

Reimagining Retail: The Unofficial Most Interesting Retailers List (January)

Audio

On today's podcast episode, we launch our inaugural 'The Unofficial Most Interesting Retailers List' for January. Arielle, Becky, and Sara (a.k.a. The Committee) have put together a

very unofficial list of 8 retailers they're watching right now, based on which retailers are making the most interesting moves this month. Who's launching new initiatives? What partnerships move the needle? What stand-out marketing campaigns are there? On future episodes, we'll have analysts dispute this power rankings list, but on today's show we layout our top 8 for January. Join our analyst Sara Lebow as she hosts analyst Arielle Feger and director of content Becky Schilling.

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Episode Transcript:

Sara Lebow:

Hello, listeners. Today is Wednesday, January 31st. Welcome to Behind the Numbers: Reimagining Retail, an eMarketer podcast. This is the show where we talk about how retail

collides with every part of our lives. I'm your host, Sara Lebow. If you've been here for a long time, you should already know all of that. What you won't know is today's episode topic, which is our first ever Unofficial Most Interesting Retailers List.

Before we get into what that means, let's meet today's guest. Joining me for today's episode, we have analyst, Arielle Happy to be Here Feger. Arielle, on the last episode you told me that was your middle name.

Arielle Feger:

Yeah, that's correct. And guess what? I'm happy to be here.

Sara Lebow:

Okay. I invented a middle name for our other guest as well. It is Senior director of content on our media team, Becky Thanks for Having Me Schilling. Hey, Becky.

Becky Schilling:

Thanks for having me. I'm excited for this one.

Sara Lebow:

Thanks for being here. This is Sara Thanks for Being Here Lebow. Let's get started with Free Sample. Our Did You Know segment where I share a fun fact, tidbit or question. I have a quiz for you today. I think this one's going to be easy, so let me know.

In 1961, the Minneapolis Tribune reported that the Dayton company was creating a new discount store chain. The store's president, Douglas J. Dayton, said the new store would "combine the best of the fashion world with the best of the discount world, a quality store with quality merchandise at discount prices and a discount supermarket, 75 departments in all". What would this store end up being called?

Arielle Feger:

I'm going to guess T.J. Maxx.

Sara Lebow:

Becky, what's your guess?

Becky Schilling:

I'm going to guess Target.

Sara Lebow:

Why did you guess Target, Becky?

Becky Schilling:

Because of the location.

Sara Lebow:

Bullseye. Minneapolis. Minneapolis Tribune, snuck that little piece in there. Yeah, it's Target. That store would become Target. They ended up naming the store in 1962, I think before they opened it, and they had the bullseye from the start. I'm not sure when the dog got introduced. I'll get back to you both on that.

Okay. Now it's time for our brand new segment called The Unofficial Most Interesting Retailers of the Month List. The long name, we workshopped it, I swear. There were focus groups.

Arielle, Becky, and I, AKA the committee, have put together a very unofficial list of eight retailers that we're watching right now based on which retailers are making the most interesting moves this month. What does interesting mean? Launching new initiatives, partnerships that move the needle, overperforming earnings, notable social media buzz, standout marketing campaigns, et cetera. This list is hyper subjective, but it's supported with objective analysis. On future episodes, we're going to bring our analysts on to dispute this power rankings list, but for today, we're going to lay out our initial list and why we think each retailer is interesting, and how we got to these top eight. Let's get started. Are you both ready?

Becky Schilling:

Let's do it.

Arielle Feger:

Let's do it.

Sara Lebow:

Okay. In the number eight spot, we have e.l.f. Beauty for its iconic organic social campaigns and feature in the Mean Girls movie remake. e.l.f., to me, has a really good grasp on what works with Gen Z. MediaPost just called e.l.f. its client of the year. The brand knows how to grab attention on TikTok by working with the right influencers and it has built a bunch of buzz organically too by people doing looks with its iconic dupes. The brand was also all over the Mean Girls movie and brand marketing placement. Some people have been making fun of that online, but I think all the press is good press for e.l.f. e.l.f. hasn't done anything all that major this month other than the Mean Girls movie though, which is why it's in spot eight.

Arielle Feger:

Yeah. I think that e.l.f. is definitely making a splash at the Mean Girls movie and dupes are kind of a big deal to Gen Z and Millennials, so I think it definitely deserves a spot on this list and though I do wonder if there's going to be another beauty brand that comes and knocks it off the list by getting more popularity on TikTok.

