ecommert navigator

Global Retail Media Budget Allocation Benchmarks

2025

What You'll Find

Welcome to the 2025 Global Retail Media Budget Allocation Benchmarks report, which captures investment patterns across 6 major consumer goods categories. And 8 key global markets

This analysis represents the culmination of our direct engagement with digital commerce and retail media leaders from over 34 global consumer brands.

By examining both percentage of total advertising spend and percentage of net revenue metrics, we've uncovered variations that reveal how the most sophisticated brands are approaching retail media investment.

Research Participants

34
Brands

272
Executives

6
Categories

Categories Included in this Benchmark Report

- Beauty & Personal Care
- Beverage / Alcoholic
- Beverage / Energy
- Consumer Health Care
- Food & Beverage
- Home Care

We reached out and talked to 272 CPG / FMCG digital commerce, retail media and marketing executives from 34 leading brands around the world and asked specific questions around retail media.

Titles of Participants in this Benchmark Report

- SVP of eCommerce
- VP of eCommerce & Omnichannel
- Global eCommerce Director
- Director of eCommerce
- eCommerce Portfolio & Marketing Director
- Global eCommerce Acceleration Director
- Global Head of Marketing & Digital Commerce
- Global Head of eCommerce
- Head of Digital Commerce
- Retail Media Director

Key Highlights

27%

Highest retail media budget allocation of total ad spend, in beauty & personal care (U.S.A.)

2%

Lowest allocation of total ad spend in beverage/alcoholic (global) and home care (global)

2.6X

Difference between highest beauty & personal care and lowest beverage/ alcoholic RMB of total ad spend

2.5X

Higher average U.S. market allocation compared to global strategies

2.6%

Average allocation of net revenue across 6 categories analyzed (Global)

1.5X

Difference between highest consumer health care and lowest beverage alcoholic categories RMB of net revenue

The 2025 retail media landscape reveals dramatic investment disparities that transcend category boundaries.

Market location appears to be a stronger determinant of investment levels than category type, with US-specific strategies averaging 2.5x higher allocation than global approaches. This pattern holds across all categories with particular extremes in Home Care (2.9x difference).

These statistics highlight that retail media has moved beyond experimentation into strategic investment.

Image source: Freepik. itim2101

ecommert Insights

Category Spectrum: The Path to Maturity

The side-by-side comparison of categories reveals what I'd call a "maturity spectrum" in retail media adoption. Beauty & Personal Care is clearly at the advanced end with remarkably consistent allocations (18-27% of ad spend), reflecting a category that has moved beyond experimentation to established best practices.

At the opposite end, Alcoholic Beverages show the widest allocation variance (2-15%) and lowest average investment, indicating a category still in experimental phases. The most telling statistic is the 2.6x difference between Beauty's average allocation and Beverage/Alcoholic's - a gap that quantifies the distance between mature and emerging retail media categories.

What's fascinating is that this gap appears to be driven more by category characteristics than regional factors. Beauty's high-consideration, discovery-driven purchase journey aligns perfectly with retail media's strengths, while alcoholic beverages face regulatory constraints and more fragmented purchase paths. This suggests CPG retail media strategy should be tailored not just by market but fundamentally by category characteristics and purchase journey.

The US-Global Investment Divide

Examining these charts, I'm struck by the consistent and significant gap between US market allocations and global strategies across all categories. The charts starkly illustrate a 2.5x higher average allocation in US markets compared to global approaches, with US investments commanding premium levels regardless of category.

This pattern transcends individual categories and points to structural differences in retail media ecosystems. The US market's advanced retail media networks, higher digital commerce penetration, and advanced targeting capabilities justify these elevated investments. For global brands, this creates a challenging balancing act – CPGs must build US-specific retail media strategies that reflect this premium investment requirement while maintaining efficiency in markets with less developed infrastructures.

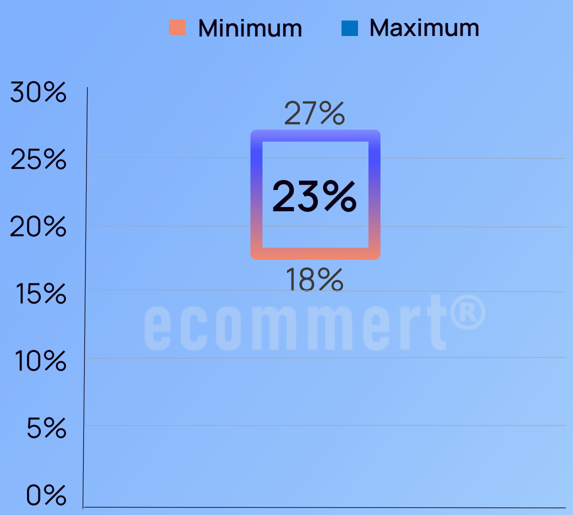
What's particularly revealing is that this pattern holds true for both metrics - % of ad spend and % of revenue allocations - suggesting that the US leadership isn't merely a spending difference but reflects fundamentally different performance dynamics and consumer behaviors.

