



IAB EUROPE'S ATTITUDES TO RETAIL MEDIA REPORT

July 2024

Executive Summary	Page 3
Introduction	Page 4
Methodology & Respondent Overview	Page 5
Current Adoption & Strategies	Page 6
Drivers & Barriers	Page 15
Measurement & Metrics	Page 19
Future of Retail Media	Page 21
Summary	Page 22
Contributors	Page 23

The inaugural Attitudes to Retail Media Report highlights the following trends.

1. Retail media adoption still nascent

Retail media adoption is still in its early stages, with only 50% of buyers having partnered with a retailer or retail media network (RMN) for more than a year. The level of maturity of buy-side retail media strategies also varies widely.

2. Spend is largely being diverted from other marketing budgets

Half of buyers are diverting investment from other marketing channels or budgets for retail media spend. Linear TV and performance budgets are the areas that are seeing the most buyers shifting spend from.

3. On-site opportunities dominate investment

The majority of retail media investment is currently focused on on-site opportunities, leaving room for growth in off-site and in-store advertising. It is expected that these areas will see expansion over the next 12 months as retailers develop their retail media offerings.

4. Accessing retailer data and reaching shoppers at the point of sale (POS) drives investment

The primary drivers for investment in retail media include gaining access to retailer first-party data, identified by nearly 90% of buyers, and the opportunity to reach consumers at the point of sale, as noted by three-quarters of buyers.

5. Fragmentation and lack of standards hinder investment

Challenges such as the fragmentation of retail media networks and the lack of standardisation are significant barriers for nearly 60% of buyers when considering investing in retail media. On the sell-side, retailers face obstacles in terms of operational elements and technological requirements for developing a retail media proposition.

6. Measurement options & audience reach are key RMN evaluation criteria

When evaluating retail media networks, around three-quarters of buyers consider measurement options and audience reach as key criteria to assess RMNs operating within the same category.

In order to understand the status of retail media across Europe on both the buy-side and sell-side of the digital advertising industry, IAB Europe's Retail Media Committee developed the Attitudes to Retail Media survey. The study is intended to be undertaken on an annual basis to provide an industry benchmark for retail media adoption, drivers, barriers and growth areas.

The survey provides valuable insights to help define the status of retail media and shape future growth areas. It also acts as an indicator to any barriers that need to be addressed in order to unlock further investment.

The survey asked about the following areas on the buy and sell-side:

- Retail media investment levels and partnerships
- Levels of maturity and internal structures for retail media
- Investment drivers and barriers
- Measurement and metrics used for retail media
- Future growth areas

The report has been written using insights from IAB Europe's Retail Media Committee members and forms part of a comprehensive programme of educational and insight outputs on Retail Media in Europe.

An online survey was distributed via email to IAB Europe members and the wider industry. With the additional help of our network of National IABs and Federations, operating in over 27 European countries, it helped to ensure a representative sample across European markets. The survey received over 160 respondents between April and May 2024. The responses came from advertisers, agencies and retail media networks in 31 markets, with respondents having both pan-European and Global remits.

The majority (80%+) of the respondents manage annual advertising budgets of €1m or above and 60% of them invest more than 41% in digital advertising. Many of the respondents were either Heads of Retail Media or Media Directors.

Figure 1: Breakdown of Respondents by Stakeholder Type

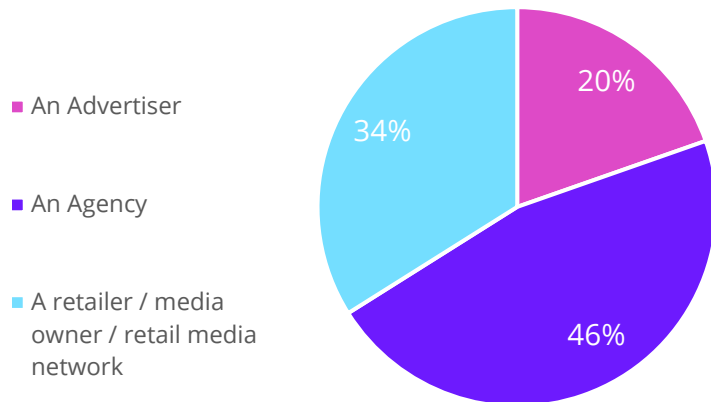
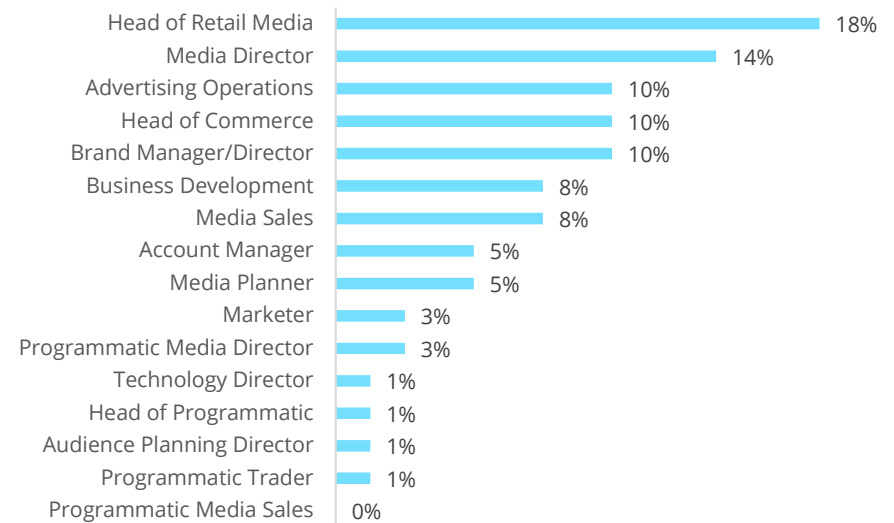


