

# Commerce Media at the Tipping Point

2024  
Retailer, Agency,  
& Brand Outlook

FLUENT

adexchanger



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# Introduction

## Commerce Media at the Tipping Point: How brands, agencies, media companies and retailers are optimizing commerce media & retail media networks

Fluent and AdExchanger developed this study to quantify how top brands, agencies, publishers/media companies, and retailers are integrating one of the hottest areas of advertising – commerce media and retail media networks. The goal of the study is to understand how leading companies throughout the advertising community are using these strategies and platforms to expand their advertising and content mix with a focus on:

- Current and expected level of investment in commerce media and retail media networks
- Budget allocations and growth rate expected for 2024
- Specific value to advertisers, publishers/media companies and retailers
- Top priorities and initiatives
- Biggest opportunities and challenges

The analysis is based on a quantitative survey of leading brands, agencies, publishers/media companies, and retailers serving a range of industry sectors. The survey was conducted in December 2023 and January 2024 and received 153 responses. The report is provided in two main sections. The results for brands and agencies (demand-side) and publishers and retailers (supply-side) are analyzed separately.

*Commerce Media Definition:* Commerce media empowers brands to reach consumers with content, messaging, and offers at digital points of discovery and sale transactions. Some retailers run their own media and advertising networks (called retail media networks), while others partner with digital ad platforms and publishers as well as work directly with brands and agencies. Leading brands, media companies and publishers are also developing their own related commerce media strategies and platforms.

Fluent and AdExchanger thank all the respondents for their invaluable contribution to the study.

# Executive Summary

Commerce media and retail media networks (RMNs) add value to a range of brands, content providers, and retailers – as well as consumers and audiences – in a number of unique ways. This fast-growing area of the advertising industry aligns with the original promise of digital advertising, to reach highly targeted consumers with compelling content, information, and offerings during their product discovery journey and at online points of sale. The combination of the loss of third-party cookies, increasing privacy concerns changing consumers' online behavior, challenges with identity and addressability, and the focus on first-party data is helping to drive the growth of this segment of the industry. In fact, all of these trends, many of which are seen as industry challenges, dovetail closely with the value offered by commerce media solutions.

Sixty-six percent of brands and agencies say the combination of the loss of third-party cookies, privacy concerns, and the rise of first-party data is driving commerce media investment – and, separately, **63%** of media companies and retailers agree.

The value of commerce media, according to the demand-side and supply-side executives that responded to the survey, includes the ability to reach consumers with highly relevant and targeted messaging as they actively shop. This more direct, customized approach leads to better addressability, attribution, and measurement. Other key value aspects include opportunities for effective privacy-safe data sharing between brands, media companies and retailers, and the ability to integrate content with various demand generation and loyalty programs. In short, commerce media strategies add value to the customer experience and drive sales.

***An agency executive noted, the value of commerce media is to “match advertisers with users that have an intent to buy a certain product at the right point in time.” And a brand executive mentioned, “commerce media actually drives sales throughout the funnel.”***

A key indicator of the outlook is that the average brand and agency plans to increase their commerce media budget by a robust 22% in 2024. And over half of these brands and agencies say that between 11% and 20% of their total advertising budgets have been allocated to commerce media.

Still, this is an emerging segment of the rapidly changing digital advertising industry and there is work to be done to make these strategies even more effective. Advertisers say the industry needs to continue to optimize measurement, reporting, and data sharing. Media companies and retailers say that along with data sharing, their top issues include driving client demand, managing ad inventory, and increasing internal awareness and experience in these areas.

## INSIGHT #1

Large segments of the advertising industry have experience running commerce media and RMN campaigns – and by 2025, **84%** of advertisers and agencies will have a formal commerce media/RMN strategy in place.

Sixty-two percent of brands and agencies say they have a commerce media/RMN content or advertising strategy in place currently, and another 22% say they expect their organizations to develop one over the next 12 to 18 months. Eighty-five percent of brands and agencies say they have been placing ads on digital ad networks that they know (or believe) include commerce media or RMN platforms – and 82% have directly placed ads on publishers’ commerce media Networks. Advertisers have gotten to know this space. The next phase is to develop more detailed optimization strategies.

### Brands & Agencies’ Commerce Media / RMN Experience

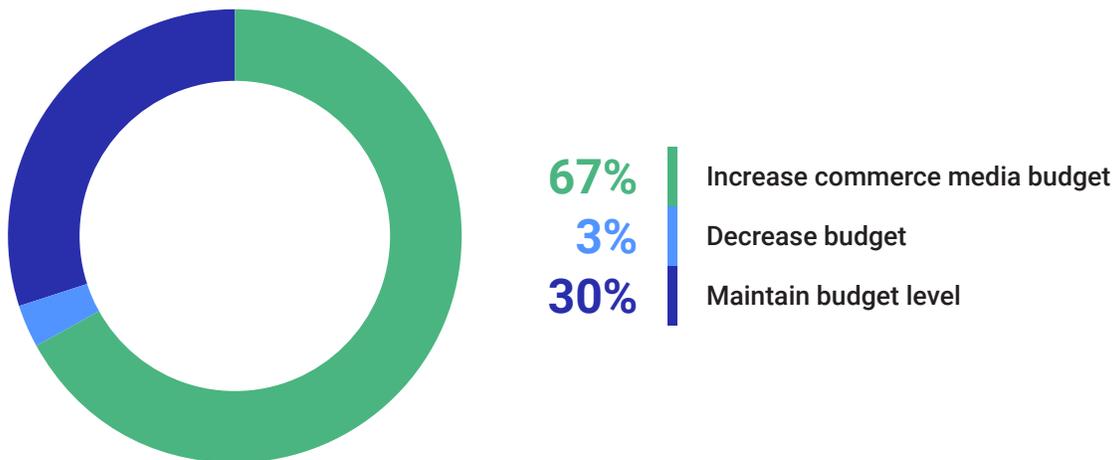


## INSIGHT #2

The industry appears to be ready, or at least getting ready, to make commerce media a core investment area for the long-term.

