Maximizing Marketing Impact:

2024 Performance Insights & Strategic Investment Guide for 2025

Overview

2024 Performance Insights & Strategic Investment Guide for 2025

In today's fragmented marketing landscape, brands face intense pressure to prove ROI, build brand equity, and adapt to rapidly evolving channels. With an overwhelming array of channels, platforms, and competing priorities to navigate, marketers need clear direction. This report delivers the data-backed insights you need to make confident investment decisions in 2025.

Through rigorous analysis of consumer behavior, channel performance, and investment returns, we've uncovered critical trends across streaming video, social media, and retail media networks that will define marketing success in 2025. This report equips you with actionable, data-driven insights to navigate the seismic shifts reshaping marketing in 2024 and beyond.

We're putting these insights in your hands to help you confidently optimize marketing investments, demonstrate clear revenue impact, and build stronger brands in an era of constant change. This isn't just about understanding what's working today - it's about empowering you to shape a more effective marketing strategy for tomorrow.

These insights are powered by Keen's Marketing Elasticity Engine (MEE), which analyzed millions of data points across industries to uncover the patterns and opportunities within this report. By measuring the true relationship between marketing investments and business outcomes, Keen's MEE provides a foundation for understanding not just what's happening in marketing, but why – and what it means for your business.

Let's explore how these industry insights can be applied to your unique brand challenges, starting with the transformative trends reshaping marketing effectiveness.

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Chapter One:

Overall Investment and ROI Trends

2024 Data Recap

In 2024, across Keen's 350+ brands, our clients increased marketing investments +15% while achieving +4% on return on investment (ROI), validating their data-driven approach and focus on optimizing media spend. Key category performance varied significantly.

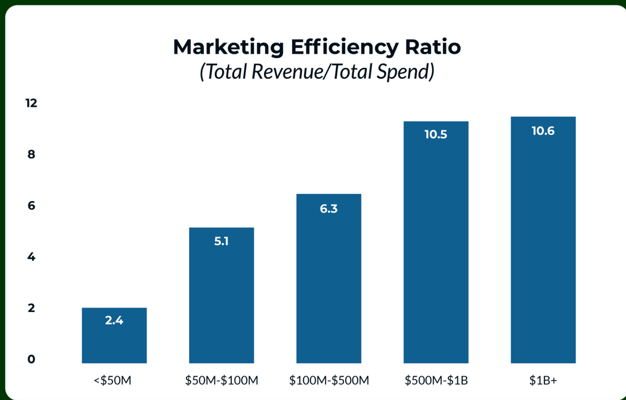
- **Media** saw +16% investment, +8% ROI growth
- **Trade** increased spend +12% but ROI declined -1%
- **Consumer Promotion** grew +23% with flat ROI

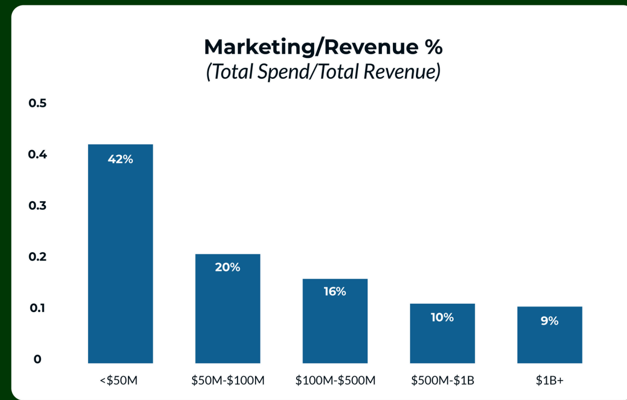
Our clients are shifting toward higher-performing media channels, achieving measurable improvements in ROI.