Mert Damlapinar
Founder

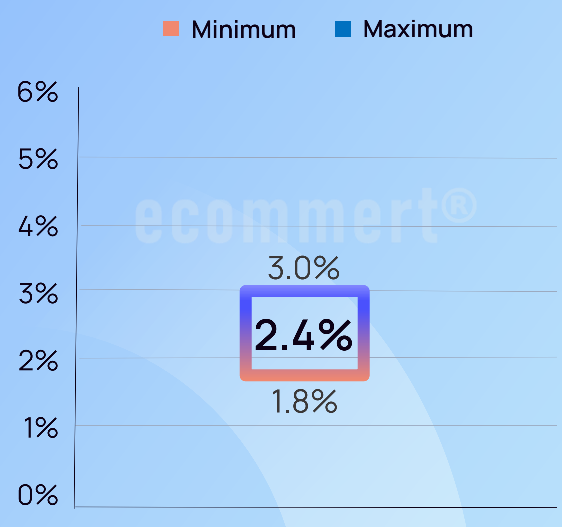
Retail Media Budget Allocations

Beauty & Personal Care

Retail Media Budget, % of Total Ad Spend



Retail Media Budget, % of Net Revenue



Key Stats

- Range: 18-27% of total ad spend
- Average: 22.7% of total ad spend
- Highest: 27% in US market
- Lowest: 18% in EU market

- Range: 1.8-3.0% of net revenue
- Average: 2.35% of net revenue
- Highest: 3.0% in US market
- Lowest: 1.8% in EU market

Data source: ecommert Navigator research & analysis, 2025

ecommert's Expert Commentary

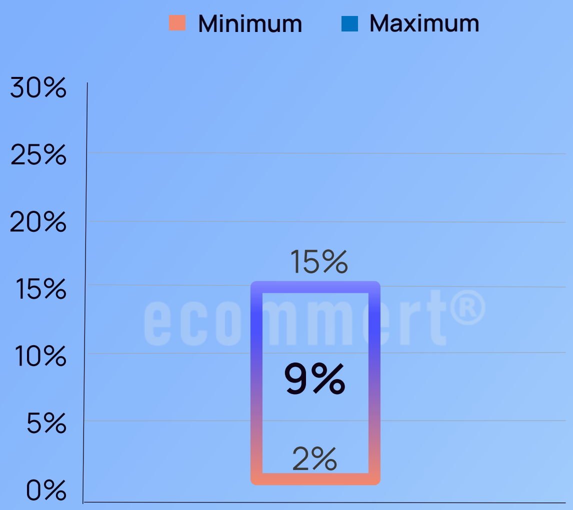
Leading the transformation with the highest ad spend allocation (22.7% average), with US brands investing significantly more (23-27%) than European counterparts (18%), reflecting the maturity of US retail media platforms and higher digital conversion rates in this market.

US market commands 1.5x higher allocation than EU. The category maintains disciplined revenue allocations (1.8-3.0%), suggesting sophisticated optimization approaches. This consistency in revenue allocation despite higher variance in ad spend indicates category leaders are treating retail media as core infrastructure rather than experimental spend, with clear ROI expectations.

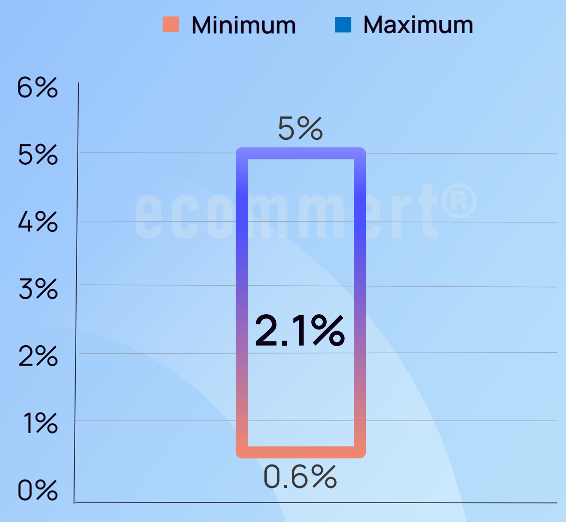
Retail Media Budget Allocations

Beverage / Alcoholic

Retail Media Budget, % of Total Ad Spend



Retail Media Budget, % of Net Revenue



Key Stats

- Range: 2-15% of total ad spend
- Average: 9% of total ad spend
- Highest: 15% in US market
- Lowest: 2% in EU market

- Range: 0.6-5% of net revenue
- Average: 2.1% of net revenue
- Highest: 5% in US market
- Lowest: 0.6% in EU market

Data source: ecommert Navigator research & analysis, 2025

ecommert's Expert Commentary

Alcoholic beverages demonstrate the most conservative retail media ad spend approach, with a striking 7.5x difference between US market investment (15%) and global strategies (2%). This cautious approach likely reflects regulatory constraints and fragmented purchase journeys in many markets.

