



Retail Media Goes to the Movies

How the Convergence of Commerce Media & Video
Will Transform Shopping

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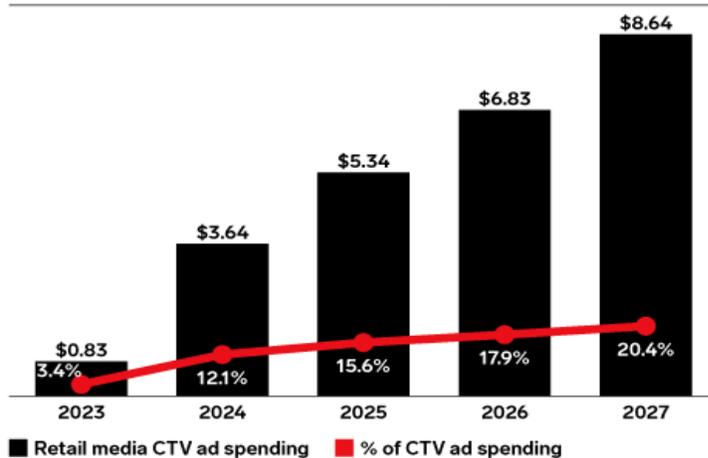
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1. The Convergence of Commerce Media and Video

US Retail Media Connected TV (CTV) Ad Spending, 2023-2027

billions and % of CTV ad spending



Note: digital advertising that appears on websites or apps that are primarily engaged in retail ecommerce or is bought through a retailer's media network or demand-side platform (DSP); examples of websites or apps primarily engaged in retail ecommerce include Amazon, Walmart, and eBay; examples of retail media networks include Amazon's DSP and Etsy's Offsite Ads; includes ads purchased through retail media networks that may not appear on ecommerce sites or apps

Source: Insider Intelligence | eMarketer Forecast, Oct 2023

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Insider Intelligence | eMarketer

The convergence of retail media and video is revolutionizing the advertising landscape, creating partnerships that benefit retailers, CTV platforms, brands, and consumers. This integration reshapes advertiser reach and enhances ad personalization and effectiveness. CTV platforms provide large-scale engagement opportunities, holistic user experiences, robust consumer relationships, and high-fidelity data for improved match rates. By combining shopper data with creative technology and comprehensive measurement and targeting capabilities, marketers achieve greater relevancy and results, leading to a more impactful and enjoyable viewing experience for streamers.

Currently, over 85% of households are CTV-enabled, showing a

growing preference for Ad-Supported Video On-Demand (AVOD) and Free Ad-Supported Streaming TV (FAST) due to competitive pricing and content variety. This shift is moving consumers away from traditional Subscription Video on Demand (SVOD) and enabling retail media networks to leverage first-party data for precise audience targeting. With the impending depreciation of third-party cookies, CTV's first-party data capabilities have become essential for impactful advertising—a trend that the pandemic has accelerated, with ad-supported streaming audiences surpassing cable TV in 2022. Forecasts predict this growth will continue, with an expectation of 195 million AVOD viewers by 2027, far surpassing the projected 91 million pay TV viewers.

"Leveraging retail data on CTV has been an exciting unlock for many of our brands - creating opportunities to reach highly valuable audiences in the most premium ad format and being able to close the loop with sales measurement." says Nikki Neary, SVP, Horizon Media "The opportunity is there not only for endemic brands, but non-endemics as well, as we're finding leveraging these rich data sets to reach audience personas can be just as valuable, if not more, than targeting more granular in-market or competitive segments"

Shoppable TV has been a topic of interest for over a decade, yet it hasn't achieved widespread adoption until recently. Historically, several barriers hindered its progress:

1. Consumer Readiness: Initially, consumers were hesitant to embrace shoppable TV due to unfamiliarity and comfort with traditional shopping channels. The transition to purchasing directly through a television interface was a significant shift from established consumer habits.

2. **Technology Limitations:** Earlier attempts at shoppable TV were plagued by technological constraints. These limitations included clunky interfaces, slow response times, and a lack of seamless integration between content and commerce, which led to a disjointed user experience.
3. **Lack of Data Integration:** The early iterations of shoppable TV lacked the sophisticated data analytics and targeting capabilities we see today. Without these tools, it was challenging to deliver personalized and relevant shopping experiences to viewers.

“However, the opportunity around shoppable TV is changing due to significant advancements in technology and shifts in consumer behavior. Modern smart TVs and streaming devices offer sophisticated, user-friendly interfaces that facilitate seamless interaction with content, including shoppable ads.” said David Cohen, CEO at IAB. *“These advancements, combined with increased consumer comfort with digital transactions—accelerated by the pandemic-induced surge in online shopping—have set the stage for shoppable TV’s growth.”*

The evolution of data analytics and targeting technologies has transformed shoppable TV into a personalized and engaging experience. Advertisers, leveraging robust first-party data and advanced analytics, can create targeted campaigns that resonate with viewers and drive sales. Retail Media has showcased the potential of first-party data as marketers seek alternatives to third-party cookies. Connected TV (CTV) exemplifies the success of first-party data, utilizing data clean rooms and collaboration technologies to unify brands, retailers, and media owners, enhancing experiences for their mutual customers.

“Retail media is all about reaching customers wherever they spend their time, like CTV, and giving brands visibility into their impact on the shopping journey. When used as part of an omnichannel campaign, CTV can connect customers with brands as they move through the funnel – from display, video, or search in a shopping app, to in-store placements,” said Ryan Mayward, SVP of Retail Media Sales for Walmart Connect.

For example, [Oikos, a Danone brand, worked with Walmart Connect](#) to test the effectiveness of connected TV for a campaign aimed at inspiring customers to make smart snack choices that give them energy and strength. The campaign resulted in 32% of units sold to New Buyers, while sales lift increased by an additional 18%. This illustrates the importance of taking an omnichannel approach to effectively target the right audiences at the right time throughout the customer journey.

Integrating CTV into retail media strategies offers advertisers an unparalleled opportunity to enhance brand visibility, engagement, and conversion rates across the consumer journey. To effectively leverage this integration, advertisers should consider:

- **Enhanced Data Utilization:** Retailers can leverage their customer data for more precise targeting on CTV platforms. Imagine a scenario where a viewer's online shopping behavior influences the ads they see on their smart TV.
- **Ethical Considerations and Consumer Privacy:** As data becomes increasingly central to advertising strategies, addressing privacy concerns and ethical considerations in data collection and usage are critical.
- **Seamless Omnichannel Experience:** Brands can create cohesive campaigns that customers encounter both on their TVs at home and on their smartphones or computers when shopping online, reinforcing brand messaging, and driving conversions.

- **Measurable Impact:** The combination of retail media and CTV allows for more accurate tracking of the consumer journey, measuring the impact of CTV ads when viewers later make a purchase on a retailer's digital platform.
- **Innovative Ad Formats:** CTV opens the door for interactive and innovative ad formats. Retailers can experiment with shoppable ads, where viewers can purchase products directly from their TV screen, further shortening the path to purchase.



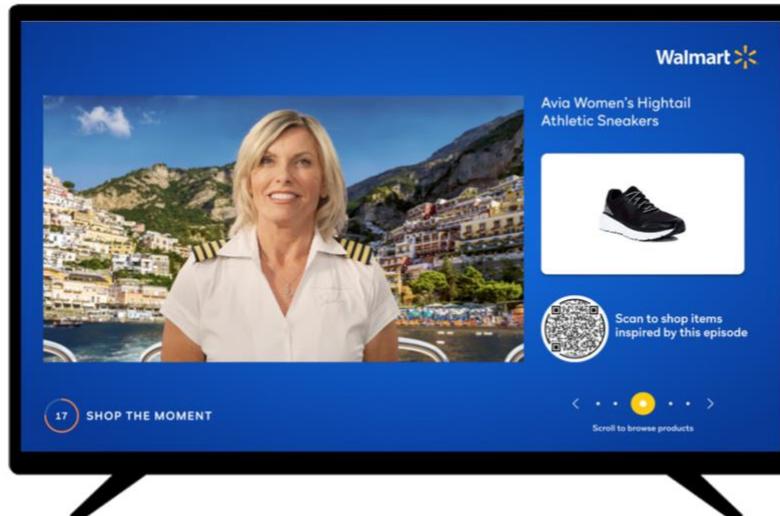
For example, a new razor brand wanted to find a more premium, higher attention alternative to social video to reach active Boots shoppers. The brand made an unmissable impact among Boots shoppers with its first-ever campaign on ITVX. Boots Media Group identified behavioral audiences and active female buyers aged 18-44 to reach with targeted ITVX ads across key show genres. The campaign resulted in a +18% conversion lift in their target audience and averaged 74% more than the control group.

“It’s great to see data used in new and exciting ways, but as more businesses start to leverage first-party, data privacy becomes a major concern,” said Devon

DeBlasio, Global Vice President, Product Marketing at InfoSum. *“Marketers need to retain full control and ownership over how their data is leveraged, by whom, for what purpose, and at what granularity. Once you expose or share customer PII there is no walking that back. Retail Media Networks that use clean room technology can safely collaborate with partners while retaining full control and privacy protection. This critical tech ensures data remains decentralized and obfuscated with minimal data movement when being used to generate insights and performance.”*

Marketers must remain flexible, adapting their strategies based on real-time data and emerging trends. This means having a fluid budget that can be redirected towards platforms and content types that are performing well.

“TV streaming partnerships allow brands to drive results from reach and awareness to action and loyalty – often with a single campaign,” says Lindsay Pullins, Director of Ad Revenue Strategy & Partnerships at Roku. *“While still early days in CTV and Retail Media, brands like Red Baron are seeing a boost in household penetration of new and lapsed users through Retail Media partnerships that make it possible to match exposed viewers to in-store and online sales.”*



In another example, last November, NBCUniversal and Walmart united to enable Bravo fans to 'Shop the Moment' on Peacock for the first time. The partnership allowed viewers to shop Walmart on Bravo's "Below Deck Mediterranean" season 8 on Peacock. Powered by KERV, 'Must ShopTV' used AI technology to identify objects within the scene of a show, enabling viewers to shop products featured in or inspired by the content they're watching. So, after the chief stew served the sit-down dinner using dishware, viewers were served a shoppable ad unit where they could shop similar dishware on Walmart's site. Items were paired with Walmart's inventory, so viewers only saw options that were readily available to purchase.

