
Webinar Series

Retail Media

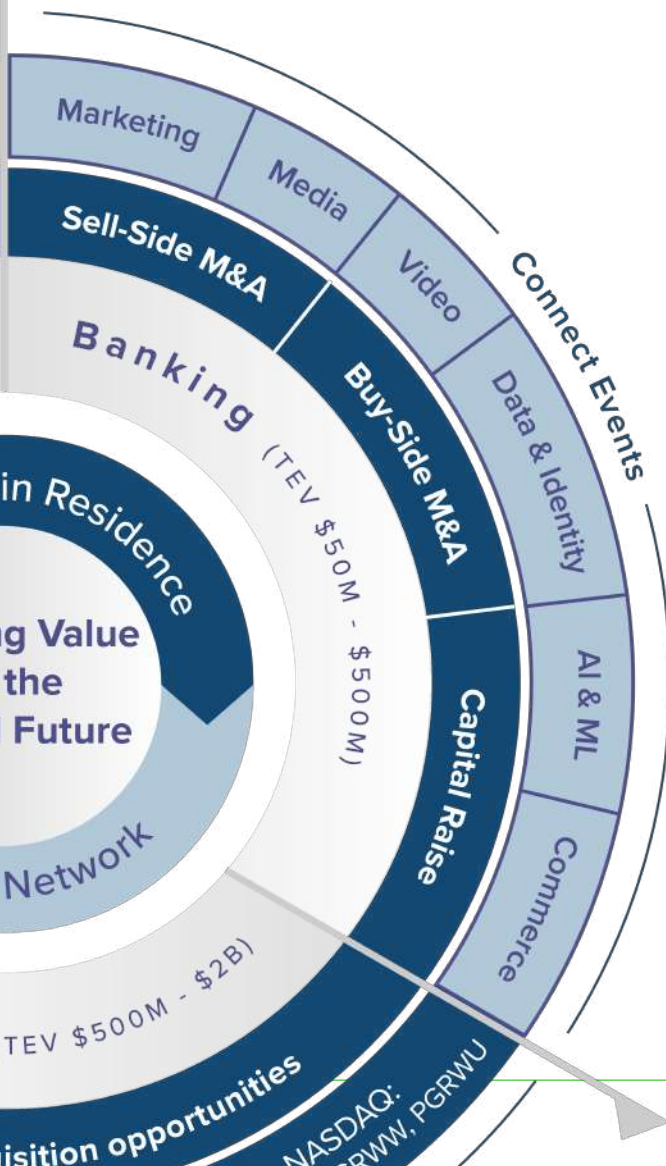
The Consolidation of a New Era

Hosted by

Sam Thompson, Senior Director, Progress Partners

Brett Chatfield, Associate, Progress Ventures

Relevant Experience



Recently completed mandates

Retargetly

Has Been Acquired By

EPSILON

A PRICER GROUP Company

A principal of the undersigned in development of the company's strategic plan, served as exclusive financial advisor

PROGRESS PARTNERS

MEDIA Radar

Has secured strategic investment from

THOMPSON STREET

EMERGENCY GROUP

A principal of the undersigned in development of the company's strategic plan, served as exclusive financial advisor

PROGRESS PARTNERS

WVC GLOBAL

Has been Acquired by

Command Holdings

A Pequot Company

A principal of the undersigned in development of the company's strategic plan, served as exclusive financial advisor

PROGRESS PARTNERS

COX REPS

Has been Acquired by

One Equity Partners

A principal of the undersigned in development of the company's strategic plan, served as exclusive financial advisor

PROGRESS PARTNERS

gamut

SMART MEDIA FROM COX

Has been Acquired by

One Equity Partners

A principal of the undersigned in development of the company's strategic plan, served as exclusive financial advisor

PROGRESS PARTNERS

BULLETIN

Has been Acquired by

EMERALD

A principal of the undersigned in development of the company's strategic plan, served as exclusive financial advisor

PROGRESS PARTNERS

TCA

Has been Acquired by

OMG

One.com Inc Group

A principal of the undersigned in development of the company's strategic plan, served as exclusive financial advisor

PROGRESS PARTNERS

Feedback Loop

Has been Acquired by

DISQO

A principal of the undersigned in development of the company's strategic plan, served as exclusive financial advisor

PROGRESS PARTNERS

Orderze

Has been Acquired by

popmenu

A principal of the undersigned in development of the company's strategic plan, served as exclusive financial advisor

PROGRESS PARTNERS

eden

Has been Acquired by

animoca BRANDS

A principal of the undersigned in development of the company's strategic plan, served as exclusive financial advisor

PROGRESS PARTNERS

OPTIMUS

Has been Acquired by

dynata

A principal of the undersigned in development of the company's strategic plan, served as exclusive financial advisor

PROGRESS PARTNERS

vi video intelligence

Has been Acquired by

Outbrain

A principal of the undersigned in development of the company's strategic plan, served as exclusive financial advisor

PROGRESS PARTNERS

A professional headshot featuring two men standing side-by-side against a plain white background. The man on the left, Sam Thompson, has short blonde hair and is wearing a dark navy blue blazer over a light-colored, vertically striped button-down shirt. He is smiling and looking directly at the camera. The man on the right, Brett Chatfield, has dark hair and is wearing a dark navy blue blazer over a light blue and white checkered button-down shirt. He is also smiling and looking directly at the camera, with his arms crossed. A dark blue horizontal bar spans the width of the image, positioned below the men's waists. On the left side of this bar, the text 'Progress Partners' is written in white. On the right side, the text 'Progress Ventures' is written in white. Above the bar, on the left, is the name 'Sam Thompson' in bold dark blue text, followed by 'Senior Director' in a lighter blue text. Above the bar, on the right, is the name 'Brett Chatfield' in bold dark blue text, followed by 'Associate' in a lighter blue text.

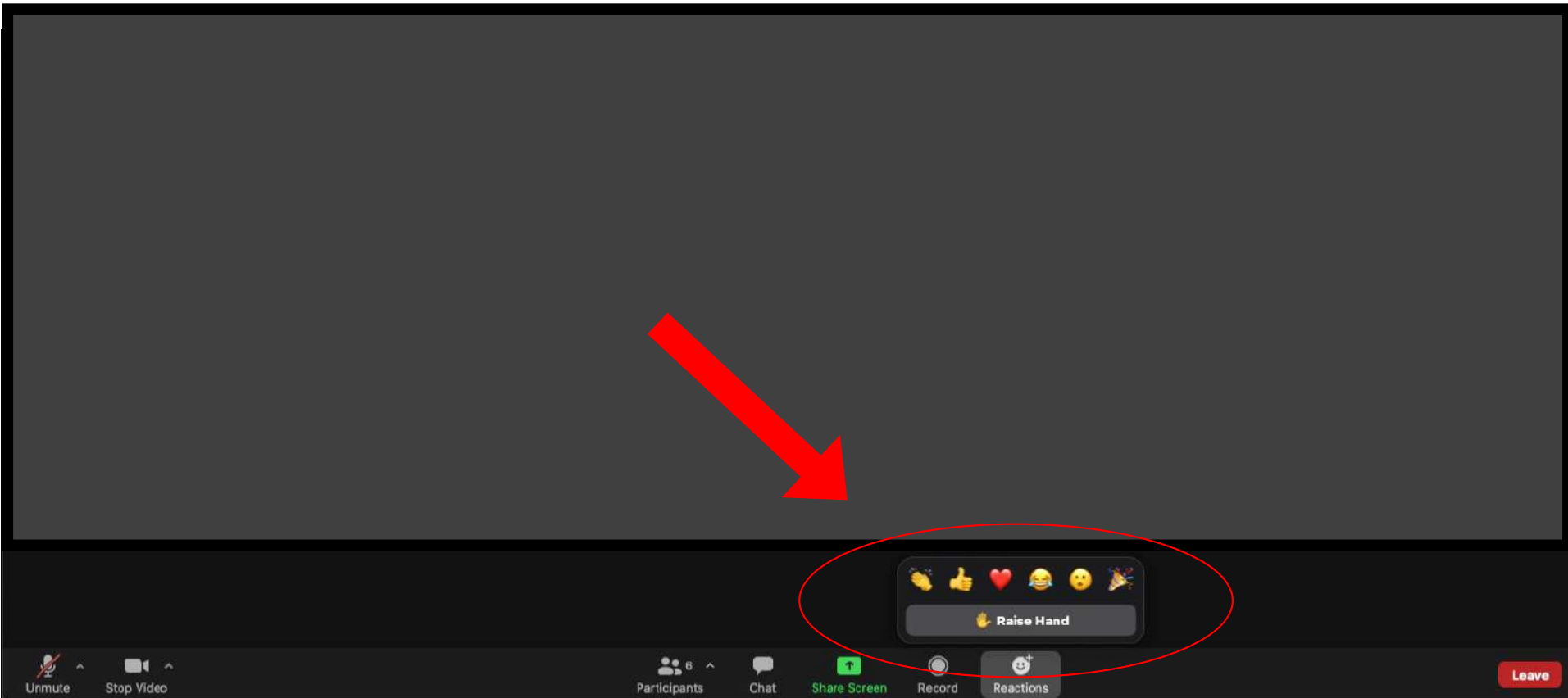
Sam Thompson
Senior Director

Progress Partners

Brett Chatfield
Associate

Progress Ventures

Please Raise Your Hand!



The background features a dark blue-grey gradient. In the upper left, there is a short, horizontal light blue bar. The center of the image is dominated by a large, circular, abstract pattern of overlapping, glowing lines in shades of purple, blue, and green, creating a sense of motion and depth.

