Wartime Barometer 2.0: The Economic Impact on Ukrainian Businesses in 2026

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Anastasiya Baydachenko

CEO IAB Ukraine



Dear colleagues,

I am pleased to present the updated Barometer, which will help advertisers, marketing teams and all other stakeholders stay abreast of industry developments amid the escalation of hostilities and attacks on civilian infrastructure, logistics routes and warehouse facilities.

I hope this report will be a useful tool for annual planning and for adapting companies' tactics over the next 3–6 months.

METHODOLOGY

Wartime Barometer 2.0 is a study by IAB Ukraine examining the economic impact of the full-scale war on Ukrainian businesses and the advertising industry in 2026.

Data collection method: Targeted online survey of representatives of advertising agencies, advertising platforms and advertiser companies. Fieldwork period: October–November 2026.

Sample: 65 companies, including 40 advertising agencies and platforms and 25 advertiser companies.

Scope of the study: Business activity and financial performance, advertising budget trends, planning practices, the impact of war-related factors and infrastructure losses, workforce changes, the use of artificial intelligence, and expectations regarding the future development of businesses and the advertising industry.

The study combines quantitative assessments with open-ended responses from participants. The findings reflect the views of the surveyed companies and are intended to identify current trends and changes across the industry.

ADVERTISING AGENCIES AND PLATFORMS

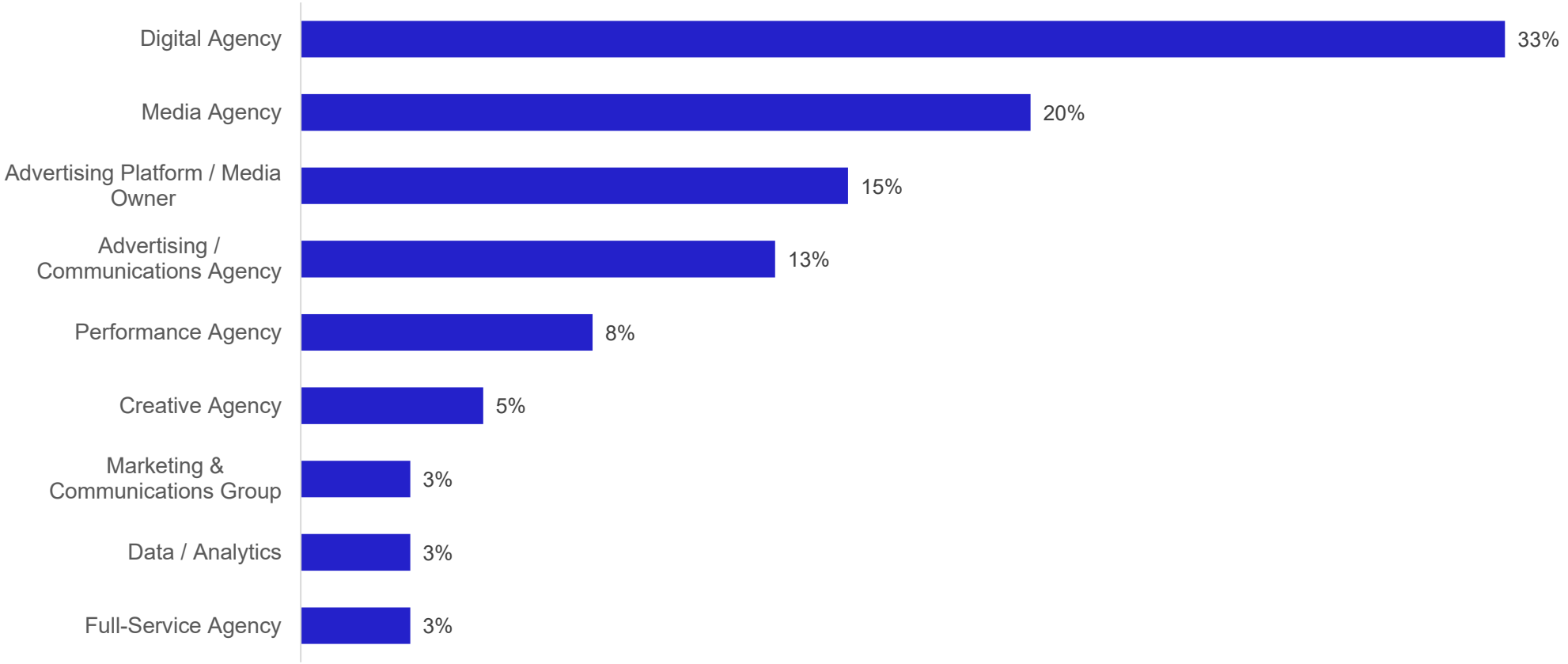


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SURVEY PARTICIPANTS: ADVERTISING AGENCIES AND PLATFORMS

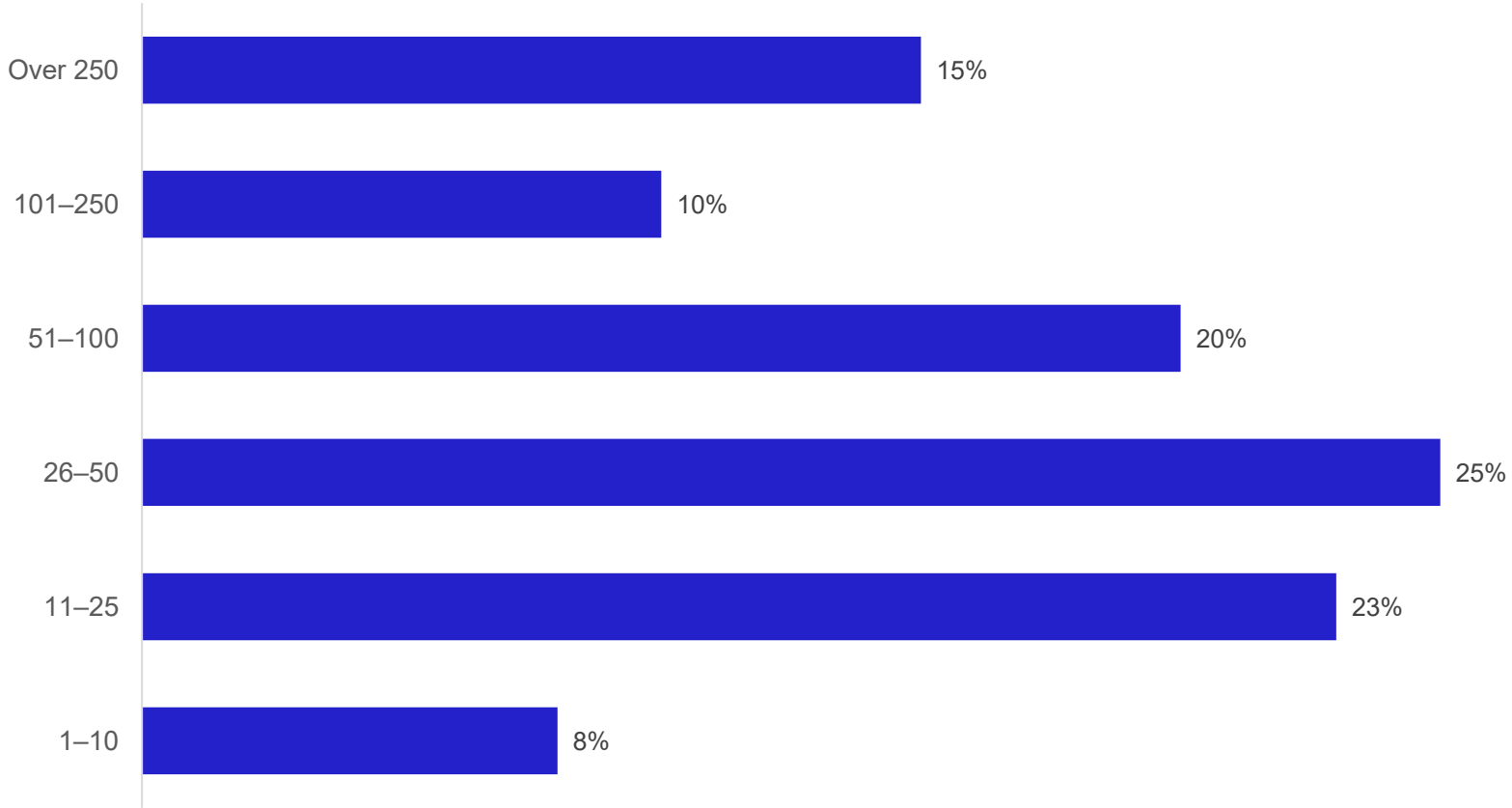
AIR Brands
Carat Ukraine
CF.Digital
CoobX
FORWARD
Havas DGTL Kyiv
Havas Media Ukraine (RAZOM GROUP)
Inweb
iplace
iProspect Ukraine
Kiwi Agency
Lanet CLICK
LuxSite Digital Agency
MADLAB (RAZOM Group)
Media First Ukraine
MEGOGO
MGID
MixDigital Ukraine
MORE (Razom GROUP)
NCG Dievo
Netpeak
NORDLEAF
OMG agency
Ploy It
Promodo
Publicis Groupe Ukraine
RAZOM Group
Rockets. Growth R&D
Sasquatch Digital
SIGMA
SMELO (SMILYVO)
Sparkle Design
Tanasov Group (DL agency)
TYSHCHUK DIGITAL HUB (TD Hub)
Uklon Ads
UM Ukraine (RAZOM GROUP)
Vidzone
VPoint
Webpromo
WPP Media

2. What is your company's primary line of business?



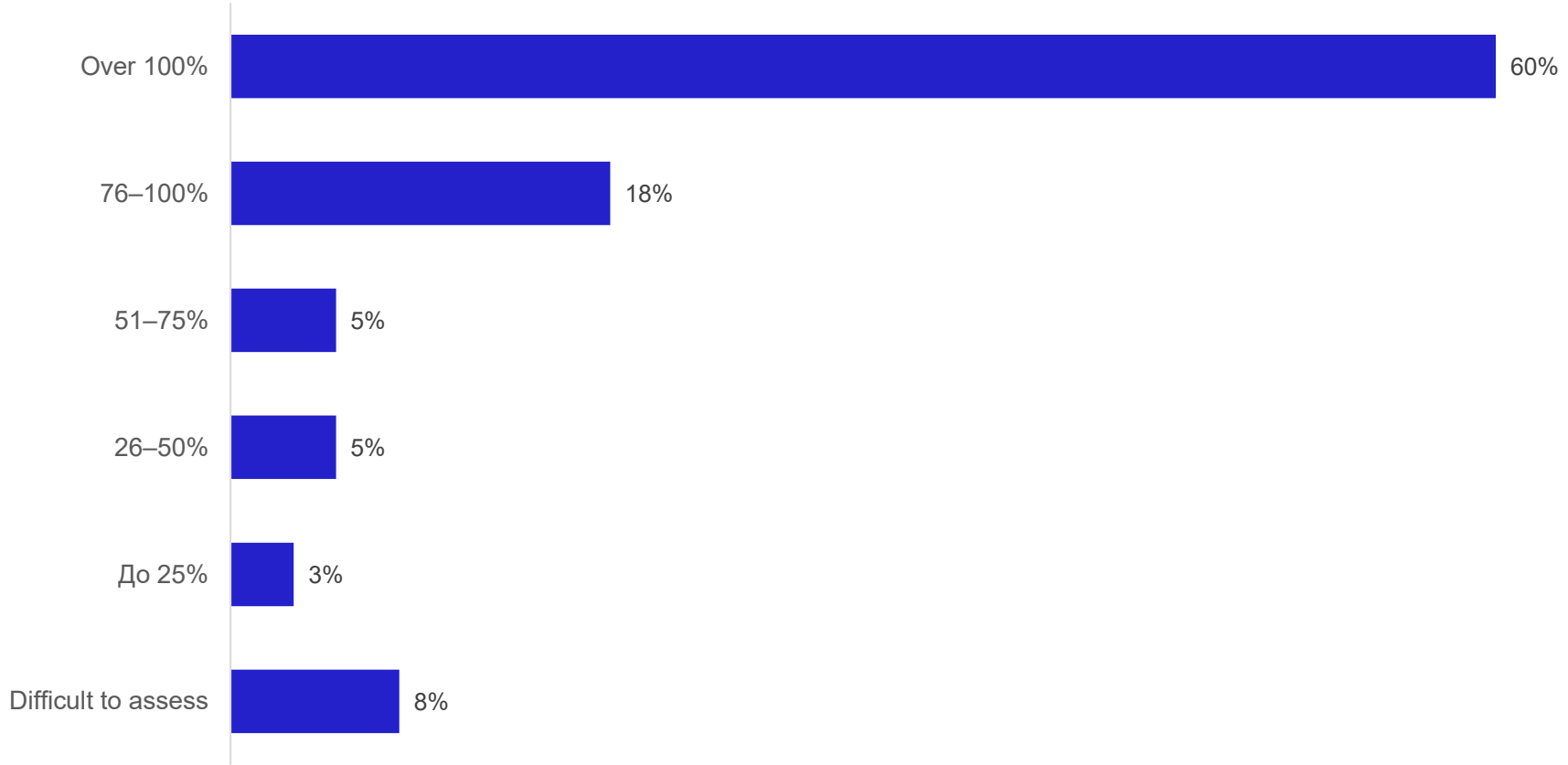
3. How many employees does your company currently have?

The largest share of surveyed companies (25%) employ between 26 and 50 people. Meanwhile, 45% of companies have up to 25 employees, while 25% have more than 100 employees.



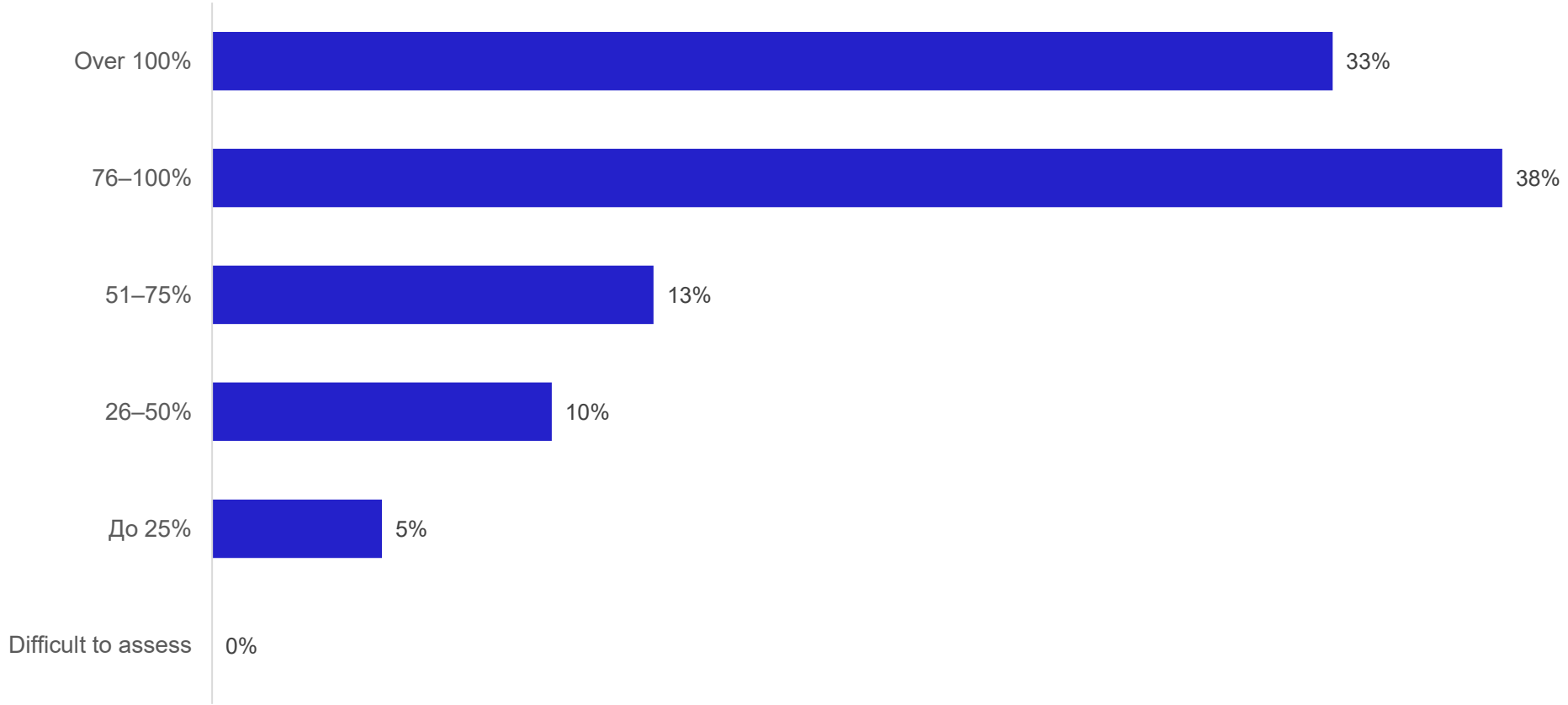
4. What is your company's current level of commercial activity compared to March 2022 (the beginning of the full-scale invasion)?

60% of surveyed companies report higher commercial activity than in March 2022. Another 18% have recovered to pre-war levels, while only 13% continue to operate at no more than 75% of their commercial activity levels at the beginning of the full-scale invasion.



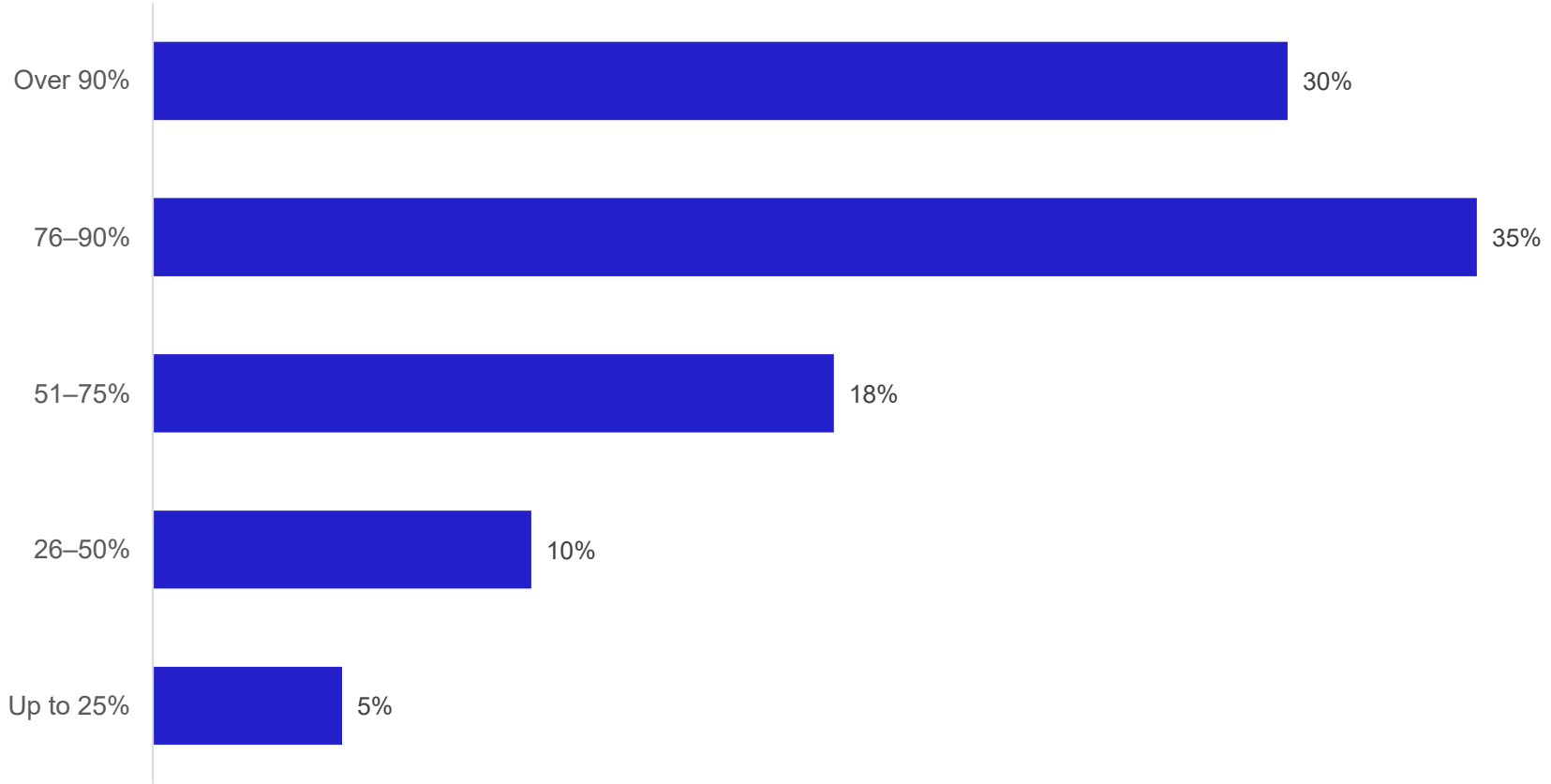
5. What is your company’s current level of commercial activity compared to March 2026?

38% of surveyed companies report commercial activity close to their March 2026 levels, while another 33% have already exceeded them. Meanwhile, 28% of companies operate at no more than 75% of their March 2026 activity levels.



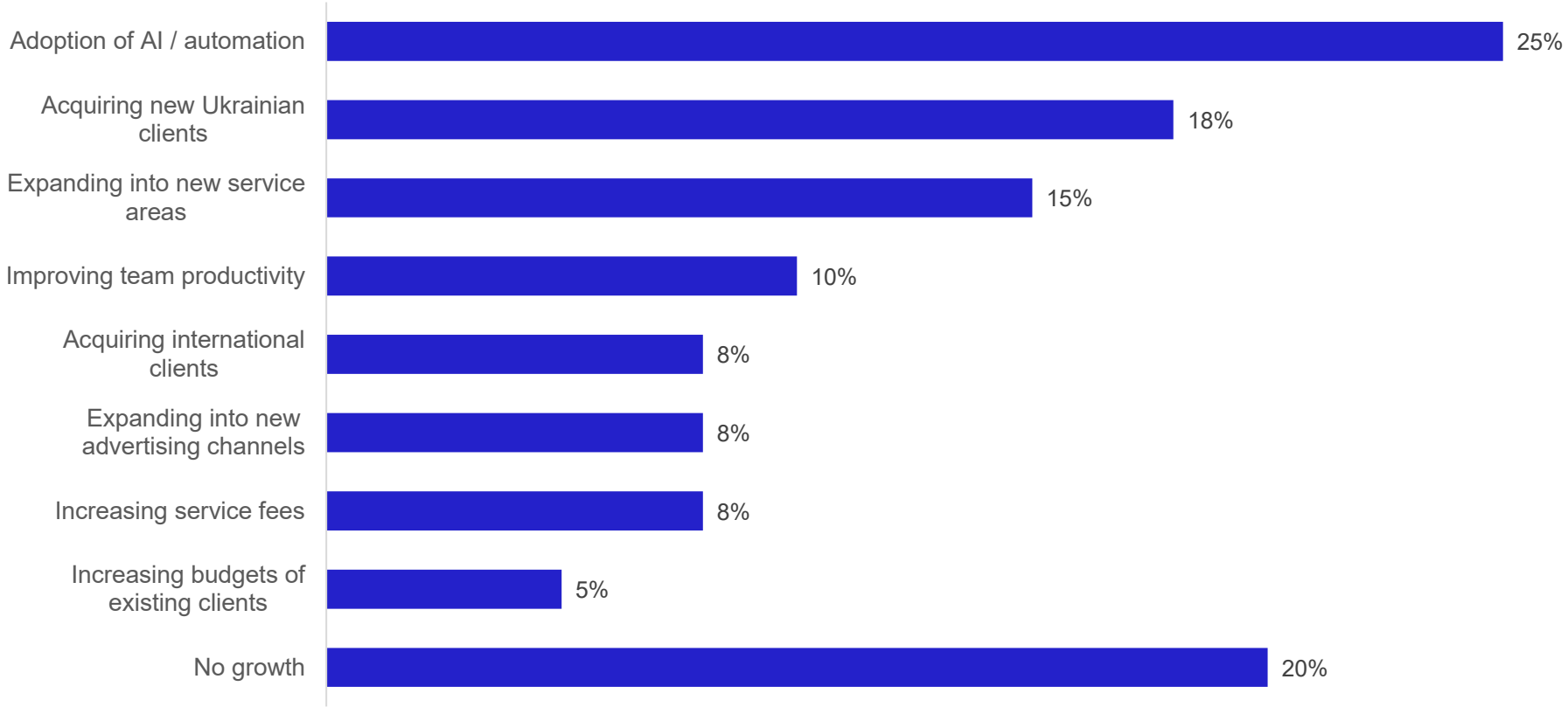
6. What proportion of your company's maximum potential capacity is currently being utilized?

65% of companies are operating at more than 75% of their maximum potential capacity, with nearly a third of respondents (30%) operating at over 90%. Meanwhile, 15% of companies are utilizing no more than half of their capacity.



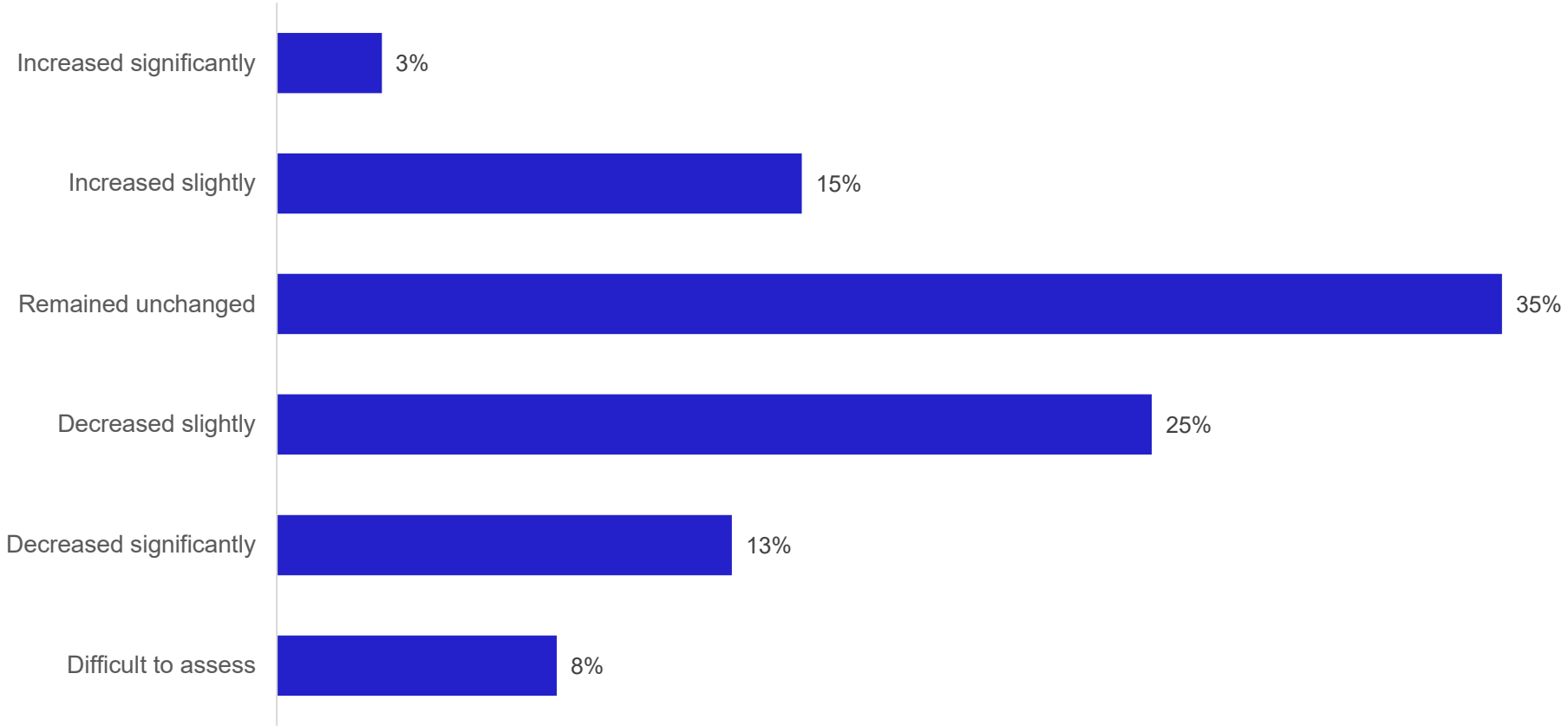
7. How would you describe your company's current situation compared to 2025?

