

THE FULL REVENUE IMPACT OF RETAILER AD PLATFORMS

WHAT IS THE **TOTAL VALUE** OF MY RETAIL MEDIA SPEND?

The above is one of the leading questions on the minds of members of the Digital Shelf Institute's Executive Forum, an invitation-only community platform for Digital Shelf Executives of leading brands. Anecdotal evidence had been indicating that an investment in retailer ad spend drove business impact beyond that generated on the retailer ecommerce site itself. With member support, the DSI embarked on a study to ascertain the categories and levels of business value generated by retailer ad spend.

This study, and its accompanying calculator, provides for the first time a useable, logical, and data-backed framework leaders can follow to further justify the full business impact of their investment retailer ad spend, a growing area of investment for many brands.

Many Executive Forum members contributed input and feedback for this report, and we are grateful for their inspiration and participation.



“THE KNOWN”

Media Value
Online Sales

THE TIP OF THE **ICEBERG**

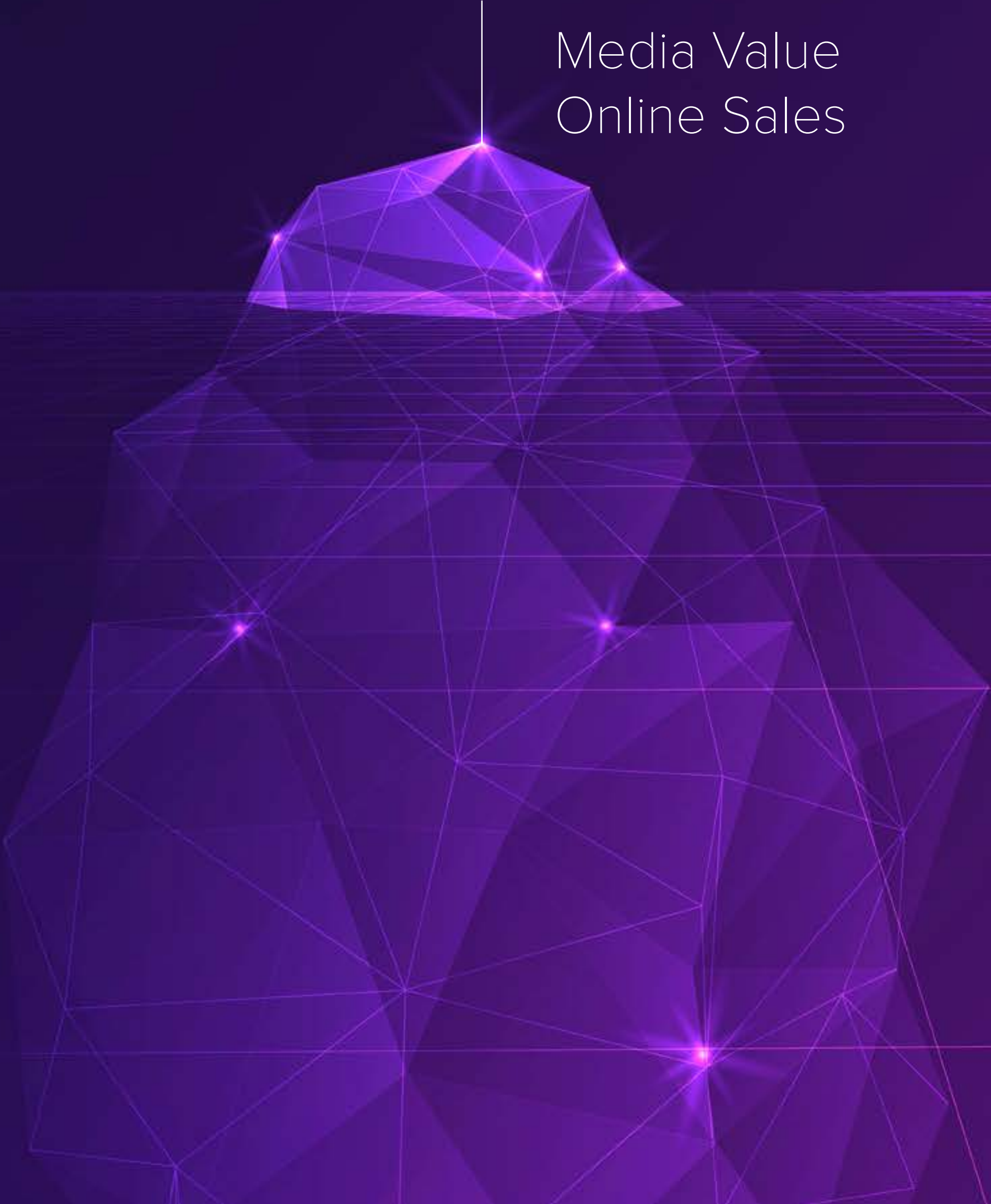
The most visible and short term measurable impact from trade media investment are in areas such as the online sales on the retailer platform itself and the impressions driven by the media.