Developing an Effective Video Strategy

By leveraging Retail Media data, brands can target their CTV campaigns more efficiently, focusing their investment on impactful impressions and avoiding those that don't yield results.

"The combination of first-party data and sales attribution tracking, unique to Retail, along with the impact of video content on large screens, creates a winning formula for advertisers and agencies to achieve their awareness and conversion goals at scale," said Jonatan Fasano, Head of Product at Walmart Connect Mexico. "Given the exponential growth of CTV and Addressable TV audiences, and the omnichannel nature of retail, we are witnessing a new way to understand the impact of advertising on TV consumption. First-party data, based on a cookieless ID that is interoperable between retail media and various CTV players, will be crucial for a promising future where user identification and attribution measurement will become scarce capabilities."

Object-Level Contextual Relevance & Brand Suitability in Video Content



- **Strategic Objective Alignment:** Define brand-specific media objectives by analyzing the entire consumer journey, from awareness to conversion. Utilize lower funnel KPIs for brand awareness and affordability goals, and upper funnel KPIs for complex, high-value offerings. Prioritize a consumer-centric approach, understanding and adapting to evolving consumer preferences for personalized and seamless shopping experiences.
- **Identify Shoppable Moments:** Leverage technology to identify and create ideal shoppable moments within content, ensuring these are strategically placed and do not overwhelm the viewer. Balance the frequency and placement of shoppable elements to maintain viewer engagement without compromising the viewing experience.

"A holistic audience-first approach is really what enables CTV to stand out versus some other emerging Retail Media offerings. The ability to combine purchased-based audiences and interest-based audiences (i.e.: gaming and sports viewing) enables brands to find the coveted younger/gen Z audiences in new ways and truly show NTB (New to Brand) incrementality," said April Carlisle, EVP, Commerce, Spark Foundry.

- **Product Relevance and Availability:** Ensure continuous alignment of shoppable moments with real-time product availability, featuring items that are in stock and relevant to the viewer's interests and current content context. This alignment enhances the user experience, making shopping via CTV more intuitive and efficient.
- **Integrated Technological Solutions:** Utilize advanced technologies, including AI-driven personalization and omnichannel activation platforms, to deliver interactive and engaging content. This approach should seamlessly blend commerce with content, providing a unified and dynamic consumer experience across all touchpoints.

- **Adaptability and Balance in Creative Strategy:** Maintain an agile media planning and creative strategy that can quickly respond to market changes and consumer behavior insights. Strive for a balanced approach in advertising that effectively builds brand awareness while driving conversions, tailoring strategies to the nuances of the target audience and product specifics.

"This leads to more targeted CTV buys, which can help decrease cost per unique household, increase campaign reach, and drive cost savings for brands.", said Benedict Wagstaff, Senior Director of Business Development at The Trade Desk. "We've seen that when CTV is leveraged alongside other channels it drives additional efficiencies for retailers and brands - decreasing time to convert up to 160% while requiring an average of 60% less impressions to drive conversion."



For example, Paramount Australia recently launched a KERV-powered 'Pause to Shop' Connected TV experience during Australian Survivor. This innovative feature allowed viewers to seamlessly watch, pause, browse, select, and shop for related products. When watching Survivor, viewers received an on-screen call-to-action prompting them to pause the show and explore Survivor merchandise available in the Paramount Shop. Early campaign results revealed an impressive 10.29% Product Level Scan-Rate, 10x higher than the industry benchmark. This strong performance demonstrates how the seamless integration of shoppable moments, combined with contextual relevance to the content, elevates the viewer experience and delivers increased engagement.

Understanding Challenges

The convergence of retail media and CTV does bring its own set of challenges and opportunities. For instance, it introduces complexities related to user interface design, cost efficiency, and strategic integration. As the landscape evolves, understanding these dynamics is crucial for brands to effectively navigate the challenges and harness the potential of CTV shoppable units, ensuring a seamless experience for consumers and a robust return on investment for advertisers.

CTV shoppable units present unique user interface (UI) challenges, with a purchase journey that is less streamlined compared to mobile or web experiences. Users often experience friction when navigating from the CTV platform to complete transactions, highlighting the need for a more integrated shopping experience. Advances in API-based technologies are beginning to address these issues, offering solutions that integrate seamless payment processing, personalized recommendations, and real-time inventory updates directly within the CTV interface. While these innovations are promising, many are still in the early development stages

yet hold the potential to significantly enhance user convenience and engagement on CTV platforms.

Marketers should also acknowledge that the cost of CTV advertising, at least for now, may not be as efficient as linear TV ads, according to Kelly Metz, Chief Investment Officer at OMD, *“You had this incredible brand-building medium at the right price in television that was built up over decades, and now you’re moving to a fully addressable medium with extreme scarcity. Until that scale increases and those price points drop, you’re still going to have a challenge there.”*

From a traditional standpoint, achieving cost-effective reach at a competitive scale presents challenges, particularly when leveraging CTV alone. This is primarily due to the higher CPM rates associated with CTV's premium content and targeted advertising capabilities. However, an emerging opportunity for FMCG brands lies in evolving beyond traditional demographic-based targeting towards a more nuanced understanding of consumer lifetime value. *“By transitioning from a CPM-centric approach to value-based bidding at scale, brands can more effectively allocate their advertising spend, ensuring that investments are directed towards engagements that offer the highest return on investment,”* said Lawrence Taylor, President & Wonder of Retail 4 Brands. *“This strategic pivot can unlock significant growth opportunities for brands, in particular FMCG, allowing them to leverage the full potential of CTV advertising by aligning spend with consumer value rather than mere impressions.”*

Despite the initial investment required for accessing and analyzing consumer data, the benefits of precise targeting and personalized messaging justify the costs. Employing metrics like view-through rates and engagement metrics is crucial for assessing the creative content's impact, ensuring that campaigns are not only compelling but also effective in driving results. However, when measuring the impact of CTV and Retail Media, it is imperative we tie engagement to incremental business outcomes such as site traffic and sales lift to close the loop beyond engagement on the TV screen and understand the impact of online and in-store activity. Brands should evaluate the long-term benefits of precise targeting against the initial expenditures, considering not just the campaign costs but the overarching value of first-party data for targeting, personalization, and closed-loop measurement.

Historically, FMCG behemoths like P&G and L'Oréal have dominated TV advertising, driven by the need for broad consumer reach to meet retail and production demands. The challenge of extending this reach on CTV is exacerbated by demographic limitations and suboptimal match rates, making it difficult to broaden audience engagement effectively.

“Brands now recognize that the polarized and fragmented US consumer landscape requires a diverse mix of platforms, audiences, and messages tailored to those audiences,” observed Bryan Gildenberg, CEO of Conflencer Commerce. *“And despite the buying limitations today, brands and retailers both realize the power of connecting watch data to buying data for targeting and closed-loop measurement is powerful - and that the hours of attention and consumed by CTV will continue to expand exponentially.”*

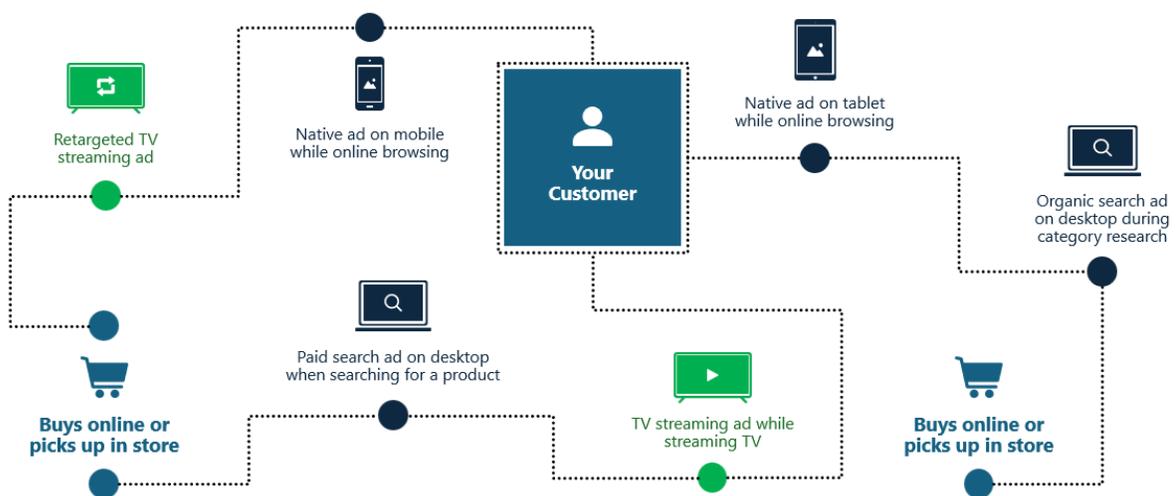
Another critical factor is maintaining brand tone and image consistency across all channels. By developing comprehensive brand guidelines that cover tone, visual style, and messaging, brands can ensure that their content remains consistent, regardless of the platform. This uniformity reinforces brand identity and aids in building a coherent and recognizable brand image across diverse media landscapes.

Best Practices for Creating Engaging CTV Ad Experiences

The growing prevalence of streaming and ad-supported environments is enhancing the opportunity to engage consumers with shoppable ads on CTV by prioritizing the integration of user interface (UI) design and payment processes. The transition from viewing to purchasing must be as seamless as possible to minimize friction and enhance user experience.

For example, Disney's Gateway Shop is a sophisticated shoppable ad format that elevates the interactive ad experience by accelerating commerce within streaming. This new approach, appearing in mid-roll ad breaks, seamlessly integrates a 15- or 30-second video spot with an interactive layer, providing viewers with a rich array of product information. It features a product carousel showcasing items and their prices displayed alongside the ad. Users have the convenience of sending checkout details directly to their phone or email or using a QR code to access the shopping site immediately. This innovation underscores streaming's shift towards ads that not only inform but actively drive sales, offering brands a tangible business outcome beyond traditional TV advertising metrics, and greater performance.

