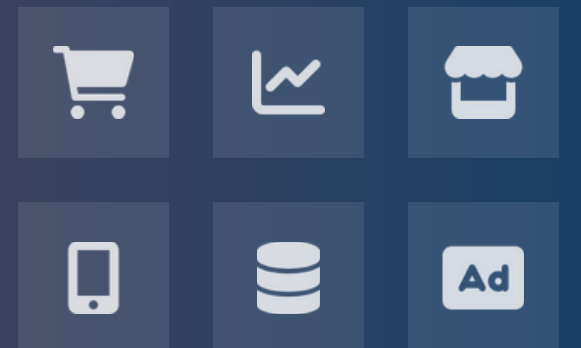


Retail Media Playbook 2025

Driving Growth for Ecommerce & Retailers

Insights and Strategies from MageAds



Introduction - The Rise of Retail Media

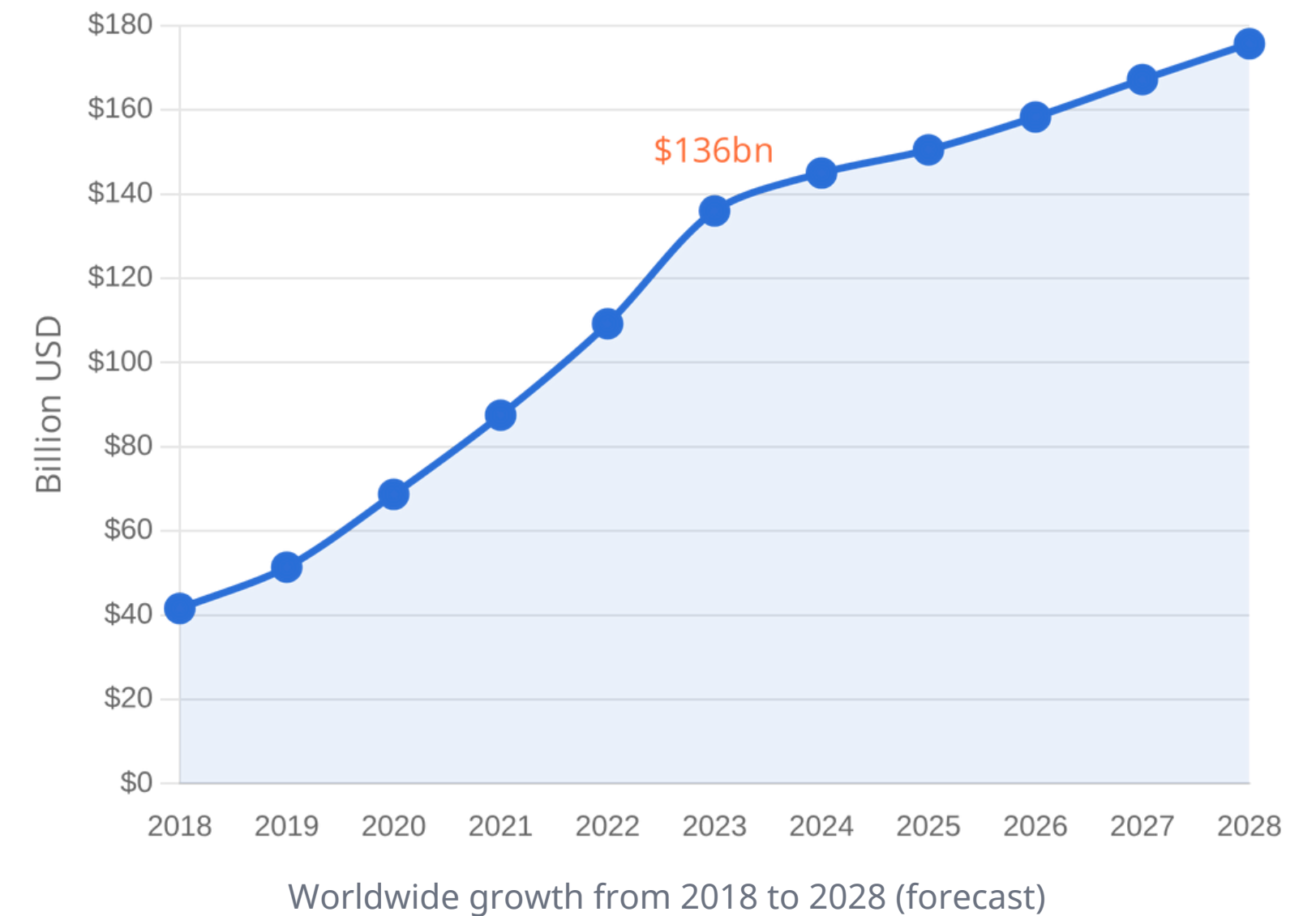
What is Retail Media?

