

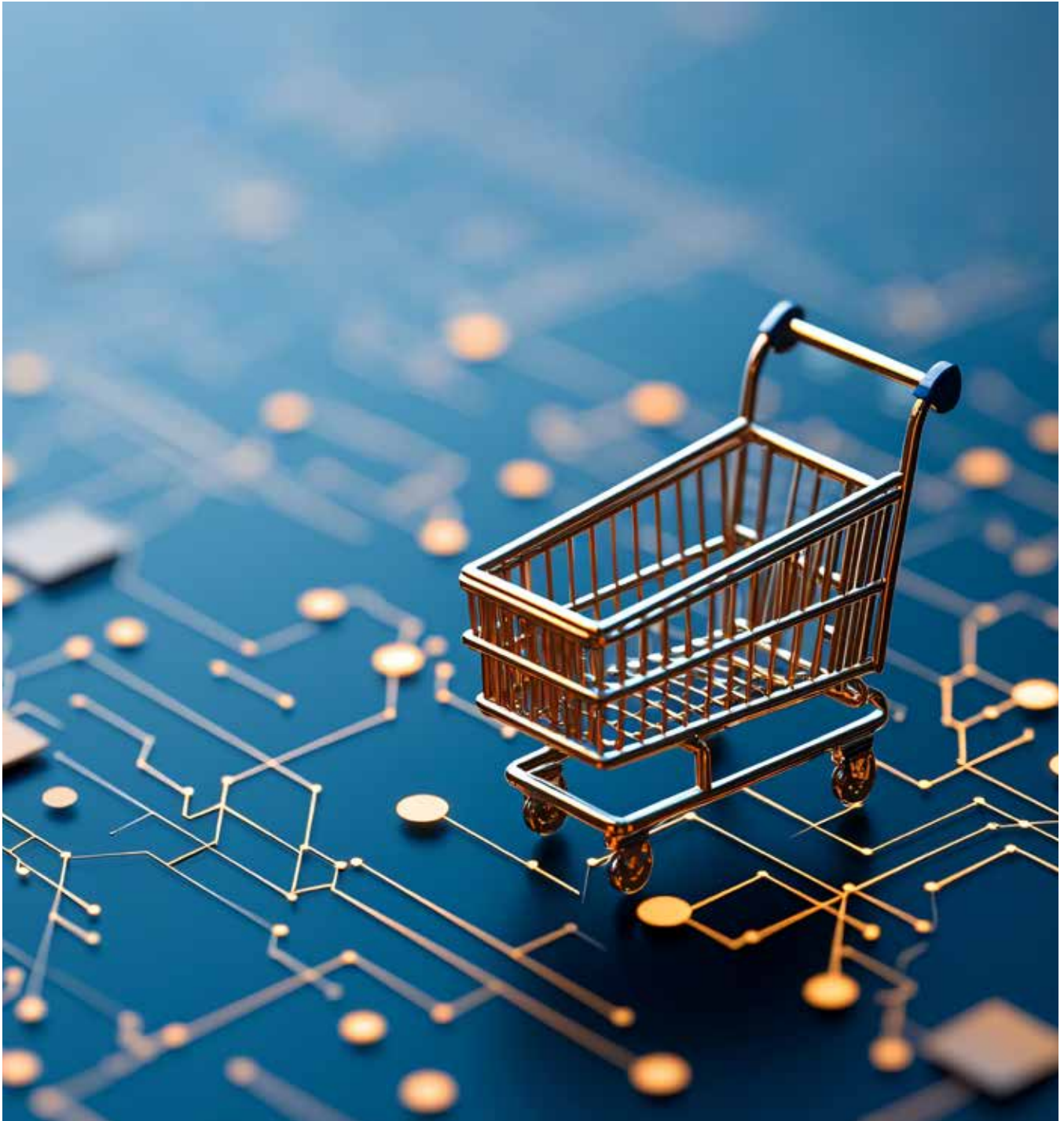
FEBRUARY 2025

THE EVOLUTION OF CONNECTED COMMERCE FROM IN-STORE TO ONLINE

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ACKNOWLEDGMENTS

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INTRODUCTION & EXECUTIVE SUMMARY

The retail landscape is undergoing a transformation, where innovation meets the escalating demands of today's consumers. Connected commerce represents more than just a response to these demands—it's a reimagining of how brands and retailers work to create unified shopping experiences. By integrating digital and physical channels, connected commerce delivers on consumer expectations for seamless, personalized journeys while unlocking new opportunities for marketers to engage, convert and retain customers.

DEFINING CONNECTED COMMERCE

The seamless integration of online and offline retail channels to create a unified shopping experience for consumers across physical and digital touchpoints, allowing for personalized experiences and consistent engagement, enhancing customer conversion and loyalty.

Brands are increasingly investing in connected commerce, with US spending expected to exceed \$112 billion in 2025, fueled in part by growth in retail media network (RMN) spending. However, while investment in RMNs—a core part of any connected commerce capability—continues to grow, many brands are finding their strategies fragmented and overly reliant on these platforms.

RMNs excel at connecting brands to high-intent shoppers but a myopic focus on RMNs often overlooks broader opportunities for performance and growth. Non-RMN platforms like connected TV (CTV), social commerce, contextual commerce and in-store innovations offer additional avenues to reach audiences earlier in the funnel and drive incremental value.

Despite its growth, connected commerce faces key hurdles:

- **Measurement and attribution:** Inconsistent metrics across platforms hinder performance evaluation and budget optimization. Connecting the dots between online and offline channels remains complex, with attribution gaps reducing visibility into customer journeys.
- **Fragmentation across RMNs:** The proliferation of RMNs, each with unique requirements, creates inefficiencies in planning and execution. This fragmentation requires brands to navigate differing technologies, data and measurement outputs and structures.
- **Misalignment between RMNs and merchants:** RMNs operate as media organizations while merchants prioritize sales, leading to conflicting objectives that can dilute campaign effectiveness and miss opportunities for synergy.

To address these challenges, the market must shift toward greater integration, standardization and alignment across all stakeholders, including:

- **Unified measurement standards:** Developing cross-platform metrics and AI-driven analytics enables brands to gain a holistic view of performance and optimize connected commerce investments.
- **Breaking organizational silos:** Aligning budgets, strategies and operations across marketing, trade, and shopper teams ensures a cohesive customer experience.
- **Integrated data and technology:** Unified data views and transparency, automation tools and AI-powered personalization drive efficiency, enhance targeting and create frictionless shopping journeys.

Regional market dynamics further shape how connected commerce strategies unfold. While RMNs in the US are maturing quickly, Europe and the UK show slower adoption but benefit from stronger integration between in-store and digital efforts. Global brands must balance these regional nuances while pursuing a scalable and unified global framework.

Connected commerce isn't just about meeting today's consumer expectations—it's about redefining how commerce operates for the future. By embracing integration, innovation and alignment, brands and retailers can deliver frictionless, impactful experiences that resonate with consumers and build lasting loyalty. The next era of commerce isn't just connected—it's transformative.



