

A woman with long dark hair, wearing a dark blue and yellow plaid shirt over a brown top and blue jeans, is looking down at a tablet computer she is holding. She is standing in a retail store, with a wooden counter and various items visible in the background. The lighting is warm and indoor.

How to Approach the World of Retail Media Networks: A Guide for Brand Marketers

Etwentynine.

Just five years ago, online shopping went like this:

Consumers crawl the web, read forums, and browse social media posts until they find a product they like. Next, they compare sellers using Google search to ensure they were getting a good deal before purchasing. Unsatisfied customers request return shipping labels. Then, trek to the post office to return the product. After waiting 7-10 days for a refund, they start the process all over again.

Some customers choose to skip the hassle by shopping in store, but it wasn't always easier. Customers could spend all day searching different retail stores, hoping to find a great deal. Meanwhile, items in customers' online carts would probably remain there, collecting digital dust, until they remembered to remove them.

There are several problems with this process:

- » The customer used broad research, including unreliable and unfavorable sources.
- » The brand had little control over the marketing funnel and what material the customer saw at each stage.
- » The checkout and return processes offered limited support and didn't work together.
- » Online didn't connect to offline experiences, forcing the customer to start from scratch when shopping in store.

The nation's largest retailers are building new platforms to solve every problem on this list. The platforms improve the ability of advertisers to design appealing and relevant ads. Customers benefit the most because they receive personal and targeted ads and experience improved in-store shopping.

What are these platforms, how do they work, and how can brands make the most of them in their early stages?

Welcome to the world of retail media networks.

Redefining Retail Media for the Digital Age

A retail media network (RMN) is a collection of connected media channels retailers offer as advertising platforms. Examples include paid search results, premium shelf displays, banner ads, product recommendations, shoppable social media posts, and influencer marketing.

Here's what RMNs do:

- » Lead customers through the marketing funnel. As they encounter a product, they set off a string of targeted marketing strategies. Each strategy or content is specific to the customer's point in the buyer's journey. For example, a customer finds a product post on Instagram. That post leads directly to a retailer's website. While the platforms are separate, the ad tracks customer behavior to streamline the customer's experience.
- » Serve as valuable sources of customer data. Customers usually exchange this data for the retailer's loyalty rewards. However, technology allows for advanced data tracking, such as the ability to follow a customer's path through a retail outlet.

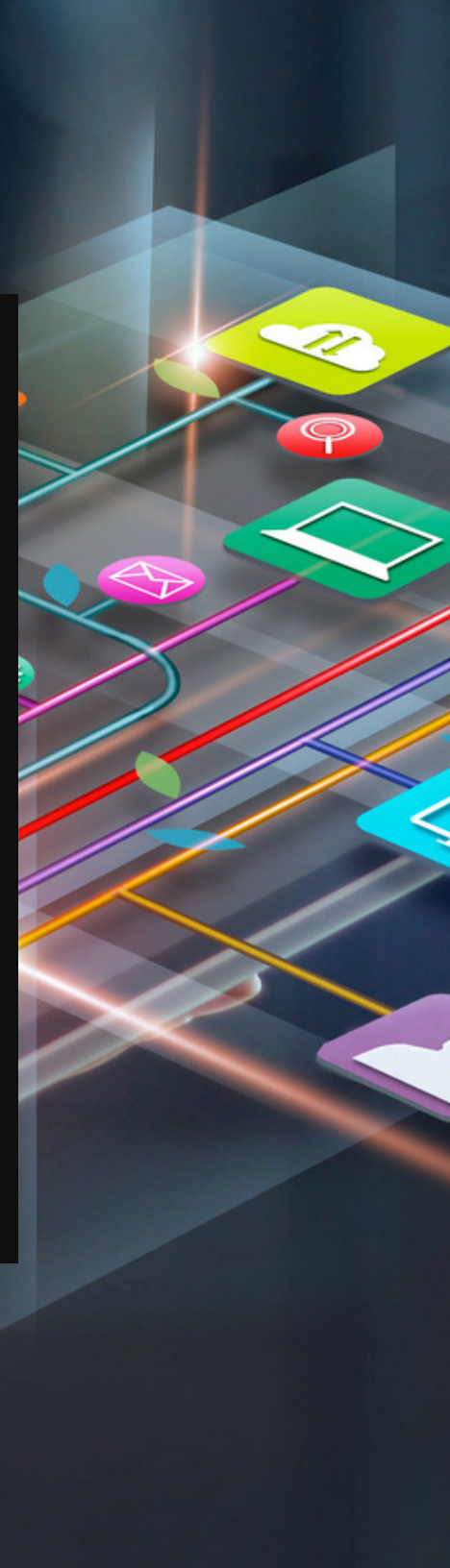
Interconnected advertising platforms and customer data define modern retail media networks.

