



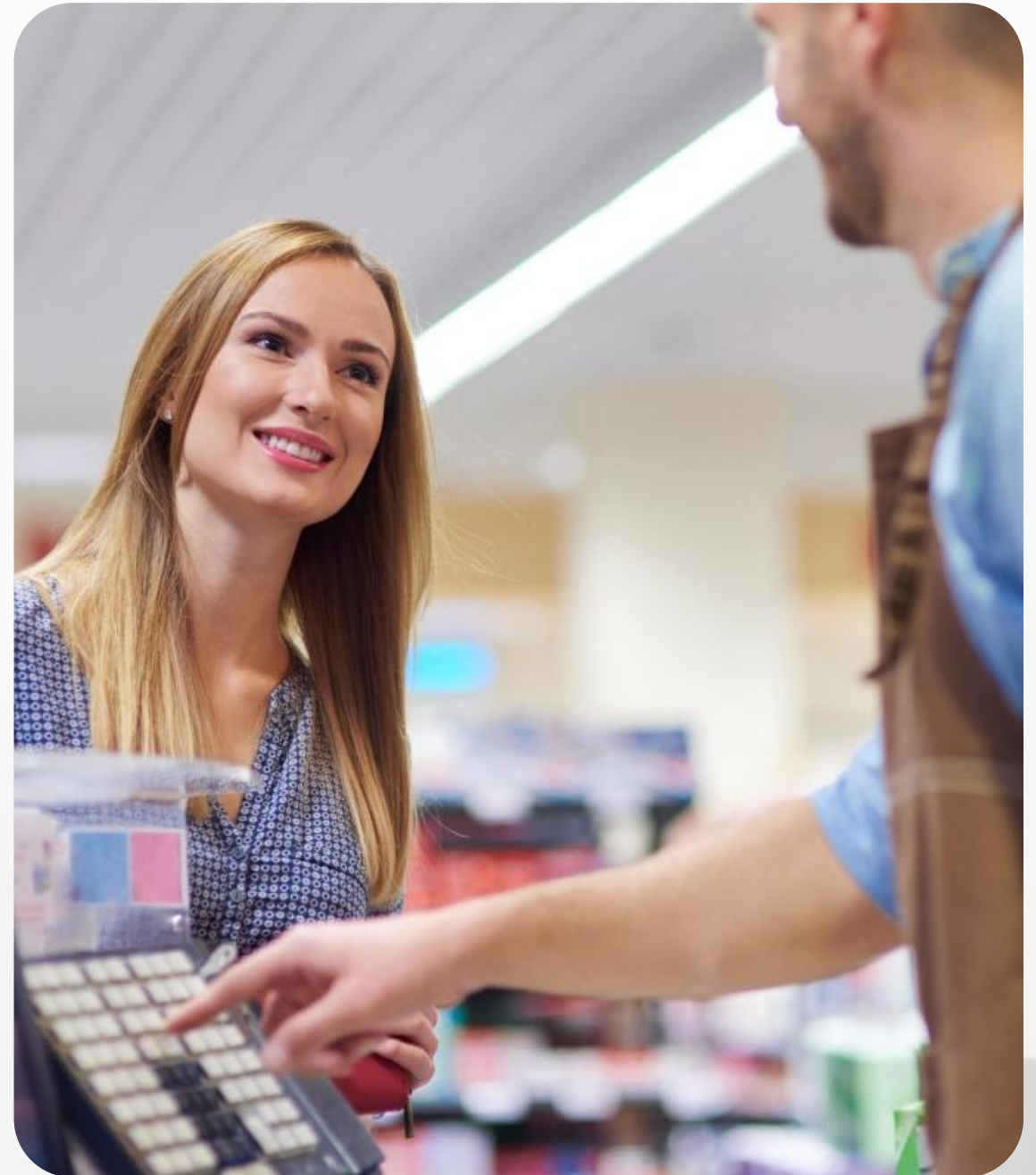
Report

Retail Advertising Landscape



**STINGRAY
ADVERTISING**

October 2024



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Context & Methodology

Objective	<p>This study was done with goals to:</p> <ul style="list-style-type: none">- Evaluate the effectiveness of in-store advertising- Understand the impact of shopping behaviour- Assess consumer interaction with different types of in-store ads
How	<p>A 10-minute online quantitative survey conducted in French and English.</p>
Who	<p>2004 Canadians:</p> <ul style="list-style-type: none">- General population- 18 years and older- Both males and females- Areas within Stingray Advertising’s retail network
When	<p>October 1-10, 2024</p>
Significance Testing	<p>Throughout the report, numbers in green indicate a number is significantly higher, while numbers in red indicate a number is significantly lower than its counterpart.</p>

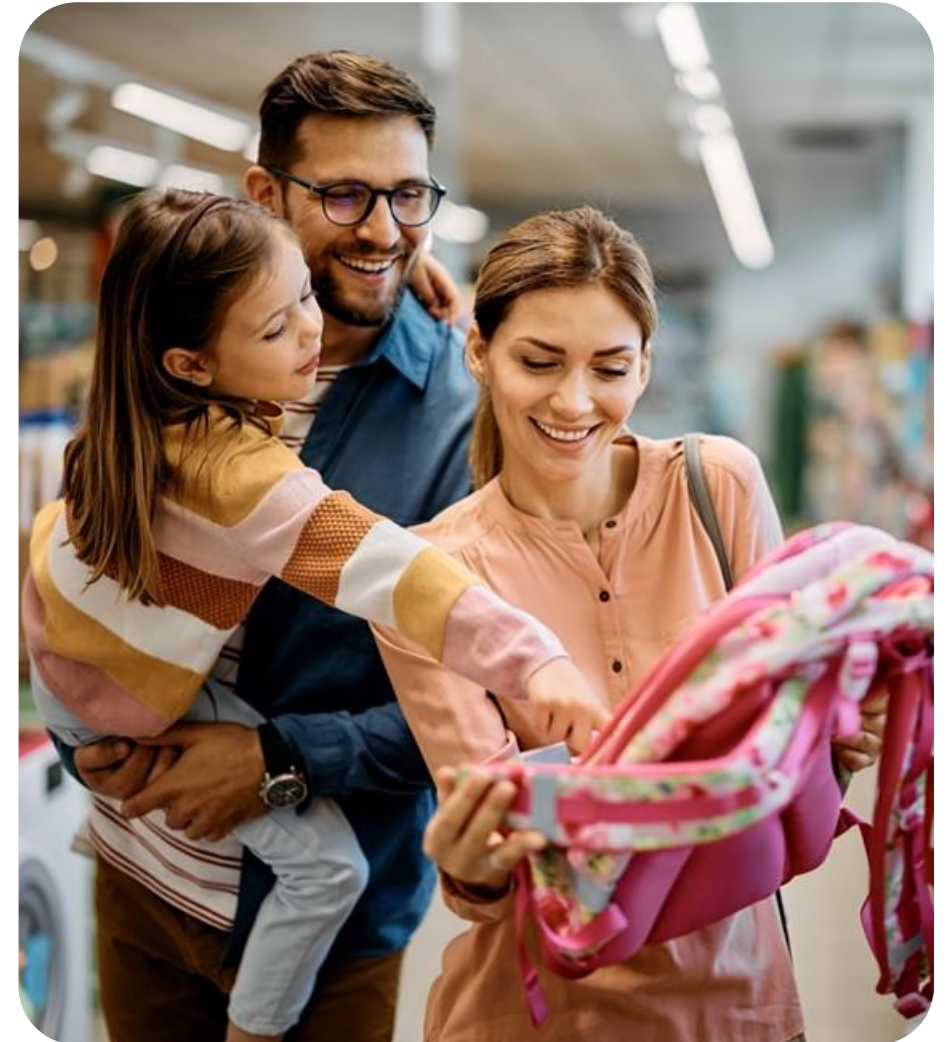


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Detailed Findings

1.1

Reach of Retail



Reach of the Retail Stores

Retail environment offers a massive reach for the advertisers- 97% of the Canadian population visits a retail store at least once a month, with 84% visiting weekly.



