

The truth about the evolution of in-store retail media in 2025



4 key takeaways for CPG marketers and retailers seeking increased consumer engagement and higher ROI

IT'S NO EXAGGERATION to say that marketers — CPG marketers in particular — continue to be pretty much obsessed with retail media.

[Emarketer projects](#) that by 2028, U.S. retail media ad spending will hit \$97.9 billion per year — an increase of 88.5% from 2024 (\$51.9 billion). And according to Skai's ["The State of Retail Media 2025,"](#) a study conducted in collaboration with The Path to Purchase Institute, 92% of surveyed marketers at U.S. consumer product brands, manufacturers and agencies say that retail media is their most important marketing channel. "Retail media is no longer just an emerging channel — it's a cornerstone of consumer marketing strategies," as the report puts it.

But all that momentum may be obscuring a number of challenges and frustrations for CPG marketers — and many retailers. For CPGs, the price of admission to invest in retail media networks (RMNs) at scale is rising, in part because the lion's share of RMN revenue goes to a handful of massive players — Amazon, Walmart and Target — that have grown accustomed to dazzling Wall Street with impressive (and high-margin) RMN revenue growth.

As Adweek's Trishla Ostwal reported in April in a post headlined ["Walmart Asks Brands to Boost Ad Spend by at Least 25% Despite Brands Reporting Sales Stagnation,"](#) some advertisers are balking. "Additional spend commitments," Ostwal writes, are "a tough pill to swallow, especially as the economic slowdown is leading to more scrutiny on investments" — with some CPGs complaining to Adweek about "only moderate sales growth" or "little to no growth in top-line sales or overall volume."

[In a Forbes post about Adweek's report,](#) retail industry analyst Kiri Masters bemoaned "what many brands now describe as a 'retail media tax' — a forced allocation of marketing dollars disconnected from actual performance."

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For its part, the Skai report suggests that the RMN landscape is due for "a significant shakeout in 2025" and that the RMN "gold rush will evolve. ... With over 200 RMNs competing globally, only those that innovate will thrive. Networks that introduce groundbreaking ad experiences, deliver advanced measurement capabilities and provide unique insights will capture marketer attention."

Now, CPGs are taking a fresh look at in-store digital RMNs, particularly in the grocery space.

As a marketing experience (MX) company that works with 2,100 brands — including hundreds of retailers and CPG marketers — Quad sees the locus of RMN innovation shifting. For years, ad dollars have reliably flooded so-called "onsite" retail media — ads and sponsorship activations on the websites and apps of major retailers; now, CPGs are taking a fresh look at in-store digital retail media, particularly in the grocery space. Retailers are innovating too, working with different technology partners to unlock a new revenue stream by embracing the idea that their *physical stores are media channels.*

Interestingly, this focus on in-store digital RMN is particularly prevalent among mid-market grocery chains — local and regional grocers — and CPGs looking for a lower cost of entry, increased flexibility and data-driven rigor surrounding retail media ROI. In this guide, we examine four reasons why in-store retail media is resonating with these marketers and retailers — and how it's capturing the attention of their customers.



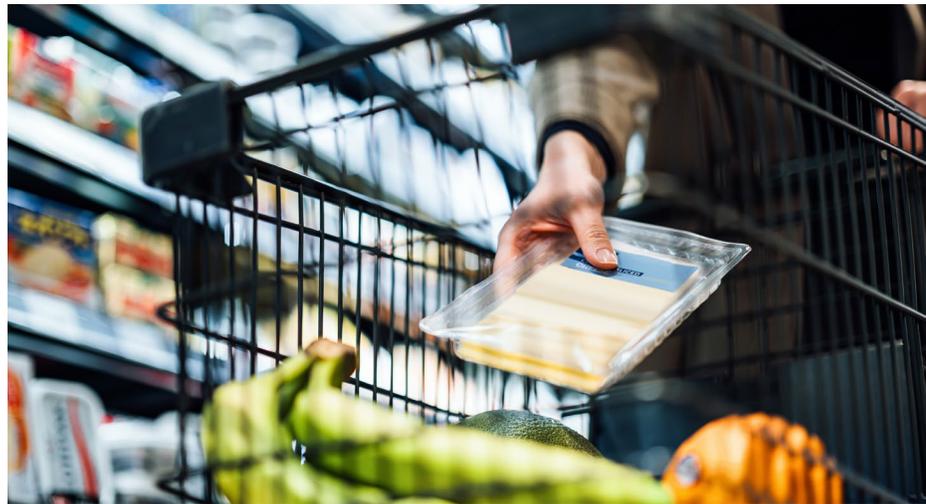
Driving purchase intent works best when and where consumers are 100% ready to purchase — and new research proves it

Grocery shoppers typically enter a store with strong intent to purchase, as well as a somewhat specific idea of what they need to purchase. Yet [research from 84.51° Insights suggests](#) many customers struggle with meal ideation and planning during their grocery trips — and more than half admit to buying unplanned items in physical retail settings, [according to data from Resonate](#).