Brands and agencies uniformly agree that commerce media will be a part of their advertising in 2024 with 97% either maintaining or increasing their investment. Commerce media budgets for 2024 are expected to increase on average by 22%, according to brands and agencies.

### Brand & Agency Commerce Media/RMN 2024 Budgets



## INSIGHT #3

Personalization is the top reason advertisers see commerce media as an exciting opportunity.

For brands and agencies, commerce media is most attractive due to the ability to develop unique and targeted content and offers (69%), access better consumer insights (62%), and improve attribution (55%).

### Why Brands & Agencies Most Value Commerce Media and RMNs

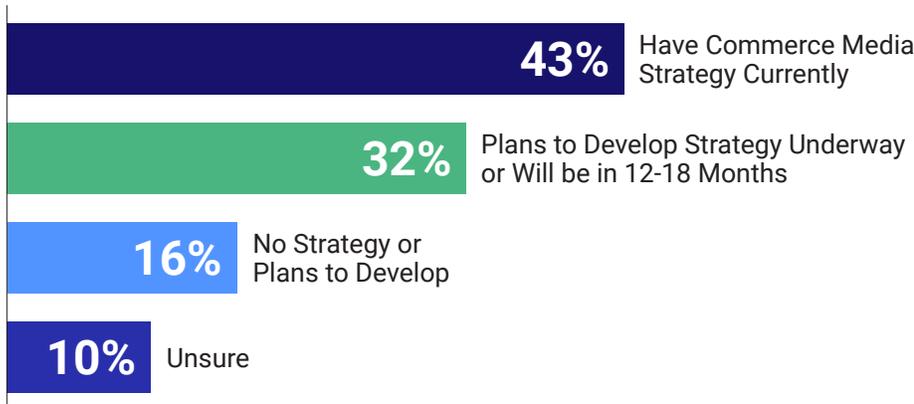


**INSIGHT #4**

By 2025, **75%** of publishers/media companies and retailers will have a specific commerce media or RMN content or advertising strategy in place.

Forty-three percent of the respondents to the publishers/media companies and retailers survey said they currently have a commerce media or RMN content or advertising strategy. And nearly one-third of these companies say they have plans to develop a strategy over the next 12 to 18 months.

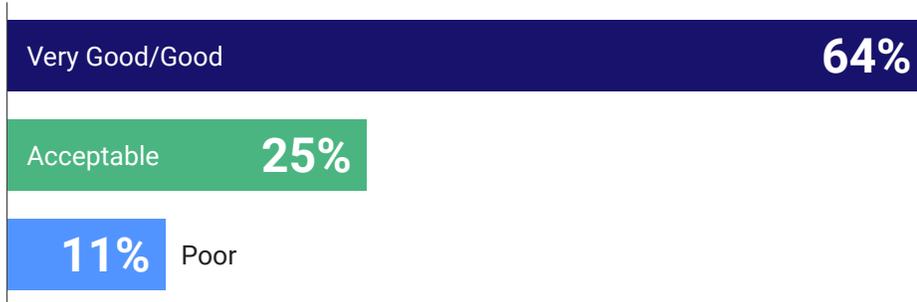
**Publishers/Media Companies & Retailers' Commerce Media / RMN Experience**



## INSIGHT #5

Publishers/media companies and retailers highly rate their customers' response to advertising on their digital properties and commerce media platforms.

Consumer response to advertising in this space has been positive with 89% of the supply-side describing customer response as "very good/good" or acceptable."



*The findings in this Executive Summary provide a portion of the research insights. The next sections, broken-out separately for the demand-side and supply-side, provide additional benchmarks, analysis and comments from a range of industry executives.*

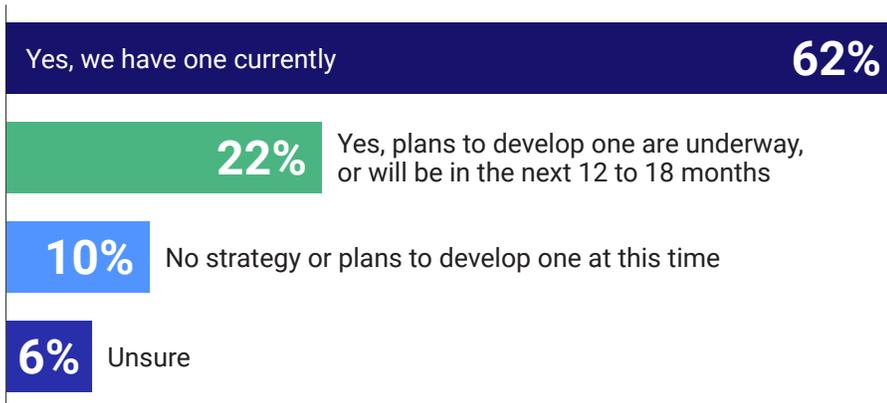
# I. Brand & Agency Survey Results

The findings from the survey of brands and agencies are provided in this section of the report.

## Percentage of Brands and Agencies with a Commerce Media Strategy

**Survey Question:** Does your company currently have a commerce media content or advertising strategy in place – or does your organization have plans to develop a commerce media strategy in the near future?

