Mi3

Retailer Media Next

Australian digital advertising market analysis supported by

coles 360
Connections that create growth

Resolution Digital.

Executive summary

In Mi3's 2021 retailer media report, experts forecast a $1bn market by 2025. PwC estimates suggest Australia has already reached that point. Retailers are scaling their media businesses, taking a greater share of budgets from brands keen to target their customers on retailers' owned assets, as well as selling their data to enable targeting across the web.

Supermarkets are leading the charge, but other retailers are entering the fray. That provides greater opportunity for brands to influence customers in buying mode, but significant measurement, reporting and fragmentation challenges. Incoming privacy laws may also pose difficult questions.

Retailer media is forcing traditionally siloed trade sales and marketing teams together, while altering the dynamics of Australia's advertising supply chain. Agencies, for example, must establish new relationships and expertise, while publishers face a growing threat: US data illustrates the decline of linear TV as retailer media rises, while analysts suggest social media is feeling the first impacts. Out-of-home, display and search also face disruption.

But marketers say Australia's retailers have work to do on data, measurement and analysis before they go all-in, while some report increasing clutter and declining ROI as brands increase activity and retailers add more inventory to their platforms.

This report provides a snapshot of Australia's current retail landscape – and where we may be headed next.

Key findings

- Media Village analyst Jack Myers: "The losses that we're seeing now in several of the major digital platforms, the flat reporting we are seeing at Facebook, Google... is money shifting to retailer media for the first time this year."
- Pepsico CMO, Vandita Pandey: "We've got quite a bit more runway and learning before we would see a significant increase in investment."
- Nestlé Marketing Communications Director, Anneliese Douglass: "I see far greater working between marketing, commercial development and sales on the customer journey, full end-to end planning [due to retailer media and ecom] ... that is a fundamental shift we are making in our business."
- Moccona Marketing Manager, Aaron Wall: "Generic search terms [within retailer media platforms] are getting really expensive," because brands want to be "in the right format on page one".
- Mutinex CEO, Henry Innis: "Retailer media will grow 50-100 per cent this year. But longer-term the market is unlikely to generate the huge returns and ROI seen to date, in line with any maturing medium. We are probably just coming to the start of that cycle with retailer media."
- Brad Moran, co-founder, CitrusAd: "Coles and Woolworths could dominate the entire ad market if they wanted to."
- Yahoo Apac data chief, Dan Richardson: "After Optus and Medibank, brands are very concerned. They have to work through a lot of privacy and security risk compliance to even get to a point where they can think about launching a media network."
- Ellipsis Managing Partner, Tim Tyler: "The biggest compliance costs [resulting from Australia's privacy law changes] will fall on those making the most money out of loyalty data – those with the biggest databases they are trying to convert into media channels."

With thanks to report partners Coles 360 and Resolution Digital, plus Aaron Wall, Angus Frazer, Anneliese Douglass, Brad Moran, Camille Shepherd, Clare Tsubono, Dan Johns, Dan Richardson, Des Odell, Henry Innis, Jack Myers, Jade Lish, James Bayes, Jonathan Hopkins, Joshua Lee, Justin Ricketts, Kristiaan Kroon, Lachlan Brahe, Mike Tyquin, Mohammad Heidari Far, Paul Brooks, Roger Dunn, Sam Hegg, Sean Bone, Simon Porter, Sophie Price, Sven Lindell, Tim Tyler, Troy Townsend and Yash Gandhi.

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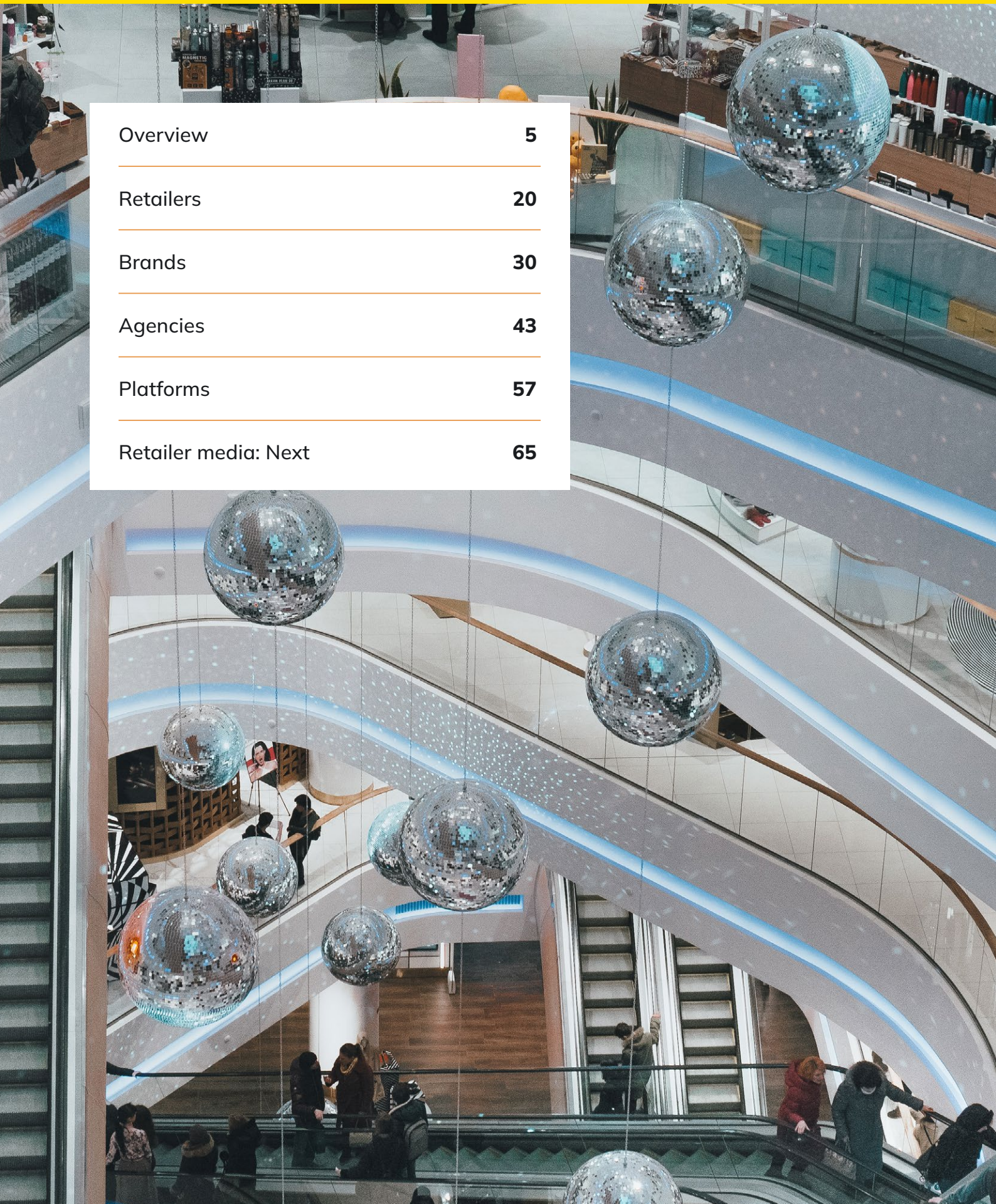


Overview

Chapter 1

Macro picture: US market – TV, social feeling retailer heat

Jack Myers
Media Ecologist

US-based 'media ecologist' Jack Myers told Mi3 that industry data compiled by his firm, Media Village, shows digital retailer media – separate to legacy shopper marketing and sales promotion spend – is currently a circa $25bn business in the US. In 2022 it grew 20 per cent, per Media Village data. That curve is accelerating: By 2025, he predicts digital retailer media will stand at $50bn with money coming out of TV networks and social media platforms as well as 'legacy' trade and shopper media budgets (i.e. non-digital).

"The losses that we're seeing now in several of the major digital platforms, whether they be Snap, Twitter, others; the flat reporting that we're seeing at Facebook, Google, is being heavily attributed to TikTok, which is certainly the case. But more so, it's money shifting to the retail media category for the first time this year," said Myers.

> "The losses that we're seeing now in several of the major digital platforms, whether they be Snap, Twitter, others … it's money shifting to the retail media category for the first time this year.
>
> **— Jack Myers, Media Village**

"Take YouTube out of that bucket, because I believe YouTube has a whole other set of sophisticated understanding of the unique marketplace that they have. And take TikTok out of the equation for now, because it is the latest hotspot. But Facebook, Snap, Twitter, keep going … I believe they've lost their way. I believe they fundamentally don't know what their business is anymore. They're riding on the coattails of their prior business models. Their leadership is increasingly distanced from the marketplace."

He suggests TV networks are feeling similar pain.

"We're seeing a real softness in the US network television upfront marketplace and in the continuing scatter markets [where advertisers hold back-upfront dollar commitments in a bid to get better value closer to real-time]," said Myers.

"Much of that is also being attributed to TikTok. But my data shows that it is flowing for the first time from national television into retail media categories."

Marketing/Advertising Spending Forecast & Data 2023-2025 (via mediavillage.com)

"Legacy/Linear" refers to revenues generated for traditional non-digital advertising and marketing spend within each category

	2023			2024			2025			Avg Annual Change	Total Change
	Change	$ (m)	Share	Change	$ (m)	Share	Change	$ (m)	Share	2020-2025	2019-2025
Shopper Marketing/Retail Media	3.0%	76,272	14.6%	5.5%	80,449	14.7	9.8%	88,310	15.8	4.2%	7.9%
Legacy (in-store)	-6.0%	45,557	59.7%	-6.0%	42,824	53.2	-8.0%	39,398	44.6	-6.4%	-41.1%
Digital	20.0%	30,714	40.3%	22.5%	37,625	46.8	30.0%	48,912	55.4	23.1%	227.2%
Search Marketing (Online & Mobile)	0.0%	49,897	9.6%	-0.7%	49,548	9.1	-1.2%	48,953	8.8	-1.1%	-9.2%
Cable/Satellite Network Television	-4.2%	23,090	4.4%	-4.3%	22,100	4.0	-6.1%	20,751	3.7	-1.3%	-27.8%
Linear	-5.0%	20,620	89.3%	-6.0%	19,383	87.7	-7.8%	17,871	86.1	-1.7%	-31.6%
Digital (excl. OTT)	3.0%	2,470	10.7%	10.0%	2,717	12.3	6.0%	2,880	13.9	4.8%	11.3%
Broadcast Network TV	-3.3%	15,913	3.1%	-1.0%	15,756	2.9	-3.4%	15,214	2.7	1.0%	-24.2%
Linear	-4.5%	12,914	81.2%	-4.0%	12,397	78.7	-6.0%	11,653	76.6	-0.1%	-29.1%
Digital (excl. OTT)	2.0%	2,999	18.8%	12.0%	3,359	21.3	6.0%	3,560	23.4	5.5%	-2.1%
Social Marketing (digital)**	6.0%	26,047	5.0%	8.0%	28,130	5.1	3.0%	28,974	5.2	6.8%	5.5%
Online Originated Video Advertising	10.8%	31,404	6.0%	14.6%	35,989	6.6	4.0%	37,429	6.7	11.5%	116.2%
Interactive, VOD & Addressable TV	35.0%	4,190	0.8%	35.0%	5,657	1.0	24.0%	7,014	1.3	28.0%	281.7%
Marketing/Advertising/ Promotion	0.8%	520,770	100%	5.0%	546,564	100	2.1%	558,090	100	2.6%	-5.4%
TOTAL Media Advertising	0.7%	199,492	38.3%	8.5%	216,379	39.6%	-0.4%	215,421	38.6%	4.6%	0.4%
Media Advertising – Legacy/ Linear	-5.6%	84,861	42.5%	5.4%	89,432	41.3%	-7.1%	83,087	38.6%	0.9%	-26.4%
Media Advertising – Digital	5.9%	114,631	57.5%	10.7%	126,947	58.7%	4.2%	132,334	61.4%	7.5%	30.3%

Aggregation: Next wave?

While locally some suggest retailer media will be a race for scale, Myers thinks aggregation will be the next wave, putting further pressure on publishers.

"We're beginning to see a move toward the major demand side platforms, companies like The Trade Desk, Magnite and others ... to develop collective retail media – aggregated retailers, smaller retailers coming together in a programmatic model to support retail media initiatives," predicts Myers.

"It's realistically two to three years away [in the US], but I believe that will be a wave that has significant impact on legacy media. The reality is that legacy media, at least here in the US, has yet to wake up to the competitive threat from retail media. They're attributing it to almost everything but the real cause of softness and stagnancy in the marketplace."

The collapse of the funnel

Myers thinks increasing involvement of procurement departments within media allied with demand for hard results beyond reach and the increase in first party data are key drivers in the "exponential" rise of retailer media.

"Companies like NBCU, Facebook, Google have benefitted over the last decade from having their own first party data. Now brands are looking at the availability from their retail partners of first party data. So it's only natural that they are going to connect their marketing dollars to actual sales."

Hence, he says, "the funnel is imploding".

"The idea of advertising as an awareness vehicle, that pool or that pie is shrinking and the bottom of the funnel pie is growing. Marketers can come in at any point to the funnel now and have first party data to help guide their decisions."

On network, off network: Confused definitions?

Brad Moran
CitrusAd

"Retailer media is spoken about a lot a the moment. But ask ten people its definition, and you'll get ten different answers," says Brad Moran, who founded retailer media ad platform CitrusAd six years ago in Australia and sold it to Publicis for north of $200m in 2021.

While McKinsey has forecast huge growth, US$100bn in spend in the US alone by 2026, with eMarketer predicting US$55bn in US retail media ad spend by 2024, Moran suggests those figures could be misinterpreted. He's keen to "debunk a couple of myths". Much of the money bracketed as 'retailer media' in the US does not accrue to retailers that have set up media businesses, per Moran. It's going to Amazon, which posted global ad revenues of US$37bn for calendar 2022.

"What many people probably don't realise is how much of that money is spent off Amazon.com," says Moran. "Amazon's ad network spans millions of websites. Most of its ad money comes from retargeting offsite shopper discovery."

That creates "a story that retail media is massive, it's growing," says Moran, which is useful for CitrusAd's own growth ambitions, and those of retailers globally and locally. "But when you think about actual onsite sponsored products and banners, if you just carved that part of Amazon business out, it would be substantially smaller."

Under Publicis, Citrus is partnered with data unit Epsilon, which Moran suggests offers an illustration of the revenue ratio between on network (media assets owned by retailers and bought by brands) and off-network (using retailer data to power targeted ads around the web).

"To give you an idea of how big the offsite component is to the on site, the average customer for us, Epsilon would probably do 25-30 times the revenue that we would."

"So when people talk about retail media and the size of the industry, it's just like [bucketing together] 'all advertising in the CPG world'. It's literally that broad because they encompass so many verticals. It is very, very hard to understand how much has actually been generated from what Citrus calls retail media, which is money spent directly between a brand and a retailer," says Moran. "But that bucket of money is very different to what a lot of the reports say."

US market: consolidation ahead

Moran agrees with Media Village's Jack Myers on the trends of consolidation and aggregation. In the US, most retailers have realised they can't compete alone, which is why Citrus has been able to attract 21 retailers to its ad network, with a collective grocery reach Moran claims "is now bigger than Walmart and Amazon".

"When you talk to Nestlé or Unilever, whoever's advertising, it's one portal, one point of contact for $300 billion worth of sales, that's the attraction," says Moran. "The retailers know a $5bn business in the US does not get to meet the head of marketing at P&G. They get the local guy, the local budget and they don't really grow. So if you want to compete on a national scale with national budgets, you need national size, which collectively those 21 retailers form."

From a tech perspective, Moran sees consolidation underway as US retailers seek cost efficiencies by pushing media operations established in-house, and the related risk, "back onto full service providers and technology players", with many seeking one-stop shops. Should that trend continue, with procurement increasingly leading RFPs, Moran thinks it may ultimately favour the "the big tech conglomerates with big product stacks" to bundle.

"So macro level, I think consolidation of tech is now key. Even just looking at our roadmap, the number one thing we're building out is our API. We have an API for connecting to retailers, but we want to build out a Shopify-type app store. There are now so many small pieces of retail tech that you simply can't build them all. [Retailer media] needs to be frictionless. So there is a lot of opportunity to enable that."