THE EVOLUTION OF CONNECTED COMMERCE: FROM IN-STORE TO ONLINE

Retail has undergone a dramatic transformation, evolving from pure brick-and-mortar stores to the more integrated, omnichannel approach that defines today's connected commerce market.

Consumer expectations have shifted as digital and physical retail environments converge, creating demand for seamless shopping experiences across every touchpoint. This shift, in concert with rapid technological advancements enabling a wider range of commerce experiences, has driven retailers and brands to innovate in order to remain competitive (or otherwise be left behind).

This evolution has reshaped the roles of three critical stakeholders:

- **Consumers** now expect frictionless journeys, personalized recommendations and consistency across platforms, whether shopping online or in-store. Shoppers have more information at their fingertips, frequently researching online before purchasing in-store and anticipating the same level of convenience and personalization in-store that they've come to expect online. The proliferation of mobile devices and continuous connectivity has led to more truly "omnichannel" consumer behavior, where customers expect to move fluidly between digital and offline shopping experiences.
- **Retailers** are redefining their strategies, balancing physical and digital footprints while leveraging technology to drive operational efficiency, customer engagement and deliver improved performance. Retailers are adapting to consumer behavior shifts by not only expanding available online shopping experiences—and expanding fulfillment capabilities through automation to support this expansion—but also by integrating digital capabilities into their brick-and-mortar stores with features such as "click-to-collect," mobile payment and virtual try-on experiences. As retailers continue to shift to more of an

experience-driven model, physical stores have evolved beyond simple points of purchase to offer immersive brand experiences that complement e-commerce environments and strategies.

- **Brands** face the dual challenge of standing out in increasingly crowded marketplaces and aligning their strategies to both take advantage of and collaborate with retailer-driven platforms and ecosystems. Staying relevant in the age of connected commerce means being present across multiple touchpoints while maintaining brand consistency and offer coherence. Marketers are tasked with understanding cross-channel consumer behavior and crafting campaigns that bridge both the physical and digital environs, necessitating greater agility as marketers must constantly adapt to evolving platforms, consumer preferences and variable data availability.

"Historically, brands were investing \$50,000 for retailer catalogs and didn't get the necessary return—they were doing it almost as a way to work with that retailer. That has evolved now into on-site sponsored products, because that works better and actually has a return on investment. Now it's evolved into in-store channels, because again it's working better."

*- Managing Director
of North America, Retail Media Network Provider*



FIGURE 1. THE EVOLUTION OF CONNECTED COMMERCE



WHY IS CONNECTED COMMERCE A TOP PRIORITY FOR MARKETERS?

DEFINING CONNECTED COMMERCE

The seamless integration of online and offline retail channels to create a unified shopping experience for consumers across physical and digital touchpoints, allowing for personalized experiences and consistent engagement, enhancing customer conversion and loyalty.

Connected commerce represents a paradigm shift in how consumers engage with brands and retailers, emphasizing the integration of online and offline channels to create a cohesive and personalized shopping journey. As retail landscapes grow increasingly complex, connected commerce addresses the challenges of fragmentation, inconsistency and consumer expectations, enabling marketers to deliver unified experiences that drive meaningful outcomes.

Meeting consumer expectations for a seamless shopping journey: Today's consumers expect convenience, consistency and personalization in every interaction with a brand. They no longer see distinct boundaries between digital and physical shopping; instead, they perform better with a minimal-effort journey that accommodates their preferences, behaviors and context. Connected commerce eliminates friction in the shopping process, ensuring a smooth transition between touchpoints, whether a consumer starts browsing online, visits a store to explore products in person or completes the purchase via mobile app. This cohesive approach also enhances brand trust and loyalty by ensuring a consistent brand presence across channels, which reassures consumers and fosters a sense of reliability—ultimately strengthening their relationship with the brand.

Optimizing customer acquisition and retention: Connected commerce enhances acquisition, conversion and loyalty by aligning marketing efforts with the way consumers shop. By leveraging insights across integrated channels, marketers drive customer acquisition through the deployment of highly targeted campaigns, reaching audiences with tailored messaging and offers. Connected commerce enables brands to curate unique experiences based on individual preferences, purchase history and real-time behavior, increasing the likelihood of repeat purchases and building loyalty through personalization.

Reducing wasted marketing spend: Disconnected marketing efforts result in inefficiencies and missed opportunities, such as duplicated messaging or conflicting promotions across channels. Connected commerce addresses these issues by aligning strategy across all touchpoints for a specific retailer. A unified approach ensures every marketing dollar works harder, targeting the right audience with the right message at the right time, driving improved ROI. This cohesive approach can also reduce customer confusion and mitigate the risk of consumers switching to a competitor's product by ensuring consistent promotional strategy across digital and physical experiences with the retailer. For example, if a brand promotes a product digitally through a retail media network but fails to align with in-store promotions where another brand is being prioritized, it risks diluting its investment and confusing customers. Integration

across channels and platforms prevents this potential waste of media dollars, limits customer confusion and brand switching, ultimately supporting a unified strategy.

Leveraging long-tail opportunities: Connected commerce also unlocks the potential to promote long-tail products—those with niche appeal or limited availability in traditional stores. Digital platforms offer wider reach for extended category products, supporting brands' ability to highlight less prominent products with fewer logistical constraints. For niche or specialty items, connected commerce ensures consumers can find what they're looking for, meeting consumer needs and increasing satisfaction and conversion.

Attaining a comprehensive understanding of the customer journey: In traditional models, understanding how customers move from discovery to purchase was fragmented and incomplete. Connected commerce solves this by integrating data across platforms, giving marketers a complete view of the customer journey. By connecting touchpoints from discovery to purchase, marketers can see where a customer engages with content, interacts with promotions and ultimately makes a purchase. These insights allow marketers to proactively identify bottlenecks or opportunities in the funnel and adjust their strategies in real-time.

