

State of Digital Advertising 2025

Discover the latest trends across digital advertising and retail media



Sensor Tower | Our Customers

Top publishers trust Sensor Tower insights to grow their business

L'ORÉAL		Google			Disney
petco	HERSHEY	amazon	ROVIO	DOORDASH	depop
Walmart		Microsoft	SEGA	dyson	SONY
		Meta	OUTFIT7	Gett.	ByteDance
Alibaba	POPeYeS	Tencent 腾讯		P&G	NBA
		Johnson & Johnson		Welch's	Revolut

Note: Top publishers by app store revenue | Source: Sensor Tower

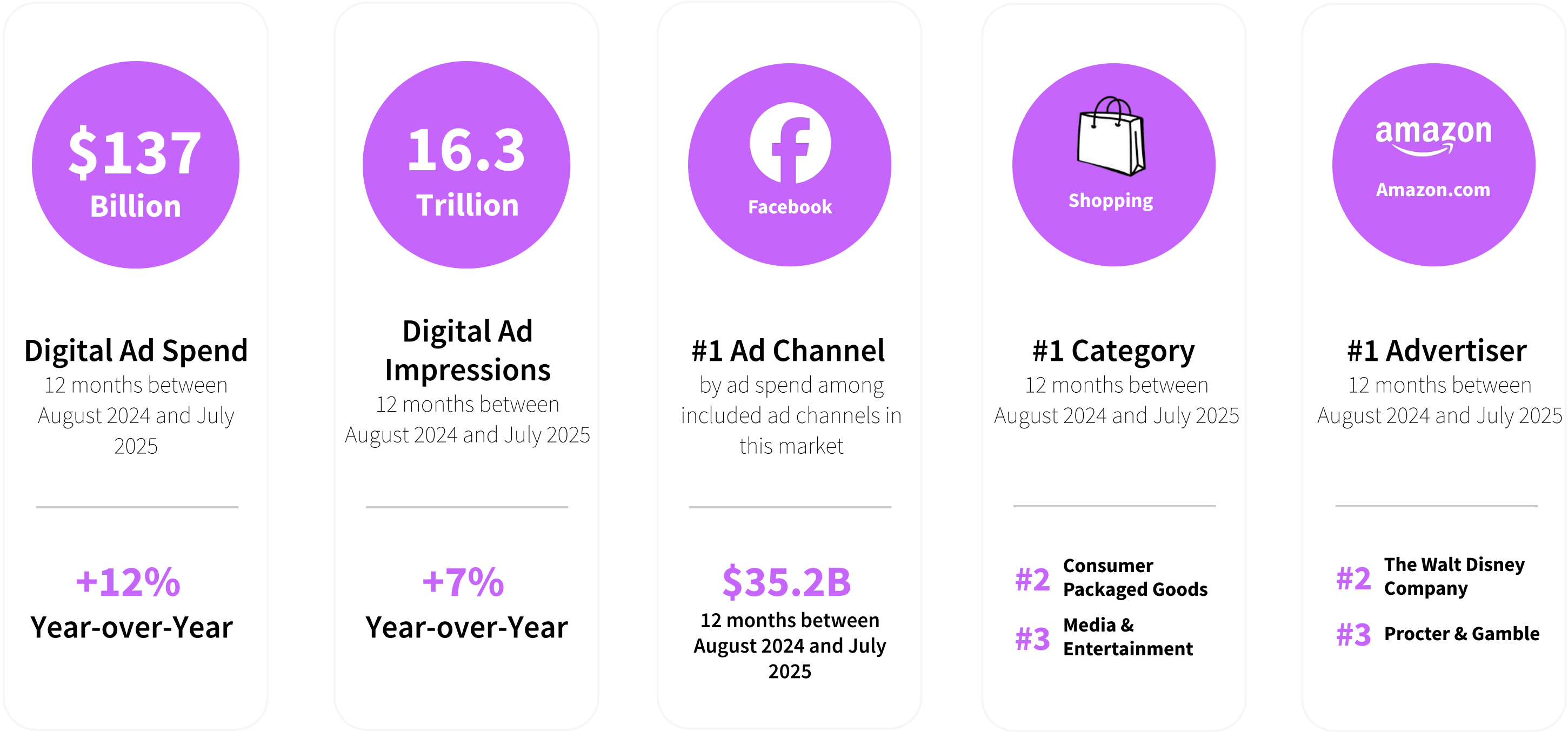
Executive Summary | State of Digital Advertising 2025