- 🏪 Retailers leveraging their digital advertising space and in-store opportunities to offer advertising to brands.
- 🗄️ Fundamentally driven by abundant first-party data.

Market Growth at a Glance

- 📈 Global spend hit **\$136 billion in 2023**, and is forecast to reach **\$145 billion in 2024**
- 📊 Projected to top **\$150 billion in 2025** with continued growth throughout the decade.
- 📊 Accounts for nearly **20% of the growing digital advertising market**

Digital Retail Media Advertising Spending (bn USD)



Why Retail Media Matters for Retailers

Key Drivers for Retailer Engagement



Unparalleled Targeting

Leveraging first-party customer data allows for finely honed campaigns.



Closed-Loop Attribution

Ability to track performance and attribute sales directly to media spend.



Marketing Efficiency Gains

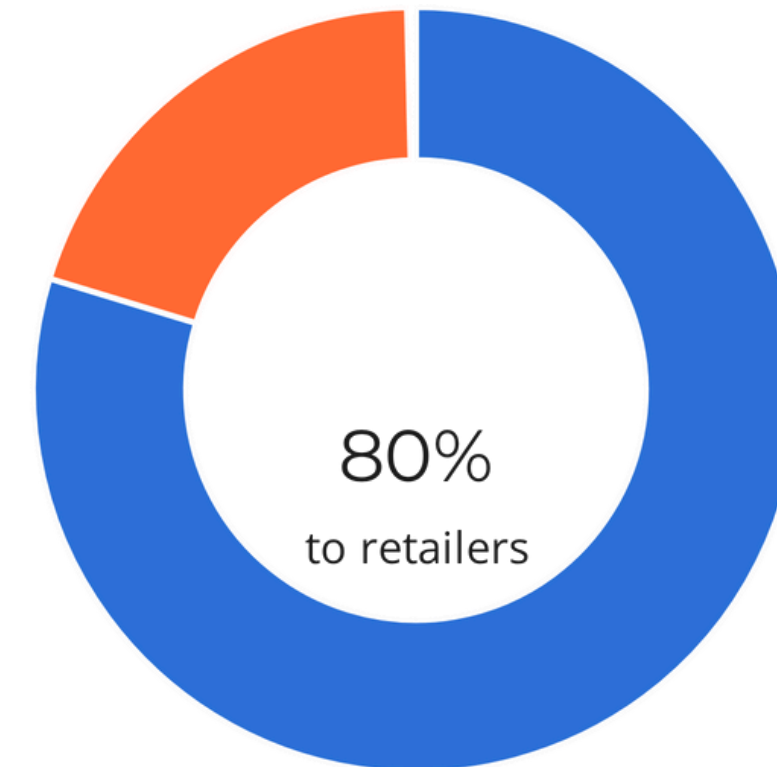
More focused marketing efforts lead to less wasted time and money.



Significant New Revenue Stream

Retailers capture approximately 80% of the total retail media spend.

Retail Media Revenue Distribution



■ Retailers ■ Other Stakeholders

Retailers capture the majority of retail media spend

Types of Retail Media for Retailers



1. Onsite Most Mature

Definition

Ads displayed on retailer websites and apps (e.g., banners, sponsored products, search results).

Focus

High-intent shoppers, driving high conversion rates at critical purchase points.

Advice

Optimize search advertising and sponsored product placements to align with shopper intent. Understand the retailer's specific search priorities.



2. In-Store Growing Fast

Definition

Digital screens, shelf signage, and interactive kiosks within physical stores.

Focus

Influencing shoppers directly at the point of purchase. Expected to hit \$1 billion by 2028.

Advice

Integrate digital technology in physical stores to create measurable and engaging experiences that bridge online and offline journeys.



3. Offsite Future Growth

Definition

Extends reach beyond owned properties (e.g., social media, video networks, publisher sites) using first-party data.

Focus

Broader audience reach and new revenue streams. Expected to grow to 25-30% of spend by 2030.

Advice

Leverage first-party data for targeted offsite campaigns, but be mindful of challenges related to control and data privacy.