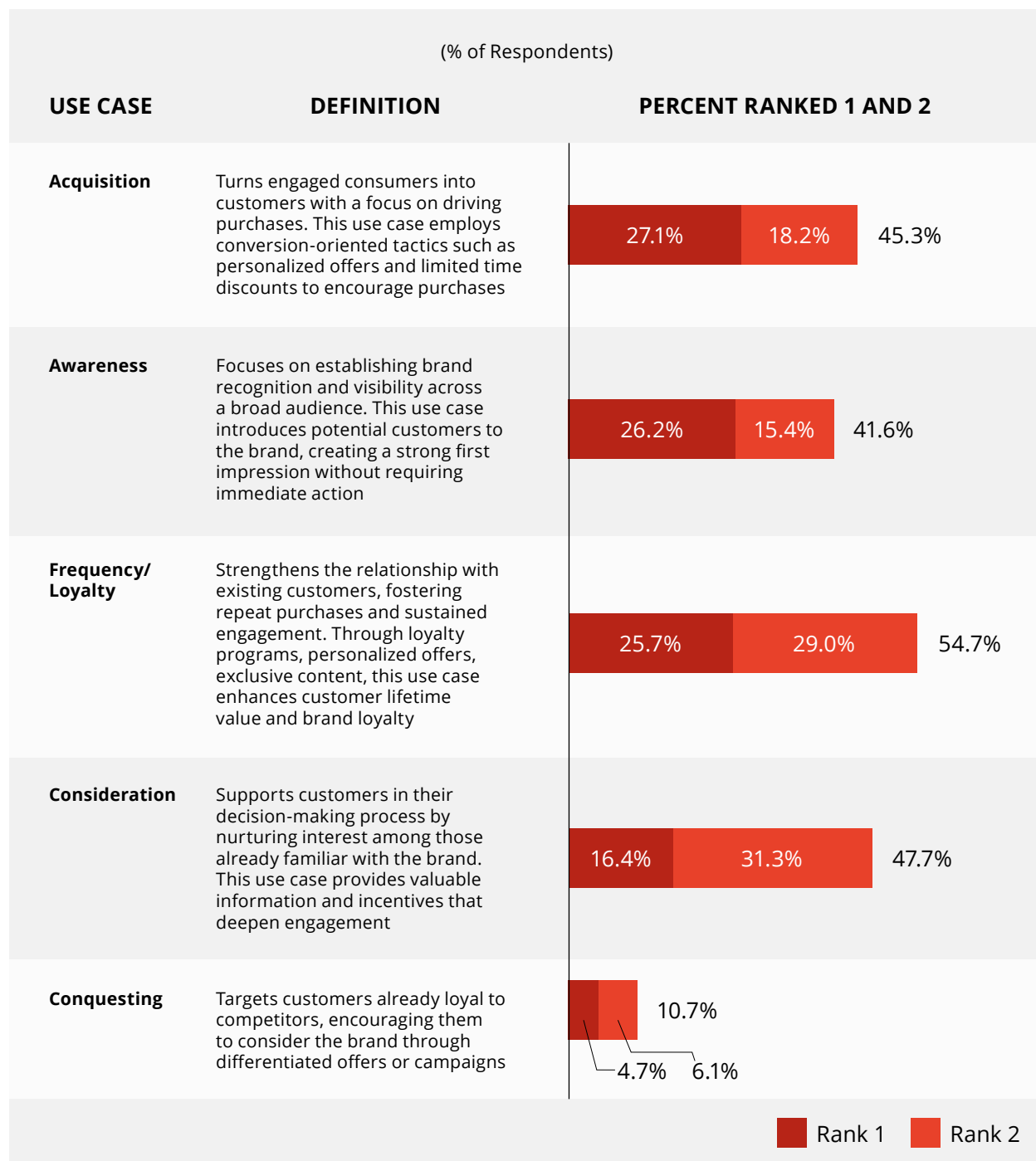
Preparing for the future of retail: As technology continues to reshape retail, connected commerce enables brands to stay ahead meeting both current and emerging consumer expectations. Marketers pursuing connected commerce future-proof their strategies by integrating touchpoints and aligning operations with consumer behavior trends. With the proliferation of AI and other data-driven technologies, connected commerce allows brands to deliver increasingly precise and impactful experiences at scale.



Connected commerce is not just an evolution of retail; it is a necessity in today's consumer-driven market. By integrating online and offline channels, marketers can create unified, personalized experiences that resonate with consumers, improve conversion rates and build lasting loyalty. The pursuit

of connected commerce reflects a broader commitment to aligning with consumer behaviors, reducing inefficiencies and preparing for the future of retail. Marketers who invest in this approach are positioned to unlock growth, optimize their strategies and deliver value across the entire shopping ecosystem.

FIGURE 2. WHICH OF THE FOLLOWING USE CASES ARE YOU AIMING TO SOLVE WITH YOUR CONNECTED COMMERCE EFFORTS, IN ORDER OF IMPORTANCE?



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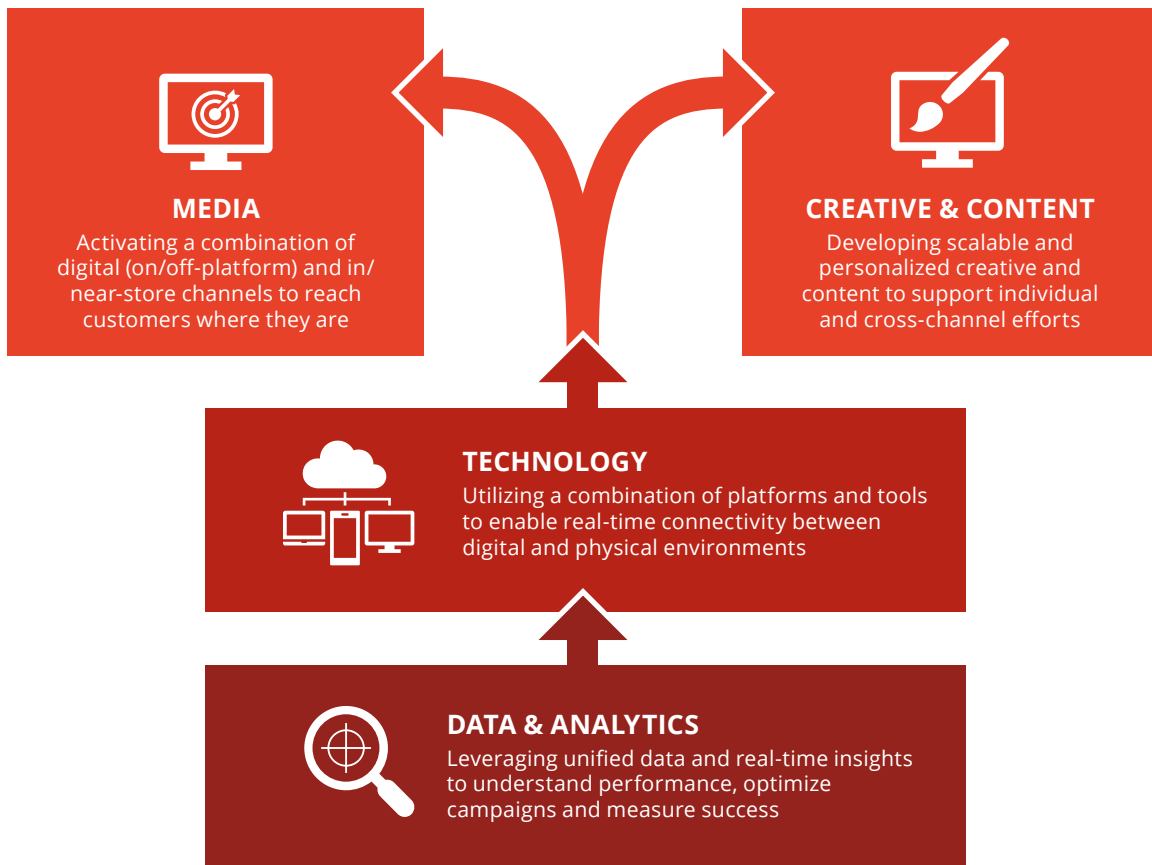
WHAT'S INCLUDED IN CONNECTED COMMERCE—AND WHY?

