



retail
TouchPoints[®]
SPECIAL REPORT

ON-SITE, OFF-SITE, IN-STORE: *NEW BEST PRACTICES FOR THE EVOLVED RETAIL MEDIA LANDSCAPE*

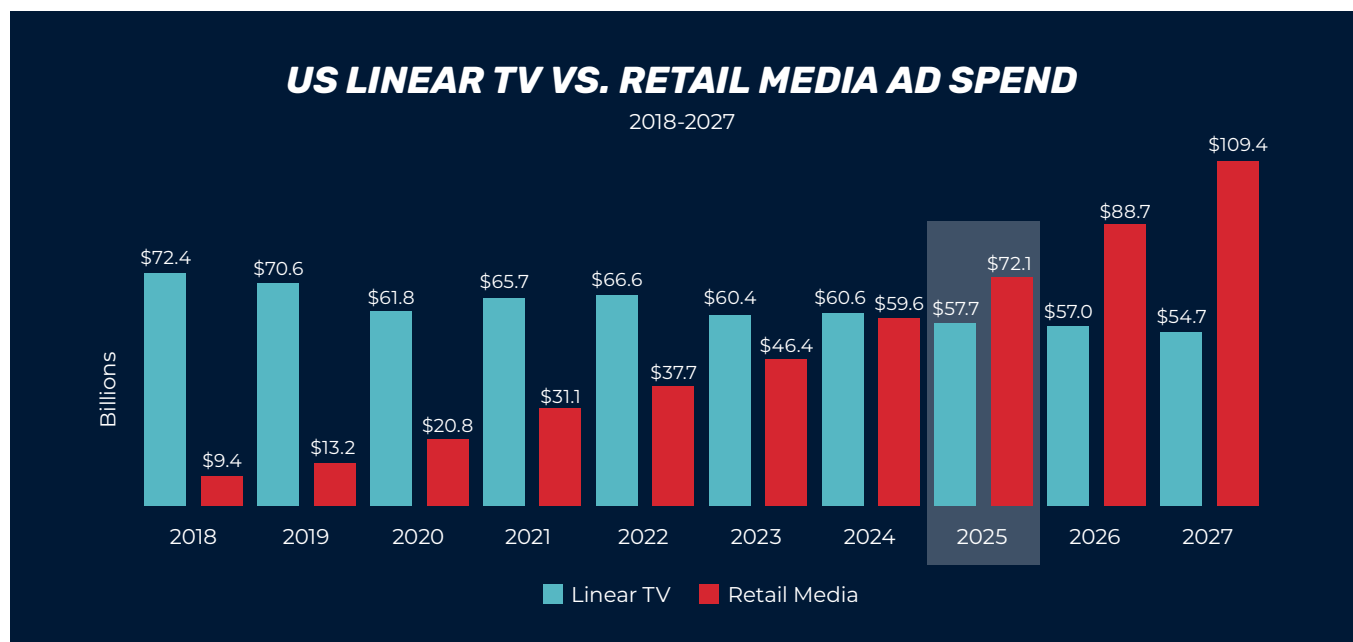
SPONSORED BY:


SocialSign.in

INTRODUCTION

The retail media landscape is evolving rapidly with more players entering the mix and existing players bringing forward new solutions and capabilities to differentiate. As a result, [eMarketer](#) has declared that “retail media is on its way to becoming **a centrally important ad spending channel.**”

The numbers bear this out, with advertisers expected to spend **\$54.48 billion** on retail media this year, accounting for **\$1** of every **\$7** U.S. ad dollars spent in 2024, according to [eMarketer](#). Moreover, U.S. retail media spending is expected to surpass **\$100 billion** by 2027 and, perhaps even more impressively, **surpass U.S. linear TV spending by 2025.**



