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Retail Media 2023

Operational Strategies to Meet the Growth Potential

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Foreword

Retail media is generating significant optimism due to its advertising capabilities and new revenue streams. The channel is providing marketers with new and unique opportunities within the broader media ecosystem which is being forced to reimagine how it operates due to substantial signal loss and ongoing privacy legislation. By enabling advanced personalization and closed loop measurement, Retail Media Networks (RMNs) have quickly emerged as an integral part of the omnichannel playbook. As a result, Retail Media was one of the fasted growing U.S. advertising channels in 2022 (growing 22% year-over-year to $38 billion) and is projected to more than double across the next 5 years to $107 billion* as incremental and reallocated funds are funneled into its ecosystem.

However, to meet these growth projections, there are challenges that need to be addressed. Ad buyers are frustrated with the siloed nature of RMNs and are asking for greater collaboration to minimize complexity and simplify activation.

They have concerns regarding the RMNs' ability to prove the value of their ad investment driven by a lack of standards and comprehensive measurement approaches. Both brands and retailers are also hampered by communication gaps and a lack of expertise regarding each other's businesses, leading to misaligned goals.

To help the industry solve these issues and meet the channel's full potential, IAB partnered with BWG Strategy to survey 200 RMN ad buyers at brands and agencies and conduct over 30 interviews with senior decision-makers at retailers, brands, agencies, and intermediaries (i.e., DSPs, SSPs, data providers) to understand what's working, what's not working, and what all parties need to operate at their full potential in the RMN ad ecosystem.

Retail Media 2023: Operational Strategies to Meet the Growth Potential reveals how we came to these conclusions, provides additional insights on Retail Media overall, and offers recommendations for the ecosystem on pages 27 to 32 of this report.

IAB thanks our sponsors:

Source: eMarketer, 3/29/23

Executive Summary

1 RETAIL MEDIA HAS BECOME AN INTEGRAL CHANNEL BY ADDRESSING THE NEEDS FOR PRIVACY-COMPLIANT PERSONALIZATION AND CLOSED-LOOP MEASUREMENT

- Retail media network (RMN) ad buyers* cited reaching incremental audiences (55%), leveraging retailer first-party data (52%), achieving strong performance (48%), and using customer data (45%) as the top reasons for investment.

- Endemic brands sold at retailers see value in the channel beyond their required spend commitments: Only 28% of RMN ad buyers cited their retailer ad spend requirements as a top reason for investment.

n=200 current RMN ad buyers at brand and agencies spending at least $5 million annually in retail media

2 RETAIL MEDIA AD SPEND IS POSTING SOLID GROWTH, REPRESENTING SIGNIFICANT SHARE OF TOTAL AD SPEND, WHILE BENEFITTING FROM REALLOCATED FUNDS

- RMN ad buyers are projected to increase spend by 11% in 2023 (YoY).

- RMN ad spend is expected to account for more than one-fourth (28%) of buyers' total overall media buys.

- To fund increased RMN investment, brand buyers are reallocating funds from digital platforms, traditional media, and non-advertising, "below-the-line" shopper/trade marketing.

Executive Summary

3 CHALLENGES TO RETAL MEDIA GROWTH ARE ECOSYSTEM COMPLEXITY, KNOWLEDGE GAPS, AND MEASUREMENT

- The number one cited growth challenge by over two-thirds of ad buyers (69%) was "complexity in the buying process", including RMNs operating in silos and a lack of automated buying and consistent cross-RMN performance capabilities.

- 60% of ad buyers cited "collaboration and communication" with RMNs as a top challenge—only one in ten (12%) ad buyers are "very satisfied" with their RMN partner relationships and communication.

- Nearly two in three buyers (62%) cited the need for measurement standards as a top challenge to continued growth; 58% cited enabling greater transparency.

4 SOLUTIONS ARE NOW BEING USED TO OVERCOME SOME ECOSYSTEM CHALLENGES, WHILE THE NEEDS ARE CLEAR TO SOLVE FOR THE REST

- Brands and retailers agree that the optimal way to collaborate is to have alignment across all stakeholders within their own companies to bring a unified strategy to the brand/retailer partnership.

- Brands and retailers are instituting formal training on Retail Media and digital advertising overall for those newer to the spaces.

- Cross-RMN measurement standards and transparency regarding attribution windows, incrementality, and viewability for consistent RMN comparisons will significantly help propel ad spend.

Market Outlook

Market Outlook

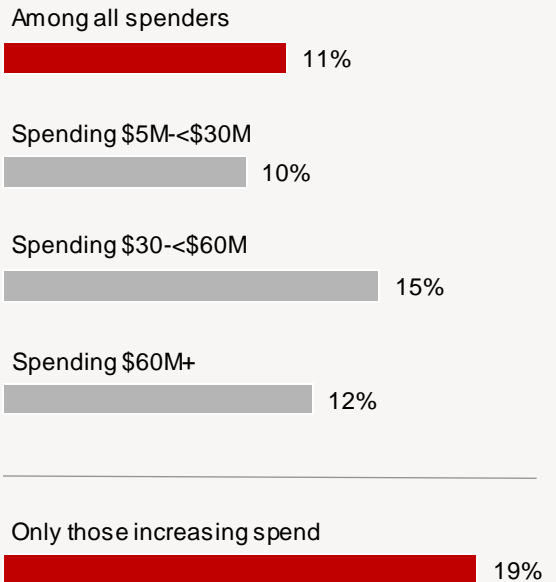## Retail Media Is a Growth Engine for the Advertising Industry

The advertising industry is at a key inflection point where signal loss from new privacy-preserving tools has marketers looking for new ways to maintain and improve measurement and performance. Retail Media has emerged as a solution with its ability to identify audiences using first-party data generated from transactional data, loyalty programs, and CRM databases. Retail Media offers a privacy compliant way for ad buyers to understand audiences at new levels and how advertising drives purchases.

As a result, our survey found that Retail Media investment is expected to grow 11%* between 2022 and 2023. Among those increasing spend, investments are expected to rise by nearly 20%. Advertisers at all spend levels are increasing their investment—reinforcing the value of the channel for both large and small brands.

