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Guideline

2025 Digital Video Ad Spend & Strategy Report

PART ONE: U.S. MARKET SIZE & GROWTH PROJECTIONS

April 2025





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Preface

Now in its twelfth year, IAB's **Digital Video Ad Spend & Strategy Report** provides a comprehensive lens into the trends within the U.S. TV/video market. As the media ecosystem grows more complex and consumer viewing habits shift, the report offers insights for buyers and sellers on how they can position themselves in this rapidly changing landscape.

IAB partnered with Advertiser Perceptions and Guideline to uncover where U.S. TV/video ad dollars are flowing and why.

We leverage Guideline's proprietary billing data, other market estimates, and a custom survey of ad spend decision-makers.

This report, the first of two in 2025, focuses on the ad spend market size and growth projections for digital video in the U.S. including CTV, social video, and online video.

Two key headlines:

#1. Digital video is expected to capture nearly 60% of total TV/video ad spend in 2025 –double its share vs. only 5 years ago.

#2. CTV rebounded in 2024 with 16% YoY ad spend growth after lagging behind online and social video in 2023 at only 9% growth. For perspective, social video did climb 21% in 2024 while online video rose 17%.

CTV benefited from multiple tailwinds in 2024 which enabled it to drive more ad spend: The actor and writer strikes ended which enabled show production to continue, premiere live sports and events aired exclusively on streaming platforms, and those same platforms stood up and scaled programmatic and self-serve activation tools, making it easier for brands of all sizes to invest their ad dollars more seamlessly.

This year's report also reveals that most categories are projecting double-digit growth in 2025 vs. 2024, signaling a broader shift toward renewed confidence, stronger infrastructure, and a more sustainable future for digital video. However, due to ongoing economic uncertainty including tariffs, geopolitical conflict, and changing consumer sentiment, this year's market is more dynamic than normal.

Part two of this report, focusing on the strategies behind these growth rates, will be publicly released on July 14th during the IAB Media Center's Video Leadership Summit.



2025 Digital Video Ad Spend & Strategy Report

PART ONE: U.S. MARKET SIZE & GROWTH PROJECTIONS



KEY INSIGHTS

01

Digital video continues to be one of the fastest growing channels in all of media.

U.S. digital video ad spend, including CTV, social video, and online video, rose 18% YoY (2024 vs. 2023) and is projected to grow 14% in 2025*—two to three times faster than total media overall.¹

02

Digital video ad spend is maintaining strong momentum, pulling further ahead of linear TV.

Digital video ad spend will reach \$72B in 2025*, capturing 58% of total video ad dollars—doubling its share over the past five years.

03

Most categories will increase digital video ad spend by double-digits in 2025.*

CPG, retail, and pharma are projected to be the top growers in the space as they look to connect directly with consumers in more personal ways while leveraging real-time data, geo signals, and shoppable ads.

04

Each digital video channel is seeing double-digit growth, with CTV showing the strongest acceleration.

CTV rebounded in 2024 with 16% YoY growth to \$24B, after lagging behind online and social video in 2023 with just 9% growth. It's projected to grow another 13% in 2025 to \$27B—43% larger than online video.

05

CTV and social video are by far the top “must buys” for U.S. ad spenders in 2025.

CTV and social video remain highly valued by advertisers for delivering both scale and precision—engaged audiences, cross-device measurement, and, now, greater flexibility through advanced programmatic and self-serve activation tools.

