

Advantages of New Players in the Retail Media Space

Discover the unique brick-and-mortar advertising potential of Costco's and Wawa's new retail media networks – and how advertisers can best leverage this opportunity.

1. **Costco's and Wawa's brick-and-mortar visit growth positions their stores as ideal platforms for effective retail media engagement.** The enduring appeal of the two chains' physical fleets underscores the value of in-person experiences – offering advertisers unique opportunities to connect with consumers in a tangible environment.
2. **Both Costco and Wawa enjoy higher loyalty rates and longer in-store visit duration than key competitors.** By fostering strong relationships with their customers, **Costco** and **Wawa** enable advertisers to reach especially engaged and receptive audiences.
3. **Costco's visit dominance in the Western U.S. and in other major population centers** offers prospective partners access to consumers across a broad range of key markets.
4. **Wawa's focused expansion** in Miami, diversifying its visitor base, positions the c-store as a promising new player in the retail media landscape.
5. **Understanding local nuances is pivotal for both retail media advertisers and providers.** Analyzing shoppers' evolving demographics across chains and locations allows retail media networks and partners to more effectively reach key audiences.



Table of Contents

Retail Media: The Wave of the Present	3
The Costco and Wawa Brick-and-Mortar Opportunity	3
Costco Enters the Wholesale Club RMN Space	4
Physical RMN Potential Nationwide	4
Longer, More Frequent Visits	6
Unique Audience Preferences and Characteristics	7
Wawa Debuts Retail Media	9
A C-Store RMN Advantage	9
Doubling Down on Miami	10
A Growing and Evolving Audience	11
Final Thoughts	13

Retail Media: The Wave of the Present

[Retail media networks](#) (RMNs) have cemented their roles as the future – and present – of advertising. These networks enable advertisers to promote products and services through a retailer’s online properties and physical stores, when consumers are close to the point-of-purchase and primed to buy.

Today, we take a closer look at two newcomers to the retail media space: **Costco Wholesale** and **Wawa**. Both chains have an online presence – but both also excel at in-store experiences, offering unique opportunities for consumer engagement and exposure to new products.

This white paper dives into the data to explore some of the key advantages **Costco** and **Wawa** bring to the retail media table – and examine how the retailers’ physical reach can best be leveraged to help advertising partners find new audiences.

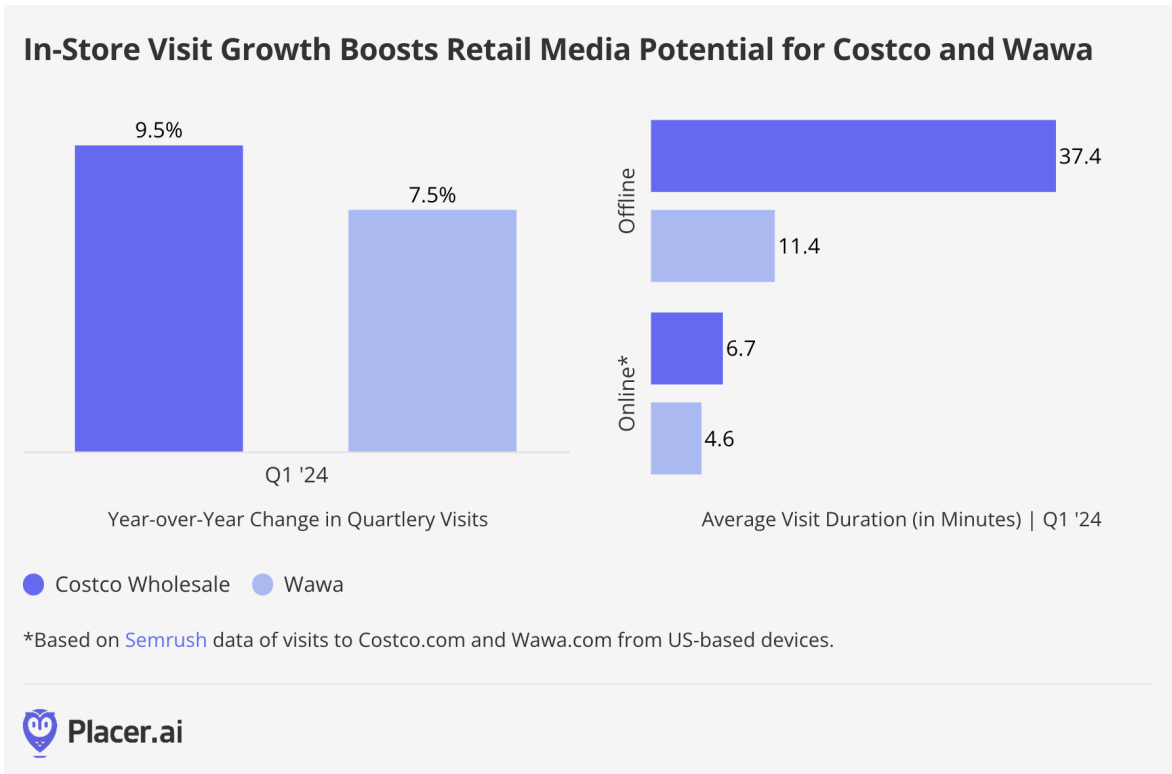
The Costco and Wawa Brick-and-Mortar Opportunity