> "What I do see is far greater working between marketing, commercial development and sales on the customer journey, full end-to end planning [due to retailer media and ecom more broadly] ... That is a fundamental shift we are making in our business.
>
> — **Anneliese Douglass, Nestlé**

Metrics challenge looms

The rise of retailer media is creating a measurement challenge for brands. Because there are no unified standards, advertisers are facing a patchwork of different reporting methodologies. The issue is thorny in the US, with the likes of Unilever urging retailers to align. Australia will face the same problem if multiple retailers launch media businesses. "There is a big category job to do in measurement," per Zitcha's Troy Townsend.

ANA report: Marketers feel retailer pressure, search budgets shifting

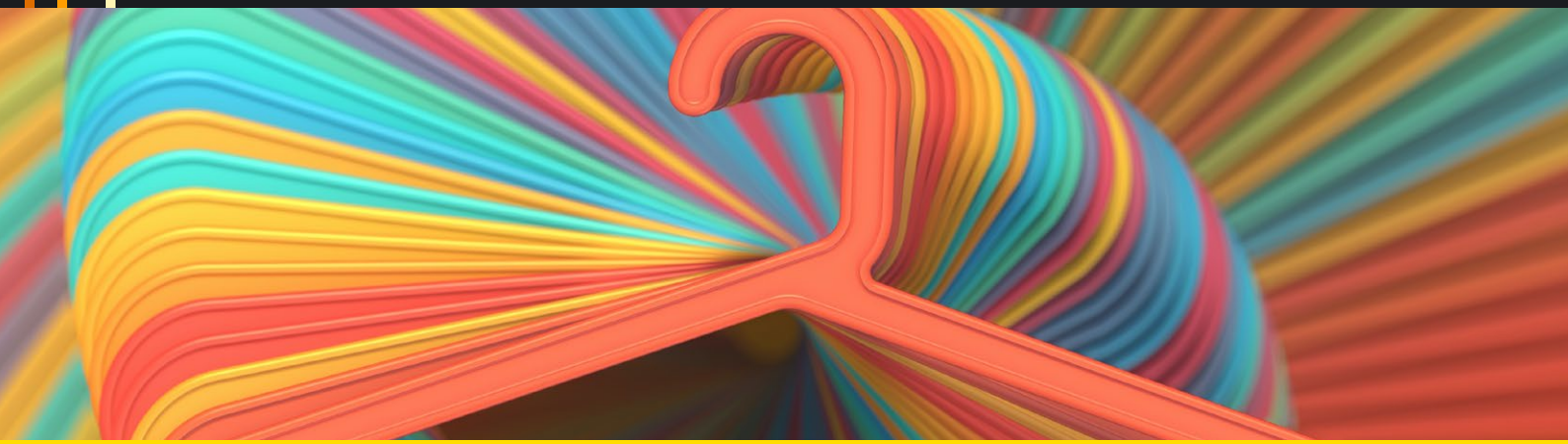
US peak advertiser body the ANA polled members ahead of a retailer media deep dive released in January. Key findings are that 56 per cent of advertisers are working with five or more retail media networks (RMNs) but that many are concerned that they are not driving brand growth. Fully 85 per cent of marketers polled said they feel pressured by retailers to spend with RMNs and the report found that retailer media spend is not incremental, but pulling from existing budgets – shifting the balance of investment from brand to short-term sales. Measurement transparency and lack of standardisation were standout issues, but overall, marketers were optimistic about retailer media: Within two years, 58 per cent expect to be using more RMNs than they are today, and 73 per cent expect to be spending somewhat or significantly more on RMNs than they are today.

> There is a big category job to do in measurement.
>
> **— Troy Townsend, Zitcha**

According to the report, 80 per cent of advertisers said paid search is the most important tactic offered by RMNs, followed by on-site advertising. Per one advertiser interviewed for the report: "Sixty per cent of all searches today are starting on commerce sites. Traditional paid search is kind of a waste."

Double digit growth, but FMCGs shopping around

Year-on-year, Moran forecasts "12-15 per cent growth" for mature US retailer media businesses. While that is below market-wide forecasts made by the likes of McKinsey and other US analysts, Moran says FMCG brands are now "looking at their budgets more delicately and seeking best bang for their dollar."



Australian outlook: Growth, fragmentation, trade-marketing realignment

Sizing the Australian retailer media market is an inexact science – because current revenues are predominantly trade budgets and far harder to compile than traditional media or ad spend. PwC last year estimated Australia's retailer media market stood at $850m in 2022, forecasting revenues to hit $2bn by mid-2025 in its central forecast.

What is clear is that Australia's media landscape faces further fragmentation as the big two supermarkets accelerate media businesses. As Citrus Ad's Brad Moran puts it: "Coles and Woolworths could dominate the entire ad market if they wanted to."

> If an FMCG brand operates trade marketing and brand marketing separately, it's quite difficult for agencies to bring that together. Where we've seen holistic structures within FMCG brands, the benefits come quite quickly.
>
> **— Sam Hegg, Coles 360**

Verticals including pharmacy, homewares, garden, consumer electronics, financial services, fashion and beauty are also entering the market vying for a larger slice of trade – and marketing – budgets from brands.

Cartology is aiming to increase its lead, buying up Shopper Media's network of screens last year, bringing Big W into the fold and this year pushing into shopper-data-powered BVOD buying via a partnership with Liveramp. It's also positioning to sell media to non-grocery brands. (see p21)

Coles has built an integrated retailer media unit and while this year is focusing on trade suppliers, plans to push harder into agencies and marketing budgets from next year on. (see p23)

While stating they expect the majority of revenue – and higher margin – from on-site media (i.e. their digital properties and in-store), both supermarkets are cognisant of Amazon's off-network growth in the US and its relative weakness in the Australian market versus their 70 per cent share of the grocery market and huge loyalty data.

Anneliese Douglass
Nestlé

Marketing-trade overhaul, ROI questions

FMCG and drinks marketers interviewed by Mi3 recognise the value of tapping retailer and loyalty data to target customers. (Roughly eight in 10 Australians are signed up to a supermarket loyalty scheme.) But they want proof that retailer media moves the needle via sharper, more consistent measurement and deeper reporting and analysis.

Retailers must hold themselves accountable to the same standards as other media in terms of robust measurement and reporting, per Nestlé marketer Anneliese Douglass. (see p33)

> We've got quite a bit more runway and learning before we would see a significant increase in investment.
>
> — **Vandita Pandey, Pepsico**

Vandita Pandey
Pepsico

Pepsico CMO Vandita Pandey takes a similar view: the retailers' pipes and wires aren't yet sufficiently robust. "We've got quite a bit more runway and learning before we would see a significant increase in investment." (see p32)

As v2food Marketing Director Jade Lish puts it: "Retailer media is really important for us," but the supermarkets would take more of her budget "if they could show me the data." (see p35)

But Nestlé's Douglass said a "fundamental shift" is underway as the FMCG giant more closely aligns marketing, sales and commercial development teams as a result of retailer media and ecom dynamics. Across the broader market, trade-marketing realignment is yet to play out, but structural change may lie ahead if Australia's retailer media growth curve mirrors that of the US.

Aaron Wall
Jacobs Douwe Egberts

Price inflation, clutter

Other marketers are starting to notice increased clutter – and higher prices – as retailers add inventory to their media platforms and brands compete for top spots. "Generic search terms [within retailer media platforms] are getting really expensive," because brands want to be "in the right format on page one," per Moccona Marketing Manager Aaron Wall. (see p37)

Competition could alter those dynamics in some sectors. Resolution Digital's Mohammad Heidari Far says Endeavour Group's switch from Citrus Ad to Microsoft's PromoteIQ platform saw ROI increases "from five to one to 15 to one", though he acknowledged there will likely be a rebalancing as platforms mature. (see p39)

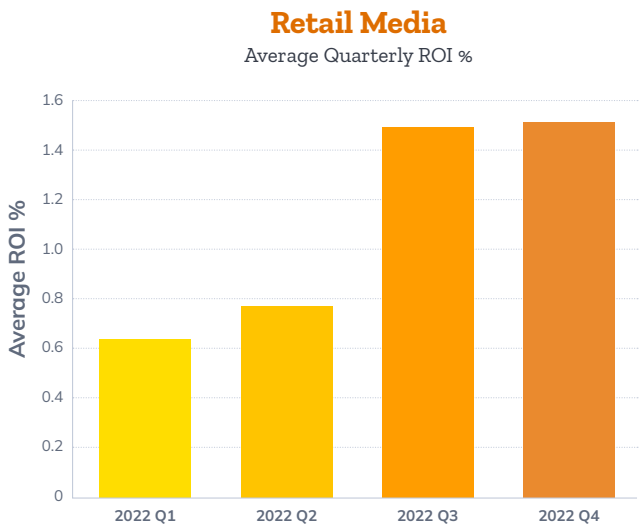
ROI plateau ahead?

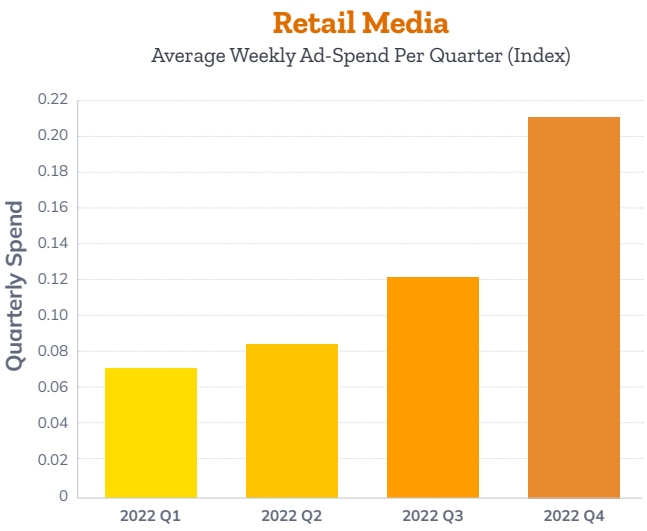
Other data implies retailer media channels may already be seeing ROI starting to plateau as advertisers pile in. Henry Innis, Global CEO at marketing analytics firm Mutinex predicts Australia's retailer media players will increase their revenue by "50 to 100 per cent" this year, but incoming advertisers will inevitably see lower bang for buck.

Henry Innis
Mutinex

"We're seeing more spend being diverted across retailer media and we are seeing it deliver ROI," says Innis. "The challenge will be as the landscape becomes more competitive, costs will naturally increase, and that will put pressure on ROI: Early movers into a highly effective medium can access the inventory at far cheaper prices, but as the market normalises, ROI will generally normalise correspondingly," he adds.

"So longer-term the market is unlikely to generate the huge returns that it has seen to date, in line with any maturing medium. We are probably just coming to the start of that cycle with retailer media," suggests Innis.





Mutinex data from 50 brands reveals that the rate at which those brands invested in retailer media tripled in 2022, but ROI is declining as more advertisers pile in.

> We're seeing more spend being diverted across retailer media and we are seeing it deliver ROI. The challenge will be as the landscape becomes more competitive, costs will naturally increase, and that will put pressure on ROI.
>
> — **Henry Innis, Mutinex**

Kristiaan Kroon
OMG

Which publishers lose?

Media Village data suggests strengthening headwinds in the US market for linear TV, declines for search and a slowing of social media's growth as retailer media rises. Those trends may follow in Australia, according to industry execs.

Omnicom Media Group Chief Investment Officer Kristiaan Kroon thinks Google will take a hit as retailers take search budgets. (see p47)

Zenith Digital & Data lead Joshua Lee thinks all social channels are at risk, but Facebook in particular may face challenges if it is seen to underperform. (see p50)

Resolution Digital Chief Product Officer Mohammad Heidari Far says any performance channel is at risk if retailers can better close the loop. But he also thinks retailers' own legacy trade channels will be cannibalised by digital. "So I think we will see more discounting being added to some of the traditional channels and inventory types. Hence brands can extract more value from those channels and shift it into digital, because it is more measurable and closer to ROI," says Heidari Far. (see p44)

BVOD, however, could benefit as retailers apply loyalty data and push further into off-network business models, increasing demand and prices for BVOD publishers. Likewise retailer data-powered programmatic digital out-of home – which presents both a demand opportunity and a supply threat to OOH publishers, with the likes of Cartology now a significant screen owner following its acquisition of Shopper Media.

Some OOH publishers are taking countermeasures. oOh!Media has rebadged its retailer-focused operation and is looking to partner more deeply with retailers building out in- and around-store networks, while Westfield owner Scentre Group is understood to be building significant data infrastructure to underpin a major retailer media push.

Sam Hegg
Coles 360

Agency-brand implications

Media agencies do not usually interact with trade teams, where big retailers are currently focusing the vast majority of their business. Marketing departments are also adjacent to the action. That could cause tension – and Coles 360 strategy lead Sam Hegg thinks structural change may be required. "If an FMCG brand operates trade marketing and brand marketing separately, it's quite difficult for agencies to bring that together," says Hegg. "Where we've seen holistic structures within FMCG brands, the benefits come quite quickly." Coles 360 GM Paul Brooks agrees: "If FMCGs do that, agencies will align themselves." (see p53)

> "If an FMCG brand operates trade marketing and brand marketing separately, it's quite difficult for agencies to bring that together.
>
> **— Sam Hegg, Head of Strategy & Planning, Coles 360**

Retailer media: Who's next

Paul Brooks
Coles 360

Which retailers launch media businesses next is "all down to their approach with their data," per Resolution Digital's Mohammad Heidari Far. "Home and garden has got huge potential. But from a readiness perspective, I think fashion and beauty are really interesting," with Adore Beauty the latest to move.

He says Resolution Digital is advising four retailers on how to build their own media network. "From the level of maturity of those conversations, I am hopeful that some of them will come to market in 2023," he says. At the top end, he thinks Wesfarmers' loyalty play, OnePass, could ultimately lend itself to a major media play. Heidari Far predicts growth across the piste because many retailers now view media as a defensive position to avoid losing market share.

Justin Ricketts
Hogarth

Content implications: Automation or bust

Retailer media is driving significant increases in content requirements, per Justin Ricketts, ANZ CEO at Hogarth Worldwide, which provides digital production for Woolworths. "We have to create bucketloads more content," says Ricketts. Throw in multiple channels, retailers, day-part, weather and economic data, and "you go from one version to thousands". He says automation is the only solution – with AI-powered optimisation already in play. The next step is getting AI to predict which retailer ads will perform – and why – and ultimately make the ads without human intervention, "and that is only months away". (see p55)

Dan Richardson
Yahoo

Privacy, security fears biggest growth drag

After Optus and Medibank's privacy breaches, brands are "very concerned" about anything related to customer data, per Yahoo's Apac data chief Dan Richardson. He thinks that could be the biggest brake on retailer media and monetising retailer data. "[Retailers] have to work through a lot of privacy and security risk compliance to even get to a point where they can think about launching a media network," says Richardson. (see p59)

On-network, off-network: retailer media 101

Retailer media predominantly falls into two buckets. Firstly, on-network: Essentially in-store advertising but in a digital environment, powered by shopper data. Retailers sell media to brands, usually their core customers, across their own assets – websites, apps, customer comms such as email and magazines, in-store radio, screen networks etc. This is powered by purchase and loyalty data so brands can target specific customer segments, and use sales data to understand the net result.

Secondly, off network: Retailers opening up loyalty/shopper data to brands to better target their customers around the web – and ultimately join the dots with that data in terms of sales. Amazon is the standout example. It makes money from media, sponsored search and sponsored products on Amazon.com, but the lion's share of its revenue comes from using that data to power targeted ads across the Amazon ad network. Shopper/loyalty data such as FlyBuys data has been used similarly in Australia for some time. Now retailers are taking greater ownership of the process, in some cases doing the buy, adding the data and selling it on to brands.

Case study

Amazon: Thinking outside the box, and the ad network

Camile Shepherd
Mars Petcare

Amazon has been doing retailer media for years – powering its ad business to a $37bn juggernaut. It's now leveraging relationships with brands for whom it powers DTC stores, logistics and delivery. Locally Mars Petcare says it's moving the needle – but requires outside the box thinking, literally.

The firm won the 2022 MFA award for innovation and media for a campaign that turned Amazon's medium and large delivery boxes into playgrounds for cats – with cut-out instructions for turning the boxes into a cat castle, cat office and … a cat rollercoaster. Mars Petcare was targeting cat owners under 45, after seeing newer brands eat away at its market share with younger buyers. Some 35 per cent of Amazon shoppers are cat owners under 45, according to EssenceMediacom Chief Strategy Officer, Sophie Price.

