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ENTERPRISE 2025

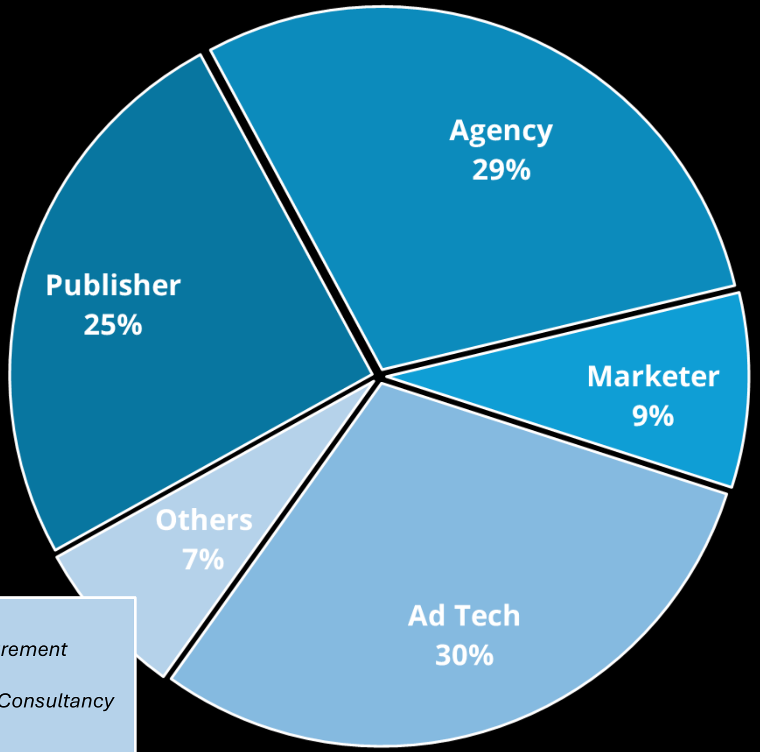
INDUSTRY BAROMETER REPORT

About Enterprise 2025

With over 200 industry professionals in attendance, Enterprise 2025 proved to be a landmark event for IAB Canada and the digital advertising community. From the insightful strategies shared on the Upper Deck to the powerful advocacy voiced on the Lower Deck, the event underscored one clear takeaway: our industry is ready to evolve—together.

Read more about Enterprise 2025 here.

A balanced representation of Canada's digital advertising community



Others Include:

- *Research & Measurement*
- *Ad Solutions*
- *Media Operations Consultancy*
- *Vendors*
- *Retailers*

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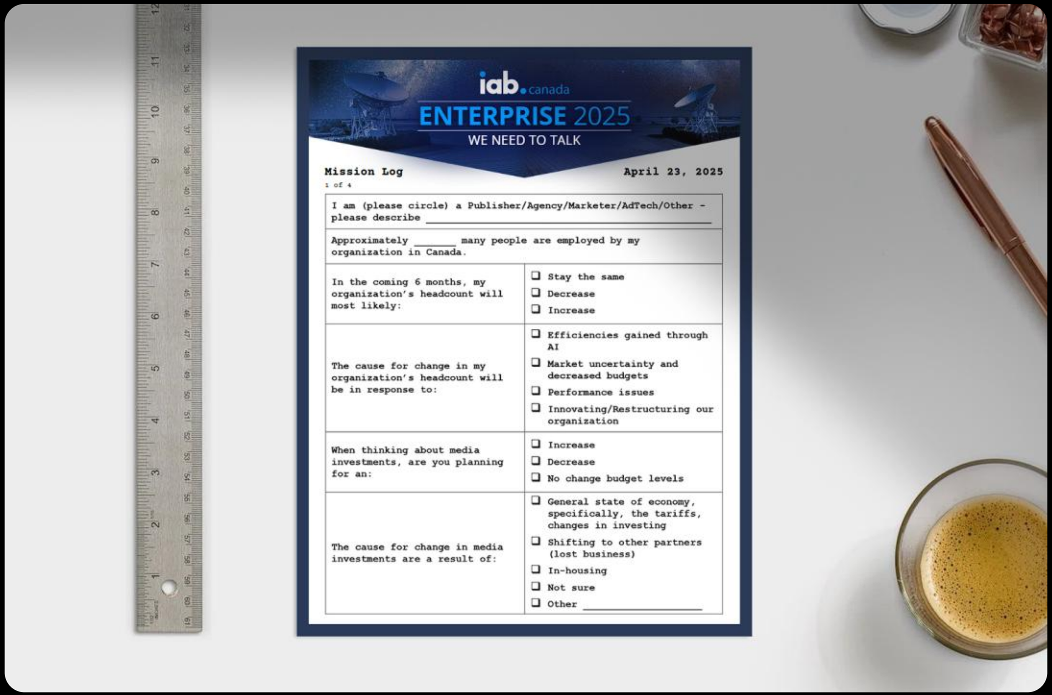
About the Industry Barometer Report

Once again, IAB Canada surveyed Enterprise 2025 participants to capture industry sentiment across several topics including securing sustainable growth, protecting Canadian media, and engaging consumers in an increasingly competitive content landscape.



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Key Findings

Stable or Growing Headcounts – Most organizations anticipate steady or increasing headcounts, driven by agencies and marketers, while publishers and ad tech firms focus on stability. Headcount shifts are primarily due to organizational innovation and restructuring, not economic uncertainty.