Understand the full-funnel consumer journey



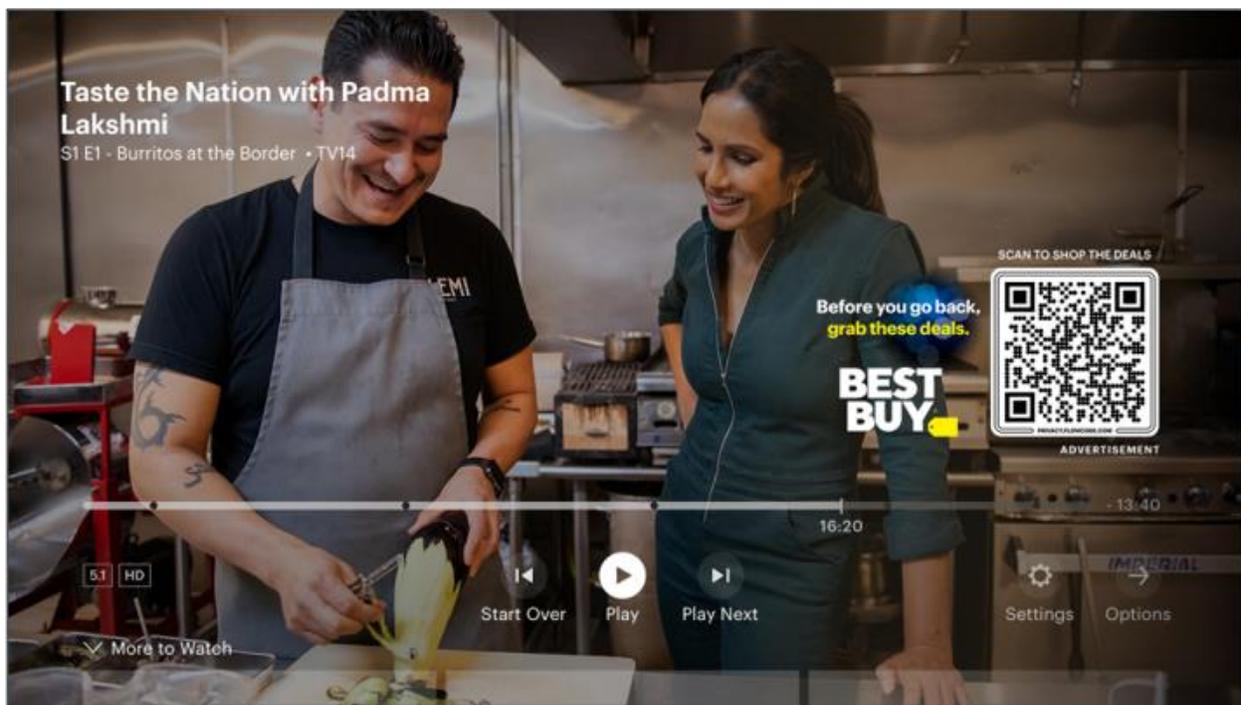
“Creating shoppable ad content requires a blend of storytelling and ease of purchase, ensuring consumers are being engaged more directly and effectively,” said Jeffrey Bustos, VP, Measurement, Addressability, Data Center at IAB. *“By harnessing detailed consumer data, employing interactive ad features, and maintaining a focus on brand consistency, brands can navigate the complexities of CTV to achieve their commerce objectives.”*

For example, a personal care brand activated with Roku's partnership with Instacart to measure and analyze the impact of their campaign on the online shopping behavior of converted buyers and the composition of their baskets using Instacart. 60% of the converted buyers were new to a Personal Care Brand on Instacart and converted buyers spent 1.5x more on the brand than the average buyer on Instacart. Additionally, converted new buyers were 70% more likely to repeat purchase than all new buyers of the brand's product.

In contrast to the broader aims of traditional TV advertising, which often focuses on brand recall, shoppable video, and retail media, CTV ads demand a more interactive and immediate

consumer engagement. This pivotal change in consumer interaction necessitates a nuanced approach where brands analyze consumer behavior to tailor their messaging. The aim is not only to narrate a compelling story, but also to seamlessly incorporate prompts for immediate action, enhancing the ad's relevance and effectiveness. According to a [2023 survey from The Trade Desk Intelligence](#), 91% of U.S. advertisers intend to maintain or increase their investment in retail data over the coming years. Furthermore, 68% of those who don't use retail data today plan to use it going forward.

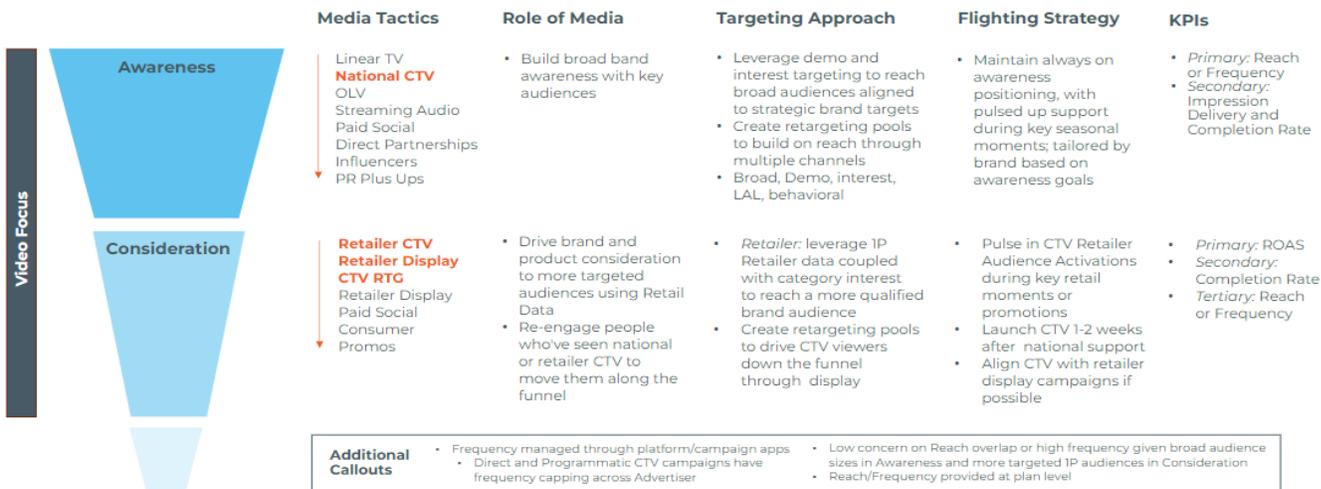
To achieve this, integrating storytelling with clear, actionable elements is essential. Features like embedded product links or QR codes within video ads can significantly enhance interactivity. Employing dynamic ads that adjust based on viewer data further personalizes the experience, thereby elevating the likelihood of conversion. For instance, Best Buy Ads leverages QR codes and unique creative formats that allow for more shoppability and interaction with consumers, while leveraging their first party data for targeting and closed-loop measurement.



"The digital advertising industry continues to evolve alongside the newest technology, and that includes smart TVs. Advertisers are seeking out ways to reach consumers throughout the shopper journey on their way to checkout, and one of the biggest upsides of retail media is its ability to connect ad exposure to sales," said Brian Gleason, Chief Revenue Officer at Criteo. "If advertisers want to leverage CTV for this, they will need to find a way to engage with consumers directly through ad content, whether through QR codes, like we've seen Coinbase execute, or sweepstake CTAs, as seen with Doordash's recent Super Bowl campaign, or other means. We can expect this will continue to evolve as more and more advertisers want to target consumers on the shopping journey in the same way retail media is capable of."

Media Planning and Creative Strategy Best Practices

CTV Media Funnel Approach



Developing a full-funnel retail media strategy is essential for effectively capturing consumer demand. This approach necessitates the integration of CTV into a comprehensive retail media plan that addresses every stage of the consumer journey—from initial awareness through to consideration and conversion. By leveraging detailed retail data, brands can craft targeted messaging that resonates with consumers at each stage, ensuring that CTV campaigns are not only relevant but also highly impactful. This strategic integration across the funnel allows brands to fully harness the potential of CTV within the retail media ecosystem, driving both engagement and sales.

"Navigating the intersection of Retail Media and Connected TV demands a delicate balance between targeting precision and broad reach," said Amber Roberts, Partnership Director at Threefold. "As the landscape evolves, the challenge lies in leveraging first-party data effectively to align with both retailer initiatives and advertiser objectives. Crafting tailored strategies that embrace the needs of both not only enhances customer experience but also fosters long-term sales growth, driving consideration and loyalty in the ecosystem."

- **Product and Location Feeds:** Ads should promote timely and relevant products, including location information to emphasize availability.
- **Sequencing and Dayparting:** Strategically sequence ads to guide consumers through the funnel and use dayparting to align ad displays with viewer habits for maximum relevance.
- **Targeting Strategies:** Distinguishing between active shoppers and those inspired to buy can help tailor content more effectively. Creating connected ad series or utilizing dynamic retargeting strategies can address low ad inventory issues and keep the consumer engaged across their buying journey.

- **Competitive Analysis and Retargeting:** Comparing strategies with competitors and focusing on retargeting efforts are essential for capturing and maintaining consumer interest. This involves offering multiple opportunities for engagement and leveraging internal support to maximize the impact of the video strategy.
- **Leveraging Technology and Partnerships:** Utilize QR codes and form strategic partnerships with CTV platforms and retailers to boost brand reach and effectiveness. These should be clearly visible and remain on screen long enough for viewers to engage, facilitating a smooth transition from viewing to shopping.
 - Design ads that dynamically display the nearest store locations to encourage foot traffic, supported by foot traffic studies to assess impact.
 - Use engaging visuals, sounds, and movement to highlight key products. Feature prominent QR codes with clear calls to action, like 'scan to learn more' or 'add to cart', tracking engagement through QR scans and cart additions.
 - When incorporating QR codes, including a countdown progress bar can help set expectations with viewers on how much time they'll have to scan placing prominently on a dedicated end card can improve engagement.
 - Combine dynamic location data with 'add-to-cart' QR codes to promote in-store and online products effectively. Ensure these elements support, rather than distract from, the core brand message.

For example, Roundel's shoppable CTV ads incorporate visually engaging creatives, prominent Target branding, and QR codes with calls to action like "Add to your pick-up order" or "Scan to add to cart." This approach meets consumer shopping patterns and attracts consumers to purchase in ways that are better served to specific product categories, such as perishable or non-shippable grocery items that are limited to in-store and order pickup purchases. The branding leverages the association with a trusted retailer, such as Target, to deepen viewer engagement. A survey of Target guests indicated a preference for ads coming from Target, suggesting a higher level of trust in these advertisements.