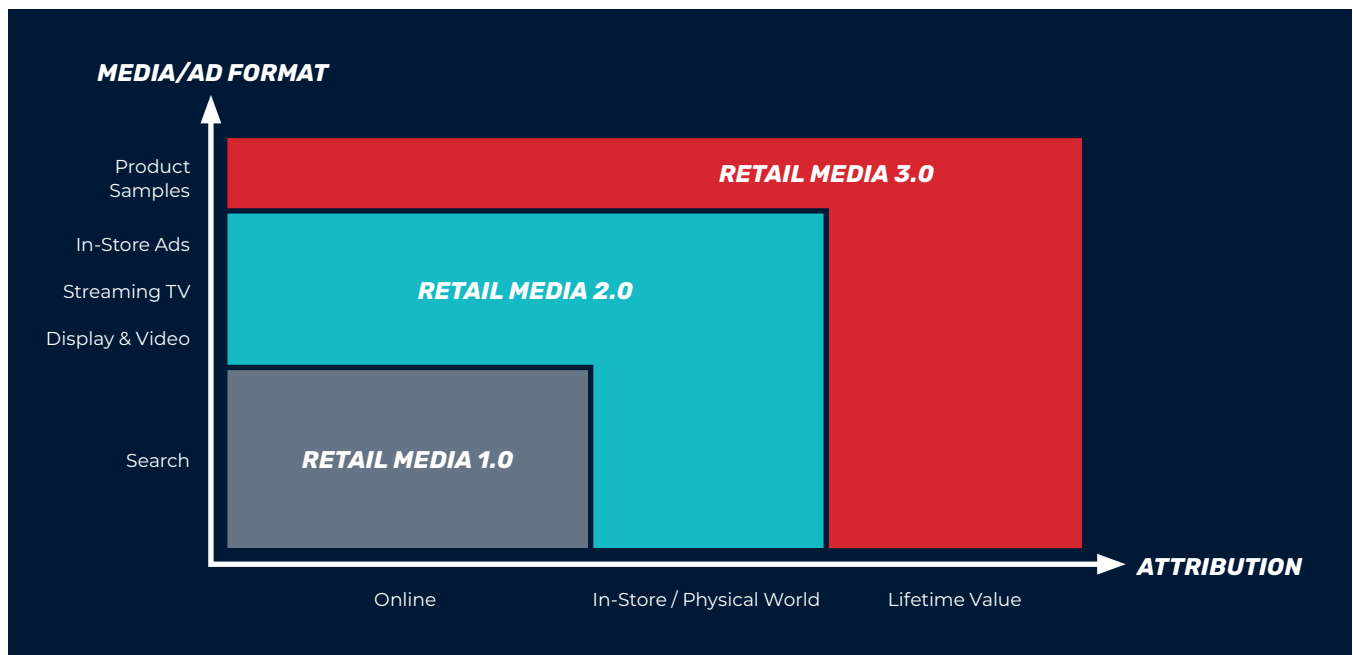
Source: eMarketer

And yet, despite this massive growth trajectory, the U.S. retail media landscape is still dominated by one player: **Amazon**. This year, Amazon will capture a whopping **77%** of retail media ad spend, with the next closest player, **Walmart**, claiming just **6.8%**, according to *eMarketer* estimates.

Don't feel bad for Walmart, though. Although the company's share of the pie is nowhere near Amazon's, Walmart is reaping significant rewards from its retail media business to the tune of **\$3.4 billion** and a growth rate of **20% to 25%** annually, according to a report from Deutsche Bank. And at a recent investor meeting hosted by **Deutsche Bank**, Walmart called out its **acquisition of Vizio** as another feather in its retail media cap, claiming that with this addition, the company believes ad sales' contribution to gross merchandise volume could reach as much as **8% to 10%**, roughly in line with that of Amazon.

The trajectory is clear: **While Amazon has a huge first-mover advantage, competitive retail media networks (RMNs) are building up steam — and sophistication — fast.**

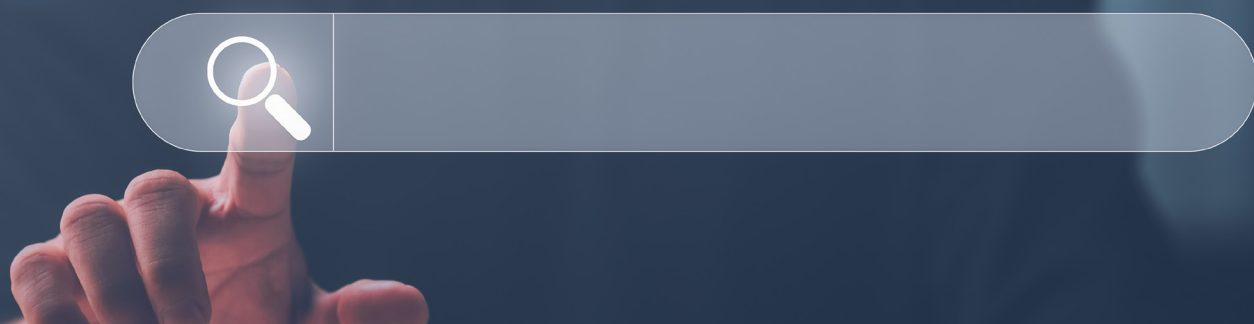
"I like to think of retail media as evolving along two primary dimensions — getting more complex in the different advertising formats and evolving across touch points," said retail media expert Andrew Lipsman, Founder and Chief Analyst of the consultancy **Media, Ads + Commerce**, at **Shoptalk** earlier this year. "Where we're at today is primarily within the Retail Media 1.0 'era,' driven by search as the media format, with online ads driving to online sales in a very tight closed loop. **Now we're entering Retail Media 2.0, where media formats are evolving up the funnel into display and video, streaming TV and in-store.** Then eventually we'll enter the Retail Media 3.0 era, where we'll get more experiential with things like product samples."