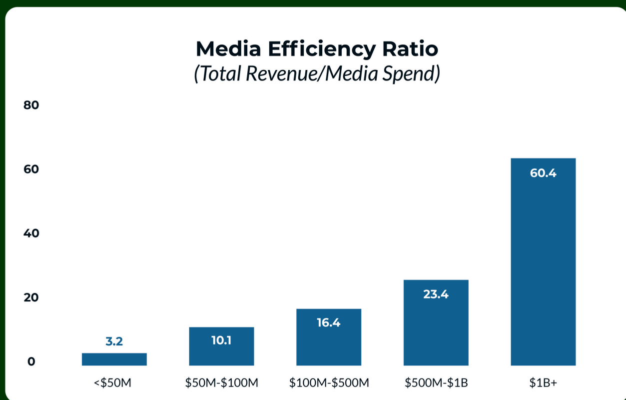
Marketing and Media Efficiency

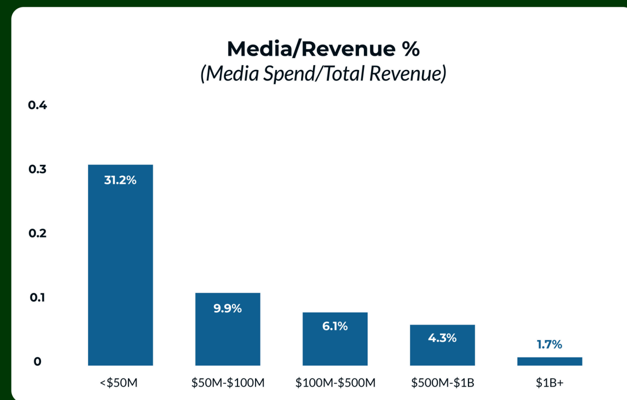
What is the optimal media mix between established and emerging channels?

The data reveals that as companies grow in revenue, they generally achieve better marketing efficiency ratios (Revenue/Total Spend), with larger companies ($500M+) seeing ratios above 10, compared to smaller companies' ratios between 2.4-5.1. This suggests economies of scale in marketing effectiveness.









The most striking insights for mid-market brands emerge when examining the media efficiency metrics:

- Mid-market companies ($100M-$500M) demonstrate a strong media efficiency ratio of 16.4, significantly better than smaller companies, suggesting they've found an optimal balance in their media spend relative to revenue.
- Companies in the $500M-$1B range show remarkably high media efficiency (23.4) while maintaining a moderate total marketing spend ratio (10% of revenue), indicating they've likely optimized their channel mix and targeting strategies.
- As companies grow, the data reveals opportunities to refine media spend and unlock greater efficiency (from 31.2% to 1.7%), suggesting that larger organizations have developed more efficient media strategies and likely benefit from stronger brand awareness.

Consider This:
Mid-market brands should target a marketing spend of 16% of revenue, but concentrate on reaching a media efficiency ratio of 16.4 or higher, as this appears to be the optimal balance point where companies begin to achieve significant scale efficiencies without overextending their resources.

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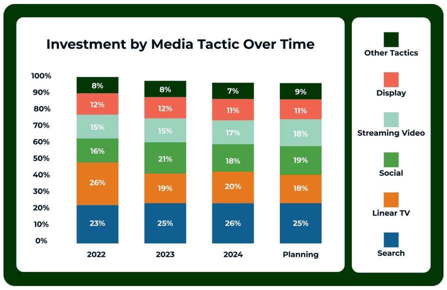
Chapter Two:

Unlocking Strategic Media Investments for Maximum ROI

How should I balance my media mix to maximize reach while managing the transition from traditional to digital channels?

In addition to balancing top and bottom funnel investments, many marketers are navigating the delicate balance between traditional and digital channels. We've identified how teams are navigating these challenges, reallocating budgets to connect with audiences more effectively.



2024 data findings include:

- Search is a powerhouse, commanding 26% of spend in 2024
- Linear TV, while decreasing, still holds a significant 20%
- Social and streaming combined now capture 35% of budgets
- Display remains a steady performer at 11%
- Alternative tactics represent new opportunities at 7-9%

Your future strategy should confidently embrace these key shifts:

1. Prioritize search to capitalize on its proven ability to deliver consistent returns and growth across industries
2. Make the gradual transition from linear TV (18% planned) to streaming (18% planned) - your audiences are already there
3. Keep social media investments strong at 19% - it's where conversations happen
4. Use display advertising as your consistent foundation
5. Confidently reserve 9% for emerging opportunities, empowering your team to innovate & stay ahead

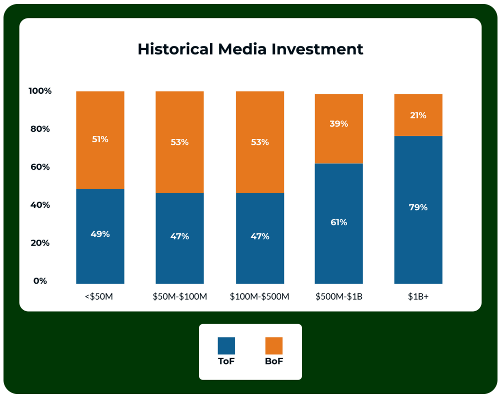
Consider This:
As you navigate these media investment shifts, remember that you're in control of the pace and scale of transition within your organization. While the data clearly shows where audiences are moving, your unique business goals and customer needs should ultimately guide your decisions. The growing 'Other' category is your sandbox for experimentation—discover distinctive advantages that could set you apart.

