

Bryan Gildenberg 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 quests 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 organiz.

[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.

[00:00:49] Hello, everyone in this episode. I am so excited to have with me Bryan Gildenberg. He's gonna talk about retail media networks. Bryan is a known thought leader and advisor in the space of connected commerce, and he comes with years of experience working with top agencies and service pro service providers such as Cantar.

[00:01:08] He's currently an SVP of Commerce at Omnicoms Commerce Group. So welcome, Bryan, Do our show. And I'd like to start by asking you to introduce yourself and what experiences have formed your perspective on retail media networks.

[00:01:20] **Bryan Gildenberg:** Thanks thanks Andy, and thanks for the opportunity. I think you nailed it in both angles, and I'll start with the early stuff first.

[00:01:27] Up until 2020, As a couple people listening to this may know I was at Cantar for a long time and on the Cantar retail IQ side of Cantar, studying the retail industry around the world. And, you and I have been hanging around this space for for a while at this point.

[00:01:39] And about 10 years ago, probably it became apparent that the retail ecosystem was starting to collapse in. The digital ecosystem through e-commerce, but that the outcome of that was going to be this sort of nascent field of digital media. And you watched all that evolve with Amazon teams.

[00:01:59] And we'll talk more about that as we get into this. But but over time, Probably over the last five years or so it became pretty apparent that at some point retailers were going to need to gear themselves up into retail media

networks. And then my experiences from there were fueled by two things, one of which is one of which is covid, which do think fundamentally changed.

[00:02:19] If it didn't fundamentally change e-commerce in the US it certainly fundamentally changed people's perception of e-commerce. And not just consumers, but investors. And that I think is where a lot of the pressure is coming from today, is a perceived pressure from the investment community that Amazon is monetizing advertising in a way that other retailers are not, and that Amazon and e-commerce are a much bigger deal to people evaluating retailers than it used.

[00:02:42] There's some reality to that as well. And secondarily for me, I started working for Omnicom and though I'd worked for WPP for a long time cantar was an adjacent property to that. Now it's a completely adjacent property cause it's been sold but to pain. But but started working more closely with the media agencies at Omnicom than I'd probably worked with the media agencies at wpp.

[00:03:00] So got immersed in this problem. It's been a long time staring at retail media from the retail side of the fence, and I spent the last few years trying to straddle the fence between the retail side and the media side.

[00:03:10] **Andy Murray:** That's funny you say that because we've been doing quite a bit of research in this space recently with University of Arkansas, and it's come through loud and clear the blurring of the lines that this, thrust into the sudden thrust and evolution into retail media networks is causing between marketing and commercial inside of cpg, but also inside of.

[00:03:27] This blurring of the lines is definitely making it more difficult to come up with easy solutions to sort it out.

[00:03:34] **Bryan Goldenberg:** Certainly the University of Arkansas and a retailer that may or may not be close by the University of Arkansas are, going through interesting experiences.

[00:03:40] Right now you've got a lot of people who are involved in the media business for a large Arkansas retail pace retailer. Short man anonymous, so yeah. Not harps foods, but the other one. Yeah. And and who have. Never been to Arkansas. , they got hire. Good point. and and don't really know necessarily an enormous amount about certainly history of Walmart, but even really about Walmart is business in terms of how it operates.

[00:04:06] Layout sorry. We let the cat out the bag on who? The retail in Arkansas. .

[00:04:11] **Andy Murray:** I think we all know, but you can't really, Oh, I'm sorry. I finish your.

[00:04:15] **Bryan Gildenberg:** No, I was just kidding with it. Yeah.

[00:04:17] **Andy Murray:** You can't go to a marketing conference today and you and I were just at one this week without seeing the agenda chalk full of presentations on retail media networks.

[00:04:25] In your view, how would you describe the promise of retail media networks and also specifically what's in it for the consumer?

[00:04:32] **Bryan Gildenberg:** I think yeah, promise has been pretty well articulated and you could everybody could whip out their buzzword bingo cards at this point for for all of the things that are all true closed loop, full funnel, traceable firm impressions to purchase ion first party data.

[00:04:45] think anybody loosely familiar with the topic is probably loosely familiar with the promise, which is in the end that the abil the. The magic silver bullet of marketing was always to, Wow, I wish I could show somebody an ad and then know that they bought something and absolutely. And that promise is in some ways, visible and it's easier to see how you would realize that in a retail media network than almost anywhere else.

[00:05:08] So I think that at its core is the promise, right? Yeah. And then I think secondarily right now, there. Some challenges with the digital media ecosystem in particular. Cuz I think there's a lot of conversation about cookie degradation and how that was gonna fuel retail media. The biggest problem with digital media has nothing to do with cookies or any other type of snack food.

[00:05:29] It's fruit, it's apple and what apples and what apple's done to, with idpa, mostly to Facebook performance marketing. and the ways in which digital media buyers today are just looking for new places to spend since some of the digital. Media techniques and tactics they were using before just don't work as well as they used to.

[00:05:49] So I think that's the other promise right now is that in addition to all of the long term visionary harmonization of media and purchase, this is the short term arbitrage opportunity to buy media that works better.

[00:06:02] **Andy Murray:** Yeah, I agree. I think the apple impact is. The significant, there was quite a bit of work going on to try to see how far you could take third party data with all different types of tools, and then beginning to ingest that into market mix modeling so you can find out incrementality and there was a lot of traction there, but nothing could compare to actually having closed loop first party data.

[00:06:19] So I think you're absolutely right about that. As you compare the promise though with the industry and where it is today, just as you see it today, how would you. The current reality. What are some of the big barriers to, for the industry to reach that promise?

[00:06:34] **Bryan Gildenberg:** Boy, I think there's a couple that are obvious which are.

