

Experiential Retail Media™: The Next Frontier

Connecting Physical and Digital to Drive Full-Funnel Marketing Effectiveness for Brands

Study and insights presented by **Freeosk** Experiential Retail Media™, in partnership with **Andrew Lipsman**, Founder & Chief Analyst at Media, Ads + Commerce.



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Built on a strong foundation of first-party retailer data and closed-loop measurement, the **\$50 billion US retail media ad market** is moving beyond ecommerce into new ad formats, sales channels, and touchpoints.

Experiential Retail Media™ is taking over traditional retail media as we know it. Why? Because it's Multisensory, Multichannel and Multimedia. This three-pronged marketing strategy is coveted by retailers and brands alike because of its impact on both short-term sales performance and customer lifetime value.

01 How We Got Here

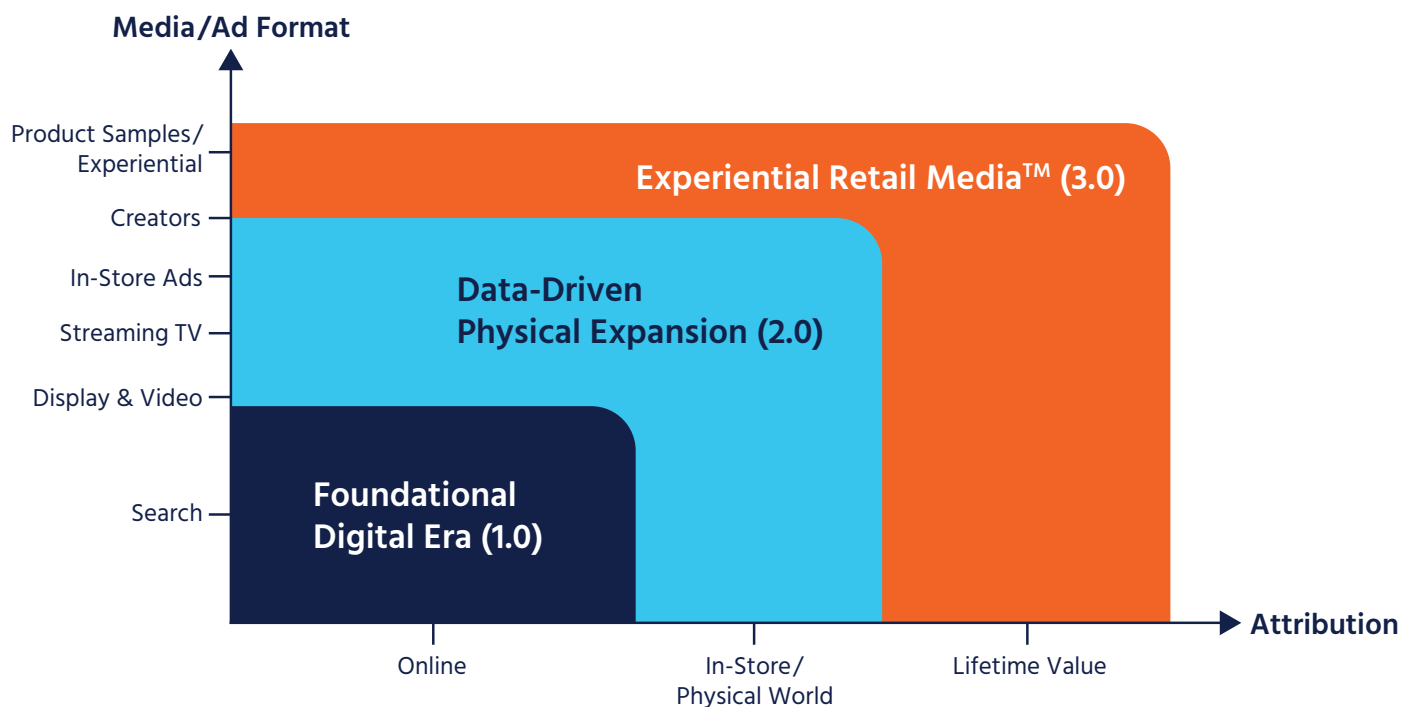
First, there was the **Foundational Digital Era** of Retail Media (1.0), primarily driven by retail media on-site search ads driving ecommerce sales. This era was dominated by Amazon and a small handful of heavily trafficked ecommerce retailers.



Then came the **Data-Driven Physical Expansion** of Retail Media (2.0). This is the era when retail's first-party data began activating in upper-funnel and full-funnel formats like display, video, social, CTV and in-store media, while measuring impact on both online and offline sales.