Optimistic Media Budget Growth – Budget decisions are shaped by market conditions, with Buy Side focused on growth and Sell Side shifting partners due to lost business.

AI & Production Budgets – Expected AI-driven budget cuts in media production have been moderate, not drastic.

CTV Leads Growth – CTV is projected to see the biggest growth, followed by DOOH, while audio and in-game ads remain niche.

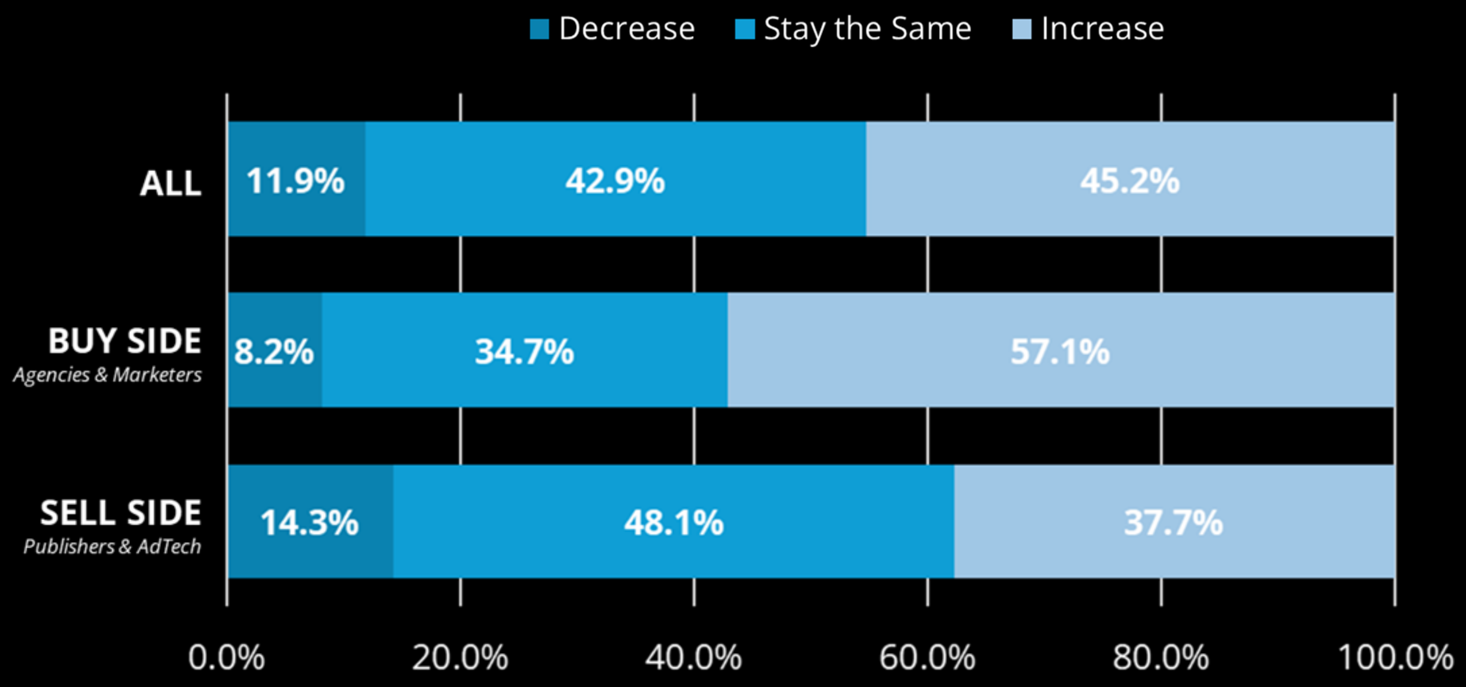
Canadian Media Definitions Vary – Different industry players define Canadian media differently, impacting spending strategies. Further dialogue needed.

Budget Allocation – Social platforms, programmatic, and CTV dominate 2025 investments, with AI Investments ranking sixth.

Minimal Tariff Disruption – U.S. tariffs have had little impact, with organizations adjusting via Canadian sourcing and efficiency measures.

Positive outlook for the next 6 months, where majority of respondents expect headcount to increase or remain stable.

- The Buy Side is showing strong growth momentum with a majority expecting an increase in headcount
- The Sell Side is more cautious - prioritizing stability over growth



Question - In the coming 6 months, my organization's headcount will most likely: Increase, Decrease or Stay the Same

