

The Future Of Commerce Needs A New Media Approach

Marketers Must Demolish Silos And Invest In
Commerce-Enabling Technology To Better Serve
Shoppers Where They Are

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Project Team:

Mandy Polacek,
Market Impact Consultant

Chandler Hennig,
Market Impact Associate Consultant

Contributing Research:

Forrester's B2C Marketing research group

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Executive Summary

Every marketer and media owner now realizes that commerce transformation is not optional. The pandemic assured the future of online buying, accelerating this market shift by five years. It also heightened consumer expectations of being able to research and buy in the channels of their choosing.

In September 2021, Criteo commissioned Forrester Consulting to evaluate how advertising strategies are evolving to better serve consumers in every shopping moment. Forrester conducted an online survey with 408 brand marketers and retailers (as media owners) to explore this topic. We found that in pursuit of driving growth and improving customer experience (CX) and loyalty, marketers are ditching disconnected multichannel media approaches for more holistic, audience-first ones. For the purposes of this study, we introduced the term “commerce media” to define this approach.

All respondents have some desire to adopt a digital advertising approach that combines commerce data and intelligence to target consumers throughout the shopping journey and help marketers and media owners drive commerce outcomes. For the purposes of this study, we introduced the term “commerce media” to define this approach.

i



Key Findings

Marketers are choosing audiences over channels as they strive to be present in every possible shopping moment. As consumers expect to shop anywhere, respondents are prioritizing delivering consistent CX across channels in an effort to drive sales and loyalty.



Marketers and retailers (as media owners) rely on optimized media strategies to better understand shoppers and improve advertising performance. Leaders turn to media as a brand booster, revenue generator, and a way to access insights. These insights enable them to reach and drive better resonance with shoppers across online and offline touchpoints.



A vast and complex media buying landscape hinders marketers' ability to evolve to a state of holistic media management. Facing a dizzying array of media management platforms and partners, marketers can feel limited in their ability to effectively optimize media performance and delight customers.



Marketers seek to crumble silos and implement a single media management platform to deliver audience-first commerce. As companies future-proof their digital marketing efforts, their number one investment priority is implementing a single platform for commerce media management. Their second priority is focusing on breaking down internal silos and embedding best practices throughout the organization.



Everyone Wins When Choosing Audience Over Channels

Marketers must reorient old advertising approaches through the lens of delivering value to consumers. This means evolving siloed multichannel practices with disconnected investments and isolated messaging, insight, and measurement tools within respective channels. As marketers pursue presence and relevancy in every shopping moment, they must take a more holistic approach to advertising. This requires them to organize data, define success, design holistically, execute with connected technologies, and optimize for outcomes across the customer lifecycle, making these approaches inherently more customer-centric.¹

In surveying 408 marketers and retailers (as media owners), we found that:

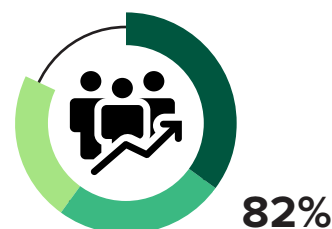
- **Marketers and media owners are focused on becoming customer-led to drive growth.** Forrester's research proves that better CX drives better business results.² Respondents in this study agree, as marketers' and retailers' (as media owners) top priorities are to improve CX (82%), retain customers (80%), and drive online/offline sales (73%) (see Figure 1).
- **To do this, they're improving brand experience and customer loyalty by delivering consistent shopping experiences across channels.** Key to delivering consistent experiences is improving measurement capabilities and access to the right insights. Marketers are focusing on optimizing omnichannel measurement (54%), marketing

Figure 1

“What are your company's top business priorities in the next 12 months?”

● Rank 1 ● Rank 2 ● Rank 3

Improve customer experience



Retain more customers



Drive online/offline sales



Reduce costs



Base: 408 digital marketing decision-makers
Source: A commissioned study conducted by Forrester Consulting on behalf of Criteo, September 2021

performance (63%), and leveraging first-party data (55%) to better understand the end-customer experience (see Figure 2).

Figure 2

“What must your marketing department do to help your organization achieve its top priorities?”

