The Big Shift

Redefining ROI with Return on Consumer

2025

Since the beginning of marketing brands have pursued a single equation:

Return on investment.

It sounds simple: match the right products with the right consumers using the least investment needed to meet topline, share, and profit targets. Take incremental sales growth, divide by investment, and achieve ROI. In reality, the road to ROI is complex and includes many twists, turns, and potential dead ends. Tracking spend is easy, figuring out how much value customers create post-advertising is where it gets tricky.

In the consumer goods space, DTC was a first step toward getting closer to the consumer—offering a direct relationship with the consumer that brands hadn't seen before when partnering with a retailer.

Retailers historically owned the relationship with the consumer—but DTC lacks scale and is not an existential position, but a class of trade. Retail media changed marketing in that it allowed consumer brands to reach and measure deterministically. For the first time, brands no longer had to assume their investments led to purchases.

They knew how much they sold and which products, using closed-loop measurement with retailer data. They could take ad-attributed sales, divide by media spend, and ROAS was born.

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Brands praised ROAS, but it quickly revealed its flaws as a proxy for ROI—specifically around incrementality and long-term value. ROAS showed which products were most effective to advertise for immediate conversion, but did not identify which consumers would build long-term relationships with the brand or who already showed loyalty.

In their first-party data ecosystems, retailers can directly match specific consumers to specific purchases/products over time. This is SKU (purchase data) + Consumer ID (behavioral insights). When perfect identity fidelity meets purchase behavior, brands move from probabilistic to deterministic certainty of marketing efforts. Until recently, brands were not able to connect these atomic particles of commerce within these retailer ecosystems.

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> "

Amazon Marketing Cloud is the first advertiser clean room that allows brands to connect five years of SKU-level purchase insights to Customer ID (CID) in a privacy-safe way. This unlocks user-level behavioral insights that connect marketing efforts directly to consumer actions, including sales. Brands are now trading on CIDs because of the value Amazon has created.

While this may seem like another measurement advancement, it represents a significant shift. Brands can use SKU+CID to maximize the value of existing CIDs and explore how to acquire new CIDs efficiently. This approach allows brands to measure and optimize for consumer long-term value, balanced with acquisition efforts and costs, to achieve return on consumer (ROC).

CONSIDER AMAZON'S IDENTITY FIDELITY:

Consumers ensure their data stays accurate because they want their packages delivered correctly and their receipts sent to the right inbox. This self-policing creates a clean data set in retail, **allowing brands to target "who" with precision**.

Forward-thinking brands treat CIDs like annuities, shifting how they think about return on investment from short-term ROAS to **long-term ROC**.

Brands are **verticalizing** ROI

maximizing the value of each retailer and each consumer within their ecosystems.

Maximizing value starts with perfect information—a CID or household ID tied to purchase history—within a single ecosystem. Brands make one-to-one marketing decisions in that ecosystem and observe the outcomes. Then, they iterate to optimize the marketing mix to drive both first sale and repeat purchasing cost-effectively.

Amazon leads in data accessibility, but brands are working through how to use this same type of framework for other retailers. For every retailer, brands must guide consumers along the journey to drive long-term, sustainable growth by encouraging more consumers to buy more, more often.

The consumer journey

NTB Shoppers → Product Lovers / Brand Explorers → Brand Loyalists

MORE SHOPPERS   BUY MORE   MORE OFTEN
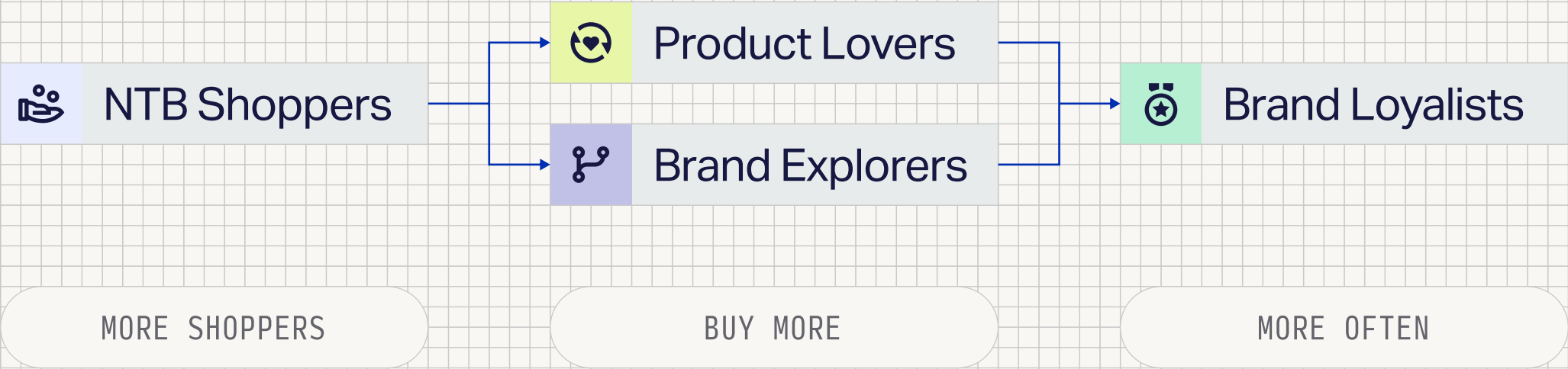
Each retailer has valuable audiences, but the levels of addressability and targeting precision vary based on how close a brand can get to the CID to personalize messaging at scale. Recent research shows the average household shops at 39 unique retailers per year[1], which proves the need to invest in multiple retailers. In-market audience overlap between these retailers happens less than you might think.

Consumers self-select individual categories by retailer. For example, a new parent might buy diapers for their baby and personal care items for themselves. Many buy diapers at Costco because it costs less per unit and they use many. For deodorant, they might want more selection, so Walmart better meets their needs. Knowing which consumers buy what and where allows brands to solve key reach and frequency challenges. Brands waste more by missing the right consumers than by reaching them too often.

[1] CIRCANA

COSTCO'S DISRUPTIVE OPPORTUNITY

Every Costco shopper must use a membership card to make a purchase. Costco holds a large, untapped pool of shopper insights (74.5 million membership cards), and enterprise CPGs want to reach this audience with precision.

