Code of Conduct Retail Media

Preamble

In the spirit of promoting trustful and effective cooperation between advertisers, service providers (such as media agencies, ad tech partners, etc.) and media marketers, the Organization of Advertisers in the German Brands Association (OWM) acknowledges the importance of transparent, fair and free competition in the dynamic landscape of retail media. This commitment to integrity and ethical business practices forms the foundation of our Code of Conduct.

The independent and autonomous market partners in the Retail Media sector reaffirm their commitment to fair business practices based on transparency, neutrality and objective, customer-oriented services. These principles are not only central to the relationship between advertisers, service providers and media marketers, but are also crucial for strengthening trust and credibility across the entire industry.

Enabling cross-provider planning, control and evaluation of media activities by advertisers is crucial for the long-term and sustainable success of retail media. Retail media as a new media category should be facilitated to develop rapidly and purposefully, harmonizing the interests of new players from the retail sector with established advertising market participants.

he OWM recommends its members to consider these fundamental principles in their daily business with Retail Media. This Code of Conduct serves as a guideline to define and adhere to the policies and standards for an ethical and efficient practice in Retail Media. This Code of Conduct aims to promote a transparent and innovative development of Retail Media that is fair to all participants and strengthens consumer trust.

1. Market standards, conventions and independent, e.g. third party measurement

The development and implementation of common market standards and conventions form the foundation for a consistent and transparent retail media landscape. This includes the establishment of technical standards for advertising formats that ensure both the compatibility and quality of advertising media. At the same time, the definition of standardized metrics, such as ROAS (Return on Ad Spend), is of central importance. These metrics enable an objective assessment of advertising efficiency and facilitate the comparative analysis of different campaigns and platforms.

For mutual trust and effective cooperation between advertisers, media agencies and retail media marketers, independent third-party measurement service providers or other suitable methods of validation by independent third parties, which are actively supported by the retail media providers and bilaterally agreed, are necessary in order to give the retail media medium its importance. Standardized, neutral measurement methods are crucial to ensure reliable and consistent collection and analysis of advertising data. These methods should be designed in such a way that they take into account both current market dynamics and future developments in the field of digital advertising. The establishment of these standards and conventions contributes significantly to increasing market transparency and promotes stakeholder confidence in the effectiveness and fairness of retail media strategies.

2. Separation of retail media and bilateral conditions and negotiations

It is essential to establish an organizational and operational separation between Retail Media agreements and negotiations from commodity business activities. This separation ensures that retail media offerings are developed and managed independently, free from the influences and obligations that typically arise from bilateral performance and consideration negotiations between retailers and suppliers. Such a demarcation is crucial to ensure the independence and objectivity of retail media. It allows advertising measures and strategies in retail media to be formulated on the basis of market data and customer needs, without being influenced by the specific dynamics of the commodity business. This professional approach promotes a transparent, efficient and targeted use of retail media, benefiting both advertisers and consumers alike.

3. Transparency in pricing and flexibility of pricing models

Transparency in pricing is a critical factor for the credibility and acceptance of retail media. It is essential that pricing structures are communicated clearly and understandably so that advertisers and other stakeholders can accurately assess the cost and value of their investment. This includes the disclosure of all relevant price components, discount structures and any additional fees. Advertisers should be provided with transparent disclosure of the media performance to be expected and effective billing should take place upon completion of media placements, based on agreed KPIs such as viewable, delivered advertising performance.

Furthermore, the introduction and promotion of flexible and performance-based pricing models is of great importance. Performant-pricing models-based on measurable

results such as engagement rates, conversions or ROAS (Return on Ad Spend) allow advertisers to align their investments directly with the results achieved. Hybrid models that combine traditional and performance-based pricing approaches, offer another level of flexibility and can better address specific needs and objectives of advertising campaigns.

The consistent implementation of these principles in pricing helps to create a fair and competitive environment in the retail media market in which advertisers can efficiently and effectively allocate their budgets.

4. Standardization of measurement methodologies

The standardization of the measurement methodology plays a central role in the retail media ecosystem. It is crucial to establish uniform basic standards that allow an objective and comparable evaluation of performance and effectiveness of different retail media networks. These standards should include the calculation methods for key metrics such as engagement, reach, conversion rates and ROAS (return on ad spend).

Establishing such standards ensures that advertisers can effectively measure and compare the performance of their campaigns across different platforms and media channels. This is essential not only for evaluating the performance of current campaigns but also for strategic planning and budget allocation for future advertising measures.

