

How to catch **THE NEXT WAVE** of digital advertising

The ultimate guide to retail media
for multi-brand webshops



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Introduction

In the early days of digital advertising, Google dominated the landscape with Google AdWords, Google Display Network, and Google Shopping, and ads still contribute nearly 80% of its annual revenue (Bianchi, 2024). The second wave of digital advertising saw the rise of social media platforms, also with ads as the primary source of income. The third wave of digital advertising has commenced, and it's taken the shape of retail media.

In this guide, we'll explore the what, why, and how of retail media for multi-brand webshops and their brand partners. Together with Frederik Birk, Head of Retail Media at Nexta, we'll discuss why you should catch the next wave of digital advertising today rather than tomorrow and why retail media is relevant for more multi-brand webshops than you might think.



01 Understanding retail media: Your gateway to growth

Today, most advertisers are used to running ads on search engines and social media. However, the newest trend, retail media, allows brands to run ads directly on or via multi-brand webshops. This new wave transforms webshops into media networks, enabling brands to rent out ad space and target high-intent shoppers with personalized ads while simultaneously creating a brand-new revenue stream.

According to Emarketer, retail media will make up one-fifth of worldwide digital ad spend in 2024. This means that retail media is growing faster than almost any other form of ad spend category, including search and social media ads (Lebow, 2024). Retail media is growing steadily and might eventually become the primary source of income for some webshops, as it currently is for both search and social media.

The retail media competition will be fierce, why it's important to catch the wave as soon as possible. Luckily, retail media exists in many forms, making it relevant for many multi-brand webshops as well as giving you the chance to start small and gradually grow bigger.

Retail media consists of these three types of advertising:

In-store media

Advertising and promotional activities within the physical store might be the most well-known and traditional form of retail media. This type of retail media is only relevant for webshop owners who also have physical stores, and includes:

- Promotional displays: An example of this could be when brands such as Coca-Cola rent out a section of the supermarket to promote a new type of Fanta.
- Screens within stores displaying dynamic content and ads.

On-site media

Advertising displayed online directly in your webshop or app including:

- **Sponsored products:** Ads that appear in search results or product listings.
- **Banner ads:** Promotional banners on the homepage, category, or product pages.
- **Native ads:** Ads that blend with the existing webshop content, such as recommended products or special offers.
- **Video ads:** Short video clips featured on product pages or other sections of the webshop.

Off-site media

Ads that use your webshop's data but are displayed outside your own platforms, including:

- Ads on social media platforms such as Meta, LinkedIn or Pinterest, targeting users based on their interaction with the webshop.
- Paid search ads on platforms like Google or Bing, tailored to customers who have shown interest in the webshop's products.
- Targeted display ads on third-party websites using the webshop's audience data.

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I believe that at least 60% of all multi-brand webshops can profit from retail media. The profit potential will depend on your webshop's specifics, including the number of brands you sell and the traffic you generate. However, retail media isn't an instant solution; you can't set it up today and expect profits tomorrow, which is why you should start early and grow your setup alongside your brand partners to maximize benefits.



Frederik Birk

Head of Retail Media at Nexta



02 Why retail media isn't just a nine-day wonder

As earlier mentioned, search and social media have long dominated the digital advertising playing field, making it big because of the massive amount of traffic they generate: Where there is traffic, there is profit to be made. However, looking ahead, ChatGPT is expected to take over some of the traffic from Google, while some social media platforms, such as Facebook, are steadily losing traffic.

By contrast, retail media is expected to grow extensively, not least because of the unique insights your first-party data provides. While cookie regulations have made it harder for search and social to deliver results and provide reliable third-party data, your first-party data enables brands to closely monitor performance. This also makes retail media a win-win-win for both webshops, brands, and shoppers, making it a game changer within digital advertising:

Advantages for webshop owners

As a webshop owner, retail media lets you unlock a brand new revenue stream by offering targeted advertising campaigns that seamlessly blend into your webshop's browsing experience without annoying your shoppers. With retail media, you can:

- Gain new revenue as an ad network
- Enhance the customer experience
- Facilitate omnichannel advertising

Advantages for brand partners

As a brand, you get the unique chance to reach the right shopper at the right time and create traceability between impressions, ad spend, and sales. While getting first-party data insights into the shoppers' demographics and buying behaviors. With retail media, you can:

- Increase your brand visibility and engage directly with shoppers.
- Personalize your marketing via first-party data.
- Gain a new advertising channel with multiple customer touch points.

