

eBook

Retail Media Strategies for the Data-Driven Seller

How to execute and optimize retail media
campaigns that work



The Retail Media Opportunity

Things are getting a little crowded in the e-commerce landscape. Consumers have endless choices when it comes to how, where and when they shop. Instead of choosing one path, they're choosing nonlinear journeys across multiple channels and touchpoints to arrive at the products they seek.

83%

**of worldwide consumers
now visits 2+ websites
before purchasing**

Source: ChannelAdvisor

In fact, according to a 2023 ChannelAdvisor study of 6,000 global consumers, a whopping 83% of worldwide consumers now visit two or more websites on their buying journey before making a purchase. Even 75% of global consumers who shop marketplaces check multiple platforms for browsing, shopping or buying.

For brands and retailers, keeping tabs on this journey is harder than ever. If consumers are constantly jetting from one website, search engine or marketplace to another, how can you possibly catch their attention — especially when you're surrounded by mounting competition?

The answer is through retail media, the rising star among advertising channels.

Retail media provides a more targeted and effective way to reach consumers where they already shop. And we've only seen the beginning of its impact.

In this eBook, we explore the retail media opportunity for e-commerce sellers, including:

- Why retail media is taking the industry by storm
- What elements are critical for optimal retail media performance
- How to increase your retail media efficiency and return on ad spend (ROAS)



The State of Retail Media

Retail media is no fad. US ad spend on retail media is predicted to reach [\\$107 billion by 2027](#). And global advertising revenue from retail media is expected to [surpass television revenue by 2028](#).

This growth trajectory is truly remarkable, especially compared to other advertising mediums. In just [five years](#), retail media accomplished what took digital ads 14 years and social media 11 years to achieve: \$30 billion in revenue. For this reason, some industry analysts are calling retail media “the third wave of digital advertising.”

Consumers are growing more accustomed to retail media too. When presented with ads for best-selling items in the category they’re browsing, [44%](#) of consumers indicated they pay attention to them and [37%](#) go on to purchase from those ads. [Thirty-six percent](#) of shoppers purchase from ads that suggest products they “may also like.”

On Amazon, retail media ads have become so ingrained in the fabric of the site that it’s difficult to tell what’s an ad and what’s non-paid content. Yet, consumers seem to embrace it. In our recent consumer behavior survey, more than 50% of US consumers indicated they had purchased a product on Amazon after seeing an ad for it on the platform (and 11% weren’t sure).

In 2023, Amazon held [7.5%](#) of the overall online ad market. Because of this, the marketplace and media giant shows other retail media networks (RMNs) what’s possible. Amazon’s extensive menu of [ad types](#) like Sponsored Products, Sponsored Brands (including video content) and Sponsored Display allows sellers to paint an accurate picture of their brand voice on the platform.

