

wave 5 | june 2025

video advertising state of the nation report

iab.
australia
video advertising

iab australia video council



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contents

	Page
Introduction	4
Executive summary	6
Digital video landscape background	7
Investment opportunities and challenges	11
Planning and buying digital video	18
Usage of video formats	19
Data signals used for creative and targeting	21
Objectives of digital video advertising campaigns	22
Measurement of digital video advertising success	23
AI opportunities	26
Further resources	27

introduction

The **IAB Australia Video Advertising Council** was formed in 2014 to help support the growth of an area of the market that now represents 27.5%* of internet advertising investment. The Council collaborates on projects in relation to advertising standards, best practice, creative and research of streaming ads in all environments across different consumer screens. Most recently the Council have created a video format matrix to showcase the various environments available for different video formats, providing guidance on maximising the use of existing assets and expanding the reach of campaigns.

The **IAB Australia Video State of the Nation 2025** report provides an analysis of the digital video advertising landscape, highlighting ongoing growth, evolving challenges, and emerging opportunities across the market. The study offers a timely pulse check on investment trends, formats, measurement, and technological innovations shaping the video advertising ecosystem.

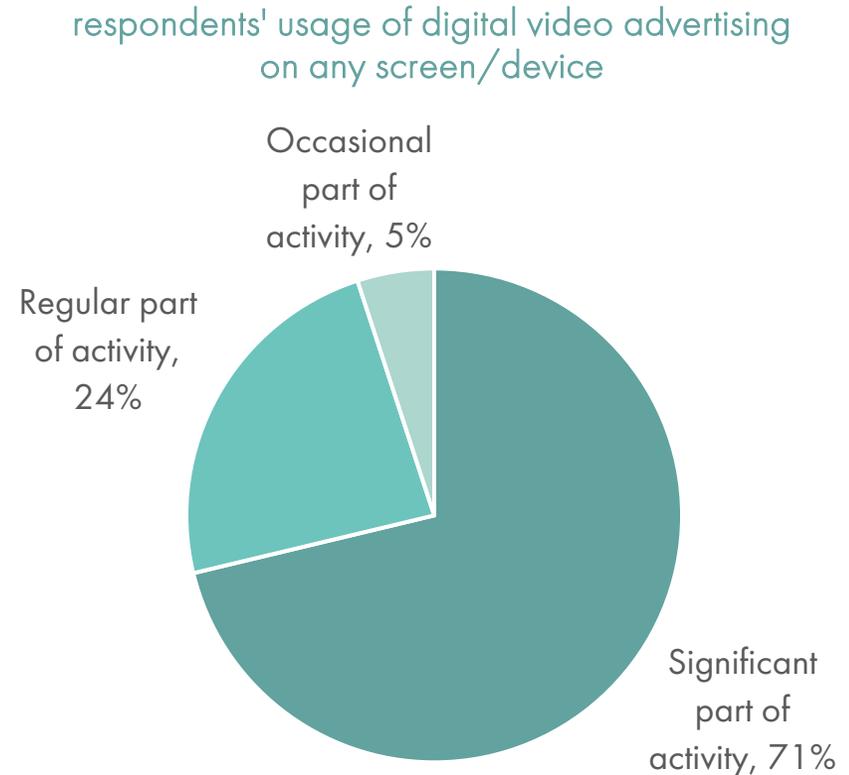
*Source; IAB Australia Internet Advertising Revenue Report, prepared by PwC for CY2024



jenn thomas
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methodology

- This online survey was carried out in May 2025.
- 76 advertising agency decision makers completed the survey.
- Respondents are senior representatives across independent and major holding group agencies, who are responsible, or influence advertising decision making for their company or clients and have previously bought digital video advertising.
- The survey gathered industry information on video advertising that appears on connected devices such as connected TV, computers (desktop/laptop), smartphone or tablets. This included video advertising in all varieties of long-form and short-form digital content and social platforms.
- This is the fifth annual IAB Australia Video Advertising State of the Nation survey (previous reports can be found on the IAB website).

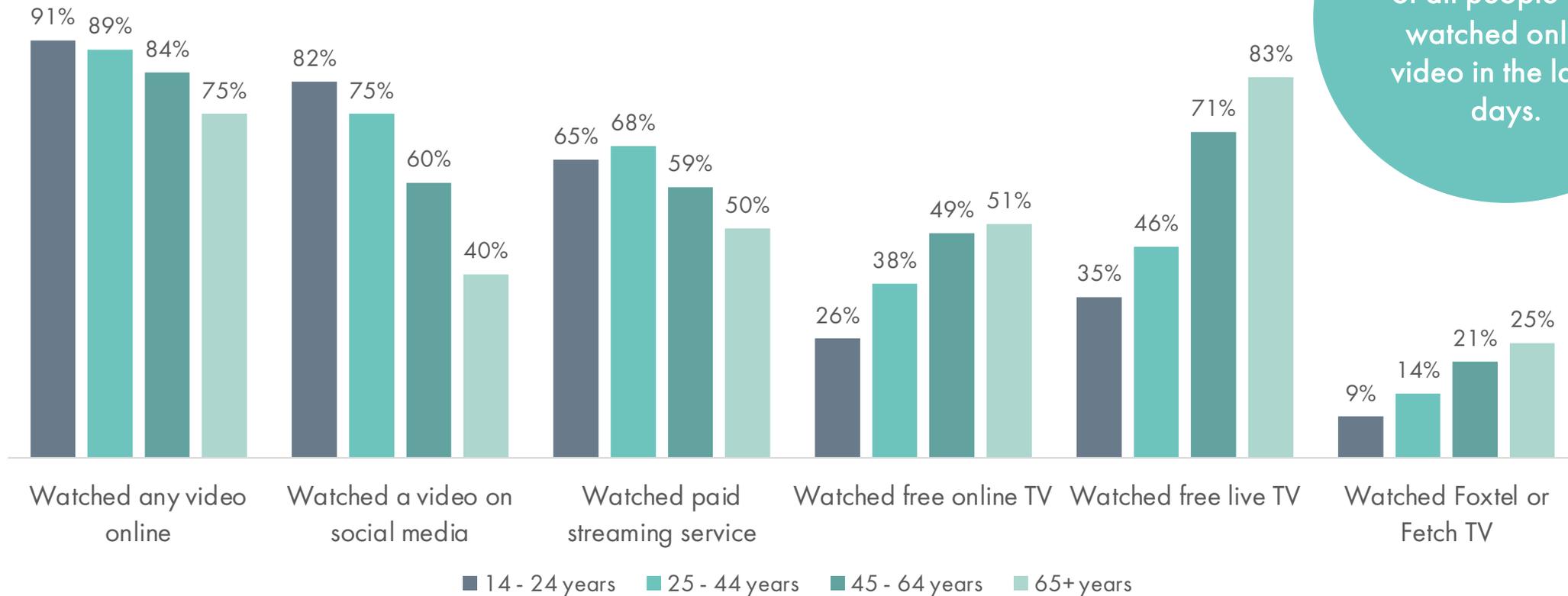


executive summary

- Video advertising continues its strong upward trajectory, with total market expenditure reaching **\$4.5 billion in 2024**, representing **27.5% of total internet ad spend**. Growth outpaces the broader display market, with a **23% year-on-year increase** in video advertising spend for the most recent Q1 2025. **72% of display advertising budgets are now allocated to video**, reflecting its central role in campaign strategies. Despite this growth, macro economic challenges and their impact on tightening ad budgets, are still top of mind for ad buyers.
- High levels of online video consumption are driving momentum, with **85% of Australians aged 14+ watching online video in the past week**. Understanding evolving consumer video viewing behavior is key to advertising success.
- Opportunities abound, particularly in **AI integration** and the **creator economy**. Agencies see the greatest potential for AI in campaign optimisation and audience segmentation. Most agencies agree that social video offers valuable marketing opportunities through partnerships with content creators.
- Agencies are also **excited by future developments in cross-platform measurement, improved targeting and personalisation and innovative ad opportunities**.
- Instream formats remain dominant, but advertisers are increasingly experimenting with a broader mix of video ad formats. At the same time, agencies are focusing more on **full-funnel strategies**, using digital video not only for brand awareness but also to drive conversions and sales.
- While being a factor for excitement, **cross-platform measurement, also presents a challenge for agencies**. While 9 in 10 agencies adopt a unified cross-screen strategy, nearly one-third of agencies rarely or never unify measurement across screens, underlining an industry gap. Additionally, concerns about **ecosystem complexity, frequency management, and diversifying video opportunities** provide challenges to ad planning and buying.
- The industry increasingly recognises the need to **align investment with measurable business outcomes**. Marketing/advertising ROI is the most important metric for agencies to demonstrate the contribution of all marketing and advertising investment to overall business outcomes, followed closely by brand lift.
- **Quality data inputs, standardisation, sufficient investment and measuring long-term outcomes** are at the heart of the key challenges for planning and/ assessing effectiveness of digital video advertising.
- The 2025 report underscores the dynamism of the video advertising sector. As agencies navigate an increasingly complex and data-rich environment, the call for better measurement, more diversified strategies, and responsible use of AI will be central to sustained growth and effectiveness.

content and screens are driving high video audience consumption

media consumption by age in last 7 days



85%
of all people 14+
watched online
video in the last 7
days.

video advertising expenditure has increased over 200% from 2018 to \$4.5b in 2024