Sophie Price
EssenceMediacom

Over May-June 2021, all of Amazon's medium and large boxes (low hundreds of thousands) used the special designs. QR codes on the boxes sent people to Whiskas' branded Amazon store, which encouraged them to share pictures of their cats playing with the boxes on social media. The result was a 70 per cent rise in Whiskas sales on Amazon during the campaign – which lasted throughout the year, says Portfolio Marketing Director – Core Brands, Camille Shepherd. Plus, "branded search on Amazon had been declining. Post-campaign it was trending upwards," she says. Overall ROI was $3.79. Would the campaign have worked without the boxes? "No," says Shepherd. EssenceMediacom's Price agrees. "Otherwise it just becomes an ad network buy. We'd have seen something, because there is reach and effectiveness there. But I don't think we'd have seen that scale of uplift."

Privacy overhaul: Limiting factor?

Australia's sweeping privacy overhaul could prove to be a significant drag on retailer media's growth, given retailers are already nervous about privacy and data security. (see p59).

Published late February, the proposed reforms significantly tighten consent requirements around how customer data is used and bring de-identified data – and geo location data – into scope. Customers must be told in very simple language how their data will be used – and whether it will be used for purposes such as targeted advertising or marketing. If data is shared with third parties, that will require explicit opt-in consent. Use of geo location tracking and targeting will also require a specific opt-in, which has implications for shopping centre and retail screen networks.

The proposed law changes also outline a significant strengthening of penalties –with regulators being given greater powers to proactively find and investigate privacy breaches and misuses of data, and criminal charges for repeated breaches.

Consumers will also have the right to opt out of targeted advertising and if they do not consent for their personal data to be used, businesses will not be allowed to deny them services.

If passed, those proposals could throw the economics of loyalty programs into question – and loyalty programs often underpin retailer media.

Meanwhile, opt-in consent for third party data sharing could prove problematic for retailer campaigns that use shopper data to target their customers across the open web, i.e. off network retailer media activity.

Loyalty: Opt-outs bust economics?

"The proposals allow customers to participate in loyalty programs but opt out of being targeted, which means the loyalty programs that are essentially marketing channels in disguise will have to be much tighter in seeking permissions," says Tim Tyler, Managing Partner at specialist loyalty consultancy Ellipsis.

Tim Tyler
Ellipsis

What's more, loyalty operators will have to allow members to delete data. "I'm not sure they will be happy with members that opt out of targeted ads and ask them to delete data," says Tyler. "All of a sudden, that value proposition is no longer there."

There are two "loyalty worlds", per Tyler – the contractual and non-contractual. One has the privacy proposals largely covered, the other probably doesn't.

The former applies to the big players, such as banks, which operate "where customer identity is already known and the value exchange is paying for tenure of wallet and paying for share of data. Because the bank already knows who you are and where you spend – and the reputational damage if privacy is violated in the banking environment is already real," per Tyler.

"In the non-contractual environment, where customers are anonymous and loyalty is established to get identity and enable tracking, the proposals are more impactful – because if a customer asks to delete their data, you no longer have the means of recouping your outlay."

Supermarket sweep

Tyler thinks the biggest compliance costs will fall on those "making the most money out of loyalty data … those with the biggest databases that they are trying to convert into media channels, because their business proposition is based on getting data and permission. They didn't need permission before, now they do."

Will that make retailer media more expensive? "Yes, potentially. But what we don't yet know is how interested the Australian public will actually be. The Europeans haven't seemed that interested. Not many are opting out [via GDPR]."

Do Australia's proposals put the brakes on the post-cookie rush to build out loyalty programs? No, suggests Tyler. "But [loyalty operators] will have to get much sharper in proving the value of targeting … And compliance cost is the biggie – because there are enough activists in the community to make sure that the legal recourse is real."

Retailers

Chapter 2

Cartology: First mover secures FMCG, expands, eyes off-network 'cream'

Mike Tyquin
Cartology

Cartology has made the early running in Australia. The Woolworth-owned retailer media operation has some 210 employees and is estimated to have booked $300m in revenue 2021. In 2022, revenues increased by 29 per cent.

The media business monetises Woolworths' owned assets. Last July Cartology added Big W to the mix, buying up OOH network Shopper Media the same month. In January this year it rolled out screens to 90 Woolworths metro stores

Boss Mike Tyquin wouldn't confirm its revenues or growth trajectory other than to say the market is moving. "Whether it's us or retail media as a collective, it's a big number and getting bigger."

The firm sees off-network assets powering the next leg of growth. Cartology already provides Facebook and YouTube integration and is now briefing agencies on broadcast video on-demand (BVOD) via a partnership with Liveramp, through Woolworths declined to confirm that deal. "That's where the planning is going at the moment," says Tyquin, of off-network and BVOD growth. But he says in-store and on-network will remain Cartology's baseload.

"We'll probably always have a larger on-network business."

Shopper acquisition, eyeing new money

Tyquin says non-retail brands are keen to tap its network. So far, he has largely said no, citing customer experience concerns. However, agencies suggest pressure for continued growth may ultimately push the supermarket media players beyond FMCG suppliers and into categories like finance, entertainment and auto.

But Tyquin remains resolute for now: "We don't think there's a logic there from a customer perspective to see a car ad."

> "How we engage with any part of a client's marketing ecosystem is really their call. There have been incredible advancements in the capabilities that most of these businesses have in-house.
>
> — **Mike Tyquin, MD, Cartology**

Agencies deprioritised, but not excluded

Of Woolworths' estimated $300m in revenues in 2021, circa $7m came from the major multinational media agencies, which combined control upwards of $8 billion in Australia. Lucy Formosa Morgan, Magna's Managing Director, last year told Mi3 there were a lot of early conversations between Cartology and agencies, but that after being told "agencies were going to treat Cartology's inventory as they would other inventory … you would expect quality control, metrics, and to evaluate it as they would any campaign … the conversations went direct [to brands] from there."

Tyquin suggests dealing direct with brands reflects the "upstream" nature of retailer media and trade relationships – which is unlikely to change any time soon.

"Some of [the brands we deal with] have 90-year histories with Woolworths. Logically we're always going to start there and we always will. Long after any of us have come and gone and won or lost accounts, those businesses will still be doing business with Woolworths," per Tyquin.

"How we engage with any part of a client's marketing ecosystem is really their call. There have been incredible advancements in the capabilities that most of these businesses have in-house … So brands are evolving and I think most people would agree that we're seeing agency relationships change as well. I don't think anyone should see that as problematic."

Cartology has an agency liaison team and Tyquin says he's "happy" with its existing approach. "If you look at the products and the proposition we've had, it is logically not set up to exclude anyone."

Brad Moran
Citrus Ad

Trade budgets favour the brave

Citrus Ad founder Brad Moran thinks Cartology could emulate Amazon's US retailer media dominance locally. He estimates that up to 70 per cent of what is classed as retailer media in the US goes through Amazon's DSP. Off-network revenues, he says, "are the cream, the absolute jam," for those that can carve out a healthy share.

"Cartology has done a pretty good job of controlling the whole customer journey end-to-end. Credit where it's due. As much as all retailers can be hard to deal with – procurement and negotiations are tough – you look at their programme and you see it is very smart," says Moran. "They are building here what Amazon has built in the US – and Amazon simply can't compete with them here," he suggests.

"Cartology is going beyond [its owned assets] and expanding into everything really. They are becoming one of the largest ad players in the country without people even knowing – and they will continue to make more investments. Cartology will buy more assets and stitch them all together," says Moran.

"They are very well set up. Retailer media is a five-to-ten year play [to set up and scale]. They had the foresight, balance sheet and leadership to take the risk – it could have all blown up in [Woolworth CEO] Brad Banducci's face. So the retailers that took the biggest risk three or four years ago are now reaping the fruits of their labour. That's why I think they are going to be very hard to challenge."

Second mover advantage? Coles says 'nail CX, growth follows'

Paul Brooks
Coles 360

Coles' new retailer media approach will be closest to the Tesco-Dunnhumby model, according to Coles Media General Manager, Paul Brooks. The UK's largest retailer uses its clubcard loyalty scheme, used by 20m UK households, to power Tesco Media, claiming an average ROAS (return on ad spend) of 6.6x across its owned digital channels.

Brooks says Tesco has a very different approach to the UK's other "standout" retailer media player Asda, which has a smaller digital footprint and has primarily focused on commercialising physical real estate.

Coles, with 8.6m Flybuys members, sees the Tesco model as a template. Brooks says it won't race all out for revenue.

"This is a long-term strategic play, not a tactical mop-up. We've got to lead with customer experience first – suppliers and consumers," says Brooks. "Get those right and the byproduct is a successful business."

> For many, brand and trade is siloed. FMCGs need to set themselves up to ensure everything is connected.
>
> — **Paul Brooks, GM, Coles 360**

Brooks, who spent 20 years in media agencies before a three-year stint at Nine, says retailers now have the edge in media via vast purchase data and customers coming expressly to buy. FMCG brands do not have that relationship and their alternatives are dwindling.

"Agencies and media owners have struggled with post-advertising. They have done a great job up to that point – but that's when the journey stops. When a dollar is invested, retail media can demonstrate via closed-loop reporting how it's working, where it's working, and what it has delivered" says Brooks.

Privacy and platform changes render second and third party data less relevant, per Brooks. He thinks the future is "first party data that is closest to the point of transaction … which is why we are seeing the rise of retailer media."

Sam Hegg
Coles 360

Trade before brand budgets

"Ninety nine per cent of our revenue is trade budgets tethered to a wider commercial relationship," says Coles 360 Head of Strategy & Planning, Sam Hegg.

Trade spend will remain the bulk of income when the retailer targets wider brand budgets direct and via agencies next year. But Coles must first create brand vehicles beyond search and sponsored product offers, currently the baseline of its digital media business.

"That could be content like recipe inspiration or unlocking more value from our partnerships such as the AFL," says Hegg. "It's an obvious opportunity: Coles sponsors the AFL, Four 'N Twenty Pies sponsors the AFL, or Pepsico; how can we do things together that unlocks value for both parties?"

Paul Brooks insists trade growth will be incremental rather than cannibalising Coles' existing revenue.

> We know robust reporting and analytics are table stakes. Brands are telling us they will hold us to the same standards to which they hold agencies and publishers – and rightly so.
>
> **— Sam Hegg, Head of Strategy & Planning, Coles 360**

"Trade dollars exist in places I had never even considered before starting at Coles. It is so fragmented," he says. "As everyone becomes more efficient with their delivery, as businesses start to invest in their retailer media capability, we will start to see some share shifts – because those historic trade budgets will be doing a better job [in terms of ROI] than they've done before. If we can demonstrate value and deliver on everything we've said we will, incrementality will follow," says Brooks. "It has got to be incremental."

Realigning trade and marketing

Retailer media requires closer alignment between marketing and sales at both suppliers and retailers to avoid disconnects and overlaps. Hence Coles bringing the merchandise and business unit teams that previously handled supplier media under the Coles 360 umbrella.

Within the FMCG companies, responsibility for media has traditionally been marketing's remit, with trade negotiations left to sales. The blurring of those lines will likely cause some tension. But Hegg and Brooks think FMCGs that best align functions will ultimately derive a better overall result. The likes of Nestlé are making those strategic shifts (see p33), but it is not yet universal.

"For many, brand and trade is siloed," says Brooks. "FMCGs need to set themselves up to ensure everything is connected."

OOH push

Coles has installed 500 screens across its store footprint. It's now weighing up multiple in-store screens and greater segmentation while negotiating partnerships with out-of-home pure-players for screens in and around stores and within shopping centres. oOh! Media is keen to push harder into retailer media, while Westfield owner Scentre Group also has significant ambition.

Pipes and wires

FMCG marketers recognise the need to align trade and marketing for retailer media – and many are. But Pepsico CMO Pandita Vandey and Nestlé marketing boss Anneliese Douglass say retailers must improve reporting and post-analysis rigour to take a greater share of their budgets, trade or marketing. V2foods CMO Jade Lish was most succinct: "[If they gave me more data] I would invest more."

Brooks and Hegg accept that view.

"Brands need to understand how their investment is driving incrementality versus investing against sales that were coming anyway. So we are rolling out reporting and analytics next quarter [Q2 2023] via IRI," says Hegg. "It's been a lot of work to connect all of the data and provide a very robust reporting solution. But we know it's table stakes. Brands are telling us they will hold us to the same standards to which they hold agencies and publishers – and rightly so."

'Not a duopoly'

Brooks disagrees with those that suggest Coles and Woolworths will eclipse the Australian retailer media market. "We're not thinking 'if we set this up that budgets will move [to us]'. Australia will likely go through an iteration of a patchwork of [retailer] walled gardens, with perhaps another wave after that – and who knows what that will look like? But I don't just see a duopoly. We've already seen two or three other bricks and mortar retailers move into media and they will have a role to play. You may even see other retailer media networks come together." So Brooks sees a role to play for aggregators? "Yes I do."

Coles 360 set-up

Officially launched last October, Coles 360 has partnered with Redworks, which handles sales and operations, plus media analytics outfit IRI to close the reporting loop. Its circa 50-strong team is embedded so that "media specialists sit with category managers and different commercial teams", says GM Paul Brooks, of which there are "multiple dozens," says Coles supplier media lead Jess Torre. The media unit won't actively court media agencies "for the foreseeable future", per Brooks, focusing solely on trade suppliers in year one, though it has been briefing agency groups when requested directly by big FMCG brands.

Endeavour Group: Making long tail pay dirt push

One of the newest players in Australian retailer media is Endeavour Group's MixIn, which is eyeing the $400m-plus alcohol ad market – and a potential tie in with Netflix. Launched in September last year for Endeavour's alcohol retailers BWS and Dan Murphy's, it's a merchandising and trade division rather than a separate entity. MixIn currently has eight full-time employees.

Head of Retail Media, Lachlan Brahe, disagrees with those that say retailer media is eating existing trade budgets.

"If you set up a retail media business to cannibalise what you're currently doing in trade, I don't really understand the point of it," says Brahe.

> "For all the pipes that you put together, attribution models and everything under the sun to measure sales, the one thing you missed is why someone bought it or why they didn't.
>
> **— Lachlan Brahe, Head of Retail Media, Endeavour Group**

"Retailer media's purpose is not about proximity to point of sale or price-driven promotion. It is about proximity to customers, identifying new ones and understanding the nature of your relationship with existing customers." Hence Brahe calls it 'customer media', not 'retailer media'. Media agencies spent about $200 million in 2021 in the alcohol category, per Standard Media Index numbers, up 19 per cent and a record for the sector. But Brahe spies another $200m worth of pay dirt in an industry with "a vast long tail and a lot of direct billing".

"The size of that prize is interesting enough for us to have pursued this in the first place," he says. "We don't have 40 or 50 tier one clients the way that a Cartology would, we have six to 10. We're getting briefs from people who are literally checking their grapes at six in the morning and running their paid social campaigns themselves at three in the afternoon."

Lachlan Brahe
Endeavour Group

MixIn uses Microsoft's PromoteIQ platform, which could provide unexpected off-platform benefits. "The pipes are all there... [Microsoft] has a programmatic platform. You [Mi3] have reported that programmatic platform now sells ads on Netflix. Join the dots," suggests Brahe.

In-store tasting packages are a key growth area for MixIn – they give alcohol brands access to unfiltered audience feedback. Coupled with screens and in-store audio, it becomes a genuine omnichannel experience for customers, reckons Brahe. "It's funny that for all the pipes that you put together, attribution models and everything under the sun to measure sales, the one thing you missed is why someone bought it or why they didn't."

Winning Group: Sell relevance, not pixels, go end-to-end to win

Chief Digital & Marketing Officer at Winning Group, Sven Lindell, oversees an in-house retail media function of circa 40 people, including sales across appliances and furniture brands, content creation via its own studio plus strategy and execution. He says investment in end-to-end capability from ideas to attribution is key to success.

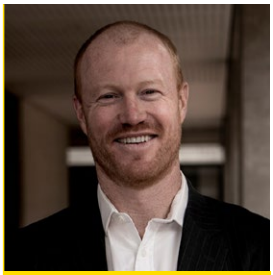
Winning Group turns over circa $1bn via its retail brands that include Appliances Online. Lindell, a former Woolworths and Temple & Webster marketer, won't disclose the privately held firm's media revenues, but said "the overall pool is growing … we've continued to scale. If we come up with the right campaign and the right ideas, we find investment absolutely grows. Our expectation is it will continue to grow as fast as our brands grow."

