



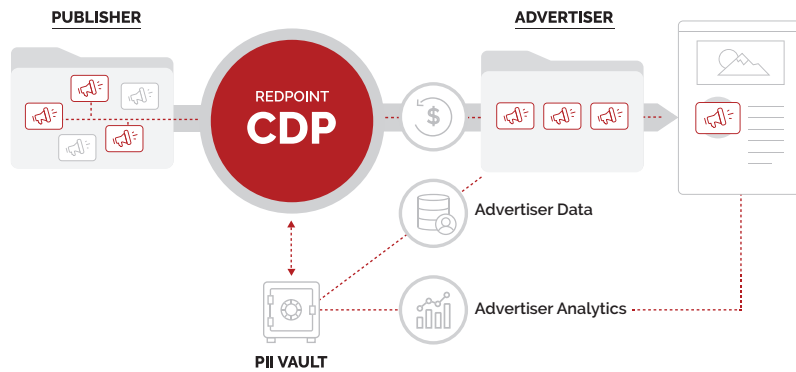
Monetize Access to Your Customer Data with a Retail Media Network

GroupM, the world's largest media buyer, expects advertising revenue from retail media networks will reach nearly \$126 billion this year, and will surpass television ad revenue by 2028¹.

While retail giants such as Amazon and Walmart already earn billions in ad revenue from retail media networks, the opportunity to monetize access to customer data exists for almost any company with a large customer base and a digital platform for ad buyers to reach those customers. Airlines, media companies and grocers are among the different industry players jumping into the retail media network game to monetize their first-party data in a privacy-compliant way.

What is a Retail Media Network?

In many ways a replacement for the third-party cookie, a retail media network describes an advertising service where a brand (the publisher) sells access to its customers to buyers (the advertiser) who wish to advertise to the seller's customers on the seller's digital channels—a website, a streaming platform, social channels or other digital assets. Retail media networks are in high demand because they provide access to an extremely valuable asset—curated access to a specific group of customers.



According to Forrester, one-quarter of all retail media networks earn more than \$100 million a year².

Unlike the use of a third-party cookie, the advertiser purchases a targeted list of customers who—based on known behaviors, characteristics or intent—are likely candidates to purchase a particular product or service.

To be effective, a retail media network must be of value to all parties: the publisher, the advertiser and the end customer presented with relevant digital advertising.

Data accuracy combined with more precise understanding of customer preferences, affinities and journeys allows retailers to better target ads inside the network than possible on the open web. The quality of first-party data that is used in the exchange is a big value driver, but value also comes from accurately tracking customers and results through the retail media network.

Tracking the details is important for several reasons. The publisher must know whether they're optimizing for example their pricing structure, and be able to demonstrate to customers, buyers and shareholders that they are creating value. They must also be able to prove compliance to regulators.

How do I Make the Most of My Retail Media Network?

The more that is known about a customer, the better the network owner can meet advertiser expectations for putting their product in front of the right audience. Higher quality data equates to more relevant ads, offers or discounts and, ultimately, better attribution.

Revenue also depends on the retail media network owner safeguarding its own customers' privacy, complying with both privacy regulations and abiding by a customer's consent for how their data is used. While no PII data is shared or exposed in a retail media network, customers will largely only do business with companies that honor their stated preferences and offer complete data transparency.

These two considerations—data quality and privacy—are the functions of a data clean room powered by a customer data platform (CDP), a necessary capability for a retail media network.

A data clean room functions as a PII vault, linking the publisher's first-party data with the incoming advertiser's data in a privacy-compliant way. The publisher honors customer consent and preference requirements, and the advertiser uses lists of customers in an aggregated and de-identified format to select advertising targets.



Dollar General illustrates the value of owning a retail media network. The retailer has more than 90 million unique customer profiles, an enormous volume of hard-to-get first-party data considering that three-quarters of the retailer's 18,000 stores serve fewer than 20,000 customers—most of whom are not concentrated in major mass-market urban areas. Dollar General's director of media network operations says that the retailer identifies and reaches more than 90 percent of its customers through paid media. By selling access to this rich trove of customers, Dollar General likely earns roughly 70-90 percent profit margin on ad sales, vs. a typical retail profit margin of about 4 percent³.

Setting up a Retail Media Network with the Redpoint CDP

The Redpoint customer data platform (CDP) optimizes the value of a retail media network by standing up the data clean room with high quality customer data:



All cleansing, transformation, normalization and data hygiene processes are completed at the point of entry to ensure accurate matching. Aggregates, appends and other information can be automatically added to the data to enrich it. Full data lineage tracks the end-to-end data lifecycle.



Advanced identity resolution in the CDP provides tunable automated algorithms for matching multiple identity proxies to build an anonymous-to-known unified customer profile at the individual, household and/or business level. Using persistent keys, the resulting unified customer profile provides a longitudinal view of a customer over time. The complete and accurate identity and contact graph represents a detailed collection of all connected experiences, interactions and facets of a customer or household—knowledge that is critical to drive value for a retail media network buyer.



Data matching happens in real time, meaning that a selected audience is chosen based on an up-to-the-moment customer profile. In-line machine learning models power intelligent, dynamic segmentation where audiences are derived from dynamic rules. When an audience is matched with a buyer's incoming data, the buyer receives a de-identified list of customers optimized for the content at the moment of interaction.

Redpoint optimizes value in a retail media network by empowering brands to create deep and unified customer profiles that are readily accessible, ensuring that publishers produce audiences that precisely meet their buying partner

requirements. For more on how the Redpoint CDP can help you optimize your retail media network, go to www.redpointglobal.com.

¹ <https://www.forbes.com/sites/bradadgate/2022/12/01/retail-media-networks-are-the-next-big-advertising-channel/?sh=2e71dddf346c>

² <https://www.insiderintelligence.com/content/retail-media-networks-hit-their-stride-2021>

³ <https://martech.org/why-we-care-about-retail-media-networks/>

About Redpoint Global

Redpoint helps innovative companies ignite the full potential of data to drive superior customer experiences across the enterprise. The Redpoint CDP creates a unified customer profile with the accuracy and availability to power any business use case, using industry-leading data quality and identity resolution combined with dynamic, no-code segmentation. Marketers and CX leaders rely on Redpoint to fuel hyper-personalized experiences that yield tangible ROI in customer acquisition, engagement, loyalty and retention. **To learn more, visit redpointglobal.com.**



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