RETAIL MEDIA

The Seven Challenges for Retail Media in 2026

Colin Lewis

Introduction:

This is the fourth year for the Seven Challenges in Retail Media. They have been read and downloaded tens of thousands of times. I hope regular readers like the 2026 as much as previous editions – and new readers from the 20,000 or so social media followers around the world get to use the ideas from this edition.

The ideas I write about here are from my ‘day job’: working directly with retailers to help them start up or scale up their retail media networks or help brands working through their retail media strategy.

Writing this document and all the other content I create is only a small part of what I do. Regardless, everything in this report and the work I do with client is based on being on the ground: I’ve travelled on the ground and worked in person with retailers, brand, agencies and industry stakeholders in the UK, Australia, Costa Rica, New Zealand, France, Finland, Sweden, Austria, Spain, Italy, Romania, Chile, Ireland, USA, Serbia and Turkey. This means you are getting a true world-view rather than US or UK centric view.

Note - this document is NOT sponsored. No one had to sign things off or see if I was on-message. So, it’s quite ok if you heartily agree or disagree. And I would love if you have improvements or critiques to make.

The seven challenges are not predictions. Instead, they are ideas that are meant to be both thought provoking and help you stay ahead of the curve. They are not a primer on Retail Media, nor (yet another) about measurement If you enjoy this, please do share AND of course, get in touch!

Colin Lewis

The Seven Challenges for Retail Media in 2026

1. From Sponsored Search to the Connected Consumer Experience.
2. Stop Selling Channels. Start Planning Campaigns.
3. The “Jevons Paradox” of Retail Media.
4. Video is the language of the Internet: Video should be the language of Retail Media.
5. Agentic Commerce: Will Video Kill the Radio Star?
6. The Great Continental Divide.
7. Retail Media Is Awash with Data, Not Insight.

IMPORTANT: AI and Content Authenticity Statement

100% of this content was generated by me, a human.

I feel I owe to my 21,000 LinkedIn followers and the tens of thousands of people who read my material to say that you are getting my ideas unfiltered instead of having a moment of doubt if this was all prompted and pasted.

Integrity matters in a world of AI. This makes the creation of this document a lot more hard work by not using Chat or Claude (!) but I prefer to put the ideas out there without filter.

It's better to open up ideas them up to other ideas and critiques so we can genuinely move our industry forward.

Note - there are three exceptions to the AI content point earlier, hence the 90%: quotes from people some of whom I know, some of whom I don't – but I trust they did not use Chat GPT!

I also put the whole document through ChatGPT to check for spelling, flow and grammar errors as one becomes 'blind' when you have looked at something too often! Some visuals are clearly created by ChatGPT to help explain some of the content.

I do this NOT because I have a problem with LLMs. They are incredible.

However, as Chris Penn of Trust Insights writes: "There are ethical considerations. You shouldn't claim work you didn't do. For example, if you use AI to write a blog post, you didn't write the post – a generative AI did. So, there's an ethical responsibility to be transparent, so that your readers know what they're getting." *

**Source: https://www.trustinsights.ai/blog/2023/08/disclosure-of-ai-and-protection-of-copyright/?*

Quick Review of Last Year's Seven Challenges

Here were the headlines of each of last years Seven Challenges for Retail Media. Most of them are self-explanatory.

1. Creativity in Retail Media
2. Your Strategy Needs a Strategy
3. Retail Media is Change Management
4. Search is <still> sexy
5. The 'Fermi Paradox' of Retail Media
6. Be the Black Box. Beware the Black Box.
7. The Non-Existent ‘War for Talent’

I think we can say that many of these challenges are being addressed.

Creativity in Retail Media is still a huge issue.

More and more, I am hearing people say to me that marketing teams have not worked out that retail media will not survive on ‘cut-and-paste’ from other marketing channels.

This is the tied to the Fermi Paradox of Retail Media. I still say that CMOs –apart from the US – still don’t ‘get’ retail media.

Retail Media is ‘change management’ will be a theme forever as long as human being are working together!

Likewise, the BS that there is ‘war for talent’ – a belief up there with ‘the earth is flat’. Search is still sexy – but not in the way I thought it was going to be! And, yes, ‘your strategy needs a strategy’ is still true’.

CHALLENGE #1

From Sponsored Search to the Connected Consumer Experience

Will Retail Media 1.0 / 2.0 / 3.0 go to 4.0?

Andrew Lipsman developed the visual model of how Retail Media in the U.S. matured from sponsored search all the way to in-store.

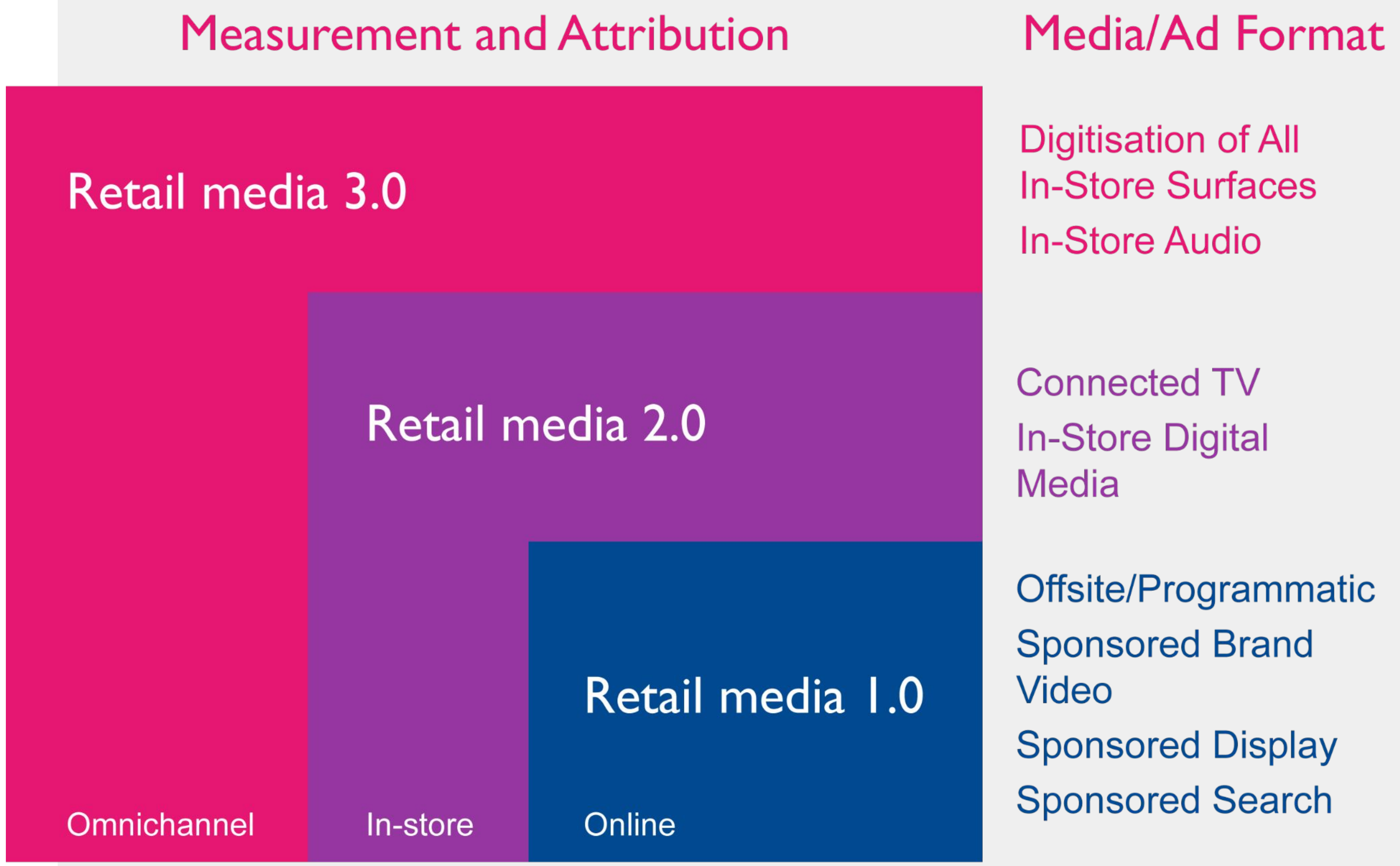
At this stage, we e are probably entering Retail Media 3.0 – one where we digitise all instore surfaces – not just instore screens.