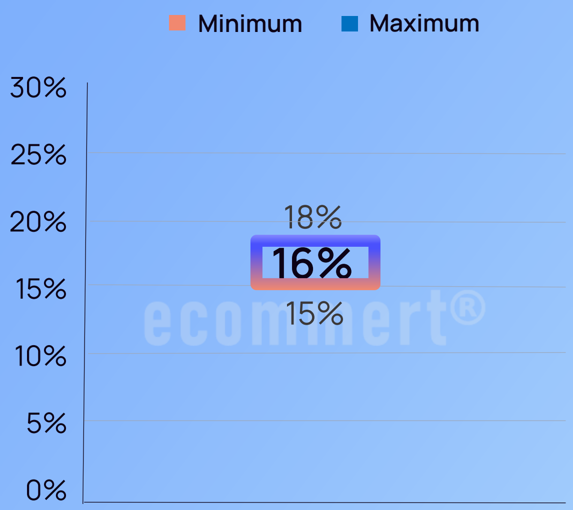
Most remarkable is the efficiency disparity – one of the leading brands allocating just 2% of ad spend globally but 4.5% of revenue in CEE markets, representing perhaps the highest efficiency ratio across all categories. This suggests either exceptional optimization or potentially different measurement approaches.

Image source: Flaticon, monkik

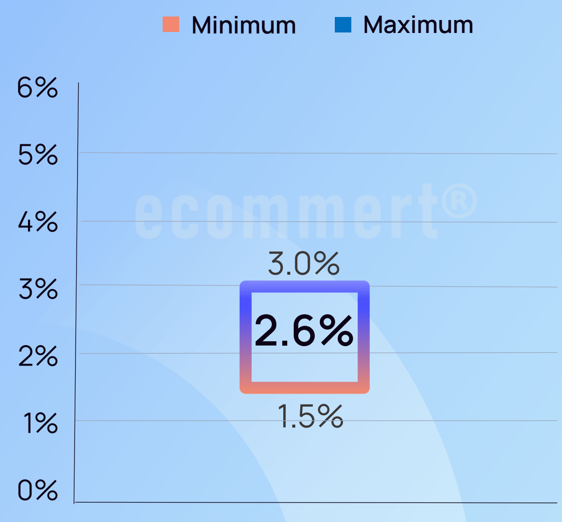
Retail Media Budget Allocations

Beverage / Energy

Retail Media Budget, % of Total Ad Spend



Retail Media Budget, % of Net Revenue



Key Stats

- Range: 15-18% of total ad spend
- Average: 16% of total ad spend
- Highest: 18% in US market
- Lowest: 15% in US market

- Range: 1.5-3% of net revenue
- Average: 2.6% of net revenue
- Highest: 3.0% in US market
- Lowest: 1.5% in EU market

Data source: ecommert Navigator research & analysis, 2025

ecommert's Expert Commentary

Energy drinks are investing significantly more aggressively in retail media (16% average) than their alcoholic counterparts (9% average), likely reflecting fewer regulatory constraints and stronger digital conversion potential. The high investment in the US market (up to 5% of revenue) indicates the strategic importance of this channel for customer acquisition in competitive digital environments.

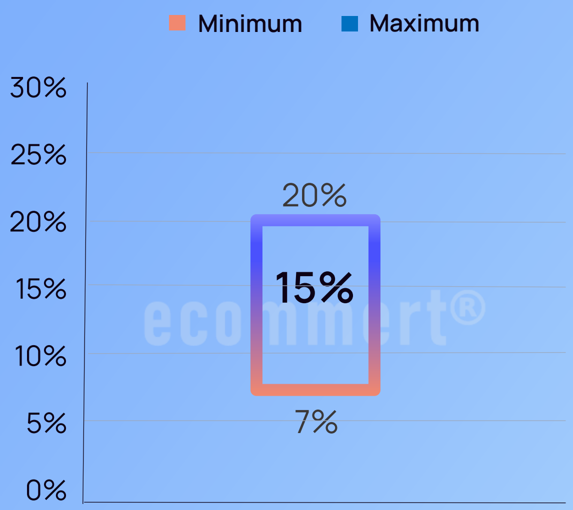
The category shows a more aggressive stance than many food categories despite similar retail environments, suggesting energy drink brands recognize the high discovery potential in retail media for their impulse-driven category.