[00:06:38] That first and foremost, let's start on the retailer side, which is that I think you've got at least three on the retailer side, one of which is just a very basic one, which is capabilities, right? Yeah. So if you're gonna sell media to people that buy media for a living, you're gonna need to give them what they were buying.

[00:06:57] And and retailers, I think were slow. To the realization that was quite different than just the promise of we're gonna sell some stuff and we're not gonna beat you up as much in the joint business plan as we used to. As they, they started saying that they then realized they were talking to a bunch of people who simply weren't incented to care about the joint business plan.

[00:07:16] Yep. And were incented to care very much about some very specific metrics in media that media people like to have delivered to them and. Yeah. The metaphor I'll often use for this is that, the retailers were used to dealing with people on the manufacturer side whose primary objective, return on a return on capital world was returns.

[00:07:35] They were numerator people. They were people that wanted to sell stuff. And what media people, by and large are trying to do the. This is not to demean it in any way, it's just that most media incentives are aimed at the denominator part of an ROI equation. They're aimed at buying things more efficiently.

[00:07:51] They're aimed at buying eyeballs as if cost effectively as possible, not buying the same eyeballs twice to do the same job. That's great and that's really important and it's just really different than what the retailers are used to.

So I think this capabilities issue, obviously there's a silos issue on the retail side, and third one is just a basic perspective issue.

[00:08:10] You gotta sell media to people. Retailers are used to buying stuff and people that are buying things don't always sell very well.

[00:08:16] **Andy Murray:** And I think probably another thing that people underestimated is how long of a runway Amazon's had, and they've become now the benchmark for retail media networks.

[00:08:25] But it's, they've been years at 2 billion in technology investments, and the tech lift is, has been probably a bit underestimated in terms of how hard that is to pull off to be a proper media entity.

[00:08:36] **Bryan Gildenberg:** Yeah. I'm gonna borrow your metaphor and beat it to death then.

[00:08:39] Cuz I don't know that the problem wasn't length of runway. It's that everybody else was trying to fly planes out of a harbor, right? Like they were like pre-existing infrastructure for ships and all of a sudden airplanes show up and you're like, I can't really land a plane in the harbor, right?

[00:08:53] So I had go build something that does this cuz it's different. Yes. Amazon didn't have the pre-existing infrastructure so they could build it all ground up and I think that gets you into a very interesting place right now on the Amazon. At least my observation, which is that, to be honest, a lot of what.

[00:09:10] The biggest, I think the weirdest thing that happened in all of this is basically around the concept of search, right? Yeah. Search for a brand was a media capability. Basically media teams learned how to do this. They learned Google, they learned seo, they did all this stuff. Google's now the largest digital advertising platform in the world yada, yada, So search is a media capabil. So then Amazon has a search bar on it, so it's cool that search too, we'll call that media. In a retail environment, search is really different. Now, search is different than media anyway, but that's a whole different podcast, right? Like the fact that searching is probably more like shopping than just like watching television is probably a bigger question for a different.

[00:09:50] Certainly in a commerce ecosystem it's really a lot like shopping cuz it is shopping. So I think a lot of what is called media in the Amazon ecosystem is work that would've been done in an existing retail infrastructure by trade.

Yeah. Because a lot of it is putting stuff in front of shoppers and getting them to buy it.

[00:10:10] In the end, buying a, buying a product listing out on Amazon based off of search. Looks to me way more like buying an NCAP than it does. Making a TV show.

[00:10:20] **Andy Murray:** I've heard you, I've heard you use that metaphor, what I think is brilliant of describing that paid search result in a retail search environment as, think of as an endcap, right?

[00:10:27] **Bryan Gildenberg:** Yeah. It's a display. It's something you put up on the way to buying something that's either the thing the person came to buy and they're buying it quicker, or it's different than what the person came to buy and you're trying to switch them. That's what an NCAP does. Yeah. So and in a physical store, and the funny thing is that I was joking.

[00:10:42] Another person at the same event, Andy, we were at is for all the analytics that go into marketing over the years and the billions of PhDs that have died on the hill of trying to figure all the stuff out, the only thing we know with 100% certain is that endcaps work. That's it.

[00:10:57] Yeah. , that's literally all we know . So when you give somebody who's not used to N Caps NCAP returns, it's a bit like what happens if a four year old steals a Coca-Cola for the first time and they start bouncing off the walls cuz they got caffeine and sugar running through their system for the first time simultaneously.

[00:11:11] And I think that's a lot of what happened in retail media, to be honest. I think people got, I think people were buying endcaps, thinking they were buying media. and ended up seeing returns that were just way different than what they were used to and started accelerating spend to that degree. Because what in reality they were doing though, they didn't realize it is they were buying trade.

[00:11:28] Even though it was labeled media and described this media, it's function was more direct and more proximate to.

[00:11:38] **Andy Murray:** Yeah. And when you're in a trade environment into a commercial ecosystem, things like, do you have it in stock? Considerations around inventory. We heard a at the conference around how inventory

forecasting, inventory connectivity to actual, should I place this ad that's gonna, or search display that's gonna connect to a store that doesn't have the product.

[00:11:55] And that's not typically a consideration of the manufacturer's inventory position in most proper media.

[00:12:03] **Bryan Gildenberg:** No, not at all. And, but it is a huge consideration in in brick and mortar. Just ask anybody that's ever called on target for a living and trying to get target to buy enough promotional inventory for a brick and mortar promotion is a that's a PhD level class equal to building a marketing mix model is.

[00:12:18] Getting Target to adjust their presents on promotions. Yeah. I think the other piece too, which you know better than me is that in the retail media side, particularly with Amazon, the minute you go outta stock, not only are you not selling stuff, but you're back down to zero in terms of building up your organic results as well.