Success Factors for Retailers

Critical Pillars for a Thriving Retail Media Offering



Revenue, ROI & Brand Integrity

Balance ad sales maximization with maintaining your brand's trust and customer experience.



Data Quality & Insight

Implement high standards for collecting, cleansing, and managing customer data. Invest in expertise.



Robust Operations

Develop scalable platforms capable of handling large data volumes and supporting various ad formats.



Omnichannel Integration

Integrate data and platforms across all channels to provide a seamless offering to brands.

💡 Advice for Retailers

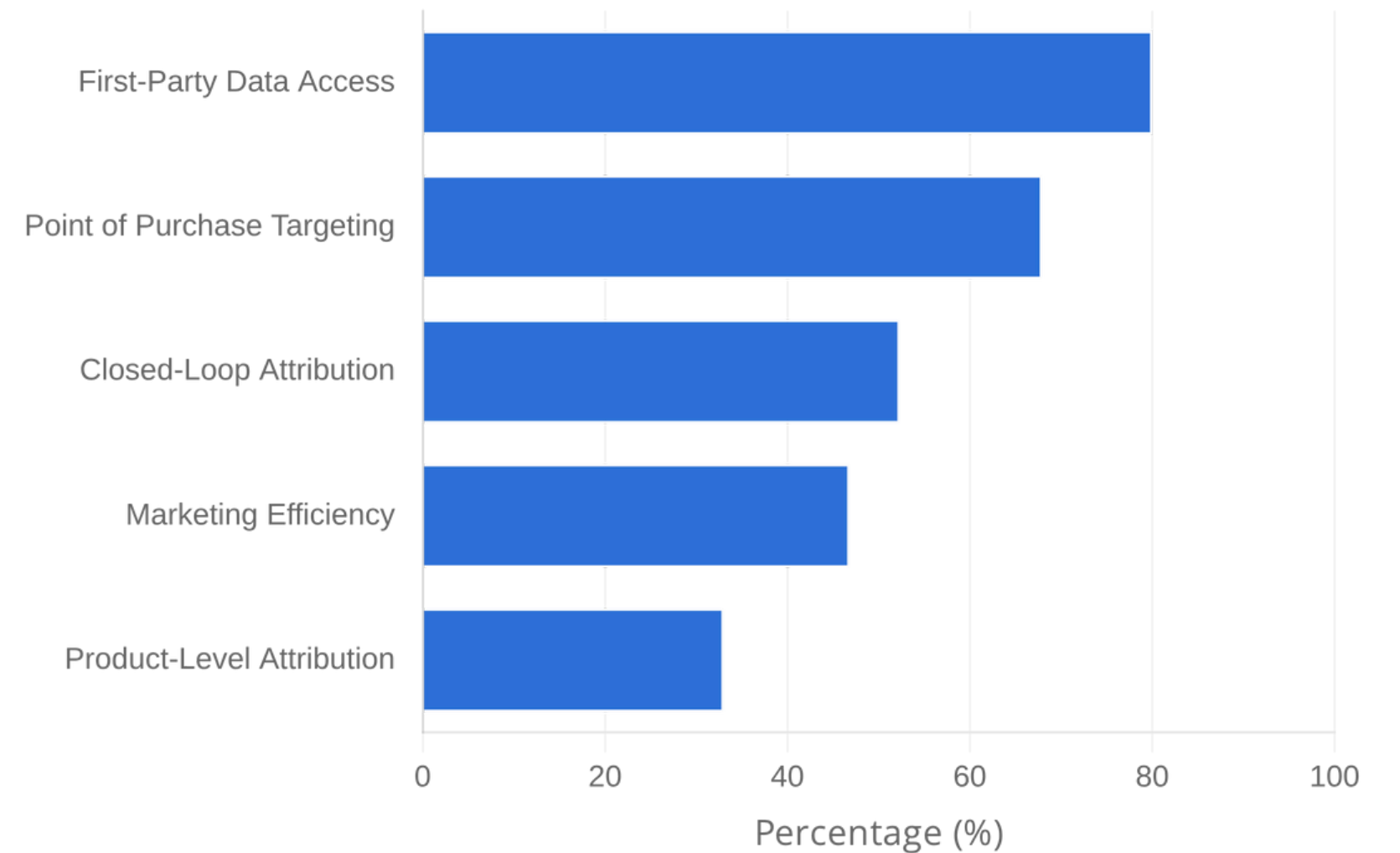
Building a successful retail media network requires significant investment in technology, data infrastructure, and skilled personnel. Prioritize these areas to ensure long-term success and brand reputation.