Retail Media

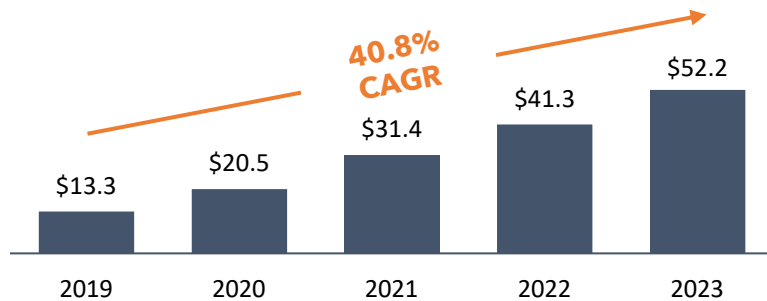
The Consolidation of a New Era

Retail Media – By the Numbers

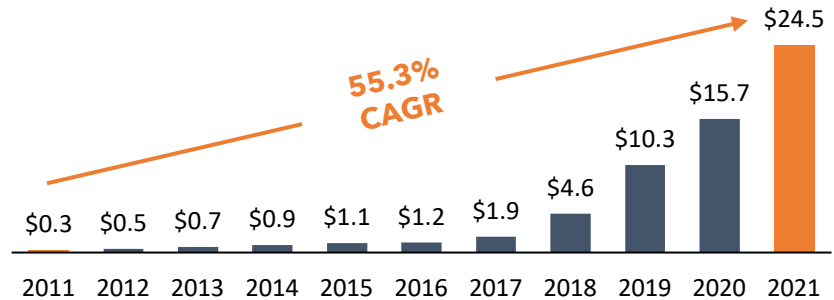
“The \$100 Billion Media Opportunity for Retailers”

- BCG

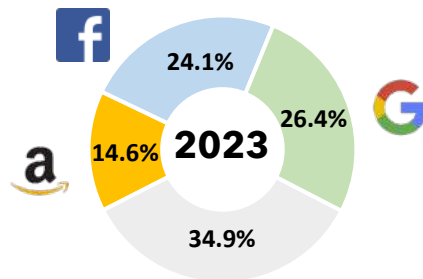
US Retail Media Ad Spend, \$B ⁽¹⁾



Amazon Net US Ad Revenues, \$B ⁽²⁾



2023 US Digital Media Revenue, \$B ⁽¹⁾



3P SMB Sellers on Amazon ⁽³⁾



Retail Media – Now Driving Digital Advertising

- **What is Retail Media**

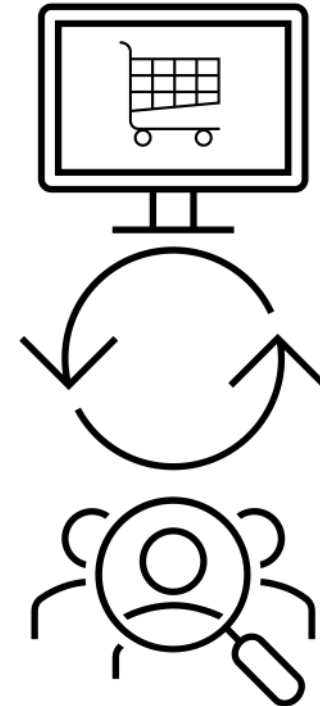
- *Defining commerce media and retail media*
- *Retail media's evolution*

- **The Retail Media Market**

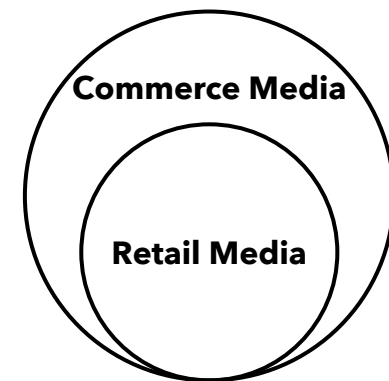
- *Retail media today*
- *Key players in the market*
- *How and where retail media exists*
- *Seller universe*

- **Growth Drivers**

- *Future opportunity*



What is Retail Media



Retail Media vs. Commerce Media

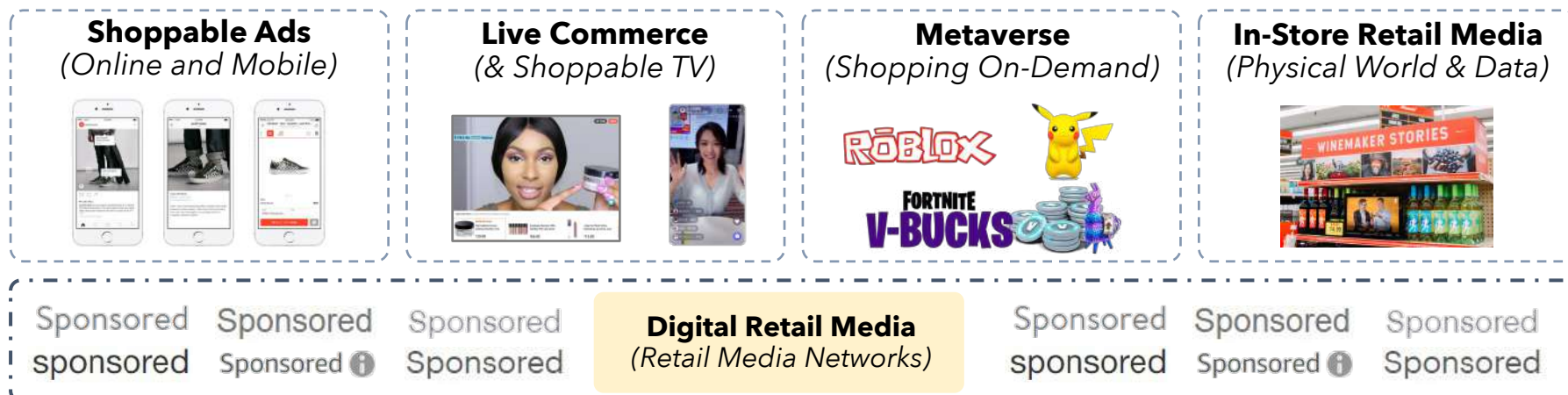
Commerce Media is the broader link of content and commerce by connecting audience impressions with transactions



Commerce Media Then: Affiliate Marketing



Commerce Media Now: Closing the Loop Between Impressions and Transactions



Digital Retail Media (“Retail Media”)

A subset of commerce media, **Retail Media** is real-time **ads served across search, display, and product pages** within a retailer’s site



Why It's Popular:

- I. Low Funnel – online retailers are filled with high-intent shoppers looking to purchase
- II. Privacy Protected – retail media leverages privacy compliant first-party data
- III. Non-Intrusive – shoppers barely notice they’re viewing ads at all
- IV. Link to Transaction – clear ROI for advertisers

What It Looks Like on the Retailer's Site:

Search Results

Two product listings are shown. The first listing for 'Paper Mate InkJoy 20pk Gel Pens' has a red circle around the 'Sponsored' label. The second listing for 'Uni-Ball Stylus 207 Plus+ Retractable Gel Pens' also has a red circle around the 'Sponsored' label.

Banner Ads

A banner ad for Wilson Racquet Sports is displayed, featuring five different tennis rackets. A red circle highlights the 'Sponsored by Wilson Sporting Goods' text.

Featured and Promoted Items

Two food items are featured: 'Joe Bacala's North End Sandwich' and 'Viga Eatery'. A red circle highlights the 'Buy 1, Get 1 Free' promotion for the sandwich.

