

GUIDE

# THE BRAND MARKETER'S GUIDE TO RETAIL MEDIA SPEND

How to make your retail media dollars work harder

EPSILON®



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## INTRODUCTION

# INVESTING IN RETAIL MEDIA NETWORKS—AND GETTING THE BEST BANG FOR YOUR BUCK

As the world shifts to be more digital-centric, brands—and retailers—are reimagining how advertising can speak to customers. Retail media networks are taking a tried-and-true tradition of brands advertising directly with retailers and driving it into our new digital world: on websites, in apps and even through connected TV.

In a [Goldman Sachs](#) report, **82% of CPG brands surveyed said they're already investing in at least one retail media platform**. And according to the [Path to Purchase Institute](#), **marketers haven't found one retail media network that reigns superior** when it comes to capturing personal behavior data coupled with actual sales data.

But CPG brands are faced with tough decisions as they determine which networks to partner with:

- Connecting with consumers is going to be harder due to third-party identifier (3PID) deprecation, which Apple has already implemented in 2021 and Google will roll out sometime in 2023. This not only puts more emphasis on the retailer partner's ability to identify people online, but it also greatly limits CPG brands' option for audience-based targeting across advertising mediums.
- Many retail media networks focus on on-site advertising across owned properties like their website or app. Although still important, that strategy has its limitations: Most retailers' website and apps alone don't have the scale, reach and historical data to support their full scope of consumers that shop with their brand—both in-store and online.

Working with retail media partners that have an on-site *and* off-site solution is where the magic happens, allowing brands to find millions of shoppers who are most apt to buy on the open web—not just when they're on the retailer's site or app. This also allows brands to talk to their customers where they're most receptive to the message across channels:



Display



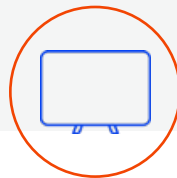
In-app



Native



Digital  
video



Connected  
TV

# 82%

of CPG brands surveyed  
said they're already  
investing in at least one  
retail media platform

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In fact, one Epsilon client found that of its 77.2 million consumers in its CRM file, **81% were only reachable off-site through multiple channels.** That's 62.5 million people that the retailer *couldn't* reach on their own with their retail media network, and therefore limited the reach for their brand partners.

This brings up big questions:

- How do you evaluate your retail media partners today?
- How do those partners *actually* reach all the consumers in their file? And which ones are most relevant for your brand?
- What capabilities do they have to personalize for each consumer?
- How do you plan to show success from the campaign?

This guide is here to help you decide which retail media network to engage and which ones are worth your digital marketing dollars.

### In this guide, you'll learn:

- 1** What differentiates an adequate retail media network from a highly effective, data-driven one
- 2** Why on-site *and* off-site advertising are needed to maximize your budget
- 3** What questions you should ask of your retail media partners