Digital Video Ad Market Size & Growth Projections



Digital video ad spend continues its robust growth—maintaining double-digit increases YoY

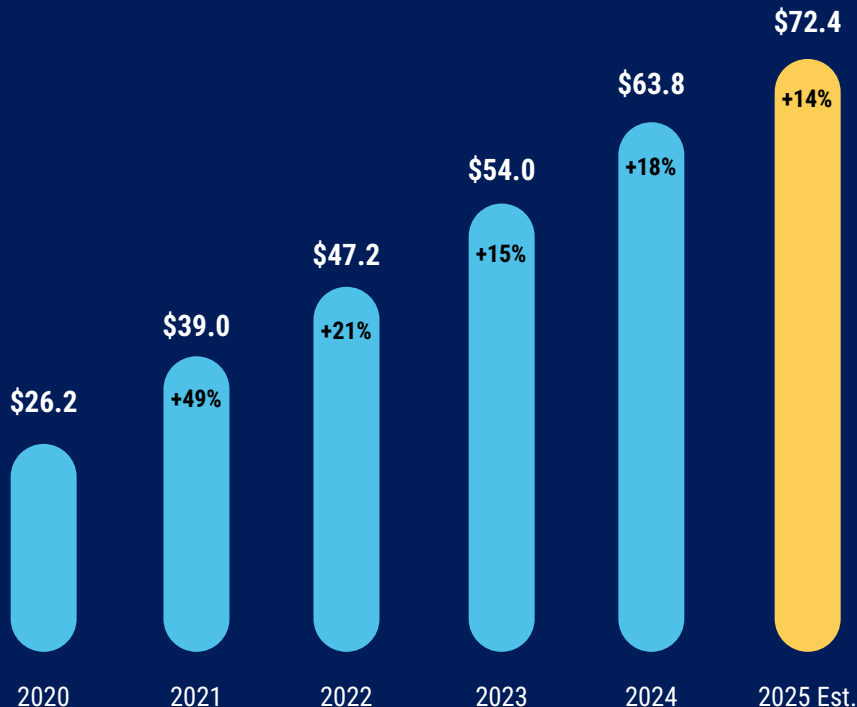
Digital video—including CTV, social video, and online video (OLV)—grew 18% in 2024 to \$64B in ad spend, driven by its ability to deliver engaging, personalized, and shoppable experiences across platforms, formats, and devices—meeting consumers where they like to watch video content.

As a result, it remains one of the fastest-growing media channels and is projected to grow another 14% in 2025, reaching \$72B—two to three times faster than total media overall.¹ However, due to ongoing economic uncertainty including tariffs, geopolitical conflict, and changing consumer sentiment, this year's market is more dynamic than normal.



U.S. ANNUAL DIGITAL VIDEO AD SPEND (\$B)

*DIGITAL VIDEO INCLUDES CTV, SOCIAL VIDEO, AND ONLINE VIDEO



Digital video is pulling further ahead of linear TV, solidifying its dominance in ad spend

Digital video is projected to capture 58% of total TV/video ad spend this year—doubling its share over the past five years.

This growth builds on a major turning point in 2024, when it surpassed linear TV for the first time, driven by the accelerating shift in viewership to streaming—and advertisers following suit.

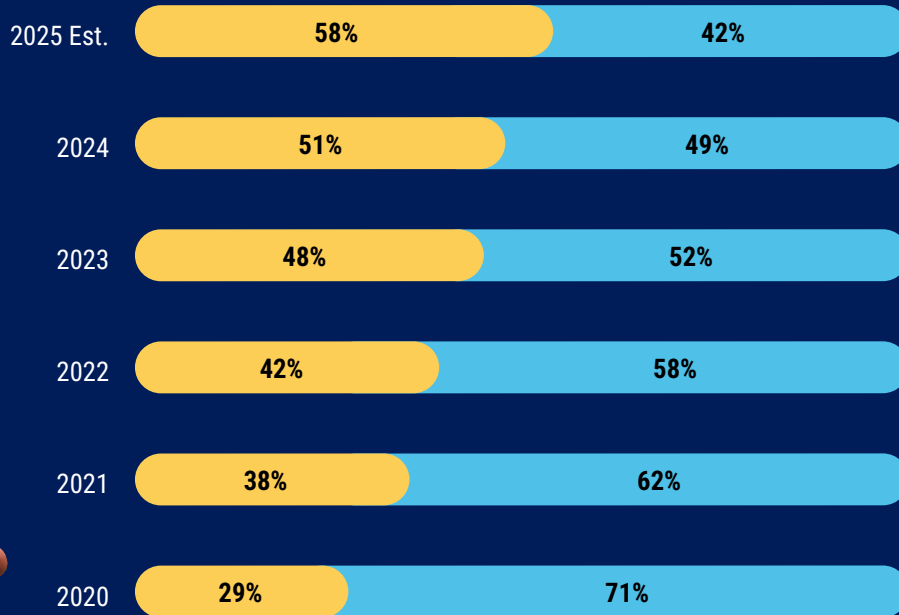
Underscoring that shift, traditional pay TV fell below 50% of total video subscription revenues in 2024 while streaming platforms pulled ahead.¹ This decline was fueled by continued subscriber losses—8.4 million in 2023 and another 6.3 million in 2024.²

