

# Retail media can be a powerful component of loyalty marketing, says POSSIBLE panel

Article

**The insight:** Retail media can be a potent tool in the realm of loyalty marketing. That's the main takeaway from a panel discussion sponsored by Target's Roundel network (and led by

its partner solutions vice president, **Matt Drzewicki**) at this week's POSSIBLE marketing conference.

**The loyalty advantage:** Brands are increasingly focused on collecting "zero-party data" through loyalty programs that incentivize customers to willingly share information, explained panelist **Jeremy Goldman**, our senior director for marketing, commerce, and technology.

- These initiatives can have big payoffs. Target's loyalty program, **Target Circle**, has cultivated an engaged customer base that accounts for an outsized portion of revenues, said **Renee Doerre**, Senior Target's loyalty partnerships director. Target Circle members **drive nearly five times more shopping trips than regular guests** and **spend five times more** on average.
- Individuals are four times more likely to trust Target's ads over brands they don't have relationships with, according to one internal study. Roundel campaigns featuring Target Circle promotions saw over 30% higher return on ad spend in 2023.
- **Donna Sharp**, managing director at advisory firm **MediaLink**, noted that loyalty programs are rising in importance as paid media costs increase, which allows retailers to leverage their owned connections with consumers more effectively. However, she stressed that ad experiences should add value rather than detract from the overall customer experience.

**Loyalty + RMNs = win:** Brands can use [retail media networks](#) (RMNs) to stay in tune with customers by activating first-party loyalty data to foster emotional connections and deliver personalized experiences.

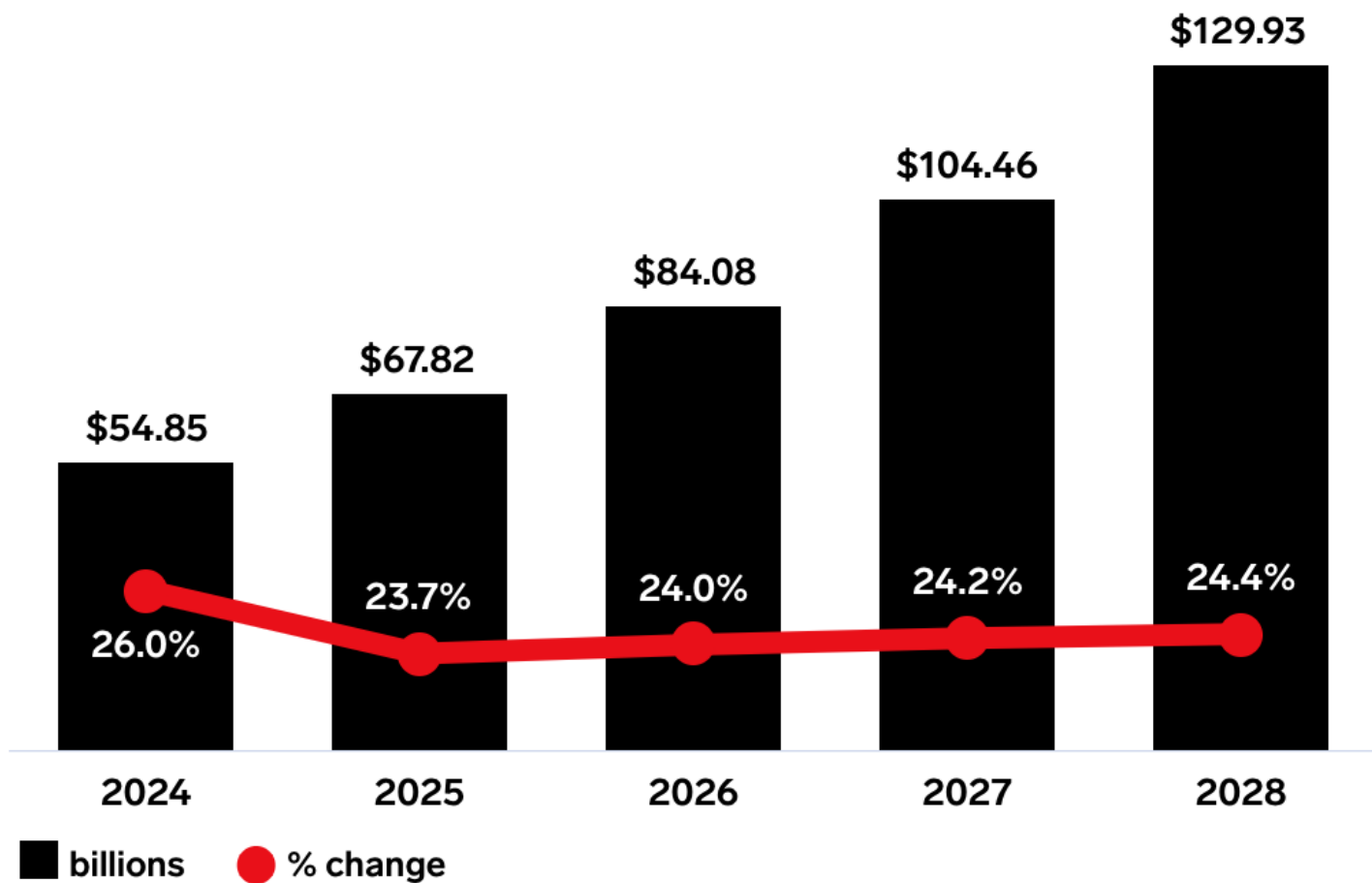
- **Rodney Mason**, head of partnerships with influencer analytics provider **LTK**, said pairing authentic creator stories with the expanded reach of RMNs drives higher engagement for brands. He noted that a national study showed creator trust was up 21% year over year in Q4 2023.
- First-party loyalty data enables mass personalization of messaging and experiences, Sharp noted.
- AI-powered personalization can be used across multiple channels like CTV and social, as Target did in a recent **Apple** campaign that attracted significantly more new shoppers compared with its prior Apple campaigns.

### **Key takeaways:**

- Brands should ensure message consistency across all customer touchpoints while closely integrating RMN and loyalty program efforts.
- Influencers and creators can enhance shopper experiences in ways that are aligned with loyalty's one-to-one communication goals.
- Brands need to understand the specific loyalty strengths of each retail partner while allowing customer interests to guide decisions.
- The panel clearly illustrated that thoughtfully combining loyalty data with the expanding capabilities of retail media networks can create powerful synergies and drive engagement, personalization, authenticity, and overall effectiveness across the customer journey.

# Omnichannel Retail Media Ad Spending

US, 2024-2028



Note: digital advertising that appears on a retailer's on-premise signage, either in-store or in the immediately adjacent exterior (e.g., parking lot), appears on websites or apps that are primarily engaged in retail ecommerce, or is bought through a retailer's media network or demand-side platform (DSP)

Source: EMARKETER Forecast, March 2024