## INTRODUCTION

# BRAND CHALLENGES

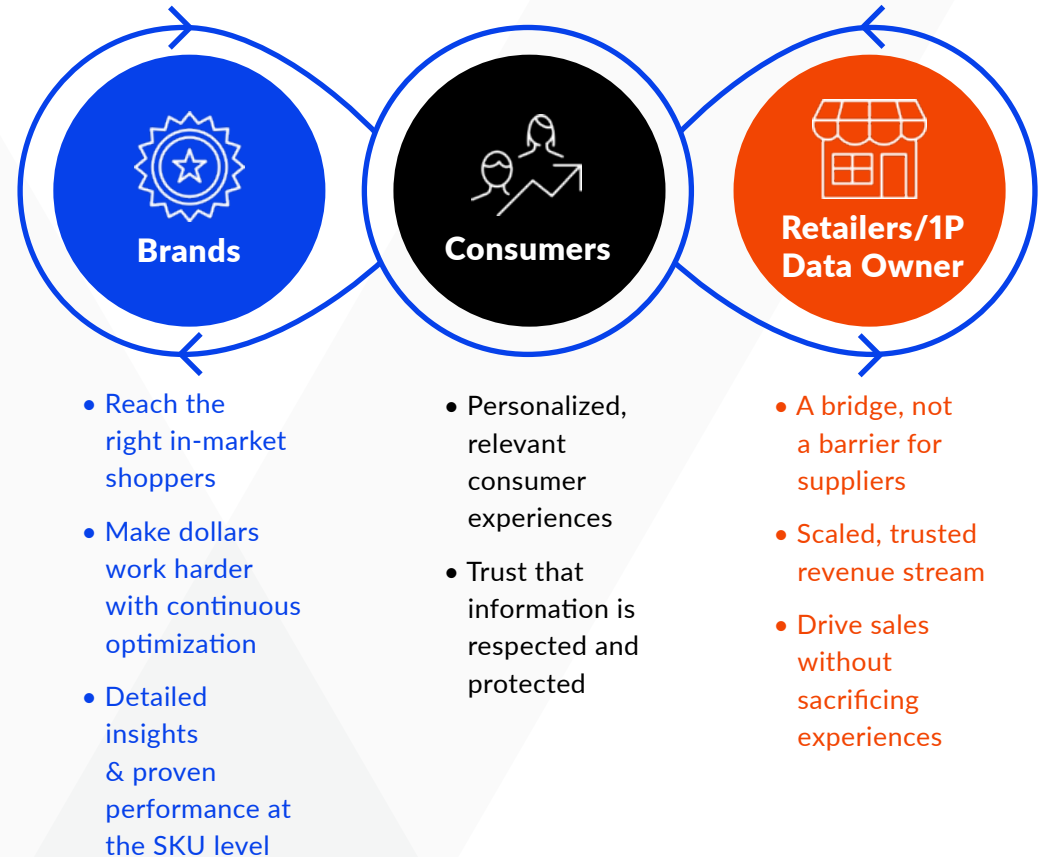
Brands haven't historically been able to do lower funnel, closed-loop marketing with scale, accuracy and measurement.

While it's clear brands can use retail media networks to develop and utilize data surrounding their products and campaigns, what's harder to discern is how to choose the right partner. There are plenty of things to consider: cost, return on investment, how it fits into your existing operational structure, to name a few.

- **Cost:** Is your retail partner worth your overall investment? Does their retail media network have the means to make your dollar go further?
- **Fragmentation:** You can't invest in all retail media networks. But which ones are going to target the consumers you're trying to reach? Are there cross-retailer opportunities?
- **Return on Investment:** Beyond driving sales, how competitive is your retail media partner with the rest of your ad spend? Can they optimize in-flight and how much do you trust their strategic direction?
- **Operational:** How do your retailers have their networks set up? Is it self-service, managed service, a combination of both?

These networks only work when the brand, the retailer and the consumer are all working together to drive results. When done right, it creates positive experiences for all three.

## Three parties in the media network value equation



## KNOW THY CUSTOMER

# IN A WORLD WITHOUT THIRD-PARTY COOKIES, WHERE DOES YOUR DATA COME FROM?

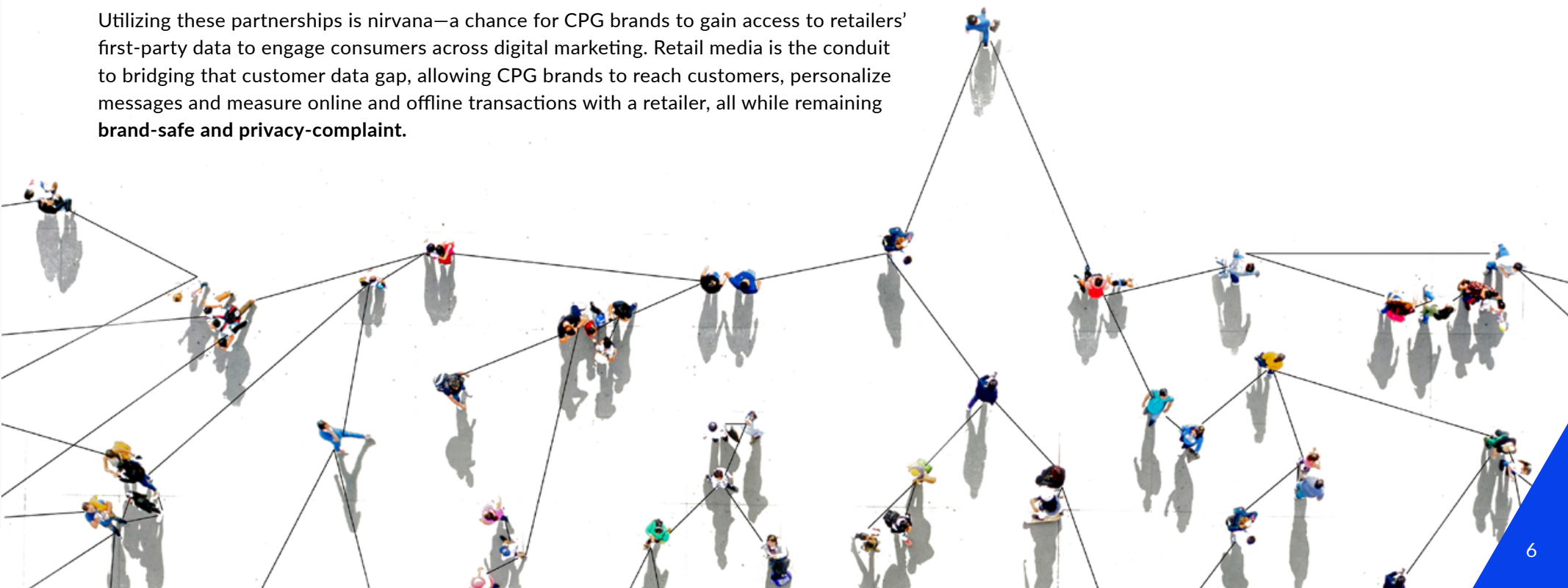
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For brands, understanding your customer unlocks so many doors.

