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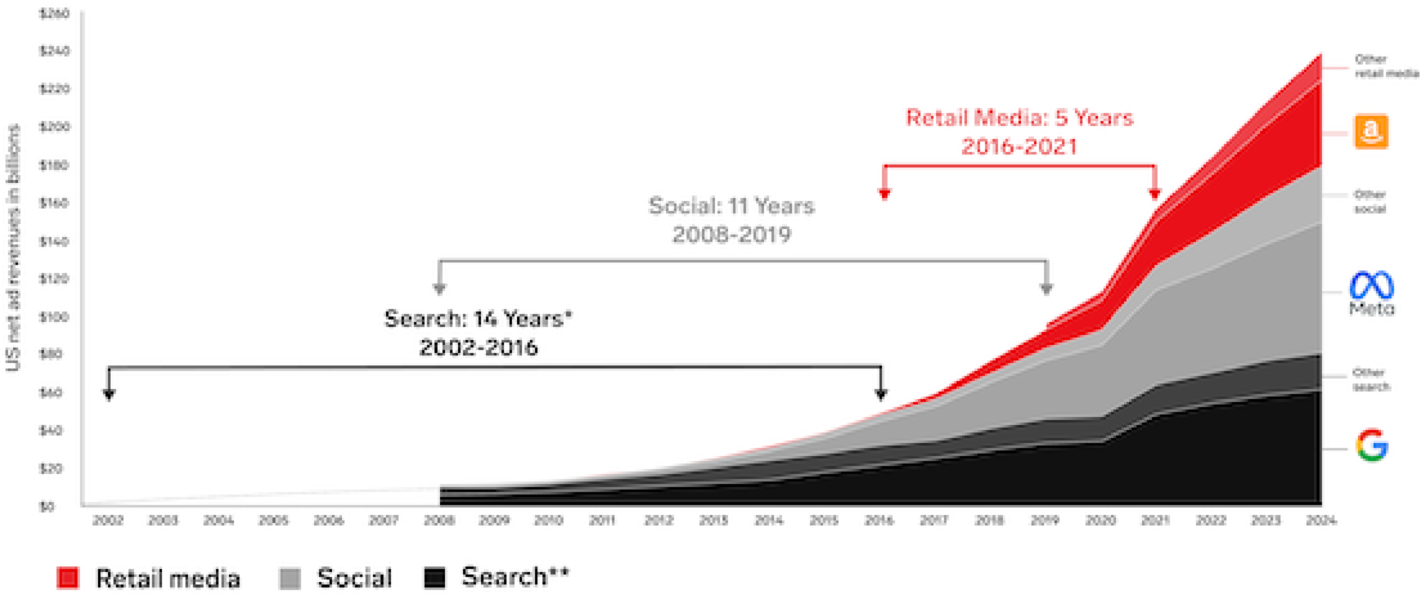
3 industries poised for retail and commerce media network growth

Article

In just five years, retail media went from a $1 billion segment to a $30 billion segment. With US omnichannel retail media ad spend poised to reach $59.98 billion this year, per our October 2023 forecast, non-retail industries from health and fitness to financial institutions are looking to build out their own media networks.

Years For Search, Social, and Retail Media Advertising Markets to Grow From $1 Billion to Over $30 Billion



Note: *Using IAB's estimates of $900 million in search advertising revenues in 2002. **excludes search ad revenues from retail media advertising
Methodology: Estimates are based on the analysis of various elements related to the ad spending market, including macro-level economic conditions; historical trends of the advertising market; historical trends of each medium in relation to other media; reported revenues from major ad publishers; estimates from other research firms; data from benchmark sources; consumer media consumption trends; consumer device usage trends; and eMarketer interviews with executives at ad agencies, brands, media publishers, and other industry leaders.
Source: eMarketer, Oct 2022

This next evolution of media networks can be loosely defined as commerce media. These emerging platforms have several things in common:

- A captive audience
- Commerce or financial transactions
- First-party data from consumers
- A platform where ads can be served

Here are some of the industries where commerce media networks have potential.

1. Health and fitness

The opportunity: Gyms have out-of-home (OOH) and digital display advertising potential. Health-oriented consumers are generally willing to share first-party data in order to track progress. And gyms could pair with streaming platforms to offer access to content for logged-in users in order to target ads with an even bigger audience.

Because the fitness audience is large and diverse, health and personal care products could be a good match for these consumers. US health and personal care retail ecommerce sales will total $153.86 billion this year, according to our December 2023 forecast.

The drawbacks: Gym-goers may be cautious about sharing data as exercise machines and apps can monitor biometrics. People in the middle of a workout also may not be eager to make a purchase the same way in-store shoppers are.

Real-world example: Planet Fitness launched an OOH ad program called PF Media Network in January, leveraging audiences at over 2,500 global locations. “Our members are a captive audience with prolonged exposure time,” said chief digital officer Sherrill Kaplan in an interview with eMarketer.

2. Travel

The opportunity: Like health and fitness, travel comes with both OOH and digital display ad potential. Travelers are a captive audience when on airplanes, in cabs and ride-share vehicles, and in hotels. People who are traveling are generally open to spending money on a variety of things, including food, merchandise, and experiences. And like gyms, hotels and airlines could potentially offer streaming content access in return for first-party data.

The drawbacks: Travel is already logistically complicated and expensive. Inundating airline passengers with ads could make a challenging experience even worse.

Real-world example: Marriott has had a travel media network since 2022. The network extends through before and during hotel stays.

3. Payments and financial services

The opportunity: Financial and payments institutions like buy now, pay later (BNPL) platforms have users who are often close to the point of purchase, making the platforms a ready opportunity for serving ads.

The drawbacks: Financial websites ranked lowest among websites where US consumers are most receptive to ads, according to a Q3 2023 study from Integral Ad Science. And BNPL services tend to be used via integration with retailer websites, rather than through their owned channels.

Real-world example: Klarna has a retail media network on its platform, which also boasts an AI-powered shopping assistant.

This was originally featured in the Retail Media Weekly newsletter. For more marketing insights, statistics, and trends, subscribe here.