iab canada

2025 IAB Canada Internet Ad Revenue Survey & 2026/27 Forecast

June 2026

President's Message

Canada's digital advertising industry grew 16% in 2025 despite a climate of economic uncertainty.

The findings in this report remind us that markets are driven by results, not headlines. Advertisers continue to invest where they can reach audiences, measure performance, and drive business outcomes.

This year's study also expands our view of the industry, capturing retail media, ad technology, and data products for the first time. Together, these findings reveal a larger, more diversified, and increasingly sophisticated digital advertising ecosystem.

As the industry continues to evolve, we look forward to tracking the next chapter of growth, including the opportunities that artificial intelligence will bring to Canada's digital economy.



Sonia Carreno
President, IAB Canada



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Methodology

Objectives

1 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.

2 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 summarized, cleansed, analyzed and presented in this report at an aggregate level.

3 Additional Information

The survey results were supplemented by information obtained from publicly available financial statements, stakeholder interviews and PwC's Global Entertainment & Media Outlook.

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).



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 supply chain members
- Sector reports and available market information
- Macroeconomic data
- Publicly available annual accounts

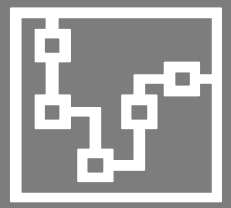
Market tools and resources
Use of additional information sources:

- PwC's Global Entertainment & Media Outlook for international analysis

Validation of results

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

Revenue Presentation



Display

Includes advertising investments through graphic formats including:

- Non-video display
- Branded content
- Native advertising

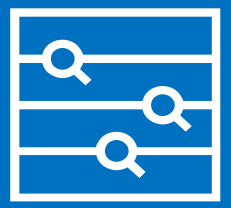
Does not include social media and video revenue, which are reported as a separate group.



Social Media

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

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



Search

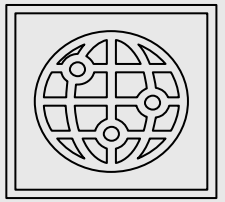
Includes all advertising revenue generated by search engines.

Includes Commerce Search.



Commerce Media

Includes advertising revenue generated by retail media networks for onsite, offsite and in-store digital media inventory.



Other Segments

Specific advertising revenue built around the following concepts:

- Video
- Audio
- Digital Out of Home
- Gaming
- Emails/Newsletters
- Data Products
- Classifieds
- Ad Tech

2

2025 Results

Study Highlights

1. Canada's digital advertising market grew 16% year-over-year to reach $21.1 billion. Collectively, newly measured categories contributed an additional $3.47 billion in digital advertising-related economic activity, broadening our understanding of Canada's digital advertising ecosystem.

2. Search remained the largest category, representing 43% of total revenue, while social media continued to be the second-largest channel at 30%.

3. Video was among the fastest-growing segments, increasing 26% year-over-year, driven by continued investment in connected television and premium streaming environments.

4. New measurement of ad technology and data products revealed an additional $1.29 billion in revenue, highlighting the growing economic importance of infrastructure, identity, measurement and audience solutions.

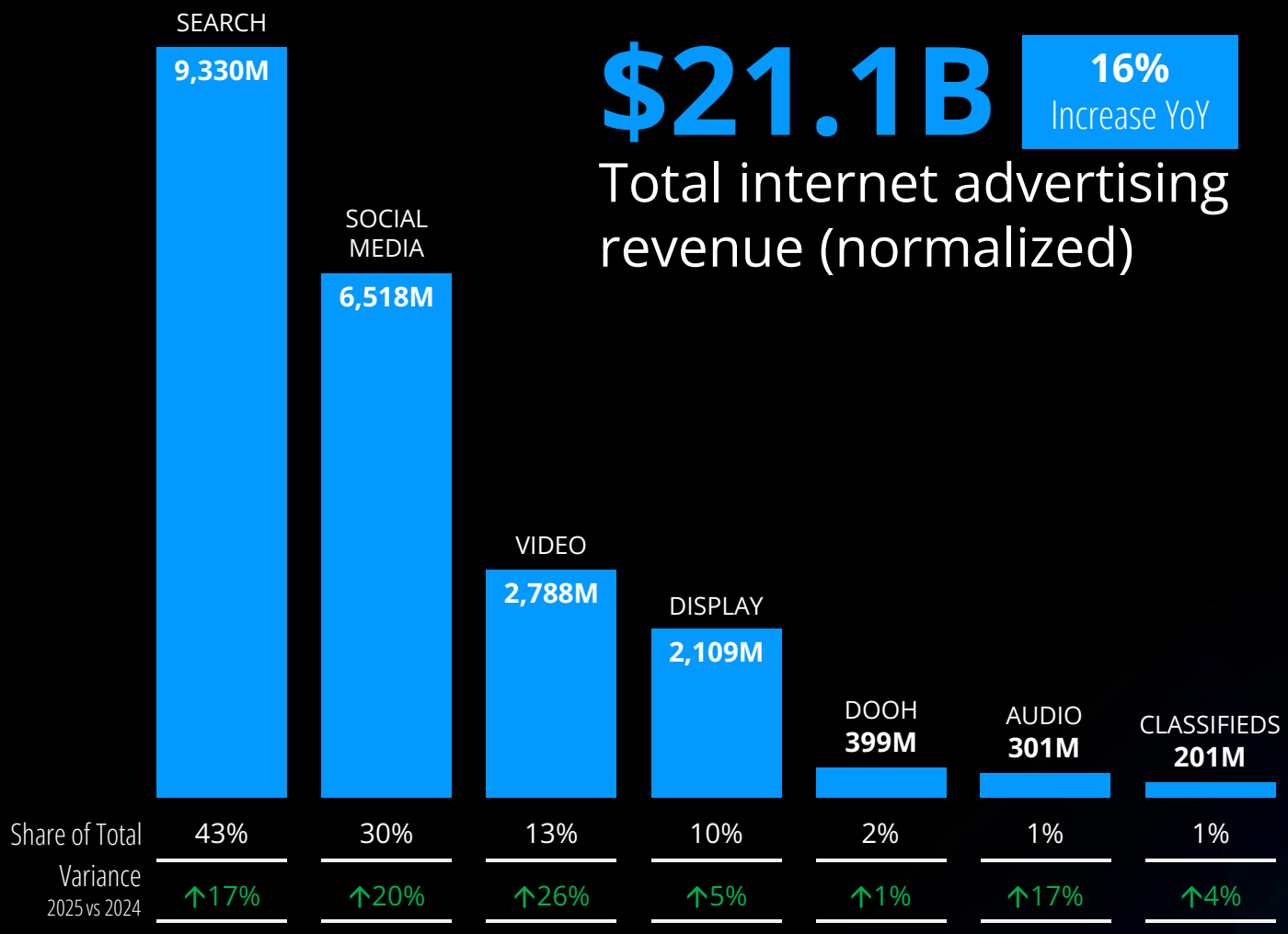
Results

Media overview

- Search
- Social media
- Video
- Display
- Digital Out of Home
- Audio
- Emerging and Specialist Channels
- NEW Commerce Media
- NEW Ad Tech
- NEW Data Products