In 2025, digital video's lead is expected to grow further as linear TV will not have the U.S. presidential elections nor the Olympics to generate spend.



U.S. TOTAL ANNUAL TV/VIDEO SPEND SHARE

● Digital Video* ● Linear TV

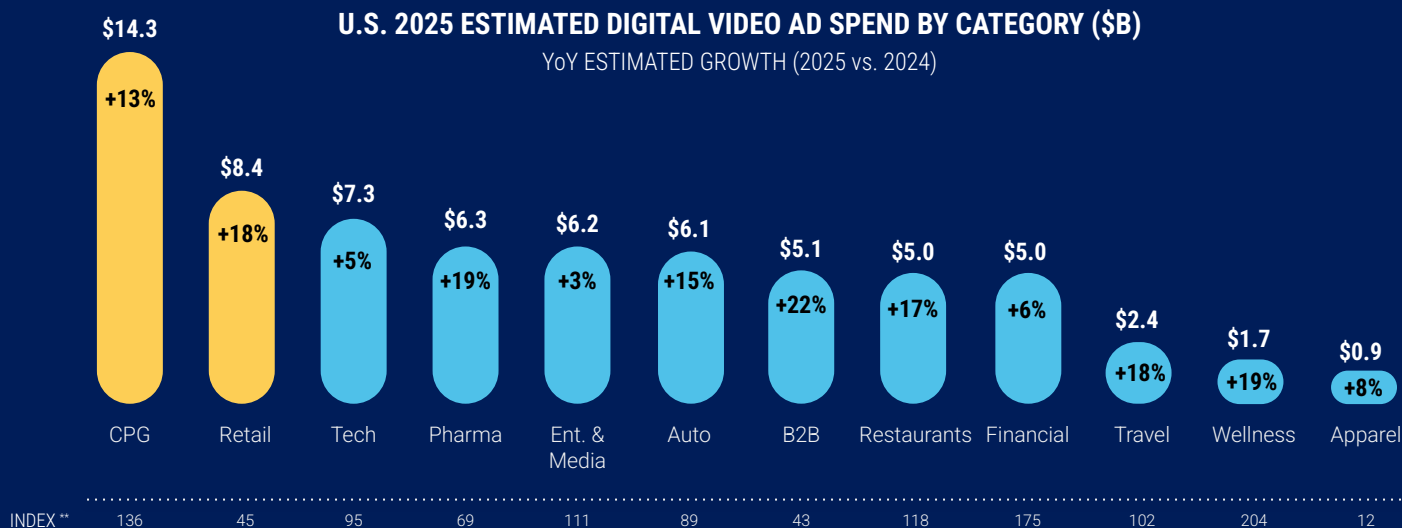


*Digital video includes CTV, social video, and online video
¹eMarketer, January 2025 ²nScreenMedia, February 2025
 Source: Guideline estimates of total TV/video ad spend

Led by CPG, retail, and pharma, most categories will continue to increase digital video ad spend by double-digits in 2025*

CPG brands are rapidly increasing CTV spend, fueled by retail media data partnerships, a push to diversify beyond social/OLV, and broadcasters' expanded CTV offerings.