Figure 2: Breakdown of Respondents by Job Role

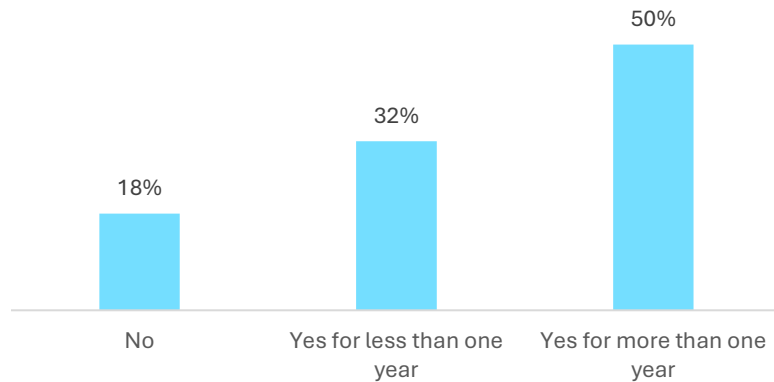


Retail Media Partnerships – Nascent but Lots of Opportunity for Growth



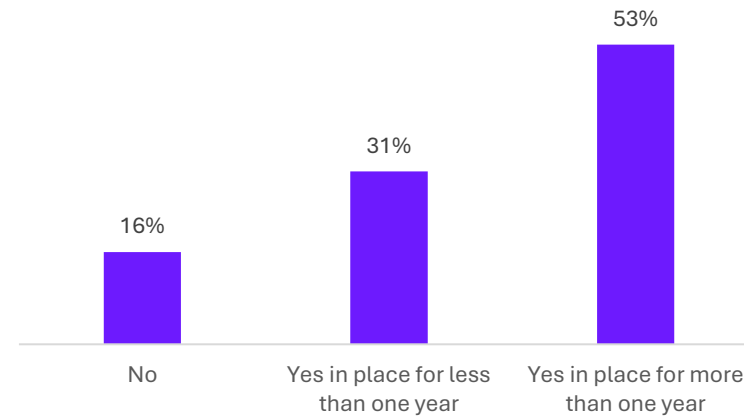
Of all buyers surveyed, 50% have been partnering with a retailer for more than one year whilst just over half of retailers have had an offer in place for more than one year. Of the 18% of buyers that are not yet partnering with retailers, 78% said that they intend to in the next 12 months. 16% of retailers don't yet have a retail media proposition in place but 43% of those said they plan to develop one in the next 12 months.

Figure 3: Buy-side Stakeholders Partnering with RMNs



Q. Are you currently partnering with any retailers to advertise to / reach your consumers?

Figure 4: Retailers with a RM Proposition



Q. Do you have a retail media offer in place?

“Unilever Benelux, an early adopter of Retail Media, has witnessed its prominence increase in the media mix over the past year. Consequently, we’ve established a working principle with our Key Strategic Retail Media Networks, which we internally refer to as ‘the Golden Retail Media Triangle.’ It represents a strategic collaboration between our newly formed dedicated Retail Media team, our media agency, and the Retail Media Network itself. By collaborating at a higher strategic level, we enhance agility, increase our impact, and able to position ourselves as market-makers.”

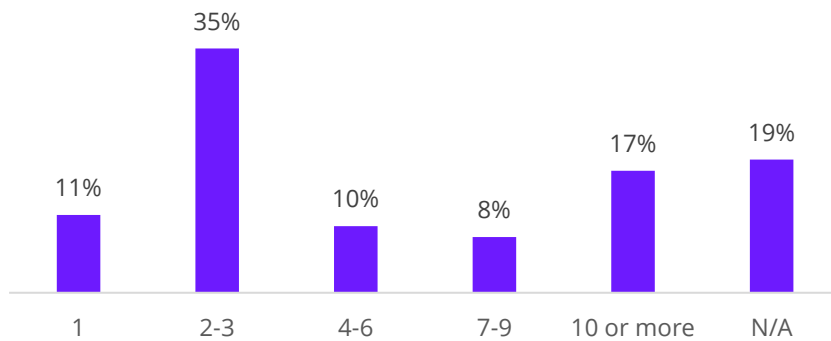
Casper van Wandelen, Retail Media Lead, Unilever Benelux

Buyers Have Positive Experiences with RMNs



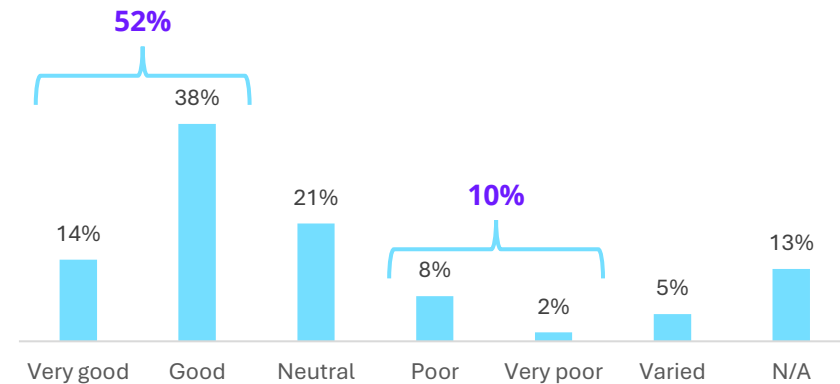
Just over a third of the buy-side say they are partnering with 2-3 retail media networks. In terms of experience of working with these RMNs, just over half (52%) say their experience has been good or very good with just 10% saying it has been poor or very poor.

Figure 5: Buy-side RM Partnerships



Q. How many retail media networks are you working with?

Figure 6: Buy-side Experience of Working with RMNs



Q. How has your experience of working with media partners in the retail / distribution sector been so far? (NB: we are only interested in the data, media and tech solution provided by the retail media partners)

Budgets from TV are Moving to Retail Media

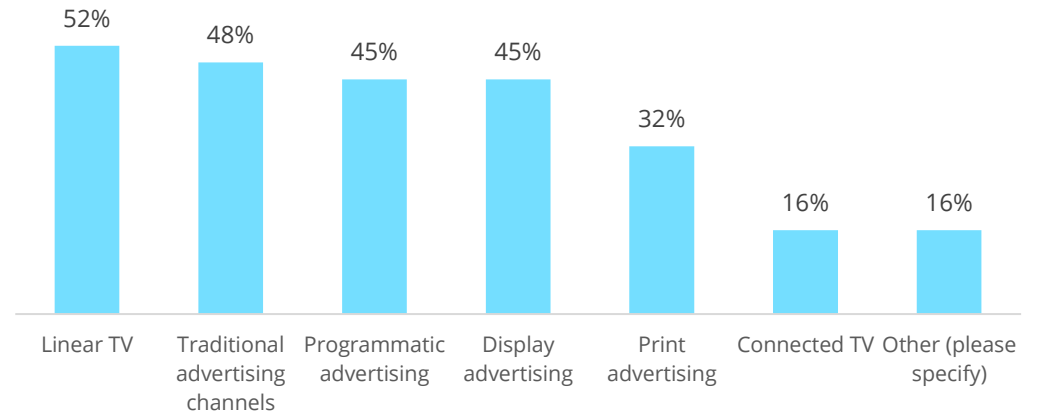


Half of all of buyers are re-allocating spend on retail media ads from other ad channels / budgets and less than a third (28%) are creating new budgets.