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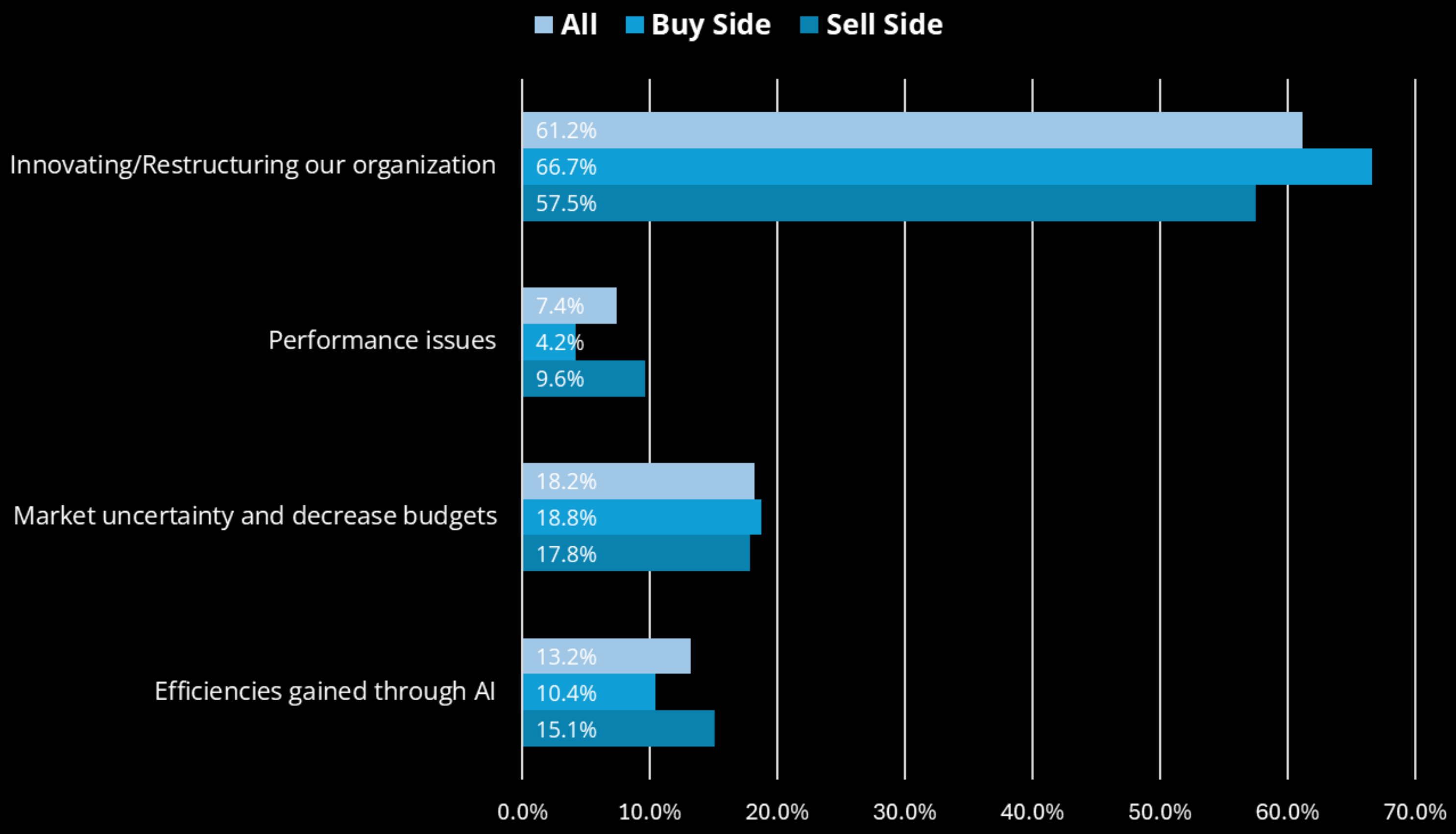
Headcount changes driven primarily by innovation and restructuring.

Headcount changes are being proactively driven by organizational innovation and restructuring rather than reactive causes like poor performance or AI disruption. While market uncertainty remains a concern, it is not the primary factor.



Question: The cause for change in my organization's headcount will be in response to: Efficiencies gained through AI; Market uncertainty and decrease budgets; performance issues; Innovating/Restructuring our organization

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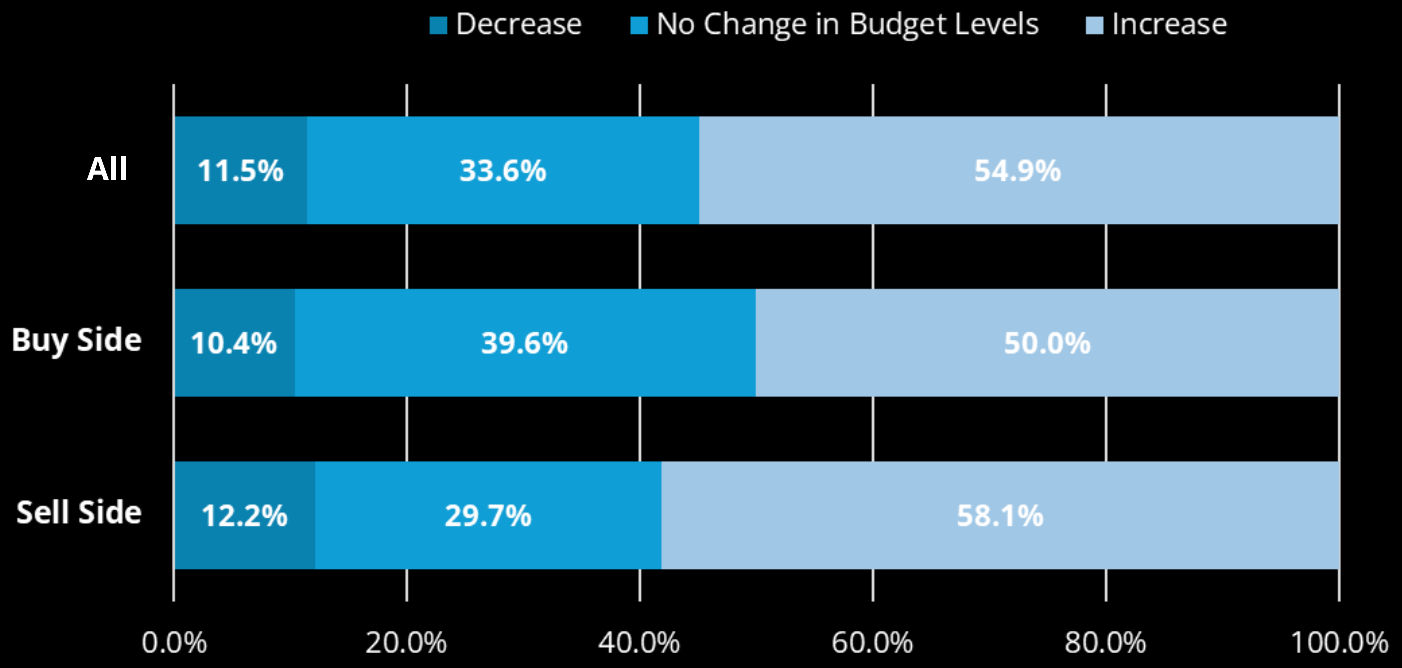
Strong optimism for increasing media investments.

