

# Marketing in 2025:

Paid Social Dominates,  
But Email and Text Deliver



**Wunderkind**

**RETAIL DIVE**

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As marketing becomes more automated, personalized, and data-driven, tried-and-true strategies struggle to generate value.

Shifts in loyalty, changes in behaviors and preferences, and advances in technology are forcing brands to rethink their marketing tactics. These pivots leave many leaders wondering: How can we better connect and engage with our audience to drive growth?

To find out how retail marketing VPs, directors, and CMOs across many industries are dealing with the current marketing landscape, Wunderkind and Retail Dive's studioID surveyed 100 leaders to ask about constraints, priorities, strategies, and results.

The big picture is this:

- Paid social media will dominate in 2025
- Email and text are most effective in achieving marketing objectives
- Most retail marketers are using personalization – but not to its full potential
- Retail organizations are missing key pieces of data to accelerate AI as a decisioning engine

The insights shared in this report will help retail marketing leaders:

- Understand how their actions, campaigns, and tactics align with peers
- Pinpoint gaps in their own strategies and plans
- Uncover new ways to meet aggressive goals and outperform the competition



# This Year Is All About Paid Social — Or Is It?

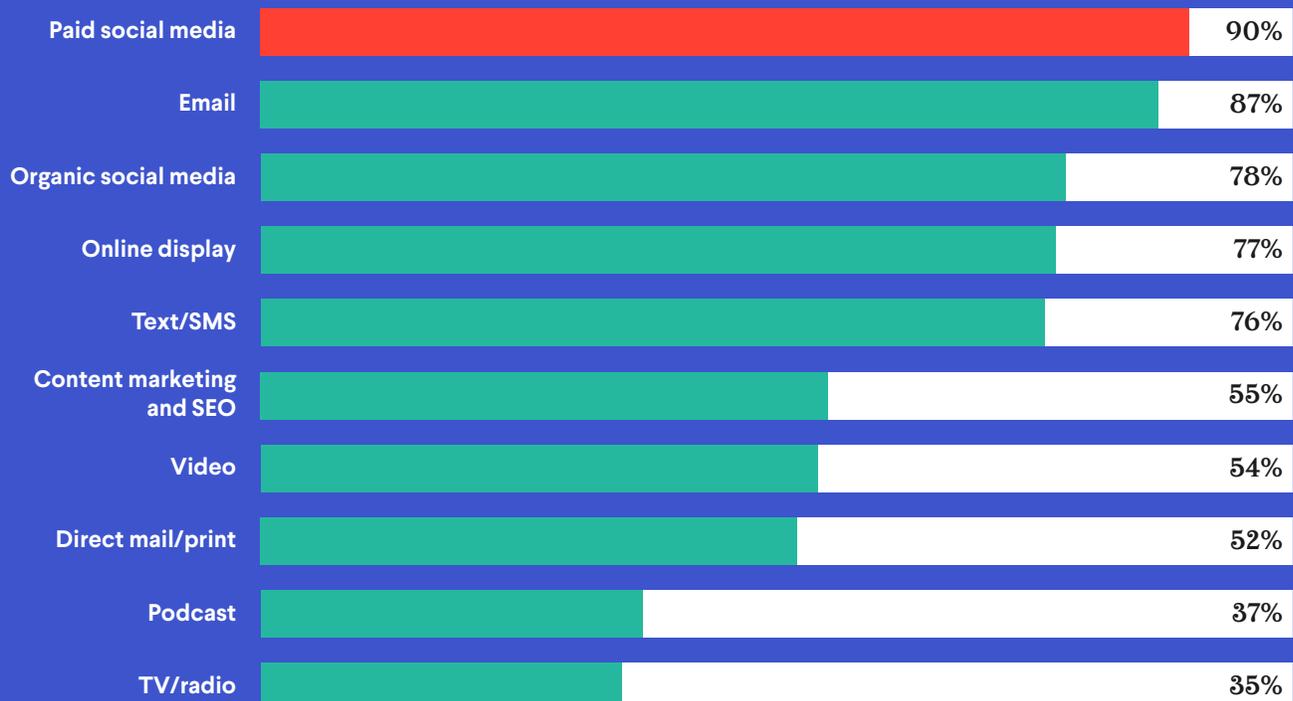
For nearly every retail marketer, it appears that 2025 will be all about paid social media. The rise of social commerce, short-form video content, and targeting capabilities make it an attractive platform.

