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Commerce and Retail Media Network (C/RMN) Service Offering Taxonomy

A Primer for Legal Professionals



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About the IAB

Founded in 1996 and headquartered in New York City, the Interactive Advertising Bureau, Inc. (IAB) (www.iab.com) represents over 700 leading publishers, media companies, brand marketers, agencies, and ad tech companies that are responsible for selling, delivering, and optimizing digital advertising and marketing campaigns, and, in affiliation with the IAB Technology Laboratory (IAB Tech Lab), develops the global, open technical standards that support growth and trust in the digital media ecosystem. Together, IAB members account for 86 percent of online advertising expenditures in the United States. Because our membership spans the entire digital advertising ecosystem, IAB has a unique perspective on how policy proposals affect consumers, businesses, and the broader digital economy. This broad representation also gives IAB a strong stake in advancing balanced, practical, and effective policy solutions that protect children and teens online while preserving the benefits of an ad-supported internet.

IAB advocates for and supports responsible digital advertising practices, including legislative and regulatory policies granting consumers core rights and obligating companies to adhere to data minimization, post prominent and clear notices, perform privacy risk assessments, and honor consumer requests to opt-out of targeted advertising and sales of personal data. We also support industry solutions that foster due diligence, governance, and meaningful oversight of data recipients.[1] The IAB Diligence Platform, for example, contains standardized privacy diligence questions specifically designed for participants in the digital advertising industry to ensure that companies engage with responsible business partners.[2] IAB has also developed the IAB Multi-State Privacy Agreement, a central industry contract that provides a transparent and uniform set of privacy terms to comply with all of the state privacy laws. It is a critical tool to create legally binding standards for how these laws apply in the digital advertising industry and, importantly, limit the use of personal data solely for advertising purposes.

Additionally, the IAB Tech Lab developed signals which are used by companies to aid in compliance with *Children's Online Privacy Protection Act* (COPPA),[4] as well as thought leadership and calls to action for stakeholders across the digital supply chain to promote responsible data practices and reduce privacy risks.[5] The IAB Tech Lab also developed the Global Privacy Protocol (GPP), a protocol that provides structured, interoperable, streamlined mechanisms for communicating consumer privacy choices across the complex digital advertising ecosystem.[6] This flexible framework provides all participants with a consistent understanding of consumer preferences and enables cost-effective compliance.



I. Purpose

The Commerce and Retail Media Network Service Offering Taxonomy establishes a shared baseline for describing the functions and advertising offerings that may be available through a C/RMN. Together, they provide a common vocabulary that C/RMNs, advertisers, agencies, technology providers, business partners, and legal and compliance professionals can use when evaluating or discussing C/RMN activities.

This Primer identifies Core Capabilities that are likely to exist within a C/RMN to empower its Service Offerings. The C/RMN Service Offering Taxonomy (C/RMN SOT) operates as a stand-alone taxonomy and seeks to classify and define advertising and commercial offerings that a C/RMN may make available to the market.

The framework is intended to support consistent discussion, not to require every C/RMN to operate under the same business model, use the same technology, or provide the same combination of services.

II. Core Capabilities (Appendix A)

The Core Capabilities, outlined in Appendix A to this Primer, represent baseline functions that a C/RMN is likely to possess, develop, or access to support a C/RMN business model. They provide context for understanding the broader operating environment in which C/RMN services are planned, activated, optimized, and measured.

The Core Capabilities are not mapped to individual entries in the C/RMN SOT and the existence of a capability does not imply that every C/RMN performs that capability in the same way or with the same level of expertise as their competitor but they are foundational building blocks to a C/RMN. For example, a C/RMN a capability may be performed internally, leverage a third-party provider, or use a white-labeled solution. C/RMNs may also differ substantially in the maturity, sophistication, automation, scale, and level of expertise associated with each capability.

The Core Capabilities should therefore be used as a starting point for discussion rather than as a certification, maturity model, or representation that all C/RMNs provide equivalent functionality. This provides a unique opportunity for advertisers/brands to select the C/RMN that has the best core capabilities and service offerings to support their marketing and digital advertising goals.



The Core Capabilities are not intended to determine where a service belongs within the C/RMN SOT. A single capability may support many service offerings, and a single service offering may rely on several capabilities. The Core Capabilities provide useful context, but the C/RMN SOT can and should be used independently to classify the service being discussed.