Knowing your customers on a granular level helps drive sales considerations and shape everything from strategic business opportunities to the products you build. [But with 3PIDs \(third-party identifiers\) on the way out](#), the question becomes how brands can continue to recognize, reach and measure their advertising spend when the retailers typically own the transaction data. They're also limited when it comes to personalization and relevancy, which can hurt the customer experience.

The prevailing notion for many brands across industries is to focus on organizing, aligning and activating their first-party data so they can use it as a 3PID replacement. **But what about CPG brands, who historically don't have *that much* first-party data?** That's where retail media networks step in.

Utilizing these partnerships is nirvana—a chance for CPG brands to gain access to retailers' first-party data to engage consumers across digital marketing. Retail media is the conduit to bridging that customer data gap, allowing CPG brands to reach customers, personalize messages and measure online and offline transactions with a retailer, all while remaining **brand-safe and privacy-compliant**.



## KNOW THY CUSTOMER

# WHAT IS IDENTITY?

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Although retailer first-party data is important, it also has its limitations. What do brands actually know about each customer based on purchase data alone without activating it?

Having the right data—and having the tools to use that data effectively—is what makes a difference. Brands' retail media partners need to *also* have an identity underpinning—meaning their first-party data is complemented by an accurate, stable digital identifier that provides the holistic picture of each individual—and the ability to recognize and reach people in real time online at scale. When you successfully combine the two, you create connected identity resolution, which drives stronger, more reliable outcomes.

**But what do we mean by “Connected Identity Resolution”?** This is an accurate, constantly optimized persistent unique identifier tied to real people, like Epsilon's CORE ID. This allows the retail media network to reach *more* current and prospective consumers across SKU-targeted audiences that have been onboarded by complementing the retailer's (and the CPG brand advertiser's) first-party data with additional online touchpoints. This digital ID-based information extends the retailer's ability to know who is in market for what and when, so they can optimize brand dollars effectively.

The “secret sauce” is understanding how retailer first-party data overlays with an individual's broader digital identity, which includes transaction data, online and offline attributes, location data and more to enable end-to-end attribution, anticipating consumer intent based on browsing, purchase behavior, targeted acquisition and more.

**So how does this added identity layer benefit brands?** If retail media partners have the highest-quality identity resolution capabilities, **they can continually optimize audiences and determine the right in-market shoppers—which is constantly changing—in real time for every brand campaign.**

With strong first-party data (down to the SKU level), matched with a persistent digital identifier (like Epsilon's CORE ID), retailers can recognize customers and prospects across their digital experiences and remain privacy compliant.

### THE EPSILON DIFFERENCE:

## Continuous optimization

Are you sure that the buyers your retailer reaches are ready today to purchase? Epsilon's continuously updating machine learning (or AI) identifies the best in-market consumers throughout each campaign based on real-time purchasing (online and offline) and online browsing.