Chapter Three:

Top of Funnel vs. Bottom of Funnel Investment Analysis

What is the optimal balance between top-of-funnel and bottom-of-funnel investments for my company's size and growth stage?

We know balancing top and bottom funnel investments can feel like a tug-of-war—our data offers a clear path to optimize both. Many agencies and brands are navigating these decisions while trying to build both long-term brand value and drive immediate performance.



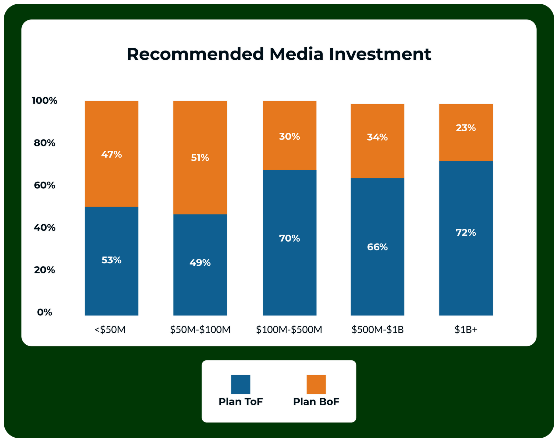
Keen’s data reveals three critical findings:

- Enterprise brands ($500M+ spend) are heavily investing in top-of-funnel, with 61-79% of budget allocated there, demonstrating strong commitment to brand building
- For mid-market brands, a balanced 47-53% funnel split ensures you're building long-term brand value while driving immediate sales results
- Future planning trends indicate a significant shift toward top-of-funnel across all segments, with mid-market brands planning to increase ToF allocation up to 70%

Consider This:
Because enterprise brands are seeing success with higher top-of-funnel investment, we recommend mid-market brands start by shifting 5% of your budget toward top-of-funnel activities and evaluate quarterly results to measure impact.

Ready to optimize your funnel investments?

Our team here at Keen is here to help — reach out today at info@keends.com or visit keends.com/demo to book a time.



Media Channel Investment Analysis

Chapter Four:

How are search and social media reshaping the digital investment landscape across different business sizes?

Our analysis of historical performance data reveals significant shifts in spending allocation, platform dominance, and channel effectiveness. These insights illuminate both established patterns and emerging trends that are reshaping the marketing landscape, providing a foundation for data-driven investment decisions in an increasingly complex media environment.

1. Search Dominance

Search ranks second in media investment behind Linear TV, with Google capturing 95% of SEM spend and outpacing both Cable and Network TV investments.

2. Social Media Growth

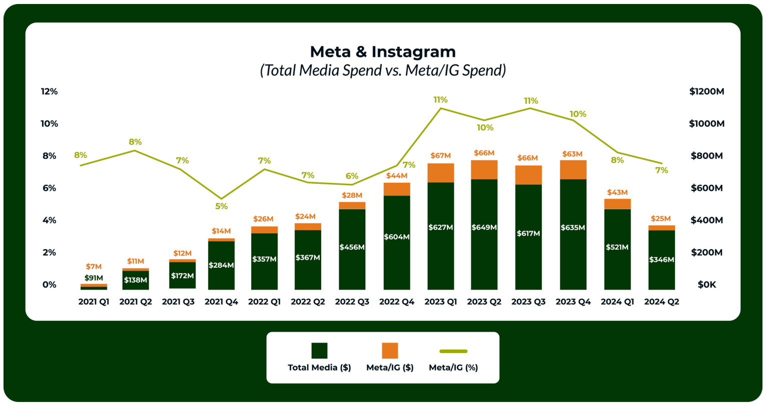
Social media emerged as the third-largest channel, with Meta investments growing at +23% and TikTok investment up over 100% year-over-year, though slight decreases in profitability as activity increases.

3. Social Platform Competition

While Meta maintains overall spend leadership, TikTok now surpasses Meta in specific brand/demographic segments.

