THE COMMERCE MEDIA CONNECTION GAP

Why the Next Phase of Growth Depends on the Cohesion of the Ecosystem

Co-authored with

iab. iab.UK

2026

INTRODUCTION

Commerce media has evolved rapidly. What began as an opportunity centred largely around retailer-owned digital inventory has expanded into a much broader ecosystem spanning onsite, offsite, and in-store media, first-party data, audiences, creative, measurement, and increasingly sophisticated technology.

The ambition has evolved with it. Connected Commerce describes where the industry wants to go: a model in which media, insights, and measurement work together across the customer journey to improve consumer experiences and drive broader brand and commercial outcomes. But building the capabilities required for Connected Commerce is not the same as connecting them. As the ecosystem has expanded, so too has the complexity required to make it work. Different channels can involve different teams, technologies, data structures, creative requirements, and measurement methodologies. Add multiple retailers, agencies, and organisational stakeholders, and delivering activity across several touchpoints can still mean navigating a series of parallel processes rather than one connected system.

That is the challenge at the heart of this report. Commerce media has moved from a capability challenge to a connection challenge. The next phase of progress will depend not simply on what the ecosystem can offer, but on how effectively those capabilities can work together.

Written by SMG, IAB, and IAB UK, the report is underpinned by new primary research among:

281
Commerce Media Professionals across the UK, US, Europe & Australia

168
Brands and Advertisers

52
Agencies

61
Retail and Commerce Media Networks

Importantly, the research examines these audiences both collectively and independently, revealing not only where the ecosystem agrees, but where expectations and experiences diverge. Quantitative findings are complemented by open-text responses — providing a deeper view of the barriers experienced today, the capabilities that require greater focus and what could ultimately unlock further progress. Across six parts, we have explored where connection is breaking down; what a genuinely connected campaign system requires; how the industry can make complexity easier for buyers to navigate; why in-store could become a critical proof point for Connected Commerce; where AI can accelerate progress; and ultimately how greater connection could create stronger commercial value. The premise is not that every retailer, platform or channel needs to become the same. Connection does not mean standardisation. The opportunity is to ensure that difference does not have to mean fragmentation. Connected Commerce is the ambition. The challenge now is making the ecosystem work like one.

EXECUTIVE SUMMARY

Commerce media has spent much of its first phase building capability. The research suggests its next challenge is connection.

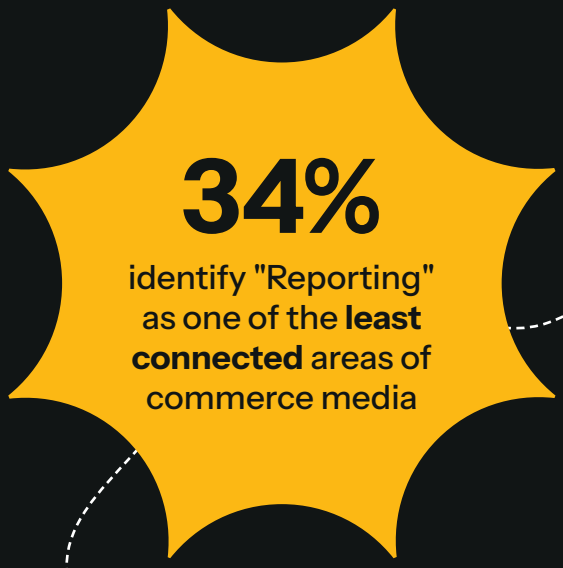
Across brands, agencies, and Retail and Commerce Media Networks, there is broad recognition that the ecosystem has become increasingly sophisticated. But the capabilities that now exist across onsite, offsite, and in-store media do not always operate as one connected campaign system. Planning, creative, activation, measurement, and reporting can still involve different processes, technologies, and teams, while expectations of where connection creates greatest value vary significantly between stakeholders.

Five findings stand out:

1. The biggest gaps increasingly involve activation, not simply within it.

When respondents were asked which areas of commerce media are least connected, "reporting" ranked highest at 34%, followed closely by creative, consumer insights, planning and measurement at 28–30%. Activation was selected by just 17%.

The implication is important. Execution has advanced faster than the system surrounding it. The industry has become increasingly capable of getting live media, but the harder challenge is maintaining strategic continuity before, during, and after delivery, and then turning what is learned into better decisions for the next campaign.





2. Best-in-class will make it easier for buyers to work across RMNs.

As advertisers increasingly work across multiple retailers, platforms, and partners, the challenge shifts from consistently activating within individual RMNs to managing across them. 23% of RMNs identify cross-retailer activation as the hardest capability to scale commercially, versus just 10% for audience activation itself.

This points to a growing need to reduce the friction buyers experience when planning, activating, and measuring across different retailer environments. Agencies need the capability to connect activity across RMNs, while RMNs need to become easier to connect into the wider ecosystem.

3. In-store could become the clearest proof point for Connected Commerce.

In-store exposes one of this report's most interesting tensions. 58% of brands identify an in-store environment as creating the greatest incremental value when connected. Meanwhile, RMNs are more likely to prioritise onsite (selected by 39%) and agencies favouring offsite at 42%.

Those differences appear closely aligned to where each stakeholder sits in the ecosystem, suggesting the value of connection may partly be in the eye of the beholder. But the opportunity in-store goes further. The industry sees different formats, technologies, and processes — the shopper sees one store. Connecting digital and physical in-store media with the wider customer journey could therefore become a powerful demonstration of what Connected Commerce can deliver.

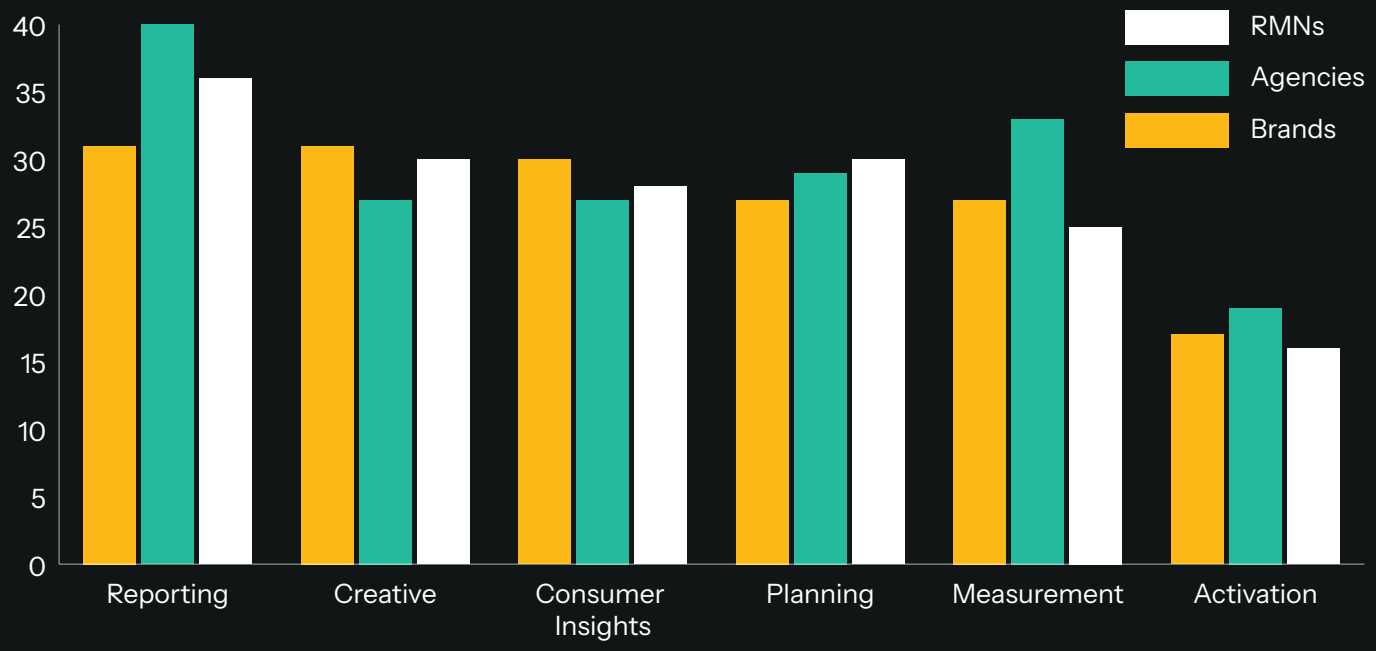
> Commerce media doesn't need every retailer or channel to operate in the same way. It needs enough continuity across them that the consumer, business objective and campaign strategy don't get lost along the way.

COLLIN COLBURN,
VP, COMMERCE & RETAIL MEDIA



iab.

Where commerce media is least connected, by stakeholder



Source: SMG, IAB, and IAB UK Commerce Media Research, 2026. Base varies by question.

4. AI can accelerate connection, but it cannot manufacture it.

The industry simultaneously sees AI as a major opportunity and a hype risk: 44% of respondents say it will create the biggest competitive advantage over the next three years, while 39% identify it as the industry's most overhyped capability today.

AI can help connect information, adapt creative, coordinate workflows, optimise campaigns, and simplify reporting. But it cannot reconcile competing objectives, make fundamentally different measurement methodologies equivalent or make disconnected organisations behave as one. AI can automate coordination. It cannot automate alignment.

44%
biggest future advantage

39%
most overhyped today

5. Ultimately, greater connection has to prove commercial value.

When brands were asked (unprompted) what would convince them to increase commerce media investment, 46% spontaneously identified proven, measurable ROI and incremental sales impact.
The next-highest theme attracted just 7%.

That gap is striking. Despite commerce media's growing ambition to deliver broader full-funnel outcomes, the clearest route identified by brands to unlocking additional investment remains stronger commercial proof. Better connected planning, execution, data, and measurement should create a stronger foundation for demonstrating incremental value, while enabling the industry to evince its contribution to broader customer, brand and category outcomes over time, too.

46%

of brands spontaneously say proven ROI and incremental sales impact would convince them to invest more.

