

THE RISE OF RETAIL MEDIA: WHAT TO EXPECT IN 2024

Sector-specific insights from marketers on one of digital advertising's fastest-growing channels

The View from DV

Retail media is one of the fastest growing channels in advertising. With e-commerce on the rise and the channel's privacy-friendly reach potential, brands are investing heavily in this space.

By working closely with a dedicated group of early retail media adopters we have seen the challenges and opportunities firsthand by helping maximize performance for these intrepid brands and networks. Digital media protection is of vital importance as brands, agencies and retail media networks establish a foundation of trust that helps buyers and sellers transact. The following insights provide clarity on the developing trends to help key players understand what the future holds.

Methodology

To build this report, DV partnered with Sapio Research to survey a broad range of advertisers and marketers on retail media networks (RMNs) across four key markets. Respondents were asked a number of questions about their engagement with RMNs to help us understand shifting trends and sentiment toward this advertising channel.



Executive Summary

The COVID-19 pandemic significantly impacted retail media growth. This increase in engagement brought additional opportunities for retailers and advertisers to reach high-intent consumers spending more time online. According to Verified Market Research, the retail media market is now the third-largest digital advertising channel in the U.S. and is expanding globally.

As part of DV's mission to make the internet stronger, safer and more secure, we set out to answer key questions about how advertisers are approaching their investments in Retail Media Networks.

What is a Retail Media Network?

A retail media network (RMN) is an advertising channel offered by e-commerce platforms that leverages a retailers first-party consumer data to reach audiences across their own properties, and as part of extended networks.



Growth

How high is demand for RMNs and where is it focused globally?



Value

Why are advertisers using RMNs and which KPIs are they focusing on?



Challenges

What barriers are limiting future RMN adoption?



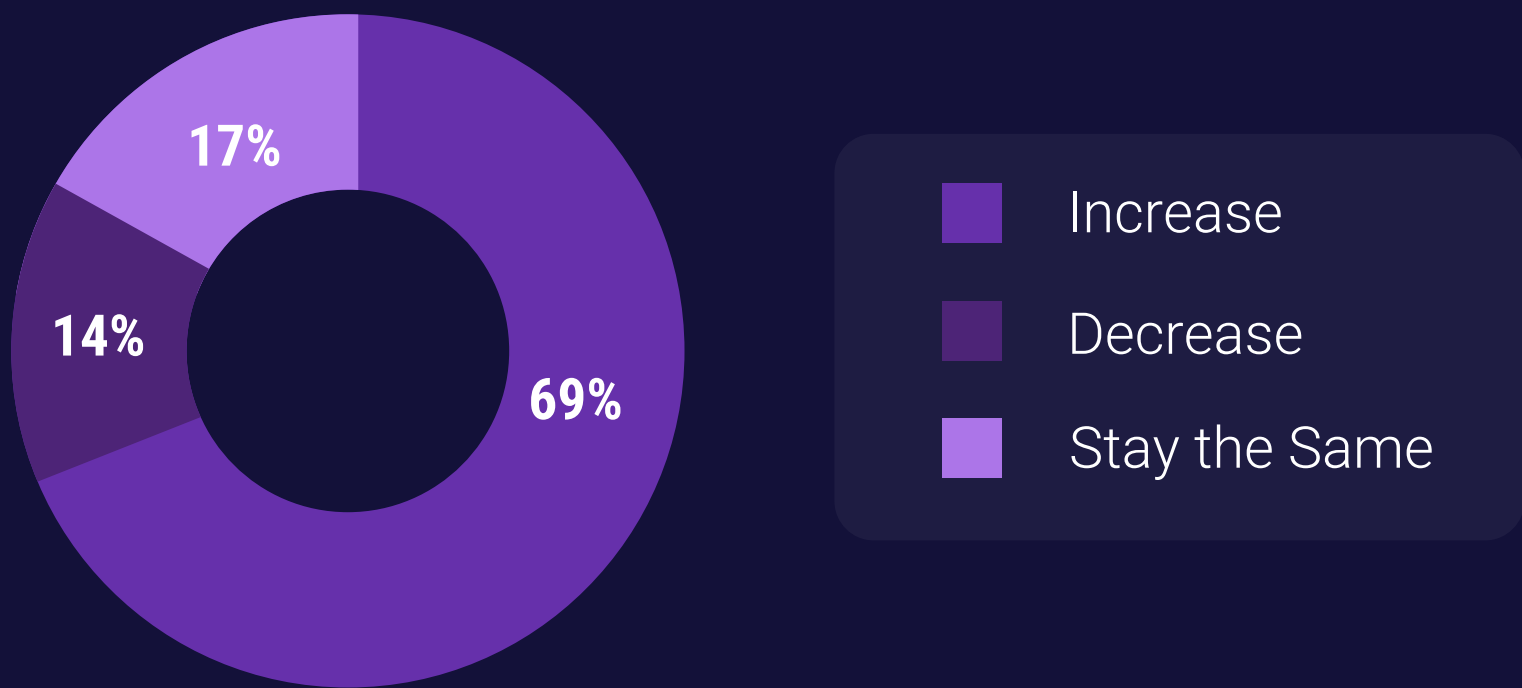
Verification

How can RMNs and advertisers align on ad quality and measurement?