III. Service Offering Taxonomy

The C/RMN SOT creates a common structure for identifying what service offerings a typical C/RMN can offer and where the relevant advertising or brand experience is delivered. It organizes offerings first by tactic and then by channel and closed by defining the service offering within each of those channels.

A Tactic describes the broad environment in which advertising, sponsored activity, or branded engagement occurs and is brooked into three primary tactics: 1) On-site, 2) Off-site, and 3) In-Real Life

A Channel identifies the more specific media environment, interface, or distribution method through which the advertising occurs. Depending on the tactic, a channel may include environments such as Web, App, Social, Search, CTV, Digital Out of Home, or Physical Events and Demos.

A service offering identifies the specific advertising product, placement, transaction method, or engagement available within an identified channel.

The full classification should be read together as a service-offering name may appear more than once but its meaning is informed by the tactic and channel in which it appears. For example, a display or video offering delivered on a C/RMN-owned website is different from a display or video offering delivered through a physical screen or a third-party digital environment.

How to Classify a Service Offering

To use the C/RMN SOT, begin with the environment in which the consumer encounters the advertising or branded experience.

First, one should determine the appropriate Tactic to then identify the Channel that most accurately describes the relevant consumer-facing environment or method of distribution. Lastly, the applicable service offering should be identified within that channel.



A campaign or commercial relationship between a C/RMN and an advertiser/agency may include multiple service offerings. For example, a campaign may include an on-site sponsored placement, an off-site social activation, and an in-real-life digital display. Each component should be identified separately rather than assigning the entire campaign to one category.

The purpose of the C/RMN SOT is not to require every service to fit into every commercial relationship but rath to create a consistent way to identify the individual elements of a service or campaign so that the parties can discuss them clearly and so that lawyers can begin to identify key issues.

Use in Partnerships and Commercial Negotiations

Parties negotiating a partnership, media arrangement, or other commercial deal can use the C/RMN SOT to identify the tactics, channels, and service offerings that are in scope.

This process can help prevent situations in which the parties use the same term but intend different activities. For example, “sponsored advertising,” “programmatic,” or “in-store media” may be understood differently depending on the organization. Using the C/RMN SOT allows the parties to identify the relevant category and then supplement that definition with the specific commercial, technical, and operational terms of the arrangement.

The framework can therefore help the parties and their legal support distinguish between:

- What service is being offered;
- Where the advertising or engagement will occur;
- Which party controls the consumer-facing environment;
- Which party performs the supporting functions;
- What data, technology, inventory, and third parties are involved; and
- What commercial and operational responsibilities must be documented.

Use in Developing New or Expanded Services

A C/RMN considering a new or expanded service offering can use the C/RMN SOT to determine where the proposed offering fits within the current landscape and to hold internal conversations.



The classification process may help the C/RMN determine whether the proposal is:

- A new service offering within an existing channel;
- An expansion of an existing service offering into another channel or tactic;
- A new method of delivering an existing advertising format; or
- A combination of several existing service offerings.

The C/RMN can then use the Core Capabilities section to evaluate whether it has the functions necessary to support the proposed offering and to help explain the interconnection between the core capabilities and the service offering. C/RMNs can then work with legal counsel to assess which capabilities may be relevant and whether its current people, processes, technology, data, and external relationships are sufficient.

This review may identify risks, make clear service provider and/or third-party classifications under applicable privacy law, highlight new operational requirements that require additional legal guidance (or updates to existing legal guidance, or promote areas where additional expertise is needed.

Use by Legal and Compliance Professionals

The Core Capabilities and C/RMN SOT are not intended to provide a legal conclusion or determine whether a particular activity is compliant. They are intended to help legal, privacy, and compliance professionals understand the structure of a proposed activity and identify the questions that may require further review.