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United States

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Included Ad Channels	
Only select ad channels are available in each market	
Ad Channel	Included?
Facebook	☒
Instagram	☒
LINE	☐
LinkedIn	☒
NAVER	☐
Pinterest	☒
Reddit	☒
Snapchat	☒
TikTok	☒
X	☒
YouTube	☒
Desktop Display	☒
Desktop Video	☒
Mobile Apps	☒
Mobile Display	☒
Mobile Video	☐
OTT	☒

Note: Included ad channels vary by market. Ad spend estimates are as of August 14, 2025. Year-over-year growth calculated using ad channels that were available since August 2023 and exclude more recently released ad channels.

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About this Data:

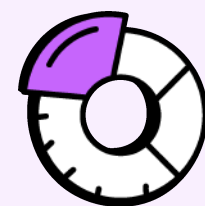
Digital Advertising Methodology



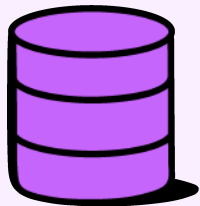
The digital ad spending and impressions estimates presented in this report were compiled by Sensor Tower's Insights team using Pathmatics by Sensor Tower Digital Advertising Insights.



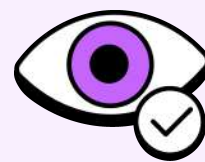
The figures mentioned in this report reflect estimated ad investments made by advertisers through August 31, 2025.



Data includes select channels in each market. Figures in this report represent the totals for these channels only, not across all digital formats.



Data Collection: Pathmatics collects a sample of digital ads from the web. In order to report the most complete picture of the digital advertising landscape, we utilize two leading data sourcing technologies: panels and data aggregators.



Pathmatics uses statistical sampling methods to estimate impressions, cost per thousand impressions (CPMs), and spend for each creative. Each impression served to our data aggregators and panelists is assigned a CPM, which when combined with impressions results in our spend estimates.



Pathmatics OTT data is powered by a panel of real OTT & CTV viewers and includes data representative of all Smart TV brands, such as Amazon Prime Video, Disney+, HBO Max, Hulu, Netflix, Pluto TV, Tubi, Peacock, and Paramount+.

