



ISBA



MediaSense®

July 2025

A UK study exploring the opportunities and challenges of integrating commercial and marketing teams and budgets

Digital Retail Media Study

PUBLIC SUMMARY



Retail media is a supplier-funded, customer-enabled communication to generate a **positive reaction to a brand. It can use various communication channels, some but not all digital, and often, ideally, **leverages retailer-owned data**.**

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Foreword from ISBA

Retail media has rapidly become a central strategic pillar for ISBA and our membership. The complexity of the digital shopper journey and subsequent investment by FMCG / CPGs in digital retail media has brought with it fragmentation, inconsistent standards, and a lack of cohesion between Marketing and Commercial teams within their organisations.

These are some of the issues identified when ISBA, supported by Omnicom Media Group UK, drove and facilitated the development of the cross-industry Responsible Retail Media Framework, in November 2023, which was updated through 2024 and most recently adopted by IAB Europe as an integral part of its Retail Media Measurement Standards for Europe initiative.

Cross-industry collaboration remains critical to establishing the operating and governance standards that will support the anticipated growth rate of digital retail media spend – already in 2025 reaching as much as 10% (excluding Amazon) of overall UK media spend, according to IAB UK's latest spend forecasts.¹

This growth impacts a combination of trade and media budgets and requires a whole-organisation shift which needs trusted data and insight to underpin internal change and external partnership development.

With its advertiser-led membership and its trusted impartiality, ISBA remains uniquely placed to convene diverse stakeholders and drive consensus at an industry level. In early 2025, its members commissioned MediaSense to carry out this major study intended to help shape the emerging digital retail media ecosystem in the UK.

Once again, ISBA has been the convening force, enabling MediaSense to bring 25 brands, retailers, agencies, and tech partners together to map current and best practice of digital retail media and identify its future direction with trusted data.

This Digital Retail Media Study is part one of a much broader programme of work that will gather quantitative data later in 2025. Seven ISBA members funded the work which is designed to provide all industry stakeholders with a detailed view of the today and future of the digital retail media ecosystem.

ISBA recommends this report which we feel will be both educational and informative and perhaps more importantly, a cross-industry mandate on how to create real and lasting governance and trust within this sector.

We would like to express our gratitude to all the participating retailers, agencies, tech partners and particularly the advertisers who funded this study. I would also like to extend a huge personal thanks to the team at MediaSense who have helped deliver this study over the past year.



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¹ Figure excludes Amazon <https://www.iabuk.com/news-article/retail-media-spend-surpass-ps1bn-uk-2025>

Foreword from MediaSense

MediaSense are the world's fastest-growing marketing and media advisors, dedicated to building high performance operating models and unlocking value for the world's leading brands – for this study, by examining digital retail media from the perspectives of advertisers, retailers, agencies and tech partners.

As you will read in this report, all participants in this study are excited by the opportunities in retail media, reflected in its rapid growth: IAB Europe forecasts that UK digital retail media will reach £4-5bn in 2025 (including Amazon). But all participants were also clear that rising spend inevitably attracts increased scrutiny, meaning good governance will be crucial to fuel scalable growth.

Our study covers five key areas: people, strategy, partnerships, standardisation, and value. These will require collaboration across all parts of the supply chain, with trade bodies such as ISBA leading and coordinating, and independent advisors likely to play a role in supporting such a major industry-wide transformation.

The promise of digital retail media is the ability to target potential consumers using strong customer data, with intent and proximity to purchase, and closed-loop attribution to confirm sales. We hope this study can be a positive step towards realising that promise.

We would like to echo ISBA's words in their foreword and express our gratitude to all the participating retailers, agencies, tech partners and particularly the advertisers who funded this study. And I would also like to extend a huge personal thanks to the teams at ISBA and MediaSense who supported and delivered this study over the past year.

We hope you enjoy reading this report. Please do contact us with any questions.



Sam Tomlinson

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Executive summary

Digital retail media is the hugely exciting integration of commercial (trade) and marketing, with the potential to target consumers using strong customer data, with intent and proximity to purchase, and closed-loop attribution to confirm sales. This is reflected in its rapid growth: IAB Europe forecasts that UK digital retail media will reach £4-5bn in 2025 (including Amazon).