Costco recently announced an upcoming retail media network with the potential for **unmatched identity resolution** across brick-and-mortar stores, Costco.com, B2B sales, and Instacart.
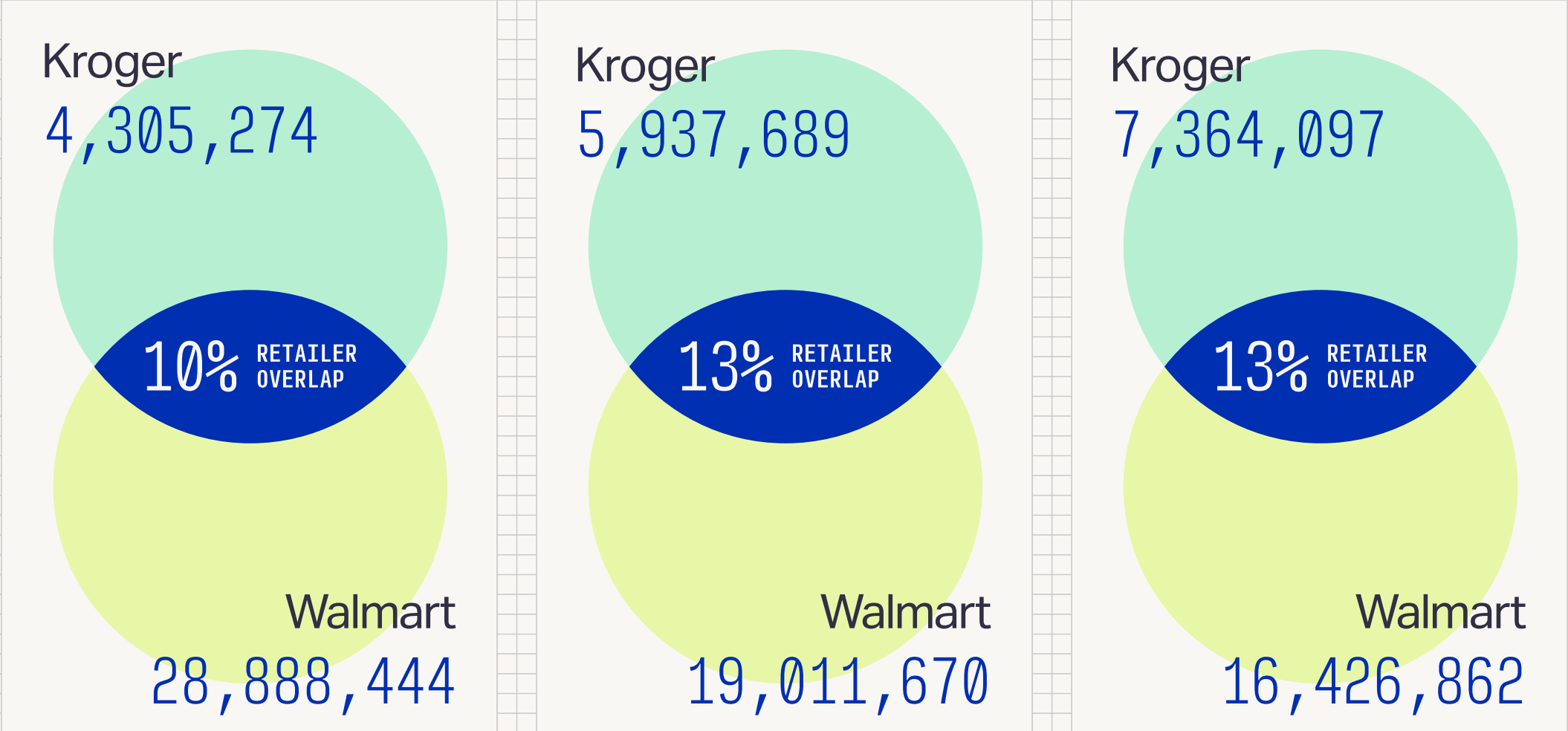
A recent collaboration between Google Ads (YouTube), Costco, and a leading brand demonstrated how retailers and walled gardens can partner to connect ad exposure to transactions. This bridges the gap while clean room and data capabilities are **still evolving on both sides**.