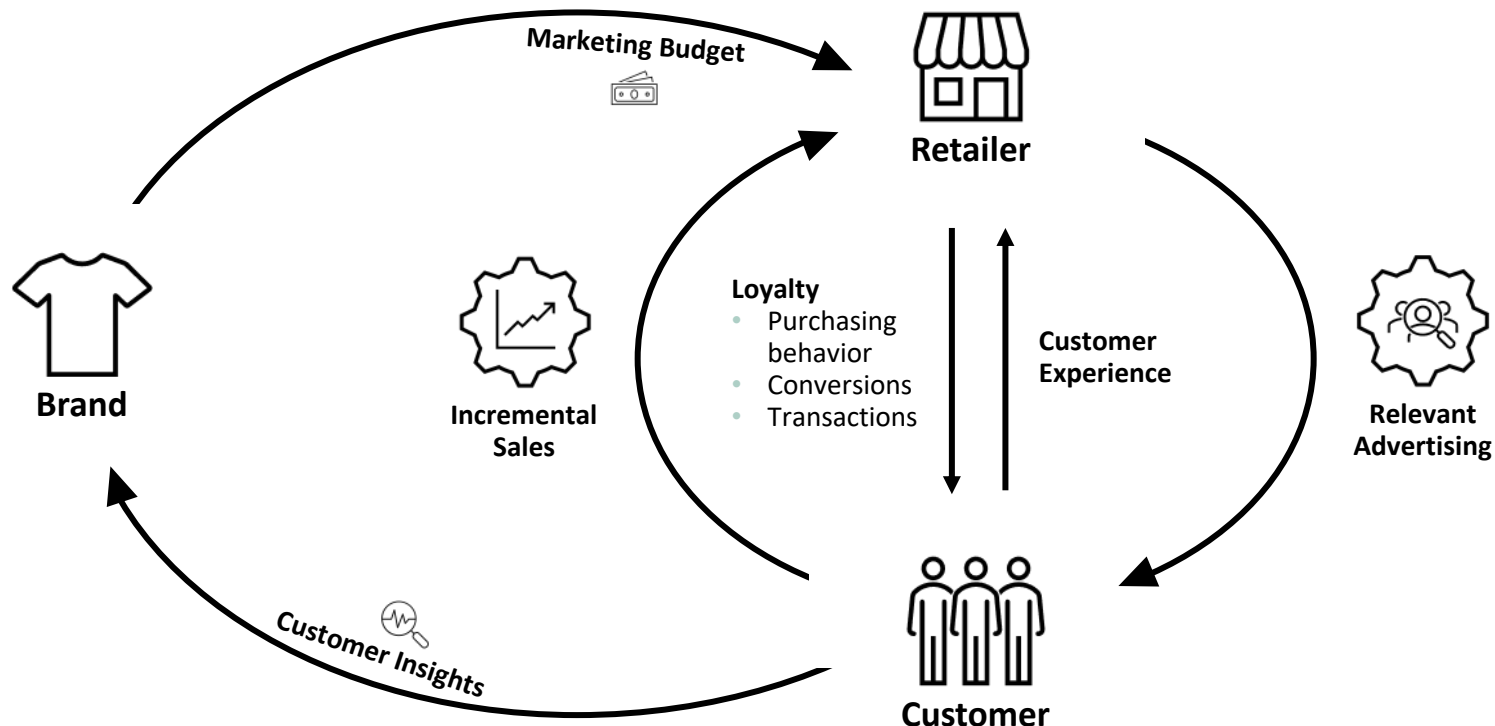
Coupons

A coupon for 'American Journey Active Life Formula Salmon, Brown Rice & Vegetables Recipe Dry Dog Food' is shown. A red circle highlights the 'Save Extra 35% Off on First Order' text.

Media Becomes an Integral Part of the Retail Value Chain

The retail media ecosystem will focus on maximizing the value of customer relationships through first-party data, creating a flywheel to drive further growth

Today's Relationships Among the Players⁽¹⁾:



Example: Amazon

All products on the search landing page are ads

amazon Hello Select your address All toothpaste

1-48 of over 3,000 results for "toothpaste" Sort by: Featured

Eligible for Free Shipping
☐ Free Shipping by Amazon
All customers get FREE Shipping on orders over \$25 shipped by Amazon

Deals
☐ Prime Day Deals

Amazon Local Stores
☐ Amazon Fresh
☐ Whole Foods Market

Climate Pledge Friendly
☐ Climate Pledge Friendly

Department
Toothpaste
Teeth Whitening Products
Teeth Whitening Gels
See All 10 Departments

Customer Reviews
★★★★★ & Up
★★★★☆ & Up
★★★☆☆ & Up
★★☆☆☆ & Up

Brand
☐ Colgate
☐ Crest
☐ Sensodyne
☐ Tom's of Maine
☐ Aquafresh
☐ Arm & Hammer
☐ hello
See more

Price
Under \$25
\$25 to \$50
\$50 to \$100
\$100 to \$200
\$200 & Above

Do more for your whole mouth
Shop Colgate

Shop Toothpaste

RESULTS

Sponsored
Colgate Max Fresh with Whitening Toothpaste with Mini Breath Strips, Clean Mint Toothpaste for Bad...
Mint - 6.3 Ounce (Pack of 3)
★★★★★ ~ 439
-27% \$6⁹⁵ (\$0.37/Ounce) \$9.49

Sponsored
Crest 3D White Luminous Mint Teeth Whitening Toothpaste, 3.7 oz, Pack of 4
Luminous Mint - 3.7 Ounce (Pack of 4)
★★★★★ ~ 1,295
\$14⁹⁹ (\$1.01/Ounce)

Sponsored
Colgate Total Whitening Toothpaste with Stannous Fluoride and Zinc, Exclusive, Whitening...
Mint
★★★★★ ~ 64,211
-21% \$13⁴² (\$0.70/Ounce)

Sponsored
Crest Pro-Health Advanced Antibacterial Protection Toothpaste, Mint Burst, 5oz (Pack of 4)
Mint - 5 Ounce (Pack of 4)
★★★★★ ~ 27,516
\$14⁹⁹ (\$0.75/Ounce)

Example: Walmart

Very similar look and feel to Amazon

The screenshot displays the Walmart website's interface for basketball products. At the top, the Walmart logo and navigation links (Departments, Services) are visible. A search bar contains the word "basketball". To the right of the search bar, there are links for "Reorder My Items", "Sign In Account", and a shopping cart icon showing "\$0.00". A red circle highlights the word "Sponsored" in the top right corner.

Below the navigation bar, a section titled "Made for the Game. Shop Spalding Basketball." is shown. This section features three Spalding basketballs: "Pro Tack", "Max Grip", and "Grip Control". Each basketball has a "+ Add" button, a price, a description, and a star rating. A red circle highlights the text "Sponsored by Spalding" under the first basketball.

Below the product section, there are filters for "In-store", "Price", "Brand", "Departments", and "Speed". A "Sort by" dropdown menu is set to "Best Match". Below the filters, there are tabs for "Basketballs", "Basketball equipment", "Basketball hoops", "NCAA basketballs", "NBA basketballs", "Basketball shoes", and "Basketball clothes".

The main content area shows "Results for 'basketball' (1000+)". A "Best seller" badge is visible. Three Wilson basketballs are displayed: "NBA", "NCAA", and "NCAA". Each basketball has an "Options" button. A red circle highlights the word "Sponsored" under each of the three basketballs.

Example: BestBuy

BEST BUY Menu headphones South Bay Center Cart

Back to School Top Deals Deal of the Day Totaltech Membership Credit Cards Gift Cards Health & Wellness More Account Recently Viewed Order Status Saved Items

Add 24/7 home monitoring from SimpliSafe. **SimpliSafe** Shop now

Results for "headphones" in Audio. Search all categories instead.

Get it fast
Store Pickup at South Bay Center and nearby stores
☐ Same-day pickup
Shipping to 02241
☐ Same-day shipping

Availability
☐ Exclude Out of Stock Items (610)

Category
Headphones
All Headphones
Headphone Accessories
Home Audio
Receivers & Amplifiers
CD Players & Turntables
Speakers
High-Resolution Audio
Docks, Radios & Receivers
Eyeing
Laptops
Tablets
Apple Watch

Shop headphones by type

True wireless Wireless Over-ear and on-ear Sports and fitness Earbud and in-ear Noise-cancelling

Sponsored products

Sennheiser - Momentum 3 True Wireless Noise Cancelling In-Ear Headphones - Black
★★★★★ (80)
\$249.99

Sennheiser - SPORT True Wireless In-Ear Headphones - Black
★★★★☆ (27)
\$129.99

Bose - Sport Earbuds True Wireless In-Ear Earbuds - Triple Black
★★★★★ (1895)
\$149.00
\$179.00

Sort By: Best Match

Sponsored
Bose - Headphones True Wireless Noise Cancelling Over-the-Ear Headphones - Luxe Silver
Model: 794297-0300 SKU: 6332175
\$269.00
Save \$110 Was \$379.00
Deal ends in 10:40:23

Even the products outside of "Sponsored products" are sponsored

Ads Are Everywhere!

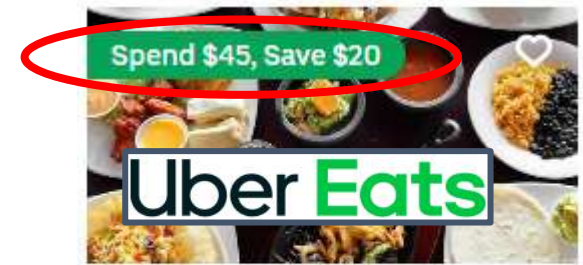


Ladies shearling mittens

★★★★★ (419)

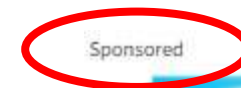
\$52.00

Ad by Etsy seller



Loco Taqueria & Oyster ...

\$0.49 Delivery Fee • 15-30 min

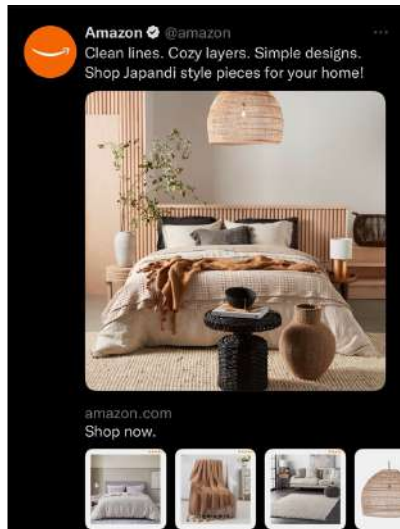


Alka-Seltzer Plus
Severe Cold PowerFast Fizz
Effervescent Tablets Sparkling
Original - 20 Ea
★★★★★ 208 FSA

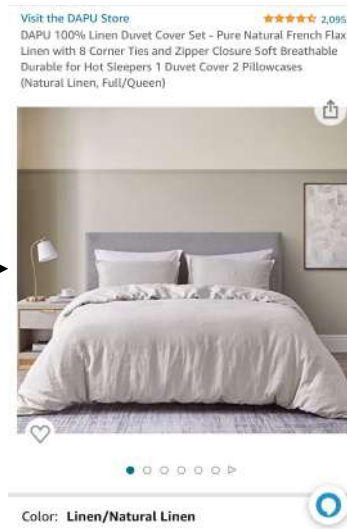
Offsite Ads

Offsite ads are ads purchased by the retail media network on behalf of the advertiser that direct potential purchasers to the sponsored item on the retailer's site.

