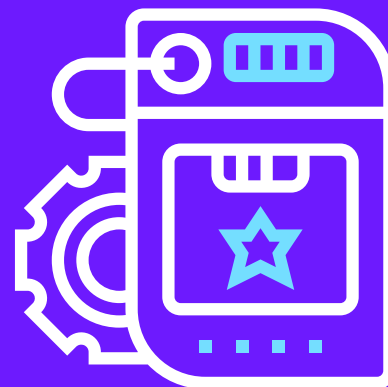


THE CONVERGENCE AND COEXISTENCE OF TRADE AND MEDIA IN RETAIL MEDIA SERIES



PART 5: BRAND CASE STUDY

If you have read our [“How one Retailer has solved for it”](#). You would have come out of it with a sense that Trade and Media convergence is on the way. Our conversation with the buy side was much more nuanced.

While they believe convergence is the inevitable long-term path, they are less confident about its immediate application. Brands are concerned about what this convergence will ultimately mean for them, and worry it will only favour the retailers.

For a successful transition to occur, disruption across retailers, brands, and agencies will be essential.

ONE BRAND WOULD SEGMENT CAMPAIGNS BY GOAL: BRANDING VS. PERFORMANCE

1. HOW DO YOU ORGANISE TRADE AND MEDIA STRATEGY AND SPEND INTERNALLY?

While Media and Trade are separate teams, achieving time-based objectives is often a challenge. The structure includes a traditional Media team alongside a Digital Commerce team.

2. HOW DO YOU OPERATE TODAY?

Our operational strategy is dictated by the retailer’s preferences. Some retailers prioritise margin as the primary KPI in the Joint Business Plan (JBP), requiring us to then determine media spending and strategy based on that yearly number we agree on. Conversely, others adopt a hybrid model where we initiate more Purchase Orders (POs) and we act as a media buyer, in parallel with existing business plans.

3. WHEN YOU ARE ACTING AS A MEDIA BUYER WHAT ARE YOUR KEY CAMPAIGN GOALS?

Ideally, the overall marketing plan would incorporate Retail Media as either a Performance or Branding vehicle, consistent with our overall Media objectives. However, we seldom have the capacity to treat Retail Media with this degree of precision, given the persistent presence of commercial or trade entanglements.

4. IF YOU WERE TO DO IT FROM SCRATCH, HOW WOULD YOU DO IT?

The company would utilise experts who develop specific plans aligned with branding and performance goals, emphasising the importance of selecting the correct lever based on the objective.

- **Branding:** Focused on “winning hearts and minds.” This includes all brand campaigns, such as targeted TV and in-store media
- **Performance:** Directly tied to Point of Sale (POS) and considered “trade.”

Notably, the brand is not pursuing a strategy to unify all media under a single umbrella, unlike some retailers we have engaged with.

5. WHAT CHALLENGES WOULD THAT STRATEGY PRESENT?

We have a trade relationship with the retailer, and they are accountable for POS. We want to make sure we are incentivising them to prioritise our products and drive sales. Our commercial counterpart at the retailer will always be incentivised by margin. They might not view the media as margin.

We also have internal teams that have been working with those commercial teams for decades. We would need serious incentive adjustments, both on our end and the retailer’s, to make this work.

6. DO YOU BELIEVE THE FUTURE OF TRADE AND RETAIL MEDIA IS INTEGRATED?

It has to be. I just don’t think the industry as a whole has found the model for that yet.