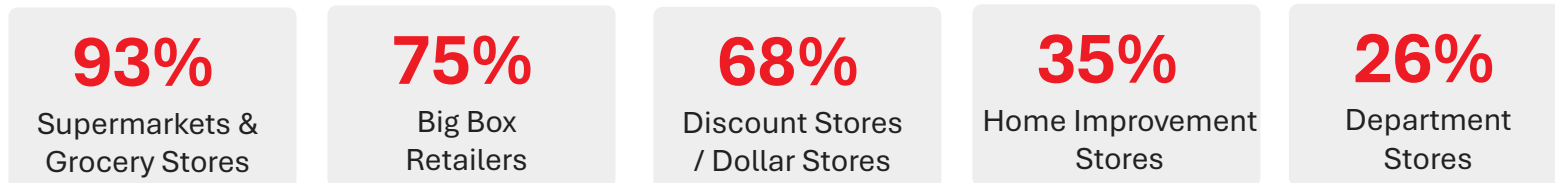
➔ Demographic Analysis

Males, younger shoppers (18-34), and those with children in the household are more likely to visit different retail stores more frequently, suggesting these groups are particularly valuable for in-store ad targeting.

➔ Key Insight

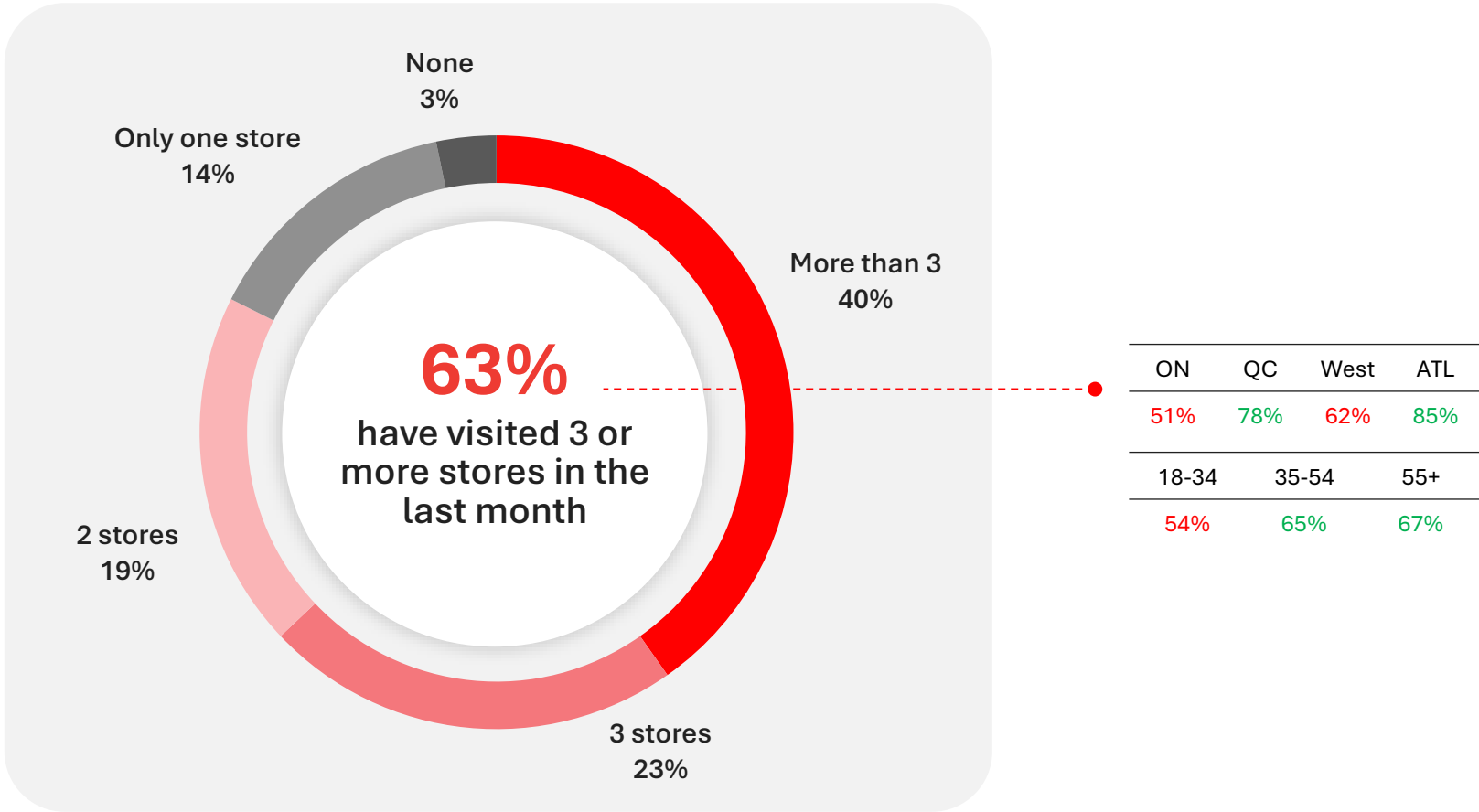
The widespread reach of retail stores- especially grocery stores and big box retailers offers a unique opportunity for brands to engage with consumers, capture their attention and drive purchase decisions.

% Visit AT LEAST ONCE IN A MONTH OR MORE



Multi-Retail Shopper Engagement

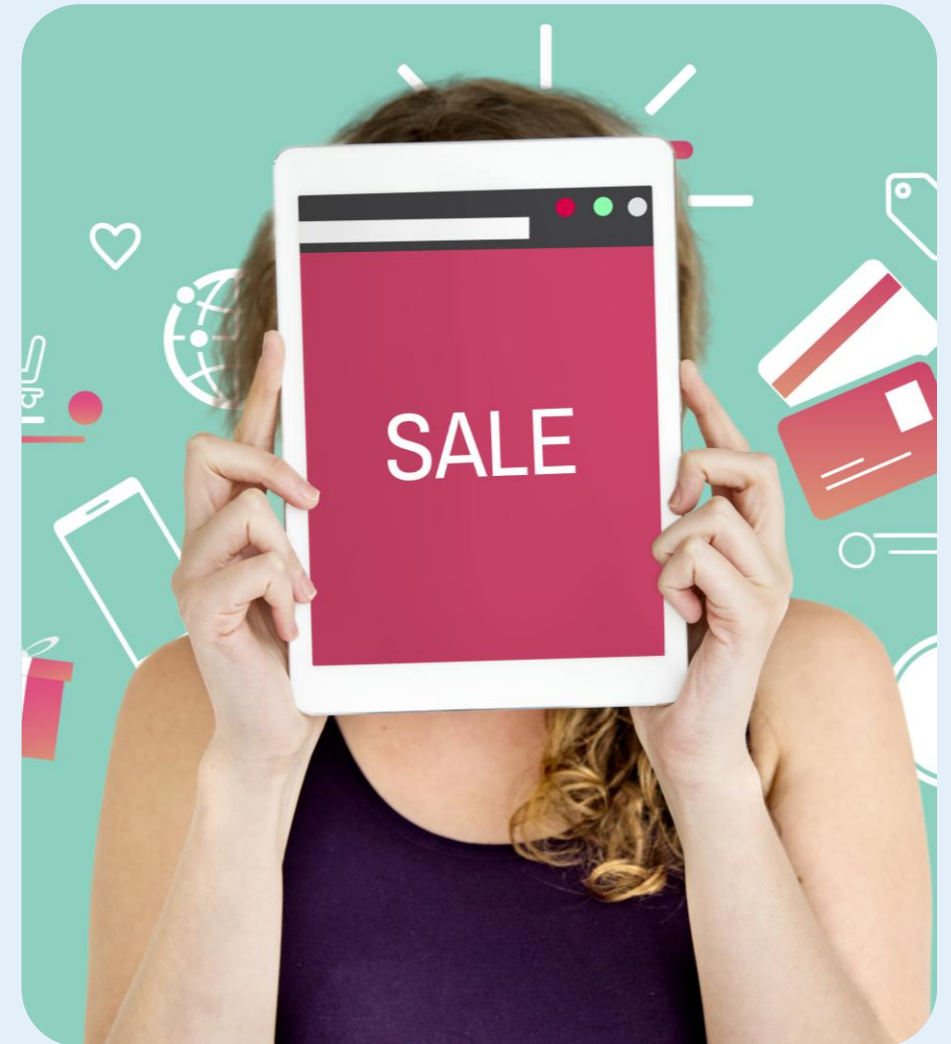
Consumers actively shop across multiple retail locations, with 63% visiting three or more stores in the last month. Brands have an opportunity to reinforce messaging and drive engagement through presence across multiple retailers



A12. Think back to the last month and tell me which of these stores have you visited in the last month?
Base: All respondents (n=2004)

1.2

In-Store Media Channels



Shopper Attentiveness in the store

The data below suggests that in-store environment is highly conducive to advertising, ensuring broad reach and engagement.