Note from editor:

This report includes quotes from tech partners, advertisers, retailers and agencies. To help readers identify the origin of a quote, they are colour coded:



Tech partner



Advertiser



Retailer



Agency

Rising spend inevitably attracts increased scrutiny, meaning good governance will be crucial to fuel scalable growth, notably in these five key areas:

- 1 People:** Are the right teams represented?
- 2 Strategy:** What is my digital retail media strategy?
- 3 Partnerships:** Who should I work with, and how?
- 4 Standardisation:** Where is it needed?
- 5 Value:** What is the value from my digital retail media?

When asked **“Do you feel that you and your partners are equipped to overcome these challenges?”**, all study advertisers responded “Somewhat prepared”.



I think there were assumptions of what was blocking standardisation and the fixes, and this conversation for this study opens up a Pandora's box that there's a lot more to think about.”

Tech partner

Our study suggests that good governance in these areas will be crucial to delivering genuine value for advertisers:

- **People:** break down the silos between commercial and marketing teams – bring them together to integrate demand generation with sales, and hence maximise the opportunities in digital retail media
- **Strategy:** truly understand the (varied) reasons for investing in digital retail media, using multiple data sources to inform your strategy
- **Partnerships:** be selective about your retail media partners, and contract in a way that recognises their role as a media owner, independent of them as a customer
- **Standardisation:** start by looking for unified access to buying inventory / data; and recognise that digital retail media can be hard to measure, so aim for customisable definitions rather than outright cross-category standardisation
- **Value:** identify the right KPIs for your business and strategy; analyse campaign and sales performance across all retailers; and validate delivery of impressions, audience targeting/suppression, effectiveness reporting, and other key metrics

Taking these steps will set brands (and their partners) on the path for success in digital retail media.

About this study: **background**

Digital retail media (DRM) has undergone rapid growth in the UK in the past few years, now forecast by IAB Europe to reach £4-5bn in 2025 (including Amazon).

In response, ISBA's Media Leaders Steering Group called for industry-wide focus on the emergence of Retail Media. In early 2023 a cross-industry working group was formed to address common standards, with representation across key stakeholders: advertisers, retailers, agencies, tech partners, trade bodies, and advisors. This group oversaw the development of the [ISBA Responsible Retail Media Framework](#), published in November 2023, which set out to champion the creation of an open and consistent landscape, where brands know what to ask for and retailers know what to aspire to.

In 2024, ISBA and its members commissioned MediaSense to undertake a qualitative study across the digital retail media supply chain to help understand key opportunities and challenges in the ecosystem.

25+ participating companies, including ISBA member advertisers, retailers, agencies and tech partners completed online surveys and one-to-one interviews in H1 2025. ISBA and MediaSense would like to again extend sincere thanks to each of them for their time and invaluable insights.

With 25+ hours of interviews and 1000+ pages of transcripts, we believe this study fairly reflects their range of perspectives and emerging best practices, which can be applied by brands and others to deliver the strong governance required to fuel scalable growth.

For the purpose of this report:

- Digital retail media is defined on [page 11](#), sometimes abbreviated to retail media or DRM
- 'Business' refers to a parent company of brands
- 'Brand' and 'advertiser' are used interchangeably depending on the context
- 'You' or 'your' refers to advertisers as the funders of this report
- A detailed glossary is set out on [page 19](#)

About this study: participants

ISBA and MediaSense would like to extend sincere thanks to all the study participants:

Advertisers



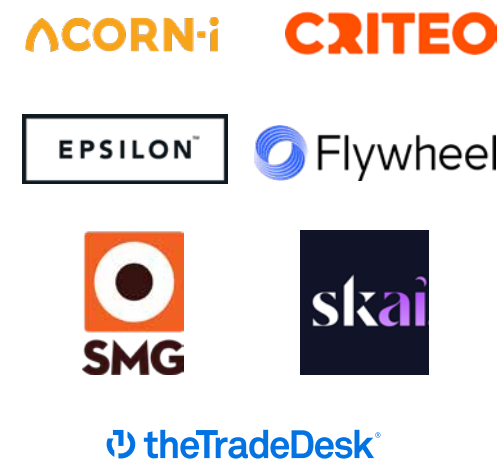
Retailers



Agencies



Tech partners



Note:

Amazon Ads couldn't be directly involved in the interviews due to time constraints but have provided the following statement: "We welcome cross-industry initiatives, such as this report, which increase understanding and share best practices across the industry, and we will continue to explore ways to support further initiatives in this respect."