Trade versus marketing

Lindell says Winning no longer sees a division between trade and marketing budgets. While the bulk of revenue "has to come from the trade aspect of the business … we are bringing them together, painting the picture of how everything is delivered and ensuring we sell media all the way through. So if our suppliers are trying to split [trade and marketing budgets], we are not having those conversations, and have not had them for some time," says Lindell.

"We talk about what is the right thing for them and bring those insights to the table: We know what their customers are currently buying, and then we create the campaigns for them. No single campaign is the same."

Fisher & Paykel may be seeking to "test the growth from new movers into apartments, which tend to be 20-30 years old," says Lindell. "Therefore the spend for that campaign in social media [to target younger audiences] would be very different to a broader campaign's above the line mix."



Sven Lindell
Winning Group

Other brands may seek integration with The Block, which Winning Group sponsored last season, promoting both its own brand and its suppliers'.

Regardless of channel mix or strategy, tying results to sales largely negates questions about budgets from trade or marketing teams, says Lindell, because a rising tide floats all boats.

"We don't ask them for what they have in the pot to spend, we say 'We understand that there's a pot there. But if we drive sales for you, that pot gets bigger based on the percentage of sales we deliver into the mix – and we want that to be proportional'."

Channel conflict: 'Tricky'

Lindell admits it is "tricky" to balance channel conflict, i.e. the margins retailers make on media versus the margins on sales between competing brands. He thinks that "will be more of a challenge" for retailers as the media market matures.

But he says retailers that become genuine media businesses – creating and delivering strategic campaigns rather than flogging space – can navigate that conflict while bringing new brands to market without alienating existing suppliers.

A new washing machine brand, for example, will likely benefit from product reviews and ratings to build credibility, rather than outspending rivals on promotion media, says Lindell. Still, he admits managing that conflict is "a hard one to answer".

Niche wave incoming?

While some suggest the Australian retailer media market is "a race for scale" and will end up concentrated in the hands of a few large players, Lindell sees room for numerous players across categories.

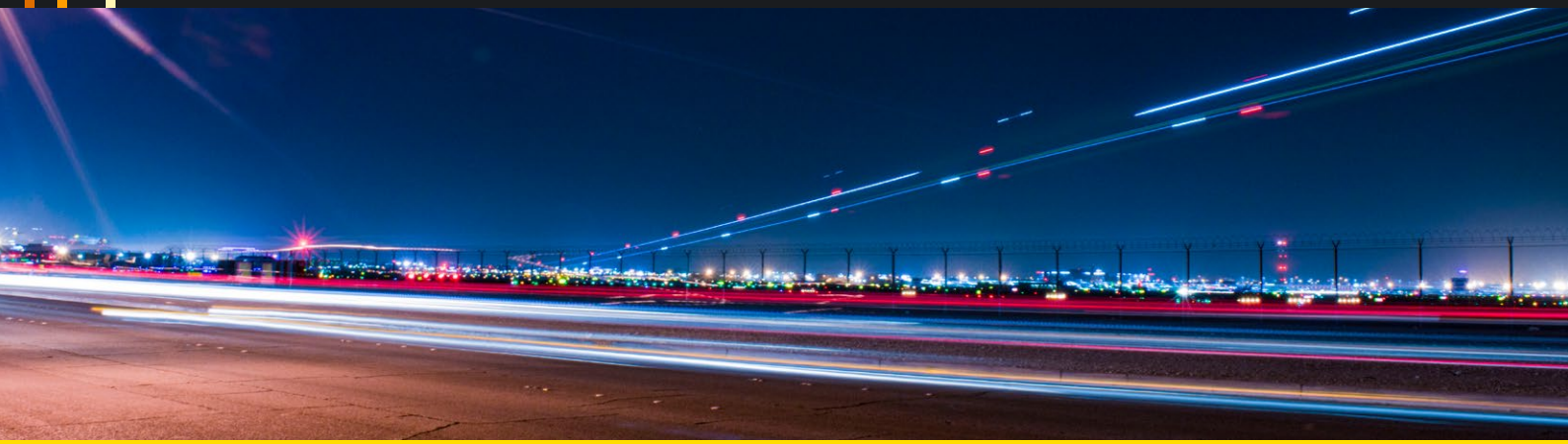
> It's a race to relevance [not just scale]. If you have a good story, a good database and the ability to partner relatively well, you can start almost anywhere.
>
> **— Sven Lindell, CMO, Winning Group**

"It's a race to relevance [not just scale]. The big supermarkets are going really hard. They are becoming real powerhouses. But retailer media is not just the preserve of the big guys. If you have a good story, a good database and the ability to partner relatively well, you can start almost anywhere."

Lindell suggests Australia will see other large retailers building media businesses, "but we're also going to see niche players come to market … Those with credibility [within their niches] will nail it, provided they can build an entire marketing matrix and architecture around it. Because retailer media is not about selling pixels on a screen."

Brands

Chapter 3



Pepsico CMO: Australia has a 'long runway' before marketing spend shifts

Pepsico Snacks & Beverages CMO Vandita Pandey spent eleven years in the US with the FMCG giant before taking the top ANZ marketing role in late 2020.

While not directly involved in the US retailer media teams, she saw the early rise of retailer media – and is working closely with US counterparts as Australia's retailers push harder into media.

Pepsico has increased retailer media investment in the US. But it took a long time to prove ROI and benchmark retailers' closed-loop data against Pepsico's own media mix modelling (MMM) says Pandey. To start with the ROI "wasn't the best."

But there are other factors beyond ROI. "If you look at broader digital investment, there are a lot of other metrics we care about: fraud, viewability, completion rates, placements, reach, cost et cetera. So in the US we have developed [over time] a really robust scorecard and partnered with customers [retailers] to say 'how to we measure and track the right KPIs over time so that we can continue to improve the [media] capabilities?'"

Australia has some way to go to get to that point, suggests Pandey.

"We've had quite a bit of engagement from Coles and Woolworths in terms of how we start to test, how we drive some of the capability development and demonstrate the closed-loop measurement," she says. "But we're still early stages here to be honest. We've got quite a bit more runway and learning before we would see a significant increase in investment. But there is a lot of opportunity here, so we're quite engaged and eager."

Vandita Pandey
Pepsico

Marketing versus trade

Pandey couldn't confirm whether the US retailer media spend is incremental, but said "most of it is coming from brand [rather than trade] and we've seen increases [in investment]."

While retailer media has the potential to cause conflict between trade and marketing teams, that's not the case at Pepsico. "We don't have a tension internally ... between who owns what," says Pandey.

"We [the marketing function] ultimately own media ... So there's quite a bit of interaction between sales and us, particularly as we have these conversations."

Publisher-agency disruption?

Pandey does not yet see Big Tech platforms in competition with retailers, given retailers are also running media off network, i.e. not just their owned channels.

"A Meta, or a YouTube ... call it those publishers ... ultimately the dollars are going to go [where we can] target the right consumer in the right place at the right time. Ultimately, that is where the dollars will still be."

> We're still early stages in Australia to be honest. We've got quite a bit more runway and learning before we would see a significant increase in investment.
>
> — **Vandita Pandey, CMO, Pepsico Snacks & Beverages**

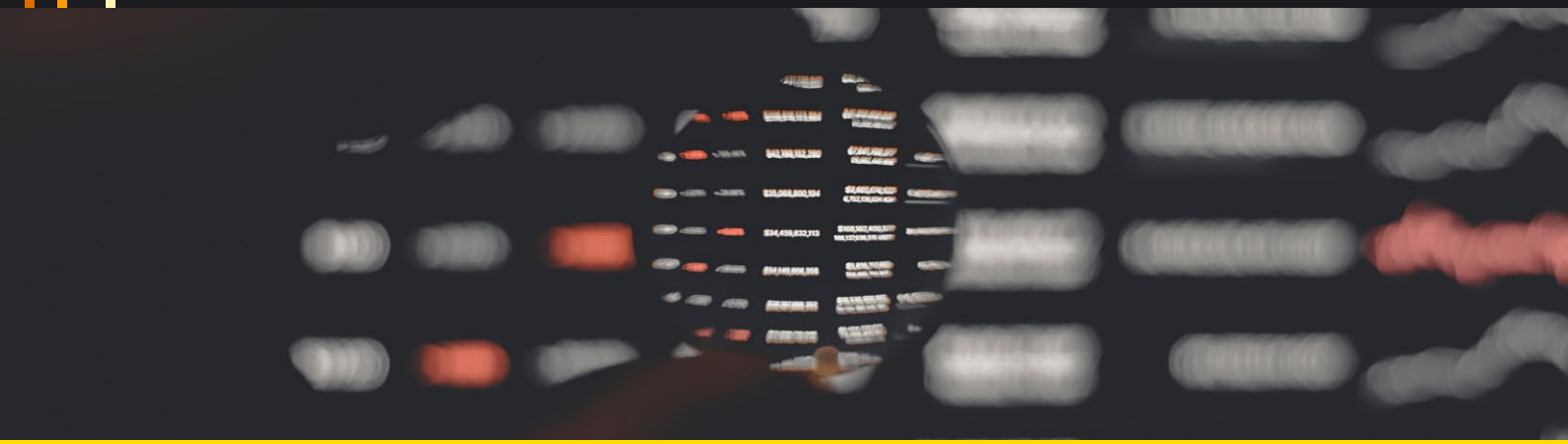
By implication, that may signal further disruption for traditional publishers, though Pandey says Pepsico will always need broad, big-burst brand reach.

"There are a lot of big brands in our portfolio that are highly penetrated where you need to reach a mass audience – where that level of personalisation and audience insight aren't as beneficial for us. So there will always be quite a big role for our [traditional] media partnerships."

She says agencies must evolve, but brands will require help to navigate further fragmentation.

"As retail media gets up to speed, an evolution in the media agency offering will be required. That's a disruption that industry is facing, and I think will ultimately come through," says Pandey.

"Everyone is focused on how do you build the right data strategy internally so that you can reach the right customers at the right time, in the right place and drive loyalty ... from multiple different data sets. So there will still be quite a big role for our media agencies."



Nestlé marketing director: More rigour, better reporting required

Nestlé shifted ecom into the sales function 18 months ago. Marketing & Communications Director, Anneliese Douglass, says she is a "passionate believer" that is its rightful place, given Australian retail market dynamics.

"Coles and Woolworths are very dominant. So [ecom] currently sits as an extension of sales, because you want the retailer to be having one or two conversations, not several."

So how does marketing feed into retailer media? "Technically it doesn't," says Douglass. But in terms of metrics, reporting and cost, "I've always had the conversations with Cartology to say 'this is our expectation of what we receive and deliver from media, so we want that same standard when it comes to the retailer media they are selling'". Douglass agrees with Pepsico's Vandita Pandey that supermarket media businesses have not yet cracked "true ROI", though she's been promised some "new reporting in the very near future" from the retailers.

Spend separate but functions aligning

For now, "[retailer media] is part of our sales and trade spend and our marketing spend remains separate." Is that likely to change?

"I don't see it in the near future," says Douglass. "What I do see is far greater working between marketing, commercial development and sales on the customer journey, full end-to end planning … So understanding what communications we are putting out there to drive brand saliency and brand awareness and then how that is planned and communicated to consumers the closer they get to path to purchase and in-store," says Douglass. "That is a fundamental difference and shift that we are making in our business."

That shift has required "new tools and ways of working" rather than structural changes. "Teams aren't really moving, it just requires greater collaboration," says Douglass. "But also using some of the tools and the rigour that we have from media and applying that to retailer media."

Rigour will be a watchword for Nestlé in 2023.

Anneliese Douglass
Nestlé

"Across the board this year, it is challenging for many businesses. We're looking at marketing return on investment (MROI) so we are investing in MMMs (market mix models) and more understanding of effectiveness," says Douglass. "Our solution to the pressure that is coming down from a budget perspective is to have more rigor around choice."

Retailer media growth prospects

Retailers increasing media inventory likely indicates growing demand from brands, says Douglass. Other observers suggest it could be viewed as retailers chasing revenue targets.

"You can have that cynical view and some would agree with you. But retailers have a very sophisticated understanding of their user experience and their user journeys. So I don't think that they're just going to chuck in more inventory in order to increase yield," says Douglass. "I think that if they are adding more inventory, they're doing it strategically to ensure that the consumer journey is not impacted. Because if they [get greedy] and it pisses the consumer off, then people are not going to shop online, are they?"

Big increases in retailer inventory will likely lead brands to be pickier about where they play, Douglass suggests.

> What I do see is far greater working between marketing, commercial development and sales on the customer journey, full end-to end planning ... That is a fundamental shift we are making in our business.
>
> — **Anneliese Douglass, Nestlé**

"That's why we need to have greater rigor and understanding on what placements are effective and where we invest, because we do not have a bottomless pot of money. So it is about choice and it is about prioritisation around those placements."

Robust post-analysis is therefore key to retailers expanding their media businesses, per Douglass. "They have not yet got over that hurdle – and they need to. So if I could ask for a focus on anything [by retailers], it would be post-campaign reporting, analysis and understanding of effectiveness. [Cartology and Coles] are listening to that and they are trying to adapt and get the model right," she adds. "I would hope they get that sorted by the end of the year."

V2food: It's moving the needle, but 'show me the data'

"Retailer media is really important for us," says Jade Lish, Head of Marketing at plant-based protein firm v2food. But it would take more of her budget if retailers could "show me the data."

"Retailer media is a key pillar in the funnel and getting us further down into conversion," says Lish, who joined from Mars last year. "Agencies talk about reach, relevance and reaction – this sits in reaction and allow you to get closer to the shoppers basket – at point of purchase. It's really important within both impulse and routine behaviour in influencing purchases. That's were I want to be."

Jade Lish
v2food

ROI clarity required

Retailers have more work to do on results and establishing whether retailer media delivers ROI, agrees Lish.

"The way to do that is with clarity of information and data you get back – what are the benchmarks – are they incremental shoppers or those you targeted through the campaign? Are they light or lapsed? I think there is an opportunity to link the data you get back." She said post-analysis reports from the supermarket players "always show a redemption rate, but not necessarily what the benchmark was against, and therefore why I should do it again".

Lish is keen to do more A-B testing. "For example, loyalty card data gives you the opportunity to target different buyers – chilled, frozen, grocery, ambient aisle buyers, snackers. If I want to target based on somebody's path to dinner, how could I do that? How could I test for example a creative message for a chilled buyer and get them to convert," says Lish. "It's quite difficult to do that without transparency of data in how we benchmark – and that comes down to the partnership with data partners both within briefs and the data you get back, to give you the confidence to do it again."

Media is as media does

She cites Pinterest as a standout in driving ecom growth through data transparency at her previous role with Mars for Ben's Original Rice, which played a part in contributing to 3x growth. Lish thinks supermarkets would gain by taking a similar approach.

"If retailers are positioning themselves as media suppliers, they should be able to hold themselves accountable to the same standards that other media suppliers provide."

While v2food is investing significantly in retailer media, Lish says the brand "also needs to invest more in awareness and education, which in my view is upper funnel. We have strong lower funnel [performance] already and adequate spend, probably weighted a little too much below the line and not enough top line."

> If retailers are positioning themselves as media suppliers, they should be able to hold themselves accountable to the same standards that other media suppliers provide.
>
> **— Jade Lish, Head of Marketing, v2food**

Lish thinks retailers could attract greater share of budget by proactively enabling more cross-category partnerships within channels such as out-of-home. "For example rice partnering with tuna [for the likes of Mars] and we're doing some activity with Campbell's – tacos and v2mince. It's on us to ask about those partnerships. But retailers could also come to us."

Jacobs Douwe Egberts: We're spending but prices and clutter increasing

Retailer media "is definitely a focus for us," says Aaron Wall, Marketing Manager Instants and Soluble at coffee giant Jacobs Douwe Egberts (JDE), owner of the Moccona brand plus others including Piazza D'Oro, Harris and Pickwick tea. The firm is investing more in retailer media and that spend is "incremental", says Wall.

He likens retailer media, which he sees as lower funnel, to the "last mile" in the logistics of the customer journey.

"That last mile is the hardest thing to do. From our perspective, it's trying to make sure that you cut through the clutter [just before purchase]. We do a lot of brand building as well, trying to make sure that brands show up the right way above the line." Retailer media is a way to "make sure you're not wasting that [brand] spend by not also showing up correctly below the line," he says

Plus, the proof is in the sales data.

"When you can connect the dots of a consumer journey – someone saw an ad here, another ad here, another ad here, and then purchased it a day, a week, a month, 90 days after – when you get to that sort of granularity a certain scale, then that gets people very excited."