7%

The next highest theme

> The industry has no shortage of capability. The next challenge is making that capability work together across retailers, channels and systems and that connection is not something any single network can deliver alone. Brands, agencies and retail media networks each have a part to play.

JAMES CHANDLER,
CHIEF STRATEGY OFFICER

iab UK



The opportunity

Taken together, the findings point towards a clear next phase for commerce media. The industry does not simply need more capability. It needs the capabilities already being built to work together more effectively.

That means starting with shared consumer and business objectives, using data to determine the role different channels should play, maintaining continuity through planning, creative and activation - making complexity easier for buyers to navigate - and connecting measurement back to outcomes and future learning.

Connected Commerce is the ambition. The opportunity now is to build the connected campaign system required to deliver it.



> Commerce media has reached an important point in its evolution. The capabilities are increasingly there, but the next phase of growth will depend on how effectively we connect them around the customer and the outcomes brands and retailers are seeking to create. No single retailer, agency, brand or technology partner can solve that alone. The opportunity now is to make an increasingly sophisticated ecosystem simpler to navigate, easier to measure, and ultimately more valuable for everyone involved.

LEE LEFEUVRE,
INTERIM CEO

1

Our Industry's "Connected Commerce" vision is not yet reality

"Connected Commerce" appears across business strategies, titles, products, and event names. It describes where commerce media wants to go: a model in which media, insights, and measurement work together across the customer journey to improve customer experiences and drive business growth.

The industry has built many of the capabilities required to make that vision possible. Brands, agencies, and Retail and Commerce Media Networks (RMNs) can now run increasingly sophisticated programmes within individual channels and retailer environments. But these capabilities do not yet add up to a Connected Commerce ecosystem. The gaps become most visible when organisations try to connect them across channels, retailers, teams, technology, and measurement systems.

Increasingly sophisticated, but inconsistently connected.

Commerce media has advanced capabilities, but they remain inconsistently connected.

The rapid expansion of commerce media has created more opportunities to reach consumers throughout the purchase journey, and most commerce leaders recognise the progress. 54% rate the industry a 7 or above out of 10 when asked how well connected commerce media is as a whole. But only 17% give it a 9 or 10.

That gap captures the state of the industry: increasingly sophisticated, but inconsistently connected.

Our research points to several reasons why.

The gaps increasingly revolve around execution rather than media delivery itself. Planning, creative development, reporting, and measurement remain more difficult to connect, encouraging a focus on individual channels rather than how they should work together for a shared objective. That can encourage a focus on selling, activating and measuring individual channels, rather than using connected data and insight to understand how those channels should work together, the role each should play, and which combination is best placed to deliver against the objective. Fragmentation exists across the campaign lifecycle, rather than at one single point. Reporting, creative, consumer insights, planning, and measurement all emerge as significant weaknesses. There is also notable agreement between stakeholders on some of these challenges. Reporting is identified as one of the least connected areas by 31% of brands, 40% of agencies and 36% of RMNs, while creative is selected by 31%, 27% and 30% respectively. The pattern suggests fragmentation is distributed across the campaign system rather than isolated to one stakeholder or function.

Strategy and measurement are not yet consistently connected. Connected campaigns need both a common brief and a connected view of results. Today, neither is standard.

KEY TAKEAWAY Commerce media has moved from a capability challenge to a connection challenge.

Only 14% of respondents say multichannel commerce media campaigns are always planned from a single brief, and just 14% say they always receive unified reporting across channels. Consistency is missing at both ends of the campaign lifecycle, limiting the industry's ability to connect strategy to outcomes and feed what it learns back into future planning.

Connection should become the next benchmark for commerce media maturity.

For much of commerce media's development, progress has been measured through expansion: more channels, more inventory, more data, more advertisers and more activation capabilities. The next stage of maturity should be measured differently. It should ask how well those capabilities work together across the customer journey, organisations, platforms, and retailers. Connected Commerce describes the ambition. Delivering it requires enough continuity across the campaign system that the consumer, business objective and strategy remain intact as activity moves through an increasingly complex ecosystem. At its simplest, that means maintaining connection across four areas:



The challenge haunting commerce media the last few years remains largely present: siloization. Retail media's origins inherently grew in a silo, and despite growing efforts to transform organizational structures, it persists even among leading organizations.

JESSIE BOVE DOWD,
INDEPENDENT JOURNALIST & FOUNDER

THE COMMERCE SOCIETY

1. One consumer and business strategy.

Brands begin with the consumer and business objective, then use data and insight to determine the role each retailer, channel, and environment should play.

2. Continuity from insight through execution.

Consumer insights, audience strategy, and creative remain connected as activity moves between brands, agencies, and RMNs.

3. Connected experiences across channels and environments.

Planning and activation reflect how consumers move between stores, websites, apps, and offsite media, with each environment playing a deliberate role in the broader strategy rather than operating as an isolated media plan.

4. Measurement against shared business outcomes.

Brands and retailers align on the intended outcome upfront — with measurement, reporting and optimisation connecting back to it across channels and learnings feeding into what happens next.

Connection requires continuity, not uniformity: different capabilities and environments can operate differently while still working towards the same consumer and business objective.

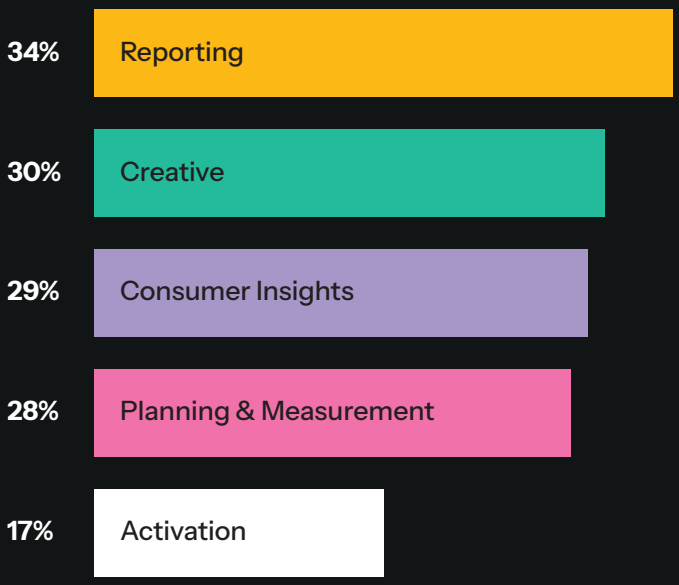
Commerce media has spent years expanding its capabilities. The next stage of maturity will depend on making those capabilities work together consistently.

2

Buyers want a connected campaign system, not connected placements

The research suggests the biggest gaps do not necessarily lie in media delivery itself. They lie in the processes surrounding it. The result is a campaign ecosystem that can increasingly deliver connected placements without necessarily delivering a connected campaign.

Areas of commerce media that are least connected



Source: SMG, IAB, and IAB UK Commerce Media Research, 2026. Base varies by question.

The biggest gaps sit around activation, not simply within it.

When asked which areas of commerce media are least connected, reporting was most frequently identified, selected by 34% of respondents. This was followed closely by creative at 30%, consumer insights at 29%, and planning and measurement at 28%.

Activation was selected by 17%. This does not mean activation is fully connected, but it does suggest the workflows surrounding media delivery are creating greater challenges than activation itself.

The workflow priorities reinforce that pattern. When respondents had to choose a single stage most in need of improvement, Creative led at 18%, followed by Planning & Measurement at 15%. Activation was selected least of all options, by only 6%.

Together, these findings point to an ecosystem that appears better equipped to deliver media activity than to connect the processes surrounding it. The challenge is carrying the same objective and strategy through planning, creative, measurement, and learning.

A connected campaign system should span the full lifecycle.

Agency feedback provides a clear picture of the experience buyers are seeking. When asked what clients request that the industry still cannot reliably deliver, the leading theme in agencies' responses was an end-to-end, real-time system connecting planning, activation, optimisation, and measurement.

But the answer is not simply to force every commerce media channel into a workflow designed for digital media. Different environments have different roles, operating realities, and measurement possibilities — particularly in-store. Connection should mean maintaining one strategic thread across them, not making them behave identically.

A connected campaign system should link each stage rather than centre everything around activation. The audience strategy informs the brief, the brief defines channel roles, and creative expresses those roles through activation. Performance signals then feed optimisation and measurement, with learning informing what happens next.