In a collaborative campaign with Mead Johnson, featuring their Enfamil baby formula product, Roundel utilized shoppable CTV ad formats to connect with relevant customers. By tapping into Target's first-party data, the campaign focused on audiences with a history of baby product purchases at Target. The initiative aimed to enhance product awareness and purchase. Specifically, double-digit ROAS was observed for this campaign, reflecting great success with getting guests to engage with the ad and move down the funnel.

“To capitalize on the streaming experience of the user, Retail Media holders can expand creative capabilities by integrating existing APIs that drive commerce on their other digital platforms into CTV ad formats. This allows users to Add to Cart/Add to Pickup Order and informs the very next impression with creative performance data, custom performance bidders, and more seamless experiences. Beyond Innovative creative experiences, incrementality and advanced measurement capabilities could also be unlocked.” said Dan Mouradian, SVP, Global Client Solutions at Innovid.

When activating CTV campaigns within retail media, two primary approaches emerge, programmatic platforms and managed services. Programmatic platforms allow for broad access to retail audience data and segmentation targeting, enhancing ad precision. On the other hand, managed services, dictated by specific retailers, provide targeted audience and inventory management but might restrict flexibility.

“The convergence of connected TV into retail media delivers a more dynamic, engaging, and measurable form of advertising that reflects broader trends in digital marketing. As consumer expectations continue to evolve, the ability of brands to innovate and adapt will be paramount. This convergence not only brings valuable stories closer to the consumer but also offers brands the insights needed to deliver compelling experiences that resonate deeply and drive loyalty. The future of retail media lies in its ability to blend creativity with technology, delivering messages that are not just seen but felt and remembered. Connected TV provides a compelling vehicle to deliver that message” said Cody Tusberg, SVP of Retail Media at Acosta Group

While managed services offer beta opportunities and exclusive targeting capabilities, the agility and scale provided by programmatic platforms often render them the preferred choice. Brands can leverage retailer data more effectively through programmatic means, using the same segment to retarget in a demand-side platform to optimize campaign performance, access first-to-market opportunities and comprehensive insights that inform more strategic planning and measurement.

In managed service collaborations, it's imperative for brands to communicate specific needs and concerns regarding inventory selection, brand suitability, and targeting to ensure campaigns adhere to brand guidelines and objectives.

As an example, PetSmart runs managed service shoppable video campaigns on YouTube for their manufacturers. These campaigns combine brand advertising with product feeds that send clickers back to PetSmart.com. The brand is seeing strong returns for their customers from these activations.

"Shoppable TV is no longer a concept - it's the new reality. Living in a world with 24-7 digital availability, we can shop instantly, anywhere, and everywhere," says Marika Roque, Chief Innovation Officer at KERV. Long-form content requires AI & automation to enable this at scale across the big screen, but that isn't enough. Adding that *"TCommerce requires managing the process similar to taxonomy mapping and optimization utilizing scene data, talent mapping, moments, and product match management. The metadata AI can generate will help brands and publishers ensure that in-content shopping is highly relevant, personalized, and a frictionless experience for viewers."*

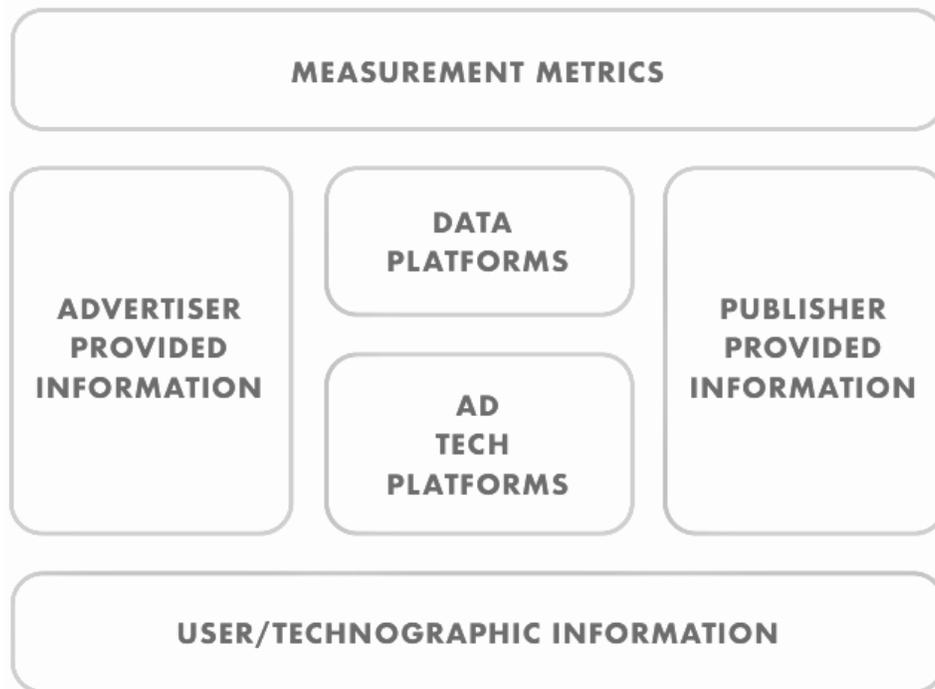
The image illustrates a shoppable TV campaign. On the left, a television screen shows a woman in a pink dress sitting on concrete steps. A QR code is overlaid on the bottom left of the screen, with the text "SCAN TO SHOP SCAN THE QR CODE TO SHOP THE COLLECTION". To the right of the QR code, it says "EXPLORE THE SS'22 COLLECTION & SHOP THE MUST-HAVE STYLES OF SUMMER". Below the TV screen, three pink callout boxes display performance metrics: "+63% EARNED TIME SPENT", "+7.1% BRAND AWARENESS", and "+6.4% PURCHASE INTENT". On the right, a smartphone screen displays a list of sandals with "Shop Now" buttons for each item, including "Nolita Platform Sandal", "Inez Slide Sandal", "Kia Block Heel Sandal", "Bay Pearl Slide Sandal", "Jade Ankle Strap Heel", and "Illie Block Heel Slide Sandal". A pink arrow points from the QR code on the TV to the smartphone screen.

For example, Sam Edelman partnered with KERV to generate awareness and increase purchase intent among women aged 25-54 across their favorite streaming services. KERV's AI automated the brand's custom QR code development & managed a dynamic 2nd screen companion unit product feed to ensure items shown were always in stock. The customized QR end frames earned the brand an additional 63% earned time spent with customers, and the combination of an immersive CTV video experience with a 2nd-screen shoppable moment effectively collapsed the funnel. In a brand lift study done in partnership with Lucid/Cint, the dynamic aspects of the campaign effectively increased brand awareness by 7.10% and increased purchase intent by 6.4%.

“As CTV capabilities evolve, it’ll be crucial for national and commerce media teams to work closely together to ensure the plans are complementary to each other vs being planned in silos,” said Rose Tagas, SVP Commerce, at UM Commerce. *“The lines between national and commerce continue to blur and are being accelerated as RMN offerings evolve. We need to start thinking differently about how and when to tap into a channel, whose budget (national vs commerce) and how we evaluate success. Is it by national KPIs such as imps and CTR, by sales KPIs like ROAS or ROI, or a combination.”*

A creative consideration is that many advertisers prefer using existing video creatives for shoppable CTV. Overlay formats where a QR code and light branding is placed on top of the video asset can crop out key messages that brands want to drive forward, so this should be a consideration for advertisers when choosing formats and partners. As an example, Roundel decided to offer canvas ad units with advertisers that scale down the video to accommodate a larger QR code and prominent branding surrounding the video. This allows the branding to capture attention and stand out among an ad pod where consumers can easily miss messages.

2. Measurement and Optimization



The integration of retail media and CTV excels in closed-loop measurement, tracking the consumer's journey from ad exposure to final purchase and providing deep insights into advertising impact.

"Understanding the relative effectiveness of brand and performance media is one of the most pressing challenges for brands, and there's no one methodology to solve the problem," said Steve Baxter, EVP of Retail Media at Ovative Group. "The key is to comprehensively connect data and metrics across the funnel, align on an approach and assumptions to assess incrementality, and establish a plan to continuously test and learn over time while also informing ongoing budgeting decisions. Brands need access to data from media platforms, their web sites, their apps, and the customer databases in one place, leveraged across brand-focused MMMs and lower-funnel tracking MTA in a way that suits their business."

Retail media and Connected TV (CTV) is poised for significant evolution, impacting how we approach advertising strategies:

1. **Data-Driven Optimization:** As Supply Path Optimization (SPO) has revolutionized display campaigns, a similar trend will be needed for developing algorithms that optimize the sales path. These algorithms will focus on finding the most effective retailer and CTV combinations, driving sales, attracting new buyers, and fostering repeat purchases.
2. **Continuous A/B Testing for Benchmarking:** ROAS benchmarks will be needed to plan Retail Media and CTV campaigns effectively. Regular A/B testing is crucial for setting benchmarks in messaging and visuals. This helps in formulating ads that not only boost market share but also support the successful launch of new products.

3. **Custom Audiences with Precise Parameters:** While generic audiences provide a starting point, leveraging data science to define precise parameters for custom audiences is essential. For example, in applying the RFM (Recency, Frequency, Monetary) model, we must identify the optimal values for each parameter tailored to specific brands or categories.
4. **Agile Response to Outcomes:** Monitoring real-time metrics is more crucial than ever. Adapting strategies promptly in response to market shifts and consumer feedback—supported by accurate media mix models—will enhance the effectiveness of ongoing campaigns.