Overview

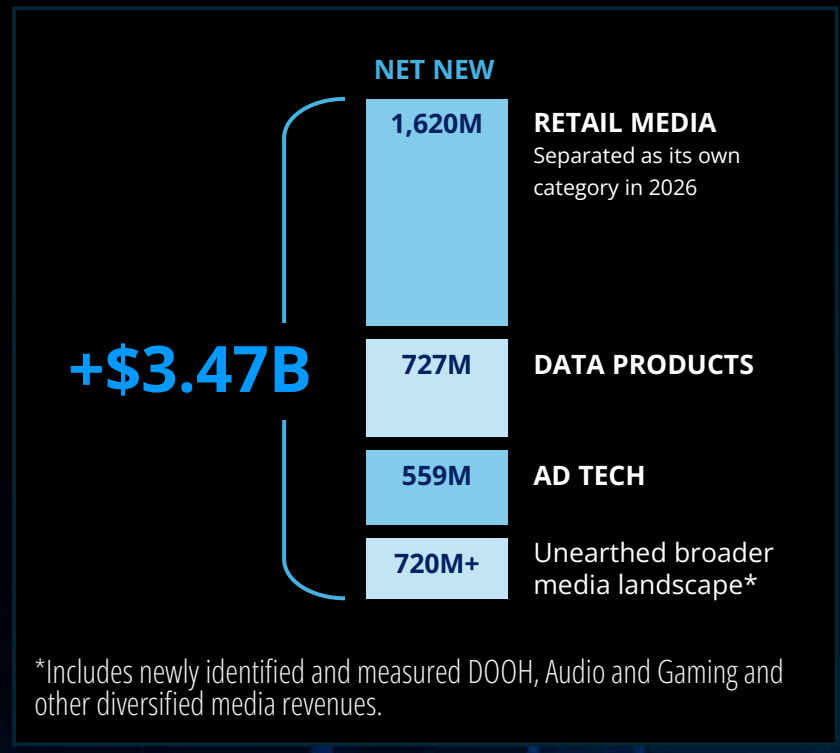


$21.1B

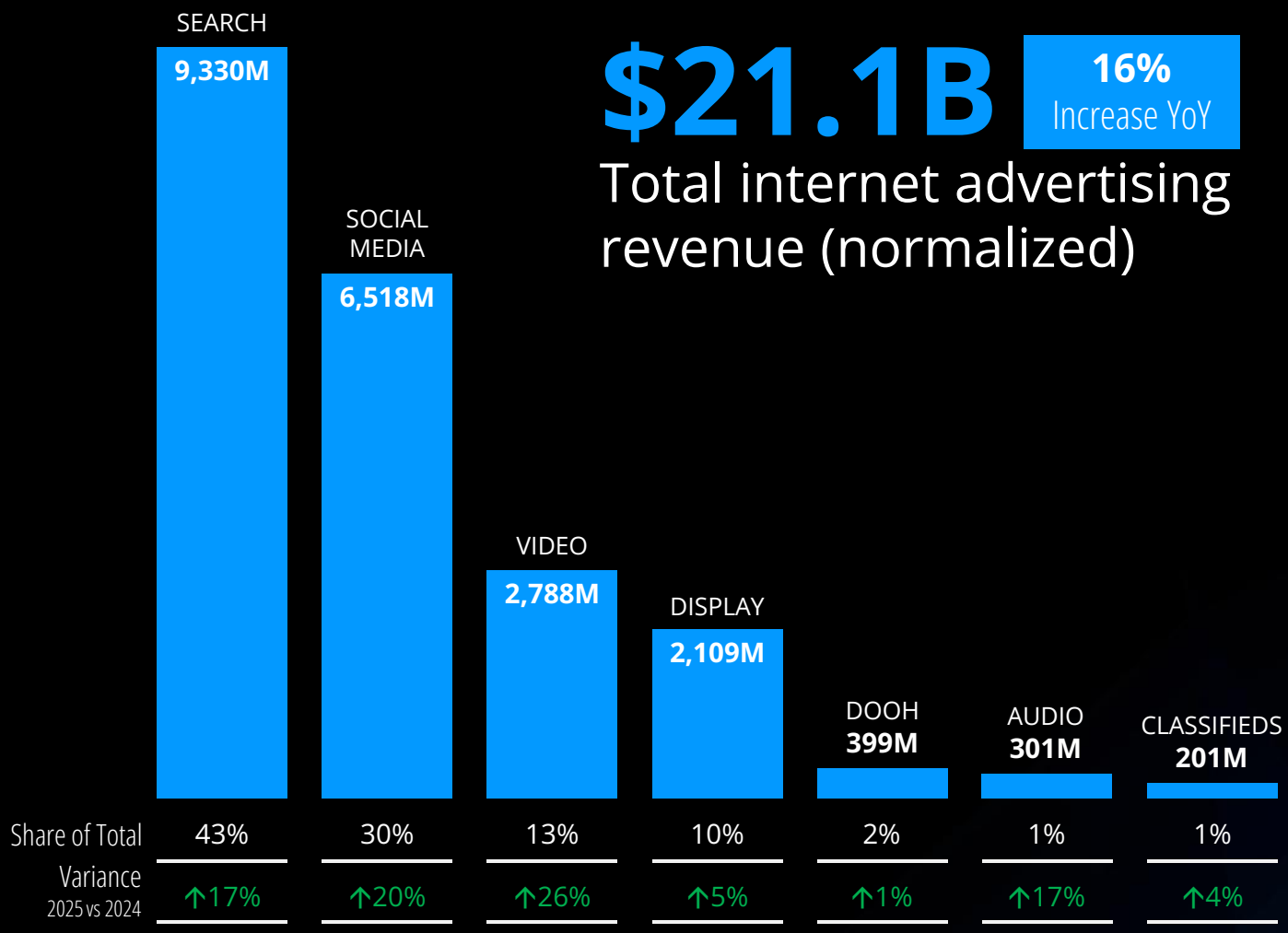
16% Increase YoY

Total internet advertising revenue (normalized)

Not included in this topline result:
Net new categories for 2025 onwards, contributing an additional **$3.47B** in revenues



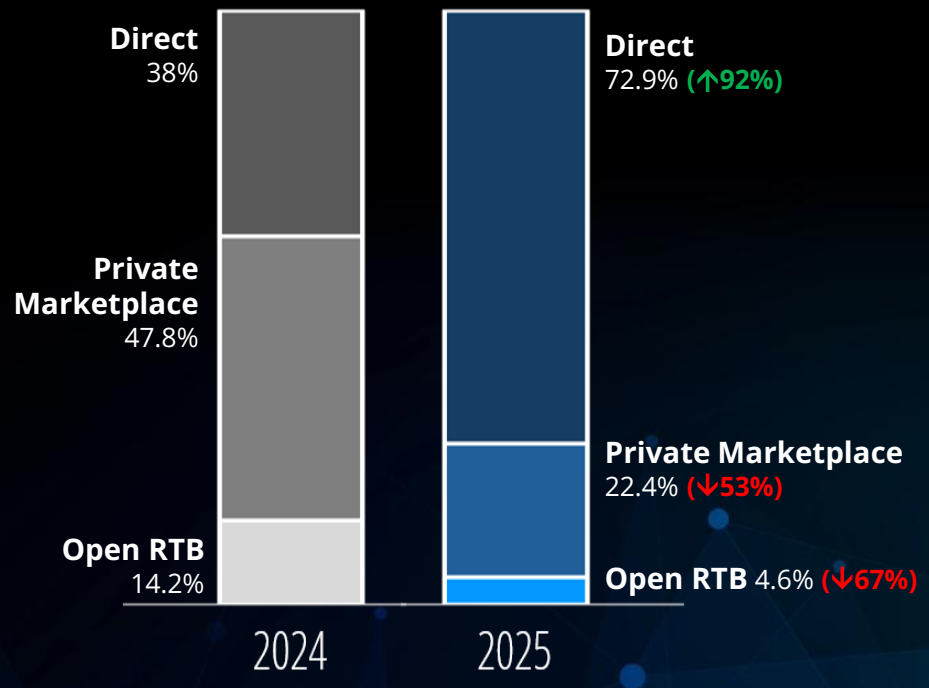
Overview



$21.1B **16%** Increase YoY

Total internet advertising revenue (normalized)

