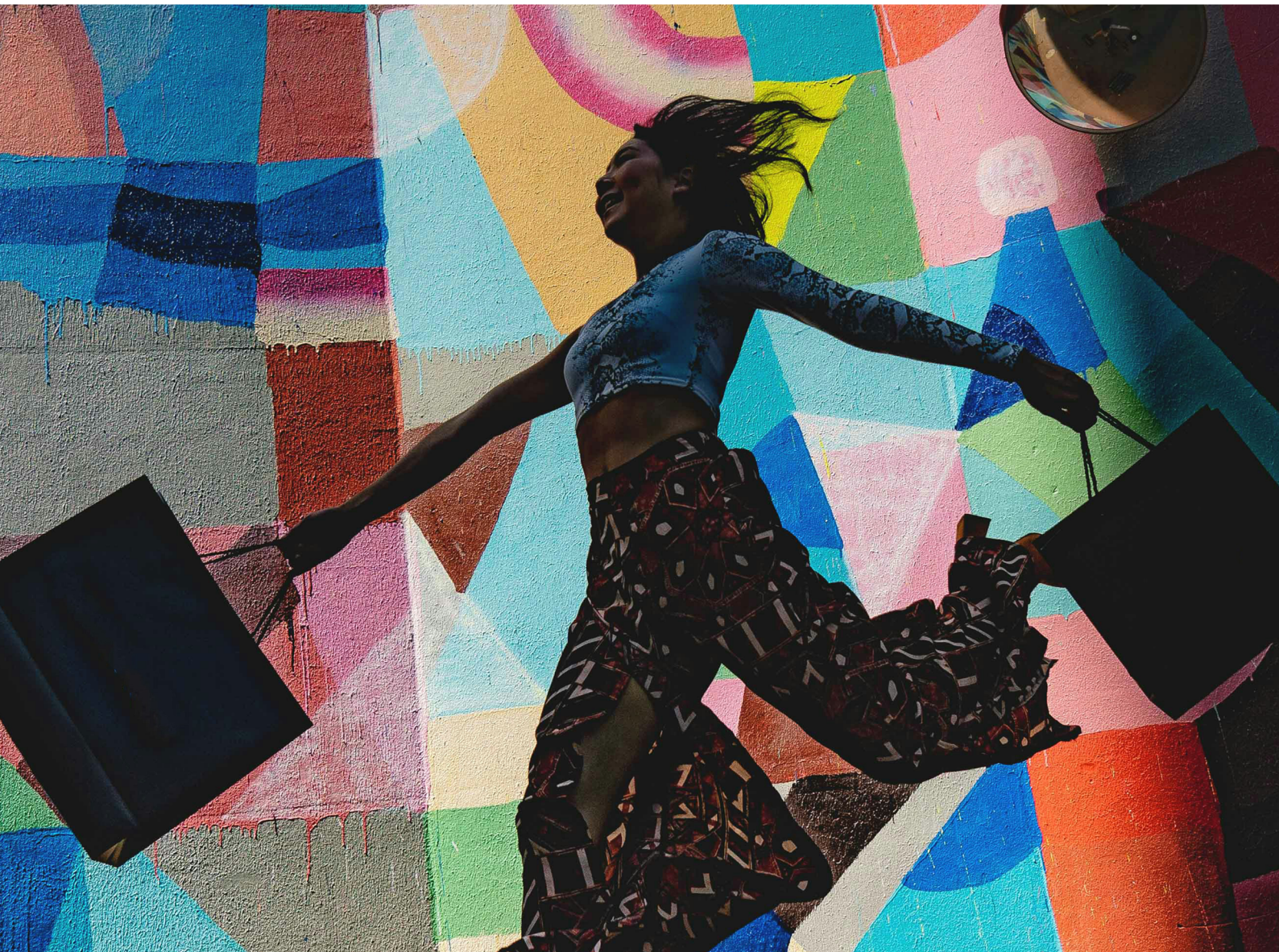


WHY IS **RETAIL MEDIA ESSENTIAL** FOR PERFORMANCE MARKETERS?



**M&C
SAATCHI
PERFORMANCE**



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COMMERCE VS RETAIL MEDIA

WHAT IS THE DIFFERENCE?

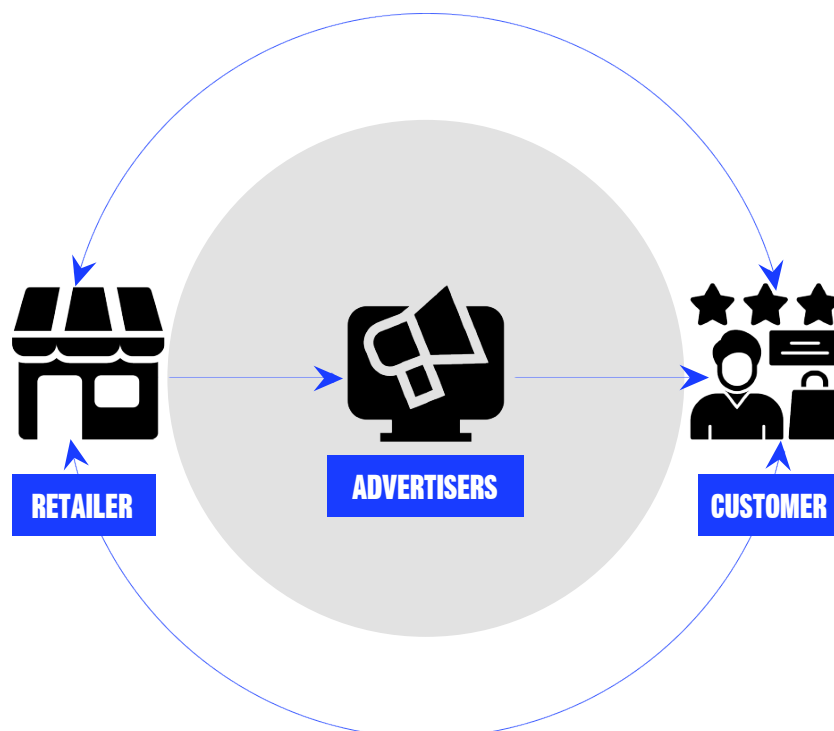
COMMERCE MEDIA

“Commerce Media is a way for advertisers to engage with customers at multiple stages of the purchase journey. At the top of the marketing funnel, Commerce Media can raise product and brand awareness. At the bottom of the funnel, commerce media platforms can drive conversion and make the difference between a customer making a purchase or abandoning their basket.”

