


The Daily: How retail media unlocks brand building and whether there are enough retail media dollars to go around

Audio



On today's podcast episode, we discuss how retail media is meeting the demand for full funnel campaigns, what folks are building to help with measurement, and how in-store audio can upgrade the experience. "In Other News," we talk about whether there is enough money to go around in retail media and why performance marketers are shifting their priorities to brand building. Tune in to the discussion with our analyst Sarah Marzano and Ryan Mayward, SVP of retail sales at Walmart Connect.

Subscribe to the "Behind the Numbers" podcast on [Apple Podcasts](#), [Spotify](#), [Pandora](#), [Stitcher](#), [YouTube](#), Podbean or wherever you listen to podcasts. [Follow us on Instagram](#)



Episode Transcript:

Marcus Johnson:

This episode is made possible by Walmart Connect. If you expect your media investment to deliver clear, measurable results, Walmart Connect can help you get there with powerful

analytics and the reach of America's number one retailer. Their closed loop measurement uses Walmart's proprietary customer purchase data to track the impact of your campaign on sales, not just on Walmart's site and app, but also in store. For some campaigns, they can even provide rest of market data that tracks the impact on sales at other retailers. Visit walmartconnect.com today and see how they can help make your media spend meaningful. Walmart Connect: More than media. Meaningful connections.

Ryan Maynard:

In-store promotional elements have been used for a long time to drive immediate sales, but you think about the introduction of screens and audio and things like that in the stores and you think about the size of the audience, the breadth of our selection, we can really drive awareness and consideration while customers are in the store.

Marcus Johnson:

Hey gang, it's Tuesday, April 30th. Sara, Ryan and listeners, welcome to the Behind the Numbers Daily, an EMARKETER podcast made possible by Walmart Connect. I'm Marcus. Today I'm joined by two folks. Let's meet them. We start by introducing our principal analyst covering everything retail media based in ...

Sara Marzano:

Brooklyn.

Marcus Johnson:

New York?

Sara Marzano:

Brooklyn.

Marcus Johnson:

Yes. Basically she's told me a thousand times, based in New York. It's Sara Marzano.

Sara Marzano:

Hi Marcus. I'm so happy to be here. Thanks for having me.

Marcus Johnson:

Hello there. Of course. Thanks for joining.

We also have with us the SVP of Retail Media Sales at Walmart Connect based somewhere who's going to tell us in a second. It's Ryan Mayward.

Ryan Mayward:

Hey Marcus. Thanks for having me.

Marcus Johnson:

Hello, sir. Welcome to the show. Where are you based?

Ryan Mayward:

I'm based in, well, I'm in Hoboken today, which is where our office is, but I'm based in Brooklyn. That's where I live.

Marcus Johnson:

Okay. Oh, very nice. All right folks. Well, we start with our speed intro to get to know the guests a little better. So five questions. Minute on the clock. Let's do it.

So Ryan, you are based in Brooklyn, but where are you from?

Ryan Mayward:

Originally from Texas.

Marcus Johnson:

Whereabouts?

Ryan Mayward:

The Dallas-Fort Worth area.

Marcus Johnson:

Very nice. Very nice.

Sara based in Brooklyn as well but from?

Sara Marzano:

Wait for this, I'm from Texas too, born and raised in Austin.

Marcus Johnson:

I didn't know that.

Sara Marzano:

I made a face. No one's going to be able to see the face I made, but it's very, came from Texas, both in Brooklyn.

Marcus Johnson:

What's happening? Ryan, what do you do in a sentence?

Ryan Mayward:

I lead sales for Walmart Connect.

Marcus Johnson:

Okay. Sara.

Sara Marzano:

I do my best to keep up with retail media and everything going on in that world.

Marcus Johnson:

Yes, indeed.

Ryan, what's your morning drink?

Ryan Mayward:

Pretty standard fare, drip coffee, 2% milk, one sugar.

Marcus Johnson:

Nice. Sara.

Sara Marzano:

Drip coffee, oat milk, lots of it. Lots of coffee, not lots of oat milk.

Marcus Johnson:

Okay. I like to make an instant coffee and then throw it everywhere. It was a tough start to the recording. Let's put it that way.

Ryan, favorite musician of all time.

Ryan Mayward:

Going to go with a fellow Texan, Willie Nelson.

Marcus Johnson:

Oh yeah, yeah. Good choice. Sara's like, "Damn it." Who you got Sara?

Sara Marzano:

No, this was hard. But Pavement is a band that I've been listening to since high school and will probably keep listening to.