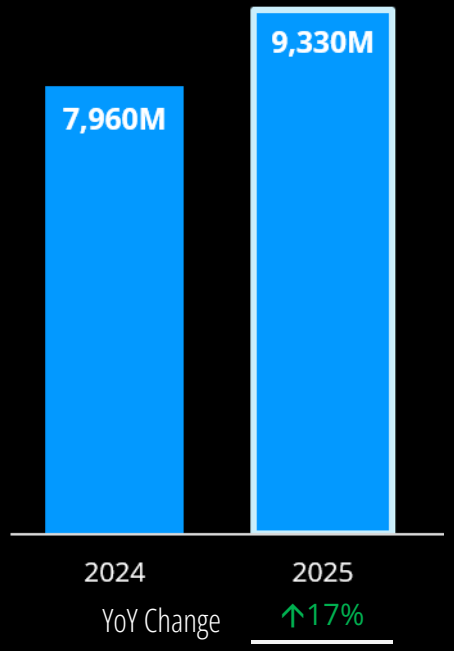
Direct buying took a larger role in 2025 as revenue shifts away from private marketplace and open RTB*.
IAB Canada noted a higher propensity towards Direct sales in premium inventory channels.

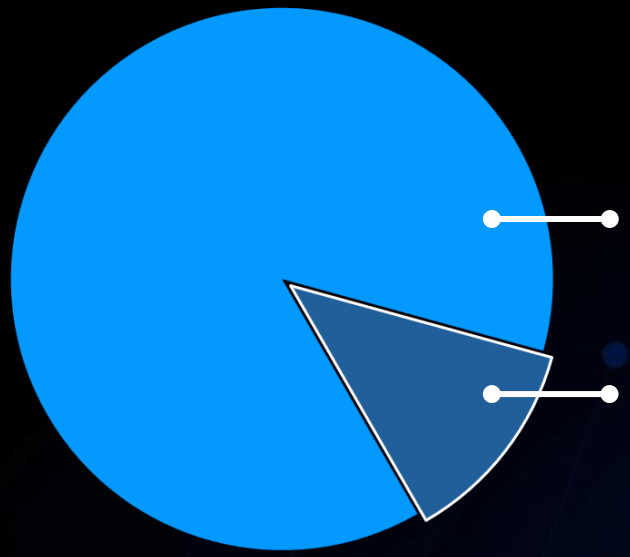


*distribution does not include Google/YouTube or Social Media

Search

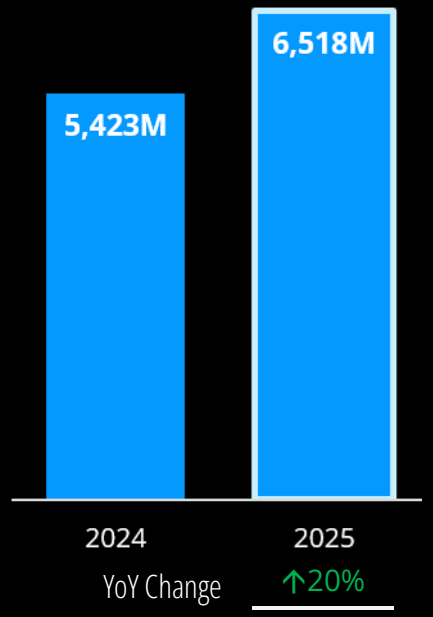
Search remained the largest digital ad category in 2025, generating $9.33 billion and representing 43% of the market. Its scale reflects sustained demand for high-intent, measurable performance media, while commerce search categorization provides a clearer view of revenue sources.

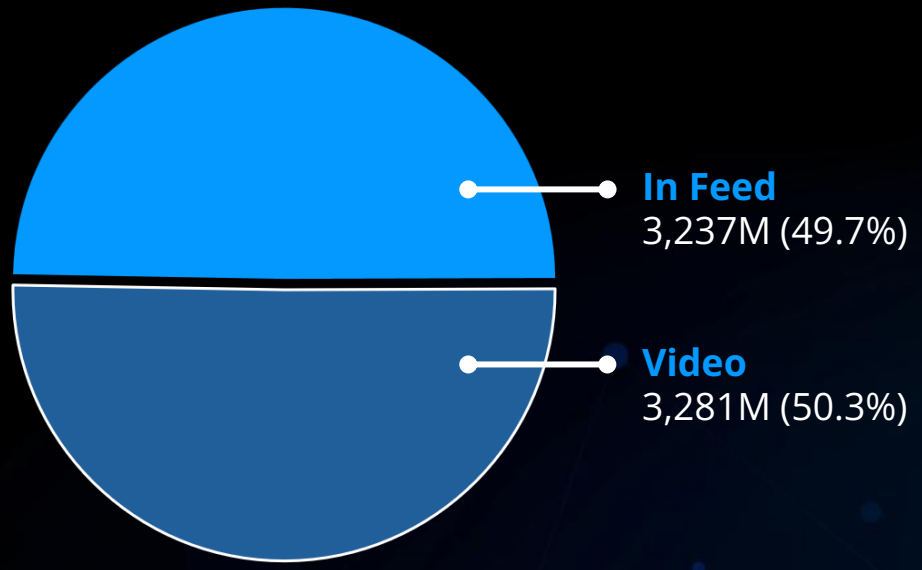




Social Media

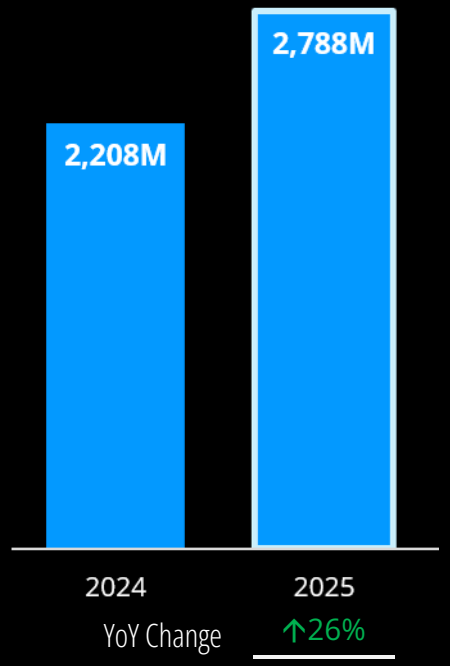
Social media generated $6.52 billion in 2025, growing 20% YoY. The near-even split between in-feed and video reflects social's role as both a discovery and storytelling channel, supporting brand engagement and performance outcomes.