In terms of the channels that spend is being shifted from, linear TV (52%) is top, closely followed by traditional advertising channels (48%) and programmatic and display (45%) advertising.

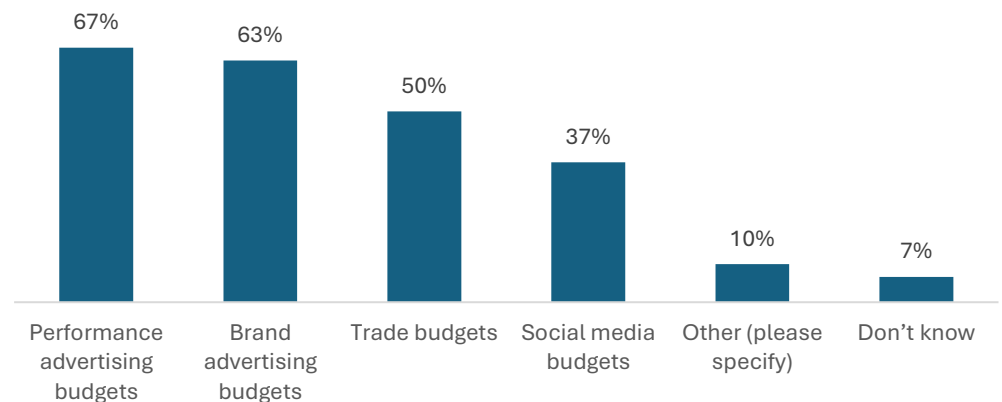
The survey also asked which budget areas are shifting into retail media and the top two were performance (67%) and brand (63%). It is worth noting that whilst some retailers have created separate media organisations (usually referred to as a retail media network or RMN), some more nascent retailers still bundle media into vendor negotiations (e.g. on-site banners are included as part of the vendor deal) and therefore this media is not yet reported as media spend or revenue. We can expect to see more separation over the coming years and an increase in reported retail media spend and revenue.

Figure 7: Buy-side Ad Channel Investment Shifting to Retail Media



Q. Which channel(s) is this being shifted from?

Figure 8: Buy-side Ad Budgets Shifting to Retail Media



Q. Which budget(s) are you shifting spend from for retail media investments?

Investment Levels – On-Site Dominates

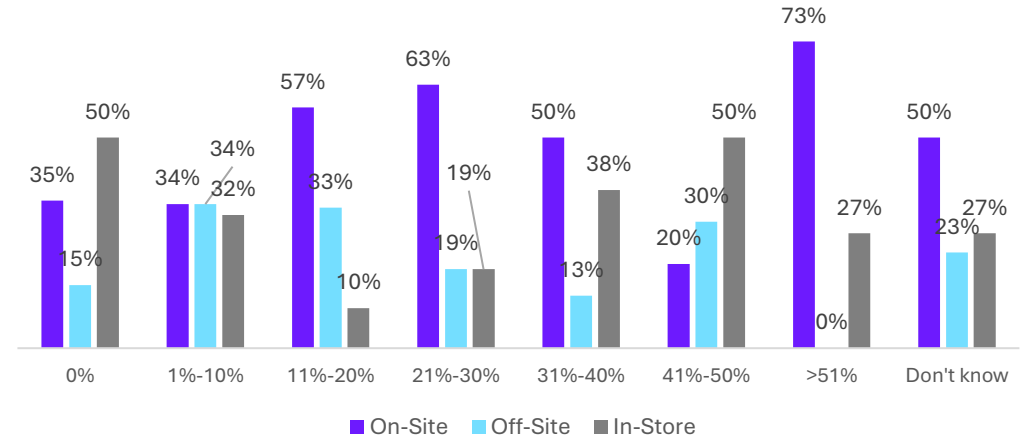


More than 90% of buyers are investing more than 41% of their digital ad budgets into on-site whilst 83% are investing less than 20% in off-site. There is still room for growth in in-store too as just 27% are investing more than 51% of their digital ad budgets in-store.

Unsurprisingly then, 26% of retailers get more than 50% of their revenues from on-site ads whilst this is just 12% for off-site and 18% for in-store.

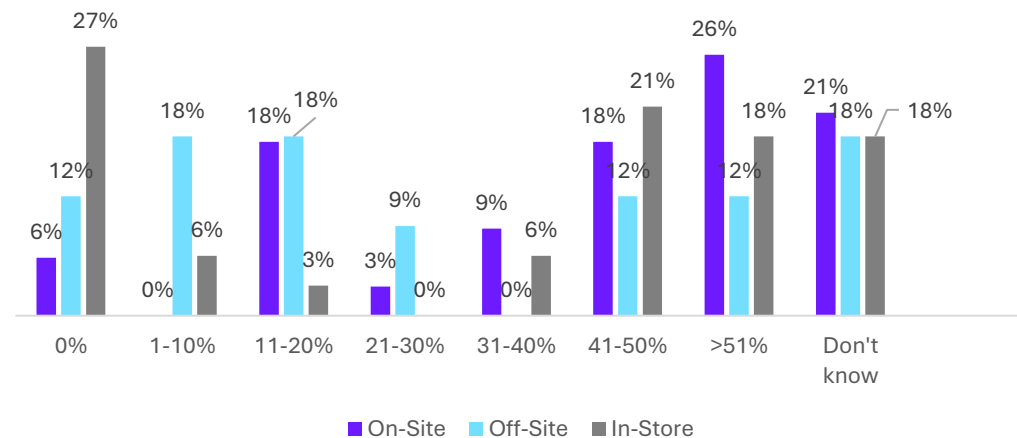
In terms of what is available; 41% of retailers and RMNs offer on-site ads; 30% offer off-site; 26% digital in-store and 41% all of the above.

Figure 9: Buy-side Investment in Retail Media



Q. What percentage of your company's digital advertising investment is allocated to digital retail media ads (on-site, off-site and digital in-store)?

