

The Trends of Retail Media for Japanese Retailers --- *Transition in 2025*

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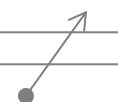
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1 Executive Summary

1.1 Overviews

2025 marks a decisive turning point for Retail Media.

Following Walmart's major digital shift in 2015—driven by ecommerce expansion, digital payments, and last-mile optimization—large retailers built the digital foundations that allowed them to survive the pandemic. At the same time, however, the substantial costs of logistics, technology, and platform operations became increasingly difficult to sustain. Retailers began seeking new profit pools beyond merchandise margins, leading to the rapid rise of Retail Media Networks (RMNs) that position stores and ecommerce environments as media assets.

Between 2022 and 2024, RMN development accelerated sharply as organizations like Walmart Connect and Target Roundel expanded. Walmart emerged as the only retailer capable of challenging Amazon in audience scale and closed-loop measurement, yet the revenue gap remained large. This pushed Walmart to partner with DSPs such as The Trade Desk to enable full-funnel measurement—linking its first-party shopper data to off-site media (search, social, news, video) with the same level of precision as on-site placements.

At the same time, not all retailers could invest in advanced store digitalization or measurement infrastructure. This opened the door for Instacart, which built a powerful **multi-retailer, insight-driven RMN** using cross-retailer SKU visibility and last-mile operational intelligence—without owning physical stores. For CPG advertisers, this model offers incremental reach and high-intent audiences beyond traditional GMS ecosystems.

AI becomes the critical accelerant in 2025.

AI-driven store operations—computer vision, ESL automation, dynamic replenishment, and real-time POS intelligence—enable micro-reach in-store targeting, automated A/B testing, and instant fulfillment interventions. Yet only large-scale GMS retailers can deploy this model, deepening the structural divergence within Retail Media.

As a result, the market enters a phase of **tri-polarization**:

1. GMS AI Super-Networks



Large retailers unifying in-store, CTV, and off-site media with AI-powered, fully closed-loop measurement.

2. Multi-Retailer Insight Networks (e.g., Instacart)

A capital-light model leveraging high-intent audiences and SKU-level intelligence from multiple retailers.

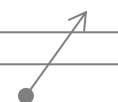
3. Open Advertising Infrastructure Ecosystems (ADCP*, The Trade Desk, CTV platforms)

Standardized identity, measurement, and activation layers enabling mid-market retailers to operate RMNs with minimal investment.

****ADCP (Ad Context Protocol):***

*An open standard developed by an industry coalition to define a unified, machine-readable protocol for managing advertising context, metadata, and creative signals. ADCP enables interoperability across Retail Media Networks, DSPs, SSPs, CTV platforms, and AI-driven ad systems—serving as foundational infrastructure for **Agentic Advertising**, where AI autonomously generates, selects, and optimizes ads.*

By standardizing context and creative metadata, ADCP allows exposure management and measurement to function consistently across ecosystems, positioning it as the emerging third pillar of Retail Media infrastructure.



1.2 Key Findings

1. 2025 is the structural turning point for Retail Media.

Retail Media has shifted from an auxiliary revenue stream to a core profit engine, driven by rising logistics and technology costs that retailers can no longer offset through merchandise margins alone.

2. AI is the defining accelerant reshaping both operations and media activation.

AI-driven store operations—computer vision, ESL automation, real-time POS intelligence—enable micro-targeting, automated A/B testing, and real-time fulfillment intervention, creating a new level of precision that was previously impossible.

3. A tri-polar Retail Media ecosystem is emerging.

The industry is diverging into three distinct competitive models:

- **GMS AI Super-Networks** (Walmart, Amazon, Kroger)

Full closed-loop media systems integrating in-store, CTV, and off-site activation.

- **Multi-Retailer Insight Networks** (Instacart)

Cross-retailer SKU data and high-intent audiences without the capital intensity of store media infrastructure.

- **Open Advertising Infrastructure Ecosystems** (ADCP, The Trade Desk, CTV platforms)

Standardized identity and measurement layers enabling mid-market retailers to operate RMNs with minimal investment.

4. Measurement—not media inventory—is becoming the strategic battleground.

Retailers that can link on-site, off-site, in-store, and CTV exposure into a unified closed-loop framework will capture the majority of brand budgets. Measurement sophistication is replacing traffic volume as the key competitive differentiator.



5. Instacart's ascendance shows that “audience quality × insight depth” can rival store footprint.

Instacart demonstrates that retailers do not need physical stores to build high-value RMNs if they possess actionable cross-retailer SKU visibility and strong intent-based behavioral signals.

6. ADCP is emerging as the foundational standard for interoperable Retail Media.

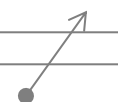
By making advertising context and metadata machine-readable, ADCP enables AI-driven advertising (“Agentic Advertising”) and allows ecosystems to integrate measurement and activation across RMNs, DSPs, SSPs, and CTV platforms.

7. The competitive gap between large GMS and mid-market retailers will widen.

AI-driven store media requires capital, scale, and sensor density that only large GMS can sustain. Mid-market retailers will increasingly rely on federated data models, open standards, and third-party infrastructure rather than in-house RMN buildout.

8. 2025 becomes both the first true year of AI-driven Retail Media and the start of structural divergence.

Retail Media will no longer be a monolithic category; instead, the ecosystem will be defined by three models, three data architectures, and three capital strategies.



1.3 Market Context

The Retail Media landscape entering 2025 is shaped by a decade of structural shifts across retail, advertising, and consumer behavior. To understand why Retail Media has become one of the fastest-growing segments in digital advertising—and why its architecture is now undergoing structural divergence—it is essential to examine the underlying market forces that define today's competitive environment.

1. Macro Retail Transformation (2015–2024)

Retailers have spent the past decade modernizing their operational and digital foundations. Walmart's 2015 acceleration into ecommerce, mobile payments, and last-mile logistics marked a turning point for the industry. The COVID-19 pandemic further amplified the need for:

- omnichannel fulfillment,
- real-time inventory visibility,
- unified customer identity, and
- scalable ecommerce platforms.

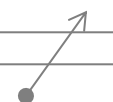
While this transformation enabled large retailers to withstand pandemic disruptions, it dramatically increased fixed costs across logistics, technology, and labor. As retail margins tightened, the strategic need for high-margin, non-merchandise revenue intensified—setting the stage for the rise of Retail Media Networks (RMNs).

2. Advertising Industry Shifts Driving RMN Growth

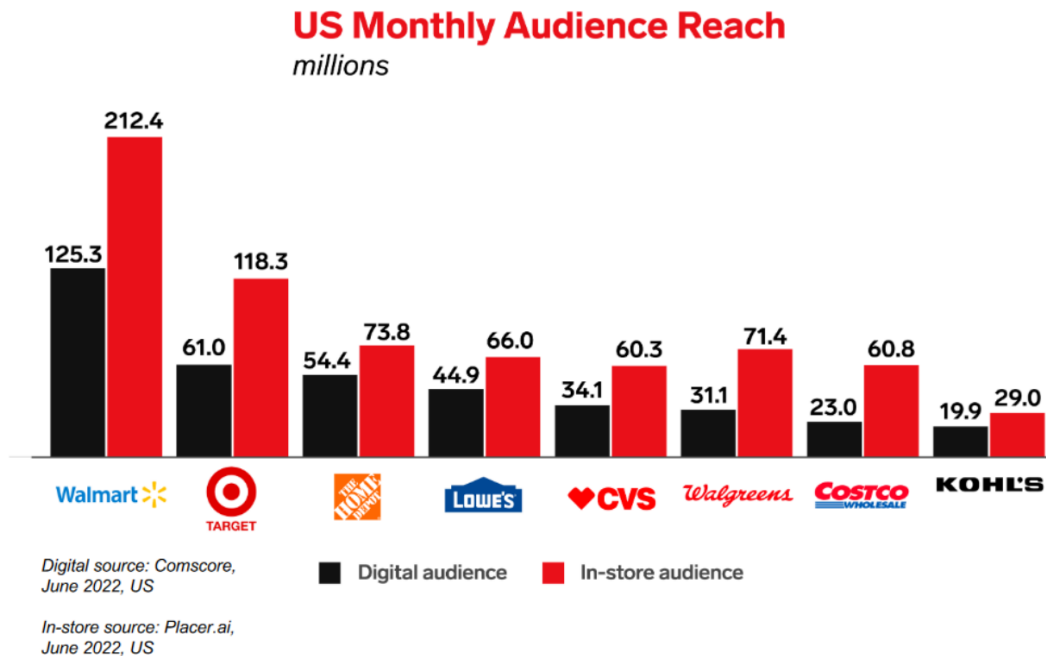
The global advertising ecosystem has undergone fundamental changes:

- **Decline of third-party cookies** and browser-level tracking
- **Privacy regulation tightening** (GDPR, CCPA, CPRA)
- **Signal loss** across mobile identifiers (IDFA)
- **Budget diversification** away from Meta/Google duopoly

These pressures elevated the value of 1st-party retail data—transactional, identity-rich, and tied to verified purchase behavior. Brands seeking measurement transparency and closed-loop attribution increasingly redirected budgets toward RMNs.



By 2024, retail media surpassed USD 50B in the U.S. and was projected to outpace CTV growth through 2027.



