%
- 2022: 41%

We work with multiple retail media networks, but do not compare performance across them
- 2024: 9%
- 2023: 28% (approx)
- 2022: 37%

We do not work with multiple retail media networks
- 2024: 6%
- 2022: 2%

■2024 ■2023 ■2022
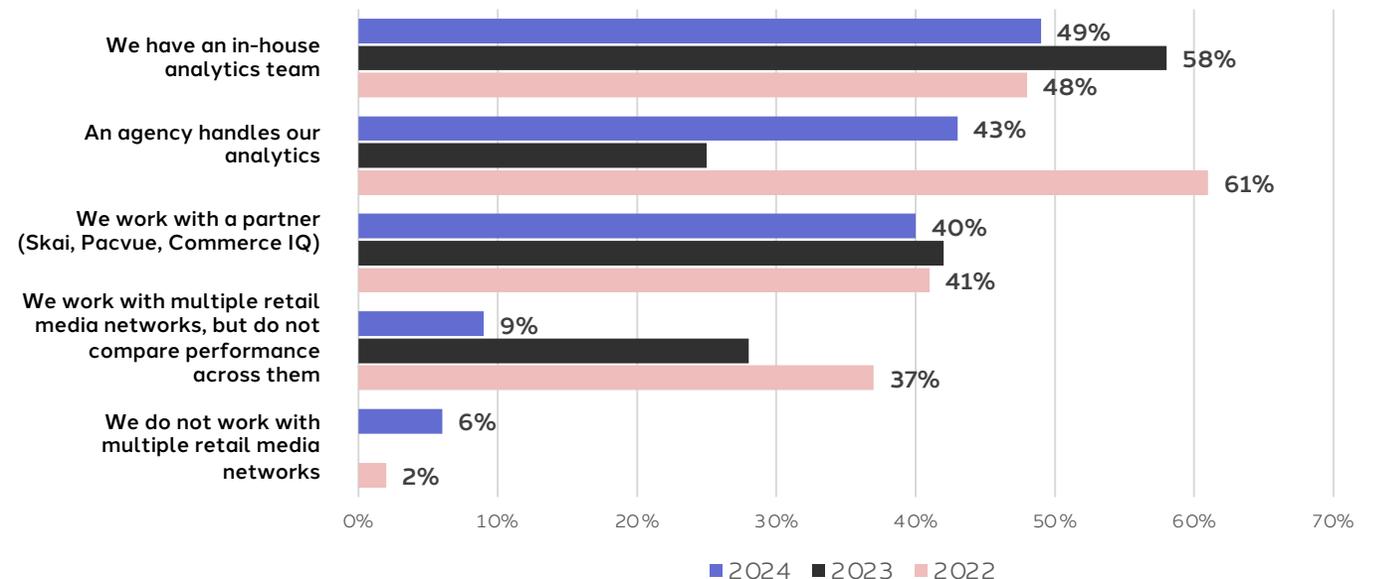
HOW TO SUCCESSFULLY NAVIGATE RMN COMPLEXITY

The RMN landscape has become complex, with brands often working with multiple retailers and getting funding from multiple sources. While complete harmony might not be possible, there are several steps brands can take to make complexity an advantage instead of a burden.

1. **Don't overlook smaller RMNs.** Brands seeking success often focus on the largest RMNs due to scale. A smaller RMN may offer an audience that's more aligned to the brand, making their shoppers more valuable. As with any potential RMN partner, brands should ensure the retailer offers their must-have capabilities; smaller RMNs, for example, may not offer self-service tools.

2. **Push for a center of excellence to manage national media and retail media together.** A single funding source provides greater flexibility in budgeting and planning, making it easier to pivot funds if a new opportunity emerges.

3. **Recognize that performance comparisons won't be perfect.** Instead, brands should align with RMNs or reporting partners on the metrics that matter most to their retail media business and ensure they understand how they'll be calculated (for example, whether halo revenue will be included, how that's determined, etc.).

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THE PATH

FORWARD

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RETAIL MEDIA IN 2030

Brands' wants and demands will shape the retail media landscape in the next five years. Based on our research and relationships with brands and retailers alike, here's what we expect to see:

CONSOLIDATION

The number of players in the retail media space is unsustainable. We anticipate consolidation within the ecosystem; where it will happen remains to be seen. Brands want reduced complexity, which will allow them to be more nimble and allocate spend more efficiently.

STANDALONE DATA AND INSIGHTS

The number of RMNs offering this will continue to increase as they lean into the durability and power of first-party data. When offered as a standalone, brands can leverage a wider range of data and insights platforms to be smarter with activation and reach their audiences.

