Pentaleap

H1 2026

Sponsored Products Benchmarks Report

SUCCESS FACTORS TO
UNLOCK ONSITE RETAIL MEDIA REVENUE

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Executive Summary

Onsite Retail Media Is Growing Up, and Growing Fast

Sponsored products coverage grew +10% YoY in Q4 2025–Q1 2026, accelerating from +7% in the previous edition. But the more interesting story is how retail media is evolving: broader keyword strategies, more sophisticated approaches to ad placement, and fiercer brand competition across the digital shelf.

1. Retailers Are Expanding Ad Load, But Not All in the Same Way

Macy's joins Amazon, Walmart, and The Home Depot in the 20+ ads-per-page club, and, as we see in Chapter 3, achieved it through a distributed, agile approach to show ads where they are most relevant and naturally blending in with product results instead of simply stacking fixed slots.

More broadly, retailers are continuing to split into two clear camps on how they distribute sponsored ads across search results pages. Some are embracing more distributed placement models, reducing reliance on fixed "premium" positions. Others are holding firm to more traditional placement strategies.

The most notable mover is Walmart, which expanded from 4 to 7 potential sponsored product spots within the first 10 search positions, a significant shift toward more distributed placement across the grid.

Andreas Reiffen
Co-founder & CEO, Pentaleap

“

The data in this H1 2026 Sponsored Products Report shows the industry moving beyond simply adding more Sponsored Products, toward fundamentally rethinking how the page itself is optimized.

What makes this especially important is that the vendor landscape is converging around the same underlying idea: sponsored and organic products can no longer be optimized in separate systems. Unified ranking, holistic optimization, unified decisioning; different vendors are using different language, but the architectural shift is the same.

What may sound like a product feature is actually a fundamental change in the infrastructure powering onsite retail media.

And over the next few years, the decisions retailers make about where that ranking logic lives in their stack will shape their economics, flexibility, and control for a long time to come.”

2. RMNs Are Broadening Brand Participation Beyond the Biggest Advertisers

A mature RMN succeeds by enabling many advertisers to compete for the same shopper and category opportunities, rather than relying on only a handful of dominant brands.

At inception, RMNs often begin with hero brands and large endemic advertisers. Over time, however, smaller and long-tail brands gain confidence that retail media can drive incremental visibility and sales.

The data confirms this maturation trend continues. Reliance on only a few major advertisers is decreasing, while retailers are broadening participation across a more diversified advertiser base.

Marketplace publishers achieved 79% investment share from long-tail brands, supported by strong campaign automation, efficient sales processes, and flexible ad serving that allows ads to appear where they are most relevant on the page.

Multicategory retailers reached 74% diversification, while specialty and grocery retailers are also becoming increasingly attractive environments for smaller brands to invest.

This broader participation is reflected in advertiser growth. Hisense, JLab Audio, Bush's, and Costway each posted triple-digit YoY growth in sponsored products volume; proof that brands across categories are investing more aggressively in retail media.

3. Long-Tail Keywords Are Finally Getting Their Due

Retailers are closing the gap between short and long search queries. Keyword ad coverage by keyword length has nearly reached parity for many retailers, meaning a niche, four-word search is now treated with nearly the same advertising importance as a single-word search.

For brands targeting specific shopper intent, long-tail visibility is no longer a niche strategy, it is increasingly becoming table stakes.

The share of sponsored impressions going to torso and tail keywords (mid-range and niche search terms) is growing among top retailers, pointing to a strategy focused on broader ecosystem-wide visibility rather than concentrating only on the largest search terms.

A few outliers continue doubling down on high-volume "head" terms, but the broader market is clearly diversifying.

The trend is especially notable among mature RMNs such as Walmart and Target, where broader keyword monetization suggests increasingly sophisticated and flexible ad-serving strategies.

End Note: Welcome to the Benchmarks, Costco & Meijer

Two major retailers make their debut in this edition: Costco, the warehouse retail giant, and Meijer, the beloved Midwestern grocery powerhouse. You'll find them in Chapter 8, a dedicated section built around their early data.

Because Pentaleap has only been tracking these retailers for the past three months, they are not included in the YoY comparisons that power the rest of the report.

About the Data

Coverage Period:

Q4 2025–Q1 2026, with year-over-year (YoY) comparisons against Q4 2024–Q1 2025.

Retailers tracked:

12 leading U.S. retail media networks included in YoY benchmark comparisons, plus additional early Costco data coverage: Amazon, Walmart, The Home Depot, Target, Staples, Macy's, Kroger, CVS, Lowe's, Albertsons, Best Buy, and Office Depot.

Keywords analyzed:

2,500 keywords spanning grocery, pharmacy, beauty, fashion, electronics, office, and furniture.

Brands tracked:

10,000+ identifiable brands.

Ad formats covered:

In-grid, carousel, brand carousel, and video carousel.

Note on "Impressions":

In this report, "impressions" refers to brand appearances on a search results page, a reliable proxy for how often a brand is seen by shoppers.

Data source:

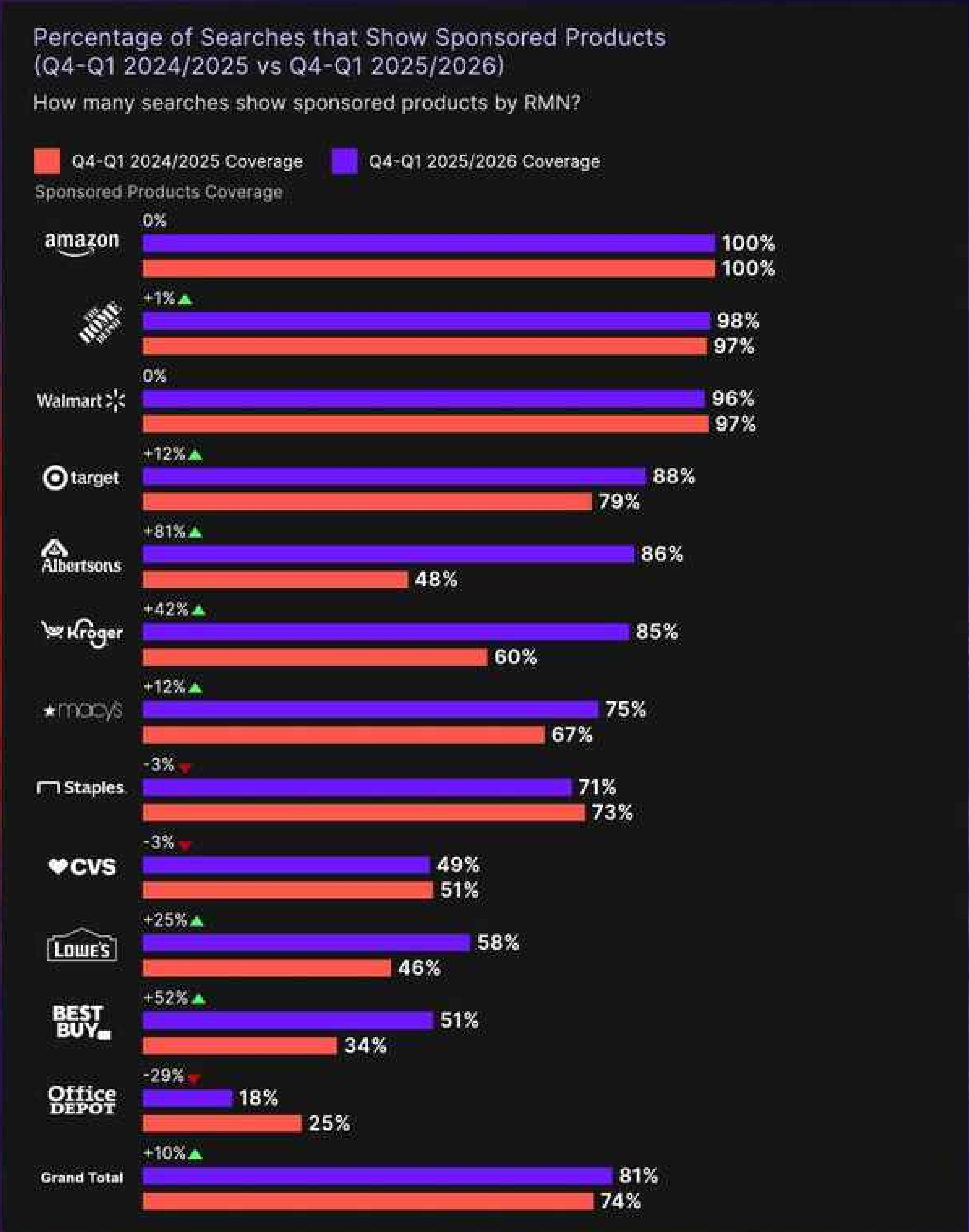
Publicly available desktop search results data, independently collected and vetted (small margin of error applies). Not sourced directly from retail media networks.

Questions? Contact: marketing@pentaleap.com

CHAPTER 1

Sponsored Products Coverage and Formats

+10% YoY increase in sponsored product coverage across retailers, up from +7% growth in the previous 6-month period.



INSIGHTS

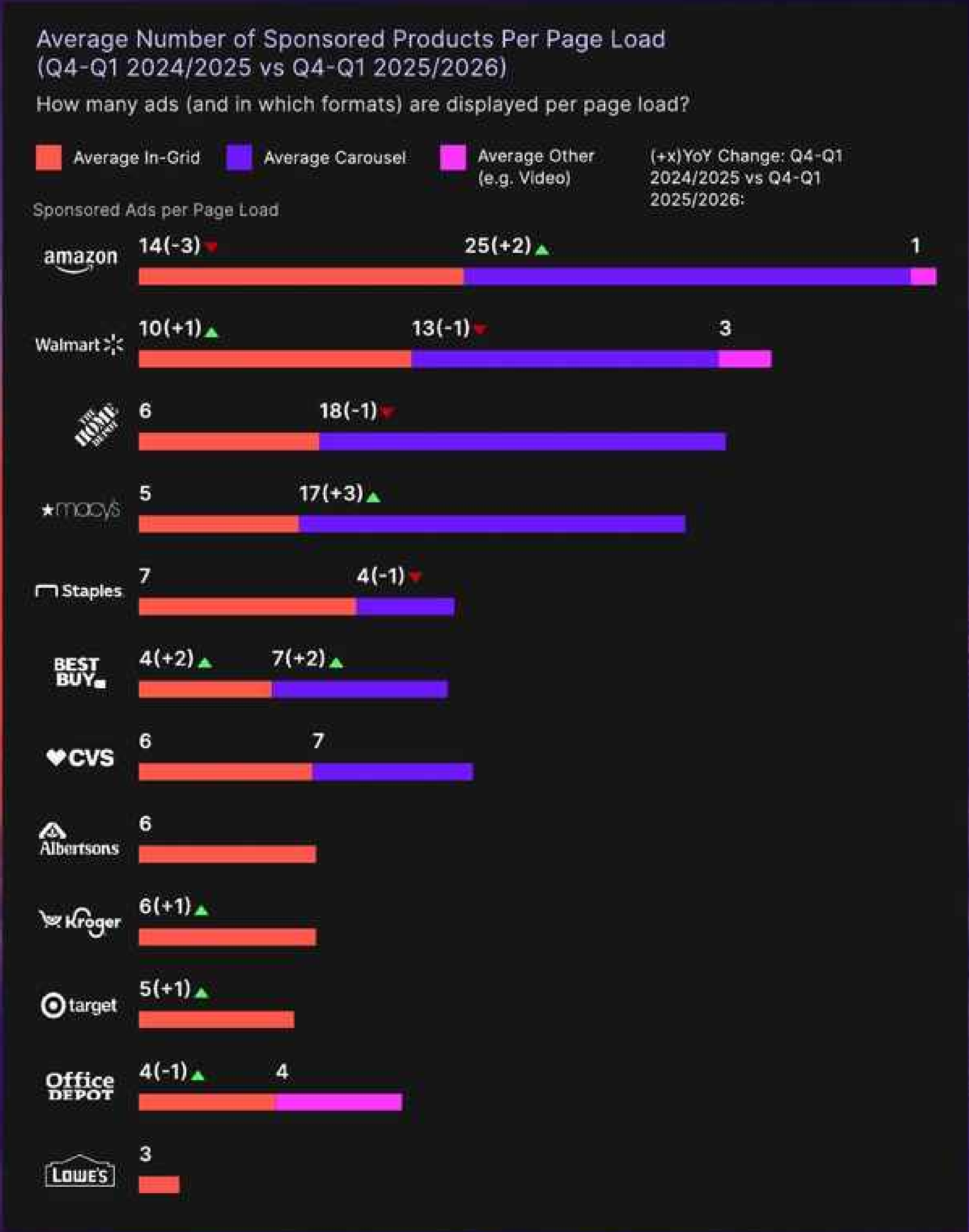
- Average increase was +10% YoY in sponsored products coverage across tracked retailers.
- Albertsons and Best Buy saw the largest coverage increases, at +81% and+52%, respectively.
- Office Depot saw a noticeable 29% drop in coverage.

Lars Djuvik
Chief Revenue Officer, Pentaleap

"It's been wonderful to work with our partners to unify their commerce and media businesses in a way that allows them to drive better results for both sides.

No more 'robbing Peter to pay Paul' because eCommerce metrics and retail media are no longer at odds. Watching them improve both and move up the Pentaleap SPA report to a leadership position in our industry is incredibly rewarding."

Amazon, Walmart and The Home Depot continue to lead sponsored products density with 25+ ads per load.



INSIGHTS

- Best Buy recorded the largest YoY increase in ad load, adding an average of 4 sponsored products across grid and carousel placements combined.
- Macy's saw a notable increase in carousel ad load, with an average of +3 sponsored products YoY.

Justin Sparks

GM, Retail & Commerce Media, Teads

"

In this H1 2026 edition, we see the top retailers continue to optimize yield across their sponsored product ads programs. Coverage has accelerated since the prior edition of this report as retailers like Walmart adopt 'distributed' placement models across their grid and Macy's moves into the 20-ads-per-page club.

While the industry continues to look afield in other channels, the top retailers continue to improve their network's 'cash cow' - sponsored product ads - as Amazon has shown that consumers want relevancy first, and if that also means more sponsored SKUs in the grid, so be it!

The resulting increase in available impressions across leading frontier retailers will boost their revenue and allow mid-to-long-tail demand to find its place in their programs. Everyone wins. This leads to a healthier customer base for retailers, more performative inventory for brands at key retailers and better supply tech for partners like Teads."

Product carousel ads expand to nearly all retailers while brand and video adoption continue to lag.

Formats of Sponsored Products
(Q4-Q1 2024/2025 vs Q4-Q1 2025/2026)

Which sponsored formats are RMNs using?

New formats added by retailer since Q3 2025

Retailer	In-Grid	Product Carousel	Brand Carousel	Video
Walmart	✓	✓	✓	✓
amazon	✓	✓	✓	✓
Best Buy	✓	✓	✓	✓
macy's	✓	✓	✓	✓
CVS	✓	✓	✓	✗
Staples	✓	✓	✓	✗
The Home Depot	✓	✓	✗	✗
Kroger	✓	✓	✗	✗
Office Depot	✓	✓	✗	✗
target	✓	✓	✗	✗
Lowe's	✓	✓	✗	✗
Albertsons	✓	✗	✗	✓

INSIGHTS

- Kroger, Office Depot, Target, and Lowe's adopted the product carousel format by placing sponsored products within recommendation widgets like "People Also Bought" and "You May Also Like," typically near the bottom of the page.

Ali Sasso
Senior Marketing Analytics Consultant, Pentaleap

"The advertiser base in retail media is becoming healthier and more diversified.

The fact that 79% of marketplace sponsored impressions and 77% of grocery sponsored impressions now come from smaller and mid-sized brands shows that retail media is no longer dominated only by the biggest spenders".

CHAPTER 2

Sponsored Products Delivery

RMNs concentrate SPAs in center-bottom placements leaning on sponsored carousels.

Location of Sponsored Products (Q4 2025-Q1 2026)

Where do retailers place sponsored products on the page?

INSIGHTS

- Amazon and Walmart maintain the most even distribution of sponsored products across the page.
- Most retailers concentrate sponsored products at the bottom of the page, typically within carousel placements.
- A smaller group, including Staples and Best Buy, prioritize top-of-page placements.

Sarah MacKinnon
Product Marketing Director, Pentaleap

"When we started benchmarking retail media a few years ago, the story was usually pretty simple: more sponsored products. More placements. More coverage.

But now, retailers are showing more ads than ever before, and many are also creating more opportunities for smaller brands, monetizing more niche searches, and finding ways to blend sponsored products more naturally into the shopping experience. That's not what you'd expect if growth was only coming from cramming more inventory onto the page.

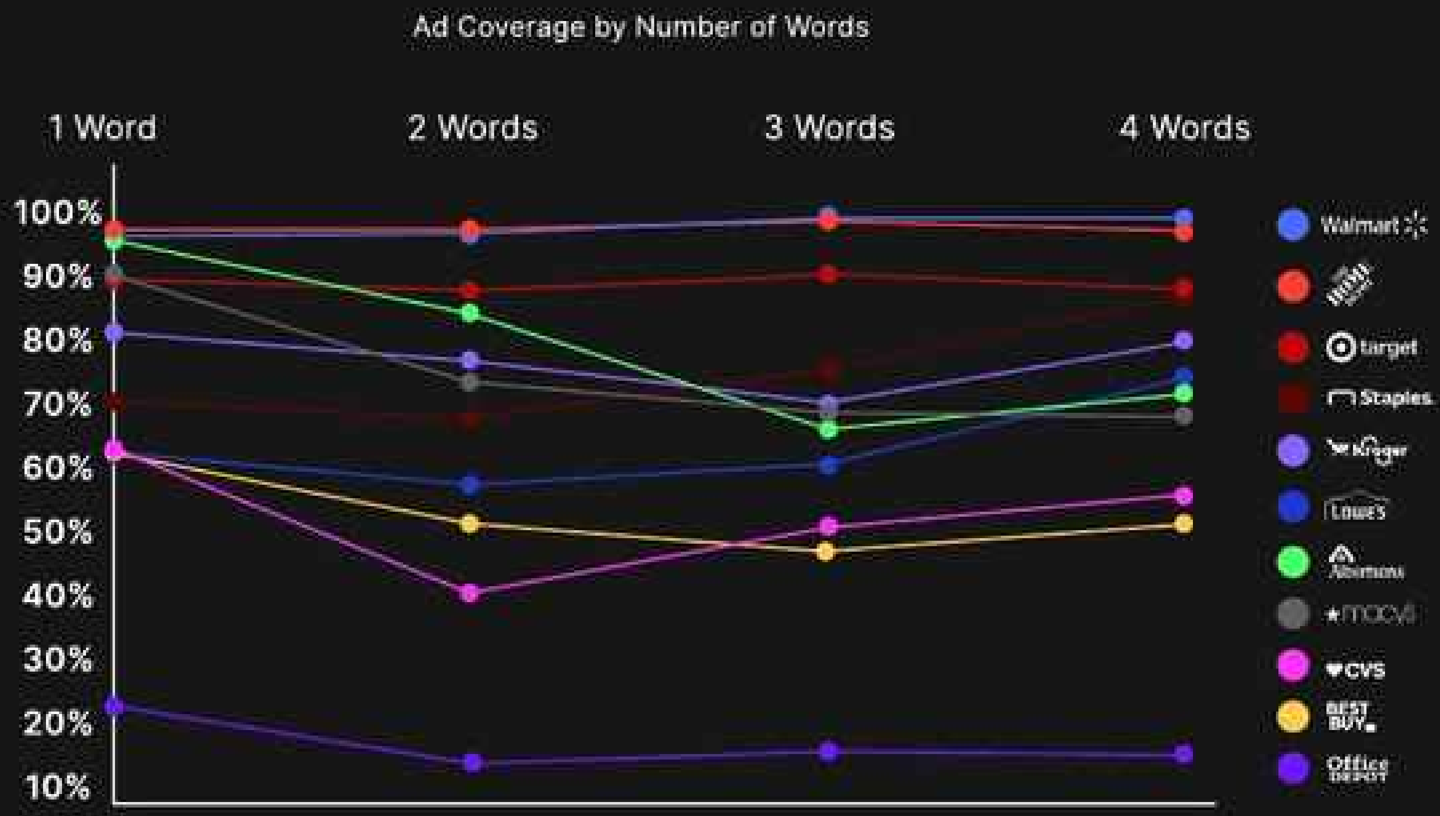
What we're seeing instead is a shift from inventory-based thinking to relevance-based thinking. **The question is becoming less 'How many ads can fit on the page?' and more 'Which products deserve visibility?'**

This is a fundamentally different way of thinking about onsite retail media, and it's exciting to see retailers proving that growth, relevance, and shopper experience don't have to be competing priorities."

Retailers are closing ad coverage gaps on more specific searches, except Lowe's and Office Depot.

Ad Coverage by Number of Words in Search Query (Q4 2025-Q1 2026)

How effectively can retailers show sponsored products for search queries as they get more complex?



INSIGHTS

- Ad coverage on longer search queries is becoming more consistent across retailers over time.
- Most retailers now deliver similar ad coverage on one-word and longer queries, signaling a more mature and balanced sponsored products strategy.

You might wonder...are we comparing apples to apples? As best we can! For each retailer we compare one to two to three to four word queries, trying to understand who has the most robust coverage.

For example:
🍎
One word query=red apples
🍎🍎🍎🍎
Four word query=
red, delicious, local apples

Roger Dunn
Chief Commercial Officer
Thrad

“

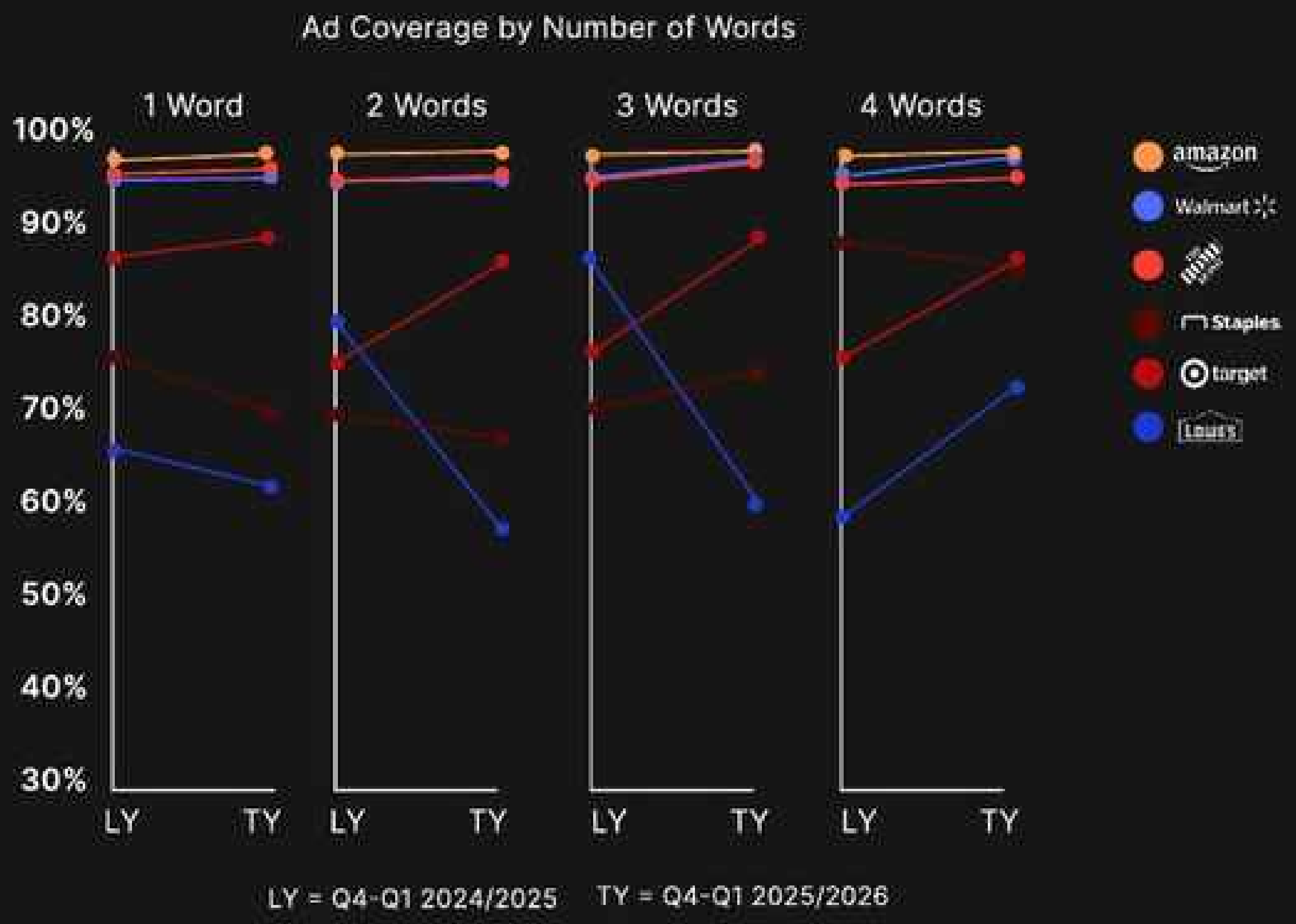
Long-tail query parity is a dress rehearsal for conversational shopping.