The total Australian internet video advertising market in 2024 was

\$4.5bn

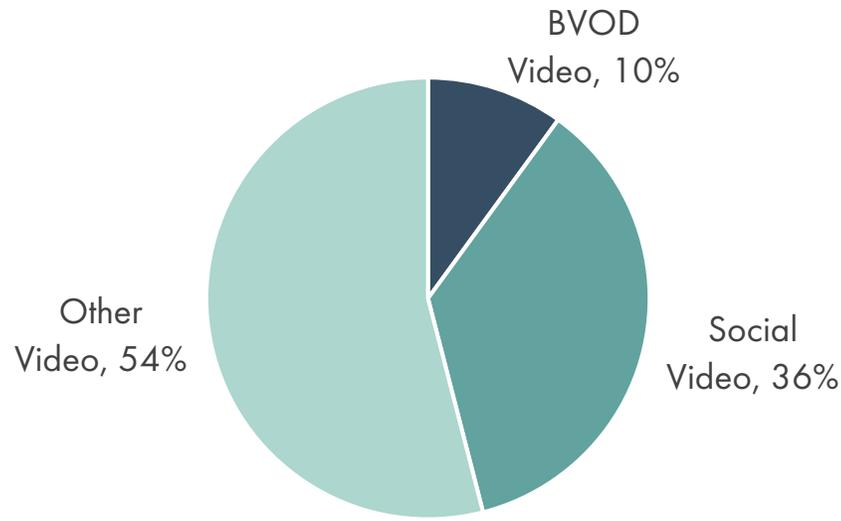
representing

27.5%

of total 2024 internet advertising expenditure



Total video expenditure by video platform for the calendar year 2024



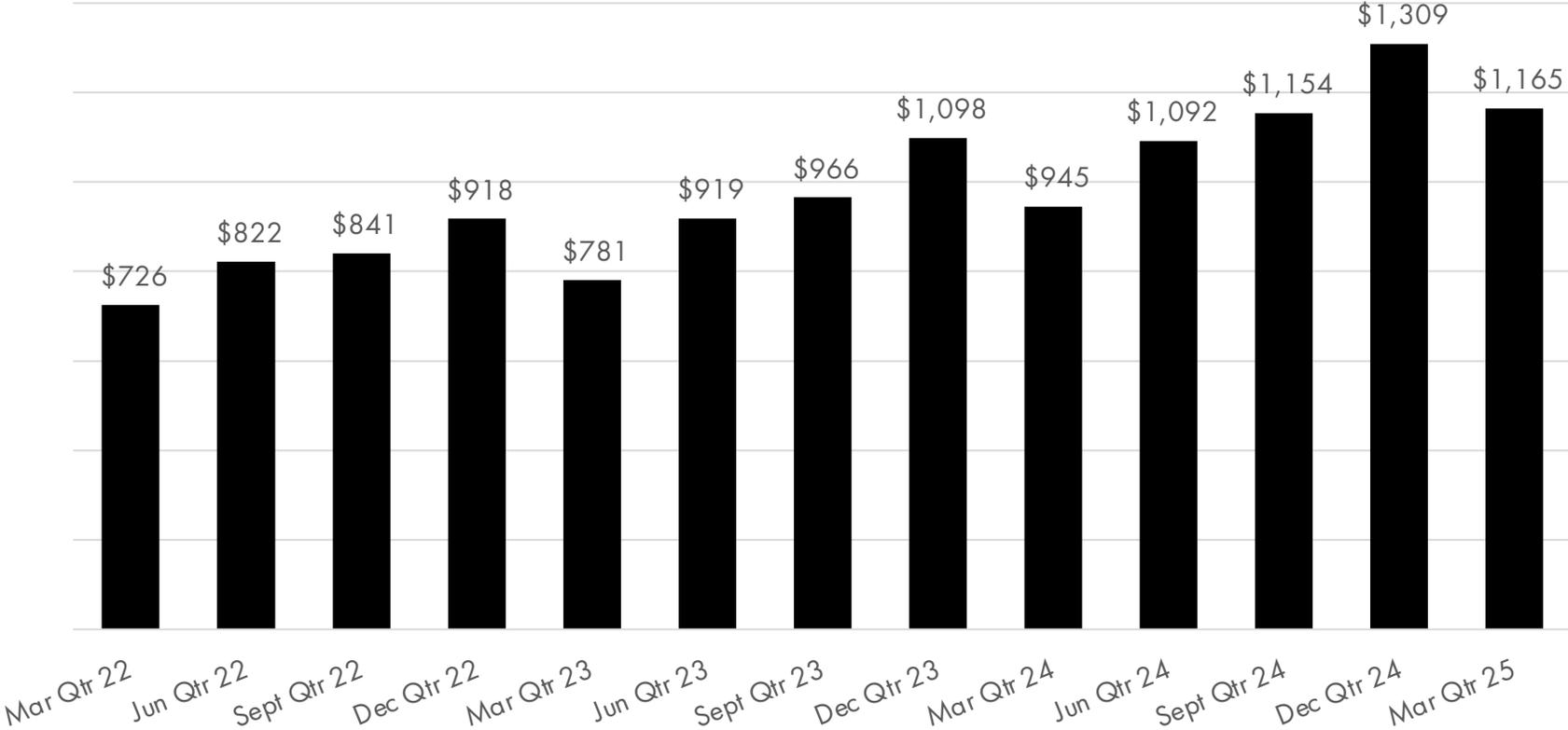
Source: IAB Australia Internet Advertising Revenue Report, prepared by PwC for quarter ending March 2025 and CY 2024

video advertising expenditure growth continues to outperform the overall general display market

Video advertising expenditure, by quarter (\$ million)

Video advertising expenditure is up 23% year-on-year, and represents 72% of display advertising spend, in the latest quarter ending March 2025.

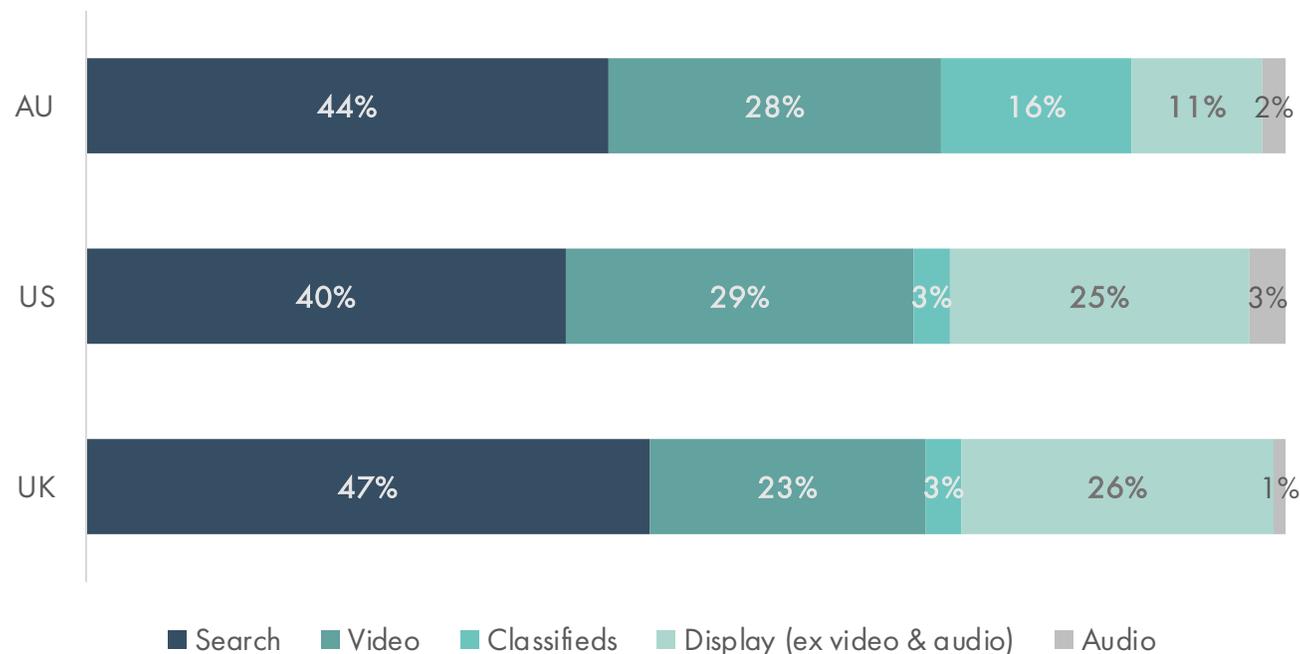
Video advertising expenditure for calendar year 2024 totaled \$4.5b, up 19.6% year-on-year.



Source: IAB Australia Internet Advertising Revenue Report, prepared by PwC for quarter ending March 2025 and CY 2024

video advertising is a key driver of online advertising expenditure across markets

online video advertising expenditure share by market



online video advertising expenditure investment change CY23 v CY24 by market

	AU	US	UK	EU (incl UK)
Search	10%	16%	13%	12%
Social	19%	37%	20%	24%
Video	20%	19%	20%	24%
Audio	18%	9%	-1%	18%