RMNS ARE A WIN-WIN-WIN FOR RETAILERS, CUSTOMERS, AND BRANDS

RMNs offer retailers high-margin revenue with a minimal investment. This trade is so appealing that nearly every major retailer is developing their own version. Kroger and Albertsons even included RMNs as one of the value propositions in [their attempted merger](#).

Retailers compete for customers' attention through improved experiences, such as greater personalization and value-added features. An improved customer experience means more enjoyable shopping and in-store shopping data for the retailer's databases. A boost in data results in better product development.

Brands' relationship with RMNs is more complex but still highly beneficial, which we will explore in more detail. Let's start with the brand marketer's perspective on RMNs.



A Brand Marketer's Perspective on Retail Media Networks

Retailers control RMNs, which might result in brand marketers feeling left out of the equation. Brands don't have direct access to the RMN technology and may fear that the largest RMNs might become exclusive.

While the future is unpredictable, brands can rely on current data. Data shows RMNs as net positive opportunities for brands.

ALIGNING BRAND AND RETAIL EFFORTS HAS NEVER BEEN EASIER

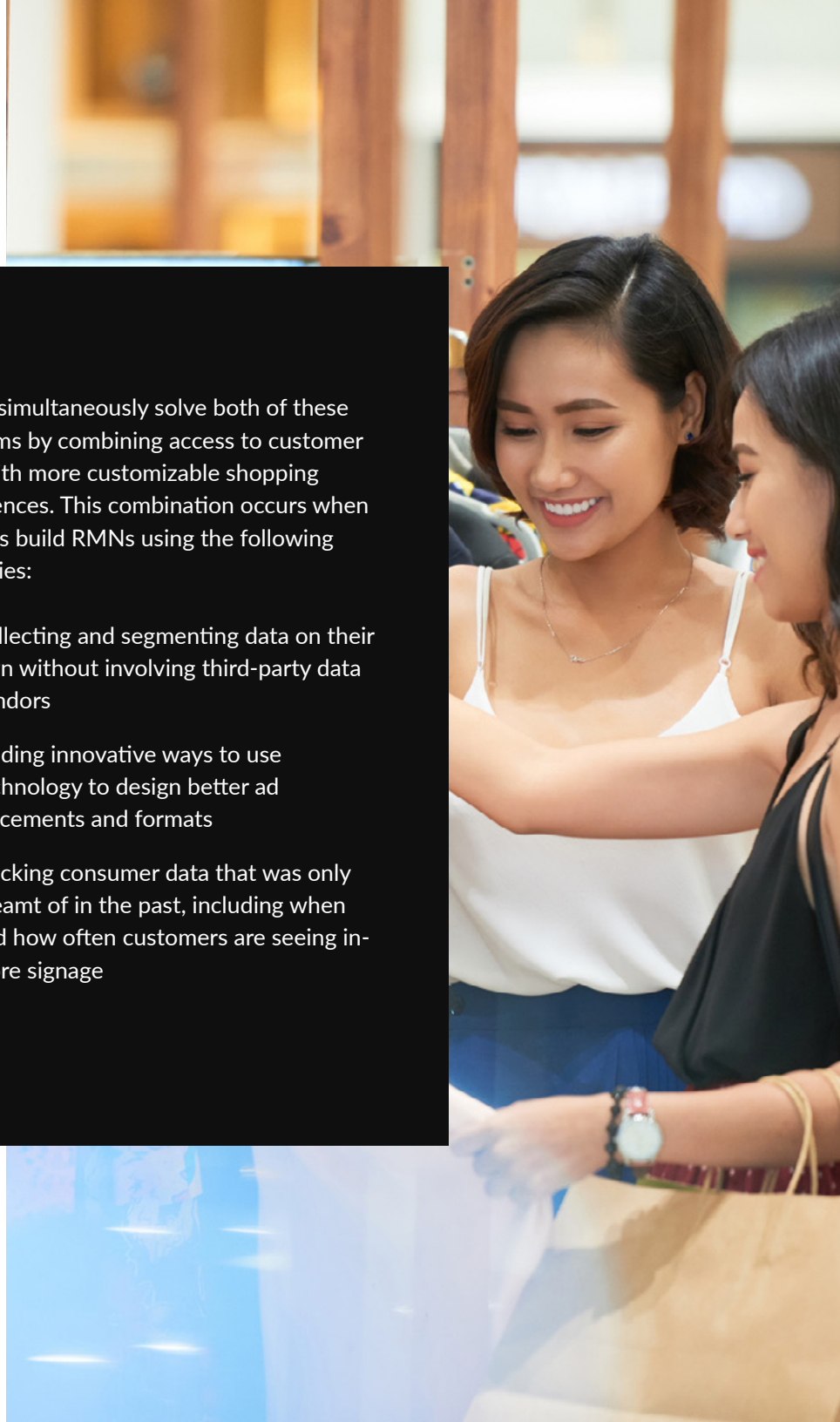
Streamlined advertising processes and full-funnel ad platforms incentivize retailers to work with brands. Together, they create end-to-end shopping experiences.