[Wawa](#) and [Costco](#), the latest additions to the growing number of companies with retail media networks, exhibit significant advertising potential. Both brands boast a wide reach and diverse customer base, and both have access to troves of customer data through membership and loyalty programs.

Foot traffic data confirms the robust offline positioning of the two retailers. In Q1 2024, year-over-year (YoY) visits to **Costco** and **Wawa** increased 9.5% and 7.5% respectively – showing that their in-store engagement is on a growth trajectory.

And since consumers tend to spend a lot more time in-store than they do on retailers’ websites, **Costco’s** and **Wawa’s** strong brick-and-mortar growth positions them especially well to help advertisers reach new customers. In Q1 2024, the average visits to **Costco’s** and **Wawa’s** physical stores lasted 37.4 and 11.4 minutes respectively – compared to just 6.7 and 4.6 minutes for the chains’ websites. These longer in-store

dwel times can be harnessed to maximize ad exposure and offer partners more extended opportunities for meaningful interactions with customers. Partners can also analyze the behavior and preferences of the two chains' growing visitor bases to craft targeted online campaigns.



Costco Enters the Wholesale Club RMN Space

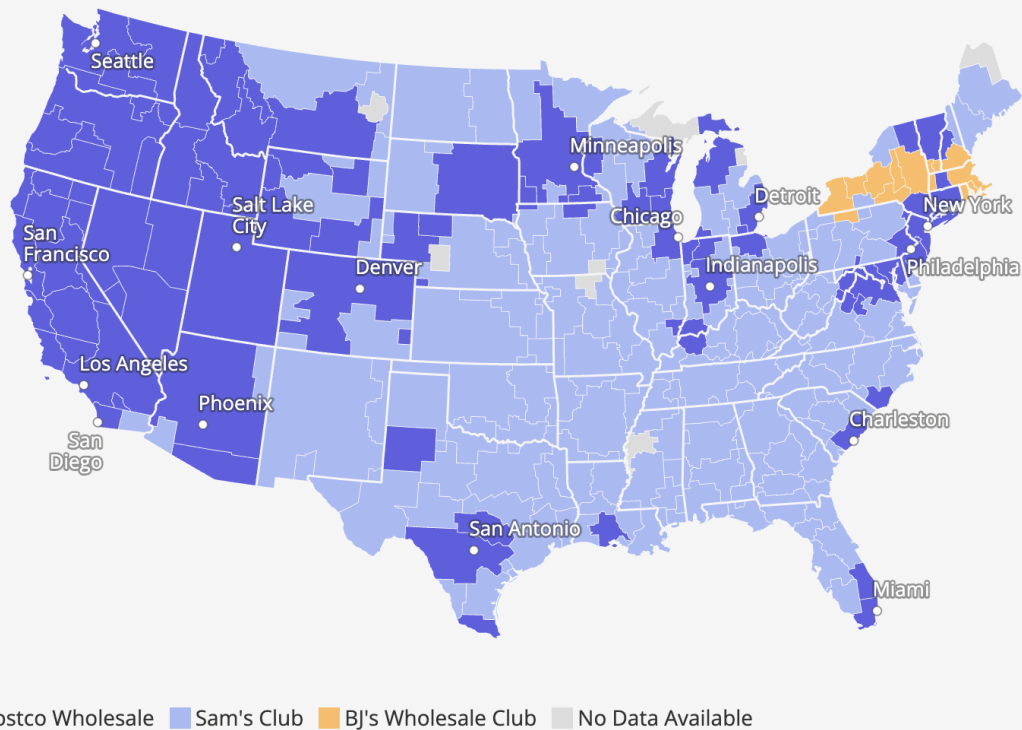
RMN Potential Nationwide

Costco's retail media network will tap into the on- and offline shopping habits of its staggering [74.5 million members](#) to inform targeted [advertising](#) by partners. And the retailer's tremendous reach offers a significant [opportunity](#) to engage customers in-store.