Why? As Drew Cashmore points out in his great Retail Media Leapfrog Series 'building a scaled operating model for in-store Retail Media is one of the toughest things'.

In other words, we are going to be a few years getting it together to create a scaled instore network that is as ubiquitous as, say, sponsored product ad inventory is today.

So, what's next?

Maybe there is no 'what's next' in Retail Media?



Visual source: Adapted from Andrew Lipsman

The Case for Connected Consumer Experiences

The temptation is to assume Retail Media 4.0 must come after 1.0, 2.0 and 3.0.

But lead us not into temptation: the next stage of Retail Media won’t be a number.

The challenge is not about ad units, but how they are sold as disconnected ad placements.

And the problem is on all sides of the ecosystem: AdTech sells individual units, retail media networks sell them as individual units and brand advertisers are buying them in isolated units.

Retail Media does not operate in a vacuum. First of all, this approach does not match how consumers discover, consider and buy.

Second, Retail Media operates within the world of marketing, and this is changing fast.

As Marc Pritchard, CMO of Procter & Gamble, says: ‘there are massive shifts that are facing consumers today that we need to deal with in terms of how we build our brands’.

We are entering a new phase for marketing: a transformation of brand-building into a continuous flow of consumer engagement on a one-to-one basis. Retail Media can tap into all of this by selling connected consumer experiences.

Forget 4.0: The next stage of Retail Media is connected consumer experiences across onsite, offsite and in-store.

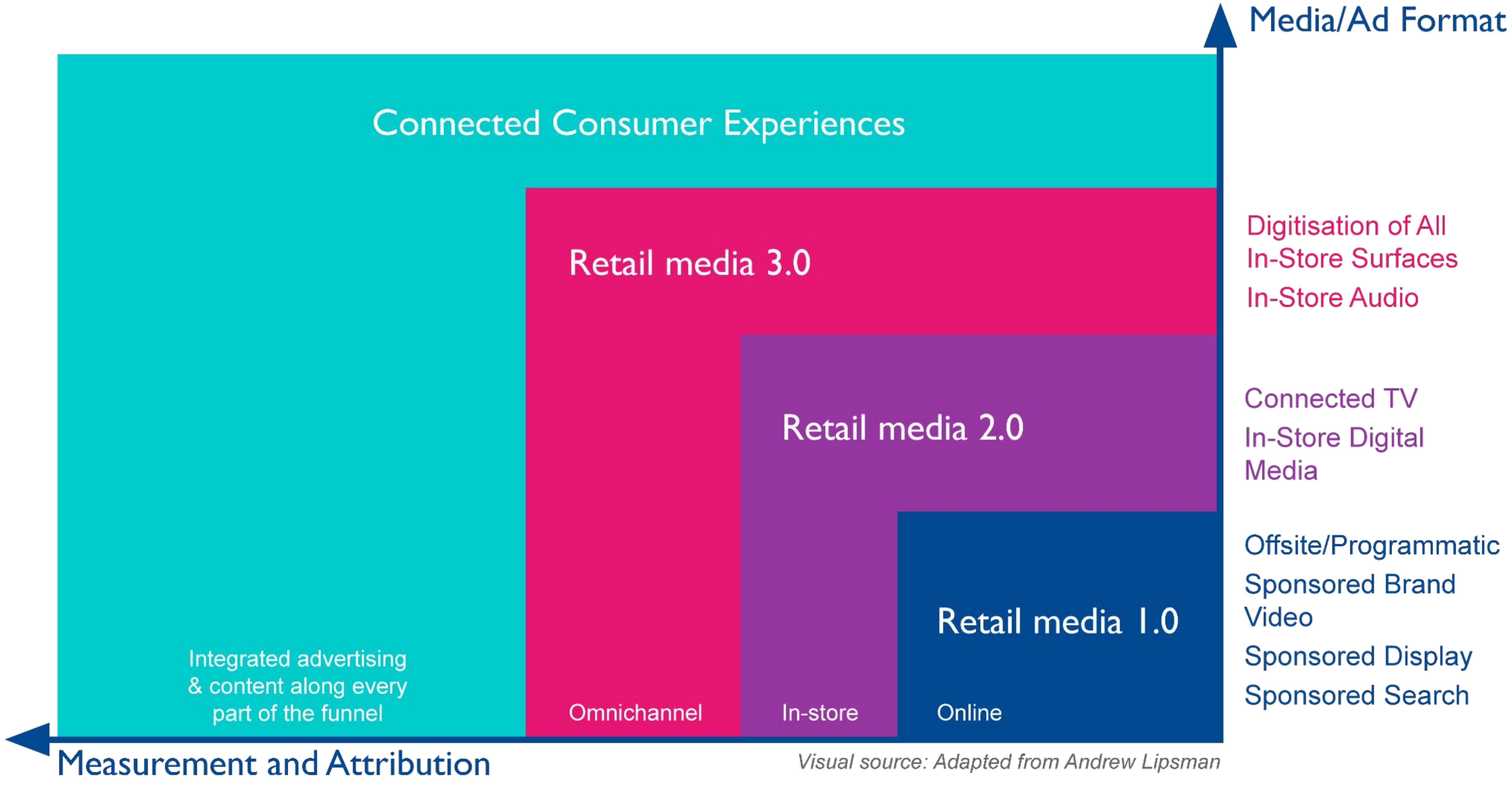
The future for brands and retail media networks is about connecting brand demand, consumer behaviour and retail sales.

A transformation of brand-building to a continuous flow of engagement

Forget Retail Media 4.0: Create Connected Experiences

The next stage of Retail Media is connected consumer experiences across onsite, offsite and in-store.

The future for brands and retail media networks is about connecting brand demand, consumer behaviour and retail sales.



Visual source: Adapted from Andrew Lipsman

Consumers are experiencing significant, perpetual shifts in media and information fragmentation and the convergence of media and commerce. All of this has turbocharged media, advertising and ecommerce through data and AI. This turbocharge of data and AI is leading to a new S-curve of brand building. A transformation of brand-building to a continuous flow of how we engage consumers on a far more one-to-one basis. And connecting our brands directly to commerce and to retail.

Marc Pritchard
CMO, P&G ANA Media Conference 2026
Call For Reinvention:

New commerce models are **reshaping how brands connect with consumers and how consumer intent turns into action**.

That creates a major opportunity to **build stronger retailer partnerships** and more **engaging consumer experiences**.

Stijn Demeersseman
Global Chief Commercial Officer - Consumer Division, formerly Head of UK Retail Media & Advertising Account Management

What Retailers, Brands and Agencies should do.

