

# Chris Perry Raw Transcript

[00:00:00] **Andy Murray:** Hi, I'm Andy Murray. Welcome to It's A Customer's World Podcast. Now more than ever, retailers and brands are accelerating their quest to be more customer-centric, but to be truly customer-centric, it requires both a shift in mindset and ways of working, not just in marketing, but in all parts of the organization.

[00:00:28] In this podcast series, I'll be talking with practitioners, thought leaders, and scholars to hear their thoughts on what it takes to be a leader in today's customer centric world.

[00:00:46] **Chris Perry:** Thank you so much, Andy. My name is Chris Perry. I'm the chief learning officer at FirstMovr. We are a CPG eCommerce education organization and change management advisory partner.

[00:00:56] And really this comes from a place of being a practitioner in this space, both my business partner and I, our co-founders of FirstMovr have been in the trenches and eCommerce for over a decade across multiple CPGs. You may have worked at or know Kelloggs, Modenlez, RB, Wellness Pet Company, Kimberly Clark, between the two of us and then have been in this digital or brand marketing space.

[00:01:19] So you can definitely say our subtitles are nerds. But we're nerds that are passionate about actionable strategy in this space.

[00:01:27] **Andy Murray:** Love it. And retail media networks right now is one of the hot topics that everyone's talking about. And one of the challenges with it is there's so many different acronyms and words to understand it.

[00:01:38] And many people come to this space from different backgrounds, whether it's from a sales orientation or shopper marketing, or perhaps performance media. And when you get those different angles coming in, it's hard to look at the end to end understanding of it and pick apart those things. So inevitably you run across words that like, okay, what does that mean?

[00:01:57] And so today is really about speaking to your grandmother and explaining some of these words end to end. So we'll start with how it works and let's just take retail media network.

[00:02:09] **Chris Perry:** So a lot of times you'll hear RM in as an acronym or even RMG as retail media group. All that is, that's an acronym for retail media networks or retail media groups.

[00:02:19] These are often the third party, but connected advertising service at a key retailer. So as an example, Walmart would have Walmart connect or Amazon would have Amazon ads or target would have round Dell. So they are part of their organization, but they're a different entity that manages all the advertising and media for brand advertisers.

[00:02:44] **Andy Murray:** That's helpful. And I'm also seeing retail media networks being applied as a definition to re media platforms that aren't really omnichannel. So is there a significant difference between a retail media network that is omnichannel and has a physical presence versus one that might be just a pure play digital.

[00:03:02] **Chris Perry:** There's definitely differences in terms of capabilities and I, and then the measurement potential the and the potential for the halo impact that can be captured measured, shared, and used to optimize. To be honest, when you think of an Amazon who may not yet have the full in-store presence, even though it's ambition is there, right?

[00:03:22] They are still in most markets where they play a retail role. They are the first place shoppers go. When they're looking for product information, they are the Google of product searches. So the media network ends up, haloing out beyond Amazon, right? There's been some really great studies out there showing the off Amazon impact of that media.

[00:03:43] Even if I. Pre-shopping or researching on Amazon, I might actually end up buying at a Walmart or a target or a Kroger or wherever I actually am. So I, there are definitely differences. It's usually in capabilities, tactics, measurement because ultimately the off the halo impact of the measurement could be the same, depending on how scaled your investment is.

[00:04:04] **Andy Murray:** Okay. That's super helpful. And you're dying to say the word platform often on platform, which is our next two. When you hear the word on platform describe what on platform means and how does that work?

[00:04:16] **Chris Perry:** So on platform generally is referring to, and again I realize, like you said, everybody's coming from different angles, but on platform, media would be any of the capabilities or tactics on offered on a retailer site or app.

[00:04:30] And that's pretty simple, right? It's their platforms. Obviously internet or mobile device, it's the real estate. They own outright that you really can't access without their help. And it's highly coveted for a lot of brands because it's some, the shoppers they're going after are in that shopping mindset and much closer to that point of purchase.

[00:04:50] And so whether they buy online or offline being on the platform allows us to get access to those shoppers at that critical point in their journey. Okay.

[00:04:59] **Andy Murray:** And so does on platform include digital assets in a physical store? Is that often considered on platform?

[00:05:05] **Chris Perry:** Maybe up until today it's historically been considered the digital assets, but it should include because a retailer's platform could be any of their own real estate.

[00:05:16] Any. Any real estate physical or digital, or in the future, in the metaverse that they own that's their on platform capabilities. So really traditional shopper marketing tactics should be considered on platform. It just ha maybe you could call it in platform, right? Cuz it's in store. But yes, as we are thinking really Omni and Andy, I know you're pushing that very thoughtful agenda about the Omni mindset we want on platforms, anything in the retailers' ecosystem.

[00:05:42] **Andy Murray:** Very good. That almost self describes what off platform is, but that's not always clear. So could you, when you hear the word off platform, retail media network activity, what does that typically mean?

[00:05:53] **Chris Perry:** So in that sense, it would be anything outside the retail's ecosystem but increasingly and this is actually part of training that we do a lot of just making sure we clarify, I'd almost call that indirect retail media right now.

[00:06:06] It's. It depends on who you're buying it from. If a brand buys their own media on Facebook and links and drives the traffic to a Walmart, that is indirect retail media, cuz they're the ones driving. It's just, they didn't buy it from Walmart connect right from Walmart's retail media network. But Walmart may be able to sell you and does off platform capabilities using their targeting data, which becomes really interesting because now I can find.

[00:06:34] Andy, my shopper, wherever Andy goes. And even though Andy is the specific shopper, I really want to go after because he's bought my product in the past, but he's lapsed and I wanna get him to reactivate. So off platform is a way to really expand beyond that point of purchase opportunity and get people at other points in the funnel, if you will.

[00:06:54] **Andy Murray:** And what's the adoption rate, as far as you can tell of brands choosing to spend their off platform money, cause they're currently spending off platform through a retail media network.