Retail, auto, and restaurant brands prioritize real-time, location-based messaging paired with shoppable ad formats. Meanwhile, pharma brands are increasingly leveraging AI and data to personalize messaging, aligning with broader trends in CTV and social video. Notably, Innovid reports that CTV drives high ad engagement rates for pharmaceutical ads.¹



*Note, due to ongoing economic uncertainty including tariffs, geopolitical conflict, and changing consumer sentiment, this year's market is more dynamic than normal and subject to change

**Index compares a category's digital video share of total ad spend to the estimated average across all categories (28%) based on pMarketer, October 2024

¹Medical Marketing & Media, May 2024

Source: Guideline estimate of digital video ad spend by category

Each digital video channel posted double-digit increases in 2024 as CTV nearly doubled its growth rate

CTV rebounded in 2024 with 16% YoY growth to \$23.6B, after lagging behind online and social video in 2023 with just 9% growth.

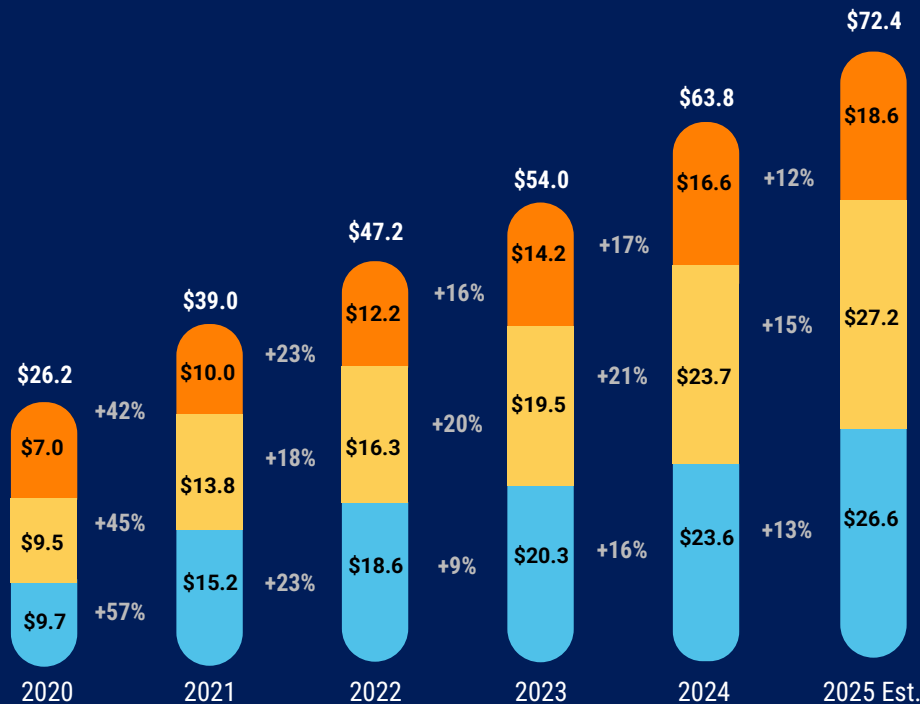
That turnaround was driven by a number of factors including the end of the actor and writer's strikes which slowed content production, the monetization of live sports/events, and the standing up and scaling of programmatic and self-serve activation tools on behalf of the leading streaming platforms.

Building on this momentum, CTV is projected to grow another 13% in 2025 to \$26.6B—43% larger than online video*.



U.S. ANNUAL DIGITAL VIDEO AD SPEND BY TYPE (\$B)

CTV Social Video Online Video



*Note, due to ongoing economic uncertainty including tariffs, geopolitical conflict, and changing consumer sentiment, this year's market is more dynamic than normal and subject to change.
Source: Guideline estimate of digital video ad spend by type