Marcus Johnson:

Oh, very nice. Timeless.

Ryan if you had to move, if you are forced out of Brooklyn, who knows what you've done to get kicked out, but you've got to go, where'd you move to?

Ryan Mayward:

Wherever they have the finest Negronis. It's really about the journey, not the destination, and I'm enjoying every step of it.

Marcus Johnson:

Good choices. Sara.

Sara Marzano:

I feel like I'm going to make my family in Texas very upset, but I love a very dense city, so I'd probably end up in Europe somewhere, Paris, London, somewhere I can walk.

Marcus Johnson:

Nice. Good choices indeed.

All right folks. Well, there are two guests. Let's move to today's facts. Before we get into what we're really talking about here, what's the most expensive thing in the world? Most expensive thing? Could be anything.

Sara Marzano:

Like a specific item or a like?

Marcus Johnson:

Like a thing, yeah. I will give-

Sara Marzano:

My Brooklyn apartment?

Marcus Johnson:

I don't have a million dollars, but I will give ...

Sara Marzano:

Is it like a piece of art?

Marcus Johnson:

It's a building. But it's not really a building. It's very underwhelming. I'll give you the answer.

Sara Marzano:

Okay.

Marcus Johnson:

According to the Guinness ... When I looked this up, I was like, "Oh, what's it going to be?" And it's very practical. According to Guinness World Records, the most expensive object on earth is the Itaipu hydroelectric dam. The dam was constructed from-

Sara Marzano:

I was ... It was on the top of my tongue-

Marcus Johnson:

... 1971.

Ryan Mayward:

Yeah.

Marcus Johnson:

Come on Ryan and Sara.

Ryan Mayward:

I know. Sorry. Sorry. That was my second guess.

Sara Marzano:

If we'd had more time on this, only ...

Marcus Johnson:

Yeah. From '71 to '84 is when it was made. It's between, sits between Brazil and Paraguay at the Parana River. It cost about \$27 billion to build. Adjusting for inflation that would equal just over 77 billion in today's money. The dam is the world's largest producer of electricity providing 25% of Brazil's energy supply and 78% of Paraguay's.

Ryan Mayward:

Wow. What's it made out of, platinum and diamonds? I mean, how did it get up to that dollar figure?

Marcus Johnson:

Mostly. Yeah. Anyway, today's real topic, retail media's unstoppable growth.

All right, folks, we're talking retail media for the leads, and let's start with just getting a sense of how you are seeing it changing, because I feel like you talk about retail media today it's very different from when you talk about retail media a month ago or a month before that. But Ryan, what are you witnessing in terms of how retail media is changing today?

Ryan Mayward:

Yeah, the phrase breaking down silos comes to mind. When we were talking about retail media, say a dozen years ago, we were talking to people in sales and shopper marketing roles

inside the brands, and we were showing up to talk about things like programmatic display and paid search. And I'm sure we sounded very strange talking about these things.

The folks we were talking to, they were experts in winning in physical retail. Obviously they've become experts in digital marketing since then, but they're not the only ones in the organization that know a lot about digital marketing. The chief marketing officer, man, his or her office, their organization, they all know about it too, and probably knew about it long before the sales folks got involved.

So who do we see coming to our meetings these days? It's not just the Chief Commercial Officer or the SVP of shopper marketing. It's the CMO, it's the SVP of media, it's the VP of marketing. It's the social expert. It's the folks who are experts in buying TV and programmatic. It's the brand leaders. And they're all coming together to advance a common agenda, which is to make their investments work harder and deliver more sales.

Sara Marzano:

Yeah, no, I think that is exactly it. When I was thinking about this question, it was like, there's sort of two themes that I can think of. One being how retail media is quickly sort of diversifying off of the bread and butter of the onsite formats that sort of fueled the first, I don't know, decade and moving quickly into offsite, into upper and mid funnel domains.

We've revised our forecast here at EMARKETER. Show offsite is taking share more rapidly than we initially expected. And then of course there's the in-store arena as well, which is a really sort of exciting frontier when we think about the increased digitization of physical spaces and the opportunity that that opens up. So it's an exciting space to be watching.

And then from a bird's eye view, I think one of the things that I'm watching in terms of how retail media is changing is that I would argue it's really gone mainstream, right? There are more and more industries taking note. Anyone with access to first party data around how customers are shopping or thinking about how can I take a page out of this playbook that retailers have developed? And I think the phrase retail media is being thrown around like crazy to be applied to all kinds of things, and the definition is evolving and we've got commerce media in the mix as well.

