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Co-op Marketplace Solutions

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Co-op Marketplace Solutions

ABSTRACT

The technology described in this paper relates to a cooperative marketplace (“co-op marketplace”) that leverages online and real-world consumer purchasing and shopping data to connect brands with retailers. The co-op marketplace may be an online marketplace where brands can advertise products available at retailers of the co-op marketplace. Brands may be provided with purchase-based audience segments that they may use to target advertisements for their products. The advertisements may be rotating advertisements that direct consumers that interact with the advertisements to different retailers. Each advertisement may be monitored for interactions and conversions, including in-store conversions, and this data may be provided to the brands. Retailers may also provide conversion data to the co-op marketplace so that the co-op marketplace can optimize the consumers sent to retailers’ websites through the co-op marketplace.

BACKGROUND

Cooperative marketing refers to marketing budgets that brands give to retailers for ‘last mile marketing.’ In traditional brick-and-mortar landscapes, these marketing budgets typically fund circulars, coupons, event marketing, in-store displays, shelf positioning, etc., for the brand’s products. Cooperative marketing budgets have been a major profit source for retailers. However, cooperative marketing budgets have decreased as consumers increasingly turn to online shopping. This is because last-mile decisions by consumers are increasingly happening in front of a “virtual shelf” of an online store, as opposed to store shelves at brick-and-mortar locations. As a result, brands are reallocating their cooperative marketing budgets to online advertising to target consumers where they are shopping.

Retailers have attempted to transition to online business models to address the decrease in cooperative marketing budgets. One such business model is the creation of retail media networks

(RMNs). RMNs are networks run by retailers that provide marketing space to brands in their respective online stores. RMNs may also offer brands other advertising services. For instance, an RMN may offer offsite advertising, which includes advertising a brand's product(s) at online locations other than the websites of the retailers that make up the RMN. These offsite advertisements would direct a consumer to a retailer's website to purchase the brand's product(s).

Each RMN allows brands to advertise within one or a few retailer websites, depending on the number of retailers associated with the RMN and the number of websites each retailer of the RMN provides. Accordingly, a brand may need to partner with multiple RMNs to get sufficient reach across retailers. However, partnering with multiple RMNs may result in a lack of comparability, duplicative targeting, and higher fees for the brand. Additionally, the operational cost of an RMN may be prohibitive to retailers.

SUMMARY AND DESCRIPTION

The technology described in this paper relates to a cooperative marketplace where brands can connect with retailers to advertise the brands' products and/or services available on the retailers' websites. The co-op marketplace may be created in two phases. In the first phase, the co-op marketplace may provide brands with advertising products to drive traffic to retailer websites. In the second phase, retailers may be invited to contribute conversion data associated with traffic driven to the retailers' websites from the co-op marketplace in exchange for payments and/or additional traffic to the retailers' websites. Although the example advertisements discussed herein are described as being positioned on websites, the advertisements may be displayed at other locations that are part of the co-op marketplace, such as within online videos, videogames, television, etc., The creation of the co-op marketplace is described in two phases for clarity. It

should be understood that the creation of the co-op marketplace may occur in one phase or any other number of phases.

Within the first phase, brands may be provided with a collection of advertising products to provide advertisements that direct consumers to retailer websites. Such products may include purchase-based audience segmentation, a rotating advertisement format that distributes consumer traffic to different retailers and modeled conversion measurements based on interactions with advertisements, available conversion data, and a physical receipts panel. These products may provide brands with the ability to advertise across multiple retailers without the need to join multiple RMNs. Further, these products may provide brands with the ability to target their advertisements to particular consumer groups, also referred to as audiences in this paper.

The co-op marketplace may provide brands with the ability to target groups of consumers, referred to as audience segments, based on common traits, such as demographics, interests, habits, browsing history, online purchase history, etc., as with typical audience segmentation systems. The co-op marketplace may also provide brands with the ability to target groups of consumers based on brick-and-mortar purchase histories, referred to as purchase-based audience segments.

Purchase-based audience segments may be based on retail receipts provided by consumers having known traits. In this regard, a party, such as the operator of the co-op marketplace, may assign an identifier to consumers that use or otherwise sign up for services provided by the operator of the co-op marketplace. Each identifier may associate traits with consumers. For instance, an identifier associated with a first consumer may include demographic information, address, browsing history, online purchase history, and other such traits of the first consumer. Additionally, consumers may upload receipts of purchases made at brick-and-mortar stores to the operator or another repository where such purchase information may be stored. Information within the

receipts, such as purchased items, costs, etc., may be stored in association with the identifier of the consumer that uploaded the receipt. Information obtained from receipts uploaded by consumers and stored in association with the identifiers of these consumers may be considered brick-and-mortar purchase histories. In some instances, consumers may maintain anonymity by anonymously providing receipts to the operator or other repository.

Brick-and-mortar purchase histories of particular consumers may be expanded to identifiers of other consumers having similar traits to form purchase-based audience segments. For example, an identifier associated with consumer traits, including brick-and-mortar purchase history indicating past purchases of a particular sneaker brand, and other traits, including a history of browsing sneaker websites, age between 25 and 30, and living in a particular city can be matched with other identifiers of consumers having similar traits, with or without past brick-and-mortar purchase history. Matched identifiers may be grouped to form a purchase-based audience segment corresponding to consumers likely to purchase a sneaker from the particular sneaker brand. The preceding example of forming a purchase-based audience segment is not intended to be limiting, and purchase-based audience segments may be formed based on any shared traits and brick-and-mortar purchase histories.