Source: Media, Ads + Commerce

This report will examine that evolution across the **three** core areas of investment:

- **On-site:** Advertising placed within a retailer's own digital platforms, such as on its website and app;
- **In-store:** Advertising placed within a retailer's physical environment, such as on screens, smart carts, POS systems or audio ads broadcast over store speakers; and
- **Off-site:** Advertising placed in third-party channels such as social media, other websites or connected TV, based on a retailer's first-party customer data and insights.

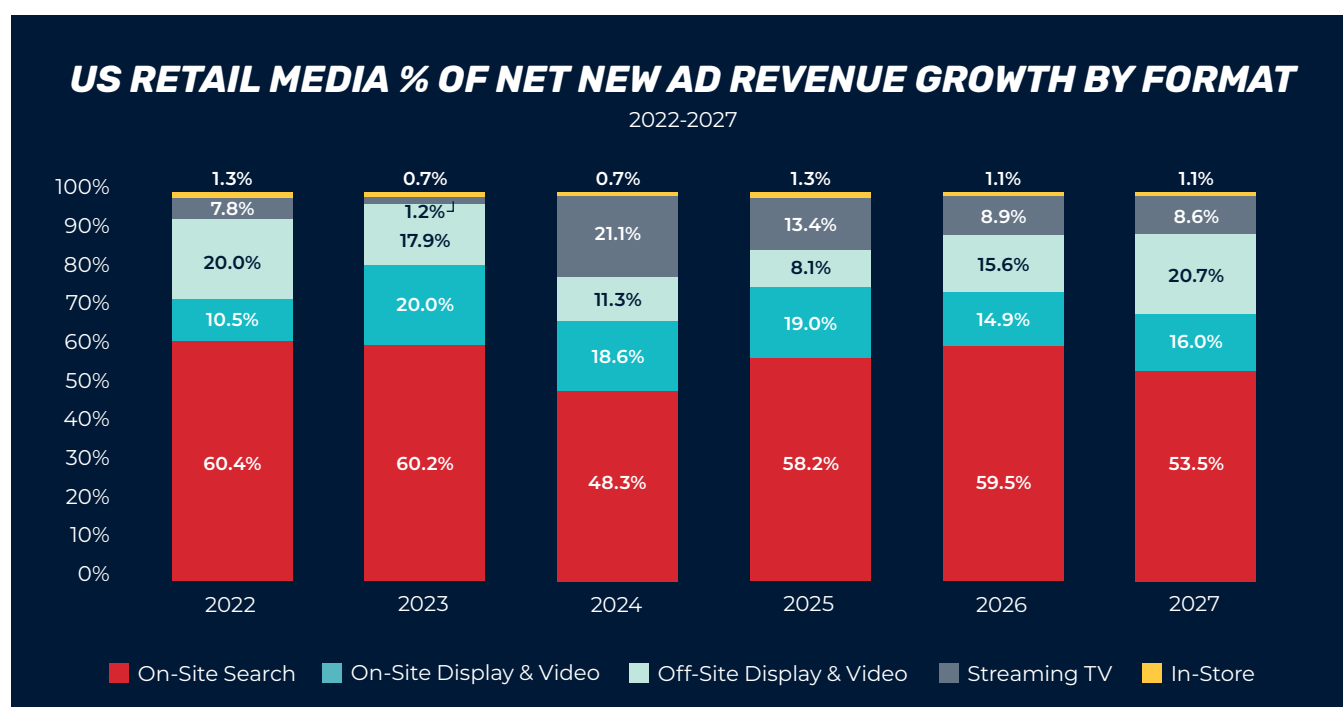


ON-SITE RETAIL MEDIA STILL REIGNS SUPREME

Much of the current excitement around retail media tends to focus on newer areas of expansion; that is, off-site and in-store opportunities. But amid that excitement one central fact tends to get lost: **on-site opportunities still make up the bulk of retail media spend.**