Marcus Johnson:

Ryan, let's talk about some recent announced plans to link your insights platform, Luminate, directly into Walmart Connect. Talk to us about how this integration benefits advertisers.

Ryan Mayward:

Sure. Well, Luminate is a relatively new product at Walmart. It's built by a business unit in the company called Data Ventures, and there's two versions of it. There's a basic free version that all of Walmart suppliers get access to. And then there's also a paid version, which is full of rich insights about your sales on Walmart. And there's a few different types of insights that you pull out of it.

There's shopper behavior. So what's in the basket? What are my customers buying? What are they buying together? What's my standing in the category? Things like that. There's also things like channel performance, so between in-store sales, online pickup and delivery, ship to home, what does my sales momentum look like across all these different channels? What are trends over time? And then lastly, brands can access Walmart customers to get their perceptions on their brand, their products, their innovation pipeline through things like surveys and focus groups.

So rich source of insight into the Walmart customer at tremendous scale, obviously. And the last couple of years, brands have been in the Walmart Luminate UI looking around for things that they can turn into actionable tactics with Walmart Connect. And my organization, or more broadly, the Walmart Connect organization has been doing the same thing. We log into the tool, we do research, we look for business opportunities for brands, and then we look across our capabilities at Walmart Connect and we say, "Hey, brand, we realize that you've got a leaky bucket problem. Your lapsed buyers are accumulating. Here's a tactic. Let's target people who used to buy your product in the past but haven't in a certain number of days, and we'll do it across these ad formats."

And that's been very effective for the last year or two, but we've been focused on automation to really cut that workflow out. Let's get rid of the research step. So Luminate Insights Activation is really about logging into the Luminate UI, seeing business opportunities like the leaky bucket problem that I just described, and then with the push of a button, having the tactical, the Walmart Connect tactical recommendation get pushed over and set up in Walmart Connect's ad center. So you can use display to behaviorally target folks who used to buy your products.

So it's really about making it a lot easier for suppliers, for brands to act on our insights from Luminate into Walmart Connect's ad products.

Sara Marzano:

When I read about the announcement, I think what I got really excited about is just the efficiency that can be really unlocked. We're hearing a lot about advertisers just feeling fatigued around how fragmented their entire process has sort of become, and so the ability to really automate some of those wins felt like a slam dunk.

Marcus Johnson:

Ryan, how is Walmart Connect evolving, changing to meet the demand for full funnel campaigns and brand building as well?

Ryan Mayward:

Yeah, it's an important topic and something that I get asked regularly by all of our brand partners. And yeah, I've long argued that brand building can happen inside the shopping app, and we have over the years built out display and video formats and use different targeting techniques to make sure that customers know that brands they might like but maybe have never bought are there for their shopping enjoyment to purchase.

So there's the shopping app experience, which we've enriched over the last few years. There's also the store. When you think about in marketing today and you think about audience fragmentation, it's getting harder and harder to aggregate big audiences, and we've got about 140 million people a week walking through Walmart stores. And so think about the store as a brand building opportunity.

Of course, in-store promotional elements have been used for a long time to drive immediate sales. But you think about the introduction of screens and audio and things like that in the stores, and you think about the size of the audience, the breadth of our selection, we can really drive awareness and consideration while customers are in the store.

And then the last piece, and this is the part that's more recent, that's been really exciting, it's probably the fastest growing part of Walmart Connect that's leaving our store, leaving the Walmart shopping app and finding our customers on the open web, finding them on streaming TV environments, finding them on social platforms and engaging them there, showing them brand messages and encouraging them to come back to Walmart to make purchases.

We're not just purely driving awareness and consideration engagement with the ads. That's what we're doing and we're really excited about it and brands are finding a lot of value there too.

Marcus Johnson:

Yeah, I mean, Sara, what comes to mind for you when you think of retail media and its ability to brand build?

Sara Marzano:

Yeah, I think we're seeing a lot of exciting activations in terms of considering the entire customer purchase journey. Ryan hit on a lot of the exciting pieces that we're watching.

Ryan, I'd be curious how you guys are thinking about things like with the importance of CTV, like things like shoppable video and some of those innovations and things like social commerce and how adept we've seen some of the social platforms get it, going from being purely this place to tell a story or learn about a brand to eventually potentially being a place where customers feel comfortable actually taking an action and driving that transaction.

Ryan Maynard:

Yeah, I mean, customers or rather brands are very excited about shoppable video in a streaming TV environment. I think there's a lot of logistical components to work through. We've been doing some pilots over the last year or so and they've performed well. I think it's about getting the right product that requires, I guess a measured amount of consideration such that you're willing to think about the product, engage with the retailer in a break in piece of content that you're enjoying. But there's a lot of promise there.

