

Retail Media Networks

INSIGHTS AND EMERGING TRENDS



POWERED BY ALGOLIA
RESEARCH & INSIGHTS

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EXECUTIVE SUMMARY



EXECUTIVE SUMMARY

Retail Media Networks (RMNs) let brands target ads on retailer platforms within search results, product listings, and ad banners. RMNs open new touchpoints and targeted advertising opportunities across the sales funnel and customer journey.

Algolia's Retail Media Networks: Insights and Emerging Trends report highlights the key factors that shape retail media purchasing decisions. It provides valuable thought leadership for business leaders, digital marketers, and tech experts.

The report is based on a study conducted by Algolia's Research & Insights team. Participants from around the globe were asked to share how they purchase retail media and choose retail media solutions.

For all business segments, the most popular retail media solution is sponsored listings on search pages. Used by 76% of respondents, this is the most effective strategy to drive customers to specific products and inventory.

The second most popular solution (60%) is display banners, which are a powerful resource when carefully implemented. However, banner fatigue and oversaturation can have a potential negative impact on the overall customer experience.

Data and analytics play a crucial role in monitoring, purchasing, and evaluating RMNs. Retail media platforms, used by 62% of respondents, provide a variety of insights and tools.

Along with user friendliness, the choice of platform hinges on confidence in the software and its ability to allow users to quickly adjust and update retail media implementations.

Fostering customer trust is a key concern for retail media purchasers and businesses using RMNs. Retail media purchasing decisions are based on a careful evaluation of the risks and benefits that specific retail media features and solutions might generate.

Retail media is emerging as an increasingly important source of revenue to retailers that opens important new spaces for digital marketing spend. This facilitates dynamic interactions, and ultimately, drives higher sales and conversions.



INTRODUCTION



INTRODUCTION

Retail media opens new digital marketing channels that bring ads and promotions to customers. It maximizes the utility of digital real estate, while harnessing the power of customer data.

Similar to on shelf product placement that many prominent retailers and grocers capitalize on in the brick-and-mortar world, RMNs provide brands with digital customer touchpoints and advertising placement opportunities across a range of proprietary digital assets and channels.

Retail media is growing, and fast

The global retail media spend increased by more than 13% between 2023 and 2024 and is expected to total \$170 - \$180 billion in 2025. Retail media purchasing is heavily concentrated in China and the U.S., with the former accounting for 45% in 2025, followed by the U.S. at 36%.

What is a retail media channel?

At its most basic, a retail media channel is a digital asset like a website or in-store screen. Owned by a retailer, it is an increasingly lucrative source of revenue, offering advertising and placement capabilities to companies looking to promote brands, products, content, or services.

A retail media channel allows marketers to purchase advertising space and use the retailer's first-party data to target shoppers and deliver highly personalized and focused ads.

What is a retail media network?

A retail media network is the whole range of different media channels that a retailer makes available.

A big-box retailer like Target and Walmart provide digital advertising and promotional opportunities through channels that include websites, apps, and in-store screens – dedicated online storefronts that operate from within their retail website.

From sponsored search listings to branded carousel items, retail media networks provide advertising and promotional opportunities to purchasers on both their online platforms and in their brick-and-mortar stores.

What really sets retail media advertising apart is that it gives brands access to rich, first-party data about when and where customers make purchasing decisions. It delivers access to highly targeted audiences and sales data that can improve ROI and help shape a personalized customer journey.



KEY FINDINGS



KEY FINDINGS

Most popular retail media solutions

Sponsored listings on search pages (76%), display banners (60%), and sponsored listings on specific pages (56%).

Banner blindness

Sponsored banner listings lose traction if users become oversaturated and ignore webpage ad banners.

Data monitoring is a requirement

Retail media is data-driven and cost-sensitive. Buyers make purchases based on past performance, traffic, and cost. As a result, robust data monitoring and analytics are important to a successful retail media strategy for evaluating outcomes and ROI.

Research and testing leads to success

Retail media purchasers use in-depth research and experimentation with different retail media solutions to find the ideal retail media strategy.

Business-friendly is preferred over dev-only

Easy-to-use software is more appealing to marketing and business teams than tools that require coding expertise.

Consumer trust

While retail media can be an effective tool to drive revenue, doing it wrong can negatively impact consumer trust. In addition to customer oversaturation, potential problems include errors (paid listings that appear in the wrong place) or display issues (banner ads that don't render properly on handheld devices).



ABOUT THE RESEARCH

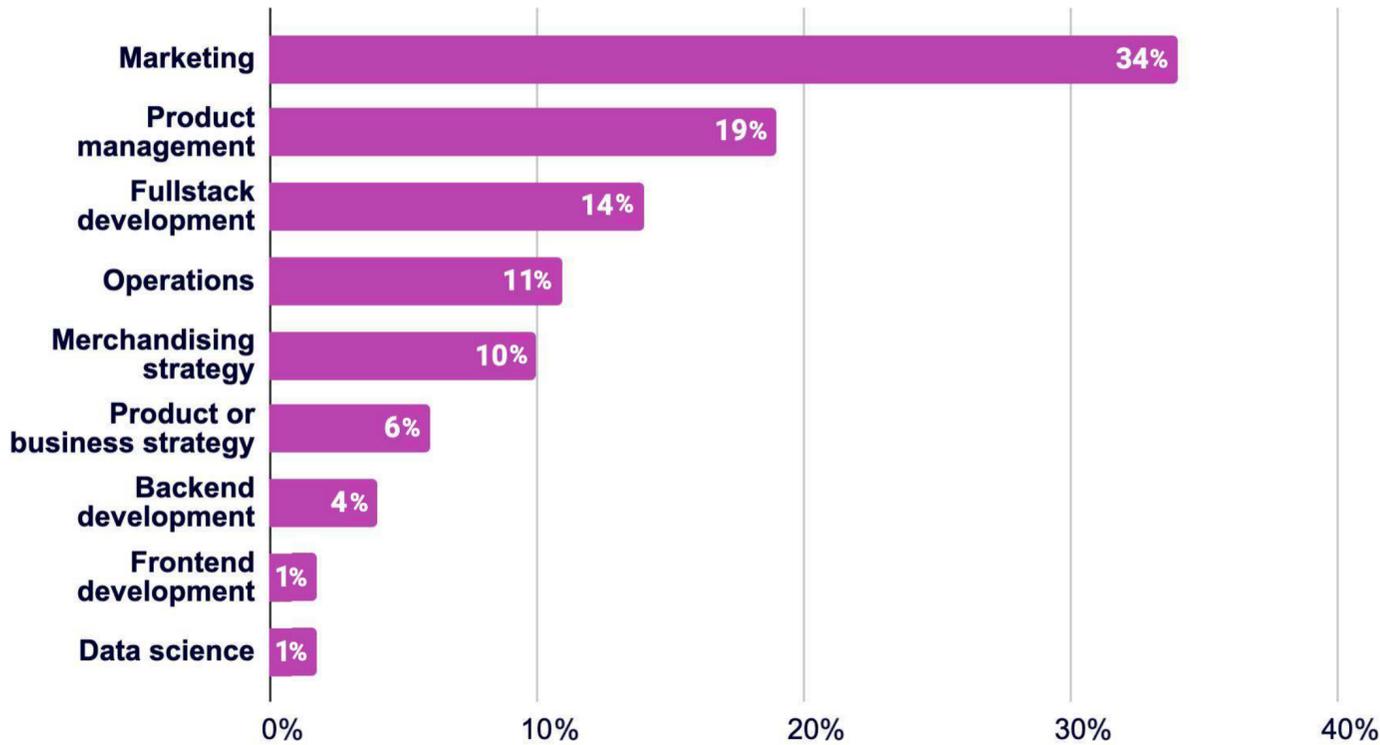


ABOUT THE RESEARCH

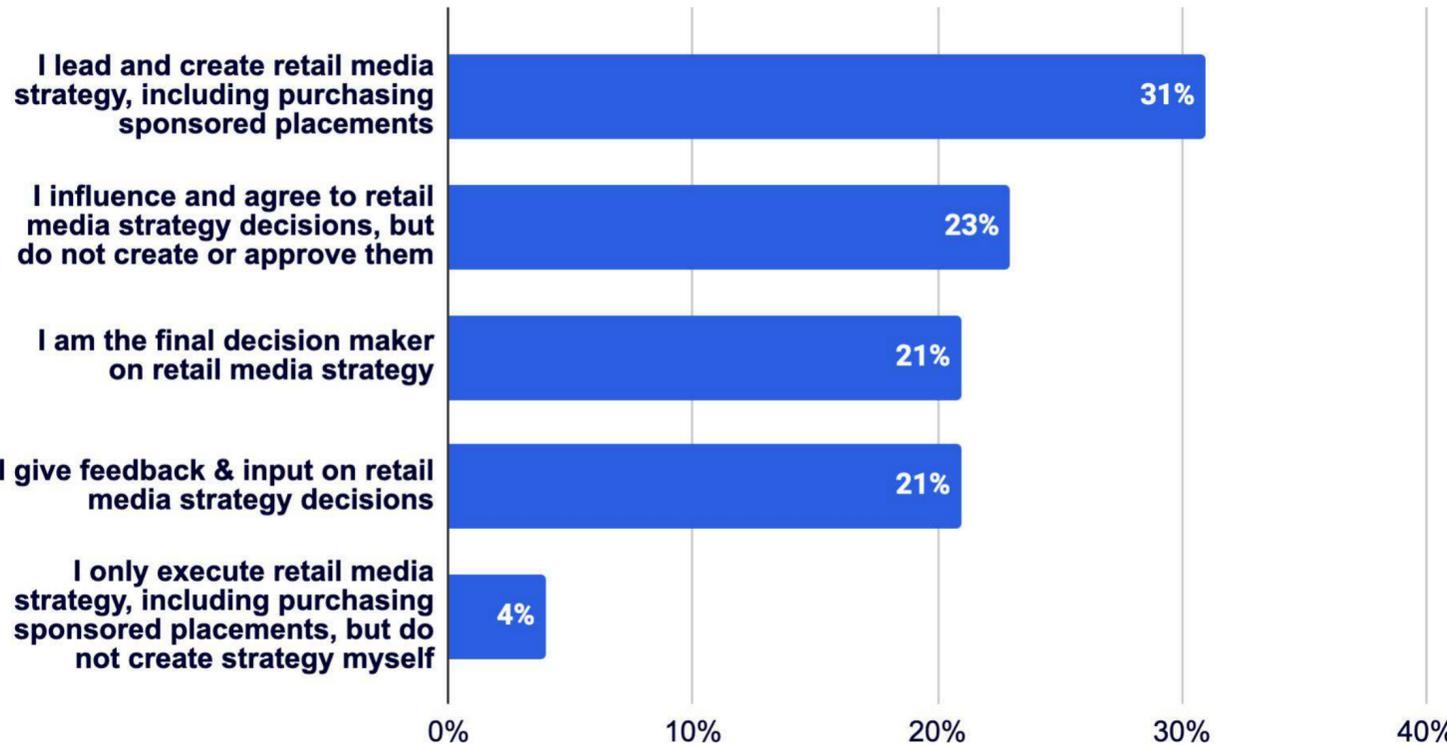
Roles

Study participants included a wide variety of industry experts operating in the retail media ecosystem, ranging from full stack developers (14%) to marketing professionals (34%). More than one quarter of the respondents had first-hand experience working on retail media projects for their businesses.

Primary job focus



Role in retail media

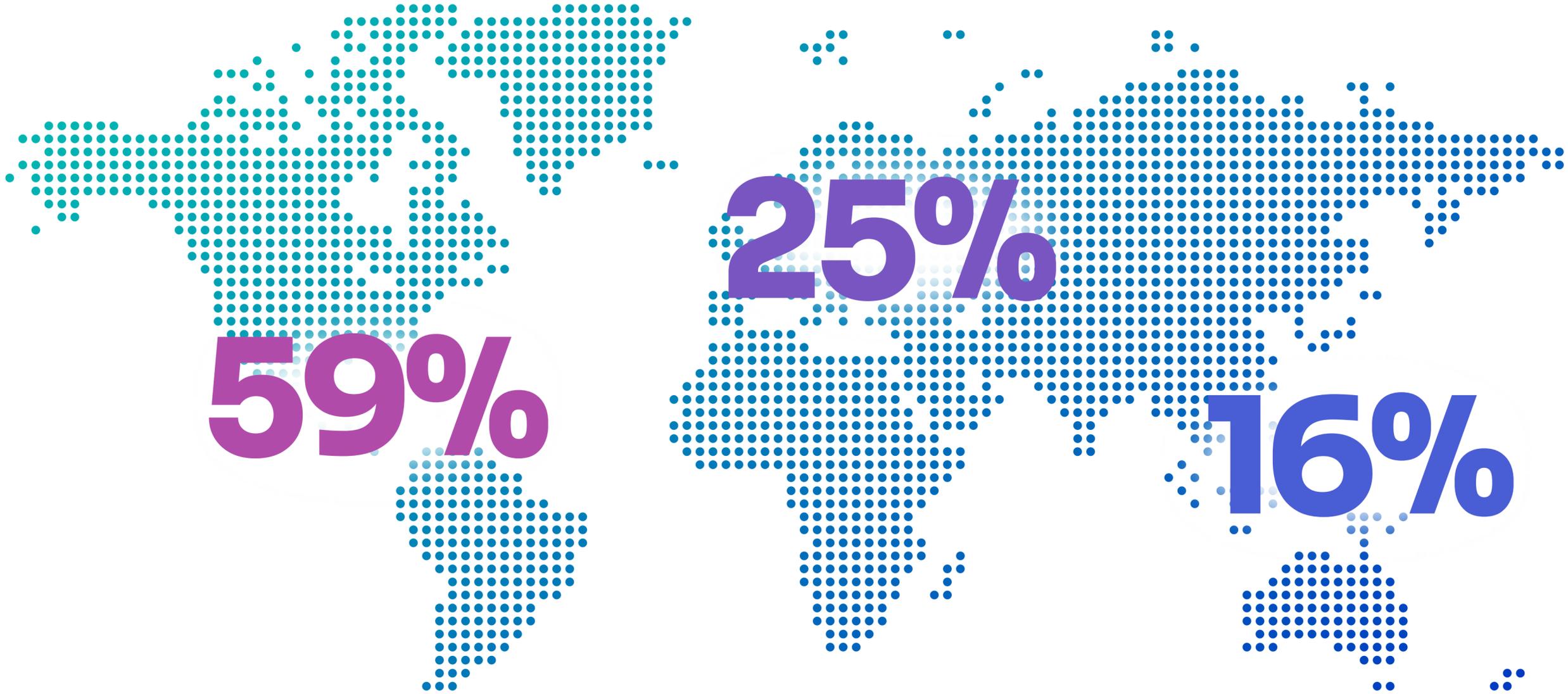




ABOUT THE RESEARCH

Region

North and South American respondents made up 59% of those interviewed and surveyed, followed by EMEA (25%) and APAC (16%).





ABOUT THE RESEARCH

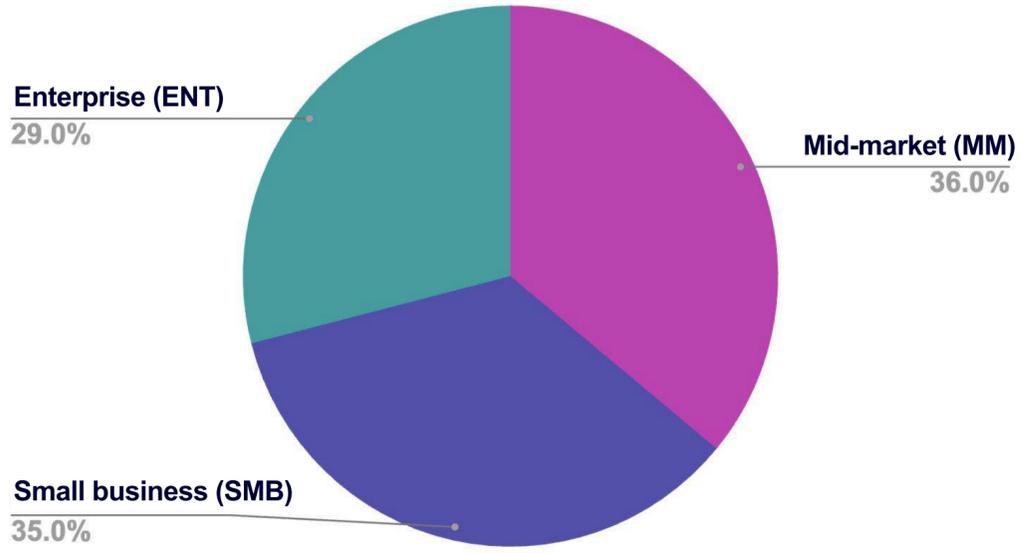
Company size and industry

The study engaged respondents working across a range of different-sized companies. The largest group were mid-market (36%), followed by small business (35%), and enterprise (29%).

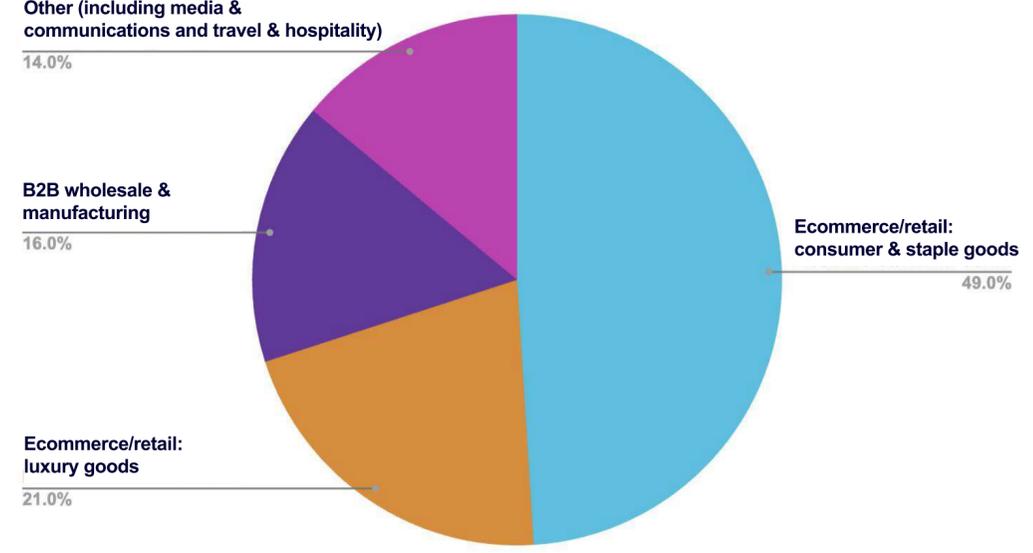
The sectoral breakdown leans towards ecommerce and retail. Consumer and staple goods providers represent 49% of study participants. Luxury goods is the next largest cohort at 21% followed by B2B wholesale & manufacturing at 16%. The 'Other' segment at 14% combines both media & communications (10%) and travel & hospitality (4%).

Across all segments and participants, 58% are companies that currently operate or plan to operate in a marketplace.

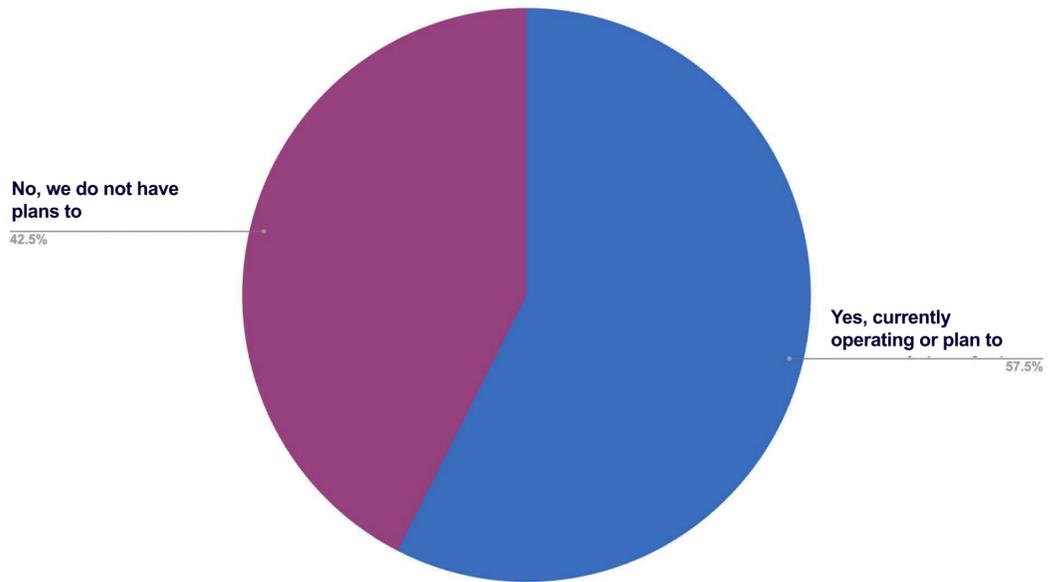
Company size



Industry



Marketplace / Non-marketplace



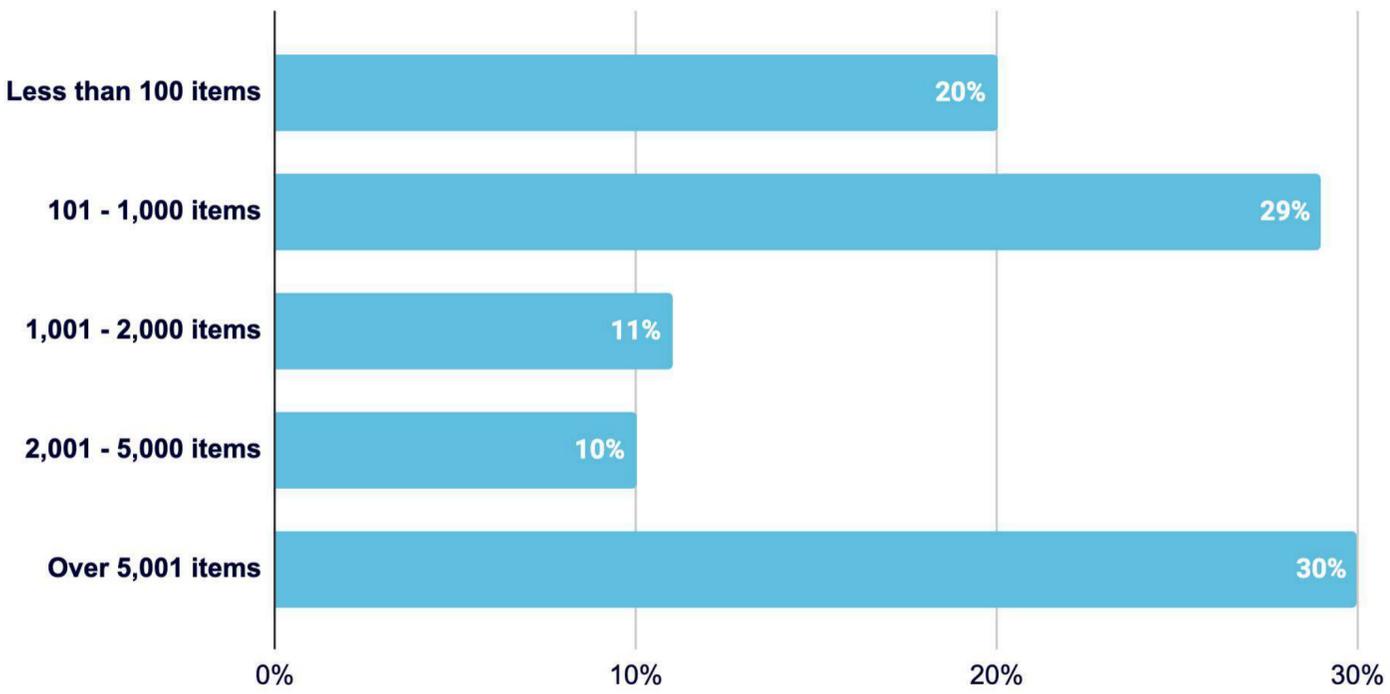


ABOUT THE RESEARCH

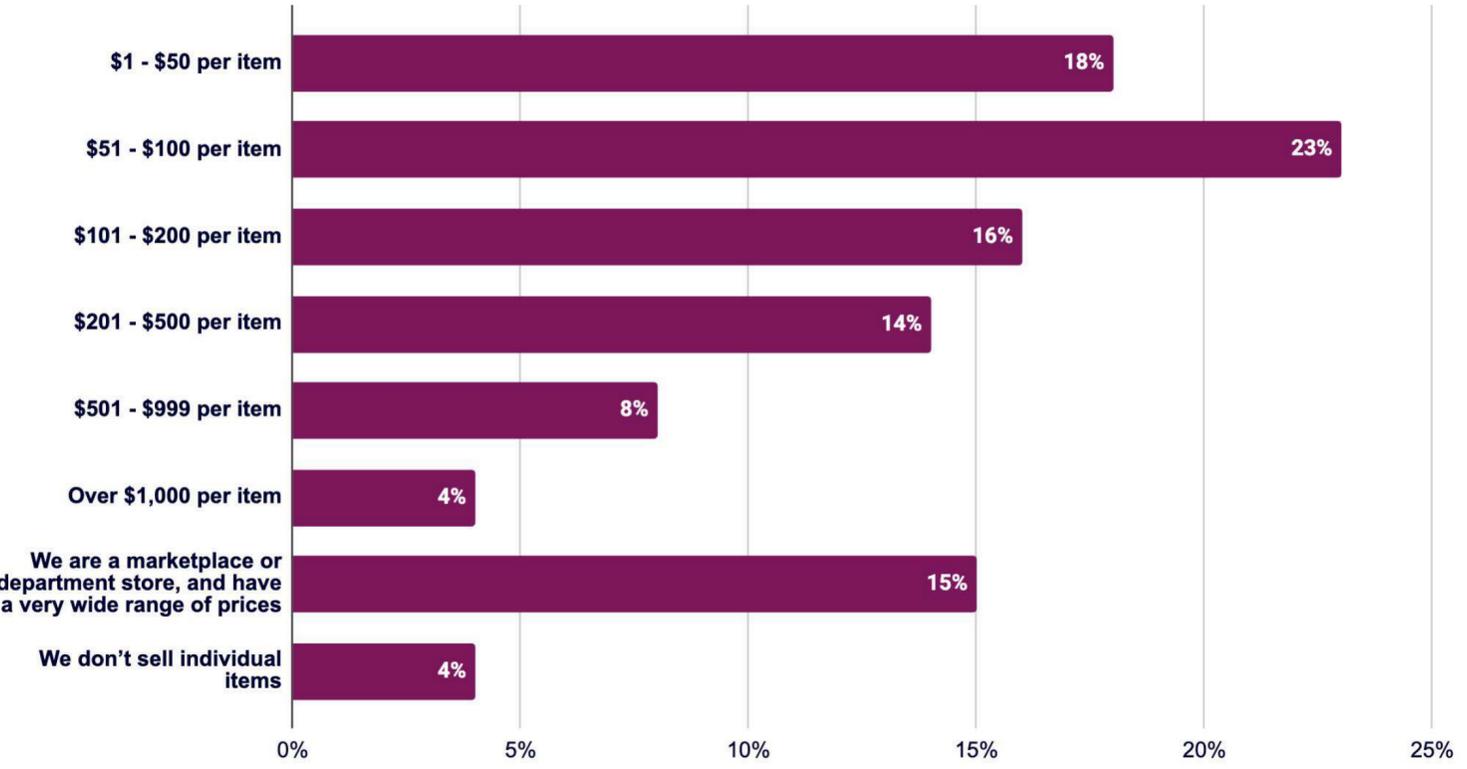
Product offerings

More than 30% of participants work with ecommerce sites that offer over 5,000 items to their shoppers and 23% sell items in the \$51 - \$100 price range.

Number of items on site / app



Typical item price





RETAIL MEDIA NETWORK PLATFORMS



RETAIL MEDIA NETWORKS PLATFORMS

Retail media purchasers paying for sponsored listings or banner ads on ecommerce websites and marketplaces often rely on in-house or third-party software tools called retail media platforms.

These tools make it easier for ad purchasers to manage campaigns on RMN channels. In addition to organizing the sale, placement, and pricing of advertising, retail media platforms provide advanced user tools for ad creation, targeting, performance measurement, and bidding.

They help brands and agencies handle and optimize sponsored product campaigns across online and offline channels, such as in-store displays and physical billboards.

Business-friendly RMN platform software is more appealing than developer-only solutions.

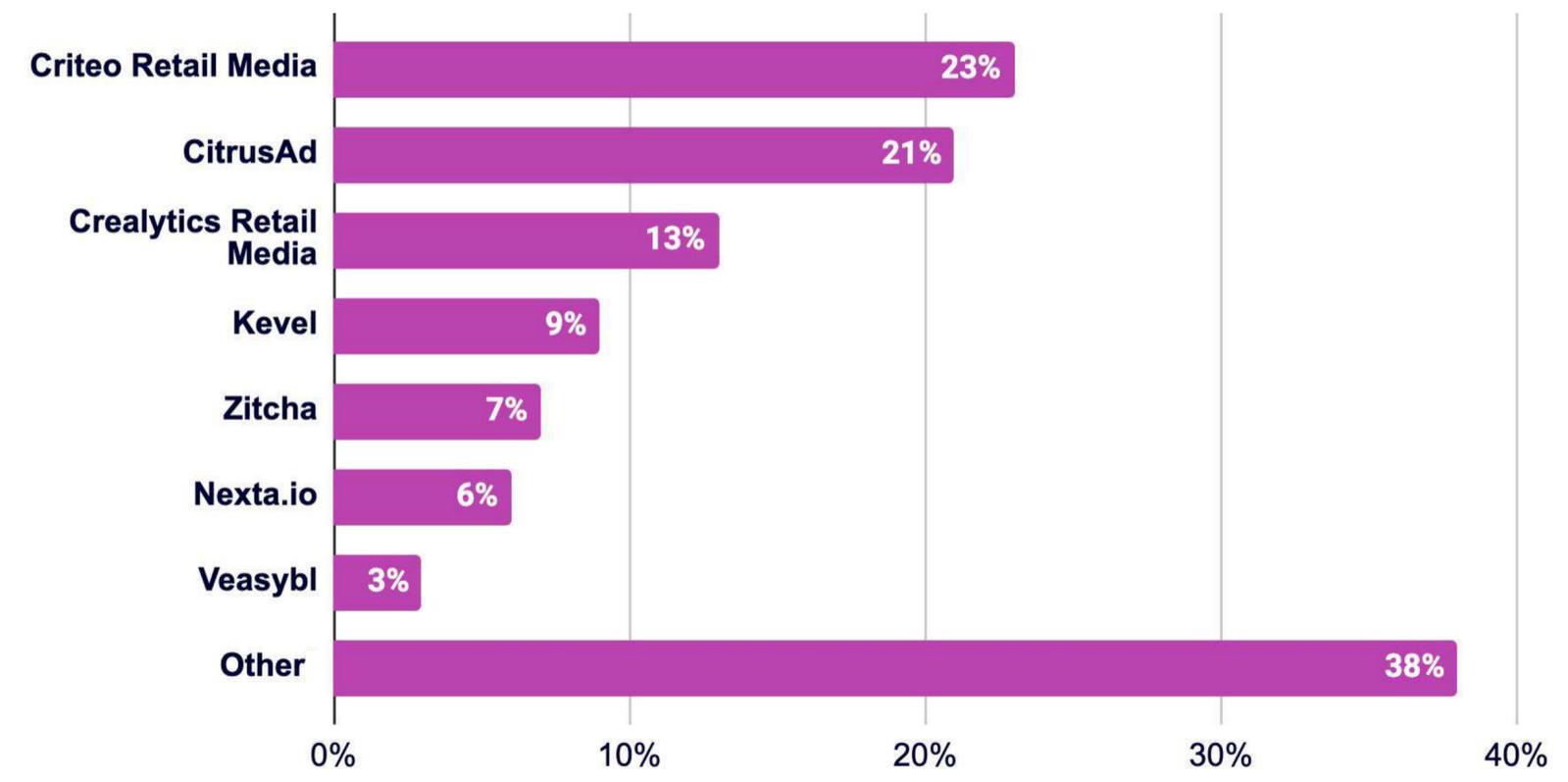
Retail media platforms that provide a more user- and business-friendly way to buy, sell, and organize ad placement and promotional listings are more popular than developer-only solutions.

- 62% of participants use a retail media platform with a business-friendly UI
- 11% of teams use multiple platforms

An easy-to-use UI allows everyone on a team, not just developers, to participate in the retail media purchasing process. This is particularly important to teams that have overlapping functional roles, such as small businesses where advertising, merchandising, and developer teams are composed of a small number of experts who share tasks and responsibilities.

Retail media platforms used

(participants could select multiple options)





RETAIL MEDIA STRATEGY



RETAIL MEDIA STRATEGY

Business use cases

Type of industry and whether a business employs a digital marketplace largely determines how a website or application is used.

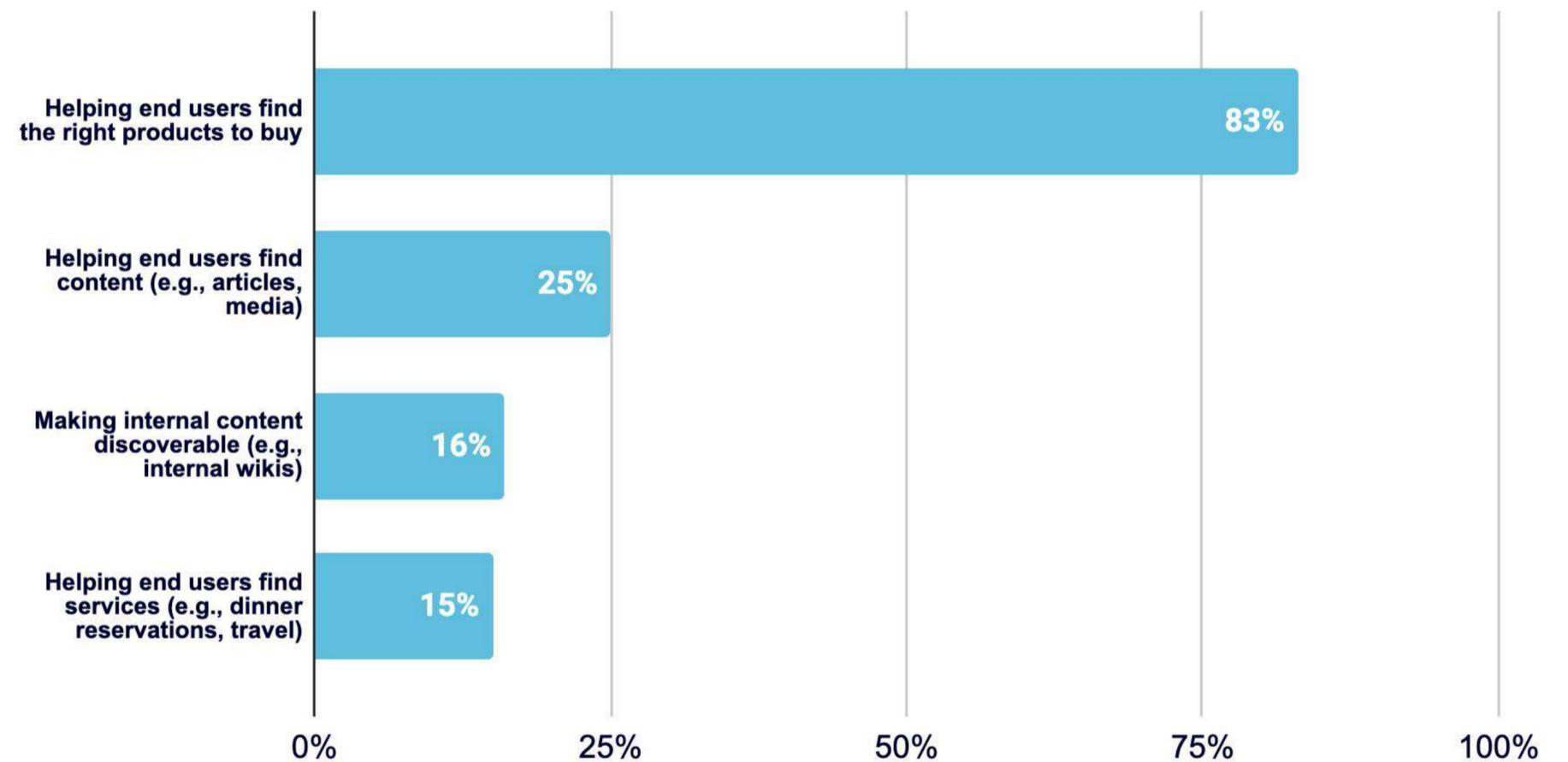
Overarching marketing strategy decisions that drive retail media spend are often tied to this business use case.

The results suggest that most common business use case for retail media users is product discovery.

Most retail media buyers operate websites or apps designed to help customers find specific products to buy (83%) or find specific content, such as articles or videos (25%).

A much smaller percentage use their digital platforms to provide access to internal resources like wikis (16%) or to guide users toward services such as dining or travel reservations (15%).

Digital platform business use case



Participants could select multiple answers

RETAIL MEDIA STRATEGY

Business use case by industry and marketplace

As a use case, product discovery is most popular with businesses that sell goods. These include:

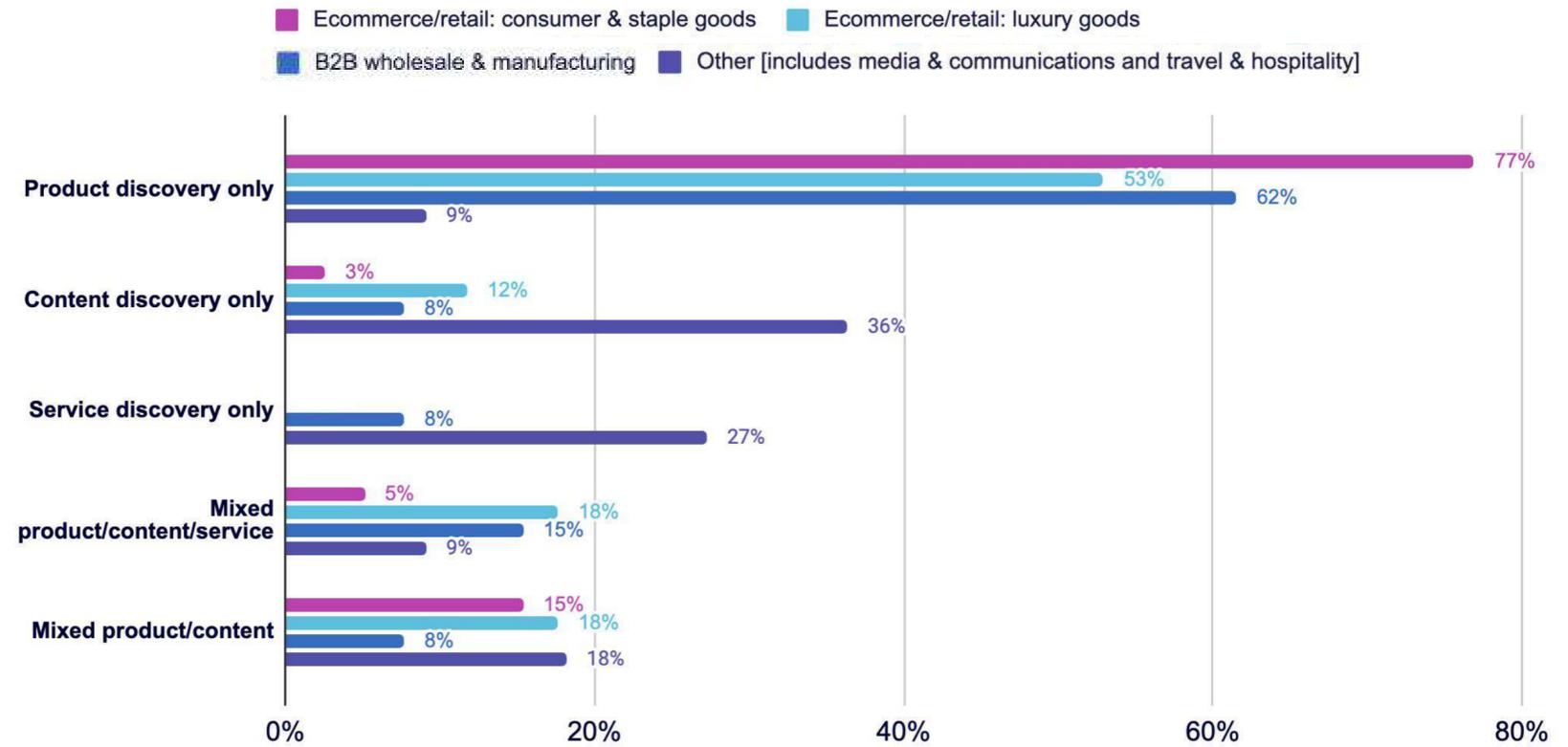
- Consumer & staple goods - 77%
- B2B wholesale & manufacturing - 62%
- Luxury goods - 53%

Not surprisingly, content discovery is most common with businesses operating in media & communications and travel & hospitality (36%).

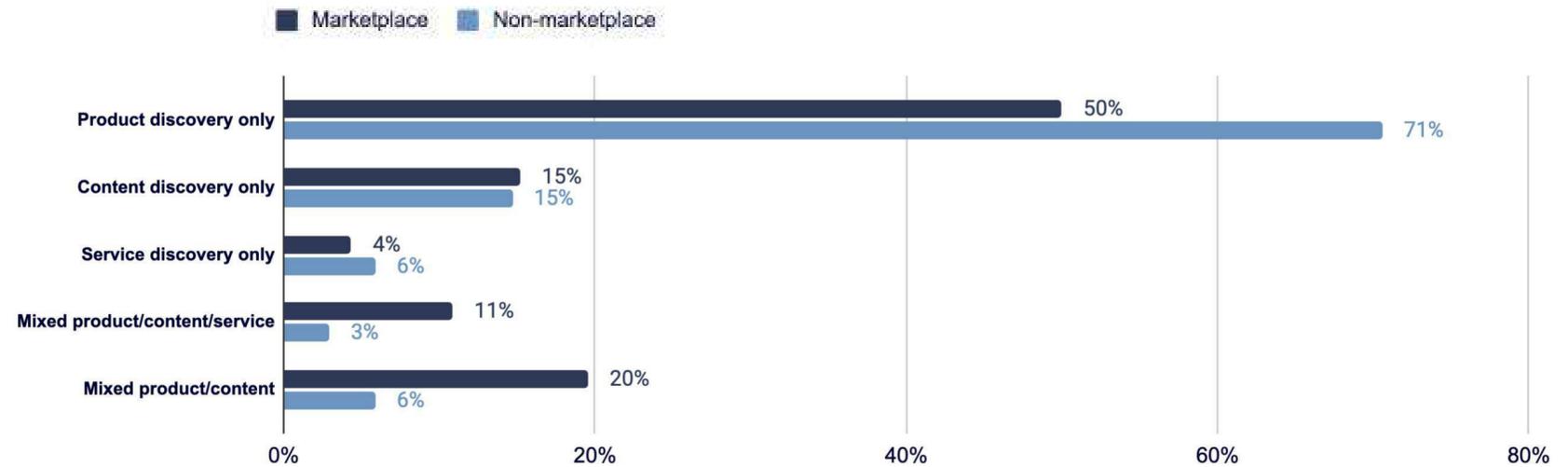
Digital storefront marketplaces valued product discovery only (50%) compared to non-marketplaces (71%).

Close to 20% of marketplaces also focused on driving customers to a mixture of products and branded content.

Strategy by industry



Strategy by marketplace vs. non-marketplace





Retail media and marketing strategy

Purchasers are increasingly using retail media as part of their larger marketing strategy and campaigns – choosing particular solutions to achieve specific business outcomes and KPI targets.

For instance, paying for sponsored listings on search results or category pages to generate a quick sales boost is a popular strategy for ecommerce retail businesses. In contrast, longer-term brand awareness strategies or Black Friday campaigns often rely more heavily on display banners.

Strategy and solutions

Strategic marketing considerations drive specific retail media choices. To achieve particular outcomes, purchasers value certain solutions over others.

- Sponsored listings on search results pages (76%) and display banners (60%) are the most common retail media solutions
- Sponsored listings and display banners provide strong audience targeting
- Display banner location considerations, such as different placements or positions on a page, affect performance
- For search results in particular, purchase or engagement intent is highest for users conducting a search

The key advantage of sponsored search listings is that it captures the customer's attention at a crucial moment – while the user is actually searching. Unlike homepage or category page placements, sponsored search results are more precisely targeted, making it a better value due to the higher likelihood of conversion.

Search is visited by a vast majority of users, therefore it has extremely high visibility.

- Operations, eCommerce: Consumer/Staple Goods

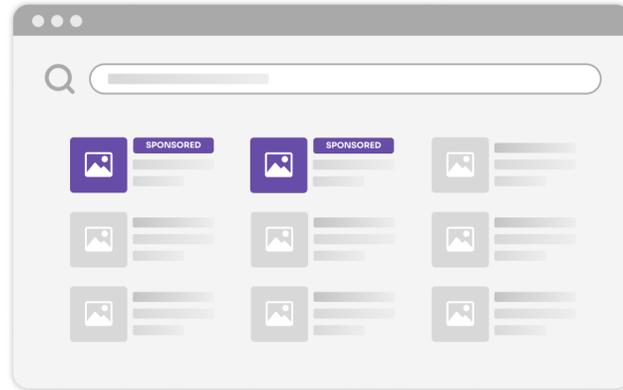
This approach helps explain the much lower use of sponsored listings on non-search specific pages such as category or homepages (56%).

Alternatively, display banners offer a unique opportunity to present a strong brand identity. Banners also use visual appeal in a way that isn't possible with other retail strategies like branded storefronts, which have limited customizability.

Sponsored listings that show up in the wrong place or with inaccurate details following a search, as well as improperly displayed ad banners, introduce significant risks. In nearly all cases, problems with incorrect results or omitted items have a clear impact on consumer trust.

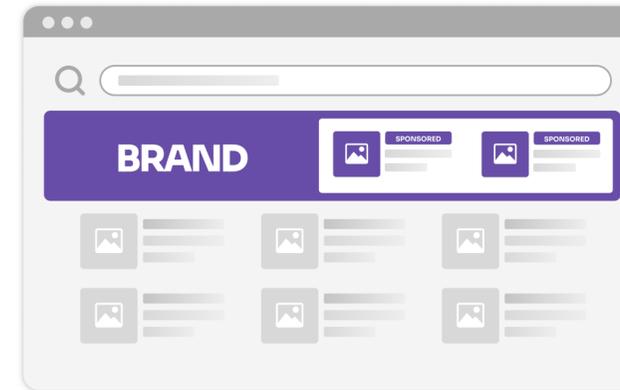


RETAIL MEDIA STRATEGY



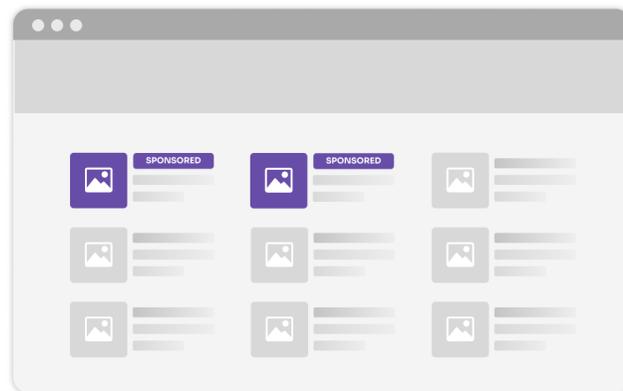
Sponsored listings on search result pages

76%



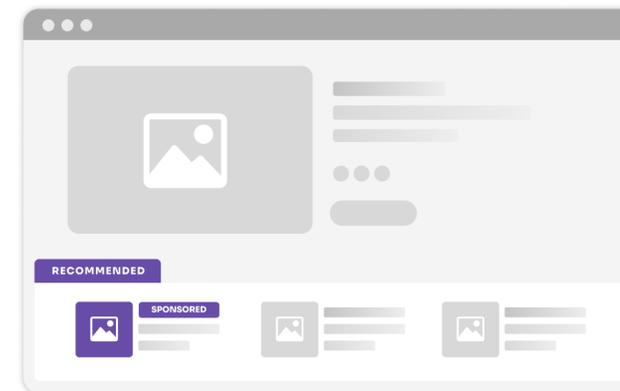
Branded storefronts within a marketplace (e.g., Amazon brand page)

45%



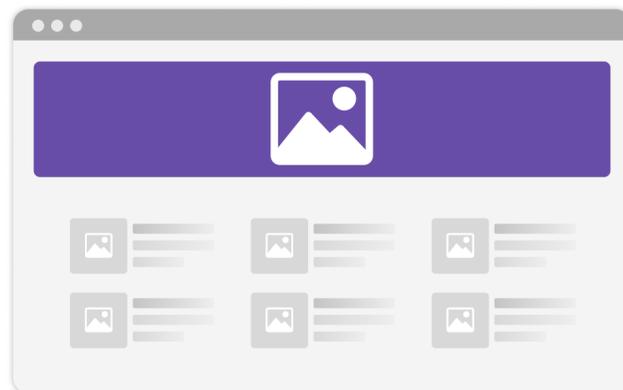
Sponsored listings on pages (e.g., category pages, homepages)

56%



Sponsored recommendations

40%



Display banners

60%



RETAIL MEDIA SOLUTIONS



RETAIL MEDIA SOLUTIONS

The research identified five primary types of retail media solutions:

- Sponsored listings on a search page
- Sponsored listings on category or homepages
- Branded storefronts on a marketplace such as an Amazon brand page
- Display banners
- Sponsored recommendations or recommended products

Each has its unique benefits and location considerations – across different pages (e.g., search results, category, home pages) or locations on a page (e.g., top, bottom, middle).

