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# Foreword

The 2026 Outlook Study provides a definitive snapshot of projected ad spend, opportunities, and challenges for the year ahead.

The report delivers 2026 ad spend projections for the market overall and at the channel level, while offering insights into how media buyers are recalibrating growth strategies to navigate the adoption of AI and agentic AI, shifting consumer behavior, and rising performance pressure.

With these insights, the ad industry can strategically prepare for 2026, benchmark their performance, and identify new opportunities to navigate a year where the industry finds itself transitioning from AI experimentation to AI being the core infrastructure powering media campaign execution.



# Key Insights



- 01 Ad spend will post more growth in 2026 (+9.5% YoY) accelerated by major cyclical events including the midterm elections, Olympics, and World Cup; removing the events lowers growth to a range of 7.1% - 7.8%.
- 02 Five of the top six buyer focus areas in 2026 center around AI with two-thirds focused specifically on agentic AI for buying/campaign execution; nearly all (96%) are aware of agentic AI ad buying.
- 03 However, AI's expanding capabilities present buyers' greatest challenges: adapting to AI-driven consumer behavior, understanding agentic AI ad buying, and applying GenAI to media campaigns.
- 04 Amidst the backdrop of spend growth, customer acquisition remains the top priority but is declining as buyers shift focus toward repeat purchases amid concerns with rising media costs and pressure for profitable growth.
- 05 Led by double-digit increases in social media (+14.6%), CTV (+13.8%), and commerce media (12.1%), each digital channel will grow while Linear TV will see less of its usual dip due to the major, cyclical events.



# 01 U.S. Ad Spend: Direction, Channels & Goals



# Ad spend is poised for growth in 2026 with major events accelerating investment

2026 brings a familiar optimism as buyers look to capitalize on the midterm elections, the Winter Olympics, and the FIFA World Cup which combined will drive \$9B in incremental spend per Omnicom. Caveat: Though unlikely (estimated at a one-in-three chance), a U.S. recession could disrupt this growth\*.

PROJECTED % CHANGE U.S. AD SPEND YoY

+5.7%

2025 (vs. 2024)

+9.5%

2026 (vs. 2025)

**Note:** When removing spend from the major cyclical events, we estimate growth to range from 7.1% - 7.8%.

# Led by social and CTV, each digital channel continues its growth while Linear TV's decline slows due to major events

Supported by ongoing audience consumption shifts, measurement capabilities, and a robust calendar of major cyclical events, **Social** and **CTV** are projected again to lead growth in 2026.

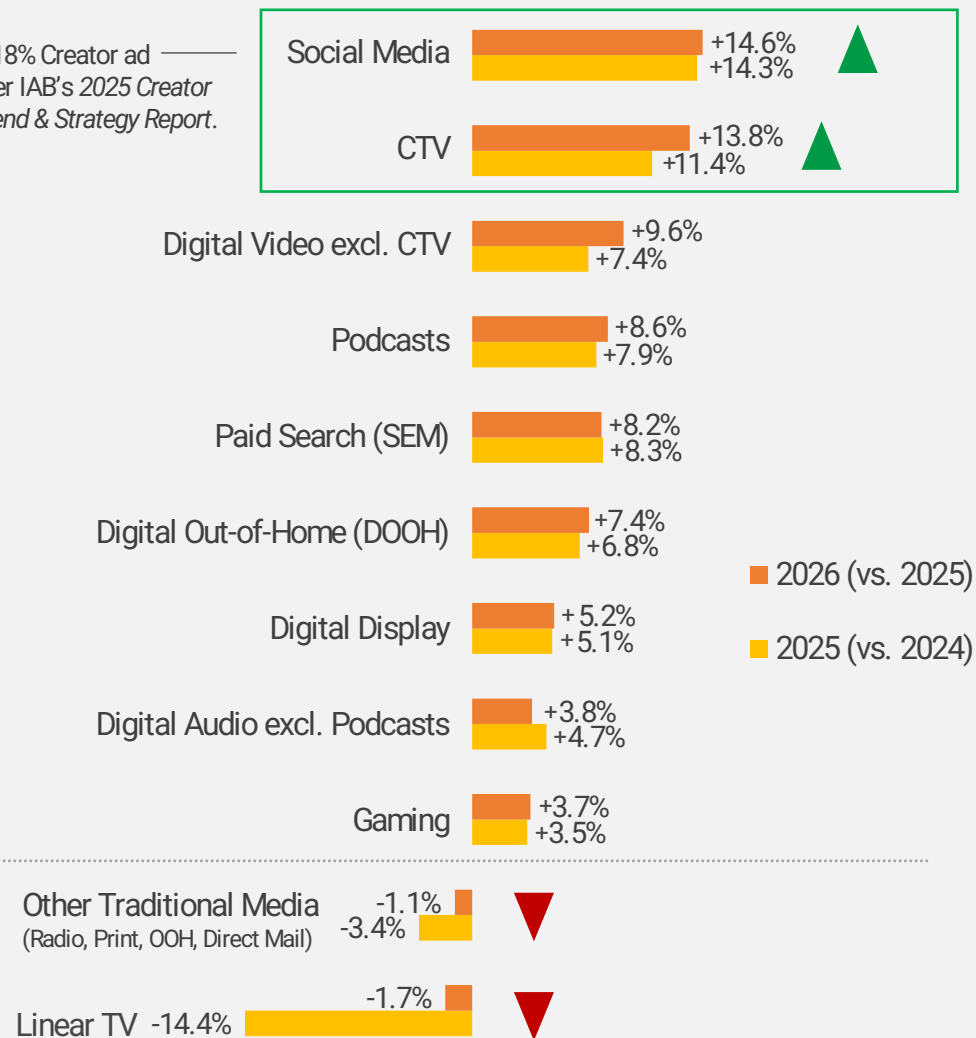
These events generate broad-based demand across all video environments (inc. CTV, **OLV**, and Social), which also helps temper declines in **Linear TV** vs. prior years.