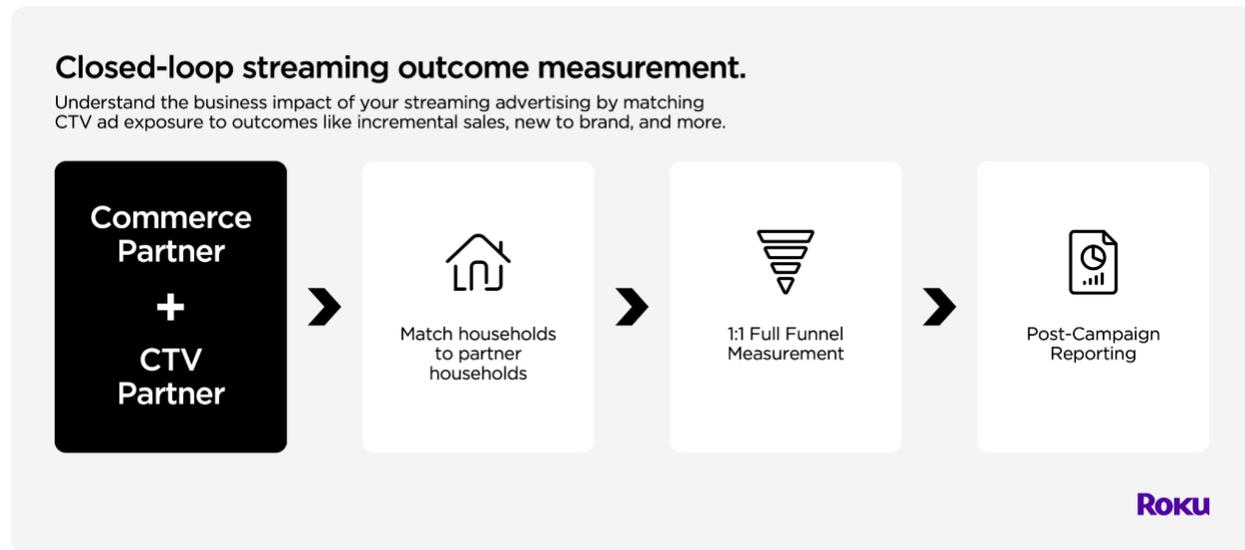
“Another key point is the ability to measure the increase in sales on an omnichannel level. Since we can identify the customer, we can track their interests and purchases both in physical and digital stores after interacting with an ad. This approach provides a more comprehensive view of the consumer journey and allows for a greater understanding of the level of impact achieved by the campaign,” commented Eduardo Gauna, Head of Cencosud Media in LATAM.

Utilizing this data for continuous optimization rather than just reporting is where the real advantage lies. It allows for the adjustment of creative strategies and media spending based on real-time feedback on what drives conversions. It paves the way for more sophisticated attribution models, going beyond simple metrics to a more nuanced understanding of advertising impact.

A significant challenge in creating content for CTV and social media lies in the balance between creativity and measurable outcomes. Employing metrics such as view-through rates, engagement rates, and conversion rates is vital for assessing the impact of creative content. This data-driven approach ensures that creative efforts are not just visually appealing or narratively compelling but also effective in driving tangible business results.

“For advertisers today, delivering reach isn’t enough. Advertisers demand measurable outcomes, from awareness to conversion. Success is now defined by full-funnel performance, customized to each advertiser’s objectives.” said Nikhil Raj, Chief Business Officer, Retail Media at Moloco. *“CTV inventory enables retailers to target consumers at the top of the funnel leveraging their first-party data to improve targeting, enable measurement and drive meaningful results for advertisers.”*

Measuring Success in CTV and Shoppable Video



The measurement of CTV and shoppable video campaigns, particularly those leveraging retail media data, requires a nuanced approach. Traditional metrics like view-through rates and engagement metrics remain relevant but are complemented by more sophisticated measurement techniques that assess direct consumer actions and purchasing behavior.

- **Closed-Loop Attribution:** This method is paramount in understanding the direct impact of CTV ads on consumer purchases, especially for shoppable content. Closed-loop attribution tracks the viewer's journey from ad exposure to product purchase, offering clear insights into the effectiveness of the ad.
- **Incremental Sales Lift:** By comparing sales data from exposed and non-exposed audience segments, advertisers can quantify the incremental impact of their CTV and shoppable video campaigns on sales, providing a direct link between ad exposure and purchasing behavior.
- **Engagement Metrics for Shoppable Content:** For shoppable video, engagement metrics extend beyond views and clicks to include interactions with the shoppable elements of the ad, such as product clicks, add-to-cart rates, and direct purchases through the video interface.
- **New retail metrics:** Retail media networks are now providing more metrics to quantify the success of campaigns beyond sales. These can include incremental reach, audience composition, brand lift, offline attribution, engagement, and conversion metrics.
 - Incremental reach measures the additional audience CTV ads reach.
 - Audience composition analyzes the demographic and behavioral profiles of the audience reached vs the targeted audiences),
 - Brand lift assesses the impact of CTV advertising on brand awareness, perception, consideration, and intent metrics.
 - Attribution correlates ad exposure with outcomes such as detail page visits, increased search queries and impact on retail sales - in the most advanced model, attribution will measure online AND offline sales.

- An example includes new purchaser percentages attributed to the CTV ads. For example, Roundel partnered with Danone to drive awareness of a low-sugar smoothie product. 36% of Target purchasers attributed to the campaign were new to Danone, allowing the brand to quantify success in driving awareness with new purchasers.

“Particularly in CTV where, unless the media platform enables a shoppable SDK for ad engagement, most metrics of interest will occur offline or on a secondary device within the household viewing the CTV ad..” said Charel MacIntosh, Head of Business Development & Strategic Partnerships at Clinch. Insights derived from user actions within a household attributed to an RMN’s ad unit carry significant learnings to RMNs that span the behavioral spectrum and are much richer than the standard Video Completion Rate. Adding that *“Retail media networks can understand the patterns of conversion by product category, location, various calls-to-action, and more. These insights can also inform the creative strategy utilized by the RMN for lower funnel ads whether it is display or online video. This is also where leaning into sequential messaging can be extremely impactful for a great customer experience and for driving conversions.”*

Balancing measurement with objectives

While there's an initial investment required for accessing and analyzing consumer data, the long-term benefits significantly outweigh the costs. Precise targeting and personalized messaging, made possible through this data, are pivotal in crafting messages that resonate with the audience.

Employing metrics like view-through rates and engagement metrics is essential for gauging the creative content's impact. These metrics help ensure that campaigns are not just compelling but also effective in driving tangible results. However, focusing solely on engagement metrics provides an incomplete picture of a campaign's success.

The larger piece of the puzzle lies in tying engagement metrics to incremental business outcomes, such as site traffic and sales lift. This approach closes the loop beyond mere engagement on the TV screen, offering a comprehensive understanding of a campaign's impact on both online and in-store activity. It's imperative to measure how CTV and retail media engagements translate into actual consumer actions, enabling advertisers to assess the effectiveness of their campaigns in driving real business growth.

By integrating these considerations into the strategic planning and execution of CTV and retail media campaigns, advertisers can not only capture attention and engage viewers but also drive measurable outcomes that contribute to their bottom line.

For example, a premium pet food brand was launching their brand’s first grain-inclusive line and needed to quickly drive awareness to reach active Amazon shoppers with limited budgets. The brand used an add-to-cart streaming TV ad to target prospective audiences and scale lapsed purchasers. Throughout the flight, onsite search saw an uplift and new audience pool growing from those exposed to the Streaming TV ad were optimized within onsite display. The brand saw a 49% portfolio sales lift from new customers, and higher than average search volume for months after the execution.

Balancing brand building with direct conversions is a delicate art. While shoppable videos offer direct paths to purchase, they should also convey the brand's story and values. Creative content

that tells a compelling story, coupled with subtle product placements, can enhance brand recall and loyalty while driving sales.

Optimization Strategies for CTV and Shoppable Video

To ensure that your CTV and shoppable video campaigns are aligned with your audience strategy, it's crucial to go beyond traditional sales metrics when defining your key performance indicators (KPIs). While sales data can provide valuable insights, it might not fully represent the success of these specific types of campaigns. Instead, consider integrating lower-funnel display, retargeting, and search tactics to re-engage users, thereby enhancing their consideration and increasing the likelihood of conversion.

Executing CTV and online video (OLV) campaigns programmatically offers a strategic advantage, especially when leveraging first-party (1P) data from retailers like Walmart, Kroger, and Target. This approach not only ensures more efficient rates but also allows for rapid optimizations across various data sets, maximizing campaign performance.

- **Dynamic Creative Optimization (DCO):** Utilizing DCO allows for real-time adjustments to ad creative based on viewer behavior and preferences, enhancing personalization and relevance of shoppable video ads.
- **A/B Testing and Multivariate Testing:** Employing these testing methods helps identify the most effective ad elements, from messaging and creative to shoppable features, informing future campaign optimizations.
- **Platform and Format Diversification:** Experimenting with different CTV platforms and shoppable video formats can help identify the most effective channels for reaching targets.
- **Product Feed Optimization:** Integrating product feed optimization into the campaign strategy helps ensure that the right products are highlighted in a manner that is attractive and relevant to the target audience.

The measurement strategy for a campaign should be tailored to its objectives, which often depends on the source of the media budget. For traditional CTV or video budgets, having access to sales data marks a significant advancement in quantifying campaign performance. This new access helps demonstrate the tangible impact of media on business outcomes—a capability previously missing in these channels. However, it's important to recognize that sales-based metrics, such as sales, return on ad spend (ROAS), and new-to-brand sales, may not fully capture the effectiveness of CTV or video when compared to other digital tactics. Where feasible, measuring the success of retail media CTV campaigns through brand lift or household penetration lift studies offers a more nuanced understanding of their impact, rather than relying solely on direct sales metrics.

“The convergence of commerce media and CTV brings together a perfect opportunity for retailers, who have historically tapped into shopper media budgets, to expand out into new, incremental revenue streams from national and brand budgets.” said Hash Mian, VP, Commerce Media at PubMatic. *“Brands gain performance benefits from the ability to apply purchase-based data signals; plus, more real-time, sales-oriented measurement is a massive upgrade from the traditional demographic and reach/frequency model. It is the perfect pairing of first-party data, engaging formats, and true closed-loop measurement.”*

To further enhance insights into sales, household penetration, or brand lift metrics, it's advisable to secure adequate campaign budgets. This financial planning enables the negotiation of added-value measurement studies with partners. Collaborating with entities like Kroger (via Roku or directly) allows for the expansion of measurement studies beyond the standard attributable metrics and to align the measured metrics with the campaign goals and KPIs, moving into incremental views or diving in deeper with additional breakouts by creative. Additionally, working with Amazon allows for the inclusion of third-party (3P) measurement tools from companies like Circana or Kantar, supplementing the first-party data received directly from retailers.

For example, after launching a new plant-based yogurt product, Danone's objective was to increase awareness, generate trial at scale, and drive sales velocity. Danone's agency, Wavemaker, combined KPM custom audiences with Roku TV streaming to achieve results. Using precise 1:1 measurement and in-campaign optimization, the campaign drove unparalleled, measurable reach in the US to increase trial and household penetration. The campaign saw high double-digits lapse brand buyer category dollars toward the brand and gained share. Additionally, the campaign saw incremental sales lift and an increase in household penetration.

