

A Quad Insights guide

The retail media network revolution 2.0

How in-store RMNs are changing the game for retailers and CPG brands



Quad 

Introduction

The idea at the heart of retail media networks — that retailers should be thinking of, and leveraging, their shoppers as audiences — is a lot older than people realize.

The current RMN boom is technically a dozen years old, starting with Amazon's launch into the space in 2012, followed over the years by many of the biggest brick-and-mortar players, from Walmart to Target to Costco. But the truth is that canny retailers have been creating and delivering media to their audiences for ages — starting with, at the most basic level, frequently refreshed in-store signage and displays.

And while modern-day RMNs rightfully get credit for strategically leveraging digital/e-commerce channels, “traditional” retail media, so to speak, was certainly multimedia/multichannel in its own way.

Grocery store circulars that incorporate recipes and tips from the butcher and the baker? That's print media marketing (and, of course, content marketing). In-store cooking classes and department store fashion shows? Experiential marketing. “Attention shoppers” announcements? Audio marketing. Store window displays? Out-

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of-home marketing that became, literally, an art form. (Creative geniuses including Andy Warhol, Jasper Johns and Robert Rauschenberg all worked as window dressers for legendary New York City department store Bonwit Teller early in their art careers.)

Though modern-day RMNs have brought scale and digital rigor to shopper-targeted media,



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it's helpful to remember what tends to motivate consumers — like the pleasure of the perfect “find” or the thrill of a deal — has remained largely constant over the years. Some of the technologies and channels have changed, sure, but a shopper is a shopper is a shopper.

That's why this is such an exciting moment in the evolution of modern RMNs: Now that the biggest big-box players have spent years proving out the value of monetizing and motivating audiences primarily across online/digital channels (typically on retailers' websites and apps), fresh attention is being showered on *in-store* audiences.

And that new in-store focus, combined with new technologies and strategies, is not only giving regional and midsize retailers a fighting chance in the RMN space against the national retail giants, but also providing innovative new opportunities for CPG brands to reach some surprisingly elusive audiences in the moment, as they're ready to buy.

Here's what marketers need to know now...

On the cover:
Dynamic, connected
screen installations
from **In-Store Connect**
by Quad.

In-store retail media spend is exploding — but there's still a lot of room for it to grow as a proportion of total RMN spend

According to [the latest Emarketer projection](#), U.S. in-store retail media spend is set to hit \$1.06 billion by 2028 — rising from a projected \$370 million in 2024 (up 31.9% year-over-year) and \$540 million (up 46.5% year-over-year) in 2025.

Nearly tripling spend in the space of four years is undeniably impressive, but given that the *overall* retail media market is projected to top \$100 billion by 2027, there's obviously a lot more upside for in-store's share of the pie.

[As Emarketer's Meaghan Yuen puts it](#), “Almost all (99.3%) of retail media ad dollars will be put toward digital channels this year, per our March 2024 forecast. ... However, the majority of retail sales (83.7% this year) will occur in brick-and-mortar stores, highlighting an opportunity for retailers to integrate more digital media into their customers' in-store buying journey.”

“At Quad, we think the current projections about in-store retail media network growth are extremely conservative,” says Kevin Bridgewater, Quad's Senior VP of Strategic Retail Initiatives. “Marketers are realizing that there's a massive disconnect between where the overwhelming majority of sales are taking place — in physical stores — and where brands have been able to reach consumers digitally. Until recently, there just hasn't been enough inventory, but with [In-Store Connect by Quad](#), we're massively scaling the opportunity for brands to buy the in-store environment.”

CPG marketers in particular, Bridgewater notes, “are thrilled to be able to fish where the fish are biting, and to be able to do so digitally, dynamically and at scale.” (More on In-Store Connect below.)



An effective in-store RMN activation can serve as the nudge that can prompt a shopper to try one brand instead of another.

The big national RMNs are raking in billions, but they may not reach all the consumers that marketers care about

[As Grocery Dive reported earlier this year](#), an analysis of U.S. retail foot traffic by [Placer.ai](#) found that while national supermarket companies loom large in the grocery sector, regional and specialty stores are drawing a “commanding” share of highly devoted customers. That's because, as big as the giants are, many consumers remain devoted to local/regional grocers. As Grocery Dive notes, the “10 most-visited chains together only comprise 42.6% of total grocery visit share for last year,” according to Placer.ai's data.