But while **Costco** is dominant in some areas of the country, other markets are led by competitors like Sam's Club and BJ's Wholesale Club. And advertisers looking to choose between competing RMNs or hone in on the areas where **Costco** is strongest can analyze **Costco's** performance and visit share – on a local or national level – to determine where to focus their efforts.

Wholesale Club Drawing Largest Visit Share Across US Designated Market Areas

Out of Total May 2024 Visits to Costco Wholesale, Sam's Club, and BJ's Wholesale Club



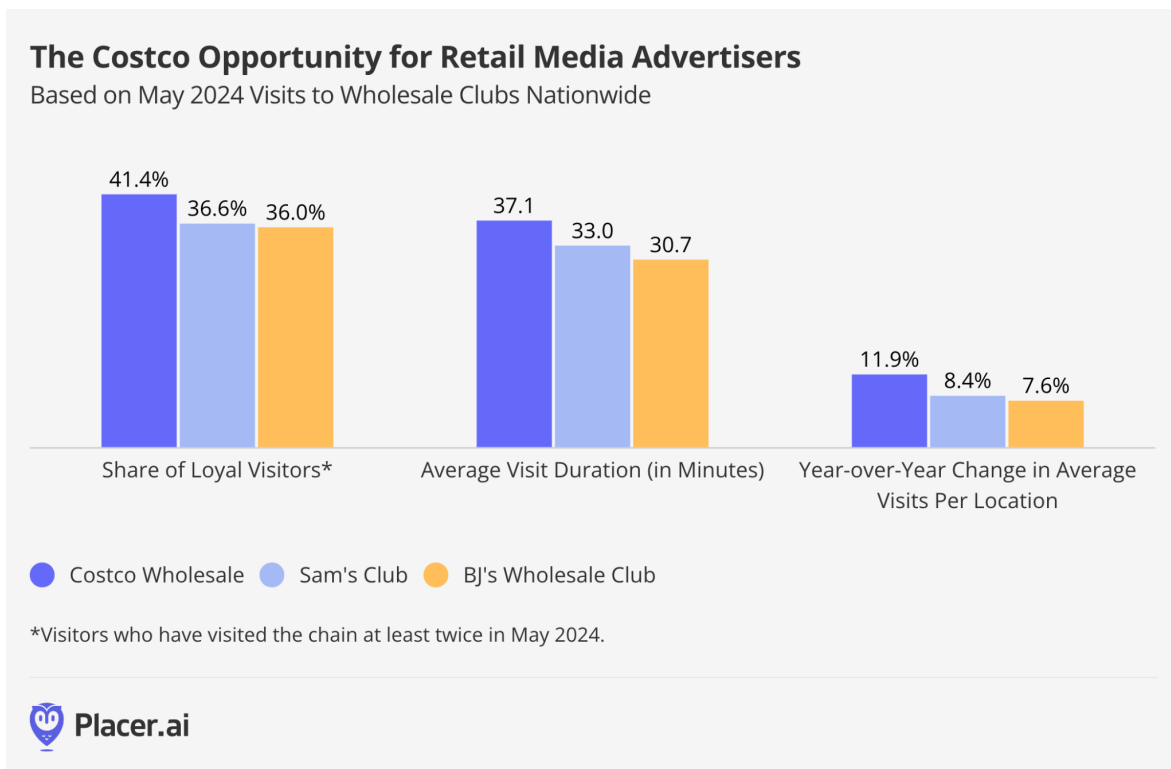
An analysis of the share of visits to wholesalers across the country reveals that **Costco** is the dominant wholesale membership club in much of the Western United States. But **Costco** also captures the largest share of wholesale club visits in many other



major population centers, including important markets like New York, Chicago, Phoenix, and San Antonio. **Costco's** widespread brick-and-mortar dominance offers prospective advertising partners a significant opportunity to connect with regional audiences in a wide array of key markets.