Figure 10: Retailers / RMNs Retail Media Revenue



Q. How much of your retail media revenue comes from on-site, off-site, in-store?

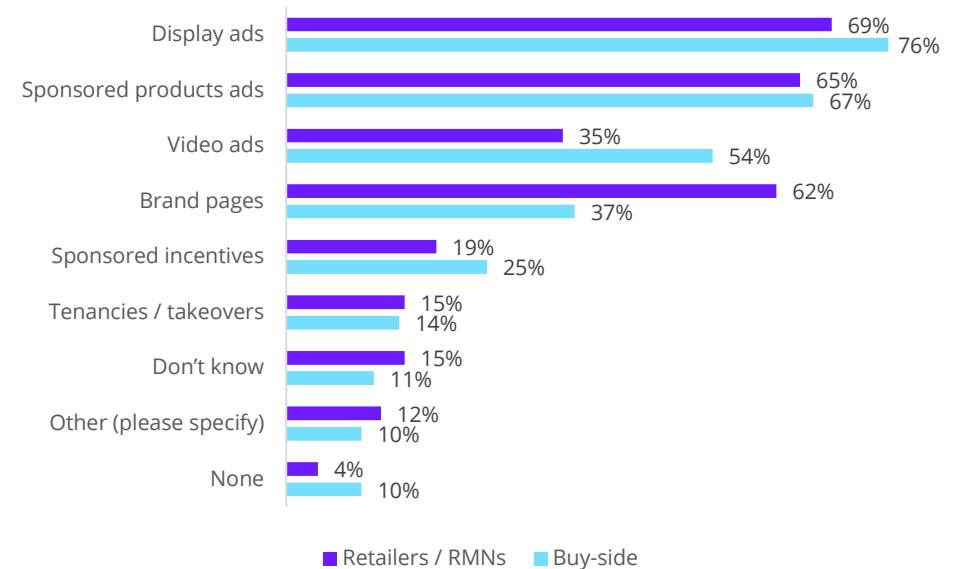
Display & Sponsored Products Key to On-Site



In terms of on-site ads; display (76%) and sponsored product ads (SPAs) (67%) are the top two formats invested in by the buy-side followed by video ads.

This is consistent with the retailer offering for on-site ads; 69% offer display ads and 65% offer SPAs. Only 35% offer video ads so this is potentially an area of product development for the retailers.

Figure 11: On-site Ads



Q. What retail media on-site ads / channels are you investing in / do you offer?

Social & Display Dominate Off-Site Investment



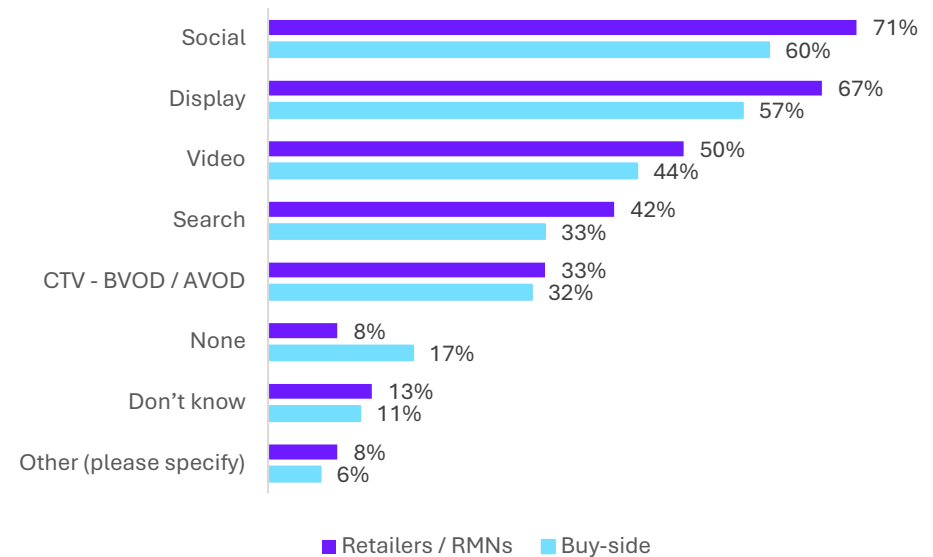
Social (60%) dominates for off-site ad investment followed by display (57%). Again, we see consistency with the sell-side; 71% offer off-site social ads and 67% offer display ads.

CTV (BVOD & AVOD) looks like a promising area of development with a third of buy and sell-side stakeholders investing in this. The industry can expect to see more partnerships in this area.

"Retail media is indeed a powerful infrastructure that goes beyond just driving conversions. It plays a significant role in building both mental and physical availability for brands. By leveraging on-site, in-store, and off-site channels, retailers can create a cohesive and orchestrated approach to reach consumers at various touchpoints. This multifaceted strategy not only enhances brand visibility but also fosters deeper consumer engagement and loyalty."

Staffan Baer, Head of Retail Media, ICA

Figure 12: Off-site Ads



Q. What retail media off-site ads / channels are you investing in / do you offer?

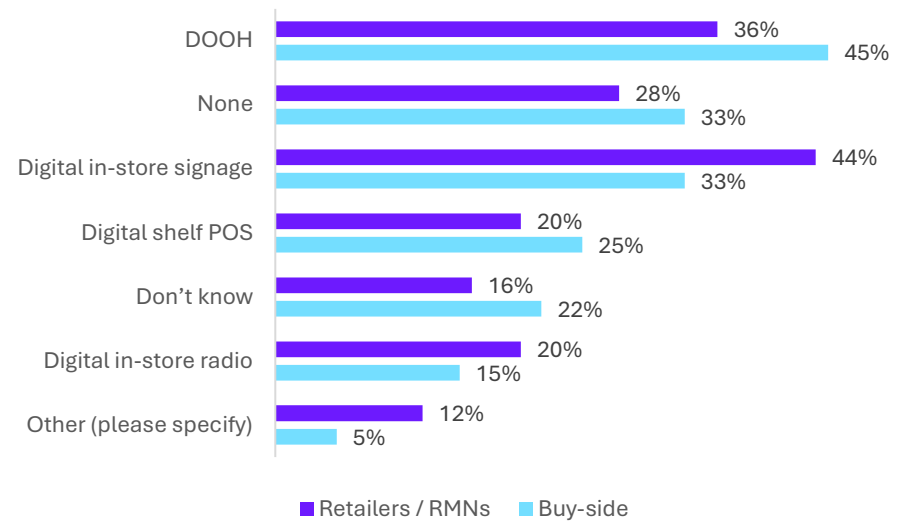
Digital In-Store is New to Media Investment



For in-store it is not so clear cut with a range of formats being used including DOOH, digital signage and digital shelf POS.