The Brand Perspective: Why Brands Invest

Key Reasons for Brand Investment in Retail Media

- 87%** **Access to First-Party Data**
European buy-side stakeholders are attracted by retailer first-party data.
- 74%** **Reach Shoppers at Point of Purchase**
Value the ability to access shoppers at the critical moment of decision.
- 57%** **Closed-Loop Attribution**
Consider this a key reason for using retail media, enabling direct measurement of impact.
- 51%** **Marketing Efficiency Gains**
Cite improved efficiency in targeting audiences.
- 36%** **Granular Product-Level Attribution**
Appreciate the detailed reporting on product performance.

Reasons Advertisers Invested in Retail Media (Europe, 2024)



Data is the Foundation

What Data to Collect



Loyalty Programs

Insights into who customers are, what they like, and what they buy.



Online Browsing Behavior

Data on what shoppers look at, search for, and purchase.



Purchase History

Understanding the conversion of browsing into buying.



Customer Profiles

Demographics, preferences, shopping frequency, basket size, brand affinities.

What Data Can Do



Segment Audiences

Create highly targeted advertising campaigns based on specific customer attributes and behaviors.



Personalize Content

Tailor ad content and product recommendations to individual shoppers based on their preferences and history.



Measure Performance

Track campaign effectiveness and attribute sales directly to specific marketing efforts.

Challenges to Data Success



Privacy Concerns & Regulations

Navigating GDPR, CCPA, and ensuring explicit consent for data collection and usage.



Data Integration & Management

Overcoming fragmentation and lack of standardization across departments.



Scale

Smaller retailers may struggle to build comprehensive datasets compared to larger competitors.

Advanced Data Management: Clean Rooms & Privacy

Ensuring Data Cleanliness and Security



Data Clean Rooms

Secure, privacy-compliant environments for collaborating on aggregated datasets without exposing Personally Identifiable Information (PII). Algorithms process de-identified data to generate insights.



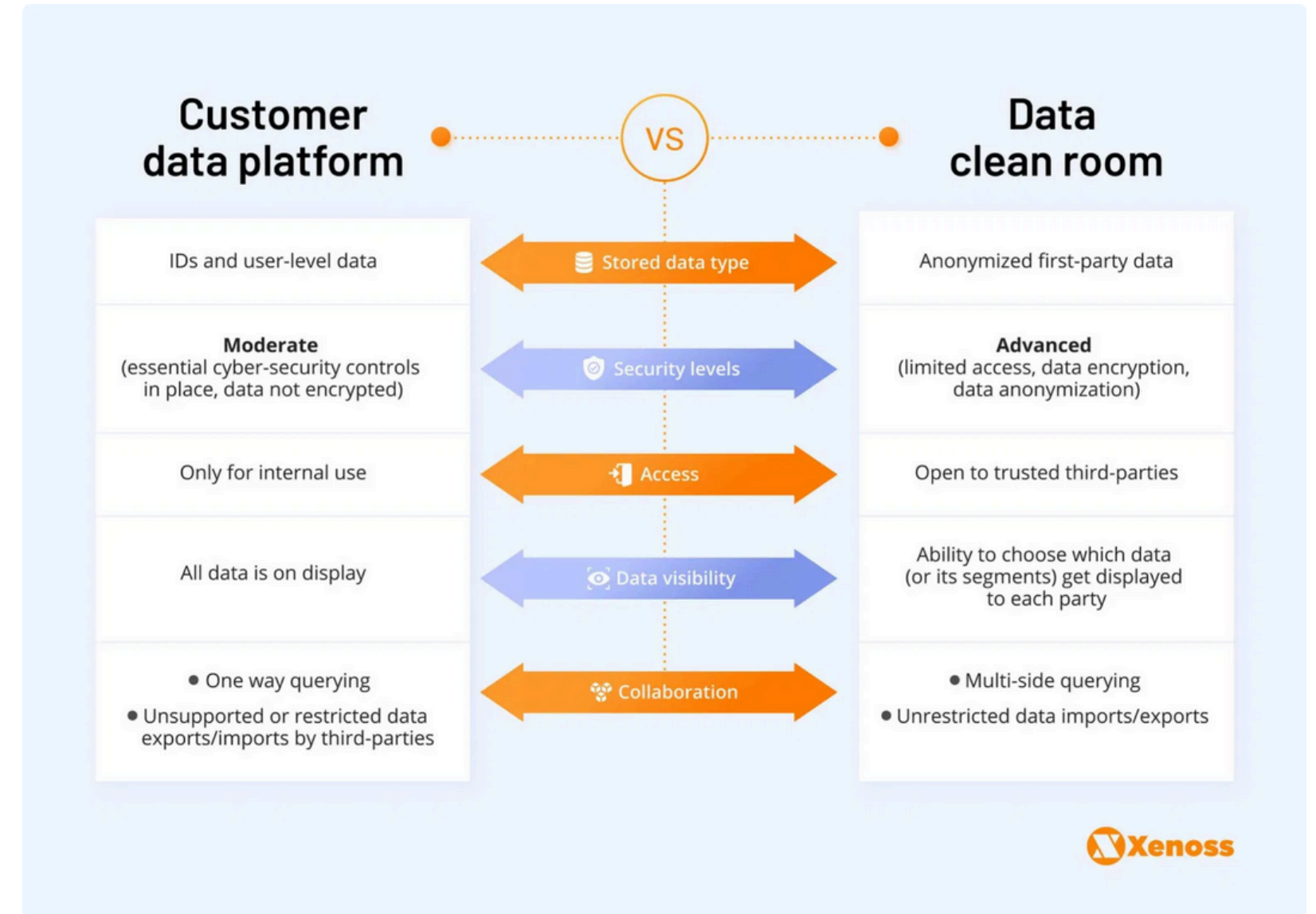
Federated Learning (FL)