JASVINDER SINGH BINDRA

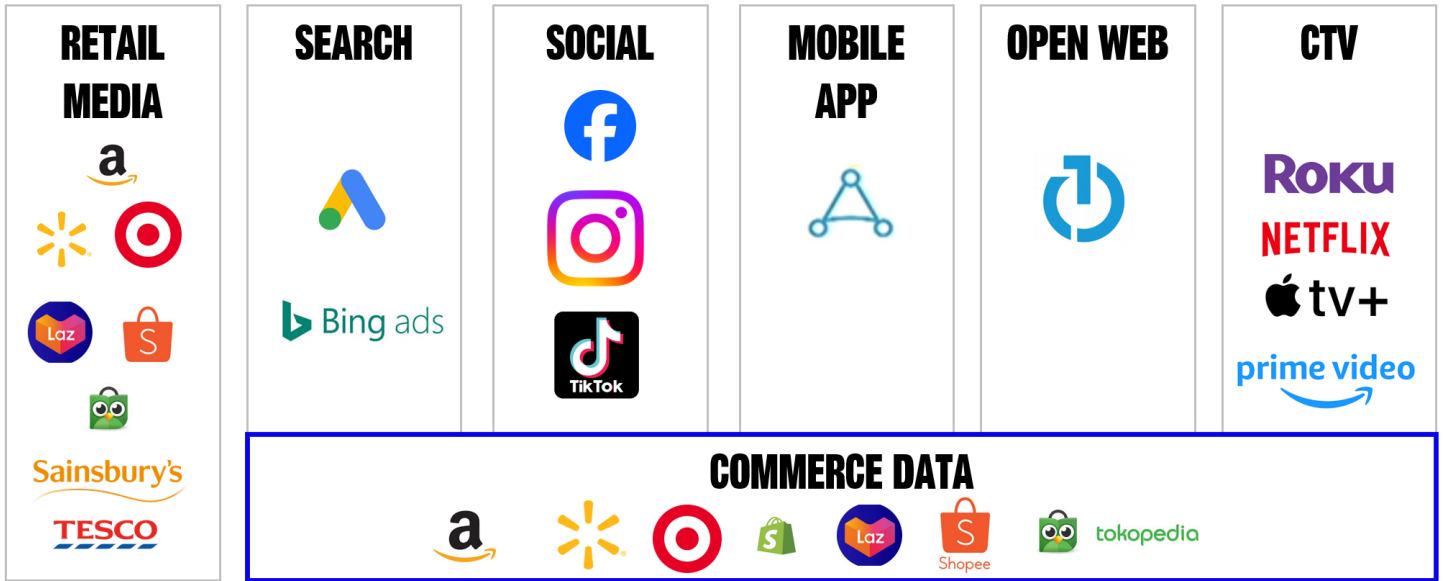
Commerce Media Director, M&C Saatchi Performance

Commerce Media is an umbrella term for a diverse channel mix in which commerce data can be used as a targeting lever to reach target audiences.



Commerce Media creates a symbiotic relationship between customers, brands, and retailers. The shopper finds products they are looking for, the retailer monetizes its digital real estate, and brands gain exposure to their target customers.

DIGITAL CHANNELS



“To be truly effective, Commerce Media should be planned alongside all other digital media channels to prevent budget cannibalization across media channels, optimize customer experience, and ensure campaigns are as effective as possible.”

JASVINDER SINGH BINDRA
Commerce Media Director, M&C Saatchi Performance

RETAIL MEDIA

Retail Media relates to any promotional marketing placed by brands at or near a point of sale. Online marketers can think of these placements as promoting products on the ‘digital shelf.’ The physical equivalent might be a point of purchase at the end of an aisle in a store or shop.



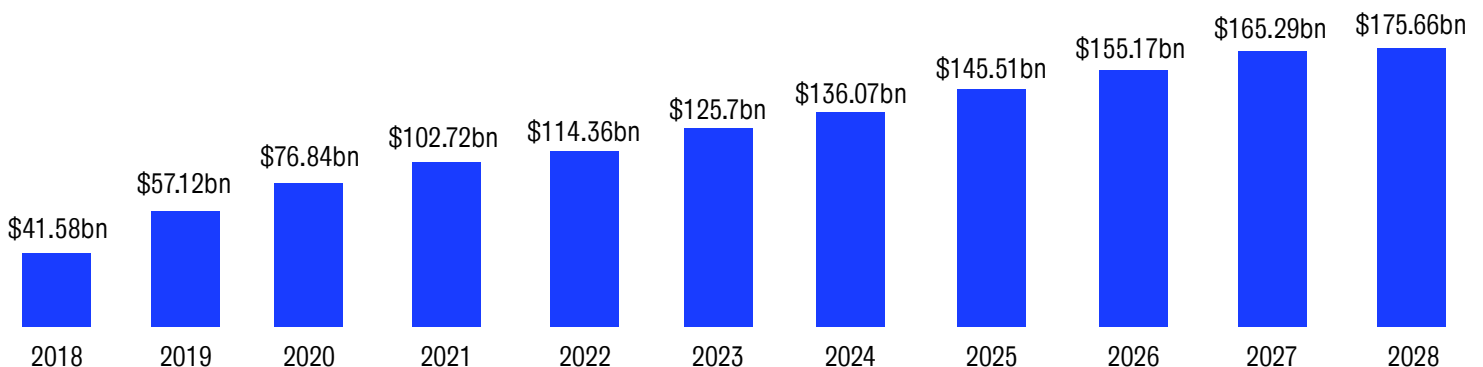
THE IMPORTANCE OF RETAIL MEDIA AS A GROWTH CHANNEL

Retail media is projected to reach \$100 billion by 2027 in the U.S. alone, and up to 17% of all digital advertising spending between now and 2026

There has been a 'gold rush' into retail platforms, according to Econsultancy;

- 92% of advertisers are actively partnering with retailers to reach consumers.
- 74% of brands have dedicated budgets for the retail media networks
- 87% of consumer packaged goods (CPGs) have planned to increase ad spend in retail media networks largely due to the strong performance of these channels.

