



# THE IMPACT OF AI ON DIGITAL ADVERTISING REPORT

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## Executive Summary

- The report is based on a survey of 95 companies, including publishers, ad tech, agencies, and advertisers.
- 85% of respondents indicated their company uses AI-based tools for marketing purposes.
- Targeting and content generation topped the list of digital advertising functions currently powered by AI.
- 74% of respondents cited at least one campaign function being AI-powered.
- Only 43% of respondents claimed their company has developed internal marketing-specific AI guidelines.
- AI governance is most frequently the responsibility of a dedicated lead, but 18% of companies do not have formal AI governance.
- About the same number of companies allow / disallow the use of user data for training AI models.
- 60% of ad tech respondents and 48% of agency respondents claimed KPI benefits from adopting AI tools in campaigns, while under a third of publishers cited an increase in CPMs.
- 81% of respondents stated they would be interested in buying or selling ad space on consumer-facing AI platforms such as LLM-based chatbots.
- 73% of respondents stated their companies intend to maintain or increase the level of their investment and no respondents stated they are planning a decrease.
- Only about a third of respondents claimed their company receives buy-side guidelines on AI, most frequently from a minority of clients.
- Privacy was flagged as the number one concern with respect to the use of AI in digital advertising campaigns.
- Lack of expertise or training was cited as the main barrier towards AI adoption within the digital advertising ecosystem.

## Introduction

The digital advertising ecosystem has always evolved hand in hand with advancements in technology and data. From the early days of personalisation to the rise of real-time bidding and the firm establishment of data-driven strategies, the industry has consistently embraced innovation and acted as an early adopter of new technologies. Yet advertising remains both a science and an art: creativity runs through the industry's veins, and what consumers see will always matter as much as how they see it.

These characteristics make digital advertising a natural environment for the adoption of artificial intelligence, spanning everything from large-scale predictive models to emerging generative solutions. In designing this survey, IAB Europe's Artificial Intelligence Working Group set out to move beyond product marketing and hype, focusing instead on gathering meaningful insights into AI adoption, governance, opportunities, and challenges.

The report forms part of a comprehensive programme of educational and insights outputs on AI in Europe.

To learn more about the IAB Europe's Artificial Intelligence Working Group and how you can get involved, please reach out to Dimitris Beis at [beis \[at\] iabeurope \[dot\] eu](mailto:beis@iabeurope.eu).



**Wayne Tassie**

**Group Director NL, DoubleVerify & Chair of IAB Europe's Advertising & Media Committee**

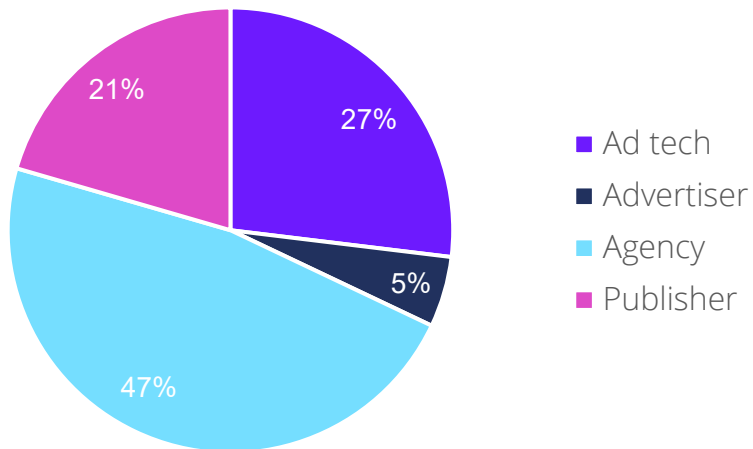
*IAB Europe's report underscores the urgent need for clear frameworks, ongoing training, and responsible deployment. By addressing these challenges, AI can become an organic part of daily workflows and unlock a new era of efficiency, creativity, and sustainable growth for our industry.*

## Methodology & Respondent Overview

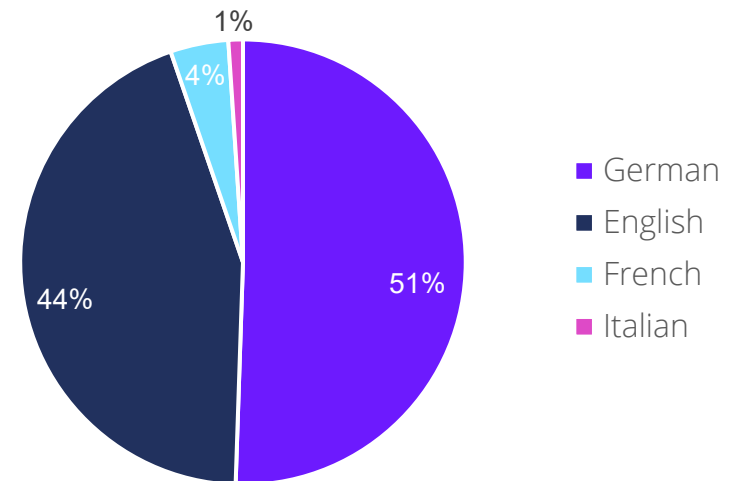
Distributed via email to IAB Europe members and the wider industry, the online survey received a total of 95 responses between July and August 2025. Questions were organised into two sections: about half were shown to all respondents and half were tailored to the type of company the respondent indicated they were representing.

The IAB Europe Working Group partnered with National Federations from four major European digital advertising markets to make the survey available in English, German, French, Italian, and Dutch. Respondents were able to select their language of choice regardless of location, and most selected German.