Here's what survey respondents told us about paid social.

## Paid social is the most popular marketing tool.

9 in 10 respondents use paid social to connect with customers. It edges out email, organic social, online display, and text/SMS when it comes to reaching audiences.

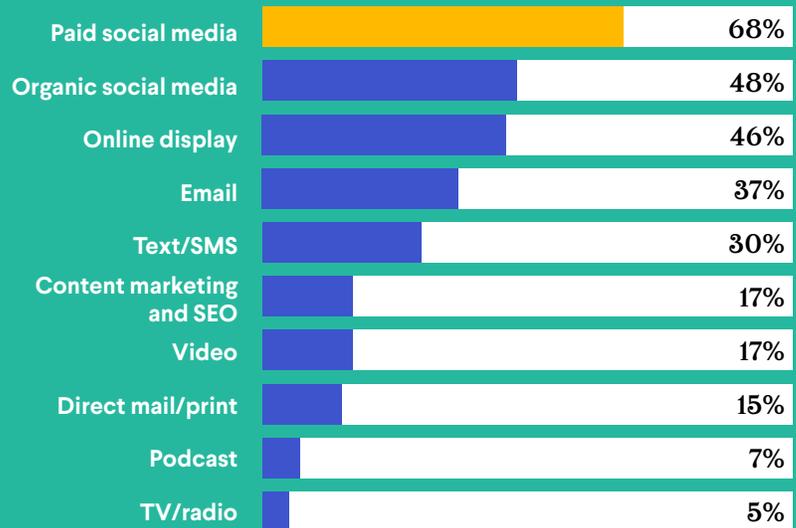
### Q: Which marketing channels does your organization currently use to connect with consumers?



## Paid social will be the central area of focus.

Nearly 7 in 10 survey respondents plan to prioritize paid social the most as a marketing platform in 2025.

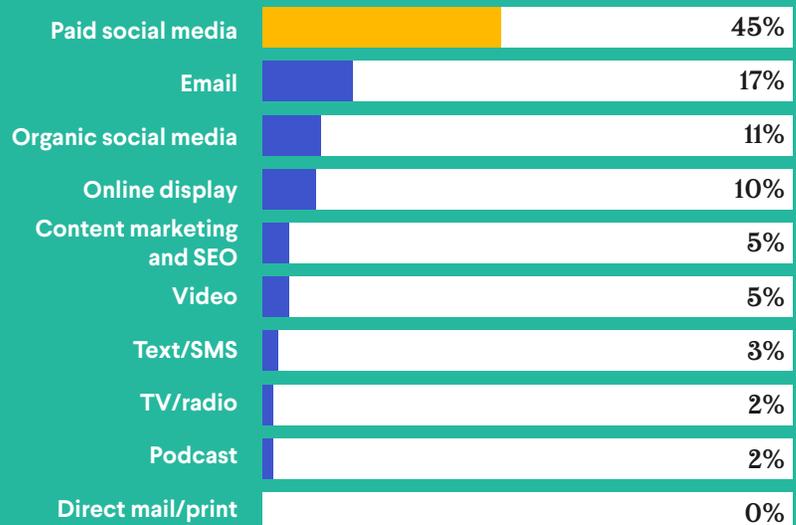
**Q: Which of these channels does your organization plan to prioritize the most in 2025?**



## Paid social delivers an impressive yield.

Nearly half of respondents say paid social has provided the highest return on investment (ROI) among all platforms in the last 12 months.