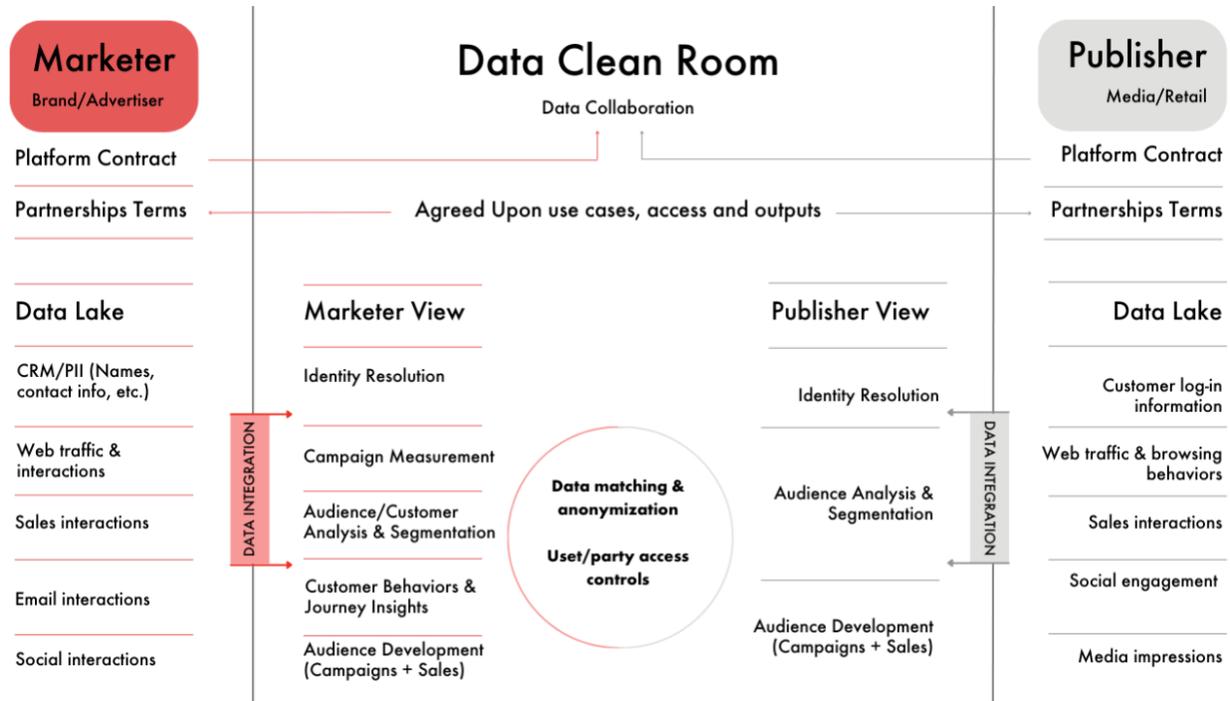
"We're creating trusted media bridges – places where brands can apply and scale our audiences – especially in streaming TV. No single publisher can meet every consumer need alone," said Cara Pratt, SVP of Kroger Precision Marketing. *"But with a streamlined approach to CTV activation, retailers can deliver better experiences for consumers and better outcomes for brands."*

When planning your targeting strategy to meet campaign KPIs, consider implementing category targeting. This allows advertisers to refine their focus based on category, keyword, or audience, capturing complementary purchases, and facilitating more precise targeting. It's also important to ensure that your partners can provide the necessary campaign levers and optimization methods to meet your needs, thereby improving visibility, engagement, and attribution, and ultimately driving campaign success, audiences and driving conversions.

As CTV and retail media continue to evolve, so will the strategies for measuring and optimizing these campaigns. Advertisers will need to stay agile, embracing new technologies and methodologies to remain competitive in this dynamic environment.

3. Data Partnerships and Monetization Opportunities

Unlocking the Potential of Data Partnerships with Data Clean Rooms



As signal loss increases and shopper behavior evolves, media networks must offer advertisers flexible and personalized segmentation, aligning these audiences with media consumption throughout the funnel. *“Retail media networks are uniquely positioned to target consumers across media channels and leverage their owned differentiated assets to influence conversion. Combining these inherent advantages with the premium formats and vast addressable audiences on CTV paves the way for each sector to scale and enhance performance more than ever before,”* said Lori Johnsoy, Head of Global Retail & CPG Industry Strategy at LiveRamp. *“Data is the foundation for making this possible, which is why we’ll see an increase in data collaboration tools such as data clean rooms across the RMN and CTV sectors. The surge in video content across social media and CTV platforms has unlocked fresh opportunities for brands to impact in-store conversions as video assets used in CTV can become more readily available for in-store screens.”*

The core foundation of RMN lies in data, a vital component needed in CTV to form this powerful combination. Their integration also offers a chance to introduce the much-needed transparency and quantifiable effectiveness to advertisers. By unlocking siloed and previously inaccessible exposure data across media partners, all while maintaining a privacy-centric approach, RMNs can gain a more comprehensive understanding and capitalize on opportunities within CTV, which is currently the fastest growing ad format in the US. This allows them to enhance their omnichannel measurement capabilities and develop a complete 360-degree view of their customers.

The use of data clean rooms in Retail Media Network (RMN) and Connected TV (CTV) partnerships facilitates a deeper, more nuanced understanding of consumer behaviors and preferences. Retailers can utilize their rich first-party data, encompassing purchase history and

customer demographics, in a way that adheres to privacy regulations. This integration, when paired with the wide reach and immersive experience offered by CTV advertising, markedly enhances campaign relevance and engagement.

Data clean rooms allow for the processing and analysis of sensitive data while ensuring consumer privacy using differential privacy and privacy controls. Differential privacy ensures that the data analyzed cannot be used to identify any individual, thereby preserving the privacy of consumer information. This method allows for the safe analysis of data, enabling insights into consumer behavior without compromising individual privacy.

Additionally, nuanced consumer insights can be achieved through APIs or data onboarders, which facilitate secure data transfer and integration between platforms, enabling sophisticated targeting and personalization without building data clean rooms from scratch. Whether through direct integration via APIs, the use of data onboarders to match and segment data, or employing data clean rooms with differential privacy, retailers and CTV platforms can leverage detailed consumer data in a privacy-compliant manner to drive significant improvements in campaign performance.

For example, a partnership between a media owner, Channel 4, and a data provider, Nectar360, showcased a significant sales uplift for CPG brands. Utilizing Nectar360's loyalty grocer data, multiple CPG partners were able to target high-value retail audiences on Channel 4's platforms, overcoming the challenge of limited direct access to first-party consumer data. Through the strategic and secure use of second-party data and the InfoSum data clean room for targeting and measurement, the campaign achieved a maximum sales uplift of 122% during its test phase, highlighting the effectiveness of leveraging tailored shopper segments and creative strategies in CTV advertising.

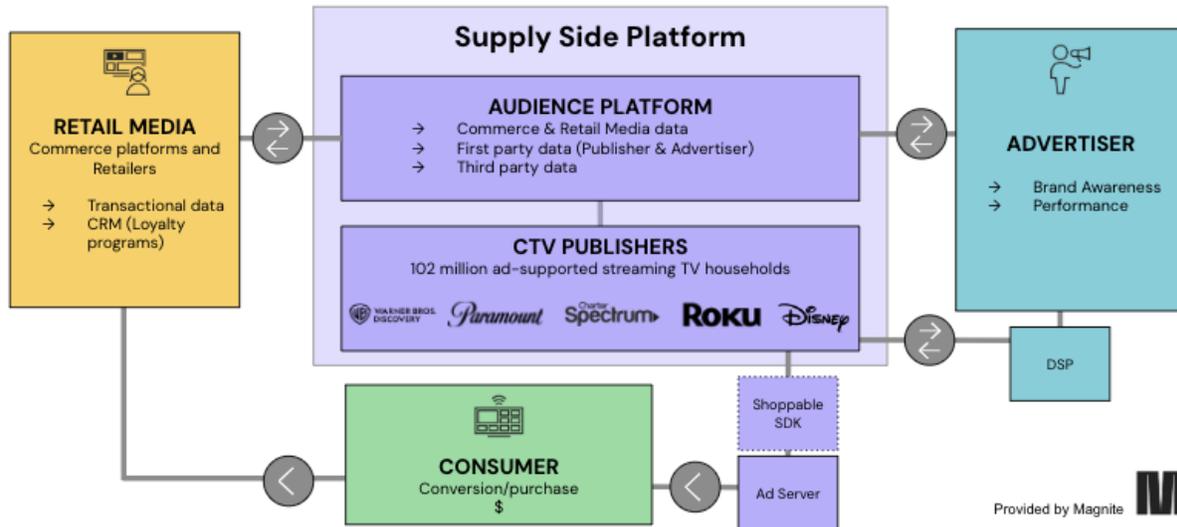
The strategic planning phase involves data providers crafting precise audience segments based on consumer purchase behavior, tailored to align with specific brand objectives. This approach leverages the strengths of retail media networks and CTV to enhance campaign targeting and efficiency. CTV planning and strategy can start in clean rooms even before audiences are created. Leveraging a mix of 1P and 3P data sets via clean rooms, brands have instant access to ad hoc customer insights based on real-world purchase habits – rather than panel-based surveys that are executed over months. *“Answering questions about customers has never been quicker; ‘who is buying across categories or specific products? How often are they repurchasing? Who is lapsing and when? Trends over time or between retailers – all these questions contextualize the customer journey and should be used to inform high-level media mix and low-level tactics,”* said Derek Nelson, Sr. Director of Retail Media Consulting at Ovative Group.

For activation, these carefully curated audience segments are then integrated into a platform that facilitates matching these identified shoppers with CTV viewers on a one-to-one basis, ensuring highly personalized advertising experiences. An optional matching phase allows for the enrichment of these audience segments by integrating a brand's first-party data with those of data and media owners, fine-tuning the targeting accuracy and optimizing campaign outcomes through enhanced match rates and segmentation.

