Flipkart Commerce Cloud

NRF 2027 | White Paper

The Retail Media Gap

Why Most Retailers Miss Their Share of a $200B Market

Retail media spend will pass $200B in 2026, yet most of it pools in a few networks. This paper sets out why retailers lose their share and the operating model that wins it back.



Executive Summary

Retail media is now one of the largest channels in advertising. Global spend will reach $200.4B in 2026 and $223.4B in 2027. The growth is real, but it is slowing, and it is not spread evenly. In the US, one marketplace took 78% of retail media spend in 2025. Every network outside the top two shared 14.5% [1].

Global, 2026

$200.4B

global retail media spend

United States, 2025

78%

of US retail media spend went to one marketplace

United States, 2025

14.5%

shared by every network outside the top two

Most retailers have what brands want: shoppers with purchase intent and first-party order data that shows what sold. They still lose budget, for reasons they can fix:

- Brands do not trust their measurement.
- They are hard to buy, and each new network has to earn a place on a crowded media plan.
- Cluttered pages weaken results for advertisers and shoppers alike.
- Managed-service-only models serve the top brands and leave the long tail of sellers unserved.
- Long builds miss the budgets that move each planning cycle.

Our position: retailers win their share when they run retail media as a commerce business. That means measurement on their own order data, self-serve buying for sellers and brands of every size, a written ad load policy, and a plan that puts one format live in weeks. This paper looks at the problem from the operator's side: the P&L, the ad load policy and the monthly scorecard.

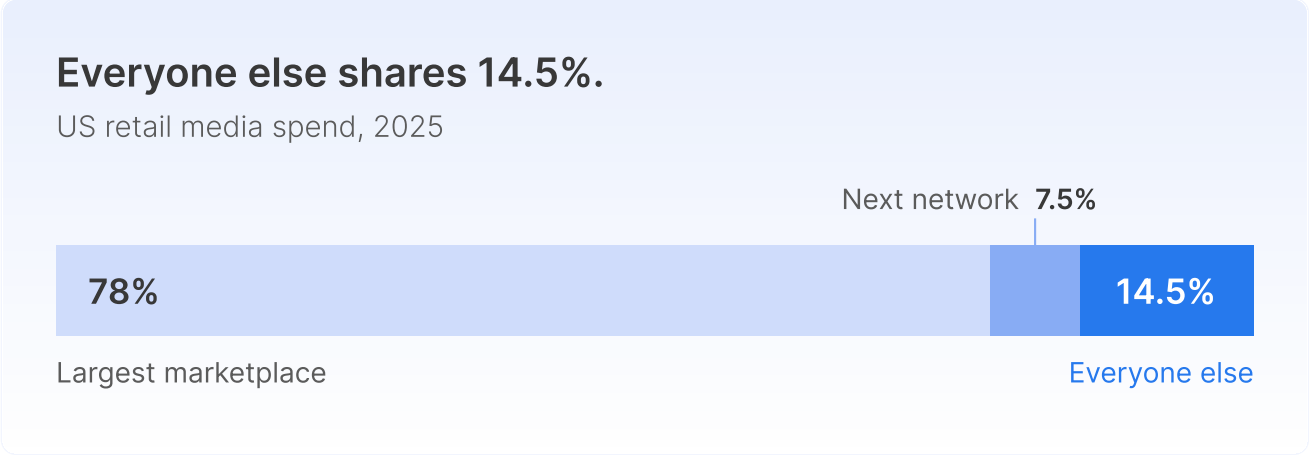
Sources: [1] WARC, Global Retail Media Forecast, 2026. Full references on page 14.

Section 1

The Problem in Numbers

Global retail media spend will reach $200.4B in 2026 and $223.4B in 2027. In 2027 retail media will take 15.2% of global ad investment. In food it already takes 54.9% of media investment [1]. Growth is slowing: 11.5% in 2027, and 9.8% outside the largest marketplace, the lowest rate on record [1].

The money is also concentrating. In the US, one marketplace took 78% of retail media spend in 2025 and the next network 7.5%; every other network shared the remaining 14.5% [1]. In France, Germany, Italy, Spain and the UK, one marketplace takes more than two-thirds [1].



The money is there. The question for every other retailer is whether it is ready to take its share.

Sources: [1] WARC, Global Retail Media Forecast, 2026, incl. Walrus Intelligence data. Full references on page 14.