Becky Schilling:

Yeah, this is one of the ones that we had a lot of back and forth on, and so I think it's going to be interesting to see what our readers say about this and to see what happens in the months to come.

Sara Lebow:

Becky, they're actually listeners when we're on the podcast.

Becky Schilling:

Oh, that's right. I'm so sorry. We'll see what our listeners have to say.

Sara Lebow:

Okay. Number seven, Calvin Klein for its steamy campaign featuring star of The Bear, Jeremy Allen White. Becky, say more.

Becky Schilling:

Yeah, I mean it's all about the ad, right? Calvin Klein is no stranger to provocative advertising. It hasn't always worked in the past for them, but the choice of Jeremy Allen White hit exactly at the right time. His show The Bear is blowing up and White himself took home some

hardware at the Emmy's recently, and you know you've done something right when The New York Times writes an article about your ad comparing it to Greek art. And I have to say that the musical choice of Leslie Gore's You Don't Own Me for the video campaign is just spot on. And I'm not sure if you guys have seen it, but there's a German craft beer brand that actually created a parody of the ad. So I have to think that if a German beer brand is using your ad to create an ad on their own, you've done something right.

Sara Lebow:

No, I have to see that. Yeah, the ad is good. Jeremy Allen White is fun to look at. And Calvin Klein ad, that's a classic thing, right? Calvin Klein model. I don't know. I think of the Justin Bieber campaign, I think of the David Beckham campaign, now I think of the Jeremy Allen White campaign.

Becky Schilling:

Mark Wahlberg.

Sara Lebow:

Mark Wahlberg, yes.

Arielle Feger:

Yeah. Yeah. I think like Becky said, it hit at just the right time. Jeremy Allen White is getting a lot of press, a lot of recognition for The Bear, and I think it's just such a wonderful way to see him in a very different way than you do on the chef. So definitely a fun way to see him differently.

Sara Lebow:

Such a good show too.

Arielle Feger:

Yes, I love it. Although I know Becky, you can't watch it because it's too close to home.

Becky Schilling:

I'll always be a fan of Shameless.

Sara Lebow:

All right. In number six, Stanley Cups for being the need to have water bottle thanks to TikTok buzz. Arielle, tell me more.

Arielle Feger:

Yeah. So I'm pretty sure you can't be anywhere in this world without talking or hearing about Stanley Cups right now. It is everywhere. It started on TikTok and it's really interesting because this is a 111-year-old company, so they're not new. They're not a young brand by any stretch of the imagination, but somehow through TikTok influencers and through doing expanded colors and brand collaborations, they've really encouraged consumers to collect their cups and you see people with walls lined up of every sort of cup. You see at Target they're fighting over the new brand collaboration with Starbucks. And it's not just on social media. I mean, they're really making money with this. They went from having 73 million in revenue in 2019 to 750 million in 2023. So the numbers are really adding up and it's working out.

Sara Lebow:

The numbers may be adding up, but I have no faith in Stanley Cup's longevity. I agree with their spot on the list for this month, but I've seen Hydro Flask, I've seen Nalgene bottles. This is just the cup. I get that it's an old brand with a lot of legacy, but I think it'll be over soon. I do want to call out a really good headline on our sister site, Business Insider by Katie Notopoulos that's "Sure, why not? Now there's a Stanley cup for babies." And her top three bullets in that are just: Goo goo gaga, Baby wants Stanley cup, Give baby Stanley cup! Goo goo gaga! I feel she really captured the fandom of Stanley Cup, the craze around it.

Number five, Target, which is adding 1,000 new wellness products to its offerings. Becky, what is happening here?

Becky Schilling:

Yes, like you mentioned, they're adding 1,000 SKUs. Some of those at a \$1.99 price point. Target isn't always thought of as a low cost shopping destination, so by offering products at that lower price point, they might be able to gain some new consumers. Target's also starting an online wellness hub, and the retail media and the data opportunities that are associated with something like that could be really powerful. We know consumers are willing to spend on wellness and if the economy continues to strengthen, consumers might spend even more here.

Lastly, Shipt. It's a subsidiary of Target. They're launching an innovation center for delivery and experimentation. One of the things they're looking at is drone delivery.

I'm not sold on the viability of this as a delivery option, but it is an interesting thing that they're looking at. And spoiler alert, someone else on our list is doing this too. But the other thing that's really interesting is that Shipt is looking at a focus on monetizing digital experiences and that just screams retail media ad opportunities.

