

TruAudience™



# Your retail media rocket is in orbit. Now what?

Three Ways To Boost The Value Of Your Retail Media Network

TransUnion® 

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Retail media is **“a revolution”**. The **“third wave”** of digital advertising and **“the future of retail”**. It was **“the belle of the ball”** at Cannes. A **“must-have marketing platform for retailers and a must-buy platform for marketers”**.

Are the accolades warranted?

**Absolutely, says Forrester Senior Analyst Nikhil Lai. “In today’s environment, it’s really hard to get a green light from finance to be spending dollars on media that doesn’t have a verifiable revenue impact, but retail media has that in spades.”<sup>1</sup>**

It’s not just Amazon. Walmart, Kroger, Instacart and CVS in the U.S., Grab and Carousell in Asia, Tesco, Ahold Delhaize and Carrefour in Europe: Nearly every major retailer or e-commerce company today has a retail media network (RMN), and hundreds of smaller competitors do as well. Retail media already accounts for 18% of global digital advertising, and it’s growing twice as fast.<sup>2</sup>

But it’s one thing to launch a rocket, and another thing entirely to keep it in orbit. You can’t just assume that you can replicate Amazon’s success by launching an RMN and declaring you have ad inventory for sale.

As the industry grows and continues to evolve, what pitfalls do you need to watch for, and what should you do to maximize your RMN opportunity?

<sup>1</sup> For more insights from Nikhil Lai, listen to this No Hype podcast episode: [Shopping Around, the New Reality of Retail Media](#)  
<sup>2</sup> See [Liftoff: To Infinity and Beyond](#)



# Liftoff: Defying gravity

**\$85B**

Retail media is booming. The US market is expected to reach \$85 billion by 2026.<sup>3</sup>

**40%**

Amazon and Walmart currently dominate RMN ad spend, but competition is growing: 40% of U.S. retailers already offer retail media inventory.<sup>4</sup>

**18%**

Retail media accounts for 18% of global digital advertising today.<sup>5</sup>

**2X**

Retail media is expected to grow twice as fast as total digital advertising in 2023 (18% vs. 7.8%).<sup>6</sup>

**\$1.3T**

RMNs are transforming the advertising value chain. Over \$1.3 trillion of enterprise value is at stake in the United States by 2026.<sup>7</sup>

**73%**

73% of advertisers anticipate spending more on RMNs in the next 12 months.<sup>8</sup>

<sup>3</sup> Forrester: *The Marketer's Guide to Retail Media (2023)*

<sup>4</sup> Insider Intelligence: *Why Retail Media, and Why Now? (2023)*

<sup>5</sup> GroupM: *This Year Next Year (2022)*

<sup>6</sup> Dentsu: *Global Ad Spend Forecast (2023)*

<sup>7</sup> McKinsey: *Commerce Media, the New Force Transforming Advertising (2022)*

<sup>8</sup> McKinsey: *Six Secrets of Unleashing the Power of Retail Media (2023)*

# The retail media opportunity: Win - win - win

Why the current enthusiasm?

At a time when open web programmatic efficiency is in question,<sup>9</sup> and with marketing budgets increasingly under scrutiny, RMNs offer a much-needed win-win-win opportunity.

As Forrester puts it, “retailers win by generating high-margin operating income from RMNs; brands win by investing in media that has a verifiable

revenue impact and high yield; and consumers win by getting more personalized advertising without sacrificing more personally identifiable information.”<sup>10</sup>

This gives retailers and merchants a chance to develop stronger partnerships, markedly improve the relevance of their respective offers and boost the customer experience. But while the opportunity is clear, the reality is more nuanced.

## The Retail Media Opportunity

### BRAND

- Cookieless addressability
- Closed-loop measurement
- Consumer insights



### RETAILER

- High-margin business
- First-party data monetization
- Expansion of shopper marketing

### CONSUMER

- More relevant
- Less intrusive
- Better CX

<sup>9</sup> ANA (2023): *First Look at In-Depth Programmatic Media Transparency Study*  
<sup>10</sup> Forrester (2023): *How To Navigate Retail Media Mania*

# Turbulence ahead: Challenges to future growth

RMNs are in vogue, no doubt about it, and they offer the promise of a much more efficient and cooperative advertising ecosystem, but not before addressing some key challenges.



## **CHALLENGE 1: CPM PREMIUMS**

The ability to use an RMN to onboard first-party data and target custom audiences close to the moment of purchase comes at a price premium. Today, the CPM for sponsored ads and other retail media formats is on par with targeted video ads on CTV.<sup>11</sup> This puts pressure on merchants and agencies to justify the investment, especially in the case of offsite placements where a more direct buy can be more cost-effective.



## **CHALLENGE 2: MEDIA FRAGMENTATION**

Amazon is no longer the only game in town for retail media as most top retailers are entering the market. More RMNs means more options for brands looking to spread their media budgets and reach more diverse audiences. But too much choice can be paralyzing too, especially when measurement lacks consistency from one RMN to the other.