Trade versus marketing

Locally JDE has a shopper marketing manager "who handles the divide between sales and marketing" and works closely with retailers on campaigns, per Wall. The firm considers retailer media as "AMP – advertising and promotional funds – because the fact is it is bought as media," says Wall.

"There's debate [about where retailer media budgets sit] within industry, whether it should be under trade-related expenses. I'm sure that will become more hotly contested. It's incremental [spend] for us at the moment. But when you start taking marketing budget away from marketers, it can get a little bit heated," says Wall.

Aaron Wall
Jacobs Douwe Egberts

"You've got to look at the overall picture from end-to-end and consider it a part of the lower funnel. As budgets keep rising, that's alright. But we'll see where we get to when it hits breaking point." Ultimately, he thinks retailer media "will lead us, from a sales and marketing point of view, to be a lot closer".

Pay more to stand out

As retailers add more inventory to platforms, Wall says brands must increase spend to cut through increasing clutter – though he points out that is no different to channels like Google search.

"Generic search terms [within certain retailer media platforms] are getting really expensive to buy," because brands want to be "in the right format on page one," says Wall. That requires buyers to stay on their toes. "It's somewhere that you actually have to spend. You pay to play."

Which channels lose out?

If budgets tighten and retailer media ceases to be incremental spend for JDE, which channels and publishers might lose out?

"It has to come from somewhere," says Wall. "We would always buy against BVOD, because you have incremental reach on top of TV, because people are shifting away from the platform [linear viewing]."

> The fact is it is incremental [spend for us at the moment]. But when you start taking marketing budget away from marketers, it can get a little bit heated.
>
> **— Aaron Wall, Marketing Manager, Jacobs Douwe Egberts**

"Targeting is becoming a lot more important. Something like linear TV, you could say, 'let's shift budget out of there into somewhere where we see an actual return'. Will we do that? The fact is we're rather fluid with our budgets. As it's an incremental opportunity, we treat it that way until it's not," says Wall.

Transparency required

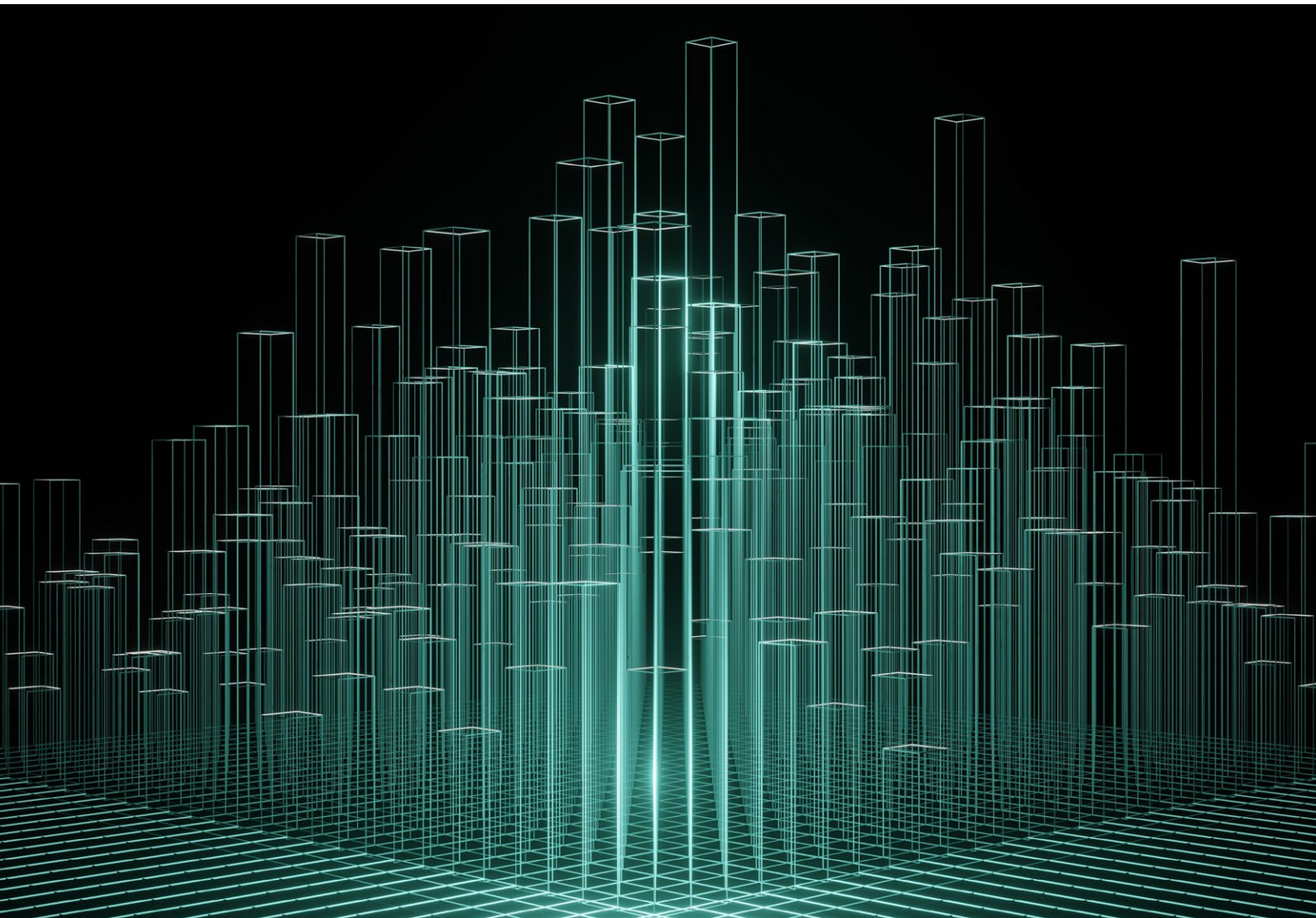
JDE is comfortable with the ROI from retailer media, but Wall agrees retailers could improve reporting. "More transparency allows people to invest at higher levels – because it enables you to trust the data and better utilise it to make informed investment decisions," says Wall. "So transparency is a big one."

Mohammad Heidari Far
Resolution Digital

Price inflation meets competition

While JDE's Aaron Wall is seeing price inflation, increasing competition means it's not all one-way traffic, according to Resolution Digital's Mohammad Heidari Far. "For example, MixIn, by switching from Citrus to [Microsoft's] PromoteIQ, we're seeing a visible impact on ROI for our clients' activity. The ROI has shot up," he says. One reason is there's less competition for premium ad slots. "We're looking at – in some cases – from ROI of five to one on Citrus, to 15 to one with PromoteIQ. We feel and by talking to MixIn, we feel that normalised ROI number is going to be somewhere in between," says Heidari Far. "So it's definitely going to be higher than Citrus."

Citrus Ad's Brad Moran suggests retailers are facing pressure from procurement departments to choose platform providers based on price, a trend increasingly prominent in the US. He thinks some platforms are responding to that trend aggressively in order to take share, but warns making decisions solely on price rarely ends well.



Baiada CMO: The funnel is not collapsing

Amid debate over 'the collapse of the funnel' and retailers reallocating ad dollars from traditional brand-building media channels, Yash Gandhi, CMO at Steggles and Lilydale owner Baiada, thinks there is a long way to go before that happens.

In a commoditised category, "it's critical for us to differentiate our brands and to do that we have to invest in brand building", per Gandhi.

"There's more and more ask for trade spend, but you've only got a finite budget, so you can't keep pouring money into it without investing in your own brands first," he says. "'Brand over time, sales overnight'."

But he says using retailers' loyalty program data for targeted campaigns has delivered gains.

"They've got rich data. If you know who your consumers are or who you're going after, a brief targeted at a certain segment of shoppers has seen a positive shift in terms of people trialling our brand or redeeming various offers," says Gandhi.

"So there are times where it is quite helpful. But not at the cost of brand investment – and that's the trap marketers need to watch out for."

Missing links and ROI

Gandhi says Baiada takes similar view to most of the other marketers interviewed by Mi3 for this report – more work on ROI and linkage across in-store and online is required.

"Don't get me wrong, retail media is an important part of our marketing mix, because we do need a tactical layer for when the consumer flows down the funnel – from awareness, consideration to the final path to purchase," he says.

"Where there is room for improvement is demonstrating ROI of the various assets deployed at point of sale and in-store. Can you link what was seen on the screen, point-of-sale, to the product that was purchased? That's the missing link."

> Our spend with retailers hasn't increased ... but if they can provide data, ROI and effectiveness insights ... that will certainly make things interesting.
>
> **— Yash Gandhi, CMO, Baiada**

Yash Gandhi
Baiada

If retailers can robustly connect all of those dots – effectively guaranteeing results for every dollar spent – Gandhi thinks brands will find it an offer they can't refuse.

"Our spend with retailers hasn't increased ... It's what we would spend typically, but as their offer continues to improve, it may shift," per Gandhi.

"If they can provide insights from the data, ROI and effectiveness of what is being spent on their media channels, that will certainly make things interesting."

Lion: Testing the waters, thirsty for data

Clare Tsubono
Lion

Lion's Head of Media, Clare Tsubono, says the drinks giant is experimenting with retailer media outside of trade activities – but brand building is the main marketing game amid a post-Covid rebuild.

"Our principles are to drive mental availability and salience to all our drinkers. We do have separate shopper activity, but when you have to make choices, the consumer media budget has been more for reach and awareness in order to grow our brands."

Tsubono said Lion's marketing budget as a whole is roughly "60 per cent awareness focused, 40 per cent for all the other jobs". For media, it's closer to 80:20 – but has to cover not just the "off trade", i.e. retailers, "but also pubs, restaurants and clubs" with out-of-home doing much of the heavy lifting alongside an "all screens strategy".

> We do have separate shopper activity, but when you have to make choices, the consumer media budget has been more for reach and awareness in order to grow our brands.
>
> — **Clare Tsubono, Head of Media, Lion**

Pre-Covid, Lion was reportedly spending in the region of $50m on media. That level of investment subsequently shrank, though Tsubono hopes it will recover over time.

Price, data, value

Lion is currently testing a retailer media campaign for its James Squire brand. Tsubono predicts Lion will spend more within retailer media channels – if retailers can provide data to prove its worth.

"It's important for us that it's a good value proposition. We want to be able to share data and that is what we would look for going forward." She says retailer media players must also be "comparable to other media channels in terms of price".

While Endeavour's Lachlan Brahe suggests smaller brands are queuing up to tap MixIn's media platform, Tsubono thinks scale – or lack of – remains a challenge for larger firms, given the number of sales distribution channels Lion plugs into.

Should the James Squire trial go well, what would broader success look like? "For us, aside from increasing sales, an open and rich data exchange."

Agencies

Chapter 4

Resolution: Brands restructuring; the new in-store 'battleground'; where money's headed

Des Odell
Resolution Digital

"There's definitely a spend shift from trade into retail," says Resolution Digital CEO, Des Odell. "Some of that is incremental, some is not. Across the piste there is no lack of choice and no lack of channels [for brands]. But channel choice boils down to can it measured, tracked, optimised and does it deliver results?"

Odell says the same applies to retailer media – and that retailers' owned websites and apps will ultimately take a greater share of budget over traditional media on the shelves and in the aisles.

Resolution's Chief Product Officer, Mohammad Heidari Far, agrees. "There will be more allocation of budget into digital, measureable channels compared to the original mix," per Heidari Far.

"From our clients' perspective there is appetite to bring incremental marketing budget into the trade mix – where it is measureable, where it is bottom of the funnel, where it will directly translate into measureable sales on a weekly or monthly basis," adds Heidari Far.

> "There's definitely a spend shift from trade into retail. Some of that is incremental, some is not ... But channel choice boils down to can it measured, tracked, optimised and does it deliver results?
>
> **— Des Odell, CEO, Resolution Digital**

"From the retailer's side of the equation the tenancy rate – the demand for the digital inventory – is much higher than traditional inventory. So I think we will see more discounting being added to some of the traditional channels and inventory types," adds Heidari Far. "Hence brands can extract more value from those channels and shift it into digital, because it is more measurable and closer to ROI."

In-store, Heidari Far thinks digital screens "are the new battleground," for retailer media.

Mohammad Heidari Far
Resolution Digital

Auctions versus fixed prices

While some – owned media consultancy Sonder, for example – say retailers should hold firm on fixed prices, simplifying the business and earning a clear margin on inventory, Resolution believes self-serve auctions would deliver retailers a higher, long-term yield and bring more brands to the party. Heidari Far reckons a well-priced spot with a minimum CPM is more likely to unlock agency dollars.

"It's a simple answer, if you set your prices correctly, because you still have price control over the minimum CPM," he says. "As long as you know there is enough demand for that auction to be competitive enough to attract multiple advertisers, then essentially everything is upside from there.... you're now utilising technology, so you're reducing overhead from your team who in the past were setting up and running those campaigns. But you still need to be cost-competitive – if there is a competitor in market, brands are going to compare the cost."

Being able to automate the process would also mean greater planning flexibility for advertisers, says Heidari Far. "Our advertisers want to be agile, want to control their campaigns as much as possible. They want to be able to pivot, change plans, pause certain campaigns and go live with other campaigns. If Covid taught us anything, it's that agility creates a huge positive for an advertiser."

Sales-marketing tension 'easing'

Working with trade teams is getting easier for agencies, says Heidari Far, because knowledge of retailer media channels has improved over the last 18 months. "There's more appetite from sales to extract value from these new channels," he suggests.

> Demand for retailer's digital inventory is much higher than traditional inventory. So I think we will see more discounting on some of the traditional channels and inventory types.
>
> — **Mohammad Heidari Far, Chief Product Officer, Resolution Digital**

Some clients are "asking for help to identify the right internal team structures to ensure trade budgets perform better, and if there is an opportunity for marketing to contribute, asking us to identify that for them as well," says Heidari Far. "So that reduces the 'my budget-your budget' friction. If there is incremental ROI to be had, there is appetite for trade and marketing to work together."

How trade and marketing can structure

Resolution recommends three types of set-ups for brands to navigate retailer media. “If the client has direct-to-consumer (DTC) channels, marketplaces and retail partners, we recommend that marketing has more ownership of the ecom budget,” says Heidari Far.

“For clients on the other side of the spectrum, with no DTC, no real marketplace approach and who effectively just use retailers, we give two different recommendations depending on their maturity and budget,” he adds.

“One is, let us help you create a model so that whenever you’ve got a campaign, you know who’s responsible, and where budget comes from between marketing and sales.

“The other one, something that more mature clients have implemented, is a co-funded role. This person is an ecom specialist and they are co-funded by sales and marketing from a salary point of view. That makes the commitment and the interaction between the two functions work a lot better,” says Heidari Far.

How retailers can structure

There are three ways to set up a retailer media business, says Heidari Far. First, there’s the media arm within the business method – like MixIn – that involves shifting the trade budget and targeting incremental brand spend. Second, retailers can create a new company, like Cartology, and build the whole thing from the ground up. But that is complex and requires significant resource, with some risk of overlap with existing operations.

Third, there’s the option of finding a specialist partner to build it. “Otherwise you will have to hire a lot of people to build that business, you need to train them, come up with the strategy and the processes and the systems to run that,” he says. Heidari Far suggests specialist agencies have “50-70 per cent of that capability … so retailers can move faster, more flexibly and there is less risk.”

Anneliese Douglass
Nestlé

Nestlé: Agencies can adapt, we need them

While agencies are grappling with their role in retailer media, marketers say they are not shutting them out yet.

“We have recently moved our e-retailer search to an agency. So agencies can add value to provide the skills and the capability to drive our e-retailer search,” says Nestlé marketing boss Anneliese Douglass, adding that e-retailer search is now handled out of Publicis.

“I don’t see that [retailer media] is detrimental to agencies. It’s just that they need to adapt to change. Agencies are good at adapting and changing to clients needs. If they don’t, then there are issues.”

OMG: Google to lose, but questions over incremental growth, budgets

Kristiaan Kroon
Omnicom Media Group

"Retailer media has landed in Australia, is being taken seriously and is growing quickly," says Omnicom Media Group investment chief Kristiaan Kroon. He says the key question is whether retailer media investment is driving growth for brands.

"We know it drives sales, retailers have good data sets to prove that. The question when we talk to clients is, 'is it driving growth?' Because that's not the same thing."

Hence the major retail media players facing pressure from brands to build out the pipes and wires of reporting and analysis. "That is a must have," says Kroon. "The retailers have flexibility in the short-term to build out that infrastructure – the market appreciate it takes time. As long as they see retailers make that investment, most brands and agencies will lean in."

