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The first word in Retail Media:

Why enabling a retail first approach is critical to future-proofing your RMN.

Contents

"Retail media is media" - Cara Pratt. Yes, but it's also retail.

This quote from Cara Pratt is foundational to the evolution of retail media in the US .

24 months ago the retail media conversation needed RMNs to be taken seriously as media platforms, and to get the focus away from these programs simply being glorified trade or shopper marketing programs.

Today, however, the conversation about retail media may have become **too** media-centric, and lost some of the magic and potential of retail - and also ignoring realities of the retail ecosystem.

The "success" of retail media networks is seen entirely through the lens of what the digital media ecosystem understands as valuable - a focus on granular, tactical planning and metrics. Likewise, the media buying ecosystem is trying to push retail media towards homogenous landscape which can be bought and planned as automatically, painlessly and easily as possible.

This desire is understandable - but ignores THE fundamental truth about the retail market - retail media's fragmentation is simply a reflection of the fragmentation of the American consumer, shopper and retail landscape.

Tools need to be developed that leverage this fragmentation of the American commerce landscape and bring the balance back to Retail Media, while still making that fragmentation simple and accessible to advertisers.

These solutions will be:

- Transparent
- Easy to use
- Integrated into a retailer's total business

Retail Media starts with retail,
and retail starts with shoppers:

PART 1:
The fragmenting US Retail and Shopper landscape

The US consumer landscape is vast, intricate, and highly fragmented, shaped by a retail environment that mirrors this complexity.

A multitude of large, successful players compete within this space, each carving out their own niche.

At the same time, the ways of reaching consumers are evolving, becoming increasingly granular and targeted, allowing brands to engage with their audiences more precisely than ever before.

"Even as a $100 billion retailer, we make up 3% of a $4.2 trillion market"

- Target COO Michael Fiddelke (Target Q4 2024 Earnings Call)

A good retail media conversation needs to put the shopper at the heart

The US combines key polarizing factors with massive scale to create “Grand Niches” – niches that are the size of countries:

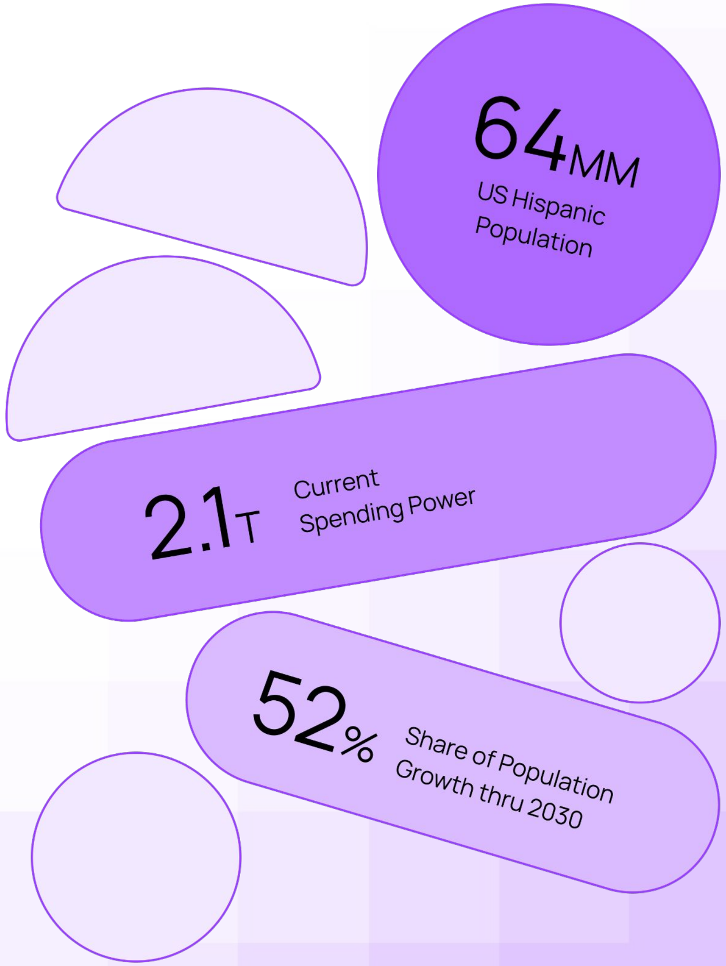
- Low income America is the 7th largest economy in the world
- Hispanic purchasing power = $2.1 trillion Larger than Spain. And Mexico. And Germany for that matter…combined.
- Highly urban America is the 3rd largest market in the world and a retail mystery
- There are more American households taking GLP-1 medication than there are households in Canada

No retailer reflects this more than CVS - and their approach is “radical localization”:

EXPERT PERSPECTIVE

“So versus 9,000 locations that all look the same, it’s actually 9,000 different locations, 9,000 individual locations that we’re looking to deploy and create. We have the ability now with technology in order to drive that”

Parbinder Dhariwal
VP/GM at CVS Media Exchange (CMX)



"Retailers are just consumer segments brought to life in the form of business models"

- Bryan Gildenberg

Low income

Dollar General's unique reach in this audience

Hispanic

Regional grocers like HEB have unique position and credibility in key geographies

Urban America

Independent c-stores and bodegas drive enormous business

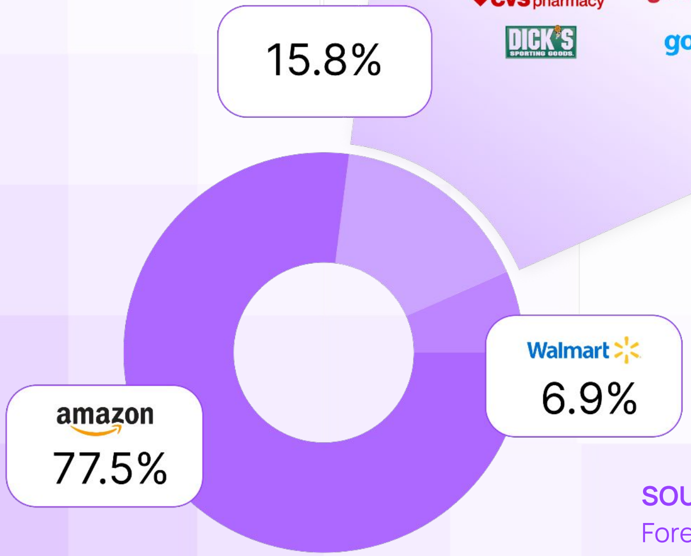
Health and wellness

The health channel continues to be a major player in GLP-1s and weight management

Rank	Retailer	Annual Sales Billion £
1	Tesco	58.13
2	H-E-B	36.5
3	Sainsbury's	32.5
4	Asda	24.8
5	Aldi	17.9
6	Morrisons	17.6
7	Lidl	12.8
8	Co-op	11.5
9	Waitrose	7.5
10	Iceland	4.1
11	Ocado	2.5

Let's put it into perspective.

If HEB (a retailer that operates in just 1 US state)
were a UK retailer **they'd be the 2nd largest food retailer there!**



SOURCE: EMARKETER
Forecast November 2024

This chart is often used to "diss" non-Amazon RMNs

This is either said as every RMN except Amazon is fighting for 23% of the spend or every one except Amazon and Walmart is fighting for 16 cents of the retail media dollar.