About this study: methodology

The ISBA Digital Retail Media (DRM) Study was conducted in two phases:

- Initial online survey (ISBA & MediaSense DRM survey); and
- In-depth interviews with advertisers, retailers, agencies and tech partners

The aim was to understand each participant's current approach to digital retail media, its relationship with broader advertising activity, and their current and future role in the ecosystem.

Separate questionnaires were developed for each participant group, tailored to reflect their specific context, while maintaining consistency around key themes. These included current DRM activity, platform offering, investment, data and privacy, inventory management, reporting and measurement, and overall challenges.

Each questionnaire began with proposed definitions of digital retail media, including onsite, offsite, and in-store formats, to ensure a shared understanding across groups, with each advertiser being invited to submit their own definitions of digital retail media and its component parts. These submissions were then reviewed, compared, and consolidated by the project team to form a set of final definitions. The agreed definitions were then shared with all advertiser participants for approval, and formed the foundation for the terminology used throughout the study.

The surveys contained up to 31 questions, including a mix of multiple choice, open text, ranking, and table-based formats. Drafts were reviewed by advertiser participants (as study sponsors), then refined and programmed into the Qualtrics platform for distribution to all participant groups.

Once survey responses were received and compiled, each participant took part in a one hour interview, with additional sessions held where required. These interviews were led by MediaSense, with an ISBA representative present in all cases. Discussions focused on emerging themes, specific challenges, and areas where further clarity or context was needed based on survey responses. All interviews were conducted via Microsoft Teams, recorded, and transcribed for reference.

Survey outputs were analysed thematically, and interview transcripts reviewed to extract insights, illustrative examples, and anonymised quotes. The final report was drafted using a combination of these qualitative inputs and quantitative visualisations developed in Excel. Multiple rounds of review were conducted by ISBA and MediaSense, with all participants offered the opportunity to review the full draft report and approve relevant quotes or wording prior to publication.

About this study: defining digital retail media

As digital retail media evolves, different stakeholders across and within businesses have their own definition based on their roles, goals and maturity.



"Everyone has different definitions of what they classify retail media to be."

Tech partner



"We just need to be very clear when talking to a retailer: what is retail media for you, what is it for us, and being in agreement, otherwise we end up talking about different things."

Advertiser



"We're trying to come up with our own definition in line with what makes sense for us and using that to educate our markets on what we consider to be retail media. This internal alignment is the foundation for consistent activation and measurement across markets."

Advertiser

So, it was important, before sharing the study survey with participants, to first ask the funding advertisers: **"How does your business define digital retail media."**

As expected, definitions were varied and nuanced. They typically captured the different means of buying digital retail media, but each had their own strategic lens:



"Retail media is a supplier funded, customer-enabled communication to generate a positive reaction to a brand. It can use various communication channels, some but not all digital, and often, ideally, leverages retailer owned data."

Advertiser



"Our approach views digital retail media as an enabler rather than a distinct entity – it strengthens retail media's ability to deliver relevant, measurable, and scalable advertising solutions. This framing helps bring our commercial and marketing teams together under a common purpose."

Advertiser



"Digital retail media comprises digital advertising placements that can be placed along the purchase funnel. It can effectively support brand building, product awareness and sales acceleration by leveraging shopper data and conversion measurements."

Advertiser



"Retail media includes an increasing range of digital opportunities that can be segmented into offsite, onsite and in-store environments."

Advertiser

Retailers also had a perspective on how digital retail media should be defined:



"Retail media is often incorrectly spoken about as a channel; it's not a channel. It's multiple different touchpoints that combine to create the customer experience."

Retailer

We incorporated the key points from advertisers and retailers to align on a study definition that focuses on the means of buying and intended outputs. This was shared with all study participants so everyone was using the same definition.

For this study, digital retail media is defined not as a channel but instead as:

The technology-enabled use of retailer-owned assets, data and advertising spaces. It enables targeted, optimised, and measurable advertising to drive brand awareness, engagement and/or sales. It includes several touchpoints: onsite, offsite and in-store digital advertising.

