

# Commerce Media vs Retail Media: The Ultimate Comparison

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In the fast-evolving world of digital advertising, commerce media and retail media have emerged as key players. While both leverage first-party data to optimise ad campaigns and drive sales, they target different areas of the advertising ecosystem. Discover why understanding their key differences is crucial for retailers and advertisers who want to maximise their digital marketing strategies and stay ahead of the competition.

## What Is Commerce Media?

Commerce media is an evolution of retail media and refers to the broader advertising ecosystem that targets consumers throughout their purchase journey. It integrates channels and platforms that influence buying decisions, from product research to comparison shopping to purchase using multiple touchpoints from search engines, social media, and e-commerce sites.

### Key Characteristics of Commerce Media:

- **Broader Scope:** Commerce media spans multiple industries and channels, from e-commerce sites to programmatic ad platforms.
- **Full-Funnel Focus:** It targets every stage of the purchase journey, including awareness, consideration, and conversion.
- **Diverse Audiences:** The audience is not limited to a single retailer's ecosystem; it includes users across various platforms.
- **Data Sources:** Combines first-party, and second-party data for detailed buyer insights.
- **Channels Used:** Offers onsite, offsite and cross-platform advertising to reach shoppers across multiple touchpoints.

### Why Advertisers Are Investing In Commerce Media

Commerce media takes retail media to the next level by unlocking access to a wider ecosystem of high-intent shopper segments. Advertisers can precisely influence purchase decisions across multiple channels while building lasting customer relationships. Additionally, with closer proximity to transactions, commerce media platforms deliver highly accurate ROAS reporting, linking ad spend directly to clicks, sales, and conversions for seamless attribution.

### Why E-commerce Platforms Are Investing In Commerce Media

E-commerce platforms can tap into new revenue streams by enabling their core brand suppliers and even brands from adjacent industries to target their shoppers where they spend most of their time on social media and programmatic channels. Building a commerce media network allows e-commerce platforms to capitalise on their first-party data, drive significant platform growth, and maximise profit margins—all with existing consumer data.

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Get full control and real-time visibility with automated reporting and analytics dashboards. Find out more about Flow's offsite commerce media platform here (https://flowplatform.com/data-suppliers).

## What Is Retail Media?

Retail media, on the other hand, focuses specifically on advertising within the retailer's ecosystem. Retailers use their own first-party data to serve highly targeted ads to shoppers either on the retailer's website, app, or other owned properties or across external channels. Read more about the power of first-party data in retail media networks here (https://flowplatform.com/blog/the-power-of-first-party-data-in-retail-media-networks/).

### Key Characteristics of Retail Media:

- **Retail-Centric:** Advertising happens primarily within a retailer's ecosystem, such as their website or mobile app.
- **High-Intent Audiences:** Target shoppers who are already in the buying mindset, often near the point of purchase.
- **First-Party Data Focus:** Relies heavily on the retailer's proprietary customer data for targeting.
- **Channels Used:** Onsite advertising within the retailer's ecosystem. Offsite retargeting is offered but focuses on re-engaging shoppers who have already interacted with the retailer's platform.

### Why Brand Suppliers Invest In Retail Media

Retail media is particularly effective for brand suppliers looking to connect with high-intent shoppers and achieve measurable ROI through conversion-focused campaigns. Innovative adtech tools such as **Flow's AI-powered Ad Builder** enables core brand suppliers to generate professional social media ads directly from a retail media's product feed with pre-defined designs, targeting, budgets and publishing channels to unlock exponential sales potential. Click here (https://flowplatform.com/flow-enterprise/) to find out more about this feature.

## Commerce Media vs. Retail Media: Key Differences

Aspect	Commerce Media	Retail Media
Scope	A broad scope that spans multiple industries and channels to offer cross-industry campaigns.	Confined to retailer ecosystems
Audience	Diverse audience covering all potential buyers through cross-industry insights and multi-channel audience targeting.	Retailer's shoppers; high purchase intent audience directly from a retailer's platform.
Data Sources	First- and second-party data from brand, platform and trusted data partners.	Primarily first-party retailer-specific shopper data
Advertising Channels	Offsite programmatic display, social media ads, CTV and external publisher networks.	Sponsored on-site display and product ads and onsite search results.
Goal	Full-funnel engagement and awareness	Conversion-focused campaigns

## Commerce vs Retail Media: Quick Tips To Smarter Advertising

Both commerce and retail media play key roles in modern advertising strategies but serve distinct purposes:

- **Commerce Media** (full funnel) is great for building awareness and nurturing customers throughout their purchase journey. It leverages first-party data across multiple platforms to keep audiences engaged from discovery to decision.
- **Retail Media** (lower funnel) excels at driving conversions and optimising ROI by targeting high-intent ready-to-buy consumers at critical points in the shopping journey.

## Start your own commerce media network – with your own data

Flow offers a complete turnkey solution to start your commerce media network using the consumer data that you already own. Contact us below to fast-track your commerce platform offerings and tap into new revenue streams today.

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