**Figure 1: Breakdown of Respondents by Stakeholder Type**



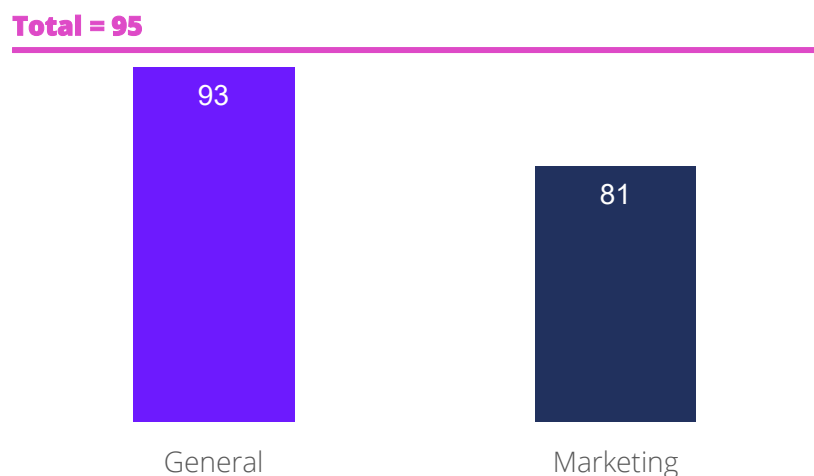
**Figure 2: Breakdown of Responses by Language**



## Internal Use of AI Tools

For the purposes of the survey, AI tools were defined to include all types of generative and predictive models that respondents identified as powered by artificial intelligence. Almost all respondents indicated their companies use AI-based tools internally and 85% indicated their companies use AI-based tools for marketing purposes.

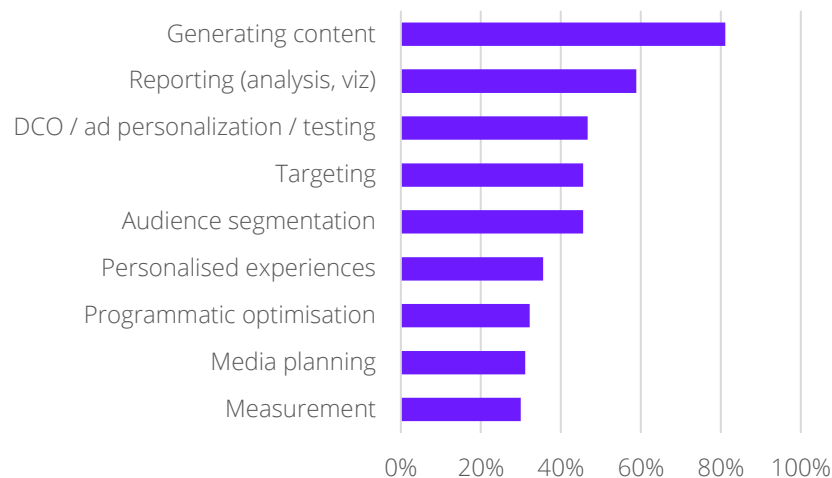
**Figure 3: Breakdown of AI Tool Use by Purpose**



Q: Does your company use tools based on artificial intelligence (including predictive and generative models) internally / for marketing purposes?

In terms of marketing use cases, generating content (both audiovisuals and text) led responses followed by reporting, optimising creatives, and targeting. Other responses included supporting strategy, providing recommendations for users of self-serve SaaS, and streamlining internal processes. On average, respondents indicated that they use slightly more third-party solutions than proprietary ones (c. 60/40 split).