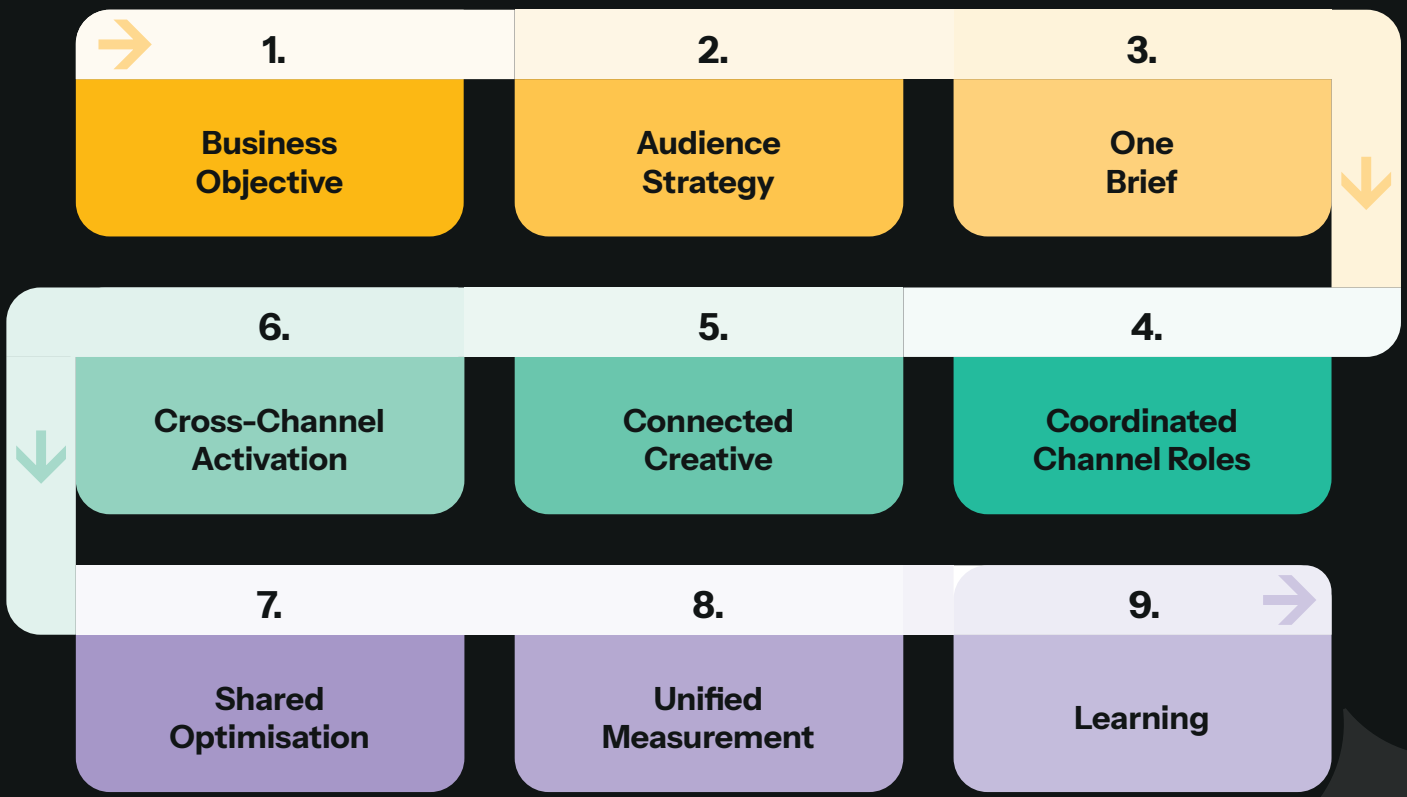
> Commerce media works best when it connects audience insight, activation, and measurement around a single objective. In a fast-moving delivery environment, that means helping advertisers reach customers with relevant messages at the right moment while making campaigns simple to plan, scale and evaluate.

AMBER SAYER,
GLOBAL DIRECTOR,
ADVERTISING



The Connected Campaign System

Connection is maintained when the same objective, audience strategy, and campaign intent carry through planning, creative, activation, optimisation, measurement, and learning.

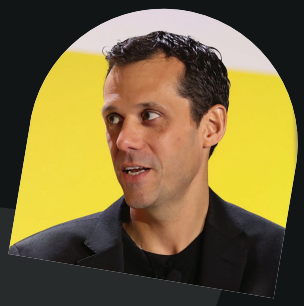


The value lies in continuity. Strategy remains visible as work moves between teams and stages, so the campaign is planned, delivered, and evaluated against the same objective.

The objective, audience, and campaign strategy should remain connected as activity moves through the workflow, even where execution and measurement approaches differ by channel.

Creative is a critical connection between strategy and execution.

As the highest-ranked priority for workflow improvement, creative warrants particular attention.



Creative has historically driven at least 50% of advertising effectiveness but often gets overlooked in retail media. Advertisers who invest in high-quality creative and amplify their brand messaging with the right variants across on-site, off-site, and in-store touchpoints will be at a significant advantage compared to the competition.

ANDREW LIPSMAN,
FOUNDER & CHIEF ANALYST

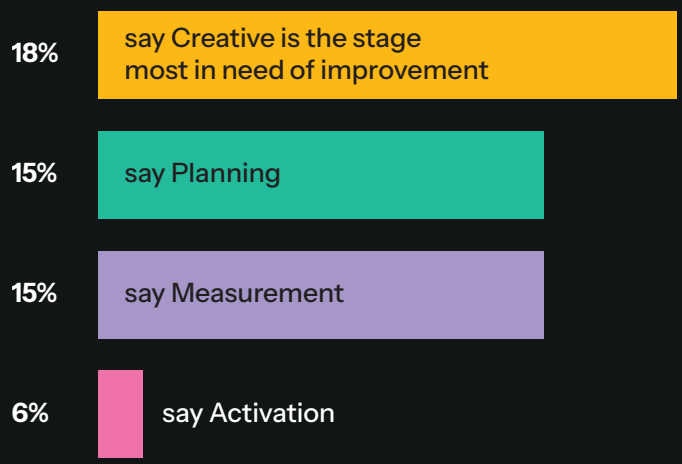
MEDIA, ADS + COMMERCE

Creative sits at the point where strategy becomes execution. If audience strategy, channel roles, and creative development are disconnected, a campaign can be technically activated across multiple environments without necessarily feeling like one connected idea.

A more connected approach should therefore bring creative into the process earlier, linking messaging back to the same business objective and audience strategy while allowing execution to adapt appropriately to different channels and environments.

As AI capabilities for creative continue to improve, substantial value can be created by using AI to help align creative, environments, and audiences more effectively. But AI is not a substitute for better planning. Creative still has an important role in carrying strategic continuity from the brief into execution.

Which stage of the commerce media workflow most needs improvement?



Source: SMG, IAB, and IAB UK Commerce Media Research, 2026. Base varies by question.

KEY TAKEAWAY

A connected campaign system must maintain continuity from objective through to measurement and learning.

Day-to-day campaign management exposes the same disconnect

The same challenge appears in respondents' descriptions of what could prevent commerce media from fulfilling its promise. Two broad themes emerge:

1. Partners, data, technology, and channels need to work as one ecosystem.

2. Measurement, attribution, and incrementality need to become more standardised.

The same issues surface in advertisers' day-to-day frustrations, where inconsistent measurement, reporting, and attribution sit alongside internal communication, planning, and execution. Together, they place fragmented outputs and fragmented ways of working side by side. When buyers were asked to name the single biggest frustration they experience when running commerce media campaigns, one response captured the practical impact of fragmentation particularly clearly:

> The exhausting manual task of logging into multiple dashboards to stitch fragmented reports together.

That is the practical consequence of a campaign system that can be connected at the point of activation but fragmented around it. But responsibility for solving that fragmentation does not sit with RMNs alone. Buyers cannot expect connected outputs from fragmented inputs. Separate briefs, objectives, and budgets across brand, shopper, trade and media teams can recreate the very silos connection is intended to remove. Progress therefore needs to happen on both sides. RMNs need to make increasingly complex capabilities easier to navigate, while brands and agencies need to bring more joined-up objectives, briefs, and ways of working. A connected campaign cannot begin at activation and end when media goes live. It needs to connect objectives, execution, measurement and learning as one continuous system.

> We bring together data-led planning, creative, activation, and measurement around a shared objective that delivers value for both the brand and the retailer. By managing the complexity behind the scenes, we provide a clear, connected view of how every media touchpoint works together to drive stronger outcomes.



AILSA JACKLAND-BURROWS,
PARTNERSHIP OPERATIONS & PROPOSITION DIRECTOR

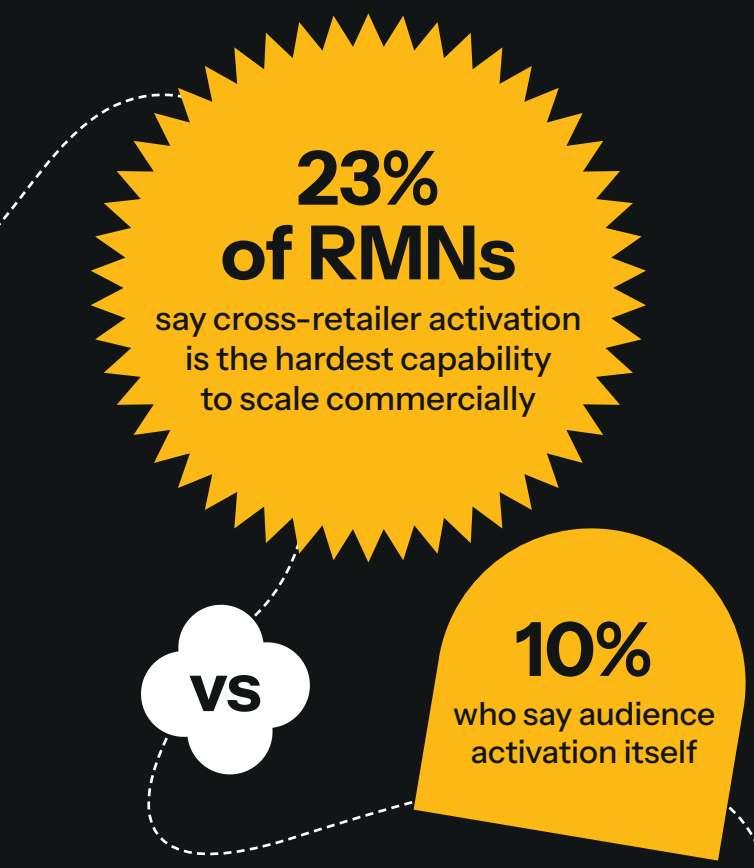
Morrisons Media Group

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Best-in-class will make a complex ecosystem feel simple

Connecting the campaign lifecycle is one challenge. Making that connection work across different retailers, technologies, teams, and operating models is another.

As commerce media becomes more sophisticated, the challenge increasingly shifts from accessing capability to connection across the wider ecosystem.



The challenge is shifting from activation to connection

The findings point clearly in that direction. 23% of RMNs identify cross-retailer activation as the hardest capability to scale commercially, compared with 10% who say audience activation itself is hardest to scale.

That gap is significant. It suggests the issue is no longer primarily whether advertisers can activate an audience — The greater challenge is whether they can do so smoothly when multiple organisations, systems, and retailer environments need to work together. The difficulty grows when campaigns move across different teams, retailers, technologies, and measurement frameworks.

Each RMN may have its own data structures, audience definitions, technology partners, creative specifications, buying processes, and measurement methodologies. Those differences may make perfect sense within individual businesses. They may reflect retailer strategy, category priorities, technology choices, or different levels of operational maturity.