RMNs Audiences in 2022, IAB(2023)

3. Competitive Stratification and Capital Dynamics

While the opportunity is large, Retail Media is not a uniform category. Architectural and capital demands differ substantially:

- **GMS retailers** (e.g., Walmart, Target, Kroger, Albertsons) operate vast store fleets requiring investment in ESLs, computer vision, ad-enabled fixtures, and in-store data systems.
- **Platform aggregators** (e.g., Instacart, DoorDash, Uber) monetize multi-retailer demand with no physical store footprint.
- **Mid-market and regional retailers** (e.g. Home Depot, CVS, Doller General, Meijer, etc) often lack capital for proprietary RMN buildout and instead rely on federated or outsourced solutions.

This divergence laid the groundwork for the **tri-polar Retail Media ecosystem** emerging in 2025.



4. Measurement as the Central Competitive Battleground

Advertisers increasingly demand:

- causal measurement (incrementality),
- unduplicated reach across onsite/offsite/CTV,
- SKU-level attribution, and
- real-time campaign optimization.

Walmart's partnerships with DSPs such as The Trade Desk, Amazon's AMC maturity, and Instacart's advanced SKU-level intelligence illustrate the shift from **media network** to **measurement ecosystem**. Measurement sophistication—not traffic volume—is now the critical determinant of RMN competitiveness.

5. AI as the New Market Accelerator

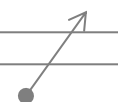
AI transforms both operational and media layers, enabling:

- dynamic ad rendering and creative optimization
- automated A/B exposure testing
- real-time POS-driven triggers
- in-store journey personalization
- predictive replenishment and ad-driven supply chain orchestration

These capabilities heavily benefit large-scale GMS retailers with deep data reservoirs and robust sensor infrastructure—accelerating structural separation within the market.

6. Standards and Interoperability: The Rise of ADCP

The emergence of **ADCP (Ad Context Protocol)** signals a new phase of industry standardization. ADCP provides a machine-readable framework for creative metadata and ad context, enabling interoperability across RMNs, DSPs, SSPs, CTV platforms, and AI systems. This empowers mid-market retailers to access sophisticated advertising ecosystems without building proprietary infrastructure.



ADCP also supports **Agentic Advertising**, where AI autonomously generates and optimizes ad exposure decisions across channels—further emphasizing the importance of standardized signals.

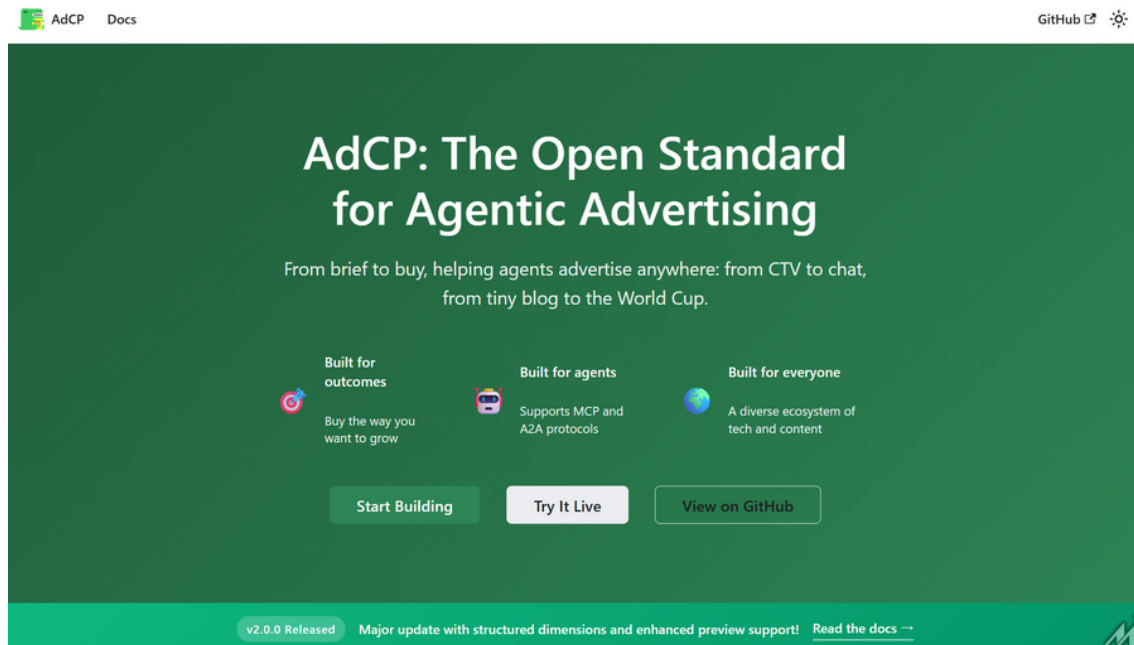


Chart: AdCP(2025)

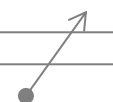
7. Brand Behavior and Budget Reallocation

CPG brands are rapidly shifting investment toward RMNs because:

- RMNs offer deterministic sales attribution
- In-store and digital behavior can be unified
- Retailers control high-intent, near-purchase audiences
- Full-funnel measurement outperforms traditional media

At the same time, brands increasingly require unified reporting across retailers—fueling demand for cross-retailer standards and third-party verification.

8. Summary: A Market at Inflection



Retail Media in 2025 sits at the intersection of retail transformation, advertising disruption, and AI acceleration. The market is moving from a single “RMN category” to a structurally **tri-polar ecosystem** defined by:

- asset-heavy GMS RMNs,
- asset-light multi-retailer platforms,
- open ad infrastructure networks.

This structural divergence defines the strategic context in which all RMN players will operate for the remainder of the decade.

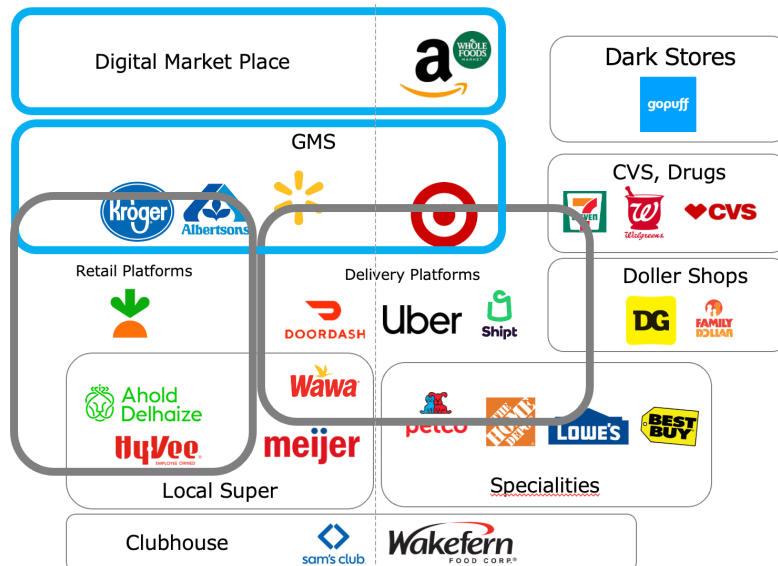


Chart: RMNs and Tri-polar ecosystem, KnC(2025)

1.4 Strategic Implication

The structural shifts outlined in the Market Context reveal that Retail Media is entering a phase of separation, consolidation, and accelerated innovation. For retailers, brands, and technology partners, 2025 introduces new strategic imperatives that will define competitive advantage for the next decade.

1. For Large GMS Retailers: Scale Must Be Converted Into AI-Driven Advantage

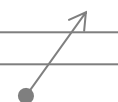
GMS retailers possess three unique assets—store footprint, high-frequency traffic, and identity-rich first-party data.

However, these assets only translate into competitive advantage if they are converted into **AI-orchestrated media networks**.

Strategic Imperatives

- Invest in **sensorized stores** (ESL, computer vision, dwell-time analytics).
- Build **full-loop measurement** linking in-store, onsite, offsite, and CTV.
- Use AI to automate **exposure optimization**, **A/B testing**, and **incrementality modeling**.
- Shift media narratives from “reach” to **verified sales contribution (iROAS)**.
- Deepen integration between RMN and supply chain to enable **predictive trade optimization**.

GMS retailers that fail to adopt AI at the operational and media layers will lose the only advantage they have over platform aggregators.



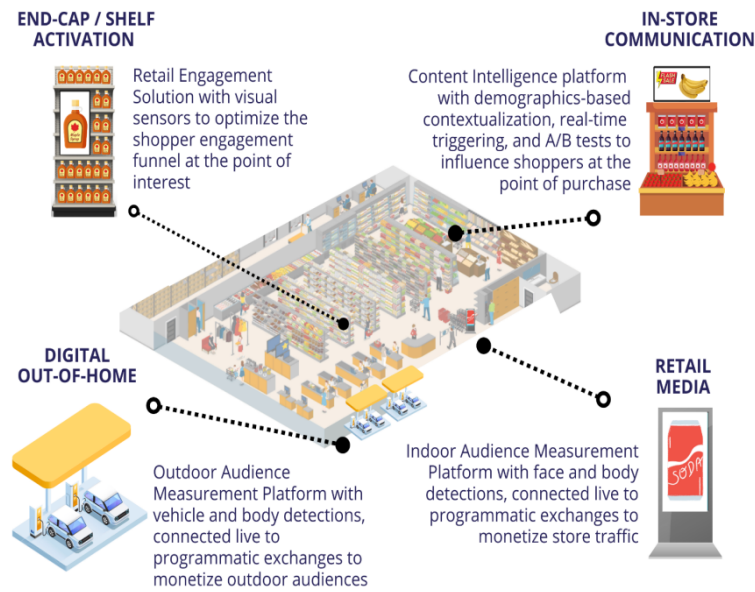


Chart: Store footprint measurement, IAB(2025)

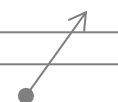
2. For Mid-Market and Regional Retailers: Compete on Insight, Not Infrastructure

Most mid-market retailers cannot justify the capital required for store digitalization. Instead of competing with Walmart's infrastructure, they should pursue an **insight-centric strategy**.