The closing gap between one-word and four-word query coverage isn't just RMN maturity, it's a dress rehearsal for conversational commerce. The day a shopper asks an AI agent 'find me a quiet humidifier under $100 for a baby's room,' that's a 13-word query. Retailers that can monetise four words today have a runway. Retailers that can't, aren't ready yet.”

Mixed YoY growth trends among high-coverage retailers.

Ad Coverage by Number of Words in Search Query (Q4-Q1 2024/2025 vs Q4–Q1 2025/2026)

How effectively can retailers show sponsored products for search queries as they get more complex?



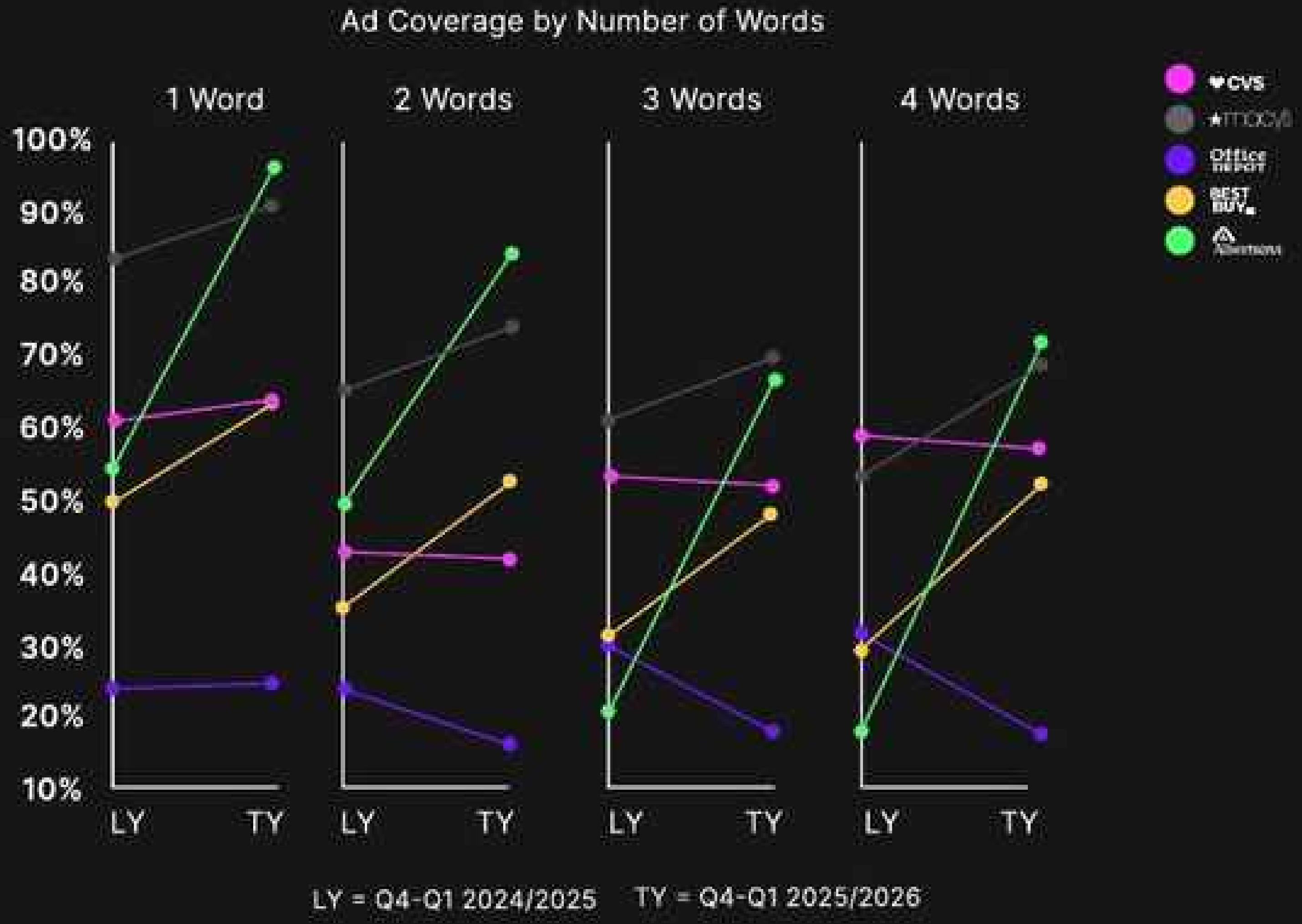
INSIGHTS

- Lowes sees strong decreases in two and three- word ad coverage YoY.
- Target significantly improved it's ad coverage on longer-tail keywords improving by more than 10pp per keyword length on average YoY.

Lower-coverage retailers saw the most growth YoY, with Albertsons making strides in overall coverage.

Ad Coverage by Number of Words in Search Query (Q4-Q1 2024/2025 vs Q4–Q1 2025/2026)

How effectively can retailers show sponsored products for search queries as they get more complex?



INSIGHTS

- Macy's, Best Buy, and Albertsons all improved sponsored product coverage YoY across every keyword length.
- Albertsons delivered the strongest gains on longer (three–four word) queries, showing major progress on more specific searches.
- Office Depot was the only retailer to decline on longer queries, with coverage falling on two–four word searches YoY.

CHAPTER 3

Fixed vs. Fluid Strategies

Fixed vs. Fluid Strategies

Since we began tracking ad coverage across grid positions three years ago, we've seen retailers diverging into two distinct strategies: Fixed (concentrating sponsored products in a few key slots) and Fluid (distributed ad placements across the grid).

Fixed Ad Units

What is it? Traditional, static ad placements, such as grid tiles or banners, where ads are served based on simple metrics like bid values.

Pros Easy to set up and allows advertisers to push their products to specific placements for guaranteed visibility.

Cons Can indicate limited relevancy, weak personalization, can lead to ad blindness and the potential risk of dragging down the site's overall conversion rate due to less relevant ads.

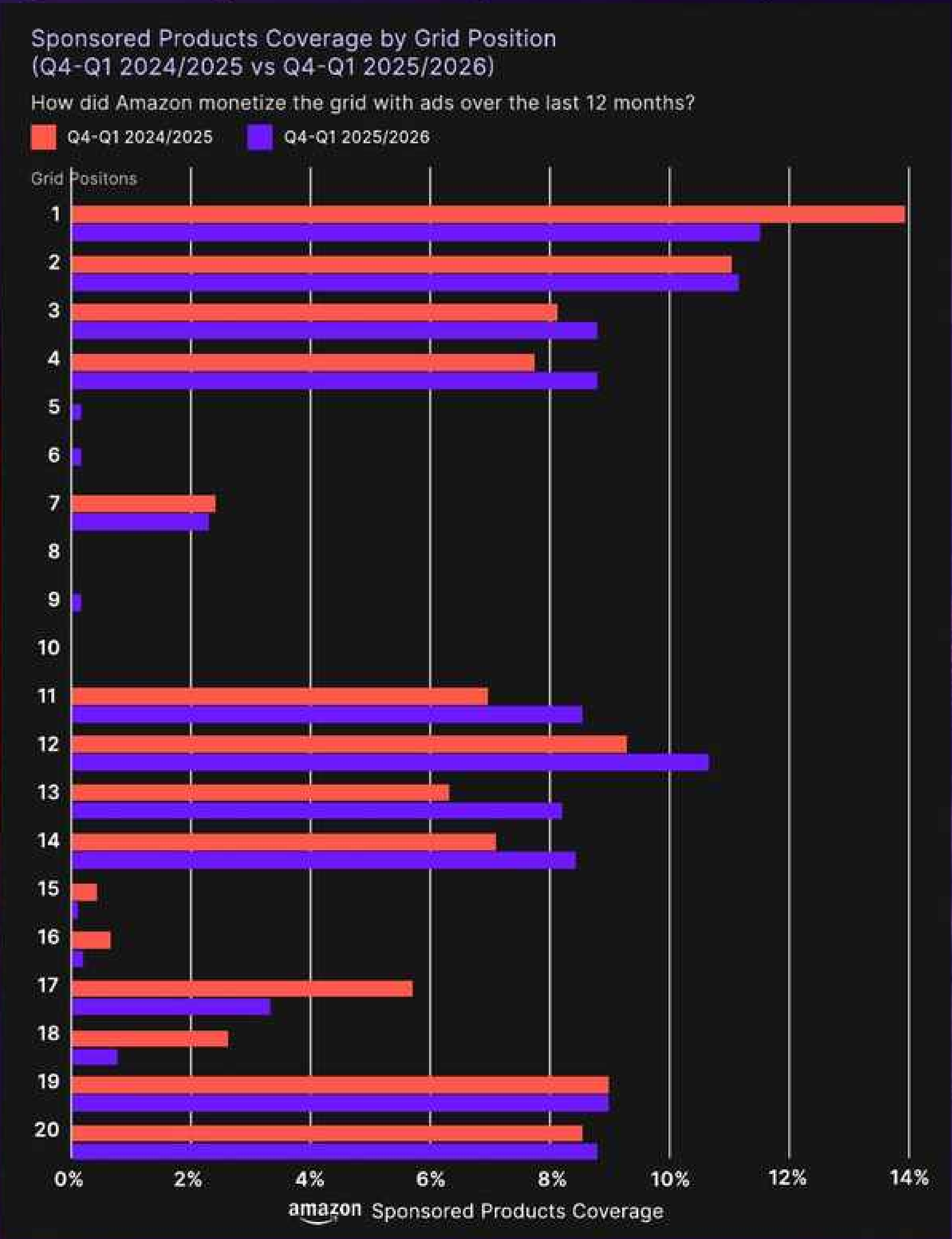
Fluid Ad Units

What is it? A modern method that integrates sponsored products directly with organic listings, optimizing placement based on user behaviour and contextual data.

Pros Highly relevant placements, increased click-through rates, and scalable inventory through a user-friendly interface.

Cons Requires products to be contained in the organic ranking. While some may see this as a limitation, it is a powerful feature that ensures only relevant products are boosted, enhancing user experience and ad effectiveness.

Amazon remains committed to fixed placements, guaranteeing that the first 4 positions remain sponsored.



INSIGHTS

- Amazon is distributing ads more evenly across the first 4 positions, with position 1 decreasing YoY while positions 2, 3, and 4 increase.
- Beyond the first 10 results, Amazon consistently fills positions 11–14 with ads, showing a noticeable YoY increase.
- Positions 5, 6, 8, and 9 remain largely organic, where Amazon continues to prioritize relevancy over paid placements.

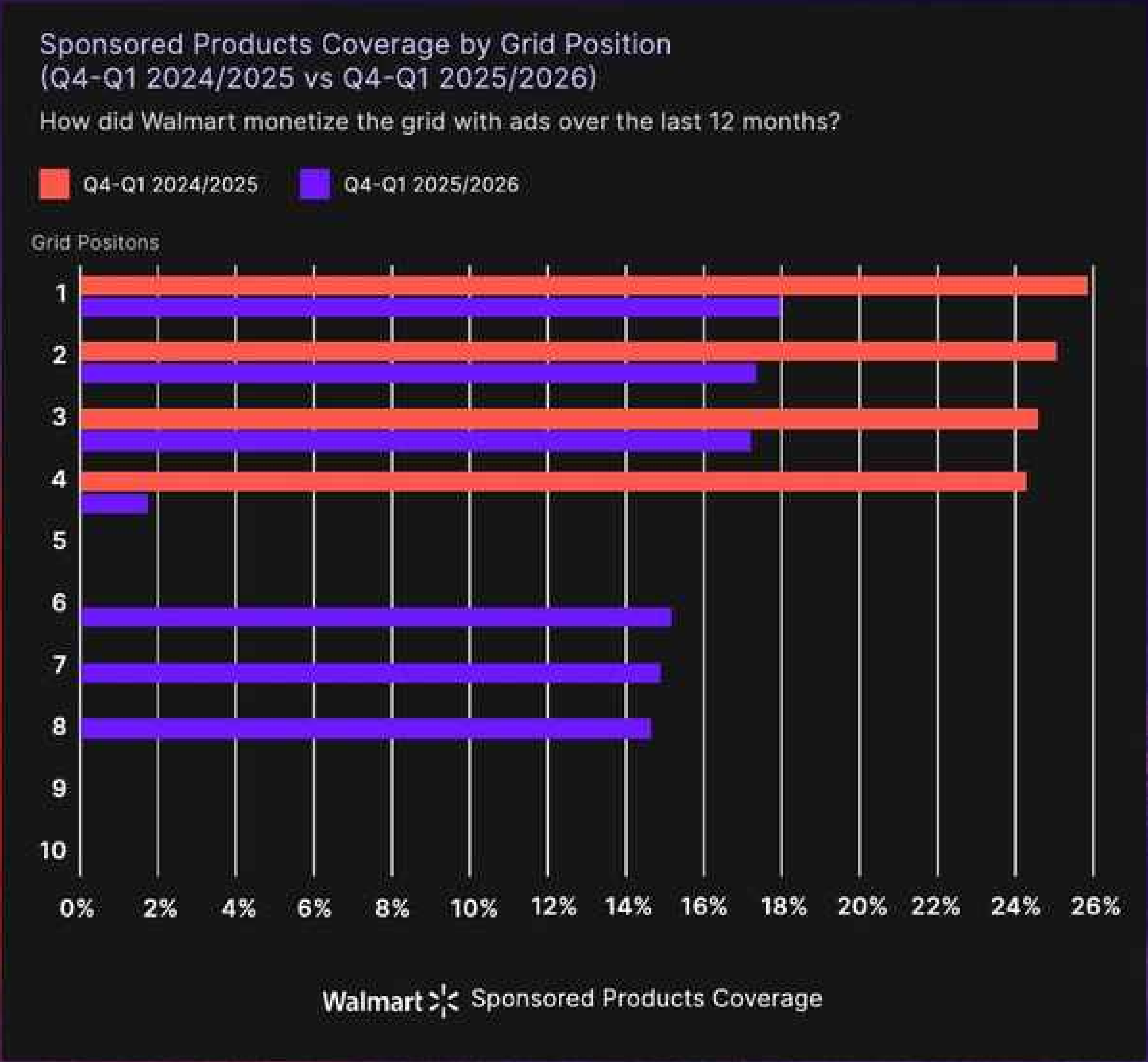
Rob Torres
Board Director/Former SVP Expedia Group, Managing Director Google

"

Retail media is evolving from a handful of premium placements to a far more dynamic, distributed ecosystem.

What's most notable is not just the growth itself, but how quickly the space is broadening participation beyond the largest brands through smarter automation, more flexible ad experiences, and a stronger focus on relevance and shopper intent."

Walmart reduced their concentration of ads in top positions 1–4, shifting more into positions 6–8.



INSIGHTS

- Walmart opened up their grid this year to additional positions (6-8) while toning down their reliance on the first 4 slots.
- Walmart continues to follow Amazon's lead in the retail media space.

Lee Dunbar
EVP, Head of Retail Media,
Starcom

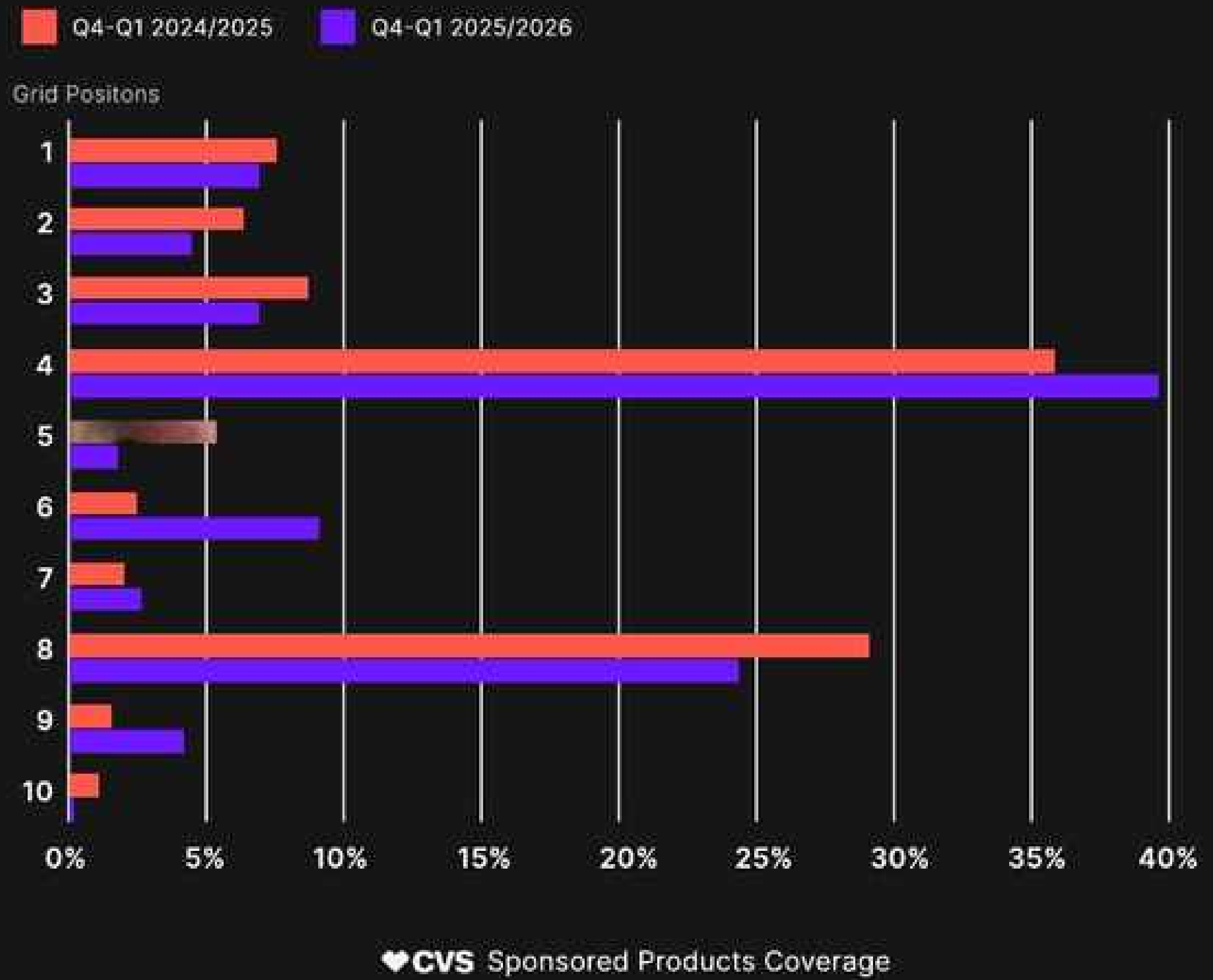
"The evolution of Walmart and others toward more fluid vs fixed models reinforces that we can't think of share of search as a fixed benchmark, but subject to change with every search throughout the day.

Distributed placement means we can't always count on being above the fold. All brands should scrutinize the placement-level data in share of search even if it's a weighted average, to review the evolution of how they show up across paid and organic placements."

CVS redistributes ad coverage, prioritizing user experience.

Sponsored Products Coverage by Grid Position
(Q4-Q1 2024/2025 vs Q4-Q1 2025/2026)

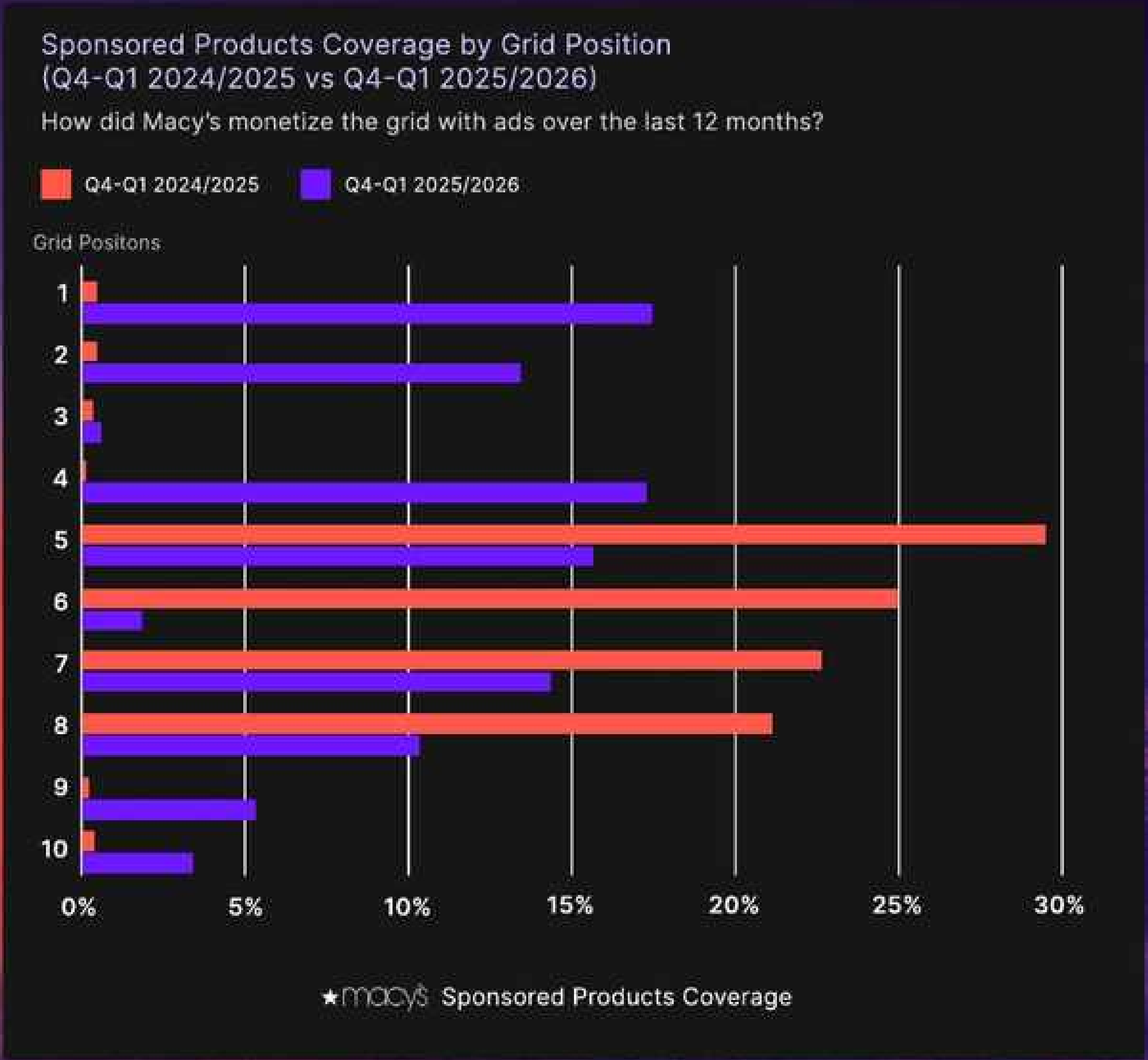
How did CVS monetize the grid with ads over the last 12 months?