The most common area of development compared to 2025 is the adoption of AI and automation (25%). Meanwhile, 20% of respondents report no growth. Other frequently mentioned strategies include acquiring new Ukrainian clients (18%) and expanding into new service areas (15%).



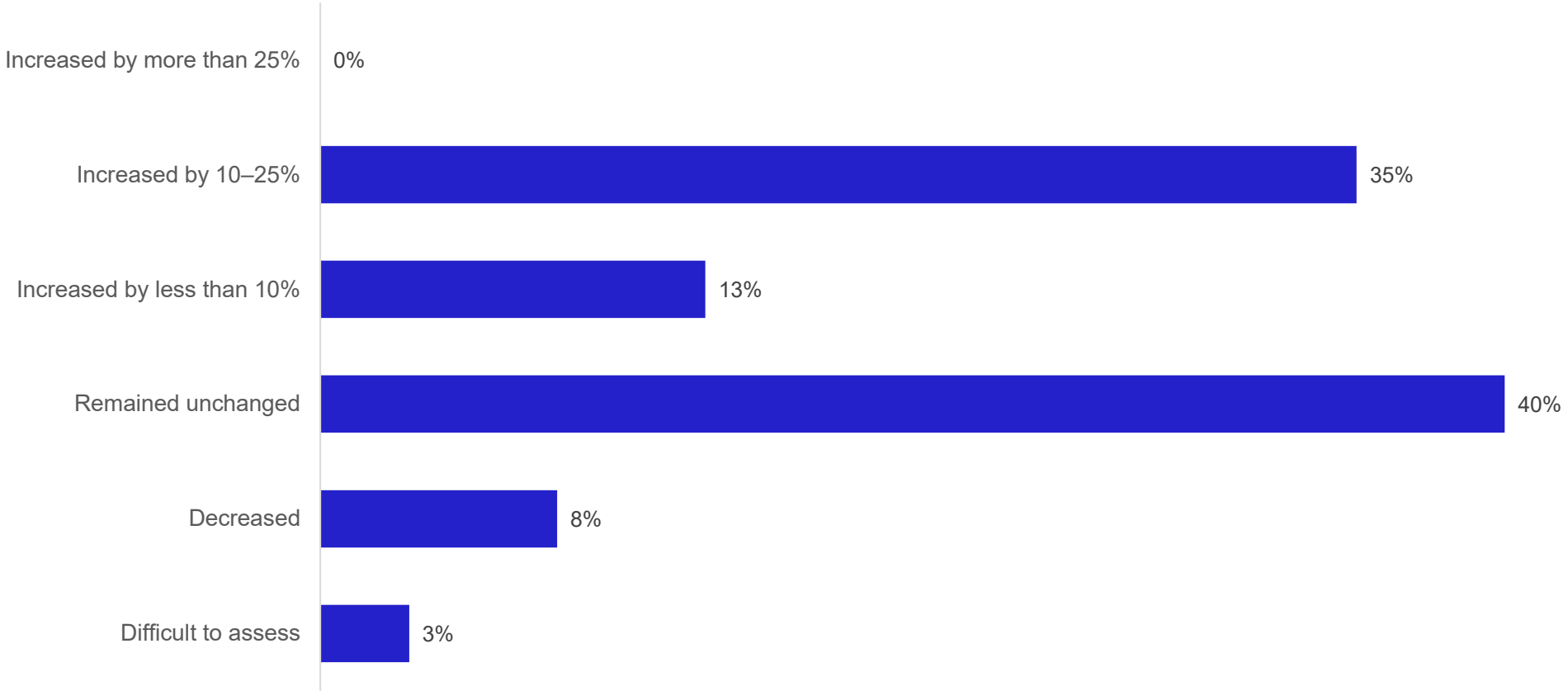
8. How has your business profitability changed since January 2026?

For 35% of companies, profitability has remained unchanged since January 2026, while 38% report varying degrees of decline. Only 18% of respondents report increased profitability, indicating that financial performance has been predominantly stagnant or negative.



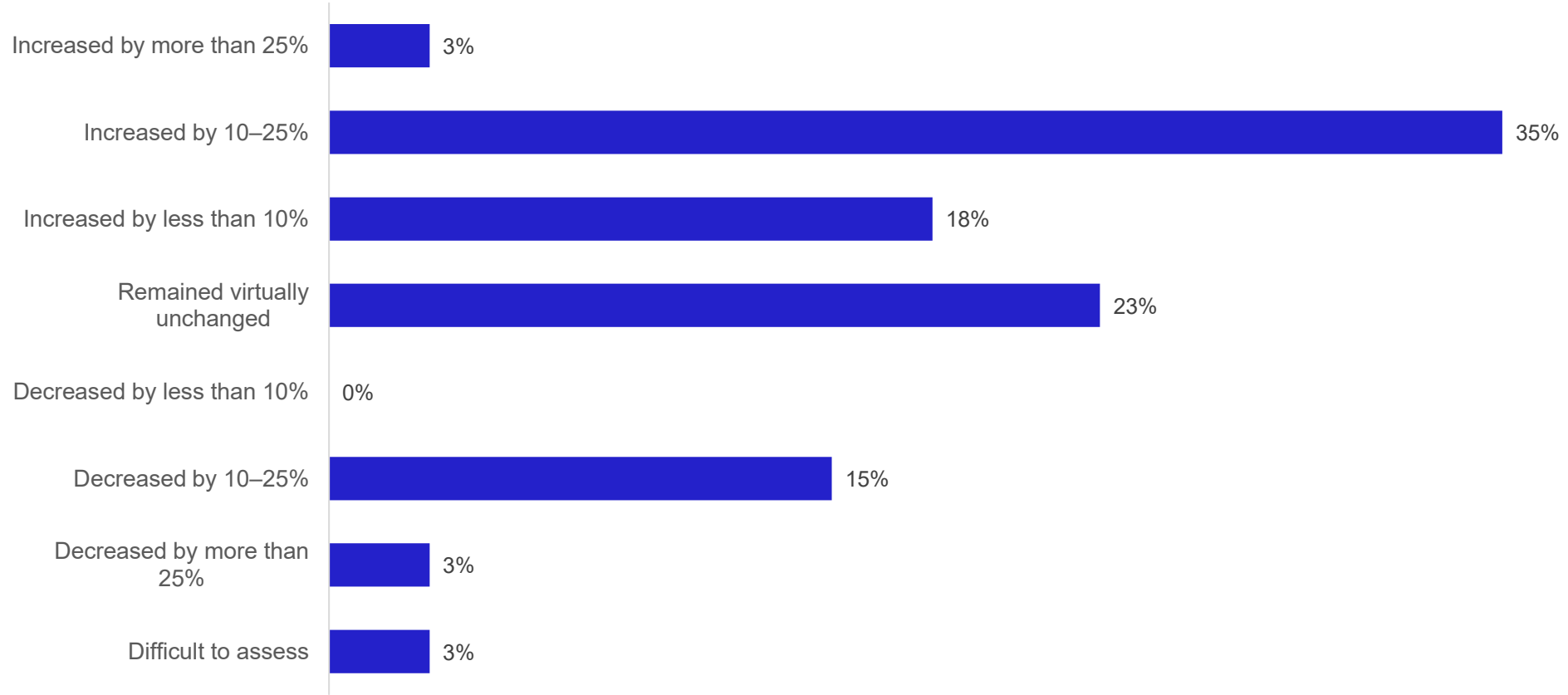
9. How has the average price of your services changed in 2026 compared to 2025?

40% of companies have kept their service prices unchanged in 2026 compared to 2025. Meanwhile, 48% have raised their prices, most commonly by 10–25% (35%), indicating a moderate increase in service prices across the market.



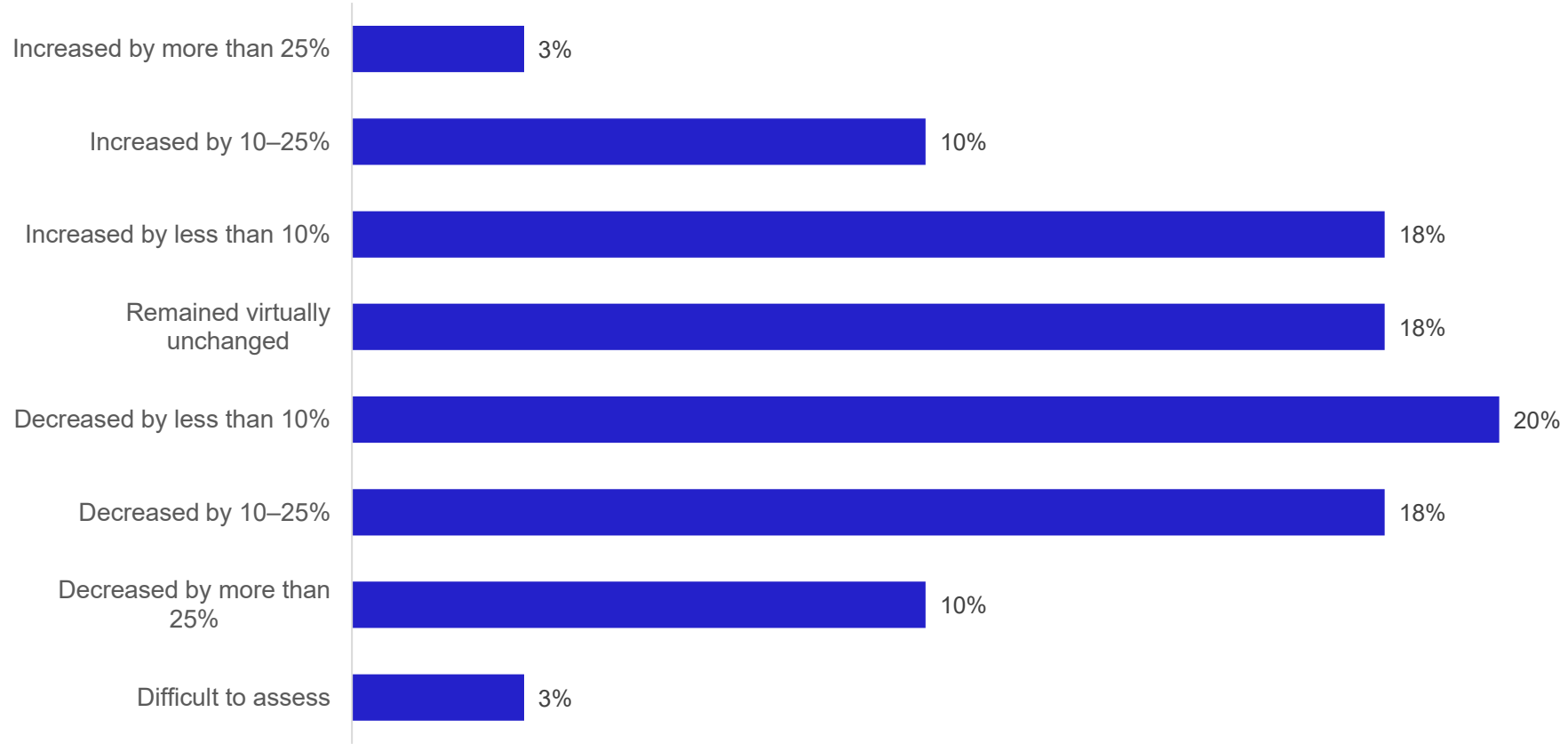
10. How did advertising budgets change in January–June 2026 compared to January–June 2025?

56% of surveyed advertising agencies and platforms report an increase in advertising budgets in the first half of 2026 compared to the same period in 2025, most commonly by 10–25% (35%). Meanwhile, 18% report budget cuts, while nearly a quarter (23%) saw no significant changes.



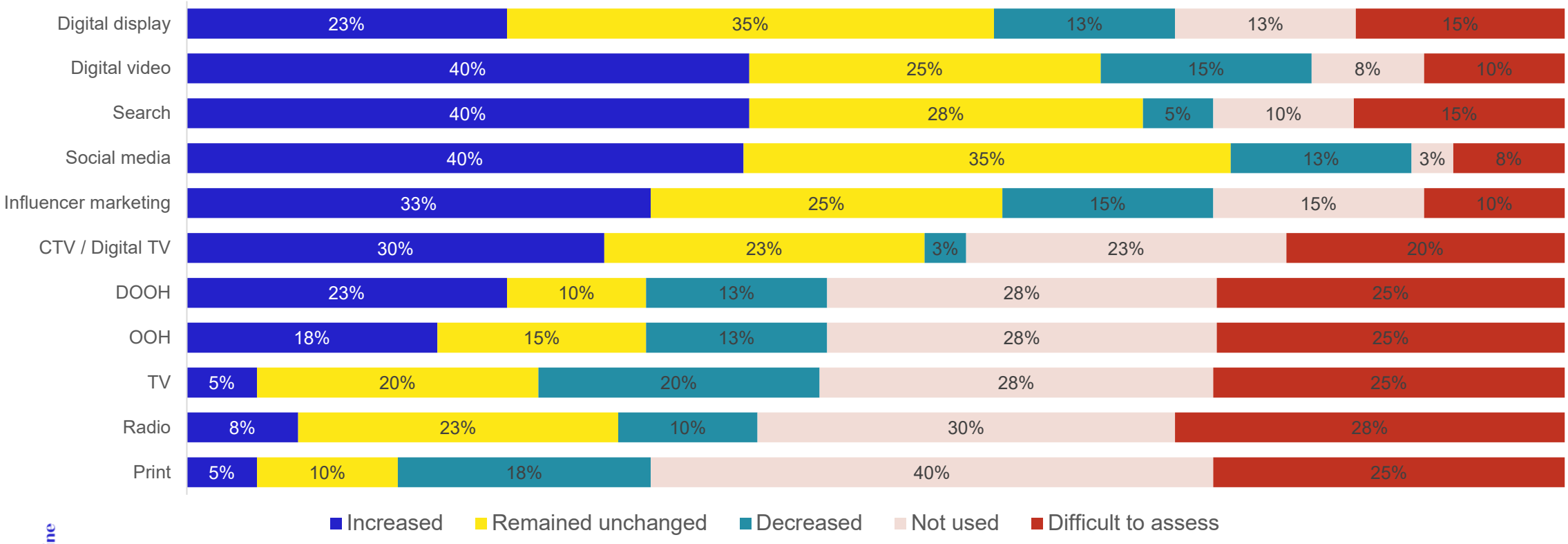
11. How did advertising budgets change in July–September 2026 compared to July–September 2025?

In the third quarter of 2026, advertising budget trends deteriorated: 31% of respondents reported growth, while 48% reported cuts. The most common reduction was less than 10% (20%), contrasting with the predominantly positive growth trend in the first half of the year.



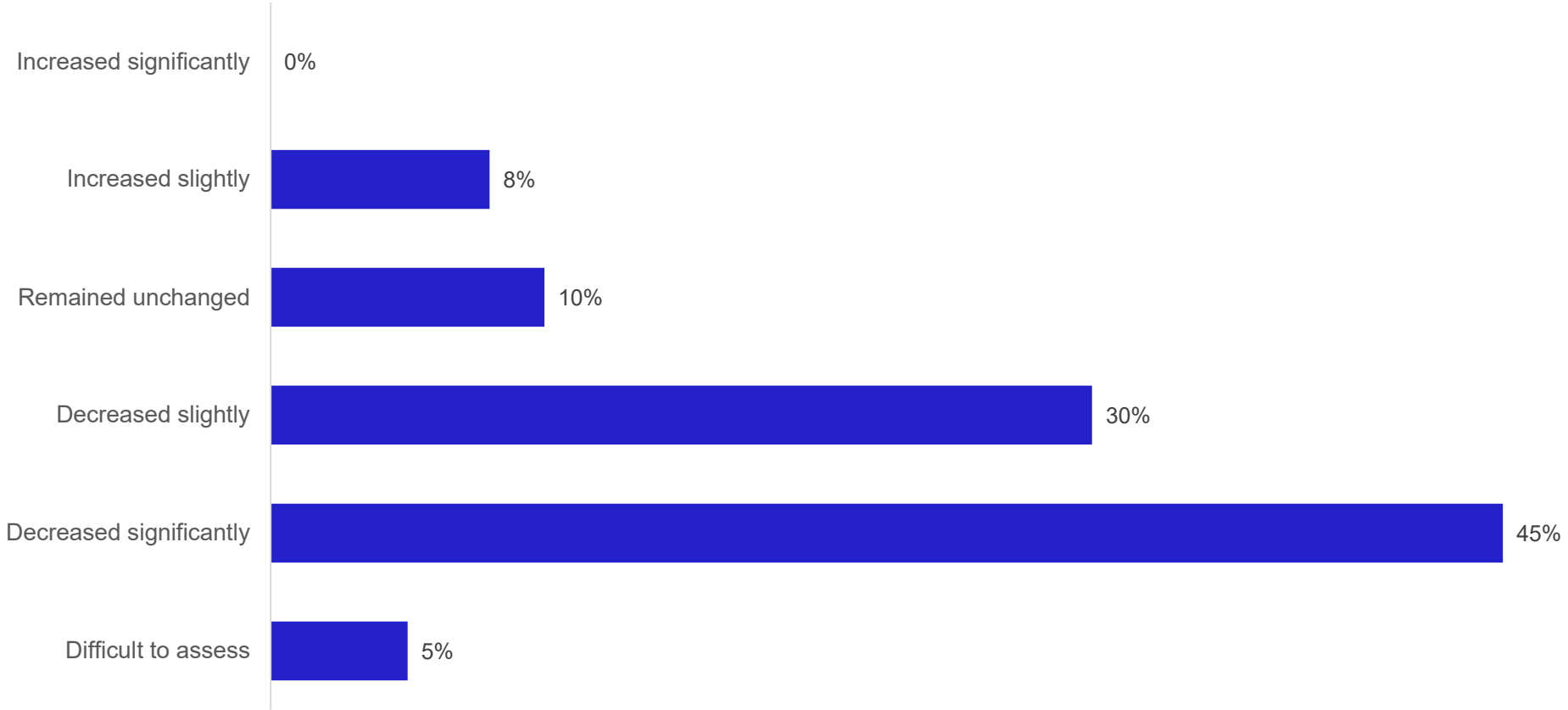
12. How did advertising budgets change across major channels in 2026?

In 2026, budget growth was most frequently reported for Digital Video, Search and Social Media (40% of respondents each), followed by IM (33%). Traditional channels showed weaker performance: TV budgets decreased at 20% of surveyed companies, while Print was the most commonly unused channel (40%).



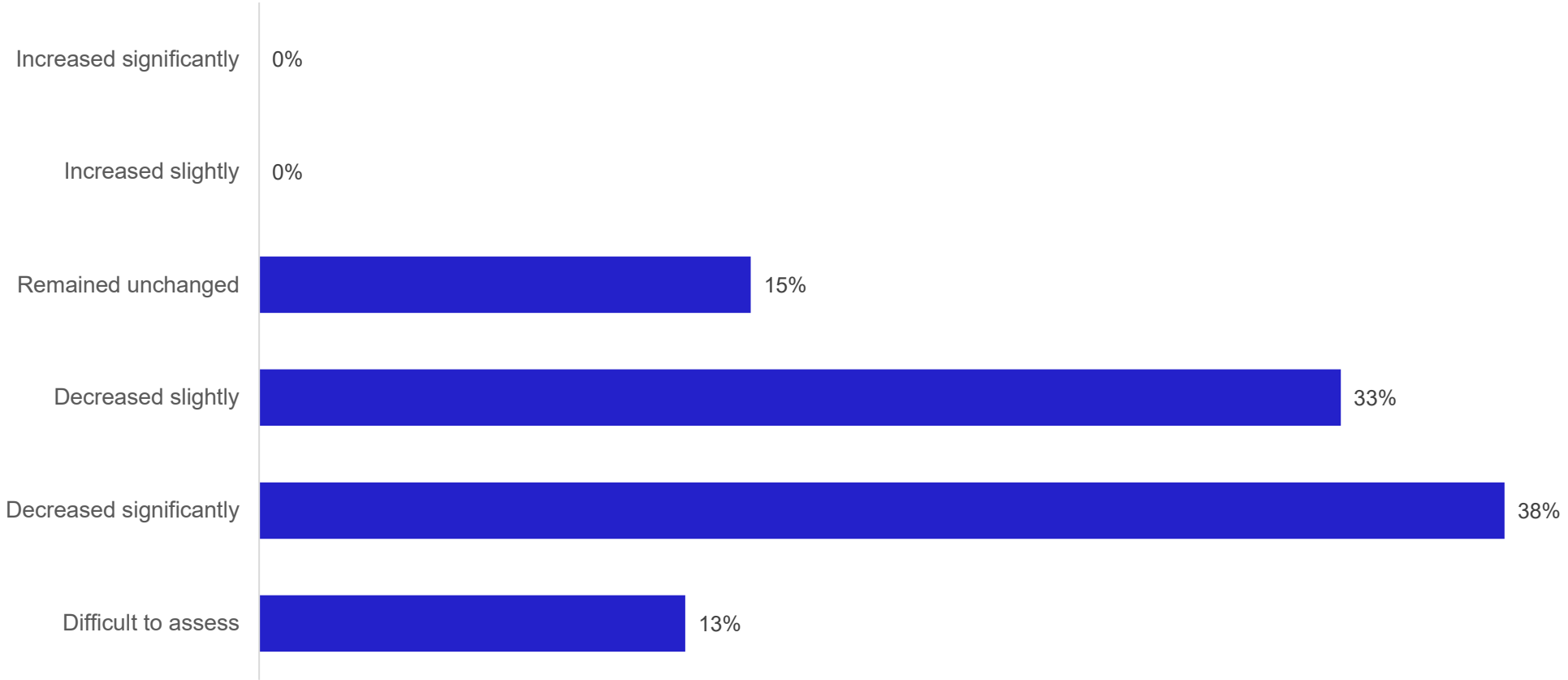
13. How has the predictability of advertising budgets changed compared to 2025?

75% of respondents report that advertising budgets have become less predictable compared to 2025, with 45% describing the decline in predictability as significant. Only 8% report an improvement, indicating growing uncertainty in advertising investment planning.



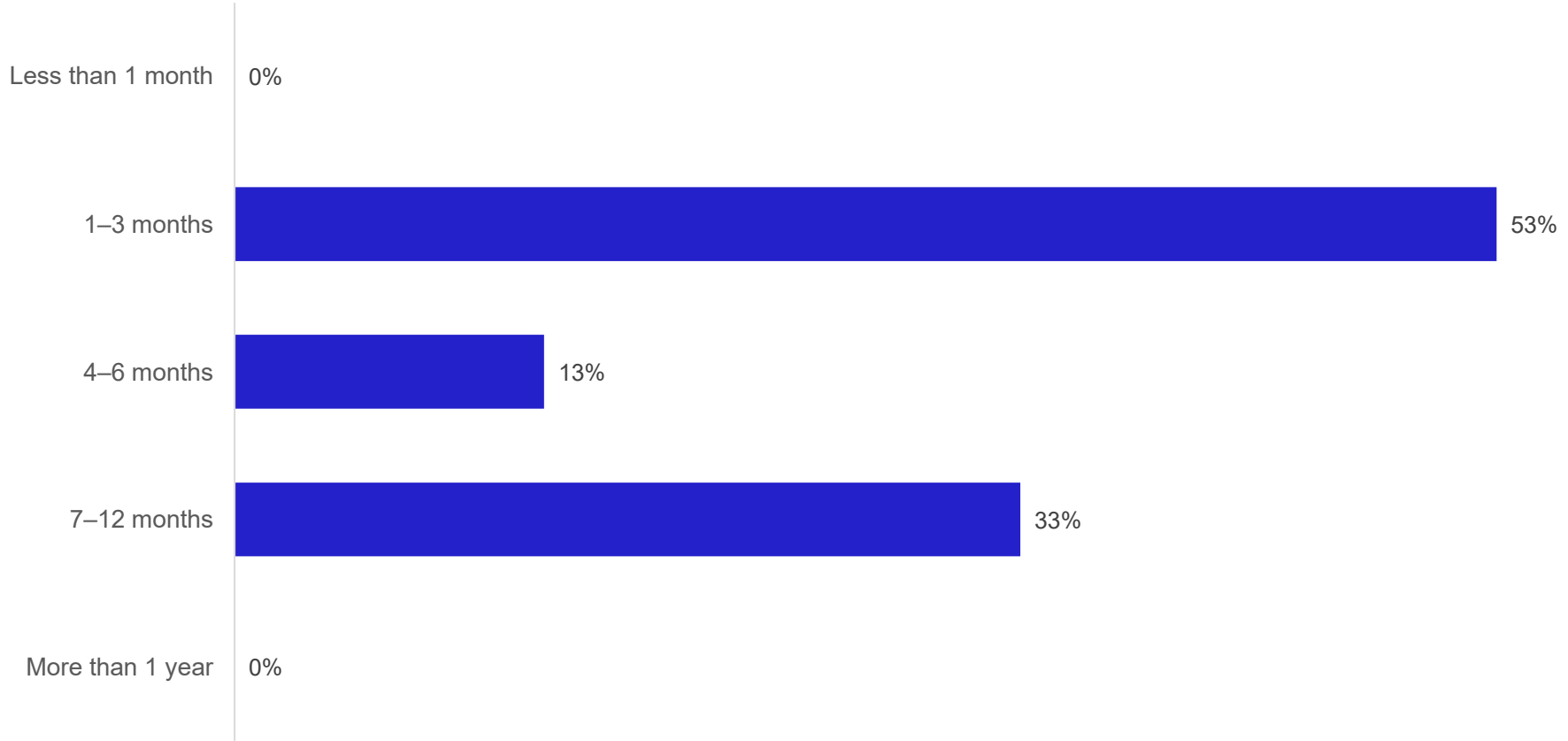
14. How has the predictability of advertising budgets changed compared to January–June 2026?

71% of respondents report that advertising budgets have become less predictable compared to the first half of 2026, with 38% describing the decline as significant. None of the respondents reported an improvement, indicating further increases in uncertainty around advertising investment planning in the second half of the year.



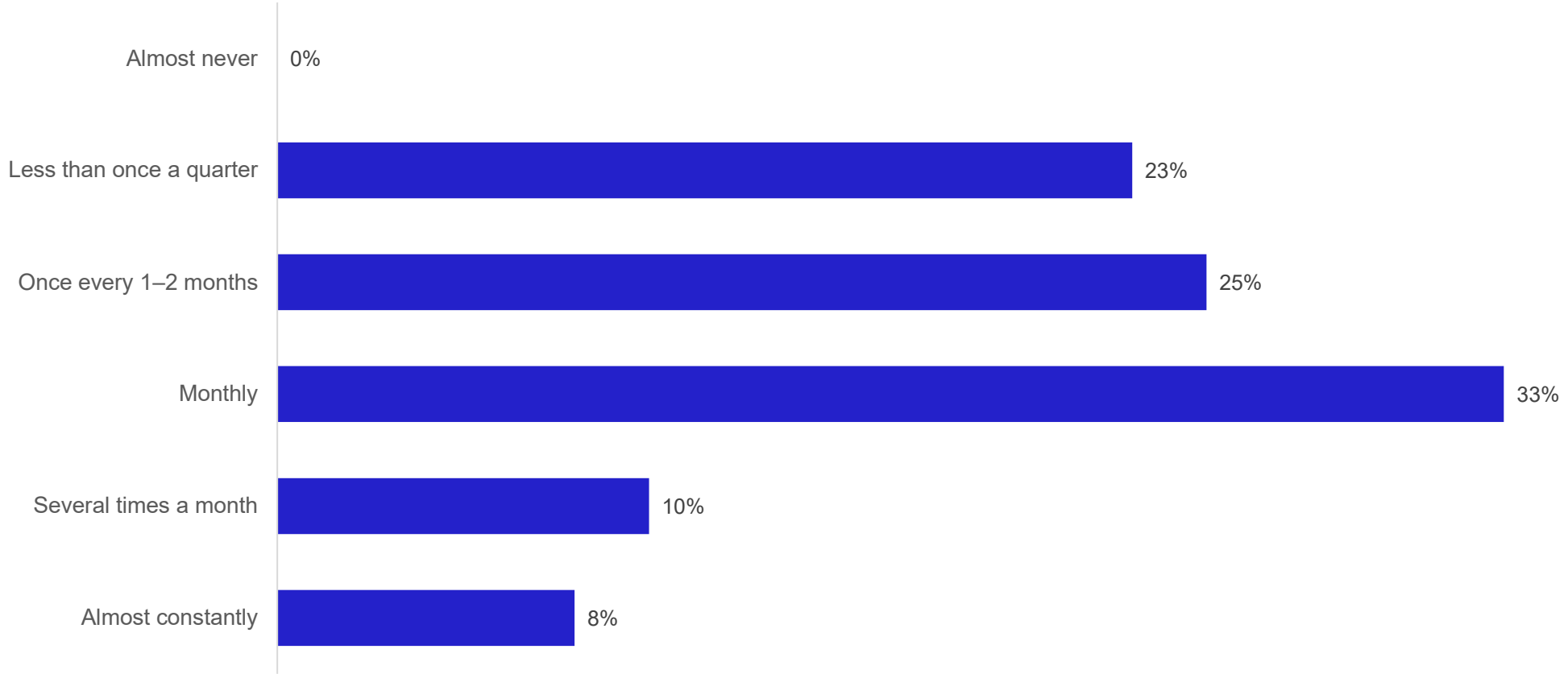
15. What is your company’s average advertising budget planning horizon?

