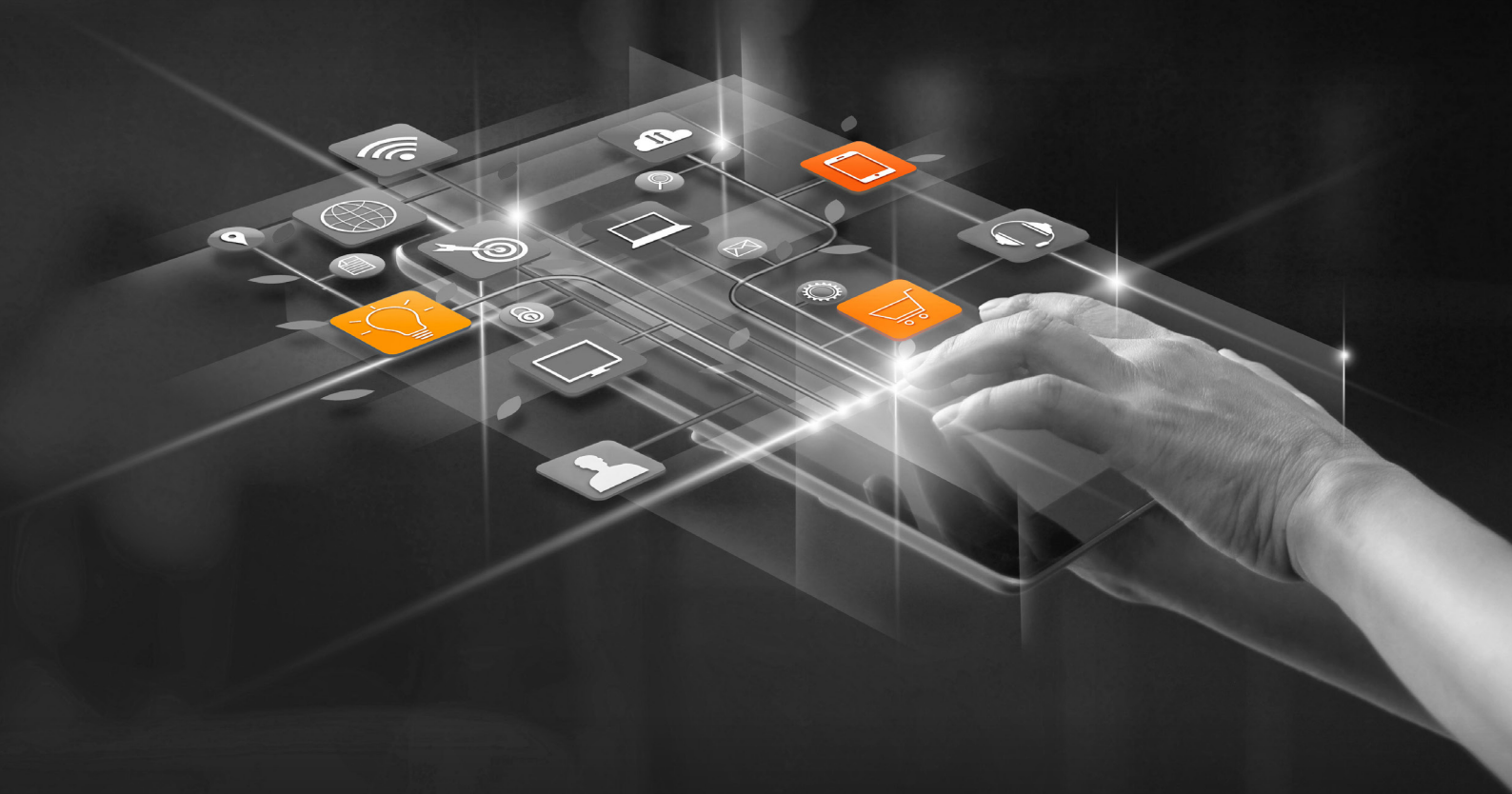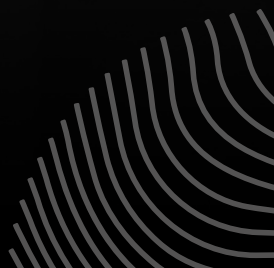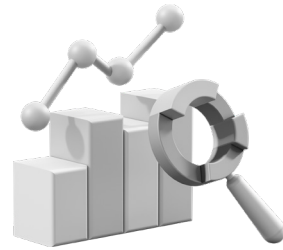# OPTIMIZING RETAIL MEDIA NETWORK (RMN)

How we helped an American multinational retail company optimize its RMN with data-driven pricing solutions and an analytical tool

**TheMathCompany**

# Context

The retail landscape is evolving. According to a 2021 Q4 fiscal report, two of the most renowned global e-commerce retailers posted figures of USD 31.1 billion and 2.1 billion[1] just from digital ad sales. With retail media (RM) taking center stage, companies need to develop retail media networks (RMN) that can offer media space for brands to advertise their products. But to fully utilize and monetize it efficiently, businesses need to adopt a data-driven pricing model.

# Problem Statement

Our client, an American multinational retail company with a large portfolio of brands, was looking to optimize its retail media campaigns. The company had an inbuilt RMN that ran onsite campaigns directly on the website, but the client was looking to improve its overall functionality.

**The company wanted to:**

Develop an analytics solution to project onsite banner pricing accurately

Create a user-friendly tool to empower the sales team with media planning and operations

# Solutioning Journey

The expert team at TheMathCompany started by identifying the pain points and gaps in the client's RMN. We collaborated with different stakeholders within the company as well as the vendors the client worked with to decide the scope of the project and evaluate what kind of analytical expertise was best suited for the client's needs. We identified that the limited analytical capability of the client's vendors and the lack of retail media marketing expertise in the client's sales team were significant factors holding them back from achieving better profit margins.