On Twitter



On Amazon



54% of consumer goods advertisers in the US bought **offsite display or banner ads** as of November 2021 (1)

59% of consumer goods advertisers in the US bought **offsite video ads** as of November 2021 (1)

24% of US marketers **expected** retail media networks to provide **offsite ad solutions**, in a September 2021 survey. (1)

*"Our surveyed **companies [advertisers]** **allocate** 30 percent of their spend with retailers to onsite ads, **45 percent to offsite**, third-party sites and apps, and the remaining 25 percent to direct marketing and in-store marketing."*(2)

Retail Media's Evolution

The Evolution of Retail Media: Amazon Set the Stage

2012 - 2016

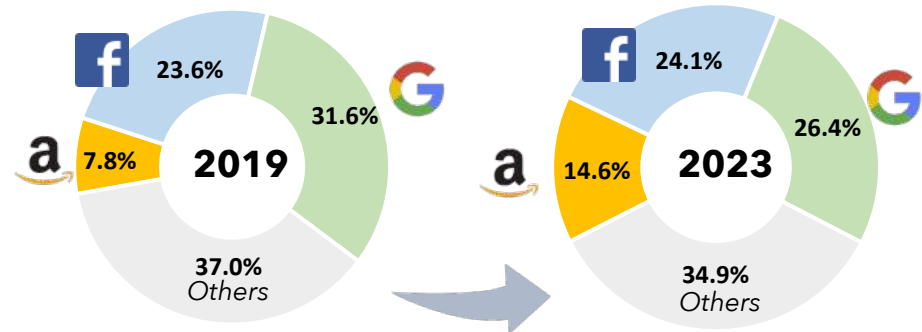
2017 - 2019

2020 - Present

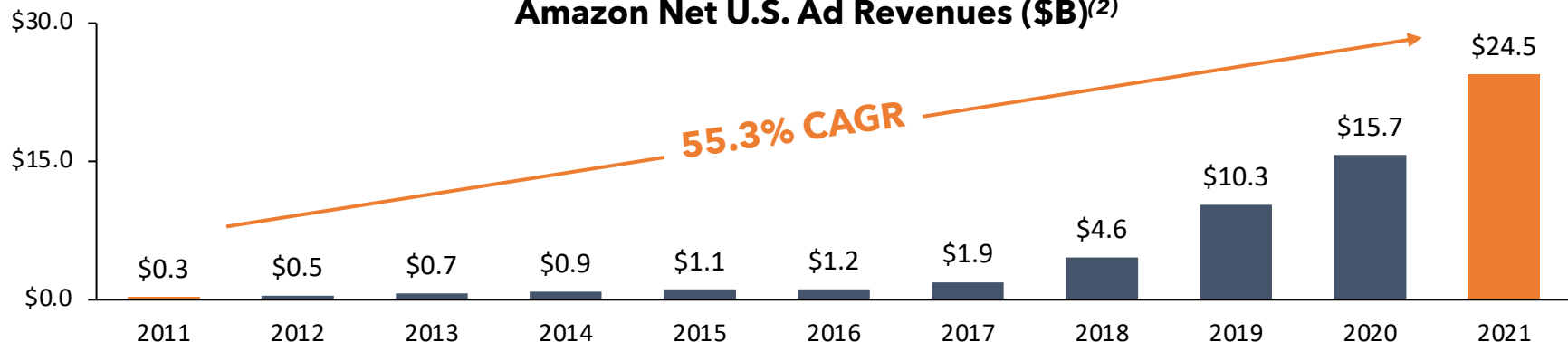
- **Amazon** was the first major online retailer to implement a retail media network; **eBay** followed, but was unable to adapt as quickly as Amazon⁽²⁾
- Amazon forecasts its ad business could reach **\$40B+** by 2023, establishing itself among the digital advertising giants

From Duopoly to Triopoly⁽¹⁾

% of US Digital Media Revenue



Amazon Net U.S. Ad Revenues (\$B)⁽²⁾



The Evolution of Retail Media: Amazon Set the Stage

2012 - 2016

2017 - 2019

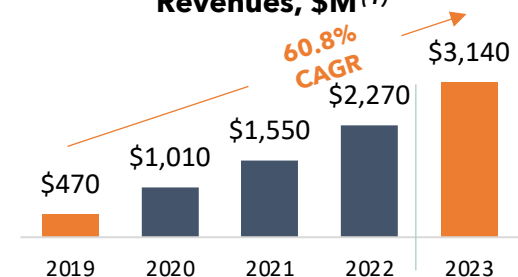
2020 - Present

- As Amazon's retail media business began eclipsing \$1B in 2016, a few other large retailers took note and began rolling out their own media networks



- Branded as Walmart Connect, it has created the ability to correlate online and in-store activity for advertisers

Walmart Ad Revenues, \$M⁽¹⁾



- Rebranded as Roundel 3 years after its launch in 2016, and has since partnered with Disney to inform CTV ad buys

Target wants to build a media business to rival Amazon

May 3, 2019 | By [Hilary Milnes](#)



- First to expand outside traditional retail, and has since grown to be used by over 2,000 brands



The Evolution of Retail Media: Media is Everywhere

2012 - 2016

2017 - 2019

2020 - Present

- Today, retail media networks have grown to exist everywhere, driven by growth in eCommerce with further acceleration from Covid-19 and regulatory privacy tailwinds
- Previously, advertisers were challenged to connect their ad spend to actual purchases
- Retail media allows brands to better serve their customers through more relevant offers and incentives while adhering to data privacy
- It now expands beyond retail media networks and into any owner of first-party data and customer touchpoints – hospitality, travel, automakers, banks

eCommerce Marketplaces

amazon

ebay™

Etsy

Merchandise Retailers

TARGET

Walmart+

★ macy's

Specialty Retailers

THE HOME DEPOT

Kroger

BEST BUY

Walgreens

petco

Intermediaries

Expedia

DOORDASH

Uber

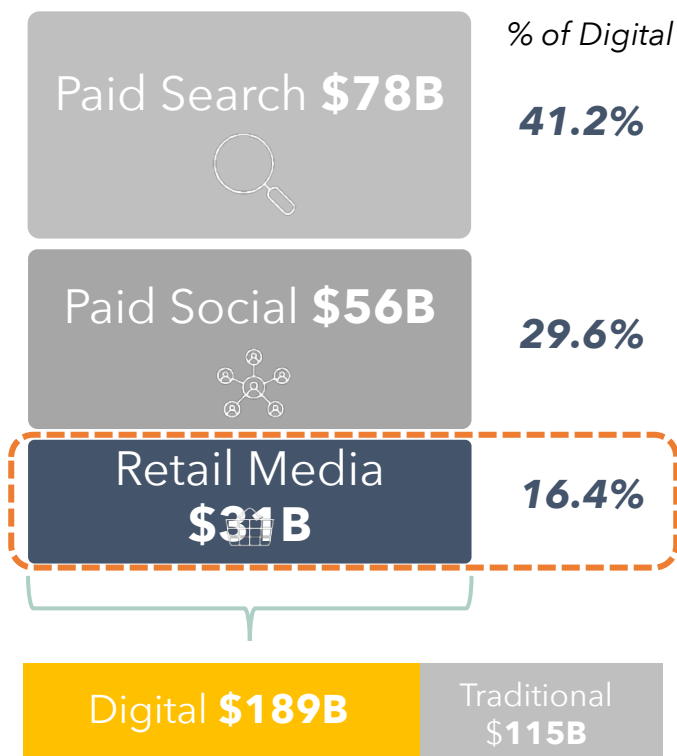
instacart

Market Overview

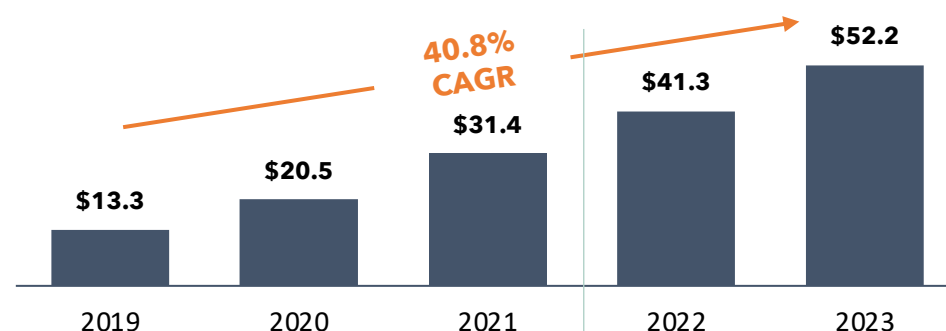
Retail Media is Now the Third Largest Digital Channel

Fueled by continued growth in eCommerce, retail media is the fastest growing form of digital advertising, and now represents the third largest digital channel

