

INTRODUCTION TO RETAIL MEDIA IN MENA - PART 1 OF 2

Introduction

In this 2-part series on Retail Media in MENA, we aim to shed a light on what it is in reality, what opportunities exist in MENA today, the challenges of implementation and some practical advice for advertisers, agencies and retail brands. We will hear from a cross section of the market, providing different perspectives.

In Part 1 we cover the basics: 'What it is, what types there are and why it's such a big opportunity'

What is Retail Media?



Ian Manning
Executive Director
IAB MENA

Retail Media refers to the digital advertising space, retail data assets and in-store opportunities a retailer or marketplace owns, which is then made available to brands for the execution of advertising campaigns. It can include a variety of different formats, such as online advertising, in-store signage, and sponsored products. First-party data, or information that retailers have obtained directly from their customers, enables them to design and deliver highly targeted advertising campaigns that are more likely to resonate with consumers, thereby raising brand awareness, boosting sales, and fostering customer loyalty.

Retail media has been around for many years and it not new in itself, but rather, supercharged. The depth of data now available and the need for more first-party data solutions makes retail media highly attractive as a monetisation opportunity for retailers and a smart advertising solution for advertisers.

This collaboration is not new. Brands and Retailers have always planned and bought media together to achieve joint objectives, called Co-op marketing. This is often seen as the precursor to modern retail media, the key difference being the depth of data utilisation.

Equally, these collaborations leveraging the data and assets brands of different brands are not limited to retail brands. Where companies that are not strictly retailers offer similar offerings using their data and assets, such as banks and mobile network providers, this is often called Commerce Media, but is effectively the same thing.

What are the main types of retail media?



Ansa Leighton-Buys
Growth Marketing Strategy Director
Incubeta

Retail media encompasses various advertising strategies aimed at engaging consumers through different channels.

1. **On-site** retail media involves sponsored product ads and display advertisements on a retailer's website or app
2. **In-store**, or **Digital Out of Home (DOOH)** advertising, includes digital screens and interactive displays within physical retail stores.
3. **Off-site** retail media extends the reach to third-party platforms like social media, search engines, and other websites through display, social media, and search engine advertising.

Each type of retail media serves to connect with consumers at different touchpoints, from online browsing to in-store experiences, shaping their shopping journey and influencing their purchasing decisions.

What makes Retail media such a big opportunity for Retailers and Advertisers?



David Do Rosario
Head of Digital Media
Havas Middle East

For Retailers:

The ability to unlock and monetize their first-party data, it's an additional revenue stream beyond their traditional core business of selling products. This can be particularly valuable in industries with tight margins.

For Advertisers:

Unlocking 1st party data from retailers:

With cookie deprecation, retailers' first-party data becomes a goldmine for targeted advertising, being able to use transactional data from merchants versus media signals from different vendors.

Measurable ROI:

For Advertisers, especially those without a direct to consumer website, this represents an opportunity to move from Top of funnel (TOFU) media campaigns with soft KPIs (eg: Reach, completion rate...) towards hard metrics KPI's (Cost per sale, ROI..) meaning they can now measure the uplift in terms of sales/revenue from their digital investments and get ever closer to closed loop measurement.

What are the key benefits of implementing retail media solutions to Retailers?



Sohail Nawaz
Head of Retail Media
Landmark

From a retailer perspective, implementing retail media solutions offers a myriad of benefits that significantly enhance the overall business growth strategy and customer experience. Firstly, it provides a powerful avenue to monetize the retailer's digital assets, creating new revenue streams beyond traditional store sales. Additionally, retail media solutions enable retailers to leverage their first-party data effectively, allowing for more targeted and personalized advertising campaigns. This not only increases ad effectiveness but also fosters stronger customer relationships by delivering relevant content. Moreover, retail media solutions offer valuable insights into consumer behavior and preferences, empowering retailers to make data-driven decisions to optimize marketing efforts and drive sales. Overall, the integration of retail media solutions enhances brand visibility, boosts revenue, and cultivates a more engaging and seamless shopping journey for customers.

How does retail media enhance an omnichannel experience?



Karen Khattab
Senior Executive - eCommerce
Publicis Media Groupe

An omnichannel experience in retail media is an approach in which retailers interact with consumers through multiple digital and physical touchpoints. As consumers move across the different touchpoints, data can be collected to help in creating a consistent, personalized experience from the start of the purchase journey to finish. Nowadays, consumers expect frictionless and personalized experiences at the exact moment of relevance as they surface multiple channels before making a purchase. To curate these experiences and retarget consumers in the best way possible, access to 1st party data comes into place. The access to 1st party data for brands and retailers is a critical factor as it will allow both parties to create and facilitate a seamless journey between the online and offline store. Brands can achieve this by targeting consumers more accurately with relevant product recommendations on the retailer's website and in store. Another example could be brands potentially using social commerce by livestreaming videos that promote in-store-only deals. As for retailers, they can also improve multiple aspects such as marketing, merchandising, loyalty programs, and inventory management based on the customer's data they have such as past purchase history, browsing behaviour or location.