INSIGHTS

- CVS distributes ads more dynamically across the grid, with placements shifting based on product relevance and bid value.
- We see a slightly higher concentration of ads in top positions in comparison to last year.

Macy's continues moving toward a dynamic ad grid, with clear increases in flexible ad placements.



INSIGHTS

- The first ten positions now show ads for Macy's, with no single position exceeding 20% of total ad serving.
- This leads to a smoother and more dynamic experience for customers.

Emma Helsloot
Director of Sales EMEA
Pentaleap

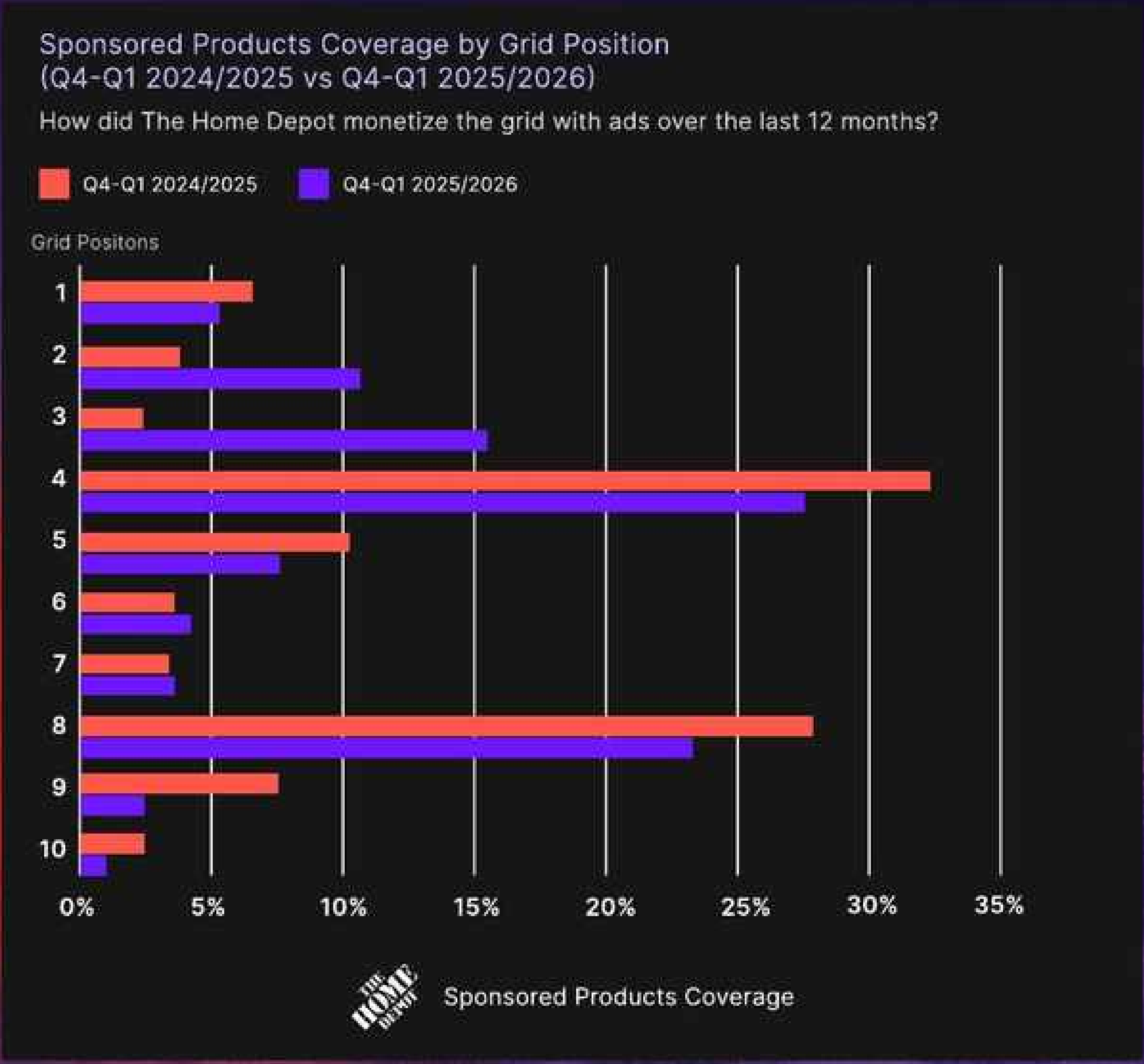
“

Onsite retail media is becoming less about how many ads you can fit onto a page and more about how intelligently you can distribute them.

The retailers seeing the strongest momentum are creating opportunities for a wider range of brands to participate while keeping the experience relevant for shoppers. That's reflected throughout this report: more diversified advertiser ecosystems, stronger long-tail keyword monetization, and more flexible approaches to ad placement.

This is what progress looks like in a market that's learning how to scale responsibly."

The Home Depot continues the move away from fixed positions with a more even distribution of ads YoY.



INSIGHTS

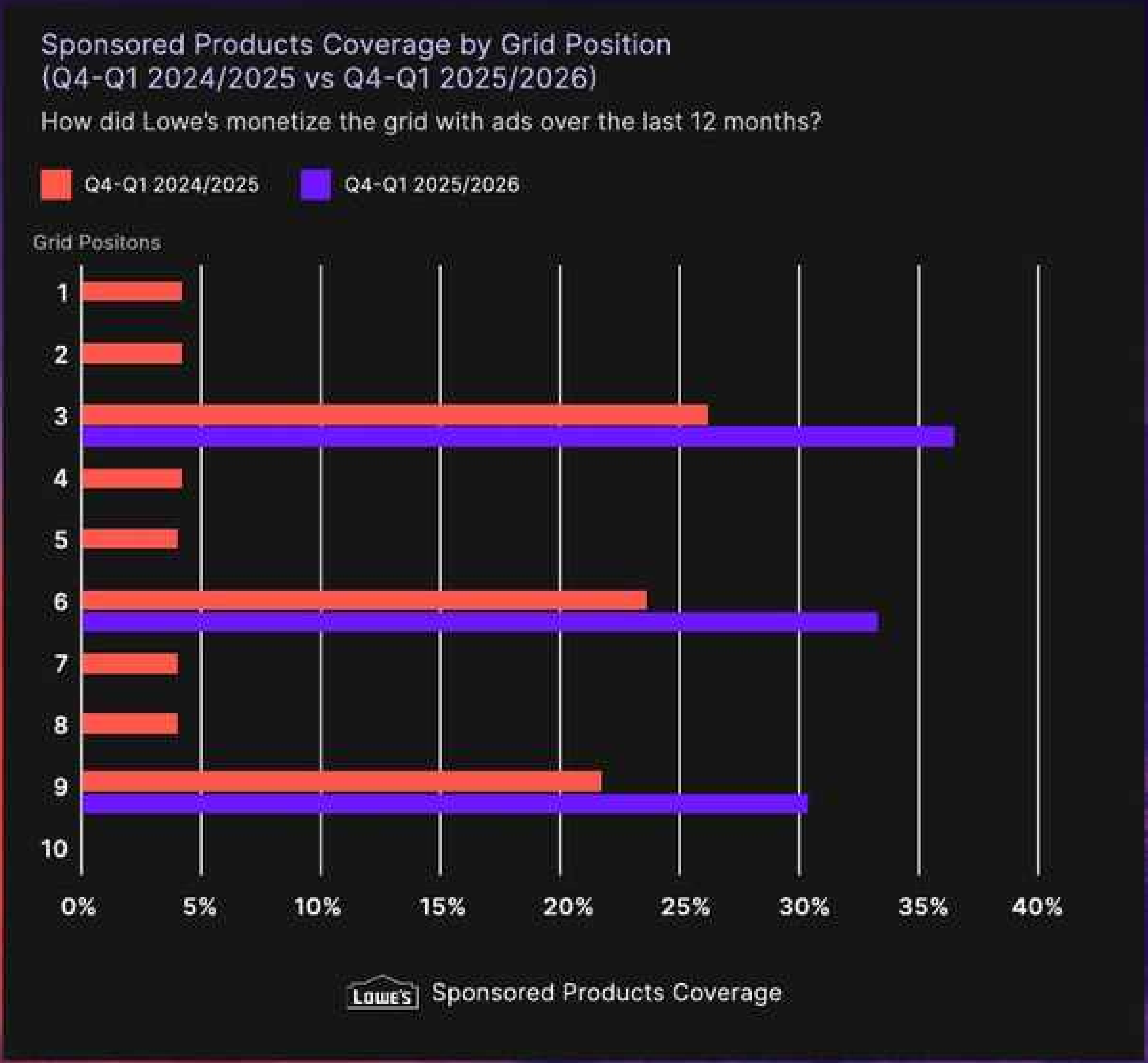
- For The Home Depot, we're seeing a clear shift away from fixed placements like positions 4 and 8, moving toward a more fluid ad grid.
- At the same time, ad coverage has increased significantly in positions 2 and 3.

Roger Dunn
Chief Commercial Officer
Thrad

"Fixed slots buy you placement. Fluid placements earn you attention.

The retailers winning this cycle aren't adding more ads... they're adding fewer rules about where ads are allowed to live. That isn't a UX tweak; it's a meaningful re-architecture of the digital shelf, and it seems shoppers can already tell the difference."

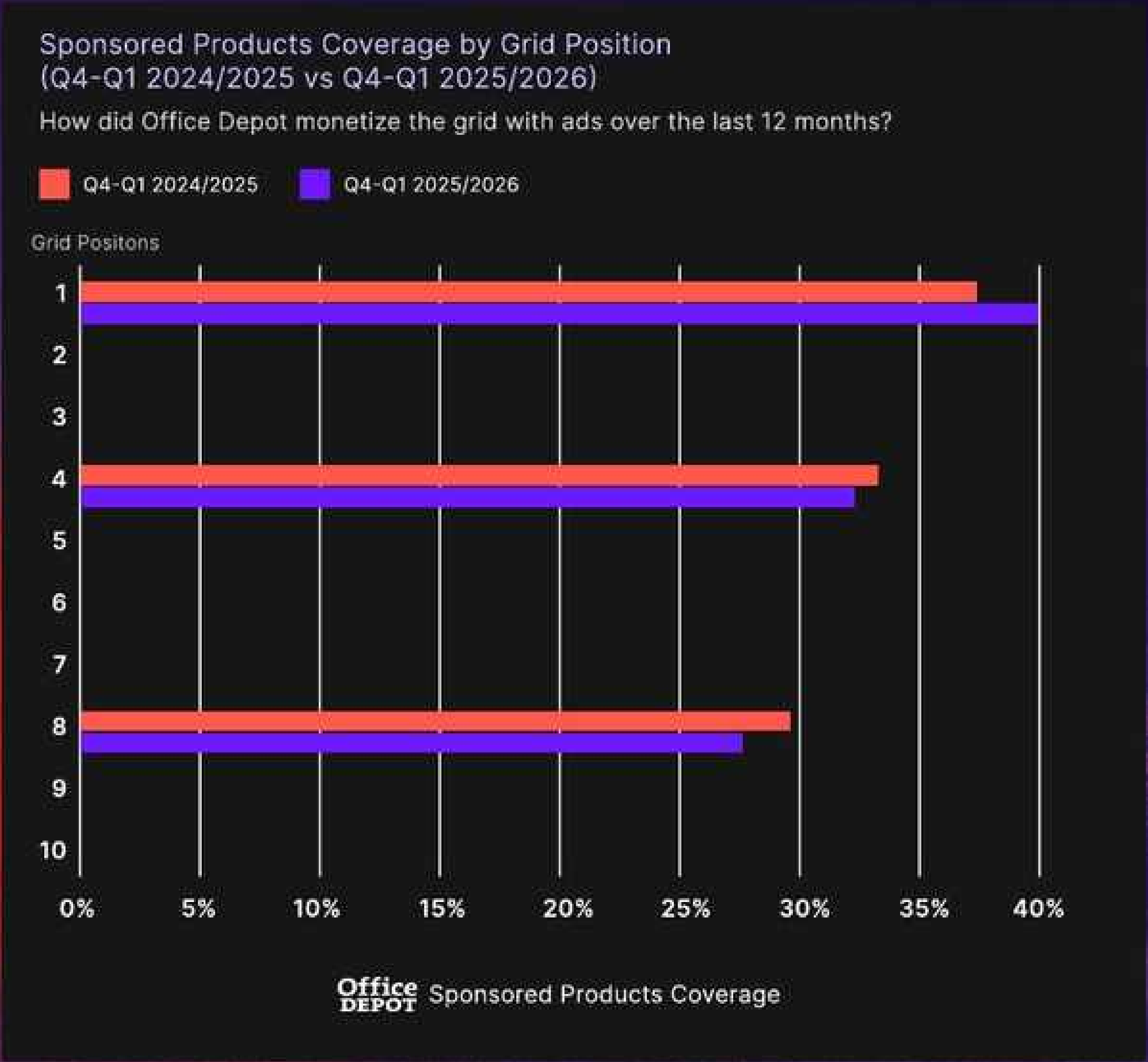
Lowe's returns to a more fixed ad distribution model.



INSIGHTS

- Despite previously experimenting with a more distributed approach, Lowe's recently reverted to a more fixed ad distribution strategy.
- The retailer increased overall coverage across pages while limiting ad density within pages, generally serving 1 ad for every 3 slots.

Very little movement in Office Depot's ad distribution maintaining fixed positions in 3 ad slots.



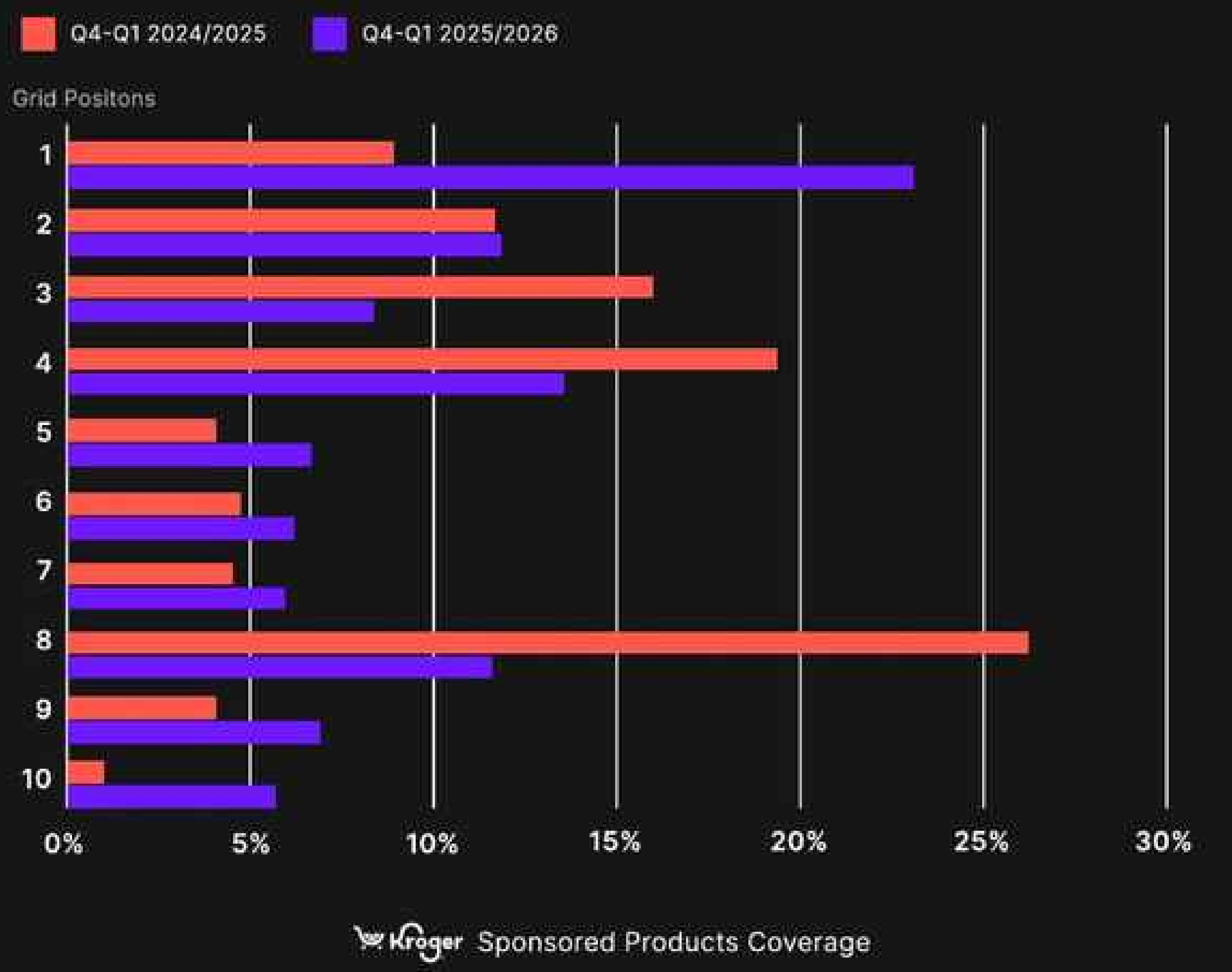
INSIGHTS

- Office Depot's positioning strategy remains consistent, while first-position coverage saw a slight uptick, now appearing in 40% of all ad loads.

Kroger shifted towards a more distributed ad placement strategy.

Sponsored Products Coverage by Grid Position (Q4-Q1 2024/2025 vs Q4-Q1 2025/2026)

How did Kroger monetize the grid with ads over the last 12 months?



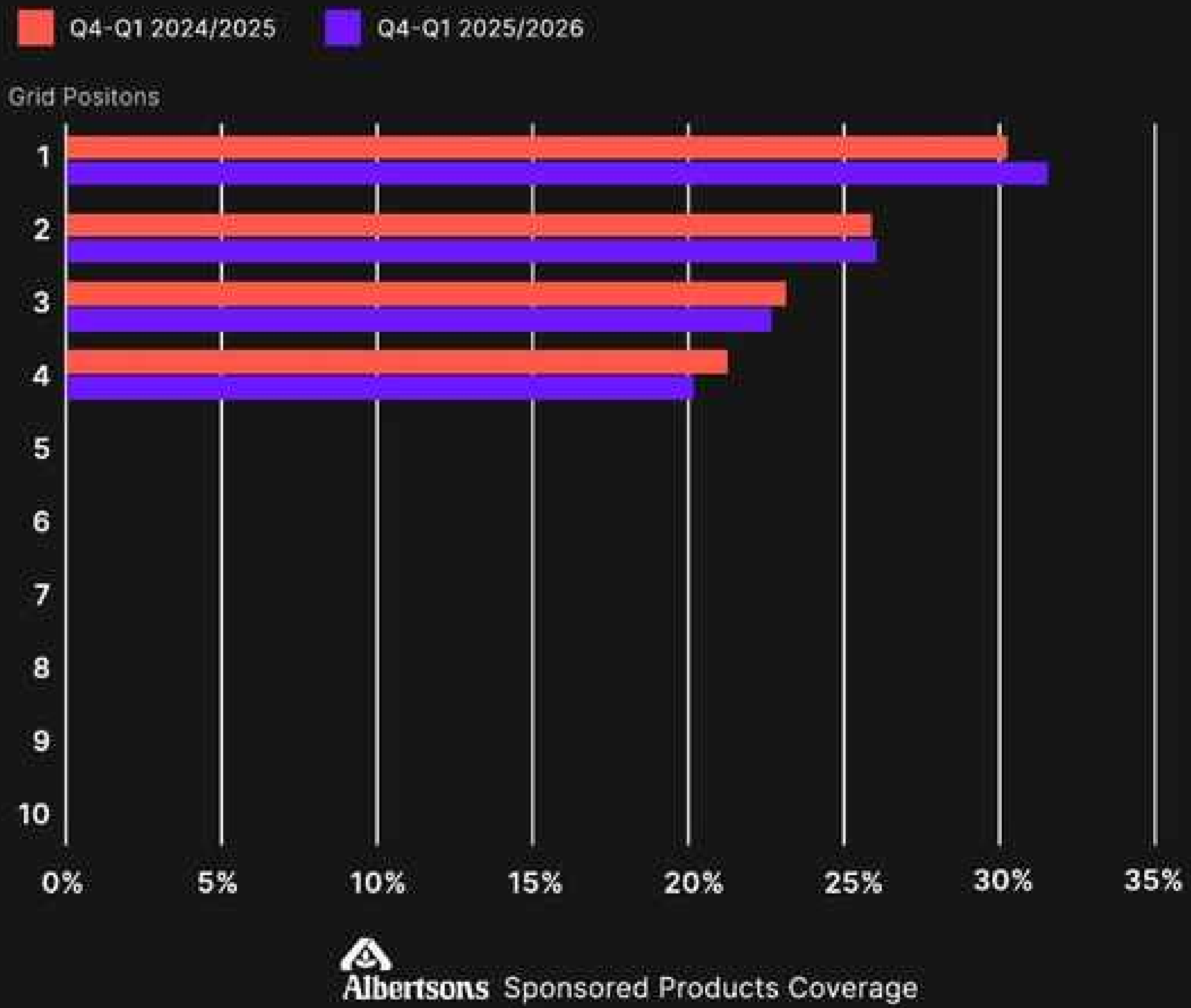
INSIGHTS

- While increasing ad load in position 1, Kroger reduced its reliance on positions 3 and 4, instead distributing ads further down the page to create a more balanced and fluid placement strategy.

Albertsons holds steady in the top 4 positions with sponsored products.