internet advertising expenditure

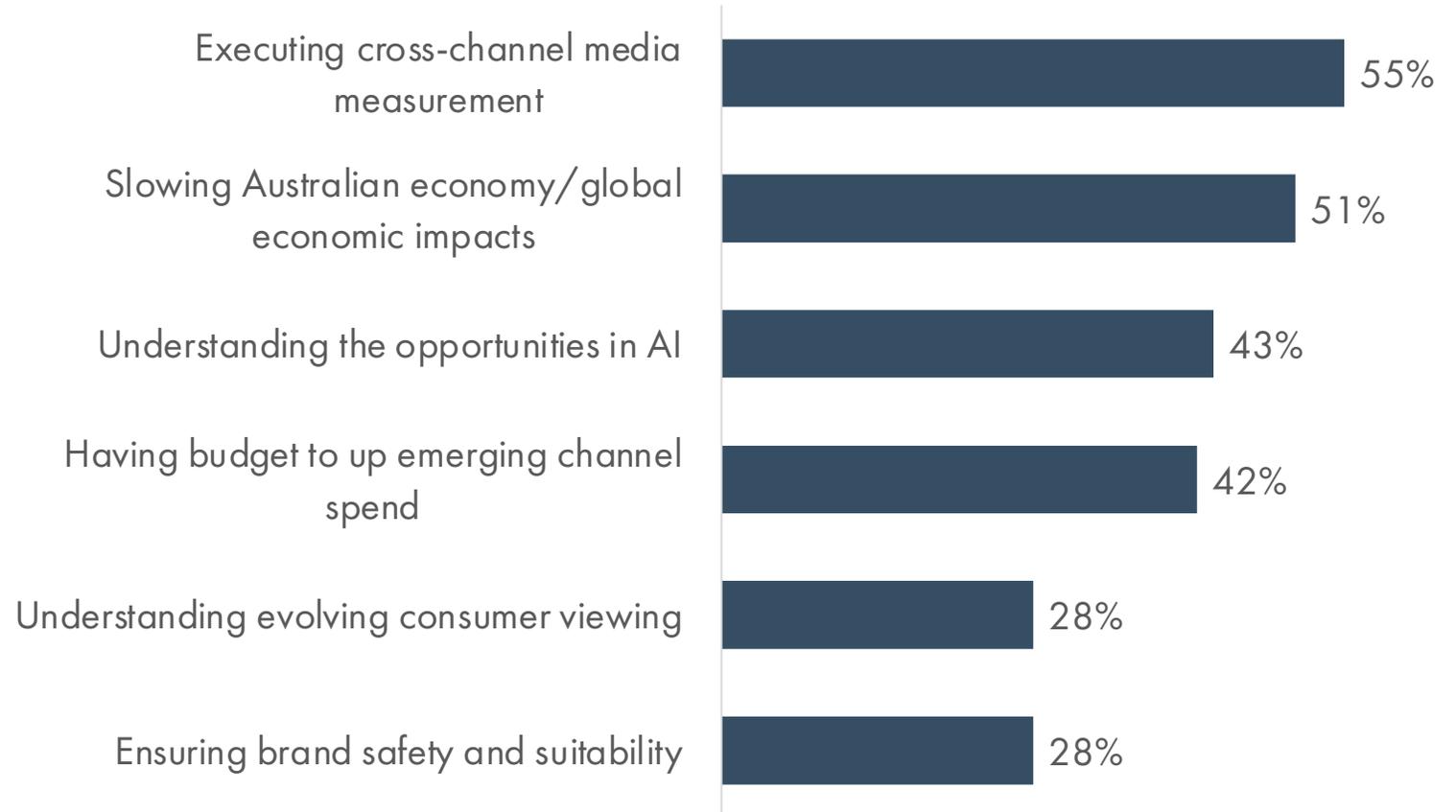
CAGR 2018-2024
10.8%

total internet advertising
21.8%

video advertising

however, there are some key challenges for 2025...

greatest challenges regarding marketing and advertising investment in 2025

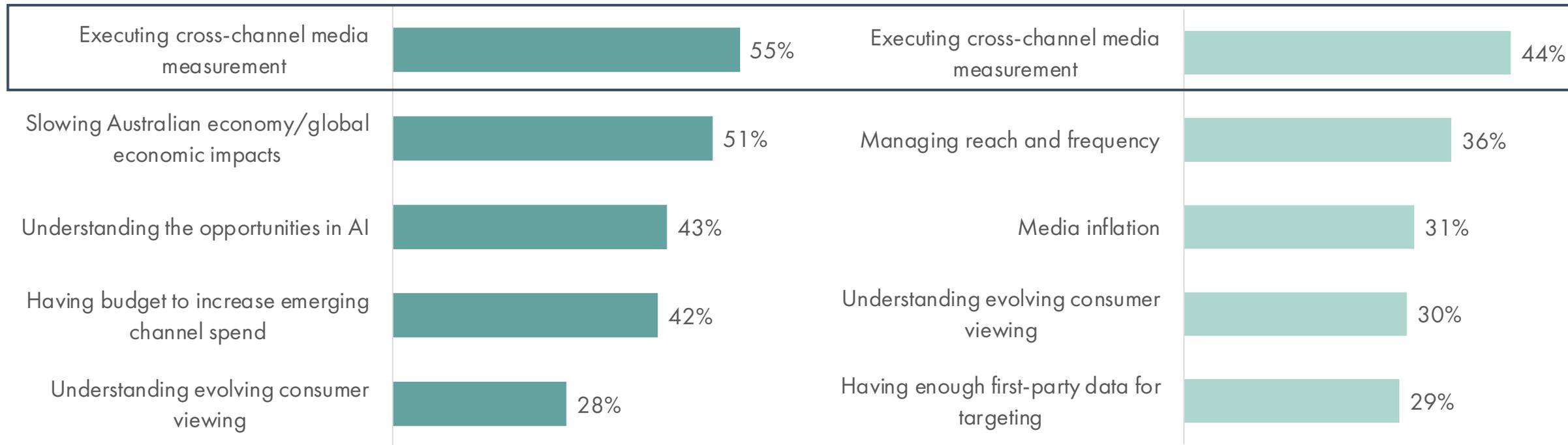


marketing and ad investment challenges 2025

Executing cross-channel media measurement is the greatest challenge for 2025 cited by agencies in both the Australian and US market.

AUS market

US market



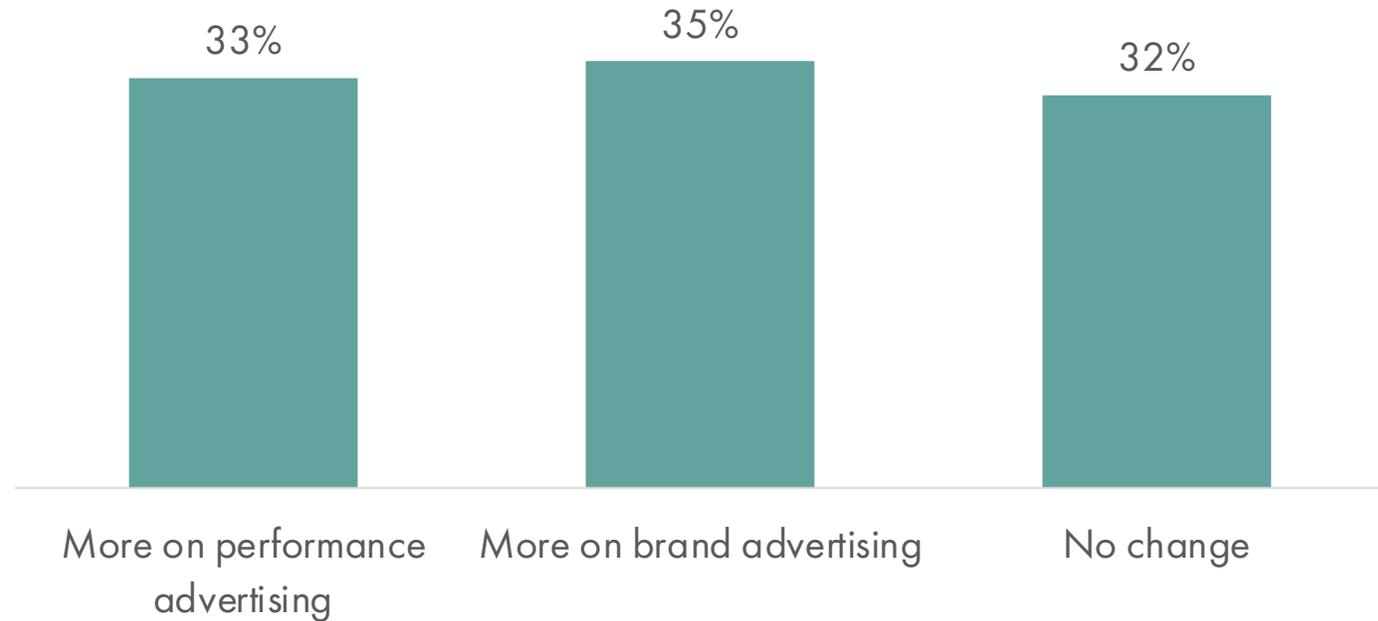
Sources; IAB Australia Video Advertising State of the Nation 2025 n=76; IAB US 2025 Outlook Study n=200

Q - What are your greatest concerns and/or challenges regarding marketing and advertising investment in 2025? Select all that apply.

