

# 2023/24 IAB Canada Internet Ad Revenue Survey

September 2024

# 2023 IAB Canada Internet Ad Revenue Survey

As the digital advertising market continued its post pandemic recovery, 2023 reports a slowed year over year growth of 12% to \$15.9B which closely reflects IAB Canada and PWC estimates from 2022.

While digital media is often insulated from budgetary cuts due to its flexibility and effectiveness, our industry reported adjusted targets after the first half of 2023 as fears of recession loomed. The greatest volume of expenditure continues to move across performance platforms like search (\$7.4B) and social media (\$4.3B). Video growth, lower than expected in the pure play sense, saw moderate growth of 6.5% YoY bringing it to \$1.9B.

The most notable observation from this year's reporting is the clear shift in how channels are driving format growth. The "lower funnel" channel content is beginning to see signs of competitive activity as Retail Media begins to take its share of search and alternative formats to traditional programmatic display. The surprising growth in Social Media expenditure is also indicative of the power of video with the majority of inventory available through social channels now fixed on the format.

Given the rapid acceleration of the media landscape, we once again made slight updates to our reporting format to more accurately assess the market. Changes in this year's reporting include:

A continued stand-alone social media assessment which removes display and video counts leaving social media reporting to include any platform-specific format to its own category. In this year's report we made the exception of allocating any video-only platform towards the video category leaving mixed social platforms within their own category.

# 2023 in Review

*The digital advertising industry experienced a year that could best be described as distracting. With several narratives developing including privacy compliance, cookie deprecation, data collaboration strategies and AI, all stakeholders experienced a year of balancing new realities with staying grounded on the year's targets.*

*Retail Media showed strong growth and innovation, and CTV made several headlines ranging from strategic alliances forming on the retail side to large US entities entering the Canadian market with CTV inventory. Though CTV video revenue was moderate in 2023, there was a clear appetite for video with social media driving the format.*

*As we approached the second half of the year, IAB Canada members were reporting downward adjustments to revenue expectations with domestic publishers bearing the brunt of the downturn. Early reports of signal loss and its impact on revenue began to surface near the end of the year creating surge of investments and focus to shore up first party data.*

*Our industry continues to face several headwinds in the coming months. We are urging all stakeholders to engage in testing as we approach complete cookie deprecation. We are also recommending that roadmaps for consent management tools and data management be prioritized as we face the requirements of Law 25 in Quebec and anticipate the passing of a new federal privacy legislation in the coming months. We also continue to monitor the shifting market dynamics including channel fragmentation, additional foreign players entering the market and the near-global elections activity taking place in 2024.*

*To innovate in the Canadian market, we must understand it. New reporting is showing unearthed opportunities to reach new Canadians in meaningful ways. We have also identified the enormous opportunity that lies in the small to media sized business sector in Canada. Self-serve platforms are on the rise, and we anticipate a main theme in 2024 as we move towards an estimate \$18.1B market, will be "accessibility". Access to CTV, to premium content, access to creative no matter what size of business or budget. This will represent the way forward towards growing a unique and diverse Canadian digital media market sector.*

*Advertisers continue to shift their demand towards higher value inventory that meets several areas of a focus including privacy preservation, capped carbon emissions, measurable and attention. Digital media is built to adapt and deliver on all these requirements. We have all the ingredients for growth in Canada. We must act by leveraging the unique traits of our great nation and innovating to ensure a sustainable and healthy future for digital media in Canada. We're up for the task.*



Sonia Carreno  
President, IAB Canada



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Methodology

# Methodology



Objectives



Data sources



Revenue presentation



Sample profile and data collection

# Methodology

## Objectives

01

### Internet Advertising Revenue

The main objective of this Survey, which IAB Canada has carried out annually since 2013, is to provide the digital advertising industry with a report on media buying trends and internet advertising revenue overview.

02

### Basis of the survey

This survey is carried out based on the data provided by a number of market participants. This data has been collected under a strict confidentiality commitment to the survey participants. The data provided has been summarised, cleansed, analysed and presented in this report at an aggregate level.

03

### Additional information

The survey results were supplemented by information provided by Standard Media Index, Comscore and PwC's Global Entertainment & Media Outlook.



# Methodology

## Data sources

### Reported results

Information provided by the survey participants. It includes revenue broken down in:

- Display (Non video, Branded Content and Native Advertising),
- Social Networks,
- Search,
- Video
- Classifieds,
- Digital Out of Home,
- Advanced TV, and
- Audio (streaming and Podcast).

### Market tools and resources

Use of additional information sources:

- SMI: information on advertising activity by industry
- PwC's Global Entertainment & Media Outlook for international analysis
- Comscore: information on Desktop / Mobile and French / English split



### Estimated results

Estimation of the remaining size of the market (companies not participating in the study) through a set of econometric models developed based on:

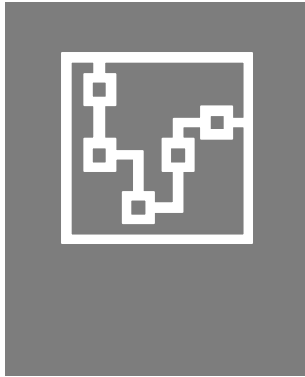
- Collected historical investment data
- Qualitative interviews with agencies
- Sector reports and available market information
- Macroeconomic data
- Publicly available annual accounts

### Validation of results

- Validation of the results with the panel of experts from the IAB Canada board

# Methodology

## Revenue presentation



### Display

Includes advertising investments through graphic formats including:

- Non-video display
- Branded content
- Native advertising

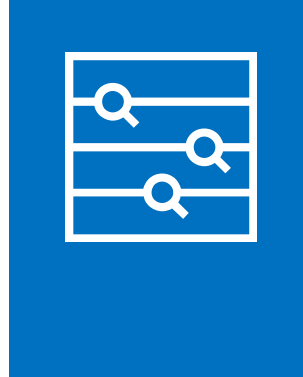
*Does not include social media and video revenue, which are reported as a separate group.*



### Social Media

Includes advertising revenue from social media networks\* in both video and non-video formats.

*\*Does not include YouTube, or TikTok which is reported in the 'Video' group.*



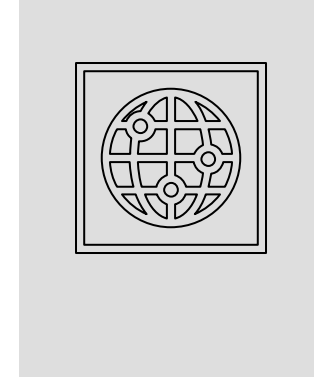
### Search

Includes all advertising revenue generated by search engines.



### Classifieds

Includes advertising revenue earned by the companies providing listing services for specific products or services (e.g., online job boards and employment listings, real estate listings, automotive listings, auction-based listings, yellow pages, etc.).



### Other segments

Specific advertising revenue built around the following concepts:

- Video
- Audio
- Digital Out Of Home (DOOH)

# Methodology

## Sample profile and data collection



### **Type of study**

Collecting information annually with panel of companies.



### **Population**

Companies that are members of IAB Canada, including: Canadian internet publishers, search, social and video sharing content platforms, ad networks, mobile aggregators, marketing companies and platforms, as well as agencies.



### **Selection method**

An invitation to participate was sent based on the databases owned by IAB Canada



### **Data collection**

- Structured questionnaires (closed questions).
- IAB Canada leveraged interviews from peripheral studies like Media Inflation 2023.



### **Sample**

Over 30 companies participated or were estimated.



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Results

# Study Highlights

01

Internet Advertising Revenue in Canada recorded a growth of 12% in 2023 compared to 15% in 2022, representing steady growth in the industry.

02

Revenue is concentrated in performance channels like search and social media as marketers continue to navigate through an uncertain economy.

03

Social media grew by 20.8%.

04

Emerging channels like Audio saw 15.7% growth in 2023.

# Results

Media overview

Search

Social media

Video

Display

Audio

Classifieds

Digital OOH

Retail Media

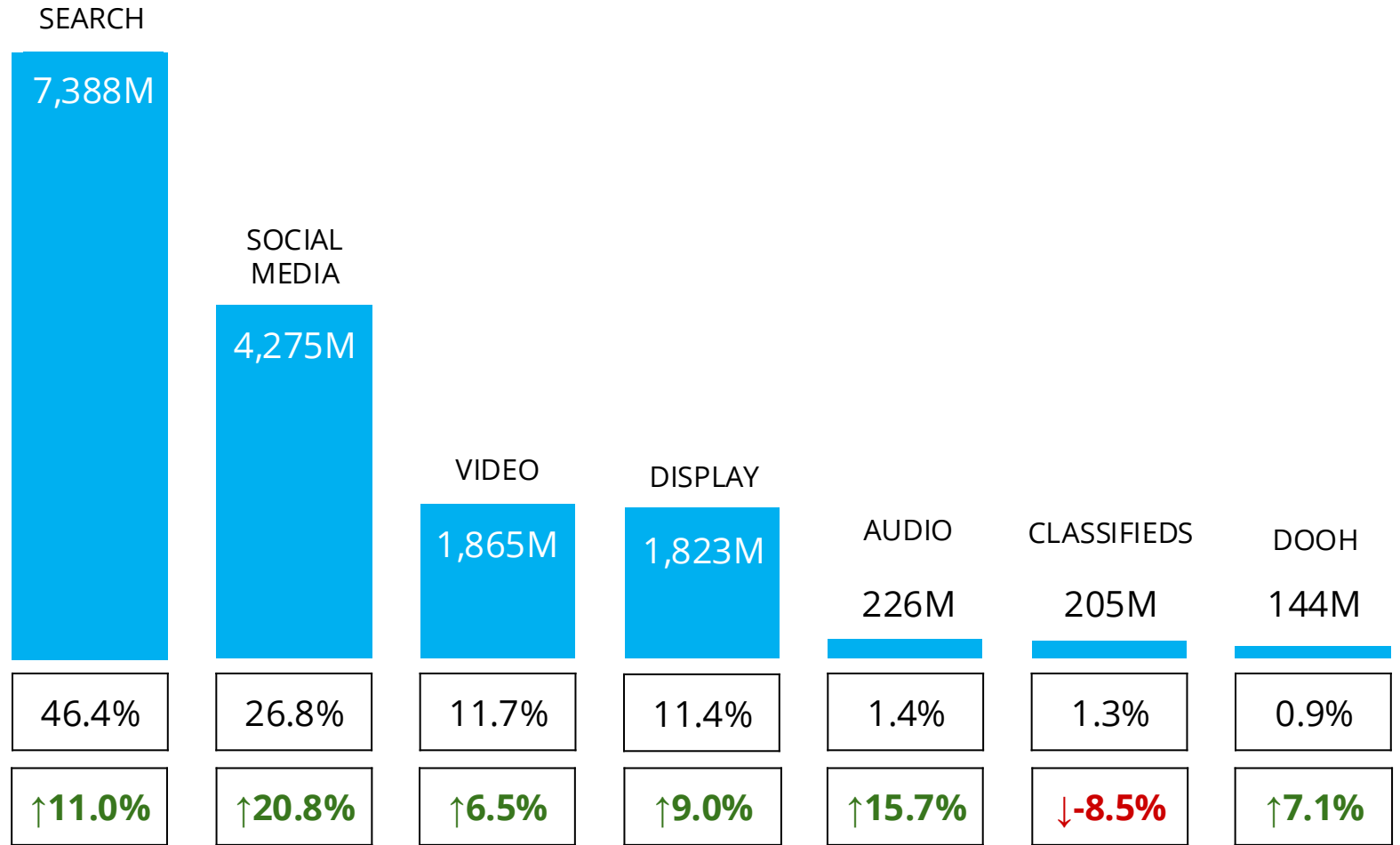
Forecasts

# 2023 Results

Internet advertising revenue in 2023 reached \$15.9 billion Canadian Dollars

**\$15,927M**  
 Total internet advertising revenue  
 Increase of 12.4% YoY

Percentage of total:
Variance 2023 vs. 2022:

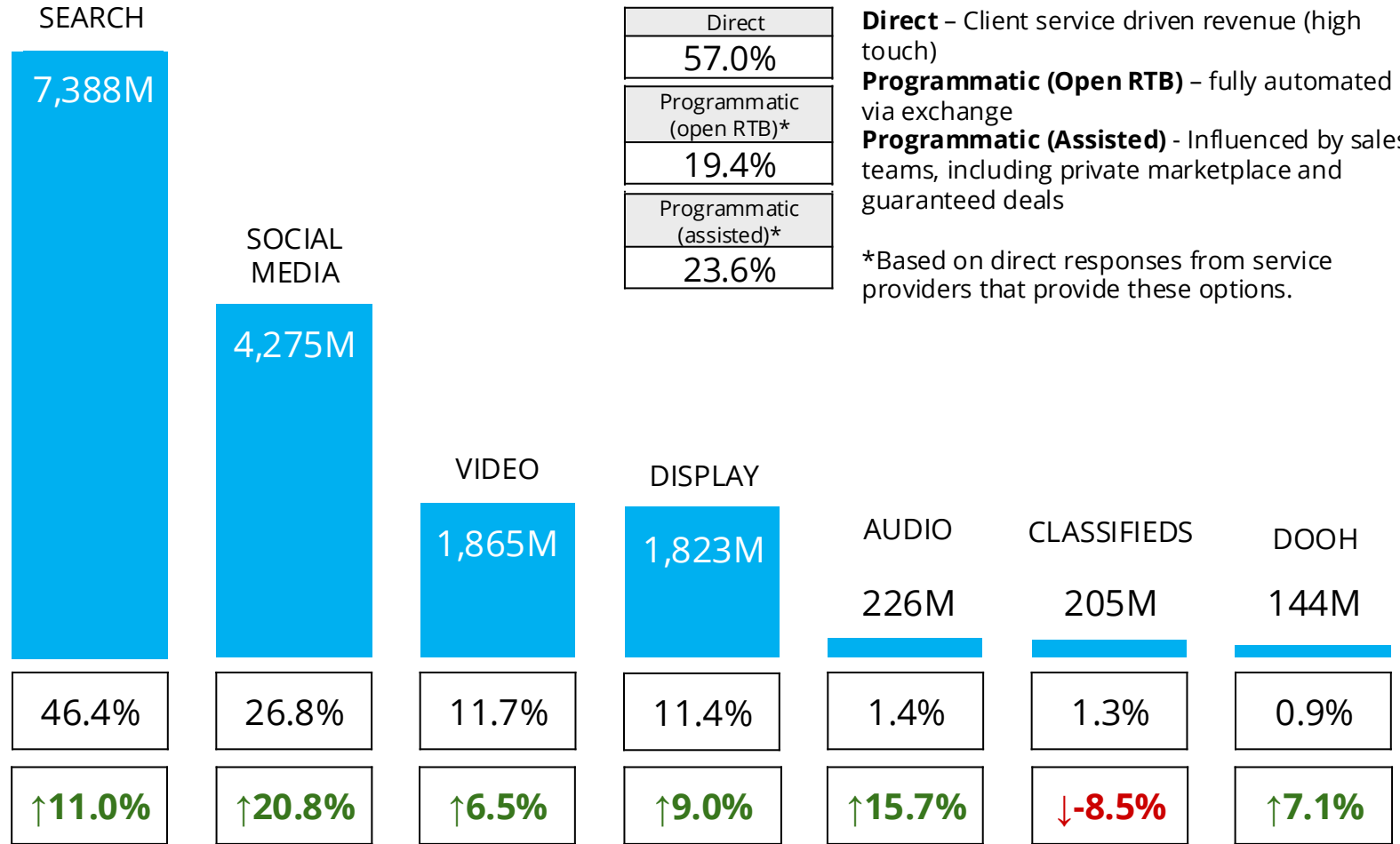


# 2023 Results

## Programmatic Overall

**\$15,927M**  
 Total internet advertising revenue  
 Increase of 12.4% YoY

Percentage of total:
Variance 2023 vs. 2022:



**Direct** – Client service driven revenue (high touch)  
**Programmatic (Open RTB)** – fully automated via exchange  
**Programmatic (Assisted)** - Influenced by sales teams, including private marketplace and guaranteed deals

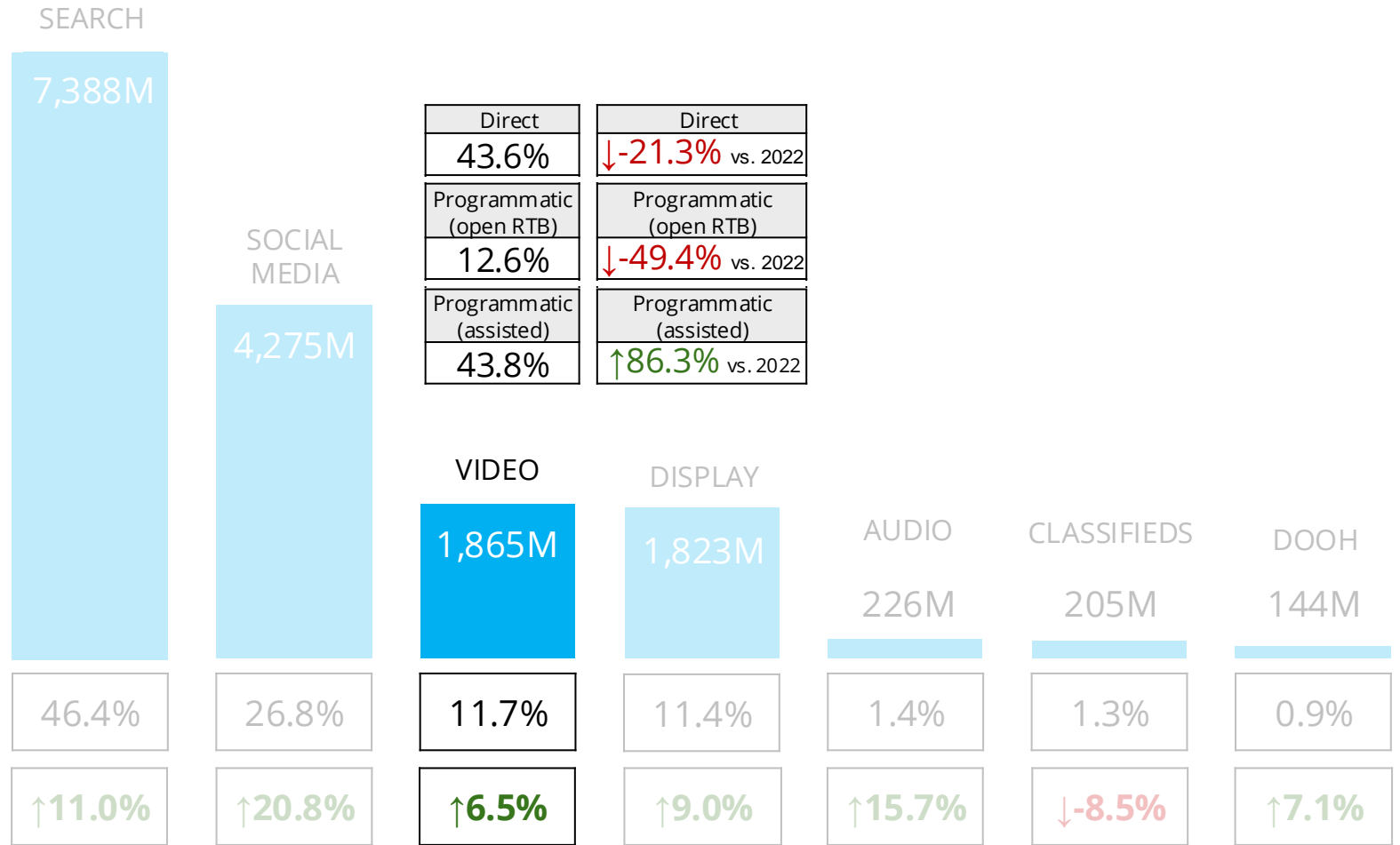
\*Based on direct responses from service providers that provide these options.

# 2023 Results

## Programmatic by Video

**\$15,927M**  
 Total internet advertising revenue  
 Increase of 12.4% YoY

Percentage of total:
Variance 2023 vs. 2022:



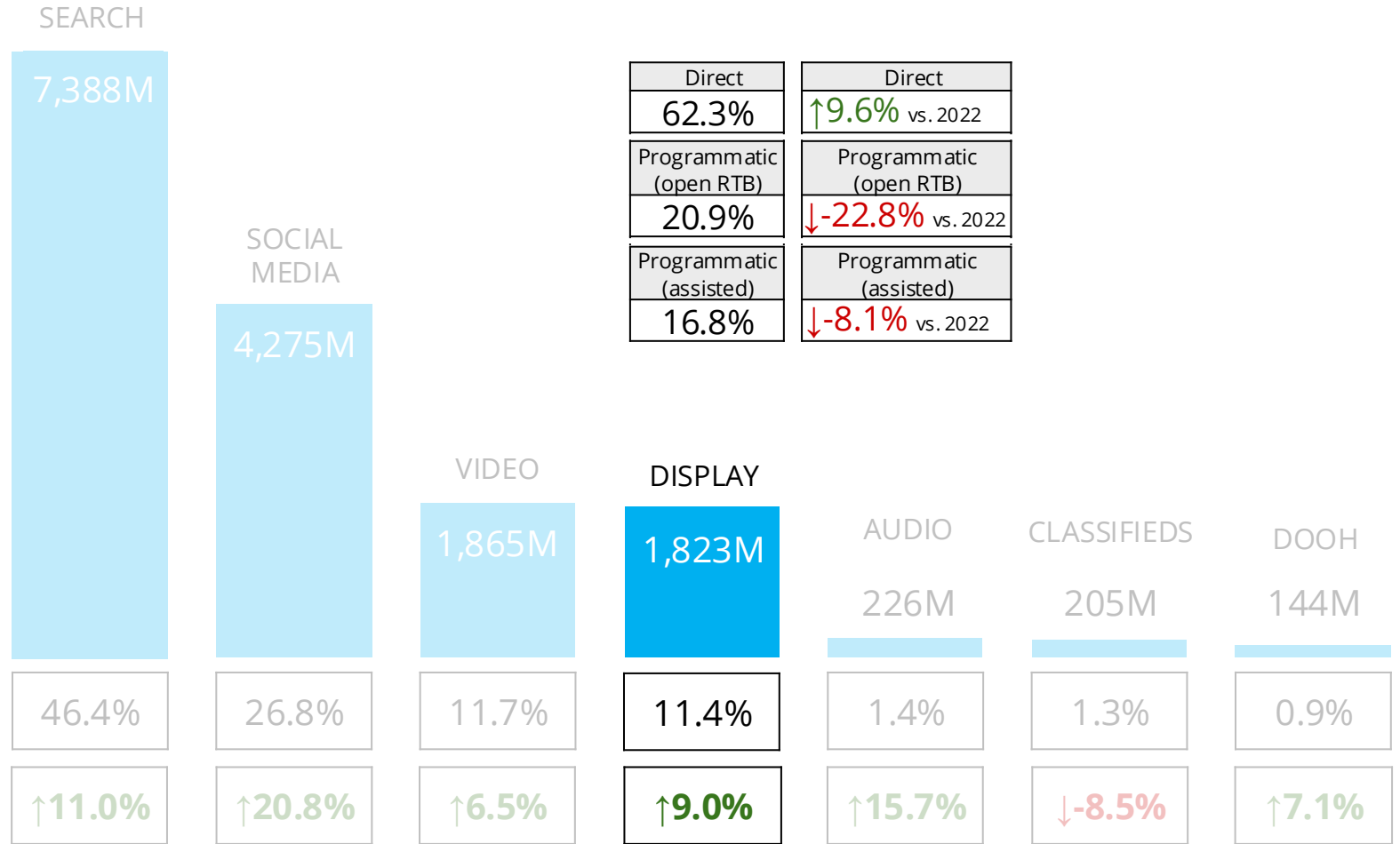
# 2023 Results

## Programmatic by Display

**\$15,927M**  
 Total internet advertising revenue  
 Increase of 12.4% YoY

Percentage of total:

Variance 2023 vs. 2022:

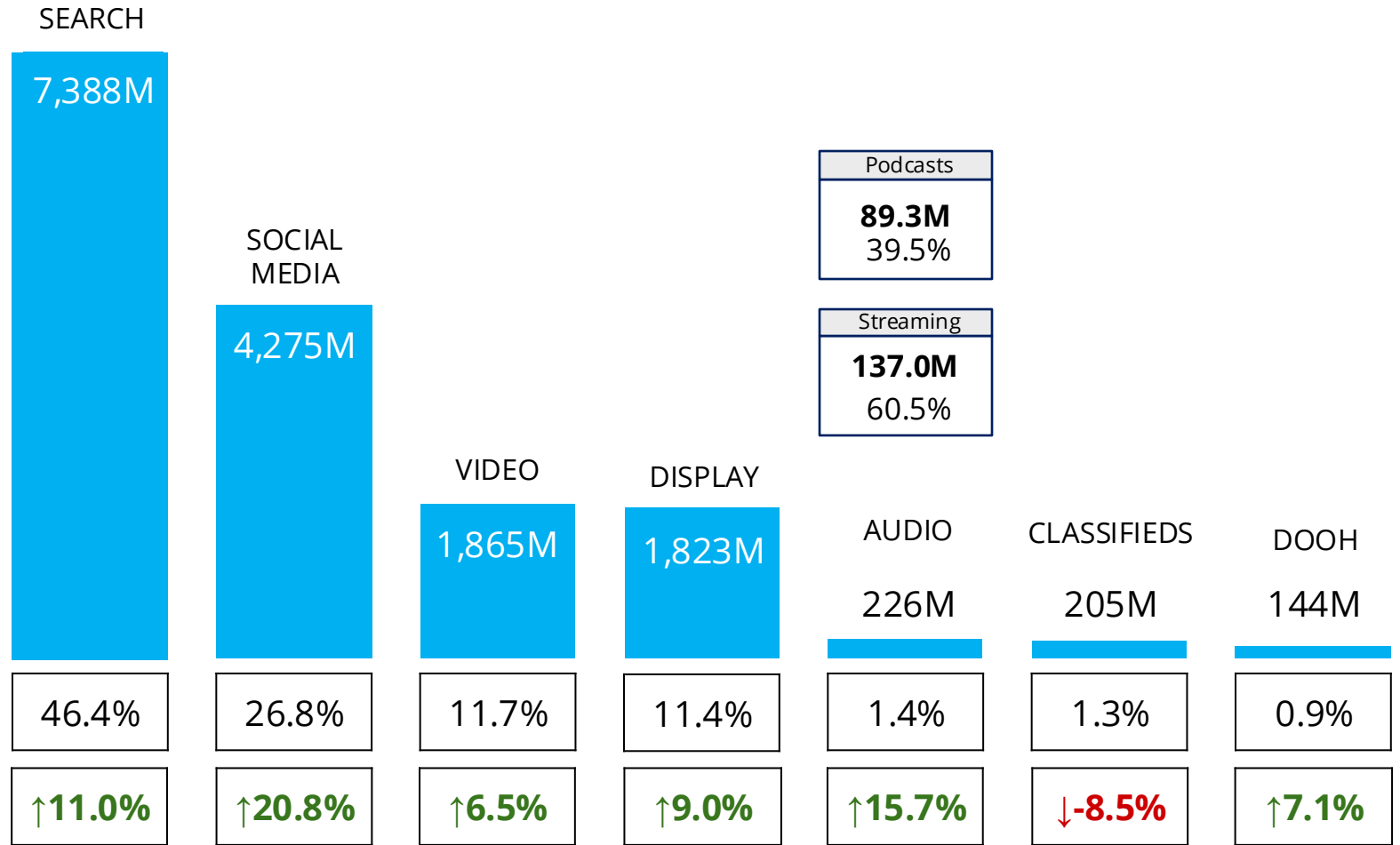


# 2023 Results

Year-over-year increase of 12.4%

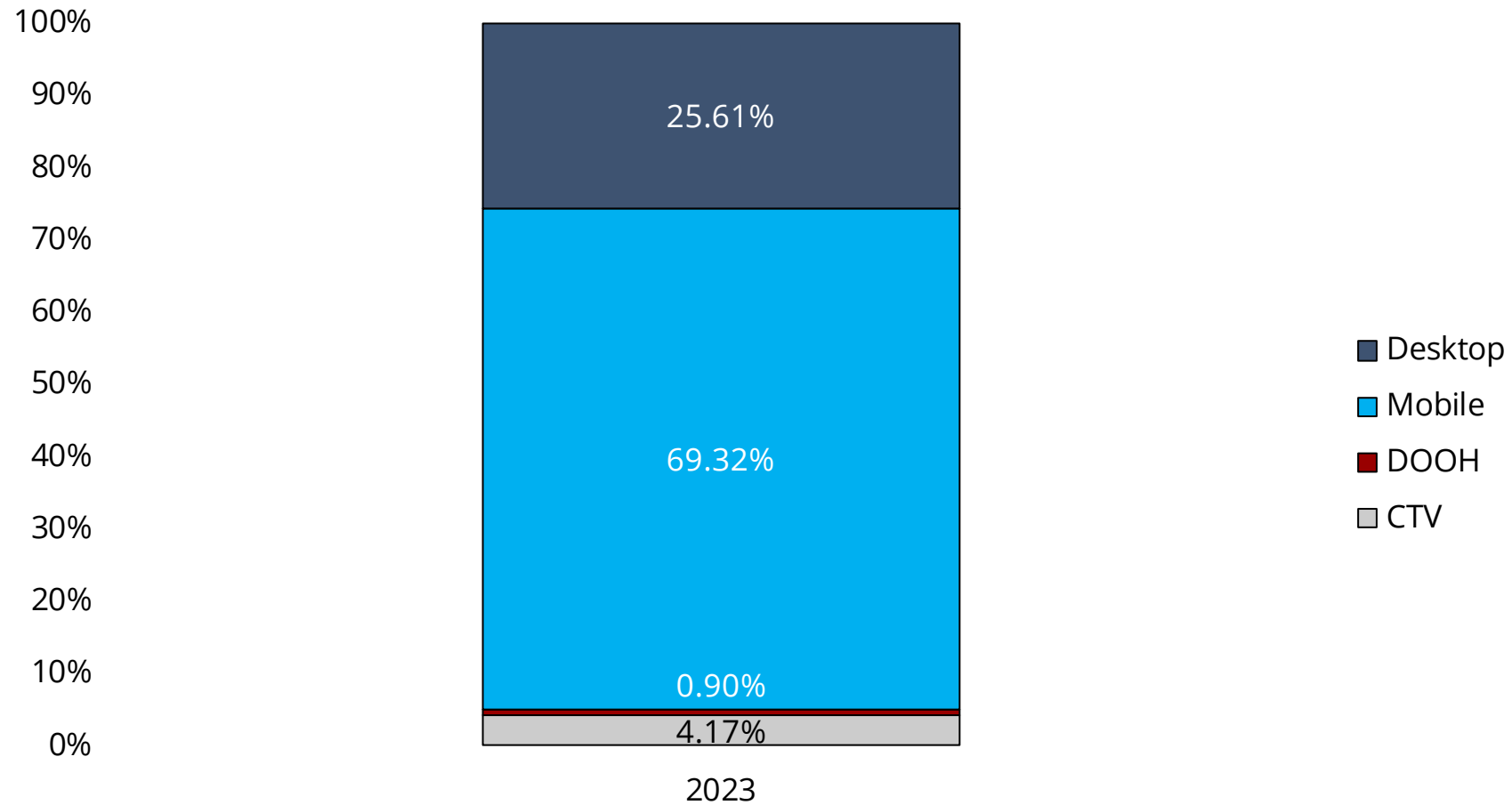
**\$15,927M**  
 Total internet advertising revenue  
 Increase of 12.4% YoY

Percentage of total:
Variance 2023 vs. 2022:



# Revenue Distribution by Device

Based on the direct response submissions and additional information from Comscore



# Results

Media overview

Search

Social media

Video

Display

Audio

Classifieds

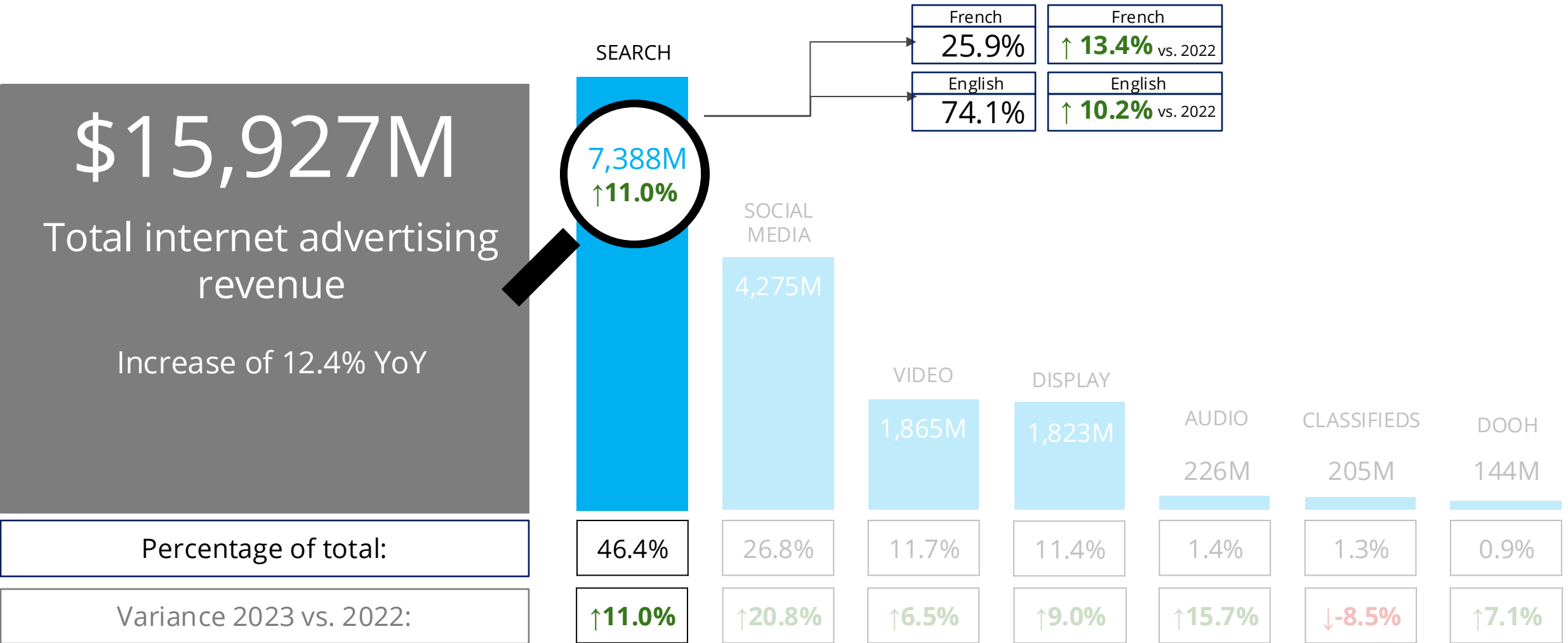
Digital OOH

Retail Media

Forecasts

# 2023 Results

Search continues to generate the largest revenue, with a growth rate of 11.0%



# Results

Media overview

Search

Social media

Video

Display

Audio

Classifieds

Digital OOH

Retail Media

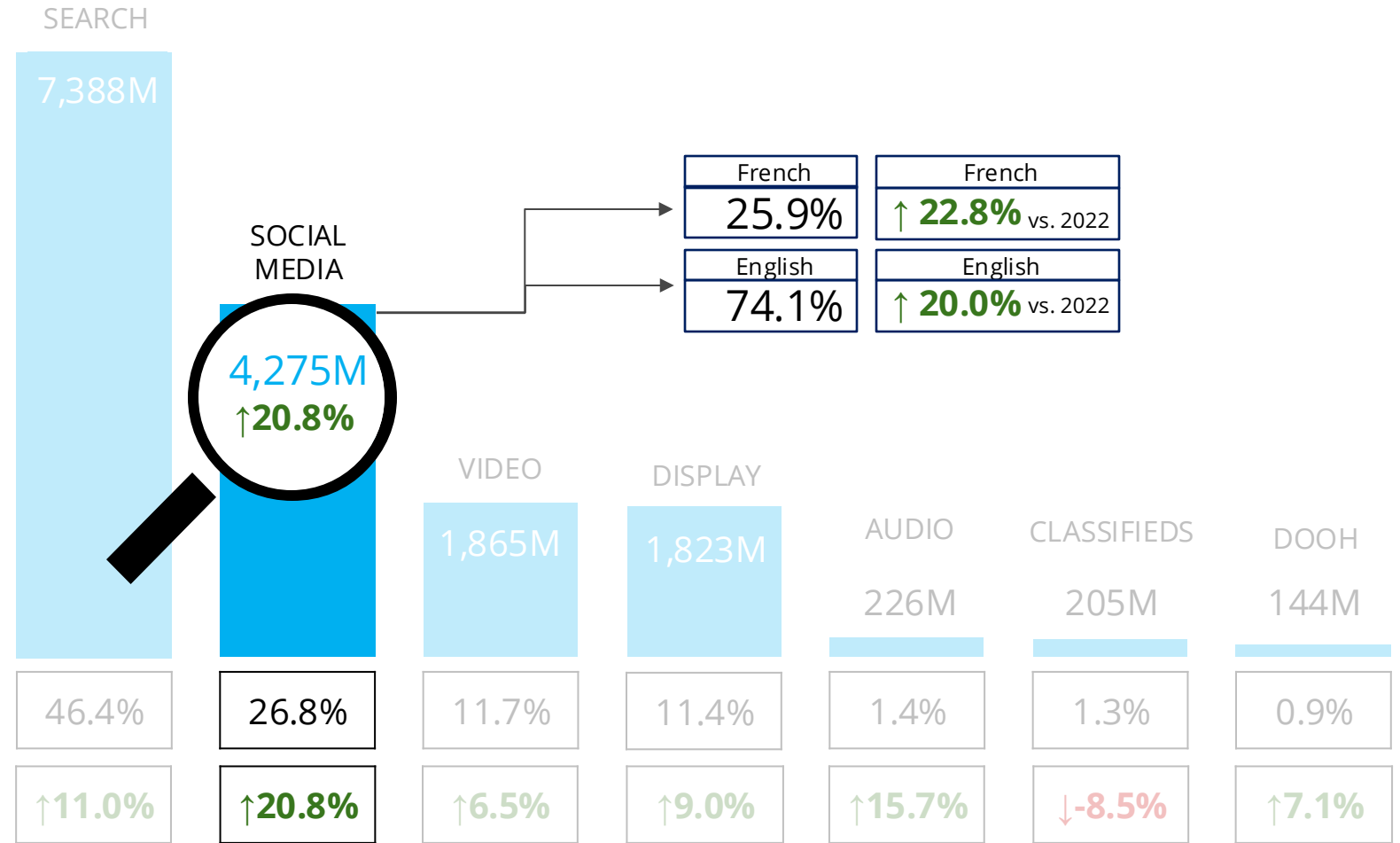
Forecasts

# 2023 Results

Advertising revenue from social media continues to be the second highest in volume