Strategic Imperatives

- Adopt **standardized advertising infrastructure** (ADCP, UID2.0, clean rooms).
- Outsource media activation to third-party platforms rather than building in-house RMNs.
- Focus investment on **SKU-level understanding**, assortment intelligence, and unique category insights.
- Leverage **local loyalty**, regional behavior patterns, and store missions as differentiators.
- Form **multi-retailer alliances** to create aggregated reach without infrastructure cost.

In the tri-polar ecosystem, mid-market relevance is defined not by scale but by **data distinctiveness**.



3. For Multi-Retailer Platforms (e.g., Instacart, DoorDash): Double Down on Cross-Retailer Intelligence

Aggregators thrive by converting **multi-retailer visibility** into **high-intent audience products**.

Strategic Imperatives

- Enhance SKU normalization and cross-store behavioral modeling.
- Build **purchase-propensity AI** across multiple retailer categories.
- Differentiate through **incrementality measurement** validated independently.
- Expand beyond grocery into **pharmacy, convenience, pets, and specialty retail**.
- Develop self-serve creative tools that integrate shopper signals in real time.

Their opportunity lies in becoming the “measurement-rich” alternative to GMS RMNs.

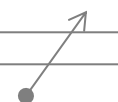
4. For CPG Advertisers: Shift From Media Buying to Commerce Outcome Design

As RMNs mature, CPGs must pivot from channel buying to **commerce outcome engineering**.

Strategic Imperatives

- Use **cross-retailer clean rooms** to build holistic audience graphs.
- Treat RMN budgets as **trade investments tied to incremental sales**, not media impressions.
- Demand **consistent measurement frameworks** across retailers (iROAS, exposed vs. unexposed).
- Invest in **AI-based creative testing** synchronized with live retail signals.
- Reallocate budgets from broad awareness to **MID-FUNNEL × HIGH-INTENT** activation.

The brands that win will be those who master retail data—not those who optimize CPM.



5. For Ad-Tech and DSP/CTV Ecosystems: Interoperability Is the New Competitive Edge

The rise of ADCP and privacy-safe identity frameworks creates a new opportunity for tech platforms to become the connective tissue of Retail Media.

Strategic Imperatives

- Support **machine-readable creative context** for AI-native advertising (Agentic Ads).
- Provide **cross-RMN incrementality verification** as a service layer.
- Build unified taxonomies for SKU, category, and retailer-specific metadata.
- Integrate CTV + retail audiences to create measurable upper-funnel products.
- Become the standard reference for **unduplicated reach** and cross-retailer attribution.

The infrastructure players that standardize retail signals will become the third pillar of RMN.

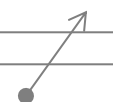
6. Organizational and Capital Strategy Implications

Across all segments, the organizational implications of Retail Media's evolution are significant.

Key Requirements

- RMN organizations must become **data science-driven**, not sales-driven.
- Measurement teams must adopt **causal inference skillsets**, not legacy MTA.
- Retailers require **AI governance**, auditability, and creative transparency.
- Investment models shift from CAPEX (store tech) to **OPEX-heavy AI and measurement models**.
- Data partnerships become as critical as media inventory.

The industry's winners will be those who align **organization × data × AI × measurement** into a coherent operating system.

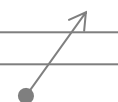


7. Summary: Competing in a Tri-Polar Retail Media World

In 2025, strategic advantage depends on recognizing which pole you belong to:

1. **GMS RMNs:** win with infrastructure and AI.
2. **Multi-Retailer RMNs:** win with insight and intent.
3. **Open-Infrastructure Networks:** win with interoperability and measurement.

Each pole offers a viable path—but mixing models leads to strategic dilution.



2. Introductions

2.1. Purpose of This Report

The purpose of this report is to provide a clear, data-driven understanding of the structural transformation occurring in Retail Media as the industry enters 2025—an inflection point shaped by AI acceleration, measurement standardization, and the emergence of a tri-polar competitive ecosystem.

Specifically, this report aims to:

- 1. Define the market forces reshaping Retail Media.**

It synthesizes macro retail transformation, shifts in the global advertising ecosystem, and advancements in AI-driven operations to clarify why Retail Media has evolved from a secondary revenue stream into a core strategic business for retailers.

- 2. Explain the emergence of a tri-polar Retail Media structure.**

The report provides a framework for understanding the three dominant models—
(1) GMS AI Super-Networks,
(2) Multi-Retailer Insight Networks, and
(3) Open Advertising Infrastructure Ecosystems (ADCP, DSP, CTV)—and how each model creates unique competitive advantages.

- 3. Identify strategic implications for key stakeholder groups.**

The analysis offers tailored insights for:

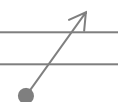
- Large GMS retailers
- Mid-market and regional retailers
- Multi-retailer platforms (e.g., Instacart)
- CPG advertisers
- DSP, CTV, and ad-tech partners
- These implications highlight the decisions, investments, and capabilities required to stay competitive through 2030.

- 4. Clarify the role of AI in shaping the future of Retail Media.**

The report outlines how AI transforms measurement, creative optimization, in-store activation, and supply chain coordination—defining the next era of commerce-driven advertising.

- 5. Provide a strategic lens for long-term planning.**

By offering unified frameworks for measurement, identity, data architecture, and organizational transformation, the report is designed to support executive



decision-making in RMN development, budget allocation, partnership strategy, and technology investment.

Summary Statement

This report exists to help business leaders understand the new Retail Media paradigm and to guide strategic choices in an industry that is rapidly shifting from media operations to AI-driven commerce ecosystems.

2.2. About Author and Company

2.2.1. Authors Profile

Kazuhisa “Kazu” Kanazawa

Founder, CSO & Principal Analyst

✓ Professional Summary

Kazuhisa “Kazu” Kanazawa is a veteran digital strategy and analytics expert with more than 20 years of experience in e-business, retail technology, and data-driven commerce. He has been active in the field since the early days of the internet in 1999, specializing in digital transformation, retail media, and advanced measurement frameworks.

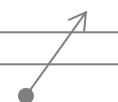
✓ Career Background

Kazu began his career at Netyear Group Corporation, where he founded the company’s digital marketing analytics practice. Over his tenure, he led more than 1,000 projects for over 50 global Japanese enterprises, helping clients build and operate large-scale data analytics infrastructures. His work contributed to Netyear Group’s successful IPO in 2009.

He later served as Chief Marketing Officer at Asia Quest Inc., a system development company specializing in Digital Transformation, where he drove the company’s branding and enterprise client development. Asia Quest completed its IPO in 2022.

Today, Kazu serves as the CSO and Principal Analyst at **Kazu & Company LLC**, supporting the growth of D2C brands and large-scale digital transformation initiatives. He is recognized for his deep expertise in retail technology, commerce analytics, closed-loop measurement, and retail media strategy.

✓ Areas of Expertise



Retail Media Strategy & Measurement

Incrementality Analysis (iROAS, causal modeling)

Closed-Loop Attribution & Audience Architecture

Digital Commerce & D2C Growth

Data Infrastructure for Marketing & CX

Retail Technology & In-Store Digitalization

AI Driven Operation and Marketing

Digital Transformation

✓ **Research Focus**

Walmart Connect & Scintilla, Amazon Advertising (AMC, DSP), Instacart Ads & SKU-level measurement, Kroger Precision Marketing, CTV × Retail Media, and the evolution of shoppable audience ecosystems.

✓ **Publications (2025)**

- Retail Media Networks in 2025: The Rise of Closed-Loop Commerce
- Incrementality Frameworks for Modern Retail Media
- Shoppable Audience Architecture and the Future of Commerce AI

✓ **Books & Major Contributes**

- DX 経営図鑑, *ALC Publishing*, 2021

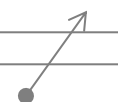
✓ **Articles & Contributions**

- Contributor, DX Navigator, AsiaQuest, 2020
- Contributor, Web 担当者フォーラム, Impress, 2021
- Contributor, Business+IT, SoftBank Creative, 2021

✓ **Selected Speaking Engagements**

- “From High-Risk Innovation to Gain Creation” — Transforming Business Pain Points into New Value, *Circulation Inc.*, 2024
- The Value Experience Created by Mobile Payments and Financial Services, *Seminar Info Co.*, 2019
- AQW DX Series, *Asia Quest Inc.*, 2020–2022
- Global DX Business Design: How Process Transformation Creates New Customer Value, *DXPO*, 2022
- NRF APAC 2025 Review, *IBA Company*, 2025

✓ **Education**



- **M.S., Integrated Marketing**, New York University, School of Professional Studies (2016)
- **MOT (Master of Management of Technology)**, Tokyo Institute of Technology (2008)
- **B.A. in Economics**, Takasaki City University of Economics (1996)
- ✓ **Professional Authorities / Industry Roles**
 - **Jury Member**, *I-COM Data Creativity Awards* (2009-2016)
 - **Member**, *Japan Omni-channel Association*(2024 -)



2.2.2. Company Profile

- ✓ Company Name: Kazu and Company LLC
- ✓ Established: December 2018
- ✓ Headquarters: Minato-ku, Tokyo, Japan
- ✓ Website: <https://www.kazuandcompany.com/>

- ✓ Company Overview:

Kazu & Company LLC is an independent research and analytics firm specializing in retail media, data-driven commerce, and digital transformation. The firm provides original research, analytics frameworks, and advisory services for global enterprises and D2C brands.