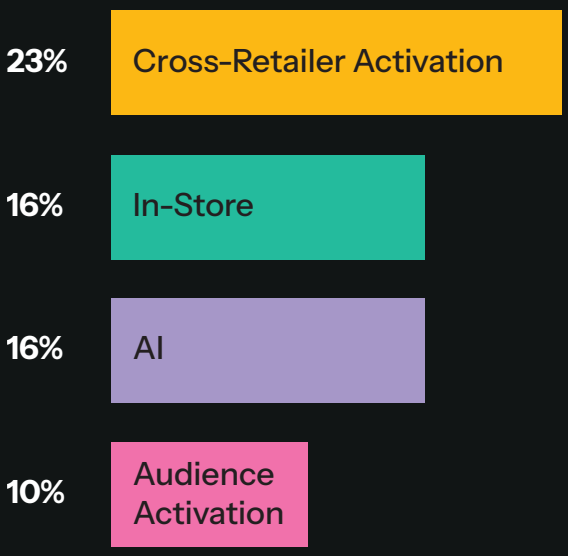
From the buyer's perspective, however, they increasingly register as operational complexity that needs to be managed across every campaign. What looks differentiated from within the network can look fragmented from outside.

Best-in-class will remove complexity from the buyer experience

The opportunity is to preserve what makes individual RMNs valuable while making the complexity underneath less visible to the buyer. The strongest propositions will not simply be those with sophisticated capabilities inside their own ecosystem. They will be those that make those capabilities easier to connect with the wider market.

They will reduce the translation required between advertiser ambition and retail media execution. They will reduce the number of separate processes needed to brief, buy, optimise, and measure campaigns. And they will reduce the manual reconciliation buyers need to understand what is working. The competitive advantage will not come from complexity hidden inside the network. It will come from complexity removed from the buyer experience.

Hardest capability for RMNs to scale commercially



Source: SMG, IAB, and IAB UK Commerce Media Research, 2026. RMN respondents.

Who has the greatest responsibility for improving connection?



Source: SMG, IAB, and IAB UK Commerce Media Research, 2026. Base varies by question.

A campaign that runs across several Retail Media Networks, and often across several European markets, means reconciling different definitions, different measurement approaches, and different reporting before you can compare like with like, and that makes both planning and confident investment harder than they should be.



MARIE-CLARE PUFFETT,
SENIOR DIRECTOR, INDUSTRY DEVELOPMENT & MARKETING

iab europe

Connection is a shared responsibility

RMNs cannot remove that complexity alone. The responsibility data suggests the market already recognises connection as a system challenge. 29% overall say everyone has equal responsibility for improving connection, while only 5% say RMNs alone carry the greatest responsibility.

Within that, agencies appear to have a particularly important role to play. 31% of agencies say agencies should have the greatest responsibility for improving connection, and 26% of RMNs agree.

That makes sense. Agencies often have the broadest view across multiple RMNs, media channels, and client priorities. As agencies continue to build their commerce capabilities, they are well placed to identify where inconsistency creates friction and help connect retailer propositions with wider advertiser objectives, budgets, and measurement needs.

But the research also surfaces a tension the industry cannot ignore.

That contradiction points to a genuine capability gap. RMNs appear to need agencies to help coordinate a more connected model, but agencies will need deeper commerce media fluency if they are to fulfil that role effectively.

At the same time, agencies cannot solve fragmentation alone. RMNs also need to consider how easily their own ecosystems connect into the wider market. The future is unlikely to be one in which every RMN operates as a completely self-contained destination. Greater interoperability, clearer routes to access, and stronger connections into the wider media ecosystem will become increasingly important if advertisers are to activate at scale.

26% of RMNs

say agencies should have the greatest responsibility for improving connection.

KEY TAKEAWAY The next connection challenge lies between organisations, not just between channels.

The opportunity is therefore two-sided: agencies need the capability to connect activity across RMNs, while RMNs need to become easier to connect with.

Brands have a role to play, too. More joined-up objectives, briefs, budgets, and success measures are essential if agencies and RMNs are expected to deliver a connected campaign system. Buyers cannot ask the ecosystem to connect activity around objectives that remain fragmented within their own organisations.

This is why the next phase of progress requires more than collaboration in principle. It requires greater integration between technology and data, greater coordination across planning and execution, and greater collaboration between the organisations responsible for delivering it.

The goal is to make different parts of the ecosystem work together coherently enough so that buyers no longer have to manage the fragmentation themselves.

> Connecting Commerce Media into a single system starts with agreeing how performance is defined and proven.



> Connection without compromise is where commerce media needs to go: connecting the touchpoints buyers want to buy while allowing RMNs to protect what makes their proposition distinctive.

DEAN HARRIS, HEAD OF

co op MEDIA NETWORK

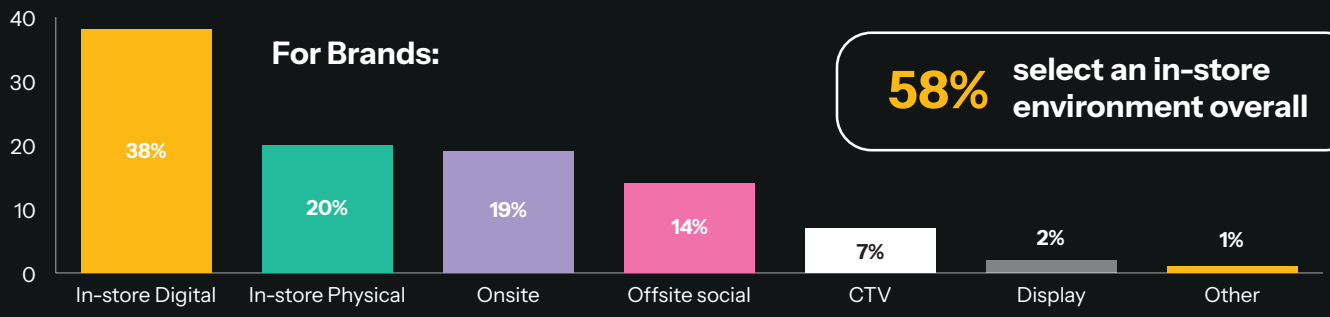
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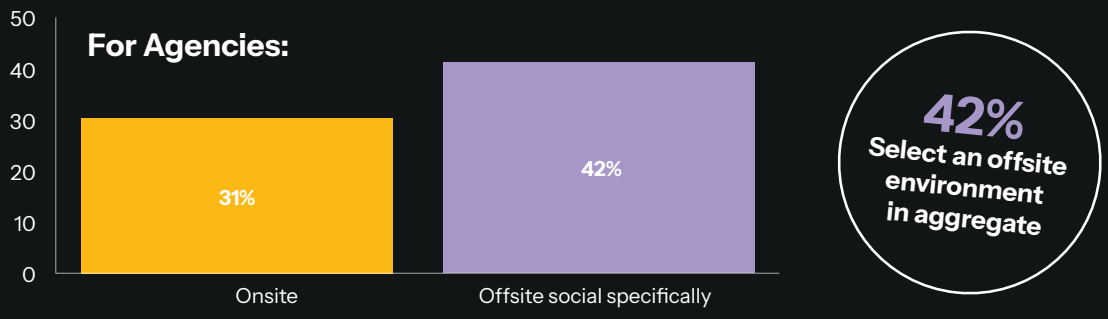
In-store is where connection gets real

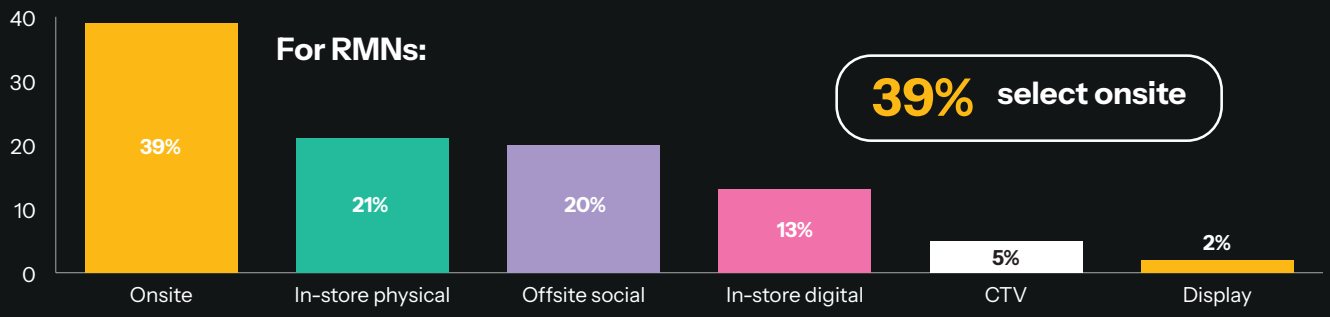
If Part 3 establishes the need to make complexity easier to navigate, the physical store provides perhaps the clearest proof point for what genuine connection could deliver.

In-store has become one of commerce media's most talked-about growth opportunities. Our research reinforces that opportunity, but also exposes the challenge underneath it — the channels respondents see as most valuable when connected are also among the hardest to connect. Overall, 47% of respondents identify an in-store channel as creating the greatest incremental value when connected, with in-store digital ranking first at 28%. At the same time, 41% identify an in-store channel as the hardest to connect. That tension puts in-store at the intersection of some of the greatest promise and biggest complexity in Connected Commerce.

Where does connection create the greatest incremental value?







Source: SMG, IAB, and IAB UK Commerce Media Research, 2026. Base varies by question.

The opportunity is clear. The path to delivery is not.

The aggregate findings become particularly interesting when viewed by stakeholders.

Brands are significantly more bullish on the store than RMNs. 38% of brands identify in-store digital as creating the greatest incremental value, versus just 13% of RMNs. The picture reverses for onsite: 39% of RMNs choose onsite, compared with only 19% of brands. Agencies provide a third perspective, leaning more heavily towards offsite channels. When physical and digital formats are combined, 58% of brands point to in-store overall.