SOURCES OF RETAILER FIRST-PARTY DATA

- Transactional Data
- Loyalty Programs
- CRM Systems
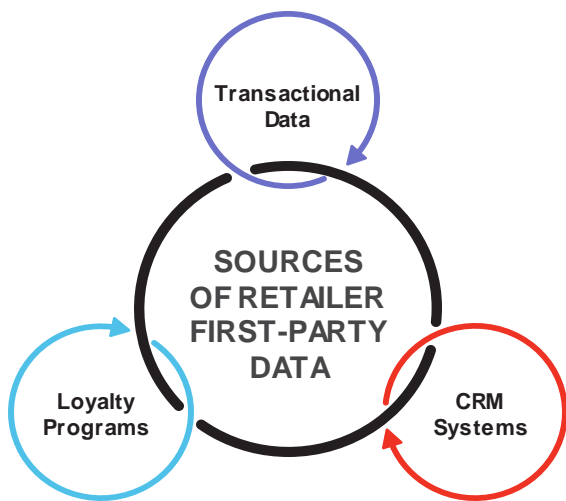
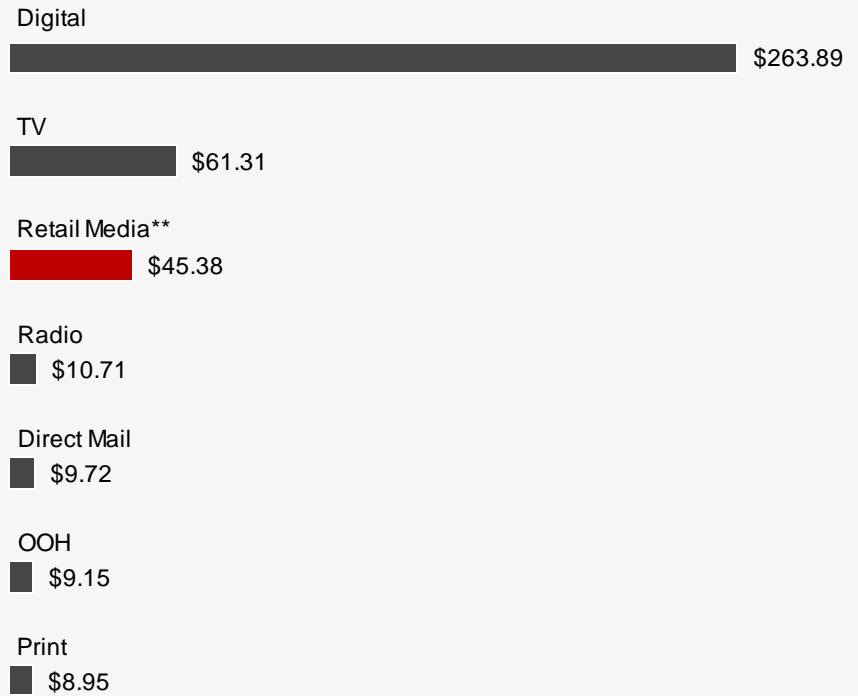*Source: IAB Introduction to Retail Media Course, 2023*

RETAIL MEDIA NETWORK AD SPEND GROWTH PROJECTIONS: 2023 EST. VS. 2022

Among all spenders
11%

Spending $5M-<$30M
10%

Spending $30-<$60M
15%

Spending $60M+
12%

Only those increasing spend
19%

Looking forward, Retail Media is projected to generate $45 billion in 2023 and $107 billion within 5 years. This places Retail Media among the largest media channels in ad spend in the U.S.*

2023 U.S. ESTIMATED SPENDING ($B)

Digital
$263.89

TV
$61.31

Retail Media**
$45.38

Radio
$10.71

Direct Mail
$9.72

OOH
$9.15

Print
$8.95

Source: eMarketer, 3/29/23; 3/29/23
**Retail Media is included in digital but also broken out here for perspective

> *"We see the value in taking users and bumping those against the RMN's to figure out how we can target them better, more efficiently or more effectively to try this new product but also to remember this product. We see the benefit in leveraging RMN data. It's personalized data, it's shopping."*
>
> **-CPG Brand**

> *"Today's consumers are shopping in a variety of ways, whether it's in-store, online, or even doing both by having digital media on their devices in-store. Retail media can help advertisers navigate the complexities of shopping behavior through first-party data and closed-loop measurement to tell advertisers exactly the types of sales being driven by their ads, wherever guests choose to shop."*
>
> **-Matthew Drzewicki; Vice President, Partner Solutions Group, Roundel**

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When sourcing funds for increased Retail Media investments, half (52%) of brand buyers are reallocating funds from across digital platforms, including social, search and digital video/CTV, while one-third (36%) are doing so from traditional media including linear TV, print, and out-of-home (OOH). Additionally, one-in-four (26%) brand buyers are reallocating funds from non-advertising, "below-the line" shopper/trade marketing budgets.

Also of note is the substantial share that retail media will account for within ad buyers' total media budgets—more than one out of every four dollars (28%) spent across all media including TV, digital, print, OOH, and radio.

2023 ESTIMATED TOTAL AD SPEND % SHARE BY CHANNEL AMONG RMN AD BUYERS ONLY

28%
Retail Media Networks

72%
All Other Media Channels

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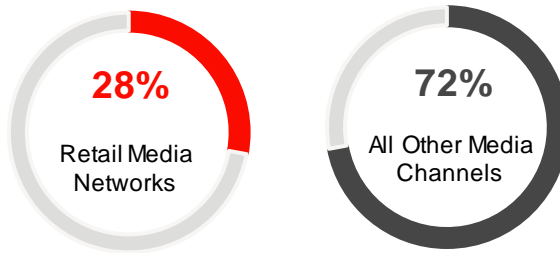
Retail Media Network Advertising Fills a Marketplace Need

A key reason for the channel's growth is its ability to meet marketers' new challenge of leveraging data while remaining privacy-compliant. RMNs' direct access to logged-in users at point-of-purchase provides brands not only with first-party data insights but also opportunities to reach new audiences, build custom cohorts, and assess return on ad spend (ROAS) with greater accuracy. That's why the top reasons buyers cited for investing in Retail Media was the "ability to reach new/incremental audiences" (55%) and "to leverage retailers' first-party data" (52%.)

> *"Working with our retail media partners, we found success in reaching customers outside of our base to increase sales."*
> **-Automotive Services Brand**

> *"Being able to leverage RMN first-party data is the most important factor when partnering."*
> **-Agency Buyer**

TOP REASONS FOR INVESTING IN RETAIL MEDIA ADVERTISING

Ability to reach new / incremental audiences
55%

Ability to leverage retailers' first-party data
52%

Performance is strong (e.g., ROAS)
48%

Access to highly engaged audiences at point-of-sale
45%

Ability to leverage customer data / knowledge
45%

Retailer partnership requires media buy
28%

Challenging the Endemic Brand "Spend Tax" Grievance

Although "endemic brands" sold at the retailer are often required to invest in RMN advertising as part of their larger joint business partnerships with retailers, it is evident that ad buyers across categories recognize the value of investing in the space. In fact, only 28% cite those requirements as a top reason for doing so versus the reasons cited on the previous page.