**Search** is holding steady for now as platforms discover ways to monetize AI-generated queries.



## PROJECTED % CHANGE U.S. AD SPEND YoY BY CHANNEL

Coincides with 18% Creator ad spend growth per IAB's 2025 Creator Economy Ad Spend & Strategy Report.



n=floating base

Q: Please provide your estimated percent change (+/- %) in projected total media spend for FULL YEAR 2026 (Jan to Dec) compared to FULL YEAR 2025 actuals BY CHANNEL.



# Commerce media will grow 12% fueled by optimism in off-site and AI opportunities

Commerce media is expected to grow **nearly 30% faster than the overall ad market.**

**Fragmentation, measurement inconsistency,** and questions of **incrementality** continue to persist, but optimism is buoyed by off-site and in-store opportunities as well as potential ad opportunities tied to agentic AI shopping assistants.



## PROJECTED % CHANGE U.S. AD SPEND YoY COMMERCE MEDIA

+13.2%

2025 (vs. 2024)

+12.1%

2026 (vs. 2025)

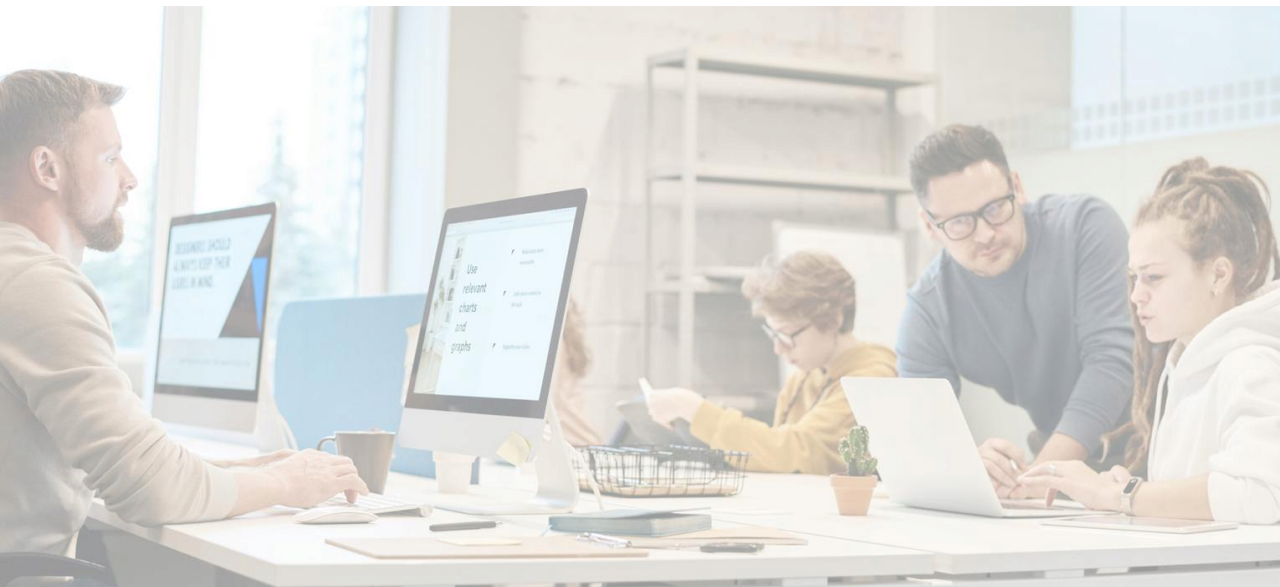
2026, n=115; 2025, n=128

Q: Please provide your estimated percent change (+/- %) in projected total media spend for FULL YEAR 2026 (Jan to Dec) compared to FULL YEAR 2025 actuals BY CHANNEL - Retail Media