Image source: Flaticon, monkik

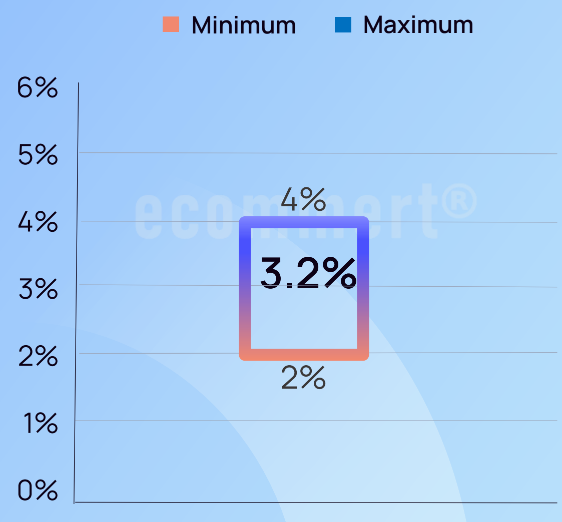
Retail Media Budget Allocations

Consumer Health Care

Retail Media Budget, % of Total Ad Spend



Retail Media Budget, % of Net Revenue



Key Stats

- Range: 7-20% of total ad spend
- Average: 14.8% of total ad spend
- Highest: 20% in US market
- Lowest: 7% in EU market

- Range: 2.0-2.7% of net revenue
- Average: 2.35% of net revenue
- Highest: 3.0% in US market
- Lowest: 1.8% in EU market

Data source: ecommert Navigator research & analysis, 2025

ecommert's Expert Commentary

Consumer Care demonstrates consistent investment approaches with clear US market leadership. American brands allocate 20% of ad spend and up to 4% of net revenue, significantly outpacing global (11%) and regional (7-15%) alternatives.

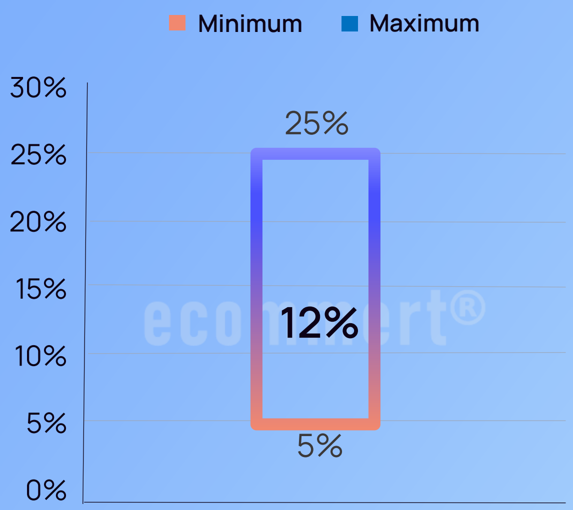
The category's replenishment-focused purchase patterns align well with retail media targeting capabilities, explaining the strong 4% revenue allocation in the US market. This consistency across metrics suggests clearer consensus on investment approach than more fragmented categories like Food & Beverage.

Image source: Flaticon, monkik

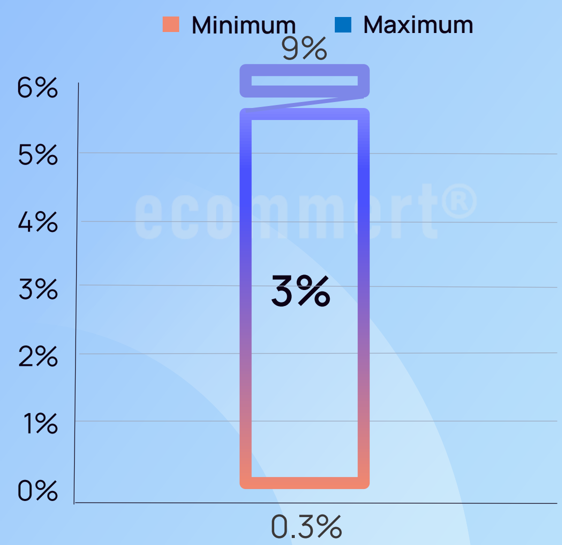
Retail Media Budget Allocations

Food & Beverage

Retail Media Budget, % of Total Ad Spend



Retail Media Budget, % of Net Revenue



Key Stats

- Range: 5-25% of total ad spend
- Average: 12% of total ad spend
- Highest: 25% in US market
- Lowest: 5% in EU market

- Range: 0.3-9% of net revenue
- Average: 3% of net revenue
- Highest: 9.0% in US market
- Lowest: 0.3% in EU market

Data source: ecommert Navigator research & analysis, 2025

ecommert's Expert Commentary

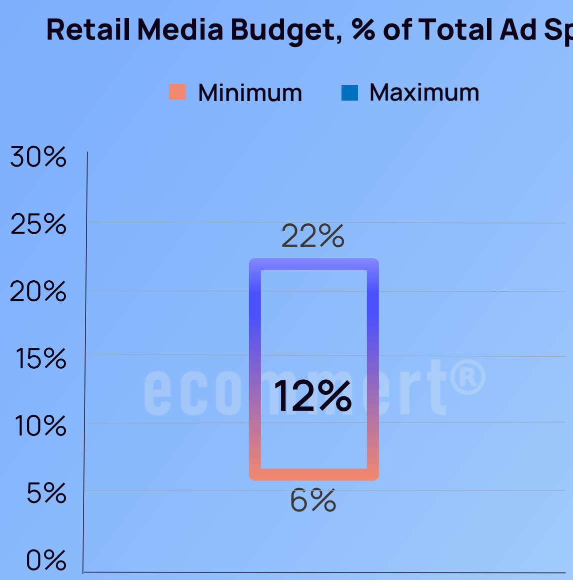
Food & Beverage shows the most diverse retail media allocation strategy, with extraordinary variation in both metrics. The 60x difference between highest (9%) and lowest (0.3%) revenue allocation reveals dramatically different digital commerce maturity by market.