Sponsored products listings, the most basic and common form of on-site retail media advertising, still account for **70%** of the retail media ad market, according to a report from performance marketing platform **Crealytics**. Even at Amazon, **75%** of ad revenue still comes from on-site sponsored products ads.

Rather than gloss over this “basic” offering, retailers should focus on the opportunity. After all, at Amazon that one ad type accounted for a staggering **\$26 billion** in the U.S. alone in 2023. And there’s plenty of opportunity for other media operators: *eMarketer* estimates that advertisers will spend **\$33.86 billion** on retail media search in 2024, and that number will **double** over the next **five** years.



Source: eMarketer

“The future is very much still on-site,” said Lipsman. “When we think about new dollars that are coming into retail media over the coming years, on-site search represents the majority, so **search still has a lot of runway. Other on-site ads are the next largest area [for spending].**”

And brands are finding a lot of success with these types of on-site ads. For example, earlier this year mattress brand **Serta** launched a sponsored video search campaign with **Sam’s Club’s** retail media network, **MAP**.

“During COVID we had a lot of mattress purchases that got pulled forward, so we had some challenges because our industry was starting to slow down a little bit,” said Kimberly Hall, VP of Sales for Sam’s Club and Walmart at Serta Simmons Bedding in an interview with *Retail TouchPoints*. **“We were looking to see how we could reach the Sam’s Club member in new and different ways.”**

The company’s sponsored video campaign gave website visitors a virtual “feel” for Serta mattresses and the results were dreamy: The campaign garnered **3.2 million** impressions, with attributed sales of **\$2.4 million** and a **\$7** return on ad spend (ROAS).





CUSTOMER EXPERIENCE AND COLLABORATION ARE CENTRAL TO IN-STORE RETAIL MEDIA SUCCESS

The ultimate form of on-site advertising might just be ads in stores themselves, and **if there's one advantage other retailers have over Amazon, it's their physical footprint.** So it's no surprise that in-store retail media has been generating a lot of buzz as RMNs become more sophisticated and develop in-store integrations.

“Store are a massive canvas — they’re experiential, they’re engaging and it’s where the vast majority of transactions are actually happening,” said Parbinder Dhariwal, VP and General Manager of **CVS Media Exchange**, CVS Health’s retail media network, at the recent **Retail Innovation Conference and Expo (RICE)**.

“Physical stores are the next major media channel,” said Lipsman. **“I compare it to linear TV, because it accomplishes what linear TV does, but you don’t have that 30-second [timeframe] to worry about.** Stores give you a massive reach, a lot of eyeballs, attentiveness, brand safety and cultural relevance — all things that are really important, especially for CPG brands.”

The influence and impact of stores is so impactful that Lipsman actually recommends that “as brands continue to struggle with linear TV’s decline, they should commit to investing **5%** of existing linear TV budgets in in-store media by 2025.”

In fact, U.S. in-store retail media spend is expected to reach more than **\$1 billion** by 2028, according to **Research and Markets**, and retailers have heard the call. Screens on **cooler doors** and **throughout the store** have been a popular starting point, as have placements at **self-checkout stations**. And other opportunities abound, such as **in-store audio, smart cart placements** and **product demos or sampling**.



There's no doubt that in-store ads can be a lucrative and meaningful extension of the media offerings that retailers have built online. However, some early trials of these integrations have proven how paramount the customer experience is to success. **Walgreens** and Cooler Screens are currently embroiled in a **high-profile legal battle** over the retailer's decision to discontinue its use of screens in its cooler aisles after CEO Rosalind Brewer allegedly "decided she **did not like how the screens looked.**"

The **Interactive Advertising Bureau** (IAB)'s Jeffrey Bustos, VP of Measurement Addressability Data, offered a good litmus for retailers planning in-store activations: "The customer has **three** different budgets," he said at RICE 2024. "Obviously they have a **monetary** budget, a goal of how much they're willing to spend. But they also have a **time** budget — a customer is *not* going to walk into a store and look at every single piece of advertising. And customers also have a **frustration** budget. They want to solve their problem as fast as possible. So when you think about creating an in-store experience, **the experience shouldn't focus on what you can sell the consumer. The experience should be about how you can solve a problem for the consumer as fast as possible.** We should be thinking about in-store advertising as a way to really develop these omnichannel experiences that provide personalized interactions and build brand loyalty."