CTV and social video are by far the top “must buys” for ad buyers in 2025

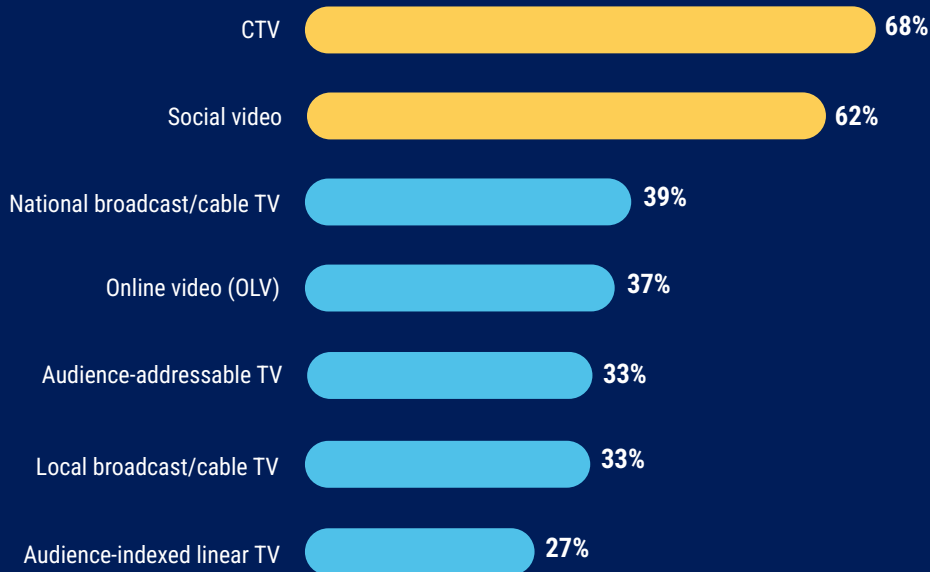
Over two-thirds of advertisers cite CTV as essential for their media plans, with social video close behind.

It's evident that both channels continue to be highly valued in offering advertisers the best of both worlds: access to large, engaged audiences and the ability to more precisely target and measure performance outcomes across devices.

Additionally, as streaming platforms continue to scale and evolve their CTV programmatic and self-serve activation tools, both channels provide advertisers greater flexibility to plan and buy media dynamically, and adapt in real-time to shifting audience behaviors.



% THAT CONSIDER THE FOLLOWING A “MUST BUY” (i.e., NECESSARY FOR MEDIA PLAN)



Q. Keeping in mind your largest/most important brand that you select media for, which of the following best describes your opinion of each of the following advertising types? – “Must Buy”
Base: Total Respondents, n=368

Dollars flowing into CTV primarily come from reallocations—especially linear TV and social media

The top source of these funds continues to be Linear TV, further reflecting the shift from traditional to digital video platforms.

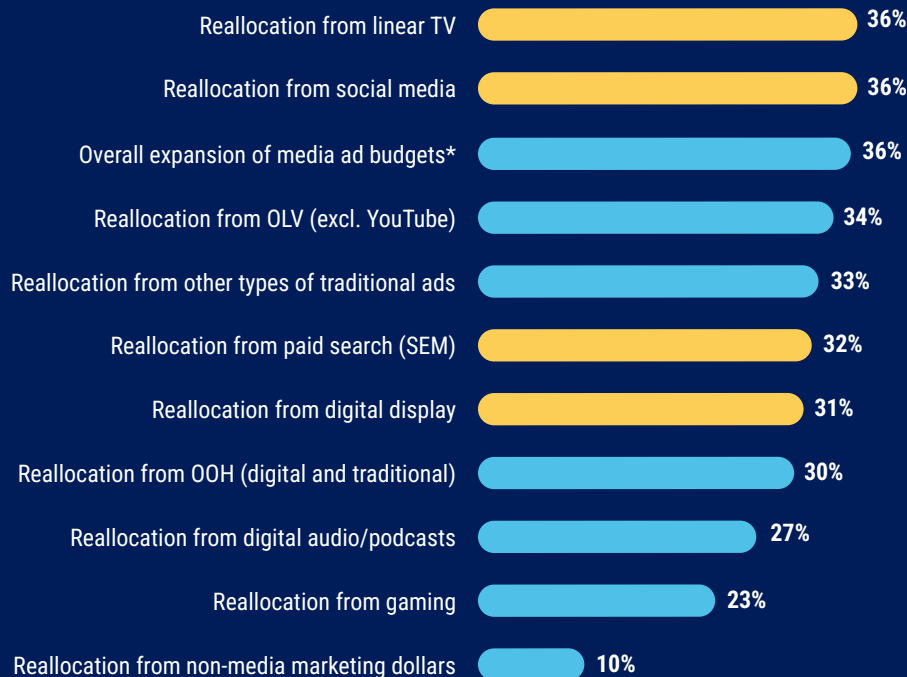
Close behind is social video as advertisers aim to expand spending on engaging, screen-based formats and are further enticed by the streaming platforms' launch of programmatic and self-serve activation tools which brands have leveraged across social for years.