A machine learning technique where models are trained on decentralized data, keeping raw data local. The algorithm travels to the data rather than data traveling to the algorithm.



Differential Privacy (DP)

A mathematical framework that adds controlled random noise to data, protecting individual privacy while allowing aggregate analysis. Ensures no individual can be identified from the results.



Data clean rooms enable secure data collaboration between retailers and brands without exposing sensitive customer information.

Measuring Success: Beyond Basic Metrics

🕒 Traditional Metrics & Their Limitations

📌 Cost-per-click (CPC) Limited

Only indicates click cost, not actual yield or sales impact.

📈 Return on Ad Spend (ROAS) Short-term

Focuses on immediate returns, missing long-term brand building effects and customer lifetime value.



Traditional metrics provide incomplete picture of campaign effectiveness

🚀 Next-Generation Measurement Tools

➕ Incremental ROAS (iROAS) Advanced

Measures *additional* revenue generated directly from advertising efforts, excluding baseline sales.

🔄 Marketing Mix Modelling (MMM) Comprehensive

Statistical technique to understand holistic impact of various marketing activities, integrating online and offline data.



Advanced metrics provide deeper insights and more accurate attribution

💡 Advice for Ecommerce & Retailers

Move beyond basic metrics. Adopt incremental and holistic measurement approaches like iROAS and MMM to gain a more accurate understanding of campaign effectiveness and optimize budget allocation.

The Road Ahead: Key Trends & Strategic Priorities



1. AI Automation & "Infinite Creative"

AI will increasingly drive analysis, audience segmentation, bid adjustments, and even content creation for ads, enabling personalization at scale and dynamic optimization.

Advice

Prepare for AI-driven changes by investing in AI tools and upskilling teams to leverage these capabilities for personalized and dynamic creative.



2. Market Saturation & Niche Networks

Rapid market saturation will lead to a need for differentiation and a trend towards specialized or niche retail media networks that serve specific verticals or demographics.

Advice

Consider developing vertical expertise or focusing on specific demographics to stand out in a crowded market.



3. Omnichannel Integration

The future demands linking physical stores, mobile apps, and connected TV (CTV) for unified measurement and seamless customer journeys across all touchpoints.

Advice

Invest in technology that enables comprehensive integration across all customer touchpoints to provide a coherent brand experience.



4. Sustainability & Ethical Advertising

Growing importance due to consumer values (especially Gen Z) and regulatory trends, with increasing demand for transparent and responsible advertising practices.

Advice

Embed sustainability metrics into your offerings and ensure ethical practices in data usage and ad targeting to build consumer trust.

Strategic Checklist for Retailers & Ecommerce

Your 2025 Action Plan for Retail Media Success



Invest in Clean Rooms

Future-proof your data strategy against regulatory shifts and enable high-value data collaboration while maintaining privacy compliance.



Differentiate with Vertical Expertise

Focus on specific niches (e.g., luxury, healthcare) to avoid direct price competition with generalists and build specialized knowledge.