**Figure 4: Breakdown of AI Tool Use by Marketing Purpose**

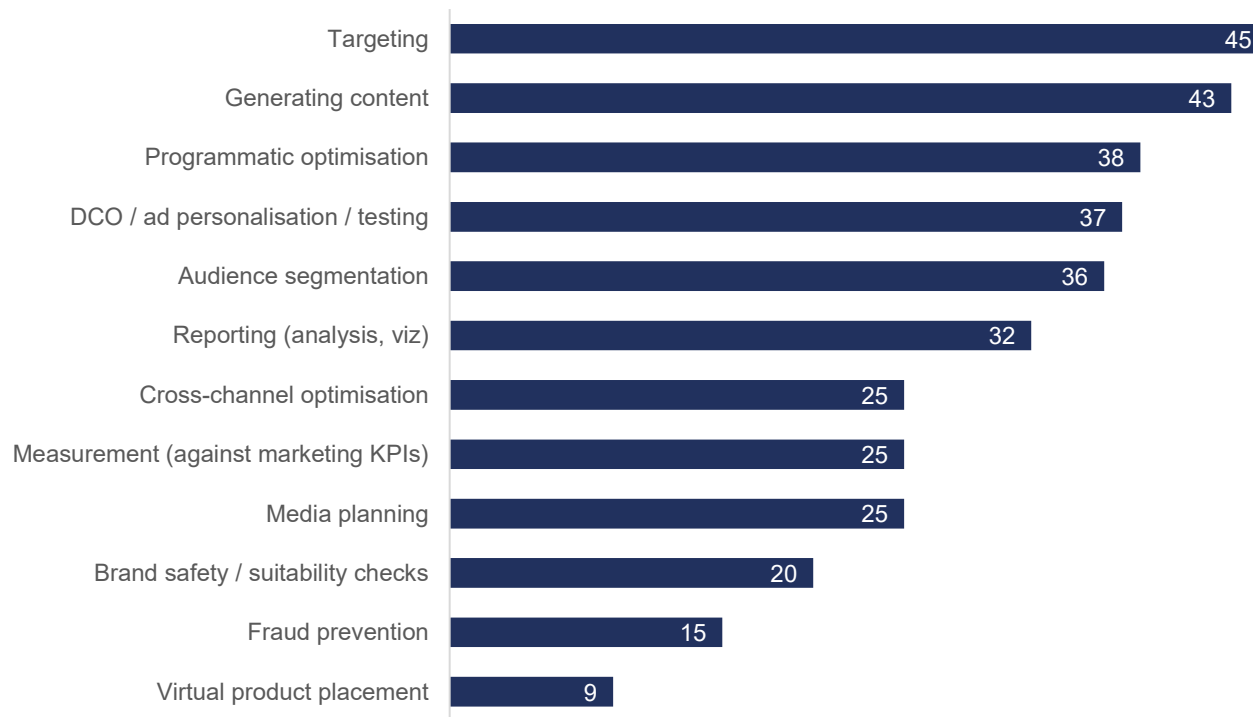


Q: If yes, for which marketing purposes do you use AI internally for?

## AI Tools Across Campaigns

Targeting and content generation topped the list of digital advertising functions currently powered by AI. The results show strong adoption of AI tools for tasks that rely on both generative and predictive models. About 74% of respondents cited at least one function being AI-powered.

**Figure 5: AI Adoption by Campaign Function**



*Meta-analysis of questions asking different stakeholder groups about AI-powered functions in their campaigns or offerings. (n=70)*



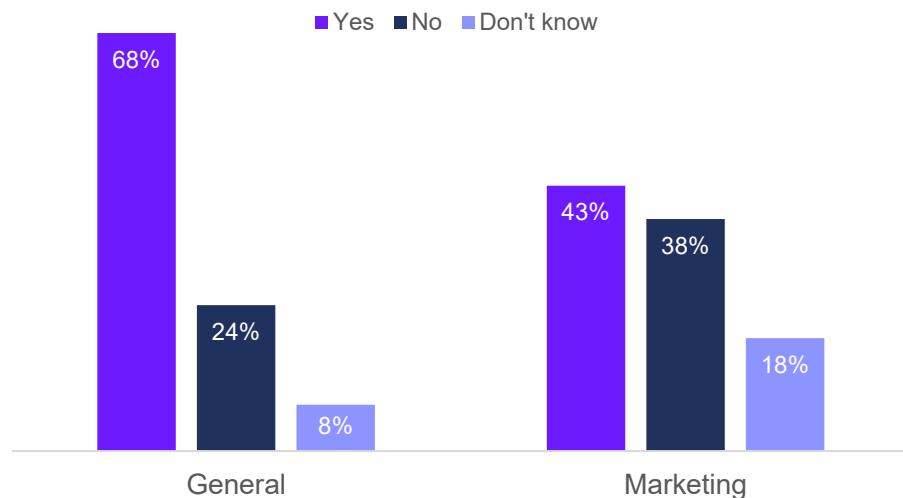
**Tom Peruzzi**  
Spokesperson of the Management Board, Virtual Minds

*AI is the next step in the evolution of digital advertising. While machine learning has become usual, AI helps to enrich the experiences for consumers as well as for advertisers, AI can explain complex relations and simplify action. This is a huge step forward to let digital advertising become an ease-of-use utility.*

## Governance

General guidelines regarding the internal use of AI tools appear to be more common than guidelines specific to marketing or advertising. Respondents who indicated the companies they represent do not have internal AI guidelines stated they are planning to develop guidelines in about 40% to 50% of cases.

**Figure 6: Percentage of Companies with AI Guidelines by Use Case**



Q: In your company, do you have any guidelines in place for the use of AI overall / for marketing and advertising?

Most respondents indicated that the companies they represent have already established a dedicated role for AI governance, indicating the importance of a structured approach to managing the use of AI tools. Almost 18% of companies appear to have no formal governance for AI, while fewer than 5% delegate AI governance to an ethics committee or council.

**Figure 7: Who is Responsible for AI Governance at Your Company?**

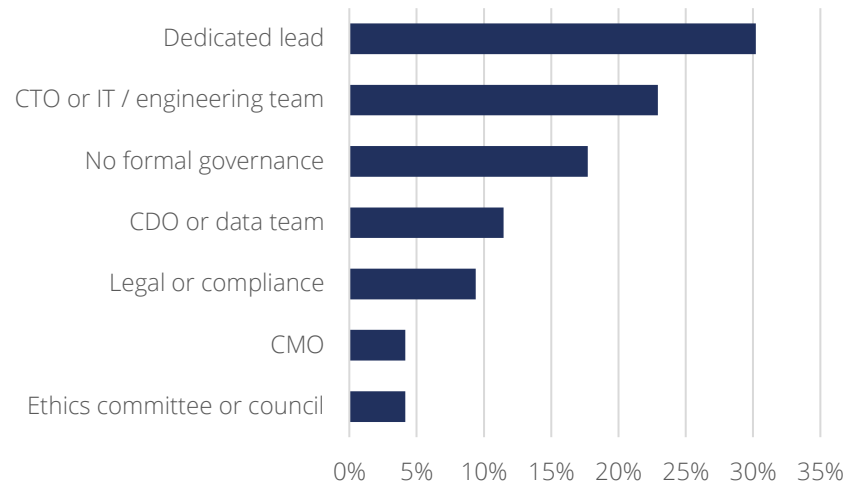
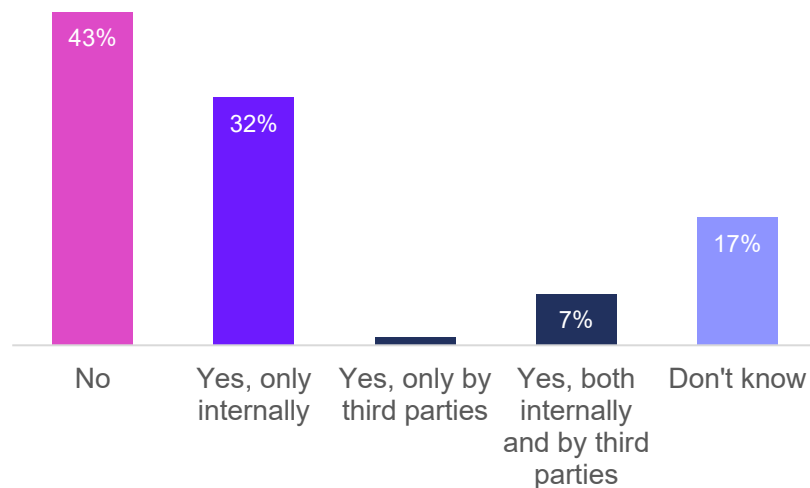