Approximately a third of both buyers (33%) and retailers (28%) are not investing in digital in-store media at all demonstrating that this is a new media channel.

Figure 13: Digital In-store Ads



Q. What retail media digital in-store ads / channels are you investing in / do you offer?

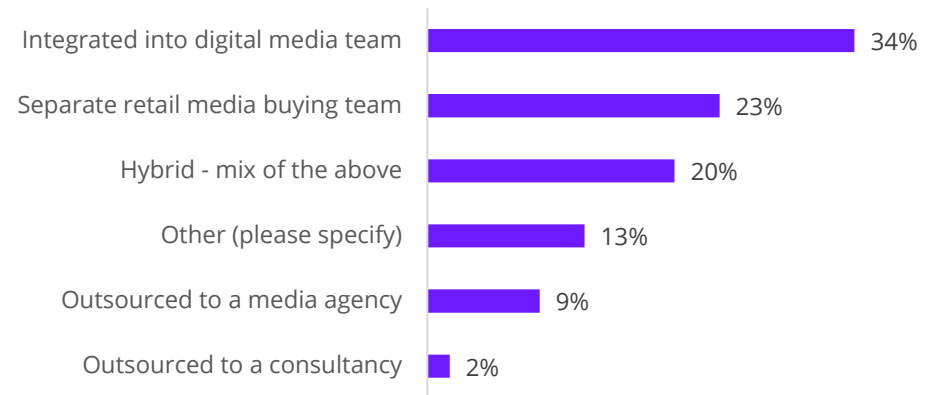
Internal Structures are Evolving



There are a couple of different internal structures that emerge on the buy-side; 34% have a retail media ad team integrated into the digital media team; 23% have a separate retail media team whilst 20% have a hybrid approach.

On the sell-side, 36% of retailers have a separate retail media sales team whilst 28% currently have a hybrid approach as they develop their proposition.

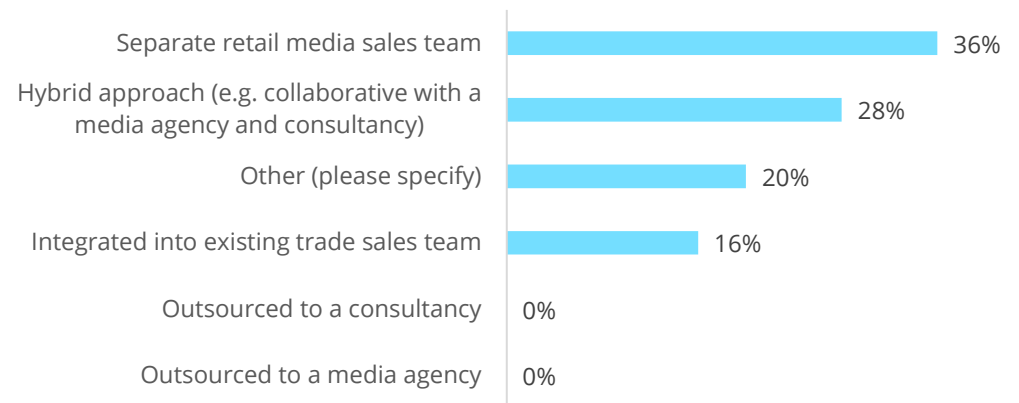
Figure 14: Buy-side Internal Retail Media Structures



Q. How are you structured internally to leverage retail media partnerships?



Figure 15: Retailers / RMNs Internal Retail Media Structures



Q. How are you structured internally to develop your retail media proposition?

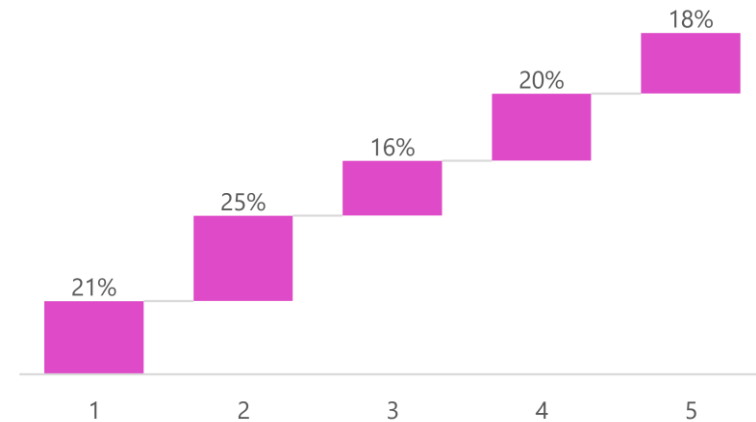
Levels of Maturity



We asked buy-side respondents to rate their level of maturity in terms of retail media strategy from 1 to 5. 1 would be a basic strategy, usually a legacy deal, focused on the lower funnel. 5 is an evolved dynamic strategy with execution across multiple RMNs and ad types, optimised placements fuelled by data and tools, connected into a broader marketing strategy.

The levels of maturity declared by buy-side stakeholders are scattered between basic and an evolved dynamic strategy; 18% rated their level as 5 whilst 21% rated at a 1. Furthermore, just 58% of buyers have a framework or set of metrics in place to quantify the success of their retail media partnerships.