Current Solutions

Current Solutions

To mitigate emerging challenges as the RMN ad ecosystem grows, our interviews revealed that buyers and retailers have begun to develop solutions to meet the complexity of the buying process, the lack of measurement standards, and inefficiencies in communication.

Data Collaboration, and Improved Measurement Standards and Transparency are Key to Long-Term Success

Improving measurement and data collection is the number one opportunity area identified by buyers. Currently there are two primary ways retailers are making their performance data available to the buy-side: They've either built their own proprietary dashboards for clients or are allowing clients to tap into their APIs to ingest retailer data directly. Notably, retailers who have logged-in users, via loyalty or membership programs, are able to provide clients with even more data than other retailers. Those retailers can share both customer profile/shopping and media campaign data, thereby providing clients with a comprehensive view of performance.

> "Retail media networks should continue to enable first-party data visibility and utility. This is what will drive higher investment."
> -CPG Brand

In addition to providing access to their data, some retailers are allowing third-party verification. This eliminates retailers "grading their own homework." In that same vein, third-party managed service platforms are creating reporting dashboards for clients which inherently ensure merit and greater accuracy. Some marketers are implementing in-house, proprietary models and dashboards that can collate reports, data, metrics, and measurements from multiple retailers.

> *"As the industry grows quickly and providers proliferate, providers will need to put increased focus on ease of use of their tools, better data access and transparency, and provide better ability to perform MMM analysis/have a view into how their specific platform fits into a brand's total strategy."*
> *-Agency Buyer*

New Automation Tools Are Easing the Complexity in Media Buying

RMNs have begun to provide self-service and managed-service activation platforms. The self-service platforms provide smaller marketers with the ability to activate Retail Media with little barrier to entry while the managed-service platforms allow all marketers the ability to reduce workflow inefficiencies through assistance from individuals at the RMN.

SELF-SERVICE SOLUTIONS: SUPPLY-SIDE PLATFORMS (SSPS)
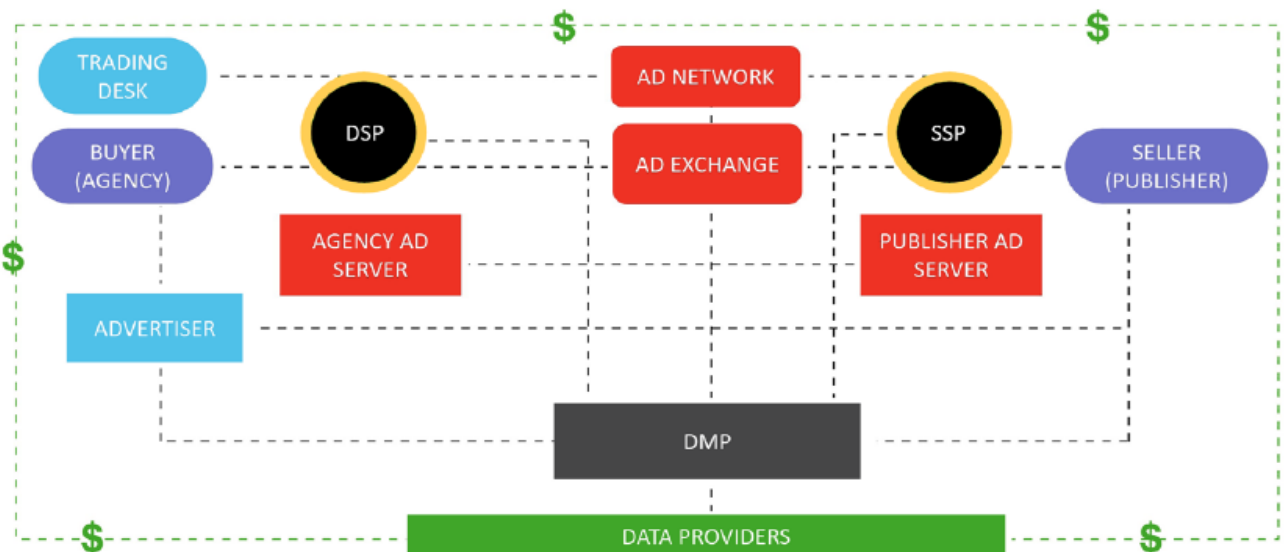
Source: IAB Introduction to Retail Media Course, 2023

Proprietary models and dashboards enable buyers to produce a grading rubric to holistically assess performance and make comparisons between retailers—providing them a more meaningful and productive mechanism to understand the landscape.

> *"We've been working to build a criteria rubric to say what the capabilities are that each of the RMNs have so that we can then align them with brand strategies. So if a brand has a strategy to increase household penetration with a cohort of consumers, they can know what RMNs can help do that. And it lets folks know our baseline standards of a media partner and a sales partner too for brand safety, viewability, tagging ,and all those components."*
> *-CPG Brand*

Buyers and retailers have also found success collaborating within data clean rooms which enable data to be safely and securely commingled. Although this technology is relatively nascent, it can enrich the data sets from both sides which offers additional value from a reporting, targeting, and audience insights perspectives.

> *"It is hard to measure cross-channel, so seeing deeper integrations via clean rooms, third-party analytical support, and data spines will be tremendous as we look across all channels and make allocation decisions."*
> *-Automotive Services Brand*

Additionally, many buyers leverage marketing mix models (MMMs) to get a holistic view of advertising performance across media channels, including RMNs. In cases where retailers can send RMN ad signals to buyers to help power the MMMs, buyers can align their Retail Media strategies with other marketing efforts, leading to more coordinated and effective campaigns. This effort also leads to a better justification of the Retail Media value proposition for buyers.

We also found that one-fourth (23%) of RMN ad buyers are using Generative AI and more than half (53%) are investigating use cases. The biggest benefits they see are for activation-related tasks—including ad targeting, segmentation, and bid management, followed by campaign and ad-generation, including copyediting, fact-checking, customization, and personalization.