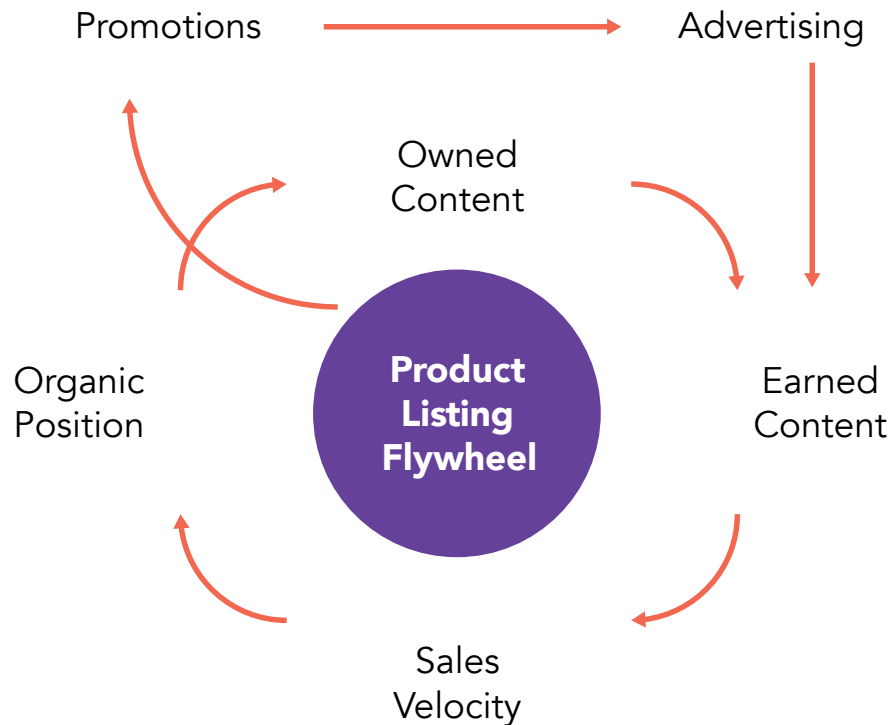


But Amazon isn’t the only one shaping the industry. More and more retailers are starting their own RMNs. Kroger, CVS, Walgreens, Macy’s, Delta and Marriott are among the major brands that have launched their own retail ad networks over the past several years. Walmart’s ad revenues are growing [twice as fast as Amazon’s](#), and eBay reported an impressive [35% year-over-year \(YoY\) growth in its retail media business](#) in the second quarter of 2023.

As retail media embeds itself deeper into the fabric of the e-commerce industry, brands must reallocate budgets to stand out and connect with consumers — all while maintaining efficiency.

Retail Media Algorithms & Product Visibility

Each RMN has differing nuances to its algorithm, but in general, they all operate around the same core concept. We like to think of these elements as “logs” around your listings that you can add to your platform presence “fire” to make it burn brighter.



Owned content like your listing titles, descriptions and bullet points work together with earned content like reviews, star ratings and comments to drive conversion. Once orders start coming in, your products start to generate sales velocity. This momentum and product popularity can affect your organic position in search results. The better your organic position, the more exposure your product receives.

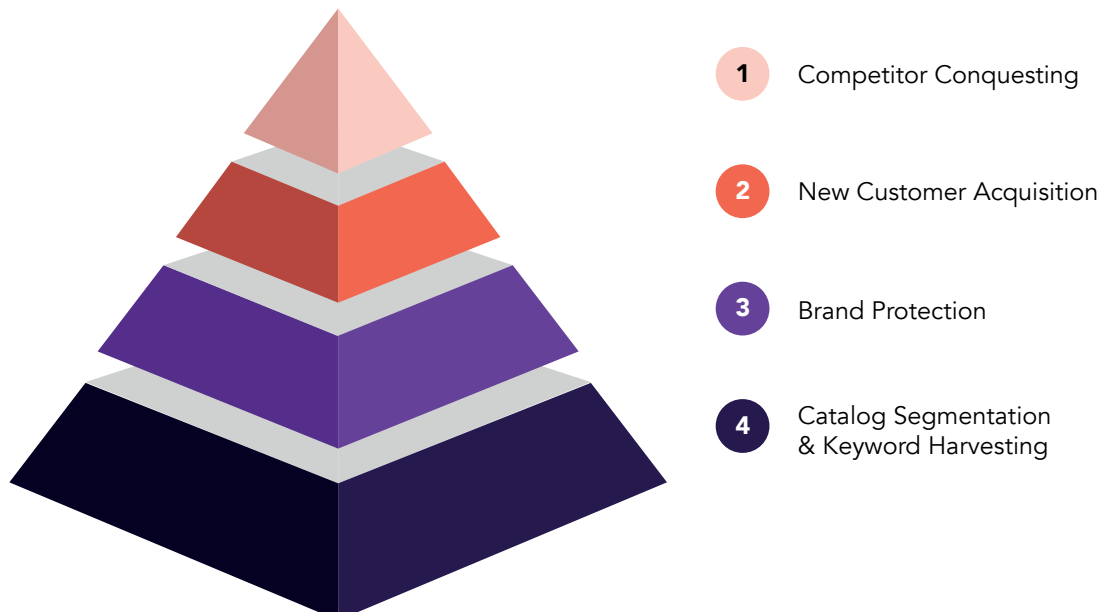
The cycle continues on as successful listings affect purchases and sales velocity influences search rankings. To accelerate performance, promotions and advertising ignite the entire process, improving each element exponentially.