## KNOW THY CUSTOMER IDENTITY IN REAL LIFE

People are all unique, and their needs change daily. While consumers may be buying similar products in certain scenarios, their overall identities as shoppers can be vastly different. This is why brands need retail media partners that can optimize for the individual—because you always want to reach the people most likely to purchase.

Let's say you're a brand selling alcohol with an online delivery service. How might having a more holistic view of your customer impact the ads you want served? These two women might look the same on paper, but having a better understanding of who they are as consumers lets us send more relevant messaging that speaks to more than just their demographics.

### The party planner

ID: #37B293

#### DEMOGRAPHIC

Female, 45  
Married  
Income: \$120k  
Boca Raton, FL

#### RECENT BROWSING

Simple BBQ recipes  
Best summer margarita recipes  
Weekend weather forecast

#### RECENT PURCHASES

Cornhole set  
Margarita mix



### The whiskey enthusiast

ID: #189K283

#### DEMOGRAPHIC

Female, 45  
Married  
Income: \$120K  
Boca Raton, FL

#### RECENT BROWSING

Best cast iron steak recipes  
Custom rocks glasses  
Kentucky bourbon trail vacation rentals

#### RECENT PURCHASES

Expensive whiskey  
Patio furniture



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## KNOW THY CUSTOMER

# IDENTITY IN REAL LIFE: HOW AN ALCOHOL E-COMMERCE COMPANY REACHED MILLIONS IN ONE MONTH

Alcohol e-commerce company Drizly saw a huge uptick in sales during the COVID-19 pandemic. **One of their alcohol brand partners wanted to drive consideration for eight of their brands**, ideally reaching customers who were most likely to purchase.

Working with Drizly's retail media network, which is powered by Epsilon, the alcohol brand was able to reach active, in-market shoppers with specific creative executions for each of their eight brands, tied directly to each SKU. This customization matched the brands with the consumers most likely to buy.

**The brand was able to see data at the portfolio, brand and SKU level in real time**, delivering rich information about not only current buyers, but prospects as well. Epsilon's CORE ID uncovered audience insights about their most engaged audience's demographics.

Drizly's brand partner was definitely happy with the results:



Reached **1.5 million unique individuals** in one month



Saw **18,000 messaged conversions**



Generated **\$525,000 in messaged revenue**



## ON-SITE + OFF-SITE

# ON-SITE IS NOW THE “DIGITAL SHELF”

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For many retail media networks, on-site advertising is the priority, and it’s easy to see why:

- When someone is on a retail website, they’re considered to be in “shopping mode” and more likely to convert.
- It provides more control over the end-to-end native user experience.
- It’s what everyone else is doing. The brands that built the retail media category—Amazon, Walmart and Target—all saw on-site as the primary opportunity.

On-site advertising is a no-brainer for shopper marketing teams who traditionally focused on in-store channels. In an increasingly digital world, on-site advertising is the new version of in-store signage and promotions—digital shelf space is a natural extension of those past responsibilities.

But what’s getting lost in this comparison is that a person would need to be *at the store* to see in-store signage and promotions. **If on-site advertising is the new in-store signage, brands should be asking what their retail media network partners are doing to get someone to their site in the first place**—and this balance is shifting in favor of retailers.

Backed by a wealth of first-party data, retailers have new means to monetize their customer relationships and prove the impact of their advertising partnerships with brands, thanks to new methods of tracking and measurement. This all amounts to improved ROI on media investments, driving category and SKU-level sales for retailers and brands—and creating shared success for all.

The retailer’s site is only one part of the consumer’s online journey. To maximize your opportunity to influence a purchase, you need to use retail media networks that can connect with people *wherever* they are online, not just when people are visiting the retailer’s site.



## ON-SITE + OFF-SITE

# OFF-SITE ADVERTISING IS KEY TO SUCCESS

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A holistic retail media network should connect on-site *and* off-site advertising—allowing the two to function symbiotically. Off-site ads can reach a broader group of consumers across the open web, and then on-site ads help those already on the retailer's site purchase your product.

They're two sides of the retail media coin. Across clients, we've found that both are critical for success:

One Epsilon client found that of its 77.2 million consumers in its file, **81% were only reachable off-site through multiple channels.** That's 62.5 million people that the client was missing out on if their media network was only focused on on-site advertising.