Before the rise of RMNs, most retailers were using traditional in-store marketing techniques such as premium displays or endcaps. These strategies rely on intuition and weren't very customizable for brands.

Loyalty programs allowed retailers to collect data. However, brands rarely saw the first-party data because retailers frequently sold it to third parties. This transfer often degraded data quality and put customer information at risk.

RMNs simultaneously solve both of these problems by combining access to customer data with more customizable shopping experiences. This combination occurs when retailers build RMNs using the following strategies:

- » Collecting and segmenting data on their own without involving third-party data vendors
- » Finding innovative ways to use technology to design better ad placements and formats
- » Tracking consumer data that was only dreamt of in the past, including when and how often customers are seeing in-store signage



SHOULD BRANDS BE WEARY OF EXCLUSIVITY ARRANGEMENTS? WE THINK NOT

The largest retail media networks, like Walmart, boast access to [150 million weekly customers](#). With this kind of reach, brands and even consumers may fear large RMNs could demand retailers to use their RMN exclusively – cutting out the competition.

This would be a significant risk for retailers. It goes against the trend that makes RMNs so effective, which is a commitment to improving the customer experience.

Every aspect of the RMNs' rise benefits consumers:

- » Better data for brands means more products that consumers will love.
- » Better advertising means a more enjoyable shopping experience.
- » Better data integrity means customers don't have to worry about giving out their information for loyalty programs.

This trend toward human-centered marketing is shared across the marketing world and in all industries.

Retailers who demand exclusivity are playing a risky game that they're just as likely to lose as they are to win. Though Walmart's reach is massive, so is Amazon's, Target's, and Instacart's. The immense reach of these retailers means the benefits won't be worth the cost for any one of them to demand exclusivity in the long run.

For retailers, building relationships with brands and consumers is far more valuable.

THE SOONER YOUR BRAND COMES ON BOARD, THE BETTER

RMNs are a hot topic right now – continuing their growth into the new year.

While brands won't be in direct control of how RMNs develop, now is the time to get involved if you want to have a voice in shaping them in the future.

Familiarizing yourself with RMNs, finding the ones that work best for your brand, and working with those retailers to optimize their media networks are the best components for success for a brand marketer in 2023.