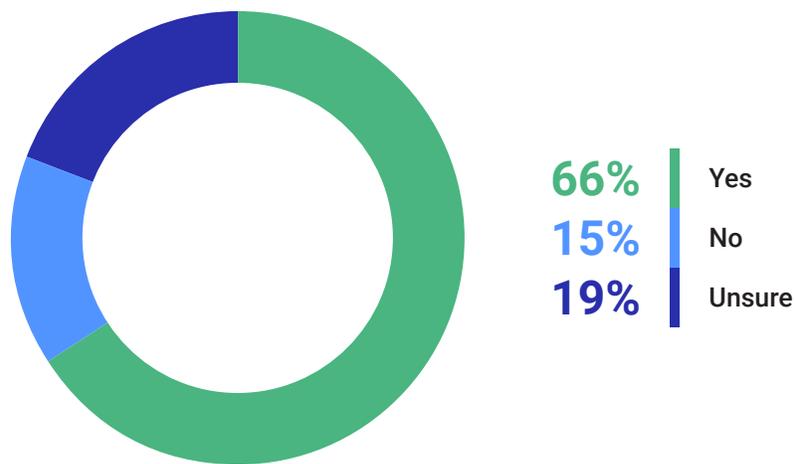
Experience with and interest in commerce media and RMNs is high among brands and agencies.



**Factors Driving Commerce Media Investment – Loss of Third-Party Cookies, Privacy, and Rise of First-Party Data**

**Survey Question:** *Are trends related to the pending loss of third-party cookies, privacy concerns, and/or the rise in importance of first-party data helping to drive your strategy or interest in commerce media or RMNs?*

A combination of the loss of third-party cookies, privacy concerns, and the focus on first-party data has made commerce media particularly attractive to brands and agencies. The survey finds two-thirds of brands and agencies agree with the premise of the question and only 15% disagree.



**How Brands and Agencies are Pursuing Their Commerce Media Strategies**

**Survey Question:** Which of the following commerce media content or advertising strategies is your company offering or developing currently – or that you plan to develop over the next 12 to 18 months?

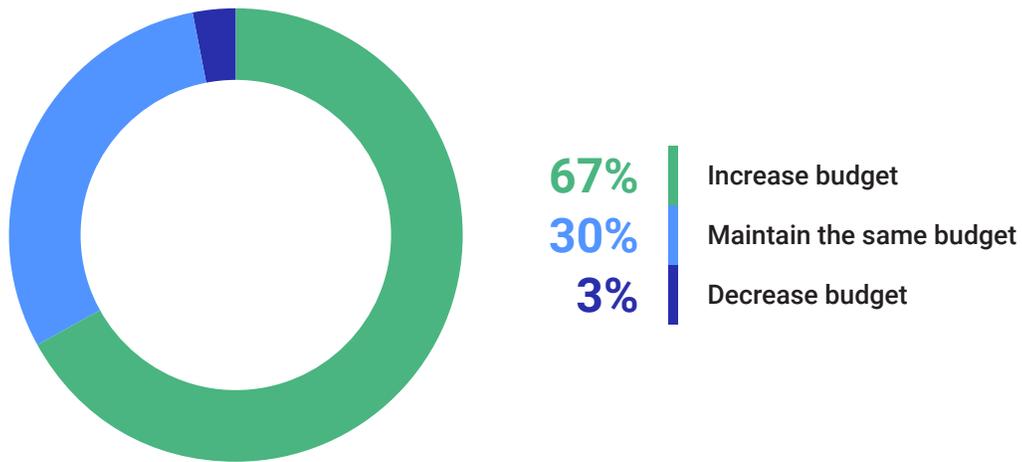
The most common brand and agency approach has been to place ads or include campaigns on digital ad networks known (or believed) to include commerce media or RMN platforms. Eighty-one percent of agency executives noted they are advising clients or developing content for these initiatives. The findings in this detailed table illustrate just how far commerce media and RMNs have come in terms of industry adoption in a short period of time.

	Offering/ Developing Currently	Likely Offered/ Developed in 12 to 18 Months
Placing ads or running campaigns on digital ad networks we know or believe include commerce media or RMN platforms	85%	15%
Directly placing ads and messaging on <b>retailer(s)</b> commerce media or RMN platform(s)	78%	22%
Directly placing ads and messaging on <b>Publisher(s)/Media co.(s)</b> commerce media or RMN platform(s)	82%	18%
Partnering with retailers or publishers/media cos. on robust custom commerce media content and advertising strategies/programs	69%	31%
Running our own commerce media platform ( <i>as a brand</i> )	53%	47%
Running our own commerce media platform ( <i>as an agency</i> )	50%	50%
Researching/studying commerce media opportunities	77%	23%
Advising clients or developing content or ads for clients ( <i>as an agency</i> )	81%	19%

**Commerce Media Budgets for 2024**

*Survey Question: What are your budget plans, or your clients' plans, for commerce media going into 2024?*

Healthy budget increases are reported for commerce media this year. Sixty-seven percent of brands and agencies say their budgets for this area have been increased for 2024.