Creating these kinds of integrated experiences that are additive to customers' shopping experience **requires "collaboration across various business and functional levels,"** said Michael Perrone, CEO of network authentication solution **SocialSign.in** in an interview with *Retail TouchPoints*. "Key stakeholders include marketing teams that define engagement strategies and content; IT departments that ensure technology integration and functionality; and data analysts who interpret customer data to inform personalization efforts. Store operations managers also are crucial for implementing technologies on the ground and ensuring alignment with store operations, and customer service teams provide insights into customer preferences and pain points. **A cross-functional approach ensures that the technology enhances the shopping experience and aligns with strategic goals, creating a cohesive and engaging customer journey.**"



UNLOCKING IN-STORE MEDIA MOMENTS WITH GUEST WI-FI

Interview with Michael Perrone, CEO, *SocialSign.In*

Retail TouchPoints (RTP): How are stores creating new opportunities for retail media networks?

Perrone: RMNs are being shaped by experiential stores and new formats like the “store within a store” concept, exemplified by Sephora in Kohl’s, and smaller, customer-centric formats. For brands, this means having direct access to shoppers for targeted marketing efforts, leading to increased brand loyalty and sales. Retailers benefit by acquiring valuable data on shopper behaviors and preferences, which can help them optimize store layouts, product placements and marketing strategies. The store represents the most valuable digital inventory opportunities a retailer has for their media networks.

RTP: Which technologies are responsible for powering these new media moments?

Perrone: Several technologies are instrumental in creating new media moments within stores, with in-store Wi-Fi playing a central role. In addition to Wi-Fi, digital signage, interactive kiosks and augmented reality (AR) applications are gaining traction. Wi-Fi enables real-time data collection and customer engagement, while powering dynamic content displays in synergy with digital displays. Interactive kiosks provide self-service options and product information, enhancing the shopping experience. AR applications allow customers to visualize products in their environment, making shopping more interactive. These technologies are transforming retail spaces by integrating digital and physical experiences, driving customer engagement and boosting sales.

RTP: Can you expand upon how Guest Wi-Fi enables more personalized experiences in stores?

Perrone: Guest Wi-Fi provides a platform for real-time data collection and customer engagement. When customers log into a store’s Wi-Fi network, they can share preferences or opt into marketing programs. This data is used to tailor promotions and recommendations. For additional personalization, when customers log into a store’s Wi-Fi network, numerous data points can be synchronized instantly with CRM data to create a personalized experience and enrich the customer profile.

For instance, if a customer is identified as a loyalty program member upon login, the Wi-Fi experience can be tailored specifically for them, offering personalized promotions and rewards. Conversely, non-members can receive prompts and incentives to join the loyalty program. This synchronization allows for differentiated and highly relevant customer interactions, enhancing engagement and driving loyalty. Such personalized experiences not only improve customer satisfaction but also encourage repeat visits and increased sales.



RTP: Do retailers face any challenges when attempting to bring these engagement opportunities into their stores?

Perrone: Retailers face several challenges when integrating media moments into their stores, particularly around shopper identification and personalization. Privacy concerns and data security are major hurdles, as consumers are increasingly aware of data usage and protection. Ensuring compliance with data protection regulations like GDPR is complex. Technical integration is another challenge; disparate systems need to work together seamlessly to provide a unified customer experience.

Additionally, the cost of deploying and maintaining advanced technologies can be high. Guest Wi-Fi Marketing leverages an asset that retailers already own, so the barriers and cost to entry is lower for this than for other channels such as digital displays. Retailers must also collect and analyze accurate data for effective personalization. Overcoming these challenges is crucial for creating meaningful in-store experiences.

RTP: How does Guest Wi-Fi Marketing support first-party data collection, and what should retailers do to ensure data is collected in a secure and compliant way?