Retailer audience overlap and reach

BRAND ONE

Kroger
4,305,274

10% RETAILER OVERLAP

Walmart
28,888,444

BRAND TWO

Kroger
5,937,689

13% RETAILER OVERLAP

Walmart
19,011,670

BRAND THREE

Kroger
7,364,097
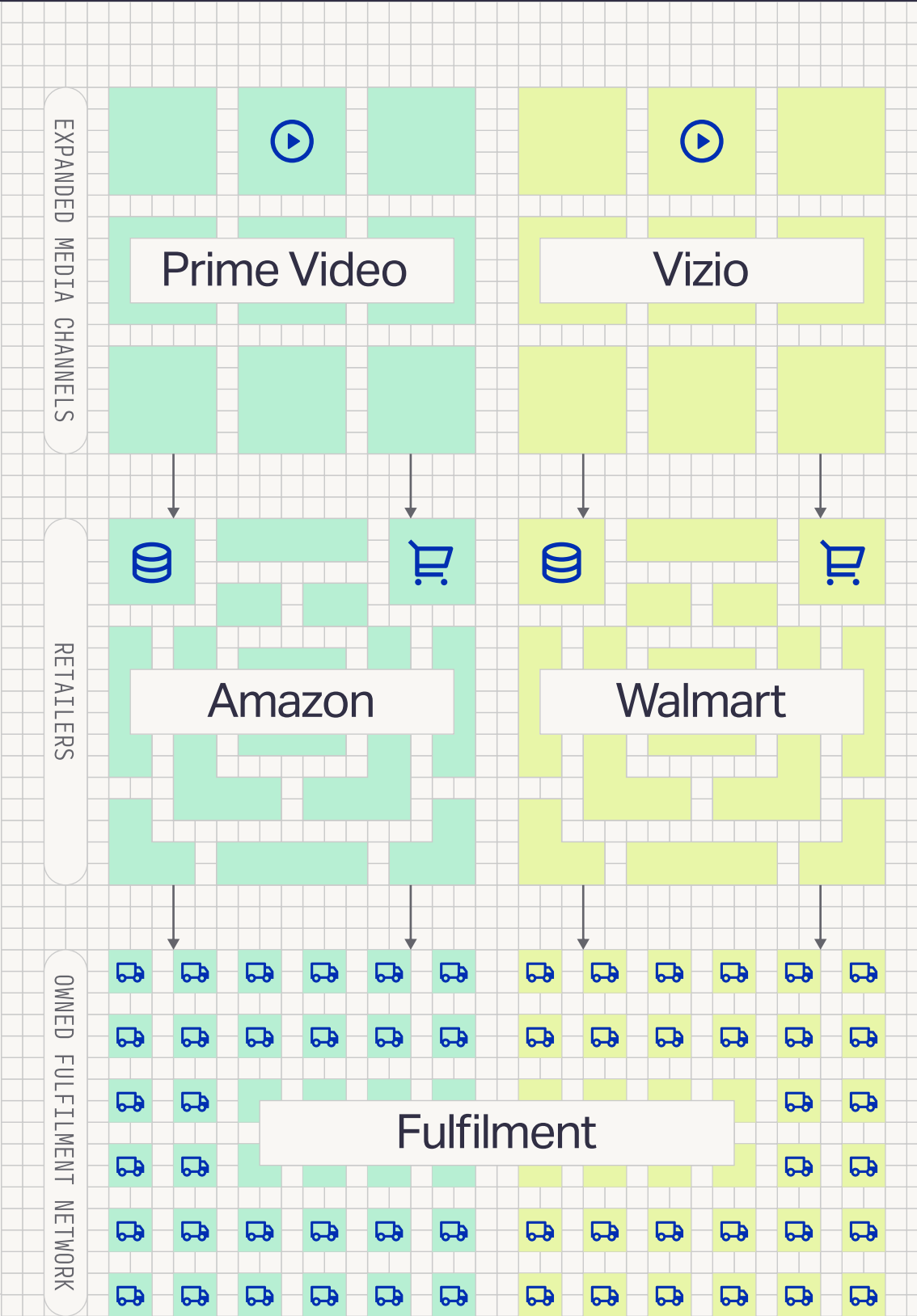
13% RETAILER OVERLAP

Walmart
16,426,862

Retailers are also verticalizing

building out consumer touchpoints across each stage of the funnel.

This approach goes beyond adding more ad inventory. Retailers are creating connected ecosystems where they can measure and optimize every touchpoint. For example, Amazon's Sponsored Products alone generate revenue equal to two major media holding companies' gross revenue and twice the global newspaper advertising revenue[2].

Amazon's position here isn't accidental—they represent approximately **40%** of US retail ecommerce sales, **1.7 times** the size of the next ten largest ecommerce platforms combined[3].

The lower funnel battle has ended, with Sponsored Products across various retailers emerging as the winner. The real competition has moved upstream. Streaming TV has taken off, with nearly a third of all viewers (128 million) of the 2025 Super Bowl watching on a streaming platform instead of traditional TV. Retailers now see the opportunity of large-scale audiences, with Amazon investing in Prime Video and Walmart gaining momentum after acquiring Vizio.

EXPANDED MEDIA CHANNELS

Prime Video

Vizio

RETAILERS

Amazon

Walmart

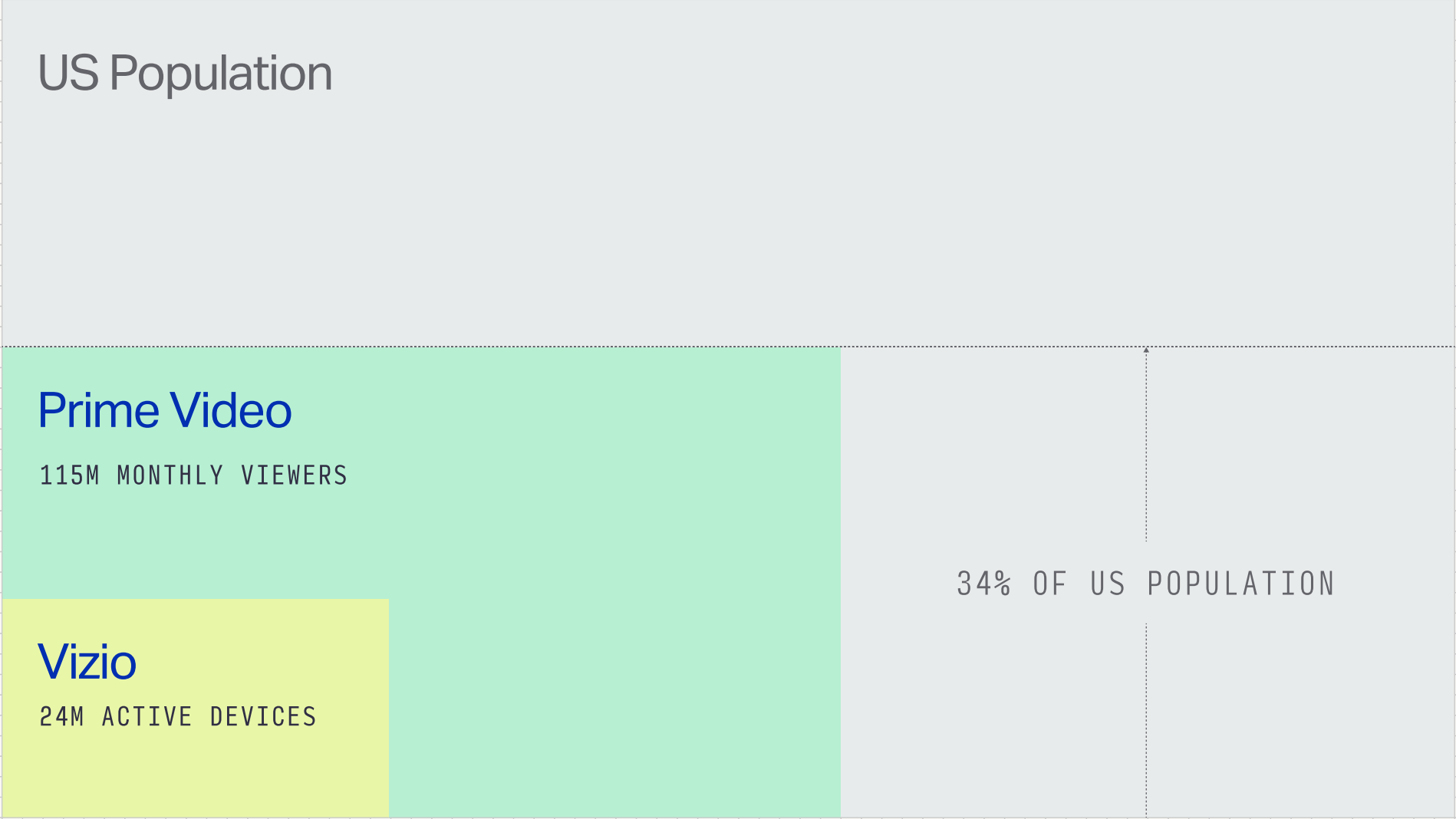OWNED FULFILMENT NETWORK

Fulfilment

To quantify the magnitude of these audiences, Prime Video has 115M active monthly viewers just in the US, which is **almost 34% of the entire US population**. As of 2024, Vizio has nearly 24M active devices.