The Retail Media Strategy Pyramid

Building a well-balanced retail media account requires the adoption of multiple strategies, each with its own targeting, campaign types and catalog segmentation. By scaling your account with this multifaceted approach, you can prioritize high ROAS strategies and a strong foundation before investing in low ROAS strategies that may focus on broader KPIs like future growth.

A pyramid structure helps create efficiency throughout the entire process.

Balance Your Retail Media Strategy



1. Catalog Segmentation and Keyword Harvesting.

Catalog segmentation and keyword harvesting form the foundation of a strong retail media program. Major platforms like Amazon and eBay provide auto campaigns, which use an algorithm to help you identify your most important keywords and segments. This helps determine what your customers are actually searching for, how it's relevant to your products and which keywords make the most sense to target your goals.

Auto campaigns allow you to cast a wide net on the search page and reel in what will most likely convert. They can also be a good indicator of what your average account ROAS will be. By establishing a baseline with your auto campaigns, you can guide future goal setting, establish your average ROAS and how much growth you can expect.

2. Brand Protection.

Protecting your brand is a strong next step for your retail media presence. This includes bidding on branded keywords, as well as product detail page protection. On Amazon, these tactics can cover all campaign types. Brand protection allows you to guard your brand against competitors within your category while serving as an educational tool for customers who are learning about your brand.

You can expect a higher ROAS on brand protection campaigns, as customers who search by your brand name or scan your detail pages know what they're looking for and are ready to buy. In this way, individual clicks may convert shoppers much quicker than a longer discovery journey. By investing in brand protection and expanding your coverage, you can improve your overall account efficiency, building on your ROAS and strengthening the power of each ad dollar.

3. New Customer Acquisition.

After you've exhausted your brand-aware audience, new customers will help you grow your business and continue generating revenue. This is especially true if you offer a smaller catalog of products and the average lifespan of your customer is shorter. For instance, baby bottle customers buy for a shorter period of time than others due to the changing needs of their growing children.

New customer acquisition campaigns can include nonbranded category keywords harvested from your auto campaigns, category targeting or "similar to" audiences. Testing multiple creative concepts will also provide additional coverage. For example, Sponsored Brand Video has a very high click-through rate thanks to high visual

engagement. You can also expect acquisition campaigns to have a lower-than-average ROAS, as these customers are usually at the start of the journey, requiring more time to select their preferred product.

For this reason, it's important to pair brand protection and new customer acquisition campaigns together. As shoppers become aware of your brand, they may think of your products and look for them specifically upon continuing their search. By combining these campaigns, you can establish your average or goal ROAS knowing brand protection is on the higher end and customer acquisition will be on the lower end of your results.

4. Competitor Conquesting.

This stage is similar to the new acquisition phase, but targets your competitors' customers. It is not uncommon to have a low ROAS for this strategy because the goal is to interrupt the customer shopping journey of a competing brand and turn their attention to your product(s). The shopper may not be ready to purchase from you just yet, resulting in a low conversion rate. Cost per click may also be high, especially if your competitor is investing in their own brand protection. For this reason, investing in this strategy requires willingness to spend a little more for these clicks.

Instead of focusing on ROAS or conversion rate as your main KPIs for these campaigns, aim instead for high click-through rates. This will demonstrate how often you bring brand-unaware customers to your detail page. It can help you get a feel for how large the pool is of shoppers who are just now discovering your brand.

Increase Your Retail Media Efficiency

Prioritizing efficiency is a natural desire for any advertiser. But at what point does efficiency limit your overall growth? It's important to establish goals and vary your strategies to achieve both.



Establish Target ROAS for Each Strategy

Establishing individual ROAS goals for each of your targeting strategies is important for measuring overall growth and keeping your account constantly generating new-to-brand customers. These goals help create overall efficiency for your account while maintaining balanced growth.

For instance, you might set a goal ROAS of \$12.50. Breaking it down into individual strategies helps you plan and visualize how you will actually achieve it. In this example, your auto campaigns may hover around the average at a \$10 return, whereas brand protection campaigns are highly efficient at \$20 and new customer acquisitions produce smaller ad returns. But together, these strategies and results help achieve your goal or average ROAS.