Underneath that fairly well-understood surface, however, are the ROI ripple effects of the media investment across other valuable categories. This report will dig into each of these categories.

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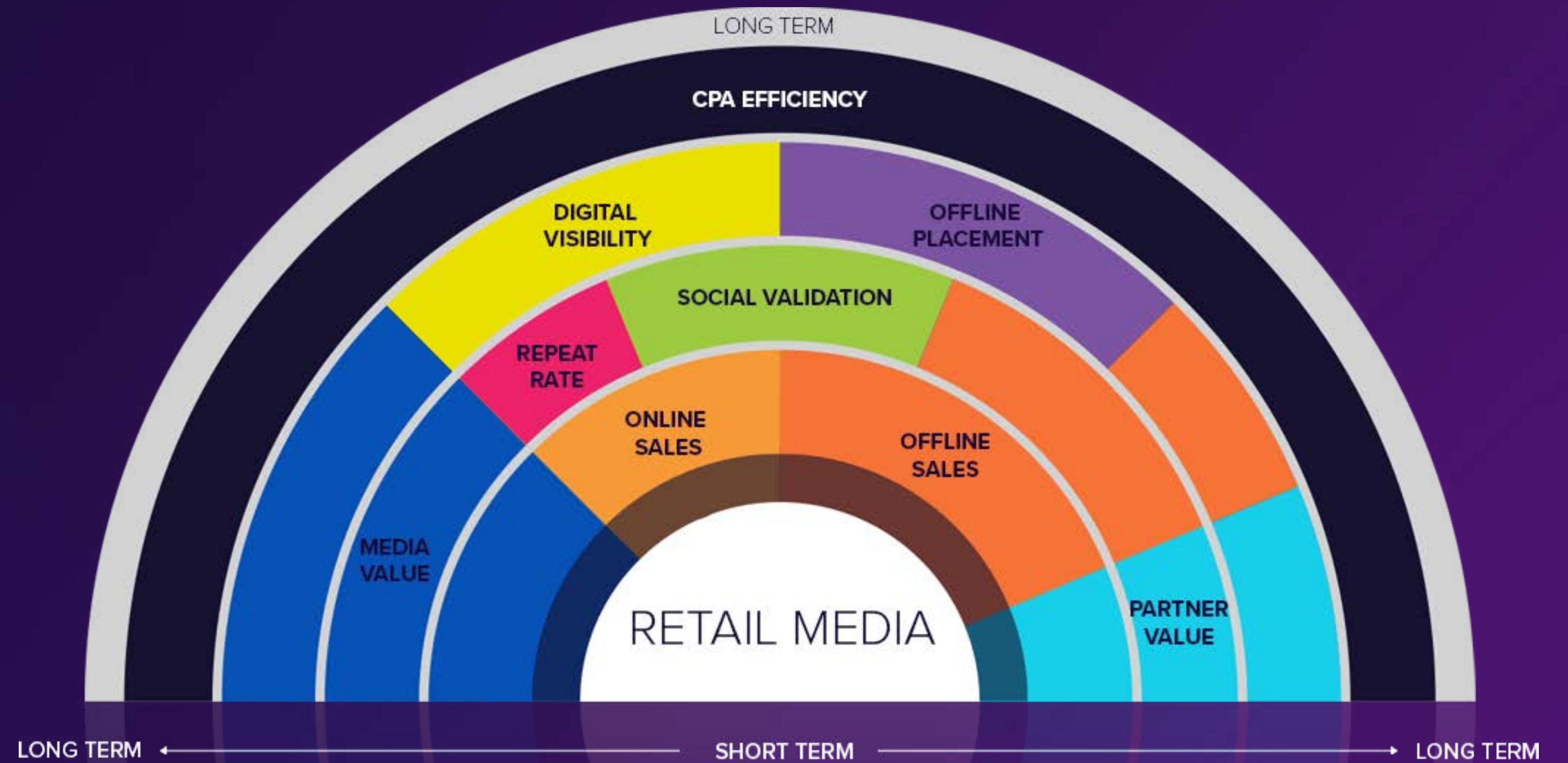
Partner Value
CPA Efficiency
Social Validation
Repeat Rate
Offline Sales
Offline Placement
Digital Visibility