Now, we're entering the realization of retail media's full potential, with **Experiential Retail Media™**

Retail Media is Evolving Across Media Formats and Digital and Physical Touchpoints

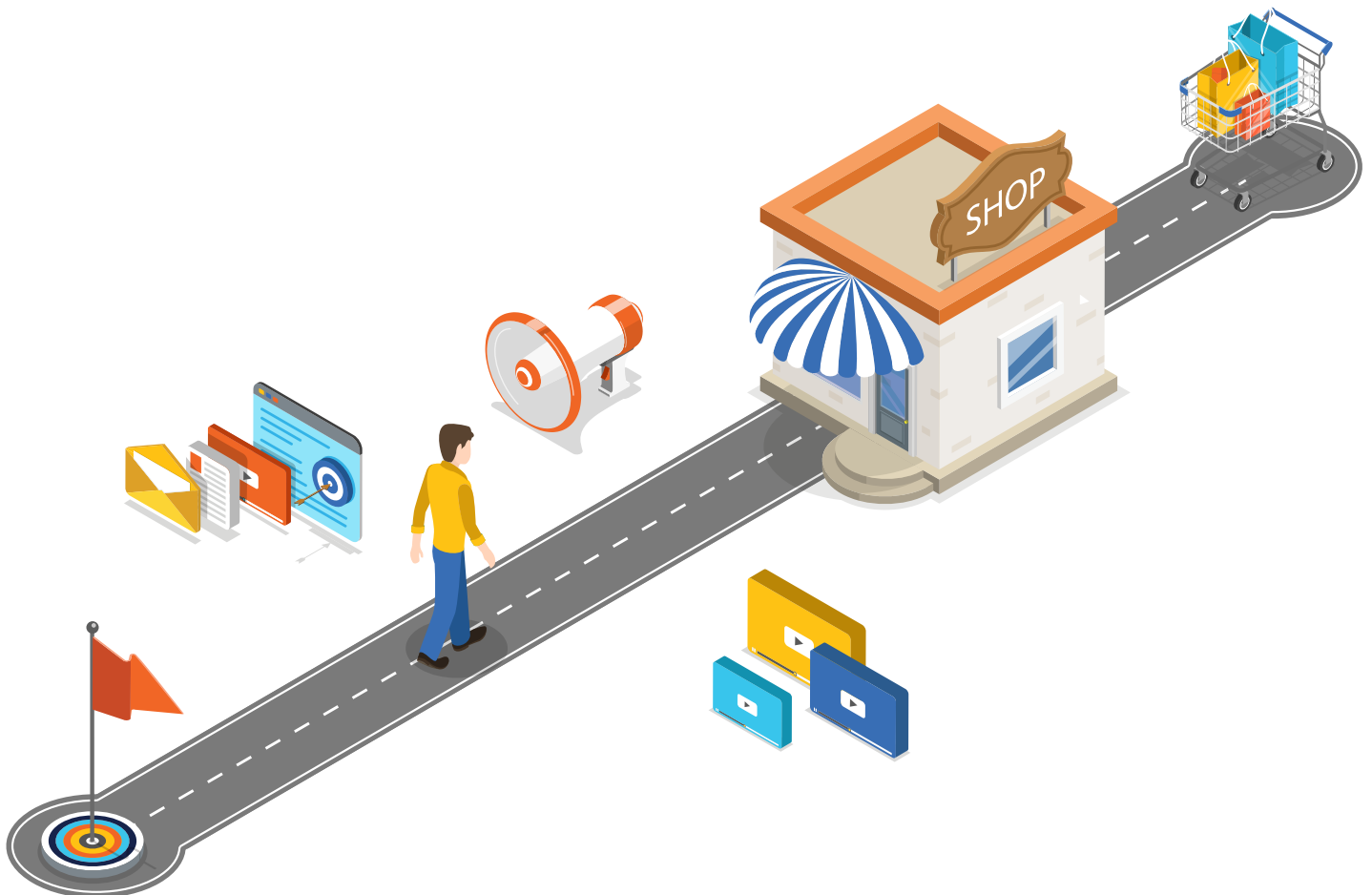


The progression of Retail Media can be traced through an evolution of media (from performance to branding to experiential) in parallel to an evolution of attribution (from online to in-store to the lifetime value of the shopper.)

Experiential Retail Media™ combines the best of media and merchandising, content and commerce, and branding and performance to drive online and offline sales, while building long-term customer relationships.

This high-impact, multisensory media experience adds physical interaction to digital media and digital interactions to the physical shopping experience, unlocking a synergy that influences future buying patterns and increases customer lifetime value.

By studying recent research and trends in Retail Media, it's clear that Experiential Retail Media™ works because it's a natural evolution of consumer behaviors and preferences: It is **Multisensory**, **Multimedia**, and **Multichannel**.