● Rank 1 ● Rank 2 ● Rank 3

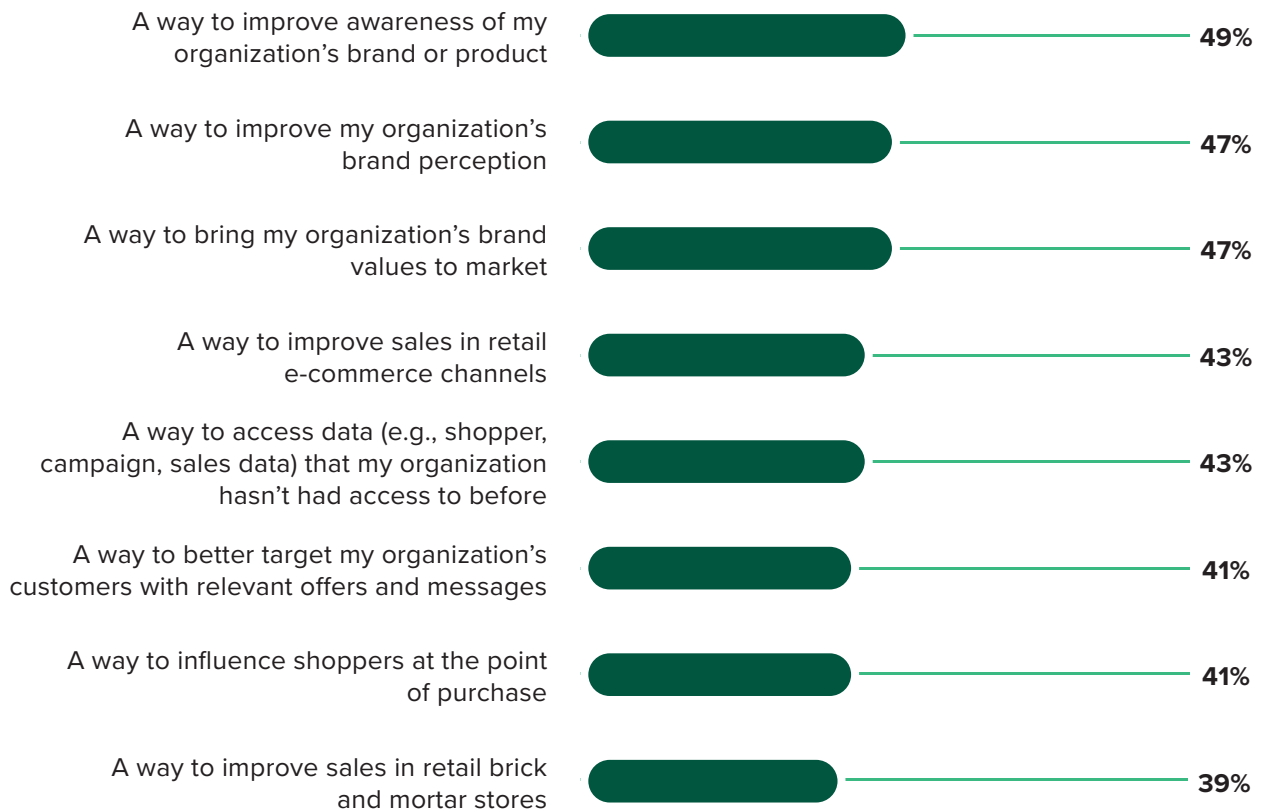


- **Marketers view media optimization as a way to better understand customers, deliver better experiences, and improve advertising performance across channels.** Marketers rely on media to access rich customer insights (e.g., partners' first-party data) they previously did not have access to (43%), to use those insights to deliver more relevant offers and messaging (41%), to influence shoppers more effectively (41%), and to improve online (43%) and offline (39%) sales performance. Retailers (as media owners) also seek to optimize media performance as a way to both generate awareness and drive revenue (73%) (see Figure 3).
- **Poor media management has consequences.** Marketers and retailers (as media owners) are under pressure to optimize media performance; 62% say media investments that don't show tangible business results risk getting cut.

Figure 3a

“Which of the following best describes how your organization views its media strategy?”

BRANDS



Base: 208 digital marketing decision-makers

Source: A commissioned study conducted by Forrester Consulting on behalf of Criteo, September 2021

Figure 3b

RETAILERS

“Which of the following best describes how your organization views its media business?”



Base: 200 digital marketing decision-makers
Source: A commissioned study conducted by Forrester Consulting on behalf of Criteo, September 2021

Media Strategies Must Evolve To Make The Dream The Reality

The traditional multichannel approach to media management is maladapted to consumers' heightened expectations and marketers' business needs. Disjointed multichannel media management breaks the customer experience, is operationally inefficient, and hampers performance.³ While survey respondents seek to shift to a more holistic approach to managing media, this is far from the reality for most organizations today.