More than half of the surveyed advertising agencies and platforms (53%) plan their advertising budgets 1–3 months ahead, while a third (33%) plan 7–12 months ahead. None of the companies plans budgets for less than one month or more than a year, indicating a preference for short- and medium-term planning.



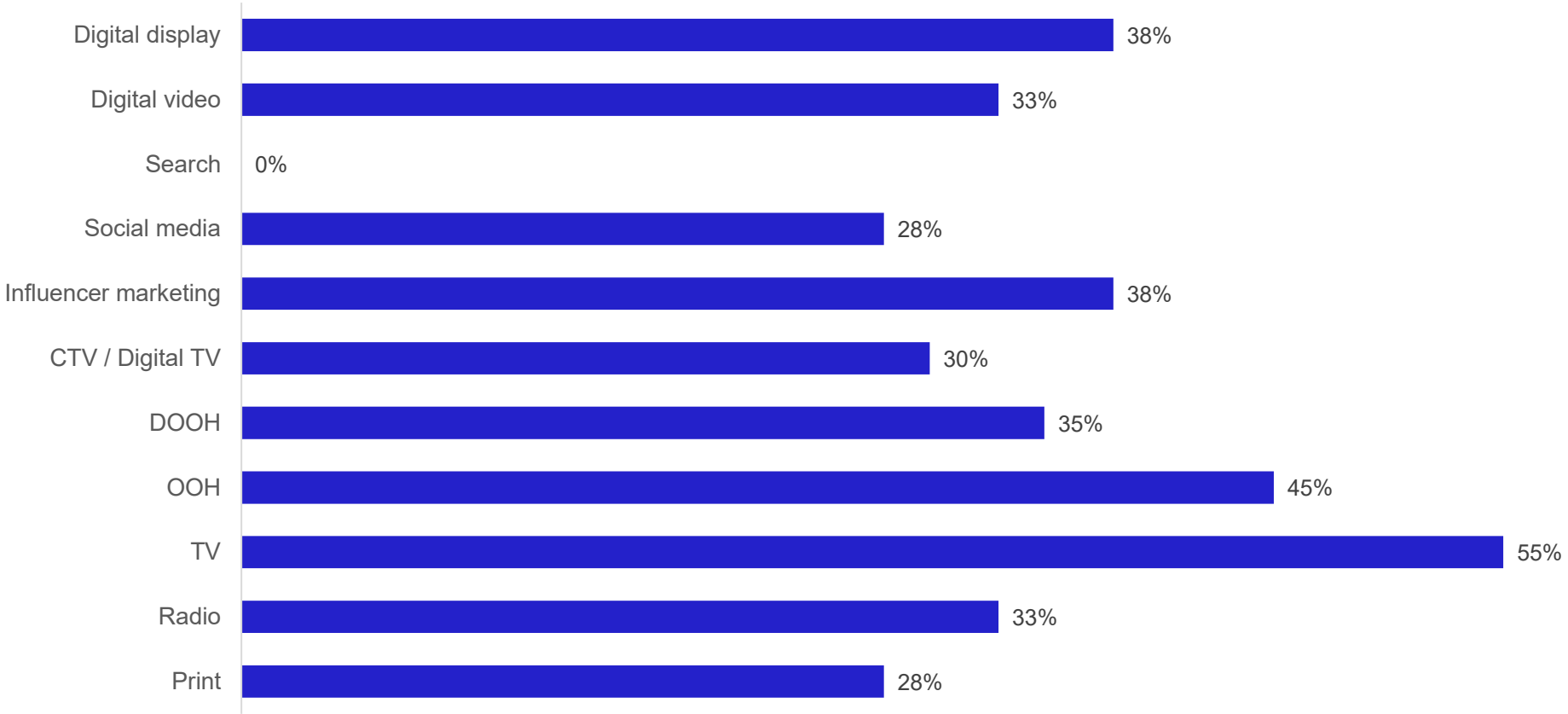
16. How often are approved advertising campaigns or budgets revised due to external circumstances?

76% of respondents report that approved advertising campaigns or budgets are revised due to external circumstances at least once every 1–2 months, with a third (33%) facing such changes monthly. This underscores the instability of operating conditions and the need to review advertising plans regularly.



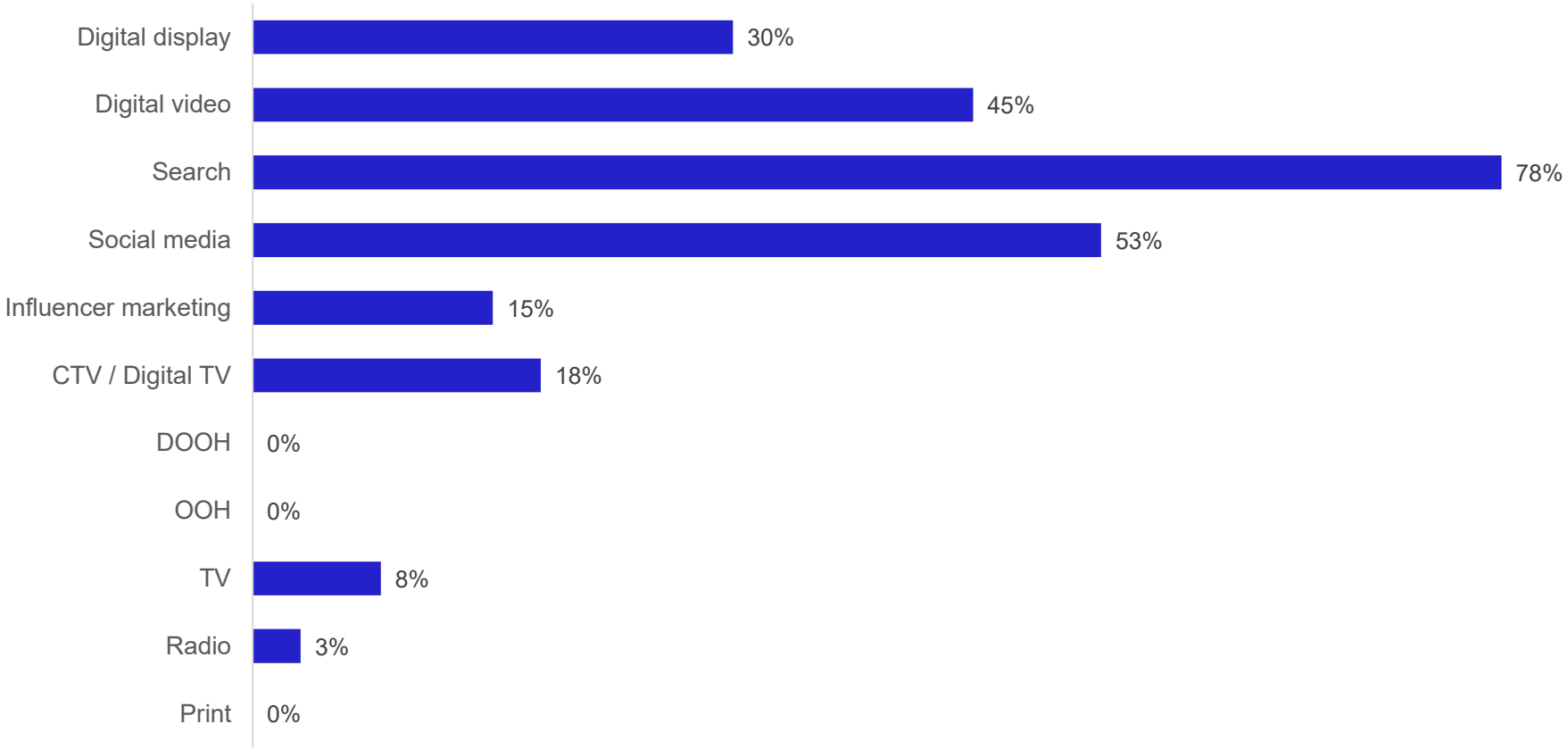
17. Which advertising channels are most often cut first when there is a need to optimize the advertising budget?

TV (55%) and OOH (45%) are the channels most often cut first when optimizing advertising budgets, followed by Digital Display and Influencer Marketing (38% each). Meanwhile, none of the respondents identified Search as a priority for cuts, suggesting that it is considered important for maintaining advertising effectiveness.



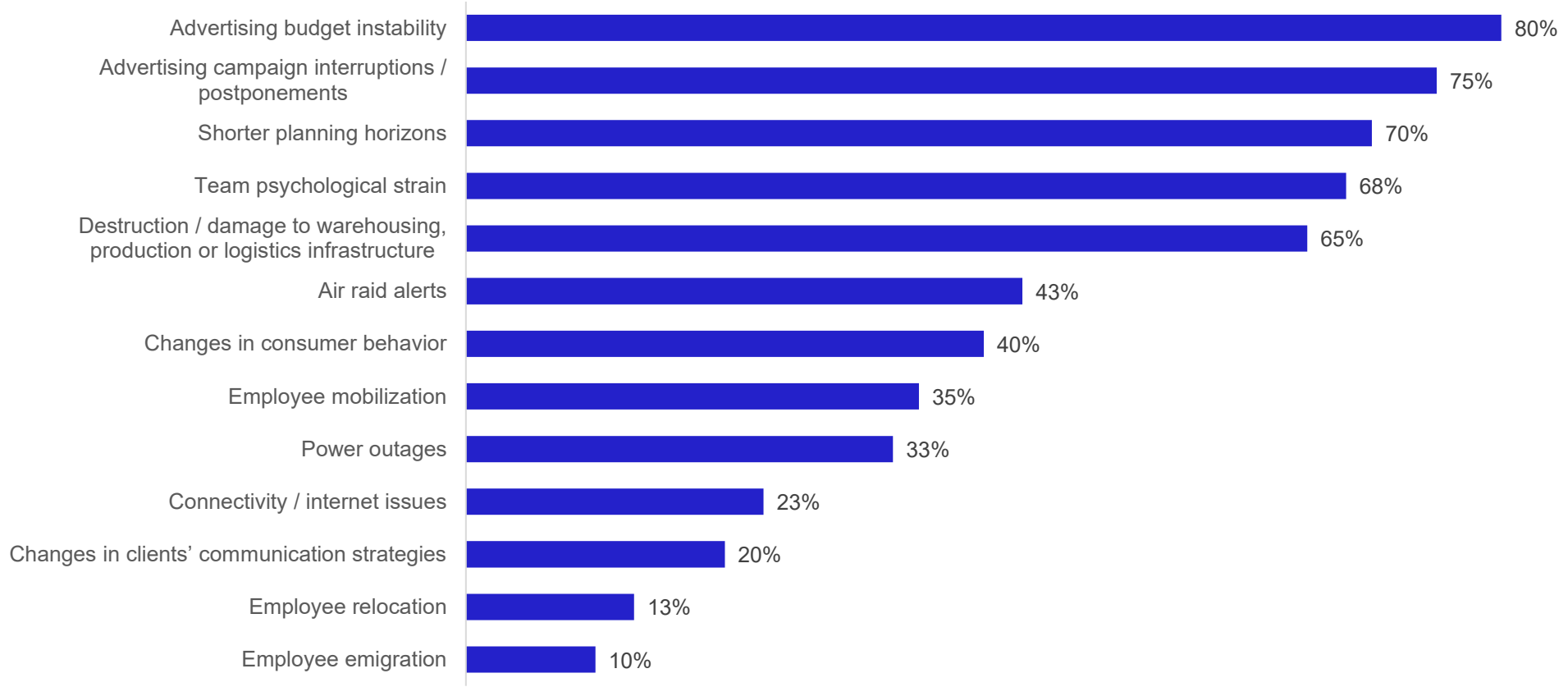
18. Which advertising channels are considered “must-have” even when advertising budgets are cut?

Search is the clear priority: 78% of respondents consider it essential even when advertising budgets are cut. Social Media (53%) and Digital Video (45%) are also among the most frequently cited must-have channels, highlighting the priority of digital channels in the advertising mix.



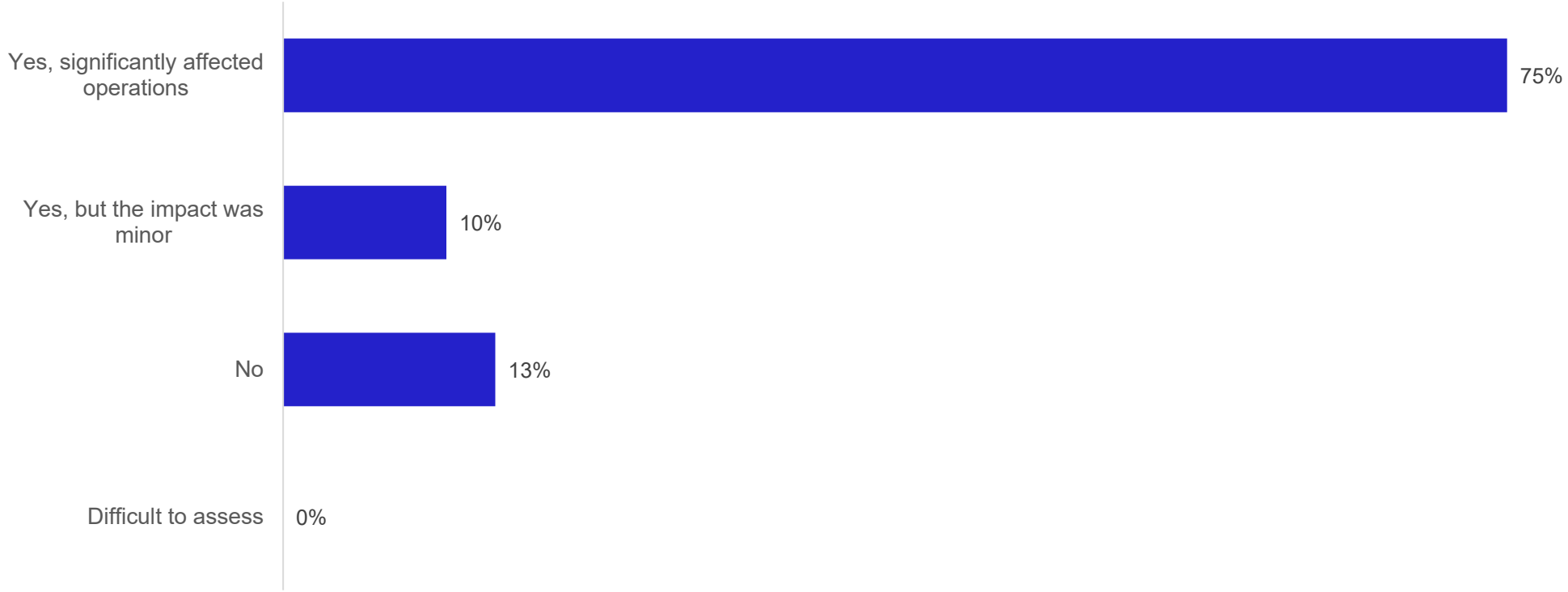
19. Which consequences of the full-scale war currently have the greatest impact on your company's operations?

The greatest impact on companies' operations comes from advertising budget instability (80%) and advertising campaign interruptions or postponements (75%), compounded by shorter planning horizons (70%). Other significant consequences include team psychological strain (68%) and the destruction or damage of infrastructure (65%).



20. Has your company experienced war-related destruction or damage to warehousing, production or logistics infrastructure?

85% of respondents report that war-related destruction or damage to warehousing, production or logistics infrastructure has affected their companies' operations, with 75% describing the impact as significant. Only 13% have not experienced such consequences.



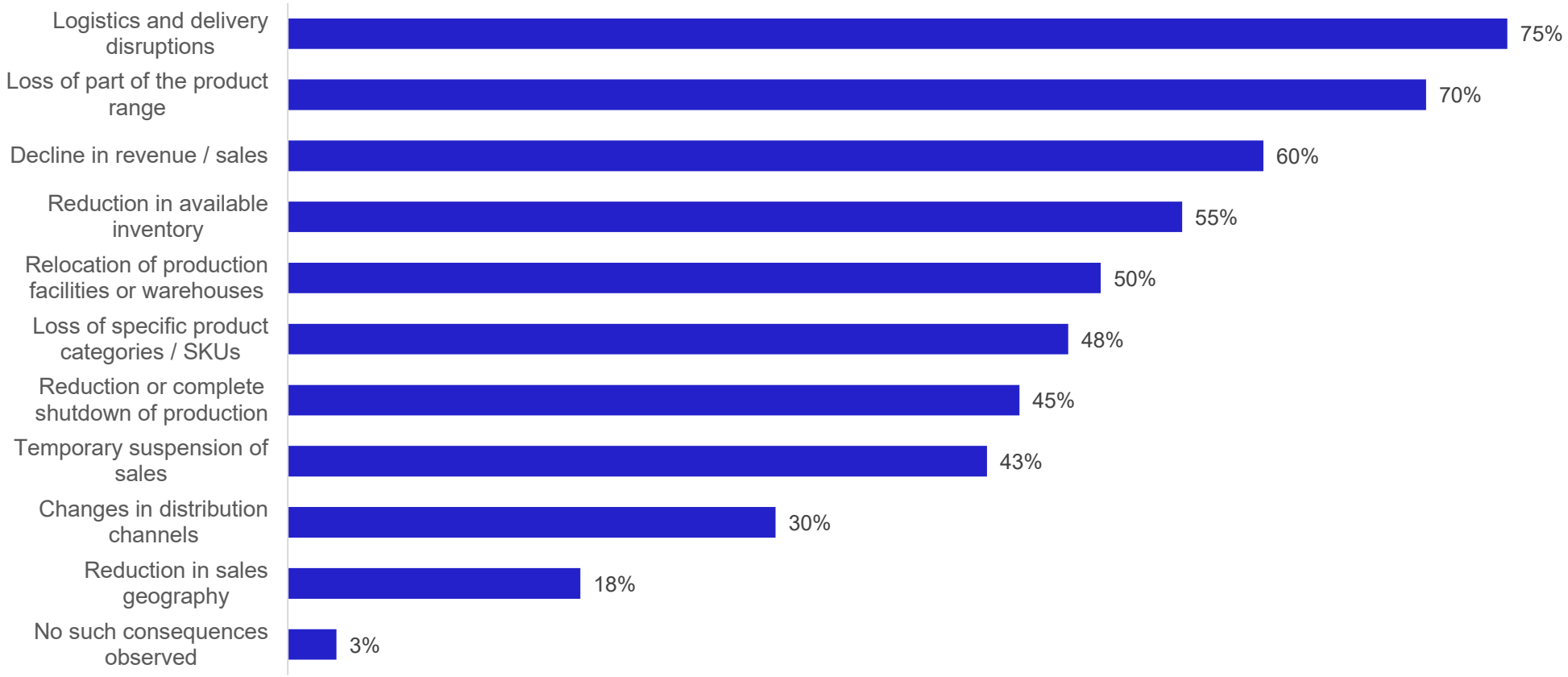
21. What proportion of businesses have been significantly affected by the destruction or damage of warehousing, production or logistics infrastructure?

According to advertising agencies and platforms, war-related destruction or damage to warehousing, production or logistics infrastructure has significantly affected an average of 27% of their advertiser clients' businesses.

27%

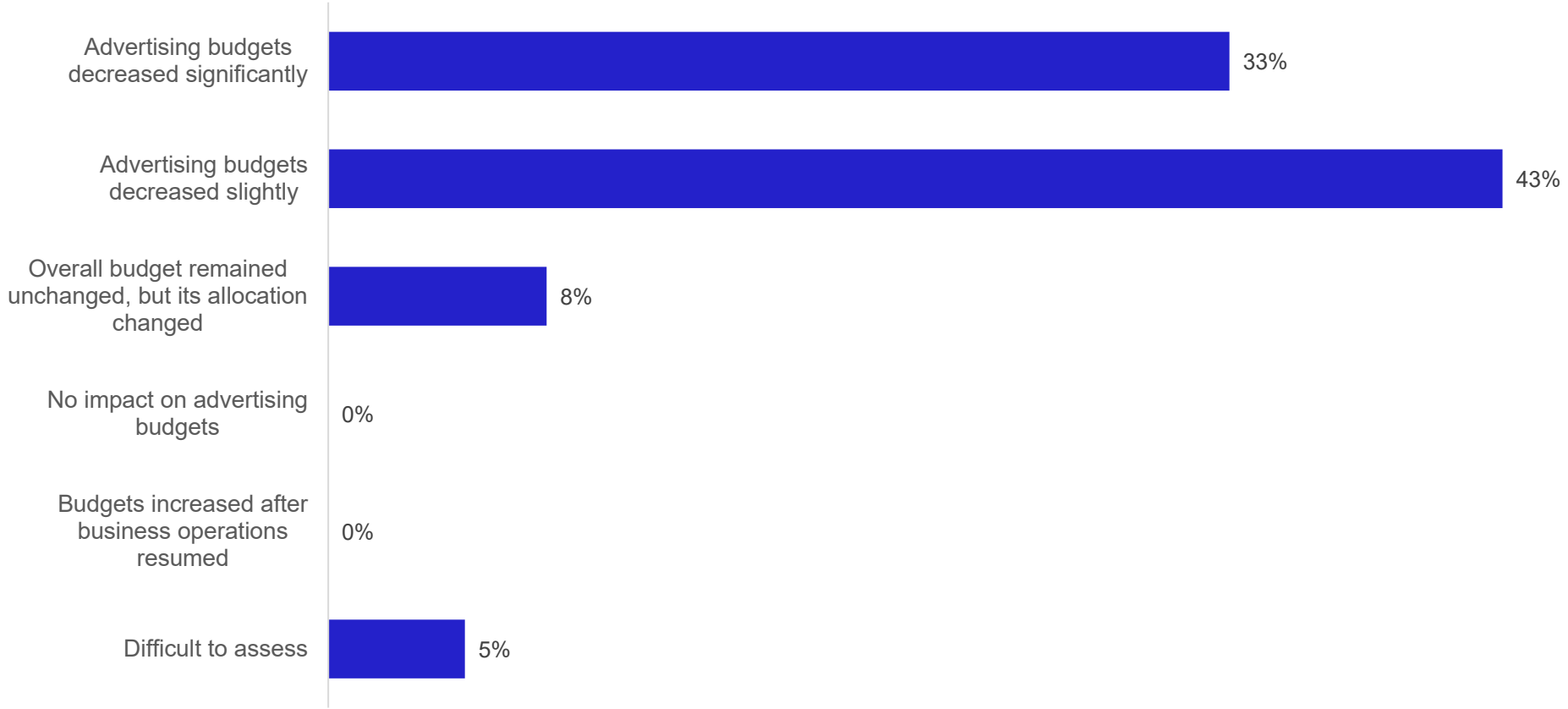
22. What impact has the destruction or damage of warehousing, production or logistics infrastructure had on businesses?

The most common consequences of infrastructure damage are logistics and delivery disruptions (75%) and the loss of part of the product range (70%). In addition, 60% of respondents report lower revenue and sales, while half report relocating production facilities or warehouses, highlighting the wide-ranging impact of destruction on business operations.



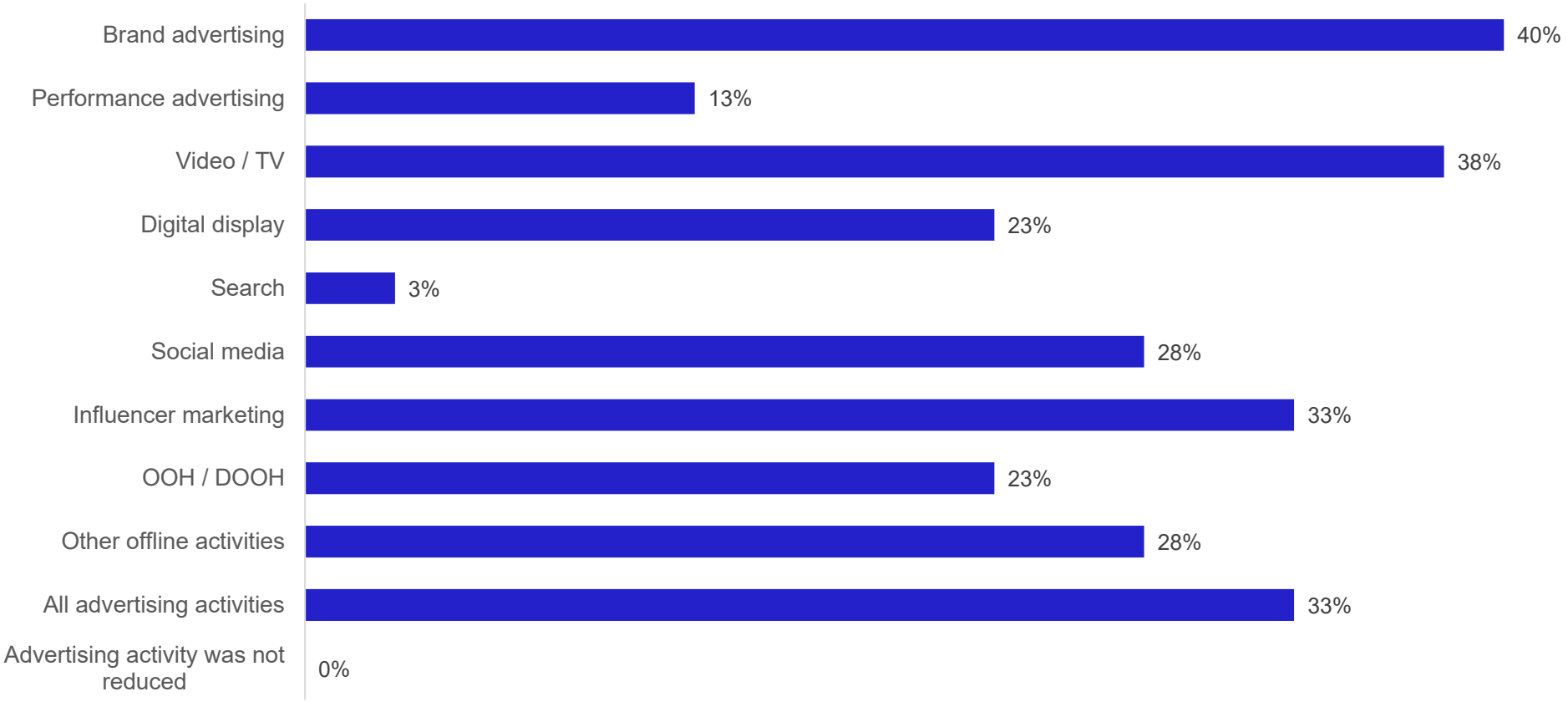
23. How has the destruction or damage of warehousing, production or logistics infrastructure affected advertising budgets?

For 76% of respondents, infrastructure destruction or damage led to advertising budget cuts, with 33% reporting significant reductions. Only 8% maintained their overall budget while reallocating spending, indicating that the resumption of operations has not yet been accompanied by increased advertising investment among the surveyed companies.