The majority of organizations are planning to increase media investments over the next period, with relatively few anticipating cuts.

- The Sell Side shows slightly more aggressive growth plans
- The Buy Side is balancing increases with budget stability



Question: When thinking about media investments, are you planning for an: Increase, Decrease, No Change in Budget Levels

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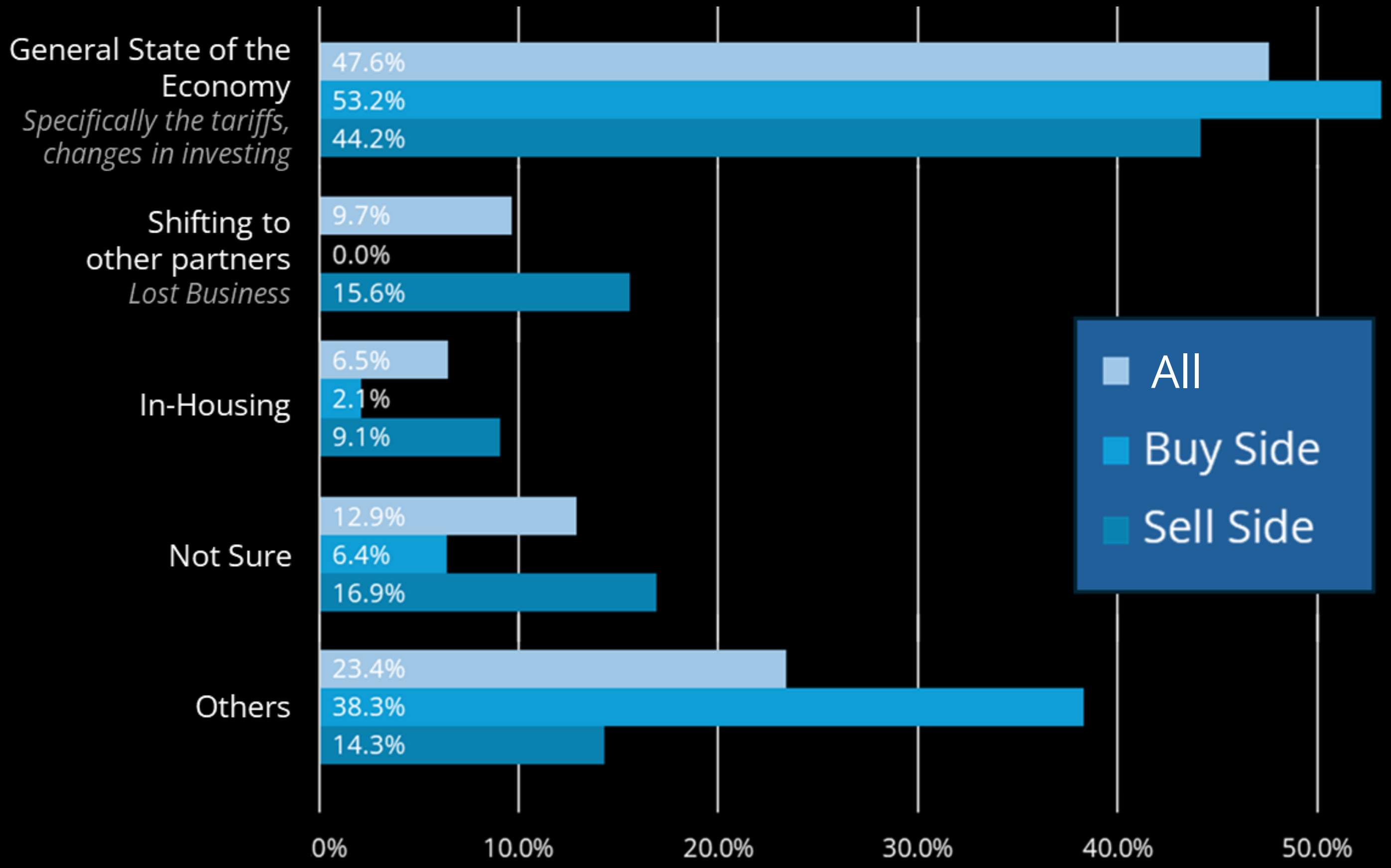
Changes in media investments are primarily driven by current economic conditions.

While economic pressures are real, optimism and proactive investment strategies are equally strong, particularly among buyers.