Sponsored Products Coverage by Grid Position
(Q4-Q1 2024/2025 vs Q4-Q1 2025/2026)

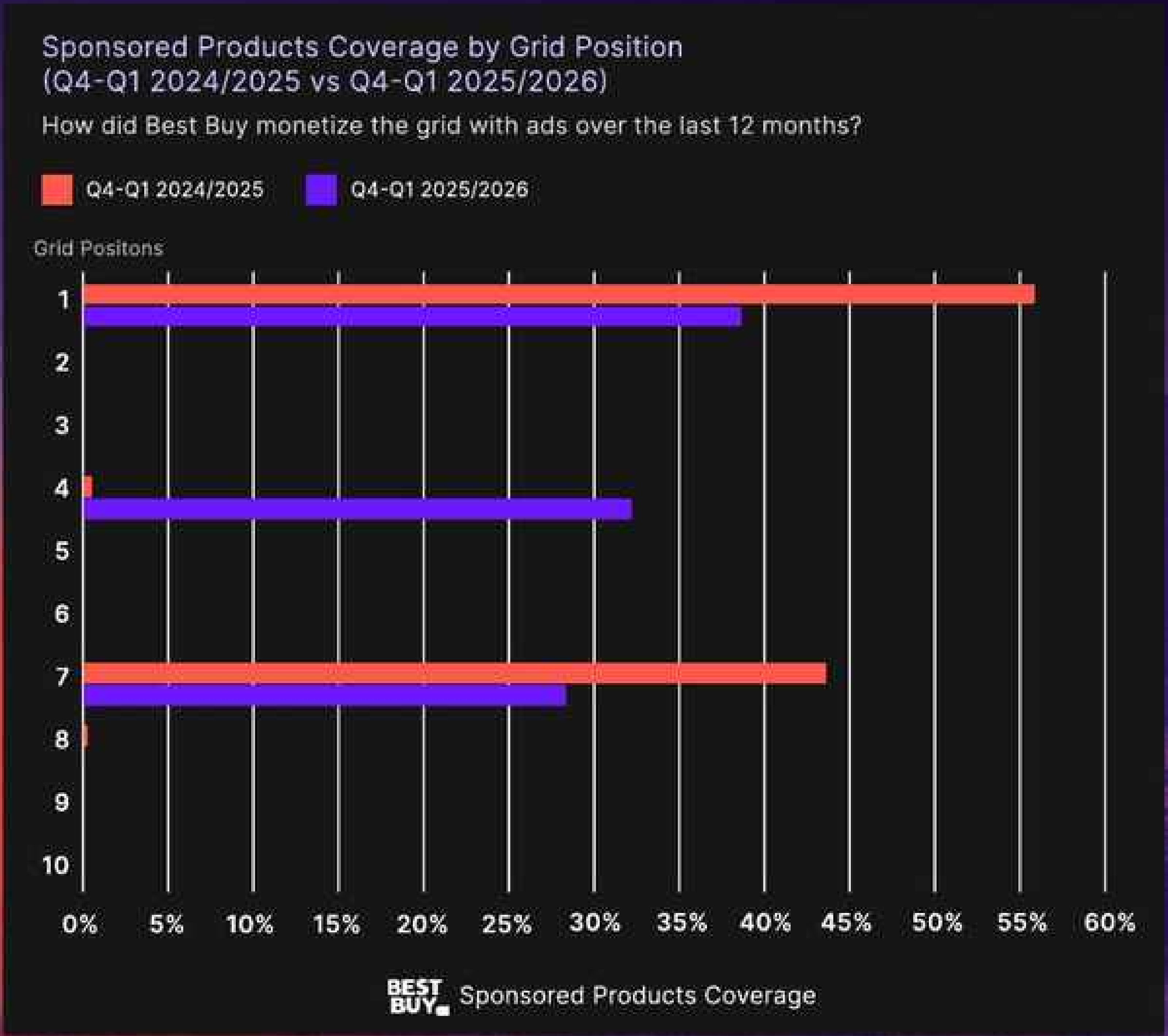
How did Albertsons monetize the grid with ads over the last 12 months?



INSIGHTS

- Fixed grid approach: Albertsons continues to focus on the first 4 sponsored products positions.
- Coverage increased YoY for position 1 by 4 percentage points.

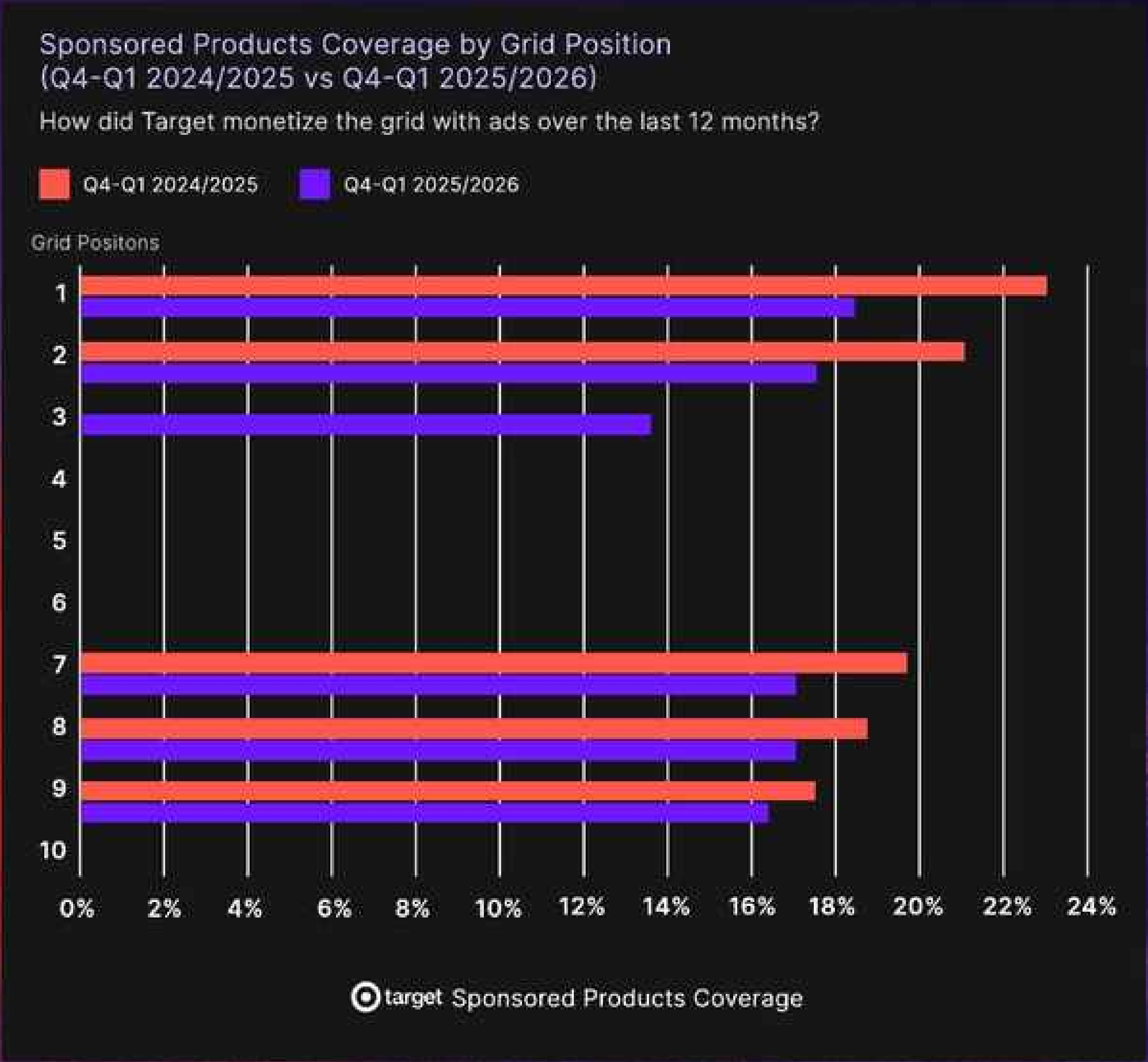
Best Buy increases ad coverage while maintaining core placements.



INSIGHTS

- Best Buy opened up position four to ads in the last six months, reducing its reliance on positions 1 and 7 for ad delivery.
- At first glance, this can look like a pullback in positions 1 and 7. In reality, the ad distribution has simply become more balanced.
- Position 1 is likely serving just as many ads as before, with position 4 adding incremental inventory rather than replacing existing placements.
- Overall ad coverage increased significantly from 34% to 51%, showing that ad intensity has grown, not shifted.

Target maintains its fixed positions strategy preferring control and consistency in ad serving.



INSIGHTS

- Target has opened up one new sponsored product in the last year, in position 3.
- While the distribution of 100% of the ad impressions now include the third position, it does not mean that other positions see fewer total ads.
- Total ad coverage increased from 79% to 88% of measured searches, meaning the retailer is showing more ads overall rather than simply reshuffling placements.

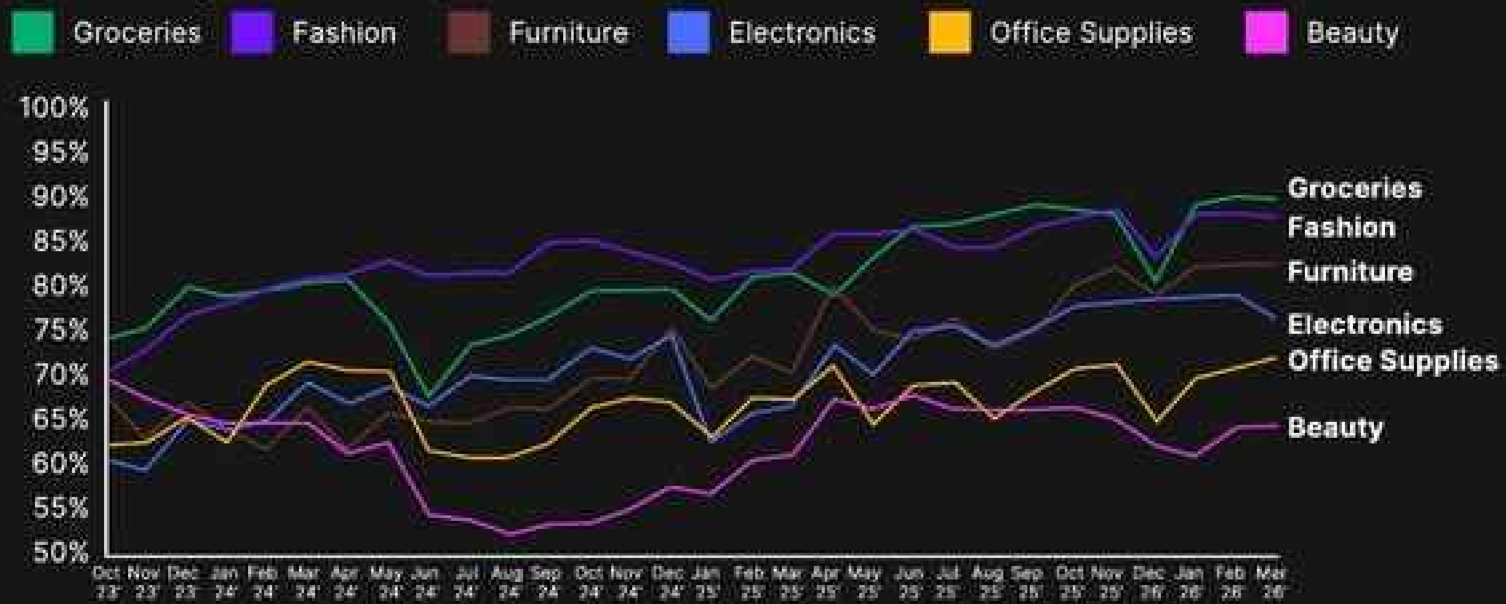
CHAPTER 4

Competitive Categories

An upward trend was observed across all categories; however, the gap between them widened as some categories increased coverage faster than others.

In-Grid Sponsored Products Category Evolution (Q4 2023-Q1 2026)

How has sponsored products coverage evolved across categories over the past 30 months?



INSIGHTS

- Groceries and Fashion remained the highest-coverage categories throughout the period, consistently leading the market and finishing near 95% coverage.
- Furniture recorded the strongest momentum, rising from the low 70s to the high 80s and emerging as a top-three category by the end of the period.
- While all categories trended upward overall, the gap between leaders and laggards widened, with Beauty and Office Supplies remaining materially below the top tier.

All major categories tracked recorded YoY increases, with Groceries maintaining its lead as the most heavily advertised category.

In-Grid Sponsored Products Category Evolution
(Q4-Q1 2024/2025 vs Q4-Q1 2025/2026)

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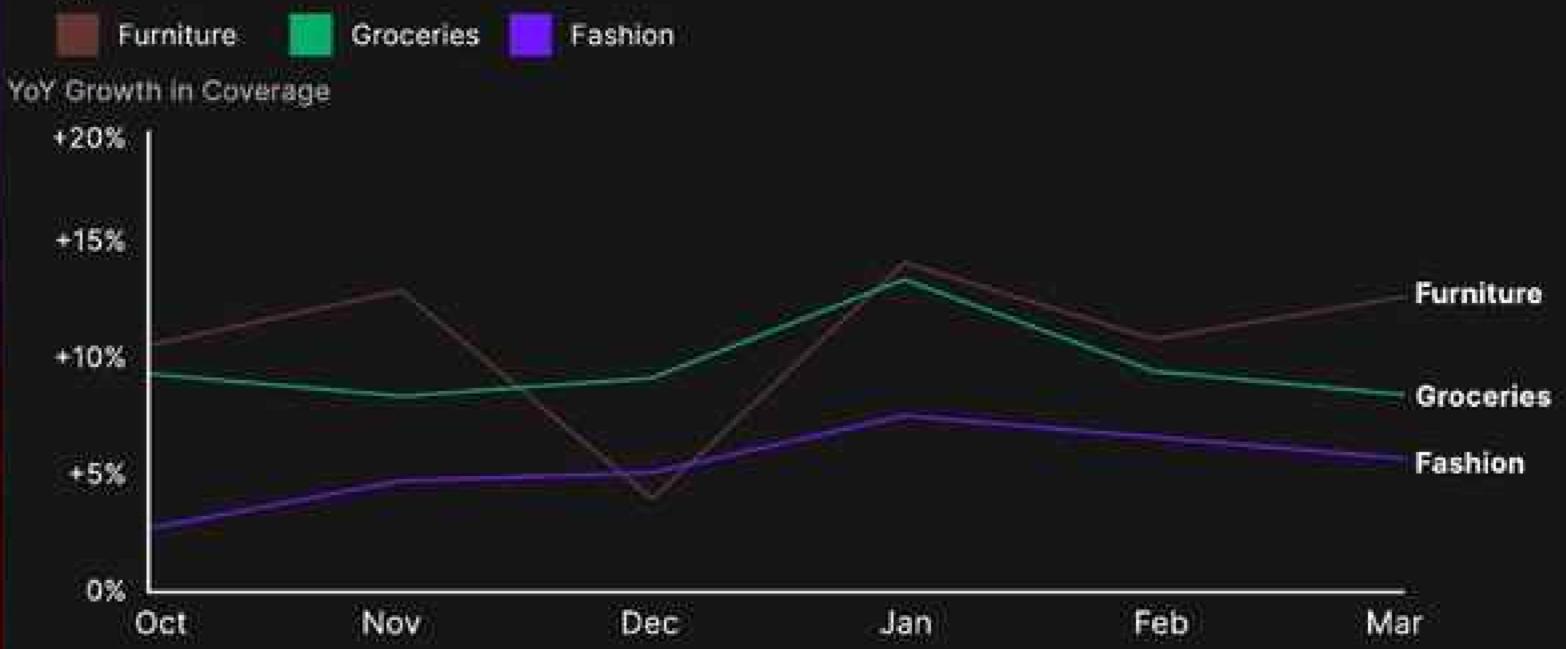


INSIGHTS

- Groceries has the most coverage of all categories closing March at 95% as it boasted around +10% YoY growth throughout Q4 2025 and Q1 2026.
- Furniture experienced the strongest growth overall hitting nearly +15% YoY growth.
- As a result, Furniture moved into the top three categories for coverage this year.

Jordan Witmer
Managing Director - Retail & Commerce Media, Salt

“

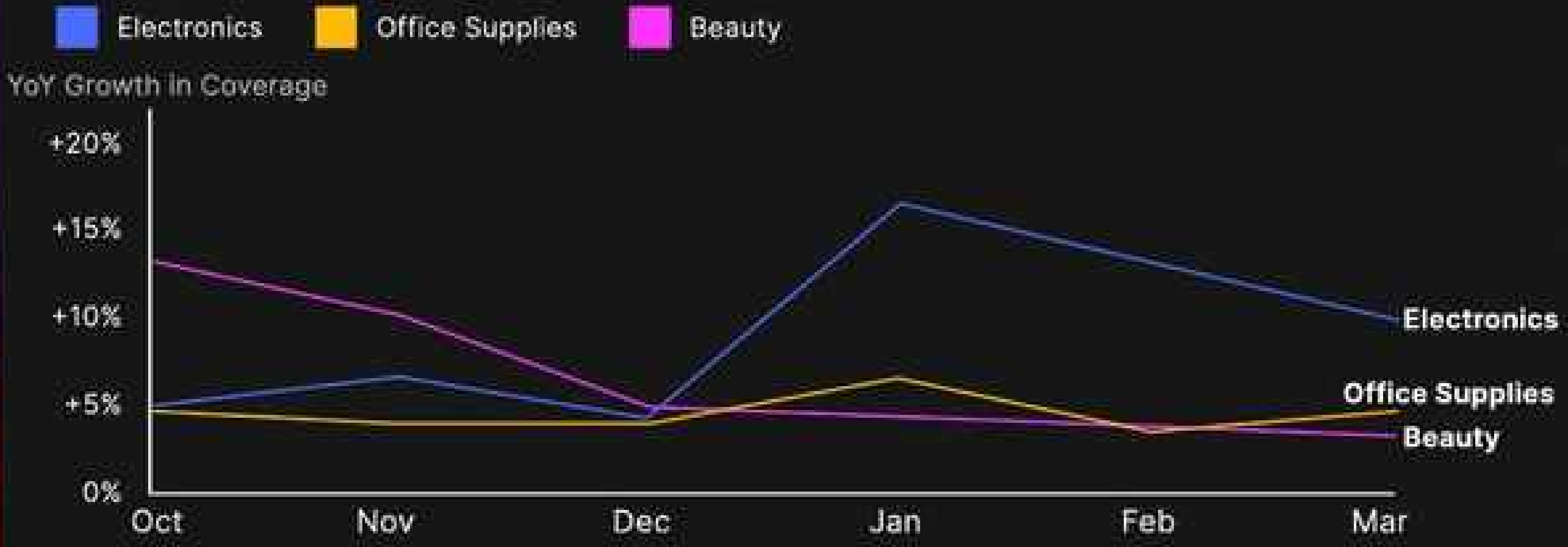
Sponsored products are often more valuable to a brand fighting for consideration than a brand already dominating the shelf. That dynamic continues to shape investment allocation.

That effect is especially pronounced in grocery, where search visibility is heavily influenced by localized inventory and distribution. Brands still expanding availability tend to gain more from sponsored products, while larger brands with established share often reduce investment as paid placements become more defensive than incremental.”

Lower coverage categories also saw decent YoY gains in coverage with some slowdown observed.

In-Grid Sponsored Products Category Evolution (Q4-Q1 2024/2025 vs Q4-Q1 2025/2026)

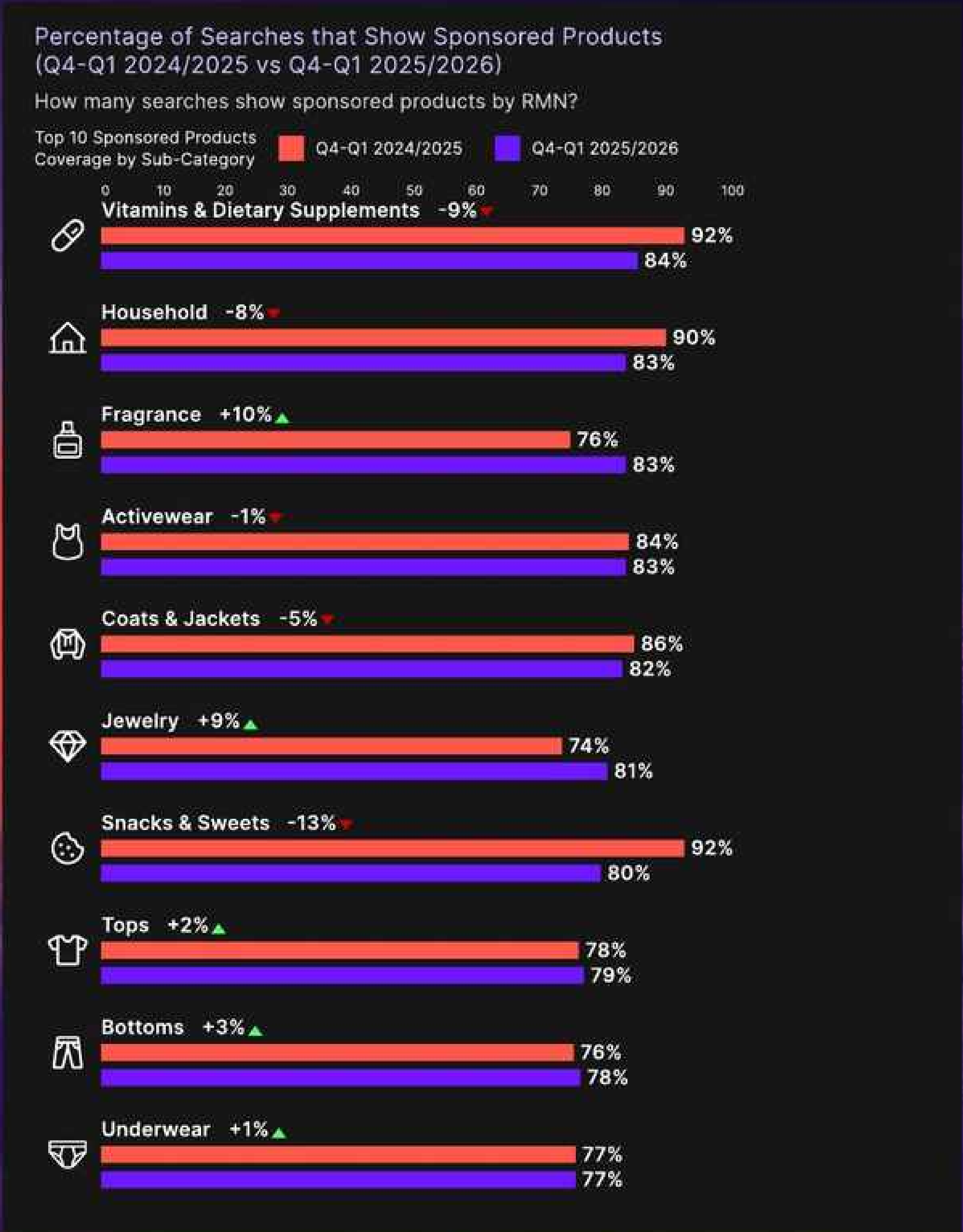
How has sponsored products coverage evolved across categories over the past 18-months?



INSIGHTS

- Electronics growth spiked in the new year at +15% YoY growth and remained relatively strong thereafter.
- The inverse was observed in Beauty where YoY growth in coverage slowed over the last 3 months, despite strong gains in October.

The top 10 subcategories saw mixed growth YoY leading to a very slight drop in coverage (-1 pp YoY).



INSIGHTS

- Average coverage across the top 10 subcategories declined 1pp YoY, to 81%.
- The largest declines was seen in Snacks & Sweets (-13pp) for which we may be seeing a case of self-regulation ahead of multiple bills seeking to regulate advertisement of unhealthy snacks in the United States, especially New York. Other notable declines include Vitamins & Dietary Supplements (-9pp), and Household (-8pp).
- These declines were partially offset by gains in Fragrance (+10pp) and Jewelry (+9pp), which posted the strongest YoY growth.