Connected commerce is frequently misunderstood as synonymous with marketer investments in retailer-owned retail media networks.

While RMNs are undoubtedly a cornerstone of the connected commerce ecosystem, they represent only a portion of the expansive framework required to deliver truly seamless, unified shopping experiences. A robust connected commerce capability

integrates media, creative, content, technology, data and analytics to engage consumers effectively across both digital and physical touchpoints, fostering loyalty and driving conversions at every stage of the customer journey.

FIGURE 3. THE COMPONENTS OF CONNECTED COMMERCE



"Any touchpoint analog, traditional onsite/offsite that is powered by retail data. RMNs allow anyone with a powerful database to offer that information to retailers to reach the right customer at the right time."

*– Managing Director
of North America, Retail Media Network Provider*

Media within connected commerce extends beyond retailer-owned channels. While RMNs offer effective targeting precision, brands must also leverage a diverse mix of platforms to capture attention, create demand and drive traffic. Connected commerce media includes:

- **On-platform digital media:** Sponsored search, display ads and promotions directly within retailer ecosystems—and funded exclusively via RMN spending—serve as foundational elements, ensuring visibility where consumers make purchasing decisions.

■ **Off-platform digital media:** Social commerce, connected TV and influencer campaigns are equally critical. These channels allow brands to connect with audiences earlier in the funnel, nurturing awareness and engagement before consumers enter a retailer's ecosystem. Marketers can also leverage contextual commerce, which combines contextually relevant content and engaging media without disrupting the consumer experience, enabling seamless shopping experiences and driving conversion and loyalty. Funding for off-platform connected commerce media is comprised of a combination of RMN and non-RMN spending.

■ **In-store and near-store media:** Traditional shopper marketing—end caps, in-store displays and sampling—is now complemented by digital innovations such as dynamic signage, cooler screens and in-store apps. These elements bridge the digital-physical divide, enhancing relevance and personalization at the point of sale.

"For large brands, RMNs offer a dual benefit: not only do they expand media reach, but they also strengthen relationships with retailers, impacting in-store placement and visibility."

*- VP of Commerce Media,
Global Holding Company*

The success of any connected commerce initiative hinges on delivering creative and content that resonate with consumers across multiple channels and formats. An effective, connected commerce-focused creative and content approach drives greater customer engagement, conversion and—ultimately—sales, leveraging a combination of:

■ **Tailored messaging:** Each channel demands specific creative formats—static images for display ads, video content for CTV and social media and interactive tools for in-store screens—all aligned with a consistent brand voice.

■ **Personalized experiences:** Leveraging customer data, brands can develop dynamic creative optimized for individual preferences, purchase history and shopping behavior. This delivers relevance at every touchpoint, increasing the likelihood of conversion.

■ **Scalable production:** With the growing complexity of campaigns, brands must adopt scalable content strategies that enable efficient production, reformatting and deployment across all connected commerce channels.

"Relevance is best targeted when media and message are integrated; this is key to success in connected commerce. If you're going to pay more per view, your content needs to be more engaging than what you're advertising above the line."

- CMO, Global Holding Company

"Creative investment is the backbone of consumer engagement in connected commerce; it brings campaigns to life and helps establish brand identity across touchpoints."

- Commerce Data Specialist, CPG

The technology stack underpins the connected commerce ecosystem, enabling real-time connectivity between digital and physical shopping environments. In a state of constant innovation, connected commerce technologies continue to evolve, supporting a range of use cases with a variety of platforms and solutions, including:

■ **Commerce platforms:** Unified systems integrate e-commerce websites, mobile apps, in-store and supply chain technology to create a cohesive customer experience.

■ **Automation tools:** AI-powered solutions streamline media buying, optimize creative delivery and ensure consistent messaging across platforms.

■ **Customer engagement platforms:** Technologies like chatbots, recommendation engines and augmented reality (AR) tools help brands deliver interactive, engaging experiences that mirror the convenience of online shopping.

Comprehensive data and analytics capabilities are essential for understanding consumer behavior, optimizing campaigns, and measuring success across the connected commerce spectrum. Data and analytics tools and approaches provide the foundation for an effective connected commerce strategy, including:

■ **Unified data views:** By consolidating data from retailer platforms, digital channels, in-store interactions and third party sources, brands gain a holistic view of the customer journey.

■ **Real-time insights:** Advanced analytics tools enable brands to track performance, identify trends and pivot strategies in response to shifting consumer behavior.

■ **Closed-loop measurement:** Connecting media investments to sales outcomes provides clarity on ROI, ensuring that every dollar spent drives meaningful impact.

"CPGs are really focused on retail media measurement. Brands care about incrementality, sales, profit and share, and struggle to find value in many of their third-party measurement partners who don't have a holistic view."

- VP of Commerce Media, Global Holding Company

By integrating media, creative, content, technology and data into a cohesive strategy, connected commerce allows brands to transcend traditional, channel-originated silos and deliver on its ultimate promise: a frictionless, unified shopping experience that meets consumers wherever they are, however they shop. While RMNs play a vital role, a broader, more holistic approach ensures that brands can unlock the full potential of connected commerce, driving not just sales but long-term loyalty and engagement.