- ✓ Core Services:

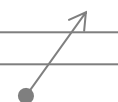
- Retail Media
- Digital Media
- Measurement & Incrementality Analysis
- Data & Analytics Architecture
- Omni-channel, Digital Commerce
- D2C Growth Support
- Digital Transformation (DX)
- User Experiences (UX)
- Customer Experiences (CX)

- ✓ Research Domains:

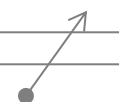
- Retail Media Networks
- Closed-Loop Measurement
- Audience Architecture
- Commerce Data Management / Analytics
- Instore-Retail Technology
- Fulfillment Technology
- Seamless Experience
- Shopping/Media Journey
- Data Management Platforms
- Insight Discovery

- ✓ Industries Served

- CPG
- D2C / Ecommerce
- System Integrators



- ✓ Notable Achievements
 - Supported 50+ data and digital projects across 10+ retail/D2C clients
 - Published major research on Retail Media Networks and measurement frameworks
 - Managing co-learning seminars across retail and CPG companies in Japan
- ✓ Publications
 - Annual / Quarterly Trends of Retail Media Reports
 - Measurement Frameworks
 - Digital Strategy Whitepapers
 - Books & Industry Contributions
- ✓ Leadership
 - **Kazu Kanazawa:** Founder/CSO, Principal Analyst
 - A veteran analyst with 20+ years of experience in digital marketing, data analytics and retail technology
 - Independent Director of D2C company
 - **Kayo Murakami:** CEO
 - A veteran retail specialist with 20+ years of experience in Ecommerce and Brands
 - Independent Director of Apparel Company



3. Market View

The Retail Media market in 2025 is defined by accelerating structural divergence, rapid AI adoption, and fundamental shifts in measurement, identity, and retailer economics.

What began as a revenue diversification strategy during the e-commerce boom has evolved into a core commercial engine—and one of the most strategically contested arenas in global retail.

3.1 Retail Media has transitioned from “media” to “commerce infrastructure.”

Between 2015 and 2024, the rise of Walmart Connect, Amazon Ads, and Instacart Ads demonstrated a critical shift:

Retail Media is no longer a banner-ad business—it is a **data- and identity-driven commerce ecosystem** connected across stores, apps, supply chains, and offsite channels.

Key forces driving this transition:

- **Explosion of 1st-party retail data** after third-party cookie deprecation
- **Shift from impression metrics to sales outcomes** (incrementality, iROAS)
- **Unified measurement expectations** from CPG advertisers
- **Constant pressure on retailer profitability**, forcing monetization beyond product margins
- **AI-driven optimization** that increases both media yield and operational efficiency

3.2 The competitive landscape is reorganizing into a tri-polar structure.

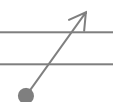
The RMN ecosystem is no longer a single competitive field.

Three distinct centers of gravity have emerged:

(a) AI-Enabled GMS Super-Networks

Walmart, Target, Kroger, Carrefour, and other major GMS retailers are building closed-loop systems linking:

- store sensors (ESL, CV/AI, traffic analytics)
- on-site digital media
- off-site programmatic inventory
- CTV and household-level targeting



Their competitive strength is “scale × AI × infrastructure.”

(b) Multi-Retailer Insight Networks (Instacart, DoorDash, Shipt)

These platforms aggregate demand across many retailers and convert cross-retailer visibility into audience products.

Their strength lies in:

- unified SKU signals
- high-intent missions (grocery, convenience, pharmacy)
- vertical algorithmic knowledge across categories

(c) Open Advertising Infrastructure Ecosystems

ADCP, UID2, DSPs, SSPs, and CTV ecosystems (Roku, Samsung, Amazon Fire TV) are becoming **neutral layers** enabling retailers to participate in the ad economy without building full-stack RMNs.

Their competitive strength is interoperability, standardization, and identity resolution.

3.3 AI is accelerating the divergence in capabilities.

AI has become the new dividing line in retail competitiveness.

AI advantages for large GMS:

- autonomous in-store optimization
- real-time creative testing
- predictive demand × advertising coordination
- highly granular incrementality measurement

AI advantages for mid-sized retailers:

- operational efficiency via automated analytics
- lighter-weight identity and targeting through shared ID frameworks
- plug-and-play measurement via third-party partners

AI advantages for platforms (Instacart):

- multi-retailer machine learning models
- category-level purchase propensity estimation
- cross-store consumer missions analysis

AI is no longer optional; it is a structural requirement.



3.4 Measurement is becoming the new competitive battleground.

CPG advertisers are shifting from “reach-based” to **causality-based investment**.

The market is converging around:

- controlled-exposure vs. non-exposure measurement
- unified incrementality models
- SKU-level attribution
- clean-room validated data exchange
- retailer-agnostic performance frameworks

Retailers that cannot prove causality will not remain in brand budgets.

3.5 Identity and interoperability are reshaping media economics.

With cookies gone, Retail Media is becoming the primary identity spine of digital advertising.

As ADCP and UID2 spread, retailers with weak identity systems will rely increasingly on shared frameworks.

This is pushing the market toward:

- retailer federations
- shared ID graphs
- cross-retailer frequency and reach control
- platform-level privacy compliance
- AI-automated contextualization

Identity is becoming a collective infrastructure, not a proprietary asset.

3.6 The next five years will be defined by divergence—not convergence.

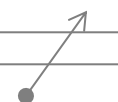
Instead of a single RMN model, the market is splintering into three:

infrastructure-heavy / insight-heavy / interoperability-heavy.

Each model scales differently:

- GMS scales through CAPEX-heavy tech and AI
- Platforms scale through data synthesis
- Mid-sized retailers scale through federations and alliances
- Open-infrastructure players scale through network effects

This divergence sets the strategic playing field for 2025–2030.



4 Key Trends & Drivers

The Retail Media landscape in 2025 is being reshaped by simultaneous shifts across retail operations, consumer behavior, AI capabilities, measurement frameworks, and identity infrastructure. The following trends and underlying drivers explain why the market is diverging and accelerating into a tri-polar structure.

4.1 Trend 1: AI-Driven Retail Operations

AI is transforming Retail Media from an activation channel into a dynamic commerce engine.

- In-store path analysis powered by vision AI and sensors
- Real-time correlation of inventory, exposure, and purchase behavior
- Autonomous creative optimization through continuous A/B testing
- Personalized in-aisle recommendations

These advancements connect advertising value directly to **shopping behavior and conversion intent**.

Drivers:

- Declining cost of AI inference
- Maturing autonomous optimization algorithms
- Proliferation of digital store infrastructure (ESL, cameras, IoT)

4.2 Trend 2: From the Impression Economy to the Outcome Economy

Advertisers are shifting from impression-based buying to **incrementality-based ROI**.

- iROAS becoming a primary budget allocation metric
- Causal inference frameworks becoming industry-standard
- Clean room validation as default practice
- “Attributed Sales” losing credibility vs. “Proven Causality”

Drivers:

- Increased ROI pressure on CPG budgets
- Fragmented measurement across retailers and media channels
- Standardization by MRC and IAB

4.3 Trend 3: Identity & Interoperability Reset

In the post-cookie era, retail data has become the new identity backbone of digital advertising.



- Emergence of ADCP (Agentic Ad Context Protocol)
- Adoption of shared identity frameworks such as UID2 and RampID
- Cross-retailer frequency management
- Improved precision in household-level targeting

Drivers:

- Stronger global privacy regulation
- Rising cost of maintaining proprietary ID graphs
- Advertiser demand for unified reach and deduplicated frequency

4.4 Trend 4: Rise of Multi-Retailer Platforms

Instacart, DoorDash, and Shipt are gaining power through aggregated cross-retailer datasets and high-intent missions.

- Cross-store visibility
- High-frequency grocery and pharmacy missions
- Category-level ML models
- Behavioral depth unavailable to single retailers

Drivers:

- Audience growth limitations for individual retailers
- High CAPEX burden of building full-stack RMNs
- Complementary relationships with regional retailers

4.5 Trend 5: Integration of CTV and Commerce Media

The fusion of CTV and retail data is creating **the first measurable upper-funnel channels** linked directly to purchase.

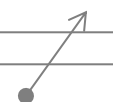
- Walmart × Vizio
- Amazon Fire TV × Amazon Ads
- Roku × Kroger

This dissolves the historic boundary between brand advertising and commerce outcomes.

