DATAWEAVE

Digital Shelf Analytics for Data-driven Retail Media Advertising

Timely insights that help brands advertise the right products
on the right platforms at the right time

Retail Media:
The Fastest Growing Digital Ad Channel Worldwide

Retail media is the advertising of products to shoppers at or near their point of purchase, such as eCommerce websites and apps. It is the **fastest growing digital ad channel** worldwide. Retail media ads generated $88 billion in ad revenue in 2022 and this number is forecasted to grow to more than $100 billion in 2023. According to GroupM, **retail media advertising will grow by about 60%** reaching $160 billion by 2027, surpassing the expected growth for all digital advertising. The spend on retail media is currently **11% of the total ad spend** across all of digital media. **74% of brands now have dedicated budgets** for retail media advertising.

Retail media ads include Listing Ads, Banner Ads, and Sponsored Brands, and these are now considered as essential as Search and Social ads.

Digital Retail Media Ad Spend Worldwide (2021-2024)

Spending in Billion U.S. dollars

2021
77B

2022
95B

2023
116B

2024
143B
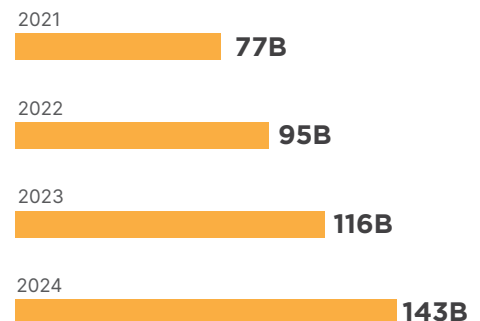
*Source: **Statista***

Retail Media:
Brand & Performance Marketing

A unique capability of retail media compared to other forms of digital media is that it integrates both brand and performance marketing. Brand marketing, which is aimed at creating brand awareness and a positive customer association, caters to the top of the marketing funnel. Here, the primary objective is to build a brand's value and drive maximum reach within the audience segment of interest. Nike's Just Do It campaign is an example of brand marketing that resonates well with its brand values and purpose.

Performance marketing on the other hand, caters to the bottom of the marketing funnel. Here, the primary objective is transactions and sales conversions. Pay-per-click ads are examples of performance marketing campaigns. Retail media supports both brand and performance marketing, thereby offering **performance branding** that **drives sales and performance while building brand awareness**. Homepage banners are examples of brand marketing in retail media, while sponsored keyword ads displayed on product listing pages is a performance marketing activity.

Advertising agencies that deal with retail media, therefore, need to be experts in both brand and performance marketing.

Growth of Retail Media

The recent explosive growth of retail media ad spend is largely due to the following reasons:

→ **Deprecation of third party cookies and Apple's IDFA**

Retail media has been touted as the future of personalized ads in the "cookie-less" world that is just round the corner. With no means to track user behavior via third party cookies and Apple's IDFA, brands need to turn to retail media networks for closed-loop, targeted advertising using their first-party data on consumer behavior and trends.

→ **Retail search is now the default search engine for online shoppers**

Retail search is the search functionality used by online shoppers to discover products and brands on eCommerce sites such as Amazon, Target and Walmart. Recent eCommerce search trends reveal that a startling **51% of online shoppers use Amazon's retail search** as the first place to research products as compared to 16% who use Google search.

→ **Closed-loop attribution**

Mapping a media campaign back to conversion and sales is a dream for marketers who look to make data-driven decisions on spend, ad placements, and overall campaign management. Retail media delivers exactly this! A shopper's entire journey, right from a click on an ad until checkout and payment, is tracked. This enables brands to accurately measure their Return on Ad Spend (ROAS).

While Amazon is by far the largest player in the retail media space, with **89% of the retail media ad spend in the US**, **Walmart** and **Instacart** are soon catching up.

Given that retail media is now in the limelight and poised for tremendous growth, brands are increasingly trying to explore how they can make their retail media campaigns more effective and in line with their success metrics. One way is to leverage unique insights on their digital shelf that can enable them to optimize their campaigns using relevant data.

DataWeave, a digital commerce analytics SaaS platform, addresses this need via our Digital Shelf Analytics solution.

What is Digital Shelf Analytics?

Digital Shelf Analytics is the systematic and periodic gleaning and analysis of publicly displayed eCommerce data on retail websites.

Brands typically track the top 20% of their products that contribute to 80% of their revenue across key online marketplaces. The digital shelf performance is measured via key performance indicators (KPIs) such as:

- **Availability** ——— are my products in stock?

