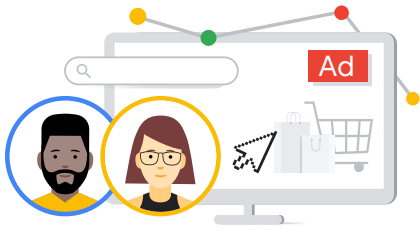


Building a Retail Media Business with Google

Grow your revenue, deepen your relationships,
and deliver a more personalized shopping experience





Retail media in a digital world

Retail media is on the move. With the acceleration of digital, and more people shopping online than ever before, brand marketers are looking for innovative and effective advertising opportunities to reach people along their purchase journey. To capture these budgets, many retailers are developing retail media businesses using advertising technologies to power their offerings.

Today's retail media businesses harness the power of an organization's first-party data — gathered from online and offline transactions — and offer closed loop measurement for their campaigns. Insights generated from this approach open up a host of benefits for advertisers and shoppers, such as driving greater product sales and delivering a more personalized shopping experience.

Building a retail media business can help retailers improve sales performance, deepen relationships with their brand partners, and ultimately lead to more profit. But knowing how to configure the technology to your needs isn't always easy. Retailers need an option that's both customizable and scalable. They need the right levels of support at the right time, automated reporting tools, and stringent data security controls. And they need seamlessly integrated solutions to power it all, from data onboarding all the way to measurement.

For large retailers who have the ability to activate their first-party data, Google offers a number of technology solutions that can be used to create a retail media business that provides actionable insights, reliable performance, and easy measurement. With retail media poised for continued growth, this guide introduces retailers to new ways of reaching shoppers by exploring the benefits of retail media, and how Google can help you build a solution that's flexible, scalable, and aligned with your unique business goals.

Read on to learn more about the key factors that drive a successful retail media business, and the integrated offerings that can help you be ready for what's next.



The benefits of a retail media business

Investing in retail media not only provides retailers with new revenue streams, but also gives them the opportunity to offer unique marketing tactics to brands, helping them reach the right customers wherever they are shopping.

New revenue streams for retailers

As the world becomes more digital, brands are increasingly interested in allocating budget toward retail media. It gives them increased transparency, omnichannel measurement, and access to retail shoppers at key points in the purchasing journey. According to research from Merkle, 85% of CPGs plan to move more marketing dollars to retail media, with 52% planning on doing so in the next year.¹ By building solutions that allow brands to connect with shoppers and report on the efficacy of that spend, retailers can unlock access to brand budgets, use the additional marketing funds to offset the rising cost of delivery, and drive online and offline sales.

¹ Merkle, [U.S. Brands Survey](#), August 2020



Best Buy uses first-party data to deliver more sales for brand partners

By integrating their analytics solution with Google's advertising and marketing platforms, electronics retailer [Best Buy](#) set up and ran a multi-channel advertising campaign that allowed them to use their first-party data to connect a brand partner with shoppers inside and outside of their online store. Through the implementation, Best Buy gained a more comprehensive view of customer behavior allowing them to unify measurement and optimization. Campaign reporting showed that conversion rates improved by as much as 45 percent among shoppers who saw the ads and ultimately resulted in a 10x return-on-ad-spend (ROAS).

"This particular opportunity allowed for the ability to combine the power of Google's offsite capabilities through Display & Video 360, and our existing onsite display ad server — Google Ad Manager — to create a simplified experience, gain faster learnings and deeper insights, and ultimately, increase the speed to market."

- Mark Heitke, Director of Ad Platforms and Performance, Best Buy

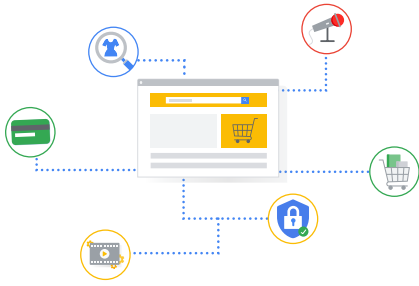
The benefits of retail media for your brand partners

While brands selling through retailers traditionally relied on in-store and print tactics to interact with customers, a retail media business opens up a wider audience to influence. Investing in retail media helps your brand partners connect with shoppers while they're in a purchasing mindset, leading to more effective customer acquisition, as well as increased online and in-store sales. With insights such as what customers searched for, other basket items, and cross-category shopping information, brands can reach high-potential shoppers with the right message at the right time. According to a Google survey run in partnership with BCG, retail customers have indicated that with a personalized shopping experience, they are twice as likely to add items to the basket — and 40% more likely to spend more than planned.²

In addition to greater marketing efficiencies, your partner brands can also gain increased transparency into their media budgets and ROI through unified, closed loop measurement, helping them tie digital ads back to physical purchases from offline or online store sales. With holistic insights, advertisers can attribute sales to actual advertising exposure, and have greater clarity on how to optimize media for increased ROI down the road.