Arielle Feger:

I've been saying for a while that Target really needs to find its niche. It's competing with Walmart and it can't beat Walmart in grocery, but wellness could be an area where it really is able to carve out an audience for itself and present some competition.

Sara Lebow:

Target's identity also is a slightly higher end discount retailer. I realized when I was researching that tidbit at the start, has always been the case. That Target nickname, that's been a thing since at least 1962 according to Target's website. So this Target identity of being where you buy your wellness products that are good but cheap, I mean, that's inherent to Target. That's its brand completely.

Number four, Instacart, which is using retail media data to deliver Google shopping ads.

Arielle, break this one down for us.

Arielle Feger:

Offsite retail media is an extremely popular and gaining popularity. It's a great opportunity for brands to expand their awareness and consideration among a larger audience. So Instacart, by partnering with Google, it is enabling its advertiser clients to really expand their reach while also using Instacart's data, which is going to help them target their audience even better. So it's really just a really smart retail media play. The other thing that Instacart is doing that I think is worthy of talking about is adding ads to its tech powered shopping carts, which are deployed in some stores across the country, and that's a really big in-store play. It gets people right as they're in the store, as they're looking for items, as they're thinking about recipes for dinner or what they want. So I think it's a really smart way to, again, get brands in front of customers while they're thinking about what they want for dinner or the rest of the week.

Sara Lebow:

Yeah, it's a pivotal moment because a lot of retailers are bringing delivery under their own umbrella. They're getting those revenues and doing it themselves. Instacart needs to find a way to stand out as the intermediary that's worth partnering with and worth keeping around. Becky, anything to add there?

Becky Schilling:

Yeah. Just to piggyback off what Sara said, Instacart had wildly massive growing revenues just very quickly whenever the grocery delivery space was in its infancy and they're backing off of those, and Instacart needs to find ways to keep that growth going. They got to keep their investors happy. Especially with the IPO coming up, they need to find new ways to add revenue streams and this is a really good opportunity for them.

Arielle Feger:

Absolutely.

Sara Lebow:

Number three, Temu, which is expanding to US sellers and finding success with older consumers. That's right. Temu will open its marketplace to US sellers in March, according to Marketplace Pulse. Temu's web traffic grew by more than 700% last year, 700% in 2023, according to Similarweb. And according to Attain, a lot of that success has come from Boomers and Gen X. Think about a year ago, Temu had a Super Bowl ad and I think it had two Super Bowl ads, and no one had even heard of Temu. Everyone was like, "What is this Super Bowl ad?" Now Temu is the brand to talk about and not just among young people, among everyone it seems.

Arielle Feger:

Yeah, I can attest to my mom who is squarely in Boomer territory, loves Temu. She's a big baker and she loves to order all of her different little baking supplies and gadgets and gadgets off of Temu. So she's definitely proving them right.

Sara Lebow:

Mom, if you're listening to this, I want you to know I would never accuse you of being a Boomer.

Number two, Walmart, which is rapidly expanding its retail media business. Becky, say more about Walmart.

Becky Schilling:

Yeah. So you guys know I love to talk about Walmart, so I'm going to share that with our podcast audience now, and I'm classifying Walmart's moves in January as cool. So let's face it. Walmart's not often seen as the it place to shop, and they know that. So one of the things that they did this past month is they hired Bravo celebrity Andy Cohen of the Housewives fame to star in a commercial to bring a little bit more cache to the retail giant. Also, cool drones. Here is the-

Arielle Feger:

Are drones cool?

Becky Schilling:

To some people, drones are cool. I'm not one of those people, but some people think drones are cool. So Walmart is expanding their drone use for delivery in Dallas. Again, viability, we'll see. Then we have the ultimate cool kid topic, which is AI, and Walmart announced a host of new AI and tech updates at this year's CES. Those updates included a new generative AI powered search experience that allows shoppers to search around a specific use case like a football watch party, instead of searching for each individual items like chips and salsa. They're also beta testing a Shop with Friends, which is an AR experience that allows shoppers to share a virtual outfit with their friend to gather their feedback before they purchase. So it's the AR version of, do these pants make my butt look big?

Sara Lebow:

I'm less convinced about Walmart. They're doing a lot of stuff and I don't know if it's all going to pay off.

Arielle Feger:

See, I'm pretty pro-Walmart in this way. I think they are doing a lot of stuff, but I think that's part of it is experimentation and I applaud them for really trying a bunch of different things to see what works and what resonates with shoppers.