TOP AREAS OF RMN AD PRACTICES THAT CAN BENEFIT FROM GENERATIVE AI

(ONLY ANSWER CHOICES 30% AND ABOVE ARE SHOWN)

Ad targeting, segmentation, bid management, etc.
43%

Ad copyediting and fact-checking
38%

Campaign / ad generation
33%

Ad customization / personalization
32%

Product description generation
31%

Ad optimization
30%
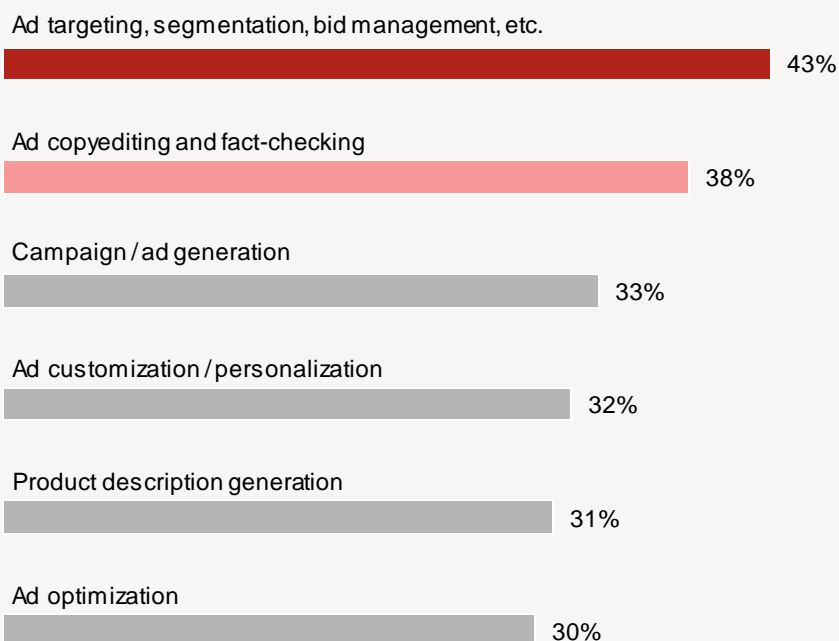
A Clear Communication Structure Is the Way to Ensure Goal Alignment

There is widespread belief that alignment within companies across all departments that play a role in Retail Media (including media, sales, and shopper marketing), combined with clear communication between buyers and retailers is the best way to build a holistic Retail Media strategy poised for success. This is particularly the case when both internal and external communications shift from mere information sharing to collaborative goal setting and campaign execution.

Our interviews found that there are many ways buyers can ensure intra-company collaboration and RMN goal alignment. The chart on the next page illustrates some of their operating models, led by primary contacts that can funnel needs, metrics, and timeframes across departments.

"

"Understanding what our optimal goals are and aligning with RMNs on how we can reach those has been key so that the relevancy to consumers shines through. Some have been easier to work with than others. We've found that working with those who want to understand our business are more successful."

-Online Retailer Brand

DIFFERENT BUYER OPERATING MODELS

Integrated COE

Primary Contact: Single, central person

• Contact operates as a centralized connection to work across all teams

Considerations

• Streamlines interaction and engagement

• Can add time for internal facilitation

Hybrid Model

Primacy Contacts: Each team has a distinct person

• Contacts operate independently with internal collaboration across all teams

Considerations

• SME expertise 100% of the time

• Requires brands ensure alignment within each retail partner

Outsourced

Primary Contact: Third-party agency

• Contact facilitates coordination across one or more retailers

Considerations

• Agencies can vary in their ability to work with retailers

• Typically adds efficiency

Shopper

Primacy Contact: Shopper marketing team

• Operates as a centralized connection across all teams

Considerations

• Expansion, not transfer, of existing marketing partnership

• Not all brand partners have in-depth or strategic shopper marketing relationships

Source: IAB Introduction to Retail Media Course, 2023

Regardless of the approach, buyers have found that it is imperative that all company stakeholders are involved and aligned to goals—especially shopper and merchandise teams who have been foundational in retailer relationships. This ensures that RMN efforts are not limited to an individual or few departments and that brand-wide, full-funnel results can be achieved. Also, once an intra-company operating model is selected, buyers have found success walking their retailer partners through the structure and department goals so retailers can ensure that budgets will be deployed in meaningful ways that attribute back to collective needs.

"

"Educating RMNs on different teams and goals by department internally on the brand side creates an understanding behind requests and needs."

- Healthcare Brand

Another often-cited solution to improve communication within companies is education. Because Retail Media is a relatively new component within the retailer/marketer relationship, it is necessary to train and educate all stakeholders on the value and opportunities that can be accomplished with Retail Media.

One of the most effective ways to ensure the ability to move quickly is to have intra-team and cross team alignment from the outset, along with an understanding that campaign parameters may need to be adjusted in-flight.

"

"More education regarding the different opportunities for RMN investment is needed. As of now, it's more 'learning as you go' but a more formalized approach is needed."

-CPG Brand

"

"[We've found success with] aligning on goals and KPIs before starting campaigns and then mutually reviewing and addressing adjustments to track returns. We are being upfront with our partners regarding our long-term goals and potentially making strategy adjustments accordingly."

-CPG Brand

Therefore, to get their colleagues up to speed, brands and retailers are finding success through the institution of formal training on Retail Media and digital advertising—particularly with non-media teams. Our interviewees found that education typically translates into better communication among departments and helps in the creation of a unified, cross-department stance on fundamental metrics that can propel buyers and retailers. Better understanding enables trust.

Finally, we heard from brands that retailers reacting to a brand's needs with agility is a crucial aspect that helps ensure value is being driven within RMN activations. The digital media ecosystem is a fast-paced business and marketers are continuously looking at ways to use real-time data to make real-time decisions.

Areas of Opportunity

Areas of Opportunity

It's Time for Retail Media to Take the Next Step in Its Development

Retail Media's initial success has been accelerated by the ability of the RMNs to offer a solution to a larger advertising industry challenge: The ability to leverage data in a privacy-compliant way in an era of signal loss. But to sustain continued growth, RMNs must address further challenges.

When buyers were asked to rank the top challenges in the RMN ecosystem, they identified four areas: 1) resolving complexity in the buying process (69%), 2) creating measurement standards (62%), 3) better collaboration/communication (60%), and 4) enabling greater transparency (58%).

