

3 keys to retail media's future

Article

Brands need to align internal goals and present a united front when working with a retail media network on strategies. In turn, retailers should give more access to performance data and enable brands to optimize via self-service options. To expand audience reach beyond bottom-of-funnel retail channels, collaborations between brands, retailers, and media companies will play an even bigger role going forward.

1. A unified brand strategy

To achieve brandwide results, brands need to include all the relevant internal stakeholders in the planning and strategy process, said Matt Drzewicki, vice president of partner solutions at Roundel, Target's retail media network, during the **Interactive Advertising Bureau's (IAB's) Connected Commerce Summit** in September.

"The best meetings I've had at Target are where merchants have a seat at the table, sales has a seat at the table, agencies where applicable, plus shopper, digital, media," he said. "We can have a really effective conversation about actual business outcomes that the brands are trying to drive and how our media can contribute to those outcomes."

But it may not make sense to bring every team member to every meeting. Instead, brands should consider creating an operating model that funnels retailer contact through a specific person or team, as suggested in the IAB's Retail Media 2023: Operational Strategies for Growth report. Here are a few examples:

- An integrated center of excellence model uses a single, central person who connects across all teams. This streamlines interaction and engagement, but it can add unnecessary layers of complication and time.
- A hybrid model designates a specific contact for each team, who then works directly with the retailer. This guarantees that the retailer has access to each team's experts all the time, but still requires brands to align their wants and needs internally.
- Brands can outsource their retail media strategy to a third-party agency, which will coordinate all contact across one or more retailers. While this typically adds efficiency, agencies can vary in their ability to work with retailers.
- Another option is to designate the shopper marketing team as the primary contact that operates as a centralized connection across all teams, expanding the existing partnership between retailers and shopper teams.

2. Transparency around performance data and measurement

"I think we need to double down on transparency," said Chris Bruderle, vice president of industry insights and content strategy at the IAB. "Different retailers are going to think about [measurement] in different ways. As long as we're transparent in how we're thinking about our attribution model, being transparent in how we build our models, I think it's a great start. Progress over perfection."

With its recently released guidelines, the **IAB aims to help the industry achieve comprehensive standardization**, enabling the retail media channel to continue to grow. But retailers who want to achieve true transparency should consider operating less like walled gardens and share more data and insights with brands.

“Retailers are only doing themselves a disservice where they’re not providing [brands with] more data,” said Mike Merna, chief growth officer of The Mars Agency. “Brands want to measure across all the different retailers—they want unduplicated reach, true incrementality, and the raw data that helps them do that.”

One way to give brands more access and control over their campaign data and performance is through a **self-service platform, like the one The Kroger Co.** introduced in June, which enables marketers to:

- Use search-based insights and custom ad groups to reach more relevant audiences
- Design, iterate, and activate creative messages
- Optimize campaign elements including budgets, messaging, and flighting
- Build reports and boost performance against deterministic retail data like sales lift, household penetration, and unit lift

Retailers may feel like they’re giving something away for free, but ultimately, when brands are able to have more access to data, they’re more likely to allocate more of their budgets toward retail media, said Merna.

3. Partnerships to enable more upper-funnel tactics

The next wave of retail media will be marked by collaborations between advertisers, retailers, and media companies, according to Danielle Brown, senior vice president of data enablement and content strategy at Disney Advertising Sales.

- Earlier this year, **The Walt Disney Co. announced a partnership with Kroger** that would enable brands to more accurately target streaming audiences using first-party shopper data. And according to Brown, it’s achieved “incredible results” so far.
- **Other examples of recent retailer/media partnerships** include Albertsons Companies and Omnicom Media Group; Dollar General and Meta; and Lowe’s and Yahoo. Walmart has

partnered with both streamers and social media platforms, teaming up with Roku, TikTok, and Snap on several different initiatives.

Brown expects more of these partnerships to emerge as advertisers seek to move their retail media efforts up the funnel.

“The next thing is audience extension,” she said. “When you reach [your audience] on a retail media platform, it’s at the very bottom of the funnel—you’re getting them when they’re already ready for purchase. The new question is how do you build relationships with new partners [on] mid- and upper-funnel [tactics] and get them back to the site to actually make a conversion.”