September 2023

Superstore and Grocery Leaders Transforming Retail Media

Discover how major brands are driving innovation in the retail media space and how location intelligence can take in-store advertising to the next level.
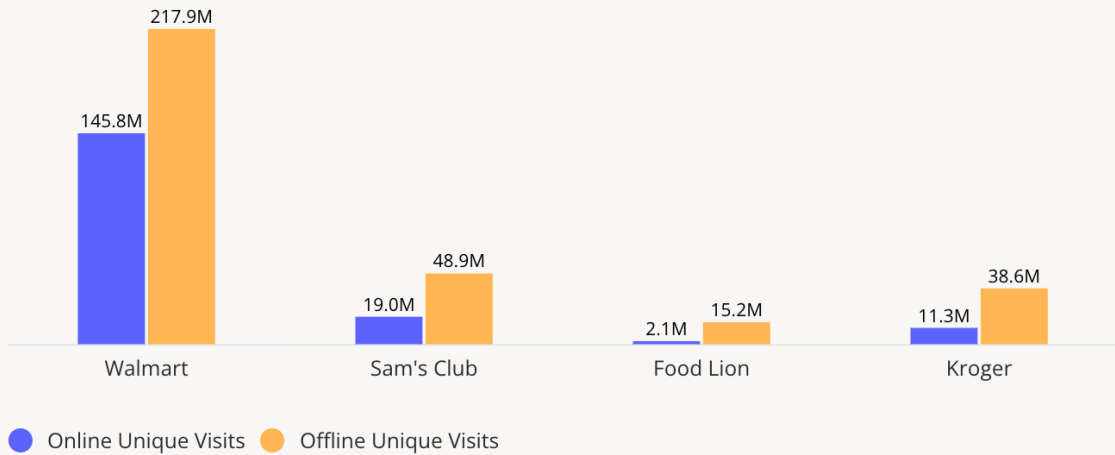

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Overview

[Retail media networks](#) (RMNs) – advertising opportunities provided by retailers either online or in their physical stores – are catching on like wildfire. And companies [across industries](#) are stepping into the fray.

Two segments in particular – superstores and grocery chains – continue to spearhead the RMN revolution, especially when it comes to utilizing physical stores. With massive reach and diverse customer bases, retailers in these categories are particularly well-placed to help brand partners connect with new audiences. And while much of their retail media activity still takes place online, superstore and grocery retailers are increasingly leveraging their large store fleets to lean into in-store and omnichannel RMN initiatives.

Indeed, grocery chains and superstores, perhaps even more than other retailers, still attract more visitors to their physical stores than to their websites. This means that advertisements in grocery chains and superstores' offline channels will potentially be seen by many more people than online ads published through the retailers' digital channels. And by embracing holistic strategies that account for physical visits as well as virtual ones, major chains in these categories are able to unleash the full power of their retail media offerings.

Online and Offline Unique Visits Across Chains with Retail Media Networks
August 2023

Walmart — Online Unique Visits: 145.8M, Offline Unique Visits: 217.9M
Sam's Club — Online Unique Visits: 19.0M, Offline Unique Visits: 48.9M
Food Lion — Online Unique Visits: 2.1M, Offline Unique Visits: 15.2M
Kroger — Online Unique Visits: 11.3M, Offline Unique Visits: 38.6M

● Online Unique Visits   ● Offline Unique Visits

*Online visits data source: www.similarweb.com

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This white paper dives into the data to explore innovations in the brick-and-mortar retail media space pioneered by superstore and grocery leaders. By analyzing location intelligence metrics for retailers such as Walmart, Sam's Club, Ahold Delhaize, and Kroger, the report reveals how major chains are stepping up their RMN offerings. Read on to find out how retailers and advertisers can harness location intelligence to make the most of this exciting opportunity.

Superstores: Understanding Shoppers In-Store And on The Couch

Walmart: Finding Myriad Ways to Connect

Walmart's in-house RMN, Walmart Connect, offers plenty of digital retail media solutions – from online search ads to social media display banners. But the chain has also found creative ways to leverage its huge fleet of some 4,630 stores nationwide to

help brand partners connect with shoppers while they're browsing the chain's physical aisles. Walmart's in-store retail media offerings [include] on-site radio ads, product demo stands, and TV screens positioned throughout stores.