Perrone: In-store technologies, such as Guest Wi-Fi and interactive kiosks, support and enhance retailers' first-party data strategies by providing direct access to valuable customer information. First-party data collected through these channels includes details about prior interactions, likes and preferences both on-site, off-site, on their app and in-store. This comprehensive data, specific to the retailer's customer base, helps create a richer, more detailed customer profile, enabling more effective personalization and targeted marketing efforts. By integrating this data with CRM systems, retailers can refine their marketing strategies, improve customer engagement across all touch points, and drive loyalty and sales. This holistic approach to data collection and analysis ensures that retailers can better understand and meet the needs of their customers.

However, robust security measures must be in place to protect data collected through all in-store technologies. This includes encryption of data in transit and at rest, secure login protocols for Guest Wi-Fi access, and regular security audits. Compliance with data protection regulations like GDPR and CCPA is crucial. Retailers should be transparent about data collection practices and obtain explicit customer consent. Implementing these measures builds customer trust and ensures that personalized experiences do not compromise data security, creating a safe and engaging shopping environment.





OFF-SITE ADVERTISING REPRESENTS MASSIVE GROWTH OPPORTUNITY

Despite all the opportunity that still exists in on-site advertising, one of the biggest reasons for retail media's massive growth trajectory over the next few years is off-site advertising sales. As **cookie deprecation looms** and other online trackers come up against privacy crackdowns, **retailers find themselves sitting on a gold mine of first-party data**. And now that data, thanks to retail media networks, can be used to reach high-intent audiences across the web.

Four in 10 brands and **five in 10** agencies worldwide plan to increase their spending on off-site retail media in 2024, according to research from commerce media platform **Criteo**, and *eMarketer* forecasts that off-site retail media ad spending will exceed **\$10 billion** this year.

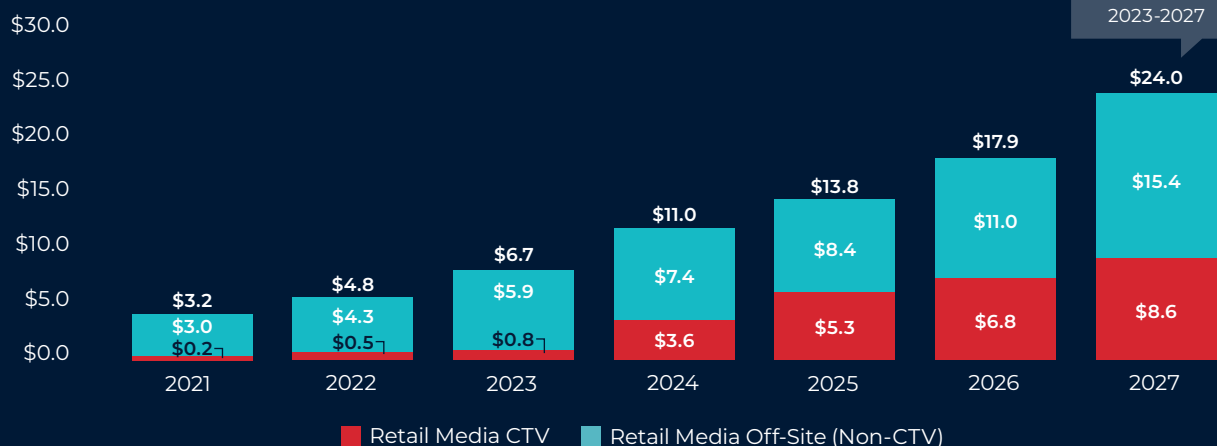
More established RMNs are moving hard and fast into this space, including **Instacart, Lowe's, Walmart, Kroger, CVS** and many others. Even advertising veterans like **Google** and Amazon aren't sitting on their well-positioned laurels. Amazon is rapidly adding off-site offerings to protect its market share, including a recent tie-up with **supply-side platform TripleLift**. And Google debuted a new **off-site retail media solution** in March 2024 with **Lowe's** among the first retailers to participate.

Pinterest in particular has emerged as a leader in enabling these kinds of retail media data link-ups, which the platform enables through its use of data clean rooms. "Some of our clients like CVS, **Albertsons** and **The Home Depot** are saying, 'Let's find our shared user on Pinterest, find the audience that is a buyer at those retailers and target them; then show the impact that advertising had,'" explained Carrie Sweeney, VP of Retail for Pinterest at RICE 2024. "We're doing that in these clean rooms where there is no data leakage; no personal data that you don't want shared will be shared. It solves the core business problem [of privacy], and enables you to say, 'Here's what works and here's how to make sure your advertising dollars are actually well spent.'"