changes in share of investment in performance compared to brand advertising

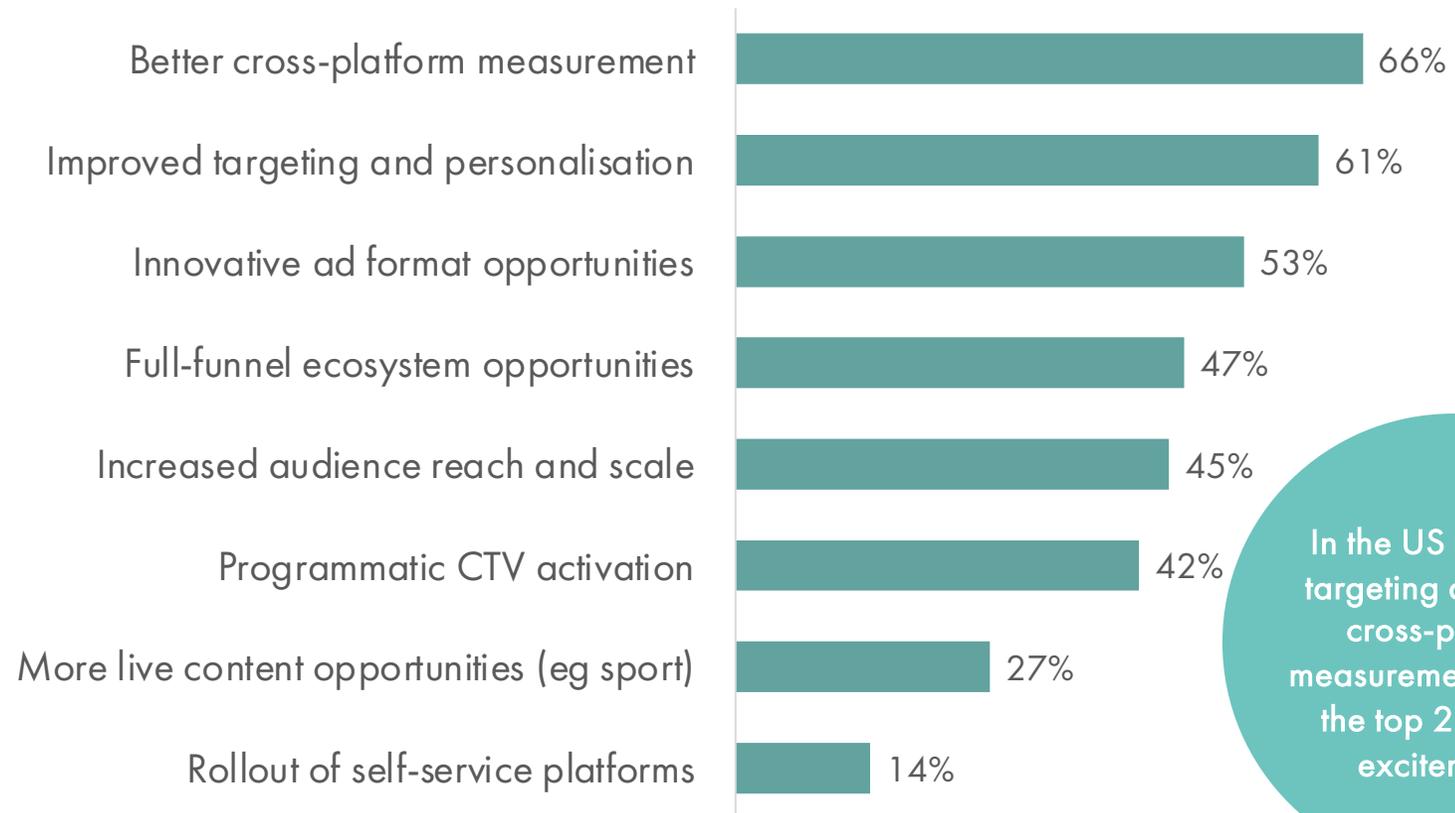
The Australian market does not show the clear preference for increasing performance advertising seen in the US market, where half (51%) of respondent are increasing performance and 22% increasing brand this year*.

In terms of overall media investments in 2025 and share of spend on performance compared to share of brand, agencies will spend ...



top areas of excitement around the growth of the video streaming ecosystem

what excites agencies the most about the continued growth and evolution of the video streaming ecosystem



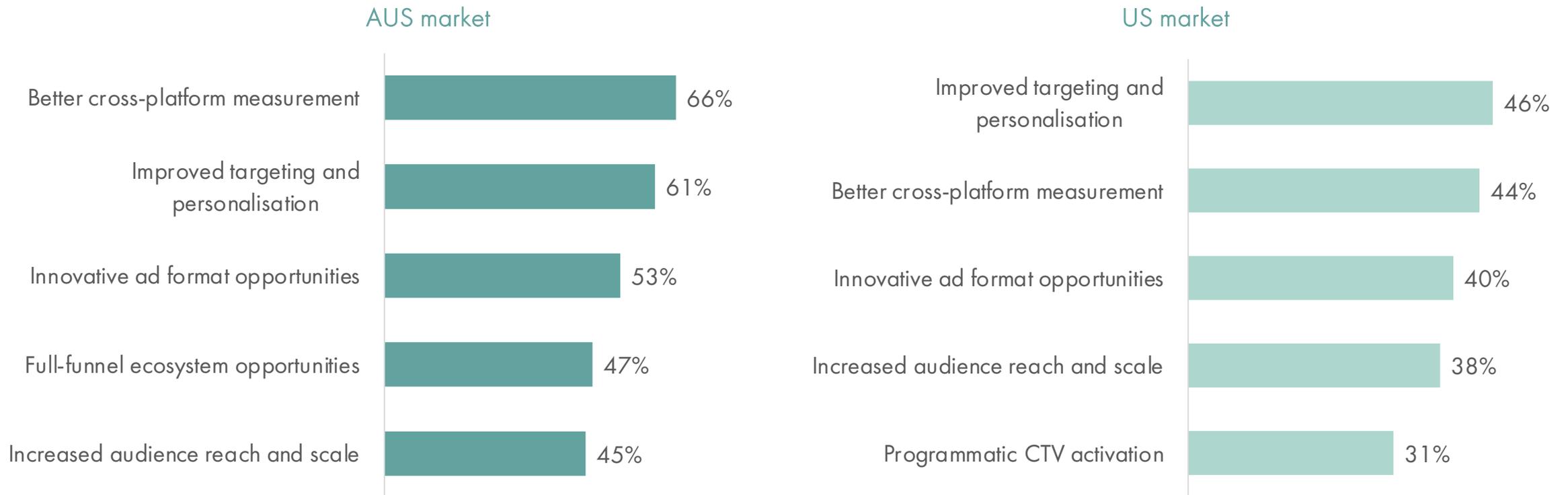
In the US improved targeting and better cross-platform measurement are also the top 2 areas of excitement.*

Sources; IAB Australia Video Advertising State of the Nation 2025 n=76; *IAB US 2025 Outlook Study January 2025 n=200

Q - What excites you most about the continued growth and evolution of the video streaming ecosystem (incl. CTV / online video / social video)? Please select all that apply

top areas of excitement around the growth of the video streaming ecosystem

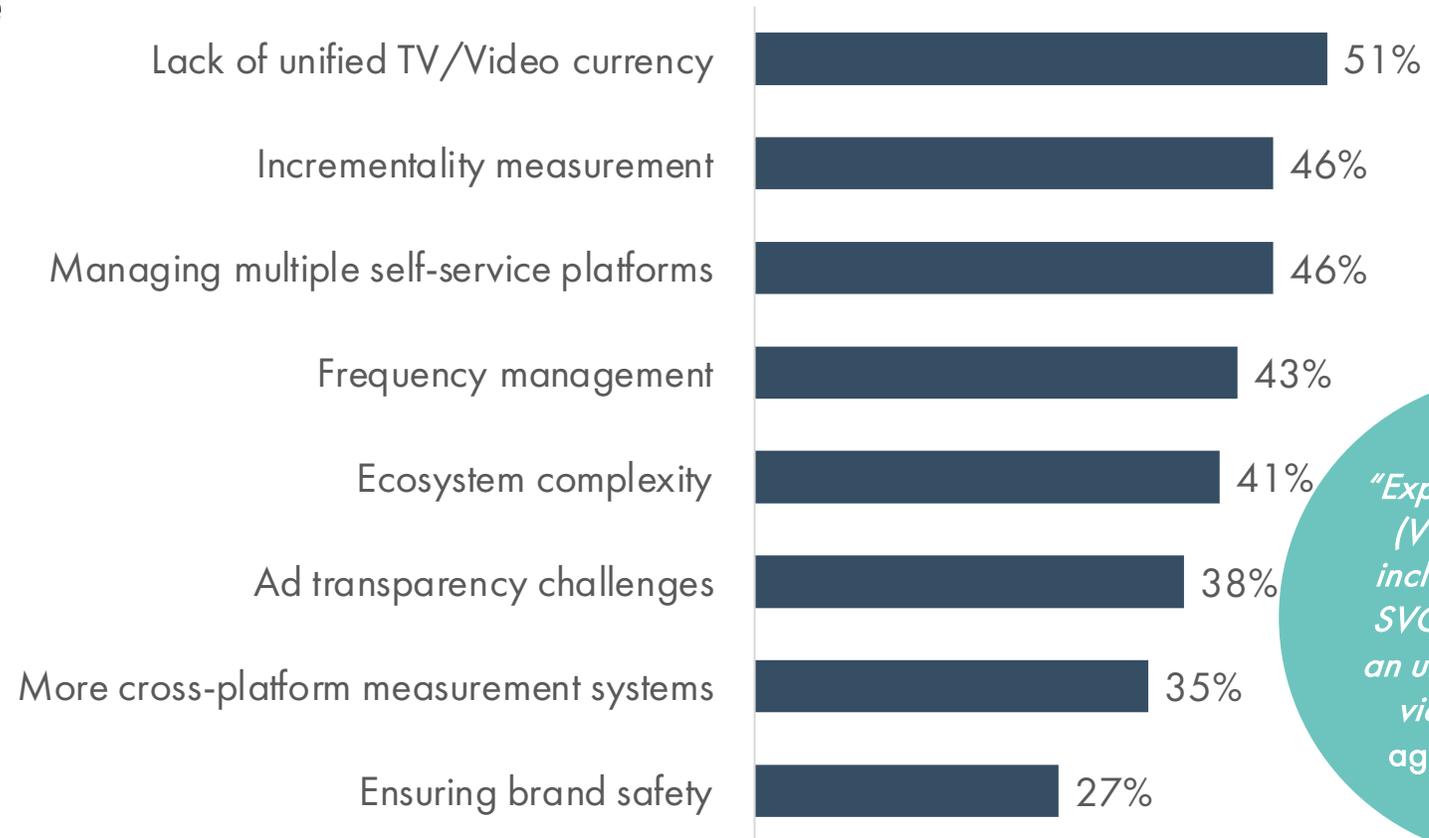
In both the Australian and US markets, agencies see streaming video's future tied to offering better cross-platform measurement, improved targeting and personalisation and innovative ad opportunities.