For another retail media client, **42% of messaged visitors from off-site programmatic had never visited the site before.**

And with a third client, **we saw that 11% of a single quarter's site traffic was messaged by off-site programmatic first, and 30% of messaged visitors from off-site programmatic had never visited the site before.**




Simply put, not every consumer who currently buys your brand or is a key potential customer for your brand is going to be on a specific retailer's website. **Your retail media network partners need to *drive* that purchase consideration through the open web.**

## ON-SITE + OFF-SITE

# OFF-SITE IN REAL LIFE: HOW A HAIRCARE BRAND DROVE 5:1 ROAS WITH RETAIL PARTNERS

A leading hair color manufacturer was interested in driving consideration and sales of two brands sold at Sally Beauty. The brand decided to use Sally Beauty's retail media network, which Epsilon powers, to reach the right in-market consumers.

By combining the Sally's first-party customer data with Epsilon's rich profiles and industry-leading 96% cross-device matching accuracy, we identified the customers who would be most receptive to the hair color brands' product-specific messages. And the results were impactful:

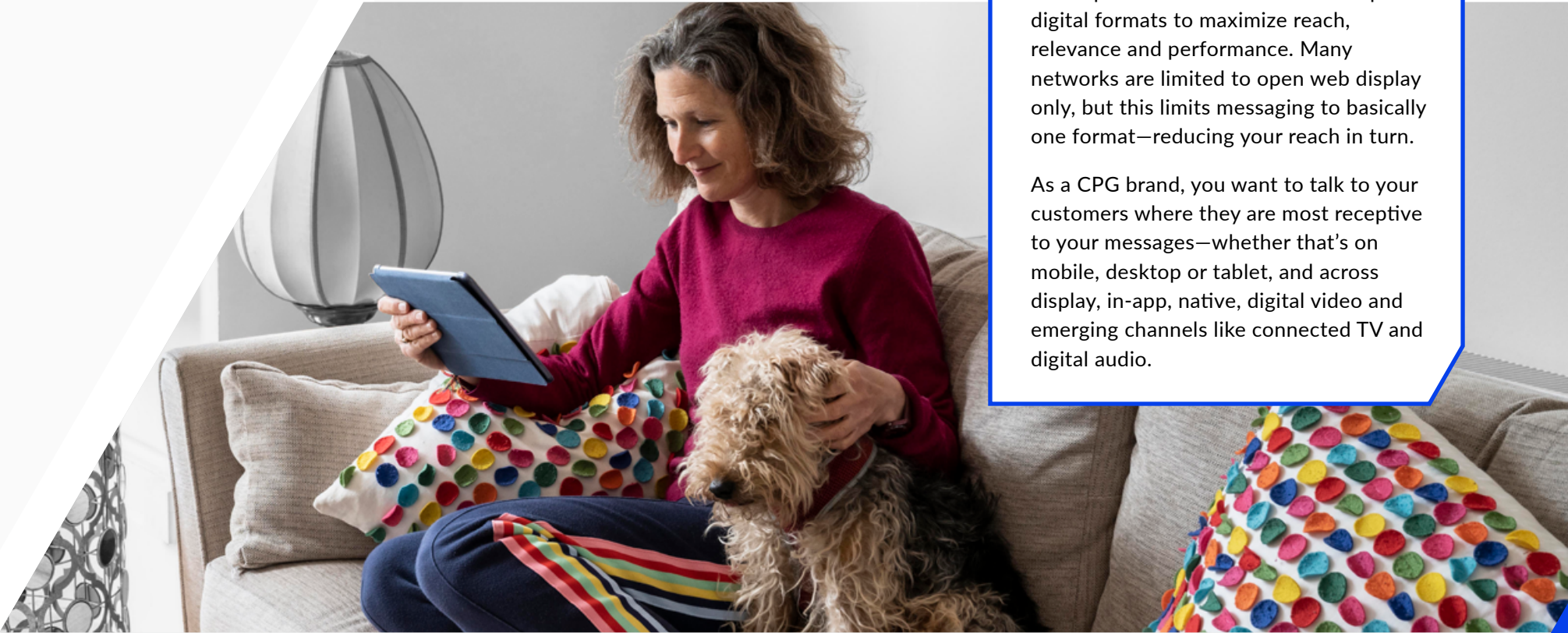
-  Saw **19,000** messaged conversions
-  Drove a **\$5:1** return on ad spend (ROAS)
-  Exceeded the brand's ROAS goal by **3X**



