



MAGNA

KINESSO
COMMERCE

Retail Media: Moving Offsite

Authors: Luke Stillman, Kevin Bowers

Editor: Vincent Letang

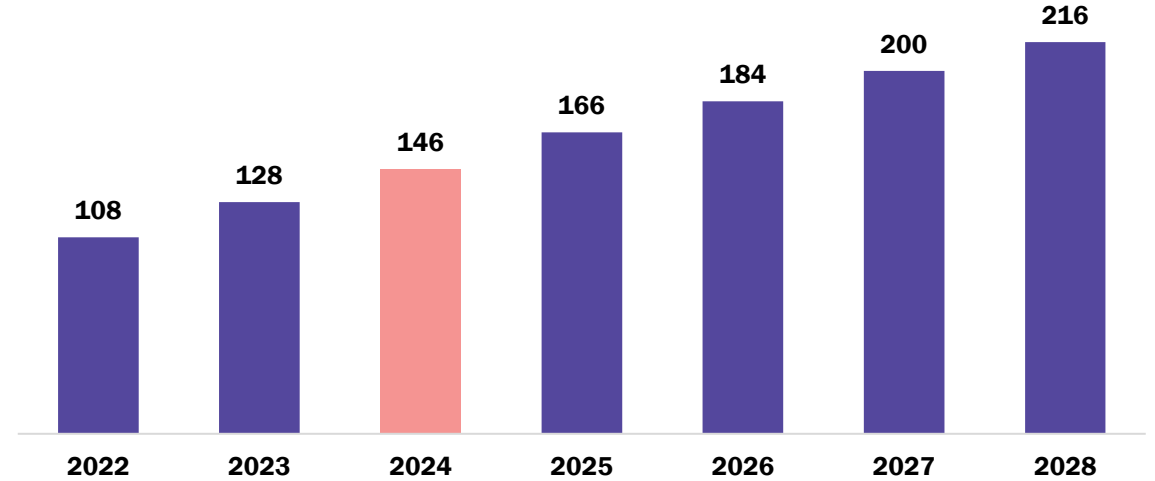
May 2024

Executive Summary

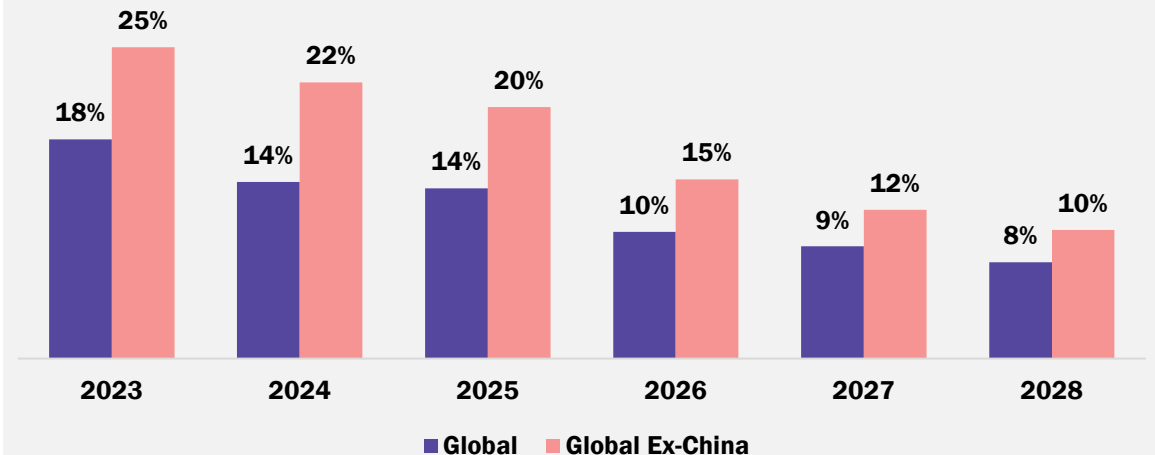
Retail Media Still Strong, Moving Offsite