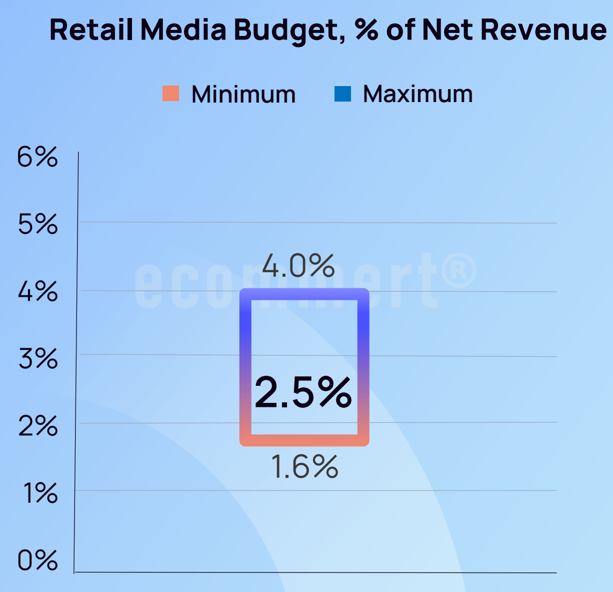
Most intriguing is the global strategy of a leading CPG showing perfect 1:1 ratio of 9% ad spend to 9% revenue allocation, providing a fascinating efficiency benchmark. US market investment (10-25% of ad spend) consistently outpaces global (5-10%) and European strategies, reflecting higher eCommerce penetration for grocery categories in North America.

Image source: Flaticon, monkik

Retail Media Budget Allocations

Home Care





Key Stats

- Range: 6-22% of total ad spend
- Average: 12% of total ad spend
- Highest: 22% in US market
- Lowest: 6% in EU market

- Range: 1.6-4% of net revenue
- Average: 2.5% of net revenue
- Highest: 4.0% in SEA market
- Lowest: 1.6% in EU market

Data source: ecommert Navigator research & analysis, 2025

ecommert's Expert Commentary

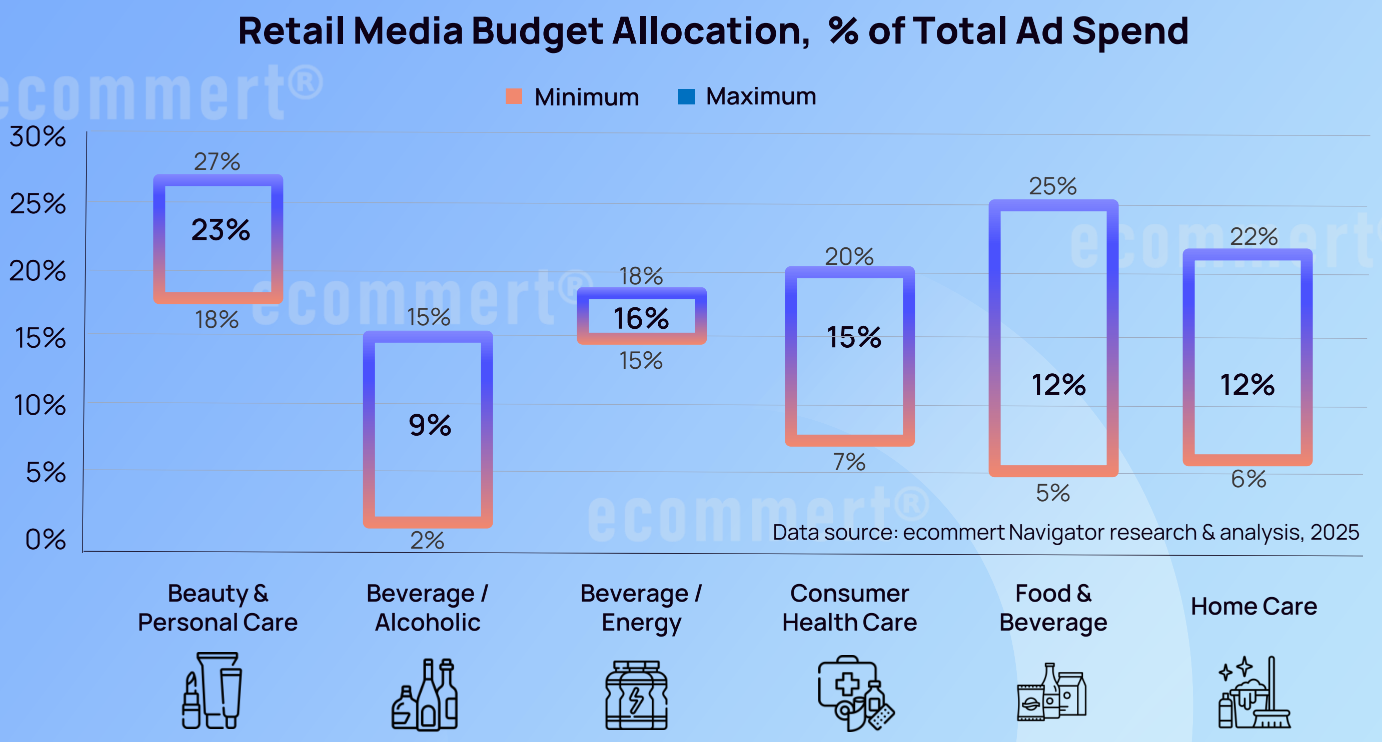
Home Care displays a 3.5x difference between US (15-22%) and global (6%) strategies, with American brands leading aggressive investment while global approaches remain more cautious.