Lower funnel

Kroon thinks the ANA's recent US retailer media report reflects Australian market dynamics: The overall trade-brand investment pot is static and most of the money being invested is from the "conversion" or lower end of the funnel.

He thinks the large FMCG retailers face challenges in taking a greater share of upper funnel brand budgets: "[Retailer media] is weighted to performance. It's not black and white, there are brand budgets in there and [brand] is a space that retailers believe they can grow into over time. But it's a big challenge for them to meet."

Beyond FMCG

Kroon sees similar hurdles for supermarkets bidding to unlock media dollars beyond FMCG. "Capturing broader categories is hard if you don't have the data sets," says Kroon.

"That is the next big step for mature players like Cartology. If they are maxing out on core advertisers, they will look to bring more on. But what makes them such a big player in FMCG doesn't exist with a finance brand, an auto brand."

Kroon thinks retailers pushing into new categories must also manage more complex pricing structures, because non-core suppliers may be less compelled to divert budgets than core suppliers with fewer options.

Beyond retail, Australia "could end up with quite a large range of businesses that offer owned media", suggests Kroon. Telco and finance operators are already active, with the likes of Commbank investing in adjancent businesses and bringing them into its app, and ANZ taking a different approach via loyalty operators.

Owned media specialist Sonder has calculated significant owned media valuations – circa $3.9bn – across verticals including petrol and convenience, travel, telco, banks and broader aggregated retail.

Australia's retailer market mix ultimately depends on risk appetite, says Kroon. "Many will decide it is too much investment for something that is seen as non-core", he suggests. For brands that take the plunge, he thinks success will mirror that of legacy media brands: "What's the calibre of your media sales team; what is your cut-though strategy; how good are you at selling beyond the non-core ad set; how do you sustain growth over multiple years?"

Who loses?

"Retail as a category will increasingly take search budget from Google," forecasts Kroon. That view tallies with the ANA's US market survey. "Brands will take those dollars and put them into search on Coles or Woolworths – or Taste.com.au – because it is more specific."

> Retail as a category will increasingly take search budget from Google. Brands will take those dollars and put them into search on Coles or Woolworths – or Taste.com.au – because it is more specific.
>
> **— Kristiaan Kroon, Chief Investment Officer, Omnicom Media Group**

TV will continue to lose share, says Kroon, but he disagrees with Jack Myers' US interpretation that is squarely down to retailer media.

"This year I've forecast linear TV [investment] will be back 8-10 per cent. But audiences are back 14 per cent, so that's probably a good outcome for the broadcasters. That doesn't mean retailer media is disrupting TV: BVOD and CTV are growing while [linear] TV audiences are declining."

But Kroon thinks the rise of retailer media inevitably means declines for other budget pots.

"Ultimately, you have a new group of media owners and sellers who are going to see significant growth. But what is clear from brands is that they are not going to find new money."

> Just as we have got used to the concept of walled gardens we now have walled gardens within walled gardens.
>
> — **Dan Johns, Partner, Tumbleturn Media**

Dan Johns
Tumbleturn Media

‘Search budget shifts could be swift and significant’

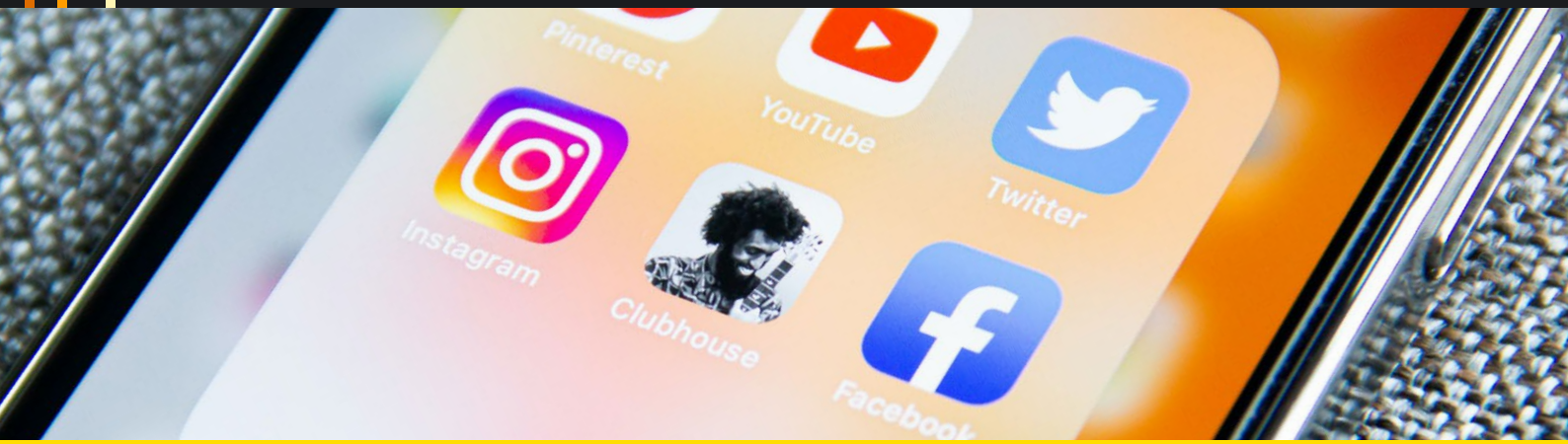
Former agency lead at Ikon, Mediabrands and Havas Media, Dan Johns now runs media agency reviews at Tumbleturn Media. He agrees search budgets are the most likely to move from Google to retailers and that “shifts could be swift and significant”.

Over the last 18 months, “there has been a noticeable shift to clients including retailer media as part of their pitch process”, says Johns. But he points out many CPG/FMCG firms are simultaneously building out their own ecom capabilities. “The macro headline is that marketing is continuing to shift to sales with retailer media an important lever – but not the only one.”

Johns agrees fragmentation via retailer media is becoming a live issue.

“Just as we have got used to the concept of walled gardens we now have walled gardens within walled gardens. Maybe we could call them ‘secret gardens’,” per Johns. “The upshot is we will have an even more fractured approach to audience buying, at a basic level further losing the ability to frequency cap and control message sequencing.”

Johns also thinks transparency is key versus black box approaches from some retailers – and says pressure to spend is being applied. “There are definitely situations where retailers are leveraging their position,” he says, though won’t be drawn on worst offenders.



Publicis: trade spend shifting, social more at risk than search, consolidation ahead

Joshua Lee
Zenith

"We're not seeing budgets being siphoned off from client's current marketing spend," says Joshua Lee, Head of Digital & Data at Zenith. But he says trade budgets appear to be shifting – which is a challenge for agencies.

"We don't always get a lot of information from trade teams. But some brands are bringing them more into the conversation," he says, citing clients such as dairy firm Lactalis as more progressive. "They do a lot directly and we still don't have a direct link to the trade team, but they are opening it up."

Across the piste: "Everyone knows that ecom needs to be more democratised and dispersed [between marketing and sales, brand and retail]. But it takes a lot of time to get to that point."

Publicis has launched a commerce division and Lee thinks "70 per cent plus" of its work will be retailer media-related, with clients such as Haleon, formerly GSK's consumer healthcare business, "spending a lot with Coles and Woolies … so that kind of thing is probably going to be the core of the practice".

Zenith has been briefed on retailers' media business plans, says Lee, but most are way off launch. "It is very much 'help us get to that point by 2030'… So based on the briefs that we are seeing … clients are being realistic on the timelines."

Consolidation ahead?

Lee suggests lessons from the explosion and subsequent consolidation of the programmatic supply chain ultimately apply to retailer media.

"At first it was highly specialised and siloed. Then there was a wave of consolidation, because it was just too hard to buy across the volume of players in-market. So [retailer media] will probably follow the same bell curve."

Social, search, display: Which channels lose?

Which channels lose out to retailers? "As a rule, anywhere ROI or attribution is harder to quantify," says Lee. He thinks search may hold up better than display or social, "where ROI is harder to prove because of the whole signal depreciation landscape [i.e. cookies, Apple]."

Lee thinks all social channels are "at risk", even Facebook, if retailers chase upper funnel budgets while simultaneously seeking performance elements. Whereas Youtube delivers both upper and lower funnel, he says Facebook can struggle, "and that's when budgets can get squeezed a little. Especially for clients that don't have the infrastructure set up, such as the Facebook conversion API," says Lee. "So they might just look to increase retailer media spend."

Price inflation?

Lee says retailer media price inflation is inevitable for the big supermarkets. But he disagrees with Omnicom's Kristiaan Kroon that supermarkets will need to price media for non-FMCG brands differently.

> [If Facebook doesn't deliver brand and performance] that's when budgets can get squeezed a little. Especially for clients that don't the Facebook conversion API. So they might just look to increase retailer media spend.
>
> — **Joshua Lee, Head of Digital & Data, Zenith**

"There are a lot of CPG brands who haven't yet worked out why they should be running retailer media. So in the coming years, as demand surges, the supermarkets' inventories could be maxed. So I feel we will see increases in CPMs and CPCs [prices paid for eyeballs and clicks]." He's not convinced that the Coles and Woolworths need to drop their prices to attract non-FMCG advertisers. "I feel they would be remiss not to see if they could [hold price]," says Lee.

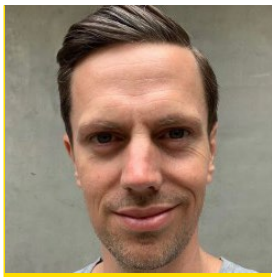
Troy Townsend
Zitcha

Agencies: Step up or miss out

Zitcha co-founder Troy Townsend thinks agencies that invest in retailer media capability will ultimately reap rewards, but sees winners and losers.

"Most agencies don't understand this space. Traditionally, agencies hated doing trade. They only got little bits of it, it was annoying, it wasn't creative – it wasn't fun," Townsend says. "Now, it's becoming a lot more mainstream. It's touching all channels. If agencies don't understand how retailer media works, and they are not deep into it, that's a problem for them."

GroupM: Overpriced inventory to benefit legacy media?



Sean Bone
GroupM

GroupM's Digital Commerce General Manager, Sean Bone, thinks talk of a sudden shift away from main media channels towards the new retailer players may be overblown.

"The shakeout of who wins and who gets hit over the next few years is an open question, because the retailers run the risk of overpricing their offer," says Bone.

He thinks retailers have work to do on measurement.

"We don't see any sudden shift away from the longer [existing] trend," he says, citing newspapers and linear TV declines, but growth in their digital variants.

"We generally see growth ahead across most of the digital across the digital spectrum."

> I would say no small amount of the pressure [for more share of budget] is coming from the retailers, who are expecting to see year on year growth.
>
> **— Sean Bone, Digital Commerce General Manager, GroupM**

FMCG brands are nearing double-digit proportions of budgets in how much they allocate towards retailer media, he says, but it varies dramatically by vertical. GroupM globally has forecast a 15 per cent jump in retailer advertising revenue, estimating the sector stood at A$150.44bn in 2022. The "high water mark" for retailer revenue is five per cent of gross merchandise value – the total value of all online sales, a benchmark set by Amazon.

Brand spend with retailers is heading up the food chain, says Bone. "It's become a meaningful percentage of their total investment so there are more eyeballs across it," he adds. "The budgets are larger, the accountability for those budgets is increasing. Some of the things that used to sit purely within trade are now getting marketing and C-suite eyes across them."

Meanwhile, he thinks retailers are becoming more aggressive.

"I would say no small amount of the pressure, particularly for endemic clients, is coming from the retailers themselves who are expecting to see year on year growth."

Sam Hegg
Coles 360

Coles: Agencies that add value have a role

If retailers are to take marketing dollars as well as trade, agencies will play a role. But Coles' Paul Brooks and Sam Hegg think progressive media agencies with progressive FMCG clients have already grasped the nettle.

"FMCGs need to set themselves up so that everything is connected," per Brooks. "If they do that, agencies will align themselves. It's early, but we are starting to see some agencies starting to do that already, trying to take a holistic view across brand and trade. If they can get to that point, above the line and below the line boundaries disappear, siloes come down. So some agencies will be progressive, others may be the ones that struggle."

Hegg says performance media agencies have skillsets that immediately apply to retailer media. "The performance principles of [retailer ad platform] Citrus are very similar to those of Google Adwords," says Hegg. "A lot of brands manage that themselves, but agencies can make it work harder for them, so that is low hanging fruit for agencies. Beyond that, it's about demonstrating they understand the retail media landscape and can advise brands from top to bottom, the advantages of full-funnel co-ordination and the returns from co-ordinating that activity end-to-end," he suggests.

"But it depends on whether brands are structured to take advantage of an agency's capability," adds Hegg, who spent 20 years as a media agency exec prior to joining Coles. "If an FMCG brand operates trade marketing and brand marketing separately, it's quite difficult for agencies to bring that together. Where we've seen holistic structures within FMCG brands, the benefits come quite quickly."

Connecting media and shopper agencies: A gap?

Simon Porter
Hatched

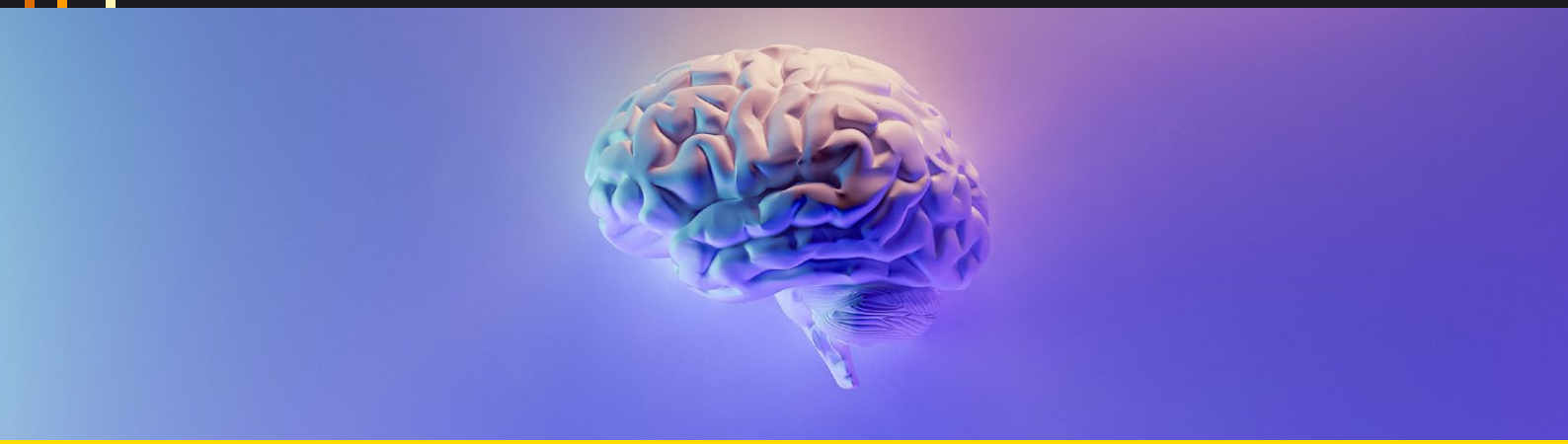
Media agency Hatched last year set up a Sydney office dedicated to retailer media. The agency was founded in Melbourne by Jack Byrne, also the founder of retailer media tech platform Zitcha, which Byrne now runs full time.

Simon Porter runs retail for Hatched. He thinks linking in-store with broader media activities is the nut to crack. Ecommerce, he points out, barely scrapes double digits for the likes of Woolworths and Coles, with the vast bulk of total revenue coming from physical retail. “In-store where the rubber really hits the road,” says Porter.

He suggests connecting the army of shopper marketing agencies that design point-of-sale, sampling, events, consumer promotions and digital shopping interfaces, is where agencies can earn their corn. Instead of herding consumers into stores “and then releasing them”, Porter sees opportunity to “build customer decision journeys through in-store and media and then close the loop with sales to demonstrate what is working. To my knowledge, nobody has really connected the traditional media agency and shopper piece”.

> To my knowledge, nobody has really connected the traditional media agency and shopper piece.
>
> **— Simon Porter, Head of Retail, Hatched**

Porter thinks rising inflation will accelerate retailer media networks over the next 12-18 months. “If you are under pressure as a retailer, why wouldn’t you seek a new incremental revenue stream by being smarter around your assets? You can then reinvest that revenue into your own brand and increase share of voice when others are potentially pulling out of market. So I think we will see some quite interesting developments.”