The conclusion:

A Media-centric view of the world would have is the **"juice isn't worth the squeeze"** on the remaining 200+ RMNs

Retail Cities Expert Perspective:

"Amazon will nearly double to 2030, but still only represent 17% of American retail growth between now and 2030"

Channel	2018	2023	2030	CAGR ('18-'23)	CAGR ('23-'30)	Share of 2023 Retail	Share of 2030 Retail	Share of Growth
eCommerce	$677	$1,360	$2,500	15.0%	9.1%	25.9%	33.7%	52.5%
of which Amazon	195	418	789	16.5%	9.5%	8.0%	10.6%	17.1%
Grocery	750	979	1,324	5.5%	5.5%	18.7%	17.9%	15.9%
Mass Supercentre	410	457	625	2.2%	2.2%	8.7%	8.4%	7.7%
Drug	338	436	350	5.2%	5.2%	8.3%	4.7%	-3.9%
Club	174	292	465	10.9%	10.9%	5.6%	6.3%	8.0%
Convenience	190	275	325	7.6%	7.6%	5.2%	4.4%	2.3%
Value	79	106	120	6.1%	6.1%	2.0%	1.6%	0.7%
Specialists	1,099	1,338	1,706	4.0%	4.0%	25.5%	23.0%	16.9%
US Retail	$3,716	$5,242	$7,415	7.1%	5.1%	100%	100%	100%

But let's flip the perspective:

23%

of Retail Media spend is covering

83%

of the US's retail growth to 2030

The retail landscape is not the only fragmentation - RMNs need to serve a fragmented brand landscape as well

EXPERT PERSPECTIVE

There are specialty brands that are only in certain markets that would be highly relevant to a Texas only shopper or a Florida only shopper but they don't have media budgets to buy across the entire network

Tim Bagwell
CDPO at Barrows

Fragmentation of the shopper landscape is a feature, not a bug.

Brands and agencies decrying the number of retail media outlets they need to work with are missing the point - the primary benefit of RMNs is their ability to dimensionalize American's fragmented consumer landscape in a relevant way.

To embrace a "Retail First" approach to retail media means embracing how these retailers appeal to their distinctive audiences in genuinely distinctive and meaningful ways.

The Next-Gen Solution:

Powering Retailers in a Fragmented Market

Non-Amazon retailers will drive 80% of US retail growth, yet many RMNs struggle to harness the power of fragmentation. Winning retailers thrive because they deeply understand their **unique shopper base** - but to translate that into media success, they need the right platform.

Zitcha turns complexity into opportunity by:

- **Unifying Media Channels** – Seamlessly integrating onsite, offsite, and in-store media to maximize reach and revenue.
- **Empowering Retailers** – Keeping control with the retailer, ensuring differentiation and first-party data fuel success.
- **Delivering Measurable Growth** – Providing transparent attribution, real-time insights, and incrementality measurement.

In a fragmented market, relevance wins. Zitcha gives retailers the tools to turn their unique shopper landscape into a powerful, scalable media business.

Colin Lewis
Director -
Retail Media Works

EXPERT PERSPECTIVE

“Amazon is a retailer in a technical sense, in the sense that it sells stuff. But that’s about it. Other than that, it acts the same as ANY of the tech companies I’ve worked for, the type of people who work there, the feeling when you’re talking to them - it’s identical to a software company.”

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PART 2:

The Fragmenting Economics of Retail - RMNs are imperative for a retailer's strategic success

An already narrow business margin is getting more challenged by rising labor costs and inflation

As retail has become more omnichannel it has become more expensive – Kroger's operating expenses as a percentage of sales, for instance, has seen its operating expenses increases by 120 basis points as a percentage of sales since 2015 (or $2 billion in today's sales).

At the same time, inflation has helped retailer toplines, but not their profitability. Publicly traded retailers in the US lost 50 basis points of gross margin from 2021 to 2023.

In comparison today, Amazon makes more money selling ads than products or technology, and 24% of Walmart's Q4 earnings came from its advertising and membership businesses.

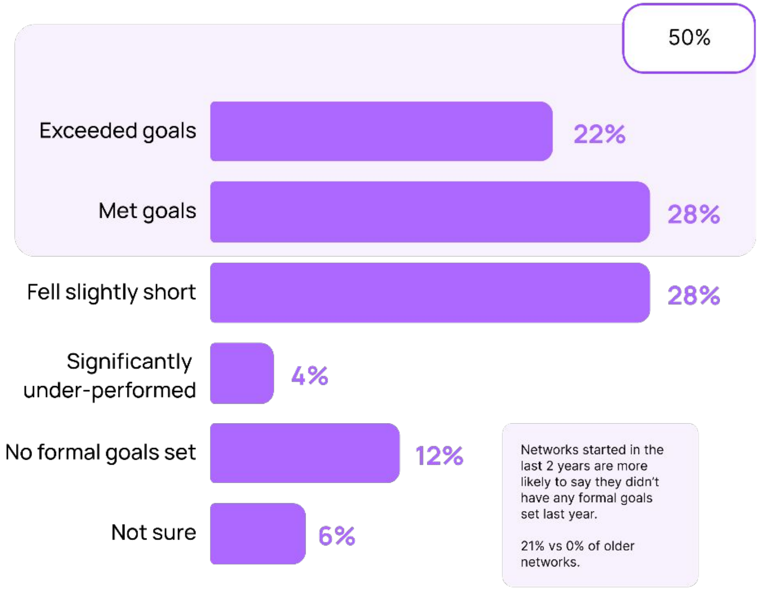
The future viability of retail's economic model will require alternative revenue and profit streams – **retail media is not a nice to have but a must have for retailers driving profitability.**

But today, too many RMNs are underperforming. 50% say they did not meet their performance goals in 2024.

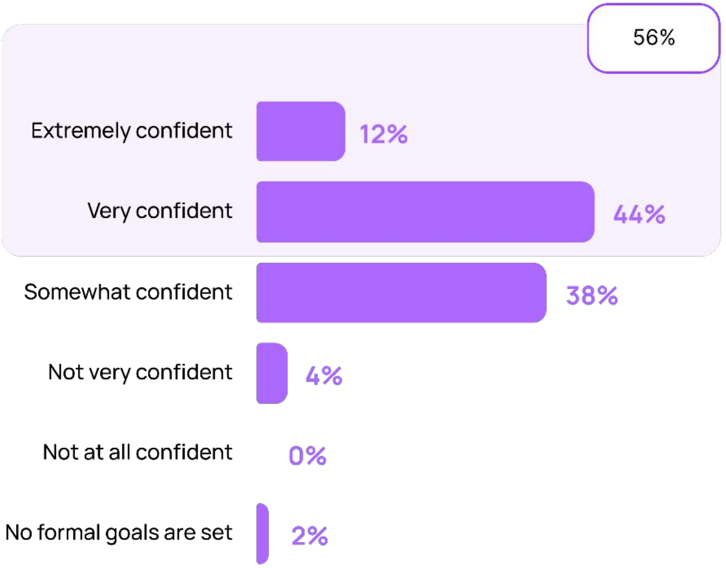
Given this is self reported this is probably a “best case” scenario.

Only 12% of retailers today are “extremely confident” they will meet their goals for 2025 – given the energy around retail media this is probably the highest this number will ever be without retooling how retail media works.

Did your network meet its goals last year?



How confident are you that your network will meet its goals this year?



SOURCE: SKAI STATE OF RETAIL MEDIA REPORT 2025

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Performance in RMNs will be driven as much by their offsite connectivity as their onsite assets.

Claire Wyatt
The Trade Desk

EXPERT PERSPECTIVE

"The reality is that outside of a few large retailers, most retailers don't have the on-platform scale to hit those numbers that they've promised their businesses. So they have to move to offsite media, because that's where they can leverage the audiences and the data that they have across really the open internet.

EXPERT PERSPECTIVE

We see that because of the data assets that we have with Extra Care as well as a whole and the work that we've done due diligently to make sure that we really take care of that asset, understand and identify those consumers and see match rates. We see match rates of close to 90 % on our audiences on a one-to-one.

So if we're driving those kind of match rates and more importantly, we're therefore not modeling very much if anything, right, when it comes to campaign performance. Our campaign performance drives true attribution, right? And then if you layer over the top of that incrementality, we have the ability to really prove efficacy within our portfolio.

Parbinder Dhariwal
VP/GM at CVS Media Exchange (CMX)

Advertisers want ROI, and increasingly want incrementality - and connectivity is the key to driving it.

The pressure is on RMNs to deliver for advertisers – in particular the pressure to deliver incremental sales.

ROAS is increasingly being viewed as a vanity metric – though foundational to media planning RMNs will continue to be challenged to prove incremental sales.