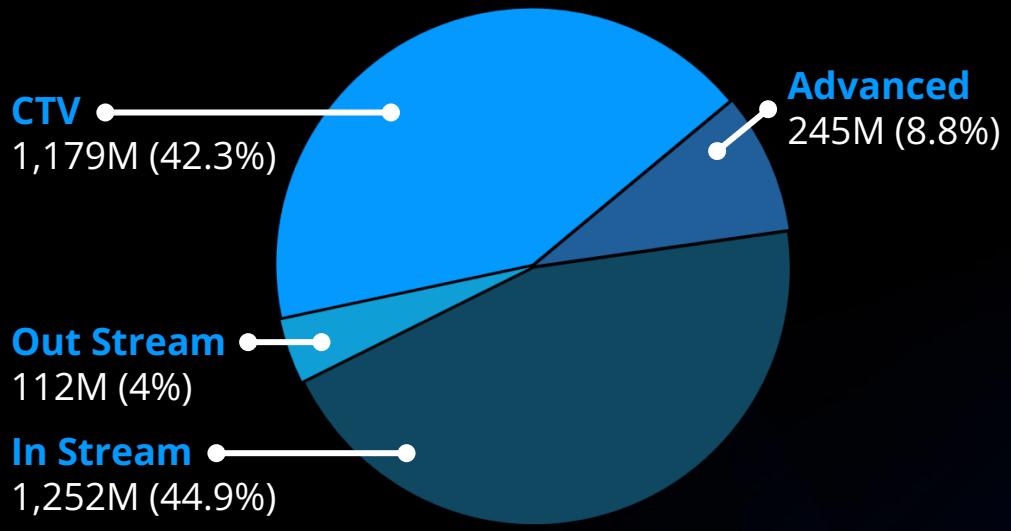


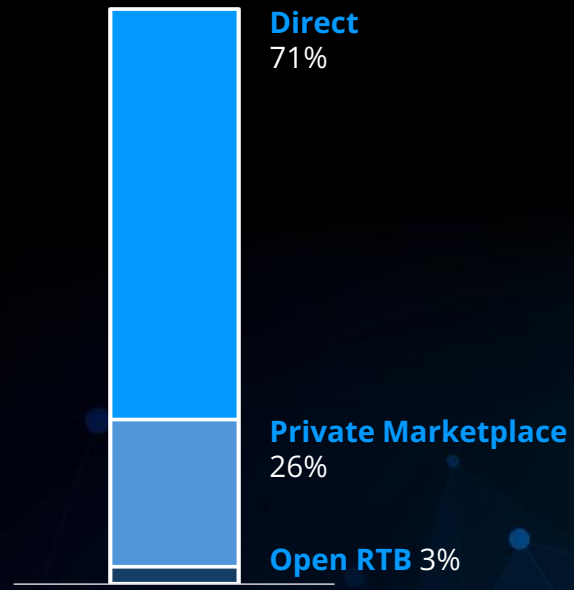


Video

Digital video reached $2.79 billion in ad revenue in 2025, growing 26% YoY. In-stream and CTV account for most revenue, while direct buying leads at 71%, reflecting demand for high-attention formats with stronger control and measurement.



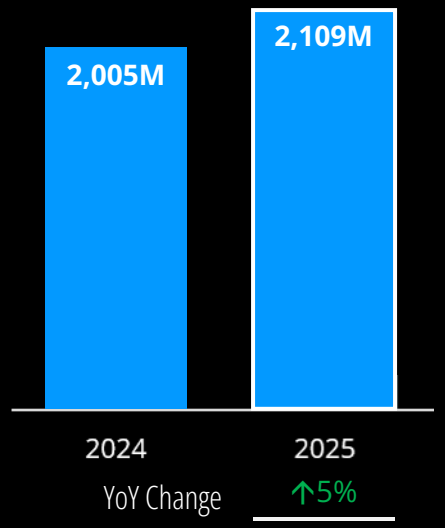


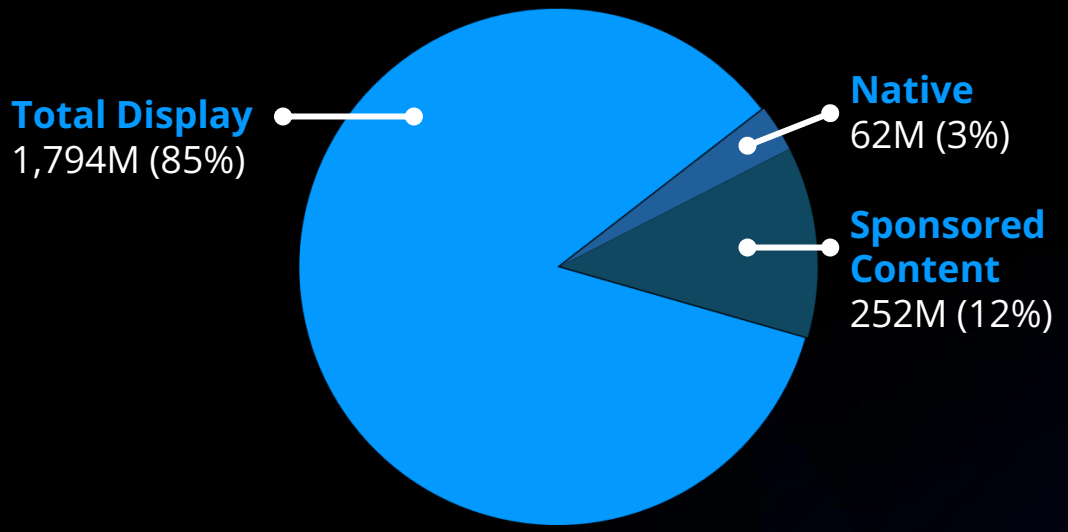


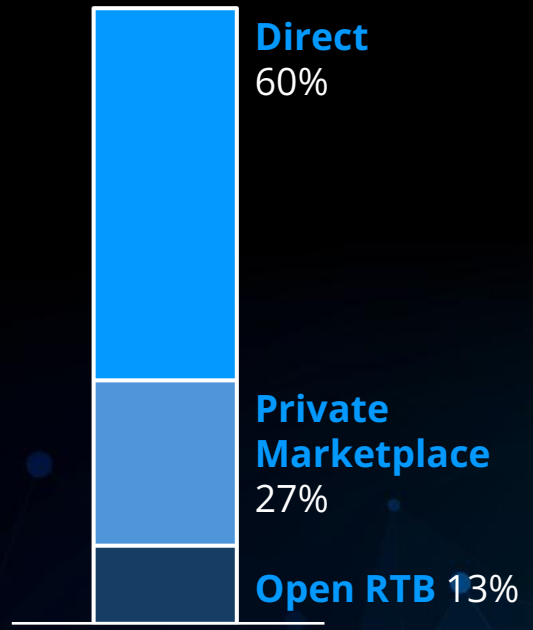
*distribution does not include Google/YouTube or Social Media

Display

Display ads generated revenues of $2.11 billion in 2025, growing 5% YoY. Total display accounts for most revenue, while direct buying leads transaction activity at 60%, reflecting continued demand for controlled placements and measurable reach.