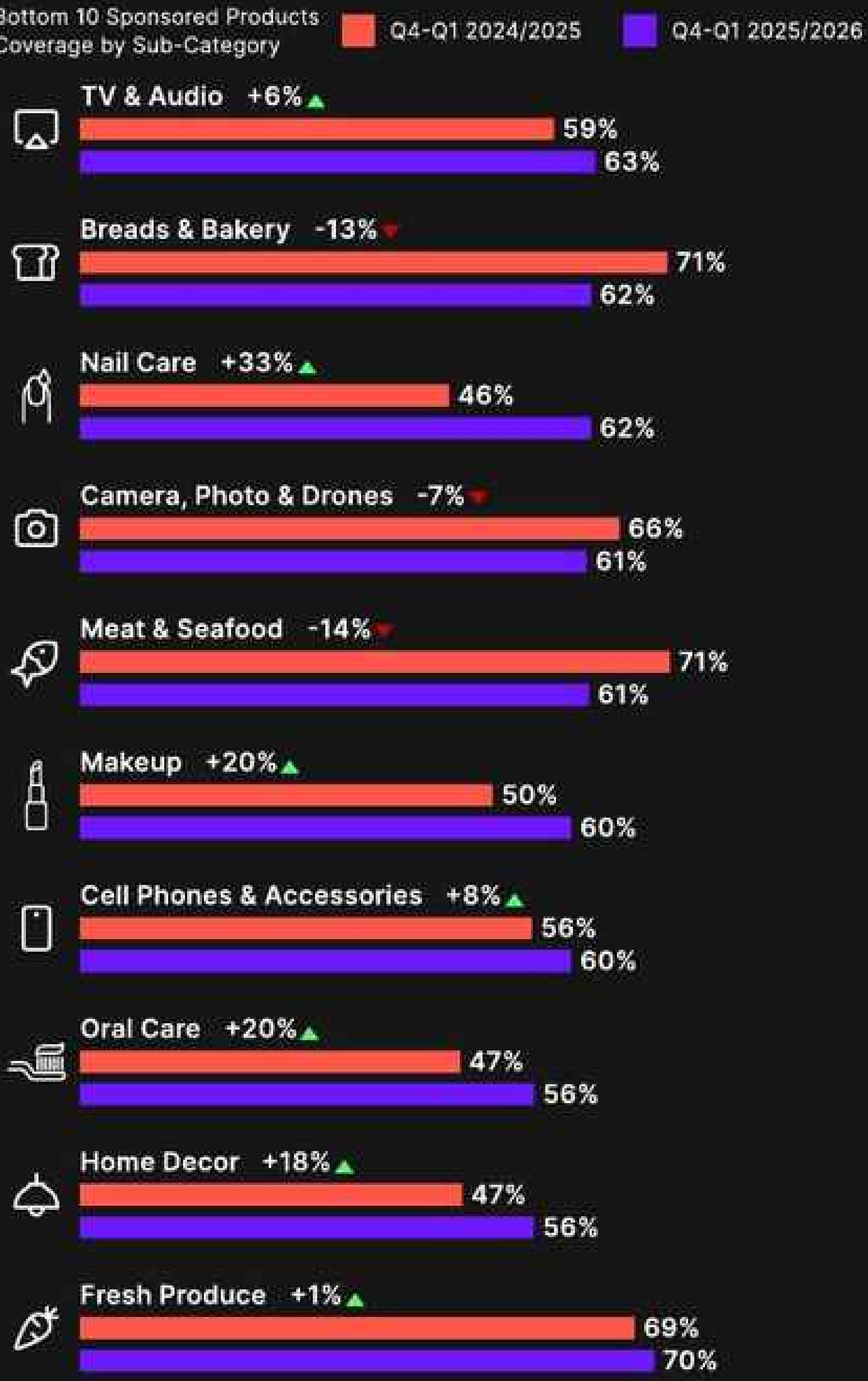
Carlos Lacerda
Retail Media Strategist & Executive Advisor – LATAM
Pentaleap

> **"In LATAM, over the last couple of years, we have seen many new players entering the Retail Media market, and maturity of the ecosystem is still very recent.**
>
> Having visibility into how more mature markets are evolving globally helps us prioritize the right foundations and accelerate growth in a more structured, sustainable and value driven way."

Lower-coverage subcategories recorded stronger overall growth, indicating a narrowing gap versus higher-coverage subcategories.

Percentage of Searches that Show Sponsored Products
(Q4-Q1 2024/2025 vs Q4-Q1 2025/2026)

How many searches show sponsored products by RMN?



INSIGHTS

- Notable YoY gains among lower-coverage subcategories included Nail Care (+16pp), followed by Makeup (+10pp) and Oral Care (+9pp), highlighting momentum in beauty-related categories.
- Breads & Bakery (-9pp) and Meat & Seafood (-10pp) recorded the largest declines, showing gains were not uniform across subcategories.
- Lower-coverage subcategories generally outpaced higher-coverage peers, indicating a narrowing gap in sponsored product coverage.

CHAPTER 5

Brand Investment Across RMNs

Top retailers Amazon and The Home Depot lead the charge in diversifying their retail media networks with strong tail growth.

Percentage of Head-Torso-Tail Impressions by RMN (Q4-Q1 2024/2025 vs Q4-Q1 2025/2026)

What is the breakdown of large to small advertisers by retailer?

Head Torso Tail

Note: Costco and Meijer are appearing for the first time in this report and as such, we only have 6 months of brand data to share (Q4 2025-Q1 2026).

INSIGHTS

- Overall, the Tail share of impressions grew nearly 3% YoY as reliance on Torso share of brands reduced by 2.5%. Head share of impressions remained relatively stable.
- The Home Depot recorded the largest increase in tail impressions of any retailer, rising 24pp YoY to 53%.
- Amazon reduced its reliance on head advertisers, with tail impressions increasing 14pp to 75%, indicating a broader mix of smaller brands.
- Lowe's reversed the long-tail gains seen in the previous edition, shifting back toward a more head-heavy mix as head impressions rose 20pp to 74%.

**Note: Costco appears for the first time in this report and as such, we only have 6 months of brand data to share on this retailer (Q4 2025-Q1 2026).*

Note on Classification:

1. **What we call "impressions"** in this report is actually brand appearances as a proxy for impressions. In other words, the frequency at which a brand appears on a search results page.
2. **Please Note:** this analysis includes tracked or identifiable brands only.
3. **The methodology** was developed in collaboration with Colosseum Strategy.

We classified Head / Torso / Tail brands as follows:

1. **Head:** Brand appears in ad slot at a frequency of 1.0%+.
2. **Torso:** Brand appears in ad slot at a frequency of 0.2%-0.99%
3. **Tail:** Brand appears in ad slot at a frequency of 0.19%-0.00%

Jordan Witmer
Managing Director - Retail & Commerce Media, Salt

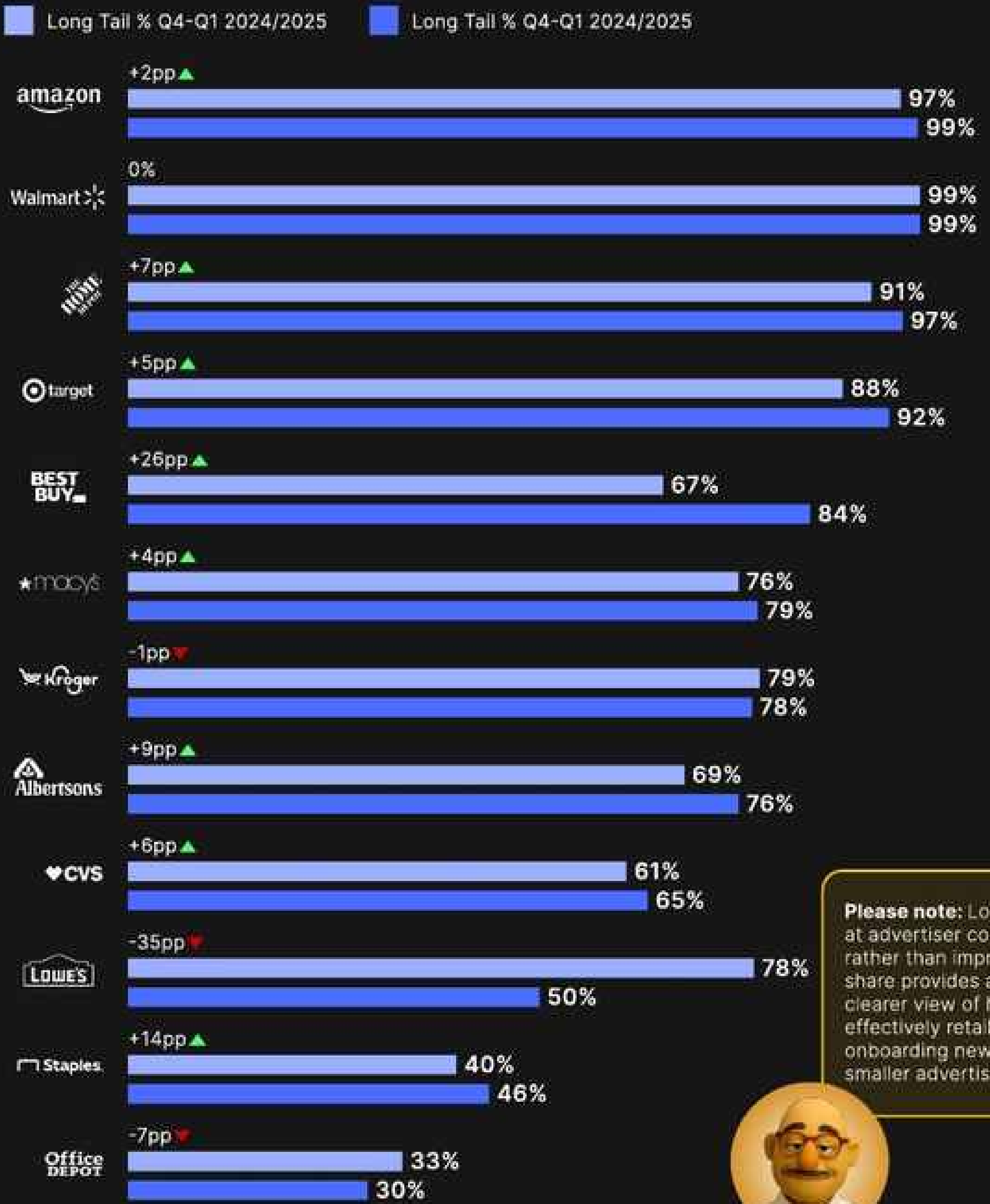
“The continued growth from midsize and challenger brands isn’t surprising. Retail media rewards brands that are still building organic strength and distribution. In many cases, the return profile is simply better for them.

That’s a big reason I love working with midsize and challenger brands. When retail media is connected to the right distribution, inventory, and digital shelf strategy, the impact can be outsized. In grocery especially, where localized availability heavily influences search visibility, smart sponsored product investment can accelerate growth much faster than most traditional media channels.”

Long-tail advertiser share reaches 72% on average as larger retailers build diversified ecosystems.

Percentage of Advertisers in Long Tail by RMN (Q4-Q1 2024/2025 vs Q4-Q1 2025/2026)

Which retailers are maximizing the long tail of advertisers?



Please note: Looking at advertiser count rather than impression share provides a clearer view of how effectively retailers are onboarding new and smaller advertisers.

INSIGHTS

- Best Buy recorded the largest YoY increase in long-tail advertiser share, rising 26pp from 67% to 84%.
- Lowe's reversed some of the gains seen in the previous edition, with long-tail advertiser share falling 35pp from 78% to 50%, highlighting volatility in its advertiser mix.
- Overall, the long-tail share of advertisers increased modestly, rising 2pp YoY from an average of 70% to 72%.

Tail growth remained the dominant trend over the past 6 months, across both Marketplaces and Non-Marketplaces.

Percentage of Impressions in Head-Torso-Tail for Marketplace vs Non-marketplace (Q4-Q1 2024/2025 vs Q4-Q1 2025/2026)

What is the breakdown of large to small advertisers across marketplaces vs non-marketplaces?

INSIGHTS

- Marketplace tail impressions rose to 79% (+7pp), while head share fell to 1% (-5pp), highlighting a more diversified advertiser mix.
- Non-marketplaces saw gains at both ends of the curve, with head share rising to 37% (+2pp) and tail share to 30% (+2pp), while torso declined to 33% (-4pp).
- Marketplaces remain driven by the long tail, while non-marketplaces retain a more balanced advertiser mix.

We classified retailers as:

- **Marketplace:** Amazon, Walmart, Target, The Home Depot, Albertsons, Macy's, Lowe's
- **Non-marketplace:** Best Buy, Staples, CVS, Kroger, Office Depot

Smaller brands continue to move into Specialty and Grocery finding more space to shine.

Percentage of Impressions in Head-Torso-Tail for Specialty vs Multicategory (Q4-Q1 2024/2025 vs Q4-Q1 2025/2026)

What is the breakdown of large to small advertisers across specialty vs multicategory?

INSIGHTS

- Specialty retailers saw the strongest tail growth, with tail impressions rising 10pp to 48%, indicating increased participation from smaller advertisers.
- Grocery also shifted toward a broader advertiser mix, with tail impressions up 9pp to 30% and torso rising 7pp to 47%, while head share fell sharply by 16pp.
- Multicategory retailers remained the most tail-driven segment at 74%, though tail share declined modestly by 3pp as head and torso each gained 1pp.

We classified retailers as:

- **Grocery** = Kroger, Albertsons
- **Multicategory** = Amazon, Walmart, Target
- **Speciality** = The Home Depot, Macy's, Lowe's, Best Buy, Staples, CVS, Office Depot

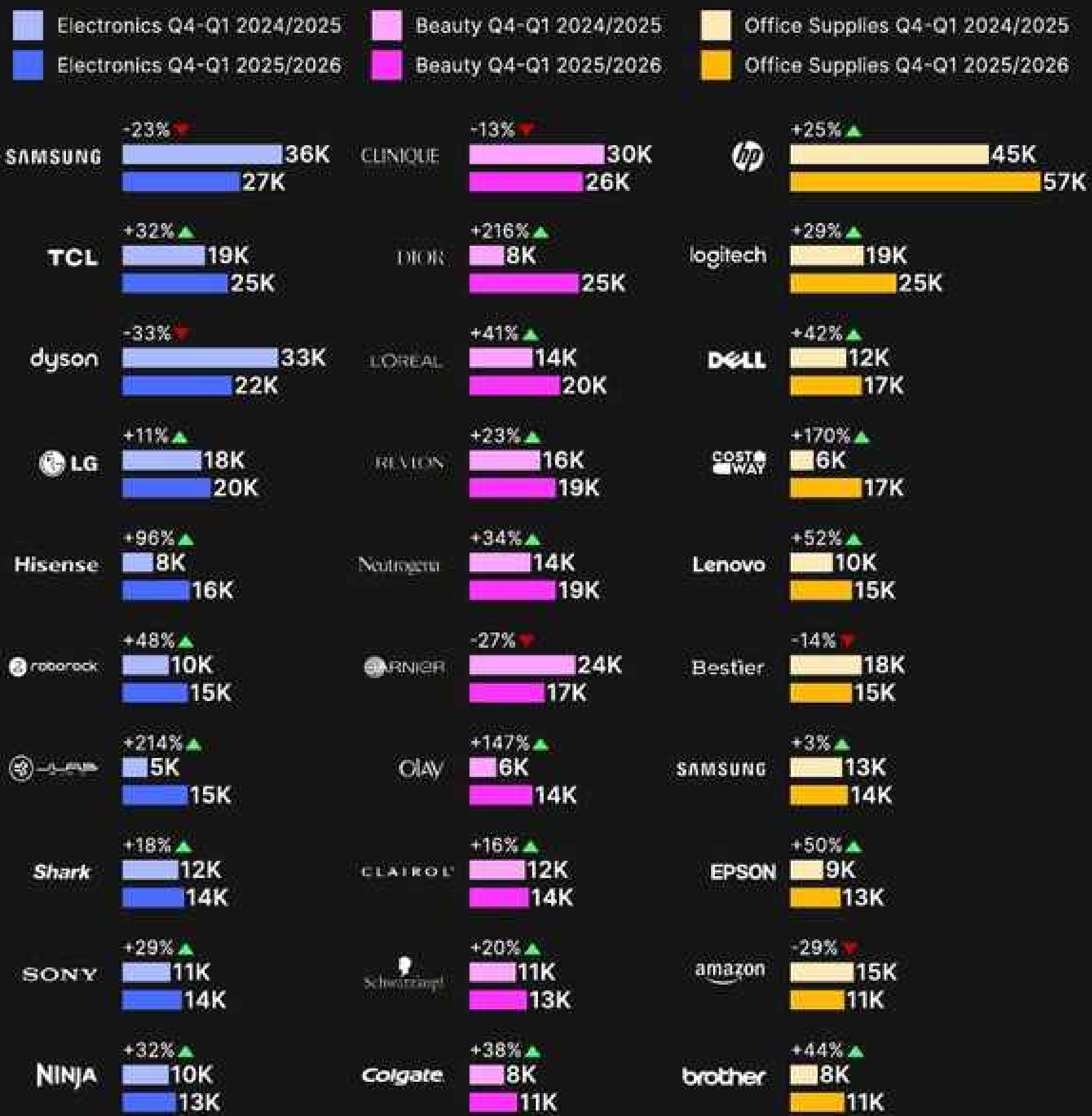
CHAPTER 6

Brand Trends

Office Supplies brands led sponsored product volumes across RMNs while Beauty and Electronics were tied.

Top 10 advertisers by Impression volume, per category (Q4-Q1 2024/2025 vs Q4-Q1 2025/2026)

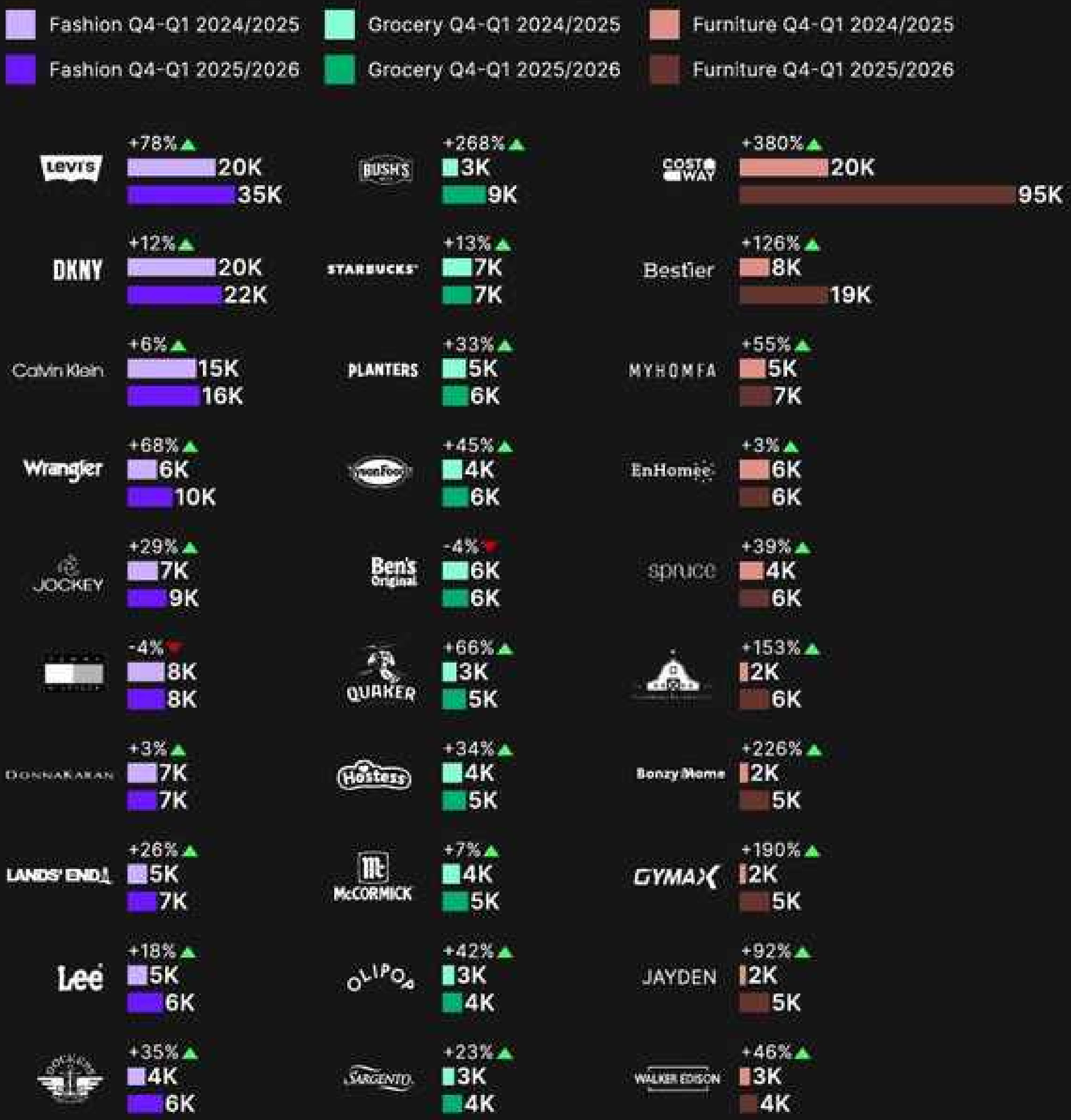
Which brands appear most frequently in sponsored products by category?



Furniture recorded the fastest YoY growth of all categories driven by exceptional growth among a few brands.

Top 10 advertisers by Impression volume, per category (Q4-Q1 2024/2025 vs Q4-Q1 2025/2026)

Which brands appear most frequently in sponsored products by category?



INSIGHTS

- Furniture was the standout growth category, with total impressions from its top 10 advertisers rising +190% YoY. Costway led the category with 95K impressions, accounting for nearly 60% of the top 10 total.
- Electronics remained the highest-volume category overall, led by major brands such as Samsung, TCL, and Dyson.
- Notable brand-level growth included Bush's in Groceries (+268%) who optimized their product information around Target's taxonomy to rise in the search results Dior in Beauty (+216%), Olay in Beauty (+147%), and Levi's in Fashion (+78%).

Johannes Tarnow
Consultant Business Analytics, Pentaleap

On the demand side of RMNs, high ad relevance leads to competition between brands to win relevant ad placements.

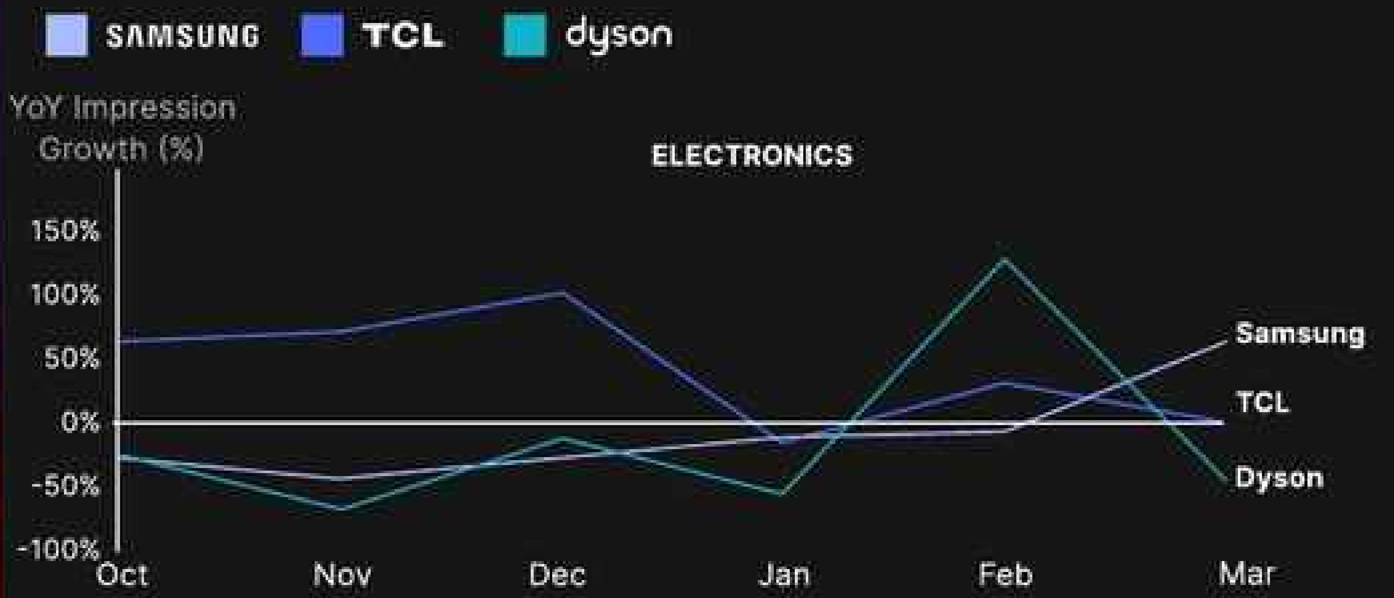
A high number of participating brands - supported by well-distributed spend - signals healthy engagement. Several brands compete for a higher share of voice within the same category, and this competition can indicate higher incrementality of ad performance.