Leading challenges that could slow investment growth to Retail Media according to Retail Media Decision-Makers in North America, Jan 2023
% of respondents

Performance isn't just limited to media - a "first word" approach means retail media should drive retail performance

Sam Walston
Kroger Precision Marketing

EXPERT PERSPECTIVE

It can't be ignored from a merchant's desk. There's a demonstrable influence on their business and it shows up in the volume when media is turned on or turned off. And that's ultimately what our merchant community really cares about: growing the business

The Next-Gen Solution:

Solving the Retailer's Biggest Challenges in Retail Media

Retailers know that ROI, incrementality, and measurement are key concerns - but differentiation and fragmentation are just as critical. Zitcha unifies onsite, offsite, and in-store media in a single pane of glass, ensuring:

- **Seamless execution**: removing silos between retail media touchpoints.
- **Better differentiation**: helping retailers stand out in a crowded market.

By simplifying complexity, Zitcha helps retailers **unlock the full potential of their retail media network.**

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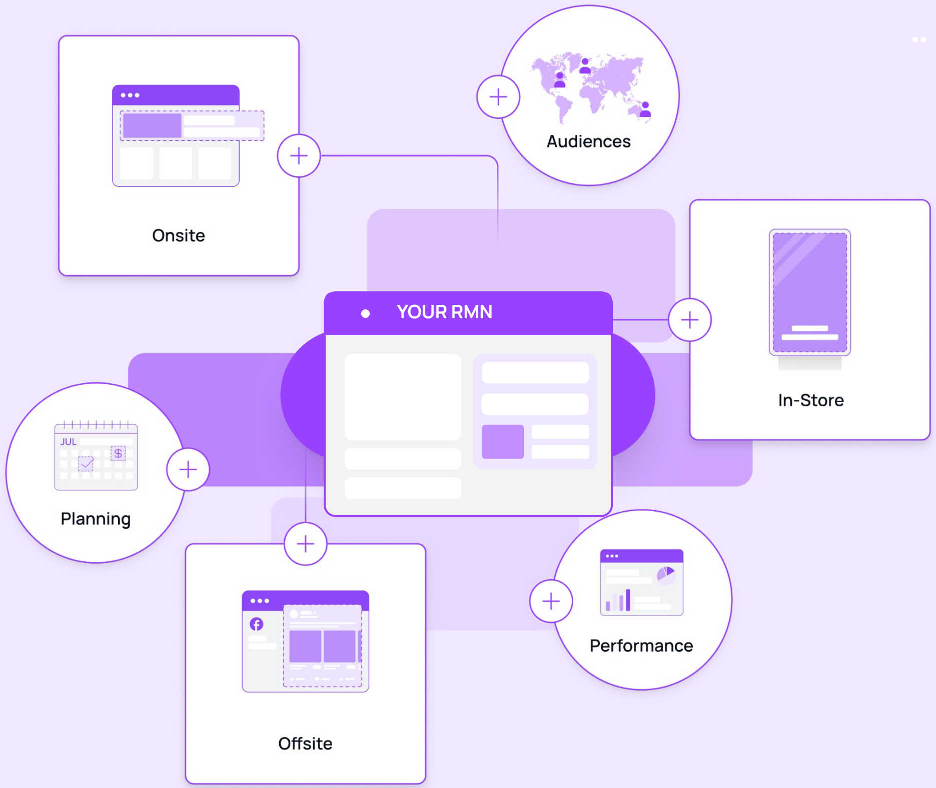
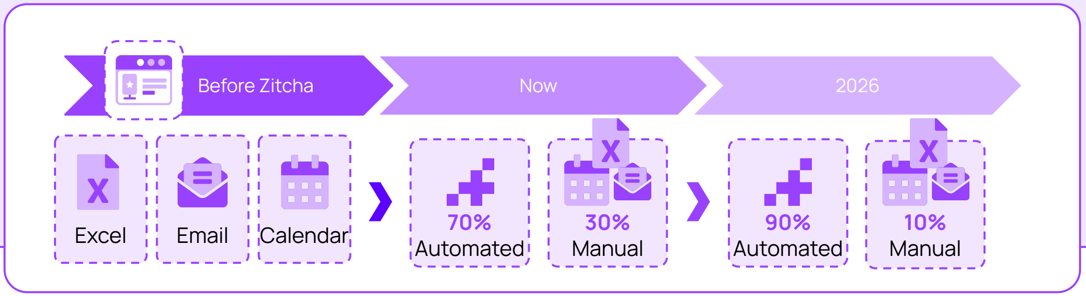




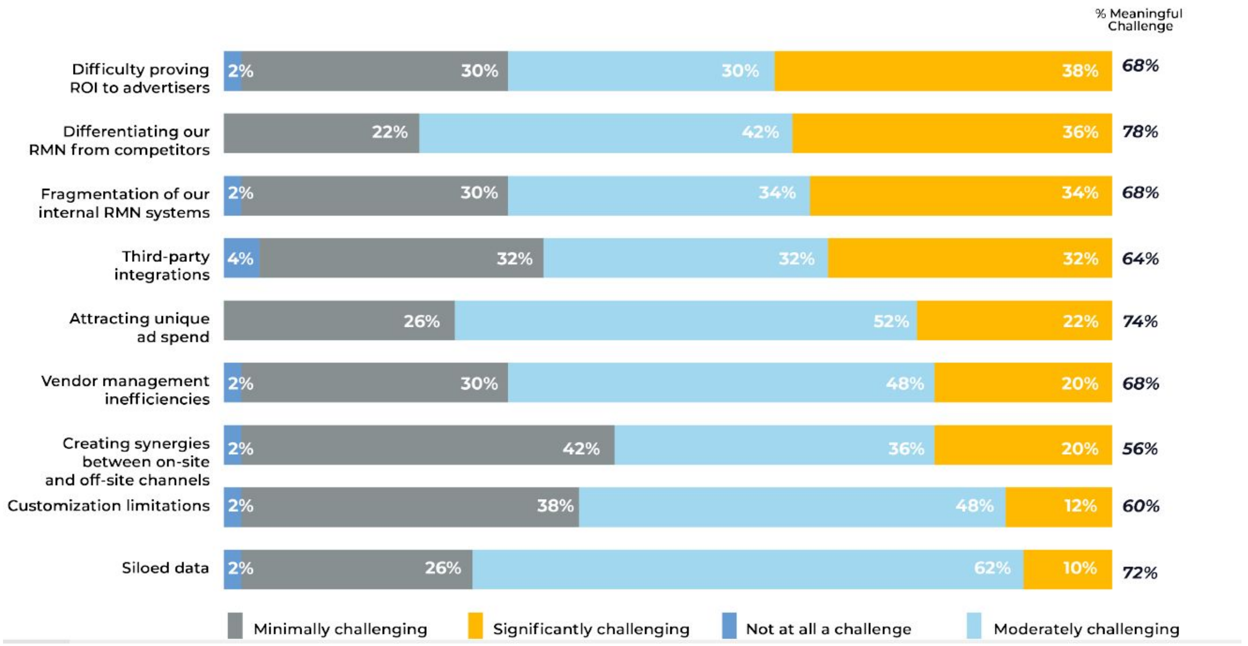
ROI is important to retailers, but they themselves point to 2 other problems.

The narrative in the retail media world today is all about ROI, incrementality and measurement.

These issues are significant, but a retailer-first lens here puts differentiation and fragmentation as equally or more important challenges in the mind of the retailer.

ROI is a critical component, but a retail media solution must solve for all 3 of these need states to meet a retailer's need.

1. **ROI**
2. **Differentiation**
3. **Fragmentation**



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Differentiation for a retail media network rooted in solving pain points or being a truly distinctive asset, powered and enabled by transparency.

Andrea Leigh
Allume Group

EXPERT PERSPECTIVE

"How do you become a destination for brands to invest? I think a great way to do that is finding some sort of differentiator related to some of the key pain points that advertisers talk about relative to retail media. such as data and cost.

So you can win on differentiating on one of the pain points or being able to really prove a case that you have the shopper that that advertiser is looking for."