Once the relevant tactic, channel, service offering, and supporting capabilities are understood, legal, privacy, and compliance professionals can more effectively evaluate issues and identify key considerations. For example, these parties should consider:

- Which party owns or controls the advertising inventory and consumer-facing environment;
- What data will be collected, received, matched, enriched, licensed, used, or disclosed;
- Whether targeting is contextual, audience-based, behavioral, location-based, or identity-based;
- Which parties determine how and why data is processed;
- Whether third-party platforms, vendors, data providers, or measurement partners are involved;
- What consumer notices, choices, permissions, or opt-out mechanisms may apply and whether any updates to existing policies is required;



- How sponsored content, endorsements, or paid placements will be identified;
- Whether AI, modeling, automated decisioning, or recommendation technologies will be used;
- What data will be available for reporting, attribution, optimization, or measurement;
- What contractual restrictions should apply to data use, retention, security, confidentiality, and permitted purposes; and
- Whether the consumer is redirected between environments controlled by different parties.

The applicable questions will depend on the facts of the service offering and the tools and solutions being used, i.e., whether the solutions are C/RMN owned, third party managed, or third-partied owned. The taxonomy provides a structured way to identify those facts to support a legal, privacy, or compliance analysis.

IV. Conclusion

The Core Capabilities and C/RMN SOT are intended to create consistency of language without suggesting uniformity among C/RMNs.

The Core Capabilities establish a baseline for discussing functions that a C/RMN is likely to possess or access, while recognizing that those functions may differ significantly in methodology, maturity, expertise, technology, and delivery model.

The C/RMN SOT stands on its own as a classification tool for identifying what service is being offered and where it is delivered and should be used in this manner to develop meaningful conversation and analysis with in a fixed taxonomy.



V. Appendix: Commerce and Retail Media Core Capabilities

The Core Capabilities represent the baseline processing capabilities of a Commerce or Retail entity that seeks to leverage the zero and first party data they collect about their consumers for the benefits of third parties' digital advertising activities. These capabilities support the ability to provide service offerings against owned advertising inventory (On-Site), non-owned advertising inventory (Off-Site), and/or physical ad placements (In-Real Life).

Commerce and Retail Media Networks primary service includes the availability and use of its data, audience intelligence, measurement, or optimization capabilities. Commerce and Retail Media Networks establish core capabilities to support service offerings that are reflect through a Strategy, Activation, and Measurement lens. While core capabilities are not specific tactics, channels or service offerings, they do establish the baseline for supporting the processing required for each of these activites.



Core Capabilities

Capability	Definition	Capability Distinctions
Strategy		01–04
01 **Insights**	The capability to generate and deliver audience, consumer, category, and market intelligence from zero-, first-, and/or third-party data in order to inform advertiser strategy in order to develop a Activation and Measurement approach for a given campaign or advertiser/brand relationship.	C/RMN Owned White-Labeled Third Party Offering
02 **Look-a-like Audiences**	The capability to model and identify audiences that resemble a known customer, segment, or high-value group using available data signals, so those audiences can be activated across advertising channels.	
03 **Profile Enrichment**	The capability to enhance existing customer or audience records with additional attributes, behaviors, preferences, or classifications derived from owned, licensed, or purchased data to improve targeting, segmentation, and advertiser understanding.	Third Party Licensed Data Advertiser Supplied (BYOD)
04 **Campaign Planning**	The capability to use audience intelligence, historical performance, consumer behavior, and commercial insights to inform how an advertising campaign should be structured, targeted, timed, and activated across channels.	
Activation		05–07
05 **Audience Creation**	The capability to build custom audience segments from zero-, first-, and third-party transactional, behavioral, or contextual data for use in campaign activation, analysis, and campaign execution across both owned and non-owned digital properties.	C/RMN Owned White-Labeled Third Party Offering
06 **Optimization**	The capability to improve campaign, audience, and media performance through data-driven adjustments, recommendations, and decisioning before, during, or after activation.	
07 **Data Supplier (Other)**	The capability to make zero-party and first-party data assets available in ways that support third-party advertising, planning, targeting, activation, and analysis on third party sites that are not owned and operated by the C/RMN and when those uses do not fit cleanly within insights, look-a-like audiences, profile enrichment, campaign planning, optimization, or measurement.	Transactional Data Loyalty Data Zero-Party / First-Party Data (Non-Loyalty)
Measurement		08
08 **Measurement**	The capability to evaluate advertising effectiveness, attribution, incrementality, and business impact using formal measurement methodologies, including models and frameworks that connect media exposure to outcomes.	Mixed Media Modeling Multi Touch Attribution Single Campaign Use