Advantages for shoppers

As a shopper, you experience a personalized and seamless shopping journey with ads tailored to your interests. If you're shopping for shoes, you'll be shown complementary products like socks or shoe care items instead of irrelevant products. Retail media gives you:

- More relevant and personalized shopping experiences.
- Reduced exposure to irrelevant ads
- Inspiration for new products

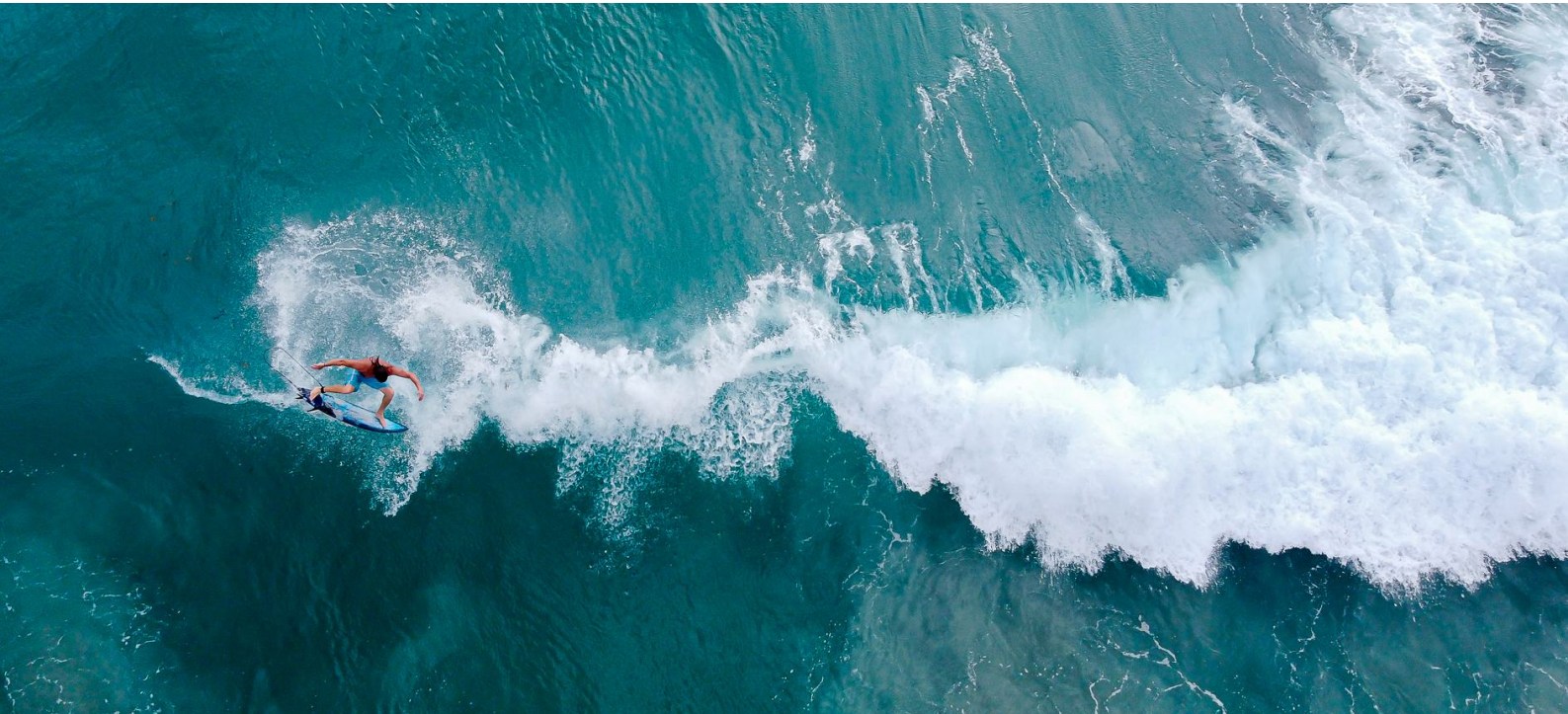
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Think of it this way: Google knows what people search for, social media knows what people like, but as a webshop owner, you know what people buy. That's a unique data source that most brands are interested in tapping into. We'll always need nutrients whether we buy them online or in-store just like we'll always need clothes on our back, and this means that retail media is here to stay and will only grow bigger in the years to come.



Frederik Birk

Head of Retail Media at Nexta



03 Get ready to catch the retail media wave

Getting started with retail media involves several crucial steps to ensure a successful implementation and strategy alignment. Here's a step-by-step guide on how to get started:

1 Prepare a retail media strategy

- Determine where you initially want to focus your retail media efforts: on-site, off-site, or in-store.
- Assess whether you need a tech partner or if your existing tech setup and CMS system are sufficient to run ads on your webshop.

2 Determine the scale of your setup

- Decide on the size and complexity of your initial setup. Can it be managed with existing resources, or do you need a purpose-built platform?
- Consider whether you can run the setup using a spreadsheet or if a more robust platform is necessary for scalability.