While this number is smaller than Prime Video, it still represents a significant new audience for Walmart to reach and grow.

Streaming TV offers brands a more precise and measurable way to reach the right shoppers at the right time compared to linear TV, democratizing reach at scale via biddable inventory. With closed-loop measurement, brands can determine which STV investments are worthwhile—a level of granularity not previously available.

Consider selling toothpaste versus mountain bike tires (high household penetration versus low). The toothpaste brand wants to advertise to everyone with teeth, while a tire brand only needs to target mountain bike owners. For mountain bike tires, investing in the better targeting that STV provides is likely worthwhile. For toothpaste, paying premium CPMs for better targeting through STV may not be justified. Targeting through linear TV achieves mass reach, so investment decisions should come down to the math. Is the targeting worth the increased likelihood of conversion?

US Population

Prime Video

115M MONTHLY VIEWERS

34% OF US POPULATION

Vizio

24M ACTIVE DEVICES

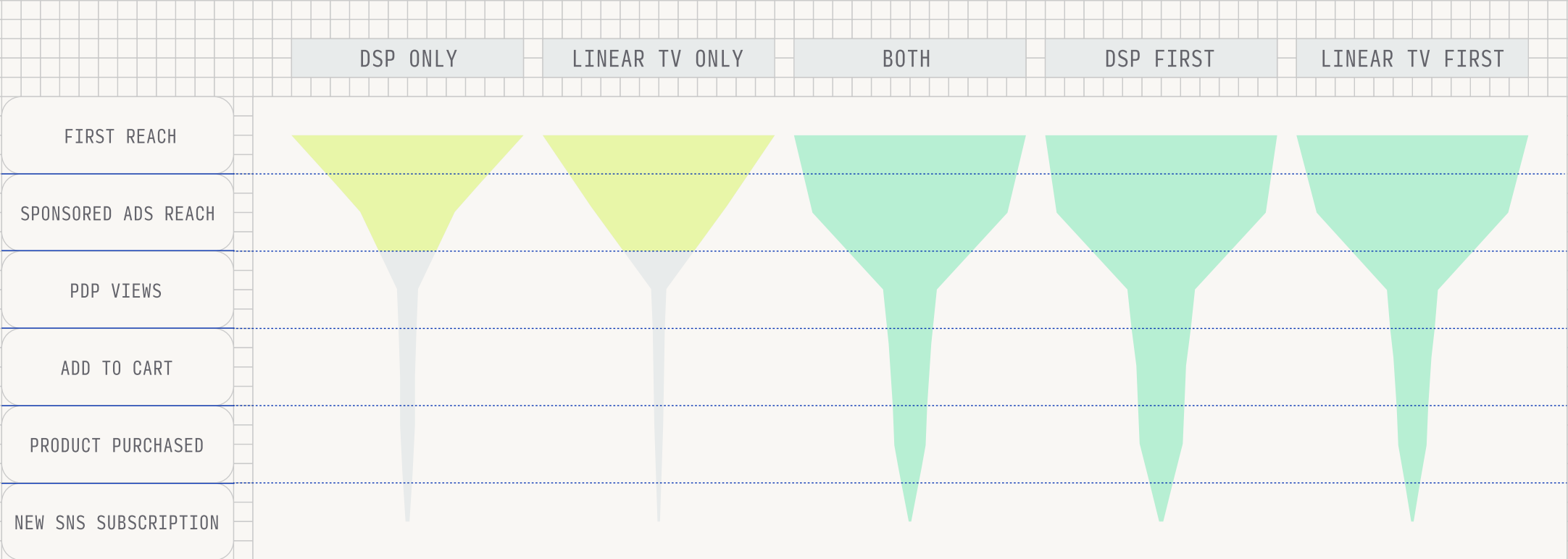# The funnel isn't dead

it's evolving and unique by brand.

While the path to purchase is no longer linear, most shoppers move through distinct phases, which brands can measure and optimize to maximize return. Shoppers may move between two phases, remain in one phase for a year, or travel through all phases in seconds.

Two key vectors grow your funnel: acquiring mass (bringing more consumers into the funnel) and increasing passage (moving them down through the stages). Acquiring mass at the top of the funnel is straightforward but moving that mass—especially toward purchase and loyalty—requires strategic effort.

Every cohort in the upper funnel has underlying probabilities to pass through the funnel that brands can measure. This allows brands to better quantify the potential value those consumers represent as they move toward purchase and loyalty. This strategic perspective strengthens your pipeline and directly informs how upper-funnel initiatives contribute to your return on consumer.

With innovations like multi-touch attribution —which divides credit among touchpoints on the journey to conversion in proportion to their contribution—brands now know where to invest to acquire new-to-brand shoppers.
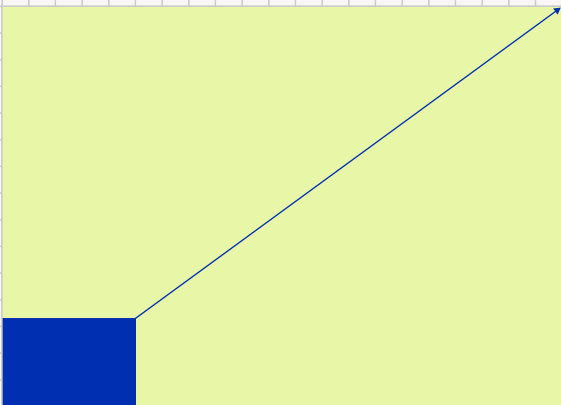
The power of multi-touch engagement

	DSP ONLY	LINEAR TV ONLY	BOTH	DSP FIRST	LINEAR TV FIRST
FIRST REACH					
SPONSORED ADS REACH					
PDP VIEWS					
ADD TO CART					
PRODUCT PURCHASED					
NEW SNS SUBSCRIPTION					