Paid search and digital display are also notable sources of reallocated budgets, highlighting a broader trend, among buyers, of prioritizing CTV's reach, targeting, and the enhanced activation methods mentioned above.



FUNDING SOURCES FOR INCREASED CTV SPENDING

BASE: THOSE INCREASING CTV SPENDING IN 2025



*Note, due to ongoing economic uncertainty including tariffs, geopolitical conflict, and changing consumer sentiment, this year's market is more dynamic than normal and subject to change
Q. How will you fund increased CTV/OTT ad spending?
Base: Increasing CTV/OTT spend, n=187

Recap





This year's findings underscore a pivotal moment for digital video—spanning CTV, social video, and online video—as these channels solidify their role as essential tools for brand marketers.

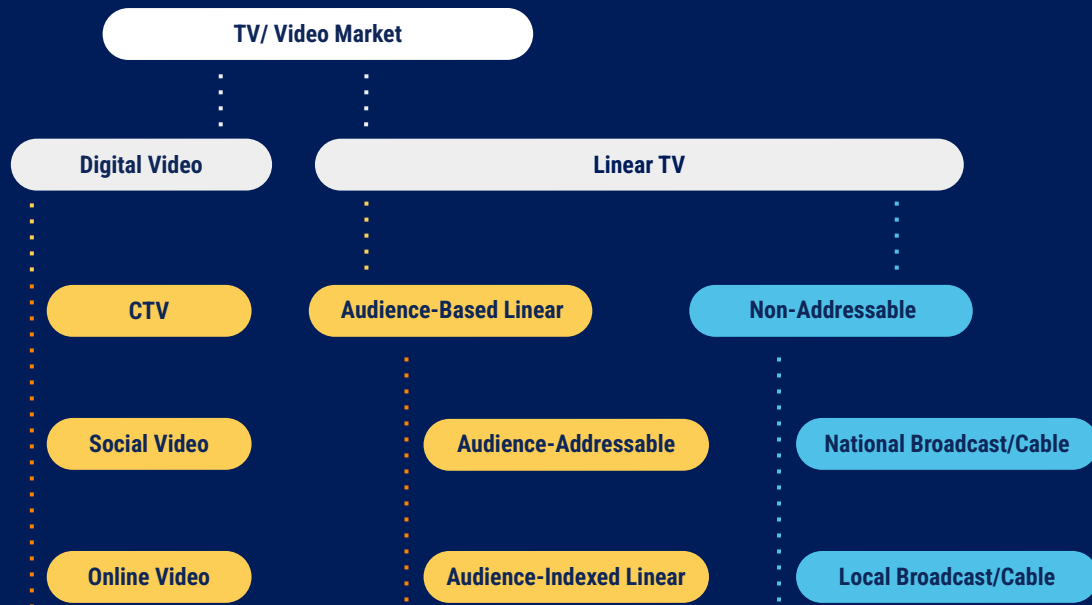
Previous and projected ad spend growth reflect not just rising investment but a broader evolution within the ecosystem. Enhanced infrastructure, new monetization models, and greater accessibility are empowering brands of all sizes to allocate budgets with confidence, fueling the rapid expansion of digital video's share of the TV/video market. This momentum marks a significant step toward a more innovative, flexible, and sustainable future for advertisers and platforms alike.