Figure 16: Buy-side Levels of Retail Media Strategy Maturity



Q. What level of maturity are you at in terms of your retail media strategy? (Please rate on a scale of 1 to 5)

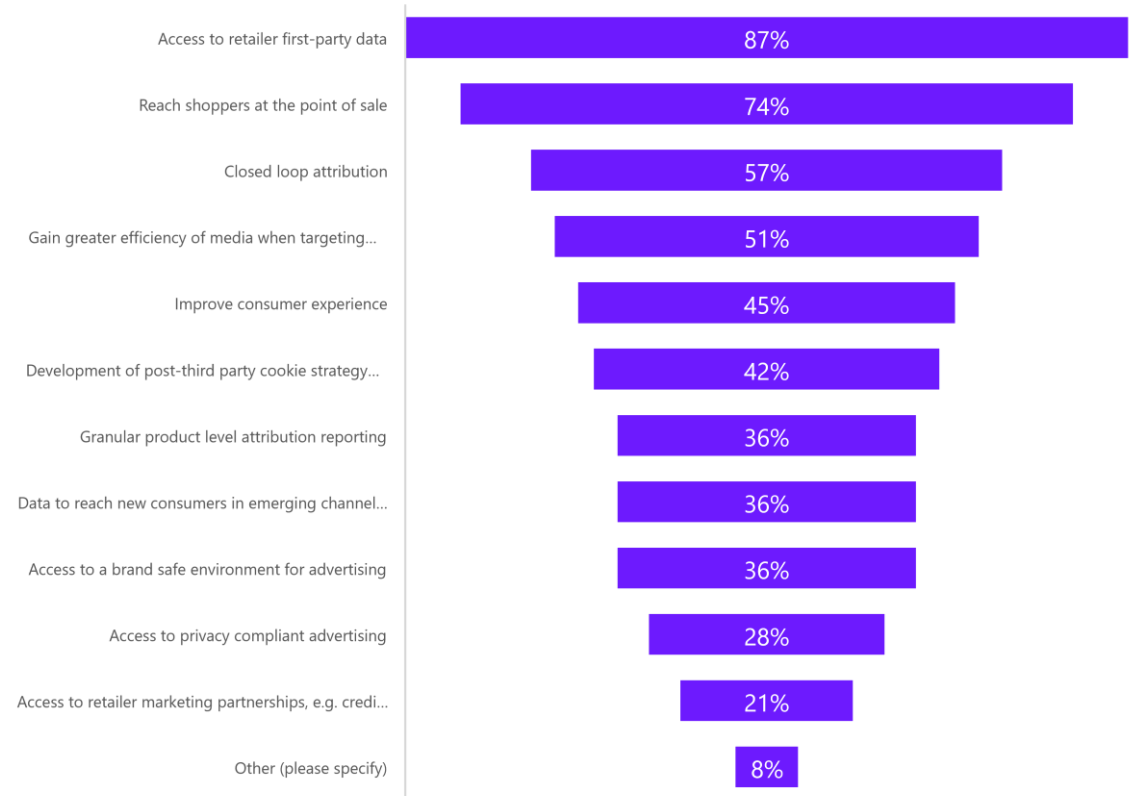
Buy-side Investment is Driven by First-Party Data and Reaching Consumers at POS



Access to retailer first-party data (87%) and reaching shoppers at the points of sale (74%) are the top two retail media investment opportunities cited by buyers. Closed loop attribution (57%) is also seen as a key opportunity.

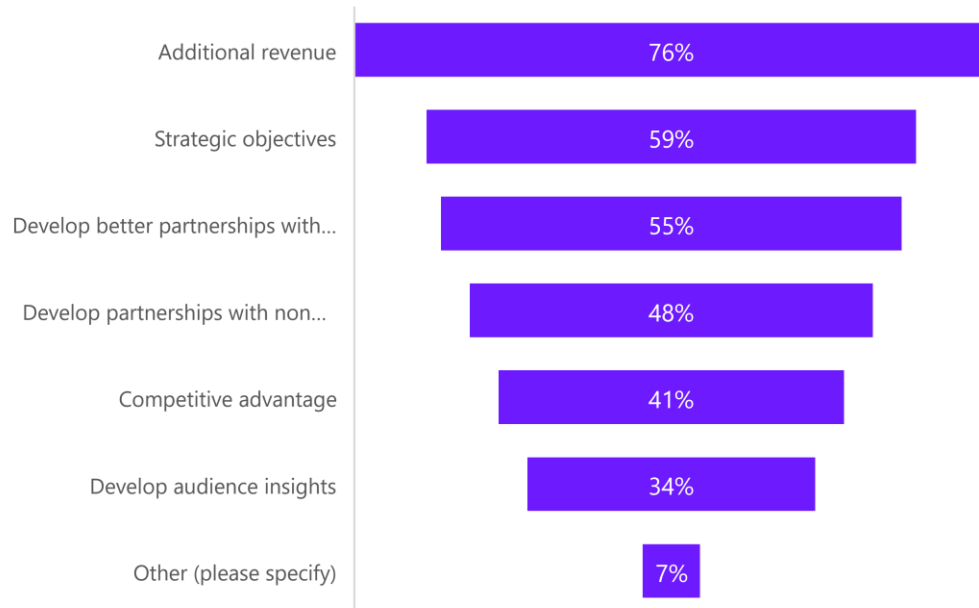
“Retailers’ first-party data enables targeted and personalized strategies by providing insight into shopper behaviour. To fully capitalise on these opportunities, closed-loop attribution and measurement are essentials.”
Ana Guerra, Retail Media and eCommerce Marketing Manager for Europe, Colgate-Palmolive

Figure 17: Buy-side Investment Drivers



Q. What do you see as the key opportunities of investing in retail media?

Figure 18: Retailers / RMNs Investment Drivers



Q. What are your drivers for investing in a retail media proposition?

Retailers are Driven by Additional Revenue Opportunities



Retailers are investing in the development of a retail media proposition to gain additional revenues (76%) followed by strategic objectives (59%) and the desire to develop better partnerships with brands (55%).

“Supply and demand will professionalise and more standardisation will take place. New revenue streams are being unlocked for non-endemic advertisers, and this will continue to grow. Off-site advertising, in which retail media provides an opportunity to advertise through large publishers and social media networks, will continue to take shape as well.”