Steve Biddle
Meta

EXPERT PERSPECTIVE

"An efficient marketplace, any marketplace, retail media network marketplace, anything that operates efficiently operates with transparency. And so you take a look at who are the leaders, they are, probably not by coincidence, the ones that value transparency in their reporting more than the others"

Fragmentation results in disconnection, which makes measurement and true differentiation impossible

Fragmented assets cause disconnection, and that disconnection hurts a retail media network's quest for differentiation in 3 key areas.

Platforms

Many retailers use one solution for onsite/search, another for offsite, do isolated offsite work through disconnected walled gardens like Meta. This disconnection reduces the retailer's ability to work with advertisers to develop differentiated solutions, especially when these standalone platforms are often run by the same companies across retailers.

Data

The data components are all disconnected – DSPs, CRM systems, loyalty programs and transactional data sets were all designed to do different things. These systems do not connect to drive the truly differentiated proposition an excellent and specialized retailer network should deliver.

Organizational siloes

Create an inability to plan in a truly integrated way – the differentiation for retailers would live in the ability to bring a proposition to life in a distinctive way. Reducing ad inventory to simple biddable keywords creates the same lack of differentiation faced by much of the digital advertising landscape today.

Transparency is an essential part of retail media performance.

The Next-Gen Solution

Through connected platforms & data

Retail media solutions need to connect these disconnected assets, to help retailers build differentiated offers for advertisers.

The best models for this world will be API driven, easy to connect to existing workflows and have strong partnerships with key off-platform assets

EXPERT PERSPECTIVE

> I would get just so supremely frustrated with black boxes and narratives of just trust us, or we have this AI, or we have this measurement, just trust our methodology. I was like, sorry, I know you have smart people who work there, unless I can touch it and unless I can feel it, I'm not going to trust it.

Claire Wyatt,
Reflecting on her time at Roundel and Albertson's Media Collective

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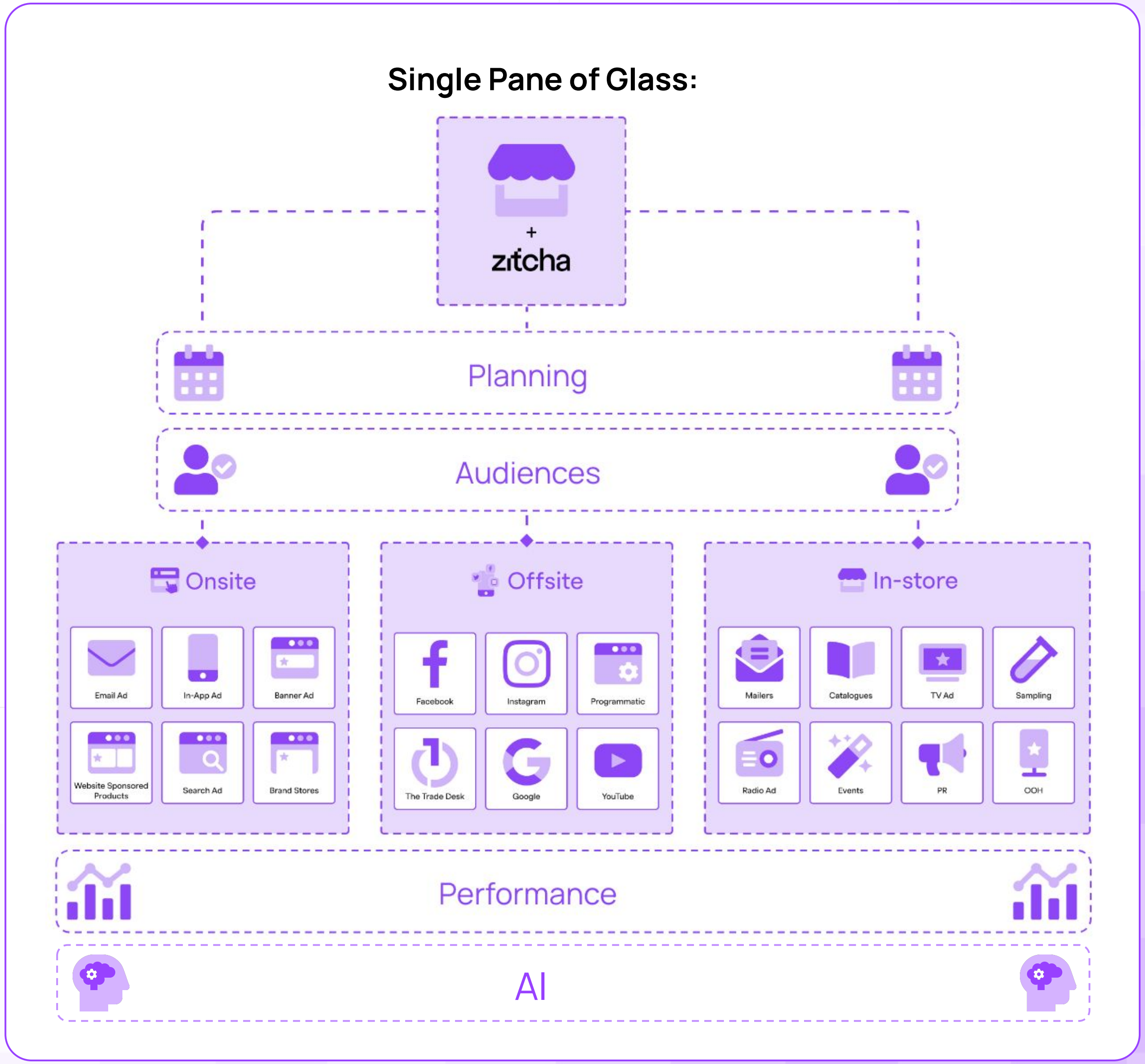
The Next-Gen Solution

Retail media success depends on differentiation. An all-in-one omnichannel solution brings real value by eliminating silos and improving efficiency.

Fragmented tech stacks slow retailers down. By unifying onsite, offsite, and in-store media under 'a single pane of glass', Zitcha makes retail media simpler, smarter, and more effective - ultimately driving better results.



For retailers, cross functional alignment will be critical to RMN success, and the platforms that power their RMNs must enable this cross-functional visibility.

EXPERT PERSPECTIVE

That's one of the drivers of us bringing together our solutions under one portfolio - our media, insights and loyalty arms. It's helping us demonstrate a connected conversation back with our merchant partners

Sam Walston
Kroger Precision Marketing

EXPERT PERSPECTIVE

For example, you know, if you know that there is an event that's taking place close to a CVS, how do we think about assortment within that CVS in order to cater for the volume that we're going to get through our stores as a result of that event? There's many different use cases but this has to be technology powered and enabled as we think about assortment and also supply chain really coming together to deliver best-in-class merchandising that is now custom built for our local communities.

Parbinder Dhariwal
CMX

Michal Geller
Former SVP of Global eCommerce Marketing and Product, Pepsico

EXPERT PERSPECTIVE

Advertisers are also breaking down organizational silos to optimise Retail Media investments.

“We (Pepsi) kind of set up like a solid dotted line relationship for the digital marketing team. We call it there, but it was really the retail media team, which was there. They functionally lived within a marketing media team, but they had a dotted line into their sales team. And what we did was we actually would hold them accountable to their sales team goals as well”

The Next-Gen Solution

Maximizing the **value** of your Retail Media Network

Retailers struggle with fragmented tech, disconnected teams, and inefficient execution. Zitcha removes these barriers by bringing everything together in a single pane of glass.

Whether you're launching, scaling, or optimizing your network, Zitcha ensures you get the most from your investment - now and into the future.

Full-Funnel Campaign Management

Plan, execute, and measure campaigns across onsite, offsite, and in-store with full visibility in one platform.

Seamless Revenue Growth

Monetize retail media with self-service, automation, and scalable brand partnerships.

Proven Performance & Insights

Measure success with real-time reporting, AI-driven attribution, and MMM analytics.