Based on the survey and user data the three most popular retail media solutions are:

- Sponsored listing on search result pages (76%)
- Display banners (60%)
- Sponsored listings on category and home pages (56%)

Branded store fronts in a marketplace, such as a dedicated brand page on Amazon, were used by 45% of respondents. In contrast, only 40% of respondents implemented sponsored recommendations, such as items displayed on a recommend carousel.

Display banners are considered important by 68% of purchasers.

Used by the majority of respondents, display banners are a common component of marketing campaigns that build brand awareness and for time-sensitive promotions. They are often implemented in conjunction with sponsored items on search results or category pages to promote specific items.

Using multiple solutions

Purchasers will often implement multiple solutions together as part of a larger campaign strategy. This approach is based on the common understanding that particular solutions are best suited to different yet specific goals.

For instance, display banners are a common component of campaigns used to build awareness for brands and for time-sensitive promotions.

Retail media buyers will often use display banners, alongside other solutions like sponsored items on search results or category pages, to promote items.



Retail media and marketing strategy

We know that when it comes to advertising, location is critical. Consequently, deciding where to put sponsored listings is an important consideration in retail media marketing strategy.

The pie chart presents a breakdown of ad location choices based on industry. Search result listings remain popular for businesses across all sectors, making up between 55% to 41% of the paid listing locations.

Homepage listings are the second most important site for B2B wholesale & manufacturing, accounting for 39% of listing locations. This is a significantly higher share than in other sectors.

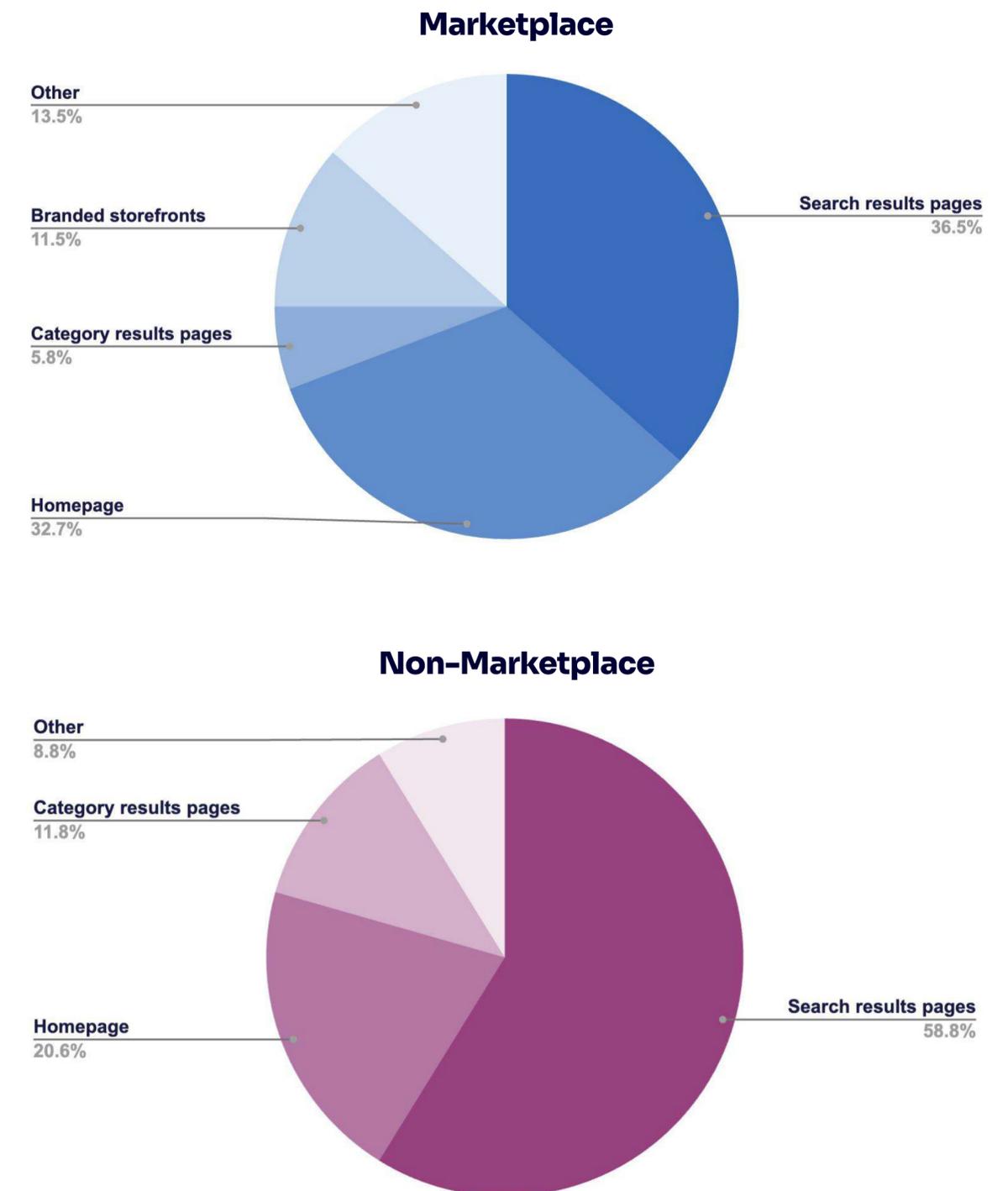
Homepage listings also ranked second in importance for other industries, but at a much lower average rate of 28%.

For the media & communications as well as travel & hospitality sectors, category pages were of low value, if used at all.

Branded stores are strategically important to marketplaces as well as homepage paid listings (33%) compared to non-marketplace users (21%).

Nevertheless, for both marketplace and non-marketplace, the leading retail media ad location was for search results page listings, with marketplace at 37% and non-marketplace at 59%.

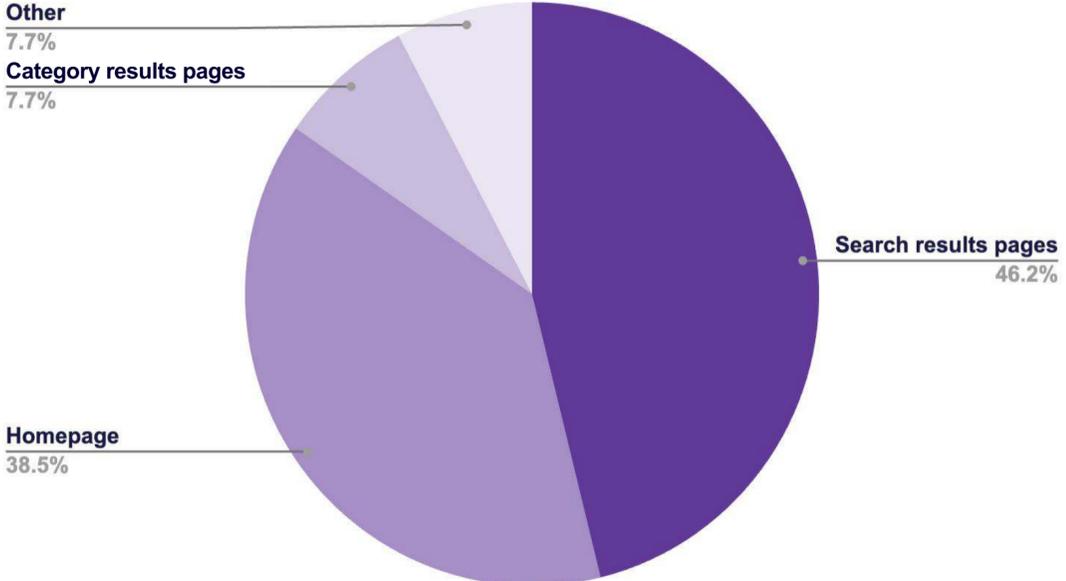
Solution by marketplace vs. non-marketplace



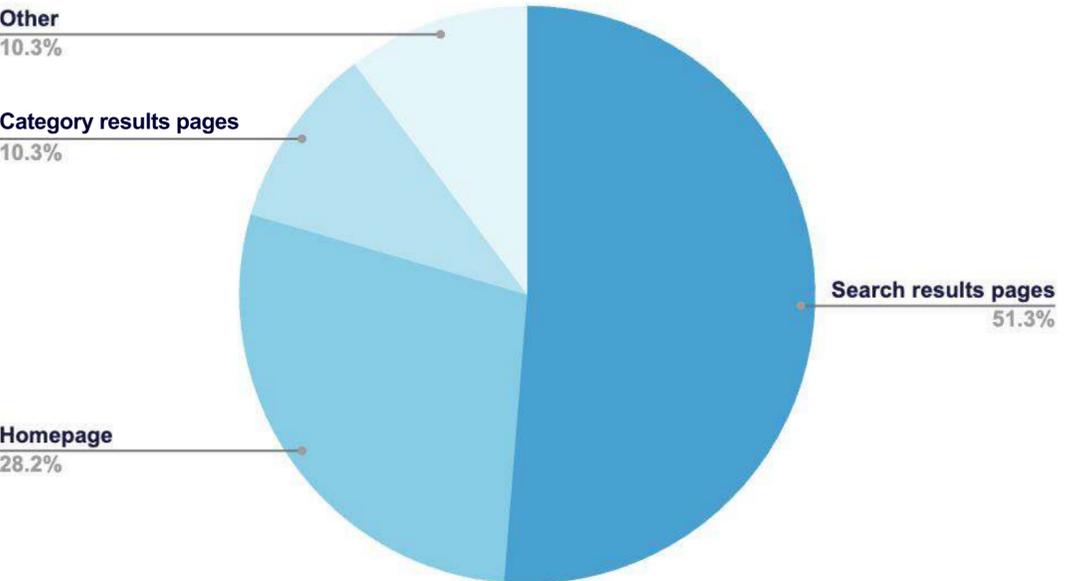


Solution by Industry

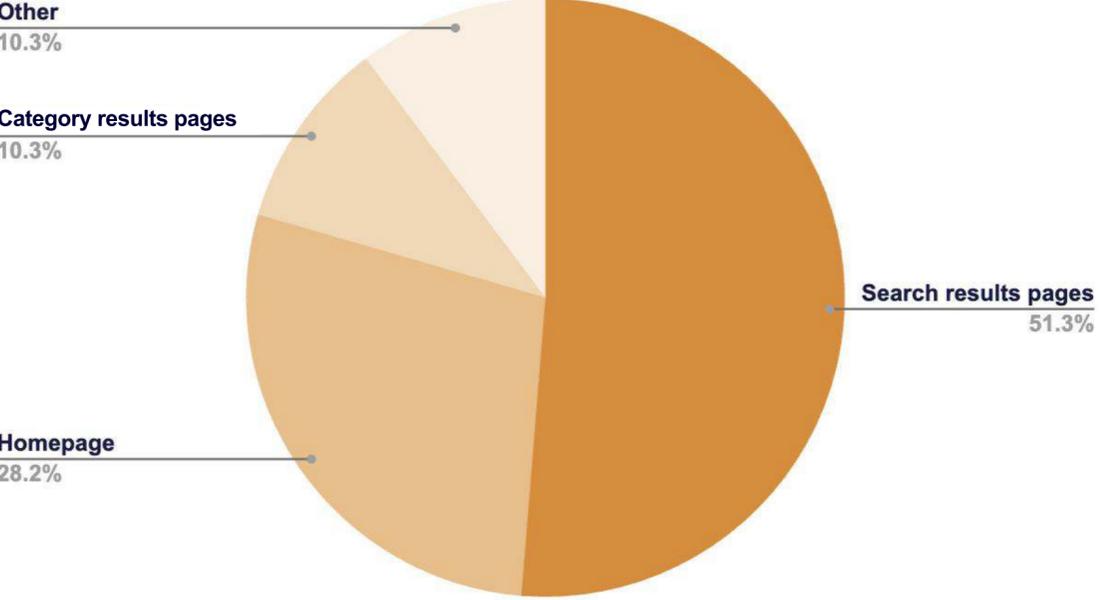
B2B wholesale & manufacturing



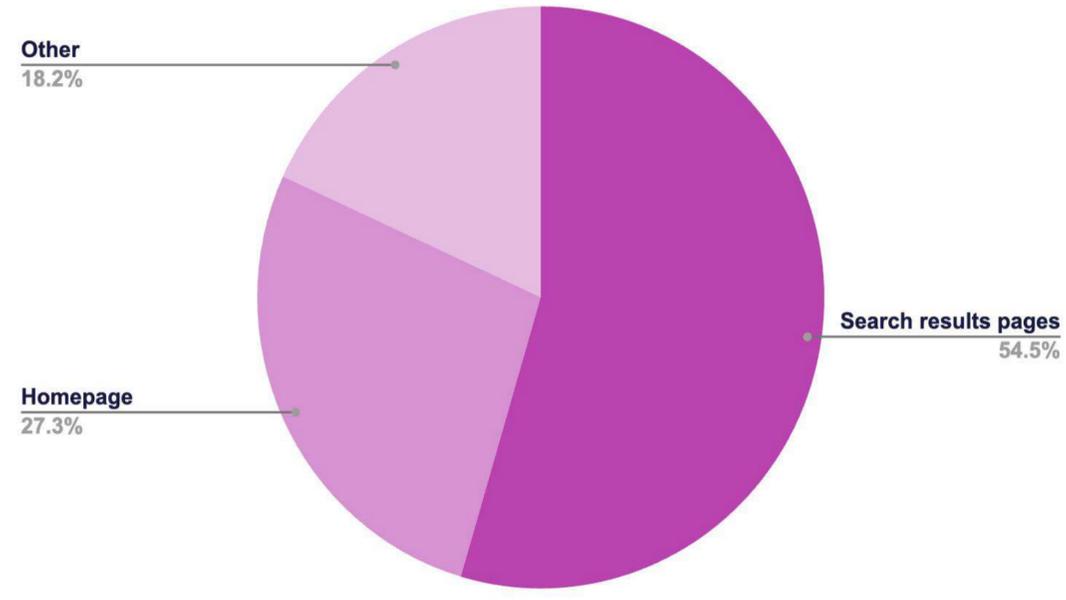
Ecommerce/retail: Consumer & staple goods



Ecommerce/retail: Luxury goods



Other (including media & communications and travel & hospitality)





FEATURES: SPONSORED LISTINGS ON SEARCH RESULTS PAGE

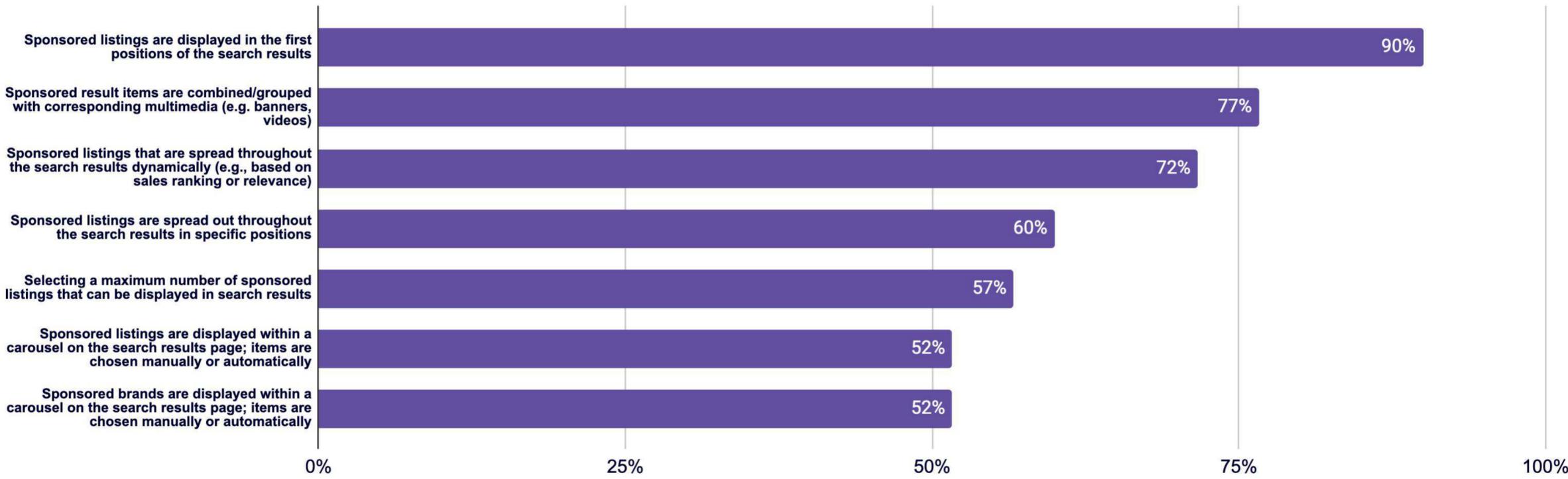
Business use cases

Sponsored listings are *cost-per-click (CPC)* ads that promote products, content, or services. They are the most popular retail media advertising solution.

Surveyed respondents across all segments were asked to rank the different ways they can use sponsored listings on a scale from 'not valuable at all' to 'very valuable.' We asked them to consider the location and specific capabilities that inform buying decisions.

According to an overwhelming 90% of respondents who buy sponsored listings on search result pages, a listing that generates a top position within a search result is the most effective strategy to drive users to specific products and inventory.

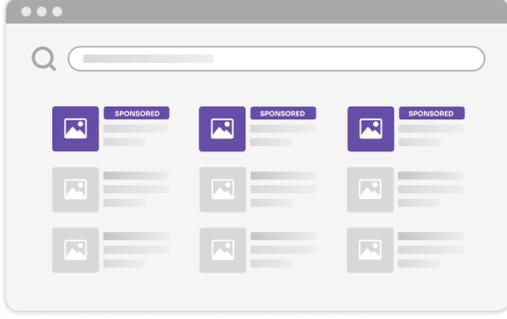
At the other end of the scale, only 52% rated retail media solutions that involve displaying sponsored listings within a shopping carousel on the search results pages as valuable.



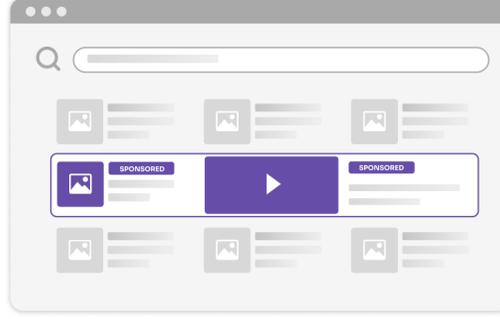
Percent of participants who rated listing as valuable (rated 5-7 on a scale of 1-7, 1=Not valuable at all, 7= Very valuable)



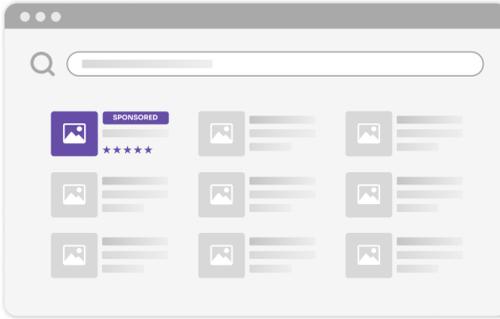
FEATURES: SPONSORED LISTINGS ON SEARCH RESULTS PAGE



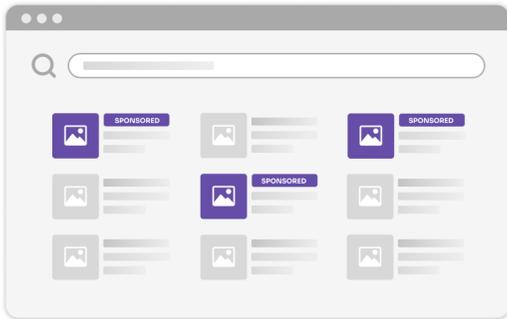
90%
Sponsored listings are displayed in the first positions of the search results



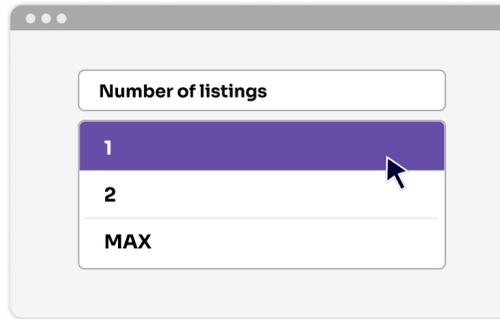
77%
Sponsored result items are combined/grouped with corresponding multimedia (e.g. banners, videos)



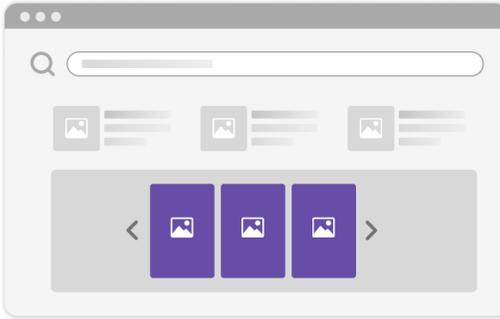
72%
Sponsored listings that are spread throughout the search results dynamically (e.g., based on sales ranking or relevance)



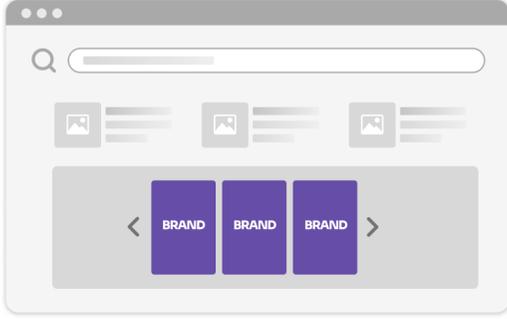
60%
Sponsored listings are spread out throughout the search results in specific positions



57%
Selecting a maximum number of sponsored listings that can be displayed in search results



52%
Sponsored listings are displayed within a carousel on the search results page; items are chosen manually or automatically



52%
Sponsored brands are displayed within a carousel on the search results page; items are chosen manually or automatically



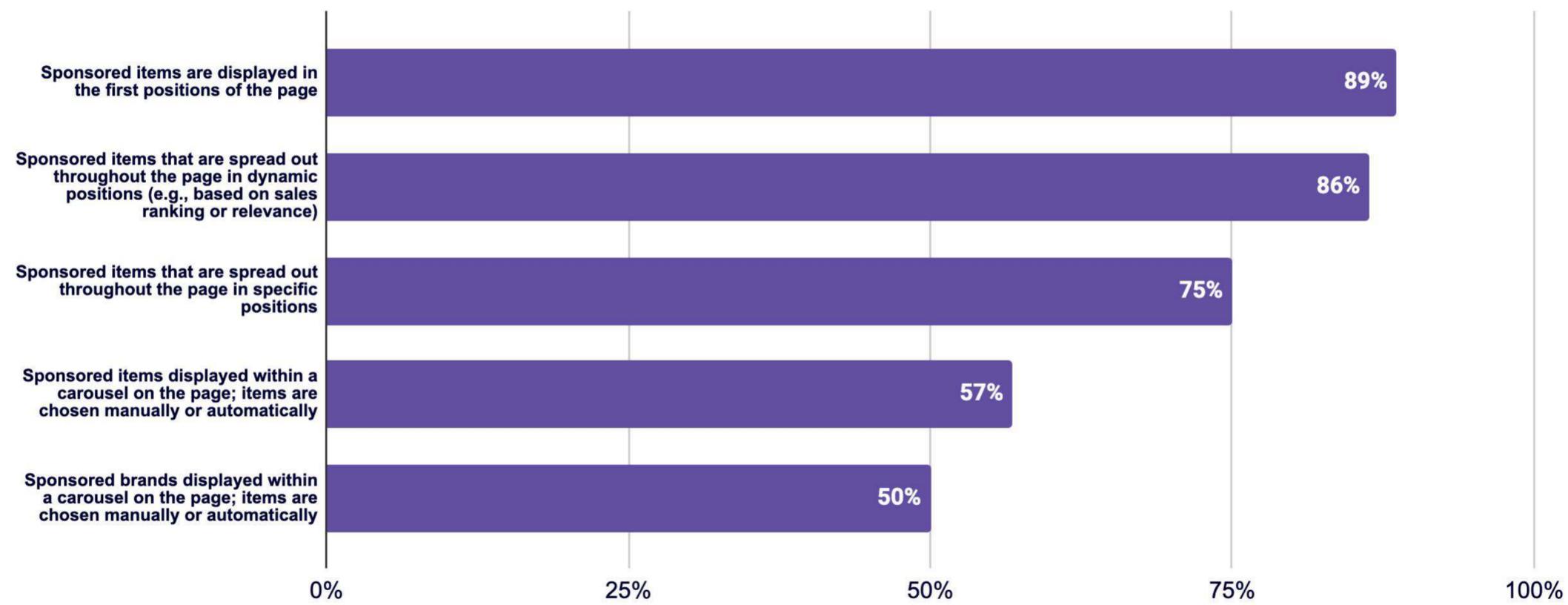
FEATURES: SPONSORED LISTINGS ON SPECIFIC PAGES

The responses shift slightly when it comes to solutions designed for specific pages such as category pages or the homepage

The most valued location (identified by 89% of respondents across all segments who purchase sponsored listings on specific pages) is sponsored items displayed in the first position on the page.

This is closely followed by items that are spread out in dynamic positions across a page based on sales ranking or popularity (86%).

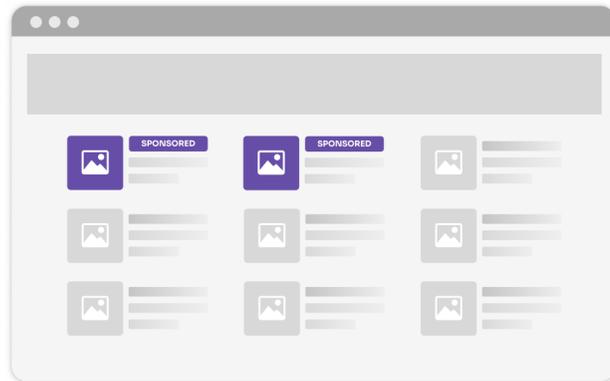
Only 50% of participants value sponsored brands displayed in a carousel on specific pages. This result can be attributed to this solution's lower implementation rate.



Percent of participants who rated listing as valuable (rated 5-7 on a scale of 1-7, 1=Not valuable at all, 7= Very valuable)

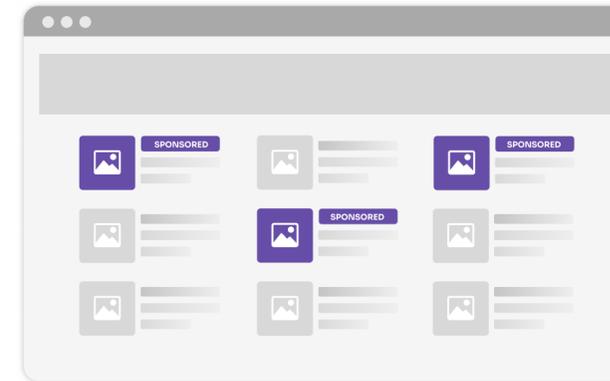


FEATURES: SPONSORED LISTINGS ON SPECIFIC PAGES



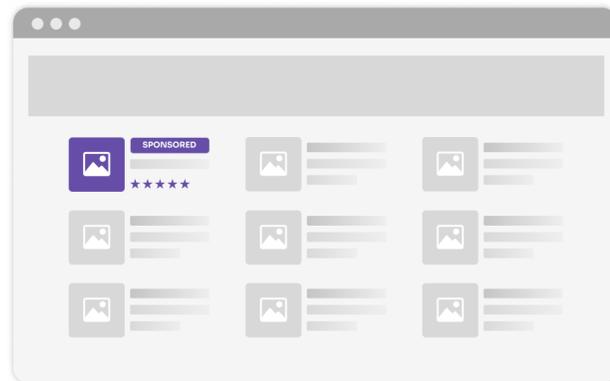
89%

Sponsored items are displayed in the first positions of the page



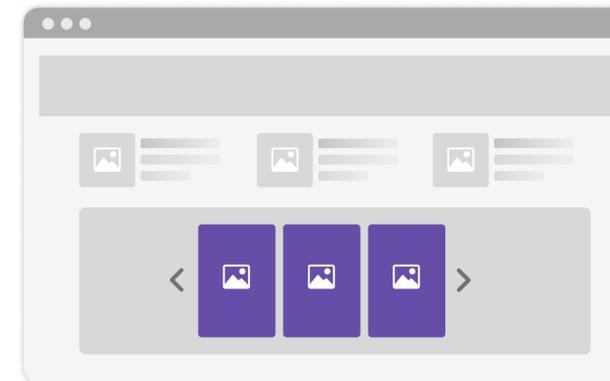
86%

Sponsored items that are spread out throughout the page in dynamic positions (e.g., based on sales ranking or relevance)



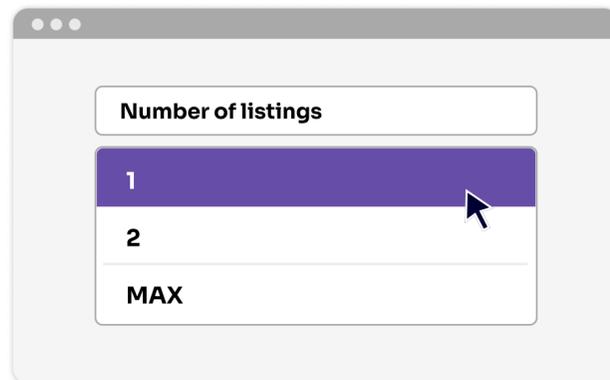
75%

Sponsored items that are spread out throughout the page in specific positions



57%

Sponsored items displayed within a carousel on the page; items are chosen manually or automatically



50%

Selecting a maximum number of sponsored listings that can be displayed in search results



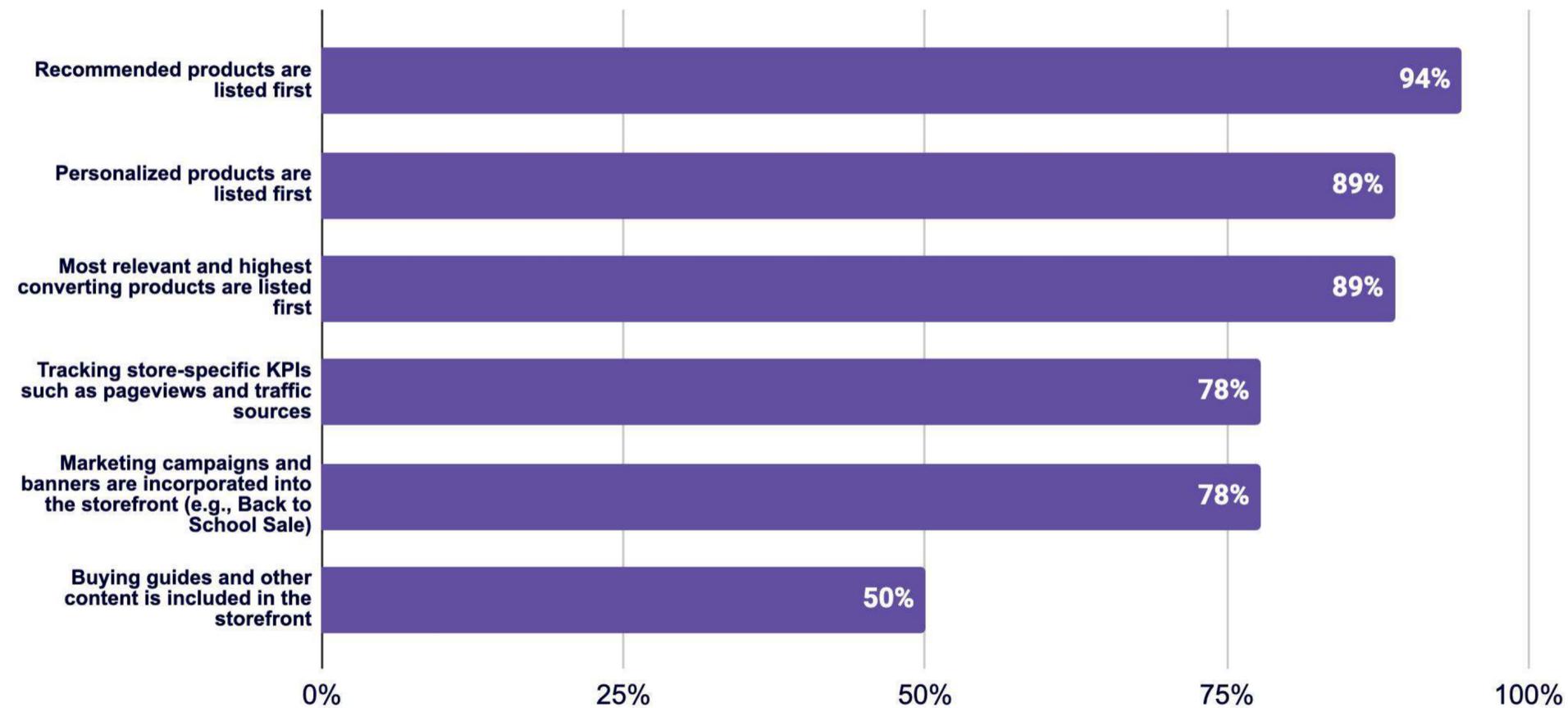
FEATURES: BRANDED STOREFRONT WITHIN A MARKETPLACE

When it comes to marketplaces, the most common approach adopted by marketers involves creating a branded storefront on a retail media network like Amazon or Target.

Branded storefronts make it easy to showcase recommended and highly relevant products at the head of listings. Across all segments, users valued storefronts where recommended, most relevant, and highest converting products are listed first.

An overwhelming 94% of respondents who use branded storefronts rank 'Recommended products are listed first' as very valuable followed by 'Personalized products listed first' at 89%.

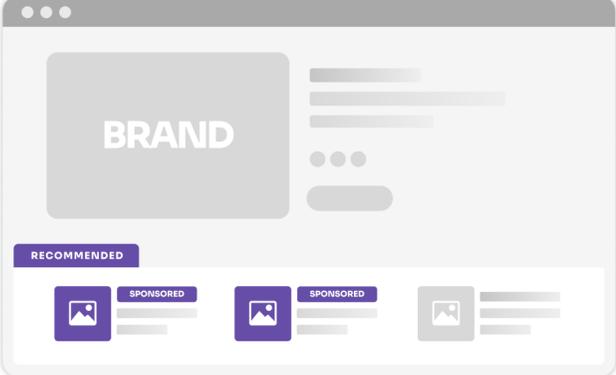
Personalization on a branded storefront is more highly valued by ecommerce and marketplace participants compared to other segments.



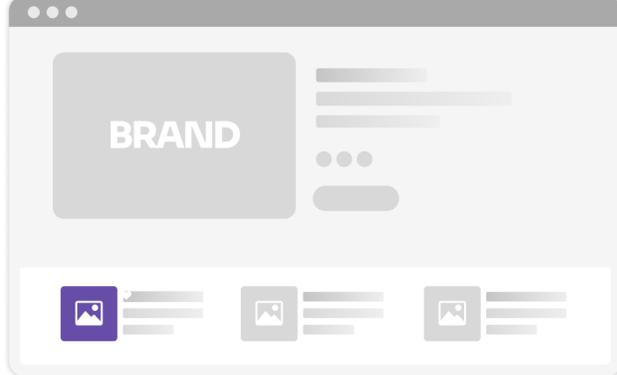
Percent of participants who rated listing as valuable (rated 5-7 on a scale of 1-7, 1=Not valuable at all, 7= Very valuable)



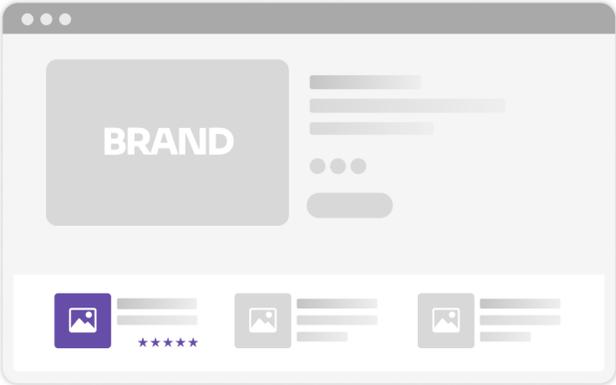
FEATURES: BRANDED STOREFRONT WITHIN A MARKETPLACE



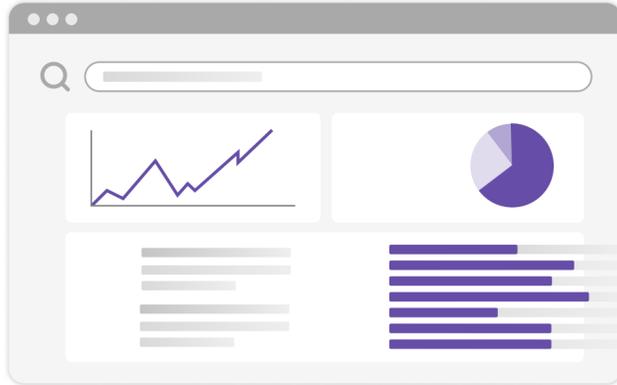
94%
Recommended products are listed first



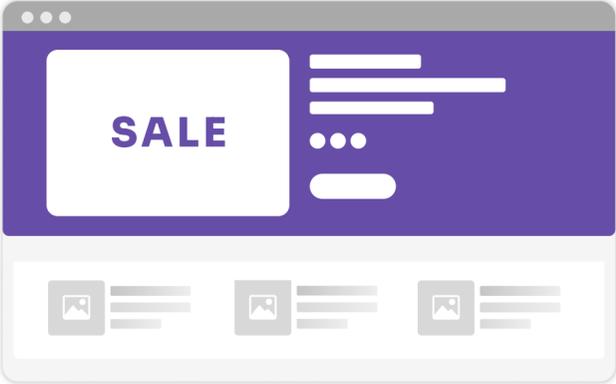
89%
Personalized products are listed first



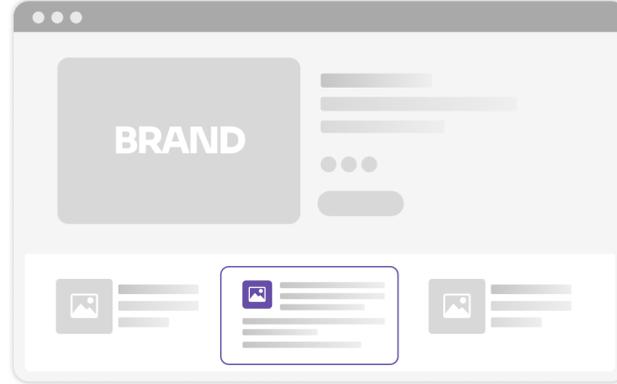
89%
Most relevant and highest converting products are listed first



78%
Tracking store-specific KPIs such as page views and traffic sources



78%
Marketing campaigns and banners are incorporated into the storefront (e.g., Back to School Sale)



50%
Buying guides and other content is included in the storefront



FEATURES: DISPLAY BANNERS

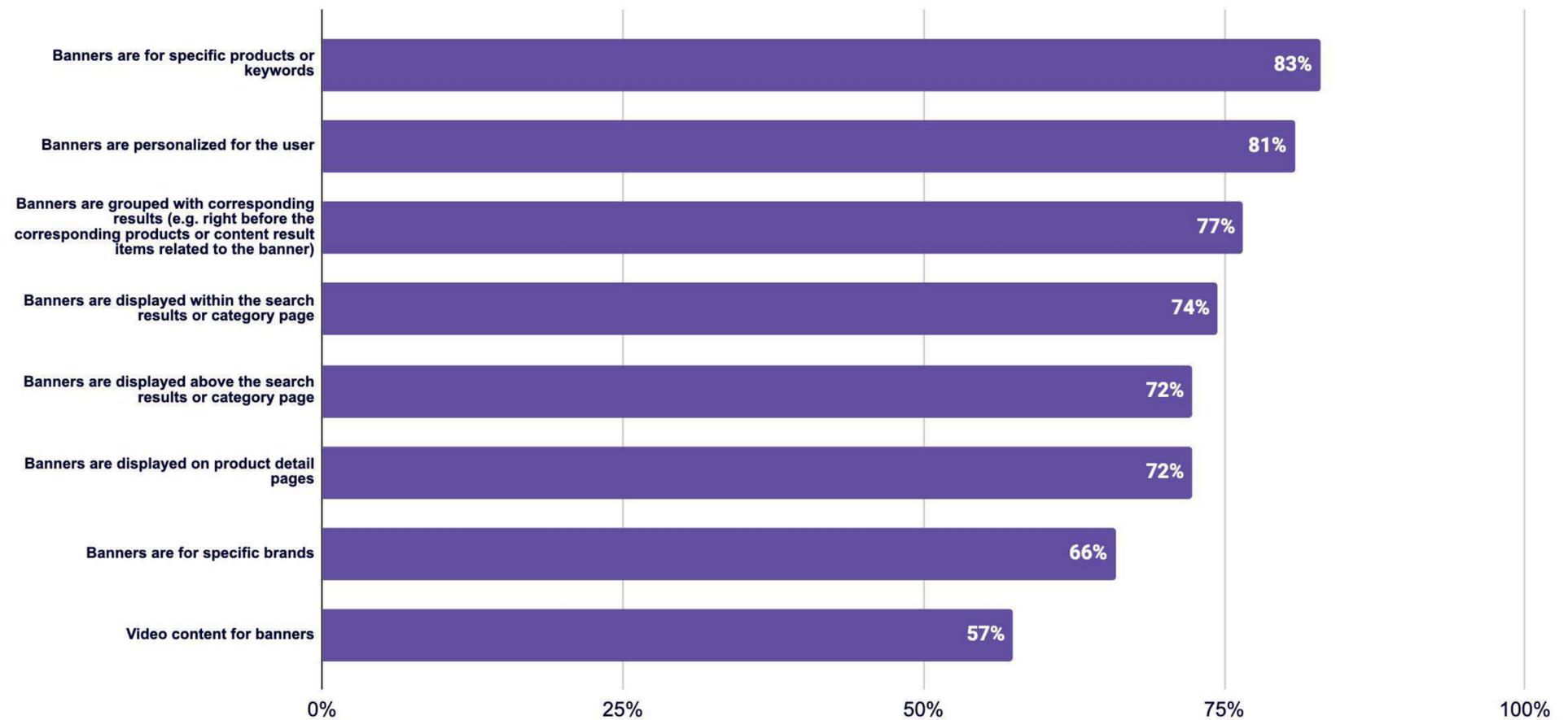
Display banners offer a unique opportunity to present a strong brand identity. With a combination of campaign visuals, decorative text, and sponsored video, display banners have visual appeal that isn't possible with other retail media solutions like product listings in marketplace storefronts, which have limited customizability.

Banner ads are a relatively low-cost solution that offer flexibility and can be hyper-targeted. But banner ad fatigue and scam risks linked to negative experiences on phishing sites have increased customer distrust of display banners. Consequently, display banners rate much more highly for visual appeal than for customer trust

The benefits for display banners vary greatly based on segmentation. Each segment prioritizes different features for display banners, but the following features were generally rated as most valuable by respondents who use display banners:

- Banners are for specific products or keywords (83%)
- Banners are personalized for the user (81%)
- Banners are grouped with corresponding results (e.g., right before the corresponding products or content result items related to the banner) (77%)

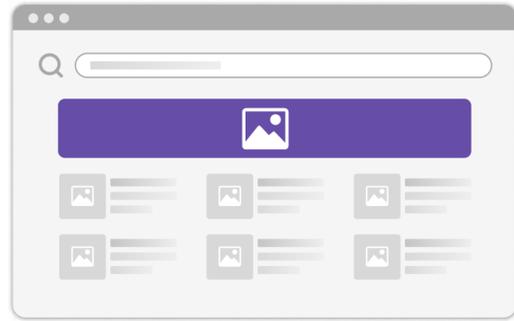
The one exception is the luxury goods segment. This segment only values banners that are displayed above search results and category pages. This *could be related to* the risks to customer trust and brand image associated with display banners.



