



Australia

# The Commerce Swell: How Marketers are Riding the New Media Wave

The industry's response to evolving media and consumer behaviours

# Why now?

Because consumers have changed – and they're not going back.

They want to discover and buy on their terms, in their moments.

They're scrolling, watching, clicking, and expecting more from every digital experience.

Commerce is no longer a destination. It's a behaviour, embedded in content, media, and moments of attention.

Yet much of the media landscape hasn't caught up. Retail media has made steps in the right direction but it still acts in silo within an entity's ecosystem and forms a disparate snapshot of the bigger picture. Add the fact that we're still planning against outdated funnels, measuring proxies for performance, and missing the opportunity right in front of us: the moment of intent.

This is where commerce media comes into the picture. It is the most exciting shift since programmatic. But it's not just a new format. It's a mindset where media, measurement, and action converge to perceive and act upon the full spectrum of consumer behaviours in the marketplace.

This report doesn't just validate the category. It makes the case for urgency: if you wait, your competitors won't just beat you to market. They'll beat you to the moment of transaction.

Because media that sells is no longer futuristic. It's expected.

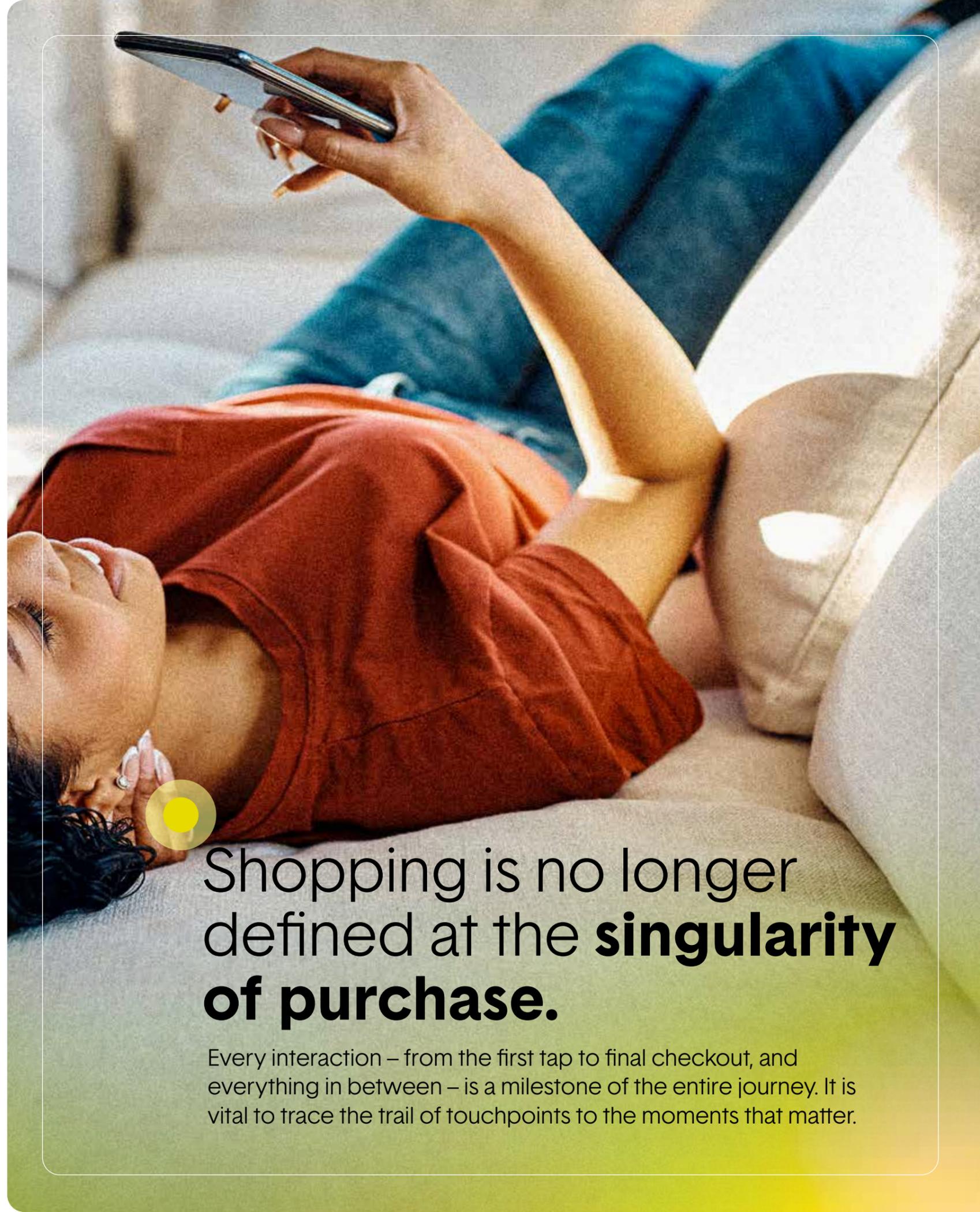
And because the consumer is still first.

Welcome to the new era of content and ads that convert.

Digital shopping has changed – let's lead it.

**Nick Morgan**

CEO and Founder of Vudoo



Shopping is no longer defined at the **singularity of purchase.**

Every interaction – from the first tap to final checkout, and everything in between – is a milestone of the entire journey. It is vital to trace the trail of touchpoints to the moments that matter.

# Key takeaways

**94%** of marketers say shifting budget to commerce media has improved results

**69%** recognise behaviour-driven models, reflecting a shift away from linear funnel theory

**CTV and AI adoption are accelerating** – especially among those investing in shoppable or interactive formats

Commerce media now represents **30%** of media spend on average

Commerce-curious marketers cite **knowledge and measurement** as key blockers



## Executive summary

Approaches to reaching audiences and consumers have long been guided by the traditional funnel model.

However, over a third of marketers are not satisfied with its effectiveness in measuring outcomes. Economic headwinds and technological adoption remain salient challenges to doing things differently.

For those who dare to try something new, commerce media offers a promising solution to adapt to changing behaviours and reinvigorate strategy. Marketers mastering commerce media demonstrate their proactive mindset by allocating budget towards commerce media-led campaigns in a confident endorsement of its potential.

This gameplan is informed by dynamic behaviour-led approaches that better understand modern consumer journeys and validated by commerce media's ability to map spend against measurable outcomes.

The investment is being manifested in emerging shoppable ad and Connected TV (CTV) formats, revealing their potency as a performance opportunity.

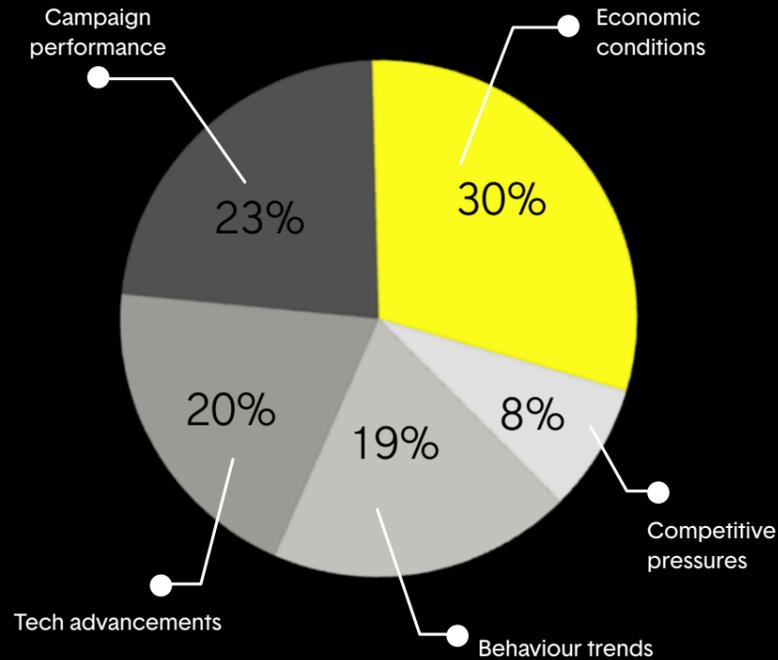
Of course, AI is the generative elephant in the room. Its potential to enhance operations and strategy is undeniable but concerns remain about integrity and control.