**\$15,927M**  
 Total internet advertising revenue  
 Increase of 12.4% YoY

Percentage of total:
Variance 2023 vs. 2022:



# Results

Media overview

Search

Social media

Video

Display

Audio

Classifieds

Digital OOH

Retail Media

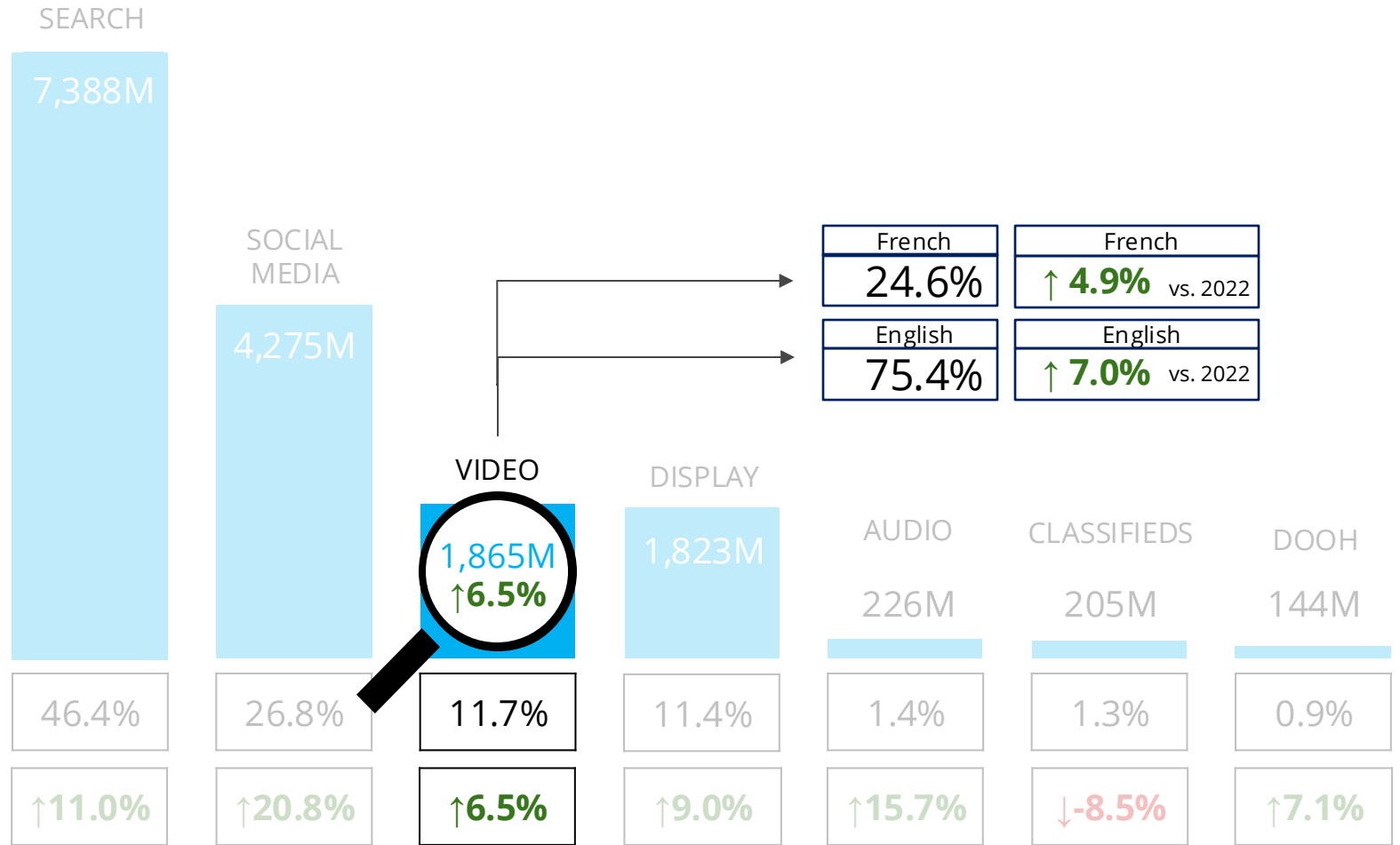
Forecasts

# 2023 Results

Video experienced a growth rate of 17.7%

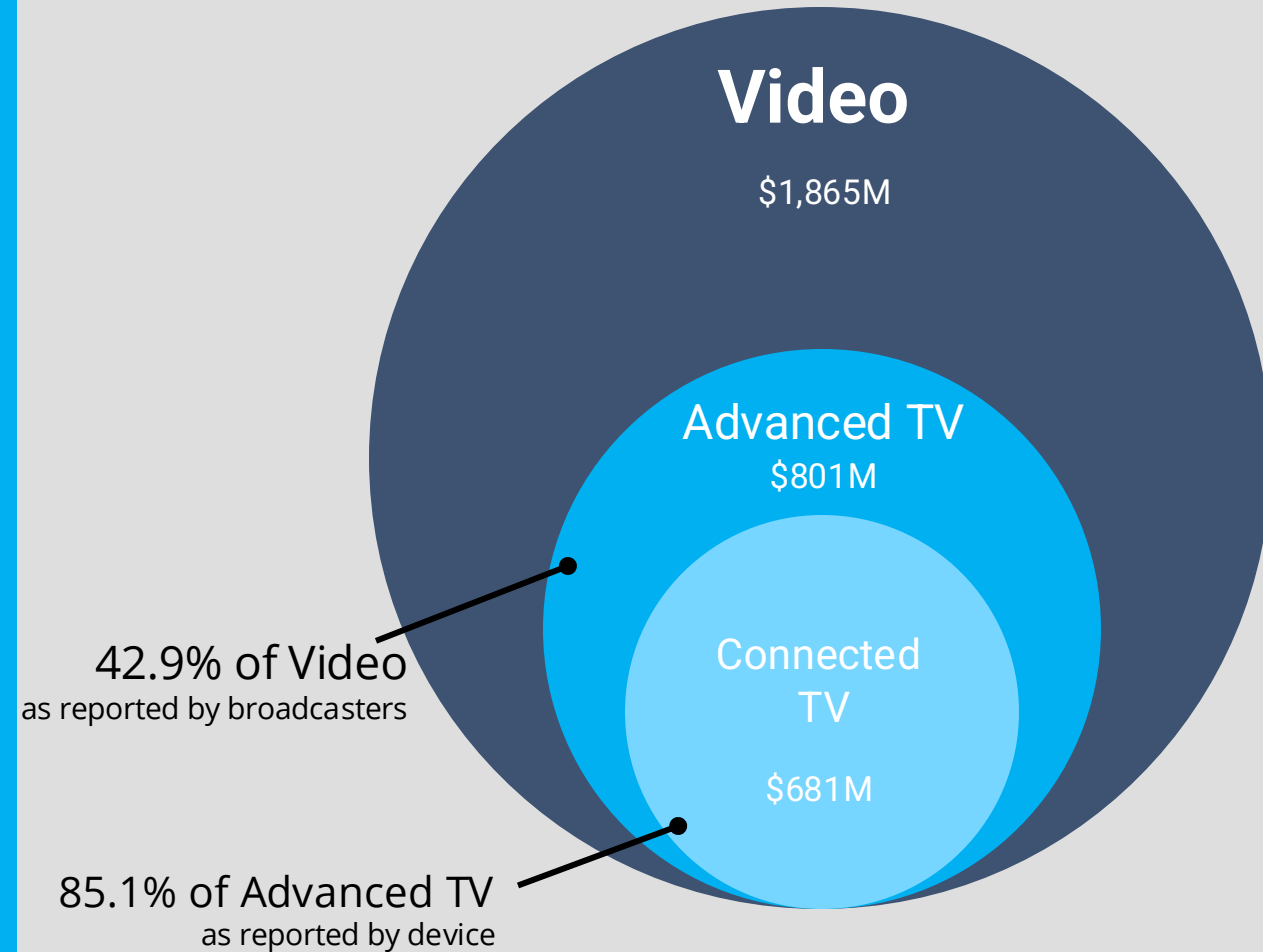
**\$15,927M**  
 Total internet advertising revenue  
 Increase of 12.4% YoY

Percentage of total:
Variance 2023 vs. 2022:





Advanced TV made up almost half of the Video category, which largely consists of Connected TV as reported by device.



# Results

Media overview

Search

Social media

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Retail Media

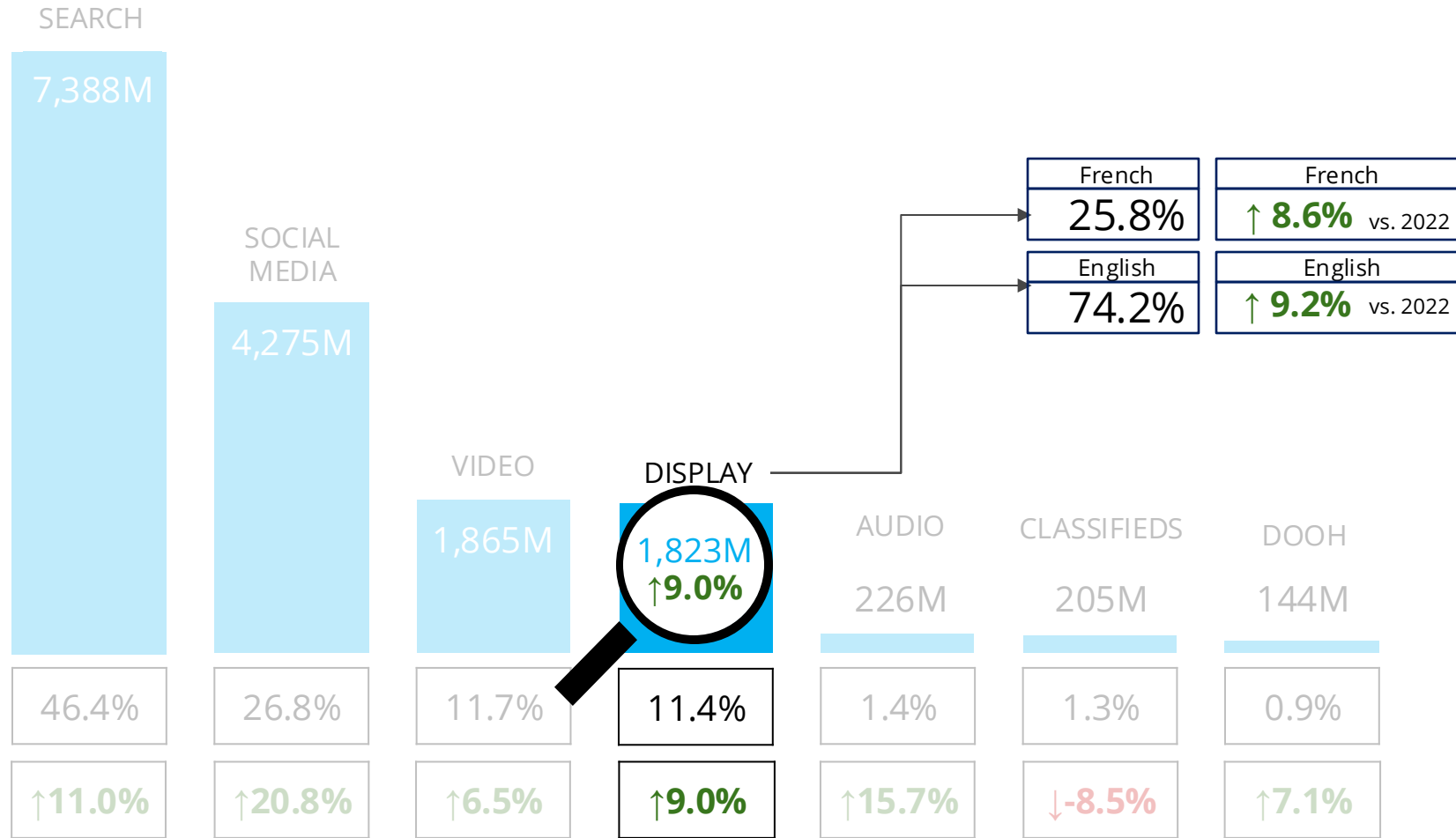
Forecasts

# 2023 Results

Display had a year-over-year increase of 9.0%, exclusive of the increase in Video

**\$15,927M**  
 Total internet advertising revenue  
 Increase of 12.4% YoY

Percentage of total:
Variance 2023 vs. 2022:

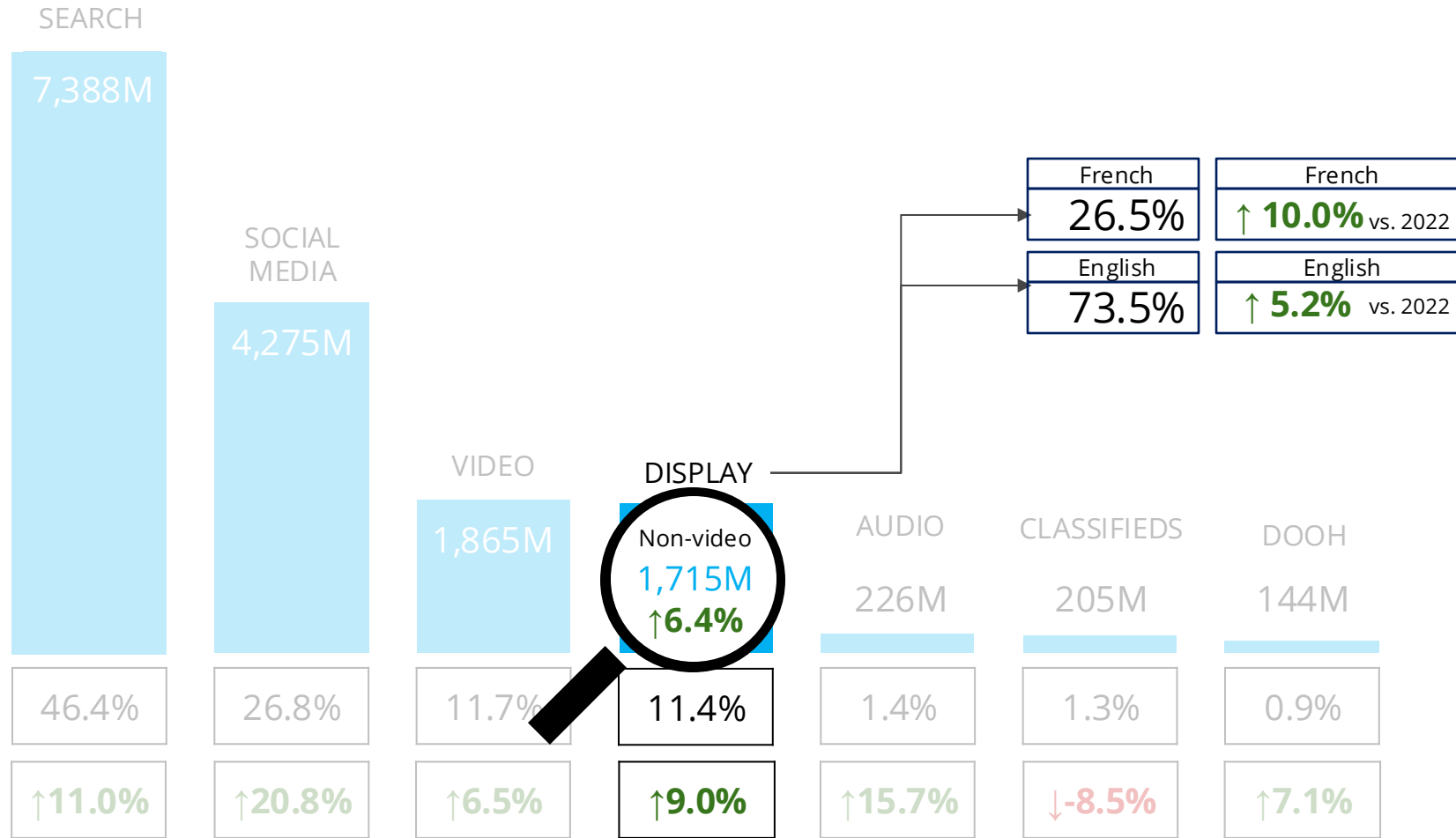


# 2023 Results

Non-video display had a year-over-year increase of 6.4%.

**\$15,927M**  
 Total internet advertising revenue  
 Increase of 12.4% YoY

Percentage of total:
Variance 2023 vs. 2022:



# Non-video display results

## Distribution of investment by format (based on direct responses)

### Format type

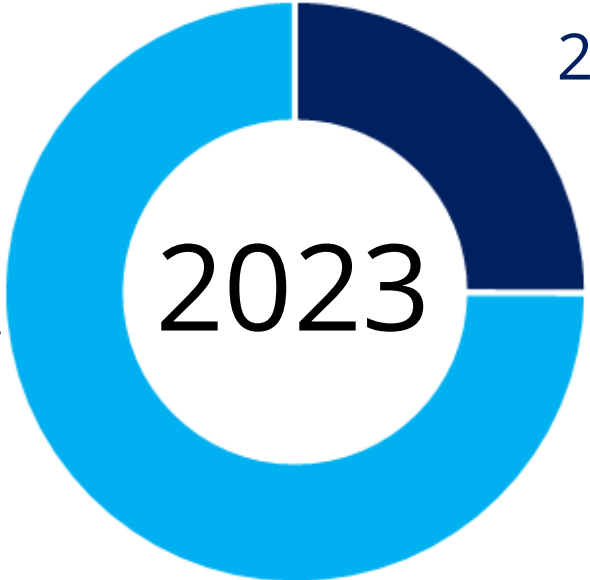
Distribution of advertising revenue by standard vs. premium formats.

Standard format  
Banners, mega banners, large formats, etc.

74.9% ↓ -7.7% vs. 2022

Premium format  
Brand takeovers, sponsorships, IAB Rising Stars, etc.

25.1% ↑ 33.3% vs. 2022

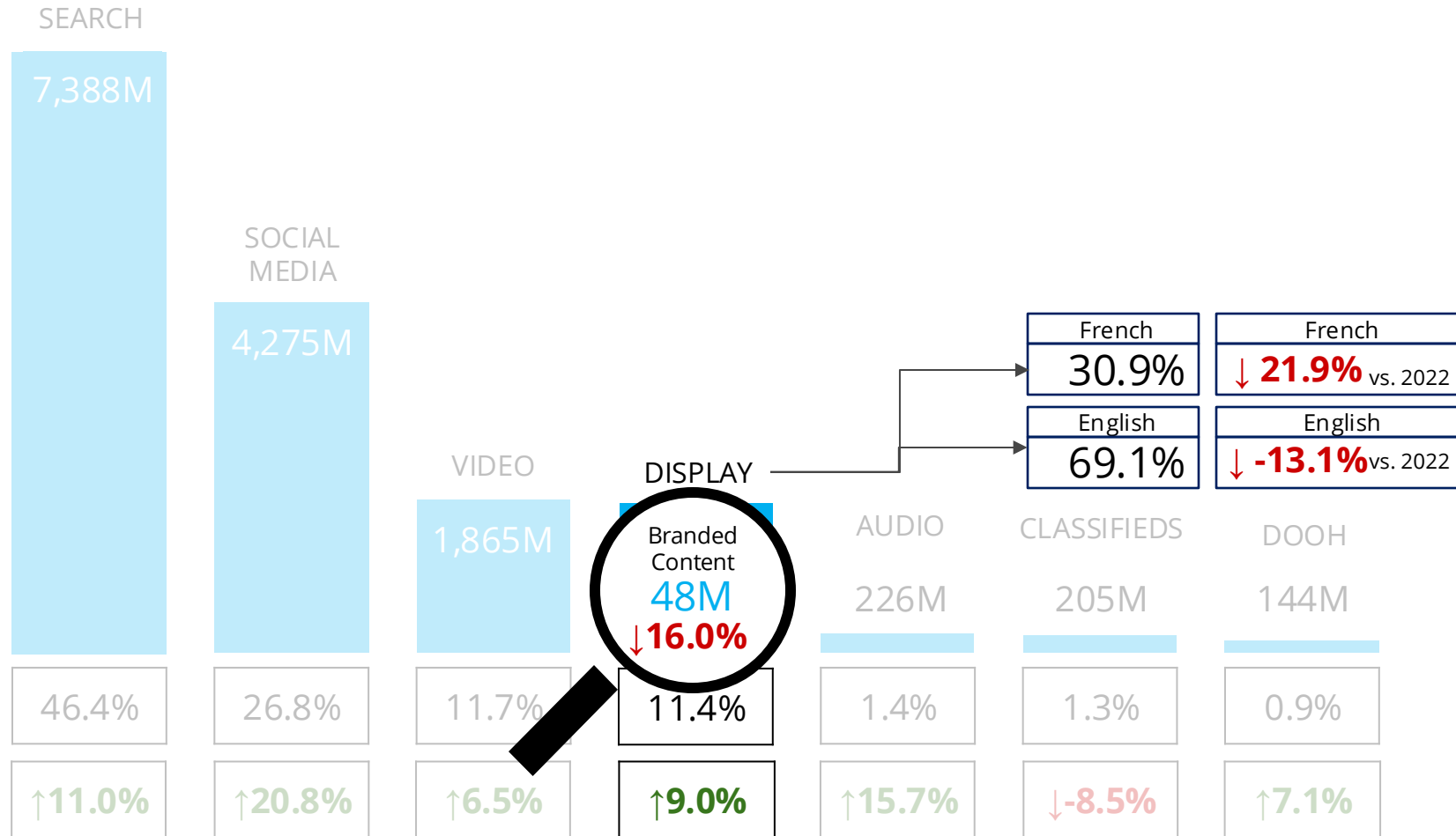


# 2023 Results

Branded content had a year-over-year decrease of 16.0%

**\$15,927M**  
 Total internet advertising revenue  
 Increase of 12.4% YoY

Percentage of total:
Variance 2023 vs. 2022:



# Results

Media overview

Search

Social media

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Display

Audio

Classifieds

Digital OOH

Retail Media

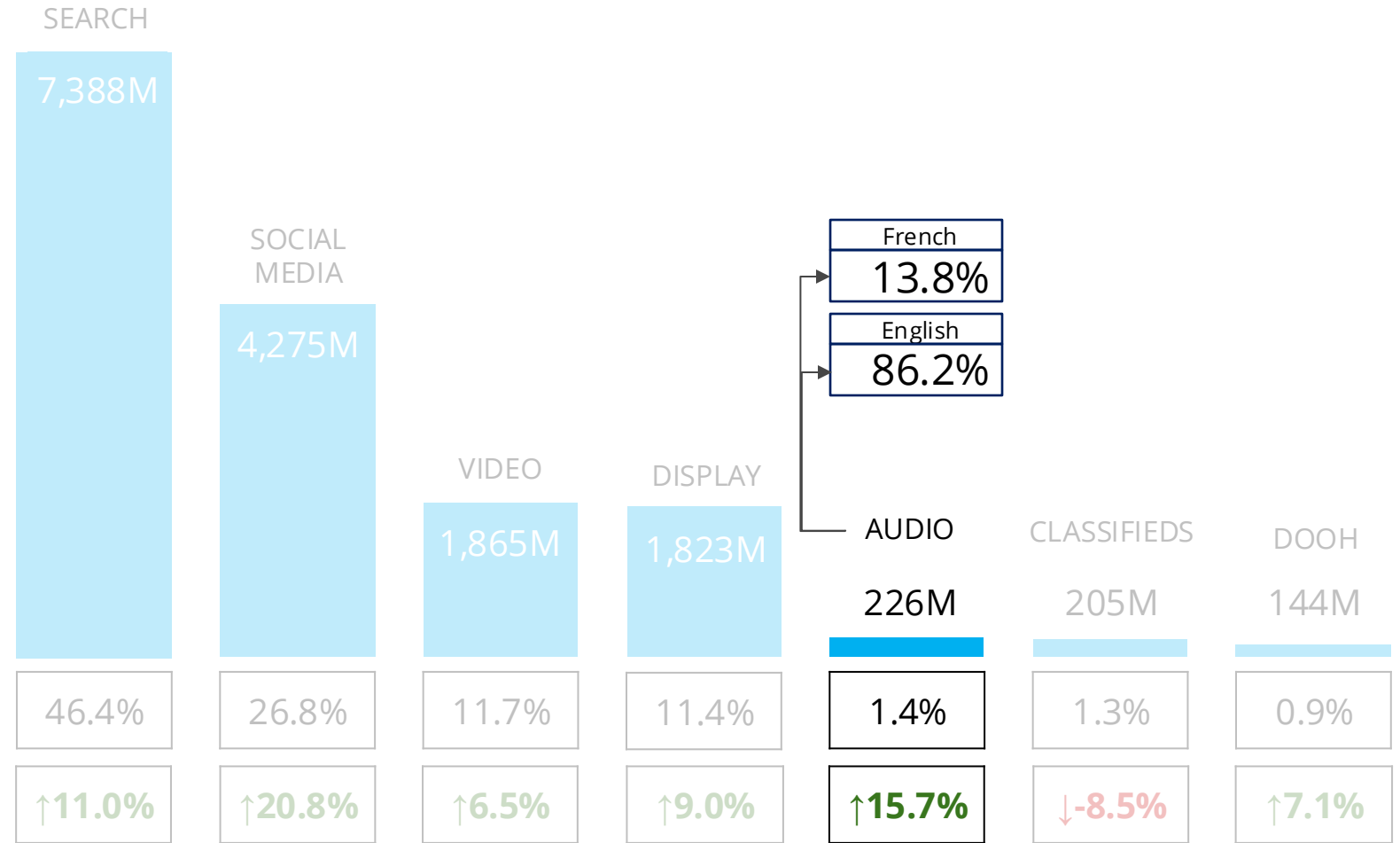
Forecasts

# 2023 Results

Digital audio had a year-over-year increase of 15.7% compared to 28.6% in prior year