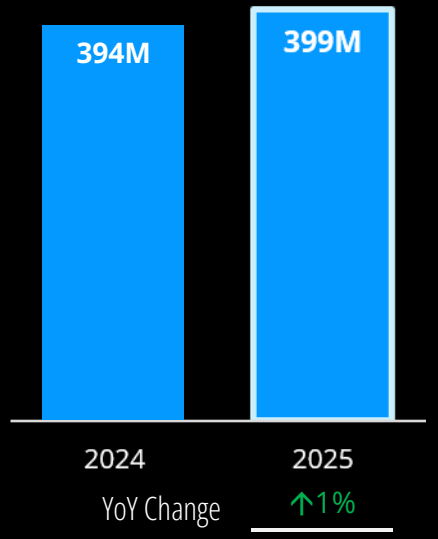


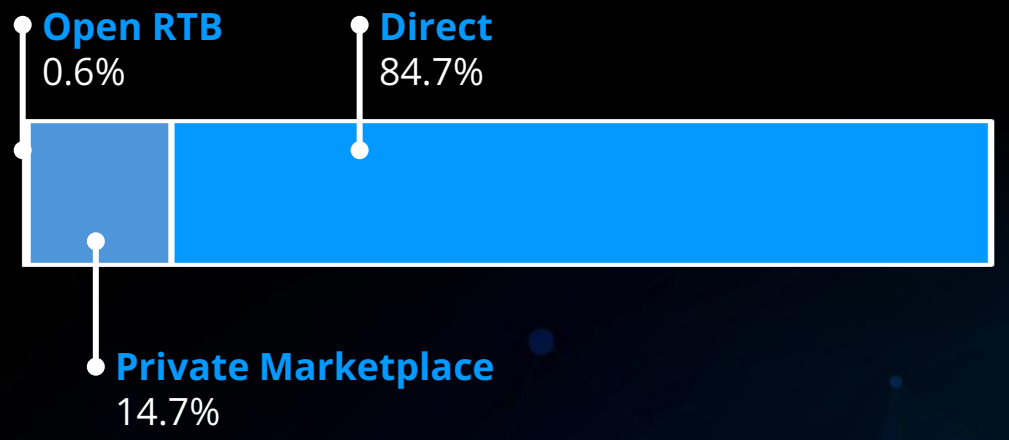


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Digital Out of Home

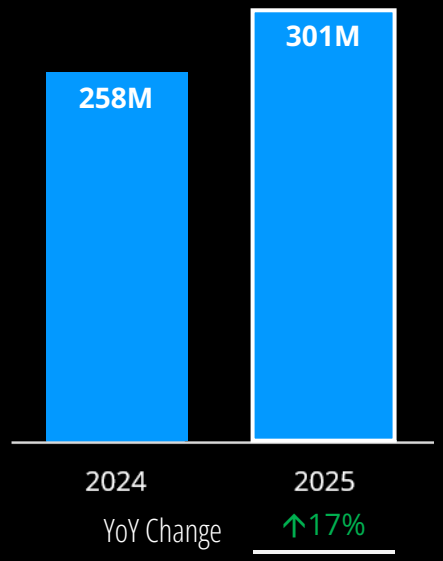
DOOH contributed $399 million in ad revenue, with direct channels accounting for the majority of transactions.

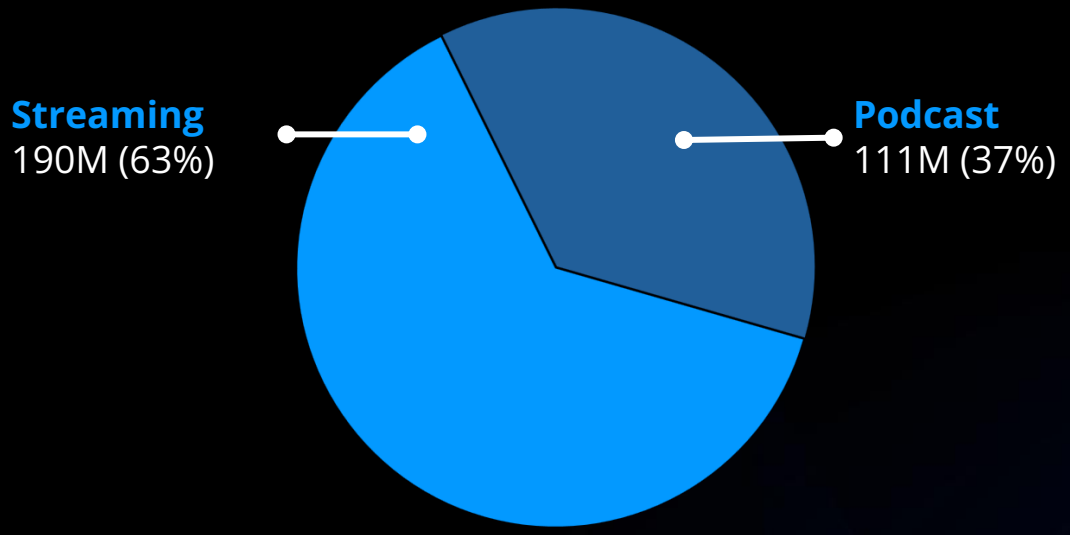


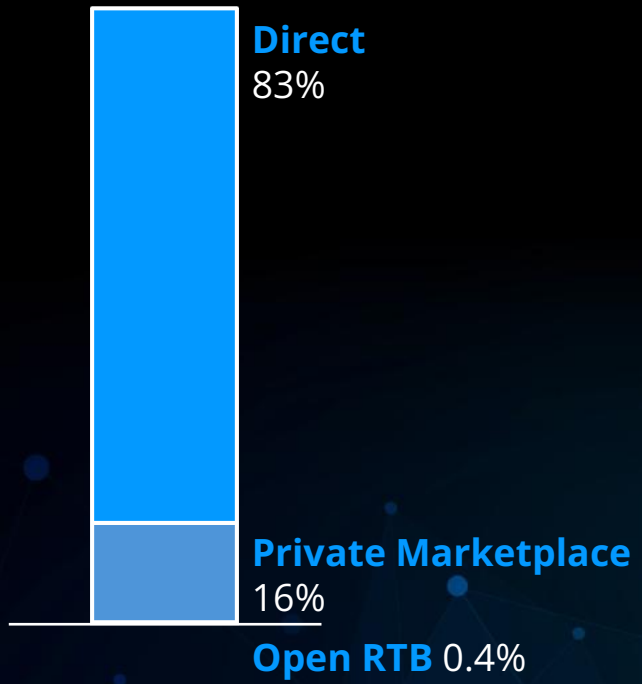


Audio

Digital audio reached $301 million in 2025, up 17% YoY. Streaming makes up the majority of revenue, and most buying happens through direct channels, showing advertiser preference for curated audio placements.

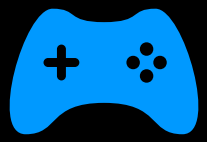






Emerging and Specialist Channels

While individually smaller than the largest channels, these categories show that Canada's digital advertising market is becoming more diversified and more specialized — each serving distinct advertiser needs and collectively broadening how audiences can be reached, measured, and monetized.