The result is three very different views of where connection creates most value. And those views appear closely aligned to where each stakeholder sits in the ecosystem.

- Brands favour in-store, where they may see significant untapped opportunity to influence consumers closer to purchase.
- Agencies favour offsite, the environment that most naturally connects commerce media into the wider media ecosystem and enables planning across channels and platforms.
- RMNs favour onsite, the most established part of many retail media propositions and an environment where retailers retain significant control over inventory, data, activation, and measurement.

> As commerce media evolves, success will come from connecting every touchpoint across the customer journey, not treating them as separate channels. In-store media is especially powerful because it reaches shoppers at the moment purchase decisions are being made.

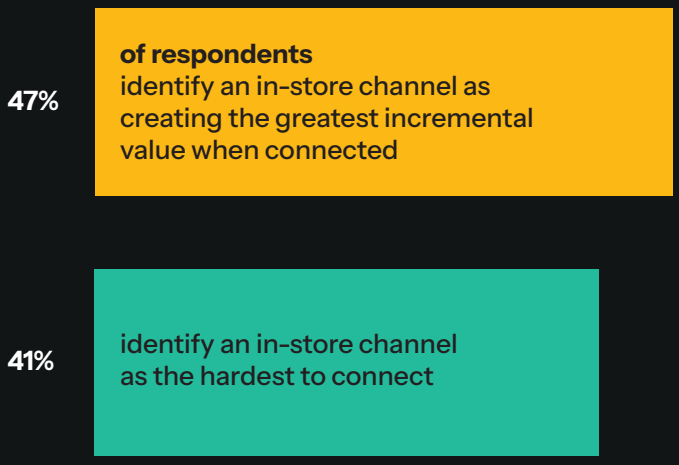
AUSTIN LEONARD,
VICE PRESIDENT AND
GENERAL MANAGER

DGMN
DG Media Network



> The future of commerce media is not just omnichannel activation, but omnichannel accountability.

In-store opportunity versus difficulty



Source: SMG, IAB, and IAB UK Commerce Media Research, 2026. Base varies by question.

In other words, the value of connection may partly be in the eye of the beholder. That matters because Connected Commerce cannot simply be built around whichever channel each stakeholder naturally values most. The ecosystem needs greater alignment around the role different channels should play in a shared consumer and business objective — the value they are expected to create, and how that value is measured.

In-store digital:
Brands 38% vs RMNs 13%
and
Onsite:
RMNs 39% vs Brands 19%

In-store exposes the gap between potential and operational realities.

The research does not reveal precisely why brands and RMNs have varying perceptions of the in-store value. But a possible explanation is that they are looking at the opportunity through different lenses. Brands may see the store as relatively untapped incremental upside: a major opportunity in a customer environment that could become considerably more valuable when connected to activity happening before the shopper arrives. RMNs may place greater value on onsite because of its more established role within commerce media and the relative maturity of the capabilities surrounding it.

At the same time, the broader findings reveal that in-store is operationally complex. It brings media into contact with store operations, physical infrastructure, creative execution, data, technology, and measurement in ways that can be easier to manage in digital environments.

That complexity shows up elsewhere in the research. 16% of RMNs identify in-store as the hardest capability to scale commercially, second only to cross-retailer activation. Across the full sample, 41% identify an in-store channel as hardest to connect, almost matching the 47% who see an in-store channel as creating the greatest incremental value. Whether operational complexity explains the perception gap between brands and RMNs requires further exploration.

But together, the findings expose an important tension: some of the environments with the greatest perceived upside are also among the hardest for the ecosystem to connect.

That makes in-store a particularly powerful proof point for Connected Commerce.

The opportunity is not more in-store media. It is more connected in-store media.

More screens, POS units, or digital placements do not automatically create greater connection. If in-store is briefed, activated, measured, and reported separately, the advertiser still experiences fragmentation. And if digital and physical in-store media are planned separately from one another, the shopper can experience another form of fragmentation.

The industry sees different formats, technologies and processes. The shopper sees one store. A digital screen, shelf-talker, static display, or other point-of-sale material may involve different technologies, budgets, and teams behind the scenes.

But to the person moving through the store, they are all part of the same brand and shopping experience. The opportunity is therefore to connect print and digital in-store media as one campaign, with each format playing a complementary role rather than operating independently and competing for attention. That same thinking should extend beyond the store, connecting in-store activity with the onsite, offsite, and wider media that shaped the shopper's journey before they arrived.



> Screens, audio, experiential activity, and digital extensions should not be separate buys. They should form one experience around what the traveler needs in that moment, supported by planning and measurement that make the complexity invisible to the advertiser.

KATIE BLACKBURN,
VICE PRESIDENT COMMERCIAL STRATEGY & OPERATIONS

WHSMEDIA

47%

say the greatest incremental value in-store.

41%

say in-store is hardest to connect.

16%

of RMNs say it is hardest to scale commercially.

In-store is where the ambition of Connected Commerce meets operational reality. Shoppers don't experience digital screens, static media, onsite, and offsite as separate channels — they experience one journey. The opportunity is to connect those touchpoints around the customer and a shared objective, while managing the orchestration complexity behind the scenes so it feels simple for shoppers, retailers, and advertisers.

SEAN CRAWFORD,
MANAGING DIRECTOR
FOR NORTH AMERICA



Best-in-class should make complexity invisible to the shopper as well as the advertiser: one connected experience, delivered across multiple formats and touchpoints.

That requires considerable coordination behind the scenes. RMNs and their partners need to connect digital and static in-store formats with store operations, data, technology, creative, and measurement, and then connect the store itself to the onsite and offsite experiences surrounding it.

KEY TAKEAWAY

In-store is where the value of connection and the difficulty of delivering it become most visible.

The goal should be to give each format a deliberate and complementary role in delivering in tandem with the consumer and business objective.

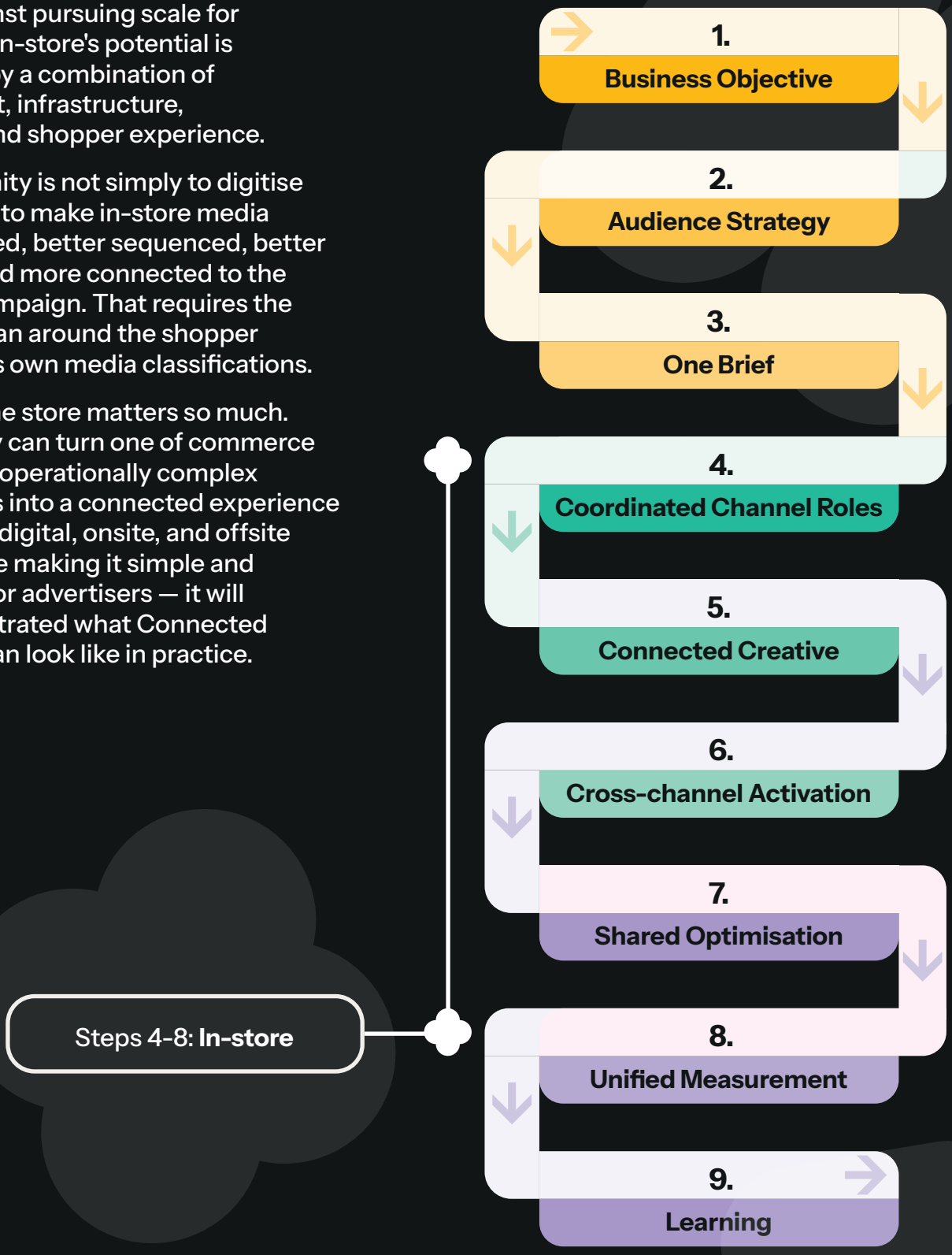
The research also gives an important warning against pursuing scale for its own sake. In-store's potential is constrained by a combination of measurement, infrastructure, operations, and shopper experience.

The opportunity is not simply to digitise the store. It is to make in-store media better targeted, better sequenced, better measured, and more connected to the rest of the campaign. That requires the industry to plan around the shopper rather than its own media classifications.

That is why the store matters so much. If the industry can turn one of commerce media's most operationally complex environments into a connected experience across static, digital, onsite, and offsite media — while making it simple and measurable for advertisers — it will have demonstrated what Connected Commerce can look like in practice.