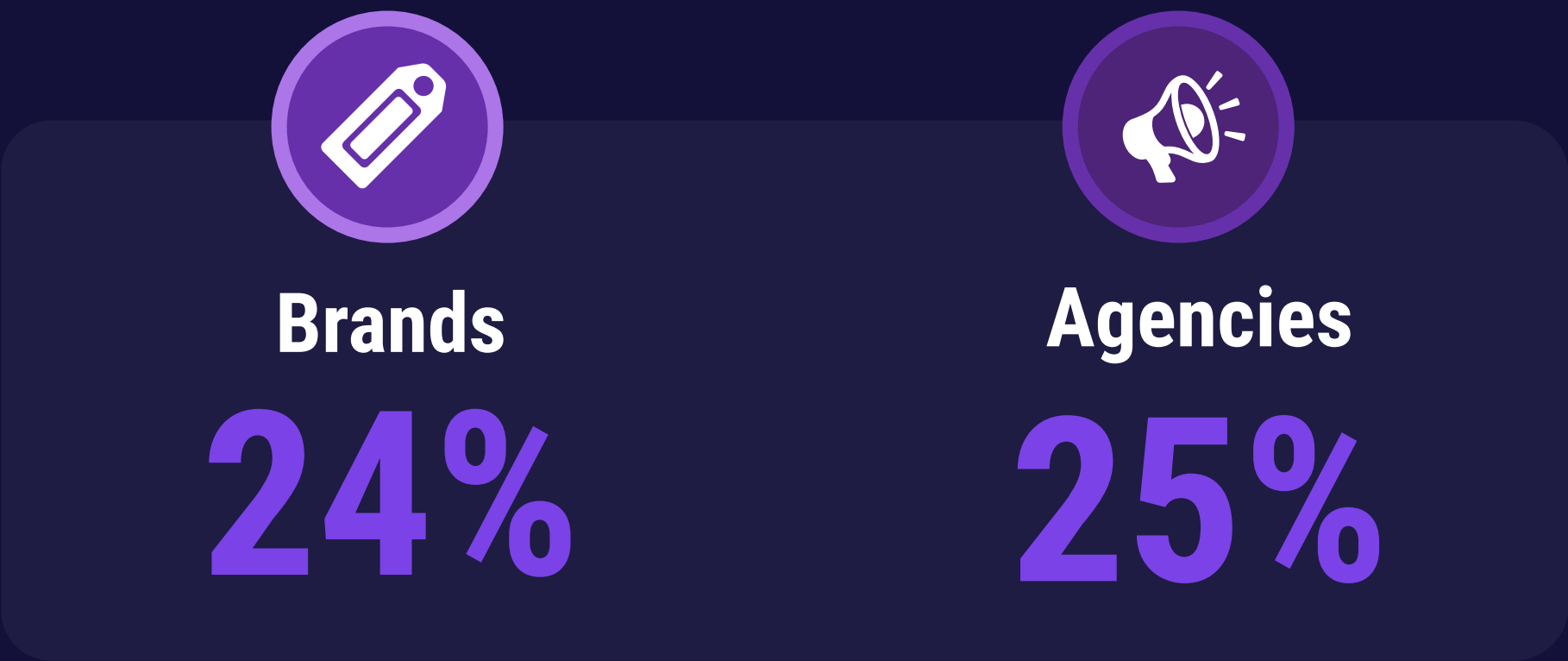
Retail Media Networks at a Glance

ADVERTISERS

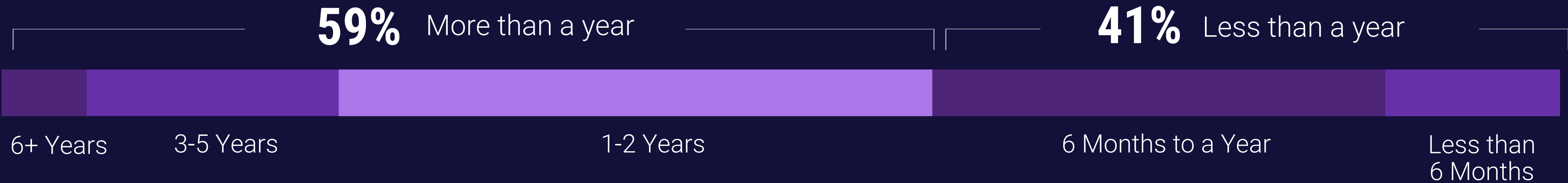
How RMN Ad Spend Will Change Over the Next Year