4. Meta's Market Share

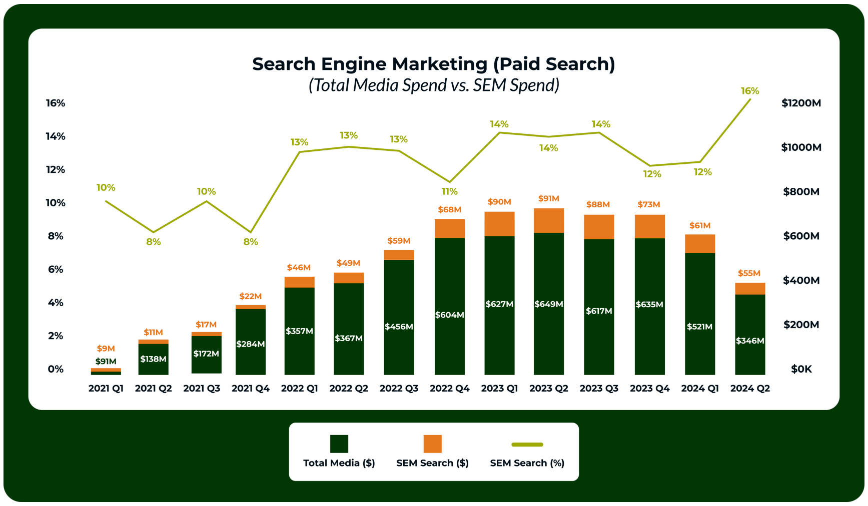
Meta's share of total media spend peaked at 11% in 2023 before settling at 8% in 2024, indicating market stabilization.



5. Google's Rising Influence

*Google Search's share of media spend has grown steadily—up from 8% in 2021 to 14% in 2023—illustrating its increasing ROI potential.**

**2024 data is skewed slightly more to digital due to 1H 2024 models not being updated at the time that this report was published.*



6. Business Size Impact

Smaller businesses thrive with focused search strategies, while larger organizations unlock more value by diversifying their channel mix.

Consider This:
Maintaining strong search capabilities while strategically diversify across social and traditional channels based on your business size and growth objectives.

The media investment landscape continues to be defined by both consistency and change, with search maintaining its position as a cornerstone channel while social platforms drive significant growth and evolution. For mid-market brands, these patterns suggest the importance of building marketing strategies that balance proven channels with emerging opportunities.

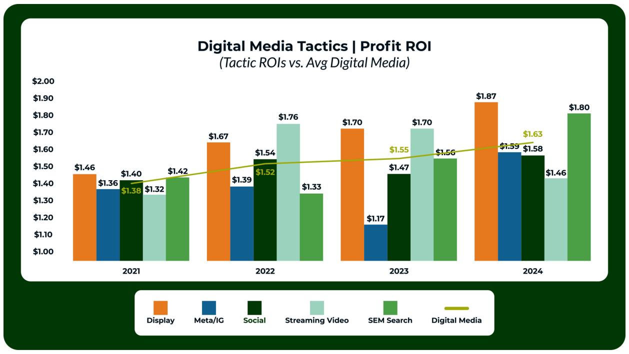
The increasing share of digital spend, particularly in search and social, indicates a continued shift in consumer behavior that brands must address while remaining mindful of channel-specific profitability metrics and the unique investment patterns that align with their growth stage.

Chapter Five:

Digital Media ROI Analysis

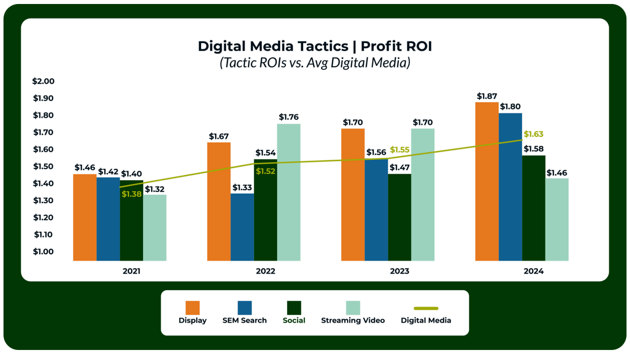
Which digital channels deliver the strongest return on investment for marketing dollars?

As digital marketing investments continue to evolve, understanding channel-specific ROI performance becomes increasingly crucial for optimizing marketing spend and maximizing returns. Our analysis of digital channel profitability across major platforms reveals distinct patterns that can inform strategic investment decisions for 2025, with particularly notable trends in search, social, and streaming media performance.