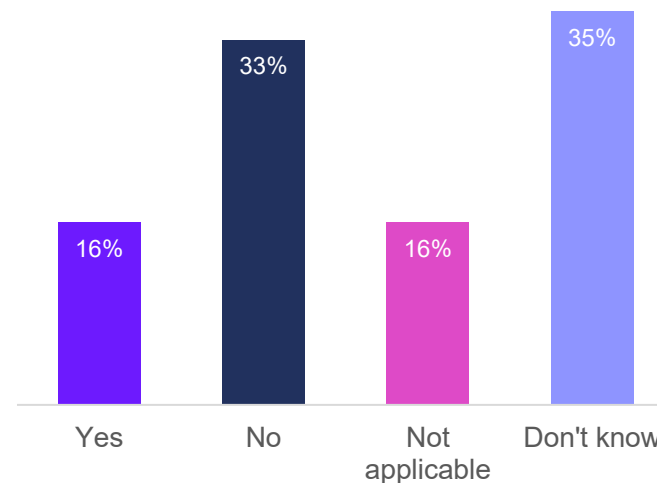


Figure 8: User Data AI Training Policies



Q: Specifically for user data, do you allow its use for training AI models? (n=90)

Figure 9: Third-party Audits of AI Tools



Q: Are your in-house AI tools assessed or audited by a third party? (n=80)



**Liz Salway**

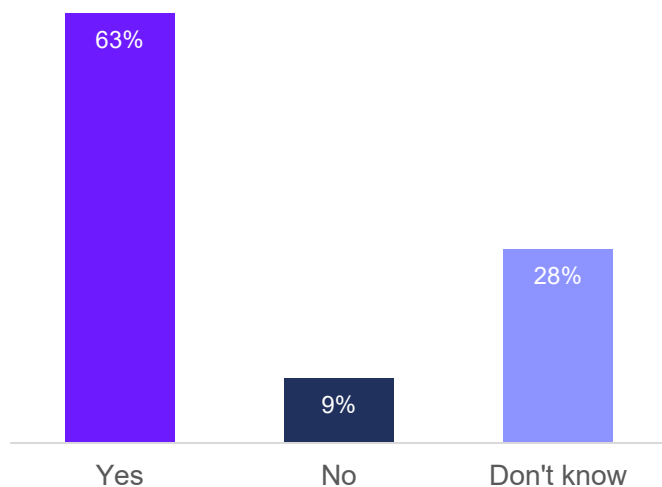
**Managing Principal, Business Consulting, Epam**

*It's clear from the report that marketers are at an inflection point in the emerging AI-supported digital advertising ecosystem - either be the fulcrum of change, governing and guiding your internal teams and partners, or quickly lose control of what you say (content) and how you say it (AI governance and privacy) to your target market. Marketers need to embrace the opportunity to drive appropriate adoption of AI that enhances the efficiencies and effectiveness of solid marketing principles.*

## Readiness

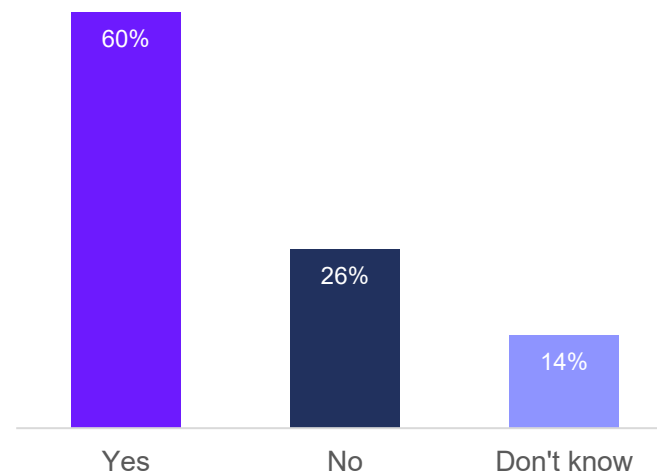
About two-thirds of respondents indicated they would benefit from guidelines on the use of AI technologies developed by an industry association, while only 9% rejected the premise. 60% of respondents claimed their company provides training on AI to marketing personnel, illustrating the drive for AI-readiness across the ecosystem.