Walmart Sees Increase in Visitors Across Multiple CBSAs
Year-over-Year Comparison | H1 2023

CBSA	YoY Growth
St. Louis, MO-IL	1.1%
Los Angeles-Long Beach-Anaheim, CA	1.9%
Chicago-Naperville-Elgin, IL-IN-WI	1.9%
New York-Newark-Jersey City, NY-NJ-PA	3.5%

And the popular superstore's impressive reach is still growing. In key markets throughout the country – including St. Louis, New York, Chicago, and Los Angeles, the chain experienced year-over-year (YoY) visitor growth ranging from 1.1% to 3.5%. This is good news for Walmart's advertising partners – more visitors means more potential shoppers and more eyeballs on their in-store promotions.

Scoring a Goal with Sports Fans

Walmart is [no stranger] to leveraging CTV (connected TV) platforms to enhance its RMN, and the chain [recently] stepped up its CTV game with a test run aimed squarely at sports fans. Together with NBCUniversal, Walmart launched a retail media program to display relevant ads during major sporting events, from Sunday Night NFL games to Premier League matches.

Targeted correctly, these live-streaming ads have the potential to drive massive sales, both in-store and online. And understanding the concrete sports preferences of potential Walmart customers across markets and venues can help both Walmart and NBCUniversal maximize this opportunity. Which cities are most likely to draw soccer fans? And which venues are poised to attract hard-core football fanatics?
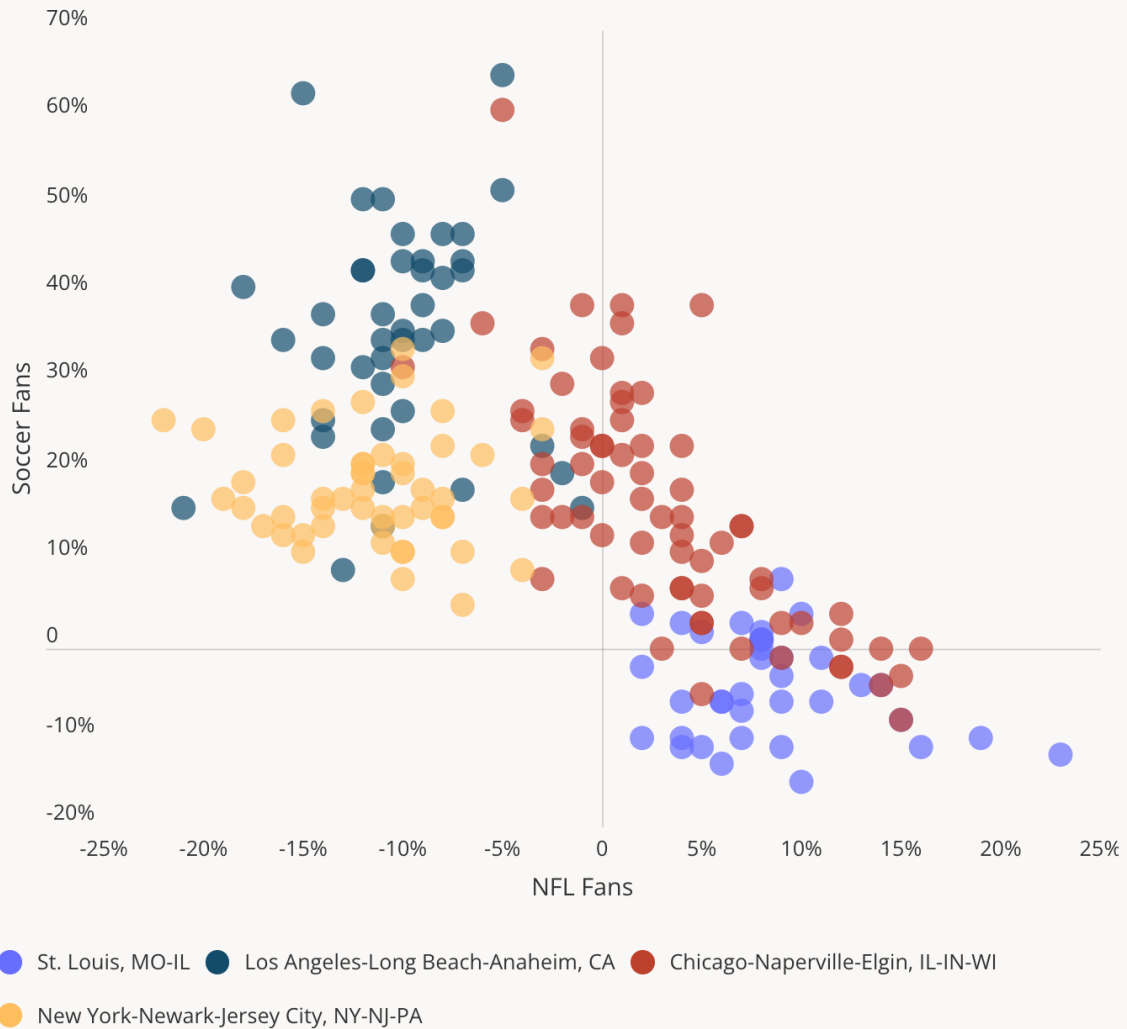
Layering psychographic data from Spatial.ai's [FollowGraph] onto the [potential markets] of Walmart locations in St. Louis, Los Angeles, Chicago, and New York in H1 2023 can