Digital Advertising Overview

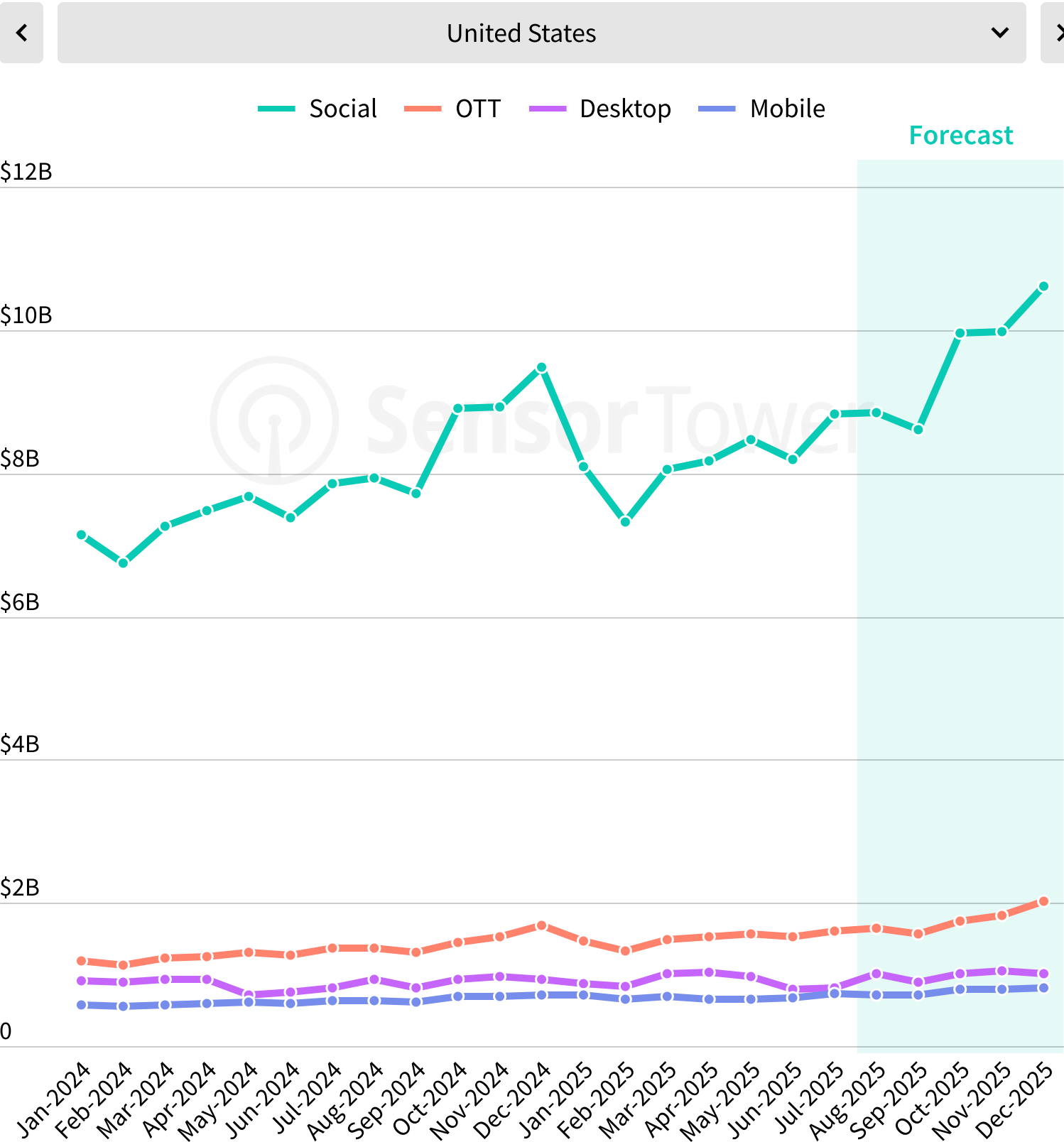
Monthly US Ad Spend on Social Channels Is Projected to Surpass \$10 Billion by December 2025

Social ad channels like Facebook, YouTube, and TikTok accounted for the majority of digital ad spend in the United States. Advertisers tend to boost their ad spend heading into the US holiday season, and as a result, ad spend across social channels is projected to reach \$10 billion each month in Q4 2025.

Among the included digital ad channels, Social leads the way across markets. A strong Q4 is also forecasted for other markets like Australia, Brazil, India, Japan, and the United Kingdom.

Source: Sensor Tower
Note: Includes a selection of advertising channels. Ad spend estimates as of August 14, 2025. Available ad channels vary by market.