Why RMNs Should Be Seen as Full-Funnel Marketing Opportunities

There are three main components of the marketing funnel:

TOP OF THE FUNNEL AWARENESS

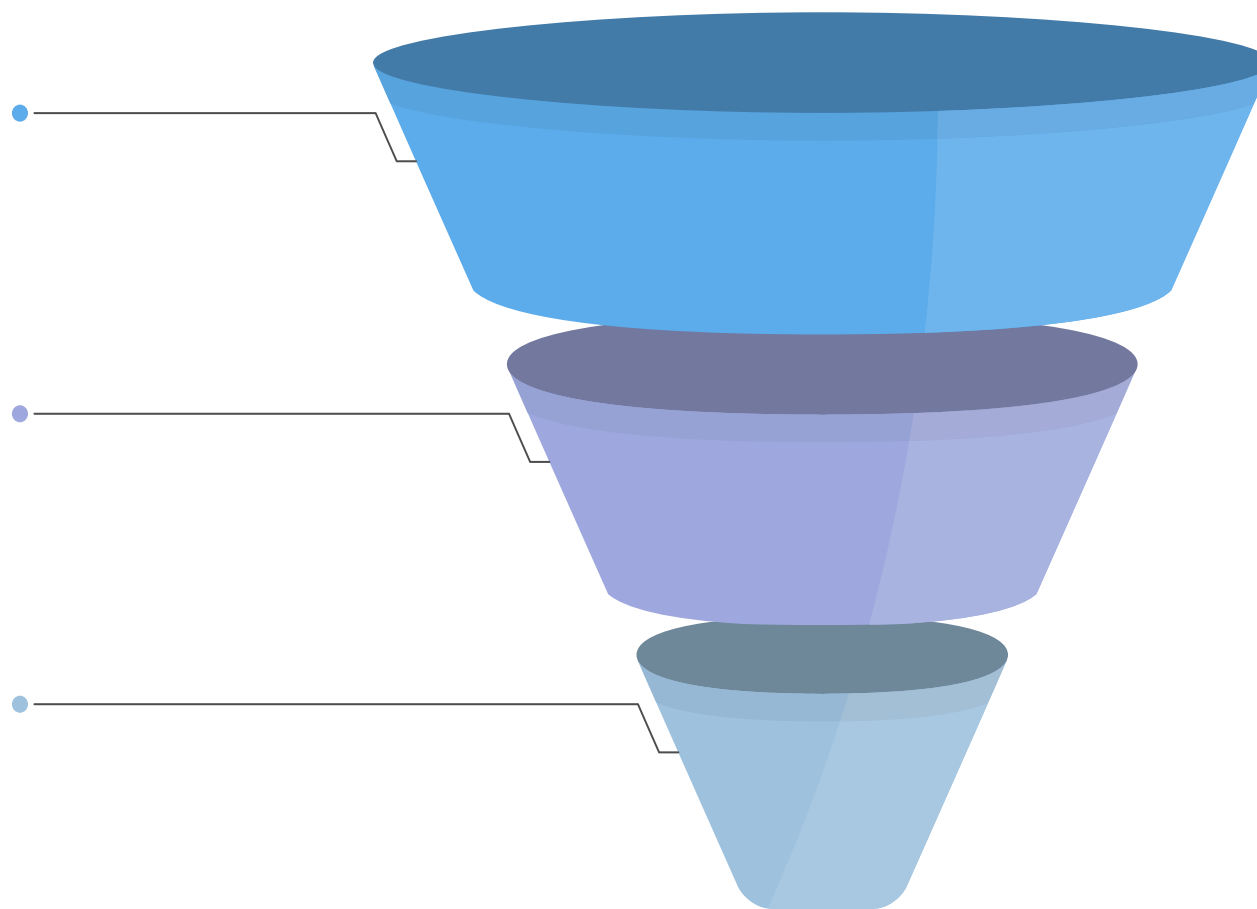
Folks at the top of the funnel know your product exists but haven't learned more, and they aren't ready to buy yet.

MIDDLE OF THE FUNNEL CONSIDERATION

In the middle of the funnel is where a prospect is considering buying your product.