Establish ROAS Goals Across Strategies

Account: \$12.50 ROAS

Auto:
\$10 ROAS



Brand Protection:
\$20 ROAS



New Customer Acquisition:
\$6.5 ROAS



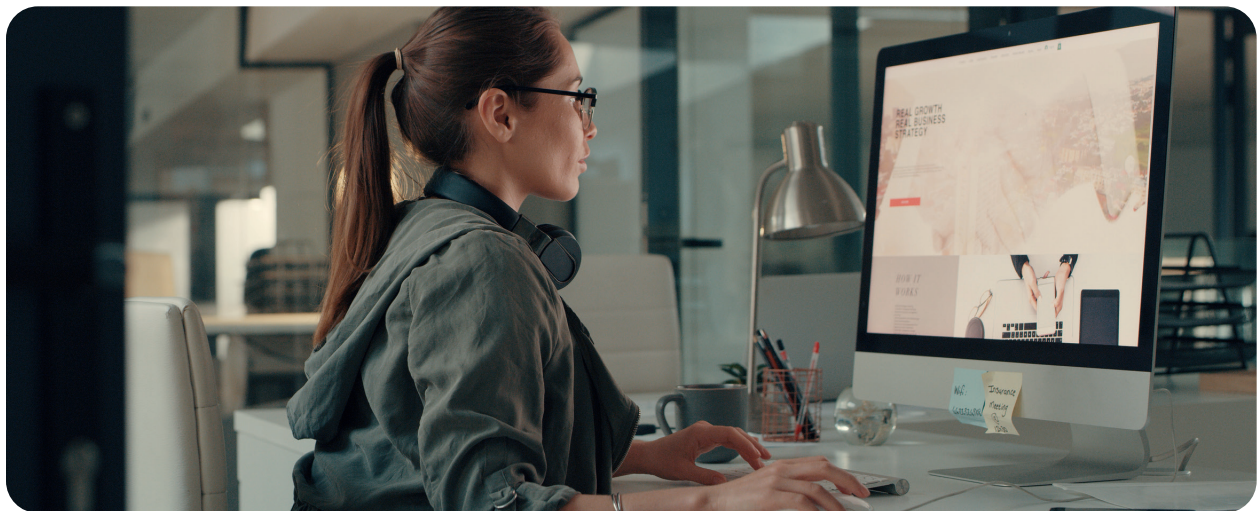
Optimize Campaigns and Allocate Investment According to ROAS Goals

Once your campaigns are up and running, optimizing your performance can help you actually achieve your targets. Inefficient campaigns fail to recoup your investment, while campaigns that are too efficient slow your overall growth. In response, try these corrective measures:

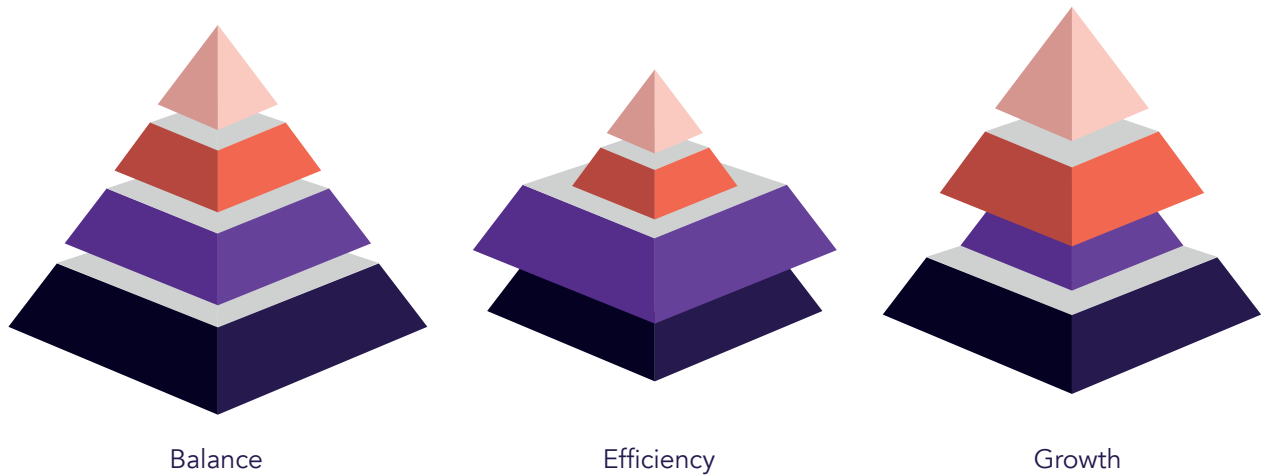
Too Efficient	Inefficient
<ul style="list-style-type: none">• Increase daily budgets on any campaigns meeting their ceiling• Explore acquisition and conquering strategies• Test new creative assets• Conduct continuous keyword and category research• Consider an overall budget increase and allocate toward growth strategies	<ul style="list-style-type: none">• Decrease spend on inefficient/poorly converting targets and ads• Utilize negative keyword targeting• Explore day-parting opportunities• Reduce investment in acquisition and conquering• Re-evaluate your ROAS goals per strategy