- The Buy Side – Increase in investments due to growth opportunities, with repeated mention of "growth", "new business", "expansion" and "increased budgets" in Others (38.3%)
- The Sell Side - respondents cite shifting to other partners (i.e., lost business) as a cause for investment change
- Uncertainty is still present (Not Sure – 12.9%), but not dominant



Question: The cause for change in media investments are a result of: General state of economy, specifically the tariffs, changes in investing; Shifting to other partners (lost business); In-Housing; Not Sure; Others (Write the Text)

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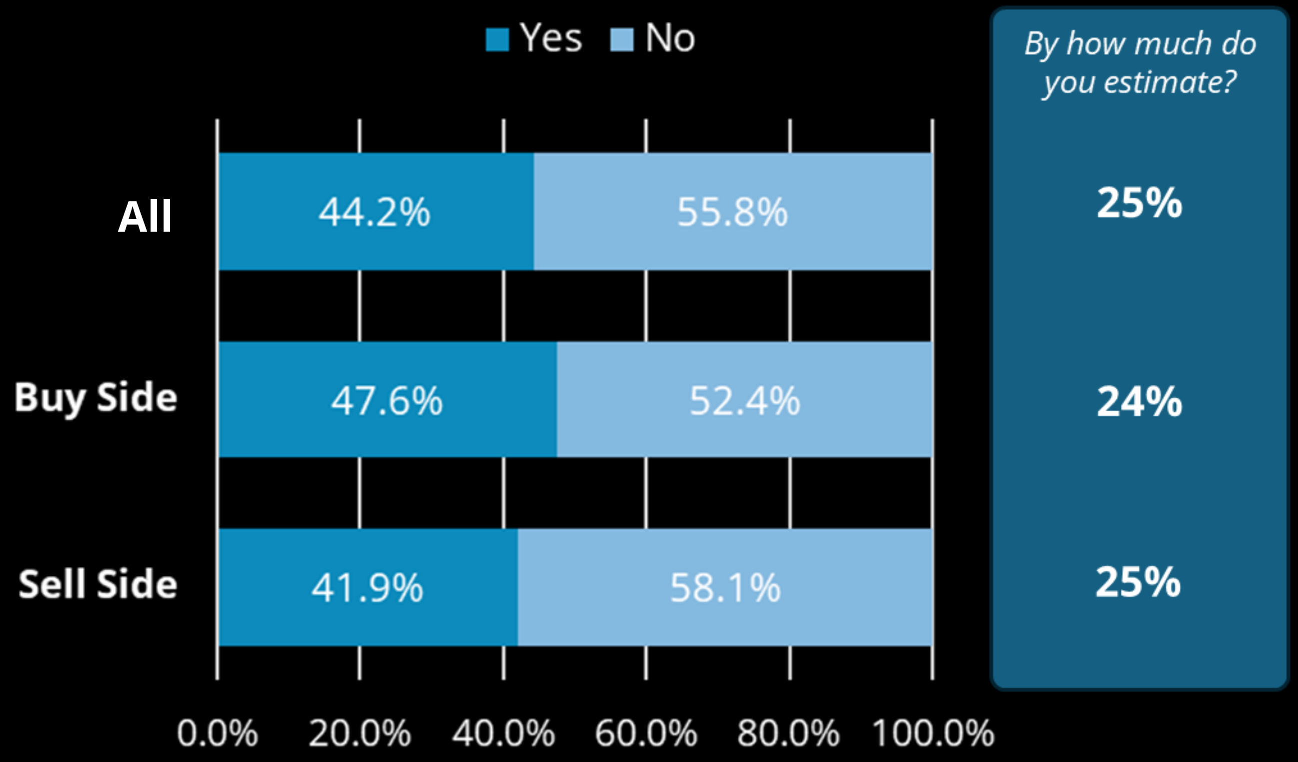
Anticipated sharp production budget cuts due to AI not fully materializing.

The predicted sharp decline in media asset production budgets by 2025 is not fully coming true. While close to half of respondents acknowledge some budget reductions, the decreases are more moderate (~25%).

Buy Side respondents are feeling the impact slightly more than Sell Side.



Question: Last year, 60% of IAB Canada members predicted that there would be a sharp decrease in media asset production budgets by 2025 - is this coming true? Yes; By how much do you estimate, No

Definitions of "Canadian Media" vary across the community, highlighting need for further discussion.

Definitions of "Canadian Media" differ slightly across the ecosystem - the Sell Side leans toward physical presence (offices in Canada), while the Buy Side focuses more on who produces the content and majority ownership.

Both sides plan to investments approximately one-third of media budgets with Canadian media in 2025.