In turn, retailers benefit from additional sales, driven by personalized onsite and offsite marketing. Additionally, they can offer smaller, lesser-known brands a marketing boost in cost-effective ways, providing them an opportunity to leverage the retailer's brand value during important moments, like researching which product to purchase.

² Google/BCG, U.S., "[Business Impact of Personalization in Retail](#)" study and customer survey, n=3,144, 2019

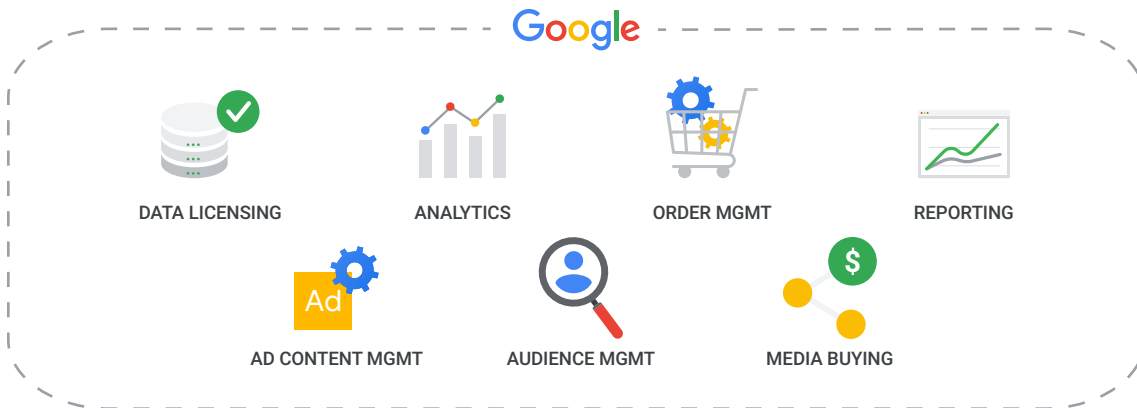


Elements of a scalable solution

When it comes to developing a retail media business, remember this: one size doesn't fit all. Pre-packaged solutions can be limited in scale, scope, flexibility, and visibility, and retailers generally outgrow them in a few years. Businesses should be able to easily customize their retail media experience, and rest assured that it will scale alongside their growth.

By integrating Google's solutions with third-party or proprietary technology, retailers can build customized retail media businesses that make the most sense for their goals, budget, and digital readiness. Every Google retail partner we've worked with has opted for a different combination of solutions from our building blocks, implementing a unique fit that's right for them, their capabilities, and growth trajectory.

How Google can help power your retail media business



Many retailers have used our technology to stand up retail media businesses that help them turbocharge their first-party data, report with confidence, and uplevel their data security with privacy-safe tools.

Turbocharge your first-party data

In a constantly evolving landscape, it's more important than ever to get your data house in order. According to eMarketer, 38.5% of industry professionals in 2020 reported that linking online and offline data will be their most top-of-mind topic for the year ahead.³ As a retailer, understanding and maximizing the value of your first-party data is key. In a separate survey by the market research company, 87% of respondents from US companies reported that high-quality data is an important or very important factor for their marketing performance success.⁴

Together with the right partner, a retail media business can seamlessly tie together onsite and offsite first party data, helping retailers build and activate audiences based on their direct customer interactions. To draw greater insights across sources with confidence, Google's tools provide secure data ingestion, valuable audience insights to enhance a retailer's own first-party data, and easy integration with broader industry tools.

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Nectar maximizes the value of its audiences with Google

[Nectar360](#) owns and operates Nectar, the UK's largest loyalty program, and manages Sainsbury's shopper marketing services, utilizing its own insights and media expertise to connect the Sainsbury's businesses, fast-moving consumer goods brands, and their customers. Nectar360 has partnered with Google to maximize the value of its incredible first-party data, helping brands and agencies to offer more relevant, targeted and personalized digital advertising to millions of consumers. This partnership has doubled the reach and enabled a measurable impact on omnichannel sales.