Meta ROI Performance:

- Historically underperformed Digital Media ROI benchmark
- 2023: ROI declined while other channels improved



Channel ROI Comparison:

- All digital channels show improved profitability
- Google Search leads ROI across digital media (except 2022)
- Streaming video investments surged by 23%, while social media spend grew by 30%, reinforcing their roles as key drivers of ROI

Google Search's return has consistently proven itself worth the investment!

These ROI patterns show Google Search's sustained leadership while highlighting opportunities in emerging channels.

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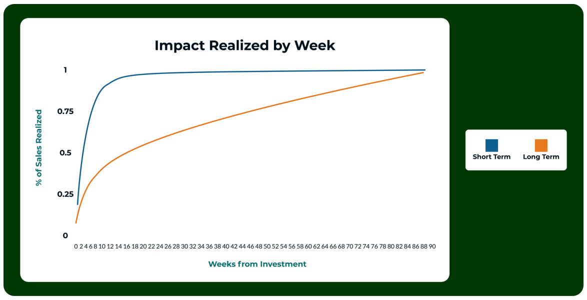
Chapter Six:

Decay Rate Analysis

How long should I maintain marketing investments to achieve optimal impact?

An analysis of short-term and long-term marketing investment decay rates reveal crucial insights about impact patterns. Think of marketing impact like a curve: quick gains peak early, but sustained efforts compound over time for enduring growth.



The short-term impact curve exhibits a steep ascent in the first 8-10 weeks, reaching approximately 80% of its maximum impact by week 12, followed by a gradual leveling off. This pattern suggests that immediate marketing effects are front-loaded, with diminishing marginal returns after the initial surge. However, the sustained plateau indicates that these gains, while quick to achieve, maintain their value over time.

In contrast, the long-term impact curve shows a more gradual but steady increase, starting at a much lower baseline (around 10% impact) and continuously building over time. The sustained upward trajectory of the long-term curve is particularly noteworthy as it demonstrates that persistent marketing efforts compound their effectiveness over time, even as short-term effects stabilize.

Have questions about decay rates or want to dive deeper into the insights shared in this report?
Our team here at Keen is here to help—reach out today at info@keends.com.

Keen's Analysis Shows:

- Short-term marketing impacts reach about 90% of their maximum potential within the first 12-15 weeks, suggesting a critical window for capturing immediate returns on marketing investments
- Long-term effects show no signs of plateauing until around week 75-80, indicating the importance of sustained marketing efforts for building lasting brand value
- The convergence point of both curves around week 90 suggests that comprehensive marketing strategies should plan for at least an 18-month horizon to capture full potential value
- The stark difference in early-stage impact (weeks 1-20) between short and long-term effects highlights the need for balanced marketing portfolios that can deliver both immediate results and sustained growth

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Chapter Seven:

Media Channel Performance

Where should marketers reallocate their budgets given the shifting ROI and costs across digital channels in 2025?

The rapidly evolving digital marketing landscape continues to present both opportunities and challenges for brands seeking to optimize their marketing investments. Drawing from comprehensive performance data across industries and platforms between 2021-2024, this analysis reveals significant shifts in channel effectiveness, costs, and return on investment.

As traditional media channels maintain relevance while adapting to changing consumer behaviors, emerging platforms like Retail Media Networks and Social Media are reshaping the marketing ecosystem. Understanding these trends is crucial for brands looking to make informed decisions about their marketing mix and investment strategies. Our analysis shows that success increasingly depends not just on where marketing dollars are spent, but on how strategically they are allocated across an expanding array of channels and platforms.

Streaming Video (Over-The-Top (OTT)/ Connected TV (CTV) vs. Online Video (OLV))

Brands are embracing streaming platforms for their stronger returns, signaling a clear shift from traditional TV. In 2024, TV spend remained flat but showed improved ROI as brands focus on execution quality over reach. However, Direct Response TV (DRTV) and syndicated content saw declining investments. In the video category, investments surged +23% with +5% ROI growth with OTT and CTV leading the category, despite YouTube and OLV's faster growth.