[00:12:34] Cause you're like, it's a, you. You'll get sick of my metaphors by the end of this podcast if you're not. Yes. But yeah, the metaphor always used that. It's like the old game shoots and ladders, except they just start getting ladders, , there's moving one at a time and then shoots. So it's the way less versions.

[00:12:50] **Andy Murray:** Yeah. That's a great way to say it. And yeah, the, So let's go to a different part of this. Do you think the industry's helped itself by not having a proper definition of retail media networks? I think we've thrown everybody in the same definition, and to me it feels like, Amazon is not an omnichannel retailer, really, an omnichannel retailer has some different dynamics to it that are important to understand than just, trying to benchmark against Amazon's model.

[00:13:17] **Bryan Gildenberg:** Yeah I think yes I certainly think that the notion that. A Walmart or a Target was going to evolve something that worked the way Amazon does. Probably not grounded in any sort of reality. And yes, I do think definitional or not I do think the industry has been slowed down a little bit by just trying to port the Amazon model into places where it makes less sense.

[00:13:42] To go back to our metaphor that we beat to death, it's literally like trying to run a runway through a harbor.

[00:13:47] **Andy Murray:** That's a great metaphor. The other thing probably haven't taken advantage of some assets that Amazon app, which is in store, how

does the digital in-store experience the in-store mode on apps, connect to the retail media networks and, foot traffic can be a major thing, especially for mid-tier retailers that don't have the online traffic to really compete.

[00:14:07] But, it, and I did feel, I do feel like there's signs of more emphasis to figure that part.

[00:14:13] **Bryan Goldenberg:** Yeah. I think that's, I think that's interesting cuz I think there's, I think the whole notion that trying to apply digital media into an ecosystem where there is a, there's a joint business plan that just has a very different rhythm than your Amazon joint business plan.

[00:14:28] , Amazon, it's also adaptive and algorithmic and adjusted and item based at Amazon, it's almost a little bit more. Amazon, to me, is always a little bit more like digital Costco than anything else. And Costco's joint business planning process has always been really different than everybody else's, just doesn't, This is a lot of stuff you don't do in that ecosystem that you do in a Walmart joint business plan or a Kroger joint business plan, or a target one.

[00:14:52] So when you try to layer in an entirely different revenue stream with an entirely different cast of characters, an entirely different way of evaluating what success looks like and what it. And then just try to layer that in on top of something that's already there. think people probably vastly underestimated the complexity of that.

[00:15:13] I think secondarily the issue that comes up, of course, is that the. There was no historical trade budget with Amazon as it grew up. There was, people spent money on Amazon, but there wasn't like a multi-year history of certain levels of it and amounts of it and what you spent it on. And having to achieve a monthly volume target for Amazon that was locked into the p and l.

[00:15:36] That was. Basically how you planned the company, ran your factories and told the, told your factory employees that could go on vacation like the Walmart plan. So if you start messing around with all that stuff, without really understanding what the more deep rooted operational implications are to the brand, it gets kinda weird.

[00:15:52] And then I just think in general, from a branding point of view, the big promise of retail media to some. is about taking trade funding, particularly outside of Walmart, where trade fundings is different. But at Target or Kroger, the ability to, or any of these other retailers, the ability to take money I'm spending on stuff that isn't performing and put deployed on anything else.

[00:16:15] That's a really big opportunity. But that's not media spent. That's right. More intelligent allocation of resources I was already dedicating. They're gonna sell. Which is great, except the people running the retail media network don't feel like they're driving incremental revenue for the retailer. Yeah.

[00:16:31] And I think the comp, the complexity of that problem, I think was poorly understood at the start.

[00:16:37] **Andy Murray:** Yeah. Hundred percent. Talking about the complexities, if you look at where the revenue's coming from today, it appears to me most of it's probably coming from the top 30 brands, at least as you look across the handful of retailers that are capturing those incremental funds in this space.

[00:16:53] Yet we still hear of new retail medium networks being launched, almost like again, mushrooms after the rain. A new one launched this week by seven 11. Is there room for all of them in the future from your point of view? And can CPGs even manage the level of complexity? And what must be true for mid to your brands to participate at any kind of scale?

[00:17:12] **Bryan Gildenberg:** Let's break that into two parts. Cause I think your observation on the 30 biggest CPG companies dominating the spend, I think is an interesting one. It does feel as though retail media is the. Digital innovation since the internet that probably benefits scaled businesses more than unscaled ones.

[00:17:30] Like it really does feel like X Amazon. That in the brick and mortar retail media ecosystem, I think scale's actually a real advantage. So I think this is one of the very few things that the digital ecosystem is unleashed, that big companies are probably more prepared to work with than small ones to some degree.

[00:17:44] Yeah. But yeah, on the retailer side, look, I think if you. You're way more about advertising than I do. But if you look at, if you look at the history of any advertising platform, it serves up audiences that are one of three things. They're either super big, So I can draw my own segments within that audience if I'm a brand and find the relevant people I need, it's super distinctive so that it reflects an audience I'm already trying to sell it to really well, and I can just sell to that whole audience in a way that's distinctive or it's programmatic feed stock.

[00:18:15] That's the, are your three choices. So for the under Scaled retail media network, I would suggest that distinctiveness is going to be a, an attribute if they don't want to just get aggregated and bought programmatically. Which I do think eventually will happen. And I think Citrus Ads is starting to do this with grocery web and I, there are some, there's some really good ways to do this and I think if I'm a mid-size supermarket chain, sure.

[00:18:38] I can appeal to people that wanna sell stuff in New York if I'm wake firm, but at some point I gotta figure out. How I get my audience aggregated to other audiences so that I'm part of just bigger and more routine media purchasing. Cause most of it, just, most media buyers don't want to go to every regional cable, every regional network in the world.