LETS TAKE A **DEEPER DIVE**

RETAIL MEDIA IMPACT

This captures the “rainbow effect” of trade media ad spend over time across all meaningful categories of business impact. Some categories have lasting impact from short term to long term, such as offline sales impact. Others are realized only once some of the short term impacts have been felt in the broader market. For example, media impressions inspire social validation, which in turn can drive both increased digital visibility and improved offline product placement. The sum of these interconnected value categories will provide a deeper understanding of the true ROI of retailer advertising investment.



MEDIA VALUE

No different than other forms of media, retail media reaches target consumers and engages them with brand messaging and calls to action.

For a leading snack brand, media mix modeling (MMM) measured Amazon display and paid search advertising performance among the top 6 national media tactics, even ahead of television advertising.

For a leading beverage brand, Google Search trends measured almost the same brand interest generated from Amazon display advertising as their Super Bowl television ad spot.



ONLINE SALES

While more challenging to measure, retail media with one retailer influences shoppers wherever they ultimately choose to make their purchases, online AND offline at other retailers.



For brands across CPG categories, Amazon display and paid search campaigns generate immediate return on ad spend (ROAS) directly on Amazon.com

Category	Low ROAS	Average ROAS	High ROAS
Baby Products	\$3.96	\$4.43	\$5.27
Beauty & Personal Care	\$2.37	\$3.12	\$3.90
Grocery & Gourmet Food	\$2.42	\$3.02	\$4.03
Health & Household	\$2.60	\$3.19	\$3.81
Home & Kitchen	\$5.28	\$6.77	\$8.49
Pet Supplies	\$4.77	\$5.32	\$6.52
Sport & Outdoors	\$5.02	\$6.55	\$7.37

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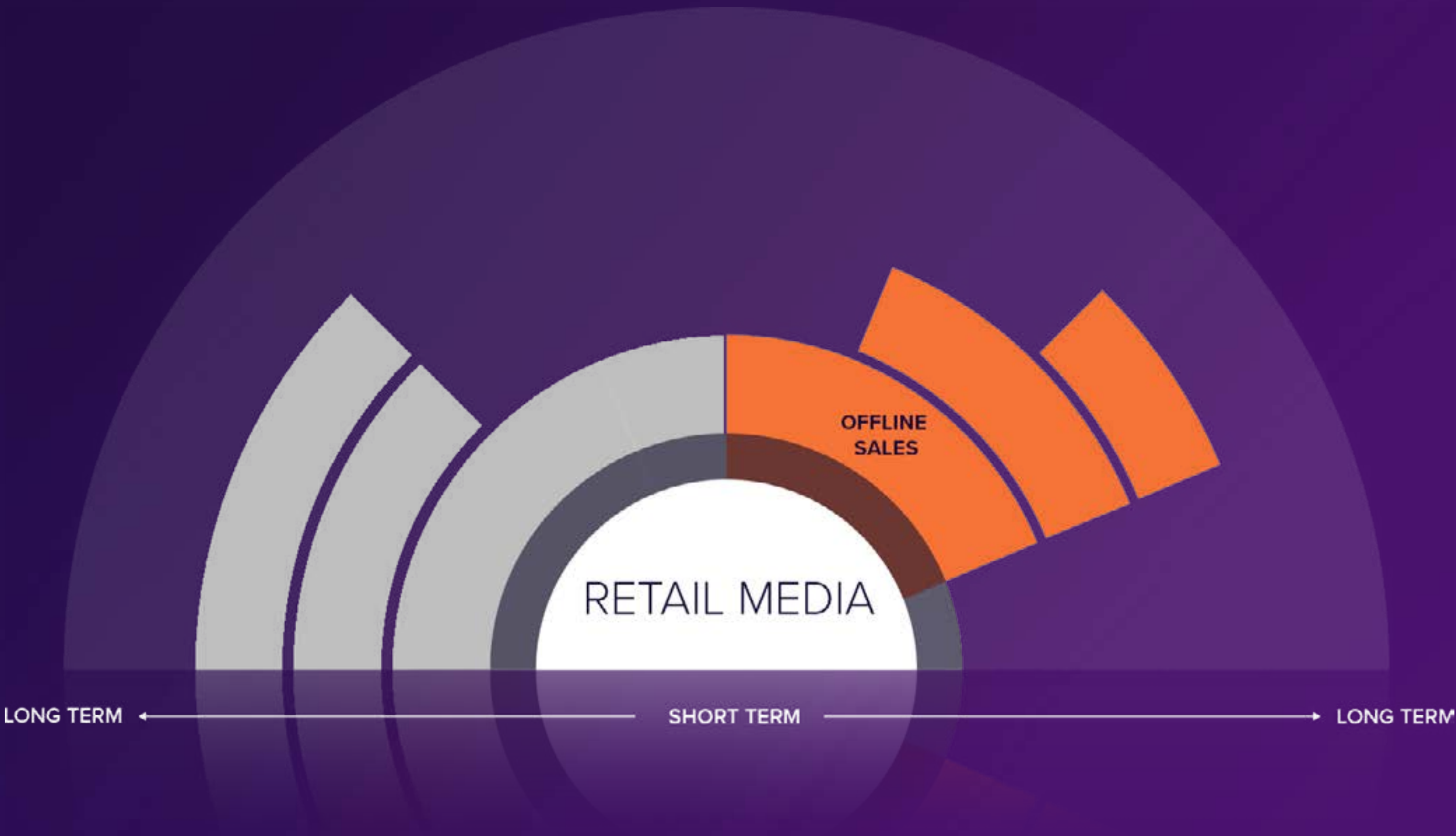
OFFLINE SALES