- **OTT/CTV:** Led all video platforms in ROI performance, proving their dominance in driving profitable engagement
- **YouTube:** Growing rapidly, becoming essential to video strategy
- **OLV:** Steady growth across premium, programmatic and retail media

✓ **Our data confirms that strategic allocation across these channels drives profit and ROI growth.**

Social Media

Social media investment grew 30% year-over-year, led by:

- **TikTok:**+136% year-over-year growth but <50% of Meta's budget
- **Influencer Marketing:** Strong growth in authentic content
- **Twitter/X:** -43% decline in spend and activity

Overall, social media CPMs have dropped since 2021, making platforms like TikTok and Meta more cost-effective options for reaching your audience. In 2024, the trends were:

- **TikTok:** 50% cheaper than Meta
- **Meta:** Flat in 2024 after 2023 increases hurt performance
- **Pinterest:** 2 times the average CPM cost
- **Twitter/X:** Lowest CPM but declining spend
- **Snapchat:** Now cheapest among major platforms

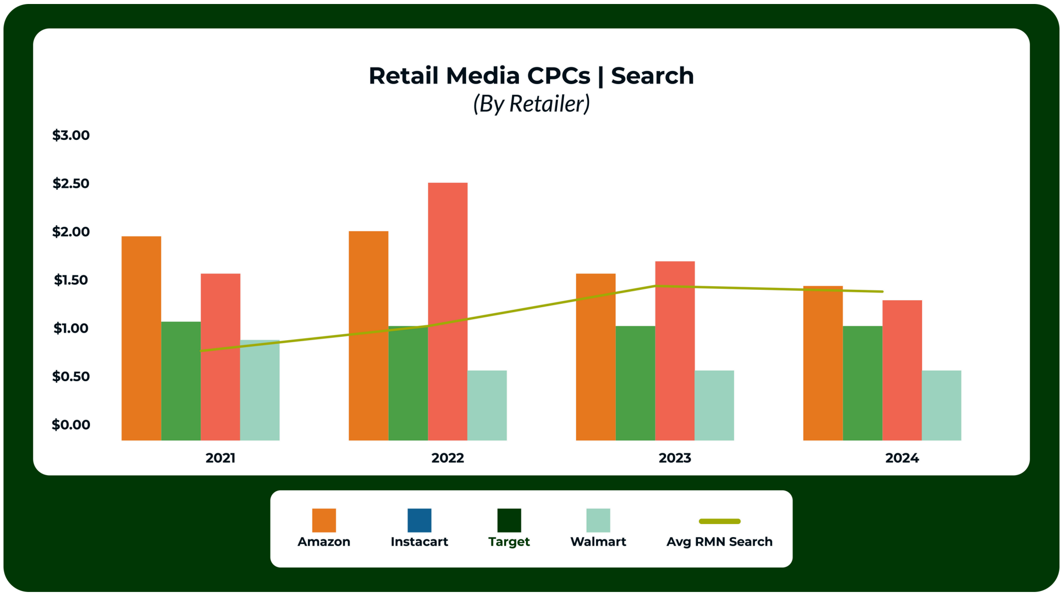
Higher CPMs can drive short-term ad spend increases but risk long-term profitability if ROI doesn't justify the costs.

Rising CPMs may boost short-term ad spend but risk long-term profitability. Social media costs trend opposite to retail media, with ad inventory becoming less expensive year-over-year.

Retail Media

Cost-per-clicks (CPCs) decreased slightly while CPMs rose significantly in 2024.
See our platform cost comparison below:

- **Amazon:** Highest costs across Search and Display
- **Target:** Premium Search CPCs, Display CPMs at 50% of average
- **Walmart:** Lower Search CPCs but among highest Display CPMs since network launch



Paid Search

Search Engine Marketing (SEM), including Google and Bing, and Retail Media (RMN) CPCs increased year-over-year since 2021. The Keen Platform’s key insights for Paid Search include:

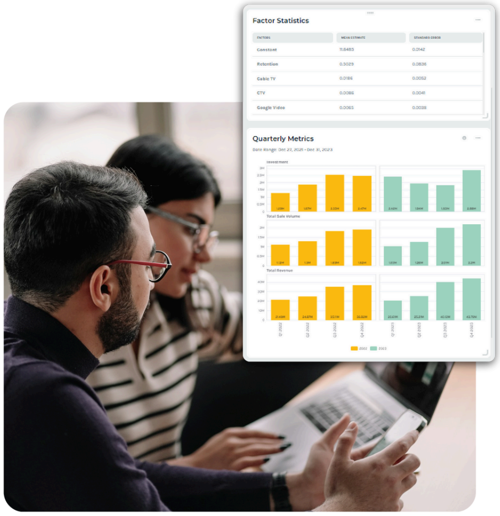
- **Overall:** RMN CPCs decreased first time in 2024; SEM continues to be more volatile
- **Q4 2022:** Both saw aggressive CPC increases
- **2024:** RMN stayed high while SEM declined to previous levels
- **Retailer Performance:**
    - ***Amazon & Target:*** *Consistently highest CPCs*
    - ***Target:*** *Peaked 2022, hit record lows 2024*
    - ***Amazon:*** *Modest 2022 increase, lowest CPCs in recent quarters*
    - ***Walmart:*** *Maintains lowest CPCs*

Google Search remains the dominant paid search platform by spend.