[00:19:00] That's why national television networks exist. If. If it were efficient to buy ads on WNC New York and KYWN Philadelphia, NBC wouldn't exist, but it does. And that's why.

[00:19:11] **Andy Murray:** You talk about that aggregation. I know you've already talked about this on your own podcast, but the, the Albertsons, Kroger combination does seem a bit almost even driven by the retail media opportunity that might be able to create.

[00:19:23] But is that what you're talking about in terms of scaling? Different banners.

[00:19:27] **Bryan Gildenberg:** Yeah, you could certainly go out and buy the company. Yeah. Or you could just par Yeah, you could Victor Kama and like from someone you buy the company. Look what happened to him.

[00:19:34] But but, or you could or you could partner or, I think that this is the new role. That aggregators in this space should play, which is basically to act as a, as a trade desk, if you will to to be able to allow a national, a shopper marketer to buy audiences programmatically and nationally that then get deployed across a variety of retailers.

[00:19:57] This, of course, creates one very huge problem, which is that's not how. Shopper marketing opportunities within a small retailer get bought today. So the amount of wiring that needs to go in to be able to have a seamless connection between selling audience opportunities programmatically as part of a larger deal, and then figuring out what that, So if I'm Nestle and I'm buying this national, I'm trying to buy a national Hispanic audience across a wide range of regional grocery chains.

[00:20:27] How the accounting works for who gets credit where in terms of where I've spent, Does the buyer see the credit for that? Does my account team pay for It doesn't. Those are all real questions. They're gonna need to get answers as that unfolds, but I think the direction of travel in that is clearly towards a point where a lot of these small audiences will need to be bought in a more programmatic and more aggregated.

[00:20:50] **Andy Murray:** Yeah I would agree with that a hundred percent. I've been closer to the challenges. This is creating organizationally source of funding and such inside of CPGs. And I lived it in the UK in terms of on the retail side. But I haven't really spoken to many people that can speak a bit to how does this show up into the agency world who are chartered with bringing ideas and making the, making this all work with different partners in this space.

[00:21:15] Cuz I gotta believe. The agency models tend to follow the client structures and so on and so forth. Are you seeing it challenging writ large? Maybe not just, speaking about Omnicom, but from your industry perspective, how has this been challenging for the agencies to adapt?

[00:21:30] **Bryan Goldenberg:** I think all great agencies, are mirror reflections of their client and I think most of the great agencies are reflecting client's deep confusion around the topic at the moment.

[00:21:38] I think we're doing a great job of that . I get think there's a I do think there's an interesting balancing act, and this is certainly something that, that we're working through at Omnicom in that. Retail media's got two words to it. And I think for a long time it was capital retail, small media as the customer teams were largely tasked with trying to sort this stuff out as just another quote, ask from the retailer outside of Amazon.

[00:22:01] . And then I think over the last couple years, to be honest, I think the switch has flipped a little bit where. Because it looks like media, because the media teams are hearing from their Amazon teams how effective it is. They now wanna buy it cuz they want the credit for it, which is totally understandable.

[00:22:13] But they, I think there's a real opportunity for agencies to bring together expertise on retail and expertise on media into a place where those two words are more similar in size in that equation. And to realize that even if the retailer is pushing you more in a media direction, because it's in their economic interest to do the person paying for it is the brand.

[00:22:33] And it may not be in the brand's economic interest to become as media centric in an approach to this as it is to the retailer because the brand one. If you listen to my dear friend Spencer Barrett at Inmar, who will tell you that for an average consumer packaged goods company, their underperforming trade budget is larger than their media budget, not their trade budget, just the underperforming part.

[00:22:52] The real opportunity for the CPG companies might be to repurpose money that's being poorly spent in the retail ecosystem. But in order for a media agency to even understand that problem, never mind be able to leverage it effectively is. Significant shift in capabilities and in perspective from where the world sits today.

[00:23:12] So I think there's a lot, there's a lot of work to do on that front, but I do, I can certainly speak for Omnicom. We know that.

[00:23:18] **Andy Murray:** Yeah. I think to be fair, the commercial side, yes, there was some unproductive media. If you were to look at measuring it by itself, would anybody just go buy in-store radio ads without a merchandising plan that, that captured that.

[00:23:30] But I, so I think the historically shopper marketing's been about enhancing the overall return on retailer relationship and commercially, how does it support it come, How does it all come together? That factor isn't really a KPI on most media. List of what I care about is the return on retail relationships.

[00:23:47] So you got a commercial team that's, had that as in the toolbox of how to, as you and I talked at the conference, it's a bit like that world was painting with watercolors where there was a lot of bleed over between this and that in order to make a whole work. Where in the media, Side has been a bit more precise or supposedly precise, like oil painting where you expect to put this here and get a return and be clear about that.

[00:24:09] But then I think you had an interesting bill that it might even be different than that.

[00:24:13] **Bryan Gildenberg:** There's a couple. I think that, yeah, I think what you're looking at here is one, I think the problem is that it is watercolors, but you've got a bunch of people telling you it's oil painting and that your vision's bad.

[00:24:22] Which is not great. Yeah. And I think, but I, and I think some of this is that there is a, there's two sort. Traps, I think you can fall into here. One is a well known trap in the media and digital world, and this is, I'm gonna paraphrase Robert McNamara here, who basically said, goes, Look, it is critical to measure what is important.

[00:24:44] It is stupid to make important that would, that which you can measure. And and hard lessons learned from Vietnam on that front as he was Secretary of Defense at the time. I think marketing fall, I think digital marketing falls prayed about a lot. Where the notion of, I can measure this, therefore it's important.

[00:25:01] No, you can measure it, therefore you can measure it like that. Yeah.

[00:25:04] **Andy Murray:** There's a lot of, It doesn't, Yeah. There's a lot of new conversations happening where you just focusing on roi. If you can measure it, let alone roaz actually shrink your brand necessarily. .