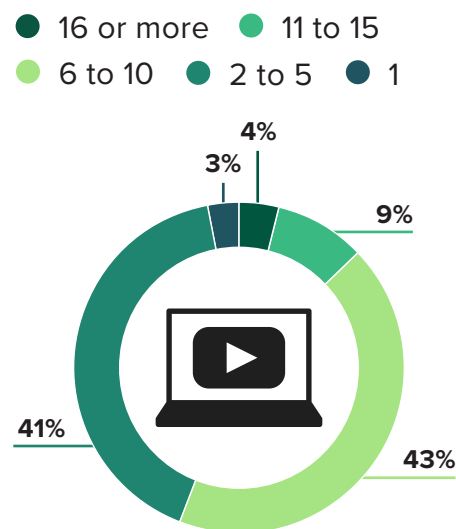
While exploring what is holding back progress for many organizations, we found that:

- **Too much effort is required to measure and manage overall media performance.** From productivity gains to cost savings to revenue increases, media optimization presents great opportunities.⁴ Yet, media buying at most organizations is far from optimized today. In fact, 55% of marketers use six or more platforms to buy media, and 51% work through six or more retail media partners to buy media (see Figure 4). This clunky media buying landscape leaves marketers struggling to measure effectiveness across partners (38%) and frustrated with number of resources it takes to manage media campaigns (33%) (see Figure 5).
- **Data deprecation renders old ways of media buying ineffective.** Increasing privacy awareness — as well as new regulations, the deprecation of key identifiers, and more — are forcing marketers to adapt to a new way

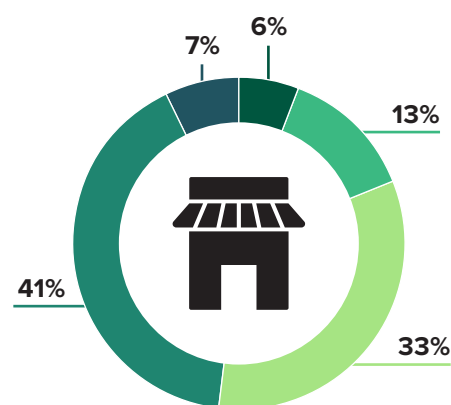
Figure 4

BRANDS

“How many platforms does your organization buy media through?”



“How many retailers does your organization buy media through?”

