

Walmart delves deeper into in-store media

Article

The news: Walmart will soon give brands more ways to advertise in-store.

- While advertisers can currently buy placements on 170,000 digital screens across Walmart's nearly 4,700 US stores, they will also get access to 30-second radio spots later this year, which can be used to target shoppers in specific stores or regions, the company **announced**.

The next wave: In-store retail media is rapidly becoming retailers' next area of focus as they look to turn their one major advantage over Amazon—their in-store audiences—into an opportunity to grow ad sales.

- Despite its growing ecommerce business, the vast majority of Walmart's roughly 139 million weekly customers shop in-store. "When you think about... our store footprint and the percentage of Americans that we reach through our stores, we can deliver Super Bowl-sized audiences every week," **Ryan Mayward**, Walmart Connect's senior vice president of retail media sales, told CNBC.
- The same principle is true for grocers like **Kroger** and **Loblaw**, both of which plan to bring smart screens to 500 stores to get ads in front of the millions of consumers who shop there each week.
- And like Walmart, Loblaw sees an opportunity in audio advertising: The Canadian grocer will bring in-store audio ads to nearly 300 locations thanks to a newly announced partnership with **Stingray Advertising**.

A note of caution: While in-store advertising offers tremendous benefits, including the opportunity to encourage impulse buys and raise brand awareness, retailers have to make sure it doesn't degrade the customer experience.

- **Walgreens** rolled back a partnership with digital screens provider **Cooler Screens** after shoppers complained the tech made it difficult to find products, as well as concerns from leadership over how it looked.
- Walgreens' cautionary tale appears to be informing Kroger's slow rollout of Cooler Screens' technology, which the grocer tested for three years before expanding the partnership.
- Similarly, Walmart says it's being "deliberate" with its approach to in-store ads to ensure they don't disrupt store operations or the in-store experience.

The big takeaway: With the pendulum swinging back in favor of physical retail, it's no surprise retailers ranging from Walmart to **Macy's** are giving brands more opportunities to get in front of shoppers.

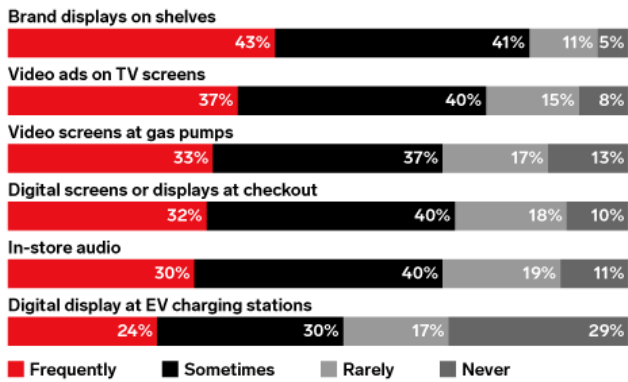
- In-store retail media also offers advertisers a potential solution to the audience fragmentation that has occurred across other channels, such as linear TV and streaming, and gives them access to shoppers who might be difficult or expensive to reach otherwise (such as the much coveted Gen Z demographic).
- While the opportunity is clearly a lucrative one, retailers have to be thoughtful about how they choose to incorporate it into their in-store experiences, lest they overwhelm shoppers with a

barrage of ads.

Go further: Check out our report on [In-Store Retail Media](#) for more on the opportunities available for brands and retailers.

Frequency With Which US Shoppers Notice Brands' In-Store Advertising, by Ad Format, July 2022

% of respondents in each group



Source: Path to Purchase Institute, "Shopper Engagement with Retail Media," Oct 3, 2022

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