Where Does the Next Dollar Come From?

A measurement-first look at Retail Media: where the dollar comes from, where it goes, and whether it pays back.

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Keen Decision Systems

The unified system for measurement, planning, and forecasting.

Measure

The incremental impact of 100% of working media dollars by channel on revenue and profit in your short term and long terms.

Plan

The optimized investment and flighting strategies across current and considered channels, given potential future scenarios.

Forecast

The outcomes of full funnel marketing on your P&L within a 4% margin of error.

Reconcile

With accountability, bridging the forecast, execution, and the environment.

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Following the Retail Media Dollar

We follow it twice: back to its source, then forward to the returns

01

Where the dollar comes from

The source of the growth: net-new budget or reallocation?

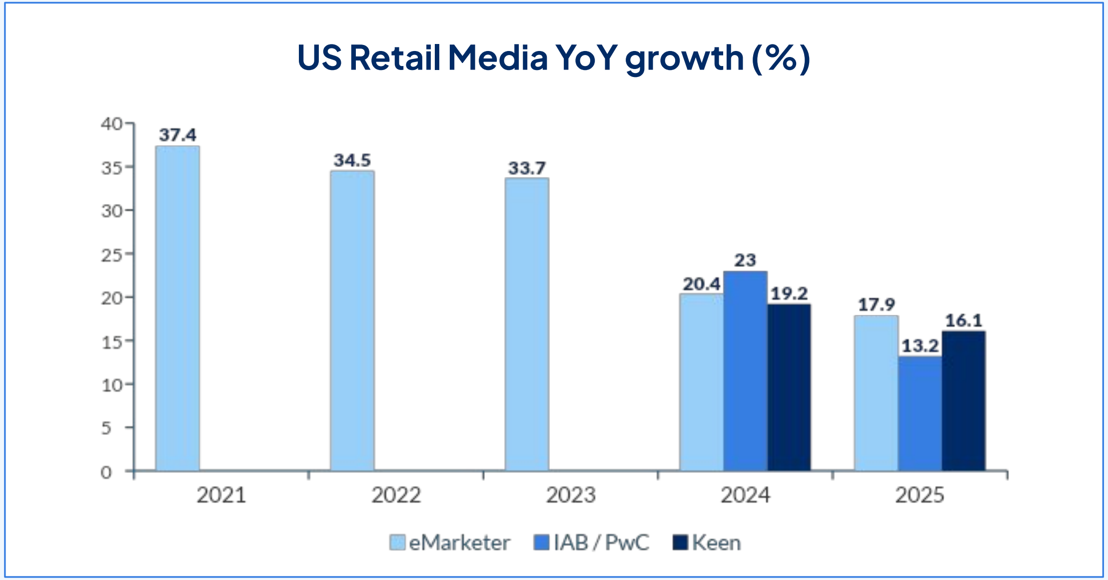
02

Where it goes, and whether it pays back

Returns, mix, and the next dollar.

Retail Media has Grown Sharply & Consistently

Industry research and Keen data line up. Two-year consensus inside a few points.



What the market is saying

Two years of consensus:
Independent forecasters size US growth within a few points of each other, in both 2024 and 2025.

Not slowing yet:
eMarketer projects a 17.2% CAGR through 2028, well above the rest of advertising.

Surpassing TV:
GroupM's 2025 global forecast of $176.9B passes total TV, including streaming.

Industry: eMarketer, IAB / PwC, GroupM. Keen: US-geography brands, latest 52 weeks vs prior 52 weeks.