The once-rigid industry is transitioning into a progressive one informed by data that sees into the future. Players prepared to try new tools to unlock the full potential of commerce media will be at the cutting edge for years to come.

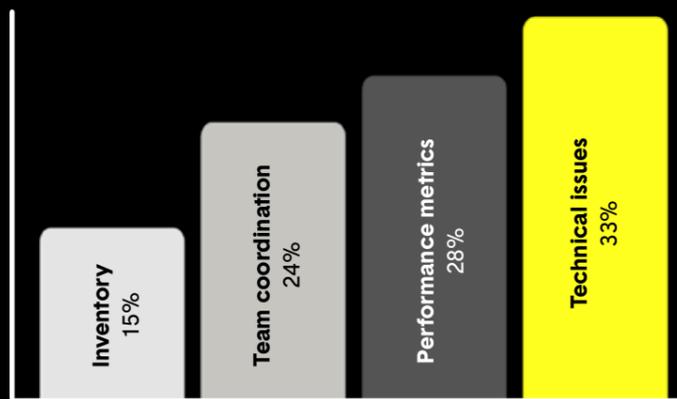
# Decision drivers and progress blockers

**Economic conditions are the #1 factor in budget decisions**, followed by campaign performance and tech advances

Pressure to deliver results and demonstrate tangible value is why marketers still prioritise performance-focused strategies and seek technological innovation to enhance efficiency and growth.



Survey Question: What is most important when thinking about current budget allocation?



Technical issues are the **#1 challenge** that marketers face

Technical issues and measurement gaps are the biggest barriers, driven by integration complexity, rising costs, and fragmented data, pointing to the need for better infrastructure and clearer attribution.

Survey Question: What are the primary challenges you face in digital media?

## Larger Company Blockers

82%

encounter cross-channel execution challenges

71%

face ongoing barriers to creative innovation

64%

contend with internal organisational issues

For large organisations, complexity – not capability – is the biggest hurdle. Despite greater resources, challenges around cross-channel execution, creative innovation, and team coordination make it difficult to deliver seamless, high-performing campaigns.

## Smaller Company Blockers

63%

experience budget and resource limitations

60%

navigate privacy and regulatory pressures

48%

cite attribution and measurement challenges

On the other hand, small organisations are feeling external pressures more acutely, juggling budget constraints, rising compliance demands, and measurement challenges, while working with limited resources.

# Modern marketing measurement

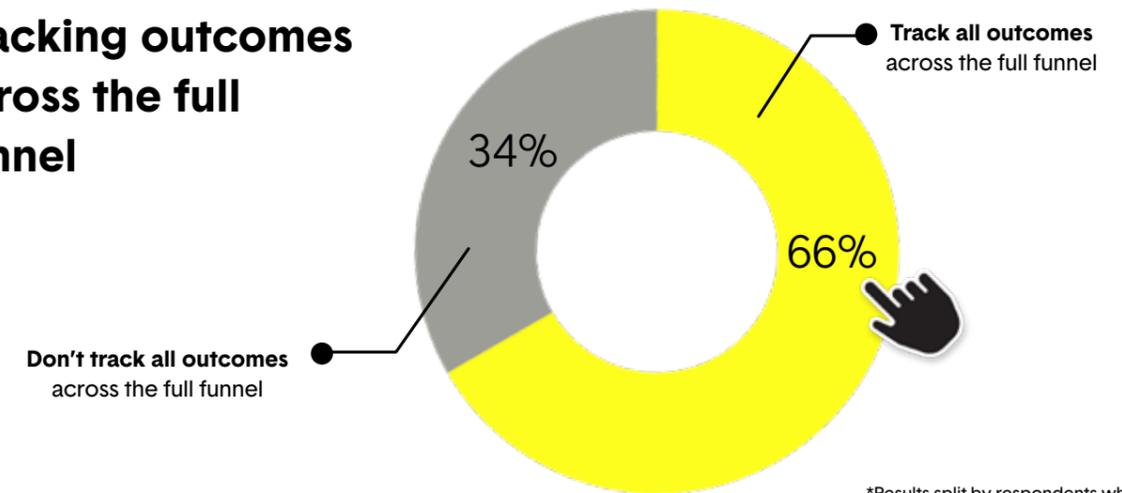
**More than one-third of respondents say the traditional funnel model falls short in **measuring consideration and conversion****

Despite 66% still tracking outcomes across the full funnel, only **48% see it as the most effective approach to take.**

Instead, 69% prefer real-time, behaviour-based models that track multiple touchpoints and post-purchase engagement.

**Linear models are falling out of favour.**

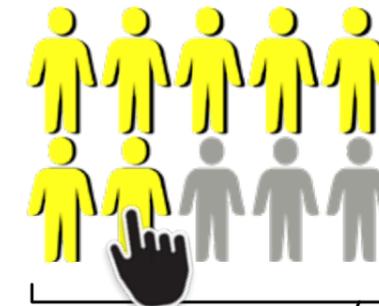
## Tracking outcomes across the full funnel



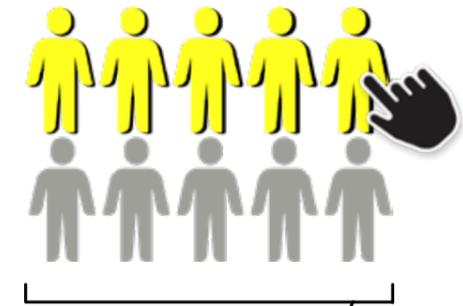
\*Results split by respondents who selected all options vs fewer.

Survey Question: What have been the main objectives for your campaigns? Select all that apply: reach, brand awareness, engagement, consideration, conversion, sales

## Most effective approach to measuring consumer journeys



69% view non-linear models as most effective



48% view linear models as most effective

## Model approaches selected by survey respondents:

### Linear

- A structured funnel model (e.g. Awareness to Consideration to Purchase)

### Non-linear

- Behavioural Flow: Optimising campaigns in real time based on consumer behaviours
- Flywheel: Focusing on post-purchase engagement and advocacy to inform future campaigns
- Micro-moments: Measuring multiple touchpoints without a fixed path

\*Total exceeds 100% as respondents could select multiple options.

Survey Question: Which of these approaches do you believe is most effective for measuring consumer journeys?



**42%** of marketers expect increased personalisation

**35%** see informed and cautious behaviour driven by research

**38%** expect greater engagement with interactive content

Marketers believe there's going to be a **27% increase in impulse shopping**

These expectations align with the shift toward behaviour-led strategies. Marketers recognise the need for more dynamic measurement approaches that capture evolving customer journeys and deeper levels of engagement.

### The tipping point

Marketers believe impulse shopping is on the rise but that's not to say consumers haven't already done their research beforehand. While older generations may spend some extra time ensuring they have all the facts before purchase, younger demographics natively expect this process to be integrated into their digital journey. Naturally, higher engagement through personalised and interactive experiences will lead consumers toward the tipping point: the critical moment when consideration turns into action and a purchase is made.



# Industry commentary

This report shows that we are no longer looking at commerce media in isolation, but increasingly as an integrated component of the audience journey.

With the ubiquity of the shopper mindset, the funnel can no longer exist solely for commerce; **consumers now expect the option to purchase across the full spectrum of media they engage with.**

This shift reflects what many of us are already seeing play out in market.

**Amie Owen**  
Global Chief Commerce Officer, KINNESSO

What I see around the world is that commerce media is reshaping budgets with behaviour-led strategies for marketers. The mantra for marketers interested in growth should be 'shoppable first, conversion everywhere and effortless to buy'.

**The 'TikTokification' of the world of marketing communication should not be underestimated.** We all love video. Yes, technical integration and measurement are hurdles, but they always were – and are always overcome.

**Colin Lewis** | Retail Media Works

Commerce media presents new opportunities for marketers, but it is vital to revise how they measure success.

**Shoppable content is simply a functional upgrade that enables a definitive action – the purchase – but the real story is facilitating behavioural understanding before and after that moment.** Ultimately, commerce media is about providing utility to the consumer so they can shop on their own terms: wherever, whenever, however they want.