Percent of participants who rated listing as valuable (rated 5-7 on a scale of 1-7, 1=Not valuable at all, 7= Very valuable)

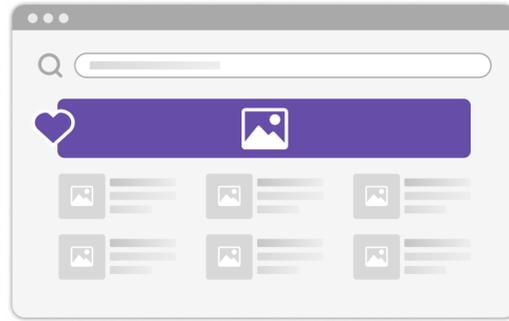


FEATURES: DISPLAY BANNERS



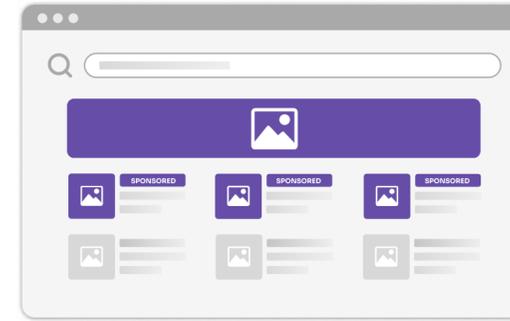
83%

Banners are for specific products or keywords



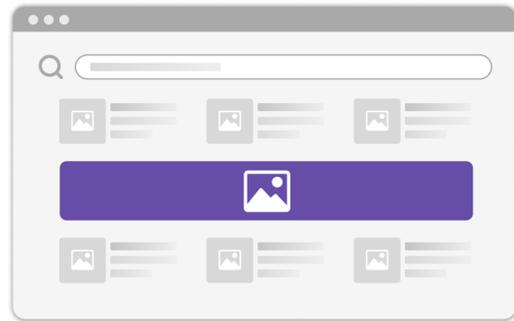
81%

Banners are personalized for the user



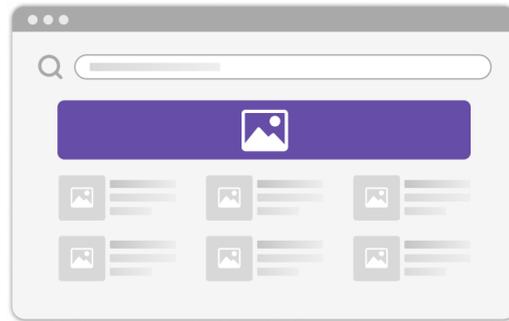
77%

Banners are grouped with corresponding results (e.g. right before the corresponding products or content result items related to the banner)



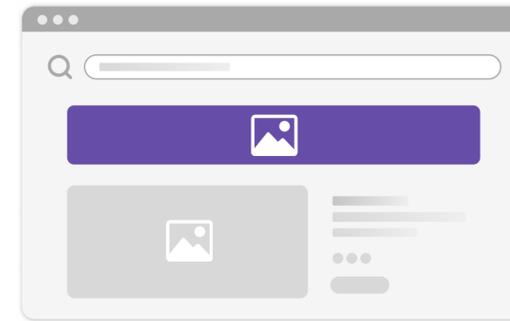
74%

Banners are displayed within the search results or category page



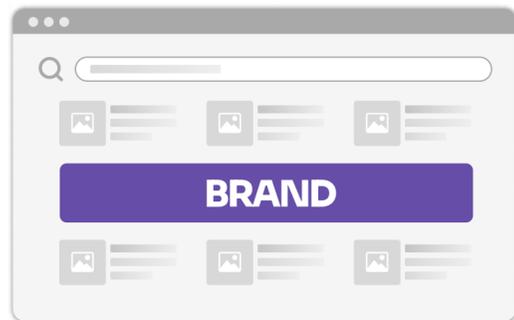
72%

Banners are displayed above the search results or category page



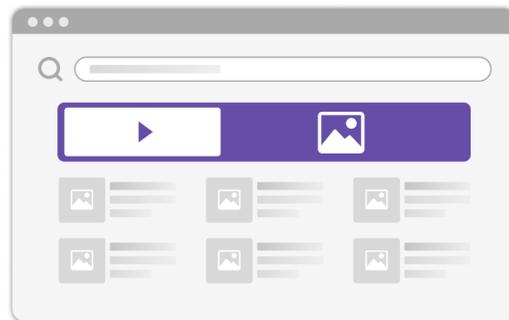
72%

Banners are displayed on product detail pages



66%

Banners are for specific brands



57%

Video content for banners

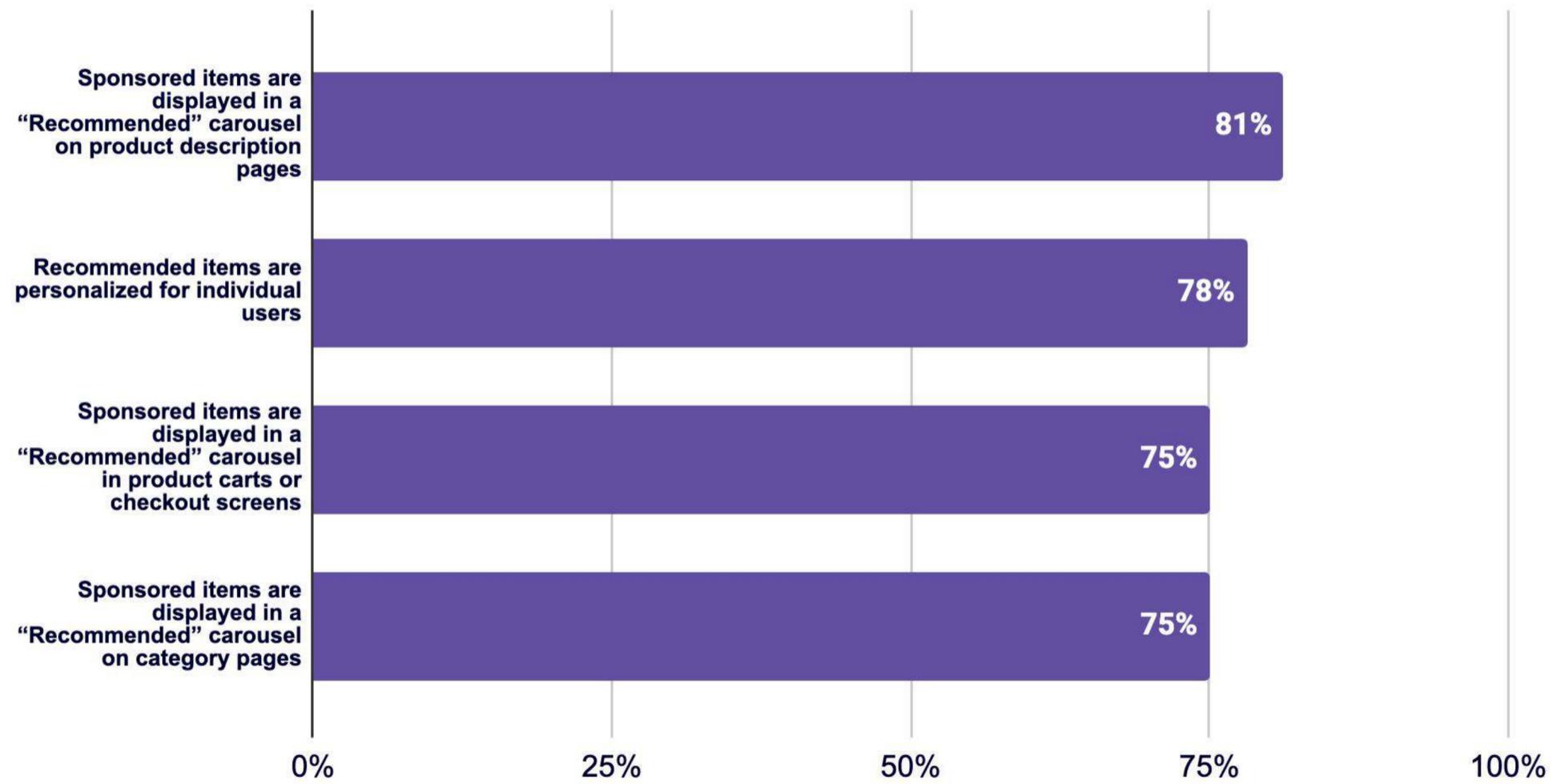


FEATURES: SPONSORED RECOMMENDATIONS

Recommended listings are most valuable on product display pages (PDPs) and checkout pages.

Across all segments, respondents who use sponsored recommendations felt that the most valuable features for recommended listings are:

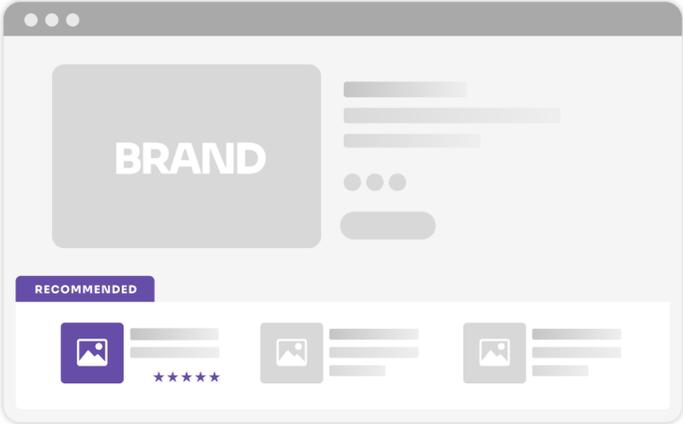
- Sponsored items are displayed in a ‘Recommended’ carousel on product description pages
- Recommended items are personalized for individual users



Percent of participants who rated listing as valuable (rated 5-7 on a scale of 1-7, 1=Not valuable at all, 7= Very valuable)

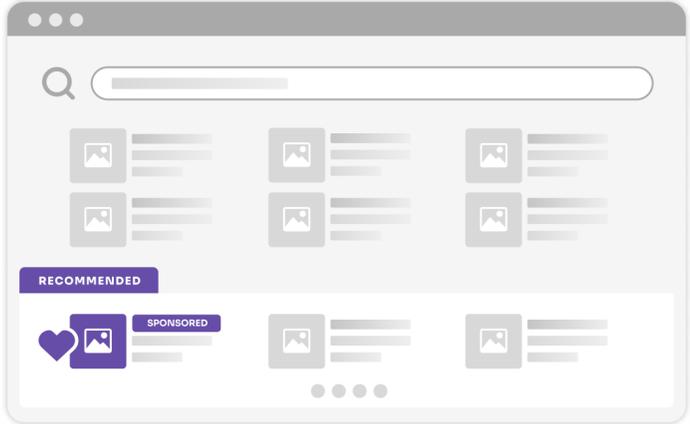


FEATURES: SPONSORED RECOMMENDATIONS



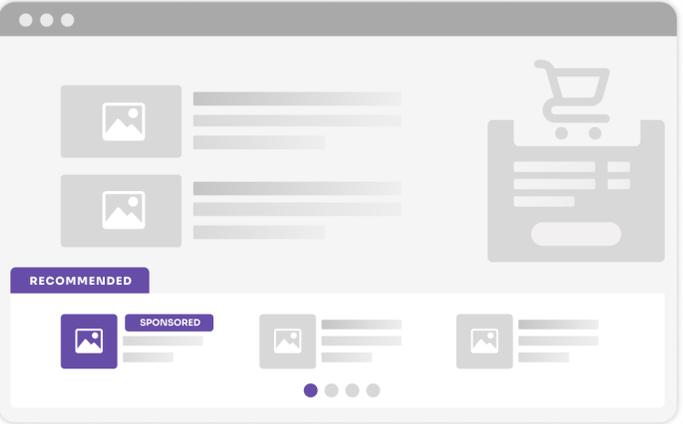
81%

Sponsored items are displayed in a "Recommended" carousel on product description pages



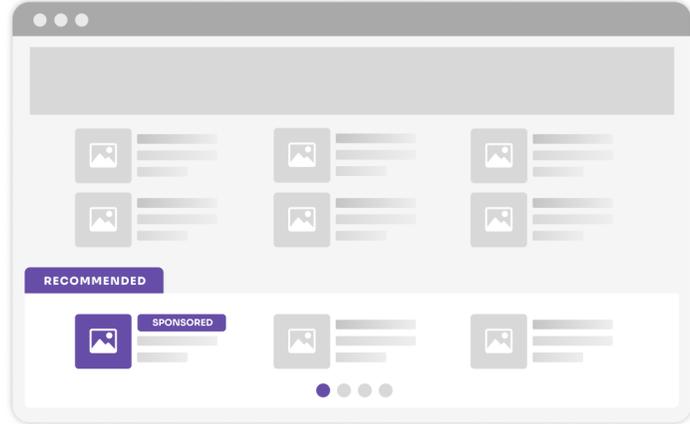
78%

Recommended items are personalized for individual users



75%

Sponsored items are displayed in a "Recommended" carousel in product carts or checkout screens



75%

Sponsored items are displayed in a "Recommended" carousel on category pages



RETAIL MEDIA GOALS, CHALLENGES, AND RISKS



RETAIL MEDIA SOLUTIONS

While retail media is viewed as a valuable tool for boosting KPIs, each solution comes with its own set of advantages and trade-offs. As a consequence, purchasers choose solutions based on achieving particular goals, targets, and KPIs.

How do respondents use retail media solutions to drive particular strategic outcomes?

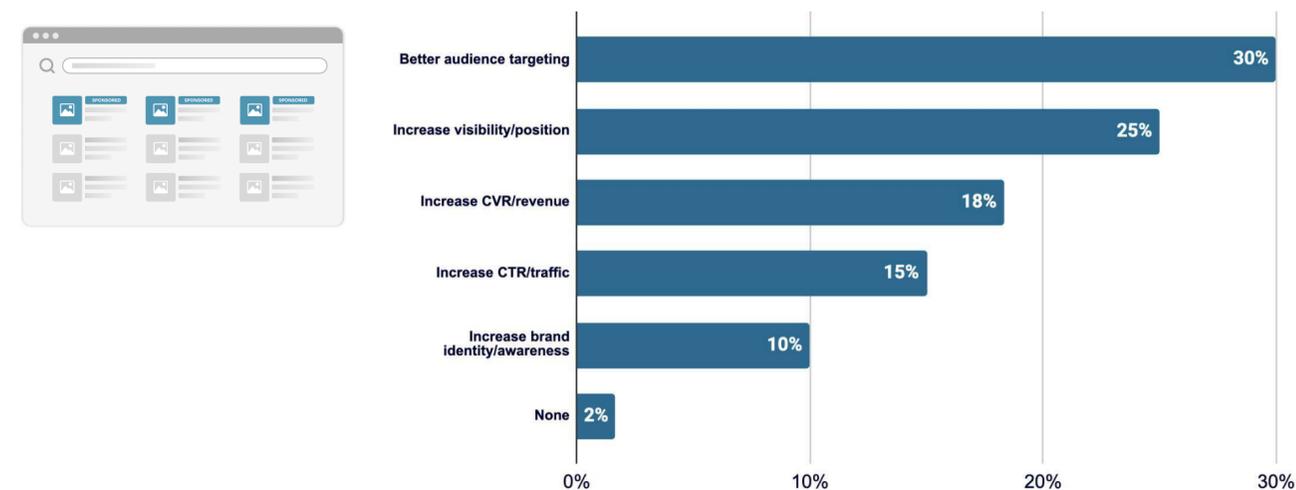
Better audience targeting was the leading goal across solutions, followed by visual appeal and then increased brand identity and awareness.

Banner advertising is linked to improving visual appeal while increased brand identity and awareness is linked to the use of marketplace storefronts.

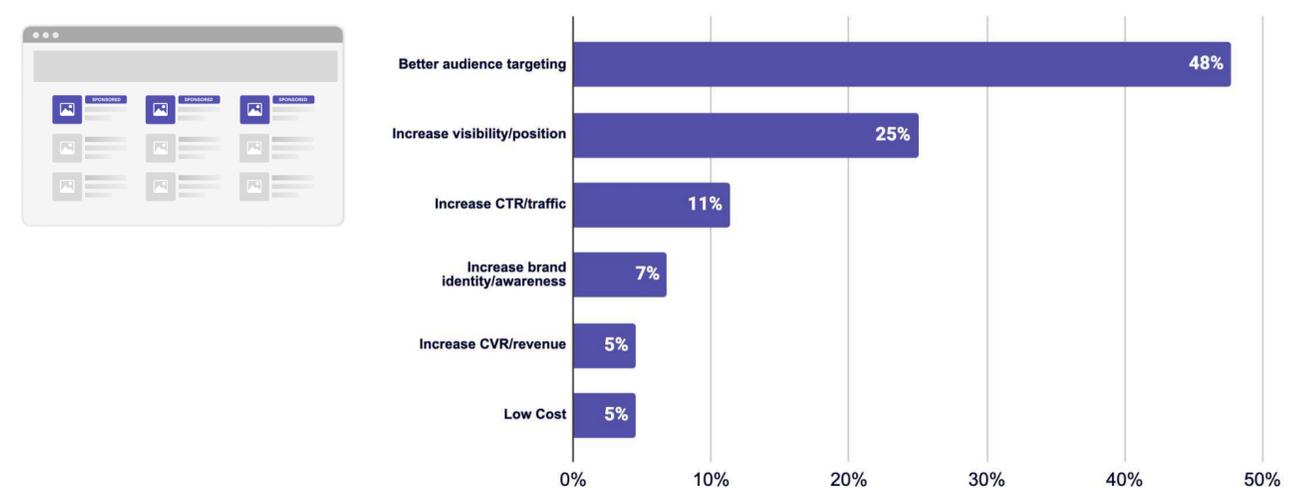
Solutions focusing on better product rankings and visibility, such as search results, specific pages, or recommendations, are associated with improved audience targeting and revenue.

Goals per solution

Goals for sponsored listings on search results page



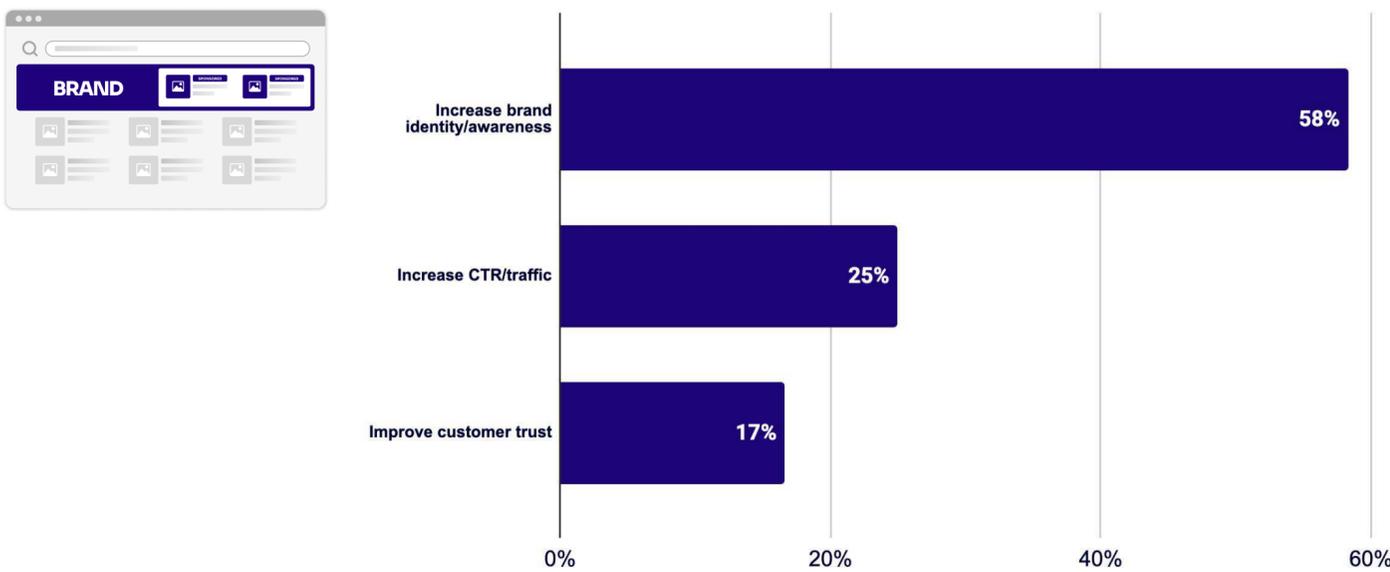
Goals for sponsored listings on specific pages



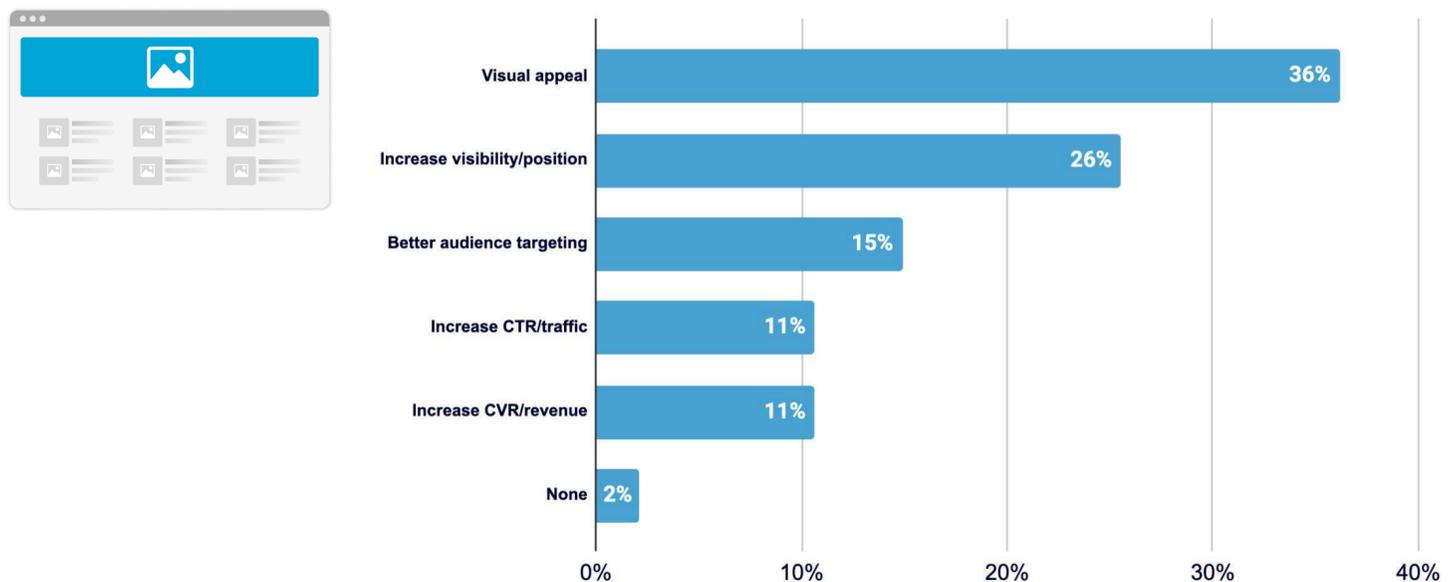


Goals per solution

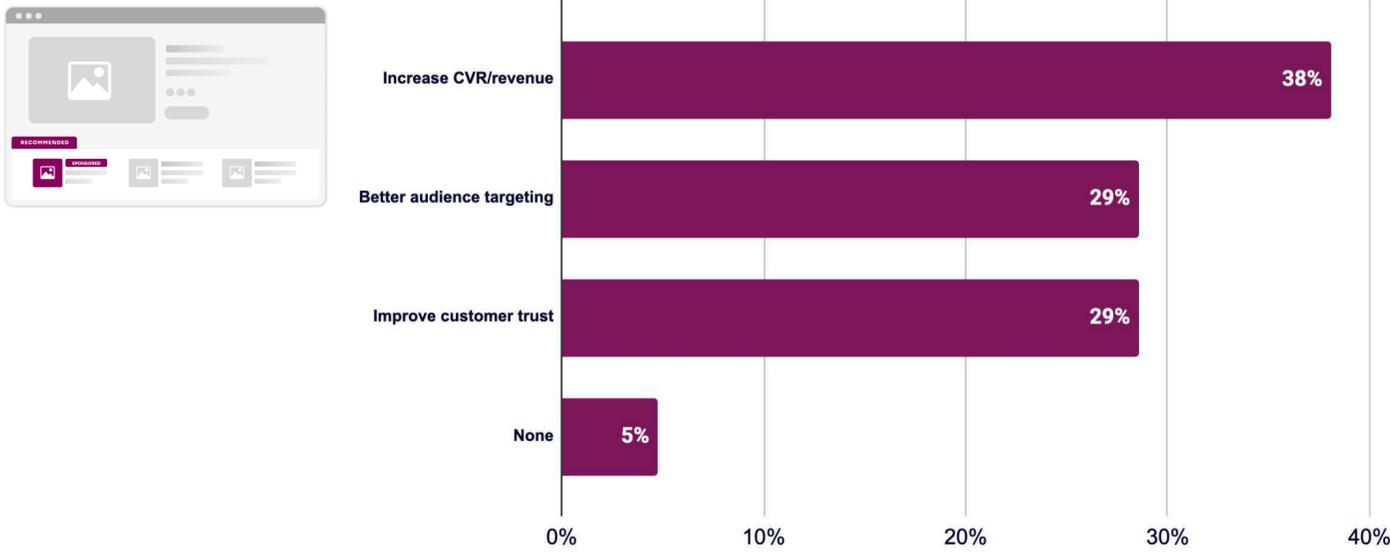
Goals for branded storefront within a marketplace



Goals for display banners



Goals for sponsored recommendations



RETAIL MEDIA CHALLENGES

Challenges faced by respondents range from purchasing difficulties to maintaining and customizing marketplace brand sites.

The top 3 purchasing and display issues include:

- Sponsored items end up appearing in the wrong search query or category page
- Paid listings show incorrect data about sponsored items
- Problems with sponsored item placement negatively impacts customer trust

Customer Trust

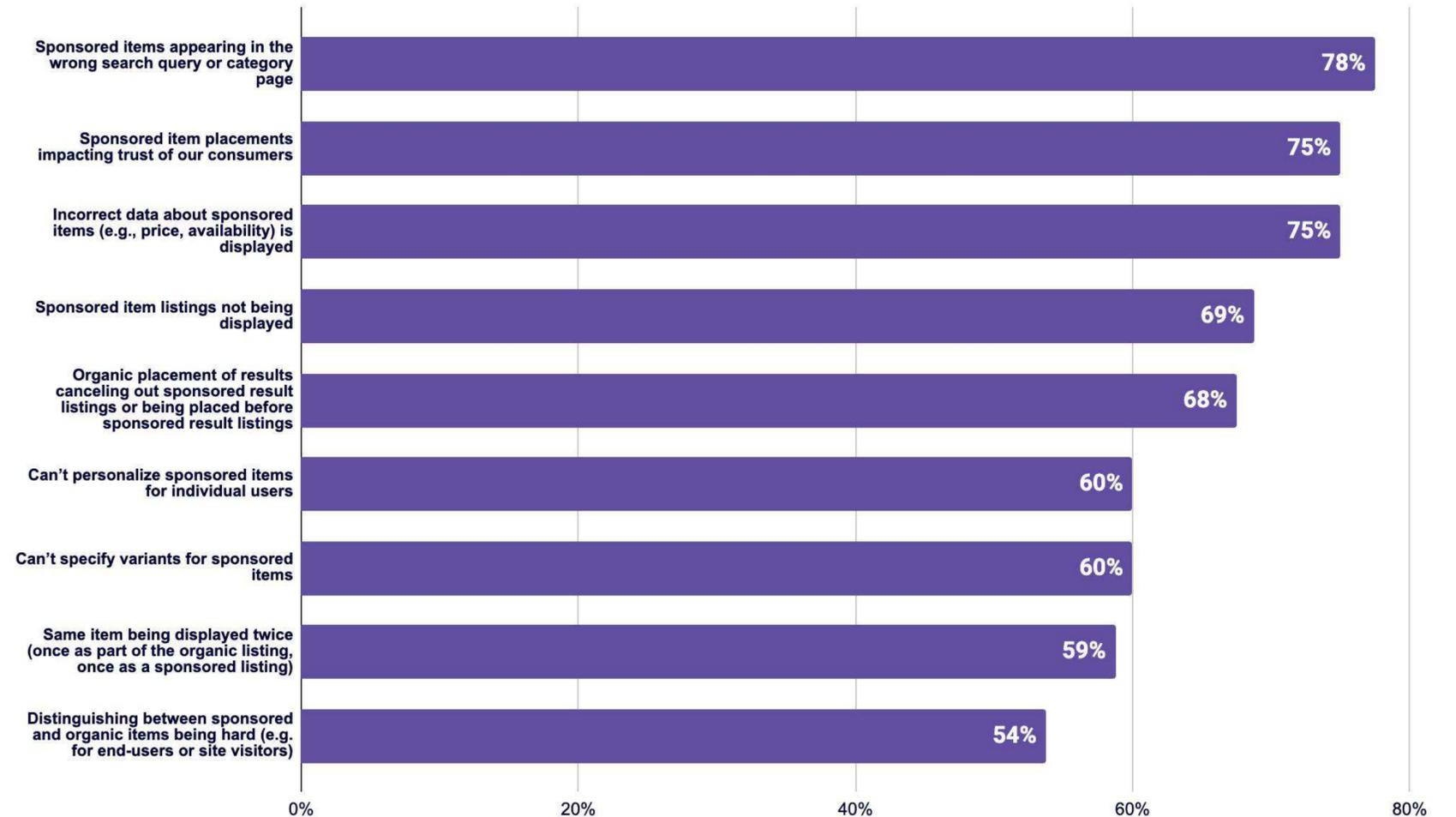
Ultimately, the more significant the problem or error, the greater the impact on customer confidence. Trust is critically important in online retail. It encourages return buyers and fosters loyal, long-term customer relationships.

As a consequence, respondents emphasize a preference for retail media platforms that offer robust data and monitoring tools. These tools make it much easier for non-technical purchasers to quickly adjust their strategy and recoup costs if a campaign isn't producing the desired outcomes.

Respondents also report the following trust-related challenges:

- Monitoring active retail media campaigns and listings to make sure they are tracking towards a good ROI so that they can catch problems early
- Relying on a vendor to fix common problems such as display issues
- Using available platform data to adjust their listings
- Learning from past mistakes and reviewing previous data to try and head off problems before they start

Challenges with purchasing retail media





Retail media placements in the wrong category can lead to significant budget waste – especially if the issue goes unnoticed for a while. That’s why significant importance is placed on closely monitoring listings and identifying the root cause of any misplacement to prevent repeat incidents.

Consumer feedback

Roughly half of participants think sponsored listings have a positive impact on relevancy and key KPIs, assuming there are no display issues such as sponsored listings showing up in the wrong search query.

Nevertheless, participants rarely engage consumers directly using qualitative research methods. Interviews or observational studies were not used to evaluate customer engagement with RMNs.

Only one survey participant described collecting user feedback about their retail media; all others relied on RMN analytics to understand customer sentiment. Participants preferred specific metrics to gauge the impact of sponsored listings: primarily *bounce rate*, *average click through rate (CTR)*, and *conversion rate (CVR)*.

Technical and maintenance Issues

The primary technical issues that respondents identify are:

- Sponsored items appearing in the wrong search query or category page
- Incorrect data (such as price and availability) being displayed for sponsored items
- Sponsored item listings that are missing

These technical issues were also more challenging for participants who had *repeat purchase rate (RPR)* and *average order value (AOV)* as important KPIs.

This is likely because these technical problems make sponsored items harder to find, or misrepresent their value to the end user. Consequently, they also negatively impact end user trust in the brand and the site.

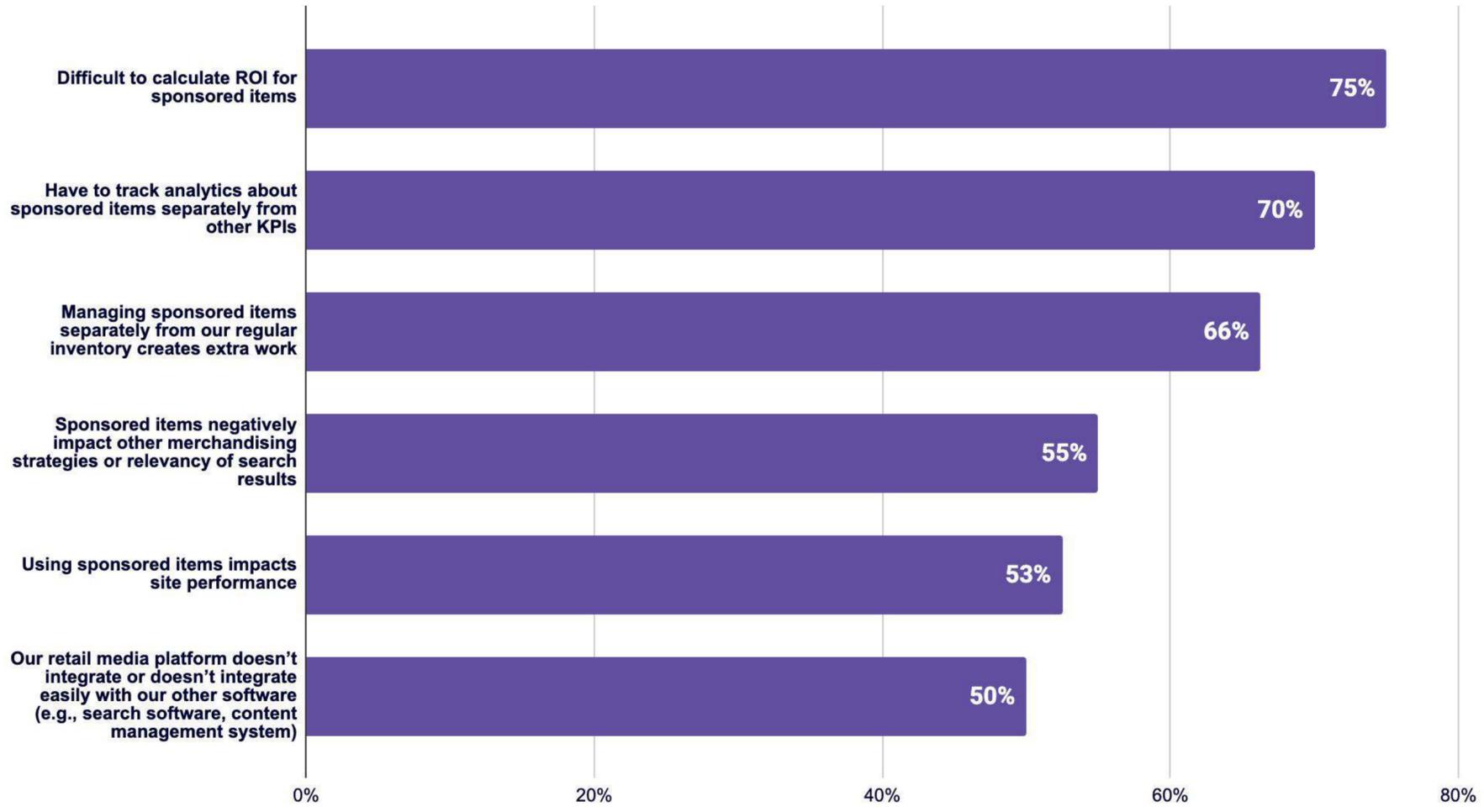


Challenges maintaining retail media

Across all the participant segments, the top three retail media maintenance challenges are:

- Difficulty calculating ROI for sponsored items (75%)
- Tracking sponsored item analytics separately from KPIs (70%)
- Extra work involved in managing sponsored items (66%)

The results point to the importance of analytics for retail media users. The role that data plays in retail media parallels search applications: In both instances, difficulties calculating ROI are a common theme across multiple studies.





RETAIL MEDIA RISKS

In this study, risks are categorized as ongoing problems that retail media purchasers associate with implementing solutions such as competition from other listings, costs, or visibility compared to other strategies.

The top three risks that participants identified across the range of retail media solutions are:

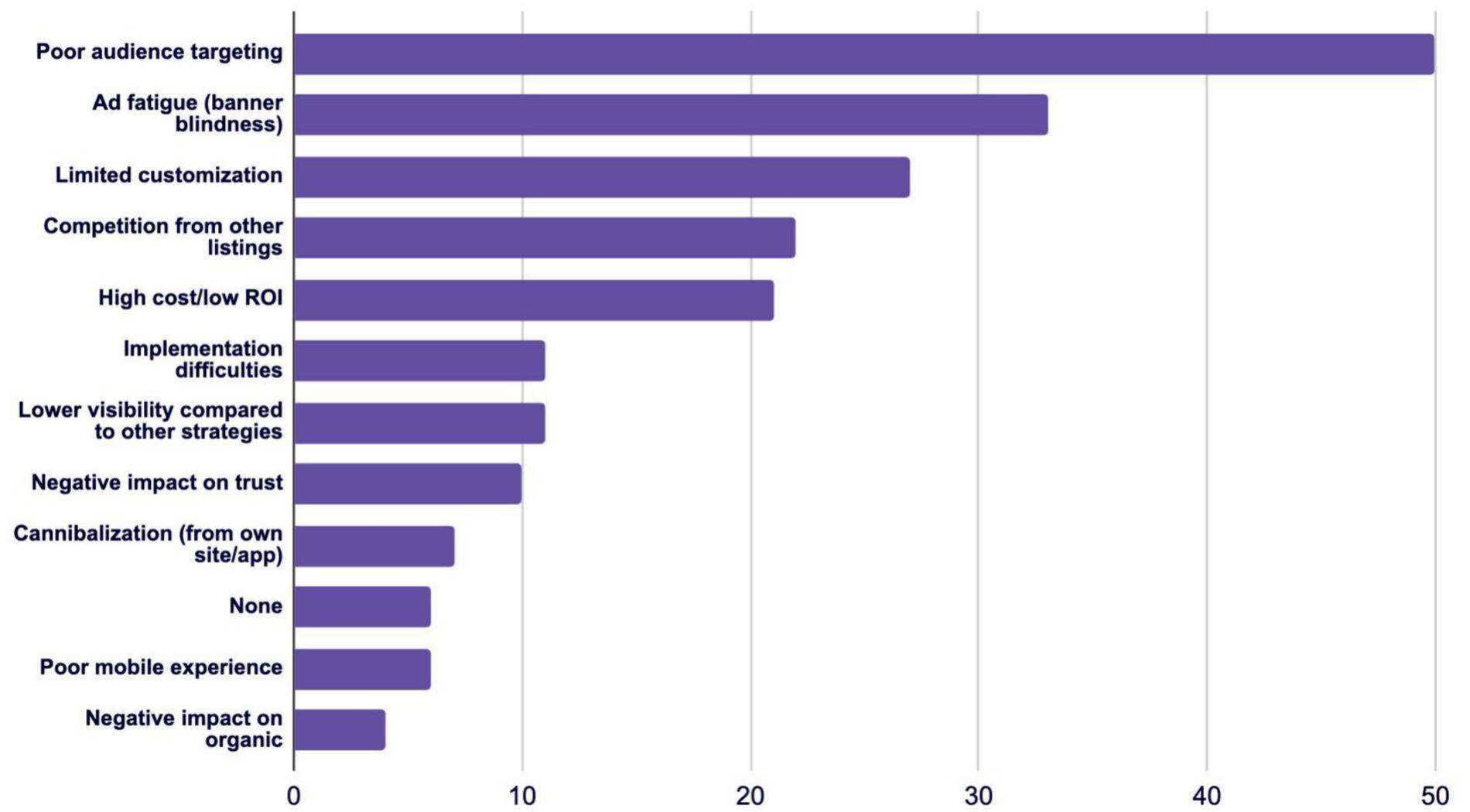
- High cost and low ROI
- Negative impacts on customer trust
- Poor audience targeting

Concerns around high cost/low ROI and consumer trust came up frequently. Participants saw problems with retail media linked to poor audience targeting as having a negative impact on customer confidence.

When customers see sponsored listings that are irrelevant to their interests, retail media purchasers risk losing money on wasted impressions.

Ultimately the negative impact on trust hurts brand perception and leads customers to ignore listings and retail media purchasers to lose revenue.

At the end of the day, if a sponsored listing is not relatable, it negatively impacts trust in the site.





RISKS BY SOLUTION

When it comes to identifying the risks associated with specific retail media solutions, recommended sponsored listings and branded storefronts carried less risk for respondents than sponsored product listings and display banners.

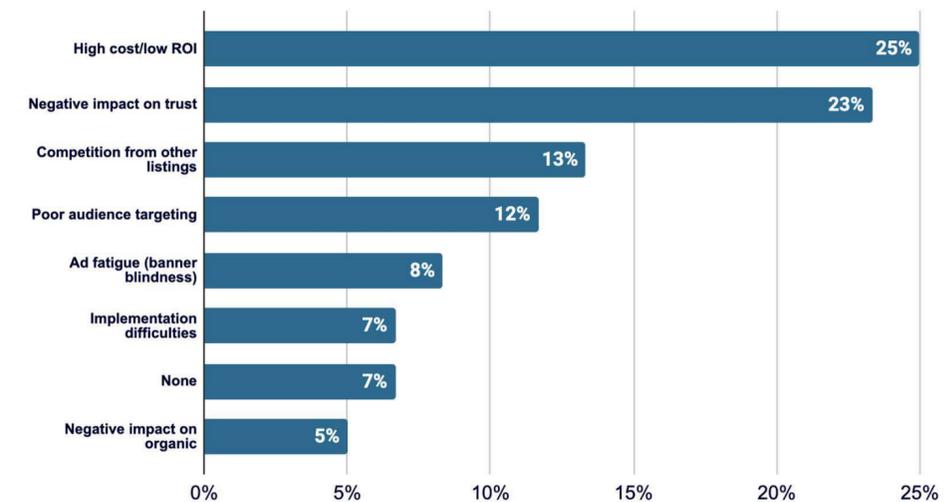
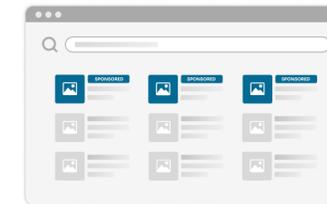
Sponsored product listings and display banner risks include:

- **Price:** sponsored listing and display banners strategies are expensive
- **Ad fatigue and over saturation:** banners are often ignored as a result of customer fatigue
- **Listings perceived as advertising:** sponsored listings are sometimes perceived as ads by customers. Users may ignore sponsored listings on search results pages and category pages
- **Display issues:** display banners can look bad or be displayed incorrectly on mobile, wasting money and negatively impacting the brand's reputation

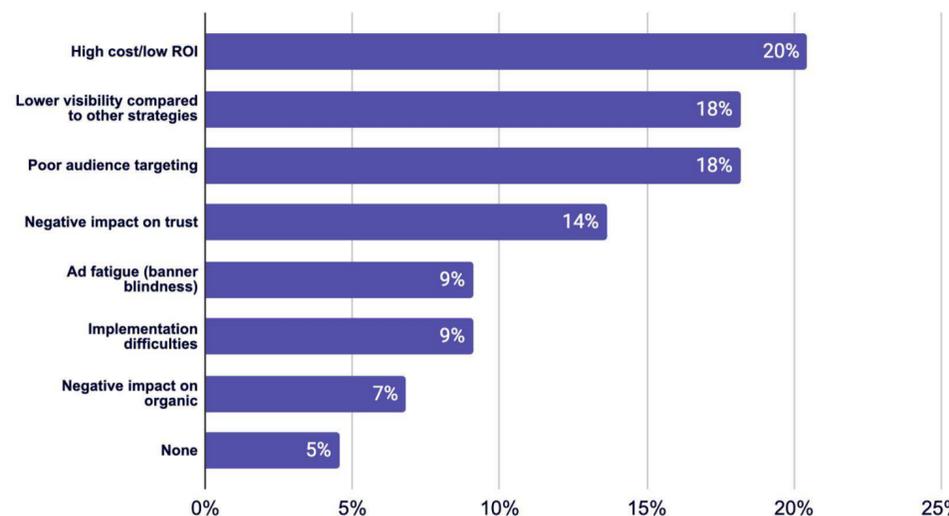
While recommended listings and branded storefronts account for a smaller share of retail media purchases, findings suggest that they carry less risk compared to other solutions and have the potential to enhance customer trust.

Risks per solution

Risks for sponsored listings on search results page



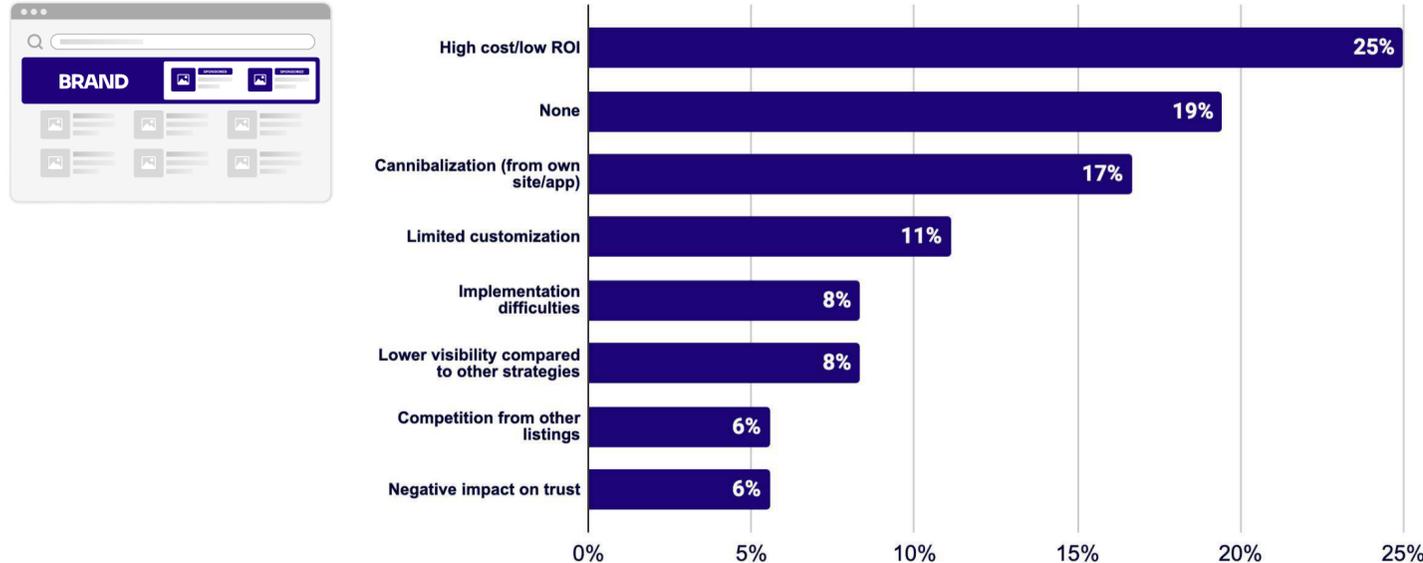
Risks for sponsored listings on specific pages



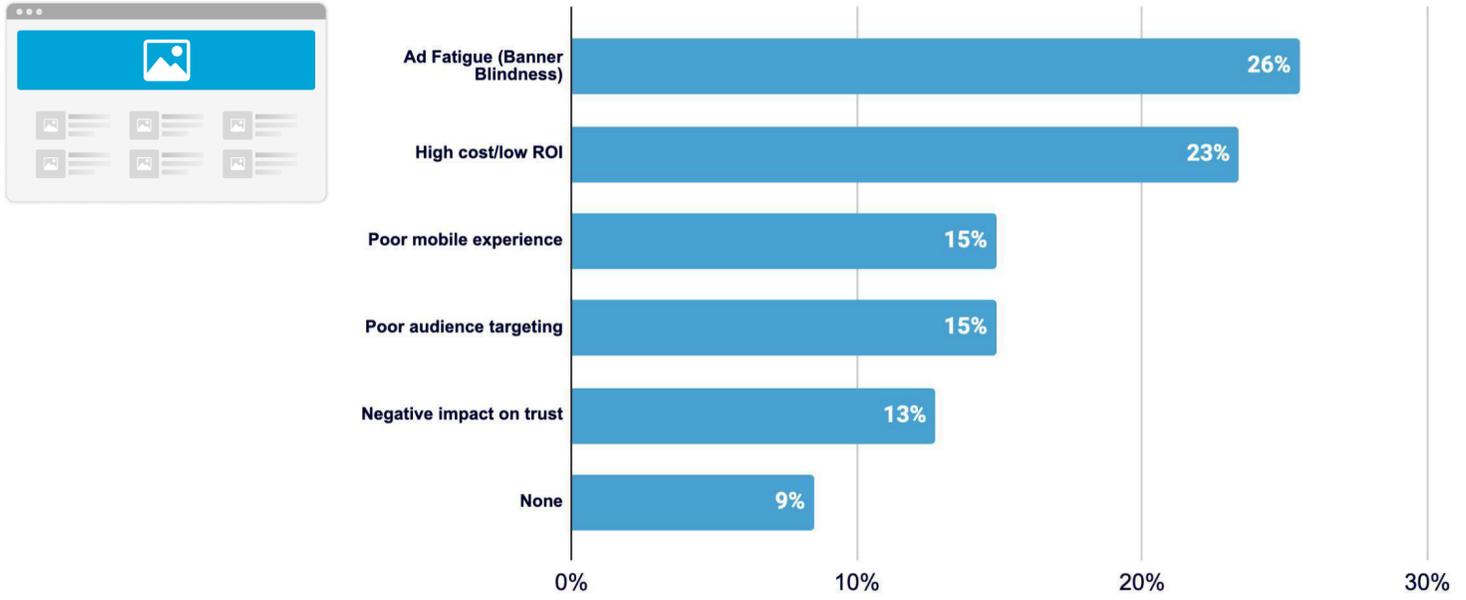


Risks per solution

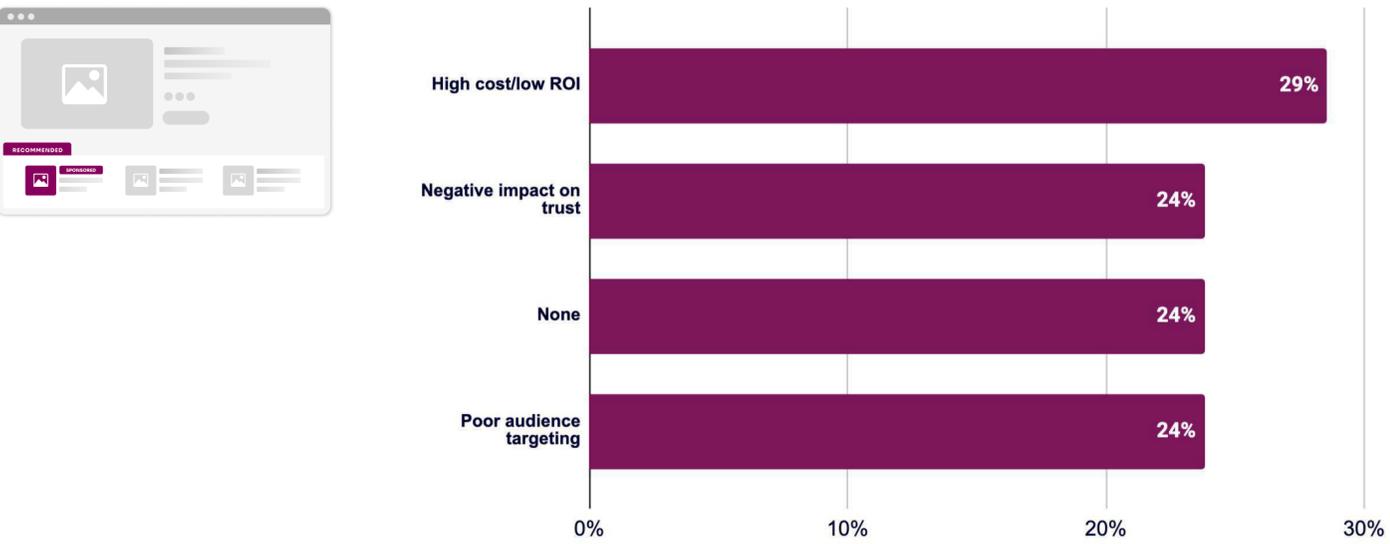
Risks for branded storefront within a marketplace



Risks for display banners



Risks for sponsored recommendations





DATA MONITORING AND ANALYTICS



DATA MONITORING AND ANALYTICS

Robust data monitoring and analytics are essential RMN tools. Like other forms of search and discovery, data powers retail media.