89%

Of the shoppers claim to **pay attention** to the advertisements in-store



71%

Of the shoppers claim to have **never or rarely wear headphones** while shopping

➔ Key Insight

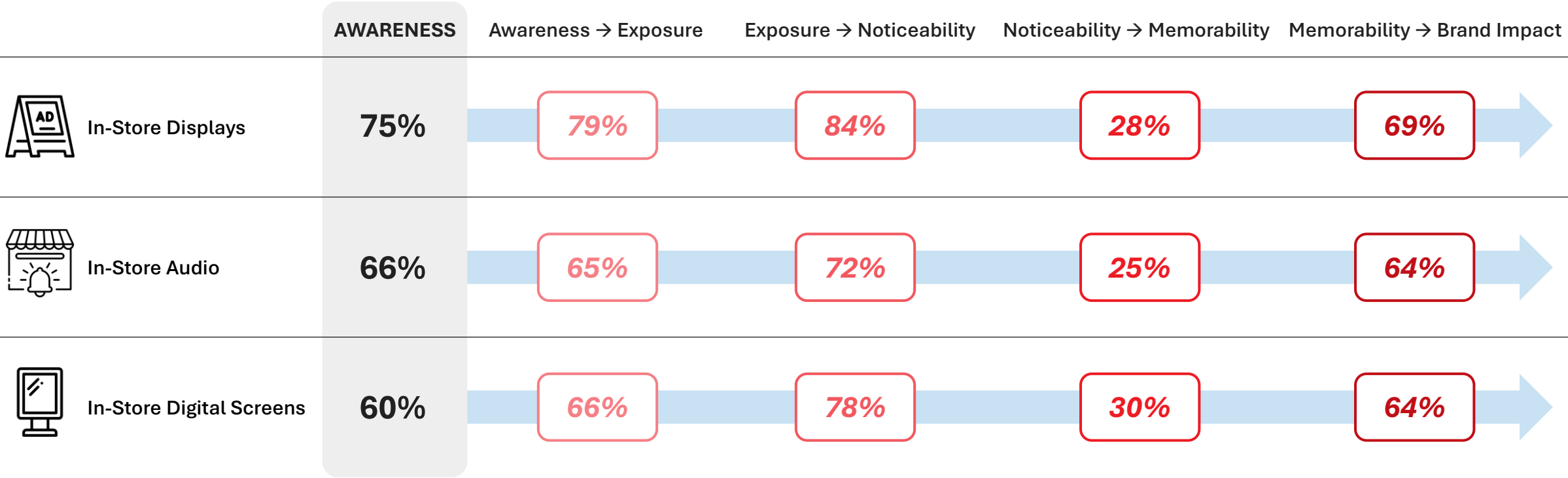
In-store environments provide a distraction-free setting to engage shoppers. Retail media teams can effectively influence purchase decisions right at the point of sale.

A8. What types of in-store advertisements do you find most engaging? Please select the top three options. **A3.** How often do you wear headphones and listen to music or podcasts while shopping at grocery stores, supermarkets, department stores, drugstores/pharmacies, hardware stores?

Base: All respondents (n=2004)

In-Store Channels Advertising Funnel Conversions

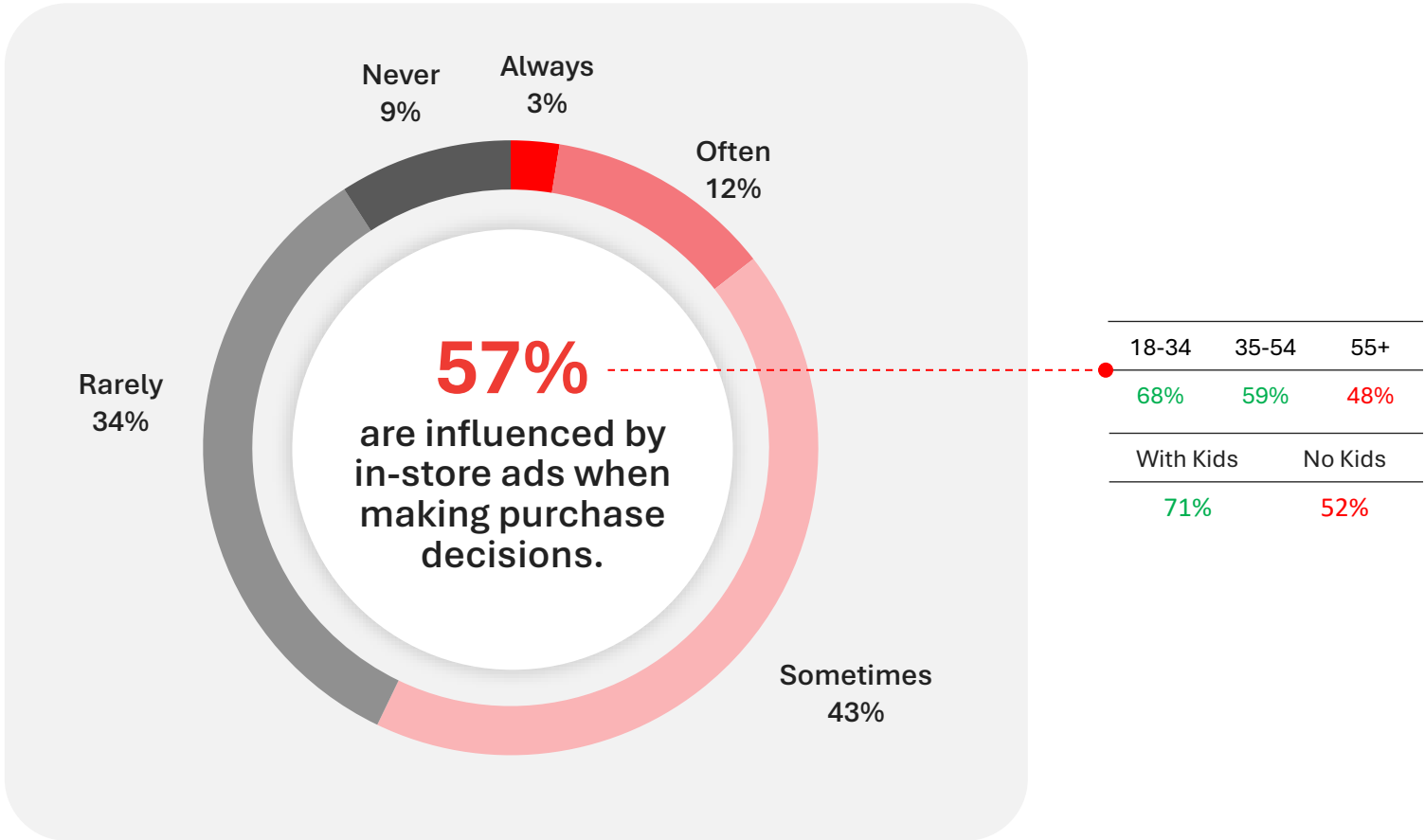
In-store advertising channels demonstrate strong potential for influencing consumers during their shopping experience, showing high levels of memorability and brand impact. Between 70-80% of consumers exposed to in-store advertising recall noticing it, and all formats show a healthy conversion from memorability to brand impact. Among the formats, **digital screens** tend to have slightly stronger memorability.