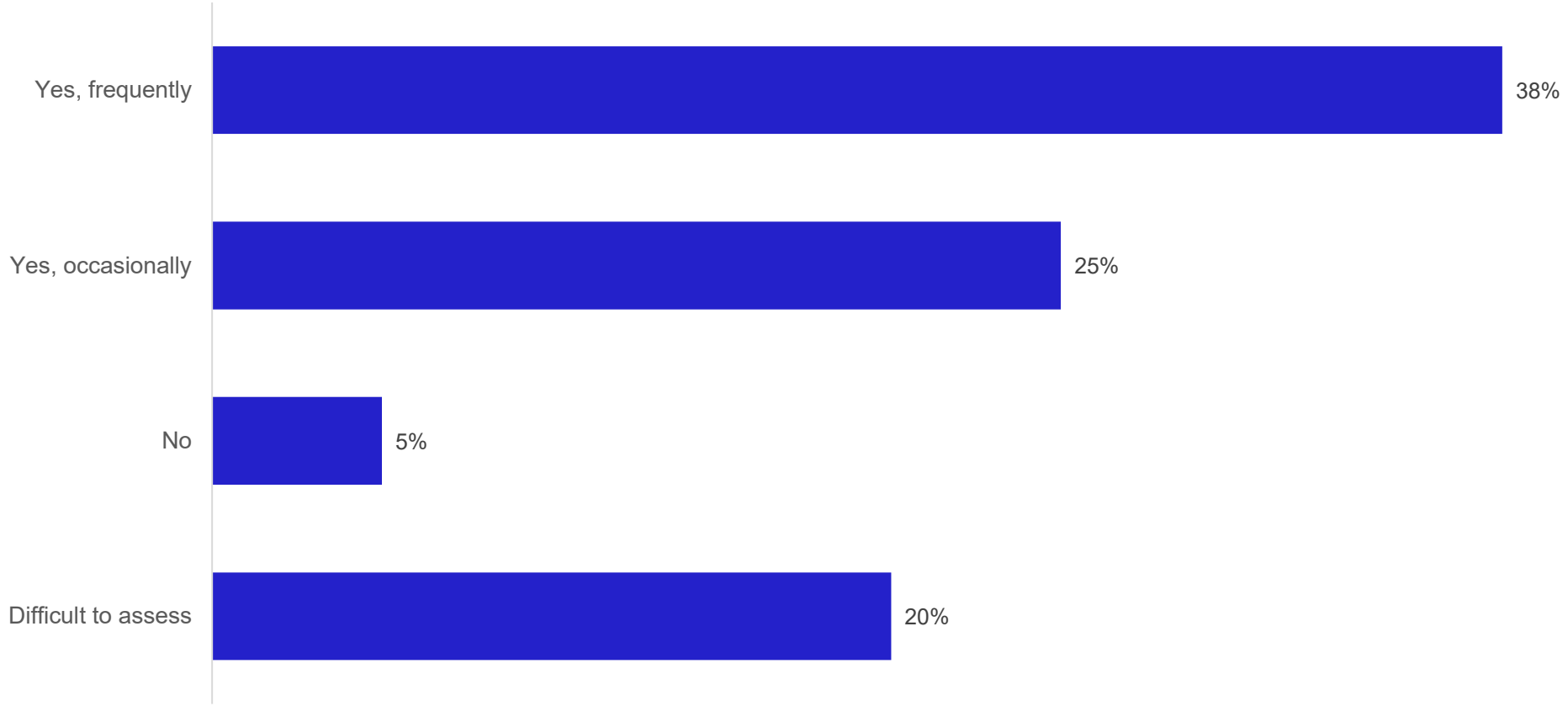
24. Which advertising activities were most often reduced or suspended due to the destruction or damage of warehousing, production or logistics infrastructure?

Infrastructure damage most often led to cuts in Brand Advertising (40%) and Video / TV (38%), followed by Influencer Marketing (33%). Another third of respondents (33%) reported cuts across all advertising activities, while Search was rarely affected (3%).



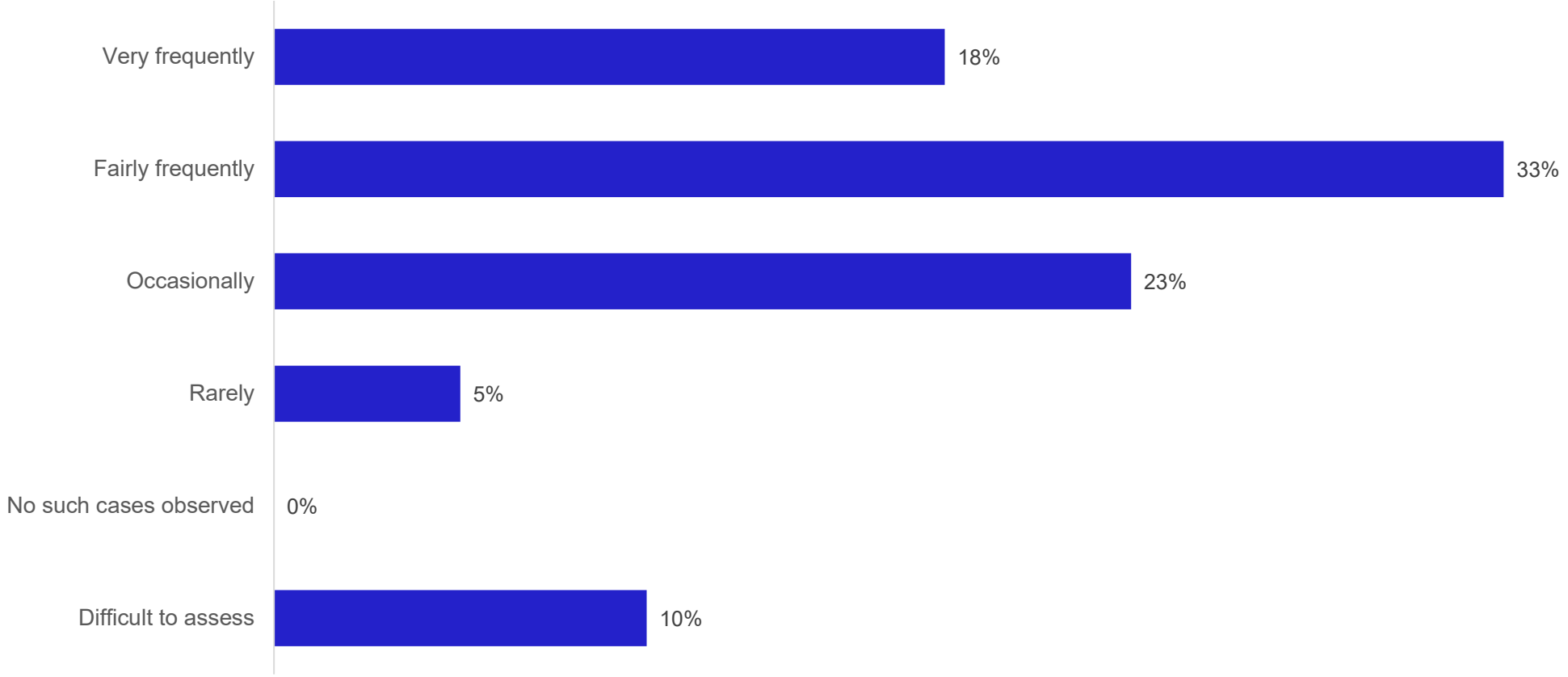
25. Have there been cases where advertising activity recovered more slowly than business operations due to inventory or logistics issues?

63% of respondents report that advertising activity recovered more slowly than business operations due to inventory or logistics issues: 38% experience this frequently, while another 25% encounter it occasionally. This indicates that the resumption of business operations does not always mean companies are ready to return to previous levels of advertising investment.



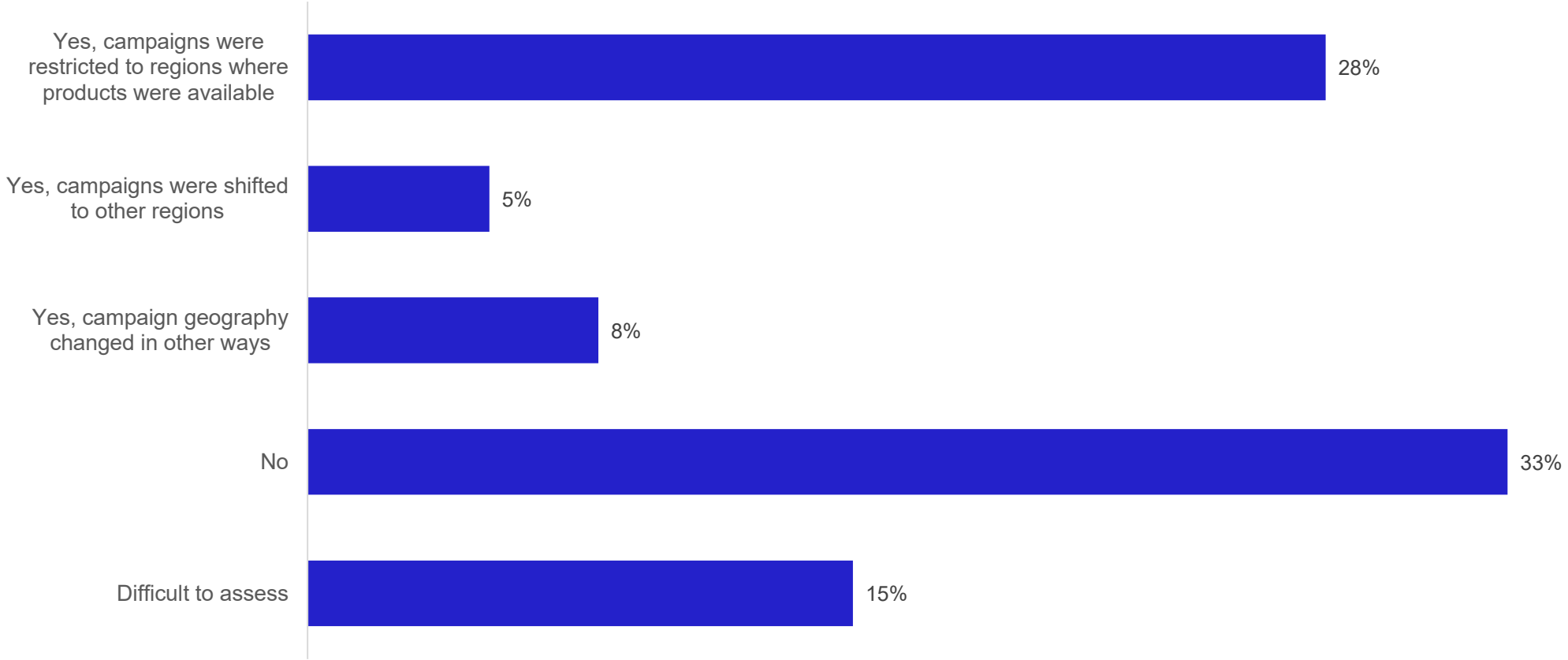
26. How often has advertising strategy changed due to the loss or shortage of specific products / categories?

51% of respondents report that the loss or shortage of specific products or categories led to changes in advertising strategy very frequently or fairly frequently. Another 23% encountered such changes occasionally, underscoring the dependence of advertising planning on product availability.



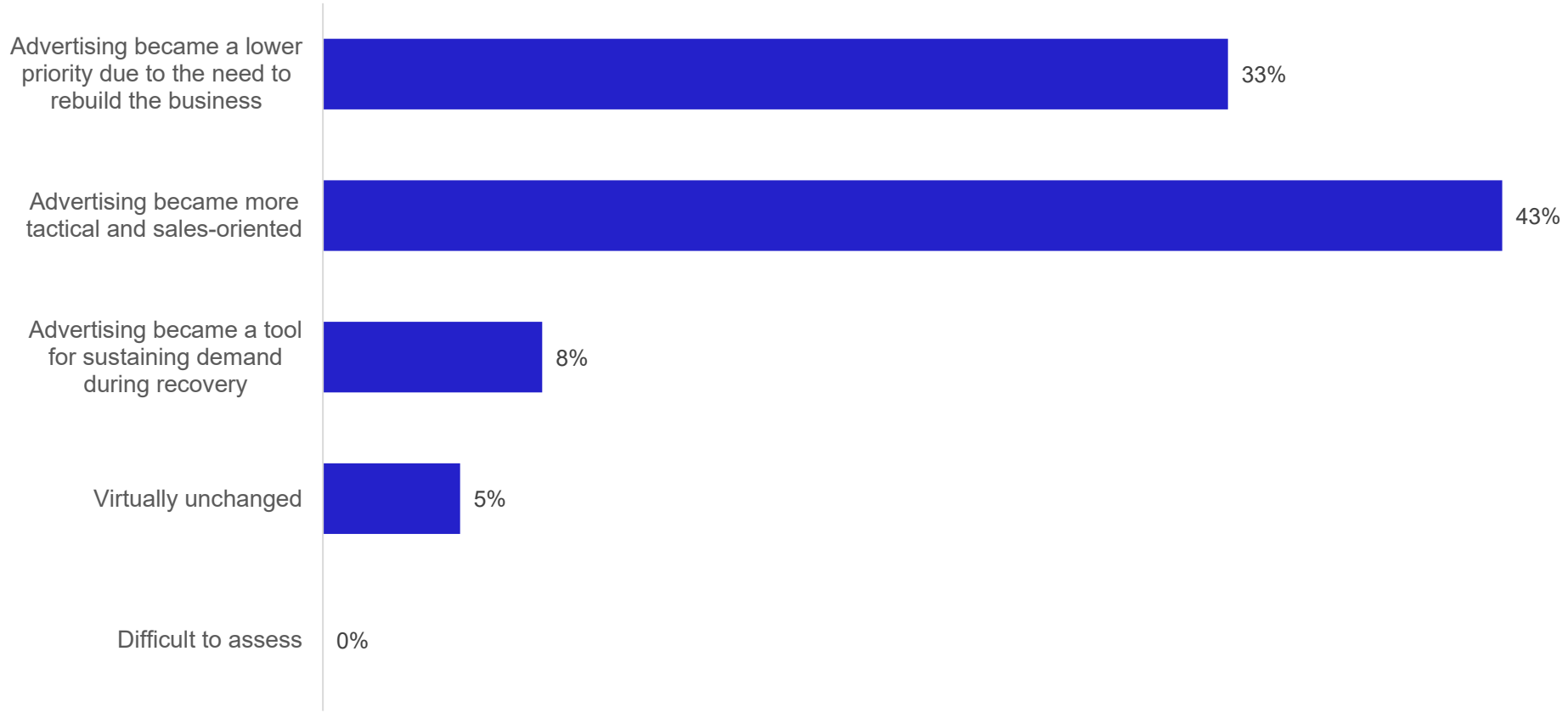
27. Did product availability issues affect the geographic targeting of advertising campaigns?

41% of respondents report that product availability issues affected the geographic targeting of advertising campaigns. The most common response was to restrict campaigns to regions where products were available (28%). Meanwhile, a third of respondents (33%) did not change campaign geography in response to such circumstances.



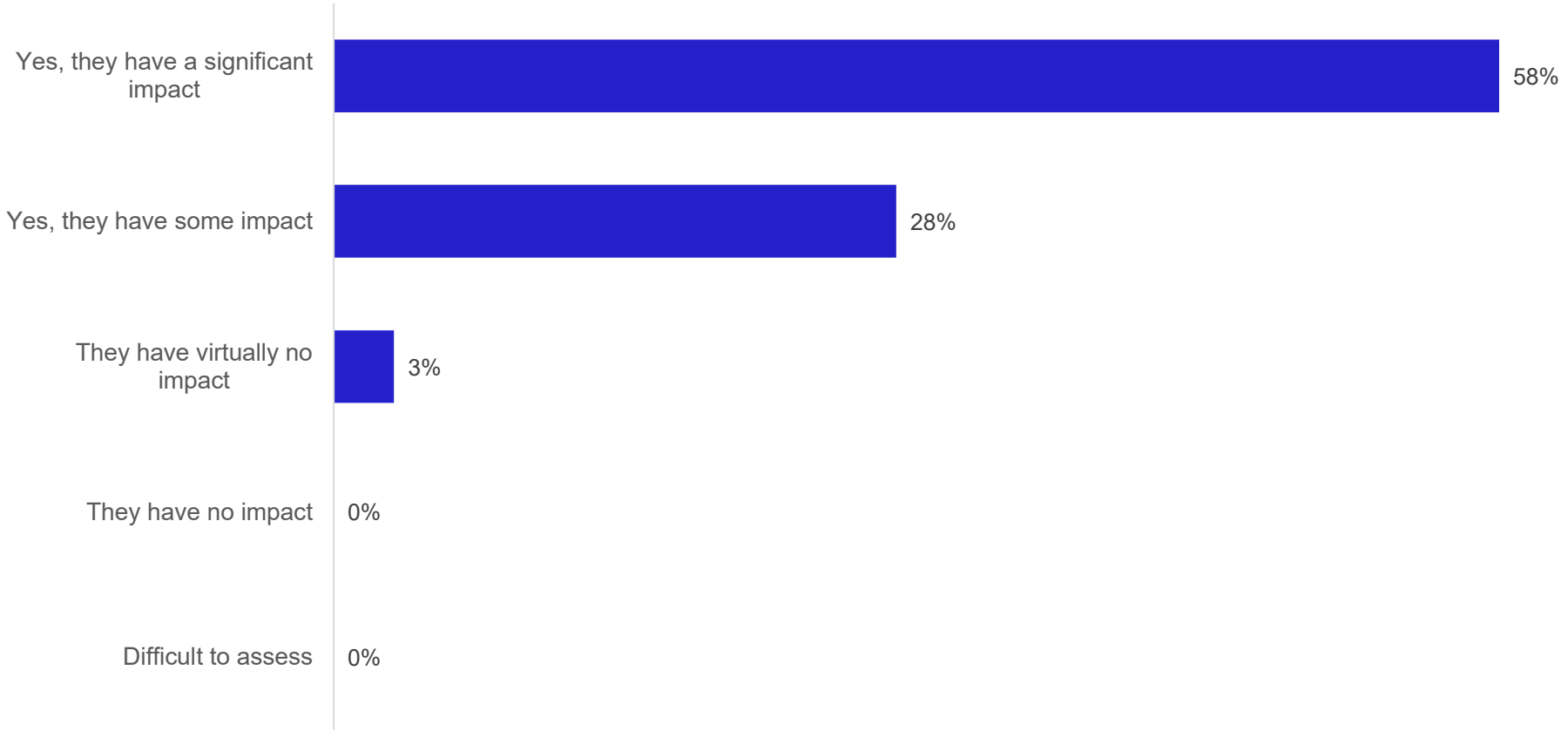
28. In your assessment, how has the role of advertising in business changed following significant physical infrastructure losses?

Following significant physical infrastructure losses, advertising has become more tactical and sales-oriented for 43% of respondents. Meanwhile, a third (33%) report that advertising has become a lower priority due to the need to rebuild their businesses, highlighting a shift in focus from long-term goals to immediate needs.



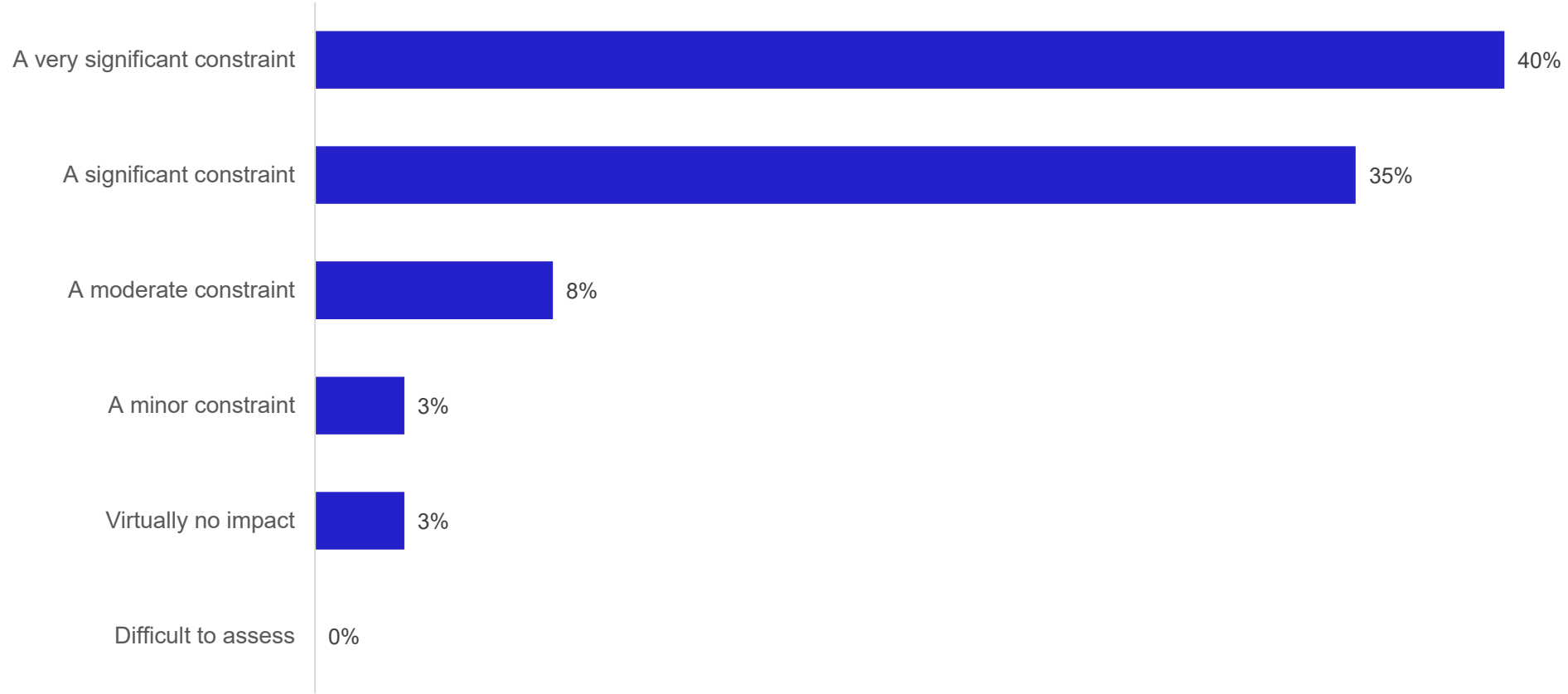
29. Do the consequences of infrastructure destruction or damage continue to affect advertising budgets?

86% of respondents report that the consequences of infrastructure destruction or damage continue to affect advertising budgets, with 58% describing the impact as significant. This highlights the lasting financial consequences of infrastructure losses and their continued effect on business advertising investment.



30. In your opinion, to what extent will physical losses to business infrastructure continue to constrain Ukrainian advertisers' advertising investments over the next 1–2 years?

75% of respondents believe that physical losses to business infrastructure will remain a significant or very significant constraint on Ukrainian advertisers' investments in advertising over the next 1–2 years. Only 6% expect the impact to be minor or nonexistent.



31. Which consequence of infrastructure destruction has the greatest impact on advertising activity today?

Destruction of Production Facilities and Infrastructure

- Physical destruction of production facilities, raw materials and finished goods; disruption of supply chains; changes to agreements with major retail chains
- Destruction of production and logistics infrastructure
- Destruction of production facilities
- Lack of production capacity
- Destruction of production facilities is the number one factor, followed by losses from inventory destruction and logistics disruptions
- Destruction of data centres
- Destruction of warehouses, stores and factories
- Energy infrastructure, production facilities and warehouses
- Warehouses and energy infrastructure
- Warehouses, production facilities and energy infrastructure
- Destruction of production facilities, warehouses, logistics and telecommunications infrastructure.

Loss of Goods and Inventory

- Product unavailability
- Strikes on clients' warehouses (every week, some clients suffer product losses)
- Destruction of inventory and product range, with funds reallocated to business and production recovery and maintaining operations
- Loss of goods means loss of revenue-generating opportunities
- Product unavailability and a shorter planning horizon

31. Which consequence of infrastructure destruction has the greatest impact on advertising activity today?

Disruptions to Logistics and Distribution

- Loss of logistics and distribution capabilities
- Logistics and costs

Energy Disruptions and Their Impact on Advertising Activity

- Power outages, as they change audience media consumption patterns and force rapid adaptation of the media mix and budget reallocation.
- Infrastructure disruptions have the greatest impact on advertising activity today, as they reduce audience reach, undermine the reliability of advertising platforms and affect campaign effectiveness.

Advertising Budget Cuts

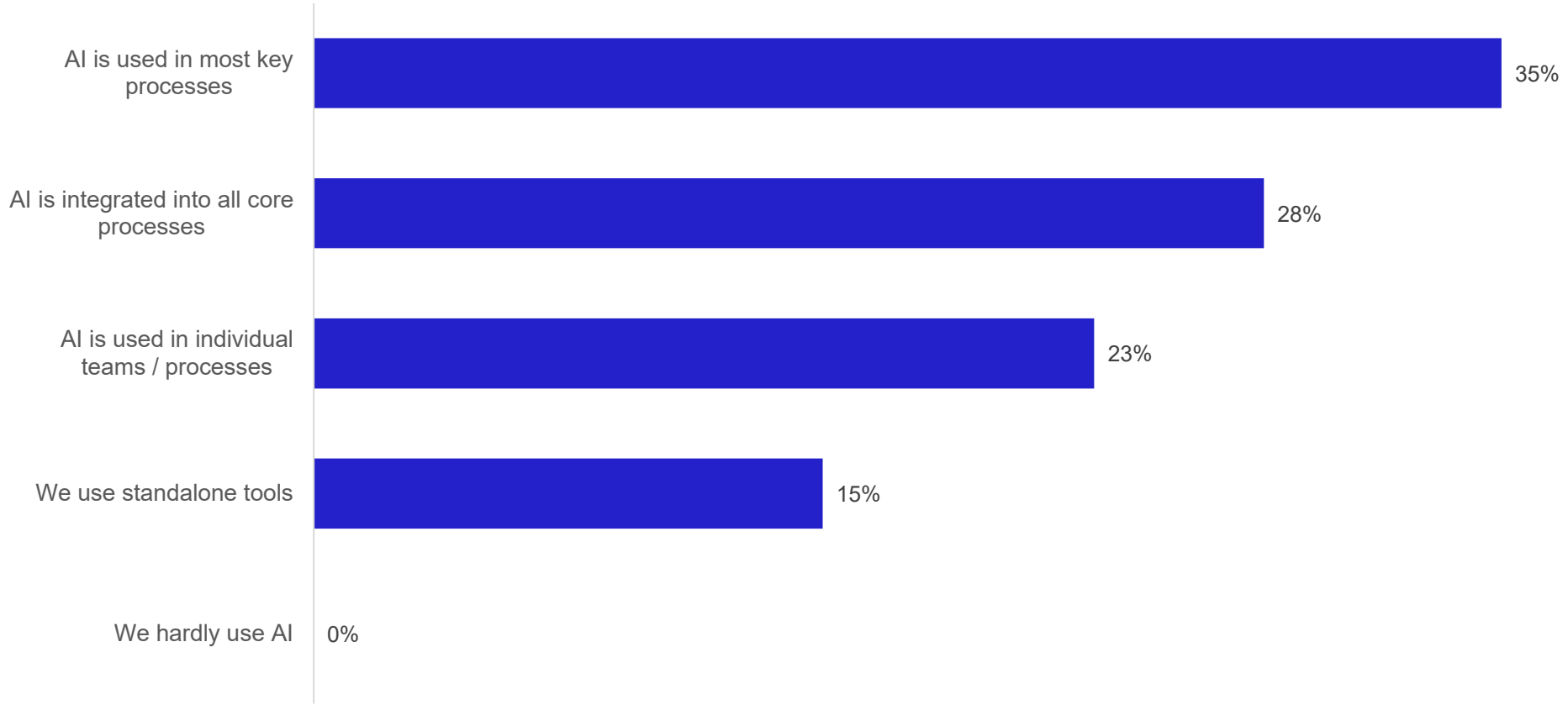
- Loss of goods or production capacity, resulting in advertising budget cuts or suspensions.
- Cuts to existing advertising budgets and more cautious, pessimistic budget planning for the coming year.
- Advertising budget cuts.
- Businesses themselves are suffering, and advertising budgets are affected as a result.

Business Adaptation and Stabilization

- The need to relocate, recover and replenish inventory requires time to adapt and additional resources.
- Brands are focused on business stabilization.
- Clients' lack of revenue and financial losses, along with energy supply issues, raise questions about the extent of the impact on consumers.