[00:25:13] **Bryan Goldenberg:** It's just one of these things where the fact that you can get to granularity and precision doesn't make it useful, right?

[00:25:20] Like it makes it precise. And I think that marketing in its thirst to quantify itself because, For years, CEOs have looked at marketers winning awards at CAN and gone. That's great. What are you doing? Yeah, it doesn't work. How do you, And I think marketing really swung the other way on that front, especially once the digital ecosystem cropped up.

[00:25:40] And now there is this rush to show everybody your math homework, which is important. But there are times in which the. Being able to measure every individual thing that happens and saying this thing happened, therefore we should do this. It just really ignores the causality around that in a way where there's just no humility to the.

[00:26:04] The modeling that's implicit in that it's it's stupid metaphor. It's like football coaches today who are the analytics say we should go for it on fourth and one. No, the analytics say that on aggregate, that's a better idea than not. The analytics would tell you to build a team that's really good at going for on fourth and one and has big linemen and good running backs.

[00:26:24] That's what the analytics are telling you to do. Exactly. They're not telling you to go for it every time you're faced with fourth one. That's not how analytics work. You're, you have to understand the context you're operating in.

and it was always, And Andy, you know this. Yeah. Cause we, for years you were great at this, which was helping companies understand that chopper marketing is a campaign.

[00:26:46] , it's not a series of tactics that you evaluate one at a time's. I've gotta bracket that in a campaign and measure the campaign. And that if I don't do some of the things in here that don't tactically have their own independent return, I don't get to do the things that actually do generate the return.

[00:27:00] So I have to evaluate them all together as a total thing, not as an independent piece. And I really do think that the digital world has. Really hurt people's ability to think in campaigns and has really caused everyone to think more in individual tactics. And then just trying to run algorithms to optimize individual tactics.

[00:27:19] And I don't wanna sound like an old man yelling at a cloud here. It's not. But I,

[00:27:23] **Andy Murray:** But we are two old guys, that's for sure.

[00:27:25] **Bryan Gildenberg:** Yeah. And I might be yelling at a cloud. You never know. But I, but in this case I'm not decrying analytics. I'm simply suggesting that there are an incomplete answer to.

[00:27:31] **Andy Murray:** And maybe some of the wrong tools.

[00:27:33] Yeah. We're not the two guys in the booth heckling them. Muppets. But the, I do think

[00:27:37] **Bryan Gildenberg:** Statler and Waldorf if you ever need to know their names, by the way.

[00:27:39] **Andy Murray:** Oh, good. There you go. That's helpful. But I do think, cause retail media networks have been really accelerated through more of a performance marketing email.

[00:27:47] Yes. E-commerce space and that space is, and how that's different than shopper marketing is fundamental because shopper marketing, the question is how do you grow the category and your. Not just your brand cuz No, no buyer. I'll put my retailer hat on. I'm not really that interested in growing your brand, but if you can show me how this grows the category I'm all in.

[00:28:07] Yeah. And so you lose that campaign, grow the category consumer solution sets. When you really focus it down to just a PDP page, just an item, just a brand, and get really micro. And I think that's the clash that it's hard to see that, what was the shop shopper Marketing is a set of principles, right?

[00:28:24] About let's grow and build campaigns that grow categories. And our brands win, Of course gets lost in the granularity of some of the performance marketing.

[00:28:33] **Bryan Gildenberg:** It does. Here's a hypothesis cuz I think. If you look at the way that performance marketing companies that are largely digital have grown up and the way they talk about what they do, they separate almost by venture capital stage, the work that they're doing.

[00:28:47] So if I'm a series A, I go out and I'm all about aqua, I'm all about, product market fit. If I'm in series B, that's what I'm about customer. When I'm at series C, that's when I'm all about retention and reducing churn rate, and I'm Series D. That's what I'm about trying to figure out. I'll make the whole freaking thing profitable.

[00:29:02] I'm paraphrasing loosely, but it's interesting because the challenge of winning customers. And the challenge retaining them are seen as two very different activities in performance marketing, right? Yep. So I know you've got customer lifetime value and calculations. So for the most part, performance marketing is a lot like dating, right?

[00:29:20] Like I'm gonna put on a great show and hope it works and and, hope we get to the next day to hope something good happens to me. Consumables in a shopper marketing environments a little bit more like marriage, right? Like the relationship you have with your grocery retailer is a lot. It's over time.

[00:29:34] There's a predictability to it, which is beneficial and reassuring. The fact that I don't have to think about it every day. Is not always terrible or I don't have to actively do something about it every day. Isn't always terrible. That there are times in which I wanted to engage and there are times where I wanted, I just wanted to work.

[00:29:54] There are times where other things in my life are more important to me than this, and it needs to be there as a foundation, whatever, right? , I'm the wrong guy to talk about marriage. But but no need my advice on that. But but certainly within the but certainly within that context, I think the divide in the performance marketing world between customer acquisition and then retention

and reducing churn, I think is unhelpful for our conversation for retailers who are primarily working with customers that they've retained already, not customers that they're acquiring.

[00:30:23] So I think the way, the ways in which success are framed up in those two ecosystems is really different.

[00:30:28] **Andy Murray:** And I'd love to hear your perspective on discovery. Discovering new items, discovering new brands. You're trying to get new brands launched. There's not maybe a history there of on an SEO level or a ratings and reviews.

[00:30:41] It feels to me like discovery is getting harder and, how do you think what would your advice be to brands that, wanna get new items and they need to get discovery, but yet the performance marketing is gonna pull you back to the tried and true, kind of spaces where you can get you can be more predictable about.

