

# Offsite programmatic retail media ad spending is surging

Article

**The news:** Advertiser Perceptions expects a 30% rise in US retail media spending for 2024, driven predominantly by offsite programmatic advertising, which could draw over \$20 billion from marketers. That would represent 167% growth over 2023's \$7.5 billion offsite programmatic tally.

- Our own retail media network offsite ad spending forecast has the category set to grow 64.1% this year to \$11.04 billion. The two figures don't tie up because of varying definitions, but both forecasts show the category is becoming a significant driver of retail media writ large.

**Why it matters:** The ascent of offsite programmatic retail media underscores a pivotal shift as the industry increasingly relies on retailers' data for external advertising efforts.

- Offsite retail media uses product availability and customer behavioral insights to target the right audience across the web, digital TV, and social media. By applying these data-driven strategies, brands can fine-tune their ads to reach the right people on various channels and directly measure campaign success.
- The projected growth to \$81.6 billion in retail media ad spending by 2025, when it will account for 23.5% of the US digital ad market, marks a decisive trend toward more sophisticated advertising mechanics.

#### **Why it's so hot:**

- Retailers are venturing into new channels like connected TV and streaming to diversify ad opportunities. Nearly 4 in 10 (39%) of advertisers are buying CTV ad spots because more inventory is available due to new ad-supported streaming tiers, per The Trade Desk.
- Our forecast projects US retail media CTV ad spending to soar 335.5% this year and reach \$8.67 billion by 2027.

#### **Yes, but:**

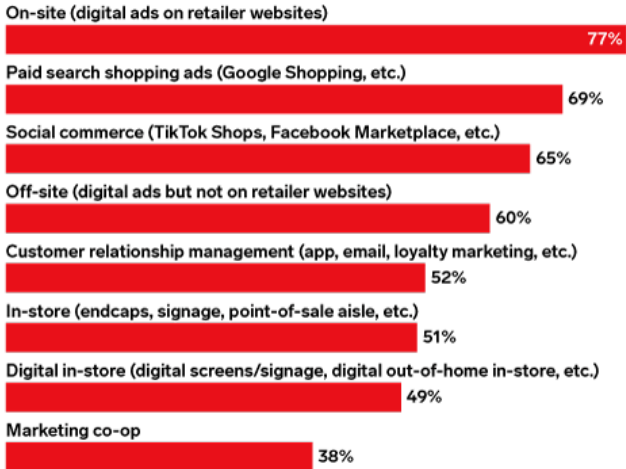
- Offsite programmatic retail media faces scrutiny over transparency and advertising quality.
- Growth in programmatic ad spend on mobile and desktop is slowing, posing challenges for dependent publishers.

**Our take:** The saturation of onsite retail media ads is diminishing the shopping experience, according to critics—which is pushing retailers to explore offsite avenues.

The growth in offsite programmatic retail media not only heralds a new era in digital marketing but also necessitates a nuanced approach to ensure transparency and maintain consumer trust.

## Components of US Advertisers' Retail Media Strategies, Dec 2023

% of respondents



Note: n=98 with 59% agency professionals and 41% consumer product manufacturers  
Source: Skai and Path to Purchase Institute, "The State of Retail Media 2024," Feb 7, 2024

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