[00:07:04] **Chris Perry:** That's a great question. So this is like the contentious debate in the industry today, cuz you still have a little bit of church and state happening in the industry.

[00:07:13] Because ultimately most of these dollars were sitting in the brand teams national or market level budgets and the shopper budgets and the trade spend budgets that were on the sales side or the customer marketing side were smaller but adequate to achieve the in-store activation.

[00:07:31] Now we've got actually, because of all these omnichannel partnerships and these much larger retail media network asks, there's a need to go in and pull in more brand side funding. And. I would say the adoption rate is high, but I would say that there isn't necessarily a willingness or a desire to do it because now there's a little bit of turf war going on internally.

[00:07:54] But I think part of this is a mindset shift of how we look at retail media as not sales versus marketing, but as one in the same, if it's achieving the objectives that the brand really wants to what wants to target.

[00:08:06] **Andy Murray:** And do all retail media networks have off-platform capabilities or is that really a mixed.

[00:08:12] **Chris Perry:** It's 1000% a mixed bag. And even when somebody says they now offer it, they may literally only offer a select amount one type of, one type of off platform display, whereas others are, really pioneering into influencer programs and collaborative ads on Facebook and other social platforms.

[00:08:31] So it is a mixed bag, but the direction is moving in that full suite of off, off platform. I think that the, for me, though in, in per true transparency, what would matter to me is how well you can target off. I like great. You have 50 capabilities and none of them can target the shopper I'm actually really going

after or have the brand protection in place or what, whatever my core concerns are that becomes the issue.

[00:08:57] So it's more about how you target off platform. That becomes more, more interesting to me than just that you can do it.

[00:09:04] **Andy Murray:** Got it. That's certainly an area that's in early stage development. When you start talking about off platform capabilities switching gears a little bit on how this all works, you'll hear the word PDP a lot.

[00:09:15] And if you're not familiar with what PDP is it would be helpful for you to describe what is PDP and how does that relate to the retail media network conversation?

[00:09:23] **Chris Perry:** That's a great one. So PDP bridges back into like our retail presence online. That's our product detail page. That's what PDP stands for.

[00:09:33] That is the most important omnichannel touchpoint you have in the entire shopper journey, whether or not every shopper goes to your site to a retailer site and looks at your page. It most product detail pages get collectively get more views for a brand than their own brand website. So it is a critical.

[00:09:52] Influencer for those researching once what once, you're buying a brand and it's a lower involvement repurchase, you're not gonna go back and re research it every time. It's a you're auto piloting at that point, like any shopper journey, but the PDP a can based on how we optimize it to convert and be listed higher up in the search results can be how you gain visibility in this space.

[00:10:17] It can drive the actual sales online or offline with the influence that that we want. When you're doing certain types of retail media, all of that media is gonna point to a PDP of sorts. Ultimately. So your paid search on a retailer site is literally featuring. The search result that clicks into the PDP and, any off platform or on platform display, will link to that PDP.

[00:10:42] So that PDP is so critical cuz it's where everything points to. It's all roads lead to Rome, right? PDP is Rome. And really and honestly I see a lot of people roll their eyes when we talk about optimizing the PDP, but I could spend billions of dollars if I had it on traffic and the PDP could be a net with a hole in it.

[00:11:00] And so if we're not retail ready, none of that investment can really capture the intended sales that I'm trying to drive with it.

[00:11:08] **Andy Murray:** And then sometimes I hear the word PDP and I hear the word digital shelf and I can get a little confused. Is digital shelf synonymous with PDP or does it mean something else?

[00:11:16] **Chris Perry:** That, that's a great question. So I generally think of them as one in the same, the digital shelf is where your PDP. Lives or doesn't live right? Depending on how visible you are or not. But when we talk about optimizing the digital shelf, if we're optimizing our PDPs, which are the units of the digital shelf effectively, we can earn our way to win invisibility on the digital shelf.

[00:11:42] But that starts with shopability because even if I'm not showing up at the top, when I type in laundry detergent, if I'm not showing up at the top, but I'm highly shoppable and I drive traffic to it on my own, and I start converting, I can rise up on the digital shelf and earn that visibility, let alone the way I can pay for visibility.

[00:12:01] So it is synonymous when we say winning the digital shelf, it's using the PDP to win.

[00:12:07] **Andy Murray:** If that makes sense. Got it. And so I guess maybe a layman's look at it might be where you show up on the search results is a bit like where you're at on the digital shelf. Exactly.

[00:12:16] **Chris Perry:** Before we move into, again, I say the metaverse because whatever comes next right is coming.

[00:12:21] So we may be the meta shelf at some point, but the digital shelf, as it pertains to today, whether it's desktop, laptop, tablet, mobile device, even voice is what ranks at the top is winning. Right? And, but winning is a function of visibility drivers and search engine optimization and keywords and other things, as well as shopability and avail, the availability of your product.

[00:12:46] Promotion advertising everything that drove and converted traffic against your PDP.

[00:12:52] **Andy Murray:** Excellent great explanation. Let's switch gears a little bit in how it works. Some more technical words that start to lose people. I

know it lost me at, in the beginning when I started looking to space, but let's start with DSP.

[00:13:03] What the heck is a DSP?

[00:13:04] **Chris Perry:** That's a great question. I equally had that huh. When these started being thrown around, I feel like sometimes people throw these around to make themselves feel smarter, but you can too, after today's session after today's review. So DSP stands for demand side platform and what these are or intended to be, even though they're evolving and we'll talk, we may talk to some examples here.

[00:13:25] These are marketplaces that connect they're often real time bidding platforms marketplaces that connect advertisers or brands. With the supply side platform or those who offer the media. And that could be, publishers out on, on, the, whether they're retailers or not, or it could be the retailers right now offering us their inventory through this DSP or this marketplace.

[00:13:49] So it's intended to be, to make, to be a one stop shop and kind of a middleware of sorts between the buyer and the seller to make it easier to get scaled advertising against our objectives.