Maurits Priem, VP Monetisation Europe & Indonesia, Ahold Delhaize

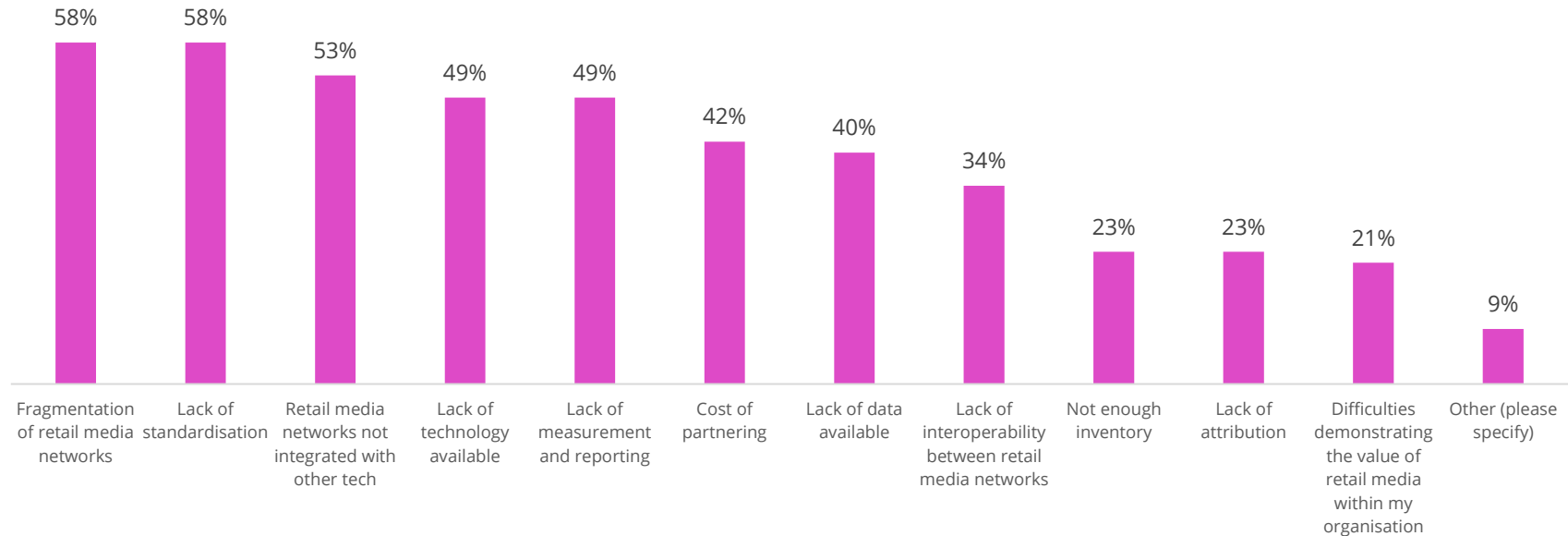


Fragmentation and Lack of Standards Hinder Investment



Buy-side barriers continue to centre around fragmentation of retail media networks (58%) and the lack of standardisation (58%). Attribution measurement (78%) and media measurement (73%) are the top two areas that buyers cite as most in need of standardisation. IAB Europe has started to address this barrier with its [Media and Sales Measurement Standards for Retail Media](#) which provide media buyers with a framework for consistent metrics to compare retail media investment.

Figure 19: Buy-side Investment Barriers



Q. What do you see as the key barriers to investing in retail media?

Retailers Cite Operational Setup and Investment / Costs as Key Barriers



On the sell-side, retailers see the operational elements of setting up a RMN as key barriers, followed by the investment and costs needed. A third also struggle with understanding the technology requirements demonstrating that more education and upskilling is needed to develop the RMNs.

Figure 20: Retailer / RMN Investment Barriers



Q. What are the barriers hindering you investing in a retail media proposition?

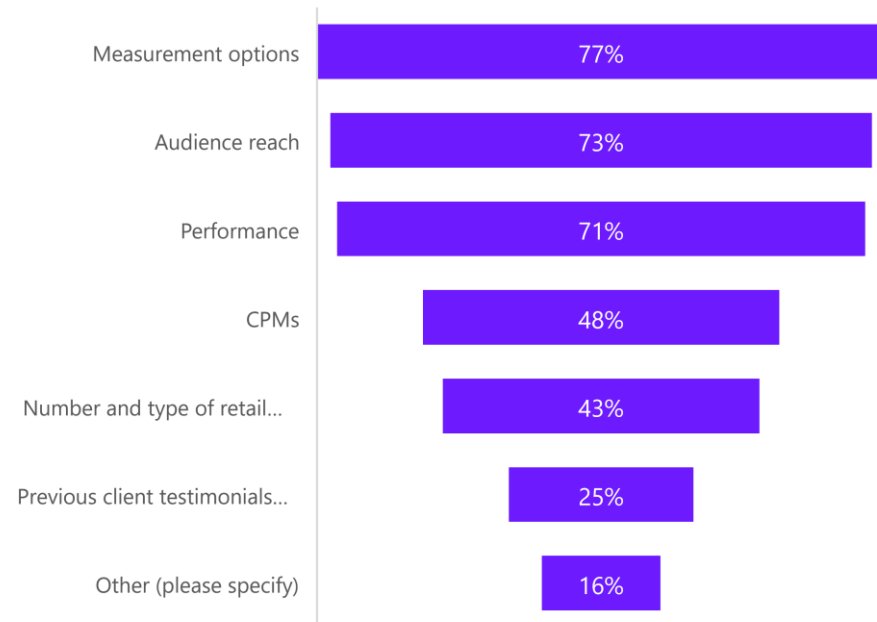
Measurement is Key to RMN Evaluation

When asked about evaluating a retail media network in the same retail category; buyers cited measurement options offered (77%); audience reach (73%) and performance (71%) as the top three criteria.

Measurement is the premise of retail media and essential to proving the ROI of media spend with a retailer. It also establishes trust between the brand and retailers and enables the brand's strategy to be supported by the media network.

We also know that it is important for brands to see their campaign measurement in real time and lots of RMNs are working to make this a possibility. It is also important, as mentioned earlier in the report, that the industry agrees on standardised measurement which is why IAB Europe created the [Retail Media and Sales Measurement Standards for Europe](#).

Figure 21: Buy-side RMN Evaluation Criteria



Q. Which of the following elements are important when evaluating a retail media network in the same retail category?

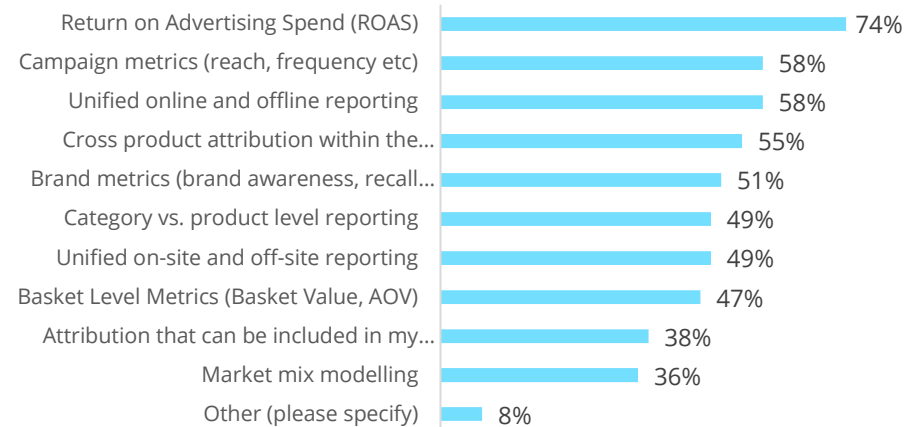
ROAS Leads the Way



We asked buyers which measurement and metric options they are looking for from their RMNs; ROAS was the front runner by a long way (74%) followed by campaign metrics (58%); unified online and offline reporting (58%) and cross product attribution within the retail media network, e.g. sponsored products and display (55%).

