

Dentsu's roadmap to retail media success: Revolutionising South Africa's advertising game!

By [Daniel Malan](#), issued by [Dentsu](#)

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In just the last two years, the landscape of online commerce in South Africa has experienced exponential growth. The surge is attributed to the widespread ownership of mobile devices and the increased accessibility of the internet across the country. In 2023, South Africa boasted an internet penetration of 72.3%, with a substantial 43.48 million internet users (Kemp, 2023), indicating a significant digital shift. However, despite these positive figures, it's essential to recognise the substantial untapped opportunities in the online realm, with a significant portion of the population still offline.



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The unprecedented connectivity has empowered consumers, making online shopping more accessible than ever, and this shift has not only made purchasing monthly essentials online more acceptable but has also deepened the relationship between customers and brands. Marketers are now challenged to reimagine their online product advertising strategies, given this evolving landscape.

Acknowledging the growth of online retail alongside shifting consumer behaviours unveils substantial opportunities for retailers, brands, and agencies in the commerce space. While opportunities abound, challenges persist in aligning advertising budgets, assets, and execution across all stakeholders.

Successfully navigating total commerce activities demands a comprehensive understanding of consumers from a marketplace perspective, promising fruitful outcomes for those who execute their strategies with precision.

The now!

In the current landscape, customers expect to engage with their favourite brands not only through the brand's official website or local e-retailer but also

via shoppable media. This shift has blurred the lines between traditional e-commerce site visits and an "always shopping" mindset when browsing the web or using social media.

Crafting effective media and advertising strategies for brands necessitates acknowledging this shift, ensuring a seamless customer journey and, consequently, achieving revenue goals.

Retail media

One of the prevalent buzzwords in the global advertising arena is "retail media," anticipated to bring about significant growth in 2024 and beyond. McKinsey & Company estimates that retail media networks in the United States could represent up to \$100bn in ad spending by 2026 (Brodherson et al., 2022).

Retail media encompasses three main categories: In-store, onsite, and offsite, each playing a distinct role in driving sales for brands on retailer websites. Whilst retail media has been a part of the industry for years, the current demand for data, attribution, and measurement underscores the need for closer relationships with retailers to optimise advertising budgets effectively.

Although still in its infancy within the South African and African market, retail media shows promise. Companies like

Checkers Sixty60 and Takealot are making strides with self-service opportunities and data transparency. While the hype around retail media is justified, unresolved issues such as retailer attribution models, holistic measurement across channels, and fragmentation across retail media networks still need addressing.

Tomorrow?

While retail media is in its early stages in the South African market, the future appears promising. More media owners and retailers are focusing on enhancing their retail offerings. Recognising that retail media and media cannot exist independently, advertising on retailer properties allows for storytelling and expanding unique reach through personalised messaging in onsite ad placements.

The rise of retail media necessitates breaking down silos, adopting new ways of working, and being agile in crafting campaign strategies. Incorporating a comprehensive retail media offering within existing advertising scopes enables a deeper understanding of customers and shapes the brand's narrative on the digital shelf.

Amazon is knocking and bringing opportunities!

No discourse on commerce and retail media is complete without mentioning the colossal presence of Amazon and the immense opportunities it brings for brands. The anticipated launch of Amazon in South Africa promises a new frontier for advertising and brand building through the Amazon Store and its various properties.

As advertisers, we are on the brink of exploring a new world of opportunities. With the arrival of Amazon, brands will gain access to an extensive array of advertising opportunities and a greater understanding of how users search for their products online. The introduction of a closed-loop attribution system ensures transparency in tracking expenditures and measuring returns.

Dentsu, as a global agency, is well-prepared for Amazon's arrival, boasting certified employees on the ground and leveraging insights from global teams. Dentsu SA is poised to guide both existing and new clients on their retail media maturity roadmap, ensuring success in this thrilling new era of advertising.

ABOUT THE AUTHOR

Daniel Malan is a performance analyst at Dentsu Performance.

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