## ON-SITE + OFF-SITE

# OFF-SITE ADVERTISING IN ACTION

A pet owner is using a search engine while researching something for work. As she scrolls through the suggested articles, she's served an ad for a pet food brand from Walgreens. Later that night as she's streaming a show on her iPad, she's served the same ad from before. Her dog Millie needs food, so she clicks in to purchase. But while she's there, she sees an on-site ad that features treats from the same brand. She buys the food and the treats—because Millie deserves it, of course. **That's the power of on-site + off-site.**



### THE EPSILON DIFFERENCE:

## Highly engaging digital formats

Off-site solutions provided by retail media partners should include multiple digital formats to maximize reach, relevance and performance. Many networks are limited to open web display only, but this limits messaging to basically one format—reducing your reach in turn.

As a CPG brand, you want to talk to your customers where they are most receptive to your messages—whether that's on mobile, desktop or tablet, and across display, in-app, native, digital video and emerging channels like connected TV and digital audio.

## CREATING SCALE AND REACH

# CONNECTING WITH CUSTOMERS WHERE THEY ARE

Each component builds on the last: With quality identity resolution and on-site and off-site reach, a top-tier retail media network then has the scale to see and understand buyers where they are—across their digital contexts and without relying on cookies.

For brands, this translates to higher return on ad spend because their retail media partner(s) can deliver more messages to the right individuals—wherever they may be in their digital ecosystem. Off-site advertising expands the reach for each campaign and drives to the site, driving traffic and creating a feedback loop with exponential growth.



### THE EPSILON DIFFERENCE:

## Maximum reach

Displaying ads across the open web opens up a huge number of potential customers. Epsilon's CORE ID can identify 2-3x more people than other media partners and programmatic solutions by leveraging off-site advertising, not just retargeting those who visit a retailer's site.

## MEASUREMENT

# THE PROOF IS IN THE PERFORMANCE

Brands know that a successful partnership relies on proof. Transparency and measurement are essential in any marketing spend, but in a landscape where many retailers have established retail media networks and others are excitedly jumping into the category, **you want retail media partners that deliver results and measurement quickly and accurately.**

For brands, this means:

- Identifying the best in-market consumers and maximizing brand sales by continuously optimizing each campaign based on real-time purchasing and online browsing.
- Accounting for both online and offline transactions, giving targeting and audience optimization the benefit of all purchasing behavior related to your brand SKUs.
- Receiving a holistic view of unique in-flight, SKU-level performance for sales.
- In-campaign measurement so you can adjust and optimize in real time.
- Customer insights that give a deeper understanding of who is buying your products.
- Looking at networks that have third-party validation for their solutions, like MRC (Media Rating Council) accreditation.

Taking this approach allows you to actively vet the partnership and investment *while* gaining rich information that can drive smarter marketing efforts overall—with your retail media partners and on other channels. It's important to find *everyone* who's in-market for specific SKUs and drive them to purchase by applying those insights across the funnel.

### THE EPSILON DIFFERENCE:

## Outcome-based measurement

Epsilon has industry-leading measurement you can trust. Our reporting is fully transparent, detailed and outcomes-based—and is updated and delivered with in-flight reporting. With robust in-campaign reporting including online and offline SKU sales, you'll know your ROI. And with third-party validation on conversions, you can have more confidence in campaign results.

**You want retail media partners that deliver results and measurement quickly and accurately.**

## MEASUREMENT

# WHAT TO EXPECT

Here's what a report might look like. While each individual retailer will have their own unique performance indicators, you should look for three key performance indicators when considering retail media networks to engage:

### PERFORMANCE METRICS

Category, SKU and brand level ROAS, online and offline SKU-level sales, etc.

### DELIVERY METRICS

Impressions, unique conversions and clicks

### PURCHASE RECENCY





## WHAT'S NEXT?

# FINDING THE PERFECT PARTNER

It's inevitable that you will be spending your media budget across several different retail media networks, some with better results than others. While the big networks like Amazon and Walmart are a piece of your retail media strategy, **they shouldn't be where you end it.**

Engaging the *right* retail media networks can create huge returns for your brand, and optimizing identity across channels helps you reach the right people without having to work with several different partners. So, if you're going to spend your dollars, make sure you're spending them wisely.