[00:30:58] **Bryan Gildenberg:** I think this is gonna get interesting cuz I think that, cuz I do think this is one where I think brands are gonna need to learn something from performance marketing. And to be honest, I think that a lot of. I think a lot more growth for companies from a new item perspective is going to come from new items that are built more like performance marketing D to C brands, or even if they're not performance marketing or D to C for two reasons.

[00:31:23] One, I think it's probably a more effective way to build a brand in a world in which I can't just put it on a physical shelf, spend a ton of money buy a Super Bowl ad and hope all that works. And two. Yeah, and I, so I think that level of organic development with, obviously with paid for intent and strategy and all that, I think that's important.

[00:31:42] And two, the retailers today, if I'm looking to dedicate shelf space to a new item, Are choosing between brand A that is gonna go old fashioned, CPG line extension television advertising on third tier cable tv, but it's a big number, so it looks impressive even though nobody's watching it and all of a sudden you like that model.

[00:32:04] Or I could go. I could go find some cool entrepreneurs, fun to hang out with, who has 125,000 followers on Instagram who I know are gonna be seeking that brand out in a physical store. There's just less risk, ironically, to that. Yeah. Than there is to the big company launch. Yeah. And I've heard wa, I've heard some retailers talk about this where.

[00:32:28] They basically said, Look, the new item launch platform of the future is gonna be, you're gonna launch this thing online. We're gonna see if it works, and then we'll figure out if it warrants shelf space. I think there's gonna be fewer items that big companies cook up that out of the box are gonna warrant 80% ACV distribution.

[00:32:46] The retailers aren't gonna do that. No. So I do think that the new item watch process, I do think will get permanently shifted by the way that the digital world tends to grow and develop new items. So I think I'm the CPG company. I'm gonna have a portfolio. The one thing I'll I'm able to do, cuz I have more money, I can run 10 or 15 ideas, pick two that work, watch the other 13, fail and be okay with that.

[00:33:12] Yeah, An individual entrepreneur can't do that. So that's where I think the advantage of scale is gonna be. The only advantage of scale is I can fail and not notice. Yeah. That's the only advantage of scale today, apart from retail media talked about. Yeah.

[00:33:24] **Andy Murray:** And I read some recently that, discovery for new items, interesting items like that is now TikTok for search versus even searching a retailer site. God. . Yeah. And that's why I pull up Walmart for this recent announcement on, creating a creator platform. I, obviously they get it that there's gotta be that influencer piece, but, was amazed at how much product loads can be generated just from, really interesting TikTok experiences with product.

[00:33:48] **Bryan Gildenberg:** It's funny cause we did some research last year at Omnicom where we looked around the world at shopping behaviors across a multitude of categories and multitude of markets. And the one thing I kept seeing is I was the one going through the date in the end, and the one thing I kept seeing is that was like I would write up the summary and, and in this retail format, in this country, Gen Z under indexed on using retail to search.

[00:34:07] I'm like, ok. And then I kinda looked at all of data. It's just Gen Z didn't over index anywhere in particular? They just under indexed on searching, period. Yeah. Why? Because they're not search. They're getting ideas from TikTok and Instagram and they're procuring in retail. Yeah. And they're using Love that.

[00:34:24] And this is why Amazon is the big winner from TikTok and Instagram, cuz Amazon is the fastest and easiest place to procure something. I see it. Saw on TikTok, bought it on Amazon is a real thing. And and that's a,

that is a very big part of the ecosystem. I'm trying to find some wacko item that I've never seen before, anywhere else, and I can remember the brand, or I can even remember vaguely what it looked like.

[00:34:45] It's way easier to do that on Amazon than anywhere else. I tried doing this on Google today, rip from today's headlines, but you know those little three in one chargers you have where you have your phone and your watch and your air AirPods. I actually saw those in a presenta. I saw that in a presentation that somebody.

[00:34:59] Reminded me that I'd seen it on Prime Day on Amazon and didn't. , but then I tried to Google it to see just like who made it and the Google experience was so bad I just gave up and went to Amazon like, you, I saw this on Amazon before. I'm just gonna go look for it here. Yeah.

[00:35:16] **Andy Murray:** Two things there that I think are interesting to unpack a little bit.

[00:35:18] First you talked about, the friction and I see, I saw you put up a slide once about Amazon and it really was just a can of WD 40 . Did you unpack that? Because that has insights for how other retailers should look at opportunity and threats. Yeah. If you put that image of WD 40 in your mind, what is what?

[00:35:36] Explain that one.

[00:35:37] **Bryan Gildenberg:** Shout out as always to my good friends at WD 40. But but yeah, cuz I, it just, if you think about what Amazon's brilliant at they're brilliant at the removal of friction. That's really what Amazon's superpower is. Both user experience, friction, but also commercial friction.

[00:35:51] And it was just I remember once I was trying to think about, Why Amazon was successful post 2001 crash when ver, Cause there's really only two digital assets that survived the 2001 implosion. It was Amazon and Google. Facebook wasn't invented yet so Facebook was only invented in 2002.

[00:36:09] So the, those are the only two digital things that remain from like the early era, right? They're like sharks and birds, right? They're the only two things that survive from the dinosaur. So how do they get there? And what Amazon did was they inserted themselves into a problem.

[00:36:22] And this was our origin story, which was booked where not only was the user experience of buying books a little broken, but the commercial model

was insane. Like the relationships between publishers and bookstores was de. . And the bookstores made more money returning books to publishers than they did selling them.

[00:36:37] So that's commercial friction, right? So if you have a. Terrible user experience or anything that lags in any way, or you've got a commercial model where money isn't just flowing one way smoothly, but is flowing back and forth. Assume that both of those things are opportunities that if Amazon ever figured them out, they would insert themselves into, And essentially, this is, I joke with people about this all the time, It's like consumers just spray Amazon on a problem all the time, right?

