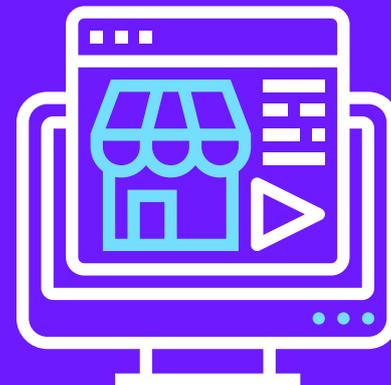


THE CONVERGENCE AND COEXISTENCE OF TRADE AND MEDIA IN RETAIL MEDIA SERIES



PART 4: RETAILER CASE STUDY

As part of IAB Europe's Trade and Media Convergence and Coexistence series, the following retailer case study illustrates how one organisation made a decisive move to bring all media functions under a single roof. This is not presented as a universal blueprint or a recommendation, but rather as a thought-starter. An example designed to spark reflection, inspire debate, and support both internal and external conversations across the industry.

As of today, only a small number of retailers have unified their RMN (supply-side media) and traditional media teams (demand-side investments) under a single executive. Fewer than five have done so in Europe, with a similar number in the United States.

IN THE RETAILERS' WORDS, "WE WANTED TO BUILD AND INVEST IN RMN BRANDS OURSELVES, RATHER THAN BE FORCED TO DO SO."

Once a company reaches a certain size, maintaining media silos becomes unsustainable. Allowing any media activity outside of your RMN diminishes the value of your RMN.

WHAT DOES THIS INCLUDE?

- All on-site media (Sponsored products, Display, Video, etc.)
- All off-site media (Search, Social, Display, CTV, Affiliates, etc.)
- Most in-store media (Digital displays, print, bakery signage, floor stickers, hand scanners, etc.)
- CRM in most cases (email, text, push)
- Insights and analytics
- Catalogues, in most cases

WHAT IS EXCLUDED?

- Product sampling
- Gondola ends

LEGACY TRADE RELATIONSHIPS AND ECONOMICS

Many long-standing trade arrangements are directly tied to product receipts, forecast commitments, and commercial or merchant team processes. These dynamics often make it impractical to fold certain activities into a unified media structure.

THE UNIQUE NATURE OF IN-STORE ENVIRONMENTS

Physical retail space - now increasingly blended with digital touchpoints - is a highly contested territory. Vendors, commercial teams, CX, credit cards, loyalty, and marketing all have established stakes. In many organisations, legacy ownership and internal politics continue to influence whether in-store, sampling, and related activities transition into media or the RMN.

INTERNAL CONSIDERATIONS AND CONTRACTUAL REALITIES

Every organisation has its own history, priorities, and long-term agreements. These factors shape what is feasible. The approach outlined here worked for this retailer, but it is not intended as a universal model.

HOW DID THE RETAILER CREATE THE RIGHT INCENTIVES INTERNALLY AND EXTERNALLY?

The retailer established a fully loaded shadow P&L for the Retail Media team, covering technology, media, agency, staffing, and more, while ensuring that all topline RMN revenue and bottom-line operating income flowed into the official commercial team P&L. Crucially, this was done at the product-category (often subclass) level so credit reached the appropriate product and brand owners.

The retailer also ensured visibility for vendors, allowing them to see how their spend was being credited across categories, regardless of the source. Vendors value this transparency, and it helped commercial teams maintain parity with the visibility vendors already had into their own investments.

As the commercial team's P&L grew, trust in the RMN team increased. Over time, the RMN team became the primary owner of media and marketing conversations and negotiations with vendors. Ultimately, the retailer entrusted the RMN team with managing the economics of all vendor funding for marketing and media at the brand and subclass level—significant responsibility, but foundational for developing the next generation of RMN general managers.

WHAT CHALLENGES OR RESISTANCE DID THE RETAILER FACE?

Trust was the primary hurdle. Understandably so, given the sensitivity of long-standing commercial relationships and the economics tied to them.

Commercial teams have historically managed a complex mix of trade terms across retailers, categories, and brands to deliver both topline and bottom-line results. As they collect trade marketing funds, they decide whether to allocate them to demand generation, pricing and promotions, or margin support.

Because of this, any shift of trade spend into the RMN directly affects the commercial P&L. If those funds move into a separate RMN P&L, it can create a zero-sum dynamic between the two teams.

Additionally, revenue from Joint Business Planning (JBP) was sometimes used as a profit lever. Transitioning that funding into media created initial resistance among commercial leaders who relied on it, even though the organisation recognised that this practice needed to evolve over time.

DID BRANDS RESIST THE CHANGE?

- Initial reactions were mixed, but brands ultimately embraced the shift for several reasons:
- They gained a single point of contact for all media opportunities at the retailer.
- Their own media teams were becoming more sophisticated and needed to engage at a higher strategic level through the RMN team.
- Measurement discussions could evolve in a more holistic and advanced way as both sides built capabilities in parallel.

Once early resistance eased, some brands began testing boundaries—for example, requesting to use their funding for emerging formats like CTV, which the retailer did not permit at the time. As the model matures, these distinctions will naturally fade, and mixed funding pools will become eligible for a broader range of media formats.

HOW DID THE RETAILER MEASURE GROWTH?

The retailer needed to build internal measurement capabilities at both the economic (P&L) level and the media-performance level (including MMM). Measurement and insights were developed not only for internal needs but also to meet the expectations of brand partners.

Retail Media's performance consistently outpaced overall company benchmarks, so relative performance became the primary lens for evaluating growth.

HOW WAS IT ACCOUNTED FOR?

On the company-wide P&L, Retail Media was not reported as a standalone line; it was integrated within broader categories.

WHAT WERE TWO KEY SUCCESS FACTORS?

Appointing a single Chief Customer Officer with responsibility for Trading (Commercial), Marketing, Insights, and Digital.

Consolidating Media and Retail Media under unified leadership to streamline decision-making and accelerate alignment.