The category's high repeat purchase patterns create strong ROAS potential, particularly evident in the SEA market's 4% revenue allocation.

This category shows the strongest market-specific variation in strategy, suggesting local retail environments heavily influence investment approaches.

Retail Media Budget as % of Advertising Spend

Cross-Category Overview



ecommert's Expert Commentary

Dramatic category variance signals strategic opportunities: Beauty & Personal Care leads with allocations of 18-27% of total ad spend, while Beverage/Alcoholic remains conservative at just 2-15%. This 13.5x difference between minimum allocations (2% vs. 27%) reflects fundamentally different approaches to retail media's role in the marketing mix.

Maturity curve evident in range compression: The data reveals a clear "maturity curve" in how categories have established investment benchmarks. Beauty & Personal Care shows best practices, while F&B, Home Care and Beverage/Alcoholic shows the wide variance indicating experimentation.

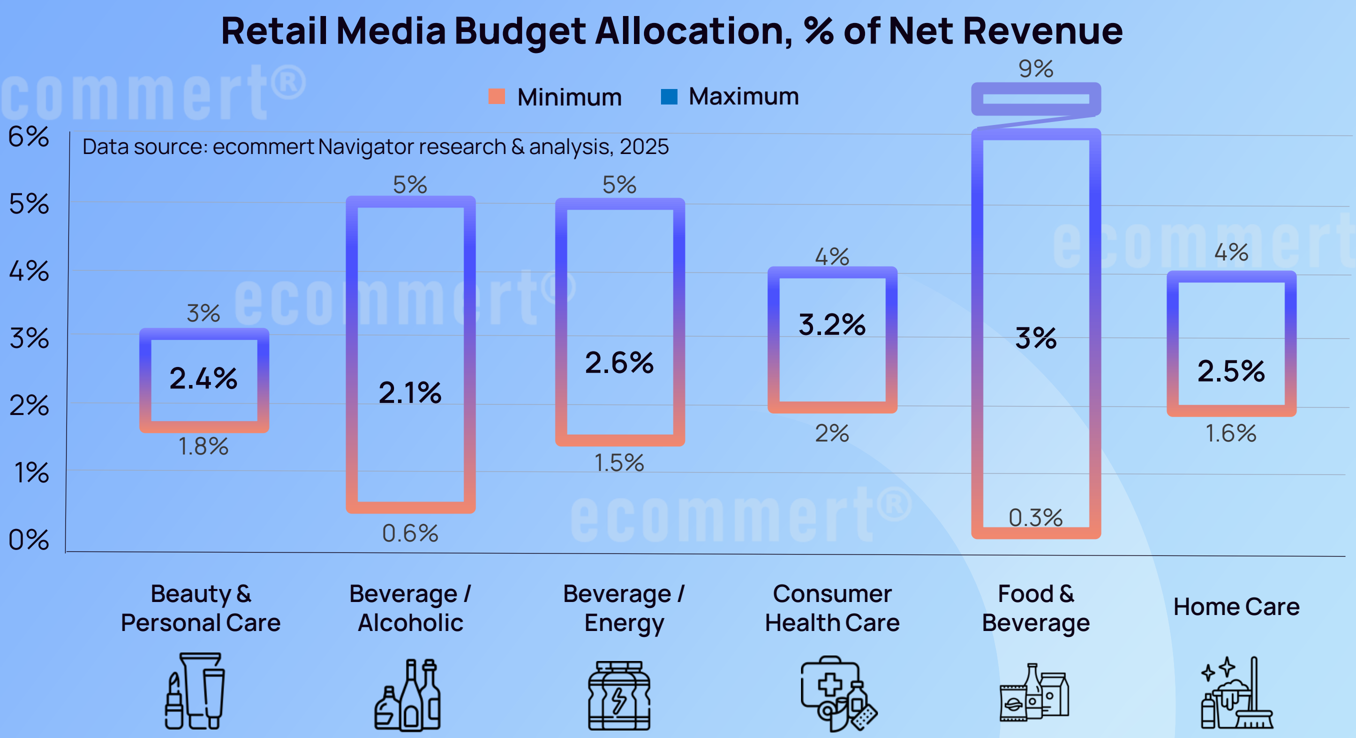
Energy Drinks category's compressed range (15-18%) despite its relative newness suggests rapid standardization of investment approaches. This signals that category has moved away from testing to established practice - a pattern we track closely when advising CPGs on appropriate investment levels.