highlight the varying interest of sports fans in different markets. The analysis revealed striking regional differences in the passions of sports fans likely to visit Walmart in different cities.

In Los Angeles and New York, Walmart's potential markets were uniformly over-indexed for soccer enthusiasts, compared to a nationwide baseline. This means that residents of Walmart's trade areas in these CBSAs were more likely to be into soccer than the average American. At the same time, Walmart's potential markets in these areas were under-indexed for NFL enthusiasts, indicating lower-than-average interest in football. In St. Louis, on the other hand, the potential markets of all analyzed venues were over-indexed for football fans, while most had smaller-than-average shares of soccer devotees. Chicago, for its part, presented a prime opportunity for advertisers eager to reach fans of both sports – with 89.7% and 75.0% of analyzed venues over-indexed for soccer and football fans, respectively.

Sports Interests Vary Across Walmart CBSAs
Soccer Fans and NFL Fans* Compared to the Nationwide Benchmark | H1 2023

● St. Louis, MO-IL ● Los Angeles-Long Beach-Anaheim, CA ● Chicago-Naperville-Elgin, IL-IN-WI

● New York-Newark-Jersey City, NY-NJ-PA

*Based on Spatial.ai FollowGraph Interests of Potential Market of Trade Area

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Sam's Club: Reaching Mission-Driven Shoppers

Walmart-owned Sam's Club boasts its own independent retail media network – Sam's Club Members' Access Platform (MAP). And although most of MAP's retail media
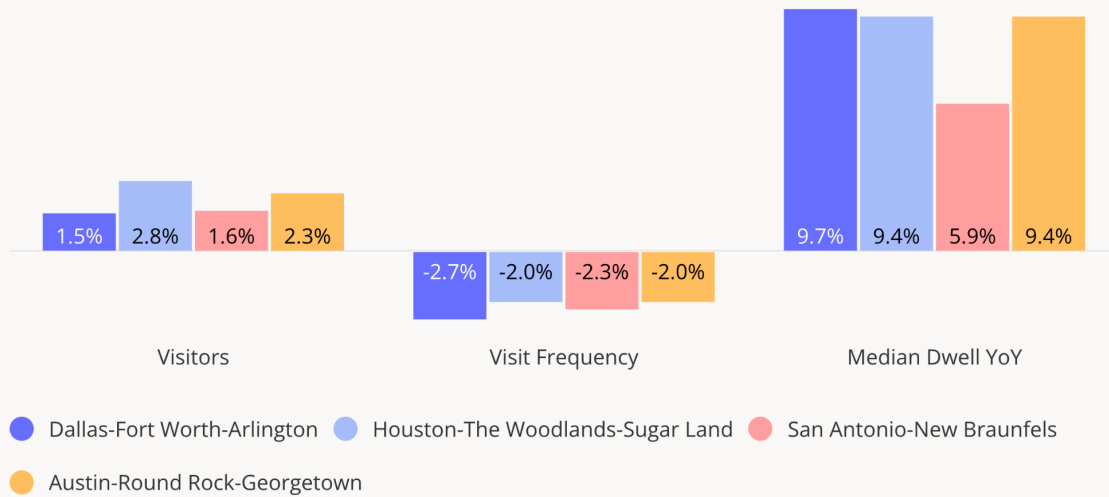
offerings remain digitally-focused, its platform was recently [upgraded](#) to allow for in-club sales attribution. As a result, advertisers can now [connect](#) online promotions featured in Sam's Club digital channels to purchases in the wholesale club's physical stores. Brands can also reach Sam Club's offline shoppers through more traditional approaches – including sampling stands (more on that below).

