



# All hype or just right: why retail media might enhance your brand



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**We've all been susceptible to shiny object syndrome** at one time or another. It's when we focus all our attention on pursuing a new advertising trend, and everything else fades into the background. While other trends have come and gone as advertising's shiny objects, when it comes to retail media, it may be the exceptional one with staying power.

Retail media is growing superfast, and by 2027, U.S. retail media will make up more than one-fifth (21.8%) of total U.S. media ad spend. The opportunity to connect with consumers at or near the points of sale is the main driver of growth. Retail media attracts buyers who want access to valuable first-party shopper data and non-traditional advertising formats that let them reach incremental audiences.

Hold up, let's pump the brakes for a moment. Just because retail media has the ideal advertising trifecta of connection, audiences, and data, it should not automatically earn a place on your media plan.

You must also consider that for all its buzzworthy positives, retail media has a few issues that don't make it a one-size-fits-all for brands. For instance, there's the fact that U.S. CPG advertisers think more mature digital advertising channels offer a higher measure of return on ad spend (ROAS) than retail media networks. Search (38%), email advertising (38%), and social media (22%) all came out ahead of retail media (17%).

This playbook covers how to expertly navigate the ever-changing world of retail media and determine if it's all hype or just right for your brand.



# 21.8%

By 2027, U.S. retail media will make up more than one-fifth (21.8%) of total U.S. media ad spend.

Source: EMARKETER, *Guide to retail media: Rapid growth, expanding formats, and emerging opportunities*

# The new definition of retail media

Ask five different people what retail media is, and you're sure to get five different answers. That's because as retail media has evolved and become more complex, the definition of what it means has become a bit muddled. Now, more ways exist to reach consumers in more places and on more channels.

While retail media has always focused on making sales, marketers are taking it a step further in the funnel, and 68% are testing retail media networks' ability to influence mid- and upper-funnel objectives, such as brand awareness and consideration.

"In today's complex retail landscape, advertisers are merging diverse consumer touchpoints with advanced attribution techniques to ensure a holistic understanding of campaign performance," says Oscar Au, Vice President, Head of Performance Media Paid Search at Acronym. "Channels like CTV and OTT enable brands to create highly targeted and shoppable experiences, while also measuring their effectiveness across all stages of the consumer journey."

"For example, the business for one of our key retail media clients, a leading CPG company, is highly seasonal and regional. We're able to build, and then leverage, advanced analytical tools such as site filtering algorithms and frequency cap models in Amazon

Marketing Cloud's clean room environment to understand the ideal cadence of upper-funnel and awareness-driving tactics to reach our consumers with early in the year, to convert them at the highest rates possible with lower-funnel media when the time comes. This enables us to evolve past traditional attribution models, such as linear and last-touch, and build a truly holistic perspective on the entire customer journey that was not possible previously."

These are the trends that are redefining retail media:



## MORE LOCATIONS

Retail media has gone from a brick-and-mortar retail store to include websites, search, and social media. Hotels, airlines, ride shares, and other non-typical retail locations now offer retail media options. For example, JPMorgan Chase recently launched Chase Media Solutions, which provides the scale of a retail media network with Chase-owned transaction data.





## NEW AD FORMATS

Some of the newer retail technologies brands are experimenting with including augmented reality (AR) to let customers try on clothing, place-based digital out-of-home (DOOH) near a store, and smart shopping carts at grocery stores, such as Instacart's ads on its AI-powered smart carts called Caper Carts.



## PROLIFERATION OF RETAIL MEDIA NETWORKS

An estimated 200 retail media networks have launched to sell advertising across their assets. Amazon is the biggest retail media network in the U.S., accounting for around 75% of retail media ad revenue share. Other network leaders include Walmart, Instacart, eBay, and Etsy. One to watch is Costco, the third-largest U.S. retailer, which recently announced its plans to build a retail media network with its membership data.



## RISE OF CHANNEL PARTNERSHIPS

Retail media networks are partnering with media companies, streaming providers, and social media platforms to create more reach earlier in the buying cycle. Examples include Disney, Walmart Connect, NBCUniversal and Instacart. In a first-of-its-kind partnership, Best Buy and CNET combined their ad inventory to allow advertisers to buy across the retailer's media network and alongside the tech website's editorial content.



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**Oscar Au**

Vice President, Head of Performance Media Paid Search, Acronym

# Balancing retail media's data value with uncertainties

Retail media is sitting on a mountain of first-party data that brands can use to target consumers based on their preferences and behaviors. This data will likely continue to gain in value with the evolution of user privacy laws and the unknowns associated with the future of third-party cookies.

However, buyers must weigh the data's value against concerns with measurement, performance, and other factors. More than half of CMOs say their greatest challenge with retail media is “rationalizing retail media with our other media investments.”

Kelly Leach, Chief Client Strategy Officer at Acronym, sees these retail media reservations among the agency's clients.