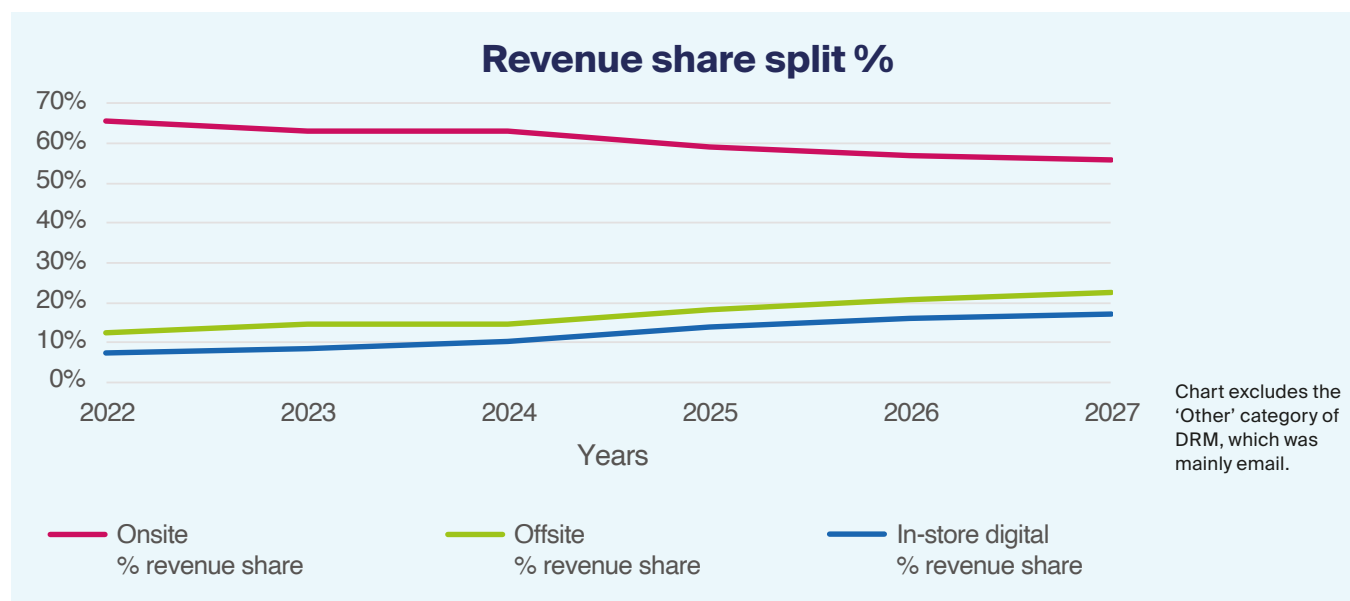
Each touchpoint is defined as:

- **Onsite:** Advertising placements directly on a retailer's digital store (web/app).
- **Offsite:** Targeted ads using retailer shopper data on properties outside of the retailer's digital store (e.g. open web / social)
- **In-store:** Digital advertising placements within retailer's physical stores (e.g. in- and near-store digital screens, smart shopper/scanners)

Each touchpoint has distinct challenges based on its buying mechanism, its maturity, and its rate of growth.

For this study, the focus is primarily on FMCG/CPG brands and the retailers that sell those products to consumers. We have mostly not examined the equally interesting areas of wider commerce media such as Google shopping, Uber Eats, PayPal, etc.

Retailers shared estimated digital retail media percentage revenue splits across the three touchpoints set out above.



Source: ISBA & MediaSense DRM survey (advertisers) when asked the question "How is your investment split across the types of digital retail media? Please provide the % split for onsite retail media, offsite retail media and in-store digital." Chart excludes the 'Other' category of DRM, which was mainly email.

AB data suggests that revenue is growing across all three touchpoints. Within this overall growth, participating retailers indicated that offsite and in-store, from smaller bases, are growing faster than onsite.



"Onsite placements are pretty saturated."

Retailer



"Many retailers have their onsite sorted. They've reached a level of maturity where scaling has become more challenging. Onsite growth won't keep going up at the rate it has, so they have to look outside for other ways of generating revenue."

Tech partner

Good governance fuels scalable growth

Digital retail media is growing quickly, and for good reason, built on the promise of the ability to target potential consumers using strong customer data, with intent and proximity to purchase, and closed-loop attribution to confirm sales.



"Everyone threw money at it because it was new and it's become enormous; now people are trying to take a step back and question what real value it's driving. That's the multi-billion-dollar question as we go forward."

Tech partner



"Why are we putting more money into retail media when it has shaky foundations? We'd rather be in it, learn and help shape a better future, than saying 'we're not touching it until it's in the right state'."

Advertiser



"We're trying to dip our feet into the water, see how it works and if it doesn't work, I imagine we'll end up pulling back because it needs to influence behaviour. We're in a learning phase – if it doesn't drive behavioural impact, we'll re-evaluate, as that's the ultimate test of value."