02 Experiential Retail Media™ is Multisensory



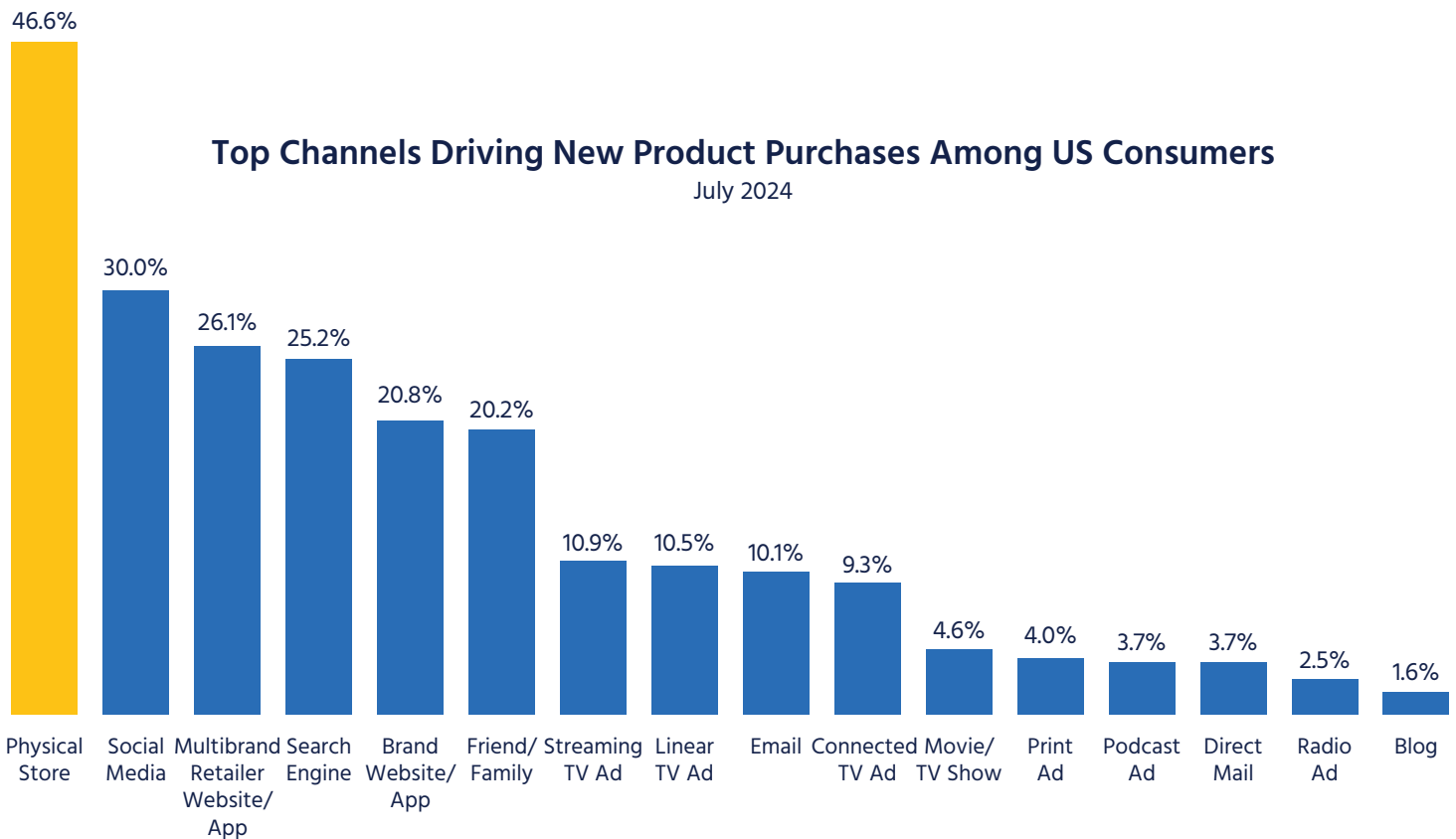
It activates the senses where consumers are most receptive to product trial and discovery.

Experiential Retail Media™ reimagines product sampling as a **multisensory media impression**. Product sampling has typically been seen as a traditional marketing tactic and analog experience, intended to drive brand awareness with little ability to measure its impact. By adding the benefits of in-store digital display to the sampling experience, it becomes a memorable **and** identifiable impression, adding touch, taste and smell to the sight and sound of an interactive screen.

How is Experiential Retail Media™ Different from Experiential Marketing?

In-person discovery and sampling isn't a totally new concept. From pop-ups to brand activations and events, there are many experiential marketing strategies available to invite interaction. But they are designed to reach select locations, on select days only. Unlike other experiential marketing, **Experiential Retail Media™ scales to reach all retail locations, every day, connecting with shoppers wherever and whenever they shop.**

The No. 1 channel driving new product discovery is the physical store, outpacing the No. 2 channel, social media, by a wide margin. And new product discovery, particularly when it engages multiple senses, delivers emotional benefits that forge a connection between both consumer and brand **and** consumer and retailer.