**Norm Johnston** | SVP, Head of Global Advertising Strategy, NewsCorp

← After observing the broader landscape, it's time to look closely at **what's really influencing consumer outcomes.**

**Changing behaviours have fuelled the significant rise of commerce and retail media.** While they might seem similar at first glance, there are distinct differences.

**To help ground the findings that follow, here's how the survey defined each campaign type:**

**Comm•erce Cam•paigns (noun)**

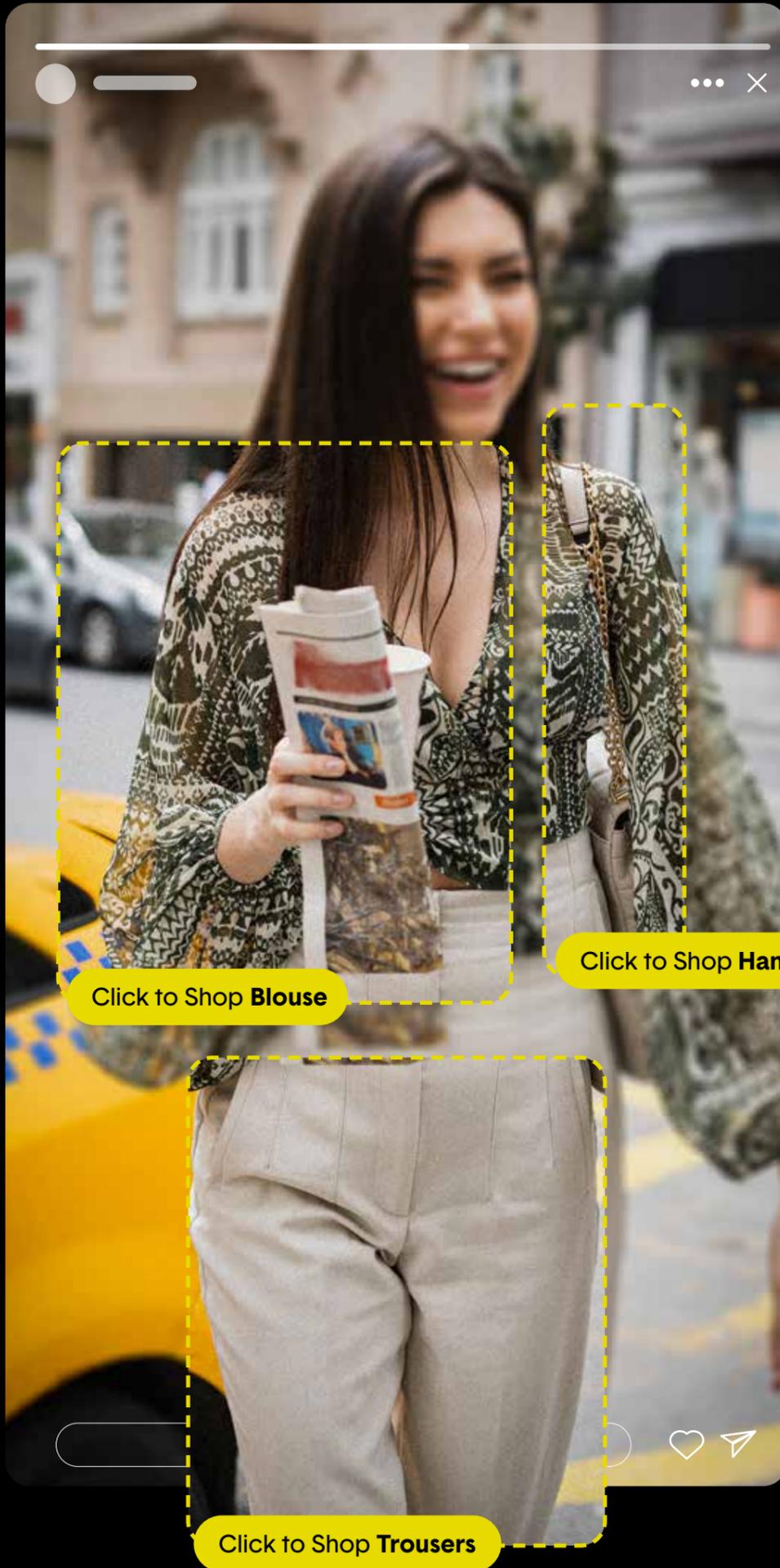
Campaigns that leverage commerce-enabled creative formats, such as shoppable ads, interactive ads, and product carousels, across a variety of digital channels, including social media platforms (e.g., Facebook, Instagram), publisher websites, mobile applications, and emerging commerce platforms to prompt immediate transactional responses.

**Re•tail Me•dia Cam•paigns (noun)**

Campaigns that use digital advertising space within a retailer's or marketplace's owned environments (e.g. websites and apps) and apply first-party data for granular targeting both on-site (owned platforms) and off-site (external digital environments).

**Oth•er Dig•i•tal Cam•paigns (noun)**

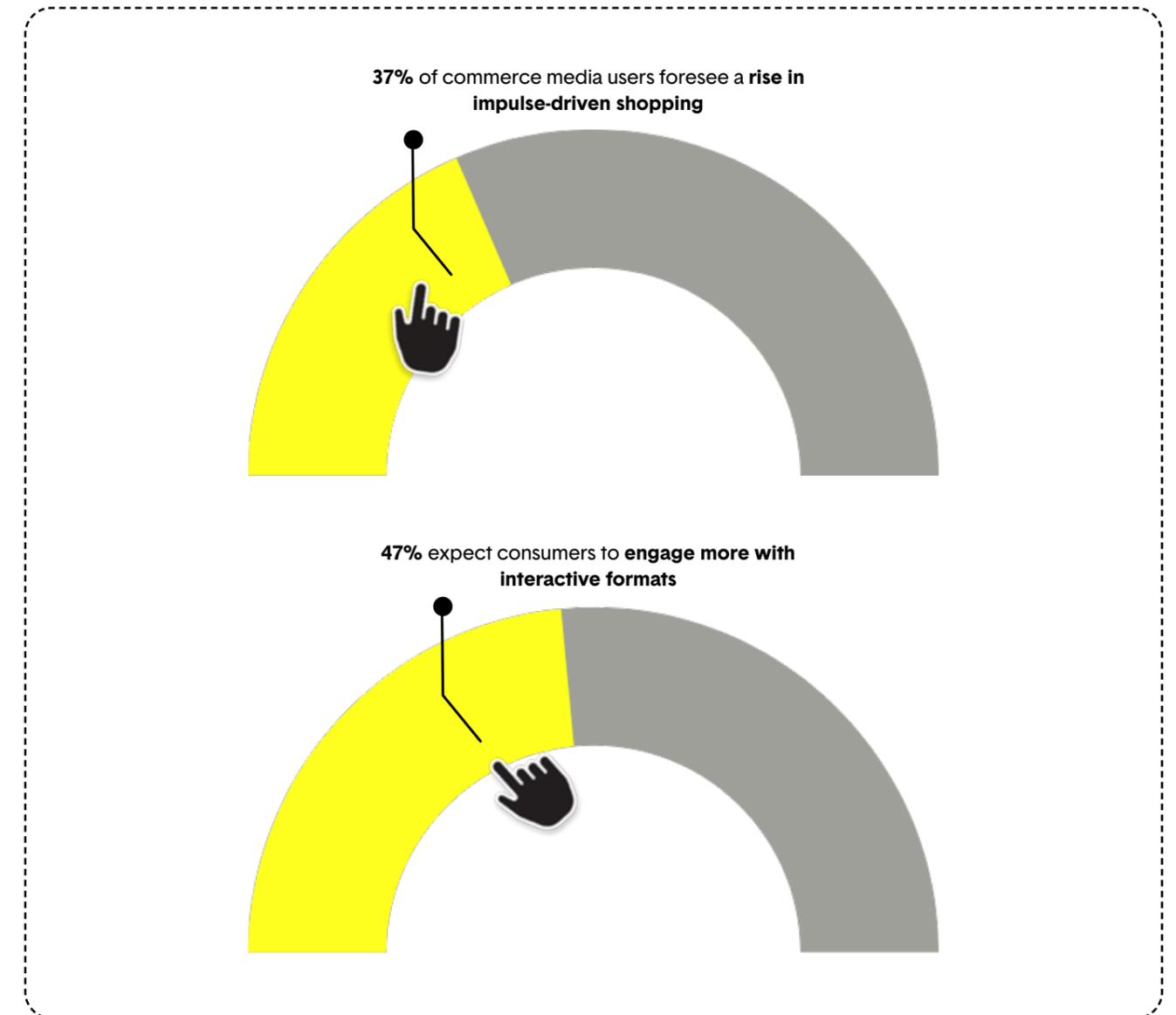
Any other online advertising, including general display, search, programmatic, and other digital formats aimed at brand awareness or performance marketing outcomes.