Sources; IAB Australia Video Advertising State of the Nation 2025 n=76; *IAB US 2025 Outlook Study January 2025 n=200
Q - What excites you most about the continued growth and evolution of the video streaming ecosystem (incl. CTV / online video / social video)? Please select all that apply

top areas of concern around the growth of the video streaming ecosystem

what concerns agencies the most about the continued growth and evolution of the video streaming ecosystem

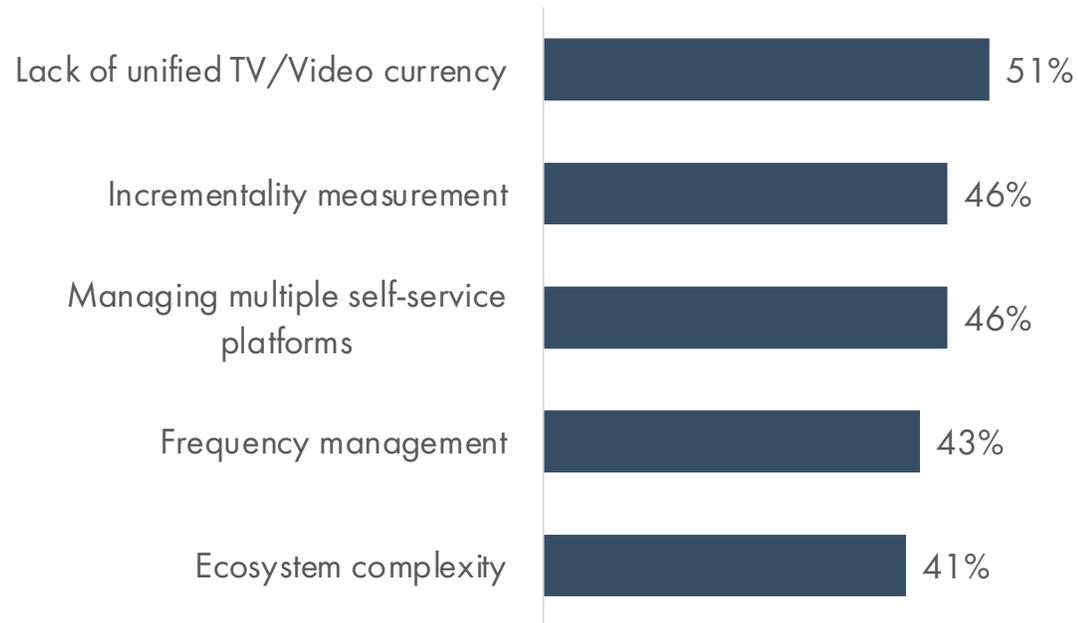


"Expanding currencies (VOZ, Ipsos iris) to include YouTube and SVOD would provide an unbiased, complete view of audience"
agency respondent

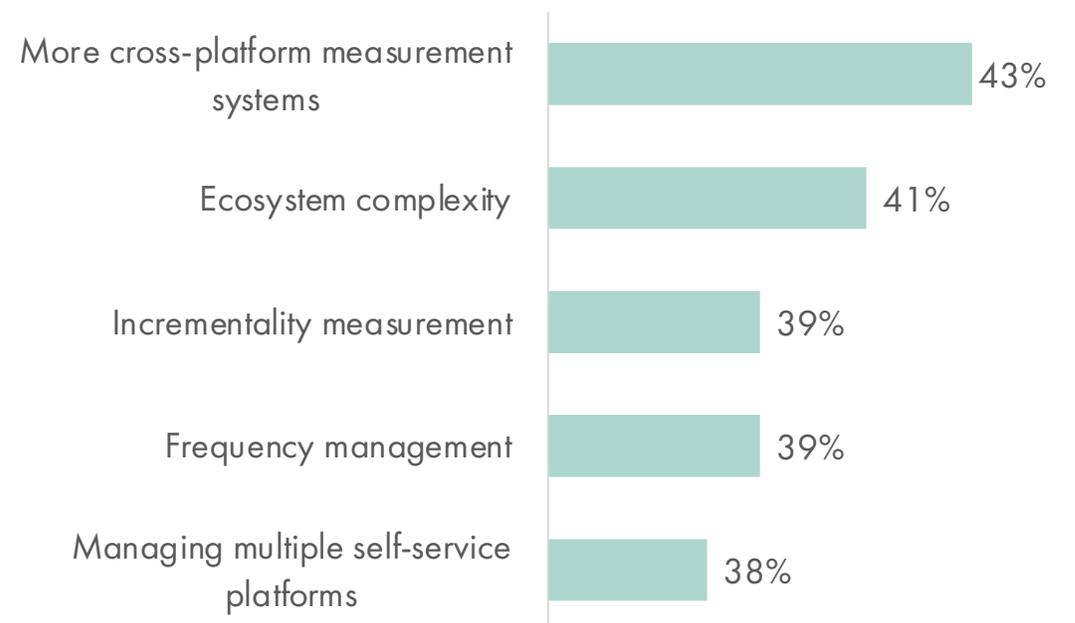
top areas of concern around the growth of the video streaming ecosystem

Cross-platform measurement is both exciting to agencies in Australia and the US, as well as being one of the key concerns. Agencies are also concerned about ecosystem complexity, compounded by challenges with managing frequency as well as managing buys across various self-service platforms.

AUS market



US market

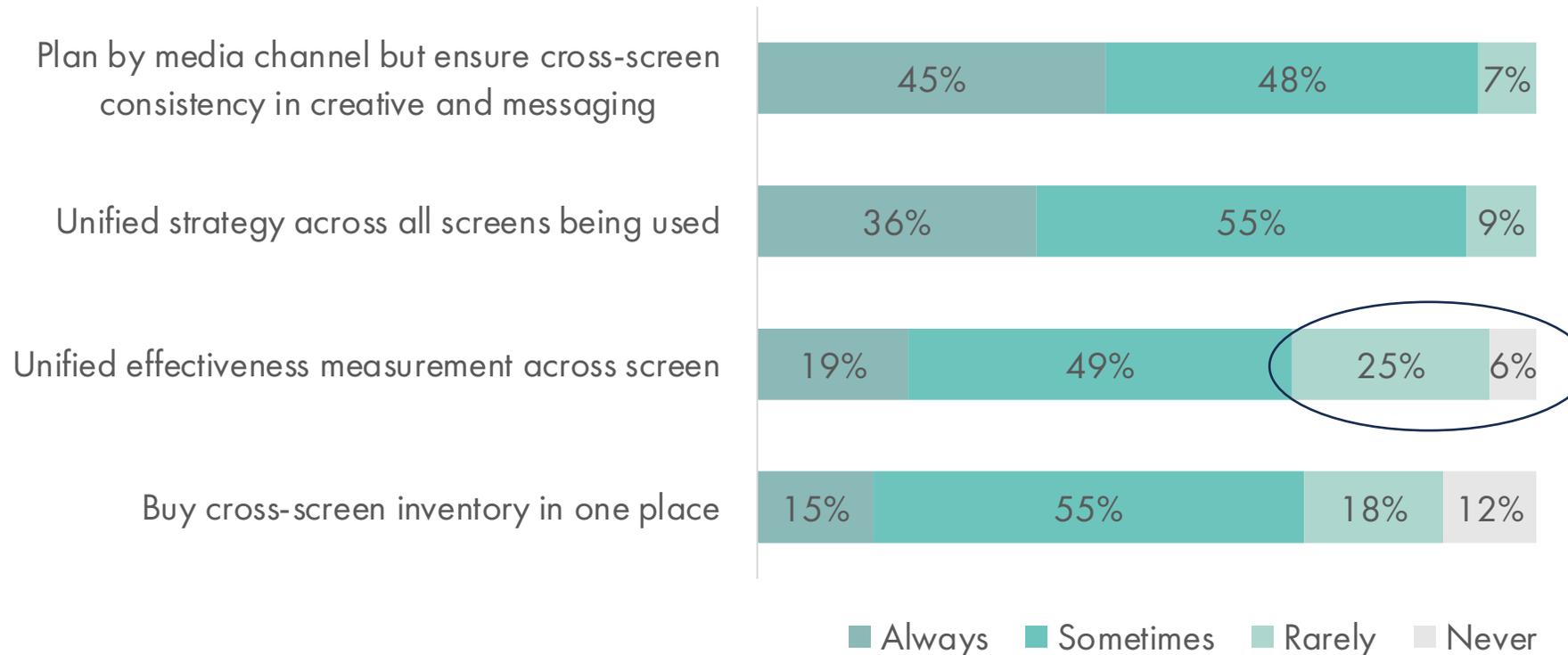


Sources; IAB Australia Video Advertising State of the Nation 2025 n=76; IAB US 2025 Outlook Study January 2025 n=200

Q - What concerns you the most about the continued growth and evolution of the video streaming ecosystem (incl. CTV / Online Video / Social Video)? Please select all that apply.

9 in 10 agencies have a unified strategy across screens, however nearly a third rarely or never unify measurement across screens

agency approach to planning and buying advertising across screens
(including combinations of advertising on TV, mobile, computer, retail, outdoor or cinema screens)