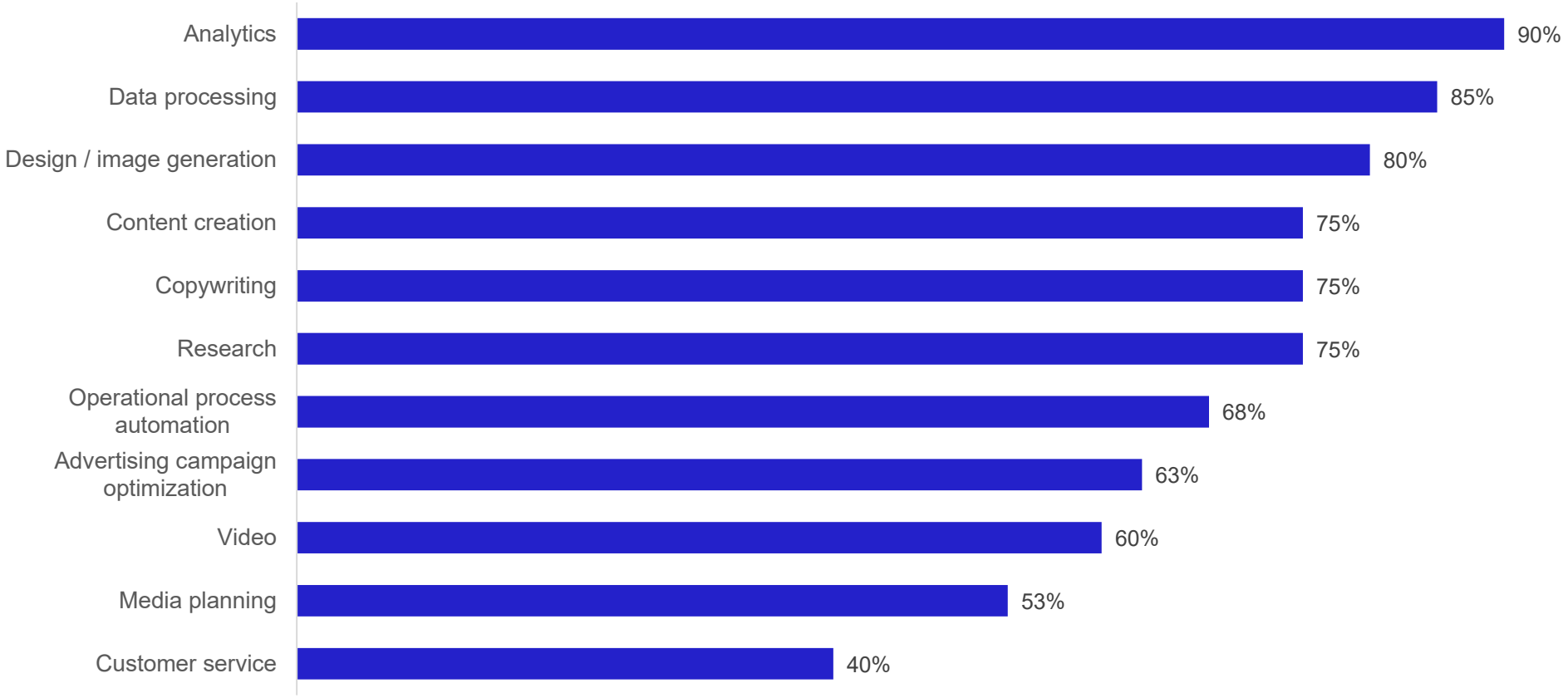
32. How actively does your company use AI in its operations?

63% of surveyed companies already use AI in most key processes or have integrated it into all core processes. Meanwhile, 38% limit AI use to standalone tools, teams or processes, indicating varying levels of AI adoption maturity.



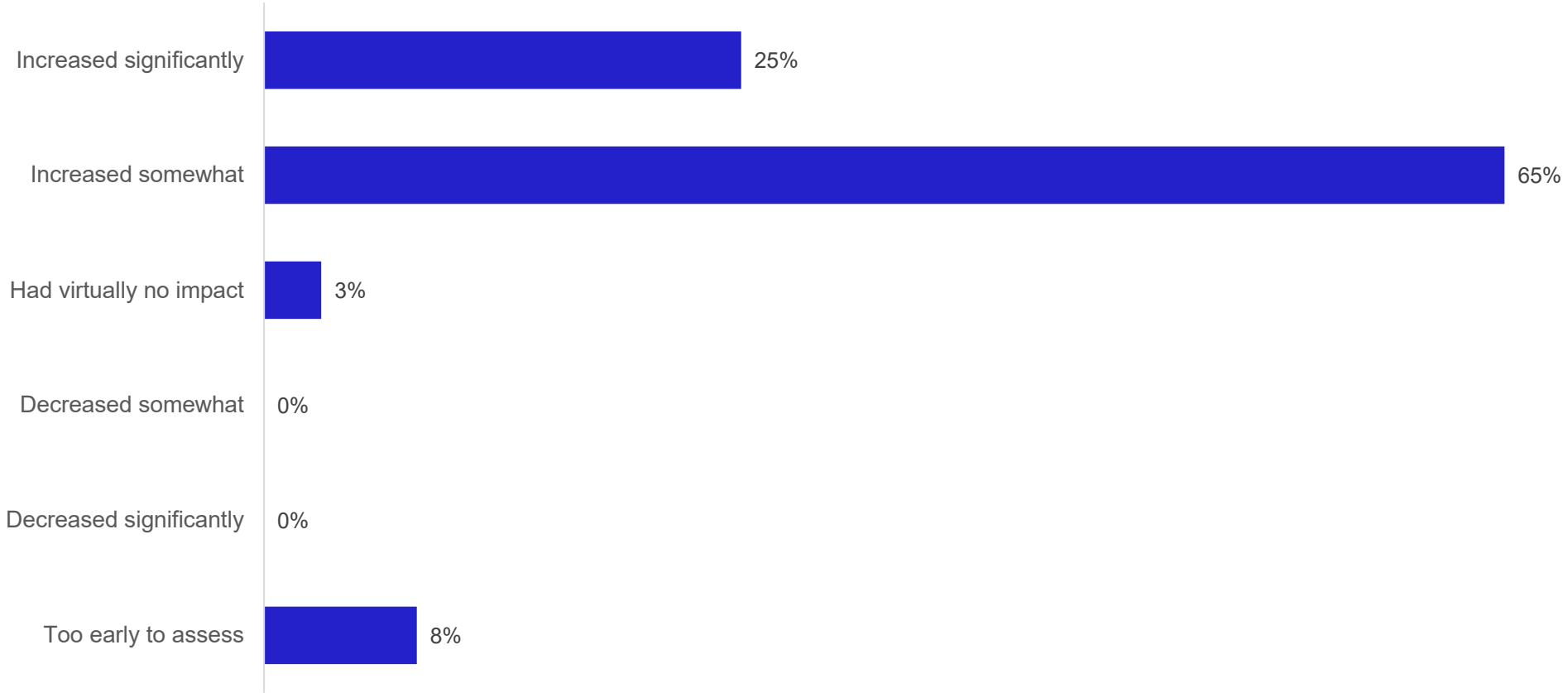
33. What tasks does your company already use AI for?

Companies most commonly use AI for analytics (90%), data processing (85%) and design / image generation (80%). AI is also widely used for content creation, copywriting and research (75% each), as well as operational process automation (68%), indicating broad adoption across both creative and analytical tasks.



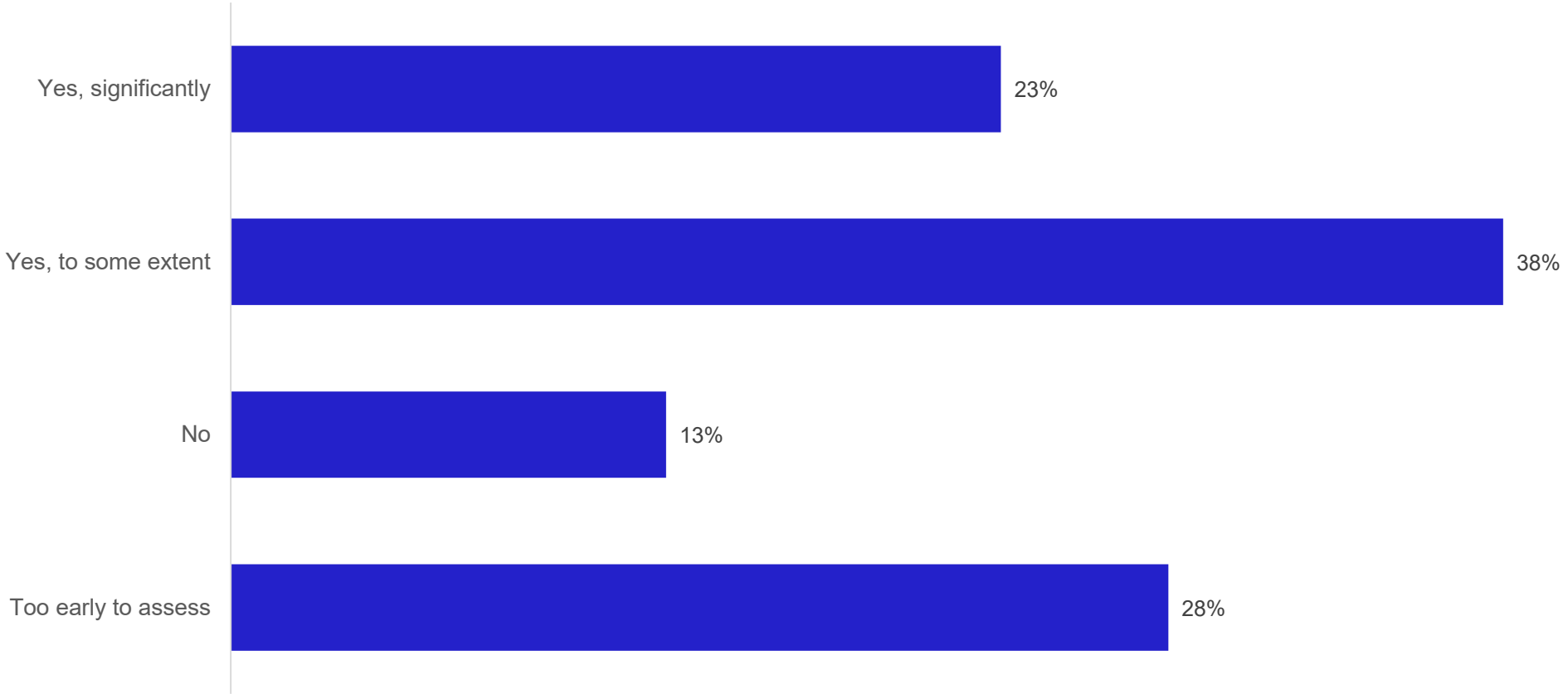
34. How has AI affected your company's productivity over the past 12 months?

90% of respondents report increased company productivity as a result of using AI over the past 12 months. For 65%, the impact was moderate, while a quarter of respondents (25%) reported a significant increase in productivity.



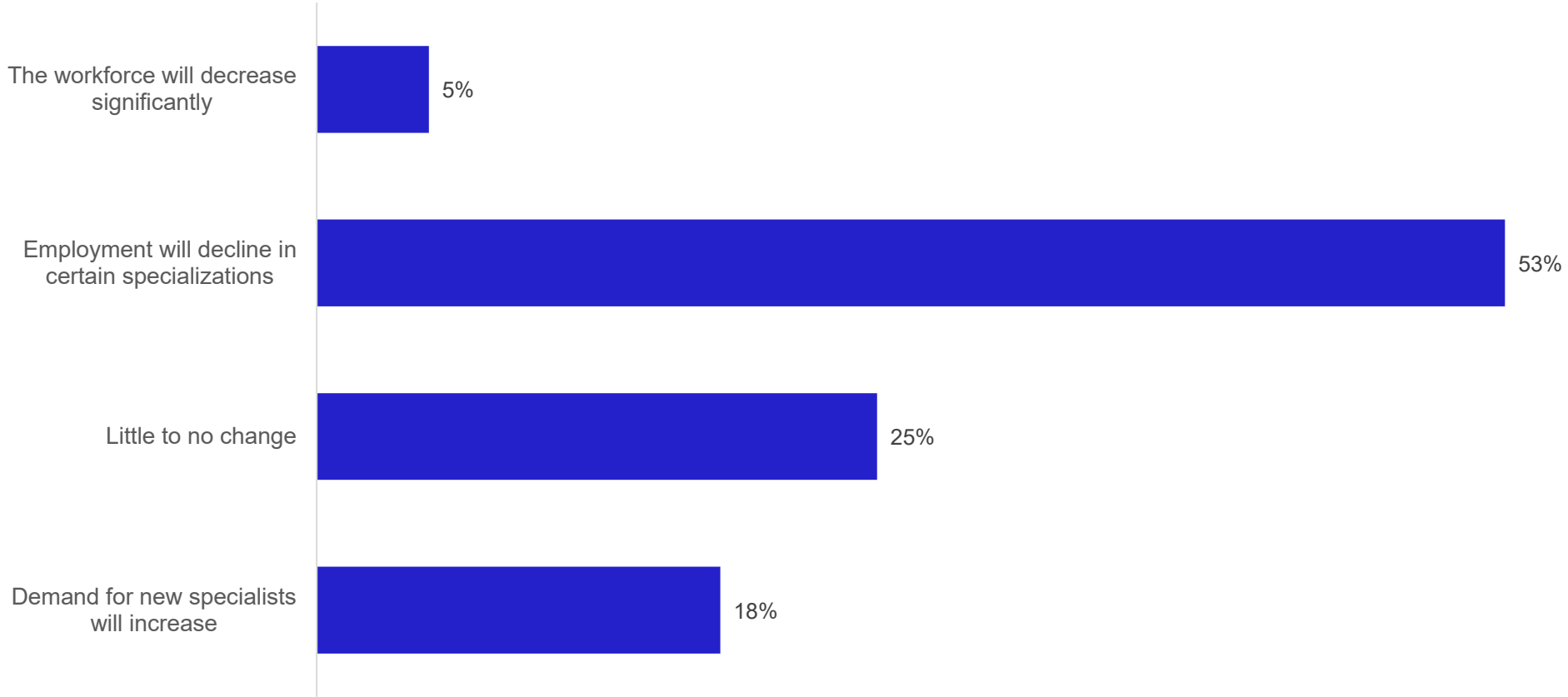
35. Has the use of AI helped reduce the costs of specific processes?

61% of respondents already report cost reductions in specific processes thanks to AI. Meanwhile, 28% believe it is too early to assess the financial impact, while 13% have not observed any cost reductions.



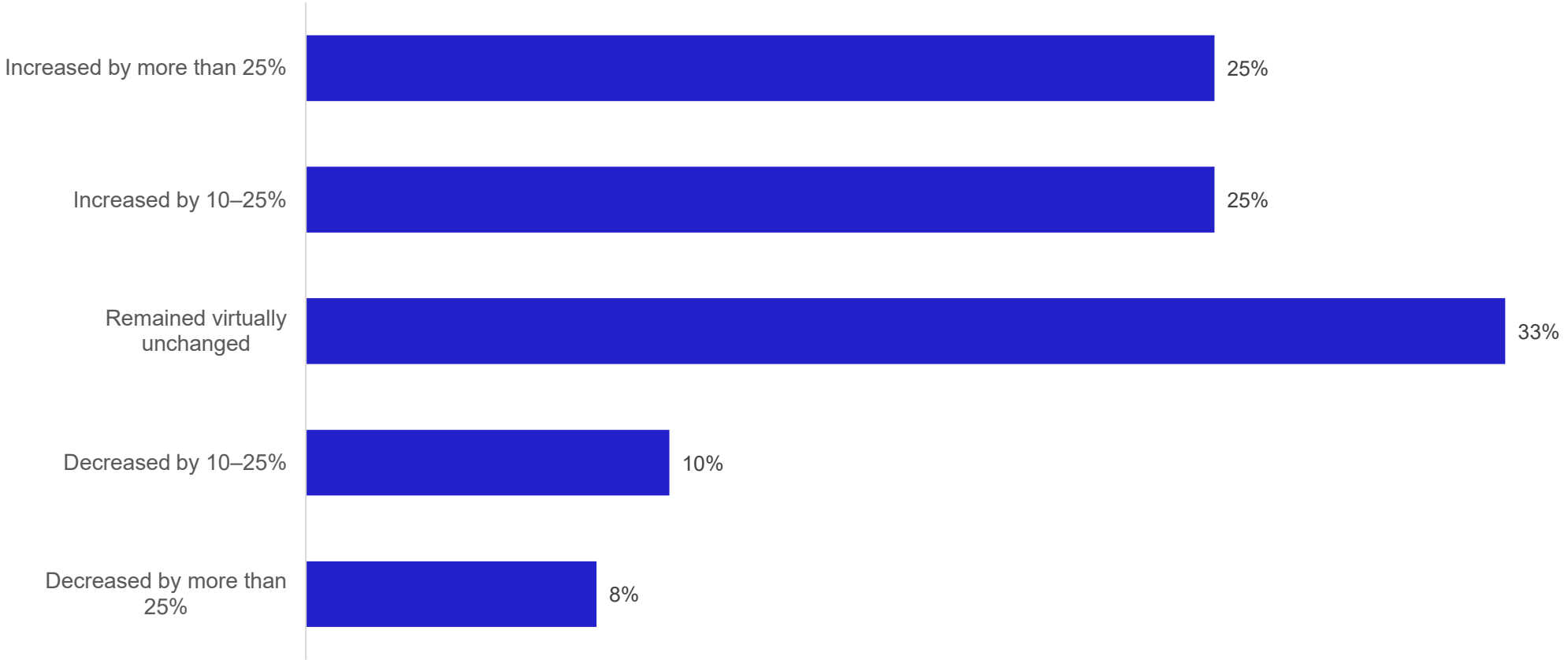
36. How do you think AI will affect employment in the advertising industry over the next 2–3 years?

More than half of respondents (53%) expect employment to decline in certain advertising industry specializations over the next 2–3 years. Meanwhile, 25% anticipate no significant changes, while 18% expect growing demand for new specialists.



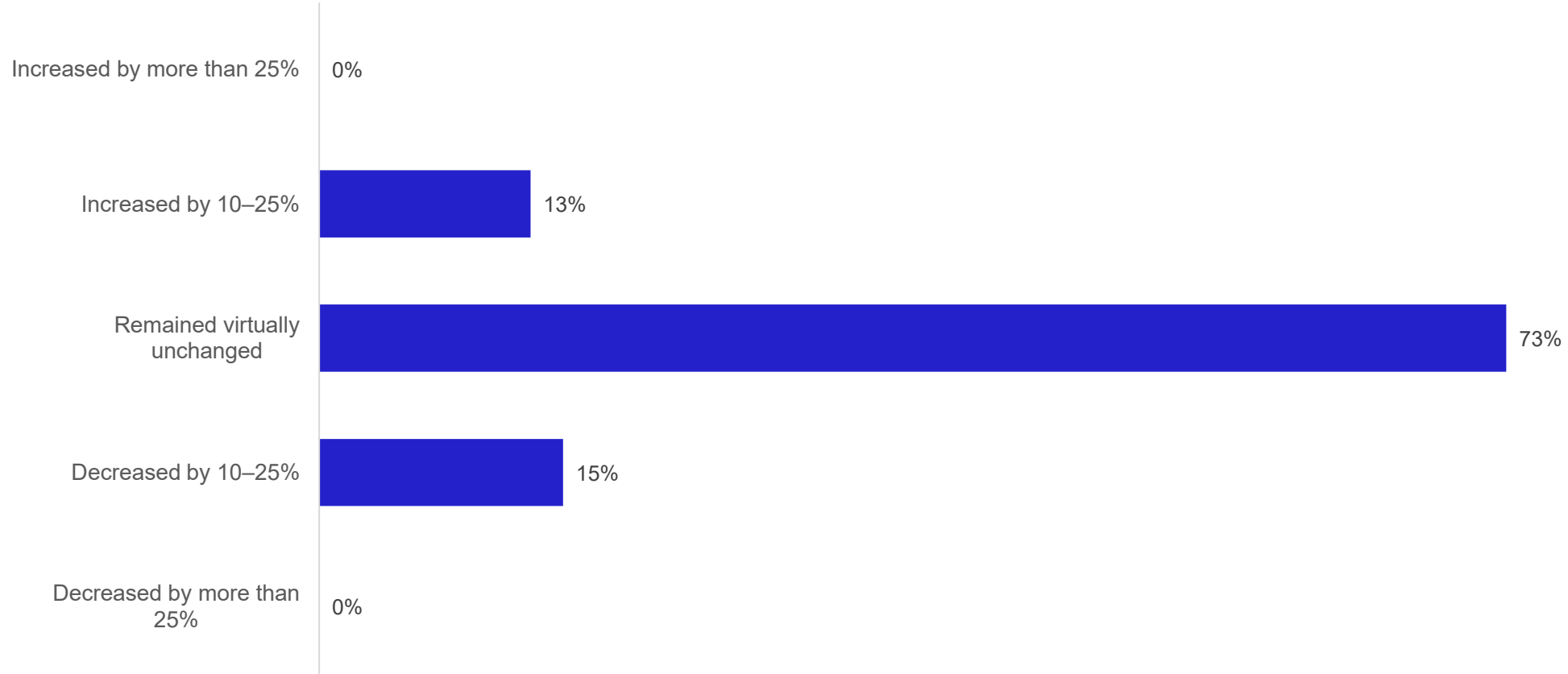
37. How has the number of employees at your company changed compared to March 2022?

Half of surveyed companies (50%) have increased their headcount compared with March 2022, with a quarter reporting growth of more than 25%. Another third (33%) have kept their workforce virtually unchanged, while 18% report a reduction in staff.



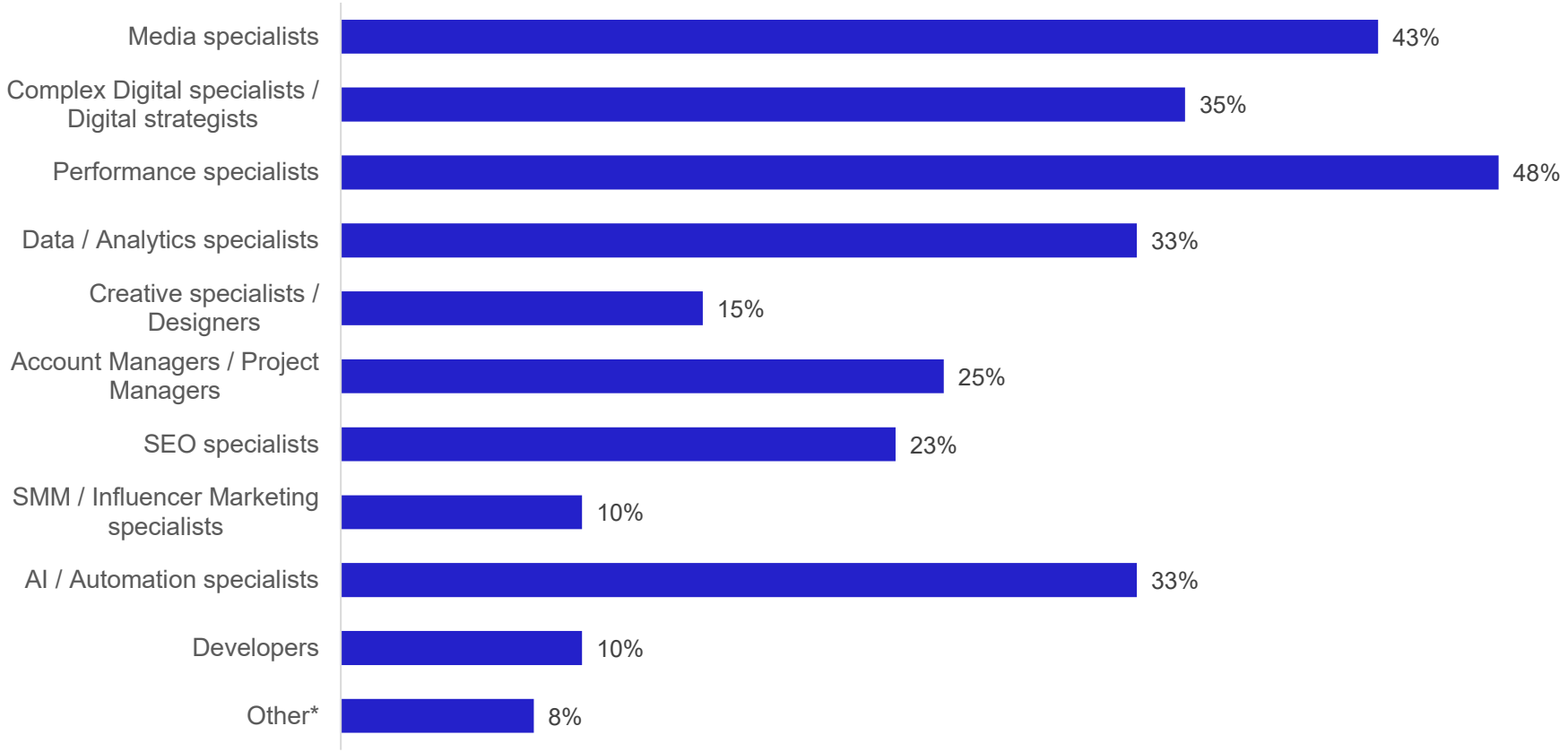
38. How has the number of employees at your company changed compared to June 2026?

Compared to June 2026, the number of employees remained virtually unchanged at most companies (73%). Meanwhile, 15% of respondents reported a 10–25% reduction in headcount, while 13% reported a 10–25% increase.



39. Which specialists are currently the hardest to find or hire?

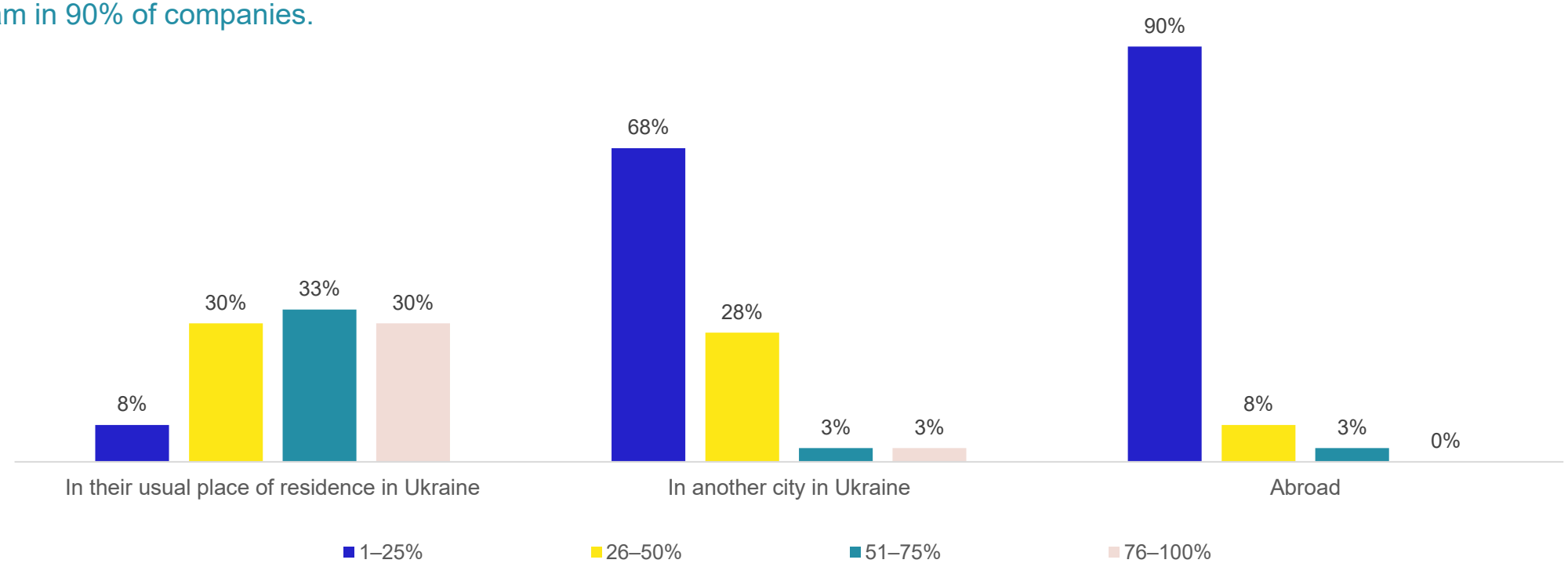
Companies report the greatest difficulty in finding Performance specialists (48%) and Media specialists (43%). Around one-third of respondents also report challenges in hiring Complex Digital specialists / Digital strategists (35%), Data / Analytics specialists, and AI / Automation specialists (33% each).