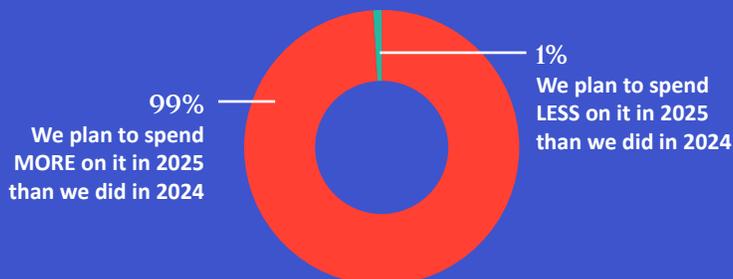
**Q: Of the channels you use, which has provided your organization with the highest return on investment in the last 12 months?**



## Paid social will attract higher investments.

99% plan to spend more on paid social this year than last year.

**Q: How is the current economic situation impacting your organization's marketing spend on paid media in 2025?**



Why such a focus on this form of advertising? The emphasis is likely due in part to the fact that 36% of survey respondents work in fashion/apparel, while another 32% work in health/beauty. With those facts in mind, it's not surprising that paid social is taking precedence: These industries are known for investing heavily in paid social because it can amplify visual appeal and emotional connection. But its ability to enable targeting, drive engagement, and create measurable results can make it effective in nearly any industry (in the right situations).

What will marketers use paid social for most in 2025? Within the marketing/sales funnel, they plan to rely on the tool primarily to generate awareness, not to create consideration or achieve conversion.

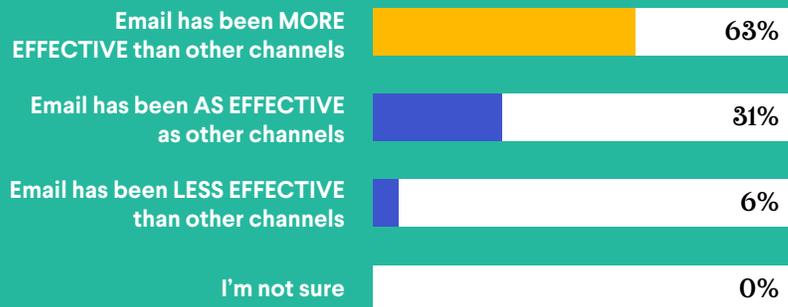


## Social May Be Popular, but Email and Text Perform

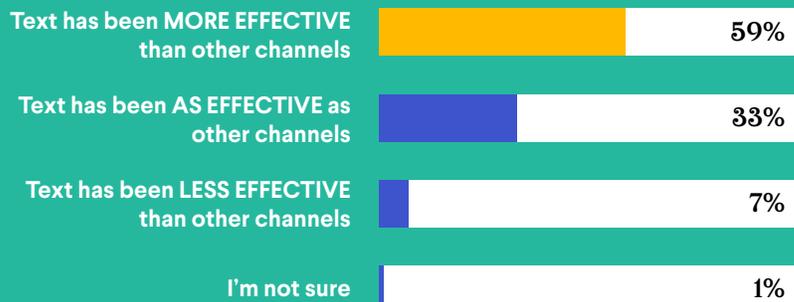
If the data analysis stopped there, the all-about-paid-social narrative would seem convincing. But it becomes a more nuanced conversation when responses to other questions are closely evaluated as well.

For example, although paid social is obviously a focus in 2025, respondents don't rank it among the most effective channels for achieving marketing objectives like driving sales, increasing engagement, or offering strong ROI. Instead, they point to email and text/sms.