**Average Commerce Media Budget % Change for 2024**

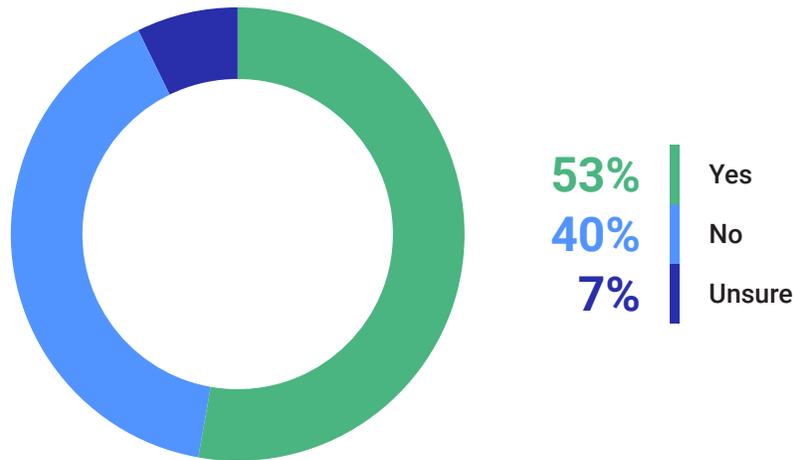
*Survey Question: What is the commerce media budget change on a percentage basis set or expected for 2024?*

**The average commerce media budget will increase by 22.5% compared to last year.** This increase indicates these strategies are working and are poised to become a core part of the advertising mix.

**Percentage of Brands & Agencies with Dedicated Budget Line for Commerce Media**

*Survey Question: Does commerce media currently have its own line item in the budget?*

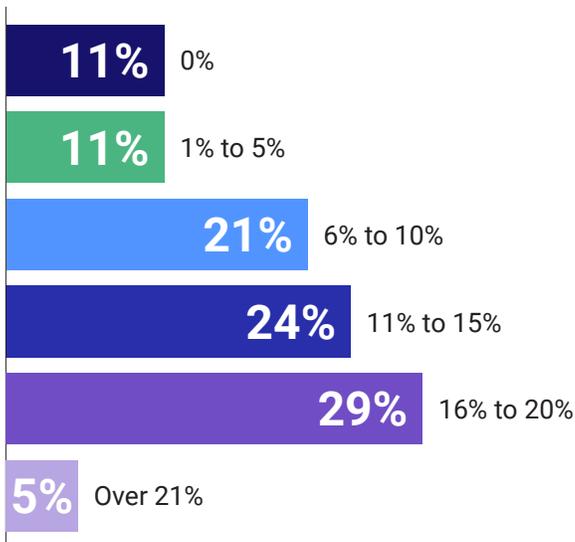
Over half of the advertising community say their overall advertising budget (or their clients' budgets if an agency) has a specific line for commerce media. Some of the groups that currently lack a specific budget line for commerce media note the existing budget used to support this investment includes their primary digital advertising and marketing budget, while others specifically noted programmatic, search, and social budgets are funding these initiatives.



**Advertising Budget Allocations to Commerce Media**

*Survey Question: What percentage of your total advertising budget is allocated to commerce media?*

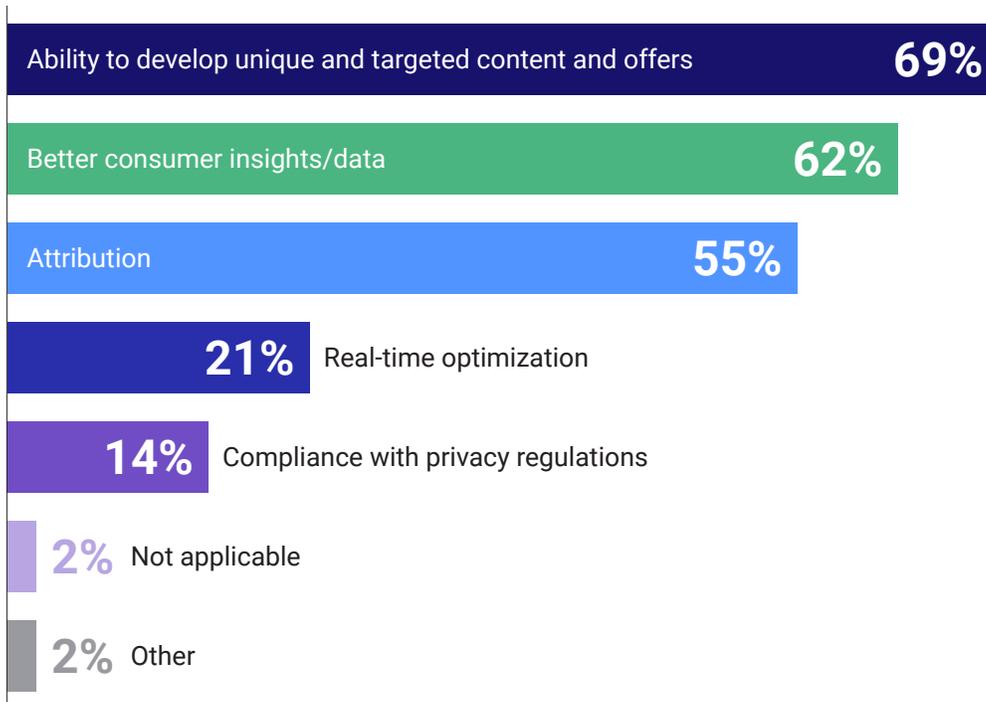
Over half of the survey respondents (53%) say that between 11% and 20% of their total advertising budget has been allocated to Commerce Media. Only 11% of the respondents noted their companies or agencies have no budget set for these initiatives at this time.