For example, imagine a scenario where a sports apparel brand leverages a data clean room to merge insights from a CTV platform with shopping data from a retail media network. They identify an audience segment of fitness enthusiasts who have recently searched for running shoes but haven't made a purchase. The brand then directs its CTV ads specifically to this group, leading to a campaign that not only resonates on a personal level but also significantly

lifts sales. This exemplifies the essence of strategic planning in today's digital age: “By harmonizing data with brand objectives within the secure confines of a clean room, we unlock a new dimension of campaign precision and efficiency, setting a gold standard for digital advertising,” said Amanda Vice, Senior Director of Data and Tech Consulting at OMD USA

Understanding Ad Operation Requirements for Publishers



In the fragmented landscape of Connected TV (CTV), advertisers face the challenge of delivering consistent messaging at scale to effectively reach their target audiences. Supply-Side Platforms (SSPs) play a pivotal role in this ecosystem, acting as conductors that orchestrate data and inventory, enabling a unified approach to advertising. By centralizing the advertising process, SSPs empower retailers to tailor messages precisely and reach audiences with interactive formats such as product scrollers, dynamic deals, and interactive ad units, unlocking the true potential of the CTV environment.

Just as brand and retailer organizations are undergoing change management to address the challenges and opportunities of full funnel retail media, the reality is as much if not more change is happening in the technology and data operations to enable marketers to usher in this era of full funnel, programmatic retail media. The convergence of live market signals, disparate retailer performance metrics - both ads and sales - and the adoption of AI-based media platforms and privacy safe measurement paradigms makes this a reality. This expands on a decades-in-the-making RTB paradigm from the history of Display and Video programmatic: inventory and sales signals, live competitor insights across retailers, and now the connection to each retailer's node as a media property and lessor of 1P data for full funnel activation gives the marketer the raw material and technology needed to execute a product specific algorithm per retailer, cross-retailer, reacting to live market insights programmatically adjusting budgets, bids and new campaigns, and measuring across the entire funnel.

However, aligning advertisers' creative aspirations with media owners' operational realities presents notable challenges. Technical inconsistencies and siloed infrastructures necessitate ongoing innovation and collaboration to ensure seamless integration across the CTV ecosystem. SSPs are instrumental in overcoming these obstacles, facilitating the integration of innovative ad formats like quizzes and carousels, despite varying capabilities across media owners.

For interactive ad units that allow viewer engagement through remote controls, bespoke SDK integration for each platform and device is required. This scenario underscores the complexity within the CTV landscape, where marketers aiming for consistent messaging might need to navigate direct deals with multiple publishers, each with unique integrations and capabilities. SSPs simplify this process, offering marketers a single access point to execute diverse types of CTV ad buys, including Programmatic Guaranteed and Private Marketplace deals, making interactive units scalable and manageable.

When planning for a TCommerce (Television Commerce) partnership, the following factors should be considered to ensure the best “shoppable” consumer experience. Before recent AI/ML advancements, the idea of ‘shop the show’ or shop the moment or “shop the ad” was just that - an idea. Now, with the right automation technology in place, it can be live in a matter of hours.

“The key to activating interactive programmatic CTV inventory lies in unifying the buying process through a single access point, regardless of the execution type (PG or PMP),” said Gretchen Bobroff, Head of Retail Media at Magnite. “This streamlines the negotiation process for marketers, especially when dealing with the fragmented CTV landscape and diverse publisher SDK integrations. Implementing a CTV retail media strategy involves a technical framework that integrates various components, including data management, platform selection, content delivery, and performance analytics.”

- **Data Integration and Management**
 - Data Sources: Aggregate first-party data from retail media (CRM, POS, e-commerce platforms) and third-party data (if applicable) for audience insights.
 - Data Management Platform (DMP): Use a DMP or Customer Data Platform (CDP) to centralize, manage, and segment audience data. Ensure privacy compliance and data security.
- **Audience Segmentation and Targeting**
 - Segmentation: Use advanced analytics and machine learning algorithms on the DMP/CDP to create detailed audience segments based on shopping behavior, preferences, and demographics.
 - Targeting: Integrate the DMP/CDP with Demand-Side Platforms (DSPs) to automate the targeting process on CTV platforms.
- **Media Planning and Programmatic Buying**
 - CTV Platforms Selection: Identify and evaluate CTV platforms (like Roku, Hulu, Peacock, Max, etc.) based on audience demographics, content alignment, and reach.
 - Programmatic Buying: Utilize a DSP for real-time bidding and programmatic ad placements on CTV platforms. Leverage algorithms for dynamic media buying are based on audience behavior and campaign performance data.
- **Content Creation and Optimization**
 - Creative Development: Develop engaging and high-quality video content tailored to the CTV environment and audience segments. Consider interactive elements or shoppable features if supported by the platform.
 - Ad Serving and Optimization: Use an Ad Server integrated with your DSP for delivering and managing CTV ads. Employ A/B testing and multivariate testing for creative optimization based on viewer engagement and conversion metrics.

- **Measurement and Analytics**
 - Closed-Loop Attribution: Implement closed-loop attribution models to track the customer journey from ad exposure on CTV to conversion actions on the retail platform.
 - Performance Analytics: Use analytics tools to monitor key performance indicators (KPIs) like view-through rate, conversion rate, and return on ad spend (ROAS). Integrate CTV platform analytics with your own analytics system for a holistic view.
- **Continuous Optimization**
 - Feedback Loop: Establish a feedback loop where performance data informs ongoing campaign optimization. Use machine learning for predictive analytics and to refine audience targeting, bidding strategies, and content delivery.
 - Agility in Strategy: Stay agile with your strategy, ready to adapt to changes in viewer behavior, platform algorithms, or market trends.

To streamline ad operations from the perspective of retailers and CTV publishers, it's essential to integrate APIs for a seamless shoppable experience, enabling features like "Add to Cart", real-time inventory updates, and dynamic pricing. This approach not only facilitates frictionless shopping but also allows retailers to optimize inventory distribution based on demand insights.

For retailers and publishers, the initial focus should be on reaching audiences effectively, then measuring outcomes to prove the value of these new connections. Interactive CTV ad formats are crucial for engaging viewers, offering detailed product information and a non-intrusive path to purchase, enhancing the overall consumer experience.

Embracing shopper marketing digitally, retailers can use dynamic creative technologies to customize the shopping journey, significantly driving purchases. Implementing a robust technical framework that includes data management, audience segmentation, programmatic buying, and content optimization is vital. Continuous performance analysis and strategic agility ensure campaigns remain effective and responsive to market trends and consumer behaviors.

4. Embracing a Data-Driven Future



The intersection of retail media and CTV marks a new era in advertising, where data is the cornerstone of successful strategies. It's about crafting a consumer journey that is not just seamless but also engaging, making the most of the strengths that each platform offers.

Enabling the opportunity to boost brand visibility, engagement, and conversion rates. Advertisers can leverage customer data for targeted campaigns, where a viewer's online behavior influences the ads they encounter on their smart TV, creating a seamless omnichannel experience. This approach not only reinforces brand messaging but also facilitates a more accurate measurement of the consumer journey, from ad exposure to purchase.

Based on a Samsung Ads and KERV study, 70% of smartTV viewers shop on other devices while watching TV, with 51% of viewers interacting with QR codes for product information and 26% for purchases, the demand for shoppable ads is evident. The surge in TV-driven digital commerce, particularly in sectors such as clothing, electronics, and food, underscores the escalating influence of streaming platforms. These platforms, where a vast majority of viewers spend their TV time, are becoming the vanguards of shoppable content, setting the stage for an advertising renaissance that prioritizes immersive and interactive experiences.

"The Retail Media era is just getting started," says Louqman Parampath, VP Ad Product Management at Roku. "Overall, we'll continue to see more integrations with Retail Media Networks and CTV platforms, especially as advertisers look to incorporate seamless shoppable experiences that only CTV platforms can provide with the targeting and measurement capabilities of retail media."

Looking ahead, the synergy between retail media and CTV is poised to spawn groundbreaking innovations. We might anticipate the development of AI-driven ad platforms that predict and adapt to consumer preferences in real-time, offering personalized ad experiences that resonate with the viewer's current mood and interests. Imagine a scenario where CTV ads use augmented reality (AR) to allow viewers to virtually try on clothes or visualize furniture in their

living space directly from their living room, transforming passive viewing into an interactive shopping spree.

Generative AI and machine learning are crucial in this integration; harnessing the vast streams of data to streamline the user interface, enhance cost efficiency, and fortify strategic integration between retail media and CTV. These technologies can automate and refine ad content creation, tailoring it to individual consumer preferences and the dynamic context of CTV viewing. For instance, machine learning algorithms can process real-time viewer data, generating personalized ad campaigns that resonate with viewers' current interests and behaviors, thereby enriching the viewing experience and boosting engagement rates. Furthermore, the advent of AI-driven ad platforms heralds a future where ads are dynamically optimized in real time, ensuring the most effective content reaches the right audience at the optimal moment. This level of sophistication in ad targeting and delivery not only promises to enhance the consumer experience but also maximizes the return on investment for advertisers.

"In retail media networks, AI enabled content targeting consumer behavioral data is incredibly powerful." said Chris Riegel, CEO at STRATACACHE. "Pairing the retailers knowledge of what the customer did buy with the in-store sensor insight of what they shopped and considered allows the retailers and the brands to hyper-target messaging to consumers in-store, in app and at home on CTV with ultra precision messaging tailored exactly to their interest and tracking conversion back to automatically improve the results of campaigns."

Furthermore, the integration of voice recognition technology with CTV could revolutionize how consumers interact with ads, enabling voice-activated purchases or inquiries that further streamline the shopping experience. This seamless interaction would not only elevate user convenience but also provide advertisers with invaluable insights into consumer preferences and behaviors, paving the way for more nuanced and effective advertising strategies. As retail media and CTV continue to converge, the potential for innovative partnerships is boundless, promising a future where advertising is not just a pathway to purchase but a memorable part of the consumer's daily life.

"The future of Connected TV (CTV) represents a colossal opportunity to craft universal solutions on a large screen, delivering an experience that is not only immersive but also accessible on a grand scale," said David Spencer, Manager of Emerging Media & Partnerships at General Motors. "This is a chance to blend the interactivity of websites and gaming with the convenience of universal accessibility. The introduction of voice instructions, moving beyond the conventional remote, is a pivotal step towards creating universally intuitive and engaging consumer experiences."

But the focus should always be on the consumer experience. It's not just about reaching the audience but engaging them in a meaningful dialogue, and the amalgamation of retail media and CTV offers a potent channel for this communication.