- **Content Audit** ——— what is the quality of the online content of my products?

- **Share of Search & Category** ——— what is the proportion (or share) of my products in the search results for specific keywords or category pages?

- **Rating & Reviews** ——— how well are my products rated and reviewed?

- **Pricing & Promotions** ——— are my products competitively priced and promoted adequately?

Brands can use digital shelf analytics to obtain a holistic view of their digital shelf performance and gain actionable insights to win sales on the digital shelf.

Both digital shelf analytics and retail media are closely associated with the marketing funnel of brands, i.e. the journey customers take in their path to purchase. This journey starts with the awareness of a product, followed by engagement and evaluation against competing products, and finally the purchase and post-purchase engagement.

Digital Shelf Analytics Solutions across the Buyer Journey

Digital shelf analytics, through KPIs, provides a comprehensive measure of how each part of the customer journey is performing, as shown in the below table.

Awareness	Share of Search
	Share of Navigation
	Share of Media
Engagement	Content Audit
	Benchmarking & Optimization
Evaluation	Pricing & Promotions
	Competitor Pricing & Promotion Analysis
Purchase	Availability Analysis
Post-Purchase	Reviews & Rating Analysis
	Brand Sentiment Analysis

Digital Shelf Analytics KPIs for each stage of an online shopper's path to purchase

Typically, a consumer's first action when she visits an online marketplace is to initiate a product search. This corresponds to the awareness phase at the top of the marketing funnel. If you're a brand, the more discoverable your products are, the better the consumer awareness and reach. Several factors can affect the discoverability of a product such as its stock availability, promotions and discounts, content quality (including the choice of appropriate keywords in the title and description), and so on. **Even short term stock outs can make your search ranking slide down, impacting you in the long term**.

Digital shelf analytics, through its KPIs, can monitor and measure the discoverability of your products and also provide actionable insights to enhance your consumer reach. Metrics such as share of search, share of category and share of promotions, benchmark the discoverability of your products against competitors. Correlation across different metrics can help brands identify the reasons for the perceived performance and take appropriate remedial actions. For example, a low search ranking could be due to a stock out. Poor content quality (such as a badly described product or improper choice of keywords in title) or poor ratings or reviews can pull down the rank of a product.

The next phase of a consumer's journey is engagement. From the products that appear on the first page of search results, the consumer makes a high level short list of products she is interested in, based on their description, features and reviews. Content quality, brand perception and product sentiment play a critical role in this

phase. Digital Shelf Analytics content audits can ensure that the product content is compliant, lucid and comprehensive enough to engage customers. Analysis of ratings and reviews can help brands understand customer sentiment and act accordingly.

The final decision to purchase is made after careful consideration of prices and discounts across retailers. Competitive pricing and discounting are necessary to influence consumers to make the purchase decision. The pricing intelligence and discount analysis modules of DataWeave's Digital Shelf Analytics educate brands on the pricing and promotion landscape across retailers and competitors and can thus facilitate optimal pricing and discounting to increase their conversion rates. Availability analysis helps brands ensure their products are not stocked out at the point of purchase.

Post-purchase, consumers sometimes post their reviews and ratings on the product. Digital Shelf Analytics can enable brands to gauge customer loyalty through its ratings and reviews and brand sentiment analysis.
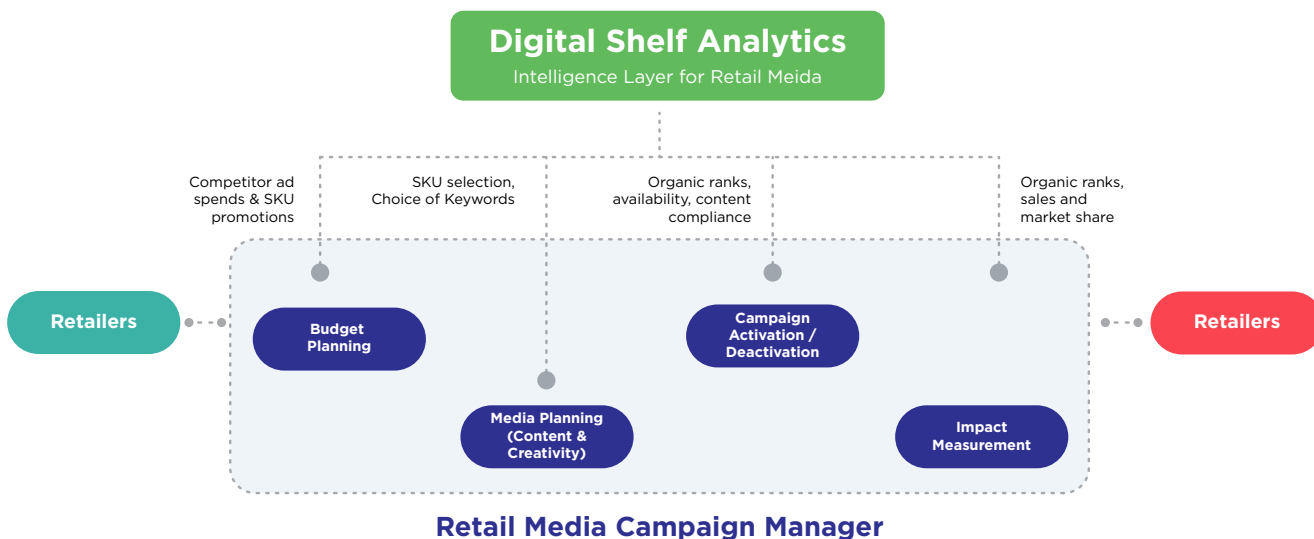
In a similar way, retail media, through brand and performance marketing, caters to all of these stages of a consumer's journey. Brand marketing through banner ads focuses on increasing reach and awareness, while performance marketing's goal (sponsorship ads) is to increase sales conversion. A synergy between digital shelf analytics and retail media, where the intelligence derived from digital shelf analytics is used to plan and execute retail media campaigns can thus be a highly effective strategy.