The kind of closed-loop reporting that Sweeney is referencing is retail media's ace in the hole, because unlike other advertising offerings, **RMNs allow brands to track their advertising all the way through to the final transaction**. In early 2023, **Albertsons became one of the first retailers** to advertise with Pinterest in this way, via an integration with LiveRamp that allows Albertsons to join its data with Pinterest platform data and thus offer its advertisers closed-loop reporting on Pinterest campaigns. A raft of other retailers has since followed suit, including Amazon, Lowe's and **Target**.

U.S. RETAIL MEDIA OFF-SITE AD SPENDING (\$ BILLIONS)

2021-2027



Source: eMarketer

These kinds of partnerships aren't limited to social media; they now also span demand-side advertising platforms like **The Trade Desk** and **Yahoo**, as well as traditional publishers. In April, **Best Buy and media site CNET** announced an advertising partnership tied to **CNET's** content that Lipsman said "represents the **first time a publisher and retailer** have combined data in this way — and it could mark a turning point if more retailers and publishers partner in the coming months."

But perhaps the most talked about off-site channel, this year at least, is connected TV (CTV). *EMarketer* expects retail media-CTV to make up **39.4%** of off-site retail media ad spending this year and predicts that total retail media spend in the channel will hit **\$10.44 billion** by 2028. Much of this spending is being driven by partnerships between retailers and CTV providers, like **NBCUniversal's** partnership **with Instacart** and Walmart's tie-ups **with Disney** and **Roku**, as well as new offerings like **Albertsons Collective TV** offering and Kroger's partnership **with Magnite**.

The need for these kinds of data collaborations has to do with more than just the imminent demise of the cookie, but rather a fundamental shift in consumer behavior: **"The funnel is no longer that inverted triangle that we're all familiar with,"** said Pinterest's Sweeney. "It's very amorphous and curvy, people lean in and out. We've seen a dramatic change in the time to convert; it varies widely on Pinterest. So the time from an initial interaction or engagement to when they actually purchase something can be anywhere from **20 to 25 days** to a matter of seconds or minutes. I think that fact really embodies the bigger landscape — **people can flip on a dime from awareness or consideration to being ready to convert if you get them something that sparks their interest in the right forum.**"

Retailers' first-party data, made available to advertisers through RMNs, empowers advertisers to track the full impact of their campaigns wherever they are implemented — in a way they've never been able to do before. And using things like data clean rooms, these campaigns are executed and measured in a completely privacy-safe way.

"The consumer journey is convoluted now and very dependent on consumers' need state against a particular category of product at a particular time," said CVS' Dhariwal. "As marketers, that means we have to truly understand the way in which that consumer is behaving, and more importantly, engaging with the retailer. We've got to understand, from a media planning perspective, what are the tactics to engage with that consumer throughout that journey," wherever that journey is taking place, whether it be on a retailer's website, other digital platforms or in stores.

LEARN MORE...

SocialSign.in

SocialSign.in offers enterprise Wi-Fi Marketing and Authentication services specifically tailored for brand-focused commercial spaces with high foot-traffic. Our solutions enhance digital marketing efforts by integrating them with the physical spaces of our clients, enriching the guest experience, deepening visitor insights and expanding your digital audience. Retailers use our platform to leverage their Guest Wi-Fi, engaging visitors with a branded, personalized digital experience and acquiring validated, first-party profiles. Guest Wi-Fi marketing CTAs are essential for diversifying your engagement strategies, expanding your CRM data and boosting sales and marketing ROI.

(212) 401-6955
sales@socialsign.in



retail TouchPoints®

Retail TouchPoints and *Design:Retail* give all members of the retail world access to a vibrant community that combines insights, inspiration and opportunities to interact with their peers. We sit at the intersection of the art and science of retail strategy, providing granular data, high-value commentary, and aspirational success stories to help readers optimize customer experiences across all channels. Touching all facets of the retail ecosystem, including store experience and design, workforce management, digital marketing and engagement, and omnichannel optimization, our editorial content, multi-media resources and events take timely news and trends and transform them into tactical takeaways that meet the unique needs and priorities of our executive readers.

info@retailtouchpoints.com



ABOUT THE AUTHOR

Nicole Silberstein, Ecommerce Editor

Nicole covers the retail industry at large with a focus on ecommerce, looking at digital innovation and the evolution of modern retail.