After scoping out the client's requirements, we concluded that an extensive analytical approach was required solve the onsite banner-related challenges, and our expert team decided to develop a pricing solution strategy that used clickstream data available to the client. The banner pricing solution encompassed different aspects of banner ads to identify the best cost per million (CPM) with optimal Return on Advertising Spend (ROAS). This scalable solution helped the end-users—the client's sales team and vendors—accurately forecast overall pricing and manage reservations for banner ads on different website sections, including the homepage, landing page, and more.

The client also wanted the MathCo expert team to upgrade the pricing tool (Tableau) their sales team was then using for media planning. There were multiple manual touchpoints across the user journey with the current pricing tool, and it led to errors and duplicate entries, crippling the sales team from onboarding customers and explaining the AdOps workflow. Our expert team decided to integrate the banner pricing solution and create a webtool with an improved user experience and a customized reservation flow. By using our proprietary AI master engine, Co.dx, which comes with in-built machine learning models and solution blueprints for producing fast and accurate insights, we were able to deliver a scalable webtool with precise onsite banner pricing capabilities, an intuitive user interface, and customized features.
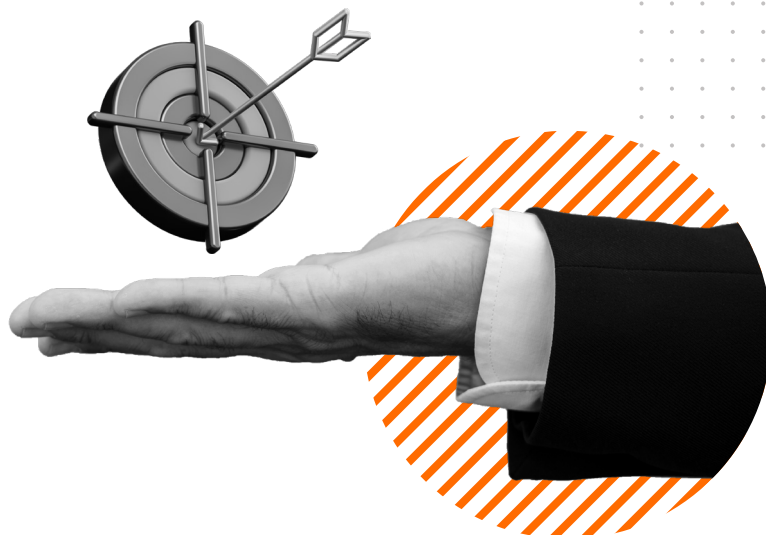
# Outcomes

Enabled data-driven onsite banner pricing recommendations

Sales process optimization with improved user experience

Maximized revenue generation from onsite banner campaigns

Delivered a scalable webtool and solution for onsite banner campaigns

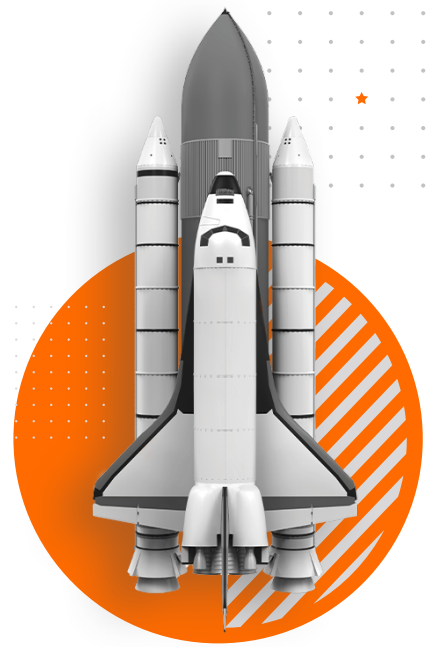Guaranteed pricing compliance and inventory utilization

Reduced manual touchpoints for efficiency

Created an end-to-end user flow for media pricing and reservation

# Creating Elevated Experiences

TheMathCompany strives to deliver an elevated experience to our clients. We always take an end-user-focused approach to empower our clients with simplified solutions. We employed a hands-on strategy for this project's branding, designing, marketing, social, and evangelization efforts among internal stakeholders for the banner pricing tool.

We also went beyond our initial scope, from simply delivering solutions and designing the tool to collaborating with external stakeholders like third-party vendors, suppliers, and advertising partners to ensure they understood each aspect of the banner pricing tool. And as a result of our efforts, both internal and external end-user consumption was frictionless.

The banner pricing tool has a wide scope for scalability. It can be integrated with upstream and downstream tools, making it highly practicable. Additionally, the technology is easily adaptable to meet new requirements should the client decide to upgrade their website in the future.

We are also optimizing the offsite campaign aspects of the client's RMN. We have developed audience pricing models that use first-party data to ensure better customer segmentation, helping suppliers create targeted offsite ads and acquire improved ROAS, resulting in increased profit margins for the client. Currently, the offsite campaign optimization project is in the pilot stage, and it will soon go into production.

Looking to design a scalable retail media network with end-to-end functionality and maximum transparency?
**Contact us at RetailMedia@themathcompany.com**

**Bibliography**

https://www.forbes.com/sites/jasongoldberg/2022/02/28/retail-media-networks-are-one-of-the-most-important-trends-of-2022-but-they-need-to-evolve/?sh=2991afb4516e

TheMathCompany