This is where in-store RMNs can offer a competitive edge: reaching consumers at the point of purchase, capturing their attention and, ultimately, prompting them to add items to their basket.

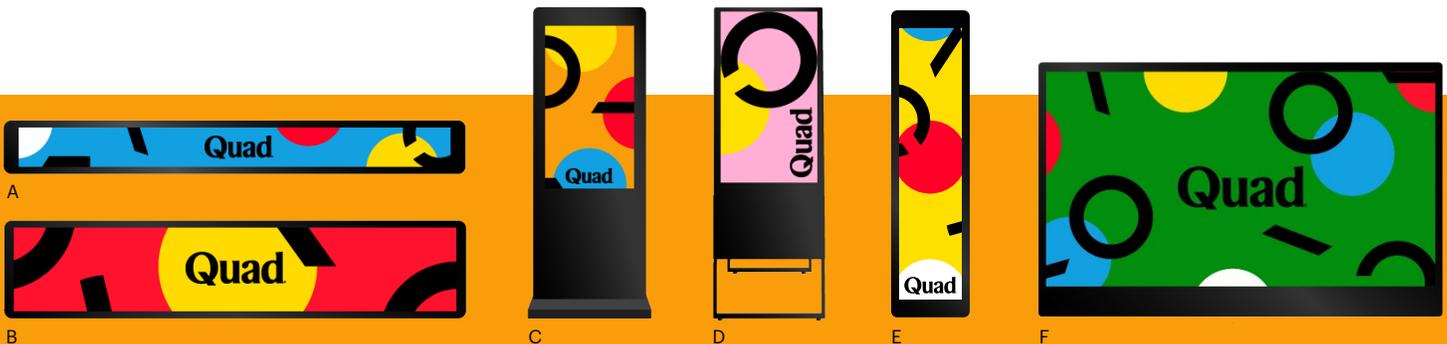
Solutions such as [In-Store Connect by Quad \(ISCQ\)](#) — which strategically positions networked digital screens throughout stores — allow CPG brands to seize on these opportunities. Data shows that doing so yields real, measurable results for marketers.

When several high-profile national and regional CPG brands tapped into Quad's in-store digital retail media network for a series of recent test campaigns, they observed notable lifts in sales, units and/or transactions. More than 1 in 3 campaigns saw double-digit increases in at least one of those KPIs; in some cases, the gains amounted to 20% or more. Impressively, these successes included both mature and contender brands representing a range of major categories, from alcoholic and non-alcoholic beverages to packaged deli and ready-to-eat grocery items¹.



And for retailers, the benefits of these types of campaigns can be self-evident.

“Working with a partner such as Quad, which has the right ad tech, a seamless hardware-meets-software solution and a deep understanding of the regional grocery landscape, is a logical fit,” says Ameet Srivastava, Quad's VP of CPG Sales for In-Store Connect. “This isn't just about delivering for brands. It's about giving mid-market retailers the ability to leapfrog competitors with a state-of-the-art in-store retail media offering. It gives them an additional revenue stream and a leg up to be legitimate players in the RMN space.”



In-Store Connect by Quad (ISCQ) is built around a range of networked digital screens including:

A) Shelf stripe, B) Bar display, C) Digital kiosk, D) A-frame kiosk, E) Video banner single and double-sided, F) Shelf screen