Average Share of Ad Spend Going to RMNs

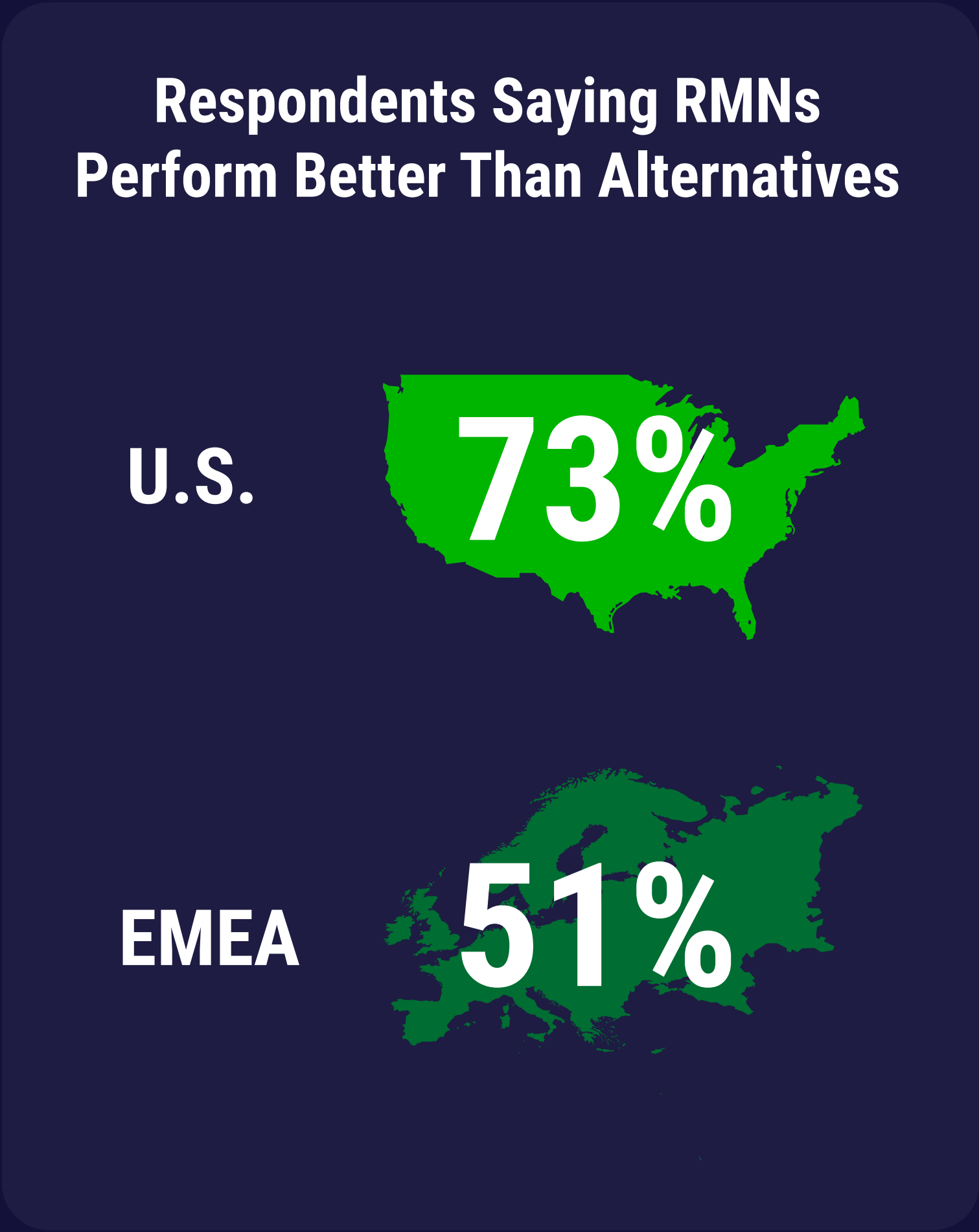


Average Duration of RMN Usage



REGIONAL DIFFERENCES

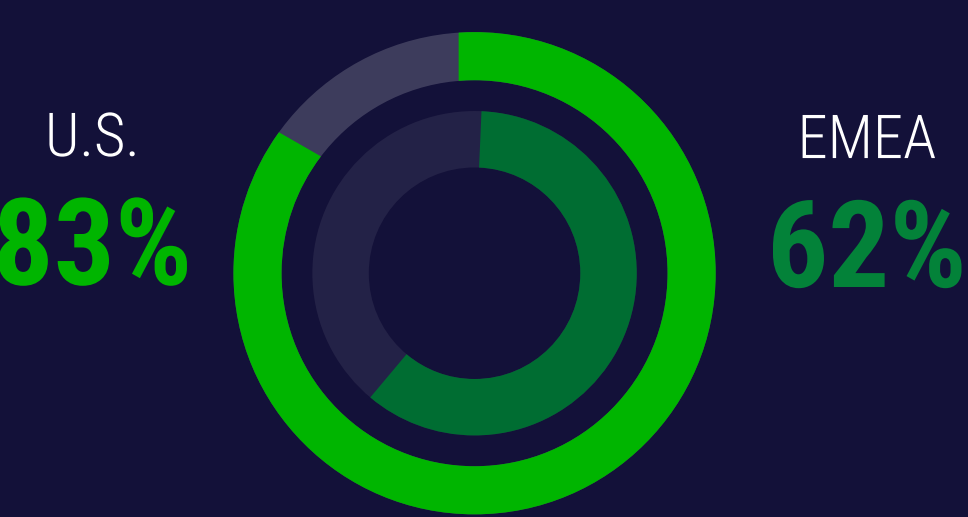
U.S. First to Retail Media Market



Average Share of Ad Spend Going to RMNs



Respondents Planning to Increase RMN Spend



Average RMN Usage Duration (Months)