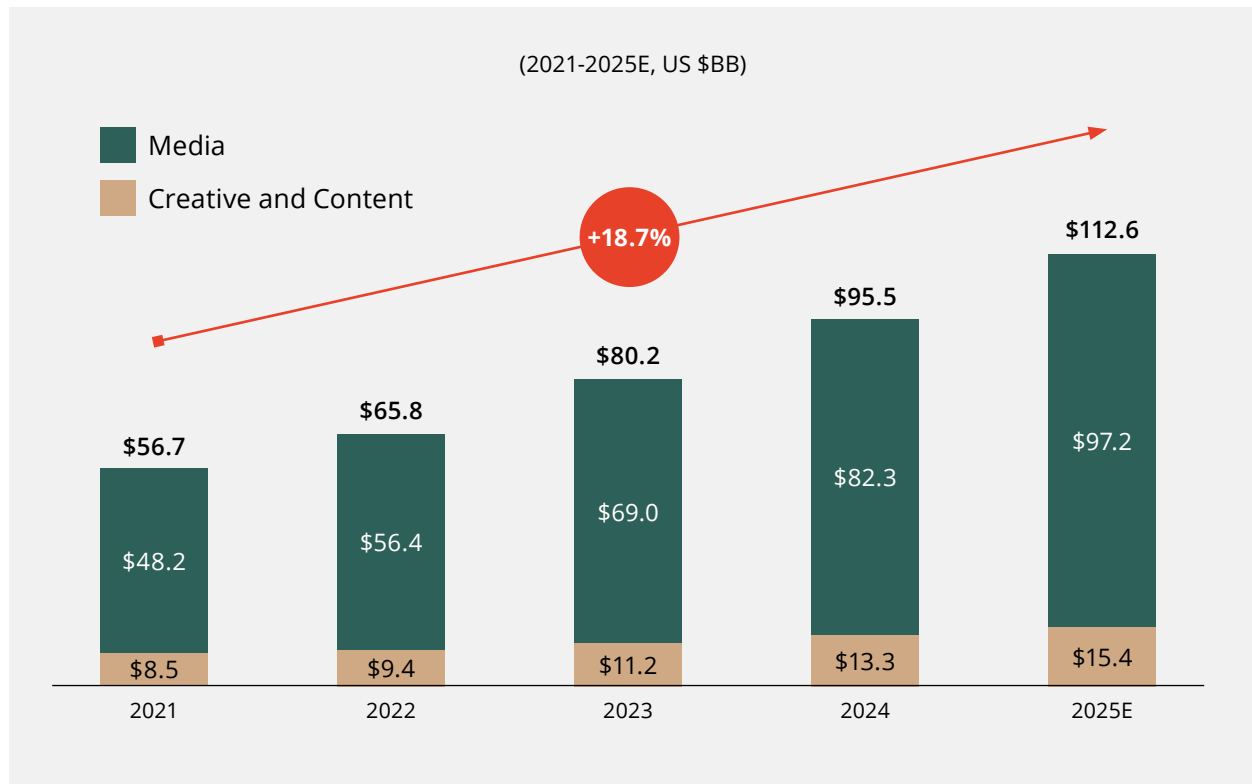
HOW ARE BRANDS INVESTING IN CONNECTED COMMERCE EFFORTS?

Marketers continue to invest in connected commerce, recognizing its potential to bridge the gap between digital and physical retail experiences.

Spending trends reflect a strategic approach to both media placements and the creative and content assets required to engage consumers across a wide range of touchpoints. As spending

continues its rapid growth, marketers are seeking to optimize visibility, personalization and engagement to ensure a seamless and impactful buying journey.

FIGURE 4. CONNECTED COMMERCE SPENDING ON MEDIA, CREATIVE AND CONTENT



Winterberry Group (2025)

While RMNs continue to see strong investment growth—driven by their ability to deliver measurable outcomes tied directly to sales—and remain central to connected commerce strategies,

SURVEY HIGHLIGHT

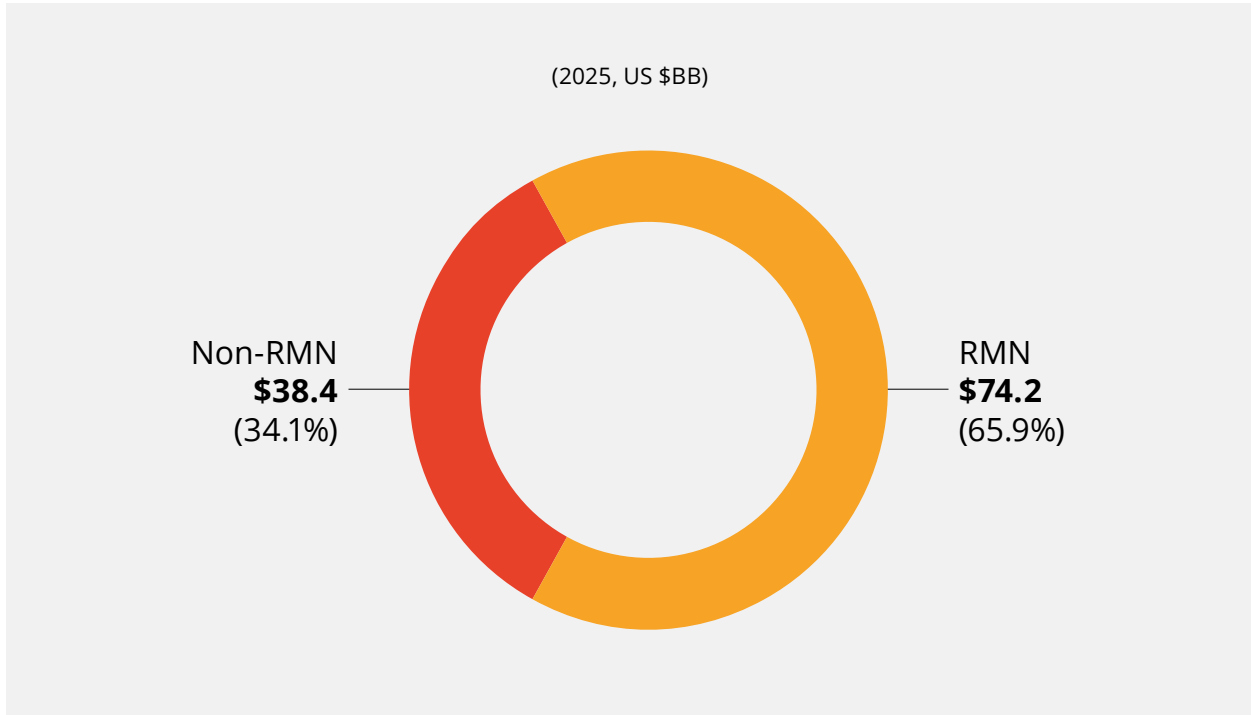
90.7%

of marketers increased connected commerce spending in 2024, and 92.5% expect to increase spending again in 2025.

non-RMN spending on off-platform digital command significant spending as they offer broader reach and enhanced engagement opportunities as a complement to RMNs. Additionally, marketers are allocating budgets to in- and near-store media to capitalize on proximity-based influence and connect with consumers throughout their shopping journey in a cohesive, consistent way. As result, non-RMN spending captures over one third of connected commerce spending.

As marketers continue to recognize the value of integrating media, creative and content into unified strategies to enhance engagement and drive ROI, connected commerce spending will continue to see outsized growth—if not quite at the same rapid pace seen over the past few years. RMNs continue to innovate with new formats and analytics capabilities, driving significant increases in spending. And outside of RMNs, emerging commerce

FIGURE 5. CONNECTED COMMERCE SPENDING, RMN VS. NON-RMN



Winterberry Group (2025)

media networks, channels and platforms—including connected TV and social commerce—will see heightened investment as they become essential components of the connected commerce ecosystem.

“While RMNs play an essential role in connected commerce, especially for point-of-sale impact, non-RMN channels allow us to control brand messaging and reach audiences with fewer constraints, which is crucial for brand-building.”