[00:14:01] **Andy Murray:** So when a retailer says they have now made a deal with a DSP, what they're basically saying is they're making the inventory, they have available for a, for brands to advertise through a technical platform that allows some type of program computer to computer connection versus, picking up the phone and calling Ling Wiggs and saying, what do you have available?

[00:14:23] **Chris Perry:** Exactly. Cuz in the past. Whether it's just a retailer's offerings or whether it's a broader DSP in the market with multiple partners and places that I could advertise it it's intended to make this more self-service right. So that I'm not necessarily to your point having to call and set again, there's still some admin going on behind, obviously when you're buying and selling.

[00:14:45] But the idea is to make the inventory and the demand connect in a seamless way so that we can activate more quickly and get the results faster.

[00:14:54] **Andy Murray:** And if a retailer doesn't have a DSP relationship, then you're probably gonna be in some type of managed service or a different type of relationship.

[00:15:03] Correct?

[00:15:04] **Chris Perry:** Generally, yes. It'll be a little bit more hands on manual. I like to say white glove service, you might not always feel like it's a white glove service, but it would definitely be a managed service to where you're gonna have to. Email or call or engage with a human to, to go procure the media that you want, either on the retailer or off PLA on platform or off platform.

[00:15:23] And that's not necessarily bad. It just it doesn't make for as much of a seamless experience, which is literally what we're trying to design for the shopper. Why as back end commercial leaders, do we want friction when everybody else is making a frictionless environment? So we want that same ease and speed and ability.

[00:15:39] **Andy Murray:** I guess maybe one question on DSP real quick is that with a DSP, they're gonna take a percentage of that media cost to provide that service, correct. Where at a direct relationship with the retailer, even if it's managed service, you may not have that cost. So is there a media efficiency that you lose a little bit or does it net out

[00:15:55] **Chris Perry:** That's a great, that's a great question.

[00:15:57] Obviously, this will vary by retailer. And I don't wanna, I don't wanna say too broadly, because I realize they, they don't publish all of this, but often yes. If I'm buying something from a retailer directly and not through the DSP, in theory, I might not see a fee that or an extra cost for the actual purchase of the media and the activation, however who's to say.

[00:16:20] And I've seen some of my, in my own time that the costs weren't inflated a little bit to cover those costs because technically that retail media network has to break. Even if not, obviously add a very high profit margin for their retail business, that's under pressure. So it may just be what I actually see.

[00:16:37] The DSP may actually just make it a little bit more transparent, but it may look like it's a net new cost when it really wasn't. It actually helped lower the media costs. Sure. There's a fee because yet you're getting the value of it. But I was getting the fee. I just didn't know it, cuz it was in.

[00:16:54] The higher costs per media placement.

[00:16:56] **Andy Murray:** Yeah. Great explanation. And a close cousin of DSP that I hear a lot is DMP. And what's the difference between a DSP and a

[00:17:04] **Chris Perry:** DMP. That's a great, that's a great question. So myself thought these were almost. Very similar things, just slight change.

[00:17:10] There are actually a little, two different types of platforms, right? DSP is that marketplace where the buyers and the sellers sell the media and offer the media to one another. In ideally a self-service manner, DMP is a data management platform and that's really intended to be a kind of a centralized tech platform used for collecting, organizing, and really being able to activate large sets of disparate data sources.

[00:17:35] And we're gonna talk a little bit about this in terms of data but whether it's your own data or what we call first party, or whether it's second or third party data that I'm buying or procuring from other sources. So it's a way to, in many cases, it's a way to be able to start targeting.

[00:17:52] Creating targeting groups. There's a lot of different things you can do with DPS. But it's really that tech platform for organizing data, not necessarily for buying the media itself.

[00:18:01] **Andy Murray:** And when you're talking data, you're not talking creative assets, you're talking about audience, correct?

[00:18:06] **Chris Perry:** Yeah. So technically that we could go a whole nother PPI and dams, which is , product information management systems and data, digital asset management systems.

[00:18:15] Those are more for like my PDP content we were talking about. That would be where I would house all my creative for my ads and whatnot. Those are, that's a whole nother, that could be a whole nother thing, but DPS is more for that audience data, emails and other first party data. I might be collecting about my shoppers so that I have a place where I.

[00:18:32] I can activate that data with efficiency. Excellent.

[00:18:36] **Andy Murray:** Okay. That's a good explanation. I hear a lot about trade desk when I hear the word trade desk. I'm not sure. Is that a company or is that a a wall street type idea of trading stocks, explain trade desk.

[00:18:46] **Chris Perry:** That's a great one.

[00:18:47] So it is actually a company, but it definitely sounds, it's a smart name because it does represent what it is. But I and this is where I would say when

you actually start talking about companies, this is where companies are evolving, obviously to stay, competitively advantageous in the market and to help serve their chosen customers as well.

[00:19:05] Trade desk is technically today a type of DSP marketplace that would allow their customers right to, brand advertisers, to be able to purchase lots of different inventory across digital media social media TV in some cases they got, again, they're evolving their, the types of media they offer, but it's a marketplace where brand advertisers can access this media as in, would be for any DSP or demand side platform.

[00:19:34] They are really leaning in a strategic way to help own this retail media space. So they've partnered with Walmart, Walgreens, Albertsons, and I'm sure the list will continue to roll out as they realize retail media is such a large and increasing share of overall digital spend and all brand spend.

[00:19:53] So they today are a DSP. But that doesn't mean they're gonna stay that way long term. They, I think they have their eyes on being more than just that.

[00:20:00] **Andy Murray:** And I understand a couple of DSPs providers, like trade desk really dominate this space right now. Others would be like, Criteo is that correct?