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And local/regional grocers are building on their strength with in-store RMNs. Among them: The Save Mart Companies, a grocery store operator with nearly 200 locations across California and Nevada, which has teamed up with Quad on its in-store retail media network. Spanning three banners — Save Mart, Lucky and FoodMaxx — the partnership leverages [In-Store Connect by Quad](#), which positions digital screens and kiosks throughout stores to give retailers and CPG companies the opportunity to deliver relevant promotions, share key product information and connect adjacent product options to shoppers.

The best time to drive purchase intent is when consumers are 100% ready to purchase

“Abandoned shopping carts are common in e-commerce,” says Ashley Wacht, Head of CPG Product Marketing at Quad. “But in brick-and-mortar grocery stores? Not so much. People go grocery shopping because they fully intend to buy. And an effective in-store RMN activation can serve as the nudge that can prompt a shopper to try one brand instead of another — or even try a product or product category they’d never considered before.”

Consumers are already merging their e-commerce shopping habits with their brick-and-mortar shopping behaviors

Just 33% of consumers shop in physical stores without digital assistance, [according to PYMNTS’s 2024 Global Digital Shopping Index](#). “In some cases, consumers are going online to prep for a shopping trip before they ever set foot in a store,” says Wacht, “but increasingly they’re using their smartphones in-store as a sort of shopping companion or concierge. Grocery shoppers in particular are hungry for information — about everything from recipe ingredients to meal ideas to discount offers.”

[According to the SPAR Group 2024 Shopper Insights Survey](#), which surveyed over 1,000 U.S. residents ages 18 to 65, 40% of shoppers use a mobile device “every time or most of the time” when shopping in-store, 36% use it “sometimes,” 17% “rarely” and only 7% “never.”

How are mobile-inclined shoppers using their devices? Nearly half (47%) are doing price checks and product comparisons, 40% are looking for discounts and promos, 35% are accessing or downloading digital coupons, and 34% are using the retailer’s app, per the SPAR Group study. Other common activities include checking items off digital grocery lists (31%), researching products and/or looking up product information (31%), scanning QR codes (25%) and checking digital store maps (22%).



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The bottom line: Consumers are *already*, on their own, seeking to combine the benefits of e-commerce shopping with their in-store experiences, says Bridgewater. In-store RMNs reduce some of the friction of that combination “by deploying high-impact, in-the-moment smart digital displays that bridge physical and digital consumer connections,” he says. “In other words, retailers and CPG brands can proactively give consumers the information they want — right there, in real time, at the shelf — without them having to search for it on their devices.”

In-store RMNs are about more than just prompting “impulse shopping”

The average U.S. consumer spent \$1,812 on impulse purchases in 2023, according to a survey conducted for Resonate’s [“The Current State of Brick-and-Mortar Retail Customers”](#) report. That same survey revealed that 69% of shoppers say they make impulse purchases “sometimes,” “often” or “always.” (See additional revealing stats about impulse shopping on page 6.)

“The data about impulse shopping is compelling, but it’s not exactly surprising,” says Christy Eicher-Bywell, VP of Strategic Retail Initiatives at Quad, “because we’ve all bought more than intended on grocery shopping trips.”

But the term “impulse,” she adds, can be a bit of an oversimplification. “Shoppers tend to make unexpected purchases not only because of sudden desires — a craving for a snack, for instance — but because of *needs*. The best use of in-store retail media networks is not to ‘trick’ consumers into buying something, but to meet them where they are in terms of their lifestyles. Whether a given consumer is looking for a more convenient meal option, a healthier snack or a more affordable ingredient, a well-executed in-store RMN campaign can serve as a real value-add to the customer shopping journey.”

Effective in-store RMN execution is about the marriage of art and science

“In 2024, in-store RMN is not about slapping a bunch of off-the-shelf flat screens on endcaps that blare at shoppers,” says Bridgewater. “With [In-Store Connect by Quad](#), we’ve assembled a purpose-built hardware-meets-software solution that seamlessly integrates into retail environments. We’re all about serving the needs of *all* the stakeholders: the retailer, the CPG marketer and especially the shopper.”

In-Store Connect came to life, in part, through Quad’s early 2024 acquisition of North Carolina-based DART Innovation, an in-store digital media solutions provider. But it also leverages the fact

that as a [marketing experience \(MX\) company](#) that works with more than 2,700 brands across every conceivable sector, Quad has been working closely with retailers and CPG marketers for decades. For instance, as part of our [MX suite of solutions](#), Quad serves more than 20,000 retail locations nationwide with [custom in-store materials](#). And our [MX: Intelligence](#) solutions help both national and regional marketers leverage data and insights from 260 million consumers across 117 million U.S. households.