Monthly Digital Ad Spend by Ad Channels



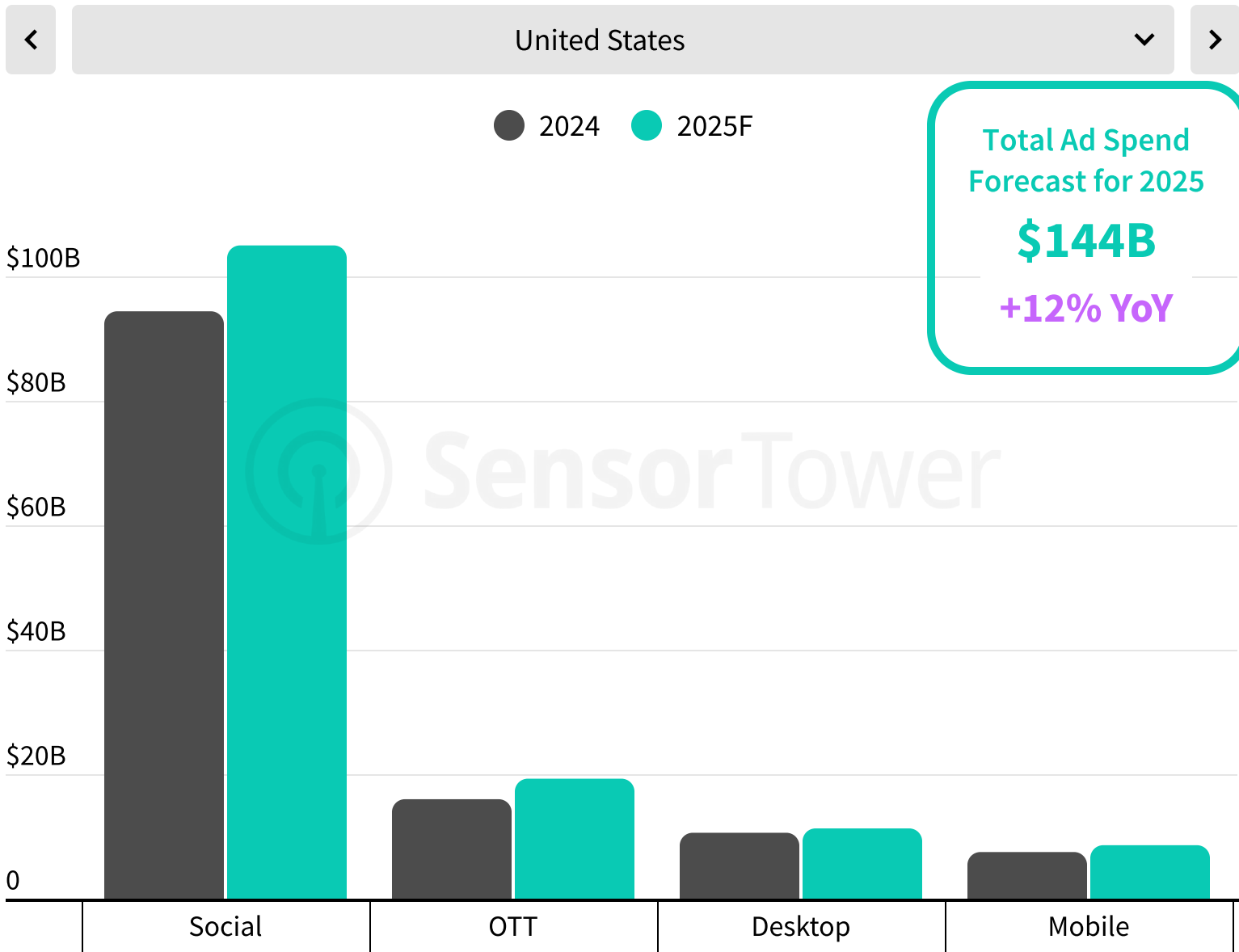
Social Channels Led US Ad Spend While OTT Achieved the Highest Growth

Social ad spend is projected to reach \$105 billion in the U.S. in 2025, accounting for more than 70% of the total among included channels. This would be an 11% year-over-year (YoY) increase, roughly in line with the overall market growth.

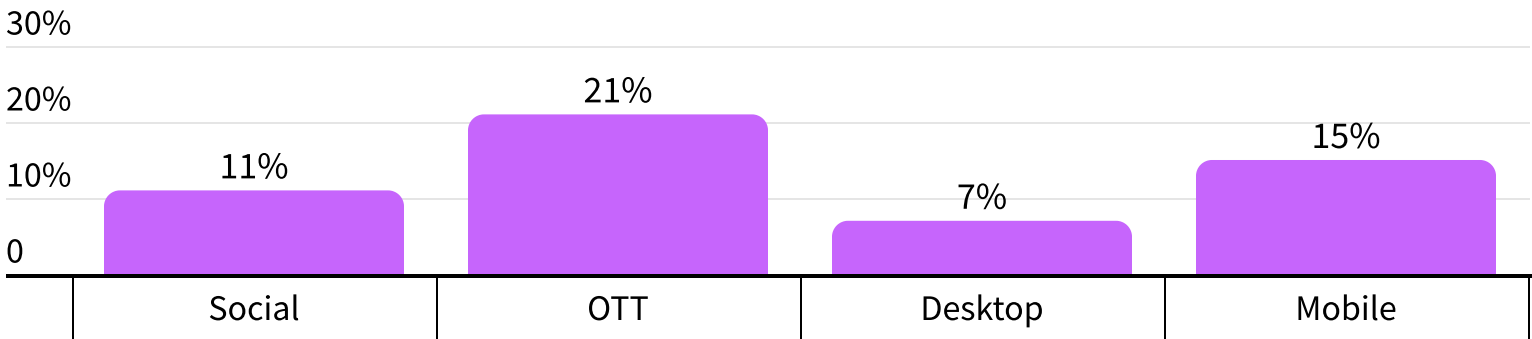
Over-the-top (OTT) streaming services' U.S. ad spend is expected to increase 21% YoY, while mobile is also on track for strong growth (+15% YoY). Desktop ad spend growth is lagging in markets like the U.S., Australia, and the UK, but it's still projected for strong growth in Canada and Germany.