Brands may target advertisements to particular purchase-based audience segments within the co-op marketplace. For example, a snack brand may wish to target advertisements of their snacks to consumers of a competitor's snacks to try and get the consumers to convert. To do so, the snack brand may instruct the co-op marketplace to advertise to a purchase-based audience segment that includes consumers likely to or that have purchased the competitor's snacks.

The advertisements presented by the co-op marketplace may be rotating advertisements that direct consumers to different retailers. For instance, and continuing the above snack

advertisement example, the snack brand may direct the co-op marketplace to direct consumers that select the advertisement to a set of online food retailers that sell their products. The advertisements that are presented may then direct a consumer that interacts with the advertisement to any one of the online food retailers in the set.

Figure 1, shown below, illustrates a generic example of a “Brand” presenting a rotating advertisement (“Ad”) on the co-op marketplace. As illustrated, the Ad may link to one of “N” retailers. The retailer that a particular instance of the Ad directs the consumer to may be random. In other examples, the Brand may define the probability an Ad directs the consumer to a particular retailer. For example, the Brand may instruct the co-op marketplace to provide $x\%$ of Ad instances that direct the consumer to Retailer 1 and $y\%$ of Ad instance that direct the consumer to Retailer 3. In another example, the Brand may instruct the co-op marketplace to provide a certain percentage of an ad budget to particular Retailers. For instance, the Brand may instruct the co-op marketplace to direct $x\%$ of their ad budget to Ad instances that direct the consumer to Retailer 1 and $y\%$ of their ad budget to Ad instance that direct the consumer to Retailer 2.

In yet another example, the retailers that the Ad directs a consumer to may rotate in order. For instance, the first instance of the Ad may direct the consumer to Retailer 1, the second instance of the Ad may direct the consumer to Retailer 2, the third instance of the Ad may direct the consumer to Retailer 3, the fourth instance of the Ad may direct the consumer to Retailer 4, continuing to instance “N” of the Ad, which may direct the consumer to Retailer N. The next instance N+1 may result in the rotation restarting, with the Ad directing a consumer to Retailer 1. Although the previous example describes the Ad rotating in order from Retailer 1 to Retailer N, the order may be random and may start with any retailer.

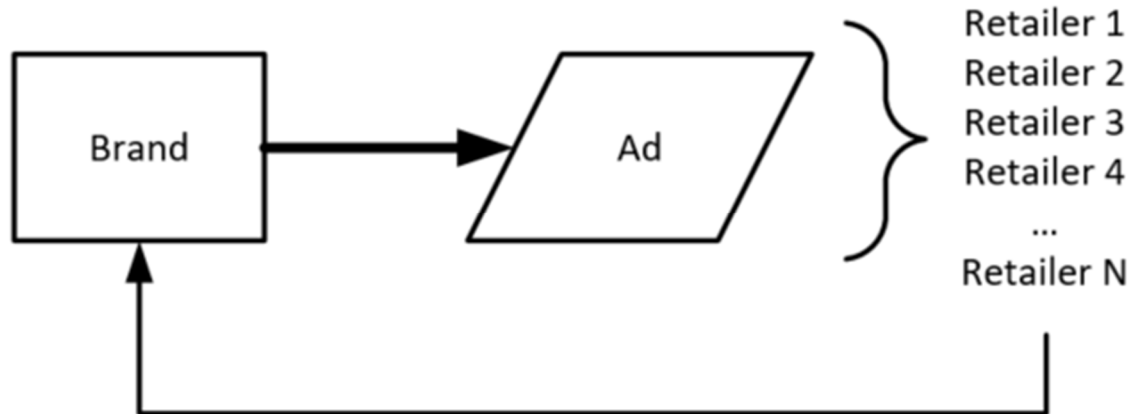


Fig. 1: An illustration of rotating advertisements.

Information regarding which retailer a consumer was directed to through interaction with a particular instance of an Ad may be provided to the Brand, as illustrated by the arrow from the list of Retailers to the Brand. In this regard, Brands that advertise with the co-op marketplace will receive information indicating how much traffic their Ads have driven to each Retailer.

In some instances, the co-op marketplace may also provide brands with modeled conversion measurements based on interactions with advertisements, enabling the brands better target their advertisements. In certain situations where particular retailers are part of the co-op marketplace, as described herein with respect to phase two, conversion data may be provided from the retailer to the brand.

Modeled conversion measurements may include data generated when an advertisement is interacted with, data provided by a retailer that is part of the co-op marketplace, as previously discussed, and data collected from a representative conversion panel. A representative conversion panel may include participants agreeing to respond to surveys regarding purchases. Such participants may be individuals with identifiers. In this regard, participants may be individuals with identifiers. In this regard, the co-op marketplace, or a system implementing the co-op marketplace, or other such systems, may determine if a participant associated with an identifier

has interacted with an advertisement. When such a determination occurs, the system may survey the participant to determine if the product or service associated with the advertisement was purchased.

In phase two of the implementation of the co-op marketplace, retailers may be invited to join the co-op marketplace and contribute their omnichannel conversion data. Brands and the co-op marketplace can leverage such conversion data to better drive consumers to the participating retailer's websites. Additionally, retailers that contribute their omnichannel conversion data may earn a revenue share with the co-op marketplace.