- Brand, media, shopper, ecommerce, agency and retailer teams have to work from one brief, one set of brand assets, one measurement plan and one view of the consumer journey.
- Retailers need to stop selling disconnected ad inventory and start packaging connected consumer experiences across onsite, offsite and in-store, with a clear role for each touchpoint.
- With communications fragmentation, brands, retailers and agencies have to be ruthlessly consistent: to do this they will have to move from a siloed production line approach to more of a continuous 'line' often found in direct-to-consumer brands.
- Brand marketer must capitalise on the rich data that retail media has introduced to marketing. leverage AI tools and 1st party data to come up with insights, concepts and even prototype ad before executing.
- Across all Retail Media communications, consistency is key: as Marc Pritchard says "you've got to be ruthlessly consistent, and you've got to find the brand assets that matter, the ideas that matter".
- As argued in last year's Seven Challenges for Retail Media, think through the role of creativity – don't just take copy that works in other channels and use it. Think through the individual use case.
- Test AI tools to accelerate insight, creative development, content production and retail media execution.
- If we want connected consumer experiences, then Retail Media measurement has to connect as well.

CHALLENGE #2

Stop Selling Channels. Start Planning Campaigns.

A lot of what I see in Retail Media today is just brand marketing or shopper/customer marketing with a different name (and price tag). What sets Retail Media apart is the ability to leverage shopper data for audience segmentation and targeting, and it's not always clear how or where that is actually being utilised. If my wife sees an ad once and then buys a product 2 weeks later, does that ad deserve credit? Similarly, if she tells me to buy the product because of the ad, will it get credit? There's a ton of data that can be leveraged, but it's not always clear that it is being used effectively.

Josh Clarkson
Global Lead Retail Media, Mars

MARS

The Current Model Can't Capture Brand Budgets

For many brands and retailers, the Retail Media operating model is to get more campaigns out the door rather than 'let's work on a brief, let's define objectives tied in with our brand objectives and define what success is.'

The focus is on activation and ad-ops – the 'what' or the 'how' – but a lot less focus on the 'why'.

Don't get me wrong, this is not a criticism. I know the pressures marketers, agencies and retailers are under.

I would be the first to admit I am a hypocrite.

I absolutely hated having to write detailed briefs as a CMO. I preferred to get campaigns out the door rather than subject myself to, you know, having to define what I was trying to achieve!

Downstream of this is the fact that a lot of campaigns in Retail Media are still sponsored product campaigns.

Again, I know the reason for this, but this approach will not help a Retail Media Network that hopes to tap into brand budgets rather than just capture performance, shopper marketing or trade budgets.

'I'm seeing far too many focusing on selling 'channels' rather than selling true creative marketing campaigns.

These campaigns should be intrinsically tied to wider brand marketing, rooted in data with upfront media planning that enables full-funnel campaigns onsite, offsite and in-store.'

Sean Crawford,
Managing Director, SMG North America

Why should I buy retail media instead of any other non-retail media that can deliver?

The ambition of capturing brand budgets comes with much tougher questions:

Retail media has proven it is great at capturing demand that might already exist, but it will have to prove it can create demand.

There is a lot of talk about shifting budgets, but budgets aren't infinite. Retail Media is competing against other media:

Marketers are within their rights to ask ‘why should I buy retail media instead of any other non-retail media that can deliver the same or better outcomes, stronger measurement, or something already included in my MMM?’

Joined-Up Retail Media Planning

We all know and believe that Retail Media can drive both immediate conversion and long-term category growth.

The challenge for Retail Media Networks is that delivering brand growth depends on a more unified approach to brand planning. Without proper objectives and briefs, without a joined-up approach, we are trapped in the short term and cannot set ourselves up for the long term.

Proper joined-up retail media planning requires taking business objectives, shopper insights and retail data into a media communications strategy.

Media planning has not been a priority for the first phase of retail media growth for lots of good reasons. Going from startup to scaleup is hard at the best of times, and choices and priorities are not always perfect.

However, if advertisers want Retail Media to deliver business outcomes that matter to them, the emphasis will need to shift toward joined-up Retail Media planning, where Retail Media is integrated into the overall media planning process.

Tied in with this challenge is the accusation that Retail Media operates in silos.
The word ‘silos’ does not exactly shout ‘joined up thinking’!

Retail Media is intrinsically built differently

Retail Media is intrinsically built differently.

As retailers can track sales with precision, opinions matter less as brands can run structured experiments, and planners can use data engineering and AI to model scenarios, test hypotheses and codify rules of investment.

Done right, this creates repeatable blueprints that drive business outcomes, not just media outputs.

Hypothesise, run the media, learn, repeat and do it again’.

Pete Robins, Founder of Project 5 Media

> The initial question for media isn't "what can I buy?" but "why should I buy it?" Take just one example of digital screen options linked to a retailer:
>
> - near-store screens
> - at-store placements
> - in-store displays
> - in-aisle digital panels
>
> Each is a fixed location with a variable audience. Which ad impression matters most and when? The one before the store, the one at the entrance, or the one right at the shelf? Or some weighted mix? How does that differ by category, store cluster, or shopper behaviour?

Pete Robins
Founder, Project 5

Why Joined-Up Planning Matter

Joined-up planning defines how the objectives work together and ensures budgets are applied to delivering the behaviour that we have identified.

The top tier Retail Media Networks have hired strategy and media planners. For other Retail Media Networks many people are channel specialists — in search, adtech or operations.

All these roles matter, but none of them involve cross-channel media planning.

A more unified approach to media planning, with Retail Media embedded in it, will be better for brands, agencies and retail media networks for three reasons:

1. **If Retail Media is included in all media options, its role will be clearer in terms of driving results, and, as a result, demand for Retail Media will increase.**

2. **Retail Media will no longer be judged or bought in isolation, instead it will be judged by the (terrific) job it can do.**

3. **For brand advertisers with bigger budgets who have been reluctant to put Retail Media into a substantial part of their (non-search) media planning, the role of onsite, offsite and in-store becomes better defined.**

If joined-up planning becomes standard practice, Retail Media's role will be better defined and better exploited and the accusations levelled against it might evaporate.

And, of courses, if that happens, expectations will rise yet again. But that is a topic for another year!

What Retailers, Brands and Agencies should do.

- The best media planners already weigh Retail Media against every other option available to them.

- Remember that the initial question for media buyers whether they are marketers or agencies is not ‘what can I buy?’ but ‘why should I buy it’.

- Brands, agencies and Retail Media Networks should insist on briefs – every time, all the time.

- The future of Retail Media will require brands, agencies and Retail Media Networks to link Retail Media with other media, for the simple reason that no media works in isolation.

- Media planning works best when channel roles are clear, before the budget is invested.

- To capture brand budges, Retail Media Networks will have to better integrate into the BAU of marketing and advertising workflows. If your solution increases effort for marketing or operations teams, it will stall.

- The biggest win might not be about creating a whole host of new Retail Media propositions, but rather making existing propositions, as Dean Harris, Head of Co-op Media Network calls it ‘easy to buy, easy to sell, easy to serve’.

- See how brands, agencies and Retail Media Networks can come together to create a hypothesis, execute the Retail Media campaign, learn, rinse and repeat.