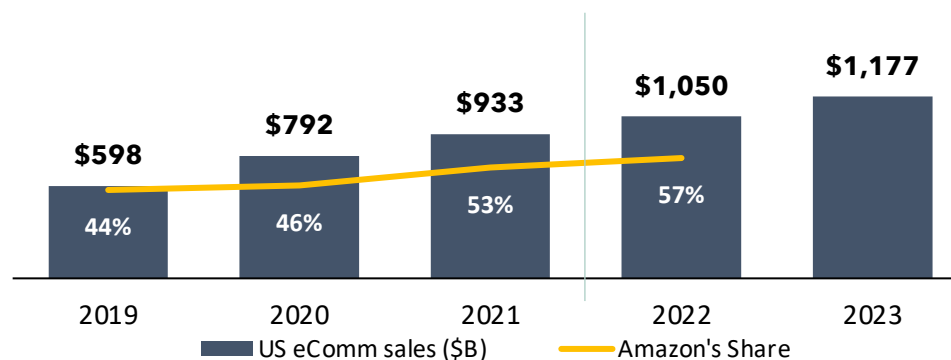
US Digital Ad Spend, 2021⁽²⁾



US Retail Media Ad Spend, \$B⁽¹⁾



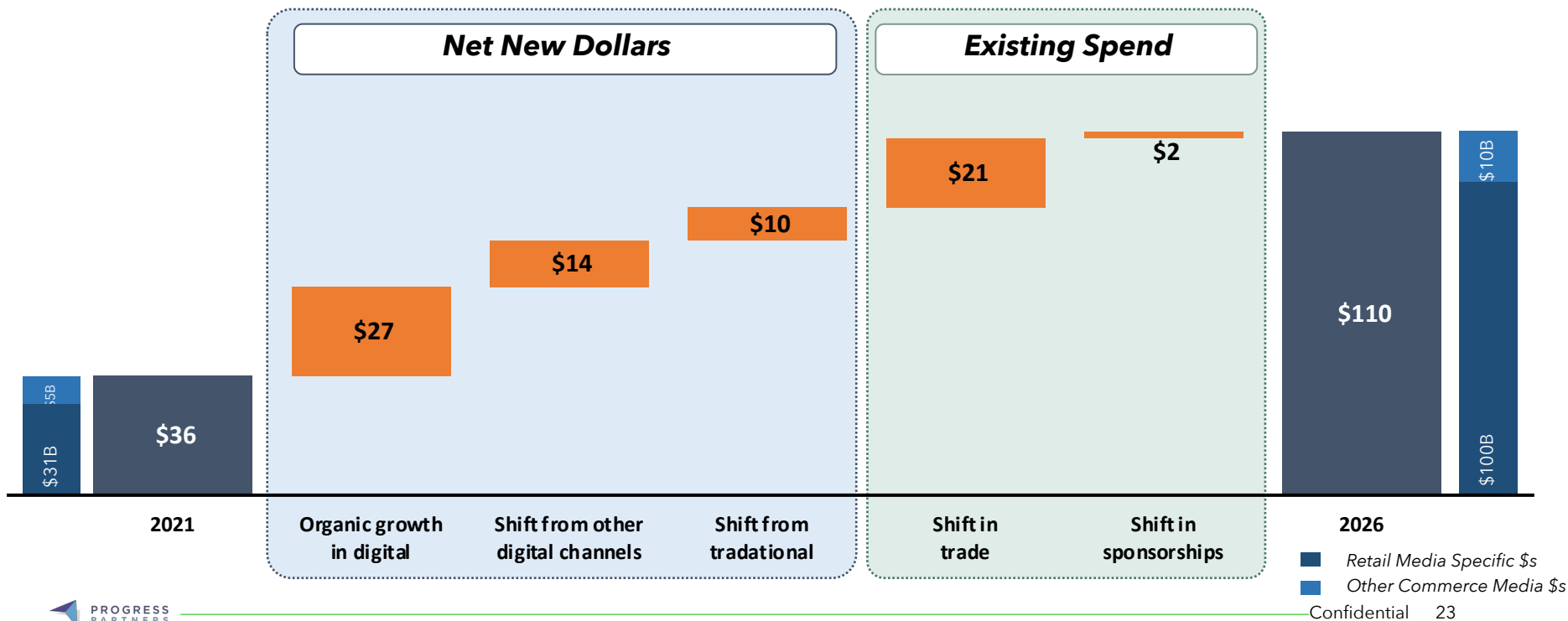
US eCommerce Sales and Amazon's Share, \$B⁽¹⁾



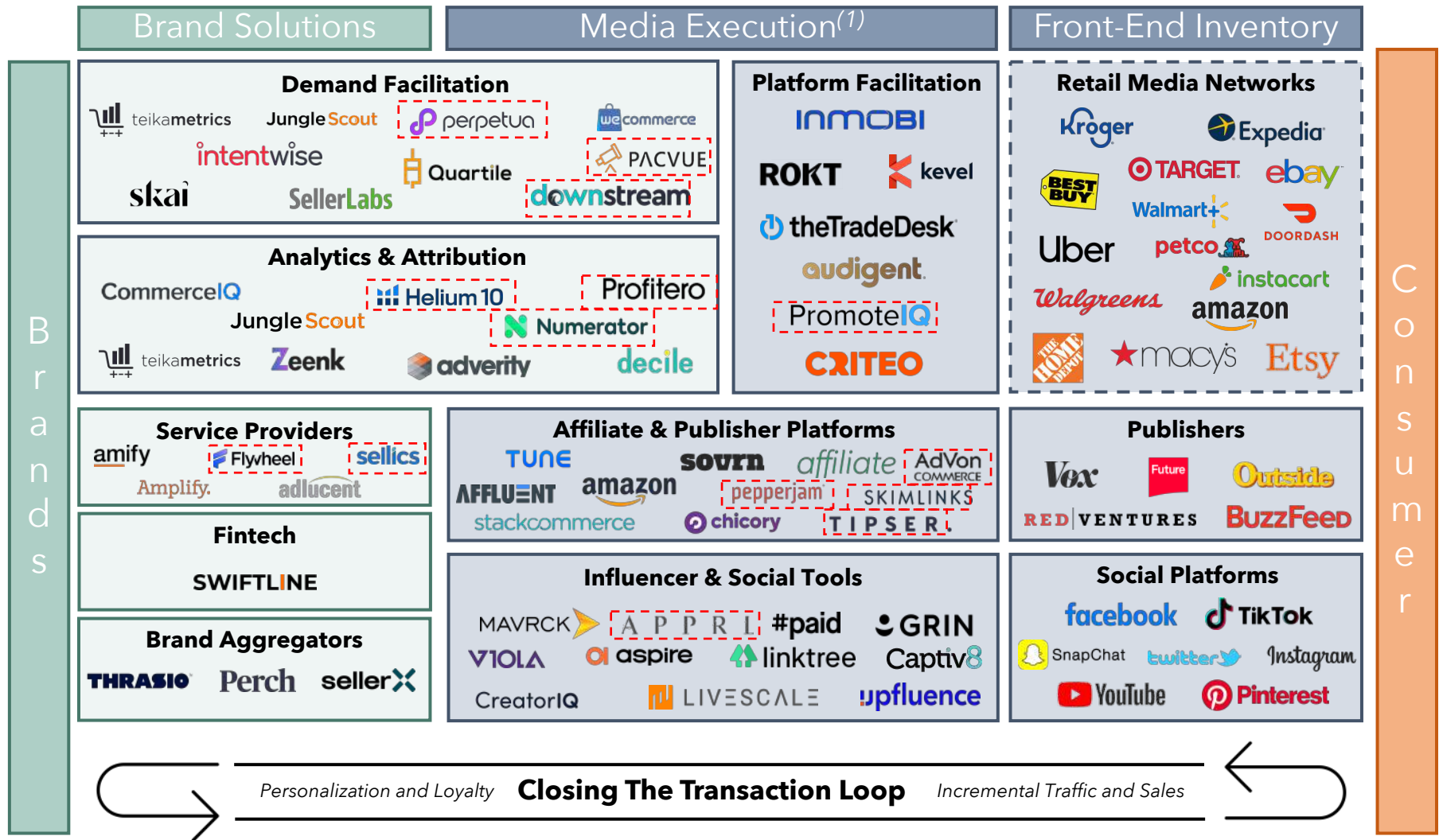
Retail Media Will Continue to Drive Commerce Media

- Retail media is driving brand spend from brick and mortar to digital by offering upper funnel awareness placements to trade marketing teams
- Trade spend, or the money that brands spend to promote their products at retail locations (volume pricing, slotting fees), is now moving to retail media networks

US Commerce Media Market Growth Bridge, \$B⁽¹⁾


















Key Players in the Commerce Media Ecosystem



Representative RMN DSP and SSP landscape

Various RMNs have taken various approaches to DSP and SSP partnerships

RMN	DSP	SSP
	In-House	In-House
		In-House (via  acquisition of  <small>Experience Cloud</small>)
	   	
	  	In-House

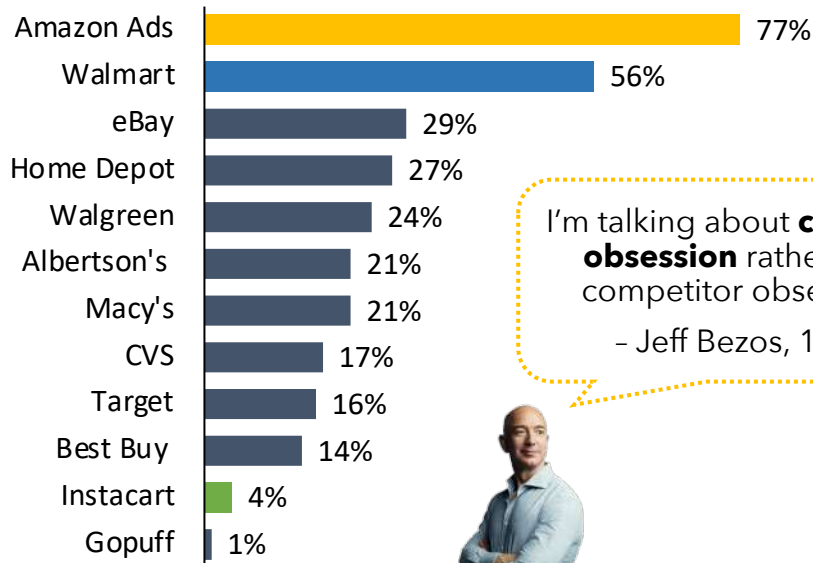
- For comparatively smaller scale RMNs who haven't built or acquired an exclusive DSP / SSP, it is common to partner, sometimes exclusively, with DSPs to provide programmatic bidding
- Most large RMNs have built out in-house SSPs, or have made the acquisitions to bring the SSP capabilities in-house – for example, Walmart acquired the ad Server Thunder and SSP Polymorph Labs in 2019 ⁽¹⁾