# Commerce media continues rising

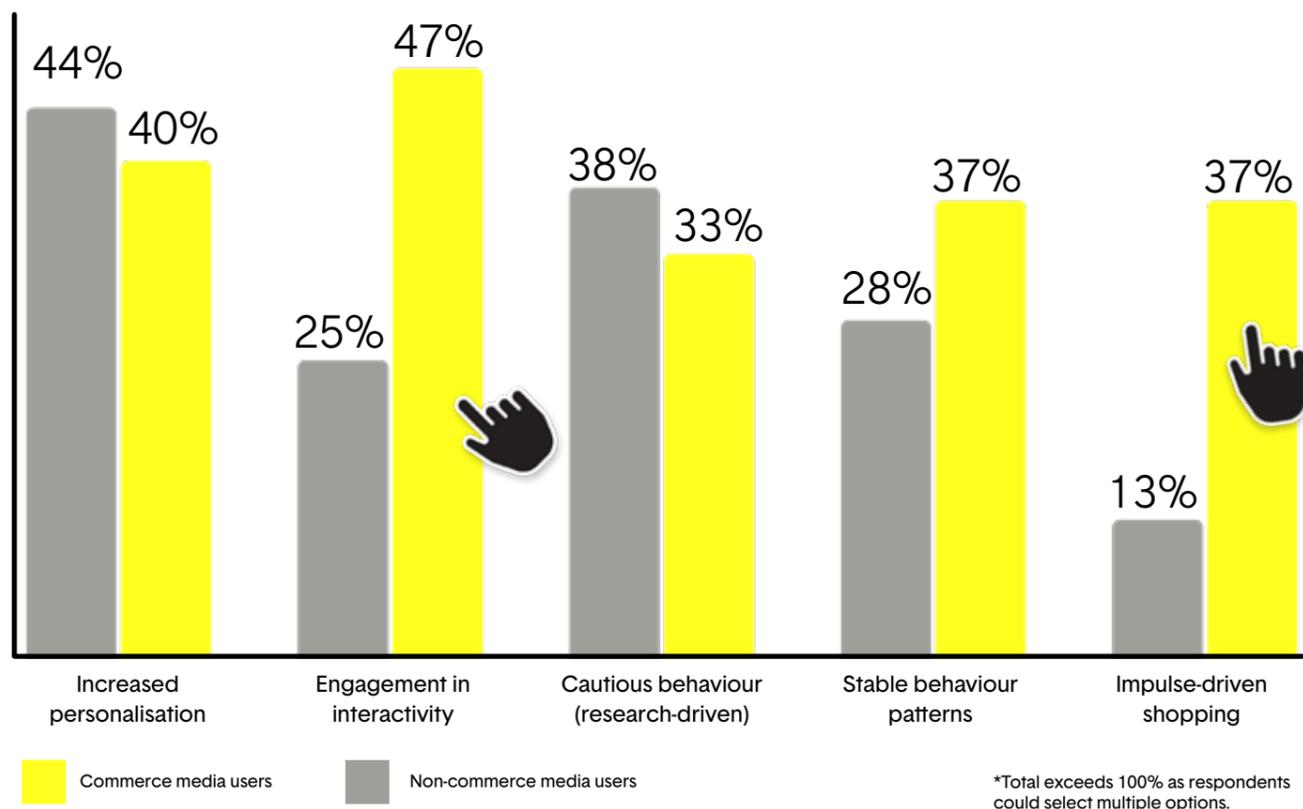
**Commerce media now represents 30%**  
of media spend on average

The once-experimental approach is now becoming a core component of marketing strategies. Marketers using commerce media are preparing for a more responsive consumer and this outlook is influencing their investment strategies and future planning. They're leaning into interactive and shoppable formats to meet, greet, and retain consumers from the first view.



Survey Question: How do you anticipate consumers' media consumption will evolve over the next 12 months? Results split by commerce media users.

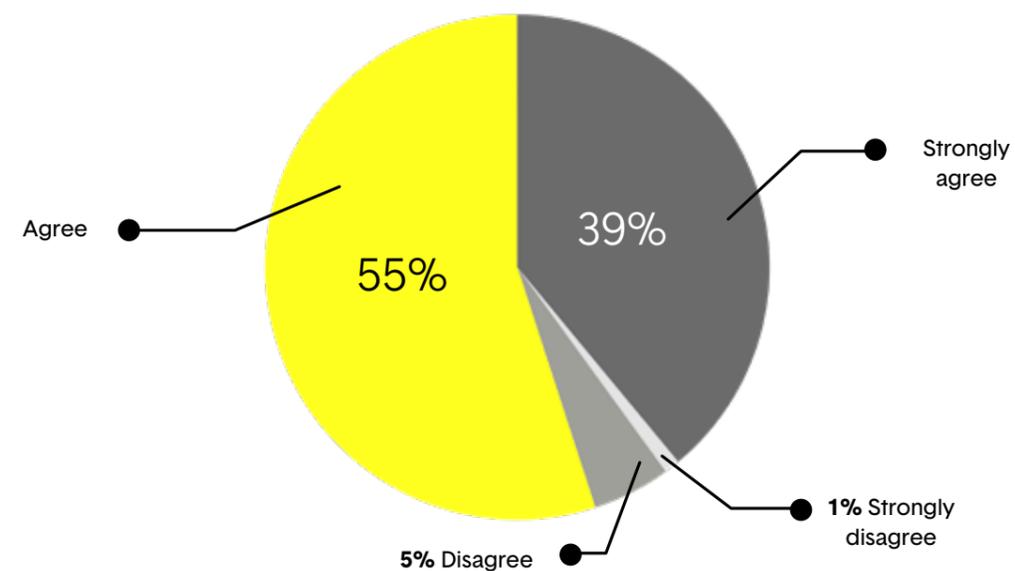
Commerce media users are weighing in on **how media consumption will evolve over the next 12 months**



Survey Question: How do you anticipate consumers' media consumption will evolve over the next 12 months?

**94%** of marketers say that shifting budgets to commerce media has improved campaign results

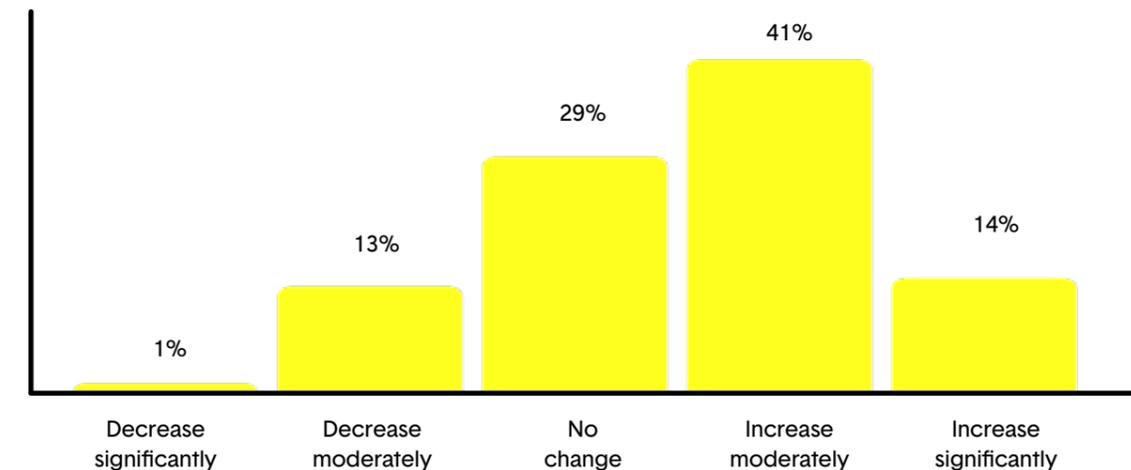
Marketers' views on whether shifting budget to **commerce media has improved campaign results**



Survey Question: To what extent do you agree that shifting budgets from traditional channels to commerce media has contributed to improved campaign results?

