



AW20

Commerce Media: Shaping the Future of Advertising and Marketing

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INTRODUCTION

Commerce Media is reshaping digital advertising by helping brands connect with consumers in a world increasingly driven by data and commerce. By leveraging retail data alongside advanced targeting, it's become a key force in marketing, enabling brands to reach customers at critical touchpoints in their purchasing journey.

This report dives into what Commerce Media is, why it's becoming so important, the trends shaping it today, and where it's headed in the near future.

What is Commerce Media?

Commerce Media combines retail, data, and advertising to create a targeted and results-driven marketing approach. At its core, it uses first-party customer data—often gleaned from retailers and online marketplaces—to deliver advertising that's not just relevant, but measurable. Unlike traditional advertising, which aims for broad visibility, Commerce Media focuses on driving specific actions like product purchases, in-store visits, or shopping cart additions, directly linking ad spend to outcomes.

Many specialist platforms are leading the way in Commerce Media, and enabling businesses to craft highly targeted campaigns based on real-time consumer behavior. By leveraging both online and in-store purchase data, these platforms help advertisers make smarter decisions and optimize their spend for better, more tangible results.

The significance of this ecosystem cannot be overstated. As **George Musi**, Chief Business Officer at Night Music, explains, "Commerce media has been fastest, largest acceleration of digital that we've seen to date. It has surpassed search and display tenfold. It has rapidly evolved, and it's continuously evolving to the pace that it is creating a 100 billion dollar global market."



SIGNIFICANCE IN THE MARKETING AND ADVERTISING LANDSCAPE

Commerce Media's rise is driven by two key factors: the shift toward performance-driven marketing and the decline of third-party cookies.

With growing pressure to demonstrate ROI, advertisers are pivoting to campaigns that deliver measurable outcomes. Commerce Media fits perfectly into this narrative by bridging the gap between media impressions and actual sales.

Jacquelyn Baker, CEO of Omnicom Commerce Group, highlights how Commerce Media is transforming the advertising landscape, particularly for industries like consumer packaged goods (CPG). "I see commerce media taking the pole position in the overall landscape. Especially in certain verticals like consumer packaged goods, where consumers are living and breathing those brands in retail environments. Awareness, consideration, and



Jacquelyn Baker
CEO, Omnicom Commerce Group

conversion are happening simultaneously in those places and spaces. And so you're no longer sort of siloing your media investments for awareness in one area, consideration in another, and conversion in another."

Daniel Perez, CMO of InMarket, underscores the importance of personalization as a driving force behind Commerce Media. He observes, "When we look at personalization this year, it's all about real-time relevance. It's really about going beyond the who and the what of consumer behavior and understanding why they shop, what motivates them, and when and where to best reach them."

This focus on real-time, behavior-driven insights is enabling marketers to deliver campaigns that resonate deeply with their audiences and drive meaningful outcomes.



Daniel Perez
CMO, InMarket

CURRENT TRENDS IN COMMERCE MEDIA

1. THE RISE OF MEDIA NETWORKS

Many corporations are focused on expanding their retail media networks. Retailers such as Walmart, Target, and Kroger are turning their websites, apps, and in-store digital displays into advertising platforms, as are United Airlines, a major player in the travel space. These networks allow brands to place sponsored product ads, banner ads, and personalized recommendations directly where consumers are shopping, maximizing relevance and conversions.



2. SHOPPABLE MEDIA & VIDEO

Interactive, shoppable ads are booming on platforms like Instagram, TikTok, and YouTube. These formats allow consumers to purchase products directly from the ad, reducing friction in the buyer's journey and driving impulse purchases.

3. PROGRAMMATIC COMMERCE MEDIA

Programmatic advertising is playing a larger role in Commerce Media. Brands are leveraging automated systems to bid on premium ad inventory across retail platforms in real-time, improving efficiency and scalability.



4. AI-DRIVEN PERSONALIZATION

AI-powered personalization is revolutionizing commerce media by helping brands deliver highly relevant, customized experiences that meet the unique needs of individual consumers in real time.

With AI, businesses can analyze customer behavior, anticipate future actions, and provide instant, personalized recommendations. This technology also ensures a smooth and consistent experience across various touchpoints—whether shoppers are browsing online, using mobile apps, or visiting physical stores. By harnessing consumer data, brands can create messages that feel personal and relevant, no matter where or how their audience interacts with them.

However, ethical considerations remain essential. Being transparent about data use and obtaining clear consent are critical for building trust with customers. By prioritizing both privacy and personalization, AI-driven strategies are opening up new possibilities for deeper engagement and long-term loyalty.



5. NON-TRADITIONAL COMMERCE MEDIA PLAYERS

While Retail Media Networks have been the dominant force in Commerce Media, non-traditional players are increasingly entering the space and reshaping the ecosystem. Companies outside traditional retail, such as streaming platforms, travel brands, and financial services, are now leveraging Commerce Media strategies to engage their audiences where they spend the most time.

Streaming platforms like Netflix and Disney+ are beginning to integrate ad-supported tiers, offering brands the opportunity to run personalized, interactive, and even shoppable ads. Travel brands are using Commerce Media to deliver highly targeted campaigns that connect directly to bookings or travel-related purchases. Financial services companies are also leveraging Commerce Media by partnering with retailers and offering exclusive, data-driven promotions.



FUTURE EXPECTATIONS FOR COMMERCE MEDIA

- Unified Cross-Channel Attribution:

As the digital landscape becomes increasingly fragmented, brands are pushing for better integration of commerce media across all channels. There's growing demand for tools that accurately measure the impact of advertising across the full range of platforms.

- Emerging Technologies: Voice and AR Commerce Media:

Voice commerce, driven by platforms like Alexa and Google, and augmented reality (AR) are set to transform the way consumers shop. AR-powered ads will let customers virtually try on clothing or see how furniture fits into their homes – creating a truly interactive shopping experience.

- Focus on Sustainability and Ethics:

As consumers become more environmentally conscious, brands are using commerce media to promote sustainable and ethically sourced products. At the same time, transparent data practices and privacy-focused strategies are becoming essential to build and maintain trust with shoppers.

- Heightened Competition Among Retailers:

With commerce media growing rapidly, retailers are competing harder than ever to secure advertising budgets. Offering more precise targeting, higher ROI metrics, and innovative ad formats will become critical advantages for retail media networks looking to stand out.

Conclusion

Commerce media isn't just another marketing trend—it's a transformative approach that is redefining advertising and marketing. By delivering measurable results and leveraging first-party data, it provides brands with the tools to meet today's demand for accountability and personalization.

As Jacquelyn Baker points out, commerce media seamlessly connects awareness, consideration, and conversion within a single retail environment, fundamentally changing how brands allocate their marketing budgets. Daniel Perez emphasizes that success depends on not just knowing who your customers are, but understanding why they shop and how to engage them in real time.

For advertisers and marketers, the time to embrace commerce media is now. It's more than a way to reach audiences—it's a powerful tool to drive real business outcomes in an increasingly competitive, data-driven marketplace.