- VP of Digital Commerce, CPG

In the meantime, marketers are reallocating budgets to reflect the growing importance of connected commerce, with brands beginning to see a convergence of marketing, trade and shopper budgets—historically separate and sometimes at odds. Dollars previously planned and executed separately on traditional in-store promotions or trade marketing are shifting toward a more holistic view of where dollars are best spent to activate a cohesive connected commerce strategy. Instead of siloed, inconsistent or even conflicting efforts, organizations are beginning to realize the value of unified strategy driving unified experiences.

“We see trade and marketing increasingly blending, especially within retail media networks. This shift allows brands to drive sales while reinforcing brand equity.”

- VP of Commerce Media, Global Holding Company

Marketers are embracing connected commerce with a dual focus on precision media investments and dynamic, impactful creative assets. By balancing spending across RMNs, non-RMN platforms and in-store channels, and by scaling personalized content production, brands are positioning themselves to succeed in a rapidly evolving retail environment. These integrated strategies not only enhance the consumer experience but also ensure that every dollar spent delivers measurable, meaningful results.



HOW WELL ARE BRANDS ACTIVATING CONNECTED COMMERCE STRATEGIES TO SUPPORT THEIR CORE USE CASES?

As marketer spending on connected commerce accelerates—driven largely by the desire to enhance performance through data and the associated rise of retail media networks—challenges in execution and strategic integration persist.

While RMNs have established themselves as critical players in the digital commerce ecosystem, their rapid growth has also introduced complexities, inefficiencies and gaps in realizing the full potential of connected commerce. Brands must look beyond RMN activation alone to adopt a more cohesive approach that incorporates non-RMN platforms, addresses measurement challenges and fosters alignment across stakeholders.

RMNs have revolutionized the way brands connect with high-intent shoppers, offering a direct path to influence purchasing decisions within retailer ecosystems. Large RMN platforms have led the charge, quickly capturing a growing share of media budgets. However, as RMNs proliferate across varied verticals and industry sectors—from grocery and apparel to electronics and home improvement—the landscape has become increasingly fragmented. In response, brands are facing key obstacles:

- **Platform proliferation:** Brands must navigate an ever-expanding array of RMN platforms, each with unique formats, pricing models and capabilities. This creates inefficiencies in planning, activation, and measurement.
- **Vertical-specific networks:** As more retailers launch RMNs tailored to specific industries, brands face the added complexity of tailoring campaigns to the nuances of each sector while maintaining a cohesive strategy.
- **Siloed operations:** The rapid expansion of RMNs has led to operational silos, where teams responsible for different platforms may work independently, resulting in inconsistent messaging and suboptimal resource allocation.

Brands that limit their connected commerce investments exclusively to RMNs are likely to limit their reach by targeting only consumers already within a retailer's ecosystem. This strategy also limits brands' ability to understand the full impact of campaigns on broader brand awareness and sales by narrowing inputs for critical attribution models. While RMNs are vital to connected commerce, brands that focus exclusively on these platforms risk overlooking critical opportunities to engage consumers and optimize performance across the broader media landscape. Non-RMN platforms and approaches—such as social commerce, connected TV, influencer marketing and contextual commerce solutions—offer unique advantages that complement RMN efforts, including:

- **Reaching audiences earlier in the funnel:** Non-RMN platforms allow brands to engage consumers during the discovery and consideration phases, building awareness and driving intent before shoppers enter retailer ecosystems.
- **Expanding channel diversity:** Social media platforms like TikTok and Instagram, along with CTV, provide dynamic, engaging formats that drive brand recall and amplify RMN efforts.

- **Enhancing ROI:** A balanced approach ensures that media investments are not overly concentrated, reducing the risk of diminishing returns and allowing marketers to capture incremental value.

SURVEY HIGHLIGHT

39.3%

of marketers agree their organizations lack a consistent understanding of the consumer journey across retailers.



Currently, a fundamental misalignment at the retailer level is hindering the full realization of connected commerce's potential. While RMNs operate as media organizations, merchants remain focused on traditional retail priorities, creating conflicting incentives that may limit collaboration and strategy alignment. Disjointed efforts between RMNs and merchants result in inconsistent messaging and promotions, confusing consumers and diluting campaign effectiveness. This not only leads to unnecessary inefficiency—for example, when there are competing campaigns or brands promoted in digital channels versus in-store—but also highlights a missed opportunity for synergy whereby RMNs and merchants could share and integrate their unique data and insights to unlock deeper personalization and stronger performance.

"When I think about the maturity of connected commerce and the ability to cross the physical and digital in retailers, we are in the teenage years of the maturity cycle."

*- Chief Product Officer,
Data and Measurement Provider*

SURVEY HIGHLIGHT

28%

of marketers agree their organizations lack the ability to integrate and activate digital and offline channels.

In the US, RMNs are maturing quickly, while in Europe and the UK, adoption is slower but accelerating. Conversely, in Europe and the UK, in-store efforts are more connected to digital efforts, in part due to an advantage of simplicity—an environment with

fewer retailers allows for direct relationships and opportunities to align without intermediaries or brokers. Regional market maturity impacts how global brands allocate budgets and engage with connected commerce.

"The UK and Europe have approached retail media as a store first approach, which is quite logical. And in the UK, especially, it has been about creating a [unified] approach for advertisers, not having multiple conversations with merchandisers or buyers, media, marketing or social teams. It's a much more connected proposition in the UK and Europe. In the US, it's still very fragmented in the sense that they've gone digital first, so they've started at the other end of the spectrum, largely due to geography and scale—being able to implement change in retail across so many stores is very costly."

*- Managing Director of North America,
Retail Media Network Provider*

"Retail media in the UK hasn't progressed as much as it should, given its early start. In contrast, the US has a much more mature agency and retail media ecosystem."

- Former CEO, Loyalty Provider

Brands must address the disjointed nature of current connected commerce spending and strategies. By broadening their focus beyond RMNs, investing in comprehensive measurement frameworks and fostering alignment across channels, marketers can overcome fragmentation and inefficiencies. At the same time, adapting strategies to regional market dynamics ensures that investments are optimized for both immediate performance and long-term growth. In this rapidly evolving landscape, a cohesive, integrated approach is essential for driving meaningful ROI and creating seamless, impactful consumer experiences.



WHAT NEEDS TO HAPPEN TO DRIVE MATURITY IN THE CONNECTED COMMERCE MARKET?

To unlock the full potential of connected commerce, the market must move beyond its current fragmentation and disjointed strategies.