Retailers

Although CPGs utilize a variety of retailers to sell goods utilizing through their retail media networks, the majority of advertising revenue is owned by Amazon due to its eCommerce market share, focus on the customer, and ability to leverage data

- The value of a retail media network largely depends on the strength of the consumer relationship; focusing on the centralization of data, audience-building capabilities, and generating APIs to automate and integrate the value chain will be paramount

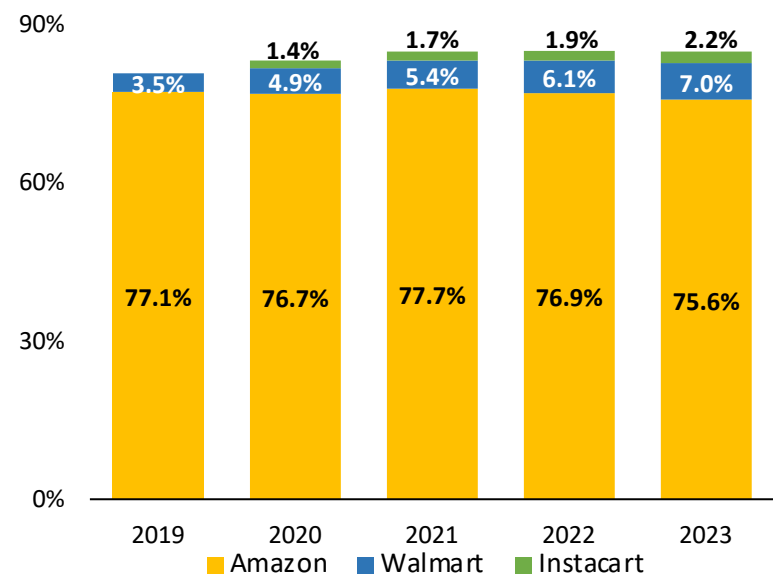
Percent of CPGs that Partner with RMN⁽¹⁾



I'm talking about **customer obsession** rather than competitor obsession.
- Jeff Bezos, 1997



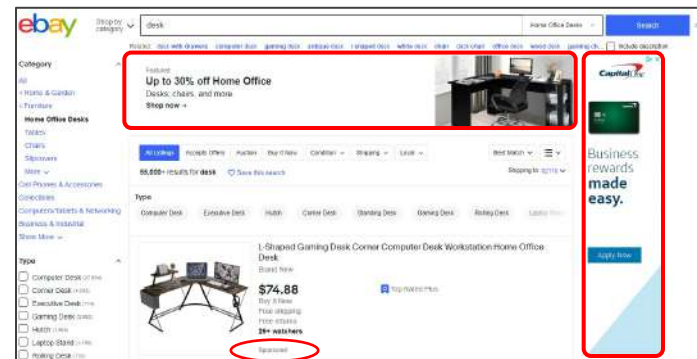
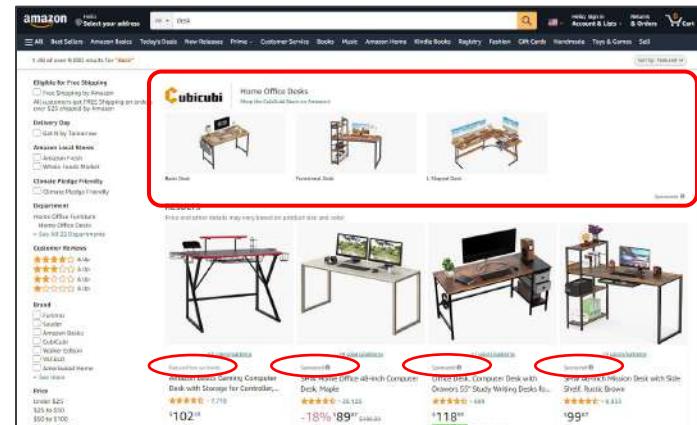
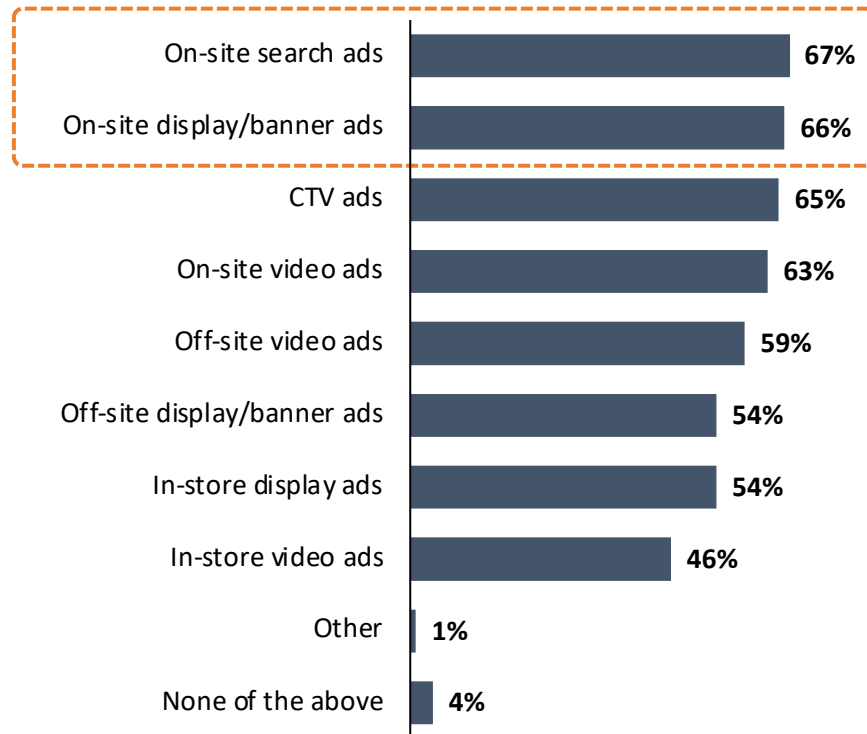
US Retail Media Net Ad Revenue, by Company⁽¹⁾



Search and Banner Ads Drive Retail Media

Sponsored product ads (search ads) are the most common and effective type of pay-per-click marketing tool due to their native look akin to organic search results

Ad Formats U.S. Consumer Goods Advertisers Have Bought via Retail Media Networks, Nov-21⁽¹⁾



Brands Look to Drive ROI When Advertising on RMNs

Retail media marketers need several capabilities to demonstrate ROI:



Traffic: Brands want to assess the quality of traffic in which the visits of the site are meeting the marketing objectives of the brand and will drive sales⁽¹⁾



First-Party Data: Brands want to leverage first party data for insight and data-driven marketing tactics⁽¹⁾

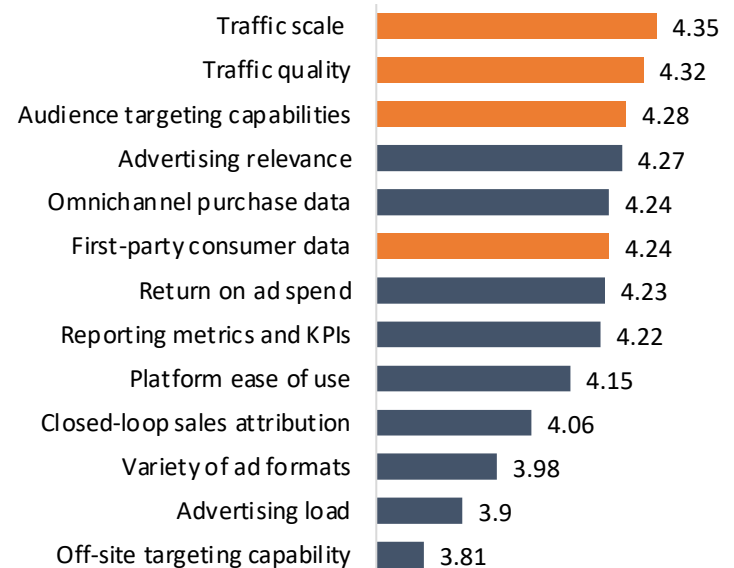


Platform Experience: Brands want to easily advertise on platforms, as they care about ease of use, ad relevance, ad load and an ability to advertise in a variety of formats⁽¹⁾



Targeting and Measurement: Brands look for audience targeting, off-site targeting, closed-loop sales attribution, return on ad spend (ROAS) and reporting metrics/KPIs⁽¹⁾

Most Important Attributes to Advertisers⁽¹⁾



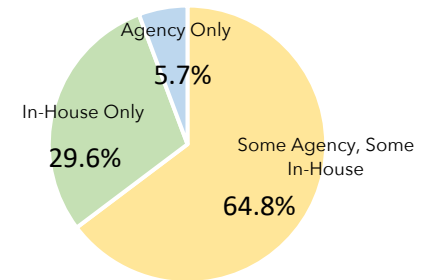
*Retail and eCommerce giants have a **unique competitive edge** due to their scale, but new entrants can also leverage their first-party customer data to stay in the game*