**Top Benefits of Advertising on Ecommerce Sites**

*Survey Question: What are the biggest benefits of advertising on ecommerce sites?*

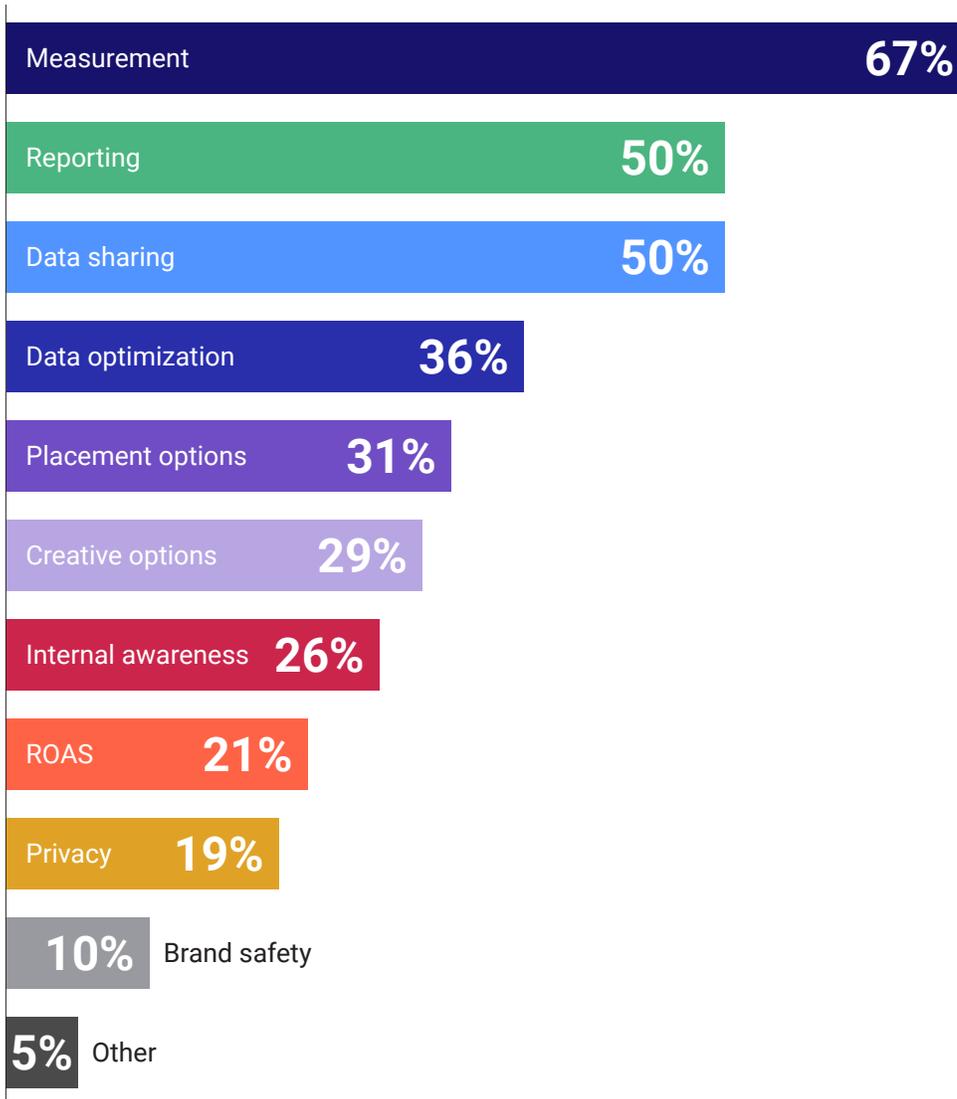
Brands and agencies most value their ability to develop unique and targeted content and offers embedded in ecommerce sites. Effective commerce media and RMN platforms also provide high-quality consumer insights and improved attribution at a time when both of these elements are critical to advertisers.



**Commerce Media Areas That Need the Most Attention and Improvement**

*Survey Question: In which areas does commerce media need the most improvement?*

While commerce media is growing quickly and adding value, it’s understandable that brands and agencies say industry improvements can be made. The industry needs to optimize measurement, reporting, and data sharing. The following received relatively low responses to this question suggesting these are not major concerns: ROAS (21%), privacy (19%), and brand safety (10%).



**Where Brands & Agencies are Decreasing Spending to Fund Commerce Media/RMN Investments**

*Survey Question: Where will you or have you decreased spending in order to increase spending in the commerce media/RMN space?*

Some commerce media/RMN investments are being partially funded by decreased spending in other areas of the advertising and marketing mix. The areas seeing the most investment shifting to commerce media/RMN are print, telemarketing, and events. Eighteen percent of the respondents noted that some of their programmatic and social media budgets are being shifted to commerce media. One way of looking at commerce media is that it's similar to programmatic, but a more effective version as a result of contextual data. A portion of social media budgets may be shifting as some advertisers want to get closer to sales and a criticism of social media is the lack of attribution.

	%
Print	<b>37%</b>
Telemarketing	<b>24%</b>
Events	<b>21%</b>
Programmatic	<b>18%</b>
Social media marketing	<b>18%</b>
Connected TV	<b>16%</b>
Influencer marketing	<b>13%</b>
Creative	<b>11%</b>
Email	<b>11%</b>
Retargeting	<b>11%</b>
Articles/blog posts	<b>8%</b>
Content Marketing	<b>8%</b>
In-store/in-person point-of-sale	<b>8%</b>
Apps	<b>8%</b>
Research and Development	<b>8%</b>
Content created with partners	<b>5%</b>
Podcasts	<b>5%</b>
SEO	<b>3%</b>
Unsure or Not Applicable	<b>14%</b>
Other	<b>11%</b>

## Biggest Commerce Media and RMN Opportunities

**Survey Question:** *What are the biggest opportunities you see related to commerce media or RMNs content and advertising programs?*

This was an open-ended question asking for write-in responses. Key themes include:

- Direct messaging during shopping/discovery process and at digital point of purchase
- High quality addressability and attribution metrics and measurement
- Ability to leverage first-party data
- Data sharing partnerships
- Enhanced customer experience
- Brand safety considerations
- Creative opportunities