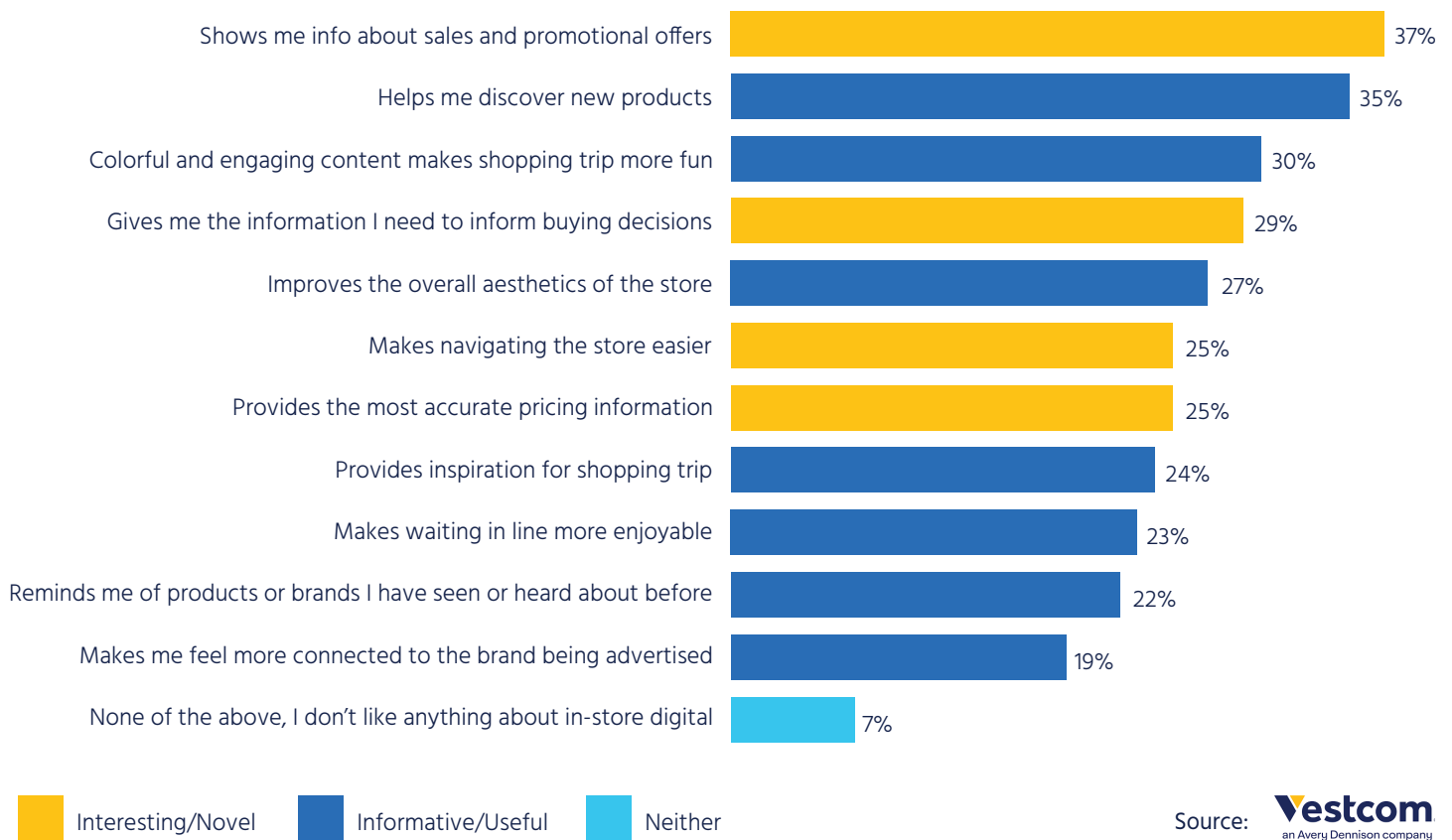
Source: **EM** | **EMARKETER**



As the sensory evolution of in-store digital display, Experiential Retail Media™ leans into the most desired functional and emotional benefits for shoppers: discovering new products and savings, while providing a more interesting and engaging shopping experience.

What U.S. Consumers Like Most About In-Store Digital Displays

May 2024



03 Experiential Retail Media™ is Multimedia

It condenses the marketing funnel through the addition of a sampling experience.

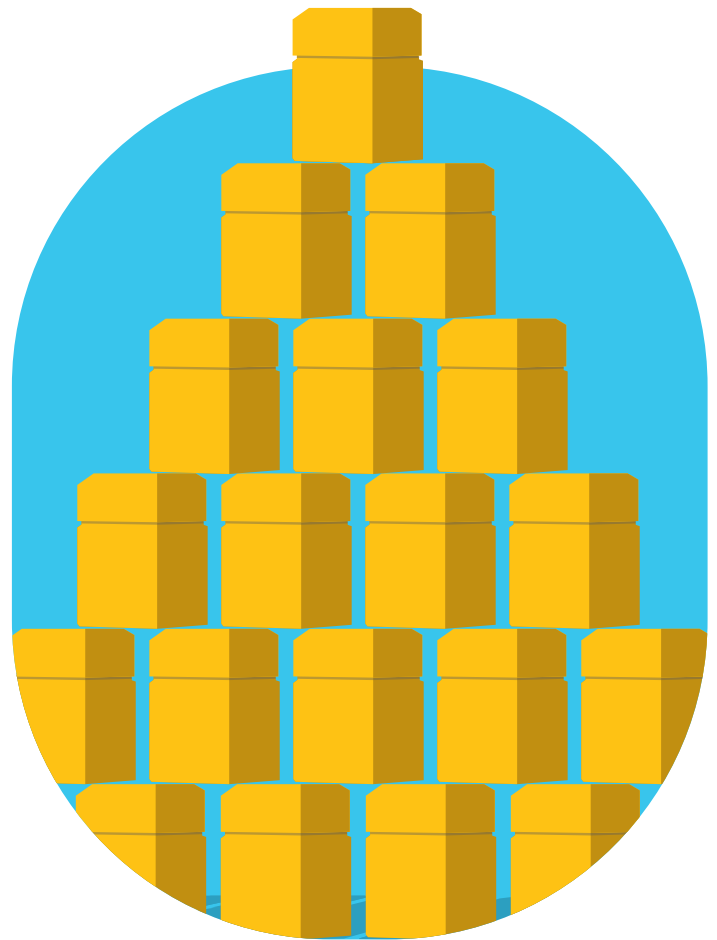


Unlike in-store advertising focused on top-funnel brand awareness, Experiential Retail Media™ drives **product trial** right at the point of consideration.