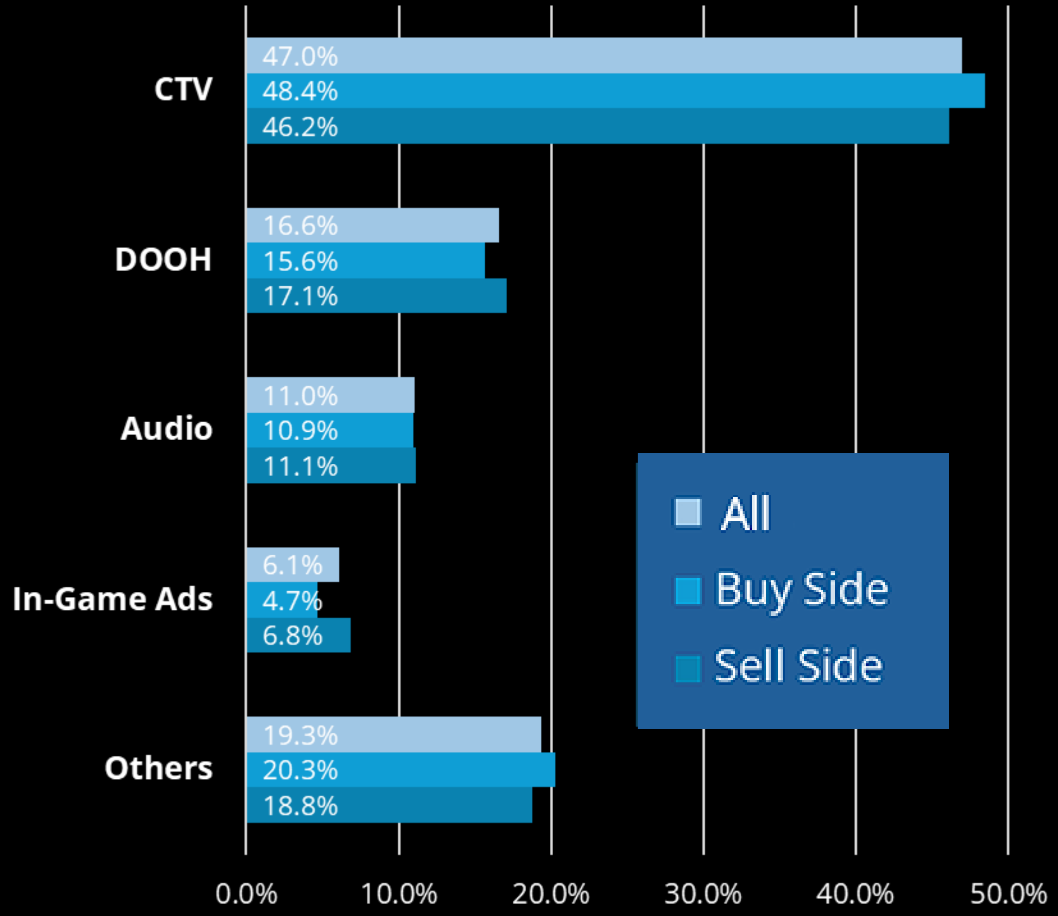
	SELL SIDE	BUY SIDE
1	**Has office in Canada** (16.1%)	**Monetized content is produced by Canadian(s)** (18.2%)
2	**Media produced solely for a Canadian Audience** (15.2%)	**Majority Ownership** (16.1%)
3	**Has registered itself as a local (in-Canada) entity** (13.9%)	**Has office in Canada** (15.3%)
4	**Monetized content is produced by Canadian(s)** (13.9%)	**Media produced solely for a Canadian Audience** (12.4%)
5	**Where the media co. was founded** (12.1%)	**Has registered itself as a local (in-Canada) entity** (11.7%)
Media budgets being spent on "Canadian Media" in 2025	31.60%	36.2%

Question: When you think about Canadian Media - which of the following would best define it in your view? Where the media co. was founded; Majority ownership; Media produced solely for a Canadian Audience; Tax Remitted - GST/HST; Has registered itself as a local (in Canada) entity - including global media companies; Has office in Canada; Monetized content is produced by Canadian(s); Employs a certain amount of Canadians; Others (Write the Text)

CTV leads Sight, Sound & Motion growth projections for 2025.

CTV is the clear leader for Sight, Sound, and Motion growth in 2025, with nearly half of both Buy and Sell Sides aligned. DOOH follows, while Audio and In-Game Ads remain niche. A notable minority points to growth in social platforms, retail media, and digital transformation.

- CTV – Reasons include continued streaming platform fragmentation, shift from traditional TV to streaming, growth of ad-supported streaming models, and more inventory at lower CPMs.
- DOOH – Respondents see DOOH as bridging online and offline engagement, and being increasingly targetable and contextual.
- Audio and In-Game Ads – Podcasts growth is seen as a driver, but both are still viewed as emerging and underutilized but with future promise.
- Others – Nearly 1 in 5 respondents chose “Others”, signaling divers expectations that include – Overall Digital transformation, Social video platforms, specifically TikTok, and Retail Media



Question: When considering Sight, Sound and Motion, which channel will generate the most growth in 2025? CTV; DOOH; Audio; In-Game Ads; Others; Why? Please provide brief point about your selection.

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Social, programmatic, and CTV expected to capture largest share of 2025 budgets.