**Budget allocation changes** in commerce media over the next 12 months

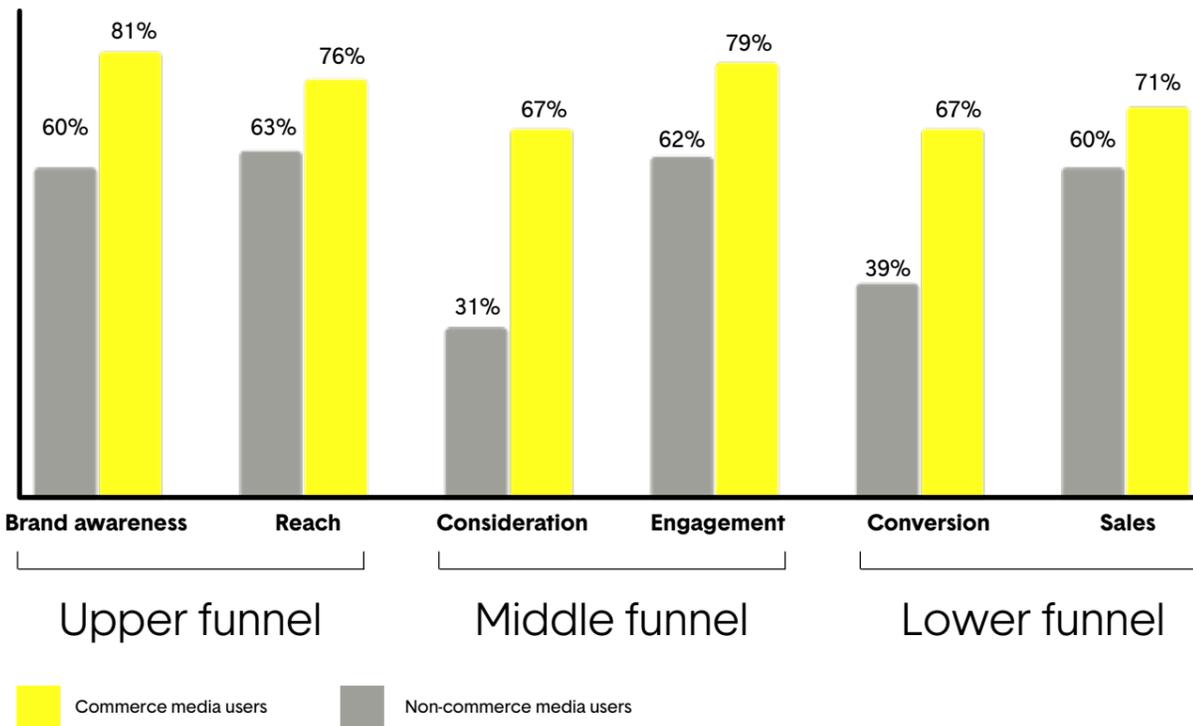
Total falls below 100% due to exclusion of 'unsure' responses.



Survey Question: How do you feel your budget allocation will change over the next 12 months?

## Satisfaction of funnel outcomes

using commerce media



Survey Question: For your selected objectives, how satisfied are you with your current measurement approach?

Commerce media users report higher satisfaction levels across every stage of the funnel compared to non-users.

This suggests that commerce media is delivering more consistent outcomes throughout the customer journey, particularly with mid- and lower-funnel measurements, highlighting its potential as an effective full-funnel solution.

### The top 3 challenges

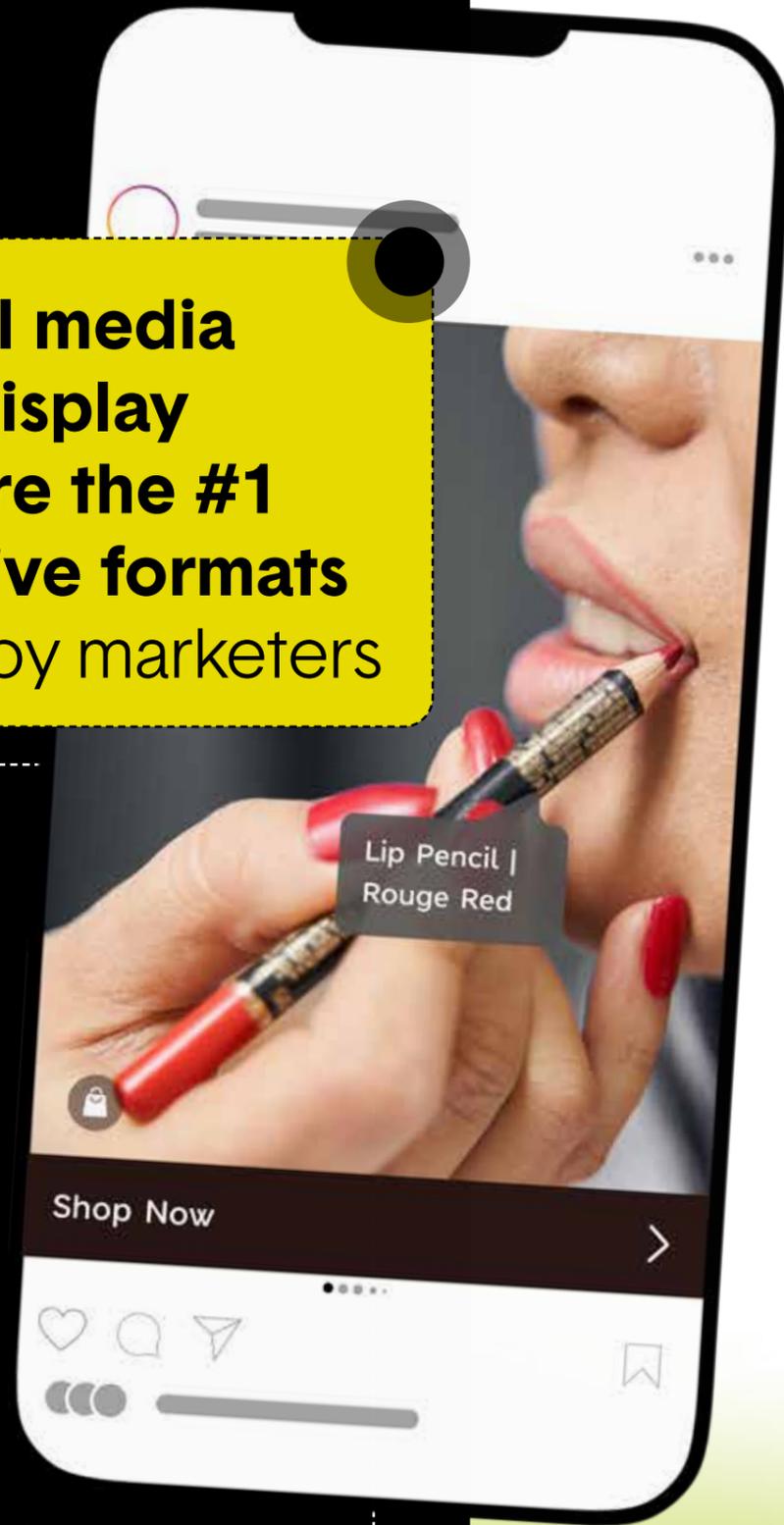
commerce media users face are:

1. Team coordination
2. Technical integration issues
3. Unclear performance metrics

# Shoppable ads and new growth opportunities

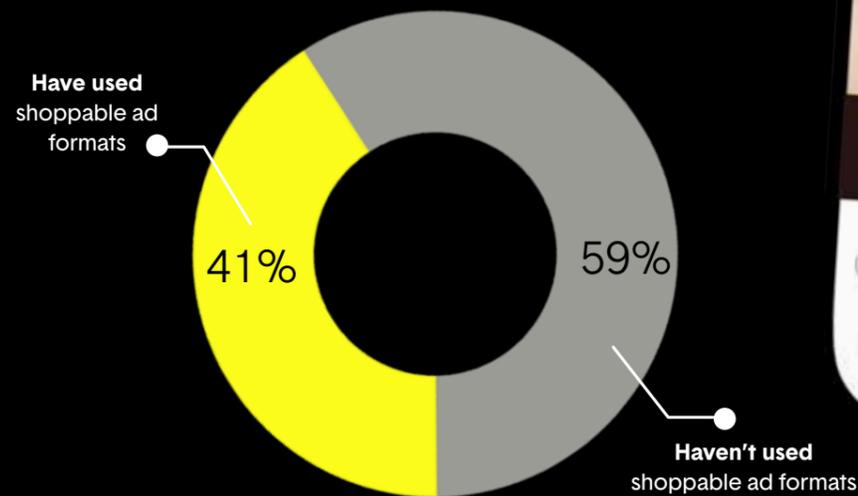
Shoppable ad users demonstrate a proactive, agile mindset, rapidly adjusting spend to seize growth opportunities and respond to real-time consumer behaviour.

**Social media and display ads are the #1 creative formats used by marketers**



## 41% of marketers are experimenting with shoppable ad formats

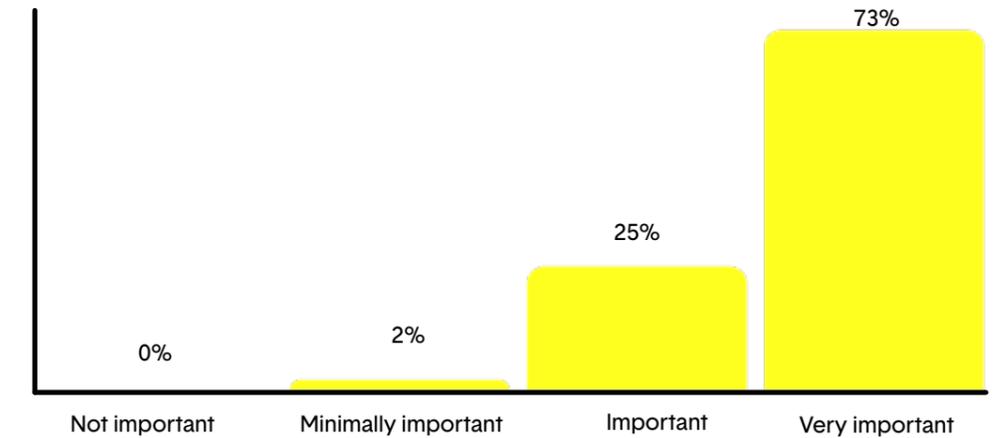
Although not as dominant, marketers are increasingly experimenting with these formats.



\*Results split by respondents who did and did not select shoppable ads

Survey Question: Which of the following creative formats do you currently use in your campaigns?

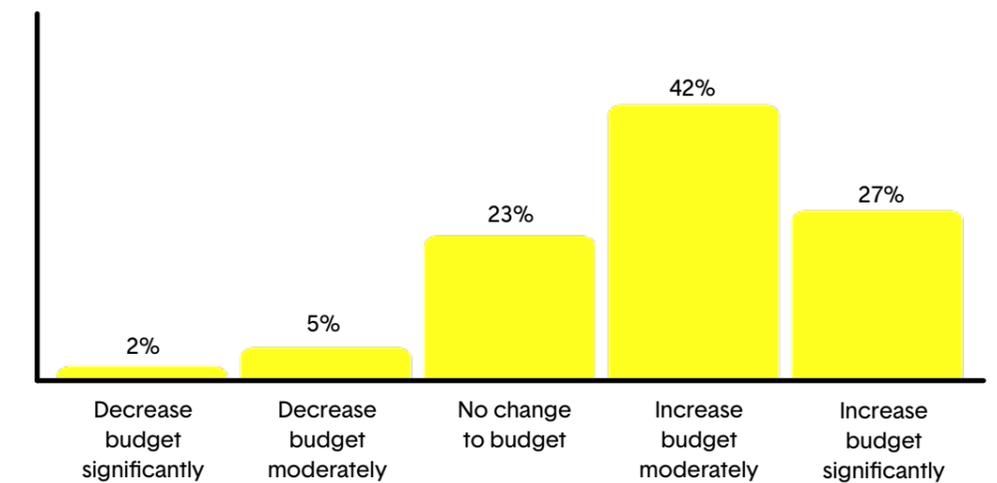
## 98% of shoppable ad users agree that adjusting budgets based on emerging trends is either important or very important



\*Results split by respondents who use shoppable ads.

Survey Question: How important is it for your organisation to adjust budget allocation based on emerging trends and growth opportunities?

## 42% of those experimenting with shoppable ads expect to moderately increase their digital budgets over the next 12 months



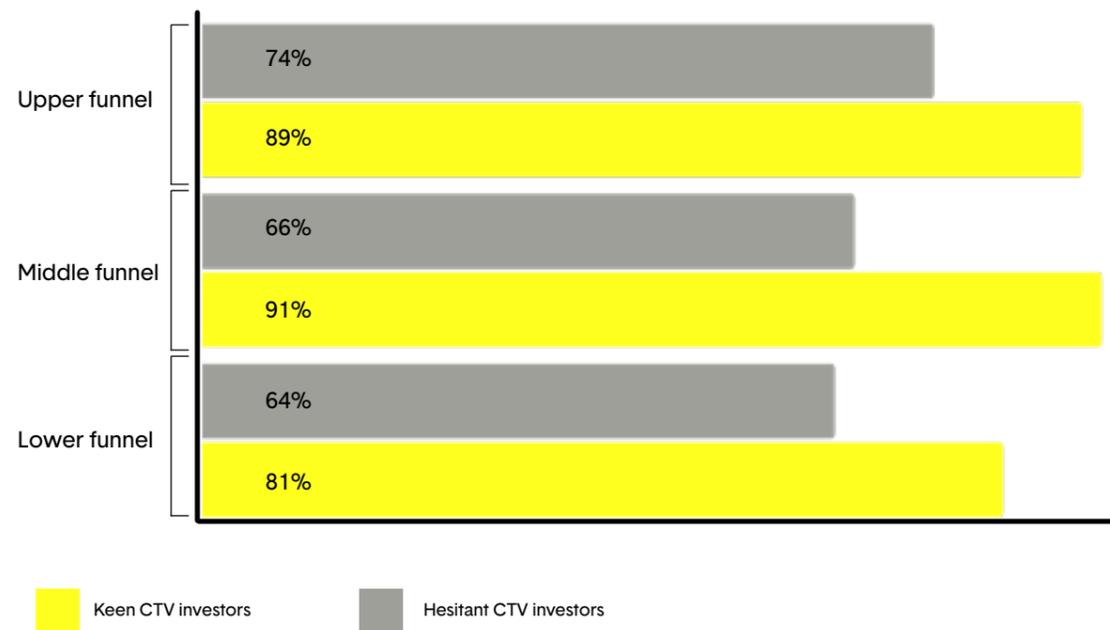
\*Results split by respondents who use shoppable ads. Total falls below 100% due to exclusion of 'unsure' responses.

Survey Question: How do you feel your budget allocation will change over the next 12 months?

# The promising future of CTV

## Marketers are considering Connected TV (CTV) as an option beyond upper funnel awareness

CTV is quickly becoming more than just a top-of-funnel channel, with 91% and 81% of CTV investors recognising its value for mid- and lower-funnel marketing.



\*Responses split by CTV attitude. Total exceeds 100% as respondents could select multiple options.

Survey Question: For your selected objectives, how satisfied are you with your current measurement approach?