MORE PARTNERSHIPS

RMNs will increasingly partner with media companies or audience aggregators to provide greater differentiation. We'll also see more unique, advantageous connections between brands and RMNs from a B2B standpoint. **For example, an advertiser may partner with an RMN's merchant and loyalty teams to make it a bigger part of the RMN go-to-market to provide enhanced differentiation.**

AUTOMATED PERSONALIZATION

Retailers will remove as many manual processes as possible to make personalization of creative and reaching fully addressable audiences more efficient for them and easier for brands.

INTEROPERABILITY

RMNs must make it easier for brands to evaluate performance and ingest data as part of their holistic marketing efforts. RMNs will work to make data compatible with the tech brands use, whether that's a specific DSP or an agency's audience planning platform.

BUDGET OPTIMIZATION

Internal fragmentation around retail media budget ownership will get sorted out so there are clear responsibilities across the organization. We'll also see increased interest from brand marketers in upper-funnel activations and non-endemic opportunities, which will fuel greater investments and a demand for offerings to access those opportunities.

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ABOUT DENTSU'S RETAIL MEDIA GROUP
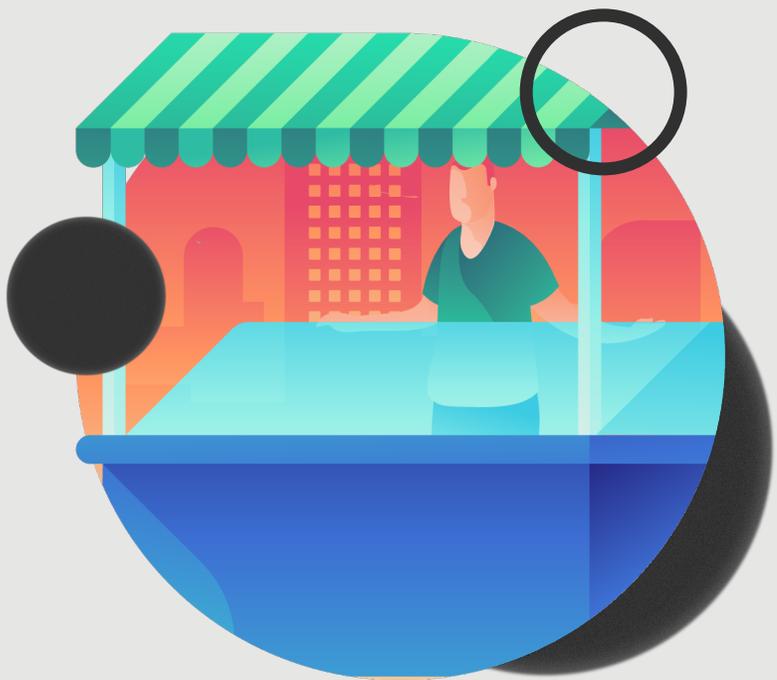
Dentsu helps retailers and brands unlock incremental revenue by applying leading expertise from the sell and buy sides of retail media. With specialists who are cross-trained with buy and sell side competencies, advanced tools for activation and insights, and innovation-led strategic partnerships, dentsu excels at the center of the one medium where retail and brand objectives are truly aligned.

Equipped with Merkury, dentsu's first-party, cookieless identity resolution platform, dentsu knows shoppers better than anyone else. Merkury's 95%+ coverage of US household data, 10,000+ data elements, and 242MM+ reachable adults on record, help retailers and brands achieve 40%+ lift in media efficiency and 35%+ improvement in KPIs from personalization strategies.

This solution is designed with three pillars, all working together for growth and performance to maximize the return on every dollar spent for clients:

New Stream Media — With almost a decade of measurable success, this offering rapidly grows retailers' digital ad revenue and creates more personalized experiences for consumers. It accelerates the formation of unique partnerships with manufacturers by matching the product manufacturer with individual shoppers in the right media channels to ensure relevant experiences for clients across the grocery, mass and specialty retail categories.

Buy side media — Powerful media strategy and storytelling that connects people and brands. It harnesses the power of unique platform relationships for data-drive results that move at the speed of retail. It is fully integrated across all media channels with dedicated expert talent available 24 hours a day. This always on approach works seamlessly across multiple geographies.

Dentsu Shop — An innovation accelerator for retail. It brings retail experiences to ingenious and expansive new spaces like commerce in Roblox and AR at the shelf experiences all while delivering next-generation measurement. This accelerator deepens known shopper relationships and enables shoppable moments across the journey all while enabling clients to monetize first-party data to multiply the efficiency and efficacy of buy-side media.

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