When consumers saw **both TV and digital touchpoints**, we observed the following:
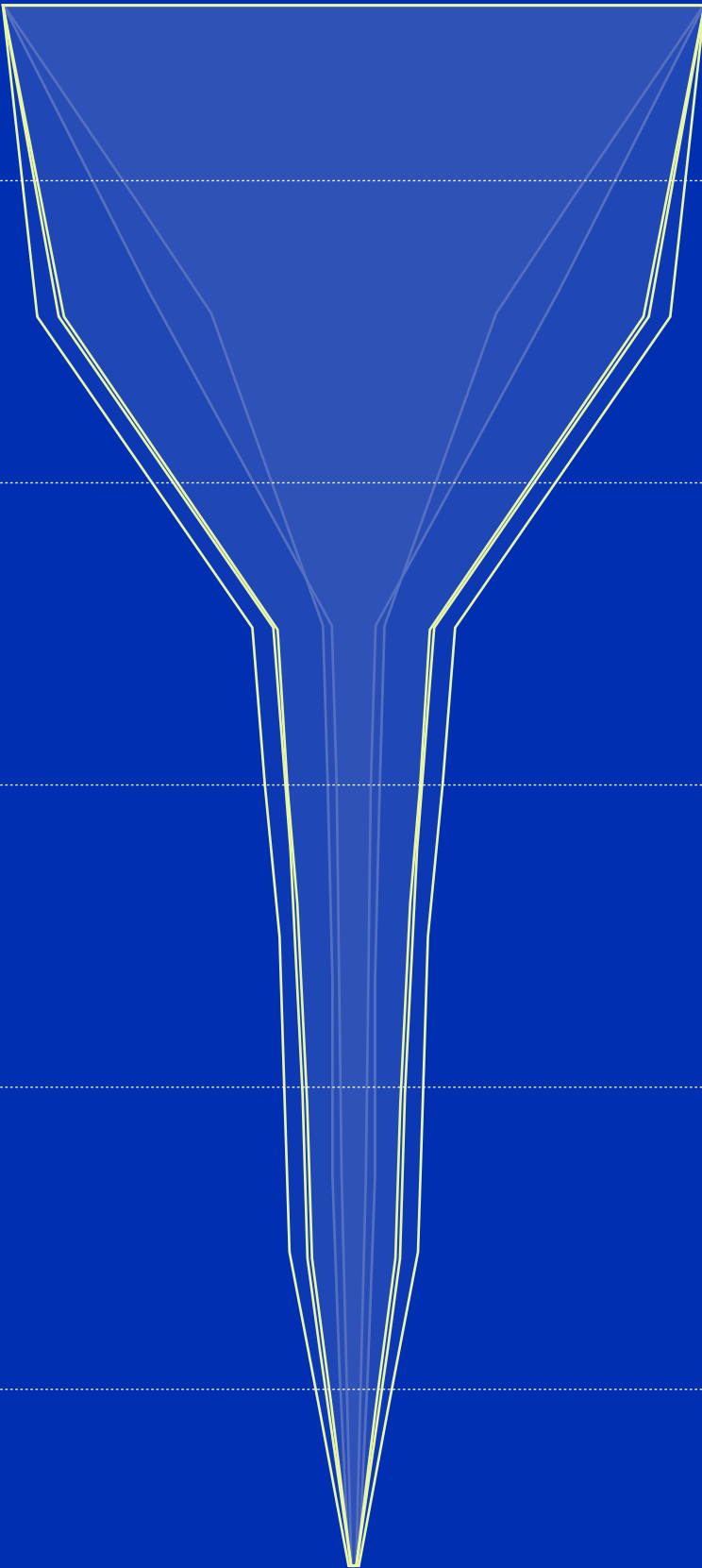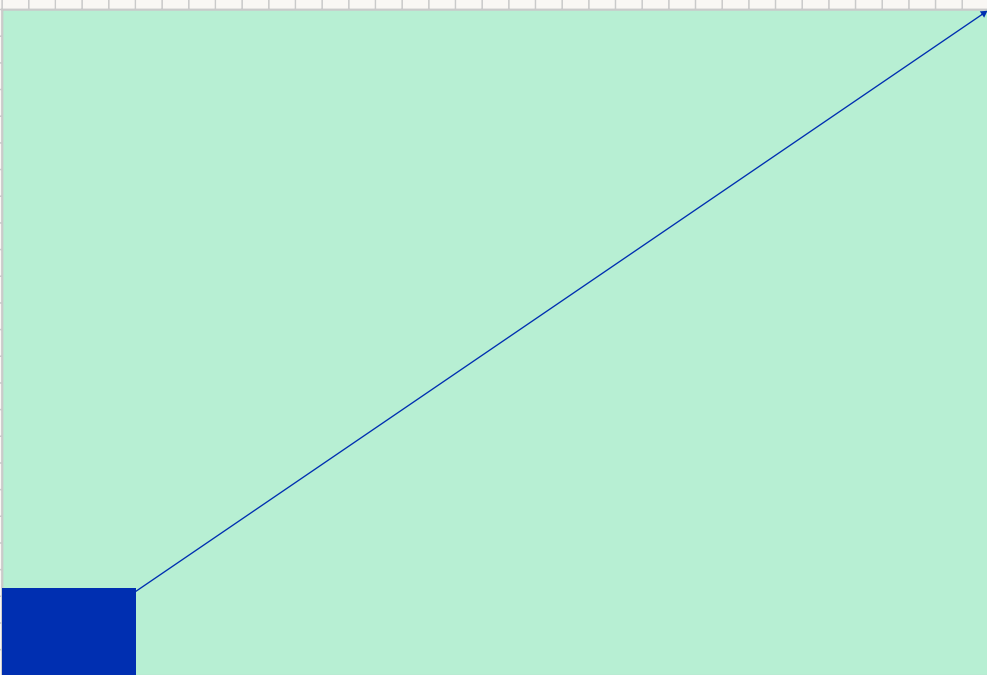
PDP View Rate   +298%
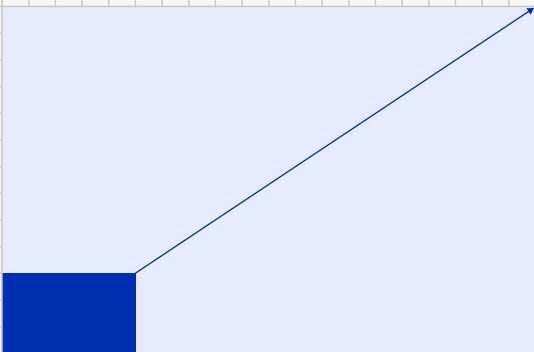
Purchase Rate   +308%

Subscription Rate   +653%

The foundational elements of commerce remain essential. Media can accelerate funnel passage, but if your PDP content or ratings and reviews are lacking, those media efforts will fall flat.