Respondents Using RMNs



Big E-Commerce Names Reap the Rewards

While retailers spin up new ad platforms, the largest RMNs are seeing the market share benefits of early adoption. Of those surveyed, a vast majority work primarily with Amazon Advertising, which pioneered many of the RMN standards we see across the web today.*

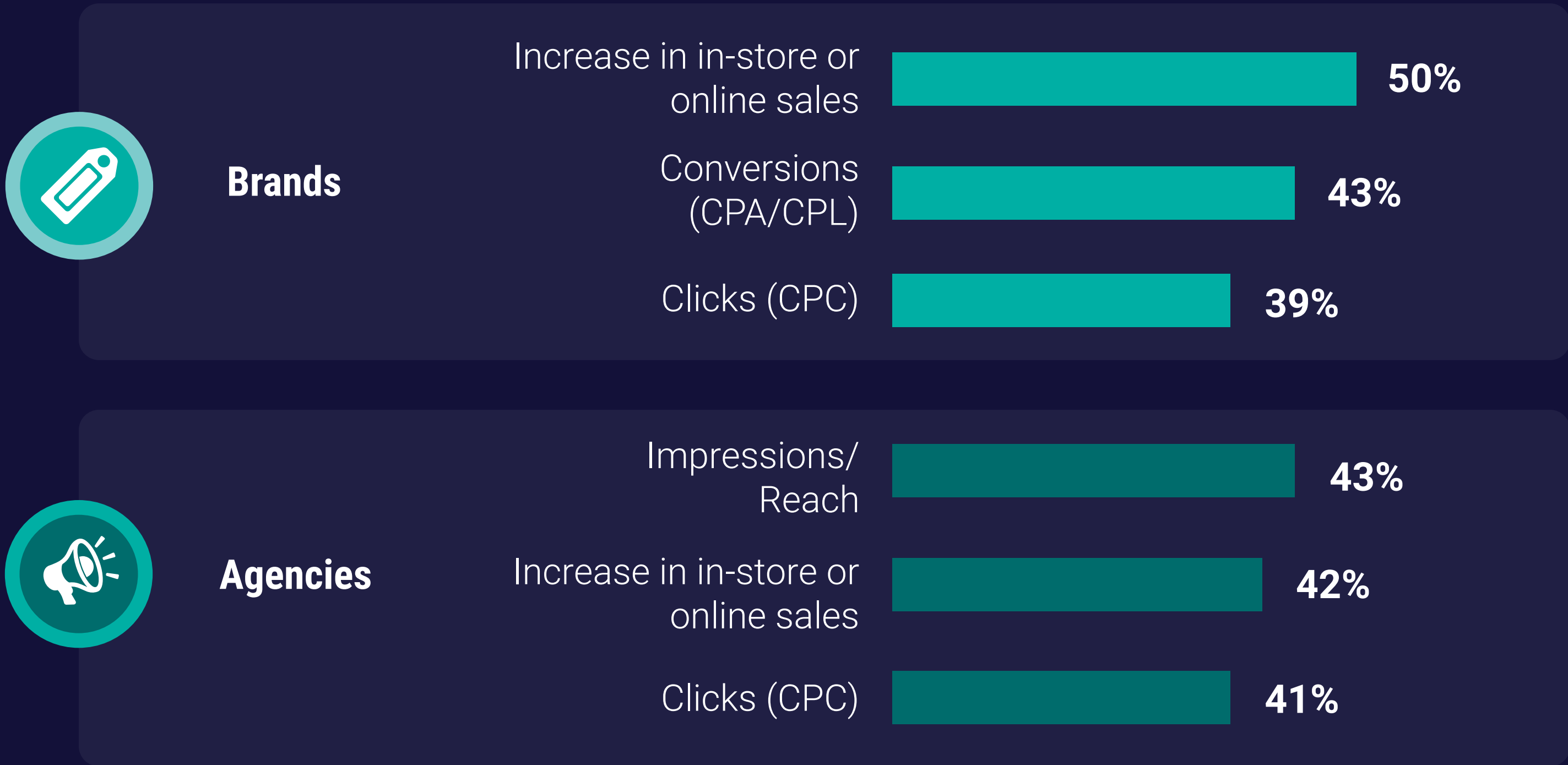
	U.S.	UK	FRANCE	GERMANY
1st				
2nd				
3rd	 			

* Only asked to those using retail media networks

Brands and Agencies Split on Measuring Sales vs. Shoppers

Every advertiser cares about measurement, but for media buyers working with RMNs, those KPIs can vary. Marketers may base decision-making on internal data about increased in-store or online sales or rely on digital-first data points such as clicks or conversions. With so many possibilities, RMNs need to understand the KPIs on which they’re being evaluated.