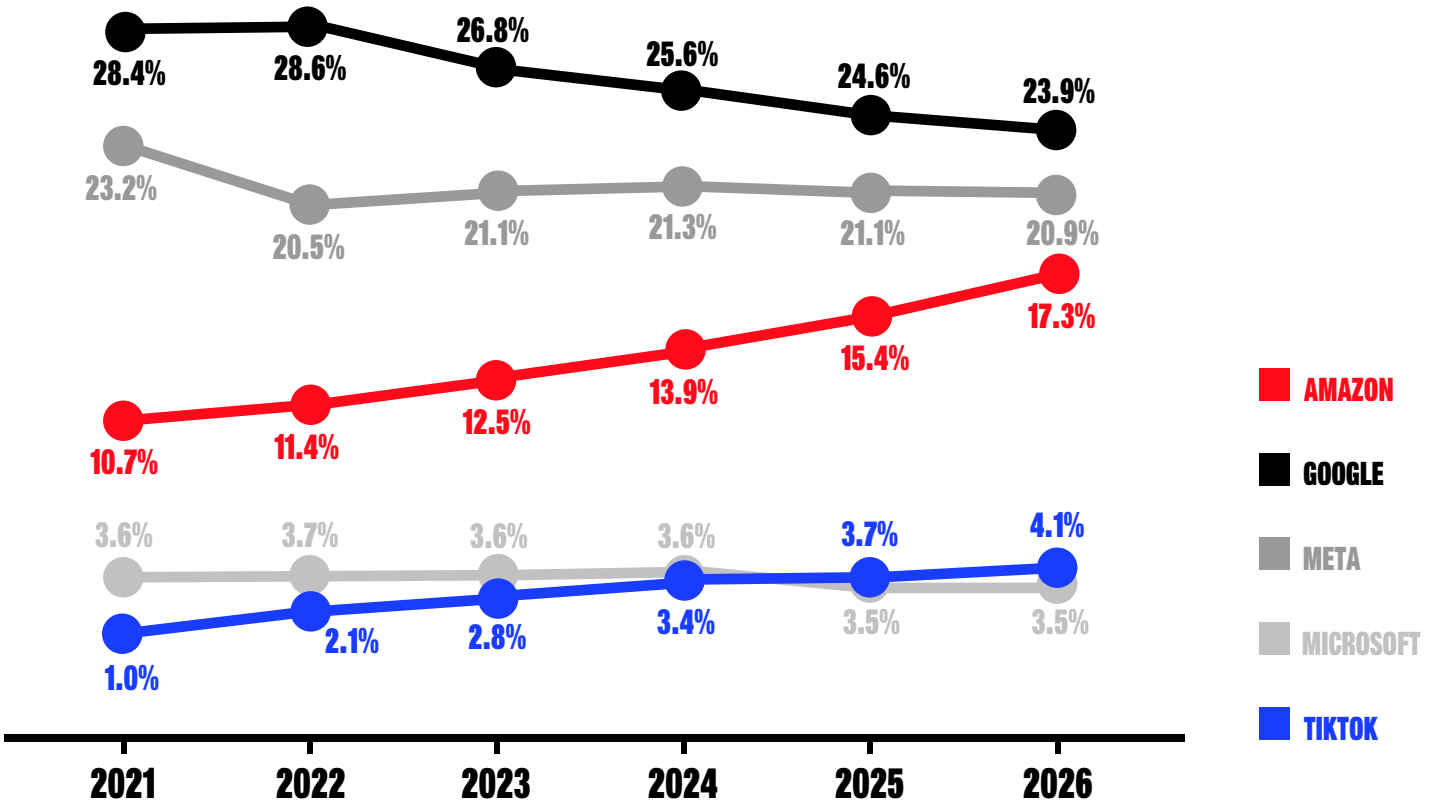
DIGITAL RETAIL MEDIA ADVERTISING SPENDING WORLDWIDE FROM 2018 TO 2028



Retail media has become a high-growth channel, taking share from ‘traditional’ advertising giants such as Meta and Google. Retail media is projected to reach \$100 billion by 2027 in the U.S. alone, and up to 17% of all digital advertising spending between now and 2026.

AMAZON IS CLOSING IN ON META, AS THE DUOPOLY FADES AND THE TRIOPOLY SOLIDIFIES

% of US digital ad spending among select companies, 2021-2026



“The shift towards commerce media is a strategic move for brands seeking measurable ROI. By investing in retail media, marketers can directly target shoppers at the point of purchase, driving higher conversion rates and building stronger customer relationships.”