**\$15,927M**  
 Total internet advertising revenue  
 Increase of 12.4% YoY

Percentage of total:
Variance 2023 vs. 2022:



# Results

Media overview

Search

Social media

Video

Display

Audio

Classifieds

Digital OOH

Retail Media

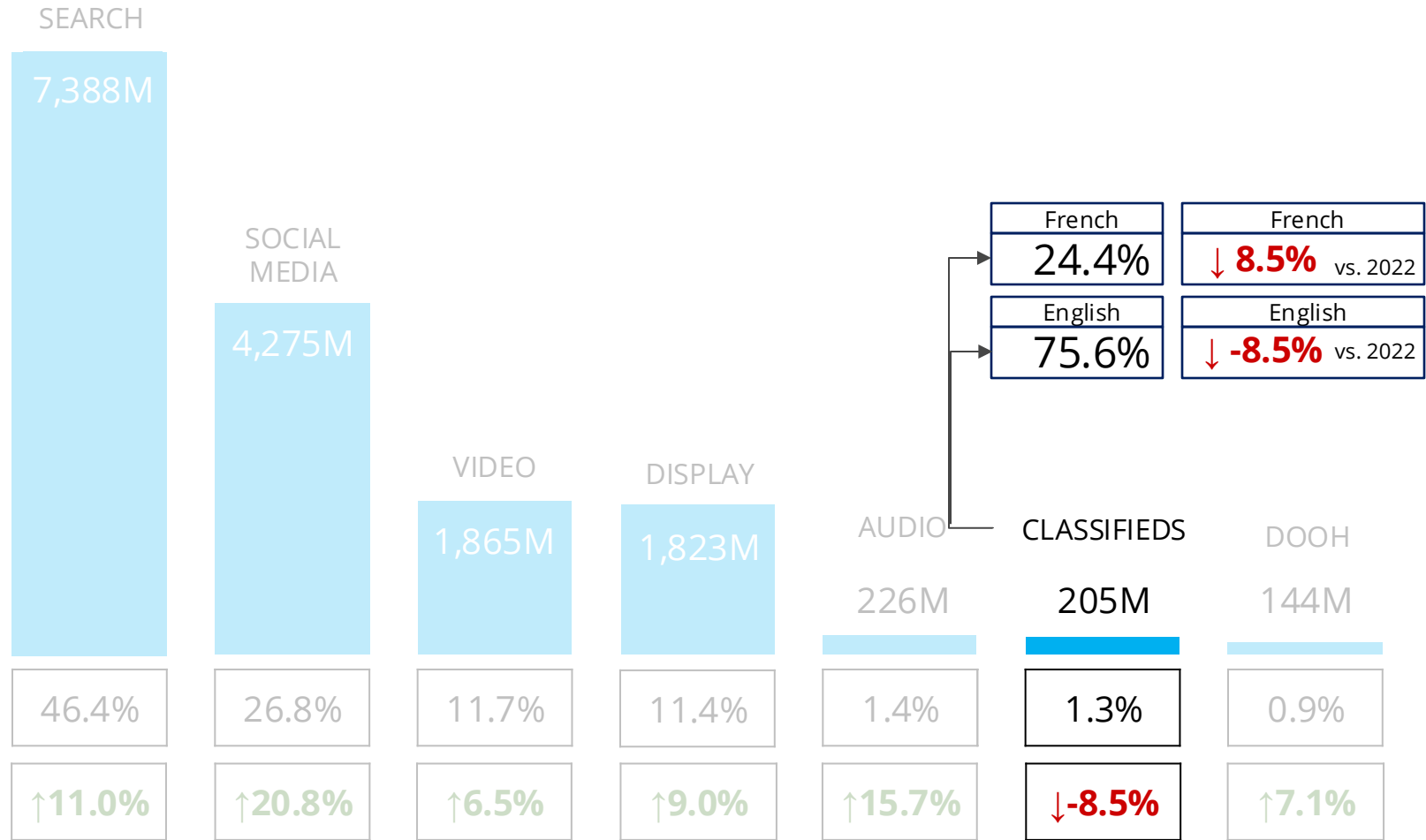
Forecasts

# 2023 Results

Classifieds had a year-over-year decrease of -8.5%

**\$15,927M**  
 Total internet advertising revenue  
 Increase of 12.4% YoY

Percentage of total:
Variance 2023 vs. 2022:



# Results

Media overview

Search

Social media

Video

Display

Audio

Classifieds

Digital OOH

Retail Media

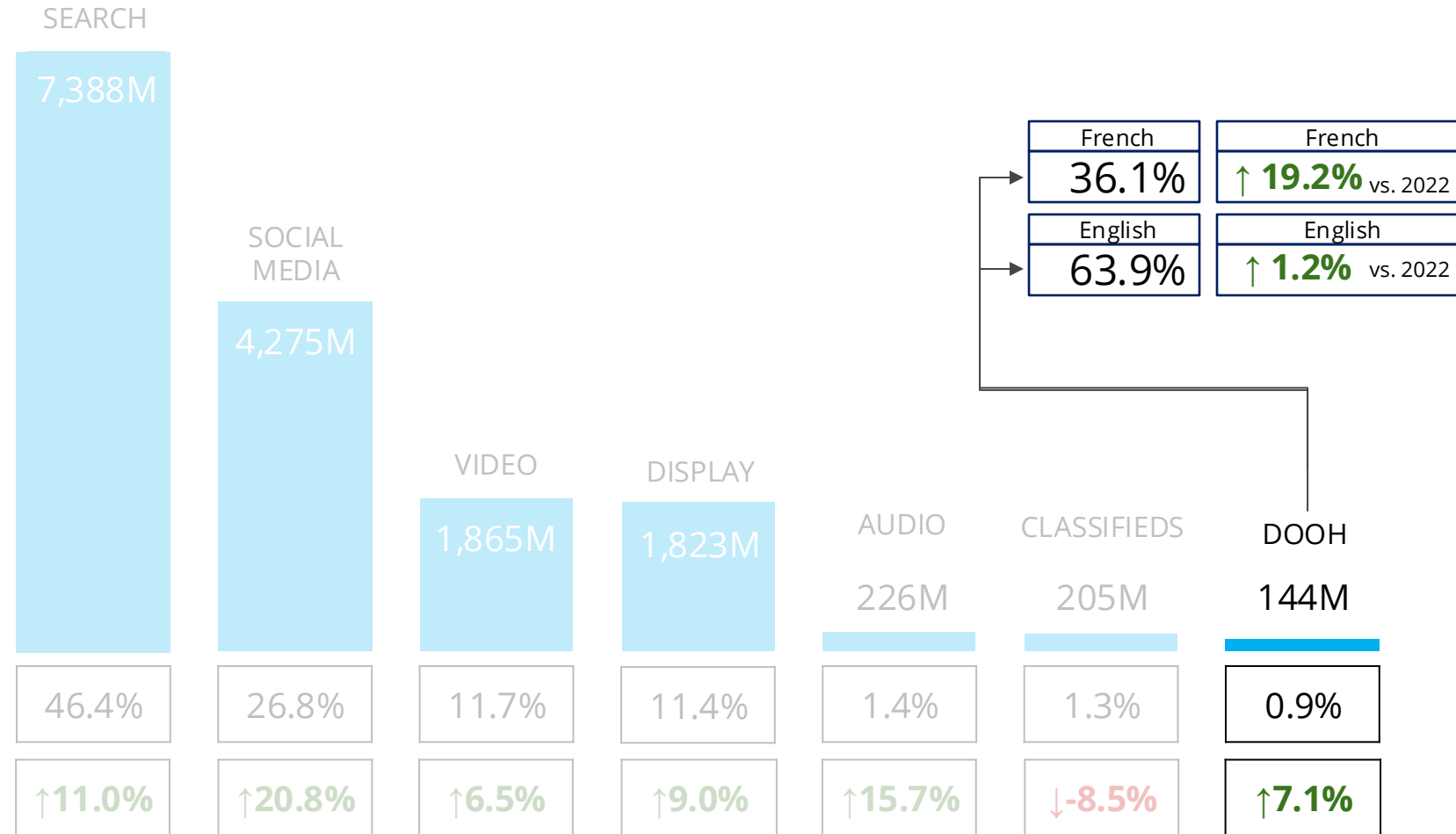
Forecasts

# 2023 Results

Internet advertising revenue in 2023 reached \$15.9 billion Canadian Dollars

**\$15,927M**  
 Total internet advertising revenue  
 Increase of 12.4% YoY

Percentage of total:
Variance 2023 vs. 2022:



# Results

Media overview

Search

Social media

Video

Display

Audio

Classifieds

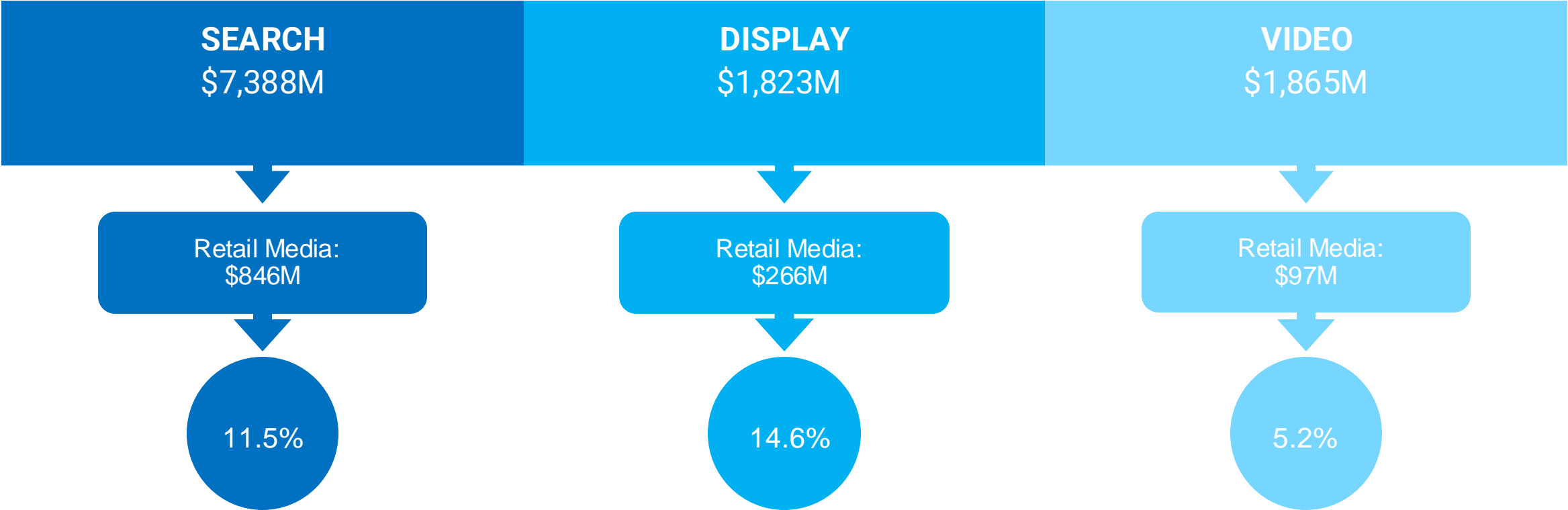
Digital OOH

Retail Media

Forecasts

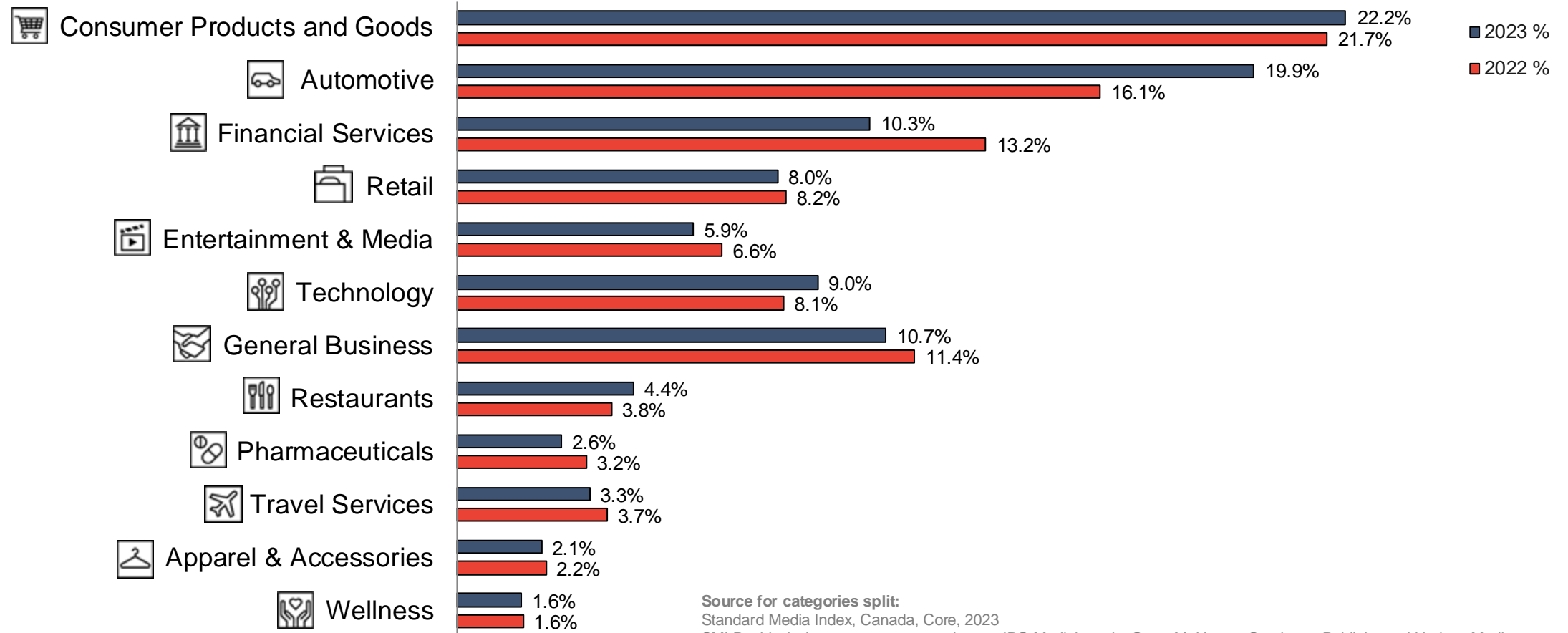
# Retail Media

The Retail Media grew by 23.1% to \$1,209M and represent notable portions of Search, Display and Video revenue. IAB Canada expects further growth within this category.