The Connected Campaign System

The shopper sees one brand and one shopping journey, not separate print, digital, onsite, offsite and in-store organisations.



5

AI can accelerate connection, but it cannot manufacture it

The complexity outlined throughout this report creates an obvious question: can AI help the industry manage it? Potentially, yes.

AI can serve as a connective layer for commerce media. It can synthesise information, adapt creative, optimise campaigns, simplify reporting, and coordinate workflow complexity that is increasingly difficult to manage manually.

But AI cannot make disconnected systems work together by itself. It cannot reconcile competing business objectives, make fundamentally different measurement methodologies equivalent, or create organisational alignment where none exists.

And it cannot break down organisational silos by itself. Within a retailer, for example, closer alignment between RMN, merchandising, commercial, ecommerce, marketing, and technology teams remains a people and operating model challenge — not one that technology alone can solve. The same applies across brands and agencies where objectives, budgets, and responsibilities remain fragmented.

AI can help connected organisations work more effectively. It cannot make disconnected organisations behave as one.

The opportunity is therefore to use AI to reduce the complexity involved in delivering Connected Commerce, not to expect it to solve the structural challenges preventing greater connection.

AI is both a major opportunity and a hype risk.

Commerce leaders see significant potential in AI while remaining sceptical of the hype surrounding it.

The survey reveals an interesting tension:

44%

say AI will create the biggest competitive advantage in commerce media over the next three years

39%

say AI is the industry's most overhyped capability today

That is not necessarily a contradiction. It reflects the gap between AI's potential and its current application.

The industry clearly expects AI to become important, but its value will depend less on the technology existing and more on how effectively organisations apply it to the workflows, data, and systems around it.

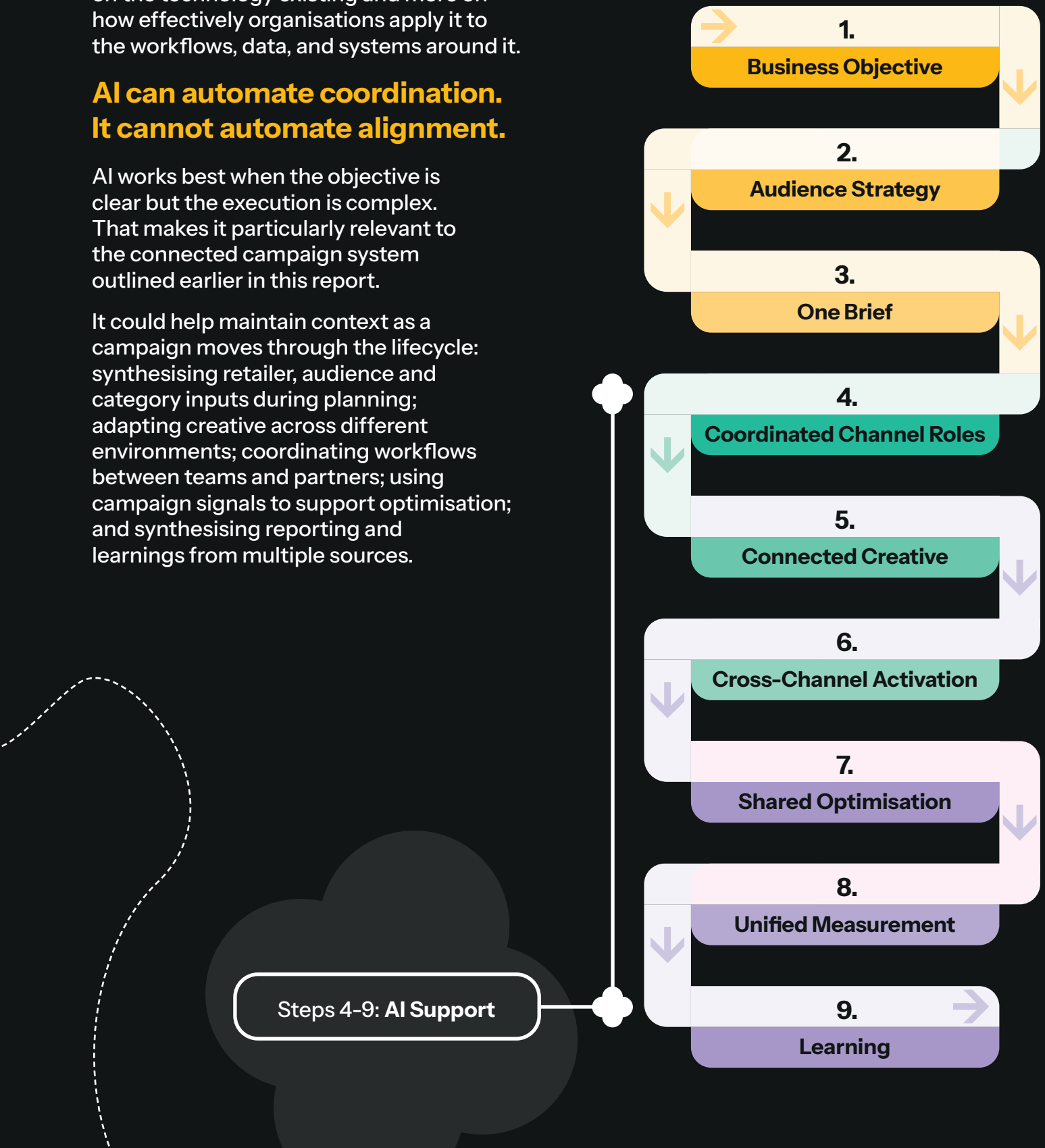
AI can automate coordination. It cannot automate alignment.

AI works best when the objective is clear but the execution is complex. That makes it particularly relevant to the connected campaign system outlined earlier in this report.

It could help maintain context as a campaign moves through the lifecycle: synthesising retailer, audience and category inputs during planning; adapting creative across different environments; coordinating workflows between teams and partners; using campaign signals to support optimisation; and synthesising reporting and learnings from multiple sources.

Where AI Can Accelerate the Connected Campaign System

AI can help carry context, automate coordination, and reduce manual complexity across the system.



The opportunity is not for AI to determine the strategy. It is to make a connected strategy easier to execute at scale.

A common objective and audience strategy can inform creative variations across retailers and environments. Campaign signals can support optimisation. Results from multiple sources can be synthesised without requiring buyers to manually reconcile every input. And learnings from one campaign can be made easier to carry into the next.

But there is an important limit.

When brands, agencies and RMNs disagree on objectives, measurement, or responsibilities, AI cannot resolve those differences for them. AI can optimise against an agreed objective. It cannot create agreement about what that objective should be.

The same applies to measurement. AI can make fragmented information easier to interpret and help buyers navigate different methodologies. It cannot make fundamentally incompatible measurement approaches equivalent, create a connected measurement framework by itself, or prove incrementality simply through automation.

AI opportunity versus hype

44% **say AI will create the biggest competitive advantage in commerce media over the next three years**

39% **say AI is the industry's most overhyped capability today**

Source: SMG, IAB, and IAB UK Commerce Media Research, 2026. Base varies by question.

The foundations still matter:

1. Define the outcome before automating. Brands, agencies, and RMNs still need to agree what success looks like.

2. Start with trusted data and common definitions. Reliable outputs depend on the quality and consistency of the underlying signals.

3. Keep accountability human. People remain responsible for material decisions around budgets, measurement approaches, customer privacy, and brand safety.



AI can reduce the complexity involved in planning, creative, activation, optimisation and measurement, but it cannot compensate for unclear objectives, fragmented data, incompatible systems, or organisational silos. AI will be most valuable when applied on top of connected foundations, rather than being expected to create those foundations itself.

OLLIE SHAYER,
SENIOR DIRECTOR,
GLOBAL STRATEGY & INNOVATION

KEY TAKEAWAY

AI can reduce the complexity of coordination, but it cannot create alignment where the foundations are fragmented.

AI will amplify the foundations underneath it

Where commerce media already has clear objectives, trusted data, connected workflows, and interoperable systems, AI can make coordination faster, simpler, and more scalable.