### WHAT A RETAIL MEDIA NETWORK SHOULD LOOK LIKE:

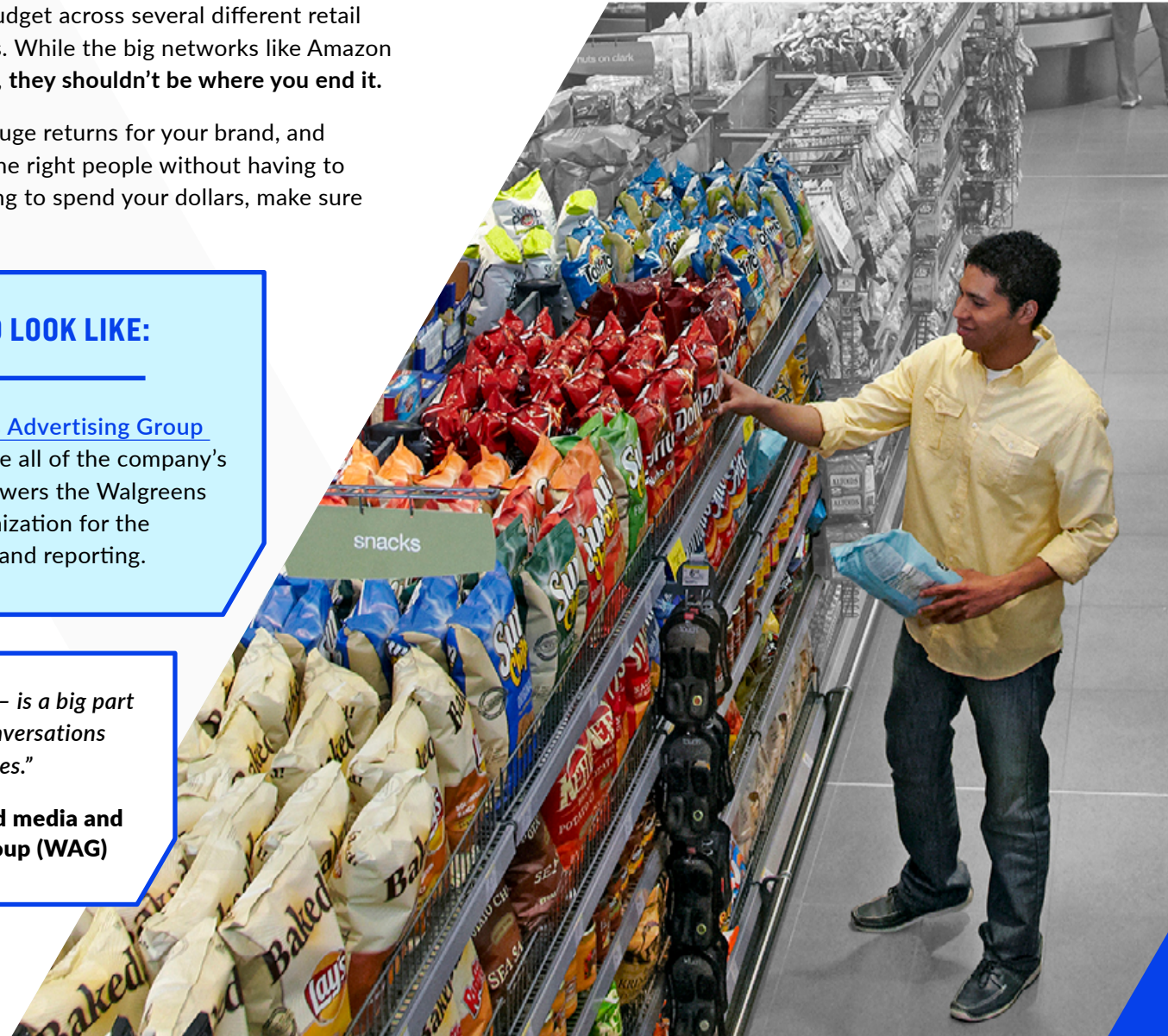
For its 2020-launched media network, [Walgreens Advertising Group \(WAG\)](#), Walgreens partnered with Epsilon to house all of the company's loyalty and SKU-level transaction data. Epsilon powers the Walgreens DSP, which enables real-time execution and optimization for the brand's dynamic creative, audience segmentation and reporting.