<sup>11</sup> Forbes (2022): [Retail Media Networks Are The Next Big Advertising Channel](#)



### **CHALLENGE 3: INCONSISTENT MEASUREMENT**

RMNs have different attribution windows, match rates, bidding systems, and KPIs for media delivery and sales incrementality. They tend to act like walled gardens with limited data reporting processes. How does a brand compare performance across multiple RMNs? In a recent survey by Digiday and Best Buy Ads, standardized metrics, measurement, and insights were far and away the #1 concern for brands doing business with RMNs.<sup>12</sup>



### **CHALLENGE 4: BUDGET PRESSURES**

The retail media mix is becoming more complex and competitive. In today's cautious economic climate, there aren't too many net-new advertising dollars for brands to work with, and budget cannibalization is a growing concern. To attract budgets from other media channels, RMNs need to prove their value and continually invest in new capabilities.

<sup>12</sup> Digiday, Best Buy Ads (2023): [The State of Retail Media](#)

# A shared frontier: More cooperation needed

How are those challenges affecting the retailer-brand-consumer relationship?

Some brands today fear that they'll get inferior shelf placement for their products if they don't buy media from the retailer,<sup>13</sup> and they're unsure whether they should consider RMNs as an extension of their trade promotion budget or indeed an exciting new media channel. Those concerns can impact the customer experience too in the form of ineffective targeting and excessive frequency.

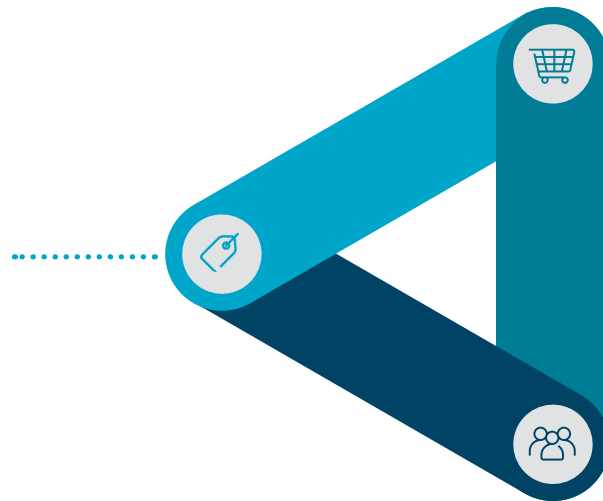
Retail marketers who want to capture a larger share of media budgets need to help their brand partners solve their most vexing challenges: poor matches, limited audience insights and inconsistent measurement.

What strategic capabilities should retailers invest in to accomplish that feat?

## The Retail Media Reality

### BRAND

- Poor matches
- Limited audience insights
- Inconsistent measurement



### RETAILER

- Walled-garden syndrome
- Perceived as too expensive
- Seen as a tax for shelf space

### CONSUMER

- Ineffective targeting
- Excessive frequency
- Cluttered CX

<sup>13</sup> ANA (2023): [Retail Media Networks: A Forced Marriage or Perfect Partnership?](#)



“It certainly makes sense to reach consumers when they’re in a shopping mindset, but if you’re an RMN and you want access to a brand’s media dollars, you should expect to be held to the same standards as other media partners. It all comes down to cost, tracking, and transparency.”

Heather Conneran,  
Director of Brand Experience Platforms,  
General Mills

For more insights from Heather Conneran, listen to the AdExchanger Talks podcast episode: [Stocking Up on First-Party Data](#), sponsored by TransUnion





# Strategic boosters for your retail media network

What can retailers do to position their media networks for sustainable growth? The key is to empower brands to better understand their buyers and help them create more effective targeted campaigns.

At TransUnion, we work with many top retailers to help them make the most of their retail media opportunity. We've found that the following capabilities are essential to their success:

To create **optimal matches** for their brand partners' first-party data, they...



Use industry-leading identity and onboarding solutions

To help brands expand their **shopper insight** capabilities without jeopardizing data privacy, they...



Collaborate in a secure environment

To help their brand partners solve the **measurement puzzle** and understand campaign lift, they...



Offer comprehensive measurement solutions

## STRATEGIC BOOSTER #1:

# Use industry-leading identity & data onboarding solutions

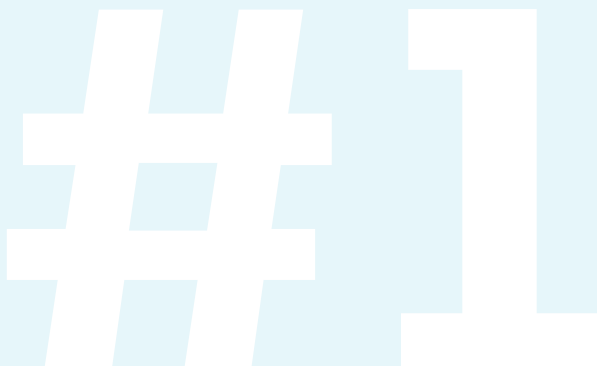
While customer data from retailers has fueled the growth of retail media, brands are building first-party data assets to better understand their buyers and ultimately create audiences for their media campaigns. When they onboard their customer data to an RMN platform, brands expect to activate it across the retailer's websites and offsite programmatic channels.