No different than other forms of media, but more easily measured by retailers on their platforms, retail media drives consumers to convert engagement into sales.

For a leading laundry brand, Amazon paid search campaigns generated a 10% increase in POS sales velocity in-store.

For a leading household cleaning brand, media mix modeling (MMM) confirmed that for every \$1 spent online as a result of Amazon advertising, \$7 were spent offline. The analysis also confirmed that for every \$1 spent online as a result of Walmart retail media advertising, \$10 were spent offline.

For a global omnichannel retailer, their rewards program data confirmed for every \$1 spent online as a result of a display advertising campaigns on their platform, \$11 were spent in-store on the advertised products.



PARTNER VALUE

As a dedicated investment with a specific retailer, retail media can have significant partnership value, supporting retail profitability and demonstrating commitment to that retailer's shopper acquisition and retention efforts.

For a leading snack brand, strategic investment in Amazon display and paid search helped secure invitations to several exclusive programs and pilot initiatives previously inaccessible.

For a leading baby care brand, strong performance data in eCommerce was leveraged to help expand distribution in-store at other accounts, including Albertsons and Rite Aid.



REPEAT RATE

Retail media’s impact on increased online sales drives greater repeat rates among shoppers due to both retailer subscription capabilities and the digital visibility of shoppers’ past purchase history.

86% 86% of online grocery shoppers look at their previous purchases to add to their basket, an option not available to in-store shoppers.
Source: Kantar

25% By an Instacart shopper’s 10th order, 25% of conversions are from their past purchase history.
Source: Instacart

2.2X Amazon Subscribe & Save buyers are 2.2X+ more valuable than non-Amazon buyers of CPG categories
Source: Numerator



SOCIAL VALIDATION

Retail media's impact on increased online sales drives more customer reviews which in turn can improve product visibility in search and conversion for new shoppers.

70% 70% of shoppers won't buy online without reading online reviews first.

39% 39% of shoppers won't buy in-store without reading online reviews first.