*Sales Managers, Executives

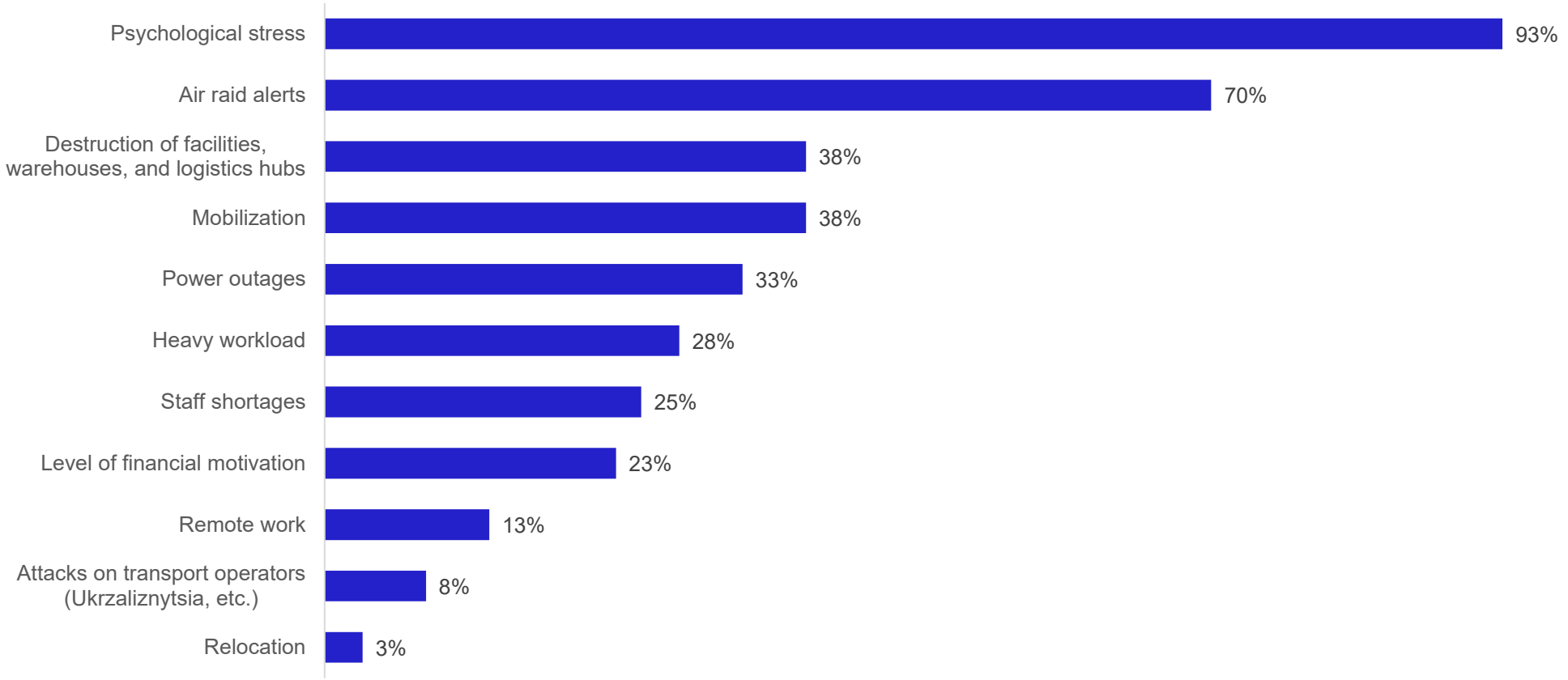
40. What proportion of your employees currently work

Most employees work from their usual place of residence in Ukraine: in 63% of companies, more than half of the workforce is based there. Meanwhile, only a small proportion of employees work from abroad, accounting for no more than a quarter of the team in 90% of companies.



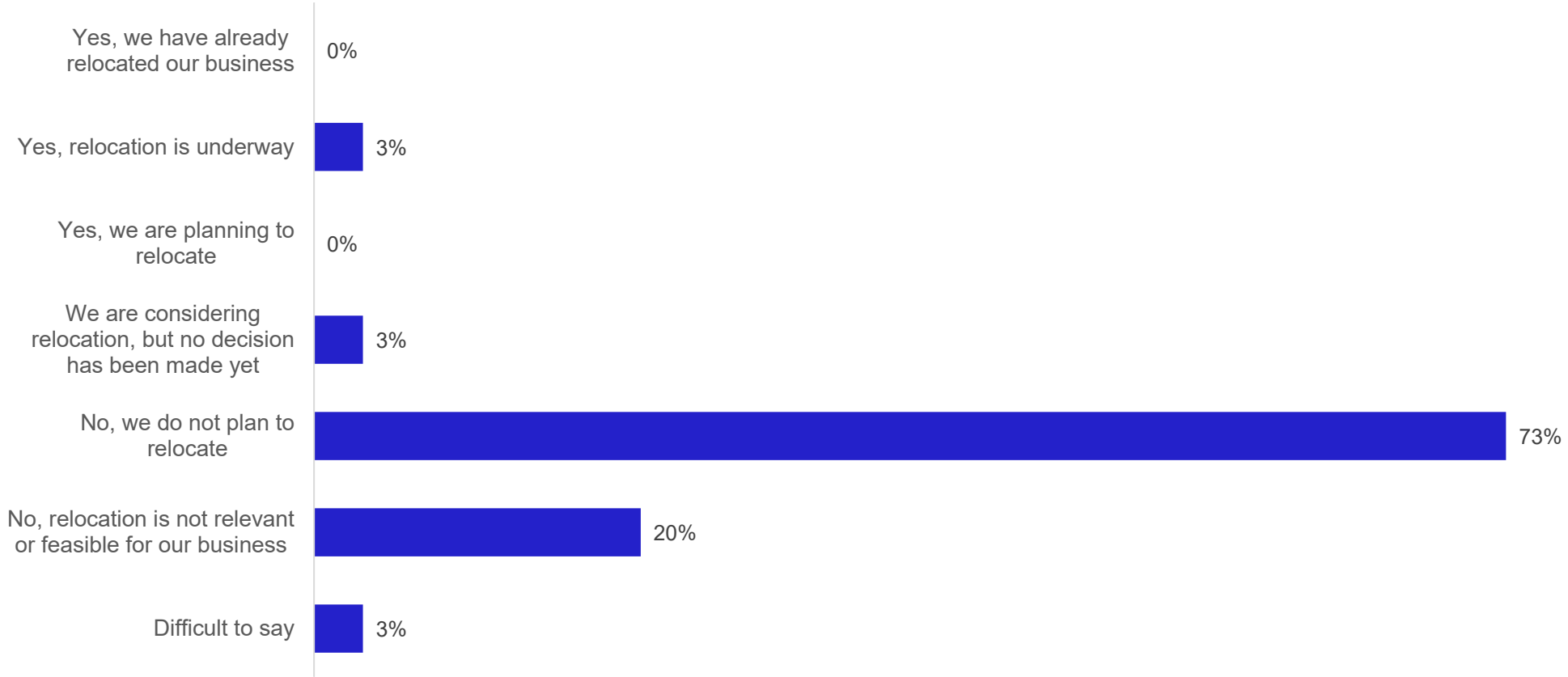
41. Which factor has the greatest impact on your team's productivity today?

Psychological stress has the greatest impact on team productivity, cited by 93% of respondents, while 70% also point to air raid alerts. Other significant factors include the destruction of business infrastructure and mobilization (38% each), as well as power outages (33%).



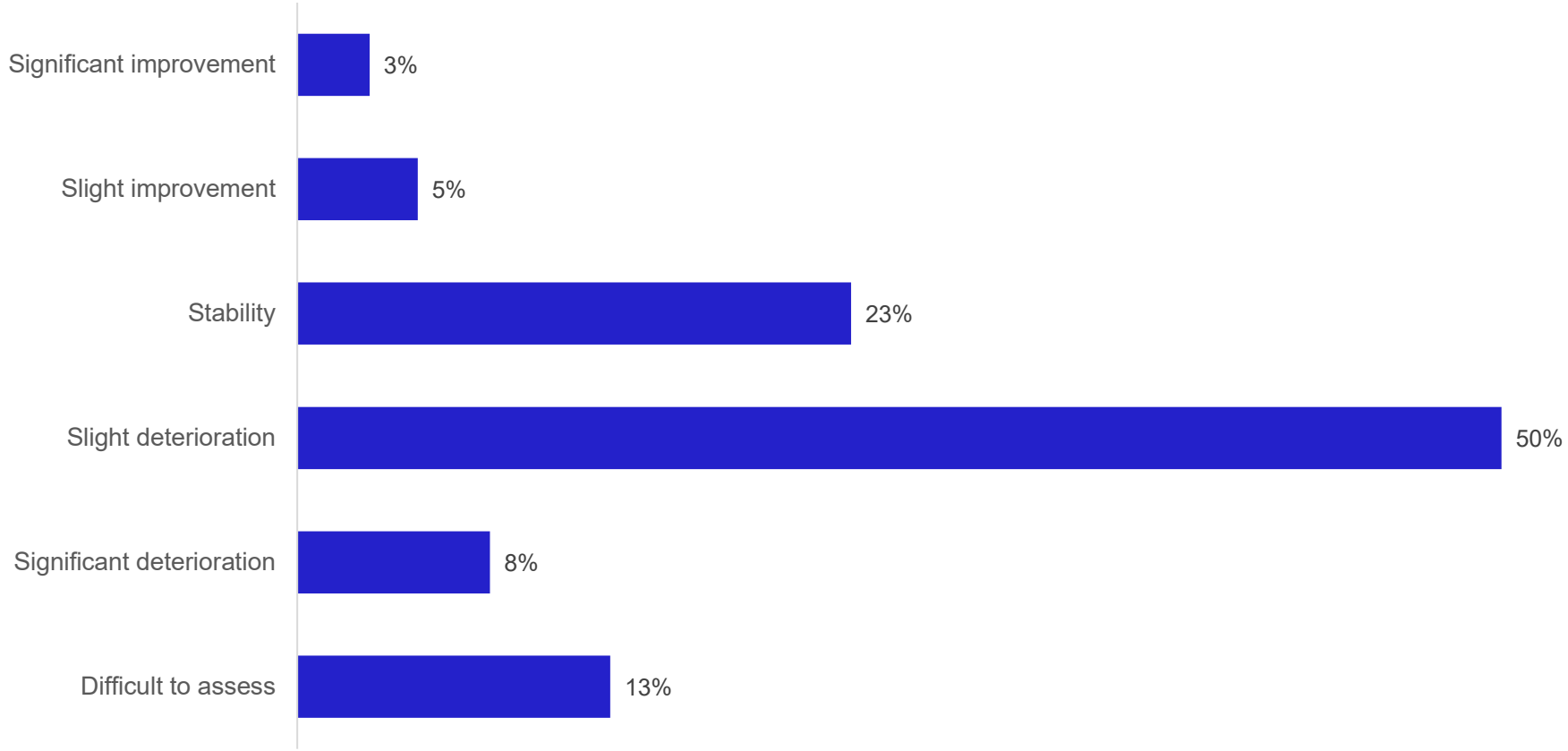
42. Is your business planning to relocate to safer regions within Ukraine?

The majority of surveyed companies (73%) do not plan to relocate their businesses to safer regions of Ukraine. Another 20% state that relocation is either irrelevant or not feasible for their business, while only 6% of respondents are considering relocation.



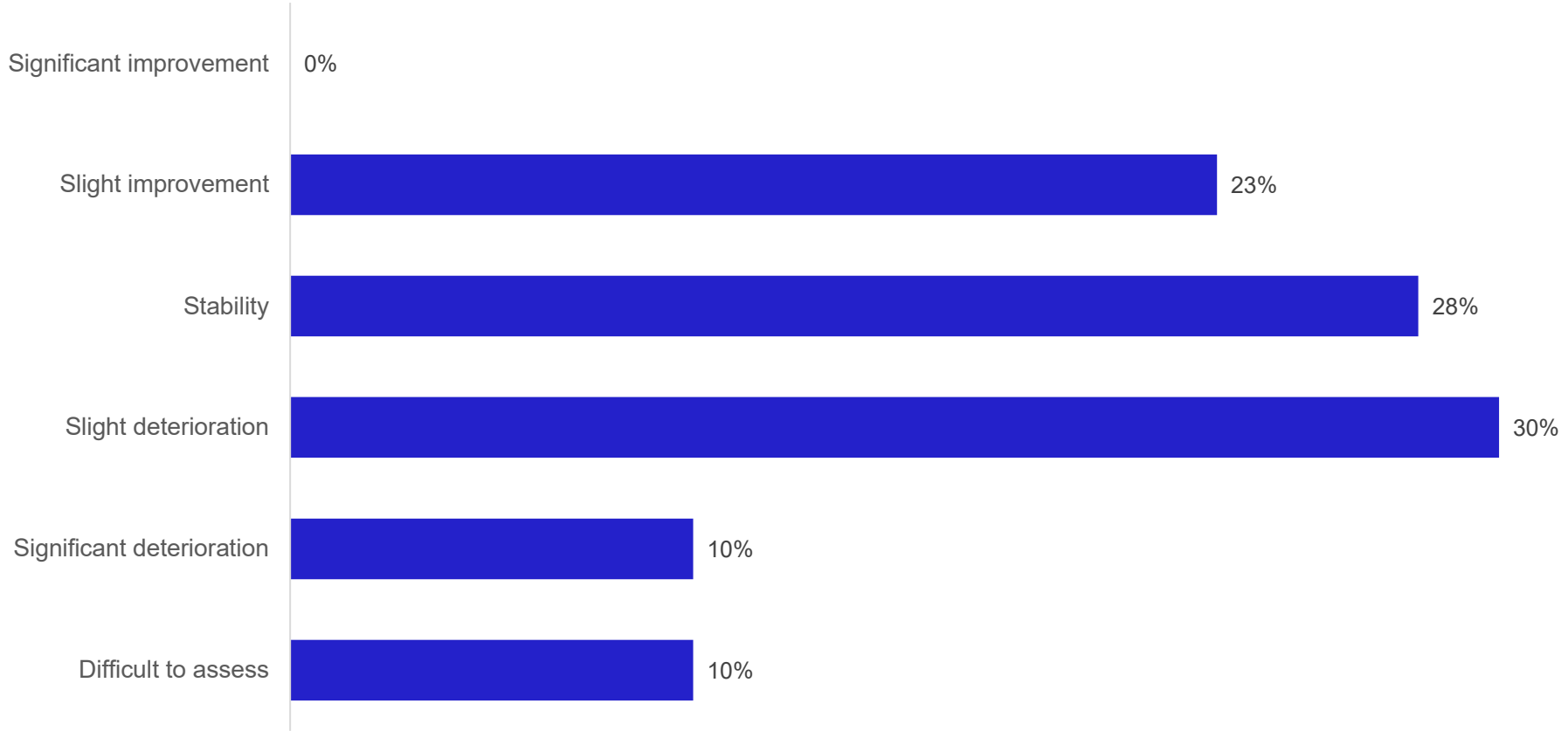
43. How do you assess the outlook for your business in Ukraine over the next three months?

58% of respondents expect business prospects in Ukraine to deteriorate over the next three months, with half anticipating a moderate decline and 8% expecting a significant deterioration. Another 23% expect conditions to remain stable, while only 8% anticipate an improvement.



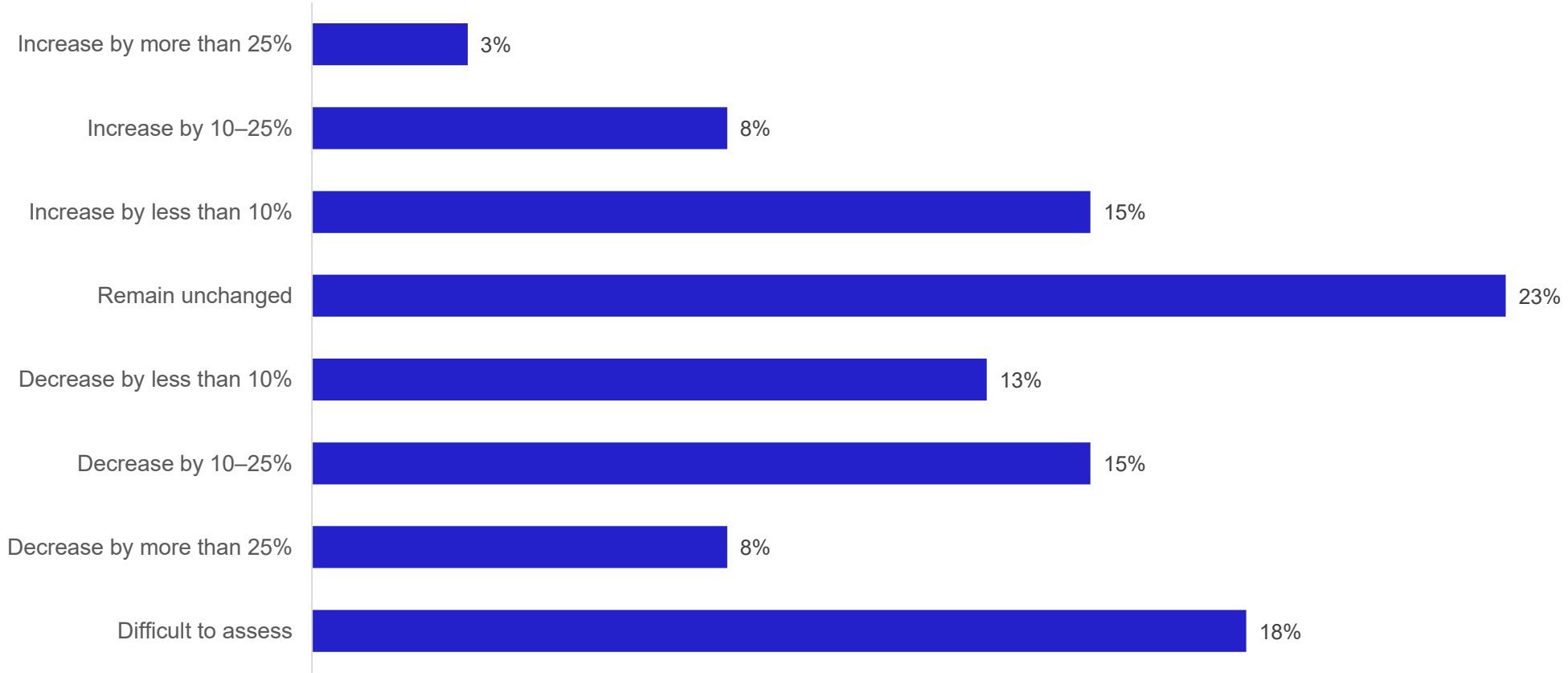
44. How do you assess the outlook for your business in Ukraine over the next six months?

Over a six-month horizon, business outlook assessments remain mixed: 40% of respondents expect a deterioration, while 23% anticipate an improvement. Another 28% expect conditions to remain stable, indicating less pessimistic expectations compared to the next three months.



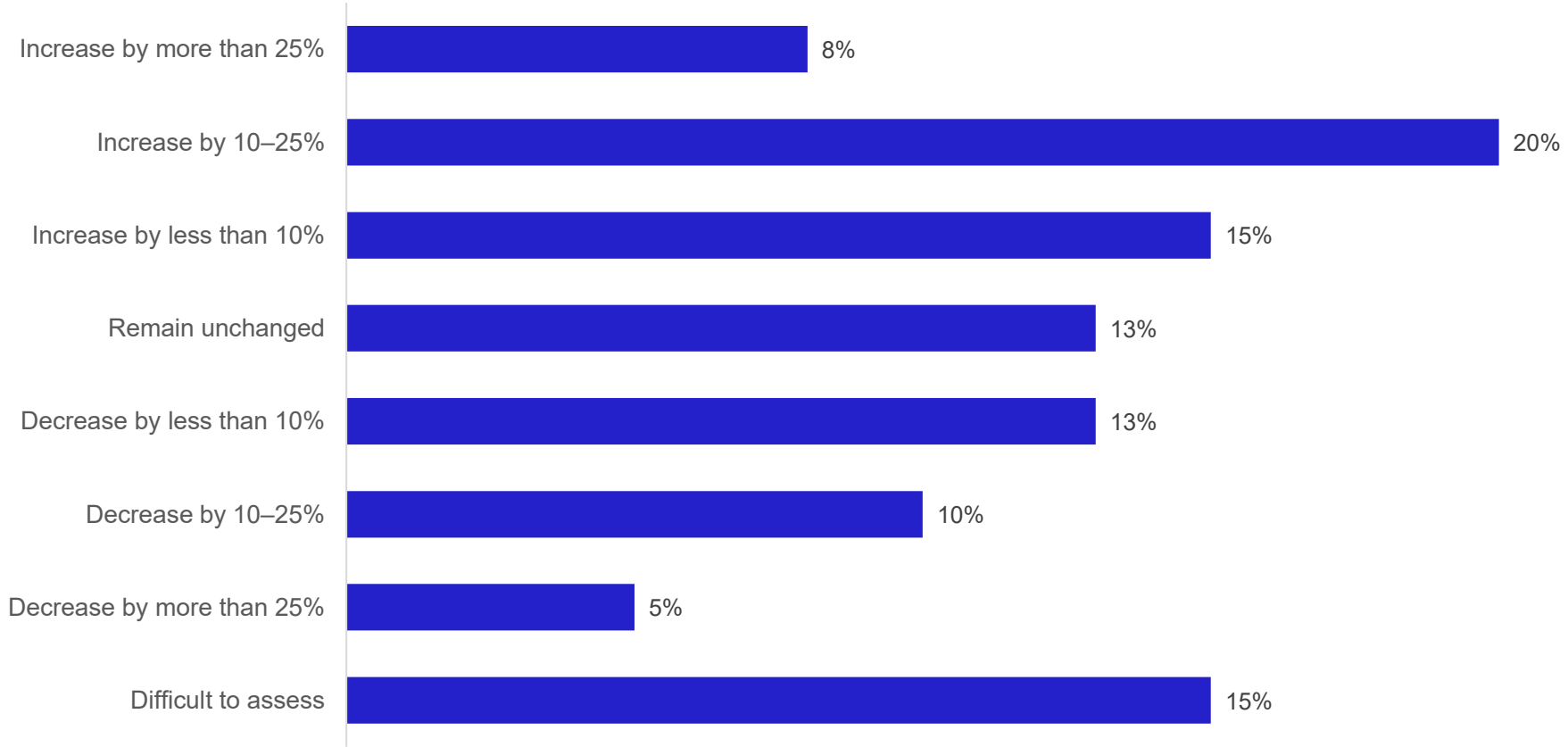
45. What level of commercial activity do you expect your company to have in three months compared to the current level?

36% of respondents expect their company's commercial activity to decline over the next three months, while 26% anticipate growth. Another 23% expect no change, and 18% are unable to assess the outlook at this stage.



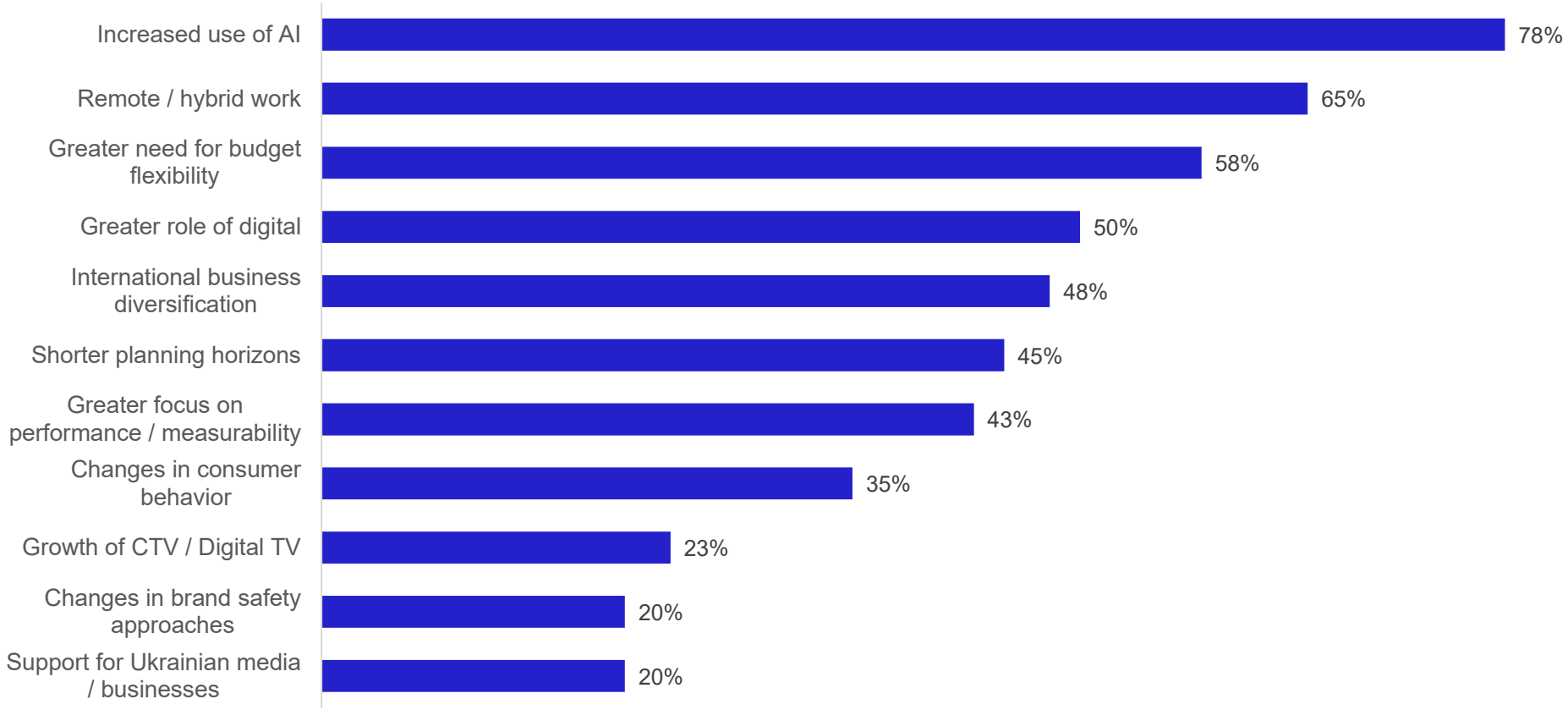
46. What level of commercial activity do you expect your company to have in six months compared to the current level?

Over a six-month horizon, expectations for commercial activity become more optimistic: 43% of respondents anticipate growth, compared to 28% who expect a decline. The largest share of respondents (20%) forecast an increase in activity of 10–25%.



47. Which business trends that emerged after 24 February 2022 do you think will persist even after the war ends?

Respondents consider the increased use of AI the most enduring long-term trend, with 78% expecting this practice to continue after the war ends. A majority also expect remote / hybrid work (65%) and greater budget flexibility (58%) to persist, while half anticipate a stronger role for digital (50%).



48. What is the main opportunity for the development of Ukraine's advertising industry today?

AI, digital, data, and automation

- Development of digital and data-driven approaches: combining technology, high-quality data, personalization, and measurability to enable brands to engage with audiences more effectively, even in unstable conditions.
- AI and diversification.
- Digital growth and economic recovery.
- Improving process efficiency through AI.
- Investment in data and automation.
- AI-driven automation, foreign investment, and scaling expertise into international markets.
- Efficiency, performance, and AI.
- Transition to digital and programmatic advertising.
- Speed of transformation and adaptability to technological change, including AI-driven marketing and data solutions.
- Use of AI, new areas of development, and tools.
- Advancement of AI.
- Wider adoption of AI and new advertising formats.

Entry into international markets and diversification

- Expansion into international markets.
- Diversification.
- Launching new products and entering new markets.
- Turning Ukrainian experience into competitive expertise, new business models, and technologies for the global market.
- Entering foreign markets.
- Entering new markets and identifying new channels and services we can offer clients.
- The main opportunity is to bring Ukrainian brands and creativity to the international stage.
- Expanding the client base abroad and, more broadly, working with international brands in foreign markets.

48. What is the main opportunity for the development of Ukraine's advertising industry today?

Adaptability, flexibility, and innovation

- Agency consolidation
- Innovation, flexibility, and adaptability.
- In wartime, the main opportunity for the development of Ukraine’s advertising industry lies in the ability to adapt quickly to change, create socially sensitive communications, and strengthen trust between brands and audiences.
- Adaptability.
- Rapid adaptation by major media sales houses to clients’ actual business conditions, flexible pricing and terms, improved analytics and forecasting, and responsiveness to trends in traditional media.

Economic conditions, investment, and support for Ukrainian businesses

- Availability of advertisers and their willingness to invest in advertising budgets
- Elimination of price dumping in tenders
- Development of Ukrainian brands
- The most important prerequisite for development is security: protecting cities, people, and critical infrastructure, including data centers, internet connectivity, logistics, trade, and energy infrastructure. Businesses in Ukraine first and foremost need the opportunity to operate reliably, invest, recover, and plan at least for the medium term.
The second major opportunity is to provide maximum support for the local economy. As much of the money spent in Ukraine as possible should stay in Ukraine, supporting local media, agencies, technology companies, consultants, manufacturers, and service providers that create jobs and pay taxes here. This also applies to advertising budgets: all else being equal, greater support should be given to Ukrainian market players rather than automatically directing budgets to global platforms or international organizations. Today, this is no longer just a matter of industry development, but also of its resilience and survival.