Section 2

Why Retailers Lose Their Share

Measurement Brands Do Not Trust

Brands keep spending on retail media, but they are less happy with what they get back. In Australia, 7 in 10 agencies and brands increased their retail media investment in the past year, yet only 44% rate their experience with retail media partners as good, down from 66%. Reporting and transparency (79%) and measurement options (70%) rank among their top criteria for choosing a network [2].

7 in 10 spent more. Only 44% rate the experience as good (down from 66%).

7 in 10

Australian agencies and brands increased their retail media investment in the past year

~~66%~~ ↘ **44%**

rate their experience with retail media partners as good

In the US, the largest advertisers have written their own retail media measurement framework, because measurement has not kept pace with spend. The working group behind it includes PepsiCo, Mondelez and Kimberly-Clark [3]. When the largest buyers write their own rules, networks that cannot report to a common standard get cut from the plan.

Sources: [2] IAB Australia, Retail Media State of the Nation, 2025; [3] ANA, Retail Media Measurement Framework, 2026. Full references on page 14.

Too Hard to Buy

Media plans are getting crowded. 77% of Australian advertisers and agencies already work with three or more retail media partners, up from 58% a year earlier [2]. Each new network has to earn its place on that list.

Ease of buying decides a lot of it. In a survey of 689 brands and retailers in 12 countries, 76% named the quality of the advertiser experience as the most important factor, and 64% said networks stitched together from several technology providers hurt the shopper experience [4].

Clutter Hurts Results

Some of the largest networks serve more than 20 ads per page, and memory encoding on those sites is 47% lower than offsite [5]. More ad slots raise short-term revenue and lower what each slot is worth to the brand and to the shopper.

Built Only for the Top Brands

A managed-service-only model caps revenue at the size of the sales team. Mid and long-tail advertisers make up 28% of retail media revenue on average [6], and above 85% at the most advanced networks [7]. About half of retail media spend already went through self-serve tools in 2022 [8]. A network without self-serve leaves most of its potential advertisers without a way in.

Slow to Launch

Brand budgets are set each planning cycle. A network that takes a year to build misses those cycles, and brands commit the money elsewhere. In our view, speed to the first live format matters more than the length of the format list.



Sources: [2] IAB Australia, 2025; [4] Epsilon, 2023; [5] WARC, citing Ipsos, 2026; [6] Forrester, 2025; [7] Pentaleap, 2024; [8] McKinsey, 2022. Full references on page 14.

Section 3

The View from the US, GCC, Singapore and Australia

US. The most mature market is also the hardest to break into. Outside the top two networks, every retailer competes for 14.5% of spend, and US brands are setting the measurement bar [1], [3]. The gap is widest here, so the operating model in this paper matters most here.

GCC. Retail media in the Middle East is still early but accelerating [9]. Regional marketplaces already run ad businesses at scale: more than 10,000 brands and sellers advertise on one regional marketplace [9]. Majid Al Futtaim's Precision Media, launched in 2024, now spans 14 countries and 450+ Carrefour stores, with 40B+ annual product impressions across online and in-store inventory [9].

Australia. The market was just over $2B at the end of FY25 and is expected to reach about $4B by 2030, growing 15% to 20% a year [10]. 85% to 90% of sales still happen in store, so in-store media is part of the plan from the start.

Singapore and Southeast Asia. Retail media in the region is forecast to reach US$4.7B by 2030, rising from 8% to 11% of digital ad spend between 2024 and 2030 [11].



US	GCC	Australia	Southeast Asia
14.5%	**10,000+**	**~$4B**	**US$4.7B**
of spend for every network outside the top two	brands and sellers advertise on one regional marketplace	market by 2030, up from just over $2B at the end of FY25	retail media forecast for the region by 2030

In every one of these markets the buyer's question is the same: can you prove the sale, and can I buy you easily?

Sources: [1] WARC, 2026; [3] ANA, 2026; [9] Communicate Online, 2026; [10] IAB Australia, via PPC Land, 2026; [11] GrabAds and Kantar, 2024. Full references on page 14.

Section 4

The Answer: Six Things a Retailer-Run Retail Media Business Needs

01

Closed-loop measurement on the retailer's own order data

02

Self-serve for sellers and brands of every size

03

A written ad load policy

04

Formats in sequence

05

Speed

06

A plan beyond the website

Closed-Loop Measurement on the Retailer's Own Order Data

Report to the industry's retail media measurement guidelines [12], so every brand sees the sales its ads drove and can compare networks like for like. The retailer's order data is the one asset no outside network has. Measurement is where it pays.

Self-Serve for Sellers and Brands of Every Size

Let any seller start a campaign without a sales call. Revenue then grows faster than the sales team, and the long tail, which is above 85% of revenue at the most advanced networks [7], becomes reachable.