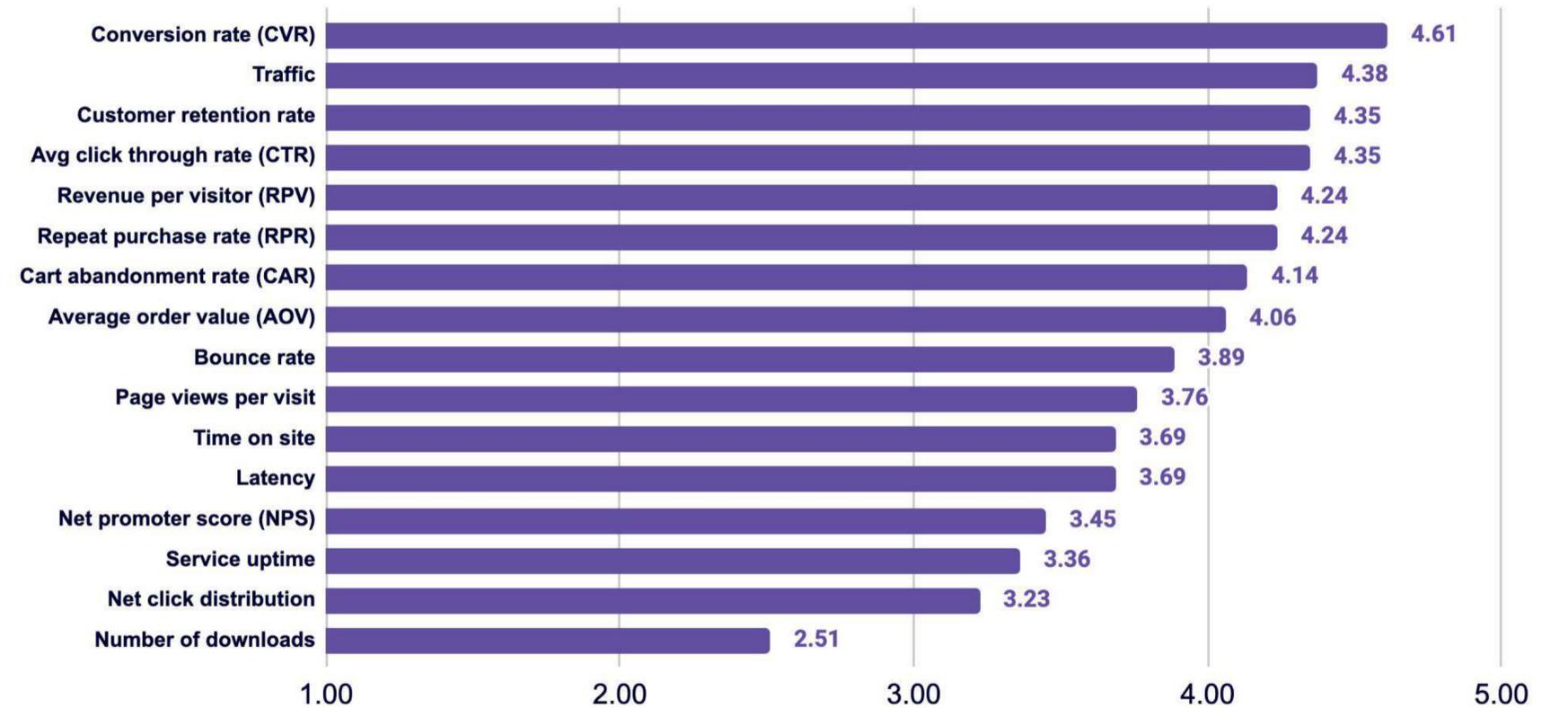
Data provides the raw material that drives retailer first-party insights and capabilities. It is also the critical resource that retail media purchasers use to make listing decisions and identify the location and benefits of different retail media solutions.

Retail media purchasers typically use a mix of revenue and engagement metrics to drive their choices. Participants in the study identified 16 important KPIs related to data monitoring and analytics.

The top five KPIs are:

- Conversion rate (CVR)
- Traffic
- Customer retention rate
- Average click through rate (CTR)
- Revenue per visitor (RPV)

KPIs for data monitoring and analytics



Average rating on a scale of 1-5 (1=Not important at all, 5=Very important)



Retail media data analytics

Since retail media implementation can be costly, active campaigns are heavily monitored and past efforts closely scrutinized for success.

- The top monitoring challenge for maintaining retail media is calculating ROI separately while tracking other KPIs
- Retail media customers use previous campaign data to choose retail media solutions and where to place listings or banners
- Purchasers base buying decisions by looking at the past 12 months of analytic data
- Catching problems early is very important given the cost of retail media

Data monitoring is also crucial for fixing common challenges. As a result, purchasers will rely on their RMN vendor platforms to proactively identify and alert them to display issues and to help them better track their ROI.

As retail media purchasing becomes an increasingly important part of achieving advertising and marketing goals, the additional time and money required to manage retail media increases the pressure to see a demonstrable ROI and improved KPIs.

Retail media purchasing factors

Retail media is heavily data-driven and cost-sensitive. Purchasing decisions are based on past performance, traffic, and price.

When deciding what kinds of retail media to purchase, the three most important factors for participants are:

1. Past performance of the retail media solution
2. The potential reach based on their understanding of their target customers
3. Projected ROI

The factors driving retail media purchasing decisions include type of product or service in addition to its specific performance history. Purchasers look at this data to determine which solution is the best fit.

The purchaser's knowledge of the target customer is also part of the equation.

This knowledge includes insights into customer behavior, such as search terms that suggest a high purchase intent and traffic analytics that provide data into the product, content, or services customers are seeking.

Ultimately, purchasers look for trends in the data that will help them determine the pathways that customers follow to find a product.



Retail media solutions used by important KPIs

Participants viewed retail media as valuable for increasing KPIs, but certain solutions have proven to be better for achieving specific KPI targets.

- For over 76% of respondents, sponsored listings on search results is considered the most powerful solution for boosting all major KPIs
- On average 41% suggest that sponsored recommendations positively impact major KPIs
- Only 43% believe that branded storefronts in a marketplace increase *revenue per visitor (RPV)*
- 62% said that display banners have a positive impact on *conversion rates (CVR)*

KPIs were generally consistent across segments, but content discovery was more focused on engagement over revenue.

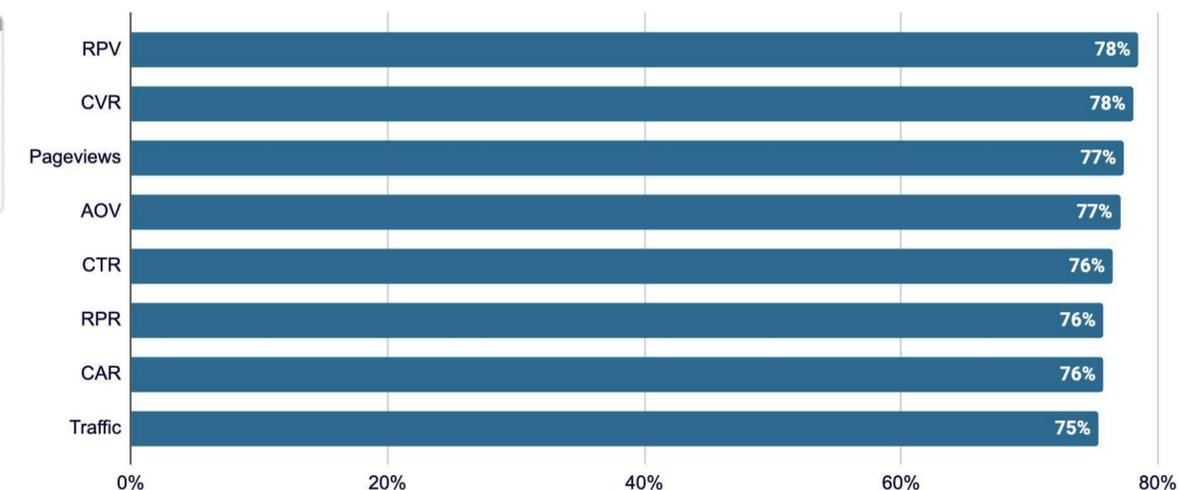
Engagement KPIs such as *traffic* and *pageviews* were more important in media & communications.

In contrast, participants in ecommerce consumer & staple goods and ecommerce luxury goods focused more on revenue-focused metrics like *RPV* and *cart abandonment*.

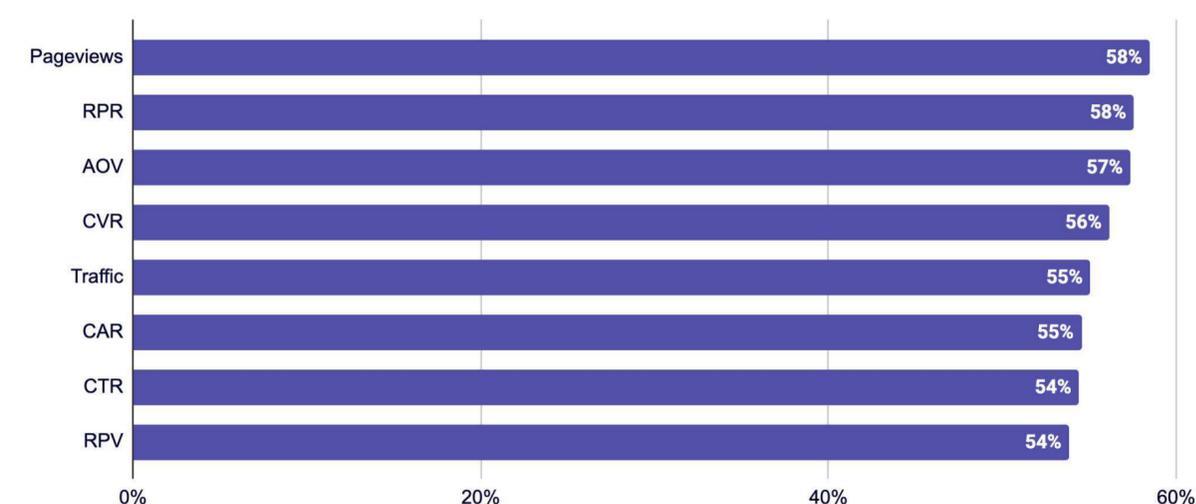
All segments cared about *traffic*, *CVR*, and *CTR* in their day-to-day work. *Customer retention* also ranked as important across segments, except for ecommerce/retail: luxury goods.

All segments faced challenges calculating ROI and tracking KPIs, but marketplaces struggled more with maintenance issues.

KPIs for sponsored listings on search result pages

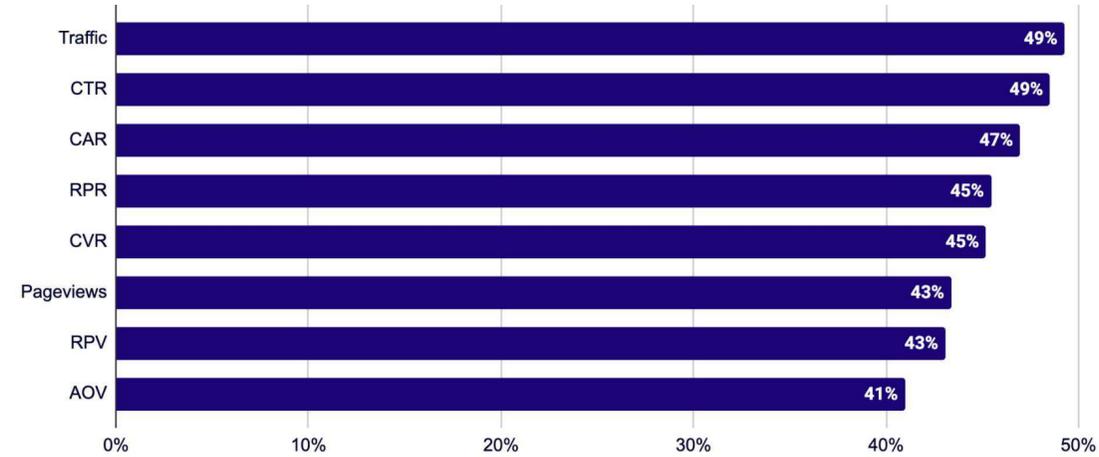
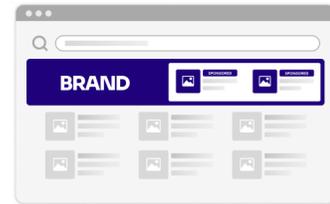


KPIs for sponsored listings on specific pages

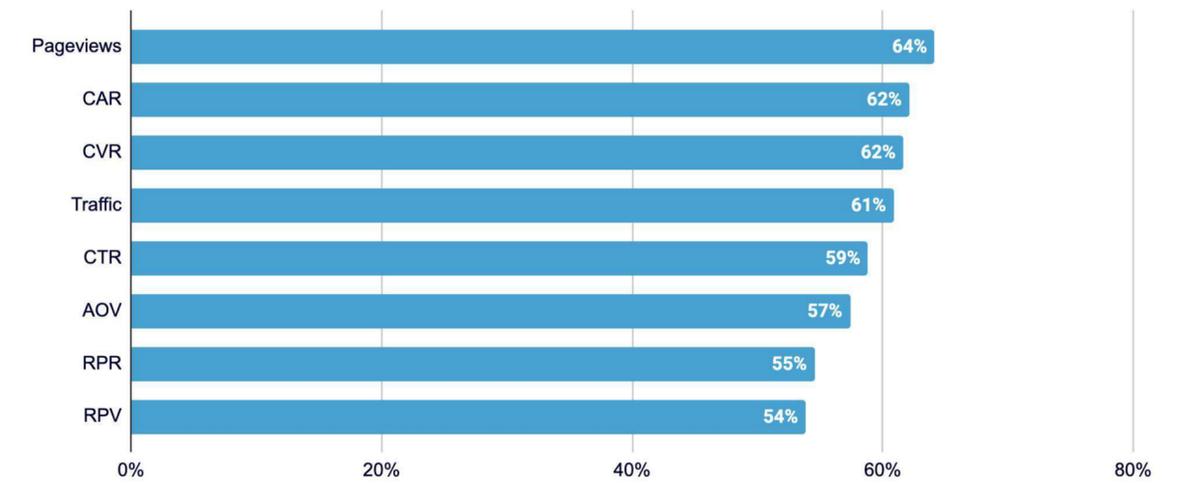




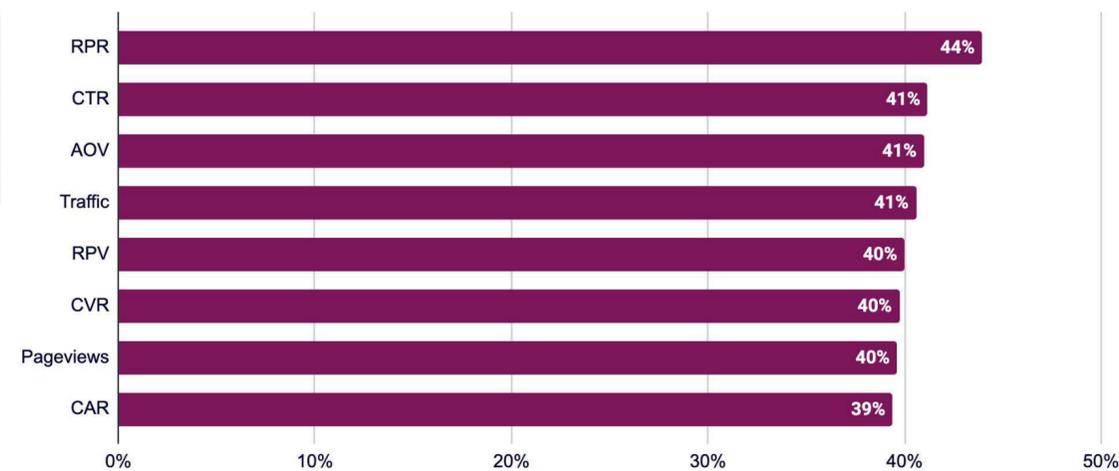
KPIs for branded storefronts within a marketplace



KPIs for display banners



KPIs for sponsored recommendations





Research and testing

Retail media purchasers research and experiment to find the ideal retail media strategy.

To make the right purchasing decisions, purchasers begin by reviewing current traffic, trends, and past campaigns. This helps them determine what queries and locations are likely to drive the most effective results.

However, when data sources are fragmented, gaining a complete and cohesive view of a retail media campaign's performance becomes more difficult.

This is where A/B testing plays a critical role, enabling participants to determine which layouts and location strategies yield the best results.

By continuously testing and optimizing these elements, retail media purchasers can refine their strategy and improve campaign effectiveness.

Given the amount of data analysis required before, during, and after an ad campaign, actionable analytics become essential for driving retail media success.

“

When our ad appears in a wrong category or irrelevant search result, you are wasting money from the budget.

We mitigate this by trying to learn what went wrong and what caused this issue to happen, so we avoid it in the future.

– Frontend Development, Consumer & Staple Goods

”



RETAIL MEDIA BY INDUSTRY



RETAIL MEDIA BY INDUSTRY

Industry segmentation is an important consideration in retail media implementation. Industries rely on different retail media solutions and are subject to different challenges and risks.

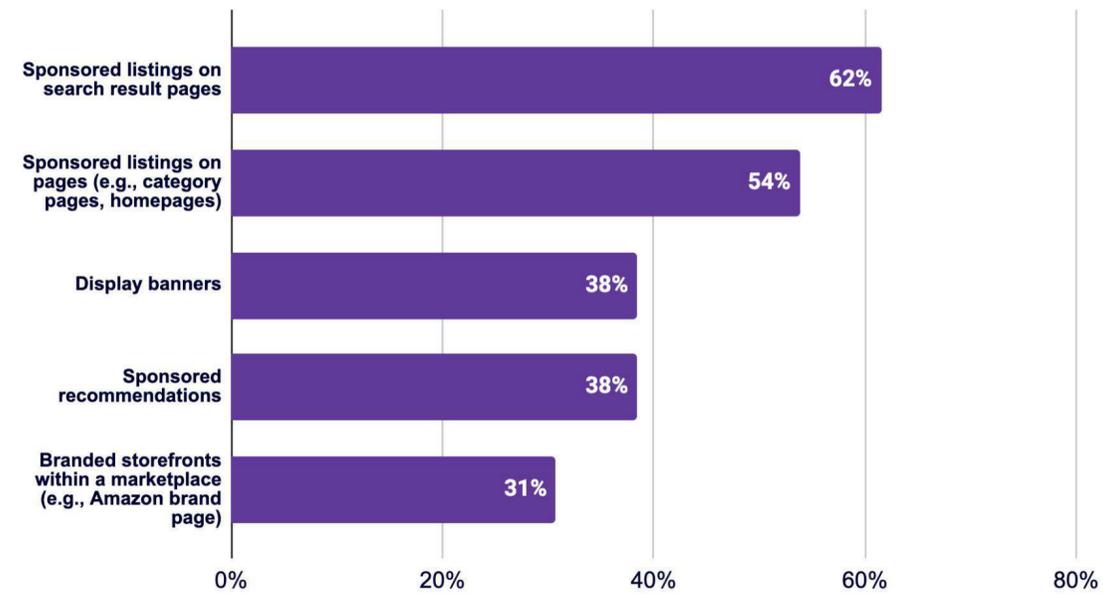
The importance of a search result page listing location was consistent for 3 out of the 4 segments. The ecommerce/retail: luxury goods sector was the one exception.

Likewise, different industries prioritized different KPIs. Strategic goals and customer expectations and challenges impact choice of top KPI. These also drive different retail media strategies and solutions.

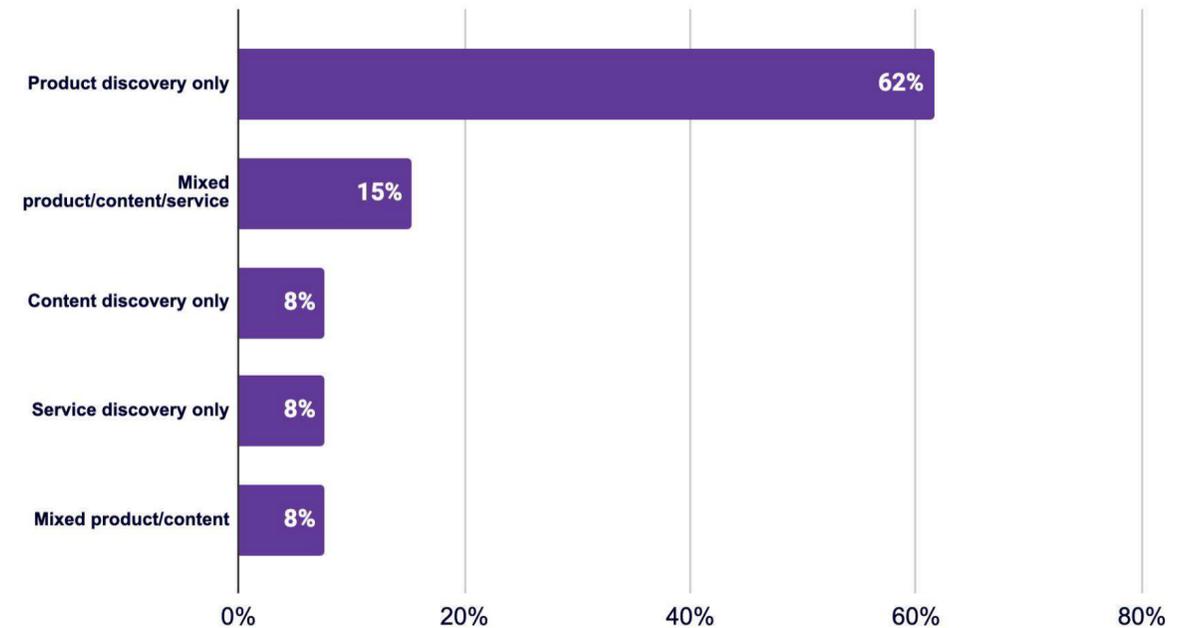


B2B WHOLESALE & MANUFACTURING

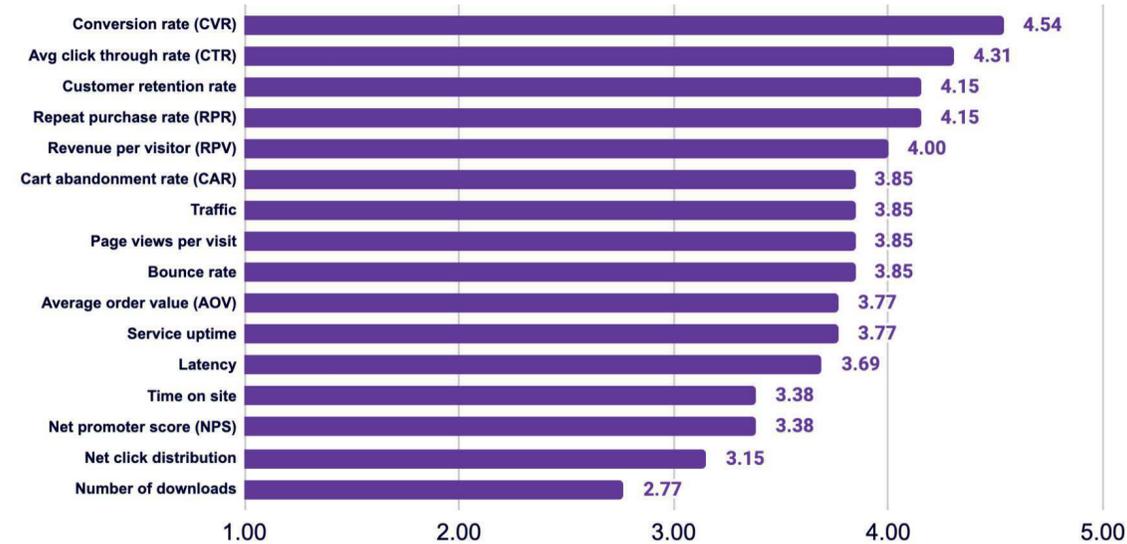
Retail media strategies purchased



Business use case



KPIs for data monitoring and analytics

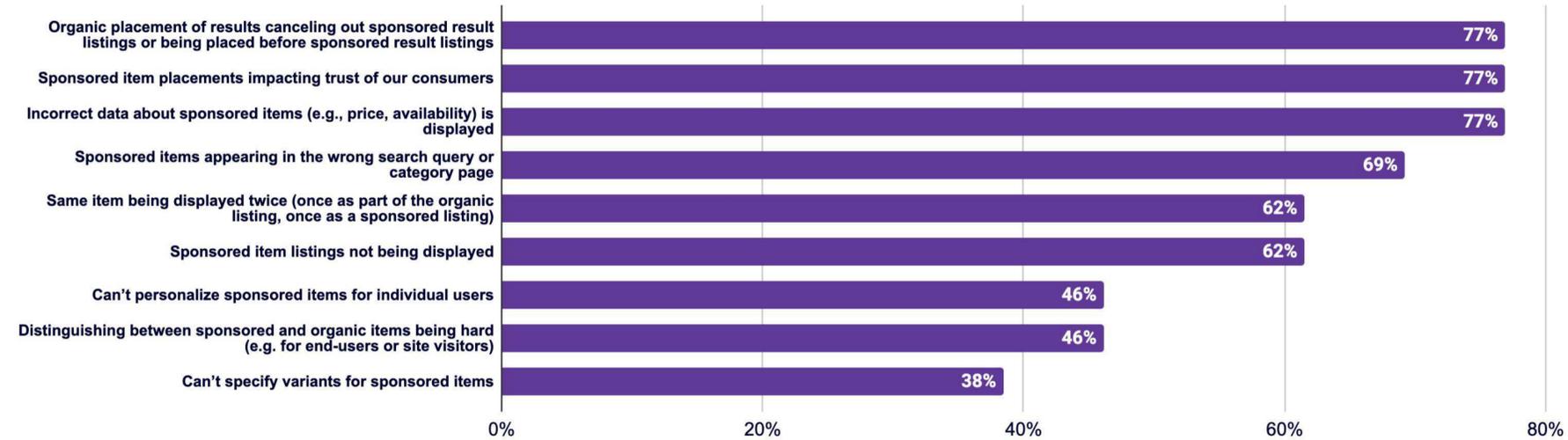


Average rating on a scale of 1=Not important at all, 5=Very important

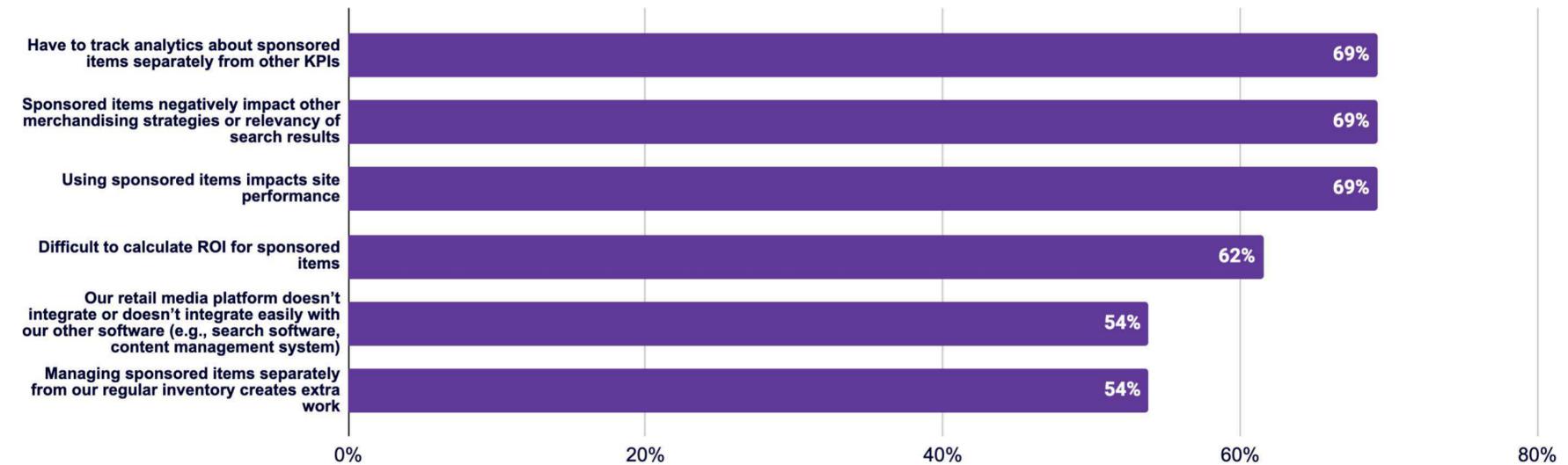
B2B WHOLESALE & MANUFACTURING



Challenges with purchasing retail media



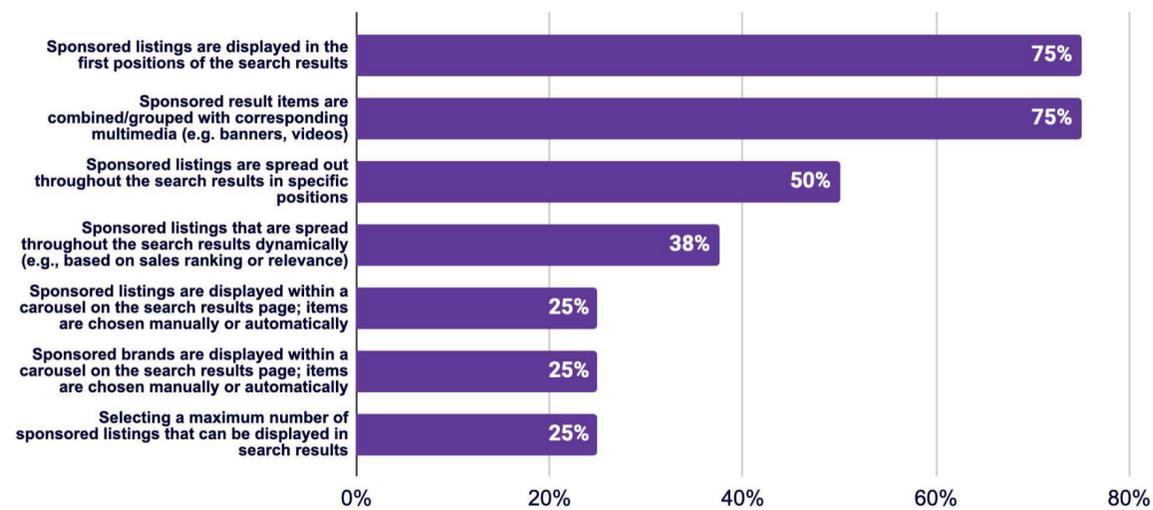
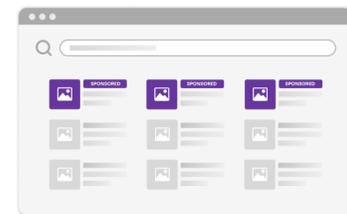
Challenges with maintaining retail media



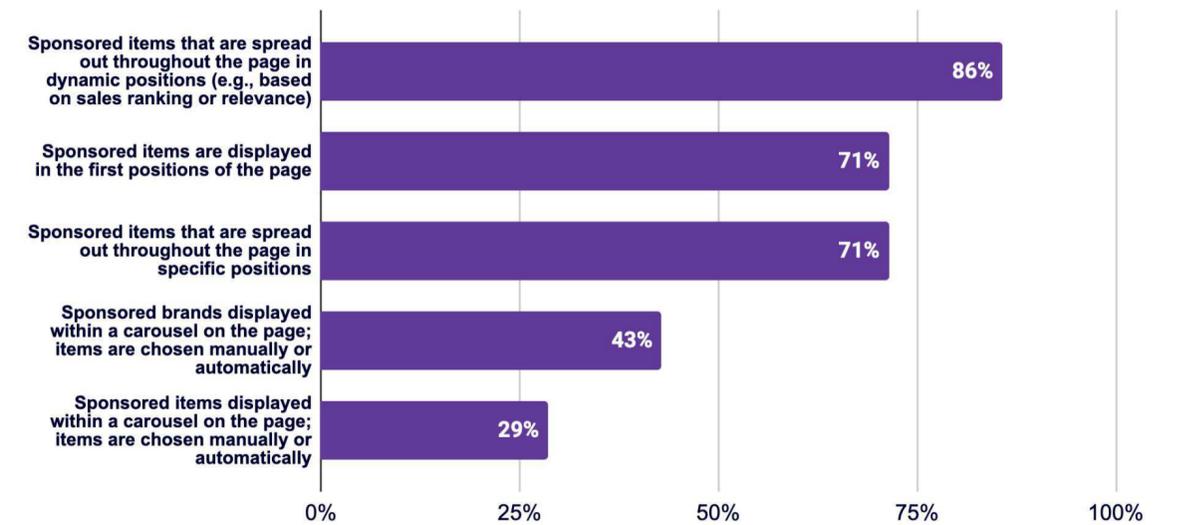
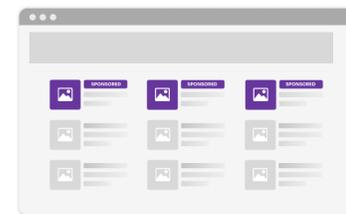


B2B WHOLESALE & MANUFACTURING

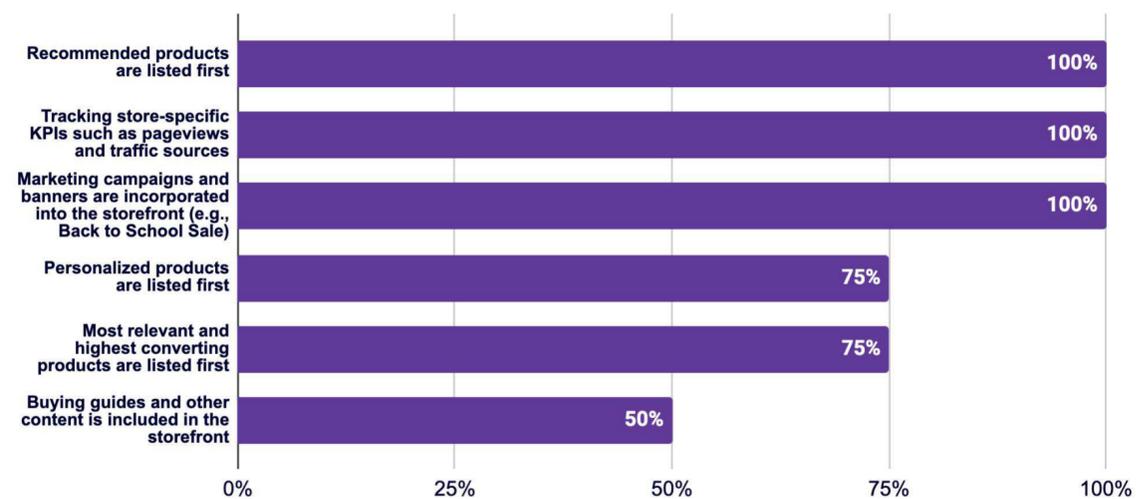
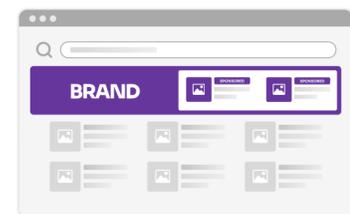
Top features: sponsored listings on search results pages



Top features: sponsored listings on specific pages



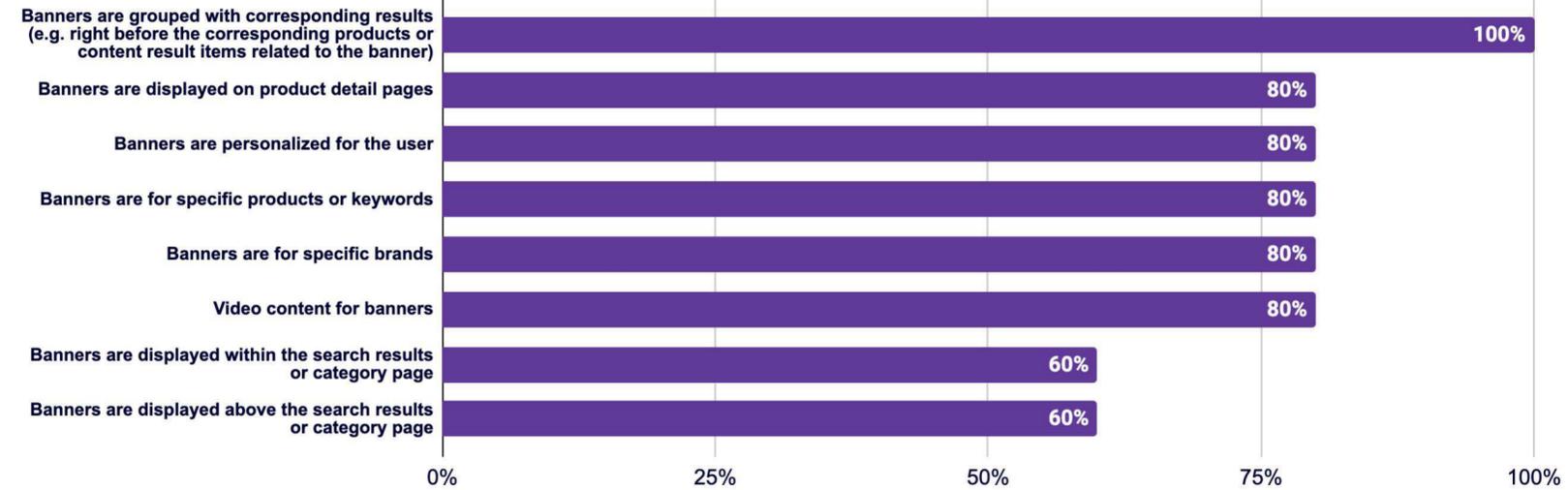
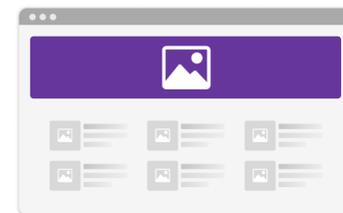
Top features: branded storefronts within a marketplace



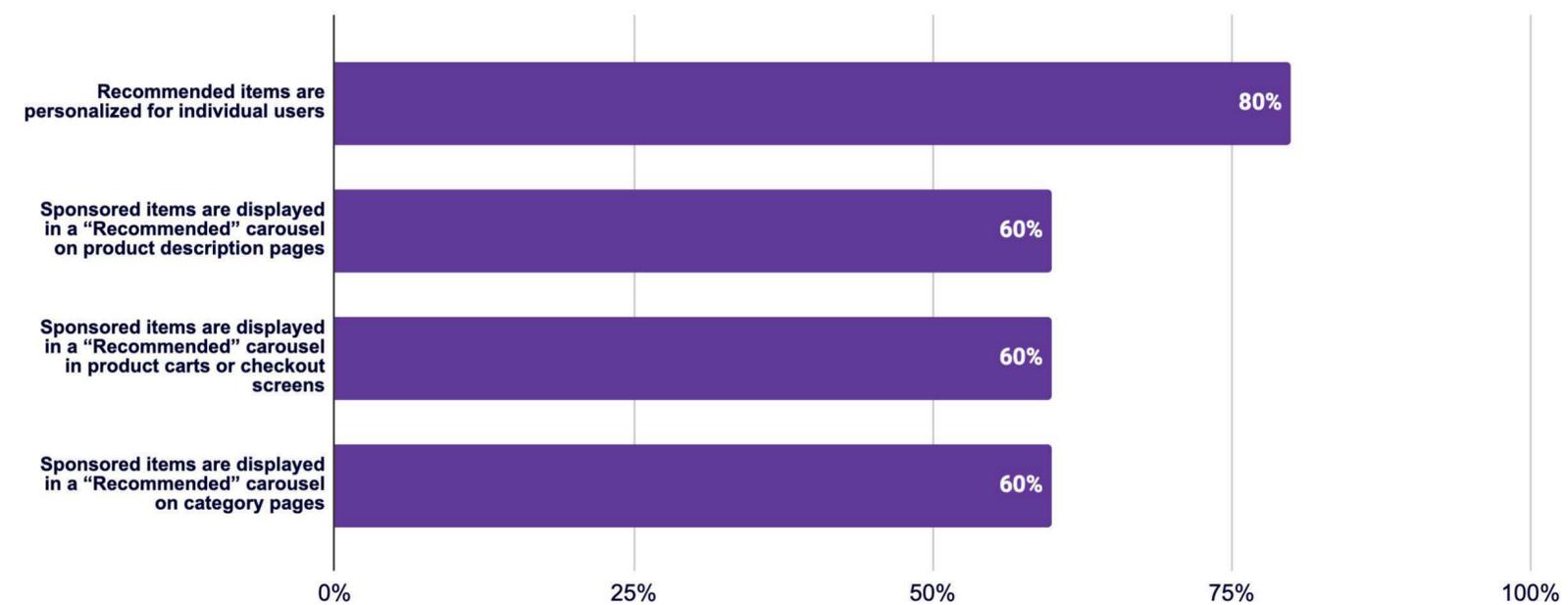
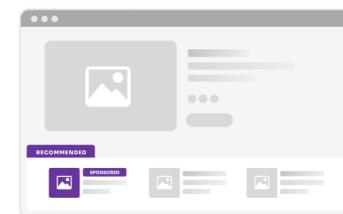