“Sampling and experiential activation have been core to our strategy,” said Liquid I.V.’s CEO Mike Keech.

“This serves as a great platform to have rich two-way conversations and has given us a wealth of insights from which to innovate.”



For brands or products that already have awareness, product samples provide the “last, best marketing touchpoint” and help streamline a shopper’s path to purchase. When product samples introduce new products or brands to shoppers, they serve as the “**first, best marketing touchpoint,**” often driving them through the entire marketing funnel instantly.

Offering shoppers the rare opportunity to both discover **and experience** new products through sampling has the power to accelerate the journey and convert shoppers into brand buyers.

Cookie Case Study

For Experiential Retail Media™, sampling is a key component of a broader multimedia experience that delivers proven **Branding + Performance** effects.

A recent campaign for a CPG cookie brand, which spanned over 50 stores and reached 700,000 shoppers, showed that shoppers who were exposed to Freeosk Experiential Retail Media™ converted at a rate of 0.97% compared to a 0.57% baseline for traditional in-store sampling. This **represents a 69% increase** over the control group.



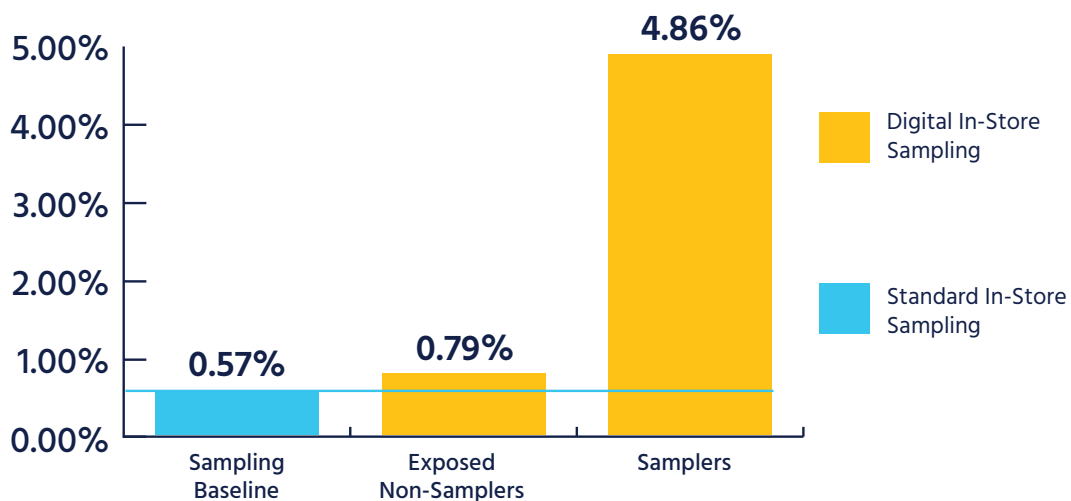
Cookie Case Study

Among this group, **shoppers enjoying the full multimedia experience with sampling had a 4.86% conversion rate.**

And those that didn't sample, but were exposed to Freeosk's dynamic digital creative, showed a **0.79% conversion rate, still 38% higher** than standard sampling.

This highlights how the branding effects of Experiential Retail Media™ act as a halo for non-samplers and samplers alike, leading to a more significant overall impact on sales.

Cookie Brand Conversion Rates



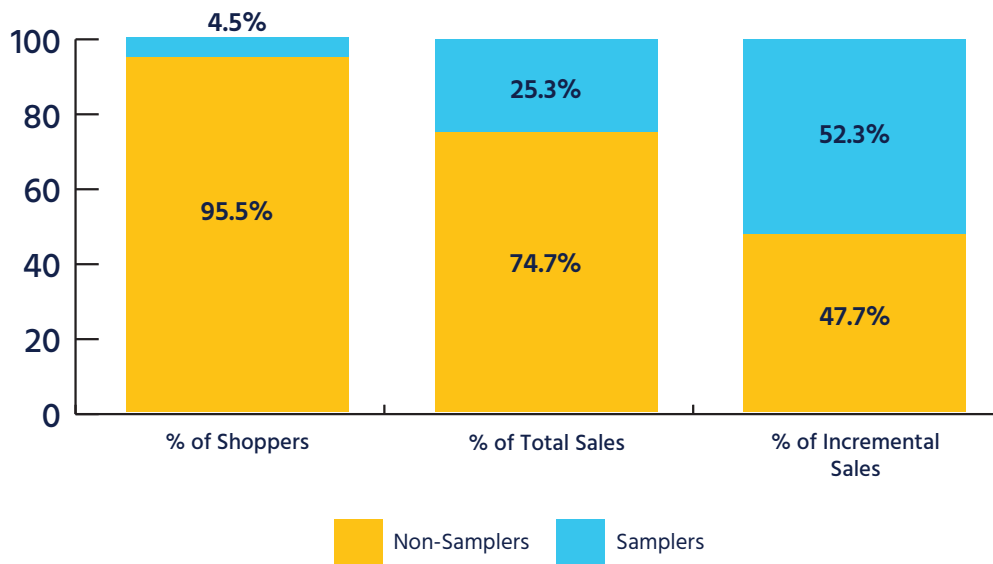
 MEDIA, ADS + COMMERCE

Source: 

Cookie Case Study

The Experiential Retail Media™ results above represented a 7x+ gain in incremental purchases, but the group who didn't sample (but was exposed to other media tactics) was larger by a factor of more than 20x. As a result, this much larger subset of shoppers accounted for a higher proportion of overall product sales (75% vs. 25%) that translated to a nearly even effect on incremental sales (48% vs. 52%).