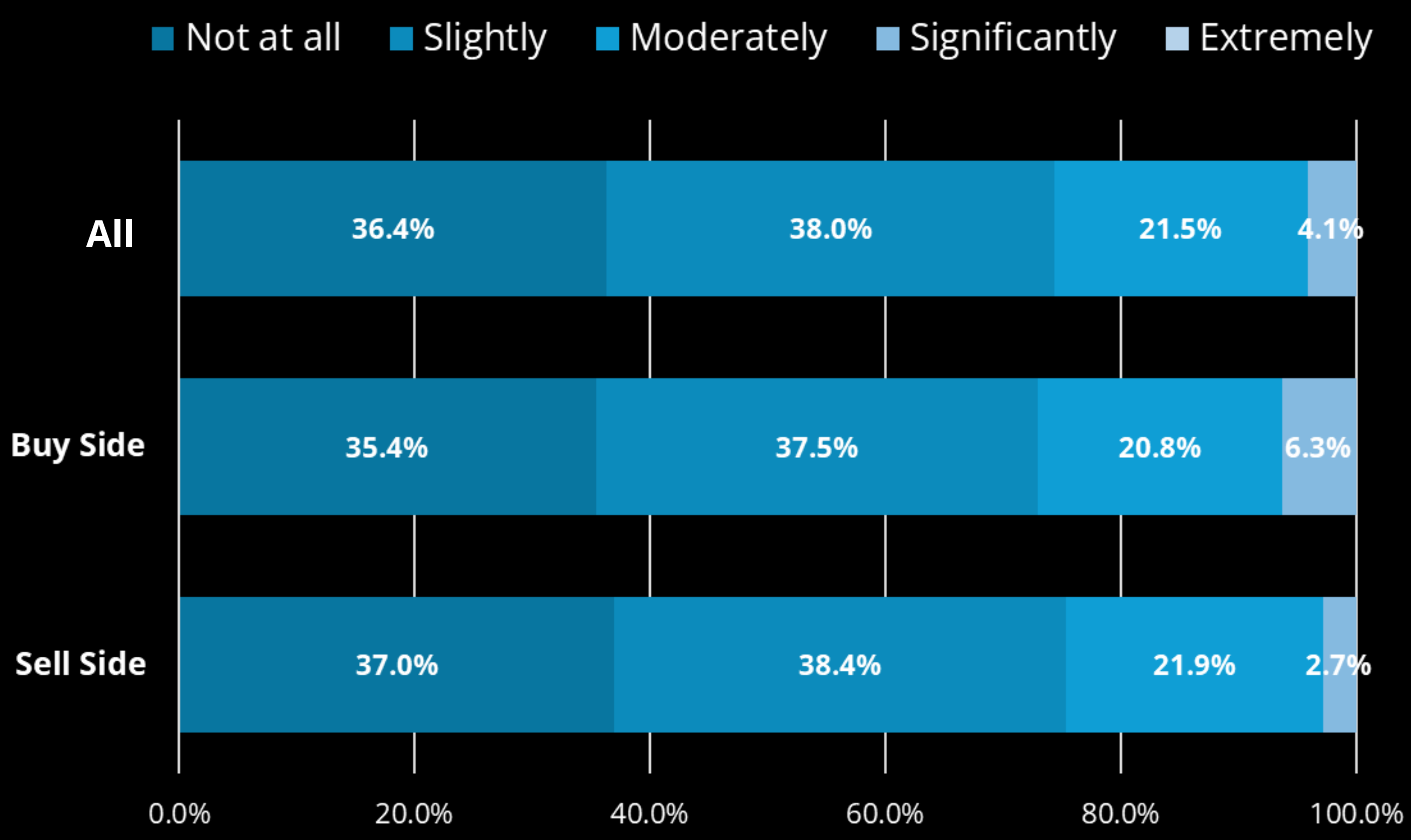
- Social and Programmatic remain top investment areas, reflecting confidence in performance-based, scalable, and measurable channels.
- Despite being a newer budget line, AI ranks 6th (9.5%) and higher with Buy Side (9.4%), indicating a meaningful shift toward automation, content generation, personalization, and media optimization.
- Retail Media viewed as a maturing channel, particularly by the Buy Side
- While "Others" is only a small percentage, there are recurring themes:
  - AI will disrupt operations
  - CTV and Retail Media growth frequently called out.
  - Performance pressure and efficiency focus
  - Supportive of Canadian Media
  - Several reference economic turbulence (tariffs, possible recession, budget stagnation)

	All	Sell Side	Buy Side
1	Social Platforms (15.5%)	CTV (14.8%)	Social Platforms (18.2%)
2	Programmatic (14.0%)	Social Platforms (13.8%)	Programmatic (14.4%)
3	Search (12.3%)	Programmatic (13.8%)	Search (13.3%)
4	CTV (12.3%)	Search (11.7%)	Retail Media (11.0%)
5	Retail Media (11.0%)	Retail Media (11.0%)	AI Investments (9.4%)
	Others (7.5%)	Others (6.7%)	Others (8.8%)

Question: If you follow the money in 2025, where are all the budgets going? Social Platforms; Search; CTV; Retail Media; Audio DOOH; Programmatic; Back to Traditional Media; DOOH; Identity Solutions; Privacy Tech; Self-serve Platforms; AI Investments; Corporate Social Responsibility; Sustainability Efforts; Others

Strong optimism for increasing media investments.

US tariffs have had limited influence on Canadian media and advertising operations. The majority report no or only slight impacts, while significant disruption is isolated and rare. Most organizations are navigating tariff-related challenges without major operational hurdles.