JASVINDER SINGH BINDRA

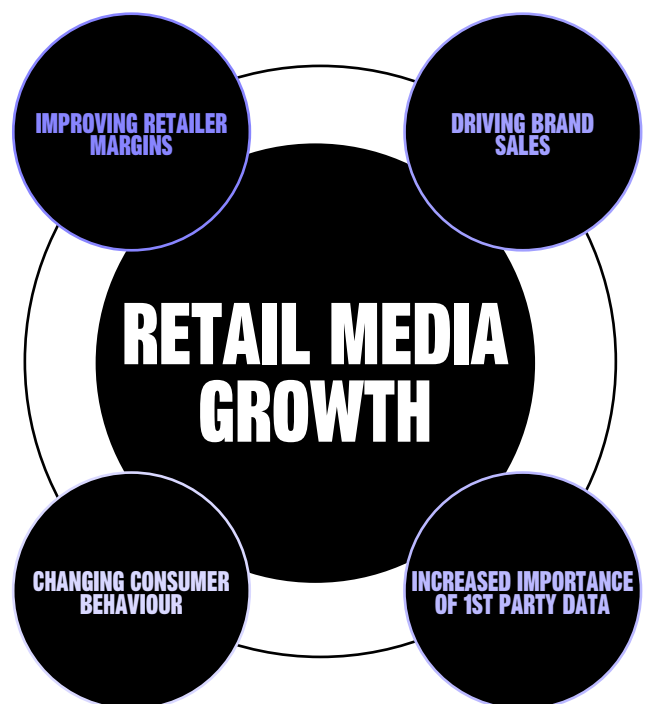
Commerce Media Director, M&C Saatchi Performance





4 FACTORS DRIVING RETAIL MEDIA GROWTH

- Pressure on retailers to derive new sources of revenue and improve margins has led to innovation.
- The ongoing challenge for brands to drive increasing sales in low-growth and ever-more competitive markets.
- The decline of third-party cookies and the need for brands to evolve their approaches to targeting consumers.
- Evolving consumer online behavior which is impacting how shoppers are making product decisions.



“A combination of factors such as the possible decline in cookies, understanding the importance of first-party data, and online shopper behavior is driving this growth. Retailers have a wealth of first-party data on their customer's shopping habits, offering brands a targeted advertising solution right at the point of purchase. Additionally, the growth of e-commerce has created a massive audience of engaged shoppers, making retail media an attractive channel for brands.”

JASVINDER SINGH BINDRA
Commerce Media Director, M&C Saatchi Performance

WHY SHOULD ADVERTISERS ACTIVATE RETAIL MEDIA?



INCREASED REACH:

Retail platforms enable advertisers to tap into a broader customer base, transcending geographical limitations.



DATA-DRIVEN INSIGHTS:

Platforms generate valuable data on consumer behavior, preferences, and trends, aiding in informed decision-making.



COMPETITIVE ADVANTAGE:

Early adopters of innovative retail platforms gain a competitive edge in the market.



ENHANCED CUSTOMER EXPERIENCE:

Retailers can offer personalized recommendations, seamless checkout processes, and efficient delivery services.

“Retail channels are only going to become more competitive and complex, and early adopters that test channels will be at an advantage to the competition before the platforms become crowded and costs become prohibitive. However, advertisers must have a Commerce Media strategy and a thorough understanding of how to integrate planning with other media channels to prevent wastage.”

JASVINDER SINGH BINDRA

Commerce Media Director, M&C Saatchi Performance



MEDIA OPPORTUNITIES AND FORMATS AVAILABLE

The platforms all have a variety of media formats available to advertisers, for example:



SPONSORED DISPLAY:

A type of online advertising that aims to increase brand visibility and drive traffic to product pages. They appear on various placements within a platform, such as the homepage, product detail pages, and even external websites. These ads are typically image-based and can feature multiple products or a single product.



SPONSORED BRANDS:

Ads that feature a brand logo, a custom headline, and often specific products. Available in prominent locations across the platforms, for example, at the top of search results, and aim to raise brand awareness. Good for seasonal products or collections.



SPONSORED PRODUCTS:

Ads that promote specific products within search results or on product spec pages. Typically are pay-per-click (PPC) and increase brand awareness and, therefore, sales.



VIDEO ADS

Platforms like Amazon offer video ads that can appear in search results or on product detail pages. These ads drive engagement and showcase product features and benefits.



BRAND STORE PAGES

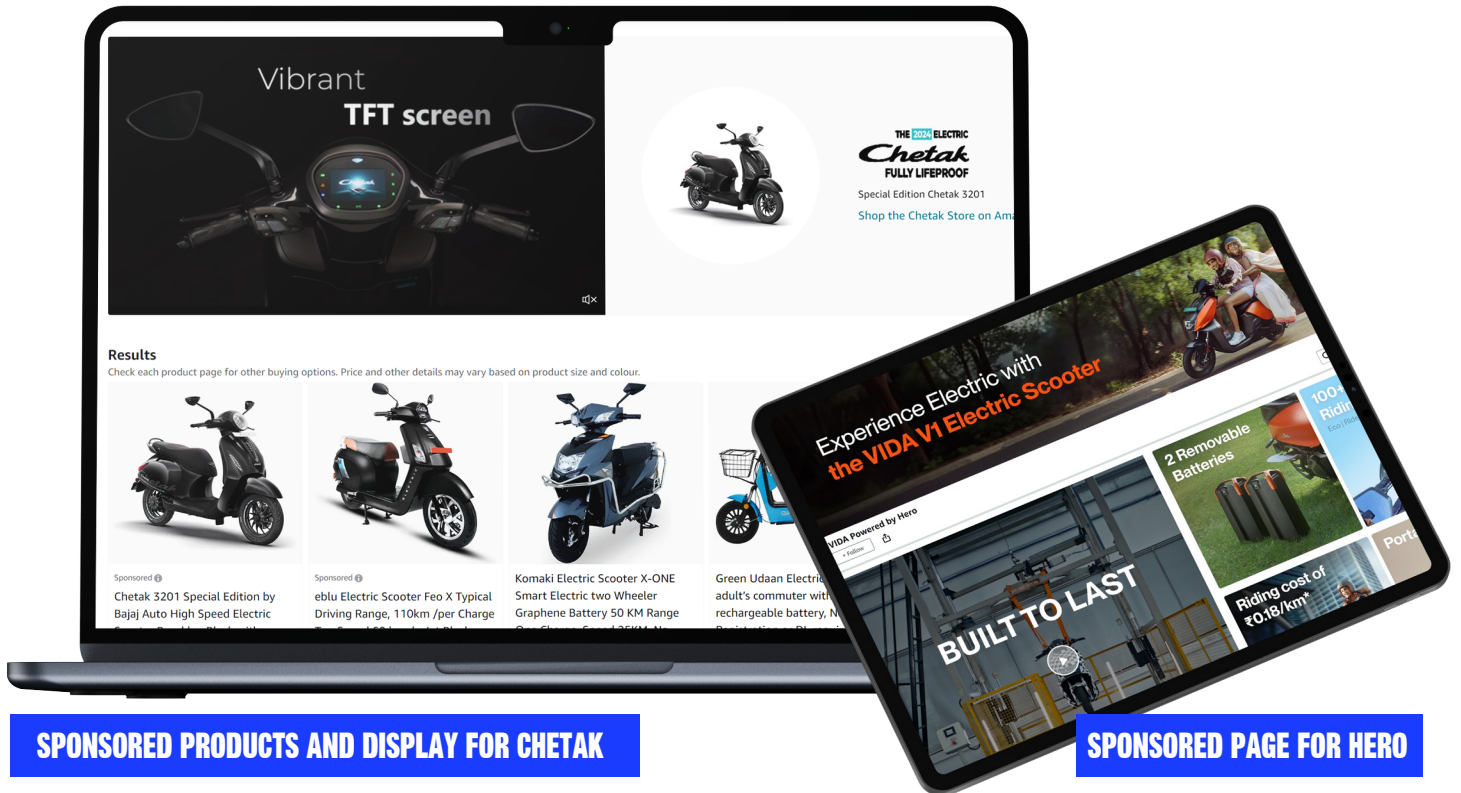
A Brand Store is essentially a dedicated online space on a platform (like Amazon) where a brand can showcase its products, tell its story, and engage with customers. It's like a digital storefront where customers can explore a brand's offerings in a more immersive way than a simple product listing.