Agencies Help Brands Diversify their RMN ad Spend

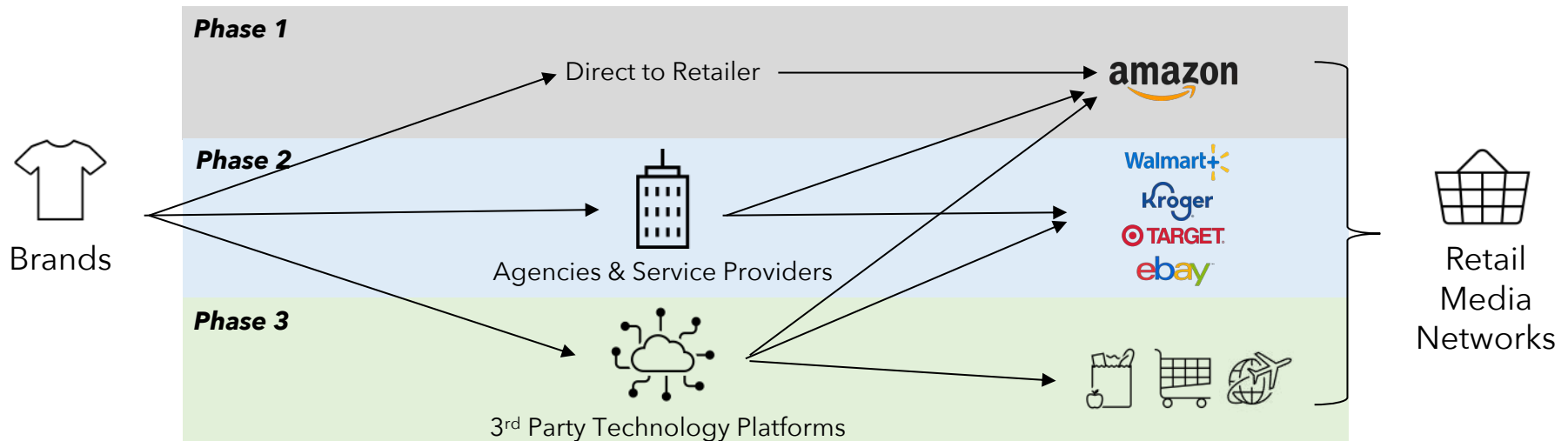
Today, brands lean on agencies & service providers to help execute their strategies

- Historically, brands were solely focused on Amazon; as more retail media networks have been built out, it has become difficult for brands to completely manage in-house
- Advancements in technology will help brands not only connect across various RMNs, but also integrate their data throughout the value chain

How Brands Execute Their Retail Media Programs, %⁽¹⁾



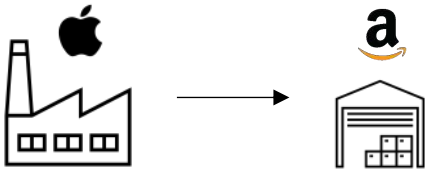
Evolution of How Brands Reach Retail Media Networks



Amazon's Seller Universe

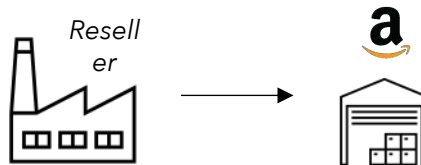
Amazon's 3P sellers now accounts for nearly 60% of the company's retail sales⁽¹⁾

First Party Seller (1P)



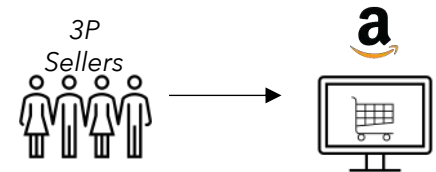
"Ships from and sold by Amazon"
Brand is wholesale vendor to Amazon

Second Party Seller (2P)



"Ships from and sold by Amazon"
Amazon supplier is not manufacturer

Third Party Seller (3P)



"Sold by merchant, fulfilled by Amazon"
Uses Amazon marketplace to sell D2C

22%

Of Amazon's **Total Sales**
are from 3P Sellers

6M

3P Sellers Globally
on Amazon

amazon

76%

Of Amazon SMB 3P
Sellers **are Profitable**

82%

Of Amazon Sellers
are 3P

- 20 years ago, Amazon made the decision to open its marketplace to 3P sellers, aiming to create a win for both small businesses and customers through increased product selection, low prices, and fast delivery
- Recently, Amazon announced its intention to scale back its private label businesses; in 2021, Amazon's private label brands accounted for ~1% of sales (\$4.7B), seemingly under-monetized to Apple's App Store and Google Search Ads

The Future of 3P Sellers

Retail media networks could open the door for 3P sellers into other ecommerce marketplaces that have been dominated by private label and large brands

- Utilizing third-party sellers is attractive as it carries virtually no inventory risk – for its own private label business, retailers must store, import, and liquidate inventory
- Fueled by retail media networks, 3P sellers are now seeking to tap into other online ecommerce giants

Top Alternative eCommerce Platforms for Amazon Sellers (Currently)⁽¹⁾

1. eBay  – 28% of Amazon sellers also sell here
2. Shopify  – 15%
3. Etsy  – 13%
4. Facebook Marketplace  – 12%
5. Walmart  – 12%

Sellers are still fairly confined to Amazon

Top Alternative eCommerce Platforms Sellers Plan to Join in 2022⁽¹⁾

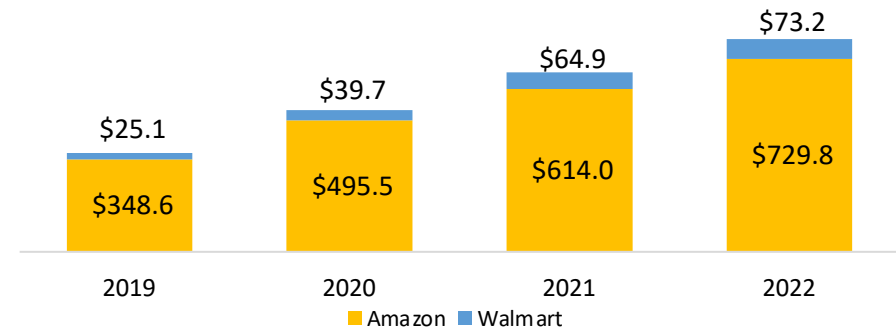
1. Walmart 
2. Shopify 
3. eBay 
4. Facebook Marketplace 
5. Etsy 

Walmart Aims to be the Next Big Media Network

Walmart is Amazon's largest competitor and closing in quickly, however Walmart has significantly less online customers and third-party sellers than amazon

- Amazon's traffic scale drives much of its success while Walmart's traffic scale is significantly smaller than Amazon's
- In June 2022, Amazon received 3.61B visits to its website, the 9th most out of any website globally. Walmart received 652.5M, 64th most globally

Global Ecommerce Revenue (\$B)



Walmart Partners with Shopify to Grow its Seller Network - 2020

 **3P Sellers - By the Numbers** ⁽¹⁾⁽²⁾ 



6.3M



115k



1.75M

The partnership granted access to Shopify sellers to apply to become sellers on Walmart.com, opening a 1M+ ecosystem of third-party sellers to begin selling on Walmart's platform

- In 2020, Walmart made its first partnership with a commerce platform, which empowered SMBs to sell through its online marketplace

The Future of Retail Media

Amazon's Retail Media Network

Amazon has demonstrated the benefits of building out an extensive Retail Media Network; in 2021, 68% of the company's overall profits came from advertising⁽¹⁾

Operating Margins⁽²⁾



~80%

Operating margins for Amazon's RMN

Purchase Intent⁽³⁾



450%

Increase in purchase intent for mobile ads on Amazon

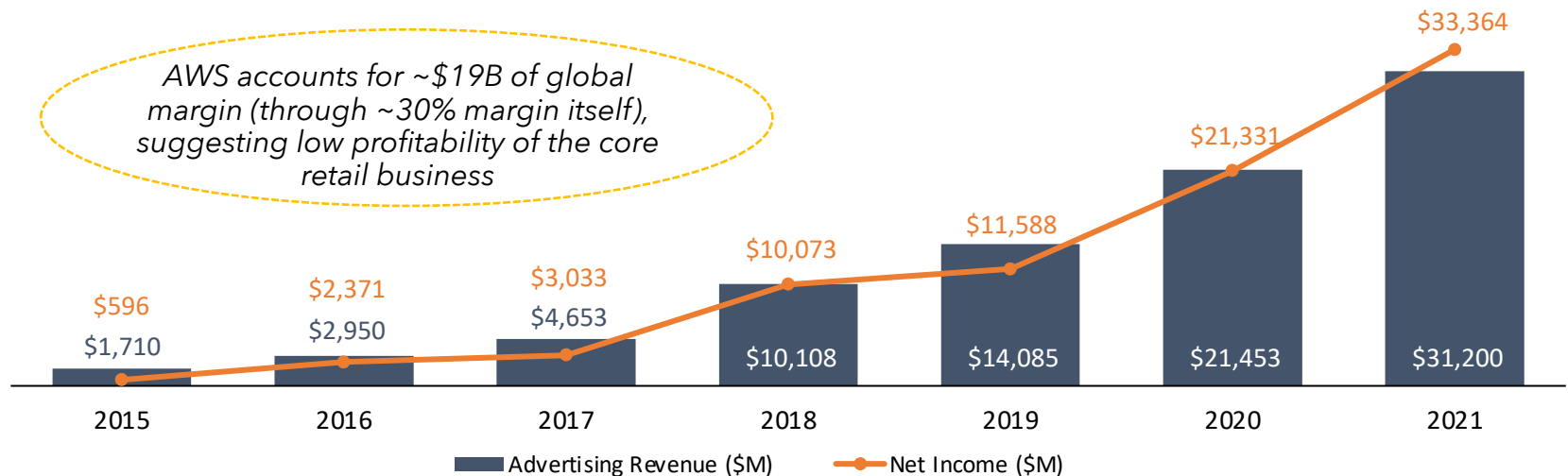
Product Discovery⁽⁴⁾



68%

Of customers discover new products

Amazon Ad Revenue vs. Net Income⁽¹⁾



Challenges for Network Providers

Building a successful retail media network comes with challenges; if addressed correctly, it's not too late for newer entrants to get into the game



