

Retail Media: The advertising story of the decade with global advertising spend set to reach \$128.2bn

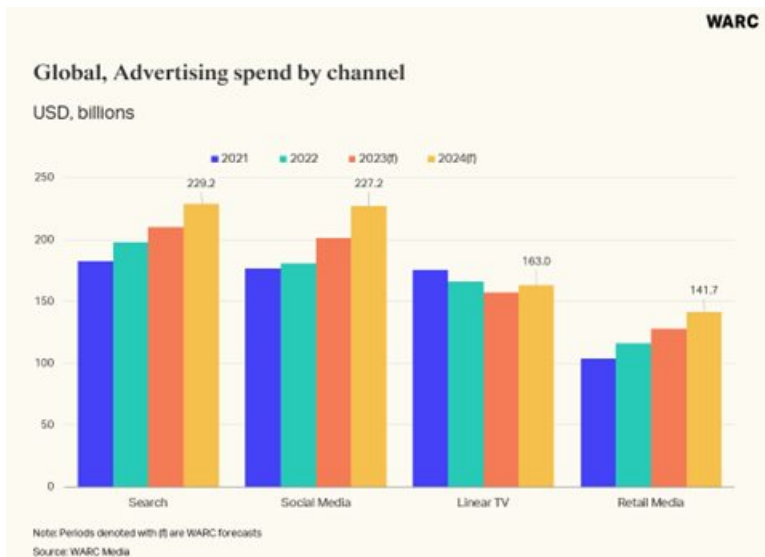
The rise of retail media in the advertising landscape has been quick, with its global advertising spend poised to reach \$128.2bn this year.



Source: © Warc [Warc](#) A new forecast by Warc puts global retail media ad investment at \$141.7bn for 2024

This is according to Warc Media’s latest [Global Ad Trends report](#), which has forecast that global retail media as investment will be \$141,7bn for 2024, up 10.2% year-on-year.

It adds that retail media is on track to overtake linear TV as the third-largest channel by spend within a few years.



The Report examines the surging levels of retail media ad investment, and the potential challenges for brands, and includes industry expert commentary about the future of retail data as an enabler of effectiveness across the media landscape.

“Retail Media has been the advertising story of the decade so far. The unfashionable and often informal world of trade and shopper marketing has transformed into a \$128.2bn digital advertising behemoth. What comes next will be less spectacular but more significant to brands, as deterministic retail media data begins to inform campaigns across the media landscape,”

says Alex Brownsell, head of content, Warc Media.



Warc & Amazon Ads research: Marketing Mix Modelling resurges as retail landscape changes

12 Jul 2023



Key findings

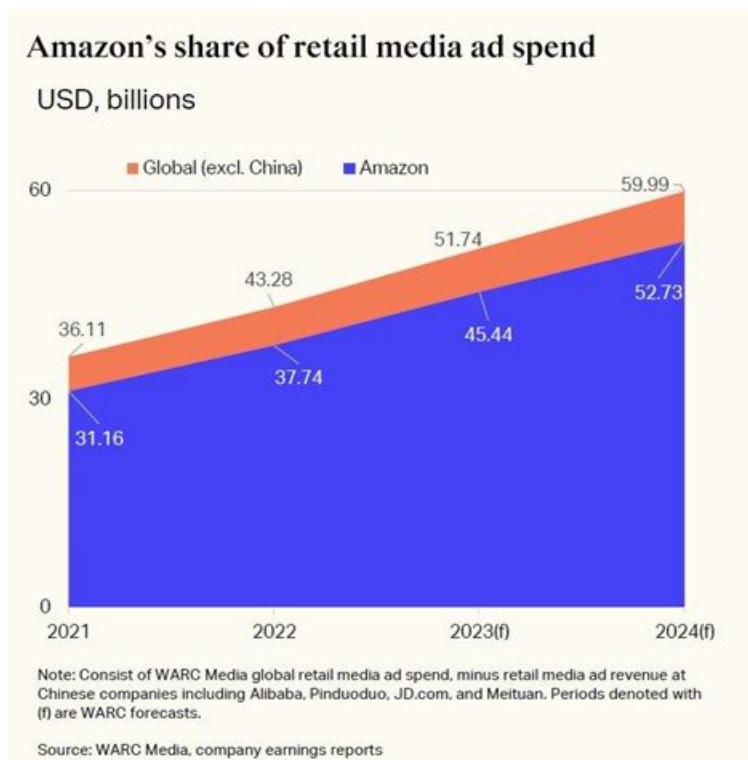
The key findings outlined are:

- **Amazon is set to supplant Alibaba as the world's largest retail media owner by ad revenue this year**

The growth in retail media is dominated by Alibaba and Amazon. Between them, they earned an estimated \$80bn in advertising revenue in 2022, equivalent to more than two-thirds (68.3%) of global retail media investment.

Amazon occupies more than four-fifths (87.8%) of the market outside of China, according to Warc estimates, and is forecast to earn \$45.4bn in ad revenue this year per Warc Media.

Its 20.4% year-on-year ad revenue should see Amazon supplant Alibaba as the world's largest retail media owner this year. Amazon is forecast to further accelerate in 2024, as its ad revenue reaches \$52.7bn (+16%), compared to \$42.1bn (+1.4%) for Alibaba.



- **Retail media, primarily used to drive sales, is moving beyond paid search formats**

For most marketers, retail media remains a lower funnel channel to drive sales conversion: less than a third (30%) of respondents surveyed by Warc and the Digital Shelf Institute use retail media to build brand awareness.

However, retail media networks are increasingly moving beyond search formats into video, audio and out-of-home through cross-channel partnerships, such as Walmart's tie-up with Roku and Kroger's deal with Pandora. This enables the unlocking of upper-funnel ad dollars with brand-building formats to improve campaign effectiveness.

Mudit Jaju, global commerce media lead, Publicis Groupe, says, "To me, the most exciting thing happening is that retail media is no longer limited as this end-of-the-funnel conversion channel."

- **Retail media is becoming a 'pay to play' environment for advertisers**

Analysis of Warc Digital Commerce's latest dComm Index data for Amazon found that Starbucks has emerged into a leadership position in the coffee and tea category following it having the highest (9.1%) paid share of voice (SOV) in the category.

Warc's analysis observed that a one percentage point change in Starbucks' paid SOV is typically followed by a c.\$1.6m increase or decline in Amazon sales.



Online shoppers abandon a purchase if delivery options not available

17 Oct 2023



Read a complimentary sample report of WARC Global Ad Trends: Retail media's path to consolidation [here](#).

A [Warc podcast](#) discussing the findings outlined in the report is available to tune into from today.

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