# Industries

## Category Share of Digital Ad Spend



Source for categories split:  
 Standard Media Index, Canada, Core, 2023  
 SMI Pool includes agency partners: dentsu, IPG Mediabrands, GroupM, Havas, Omnicom, Publicis, and Horizon Media

# Results

Media overview

Search

Social media

Video

Display

Audio

Classifieds

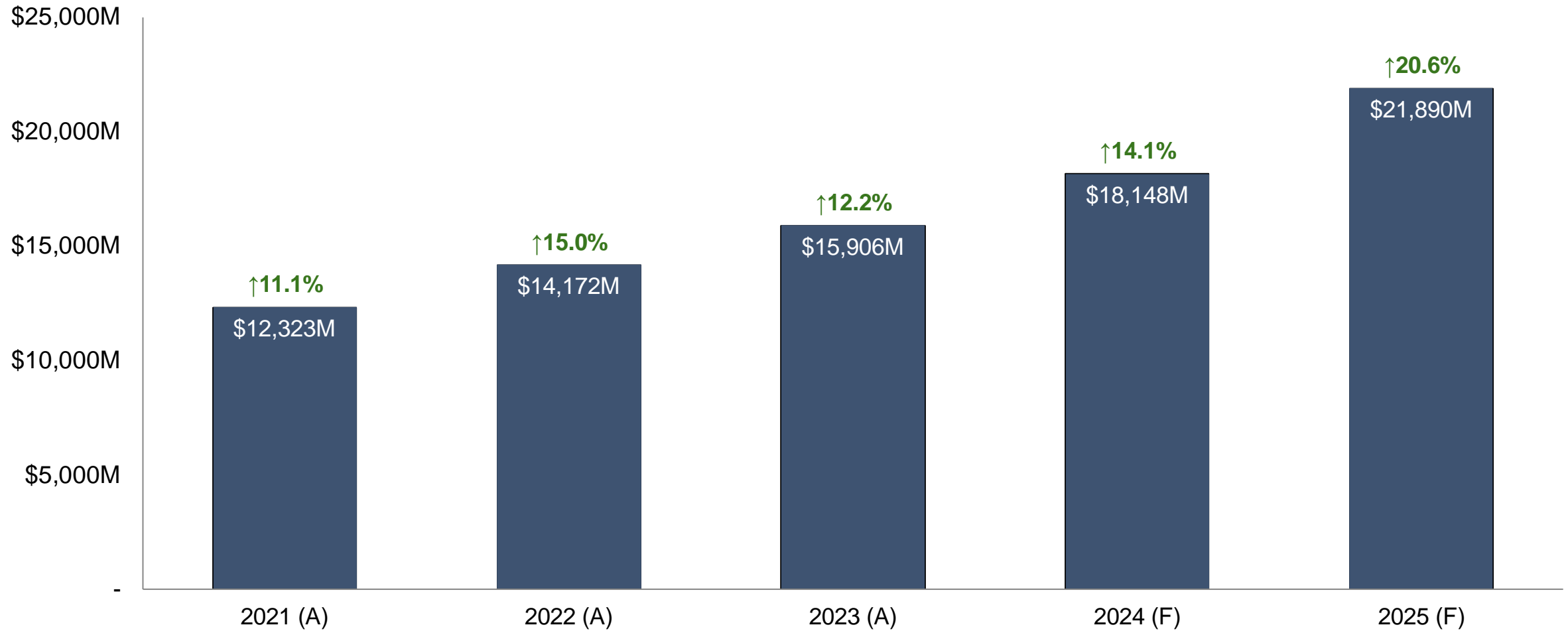
Digital OOH

Retail Media

Forecasts

# 2024 & 2025 Forecasts

## Total Year-over-year growth

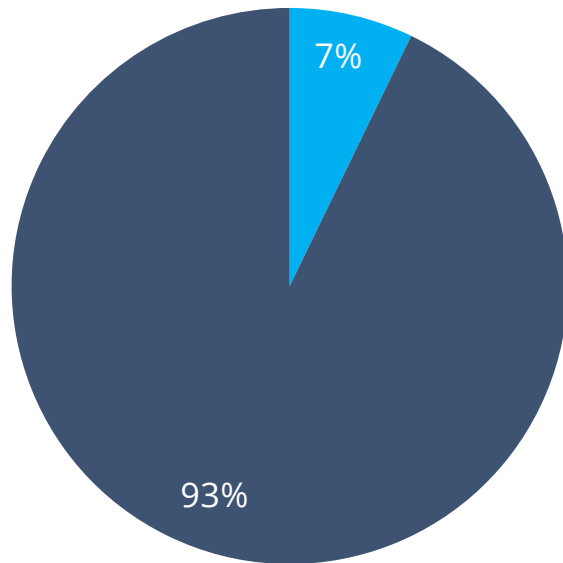


**2021-2023 Revenues** are based on responses and estimates included in the IAB Ad Revenue Survey.  
**2024-2025 Revenues** consist of responses and estimates.

# Revenue generated by Canadian vs Non-Canadian Publishers (2023)

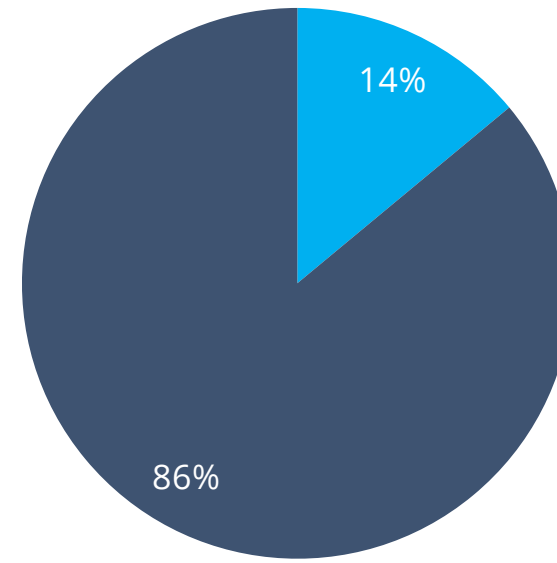
7% (~\$1.1 Billion) of Total Revenue in Canada is Attributable to Domestic Companies. While 14% of Market Addressable Revenue is attributable to Domestic Companies