**Figure 10: The Role of Industry Associations**



Q: Would you benefit from guidelines on the use of AI technologies for marketing developed by an industry association (e.g. IAB Europe)? (n=96)

**Figure 11: AI Training for Marketing**

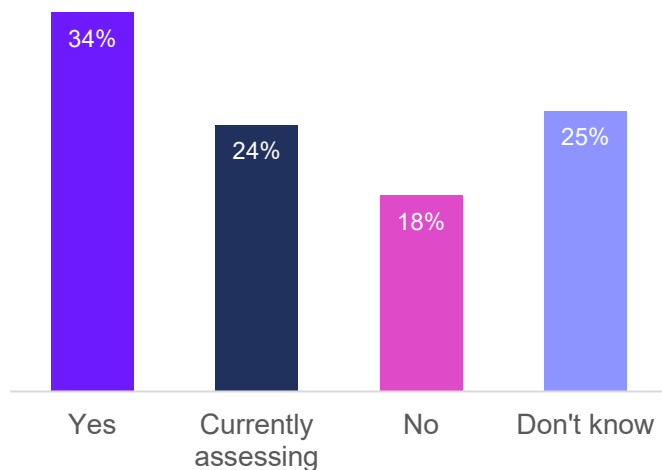


Q: Do you provide training on AI to marketing personnel? (n=96)

## Regulation

About 60% of respondents stated that their company has assessed or is currently assessing the impact of the AI Act. Respondents who have assessed the impact of the AI Act gave their companies an average score of 6/10 in terms of compliance readiness. When asked about other regulations companies are assessing compliance with, specifically in relation to their use of AI, respondents most frequently mentioned privacy laws.

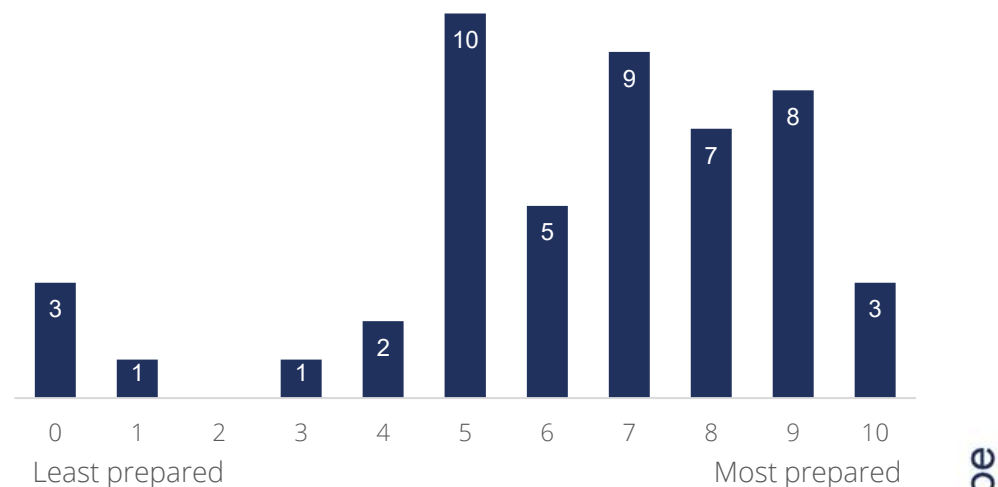
**Figure 12: Assessing AI Act Impact**



Q: Have you assessed the impact of the AI act on your company?

When asked about how IAB Europe can support the digital advertising ecosystem in complying with the AI Act, respondents mentioned the issuance of documentation on the Act's implications, of guidelines and standards that form a blueprint for compliance, and of a list of trusted AI partners.

**Figure 13: AI Act Readiness**

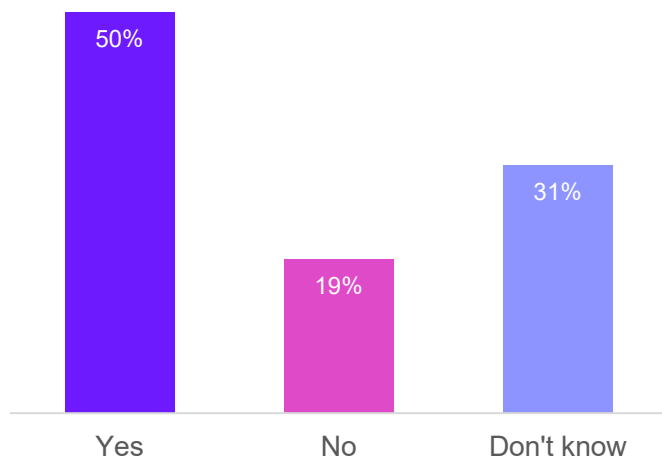


Q: If yes, how prepared is your company to comply with the AI act? (n=50)

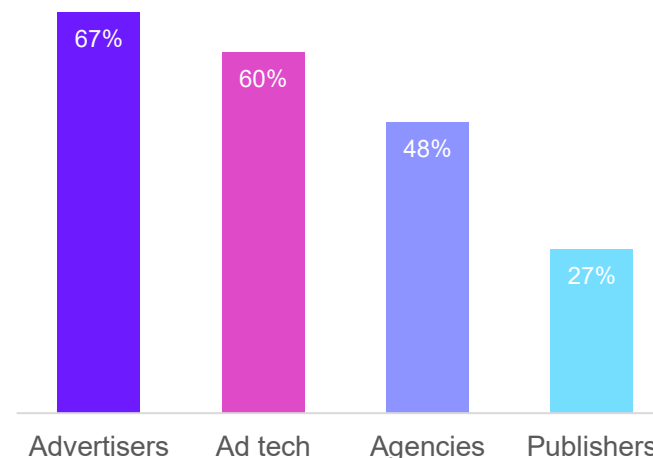
## Opportunities

Half of all respondents and two-thirds of advertisers claimed they have observed an improvement in marketing KPIs because of the use of AI tools. 60% of ad tech respondents and 48% of agency respondents claimed KPI benefits from adopting AI tools in campaigns, while under a third of publishers cited an increase in CPMs.