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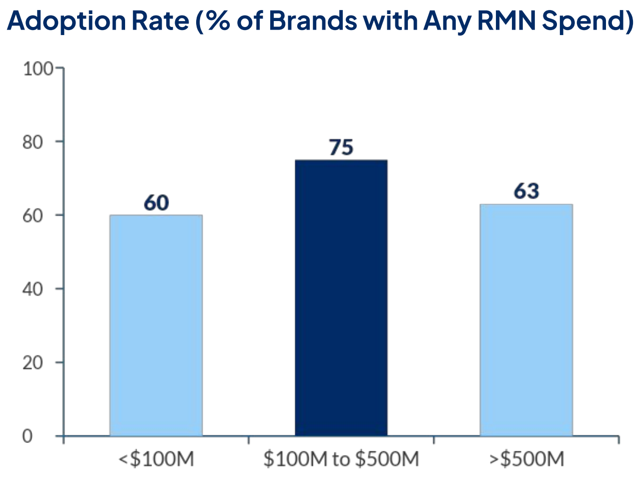
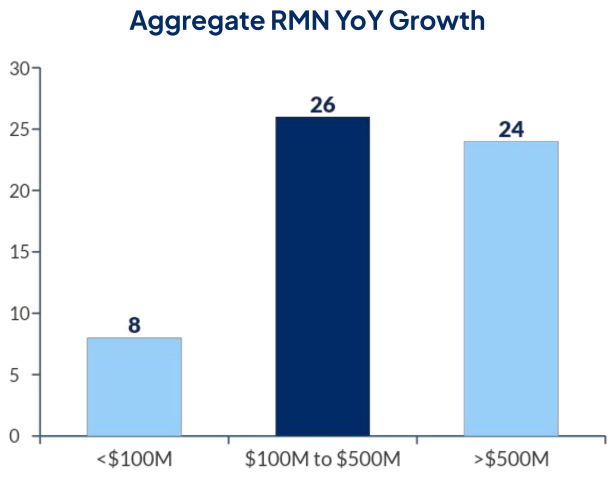
Mid-Tier is Where the Action Is

Smaller brands are under-penetrated. Large brands have plateaued. Mid tier is leaning in





Mid-tier brands have enough budget to commit and haven't yet capped out.

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Where the Dollar Comes From

We analyzed 182 brands for correlations in their spending and reinvestment rates by investment type.

Not from trade or promo

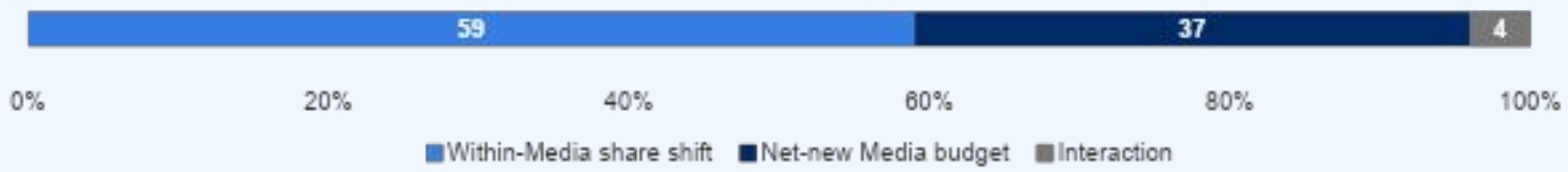
Brand-level correlations of RMN change with each tactic are all positive. Cannibalization would show negative.

Non-RMN Media	+0.28
Trade	+0.27
Consumer Promo	+0.19

It's a media story

RMN growth comes from: Bigger total Media budget (net-new) + Larger RMN share of that budget (within-Media shift)

RMN's share of Media rose from 25.9% to 29.0% in one year.



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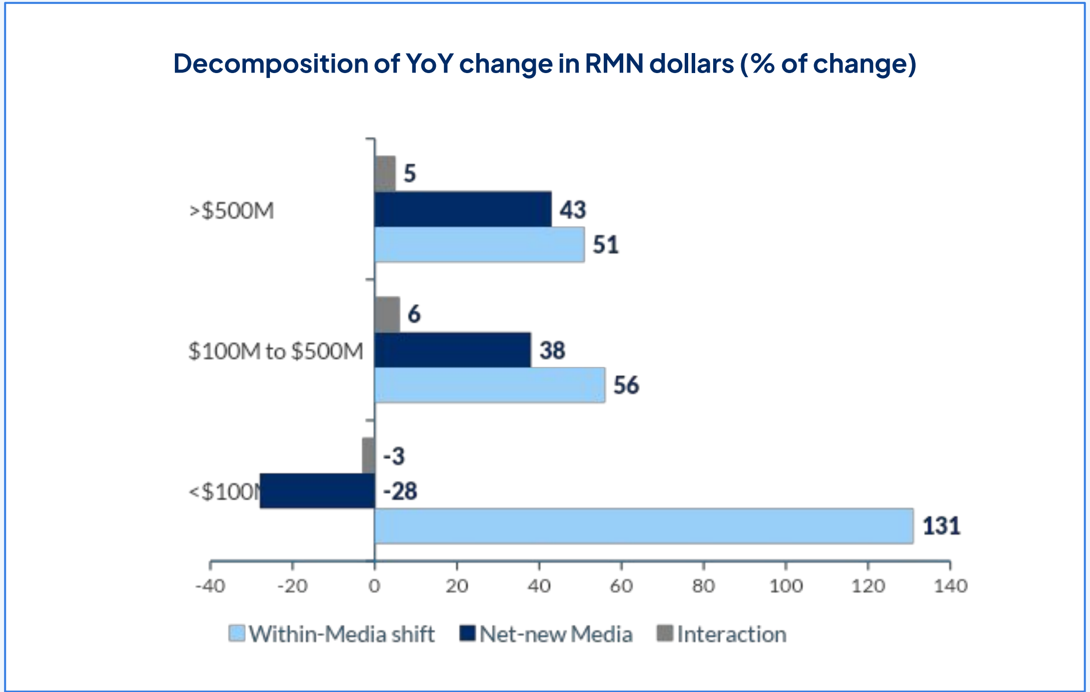
Small Brands Cannibalize Media to fund RMN