B2B WHOLESALE & MANUFACTURING

Top features: display banners



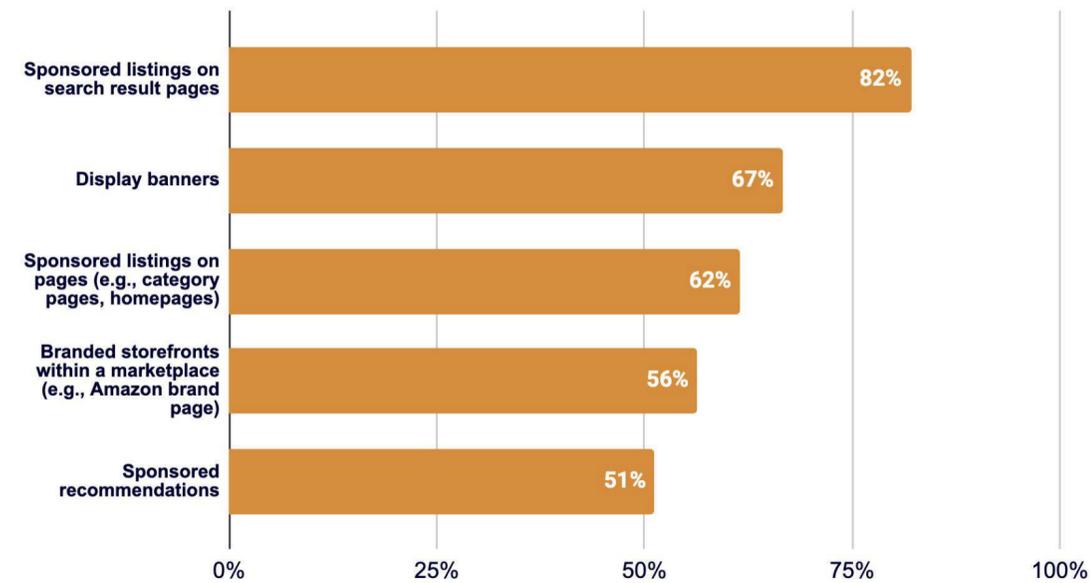
Top features: sponsored recommendations



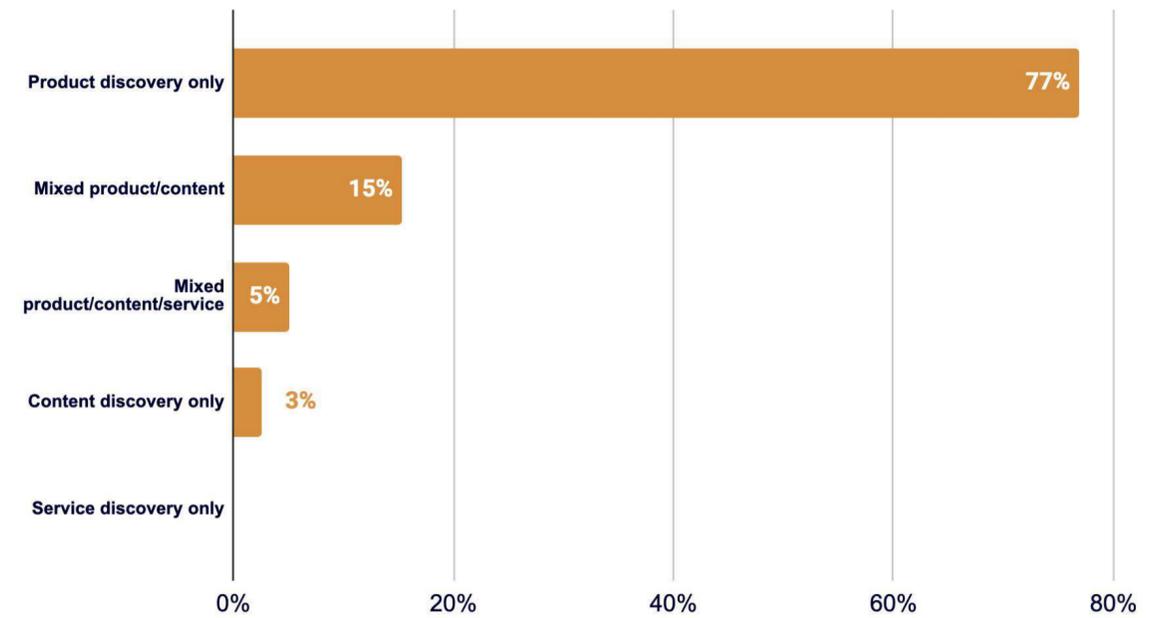


ECOMMERCE/RETAIL: CONSUMER & STAPLE GOODS

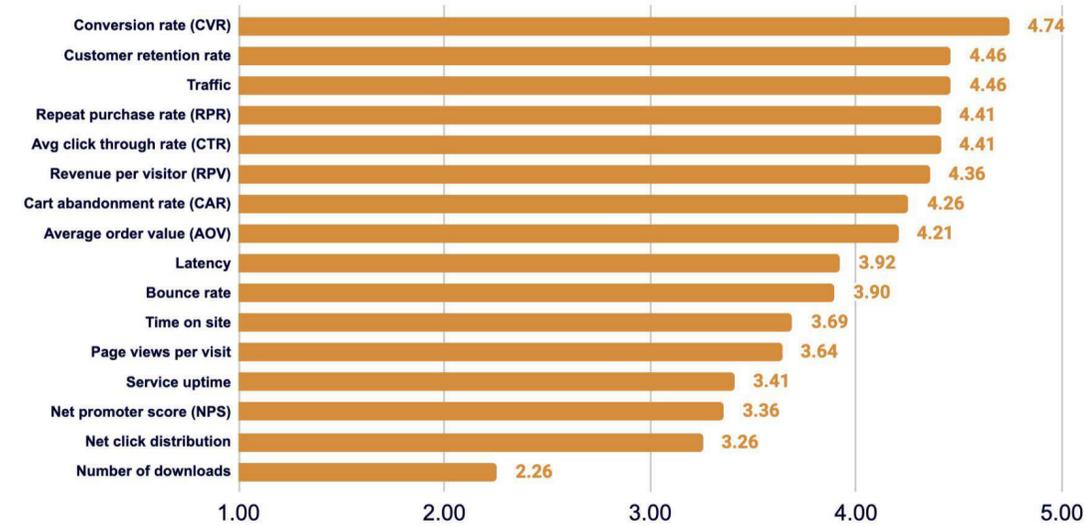
Retail media strategies purchased



Business use case



KPis for data monitoring and analytics

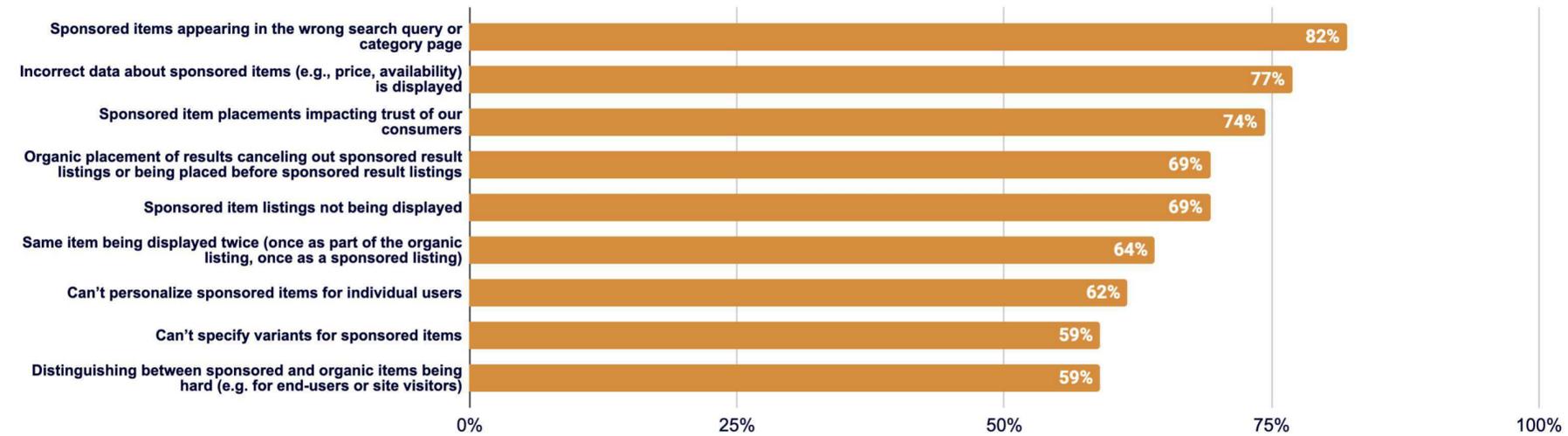


Average rating on a scale of 1=Not important at all, 5=Very important

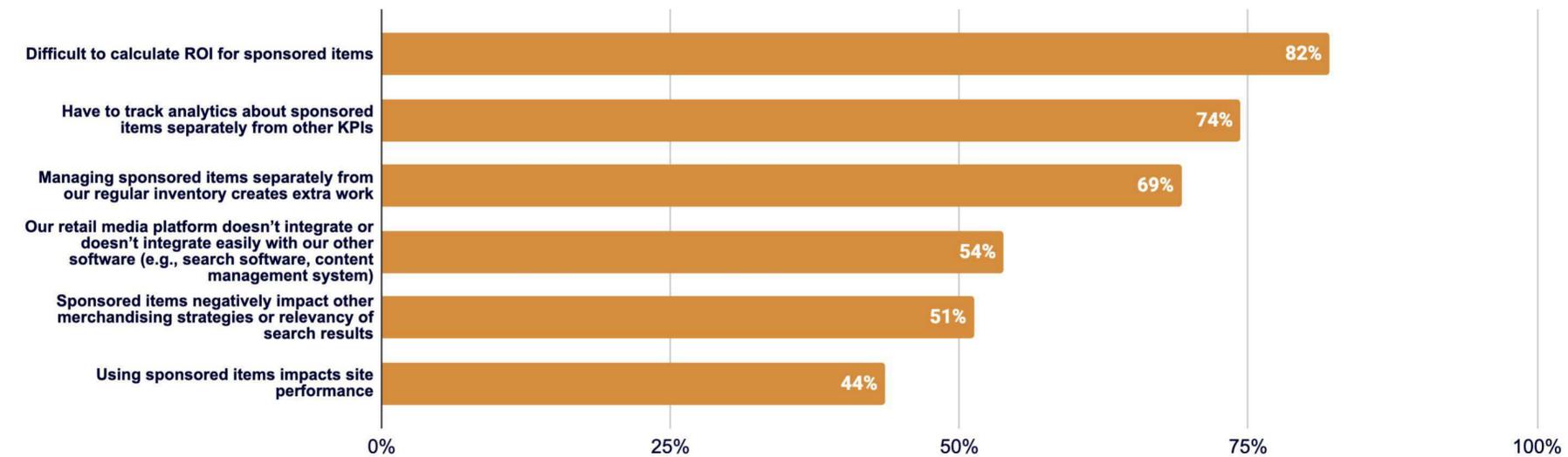
ECOMMERCE/RETAIL: CONSUMER & STAPLE GOODS



Challenges with purchasing retail media



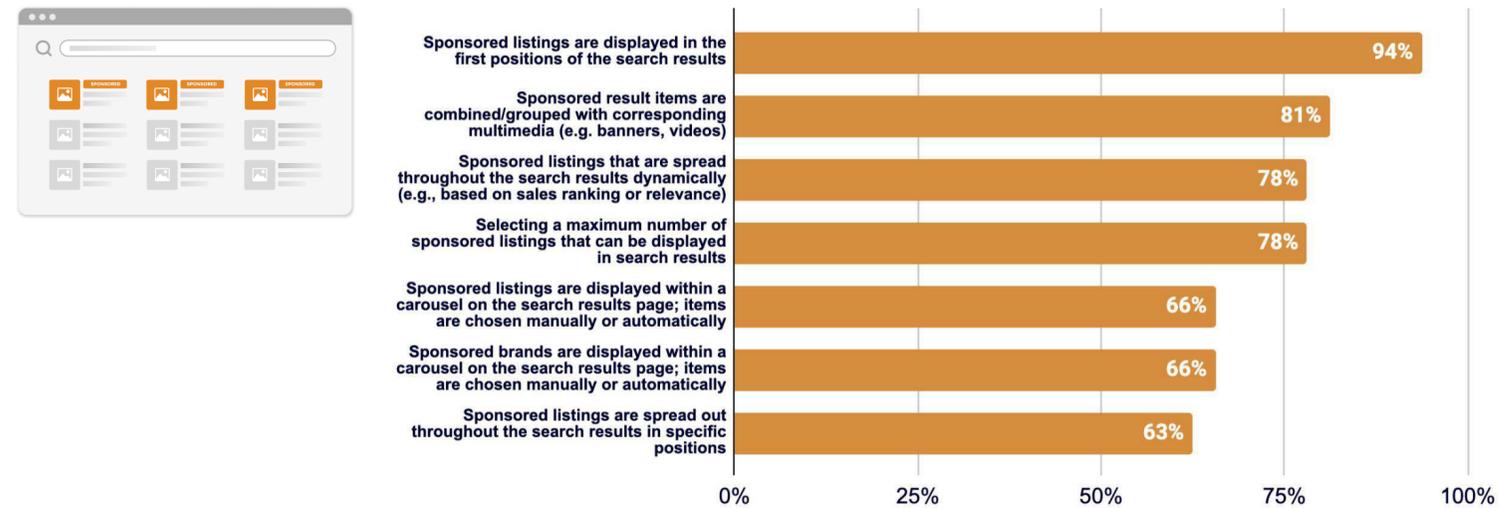
Challenges with maintaining retail media



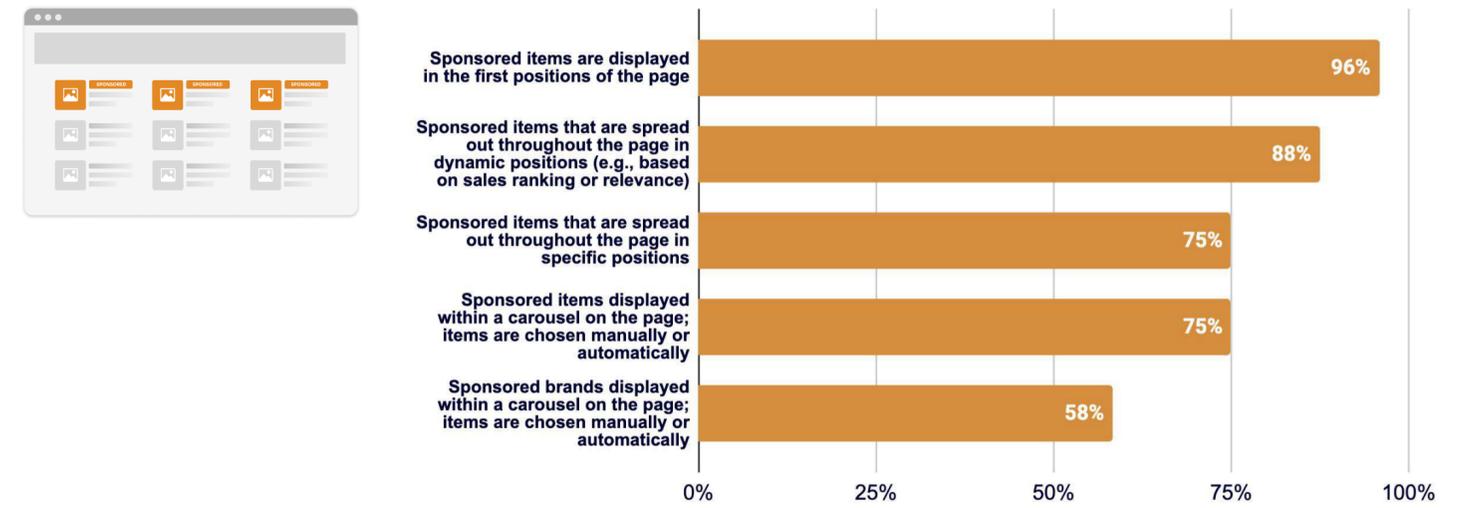


ECOMMERCE/RETAIL: CONSUMER & STAPLE GOODS

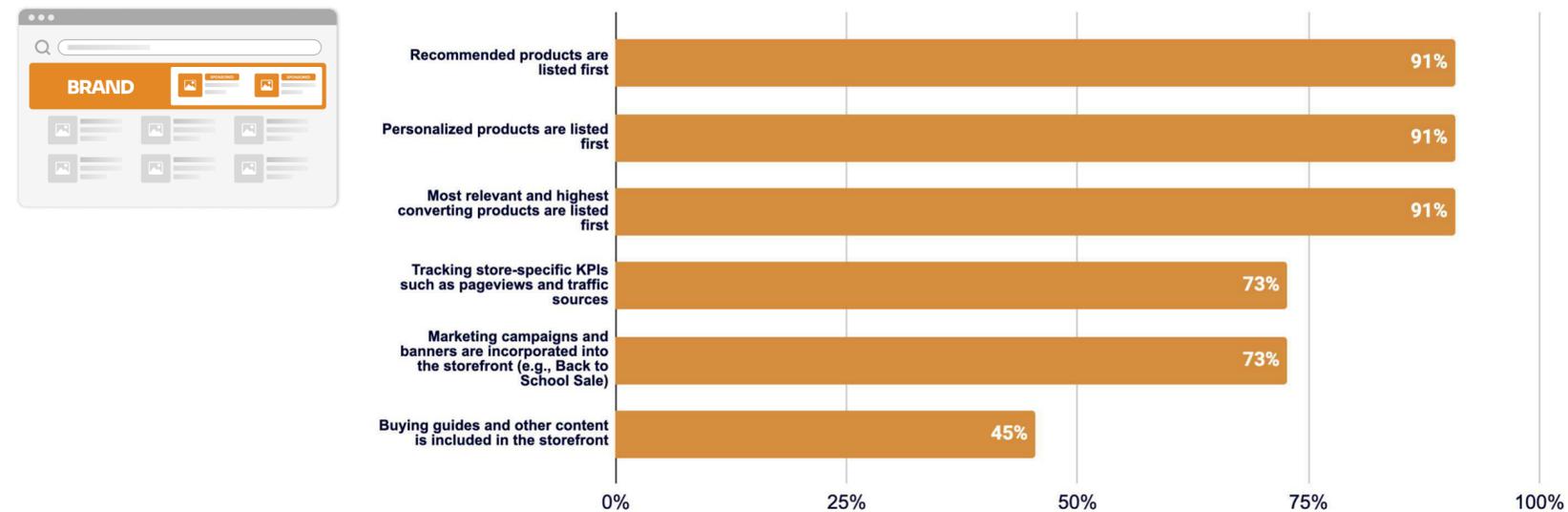
Top features: sponsored listings on search results pages



Top features: sponsored listings on specific pages



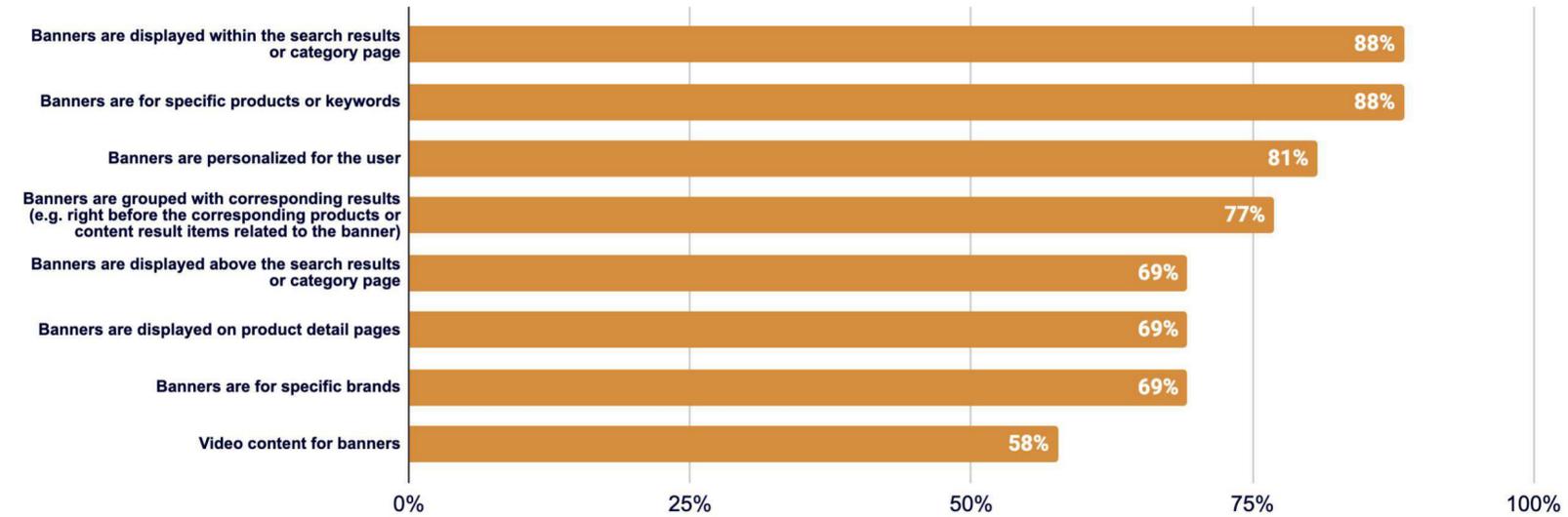
Top features: branded storefronts within a marketplace



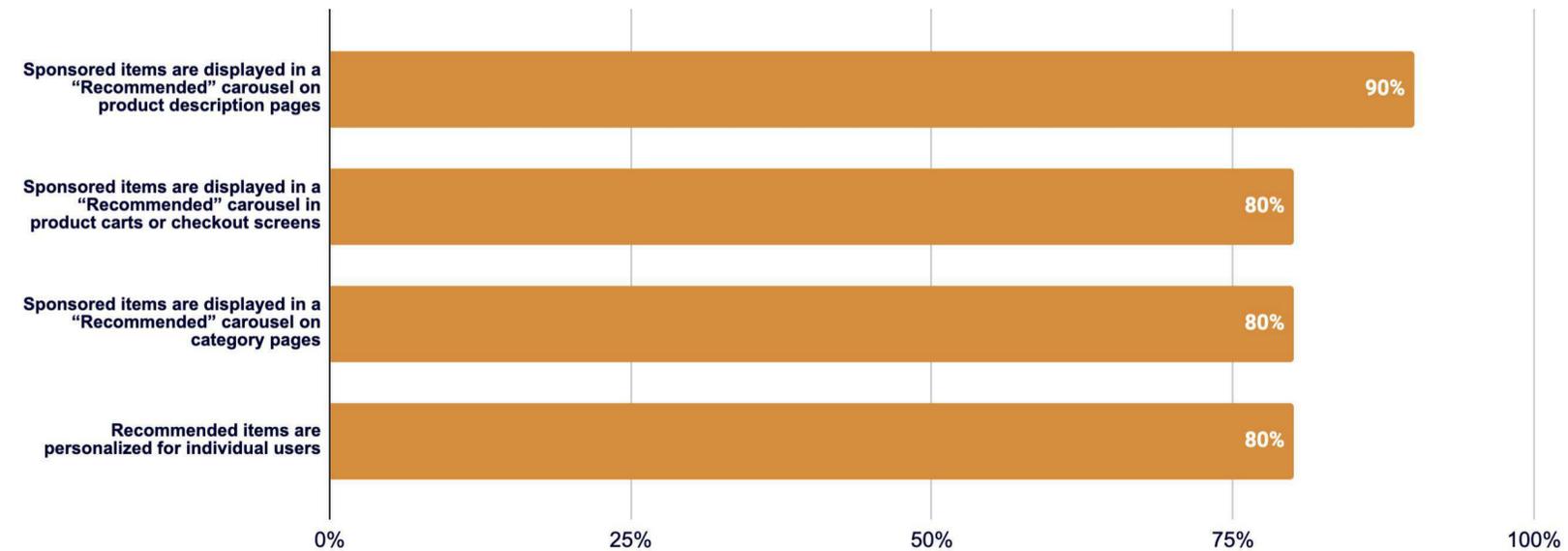


ECOMMERCE/RETAIL: CONSUMER & STAPLE GOODS

Top features: display banners



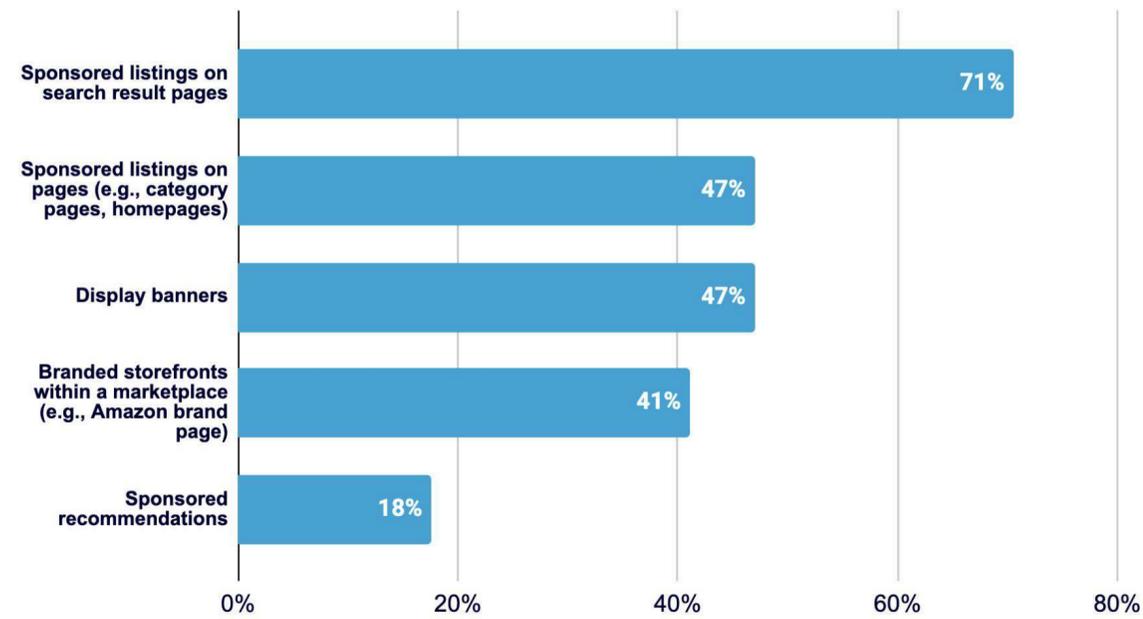
Top features: sponsored recommendations



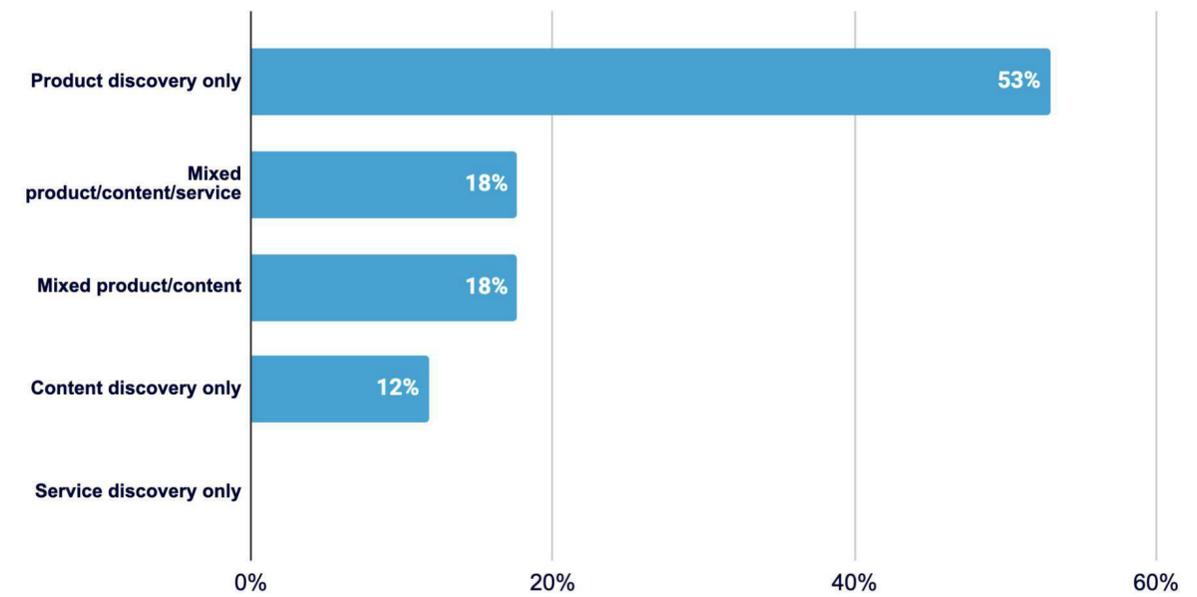
ECOMMERCE/RETAIL: LUXURY GOODS



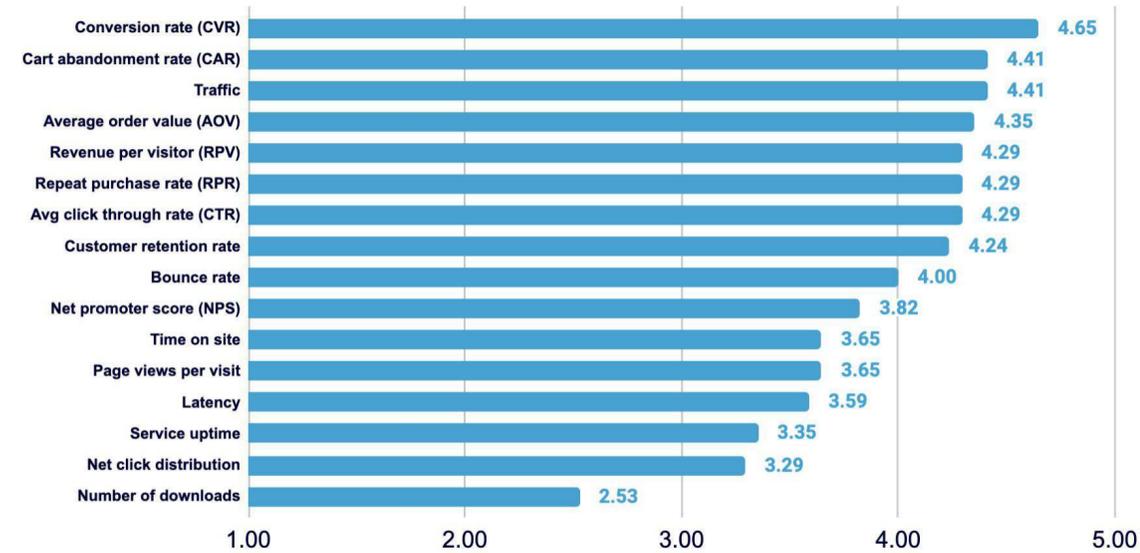
Retail media strategies purchased



Business use case



KPis for data monitoring and analytics

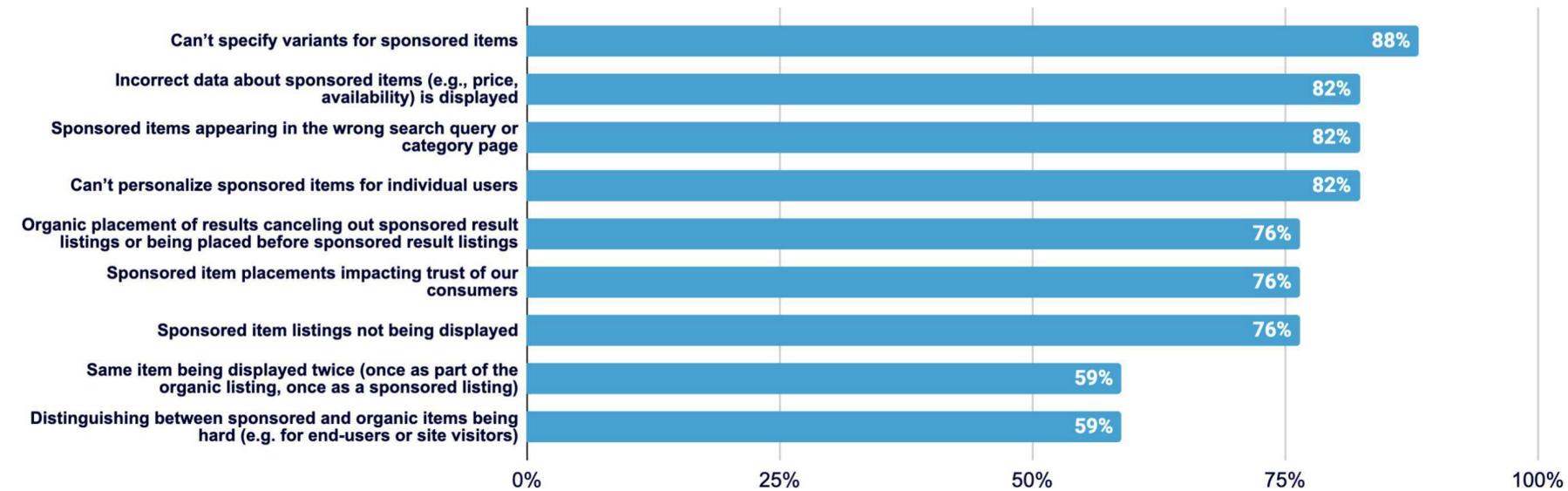


Average rating on a scale of 1=Not important at all, 5=Very important

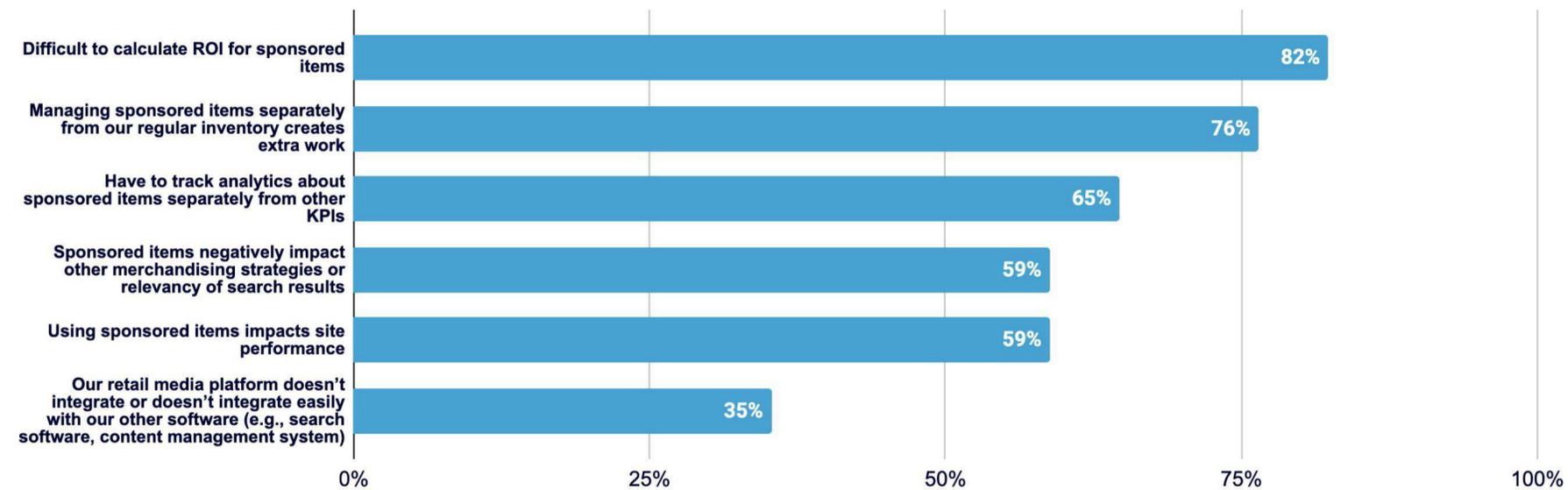
ECOMMERCE/RETAIL: LUXURY GOODS



Challenges with purchasing retail media



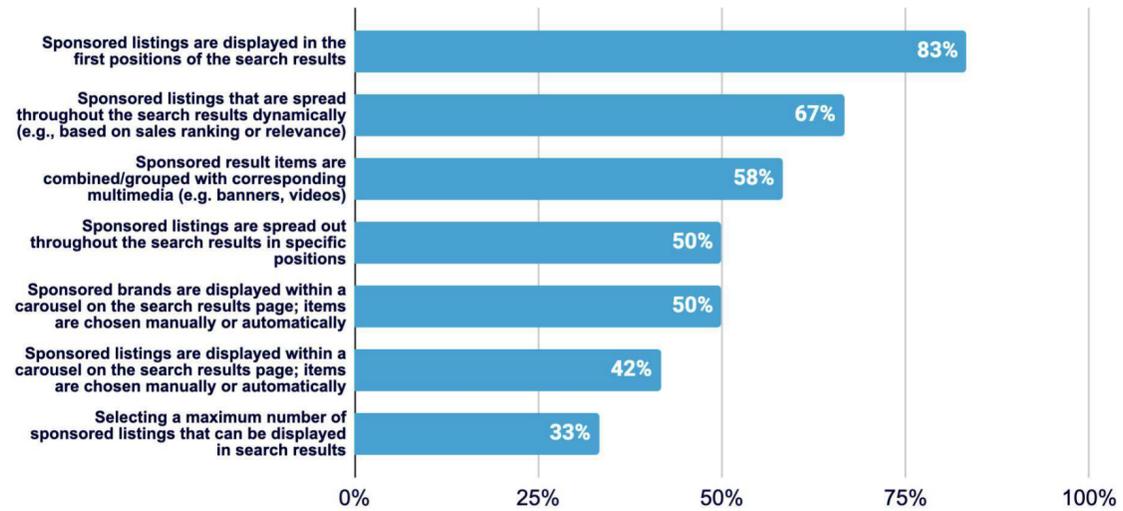
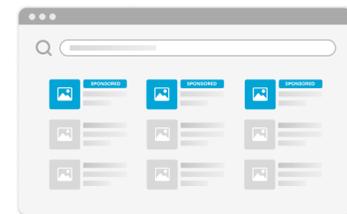
Challenges with maintaining retail media



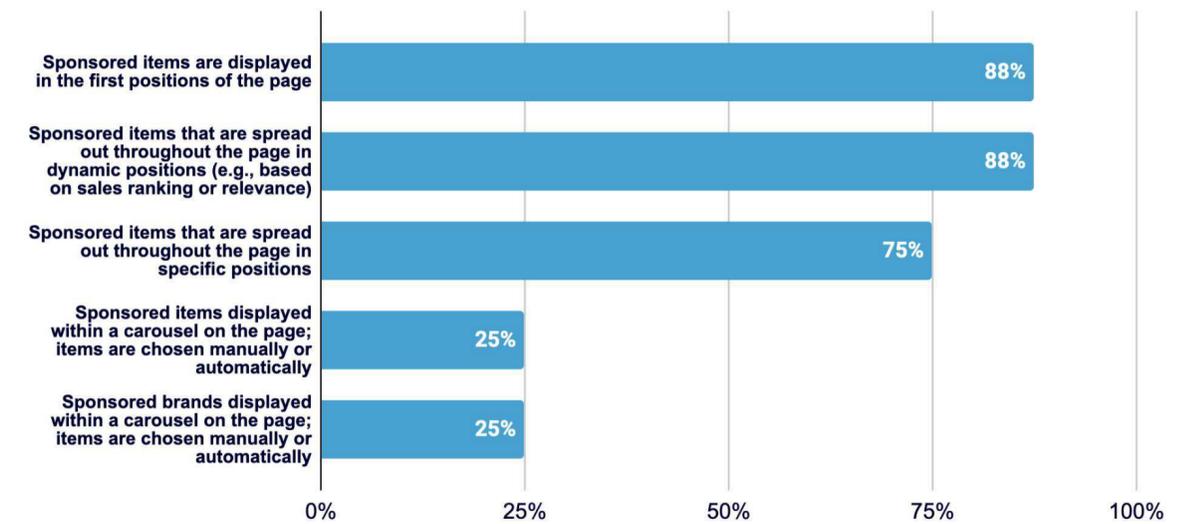


ECOMMERCE/RETAIL: LUXURY GOODS

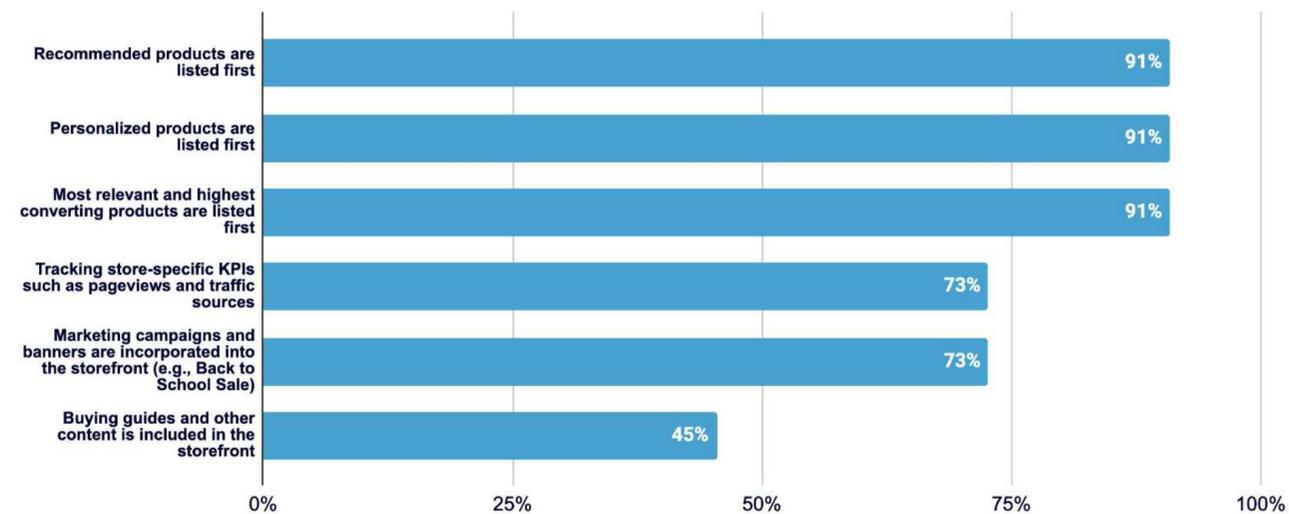
Top features: sponsored listings on search results pages



Top features: sponsored listings on specific pages



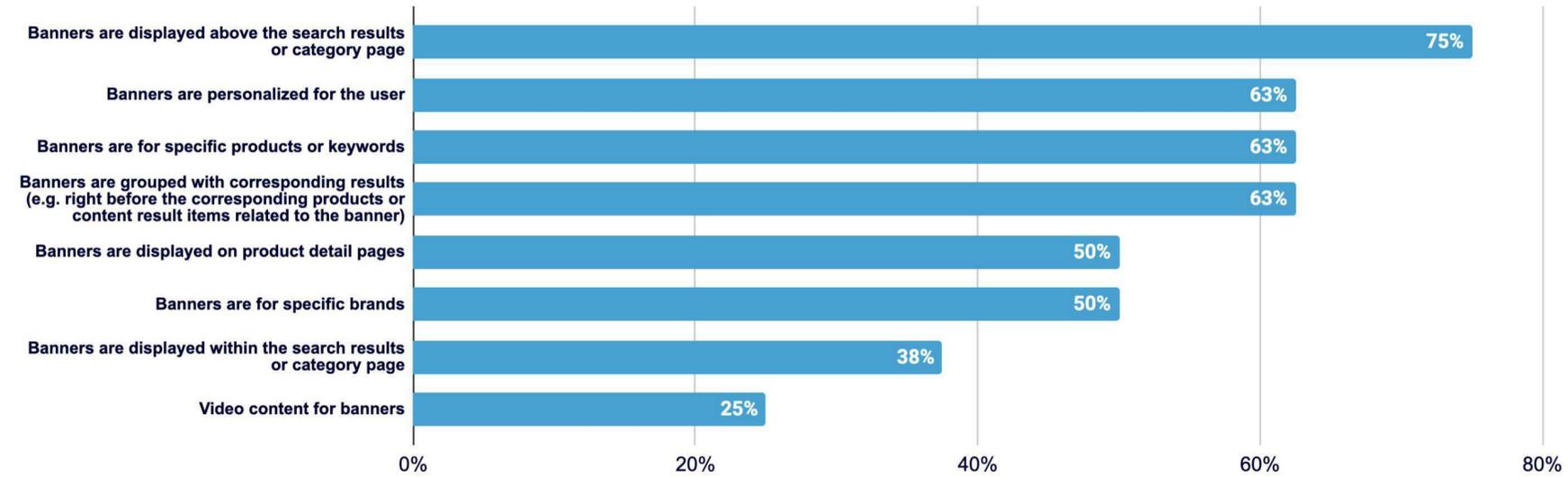
Top features: branded storefronts within a marketplace



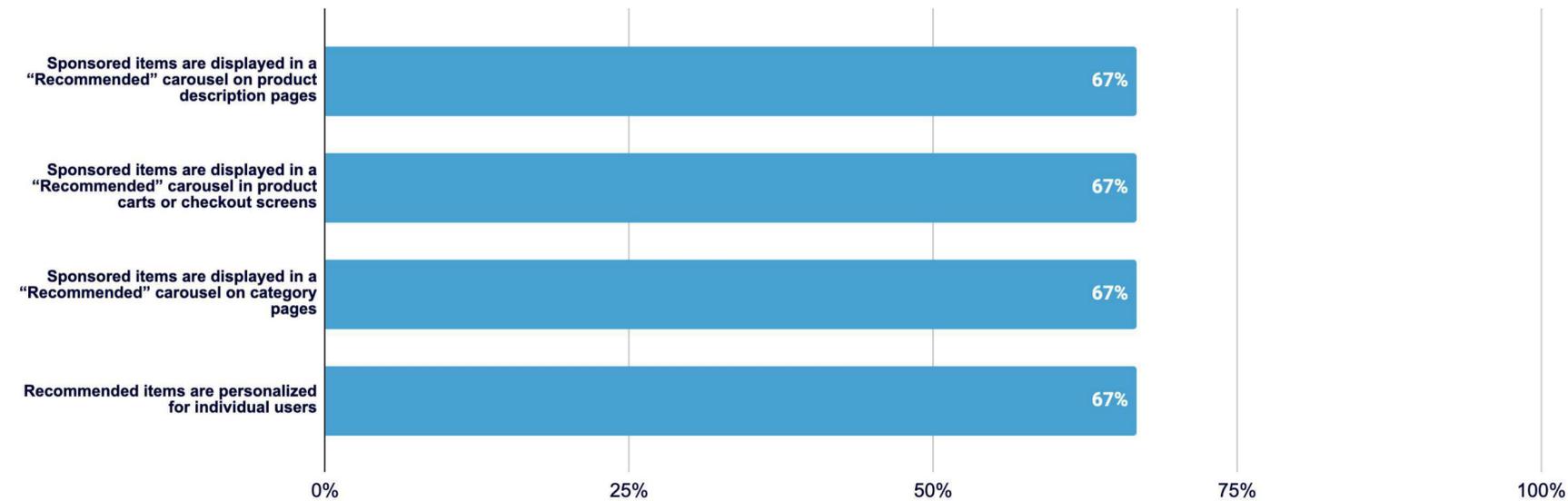


ECOMMERCE/RETAIL: LUXURY GOODS

Top features: display banners



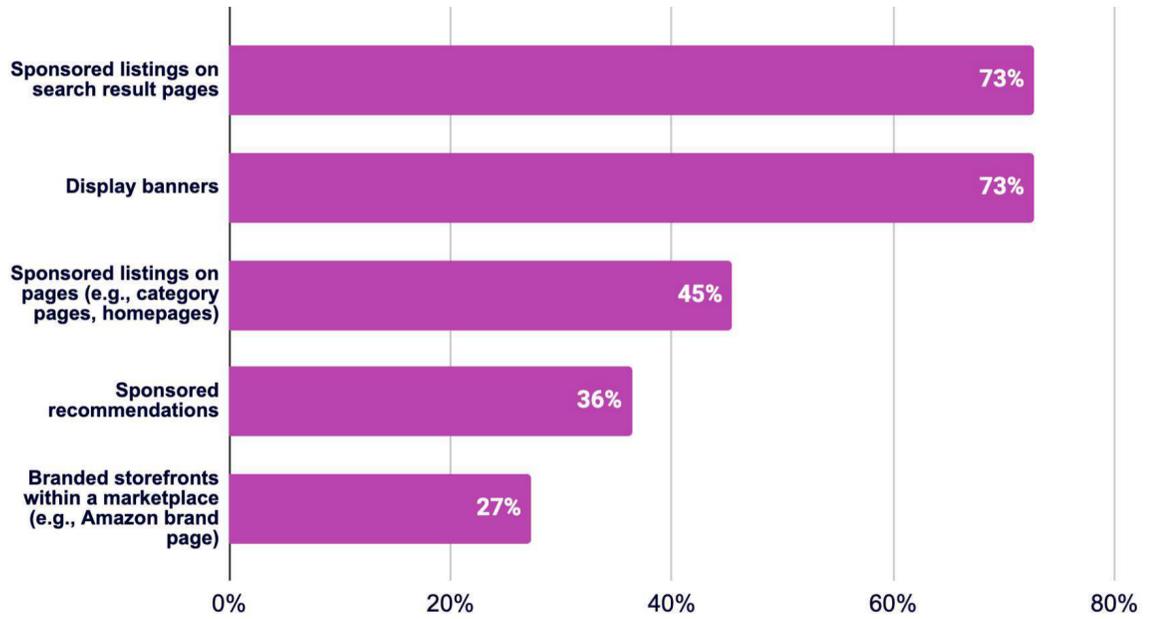
Top features: sponsored recommendations



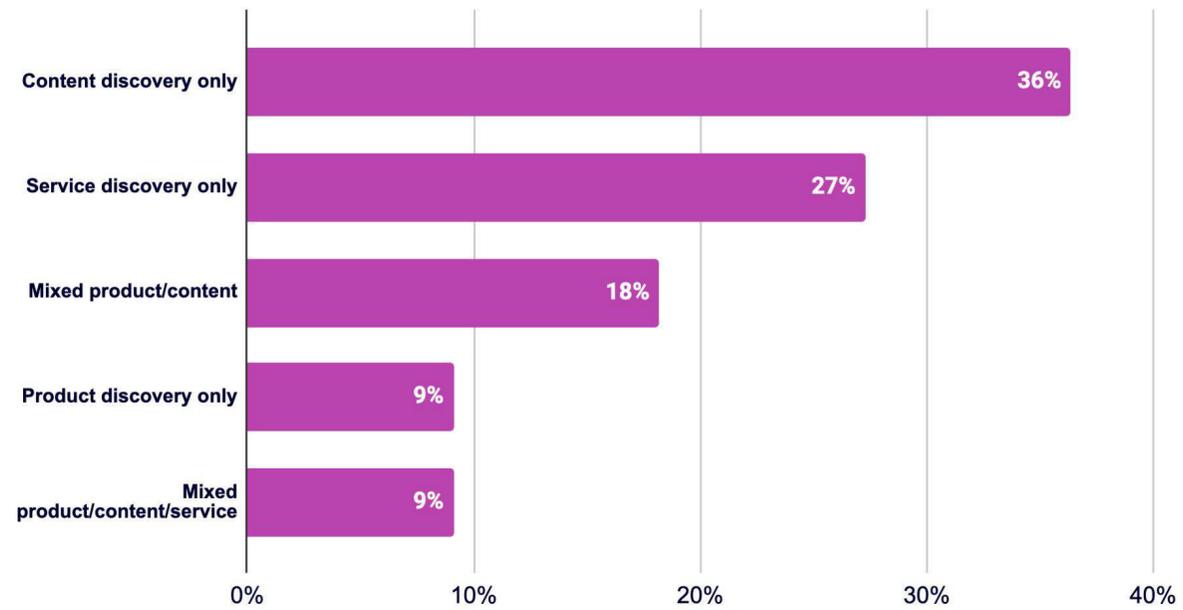


OTHER (INCLUDES MEDIA & COMMUNICATIONS AND TRAVEL & HOSPITALITY)