COUPONS AND DEALS:

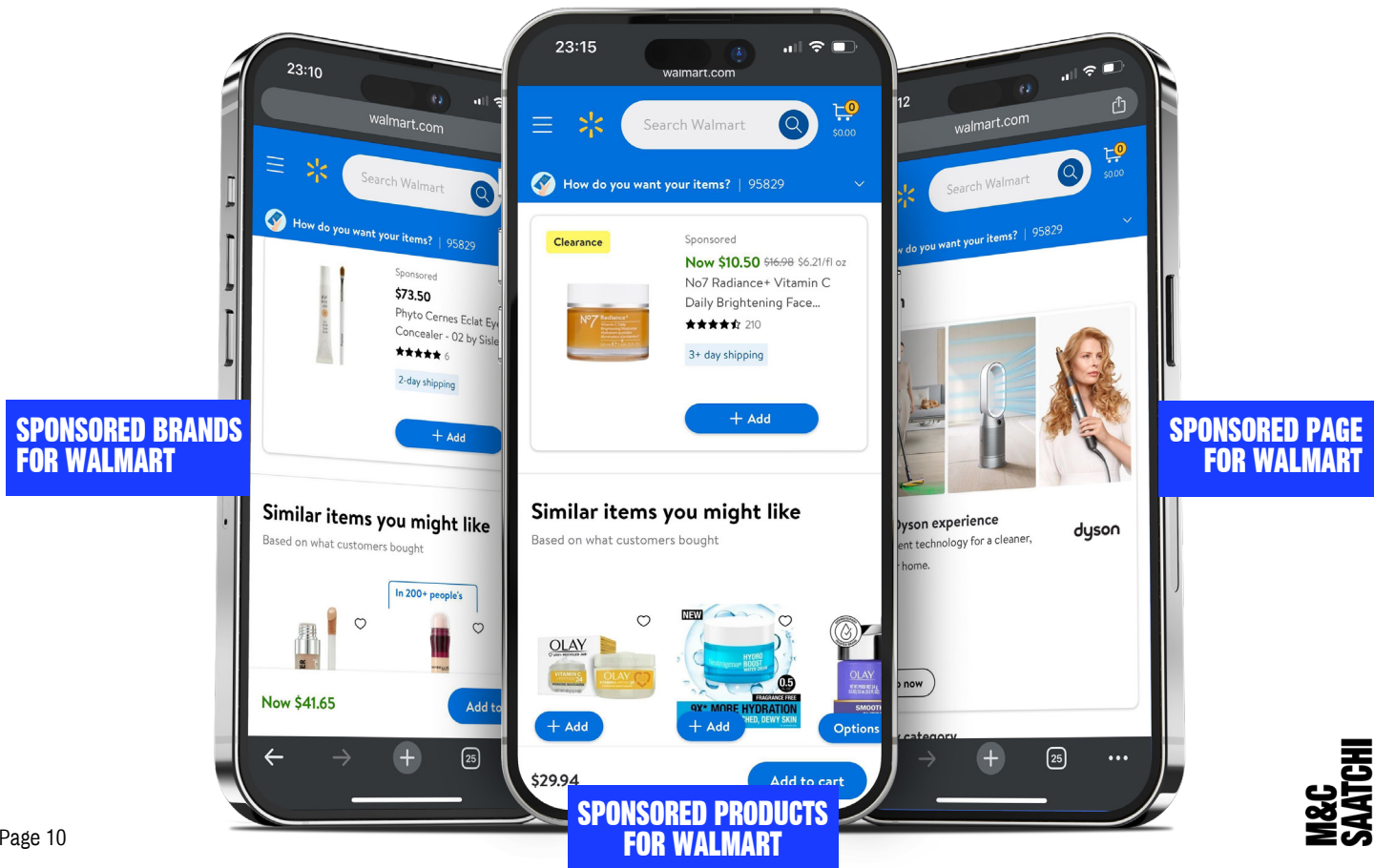
Advertisers can offer special discounts and deals that are prominently displayed on the platform, attracting price-sensitive shoppers.