[00:20:08] **Chris Perry:** Yeah, Criteo is yes. A marketplace. Citrus ad has some of those same capabilities where, and really for brands you would go to a Criteo or a citrus ad in, in the past, again, outside of any evolution they take in the market to access inventory on multiple retailers from one place. And so some of the, some of our top retailers in the market have, shared it's almost like Expedia or hotels.com, getting a certain number of rooms allocated to them from hotels around the world. So there's some inventory being allocated to Criteo or citrus ad from these key retailers that are participating with them, that you can access from one place.

[00:20:47] **Andy Murray:** That's a good, that's a good metaphor. Like the hotels.com and such it's, that's really helpful.

[00:20:51] And then live ramp. Is that another form of a DSP or is that something different? .

[00:20:57] **Chris Perry:** Yeah so that's another company and actually trade desk and live ramp are partnering, which in a number of ways, which starts to enable

some really cool capabilities that might make them something different in the future, which I keep alluding to.

[00:21:09] But that's where it's always funny. When you try to place a label on a company, cuz they themselves. Can't evolve. Can't stay leaders if they always stay in one bucket, but live ramp is unique. They are a, an independent identity platform as they call themselves really trying to help you or key stakeholders in the industry build unified views of individual shoppers, but in a privacy conscious way.

[00:21:34] So they're really trying to make sure that they can help you ID Andy Murray as the person that you that we can target, but without giving away Andy Murray's actual personalized information. And so they're building on IDs for households and individuals combining all of this data and actually in partnership with trade desk, they've got a lot of things rolling out, both in north America and Europe.

[00:21:58] But technically marketers brand marketers can bid. On live ramps, identifier for households with all that data pooling together using trade desk platform. So now I can really go after the right people using all the right data, using two partners. And so not everybody's doing that today, but that's a cool partnership capability here.

[00:22:19] **Andy Murray:** So where trade desk is optimizing the inventory available and making it easy to access that through as a DSP live ramp is optimizing the audience and the DMP connection. Simple. Okay. Very good. Now speaking of audience, let's go to a whole nother section and try to better understand some of the words and acronyms under the audience space.

[00:22:38] The first one would be first party data. Tell me about where this party is and whose party is it?

[00:22:43] **Chris Perry:** So I tease that a little bit earlier, right? So that first party data among the other types of data would be kinds of data that you would be tapping in your own DMP, right? Your data management platform, or potentially through a live ramp or others.

[00:22:58] So first party data is any data you as a company or your retailer as a company is collecting directly from its customers and owning outright. So that, that would be, again, if I'm a retailer and I'm selling to my, product to my consumer, my shopper, I'm collecting quite a lot of data, right?

[00:23:16] Payment, data and emails and contact information and addresses, and many different things that, that would allow me to engage them later, their behavioral data, if I'm more sophisticated, not all retailers are there. Brands are collecting some of this, but historically that's been through like, email databases and like CRM databases when they've collected, through sweepstakes and other, other programs where they're encouraging people to sign up on their own website.

[00:23:42] So often a brand's first party data is a little less sophisticated than a retail. We hear a lot of people talk about using first party data or the importance of it. But then the question is how are you using it? Just cuz you have, it doesn't mean it's worth anything if you're not tapping into it too.

[00:23:58] And that's where some of these DPS and all this really can help us make use of it. Second party data you'll hear is data is someone else's first party data that maybe one to one you share or work together on third party data would be going and tapping maybe like an exchange or an aggregate, an aggregator where they have lots of different data available and you're pulling from it again.

[00:24:23] Maybe it's using third party data to go target because you don't have it yourself.

[00:24:26] **Andy Murray:** And the old E email marketing would be buying a list of somebody else's to, target

[00:24:32] against it. And so obviously there's some magic in trying to put my first party data as a brand with the retail's first party data, but the privacy, confidentiality, regulations and.

[00:24:42] Has birthed this new word words, clean rooms. And so clean rooms is something that is really evolved in the last two, two years or so explain what clean rooms are. Are these people in white coats that sit in some room? What's a clean room.

[00:24:56] **Chris Perry:** I don't wanna keep anyone from putting on, wearing their favorite costume or whatnot as they take on a new role.

[00:25:01] But this is clean room is the concept of a space where those two separate entities, a brand and a retailer or a brand and a DS P whatever, or it doesn't have to just be a brand, but we're talking to brands today, right? A brand and a retailer in this case can come together, share their first party data in a privacy conscious manner.

[00:25:21] And I keep bringing that up. There are, so there, I'm not an expert in how you keep it PRI privacy conscious, but there are lots of guidelines and regulations, but it's really that black box where everything can go in together, be matched up and used and then and then leveraged for whatever objectives, joint objectives the retailer and the brand are aligning on.

[00:25:41] **Andy Murray:** So if you're a brand at first party data, you put it into a clean room to better match it up with the retailers audience. It gives you some security, that information's not gonna violate your confidentiality agreements with your first party

[00:25:53] **Chris Perry:** customers. Exactly. And because again, we may have emails of loyal consumers and we want to go after those beyond just our own email, we wanna tap them.

[00:26:01] Cause we know us. We wanna see how many, what share of those shop at Walmart. So that might be an opportunity where we were partnering in a clean room to, in to siphon those, that those groups out so that we can target them in other ways on that platform, without it feeling like it's cuz this is what's interesting.

[00:26:18] Everyone wants a personalized experience, but no one wants to, it's like we. We don't wanna know what goes into making our food, but we really want the food. So I was I, I don't wanna know that you did what you did to bring me a better shopper experience, but I still want it.

[00:26:32] So as, but I need to, I, there are a lot of increasing concerns over privacy and data. And so this is the right step to be able to do that so that we are, I'm not saying it's perfect yet, but it's the right. It's a step in the right direction towards maintaining consumer privacy.

[00:26:47] While also giving us the personalized experience, we actually are voting with our dollars to achieve.

[00:26:53] **Andy Murray:** And if you look at clean rooms in the context of how many are out there by retailer network retail media networks, is this something that the majority of retail media networks offer is a feature, the ability to set up a clean room, or is that really only for those that are heavily focused on say off platform or doesn't really matter?