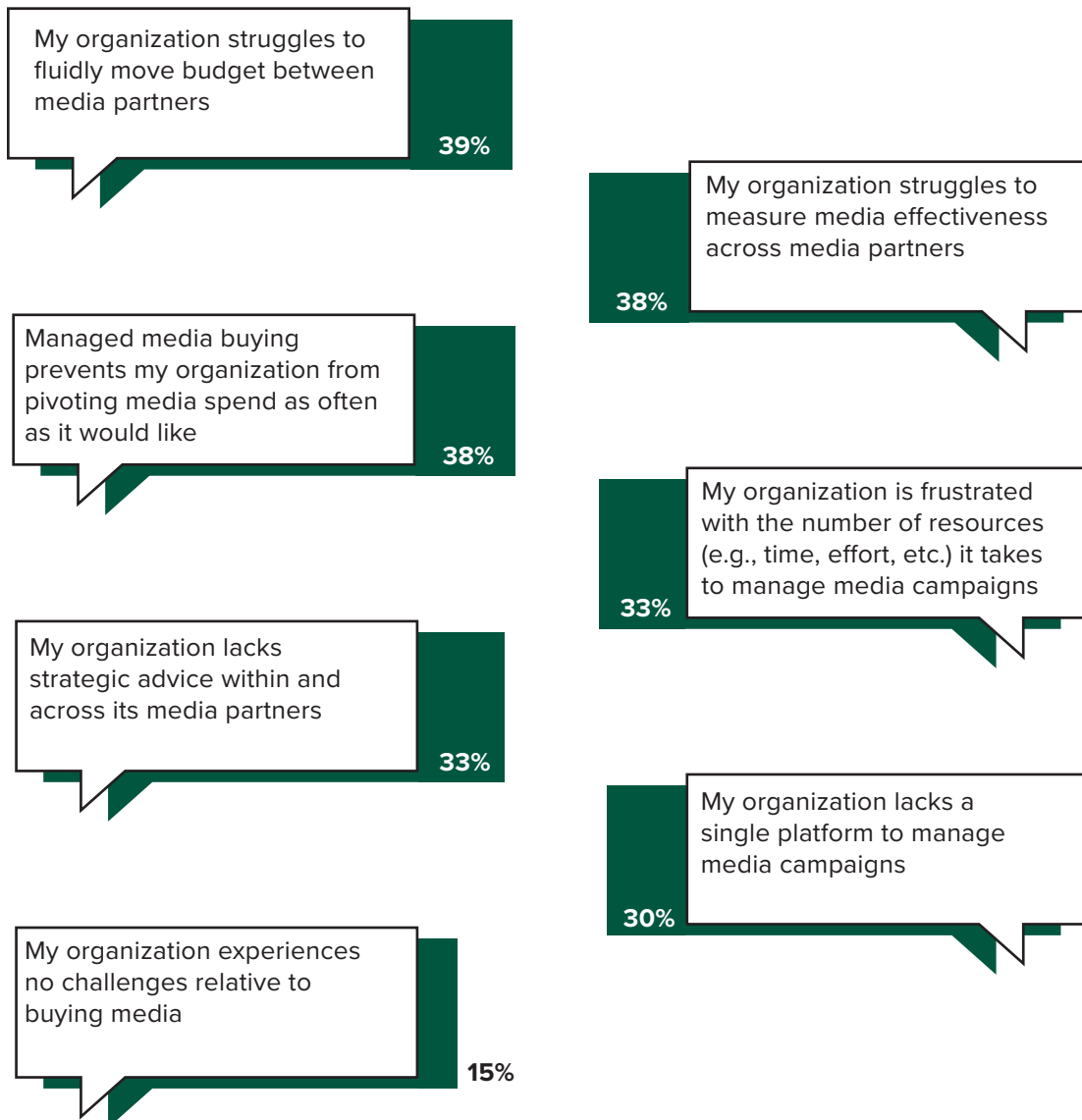


Base: 408 digital marketing decision-makers
Source: A commissioned study conducted by Forrester Consulting on behalf of Criteo, September 2021

of advertising.⁵ The days of using third-party cookies for audience targeting, digital media buying, measurement, and personalization are numbered. As such, 66% of marketers and retailers (as media owners) worry growing privacy regulations hinder their organizations' ability to personalize at scale.

Figure 5

“Which of the following challenges does your organization face relative to buying media?”



Base: 408 digital marketing decision-makers

Source: A commissioned study conducted by Forrester Consulting on behalf of Criteo, September 2021

- **Media management is siloed internally.** A holistic approach to media management is near impossible when media buying and management is siloed across teams and channels. More than half of respondents agree that their organizations have silos, making it difficult to understand (58%) and measure (56%) performance across offline and online channels (see Figure 6).

Figure 6

Media Challenges

“Please rate your level of agreement with the following statements.”

● Agree ● Strongly agree

Growing privacy regulations hinder my organization’s ability to personalize messaging at scale



Greater customer experience



Better decision-making



Reduced cost



Base: 408 digital marketing decision-makers

Source: A commissioned study conducted by Forrester Consulting on behalf of Criteo, September 2021

Adopt A Holistic Media Management Approach To Deliver Audience-First Commerce

Advertising, when executed effectively, can serve as an engine of commerce with benefits for all three parties that matter in the advertising equation — advertisers, publishers/media companies, and consumers. Effective execution requires choosing audiences over channels and overcoming existing process and technology siloes.

All respondents in this study have some desire to adopt a digital advertising approach that combines commerce data and intelligence to target consumers throughout the shopping journey and help marketers and media owners drive commerce outcomes. For the purposes of this study, we introduced the term “commerce media” to define this approach.