For small brands, RMN takes share inside a shrinking Media pie rather than adding net-new budget.



Three Stories Emerge

Small: Media-to-Revenue is shrinking. RMN's share gain came against a smaller pie.

Mid-tier: Balanced 40/60 between net-new Media and reallocation.

Large: Similar balance, slightly tilted toward net-new (43%).

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02

Where It Goes, and Whether It Pays Back

We know where it came from. Whether the next dollar pays back is the harder question.

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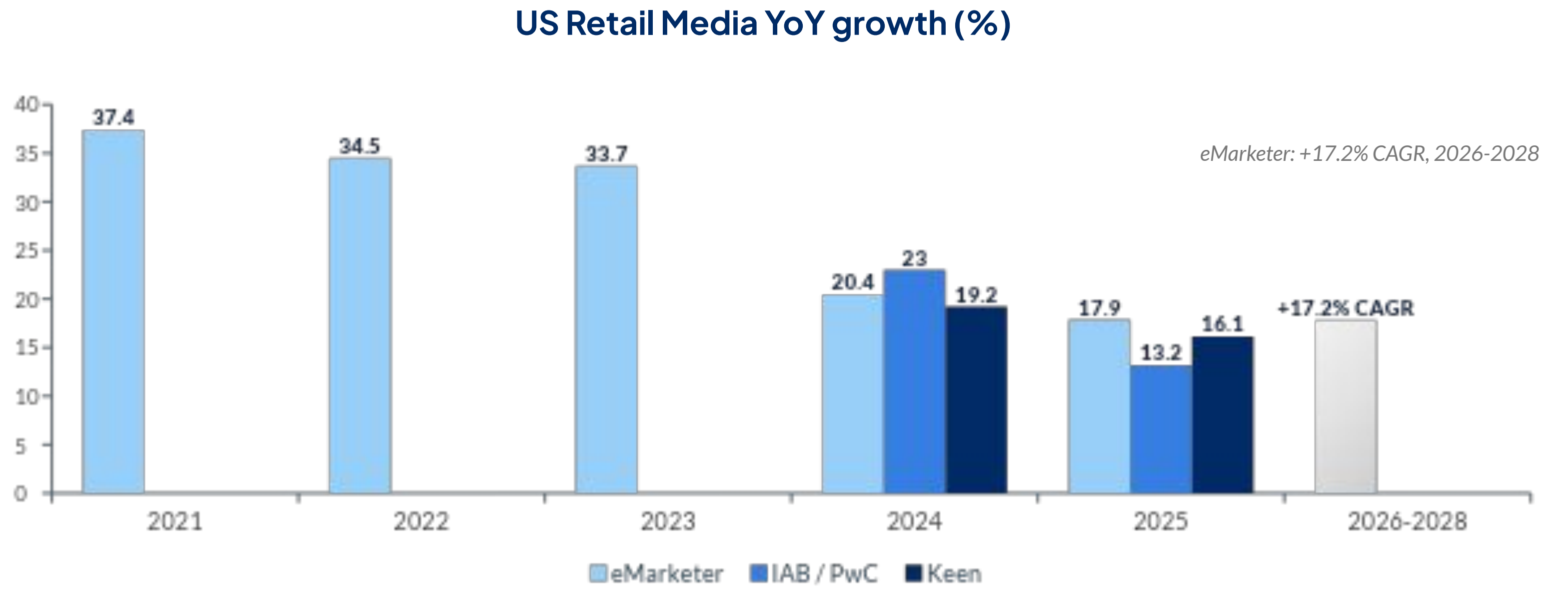
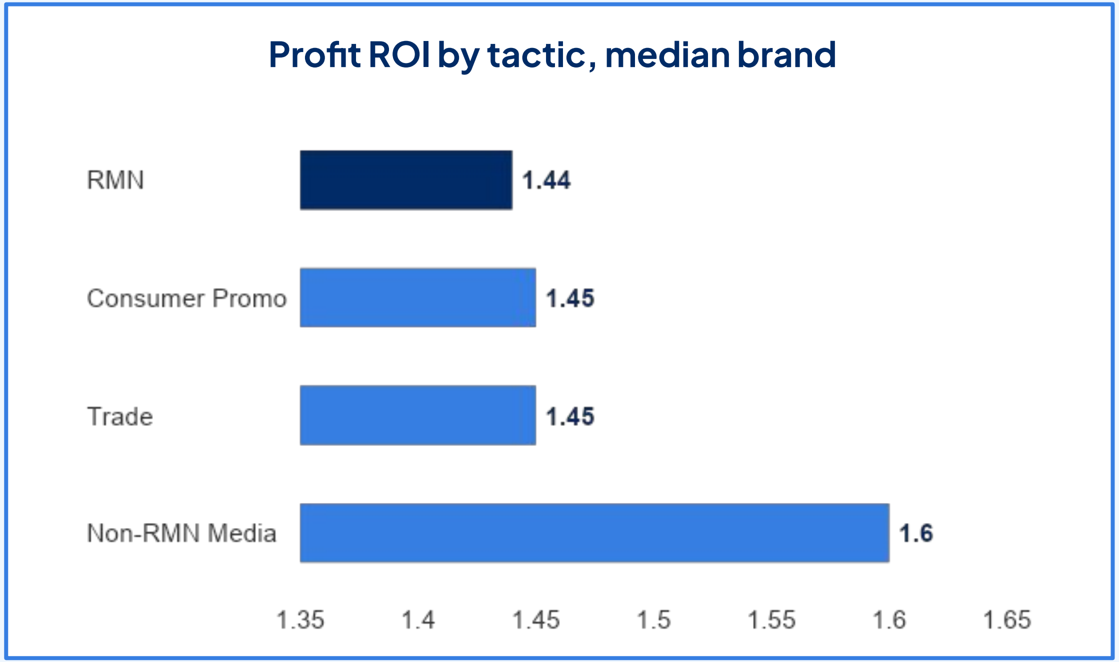
The Market Expects Continued Growth

eMarketer projects +17.2% CAGR through 2028. But should we believe it?



Could Performance Be a Headwind?

Looking backward, RMN pays back below the alternatives. And brands are still rushing in.



Brands moving hardest into RMN are moving into lower returns

Among the top quartile of RMN growers, only about **1 in 4** earn more on RMN than on the Non-RMN Media they were already running.

The good news: *this is a mix problem. And mix is fixable.*

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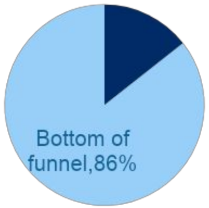
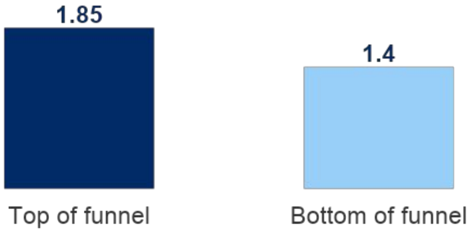
Follow The Money: The Funnel

Most RMN sits at the bottom of the funnel. The returns are at the top, and climbing.