Report with confidence

To provide retailers with a single view of their customers, a reporting tool needs to have alignment across channels and audiences. Each of Google's tools offers user-friendly reporting and graphs, as well as connections to [Data Studio](#) and [Looker](#) for visualization. With Google Marketing Platform, you can do more advanced measurement, and gain a fuller understanding of the customer journey across onsite and offsite channels.

³ eMarketer, "Digital Identity Crisis Will Be a Boon for Retail Media Sellers", Oct 2020

⁴ eMarketer, "Retail Media Networks 2019", Nov 2019

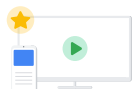
Comprehensive insight tools make it easier to:



Tell a concise narrative for media investments with a holistic view of the customer journey



Show brands the value of their investment with a clear ROI analysis



Make more informed media purchasing decisions with a cross-channel view

In addition, cross-platform reporting solutions such as [Google Analytics](#) and [Campaign Manager 360](#) provide performance data views that range from executive overviews to more granular insights, offering the relevant and necessary information for each team. Each platform makes it easy to have customer-centric insights that are designed to be actionable, whether to inform internal strategy, monetize insights to brand partners, or drive deeper brand relationships and larger deals. For example, you can use insights from Google Analytics 360 to help optimize your campaigns in Display & Video 360 or Ad Manager.






Keep your data safe

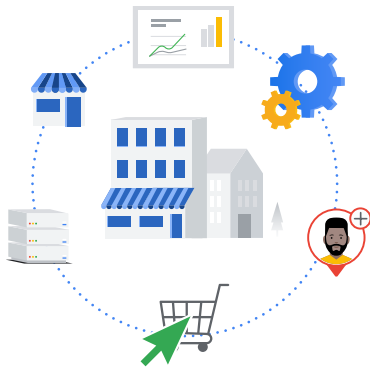
Invest in the right tools to provide the highest standards of safety across your data. Retailers can maintain a secure reporting and analysis environment, even as they delve into metrics at the brand and stock-keeping unit (SKU) levels, and integrate omnichannel reporting insights.

By using [Search Ads 360](#)'s or [Campaign Manager 360](#)'s APIs and [Google Ads](#)' Store Sales Improvement solutions, retailers can also onboard offline sales or any additional data in a privacy-first way, unlocking aggregate insights on customer behavior.

Bringing it all together

Though your organization may already be familiar with Google's solutions individually, seamless integrations between our products offer new views and insights into your business performance. With our retail media solutions, we can help you unlock holistic insights, and closed loop, cross-channel measurement. Read through some of our key solutions in the table below.

Google Technology	What is it?	Key benefits
 Google Ad Manager 360	Onsite ad management platform (i.e. SSP)	A complete ad management platform to manage and grow your onsite vendor-funded and non-endemic advertising revenue.
	Programmatic marketplace	Marketplace for advertising supply and demand including third-party buyers and sellers.
 Campaign Manager 360	Ad server and measurement tool	An ad management and measurement system that provides cross-channel measurement, omnichannel reporting, deduplicated buying, holistic attribution, and audience unification.
 Display & Video 360	Programmatic buying tool (i.e. DSP)	End-to-end campaign management that offers a deduplicated view for bidding, access to YouTube, and a premium inventory of 100+ exchanges with robust audience offerings.
 Search Ads 360	Search engine ad management	A search management platform to effectively manage search marketing campaigns. Offers a single offsite identity, and the ability to manage and track digital campaigns across a single platform.
 Analytics 360	Site and app analytics tool	Enables deeper understanding of your customers so you can deliver more personalized experiences.



Organizational best practices for getting started

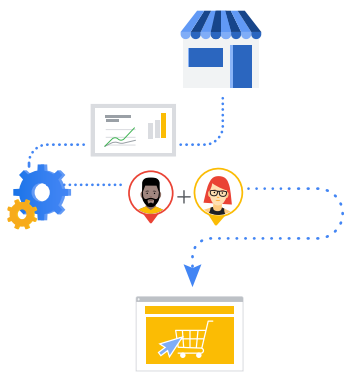
People and processes are central to building a successful retail media business. The right buy-ins, investments, and operating models form a necessary foundation for the technology to deliver results. After assessing whether your organization meets the criteria to benefit from a retail media business – large traffic volumes, a high quality and quantity of data, sufficient national brand inventory – the immediate next step is to ensure strong internal alignment.