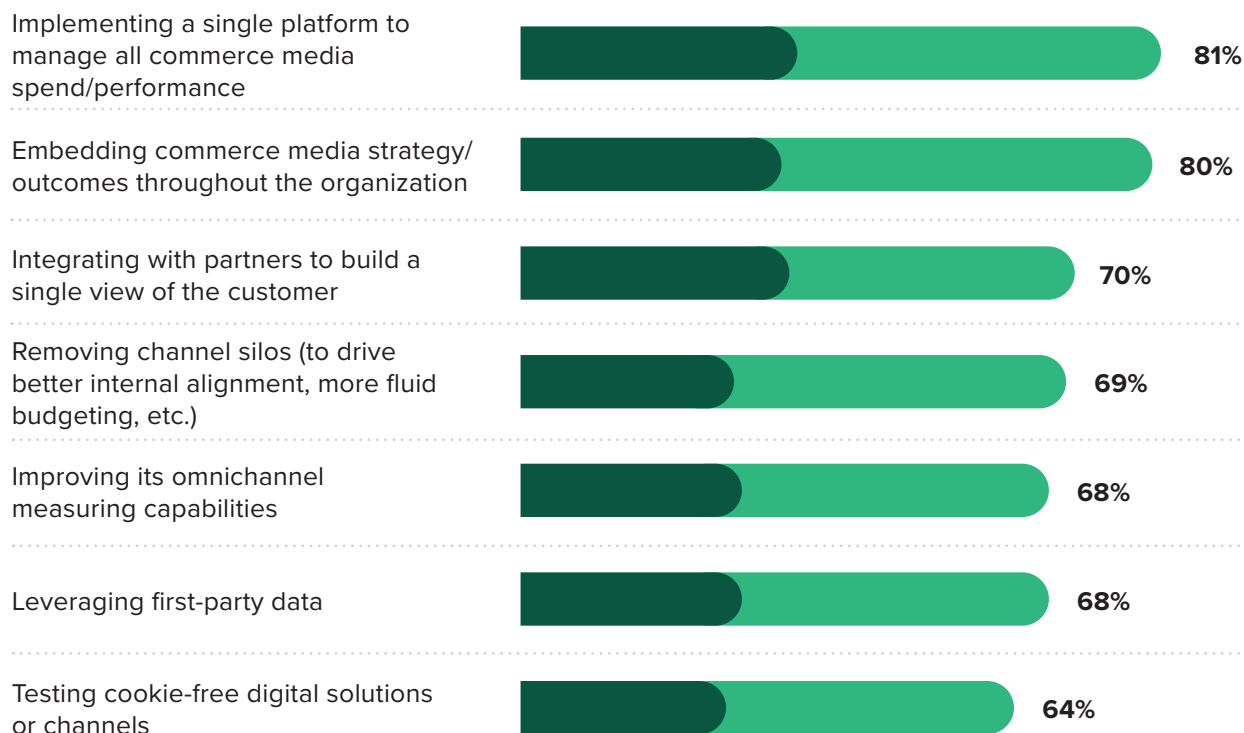
To achieve their goals of improving CX across the shopper journey, we found that:

- **Marketers and retailers (as media owners) seek a commerce media approach and platform.** Respondents recognize that a holistic approach to media management requires streamlining people, processes, and technology. When answering how their organizations are future-proofing their digital marketing efforts, respondents’ top investment priorities include implementing a single platform to manage all commerce media spend and performance (81%), embedding commerce media strategy and outcomes throughout the organization (80%), and removing channel silos (69%) (see Figure 7).
- **They expect taking a holistic media management approach will give them more business decision-making confidence.** Marketers and retailers (as media owners) expect that taking a commerce media approach will help them take advantage of emerging media opportunities (52%), optimize product (42%) and pricing (47%) strategies, and improve consumers’ omnichannel experiences (46%) (see Figure 8).

Figure 7

“What benefits would you expect your employees to gain from a comprehensive EX platform?”

- This is an investment priority today
- This is an investment priority in the next 12 months