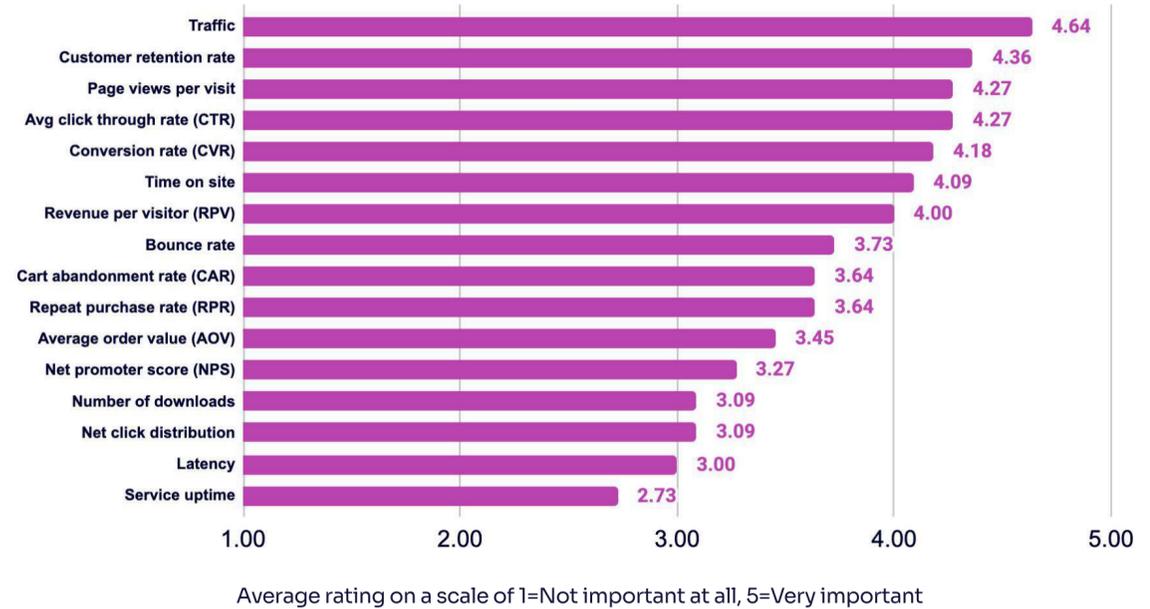
Retail media strategies purchased



Business use case



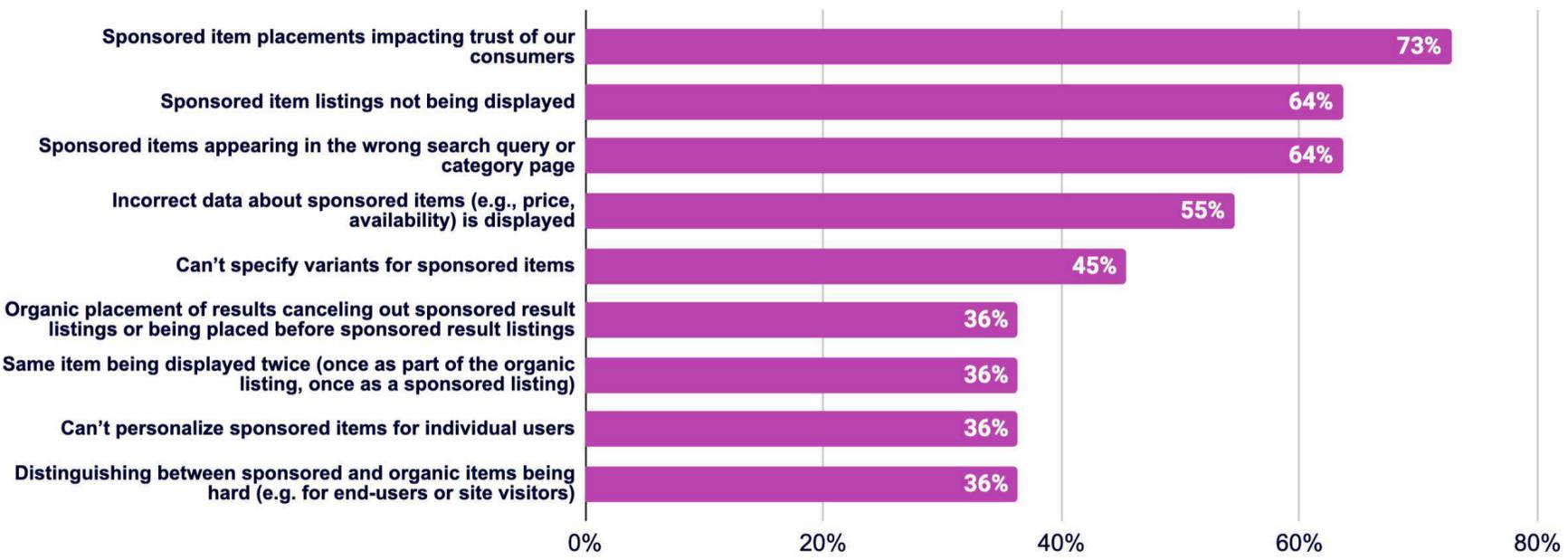
KPIs for data monitoring and analytics



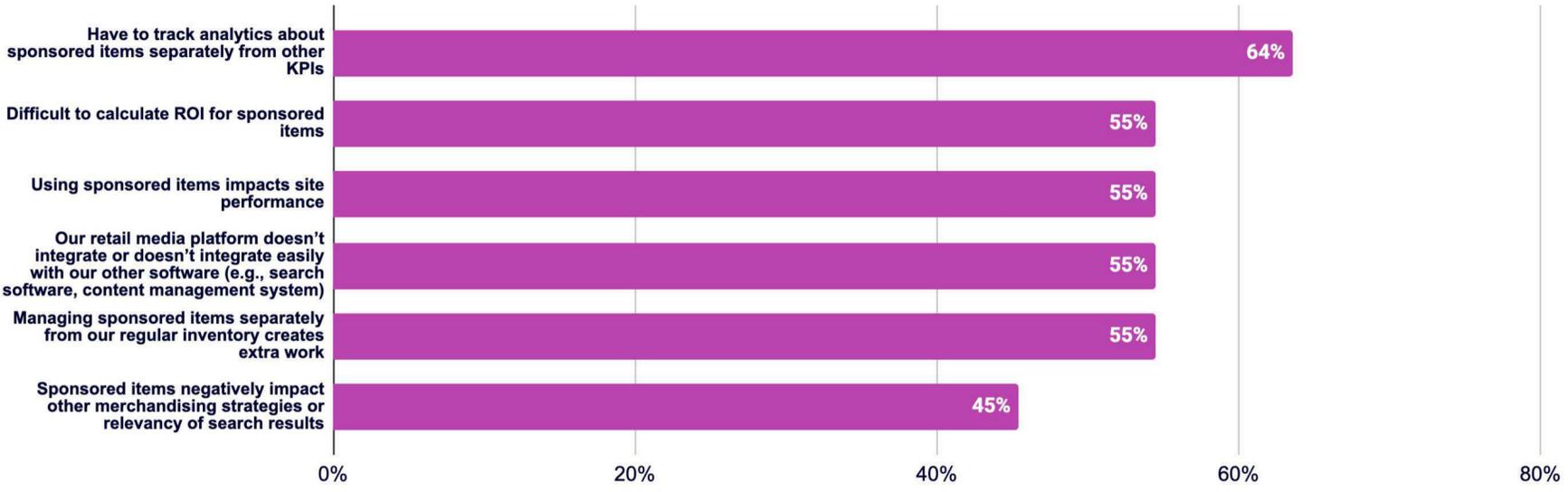


OTHER (INCLUDES MEDIA & COMMUNICATIONS AND TRAVEL & HOSPITALITY)

Challenges with purchasing retail media



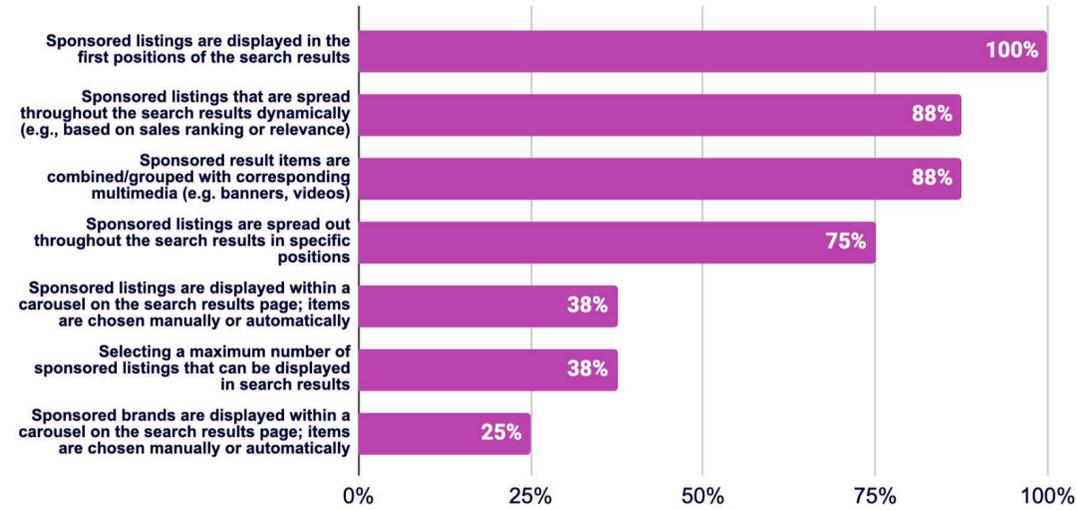
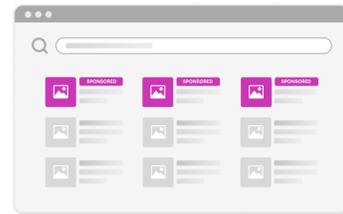
Challenges with maintaining retail media



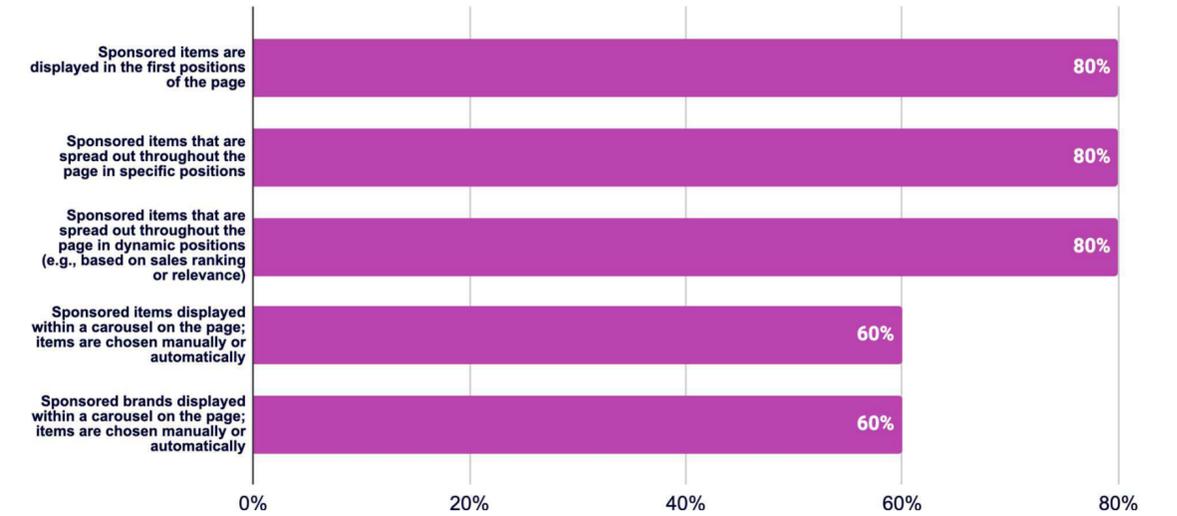


OTHER (INCLUDES MEDIA & COMMUNICATIONS AND TRAVEL & HOSPITALITY)

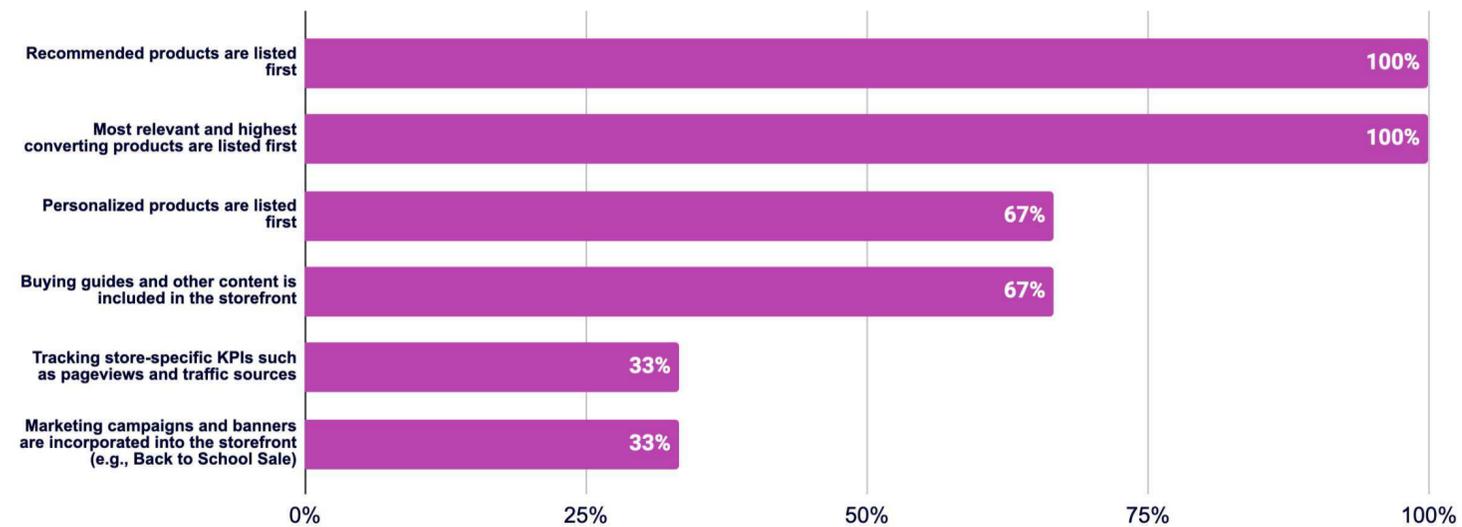
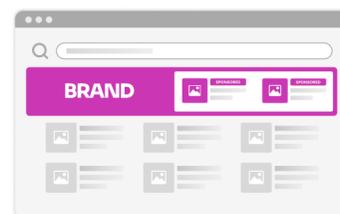
Top features: sponsored listings on search results pages



Top features: sponsored listings on specific pages



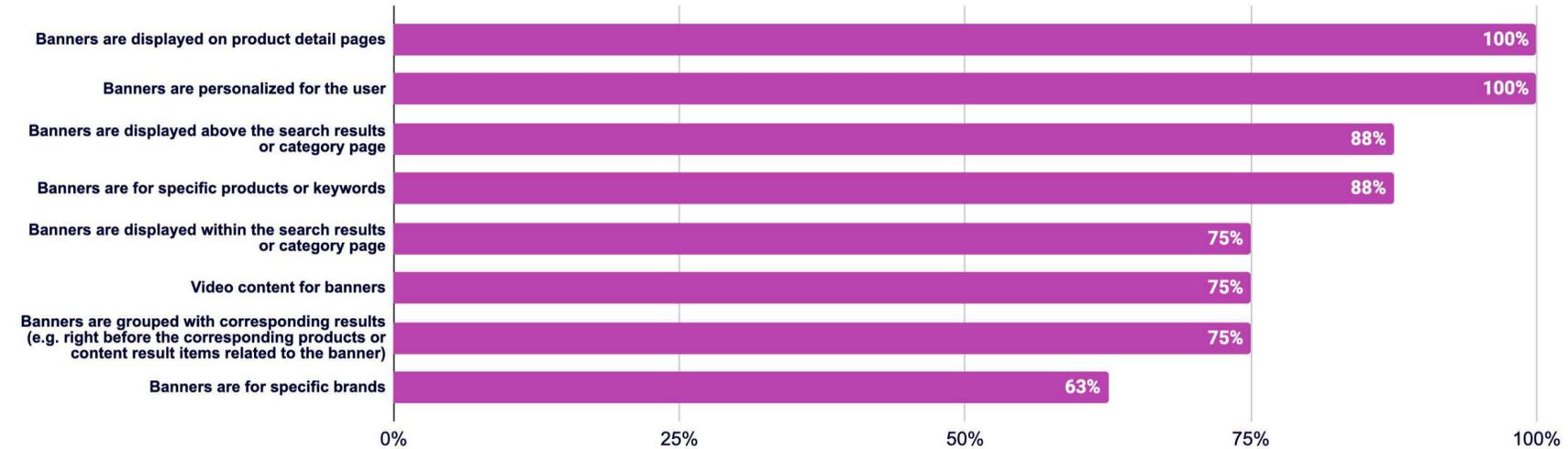
Top features: branded storefronts within a marketplace



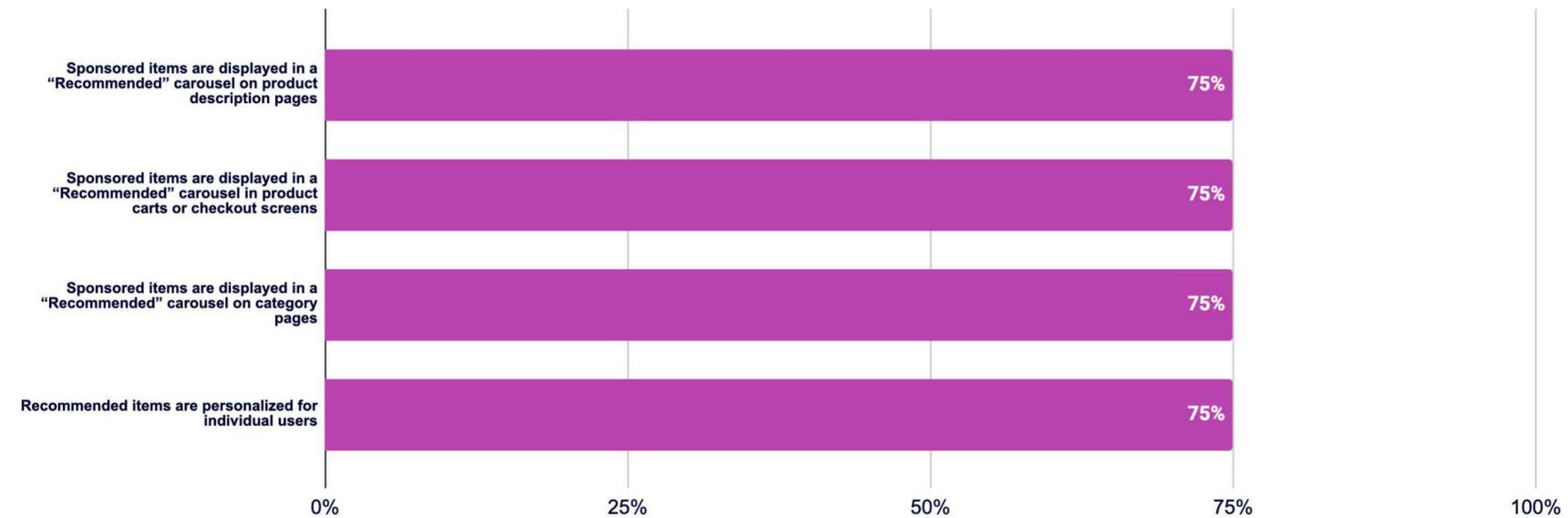


OTHER (INCLUDES MEDIA & COMMUNICATIONS AND TRAVEL & HOSPITALITY)

Top features: display banners



Top features: sponsored recommendations





RETAIL MEDIA BY MARKETPLACE



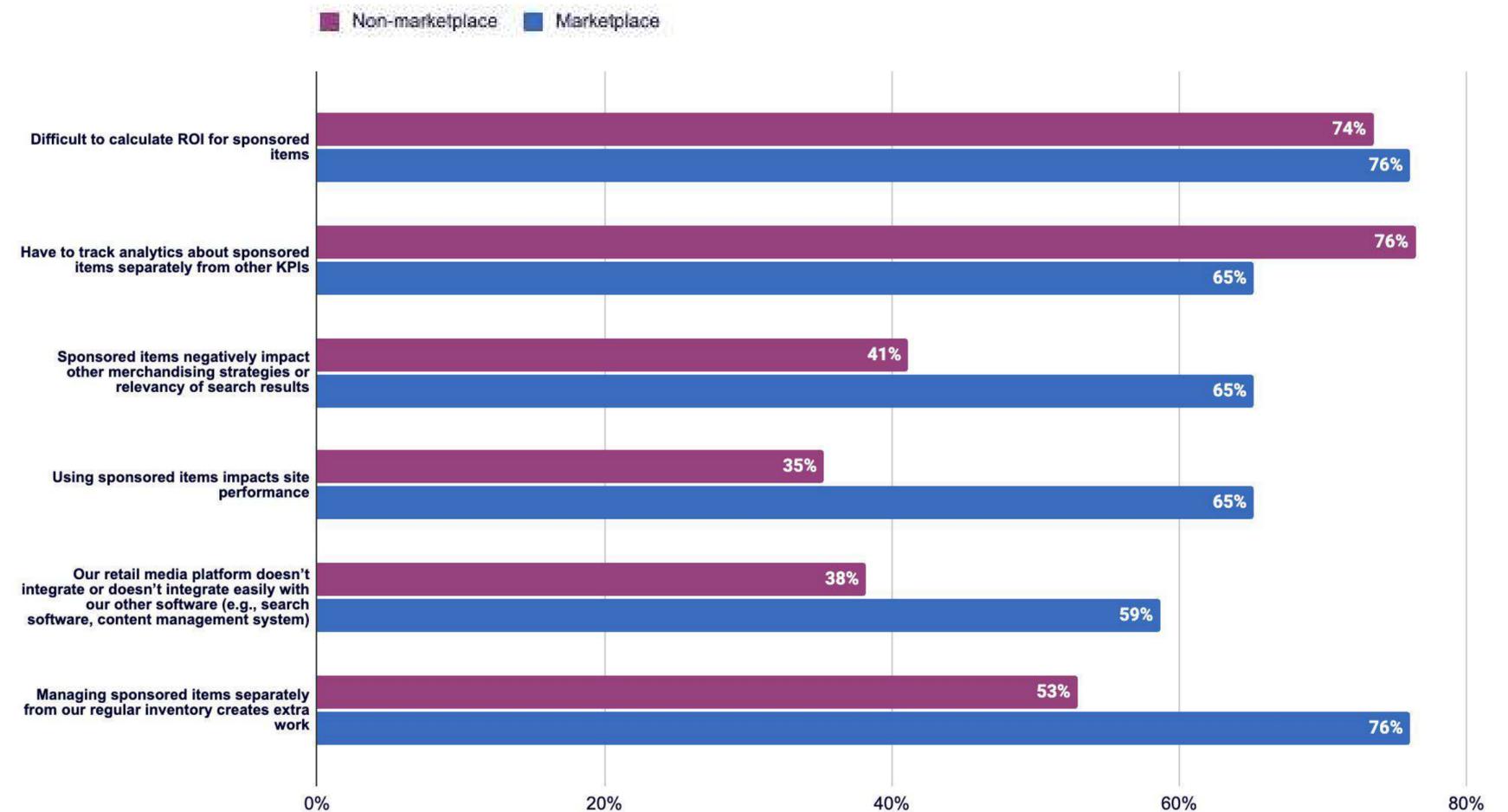
RETAIL MEDIA BY MARKETPLACE

The majority of marketplace users (57%) operate ecommerce businesses in the consumer & staple goods segment. This is a significantly larger proportion than the next largest marketplace segment, ecommerce – luxury goods (20%).

Location requirements were similar for both marketplace and non-marketplace purchasers.

Marketplace users face greater maintenance challenges compared to non-marketplace users, such as managing sponsored items separately from regular inventory (76% vs 53% respectively), but did not prioritize features all that differently than non-marketplace users.

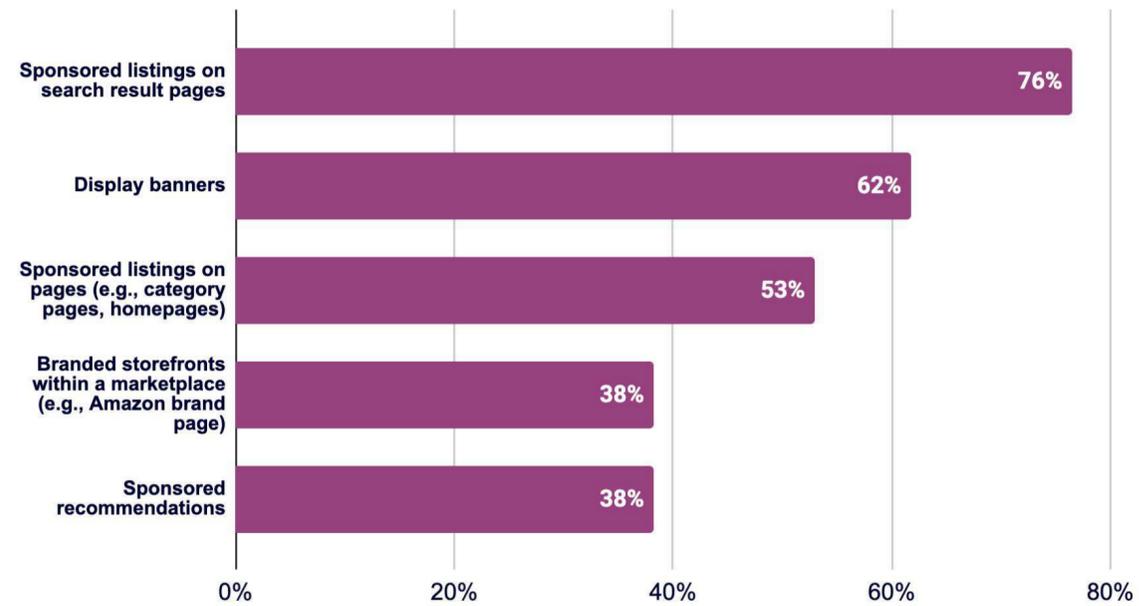
Challenges with maintaining retail media



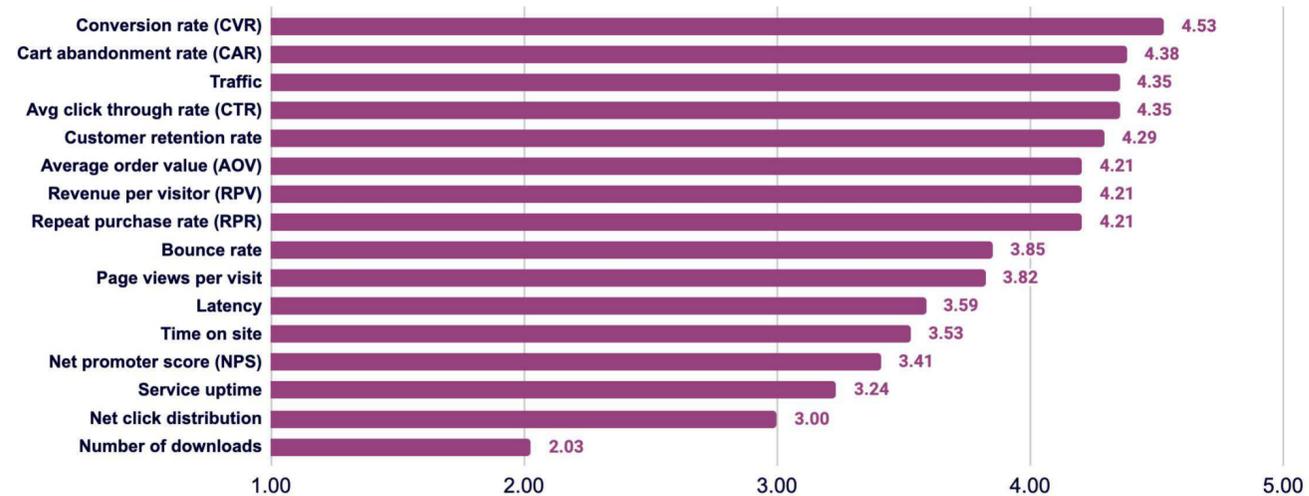


NON-MARKETPLACE

Retail media strategies purchased

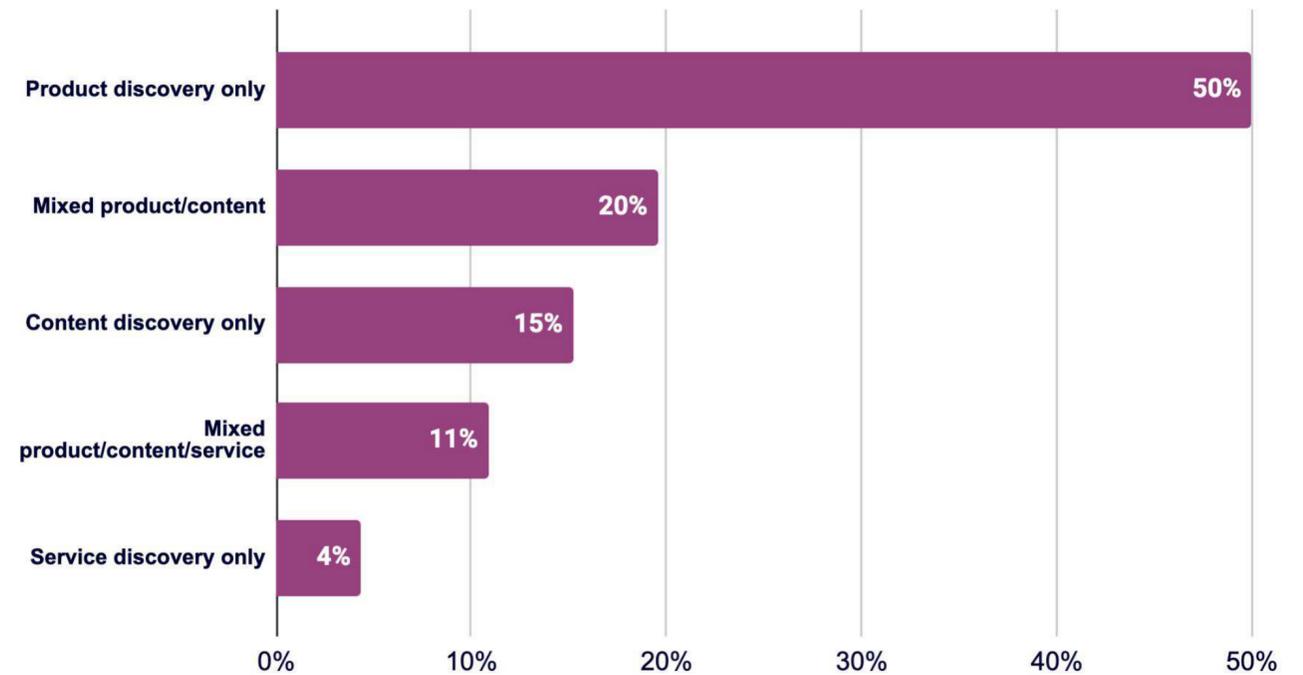


KPIs for data monitoring and analytics



Average rating on a scale of 1=Not important at all, 5=Very important

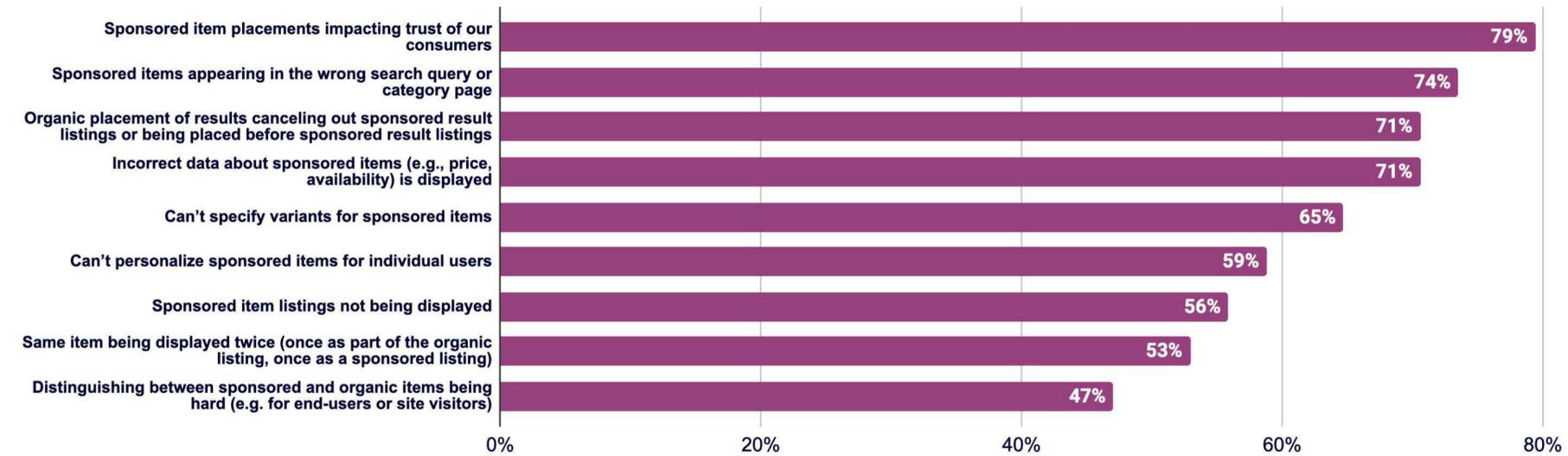
Business use case



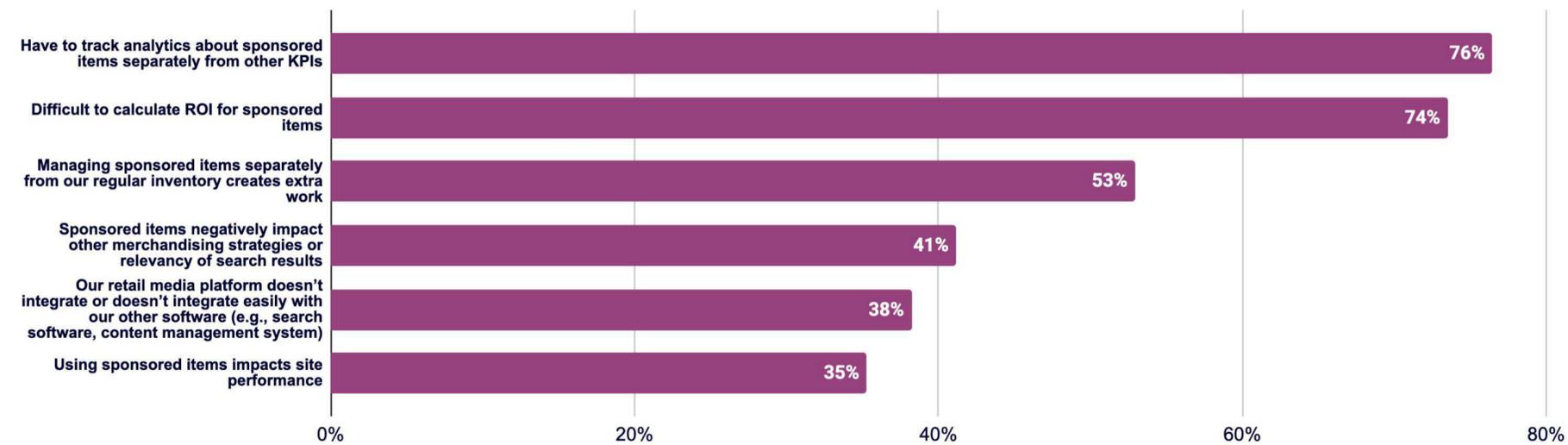
NON-MARKETPLACE



Challenges with purchasing retail media



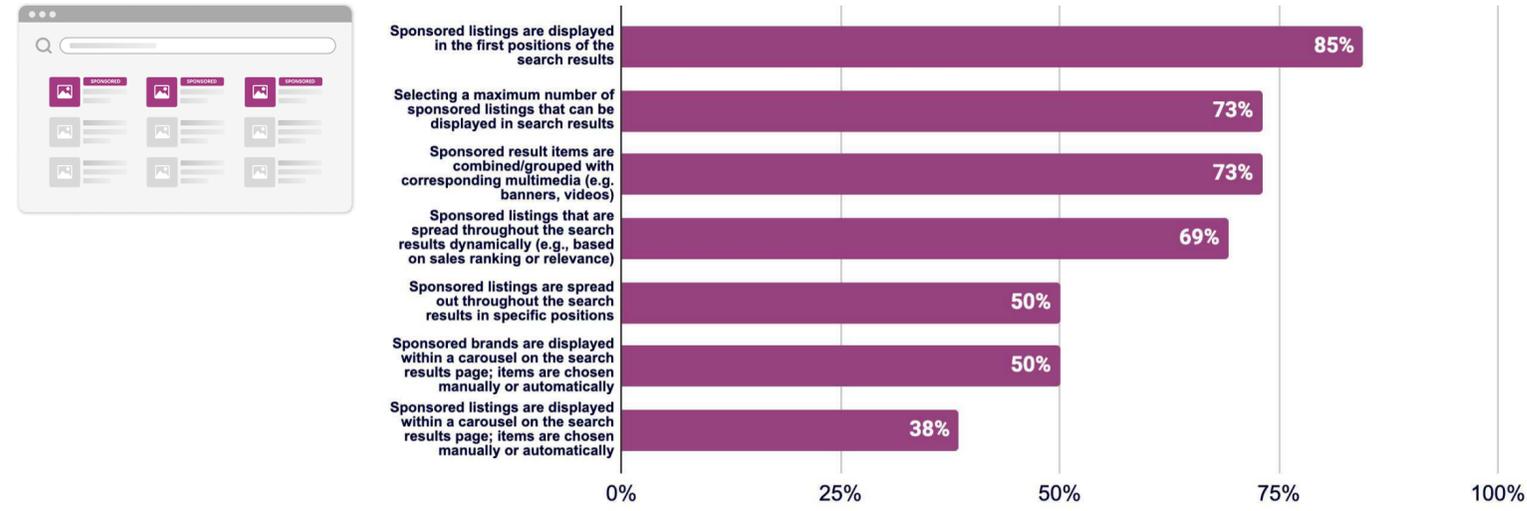
Challenges with maintaining retail media



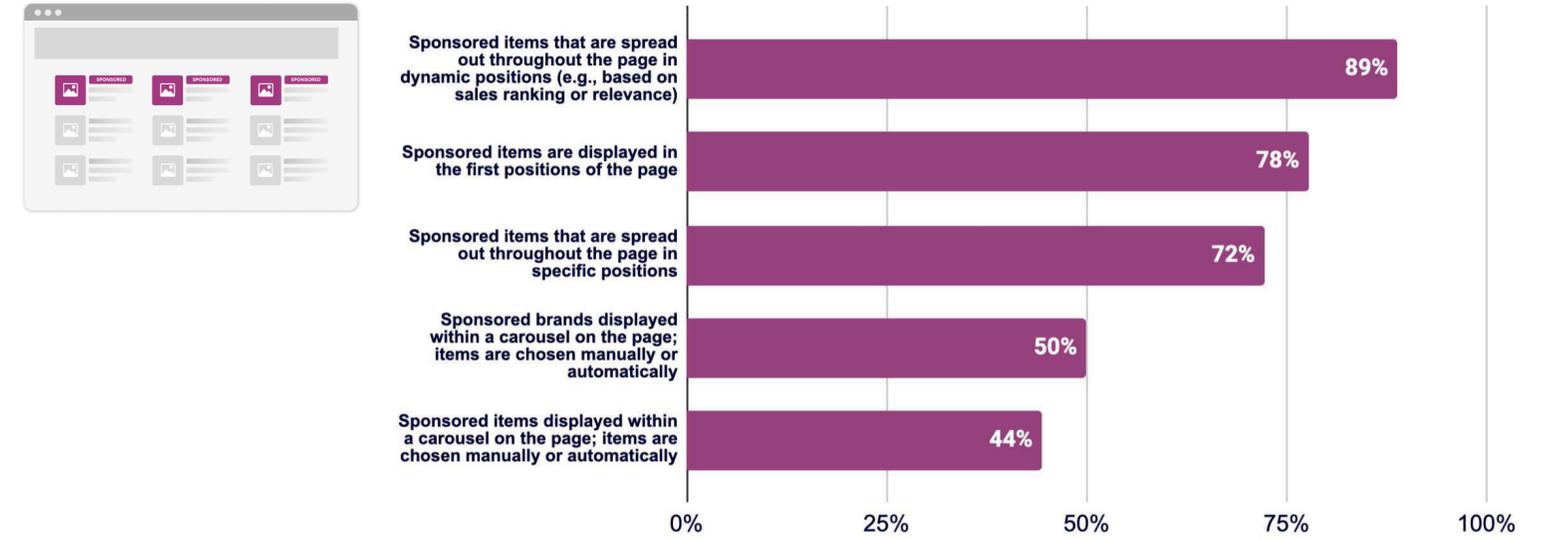


NON-MARKETPLACE

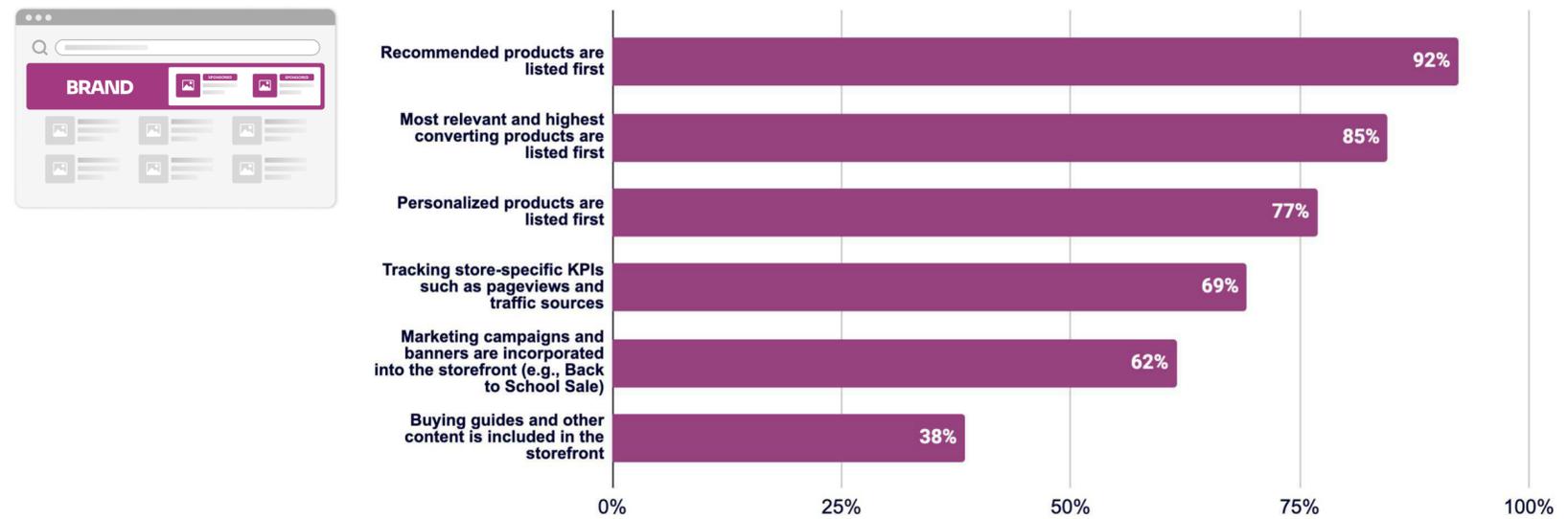
Top features: sponsored listings on search results pages



Top features: sponsored listings on specific pages



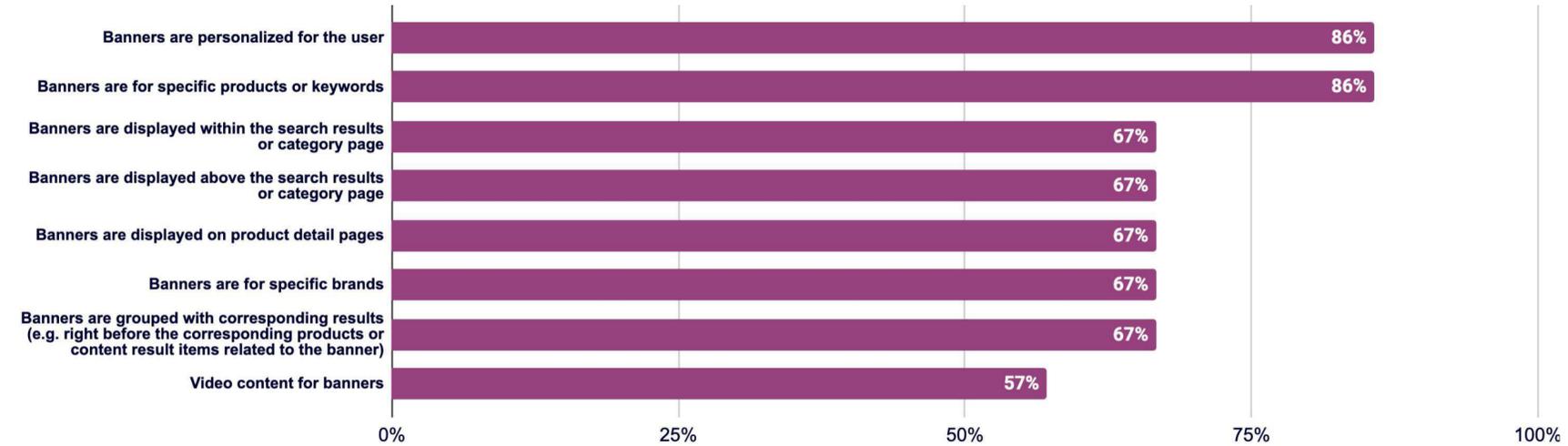
Top features: branded storefronts within a marketplace



