



## **TV meets commerce**

Strategic moves by retailers racing to capture 1P data

Updated: March 1st 2024

**Better decisions, faster.**



## Retailers buy in to media value chains

### Walmart buys Vizio

The media landscape is undergoing another structural change as streaming and e-commerce trends mature.

We are seeing a new wave of innovation in start-ups, partnerships, and mergers and acquisitions in the spaces between media channels.

One of the most active is a new adjacency between retail brands and TV. On February 20<sup>th</sup>, [Walmart announced plans to purchase Vizio](#) for USD 2.3bn.

Vizio is one of the [few remaining American TV brands](#). This is a [strategic move for Walmart](#) as it seeks to scale the ad revenue of USD 3.4bn in its retail media business, [Walmart Connect](#).



A key Vizio asset is its TV operating system, [SmartCast](#). The [Emmy](#) award-winning OS has grown 400% since 2018 to over 18 million active accounts.

This [OMG NA POV](#) dives deeper into the implications of this deal, which connects Vizio's 11% market penetration of connected TVs with Walmart's shopper data, which measures activities of the more than 90% of Americans that shop in the store at least once per year.

The deal is fundamentally a [data play](#) that enables Walmart further access to a USD 300bn online ad market.

Vizio's data arm, [Inscape](#), has been an innovator in automatic content recognition, enabling measurement of [all forms of content delivered to 'Vizio Glass.'](#) Connecting linear TV, streaming gaming, and [future TV experience](#) to commerce activation and measurement.

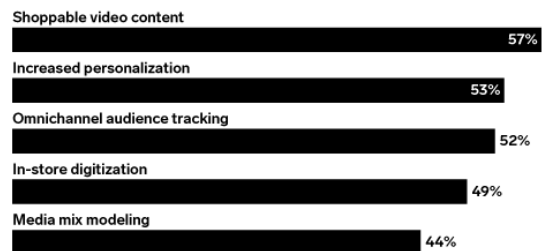
Alongside Walmart's partnership with the Trade Desk to deliver ads off-platform, we can expect greater capability to provide commerce strategies across more devices in more [\(shoppable\)](#) ad units to more people.

### Retailers race for 1P data

Walmart's purchase is, in part, a response to the [Amazon's success](#). Leveraging investment in TV to create differentiation and competitive advantage in the traditionally high volume, low margin commerce space. Video is widely seen as the next big [growth driver](#) for retail media.

#### Retail Media That Ad Agency Professionals Worldwide Think Will Be the Next Frontier, April 2023

% of respondents



Amazon has content propositions through Prime Video, IMDb, and Twitch streaming. The eCommerce giant also has a hardware play through its aggressively priced Fire TV device, both TV sets and streaming stick, claiming to have sold [over 200m worldwide](#) by early 2023.

Embedded advertising technologies have caused huge price deflation in TV hardware. Screens are [twice the size](#) seen in 2000 [but more than 80% cheaper](#). We are now witnessing [free as a price point](#).

Having tech and content means that Amazon can see other streaming activities on its devices and platforms. Enabling a fully modeled view of the TV viewing landscape.

TV fills two major data gaps retailers must fill to drive further growth. Firstly, data about non-customers and high-reach TV shows show people not yet buying on the platform.

Traditional limitations such as geographic location are less relevant in an eCommerce world. For example, Mercado Libre launched a free-to-air [streaming platform](#) last year to support its growing e-commerce proposition across the LATAM region.

A TV proposition also delivers data about the topics and interests of customers. Enabling profiling and targeting further up the funnel to inspire needs, not just react to a product search, managing the whole journey.

Better decisions, faster.



## Content plays in commerce

Retail media investment is surging worldwide and is expected to reach [USD 140bn this year](#), more than doubling in the past four years. It is expected to [overtake TV](#) in the next three years. [Retail media in CTV](#) is expected to double by 2027.

As such, many [entities with existing ad models](#) would like to get a piece of this outsized growth. So broadcasters and streaming platforms see new revenue opportunities. In the UK, [Channel 4 recently launched shoppable media](#) in Made in Chelsea with OMG client Phillips.

Comcast / NBC has invested heavily in a shoppable media format, '[Must ShopTV](#),' to enable brands to make all sorts of broadcast content shoppable.



Disney launched [Gateway Shop](#) at CES 2024. A second screen shoppable ads program pushing messages and email to mobile devices synced with streaming ads.

Some are thinking in terms of strategic distribution partnerships. [Carrefour and Netflix](#) are bundling their products under a single payment in France.

Another dynamic at play is the growth of [influencers seeking to move beyond crowded social platforms](#) to create content for significant streamers, delivering bigger audiences and [potential for shoppable brand partnerships](#).

The COVID-19 pandemic drove awareness and use of QR codes around the world. Enabling a technology that had hitherto failed to catch on to be widely applicable to advertisers.

[LG claims](#) that [7 in 10 viewers like TV creatives with a QR code](#), and 62% are open to scanning them.

[Generative technologies can make QR codes](#) an attractive brand asset rather than an anonymous set of squares.

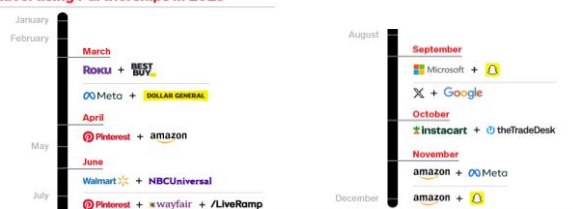
## Scaling capabilities across domains

Effectively connected commerce blends the skills of [media and commerce](#). Aligning upper and lower funnel sales tactics around human need states, brand leverage, and data-driven decisions.

It will be a crucial growth driver through the decade's end, enabling large brands to reach new audiences and niche brands to scale up without committing to broadcast budgets.

It effectively enables millions of brands to speak to many niches in a many-to-many model.

Notable Social, Retail, and Digital Advertising Partnerships in 2023



The connection between commerce and TV is just one aspect. We have also seen partnerships between commerce and social brands such as [Amazon + Snap](#) or [Amazon + Meta](#) to combine different first-party views of consumer behavior.

Delivering connected messaging through the purchase journey, working further up the funnel, even before an explicit need has been realized, and improving the accuracy of modeled measures such as attribution.

Already, OMG can overlay OMG's inventory graph and pricing data with [Walmart audiences](#) and attribution information. Omni provides the platform to scale such capabilities and work with an increasingly broad [range of partners](#).

Omnicom's [acquisition of the leading commerce agency FlyWheel](#) further [enables collaborative efforts](#) to deliver against these challenges, providing our clients with the necessary skills and technologies to capitalize on this next growth opportunity.



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