# Customer acquisition remains the top goal but recedes in favor of repeat purchases

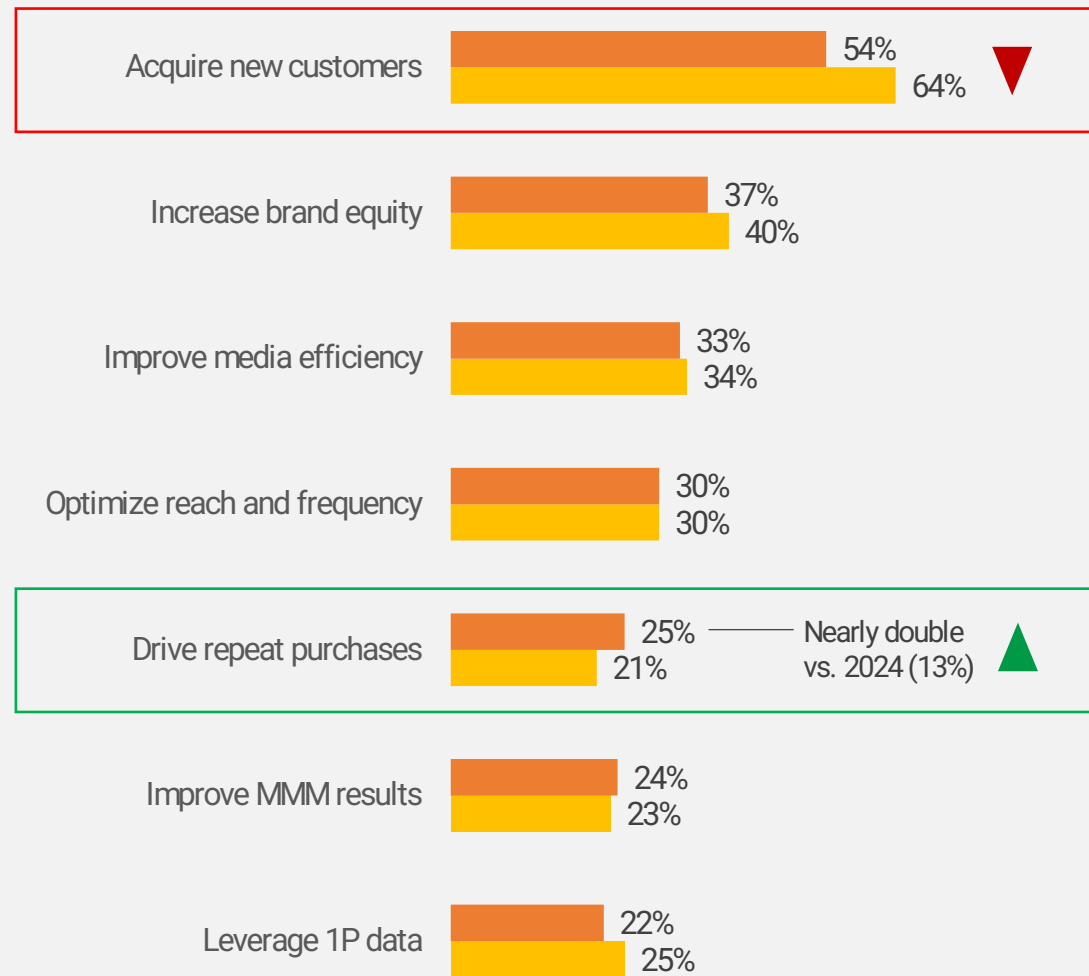
Though still the clear priority, **customer acquisition declined 10 points** in importance as repeat purchases surged—nearly doubling since 2024 (see right).

This suggests **a rebalancing to counter rising acquisition costs** (see page 13) while coinciding with a focus on performance-driven campaigns and channels with stronger measurement (see page 7) as buyers face pressure to deliver profitable growth.



## MEDIA INVESTMENT GOALS YoY

2026 2025





# Creators top the ad types as buyers look to drive sales and authentic engagement

Via **creator partnerships**, brands are prioritizing trusted, human storytelling that rises above the flood of AI content. This coincides with a focus on **experiential marketing**, and **live programming** as brands look to tap high-attention, real-time differentiation at scale.

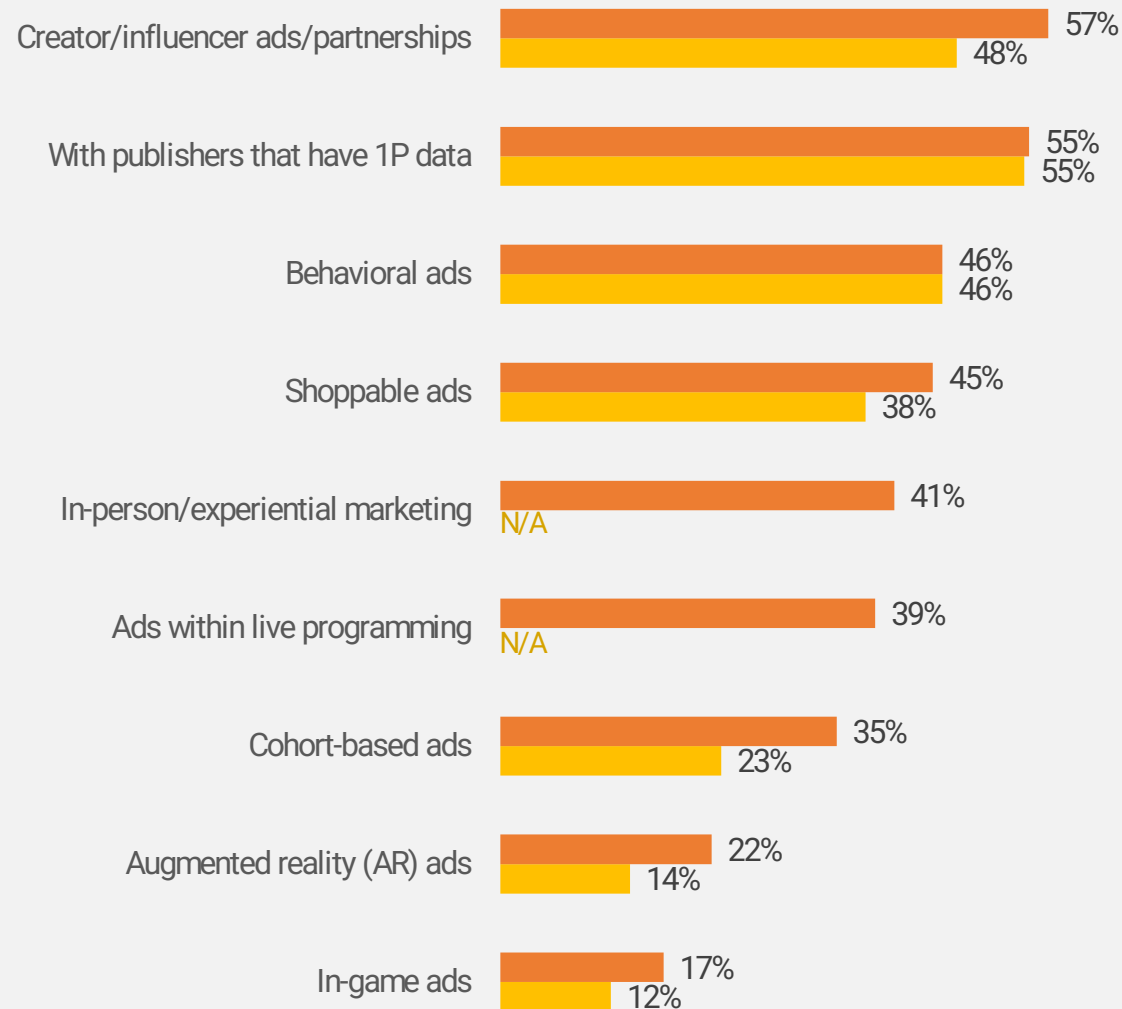
**Shoppability** reflects the need to be closer to commerce, especially in CTV and commerce media, to drive measurable revenue.