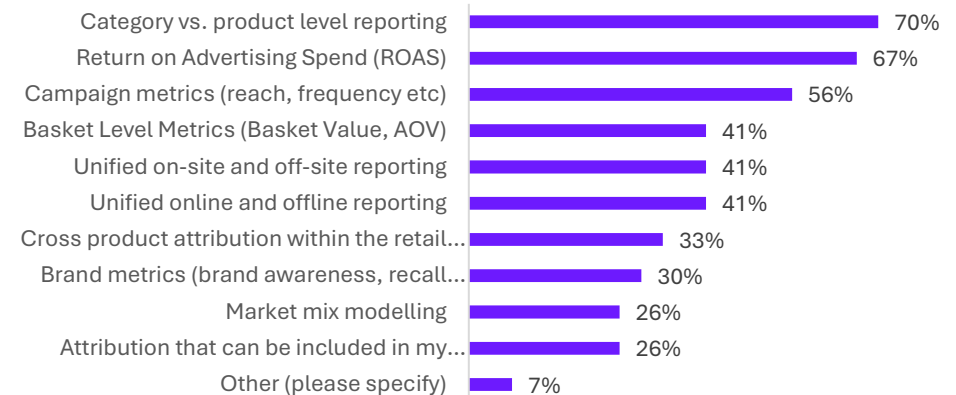
One of the key purposes of investing in retail media is increasing the number of sales which is why ROAS leads the pack in terms of metrics. Two thirds (67%) of RMNs offer ROAS so there may be some work to be done in terms of this being offered across the board.

Figure 22: Buy-side Measurement & Metrics



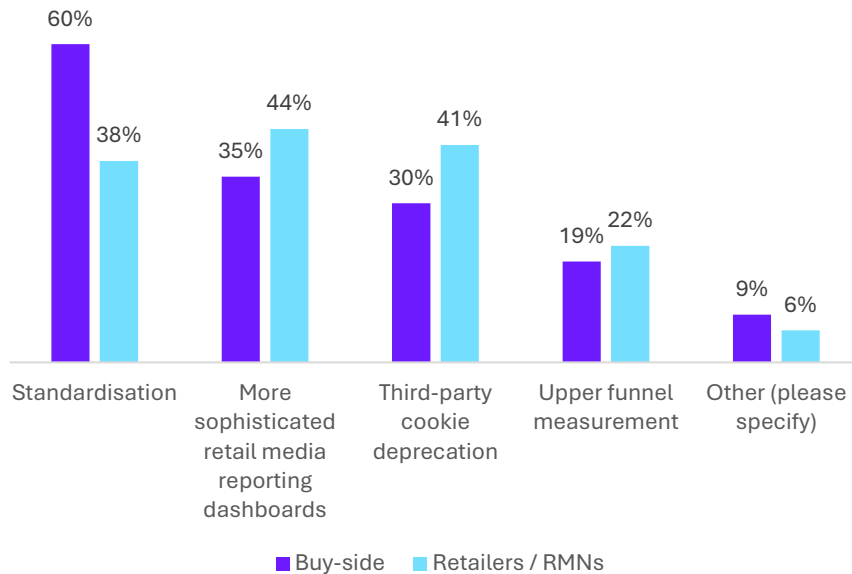
Q. Which of the following measurement and metric options are you looking for from your retail media networks?

Figure 23: Retailer / RMN Measurement & Metrics



Q. What measurement opportunities do you offer?

Figure 24: Future Retail Media Growth Areas



Q. What do you think will be the key retail media growth areas over the next 12 months? (Please select the top two)

Standardisation and Professionalisation Key to Growth

Buyers cite standardisation as the key growth area of the next 12 months (60%) whilst retailers think more sophisticated reporting dashboards (44%) will be key to growth. 41% of retailers also think the deprecation of third-party cookies is going to drive growth.

For the continued growth of retail media, it is important that scale is achieved in terms of data and technology alongside the professionalisation of the channel via industry standardisation and improved measurement reporting.

As the retail media landscape evolves, there exists significant potential for expansion. This Attitudes to Retail Media Report underscores how retail media can enhance media planning by leveraging its data insights and reaching consumers at their point of purchase. Retailers are poised to further elevate media performance to new heights by implementing closed-loop measurement, integrating on-site and off-site advertising strategies with the use of loyalty programs.

The survey's findings also highlight the importance of addressing barriers, such as the need for industry collaboration to establish standards. This collaborative effort is crucial for fostering the growth and professionalisation of retail media. IAB Europe plays a vital role in uniting the industry and setting standards for the European market.

Off-site advertising, such as placing ads on news websites using retailer's first-party data for targeting, is emerging as a significant trend, allowing audience reach without relying on third-party cookies through cleanroom matching, enhanced consent, and ad tech advancements. In-store is another piece of the retail media puzzle that will continue to develop particularly as more brand budgets divert into retail media channels.

Contributors

IAB Europe would like to thank the following contributors who provided valuable insight for this report



Maurits Priem

VP Monestisation Indonesia and Europe, Ahold Delhaize



Kina Demirel

Managing Director, Mimedia and member of IAB Turkey Retail Media Working Group



Maria Kristalinskaya

Head of Retail Media, Kleinanzeigen (Adevinta)



Laura Badea

Digital Commerce Partner, Wavemaker



Samya Ruiz

Head of Insights & Measurement, Unlimitail




Marie-Clare Puffett

Industry Development & Insights Director

puffett@iabeurope.eu

iab europe
Rond-Point Robert
Schumanplein 11
1040 Brussels
Belgium

 [@iabeurope](https://twitter.com/iabeurope)

 [iab-europe](https://www.linkedin.com/company/iab-europe/)

[iabeurope.eu](https://www.iabeurope.eu)