Depending on the ad platform, you can make these optimizations manually or (ideally) automatically to continually improve while making your job easier.

Ad investment should also go hand in hand with your ROAS goals. For instance, if you're prioritizing efficiency and hoping to increase ROAS, invest more heavily in brand protection. Brand protection campaigns include branded keyword bids and product detail page ad placements. They typically perform at a high ROAS since customers are closer to their buying decisions.



Allocate Investment According to ROAS Goals



If you're in a growth phase, however, it's wiser to invest more heavily in customer acquisition and conquering strategies like nonbranded keywords, category exploration and clicks versus conversions. By thinking about your strategy in phases, you can invest with flexibility as your goals change.

Shift Strategy and Goals to Match the Customer Journey

Another approach to strategic planning and budget allocation is to consider the customer journey and marketing funnel from start to finish. By matching your strategy to the customer journey, you can start to identify goals beyond just meeting a ROAS target.

Want to increase new-to-brand customers? Need to improve conversions? Once you identify these goals and priorities, you can identify appropriate budget allocations to each stage of the customer journey from awareness to consideration to conversion and beyond. Each phase includes several campaign types and targeting types for full coverage and visibility on your advertising platform.

Retail Media Best Practices

Your retail media strategies and goals won't mean anything if your ads don't perform. Whether you're a veteran in the space or new to the game, these retail media best practices are the most effective tactics to increase your advertising success.

1. Don't neglect your product content – optimize it.

Your product content is truly the foundation of every campaign. That's because great content influences every performance metric, from showing up in search results to increasing conversion to strengthening ad relevance. The more relevant the ads, the more efficient your ad spend is and the more room in your budget to scale.

Tailor your campaigns to how shoppers actually search by:

- Providing six or more clear, high-quality images
- Using at least 80 characters in titles with product-identifying terms
- Writing with detail and proactively answering questions shoppers might have
- Improving "skimmability" with concise, catchy bullets that simplify and describe the product

Amazon A+ Content

Amazon A+ content is a highly effective tool available to brand registered sellers. It allows you to develop a deeper brand and product story with highly visual, branded content below the search page fold. Amazon says this eye-pleasing content is not only easier for consumers to understand, but can increase total sales by 3%-10%.

[Get more Amazon A+ content best practices](#)

2. Refine targeting on product detail pages (PDPs) with Sponsored Products.

On Amazon, Sponsored Products are a great way to conquest competitors and defend your brand against competing pages. They provide optimal product page coverage by:

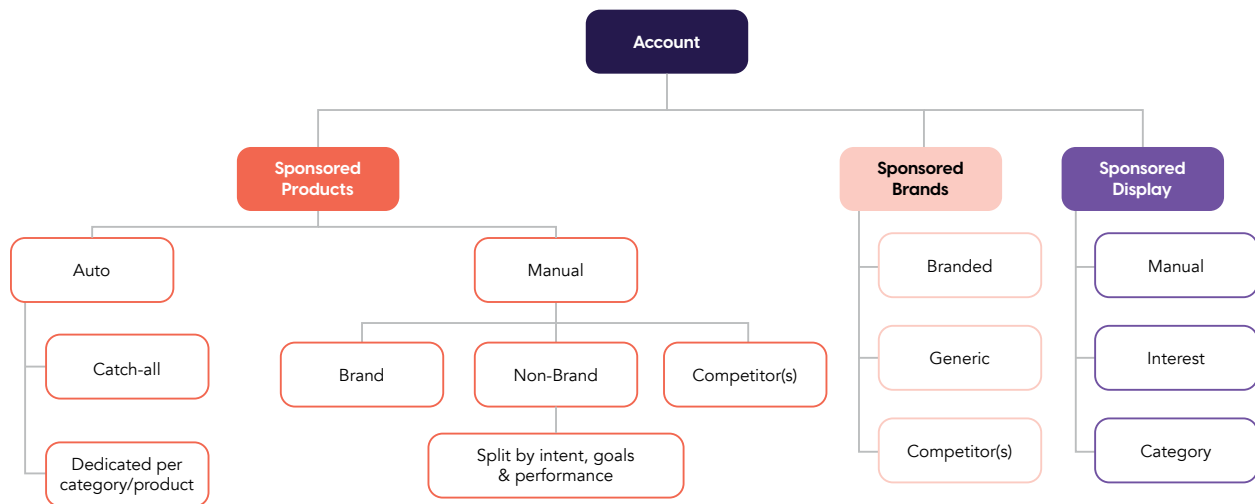
- Targeting your own Amazon standard identification numbers (ASINs) to eliminate competitor real estate
- Providing a boost with high impression placement to increase conversion from other paid sources like Sponsored Brands or Sponsored Display

Additionally, you can update the product page bid modifier to be more aggressive on your product page placements.

Don't forget about other Amazon ad types either. Use Sponsored Display Ads to target competitors with placements right below the Buy Box. Or, use Sponsored Brand Video to welcome shoppers and show off your most engaging digital content.

3. Clean up your account structure to enable automation

Before you can even begin to consider automating your campaigns, you must have a clean account structure. Organization and clarity are key and may manifest in an account structure that looks something like this:



Structuring your account based on your goals, intent and performance allows for better budget allocation, strategic bidding and efficient automation. The work you put in up front is likely to pay off with better performance in the end.

4. Automate your ad management

If you want to effectively operate at scale, [automation](#) is absolutely essential. Specifically, automation can be a game changer for segmentation and ad management.

Without the need for constant monitoring, automation allows you to:

- Manage ads based on filter criteria you set (e.g., selling performance, new products, clearance products)
- Pause ads for products that no longer meet defined criteria
- Add or unpause products in an ad group as they meet defined criteria
- Activate product and sales data from all your marketplace listings

5. Test, test, test.

Nothing is constant, especially not in e-commerce. Testing is absolutely essential to the success of your retail media program, but is often forgotten. You can continue to innovate and improve performance by reviewing your analytics, trying new strategies and making adjustments.

Rithum Helps You Drive E-Commerce Growth with Effective Retail Media Services

As retail media takes off and new ad formats increasingly cover the full depth of the sales funnel, improving your ad program is a no-brainer for e-commerce success. For every retail media campaign you launch, ChannelAdvisor can help you plan and execute from a [centralized platform](#).

Whether you're growing brand awareness or chasing new ROAS targets, we help you automate your retail media program and focus on the right levers to achieve your overall business goals. Most importantly, by combining the strength of our technology with the experience of our [e-commerce experts](#), we're able to streamline your retail media campaigns setup, management and tracking — helping deliver sales growth and a higher return on your ad spend.

Rithum manages more than \$500M in digital marketing and retail media ad spend annually. Contact us today to see how we can leverage our e-commerce expertise and be your new full-service retail media agency.

Request a [complimentary advertising analysis](#) and get feedback from the experts who understand consumer expectations and the current advertising climate. Gain insights that can help you unlock the potential in your digital marketing efforts — and your profits.



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