

AI, retail media, and loyalty: Analysts' advice to supercharge your marketing efforts

Article

Our analysts answered pressing questions about the future of ecommerce, retail media, and AI at our recent [“Attention! Seizing the Retail Media Opportunity”](#) summit. Here’s their advice

for supercharging your retail marketing campaigns.

How does AI and machine learning impact retail media campaigns?

Jeremy Goldman, senior director of marketing, retail, and tech briefings: “Programmatic and AI-based advertising is getting more effective, and that’s great for retail media. But it is also important to note that nonretail media advertising, social media advertising, and search advertising is also leaning into AI to become more effective.”

Suzy Davidkhanian, vice president of content: “I think what will help the most is that now all of these different platforms have so much data, and [AI is] bringing it all together to have that one view of the customer. That is so hard for retailers to do right now ... AI will certainly help versus an individual trying to put it all together.”

Key stat: *53% of US marketers have used machine learning and AI technology in contextual targeting, according to an October 2022 survey by Advertiser Perceptions.*

How can retailers juggle all the different endpoints required on their own (i.e., out-of-home, digital video, display, audio, print)?

Goldman: “I would say they’re not able to do it on their own. There’s a question that’s happening right now with major retailers [about] how much can they insource versus outsource, and how can they leverage essentially one major campaign and then create assets for so many different channels simultaneously?”

I think we’ve all seen this: You just try to run a certain type of creative in one channel versus another or in one geographic market versus another, and it’s very difficult. So to some extent, it goes back to making sure that what you do is very strategic and accepting to some extent that, ‘Listen, we’re going to be over-leveraged in one area, and as a result, we can’t do that really great Pinterest activation that we have always wanted to do.’”

Davidkhanian: “As you think about the different ways of advertising, I think you also need to think about the customer journey and where you’re going to meet [your customers]. And make sure, when you’re thinking about your KPIs, it’s not just about ‘Oh, this particular medium equals this [many] sales,’ because sometimes it’s hard to measure how much inspiration came from one particular advertising channel.”

Key stat: *More than half (56%) of marketers **advertise on five or more retail media networks**, according to the Association of National Advertisers.*

How are you thinking about ecommerce traffic in 2023, but also over the next five years?

Ethan Cramer-Flood, senior forecasting writer: “We’re showing 20.5% growth for retail media ad spending this year, and 22.9% actually accelerating into next year.

We’re showing some strength in retail ecommerce thanks to our internal assumption that the US is going to successfully achieve something of a soft landing, that inflation is going to get, by the second half, somewhat under control, and that fears of a recession are going to recede at least somewhat in the US market, leading to a very marginal rebound in the outlook for ecommerce overall.”

Key stat: *We predict food and beverage will be the fastest-growing product category for ecommerce sales growth in the US this year, at 19.1%.*

What innovation have you seen in loyalty and paid membership programs?

Davidkhanian: “The more interesting ones for me, I think, are the ones that are not paid like the Starbucks one with the NFTs. So there’s the innovation: Starbucks is using NFTs to try and figure out how to get people to come back, and to gamify so that you do choose Starbucks, and not, for example, Dunkin Donuts or your local brand.

I think the other thing is how do you make it easy for the consumer to collect the rewards and [use] them? Maybe that’s special discounting. Maybe that’s doing special events before everybody else with better pricing, or how some of the sneaker companies do ‘drops’ before everybody else has access for their loyalty members.”

Goldman: “Consumers are a little bit more cautious about what data they’re giving up and why. So it’s not necessarily an innovation, but I have seen companies with their loyalty programs make greater attempts to try and be clear about ‘we’re asking for this for a specific reason’ as opposed to just collecting data for data’s sake.”

Key stat: *The average number of loyalty memberships in the US was 16.6 in 2022. The average number of active loyalty memberships in 2022 was 7.6, according to Bond Brand Loyalty and Visa.*

Is there a future for livestream shopping in the US?

Jasmine Enberg, principal analyst: “I don’t see a world in which livestreaming is going to become as big [here] as it is in China, at least not in the near future. I do think that consumer

behavior is just so incredibly different here in the US than it is in China. And even if we were to start using livestreaming more frequently and use it more as a shopping mechanism, I still don't think we're going to have people sitting through 10-hour-long livestreams and buying as much as we see in terms of volume in China. That said, I do think that there are use cases for it, but I do think it's been a little bit overhyped."

Key stat: *Just 6% of US adults regularly shop via livestream, according to our survey conducted in partnership with Bizrate Insights.*

Is the metaverse dead? If not, how should brands think about it?

Davidkhanian: "As a place to educate, to entertain, and to delight the customer. And then [eventually] that will lead to a sale."

Goldman: "If you're a retailer, what is next generation, what does that look like? And I agree, to some extent, it's a brand-awareness play, but eventually sales will come in through a platform like this."

Key stat: *Nearly three-quarters of US adult internet users agreed it will **take them a while to understand how to use and join the metaverse**, according to an August 2022 Sitecore survey.*

Watch the full Q&A session.

Do you have other questions for our analysts? Send them our way! Email slebow@insiderintelligence.com.

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