

INTEGRATION, INSIGHT & INFRASTRUCTURE

THREE CRUCIAL ENABLERS THAT CAN
TAKE RETAIL MEDIA NETWORKS TO THE
NEXT LEVEL



There has been rapid growth in the use of Retail Media Networks (RMNs) in the digital advertising landscape, amassing \$136 billion revenues last year. By selling advertising space on their own websites and apps, RMNs enable retailers to open additional revenue streams, using their customer data and insight to boost the bottom line.

Amazon's RMN is so successful that it is eating into Google and Meta's long-running duopoly at the top of the market. When users search for products on the platform, the sponsored listings and suggested products that appear have been paid for by brands. This gives them direct access to high-intent shoppers. The market is growing increasingly broad, from more established retail names like Nectar, to the likes of Uber, which is selling ad space as part of a rideshare media network.

For brands, RMNs make it possible to access specific customer segments – for instance, DIY Brands can reach qualified audiences who are actively considering home improvement projects – and target them based on purchasing behaviour, interests and recent browsing history.

Having the ability to reach a variety of active shoppers allows marketers to truly see what is working, and what isn't – a gamechanger for ROI.

It's no wonder that RMNs are projected to become more valuable than traditional channels such as TV – but this growth won't necessarily happen organically.

To keep moving forward and achieve ever increasing targets, retailers need to focus on the three Is:

Integration: Improving match rates across channels

Advertisers benefit from extending campaigns wider than an RMN's owned and operated environments – such as the open web and social media platforms. At present, match rates between the RMN's audiences and third-party platforms are relatively low. This means RMNs are not maximising their audience reach and consequently, revenue opportunities are being left on the table.

To continue their growth, retailers would benefit from resolving identity fragmentation.

By unifying customer data across devices and environments and increasing the number of identifiers that can sync with Ad-platforms, retailers will be able to boost match rates and reach.

Moreover, increased match rates will improve reporting accuracy and provide brands the confidence share insight that can inform brands' future campaigns.

Insight: Using third-party data to build deeper knowledge

Retail Media Networks are built on valuable first-party shopper data, which shows what people are buying, how often and where from – but this is only surface-level information. This is enough to satisfy CPGs who want SKU-level data, if it enables them to drive sales, but they need to go further to attract ad spend from other industries.

Other industries require a deeper understanding than basket-level data. For instance, financial services brands might want to reach people who are affluent and tech-savvy, while travel brands might want to find households with disposable income, who spend money on leisure activities.

To deliver a deeper level of insight on customers, retailers need to enrich their data with third party insights. Adding information including demographics, lifestyle traits, financials and interests will enable RMNs to build audience segments.

These segments make it possible to deliver an increasingly targeted approach to new industry verticals, in turn generating new ad revenue.

Infrastructure: Refining the Ad-tech stack

Even with rich audience insights and robust data at their fingertips, retailers still face a significant challenge: implementing the right advertising technology infrastructure.

Advertisers increasingly expect effortless campaign activation across the digital channels they already use – be it programmatic platforms, social media, or connected TV. Delivering on that expectation requires well-designed integrations.

Whether retailers are building their own tech stack or partnering with third parties, they need a solution that supports the full journey – from audience onboarding to cross-channel execution.

Without seamless integration with key ad-tech partners, even high-quality data will go to waste. In turn, future revenue opportunities will be lost.

Evolving for Long-Term Growth

The opportunities for growth are huge for retailers – meaning RMNs are a solid longer-term revenue stream. But to continue growing RMN revenues over the next few years, retailers need to go further than providing a closed-loop media solution for FMCG. They must become scalable, versatile platforms that deliver value to a wide array of advertisers spanning multiple industries and digital channels.

By investing in integrated technology, richer insights, and scalable infrastructure, retailers can unlock the full potential – building indispensable engines that can drive omnichannel advertising success.

About Sagacity

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