Select comments:

- “AI integration and strategy.” – Brand Director
- “Better measurement will equal better usage and better ROI.” – C-Level with CPG Brand
- “Brand safety, addressability, and analytics/attribution.” – VP with Entertainment Brand
- “By back casting using purchase data, it is possible to guide people who are outside the funnel into making a purchase.” – Agency C-Level
- “Creating better connections and communications with the individual consumer and gathering a more complete data set.” – C-Level with Brand
- “Data driven/automated optimization.” – Brand VP
- “Data sharing and closed loop measurement across multiple retail media providers/networks.” – Brand C-Level
- “Extending the power and reach of our clients’ first-party data.” – Agency C-Level
- “First-party data audiences, attribution.” – Financial Services VP
- “More seamless data-sharing for off-site ad placement using the retailer’s first-party shopper data and reporting/attribution across multiple retailers/retail media networks.” – Agency C-Level
- “New ad formats and standardized reporting/attribution.” – Agency C-Level
- “New creative approaches.” – Technology Brand Executive
- “Placing messaging at digital transaction points and ability to develop custom content.” – Brand VP
- “Sharing better data back with advertisers. If we know more, and things are working, we are likely to spend more.” – Brand Director with Consumer Electronics Company
- “The ability to reach the consumer as they’re actively shopping.” – VP with CPG Brand

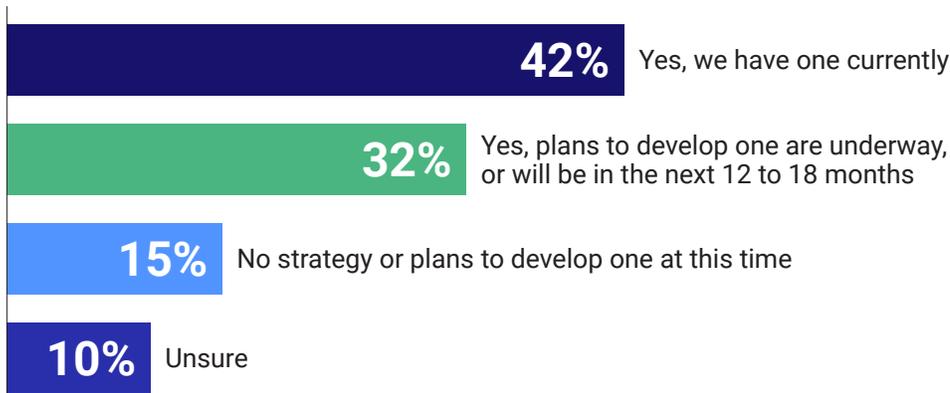
# II. Publisher/Media Company & Retailer Survey Results

A diverse group of publishers, media companies, and retailers were surveyed and these findings are outlined in this section. While the previous brand and agency data illuminates the state of the key “client” demand-side community for commerce media, this data analyzes the advertising platform, content, and marketing services segment of the industry, i.e., the supply-side.

## Percentage of Publishers/Media Companies & Retailers Pursuing a Commerce Media or RMN Strategy

*Survey Question: Does your company currently have a commerce media or RMN content or advertising strategy – or are you planning to develop a commerce media or RMN strategy?*

Forty-three percent of the respondents said they currently have a commerce media or RMN content or advertising strategy. This is smaller than the percentage of brands and agencies that have a commerce media/RMN strategy already in place (62%), as noted earlier in the report. It’s important to note that demand from advertisers is there and publishers/media companies and retailers need to keep up.

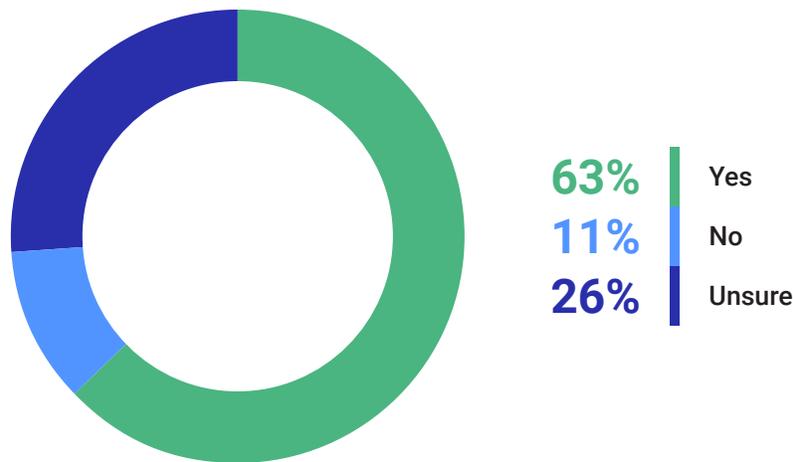


By 2025, a total of **75%** of publishers/media companies and retailers will have a commerce media/RMN strategy set, compared to **84%** of brands and agencies.

**Factors Driving Commerce Media Investment for Publishers/Media Companies and Retailers – Loss of Third-Party Cookies, Privacy, and Rise of First-Party Data**

*Survey Question: Are trends related to the pending loss of third-party cookies going away, privacy concerns, and the rise in importance of first-party data helping to drive your strategy or interest in commerce media or RMNs?*

The important trends and changes impacting digital advertising have made commerce media attractive to media companies and retailers, and these trends have also influenced demand from brands and agencies. This question posed to publishers/media companies and retailers found that 63% say their commerce media strategy has been developed in response to industry trends. Only 11% say this is not the case, and it is assumed many of this smaller group have little to no experience with this growing part of the marketing mix.