Longer, More Frequent Visits

Another one of **Costco's** key advantages as a retail media provider lies in its highly loyal and engaged audience. In May 2024, a whopping 41.4% of **Costco's** visitors frequented the club at least twice during the month – compared to 36.6% for Sam's Club and 36.0% for BJ's Wholesale.



Moreover, **Costco** led in average visit duration compared to its competitors. In May 2024, customers spent an average of 37.1 minutes at **Costco** – surpassing even the impressive dwell times at Sam's Club and BJ's Wholesale Club.

YoY visits per location to **Costco**, too, were the highest of the analyzed wholesalers, all three of which saw YoY increases. These metrics further establish the wholesaler's position as an effective retail media provider.

Unique Audience Preferences and Characteristics

Even when foot traffic doesn't show a brand's clear regional dominance, location analytics can reveal other metrics that signal its unique potential. Take the Richmond-Petersburg, VA, designated market area (DMA), for example. In May 2024, BJ's Wholesale Club led the DMA with 41.2% of wholesale club visits, while **Costco** was a close second with 37.3% of visits.

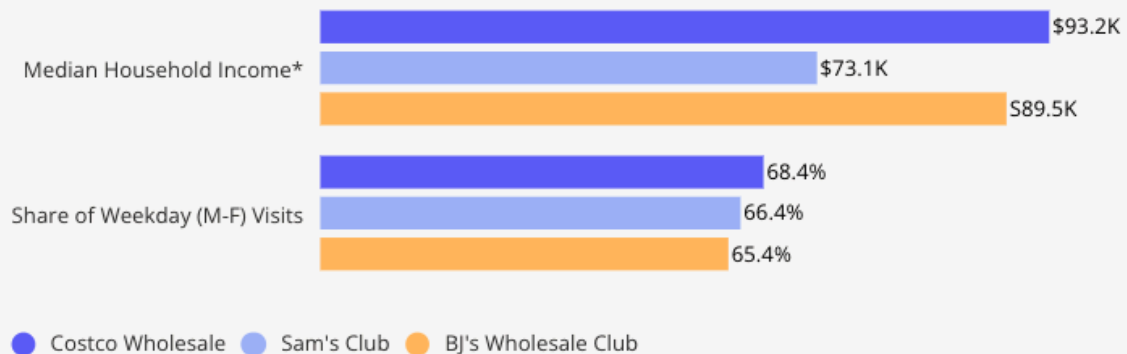
But despite BJ's lead in visit share, **Costco's** Richmond audience was more affluent. **Costco's** visitors came from trade areas with a median household income (HHI) of \$93.2K/year, compared to \$73.1K/year for Sam's Club and \$89.5K/year for BJ's. Additionally, **Costco** drew a higher share of weekday visits than its counterparts.

Analyzing shopper habits and preferences across chains on a local level can provide crucial context for strategists working on media campaigns. Advertisers can partner with the brands most likely to attract consumers interested in their offerings, and identify where – and when – to focus their advertising efforts.

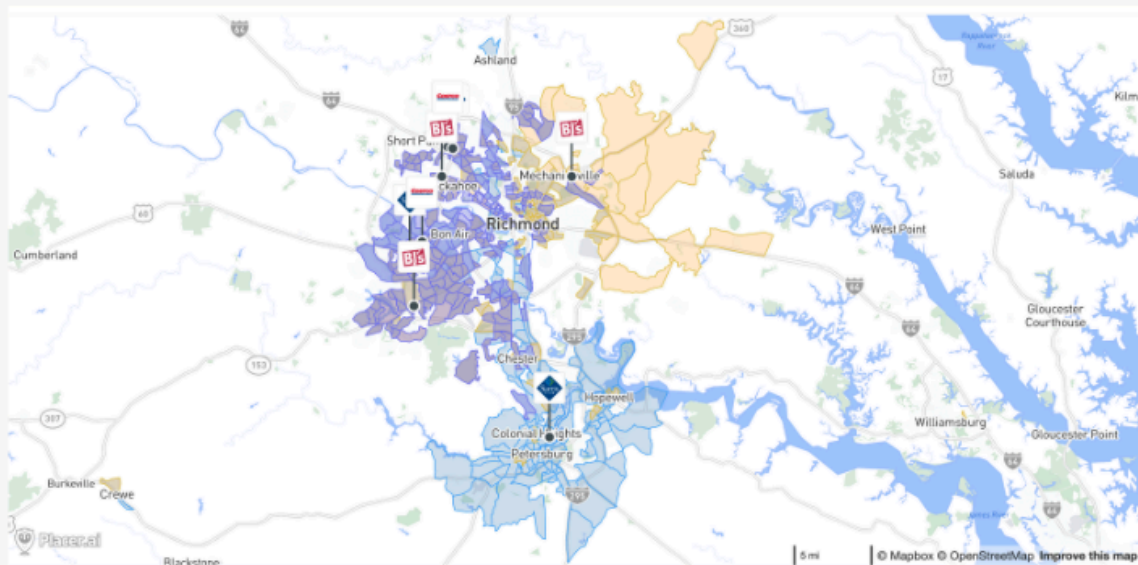
Wholesale Clubs Attract Different Demographic Profiles in Richmond, VA