BOTTOM OF THE FUNNEL CONVERSION

The end goal is to have a prospect decide to buy and turn into a loyal customer.



Traditionally, marketers needed to use different tactics to reach customers at every phase of the funnel.

Mass-awareness tactics like TV advertisements were useful for gaining attention. Content marketing was needed to inform those who were still

deciding. Finally, a streamlined checkout or shopping process was needed to nudge customers across the finish line.

Retail media networks support brand advertising at every phase of the funnel, serving as a one-stop shop for all advertising needs.

Here are a few ways that work:

RETAIL SHOPPERS ARE READY TO RECEIVE CONTEXTUAL TOP-OF-FUNNEL ADVERTISING

Customers are more open to ads when they're shopping. In-store advertising is **more relevant**, more useful, and less intrusive than other advertising forms. This extends to online ads as well, where customers are open to product recommendations and related items.

RETAIL MEDIA NETWORKS SUPPORT CONTEXTUAL, TOP-OF-FUNNEL ADVERTISING ONLINE AND OFFLINE.

In-store advertising includes premium displays, dynamic banners, custom signs, smart displays, and even augmented reality experiences. These ads are reshaping the way customers learn about new products while they shop.

The ability to connect platforms, like web content, social media, and checkout screens, streamlines the path through the funnel for online customers. Keeping these customers coming back is also easier, since improved customer data means better content marketing, like email campaigns.

RMNS MAKE FOR BETTER MID-FUNNEL ADVERTISING

The most important aspect of mid-funnel advertising is having marketing materials ready to go and access to every question the customer might have. With improved data access, designing marketing content for all situations becomes more practical than ever before.

RMNs improve the process of informing customers about your products. For example, retailers can use in-store tools like TV walls or smart displays to show customers video tutorials about products alongside shelf displays.

RMNs support lead nurturing by proactively sending educational materials using data from customers' carts. For instance, that data dictates what blogs, infographics, or informative videos a brand sends customers.

Marketers continue to learn the best ways to use RMNs and their data. As they optimize the process, brands will find new and innovative ways to reach mid-funnel prospects.

THE CHECKOUT PROCESS IS ANOTHER PATHWAY BACK TO THE TOP OF THE FUNNEL

A customer who buys your product creates a new opportunity. Are you satisfied with this single transaction, or would you rather turn this person into a lifelong customer? RMNs make it easier to turn the marketing funnel into a marketing loop by keeping marketing and products relevant to customers.

By focusing on gathering and maintaining accurate customer data, brands can develop new products and even better advertising strategies aimed at repeat customers.

The best way to get customers to provide that data is by offering value upfront via a streamlined and enjoyable shopper experience that RMNs provide.



Retail Media Networks Enable Just the Right Amount of Personalization

Showing customers that you notice and appreciate their business is a fantastic way to ingratiate yourself and build trust.

Sending a coupon for an item that a customer loves makes it easy for them to justify the purchase even when they've reduced spending in other areas. It feels personal, and most importantly, it adds value beyond just the item itself.

This kind of personalization in marketing is made possible thanks to technology. It doesn't just apply to RMNs, but anywhere that you can track customer data.

In the past few decades, cookies were the main way to keep track of online shopping. However, [cookies have become obsolete](#). Now, brands and retailers need to find ways to convince customers to willingly share data needed to personalize their ads.

This is where RMNs come into play. They offer value-added shopping experiences that customers enjoy and expect to come back to frequently.

Retail media networks can:

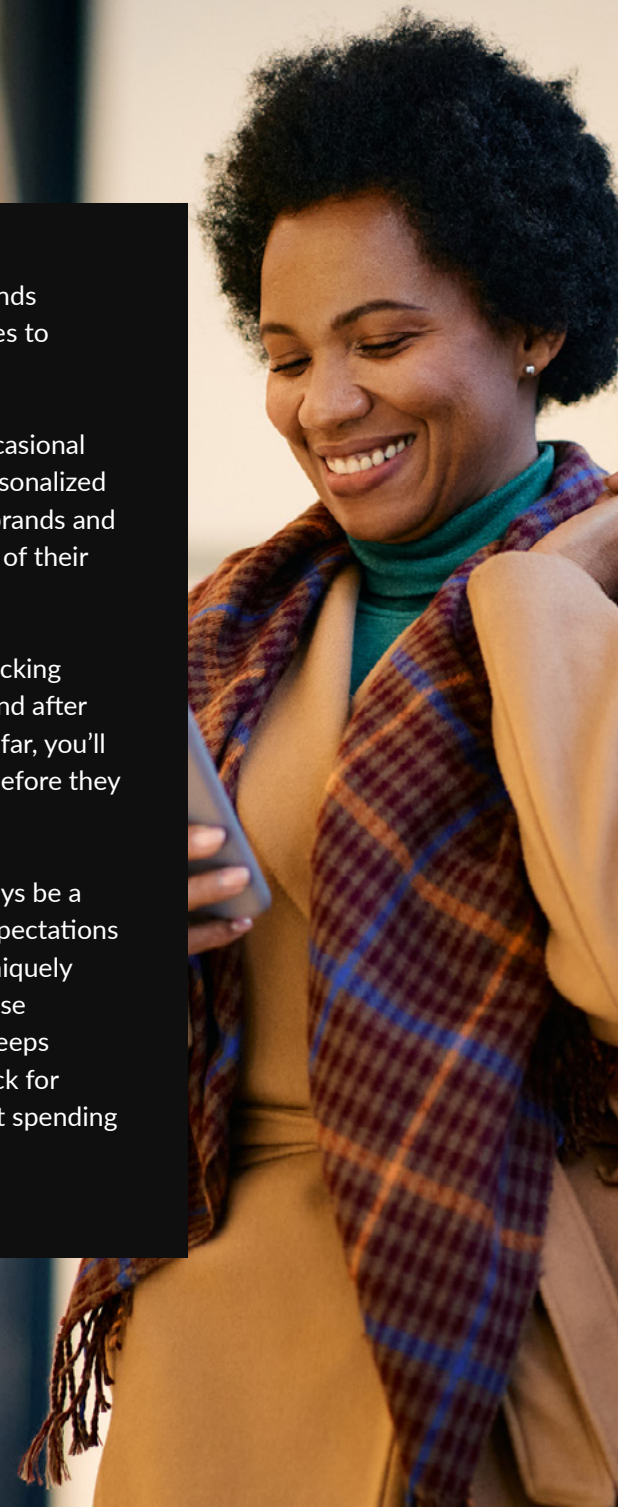
- » Make it easier to understand why marketing and sales tactics succeed, improving optimization.
- » Be a full-funnel advertising channel where brands easily design ads, knowing exactly when and where a customer will see them.
- » Help brands stay proactive by following consumer sentiment at every phase of the marketing funnel.

Retail media networks also help brands avoid going overboard when it comes to personalization.

As much as customers enjoy the occasional personalized marketing email or personalized discount code, they feel invaded if brands and retailers show too much knowledge of their spending habits.

RMNs prevent this by accurately tracking customer behavior before, during, and after purchases. If your ads are going too far, you'll know fast enough to correct them before they become a problem.

Optimizing personalization will always be a push and pull between customer expectations and brand capabilities. RMNs are uniquely positioned as the lever between these competing interests. This position keeps customers happy and brands on track for growth even when consumers aren't spending as much.





How to Work with Retail Media Networks to Survive the Looming Recession

Experts predict that the U.S. economy could be in a recession by [late 2023](#).

While we may have some time before officially entering a recession, there is a related problem that is more immediate: inflation.

The latest [consumer price index](#) measured the inflation of consumer goods at 7.1% over the last 12 months. This sizable increase is part of a continuing trend slashing the ability of consumers to spend on goods.

Brands and retailers need to prepare for some tough economic times ahead. What is your business doing to prepare for the recession? If your answer is cutting advertising, you should think again. Advertising is not just effective in a recession [but essential](#) for maintaining a healthy brand image.