A1a. Which of these media channels are you aware of? **A1b.** How often, if at all, do you come across / use / interact with the following types of media? **A1c.** For the following advertising media, select the option that best describes how often you notice advertisements on each of these. **A1d.** Over the past two weeks, how memorable were the advertisements you encountered on each of these media channels? **A1e** For each of the following media channels, how did the most memorable advertisement you encountered impact your perception of the brand being advertised?
Base: All respondents (n=2004)

Influence of In-Store Ads

In-store ads have a notable impact on consumer behaviour, particularly among younger shoppers and parents. Younger respondents (18-34) and those with kids in the household are most influenced by in-store ads.



Overall Impact of In-Store AUDIO Ads







In-store audio ads are highly **effective** in driving **immediate purchases** as well as build **longer-term brand affinity** across different product segments.

58%

Of those who heard the ad in store say they **PURCHASED THE PRODUCT** as a result of hearing the ad

60%

Of those who heard the ad in store say they will **CONSIDER THE PRODUCT** in the future

	 Cheese & Spreads	 Other Food Products	 Personal Care	 Household Products	 Healthcare	 Tele communication
PURCHASED	68%	70%	65%	57%	47%	33%
CONSIDER	73%	73%	70%	67%	57%	49%

Source: 36 BLS studies conducted by Stingray Advertising* Leger in 2022-2024

Impact of In-Store AUDIO Ads on Non-Endemic Products

In-store audio ads provide **non-endemic brands** a way to **engage consumers** directly in a shopping mindset, even without having products in-store.



➔ **Key Insight**

Leverage in-store ads to drive both foot traffic and online visits—creating a full-funnel brand experience.

Source: 36 BLS studies conducted by Stingray Advertising*Leger in 2022-2024

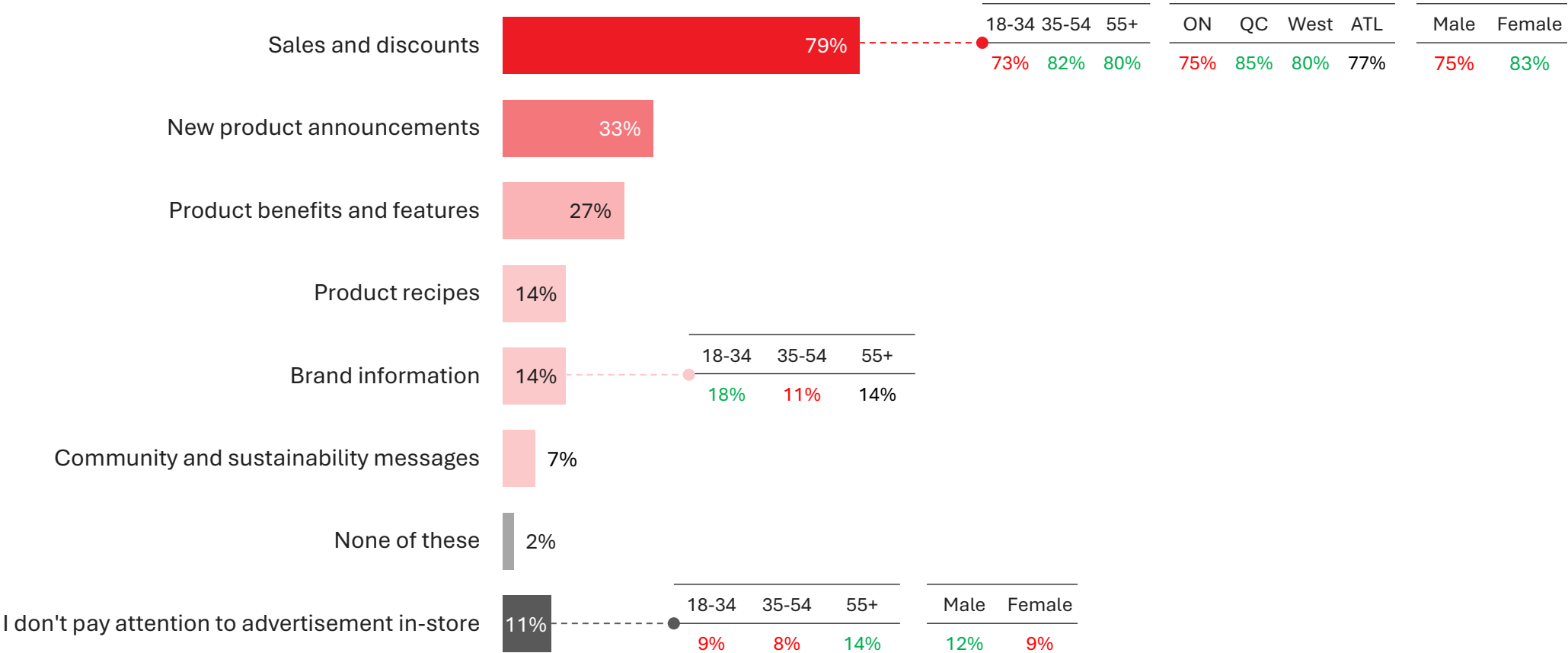
1.3

In-Store Advertising: Preferences & Behaviours



Most Engaging In-Store Ads

Canadian shoppers find **sales and discounts ads** most engaging followed by **new product announcements** and **product benefits**. Consider targeted messaging for younger audiences, who may respond more positively to brand-driven content and information-based ads.



A8. What types of in-store advertisements do you find most engaging? Please select the top three options.
Base: All respondents (n=2004)

Most Effective Elements of In-Store AUDIO Ads

Incorporating these elements in the in-store AUDIO ads improve ad effectiveness- likely to have stronger purchase rate and purchase intent.



Messaging: Brand Awareness & Product Features

Ads focusing on these have higher purchase and future consideration conversion rates.

Consider emphasizing brand or unique product attributes.



Shorter Ads (≤20 sec)

Shorter ads perform relatively better, with higher purchase conversion and future purchase intent compared to longer ads.

Keep ads short and concise to maintain consumer attention.



Slogans

Ads with a slogan had higher purchase and future consideration rates.

*Use **memorable slogans or taglines** to reinforce brand recall.*



Background Music

Ads with background music or light background music showed higher purchase and future consideration vs. ads without any background music.

*Add **subtle background music** to create a more engaging atmosphere to enhance the shopper's emotional response.*

Creative learnings: What Shopper's appreciate in In-Store AUDIO Ads.

1 CLEAR AND DIRECT MESSAGING
Respondents appreciated ads that were straightforward, easy to understand, and delivered a concise message.

“
The ad was short, concise, and to the point. It told me exactly what I needed to know about the product.

2 PLEASANT VOICE AND TONE
A friendly, soothing, or cheerful tone in the ad's voice was frequently mentioned as a positive.

The voiceover was warm and soothing, making it easy to listen to and understand without feeling pushy.

3 INFORMATIVE CONTENT
Providing useful information about the product's benefits or where to find it in-store were well-received.

It was very informative, giving clear details about the product's benefits and exactly where to find it in the store.

4 UPBEAT AND CATCHY MUSIC/SOUND
Catchy tunes or upbeat background music were often liked, as they helped engage listeners and create a positive atmosphere.