**Cohort-based ads** rise as buyers adapt to signal loss, using privacy-safe, AI-driven audience groupings.



## AD TYPES: INCREASED FOCUS YoY

2026 2025



2026: n=205; 2025: n=204

Q: Do you expect to FOCUS more, less, or the same amount of time and/or resources in 2026 (vs. 2025) on the following?

## 02 The AI & Agentic Ad Opportunity



# Five of the top six buyer focus areas in 2026 center around AI

Buyers are concentrating AI investment across core media functions—from **GenAI in campaigns** to **optimizing content for AI-generated answers**.

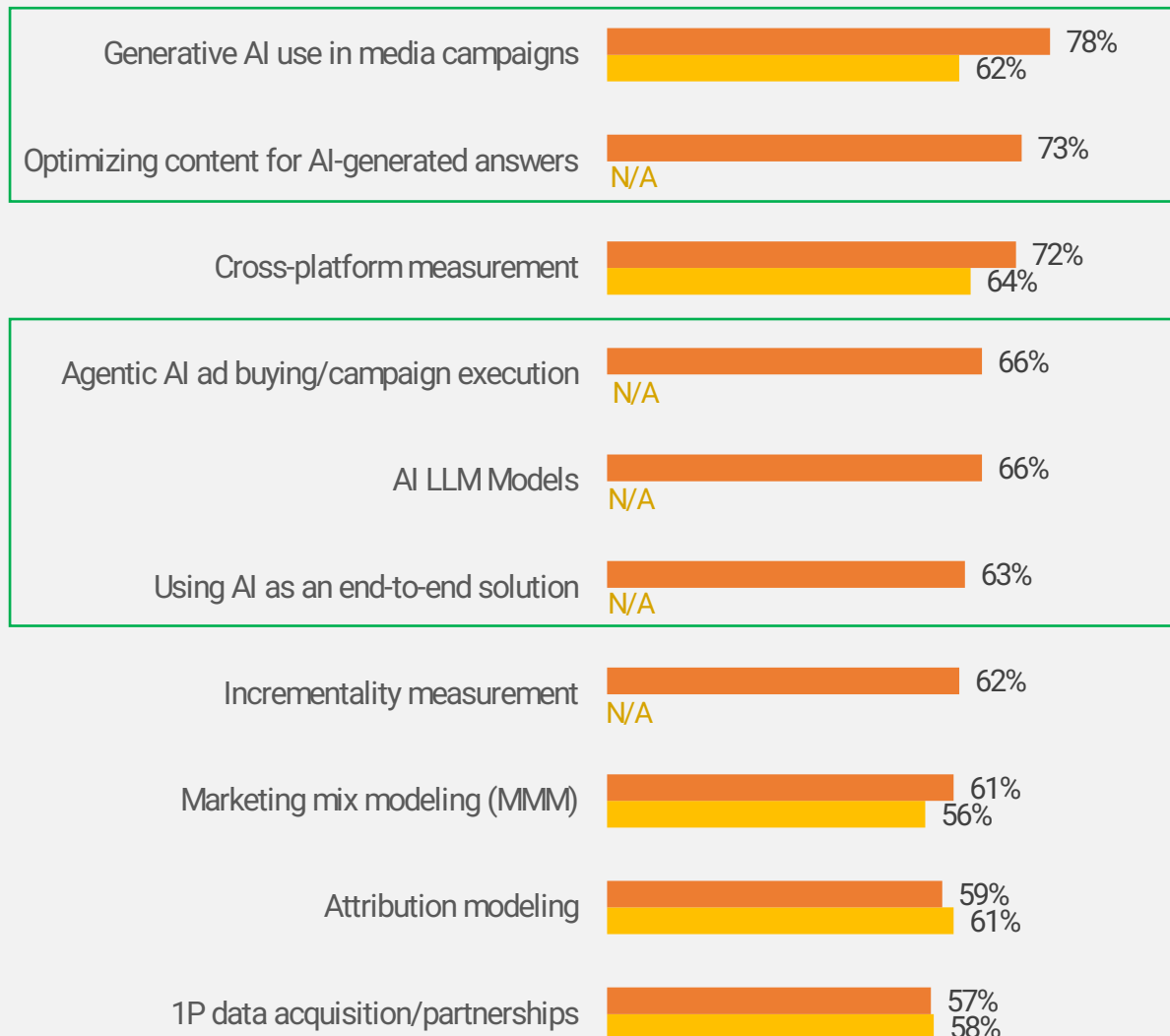
With 96% of buyers aware of **agentic AI for buying** (data not shown), and two-thirds focusing on it, AI is being positioned to coordinate planning, activation, and optimization, setting a future for how media transaction are executed.