[00:27:11] **Chris Perry:** I don't wanna speak for the industry overall. I, this is not a totally new concept, but this is again, I feel like it's words being used that

haven't necessarily been translated to active, perfect strategic practices. So this is a relatively new thing that I'm hearing across the industry from leading brands with big budgets who realize that they need to take not just keep investing as they have, but take their investment to get even better ROI.

[00:27:39] As we were just talking about with sales and marketing merging together, we've gotta get more from that budget if we're gonna treat retail media as media. And so I, it's gonna become more commonplace going forward. It's relatively new. I only hear a few top brands really talking about it today and not all the retailers yet have all these capabilities, cuz to be fair, some of them were just launching retail media networks.

[00:28:03] In 20, 20 and 2021 after COVID kind of pushed everyone over the cliff. So th this, some of the ma the major retailers are starting to tap into this. Some of the, I would say regional ones are smaller category specific retailers have an opportunity to lean into this, but I do think this will be a common place space to go and pull data together because the data's gonna be so important for both sides.

[00:28:26] **Andy Murray:** Yeah. And when you start getting into this level of technology, I'm sure it's pull another chair up to the table and invite it, or somebody that has, an ability to customize your tech stack, to deal with that. Let's go do the word it's very common but maybe not understood in the context of retail media networks.

[00:28:41] And that's the word segmentation when you hear segmentation, what does it mean? The same thing as you would hear in traditional media, but, talk to me about that.

[00:28:50] **Chris Perry:** No, that's a great question. So I think it generally means the same thing. It's just that with retail media first party data, we actually can go from a potential consumer to an actual lap shopper, right?

[00:29:03] Or a current shopper or a heavy buyer right now. I don't wanna say having been in marketing myself and having run campaigns before I was in eCommerce. As a practitioner, we were in theory targeting our loyal consumers or our, so there, there were, there, there was data in certain instances to try to access someone that we had thought was had a higher propensity to buy.

[00:29:26] It was less directly connected to real purchase behavior. The way now we technically can get through our retail media network. So this really opens up, I would say a lot some more fine tuned objective opportunities that

we can drive and gives us. I would say it's I always like to think of, it's The people have, in a survey, people shared that their purchase intent was X percent towards this, but then in actuality, they like only half of them actually bought it.

[00:29:51] I'd rather go with the actual behavior, not just the intended behavior, even though those two are helpful together to see the correlation. So segmentation in this, whether you're using a clean room or you're just using the self-service DSPs or what it's saying, this is my object. This is the, to achieve that objective the, these are the KPIs for success and this is the audience that would, I need to target to get that this capability can do that.

[00:30:18] And these are the segments I'm gonna go after, right? Whether it's more macro, just lapse users. Who stopped buying six months ago, or whether it's, whether it's even more specific with demographics and psychographics than anything else that the retailer or the DSP may offer.

[00:30:32] **Andy Murray:** Yeah. And what retail media networks do is give you much more granularity on a se and confidence in a segment that you may not have been able to reach with confidence using, implied intent or whatever versus actual purchase.

[00:30:45] So it does strengthen that current buyer and type of segment in a level of accuracy that you wouldn't get. If you're off platform with no closed loop piece, which we'll get into in a minute, you mentioned the word objectives are really important. If you come from a sales background or shopper background objectives might feel different than if you're in a pure marketing brand role.

[00:31:05] And you're talking about your marketing objectives. When you hear the word objectives in a retail media network I'm talking more around the brand objectives. What are some of the common objectives? That you need to consider when being in this space.

[00:31:18] **Chris Perry:** That's a great question. So again, I've been a marketer and a sales leader, and then a third party watching the world go to bat.

[00:31:25] And so there are gonna be, we can think of objectives from the traditional marketing funnel around just. Awareness consideration, conversion loyalty. And then, I've seen some that add advocacy and that you become the champion of the brand that's one level, right?

[00:31:39] Cause I've gotta pull people into conversion. So you may see objectives around awareness, awareness within a target audience. In, in reach and number of impressions and share a voice. And then obviously as we get down the funnel, you'll see, some of these objectives turn into some of these more tactical KPIs of clicks and click through rate and conversion and time on site, depending on whether it's your website or, retailers and all of those.

[00:32:03] But thinking through the commercial lens though, almost always, even though I do wanna drive awareness and consideration, which might be the precursor to the conversion, I really want I conversion is one of many things, right? And so I almost go back to my days of sitting next to the analysts that worked at racket.

[00:32:22] From IRI or Nielsen, cuz we had both during my six years there and they, one of them sat next to me for a long time. So I got to learn a lot about how you drive growth because they had the charts up and we're always on the phone talking about and working with me and others, but it was that idea of to grow.

[00:32:39] When I convert my growth is a function of the number of shoppers, right? Which might be net new or current or lapse, bringing them back in my and my buy rate, which would be the number of dollars per trip and the number of trips per shopper. That sounds so basic. But when you blow that out, there're actually 12 different growth objectives in the conversion stage, where I wanna get lapse buyers, current buyers, new buyers for the brand. Or all three of those for the category, which hopefully also benefits me. And then there's, different ways I can drive basket size, right? Like cross sell, trade up, stock up or, repeat purchase. It could just be straight repeat.

[00:33:18] It could be new occasions. So there's so many different objectives and the problem is so many times it's we either rest on, I want awareness, awareness for what like awareness with who, I may, maybe that's obvious to the person saying it, but we wanna be the, we can better segment by being more specific about the actual objective.

[00:33:35] And then when we only achieve awareness, but no actual sales, if that was truly our objective, then maybe we'll be okay with that. As opposed to then judging an awareness campaign on ROI or return on ad spend. I know we'll talk to measurement in a few minutes. It, we may be hurting ourselves by not really sticking to objective.

[00:33:55] Tactics that deliver that objectives, KPIs that define that success and then the results did they actually deliver? I feel like we, we look at it holistically at the wrong point in the process.