Advertiser

But with increased spend comes increased scrutiny, so Marketing and Commercial teams should expect more enquires from Procurement, Finance, Internal Audit, Compliance, Legal, Privacy, IT, etc. Many of these

questions will also be transmitted along the supply chain to agencies, tech partners, and retailers and their retail media networks.

Strong, confident, well-supported responses will reassure these internal stakeholders that digital retail media is being well-governed and will unlock further spend. Weak or non-existent replies will do the reverse.

Good governance is therefore crucial to fuelling scalable growth.

But what exactly does that mean? In our interviews for this study we heard five recurring governance themes:

■ **People:** Digital retail media is the fusion of commercial and marketing (and also directly impacts finance). Breaking down silos is somewhat of a marketing cliché – above-the-line vs below-the-line, brand vs performance, offline vs digital – but the crucial difference is that those were (are!) silos within marketing, whereas retail media must break down silos with another function. It is therefore crucial to bring together the right teams and people.

■ **Strategy:** Some brands we interviewed were unsure why they were investing in digital retail media i.e. simply experimenting because it's a growing area. But other brands gave some variation on these four reasons:

- Sales discount i.e. a way to return money to retailers
- Defensive i.e. to maintain sales at current levels
- Performance i.e. to grow short-term sales
- Brand i.e. to grow long-terms sales through brand equity

Good governance entails truly understanding the varied reasons for investing in digital retail media, and tailoring your strategy accordingly.

■ **Partnerships:** Brands should select retail partners that align with their digital retail media strategy in scale, value, services and maturity; and contract in a way that recognises each retailer's role and obligations as a media owner.

■ **Standardisation:** Faced with a complex and rapidly growing area of media, brands instinctively look for standardisation. But on closer inspection, we believe the industry is not in need of outright cross-category standardisation, but rather unified access points to

buy inventory and data as well as clear, customisable definitions in areas such as 'sales', 'new to brand' and 'attribution windows'. This would help brands govern and understand the value of their retail media spend, while allowing for differences in sales cycles and business models across categories.

■ **Value:** Brands should identify the right KPIs for their business and strategy, moving beyond reliance on ROAS (return on ad spend) and instead building clear, outcome-focused measurement frameworks that focus on long-term business impact to prove the effectiveness of their digital retail media spend.

Brands must also understand and validate the reporting they receive from retailers: the delivery of impressions (both formats and values); the accuracy and use of customer data for audience targeting/suppression; and the methodology and application for calculating and reporting campaign effectiveness and other key metrics. Validation – i.e. audit – is an essential component of good governance over media spend, and a key part of driving long-term business impact.

Each of these five key areas of governance – people, strategy, partnerships, standardisation, values – is explored in more detail in the rest of this study.



“We’re trying to dip our feet into the water, see how it works and if it doesn’t work, I imagine we’ll end up pulling back because it needs to influence behaviour.”

The 42 pages of qualitative insights have been removed from this abridged report and is only available to the participants. ISBA and the funding participants may decide to release this to the public at a later stage.

Conclusions

As we said at the start, there is understandable industry-wide excitement about digital retail media's integration of commercial (trade) and marketing, with its potential to target consumers using strong customer data, with intent and proximity to purchase, and closed-loop attribution to confirm sales. This is reflected in its rapid growth: IAB Europe forecasts that UK digital retail media will reach £4-5bn in 2025.

Our study participants acknowledged that rising spend inevitably attracts increased scrutiny, meaning good governance will be crucial to fuel scalable growth, notably in these five key areas:

- **People:** Are the right teams represented?
- **Strategy:** What is my digital retail media strategy?
- **Partnerships:** Who should I work with, and how?
- **Standardisation:** Where is this needed?
- **Value:** What is the value from my digital retail media?

Our study has suggested that good governance in each of these areas is likely to entail:

- **People:** *breaking down the silos* between commercial and marketing teams
- **Strategy:** the need to *truly* understand the (varied) reasons for investing in digital retail media
- **Partnerships:** being selective about which retail media networks you partner with, and contract in such a way that recognises *their role as a media-owner*
- **Standardisation:** start by looking for unified access to buying inventory / data, and aim for *customisable definitions* rather than outright cross-category standardisation
- **Value:** identify the *right KPIs* for your business and strategy; analyse campaign and sales performance across all retailers; and validate delivery of impressions, audience targeting/suppression, effectiveness reporting, and other key metrics

Our study participants believe that taking these steps will set brands (and their partners) on the path for success in digital retail media.