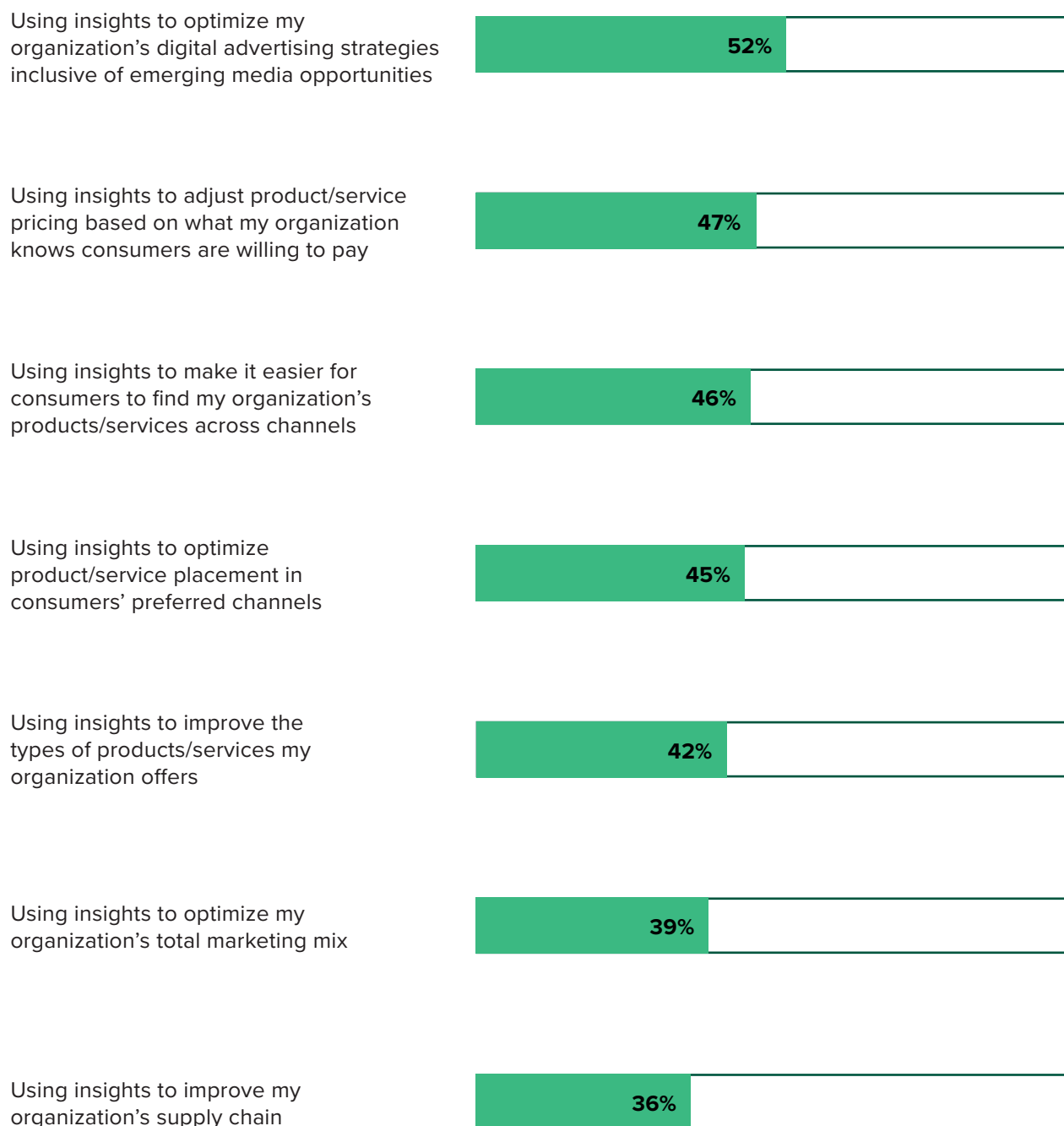
Base: 408 digital marketing decision-makers

Source: A commissioned study conducted by Forrester Consulting on behalf of Criteo, September 2021

- **They seek commerce media partners to help them optimize performance and improve agility.** A holistic media management approach requires partners that can help simplify and streamline media buying. When answering which capabilities were most valuable in selecting a commerce partner, 63% of respondents say the ability to compare and optimize performance across channels and retailers and 59% said the ability to measure performance and adjust campaign spend in real-time. With the eventual demise of the third-party cookie on the horizon and high customer expectations regarding personalization done right, 47% of respondents also seek partners who can provide access to a large amount of first-party data (see Figure 9).

Figure 8

“What types of decisions has your organization been confident about/would be more confident about making if it adopts a commerce media approach?”

