

THE CONVERGENCE AND COEXISTENCE OF TRADE AND MEDIA IN RETAIL MEDIA SERIES

DEFINING TRADE AND MEDIA

TRADE = ECONOMIC LEVERS

DEFINITION

Trade refers to commercial mechanisms that alter the economic terms of a transaction between supplier and retailer in order to drive short-term sales or volume.

WHAT MAKES TRADE DISTINCT

Trade is not a marketing budget and does not represent discretionary "spend." It is executed through cost of goods sold (COGS), margin, and commercial funding agreements, and governed primarily by finance and sales organisations.

TYPICAL CHARACTERISTICS

- Funded below the line via margin or cost structures, not cash budgets
- Tied to retailer profitability and supplier trade terms
- Executed independent of media planning processes

EXAMPLES

- Temporary price reductions (TPRs)
- BOGOs and multi-buy offers
- Trade-funded coupons and vouchers
- Circulars, catalogs, and promotional flyers tied to trade agreements

PRIMARY MEASUREMENT

- Incremental sales and volume
- ROI on trade funding
- Compliance with commercial terms



RETAIL MEDIA = PAID INFLUENCE



DEFINITION

Retail Media refers to any paid, planned, and measured activity designed to influence consumer choice, regardless of channel, location, or format. This includes what has historically been labeled shopper marketing when those activities function as paid influence rather than economic levers.

WHAT DEFINES MEDIA

- Funded through brand, marketing, or media budgets (real dollars)
- Planned, bought, and optimised using media workflows
- Monetised by the retailer or platform as inventory, audience, or placement

EXAMPLES

- Sponsored products
- Retailer-enabled offsite media: social and programmatic
- Paid digital in-store screens and shelf media
- Measurement, reporting, and audience insights tied to campaigns

PRIMARY MEASUREMENT

- Impressions, reach, engagement
- ROAS and performance outcomes
- Incrementality where possible

GREY, SHARED OR AMBIGUOUS

Cross-channel activities where attribution and budget ownership are blurred and jointly funded or strategically shared between trade and media teams.

EXAMPLES

- On-site display
- Retailer-enabled offsite media: Search and CTV
- In-store: signage, sampling, hand scanners
- CRM & owned data activations: retailer emails, app push, SMS targeting

FUTURE STATE

The IAB In-Store Guidelines define all In-Store Media as Retail Media. Consequently, we advocate for the industry to classify all In-Store elements, including existing 'grey areas,' as Retail Media. Furthermore, channels like emails, app push notifications, and SMS targeting are currently ambiguous because they originated as early digital trade activations. However, their functional classification should supersede this legacy; in the future, these mediums should be considered Retail Media. Clarifying this definitional ambiguity will foster industry growth and minimise internal organisational friction.