Drivers:

- Rapid growth of CTV supply
- Improved household-level identity stitching
- Advertiser pressure for ROI visibility in brand spend

4.6 Trend 6: Mid-Market Retailers Moving Toward Federated Models



Mid-sized retailers, unable to compete in AI-infrastructure arms races, are shifting toward **federated or platform-dependent models**.

- Deprioritizing in-house RMN development
- Leaning on ADCP, DSPs, and external measurement
- Focusing investment on shopper insights and operational excellence
- Elevating local data uniqueness as a differentiator

Drivers:

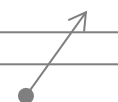
- Limited CAPEX availability
- Rising value of niche 1st-party datasets
- Growth of Instacart-style multi-retailer ecosystems

4.7 Trend 7: Retail Media → AI Commerce Ecosystem Transformation

The most fundamental trend is that Retail Media is evolving beyond an ad network into an **AI-powered commerce ecosystem**.

- Integration of advertising × inventory × supply chain
- Predictive and autonomous operations
- Unified identity across store, e-commerce, and CTV
- Real-time causal inference
- AI-led creative generation and optimization

This is not simply media evolution—
it represents a **restructuring of the retail business model itself**.



5 Deep-Dive Analysis

The **tri-polar structure** emerging in Retail Media by 2025 is not simply a result of retailer size or channel strategy.

It is the **inevitable outcome of differences in data architecture, revenue models, AI adaptability, and operational characteristics.**

This chapter analyzes why each model exists, how each achieves competitive advantage, and where the long-term risks lie.

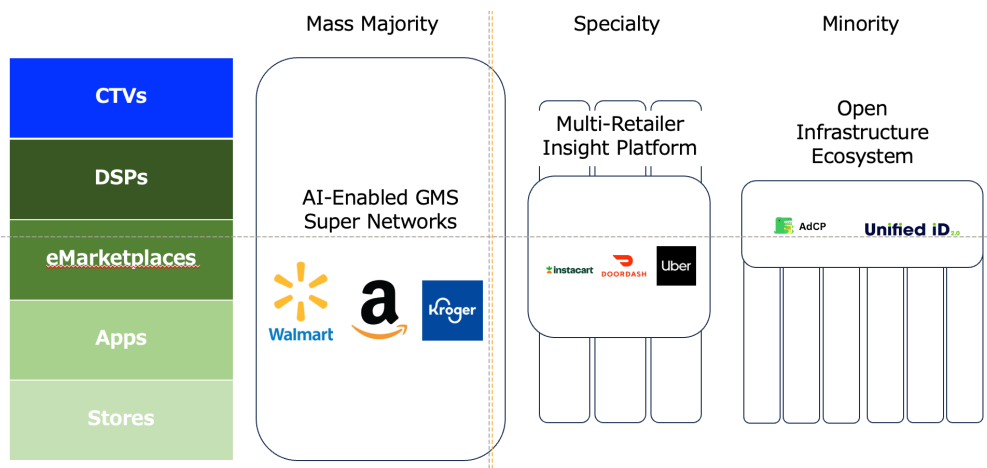


Chart5.0 Tri-polar Structure, KnC

5.1 Deep Dive: AI-Enabled GMS Super-Networks

1. Why this model exists

GMS retailers possess a rare combination of structural assets that make them uniquely suited for AI-driven optimization:

- **Massive physical store networks** with high-frequency traffic
- **Large and diverse SKU assortments** spanning grocery, household, and general merchandise
- **Integrated POS, loyalty, and app ecosystems** capable of generating continuous, high-quality signals

This combination provides the “**data volume × diversity × frequency**” required for effective AI learning, making GMS the only retail format capable of building truly autonomous, closed-loop commerce systems.

2. How they win

(1) In-Store Measurement Advantage



With ESL, computer vision, and shelf sensors, GMS retailers can digitize the “moment of conversion”—a competitive advantage no platform can replicate.

(2) Closed-Loop Identity(Chart5.1)

GMS retailers connect store ID, app ID, e-commerce ID, and CTV household ID, enabling full-funnel tracking of:

“exposure → action → purchase → repeat behavior.”

(3) Full-Funnel Commerce Graph (chart5.2)

By integrating CTV, offsite, onsite, and in-store signals, GMS retailers can construct an AI-driven **commerce graph** that models causal pathways from attention to sale.

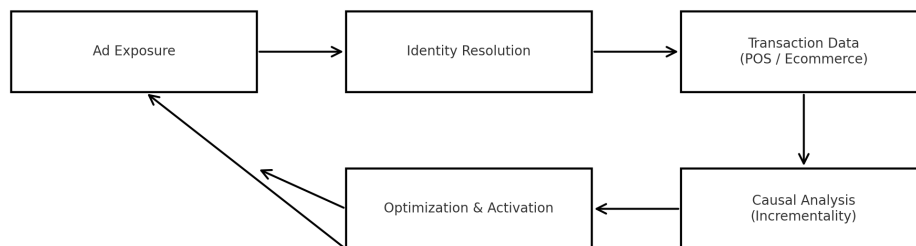


Chart 5.1.1: Closed Loop Measurement, KnC(2025)

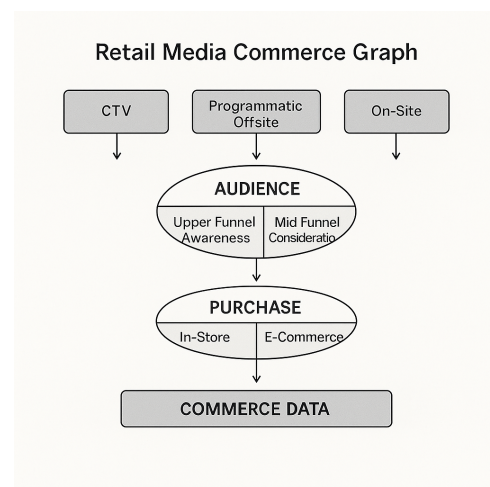


Chart 5.1.2: Full Funnel Commerce Graph, KnC(2025)

3. Strategic Risks

- ROI pressure from excessive CAPEX
- Transparency concerns from “black-box AI optimization”
- CPG advertisers shifting budgets to neutral measurement platforms
- Standardization pressure from ADCP / open infrastructure ecosystems

5.2 Deep Dive: Multi-Retailer Insight Networks (Instacart Model)

1. Why this model exists

Instacart, DoorDash, and Shipt derive value from **cross-retailer behavioral visibility**, which single retailers fundamentally lack:

- Category-level substitution behavior
- Shopping missions (top-up trips, weekly grocery runs, urgent pharmacy needs)
- Brand switching and price sensitivity
- SKU preference variations across different store banners

Especially in high-frequency sectors (grocery, convenience, drug), platforms accumulate **deep intent signals** that are structurally unavailable to individual retailers.

2. How they win

(1) Cross-Retailer Behavioral Insight

Platforms observe how consumers choose between retailers for the same mission, SKU, or price point.

(2) Mission-Level Targeting

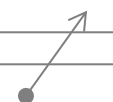
Platforms excel at capturing high-intent missions such as “tonight’s dinner,” “urgent medication,” or “morning convenience run.”

(3) Brand Incrementality Effects

Platforms detect **brand switching** with exceptional clarity due to their cross-retailer visibility, strengthening their incrementality claims.

3. Strategic Risks

- Weak onsite surfaces limit their owned-media value
- Large CPGs may ultimately prioritize GMS household ID graphs
- Retailers strengthening their own apps may reduce platform visibility
- Economics depend heavily on delivery profitability



5.3 Deep Dive: Open Advertising Infrastructure Ecosystems

1. Why this model exists

Most retailers lack the scale or capital to build a full-stack RMN.

Thus, open platforms—ADCP, UID2, DSPs, SSPs, and CTV ecosystems—have emerged as **neutral infrastructure** enabling retailers to participate in the ad economy without building proprietary networks.

2. How they win

(1) Interoperability Layer

They unify:

- Identity
- Measurement
- contextual metadata

allowing advertisers to conduct **cross-retailer, deduplicated media buying** that no single retailer can offer.

(2) Marketplace Network Effects

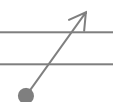
As more retailers onboard, the data becomes standardized and transaction volume on DSPs increases exponentially.

(3) Privacy and Compliance Outsourcing

They handle privacy, regulation, and ID resolution—areas where retailers generally struggle.