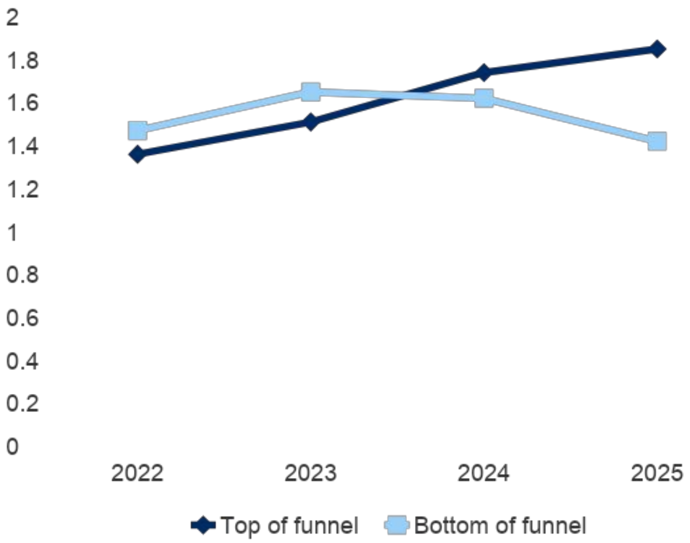
Share of RMN dollars



RMN Profit ROI

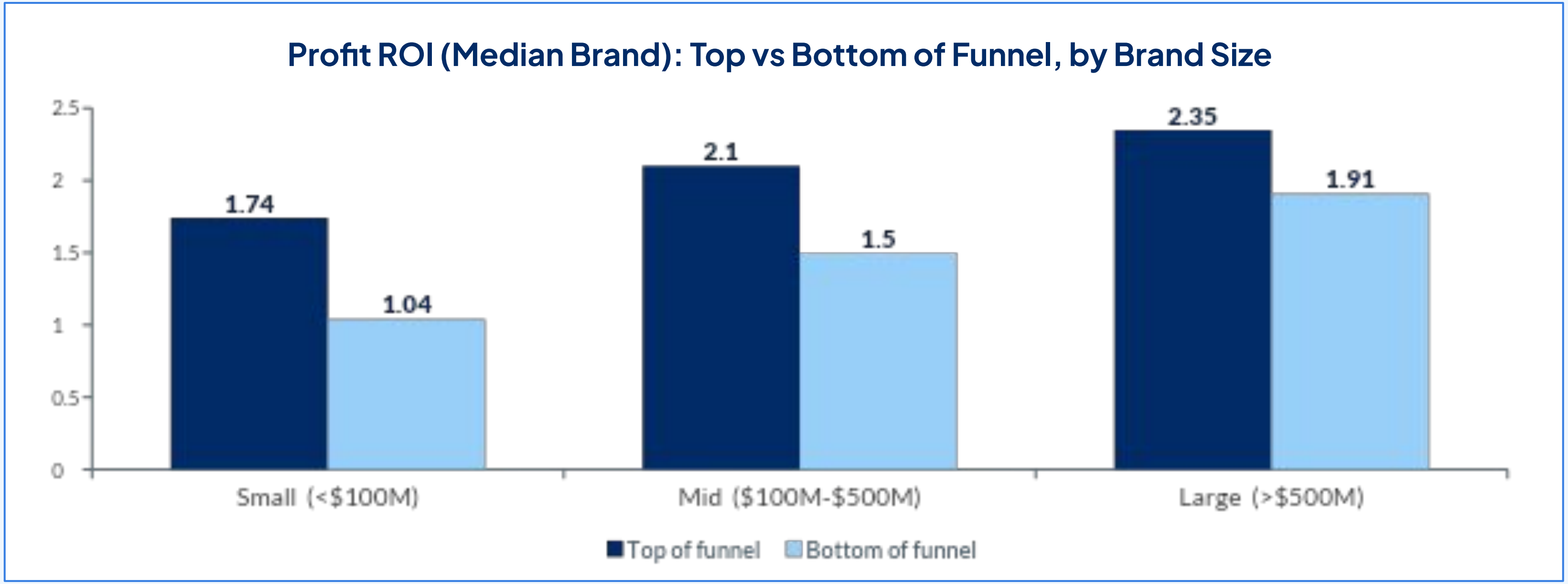


Profit ROI Trend by Funnel Position



Top of funnel wins at every brand size

The payback gap is widest for small brands, exactly where TOF is most under-invested.



Small brands have a +67% TOF-to-BOF gap. They also weight TOF the least.