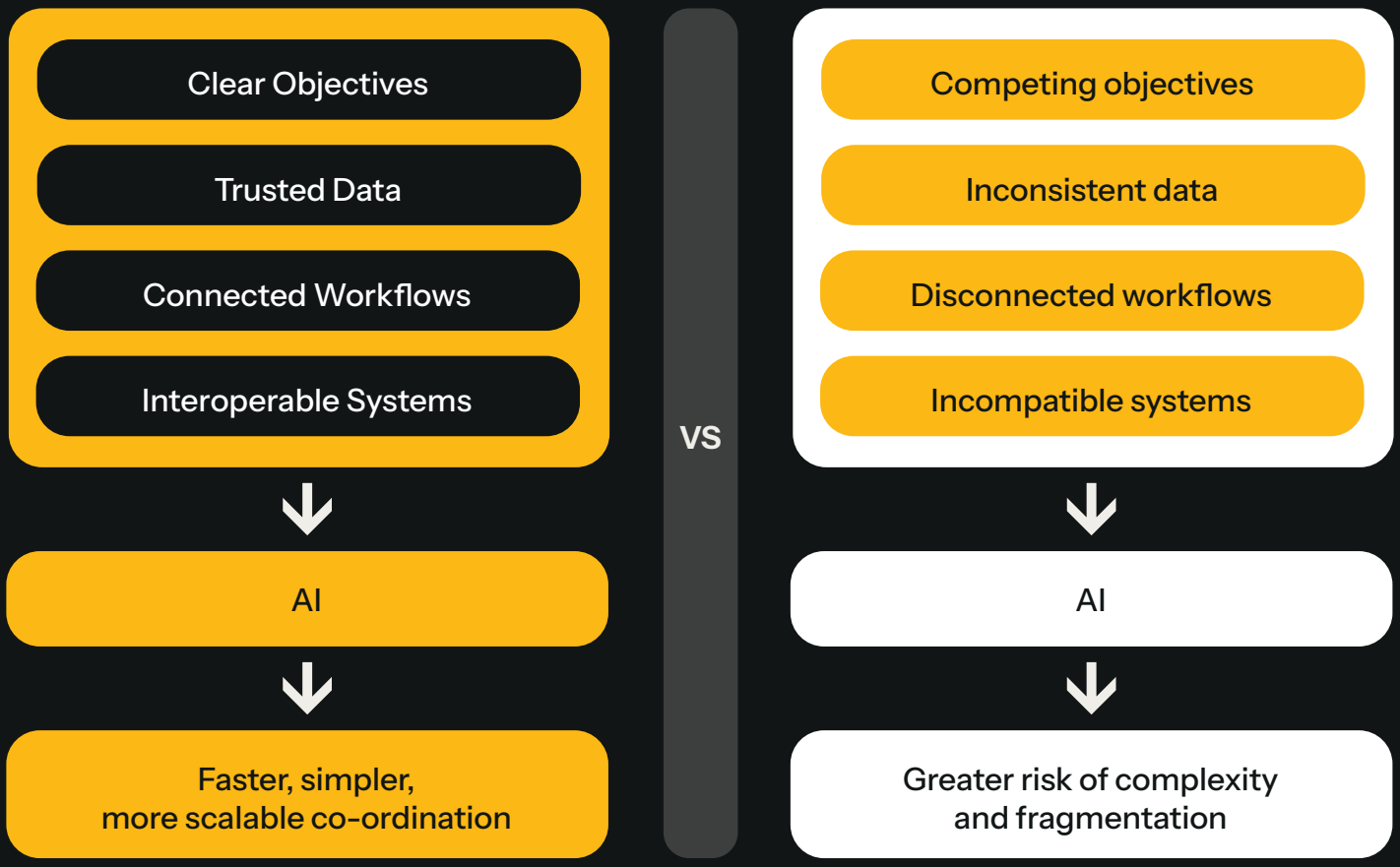
Where those foundations remain fragmented, AI cannot compensate for them. In some cases, it could amplify the problem.

There is a risk that AI becomes the next source of fragmentation. If brands, agencies, and RMNs deploy different tools and agents across already disconnected systems without common definitions, interoperable data, or clear responsibilities, the industry could add another layer of complexity to an ecosystem already struggling to connect.

The opportunity is therefore not to use AI as a substitute for connection. It is to use AI to make an already connected campaign system easier to operate at scale.

AI's impact on commerce media will ultimately depend on the underlying systems. It will amplify the foundations it is given — connected or fragmented.

Connected Foundations vs Fragmented Foundations



6

Connection has to create commercial value

The final question is also the one that matters most commercially: *What happens if the industry actually gets this right?* The brand data gives us an unusually clear answer.

When brands were asked, unprompted, what would convince them to increase commerce media investment, 46% spontaneously identified proven, measurable ROI and incremental sales impact. That represents approximately 74 of the 161 brands answering the question.

The next-highest theme, better operational alignment and cross-channel execution, attracted just 7%. Consumer relevance and protecting the shopping experience was 6%. More available budget and lower investment costs was also just 6%.

The scale of that difference matters.

Brands are not primarily saying: give us more inventory. They are not primarily saying: make it cheaper. And they are not simply asking for another dashboard.

They are asking for stronger evidence that the next pound invested creates additional business value.

That makes the word "incremental" crucial. Strong reported sales or ROAS do not necessarily prove that advertising caused an outcome that would not otherwise have happened. Incrementality begs the harder commercial question:

What additional outcome did this investment actually create?

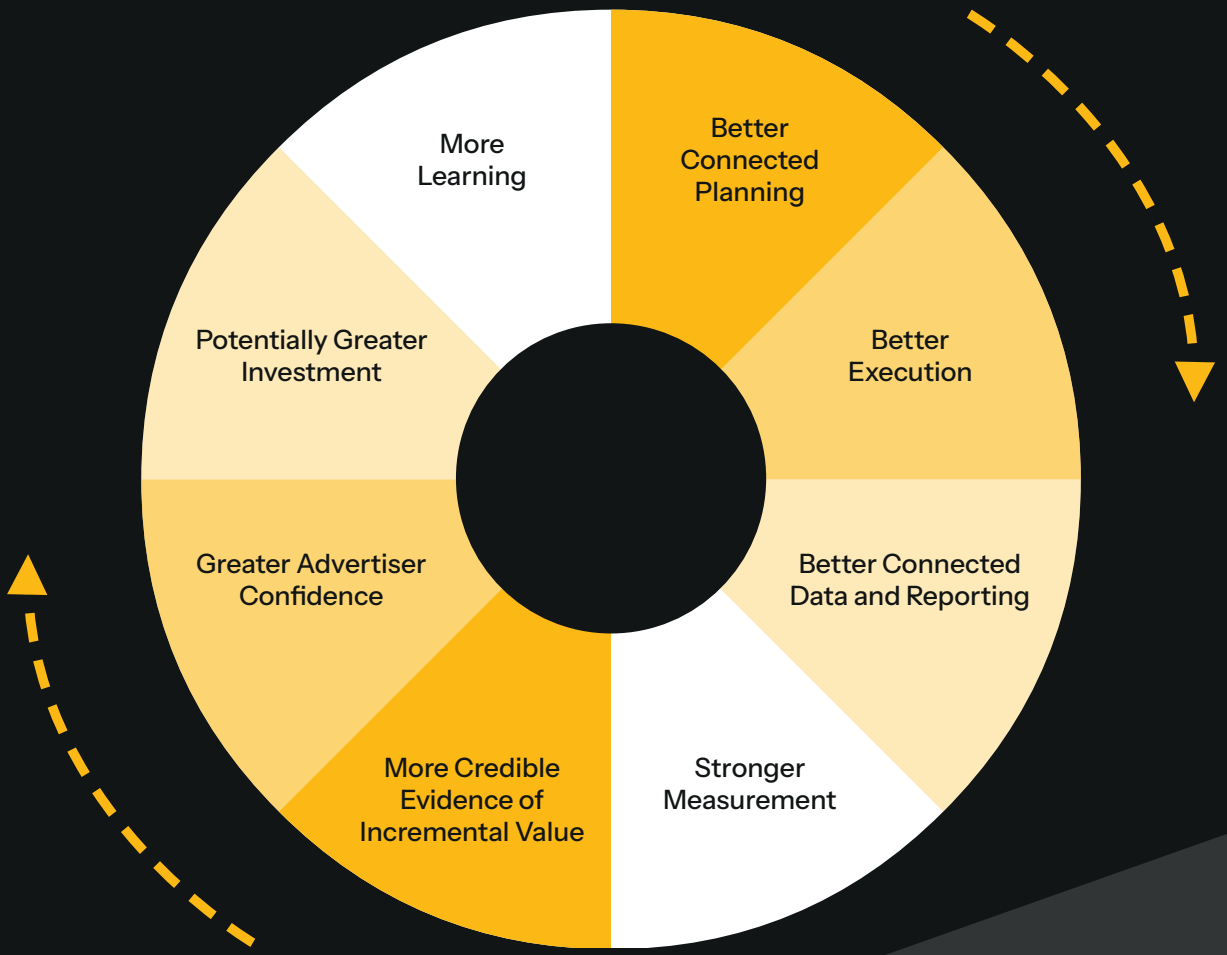


Better connection should create better proof

Connection is valuable because it should make each part of the campaign work harder. But its ultimate commercial value comes from making that improvement visible and provable.

The progression should be straightforward:

The Connected Commerce Growth Loop





Advertisers, merchants, and sales teams need to understand whether media is moving the total business and creating outcomes that would not otherwise have happened.

MOLLY HJELM,
CORPORATE VICE PRESIDENT, RETAIL MEDIA

REDVEST MEDIA

As established earlier in this report, measurement and reporting remain significant weaknesses in today's ecosystem. That matters commercially because proving the combined effect of channels becomes much harder when the underlying campaign remains fragmented.

If onsite, offsite, and in-store use different planning processes, technologies, audience definitions, and reporting methodologies, simply placing their results next to one another does not prove that connecting them created additional value.

Better connection should make stronger measurement possible. Stronger measurement should make the value of connection easier to prove.

That creates a potential virtuous circle. Stronger evidence builds advertiser confidence. Greater confidence makes further investment easier to justify. Additional investment gives RMNs a stronger commercial case for improving the infrastructure and operating models required to connect effectively. And better measurement creates learning that can improve the next campaign.

Connection therefore stops being simply an operational challenge and becomes a potential growth lever.

Commercial proof is the foundation, but the ambition should be broader

The dominance of ROI and incremental sales in the brand responses is striking, particularly as commerce media increasingly positions itself as a broader, full-funnel opportunity.

It does not necessarily mean brands see no value beyond conversion. But it does suggest that the clearest route to unlocking additional investment today remains measurable commercial proof.

That creates an important challenge for the next phase of Connected Commerce.

Incremental sales should remain a critical measure of success, but the longer-term measurement ambition should not stop there. Connected campaigns can potentially create value through customer experience, brand impact, category growth, and longer-term commercial outcomes, depending on the objective and role of the activity.

The opportunity is therefore to build measurement capable of proving incremental value against the objective the campaign was designed to deliver, rather than reducing every campaign to the same short-term sales measure.

That distinction matters if commerce media wants to compete for a broader share of advertiser budgets. The industry has expanded what commerce media can deliver. It now needs to strengthen the evidence for that wider value.

KEY TAKEAWAY

Better connection matters commercially when it creates stronger proof, greater confidence and more informed investment.

The opportunity is to turn confidence into conviction

The encouraging finding is that RMNs do not need to win over an industry of sceptics.

Brands already show meaningful confidence in their ability to deliver genuinely connected commerce media. 58% give RMNs a score of 7/10 or higher, with average confidence sitting at approximately 6.9/10.

But only 20% give them a 9 or 10.

The opportunity is therefore not primarily about establishing credibility. It is about turning qualified confidence into conviction.