As an organizational best practice, your retail media business should be an autonomous function with full profit and loss responsibility. Here's what we recommend doing to best position yourself for success early on:

- Secure dedicated support from your product and engineering leadership, and reinforce a willingness to experiment and iterate.
- Clarify a core set of strategies to accomplish your goals well ahead of time.
- Align on ad formats and key performance indicators to measure the impact of your tests and campaigns consistently.
- Create an end-to-end campaign execution plan to streamline your ad operations.
- Formalize your strategy and materials for selling brand packages to jumpstart your sales business.

Google's partnership with retailers is highly collaborative, and you can tap into varied support services during the set-up phase and beyond. Google can provide strategic and technical consulting, revenue optimization guidance, business reviews, troubleshooting resources, and more, depending on your business needs. Additionally, retailers can choose to work alongside a partner, such as a media agency or consultancy, for help with onboarding all the way through to implementation and post-setup guidance. Agencies and consultancies not only help businesses find their footing early in the process, but also generate expediency and reduce time to market.

Reach out to your Google contact to connect to highly skilled partners with deep expertise in implementing Google's retail media solutions. Together, we can help you prepare your business – from organizational change to technical set-up – for your next steps.

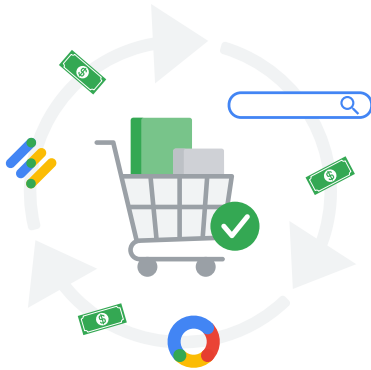


Designing your path forward

Depending on the readiness of your organization and your business objectives, timelines and processes for implementation will vary. When you're ready, Google can help guide your organization through each step of building a retail media business. We'll work together to define your vision, determine the value of the upcoming investment, and ensure operational readiness to kickstart the process. As you move onto planning and building out your solution, you might choose to also work closely with an agency or consultancy partner to accelerate your timeline. These services can help you throughout the entire process, from building out your foundational tech and data capabilities to sourcing the right candidates for your new retail media business.

Once you've set up your retail media technology, and have internal alignment across key considerations such as ad formats and reporting processes, you're ready to run a pilot against a control group. During activation, remember that impact will stem from both incremental transactions driven by your retail media business, and media revenue generated from brands.

Whether your goal is self-sufficiency (i.e., developing an in-house retail media business) or fine-tuning your strategy, there's a multitude of possibilities for the path forward. As you scale, you might choose to integrate new technology solutions, allocate more resources to yield management, focus on sales enablement, or build new dashboards for deeper insights. Whichever path you take, we'll continue to support you, and remain focused on providing increased optionality and flexibility for your retail media business.



Taking the next step

More and more retailers are investing in digital and technology to harness the value of their first-party data, and unlock incremental budgets from brands. By building a retail media business, you can monetize your inventory while delivering closed loop and smarter measurement for your brands, driving more sales, faster.

Together, we'll find the right combination of solutions that not only help you achieve your business goals, but scale as you mature. Through our rich partner ecosystem, we can also connect you with the right team to build and accelerate your retail media business. Reach out to your Google contact to discuss a customized option, and start preparing your business for the road ahead.

Additional resources for retailers

[Google Skillshop](#)

The one-stop-shop for every kind of learner who wants to succeed with Google professional tools and solutions. These courses offer practical training for several of Google's technology solutions mentioned throughout this paper.

[Google Marketing Platform On-Demand Courses](#)

Offers virtual training for marketers, agencies and partners -- designed to educate you through hands-on, engaging experiences.

[Google Certified Publishing Partners](#)

If you're looking to bring your business to the next level, rely on the expertise of Google Certified Publishing Partners. They'll help with everything from growing your ad revenue to strategizing across many areas including setup, optimization, and maintenance. These Certified Publishing Partners have been carefully vetted by Google. Not only have they passed Google's product certification exams, but they've also established a successful track record of helping publishers like you succeed.