3. Strategic Risks

- Growing influence may cause friction with GMS retailers
- Increased standardization can reduce differentiation
- Transparency concerns (DSP-level “black box” problems)



Core Insight: Data Architecture Determines Competitive Advantage

Model	Source of Competitive Advantage	Primary Vulnerability
GMS Super-Networks	Integrated store/EC/CTV identity + AI optimization	High CAPEX, trust & transparency risk
Multi-Retailer Platforms	Cross-retailer behavioral insight, mission-level intent	Reliance on retailer partnerships
Open Infrastructure Ecosystems	Interoperability, standardization, network effects	Low differentiation, black-box concerns

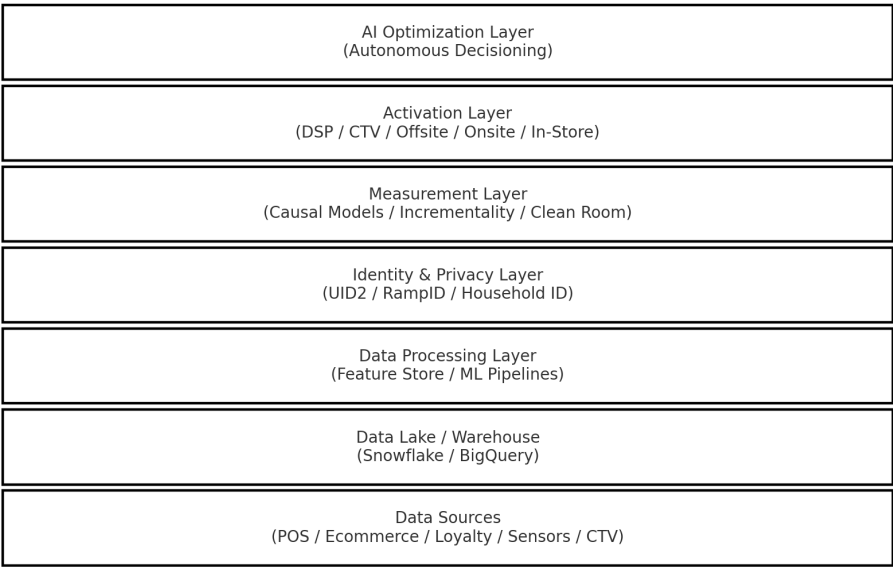
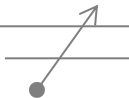


Chart 5.3.1 Data architecture Stack



6. Measurement & Frameworks

As Retail Media transitions into an AI-driven commerce ecosystem, **measurement has become the primary competitive battleground.**

Advertisers are shifting from impression-based KPIs to **causal, retailer-verified outcome measurement**, requiring a unified and transparent measurement architecture.

This chapter outlines the four dominant measurement frameworks shaping the industry: **Exposure-Based Measurement, Causal Lift Frameworks, Unified Incrementality Models, and Cross-Retailer Clean Room Measurement.**

6.1 Exposure-Based Measurement (Legacy Model)

Definition

A traditional approach that attributes sales to users who were *exposed* to an ad within a defined attribution window.

Key Metrics

- Attributed Sales
- ROAS (Return on Ad Spend)
- Click-Through Rate (CTR)
- Viewability / Net Viewable Impressions

Limitations

- Correlation, not causation
- Over-attribution to existing loyal customers
- Bias toward lower-funnel activities
- No visibility into baseline behavior

This model is rapidly losing credibility as CPGs demand provable outcomes.

6.2 Causal Lift Framework (Incrementality Lift Model)

Definition

A causal framework comparing **Exposed Group vs. Synthetic Non-Exposed Group**, controlling for audience composition, seasonality, and baseline demand.

Methodology

- Propensity score matching



- Holdout design
- Bayesian hierarchical models
- Time-series causal inference

Key Metrics

- **Incremental Sales (Inc. Sales)**
- **Incremental Units**
- **Incremental Conversion Rate**
- **iROAS (Incremental Return on Ad Spend)**
- **Lift (%)**

Advantages

True causal measurement

Removes selection bias

Can isolate incremental impact of creative, audience, and placement

Who uses this?

- **Walmart (Search Incrementality Framework)**
- **Instacart (Shoppable Video Incrementality)**
- **Amazon (Matched Control analysis)**
- **Kroger Precision Marketing (DoubleVerify-verified lift)**

Causal Lift is becoming the **de-facto gold standard**.

What is incrementality testing?

Incrementality testing compares two groups of customers: those who were potentially exposed to advertising and those who were withheld from advertising treatment as a control group.

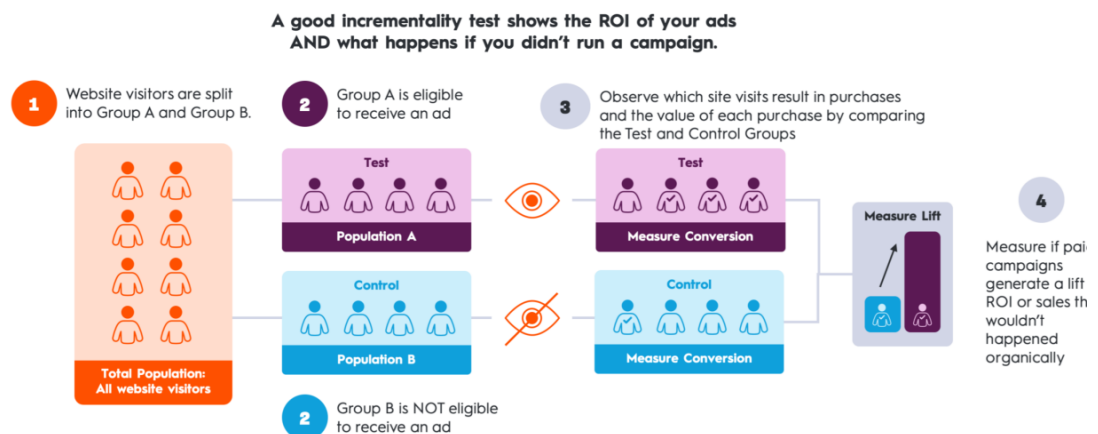


Chart: Incremental testing model, Quiubo(2025)

6.3 Unified Incrementality Across Channels (Cross-Funnel Model)

Definition

Measures incremental performance **across CTV, Offsite, Onsite, and In-Store** under a single causal framework.

Core Capability: Commerce Graph

A retailer's unique graph connecting:

- Household ID
- Onsite search
- Offsite impressions
- CTV exposure
- SKU-level purchase behavior
- In-store POS

This allows unified attribution across full-funnel activities.

Key Metrics

Household Incremental Reach

Full-Funnel iROAS

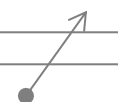
Frequency-Adjusted Lift

Creative-Level Incrementality

Why this matters

- CPGs increasingly require:
- “One truth” across channels
- Unified budget efficiency
- Deduped reach & frequency

Only full-stack GMS can operate at this level today.



6.4 Clean Room–Validated Measurement (Cross-Retailer & Privacy-Safe)

Definition

Secure environments (Snowflake, Google Clean Room, Amazon Marketing Cloud) enabling advertisers to independently validate retailer-provided results.



Chart: Data Clean Room, IAB(2024)

Use Cases

- Cross-retailer reach deduplication
- Multi-touch incremental analysis
- Media-mix modeling (Retail MMM)
- Retail media vs. national media comparisons

Why it is critical

- Increases trust and transparency
- Removes bias from retailer-owned measurement
- Required by nearly all global CPGs in 2025

Industry Adoption

- Walmart → The Trade Desk + Clean Rooms
- Instacart → Clean Room–based incrementality
- Kroger → Verified by DoubleVerify
- Amazon → AMC as measurement backbone

Clean rooms are becoming **mandatory measurement infrastructure**.

6.5 Real-Time AI-Driven Measurement (Next-Generation Framework)

Definition

Automated measurement systems where AI continuously runs experiments and adjusts targeting and creative in real time.

Capabilities

- Autonomous A/B testing
- Real-time incrementality estimation
- Creative multi-armed bandit optimization
- Predictive attribution
- Store-level conversion insights

Outcome

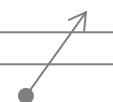
Retail Media transitions from:

- **“Measurement after the campaign”**
- to
- **“Measurement during the campaign” = Autonomous Optimization”**

This is the frontier that Walmart, Amazon, and Target are entering.

6.6 Summary: Measurement as the New Competitive Frontier

Framework	Value	Limitation	Who Dominates
Exposure-Based	Simple, historical standard	No causality	Legacy RMNs
Causal Lift	True incremental value	Requires large data	Walmart / Instacart / Amazon
Unified Incrementality	Cross-channel optimization	Only large GMS can do it	Walmart / Target / Kroger
Clean Room Validation	Trust & transparency	Requires technical maturity	CPGs, top RMNs
AI-Driven Real-Time	Autonomous performance	Requires AI & sensor infra	Walmart / Amazon



6 Cases & Insights

This chapter analyzes key Retail Media players whose strategic decisions illustrate the deeper structural shifts underway in the industry.

Each case is organized into **What Happened (Fact)** → **What It Means (Insight)** → **Implication (Industry Impact)** to extract actionable strategic lessons.

7.1 Walmart Connect — Case & Insights

Case: AI-Powered Closed-Loop System & CTV Integration

Through the acquisition of Vizio and the introduction of Search Incrementality (2025), Walmart has built one of the most advanced retail commerce graphs connecting household identity, CTV exposure, onsite behavior, and in-store purchase data.