Maturity in this space requires a shift toward greater integration, standardization and alignment across stakeholders, including brands, RMNs, retailers and technology partners. Necessary key drivers to evolve connected commerce into a more cohesive, effective and scalable ecosystem include:

- **Unified measurement and attribution standards:** To understand and optimize the full impact of their connected commerce investments, brands would benefit from more standardized metrics, tools and partnerships that enable cross-retailer visibility and AI-driven advanced analytics to accurately attribute sales and improve ROI.
- **Breaking down organizational silos:** Internal silos within brands, retailers and RMNs create inefficiencies and limit collaboration. Maturity in connected commerce requires integrated approaches that align objectives and operations across teams, including alignment in marketing and trade budgets and greater cross-functional collaboration across media, creative and analytics teams to ensure consistent messaging and seamless customer experiences.
- **Data transparency:** Retailers and brands must collaborate to share data openly, enabling better decision-making and personalization. Brands will ultimately need to consolidate data from the range of digital on- and off-platform channels as well as in- or near-store channels into a unified view, enabling end-to-end visibility of the customer journey.
- **Enhanced alignment across RMNs and merchants:** Currently, RMNs function as media organizations while merchants prioritize product sales, creating conflicting incentives. Aligning these objectives through integrated strategy and planning will ensure media and in-store promotions are aligned, enhancing effectiveness and efficiency and benefiting all stakeholders.
- **Leveraging technology and innovation:** Technology plays a pivotal role in enabling connected commerce, from personalization and automation to real-time insights. Investing in the right tools and infrastructure is key to driving maturity. Among other technology-driven innovations, brands can enable scalable content production by leveraging AI-driven tools for dynamic creative optimization, utilize digital in-store activations to enhance the physical shopping experience and connect it seamlessly with online efforts and even leverage AI-powered predictive analytics and personalization engines to optimize campaigns, improve targeting and accelerate decision-making.
- **Regional collaboration and scalability:** Regional variances in RMN adoption and market maturity create challenges for global brands, but establishing scalable models that accommodate local nuances can help accelerate growth. These brands must balance creating economies of scale by leveraging cross-region data and accommodating for regional differences in consumer behavior and platform maturity by localizing campaign strategies.

- **Increased focus on consumer-centric strategies:** Ultimately, brands' connected commerce strategies must prioritize the consumer experience, delivering tailored, seamless journeys that align with individual preferences and behaviors. Marketers must leverage first- and third-party data for personalization, ensure consistent messaging and offers across digital and physical channels to reduce confusion and strengthen trust and simplify the path to purchase—whether online or in-store—to enhance customer satisfaction and drive repeat business.

"Silo roadblocks exist that just get in the way of progress and are predicated on the legacy organizations. You've got your brand teams that care about brand things and then customer teams that care about customer things, sales teams that care about driving sales and—overall—different budgets coming from different sources. These are organizational roadblocks that can be solved, it's just difficult to do."

*- CEO of Commerce Group,
Global Holding Company*



"No one has an actual holistic view of the data across all of the retailers. For the most part, providers lack data from the largest retailers with a national footprint. I think we're far away from this data actually coming together and truly being connected from a consumer data standpoint."

*- Chief Revenue Officer,
Connected Commerce Platform*

Maturing the connected commerce market requires greater collaboration, faster innovation, and a willingness to have more alignment across all stakeholders. Only by addressing these key challenges can brands and retailers realize the full value of connected commerce. The result will be a cohesive, consumer-centric ecosystem that not only drives performance and ROI but also sets the standard for the future of retail.

OUTLOOK: WHAT'S AHEAD FOR CONNECTED COMMERCE?

The next phase of connected commerce will be defined by technologies and trends already influencing the retail landscape, alongside new innovations aiming to further disrupt this space. This era will focus on seamless integration and personalization, driven by advancements in artificial intelligence and immersive experiences as well as shifting consumer priorities and expectations.

Retailers will embrace advanced technologies and innovations to enhance their offerings and improve delivery of the shopping experience, providing:

- **Enhanced physical-digital integration:** Retailers are increasingly blending digital and in-store experiences. For example, interactive kiosks, augmented reality (AR) displays and virtual fitting rooms are being implemented to bridge the gap between online browsing and physical shopping. “Buy Online, Pick Up In-Store” and curbside pickup have become standard, with innovations like reliable real-time inventory updates and app-based check-ins for quicker service.
- **Frictionless fulfillment:** Automated warehouses and robotic pickers are streamlining fulfillment, while micro-fulfillment centers near urban areas enable faster delivery. Retail giants are piloting drone and autonomous vehicle deliveries, with broader adoption expected in the near term.
- **AI-driven operational enhancements:** AI is being used to optimize inventory management, reduce waste and predict demand patterns. AI-powered chatbots and virtual assistants are enhancing customer support, offering real-time assistance and personalized recommendations.

Consumers will increasingly expect fast, frictionless shopping experiences, including:

- **Seamless omnichannel journeys:** Shoppers expect effortless movement between online and offline. For instance, starting a purchase on a smartphone, checking out in-store and managing returns via an app is now the baseline expectation. AR tools that let customers “try before they buy” are driving purchase confidence and reducing returns.
- **Personalization at scale:** Consumers now expect tailored recommendations and shopping experiences across every channel, powered by data analytics and AI. Leading retailers are innovating with predictive engines that deliver hyper-relevant options. Dynamic pricing and offers, which adjust in real-time based on consumer behavior and preferences, are becoming more common.
- **Immersive discovery experiences via social commerce:** Social media platforms have turned social commerce into a major force, with live shopping events and influencer-driven campaigns driving engagement. AR and VR adoption are growing, with many retailers offering tools for home design or virtual product trials.

As retailers evolve and amidst mounting consumer expectations, brands will continue to innovate to acquire and retain customers, leveraging:

- **Social and livestream commerce:** Brands can leverage social platforms to deliver shoppable content, allowing consumers to buy directly from posts or live streams. Brands will continue to experiment with fully immersive experiences, such as virtual flagship stores or exclusive product launches in digital worlds.
- **AI-powered marketing:** AI is enabling real-time development, personalization and optimization of advertising creative and content, ensuring marketing feels relevant and timely while maintaining a consistent brand identity and message. Predictive analytics are helping marketers anticipate trends and create proactive campaigns tailored to individual consumer behaviors.
- **The blurring of online and offline:** As consumers increasingly move between digital and physical shopping experiences, brands will continue to find ways to bridge the gap between online and offline channels to understand and influence the end-to-end shopper journey. Brands will continue to break down barriers between online and offline budgets, measurement and attribution strategies and organizational siloes to truly deliver on a seamless customer experience.

The next era of connected commerce is unfolding in real-time, driven by rapid innovation and evolving consumer demands. As retailers integrate cutting-edge technologies like AI, AR and automation, they are reimagining operational efficiencies and delivering shopping experiences that bridge the physical and digital worlds. Consumers increasingly expect and respond better when their shopping journeys are tailored, convenient and frictionless. Marketers, in turn, are harnessing AI and social platforms to craft highly engaging, real-time campaigns that meet consumers wherever they are. Together, these advancements mark a pivotal shift in how commerce is conducted, laying the groundwork for a future defined by seamless integration and creativity. This dynamic era promises to reshape not only how we shop but also how brands and consumers connect in meaningful and lasting ways.