Sam's Club's membership-based model makes it relatively easy for the retailer to keep tabs on what its customers buy and when they visit the chain. But location analytics can provide additional layers of insight into the wider behavior and mindset of shoppers as they enter the store.

Foot traffic data shows, for example, that in CBSAs across Texas – Sam's Club's largest market – visitors to the chain are engaging in more [mission-driven](#) shopping than they did last year. Consumers visited the chain slightly less frequently in Q2 2023 than in Q2 2022, but spent, on average, between 5.9% and 9.7% more time in-store during each trip – indicating that they may be consolidating shopping trips to cut costs and maximize visits. Shoppers that spend more time in-store in an effort to cut costs can be exposed to more ads during each trip and may be particularly open to cost-saving promotions.

Sam's Club Across Texas CBSAs See Increase in Visitors and Dwell Time but Decrease in Frequency in Q2 2023
Year-over-Year Comparison

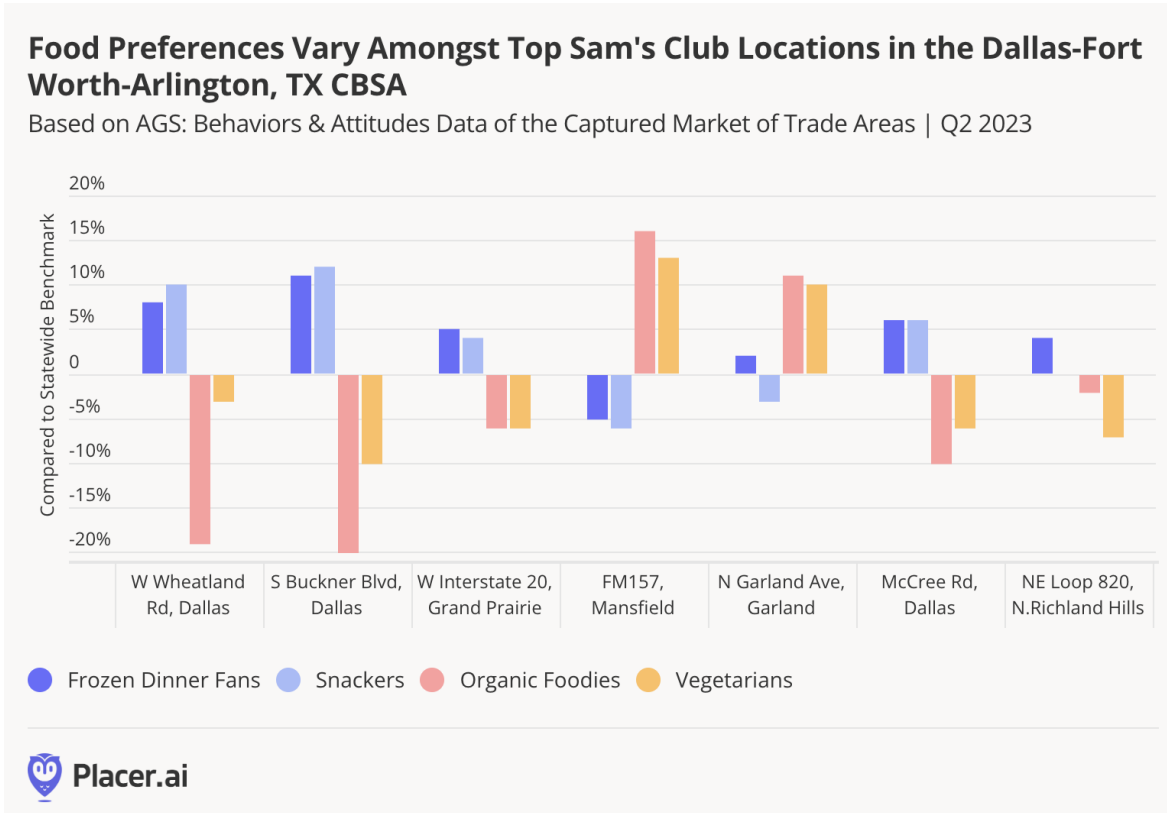|	Visitors	Visit Frequency	Median Dwell YoY
Dallas-Fort Worth-Arlington	1.5%	-2.7%	9.7%
Houston-The Woodlands-Sugar Land	2.8%	-2.0%	9.4%
San Antonio-New Braunfels	1.6%	-2.3%	5.9%
Austin-Round Rock-Georgetown	2.3%	-2.0%	9.4%