Question: To what extent have US Tariffs impacted your organization's ability to purchase or access media and advertising services? Not at all; Slightly; Moderately; Significantly; Extremely

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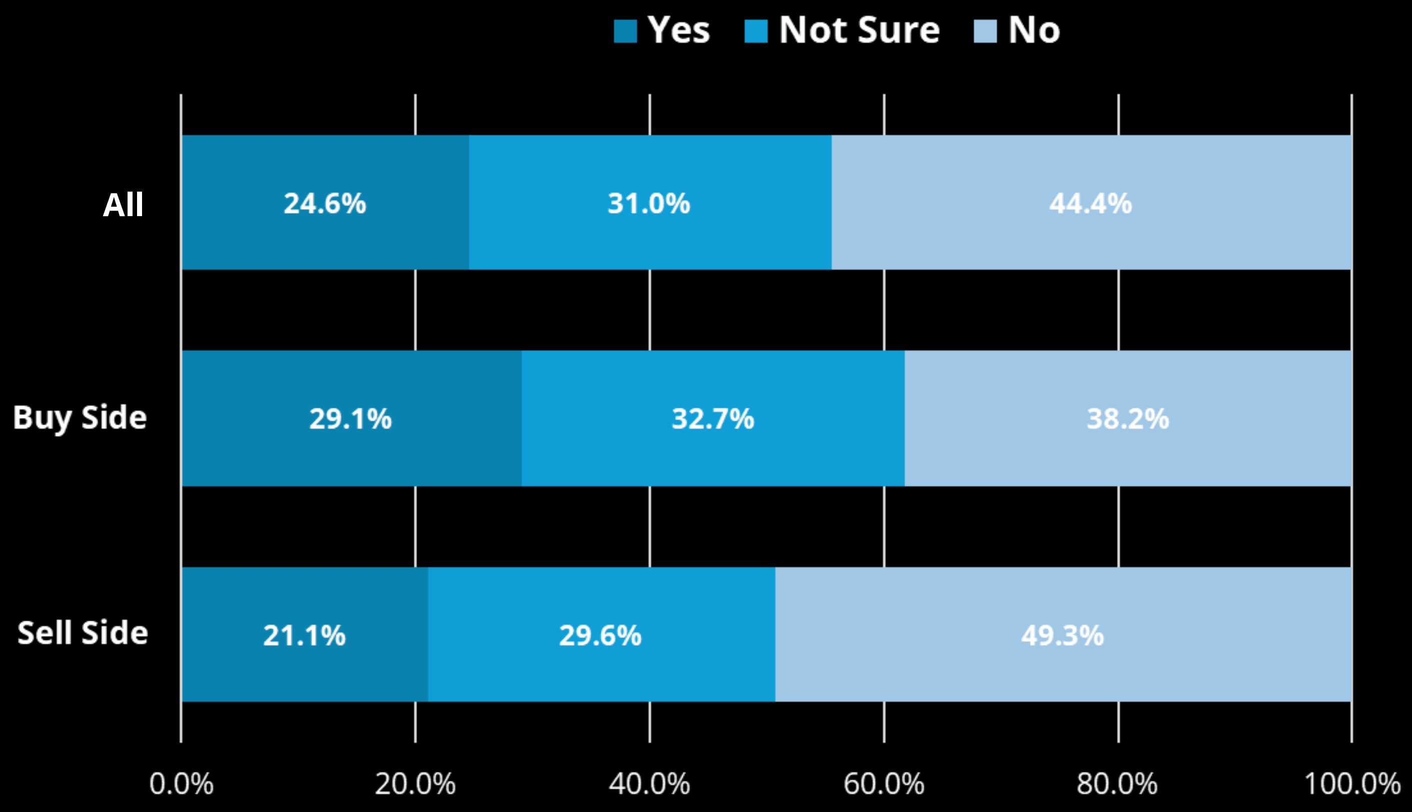
Few adjustments due to Tariffs, but focused on Canadian sourcing and operational efficiency.

When asked to what extent the US Tariffs have impacted organizations' approach to purchase or access media and advertising services, only a quarter have made changes due to tariffs, most are defensive — shifting to Canadian partners, cutting budgets, and restructuring to manage risk and protect margins.

- Shift Toward Canadian Suppliers - Increase spending in Canadian Media Publishers; Shifted to Canadian vendors
- Budget Cuts and Restructuring – Layoffs; Limited raises; "Reduced budgets; Paused growth plans; Restructure
- Strategic Adjustments - Adjusted forecasts; Separating US/CA campaigns; Hesitancy to evolve in US market; DST impacts
- Clients cutting back or pausing media spend



Question: Has your organization made any operational or budgetary changes in response to U.S. tariffs on media-related goods or services? Yes (Please describe), No, Not Sure

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2025 Outlook: Community Predictions

- Economic uncertainty is pushing marketers toward performance-based strategies, in-housing and shifting budgets to *Canadian media.
- Retail Media, CTV, and Digital Audio are seen as high-growth areas
- AI continues to dominate conversations with strong expectations around efficiency gains, personalization, and campaign optimization—tempered by rising concerns around privacy, regulation, and proof of impact.
- Canadian media landscape is also gaining traction, with renewed interest in local partnerships, multicultural marketing, and data sovereignty.
- Transparency, measurement, and adaptability will define success in the months ahead.

Question: Any other comments/predictions for 2025
**definition of "Canadian Media" remains unclear*

Conclusion

Despite significant headwinds from economic pressures and a rapid acceleration of AI adoption, the digital advertising industry in Canada remains optimistic about growth. This is evidenced through proactive investment strategies and restructuring efforts taking place over the next six months.

While market uncertainties persist, innovation and technology adoption—particularly AI and CTV—are driving momentum.

There is work to be done on building consensus on the definition of Canadian Media. Setting the bar at the appropriate level is important to supporting the Canadian digital media sector. This is one area where we must continue to collaborate.

The industry is navigating challenges with a forward-thinking approach, balancing stability and expansion in an evolving landscape.