Digital Shelf Analytics as an Intelligence Layer for Retail Media Campaigns

Retail media is often run using campaign management solutions - Skai and Pacvue are some of the top players in this space. In some cases, the campaigns are also run directly using the retail media console. Running a campaign involves planning, executing, tracking, and measuring the success of a marketing initiative, whether it is a product launch or a sale promotion. In order to be effective, campaigns need to be optimized for content and creativity, timeliness, relevance, and bid values and budget. These optimizations can be done through the campaign management solutions or via the console.

The analytics gleaned from eCommerce data on retail websites can be leveraged to run smart and data-driven media campaigns. Digital shelf analytics can act as an intelligence layer (see following image), feeding inputs to all phases of campaign management such as budget planning, media and content planning, campaign activation/deactivation, and impact measurement.

Digital Shelf Analytics
Intelligence Layer for Retail Meida

Competitor ad spends & SKU promotions

SKU selection, Choice of Keywords

Organic ranks, availability, content compliance

Organic ranks, sales and market share

Retailers

Budget Planning

Media Planning (Content & Creativity)

Campaign Activation / Deactivation

Impact Measurement

Retailers

Retail Media Campaign Manager

Digital Shelf Analytics as an Intelligence Layer for Smart Media Campaigns

Let's now look at how digital shelf analytics can help optimize the various phases of campaign management in detail.

Budget Planning

Competitor Scouting

Understanding your competitor's ad spends and promoted products is very important to budget your own campaign spends. In addition, it is also important to keep a track of any new SKUs that are being launched by your competition. Digital shelf analytics solutions provide intelligence on the kind of ads (Sponsored Product ads, Sponsored Brand Ads, Display Ads) that the competition is spending on. They also discover the product SKUs that are being promoted or launched by your competition. While getting an accurate estimate of the competitive ad spends may not be feasible, an overview of the ad spend of your competition and the product SKUs being promoted can very well be obtained.

Media Planning

Choosing the Right SKUs for Promotion

Media planning includes planning both the content and its presentation. A big part of media planning is to identify which product SKUs need to be advertised. Digital shelf metrics can help in making this choice. For example, the organic ranking of a product and details of its competitors and their sponsored ads can be good inputs to identifying which SKUs are ideal candidates for promotion.

Imagine a brand with 100 SKUs and a limited advertising budget. Let us assume that 50 of the 100 SKUs have good organic ranks in the relevant keywords. In this case, it would make sense for the brand to invest in promoting the remaining 50 SKUs rather than focus on the ones that already have a good search ranking.

Further, **sponsored ads with the right keywords can increase the organic ranks as well**. This has also been corroborated by DataWeave's research, for a food brand, that involved studying the effect of sponsored ads on organic search rankings across key retailers.

Media Planning

Choosing the Right SKUs for Promotion

The adjacent table presents the average organic ranking across top retailers before, during, and after sponsorship. It was observed that the average organic ranking on Walmart improved from 19 to 9 after a period of active sponsorship. At Costco and Loblaws, the organic ranking fell by 10 places after the end of active sponsorship, though the ranking was still twelve places higher than before sponsorship. Digital shelf analytics can help brands in selecting appropriate keywords while planning the media content.