Source: Power Reviews

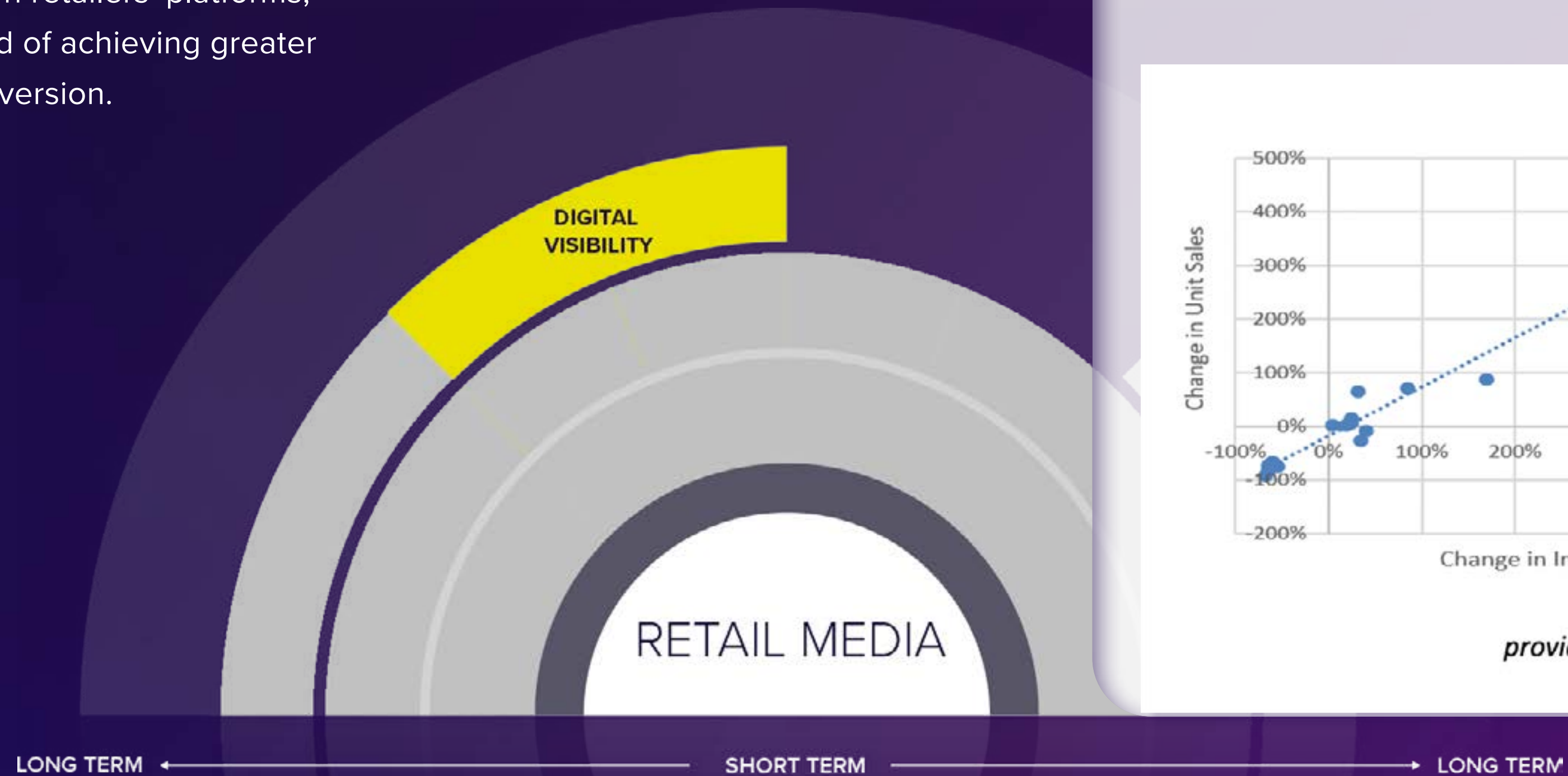
2-5%

2-5% of Amazon purchases receive an unsolicited customer review.