48. What is the main opportunity for the development of Ukraine's advertising industry today?

Creativity, technology, and the development of advertising formats

- The intersection of creative thinking and technological capabilities.
- The main opportunity for Ukraine’s advertising industry today is to turn the adaptability developed through years of crisis into a globally competitive advantage. Ukrainian teams already know how to work quickly, develop strong ideas with limited resources, and find unconventional solutions when traditional approaches fail. At the same time, the market itself is changing: budgets are gradually shifting away from traditional SMM towards creators, video, and AI-powered production. Agencies that can integrate strategy, content, technology, creators, and distribution into a single system will therefore be better positioned to succeed.

AI combined with craft production is becoming more than just a cost-saving tool: it is a productivity driver, enabling teams to create more high-quality content and test ideas faster within the same budget. Another major opportunity is exporting specific production services and SMM expertise to international markets, where Ukrainian teams can compete on speed, quality, and strong short-form content. Influencer marketing will also continue to grow: according to IAB forecasts, this segment is expected to expand by a further 18% in 2026. At the same time, the market is becoming more professional and transparent, with more creators operating formally and treating brand partnerships as a fully fledged business.
However, as AI-generated content becomes widespread, strong ideas, cultural context, and a distinctive creative approach will become increasingly valuable. The next step for Ukraine’s advertising industry is therefore not simply to adopt new tools faster, but to use them to develop original products, formats, and expertise. For Ukraine, this is an opportunity not merely to catch up with the global advertising industry, but to establish its own distinctive voice within it.

Uncertainty and the current market situation

- It is difficult to say at this point, in September. It seems that most businesses have put things on hold for now. Many are exploring opportunities to expand westward and allocating funds cautiously.

49. What is the biggest threat to Ukraine's advertising industry today?

The war, attacks and security risks

- Prolonged wartime instability puts pressure on businesses, advertising budgets, media consumption, and the industry's talent pool.
- Attacks and severe budget cuts, particularly in marketing.
- Russia.
- The main threat to Ukraine's advertising industry today is not simply budget cuts, but the gradual erosion of the entire ecosystem that sustains advertising. The war is simultaneously affecting clients' businesses, sales, logistics, teams, and ability to plan even a few months ahead. Companies are losing warehouses, inventory, and production capacity, reducing their product ranges and sales territories. As a result, marketing quickly shifts from a growth driver to a cost-saving area. For agencies, this means smaller budgets, shorter planning horizons, and constant uncertainty.

The second critical risk is talent. It is becoming increasingly difficult to find and retain skilled professionals due to emigration, mobilization, the security situation, and exhaustion. We are experiencing this firsthand: we have been unable to fill an SMM Manager position for around six months, while the relocation of content production staff creates operational risks, as most of our shoots take place in Kyiv.

The security situation has become part of day-to-day operations. Air raid alerts force us to reschedule shoots, build in time buffers, and agree in advance with models and the team on potential downtime. Working in shopping malls has also become less predictable and more psychologically demanding. Strikes on clients' warehouses can disrupt an entire content plan overnight: products we have already filmed and planned to promote over the coming weeks may suddenly become unavailable for sale.

Another risk is the devaluation of content as a result of AI and lower-cost freelance services. The danger is not that AI will take away jobs, but that the market will begin competing solely on speed and price. During a crisis, clients sometimes opt for cheaper solutions even when they are strategically weaker.

The main challenge today is therefore not simply to adapt to yet another crisis, but to retain talented people, expertise, and the value of high-quality advertising work.

49. What is the biggest threat to Ukraine’s advertising industry today?

The war, attacks and security risks

- The war and uncertainty about when it will end or transition into a frozen conflict.
- The war and unpredictability.
- Continued destruction of manufacturing facilities, logistics infrastructure, and retail infrastructure.
- The war.
- Enemy attacks on both critical and civilian infrastructure.
- The war and shelling.
- Further destruction of Ukrainian businesses and wartime risks.
- The war.
- Risks associated with the war.
- Supply chain instability, air raid alerts, and military escalation.

Uncertainty and unpredictability

- Uncertainty and everything that affects business as a whole, including unpredictable developments and known challenges such as tax increases.
- Uncertainty

49. What is the biggest threat to Ukraine’s advertising industry today?

Economic instability, cuts to budgets and investment

- Cuts in budgets or the number of clients.
- Uncertainty and cuts or postponement of advertising investments.
- Declining GDP and business losses are forcing companies to focus entirely on preserving core business operations and retaining employees.
- Economic instability remains the main threat to Ukraine’s advertising industry, forcing businesses to cut marketing budgets and postpone advertising investments.
- Business closures and significant cuts to advertisers’ budgets.
- The war and instability in advertising budgets.
- A slowdown in the economic cycle and a freeze on marketing budgets.
- Business destruction and economic decline.
- The war, cuts to advertising budgets, and loss of talent.

Loss of talent and human capital

- Loss of talent.
- Economic challenges, people-related challenges, and inefficiency.
- An excessive focus on survival at the expense of investing in the future. Losing top talent to the global market.

49. What is the biggest threat to Ukraine's advertising industry today?

Contraction of the consumer market and shrinking purchasing power of the audience

- The physical survival of businesses and their ability to operate, a declining population and reduced consumer activity, and pricing that no longer reflects clients' actual business conditions.
- A shrinking economically active population with purchasing power, declining consumer confidence, and reduced purchasing power.
- The main threat is not just the war itself, but its long-term impact on the economy, consumption, and audience size. People are leaving the country, businesses are scaling back their activities, and selling goods and services is becoming more difficult. This also affects the development of cinema, events, ticketed projects, and other sectors that contribute to the advertising market. As a result, both the purchasing power of the audience and the number of local advertisers are declining, potentially leading to a significant contraction of the market over time.

That is why it is particularly important today for clients, agencies, auditors, consultants, and other market participants to give greater consideration to local players — companies incorporated in Ukraine that operate here, create jobs, and pay taxes in the country. The more money that stays within the local ecosystem, the greater the chances that the market will not only survive but also recover.

Other threats

- Eliminating price dumping in tenders

50. What single change has had the greatest impact on transforming Ukraine’s advertising industry over the past four years?

The war and adapting to uncertainty

- The biggest transformation of Ukraine’s advertising business over the past four years has been the loss of stability as a fundamental condition for operating. Since 2022, the industry has learned to work amid constant uncertainty: revising strategies, budgets, production, and content more quickly, making decisions in shorter cycles, and continuously adapting to new circumstances. At the same time, another fundamental change has taken place: the Ukrainian language, culture, and local context have become much more important in brand communications. This shift began back in 2014, when we were already working with businesses that communicated in Ukrainian and deliberately avoided collaborating with Russian-speaking bloggers. However, after the full-scale invasion, this ceased to be the position of individual brands and became the new norm for most of the market. An entire ecosystem of Ukrainian creators, local formats, and cultural references has emerged, while audiences increasingly expect brands to offer not just product advertising, but also a clear stance and meaningful action. Over these four years, Ukrainian advertising has therefore changed not only in terms of language and tools. It has become faster, more locally focused, more sensitive to context, and significantly less predictable. Today, a strong agency is not simply one that executes an approved plan well, but one that can reshape it in a day without losing the brand’s meaning, quality, or voice.
- Adaptability of the industry’s operating model.
- The war has taught the advertising business to work not according to a fixed plan, but through scenarios: adapting faster, testing, and making decisions under conditions of uncertainty.
- Planning amid uncertainty.
- A shift from long-term planning to project management under conditions of constant uncertainty.
- The war.
- A shift from long-term to flexible planning.
- The war has had the greatest impact on transforming the advertising business. It has changed not only budgets and the market, but also the very approach to communication: brands have become faster, bolder, and more socially responsible. Ukrainian agencies have also gained experience working amid constant uncertainty, which is now becoming a competitive advantage.
- The war has changed how quickly we can adapt — working amid constant uncertainty, making decisions faster, and restructuring teams and processes.
- A shift towards flexible planning amid constant uncertainty.

50. What single change has had the greatest impact on transforming Ukraine’s advertising industry over the past four years?

Artificial intelligence and automation

- Use of AI
- The war and AI
- Widespread use of AI
- AI
- Definitely AI
- Digitalization, automation of processes, and the growing adoption of artificial intelligence
- The war and AI
- Automation

The Shift to Digital and Changes in the Media Landscape

- Shift to digital and highly flexible planning
- Growth of OTT
- Media diversification
- Shift to a performance-driven approach
- Decline of TV
- Digital TV

Other Changes in Work and Communication

- Team cohesion, remote work, AI
- Sensitivity

ADVERTISERS

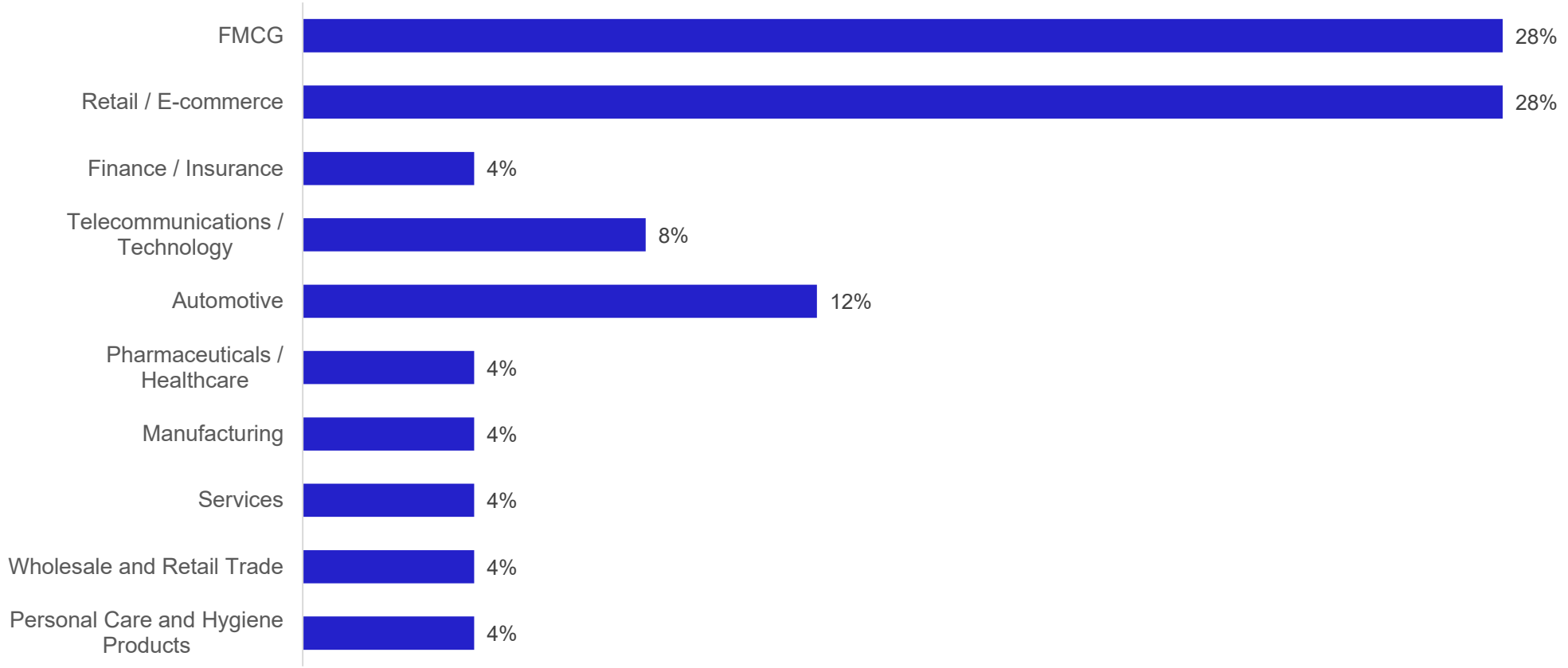


iab ukraine

SURVEY PARTICIPANTS: ADVERTISERS

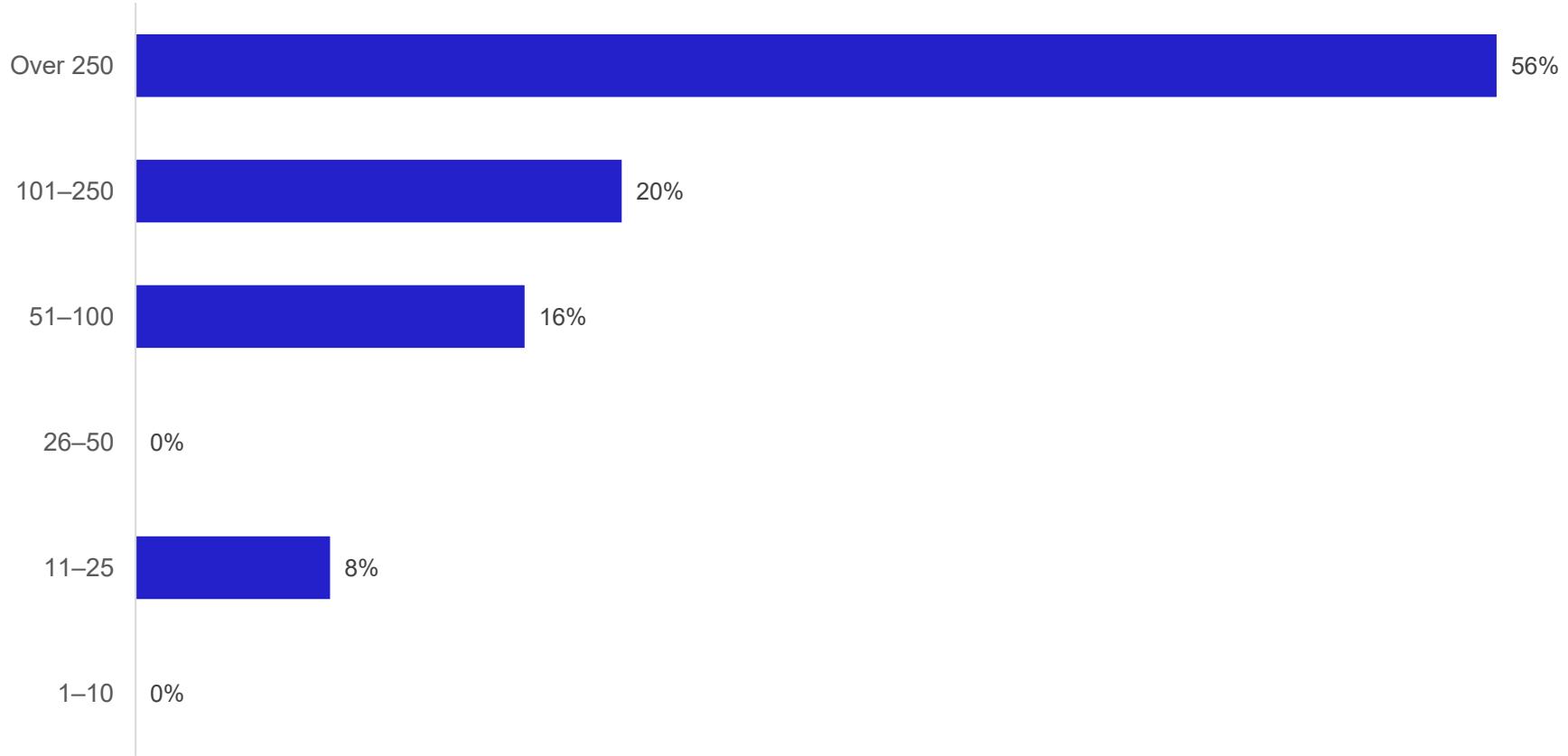
Amadeo, official Pandora distributor in Ukraine
AVT Bavaria Ukraine
AVTO International
Biosphere Corporation
Dobrobut Medical Network
Element X Lab
Glovo Ukraine
IBIS
IDS Ukraine
Kodi Professional
Kopiyka retail chain
METRO Ukraine
MHP
Mondelēz
Oschadbank
Philips
Pokupon
Regno Italia UA LLC
robota.ua
Sabriz LLC
Sezon
Toyota Ukraine
Unilever Ukraine LLC
Vodafone Ukraine
WINETIME

2. What is your company's primary line of business?



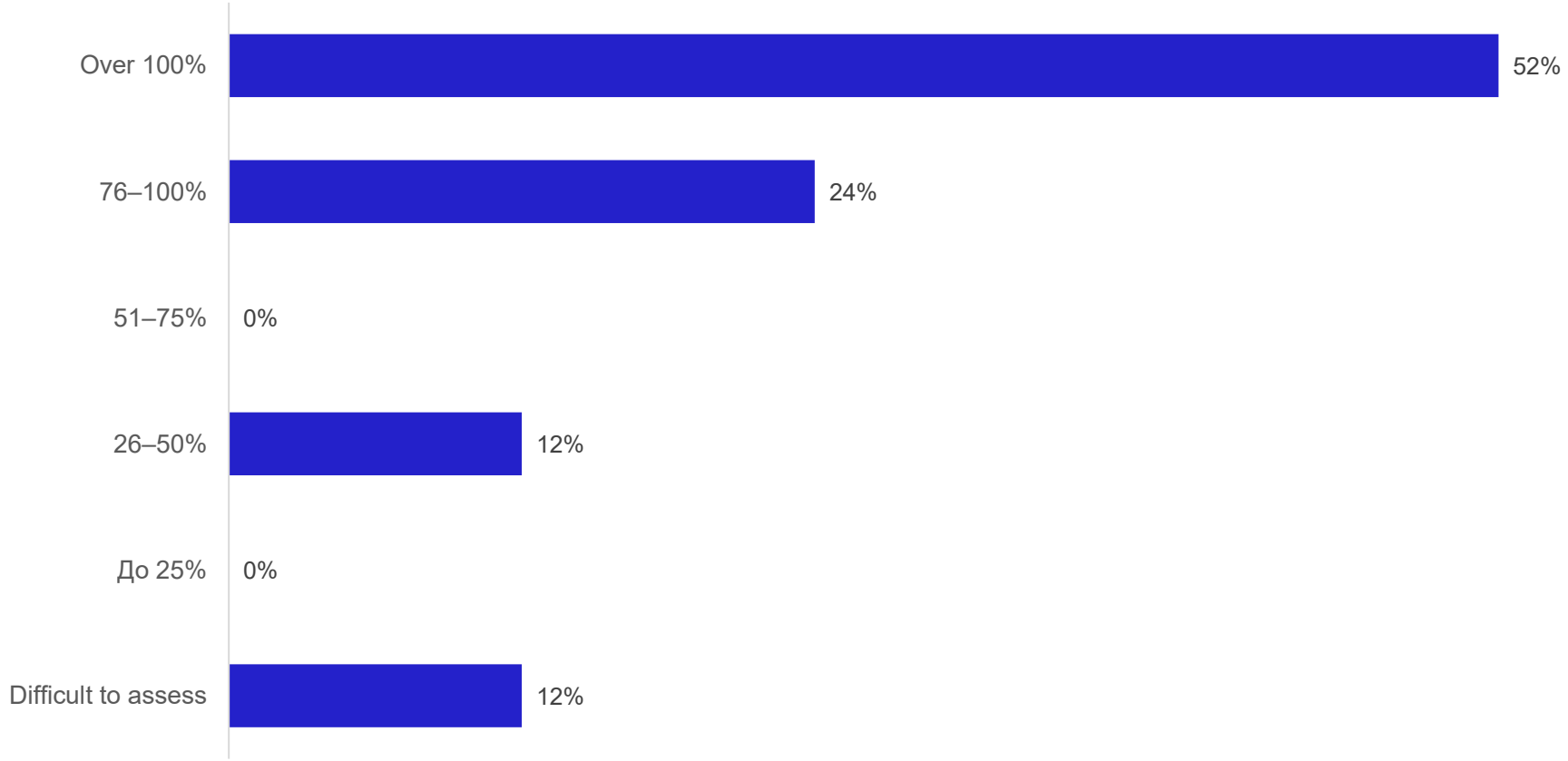
3. How many employees does your company currently have?

The sample is predominantly made up of large companies: 56% have more than 250 employees, while another 20% employ between 101 and 250 people. Companies with up to 25 employees account for just 8% of respondents, indicating the dominance of large players in the sample.



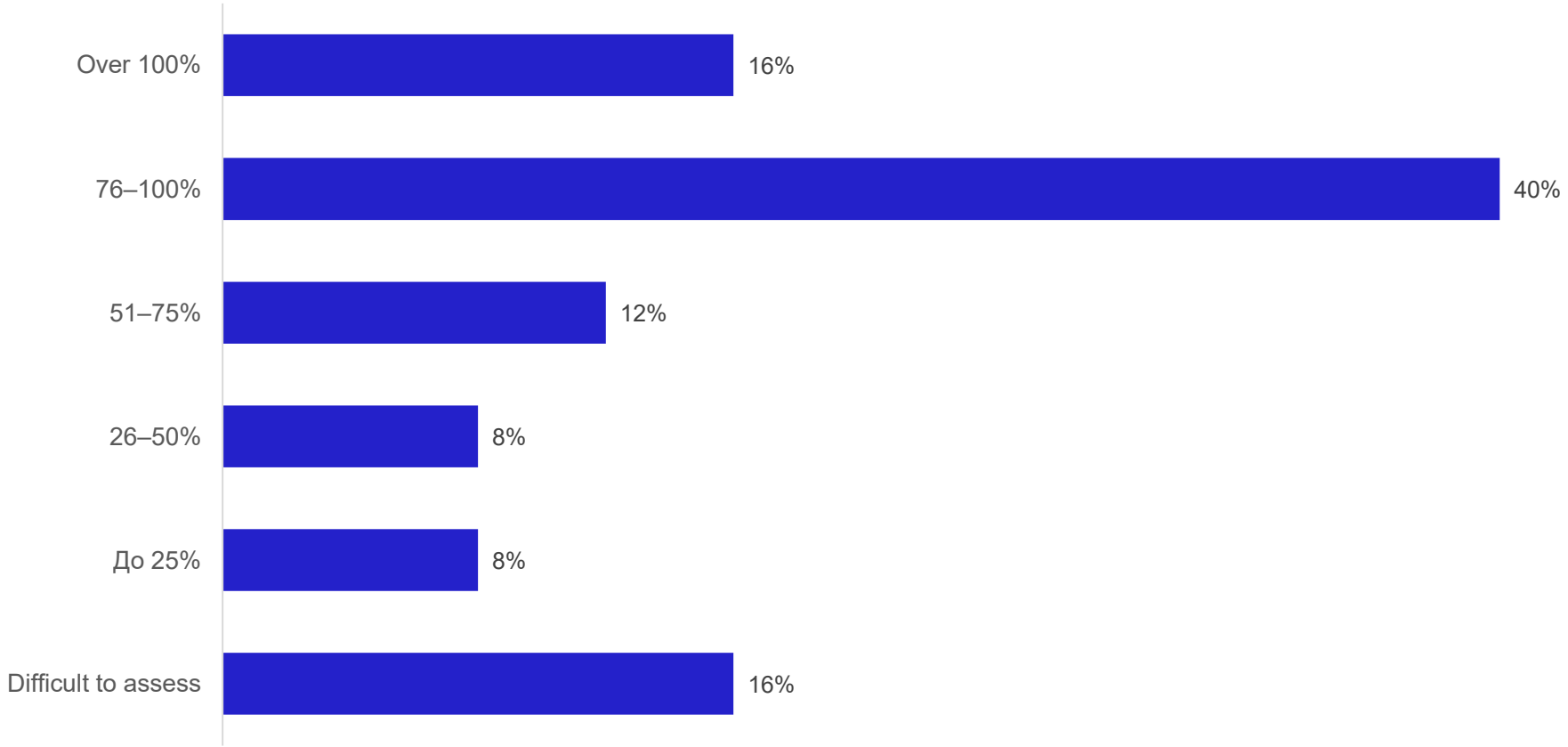
4. What is your company's current level of commercial activity compared to March 2022 (the beginning of the full-scale invasion)?

The commercial activity of most surveyed companies has returned to or exceeded pre-war levels: 52% report activity above the March 2022 level, while another 24% have reached 76–100% of that level. At the same time, 12% of companies remain at 26–50%, highlighting the uneven pace of recovery even among large players.



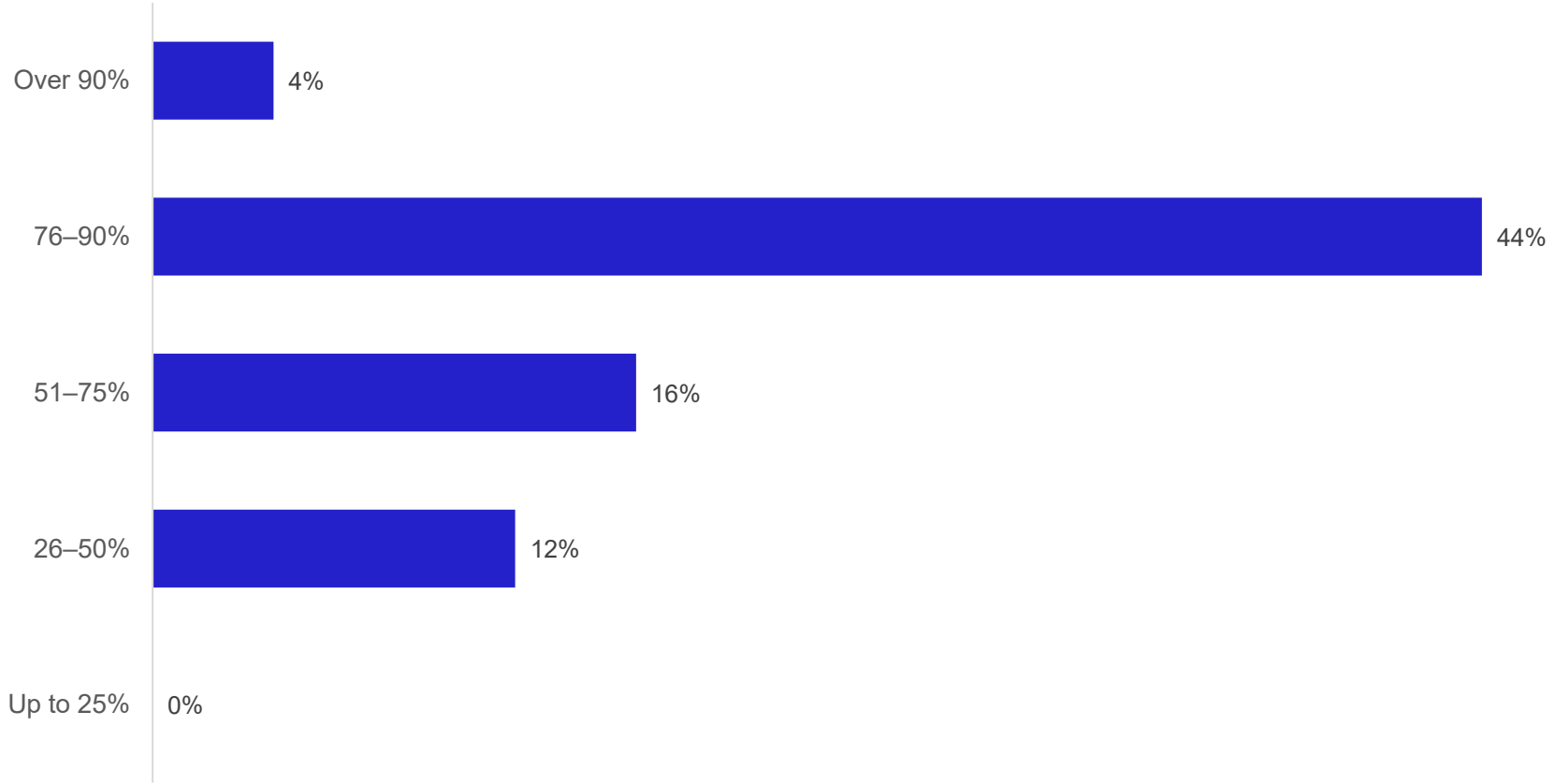
5. What is your company’s current level of commercial activity compared to March 2026?

Compared to March 2026, 56% of companies report commercial activity at least 76% of their March levels, including 16% that have exceeded them. Meanwhile, 28% report activity at no more than 75% of March levels, while another 16% are unable to assess it, indicating that business performance trends remain mixed.