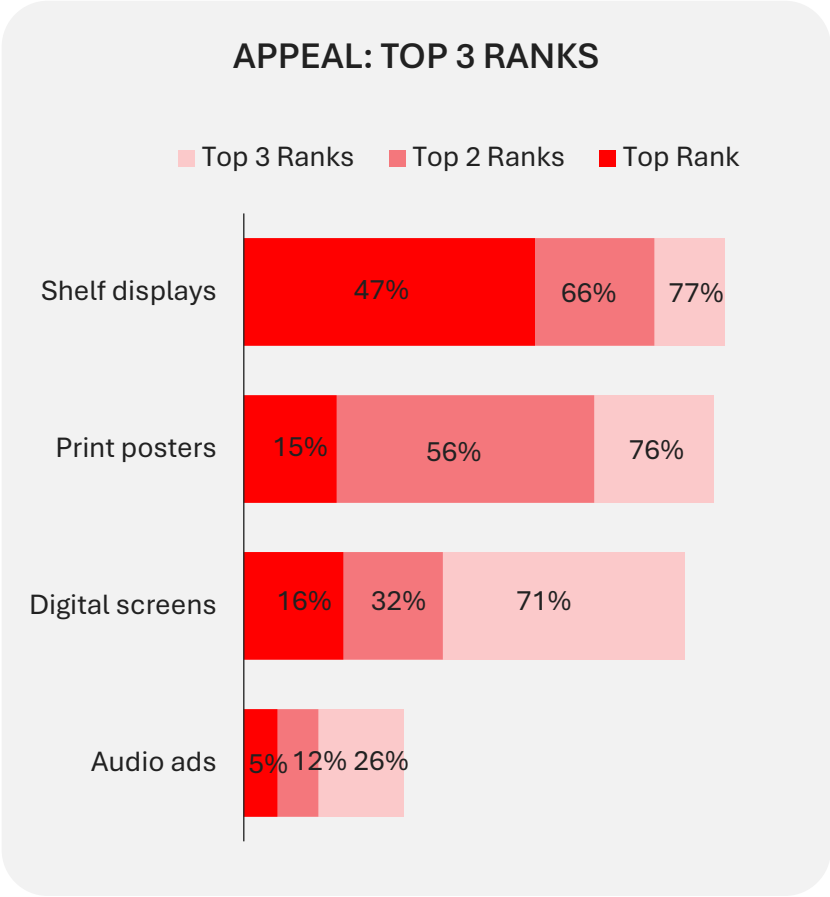
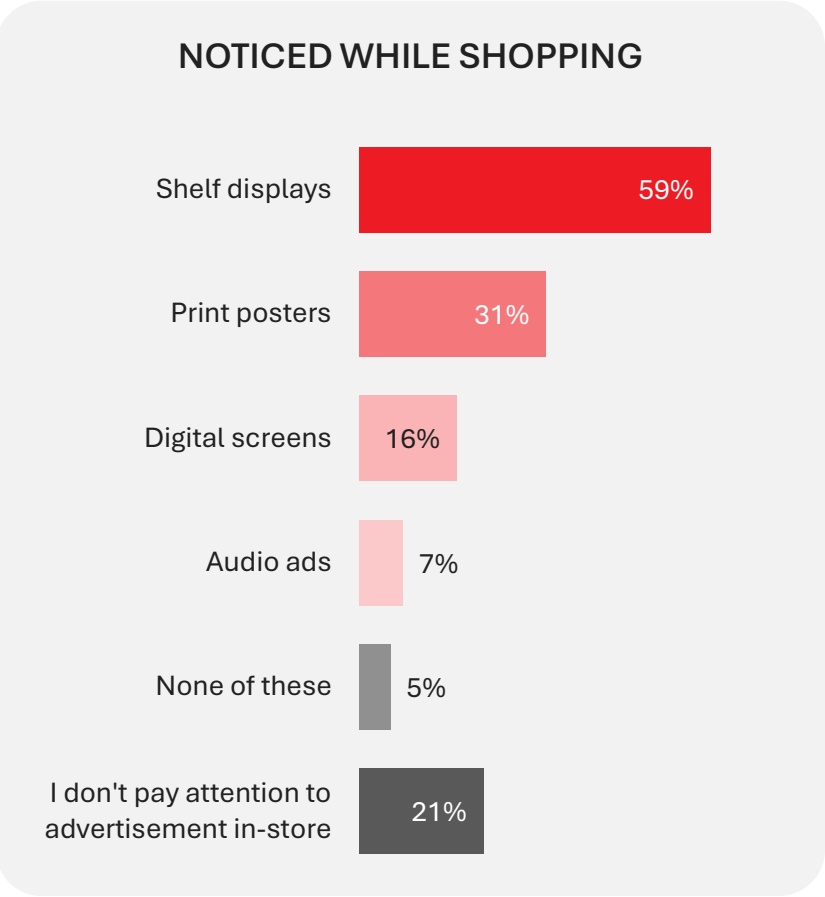
The music was catchy and upbeat, making the ad stand out from others and adding a positive atmosphere.

5 CONVENIENT REMINDERS
Ads served as reminders about products they could pick up during their shopping trip. In some cases , it prompted interest in buying the product.

The ad served as a useful reminder to pick up the product, which I hadn't thought of adding to my list.
”

In-Store Ad Formats: Noticeability & Appeal

The more traditional formats like shelf displays and print posters are most noticed. However, new age formats like digital screens and audio ads also garnering noticeability and appeal in-store, suggesting that these formats are growing,



➔ **Demographic Analysis**
Males, younger respondents (18-34), and those with kids are more likely to notice the different ad formats in-store.

➔ **Key Insight**
In-store audio ads can serve as a powerful complement to visual formats like shelf displays and print posters.

A7a. Which type of in-store advertisements do you remember paying attention to when shopping at grocery stores, supermarkets, department stores, drugstores/pharmacies, hardware stores? **A7b.** Still thinking about the types of in-store advertisements, please rank them in order of appeal to you, with Rank 1 being the most appealing to you, and Rank 4 being the least appealing to you.
Base: All respondents (n=2004)

Consumer Engagement with In-Store Advertisements

Promotional ads and product-focused messaging drive engagement in store, particularly among **younger shoppers** and **households with children**. While shoppers are time-constrained and distracted- there is a significant proportion who don't necessarily stick to the list or shop in a hurry. Make advertising content bold, concise and targeted. Ads that emphasize **promotions** or **special offers** to encourage impulse purchases are likely to do better.

% agree strongly or somewhat with below statements

Promotional ads in the store catch my attention

47%

Enjoy learning about new products from in-store ads

37%

Ads in the store often prompt me to look for products

31%

In-store ads often influence my choice of brands

25%

I often shop in a hurry and try to leave the store as quickly as possible

49%

I stick to a shopping list and rarely look at other products

47%

I am mostly accompanied by kids while shopping

41%

I find it challenging to focus on ads while shopping in-store

37%

2

Executive Summary

Key Highlights

Leverage the Extensive Reach of Retail Environments: With 97% of Canadians visiting retail stores at least once a month and 84% shopping weekly, retail environments offer unparalleled reach. Grocery stores, big-box retailers, and discount stores maximize the exposure and engagement opportunities for in-store advertising.

High Shopper Attention inspite of Distractions: With 89% of shoppers claiming to pay attention to in-store advertisements and 71% rarely or never using headphones while shopping, the in-store environment offers a focused setting for brands to capture attention without competing against personal media.

Openness to Product Discovery: 57% claim that they are influenced by in-store ads when making purchase decisions. Shoppers also show a willingness to engage with product information- 37% enjoying learning about new products in-store. This creates an ideal opportunity for prompting unplanned purchases.

Capitalize on In-Store Audio for Immediate Sales and Long-Term Affinity: According to brand lift studies, 58% of shoppers who heard audio ads in-store made a purchase, and 60% indicated they would consider the product for future purchases. This highlights the dual impact of audio ads: driving immediate conversions while simultaneously fostering brand affinity for sustained consumer engagement.

Engage Non-Endemic Audiences through Audio: For brands without in-store presence, audio ads drive physical and online store visits, with 46% visiting a store and 48% visiting a website after hearing an ad. This makes in-store audio valuable for cross-channel engagement.

Use Clear and Direct Messaging in Audio Ads: Consumers favor audio ads that are straightforward and concise. Focus on clarity in messaging to ensure ads are easily understood and memorable within the shopping environment.

Key Highlights

Investing in in-store retail media is a smart strategy, as it engages consumers at critical touchpoints, often closer to the moment of purchase, making it a more powerful tool for influencing behavior compared to some other media.

Leverage in-store audio to create meaningful interactions with consumers **right where purchasing decisions are made.**

In-store audio provides access to shoppers in all the sections of the store.