If you work through some of the logistical challenges of doing that across different streaming TV environments in a social context, even though we're still asking customers to check out in a Walmart owned experience that pops up in a browser page in an app or jump to a different app, we're still seeing tons of performance, great performance there, and reaching customers in the social environment. I think the next stage is how do we push more of the checkout experience into the social experience as well? Something we have to decide and figure out ourselves.

Sara Marzano:

How do you make that really easy? Because I think it sort of feels like a really well geared towards a more spontaneous purchase. You see it, you want it, you're going to do it, but you've got maybe a shorter attention span, so if there's any friction, it's really easy for that to get disrupted.

Ryan Maynard:

Yeah.

Marcus Johnson:

I have a million questions about shoppable TV, but I'm going to get to two more questions before we let you go, Ryan. The first one's about measurements. Big question in a lot of spaces, but particularly with retail media, what are you building to help with measurements?

Ryan Maynard:

Yeah. Well, we've been referring to this year as the year measurement. A couple of years ago we had invested heavily engineering and product resources into improving our search capabilities. And then we did the same thing last year for display where we built out what we needed to move our display business onto our own tech stack, into our own auction, our own self-service tools, our own API. And that two years of infrastructure work really laid the foundation for a lot of measurement innovation this year.

So we're doing all kinds of stuff. We're helping brands understand the impact of in-store advertising opportunities. We just talked a lot about offsite. We're helping brands understand the impact that social or CTV can drive on Walmart, well kind of both online and in-store sales lift it can cause. We're talking about incrementality. Budgets have grown significantly at Walmart Connect over the last five years. Is there a correlation between increasing ad spend and increasing sales or is there a causal effect? And we're proving out that we're driving incremental sales.

And lastly, as we become a top advertiser, or rather a top media partner for many of our advertisers, they want to include us in their media mix models. And so we've been investing in making that a lot easier.

Marcus Johnson:

Sara, when you're thinking about measurement retail media and this year in particular, what's the one word that comes to mind to sum up what people should be thinking about or are thinking about?

Sara Marzano:

I can't do it one word.

Marcus Johnson:

Just one word. One letter. Just the one letter. I'm not even giving you the word anymore.

Sara Marzano:

Incrementality, I. You just made me so stressed out.

Marcus Johnson:

Incrementality.

Sara Marzano:

I'm not saying anything else because you asked me for just one-

Marcus Johnson:

Oh, just the one word. Okay, moving on. Mysterious. What does she mean? What does she mean? Tell us a bit more.

Sara Marzano:

I think it's just about really as advertisers have more and more choices, the pressure is really going to be on retailers to prove out the value of the budgets that they're a courting, right? They're going to have to do that in really compelling ways, and it goes beyond return on ad spend to being able to prove out the incremental return on ad spend, like what truly wouldn't have happened if you hadn't invested. And retailers who can do that well are going to create a sticky experience where with their advertisers, where the advertisers are like, "I can't hit my goals without investing here."

Marcus Johnson:

A final question here, folks. For the lead, Ryan, how can in-store audio upgrade the shopping experience?

Ryan Maynard:

Well, our customers are omnichannel customers now, right? They're interchangeably using the shopping app and going into the store. They're using the app in the store. So the question is how do we provide tools, provide capabilities to brands to continue their conversation with our customers as they move between these two shopping spaces, between the app on their phone and our stores. And we've been building out those capabilities mostly focused on different screens that are rolling out in our stores or have been in our stores for years.

And the nice thing about audio, Walmart radio is a popular streaming service in our stores. Customers love to hear music. We've built a light ad load into it. It's the only ubiquitous advertising asset throughout the store, and it's a really nice complement to the screens that customers are seeing and their ability to actually touch, taste, interact with the brand through things like demos and sampling.

Sara Marzano:

In-store audio is a really exciting one I think when we think about bringing retail media into stores, because to Ryan's point, customers are sort of accustomed to listening to music and some announcements when they shop through stores, a lot of retailers have the infrastructure already in place. But I think it's like any time that we're bringing advertising into the customer's path to purchase, you have to tread really carefully to make sure that the messaging feels additive, it's enhancing, it's helping them learn about something that's bringing value to them versus being annoying or disruptive.

And I think that comes down to everything from the content, making sure it feels contextually appropriate to even things like volume and making sure that it's not something that's disruptive. And I like the idea of retailers being thoughtful around how maybe in-store audio alone isn't going to drive an action, but it's layered with other in-store activations that are going to help tell a full holistic story.