Hogarth: Automation required for retailer media content surge, AI ads next wave

Justin Ricketts
Hogarth

Hogarth handles content production for Woolworths, picking up the business in April 2022. Since then, "we're definitely seeing increased demand inside Woolworths but also through FMCG clients within GroupM," as a result of retailer media's rise, says CEO Justin Ricketts.

Content requirements are increasing exponentially to cover "sofa to shelf", he adds. "It's a case of inspiring people as they are sitting on their couch, dragging them through the funnel with more consideration-type content and then converting them in-store or on the digital shelf."

The problem is that retailer media creates further fragmentation. "So we have to create bucketloads more content for multiple platforms and environments," says Ricketts. The solution, he believes, has to be automation and AI.

> Retailer media is starting to be a significant driver of automation and AI within digital production. To unlock the potential of those channels, it forces you to use them.
>
> **— Justin Ricketts, CEO, Hogarth**

"If FMCGs want to unlock the power of retail channels, they have to make the content relevant to the audiences they can identify, but also the different stages of the purchase funnel, across multiple retailers. That creates quite a complex matrix of different content outputs – you go from one version to a hundred. If you then add in time of day, weather, whatever, it becomes more complex," says Ricketts. "You go from one version to thousands – and the budgets are obviously not going to increase to that kind of quantum."

Hence content creation and production requires a "modular mindset and framework," and then AI and automation to do the legwork, per Ricketts.

"That approach means you can create a template for omnichannel content – TV, digital out of home, online video and social outputs – that can convert to multichannel outputs at the click of a button. So a 1,000 versions doesn't cost 1,000x, it's a fraction of that," says Ricketts.

"Retailer media is starting to be a significant driver of automation and AI within digital production. To unlock the potential of those channels, it forces you to use them."

AI to predict performance... and make the ads

Hogarth is using AI for meta tagging, meaning it can find assets very quickly for campaigns, and also to "crop, resize, render and version" content automatically for different formats and channels. Ricketts says Hogarth is also using AI to drive performance, "to look at which components of an ad are driving performance and then optimise assets based on those aspects".

The next step is predictive AI, "predicting what ads will work and the performance they will deliver based on past learning," says Ricketts. "That is live globally and will be live in Australia within weeks."

Generative AI – the technology ChatGTP is based on – is where Rickett's sees major disruption. He claims Hogarth is already connecting those tools.

> The next step is predictive AI, predicting what ads will work and the performance they will deliver based on past learning. That is live globally and will be live in Australia within weeks.
>
> **— Justin Ricketts, CEO, Hogarth**

"What we are trying to do is plug these tools into a client digital asset management system to see all of their assets in marketing and media, and how they are performing. Then, using the power of ChatGTP and DALL.E, see how we generate ads without humans – and that is only months away."

Ricketts says WPP staff shouldn't panic: "It's not about replacing humans, but getting machines to do the grunt work. If the machine is doing 60 per cent of the work, we can move faster."

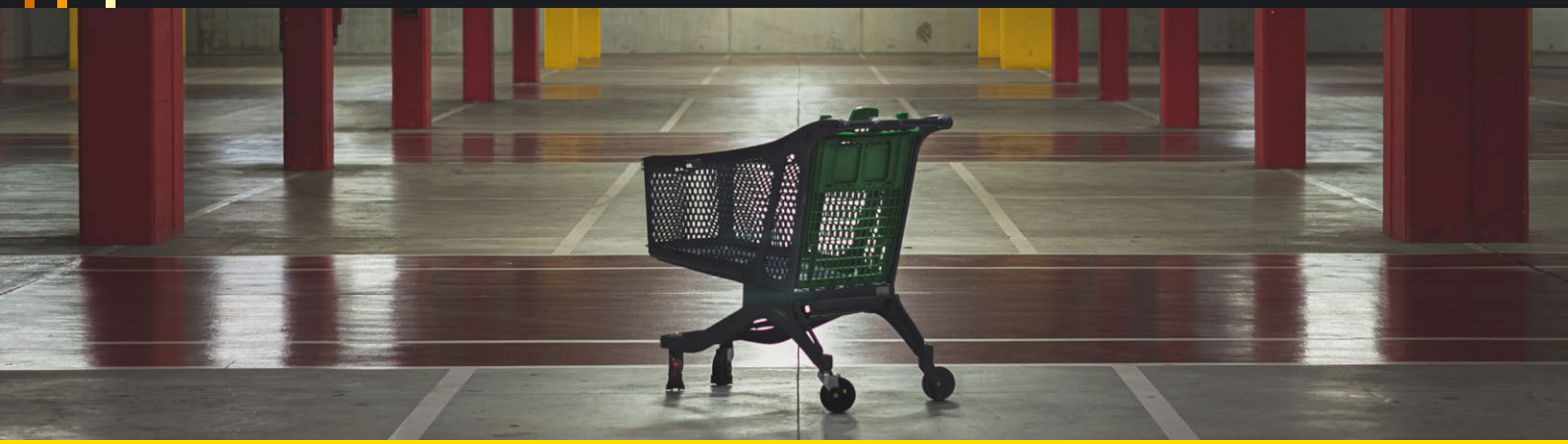
He's alive to the risks, as Google discovered when its February Bard AI launch resulted in a $100bn share price crash.

"The problem with pointing these things at the internet is that the internet lies. So there is work to be done. But some very smart people and a shedload of capital are working on it," says Ricketts.

"Agencies should be leaning in, experimenting and upskilling how our humans operate. It is about supercharging people, not replacing them – and there is a skill in operating these generative AI tools. The hottest new programming language is English," adds Ricketts, quoting former Tesla head of AI, Andrej Karpathy. "We now have to think and brief these platforms."

Platforms

Chapter 5



Citrus Ad founder: Coles and Woolworths could dominate entire ad market

Brad Moran
Citrus Ad

Woolworths and Coles are locally outcompeting Amazon and are likely to be the duopoly at the top of the ad market in years to come, per Brad Brad Moran who co-created sponsored search company Citrus Ad in 2016 and sold it to Publicis Groupe in 2021 for north of $200 million. Locally Citrus works with Woolworths and Coles, in the UK with Ocado, Tesco, Sainsbury's and more. In the US it has attract 21 retailers to its ad network and Moran claims its total US grocery reach is circa $300bn, "bigger than Walmart and Amazon".

In Australia, Moran doesn't see a mushrooming market of retailer media players any time soon.

"I think there'll be a few, but I think it'll be heavily concentrated into a couple just because of the size of the Australian market. The grocery players have got the first rights of refusal because they've got such a huge volume of transactions. The more transactions you have, the more power you have, the more relevant you remain," per Moran. "The two with first right of refusal will be Woolies and Coles, and it's just about how well they execute from here. Both of them could dominate the entire ad market if they wanted to."

> The two with first right of refusal will be Woolies and Coles. It's just about how well they execute from here. Both of them could dominate the entire ad market if they wanted to.
>
> — **Brad Moran, co-founder, Citrus Ad**

For retailers in other categories now seriously considering launching media businesses, Moran advises them to think long-term, hire the best people and go all in. "It's a five to ten year play."

Yahoo: Templates ready but privacy fears could crimp growth

Dan Richardson
Yahoo

Yahoo plans to apply its US experience within Roundel's retail media network and Marriott's travel media network to Australia, where it already works with Woolworths and Flybuys. But to scale the broader market, Head of Data Dan Richardson says there's education work ahead.

Measurement, privacy pinch

Richardson says measurement is a live challenge – because retailer media has no measurement standard. "You might receive a measurement lift report working with one big retailer, and something different from another," says Richardson. That's causing headaches for the likes of Unilever, which has urged retailers to align.

He says privacy is another hurdle – and far more likely to crimp growth of retail data and retailer media markets than commercial wrangling.

"Australia is at an interesting point when it comes to regulation and privacy. We've had a couple of big data breaches with Optus and Medibank, so brands are very concerned. They have to work through a lot of privacy and security risk compliance to even get to a point where they can think about launching a media network," says Richardson. "So that's the biggest challenge. If we can work through those, the commercials will come naturally."

> After Optus and Medibank, brands are very concerned. They have to work through a lot risk compliance to even get to a point where they can think about launching a media network.
>
> — **Dan Richardson, Apac Head of Data, Yahoo**

For now, "privacy and security of data is definitely putting the brakes on how we're seeing things progress ... which is why Yahoo is focused on direct first party customer identity rather than a consortium approach."

Lifting Roundel template

Yahoo plans to lift the templates it has built for Roundel and Marriott and apply them to the Australian market. Roundel, for example has created 60,000 targetable audiences and sells them to other brands. Yahoo's ConnectID enables first party data matching.

"The opportunity is to use that exact framework to integrate with partners locally," says Richardson. "The plumbing is very much the same. We would like to launch that first half [of 2023], but we're in education phase and it's still early days. So 'this year' could be more likely."

Trade Desk: Sales key to avoiding retailer duopoly; alt IDs to ride growth wave?

The Trade Desk ANZ boss James Bayes thinks retailer media's rise could simultaneously drive adoption of The Trade Desk-led Unified ID project. he suggests that outcome could avoid a sprawling patchwork of walled gardens.

Locally the firm has been using Flybuys data for 18 months and Bayes says The Trade Desk will ink further data deals beyond grocery in the "next couple of months".

"In the US, we have significant partnerships across grocery," says Bayes, citing deals with Walmart, Walgreens, Target and Kroger. "But pharmaceuticals is a really significant category, so I don't think we should limit the Australian [retailer media] market to grocery or CPG."

While Chemist Warehouse has a significant media operation, Bayes thinks Priceline has the same opportunity. He sees more retailers launching media businesses.

"I don't see 30-40 coming to market, but you could see low double digits for sure."

Bayes says key ingredients for retailer media are a mature data strategy and loyalty programme. Beyond those elements, he thinks strong sales infrastructure will determine winners and losers. "You have to go out and sell this stuff – and sales is complicated and messy," says Bayes, a former head of digital sales at both Seven West Media and Southern Cross Austereo. "People sometimes forget the importance of sales."

Off-network, up funnel

Bayes says the perception of retailer media as purely lower funnel is shifting as BVOD comes into play. He thinks retailer data can boost the effectiveness of all digital channels and combine brand and performance.

Australia's grocery players will ultimately succeed in going beyond FMCG because they can infer demand from what people buy, suggests Bayes. For example, a customer with a loyalty card that starts buying nappies may need a bigger car, or life insurance. Every three months will need to buy bigger baby clothes – and sooner or later will require noise cancelling headphones. If grocery retailers take the money from non-FMCG advertisers to target their relevant customers off-network, it eliminates the risk of undermining CX across their owned channels, he suggests.

James Bayes
The Trade Desk

"To be able to identify changes in life stage and customers moving into a specific purchase cycle – those are signals that brands may not receive from anywhere else. So I think that's where [retailer media] is evolving – from endemic brands [i.e. suppliers specific to that retailer] to non-endemic advertising," says Bayes.

He thinks the combination of retailer data and logged-in audiences across BVOD and CTV could offset declines for linear TV while boosting uptake of cookie alternatives, such as The Trade Desk-led UID2.0.

"Two of the biggest forces in global media at the moment are retailer data and BVOD, both of which are logged-in and consented based on email. There is now the ability to bring them together. That makes television more powerful," says Bayes.

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>
> **— James Bayes, General Manager, The Trade Desk**

Which is why Bayes thinks "narratives that retailer media will suck enormous investment out of traditional channels like TV," are wide of the mark. "It's hard to say where the money will come from. But we don't think retailer media is going to be a pure suck on traditional media at all."

Zitcha: Big job ahead on measurement standards

Troy Townsend
Zitcha

Zitcha is the latest retailer media platform to come to market. It's working with brands like Adore Beauty, Coles Liquor and The Warehouse Group in New Zealand.

Co-founder Troy Townsend says the firm's three pillars for retailers are: On site, which is "table stakes" and includes sponsored products, search, banners and emails; offsite, which is Google, Facebook, TikTok, and the open web via The Trade Desk; and in-store inventory like screens, radio, aisle fins, wobblers and end caps.

L'Oreal, for example, could buy banners and sponsored search products for a foundation brand across Adore Beauty's assets. "From there they can buy retargeting, whether it's across Instagram, Facebook, YouTube, on Google with Smart Shopping; they can buy TikTok, they can buy programmatic, they might want to run BVOD to follow that journey through," says Townsend. If suppliers like L'Oreal pay for their own campaigns, both Adore and L'Oreal can drive growth – while L'Oreal can access Adore's first party data, a win as Google and Apple's tracking changes limit other approaches.

> "There is a big category job to do in measurement.
>
> — **Troy Townsend, co-founder, Zitcha**

Measurement, data risks

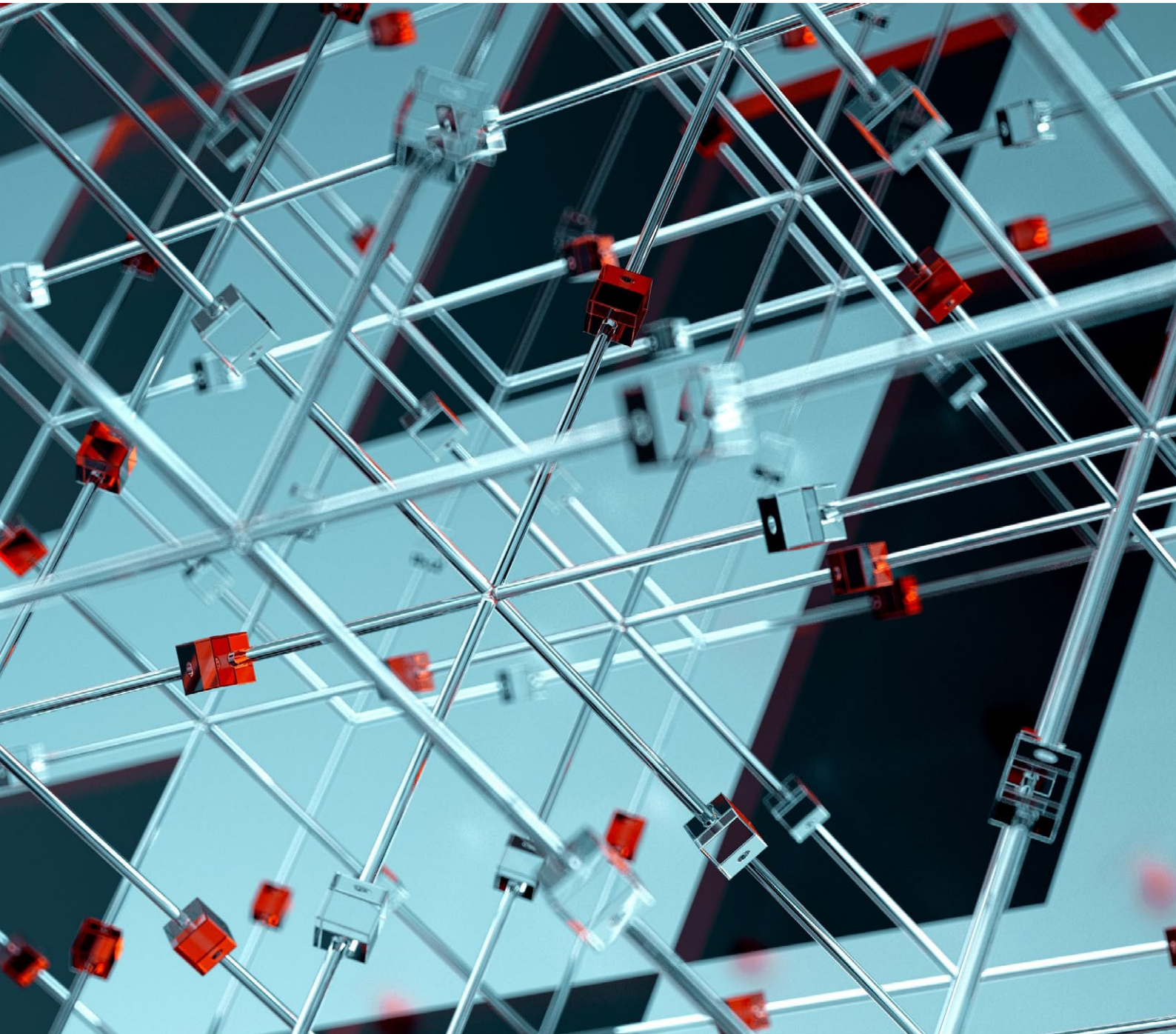
Townsend acknowledges the challenges in delivering robust measurement cited almost universally by marketers interviewed for this report. He says Zitcha is exploring partnerships with the likes of econometric modelling firm Mutinex and Nielsen. But he admits measurement is easier said than done – it requires knitting together in-store assets, digital results, foot traffic, yield and a lot more across multiple retailers. There's little to no standardisation – a challenge major brands are now urging industry and retailers to solve globally. "There is a big category job to do in measurement," admits Townsend.