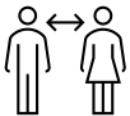
Online scale constraints:

Retail media networks are constrained by the scale of their eCommerce business⁽¹⁾



Underpowered tech and capabilities:

To build and refine the necessary deep data, targeting, optimization and attribution capabilities in-house can be expensive and take time⁽¹⁾



Lack of 1-to-1 shopper engagement:

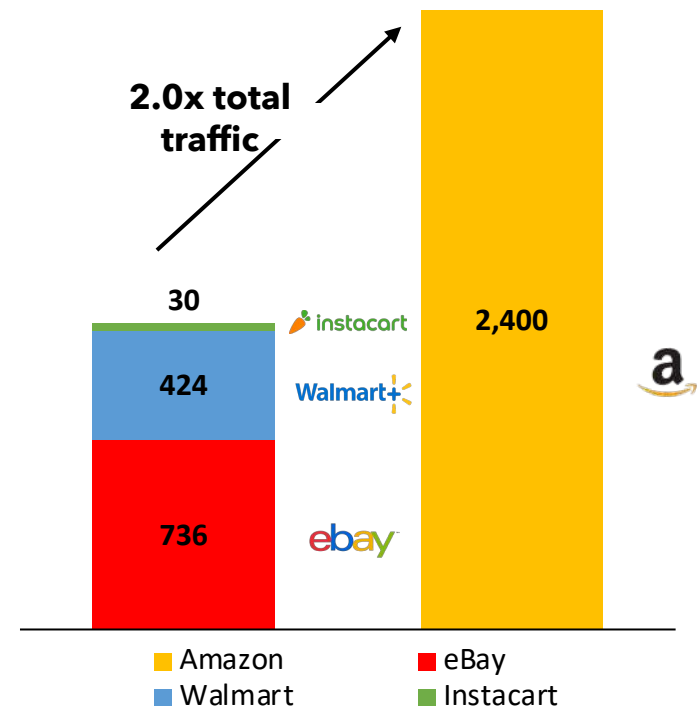
Many retailers still lack the proper measurement, repeat engagement and transaction data⁽¹⁾



Inability to close the loop:

Properly tracking digital advertising (and in-store) media exposure with sales transactions⁽¹⁾

Global Website Visits, May-22 (Ms)⁽²⁾

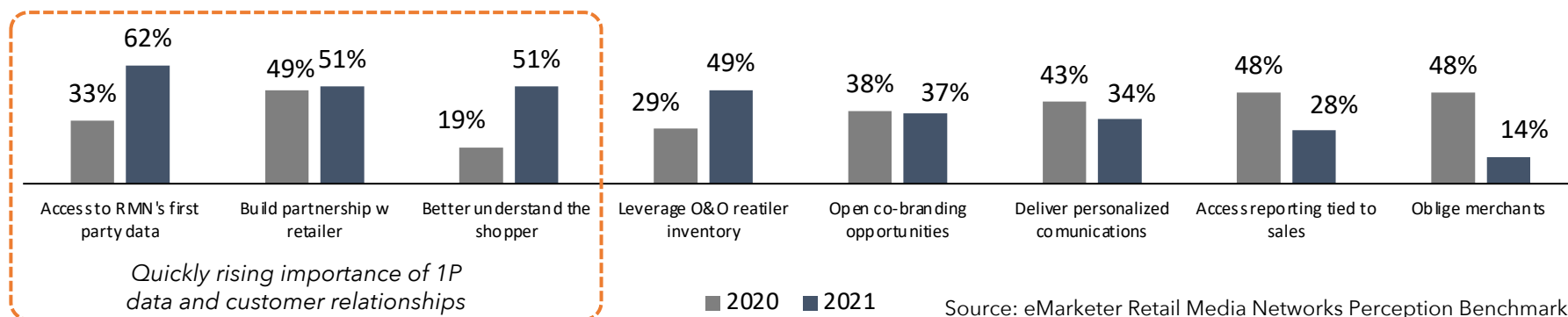


Solutions for Network Providers

Network providers can take the following steps towards a successful RMN:

- **Deepen customer touchpoints and harness data assets** – tracking preferences, shopping history, and click behavior to optimize networks⁽¹⁾
- **Pursue ad inventory expansion** – seeking off platform partnerships
- **Leverage third-party technology platforms to get up and running fast** – through an internal team to drive strategy, manage operations, and guide technology⁽¹⁾
- **Digitize and modernize the in-store advertising experience**⁽¹⁾
- **Integrate all eCommerce and in-store advertising placements under a coordinated business teams** – reducing friction in the customer journey⁽¹⁾

Motivation for U.S. CPG Brands to work with RMNs⁽²⁾



Solutions for Advertisers and Publishers

Given the rapid growth in retail media, both advertisers and traditional publishers will need to develop strategies to adapt to the changing media landscape

Solutions for **Advertisers**⁽¹⁾



- **Create Partnerships**
 - Work with RMNs across several networks
- **Focus on the Big Picture**
 - Optimize spend holistically across various networks and mediums
- **Set Expectations**
 - Focus on ROAS and set high expectations for RMNs
- **Gain New Business Insights**
 - Leverage data-driven results to uncover insights such as new audiences and customer preferences

Solutions for **Publishers**⁽¹⁾



- **Act Like a Retailer**
 - Build eCommerce capabilities or create a marketplace to understand customer behavior
- **Engage with Lower Funnel**
 - Create interactive and engaging experiences to target audiences with specific purchase intent
- **Partner with RMNs**
 - Share data and cocreate content with RMNs to utilize their inventory
 - Supply RMNs with new marketing content to boost engagement

Privacy Regulation and Private Privacy Monopolization

Changes in privacy regulation, both by governments and corporations, will continue to reprice the ad market, increasing the appeal of onsite retail media as more traditional digital strategies struggle to perform

California CPRA

The California Privacy Rights Act, which expands the California Consumer Privacy Act, will become "operative" January 1, 2023. Enforcement will begin July 1, 2023 ⁽¹⁾.

When the act goes into effect, "most personalized advertising will no longer be possible in California" ⁽²⁾.

The CPRA initiates momentum towards privacy regulation on the federal level and in other states.

Apple ATT

In April 2021 Apple introduced App Tracking Transparency, effectively giving users the ability to opt out of targeted advertising on iPhone ⁽³⁾.

Most users did opt out, significantly reducing the efficacy of ad targeting on the platform ⁽³⁾.

Advertiser ROI has fallen by almost 40% and mobile ad spend by 25%" ⁽⁴⁾.

- Meta expects Apple's privacy changes will cost them \$10B in revenue in 2022 ⁽⁴⁾
- Recent Apple job listings indicate they may be building a DSP ⁽⁵⁾
- Apple, Google, and Meta will be direct competitors in the development of AR/VR technologies

Future Opportunity

Retail Media is a Paradigm Shift in Digital Advertising

Retail Media is Massive

\$52B *US Retail
Media Ad
Spend, 2023*

- Retail Media was the third largest digital advertising channel in 2021⁽¹⁾
- In 2021, it accounted for 16.2% of all digital ad spend, or \$31.4B of the \$189B spent on digital advertising⁽¹⁾

Retail Media Ads are Effective



*High-Intent
Shoppers*

- For brands and sellers, RMN advertising is highly effective; search and banner ads are strategically placed close to the point of sale and driving ROAS

Amazon Dominates Retail media



- Amazon will own 14.6% of US digital ad revenue by 2023⁽²⁾
- In 2021, Amazon's ad revenue reached \$24.5B (approx. 68% of its profits), as the company accounted for 77.7% of total US retail media ad revenue⁽²⁾

Data and Analytics Still Developing




























- RMNs are filled with first-party audience data
- Tracking, measurement, and analytics of this data is still underdeveloped and often not properly shared with brands and sellers need ROAS

3rd Party Tech Will be Key



- For brands and sellers, the variety within RMNs is a confusing and difficult landscape to navigate; third-party providers who can help brands and sellers navigate this landscape will play a major role in the industry's growth

Where We're Looking for Opportunity

Area	Opportunity	Key Players
Data, Identity, Measurement, and Analytics	<ul style="list-style-type: none"> Secure collection, management, and use of first-party consumer data to drive competitive advantages and improve targeting, segmentation, and identity Synthesize channel analytics (both owned and paid) and customer databases to assess opportunity and calculate return 	       
Application of AI and ML	<ul style="list-style-type: none"> Leverage AI and ML to provide real-time analytics such as consumer patterns and understand why certain strategies are successful Application of video – retail video ads achieve a 7.5x higher CTR than static ads while promoting storytelling⁽¹⁾ 	     
Brand and Seller Optimization	<ul style="list-style-type: none"> Third-party technology tools providing real-time optimization across networks APIs to automate and integrate cross-functional areas of the value chain, both internally and externally 	      
Network Providers	<ul style="list-style-type: none"> Enabling the creation and management of retail networks for the supply-side 	   

Webinar Series

Retail Media

The Consolidation of a New Era

Hosted by

Sam Thompson, Senior Director, Progress Partners

Brett Chatfield, Associate, Progress Ventures