**Figure 14: Marketing KPI Improvement as a Result of AI Tools**



**Figure 15: Percentage of Respondents Claiming Observable Improvements by Segment**

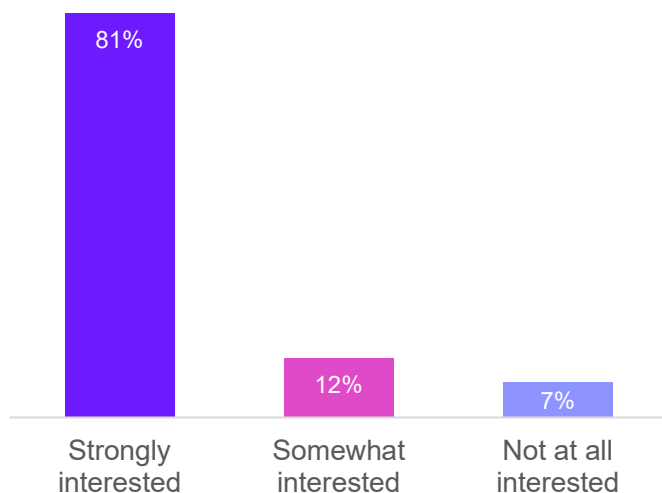


*Q: Have you observed an improvement in marketing KPIs because of the use of AI tools in advertising campaigns? (n=68)*

## Opportunities

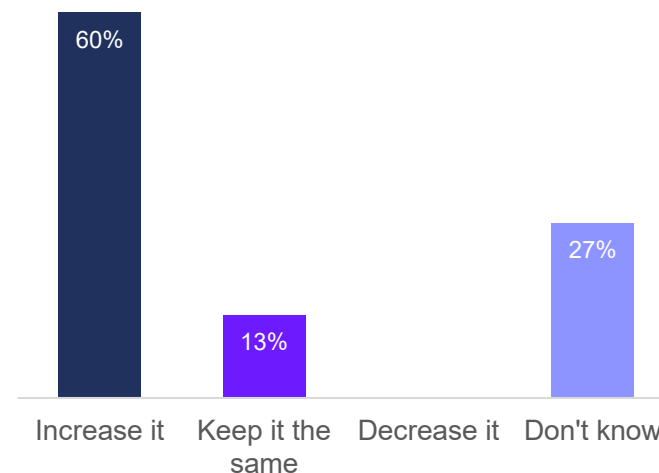
81% of respondents stated they would be interested in buying or selling ad space on consumer-facing AI platforms such as LLM-based chatbots. Respondents also signalled strong momentum in terms of investment in AI-powered marketing technologies, with 73% of respondents stating their companies intend to maintain or increase the level of their investment, and no respondents stating they are planning a decrease.

**Figure 16: Interest in Ads on AI Platforms**



Q: How interested would you be in advertising on AI platforms (e.g. chatbots)? (n=42)

**Figure 17: AI Martech Investment Intent**



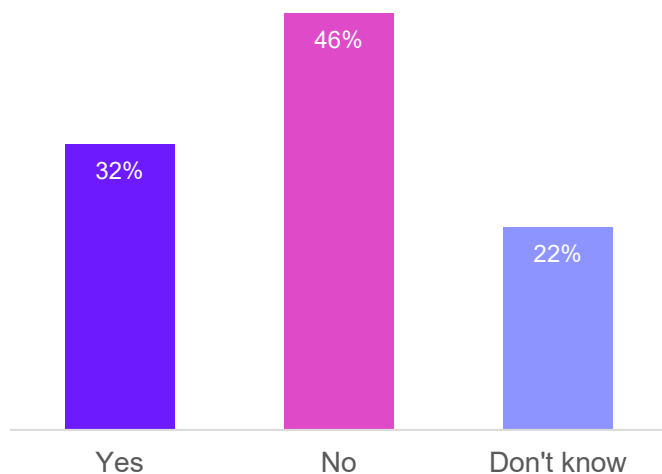
Q: How do you plan to change your investment in AI marketing technologies in the next year? (n=70)

## Buy-side Guidelines

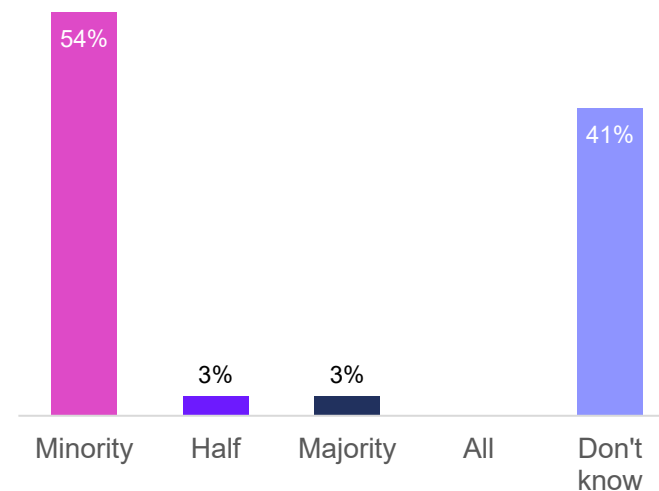
Part of the survey focused on surfacing information about guidelines on the use of AI originating in the buy-side. Advertisers were asked to share details about their own guidelines, while other segments were asked about the frequency with which they receive guidelines on the use of AI-based tools in campaigns and the specific areas they cover.