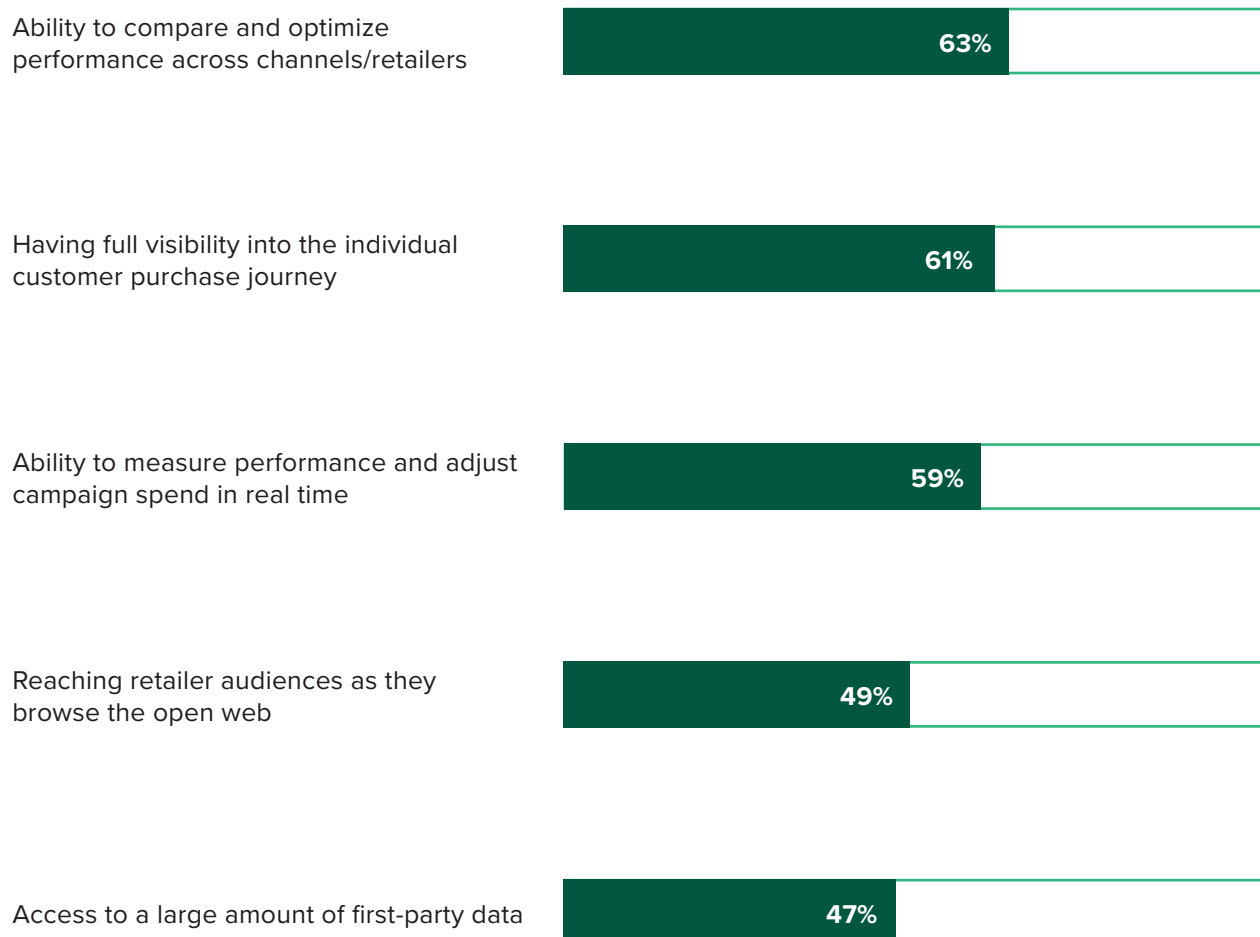


Base: 408 digital marketing decision-makers

Source: A commissioned study conducted by Forrester Consulting on behalf of Criteo, September 2021

Figure 9

“Which of the following capabilities are valuable to your organization when selecting a commerce media partner?”



Base: 408 digital marketing decision-makers

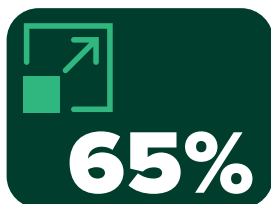
Source: A commissioned study conducted by Forrester Consulting on behalf of Criteo, September 2021

- **They expect taking a commerce media approach will give them the data and insights they need to deliver on key growth and CX goals.**

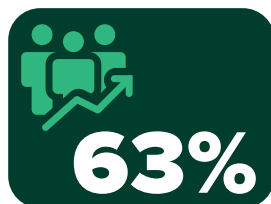
Respondents are hopeful that media management modernization will deliver business results stakeholders care most about. The top benefits they expect to realize by taking a commerce media approach are improved CX (63%), increased growth (65%), and increased profitability (61%) (see Figure 10).

Figure 10

“What benefits would you expect to realize if your organization adopted a commerce media approach or matured its current commerce media practice?”



Increased growth



Improved customer
experience



Increased profitability



Improved decision-making
within my team



Improved decision-making
across all the organization's
marketing teams



Reduced risk

Base: 408 digital marketing decision-makers

Source: A commissioned study conducted by Forrester Consulting on behalf of Criteo, September 2021

Key Recommendations

It's critical that marketers take all possible steps to set themselves up for success as they journey toward a more strategic approach to commerce media management. So, too, must retailers that are investing in building out commerce media solutions for the long term. Forrester's in-depth survey of 408 digital marketing leaders yielded several important recommendations:

For brand marketers

Assess your current tech stack for future fit.