We can confirm this level of maturity through the healthy growth rates in the overall volume of ads shown by brands individually. We also see that leading RMNs are diversifying brand participation: competition is increasing not only among large brands, but also among smaller brands seeking to improve visibility for shoppers.

Electronics SPA impression growth was more muted during peak season than last year.

Top 3 Electronics Advertisers by Sponsored Products Impression Volume (Q4-Q1 2024/2025 vs Q4-Q1 2025/2026)

How do YoY impressions compare across top electronics brands?



Beauty saw a healthy increase in impressions YoY and a strong March after slowing down in Jan-Feb.

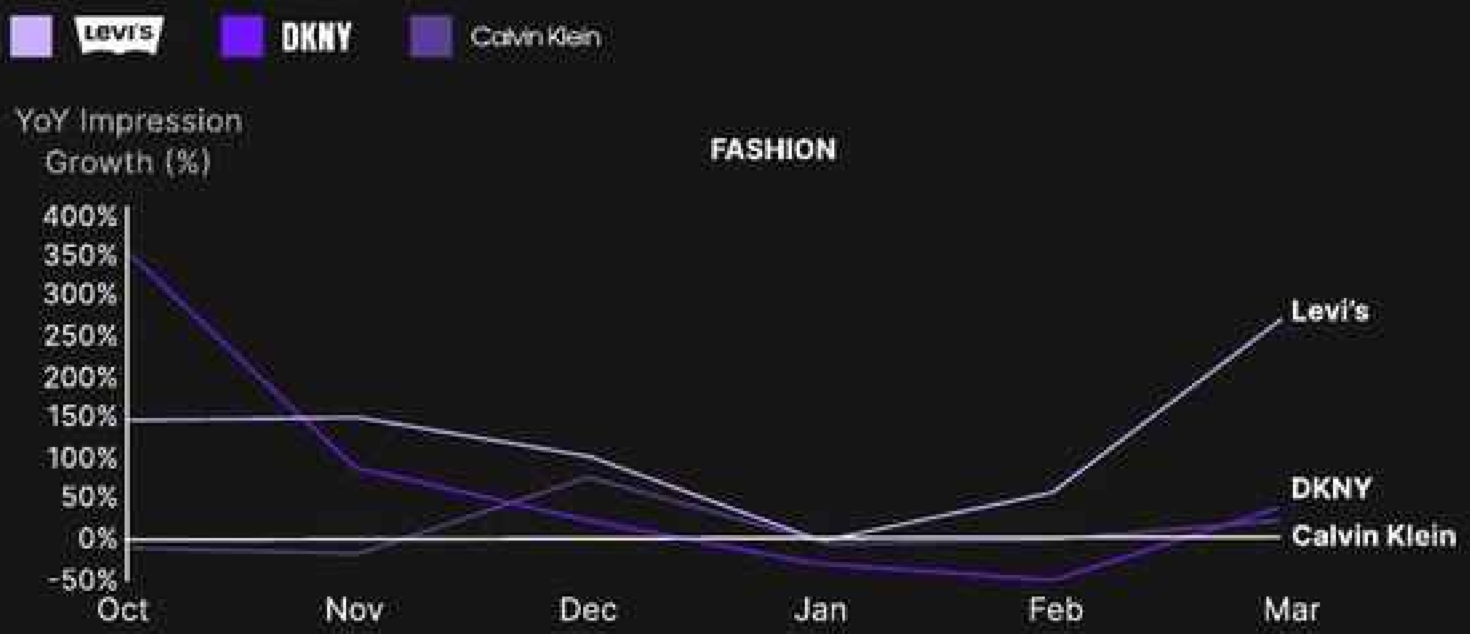
Top 3 Beauty Advertisers by Sponsored Products Impression Volume (Q4-Q1 2024/2025 vs Q4-Q1 2025/2026)

How do YoY impressions compare across top beauty brands?

Fashion peaked in December with strong YoY growth, then tapered gradually in the new year, avoiding last year's January spike.

Top 3 Fashion Advertisers by Sponsored Products Impression Volume (Q4-Q1 2024/2025 vs Q4-Q1 2025/2026)

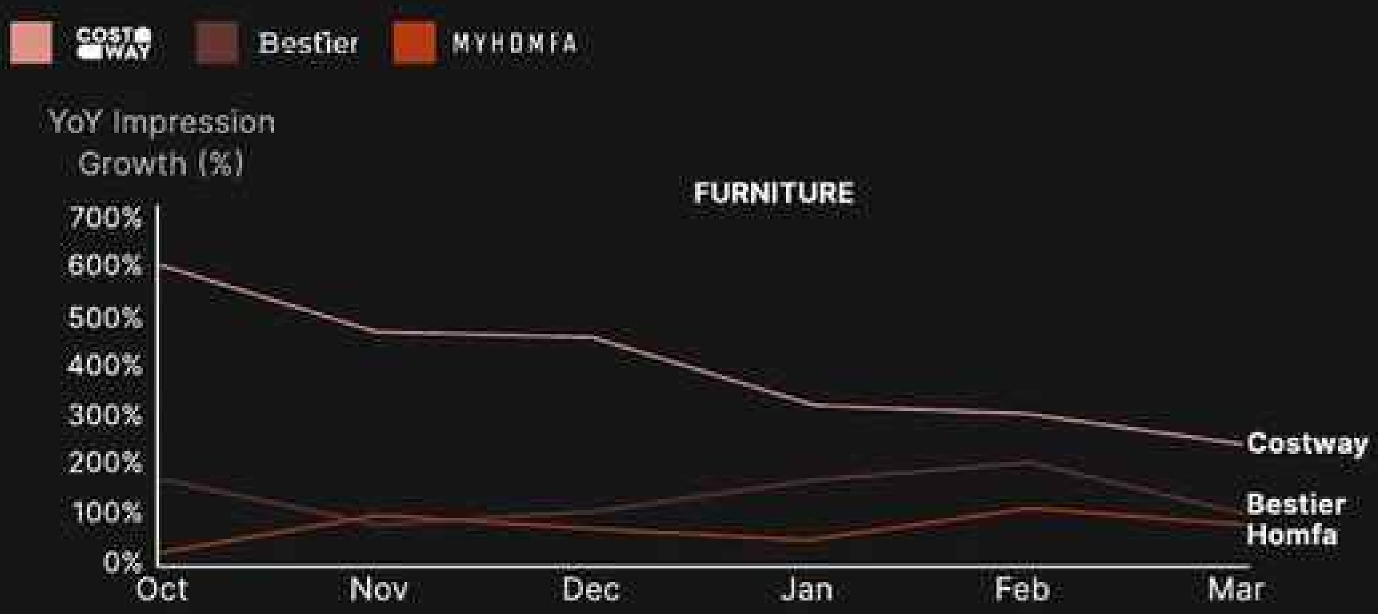
How do YoY impressions compare across top fashion brands?



Costway continue to drive most of the growth seen in Furniture, only slowing down slightly in the new year.

Top 3 Furniture Advertisers by Sponsored Products Impression Volume (Q4-Q1 2024/2025 vs Q4-Q1 2025/2026)

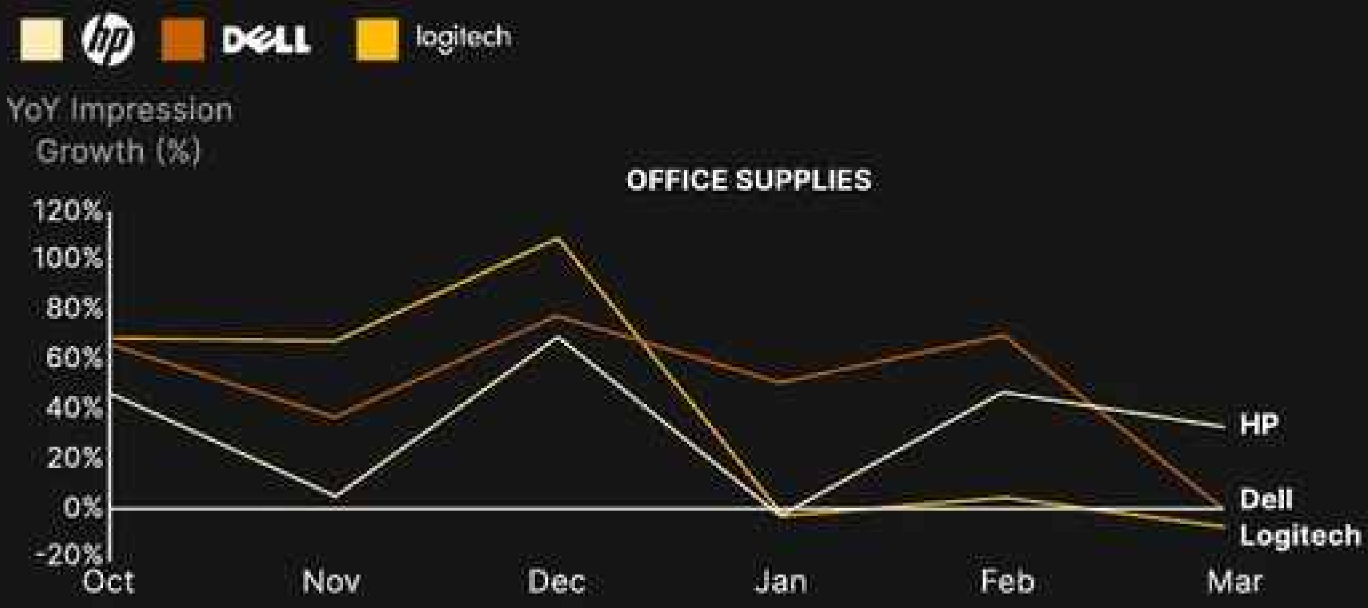
How do YoY impressions compare across top furniture brands?



Volatility in Office Supplies slowed versus previous editions, indicating more stable ad serving across the top three brands.

Top 3 Office Supplies Advertisers by Sponsored Products Impression Volume (Q4-Q1 2024/2025 vs Q4-Q1 2025/2026)

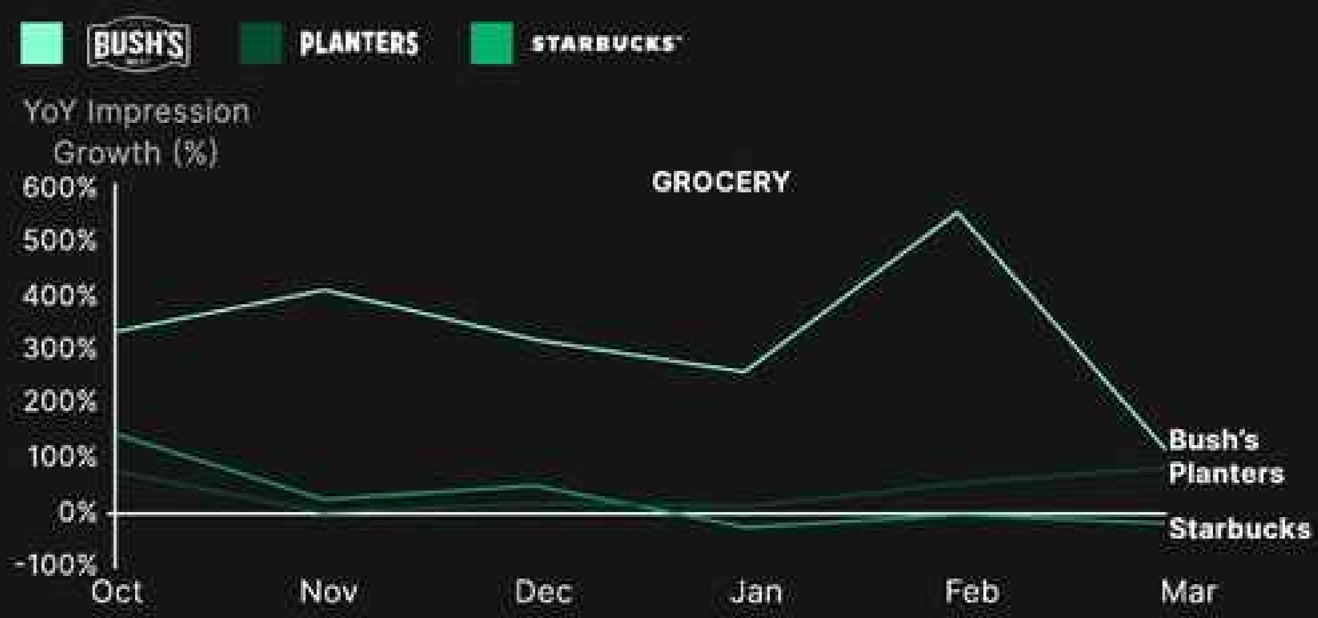
How do YoY impressions compare across top office supplies brands?



Groceries saw a new entrant in the top three, with Bush's leading the gains and overtaking Ben's Original.

Top 3 Grocery Advertisers by Sponsored Products Impression Volume (Q4-Q1 2024/2025 vs Q4-Q1 2025/2026)

How do YoY impressions compare across top grocery brands?



INSIGHTS

- Zooming in on the top three brands by category highlights YoY shifts in seasonality and brand investment patterns through peak season and into the New Year.
- Electronics showed softer peak-season intensity, with both Samsung and Dyson failing to match last year's impression volumes from October to December, while TLC decided to invest more overall.
- Clinique in Beauty saw a significant spike in January last year that did not repeat this year, creating a natural year-over-year offset. After adjusting for that peak, overall investment levels remain stable. Dior emerged as the clear leader in overall ad presence growth, while L'Oréal concentrated investment around key peak and holiday periods.
- Levi's continued to lead Fashion, maintaining a clear advantage in impression volume over DKNY and Calvin Klein.
- Costway remained well ahead of other brands in advertising volume across the retailers tracked.

CHAPTER 7

Retail Media Network Trends

Walmart significantly increased SPA per page while maintaining strong overall ad coverage, now close to Amazon.

RMN Trends (Q4-Q1 2024/2025 vs Q4-Q1 2025/2026)

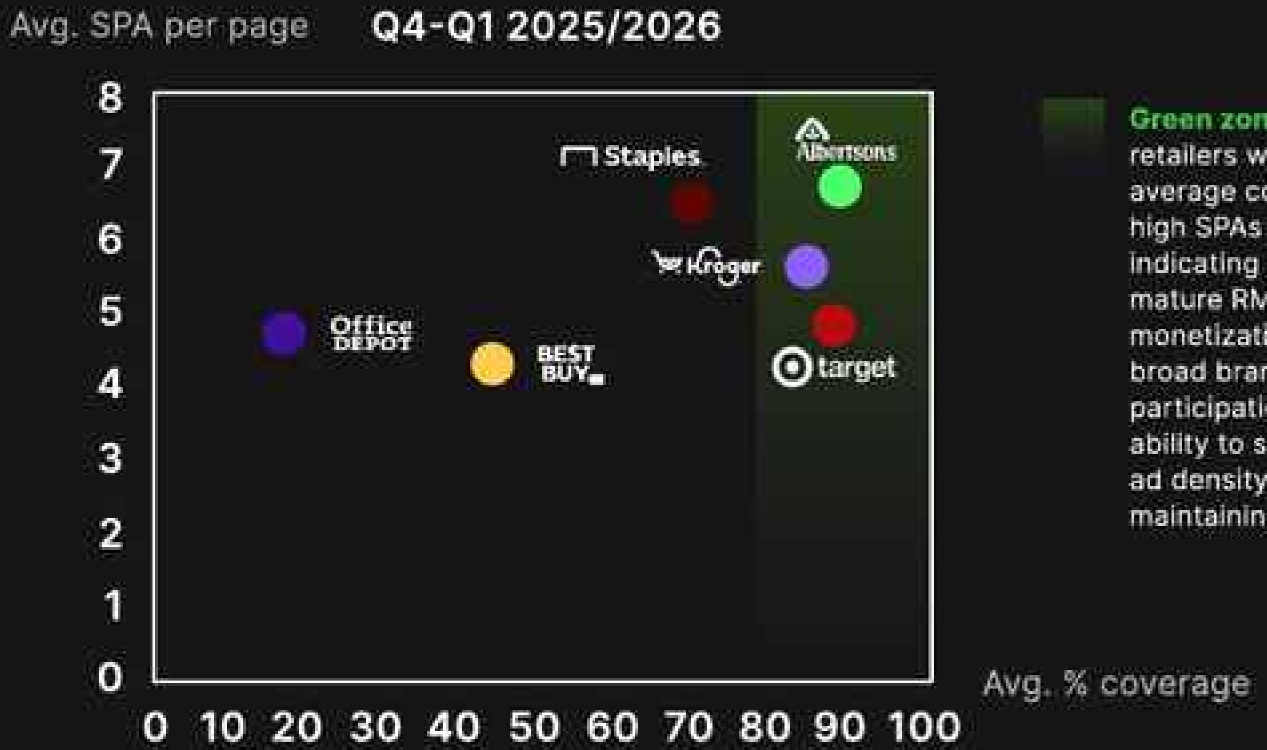
How has average ad density evolved for retailers?

Green zone: Represents retailers with both high average coverage and high SPAs per page, indicating a more mature RMN with strong monetization scale, broad brand participation, and the ability to support higher ad density while maintaining relevance.

Albertsons and Kroger significantly improved their search coverage and now sit in the right half. Best Buy improves both ad coverage and density.

RMN Trends (Q4-Q1 2024/2025 vs Q4-Q1 2025/2026)

How has average ad density evolved for retailers?



Green zone: Represents retailers with both high average coverage and high SPAs per page, indicating a more mature RMN with strong monetization scale, broad brand participation, and the ability to support higher ad density while maintaining relevance.

INSIGHTS

- Average coverage: The higher the coverage, the greater the potential to scale an RMN. At 100% coverage, ads are shown on all results pages. High coverage is often an indication that many brands across categories are actively participating in the RMN.
- Average SPAs per page: More ads per page can be supported when ad relevance is high and there is sufficient active product coverage from participating brands.
- Interestingly, grocers showed the strongest and most consistent improvement in maturity. Both Albertsons and Kroger continued building the foundation for further scaling ad revenue and advertising opportunities for brands.

Collin Colburn
VP, Commerce & Retail Media, IAB

“

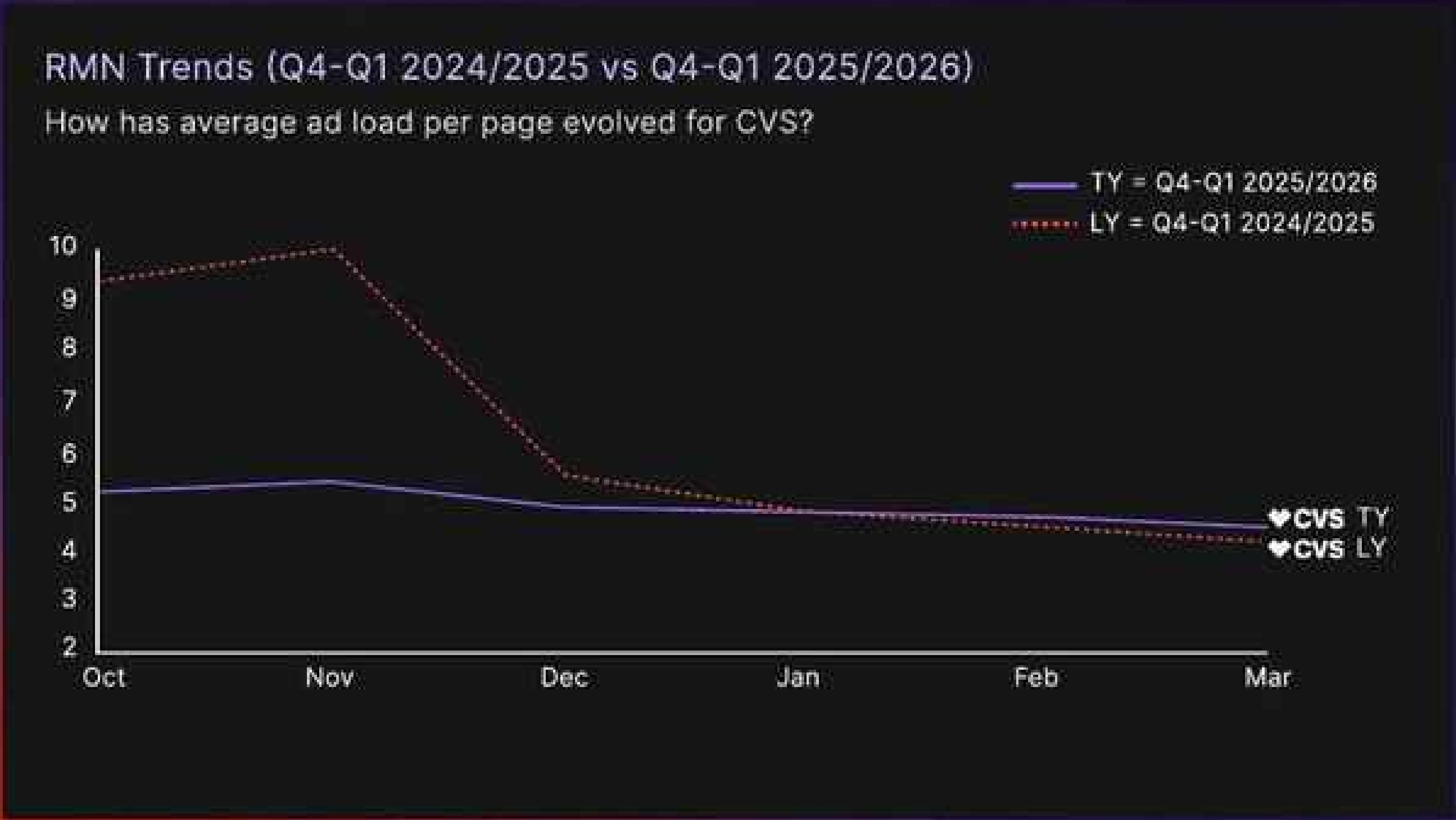
Commerce media is being woven into core business operations and digital merchandising — rather than operating as a separate, siloed line of business. The report shows that flexible sponsored product systems not only increasing ad revenue, but also improve how retailers balance paid and organic search results.

Winning in commerce media is beginning to look different. Success is no longer defined simply by maximizing ad inventory. The findings point to a more sophisticated approach focused on balancing monetization, relevance, shopper experience, and advertiser accessibility.”