Share of Total and Incremental Sales Among Cookie Brand Samplers and Exposed Non-Samplers



04 Experiential Retail Media™ is Multichannel

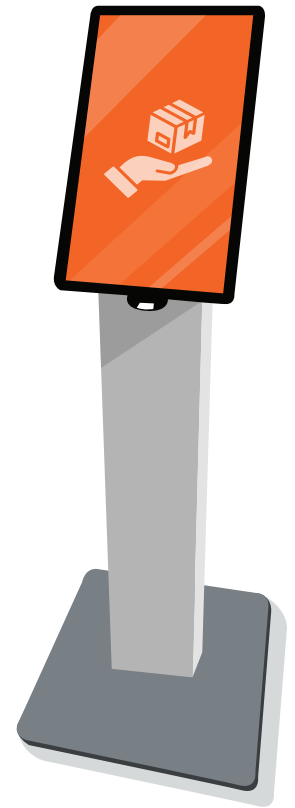


It reaches the shopper at every step of their journey.

Today's CPG retail media strategies come with an omnichannel imperative, mirroring how modern shoppers navigate between physical and digital media. Experiential Retail Media™ combines these modalities, driving engagement through interactivity that maximizes marketing effectiveness.

In addition to their signature sampling and digital media kiosks, Experiential Retail Media™ brand, Freeosk, has leveraged the benefits of a multichannel approach across the following channels: **Interactive Demo Tablets**, **Targeted Email Campaigns**, and **Creator Content**.

Interactive Demo Tablets (IDT) integrate traditional in-store demos with digital tablet experiences, where customers can receive discounts and review products from the live demo. In three such instances, Freeosk IDT campaigns converted at 62.4% compared to the live demo baseline of 0.4%.



62.4%

average
conversion rate

150x

baseline conversion
with discount

49x

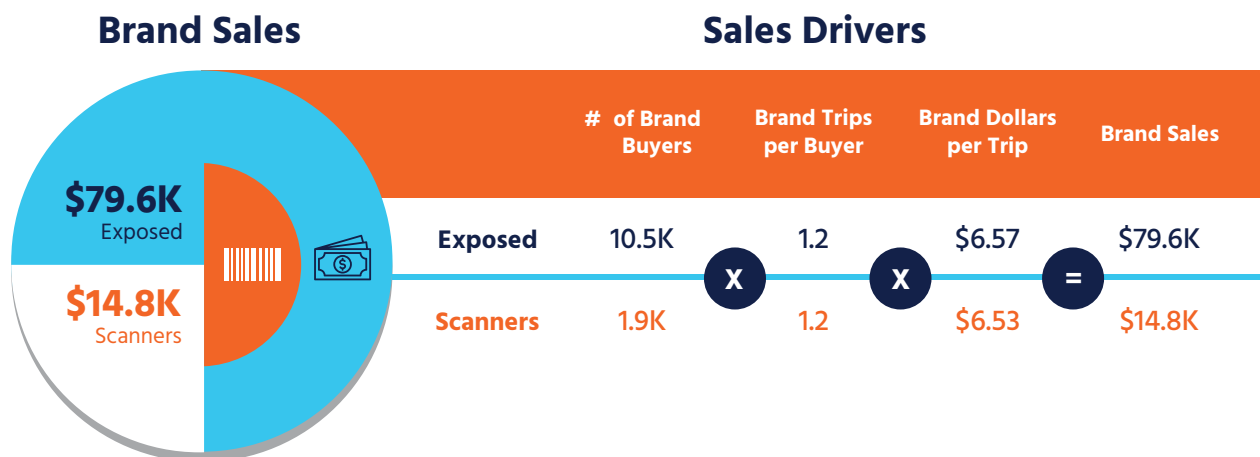
baseline conversion
without a discount

Targeted Email Campaigns offer another activation channel to increase awareness and loyalty. Pre-event discovery emails can reach millions of shoppers before, during, or after their store visit with messaging and offers that increase the probability of engagement.

Targeted post-event emails can be sent to product samplers as part of an awareness or loyalty campaign, to keep the brand top-of-mind and stimulate new or recurring purchases.



Finally, **Creator Content** (through celebrities, influencers or even brand mascots) have become a growing part of the media ecosystem, adept at breaking through clutter to amplify experiential effects. One creator-led campaign for a challenger snack brand proved highly effective at converting new-to-brand buyers through a Freeosk campaign. 10,500 non-samplers and 1,900 who scanned for a sample were all exposed to the content, driving \$79,600 and \$14,600 respectively in incremental brand sales over a 28-day attribution period.



Above and beyond the sales increase, **92%+** were new-to-brand; **\$205,200** in incremental sub-category sales.

