Retail media enables advertisers to reach customers on a retailer’s own platforms (e.g., their websites and apps), as well as on third-party websites, and in brick-and-mortar stores—and is growing in popularity with digital advertisers. According to eMarketer, retail media ad spend is expected to hit $61.15bn in 2024 in the U.S. alone.

So, why are marketers investing in and leveraging retail media as a primary tool to attract and retain customers? It's a powerful and scalable solution that provides a rich source of consumer data.
Customer data tells a story

Advertisers make informed decisions about their retail strategy by measuring how shoppers interact with ads—from initial brand engagement to the ultimate goal: conversion. While some advertisers employ different tools to track engagement, the most accurate measurement requires a unified view of shopper behavior at all stages of the sales funnel. The good news? A 360-degree view of a shopper’s journey can be difficult, but not impossible to obtain.

There are three trends within the retail media space that are driving advancements in the capability to obtain this unified view:

1. **The growth of omnichannel sales**
2. **Emerging identity and privacy considerations**
3. **The expansion of retail media into new channels and ad formats**
In recent years, shopping behavior has changed significantly. COVID-19 has disrupted the way consumers interact with brands and has impacted how people engage online. While the initial spike in online shopping at the start of 2020 has since flattened, many verticals—including grocery—have shown consistent growth, and this is forecasted to continue in the coming years.

New technological innovations have changed consumer expectations, propelling a heightened customer demand for hybrid shopping experiences. Shoppers expect thoughtful, non-intrusive advertising that aligns with how they shop and interact with retail today. Today, a shopper’s journey may start online and end in-store—or vice versa. Successful retail media networks integrate this new model into their ad strategy to ensure their messaging reaches shoppers at all stages of the sales funnel.

The possibility of creating unique intersections between social media platforms, CTV, mobile, and the open web gives retailers and advertisers the power to reach shoppers and lead them directly to an online sale. Serving ads that are relevant to shoppers across multiple channels can strengthen awareness, perception, and even loyalty—leading to repeat sales. Successful retail media networks need to be able to unify data from ad exposure and shopping interactions wherever those events take place. With a clear view into how and where shoppers are engaging with ads, brands can make informed decisions about their retail media strategies.
Privacy trends

There are major changes taking place in how online identity and user privacy are managed, which impacts both retailers and brands. New regulations are redefining the relationships between media companies, advertisers, and personal data by setting standards that prohibit the wholesale collection of user data without, at the very least, user consent. At the same time, market actors are deprecating (or are planning to deprecate) technologies that advertisers rely on, like third-party cookies and mobile advertising IDs, which have been used to store online identity for more than a decade. As privacy regulations continue to evolve, partnering with retailers who have access to tremendous amounts of first-party customer data—which can yield better insight into customer behavior than third-party data—is a clear path forward for advertisers.

Because understanding unique consumer behavior is essential to a successful retail media program, having a unified technology stack built on top of a trusted and secure platform is key for retailers. Working with different platforms for onsite, offsite, and in-store advertising with separate technology stacks increases the risk of handling data improperly (e.g., unintentionally leaking it). A single platform with data privacy as a core tenant benefits retailers by ensuring that their data (and their shoppers’ data) is secure and pseudonymized, so sensitive, personally identifiable information can never be accessed directly by anyone with the retail media network—all while helping the retailer navigate the growing complexity of tracing online identity.
Expanding retail media channels

Retail media advertisers are no longer satisfied with reaching shoppers solely on retail websites and apps; they want to establish a presence anywhere customers spend their time online. This means that retailers are incorporating more and more advertising platforms into their offerings, so they can reach shoppers through other channels, such as programmatic web and app, connected TV inventory, and “walled garden” destinations (like social networks). Since each channel is unique, adding new capabilities often takes place in silos and as a result, the functionality available to the advertiser can vary significantly from one channel to another.

This approach not only leads to a disjointed advertiser experience; it is also a significant operational burden. Ad operations, reporting, and audience activation capabilities must be maintained across an onsite platform, a DSP, and one or more social networks to provide an effective program. Integrating multiple platforms with different backend systems and methodologies can be complex and expensive and makes it difficult to deliver accurate end-to-end measurements. **A single, unified platform that tracks the customer journey across social media, CTV, mobile, the open web, apps and more helps advertisers understand what their customers are doing, providing insights that inform efficient, scalable retail media strategies—while supporting the seamless hybrid experience consumers have come to expect.**
Measuring the true impact of retail media

Retail media has become a path to full-funnel marketing with measurement from awareness through to conversion. Today, there are multiple channels and formats that intersect with shoppers at different stages of the customer journey. Advertisers won’t just take a retailer’s word for it that these new channels are worth it, though. The standards for measurement have increased beyond simple last-touch sales attribution. Advertisers want to know that their investment in retail media is driving real value, not just adding another line item to their marketing plan. Retailers, with first-party data, are the source of truth for shopper insights, so advertisers expect retail media platforms to provide insights they can use to develop long term strategies with the highest return on investment.

Retailers need a way to measure the full shopper journey, to understand how their retail media investment can be optimized to deliver the best results for advertisers. Having one central platform that unifies insights into shopper behavior and how retail media investment influences that behavior across multiple advertising channels, is becoming increasingly important to brand expectations. Consolidating all shopper data centrally enables retailers to run comprehensive analytics through closed-loop reporting to show how multiple types of media activation via their networks contribute to desirable shopper outcomes. By using this holistic, streamlined approach brands will gain the insights they need to plan effective retail media strategies.
A unified view of customer data is essential

As the scope of retail media expands to new channels, ad formats, and media types, having a unified view of shopper behavior both on and off a retailer’s owned and operated properties will become the differentiating factor between scaled, successful retail media networks and the non-starters in this rapidly growing space. **Using one dashboard to view all consumer data will give advertisers the valuable information required to innovate new, targeted ad campaigns that expand brand reach and deepen customer relationships, and retailers with the ability to offer their advertisers opportunities to engage shoppers across any stage will have a competitive edge.**

To learn more about PromotelIQ, please visit our website, or inquire about our solutions.