Ceiling effects emerging in mature categories: The data suggests a natural ceiling for retail media investment is emerging around 25-27% of total ad spend, seen in both Beauty and Food & Beverage categories. This ceiling likely reflects the practical limitations of retail media inventory availability, diminishing returns at extreme allocation levels, and the need to maintain balanced media mix for upper-funnel objectives.

Image source: Flaticon, yoyonpujiono, fatihicon

Retail Media Budget as % of Net Revenue

Cross-Category Overview



ecommert's Expert Commentary

Extreme range disparity signals market opportunity: The extraordinary 30x difference between the lowest allocation (0.3% in Food & Beverage) and highest allocation (9% in the same category) represents perhaps the most significant competitive opportunity in digital marketing today. This dramatic spread indicates we're still in early stages of optimization despite retail media's rapid growth.

For CPG brands, these gaps represent prime territory for competitive advantage through data-driven investment strategies. Categories with the widest ranges (Food & Beverage at 0.3-9%, Alcoholic Beverages at 0.6-5%) offer the greatest potential for competitive disruption through strategic over-investment or efficiency.

Efficiency vs. Scale – Competing models emerging:

1. **The Efficiency Model:** Consumer Health Care (2-4%) and Beauty (1.8-3%) maintain relatively tight revenue allocation ranges with strong consistency across brands, suggesting established efficiency benchmarks.

2. **The Variable Scale Model:** Food & Beverage (0.3-9%) and Alcoholic Beverages (0.6-5%) categories show dramatic variance, indicating widely different approaches to scale and efficiency. For our clients' strategy development, this distinction is crucial. Efficiency-model categories benefit from performance optimization within established benchmarks, while variable-scale categories present opportunities for market leadership through strategic over-investment relative to competition.

Image source: Flaticon, yoyonpujiono, fatihicon

Market Level Patterns

Category Spectrum: The Path to Maturity

Analyzing the comprehensive data across categories and markets, we observe a clear "maturity hierarchy" in retail media investment that transcends simplistic developed vs. developing market classifications.

The data clearly shows market location drives investment more than category dynamics:

- **US strategies** consistently command premium investment (17.9% average ad spend) across all categories
- **European Markets:** The moderate but consistent allocations (6-18% of ad spend) suggest established but still-evolving best practices
- **Emerging Markets:** The data reveals surprising sophistication in markets like CEE, warranting focused efficiency plays rather than minimal investment

The key strategic implication is that market-level investment must be calibrated not just to development stage but to competitive intensity, retail media infrastructure, and efficiency potential unique to each market.

The US-Global Investment Divide

2025 retail media budget allocations confirm that neither a pure US-led nor global-first approach is optimal - brands that can orchestrate complementary approaches across markets while transferring key learnings will gain significant competitive advantage in retail media effectiveness.

- **Scale vs. Efficiency Trade-off:** The US market's higher investment requirements reflect the need for scale in a more competitive ecosystem, while global approaches often optimize for efficiency
- **Measurement Gap:** The variable efficiency metrics suggest different measurement approaches between US and global strategies
- **Test-and-Learn Opportunity:** Global strategies often serve as efficiency testing grounds that can be scaled to US operations

US Market Dynamics

- **Ad Spend Average:** 17.9% across categories
- **Net Revenue Average:** 2.4% across categories

Regional Market Variations

- **Most Aggressive:** US market (17.9% average ad spend)
- **Most Conservative:** Global strategies (6% average ad spend)
- **Most Variable:** European markets showing 2-3x differences within same category

Strategic Implications

Competitive Positioning

We observe a strategic diversion from category norms. The 2025 retail media budget allocations reveal that retail media is no longer an experimental channel - it has become a strategic necessity with clear category benchmarks.

The data reveals clear "investment clusters" by category, yet the most successful brands are those that strategically break these patterns based on their specific competitive position

Measurement Evolution

There is an accelerating trend across markets where CPGs are pushing beyond ROAS to comprehensive value assessment and advanced measurement and reporting.

The dramatic variance in investment levels – from 27% of ad spend in Beauty to just 2% in Alcoholic Beverages (global) – isn't merely reflecting different digital maturity levels. It signals fundamentally different measurement frameworks across categories.