Based on May 2024 Visits to Wholesale Clubs in the Richmond-Petersburg, VA Designated Market Area

Visitor Behavior and Demographic Profile



True Trade Area by Census Block Group



*Based on STI:Popstats Data of Placer.ai Proprietary Algorithm of Captured Market of Trade Areas.



Wawa Debuts Retail Media

Convenience stores, or c-stores, are emerging as [destinations](#) in and of themselves – and their rising popularity among a wider-than-ever swath of consumers opens up significant opportunities in the retail advertising space.

A C-Store RMN Advantage

Wawa is a [relative newcomer](#) to the world of retail media, after other c-stores like 7-Eleven and Casey's launched their networks in [2022](#) and [2023](#). But despite coming a bit late to the party, the potential for **Wawa's** [Goose Media Network](#) is significant – thanks to a cadre of highly loyal visitors who enjoy the physical shopping experience the c-store chain offers.

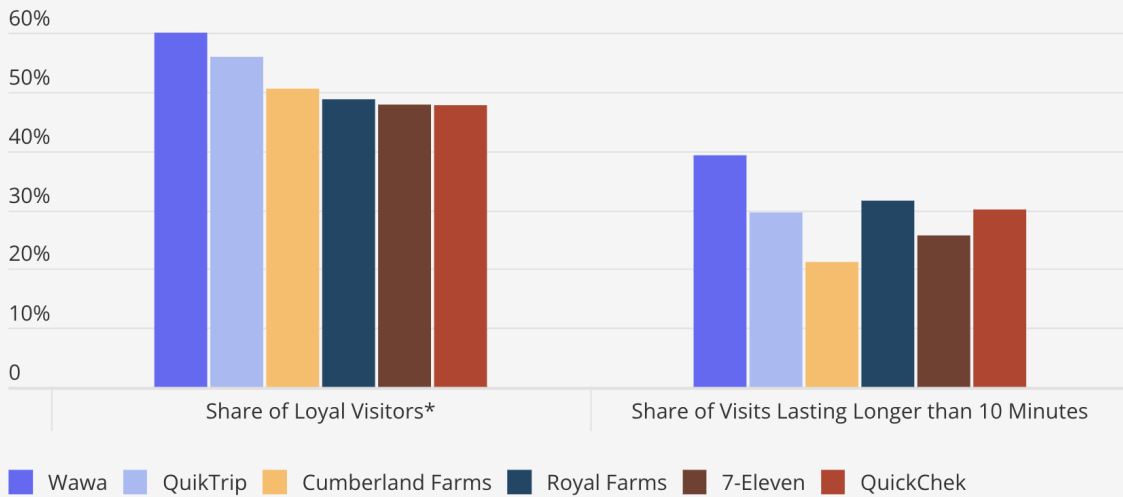
In May 2024, **Wawa's** share of loyal visitors (defined as those who visited the chain at least twice in a month) was 60.1%. In contrast, other leading c-store chains operating in **Wawa's** market area – QuickTrip and 7-Eleven, for example – saw loyalty rates of 56.0% and 47.9%, respectively, for the same period.

Additionally, **Wawa** visitors browsed the aisles longer than those at other convenience retailers. In May 2024, 39.9% of **Wawa** visitors stayed in-store for 10 minutes or longer, compared to 29.6% at QuickTrip and 25.7% at 7-Eleven.

Wawa's loyal customer base and longer visit durations make it a strong contender in the retail media space. By harnessing this high level of customer engagement, **Wawa** can draw in advertisers and develop targeted marketing strategies that resonate with its dedicated shoppers.