And the research gives a clear indication of what could help close that gap: stronger proof that connected commerce media activity creates incremental business outcomes.

It is no longer enough for an RMN to say:

We have onsite. We have offsite. We have in-store. And we can activate them together.

The more valuable question is:

Can you prove that those channels created more value because they worked together?

And, increasingly:

Can you prove that value against the outcome the campaign was actually designed to deliver?

That is the standard the next phase of commerce media should move towards.

Because the commercial upside of connection does not ultimately come from having a more elegant operating model. It comes from giving advertisers greater confidence that the next pound they invest will create genuine additional value, and using what is learned to make the next chip work harder.

What would convince brands to increase commerce media investment?



Source: SMG, IAB, and IAB UK Commerce Media Research, 2026. Brand respondents; unprompted open-text responses.

Brand confidence in RMNs delivering genuine connection



Source: SMG, IAB, and IAB UK Commerce Media Research, 2026. Brand respondents.

CONCLUSION

From capability to connection

Commerce media has spent its first phase building the pieces.

Onsite media has matured. Offsite has expanded reach beyond retailer-owned environments. In-store is opening new opportunities to influence shoppers closer to purchase. Data, technology, and measurement capabilities have become increasingly sophisticated. And AI promises to make an already complex ecosystem faster and easier to operate. The next phase is about making those pieces work together. That is the central finding running through this research. The industry's challenge is no longer simply whether the capability exists. It is whether strategy, data, creative, channels, organisations, and measurement can remain connected as a campaign moves through an increasingly complex ecosystem. The research shows where that connection is currently breaking down. Buyers still face significant complexity when working across RMNs. In-store combines some of the greatest perceived incremental opportunity with some of the hardest operational challenges.

Agencies are expected to help connect the ecosystem while still building the fluency required to do so. And AI can reduce complexity, but it cannot manufacture the alignment needed underneath it. None of these challenges can be solved by one stakeholder alone.

Connected Commerce needs a connected campaign system.

The research points towards a relatively simple agenda for what comes next.

1. Start with one shared objective

Connection cannot begin with inventory. Brands, agencies, and RMNs need greater alignment on the outcome they are collectively trying to create.

2. Define the role of every channel

Use data and insight to determine the right combination of onsite, offsite, and in-store against that objective, rather than planning channels independently.

3. Maintain continuity through execution

Keep audience strategy, creative, and campaign intent connected as activity moves between teams, partners, platforms, and environments.

4. Make complexity easier for buyers

Improve interoperability, clarify roles, and reduce the manual burden created by different retailer systems, workflows, and measurement approaches.

5. Connect measurement back to learning

Measure against shared outcomes, strengthen proof of incremental value, and feed what is learned into the next campaign.

Connected Commerce does not require uniformity. It requires difference to stop becoming fragmentation.

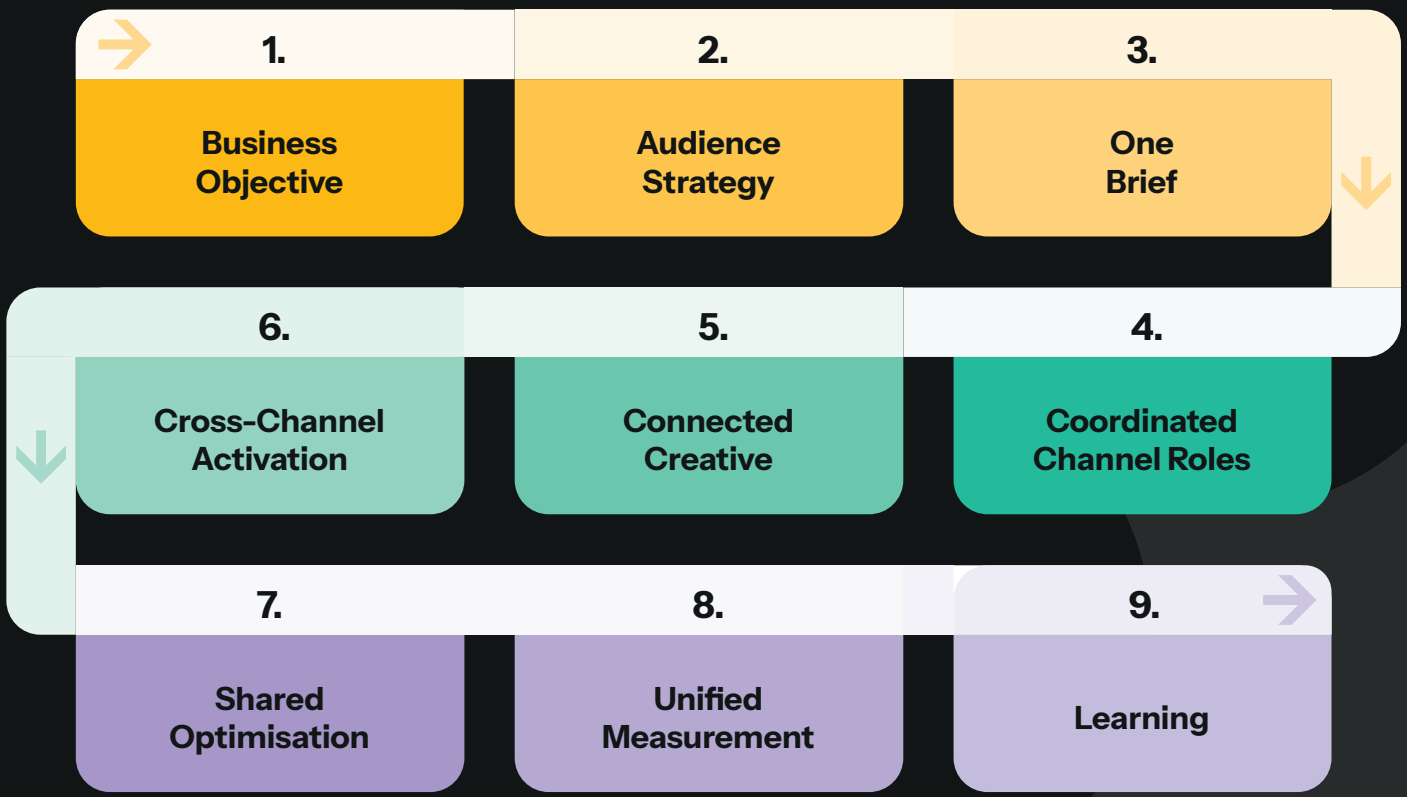
The commercial opportunity is clear

Ultimately, better connection matters because advertisers need stronger evidence that commerce media creates additional value. When brands were asked, unprompted, what would convince them to increase commerce media investment, 46% spontaneously identified proven, measurable ROI, and incremental sales impact. No other theme came close. That makes the commercial opportunity bigger than building a more elegant operating model. Better connected planning should enable better execution. Better execution should create stronger data and learning.

Better connected measurement should provide more credible evidence of incremental value. And stronger evidence should give advertisers greater confidence in where the next pound can work hardest. Over time, that proof should extend beyond immediate sales to the broader customer, brand, category, and commercial outcomes Connected Commerce can create. But the principle remains the same: connection only becomes valuable when it creates better outcomes, and when the industry can prove it. Commerce media has spent years expanding what it can do. Its next phase will be defined by how well it makes those capabilities work together.

The Connected Campaign System

Connection is maintained when the same objective, audience strategy, and campaign intent carry through planning, creative, activation, optimisation, measurement, and learning.



METHODOLOGY

Research Methodology

This report is underpinned by new primary research conducted collaboratively by:

Fieldwork

July - August 2026

Markets

UK, U.S., Europe (France, Germany and Spain), and Australia

Sample

281 total respondents
168 brands and advertisers
52 agencies
61 Retail and Commerce Media Networks

Survey Structure

Respondents answered a combination of common ecosystem questions and audience-specific questions. Bases therefore vary by question.

Open Text Analysis

Open-ended responses were coded into a primary theme for analysis. Responses were reviewed and grouped based on the primary idea expressed with the thematic coding reviewed by the research partners for consistency. Percentages shown for open-text findings reflect the share of valid responses assigned to each theme.

Notes

Percentages may not total 100% where respondents could select multiple answers or due to rounding.

About iab.

The Interactive Advertising Bureau (IAB) 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.

About iab. UK

IAB UK is the industry body for digital advertising, committed to building a better future for digital advertising, for the benefit of everyone. We represent almost 300 businesses across the digital advertising industry - including media owners, media agencies, ad tech, platforms and publishers.

About

OUR MISSION

Founded in 2008, SMG is the world's first full-service connected commerce group, helping retailers and advertisers activate effective commerce media strategies through consultancy, embedded service solutions, and proprietary technology. No matter the stage of a Media Network, SMG's experts accelerate growth and create campaigns that resonate with shoppers.

1. SMG empowers retailers with commerce expertise through **consultancy**.

2. We accelerate CMNs with our **embedded services.**

3. And it's all powered by Plan_Apps technology, the orchestration layer for Commerce Media Networks.

OUR COMMERCE MEDIA NETWORKS

bmg Boots Media Group · Morrisons Media Group · LS ELEVEN MEDIA SERVICES · deliveroo MEDIA · co op MEDIA NETWORK · very media group. · WHSMEDIA

SPECIAL THANKS TO OUR CONTRIBUTORS

Collin Colburn (IAB), James Chandler (IAB UK), Lee LeFeuvre (SMG), Jessie Bove Dowd (The Commerce Society), Amber Sayer (Deliveroo), Andrew Lipsman (Media, Ads + Commerce), Ailsa Jackland-Burrows (Morrisons Media Group), Marie-Clare Puffett (IAB Europe), Dean Harris (Co-op Media Network), Austin Leonard (Dollar General Media Network), Katie Blackburn (WHS Media), Sean Crawford (SMG), Ollie Shayer (SMG), and Molly Hjelm (RedVest Media).

How can SMG help you achieve your commerce media goals?

Get in touch to learn more:
hello@smg.team

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A report by SMG, IAB, and IAB UK