- 1) MAGNA's Spring 2024 Retail Media Report, created in collaboration with KINESSO Commerce, finds the **Retail Media** advertising marketplace to still be one of the largest, and fastest growing drivers of the global advertising economy.
- 2) Amazon remains the most significant retail media player, with approximately 69% of the market share globally outside China, or 35% of the market share when including China. However, it has eroded from the nearly 80% market share ex-China just three years ago.
- 3) Retail Media advertising revenues are progressively more multimedia, and more frequently involve offsite inventory. As new entrants ramp up their retail (and other consumer touchpoint) offerings, Retail Media becomes increasingly diverse and increasingly fragmented. As these transitions take place, brands are also pushing for more and better self-service offerings.
- 4) Retail Media is not just for retailers anymore. Other scaled commerce platforms, including financial services, ridesharing, and delivery apps, are also capitalizing on consumer-level data.
- 5) Retail Media is increasingly powering CTV inventory. As the rest of the data available to brands and publishers deteriorates (and will deteriorate even more in 2025 with full cookie deprecation), brands are increasingly leaning on retailers to power targeted campaigns across all devices.
- 6) Retail Media is being used not just to lure in consumers and drive sales, but also to manage supply chains. Because Retail Media now includes SKU-level stock feedback, it is a new tool in a brand's logistics arsenal.

GLOBAL RETAIL MEDIA AD REVENUES (\$BN)



GLOBAL RETAIL MEDIA GROWTH (% Y/Y)



Retail Media Rising

Retail Media represents 16% of global advertising spending.

Most spending goes into keyword-related Search formats, but it also extends across digital display and digital video ad formats (including an expanding volume of CTV).

Retail Media is the fastest-growing advertising channel. Retail media ad revenues will grow by an average of +11% annually through 2028 to reach \$216 billion.

Large eCommerce walled gardens largely dominate the retail media ad revenue landscape. Amazon, with a 35% share, and Alibaba, with a 26% share, lead the pack as the largest retailer ad platform. This concentration of power is particularly evident outside China, where Amazon controls a staggering 69% market share in 2023, followed by Walmart with a 5% share.

China is the largest market for retail media, representing \$67 billion. The US is second, with \$53 billion in revenues in 2024. Ten markets already display retail media ad revenues greater than one billion dollars annually.

The fastest-growing retail media market is India (+40% in 2024). The UK (+16%) and China (+6%—market maturity) are the slowest-growing markets in 2024.

Retail Media already accounts for 27% of keyword search advertising outside China. It also contributes to 8% of ad sales in digital display (banners and video). This represents 23% of total digital ad revenues globally. In China, retail media represents even higher shares of various formats as commerce platforms are far more integrated into the advertising ecosystem and consumer behavior than in the rest of the world.

In many markets where Retail Media is less mature, spending represents a more minor but increasing share of search & display-related formats.

The Retail Media Landscape Expanding and Diversifying

Up to this point, our report has delved into the fundamental growth drivers for retail media, providing an updated overview of the size and distribution of retail media advertising revenues across various parameters. However, the real intrigue lies ahead as we now turn our attention to the **pivotal developments that will shape Retail Media in 2024 and beyond.**

As we explore the future of retail media, it's crucial to grasp the intricate web of interdependencies at play. The expansion of retailer data, for instance, not only fuels the migration of retail media dollars offsite but also paves the way for brands to leverage this data on CTV and other platforms.

This data-driven approach is what underpins the more impactful targeting and measurement that commerce data enables.

Finally, that degree of measurement granularity at an SKU level in real-time opens up the possibility of leveraging commerce media to manage supply chains.

1

Not Just for Retailers Anymore

The rapid growth of retail Media can be attributed to retailers' access to the most comprehensive, real-time, and granular data sets. However, this advantage is not exclusive to retailers. Other scaled commerce platforms, including financial services, ridesharing, and delivery apps, are also capitalizing on consumer-level data. As cookies become obsolete, this data becomes even more valuable for brands, fueling the offsite synergies between premium publishers and retailers.

2

Moving to Offsite and Self-Service

This move means that brands want to leverage retailer data more to learn from their campaigns away from retailer properties and make them more effective. In addition, brands want to purchase retail media inventory with more control and efficiency than ever, including spreading across devices such as CTV.