To maximize the impact of in-store ads, marketers need to focus on **simple, relevant, targeted, attention-grabbing messaging** that resonate with hurried shoppers and **price-conscious consumers.**

Marketers should capitalize on in-store advertising by balancing the **brand-building capabilities** of other channels like **social media** with the **purchase-driving power of in-store advertising.**

Audio ads can deliver messaging in a way that **breaks through distractions** in the store environment. When paired with well-crafted audio cues, brand jingles, or catchy messages, they can enhance **brand recall** even if the shopper isn't looking at a display.

3

Respondent Profile

Respondent profile

Canadian shoppers (n=2004)

Gender

Men	48%
Women	51%
Other	1%

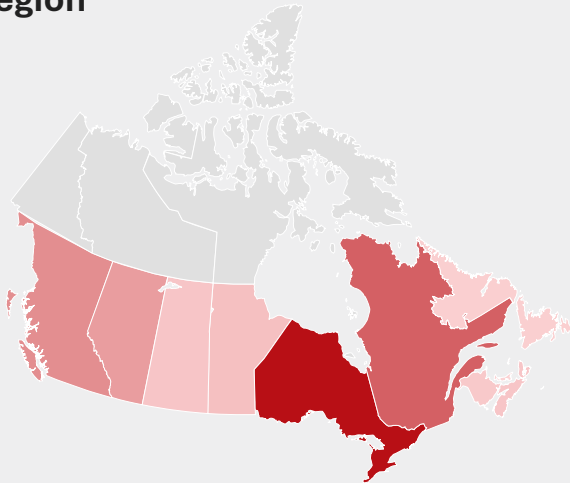
Age

18-34	27%
35-54	32%
55+	41%
AVERAGE	49 years

Kids in Household

Yes	25%
No	75%
Kids under 3 years old	6%
Kids 3 – 13 years old	13%
Kids 13 – 17 years old	13%

Region



Employment

Full time	50%
Part time	11%
Retired	26%
Student	5%
Homemaker	3%
Not employed	5%
Prefer not to say	2%

Marital Status

Married / Common Law	54%
Single – never married	29%
Separated / Divorced	11%
Widowed	4%
Prefer not to say	1%

Ethnicity

White / Caucasian	75%
Chinese	6%
South Asian	6%
Black	3%
Other	8%
Prefer not to answer	2%

West	31%
British Columbia	14%
Alberta	11%
Saskatchewan / Manitoba	6%
Ontario	39%
Quebec	23%
Atlantic	7%
New Brunswick	2%
Nova Scotia	3%
Prince Edward Island	<1%
Newfoundland / Labrador	1%

Media terminology used in the questionnaire

FULL FORM USED IN THE SURVEY	SHORT FORM USED IN THE REPORT
Radio (AM/FM-in car, at home, at work)	Radio
Cable/Satellite/Antenna TV	Cable/Satellite/Antenna TV
Streaming video services like Netflix, Apple TV+, etc.	Streaming video
Streaming audio services like Apple Music, Amazon Music, Spotify	Streaming audio
Social media like Facebook, Instagram, TikTok, etc.	Social media
Print Media (magazines, newspapers)	Print Media
Outdoor advertising (billboards, ads on buses or trains, transit shelters)	Outdoor ads
In-store advertising / announcements (playing over store speakers)	In-store audio
In-store digital screens (e.g., digital displays showing ads in stores)	In-store digital screens
In-store displays (e.g., product displays, promotional signage)	In-store displays
Search ads (ads in search results, websites)	Search ads
Audio ads (audio ads, banner ads)	Audio ads

Retail Store terminology used in the questionnaire

Supermarkets & Grocery Stores (i.e. Loblaws, No Frills, Metro, Freshii etc.)
Change No Frills and Freshii to Super C, and Loblaws to Provigo in Quebec

Big Box Retailers (i.e. Walmart, Costco etc.)

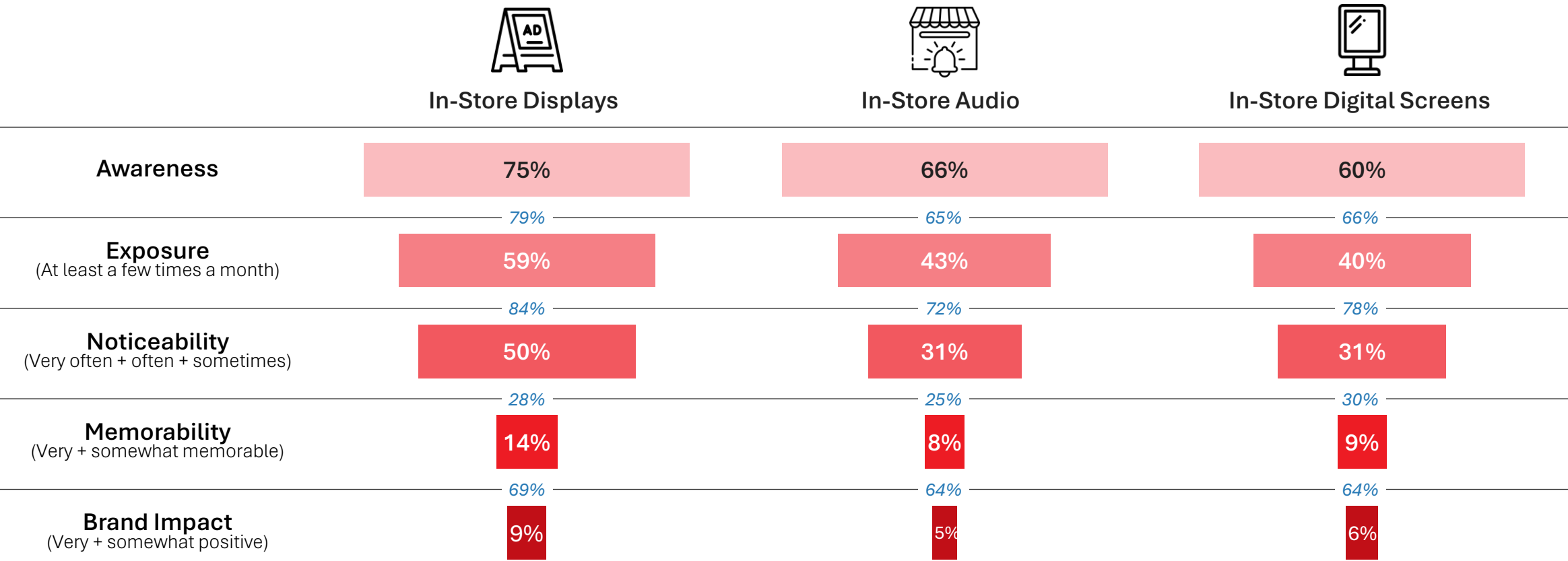
Department Stores (i.e. Hudson Bay, Nordstorm etc.)

Discount Stores / Dollar Stores (i.e. Dollarama, Dollar Tree etc.)

Home Improvement Stores (i.e The Home Depot, Lowe’s, RONA etc.)

Retail Advertising Funnel: In-Store Channels

In-store advertising channels demonstrate strong potential for influencing consumers during their shopping experience, showing high levels of memorability and brand impact. Between 70-80% of consumers exposed to in-store advertising recall noticing it, and all formats show a healthy conversion from memorability to brand impact. Among the formats, **digital screens** tend to have slightly stronger memorability.