Part two of this report, focusing on the strategies behind these growth rates, will be publicly released on July 14th during the IAB Media Center's Video Leadership Summit.

Appendix: Definitions & Methodology



TV/Video Classification Guide



TV/VIDEO TYPE KEY

- Audience-Based Addressable
- Non-Addressable

For detailed definitions
see the next page



TV/Video Classification Guide: Detailed Definitions

TV/VIDEO TYPE KEY

- Audience-Based Addressable
- Non-Addressable

Digital Video

CTV

"TV-like" Internet-delivered content, typically long-form and delivered via a Smart TV or OTT device, via subscription or non-subscription streaming video services. Some inventory may be distributed in the mobile or desktop environments and includes the following:

- **AVOD** or advertising-based video on demand:
 - Free ad-supported streaming TV services, aka FAST (e.g., Pluto TV, Tubi, Xumo)
 - Ad-supported paid subscription video services (e.g., Hulu, Paramount+)
- **vMVPDs** or virtual multichannel video programming distributor (e.g., Hulu Live TV, YouTube TV, Sling)

Social Video

Short-form video shared on social platforms, including TikTok, Instagram, Facebook, Snap, Twitter, YouTube.com, and others

Online Video

Short-form video from web/app-based publishers

Linear TV

National Broadcast/Cable TV

Traditional linear TV, bought for distribution nationally. Households viewing the same shows see the same ad. This includes any data-driven linear TV bought for distribution.

Local Broadcast/Cable TV

Traditional linear TV, bought for local (metro-level) programming; aka Spot TV. Households viewing the same shows see the same ad.

Audience-Based Linear

Audience-Addressable

Allows advertisers to dynamically serve specific ads to specific households during scheduled linear TV programming, based on first-, second-, or third-party data such as location, behavior and demographics.

Audience-Indexed Linear

Enables buyers to identify programs, networks, and dayparts with a high composition of the advertiser's target audience and build an ad buy more likely to reach that audience.

Methodology

Now in its twelfth year, IAB's **Digital Video Ad Spend & Strategy Report** report provides a lens into the trends within the U.S. TV/video market and offers guidance for buyers and sellers on how they can position and differentiate their strategies based on the market opportunity.



Advertiser Perceptions Quantitative Sample Generated and Execution

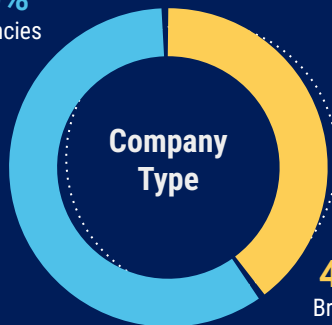
- Fielded: February 17, 2025 – March 7, 2025
- 15-minute anonymous online survey, n=368
- Advertiser Perceptions leveraged its Ad Pros community and trusted third-party partners to recruit verified industry leaders, identified as those who:
 - Are involved in recommending, specifying, or approving advertising spending in digital video
 - Spent at least \$1M on advertising in 2024
 - Work at agencies or directly for a brand marketer

Guideline's Market Size and Growth Rate Methodology

- Guideline's digital video ad spend market size and growth rate estimates are based on Guideline's Pool of ad billing data, including Forward Bookings (i.e., future, pre-booked media), the IAB-commissioned Advertiser Perceptions quantitative survey, interviews with industry leaders, and other market estimates.
- The Guideline pool's coverage of the U.S. advertising market is based on deterministic, census-level total media billings for all spending by the largest ad agencies, includes all six U.S. major holding groups and most of the largest independents.