In addition, the standardization of the measurement methodology promotes a more transparent market environment. It helps to avoid distortions and misunderstandings that can arise from different measurement and evaluation methods. By creating a consistent framework for performance evaluation, it becomes possible to assess the actual effectiveness of retail media strategies and make informed decisions based on reliable and comparable data.

5. Brand building with proof of advertising effectiveness

The role of retail media in brand building requires a solid basis of advertising effectiveness evidence to prove and further develop its effectiveness as a marketing tool. This requires independent market research and studies to be conducted systematically in order to gain deep insights into the impact mechanisms and the influence of retail media campaigns on brand awareness, customer loyalty, purchasing preference and ultimately purchasing decisions.

A key component in this process is the expansion and continuous adaptation of advertising formats in the retail media sector. These formats should not only offer innovative and creative solutions for brand messages and be used in compliance with the brand identity and the advertiser's specifications, but should also be effectively tailored to the various phases of the customer journey.

Taking the IAB standards for advertising media design into account helps to implement the campaign setup efficiently. By implementing appropriate advertising formats that both generate attention and convey relevant information, brand building can be effectively supported and reinforced. It is also important that the results of market research and studies are communicated transparently and incorporated into the continuous optimization of retail media strategies. This evidence-based approach enables advertisers to align their brand strategies more precisely.

6. Transparent access to retail media data

Transparent and GDPR-compliant access to retail media data is essential for a trustworthy and efficient digital advertising landscape. This includes clear guidelines for the use, merging and reporting of data, while ensuring the protection of consumer data in accordance with the General Data Protection Regulation (GDPR).

Transparent data access requires open communication about data collection, processing and use by the retail media provider. In order to enable a holistic customer view that can ensure the most effective and efficient contact management possible, the market partners are responsible for complying with all data protection guidelines when merging data. If data merging, e.g. via clean rooms, cannot be practiced for these reasons, alternative methods must be agreed bilaterally between the market partners in order to provide the objective of effective data reporting. This reporting should, in turn, provide meaningful and actionable insights that help advertisers to optimize their campaigns, address their target groups more effectively and place the advertising message in a more relevant way.

Overall, transparent access to retail media data is not only a legal requirement, but also an essential part of ethically responsible and strategically sound advertising practice. It enables targeted, privacy-compliant and responsible use of customer data that benefits both advertisers and consumers.

7. Integration of online and offline data for omnichannel strategies

The effective integration of online and offline data is a crucial factor for the development and implementation of successful omnichannel marketing strategies in retail media. This integration provides a holistic view of customer behavior by consolidating insights from various touchpoints — from digital interactions to physical in-store experiences. Bringing these data sources together requires advanced analytical approaches and technologies to ensure seamless and efficient data integration. This includes overcoming technical and organizational challenges associated with consolidating heterogeneous data sets.

Overall, the integration of online and offline data is an essential step towards a comprehensive and customer-centric omnichannel strategy that both increases the effectiveness of marketing efforts and provides deeper insight into the preferences and behaviors of target audiences.

8. Promotion of cross-platform booking systems to ensure interoperability

Promoting cross-platform booking systems in the retail media sector is a crucial step towards ensuring interoperability and efficiency in the digital advertising world. Overcoming isolated retail media silos allows advertisers to plan and optimize their campaigns seamlessly across different platforms and media channels.

The implementation of systems that enable cross-platform booking and management of advertising campaigns plays a key role in reducing fragmentation and facilitating an integrated, cross-media marketing strategy. This is important not only for efficiency reasons, but also to ensure a

coherent and consistent brand message across all touchpoints.

In addition, cross-platform booking systems support transparency and enable better control and measurement of campaign performance. They allow advertisers to make data-driven decisions and optimize their advertising spend.

9. Promoting market momentum through cooperation

Fostering market momentum in the retail media sector through active cooperation is crucial to overcoming a fragmented landscape of interests and ensuring the sustainable development of the industry. Collaboration with industry associations and external experts plays a key role in this. These partnerships make it possible to pool cross-industry perspectives and expertise, which is essential for addressing complex challenges and exploiting new opportunities in the retail media market.

Cooperation with associations and external experts also supports the formulation and implementation of guidelines and framework conditions that are necessary for a balanced and future-oriented development of the retail media market. This cooperation is a decisive factor in establishing uniform standards, driving innovation and ultimately creating a dynamic and competitive market environment.