EXAMPLE POINT OF SALE PLACEMENTS



SPONSORED PRODUCTS AND DISPLAY FOR CHETAK

SPONSORED PAGE FOR HERO



SPONSORED BRANDS FOR WALMART

SPONSORED PAGE FOR WALMART

SPONSORED PRODUCTS FOR WALMART

LEADING ECOMMERCE MARKETPLACES

AUSTRALIA	INDIA	INDONESIA	SINGAPORE	UNITED KINGDOM	UNITED STATES
Bunnings Warehouse	Amazon	Blibli	Lazada	Amazon	Amazon
Coles	Bigbasket	Bukalapak	Shopee	Argos	BestBuy
eBay	Flipkart	Lazada	Zalora	ASOS	eBay
Kmart	Grofers	MatahariMall		B&Q	Etsy
Myer	Tata CliQ	Shopee		Boots	Kroger
Officeworks	Meesho	Tokopedia (TikTok Shop)		Currys PC World	Lowe's
Woolworths	Myntra			John Lewis	Macy's
The Iconic	Nykaa			Sainsbury's	Target
	Purple			Sports Direct	The Home Depot
	Snapdeal			Tesco	Walmart

*Alphabetical order

SNAPSHOT: TOP U.S. COMMERCE MARKETPLACES



Amazon is the dominant player in the U.S., with a variety of ad products that enable advertisers to reach shoppers throughout the purchase journey.



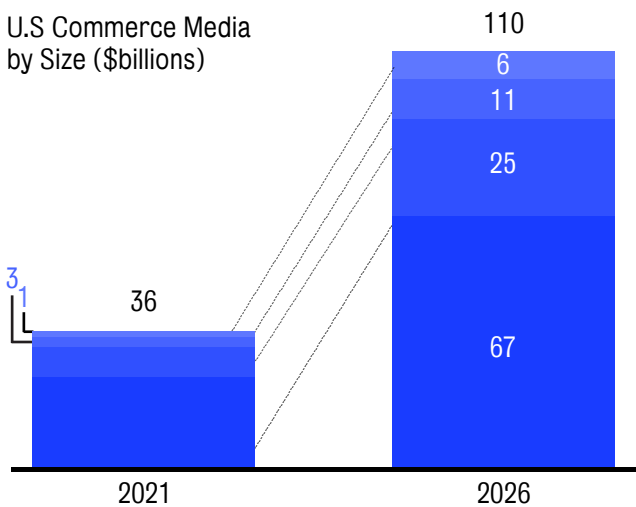
Walmart welcomes 150 million customers weekly and has seen digital ad impressions increase 50% year-over-year. Walmart is also developing a streaming service that could fundamentally change how consumers shop.



Target In the last eight years, Target has partnered with digital media companies to reach 147 million customers in-store and online. Other compelling factors for Target include:

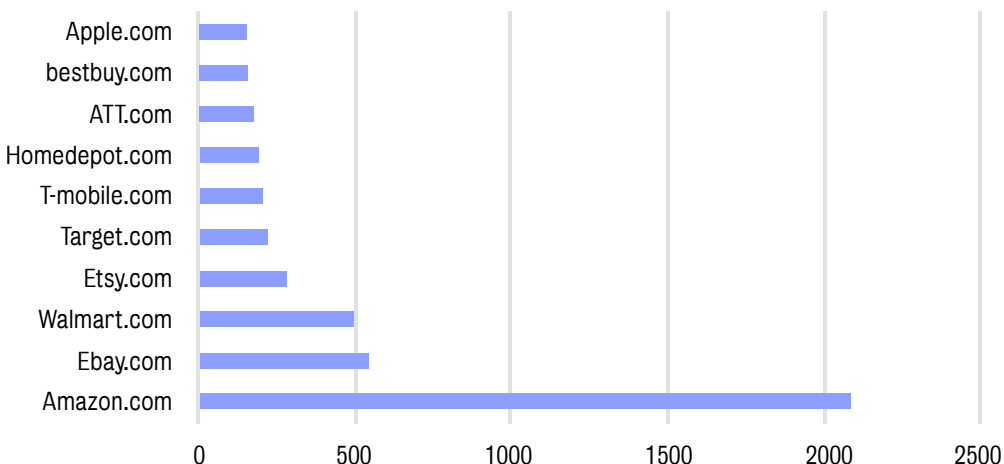
- Target's website receives 40 million unique visits each week.
- Target's digital sales grew by nearly \$10 billion over the previous year.
- As a result, more CPG brands are utilising Target's e-commerce channel advertising options.

U.S Commerce Media by Size (\$billions)



	CAGR
Niche (<\$100 Million)	49%
Category Specialists (\$100 Million-\$1 Billion)	32%
Leaders (>\$1 Billion)	27%
Amazon	22%

*Amazon will account for 60% of retail media, followed by Walmart and Target with \$1B+ media networks (25%). Smaller players will grow more rapidly than Amazon over the next five years.



U.S Commerce Media by estimated monthly visitors (millions)