[00:37:06] Like I was trying to solve this thing before. I don't, Amazon's not the best way to buy this, I don't think, But I can. Yeah, it can stop annoying me. It's least friction. I'm done. Yep. Yeah. And it's not perfect, but it's better than it was. And I think that retailers, particularly retailers with clunky user experience have gotten destroyed by Amazon and just Amazon and the shopper's inability to wade through a suboptimal experience.

[00:37:33] How ruthlessly efficient the Amazon platform is and how well most shoppers know it at this point, it is. It is really hard to run anything that doesn't get the shopper where they're going quite quickly. In a world where Amazon exists. So I think this is one of the things that I get really worried about in the whole field of marketing.

[00:37:54] But in particular, anything having to do with retail marketing or shopper marketing to get back. Cause everybody, Andy, you've been part of more presentations than I ever will be about how people have told you that the future of brick and mortar retail is experiential. And foster talks about the experience economy and everybody gets, it's sure, but if you create an experience where somebody doesn't want one, that's not great. So that's just a waste of their time. And if you're creating a digital experience where somebody doesn't want one and that's getting in the way of what they're trying to do, you're gonna find Amazon sprayed on you more quickly than you care to think about.

[00:38:26] **Andy Murray:** So yeah. One of the things that Amazon's done well is the hiring and. The relevance engineering teams and really focusing on making sure it's relevance. They remember searches, they remember and try to serve, be relevance. However, I don't see the relevance engineering teams, in the other spaces other retailer networks.

[00:38:43] Most of the other retailer networks. There might be a few that do it really well relevance is so important and you've gotta have that. Now you had mentioned the Google experience.

[00:38:50] **Bryan Gildenberg:** I'll tell you the one retail experience that's actually not bad at it is ins.

[00:38:53] I was I think Instacart does a better job of this than most, just because they're operating off of a fairly constrained ecosystem of relevance. So it's pretty easy for them and their user interface is, Just not, it's not as Amazon centric as everyone else's web interfaces, because everybody else basically tried to go build the second best version of Amazon for reasons best known to them.

[00:39:12] And you've ended up with sites that look a lot like Amazon, which looks a lot like the Library of Congress, which is just not a very interesting way to do much of anything. So I, the one thing I would encourage any retailer in the world to do is to try to come up with a, try to come up with a.

[00:39:27] Library esque organization structure for their website that makes things findable, but doesn't make them so subcategory classified that they're impossible for the shopper to navigate and to just keep what you've bought. Regularly more top of mind to the dig to its, to your, to its digital memory.

[00:39:49] **Andy Murray:** Yeah. Moving beyond relevance look at the Google experience you just had. Where do you feel the consumer is gonna draw the line on ad loads pages, pays before they see organics? And is there a risk at that? Retail, Amazon retail retail media networks follow. Heavy ad loads cuz it, it feels to me like so far what I'm seeing is consumer seems to be tolerating it, but I don't know where that line's going to get drawn.

[00:40:14] **Bryan Gildenberg:** I think it's gonna get way worse as people get old. I as this see these kids grow up I think as a generation that has grown up. More savvy about what they're seeing in these things starts to be responsible for spending more money. I think that's gonna shift pretty dramatically. I really, I.

[00:40:35] I do think the short term monetization opportunity for platforms that sell advertising has become, I would always want to chip up . It's like one of those golf holes. You can leave it short, but don't go over the green. Like I, I think a lot of ag networks run the risk of going well over the green in into, out territory.

[00:40:52] Yeah. Look, leave. Leave an ad on the table, man. Just, yep. Google, do you really need another billion dollars? Is that essential? What are we doing here? If your shareholders are the tiniest bit sad for a brief moment in time, they'll probably get over it. They can go.

[00:41:07] Sleep on their down pillows and all that stuff, they're gonna be okay. Yeah. Just really prioritize the user experience is, I do think a generations growing up where not only are they used to searches that are algorithmically generated for their interests not produced to sell them ads. Yes.

[00:41:25] But also I just, they just don't trust. They don't trust the advertising supportive network. Not because, ah, we don't trust big, whatever. They just know it's ads. Yeah. It's not interesting to them. It's it's like the first time, it's like the first time you read like a. Like in like info journalism, whatever they call that stuff in a magazine.

[00:41:43] You're like, Wow, that's a really good article about going on vacation in Aruba. Like, why it's here, but wow. And all of a sudden, Oh, it's an ad I, And then you just flip past them, even though it looks like the rest of the magazine. You'd flip past it, right? Yeah. And

[00:41:57] **Andy Murray:** Oh, while you've got your crystal ball out.

[00:41:58] **Bryan Goldenberg:** Dude, that was a pretty solid rear your mirror. , we might, we, we might as well be doing an episode of Golden Girls at this point.

[00:42:03] **Andy Murray:** As you look into the future, maybe two to three years from now, this. This environment looks different almost quarter by quarter. So I know this is really hard, but what do you expect to find or hope to find as you as you and I get back and do this again two or three years from now?

[00:42:17] What do you think we should be talking about or you hope we're talking about?

[00:42:19] **Bryan Goldenberg:** I think, look, I think I think we, to get back to retail media networks, cause we've touched on a range of topics here, including the Golden Girls. I think I think retail media networks are getting better at, they're getting better at serving up a media proposition to brands that makes sense.

[00:42:32] That's easier for the brand to buy in a more seamless way. Now it does. It's not gonna two, three years now, it's probably still not gonna be perfect, but it's going to be easier to use. It's gonna be less frictiony and we'll be better measurement and better traceability. It's not going to be perfect.

[00:42:46] One of the, one of the folks yesterday on a panel talking about shopper marketing measurements said very profoundly, you can't let perfect be the enemy of good. And certainly when you're working off of, Having taught kids algebra in houses for a long time, the thing you realize very quickly is look, if you're dividing something by zero, literally anything is infinitely better than nothing.

