

How standardization could revolutionize retail media

Article

The continued growth and success of retail media hinge on achieving measurement standardization, according to Jeffrey Bustos, vice president of measurement addressability data at the Interactive Advertising Bureau (IAB).

With that in mind, the [IAB and Media Rating Council \(MRC\)](#) released a new set of guidelines to standardize retail media measurement last week.

The guidelines, developed in collaboration with brands, agencies, and retail media networks (RMNs), aim to help the industry achieve comprehensive standardization, enabling the retail media channel to continue to grow.

Here are four ways that standardization may transform retail media and unlock potential growth.

1. It creates a consistent way to talk about and measure performance

Ultimately, standardization and consistency are about enabling transaction, said Ron Pinelli, senior vice president of digital research and standards and associate director at the MRC, during the **IAB's Connected Commerce** event last week.

“If I’m a customer and I walk into a marketplace and I want to buy something, but everything is in five different languages, five different currencies, or even five different measurement units, I might just walk out,” he said.

The same applies to retail media. With an increasing number of retail media networks, each with their own platforms and set of standards, it’s difficult for brands to understand where they should put their dollars.

But with a standardized set of guidelines, everyone is on the same page, using the same language to measure performance.

Even defining very basic but common terms is necessary, said Claire Wyatt, vice president of business strategy and marketing science at Albertsons Media Collective.

“If you ask someone, ‘Give me your definition of incrementality,’ I guarantee everyone will have a slightly different answer,” Wyatt said.

Granted, flexibility is always needed in more advanced measurement methodologies, said Wyatt, but these standards increase the transparency behind how they were crafted and compile data.

“If you understand how a test and control group is created, if you understand the attribution window, if you understand any extrapolation that is happening, then you could potentially compare that more consistently across the retail media networks you’re working with,” she said.

2. It makes it easier to determine where to invest

Once brands have a consistent baseline of how they're performing across all of the retail media networks they work with, they can then optimize their spending.

“Campaign effectiveness allows me to build and measure that campaign, know that it works, what parts of it work, what parts didn't work, then take those learnings and figure out where I'm going to spend my next dollar and trust that those [insights] are right,” said Jill Cruz, executive vice president of commerce strategy at Publicis Groupe.

Ideally, this will drive investment back into retail media networks.

“If we're doing our jobs well as RMNs, we are taking into account the needs of our clients, which are the brands,” said Wyatt. “When we think about standards, the hope and desire that we have is that it will increase transparency and it will help brands and the clients we partner with to be able to invest their money where it's actually going to drive sales. And that will make it easier to invest with us.”

3. It will help increase trust between brands and retailers

“Brands have been selling inside of some of these retailers for a long time. And they always had a great relationship and trust,” said Cruz.

But somewhere along the way, that relationship has grown complicated, creating tension between retailers and brands.

“[Retailers will tell brands,] ‘You need to spend,’ and brands will say, ‘But you haven't met these standards,’ or ‘Your platform isn't up to date,’ and it moved the focus away from moving forward and it didn't feel collaborative [anymore],” Cruz said.

With these standards, retailers and brands can start to build that relationship back to what it used to be: a partnership.

“The phrase ‘walled garden’ is very common in our industry,” said Wyatt. “We talk about Albertsons Media Collective as being a co-op garden. If you're a part of it, if you're investing, you can come into the garden and understand, in a very safe, privacy-compliant way, the ultimate performance of your campaigns.”

4. It enables retail media networks to focus on value

“Retailers have fallen into being measurement organizations because of the need to demonstrate proof of performance and also because of privacy,” said Pinelli. “There’s been a period where some of the energy and competition has been focused on measurement, and that shouldn’t be the case.”

Instead, retail media networks should focus on how they can bring value to their customers (both brands and consumers) in a way that no other media channel can.

“When you’re looking at other digital media properties, the orientation of the visitor is different,” said Pinelli. “With the other properties, consumers go there to consume content, and the hope is that they will see an ad. But with retail media, they’re going to these properties to make a purchase, or to get information in order to potentially make a purchase. That alone is a differentiated value. And the ability to tie that directly to outcomes is unique to retail media.”