[00:34:06] **Andy Murray:** I think what's new about retail media networks in terms of the objective conversation is that it is such an end to end broader concept, that it opens up opportunities for impact across more objectives than you would traditionally think of a single media of say buying on Facebook or buying on Instagram.

[00:34:23] You, it's a different type of buy. It's a different type of ecosystem. So it, I, of all the words that of the 20 we're going through the conversations in my mind really need to be about objectives because it's what can make or break your performance of whatever you think that performance should be. It's a very different type of conversation than we might have had in the past where you can affect more upper funnel, if you will, or lower funnel objectives than you might think.

[00:34:50] **Chris Perry:** 100%. And so like I said, I never wanna, I know I never wanna overshadow or put the marketing objectives in a corner. I just always would say the funny thing is when marketers wanna achieve equity scores and awareness goals I say, yay, but is it your ultimate intent with that to get someone to actually buy, being aware of it only matters so long, until they don't actually make the purchase or close the deal.

[00:35:14] So may, maybe that's maybe sales got to me over the years and I've converted. But I think it's think if I'm a brand, I want awareness with my current shoppers for an opportunity to get them to buy again of an expandable consumption opportu. and notice though consumption, they bought they closed the deal.

[00:35:32] Yes. They had to become aware first. So maybe that tactic was just to get them engaged. And then as you get to the point of purchase, that's where it closes a deal in store online. But I just see so many it's like we separated all the tactics and then judge them differently and not for their ultimate end goal.

[00:35:48] We're not all the same number of degrees away from Kevin bacon, as I always like to say. Yeah. So we need to re link ourselves up there.

[00:35:54] **Andy Murray:** Excellent. Excellent. Okay. Let's go into measurement because you started to dip your toe into that space a bit. And measurement is a area there's a lot of acronyms as well.

[00:36:03] That is sometimes misunderstood. Let's take the easy ones and we will work into some more complicated ones.

[00:36:08] **Chris Perry:** So CPM is part of measurement, but it's also the cost model used for often for, both onsite display on platform or off platform display, and a number of things. This is often associated with display, but it can be for other things, it's a cost per thousand impressions where the M comes from it's French.

[00:36:29] So cost per meal is where you get that, but it's you buying access a share of the inventory out there, a share of the impressions against an audience you're targeting because there might be a gross amount of it and you're willing to pay a certain amount to get that audience for whatever your objective is.

[00:36:46] CPM, isn't the actual like performance goal, but CPM gets tricky because we compare costs. We might say, oh Google, and, meta Facebook, their CPMs are lower versus my CPM at Walmart connect or at round Dell that could just be subjective pricing. But it could also be well because technically I may be able to access better data from the one, from the retail side in theory.

[00:37:12] We can start keep it at the theoretical level. I can buy better data. That's closer to the point of purchase that I can then also measure better as we'll talk to here. So it, you can't always look at CPM as apples to apples, cuz you're gonna wanna look at the performance of the cost model to know whether was the higher cost per thousand impressions worth it.

[00:37:33] There's one other thing Andy I'll throw in there is viewability is another thing. Impressions just mean that you, so when I pay \$5 per thousand impressions, that doesn't mean I actually got all of those impressions. An impression is just served. on the page that it was intended to the target audience.

[00:37:52] But if it was down the page and somebody didn't scroll down, it wasn't necessarily viewed. So some of the costs per CPMs are based on the viewability of the ad because a, a homepage placement at the top of a retailer site is gonna have a higher viewability than the one at the very bottom of their site.

[00:38:11] So the cost should offset themselves a bit so that the performance is appropriately balanced.

[00:38:16] **Andy Murray:** I think you've gotta really understand each of the retailers algorithms and how they count that a simple example, like LinkedIn,

they don't count on impression unless it's 300 milliseconds of the ability, it's on your screen somewhere there.

[00:38:27] Everybody chooses their own algorithms on that. And so it's so important to really understand those algorithms on what is viewable, what, what's counting as an impression. So it's great cuz they're not all apples to apples. And then close cousin to CPM is CPC.

[00:38:40] **Chris Perry:** So that is a cost per click model which is, not totally separate in this ecosystem of retail media, but that's often the cost model associated with a paid search or a sponsored product or brand advertisement on a retailer.

[00:38:56] And it that's a little different because in that instance, a CPM was I'm paying for a, a cost per thousand impressions of reach within this audience cost per click is I'm bidding or paying a cost to get clicked on. If I don't get clicked on, I don't pay, but I technically want to be clicked on because if you if I get clicked on, it means I have the chance to convert the sale.

[00:39:18] And different, we, again, we could go into I realize we could have way more definitions here, but cost per clicks are often. Bid auctions because many different brands will want to show up for the words, laundry detergent. So it there's a level of auction going on to see who will show up in those coveted placements in paid search, still only pain if someone actually clicks on you.

[00:39:40] But there's also something this goes back to that PDP thing that we talked about before the relevance of your PDP. Your, the relevance of your products on the digital shelf, as it plays to your conversion history, the keyword you have in your content that can actually help you pay less in the cost per click, because the more relevant you are the better the shopper experience is.

[00:40:04] So there's a whole, there's a whole algorithm behind that, but actually what's nice. If the cost for clicks can get high, but you actually may pay less as you become more relevant in both organic search and in paid search. So there's a little bit of a checks and balances there.

[00:40:18] **Andy Murray:** Yeah, and I think it's important to, pay attention to each retailer's algorithms because some may have more sponsored type paid slots before they get to the organic.

[00:40:29] And if you may have a really awesome organic PDP, but then based on how many positions they're selling, get pushed pretty far down, even with

the best organic. So that's something to keep in mind of. What's where's that direction of travel and how's that working for your.

[00:40:43] **Chris Perry:** And it really is in today's world, especially when it comes to media overall, it's a paid and organic play.