Aggregation is inevitable for the retailer media sector, says Townsend, but he warns owning data and controlling how it's accessed is critical given looming privacy changes.

Criteo: Self-serve DSP incoming

Reformed retargeting business Criteo has spent the past six years investing heavily in commerce. In 2023, it's bidding for a share of the Australian retailer media via self-serve DSP Commerce Max, which head of retail media, Roger Dunn, claims ties together on- and offsite inventory.

The former WPP ecom lead says the platform enables retailers to sell sponsored, auction-based products and search results as well as offsite activity on the open web.



Retailer media: Next

Chapter 6

Next retailers to move: Fashion, beauty... and Wesfarmers Group?

Mohammad Heidari Far
Resolution Digital

Which retailers move into media next is "all down to their approach with their data," per Resolution Digital's Mohammad Heidari Far. "I think home and garden has got huge potential. But from a readiness perspective, I think fashion and beauty are really interesting categories as well." Within in the latter categories, Adore Beauty is the latest to move into retailer media.

For now, Heidari Far says Resolution Digital is advising four retailers on how to build their own media network. "From the level of maturity of those conversations, I am hopeful that some of them will come to market in 2023," he says. More broadly, he thinks growth will come because retailers increasingly view media as a defensive position to avoid losing market share.

"If your core competitor goes live with a [retailer media] proposition, that could mean suppliers – who are also your customers – might shift focus or shift spend towards that competitor," says Heidari Far. "So even from a defensive point of view, we're still having conversations [with retailers]."

> I think 2023 will be the year where we'll see [retail media] moving from the core CPG verticals into other verticals.
>
> — **Mohammad Heidari Far, Chief Product Officer, Resolution Digital**

He thinks large groups such as Wesfarmers, busy building out a cross-group loyalty network called OnePass under Nicole Sheffield, "have really high potential to leverage retailer media ... So I think 2023 will be the year where we'll see [retail media] moving from the core CPG verticals into other verticals."

BNPL, aggregation and B2B incoming?

Roger Dunn
Criteo

"I think we're going to see some surprises in the next year in terms of where opportunities [i.e. new retailer media networks] will arise," according to Criteo's Roger Dunn. "An incremental revenue stream becomes more important if prices are going up with inflation or economic conditions tightening."

While big retailers may be racing for scale, Dunn sees scope for a larger number of smaller owned media businesses within B2B. "The scale is a lot smaller, but they have very high value customers," he says. "There is huge value if you can get a prominent position on a B2B site."

Buy Now, Pay Later players like Afterpay and Zip are also possible players, per Zitcha's Troy Townsend, because of two key features. "They have eyeballs and transaction data," he says. "So I think you're going to start to see some plays in that space. And then what does aggregation look like? How do I go through a platform to buy in multiple spots? Because there's going to be a lot of fragmentation around media."

But Resolution Digital CEO, Des Odell is unconvinced aggregation is required just yet.

"Long-term, I can see value in aggregation. But it's a long way off. It is easy enough at the moment to deal with existing [retailer media businesses]. The shorter-term problem is how to get more of these retail media players with a valuable media proposition to market, because what they are trying to do is very different to their current business model," says Odell. "If you look how long it has taken the big established players to get to market, you can see how the smaller, medium sized retailers might struggle."

"We've still got a way to go to ensure those retailers are actually first doing the change management. Then, crucially, offering a product that our advertisers want to buy at a competitive price point before we move into aggregation," says Odell.

"If I was a retailer pushing into media, that's what I would be aiming for. Aggregation can come later."

Des Odell
Resolution Digital

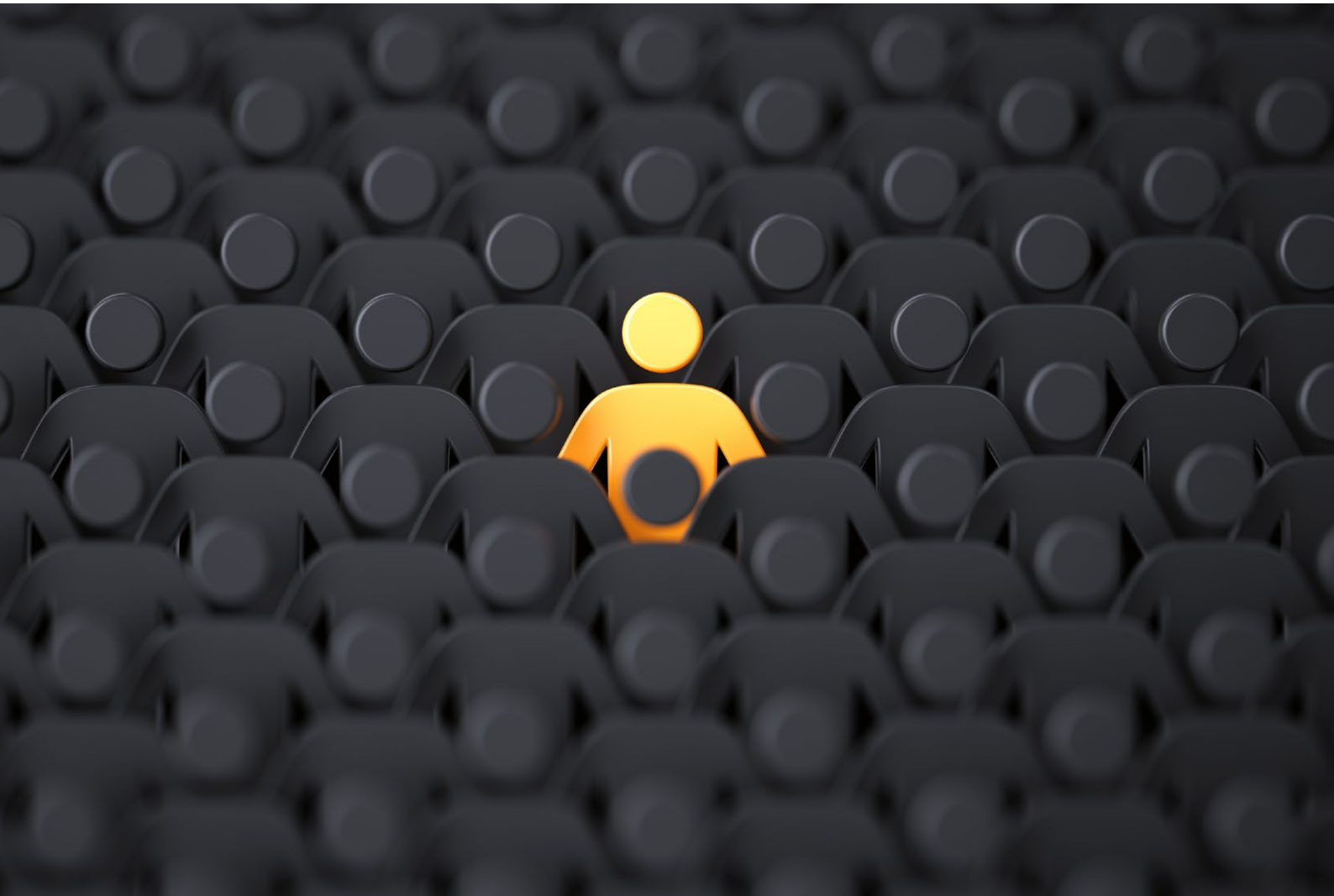
Off network expansion accelerates

Cartology has been first mover in Australia to start building a meaningful off network division. Coles is also pushing in that direction.

Resolution Digital Chief Product Officer Mohammad Heidari Far thinks an off network push could prove pivotal in attracting new brands and new money – and says Amazon and its DSP are showing just how much money is there for the taking for retailers with the scale and commitment.

"The more sophisticated retail media businesses in Australia are taking note … it all goes back to how valuable is your first party data, how you build your attribution, and how you can show the value of that audience. When Amazon started on this path, they really took their time to build those core audiences and build amazing case studies to show that it works."

> Long-term, I can see value in aggregation. But it's a long way off. The shorter-term problem is how to get more of these retail media to market, because what they are trying to do is very different to their current business model.
>
> **— Des Odell, CEO, Resolution Digital**



Beyond FMCG: Finance, Foxtel, Ocado opportunity

Paul Brooks
Coles 360

As Woolworths-owned Cartology bids for expansion beyond FMCG and into it what calls "non-endemic brands", Coles 360 has similar ambition.

"We are looking at certain categories – finance, insurance, entertainment, whether that's Foxtel or a movie house, PlayStation – those kinds of areas that are already present in-store or online. We have those relationships and I think we can evolve them, potentially automotive as well," says Coles 360 GM, Paul Brooks. "We're planning year two and year three and what we need to do to be ready for that."

In the meantime, Sam Hegg says Coles' shift to an Ocado-type fulfilment model, moving away from store level fulfilment towards a centralised operation, will bring more FMCG budgets into play. "That unlocks huge value via a much broader product set, it means we can offer twice as many SKUs to online shoppers versus the store," says Hegg. "It's rolling out in Sydney and Melbourne in the near future and will inevitably bring greater commercial opportunity."

> We are looking at finance, insurance, entertainment, whether that's Foxtel or a movie house, PlayStation. We have those relationships and I think we can evolve them, potentially automotive as well.
>
> **— Paul Brooks, GM, Coles 360**

Sam Hegg
Coles 360

On-off network, DSPs, BVOD, self-serve

Sam Hegg says Coles will earn "the majority of our revenue from our own ecosystem. It's incremental revenue and it can be high margin. You don't derive that margin from off-network." That said, "there is real value for FMCG brands to use our first party data through Flybuys or our broader CDP and target in other logged-in environments. So we should be setting ambitious targets around off-network and growing that as a percentage of our revenue".

Paul Brooks says Coles is open to partnerships to drive off-network growth. "Will we build our own DSP? Probably not. Will we partner with someone to be able to do that? That probably feels like the best in breed model."

The two said Coles Media will add BVOD audience buying to the mix "soon", with self-serve capability on and off network, including ad creation, also set to launch in 2023.

Tailwind for programmatic out-of-home?

Yahoo data chief Dan Richardson thinks retailer media creates a tailwind for out-of-home media.

"We're seeing programmatic digital out-of-home growing immensely in Australia and across the region – and we know Woolworths are bringing that online too," he says, pointing to the retailer's acquisition of Shopper Media.

> If you look at the assets Scentre Group has, all of their screens and the intelligence they can bring ... that is only going to get smarter over the next year or so.
>
> **— Dan Richardson, Apac Head of Data, Yahoo**

Richardson says Westfield owner Scentre Group is "definitely one to watch" when it comes to retailer media. The firm recently hired former News Corp data lead Suzie Cardwell to oversee customer data product and Scentre Group houses some 1,200 retailer outlets across 42 ANZ shopping centres. It also has upwards of 1,800 digital screens within those centres, most of which are programmatically-enabled.

"If you look at the assets Scentre Group has, all of their screens and the intelligence they can bring to those screens – to not just pump in ads but understand if people are viewing them – that is only going to get smarter over the next year or so," per Richardson.

Dan Richardson
Yahoo

Where next: Marriott and travel media

Yahoo's Dan Richardson says travel media networks could follow retailer media's trajectory. The firm is the SSP and adtech provider for Marriott's media business, powering programmatic ads on in-room TV and digital screens in lobbies. It's sizable, says Richardson, with some 1.4 million rooms in 7,000 hotels across 131 countries. "Marriott can match to our logged-in or addressable users and then add attributes to help inform what they're doing," says Richardson. It's live in the US, but Richardson can't say when the global partnership will launch in Australia.

"We've built those connections, the roadmap, the template, but we're still in education phase here and working through privacy and commercials."

Bigger prize: Australia's owned media worth $3.9bn

Jonathan Hopkins
Sonder

Media valuation firm Sonder suggests Australia's owned media potential, at circa $3.9bn, is a bigger prize than retailer media. The firm calculates that brands such as Telstra, Commbank, JB Hi-Fi, The Iconic, Myer, Bunnings, Target, 7-Eleven, Ampol and others could make $3.9bn via media operations.

Sonder's report suggests there are dozens of brands that could ramp up owned media operations across telcos, banks, service stations, travel and utilities as well as high street department stores or 'aggregated' retail. Much of the value is within bricks and mortar stores – Sonder forecasts a greater build out of in-store media – as well as often overlooked channels like email, "the sleeping giant of owned media," per founding partner Jonathan Hopkins.

> Email is the sleeping giant of owned media.
>
> — **Jonathan Hopkins, founding partner, Sonder**

Display and search, according the firm, is only about 10 per cent of the pie when it comes to owned media potential – and any brand with a loyalty programme has a fundamental building block in place should they decide to start selling media to others, with margins of 80-90 per cent achievable, according to Sonder.

The $3.9bn figure includes:

- $1bn across grocery and liquor: Alongside Coles and Woolworths, Dan Murphy's, IGA and Liquorland are listed as the top five businesses. BWS and Vintage Cellers are cited as ones to watch.
- $1.2bn across aggregated retail: Chemist Warehouse, Officeworks, Myer and Woolworths-owned Big W make up four of the top five retail aggregators, alongside Amazon, per Sonder's calculations. Others with potential are David Jones, JB Hi-Fi and Bunnings, "which could easily break into the top five", states Sonder. While the firm suggests The Iconic has 'strategic capability', the likes of JB Sports and Supercheap Auto are listed as ones to watch in the shorter-term, as is Target, should the retailer emulates its US Roundel business locally.

- $221m across petrol-convenience operators Mobile/7-Eleven, BP, Ampol, Shell/Coles Express and United, where the vast majority of revenue potential is in-store.
- $488m across travel, predominantly via Qantas and Virgin which are already leveraging data and tapping partners across inflight entertainment, boarding passes, luggage, carousel, posters, itineraries, apps, loyalty programs, emails and websites, with dedicated sales teams, internal and external, notching up media margins of circa 90 per cent versus three per cent on flights. Hotels have headroom for growth. Sonder tips Intercontinental Hotels Group as one to watch.
- $152m across banks and finance: Commbank tops owned media potential within finance, though ANZ, Westpac and NAB are closing the gap, according to Sonder's Angus Frazer. He thinks Amex is one to watch, because it can bring higher value to reward partners through visibility on how its members respond to those offers – and thereby extract higher rates and more offers from more brands.
- $255m across telco: Optus and Telstra are already operating media businesses, but less than a third of the media telcos own is being commercialised – there's a lot more the category could do, reckons Frazer. He thinks the next wave of telco owned media growth will come via physical media as customers come into stores to try new tech. "Having a strong in-store presence is really important and having the media to back that up is critical," says Frazer. "These are really powerful media assets that other brands want to be able to tap into as well."

Loyalty programmes and media: survival symbiosis?

Sonder expects "the retail media market explosion to continue" as consultants and tech providers recognise the opportunity, likewise the martech platforms.

Another driver is that loyalty programmes are becoming increasingly expensive. Retailer or owned media provides a chance to offset that outlay.

> CFOs are starting to question the loyalty programme outlay versus the return. Leveraging your media value with partners is one of the smarter, more sustainable models to level-up that ROI.
>
> **— Jonathan Hopkins, founder partner, Sonder**

"We see an increase in the number of loyalty programmes leveraging media value," says Sonder's Jonathan Hopkins. "One of the big trends we're noticing is CFOs starting to question the loyalty programme outlay versus the return. Good loyalty schemes that attract, retain and grow customers can cost more to manage and customer expectations are growing; they expect it to be personalised and relevant to them. But that comes at a cost," he adds. "So having offers and leveraging your media value with partners is one of the smarter, more sustainable models to level-up that ROI.

Report partner:

Coles 360 is the dedicated retailer media arm of Coles supermarkets. It harnesses attitudinal, behavioural, and transactional data to understand customers – and what, when and where they plan to buy. These insights enable smarter, more effective campaign planning that can be measured and optimised through a partnership with global analytics firm IRi – creating 360 customer connections.

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www.**coles.com.au/coles360**

Report partner:

Resolution Digital is a full-service digital agency employing 260 dedicated staff across Sydney, Melbourne and Brisbane. Part of the global Omnicom Media Group, Resolution has a deep expertise of digital media and delivers agnostic marketing technology, consulting, training, and services, including SEO, social, e-commerce, media, content, measurement, and strategy.

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