Wawa's Loyal and Longer-Staying Visitors Offer Greater Potential for Retail Media Impact

Based on May 2024 Visits to Wawa and Leading C-Stores Operating in Wawa's Market Area



*Visitors who have visited the chain at least twice in May 2024.



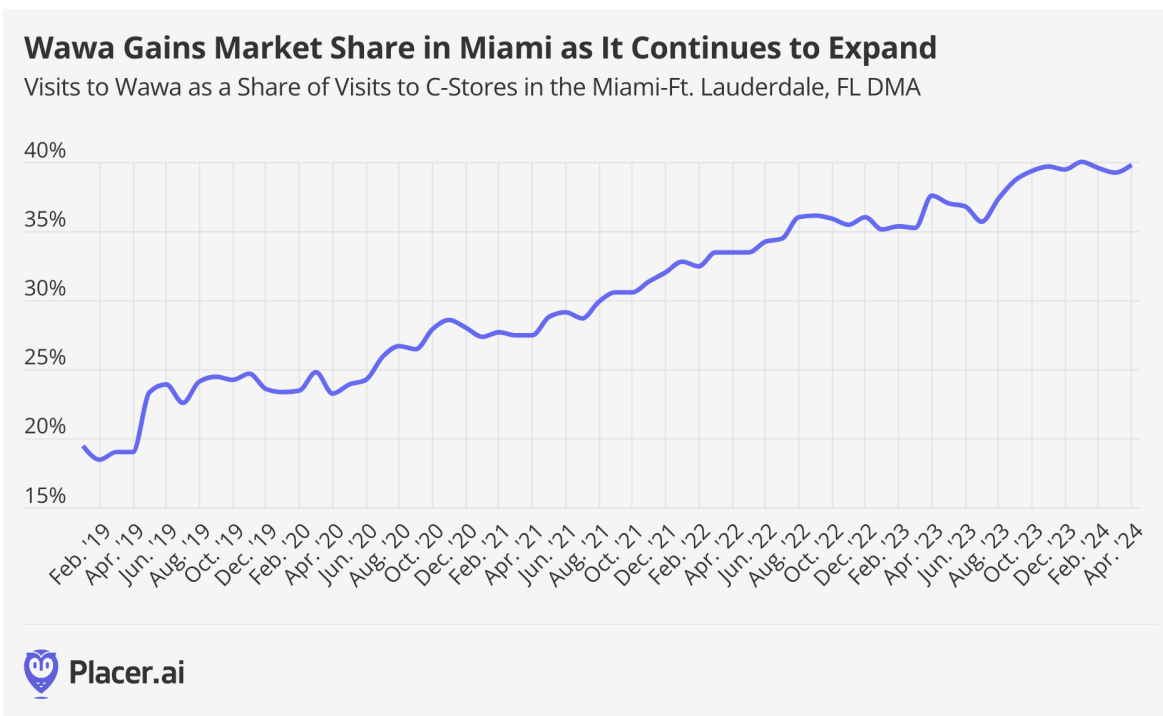
Doubling Down on Miami

Wawa has been on an expansion roll over the past few years, with plans to open at least [280 stores](#) over the next decade in North Carolina, Tennessee, Georgia, Alabama, Ohio, Indiana, and Kentucky. The chain has also been steadily increasing its footprint in Florida – between January 2019 and April 2024, **Wawa** grew from [167](#) Sunshine State locations to [280](#), with more to come.

And analyzing changes in **Wawa's** visit share in one of Florida's biggest markets – the Miami-Ft. Lauderdale DMA – shows how successful the chain's local expansion has been. Between January 2019 and April 2024, **Wawa** more than doubled its



category-wide visit share in the Miami area (i.e. the portion of total c-store visits in the DMA going to **Wawa**) – from 19.0% to nearly 40.0%.



A Growing and Evolving Audience

A look at changes in **Wawa's** Miami-Ft. Lauderdale trade area shows that the chain's growing visit share has been driven by an expanding market and an increasingly diverse audience.