Forge CTV Alliances

Partner with streaming platforms to capture attention in the golden age of connected TV, utilizing shoppable ad formats and cross-channel measurement.



Champion Measurement Standards

Advocate for and adopt standardized metrics to simplify advertiser workflows and optimize budget allocation across channels.



Embed Sustainability

Integrate sustainability metrics into your core offerings to align with consumer values and regulatory trends, particularly for younger demographics.

Empowering Small & Medium Businesses (SMBs)

The Self-Service Trend for SMBs in Retail Media



Democratizing Access

Self-service platforms lower barriers to entry, allowing SMBs to compete with larger brands in the retail media space.



Cost Efficiency

Pay-per-performance models and reduced overhead make retail media accessible even with small budgets.



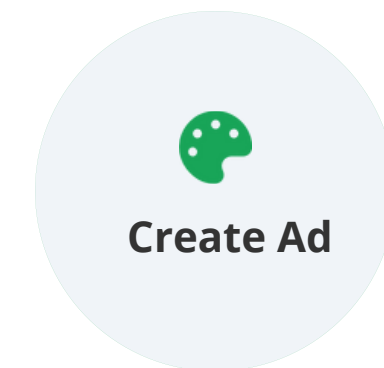
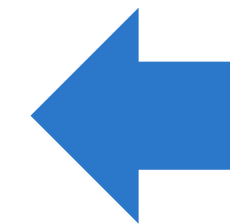
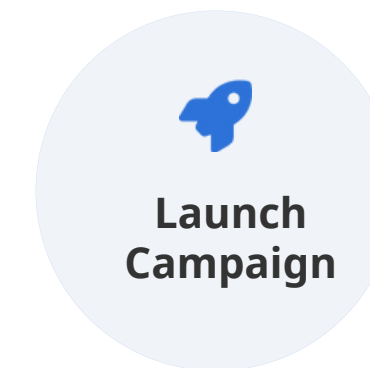
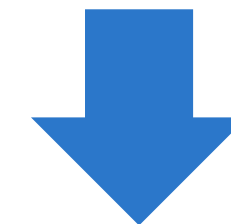
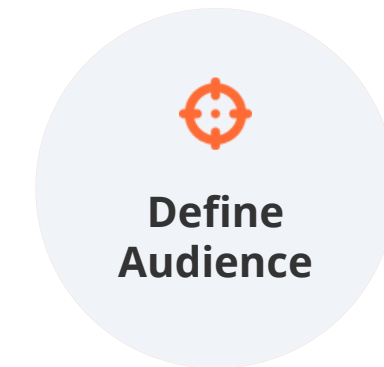
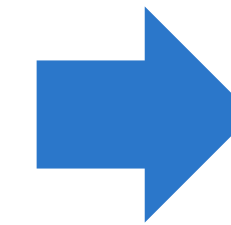
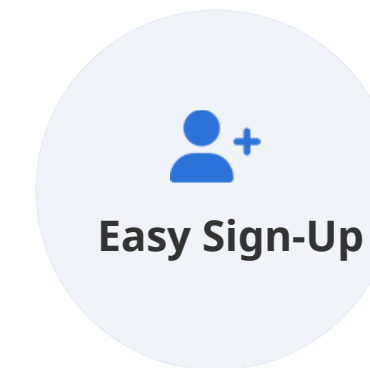
Precision Targeting

Leverage first-party data and AI-driven automation for highly targeted campaigns without needing massive scale.



Creative Flexibility

Rapid iteration, personalization at scale, and omnichannel integration are now within reach for smaller businesses.



Self-service platforms simplify the retail media journey for SMBs, from sign-up to campaign launch.

#1 Retail Media Platform



#1 Retail Media Platform

Unlock your Ads revenue potential

The Retail Media Platform will empower e-commerce to unlock advertising revenues, optimize traffic monetization, automate advertising sales, broaden campaign reach beyond its own website, and decrease operating costs.



Pawel Kuzma
CEO & CO-Founder



Conclusion - Your Retail Media Playbook



Retail media is a rapidly growing, data-driven channel that offers significant opportunities for both retailers and brands.



Success hinges on robust data management, seamless omnichannel integration, and the adoption of advanced measurement techniques.



Prioritize the consumer experience by focusing on relevance, personalization, and building trust.



Embrace emerging technologies like AI and privacy-preserving tools to stay ahead in this dynamic landscape.

Call to Action

Start building or refining your comprehensive retail media strategy today to unlock new growth opportunities and thrive in this dynamic landscape.