

Inside Kroger Precision Marketing's plans for retail media dominance

Article

The interview: Kroger Precision Marketing is achieving the same sales impact for advertisers while delivering **51% fewer impressions**, senior vice president **Cara Pratt** told us in a recent interview where she also discussed the company's approach to retail media transformation.

- KPM offers media advertising both on-site (product listing ads, display ads, and more) and off-site (social, display, streaming TV, and programmatic), with a goal to make advertising more effective and accountable. To date, KPM has worked with roughly 2,000 brands, including **Nestle, Procter & Gamble, and General Mills.**

On self-service: Pratt expressed enthusiasm for KPM's [recent announcement](#) moving its self-service retail media ad platform in-house. “We're excited for the impact of our initial release, while also ensuring interoperability with various brands' media activation and management platforms,” she said.

- The self-service platform allows for greater automation, curation, and optimization, which can feed intelligence and assist media buyers in making smarter investment choices.
- The platform integrates with owned and operated search and display as well as coordinating and connecting audience search intelligence.

On performance: “Our experience over several years reveals that our first-party ad buys for brands require about 51% fewer impressions than third-party ones for the same sales impact,” Pratt told us, suggesting that KPM's strategy leads to less wastage and higher quality sales.

- Pratt cited a need to customize strategies to meet each brand's unique goals and criteria for success, emphasizing the importance of understanding what good performance looks like for each brand.
- It remains critical to inform advertisers and other stakeholders on the costs and intricacies of running retail media: Education is crucial for brands to understand the power and performance of the assets involved in retail media, Pratt notes.
- Compared with third-party programmatic audiences, KPM's off-site audiences matched their revenues using only 51% of impressions, proving more efficient. KPM achieved an average sales 5.1 times higher per 1,000 households. Also, KPM's first-party households had a 40% higher lifetime value than those from third-party campaigns.
- Extensive studies of KPM's on-site product listing ads showed 91% of 4,800 campaigns improved sales through its basket-builder units. Three-quarters experienced a shortened purchase cycle, and 42% of ad product listing interactions were from new households.

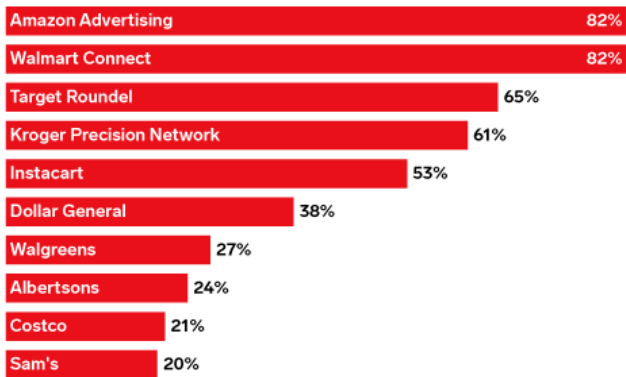
Beyond the tech: Pratt emphasized the pivotal role of skilled professionals in shaping retail media's future. She stressed the irreplaceable human element in technology and the necessity

of top-tier talent for driving substantial industry change.

- To fuel its growth, KPM has introduced nearly 100 new roles, including engineers, data scientists, operations, customer support, and success teams, over the past year—reflecting a belief that employing the right personnel to sustain and support future demand is essential for continued success.
- Pratt also highlighted the value of a unified ecosystem for brand partners, providing them with creative flexibility and real-time optimization. She anticipates an increase in automation and optimization opportunities, enhancing the platform's intelligence.

Leading Retail Media Networks Used by US Marketers, Summer 2022

% of respondents



Note: in the past year
Source: Association of National Advertisers, "Retail Media Networks: A Forced Marriage or Perfect Partnership?" Jan 30, 2023

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