**Q: Compared to other channels, how effective has email been in achieving your organization's marketing objectives in the last year?**



**Q: Compared to other channels, how effective has text been in achieving your organization's marketing objectives in the last year?**



The impressive performance and effectiveness of these two channels is supported by the KPIs retail marketers use to gauge success:

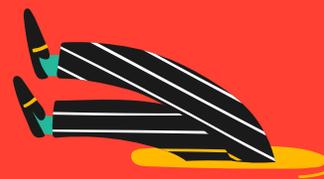
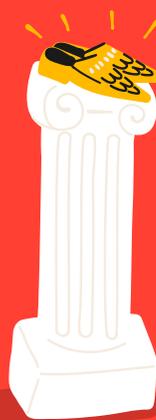
- **Click-through rate:** how often people click on an ad or link once they see it
- **Conversion rate:** how frequently people make a purchase as a result of the message they receive

Nearly half of respondents rely on these two metrics to determine the effectiveness of their email and text campaigns. KPIs surrounding total revenue generated, lead generation, and engagement rate are also prioritized.

“It’s great to see conversion rate at the top of the list,” says Tim Glomb, vice president of digital, content, and AI at Wunderkind. “The KPIs that matter most are shifting. Take click-through rate, for example: Marketing cares about click-through rate, which is clear in the survey results, but no one else in the business likely does. Open rate is another example. That metric is no longer a reliable indicator because of the increasing use of privacy features and automated interactions with spam filters and security scanners. Conversion rate is what retailers should focus on. **That’s data you can use to prove you’re impacting revenue.**”

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## Too Focused on Paid Social?

This revelation — that email and text surpass other channels in achieving marketing objectives — begs another question: **If email and text are truly outperforming all other channels, then why are retail marketers so focused on paid social right now?**

It's likely because paid social media can provide high ROI. It's fast to launch and offers attractive benefits like expansive reach, precise targeting, and real-time data. This makes it an effective way to increase brand awareness, generate leads, and drive immediate sales, which is what respondents told us they use it for.

But email and text are channels that cultivate more than sales — they build and nurture relationships, increase customer loyalty, and drive repeat business. These platforms offer the opportunity to be more direct and personal because they:

- Can be tailored to preferences and behavior
- Create feelings of exclusivity (with the ability to offer special deals)
- Support ongoing dialogue and back-and-forth communication
- Foster interactions with people who have expressed interest by opting in

# How Personalization Is Being Used: Opportunities for Improvement

When retail marketers were asked about personalization — a strategy that's much easier to attain with email and text vs. paid social — interesting insights were unearthed about how, when, and where it's being applied.

While personalization is possible on paid social, it's achieved through mechanisms like dynamic ads and precise targeting that focuses on certain groups' behaviors and preferences. **Email and text offer the ability to tailor messages at an individual level.**

Nearly all survey respondents say they use personalization at least sometimes in their campaigns.

## Q: Does your organization personalize messages across its marketing channels?

Text has been **MORE EFFECTIVE** than other channels



Text has been **AS EFFECTIVE** as other channels



Text has been **LESS EFFECTIVE** than other channels



The most-used personalization tactic, however, is the most basic: using names in messages. While this is a form of personalization, it's considered mere table stakes today. **Much more is possible with the right data and technology.**

Approximately 6 in 10 respondents say they align messages and offers with behaviors, which is good news — but Glomb points out that marketers who consider personalization to be abandoned-cart reminders or win-back campaigns aren't taking these tailored experiences as deep as they can go.

“With basic personalization becoming so common, such as using someone’s name or location data, it means that retailers are all now playing on the same field. This basic level of personalizing messages isn’t a competitive advantage anymore,” explains Glomb. “But having access to intent data, knowing the specific actions someone takes, what motivates them, along with their browsing history so you can