A Written Ad Load Policy

Shopper experience is the asset being sold. Set the number of ads per page, the relevance threshold and who can turn an ad down, and publish the policy internally before the first campaign runs.

Formats in Sequence

Start with sponsored product listings, which sit closest to the sale and are easiest to measure. Add display ads for seasonal campaigns next, then contextual ads.

Speed

Put one format live in weeks, prove it with a small group of sellers, then expand. Each quarter without a live product is a planning cycle lost.

A Plan Beyond the Website

Off-site and in-store come next. In Australia, 68% of agencies and brands already buy off-site and 71% buy in-store digital, and they want one report across all three [2]. Off-site carries thinner margins (20% to 40%) than on-site (70% to 90%) [13], so it comes second, once on-site is working.

Sources: [2] IAB Australia, 2025; [7] Pentaleap, 2024; [12] IAB and MRC, Retail Media Measurement Guidelines, 2024; [13] BCG, 2022.
Full references on page 14.

Section 5

What Operators Running Retail Media at Scale Have Learned

Majid Al Futtaim built Precision Media across online and in-store inventory and took it to 14 countries within two years of launch [9]. The lesson: inventory that spans channels gives brands one place to buy.

Flipkart built its retail media business for its own sellers first. It now serves 100K+ brands [14]. The lessons from running it are the six points above: start with the sellers already on the marketplace, report on order data, and protect the page.

> **Start with the sellers already on the marketplace, report on order data, and protect the page.**

Sources: [9] Communicate Online, 2026; [14] Flipkart Commerce Cloud, company data, 2026. Full references on page 14.

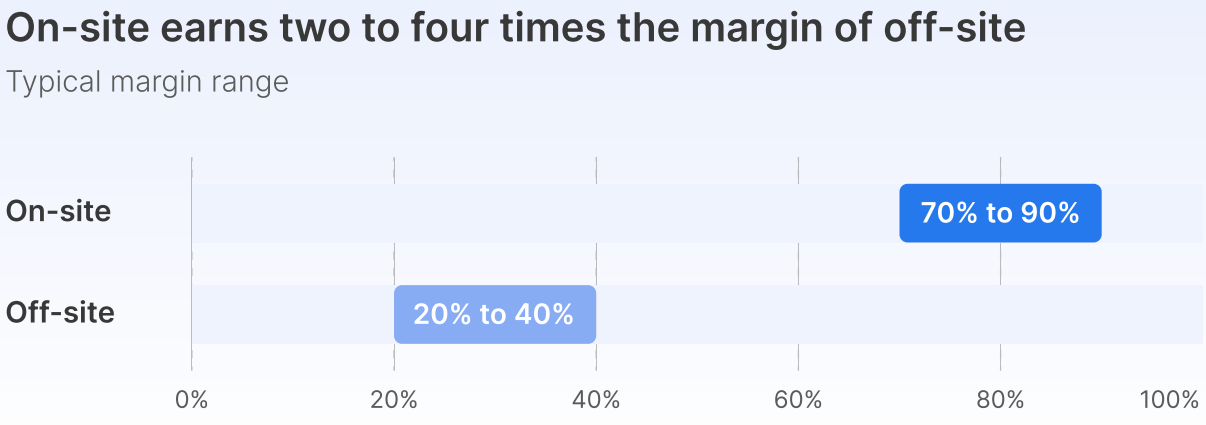
Section 6

What Good Looks Like in Year One

One GCC marketplace [15] shows the pace that is possible: its first format went live in 4 to 6 weeks, it earned $1Mn in ad revenue in year one and $10Mn in year two.



The business case rests on margin. On-site retail media earns 70% to 90% margins and off-site 20% to 40% [13]. That is why retail media can move a retailer's overall profit even when ad revenue is a small share of sales.



The clearest year-one signal is repeat advertisers. Brands that come back the next quarter trust the measurement.

Sources: [13] BCG, 2022; [15] Flipkart Commerce Cloud, customer case study, 2026. Full references on page 14.