Including All Categories



■ Canadian  
■ Non-Canadian

Excluding Search and Social Media



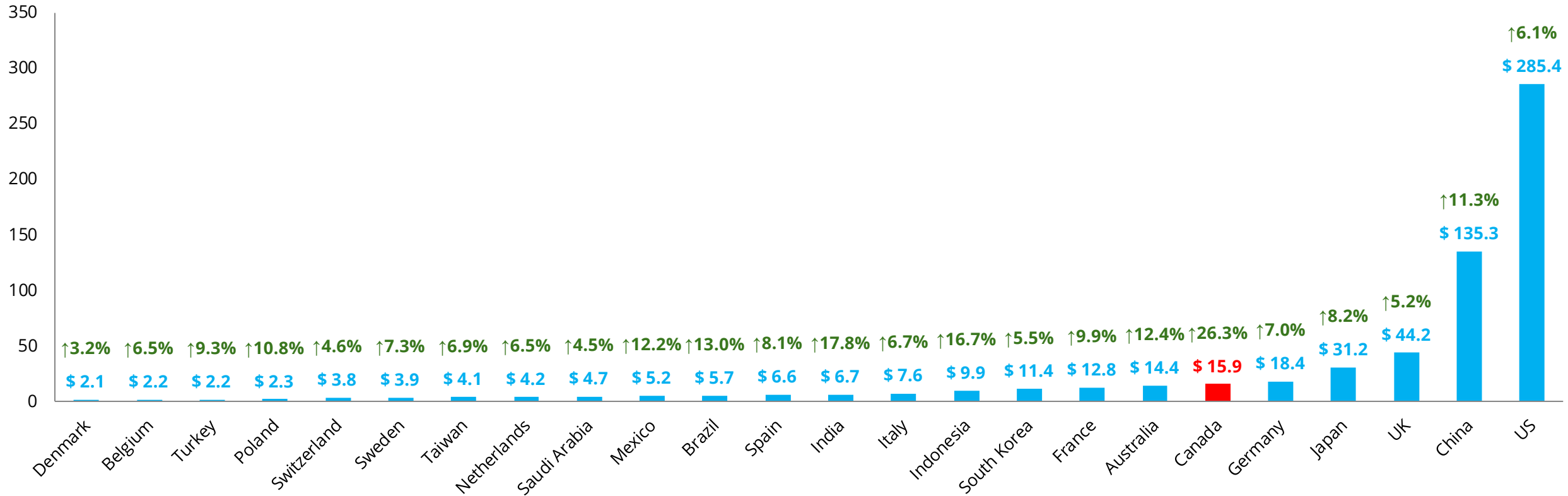
■ Canadian  
■ Non-Canadian

3

International  
Analysis

# 2023 Global Internet Advertising

## Internet Advertising Revenue in Canada vs other territories (billions)



**Source for Canada:** 2023 IAB Canada Internet Ad Revenue Survey

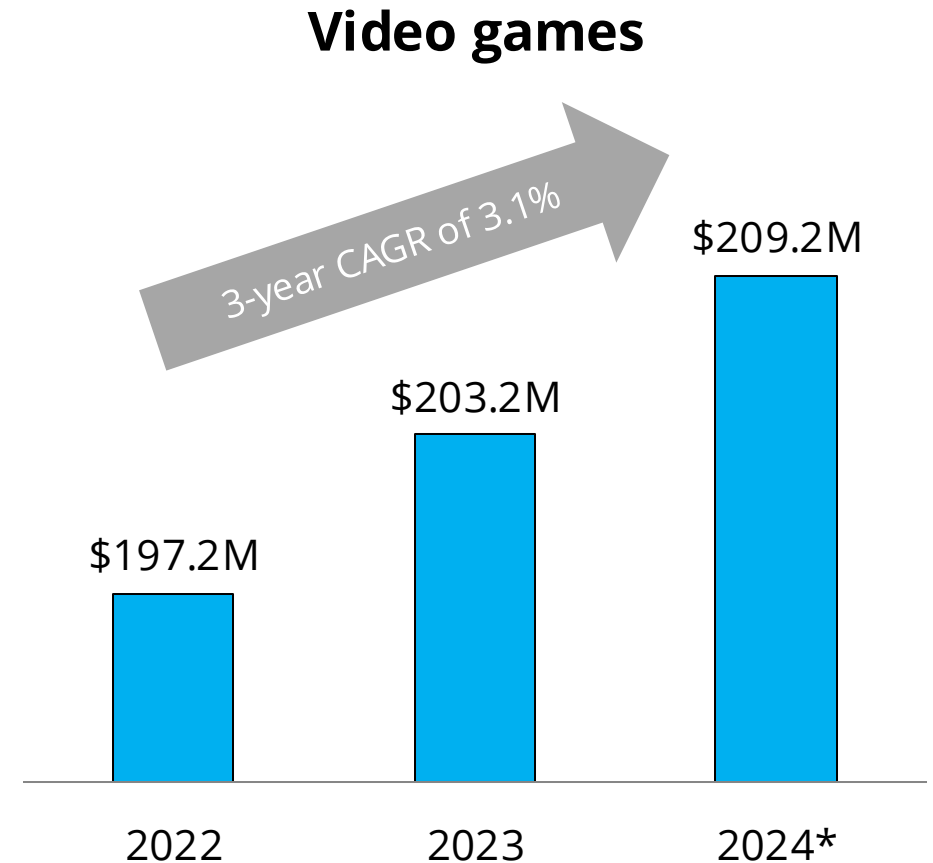
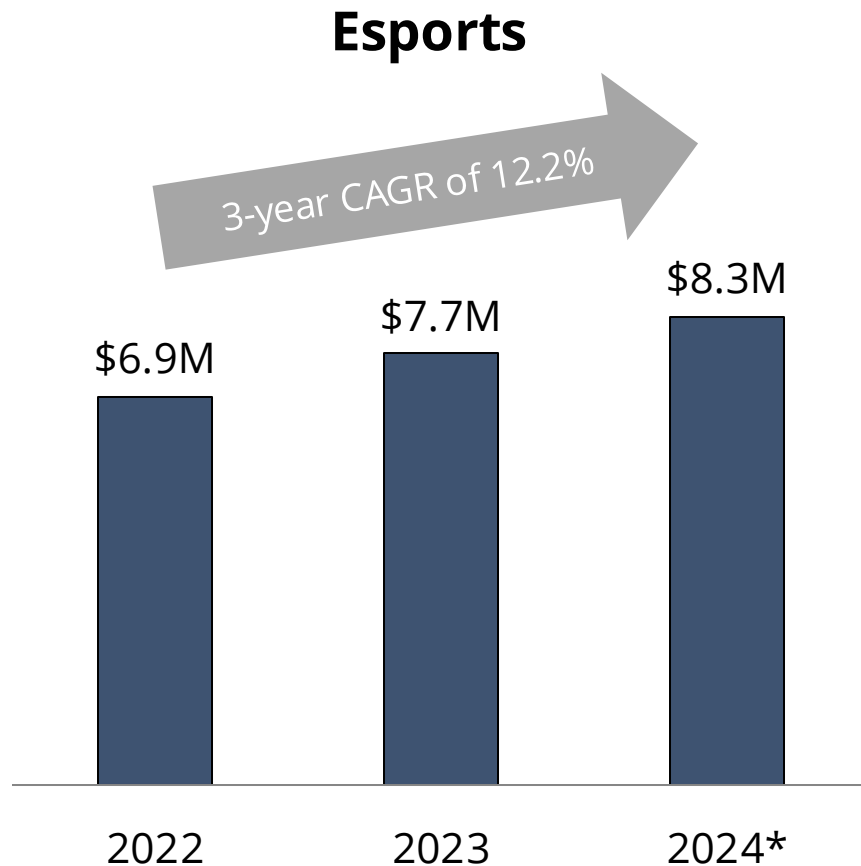
**Source for other countries:** PwC Global Entertainment & Media Outlook, Omdia, Interactive Advertising Bureau, IAB UK, IAB Europe, IAB Australia, IAB New Zealand, IAB Singapore, DENTSU (Japan)

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Esports and Video  
Games

# Esports and Video Games Advertising in Canada

From PwC Global Entertainment & Media Outlook



\*2023 figures are projections  
Sources: PwC, Omdia

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Conclusion

# Study Highlights

01

Internet Advertising Revenue in Canada recorded a growth of 12% in 2023 compared to 15% in 2022, representing steady growth in the industry.

02

Revenue is concentrated in performance channels like search and social media as marketers continue to navigate through an uncertain economy.

03

Social media grew by 20.8%.

04

Emerging channels like Audio saw 15.7% growth in 2023.

# 6

Scope &  
Methodology

# Scope and methodology

## Background

The results of IAB Canada's Annual Canadian Internet Advertising Revenue Surveys are based on data, which is compiled directly from information supplied by Publishers who sell advertising on Canadian Websites. Also polled are search, social and video sharing Content Platforms plus Online / Mobile Ad Networks and Exchanges/SSPs, that sell advertising on both the Canadian and U.S./other foreign Websites they represent to reach Canadians.

IAB Canada engaged PricewaterhouseCoopers LLP (PwC) to perform procedures related to the data compilation described further below. Individual respondent submissions are held in strict confidence by PwC, and released to IAB Canada in aggregate form only. PwC is charged with analyzing revenue data submitted by each respondent and alerting IAB Canada of any financial inconsistencies or other relevant observations within each completed survey, based on trend analysis against the respondent's previous surveys and other factors. IAB Canada never has access to individual respondent revenue data in this process. When any noted inconsistencies are rectified, by normalizing affected data, PwC provides the summarized data to IAB Canada to prepare the survey report. For areas requiring estimates, those were built based on the publicly available information, market research and input from the IAB members and committee.

It should be noted that PwC does not formally audit the information supplied by participants in their Survey responses, and provides no opinion, attestation or other form of assurance with respect to their work or the information upon which their work is based. The procedures they performed does not constitute an examination or a review in accordance with generally accepted auditing standards or attestation standards.

# Scope and methodology

## Survey scope & methodology

The Canadian Internet Advertising Revenue Report is a big part of IAB Canada's ongoing mission provide an accurate barometer of Digital advertising growth in Canada.

IAB Canada continues to establish, maintain, and update comprehensive Survey standards for measuring the growth of Online and Mobile advertising revenues in Canada as well as Other Connected Devices.

To achieve and sustain industry-wide acceptance, key aspects of IAB Canada's Annual Canadian Internet Advertising Revenue Surveys include:

- Making the Survey as inclusive as possible, encompassing direct data results from companies engaged in digital media ad sales on the supply-side of the business. These include Canadian Internet Publishers who sell advertising on Canadian websites. Also included are search, social and video sharing Content Platforms as well as Ad Networks and Exchanges/SSPs who sell advertising on both Canadian and U.S./other foreign websites to reach Canadians. Mobile Aggregators, Mobile Marketing companies and Platforms offering Mobile advertising solutions are also polled.
  - Agencies, Trading Desks and DSPs with no supply-side involvement do NOT take part in this survey. Vendors engaged in both SSP and DSP transactions must only report their SSP-related revenues, NOT their DSP-related revenues
- Ensuring and supporting a confidential process in terms of releasing only aggregate data and analyzing historical data from within the Survey to identify broader trends over time.

# Scope and methodology

## Survey methodology

The survey is executed as follows, with input from the IAB Canada Revenue Committee, to:

- Compile a database of potential revenue earners to survey annually, in relation to Online and Mobile advertising revenues as well as Other Connected devices, in both the Total and French Canada markets;
- Conduct an annual quantitative Survey with the above industry players;
- Request and compile several specific data items from digital media vendors;
- Acquire supplemental data with publicly-disclosed information;
- Annual Internet Revenues are requested to be broken down by Advertising Vehicle (i.e. Display, Search, Video, etc.) along with a percentage breakdown for each Vehicle based on English and French Canada. The survey asks for a break down by programmatic transaction-types, along with separate annual Mobile Revenues, by Advertising Vehicle.
- Percentage breakdown of Annual Revenues is also requested across twelve different Advertiser product/service categories that sum back to 100% of the Net Revenue reported by respondents answering this question; examples include Automotive, Financial, Technology, etc.
- Review each actual respondent return for internal as well as inter-survey year inconsistencies and normalize affected data to remedy discrepancies.
- Find incomplete responses from actual respondent returns and apply a conservative revenue estimate for missing answers.
- Identify non-participating revenue earners, and apply a conservative revenue estimate for these companies, based on available public sources; and
- Report the aggregate findings of the Survey, and report key trends within the Survey responses.

Information with regard to Advertising activity by industry is presented based on data provided by Standard Media Index, which aggregates information reported by a set of advertising agencies in Canada.

# Scope and methodology

## Confidentiality procedure

All the information submitted by respondents within IAB Canada's annual Canadian Internet Advertising Revenue Surveys is completely confidential, is presented at the aggregated level and not used for any other purposes than this report.

IAB Canada's role:

- Identify supply-side industry participants who sell Internet advertising;
- Together with PwC develop survey questionnaires;
- Review data aggregated by PwC for any major anomalies and unusual trends; and
- Report on the results of the Survey, as reported in aggregate by PwC.

IAB Canada maintains full ownership and responsibility for the report and presented information.



# About IAB Canada

# About IAB Canada

## Who We Are

The Interactive Advertising Bureau of Canada (IAB Canada) is the national voice and thought leader of the Canadian interactive marketing and advertising industry. We are the only trade association exclusively dedicated to the development and promotion of the digital marketing and advertising sector in Canada.

As a not-for-profit association, IAB Canada represents over 250 of Canada's most well-known and respected advertisers, ad agencies, media companies, service providers, educational institutions and government bodies. Our members represent a diverse range of stakeholders in the rapidly growing Canadian digital marketing and advertising sector and include small and medium sized enterprises.

## What We Do

As the only organization fully dedicated to the development and promotion of digital/interactive advertising in Canada, IAB Canada works with its members to:

- Conduct original, Canadian digital/interactive research;
- Establish and promote digital/interactive advertising standards & best practices;
- Build human capital, through educational courses, certification, our job board, and other initiatives that help the industry in attracting, training and motivating human resources;
- Act as an advocate for the Canadian digital/interactive advertising industry to the Canadian government; and,
- Organize networking events that enhance communication between members.

## IAB Canada & IAB Worldwide

IAB Canada is an independently organized and operated organization, and is neither owned, controlled nor operated by any other Interactive Advertising Bureau, Inc. and all trademarks and names are used under license. IAB Canada and global IABs work together closely on major projects and endeavours, but each country requires individual memberships. [Click here](#) for more about IAB Canada and about IAB Globally that IAB Canada fully endorses.

For Any Inquiries about the report, please contact:

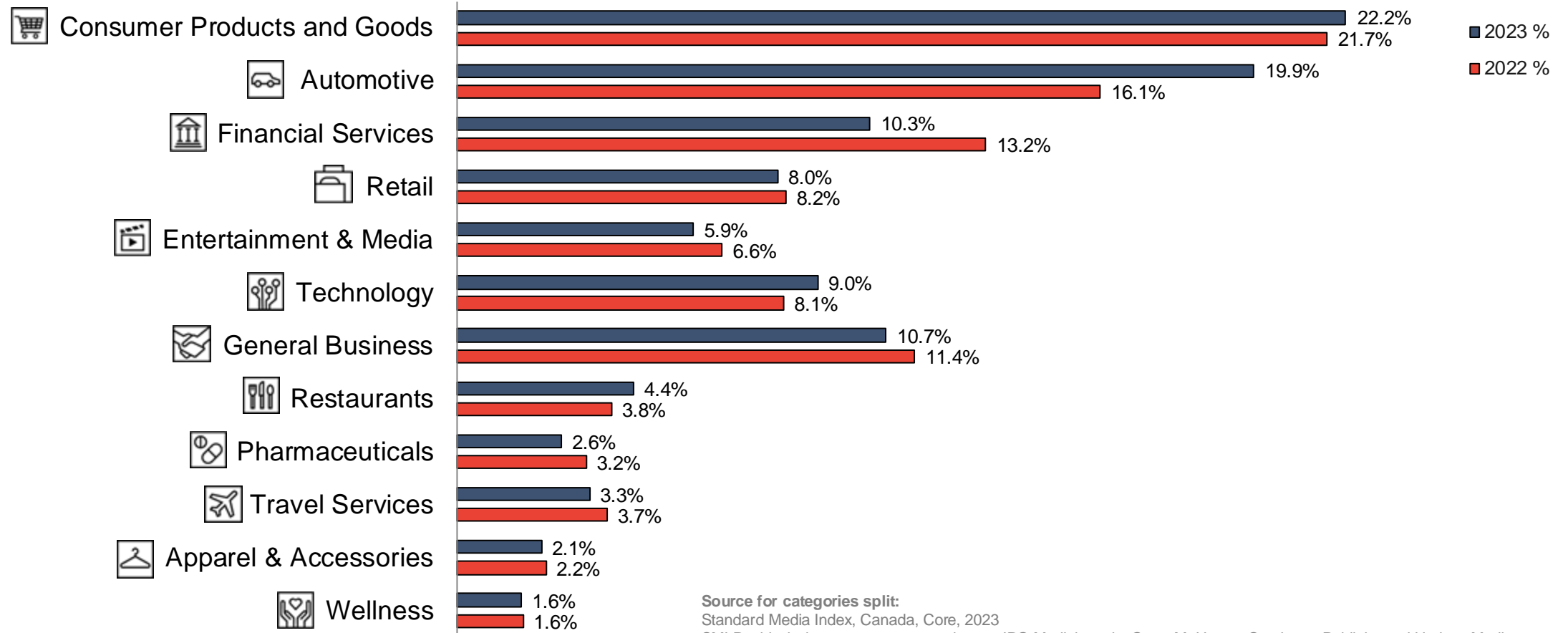
**Sonia Carreno**, President, IAB Canada  
scarreno@iabcanada.com

Thank you

# Appendix

# Industries

## Category Share of Digital Ad Spend



Source for categories split:  
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 SMI Pool includes agency partners: dentsu, IPG Mediabrands, GroupM, Havas, Omnicom, Publicis, and Horizon Media