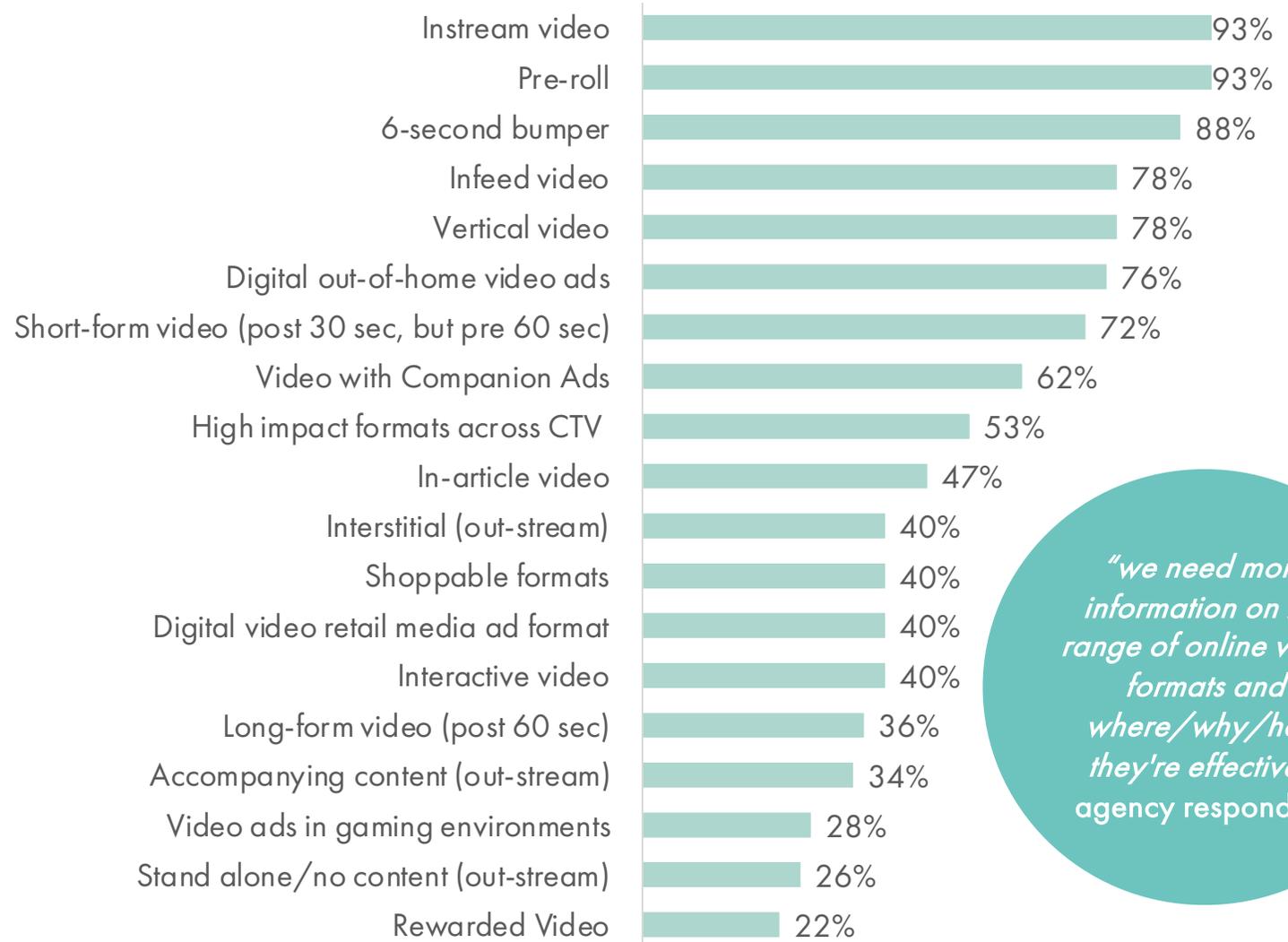


"Sometimes advertisers funnel too much budget into one provider. There needs to be more info about how to diversify your buying in the most efficient manner"
agency respondent

video advertising formats

There are a wide range of video formats increasingly used. Instream video formats have continued to be the most used format this year.

usage of video advertising formats
(always/occasionally)

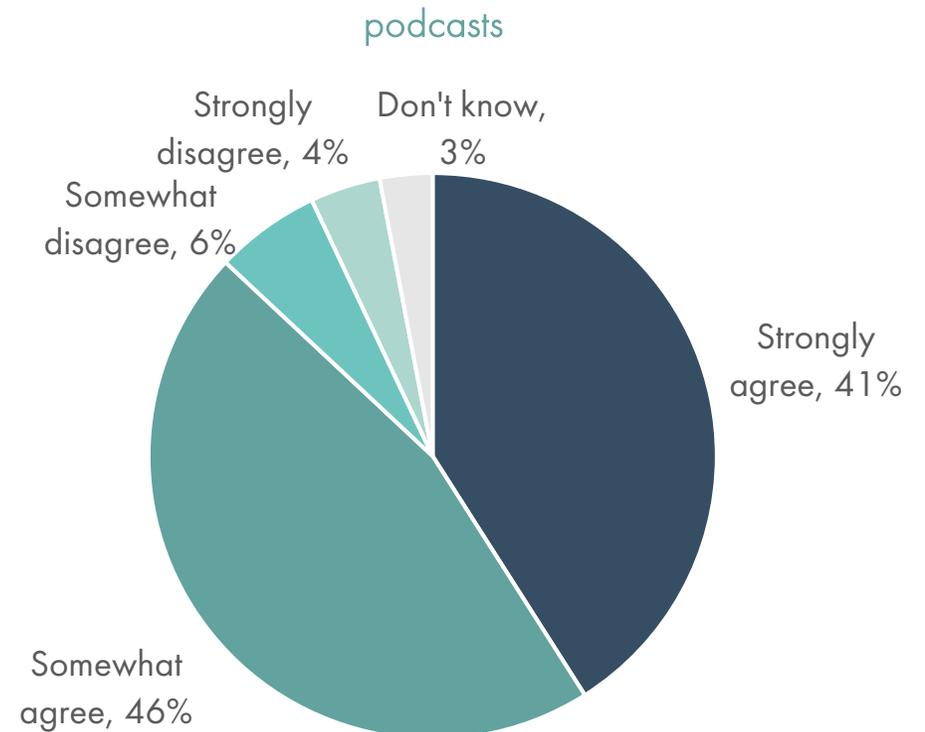
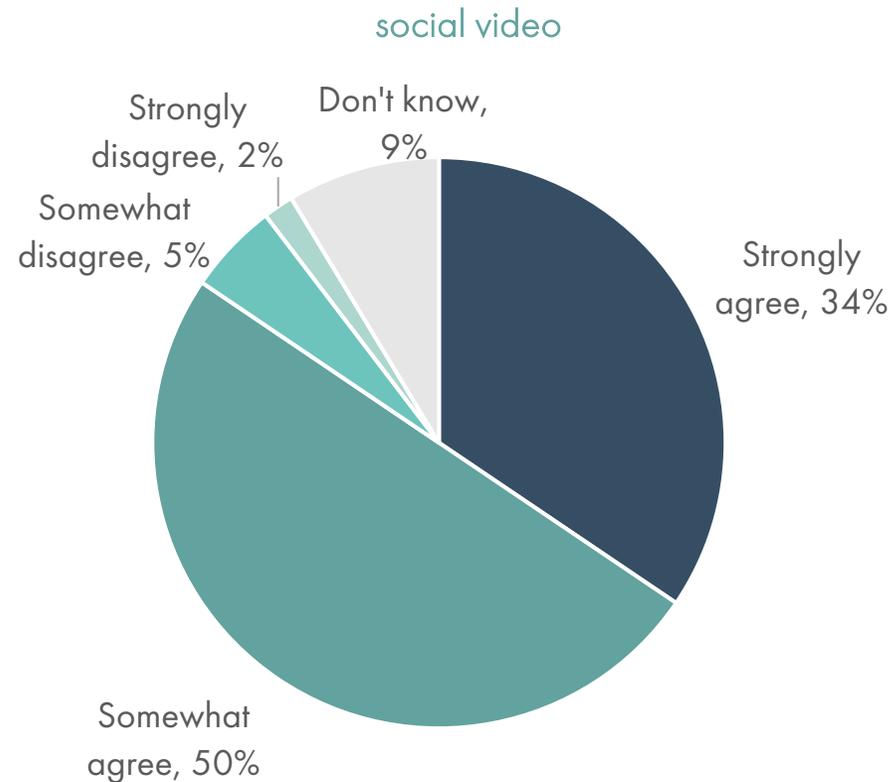


"we need more information on the range of online video formats and where/why/how they're effective."
agency respondent

marketing opportunities in the creator economy

According to Goldman Sachs *"The Creator Economy, valued at \$250 billion in 2023, is expected to nearly double to \$480 billion by 2027."**

The growth trajectory of the creator economy is rooted in the alignment of marketing messages with the "personally relevant nature" of creator content. Video and social media influencers and podcasters, have community building talents well suited to fostering the deep emotional connections that drive influence in the Creator Economy. 84% of agencies agree social video provides marketing opportunities in the creator economy.



Source; IAB Australia Video Advertising State of the Nation 2025 n=76, Q - How strongly do you agree or disagree that social video provides marketing opportunities in the creator economy (via the partnership of video creators and advertisers)?

Source; IAB Australia Audio Advertising State of the Nation 2025 n=133, Q How strongly do you agree or disagree that podcasts provide marketing opportunities in the creator economy (via the partnership of podcast creators and advertisers)?