How Do You Measure the Effectiveness of RMN Campaigns?



Getting New Customers in the Door

The perceived benefits of RMNs focus on reach and audience growth, echoing the goals we heard from marketers using RMNs today or planning to in the future. However, secondary benefits diverge. Brands rank the increased potential to reach target audiences (37%) as the top benefit, while agencies favor an improved shopper experience (30%).

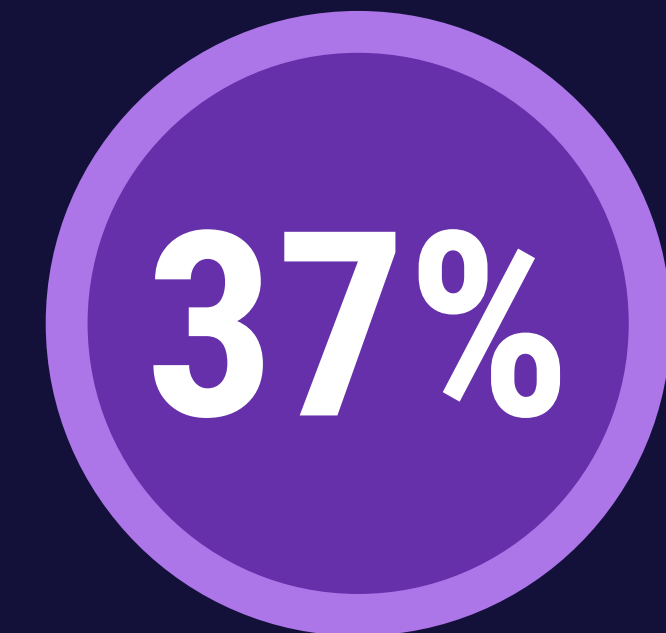
What Are Your Primary Goals with Using RMNs?



Attract first-time customers



Target specific demographics and product interests



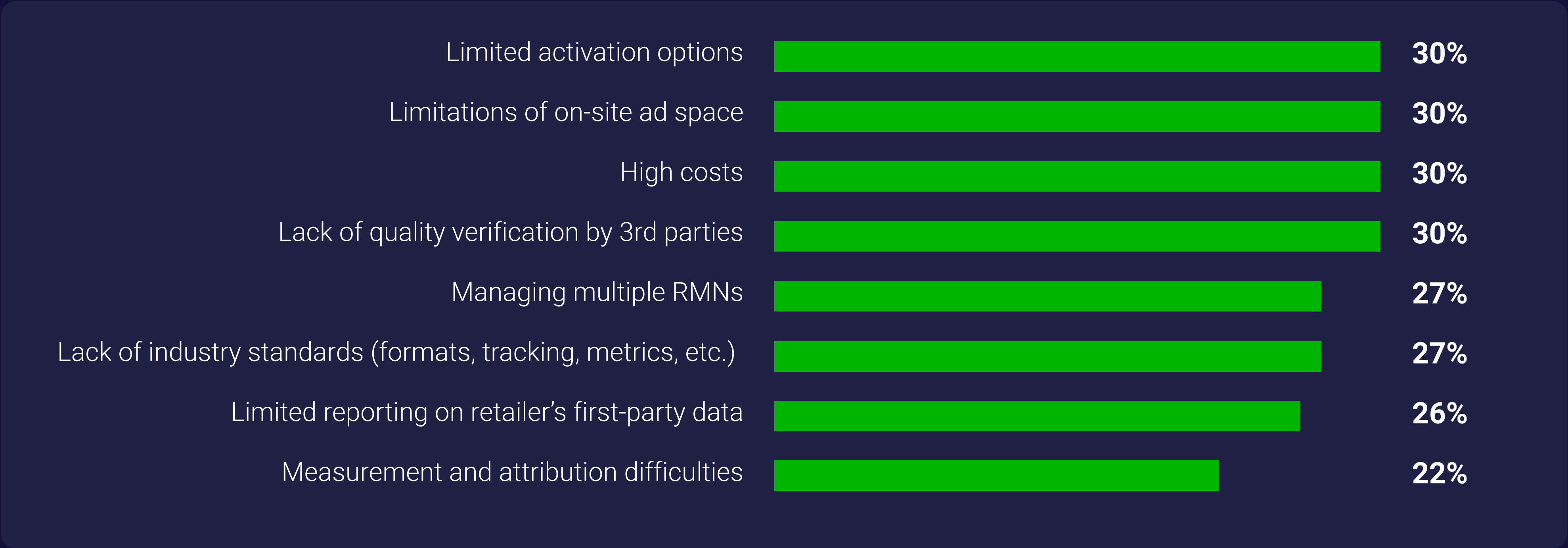
Reach consumers at the point of purchase

CHALLENGES

Converting Shoppers to Customers

Advertisers using RMNs today have been optimistic about growth. But roadblocks limit wider adoption.