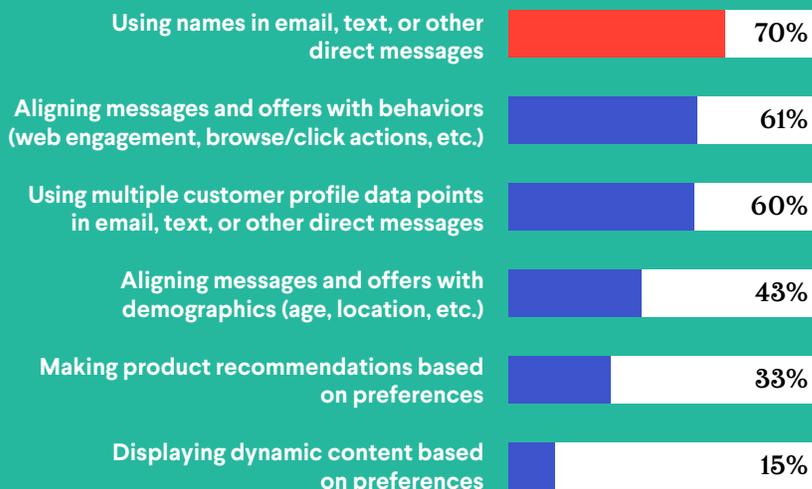
trigger an attractive offer in the right channel at the right time — **that’s personalization that persuades a purchase..”**

Only 33% of respondents make personalized product recommendations based on preferences, and only 15% display dynamic content based on preferences. This lack of implementation is likely due to data-related challenges and technology gaps, where companies lack the tools and resources to focus on personalization at this level.

**“This basic level of personalizing messages isn’t a competitive advantage anymore.”**

**TIM GLOMB**  
*Vice President of Digital, Content, and AI at Wunderkind*

**Q: In what ways does your organization personalize messages across marketing channels?**



## Are these personalization investments paying off? Absolutely.

When it comes to ROI, 97% of respondents say personalization has driven **loyalty improvements**: More customers are regularly returning to shop consistently, acting as brand advocates. Every leader in the survey reported **revenue boosts** as a result of personalization: They're selling more products or services by making customers feel understood and valued.

**Q: Has your organization seen improvements in revenue as a result of personalization?**



**Q: Has your organization seen improvements in loyalty as a result of personalization?**



By aligning products and messaging with customer preferences, brands are not only driving revenue but also fostering long-term loyalty and building lasting relationships. With such clear results, **personalization has proven itself as a tactic that all marketers should continue to focus on in 2025.** They can be confident they'll see a return.

# Data's Role in Retail Marketing and the Information That's Missing

While the majority of retail marketers use personalization, they aren't maximizing its potential. To truly capitalize on the value it can offer, data is necessary. Without it, personalization is nothing more than guesswork. But leaders indicate that they're missing key information to take personalization to the next level.

To track consumer trends and interests, more than half of retail marketers do these four things:

**Analyze sales data/purchase patterns** to uncover which products are selling, when, and to whom

1. **Analyze website/app analytics** to see how users interact with their platforms
2. **Collect feedback through surveys** to seek input from customers directly
3. **Monitor social media** to watch for and analyze interactions, trends, and perceptions

Through these tracking mechanisms, they are able to collect:

- **Demographics data:** age, occupation, geographic location, etc.
- **Engagement data:** clicks, likes, shares, bounce rates, etc.
- **Personal data:** name, phone number, email address, birthdate, IP address, etc.
- **Behavioral data:** engagement, purchases, app usage, online interactions, etc.

While these numbers indicate that marketers are moving in the right direction, nearly half of respondents don't have information beyond demographics data. This means they're **missing on deeper insights into customer behaviors, preferences, and needs**. This limits their ability to deliver personalized marketing strategies with impact.