05 Experiential Retail Media™ Delivers Incremental Results

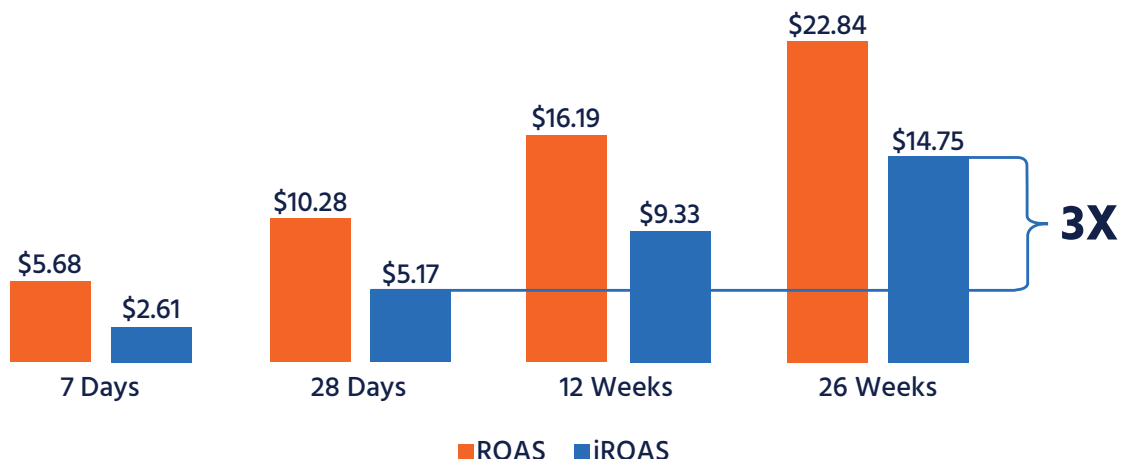


It drives short-term sales while acting as a catalyst for longstanding buyer relationships.

A meta-study analyzing five recent Freeosk campaigns over a 26-week period revealed the long-term impact of Experiential Retail Media™. The study measured both **Return on Ad Spend (ROAS)** and **Incremental Return on Ad Spend (iROAS)**, with iROAS focusing specifically on the incremental sales lift among new-to-brand buyers.

While the average 28-day campaign ROAS was \$10.28 and iROAS was \$5.17, **the iROAS nearly tripled to \$14.75 after 26 weeks**. New customers acquired through the Experiential Retail Media™ campaign continued to purchase the brand over time, proving its effectiveness in driving long-term gains and increasing customer lifetime value.

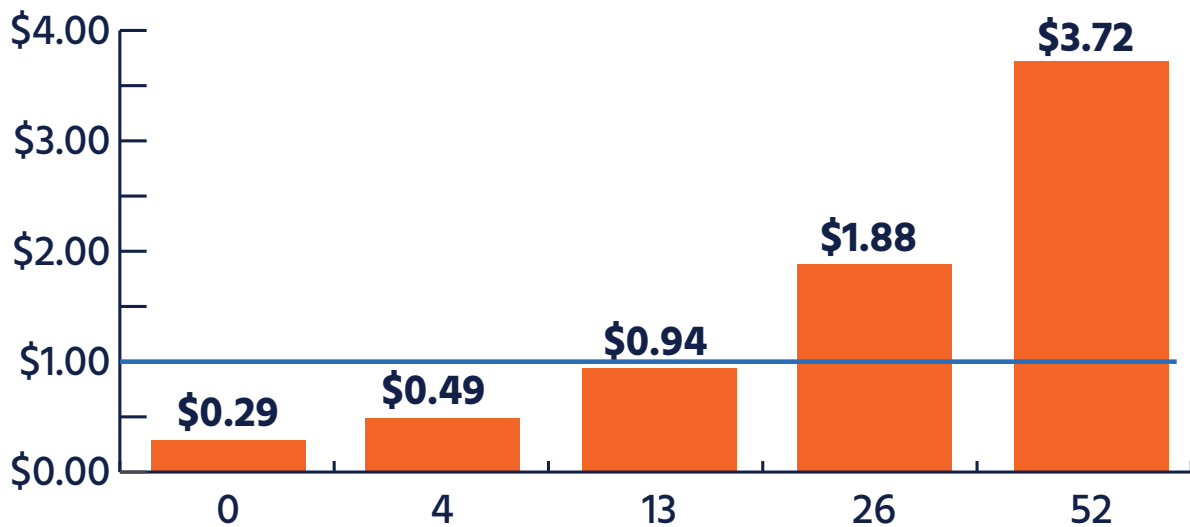
**5-Campaign CPG Brand Meta-study:
ROAS vs. iROAS for In-Store Product Sampling Campaigns**
7-Day, 28-Day, 12 Week, and 52 Week Attribution



The example above illustrates the importance of using a long-term attribution window to accurately capture the incremental return on product sampling investments. It can also completely change how a brand views campaign performance and ultimately invests.

In the example below for a skin care / vitamin supplement brand, the iROAS over the more common attribution window of 28 days was \$0.49, which in most cases would be interpreted as as a campaign that didn't perform.

iROAS for Skin Care Vitamin / Supplement
Weeks 0, 4, 13, 26, and 52



But the calculation completely changes with the benefit of a longer time horizon. The investment goes from underwater in week 13 to above water after 26 weeks (\$1.88 iROAS). After 52 weeks, iROAS has climbed to \$3.72, with the investment ultimately proving its value as a very high-performing campaign.