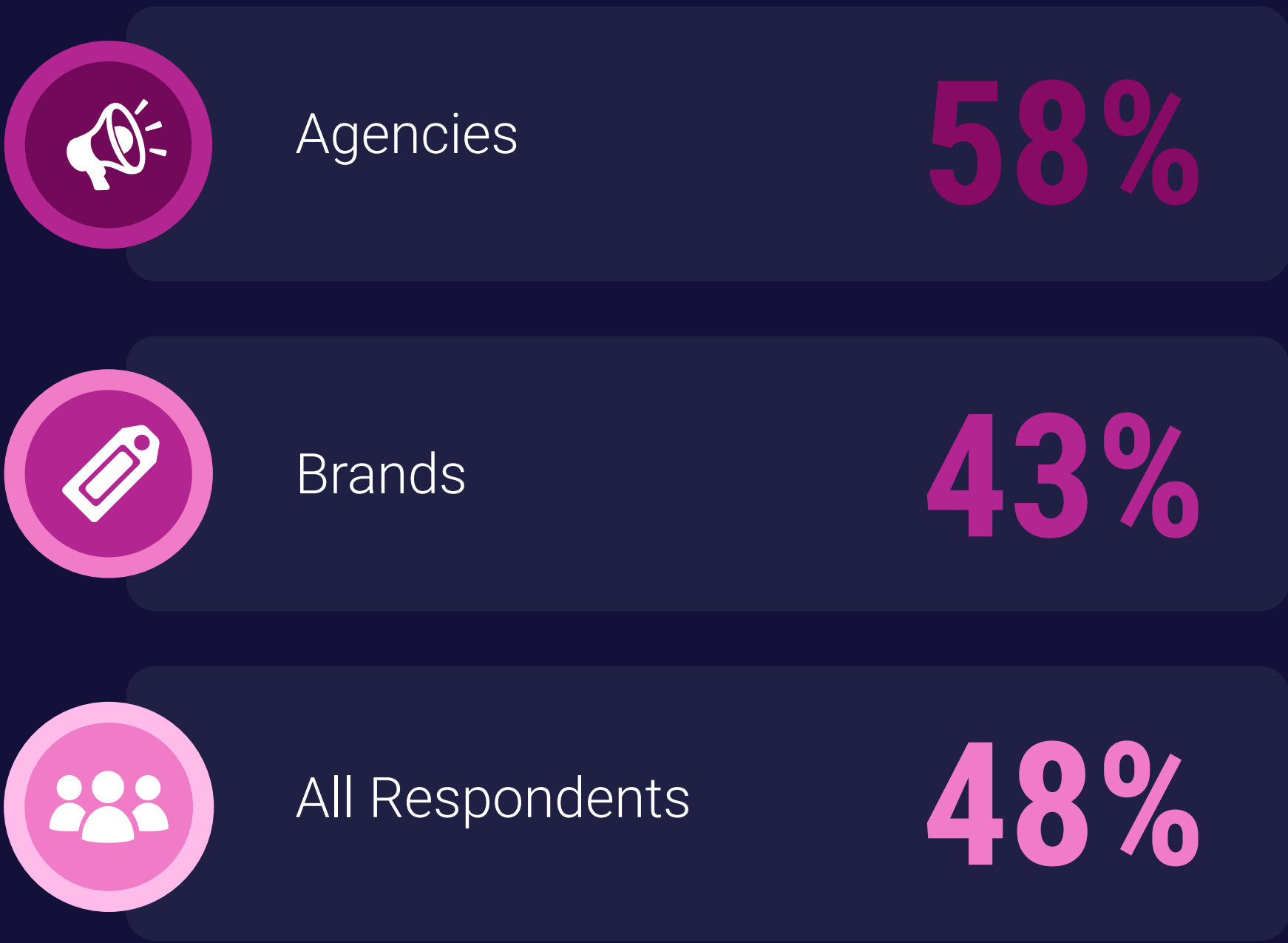
What Are the Greatest Challenges You Face When Using Retail Media Networks?