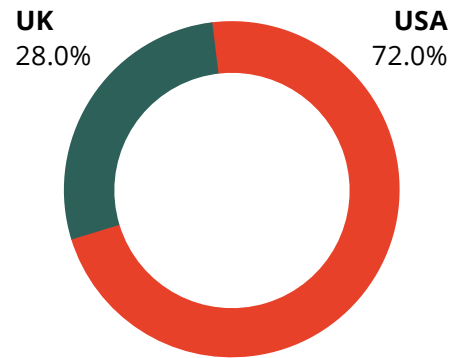


METHODOLOGY

The conclusions in this report are based on the results of a comprehensive primary research effort conducted by Winterberry Group between September and December 2024. This research included a series of thought leader interviews with senior executives from major companies across the advertising and marketing services ecosystem—including marketers, retailers, data providers, technology developers, media professionals, and others. Additionally, it incorporates responses from a survey of more than 214 enterprise and middle-market leaders from the US and UK with responsibility across both retailer-owned and non-retail channels, representing a diverse range of industries, organizational roles and marketing/advertising budgets.

Distribution of Respondents by Country

(% of Respondents)



Which of the following best describes the industry for which you work?

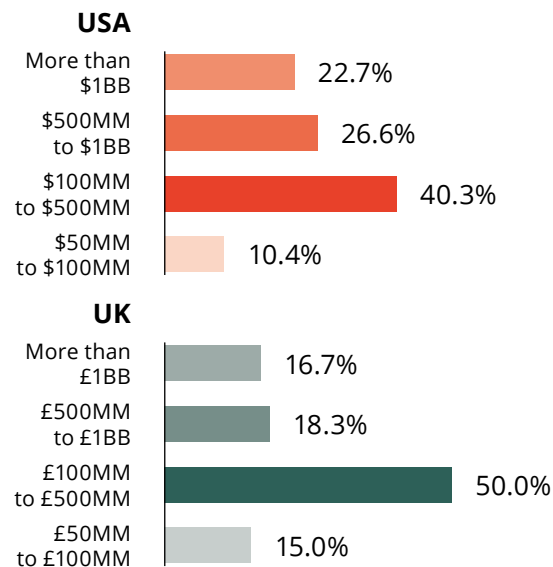
(% of Respondents)



RETAIL: ECOMMERCE	50.5%
CONSUMER PACKAGED GOODS (CPG)/ FAST MOVING CONSUMER GOODS (FMCG)	18.7%
CONSUMER ELECTRONICS	10.7%
RETAIL: TRADITIONAL (BRICK AND MORTAR)	9.8%
FOOD/RESTAURANTS	4.2%
HEALTH/BEAUTY	2.8%
HOME IMPROVEMENT	0.9%
HOME DÉCOR/FURNITURE/MATTRESS	0.9%
OVER-THE-COUNTER/PHARMACEUTICALS	0.9%
ALCOHOL/BEVERAGE	0.5%

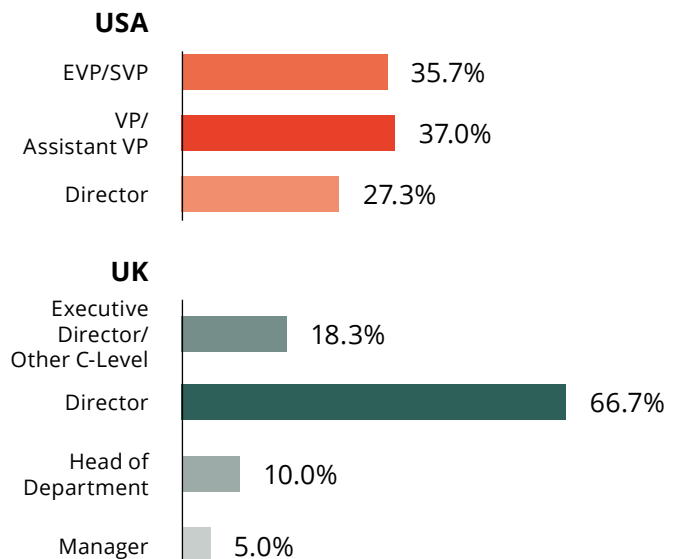
Approximately what was your company's revenue/turnover last year?

(% of Respondents)



Which of the following best describes your current role/business title?

(% of Respondents)



ABOUT OUR SPONSORS

PLATINUM SPONSOR



Mars UnitedSM Commerce is a leading global commerce marketing practice that aligns people, technology, and intelligence to make the business of our clients better today than it was yesterday. Our capabilities are powered by our industry-leading technology platform, Marilyn®, which helps marketers understand the total business impact of their commerce marketing activation, enabling them to make better decisions, create connected experiences, and drive stronger, measurable results.

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SUPPORTING SPONSORS



Chicory is the leading contextual advertising platform for food and grocery. Leveraging contextually relevant content, engaging media experiences, and proprietary commerce technology, Chicory connects brands and retailers with consumers in the moments that matter to drive measurable outcomes. Chicory powers a network of over 5,200 food and recipe sites, including Taste of Home, The Kitchn, and Food Network, reaching 123 million high-intent grocery shoppers each month. From building brand awareness and increasing consideration to driving conversions at 70+ integrated retailers, Chicory accelerates the buying journey.

Learn more at chicory.co.



Imagine is an industry-leading provider of visual communications solutions. As a trusted partner to the world's most successful brands, Imagine designs, produces, and delivers beautifully crafted print and digital solutions that inspire action and get results. From concept to consumer, our end-to-end solutions include creative design, pre-media, décor, commercial print, store signage, specialty packaging, out of home, fulfillment & kitting. With a customer technology stack powered by Dotti, a single, flexible platform designed to manage even the most complex in-store marketing programs and a collection of talented designers and innovators in Imagine Studio, all backed with powerhouse print and digital production capabilities Imagine has the solution.

Learn more at theimagegroup.com.

ABOUT WINTERBERRY GROUP

ABOUT US



Winterberry Group is a growth consultancy specializing in the intersecting disciplines of marketing, advertising, technology, data and analytics. We collaborate with stakeholders across those ecosystems—agencies, service providers, technology developers, brands, publishers and investor groups—leveraging deep industry expertise to build actionable strategies that spur growth and drive the creation of real and lasting stakeholder value.

WINTERBERRY GROUP SERVICES

GROWTH STRATEGY

We work with clients to identify core competencies, evaluate alternatives and build comprehensive, actionable roadmaps to growth

OPERATIONAL DESIGN

We guide agencies, marketing solution providers and brand-side marketing practices through transformations aimed at activating “build” and “buy” strategies, capitalizing on disruptive opportunities presented by data and technology—and achieving lasting competitive advantage

MERGERS & ACQUISITIONS

We leverage our industry knowledge to help financial investors make sound, value-driven investment decisions—supporting commercial diligence, buy-side target identification and pre-exit growth planning/positioning needs

MARKET INTELLIGENCE

We maintain an active research and publishing practice that gives our consultants direct access to insights from senior industry executives and complements our client engagements

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