Market-Specific Approach

The data strongly argues against global uniformity in retail media strategy. Market-specific approaches are essential, with particular attention to appropriate scaling in the US market where all categories show significantly higher investment levels.

The 2.5x higher average US market allocation compared to global strategies reveals a maturity gap that demands market-specific approaches rather than global uniformity.

Key Success Factors

1. Category-specific benchmarking rather than cross-category comparisons
2. Market-by-market strategy rather than global uniformity
3. Clear efficiency metrics to evaluate true return on investment
4. Balance between scale and efficiency based on category and market dynamics

Tactical Recommendations for CPGs

Competitive Positioning

Rather than benchmark solely against category averages, brands should:

- **Map investment to competitive positioning** – challenger brands should consider strategic over-investment (25-30% above category average) to gain share, while established leaders may optimize for efficiency
- **Leverage the efficiency advantage** – the data shows US market commanding 2.5x higher allocation than global strategies, creating opportunity for global brands to drive efficiency by applying US optimization techniques to emerging markets

Measurement Evolution

CPG brands must evolve from simplistic ROAS metrics to comprehensive value frameworks that capture retail media's full impact:

- **Implement algorithmic attribution models** that quantify retail media's influence on both online and offline sales, particularly for categories with complex omnichannel purchase paths
- **Develop category-specific KPI hierarchies** that reflect unique purchase journeys – what works for Beauty's discovery-driven path won't apply to Beverage's replenishment-driven approach
- **Establish unified measurement standards** within your category to enable valid competitive benchmarking and prevent the 30x performance variance we currently see in Food & Beverage

Market-Specific Approach

CPG brands must develop market-tailored retail media strategies that:

- **Create tiered investment frameworks** with distinctly different approaches for leading markets (US), developing markets (EU), and emerging markets (SEA, LATAM)
- **Right-size US investment** based on the visualization's clear US premium (18-27% in Beauty, 15-20% in Consumer Health) to prevent underinvestment in this critical market
- **Apply efficiency learnings across markets** – the data suggests global strategies reflect a higher percentage allocation of net revenue (especially in emerging markets), creating opportunity to apply these efficiency techniques in higher-investment markets.

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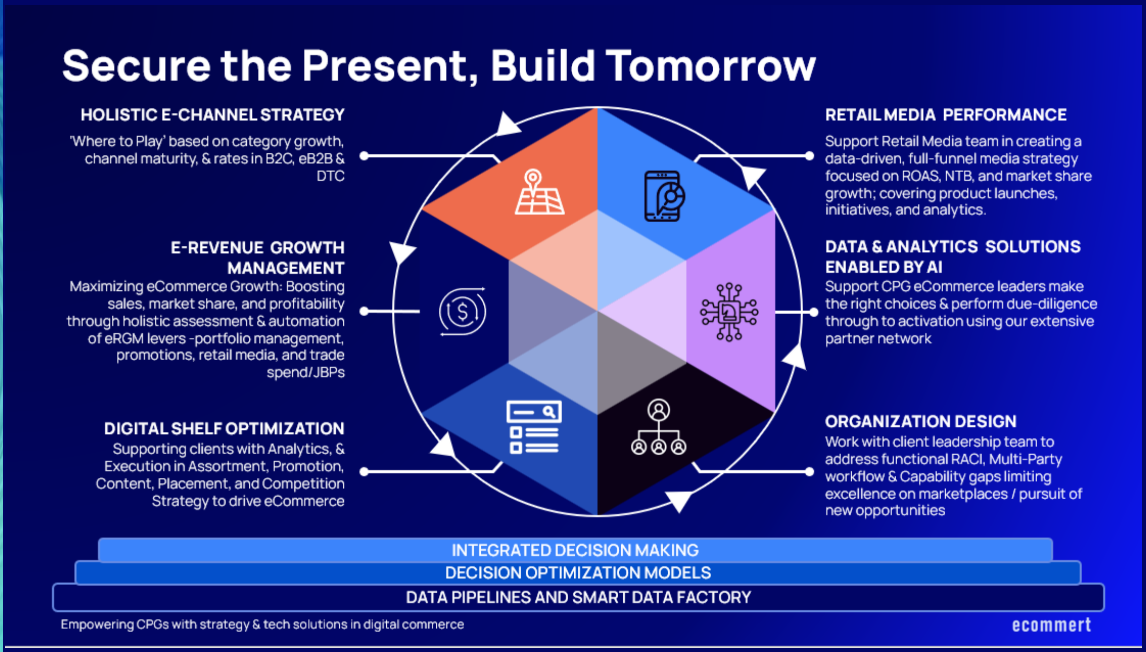
eCommerce Engagements

Our advocacy stems from deep, hands-on , global CPG experience with P&L and budget responsibilities



Speaking Engagements

Running inspiration sessions with CPG leaders & their teams on Digital Commerce, AI innovation & future-proof strategies

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We're looking forward to collaborating with you, to bring more value and substance to CPG digital commerce ecosystem