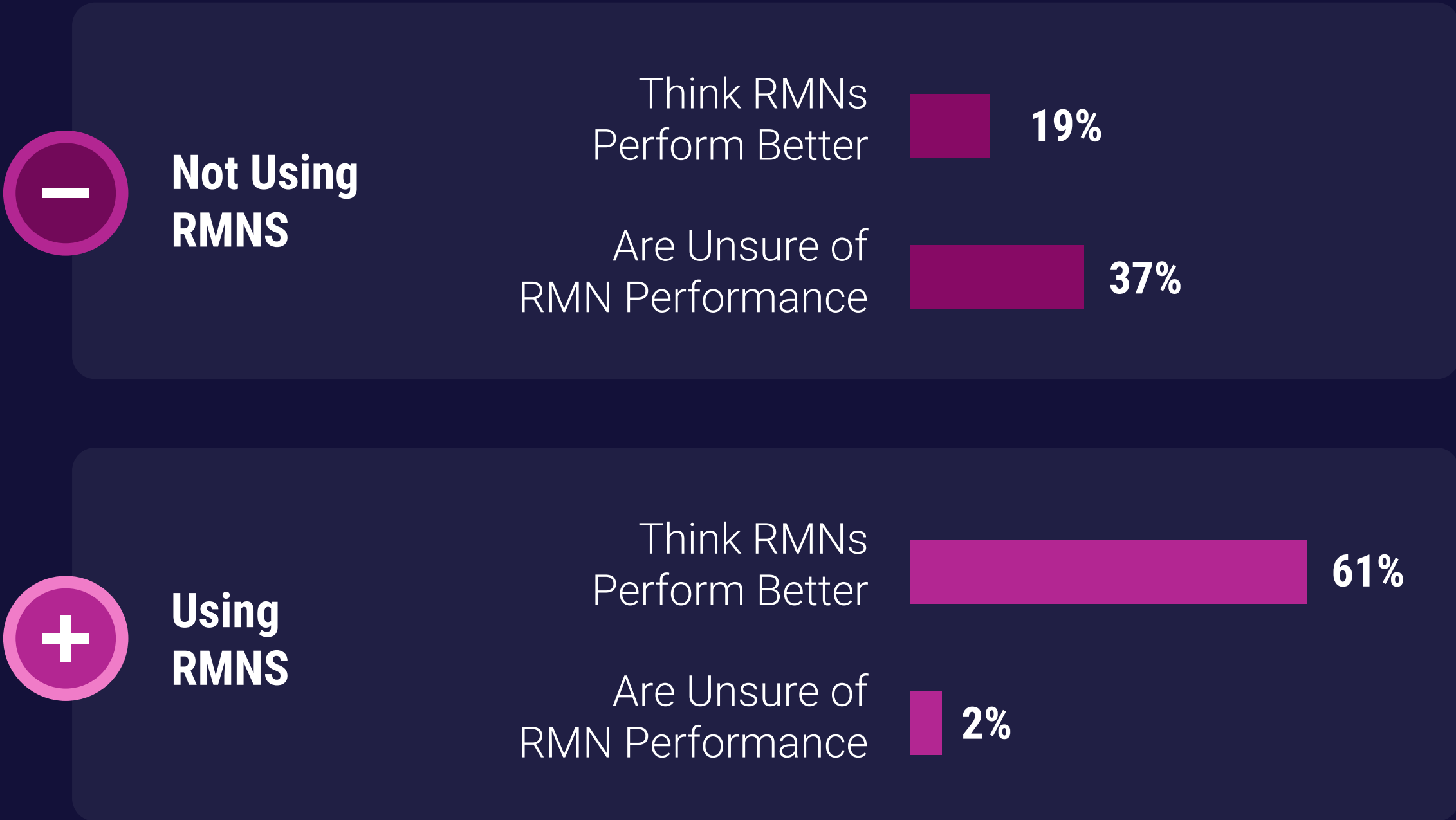
Checking Out with a Full Cart

Although many respondents feel that RMNs are pricier than other channels, there is a difference in perceived value between those who are using RMNs versus those who are not. Respondents who do leverage RMNs see their value, while those who do not may need more convincing.

Respondents Who Felt that RMN CPMs Were More Expensive Than Other Channels



Respondent Perception of RMN Return on Ad Spend (ROAS)