Of note: **Cross-platform measurement** has increased meaningfully, reflecting growing pressure to connect AI-driven activation with comparable, outcome-based measurement.



## AREAS OF INCREASED FOCUS YoY

2026 2025



2026: n=205; 2025: n=204

Q: Do you expect to FOCUS more, less, or the same amount of time and/or resources in 2026 (vs. 2025) on the following?



# But the expansion of AI brings a new hierarchy of challenges for buyers

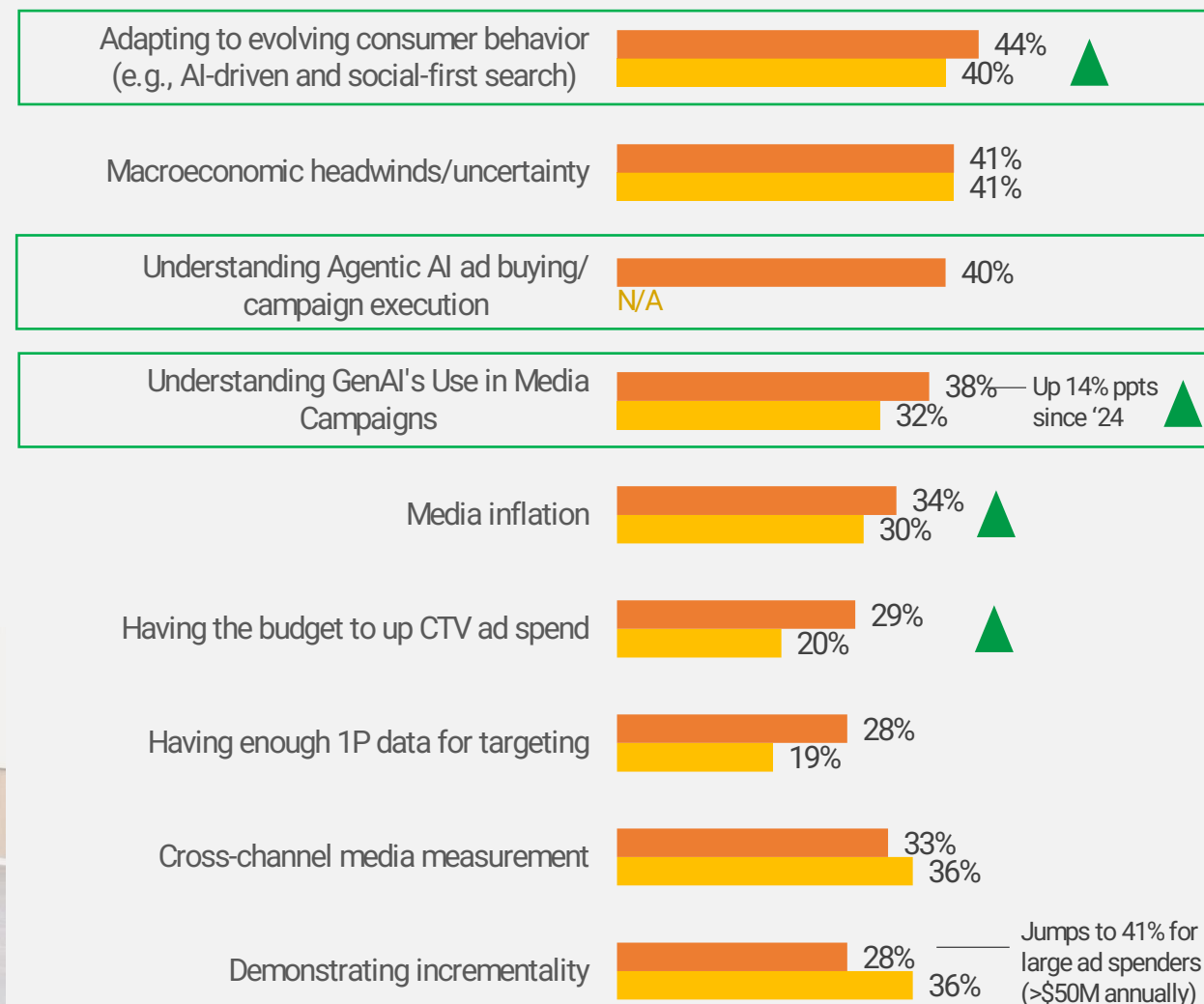
Adapting marketing strategies to an AI-reshaped consumer journey is buyers' top challenge, with **understanding GenAI** and **agentic AI ad buying** close behind—all highlighting the need to translate rapidly evolving AI capabilities into practical, scalable strategies.

Of note: concerns around the **cost of media** have also risen, particularly in CTV (up 9 points YoY) and across media overall (up 4 points).