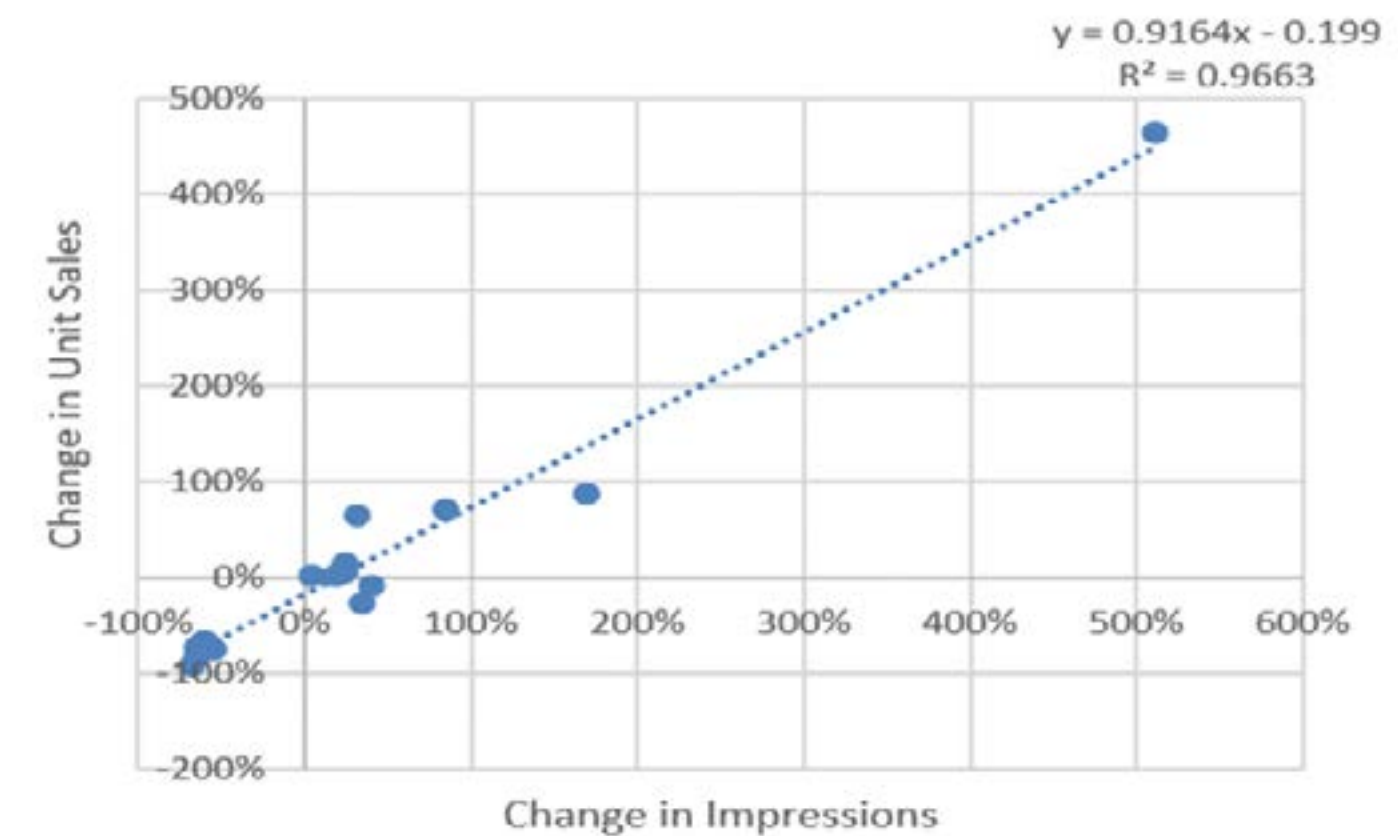


DIGITAL VISIBILITY

Retail media's impact on increased online sales drives greater sales and search rank on retailers' platforms, increasing a product's likelihood of achieving greater visibility, consideration and conversion.



The flywheel effect is real. For every 100% gain in impressions, there is a 92% gain in unit sales. The gain in sales drives more impressions and so on.



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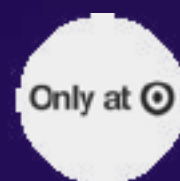
OFFLINE PLACEMENT

Retail media's impact on increased online sales improves product attractiveness to other retailers seeking strong partners and high-growth product portfolios.