DESIGN SALES AND PROMOTIONS FOR ITEMS CUSTOMERS LOVE BUT CAN'T AFFORD

Since consumers are spending less, businesses may debate cutting ad spending. No ads mean they avoid spending money to attract consumers who can't afford the products. The logic is valid, but it's missing some vital details.

Certain types of advertising are even more valuable to consumers when times are tough. While spending tightens, some items like [brand-name groceries](#) are often first on the chopping block of consumer shopping lists.

To counter this, focus on designing ads that inform customers of sales for these items. Then use an incredible level of personalization possible from RMN data. For example, try to identify specific items, demographic areas, and even individual customers to ensure a high ROI on these sales.

You'll see not only greater profits but also improved customer loyalty.

A customer may have stopped buying an item they loved because it was no longer in their budget. If you email a personalized coupon, you may have won this customer over for life.

TARGET ADS WHERE YOUR COMPETITORS ARE LACKING

Another benefit of advertising while the economy sputters is maintaining brand awareness based on your competitors' behavior.

Take the time to research your competitors and see how they're advertising.

Using omnichannel methods made possible by RMNs, focus on targeting ads at customers your competitors aren't serving. There are multiple ways to target ads, including email marketing, social media posts like [influencer marketing](#), and even in-store through smart displays where available.

Remember that every retailer, brand, and customer will be adjusting to the recession. Don't worry about keeping up with the way things used to be. Instead, by targeting the soft areas, you'll find ways to maximize your efficiency and improve ROI despite the economic downturn.

MAINTAIN YOUR RELATIONSHIP WITH CUSTOMERS AND RETAILERS

If consumers don't remember you or the efforts you took to reach them when times were tough, what is their incentive to return when the economy is normal again?

Recessions are temporary. By advertising during times of decreased spending, you'll make sure your brand stays front and center in the minds of consumers and retailers.

Maintaining these relationships is crucial to establishing firm roots that will benefit your company when the climate is once again favorable. Retail media networks and their many channels are your best opportunity to stay in touch with customers who aren't spending money.

RMNs are Going to Shape the Future, Starting with In-Store Advertising

Wondering if that endcap is placed in the best spot, or if the right customers are seeing your branded signs? RMNs are eliminating the guesswork surrounding these questions and rapidly increasing brands' ability to design optimal in-store advertising campaigns.