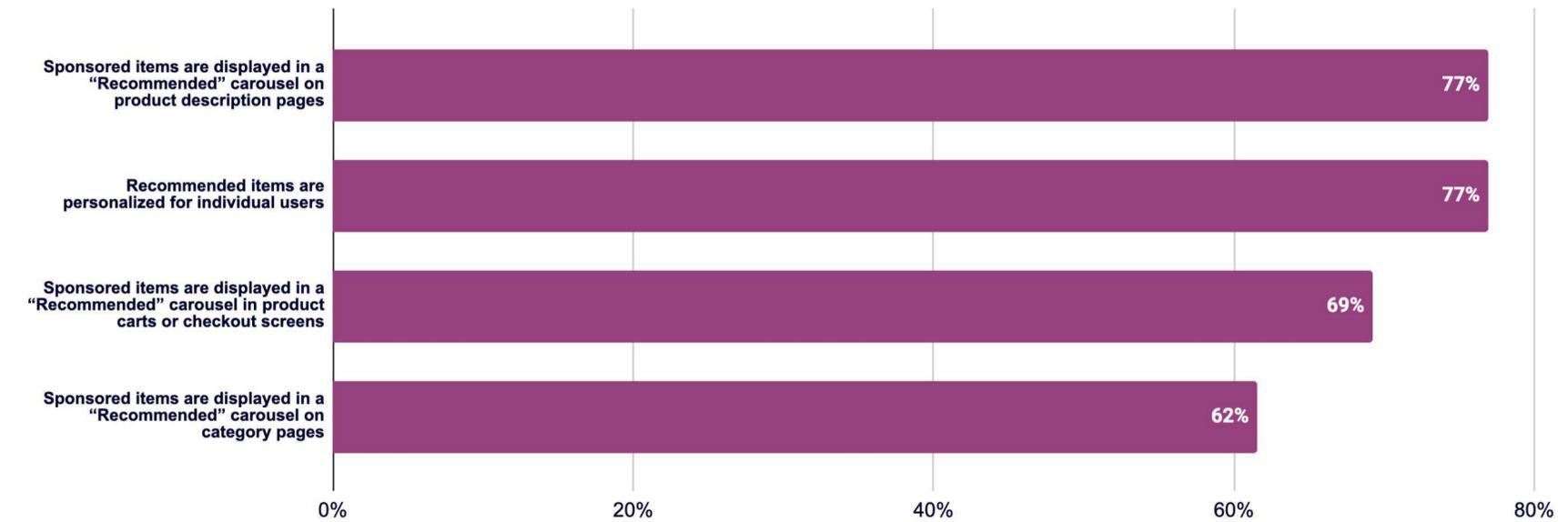


NON-MARKETPLACE

Top features: display banners



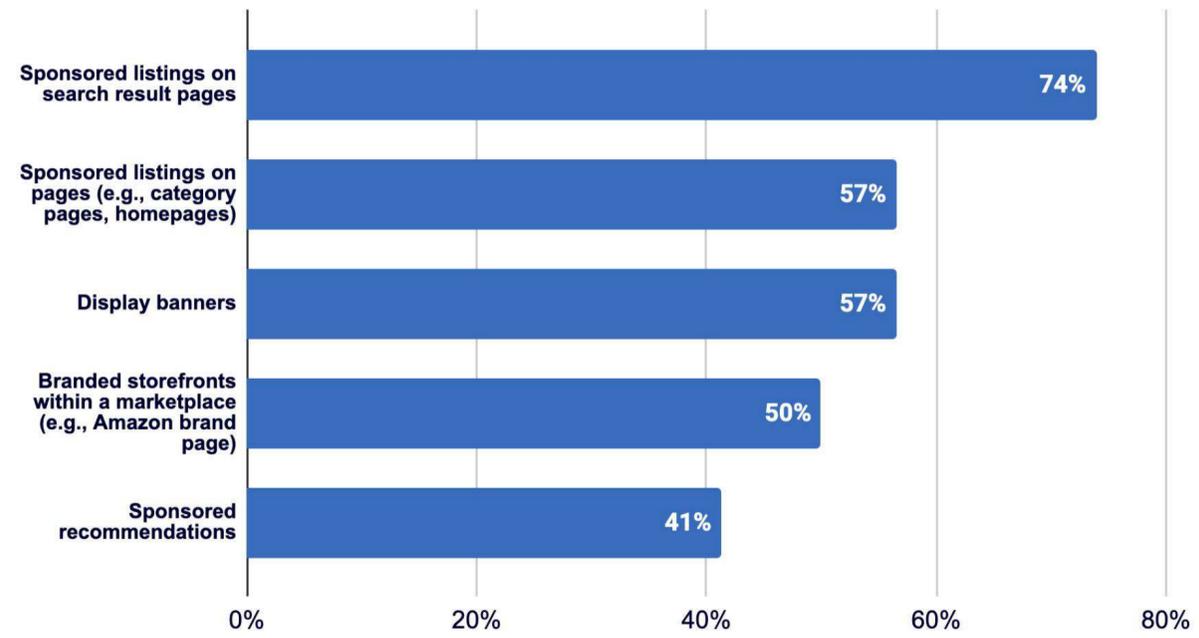
Top features: sponsored recommendations



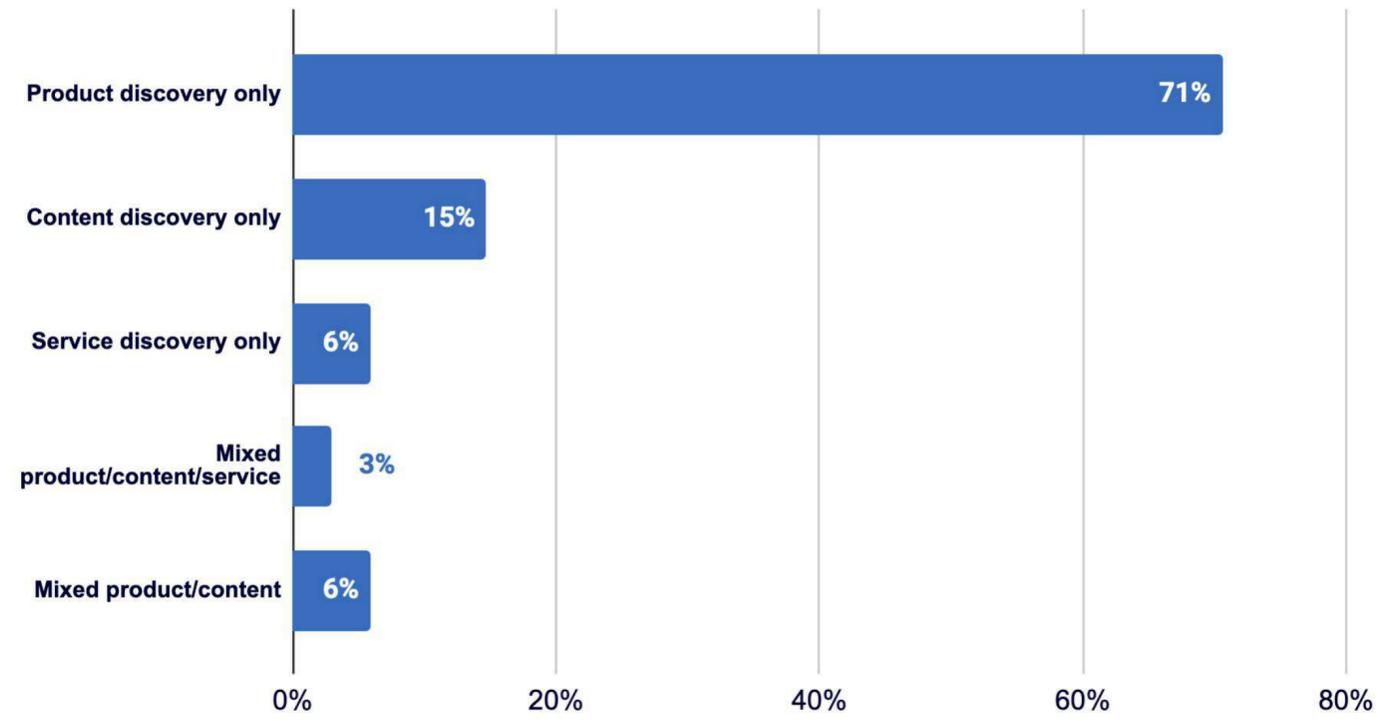


MARKETPLACE

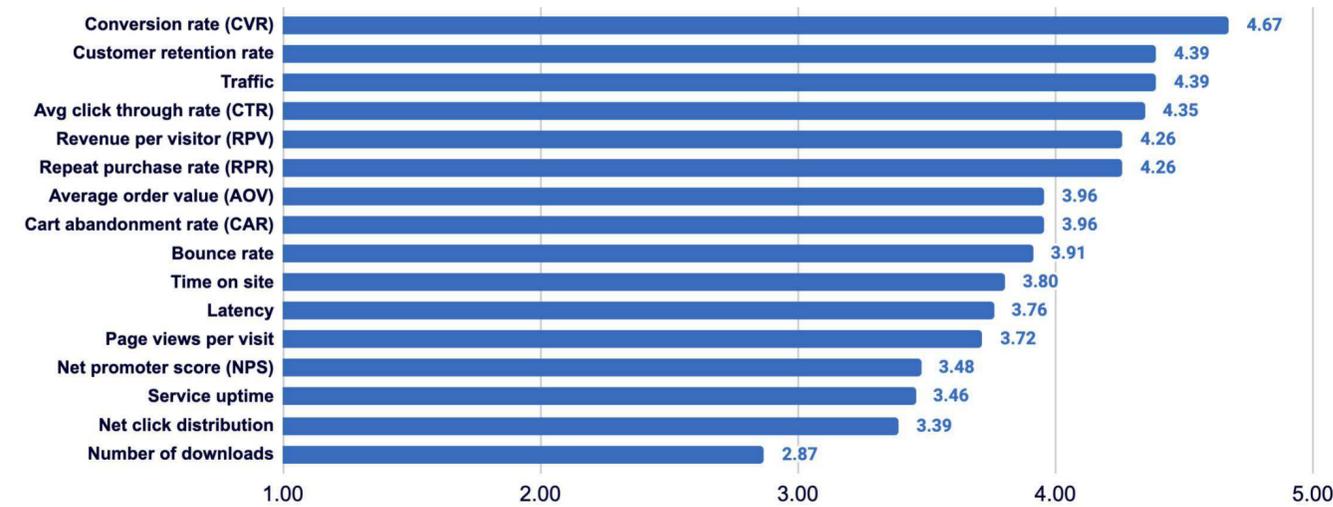
Retail media strategies purchased



Business use case



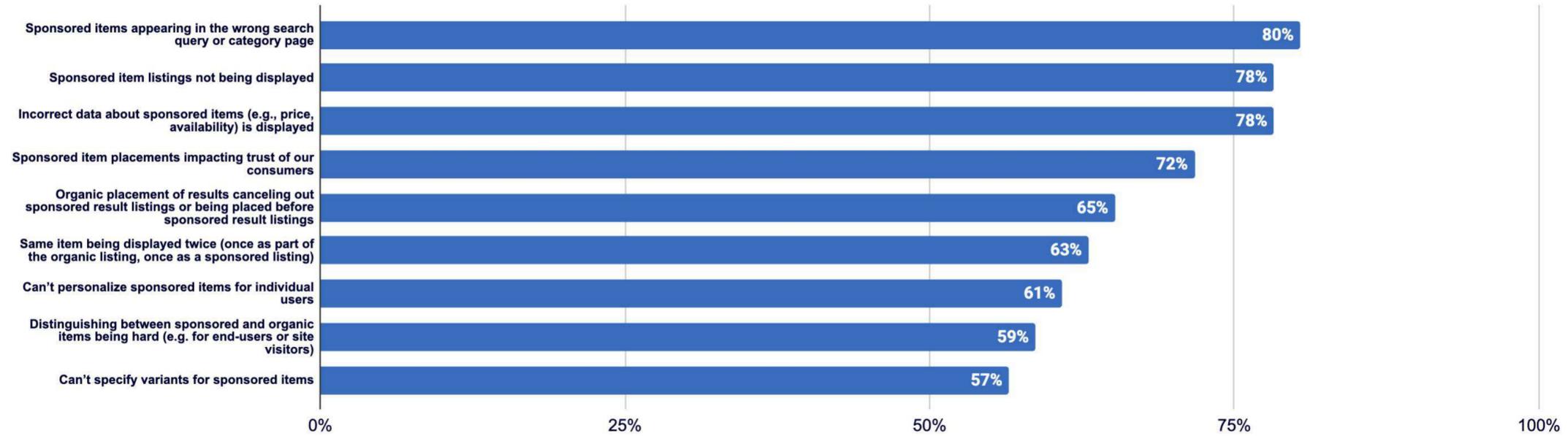
KPIs for data monitoring and analytics



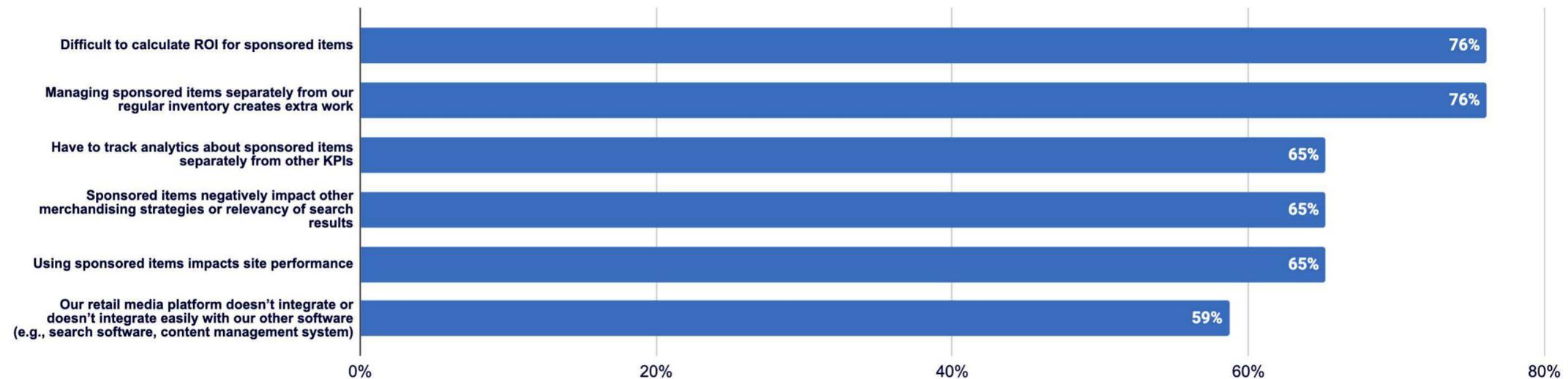
Average rating on a scale of 1=Not important at all, 5=Very important



Challenges with purchasing retail media



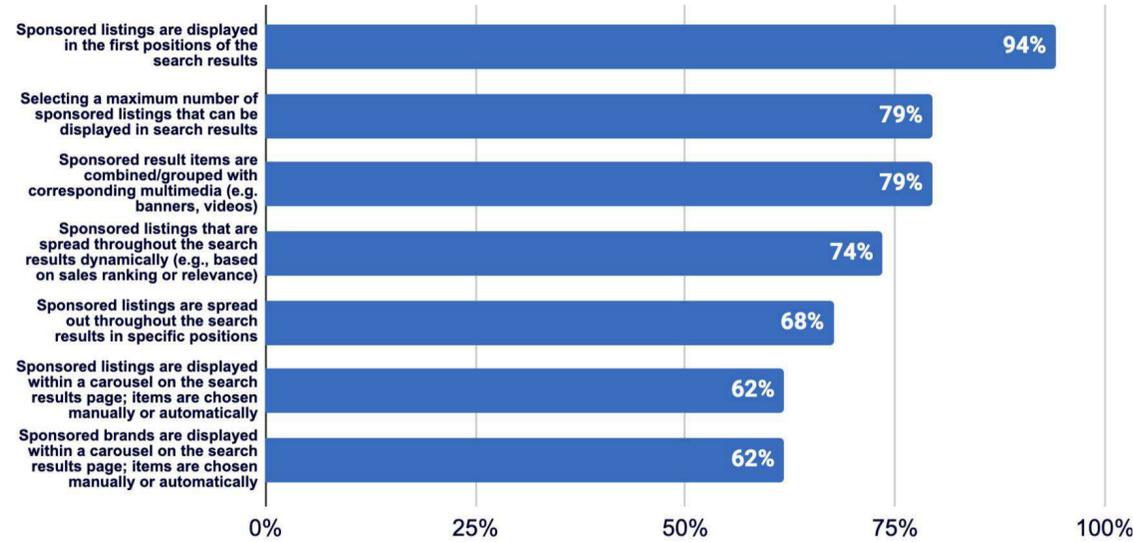
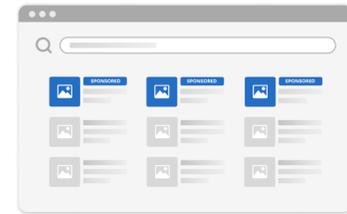
Challenges with maintaining retail media



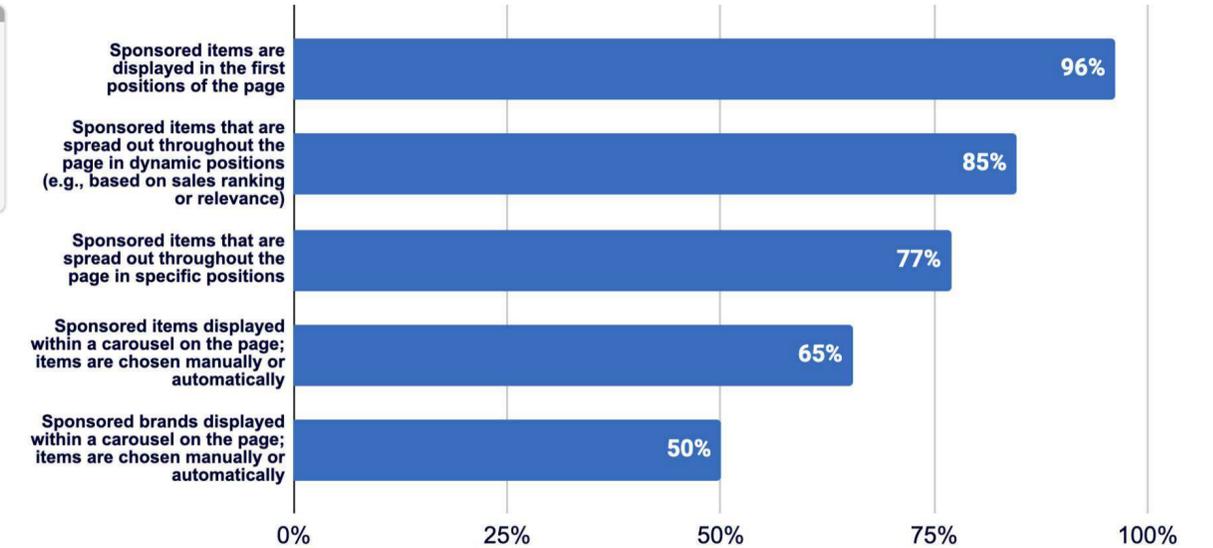
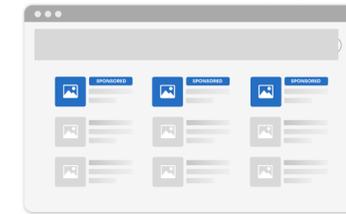


MARKETPLACE

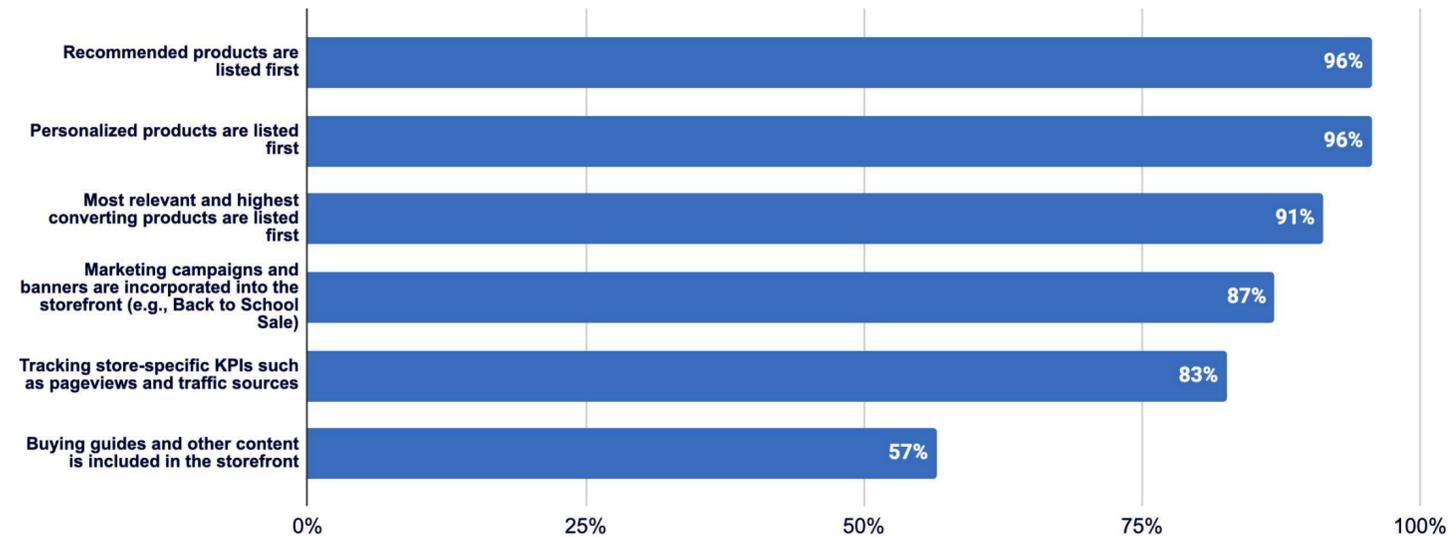
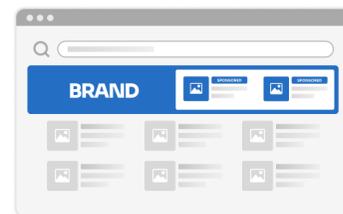
Top features: sponsored listings on search results pages



Top features: sponsored listings on specific pages

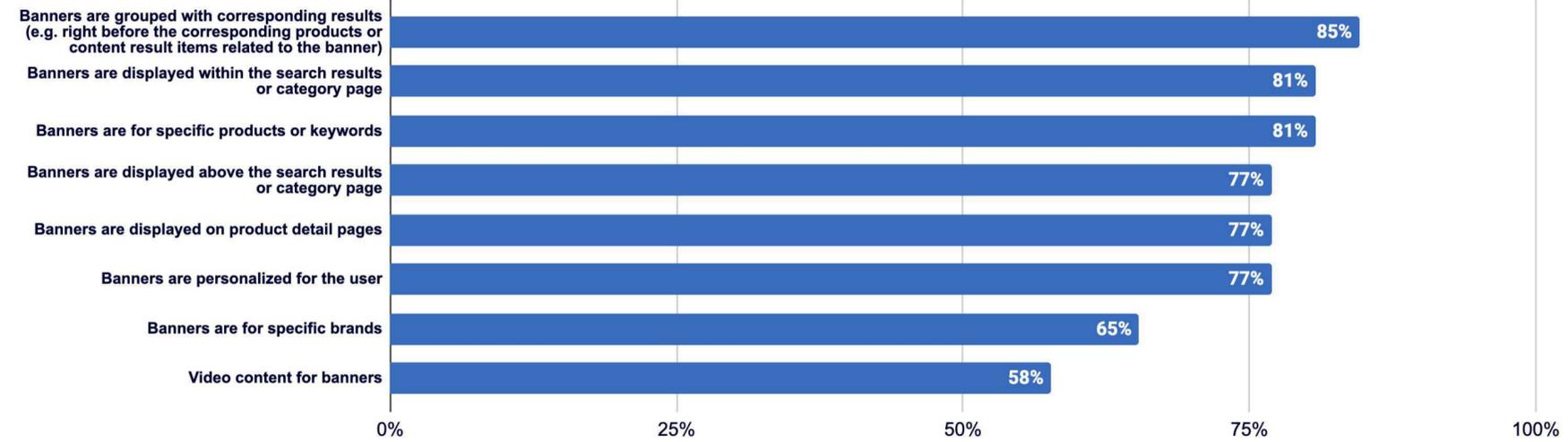
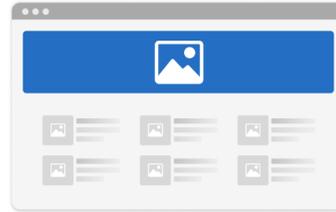


Top features: branded storefronts within a marketplace

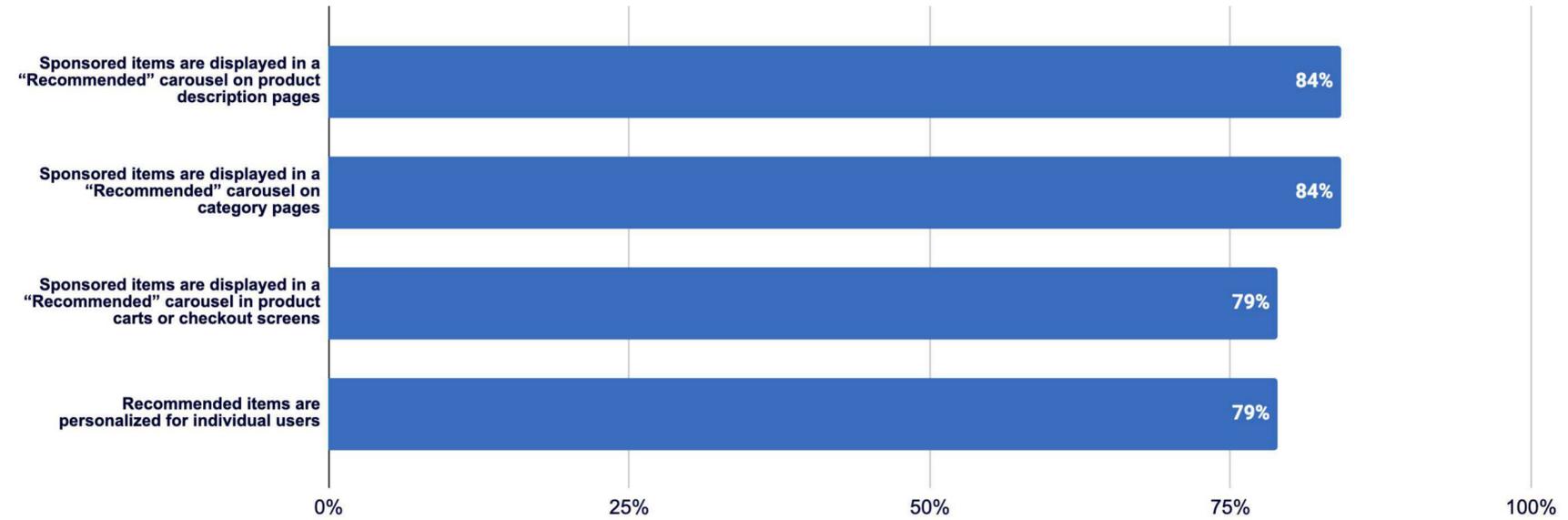




Top features: display banners



Top features: sponsored recommendations





RETAIL MEDIA BY COMPANY SIZE



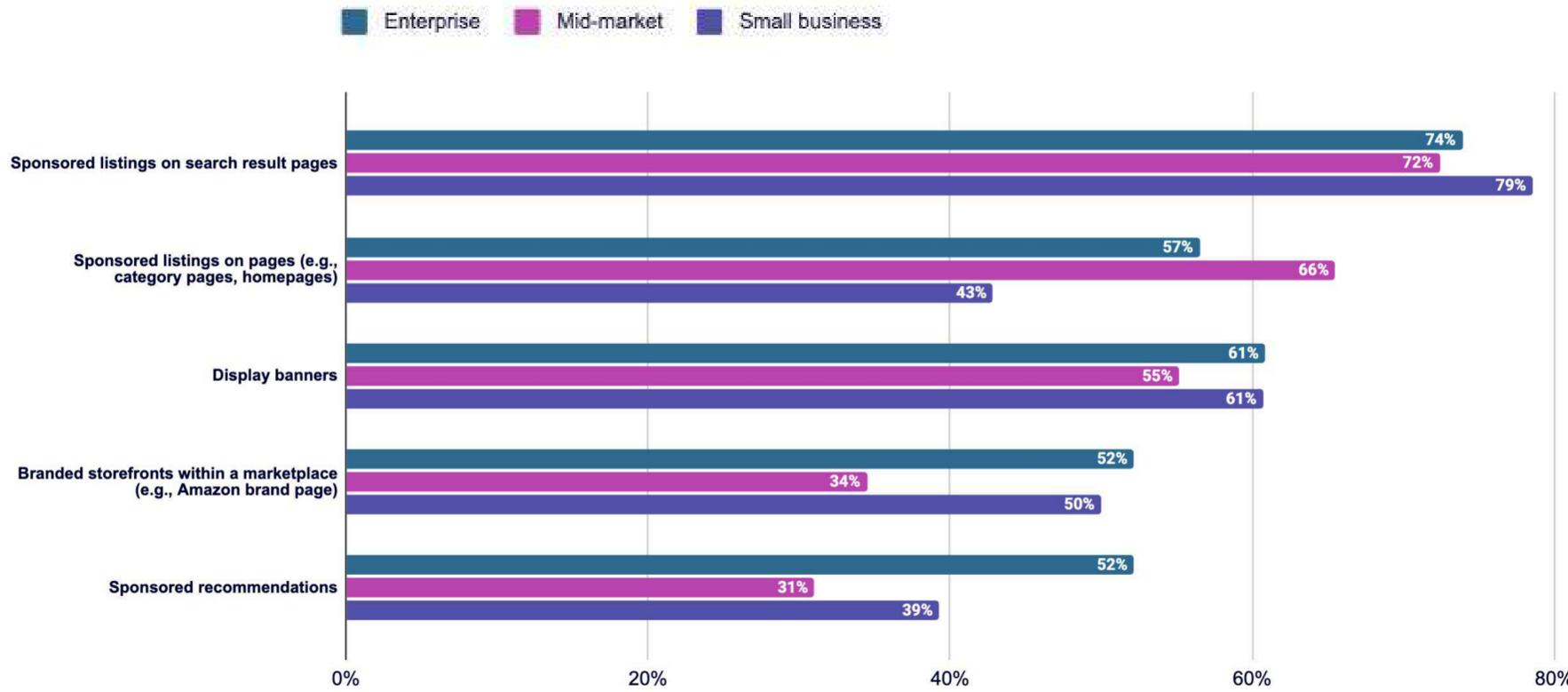
RETAIL MEDIA BY COMPANY SIZE

Company size sometimes impacts the importance of certain functionality goals. While small businesses have unique requirements, enterprise and mid-market behave similarly.

Both mid-market and small businesses view sponsored listings on search results pages as their top site location followed by homepage, and then product category pages.

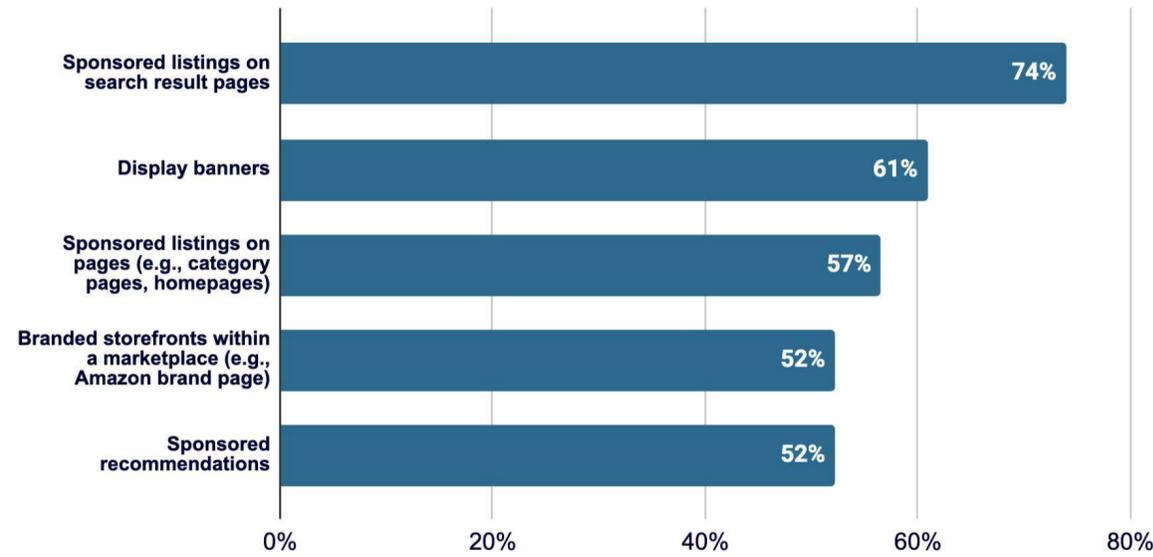
For larger enterprise companies, the homepage is the top location followed by sponsored listings and category pages.

Retail media strategies purchased

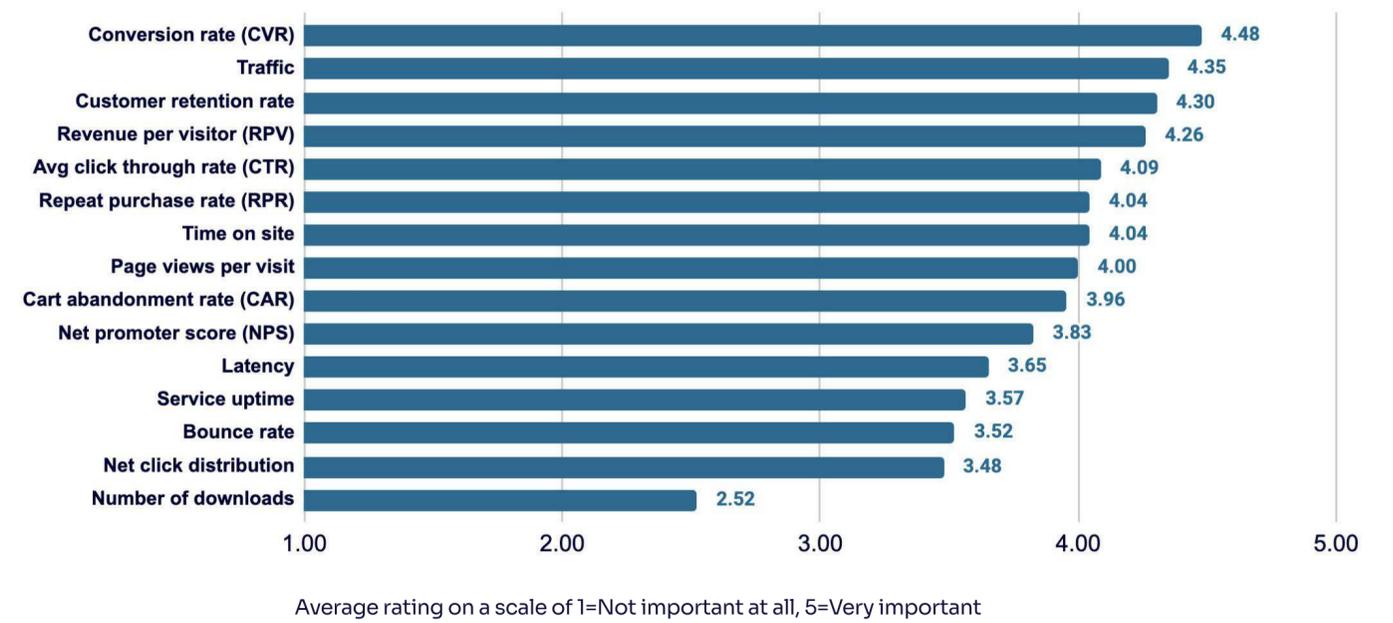




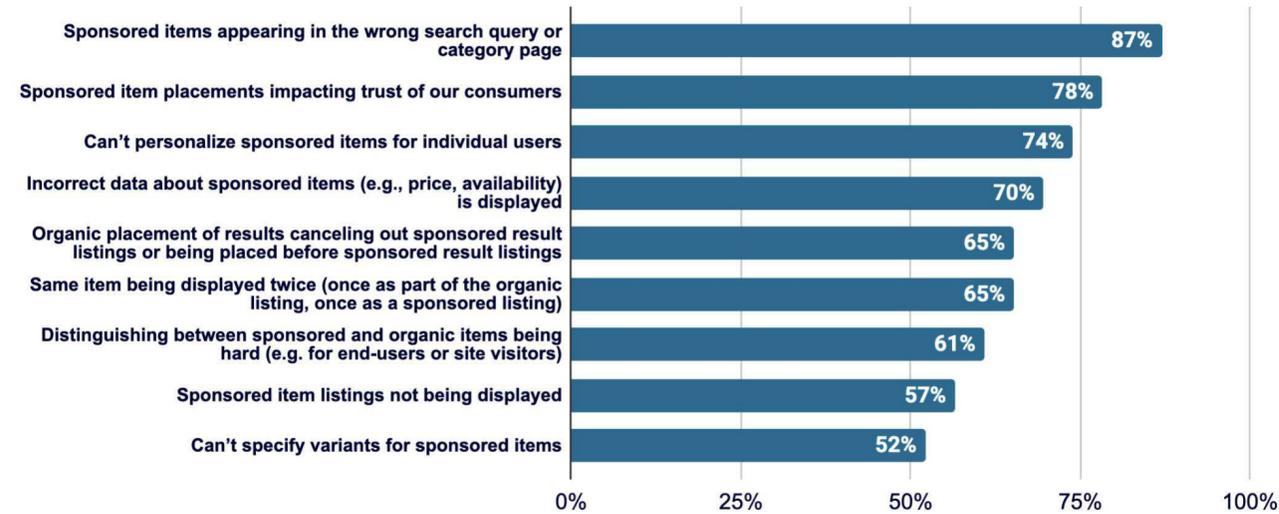
Retail media strategies purchased



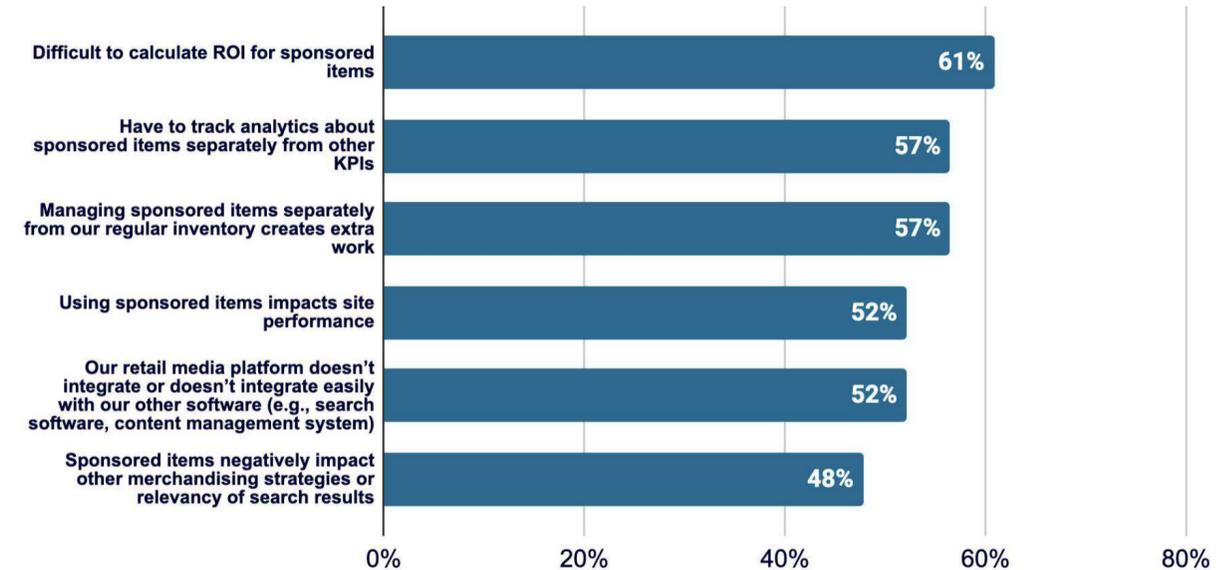
KPIs for data monitoring and analytics



Challenges with purchasing retail media

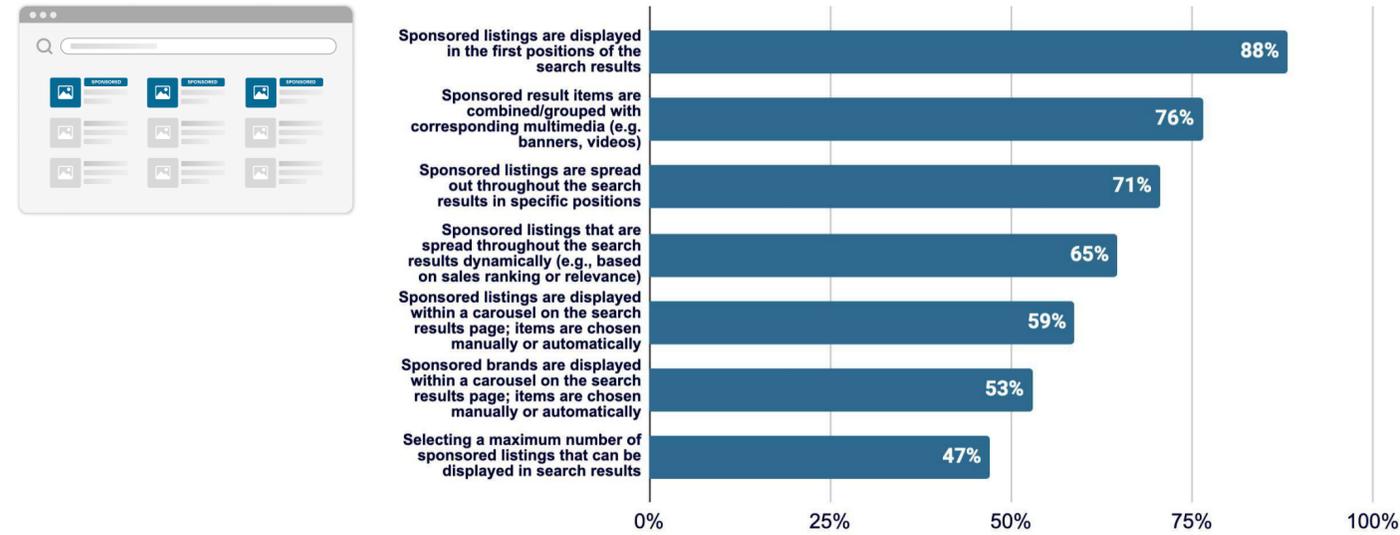


Challenges with maintaining retail media

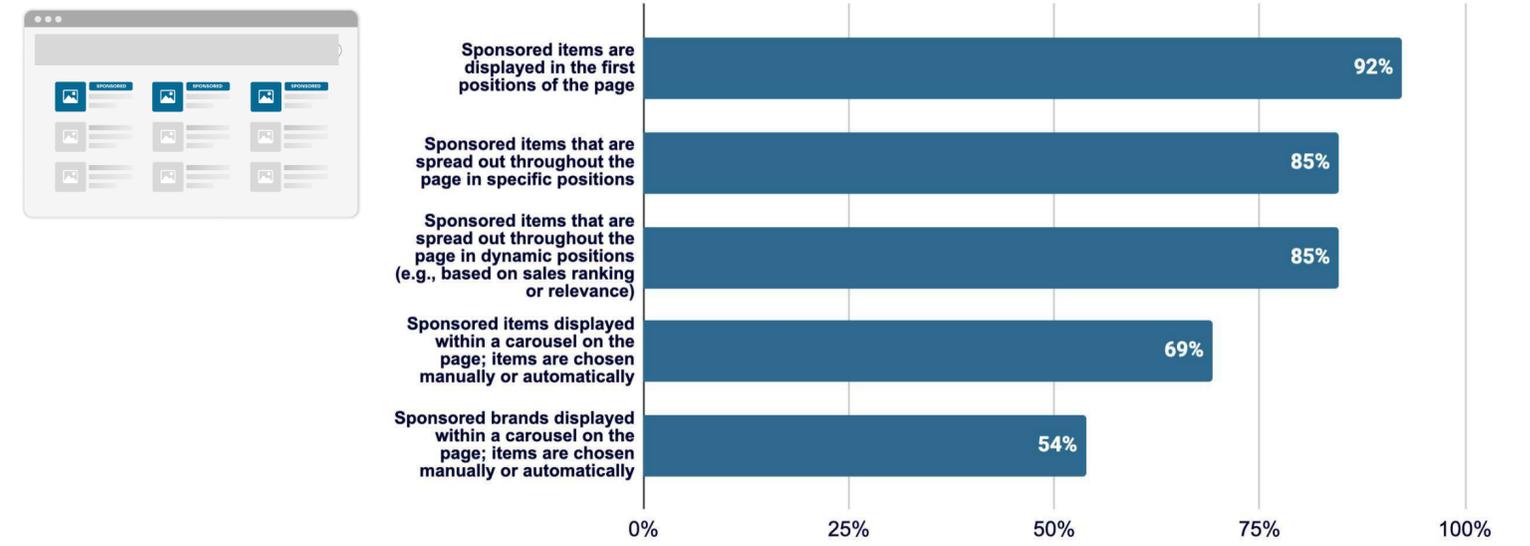




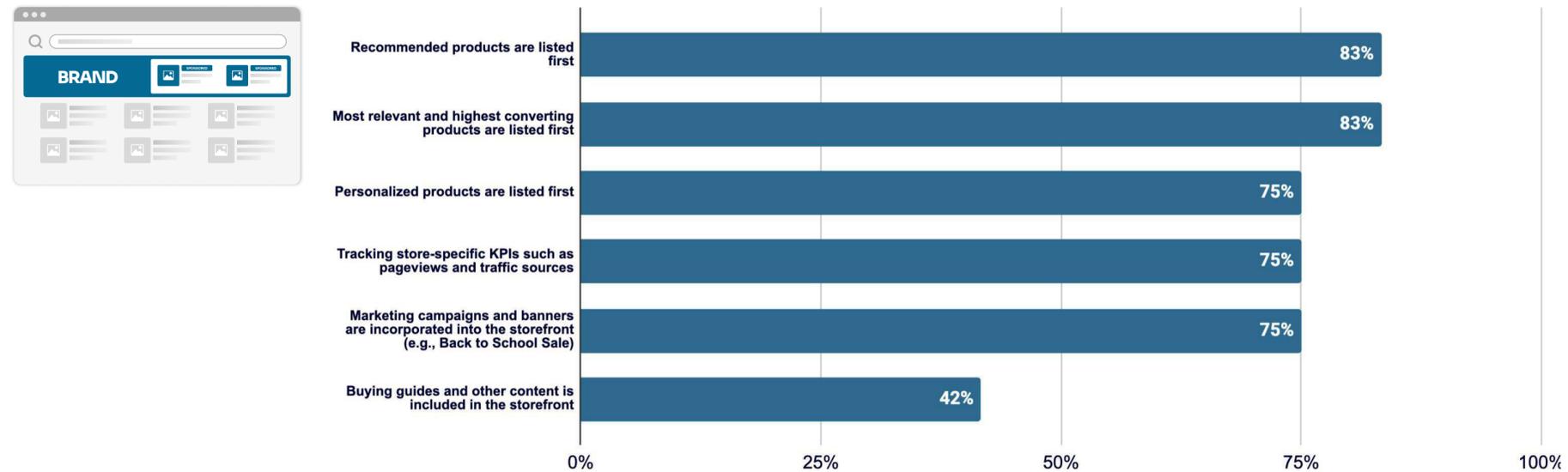
Top features: sponsored listings on search results pages



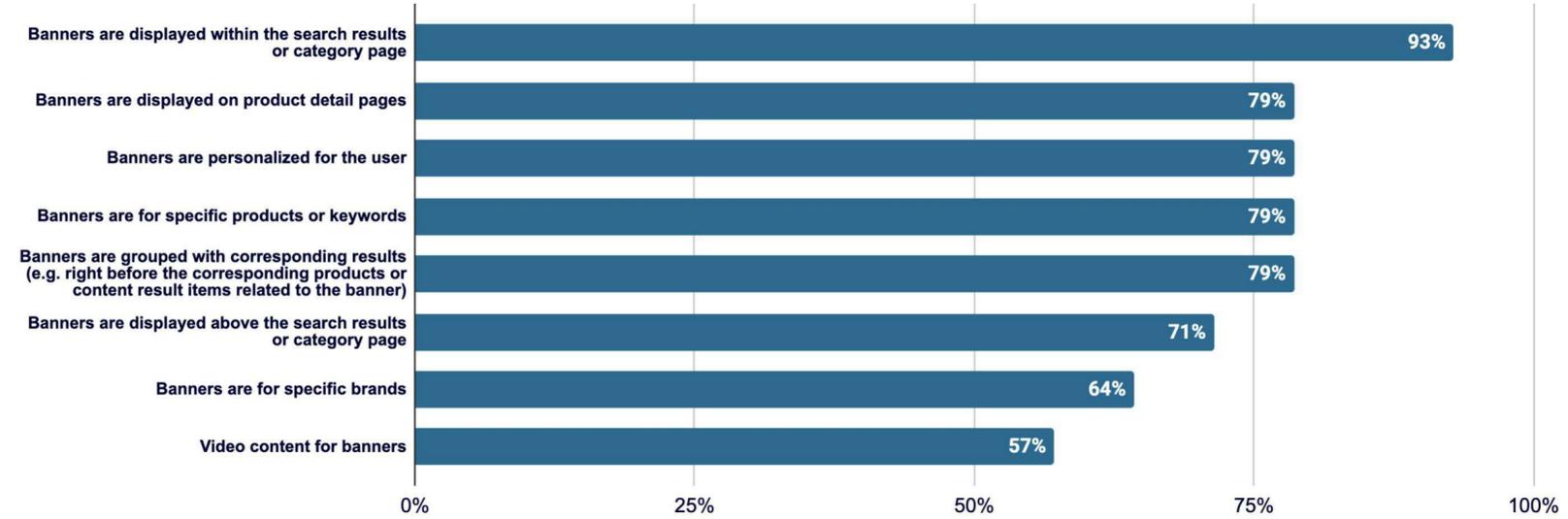
Top features: sponsored listings on specific pages