CHALLENGE #3

The "Jevons Paradox" of Retail Media

The “Jevons Paradox” of Retail Media

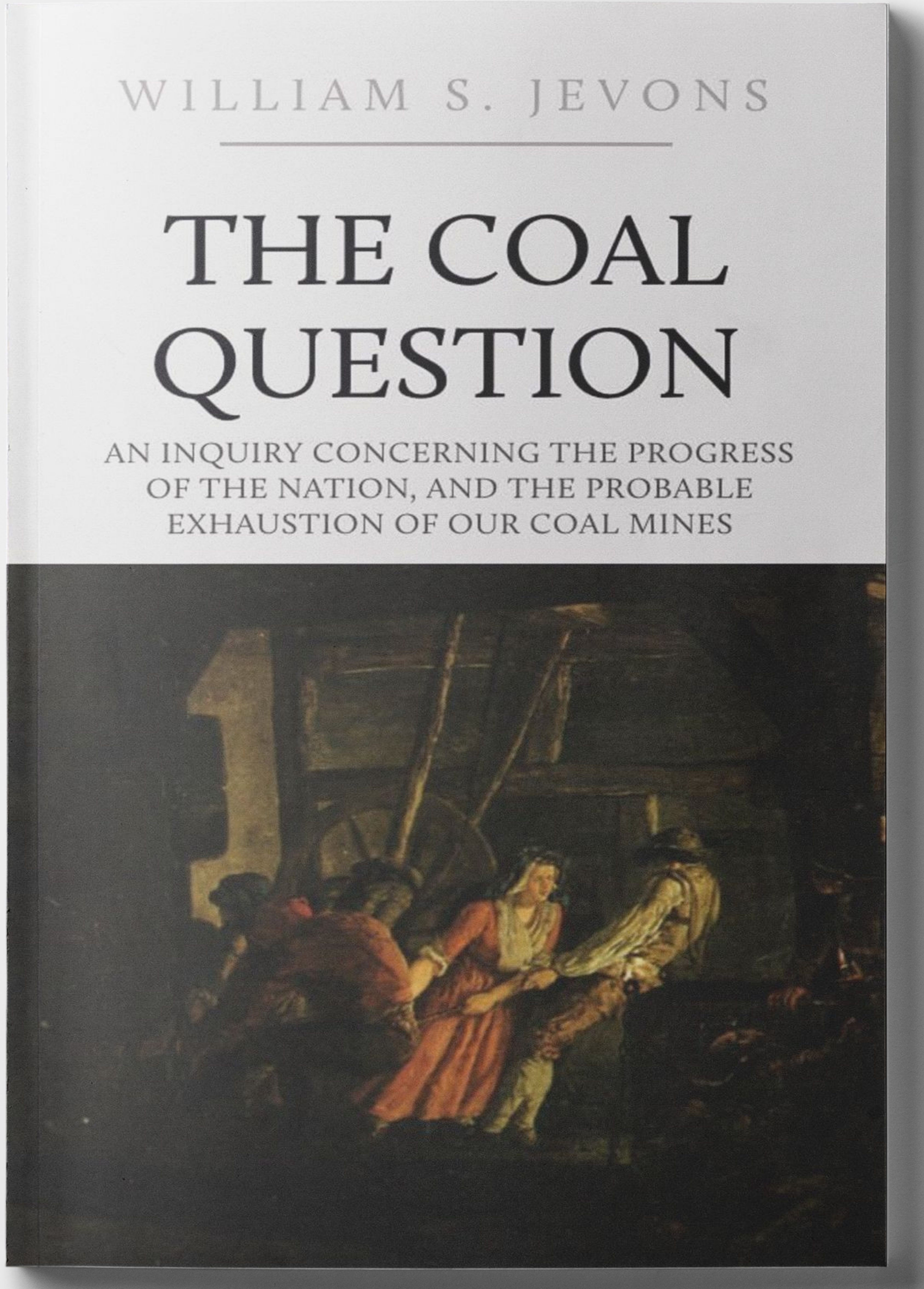
In his 1865 book “The Coal Question”, economist William Jevons observed that improvements in steam engine technology did not reduce Britain’s use of coal, as people thought it would. The opposite happened.

Cheaper coal helped create entirely new industries that didn't exist before — railways, factories, gas lighting, steel.

The prediction was ‘we'll use less coal’, but we found new things to do that we could never have imagined.

The same pattern happened a century later with cars. Cars created new behaviours that consumed fuel in ways nobody had planned for such as suburbs, commuting and car parks.

In the case of Retail Media, William Jevons might ask: ‘If Retail Media becomes more efficient, more measurable and more accountable, will advertisers spend more or less? And, if it is more, what new uses of retail media will appear that we have not yet imagined?’



Jevons Paradox Applied Part 1: Retail Media Finds New Jobs To Do

Some Jevon’s Paradox style predictions are already in motion.

You don't need a crystal ball to work it out.

From the work I'm doing right now with retailers and brands, these second-order effects are already happening:

- Retail Media becomes the first port of call for all NPD: no more ‘spray-and-pray’ brand launches. Brands lower their risk for NPD by using search, display, offsite, in-store screens, sampling, loyalty, email, app, content. Initial results mean brands will know much faster if they have a hit or a miss on their hands.

- Agentic commerce expands Retail Media inventory: agentic commerce means AI agents, search assistants and recommendation tools increase the potential surface areas for Retail Media – not reduce it – as is predicted.

- Video and creators become retail-media native: social media ‘hauls’, unboxings, “Get Ready With Me’s (GRWMs) all migrate to Retail Media. ‘Shoppertainment’ becomes a retail-media format“.

- AI helps scaling and personalisation: generative AI tools create the content needed for 1-to-1 messaging at scale, bypassing today’s expensive and slow creation and sign-off processes.

Jevons Paradox Applied Part 2: The Store Becomes a Connected Media System

In store today is a fragmented and a bit of a mess. Screens, audio, sampling, shelf-edge displays and POS technology all live in different systems run by different teams, with different KPIs and no shared measurement.

This should come as no surprise as they were never designed to work together.

This is today. The store of tomorrow can look very different:

- The store of tomorrow is an integrated retail media environment, with campaigns tied to the same shopper data the retailer uses online.
- The store becomes smart, connected and orchestrated where physical and digital touchpoints converge.
- The store becomes a complete storytelling environment.

Let's bring this to life with an example:

- A shopper approaches the bakery aisle in a supermarket. The instore audio matches the time of day and 'vibe'. A coffee and baking scent system triggers. A nearby screen shows a coffee and a croissant with a tip on the best coffee for breakfast and a sponsored promotion for coffee and croissant. In fresh produce, a touch screen shows what is in season, while ambient audio talks about provenance and air miles. In the aisles, e-paper shelf labels swap pricing and promotions in real time, tied to time-of-day or campaign-of-the-week.

Created a Connected Consumer experience (see Challenge #1) is not easy or cheap. However, Retail Media is one of the vehicles that can supply the business case for this investment.

Jevons Paradox Applied Part 3: Retail Media becomes Infrastructure

The next Jevons effect is that Retail Media becomes much more of an infrastructure 'play' for retailers and advertisers rather than just sponsored products.

This, in turn, open the door for a whole new range of technologies that we cannot foresee to support this.

For example:

- **Retail Media becomes a B2B infrastructure:** Retail Media becomes the layer connecting shopper data, product content, media buying, loyalty, measurement, in-store systems, eCommerce, clean rooms, AI tools and supplier investment in one place.

- **Trade Marketing and Shopper Marketing become Retail Media:** Retail Media becomes the lens through which brands see all of their investment in a retailer. The IAB Europe has already issued papers recommending that trade marketing be reclassified as Retail Media. Brands will be able to see the totality of their investment in a particular retailer and measure it by ROI.

- **Retail Media technologies radically change:** The use of widely available tools and technologies that can be used as building blocks for new Retail Media capabilities is just starting. This creates the opening for a whole new wave of technology to tackle the infrastructure coming down the track.

Tech is about to go exponential — and the Cambrian Explosion I wrote about in Seven Challenges for Retail Media in 2024 will look like a warm-up.

CHALLENGE #4

Video is the language of the Internet.
Video should be the language of Retail Media.

TikTok ate the world:

Hands up if you would like to admit that a lot of the media you're consuming is short-form video clips on TikTok, Instagram Reels, videos on Twitter/X, YouTube Shorts, and Facebook.