$275M
Gaming*



$28M
Email/Newsletters



$201M ↑17% YOY
Classifieds/Marketplaces

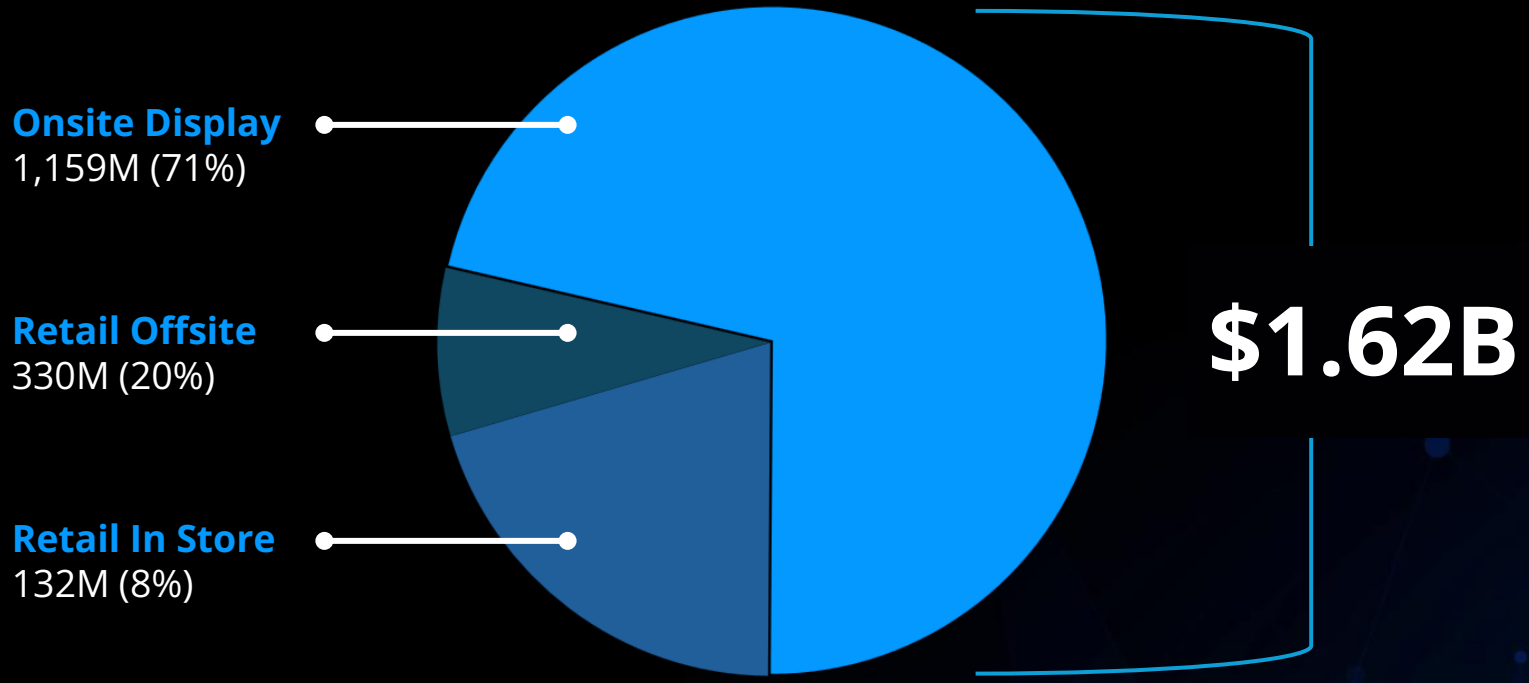
Includes:

- Mobile game advertising
- Console network advertising
- PC game advertising
- In-game rewarded video
- In-game display
- Dynamic in-game billboards
- Branded gaming experiences

* *In-game advertising estimates were developed using PwC gaming ad forecasts, Canadian gaming market estimates, platform monetization trends, and IAB Canada benchmarks. Revenue includes ads in mobile, console, PC, and dynamic in-game formats, but excludes game purchases, subscriptions, and in-app transactions. Growth assumptions reflect the continued expansion of advertising as a gaming monetization model.*

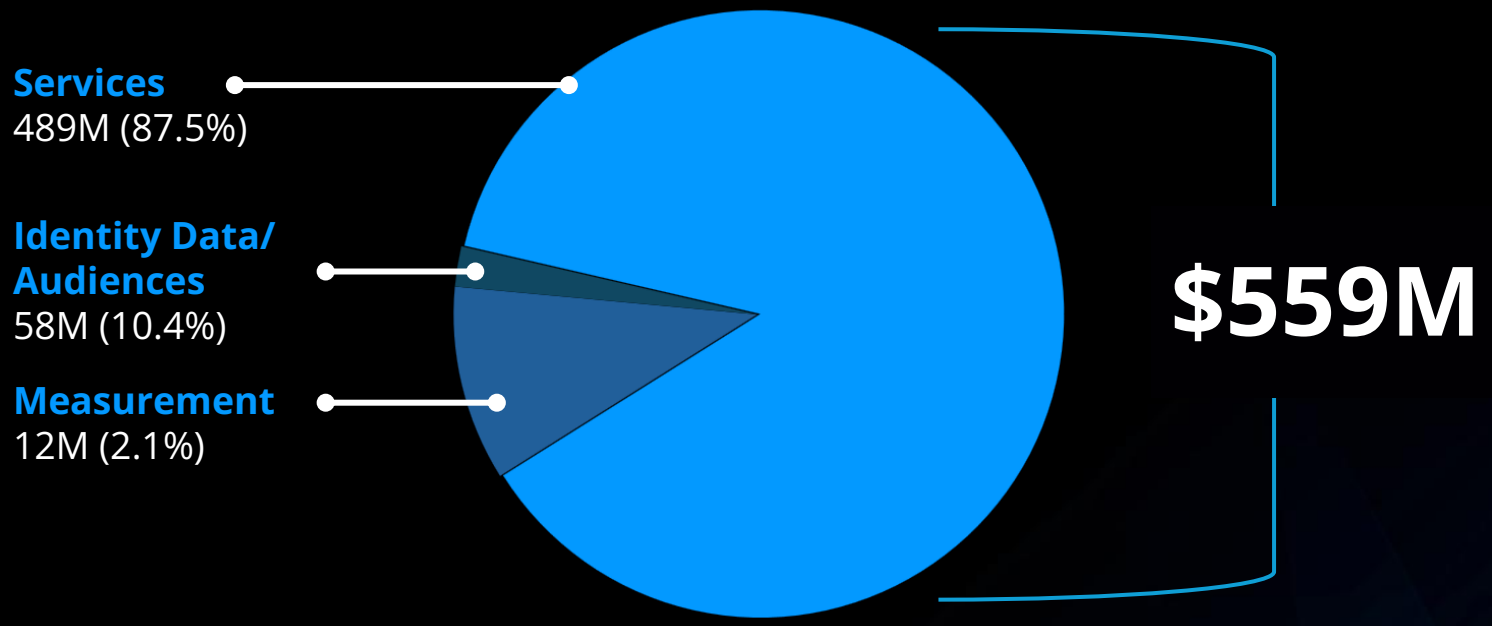
Commerce Media

Retail media reached $1.62 billion in revenue in 2025. Its scale now places it among the most important growth engines in the industry.



Ad Tech

Ad technology organizations operating in Canada generated an estimated **$559 million** in revenue in 2025. Together with data products and measurement services, this finding illustrates that Canada's digital advertising economy is no longer composed only of media owners and advertisers.



Enabling Layer

Platforms, tools, analytics, identity, verification, and infrastructure services now constitute a sophisticated and economically meaningful layer of the ecosystem

Competition and Transparency

The concentration and structure of the ad tech layer has implications for market competition, pricing transparency, and the distribution of value across the supply chain

Policy Relevance

Regulators and policy makers increasingly scrutinize the ad tech stack as a site of market power, data governance, and consumer privacy considerations

Data Products

New for 2025, the study separately measures revenues generated through advertising-related data, audience, identity, attribution, measurement, and related products and services — together reaching approximately $727.7 million.

$727.7M

Data Products Total Revenue 2025

Includes:

Audience · Identity · Attribution · Measurement

Why it Matters

Their inclusion provides a more complete view of the digital advertising economy by recognizing that a growing share of value is created through infrastructure and intelligence layers that enable activation, optimization, and monetization

First-Party Data Premium

As third-party cookies deprecate and privacy regulations evolve, data products tied to first-party signals and clean-room environments are becoming structurally more valuable

Measurement and Attribution

Revenue from measurement, attribution, and identity resolution reflects the industry's investment in proving advertising effectiveness — a prerequisite for continued budget growth