“It takes deep, real-world experience with diverse retail environments to expertly deploy in-store RMNs,” says Lily Wen, Director of Product Marketing – Data & Media at Quad, “because every retailer has different priorities, product mixes, floor plans and varied customer/audience needs. That’s why every In-Store Connect partnership starts with Quad auditing your environment, collaborating on planning a solution and then carefully monitoring the impact to determine what’s working and what’s not. Doing in-store RMN right involves a marriage of art and science.”

The artfulness and the data-driven science extends to on-screen creative. “We’ve collaborated with some of the best CPG marketers in the business to adapt existing campaigns to work across the In-Store Connect network,” says Bridgewater. “We’ve also had marketers enlist Quad’s creative agency Betty to craft bespoke in-store campaigns that perfectly leverage our digital-screen real estate. Either way, the goal is the same: to empower retailers and CPG marketers to generate value for their brands, the customers in the aisles and their own bottom lines.”



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Buying on impulse

Impulse buying is a measurable part of the brick-and-mortar shopping experience, which is part of the reason why in-store retail media networks are so hot right now. Through in-store digital messaging, marketers can help shoppers discover — or rediscover — products that may not have been on their shopping lists.



The amount spent by the average U.S. consumer on impulse purchases in 2023²

58%

The share of consumers who report making an impulse buy only if/when an item is on sale¹

53%

The share of consumers who “always or often” look for deals or coupons before making a purchase¹

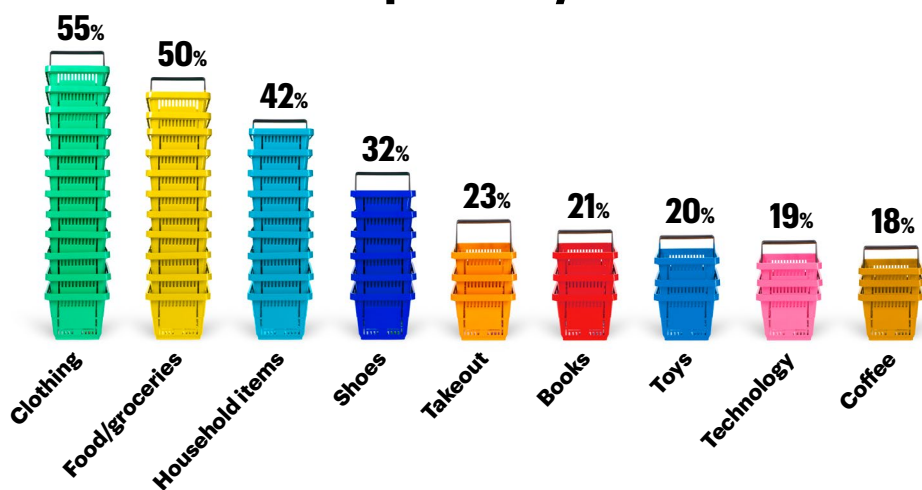
69%

The share of shoppers who say they make impulse purchases “sometimes,” “often” or “always”²

83%

The share of 18- to 34-year-olds who are impulse shoppers (compared to 72% for 35-54 and 43% for 55+)²

Most common impulse buys¹



Sources:

1. Slickdeals' 2023 survey of 2,000 American shoppers conducted by One Poll

2. Resonate's 2023 "The Current State of Brick-and-Mortar Retail Customers" report



About Quad

Quad (NYSE: QUAD) is a global marketing experience company that helps brands make direct consumer connections, from household to in-store to online. Supported by state-of-the-art technology and data-driven intelligence, Quad uses its suite of media, creative and production solutions to streamline the complexities of marketing and remove friction from wherever it occurs in the marketing journey. Quad tailors its uniquely flexible, scalable and connected solutions to clients' objectives, driving cost efficiencies, improving speed to market, strengthening marketing effectiveness, and delivering value on client investments.

Quad employs approximately 13,000 people in 14 countries and serves approximately 2,700 clients including industry leading blue-chip companies that serve both businesses and consumers in multiple industry verticals, with a particular focus on commerce, including retail, consumer packaged goods, and direct-to-consumer; financial services; and health. Quad is ranked among the largest agency companies in the U.S. by Ad Age, buoyed by its full-service [Rise](#) media agency and [Betty](#) creative agency. Quad is also one the largest commercial printers in North America, according to *Printing Impressions*.

For more information about Quad, including its commitment to ongoing innovation, culture and sustainable impact, visit quad.com.

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