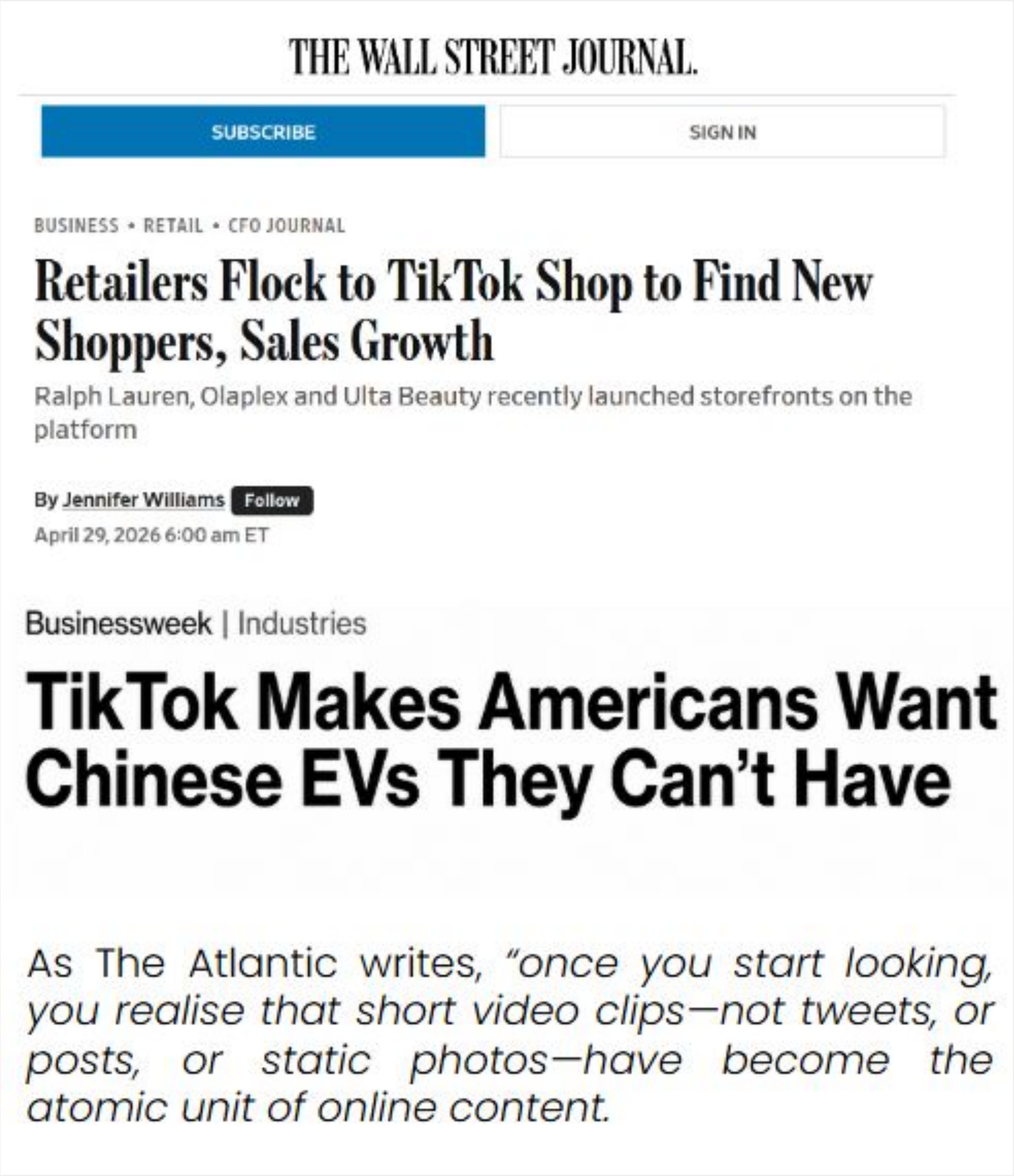
A quick survey of my social media accounts on Twitter/X, YouTube and Facebook while writing this shows me snippets of:

- Last week's F1 Grand Prix, including Ferrari F1 star, Charles Leclerc bringing his dog into the paddock & the Alpine F1 somersault crash.
- A few Golden Retriever videos.
- Lots of short videos of 1980s and 1990s synthesisers.
- A quick clip of some incredible jazz piano players.

Few of these were from posts I follow. The rest were algorithmic recommendations – and, given all the above are things I am very interested in, I don't really mind.

Short-form video like TikTok is reshaping product discovery, impulse buying, and decision-making.

But there is even more exponential growth in a subset of short-form video: **clips**.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Retailers Flock to TikTok Shop to Find New Shoppers, Sales Growth

Ralph Lauren, Olaplex and Ulta Beauty recently launched storefronts on the platform

By Jennifer Williams Follow

April 29, 2026 6:00 am ET

Businessweek | Industries

TikTok Makes Americans Want Chinese EVs They Can't Have

As The Atlantic writes, *"once you start looking, you realise that short video clips—not tweets, or posts, or static photos—have become the atomic unit of online content.*

Rise of the Clip Economy

TikTok-style content now dominates Instagram Reels, Shorts, Spotlight: these addictive short-form feeds keep us scrolling and shopping. But this short-form's newer competitor are clips – which have had an even more exponential rise.

A brand-new business has been created centred around the clipping economy.

Live streamers, video podcasters and influencers now hire editors to turn their content into clips, snipping out the strongest moments from long-form videos and pushing them across social media.

Clips are distinct from short-form video, with their own style ethos.

More bad news for long-form content fans like myself is that clipping is really a volume game. Clippers turn one piece of content into hundreds of different cuts, hooks, edits and captions.

However, the downstream effect of the popularity of clips is that people will watch the clip, enjoy the clip, share the clip, comment on the clip.

BUT they never go anywhere near the original video, podcast or song!

'Clipping becoming an economy unto itself. It's changing not just what we see, but who we see. It's scrambling the very definition of what it means to be popular online, and it very well may change what creators and even media organisations end up making.'