Better Brand & Customer Experience

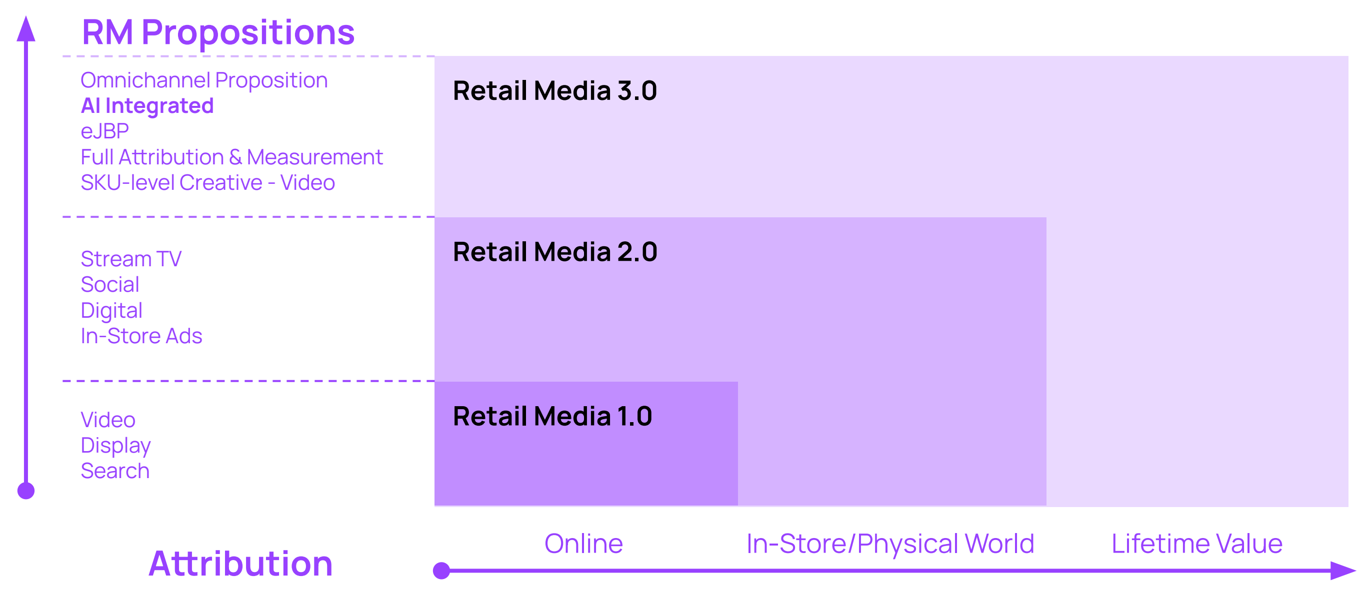
Personalised, seamless ad placements that enhance - not disrupt - the shopping journey.

Scalable & Flexible Architecture

Designed to adapt to marketplaces, franchises, and any retailer business model.

PART 3:
The fragmenting retail model - the changes in onsite and offsite require a new approach to drive RMN.

Too many retail media conversations today are not grounded in how retail itself is changing – retail media will not be effective unless it moves at the speed of retail's evolution



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The future of “1P” ecommerce: Digital on-platform today

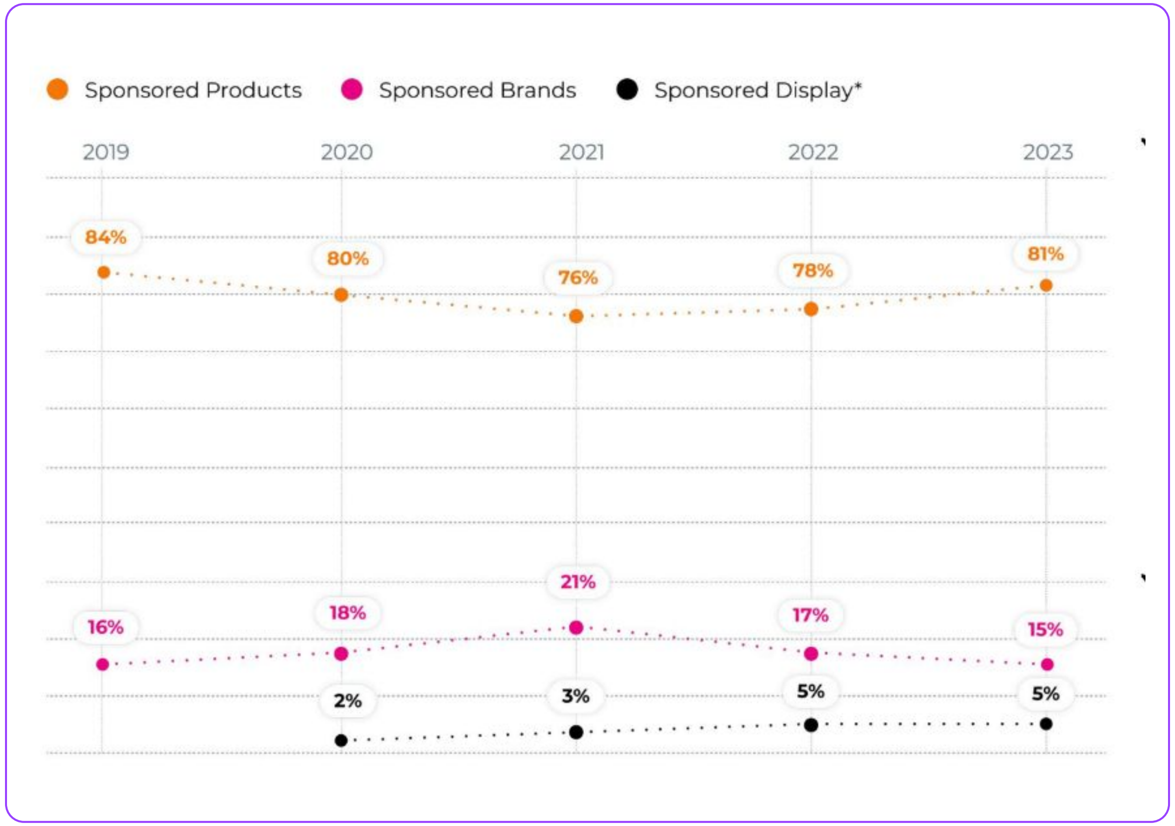
ONSITE EVOLUTION

Over half of all American retail media spend is buying keywords on Amazon. This chart from Jungle Scout breaks down Amazon advertising spend by ad unit type - 81% of Amazon spend is sponsored product spend.

For most RMNs, this breakdown in share of spend is probably fairly consistent - if not even more biased to search-related inventory.

The question for the future is what happens to retail media as search evolves into keyword-free AI? As online content evolves how will brands keep up with the content demands of this media platform?

Increasingly, as AI powers replenishment shopping a more full funnel approach will be required to make shoppers aware of new products or encourage brand switch.



SOURCE: JUNGLE SCOUT (DATA)

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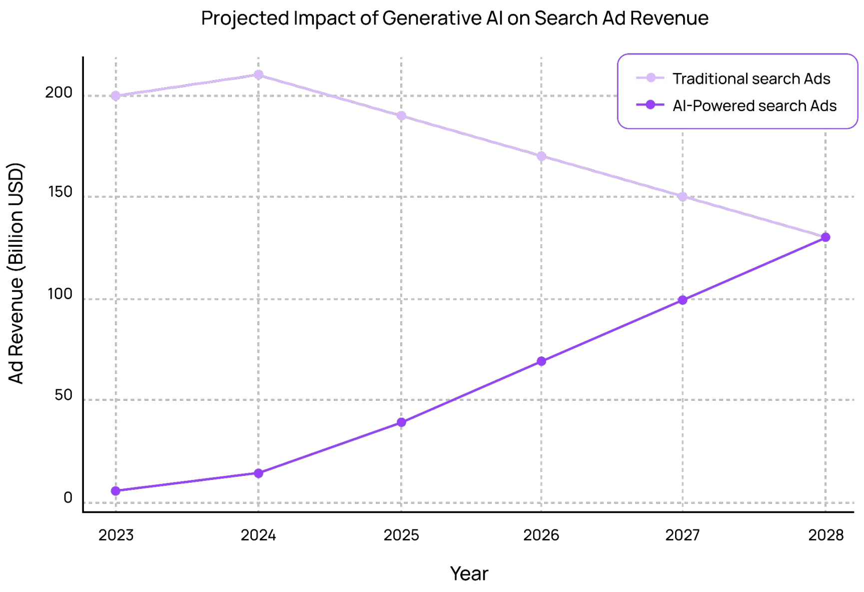
Search disrupted: Gen AI vs. search

ChatGPT itself forecasts catching up to traditional search by 2028.