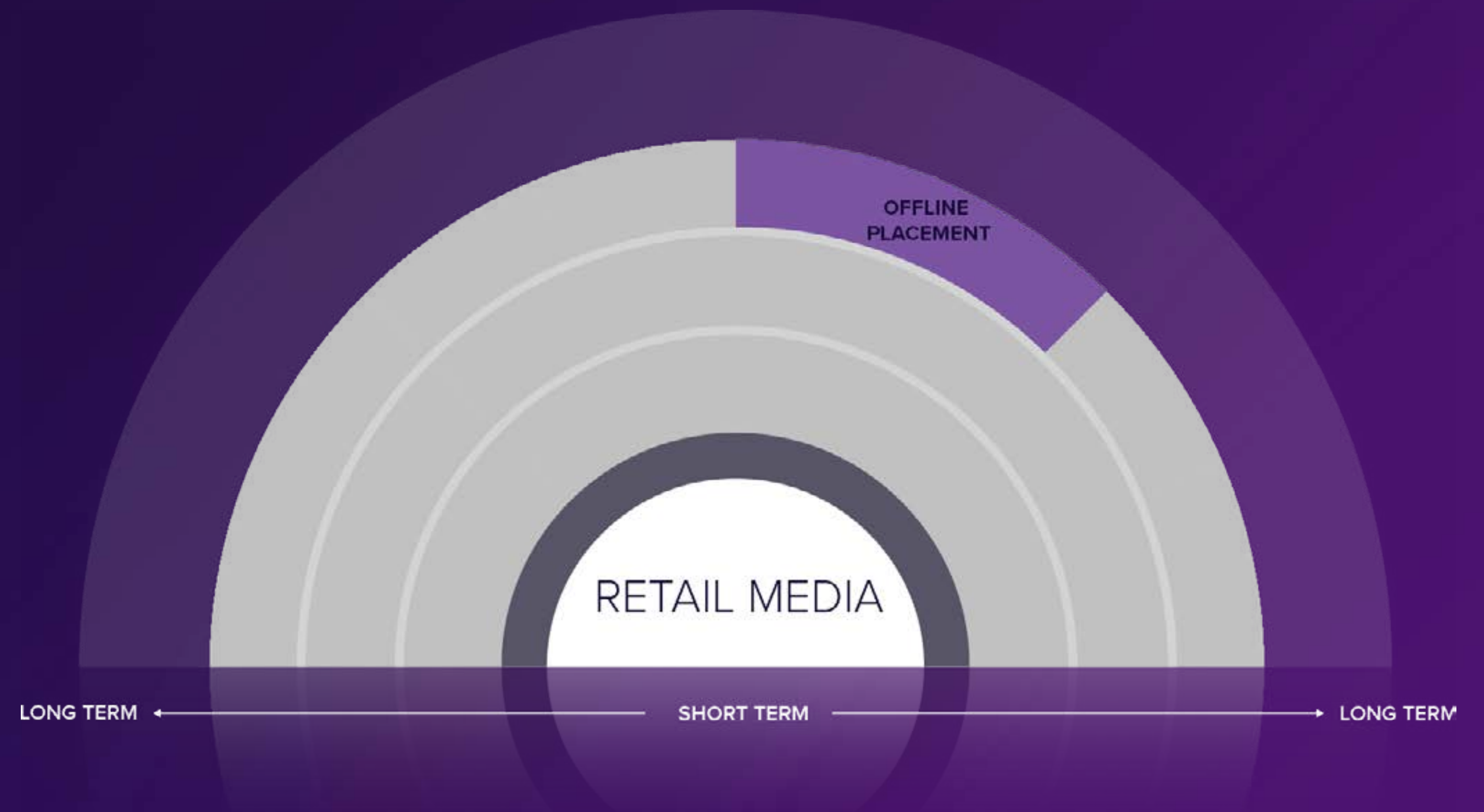
A digital-first beverage brand leveraged its eCommerce leadership (#2 in category search) as proof of performance to engage new retail partners including Kroger, Target and Walmart for incremental shelf space.

In the US, Target has looked to differentiate their in-store assortment with high-growth digitally native brands, including Harry's, Quip, Native and more.

Casper flamingo
HARRY'S NATIVE



In China, Alibaba's Tmall marketplace provides in-store assortment guidance based on top-selling and trending brands online.



CPA EFFICIENCY

Retail media’s impact on increased online sales, repeat rates and overall visibility and conversion among new shoppers helps to decrease the cost of acquisition for brands in future media investments.



With consistent paid search advertising today driving sales growth over time, a brand’s relevancy increases allowing it to spend less to acquire new customers.

As an example, two brands bid on the category keyword “bathtub faucet.”

Although Brand 1 bids higher, its relevancy score and click-through rates are higher, and so in the end, it spends less overall to reach more shoppers, resulting in a more efficient CPA.

	Avg Bid	Relevancy	CPM	CPA
Brand 1	\$2.84	↑	\$4.27	\$26.31
Brand 2	\$1.82	↓	\$5.74	\$35.39

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CALCULATE YOUR TOTAL RETURN ON **RETAILER AD SPEND**



As part of this report, the DSI has developed an Excel calculator to help leaders tailor the data inputs and model the business impacts for your organization. You can download it here.

[DOWNLOAD THE CALCULATOR](#)