Brands must redefine which products are their best point of market entry

based on long-term value, not short-term conversion.

A point of market entry (POME) product is the first product a shopper purchases from your brand and marks the beginning of your brand's relationship with the consumer. POME highlights discrepancies between products that drive the highest long-term value and those that drive the highest new-to-brand rates, informing where you should focus your NTB efforts.

This insight is powerful for large CPGs. For example, a consumer might enter the market with hand soap one year, then purchase detergent and dryer sheets the next year, followed by air fresheners and storage products in the third year.

This progression changes the value assessment of the initial acquisition from a single SKU to the entire brand portfolio. Manufacturers can use this insight to leverage their data and create audiences that competitors cannot access. Because AMC only allows brands to see these insights for their selection, this creates a scaled advantage for large brands. They have more SKUs, more conversion events, more CIDs and thus better training data with which they can create audiences.

POME isn't restricted to product. It provides **key insights** on which promotions attract deal seekers vs. consumers most likely to **build long-term value**.

CHALLENGE

Determine which Amazon tentpole events drive higher LTV for a nutrition/wellness brand

SOLUTION

Conduct a POME analysis over the past 5 years to determine variance in LTV surrounding Prime Day and New Year New You

RESULTS

Over time, the variance in LTV surrounding New Year New You is less pronounced than it is for Prime Day, indicating that Prime Day shoppers are often deal seekers who only make one purchase. This confirms that investing in acquiring NTB shoppers during NYNY is more efficient than doing so for Prime Day

MoM LTV Variance of NYNY vs. PD Customers

● NEW YEAR NEW YOU   ● PRIME DAY

2021
2022
2023
2024

NEW YEAR NEW YOU   PRIME DAY
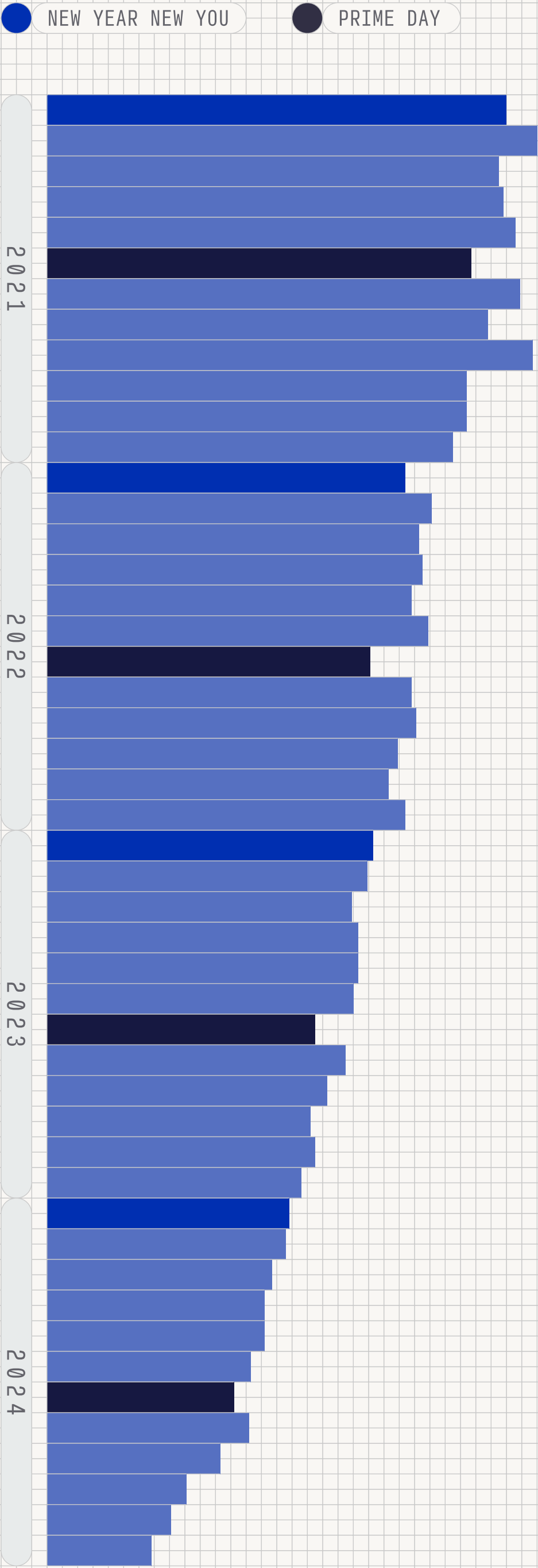
Amazon Marketing Cloud

(AMC) is redefining return on consumer with 5 years of purchase data.

When AMC first launched, advertisers could analyze ad-attributed data with a 12.5-month look-back window. The significance of this five-year lookback is substantial. No brand has seen data like this before at scale and over such a long period.

> " AMC Audiences allows brands to target not only where ads appear, but also who sees them "

With expanded AMC Audience-building capabilities, brands can measure the cost to acquire NTB consumers and compare it to their long-term value. Amazon's advantage here is that even if other retailers create identity solutions, retroactive implementation will be a challenge (e.g. tying a cash purchase three years ago to a specific customer is tough).

AMC Audiences allows brands to target not only where ads appear, but also who sees them. Brands can now target based on behaviors that indicate higher purchase intent. Brands can use AMC Audiences informed by this purchase data to carry out strategies such as **increasing NTB consumer acquisition** and **maximizing the LTV of these NTB consumers.**