But to make it work, they need to be able to match their customer data to the RMN's identity graph. This isn't always easy: Many brands build their first-party data via newsletters and loyalty programs, or through third-

party suppliers, and they may have little more than a name and an email address for their customers and prospects.

To help brands match their shopper data to a retailer's customer records, that retailer needs to work with an identity partner that can drive high quality match rates—even if the shopper data is limited to name and email. This will help brands onboard more of their data, profile and segment their buyers more effectively, create larger scaled audiences, and improve how they measure campaign performance on the retailer's platform.

**Check out [Redefining Identity: Turning a Consumer Data Strategy Into an Engine for Growth](#) to learn how you and your partners can maximize the onboarding process and benefit from a robust, identity-backed view of your shared customers and prospects.**



## Collaborate in a secure environment

Data collaboration is at the heart of the brand-retailer relationship. Some brands have first-party data that they can use as seeds, while others don't. But all need access to the retailer's audience data to define their targets, and that access needs to be as transparent and granular as possible.

That's where a secure environment like a data clean room comes in. It provides a platform where all parties can be open and explore joint opportunities without looking over their shoulder or compromising consumer privacy.

When you use a data clean room, you can share pseudonymized data back with your brand partners to help them develop better consumer insights, improve how they activate their campaigns, and build a more compelling case for spending their media dollars on your platform rather than on the RMN next door.

**Check out [Accelerate Consumer Insights and Privacy with Data Clean Rooms](#), a new Forrester Consulting report commissioned by TransUnion to learn how brands are using secure data collaboration to enhance their consumer insights capabilities.**



## STRATEGIC BOOSTER #3:

# Offer comprehensive measurement solutions

In today's fragmented media world, brands need measurement and attribution solutions that can reflect a campaign's performance up and down the funnel and across all channels.

Part of the appeal of RMNs is that they can measure ROAS and incremental sales lift at the point of purchase, but those metrics have limited value for brands if their definition isn't completely aligned with the brand's campaign objectives, or if they don't consider other touchpoints along the customer journey.

Every brand measures success differently. Are you feeding the right exposure and outcome data back to your brand partners' attribution solutions? Are you helping them understand how offsite inventory contributes to their campaign lift?

RMNs should help brands solve the cross-channel measurement puzzle with solutions that are fully transparent and adapted to their needs.

**Brands today use marketing mix modeling (MMM), marketing attribution and incremental lift solutions to optimize their media budgets. Are you helping merchants see the full value of your RMN? See how [TransUnion's TruAudience™ Analytics Solutions](#) is transforming the measurement game.**

# #3

“To optimize their media buys and deliver relevant consumer experiences, marketers and their agencies need robust campaign activation solutions and clarity about the performance of their RMN investments. If you give them the tools to succeed, there’s no limit to how far your retail media network will go.”

**Cecilia Seiden,**  
**Vice President, Retail & CPG,**  
**TransUnion**





# Conclusion

Retail media is growing fast, changing the media landscape, and getting more saturated. A recent survey of ANA members in the U.S. found that more than half are currently using five or more RMNs.<sup>14</sup> Brands aren't looking to make their media mix more complicated than it already is. They need clear answers to pick the right partners and help them validate their investments in retail media.

To stand out from the crowd, prioritize a strong cooperative environment backed by industry-leading identity and onboarding solutions, secure data collaboration, and a portfolio of robust measurement solutions capable of supporting your brand partners' diverse objectives.

We hope that the recommendations shared in this eBook will help you boost the value of your retail media network and explore bold new opportunities!

14 ANA (2023): *Retail Media Networks: A Forced Marriage or Perfect Partnership?*





## About TransUnion Marketing Solutions

TransUnion's (NYSE: TRU) marketing solutions business, TruAudience™, transforms marketing & media effectiveness with an end-to-end product line integrating identity resolution and enrichment, consumer insights, data onboarding, omnichannel targeting, marketing mix modeling, and attribution for brands, agencies, publishers, and technology providers.

## About TransUnion (NYSE: TRU)

TransUnion is a global information and insights company with over 12,000 associates operating in more than 30 countries. We make trust possible by ensuring each person is reliably represented in the marketplace. We do this with a Tru™ picture of each person: an actionable view of consumers, stewarded with care. Through our acquisitions and technology investments we have developed innovative solutions that extend beyond our strong foundation in core credit into areas such as marketing, fraud, risk and advanced analytics. As a result, consumers and businesses can transact with more confidence and achieve great things. We call this Information for Good® — and it leads to economic opportunity, great experiences, and personal empowerment for millions of people around the world. <http://www.transunion.com/business>

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