**Q: What data does your organization currently collect about website visitors?**

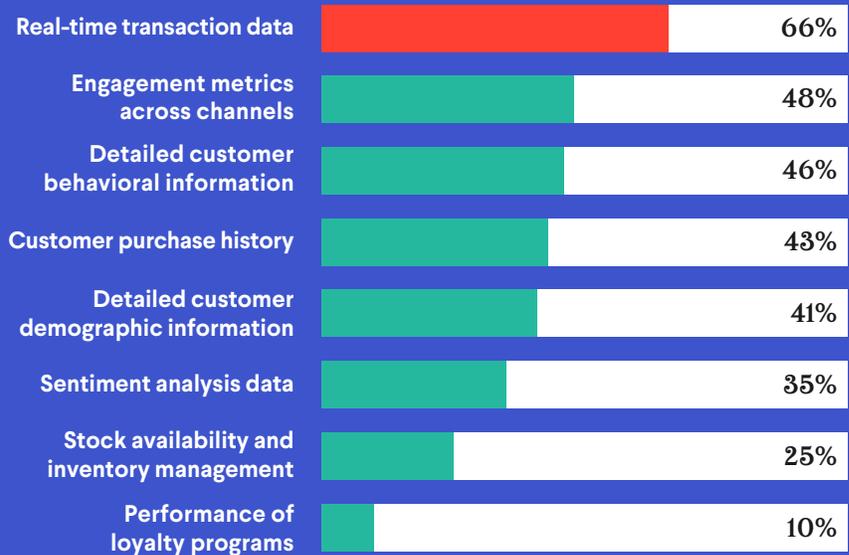


Nearly 7 in 10 respondents say they lack real-time transaction data, which not only impacts sales and loyalty but also prevents them from using artificial intelligence (AI) as a decision engine today. Close to half are missing data about channel engagement, behavior, and purchase history.