**TOP CHALLENGES
IN THE RMN AD
ECOSYSTEM**

Resolving complexity in the buying process
69%

Creating measurement standards
62%

Better collaboration / communication
60%

Enabling greater transparency
58%

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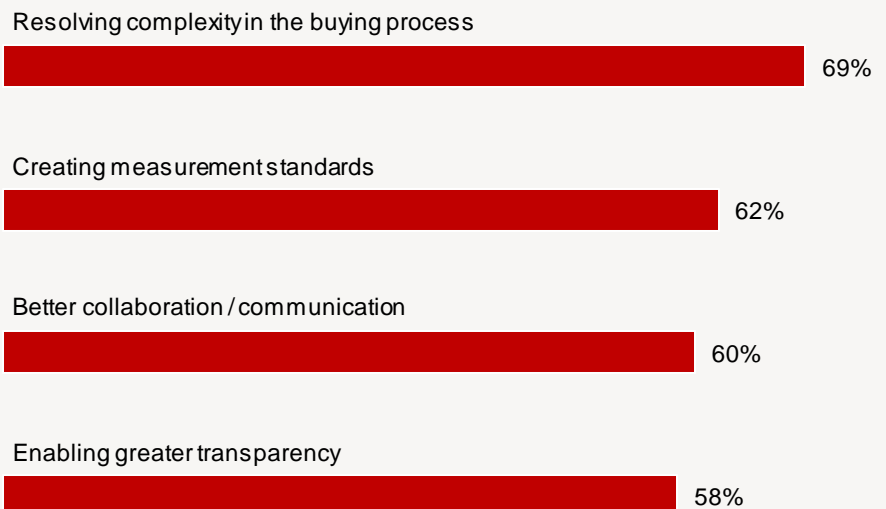
Resolving Complexity in the Buying Process

Buyers cited "complexity in the media buying process" as their number one challenge in the Retail Media ecosystem. The primary reason is that the RMNs operate in silos. This results in fundamental workflow processes being repeated multiple times for one campaign. Other media channels eliminate this redundancy through centralized and automated buying platforms offering more capabilities than those in this space. Additionally, the "silo-effect" makes cross RMN performance analytics very cumbersome and time consuming.

"Being able to more easily make buys across multiple platforms is our biggest issue."
-Online Retailer Brand

Creating Measurement Standards and Driving Transparency

Concerns from ad buyers in proving the value of the channel, particularly pertaining to data measurement and standardization, are real threats to RMN growth and momentum. From shopper insights to closed loop measurement, data plays a differentiating role in propelling Retail Media.

The fundamental need (cited by 50% of buyers) is to set reporting standards that enable marketers to aggregate information and gain a holistic view of their campaign performance across RMNs. For example, our interviews revealed that while ROAS, ROI, and incrementality are standard reporting metrics, many buy- and sell-side organizations cannot agree on how to define them.

Buyers also want more in-depth insights across campaign and sales performance (48%), point-of-sale insights (44%), and increased line of site into media placement (42%).

TOP WAYS RMN PLANNING, ACTIVATION, AND ANALYSIS CAN BE IMPROVED

(ONLY TOP 5 ANSWER CHOICES ARE SHOWN)

Standardization of metrics / KPIs across multiple RMNs
50%

More detailed / in-depth campaign performance / sales outcomes reporting
48%

Standardization of measurement approaches across multiple RMNs
45%

Increased line of sight into consumer shopper / point-of-sale data
44%

Increased line of sight into media placement specificity
42%

Also revealed was friction between the buy- and sell-sides relating to the following:

- What should the length of time be for attribution windows?

- Should measurement be by campaign or ad placement type?

- Should we measure onsite and offsite together or individually?

- Is incrementality "newness to brand," "category expansion," or "new customers to store"?

Additionally, once there is agreement on the data to be shared, the format and delivery cadence of that data must be re-imagined. Today the process for the buy-side to bring together and analyze the performance across retailers is inefficient and prone to error. Without accurate data, performance results can be misleading.

"

"We've actually walked away from some RMN relationships because they're not able to provide us with the level of analytics or incrementality data we need, or they're not able to provide MMM inputs for us which is our way to look at performance 'apples-to-apples'."

-Paras Shah; Digital Media, Georgia-Pacific Consumer Products

"

"Currently we are manually ingesting each [RMN] anonymized data source into our own dashboard. So, how do we connect all of the media data sources so that what we're pulling is in a standard format and from the same place? It's a very heavy lift, a lot of different data sources to string together to have a holistic view."

-Jen Bryce; Head of Retail Media Partnerships & Investment, Unilever

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As Retail Media continues to evolve, it must adopt third-party verification of its delivery. RMNs "grading their own homework" breeds mistrust and creates more friction. As the channel matures, it needs to align with industry norms for third-party measurement.

> "
>
> "We really have to dig in with retailers on how they measure brand-defined KPIs and determine if we're aligned. Since each retailer has their own methods of tracking, including accepting some sort of third-party tracking on or offsite, there's a gap to be closed in comparing retailer results as 'apples to apples'. So that's still a concern."
>
> **-Alex Gibbs; SVP Commerce Media, Night Market**

Better Collaboration (Within Marketers' Teams and Between Marketers and RMNs) Will Ensure Trust

Clear communication always plays a role in a partnership's success —whether that is for internal teams or with external teams. This is even more important when you are bringing new teams into existing relationships. For decades, shopper marketing teams within brands have owned the relationship with retailers. As Retail Media has emerged, this has placed pressure on existing brand-retailer relationships.

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Fragmented or Unclear Ownership of Retail Media Within Companies Is a Major Barrier to Progress

While only 22% of ad buyers cited intra-company communication as a challenge in the survey, in our interviews it became clear that this is much more of an impediment than diagnosed in the survey alone.

No
78%

Yes
22%

> *"If Retail Media Networks are really selling omnichannel solutions, then they have to look at the customer touchpoints holistically by connecting trade and merchandising with in-store and online media spend, which is not always the case."*
>
> **-Jill Cruz; Publicis Commerce, Executive Vice President, Commerce Strategy**

With the rise of Retail Media as a new tool in the partnership between marketers and retailers, marketers must spend more time aligning their teams' goals before entering negotiations with retailers. Today responsibilities are often divided across media, shopper marketing, sales, digital marketing, and e-commerce. This sub-division leads to confusion around roles, stalled decision-making, and a lack of a unified strategy. It also heightens friction with retailers when they are getting conflicting information.