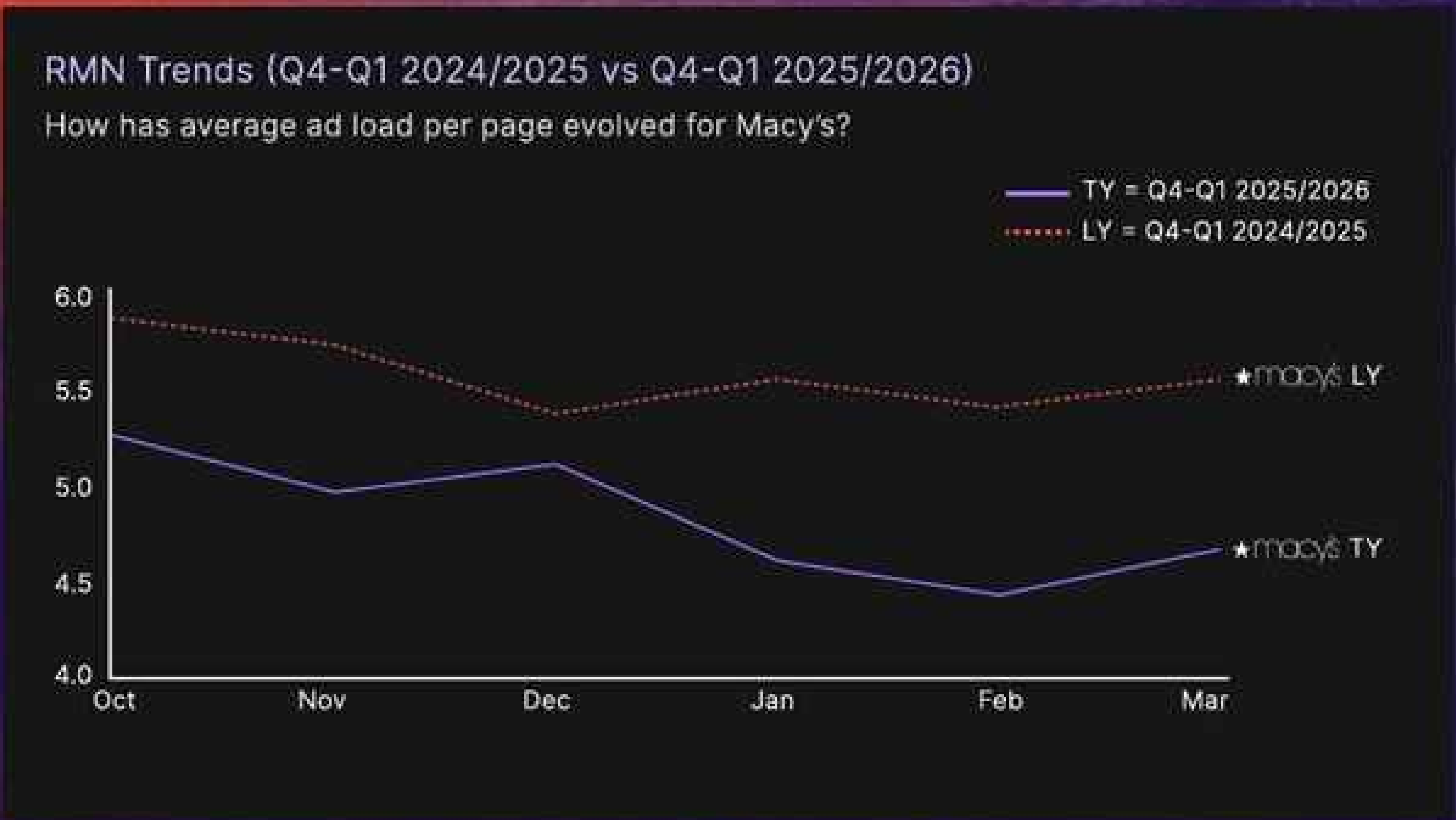
Amazon benefits from increased ad coverage in prominent positions, with average ads per page now at a record high.

Walmart's major update in ad delivery increased the number of ads per page consistently.

CVS consolidated ads positioning per page, while overall coverage remained stable.



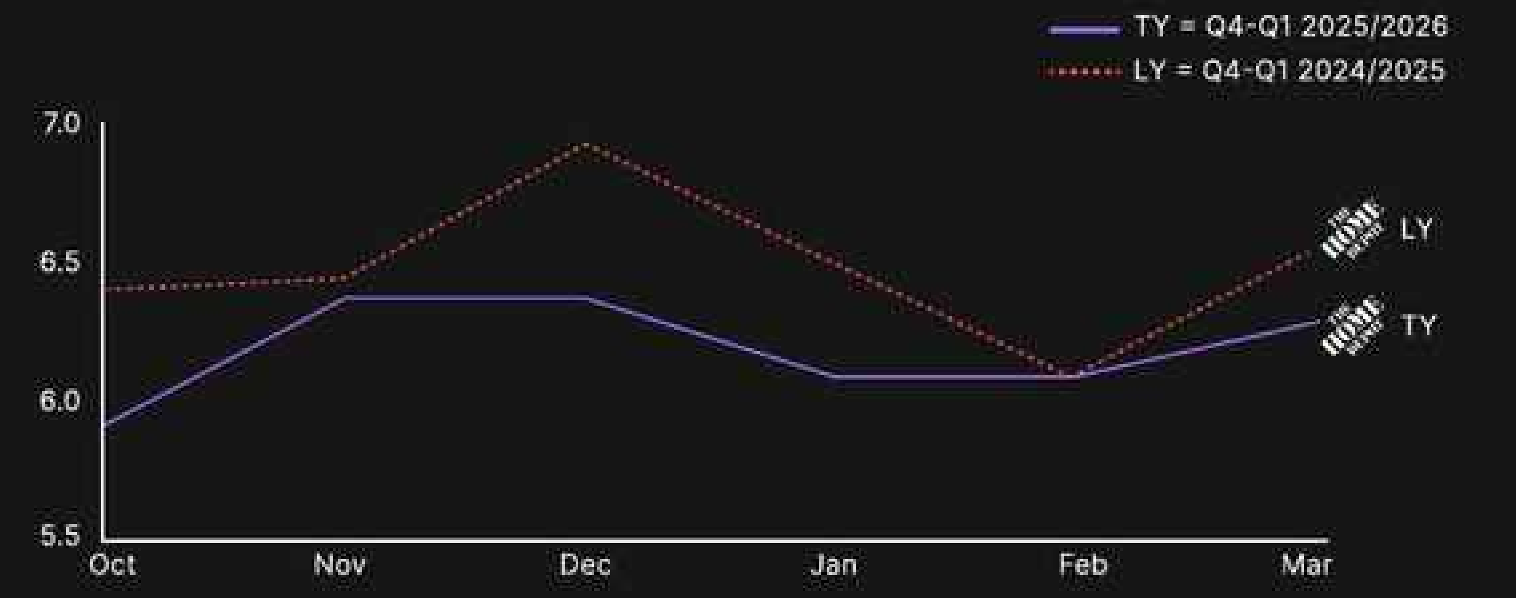
Macy's ads per page drop off slightly throughout the year, while total ad coverage increased with more ads in prominent positions.



The Home Depot remains very consistent, showing 6 to 7 ads per page.

RMN Trends (Q4-Q1 2024/2025 vs Q4-Q1 2025/2026)

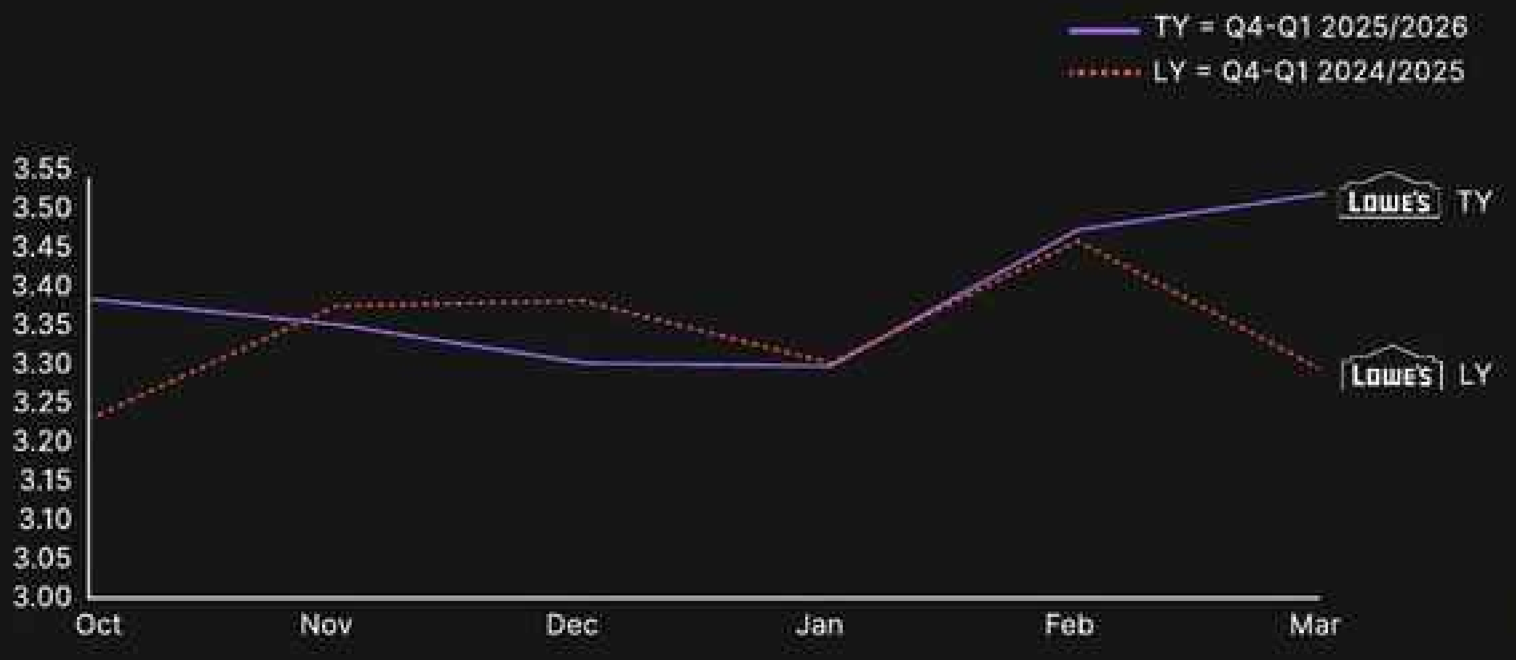
How has average ad load per page evolved for The Home Depot?



Lowe's steadily increases sponsored products load.

RMN Trends (Q4-Q1 2024/2025 vs Q4-Q1 2025/2026)

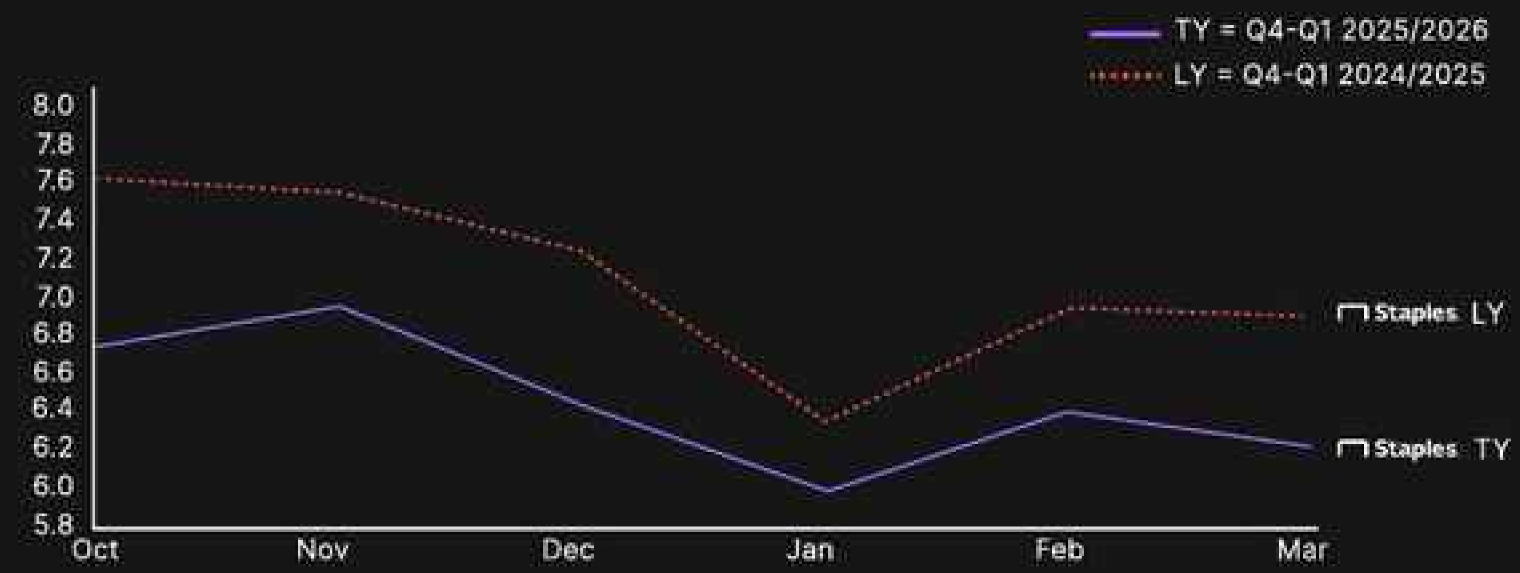
How has average ad load per page evolved for Lowe's?



Staples follows last year's seasonality well, maintaining a high level of in-grid ads but with fewer overall ads per page shown on average.

RMN Trends (Q4-Q1 2024/2025 vs Q4-Q1 2025/2026)

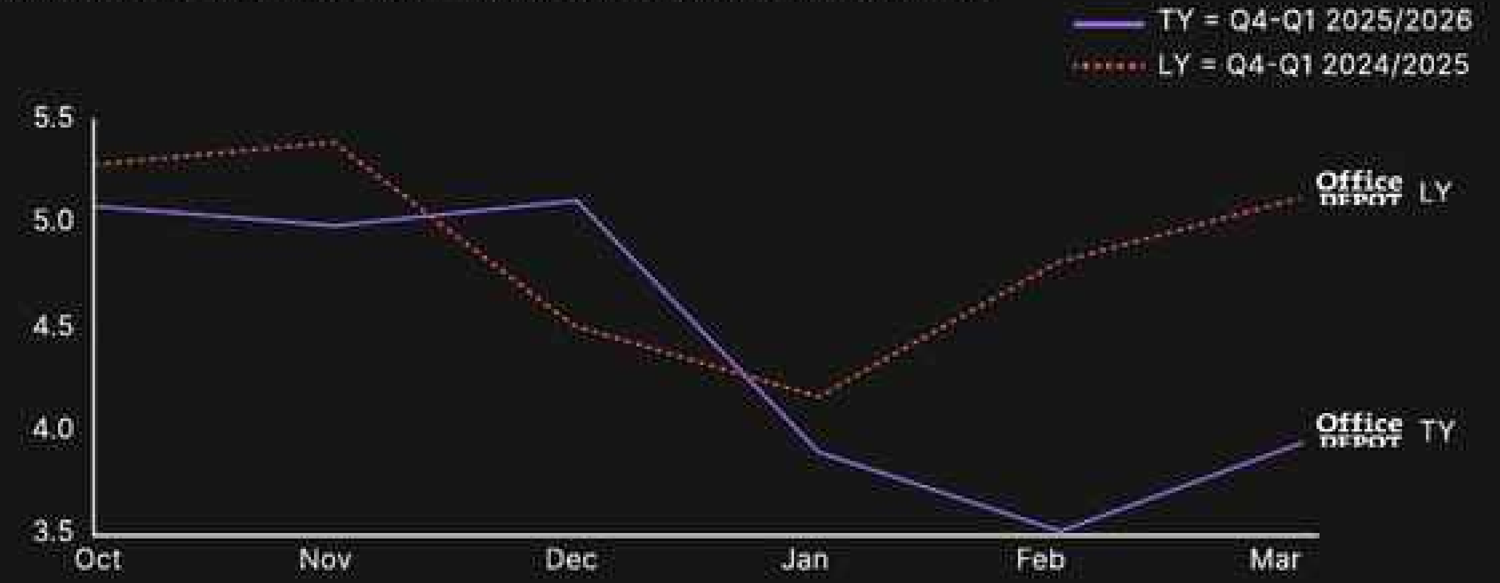
How has average ad load per page evolved for Staples?



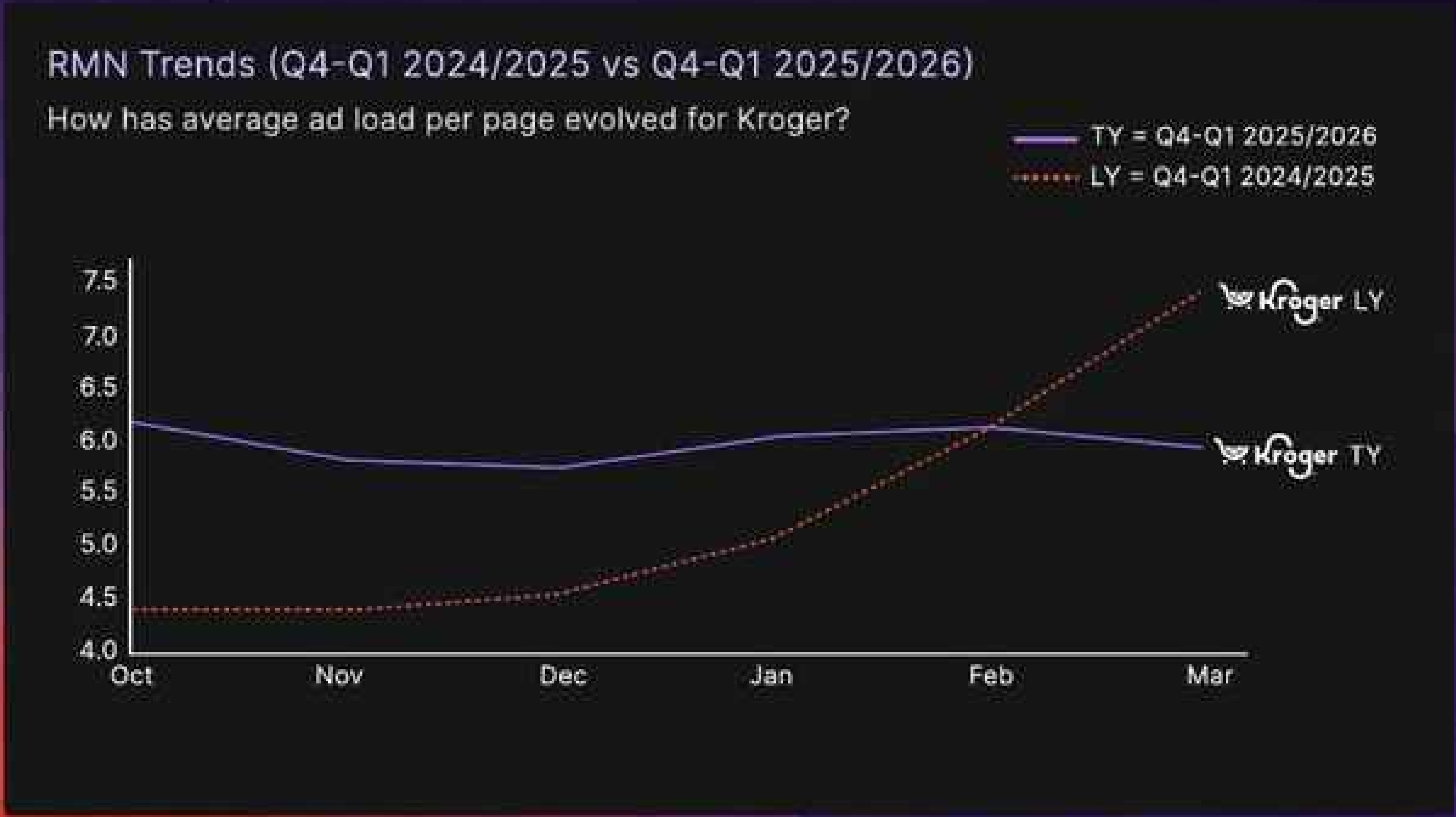
Office Depot follows a similar seasonal pattern as last year: overall ads per page and ad coverage decreased slightly.

RMN Trends (Q4-Q1 2024/2025 vs Q4-Q1 2025/2026)

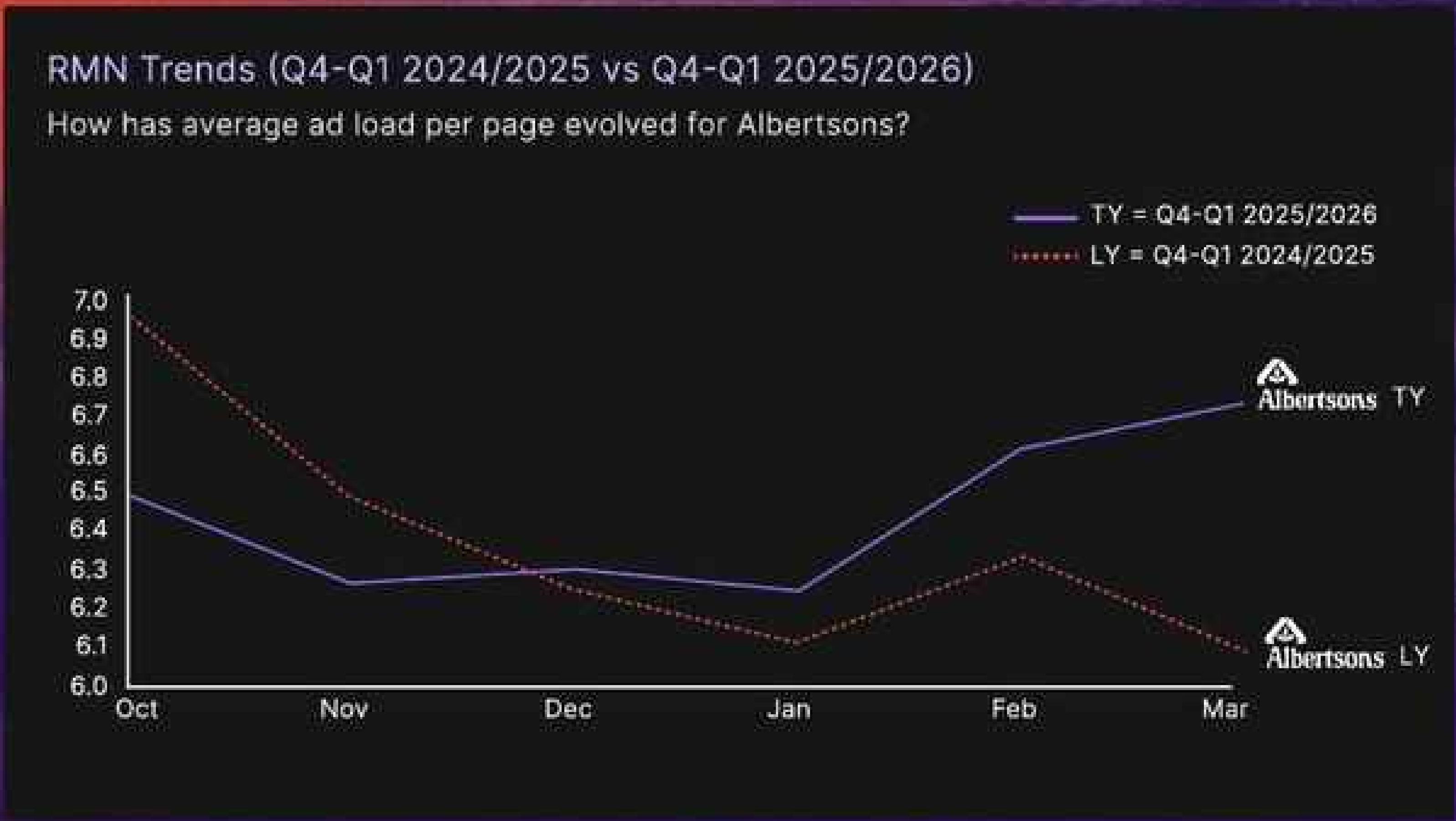
How has average ad load per page evolved for Office Depot?