INCREASING NEW-TO-BRAND CONSUMER ACQUISITION

Brands can use AMC to market to consumers during the opportunity and awareness phases, leveraging behavioral insights vs. contextual cues to drive engagement.
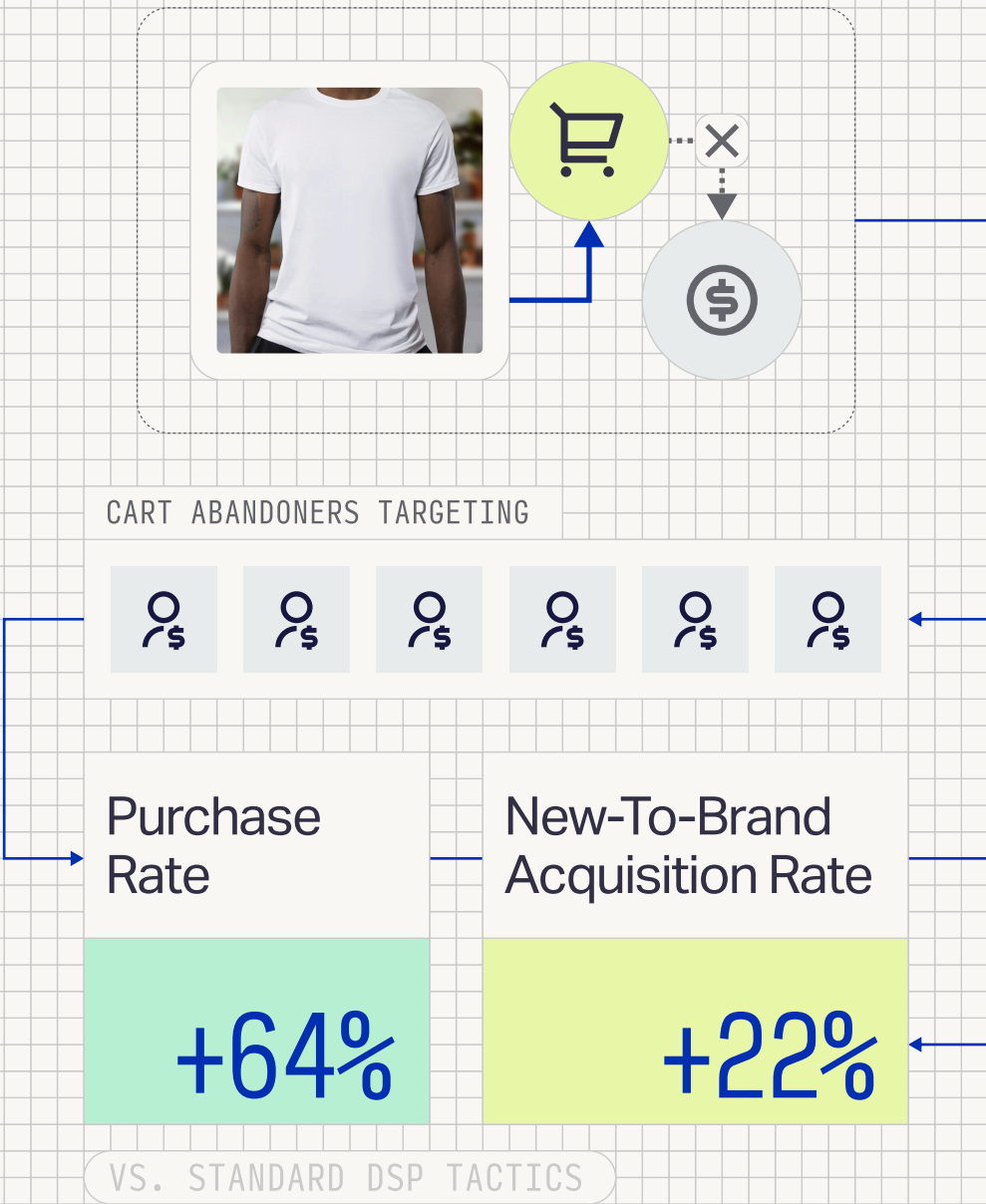
AMC Audiences for DSP

CHALLENGE

An apparel brand wanted to increase conversion rates for shoppers who had added to cart but did not make a purchase

SOLUTION

Build custom "cart abandoners" AMC Audiences for the Men's and Women's lines and apply these audiences to Amazon DSP campaigns

RESULTS

64% increase in purchase rates and 22% higher NTB acquisition rate vs. standard Amazon DSP tactics

CART ABANDONERS TARGETING

Purchase Rate

New-To-Brand Acquisition Rate

+64%

+22%

VS. STANDARD DSP TACTICS

AMC Audiences for Sponsored Ads

CHALLENGE
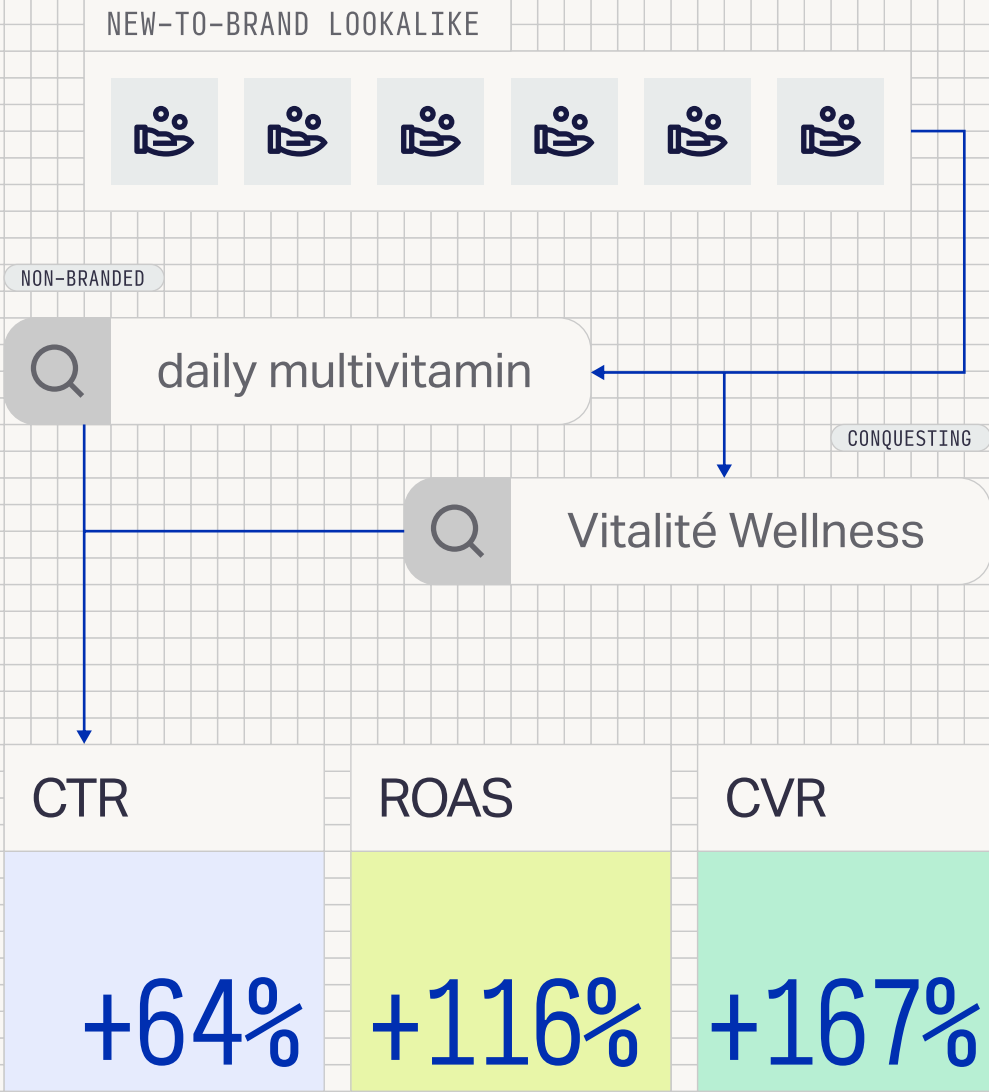
A heath & wellness brand was looking to increase NTB acquisition

