

# Fragmentation is a major speed bump for retail media

Article

Retail media is one of the fastest-growing ad channels we track, due in part to the allure of closed-loop attribution powered by retailers' first-party consumer data. But advertisers are starting to curb their enthusiasm given measurement challenges stemming from the lack of methodological standards across platforms. As it stands, it's nearly impossible for advertisers to compare platforms against each other, which can lead to misallocation of budgets.

## Advertiser frustrations have been heard by agencies and trade organizations.

The Interactive Advertising Bureau (IAB) and Media Rating Council (MRC) are collaborating on guidance for how to apply existing measurement standards to retail media, which they are aiming to release before Q4 2023. In the meantime, agencies and ad tech vendors are busy launching tools and solutions to help advertisers navigate the headache of executing and optimizing strategies across retail media platforms. Here are some considerations shaping where retail media measurement goes next:

- **Incrementality is essential for lower-funnel media.** In many cases, consumers are searching a retailer's site for a particular product intending to make a purchase. If an ad is served and the consumer clicks through, the retailer would be taking credit for a conversion that was going to happen anyway. The retail media measurement equation isn't configured to account for this —yet.
- **Measurement becomes more complex as retailers expand their offerings.** In-store is the next frontier in retail media. Bringing out-of-home (OOH) measurement into the fold is challenging but doable. But to justify shifting national budgets to in-store, advertisers will need transparent and reliable third-party measurement.

### So what's an advertiser to do?

- **Join working groups and other fora.** There are several industry initiatives to develop and issue standards in the retail media space. Make sure your voice is heard.

Report by Evelyn Mitchell-Wolf Aug 08, 2023

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