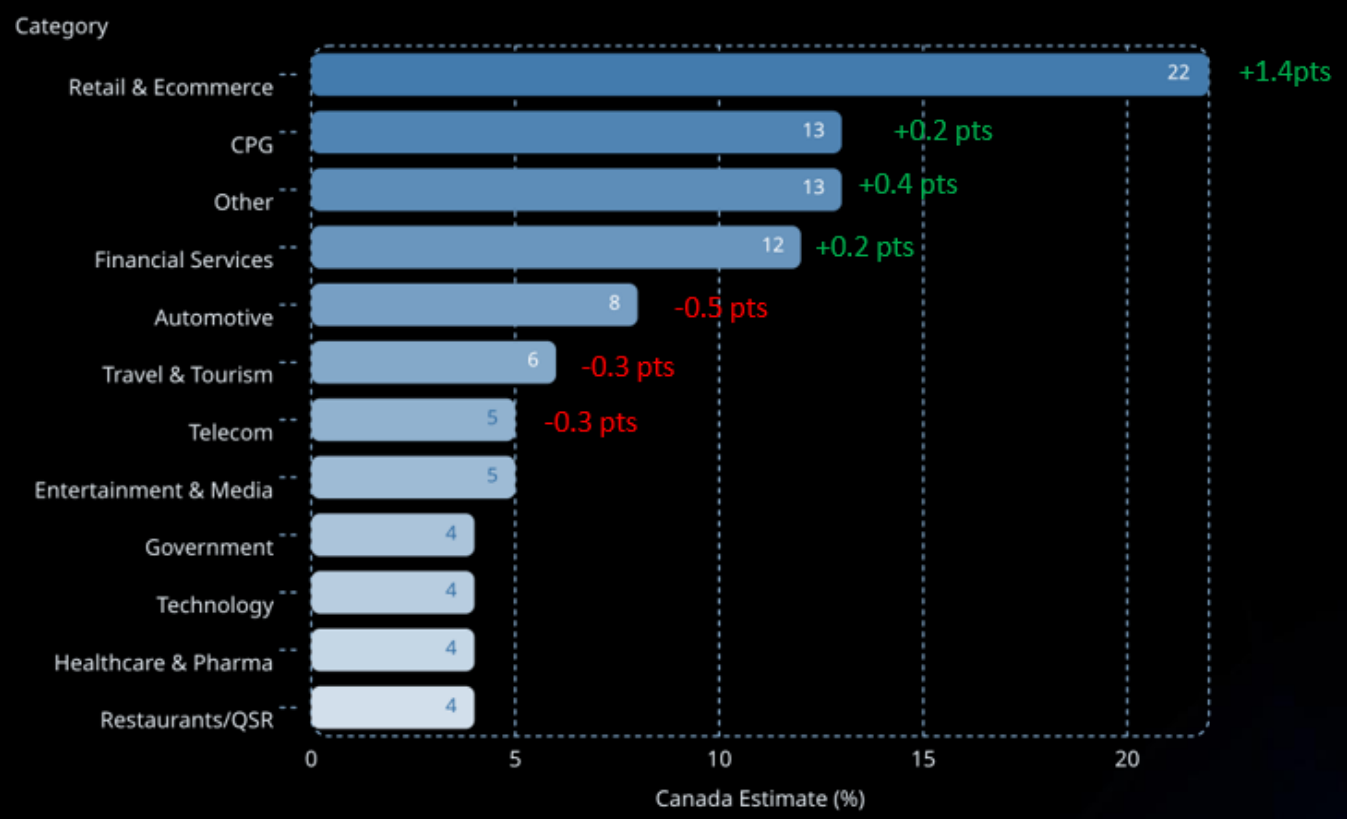
Future Trajectory

This category is expected to grow as AI-powered audience modelling, privacy-preserving measurement, and commerce data products become more central to how campaigns are planned and evaluated



Canadian Industry Contribution

Canadian Digital Ad Spend by Category



Category allocations were benchmarked against publicly available North American digital advertising expenditure trends, including industry forecasts and sector-level advertising analyses. Canadian estimates were then adjusted to reflect the unique characteristics of the Canadian market.

22% — Retail & Ecommerce

Dominates Canadian digital ad spend, reflecting the rise of digital-first shopping behaviour and retail media networks.

13% — CPG

Retail media networks are fuelling CPG investment as brands follow consumers onto e-commerce platforms.

12% — Financial Services

Canada's concentrated banking sector drives outsized digital investment relative to other markets.

5% — Telecom

Higher than North American averages, reflecting Canada's telecom landscape and competitive subscriber acquisition.

SMB Share by Channel

*Estimated SMB penetration varies significantly by channel – Search and Social capture the lion's share of SMB budgets, while Video, DOOH and Retail Media remain largely enterprise-dominated.



Search SMB Share

Highest penetration of any channel — driven by self-serve accessibility



Social SMB Share

Self-serve platforms drive strong SMB adoption



Display SMB Share

Moderate penetration



Retail Media SMB Share

Low penetration despite large total market — structural barriers persist



Video & DOOH SMB Share

Lowest penetration — higher CPMs, (perceived) production costs, and minimum buys exclude most SMBs

$6.8B–$6.9B

~31% of Digital Ad Revenue in 2025

**Estimated SMB contribution based on Canadian business demographics, digital advertising adoption rates, industry benchmarks, and IAB Canada market modelling. Advertiser-size data was not directly reported by survey participants.*

A Meaningful Employment Footprint



Survey respondents reported approximately 15,181 direct Canadian jobs associated with digital media publishing, platforms, ad technology, measurement, and related services. IAB Canada estimates that once agencies, advertisers, technology providers, and other buy-side functions are included, the digital advertising ecosystem supports approximately 30,362 jobs across Canada.

30,362

Total Ecosystem Jobs

15,181 direct digital media jobs
~15,181 additional buy-side and enabling layer roles

6,377 jobs generated from Foreign Entities

- **Methodology note:** The 30,362 estimate is based on industry employment patterns and applying a conservative 1x multiplier on the sell side towards the buy-side and enabling layers of the ecosystem
- **Adjacent employment:** This estimate does not include additional employment supported in creative production, content development, creator partnerships, and other adjacent sectors that rely on advertising investment
- **Economic significance:** The employment footprint reinforces digital advertising's status as a major Canadian economic sector — not a niche or ancillary industry
- **Policy context:** Job creation and retention in Canadian digital media and technology is increasingly relevant to discussions of cultural policy, platform regulation, and domestic media sustainability

Canadian Demand Remains the Foundation of the Market



Findings suggest that Canada's digital advertising economy remains primarily funded by advertising decisions made within Canada, even when many advertisers are subsidiaries of multinational enterprises.

20%

Estimated Revenue Exported to advertisers outside of Canada

67% of respondents reported less than 10% of revenue from advertisers operating outside Canada. A smaller group reported 11–25% of revenue from outside Canada; very few reported more than 25%.

Domestic Resilience

The predominantly domestic demand base provides a degree of insulation from global advertising market volatility, while also reflecting the depth of Canada's own advertiser community

