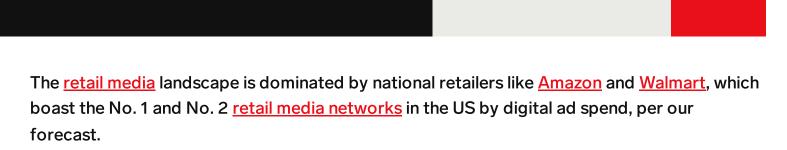


Why regional retail media networks shouldn't be overlooked

Article



But smaller networks, like those offered by regional <u>retailers</u> Meijer, Hy-Vee, and H-E-B, may provide advertisers something larger networks cannot: a highly targeted, loyal audience. They



also benefit retailers by providing another channel to raise awareness and boost loyalty.

Here's why regional retail media networks are worth considering.

Audience advantages for brands: While national retail media networks have scale, regional retailers offer access to a specific audience, which marketers can use to create more tailored, personalized campaigns.

- Nearly half (47%) of marketers in North America measure marketing and advertising performance based on their reach of a targeted audience, according to Q4 2022 data from the CMO Council.
- 33% of Gen Z consumers and 35% of millennial consumers worldwide say they find content and offers targeted to their current location as the most useful personalization tactics from brands, according to the February 2023 Airship survey conducted by Sapio Research.
 - Regional retailers may also be more willing to share customer data with brands, a major pain point for brands working with retail media networks.
- Access to first-party data is a retail media must-have for two-thirds of ad agency professionals worldwide, according to an April 2023 survey from the Path to Purchase Institute.
- Data sharing/the lack of data is the No. 1 challenge in working with retail media networks according to nearly a quarter (24%) of consumer packaged goods professionals in North America, according to another survey from the Path to Purchase Institute from October 2023.

A competitive edge: Regional retailers can use retail media networks to compete against national brands like Amazon and Walmart by boosting their awareness.

- Off-site ads target consumers outside of the retail environment, like when they're searching the open web or browsing <u>social media</u>.
- We forecast retail media network off-site ad spend in the US will grow 61.5% this year, reaching \$10.64 billion.
- That figure will grow another 27.1% next year, hitting \$13.52 billion, as brands and retailers look to meet consumers wherever they are.



"Off-site may become even more imperative for regional retailers because they simply don't have the same scale as national networks on their owned-and-operated digital properties," said our analyst Sarah Marzano. "Regional networks' point of differentiation is their close relationship to their customers, and off-site needs to be part of their retail media strategy to reach consumers wherever they are."

Retail media also enables regional retailers to monetize their <u>loyal</u> customer base, particularly through <u>mobile</u> apps.

- 46% of US shoppers use retail apps for their loyalty rewards programs, the second most popular use behind getting the best prices, according to May 2024 data from SPAR Group.
- Combining loyalty programs with retail media could help retailers secure additional advertiser dollars—53% of advertisers would like to see loyalty, promotions, games, and sweepstakes combined with retail media offerings, according to an August 2023 survey by Merkle.

This was originally featured in the Retail Media Weekly newsletter. For more marketing insights, statistics, and trends, subscribe here.