ISBA will be looking to support by:

- Continuing to host cross-industry workshops to explore how we can narrow the skills and knowledge gaps that exist throughout the ecosystem, with training and mentoring partnerships.
- Engage both the shopper / trade and media sides of our membership to ensure both have a considered voice in the future of Digital Retail Media governance in the UK.
- Circulate and promote best practice and case studies amongst our members where operating models are being successfully varied to align Shopper / Trade / Media & Commerce Marketing spend.
- Develop a template for retail media contracts/ frameworks and some guiding principles on agreements working with advertisers, retailers, agencies and tech vendors in our retail media working group. Consideration of two frameworks: one for brands to retailers and one for brands to agencies.
- Create a path forward with other trade bodies where a need for “customisable definitions.” and category-specific flexibility in the UK works hand in hand with European standards and definitions without causing confusion
- Build on the Responsible Retail Media Framework (2023) and continue to lean into IAB Europe and IAB UK workstreams on standards and measurement to ensure that the brands point of view in the UK are heard
- Promote best practice for ad verification and audience validation within Digital Retail Media

We hope you have found this study interesting and insightful. Please do contact us with any questions.



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Glossary

For the purpose of this study we are defining Digital Retail Media (DRM) as “the technology-enabled use of retailer-owned assets, data, and advertising spaces to connect brands with consumers. It enables targeted, optimised, and measurable advertising to drive brand awareness, engagement, and sales. DRM includes onsite, offsite, and in-store digital advertising.”

Onsite revenue: This refers to income generated from advertising placements directly on a retailer’s own digital properties, such as their website or mobile app. e.g. sponsored product ads, display and video advertisements that appear within the retailer’s online environment (website/apps).

Offsite revenue: This refers to revenue earned from targeted advertisements displayed on external platforms (websites, social media), using retailer data to target audiences to drive traffic back to their own site or promoting specific products.

In-store digital revenue (e.g. screens, kiosks): This involves income derived from digital advertising within physical retail locations. e.g. ads displayed on in-store digital screens, kiosks, smart-shopper/scanner, or interactive displays that engage customers and promote products or services while they shop in brick-and-mortar stores.

Promotional calendar: A retail promotion calendar is a strategic tool for planning and managing promotions throughout the year. By aligning promotions with key dates, such as holidays and seasonal events, it helps retailers deliver timely offers that engage customers.

Joint Business Plan (JBP): A Joint Business Plan is a strategic agreement between two commercial partners—typically a supplier (advertiser) and a retailer or agency—that outlines shared objectives, key performance indicators (KPIs), and collaborative initiatives aimed at mutual growth. JBPs often encompass areas such as sales targets, marketing strategies, category development, and resource allocation. They serve as a roadmap for both parties to align their efforts and measure progress over a defined period.

Joint Marketing Plan (JMP): A Joint Marketing Plan focuses specifically on collaborative marketing activities between partners (e.g. advertiser and retailer). It may include co-branded campaigns, promotional strategies, content creation. JMPs are tactical in nature and often include timelines, budget allocations, and specific roles and responsibilities for each party involved.

Shelf intelligence: Shelf intelligence is near real-time, actionable data about your shelf health. It helps us gain insights into the details you can’t see from the office, such as: on-shelf availability, display compliance, shopper sentiment, competitor prices and adjacencies, markdowns and promotions.

Organic search: Organic search results are listings on search engine results pages (SERPs) that appear in response to a user’s search query, based on their relevance. When a user searches for a keyword or phrase, search engines such as Google return a ranked list of web pages intended to satisfy the query. Some are paid search results, typically pay-per-click (PPC) ads, and the rest are organic search results ranked by quality indicators such as keyword relevance, backlinks, and domain authority.

The ISBA logo consists of the letters 'I S B A' in a white, bold, sans-serif font, centered within a dark blue rectangular box.

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ISBA is the only body that represents **brand owners advertising** in the UK. We empower them to **understand the industry and shape its future** because we bring together a powerful community of marketers with common interests; lead decision-making with knowledge and insight; and give a **single voice to advocacy** for the improvement of the industry.



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MediaSense is a global marketing and media advisory firm, empowering the world's leading brands to engineer greater productivity from their marketing and media investments, and design more agile and effective marketing and media operating models. We operate in three strategic areas:
Models / Partners / Analytics.