“Retailer data is important, but we still don't know much about the consumers. We know they're a valuable audience cause they're purchasing our products, but we're hungry to know more about who they are,” says Leach.

Findings from a recent Association of National Advertisers (ANA) survey reveal marketers' concerns about retail media network metrics' availability, reliability, and timeliness. The survey found that 55% of marketers see the lack of standardization across platforms as the greatest challenge, followed by attribution to sales (48%) and timeliness of data/analytics (40%).



Let's take a deeper dive into these challenges:

### ● **MORE FRAGMENTATION AND LESS STANDARDIZATION**

Each retail media network operates differently, with its own individual ad formats, structure, and reporting. The frustrating lack of standardization makes it difficult for buyers to have a consistent set of KPIs, and over two-thirds of retail media network ad buyers (69%) cite the need to resolve complexity in the buying process.

"The standardization of data and metrics across different retailers is a major problem," says Au. "You'd think a click at Walmart is the same as a click at Amazon, but that's not always true. If something as basic as a consumer click can be defined in different ways, think about all the other metrics that retailers use."

### ● **LIMITED ACCESS TO DATA NECESSARY FOR MEASUREMENT**

Nearly all U.S. advertisers (95%) say that the walled garden environments of retail media networks are a challenge. With severely limited access to data, buyers are missing visibility into the attribution and performance metrics they need to generate insights for real-time campaign optimization.

"I think we're going to see the bigger brands and larger retail media networks driving a change for the rest of the industry and demand more transparency and a better ability to involve attribution models," says Leach.

Findings from the [2024 Path to Purchase Institute Retailer Media Network Study](#) support buyers' needs for more standardization and transparency to do their jobs. More than 40% said they want standardized metrics and definitions, as well as offline and online attribution. Nearly 9-in-10 respondents want their retailer partner to provide proof of sales lift and ROI for campaigns.



# Finding solutions to navigate retail media challenges

There are plenty of challenges and opportunities in retail media, which leads to the big question ... where do brands go from here? And, more importantly, how do they get to where they want to be?

The advertising industry is taking steps to help brands strategize a way forward. The leading industry organizations, the Interactive Advertising Bureau (IAB) and the Media Rating Council (MRC), have released the groundbreaking [Retail Media Measurement Guidelines](#). The guidelines cover viewability, attribution, fraud prevention, data privacy, and auditing with the intent to enhance retail media transparency and consistency.

The Retail Media Measurement Guidelines cite, “Agencies play a key advocacy role for brands in what remains a nascent, complex channel. With their breadth of media expertise and client rosters, they can help elevate standards across RMNs.”

Au points to Acronym's partnerships with Scotts Miracle-Gro, Frette, Christofle, and other clients as playing that advocacy role the guidelines call for.

“We are experts in this space and understand our clients’ needs as well as the retail media ecosystem,” says Au. “We put a strategic lens on conversations about retail media and guide our clients to get the most out of their investments.”

Media, search, and performance marketing agencies are building out retail media divisions to meet their clients’ expectations for guidance. The divisions help clients integrate retail media into their overall media strategy, evaluate options to align with brand objectives and target audiences, and optimize retail media performance data, reporting, and analysis. Agencies are also making a shift toward integrating their retail media teams within other agency divisions.

“The retail media team and the brand team are usually operated separately. At Acronym, we’ve nested the two together because we believe that all media, regardless of whether it’s brand or retail media, needs to ladder up to the same goals,” says Leach. “The decisions we’re making on behalf of our clients are truly in service of driving better business results.”



# Supporting brands in the retail media quest

The future of retail media is getting even brighter, with 57% of marketers now spending 10% to 39% of their marketing budgets on retail media, versus 48% a year ago. The growth of retail media shows no signs of letting up with the continuous addition of new retail media networks and the expansion into channel partnerships for more sales funnel conversions.

But the childhood counsel of “just because everyone else is doing it, doesn’t mean you have to” still stands. Brands that dive into the hype of retail media will likely face challenges despite the industry’s ongoing efforts to combat them. By working with an agency, brands have a partner by their side to determine if retail media is their bright, shiny object or if it’s losing some of its luster.



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Source: ANA, With Retail Media Experiencing Meteoric Growth, ANA Survey Finds Marketers Are Optimistic But Cautious





### The Acronym Difference

Acronym was founded in 1995 because everyone was searching the Internet and no one could find what they wanted. Our founder, Anton Konikoff, was one of the first to recognize why people were getting lost along the way: companies were unaware of the unwritten rules of search algorithms and weren't taking advantage of new opportunities to reach customers. **How** people search continues to change, and it's our privilege to help lead the change. What hasn't changed is **why** people search.

They search to **discover**.

Headquartered in the Empire State Building with a global presence across EMEA and APAC, our privately held agency brings together more than two hundred professionals who specialize in building **transformative growth**. We use data science to fuel paid, owned, shared, and earned strategies with a deep understanding of what motivates people to discover your brand and embrace what you offer.

Acronym is **discovery by design**.

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