Andrea Leigh
CEO ALLUME Group

EXPERT PERSPECTIVE

"Search is now about more than just keywords. It includes all sorts of context from images, from the who, what, when, where, why of the product...and in addition, it's often including information that's not on the site as well"

"I don't think that they're gonna let their advertising business growth slow down. So I think it's gonna be interesting to see what they start to monetize and how that might be different from just keyword monetization."

ONSITE EVOLUTION

ONSITE EVOLUTION

The future of stores

The largest "onsite" platform for most retailers is their physical site

From a media perspective, "in-store" is a completely different media ecosystem than onsite digital - for the retailer though they have far more in common than that. They are selling platforms that present item selections and drive conversions. It has become part of retail media canon today that almost all retailers have more unique visits to their stores than to their digital assets – meaning that in-store media is "the next frontier" and one with exciting potential for growth.

Opportunities include:

- Non-retail space assets like entryways
- Front-end/register
- Had TV at many checkouts for years
- "Above the fray" assets atop shelves
- Rotational/promotional space like end caps
- Core in-aisle merchandise

As the media gets closer to **"The First Moment of Truth"** (shopper conversion) the conversation needs to transition away from this being another form of DOOH media and more integrated into a commercial business plan.

Without the right tools and capabilities, leveraging this potential goldmine of advertising inventory and potential will be impossible.

SOURCE: JUNGLE SCOUT (DATA)

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The future of in-store media transforms engagement and conversion

EXPERT PERSPECTIVE

We've intentionally tested many ways to bring in-store media technology to life in a way that's authentic and additive to the shopping experience. We've found that digital screens can be functional and inspirational – while also being more precise and timelier than traditional signage

Sam Walston
Kroger Precision Marketing

EXPERT PERSPECTIVE

Right in the middle, they had a four foot by one foot visual screen, high def, that just drew your eyes straight away. Whatever was on that, you were buying because it solved the decision making problem. It reduced the cognitive load straight away. And as soon as I saw it, said to them, said, you should be selling this every 10 seconds or 20 seconds to every tonic manufacturer in the world because they will want that. And fact, they could throw out their whole marketing budget and do nothing else

Colin Lewis
Director -
Retail Media Works

In-store media is a complex orchestration of stakeholders to create and plan it best. As Tim Bagwell says,

"The store space has so many different kind of stakeholders that have to be aligned perfectly in order for you to bring a digital monetization product into the store"

Tim Bagwell
Barrows

EXPERT PERSPECTIVE

"Mostly that you have to understand that in-store digital media is not a technology problem. It's really an orchestration problem. You really have to have a community, but you have to have a strong kind of a operational muscle that knows how promotional calendars work...

We hear from retailers concern about the stores becoming Times Square or Las Vegas. And a lot of times that's because the content is disparate. It's multiple different content creators across different agencies delivering content into a store"

ONSITE EVOLUTION

The future of marketplaces

Today the two major RMNs that feature a robust 3P marketplace that drives and changes demand for on-platform media are **Amazon Ads** and **Walmart Connect**. These ecosystems will leverage the 3P network to create bid velocity for auctionable assets – as their scale makes them a strong investment play for 3P sellers.

Without this scale, other retailers are going to need to go to market with well developed use cases and strategies for their 3P ecosystem

- Deep category expertise
- Other resonant products and services for target audience (H-Mart's Asian gifting for instance)
- An interesting opportunity for non-endemic advertising to reach non-endemic services

A retailer trying to win in with their RMN without a well developed and tightly integrated 3P marketplace strategy is fighting a battle for relevance and profitability with one hand tied behind their back.

Bryan Gildenberg

Founder/CEO
Confluencer Commerce

EXPERT PERSPECTIVE

I find that 3P Advertisers Drive RMN Value Above And Beyond The 1P Network In 3 Specific Ways:

1. It's the ability to it's the ability to find value in inventory that another brand may not see.

2. It's as a percentage of sales, the dollars that a third party seller may spend on advertising may be far greater than a a than a than a more established brand because their objectives are different.

3. Or the third piece is is that because they're trying, because they're in more straight up growth mode, they don't cap their budgets the same way that a large brand does.

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The Next-Gen Solution

ONSITE EVOLUTION

Retailers need flexibility, not platforms built for yesterday's retail media landscape. As AI reshapes Retail Media, digital shelf strategies evolve, and new monetization models emerge, retailers need a solution that adapts with them - not holds them back.

Zitcha provides the control, transparency, and agility retailers need to stay ahead in an ever-changing onsite media environment.

Ease of Use = Stronger Merchant Adoption

A simple, intuitive platform that merchants actually use - bridging the gap between trade marketing and retail media.

Freedom from Legacy Systems

Zitcha future-proofs retailers with a flexible, easily integratable solution that evolves with new tools, techniques, and data streams.

Shopper & Trade Dollar Transparency

Unlocks clearer insights into in-store demand creation, ensuring media and merchant teams work in sync.

Powering 3P Growth with Marketplacer

Through our global partnership with Marketplacer, Zitcha helps retailers optimize 3P media strategies, unlocking new revenue potential.

OFFSITE EVOLUTION

Blurring lines between content and commerce, is everything retail media now?

Even before the advent of GenAI's disruption of search, social media was already playing an active role here - with over 50% of product discovery amongst young shoppers happening through social media rather than a traditional search bar.

Integration with key social platforms will be foundational to the success of an RMN as retail itself is fully transformed into its new, **"always on" era.**

By the numbers:

Asked where they most often discover new products, 18 to 27 year-old consumers said:

- Instagram: 30.4%
- TikTok: 23.2%
- Google: 18.8%
- YouTube: 14.5%

EXPERT PERSPECTIVE

"I think the offsite space is still very nascent, still developing, and rightfully so, because again, the measurement, going right back to that first point, wasn't where it needed to be to give the end advertiser enough confidence to be able to push for more of those places where it performs the best"

Steve Biddle
Meta

Incrementality fueled by new to brand: by connecting offsite to onsite and instore.

Steve Biddle
Meta

EXPERT PERSPECTIVE

At the end of the day, a RMN wants to generate rationally as much revenue as possible from their existing advertisers and new advertisers, net new advertisers.

And every single one of them are going to ultimately want to reinvest dependent on that performance. These end advertisers today see incomplete pictures of what their investments are doing.

Their goal is ultimately an efficient holistic strategy that includes on-site and off-site, specific to on off-site, where are they getting the greatest performance? And that is ultimately a viewpoint, an advantage point that they're not getting clearly today. So as you also take in that increased emphasis on incremental return on ad spend. **think understanding who is sort of new to the brand, a buyer that they've not had before, where are they getting that buyer?**

Is that buyer discovering that new variant on Instagram? Are they driving to the retail site? This is where they're spending their time. They're spending a tremendous amount of time on properties, particularly on Meta.

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The Next-Gen Solution

Zitcha's proprietary API connections to leading offsite networks and partners help retailers extend their reach beyond their owned properties.

- **Seamless Integration:** Activate offsite campaigns directly from your retail media network.
- **Full-Funnel Impact:** Engage shoppers across social, programmatic, and DOOH to drive awareness, consideration, and conversion.
- **Retailer Control:** Maintain transparency, optimize performance, and unify reporting across all media channels.