InstaCart-CA	Average Rank
Costco	
Never sponsored	**2**
During sponsor	5
In between next sponsor	7
After final Sponsor	**15**
Loblaws	
Never sponsored	**26**
During sponsor	7
In between next sponsor	9
After final Sponsor	**14**
Walmart	
Never sponsored	**19**
During sponsor	7
In between next sponsor	8
After final Sponsor	**9**

How Sponsorship Impacts Share of Search on Insta-cart CA

Bidding Activation & Deactivation

It is critical for a brand to quickly discover a media blitz by a competitor and respond in a timely manner. The share of search KPI of digital shelf analytics can detect whether a competitor is investing heavily on retail media ads and this can be used to optimize campaign activations. These optimizations can also be automated, which will improve their timeliness.

Start or stop bids based on organic ranks

As shown by DataWeave's research study with a food brand, sponsored and organic ranks are not independent. As the sponsored ad spends increase, the organic ranks also improve, as seen in the case of Walmart in the previous example, where the organic ranking improved from 19 to 9 after a period of active campaigning.

For a brand with a limited advertising budget, campaign activations can be optimized to align with the organic ranks. Campaigns can be flagged on when organic ranks go below a threshold and can be stopped when they improve.

Start or stop bids based on availability

It makes sense to activate/deactivate campaigns based on product availability, both at your end and at your competitor's. When a product goes out of stock for a competitor, that is the ideal time to reclaim your share of search and revenue by accelerating your campaign spends. The availability KPI of digital shelf analytics can track competitor availability and campaign activations.

When a product becomes unavailable on a retail website, in most cases, the retailer stops any ongoing campaigns. However, in the case of some retailers, this feature may not be available or may not be timely. In this case, a signal from your digital shelf analytics solution, which monitors product availability, can be used to automatically stop any ongoing bids if a product goes out of stock.

Start or stop bids based on content compliance, ratings, and reviews

One of the KPIs of digital shelf analytics is content quality. This metric evaluates the compliance of the online content for a product with the guidelines provided by the brand. Poor content quality and compliance can compromise the discoverability, saleability, and brand of a product, and needs to be addressed before the product promotions are flagged on. In addition, you need to track how your content compares against your competitors' and best seller's content.

Quality of content, such as presence of How-to-Videos, multiple images, and nutrition tables, plays a crucial role in influencing conversion. Digital shelf analytics gives brands the ability to not only evaluate their product content against a reference, but also benchmark its quality against competitors and best sellers.

Similarly, ratings and reviews, another KPI of digital shelf analytics, reflects on your brand and product's perception among customers. Promoting a product with poor ratings or reviews can also compromise your brand and saleability. Thus, campaign activation needs to be aligned with both content compliance and ratings and reviews: when a product's content is compliant and has a good rating, start the bid, and when non-compliant or has poor ratings or reviews, stop.

Impact Measurement

Gauging the impact or the Return on Ad Spend (ROAS) is essential to evaluate the success of your retail media campaign. This is also an important area of feedback to help plan your future media spends.

Track Organic Ranking Improvements

Effective sponsorship can go a long way in improving your share of search. We have observed that the average organic ranking can improve by 10-12 places after a period of active campaigning. Digital shelf analytics, through its share of search KPI, accurately quantifies the impact of your ad campaigns on your organic rankings.