What Happened (Fact)

- Integrated Walmart Household ID with Vizio CTV signals
- Connected store, e-commerce, and CTV touchpoints under a unified ID graph
- Introduced causal measurement for Search (Search Incrementality)
- Enabled immediate activation of purchase-based segments via Insight Activation

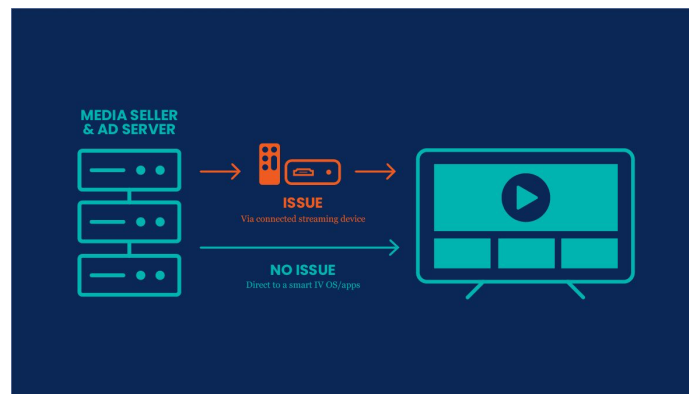


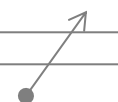
Chart: how to catch audience signals from VIZIO, VIZIO(2024)

What It Means (Insight)

Walmart is architecting a fully **causal, closed-loop attention** → **purchase system**, differentiating from Amazon through **identity integration depth and incrementality precision**.

Implication

- CPGs will increasingly combine **upper-funnel CTV** + **lower-funnel RMN** budgets
- Store × CTV data will become the next premium ad surface
- Incrementality becomes mandatory; correlation metrics will phase out



7.2 Instacart Ads — Case & Insights

Case: Cross-Retail Intent Graph & Incrementality-First Activation

Instacart leverages high-frequency grocery and drug missions to build a unique cross-retailer behavioral dataset that can detect **brand switching and substitution effects** with unmatched clarity.



Chart: Instacart and partners, CBInsights(2018)

What Happened (Fact)

- Introduced incrementality for Shoppable Video Ads
- Built ML models using cross-retailer SKU-level signals
- Defined “Mission-Based Targeting” as a core ad concept
- Commercialized retailer-agnostic behavioral insights

What It Means (Insight)

Instacart's competitive edge is the **behavioral depth that no single retailer can access**. It wins on “Intent & Substitution”—a dimension where GMS inherently lacks visibility.

Implication

- CPGs will adopt dual-strategy budgets:

GMS for household-level causality × Instacart for mission-level causality

- Instacart can expand into pet, convenience, and broader drug categories
- Mid-market retailers will rely more heavily on Instacart, accelerating federation models

7.3 Kroger Precision Marketing — Case & Insights

Case: Measurement-First Strategy & Third-Party Validation

Kroger maintains one of the strictest measurement standards in the RMN industry, positioning itself as a “verification-first” network.

What Happened (Fact)

- Adopted DoubleVerify as its standard lift-verification partner
- Built a distinctive “in-store purchase × offsite media” measurement model
- Incorporated store-level demand signals into reporting
- Positioned “measurement rigor” as the core product—more than ad inventory

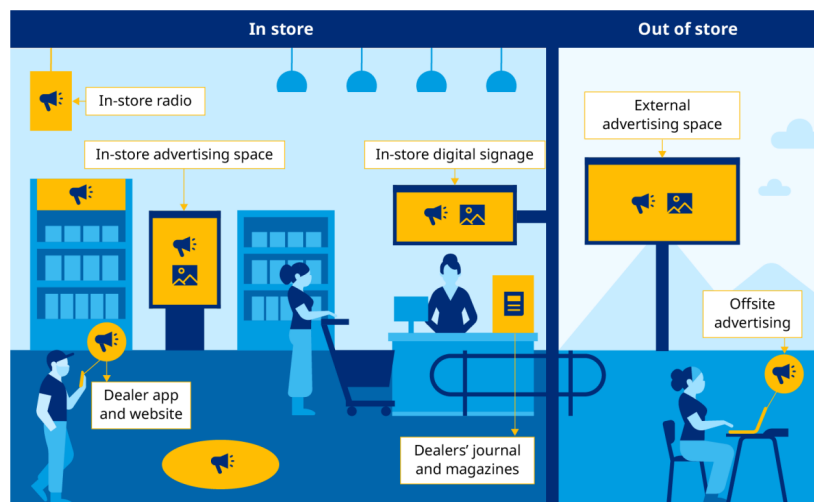


Chart: In-store x offsite measurement: IAB(2025)

What It Means (Insight)

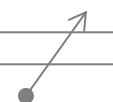
Kroger is effectively **monetizing trust and scientific rigor**, contrasting with the “scale + AI” model of Walmart and Amazon.

Implication

- RMN competition is splitting into two camps:
scale-driven (Walmart/Amazon) vs precision-driven (Kroger)
- Rising skepticism among CPGs about inflated ROAS benefits Kroger’s approach
- Third-party verification will become the new baseline requirement

7.4 Amazon Ads — Case & Insights

Case: Vertical Integration & AI-Based Discovery Advertising



Amazon Ads is accelerating a vertically integrated model in which **Alexa, Fire TV, Amazon.com search, and the AI shopping assistant Rufus** operate as a unified product-discovery ecosystem.

In this model, “**UX itself becomes an advertising surface**”—a strategic direction that no other RMN can fully replicate.

What Happened (Fact)

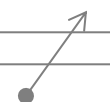
- **Fire TV commerce ad placements expanded**, including shoppable home-screen units and AI-curated recommendations.
- **Alexa voice search increasingly blends sponsored results** into conversational queries (e.g., “best kitchen knife for...”).
- **Amazon DSP continues scaling full-funnel omnichannel reach**, especially CTV + offsite retail audiences.
- **Whole Foods / Amazon Fresh shopper data gradually integrated** into Amazon Ads measurement (limited, but evolving).
- **Rufus, the AI shopping advisor, launched**, transforming product search into a conversational discovery journey.
 - Rufus answers questions, generates comparisons, and embeds sponsored listings into AI-driven reasoning.
 - It structures “reasons to buy” using reviews, specs, behavioral signals, and category logic.
 - Its presence increases the cohesion between search intent, product discovery, and ad activation.

What It Means (Insight)

- **Amazon is dissolving the separation between natural discovery and paid promotion**, achieving the industry’s strongest form of *native intent capture*. Rufus accelerates this by giving Amazon control over the *interpretation* of a shopper’s underlying need—not merely showing ads, but contextualizing them in a persuasive narrative.
- **Voice UI and AI-generated guidance raise new transparency questions**. As Rufus and Alexa increasingly act as “AI shopping consultants,” regulators may scrutinize how paid promotion is disclosed within conversational interfaces.
- **Rufus marks the beginning of AI-mediated commerce**, where product search becomes a reasoning process—one that Amazon can monetize at every step.

Implication

- **The boundary between retail media and native ads will collapse**. With Rufus steering the discovery journey, sponsored content blends into the logic of AI explanations and comparisons.
- **Home-based touchpoints (Fire TV, Alexa, household voice surfaces) will become the next frontier of RMN**.



Amazon's unique advantage is that it controls the *household operating system*—TV, smart speakers, and commerce search.

➤ **AI transparency and disclosure standards will become major policy issues in 2026.**

The FTC and global regulators will likely examine how conversational AI presents sponsored options and whether users can distinguish organic reasoning from monetized placement.

7.5 Cross-Case Insights (Synthesis Across Players)

Analysis across cases reveals **five structural insights** defining the future of Retail Media:

Insight 1: RMN competition has shifted from “media quality” to “identity × causal measurement × AI.”

The new determinant of budget allocation is not ad placement but **causal verifiability**.

Insight 2: GMS and Instacart are not competitors — they occupy different causal domains.

- **GMS → household-level purchase causality**
- **Instacart → mission-level behavioral causality**

Advertisers need both.

Insight 3: Mid-market retailers will abandon proprietary RMNs and adopt federated or platform-dependent models.

Self-built RMNs require excessive CAPEX.

Open infrastructures (ADCP, UID2, DSPs) allow a **lightweight RMN strategy**.

Insight 4: CTV is emerging as the upstream entry point to the Retail Media funnel.

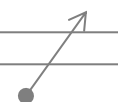
Walmart × Vizio proves that RMN now spans:

attention → consideration → conversion

with measurable causality throughout.

Insight 5: AI is accelerating the vertical integration of measurement → activation → optimization.

AI is turning RMN into a **self-optimizing advertising operating system**.



7 Future Outlook & Implications

Retail Media is entering a decade defined by structural divergence, AI-driven orchestration, and the integration of media, commerce, and identity into a unified operating system.

The next five years will not be characterized by linear growth, but by a fundamental reconfiguration of roles, capabilities, and value creation models across the ecosystem.

Below are the six most consequential shifts that will shape the future.

8.1 Outlook 1: Full-Funnel Commerce Graphs Become Industry

Standard

By 2030, leading retailers will operate **continuous attention** → **action** → **purchase** → **loyalty graphs**, unifying:

- CTV
- Offsite programmatic
- Onsite search & browse
- In-store activity
- POS and loyalty data

Retailers who cannot create a commerce graph—or cannot provide causal outputs from it—will not remain in enterprise CPG budgets.

Implication:

Media, measurement, and merchandising will merge into a single data architecture.

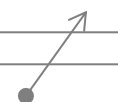
8.2 Outlook 2: RMNs Transform Into Autonomous Advertising

Operating Systems

AI will shift RMNs from “human-run media networks” to **autonomous ad optimization systems**.

Capabilities will include:

- Always-on causal lift estimation
- Real-time creative optimization (MAB / generative)
- Predictive frequency control
- Dynamic budgeting per SKU, mission, or household
- Autonomous cross-channel routing (CTV → Offsite → Onsite → Store)



This marks the transition from “**AI-assisted advertising**” to “**AI-orchestrated commerce**.”