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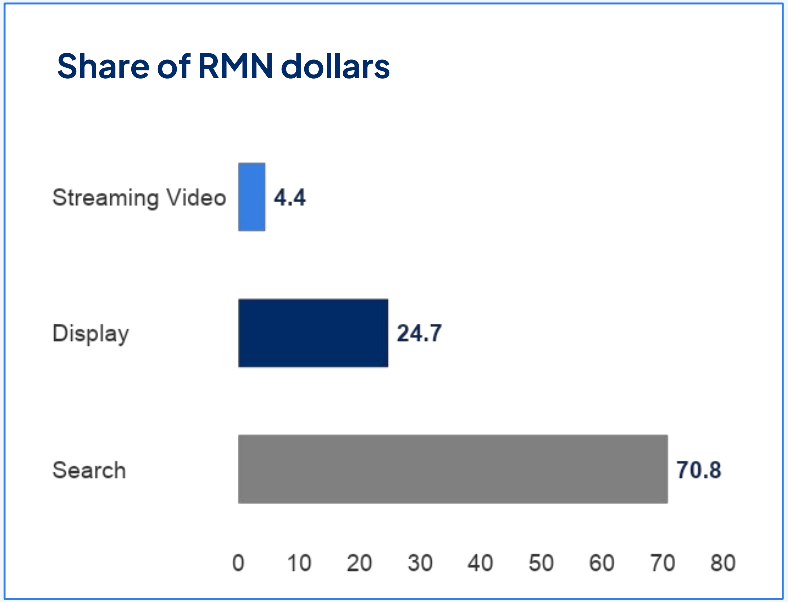
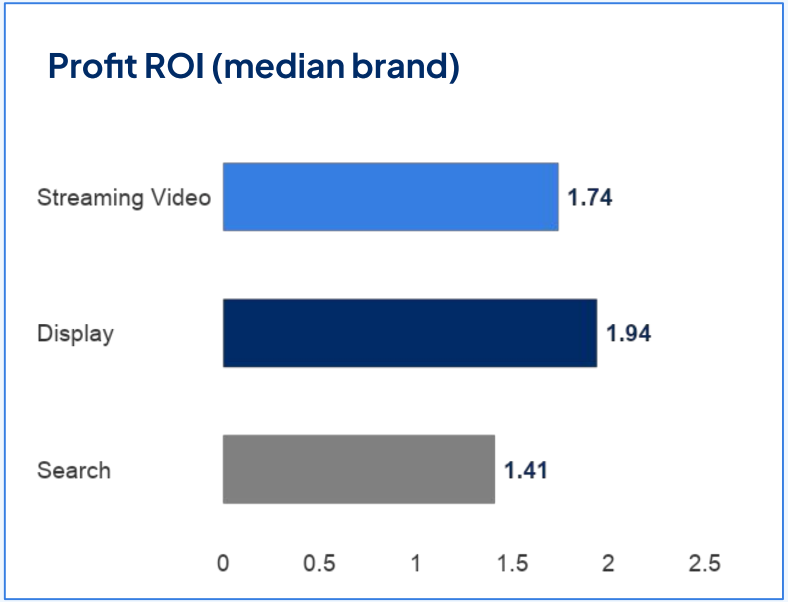
Follow The Money: Ad Format

Search dominates the spend. Display and Streaming Video pay back more.





71% of RMN dollars go to Search, but Display returns ~40% more per dollar, and is growing faster.