TRADITIONAL SILOED APPROACH – NO SINGLE OWNER OF RMN STRATEGY

Media **Ecomm** **Shopper** **Sales**

RMN Partner
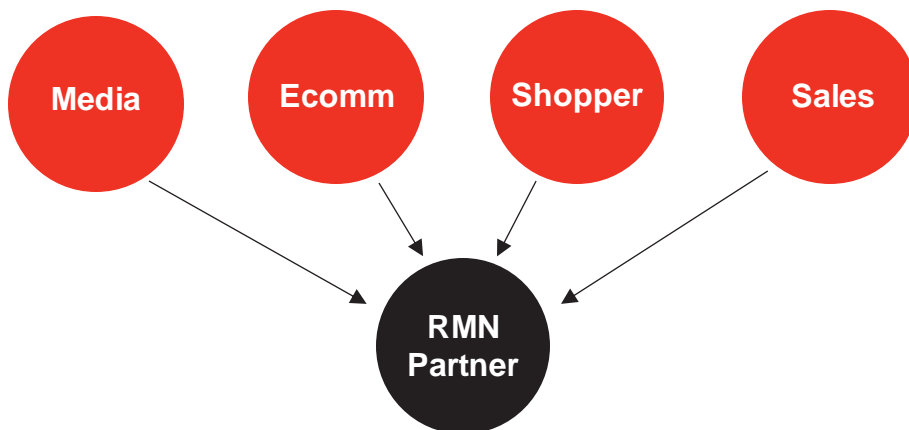
Source: The Mars Agency - Making Sense of Retail Media, January 2022

Brands and retailers across the spectrum have identified that departments outside of media are mostly unaware of their company's RMN ad buys and/or lack an understanding of how to consider media in their overall retailer strategy. Media buyers said that the lack of media understanding drives distrust between historically empowered shopper marketing teams and newly empowered media teams. This mistrust can lead to improper allocation of marketing funds and can threaten the long-term relationship between company and retailer.

The primary areas that need internal alignment before negotiations begin are:

- Budgets allocated to Retail Media

- Timing of a campaign and how it complements other shopper marketing efforts

- Desired target audience

- KPIs for success

- How measurement data will be shared

Finally, internal teams need to decide who will lead the negotiations for Retail Media. It should have a clearly identified leader who is empowered to make decisions.

Improving Communication Between Marketers and Retail Media Networks

While many RMN ad buyers express some level of satisfaction with the current state of communication and relationship management with their RMN partners, only 12% are "very satisfied" while an additional one-fourth were "on the fence," neither satisfied nor dissatisfied. Thus, the RMN ad ecosystem is ripe for positive change regarding relationship management.

SATISFACTION WITH THE CURRENT STATE OF COMMUNICATION / RELATIONSHIP MANAGEMENT WITH RMN AD PARTNERS

12%	55%	23%	10%	1%
Very Satisfied	Somewhat Satisfied	Neither Satisfied Nor Dissatisfied	Somewhat Dissatisfied	Very Dissatisfied

The two biggest conflict points identified were agreeing to media mix—the combination of onsite and offsite media—and metrics for success. This is a wrinkle in the media buying process that other media don't face. In more established marketplaces the buyer outlines metrics for success. But because Retail Media is affixing itself to a long-standing relationship between marketer and retailer, there is an added layer of complexity. We heard many instances of disputes over different values assigned to different ad products and of measurement logistics. Value propositions among retail media networks still need proper definition and clarity outside of the ability to tap into retailers' first-party customer data.

Recommendations

As the retail media landscape is rapidly evolving, retailers, brands, and agencies must adapt to the growing complexity and demands of the market. By centralizing and streamlining activation, focusing on data and measurement standards and transparency, and improving communication between and within companies, all parties can foster stronger, more effective partnerships.

The following pages contain specific steps retailers, brands, and agencies should take to enable Retail Media to meet its full potential.

Recommendations:
Planning & Activation

Retailers	1. Centralize the media buying processes by investing in automated, integrated activation platforms to minimize the 'silo effect' and reduce redundancies in the buying process. 2. When building the capabilities and offerings cited above, leverage IAB's *Retail Media Buyer's Guide* for insights into buyer needs and strategies across audience targeting, media buying, measurement, etc. 3. Follow IAB guidelines and standards for ad formats such as display, native, and video to ensure platforms are aligned with industry norms and make it easier for brands and agencies to buy media.
Brands	1. To develop effective retail media strategies, leverage IAB's *Retail Media Buyer's Guide* for insights and best practices on media buying approaches, audience strategies, creative optimization, KPI selection, measurement, and more. 2. Look for ways to make cross-platform buying less cumbersome and time-consuming through investments in technology or partnerships that enable smoother integrations. 3. Push the industry to develop and adopt third-party activation platforms that allow all RMNS s to be analyzed, executed, and measured in a single platform.
Agencies	1. Include RMNs prominently within overall media plans rather than siloing it. 2. Guide brands in a more unified Retail Media approach focused on objectives vs. specific channels. 3. Negotiate the relationship and business terms between brands and retailers, incorporating Retail Media fluidly within deals. 4. Push for universal third-party activation platforms that allow all Retail Media networks to be analyzed, planned, activated, and measured in a single platform. 5. Leverage IAB's *Retail Media Buyer's Guide* for beneficial information on audience strategies, buying approaches, and measurement. 6. Follow IAB standards and best practices for creative development, ad formats, data usage, and measurement when executing Retail Media campaigns to ensure quality and performance.

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Recommendations:
Data & Measurement

Retailers	1. Work with brands to create clear measurement standards and definitions to reduce friction points related to performance evaluation and transparency. 2. Embrace third-party measurement and verification platforms and partnerships to build trust with buyers, align with industry norms, and demonstrate commitment to accurate evaluation. 3. Offer more in-depth insights and consistent reporting to assist brands in understanding campaign performance as timely and detailed analytics will support decision-making. 4. Share robust first-party data with brands and agencies to enable better targeting and measurement including search keyword-level data, past purchase behaviors, product affinities, demographics, real-time intent signals, and in-store sales data. 5. Share information across the advertiser journey including planning, buying, optimization, and measurement. Disclose offerings like campaign planning, inventory tracking, and pricing models. 6. Allow for more raw data feeds and APIs for real-time data ingestion enabling ad buyers with direct access to data to conduct their own measurement and attribution including A/B, multivariate, lift, and synthetic tests.
Brands	1. Before beginning negotiations with retailers, align internally across departments (media, shopper marketing, sales, digital marketing, and e-commerce) on budgets, timing, target audience, success KPIs, and data sharing methods to ensure that Retail Media plans and measurement will be approached from a full-funnel perspective. 2. When collaborating with retailers on joint business plans, brands should align on IAB ad standards, data sharing needs, and measurement guidelines to ensure transparency and enable effective optimization throughout campaigns.
Agencies	1. Provide guidance to brands and retailers on privacy regulations, data ethics, and transparency to maintain consumer trust as adherence to privacy and ethical data use is crucial for Retail Media growth. 2. When working with brands and retailers, promote data transparency by aligning on IAB standards for data sharing, ad formats, measurement, and compliance.