3 Be aware of resource requirements

- Understand the resources required to manage retail media effectively. If you handle it internally, be prepared for the time investment needed to build banners, create messaging, set up campaigns, and optimize performance.
- As your retail media efforts evolve, consider building an in-house team or partnering with external tech partners to make your setup scalable and the ongoing management easier.

4 Stay updated on trends and insights

- Given the rapid growth of retail media, stay informed about the latest trends and insights.
- Subscribe to newsletters and participate in industry events to stay updated.

By following these steps and staying on top of the industry trends, you can effectively launch and manage your retail media strategy, driving growth and maximizing the impact of your advertising efforts.

Building your own platform vs. investing in a platform

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If I were to give a webshop in the early stages of retail media utilization some advice, it would be to avoid turning their webshop into Times Square, to keep their ads relevant to the shoppers, and to invest time in the transition from traditional webshop to retail media network. Involving tech partners will ensure that the transition happens smoothly without losing customers along the way.



Frederik Birk

Head of Retail Media at Nexta

As Frederik also alludes to above, the million dollar question when it comes to catching the wave of retail media is whether to collaborate with a tech partner or build a platform yourself. Both are possible, but each option has its advantages and disadvantages. To make it easier for you to decide which solution is best for your webshop, here's a list of the pros and cons:

	Pros	Cons
Build it for yourself	<ul style="list-style-type: none">– Tailor features to your specific needs.– Seamlessly integrate with your existing systems.– Complete control over data.	<ul style="list-style-type: none">– High initial investment and ongoing maintenance costs.– Longer development period.– Requires specialized skills and new staff as it grows.
Invest in a platform	<ul style="list-style-type: none">– Technical help to improve the customer experience.– Access to more channels and smarter ad cycles.– Quick deployment and full scalability.– No new staff required– Regular updates and improvements with AI	<ul style="list-style-type: none">– Finding the right tech partner can be a challenge– A higher degree of standardization– Seamless integration with existing systems is not guaranteed (hidden cost of compatibility with existing systems).– Higher switching cost after integration to partner.



04 Three tips for maximizing the benefits of retail media

1. Leverage your first-party data for personalized ads

Utilize advanced data analytics and automation to harness your first-party data, enabling the creation of highly relevant and personalized ads. This scalable approach allows you to closely monitor and optimize ad performance, ensuring each customer receives tailored content based on their unique preferences and behaviors.

2. Continuously optimize your retail media setup with AI

Employ AI to refine and enhance your retail media setup continuously. By leveraging first-party data and targeting your audience across multiple touchpoints, AI ensures that your messaging remains coherent and relevant across all channels, improving customer engagement and driving better results.

3. Avoid cluttering your webshop with too many ads

Offer advertising space strategically within your platform to avoid cluttering your webshop. By targeting high-intent shoppers with personalized ads, you can create a new revenue stream without compromising the user experience, ensuring that your site remains visually appealing and user-friendly.

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The key benefit of retail media is that you, as the webshop owner, have complete control over your advertising strategy. Unlike major media companies like Meta and Google that dictate ad placement, you decide how many ads to run, where they should appear, and how they are presented. I recommend creating a sophisticated system that prioritizes the shopping experience. Avoid overwhelming your site with ads; instead, strategically place them in a way that enhances the shopping journey and provides value to your customers.



Frederik Birk

Head of Retail Media at Nexta

Where to go from here?

Embracing retail media presents a significant opportunity for multi-brand webshops to drive new revenue while pleasing both brand partners and shoppers. By understanding the dynamics of retail media and implementing effective strategies, webshops can position themselves at the forefront of the digital advertising landscape. As Frederik Birk, Head of Retail Media at Nexta, emphasizes, now is the time to catch the next wave of digital advertising and capitalize on the up-and-coming potential of retail media.

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Forecasting shows that retail media will grow significantly within the next five years. But it won't stop there. According to experts, webshops will take over from tech giants, becoming the biggest players in the realm of digital advertising. There really is no excuse for not catching the new wave of digital advertising today!



Frederik Birk

Head of Retail Media at Nexta

Need help?

At Nexta, we offer an easy-to-understand retail media platform with a two-step booking flow, a campaign composer with automated banner creation, as well as AI-powered reporting and optimization to ensure all campaigns are kept up to date and continuously tweaked to deliver results.

You could hire a tech team and spend months designing and building your retail media setup. But... you could also integrate our solution and immediately get started with automated, omnichannel, context-based ad setups and leverage your priceless first-party data to create new revenue today.

Ready to revolutionize your digital advertising strategy? Learn more about Nexta's platform and discover how retail media can grow your webshop.

[Learn more](#)

Sources

Bianchi, T. (2024). Google: Distribution of revenue by segment 2023. Retrieved from www.statista.com

Lebow, S. (2024). Retail media will make up one-fifth of worldwide digital ad spend this year. Retrieved from www.emarketer.com



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