

Lessons in using shopper behavior to influence future ads from The Hershey Co., Colgate-Palmolive, Kroger, and more

Article

The Hershey Co. found a way to apply retail media data from Reese's Peanut Butter Cups to other consumer packaged goods ads. The company learned that shoppers were buying shapes of Reese's Cups based on their chocolate to peanut butter ratio, so it made two new products—one for peanut butter lovers and one for chocolate lovers, said Vinny Rinaldi, US head of media at The Hershey Co. What treats customers bought would inform how they were retargeted with ads, be that for more savory peanut butter products or for more sweet chocolate products.

The strategy is simple, Rinaldi said at [Advertising Week New York 2023](#): Get sales data from retailers, feed it into an algorithm, and use machine learning to inform future ads.

This was a resounding theme at Advertising Week. “We continue to see that people's purchase behavior says so much more about [consumers'] potential needs than demographics,” said Paul Gelb, senior director and North American head of media activation and investment at Bayer.

Ads influence shopping behavior, but with retail media, shopping behaviors should influence ads.

- Brands can't make broad assumptions and generalizations about consumers, said [Diana Haussling, senior vice president and general manager of consumer experience and growth at Colgate-Palmolive](#). For example, not everyone buying diapers is a parent. Not everyone who buys pregnancy tests is a woman.
- “The brands are not the main characters,” Haussling said. Ads should be linked to shopping data and personalized.

In-flight measurement is key to retail media ads.

- This is a change from advertising pre-pandemic, said Carolyn Han, senior manager of digital media and audience strategy at Nestlé USA. [With an increase in ecommerce penetration](#), shopping is happening faster, which means advertisers can't afford to wait until the next campaign to utilize shopping data.

- “We need data as soon as possible now,” said Han. That data is necessary for immediate changes to strategy based on consumer behavior.

This is where retail media networks can set themselves apart.

- With brands spreading ad dollars across multiple networks, **retail media networks need to differentiate themselves in any way possible**. One way they can do that is by making the most of shopper data.
- “We are personalizing every message that we can,” said Jill Smith, vice president of media sales, Kroger Precision Marketing at 84.51°. “Our role is to make customers feel special, every way that we can.”
- Customers also benefit from ads that are targeting them effectively, said Evan Hovorka, vice president of product and innovation at **Albertsons Media Collective**. Hovorka emphasized that a decline in ad effectiveness can also hurt customer relationships.

Issues related to privacy and standardization persist.

- Using in-flight data to retarget can raise **privacy concerns** for shoppers who feel exposed by advertisers appearing to have intimate knowledge of their purchase history. For instance, a customer buying a pregnancy test on Amazon may not want to be retargeted with ads on Freevee.
- And without standardization across retail media networks, using shopper data to its fullest potential is still a future goal.