SNAPSHOT: TOP UK COMMERCE MARKETPLACES

As with the U.S., Amazon is the dominant player; however,



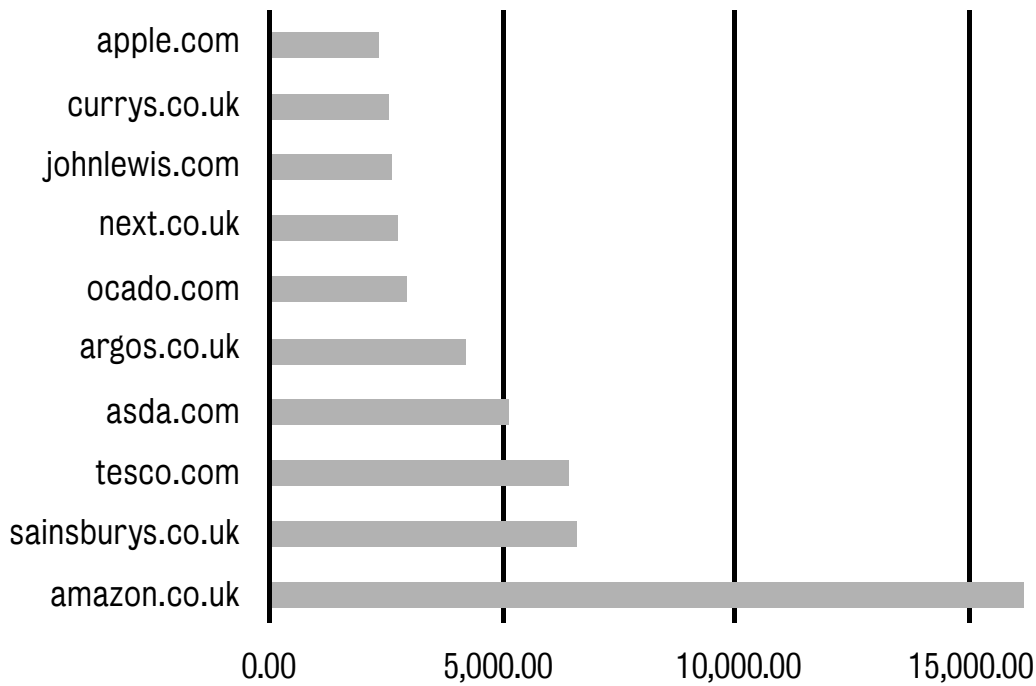
Sainsbury's is also a significant platform. Sainsbury's offers a diverse advertising ecosystem activated through Nectar 360, their loyalty, insights, and retail media business.



Tesco is also one of the top retailers in the UK with a long history of collecting data in physical, online, and app made available through their Self-serve platform, which offers:

- Access to Tesco first-party data
- Highly personalised audiences
- Omnichannel activation and measurement

UK Commerce Media by size, 2023 net sales (in million U.S. dollars)



SNAPSHOT: TOP INDIAN COMMERCE MARKETPLACES

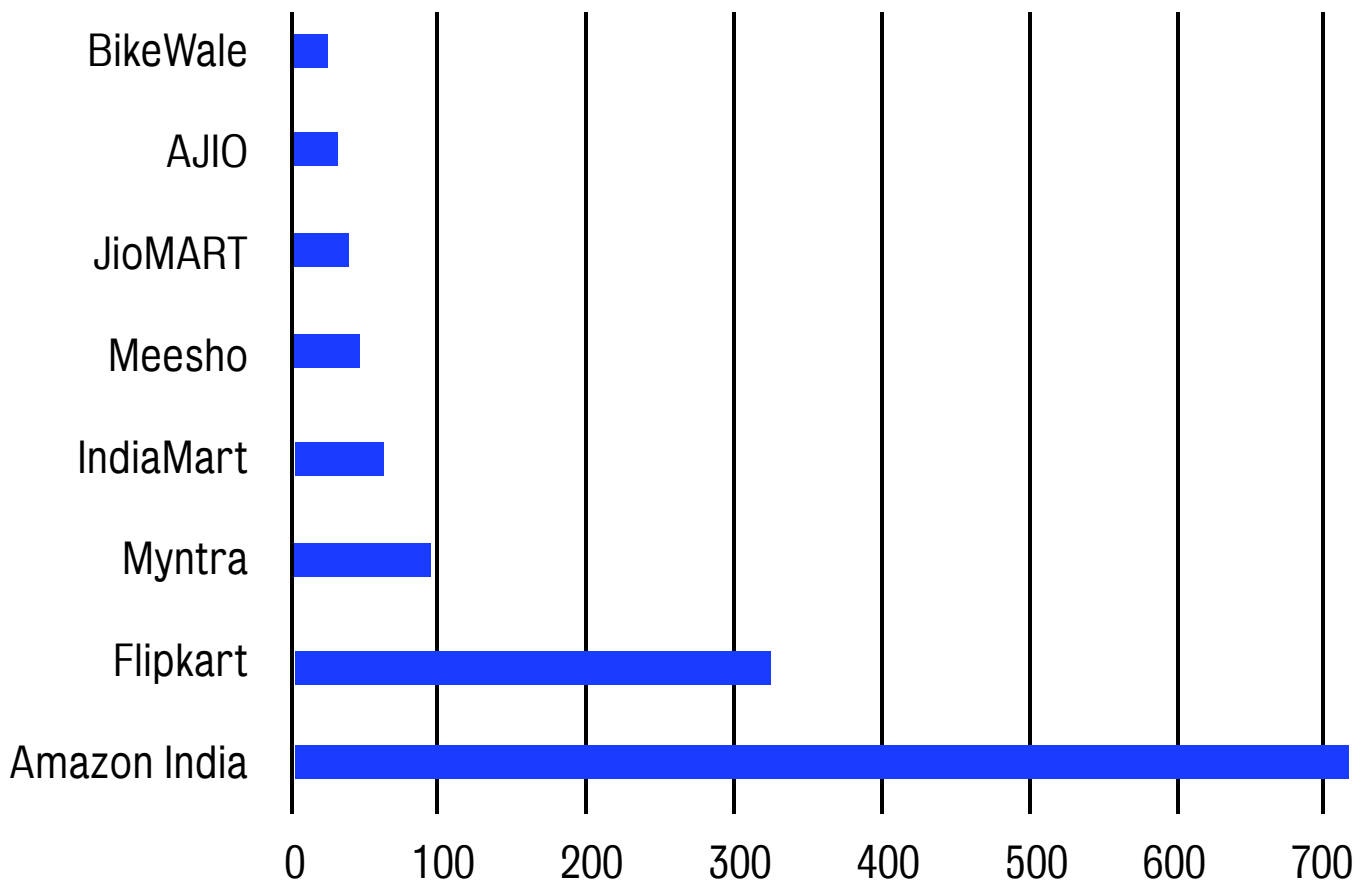
Again, Amazon is the dominant player in India



Flipkart, offering a wide range of products, including clothing, furniture, and flight bookings. Flipkart strongly emphasizes tech stack development to enhance users' shopping experiences. Flipkart Ads provides two significant campaign types depending upon your online business objectives:

- Cost per Click (CPC) campaign gives greater visibility among potential customers.
- A Smart Return on Investment (ROI) campaign is recommended for low-margin listings, high-converting listings, and any other listings where you aim for a minimum ROI.