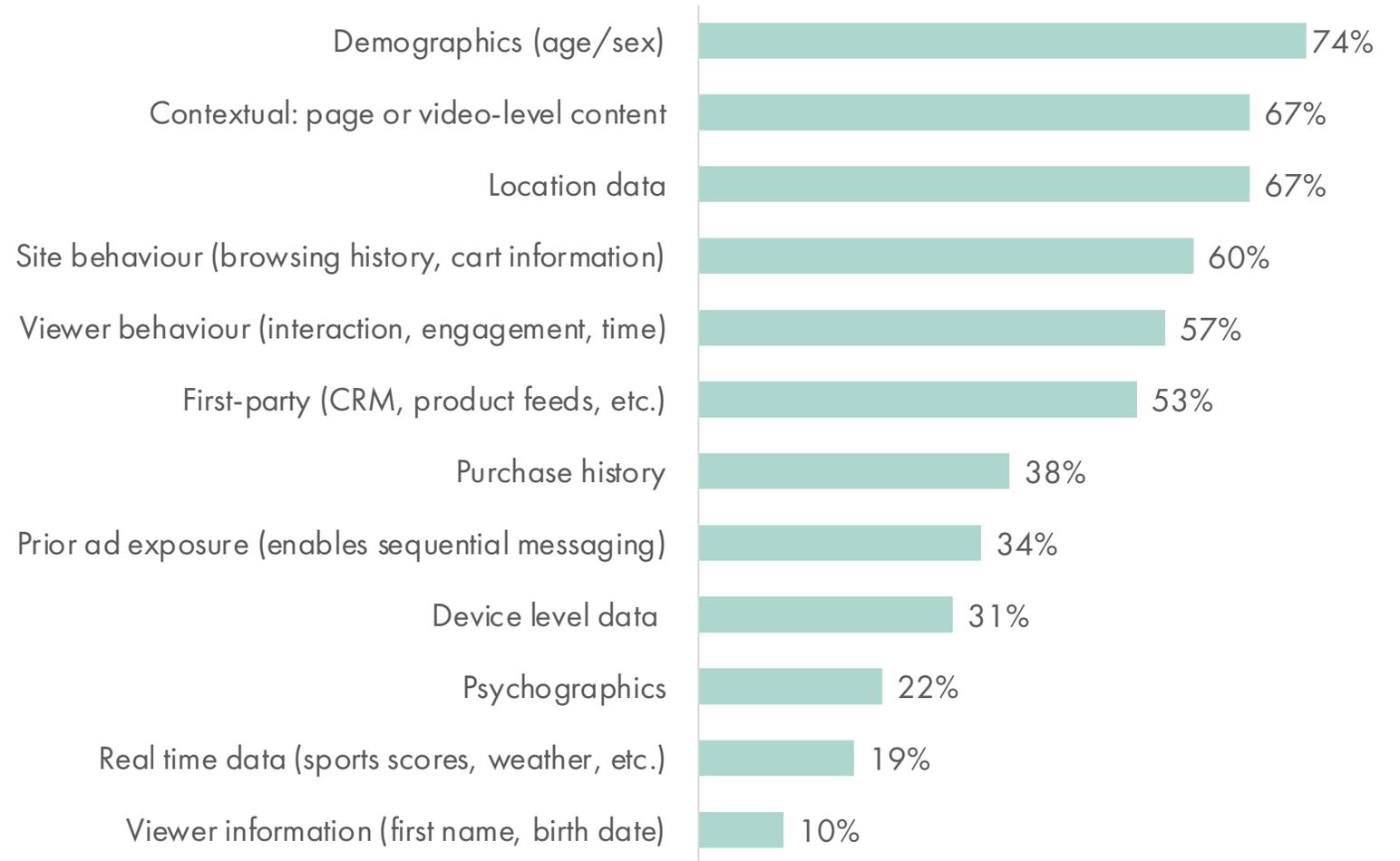
*Source; IAB Podcasting in the Creator Economy

data signals

There is a diverse range of data signals being used to inform targeting and creative for digital video advertising.

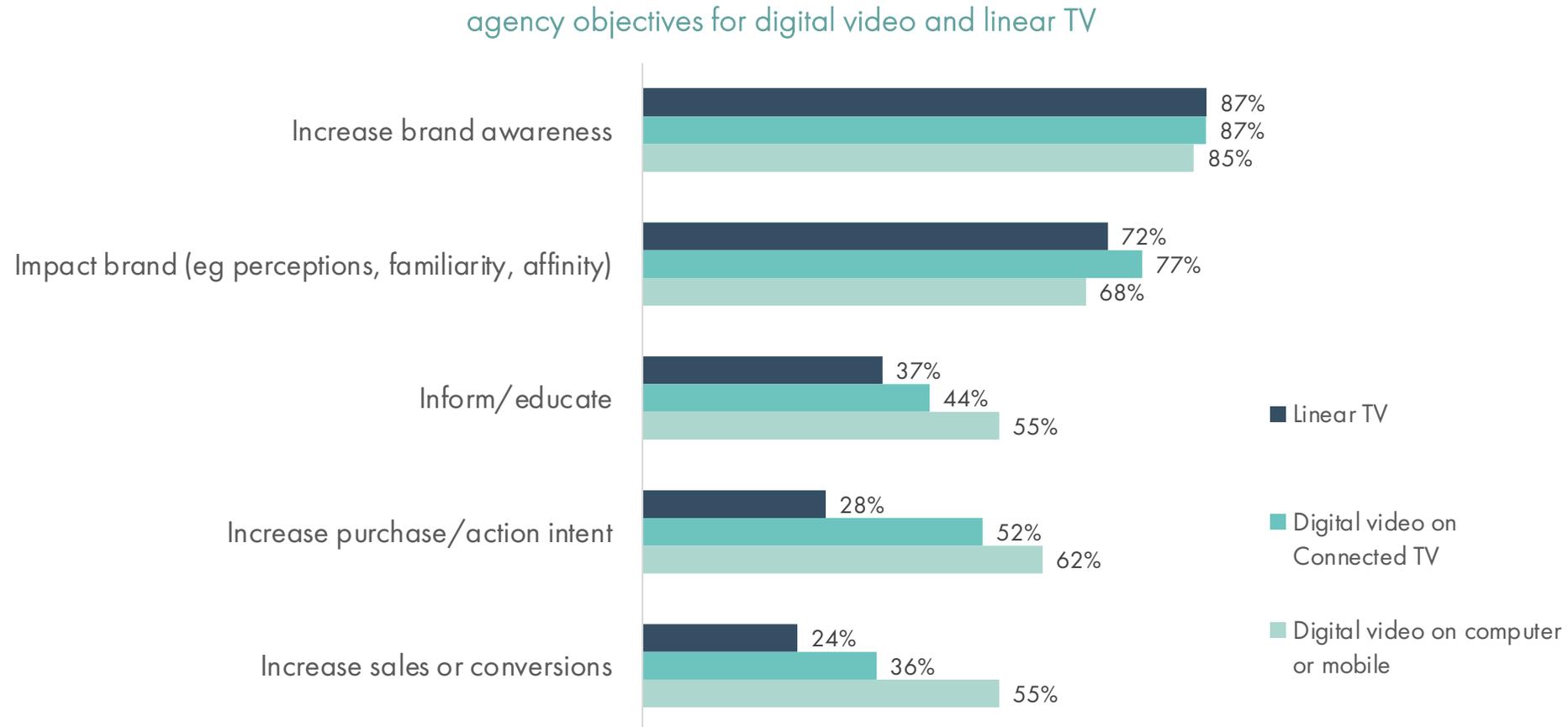
Demographics (age/gender) have remained the most common data signal used over previous years with contextual and location data also commonly used.

data signals agencies use to inform targeting and creative for digital video advertising



brand building is still the dominant objective for digital video

Increasing brand awareness is the dominant objective for all digital video and TV advertising. Digital video is more frequently used for lower funnel objectives, in particular digital video on computer or mobile, where 55% of agencies have used it to increase sales or conversions.

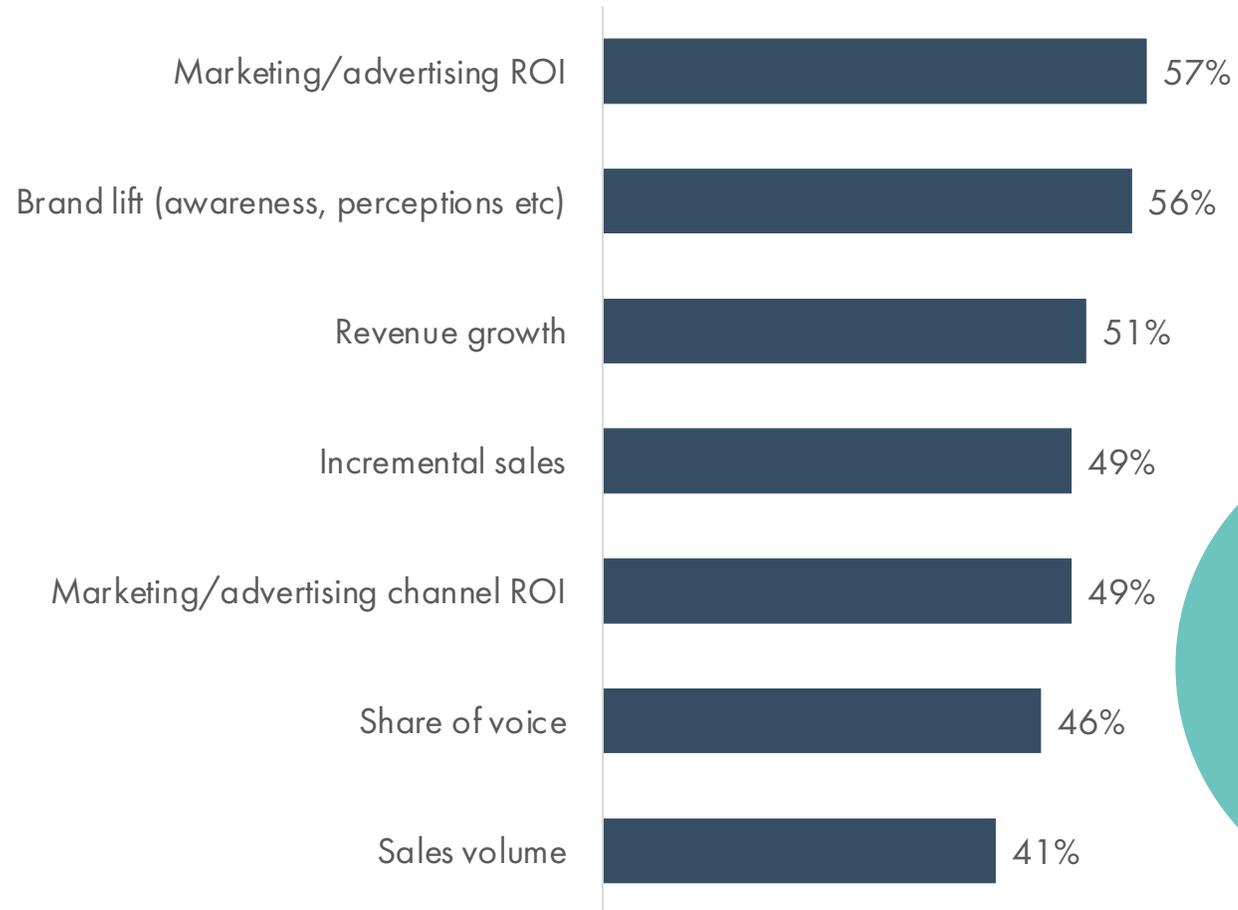


measuring business outcomes

Marketing/advertising ROI is the most important metric for agencies to demonstrate the contribution of all marketing and advertising investment to overall business outcomes, following closely by brand lift.