iab. BWGStrategy

Recommendations:
Organization & Communication
(1 of 2)

Retailers	1. Strengthen relationships with brands via clear, ongoing communication around media mix, success metrics, and values in the creation of a streamlined and more transparent partnership. Keep brands up to date on any new capabilities and offerings. 2. Educate all internal stakeholders on the Retail Media ecosystem including the innerworkings of digital media and how Retail Media contributes to legacy shopper and channel marketing initiatives. 3. Join IAB's *Retail Media Network Committee* to collaborate with other industry players, stay updated on best practices, and have a voice in shaping standards. The committee provides an opportunity to build relationships and align on common goals.
Brands	1. Define clear leadership roles and responsibilities within media, shopper marketing, sales, digital marketing, and ecommerce teams to minimize confusion. Select a communication operating model appropriate for your organization, led by primary contacts that can funnel needs, metrics, and timeframes across departments and support a holistic go-to-market strategy. 2. Strengthen relationships with retailers via clear, ongoing communication around expectations, goals, and satisfaction levels to create a streamlined and more transparent partnership. Ask for frequent updates on new retailer capabilities and offerings. 3. Educate all internal stakeholders, including those outside of media, on your organization's current RMN ad buys and strategies as well as on the RMN ecosystem overall. This includes the innerworkings of digital media and how retail media contributes to legacy shopper and channel marketing initiatives. 4. Join IAB's *Retail Media Network Committee* to shape the future of retail media from an advertiser perspective, collaborate with other industry players, and stay updated on best practices. The committee provides an opportunity to build relationships and align on common goals.

Recommendations:
Organization & Communication
(2 of 2)

Agencies	
	1. Leverage industry knowledge, best practices, and workflow management to act as intermediaries between brands and retailers in campaign development, creative review, and performance optimization.
	2. Foster closer collaboration between your agency, brands, and the retailers through joint business planning, shared objectives, and goal alignment.
	3. Work to break down silos between brand marketing teams, trade marketing teams, and retailers to enable more holistic planning and budgeting.
	4. Partner closely with retailers on training, platform certification, campaign measurement, and insights to better use Retail Media capabilities.
	5. Educate brands on Retail Media opportunities and guide them in developing audience, media buying, and creative strategies tailored to retail environments.
	6. Participate in IAB's _Retail Media Network Committee_ to ensure brand needs are understood by other players and help shape the future of Retail Media.

Appendix

Methodology

IAB partnered with BWG Strategy to survey 200 retail media network (RMN) ad buyers at brands and agencies, as well as in the execution of over 30 interviews with key decision-makers at retailers, brands, agencies and intermediaries to understand what's working, what's not working and what's needed for all parties to operate at their full potential in the RMN ad ecosystem.

Quantitative Sample Generated and Execution

- n=200 respondents at brands and agencies who have decision-making, active involvement and/or line of sight into Retail Media advertising spend in the U.S. for any brands they or their company represents; respondents had a minimum spend of $5 million annually in Retail Media.
- 15-minute anonymous online survey
- Fielded: June 13-30, 2023

Qualitative Sample Generation and Execution

- 45 to 60-minute interviews with 30+ senior Retail Media decision-makers at retailers, brands, agencies, and intermediaries (i.e., DSPs, SSPs, data providers)
- Company mix included large companies (2022 annual revenue over $2 billion) and small-to-mid-size companies (2022 annual revenue less than $2 billion)
- Fielded: July 19 to August 7, 2023

Interviews were conducted by BWG Strategy alongside IAB subject matter experts:

- Justin Ruiss, SVP Media Research, BWG Strategy
- Chris Bruderle, VP, Industry Insights & Content Strategy, IAB
- Jeffrey Bustos, VP, Measurement, Addressability & Data Center, IAB

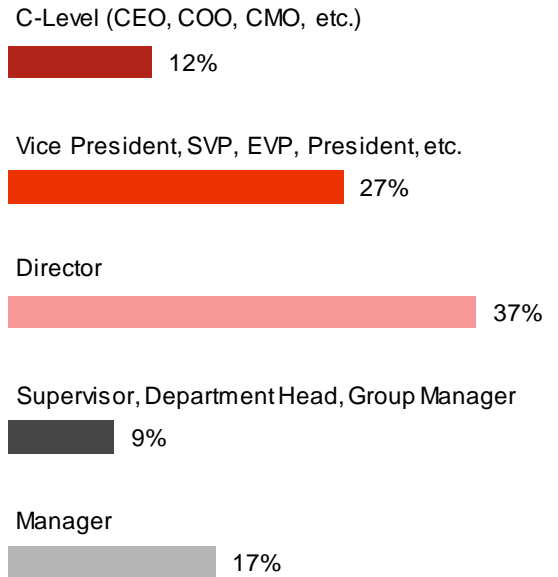**Quantitative research was gathered by BWG Strategy alongside IAB subject matter experts:**

- Terence Knight, Research Analyst, BWG Strategy
- Chris Bruderle, VP, Industry Insights & Content Strategy, IAB
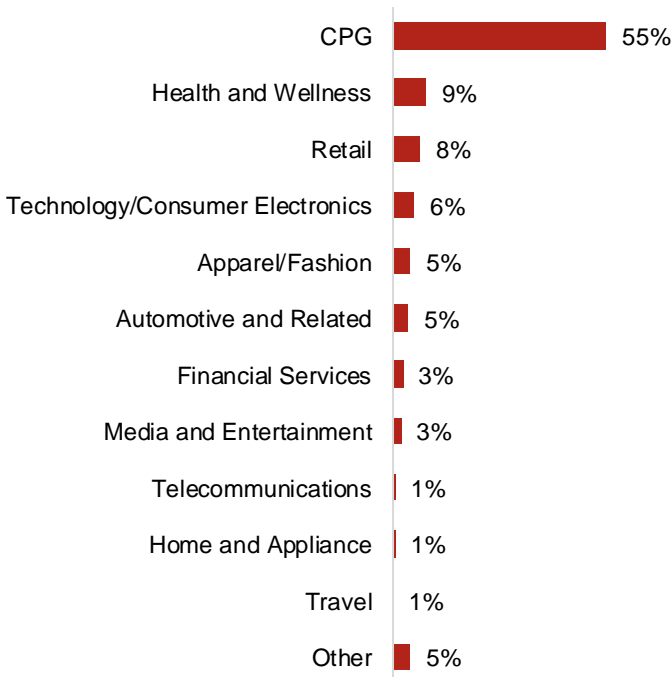- Meredith Guiness, Senior Manager, Research & Insights, IAB