Display

Display CPMs increased significantly from 2021 through 2024. Additional insights include:

- **Overall:** +50% increase
- **Retail Media:** +54% growth
- **Programmatic:** Rose in 2023 but remained steady in 2024
- **Retailer Performance:**
    - ***Amazon:*** *CPM growth slowing (2022: +27%, 2023: +15%, 2024: +8%)*
    - ***Walmart:*** *Closed gap with Amazon (-66% to -8% CPM differential)*
    - ***Target/Instacart/Kroger:*** *Maintained lower, stable CPMs*



As we look ahead to 2025, the data presents a clear picture of a marketing ecosystem in dynamic transition. Video consumption continues its shift toward streaming platforms, with OTT/CTV delivering superior ROI while traditional TV maintains relevance through improved execution quality.

Social media's evolution is marked by TikTok's dramatic growth and efficiency, though Meta's established reach keeps it central to most strategies. The retail media landscape shows signs of maturation with moderating CPCs, while platforms like Amazon and Target demonstrate the value of premium positioning despite higher costs.

For mid-market brands, these trends suggest the importance of a balanced, multi-channel approach that prioritizes both proven channels and emerging opportunities. Success in this environment requires careful attention to both efficiency metrics and scale potential, with particular focus on channels showing strong ROI growth potential at current investment levels.

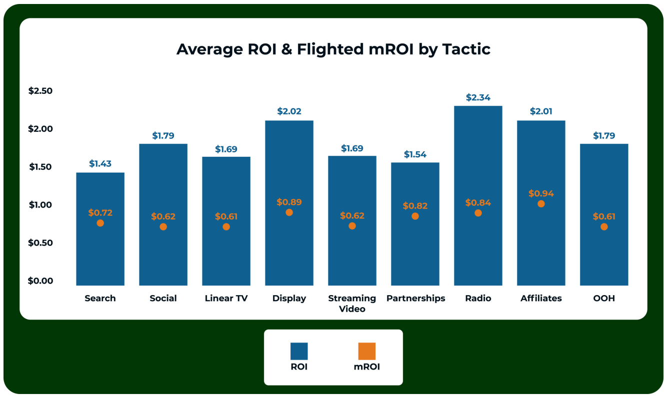
Chapter Eight:

Marketing's Return on Investment

How effectively are various marketing channels converting spend into actual business returns?

Proving marketing's impact is essential—and achievable—for brands of all sizes. We shared how brands are spending their budgets, now let's discuss the returns they are seeing from the media investments that were made.

Our analysis reveals compelling insights about marketing channel effectiveness and return on investment across various tactics. The data demonstrates significant variation in profitability and efficiency across channels, with some traditional channels showing surprisingly strong performance alongside digital tactics.



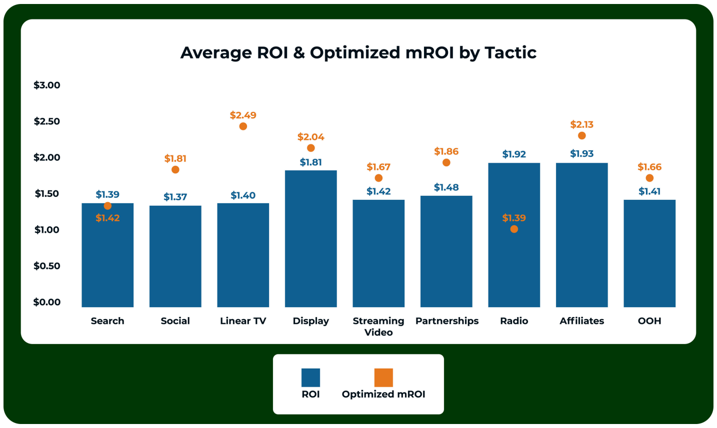
The analysis includes a comparison of average ROI and flighted mROI by tactic. It is important to look at both of these metrics because while ROI measures the total return on marketing spend across all investment levels, mROI specifically focuses on the incremental return generated from additional spending, offering a more nuanced view of marketing efficiency at different spending thresholds. ROI tells you how effective your marketing dollars are overall, while mROI reveals what you'll get back from the next dollar spent.