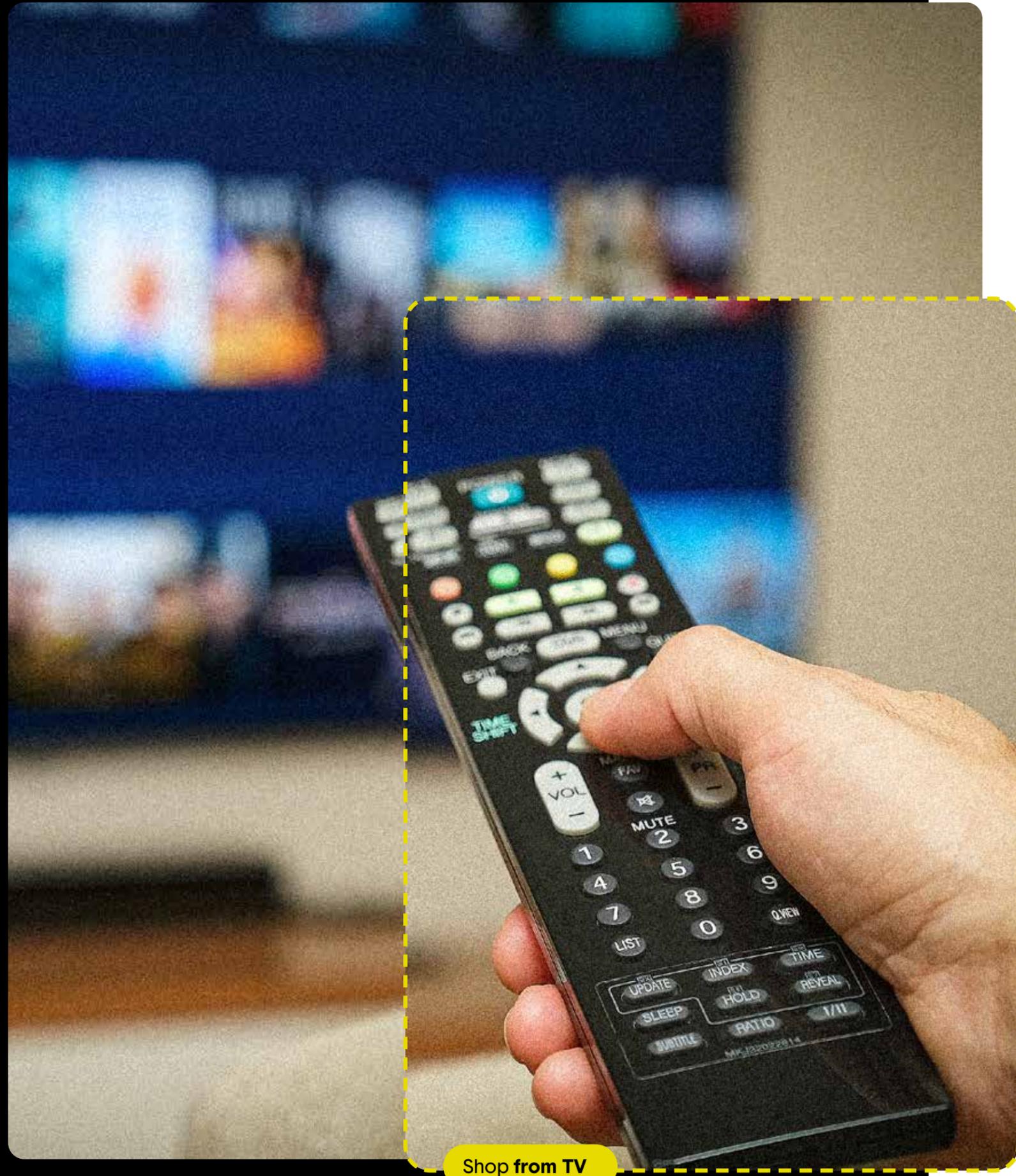
**56%** of CTV marketers prefer **interactive ads**

**55%** prefer shoppable ads **that checkout inside the video**

**and 48%** of CTV marketers prefer shoppable ads that **click out to buy**

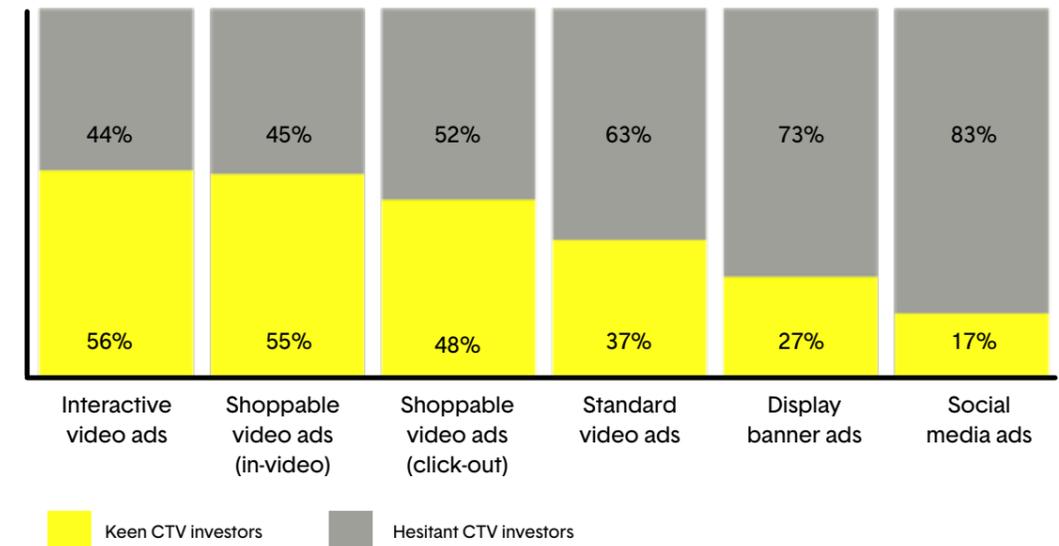
## Smarter TV

While television commercials have long been a passive format, the modern consumer is ready and willing to engage with a more active medium if it's a relevant experience. Consumers want more from the media they consume; progressive marketers are on the same page and are seeking opportunities for interactivity and transactional pathways to intersect.



Shop from TV

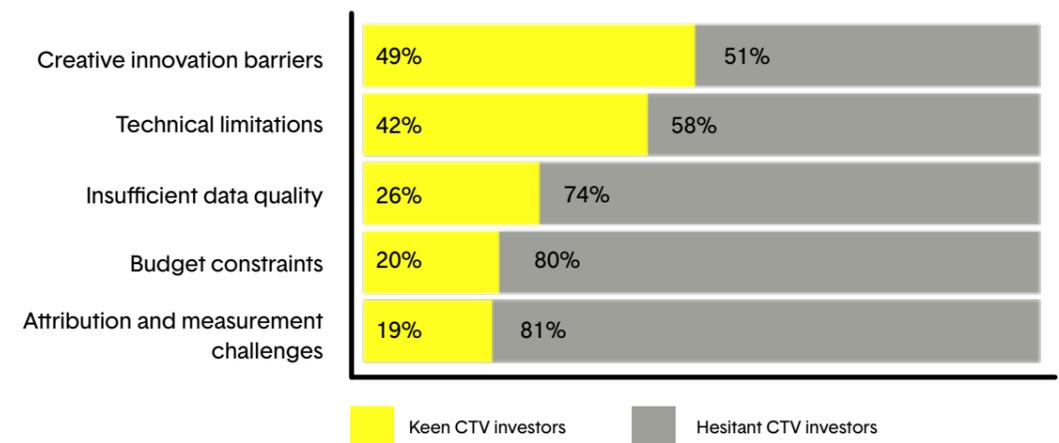
## Interactive and shoppable ads are the preferred formats among CTV marketers



\*Responses split by CTV attitude. Total exceeds 100% as respondents could select multiple options.

Survey Question: Which of the following creative formats do you currently use in your campaigns?