## TOP MEDIA INVESTMENT CHALLENGES YoY

2026 2025



2026: n=2055 2025: n=204; Responses below 25% not shown.  
Q: What are your greatest concerns and/or challenges regarding media investment in 2026? Select all that apply

# Agentic AI adoption centers on insights, creative optimization, and recommendations while deal execution is a growth area

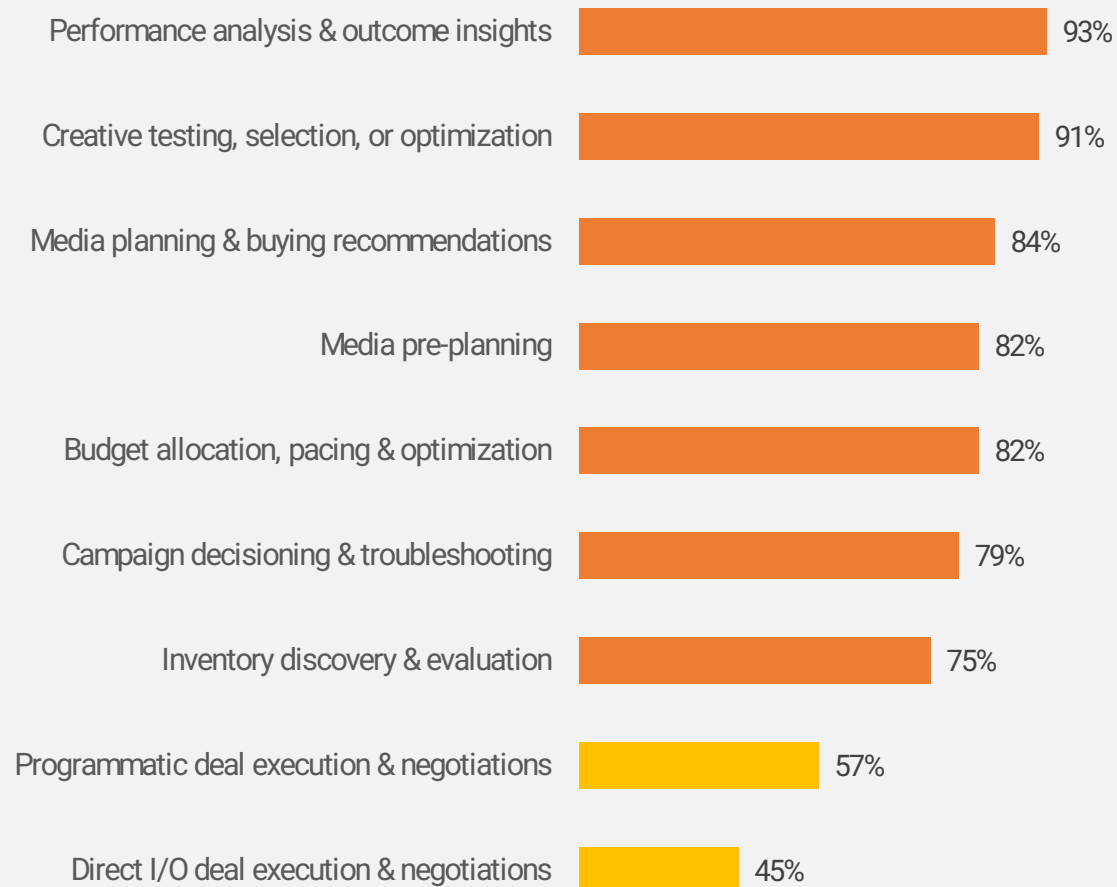
Buyer intent for agentic AI use is strongest in insight-driven and optimization-heavy tasks, including **performance analysis**, **creative optimization**, **planning**, and **budget management**.

Adoption drops sharply for **deal execution and negotiations**, showing buyers will delegate analytical and operational decisions to AI but retain human control over relationship-based and high-risk choices until more confident in the technology.



## AGENTIC USE CASES (% ALREADY USING OR LIKELY TO USE)

*Among those aware of agentic AI ad buying/campaign execution*



Among those aware of agentic AI ad buying/campaign execution, n=161  
Q: How likely are you or your company to use agentic AI for each of the following in the future?

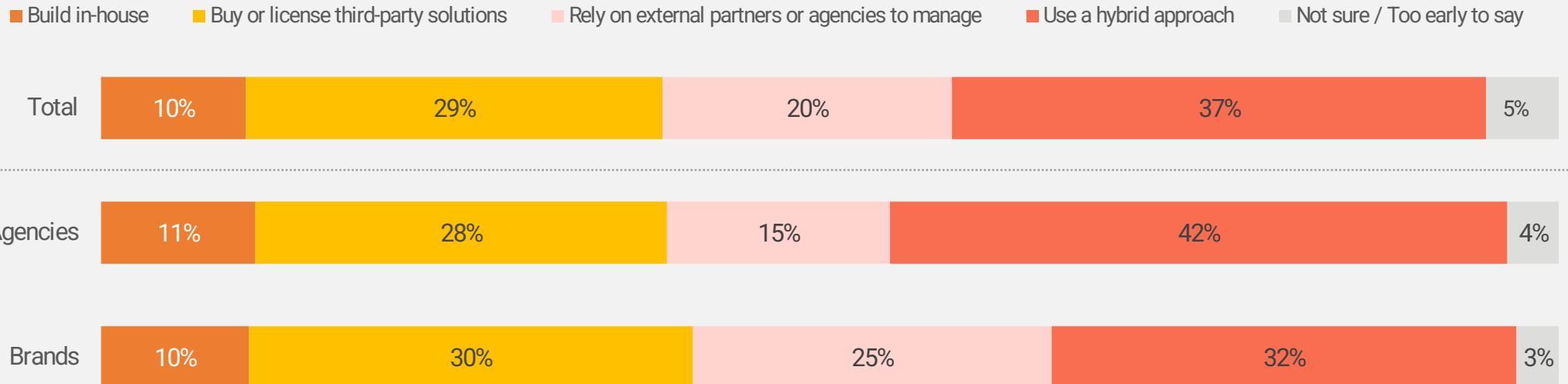
# Buyers are taking a hybrid, in-house/out-sourced, approach to agentic AI deployment

Few buyers plan to access/deploy agentic AI capabilities using in-house tools only—reflecting the complexity of agentic AI and the value of external expertise.