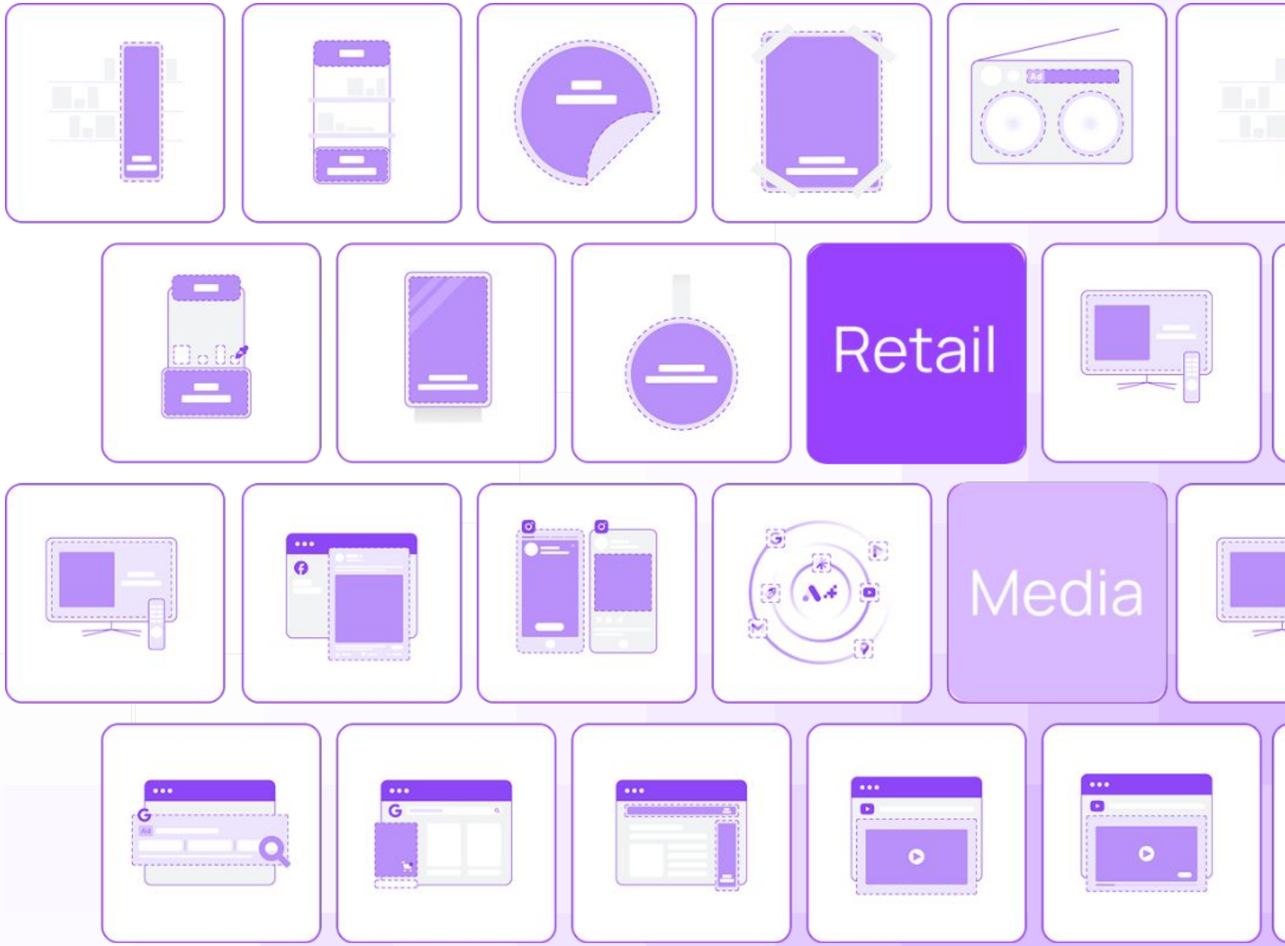
With Zitcha, retailers can maximize offsite opportunities while keeping their RMN at the **center of their strategy.**

PART 4:

The fragmenting media ecosystem - how changes in tv, search and social require transparency, ease and integration from your RMN solution.

Retail media is media - and therefore part of the whirlwind of changes impacting the broader media ecosystem. The final place where fragmentation comes to life is in media itself. Winning retail media platforms will help overcome this fragmentation - connecting retail media in powerful new ways in particular to CTV and social commerce.

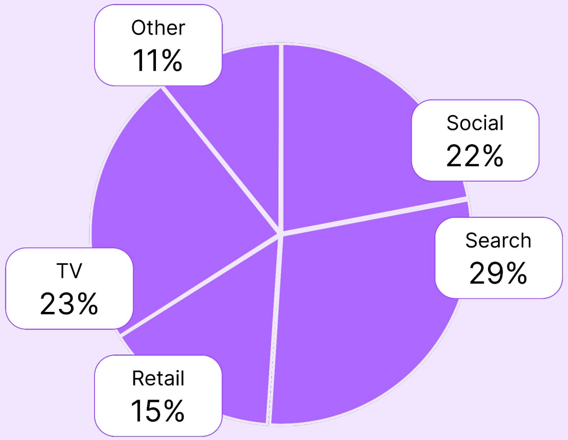
This media fragmentation often creates a frankenstack problem to solve. Each system managing each piece of the media ecosystem was built to accomplish that specific task. Transparency, ease of use and integration are the antidote to the disruptive fragmentation of the media world.



Media today is 65% pure digital

The media ecosystem continues its drive to digital, but that "digital" ecosystem is becoming more complex.

Every aspect of digital media is growing faster than the media market overall - and retail media, CTV and social are all growing more quickly than search. And retail media will have essential connections to CTV and search.



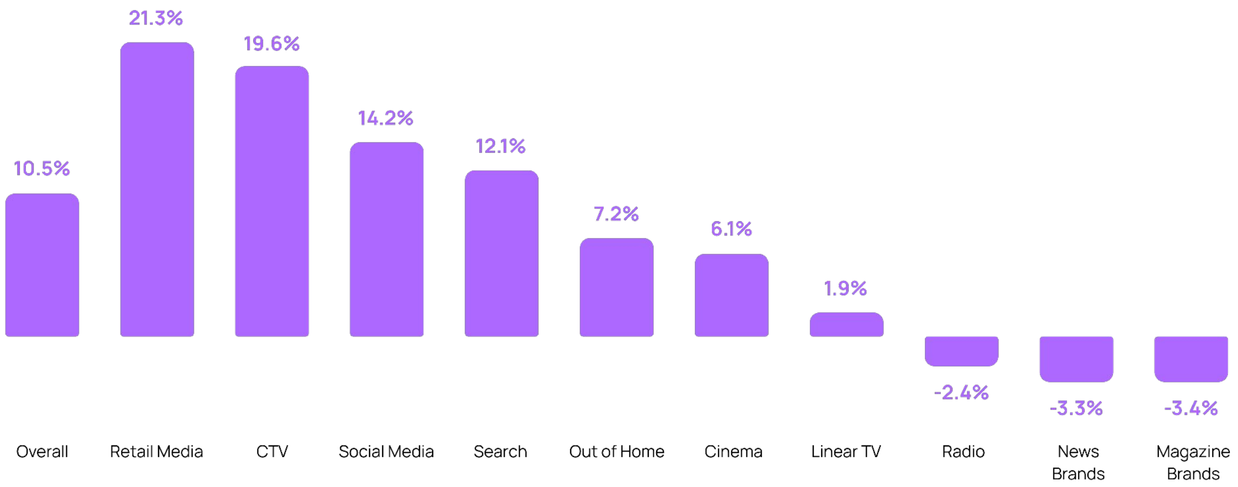
Digital marketing is fragmenting as retail media, CTV and social lead growth over search

As the below chart indicates half of all the media spend in the world goes to search or social advertising, while the other half splits between TV, retail, OOH and other fragmented ecosystems. Based on its current growth trajectory, retail media should pass linear television as the 3rd largest media platform on earth in 2025 or 2026.

These pillars are all driving digital media's accelerated share growth of total media spend.