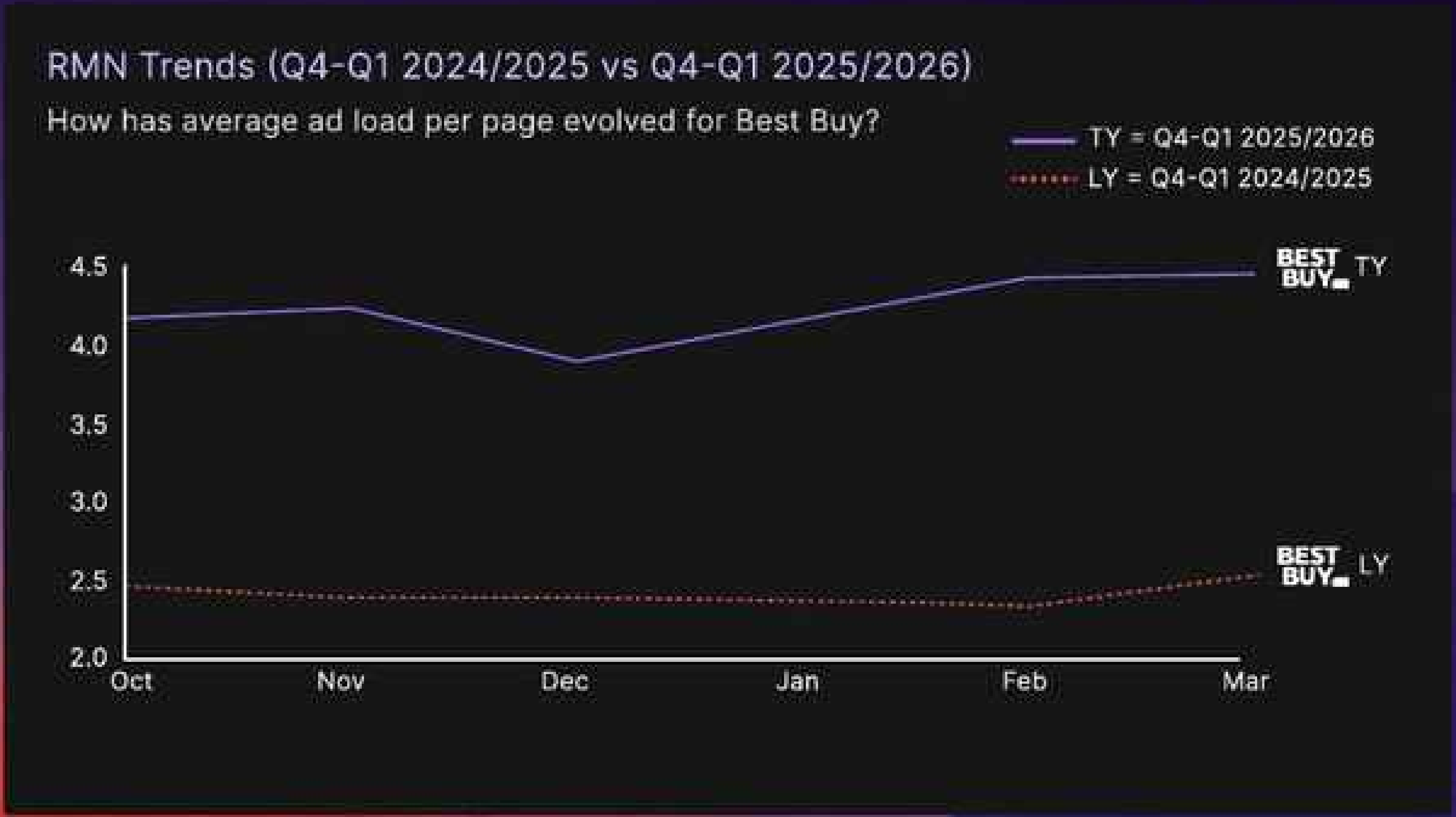
Kroger's updated its ad delivery approach: Fewer ads per page are combined with stronger ad coverage in higher positions.



Albertsons has recovered from the slight seasonal dip from last year delivering consistent ad loads.



Best Buy had an impressive YoY growth in ad density also thanks to the third ad position opened (per page).



Target's steady growth in SPA per page is impressive, given that they already cover almost 100% of searches.

CHAPTER 8

RMN Snapshot: Introducing Costco

About Costco

Costco is a membership-based warehouse retailer headquartered in Washington, US operating across 14 different countries and territories. The company sells bulk groceries, household essentials, electronics, and general merchandise at low prices. Its core audience includes value-driven families and small businesses looking for quality products and savings through bulk purchasing.

RMN Timeline

YEAR PRE-2023

Internal groundwork; Costco described as a "last mover" by Williamson himself [*4]

YEAR SUMMER-2024

Official launch of Costco Retail Media Network [*5]

YEAR JAN-2026

Mark Williamson publicly revealed Costco's entire tech stack at NRF / Stratacache event - first US RMN to do so [*2]

Key Business Numbers

- **2025 costco.com GMV:** $15.27 billion*[6]
- **Number of users:** 145.2 million+ active card holders, 97 million visits in April 2026 (statista and similarweb.com)*[7]

Tech Capabilities / Stack

- **Stack type:** Modular (Costco Velocity)
- **Known stack partners:** *[2]
- **Onsite:** Criteo (self-serve + automated bidding), Moloco (AI-powered onsite sponsored product ads)
- **Offsite:** LiveRamp (identity), The Trade Desk, Google, Yahoo! DSP, Epsilon, StackAdapt
- **Data / Identity:** MetaRouter, LiveRamp, GrowthLoop (AI segmentation), Transcend (privacy)
- **Measurement:** Habu (clean rooms)
- **In Real Life:** PRN / Stratacache (warehouse TV + DOOH)

Core capabilities *[8]

- Sponsored products / search
- Display (onsite + offsite – Offsite Performance Ads)
- **Social:** YouTube, Facebook, Instagram, Pinterest, Tiktok
- **In-store / IRL:** fuel pump ads (pilot), warehouse TV, DOOH, Costco Connection print
- Video / OLV + CTV

How they talk about retail media publicly

Costco positions its RMN as focused on yielding sales outcomes: Merchant-first rather than ad tech-first, sales-velocity-driven rather than impression-driven, member-trust-protecting above all else, transparently built with best-in-class vendor partners rather than proprietary black-box systems. Williamson's framing "fuel on the flame" captures it well: retail media should accelerate what already makes Costco great, not extract value from it.

How They Position Themselves
(inferred from [*1,2 & 3])

Strategic Priorities

- Retail media exists to accelerate merchandise sales velocity, not to be a standalone profit center
- **Hierarchy:** Sales velocity → member value → media revenue (in that order)
- **Transparency as a competitive differentiator:** openly sharing tech stack builds advertiser trust
- **Data quality over scale:** Premium, high-trust **audience:** 145.2M members with 100% identified, purchase-verified data, membership-anchored identity vs. cookie-based targeting
- **Incrementality over Attribution**
- **Open Architecture and Model**

Market Presence / Activities

- **PR / announcements:** "The Buck Fifty Newsletter" on LinkedIn, frequent announcements via presswire, & frequent features at "The Drum"
- **Few recent podcasts / interviews:** The Middlemen Podcast (2026), Retail Media Therapy (2026), Costco Retail Media & The Commerce Media Tech Stack 2.0 (Retail Media Breakfast Club, 2026), NRF 2026 "What's In Store for Retail Media" (Stratacache event), The Current Podcast (2025)
- Social presence (LinkedIn)

Follower count: 2854 followers on Costco's retail media page, 704k on Costco's main page, Mark Williamson – 4583 followers

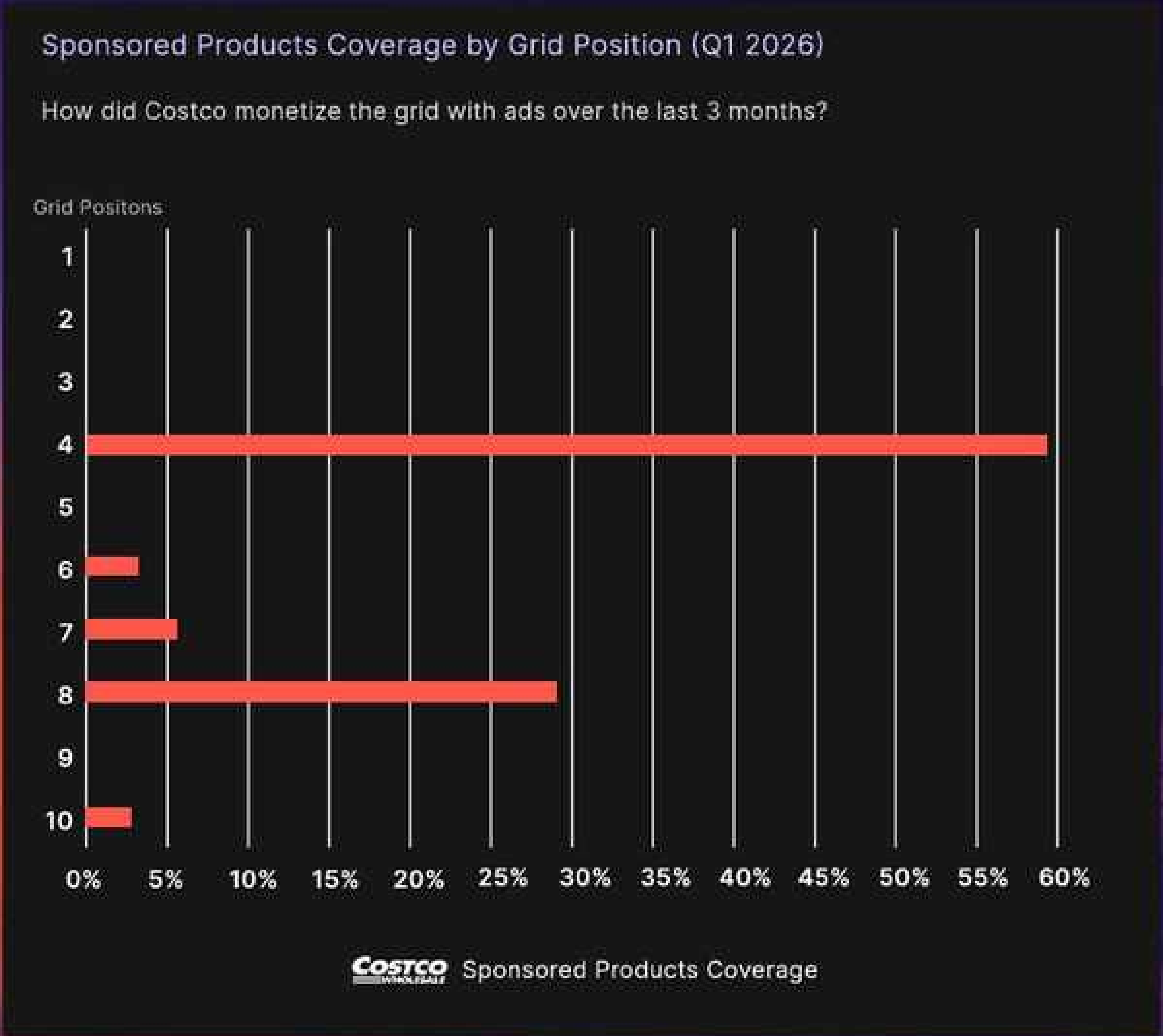
Mark Williamson
Assistant VP of Retail Media at Costco

"

We will always be retailers to our core. The merchants are still the center of our universe - regardless of the source of funding.

We've created what we call our Growth Management Team. They're aligned by the merchandising department. Their job is to translate all this nascent retail media stuff that our merchants don't really live and breathe every day. (via the CPG Guys) "

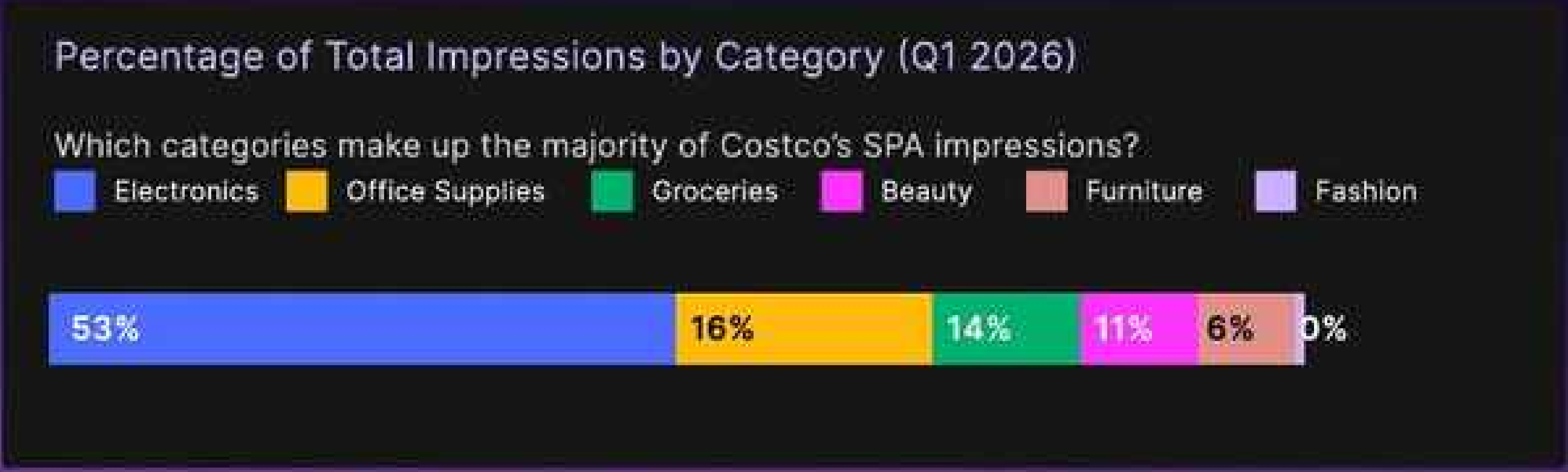
Costco relies heavily on just one position to serve the majority of their ads.



INSIGHTS

- Position four for Costco served over 50% of their ads while position 8 served close 30%
- Combined, only two positions served over 80% of Costco's ads.

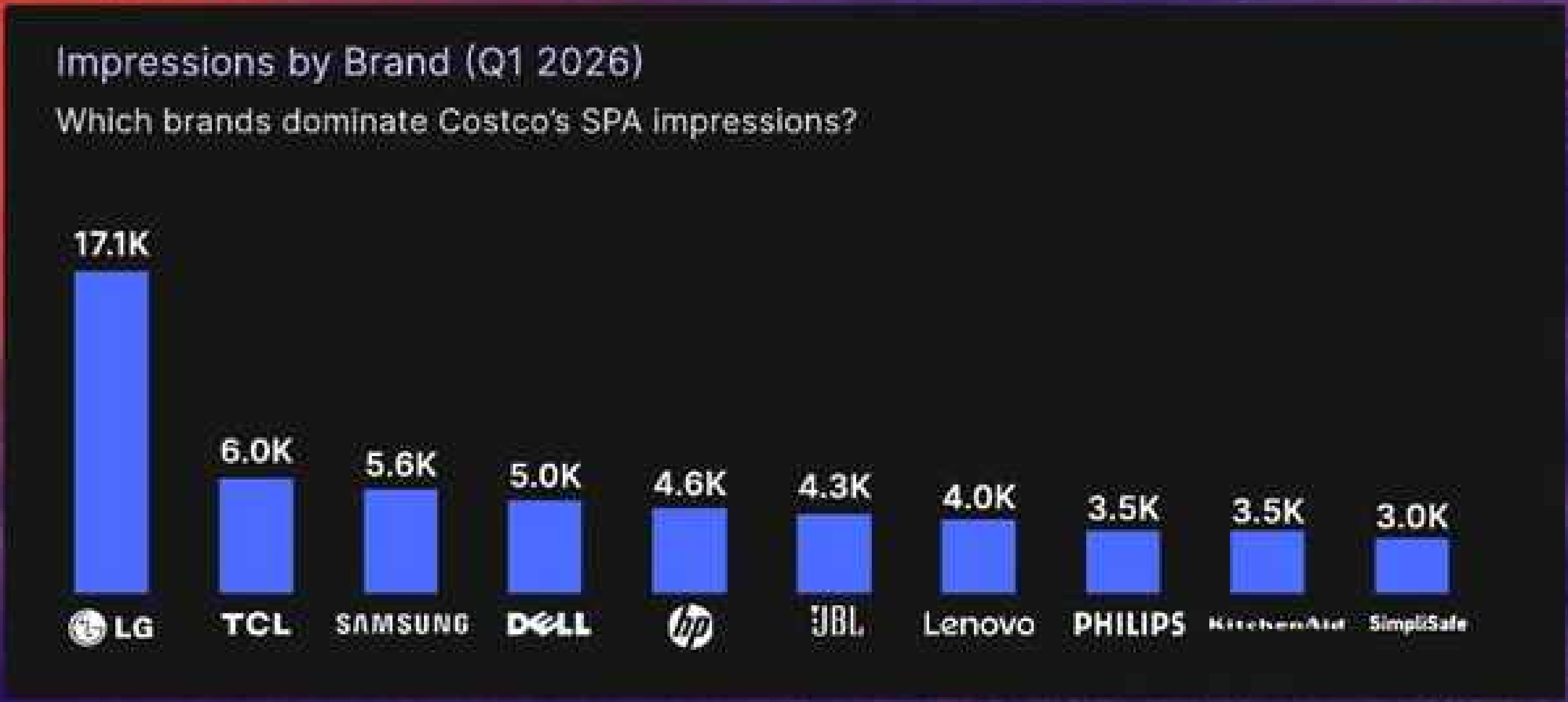
Electronics and Office Supplies account for the majority of SPA impressions for Costco.



INSIGHTS

- While Electronics makes up the majority of Costco's SPA impressions, the rest are rather eventually distributed between Office Supplies, Groceries and Beauty. While Furnitire and Fashion play a minor role.

Electronics brands dominate Costco's SPA impressions.



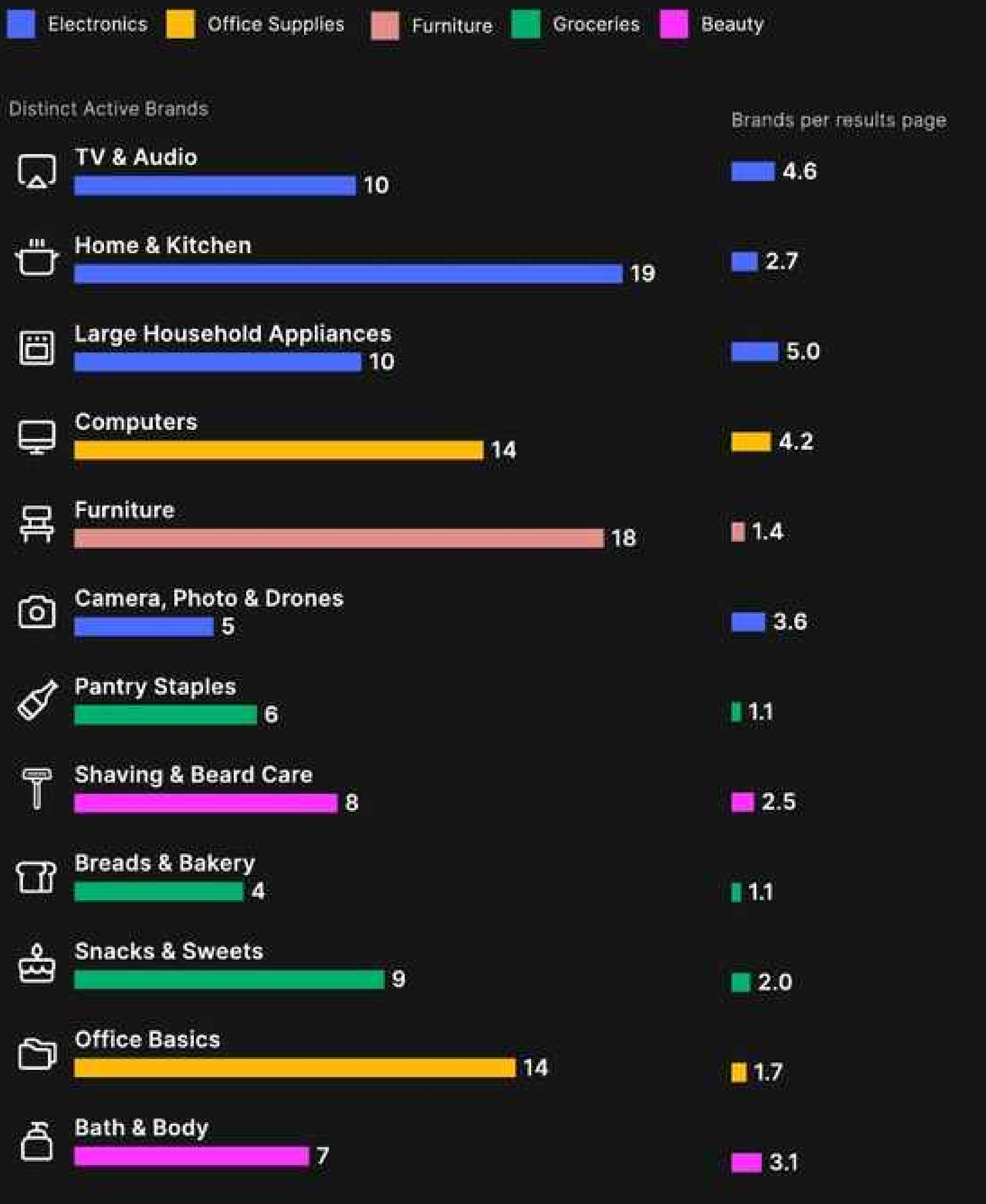
INSIGHTS

- LG is Costco's top advertiser representing 30% of impressions for Costco's top 10 brands and 13% of all brands.

Costco RMN maturity varies by category, with strong competitive depth in Electronics.

Distinctive Count of Active Brands by Category (Q1 2026)

How strong is the reliance on a small number of distinct brands per category or ad load?



INSIGHTS

- For Costco, we took a closer look at what RMN maturity looks like at the category level. A mature RMN attracts many advertisers competing for the same shopper and category opportunities.
- Electronics and Office Supplies stand out as particularly strong categories. In TV & Audio, 10 brands invested overall, with an average of 4.6 distinct brands competing on the same results page — a sign of healthy advertiser competition. Computers show a similarly diverse advertiser mix, creating strong conditions for future ad revenue growth.
- Furniture and Grocery tell a different story. While multiple brands advertise overall, only 1–2 brands are typically active on the same results page, suggesting room for broader auction participation. Costco's strong Kirkland private-label presence likely contributes to this dynamic in Grocery.
- Beauty, by contrast, already shows broader participation from FMCG advertisers.

Sources:

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