15%

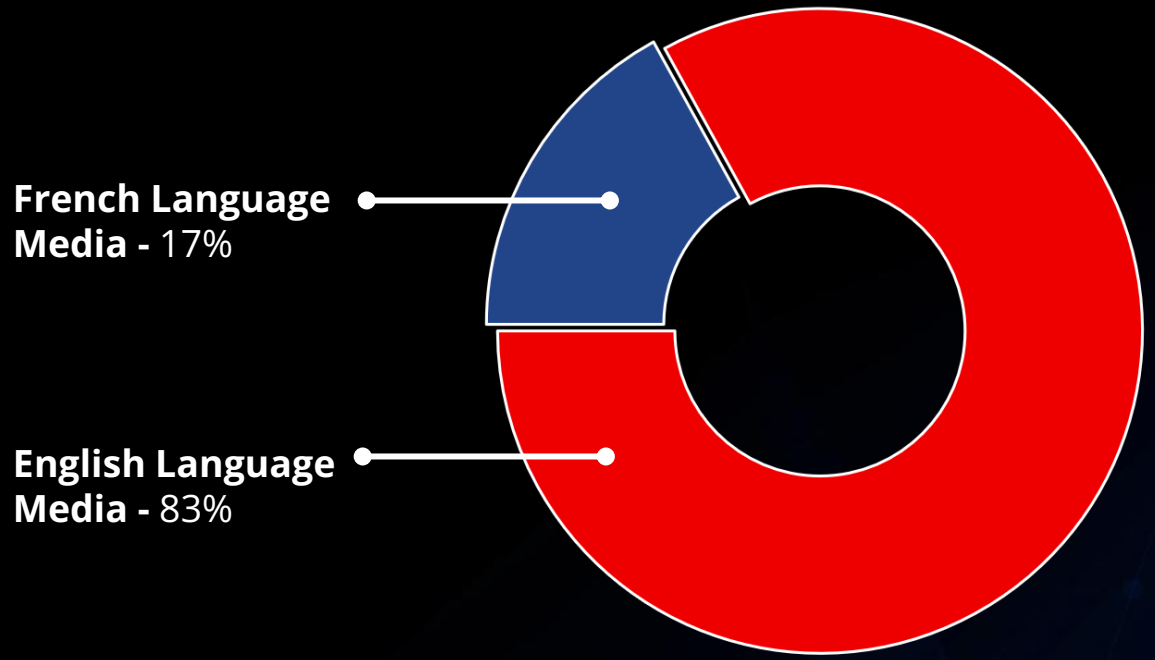
of Generated Revenue derived from Canadian Entities

including new categories of retail media and data monetization.

English-Language Media Dominates Revenue, but French Remains Meaningful



English-language media generated approximately **$18.5** billion in digital advertising revenue in 2025, while French-language media generated approximately $3.7 billion — about 17% of total digital advertising revenue.

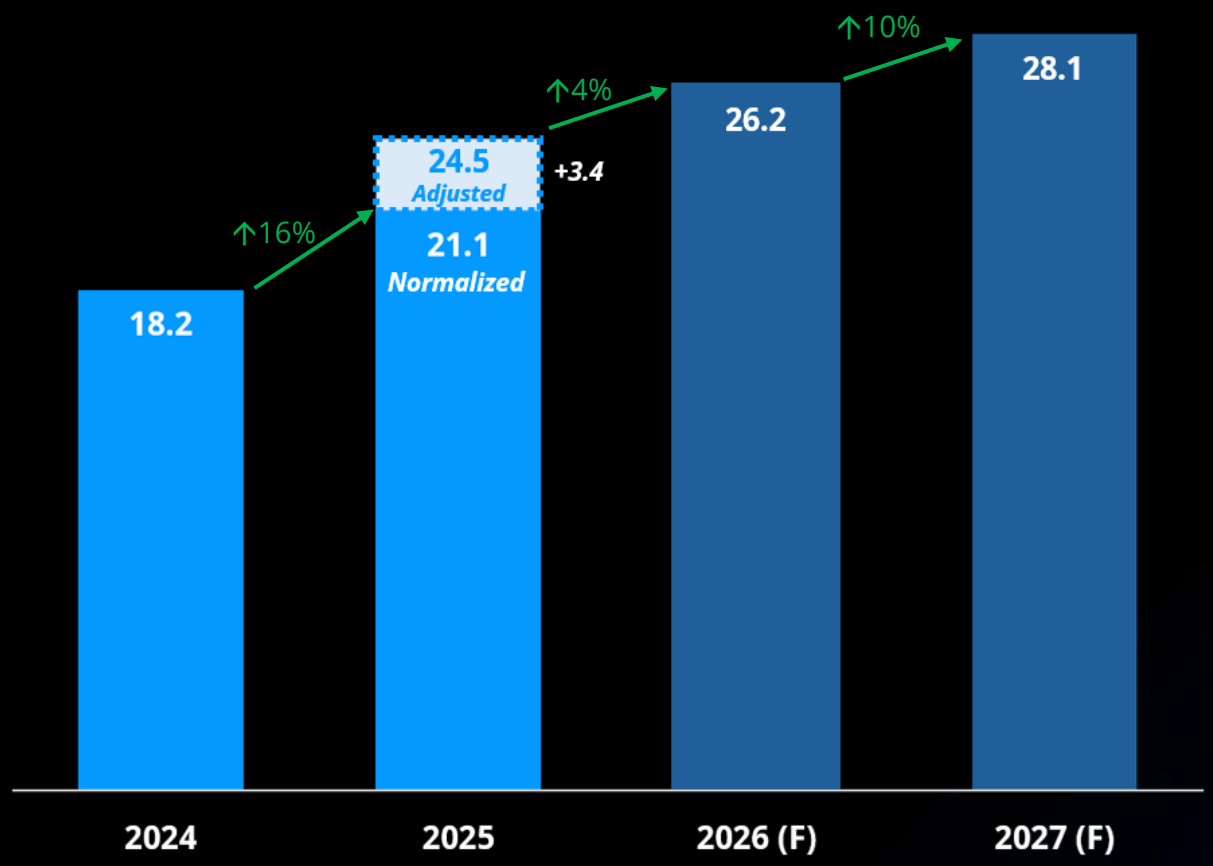


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Outlook for 2026

Outlook for 2026

IAB Canada forecasts that the Canadian digital advertising market will reach approximately $26.2 billion in 2026, representing 4% growth from the 2025 adjusted base* of $24.5 billion.



Growth Leaders

Retail media, connected television, digital video, commerce media, data and measurement products, and AI-enabled advertising services

Structural Drivers

Future growth will increasingly depend on the ability of organizations to leverage trusted data, automation, and measurement while maintaining sustainable business models

Canadian Media Sustainability

Growth must support Canadian media, innovation, and competition — not only platform-level revenue concentration

Risk Factors

Macroeconomic uncertainty, evolving privacy regulation, AI disruption to search and content models, and potential shifts in advertiser confidence could affect the pace of growth

* Note: 2025 normalized revenue reflects the same revenue items tracked in 2024 for comparability. 2025 adjusted revenue includes net new categories and newly identified revenue sources, adding $3.47B, including newly identified and measured DOOH, Audio and Gaming, plus other diversified media revenues. 2026F and 2027F are shown on this expanded revenue basis.

Industry and Policy Impact

1

Scale Recognition

Digital advertising is a major Canadian media and economic sector — generating **$21.1B in revenue** and **30,000+ jobs**

2

Growth Drivers Are Shifting

Market growth is increasingly tied to data, measurement, retail, and premium video environments — not just traditional search and social

3

Infrastructure Layer Matters

The ad tech and data products layer is now material to competition, transparency, and trust across the supply chain

4

Domestic Demand Is Central

Even in a globally connected market, Canadian advertiser decisions remain the primary funding source for the ecosystem

5

AI's Near-Term Impact

AI is likely to affect how businesses operate — margins, workflows, efficiency — before it materially changes how they monetize

5

Conclusion

2025 IAB Canada Internet Ad Revenue Survey and 2026/27 Forecast

Canada's Digital Advertising Economy Is Broader, Larger and More Complex Than Ever

The 2025 results show a market that is still anchored by search and social, but increasingly shaped by video, retail media, data products, technology services, and new forms of measurable, commerce-connected advertising activity.

$21.1B Ecosystem

Up 16% year-over-year, with a forecast of $26.2B in 2026

30,000+ Jobs

Supported directly and indirectly across Canada

Diversified Revenue Sources

Commerce media, CTV, data products, and ad tech now represent meaningful and growing shares of total ecosystem value

Trusted Benchmarks

As the ecosystem grows more diversified and infrastructure-driven, credible market intelligence becomes essential for both industry and policy audiences

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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

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For Any Inquiries about the report, please contact:

Sonia Carreno, President, IAB Canada

research@iabcanada.com

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Thank you!