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Tastes & Tips for Every Palate

Long before RMNs took center stage, brands – and especially CPG (Consumer Packaged Goods) companies – were leveraging grocery chains and superstores to advertise their goods and find new audiences by handing out free samples in stores. And now, Sam's Club's Taste & Tips program, which lets customers try new products as they do their shopping, is back in action after a short pandemic-induced break. Advertisers can leverage stands and "Freeosks" – which automatically dispense freebies while displaying relevant product information – in Sam's Club venues across the country to actively engage with shoppers at the point of sale.

And analyzing the broader profile of likely visitors to particular locations can help both Sam's Club and its brand partners optimize these promotions. Looking at the captured markets of top-performing Dallas-area Sam's Club locations for Q2 2023 shows that they differ significantly in terms of shoppers' food preferences. (A venue's captured market refers to the population residing in its trade area, weighted to reflect

the actual share of visits from each Census Block Group comprising the trade area.) While some venues' captured markets include outsize shares of organic foodies and vegetarians, others include large shares of frozen dinner fans and snackers. So brands that specialize in health foods may wish to focus their advertising efforts on the former, while those that offer sweet and savory treats may wish to target the latter.

Food Preferences Vary Amongst Top Sam's Club Locations in the Dallas-Fort Worth-Arlington, TX CBSA

Based on AGS: Behaviors & Attitudes Data of the Captured Market of Trade Areas | Q2 2023

Legend: ● Frozen Dinner Fans ● Snackers ● Organic Foodies ● Vegetarians

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Enhancing Grocery Retail Media Strategy With Demographics

Grocery is another segment that has helped drive the fast-growing retail media industry, with brands from [Albertsons](#) to [Sprouts Farmers Market](#) leading the way. When shoppers are at the grocery store, they're in prime buying mode – and as they

push their carts along the aisles, they may be open to hearing about new products that meet their needs.

For CPG companies and other advertisers, reaching customers with well-timed ads so close to the point of purchase presents a fantastic opportunity. And understanding the demographic and psychographic characteristics of likely visitors to different chains – across venues and markets – can help both the grocery chains themselves and potential advertisers optimize their retail media efforts.

Ahold Delhaize: Appealing to Different Age Groups

Ahold Delhaize, the holding company that owns East Coast regional grocers like Giant Food, Food Lion, Hannaford, and Stop & Shop, is among the leaders that has made retail media a priority. In 2022 the company launched AD Retail Media, an in-house platform that offers brands multiple ways to reach shoppers both online and at the more than 2,000 stores that operate under the firm's umbrella.