Marcus Johnson:

Yeah, excellent conversation folks. Way more we could talk about, but we're going to move to the fourth quarter of the show now for a little bit of In Other News. Is there enough money to

go around in retail media and why performance marketers are shifting their priorities to brand building?

Story one. With retail media exploding and new retail media networks popping up seemingly every week, Ethan Goodman EVP of digital commerce at The Mars Agency thinks, "There's not enough money to go around for this to be sustainable." In a recent Digiday article from Kimeko McCoy, he was cited as saying, "Once you get past a certain point, the offerings start to blur together. And the question becomes, why don't I just invest in the major players like Amazon, Walmart, Target, Kroger?" Ms. McCoy notes that as retailers are starting to take note and make moves to stand out from the competition.

But Ryan, what is your take on this article around not being enough to go around in retail media?

Ryan Mayward:

The article had some really important points I thought about creative and retail media. And that's something that we've been spending a lot of time thinking about ourselves. If we're addressing a customer in a social environment or in a TV environment or in our own app, and we know a lot about them, it's a missed opportunity if we don't also tailor the creative to the environment and to what we know about them. And there's too much one-size-fits-all use of creative, and I think that that's really, that's a rich area of innovation and something to change in retail media as we move forward.

Marcus Johnson:

Sara.

Sara Marzano:

Hard to pack a reaction into 40 seconds on this one, but I think what kept coming back to me-

Marcus Johnson:

Just a what. Just one what.

Sara Marzano:

Stop it. I'm going to have nightmares about this. Every day you hear about a new retail media network launching. I think the most recent one here is Saks introducing its offering a couple of

days ago. I think we're just entering a world where I would caution any retailer or commerce focused business from thinking that if they build it, advertisers will come. That is not the world that we're in.

And also, I think there's a big watch-out around, it's exciting for retailers to think about this as a profitable revenue stream potentially, but if your business is suffering, retail media is not sort of a switch you can flip on to fix that. You have to get the fundamentals right.

Marcus Johnson:

Story two. In another piece by Ms. McCoy of Digiday, she writes that as the digital ad marketplace gets more crowded, expensive, and riddled with data privacy initiatives, performance marketers find themselves shifting focus back to brand building and awareness. Nick Sharma, CEO of brand strategy agency Sharma Brands thinks that "the challenge for marketers now is how do you become interesting to buy? And you can't do that by just running Facebook ads."

Ryan, your take on this piece about performance marketers shifting their priorities to brand building.

Ryan Maynard:

Well, we can see a microcosm of this within a shopping app, right? You can see a brand spend all their money on, call it bottom of the funnel tactics, closing the sale. And if that's all you do, eventually you run out of prospects to close. So that's why there's the imperative in retail media to drive awareness and consideration as well. You have to replenish your funnel, so to speak, with new customers who might be interested and might love your brands. So it's not surprising to see that this is the direction that brands are taking at the moment.

Marcus Johnson:

Yeah. Sara, your thoughts?

Sara Marzano:

Yeah, I agree. I think the article did a great job sort of describing why the pendulum would swing during times of economic downturn and concerns around inflation, really focusing on the performance piece. But as we're seeing this recognition, to Ryan's point, about the need to kind of fill the funnel, any retailer who's been paying attention and arming themselves with a

toolkit to help with that brand building is going to find themselves in a better position to meet the demand of their advertisers who are really looking to, again, tell those stories wherever their customers are.

Marcus Johnson:

Yeah. The piece actually citing some research of ours showing the share of marketers who are planning to increase their investment in brand marketing this year is up from 31% to 36%.

And that's all we've got time for, folks. Thank you so much to my guests for hanging out. Thank you to Ryan.

Ryan Maynard:

Thank you. It was great to be here.

Marcus Johnson:

Yes, sir. Pleasure is all ours.

Thank you to Sara.

Sara Marzano:

Thanks for having me.

Marcus Johnson:

Thank you indeed.

Sara Marzano:

Stressing me out several times.

Marcus Johnson:

You are very welcome. Anytime.

Thank you to Victoria who edits the show, Stuart, who runs the team, and Sophie who does on social media. Thanks to everyone for listening in to the Behind the Numbers Daily, an EMARKETER's podcast made possible by Walmart Connect. You can tune in tomorrow to hang out with Sara Lebow, host of the Reimagining Retail Show, where she'll be speaking with Sky Canaves and Zak Stambor all about luxury.