**Commerce Media Content or Advertising Strategies Offered, in Development, or Planned for Next 12 to 18 Months**

*Survey Question: Which of the following commerce media or RMN content or advertising strategies is your company offering or developing currently – or that you plan to develop over the next 12 to 18 months? or RMNs?*

This question, similar to a question posed to brands and agencies, provides a range of data and benchmarks. Some of the key findings are that just over half (57%) of retailers/e-commerce companies currently provide their own commerce media/RMN platform. A smaller percentage but still fairly large segment of publishers/media companies (47%) are running their own similar platforms.

	Offering/ Developing Currently	Likely Offered/ Developed in 12 to 18 Months
<b>Retailers/E-commerce Companies</b>		
Running our own commerce media or RMN platform	57%	43%
<b>Publishers/Media Companies</b>		
Running our own commerce media platform	47%	53%
<b>Publishers/Media Companies &amp; Retailers/E-commerce Companies combined response</b>		
Researching/studying commerce media or RMN opportunities	68%	32%
Partnering with brands or agencies on robust custom commerce media content and advertising strategies/programs	65%	35%
Researching and/or seeking partners to launch commerce media opportunities on Owned & Operated digital properties	57%	43%
Advising clients or developing content or ads for clients and partners	65%	35%

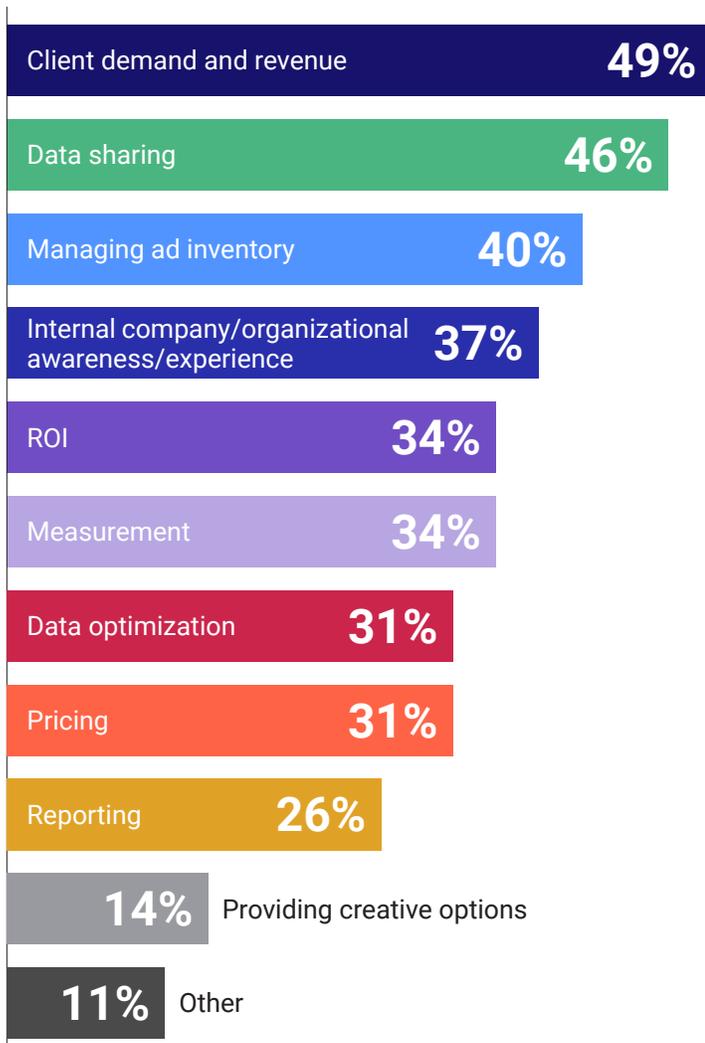
**Biggest Challenges Related to Enhancing Advertising on Digital Properties**

*Survey Question: When it comes to adopting and running advertising on your digital properties, what are the biggest challenges?*

The top challenges are considered to be client demand, data sharing, and managing ad inventory. But no single challenge was selected by more than 49% of the industry. Despite the level of demand side investment (67% of brands and agencies say their budgets for this area have been increased for 2024), nearly half of publishers/media companies and retailers are still looking for clients. This raises questions as to whether or not they know how to find brands and agencies, and/or need more effective sales and partnership strategies to drive this segment of their advertising business forward.

Data sharing is also rated a challenge by close to half of the supply side of the industry likely due to different strategies and platforms as well as concerns about privacy regulations and differing company policies.

It is also important to note that measurement and reporting are #1 and #2 areas that need to most improvement according to brands, but those are #6 and #7 on the publishers' list of improvements.



Commerce Media Priorities and Initiatives

**Survey Question:** *What is on the top of your commerce media to-do list?*

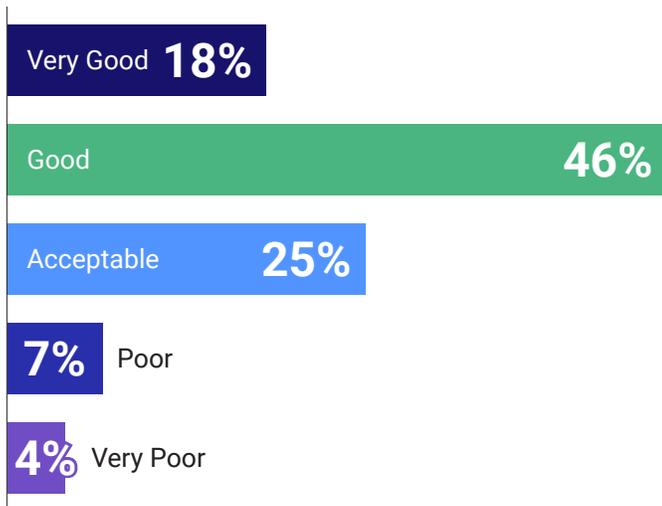
Besides securing more clients for commerce media initiatives, the top priorities for publishers and retailers are improving ad inventory management, adding more targeting capabilities, and adding or enhancing optimization tools. These findings match closely with the survey data directly above on the biggest challenges in this segment. These priorities also align fairly closely with advertisers’ top three concerns (optimize measurement, reporting, and data sharing), though data sharing seems to be less of a priority for publishers/media companies and retailers (note “Improve data management” 24% in the bar chart).