*"First-party data - and the ability to use it - is a big part of the value we bring to the table in the conversations we're having with brands and media agencies."*

**—Luke Kigel, VP of Walgreens integrated media and head of the Walgreens Advertising Group (WAG)**



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## FINDING THE PERFECT PARTNER

Here are some key questions you need to ask yourself (and your potential retail media network partners) before handing over your budget.

### How are they projecting outcomes?

- How can their purchase data help target ads to the right customers at the right time?
- How are they finding their customers?
- Are they targeting beyond purchase-level considerations, or is there a second layer of behavior they're using to measure?
- What's the forecasted reach and ROAS?

### Do they have an on-site and off-site solution?

- If so, how do those two interact?
- What percentage of customers actually visit their site?
- What is the on-site and off-site reach in general?
- If they have off-site, who is their media partner?
- What type of creative versioning capabilities do they have?

### Can they immediately scale and reach enough customers to make an impact?

- What is their scalability overall?
- What is the scale of category- and product-level data to optimize to depth, measurement and impact?
- What is their ability to scale immediately with customers now?

### What is their benchmark for success, and how are they delivering results?

- What metrics are they measuring?
- How often am I receiving updates from my partner?
- How are these results triggering in-flight optimization?

Engaging the *right* retail media networks can create huge returns for your brand. So, if you're going to spend your dollars, make sure you're spending them wisely.

## PARTNER WITH EPSILON

# HOW EPSILON CAN HELP

There are plenty of retail partners who are ready for your brand—and have the technology behind them to drive results. Partnering with Epsilon integrated solutions through retail media networks like Walgreens, Drizly, CDW, Sally Beauty and more, can lead to bigger and better results.

### How it works:



**Unrivaled reach and scale:** Our integrated people-based solution minimizes identity loss enabling you to reach 2-3x more in-market customers with more precision than competing solutions.



**All key digital formats available—not just display:** Reach consumers across highly impactful, engaging digital formats.



**Real-time optimization:** Instead of segment-based targeting which results in ad waste, CORE AI identifies consumers who are most likely to buy in a specific category and/or SKU, and continuously optimizes each campaign based on real-time purchasing behavior.



**Robust in-flight reporting:** Gain UPC- and brand-level reports including impressions, reach, average order volume and consumer insights.



And with **third-party validation** on conversions, you can have more confidence in campaign results.

To learn more, [visit our website](#).

### STILL TRYING TO DECIDE?

In Forrester's Now Tech: Retail Media Solutions, Q2 2021 report, they surveyed the landscape of retail media network solutions—including Epsilon's. For brands, knowing who powers your retailer's media network—and where they rank among their peers—is a game changer. You should feel empowered to understand who your retailer's solutions partner is and what they bring to the table.

Of 28 retail media solutions reviewed, Epsilon is included in the large revenue category in both the "buy-side" and "sell-side" solutions functionality segments.

[You can read the full report here.](#)

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▶▶▶ **Ready to create real connections between your customers and retail partners? Reach out to [RetailMediaForBrands@epsilon.com](mailto:RetailMediaForBrands@epsilon.com)**

Epsilon is the leader in outcome-based marketing. We enable marketing that's built on proof, not promises. Through Epsilon PeopleCloud, the marketing platform for personalizing consumer journeys with performance transparency, Epsilon helps marketers anticipate, activate and prove measurable business outcomes. Powered by CORE ID,<sup>®</sup> the most accurate and stable identity management platform representing 200+ million people, Epsilon's award-winning data and technology is rooted in privacy by design and underpinned by powerful AI. With more than 50 years of experience in personalization and performance working with the world's top brands, agencies and publishers, Epsilon is a trusted partner leading CRM, digital media, loyalty and email programs. Positioned at the core of Publicis Groupe, Epsilon is a global company with over 8,000 employees in over 40 offices around the world. For more information, visit [epsilon.com](http://epsilon.com). Follow us on Twitter at [@EpsilonMktg](https://twitter.com/EpsilonMktg).

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