Source: Sensor Tower
Note: Includes a selection of advertising channels. Ad spend estimates as of August 14, 2025. Available ad channels vary by market.

Monthly Digital Ad Spend by Ad Channels



Year-over-Year Digital Ad Spend Growth Projection for 2025



Included Ad Channels

Only select ad channels are available in each market

Ad Channel	Included?
Facebook	✓
Instagram	✓
LINE	○
LinkedIn	✓
NAVER	○
Pinterest	✓
Reddit	✓
Snapchat	✓
TikTok	✓
X	✓
YouTube	✓
Desktop Display	✓
Desktop Video	✓
Mobile Apps	✓

Digital Advertisers Across Categories Embrace AI in their Marketing

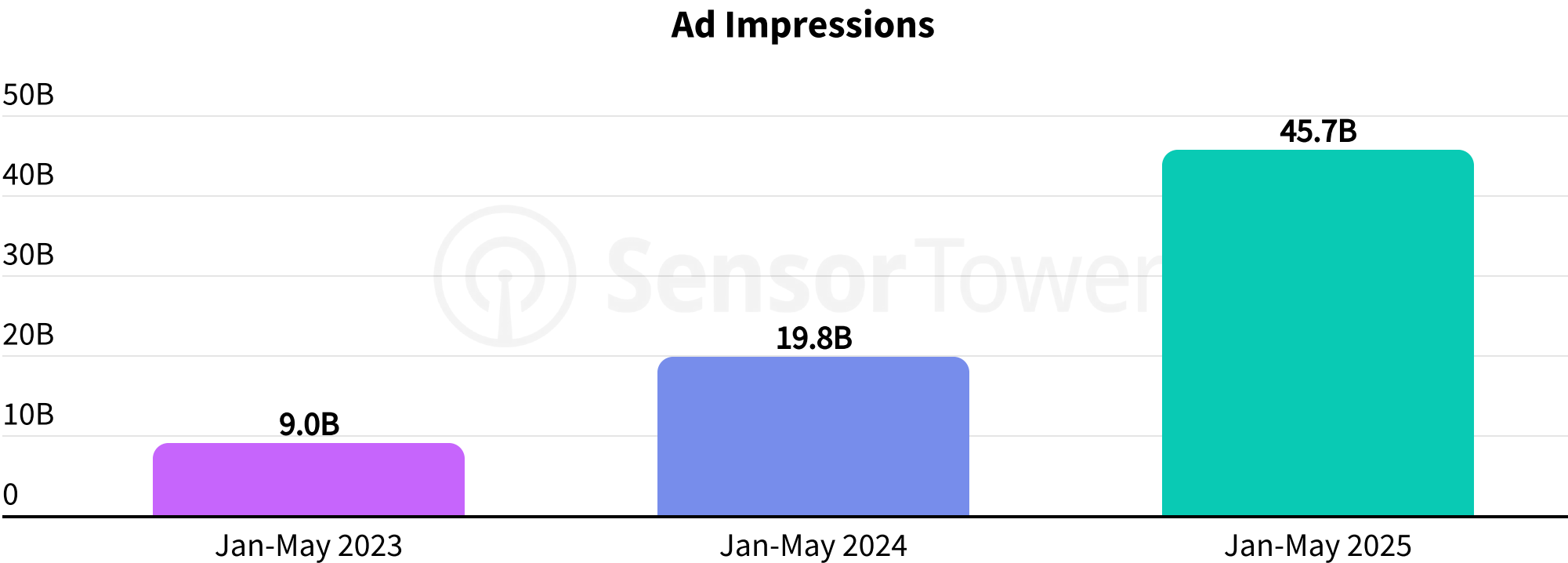
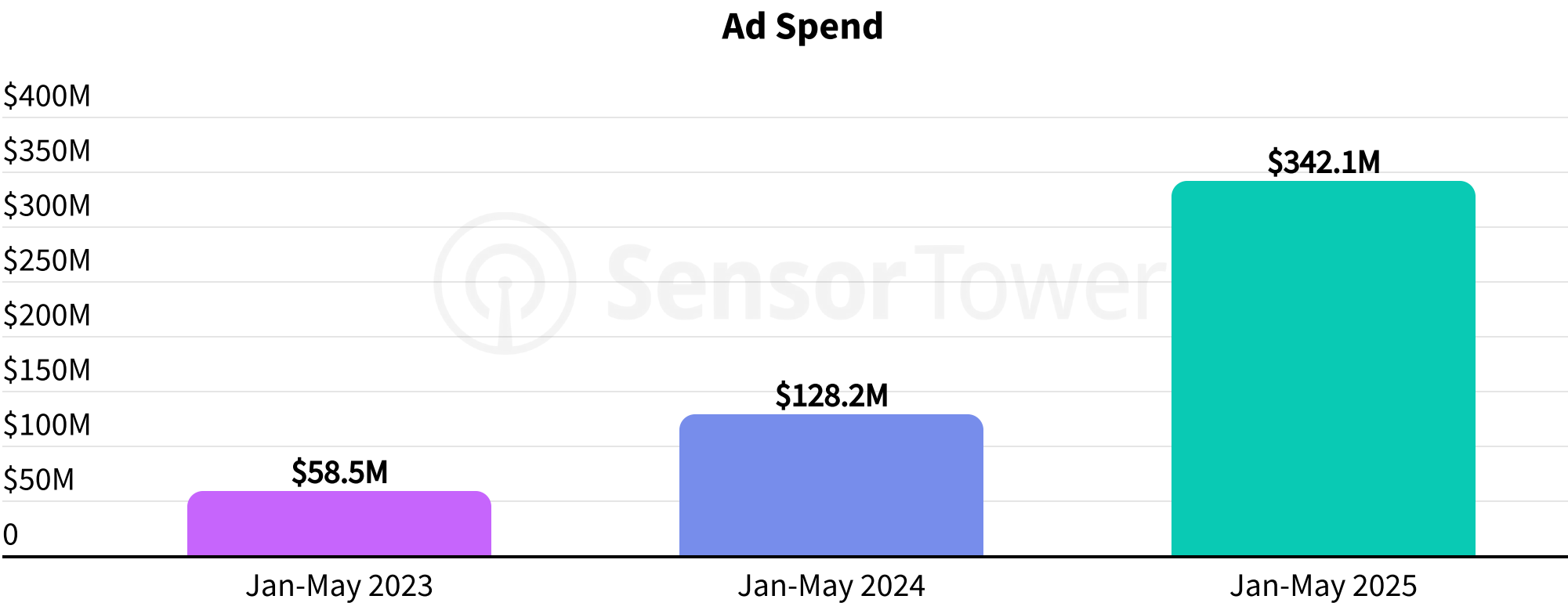
AI isn't just transforming products; it's fundamentally reshaping how companies reach their audiences. Marketing AI features now extends well beyond Generative AI brands like ChatGPT and Microsoft Copilot. Brands across various verticals are actively using their ad creatives to promote the latest AI features and underlying technology.