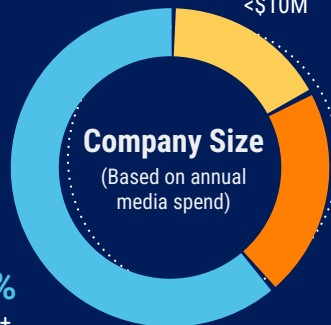
Respondent Profile

60%
Agencies



40%
Brands/
Marketers

15%
<\$10M



65%
\$50M+

20%
\$10M<\$50M

7%
Manager /
Associate



48%
Director

46%
VP+

Market Sectors

8%

Automotive

8%

Retail

8%

Fashion / Apparel/
Accessories

8%

Travel

8%

CPG

8%

Telecom

8%

Home Furnishing /
Furniture / Appliances

8%

Tech/Consumer
Electronics

8%

Financial
Services

8%

Media and
Entertainment

8%

Health/Wellness

9%

Other

*Numbers
many not add
up to 100% due
to rounding

About IAB



The Interactive Advertising Bureau empowers the media and marketing industries to thrive in the digital economy. Its membership comprises more than 700 leading media companies, brands, agencies, and the technology firms responsible for selling, delivering, and optimizing digital ad marketing campaigns. The trade group fields critical research on interactive advertising, while also educating brands, agencies, and the wider business community on the importance of digital marketing.

In affiliation with the IAB Tech Lab, IAB develops technical standards and solutions. IAB is committed to professional development and elevating the knowledge, skills, expertise, and diversity of the workforce across the industry. Through the work of its public policy office in Washington, D.C., the trade association advocates for its members and promotes the value of the interactive advertising industry to legislators and policymakers. Founded in 1996, IAB is headquartered in New York City.

About IAB's Media Center



IAB Media Center's mission is to accelerate the seamless transition from traditional analog media channels to dynamic digital platforms. By doing so, we aim to empower innovative business models while fostering a captivating and consumer-centric media and advertising experience. Our Video Board of Directors advances the growth of the converging television and digital video marketplace, acting as a crucial link between buyers and sellers. It dedicates itself to providing best practices, setting industry standards, and creating forums that catalyze market development. Board members set the agenda and direction for IAB and the industry, approve and prioritize key initiatives, influence industry best practices, receive priority access to IAB experts, research, and tools, and participate in exclusive events and meetings.

IAB Video Board of Directors Member Companies

Amagi	Innovid	Publicis Media
Amazon Ads	IPG Mediabrands	Quigley Simpson
Butler Till	Magnite	Roku
dentsu	Meta	RPA
Disney	National Football League	Samsung Ads
FreeWheel	NBCUniversal	Spectrum Reach
General Motors	Netflix	TelevisaUnivision
Google	Nexstar	The Coca-Cola Company
GroupM	Omnicom Media Group	TikTok
GSTV	Papa John's Pizza	Unilever
Harmelin Media	Paramount	Warner Bros. Discovery
Horizon Media	Pfizer	

About Advertiser Perceptions



Strategic Market Intelligence. **ACTIVATED.**

Advertiser Perceptions is the leader in providing research-based strategic market intelligence to the complex and dynamic media, advertising, and ad tech industries. Our curated, proprietary Ad PROS™ Network and deep relationships with the largest advertisers provide clients with an unbiased view of the market, their brand, and the competition. Our experts provide timely and actionable guidance enabling clients to improve their products and services, strengthen their brands, and drive more revenue. The largest, most innovative global media and technology businesses rely on Advertiser Perceptions.

www.AdvertiserPerceptions.com

About Guideline



Our mission is to redefine the future of the world buys and sells media.

We combined the leading media planning and data companies to create the world's most trusted set of solutions to help shape mission-critical advertising decisions. Though we already provide guidance to the world's leading brands, agencies, and media owners; we are just getting started.

We are busy innovating, expanding existing capabilities, and leveraging AI to offer automated, intelligent solutions to age-old industry processes.

As the industry leader, 25 out of the world's 30 largest brands and 9 of the top 10 most valuable global media owners rely on our solutions. Guideline provides critical data to the largest media measurement companies, demand-side platforms, and institutional investors. We partner with all six of the biggest agency holding companies, as well as several of the largest independents, analyzing over \$150 billion in annual media spend globally.

[Request a Guideline Demo](#)





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