But not all Ahold Delhaize banners are the same – and various chains attract somewhat different audiences. The customer base of Giant Food, for example, tends to be more affluent than that of Food Lion. And looking at foot traffic to select Ahold Delhaize banners during the first half of 2023 shows that the company's chains also serve different age groups. Hannaford's trade areas include a substantial proportion of senior citizens, making it an attractive target for promotions aimed at older shoppers. Giant Food's trade areas, on the other hand, include a more middle-aged audience – offering an opportunity to reach this demographic. And Food Lion's trade areas include the greatest share of consumers under 35.

Visitors' Age Groups Vary Across Select Ahold Delhaize Banners
Share of Age Groups Based on STI: Popstats 2022 Data of Potential Market of Trade Areas| H1 2023

Hannaford · Giant Food (Landover) · Food Lion

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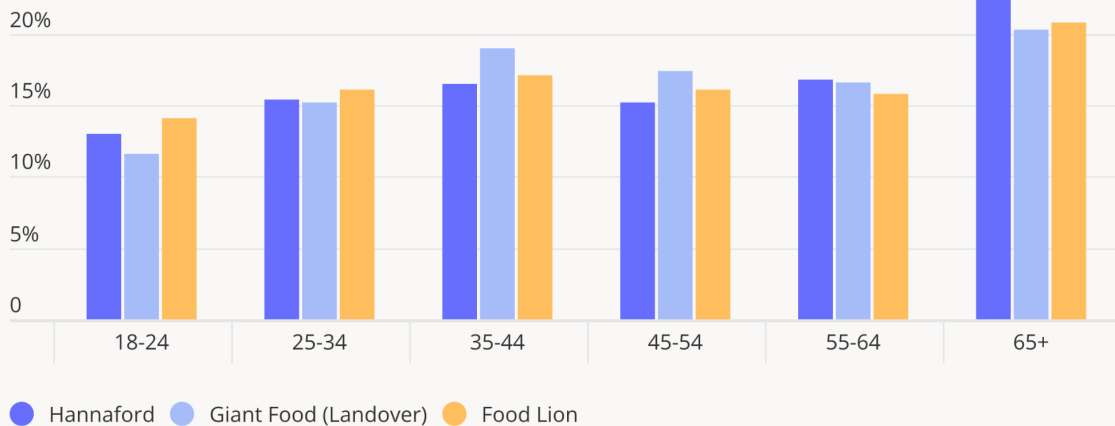
Kroger and Cooler Screens: Homing in on Audiences With Pinpoint Accuracy

Kroger is also ramping up its retail media game. Following a three year pilot, the chain recently announced plans to expand its partnership with Cooler Screens – an in-store digitization platform that makes it easy for retailers to display relevant ads to customers just as they're about to grab a cold drink or snack. Cooler Screens replaces transparent refrigerator doors and other in-store surfaces with smart screens that can anonymously detect customer movement and deliver messaging likely to resonate.

Location intelligence can help both Kroger and Cooler Screens tailor their promotional efforts. Looking at H1 2023 foot traffic to Kroger venues throughout Ohio shows that the captured markets of individual stores have very different median household incomes. The data also shows that those Kroger locations that attract wealthier shoppers also tend to have captured markets with greater shares of families with children. But each location carries its own unique audience profile – and when planning their retail media strategies, both Kroger and potential advertisers can optimize their operations by accounting for these differences.

Which Ohio Krogers Attract Higher Income Households with Children?

Median Household Income and Share of Households with Children* Compared to the Ohio Statewide Benchmark | H1 2023

Households with Children (%)

