

# Retail media moves off-site, up-the-funnel—but are retail media networks ready?

Article

[Retail media](#) is moving beyond performance to become a tool that marketers can use to drive both sales and brand awareness. In this next evolution, off-site, in-store, and [upper-funnel](#)

formats like [connected TV \(CTV\)](#) and [social](#) will play a larger role in marketers' retail media strategies as they seek more scale and control over their campaigns.

To prepare, [retail media networks](#) should focus on building out more self-service capabilities while also ensuring they are delivering on both performance and brand outcomes.

**Bigger and better:** US ad spend on off-site retail media will grow 61.5% to reach \$10.64 billion this year, per our forecast. That number will more than double over the next four years, reaching \$28.05 billion by 2028, making up over a fifth (21.8%) of total retail media network ad spend.

There are two main reasons ad spend on off-site has taken off, according to Shawn McGahee, head of retail media at Google.

- “The most important factor is scale,” he said at our recent [EMARKETER Summit](#). “Reaching audiences at scale, and even more importantly, driving sales at scale.”
- Also driving off-site's growth is advertisers' desire to have more flexibility and control over how they invest in retail media.
- “Retail media dollars are moving to platforms that are providing flexibility and transparency and options for managed service and self-service functionality,” said McGahee, noting that Google is building out new features in its Search Ads 360 platform that will help retailers manage off-site campaigns, with a self-service feature launching soon.

**Moving on up:** In order to keep up with advertiser demand, many retail media networks have begun to offer ad formats across social, CTV, and the open web.

- “Marketers are not just looking for a way to drive sales, but to actually build the brand,” said John Paquin, senior director, brand and media, at the Association of National Advertisers (ANA). “These are some of the considerations being evaluated now. It's more than just a particular platform, but how it fits into the bigger picture.”
- But some networks haven't built up the right infrastructure to offer these kinds of formats.
- “What I often see is retail media networks going too upper-funnel, too fast, where they may not have the audience size and audience scope to add incrementally to the brand outcomes,” said McGahee.

**What's in store:** Though it still represents less than 1% of US total retail media ad spend, per our forecast, in-store retail media is gaining traction as networks look for ways to differentiate themselves from their competition.

“Initially, a lot of retail media networks were just selling ads across their media space and not integrating it into their store displays or seasonal promotions,” said Paquin. “The smart ones quickly understood that they needed to provide their customers with a holistic plan that included all of the above.”

- However, retailers need to be cautious with how they balance in-store retail media technology with the customer experience, said Jordan Witmer, associate director, omnichannel retail media at Kenvue (formerly the consumer healthcare division of Johnson & Johnson).
- “Consumers are really good at smelling an ad,” he said. “I’m interested to see how consumers react to it becoming a more digitized, faster-paced, more in-your-face type of an environment because we've seen [in-store advertising] be very powerful historically.”

*This was originally featured in the Retail Daily newsletter. For more retail insights, statistics, and trends, [subscribe here](#).*