Sara Lebow:

Did you guys know my great aunt Madge has been on Andy Cohen's talk show multiple times?

Arielle Feger:

I think you have said that before, but I think that's awesome.

Sara Lebow:

We don't have time for that piece of lore on the pod today, so let's keep moving to number one, which is Amazon, which launched ads in Prime Video just this week. Arielle, tell me more.

Arielle Feger:

Yeah. So there's a lot to say here. Yeah, so as you said, Amazon will start incorporating ads into its Prime Video service starting this week. Not only is that going to kind of bump up ... So their current subscriptions price is staying the same, but they're going to add an ad free version as well. So that's a bump in subscription value. But also obviously this is in ad play and this is all part of Amazon's journey to grow its ad revenues. And right now its ad revenues are really based on retail media, so I think this is another way for it to beef up its ad offerings. I also wanted to say on the topic of AI, Amazon is also experimenting with AI in ways to help shoppers.

It's introducing an AI tool that can answer shopper questions and essentially just kind of compiles user feedback and reviews and product descriptions to make it easier for people to understand what a product is all about, how it's going to work in their lives, and I think that that's a really helpful tool as well. So those two things I think put Amazon at number one for me.

Sara Lebow:

This is my shameless plug where I say if you want to learn more about what Amazon's Prime Video ads mean for its competitors, you should subscribe to our Retail Media Weekly newsletter, which Arielle, Becky, and I all write for.

Okay, so there you have it. That is our top eight. We actually had a top 10, nine and 10 didn't make this list, but we had Olipop, the soda brand, and Ulta Beauty at nine and 10. Olipop because it's doing pretty well at marketing in Dry January. Ulta because we've got a lot of faith in this beauty brand. But let's keep moving into our short little competition segment. This is called Rogue Move where each of us will have the opportunity to move a brand for which

we disagree with their ranking. Becky, what brand do you want to move the ranking of and why?

Becky Schilling:

I would like to move Target. We have it in our number five spot and I would like to move it up to number four. I think Target's been quiet for a while and I think that they're sensing that that's a problem and they really are trying to come out strong, and I just truly believe that wellness is the area that they're going to be able to do it in.

Sara Lebow:

Arielle, what about your Rogue Move?

Arielle Feger:

So sorry, I am going to bump someone off the list.

Sara Lebow:

Off the list?

Arielle Feger:

I want to bring Olipop back out of the honorable mentions and put it on our list at number eight, and I'm going to knock off e.l.f. Beauty. I think that Olipop is doing some really cool things in Dry January. It's giving away free soda. It's offering the direct-to-door mocktail service. And just in general, I think it's a pretty popular drink specifically with Gen Zs, so I think it's got some real momentum that it's going to carry into the year.

Sara Lebow:

Unfortunately, Dry January is over. Or fortunately, if you are celebrating Dry January, that ends tonight. Congratulations. I don't think Olipop tastes very good. So while I think they're doing a good job with marketing and staying relevant, they should try tasting better.

Okay, my Rogue Move is Walmart. I'm going to knock Walmart down a peg. I think they're doing too much. They just closed their store number eight innovation center. I think that they're continuing to innovate in a lot of places and some of them are cool and some of them aren't, and not all of them are going to stick around. Obviously I would never say that

Walmart's never going to figure it out. I think that Walmart is Walmart, so they'll stay on top, but I'm knocking them down a peg.

Becky Schilling:

You didn't agree with my they're doing cool things assessment?

Sara Lebow:

I didn't agree with your they're doing cool things assessment. I did like their Mean Girls ad though. So our new revised list, if we are taking those rogue moves into account is: One, Amazon. Two, Temu. Three, Walmart. Four, Target. Five, Instacart. Six, Stanley Cups. Seven, Calvin Klein. And eight, Olipop. You'll have to tune in when we do this again in a month to see if any of those spots have changed. Spoilers, they almost definitely will.

Okay, that is all we have time for today, so thank you both for joining me on our first ever Unofficial Most Interesting Retailers of the Month List.

Arielle Feger:

This was super fun. I really enjoyed it. It was a blast. Let's do it again next month, ladies.

Sara Lebow:

We'll do it again next month. Please give us a rating and review wherever you listen to podcasts and follow us on Instagram @insiderintelligence. Thank you, listeners, and to Victoria who edits the podcast and ranks number one on everyone's list. We'll be back next Wednesday with another episode of Reimagining Retail, an eMarketer Podcast. And tomorrow join Marcus for another episode of the Behind the Numbers Daily.