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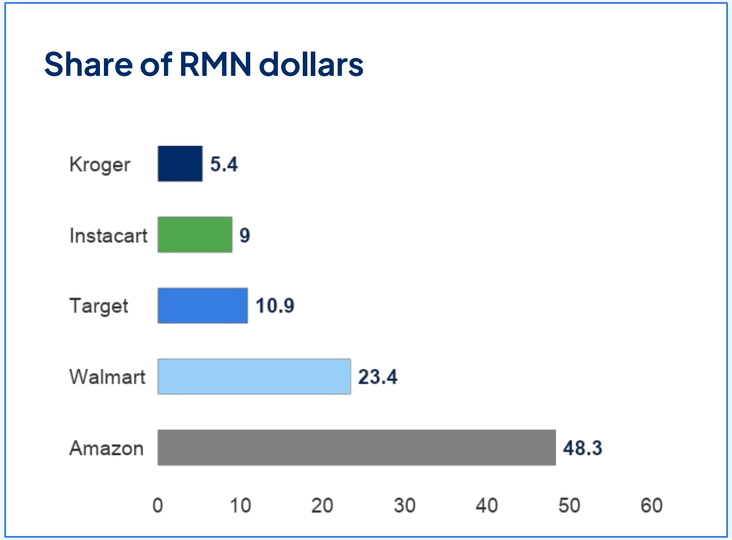
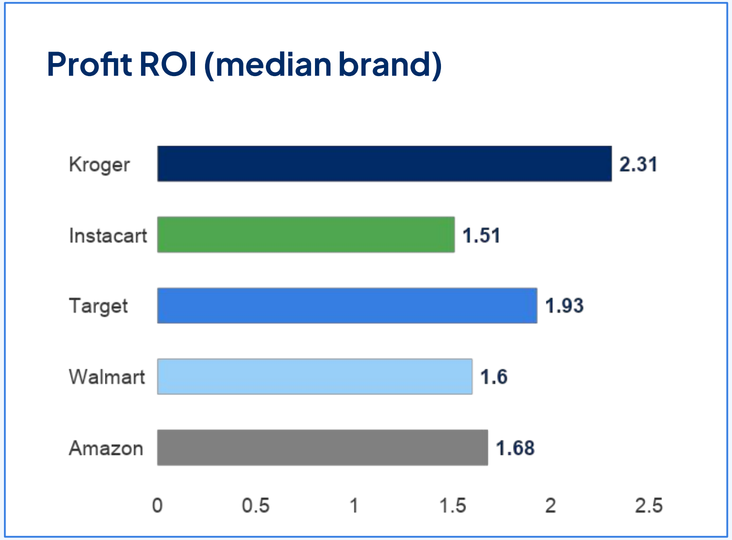
Follow The Money: The Retailer

Amazon takes half the dollars. Kroger and Target pay back the most.





Small brands send 71% of RMN to Amazon, yet Amazon (1.2×) is their lowest-paying retailer. Target and Kroger pay back more.

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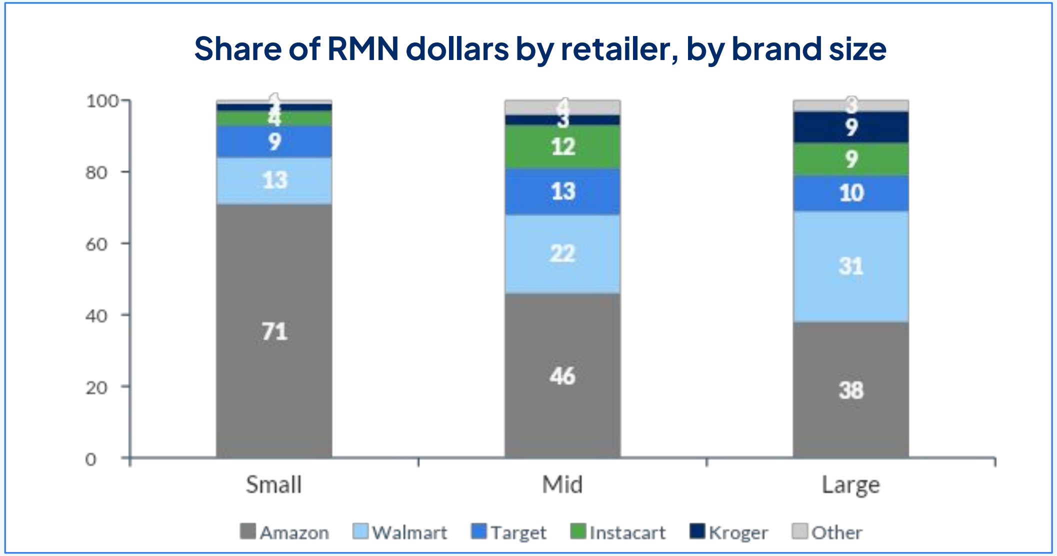
Retailer mix diverges sharply by brand size

Small brands concentrate on Amazon. Large brands run a multi-retailer portfolio.



Three Retailer Playbooks

Small: 71% Amazon. Single-retailer dependency by default.