The most notable findings from this analysis include:

- Search consistently leads with strong returns, delivering $1.43 in ROI for every dollar spent, making it a cornerstone of successful strategies, and justifying its position as the highest investment channel ($1.27B) - though the gap between ROI and mROI indicates diminishing returns at scale
- Traditional channels like Linear TV and Print maintain respectable ROI ($1.83 and $2.20 respectively), challenging the assumption that digital channels always outperform traditional media
- Display advertising shows strong ROI ($2.02) but lower mROI ($0.83), indicating it works well within current investment levels but may face efficiency challenges with additional scaling

At Keen, we recommend a balanced portfolio approach to help you achieve both immediate results and sustained growth, leveraging high-efficiency channels like Email and Print while maintaining presence in scaled channels like Search and Social. The significant gap between ROI and mROI across most channels indicates the importance of finding optimal investment levels rather than simply maximizing spend in high-ROI channels. This analysis also highlights the continued relevance of traditional media within a modern marketing mix, provided investment levels are strategically aligned with channel efficiency metrics.

Consider This:
Audit your current channel mix's ROI and mROI and identify where you might be overinvested in digital channels showing diminishing returns. Test shifting some budget to high-ROI traditional channels and monitor both overall ROI and mROI to find the optimal investment level for each channel.



In our final analysis, we examine average ROI and optimized mROI by tactic, uncovering a 20% ROI improvement potential through timing optimization.

Digital channels like Search, Social, and Display lead in performance ($1.66-$1.81 ROI), with optimization opportunities pushing them to $2.00+ ROI. Traditional media channels provide consistent returns, making them valuable for awareness-building in a balanced strategy.

To help marketers act on these findings, three key steps stand out:

- **Prioritize Display Optimization:** Focus on Display advertising first, which offers the highest improvement potential (from $1.81 to $2.04), followed by Search and Social for immediate ROI gains
- **Develop a Timing-Driven Calendar:** Create an integrated marketing calendar that aligns optimal timing across channels with a robust measurement framework to track and justify investments
- **Implement a Phased Optimization Plan:** Start with pilot programs in high-potential channels, expand systematically across your marketing mix, and document best practices for continuous improvement

Consider This:
Expand your measurement framework beyond basic ROI metrics to include timing effectiveness indicators—track performance by day of the week, seasonal trends, and other timing patterns. Leverage these insights to build a dynamic optimization model that adjusts spend and timing in real-time based on historical performance.

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Chapter Nine:

Looking Ahead: Data-Driven Marketing Success in 2025

As we conclude this comprehensive analysis of marketing performance and trends, several clear directives emerge for mid-market companies planning their 2025 strategies. The data reveals a marketing landscape that rewards both strategic evolution and measured stability, where success depends on balancing established channels with emerging opportunities.

Our analysis demonstrates that effective marketing investment in 2025 will require:

- A thoughtful approach to digital transformation, with data supporting a gradual shift from traditional to digital channels while maintaining proven performers like Linear TV where ROI justifies continued investment
- Strategic allocation between top and bottom funnel activities, with evidence suggesting mid-market brands should consider increasing top-of-funnel investment to 70%, following the successful pattern of enterprise companies
- Careful attention to channel-specific ROI and mROI metrics, which reveal opportunities for optimization in areas like email marketing and display advertising, while highlighting the continued importance of search as a cornerstone channel
- Recognition of emerging platform dynamics, particularly in social media where TikTok's growth and efficiency metrics suggest increased opportunity, while maintaining strategic investment in established platforms like Meta

The strongest mid-market brands are winning with a balanced, multi-channel approach—your opportunity to join them starts now, while remaining agile enough to capitalize on emerging opportunities. As you develop your 2025 marketing plans, let these insights guide your decisions while keeping your unique business objectives and customer needs at the forefront of your strategy.

This analysis reflects real-world performance data from across the Keen Platform, providing a reliable foundation for confident marketing investment decisions in the year ahead. The key to success will be finding the right balance between proven strategies and innovative approaches that align with your specific growth goals and market position.