SOLUTION

Build NTB Purchasers Lookalike audience applied to non-branded and conquesting campaigns

RESULTS

64% higher CTR, 116% higher ROAS, 167% higher CVR

NEW-TO-BRAND LOOKALIKE

NON-BRANDED

daily multivitamin

CONQUESTING

Vitalité Wellness

CTR

ROAS

CVR

+64%

+116%

+167%

MAXIMIZING THE LTV OF THESE NTB CONSUMERS

Once you acquire these NTB consumers, you can use AMC Audiences to drive asynchronous basket building and loyalty.

CHALLENGE

A CPG brand was looking to increase long-term value via Subscribe & Save

SOLUTION

Create AMC Audiences specific to SnS behavior, applying SP bid multipliers to the individual campaigns:

1 | SNS WILLINGESS PURCHASER

A rule-based audience that has indicated SnS behavior with other products from the brand

2 | SNS PURCHASER LOOKALIKE

A lookalike audience of shoppers who have demonstrated behaviors that resemble the brand's current SnS purchasers

RESULTS

Those in the audiences were 50% more likely to SnS vs. the control group

Subscribe & Save

SNS WILLINGESS PURCHASER

SNS PURCHASER LOOKALIKE

Subscribe & Save Likelihood

+50%
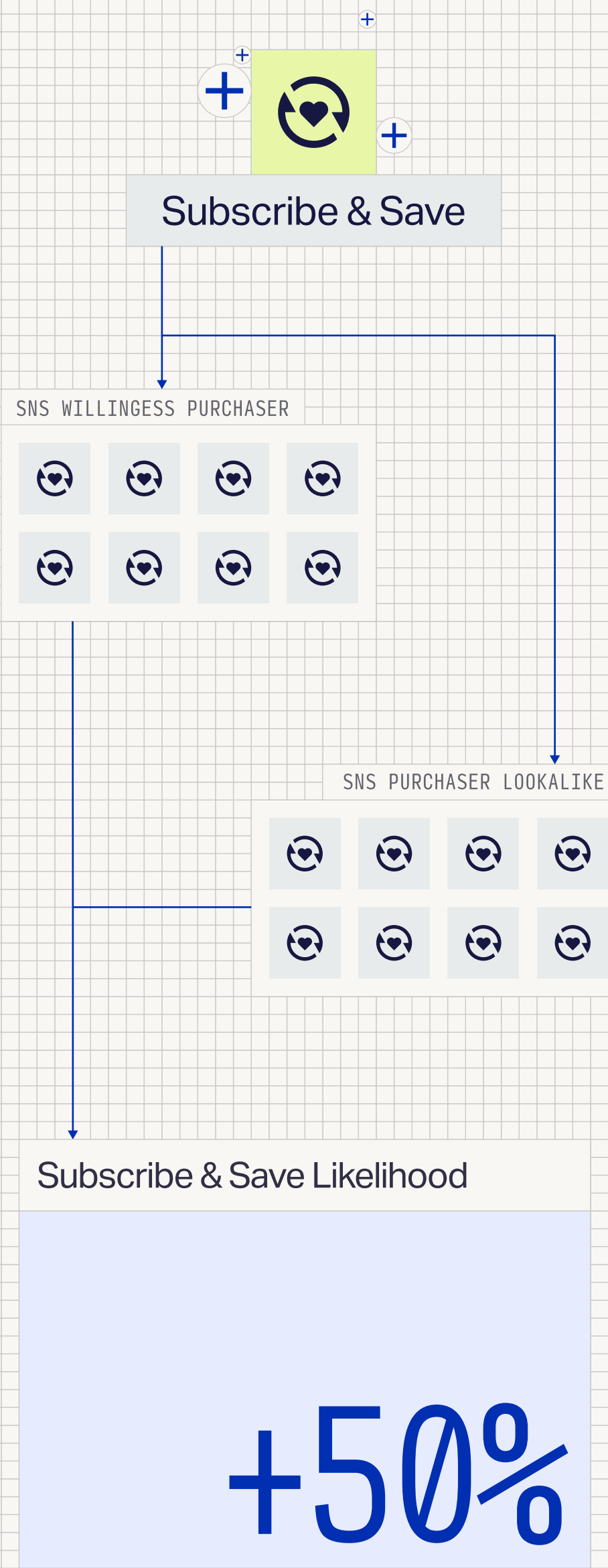
Other retailers have taken notice of the power of consumer insights

and this is only the beginning.

Brands want to invest in retail media networks that drive measurable results, and when the above level of measurement is within reach, this should continue to light a fire beneath the other retailers to work toward providing unlocked access to SKU+CID. While a clean room is an ideal solution, it does not have to be the only solution.

Any move that brings a retailer closer to allowing advertisers access to behavioral insights benefits everyone. It unlocks return on consumer for brands and in turn fuels the retailer's high-margin advertising business. Brands that use SKU+CID to measure return on consumer will not only succeed today but also achieve sustainable long-term growth.

Instacart recently gave advertisers the option to use its consumer behavior-informed optimization instead of manual controls, highlighting the **value of campaign management powered by real consumer insights**.

Additionally, Instacart's new partnership with The Trade Desk enables **closed-loop measurement for off-site campaigns**, allowing brands to **leverage Instacart's first-party audiences within The Trade Desk platform**.

Walmart has explored a variety of data partnerships with platforms such as The Trade Desk, providing advertisers with a **more granular look** into their data than what is available via just Walmart Connect.

Ready to redefine ROI?

Let's connect

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