3

Bigger Pools of Data

Retail data can be combined with other data sets for better targeting and measurement. This will be especially important as the cookieless future arrives in 2025 and beyond.

4

Retail Media to Manage Supply Chain

Because Retail Media can be precisely geotargeted, turned on and off at a moment's notice, and incorporate SKU-level stock feedback, It is a new tool in supply chain management's arsenal.

About Us



MAGNA

MAGNA is the centralized Mediabrands resource that provides media marketplace intelligence and negotiation prowess for agency teams and clients.

MAGNA infuses the organization with knowledge that empowers better decision-making, including insights, forecasts, and strategic relationships.

MAGNA Intelligence has set the industry standard for more than 70 years by predicting the future of media value. The MAGNA Intelligence team produces more than 40 annual reports on audience trends, media spend and market demand as well as ad effectiveness. To access full reports and databases or to learn more about our subscription-based research services, contact forecasting@magnaglobal.com.

IPG Mediabrands agencies and MAGNA Intelligence Subscribers can access and download MAGNA reports through the MAGNA Atlas: <https://atlas.magnaglobal.com>.

To Access the Full Report: forecasting@magnaglobal.com

KINESO Commerce

KINESO Commerce is the dedicated Commerce unit that sits within KINESO of IPG Mediabrands. It specializes in Retail Media, including strategic planning, consultancy and activation both on and off retailer websites and marketplaces. In addition, in our larger markets, we provide supporting services such as retail content creation, forecasting and profitability analysis.

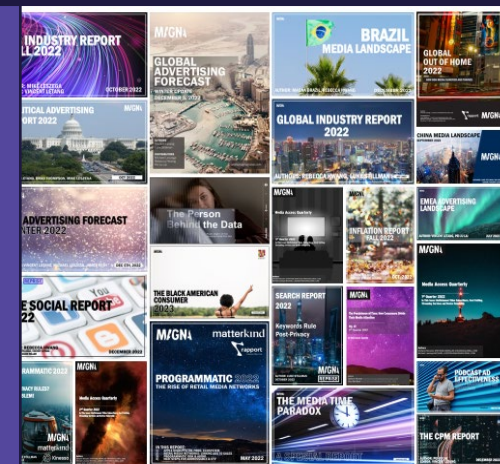
Through our parent agency, KINESO, we also offer a full suite of performance services such as paid search, paid social (including social commerce) and SEO.

With more than 1,000 experts in markets around the world, our team is connected to our clients and customers. [To learn more about how KINESO Commerce can benefit your business, please visit \[kinessocommerce.com\]\(https://kinessocommerce.com\)](#)

MAGNA Intelligence One-Page Summary

**“THE MOST TRUSTED, MOST
COMPREHENSIVE MARKET
INTELLIGENCE OFFERING IN THE
INDUSTRY”**

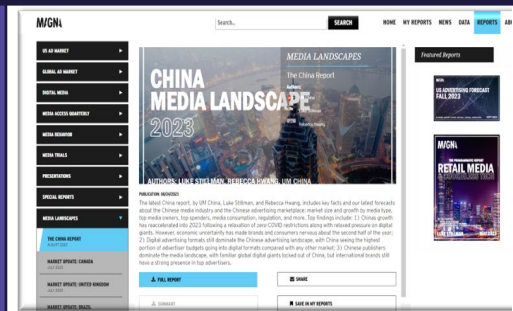
**60
REPORTS PER
YEAR
ON EVERY
STRATEGIC TOPIC,
MEDIA, MARKET**



**TRUSTED BY 50
SUBSCRIBERS
(MEDIA OWNERS,
AGENCIES,
INVESTORS)**



**ATLAS
OUR PORTAL TO
MARKET DATA &
INSIGHTS**



**ONE-STOP-SHOP MEDIA
MARKET INTELLIGENCE**
**AD MARKET TRENDS, MEDIA CONSUMPTION TRENDS, AD
EFFECTIVENESS (MEDIA TRIALS), INNOVATION (MEDIA
LAB)**