Forecast Global Ad Spend gross rates in 2024, by Medium

% change year-over-year I select media



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TV disrupted: CTV vs. linear TV

The shift from connected TV to linear TV has been rapid, but has not shifted anywhere near as fast as human attention has – CTV will pass Linear TV in the US in 2025 in hours watch but is still only 1/3 of the ad spend.

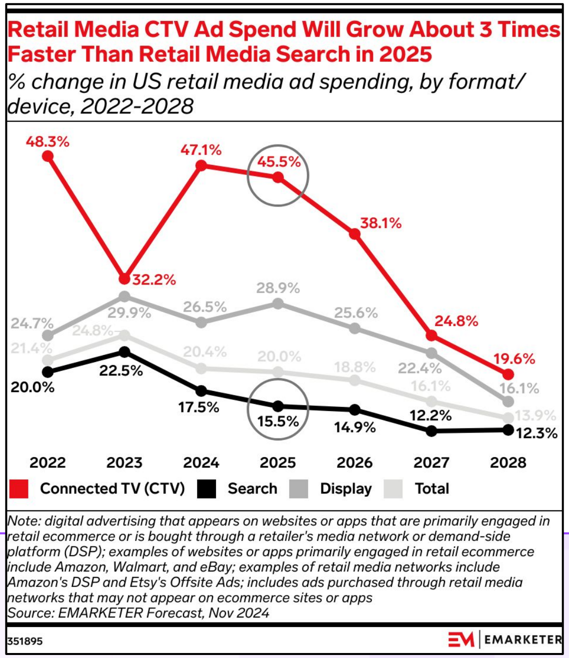
Retail media and CTV are the two fastest growing media platforms in the US, and their ability to deliver an ID-based full funnel solution should make the combination of the two a major accelerant for retail media network growth.

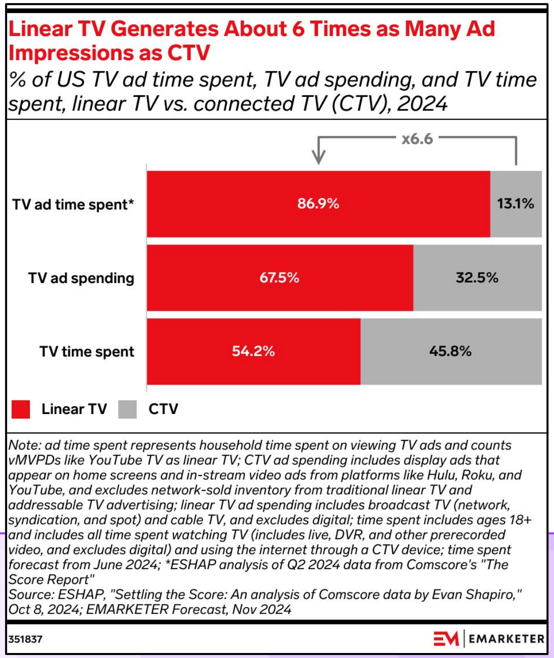
Claire Wyatt
The Trade Desk

EXPERT PERSPECTIVE

Better data from RMNs will go hand in hand with the evolution and growth of CTV.

Cause I think right now we're still at the early stages where you're seeing kind of the same ads over and over again. And my assumption is it's just because the inventory is not there. So that's really my hope is that more advertisers come into this space. And then I think especially as you have identity, you can tell a story with ads.



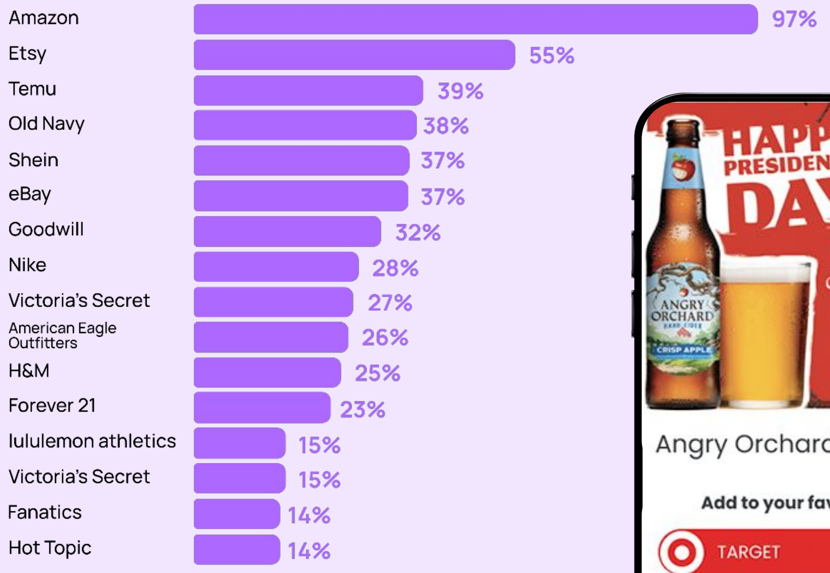


Social Media and Commerce

Off platform programs for retailers are increasingly commerce enabled, and the social media landscape itself is increasingly carving out its own commerce connection to shoppers. At the same time, 97% of TikTok users shop on Amazon, and other RMNs **need** to disintermediate this direct connection whenever they can with smart, full-funnel campaign management.

Share of US TikTok shoppers who shopped at selected retailers in the past 12 Months, Feb 2024

% of total TikTok Shoppers



Andrea Leigh
CEO, Allume Group

EXPERT PERSPECTIVE

The evolution of social commerce and retail media - winning in retail media and social is "Retail First":

"So I actually think it comes down to some of the brilliant basics. First you have to really build your brand as a retailer. You have to be top of mind...

But I think also you have to have really strong on-site search. And that's an area that is evolving a little bit because when the shopper leaves TikTok, they actually have to take an action on a retailer site. They're not being sent directly to the product page in most cases. And so it's really having strong search so that the shopper can quickly find and efficiently find the product and buy it"

Frankenstacks & Data Disconnects

Any strategic initiative that seeks to break down siloes is going to run into the challenge of disaggregated tech stacks that were born to solve the problems inherent to that specific silo.

Retail media and its solution architecture have an acute version of this problem. All of the major systems deployed to help manage it are to some degree reverse engineered from other use cases.

Steve Biddle
Meta

EXPERT PERSPECTIVE

Frankenstacks are the enemy of the transparency essential for RMN success

"An efficient marketplace, any marketplace, retail media network marketplace, anything that operates efficiently operates with transparency. And so you take a look at who are the leaders, the ones who are at the forefront of trying to work with a meta to try to understand what this trusted measurement looks like. There also happen to be, probably not by coincidence, the ones that value transparency in their reporting more than the others. And I think that that's probably one of the more defining characteristics of leaders"

MEDIA FRAGMENTATION

The Next-Gen Solution

Transparency, ease and integration are essential for RMNs to find their place in this changing media landscape.

Transparency

Visibility into different buckets of spending critical to orchestrating an integrated campaign

Ease

More people with very different experience levels and areas will need to work together to make these campaigns work

Integration

Siloed platforms, audiences and data will not work in this increasingly interconnected media landscape.

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The Next-Gen Solution: Zitcha

PART 1:

The Fragmenting Retail and Shopper world - Retail media platforms need to be "Retail First" as a wide range of retailers with a wide range of models and approaches will win in the US marketplace and advertisers need to find it easy to embrace this range of models and approaches to win in the market

PART 2:

The Fragmenting Economics of Retail - and the RMN Imperative – an RMN partner needs to be powered by a tool that allows seamless connectivity of their data, workflows and teams to drive the profits from an RMN vital to their future competitiveness

PART 3:

The Fragmenting Retail Model - as on—platform and off-platform both evolve and change, an RMN partner that's Built For Retail essential to success

PART 4:

The Fragmenting Media Ecosystem - RMNs need the agile interconnectedness of a nimble tech partner and system to capitalize on the changing media world, and ensure they win more than their fair share of retail growth!

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Next-Gen Retail Media Platform