8.3 Outlook 3: Identity Becomes a Shared Utility, Not a Proprietary

Asset

As privacy regulation tightens globally, retailer-specific ID systems will give way to:

- Shared identity frameworks (UID2, RampID)
- Retail federations
- Cross-retailer frequency caps
- Industry-level Clean Room protocols

Retail identity will shift from **proprietary advantage** to **shared infrastructure**, enabling interoperability and reducing waste.

Implication:

The competitive edge moves to **causal analytics**, not identity ownership.

8.4 Outlook 4: Mid-Market Retailers Consolidate into Federated

Alliances

Due to CAPEX pressures and talent scarcity, most mid-market retailers will:

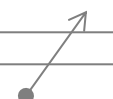
- Abandon proprietary RMNs
- Adopt open protocols (ADCP)
- Plug into DSP/CTV ecosystems
- Rely on third-party measurement backbone

This leads to a “**Federated Retail Media Layer**,” where many retailers share:

- Identity
- Measurement
- Creative specs
- Activation surface

Implication:

The long tail of retailers becomes a single aggregated reach vehicle, competing collectively rather than individually.



8.5 Outlook 5: CTV Becomes the Primary Driver of Retail Media

Growth

By 2030, CTV will represent **the largest incremental revenue source** for RMNs, driven by:

- Household-level identity graphs
- Shoppable overlays
- Commerce integrations
- Proven upper-funnel incrementality
- Frictionless linking to onsite and in-store signals

Result:

CTV becomes the new “front door” to the Retail Media funnel.

8.6 Outlook 6: Measurement Matures Into a Regulated Discipline

Incrementality measurement—currently fragmented—will evolve into:

- Industry-wide causal standards
- Third-party verification requirements
- Mandatory transparency reporting
- Auditable AI-based optimization logs
- Retailer-agnostic performance indexes

Implication:

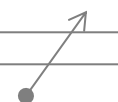
Measurement becomes a regulated part of the advertising supply chain, similar to viewability in the 2010s.

8.7 Synthesis: The Industry Moves Toward “Computable Retail”

Retail Media is not evolving toward a bigger advertising market—it is evolving toward a **computable retail economy**, where:

- Data is structured
- Identity is interoperable
- AI orchestrates every step
- Ads, supply chain, and merchandising converge
- Causality becomes the core value metric

The winners will be retailers and platforms that embrace this new operating model and build deterministic, transparent, and AI-driven ecosystems.



8 Conclusion

Retail Media is no longer a supplemental revenue stream—it has become the foundational layer of modern commercial strategy.

The industry's rapid evolution toward AI-orchestrated advertising, interoperable identity, and real-time causal measurement is reshaping the competitive landscape at a structural level.

The tri-polar model emerging in 2025 illustrates a critical truth:

retailers are diverging not by size, but by their underlying data architecture, operational model, and capacity to adopt AI at scale.

- **GMS super-networks** are building fully integrated commerce graphs that unify attention, action, and purchase across store, e-commerce, and CTV environments.
- **Multi-retailer platforms** are leveraging mission-level intent and cross-retailer behavioral visibility to deliver unique insight and measurable incrementality.
- **Open infrastructure ecosystems** are enabling the long tail of retailers to participate in sophisticated advertising markets without proprietary CAPEX.

Across all three models, one theme is unmistakable:

AI is becoming the operating system of Retail Media.

It is shifting RMNs from human-managed channels to self-optimizing environments where creative, targeting, and bidding adapt continuously based on causal understanding of consumer behavior.

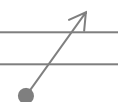
The implications for retailers and advertisers are profound:

- Proprietary identity is no longer a moat—**causal analytics and closed-loop transparency** are.
- Media activation cannot be separated from merchandising, supply chain, or customer experience—**commerce is becoming a computable system.**
- Retailers unable to invest in AI-native infrastructure must adopt federated models or risk irrelevance.
- Advertisers must transition from impression-based planning to **incrementality-first measurement**, demanding verifiable contribution to sales and long-term value.

Looking ahead, Retail Media will not consolidate—it will stratify.

The ecosystem is entering a decade defined by **specialization, interoperability, and automation**, where each player must choose the role they can sustain:

- Architect of a full-stack commerce graph
- Owner of mission-level behavioral data
- Provider of interoperable identity and measurement rails
- **Success will depend on clarity of strategy and precision of execution.**



Retail Media's next frontier is not reach—it is proof.

Proof of causality, proof of value, and proof of impact across the entire commerce journey.

The retailers and platforms that can deliver this with transparency, speed, and scientific rigor will define the next era of the industry.



9 Appendix and References

10.1 Glossary of Key Terms

Retail Media Network (RMN)

A retailer-operated advertising ecosystem leveraging first-party data, onsite/offsite media, and closed-loop attribution.

Closed-Loop Measurement

A system that connects ad exposure to actual sales outcomes (POS/e-commerce), enabling causal assessment of advertising impact.

Incrementality / Incremental Sales

A measure of the additional sales generated *because of* an advertisement, isolating causality from correlation.

Commerce Graph

An integrated dataset linking attention, action, and purchase across channels (CTV, offsite, onsite, in-store).

Offsite Media

Ads purchased outside retailer-owned surfaces (e.g., Google, Meta, Open Web) but targeted using retailer first-party data.

ESL (Electronic Shelf Labels)

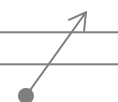
Digital price tags enabling real-time price adjustments and in-store media opportunities.

Mission-Level Intent

Consumer needs captured by platforms based on shopping missions (e.g., “tonight’s dinner,” “urgent pharmacy,” “weekly grocery run”).

ADCP (Agentic Advertising Infrastructure Context Protocol)

An open-standard framework enabling media metadata interoperability, contextual transparency, and agentic advertising.



Established in 2024 by a cross-industry coalition including Yahoo, Samba TV and multiple independent media/tech participants.

AI-Orchestrated Media

Advertising systems where AI autonomously manages bidding, creative selection, frequency control, and budget allocation.

10.2 Methodology Notes

This report integrates:

- Analysis of publicly available RMN announcements (2022–2025)
 - Cross-retailer structural comparison across GMS, Grocery, Drug, Convenience, and Marketplace sectors
 - Evaluation of AI-adoption patterns in merchandising, supply chain, and measurement
 - Observation from NRF 2024–2025 keynote themes
 - Benchmarking of DSP/CTV ecosystem trends (TTD, DV, MRC, UID2)
 - Independent analytical frameworks developed by the author (Kazu & Company LLC)
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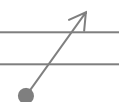
10.3 Analytical Frameworks Used in This Report

Tri-Polar Retail Media Landscape Model

1. **AI-Enabled GMS Super-Networks**
2. **Multi-Retailer Insight Platforms**
3. **Open Infrastructure Ecosystems**

Retail Media Maturity Index

- Identity maturity
- Measurement maturity
- Media surface diversification
- Organizational capability
- AI orchestration readiness



Incrementality Evaluation Map

- Causal lift models
- Multi-touch attribution exclusions
- Onsite/offsite/store triangulation
- Real-time vs batch analytics

10.4 Example Data Architecture Templates

- Retail Media Commerce Graph
- Closed-Loop Measurement Pipeline
- AI-Driven Creative Optimization Cycle
- Store Media Digitization Stack (ESL, CV, Sensor)
- Cross-Retailer Behavioral Insight Loop (Instacart Model)



10.5 References

10.5.1 Industry Reports & Research

- eMarketer. *US Retail Media Ad Spending Forecast 2023–2029*.
- McKinsey & Company. *The Future of Retail Media: From Monetization to Orchestration*.
- Deloitte Digital. *Commerce Re-Architected: AI and Omnichannel Convergence*.
- Boston Consulting Group (BCG). *Retail Media's Next Growth Engine*.
- IAB & MRC (Media Rating Council). *Guidelines for Retail Media Measurement*.

10.5.2 Corporate Publications

- Walmart Inc. *Walmart Connect: Annual Updates and Advertiser Insights (2023–2025)*.
- Instacart Ads. *Measurement & Incrementality Framework Documentation*.
- The Trade Desk. *UID2 & Retail Data Collaboration Reports*.
- Kroger Precision Marketing (84.51°). *Causal Measurement Standards*.
- Amazon Ads. *Retail Media Measurement Best Practices*.



10.5.3 Industry Standards & Protocols

- **ADCP: Agentic Advertising Infrastructure Context Protocol.**

Samba TV & Industry Coalition, 2024.

- **Clean Room Standards** (Google Ads Data Hub, Snowflake, LiveRamp Safe Haven).
 - **Privacy & ID Frameworks** (DMA, CPRA, GDPR, UID2, RampID).
-

10.5.4 Press & Media Coverage

- AdExchanger (2022–2025 RMN coverage)
 - Marketing Dive / Retail Dive
 - Business Insider
 - TechCrunch
 - Digiday
 - The Verge
 - PYMNTS
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10.5.5 Author's Previous Publications

- RMN Updates 2025 --- Walmart Scintilla
- Quick Research 2025 --- Instacart
- NRF 2025 NYC Conference Report
- NRF 2025 APAC Conference Report
- Analytics for Impact of Walmart + Vizio
- Retail Media Map Audience and Market Size Evaluation