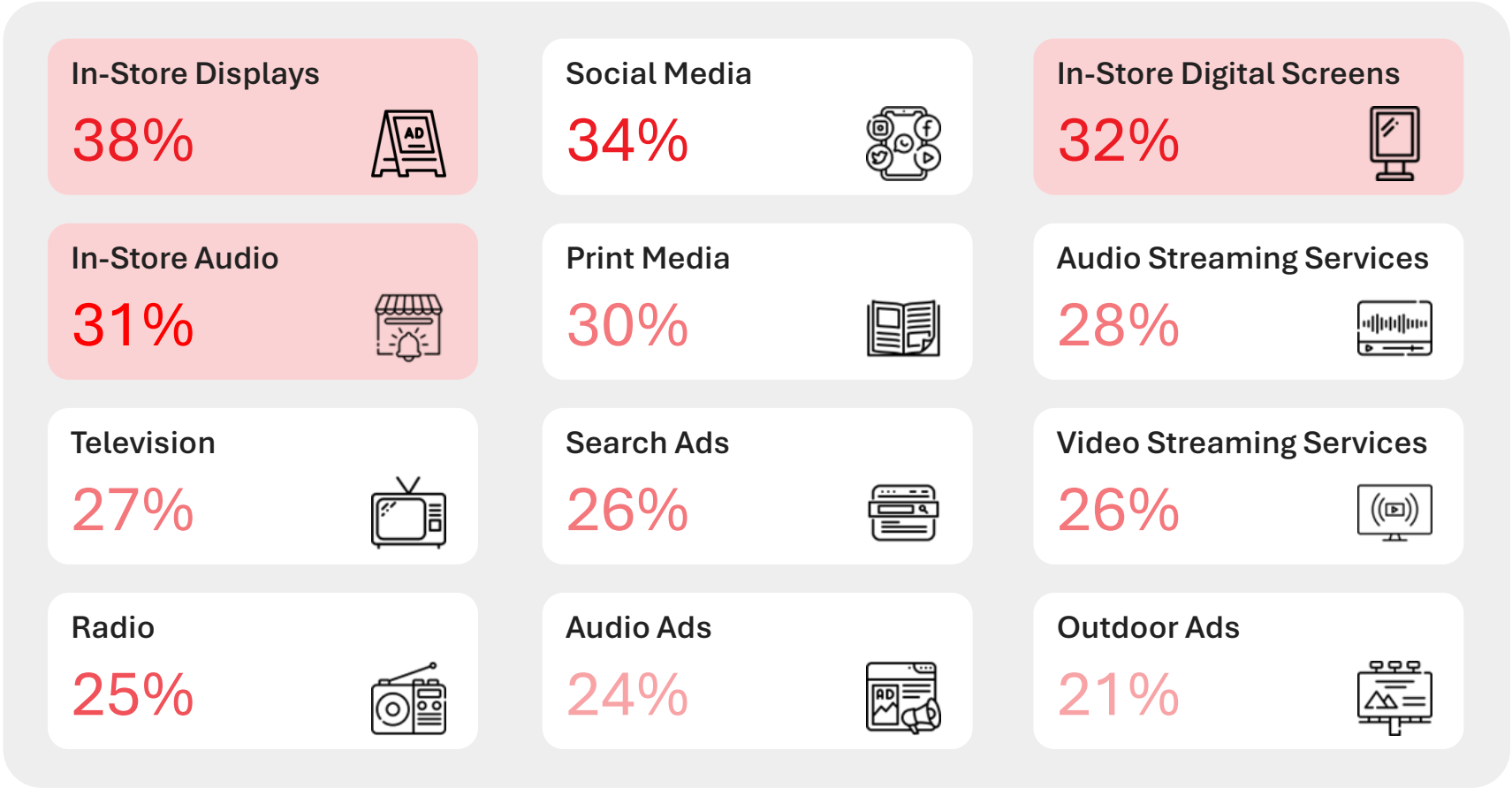
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Base: All respondents (n=2004)

Likelihood to Consider Purchasing Product Featured in Ad

Very + somewhat likely

In-store media channels outperform some of the external channels like print, audio streaming services, traditional TV, search ads, video streaming services, etc. in influencing purchase consideration.



➔ **Demographic Analysis**
Younger respondents, especially those 18-34, and those with kids are more likely to get influenced by the ads on different media channels, making them the key target for the advertisers.

➔ **Key Insight**
High purchase consideration is due to the immediacy of in-store advertising. Exposure right at the point of purchase have a stronger influence on behavior than ads seen earlier in the purchase funnel.

Actions Taken

In-store media (displays and audio) is highly effective at **driving store visits and immediate consumer actions**, making it a valuable format for converting engagement into sales. **Social media** excels at prompting **information search and brand following**.

	Information Search	Discussed with Others	Visited the Store	Made a Purchase	Followed Brand on Social Media	None of these
In-store displays	13%	10%	10%	16%	4%	58%
In-store audio	12%	11%	9%	9%	6%	65%
Social media	25%	12%	10%	9%	12%	49%
In-store digital screens	16%	10%	9%	7%	6%	63%
Print Media	13%	10%	9%	7%	6%	64%
Search ads	21%	7%	9%	6%	7%	62%
Streaming audio	15%	11%	5%	6%	9%	65%
Cable/Satellite/Antenna TV	17%	13%	7%	5%	5%	63%
Streaming video	15%	10%	6%	5%	8%	66%
Radio	12%	12%	5%	4%	5%	70%
Audio ads	11%	9%	8%	4%	7%	70%
Outdoor ads	12%	7%	6%	3%	4%	74%

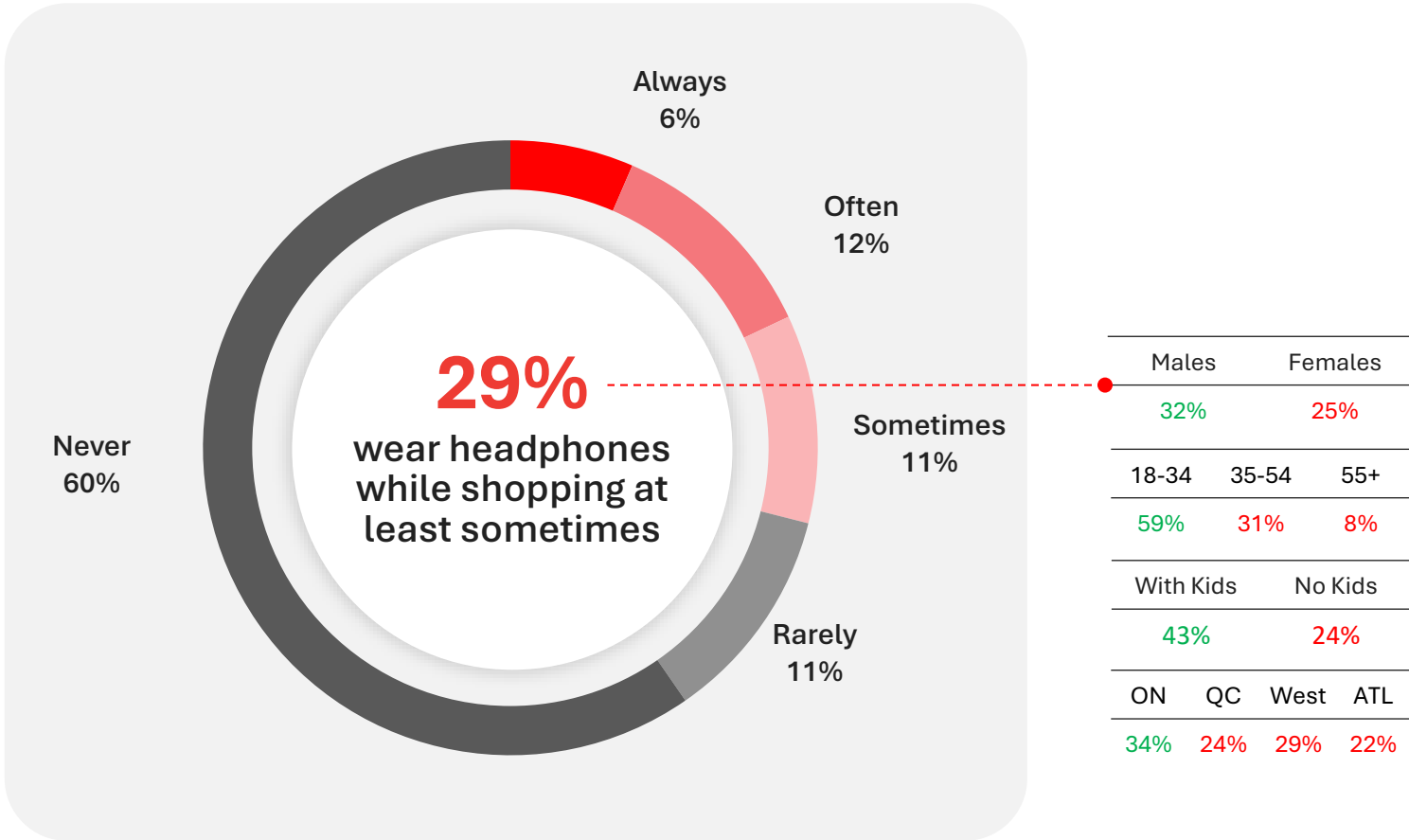
➔ Key Insight

The presented analysis highlights the strength of in-store advertising in influencing behaviors closer to the point of sale, compared to digital or external channels, which are more focused on top-of-funnel activities like awareness and information gathering.