[00:40:51] And this was true to be honest in store, too. If you could get an incap, even if you're at eye level in the aisle you're gonna want both right. At different points. That the nice thing with paid search is that I wanna show up organically. But as you said, Andy, you might show up several rows down, even when you're the number one product organically because of how much the retailers monetize the top of their site with those paid placements.

[00:41:14] So it really becomes a paid and. Earned or paid and organic play, but that also, I would say includes display and other capabilities too, because this isn't just build it and they will come, it's build it and drive people so that you earn and then continue to drive, but you can earn to pay less as you drive.

[00:41:33] **Andy Murray:** Yeah. And that's why just being a great at digital shelf than a PDP it's it's you gotta have hand in glove and that is includes the retail media network strategy you're using alongside your digital shelf approach. The next one, a closed loop measurement. Take us through that. You hear that word closed loop measurement quite a bit with retail media networks.

[00:41:50] **Chris Perry:** It definitely needs an asterisk because not everyone has the same ability to measure, the full closed loop, but the idea of closed loop, it's a process of measurement that retailers and I would. Direct to consumer brands have the ability to do to a degree using their data to understand how marketing or other touchpoints are impacting sales.

[00:42:12] So really the idea of closed loop is I did a and I got B, I did a and B and I got C right. And the ideas that I can really see the cause and effect an omnichannel retailer, like a Walmart or a target or Kroger has the ability to see. Maturing data, the offline sales as well. If I'm a direct to consumer site, I'd only be able to see what I had online only, but that can be really interesting too.

[00:42:39] So closed loop is the holy grail cuz in a perfect world, I wanna be able to attribute the performance to something specific or a set of somethings I've done and not just, Hey, I did 15 activities in store and I hope it drove a lift oh, there was a lift, I guess it worked like it's really seen what worked and what drove, what results.

[00:42:57] **Andy Murray:** And we'll get into that attribution here in a second. Let's talk about ROAS and a cost, a C O S talk to me about what ROAS means and why is it?

[00:43:06] **Chris Perry:** You'll hear a lot about ROAS as the primary metric that most retailers will provide for almost any type of on or off platform media. And that stands for return on ad spend ACO or ACO S is just the inverse of that.

[00:43:20] So ROAS is the sales I achieved from a campaign, retail sales over the ad spend, I invested in it. So if so if I got a hundred thousand dollars in sales and I spent 50,000, that meant I got a \$2 or ROAS. And a cost would just be the inverse of that. It's just the cost divided by the sales I got.

[00:43:40] So Amazon has been one that uses a cost. In many instances. ROAS is the common one. It's the same. It's just the, it's just math. It's just flipping. But a lot of people look at ROAS and think ROI, and it's not the same thing. Return on ad spend is only the return on the advertising spend in question RO ROI is all of the value I got for all of the investment I got, which might include promotion and redemption and the cogs, right?

[00:44:09] My cost of good sold. So depending on how your organization and finance does the P and L your ROI might be different but either way, ROI is holistic ROAS is only on the ad sales.

[00:44:21] **Andy Murray:** And the revenue that they're gonna count against ROAS is gonna be the retail price, not necessarily the wholesale price you sold to the retail. It's not your sales number.

[00:44:28] **Chris Perry:** Exactly. The retailer sales number. Yeah. It's not your, net sales ROI or your, gross margin ROI. It's the retail return. In POS sales over the ad spend. But the other thing too to note with ROAS is again and this gets into this closed loop.

[00:44:45] Hey, you said I got a \$2 return on ad spend. Cause I earned a hundred thousand dollars for my 50,000 spend. Was that a hundred thousand only online? Cuz you also have in store. Oh, there might have been more in store. See, those are the kinds of questions you're gonna wanna ask. And then, so what was the what's included in the return?

[00:45:04] You're saying I'm getting and what was the methodology you used to calculate that because maybe I don't believe some of your estimates. And I might wanna go more conservative on what I really think I got from this return.

So ROAS is one and know, we'll talk to this a little bit here, but ROAS is one that you really have to dissect by objective, by tactic, by retailer and by methodology used so that you can get de it sounds like a lot of extra work, but it will end up saving you a lot of headache when you.

[00:45:31] Can see what really what good really looks like depending on what your objective really was.

[00:45:36] **Andy Murray:** And as that evolves then to this IROAS as which is a newer metric that we're seeing describe IROAS.

[00:45:42] **Chris Perry:** So IROAS as is it can be more manual or is some retailers are trying to improve this and be able to actually give you their version of this.

[00:45:50] This is incremental. ROAS so I'll why I need incremental ROAS in a perfect world is because ROAS think about this. If I run a paid search campaign and I'm gonna pick on laundry detergent again, cuz I love the category. Tide, if tide runs paid search on the keyword tied. I imagine when people typed in tide, they were probably had a higher likelihood of buying tide on their own.

[00:46:14] They didn't need the paid search to to convert them right now. Tide might want to use that to show a new product or to defend against other competitors who might be using those paid placements to show up. So it's not wrong of them to do branded keyword searches and pay for that, but that might not be very incremental.

[00:46:34] So if you tide might say, Hey, that campaign got me the highest ROAS I've ever seen, it must have been so successful. Actually it was 20 cents incremental because everyone who clicked on typed in tide was gonna buy me anyway. I'm being really dramatic in that example. Yeah. But IROAS as is the either brand side, manual calculation, which you can try to do of, when I ran this campaign, I saw incremental baseline sales that in the event or ongoing, some retailers can actually say.

[00:47:06] Use control groups. I know Kroger has some abilities to look at the control versus test group and see same groups. This group bought nothing more in the period after, and when with your campaign, this group saw 20% lift, right? And so only the 20% ROAS is what we're gonna look at as IROAS as which was extra for you and really what potentially what your ultimate goal was.

[00:47:30] So I, I love it's still a little bit of an art and not a perfect science yet, but more and more retailers are realizing that not all ROAS is created equal and in the end I want bigger baskets.

[00:47:41] **Andy Murray:** Yeah. And I've heard some describe incremental ROAS as is also making sure that if they were gonna buy it at target and I've just switched volume from buying it retailer A to retailer B was that really incremental to the brand.

