

# 3 tips on taking your retail media network to the next level from Albertsons Media Collective

Article

Retail media is evolving. Initially, it was driven mainly by search and on-site display ads. Now, the channel is moving up the funnel toward off-site and in-store formats like social, open web, and connected TV (CTV).

Evan Hovorka, vice president of product and innovation at Albertsons Media Collective, shared advice for retail media networks as they move into this next era.

## 1. Leverage partnerships to move into upper-funnel formats

Many retailers are unfamiliar with the ad ecosystems of upper-funnel channels like social media and CTV, “so we leverage partnerships to help us,” Hovorka said in a conversation with our analyst Andrew Lipsman during our “Attention! Streaming and the New Digital Ad Economy” **virtual summit** last week.

Albertsons Companies worked with **Pinterest** and **Omnicom Media Group** to expand its presence on social media and CTV, and most recently, partnered with **Kargo** to dip its toes in shoppable media.

“One part of the mix that hasn’t been cracked yet by most retail media networks is the traditional print service,” said Hovorka. “A huge piece of the traditional partnership between consumer packaged goods (CPG) and retailers has been those printed circulars.”

These circulars drive engagement and a lot of sales, said Hovorka, but they’re tricky to translate to an online experience.

With Kargo, the grocer can turn print circulars into digital ad units with moving text and images and shoppable components.

Consumers can’t buy directly from circulars, “but it’s a lot more intuitive,” said Hovorka.

## 2. Use your customer data to help brands improve measurement

“Closed-loop measurement is the single most important variable that drives [retail media],” said Lipsman. That requires a consistent audience and a consistent measurement strategy across channels.

Retailers are in a unique position to help brands get as close as possible to closed-loop measurement.

“[Retailers have] the longevity of the relationship with the customers,” said Hovorka. “You’ve got years and years of shopping history that can [reveal] much richer insights like lifetime value.”

Measuring incrementality is of particular importance to CPG brands, said Lipsman.

“Every time I talk to [a CPG brand], they say that return on ad spend isn’t enough,” he said. “I don’t think a lot of CPG brands necessarily believe that if they put \$1 in [to a marketing initiative], they’re getting \$4 in return. They know some of those sales would have happened otherwise.”

When dealing with any kind of measurement approach, Albertsons focuses on transparency.

“There’s no perfect system out there,” Hovorka said. “But if we [share] our methodologies, our match and science, then at least brands can know where we’re strong and where they might need to compensate.”

### **3. Don’t forget the customer experience**

For Albertsons, which is testing in-store retail formats in certain regions, the most important factor in developing an in-store media strategy is the customer experience, said Hovorka.

“We can’t distract from the reason they’re in the store,” he said. “We’re looking at it as a way to solve shoppers’ problems—things like recipes, new product launches, pricing promos—and doing it in a tasteful way that enhances the flow of their shopping experience.”

Albertsons has taken its retail media network in-house to better control the customer experience while also being able to experiment with new in-store technologies.

“We want to move quickly but cautiously,” said Hovorka.

**Watch the full session.**

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