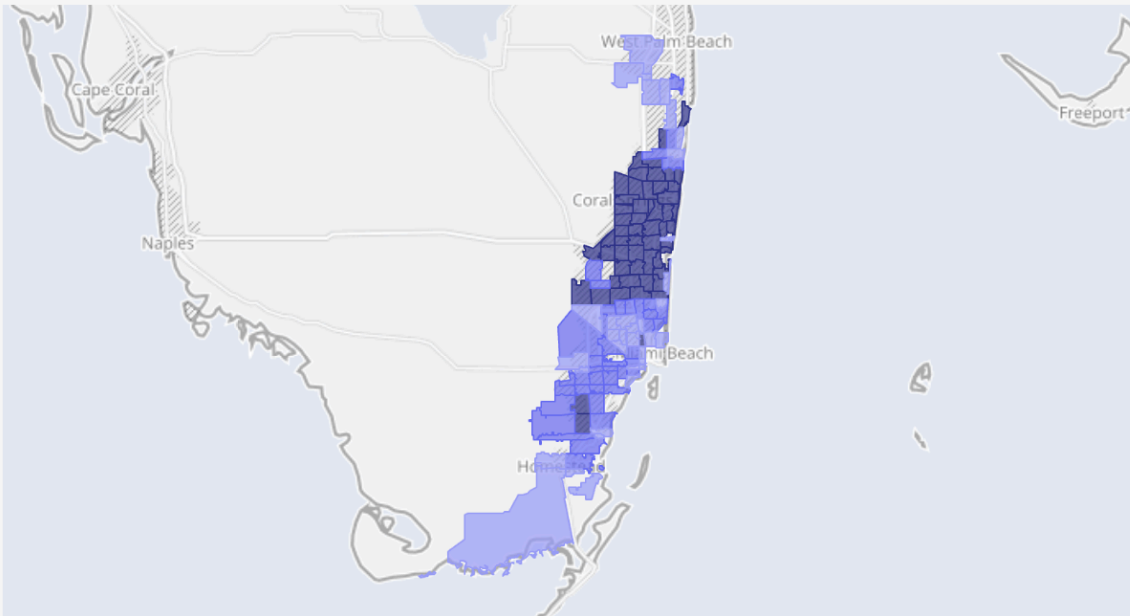
In April 2019, there were some 55 [zip code tabulation areas](#) (ZCTAs) in the Miami-Ft. Lauderdale DMA from which **Wawa** drew at least 3,000 visits per month. By April 2021, this figure grew to 96 – and by April 2024, it reached 129.

Over the same period, the share of “Family Union” households in **Wawa's** local captured market – defined by the [Experian: Mosaic](#) dataset as families comprised of

middle-income, blue collar workers – nearly doubled, growing from 7.4% in April 2019 to 14.4% in April 2024.

Wawa Expands into Middle-Income Markets in Miami-Ft. Lauderdale DMA

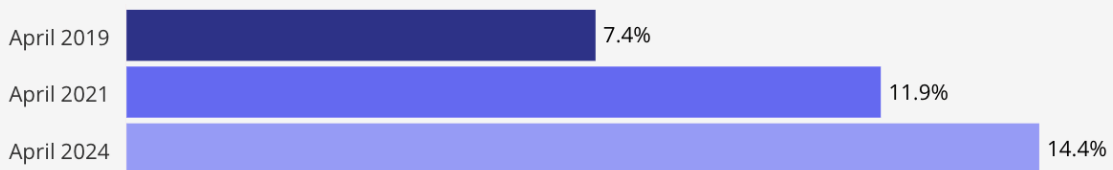
ZCTAs Where Residents Made Over 3K Monthly Visits to Wawa since April 2019



■ Since April 2019 ■ Since April 2021 ■ Since April 2024

Leaflet | Map data by OpenStreetMap, under ODbL.

Share of Family Union* Households to Wawa Across the Miami-Ft. Lauderdale, FL DMA



*Based on Experian:Mosaic Data of Placer.ai Proprietary Algorithm of Captured Market of Trade Areas. The Family Union segment is defined as "middle income, middle-aged families living in homes supported by solid blue-collar occupations".



These metrics show promise for advertisers aiming to expand their market reach to a growing, engaged audience. And businesses seeking to advertise to **Wawa** shoppers in the Miami area may choose to tailor their campaigns to match the expectations and preferences of **Wawa's** shifting visitor base.

Final Thoughts

Retail media networks that make it easier to introduce shoppers to products and brands that are closely aligned with their preferences and habits offer a win-win-win for retailers, advertisers, and consumers alike. And **Costco** and **Wawa** are extremely well-positioned to make the most of this opportunity.