The results show most companies do not receive buy-side guidelines on AI - only about a third of respondents claimed to have received such guidelines in the past. These respondents indicated a minority of buy-side partners share guidelines on the use of AI in campaigns.

**Figure 18: Do Companies Receive Buy-side Guidelines on AI?**



**Figure 19: How Many Buy-side Partners Share Guidelines on AI?**

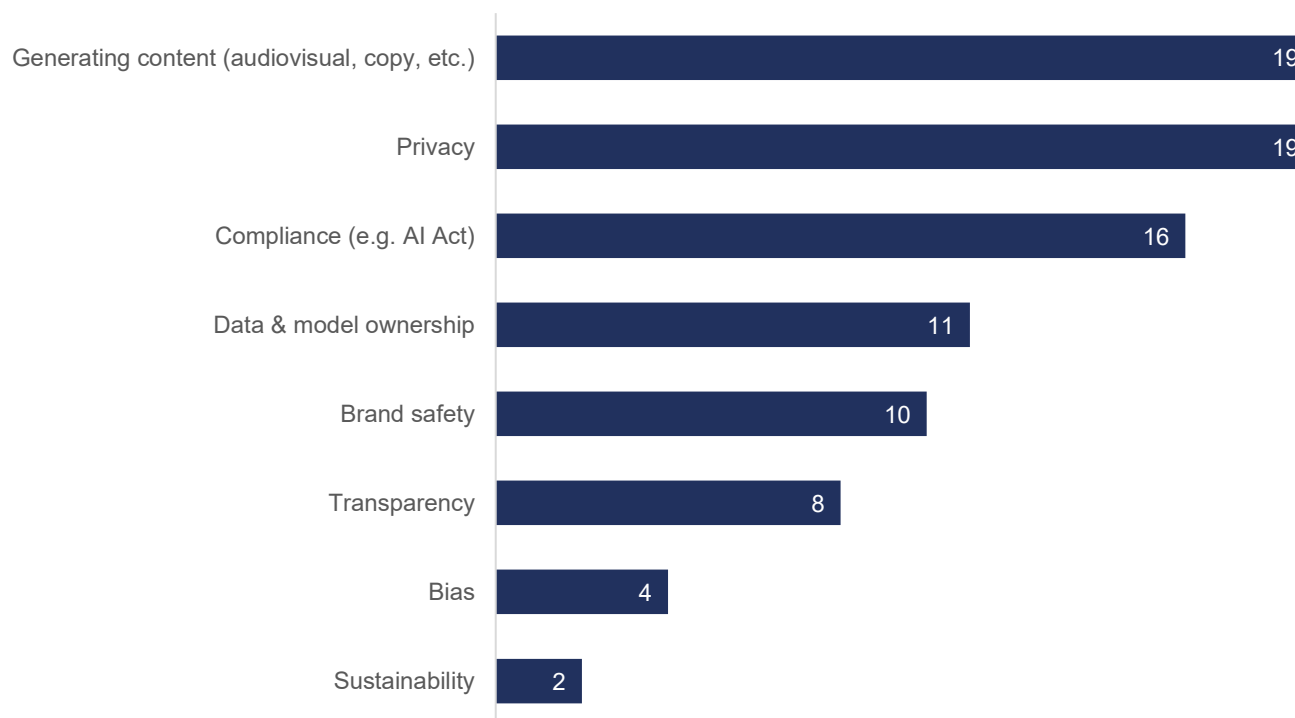


*Meta-analysis of questions asking different stakeholder groups about buy-side guidelines on AI.*

## Buy-side Guidelines

Content and privacy are the most common areas for buy-side guidelines on AI in digital advertising. Compliance with applicable regulation is also a focus, followed by data ownership and brand safety. Bias and sustainability came in last as options, being only a fifth as popular as content and privacy guidelines.

**Figure 20: Focus for Buy-side Guidelines**



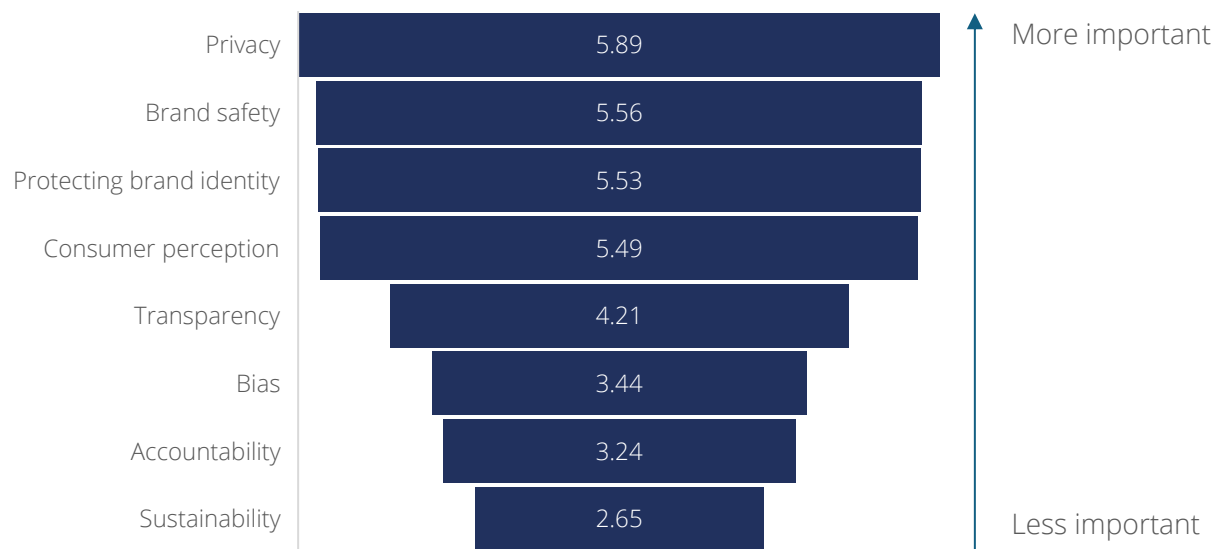
Q: If yes, which areas do these guidelines cover? (n=31)