Section 7

A 12-Month Roadmap

Months 0 to 3

What goes live

Sponsored product listings with existing sellers; sales reporting from order data

What to measure

Fill rate, ROAS reported to brands

Months 4 to 8

What goes live

Self-serve for sellers; display ads for seasonal campaigns

What to measure

Self-serve share of advertisers

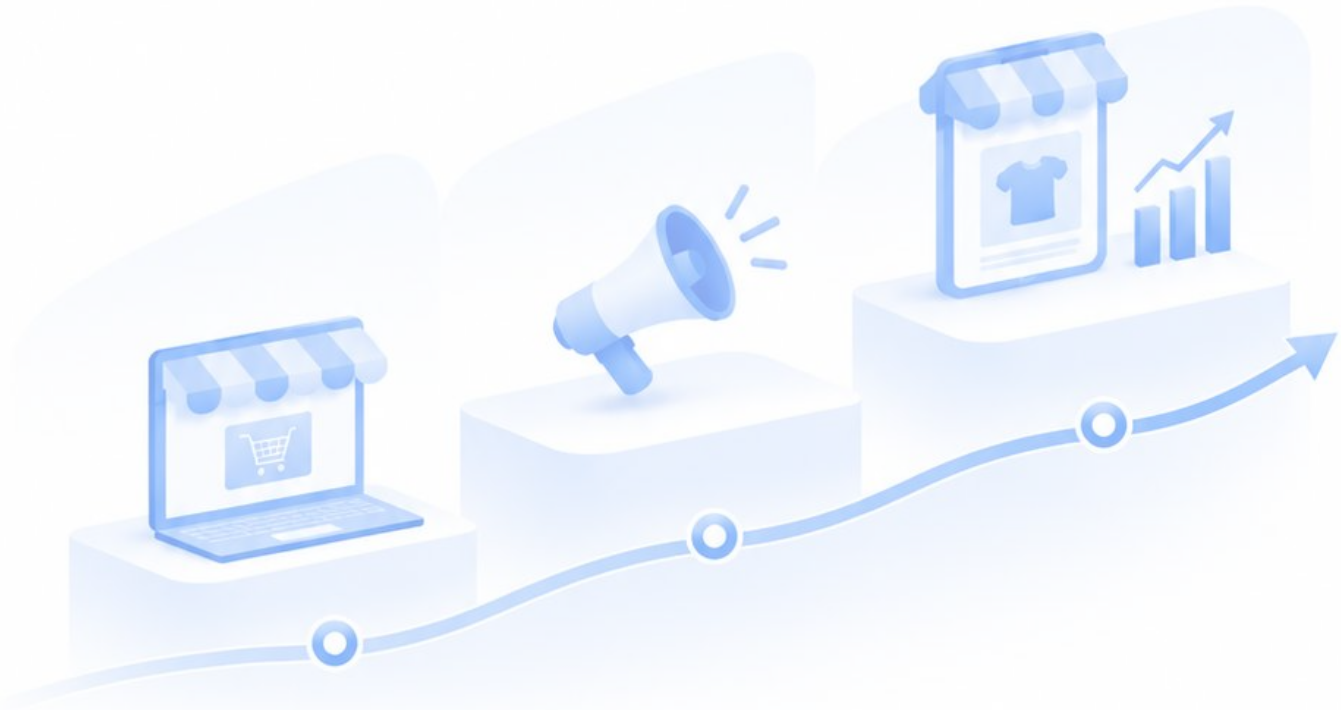
Months 9 to 12

What goes live

Contextual ads; first off-site extensions and in-store screens; category pricing; quarterly reviews with top brands

What to measure

Repeat advertiser rate, conversion on pages with ads



The Scorecard

Retail Media Scorecard

Month: _____

Ad revenue as a share of GMV

This month _____ Target _____

Fill rate

This month _____ Target _____

ROAS reported to brands

This month _____ Target _____

Self-serve share of advertisers

This month _____ Target _____

Repeat advertiser rate

This month _____ Target _____

Conversion on pages with ads

This month _____ Target _____

Section 8

Questions for the Retail Media Leadership Team

- [ ] How fast can we put one format live, and what do we leave for later?
- [ ] Can sellers of every size buy ads on their own?
- [ ] Do we report results to brands from our own order data, to the industry measurement guidelines?
- [ ] Who owns the ad load policy, and who can turn an ad down?
- [ ] Which three numbers go to the CEO every month?

About Flipkart Commerce Cloud

Flipkart Commerce Cloud (FCC) is the B2B arm of Flipkart, a Walmart company. It offers retailers and marketplaces the commerce technology behind Flipkart, one of the world's largest marketplaces, through three products: Seller Ecosystem, Retail Media and Competitive Intelligence. By retailers, for retailers. Learn more at https://www.flipkartcommercecloud.com

Flipkart Commerce Cloud

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By retailers, for retailers.

Visit us at Booth 6450, NRF 2027

https://www.flipkartcommercecloud.com

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