

Guest Feature

It seemed a simple enough announcement: P-O-P Times *sat down with Evan Anthony, Kroger's corporate vice president of marketing and advertising, to discuss roll-out plans for an ambitious, integrated network that will turn the nation's largest supermarket chain into a "media company."* (Emphasis mine)

To be fair to Kroger, they are not the only retailer thinking this way. Steve Heyer, formally CMO at Coke, has been saying that Starwood Hotels are a media channel as well. This seems to be pretty standard thinking for retailers today—or anyone with a location that can now become a media dynasty! The article went on to say:

Although in-store television networks are not new, the architects of the Kroger plan claim that they are looking at the medium from a different angle. ...the In-Store Broadcasting Network (IBN) ...delivers an opportunity on par with traditional radio or television buys, with the added perk of reaching a consumer with wallet in hand.

You're **Not** a **Media Company**

by David Polinchock

For Kroger—and anyone else looking at in-store, digital networks—there are a couple of problems with this approach:

1. You're a grocery store, not a media company. You sell groceries. That's what you do and how you make your money. Groceries. Not media, not real estate, not movie rentals or DTC pharmaceuticals. You don't sell bonds or insurance policies. You sell groceries. You can use these things to generate additional revenue, but you're never going to become a media company. And, if you need to sell media in order to make money due to declining grocery sales, then maybe you need to get out of the grocery business!

2. Sounds like the same, wrong POV that everyone else has about in-store TV. Too

much time is spent trying to compete with the old TV model of interrupting something and shooting for a reach and frequency model. Well, it's not working on TV, why does everyone think it's going to work here?

Don't we understand that the reason brands are seeing a decline in the effectiveness of TV advertising is that we don't like ads interrupting everything we do? If you're involved in putting together one of these in-store networks, ask yourself: How many of your friends, not in the advertising business, have said to you—"Hey, can you put up lots of monitors in your store and run commercials on them?" My guess is not that many.

3. And here's one of my favorite statements by people creating these in-store networks:

"There's too much ad avoidance now; you can't get an audience...delivered now the way you could years ago," says Lon Von Hurwitz, president, sales and marketing of IBN. He explains that the network will be sold in a fashion similar to the cost-per-thousand basis for broadcast media, rather than along the ROI measures common to POP. "When an audience is inside a store, they can't avoid us, they can't turn us off."

So, let's once again be clear about this. Advertising based on the fact that you can't turn it off IS NOT A GOOD ADVERTISING MEDIUM. That's what got the industry into the situation we're in now. People don't like continually being force-fed advertising.

4. *"In-store media gives you that opportunity to really drive your reach and frequency with somebody, give them a relevant message and build a relationship with that customer. That's what you want, anyway."*

You don't build a relationship with anyone when you start by talking about the fact that they can't avoid you. You can't think reach and frequency and relationship building at the same time. They usually, in fact, work against each other.

So Kroger—and everyone else developing these in-store networks—if you want to



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make more money, then create a better shopping experience. I don't mean to be so hard on Kroger, but let's try to solve the real problems.

If you're currently working on an in-something digital network, ask yourself: Where does "create a better experience" fall on your list of reasons to install a digital network? My guess is that the top spots are occupied by "increase revenue" or "create opportunities to promote partners" and somewhere further down the line is create a better retail experience. And even when it's on the list, my guess is that few people have actually defined *how* it will create a better experience for the consumer.

So, stop what you're doing right now and look at your experience first. If it doesn't create a truly better experience for your audience first, you're not doing it right. ■

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