Monitor Sales Performance and Market Share

In the digital world, point-of-sale (POS) data is difficult to access given the number of ways online orders are fulfilled by retailers. Our Digital Shelf Analytics's Sales Performance and Market Share module delivers online sales and market share estimates based on standard or customer defined taxonomy, analyzing performance at large retailers like Amazon, and provides competitive insights from a category- to a SKU-level. Through customized KPIs, brands can benchmark their eCommerce growth and market share changes and use this to accurately measure the impact of their digital ad spends.
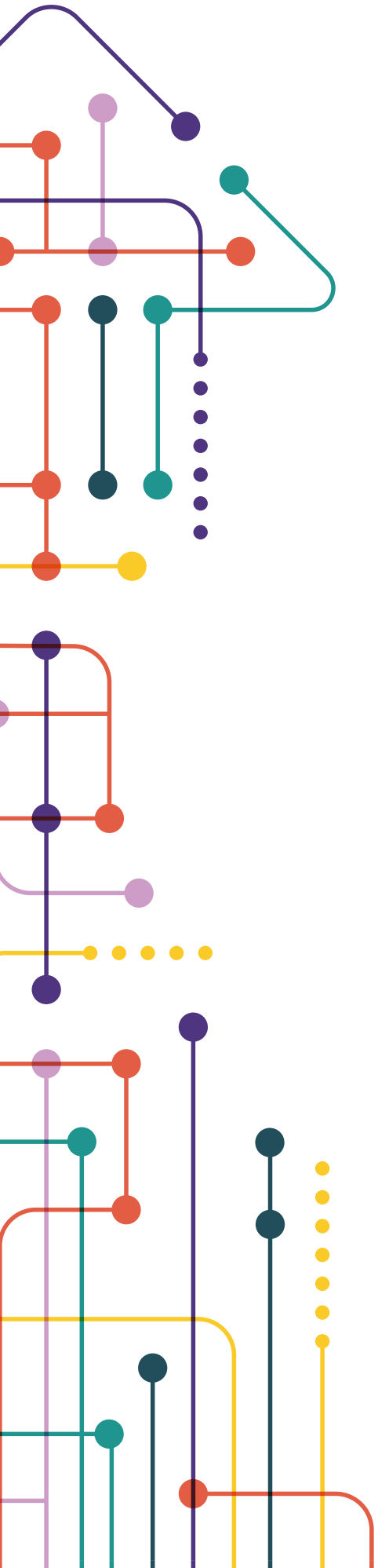
Smart & Automated Retail Media Advertising

Retail media has triggered an advertising revolution and is here to stay. Now the onus is on brands and retailers to strategize on how best to deliver value to shoppers via retail media. While this is especially an exciting opportunity for brands, it also means that brand marketing budgets would be stretched in trying to keep up with the competition. Hence, intelligent and data-driven media campaigns will become a necessity for brands to stay competitive.

Campaigns will need to be smart not just in their creativity and content, but also in their timing and relevance. Tactical decisions on the right products to promote, appropriate keywords in the content, and optimized activation and deactivation of campaigns, will become crucial to catching the shopper's eye, driving conversions, and staying competitive, while operating within limited budgets.

eCommerce analytics solutions such as DataWeave's **Digital Shelf Analytics** can provide the necessary intelligence to craft the most effective and efficient campaigns. Digital Shelf Analytics can help agencies make informed decisions on product SKU selection for media planning, keep track of competitive ad spends, and optimize campaign activation and deactivation based on organic ranks, availability, content compliance and ratings and reviews. In addition, the solution can help you gauge the impact of your media campaign via detailed sales performance and market share inputs and share of search analysis. Insights from Digital Shelf Analytics can be integrated with campaign management solutions, and this symbiosis will help pave the way for smart and automated retail media advertising.
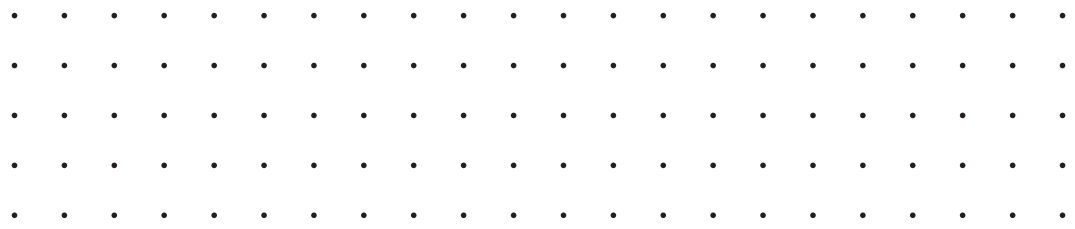
About DataWeave

DataWeave is a digital commerce analytics SaaS platform that provides competitive pricing and assortment intelligence to retailers and digital shelf analytics to consumer brands globally. With DataWeave, retailers and brands can grow their sales, margins, and market share across eCommerce to compete profitably at scale. Our AI-driven proprietary technology aggregates and delivers actionable eCommerce insights across 500+ billion data points globally, 400,000 brands, 1,500+ websites, 20+ verticals, and 25+ languages.

For Retailers

Commerce Intelligence
Drive profitable growth by making smarter pricing, promotions and product merchandising decisions with timely and up to date competitive insights.

For Consumer Brands

Digital Shelf Analytics
Optimize your eCommerce performance and sales by leveraging insights on share of search, product content, stock availability, promotions, and reviews.

Brand Protection
Protect your brand equity online by minimizing MAP violations, unauthorized merchants, and counterfeit products.

Sign up for a demo

Questions?
Email us at **contact@dataweave.com**

For more on DataWeave, visit
www.dataweave.com

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