[00:47:53] **Chris Perry:** 100%. There's so many ways that we're gonna wanna look at incremental growth, that's what everybody's actually trying to do. It's just amazing. How many times I see brands say we're getting great ROAS and you're like that your business didn't change at all right.

[00:48:07] You weren't going down. And so you're not maintaining and you're not going up, so you're not growing. So I, yeah. Is it really working? I don't know. You're not even winning on the digital shelf, so I can't say that's working either, so I'm not being snarky to them, it's really dissecting ROAS and thinking about it.

[00:48:21] **Andy Murray:** You've really gotta go to school to understand the measurement options available to you and what, and how to dig into them and understand them which will start to bring us home on the last couple.

[00:48:29] So let's look at attribution, you got last touch and multi-touch explain that. And why is that important?

[00:48:36] **Chris Perry:** So these are just two different methodologies and practices leveraged by different players in the industry. But if we look at retailers, this would be looking at last touch would be.

[00:48:47] The last the last advertising touchpoint that can be attributed to the purchase. So if let's just say I, as a shopper might have bumped into three or four different advertisements from you as a brand who were running display and paid search and whatnot. The last touch would be the very last one.

[00:49:07] Maybe it was just the paid search at it. The very end. That was the last thing I saw before I put it in the cart that would get the sale. So my display, that was the first touch. Doesn't get any credit for that because it doesn't want to false credit that maybe it really was the paid search that drove it.

[00:49:23] So that's last touch now multitouch would try to give credit to all of those touch points. And that's really the idea of okay, a, if somebody only sees a, they have this result, but somebody saw a, B and C saw five times that result. And that's really I would say multi-touch, I has a lot of.

[00:49:40] Lot of benefit here because this gets me the right mix of activity. Cause it's never gonna be one activity alone that did everything. It might be for that one shopper, but at an aggregate, it's gonna be many touch points in the journey that moved me to the cart in store online. And so multitouch helps give credit where credit is due and what moved me down that path.

[00:50:00] **Andy Murray:** Excellent. And then the last one that goes with that, which is very related to multitouch is or market mix modeling. Describe that, cuz I think it's a, it's an avenue to get to the multitouch attribution.

[00:50:11] **Chris Perry:** So MMS are medium mix modeling or marketing mix modeling. I've heard, different used, but that's typically a brand driven, a brand advertiser driven top down approach to trying to.

[00:50:23] A sense of how all the different marketing activities that they ran during a season, a campaign a portion of the year other drivers pricing, seasonality, any other variables that they think might have an impact, how that impacted sales and ROI. It can be very valuable to try to do that, cuz that's actually where you could see that Google advertising did X and that Facebook did this.

[00:50:47] Retail. And that this is where a lot of brands are finding that Amazon is having a much bigger impact beyond Amazon, right? But the hard part with MMS is the timing. You don't get those real time. You get those every six months or every 12 months, or however, often your brand, your CPG organization is willing to do them.

[00:51:06] So it, the speed of data you're gonna get, ROAS much more quickly on a campaign, especially paid search where you're doing self-service and seeing it kind of real time, you're gonna get that much more quickly. Then you're gonna get the multi-touch last touch attribution from like an end of campaign report from your retailer.

[00:51:24] And then. You're gonna get those much sooner than you're gonna get an M from your own organization when they do those periodically. M is still a little bit of an art, even though, because there, there are just so many things we don't know, and it is hard to measure those, but it is our way of trying to get to a

scientific impact of a mix of things that we've done in the market and how each of them drove and which ones are more important in the mix.

[00:51:47] **Andy Murray:** Yeah. We were doing MMA modeling in ASDA and started in 2017 and it does give you some really interesting insights, a little bit of a black box art to it that you've gotta do. And if you don't refresh it at some periodic level, it degrades pretty quickly. So it's but it's, you're certainly not real time.

[00:52:03] And certainly we're doing to try to get to the multitouch attribution, but you do need big data, lots of big data sets to, to pull that off.

[00:52:11] **Chris Perry:** Oh wow. I would say it. It's just interesting. Some of my organizations in the past. Would do media mix modeling. And because of the speed of e-com change, they'd be using a two year old stat to determine whether we should invest in retail media.

[00:52:26] And you're like, but you don't even have retail media included because we did none of it two years ago, or we did so little of it, or we didn't, we didn't invest in Kroger, precision marketing two years ago or last year at the scale that we have now. So maybe the impact is greater, cuz we're actually investing enough to see a real impact.

[00:52:43] Some of these investments were so small in the past that they were Blit that's in the night. They would've never shown an impact. That's right. So it's important to, it's not question MMS it's. Push back on, are we doing them fast enough or including the right? Are we investing enough to actually see the impact of the things that we're trying to determine if we should invest in or otherwise we get into a weird catch 22 and we don't invest ahead of the curve.

[00:53:08] **Andy Murray:** Yeah. Medium mix modeling requires a certain baseline of histo historical data for it to work. And as we just discussed over these 20 definitions, almost every single one of them are going through a level of hyper revolution. So the, to get the baselines there of two years ago this looks nothing like what it did, two years ago.

[00:53:25] So this has been fantastic. I really appreciate it, Chris. I feel like we got a masterclass in terminology. Hopefully people will have gotten some enlightenment on some of those that they hadn't really understood before and really greatly appreciate you taking the time to walk us through this.

[00:53:39] And if someone wants to go deeper on any of these, they should call up FirstMovr and yourself. And you can probably put some kind of a training together for 'em.

[00:53:47] **Chris Perry:** Would love to support anybody anytime. In any format like unofficial or official, we're always here to support you.

[00:53:53] **Andy Murray:** That's it for this episode of It's A Customer's World. If you found this helpful and entertaining, I would be so grateful if you could share our show with your friends, and I'd be super happy if you subscribe, so you can be updated as we publish new episodes.

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