A2b. Thinking back to the last two weeks, after encountering advertisements on these media channels, which of the following actions did you take, if any?
Base: Those who notice the media either very often, often, or sometimes

Frequency of Headphone Use While Shopping

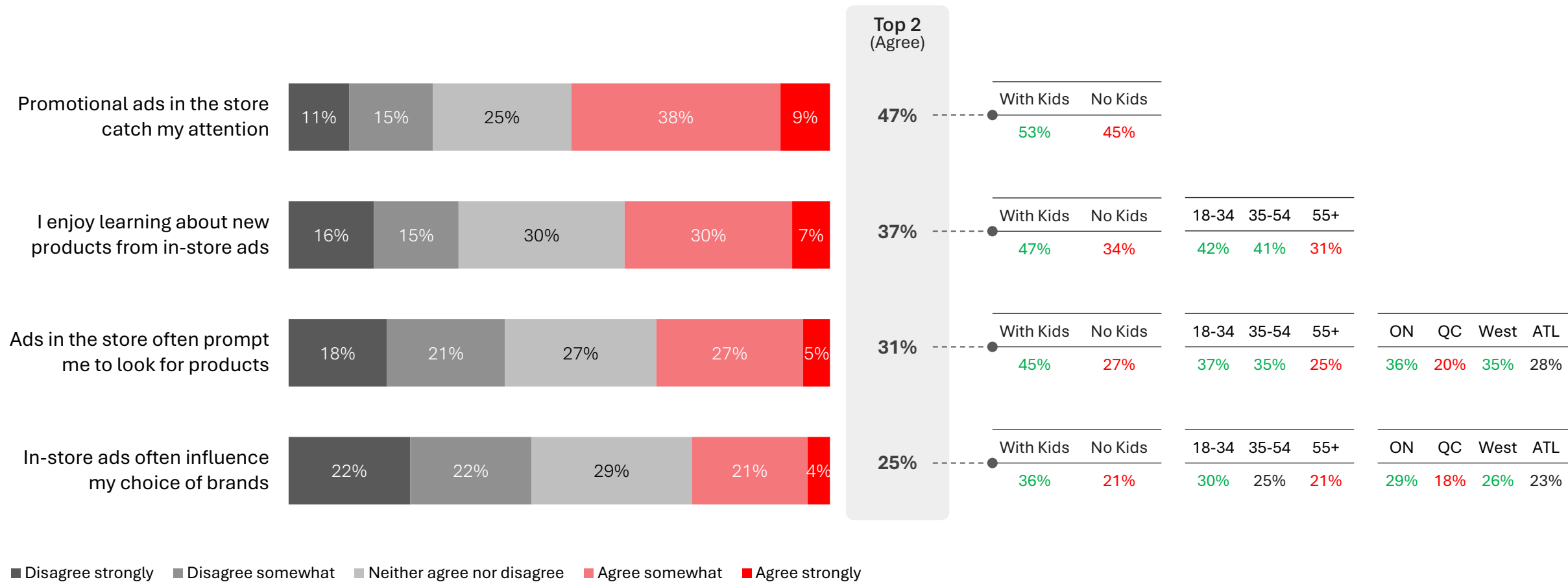
A large portion of shoppers (71%) never or rarely wear headphones, representing a **prime audience** for in-store audio messaging.



A3. How often do you wear headphones and listen to music or podcasts while shopping at grocery stores, supermarkets, department stores, drugstores/pharmacies, hardware stores?
Base: All respondents (n=2004)

Consumer Engagement with In-Store Advertisements

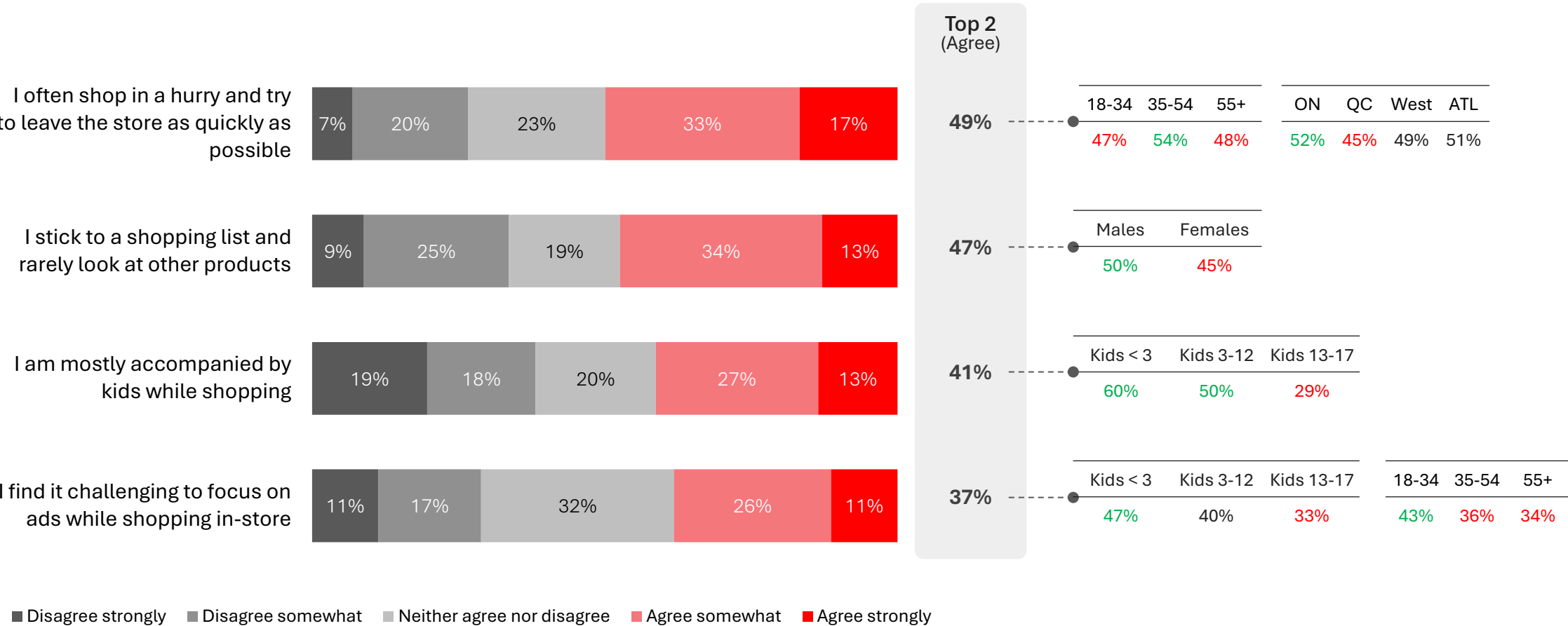
Promotional ads and product-focused messaging drive engagement in store, particularly among younger shoppers and households with children.



A4. Can you please rate how much does each of these statements describe your behaviour when shopping at grocery stores, supermarkets, department stores, drugstores/pharmacies, hardware stores.
Base: All respondents (n=2004)

Challenges Impacting In-Store Engagement

A good proportion of the shoppers are often in a hurry or distracted; engaging these time-constrained and distracted shoppers requires bold, concise messaging and targeted content. With nearly **half of consumers sticking to a shopping list**, ads that emphasize **promotions** or **special offers** to encourage impulse purchases are likely to do better.



A4. Can you please rate how much does each of these statements describe your behaviour when shopping at grocery stores, supermarkets, department stores, drugstores/pharmacies, hardware stores.
Base: All respondents (n=2004)



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