How Short-Form Clips Took Over the Internet: The Atlantic

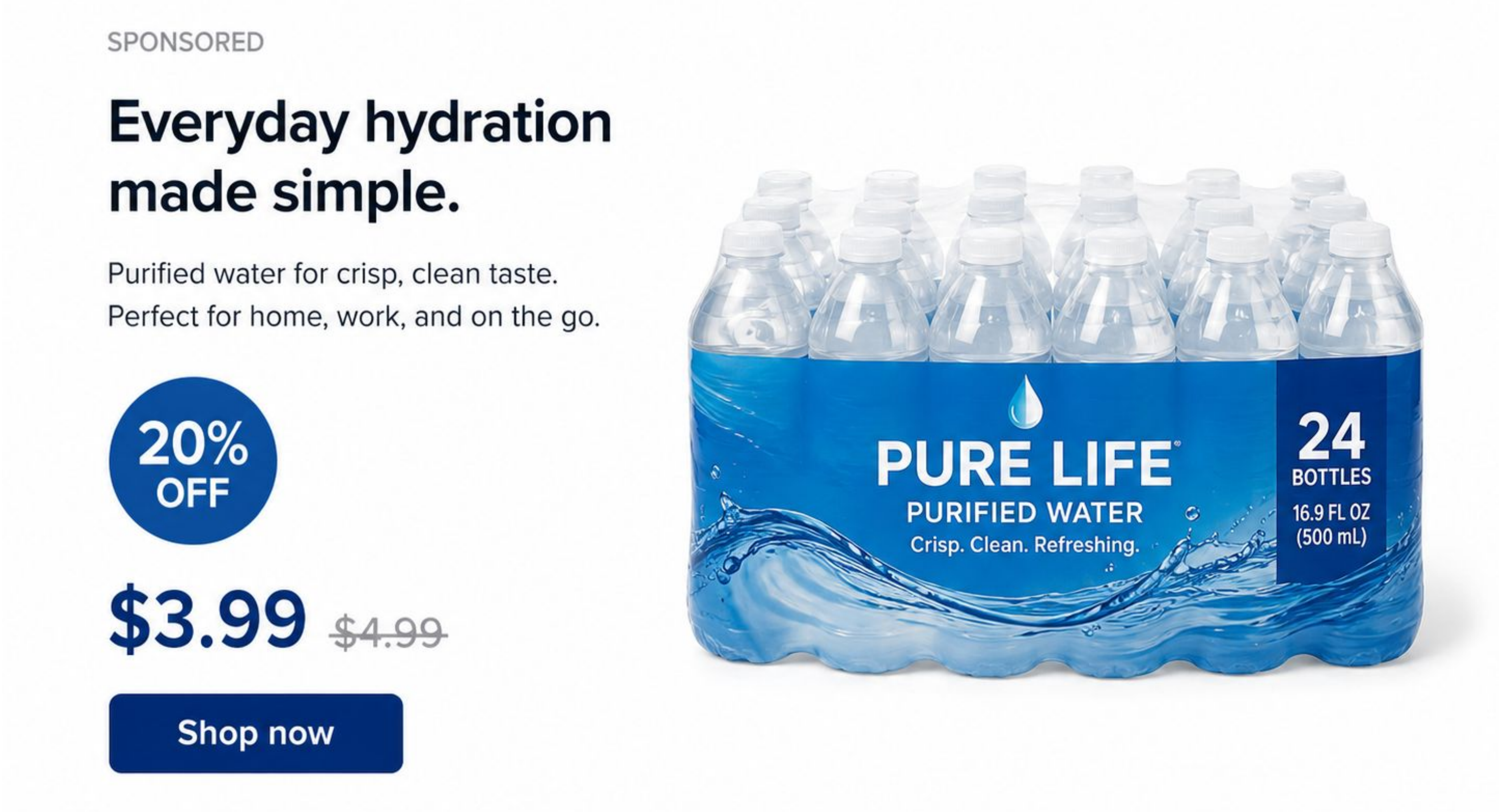
“You could have an incredibly insightful, thoughtful article. But, If you’re not clipping that up and giving it to people in bite-size little shoots of information, the way that they are consuming information today—which is through their phones and online scrolling on social media, scrolling on TikTok, scrolling on Instagram, et cetera—if you’re not doing that, people aren’t going to read it.”

“The clips are the content. That’s what people are consuming. That’s where they’re spending their time. So you can’t treat this stuff as promotional material anymore. You have to treat it as real content. You have to acknowledge that kids today are not seeing the link that you put up on their social-media feeds. They’re only watching the clips. And that’s the way they see you. So that means investing a lot more time and having conversation about how do we make sure that our content really resonates on these platforms?”

Ed Elson, writer, analyst, and co-host of the Prof G Markets podcast with Scott Galloway

Retail Media Creative Competes with the Feed

Current Approach



Retail media ads compete with other ads inside the retailer environment.

We resize campaign assets, add product, price and offer, then place the media.

New Reality

Retail media video creative now has to understand the language and grammar of short form video and clips: motion, speed, captions, product in use, creators, native formats, hooks and multiple versions.

The creative standard has changed.

What Retailers, Brands and Agencies should do.

- A lot of people are viewing, enjoying, or engaging with short-form videos and clips, even if they never go beyond the particular piece of content.

- Short form video has rewritten the rules of content and commerce: The impact of short form video looked at through a mobile phone -triggered by the popularity of TikTok – is changing how people discover products, how they decide what to buy, and how they act on impulse.

- The trend is going to continue to get bigger, and possibly worse and worse. However, whether we believe this is a good or bad thing, this is reality.

- All retail media content is competing against addictive TikTok, Reels, Shorts, clips, creators, influencers, and the ‘endless scroll.’

- Retailers, brands and agencies have a choice: ignore this world and let it be taken over, or get with the programme.

- Short form video compresses the time between inspiration and transaction: its both brand and performance together – which has huge ramifications for how we approach the creative.

- For existing Retail Media creative, much of it is bland, resized, cut and paste creative - creative that is basically 'thrown over the fence' from other channels.

- Build retail media creative as a production system: lots of hooks, edits, formats, versions, all tested fast across onsite, offsite and in-store environments.

CHALLENGE #5

Agentic Commerce: Will Video Kill the Radio Star?

Agentic Commerce: The Existential Threat to Retail Media

If you grew up with 1980s pop culture, you know the song “Video Killed the Radio Star”.

In the 1980s, video and synthesisers were seen as existential threats to the music business.

Music videos would stop us listening to radio and synthesisers would put musicians out of work.

For Retail Media Networks, AI agentic commerce looks like an existential crisis.

The doomsday version of the argument is that retailers will lose control of their proprietary access to customers, search traffic will disappear and collapse the key source of revenue for Retail Media Networks – search advertising.

What is ‘Agentic AI’ in retailing and digital commerce?

Agentic AI refers to systems that act on a user’s behalf. The idea is that an AI agent would act on our behalf, as it will know our preferences, compare features and prices, make recommendations and even purchase autonomously.

‘Pure’ agentic means AI agents act on behalf of shoppers to do the entire buying process. Agentic commerce might not do the whole shopper journey but helps at specific stages — discovery, price comparison but without a transaction

Related to this are in-platform agents like Alexa for Shopping the general LLMs like ChatGPT, Gemini or Claude.

You could think of these as vertical agents that go deep inside one retailer, and broader agents that work across retailers.

Top trivia tip: Trevor Horn of The Buggles who wrote and sang ‘Video Killed the Radio Star’ become one of the most successful music producers ever.

Will Video (Agentic) Kill the Radio Star (Retail Media?)

Agentic commerce improves Retail Media Network's opportunities

Retailers gain in power as they have the product, the catalogue, the content, the availability, the price and the loyalty data.

Categories such as grocery or fashion don't get impacted by agentic as shoppers already have habits, preferences and, in some cases, social or entertainment reasons for shopping.

Retailers won't sit passively waiting for Amazon, Google or OpenAI to define AI-agentic commerce. Instead, they launch their own agents to keep them inside the retailer's ecosystem. For example:

- retailer-branded agents
- loyalty-personalised assistants
- shopper-specific recipe/trip-planning agents.

Agentic Commerce is an existential threat to Retail Media

Kiri Masters points out that that when consumers stop browsing retailer websites and start telling ChatGPT "build me a shopping basket for tacos tonight", the following will happen:

- On-site advertising revenue (70-80% margins) is threatened with reduced retailer.com browsing
- Off-site data monetissation (40% margins) sees declining behavioural signals.
- Instore becomes the safe bet as people will still visit stores – and instore retail media will stay the course.

The key question is not adoption, but understanding where impact truly occurs in the consumer journey.

I say that because we've seen versions of this before:

2013
The "Internet of Things" was going to automate household purchasing.

2017
Amazon Dash buttons were going to eliminate brand choice.

2019
Voice search was going to replace typing.

2020
eCommerce was going to eliminate physical retail for good.

Each of these innovations shifted behaviours, but none completely replaced them. The common thread? They consistently overestimated how readily consumers would surrender control, underestimated exceptional cases and real-life complexity, and required systems that weren't ready to support them.