In measuring the effectiveness of digital video advertising investment, the most important measurement tools for agencies are online conversion tracking, Market Mix Modelling and brand lift studies.

top metrics important to demonstrate the contribution of all marketing and advertising investment to overall business outcomes



"Tracking ROI is the biggest challenge. If we can show sales directly attributable, then it's game on"
agency respondent

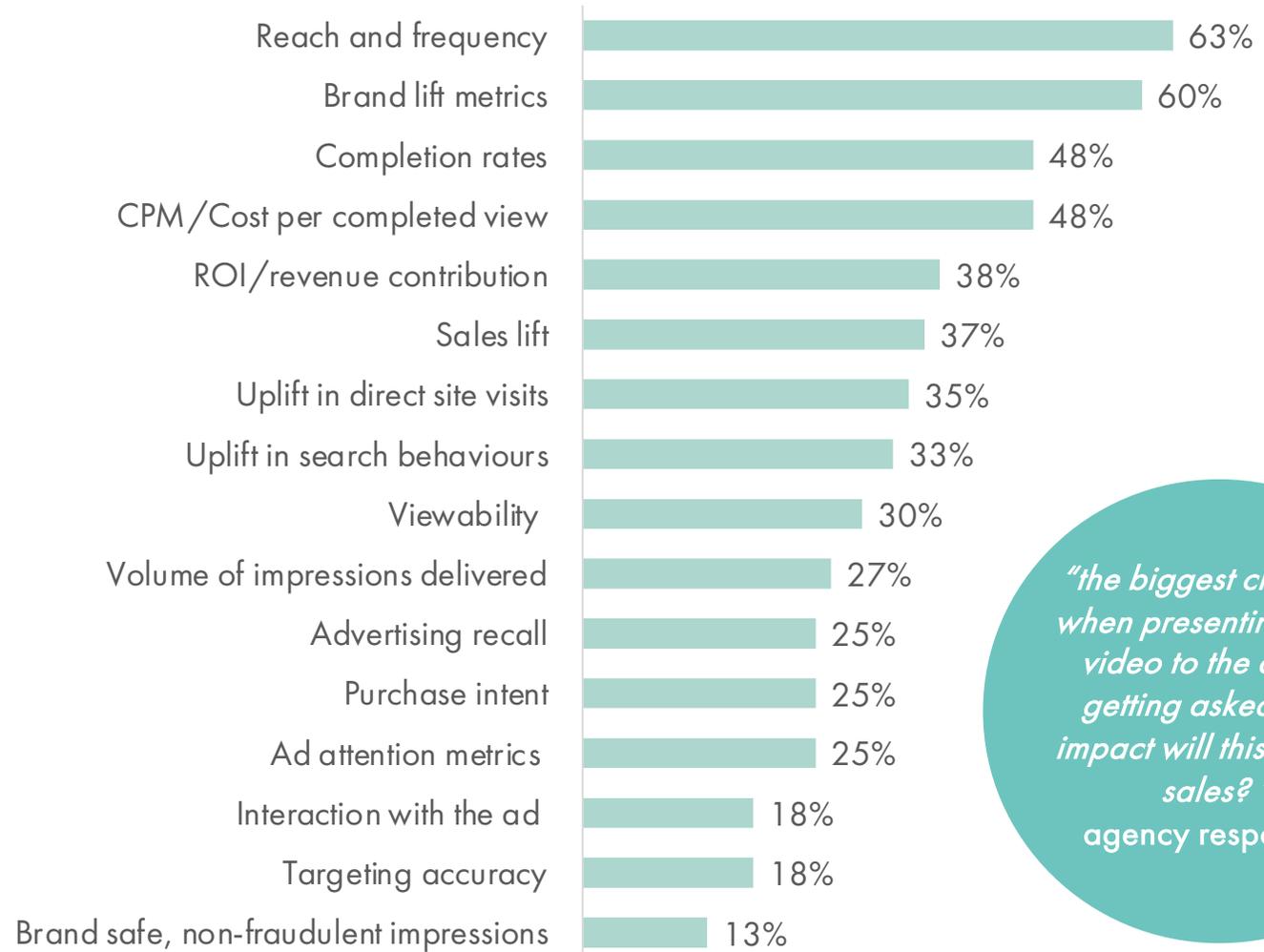
"the industry should focus more on measuring the effectiveness of investment on business outcomes."
agency respondent

key performance indicators

The campaign delivery metric, reach and frequency remains the most used key performance indicator for digital video advertising success this year. This metric demonstrates the agencies media planning success. This is followed very closely by brand lift metrics (such as brand awareness, perceptions etc.)

As agencies explore full-funnel video advertising strategies, there are limitations of using reach as the primary metric for video campaigns. While brand lift metrics are the most used effectiveness measure, agencies measuring ROI and sales lift is less common.

key performance indicators used to assess campaign delivery and effectiveness for digital video



"the biggest challenge when presenting digital video to the client is getting asked 'what impact will this have on sales?'"
agency respondent

measurement challenges

Quality data inputs, standardisation, sufficient investment and measuring long-term outcomes are at the heart of the key challenges for planning and/ assessing effectiveness of digital video advertising.

top measurement challenges for planning and/or assessing effectiveness of digital video advertising



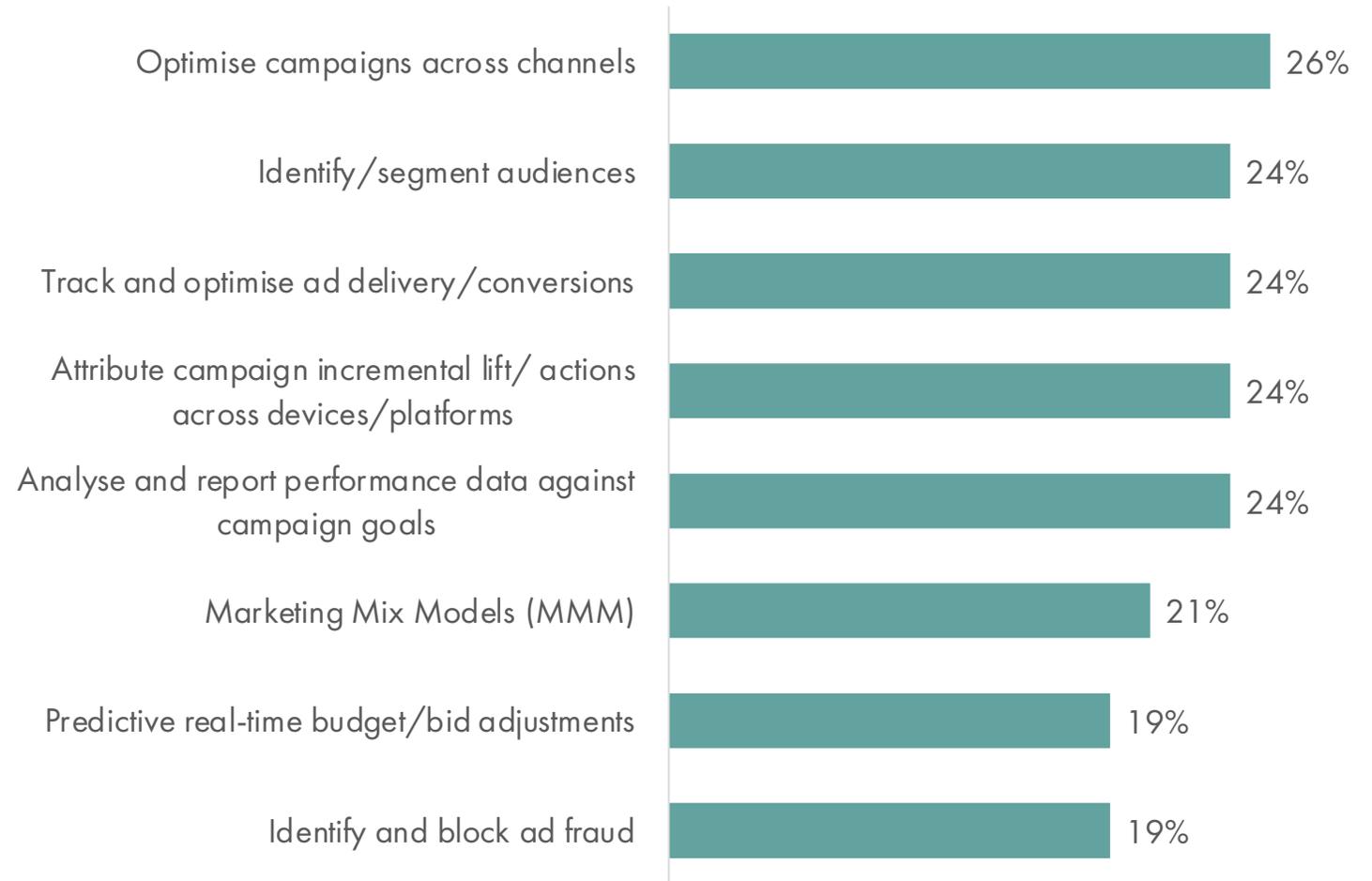
AI opportunities

New forms of AI are expanding the use cases and ways agencies and advertisers can transform their ad planning, activation and analysis. Agencies see the greatest opportunity for AI in optimising campaigns across channels, followed by identify/segment audiences.

Similarly, the top use cases for US agencies are identify/segment audiences (51%) and optimising campaigns across channels (38%)*.

US agencies, also cited significant challenges in adopting AI including the complexity of setup/maintenance and resistance from teammates and clients while managing both cross-team and cross-client communication*.

greatest opportunities for agencies in incorporating AI into video planning, activation and analysis (select top 3)



further resources