## Creative innovation barriers and technical limitations continue to hold back the full potential of CTV implementation



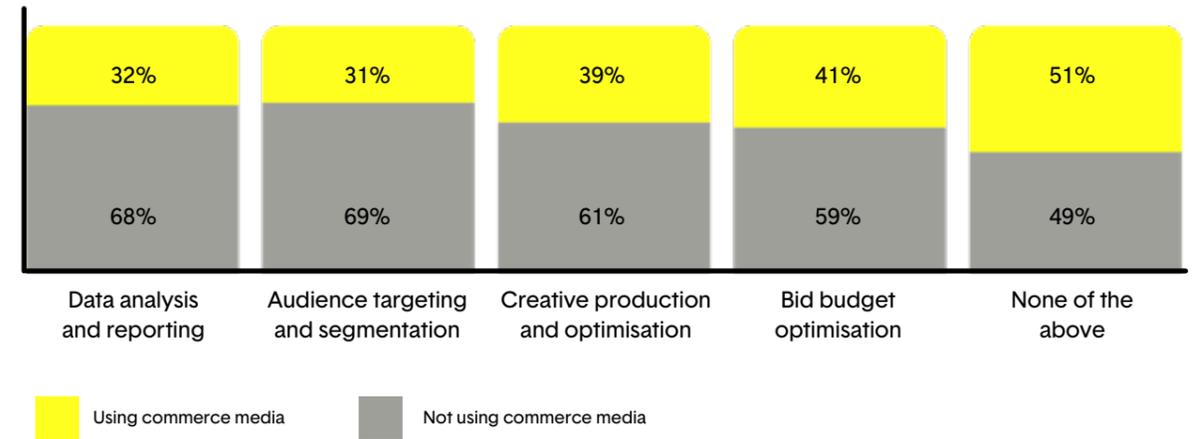
\*Responses split by CTV attitude. Total exceeds 100% as respondents could select multiple options.

Survey Question: What challenges do you encounter when optimising media placements and creative execution?

# AI: an emerging ally

**39%** of commerce media marketers agree AI can positively impact creative product and optimisation

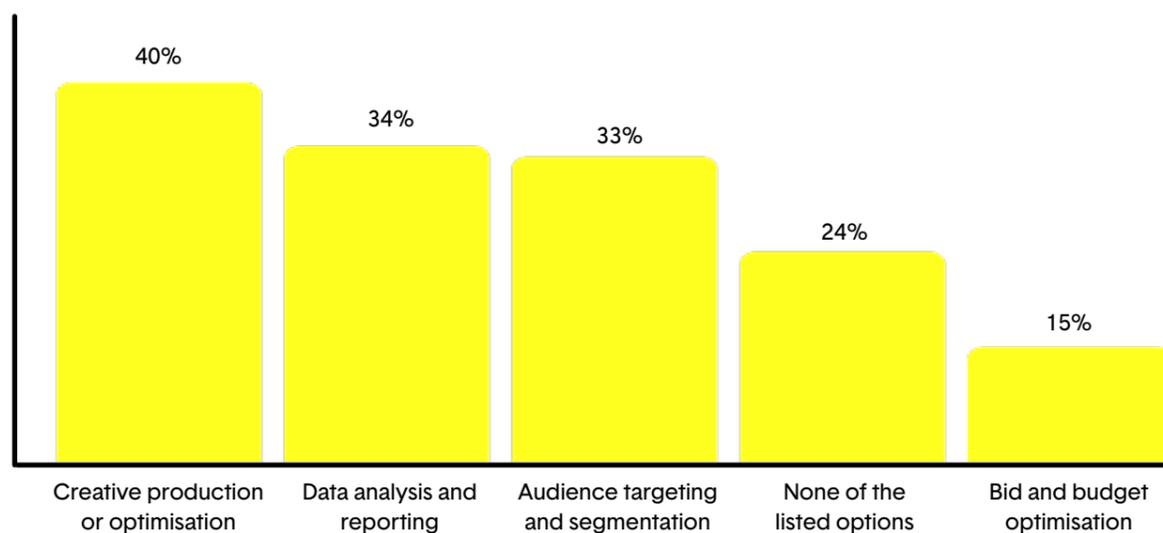
Within this group, commerce media users report even greater benefits, especially in **data-driven decision-making and creative performance**



\*Responses split by commerce media users. Total exceeds 100% as respondents could select multiple options.

Survey Question: What aspects of your campaign have benefited most from AI driven automation?

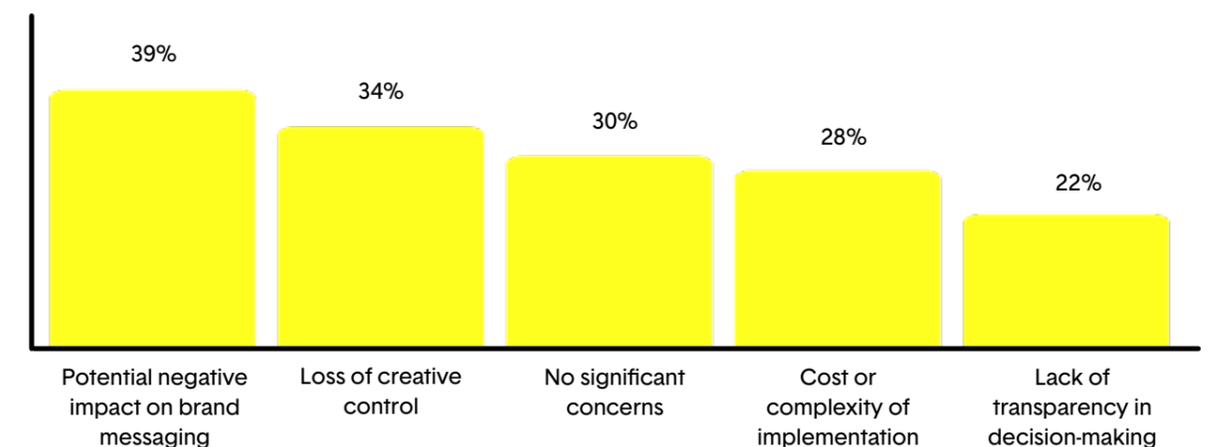
Marketers see strong potential in AI to **enhance creative optimisation, data analysis, and audience targeting**



\*Total exceeds 100% as respondents could select multiple options.

Survey Question: What aspects of your campaign have benefited most from AI driven automation?

Across the board, **concerns persist around brand safety, creative control, and implementation complexity** when it comes to AI



\*Total exceeds 100% as respondents could select multiple options.

Survey Question: What concern, if any, do you have about using AI in your marketing campaigns?



## Conclusion

Commerce media is the new frontier for brands, marketers, and agencies to claim new ground and consumers. The ever-present tension between achieving marketing growth and adapting to evolving consumer behaviours means established models of operating are challenged by new approaches.

That's not to say old methods are now completely obsolete: these tried and true fundamentals still underpin the opportunities presented by commerce media and the emerging technologies that support it. The difference now is that the ability to generate granular insights and incremental outcomes is more impactful than simply having the biggest budget.

At its core, marketing is simply about understanding the right people to reach and the best ways to reach them. As the research shows, marketers who are quick to adopt commerce media are already seeing success, while those still playing catch up risk falling further behind in a market defined by agility, relevance and measurable impact.

If consumers have changed and aren't going back, then so must the ways of reaching them. The sooner commerce media strategies are implemented and improved, the greater the advantage – all in the pursuit of meeting the consumer where they are.

# Research methodology

**Objective:** Designed to test assumptions around commerce media adoption, shoppable formats, and marketing challenges.

**Sample:** 148 Australian marketers, selected for relevant digital experience. Conducted through a 10-minute online panel survey.

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**LongTerm CoLab** is a specialist digital market insights company that equips senior leaders at major media businesses with deep, actionable insights into current and emerging market trends. A unique blend of proprietary data and tailored research programmes provides an unrivalled 360° view of the digital media ecosystem, integrating seller, buyer, and consumer perspectives.

**Vudoo** transforms traditional advertising into a commerce engine, enabling consumers to engage, shop, and transact directly within video, display, and CTV ads. The solution dynamically optimises creatives and targeting to maximise impact, delivering higher engagement, conversions, and measurable outcomes. Every interaction is captured as first-party data, giving brands full-funnel visibility into consumer intent.

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