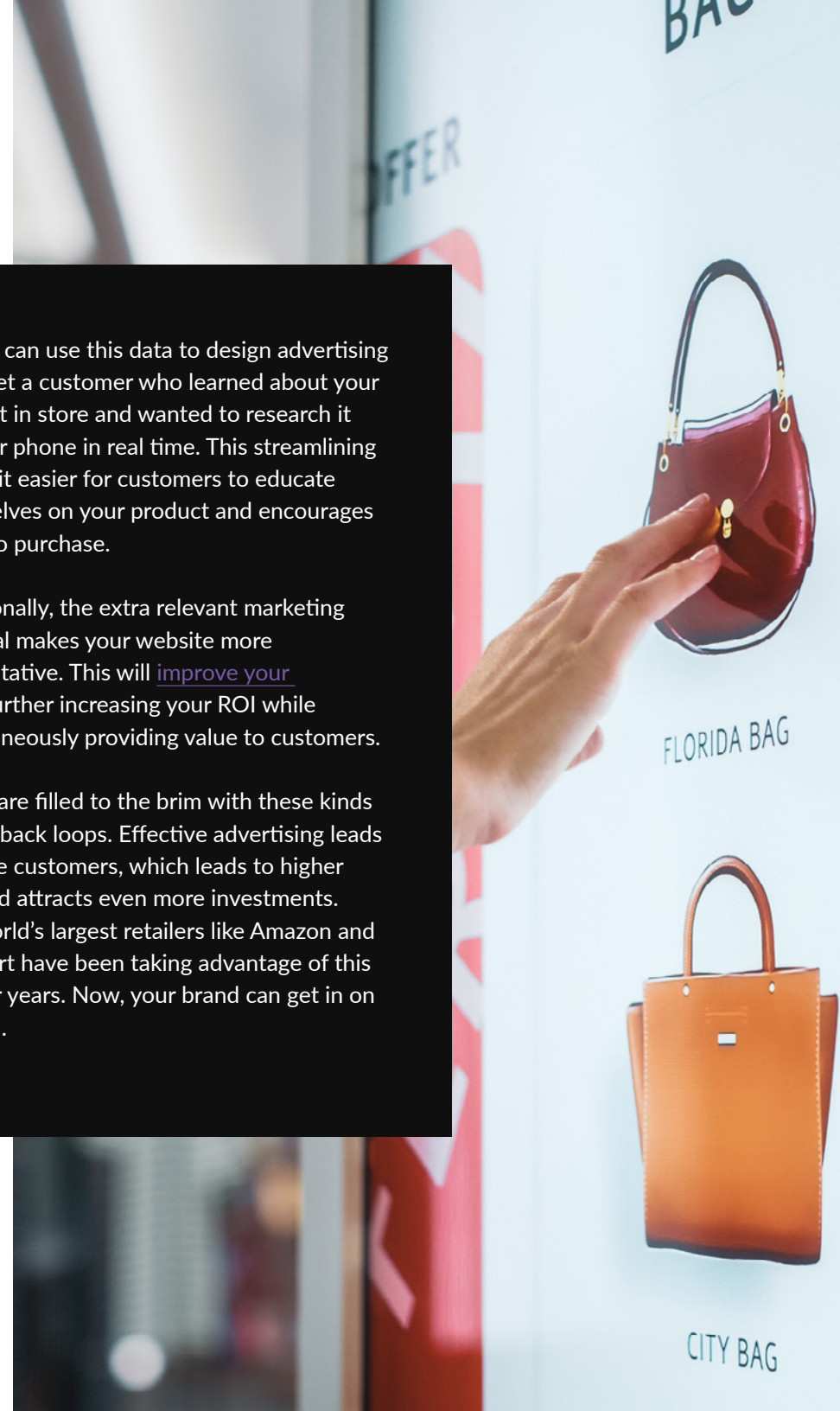
By tracking and providing access to new and valuable data, RMNs close the gap between online and in-store advertising. Before, it was extremely difficult to properly attribute marketing tactics to in-store purchases. There was just no straightforward way to track customer behavior through a store or figure out what exactly pushed them to buy a product. RMNs are changing this.

Building on existing technology like in-store CCTV, new software like Amazon's [Just Walk Out](#) follows consumers from the moment they walk in the door. This allows you to track the path consumers take through the store, the order they browse items, and even how long they spend looking at an item before they put it in their cart.

Brands can use this data to design advertising to target a customer who learned about your product in store and wanted to research it on their phone in real time. This streamlining makes it easier for customers to educate themselves on your product and encourages them to purchase.

Additionally, the extra relevant marketing material makes your website more authoritative. This will [improve your SEO](#), further increasing your ROI while simultaneously providing value to customers.

RMNs are filled to the brim with these kinds of feedback loops. Effective advertising leads to more customers, which leads to higher ROI and attracts even more investments. The world's largest retailers like Amazon and Walmart have been taking advantage of this fact for years. Now, your brand can get in on the fun.



E29 Can Guide Your Brand Through the Retail Advertising Revolution

Brands of all sizes can and will benefit from the rise of retail media networks. However, smaller and medium-sized brands, in particular, might be questioning just how to get involved.

There is no question that the landscape is complicated. Having many competing RMNs means different advertising formats, channels, and customer demographics to sort through.

E29 helps brands of all sizes navigate the evolving world of retail media networks.

- » At E29, we believe in building partnerships with our clients that mimic the relationships retailers are building with brands and customers.
- » We have experience with major RMNs and are constantly vigilant for new developments.
- » Our creative, data-driven advertising strategies are proven to work with RMNs.
- » Our flexible approach allows us to develop marketing effective for brands of all sizes and fit for deployment in all major retail media networks.

The retail advertising revolution, with all of its challenges, is upon us. E29 is ready to help your brand meet these challenges and turn them into opportunities.

**Ready to raise
your brand to the
next level?
Let's talk.**

Etwentynine.