

# Retail media 2.0: Partnerships with social media, TV platforms step into the ad strategy

Article

As the retail media industry evolves, marketers are embracing new formats such as open web, social media, and streaming TV to reach customers earlier in their buying journey and increase

brand recognition. To accomplish this, we'll see retailers form collaborative alliances with social media companies, streaming platforms, and publishers.

When Dollar General's media network **combined with Meta in March to offer a closed-loop ad solution**, this allowed advertisers to engage with more than 90 million Dollar General customers through paid media, many of whom are in hard-to-reach rural areas.

"It's obvious that brands really like Dollar General because of the unique audience," our analyst Andrew Lipsman said on a recent episode of "**Behind the Numbers: Reimagining Retail.**" "And it seems to be bearing fruit, as brands are responding to it," said Lipsman.

Our analysts are also watching Pinterest and Amazon (another social media platform and retailer combo), as well as The Kroger Co. and The Walt Disney Co., said our analyst Max Willens. "I think that the interplay between [connected TV] and retail media ad spending is going to be very complex, and I'm really, really fascinated to see how it shakes out."

**Collaboration woes:** Because retail media is so new—and so hot—challenges with standardization are emerging too.

"If I am an advertiser and I invest a big pile of money in an ad campaign with a web publisher and they promise me this kind of return and this kind of brand lift, and it doesn't deliver, then I can pick up the phone and call the publisher's chief revenue officer and scream at him for an hour and demand my money back or just say, 'I'm never working with you again unless you make [a] concession,'" said Willens.

In a retail media relationship, the ties are likely deeper. "I probably have my product on that retailer's store shelves. I probably also have them in their circulars, so I don't want to call and scream at them because they play a pivotal role in the relationship that I have with my consumers. And so I think that level of complexity is going to play a big role in determining how this gets sorted out."

**Retail media's impact:** If marketers can leverage a retailer's first-party data and connect it to upper-funnel media ecosystems, they have a greater likelihood of working past some of these challenges—and finding growth.

US retail media growth will reach \$45.15 billion in 2023, an increase of nearly 20% since 2022, according to our forecast. Growth is expected to accelerate until 2027, when US retail media

ad spend is poised to reach \$106.12 billion—more than a quarter (26.9%) of US digital ad spend.

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