“Without that critical data, you miss personalization opportunities, waste resources, and decrease customer engagement,” says Glomb.



**Q: What data does your organization lack that prevents AI from acting as a decision engine?**



## AI Use Goes Up Despite Data Shortfalls

Data gaps aren't keeping retailers from exploring the use of AI, however. In fact, the survey data reveals that the use of AI is on the rise as a decision engine.

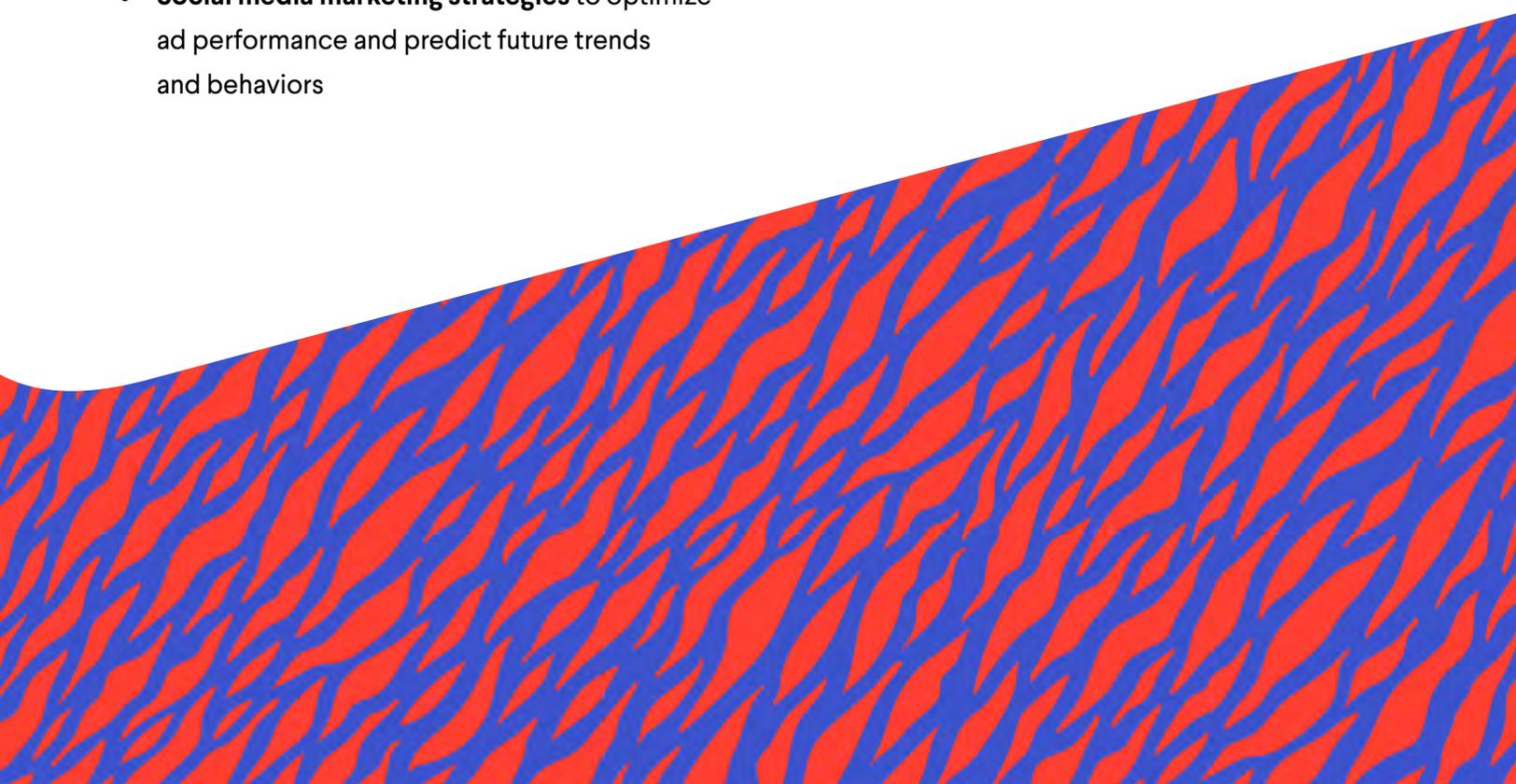
They most often use it to support:

- **Supply chain and inventory** to align promotions with availability or products that need to move quickly
- **Customer data and insights analysis** to make informed decisions based on real-time activity
- **Marketing resource allocation** to optimize budgets, campaigns, and workload distribution
- **Customer segmentation** to help create detailed customer profiles that can be used to section audiences into smaller groups based on specific criteria for personalized messaging
- **Social media marketing strategies** to optimize ad performance and predict future trends and behaviors

This means data will become more urgent — and more necessary — for retailers.

Once retailers have access to the data they're missing, they plan to use it to continue to make informed decisions in the areas mentioned previously, as well as to determine discount eligibility and amounts based on inventory, demand, competitor pricing, and price sensitivity.

But how will they get this data? They'll need to tap into tools that allow them to capture anonymous website traffic through a network that recognizes devices and allows them to gather first-party data and make targeted offers across email, text, and ads.



# Conclusion

Striking the right balance between marketing channels can create a comprehensive and successful marketing strategy.

While paid social might be top of mind for retail marketers this year, it must be complimented by tactics like email and text – along with personalization.

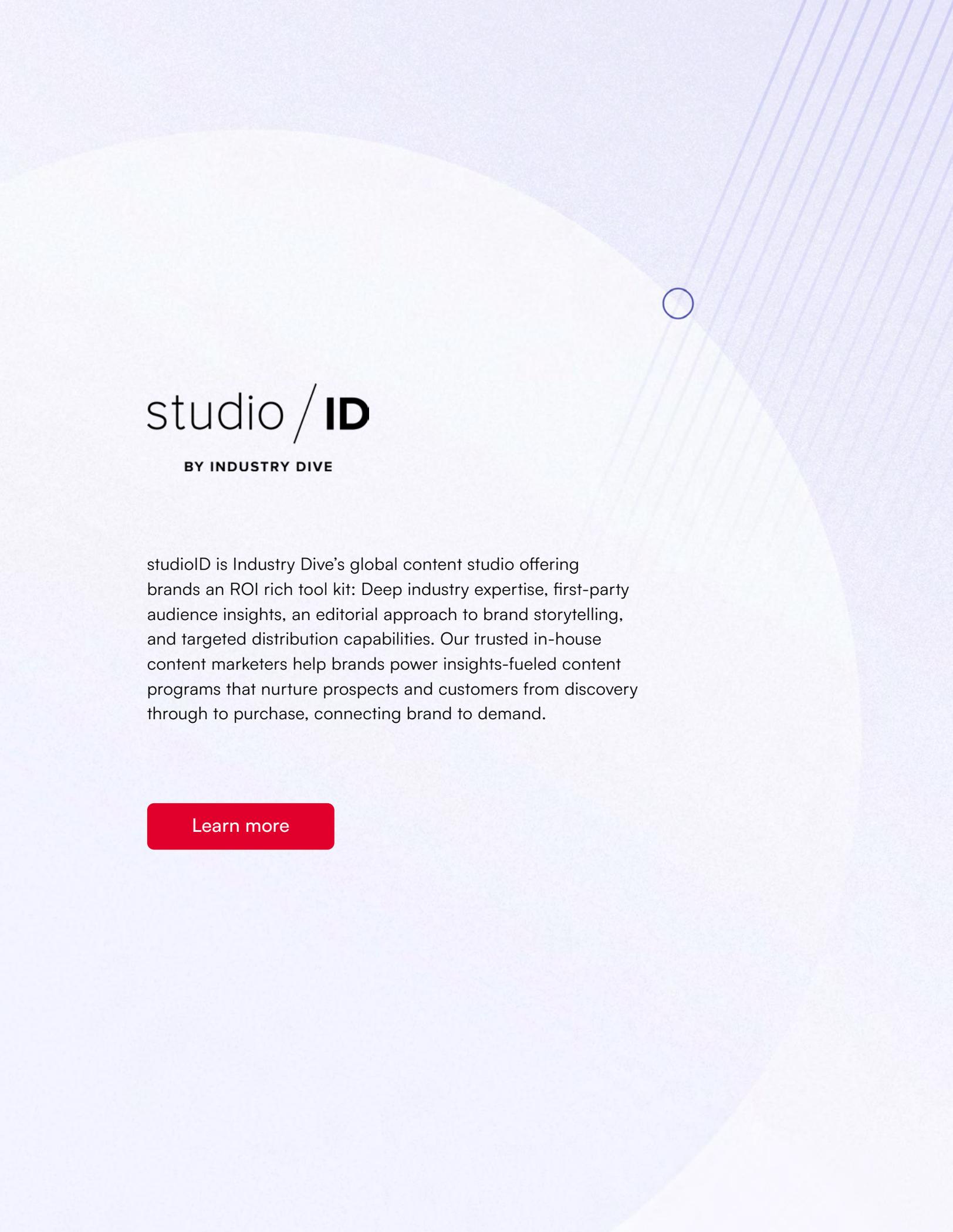
“To drive engagement and revenue, retail marketers must go beyond paid social and embrace a multichannel strategy,” says Glomb. “By combining email and text with the power of personalization - using intent signals, browse behavior and historical data, you can deliver one-to-one marketing experiences that resonate. That way, when a consumer is giving you a signal that they’re ready to buy, you can trigger the perfectly crafted message across your owned channels in a cost-effective way.”



# Wunderkind

Wunderkind is a leading performance marketing engine that scales one-to-one messages for top brands. Digital businesses use Wunderkind to remember who site visitors are better than ever before, allowing them to deliver high-performing, one-to-one messages on websites, through emails and texts, and in ads at a scale that's not otherwise possible. Wunderkind drives \$2.8 billion dollars annually in directly attributable revenue for top eCommerce brands like Uniqlo, Sonos and HelloFresh, often ranking as a top-3 revenue channel in their own analytics. Wunderkind is maniacally obsessed with ROI and aims to be the infrastructural interface between individuals and brands in a world where consumers choose what they want, from whom, and when.

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