1. All data from identified household transactions

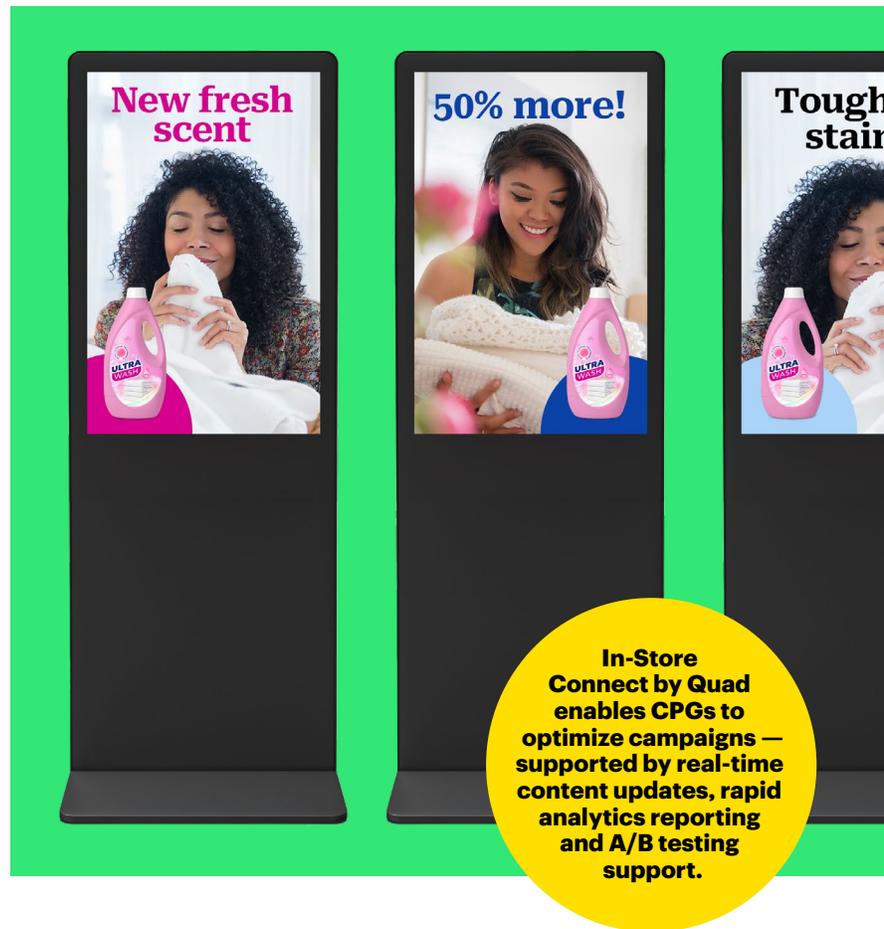
In-store digital retail media is ideally suited to CPGs that want to take a flexible, dynamic approach to optimizing campaigns

CPG marketers are discovering another benefit of in-store digital RMNs: agility. Connected screen solutions, in particular, are perfectly suited to test, position, roll out and adjust campaigns quickly.

The industry should expect to see a rising need for rapid, flexible campaign implementation moving forward: [According to Deloitte's 2025 Consumer Products Industry Outlook](#), 95% of top consumer product executives are prioritizing new product/service introductions this year. Deloitte also notes an industry-wide focus on adjusting price-pack architecture and phasing out low-performing items. It remains unclear to what extent macroeconomic headwinds and supply chain concerns will impact these plans for 2025 and beyond. Clearly, CPG marketers need a dynamic solution.

“With in-store digital displays, you’re engaging the customer at the point of purchase, and you’re able to change the messaging to meet your evolving needs, whether it’s launching a product or running a time-sensitive promo,” says Quad’s Srivastava. “This isn’t just a high-impact channel — it’s a high-versatility channel.”

In-Store Connect by Quad was built from the ground up to enable CPGs to optimize campaigns — supported by real-time content updates, rapid analytics reporting and A/B testing support.



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—Ameet Srivastava,
VP of CPG Sales for In-Store Connect by Quad



For marketers concerned with brand safety, in-store digital retail media offers an intrinsically focused, worry-free channel



Solutions such as In-Store Connect by Quad allow brands to message in a space where all the surrounding “content” is non-controversial, but also entirely relevant to the consumer.

For years, brand safety has been a mounting concern for marketers; as the digital advertising ecosystem becomes increasingly fragmented, new risks continue to appear across both established and emerging channels. Quite simply, more and more brands are struggling to make sure their advertising messages aren’t juxtaposed with undesirable content — which is troubling given that [research from Integral Ad Science](#) shows that most (71%) consumers believe the content surrounding an ad reflects the advertiser’s values.

But in-store digital retail media offers a reprieve from these concerns — a unique painkiller for CPG marketers. By leveraging the store environment as a media channel, solutions such as Quad’s In-Store Connect allow brands to message in a space where all the surrounding “content” is non-controversial, but also entirely relevant to the consumer — because that content is, well, merchandise. And in the case of local and regional mid-market grocers, the “channel” (the store) is itself regarded as trustworthy by the consumer.

“Consumers are often incredibly loyal to their favorite local or regional grocers,” says Ashley Wacht, Head of Product Marketing, CPG, at Quad. “These retailers have done the work of establishing trust with shoppers. And Quad, which has been working closely with grocers for decades, is focused on honoring and building on that trust.” (It’s worth noting that Virgilio Quadracci, the grandfather of Quad founder Harry V. Quadracci, ran [a beloved Italian grocery store in Racine, Wisconsin](#), in the 1920s.)

71%

of consumers believe the content surrounding an ad reflects the advertiser’s values.

New consumer data suggests in-store digital retail media can provide a direct connection to the next generation of shoppers

While in-store media spend has grown in recent years, this may still be an underinvested area for CPG marketers. New research from The Harris Poll presented by Quad suggests that shoppers are placing increased emphasis on IRL retail experiences. For brands, ignoring the importance of the store as a channel represents “a missed opportunity,” according to the study’s findings. ([Download the full report for free here.](#))

Indeed, shoppers appear to be gravitating toward the type of dynamic messaging that in-store digital RMNs provide. More than 70% of consumers in The Harris Poll survey say they wish brands made in-store shopping experiences more immersive and engaging. Spending behavior aligns with this sentiment; 77% say branded in-store moments “directly influenced” their decision to make an on-the-spot purchase during the past year. Crucially for CPG marketers, 3 in 4 customers also say those moments pushed them to pick a specific brand over its competitors.