Over the past two years, US advertisers have more than quintupled their spending on AI-related messaging. These creatives are not merely hype; they are effectively meeting audiences where their curiosity lies: in searching for innovative AI tools, solutions, and capabilities.

The analysis is from our State of AI Apps Report 2025:
[Click here to download the full report](#) covering the latest insights covering AI on mobile, digital advertising, and retail media.

Source: Sensor Tower
Note: Includes ad creatives that mention "AI", "GPT", "OpenAI", "artificial intelligence", "machine learning", "LLM", or "large language model".

Digital Advertising Spend and Impressions for Creatives with AI-Related Terms
United States



Social Advertising Trends

Meta's Social Networks Account for 65% of Social Ad Spend in the US

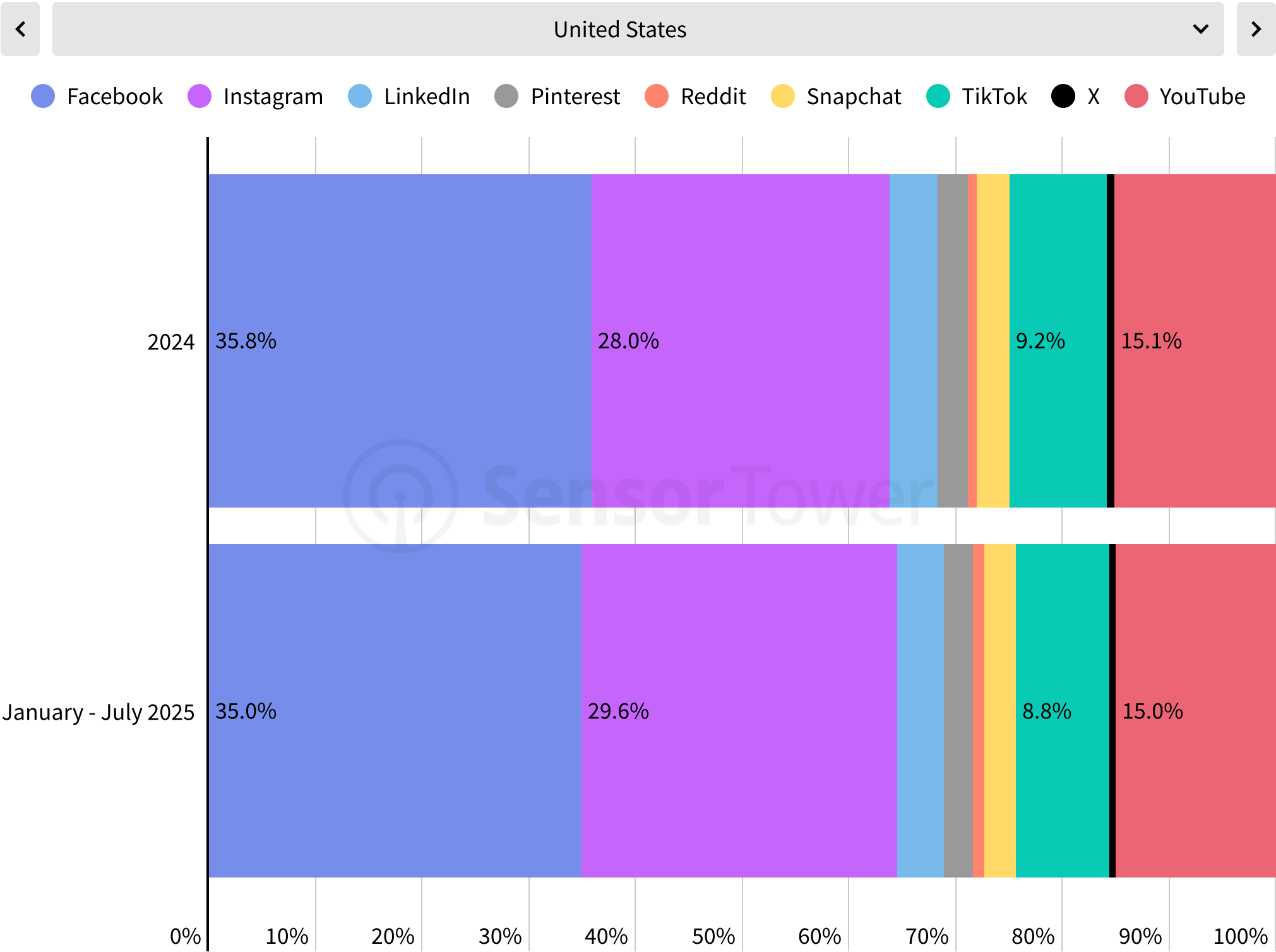
Meta still controls a huge share of digital ad spend in the United States, with Facebook at 35% market share in the first seven months of 2025 and Instagram at 29.6% market share. YouTube ranks third at 15%.

While Facebook's market share fell by nearly a percentage point compared to 2024, this was more than offset by a 1.6 percentage point gain from Instagram. Increased usage and engagement on Instagram Reels may be contributing to this shift in market share with advertisers wanting to be front and center on the surface. Meanwhile, TikTok lost some market share amid concerns of a ban in the US early.

We're continuing to release more channels across different markets! For example, you can find NAVER in South Korea with data available starting April 1, 2024, and LINE in Japan with data available starting January 1, 2025.

Source: Sensor Tower
Note: Includes a selection of advertising channels. Ad spend estimates as of August 14, 2025. Available ad channels vary by market.

Share of Digital Ad Spend by Social Ad Channel



Over-the-Top (OTT) Advertising Trends

Retail Media Advertising Trends

Key Events in 2025:

Hoilday Shopping

Key Events in 2025: United States Sports

Key Events in 2025:

Back-to-School

Category Spotlight: Shopping