As the advertising industry faces a wave of forces that are driving the industry toward a more consumer-centric, privacy-first future, it's incumbent upon you to ensure your go-forward approaches are set to sustain. Retailers who've invested in building media offerings are well-positioned to help you given their direct consumer relationships and rich data assets. These don't necessitate third-party cookie-based approaches and they close the loop between ad exposure and sales. Talk to your full roster of current and potential partners about how they are preparing — or are prepared — to deliver solutions in the future.⁶

Set yourself up for success by choosing day-to-day performance metrics wisely.

It's common to fall into the trap of optimizing to easy-to-access proxy metrics like click-through rate but be sure to prioritize metrics that are proven leading indicators of higher-level business goals. This means establishing that there are correlational relationships between them. Retailers can help brands like yours shorten the learning curve by quickly determining media's impact on sales to help establish these valuable correlations.⁷ You should also consider additional benefits you can realize from these relationships, such as insights that can inform things like product or pricing decisions.



For retailers (as media owners)

Ensure you're investing in the right service and technology.

Building and scaling a retail media solution takes investment along several dimensions. Choose technology partners that are prepared to grow with your expanding business by digging into their strategic plans and assessing their product roadmaps for fit. For example, look carefully at how they can help you address considerations around user experience while enabling ad-driven monetization. Give just as much thought to your people resources as you do your tech ones by focusing your energy on resources — whether internal, external, or hybrid — in areas like account service and data science to ensure your and your clients' success.

Look across multiple dimensions to create competitive advantage.

As the commerce media landscape continues to expand, retailers like you will face increasing competition for marketer dollars. Look for ways to broaden and deepen your offerings by assessing new inventory opportunities, welcoming non-endemic advertisers, considering additional ad formats, and developing strategies designed to appeal to those with more upper-funnel goals.

For both

Invest in commerce media as a strategic extension of the brand/retailer relationship.

Creating an engine of commerce that benefits both brands and retailers — not to mention consumers — isn't a one and done exercise. Nor is it likely to be as fruitful if it operates in a silo. Both parties should treat the opportunity as a long-term one that builds upon an existing foundation. For example, e-commerce, shopper, and other relevant colleagues can help shape the commerce media approach that takes the right strategic direction.

Appendix A: Methodology

In this study, Forrester conducted an online survey of 408 digital marketing decision-makers at brand and retailer organizations in North America, EMEA, and Asia Pacific to evaluate how advertising strategies are evolving to better serve consumers and optimize business outcomes. Survey participants included decision-makers in marketing and sales roles. Questions provided to the participants asked about their organizations' current and planned approaches to media management to help achieve top business goals. The study began in August 2021 and was completed in September 2021.

Appendix B: Demographics

REGION	
North America	36%
EMEA	34%
APAC	30%

COMPANY SIZE (EMPLOYEE COUNT)	
20,000 or more	14%
5,000 to 19,999	36%
1,000 to 4,999	50%

TITLE	
C-level executive	23%
Vice president	25%
Director	31%
Manager	21%

INDUSTRY (SHOWING TOP 5)	
Retail	49%
Consumer product goods	10%
Food and/or beverage	10%
Financial services and/or insurance	9%
Healthcare	8%

DEPARTMENT	
Marketing	46%
Sales	54%

Appendix C: Supplemental Material

RELATED FORRESTER RESEARCH

"Omnichannel Advertising Mastery Is A Journey That Starts By Looking Inward," Forrester Research, Inc., November 16, 2021.

"Predictions 2022: Media And Advertising," Forrester Research, Inc., October 28, 2021.

"Crawl, Walk, Run Your Way To Omnichannel Advertising Acumen," Forrester Research, Inc., August 2, 2021.

Appendix D: Endnotes

- ¹ Source: “Create An Omnichannel Advertising Strategy Centered On Customer Experience,” Forrester Research, Inc., January 22, 2021.
- ² Source: “Why And How To Leader A CX Transformation,” Forrester Research, Inc., January 27, 2021.
- ³ Ibid.
- ⁴ Source: “Omnichannel Advertising Delivers Positive ROI,” Forrester Research, Inc., August 2, 2021.
- ⁵ Source: “Apply Your Data Deprecation Plan,” Forrester Research, Inc. February 1, 2021.
- ⁶ Ibid.
- ⁷ Source: “Marketers: Stop Using Vanity Metrics To Value Your Marketing,” Forrester Research, Inc. January 11, 2018.



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