## Concerns

Privacy was flagged as the number one concern with respect to the use of AI in digital advertising campaigns, followed by brand safety / harmful generated media (incl. infringements on intellectual property), protecting brand identity, and consumer perception. Bias and environmental impact / sustainability were most frequently ranked last.

Publishers were asked to quantify their concern regarding declining traffic to their media properties because of the rise consumer-facing AI-based tools. On average, they ranked it at around 5/10, although it should be noted the sample was limited. About 70% of publisher respondents have not partnered with any AI platform to license their content for ingestion by large language models.

**Figure 21: Ranking of AI Concerns**



*Q: Rank the following concerns with respect to the use of AI in digital advertising campaigns. (Index based on rankings, n=72)*

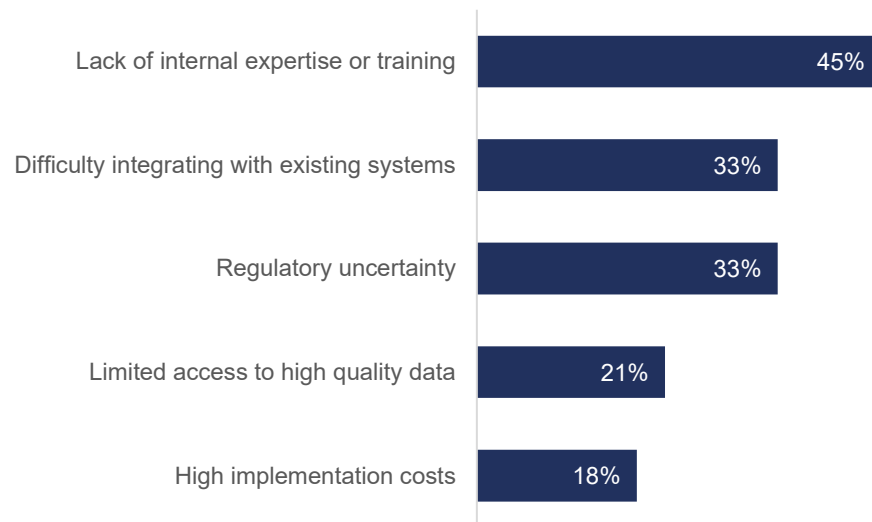


## Barriers

The results show that the lack of expertise or training is the main barrier towards AI adoption within the digital advertising ecosystem, followed by difficulty in integrating with existing systems and regulatory uncertainty.

Respondents also cited concerns around over-reliance, uncertainty on output quality, difficulties in developing proprietary systems, and incompatibility with current workflows. Only 5% of respondents cited no barriers at all.

**Figure 22: Barriers to Adoption of AI Tools**



Q: What are the main barriers to AI adoption in your company? (n=96)



**Katharina Jäger**  
Head of Innovation & Technology, BVDW

*AI is no longer a vision for tomorrow. The study makes it clear: AI is already part of everyday marketing practice in Europe. At the same time, many companies still struggle with limited expertise, complex system integration, and legal uncertainty. Concerns about privacy, brand safety, and intellectual property remain unresolved. One signal points ahead: a large majority is interested in advertising directly on AI platforms. If this becomes reality, it could reshape the entire digital ecosystem.*

## Conclusion

The digital advertising ecosystem is demonstrating strong momentum in adopting artificial intelligence. Predictive models have long powered functions such as targeting, while recent advances in generative technologies are opening new possibilities for content creation. Investment intent is overwhelmingly positive, and advertisers and agencies are already reporting tangible benefits in marketing performance. Areas of slower adoption tend to be constrained by broader challenges such as fragmented data and the lack of harmonised cross-channel metrics.

At the same time, companies are still working through questions of governance, compliance, and integration. Gaps in expertise, limited training, and the absence of common governance frameworks highlight the need for further maturity. Only a third of companies have assessed the impact of the EU AI Act, while concerns remain centred on privacy, brand safety, and harmful content generation, with sustainability and bias receiving less attention.

Despite these hurdles, the industry's appetite for AI-driven solutions is undeniable. As technology continues to advance, adoption at scale will accelerate, creating both opportunities and urgency for stakeholders to address barriers. Industry associations have a clear role to play in guiding best practice, fostering collaboration, and ensuring that AI delivers value in ways that are responsible, creative, and sustainable.



**Tobias Kellner**  
Industry Relations Manager, Google

*The report highlights the digital advertising ecosystem's confidence in AI, with 73% of companies planning to maintain or increase investment in the next year. Translating that momentum into scalable, sustainable growth now requires the industry to focus on upskilling talent and building robust governance.*


## **Dimitris Beis**

Data Analyst & Sustainability Lead

[beis@iab europe.eu](mailto:beis@iab europe.eu)

iab europe  
Rond-Point Robert  
Schumanplein 11  
1040 Brussels  
Belgium

 [@iabeurope](https://twitter.com/iabeurope)

 [iab-europe](https://www.linkedin.com/company/iab-europe/)

[iab europe.eu](https://iab europe.eu)