SOURCE: Briana Finelli, VP, Commerce Media, Goodway Group and IAB Board Member

Additive, Not Subtractive

Perhaps there is another answer that comes from analysing the history of adoption of new technologies.

As far back as 1992, futurist Paul Saffo explained why we don't know which way new technology will go. We don't know 'which roads are potential thoroughfares and which are dead ends'.

A useful frame of reference comes from Roger Fidler's book, 'Mediamorphosis' in 1997. He called it the "principle of coevolution and coexistence". Fidler said that **new media do not simply wipe out old media**, but they emerge from older forms, **reshape them, and then coexist with them**.

In other words, the history of technology is usually additive before it is subtractive.

One final point on the impact of agentic: not all retail categories are the same.

Andrew Lipsman says 'there's just one minor detail they fail to properly consider: the consumer. We over-attribute the tech and under-attribute the human in the equation.'

Not all retail categories are the same.

Not all purchases are the same.

Buying a charger for your iPhone is very different from decorating your house or buying make-up.

Every category has different degrees of importance to us.

Did video kill the radio star? *No: the music industry had the biggest bonanza ever in the following two decades as music video became a visual discovery engine for new music and synthesisers created a whole new genre of music. We still have radio stations. We have Spotify, we have podcasts, we have vinyl revivals.*

What Retailers, Brands and Agencies should do.

- Consumer adoption of agentic commerce will grow, but it will not replace every single shopper journey.
- Some purchases might be delegated to agents (low-interest categories, repeat purchases).
- Some purchases will stay driven human and emotional (gifts, big-ticket and identity-driven purchases).
- Certain countries, demographics and cities will adopt agentic commerce more than others. The shopper on the upper west side of New York City is likely to have a different approach to a shopper in Naples, Italy.

Tasks For Retailers
- Use the assets your have, particularly omnichannel capabilities to stand-out from digital-only agents.
- If sponsored search really does take a hit, having excellent offsite and instore capabilities can insulate RMN revenues.
- Think through new digital shopper journeys: Proactively work through potential new shopper journeys from LLM to landing page.
- Make product data/metadata is AI ready, readable and optimised for generative search so your landing pages can be found if linked from an AI-agentic assistant.
- Develop your own AI agents to support your business.

Task for Brands
- Embed agentic commerce thinking into your strategy and decision making to ensure you are ready:
- From SEO to GXO: SEO is optimisation for indexed pages and GXO is optimisation for generative outputs and an AI agentic world. Your content needs to be structured, readable and easy for AI systems to interpret.
- Ensure catalogues, claims, attributes and reviews can be pulled into generated results
- Remember that shoppers like more visuals, less SKUs and less choices, but agentic commerce agents like lots of information, lots of text, lots of data, and like lots of SKUs.

CHALLENGE #6

The Great Continental Divide

The Standard View: America versus Europe

On Twitter/X you will see lots of ‘Europe versus America’ memes. Keyboard warriors (or bots!) with too much time on their hands talk about how Europe is civilised, cultured, with good food, long holidays and small cars – but ultimately ‘dying’ as it’s an open-air museum.

On the other hand, the USA is bigger, louder, richer, with no holidays and big cars, but ultimately ‘winning’ – through ambition and success.

The meme usually works by exaggerating ridiculously small differences: drinking espressos instead of Venti Frappuccino’s and daring to take holidays versus calling the office from your deathbed.

In Retail Media, there is a ‘Europe versus America’ discussion that happens that has not reached Twitter levels of silliness but there is room for improvement!

The refrain is always ‘someone else is better than us.’

This is a faulty diagnosis of what is really going on.

The Europe vs America debate treats fundamentally different market structures as if they are directly comparable.

The Missing Step: Diagnosis

Richard Rumelt's seminal book, Good Strategy, Bad Strategy opens by saying that the 'core of strategy is always discovering the critical factors in a situation and designing a way of coordinating and focusing actions to deal with those factors.'

Rumelt simplifies this to say that **'strategy is designing a way to deal with a challenge'**.

Rumelt defines a good strategy in three different steps:

- Diagnosis: defining the real challenge.
- Guiding policy: the overall approach to overcome this challenge.
- Coherent actions: the focused set of actions that work together.

The key phrase is ‘diagnosis’ - this is the part that is missing in the discourse.

What does Rumelt say is a bad strategy?

Bad strategy substitutes a comforting story for a proper diagnosis - defining the real challenge.

What is a good starting point for diagnosis?

I believe it is the 'origin' story of retail media in the US and Europe.

Good strategy has three parts: diagnosis, guiding policy and coherent actions.

US Retail Media Origin Story

Andrew Lipsman relates a story from around 2012 when display ads for Kraft and P&G brands started appearing on the Amazon.com and Walmart.com homepages.

His boss remarked at the time: ***‘that's really interesting—it's almost like a digital endcap’***, noting the parallel between these digital display ads and CPG brands use of in-store displays.

They were among the first real Retail Media advertisements on retail.com

Today Amazon has roughly $400bn-plus in ecommerce and marketplace revenue with a $70bn retail media business attached.

Walmart is the world's largest retailer at around $681bn in revenues with a $4bn retail media business.

What is our diagnosis here?

- The US retail media space is dominated by two behemoths.
- This scale does not exist anywhere else in the world.
- Comparisons with the US are apples and oranges.
- Comparisons also ignore capabilities that are downstream of scale such as expertise, logistics, technology and investment dollars.

The US Retail Media model is built on US scale.

The European Retail Media Origin Story

Europe is not one retail media market. It is lots of markets, with different retailers, shoppers, laws, digital maturity and competitive structures.

The UK grocery market has ten+ major grocery chains. France has Carrefour, Leclerc, Intermarché, Auchan and Monoprix. Most European countries have an Aldi and Lidl.

The US grocery market is regional and relatively unconcentrated nationally. Kroger is the largest US grocer, but only operates in 35 of the 50 states.

Compare this to Tesco or Sainsbury's in the UK, Carrefour in France, or Żabka in Poland who are on every street corner in the country.

What about digital commerce maturity? Varies massively by market:

- **France:** about 10% grocery e-commerce penetration
- **Germany:** low single digits, around 1–3%
- **Spain:** about 3%
- **European average:** 6.5%, according to McKinsey

What is our diagnosis here?

- Europe has different shoppers, different competitive structures, different legislation
- In Europe, the store still matters more.
- Digital commerce maturity varies hugely by market.
- Europe and the US are not the same industry at different stages of development: they are different planets – Mars and Venus!

UK Grocery Chains

Europe has different banners, different shopper behaviour and preferences and tighter consumer protection rules.

The Great Continental Divide is Real. And that is OK.

For Retail Media Networks and Brands around the world, the wrong question is 'how do we catch up?

Worse still is to say 'our market is immature, we have so much catching up to do.'

This builds an inferiority complex that is not grounded in reality.

Europe will not catch up with the US. There is nothing to catch up to: The US is playing a different game with different rules.

What is the 'mic drop' truth?   There is 'innovation everywhere' in the world that has a Retail Media Network.

- **Chile?** Check out the instore screens that Cencosud have right at eye-level in grocery.
- **Turkey?** Ask Mimeda about the Creators and Retail Media Strategy.
- **Poland?** Ask Żabka how they are monetising their 12,000 stores with digital screens.
- **New Zealand?** Ask Market Media about their non-endemic capabilities?
- **Romania?** Ask Profi about how they achieved a 20X increase in retail media revenue within three months of launch.
- **The Netherlands:** Ask BOL.com how they created one of the most advanced non-Amazon retail media networks with just 14 million active customers in two very small countries - Netherlands and Belgium?
- **Norway:** Ask how Coop Norge launched an omnichannel Retail Media ecosystem from day one, combining in -store screens, onsite placements and offsite activation with full instore measurement?