Mid-tier: 46% Amazon, with meaningful Walmart, Target, Instacart.

Large: Only 38% Amazon. Walmart 31%, Kroger 9%. A true portfolio.

Small brands send the most dollars to the retailer that pays them back the least.

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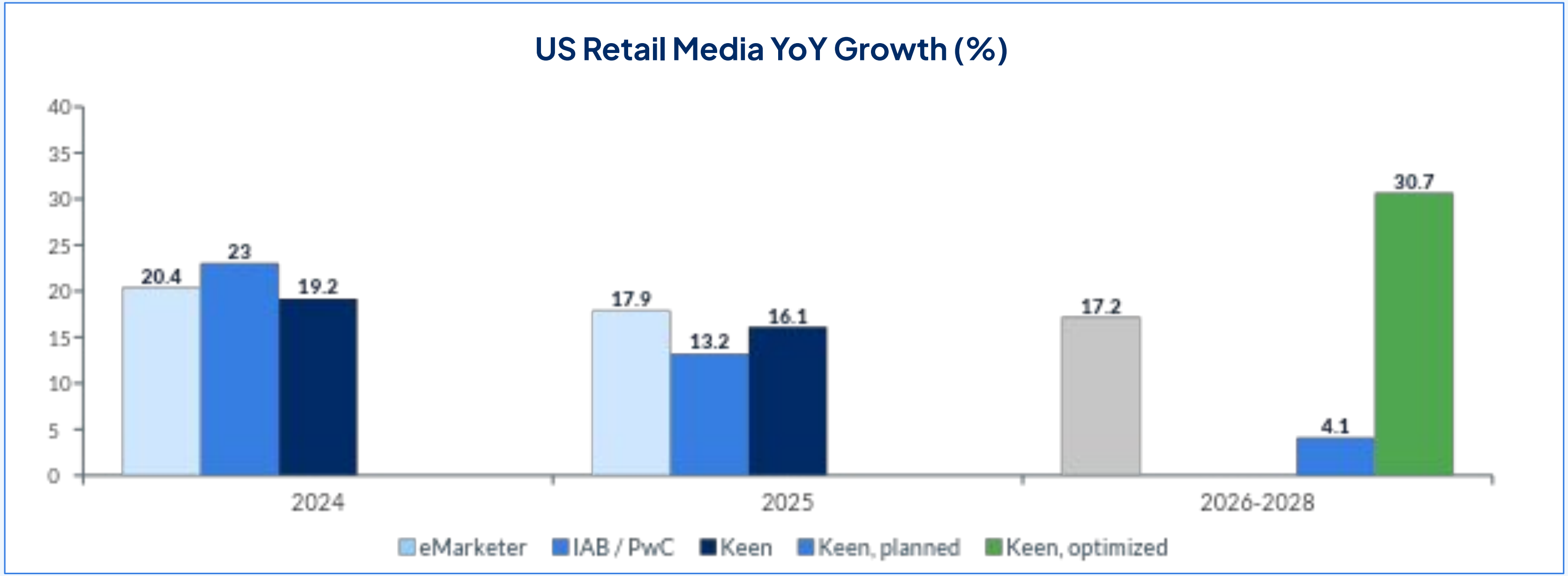
Planned vs optimized: a wide gap

Brands plan modest growth. Optimized allocation could deliver several multiples of that.



Keen's optimizations indicate room to scale spend profitably, but brand intentions reflect smaller growth.

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The next dollar will come: here's how to earn it

Brands keep investing for qualitative reasons. The quantitative case can be made through optimized execution.

Qualitative reasons brands invest in RMN

Retailer relationships: Joint business plans, share-of-shelf, line reviews.

Retail leverage: First-look on inventory, planogram, in-aisle presence.

First-party data: Closed-loop measurement, audience signal, attribution.

Strategic imperative: Table-stakes pressure to have an RMN strategy.

Quantitative reasons: improved execution + better strategies

More top-of-funnel RMN inventory: TOF out-earns BOF in every size band. Gap is widening.

Diversify beyond Amazon: Target, Kroger, and Walmart pay back more for most brands.

Lean into Display and Streaming Video: Both pay more per dollar than Search and grow faster.

Match the play to your size: The mix problem is biggest for small brands. Start there.

Thank You!