[00:43:08] So that's a straight algebra. So let's not let anything be the enemy of nothing and let's not let the perfect be the enemy of the good. I think there I think retailers are gonna understand that brands are gonna need to fund this through a combination of media spend and underperforming trade.

[00:43:22] And that's gonna become a bigger. A more transparent part of the joint business plan. I think on balance, the notion that retailers have to sell opportunity to the manufacturer and not just buy, I think is a really nice. Nuance to the dynamic between manufacturer and retailer. That will get them to realize that in the sh in the battle for share of attention and the battle for share of wallet.

[00:43:47] In the grand scheme of things, big brands and big retailers have more in common than they do different. So absolutely. They're each fighting a lot of the same stuff. I think the medium size brands are gonna be a little bit, will have solved some of this. I think somebody will solved the problem of aggregating medium size retail media audiences so that they can be bought a little bit more programmatically.

[00:44:05] **Andy Murray:** Let me interrupt real quick, Bryan, on this current trend of where we are today, we have 600 allegedly retail media networks in the US alone. What do you think number's gonna be in two to three years? Less, more?

[00:44:17] **Bryan Goldenberg:** There may be more, but there, I think the number of effective buying points for them will be down.

[00:44:22] A factor of, I don't know, 30. I just, Yeah. Who's gonna buy, who wants to buy 600 media networks, right? That's, You can't, Yeah, that's why DV 360 and the trade desk exist, right? No, nobody wants to do that. So yeah I I think you're gonna see some, I think there's a lot of re aggregation that's gonna

go on in the digital media space, certainly from a content point of view, because right now you're at a point where, No one can remember which content apps they've subscribed to and what their logins and passwords are for all of them.

[00:44:51] And eventually somebody's gonna bundle all that together and it's gonna look an awful lot like a cable company. Yeah. And we're gonna be right back where we started.

[00:44:58] **Andy Murray:** You're seeing certain vertical slices like ABA start to do that, right? From different angles in.

[00:45:03] **Bryan Gildenberg:** Yeah. Yeah. I think, yeah. I do think you, whether it's IATA or Fetch or any of these folks that kind of work in a pan retailer way, yes.

[00:45:09] I think they'll be able to, I think you're gonna see more. , you'll s, and then I think eventually, not to make, but those, you're not gonna have 70 of those either, right? Somebody's trying to consolidate that into demand Rs and, have a giant warehouse of demand creation tools that you can, there'll be virtue to integrating those and not buying each one of those as an independent buying point.

[00:45:29] And if it's not the retailer aggregating that, it'll be some third party that sees the opportunity there. And I also think the other thing, I think bewilders me sometimes and is that I think the retail media networks have spent so much time doing what retailers know how to do, which is yelling at the people that sell them stuff and getting them to give them money that there are a whole host of other people in the world that would be willing to give people money.

[00:45:53] And, I was. Joking about this with you in the prep, if I were a drugstore retail media network, I wouldn't spend a second trying to sell Proctor and Gamble and AD as the sixth best retail media network they're going to sell to. Although I'm, They're apologies everyone who does that for a living, but, Just go so to pharma companies, right?

[00:46:12] The pharma companies need to reach these people. They have no systematic way of understanding who audiences are that are trying to buy healthcare. And pharma companies, from an advertising point, they view like money on fire to stay warm.

[00:46:22] **Andy Murray:** They, they have to, because I see some of these ads that are so not relevant to me.

[00:46:26] Yeah. Where you've got this, very, maybe very important, but very, rare disease that's taken up, 30 minute, 30 seconds of prime time. I'm like, who in the world can afford this?

[00:46:35] **Bryan Goldenberg:** Yeah. Now there, there are HIPAA restrictions, obviously about what you can do without on a, but certainly for the 97,000.

[00:46:43] Diabetes and rheumatoid arthritis ads that you see. There's some pretty easy non HIPPA driven crossover targeting you could do around pain relief and sugar free, everything that you can use to identify who those people are in AR network and advertise to them, I would think in a relatively compelling way.

[00:47:00] Just looking at the huge verticals. Spend in the media ecosystem. It does. It wouldn't stu me if five years from now non-endemic advertising was a bigger part of the retail media network ecosystem than endemic was. Yeah.

[00:47:18] **Andy Murray:** Yeah, I can see that. I can see that. Bryan, we've turned over a lot of stones.

[00:47:22] Is there any stones we haven't turned over that you think's worth talking?

[00:47:26] **Bryan Goldenberg:** I don't think so, man. I think we've probably tested the audience's patience long enough, but but no no. I, no, this has been Andy. It's really, it's pleasure chatting to, and yeah, it's, I've been an admirer of yours for a very long time in the industry.

[00:47:41] You've you, you did a lot to change the way people think about stuff, and that's that's something not many people could.

[00:47:46] **Andy Murray:** Thank you. That's very kind. And I feel like we've got new life and new legs as we try to face on these new challenges for, you and I both to figure out, how do we make sense outta this and cast the longer vision.

[00:47:57] So I'm excited as I am when shopper marketing first, started to really kick off. Cuz I think with that kind of friction and chaos, there's a whole lot of silver lining. And I found the gold is always in the silver lining. So you know, there's a lot of opportunity in front of us.

[00:48:11] **Bryan Goldenberg:** So the gold is always in the silver lining.

[00:48:13] I think I'm gonna steal that from you. Thanks. Yeah, please do. .

[00:48:16] **Andy Murray:** Bryan, it's been a pleasure buddy, and I really appreciate your time. I know you're a sought F speaker and for you to be able to do us on short notice given we wanted to cover some of the conference stuff, is a real treat for me and the folks that follow us.

[00:48:28] So thank you again.

[00:48:30] 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 could be updated as we publish new episodes.

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