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Survey Respondent Profile

COMPANY TYPE

Brands
63%

Agencies
38%

JOB TITLE

C-Level (CEO, COO, CMO, etc.)
12%

Vice President, SVP, EVP, President, etc.
27%

Director
37%

Supervisor, Department Head, Group Manager
9%

Manager
17%

PRIMARY RMN AD CATEGORY

CPG	55%
Health and Wellness	9%
Retail	8%
Technology/Consumer Electronics	6%
Apparel/Fashion	5%
Automotive and Related	5%
Financial Services	3%
Media and Entertainment	3%
Telecommunications	1%
Home and Appliance	1%
Travel	1%
Other	5%

ANNUAL RETAIL MEDIA SPEND SIZE

$60M+,
24%

$5M-<$30M,
58%

$30-<$60M,
19%

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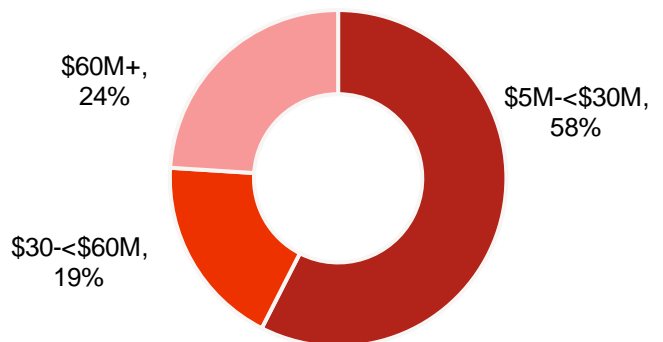
About IAB

The [Interactive Advertising Bureau](#) empowers the media and marketing industries to thrive in the digital economy. Its membership comprises more than 700 leading media companies, brands, agencies, and the technology firms responsible for selling, delivering, and optimizing digital ad marketing campaigns. The trade group fields critical research on interactive advertising, while also educating brands, agencies, and the wider business community on the importance of digital marketing. In affiliation with the IAB Tech Lab, IAB develops technical standards and solutions. IAB is committed to professional development and elevating the knowledge, skills, expertise, and diversity of the workforce across the industry. Through the work of its public policy office in Washington, D.C., the trade association advocates for its members and promotes the value of the interactive advertising industry to legislators and policymakers. Founded in 1996, IAB is headquartered in New York City.

About IAB Measurement, Addressability & Data Center

The collection and use of data to reach audiences and measure online advertising campaigns is central to powering the digital advertising ecosystem. IAB's Measurement, Addressability & Data Center aims to provide essential industry guidance and education on solutions amid changes in underlying technology and privacy regulations in a constantly evolving ecosystem. The Center focuses on:

- Developing measurement and addressability standards, best practices, and guidelines for digital media

- Identifying requirements for improving data assets for brand suitability, brand safety, transparency, and trust

- Providing updated standard IAB Terms & Conditions to allow companies to transact more efficiently

- Delivering guidance on new addressability and measurement solutions of known and unknown audiences and/or changes in the marketplace

- Accelerating the development of effective emerging markets, such as retail media networks, data clean rooms, etc.

About Our Sponsors

Clue is an award-winning data and media partner for brands. We help you harness the power of your data and unlock your business' boundless potential online.

Our goal is to transform how you buy and measure media by making you the key data partner for your campaigns. When you can better leverage your data for research, targeting, optimization, and measurement, you can claim back investment that went to fees and put it into working media. That means more reach, more traffic, more conversions, and ultimately, better results.

We specialize in planning, managing, and measuring omni-channel campaigns across search, social, programmatic, and emerging channels like Connected TV.

Clue is a digital-native company with empowered, remote staff located around the world. For more information, visit MeetClue.com.

Austin-based KERV Interactive is a digital advertising platform built on patented technology to create shoppable and immersive experiences within video. Using machine learning techniques and AI to drive speed and precision, only KERV's technology recognizes depth, dimension, and objects in a video in real-time more accurately than the human eye. The platform's ability to make shoppable video has shown to be successful across the web, mobile, social and CTV. Only KERV delivers a truly unique shopping experience for consumers and brands. For more information, please visit www.kerv.ai.

About BWG Strategy

BWGStrategy

Established in 2013, BWG Strategy is a primary research firm with an unwavering commitment to data quality. Our journey began with hosting live in-person events featuring industry thought leaders in New York City. These events have established BWG as a trusted thought partner to the buyside community.

As BWG's reputation for investment-grade insights grew, so did the strong client following. Today, BWG's research is leveraged by 300+ investment firms managing over $6T in assets. BWG supports multi-strategy funds, private equity and venture capital investors, as well as corporate decision makers in finding answers to their most challenging questions.

BWG Custom Research, the firms' fastest growing segment, delivers meticulously tailored custom research projects to help clients in their research and decision making. BWG Custom Research team is proud to serve a diverse client portfolio that spans the top private equity and management consulting firms, and Fortune 500 corporations. BWG Custom Research offers solutions for a wide array of use cases, including product marketing, mergers and acquisitions, customer and competitor studies and thought leadership. This dynamic evolution underscores BWG Strategy's commitment to providing innovative, tailored research solutions that empower its clients to excel in an ever-changing business landscape.

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iab. + BWGStrategy

Chris Bruderle
VP, Industry Insights & Content Strategy
Chris@iab.com

Brad Lyons
Head of Research
Brad@bwgstrategy.com

Jeffrey Bustos
VP, Measurement, Addressability, & Data Center
Jeffrey@iab.com

Justin Ruiss
SVP, Media Research
Jtr@bwgstrategy.com

Meredith Guiness
Senior Manager, Research & Insights
Meredith@iab.com

Terence Knight
Research Analyst
Terence@bwgstrategy.com

Jack Fitzpatrick
Head of Business Development
Jack@bwgstrategy.com