VERIFICATION

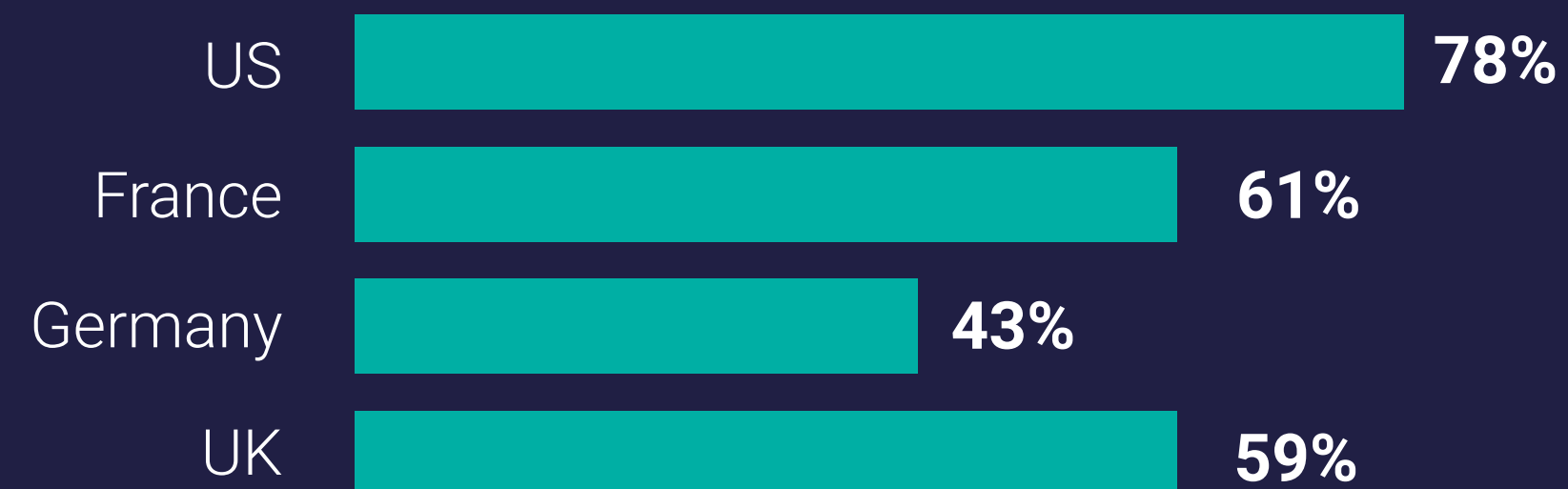
Buying Based on Quality

Like all advertising on the open web, retail media ad quality is not guaranteed. Both brands and agencies are aligned on the importance of third-party verification to ensure ad quality on RMNs.

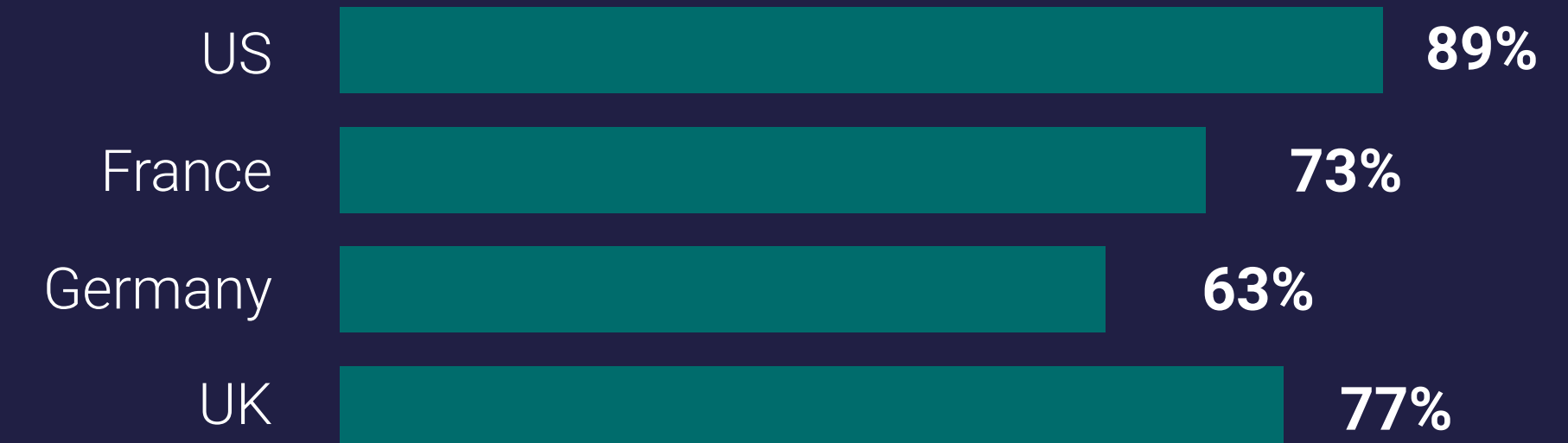
Quality measurement provides marketers with peace of mind that ultimately drives increased ad spend. Similar to the regional differences present elsewhere, US-based marketers are more likely to prioritize verification over their European counterparts.

Respondents Who Agree with the Following Statement

There is a need for third-party verification on retail media networks



Ensuring ad quality within retail media networks is important



Key Takeaways



RMNs garner high spend and return: Retail Media Networks are already a major player in digital advertising, demanding large amounts of ad budgets as brands recognize the value of reaching audiences at the point of purchase.



Opportunities for international growth: The pace of retail media adoption differs between the U.S. and EMEA, showcasing the need for RMNs to drive adoption and growth with region-specific goals in mind.



Room for RMNs to educate and demonstrate value: Continued growth in retail media networks relies upon RMNs educating and driving demand through strong narratives focused on omnichannel campaign benefits and potential ROAS.



Trust and transparency are essential: Brands and agencies agree that third-party verification is needed to build trust in this growing market, giving RMNs the opportunity to grow ad revenue by prioritizing ad quality and transparency.

Power Scale and Performance with DV

DV provides advertisers, retail media networks and platforms with the infrastructure to scale quality measurement, protection and analytics, which supports more sophisticated onsite and offsite retail media strategies.



Quality

Verify retail media campaigns everywhere across viewability, fraud, brand suitability and geography.



Performance

Maximize campaign outcomes against attention, contextual and other KPIs using AI-powered solutions.



Analytics

Get holistic reporting, connecting the dots between on-site and off-site platforms and social networks.

Comprehensive Solutions for Buyers and Sellers

Whether you are an RMN, brand or agency you can learn more about our solutions for retail media at Doubleverify.com/Retail-Media.



We Make the Internet Stronger, Safer and More Secure

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