

# The role of mobile apps in retail media

## Article

Mobile apps are vital for commerce. In fact, among US smartphone users, 65.8% will use retail apps in 2024, putting the category behind only maps/navigation apps (72.8%) and weather apps (71.1%) in terms of adoption, according to our July 2023 forecasts.

Here's how all that adoption is factoring into retail media's rise.

**Grocery run:** Though grocery is further behind other categories, at 20.0% adoption, it is the fastest-growing app category in the US and has been for several years now with no sign of slowing.

“The rapid growth in grocery app users could feed the retail media craze,” wrote our analyst Yoram Wurmser in his [Mobile App Users 2023](#) report. “With grocery apps growing extremely fast, they could become an even bigger part of mobile strategy for brands. The category likely will benefit from the rapidly increasing ad spend in retail media networks, which we forecast to grow by about 20% or more over the next four years.”

**Prime example:** Amazon is certainly benefiting from app use. Its US mobile ad revenues will increase by 22.9% next year, to total \$21.91 billion dollars, according to our forecast. That’s nearly 50% of Amazon’s net digital ad revenues. Also, 51% of US consumers start their online search journey on Amazon, which has high mobile app adoption, according to Jungle Scout. That puts Amazon well ahead of search engines, at 39%.

**Target in-store:** Mobile apps also present an omnichannel retail media opportunity when used in stores. Some 75% of Target guests browse via its app or website while shopping in-store, according to Roundel senior vice president and president Sarah Travis, speaking at our [“Attention! Trends and Predictions for 2024”](#) summit. Among Gen Z guests, that figure jumps to 93%, Travis said. That presents an opportunity to serve ads and deals exclusively in stores, and to understand a customer’s shopping journey more holistically via their in-store search habits.

**What does this mean for retailers?** Mobile apps can unlock retail media ad growth (and boost sales revenues along the way). But consumers will only adopt so many apps, so retailers need theirs to be worth using. Exclusive deals, loyalty opportunities, ease of use, and **entertainment** are all ways retailers can boost app use.

**What does this mean for brands?** Include mobile in your retail media strategy. **Brands should already be thinking about retail media** beyond on-site search and instead as a media channel with off-site opportunities, including streaming TV and social media. Mobile app advertising is yet another extension of retail media, and another way to meet the customer where they are and when they are ready to buy.