How Customers are Responding to Advertising on Digital Properties

**Survey Question:** How would you rate your customers' responses to the introduction of advertising on your digital properties?

Nearly two-thirds of the supply side rate their customers' response to more ads placed on their websites and apps as "good" to "very good."



## Biggest Commerce Media Opportunities

**Survey Question:** *What are the biggest opportunities you see related to commerce media or RMN content and advertising programs?*

This was an open-ended question for write-in responses. The key themes in a number of the comments include:

- New revenue opportunities
- Ability to message during shopping/discovery process and at digital point of purchase
- Improved measurement and reporting
- Focus on first-party data and privacy
- Ability to customize solutions and be creative
- Tie-in with streaming video and CTV
- Adding value to brand partners and audiences/customers

Select comments:

- “Centralized reporting and also learning and development/internal communications for awareness and stakeholder management.” – C-Level with Media Company
- “Commerce media actually drives sales throughout the funnel.” – E-commerce C-Level
- “Connecting premium editorial offerings to client goals and unlocking new verified audiences for brands to engage with.” – VP with Digital Media Company
- “CPG brands and adoption of streaming OTT/CTV.” – Media Company Executive
- “Expansion of CTV delivery and conversion tracking.” – Digital Media VP
- “Gaining opportunities to respond to RFP’s from prospective advertisers and their ad agencies or media-buying firms.” – Director with Publishing Company
- “Improvements in contextual targeting will help generate more revenue from programmatic as well.” – Publishing Company Manager
- “Measuring the incremental impact of these media investments within the context of the broader/national media investments.” – Media Company VP
- “More fully participating, leveraging our content generation capacity.” – C-Level with Digital Media Company
- “Simplification across platforms to allow brands easier access to activate and be self-serve, etc.” – VP with Fashion Retailer
- “Using media as a way to influence overall revenue, not just media specific. This is ultimately an attribution and revenue modeling/accounting challenge.” – Retail VP

# Methodology & About the Respondents

Fluent and AdExchanger surveyed a cross-section of leading brands, agencies, publishers/media companies, and retailers serving a range of industry sectors. The survey was conducted in December 2023 and January 2024 and received 153 responses.

## Type of Organization

	<b>%</b>
Publisher/Media Company	<b>33%</b>
Agency	<b>27%</b>
Brand	<b>16%</b>
Retailer	<b>11%</b>
AdTech	<b>8%</b>
Other	<b>5%</b>

## Job Title/Role

	<b>%</b>
C-level	<b>32%</b>
EVP/SVP/VP	<b>31%</b>
Director	<b>22%</b>
Manager	<b>15%</b>

## Industry Sector

	<b>%</b>
Media and Entertainment	<b>27%</b>
Professional Services	<b>14%</b>
Retail/E-commerce	<b>10%</b>
Consumer Packaged Goods	<b>7%</b>
Consumer Electronics and Mobile Tech/Telecom	<b>5%</b>
Fashion and Apparel	<b>3%</b>
Information Technology	<b>3%</b>
Medical, Healthcare and Pharmaceutical	<b>2%</b>
Banking and Financial Services	<b>2%</b>
Education	<b>2%</b>
Hotel, Travel and Hospitality	<b>2%</b>
Building and Construction	<b>1%</b>
Manufacturing and Industrial	<b>1%</b>
Sports and Esports	<b>1%</b>
Other	<b>18%</b>

**Number of Employees**

	<b>%</b>
Under 500	<b>65%</b>
501 to 1,000	<b>10%</b>
1,001 to 10,000	<b>15%</b>
Over 10,001	<b>10%</b>

**Total Revenue**

	<b>%</b>
Less than \$100 million	<b>65%</b>
\$100 million to \$500 million	<b>10%</b>
\$500 million to \$1 billion	<b>6%</b>
Over \$1 billion	<b>19%</b>

**Digital Advertising Budget, Brands and Agencies only**

	<b>%</b>
Less than \$1 million	<b>46%</b>
\$1 million to \$10 million	<b>12%</b>
\$11 million to \$50 million	<b>19%</b>
Over \$50 million	<b>23%</b>

**Digital Advertising Revenue, Publishers/Media Companies and Retailers only**

	<b>%</b>
Less than \$1 million	<b>36%</b>
\$1 million to \$10 million	<b>23%</b>
\$11 million to \$50 million	<b>9%</b>
Over \$50 million	<b>32%</b>

# About Fluent

Fluent, Inc. (NASDAQ: FLNT) is a leader in performance marketing, delivering customer acquisition solutions through our digital media portfolio, global commerce partnerships, and proprietary data and tech. We introduce brands to consumers through outcome-based programs across untapped channels, including our post-transaction ad solution and rewarded discovery platform. Since 2010, we have continued to innovate and iterate on the most effective strategies that connect our partners and brands with their most valuable customers, helping to drive lower-funnel engagements that exceed client expectations.

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