Powell Rd, Powell

Columbus Pike, Lewis Center

Median Household Income (%)
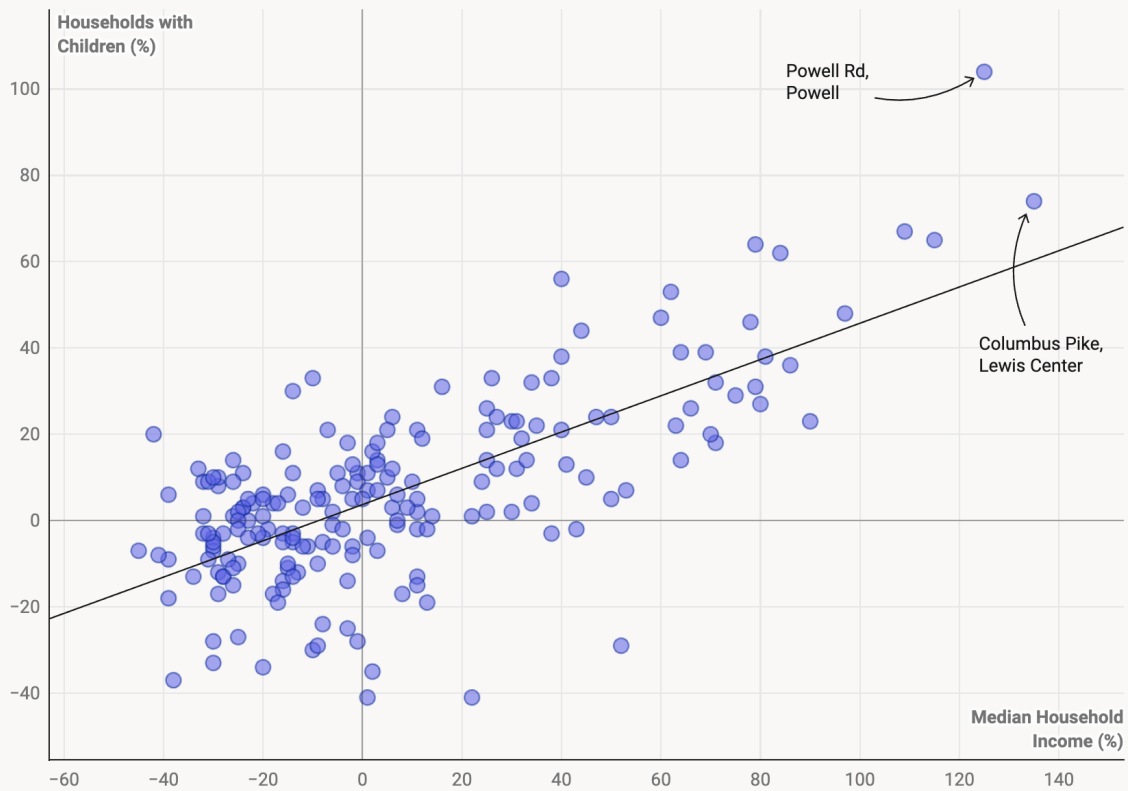
Created with Datawrapper

*Based on STI: Popstats 2022 Data of Captured Market of Trade Areas

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Retail Media: A Triple Win

When done right, retail media networks present a win-win-win for retailers, advertisers, and customers alike. Chains enjoy additional revenue streams, while advertisers get the opportunity to reach highly targeted and engaged shoppers. For consumers, too, being introduced to new products and services while they shop can

be a welcome experience – especially when the offerings are closely aligned with their habits and preferences.

Superstores and grocers, which draw millions of customers to their physical stores on a daily basis, are experimenting with new ways of connecting brand partners to shoppers. And by leveraging location intelligence to better understand consumer behavior, preferences, and profiles, both the retailers and prospective advertisers can ensure that their RMN offerings reach the right audiences.

Key Takeaways:

1. **Superstores and grocery retailers are upping their retail media games**. Major players in the superstore and grocery categories are investing heavily in RMN innovations and capabilities. And with most of their business still done offline, chains in these categories are leaning into in-store and omnichannel RMN strategies.

2. **In-store advertising can harness new technologies – but it can also employ tried and true methods to introduce customers to new products**. Free samples, for example, have long been an integral part of the shopping experience at superstores and grocery stores. And in the age of retail media, letting customers try free treats as they roam the aisles remains an important way to connect them with partner brands.

3. **Location intelligence can help match RMNs with the right advertisers.** Analyzing shoppers' demographic and psychographic characteristics across chains and markets can help retailers attract the right brand partners, and can help advertisers home in the RMNs best suited to their offerings.

4. **Foot traffic data can improve RMN campaign optimization.** Retailers' first-party data is critical to the success of retail media campaigns. But foot traffic data can take targeting to the next level, offering retailers and advertisers additional insight into in-store behavior as well as visitors' hobbies and interests beyond the store.