Agencies favor hybrid deployment models to support multiple clients, while brands prefer licensing third-party solutions for speed and control. This split suggests agentic AI will scale through partnerships—agencies enabling cross-platform integration, brands pursuing faster, lower-risk adoption.

## AGENTIC AI ACCESS/DEPLOYMENT

*Among those aware of agentic AI ad buying/campaign execution*





# Recap & What's Next

U.S. ad spend is set to accelerate in 2026, fueled by major cyclical events and broad-based digital growth, even as underlying momentum remains solid without them.

At the same time, the industry is undergoing a deeper structural shift. AI—particularly agentic AI—is poised to become central to how media is planned, bought, and optimized, reshaping both buyer priorities and challenges.

As growth pressures intensify and concerns for media inflation rise, brands are also recalibrating toward repeat purchase, performance, and measurable outcomes.

**What's Next:** Expect AI to move from enablement to execution, with agentic systems taking on greater operational responsibility. Success in 2026 will hinge on buyers' ability to adapt strategies to AI-shaped consumer journeys—while pairing faster automation with stronger governance, measurement, and accountability.



## 05 Appendix



# Methodology and Respondent Profile

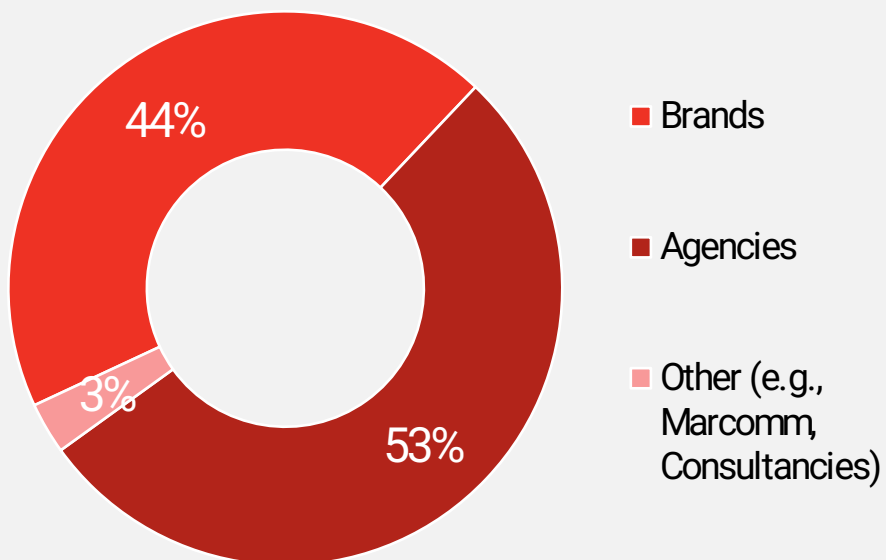
Email survey sent to U.S. buy-side ad investment decision-makers, primarily at brands and agencies

Field dates: 11/24/25-1/16/26

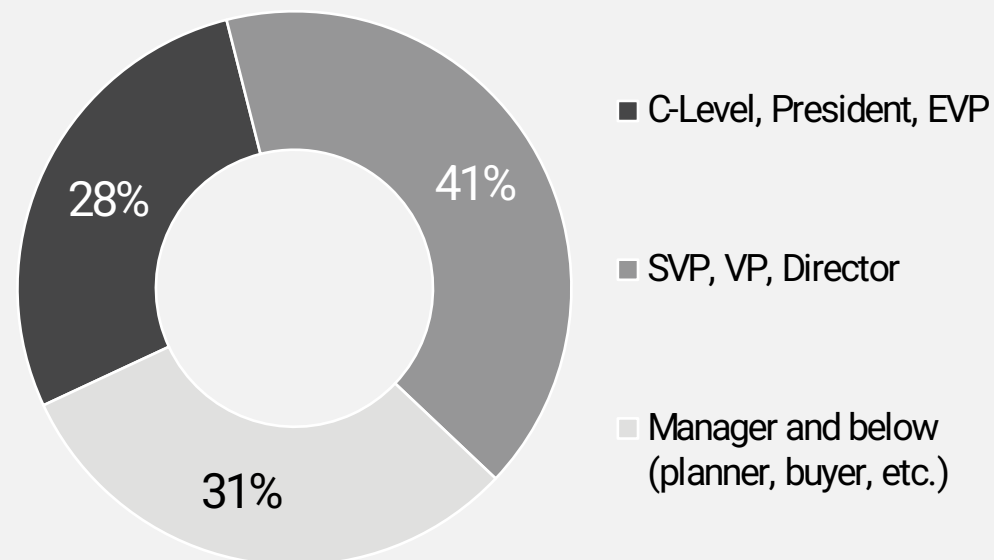
n=205



## COMPANY TYPE



## JOB TITLE





# 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 2006, IAB is headquartered in New York City.

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# ... The fastest-growing channels continue to command the largest market share

Online Video, CTV, Social Media, and Search will capture nearly 60% of spend.

Of note is Linear TV's slight increase reflecting the massive expected investment into the midterm elections, the Winter Olympics, and the FIFA World Cup.



## PROJECTED % SHARE U.S. AD SPEND YoY BY CHANNEL

22.3%		23.0%	All Digital Video: OLV + CTV
18.0%		18.4%	Social Media
16.4%		16.2%	Paid Search (SEM)
11.6%		11.2%	Digital Display
5.0%		4.9%	Podcasts
3.6%		4.7%	Digital Out-of-Home (DOOH)
5.0%		4.0%	Digital Audio excl. Podcasts
1.8%		1.7%	Gaming
10.2%		11.1%	Linear TV
6.0%		4.8%	Other Traditional Media
2025		2026	

2026: n=205; 2025: n=204

Q: Please provide your estimated PERCENT SHARE BY CHANNEL in projected media spend for FULL YEAR 2026 (Jan to Dec).