Key-Takeaways

Understand the Convergence of Commerce Media and Video:

Businesses should actively pursue the integration of commerce media and CTV, crafting campaigns that harmonize e-commerce with engaging video content. This requires investing in technologies and forming partnerships that enable seamless transitions between watching content and making purchases, thereby creating a cohesive narrative across all consumer touchpoints.

Leverage the Growth of CTV and Shoppable TV:

Companies should capitalize on the expanding CTV and shoppable TV market by producing interactive advertisements that facilitate direct purchases. Staying attuned to the latest trends in CTV will help tailor content and functionalities to evolving viewer preferences, ensuring relevance and engagement.

Privacy-First Approach:

Emphasizing privacy in the handling of consumer data is paramount. Companies should develop strategies that protect user data while still leveraging it for targeted advertising. Implementing strict data governance policies and privacy-by-design principles will ensure compliance with regulatory standards and maintain consumer trust.

Create Omnichannel and Seamless Experiences:

Developing omnichannel strategies that deliver consistent messaging and user experience across various platforms is crucial. Investing in technologies that allow for real-time content and inventory synchronization across channels will support a frictionless consumer journey, from digital to physical touchpoints.

Measurement and Optimization:

Establishing robust metrics and continuously analyzing campaign data will help in refining media planning and creative strategies. This involves a balance of traditional KPIs and innovative metrics to gauge the true impact of CTV and shoppable ads on ROI and overall sales performance.

Data Partnerships and Collaboration:

Forming data partnerships should include a strong focus on privacy, utilizing tools like data clean rooms to facilitate secure data sharing and collaboration. These partnerships should aim to enhance audience targeting and campaign personalization while rigorously adhering to privacy regulations, ensuring that consumer data is handled responsibly and transparently.

Prepare for Future Innovations:

To stay competitive, organizations should explore and invest in emerging technologies such as AI-driven ad platforms, augmented reality experiences, and voice-activated commerce. Testing these innovations in controlled environments can help gauge their market readiness and potential for scaling.

Adopt a Strategic and Agile Approach:

In a rapidly evolving market, adopting a flexible and strategic approach is key. This includes fostering an innovative culture that encourages experimentation and learning, allowing for quick adaptation to new technologies, consumer trends, and market changes. This agility will enable businesses to remain at the forefront of the retail media and CTV landscape, driving sustained growth and customer engagement.

Acknowledgement

This document was developed by the IAB Retail Media Network Committee.

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- **Melanie Kaufman**, Senior Manager, Ad Measurement, *Roku*
- **Michael Ellgass**, EVP, Media, CPG, Retail Media, *Circana*
- **Mika Takahashi**, Director, E-Retail, *iProspect*
- **Nate Pinkston**, Head of Growth, Retail Media, *Microsoft*
- **Nich Weinheimer**, EVP Strategy, *Skai*
- **Nicolas Pirog**, Director, Measurement Strategy, *Target*
- **Nikhil Raj**, Chief Business Officer, Retail Media, *Moloco*
- **Nikki Neary**, SVP, Digital, *Horizon Media*
- **Oscar Padilla**, SVP Data and Audience Solutions, *Canela Media, X*
- **Orlando Uribe**, *Agency Development & Platforms Sales Lead*, Walmart Connect México
- **Paul Longo**, Global Head of Retail Media Sales, *Microsoft*
- **Paulo Gaudencio dos Anjos**, Director, Data & Analytics Solutions, *Microsoft*
- **Paulo Schiavon**, Director, Retail Media Partnerships, *Unlimitail*
- **Ricardo Carvajal**, Commercial & Operation Lead, *Walmart Connect México*
- **Rose Tagas**, SVP, Commerce, *UM Commerce*
- **Ryan Maynard**, SVP, Retail Media Sales, *Walmart Connect*
- **Sagar Ganapaneni**, Data Science & Analytics Lead, *Intuit*
- **Sean Crawford**, Managing Director- North America, *Threefold*
- **Shawn McGahee**, Head of Retail Media, *Google*
- **Stacey Reney**, VP, Marketing *Innovid*
- **Steve Baxter**, EVP, Retail Media, *Ovative Group*
- **Steve Reich**, Senior Director of Publisher Development - CTV, *Ericsson Emodo*
- **Tara Hekmat**, Client Director, *Threefold*
- **Victor Manuel Rivera Vela**, *Head of Marketing*, Walmart Connect México
- **Vijoy Gopalakrishnan**, SVP, Principal, Product Management, *Circana*
- **Wendy Arnon**, Director, Media Center, *IAB*

Video Initiatives and Working Groups

Retail Media Partnerships will be an important upside revenue driver for CTV, publishers, and platforms. The evolution in streaming with an emphasis on ad-supported properties, there is a need for standardization of new ad formats. Standardization of digital video formats will provide upsides in planning, buying, ad ops and measurement. While retail media will close the loop between ad spend and commerce sales, there is a heightened need to address nuances in measurement. Lack of adoption of Creative ID as traditional analog media channels transition to dynamic digital platforms has created inefficiencies and over frequency.

IAB's Media Center Roadmap includes several initiatives to address these issues with the following projects:

- **Project: Standardization of CTV Video and Social Media Formats**
Buyers and brands are faced with a wide range of ad formats and solutions designed to enable interactivity, shoppability, and full-funnel engagement, but what formats are scaling best and should be standardized across publishers and platforms? This standardization of CTV Video and Social Media Format project will conduct a survey of digital video ad creative currently in use and result in a visual landscape of providers along with a creative gallery to demonstrate formats.
- **Project: Evangelize Adoption of Creative ID (in collaboration with Tech Lab)**
Ad creative names are rekeyed between 20-30 times throughout the life of an ad, causing inaccurate reporting, costly campaign reconciliation and over frequency when the same ad (differently named) is served to the same user. This project will evangelize standardized creative metadata and explain why it matters for brands, agencies, and publishers from a business perspective in collaboration with Tech Lab Ad Creative ID Standardization technical requirements.
- **Project: Anatomy of a Video Impression across measurement suppliers (in collaboration with MAD)**
The purpose of this guide is to offer a clear explanation of what the core elements of a video impression are, what various measurement partners use as source data and how/whether they map back to current MRC-IAB standards.

How to Get Involved?

- The **Advanced TV Committee** serves as a vital forum focusing on the modernization of the television ecosystem through the integration of data, targeting, measurement, interactivity, and engagement technologies. It facilitates updates on industry initiatives, encourages the sharing of research, hosts discussions with experts, and gathers insights from members on current trends. This committee's work ensures the television sector remains innovative and responsive to the evolving digital landscape. This group is ideal for members who are actively involved in the industry. Click to see The Advanced TV Committee's current [participants](#) and [Member Companies](#).
- The **Digital Video Committee** operating mission is to advocate for digital video as a potent marketing tool for the entire digital video ecosystem. This committee serves as a vital forum for members to share updates and research findings and to engage in discussions with experts, while also providing insights into current trends. This group is ideal for members who are actively involved in the industry. Click to view The Digital Video Committee's [participants](#) and [Member Companies](#).

Join the Advanced TV Committee and/or the Digital Video Committee using [IAB Group Participation Request Form](#) or send an email to media-center@iab.com.

Commerce Initiatives and Working Groups

The Commerce Media Committee brings together key stakeholders from the retail media landscape, including buyers, sellers, and advertising technology solutions. Its mission is to harmonize advertising business needs, requirements, and standards, aiming to streamline the buying and selling process. This initiative fosters an environment conducive to growth, creativity, and innovation. By facilitating the exchange of updates, research, and insights, as well as hosting discussions among experts.

IAB's MAS Center Roadmap includes several initiatives to address these issues with the following projects:

- **DOOH and In-Store Retail Media Working Group**
 - Aimed at empowering and guiding retailers, agencies, brands through the intricacies of DOOH & in-store opportunities with the retail media landscape, spanning from activation to measurement. With the objective of improving collaboration, defining measurement metrics, outlining measurement frameworks, and developing a customer-centric strategy.
 - DOOH & In-Store Retail Media Playbook
- **Retail Media Measurement Working Group 2.0**
 - Following the IAB/MRC Retail Media Measurement Guidelines, the working group will focus on tactical explainers that enable the adoption and use of the standards for optimization, budget allocation, data collaboration, and advanced modeling methodologies.
 - Commerce Media Planning, Measurement and Optimization explainer
 - Data Collaboration and Enablement for Commerce media

Join the Commerce Media Committee or the Retail Media Working Groups using [IAB Group Participation Request Form](#) or send an email to data@iab.com

Upcoming Events

The [IAB NewFronts](#) IAB NewFronts is for brand marketers and media buyers to get a first look at the latest cutting-edge digital video content and marketplace innovation spanning four days in New York City (April 29-May 2). This event connects brands with the latest digital video content and innovations that facilitate valuable partnerships.

Back by popular demand, the [IAB Connected Commerce Summit](#) will dive into where the future of retail commerce is heading and how it could improve business operations. Attendees will hear from thought leaders in commerce and retail media about the most impactful strategies that will help brands stay ahead of the game. Theme will focus on the rise of marketplaces highlighting innovations across CTV, DOOH, Social Commerce, and Retail Media with deep dives on measurement!

About IAB



www.iab.com

The Interactive Advertising Bureau (IAB) empowers the media and marketing industries to thrive in the digital economy. Its membership comprises more than 700 leading media companies, brands, agencies, and the technology firms responsible for selling, delivering, and optimizing digital ad marketing campaigns. The trade group fields critical research on interactive advertising, while also educating brands, agencies, and the wider business community on the importance of digital marketing. In affiliation with the IAB Tech Lab, IAB develops technical standards and solutions. IAB is committed to professional development and elevating the knowledge, skills, expertise, and diversity of the workforce across the industry. Through the work of its public policy office in Washington, D.C., the trade association advocates for its members and promotes the value of the interactive advertising industry to legislators and policymakers. Founded in 1996, IAB is headquartered in New York City.



<https://www.iab.com/organizations/measurement-addressability-data-center/>

The collection and use of data to reach audiences and measure online advertising campaigns is central to powering the digital advertising ecosystem. The Measurement, Addressability & Data Center aims to provide essential industry guidance and education on solutions amid changes in underlying technology and privacy regulations in a constantly evolving ecosystem.

The Measurement, Addressability & Data (MAD) Center focuses on the following initiatives:

- Measurement & Attribution
- Addressability
- Privacy
- Retail Media
- State of Data

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