06 Putting Experiential Retail Media™ into Action

Retailers and brands alike are waking up to Experiential Retail Media™ and its power to build a competitive edge.

Brand experiences are the pinnacle of customer engagement and often the beginning of longstanding buyer relationships. Experiential Retail Media™—more than any other form of media—is capable of changing consumer behavior and maximizing marketing effectiveness. With innovative product sampling now evolving **in-store** marketing into an **interactive** digital experience, tied to customer **identity**, it's a media format that is unrivaled in engaging all five senses to drive incremental results.



“Physical retail has always been the ultimate discovery platform,” said Matt Eichorn, Co-Founder and CEO of Freeosk. “Humans are hardwired to enjoy novel experiences—an emotional benefit that’s magnified in the context of routines like weekly shopping trips. That’s why product samples are unrivaled by other media, and where Experiential Retail Media™ sources its unique power to change consumer behavior.”



Freeosk, the originator of Experiential Retail Media™, leverages dynamic video and product samples to create a multisensory experience, along with personalized pre- and post-campaign digital activations that reinforce the physical retail experience.

Freeosk IS Experiential Retail Media™

Freeosk Delivers Experiential Retail Media™ that's **Identifiable** and **At Scale**

Multisensory

engages 3 or more senses simultaneously for immersive and engaging discovery



Multimedia

interconnected media formats (text, video, animation, and physical media like sampling) to create a dynamic experience



Multichannel

interactions across multiple physical and digital O2O channels: onsite, offsite, instore



Freeosk's suite of Experiential Retail Media™ tools connect retailers to brand interactions, and should be a consideration for any media buyer or agency seeking unique **and** measurable media tactics.

Retailers and RMN's

Freeosk's small-footprint kiosks offer shoppers a differentiated experience that feeds their discovery mindset, without capital expenditure investments. These interactive experiences increase engagement without disrupting traffic flow, and provide tangible value to shoppers.

Media Buyers and Ad Agencies

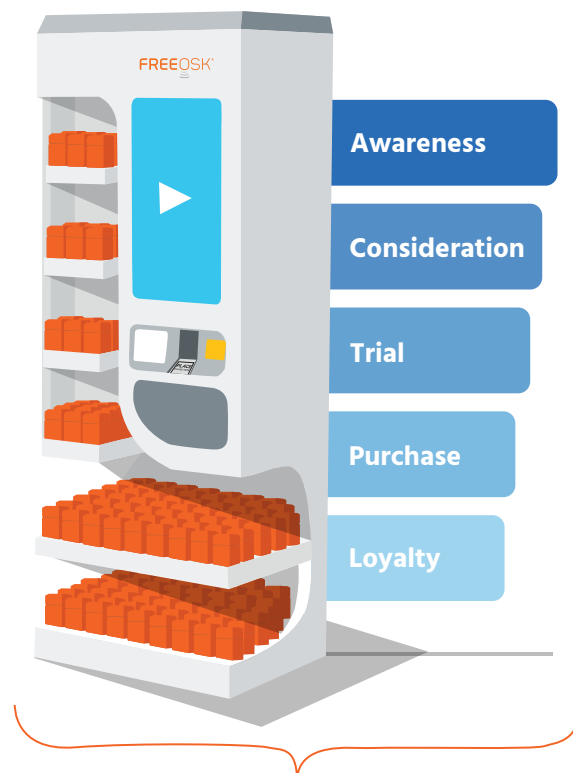
Freeosk is a powerful platform proven to deliver on incremental awareness, interactive trial and identifiable measurement. It offers an innovative way to connect with shoppers to drive both short-term sales and long-term customer value.

Brands

Freeosk's Experiential Retail Media™ solutions offer lean-in moments of discovery and trial and measurable conversion for your products and your brand.

The combination of high-impact creative and interactive product experience drives both immediate sales and long-term customer relationships and can lead to significant incremental results and brand loyalty.

Freeosk's Discovery Platform Can Influence a Member at Each Step of Their Discovery Journey



How Does Freeosk Do It?
Automated Dispense
In Store Digital Media
Out-of Aisle Merchandising
Targeted Email

About Freeosk

Freeosk is an Experiential Retail Media™ Platform that changes shopper behavior in meaningful and measurable ways. Freeosk's network of tech enabled kiosks combine in-store media, incremental merchandising, and always-on sampling to inspire shopper engagement. Every opt-in interaction, whether physical or digital, is tied to a unique identifier such as a loyalty card, phone number, or email enabling closed real and personalized experiences. Freeosk's network of kiosks covers 85% of DMAs, delivering closed loop attributable discovery at scale.

In Partnership with Media, Ads + Commerce

Media, Ads + Commerce is an independent media brand and consultancy that provides strategy and thought leadership for retail media companies and others in the media, advertising, and commerce ecosystem. Founded by Andrew Lipsman, an industry expert known for anointing retail media as "digital advertising's third big wave," MA+C works with clients to activate high-impact product, marketing, and insights strategies to go-to-market effectively.



To learn more, go to thefreeosk.com/#contact-us