# Despite persistent tariff concerns, fewer buyers plan cutbacks as they double down on performance and measurable channels

In line with 2025, 9-in-10 buyers are still concerned about the negative impact of tariffs on ad spend (data not shown).

But the number of buyers reducing ad spend due to the concern dropped 15 percentage points YoY, from 45% to 30% (data not shown).

Instead, buyers will lean even more heavily into performance campaigns and channels with stronger measurement (see right).



## TARIFF-RELATED ADJUSTMENTS TO AD SPEND (MADE OR EXPECTED TO MAKE)

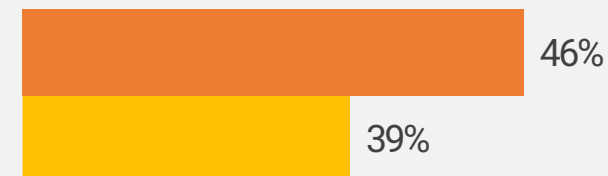
Among those concerned about the negative impact of tariffs on ad spend

2026 2025

Focus more on performance campaigns (i.e., “lower funnel”)



Shift spend to channels with better measurement, i.e., digital



Among those concerned about the negative impact of tariffs on ad spend: 2026, n=179; 2025, n=186  
Q: In which of the following ways have you adjusted or plan to adjust your ad spend strategy as a result of the tariffs?  
Select all that apply.

## Tariff fallout spills beyond physical goods, expanding pressure into service-based sectors

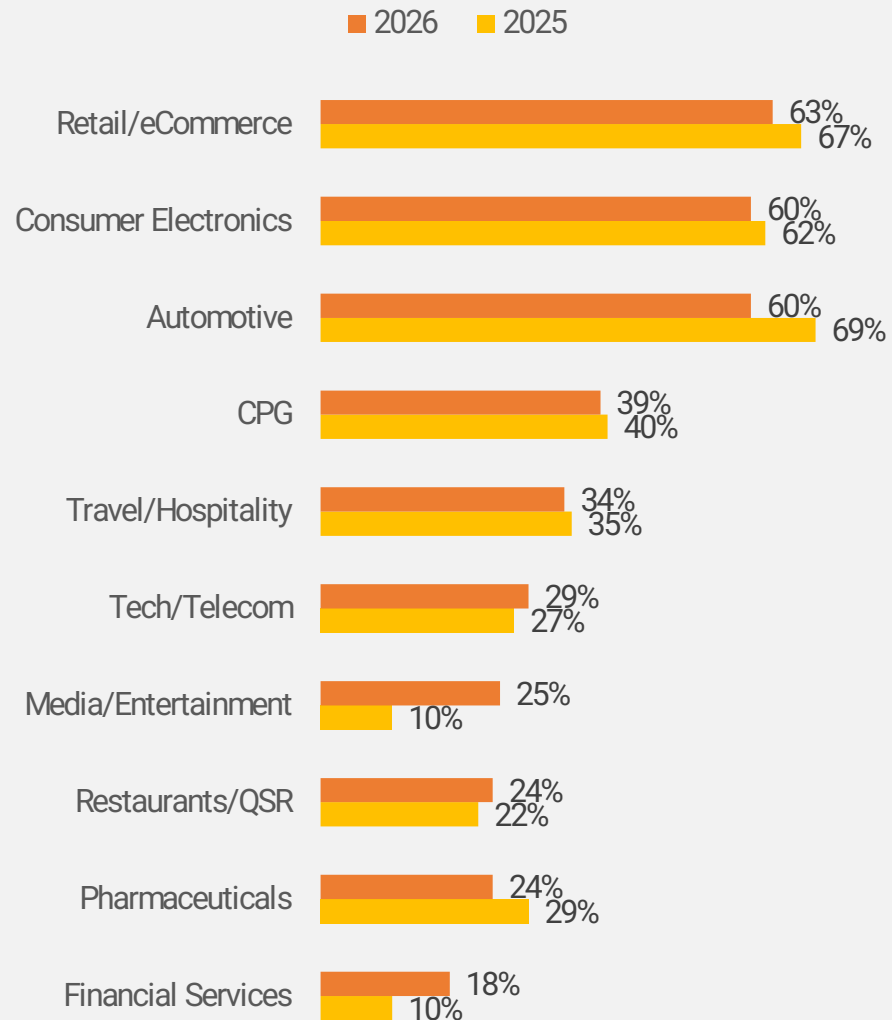
While **Retail**, **Consumer Electronics** and **Auto** remain the most exposed sectors, the pressure is shifting. Concern for **Media & Entertainment** has surged (+15 points) and **Financial Services** has nearly doubled, signaling fears of a "wallet recession".

Buyers anticipate that as consumers pay more for essentials, they will cut back on discretionary services like subscriptions and investments, forcing these sectors to fight harder for share of wallet.



## CATEGORIES EXPECTED TO BE THE MOST NEGATIVELY IMPACTED BY THE TARIFFS IN AD SPEND YoY

Among those concerned about the negative impact of tariffs on ad spend



Among those concerned about the negative impact of tariffs on ad spend; Jan '26 n=179; Sep '25, n=186  
Q: In terms of ad spend in 2026, which advertiser categories do you expect to be the most negatively impacted by the tariffs? Select all that apply.