“This is about understanding how brick-and-mortar stores can be a supporting media channel across the entire shopping journey.”

—Kevin Bridgewater,
Senior VP of Strategic Retail Initiatives, Quad

Younger consumers in particular are receptive when the store functions as a media channel. More than 75% of Millennials and Gen Z participants in The Harris Poll survey say they appreciate when brands add digital touchpoints to enhance physical shopping. This synergy between physical and digital is represented throughout the research findings. Among Millennials and Gen Z, 84% say they value brands that seamlessly blend technology with physical spaces — an area in-store RMNs are well positioned to help brands leverage.



New research from The Harris Poll presented by Quad suggests that shoppers are placing increased emphasis on IRL retail experiences.

“This is about understanding how brick-and-mortar stores can be a supporting media channel across the entire shopping journey to drive incrementality,” says Kevin Bridgewater, Quad’s Senior VP of Strategic Retail Initiatives. “Over the past year, In-Store Connect by Quad has been rapidly scaling, so we have the inventory to help marketers pursue more ambitious goals for in-store engagement and conversion.”

Following a remarkable physical shopping experience, Millennials and Gen Z are more likely to talk about a brand with others (47%) and explore the brand’s online store (38%). This suggests that “owning” store environments can also provide the crucial (and valuable) link between offline/online advertising and integrated CPG campaigns — a boon for building meaningful, long-term brand awareness.

Data dive

New research from The Harris Poll suggests the in-store digital RMN boom aligns with larger shifts in consumer behavior — and could address some major areas of concern for brands and retailers.

Loyalty

71%

of consumers agree that “experiencing a brand in a physical store deepens my connection and loyalty to it.”

Virality

46%

of consumers say a physical, in-person branded store experience directly influenced their decision to share a brand on social media within the past year.

Recall

88%

of consumers say “it’s easy to remember physical store experiences that go out of their way to engage customers.”

“Among younger audiences, who are more likely than older customers to feel digitally fatigued, the allure of IRL is even more compelling.”

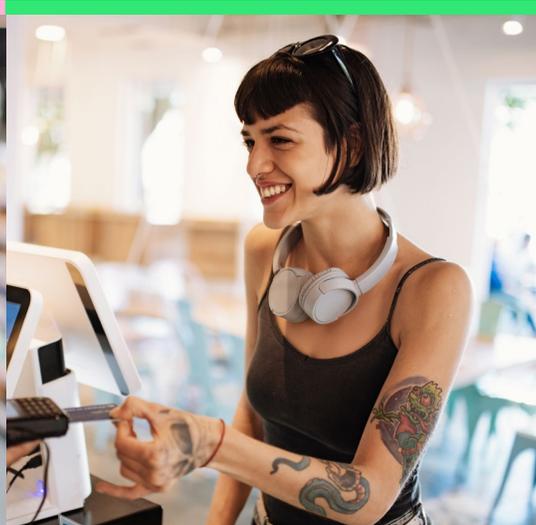
—The Harris Poll

About this data: For “The Return of Touch Report: Reimagining Consumer Engagement in 2025,” The Harris Poll conducted a demographically representative survey of 2,068 U.S. adults. The research was commissioned by Quad and is available as a (free) PDF download [here](#).

Gen Z and Millennials



86% believe touching and feeling products are “essential” to purchase decisions.



73% wish brands made in-store shopping experiences “more immersive and engaging.”



51% are likely to make a return visit after a “wow”-worthy physical retail experience.

About Quad

Quad (NYSE: QUAD) is a marketing experience, or MX, company that helps brands make direct consumer connections, from household to in-store to online. The company does this through its MX Solutions Suite, a comprehensive range of marketing and print services that seamlessly integrate creative, production and media solutions across online and offline channels. Supported by state-of-the-art technology and data-driven intelligence, Quad simplifies the complexities of marketing by removing friction wherever it occurs along the marketing journey. The company tailors its uniquely flexible, scalable and connected solutions to each clients' objectives, driving cost efficiencies, improving speed-to-market, strengthening marketing effectiveness and delivering value on client investments.

Quad employs approximately 11,000 people in 11 countries and serves approximately 2,100 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 media agency, [Rise](#), and creative agency, [Betty](#). Quad is also one of the largest commercial printers in North America, according to *Printing Impressions*.

For more information about Quad, including its commitment to operating responsibly, intentional innovation and values-driven culture, visit quad.com.

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