India Commerce Media by estimated monthly visitors (million)



SOUTHEAST ASIA TOP MARKETPLACES



INDONESIA

Top 3 eCommerce Platforms by monthly visits (Web):

- [Shopee](#) (Monthly Visits: 250M)
- [Tokopedia](#) (Monthly Visits: 110M)
- [Lazada](#) (Monthly Visits: 50.34M)

THAILAND

Top 3 eCommerce Platforms by monthly visits (Web):

- [Shopee](#) (Monthly Visits: 71.97M)
- [Lazada](#) (Monthly Visits: 30.80M)
- [Kaidee](#) (Monthly Visits: 2.83M)

PHILLIPPINES

Top 3 eCommerce Platforms by monthly visits (Web):

- [Shopee](#) (Monthly Visits: 57.70M)
- [Lazada](#) (Monthly Visits: 27.13M)
- [Carousell PH](#) (Monthly Visits: 5.09M)

MALAYSIA

Top 3 eCommerce Platforms by monthly visits (Web):

- [Shopee](#) (Monthly Visits: 42.53M)
- [Lazada](#) (Monthly Visits: 10.40M)
- [Mudah](#) (Monthly Visits: 6.66M)

VIETNAM

Top 3 eCommerce Platforms by monthly visits (Web):

- [Shopee](#) (Monthly Visits: 140M)
- [Lazada](#) (Monthly Visits: 21.82M)
- [Tiki.vn](#) (Monthly Visits: 7.34M)

SINGAPORE

Top 3 eCommerce Platforms by monthly visits (Web):

- [Shopee](#) (Monthly Visits: 14.53M)
- [AliExpress](#) (Monthly Visits: 4.72M)
- [Lazada](#) (Monthly Visits: 4.61M)

RETAIL MEDIA PREDICTIONS

1 CONTINUED DIGITIZATION OF STORES

In-store retail media opportunities are multiplying, from end-cap aisle displays to shopping carts and gas pumps getting digital ads.

3 SMALLER PLAYERS WILL BOOST SUPPLY

Smaller retailers are entering the retail media game. However, they must scale quickly to survive, and the more extensive networks are already dominating the market.

5 INCREASING COMPETITION:

Traditional advertising giants like Google and Meta are aware of the growing importance of retail media and are seeking to integrate with retail media networks or develop their offerings. Partnerships or acquisitions are likely in the future.

2 STANDARDISATION WILL SURFACE

Many retail media networks and media companies have called for standardization across platforms. This will likely take some time, but we expect to see more organizations address its urgency and propose frameworks.

4 OFF-SITE PARTNERSHIPS

Retail media networks, streaming companies, and social media networks have been teaming up to boost off-site ads to remain competitive. One example is the recent partnership between YouTube and Shopee. Though this is a first-of-its-kind shopping feature in Southeast Asia, YouTube is exploring how video content can become a crucial part of e-commerce. Indonesia is the first testing ground for this feature, with expansions planned into other high-growth markets like Thailand and Vietnam.

Read more about what this means for marketers [here](#).

6 INNOVATION:

With a huge user base and wealth of data Amazon has a huge head start. To compete retailers will seek innovation eg leveraging their unique customer bases, niche product categories, or loyalty programs to create targeted brand advertising opportunities. Additionally, niche retail media networks catering to specific industries or demographics are emerging and could be exciting to watch.

NOTABLE SOCIAL, RETAIL AND DIGITAL ADVERTISING PARTNERSHIPS IN 2023

MONTH	PARTNERSHIP
March	<p>ROKU + BEST BUY</p> <p>Meta + DOLLAR GENERAL</p>
April	<p>Pinterest + amazon</p>
June	<p>Walmart + NBCUniversal</p> <p>Pinterest + wayfair + /LiveRamp</p>
September	<p>Microsoft + SNAPCHAT</p> <p>X + Google</p>
October	<p>instacart + theTradeDesk</p>
November	<p>amazon + Meta</p> <p>amazon + SNAPCHAT</p>

IN SUMMARY

“As technology evolves and data privacy regulations become standardized, we should expect explosive growth to continue. With even more sophisticated targeting and measurement capabilities across Commerce Media, will likely become a central pillar of any brand's advertising strategy, working alongside traditional channels to create a holistic marketing approach.”

JASVINDER SINGH BINDRA

Commerce Media Director, M&C Saatchi Performance

He continues:

“Brands can leverage retail media platforms by utilizing the rich targeting options based on purchase history and demographics. Creative ad formats that blend seamlessly with the shopping experience are essential for grabbing attention. Finally, brands need to have a precise measurement strategy to track their campaigns' performance and optimize them for better results.”

MEET THE EXPERT



JASVINDER SINGH BINDRA

Commerce Media Director, M&C Saatchi Performance

With over 15 years of media experience, Jasvinder leads the Retail Media team at M&C Saatchi Performance. His experience includes senior roles at Target and Amazon, and he brings a wealth of retail media knowledge to clients everywhere.

ABOUT M&C SAATCHI PERFORMANCE

M&C Saatchi Performance is a leading global performance marketing agency, we are the growth agency for digitally driven brands. We started in 2006 with a focus on mobile. Since then we have expanded to provide profitable growth across digital channels, leveraging the reach of paid search & social, programmatic, retail media, CTV, influencer marketing, ASO, creative, measurement solutions and more.



www.mcsaatchiperformance.com

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