Europe will not catch up with the US. There is nothing to catch up to.

CHALLENGE #7

Retail Media Is Awash with Data, Not Insight

Retail Media Is Awash with Data, Not Insight

At every Retail Media conference I go to, the words "data," "insight" and "measurement" get thrown around like ‘snuff at a wake’ as the old Irish saying goes.

Data, whether 1st, 2nd or 3rd party, is not the same as measurement or insight.

Attribution and incrementality are not interchangeable either.

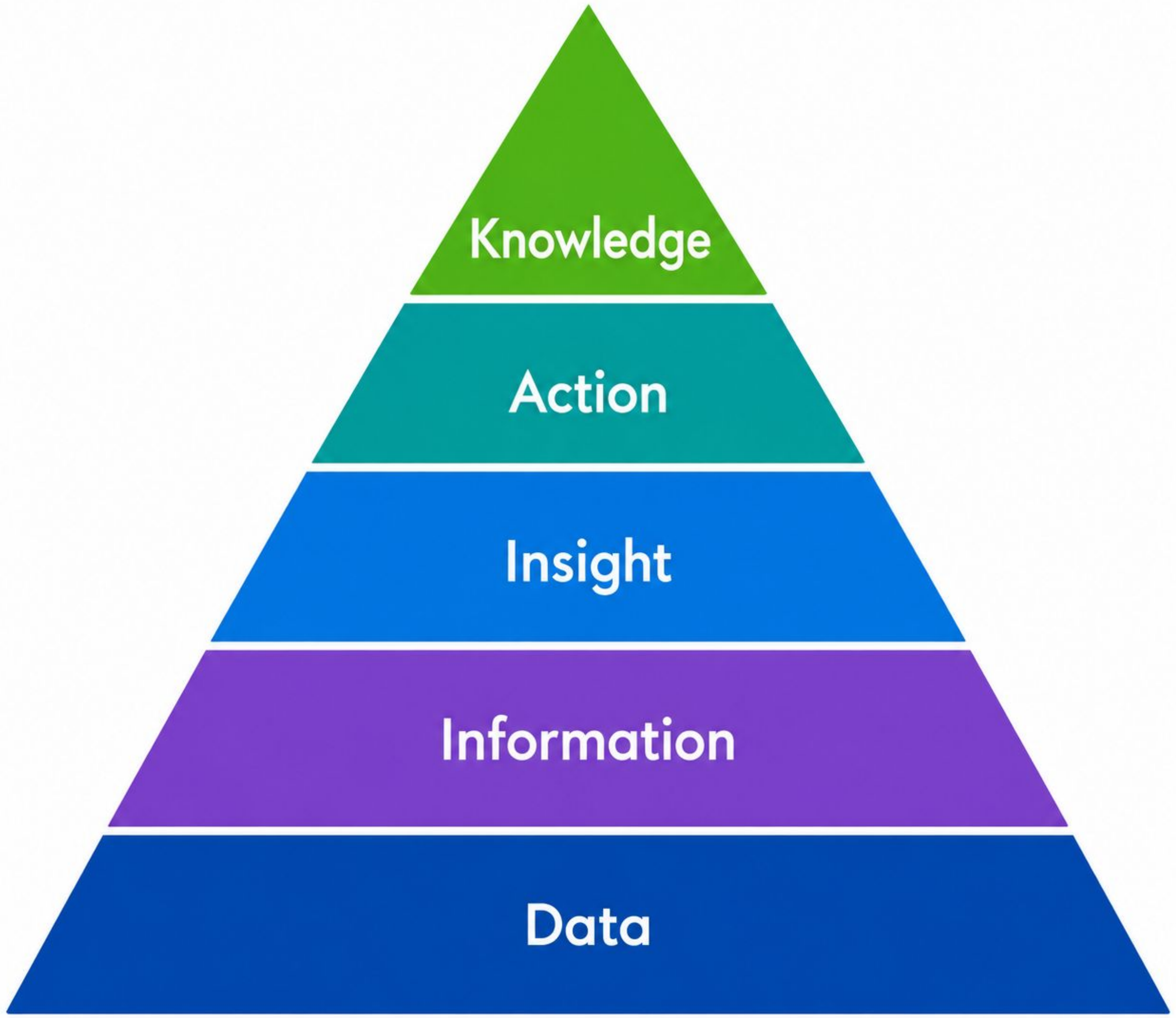
Much of what this industry calls “insight” is really just information, dashboards and reporting.

> *The Retail Media industry needs better, cleaner language.*

Data-to-Knowledge Pyramid

The correct words and the rights distinctions matter when we are talking about words like data and insight. Here are the real meanings of each word:

- **Data:** Data is just data – numbers on a page are no use on their own. Data is a collection of facts, measurements or descriptions of a specific situation.
- **Information:** Data that is turned into something useable is information.The information should be presented so that we can make observations. Analytics is the process of organising and examining data. Visualisation turns data into useable information.
- **Insight:** Insight is about converting an observation in something more meaningful (and actionable) to get to the “why.”. Insight should guide what to do next and aid informed decision making.
- **Action:** Action is just that – what are you going to do with the insight. A good phrase in this context to use is ‘which means that’. In other words, this insight “X” means that we should do “Y”
- **Knowledge:** with the information, we create insights which helps create knowledge as to what is going on. This knowledge can be explicit or implicit.



Data is not Insight

Data is NOT insight.

What we really mean by being data-driven is that we are insight-driven.

Data is really only valuable if you can translate it into actionable insights – insights that come from really thinking through what is being presented through the data.

Once we have deep insights, we can create knowledge that can be used across situations, businesses and industries.

Or to put it more humourously:

"Data is knowing that a tomato is a fruit; knowledge is not putting it in a fruit salad."

Colin Lewis Bio

Colin Lewis is one of the leading global practitioners in retail media.

He has been at the forefront of retail media's rise over the last five years and works with major brands and retailers across the world on how to design, build and scale retail media programmes to deliver growth.

Colin has supported major international brands such as Barilla, PepsiCo, Fonterra, Kellanova, Optimum Nutrition, Bauli and Sofidel on their retail media strategy.

In partnership with Grace and Co, the Marketing and Commerce consultancy, Colin works with retail media networks such as Douglas (Germany), The Very Group (UK), Ocado Ads (UK), Frasers Group (UK), Superdrug (UK), Screwfix (UK), Migros (Turkey), TerryWhite Chemmart (Australia), Warehouse Group (New Zealand), Cencosud (Latin America) and Walmart (Central America).

Colin is Editor-in-Chief of the Retail Media X newsletter for InternetRetailing and Chair of the Retail Media X Awards.

As his 'side-hustle', Colin does keynote: in the last few years, he has done retail media keynotes in London, Rome, Chicago, Auckland, Sydney, Barcelona, Istanbul, Tallinn, Liverpool, Luxembourg, Copenhagen, Chicago, Milan, Cannes, Dublin, Bucharest, London, Brussels, Munich, Belgrade, Santiago de Chile, San Jose (Costa Rica), Dublin. Vienna, Amsterdam, New York, Frankfurt, Helsinki, Gothenburg, Sydney and Melbourne.

Colin is co-host of the Retail Media Therapy podcast along with Viv Craske.

We are proudly the 'nerdiest podcast in Retail Media. Our tagline is *'you can lie on the couch and we can solve all your retail media problems.'*

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These are just some of the inspirations for the content within the Seven Challenges.

I would encourage to you to search them out and subscribe or buy them all and make your own judgements.

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RETAIL MEDIA

The Seven Challenges for Retail Media in 2026

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