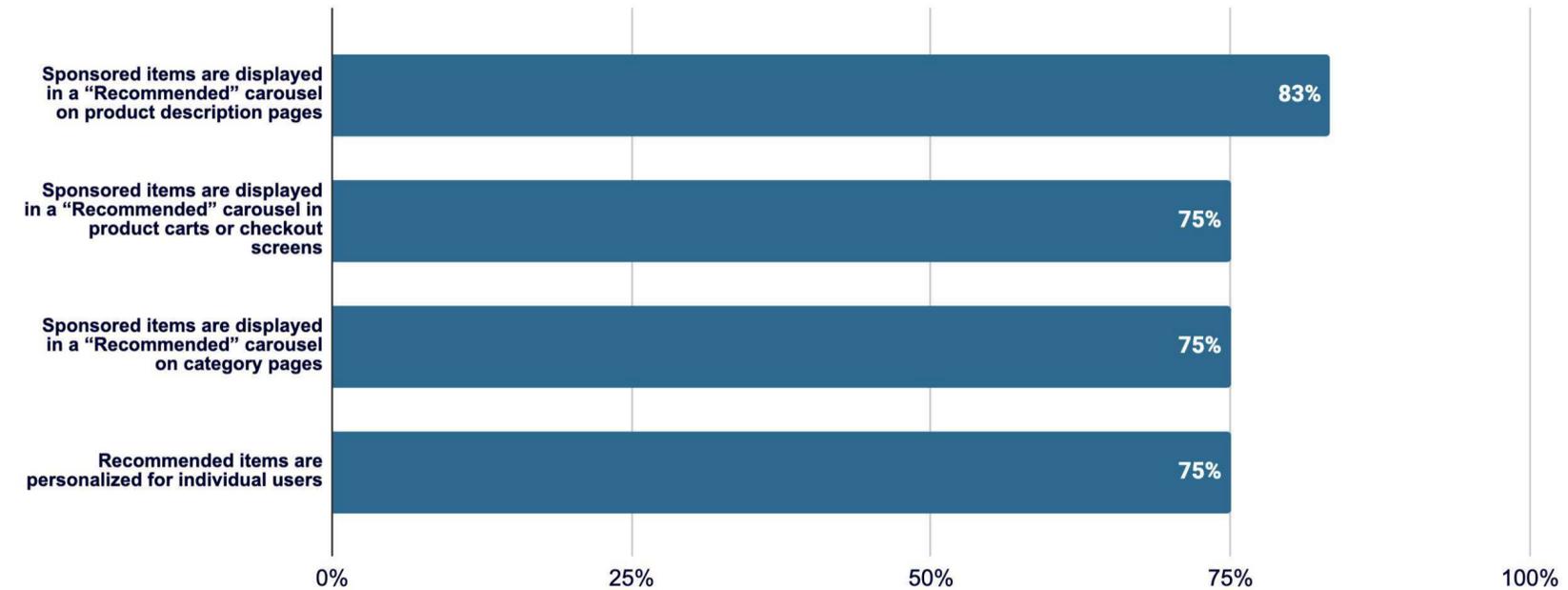
Top features: branded storefronts within a marketplace



Top features: display banners



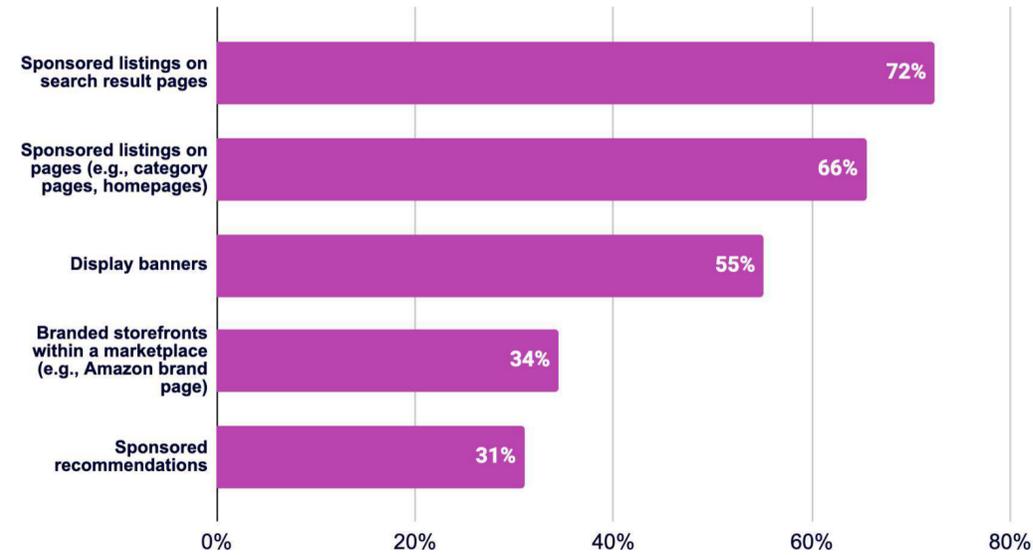
Top features: sponsored recommendations



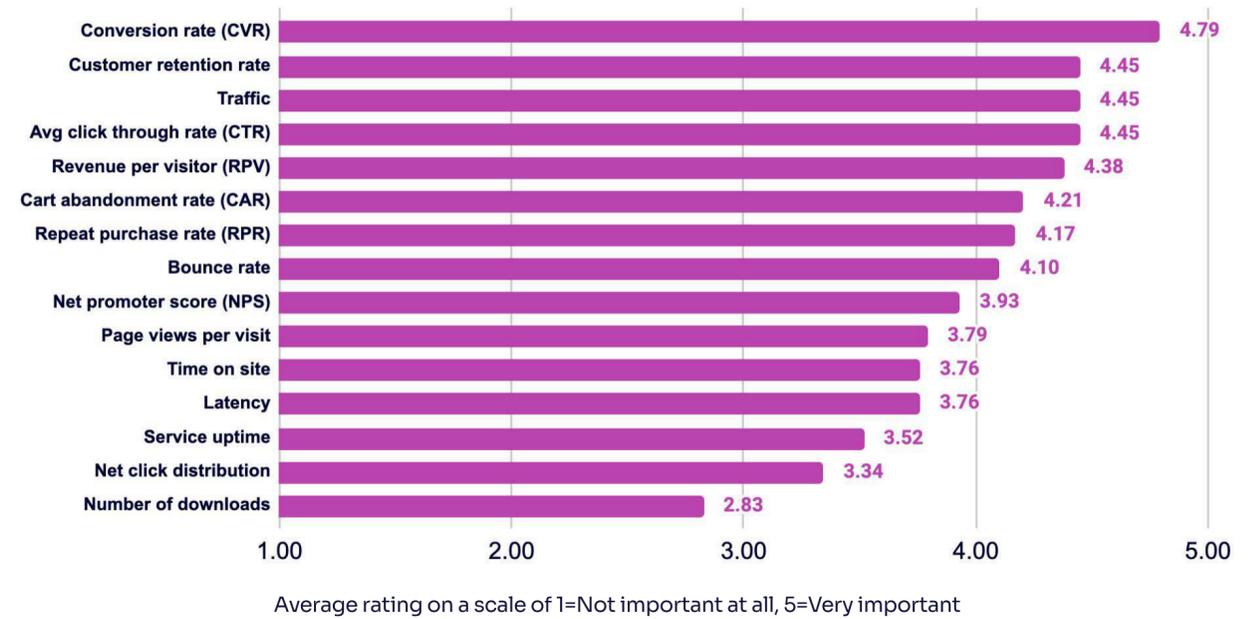
MID-MARKET



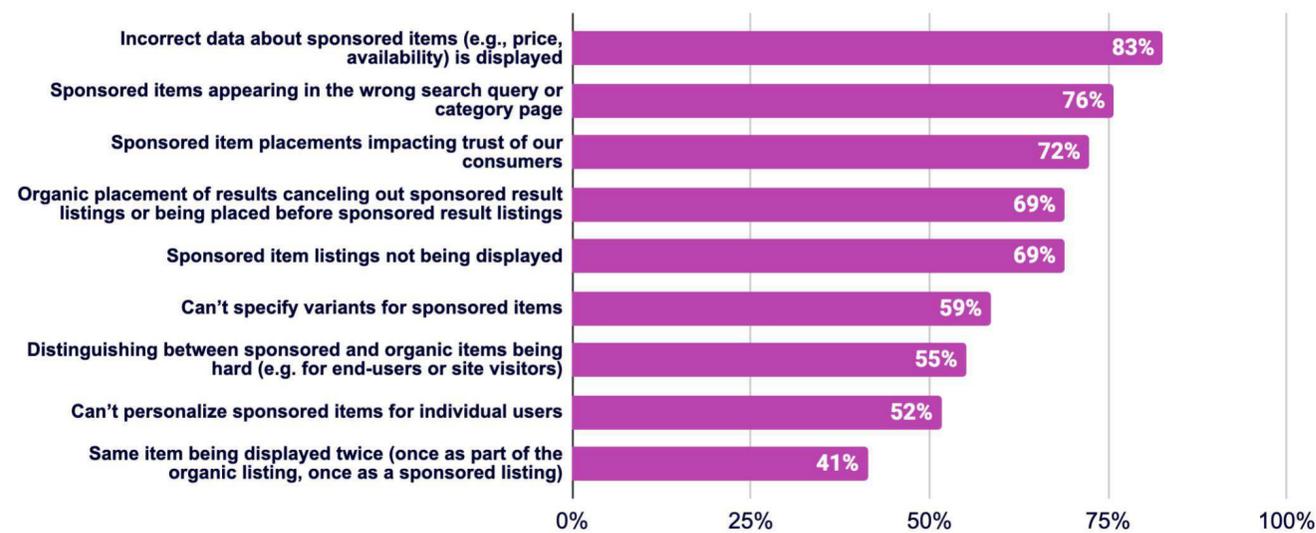
Retail media strategies purchased



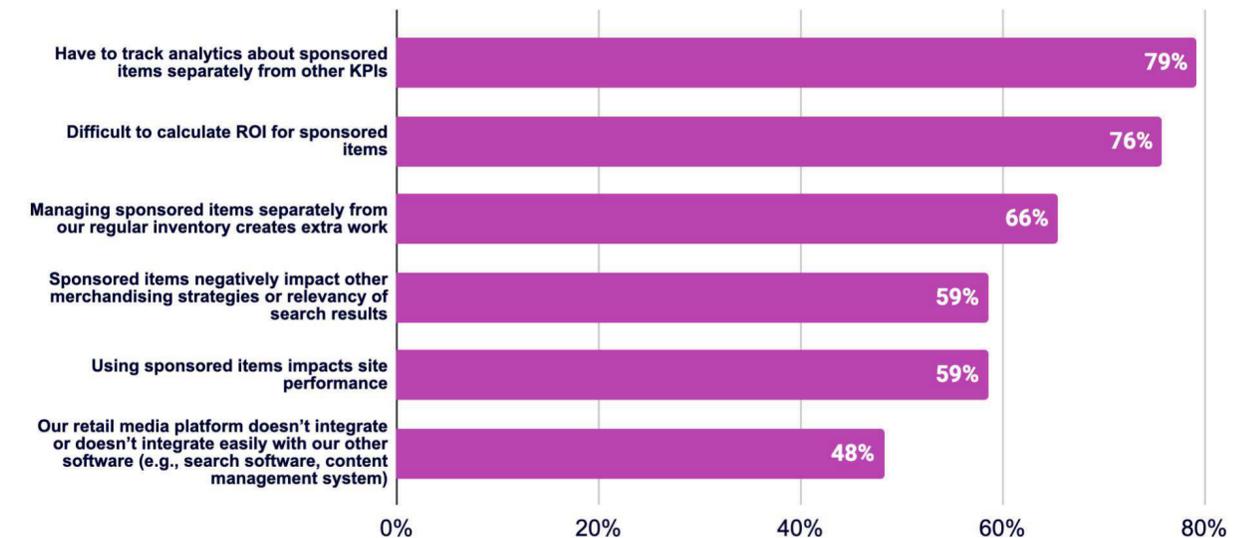
KPIs for data monitoring and analytics



Challenges with purchasing retail media



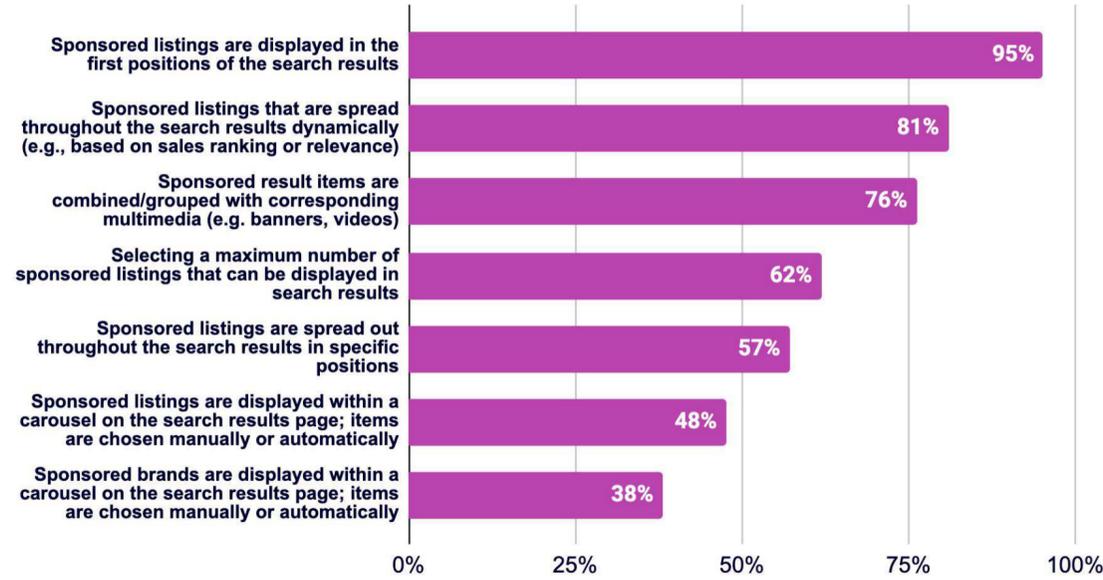
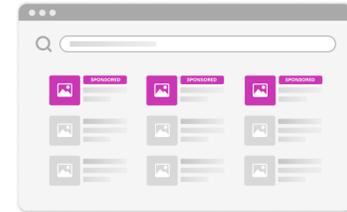
Challenges with maintaining retail media



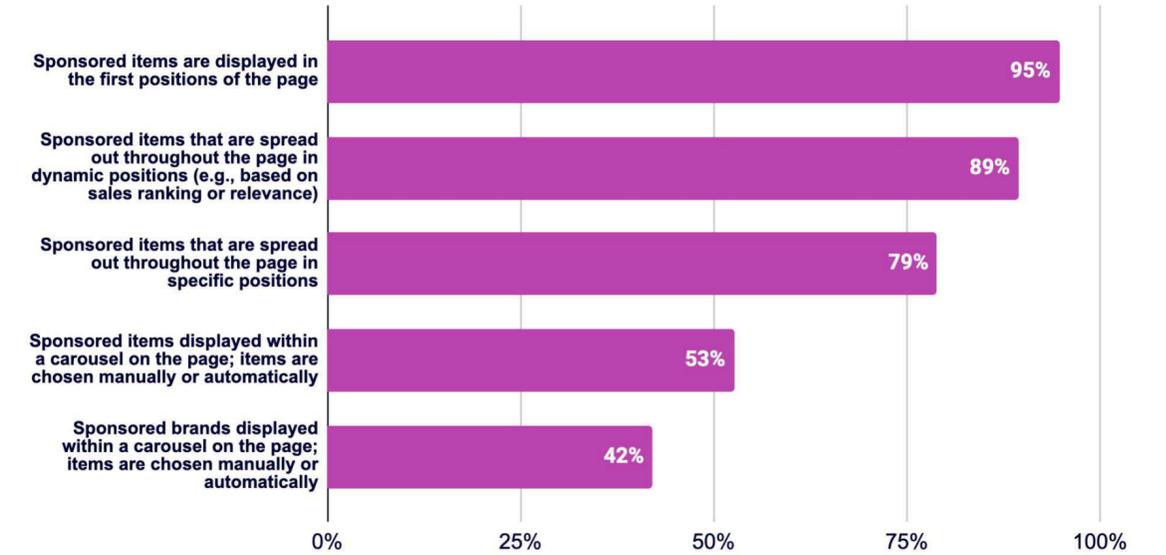
MID-MARKET



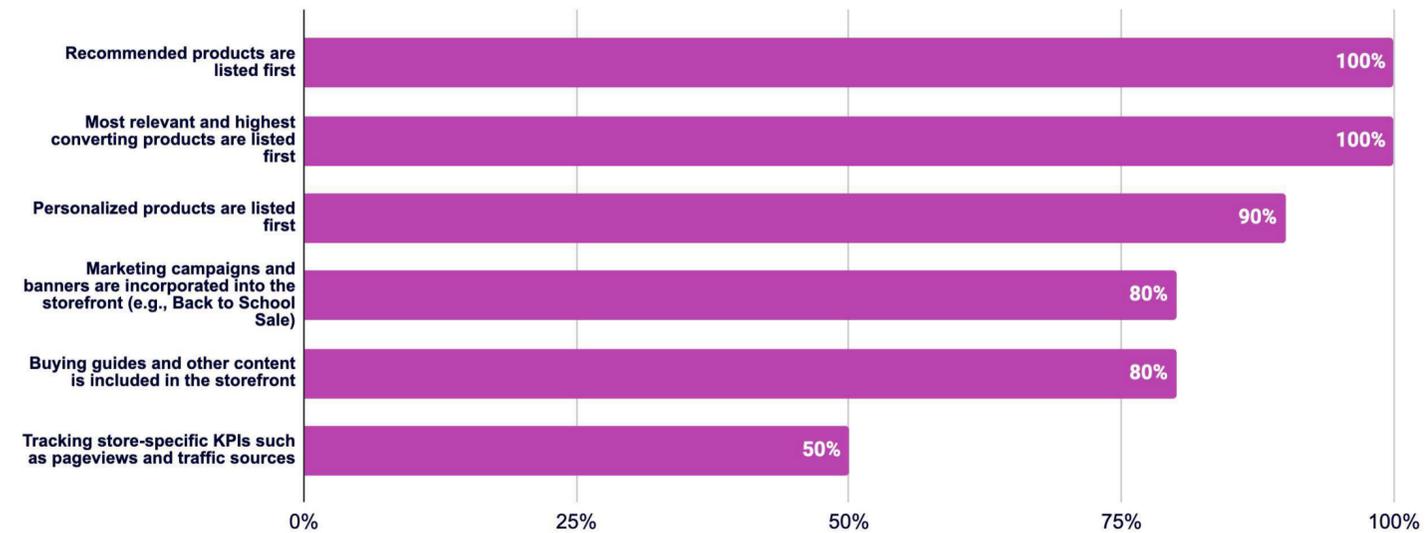
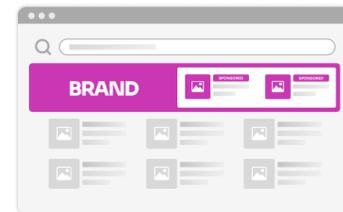
Top features: sponsored listings on search results pages



Top features: sponsored listings on specific pages

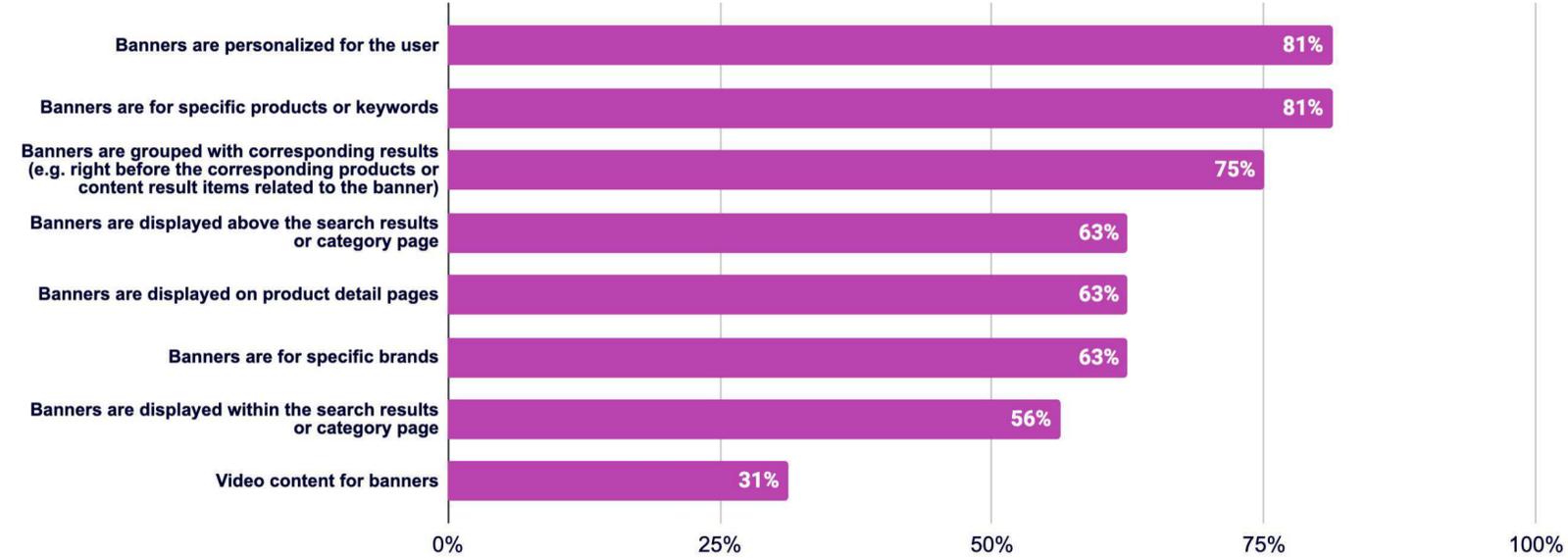
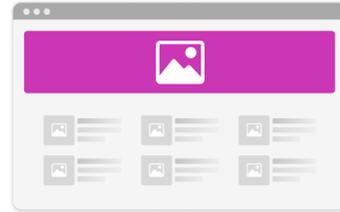


Top features: branded storefronts within a marketplace

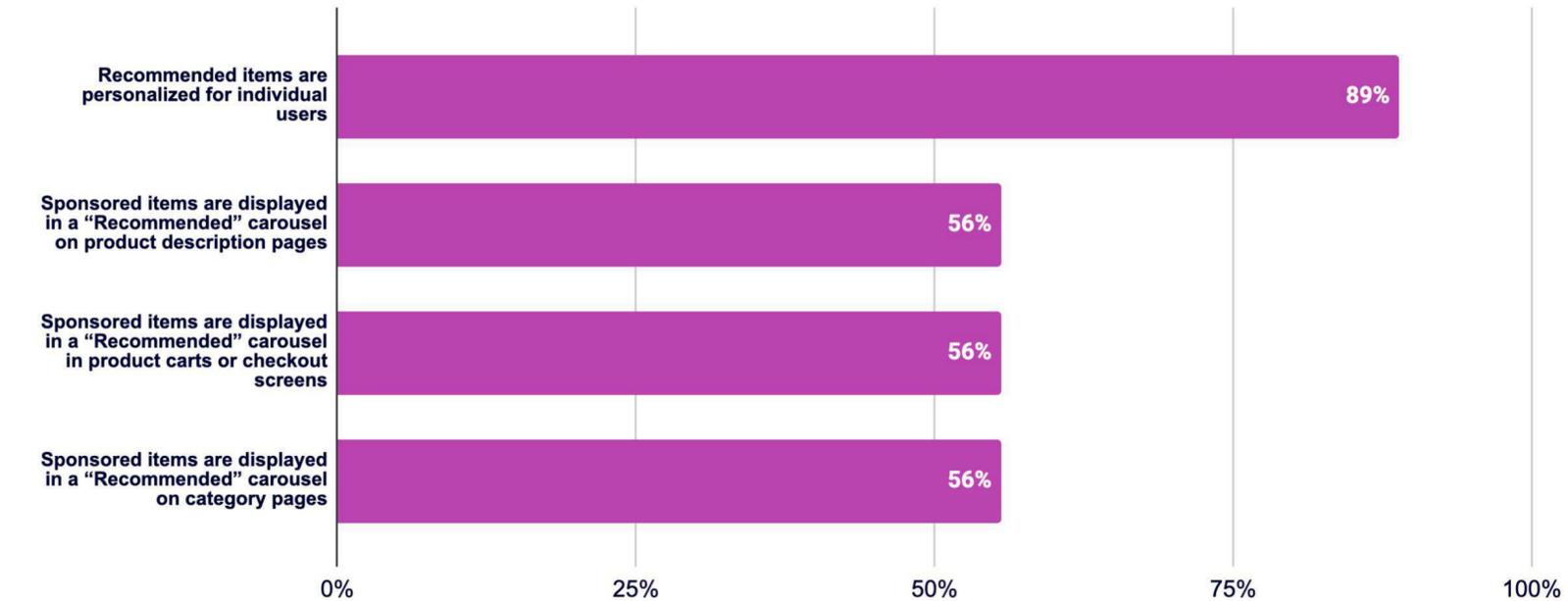




Top features: display banners



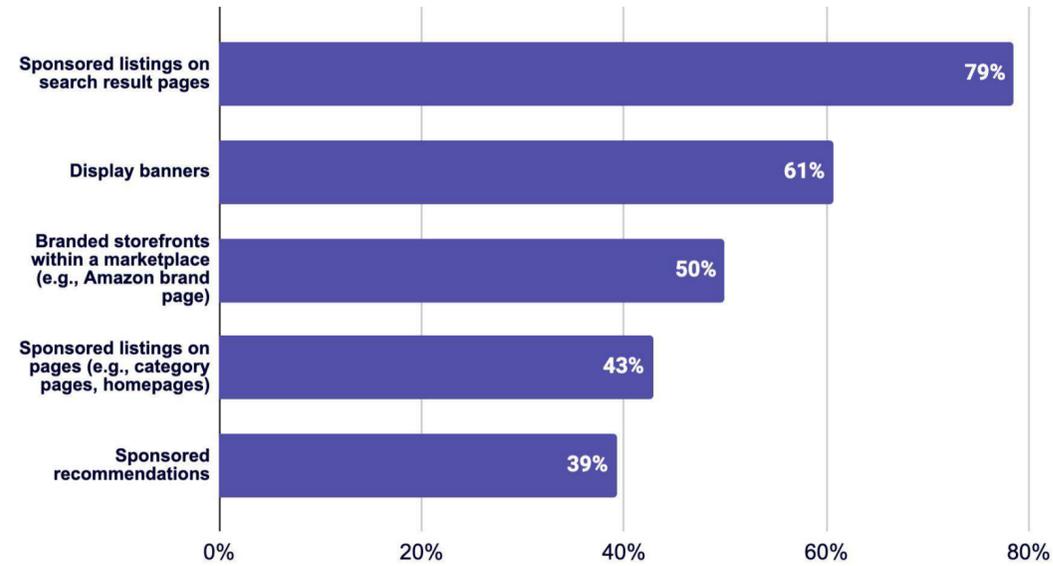
Top features: sponsored recommendations



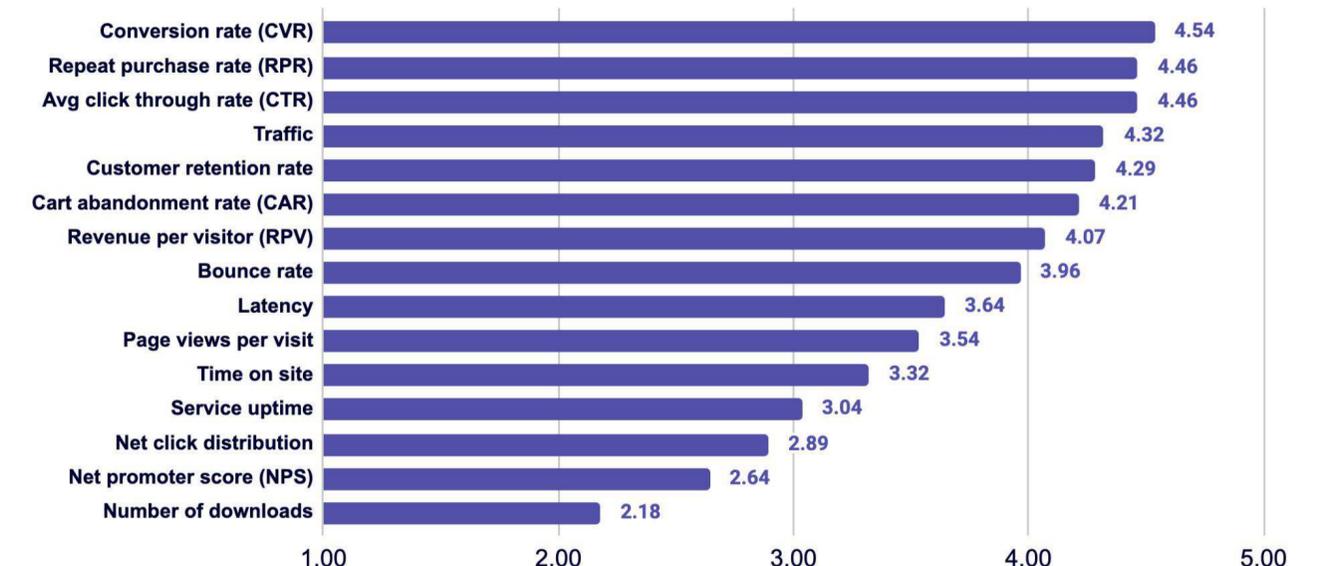
SMALL BUSINESS



Retail media strategies purchased

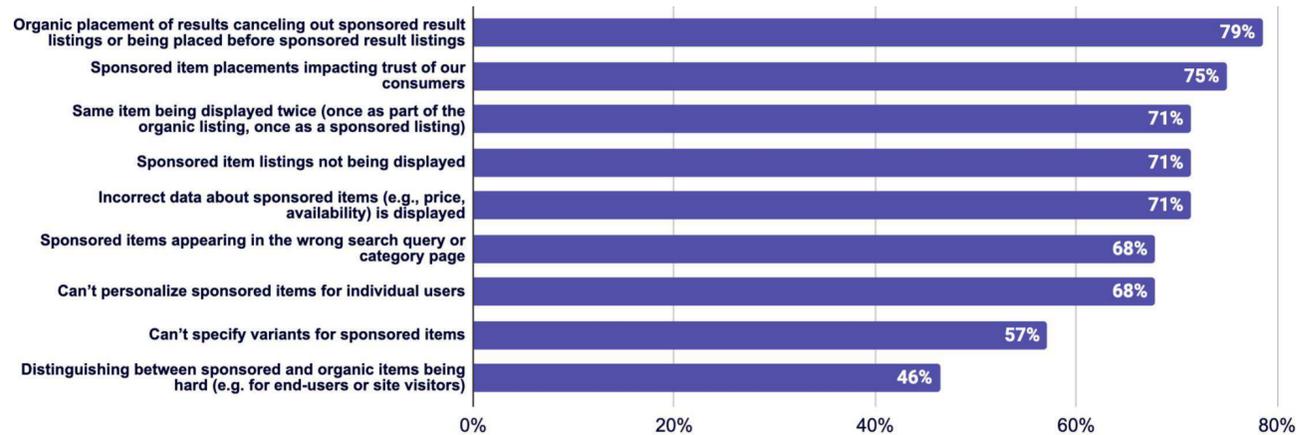


KPIs for data monitoring and analytics

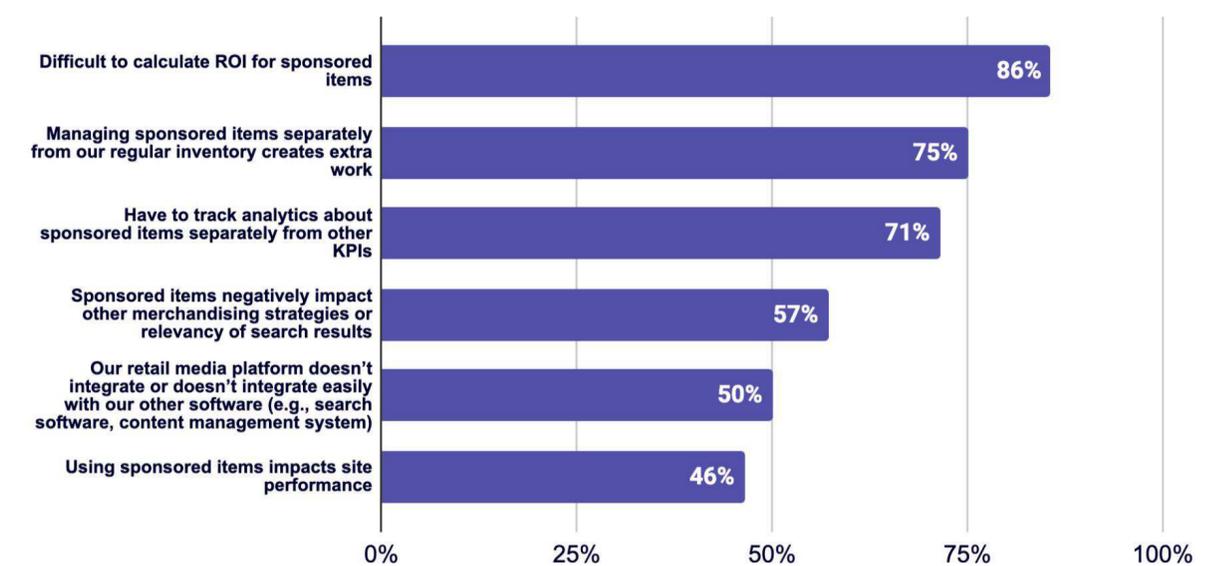


Average rating on a scale of 1=Not important at all, 5=Very important

Challenges with purchasing retail media



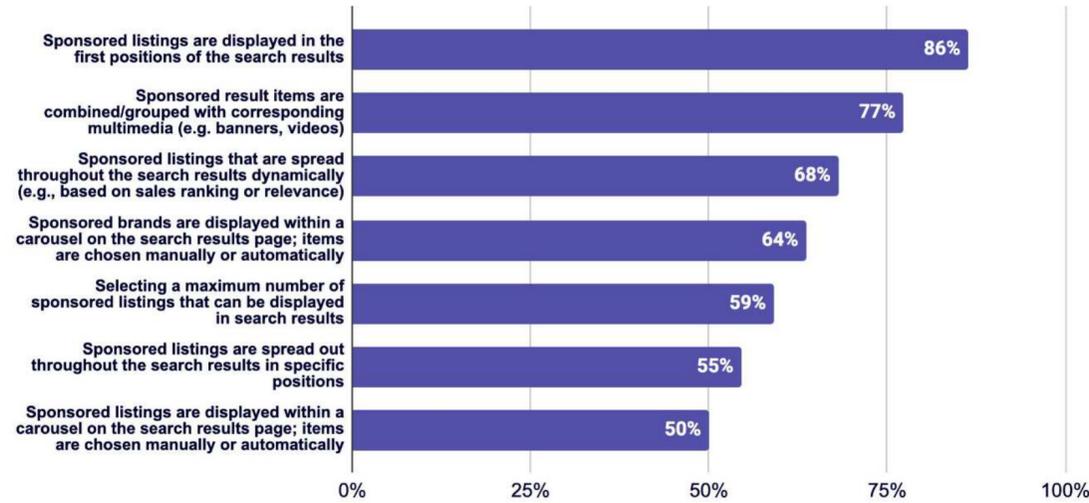
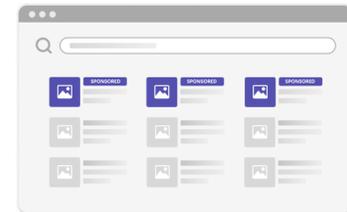
Challenges with maintaining retail media



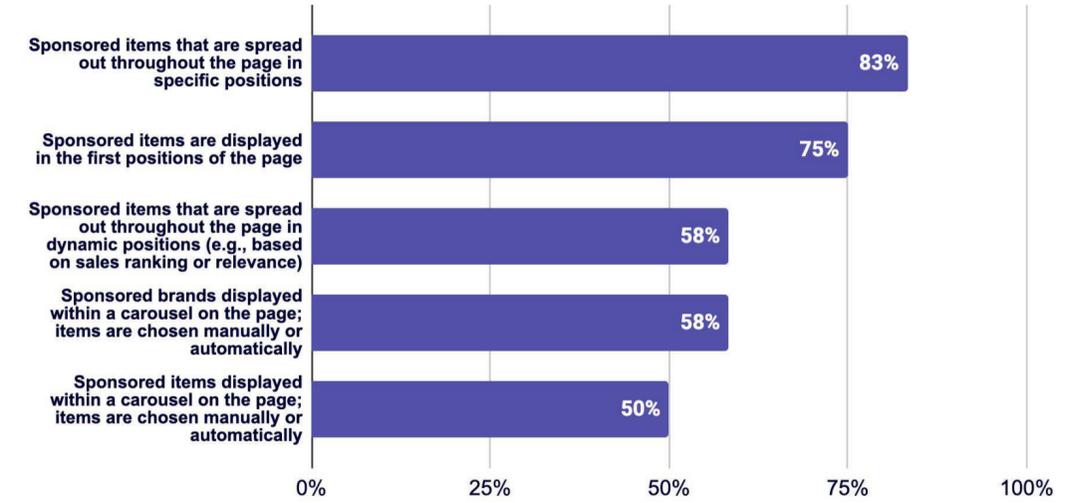
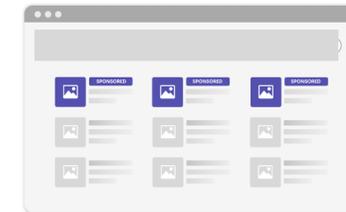
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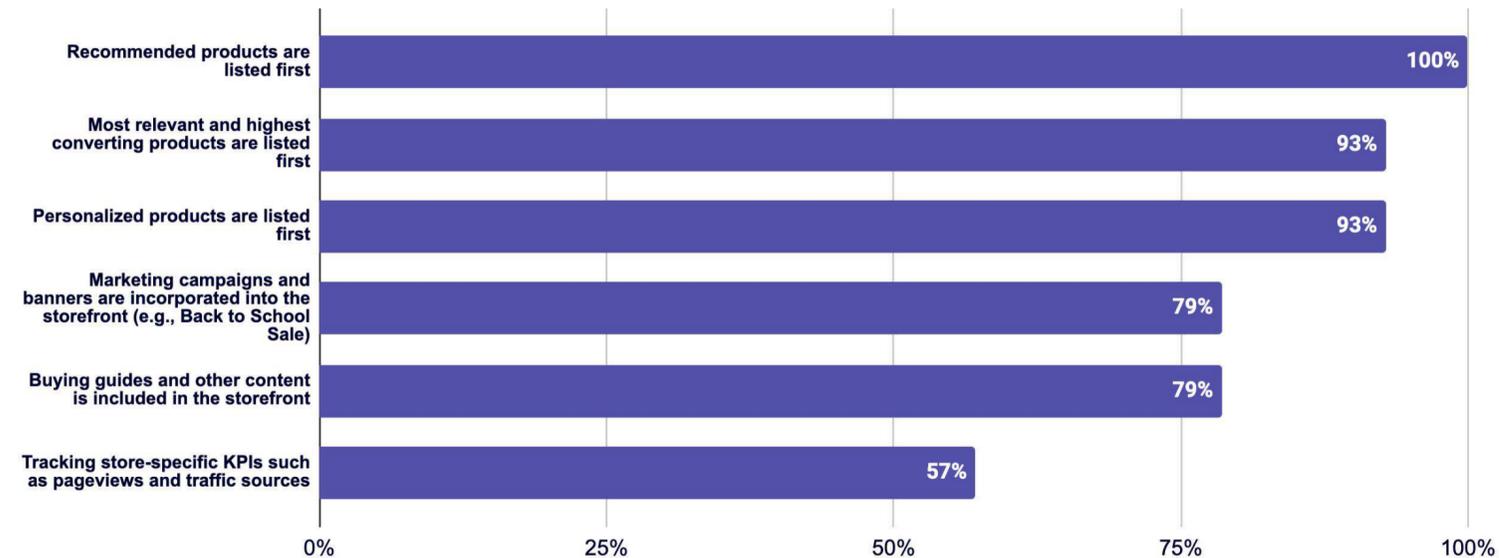
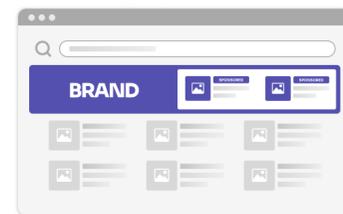
Top features: sponsored listings on search results pages



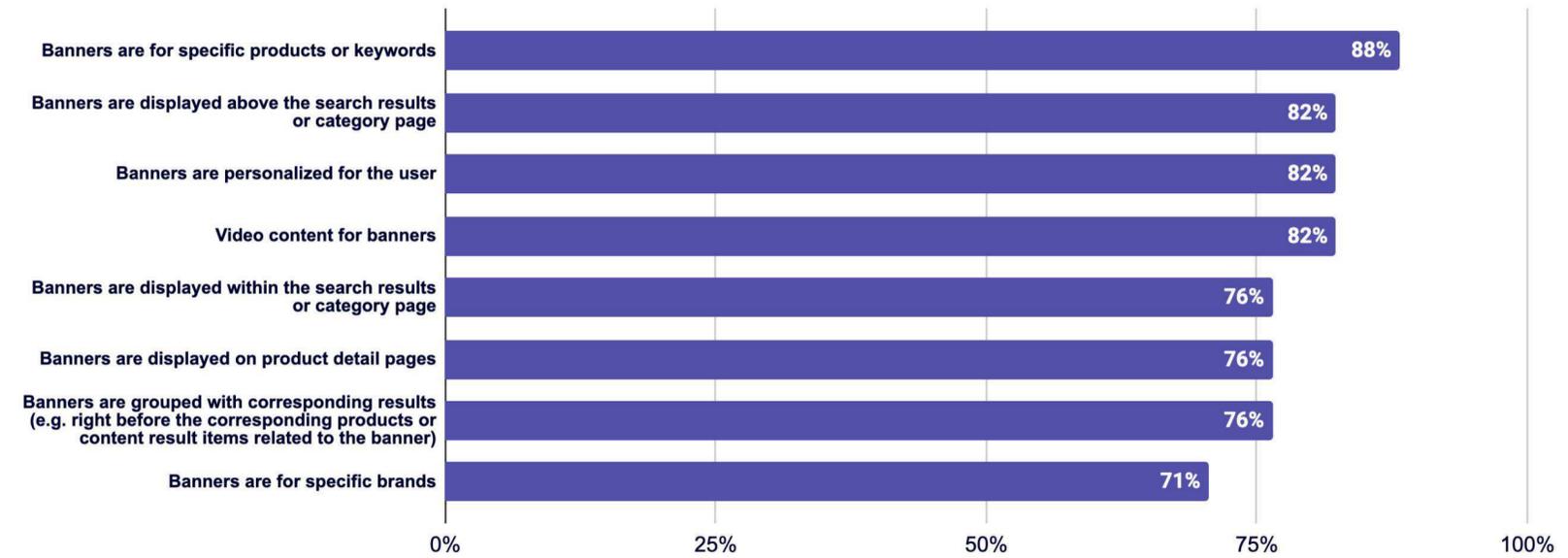
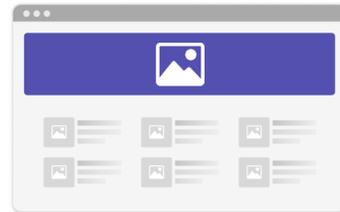
Top features: sponsored listings on specific pages



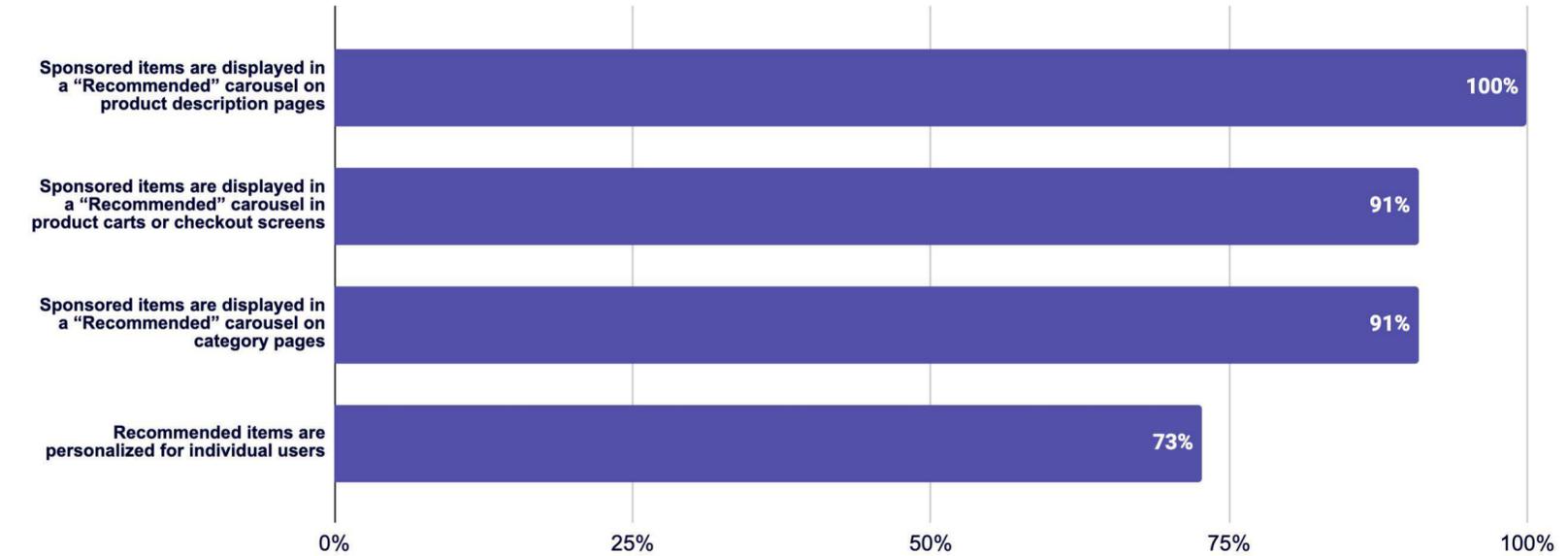
Top features: branded storefronts within a marketplace



Top features: Display Banners



Top features: Sponsored Recommendations





CONCLUSION



CONCLUSION

With retail media's year-over-year growth, it is emerging as an additional revenue stream for both retailers and ad purchasers within almost every industry.

From promoting major shopping events to long-term brand awareness, retail media is an essential addition to the digital marketing toolbox.

Retail media enables brands to reach shoppers at the moment of purchase intent, increasing conversion rates, and driving measurable sales. By leveraging first-party retailer data, advertisers can deliver highly targeted and personalized campaigns that improve efficiency and reduce wasted ad spend. At the same time, retail media strengthens your brand's visibility within a trusted shopping environment.

But ad purchasers need to be aware of the pitfalls associated with implementing retail media incorrectly to avoid eroding consumer trust. Oversaturation and display issues can undermine both product and site credibility, ultimately weakening consumer loyalty and long-term relationships.

Thinking strategically when purchasing retail media is a critical step in harnessing the full opportunities of first-party retail data and sponsored content. But success depends on robust data monitoring and analytics to evaluate outcomes as well as continuous experimentation to refine and optimize your strategy.

Teams that master the complexity of retail media can gain a significant competitive advantage in navigating this rapidly evolving landscape. By building your team's expertise to optimize campaigns effectively, you'll be better positioned for strong performance and long-term success.



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Research & Insights