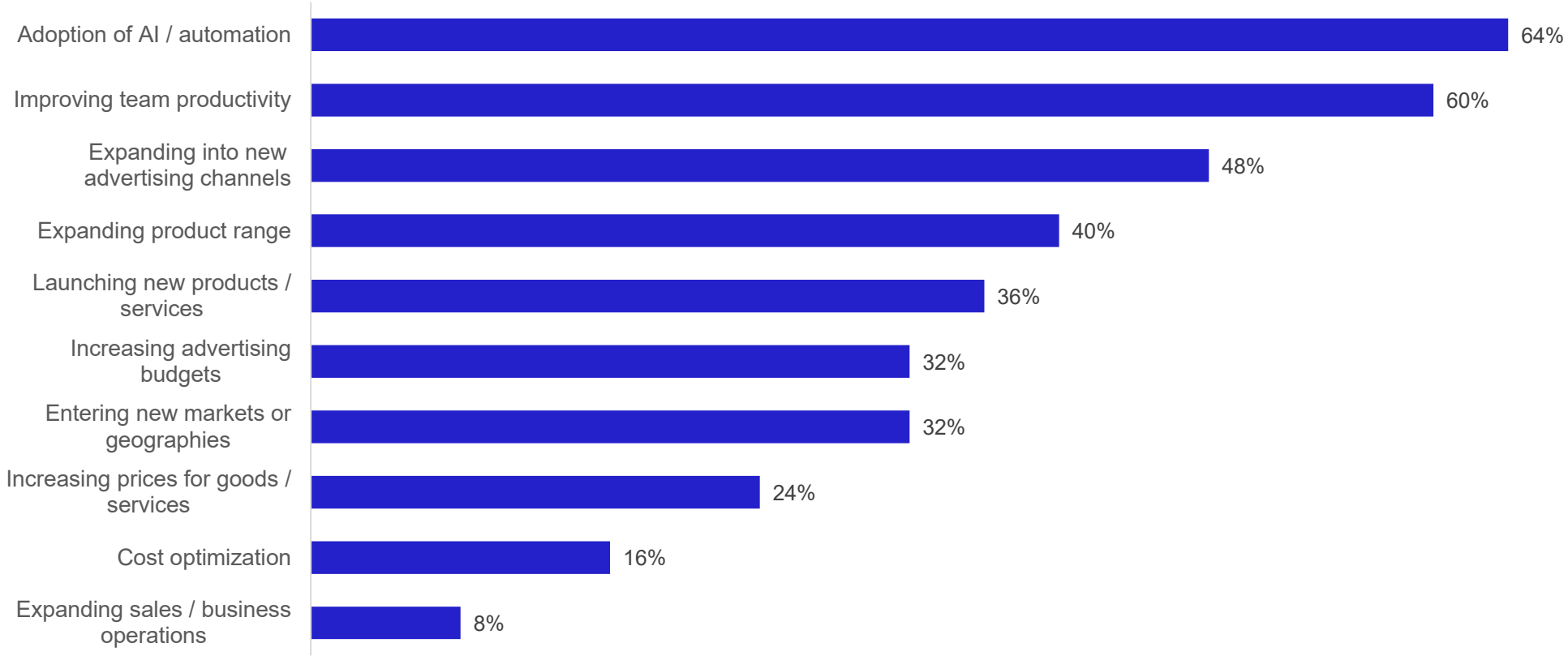
6. What proportion of your company's maximum potential capacity is currently being utilized?

At 48% of companies, actual commercial workload exceeds 75% of maximum potential capacity, including 4% operating at over 90%. Meanwhile, 28% are operating at up to 75% of capacity, indicating that some companies still have room to scale up their activity.



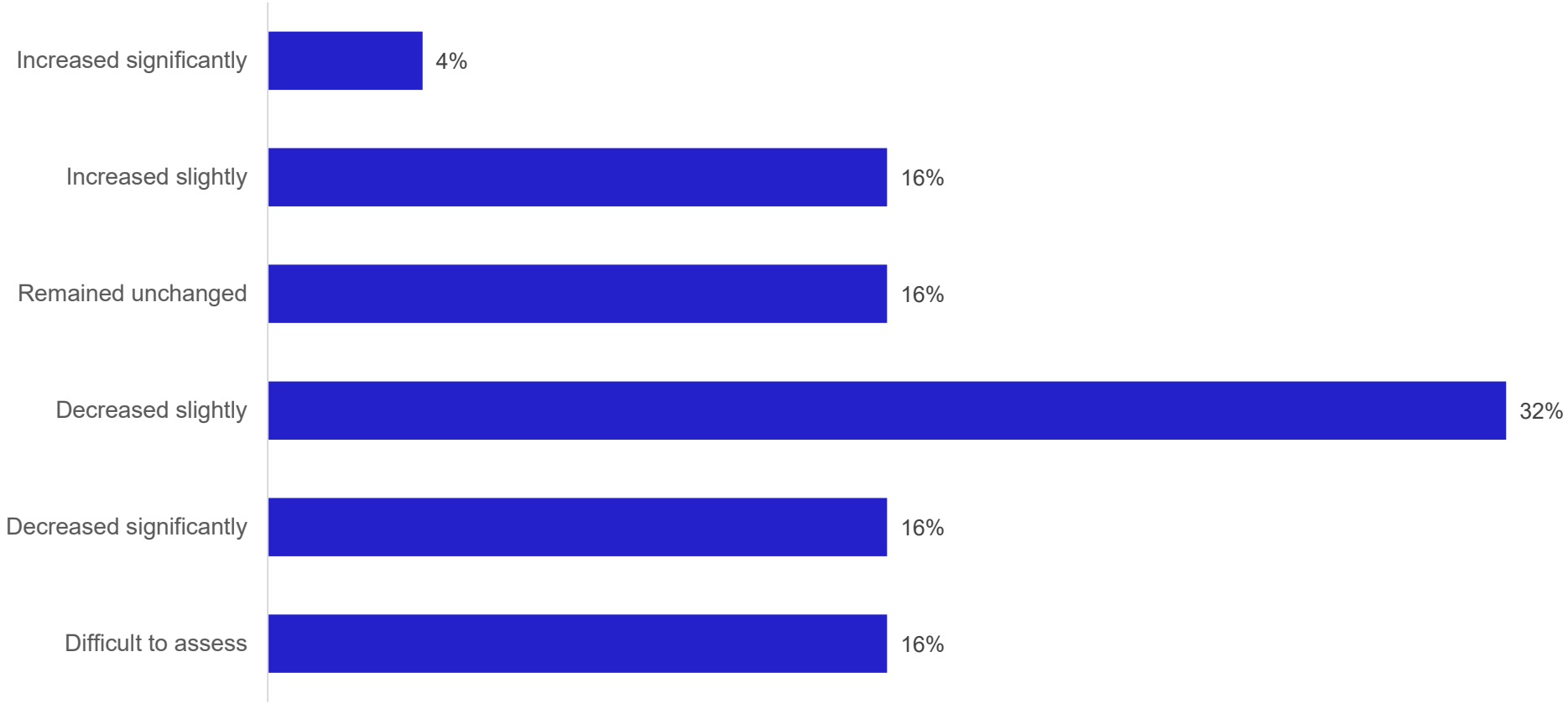
7. How would you describe your company's current situation compared to 2025?

The most significant areas of change compared to 2025 are the adoption of AI and automation (64%) and improvements in team productivity (60%). Companies are also actively expanding into new advertising channels (48%) and broadening their product range (40%), indicating a dual focus on internal operational efficiency and expanding their offerings.



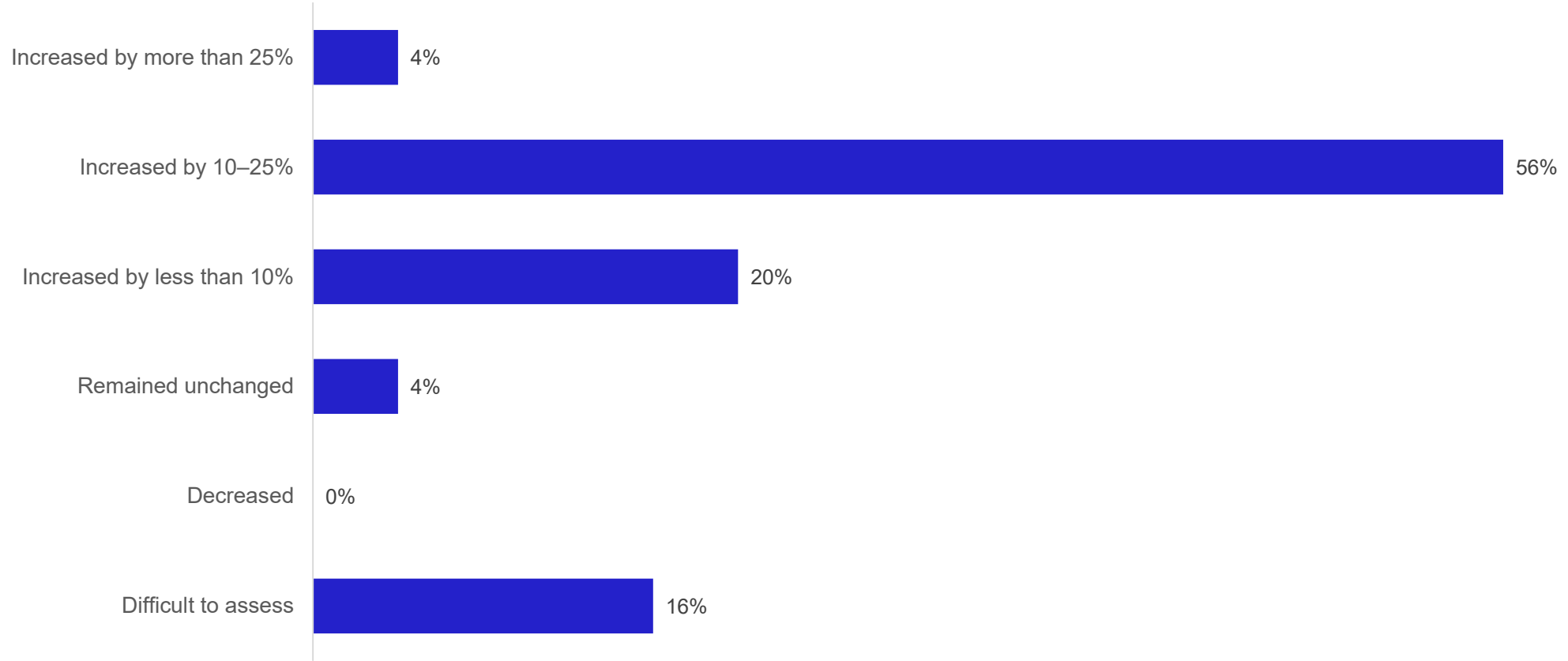
8. How has your business profitability changed since January 2026?

Despite active business development and the adoption of new tools, profitability declined at 48% of companies, while only 20% reported growth. Another 16% saw no change, and 16% were unable to assess the trend, highlighting a gap between companies' business activity and their financial performance.



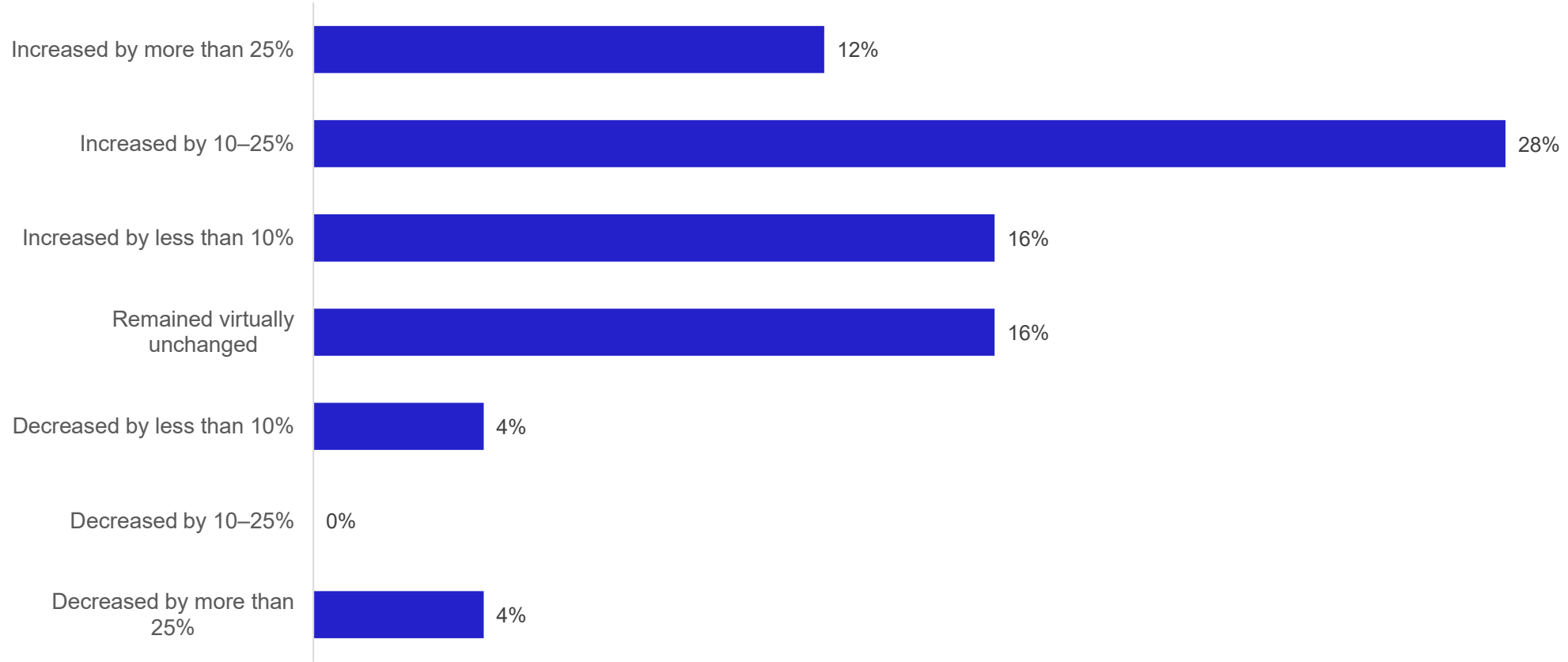
9. How has the average price of your services changed in 2026 compared to 2025?

In 80% of companies, average service prices increased in 2026 compared to 2025, with the most common increase being 10–25% (56%). Meanwhile, profitability declined at nearly half of the surveyed companies, suggesting that price increases do not always offset rising costs or other financial pressures.



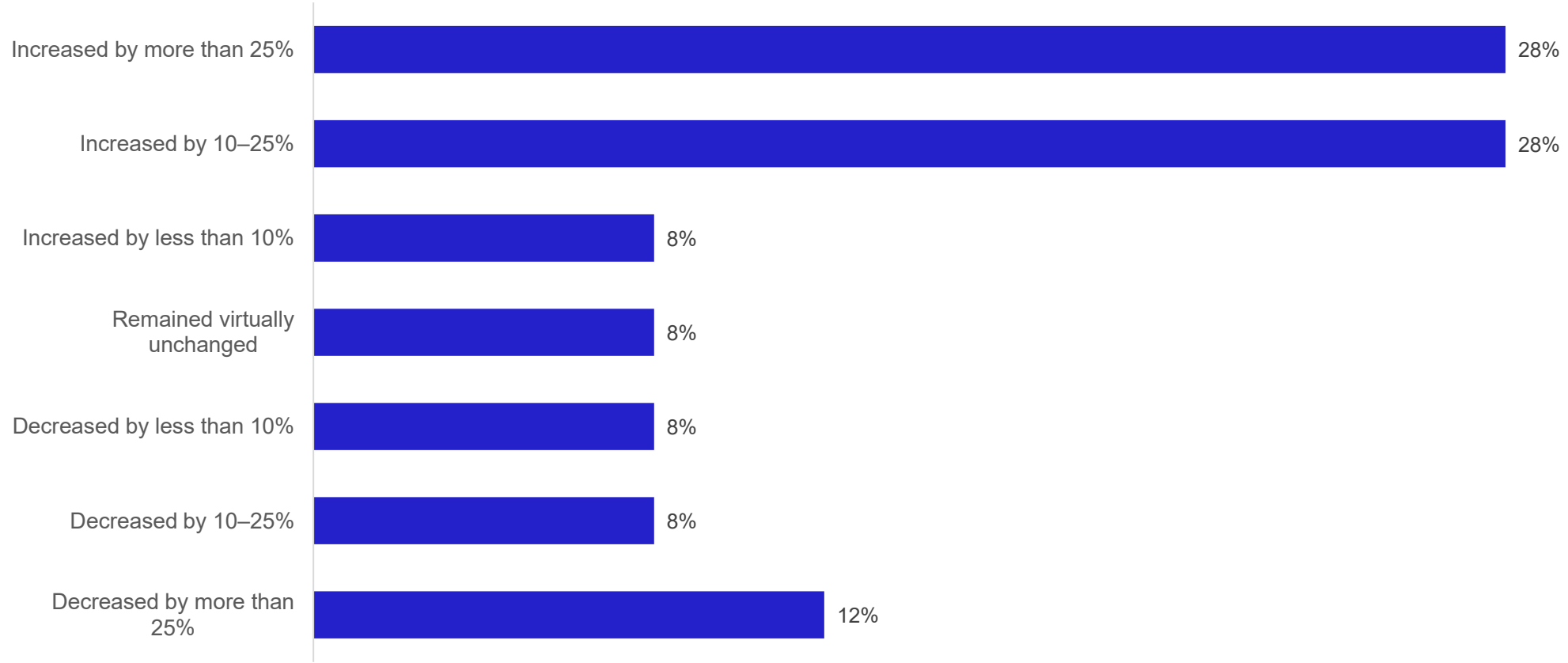
10. How did advertising budgets change in January–June 2026 compared to January–June 2025?

In the first half of 2026, advertising budgets increased at 56% of companies, with a rise of at least 10% reported by 40%. Another 16% saw no significant changes, while 8% of respondents reported budget cuts, indicating an overall positive trend in advertising investment during this period.



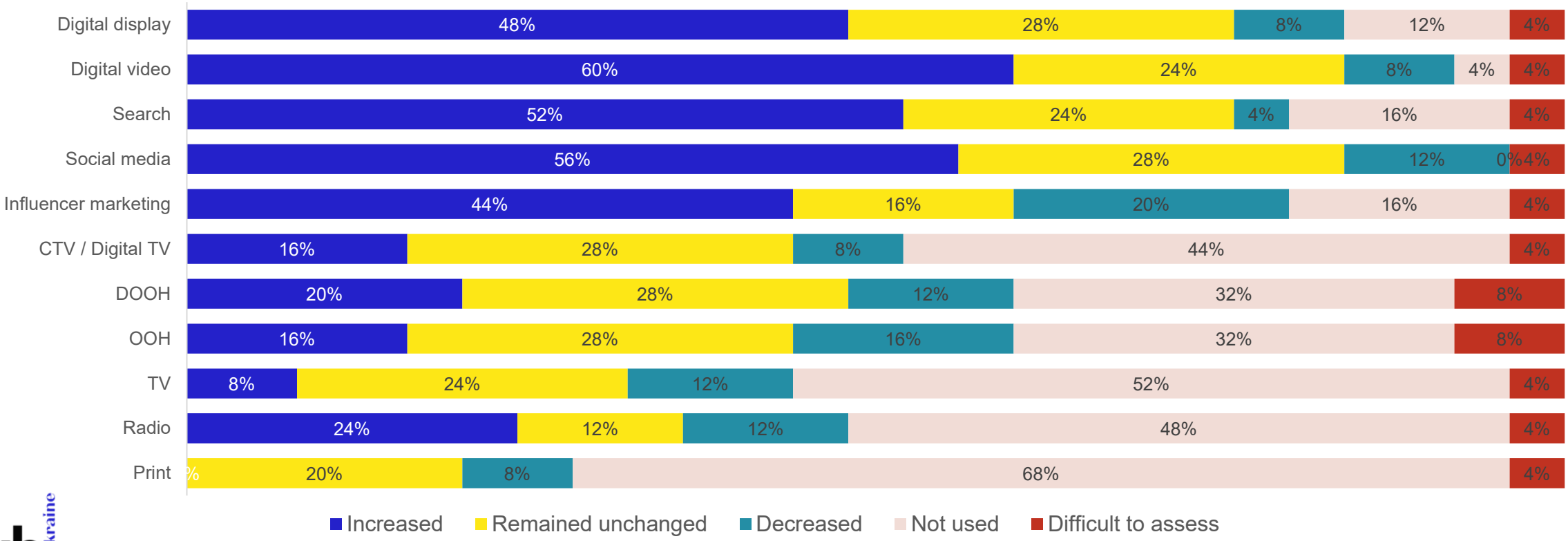
11. How did advertising budgets change in July–September 2026 compared to July–September 2025?

In July–September 2026, advertising budgets increased at 64% of surveyed companies, with 28% reporting growth of more than 25%. Meanwhile, the share of companies reporting budget cuts rose to 28%, compared to 8% in the first half of the year, indicating more polarized trends in advertising investment in the third quarter.



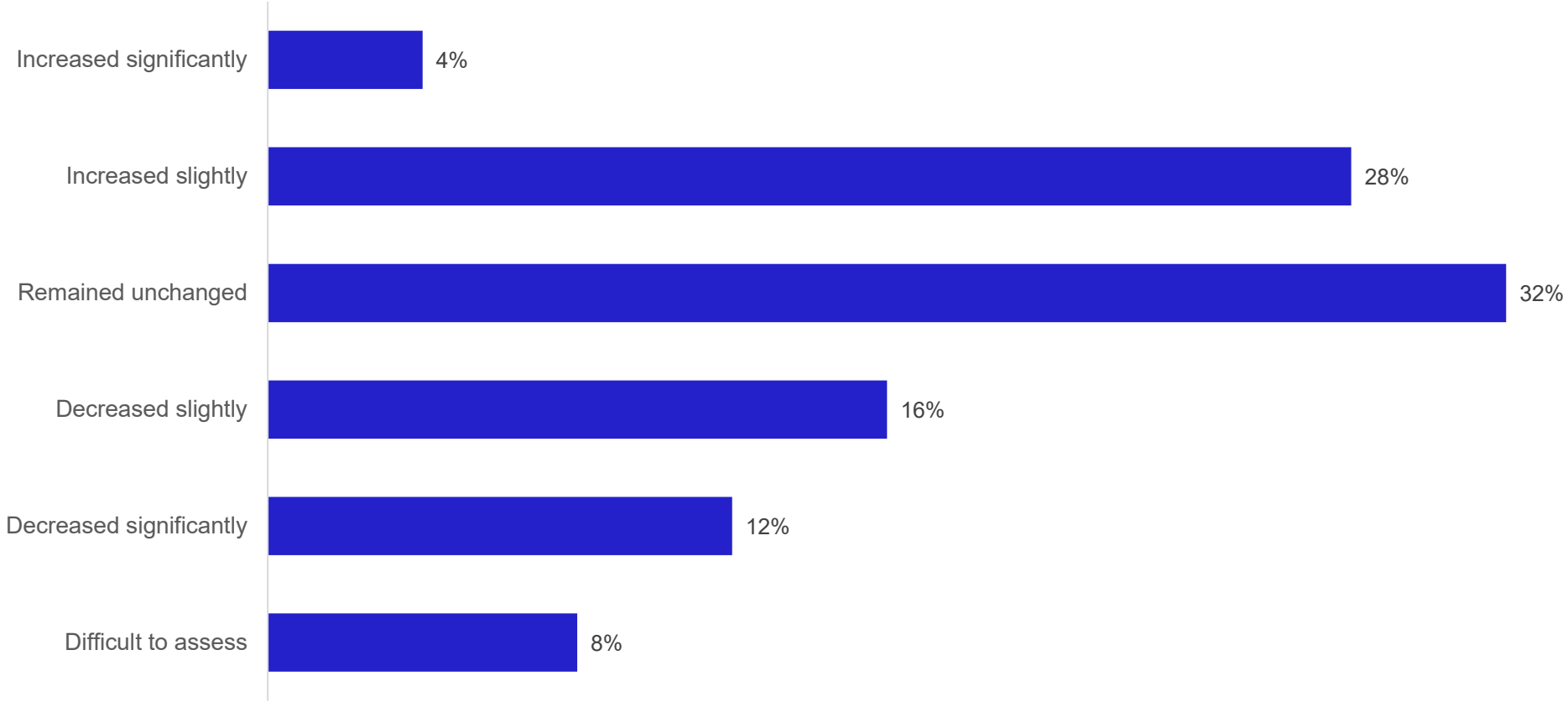
12. How did advertising budgets change across major channels in 2026?

The strongest advertising budget growth in 2026 was reported for Digital Video (60%), Social Media (56%) and Search (52%). Influencer Marketing showed a mixed trend: although 44% of companies increased their budgets, 20% reported cuts. Traditional media were more often excluded from the media mix: 68% of respondents do not use Print, 52% do not use TV, and 48% do not use Radio.



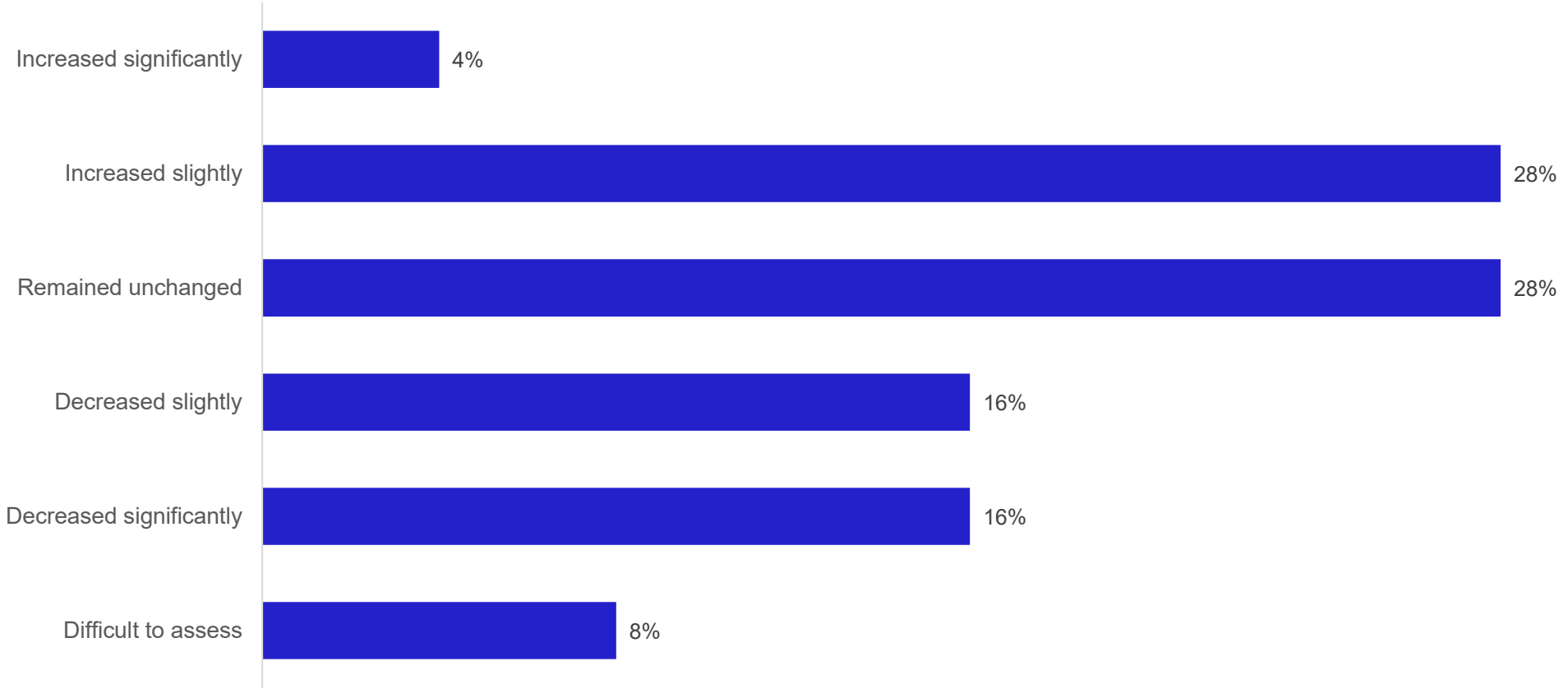
13. How has the predictability of advertising budgets changed compared to 2025?

Advertising budget predictability improved for 32% of surveyed companies, while 28% reported a decline. The largest share of respondents (32%) reported no change, indicating no uniform market trend: planning has become more predictable for some companies, while uncertainty persists or is increasing for others.



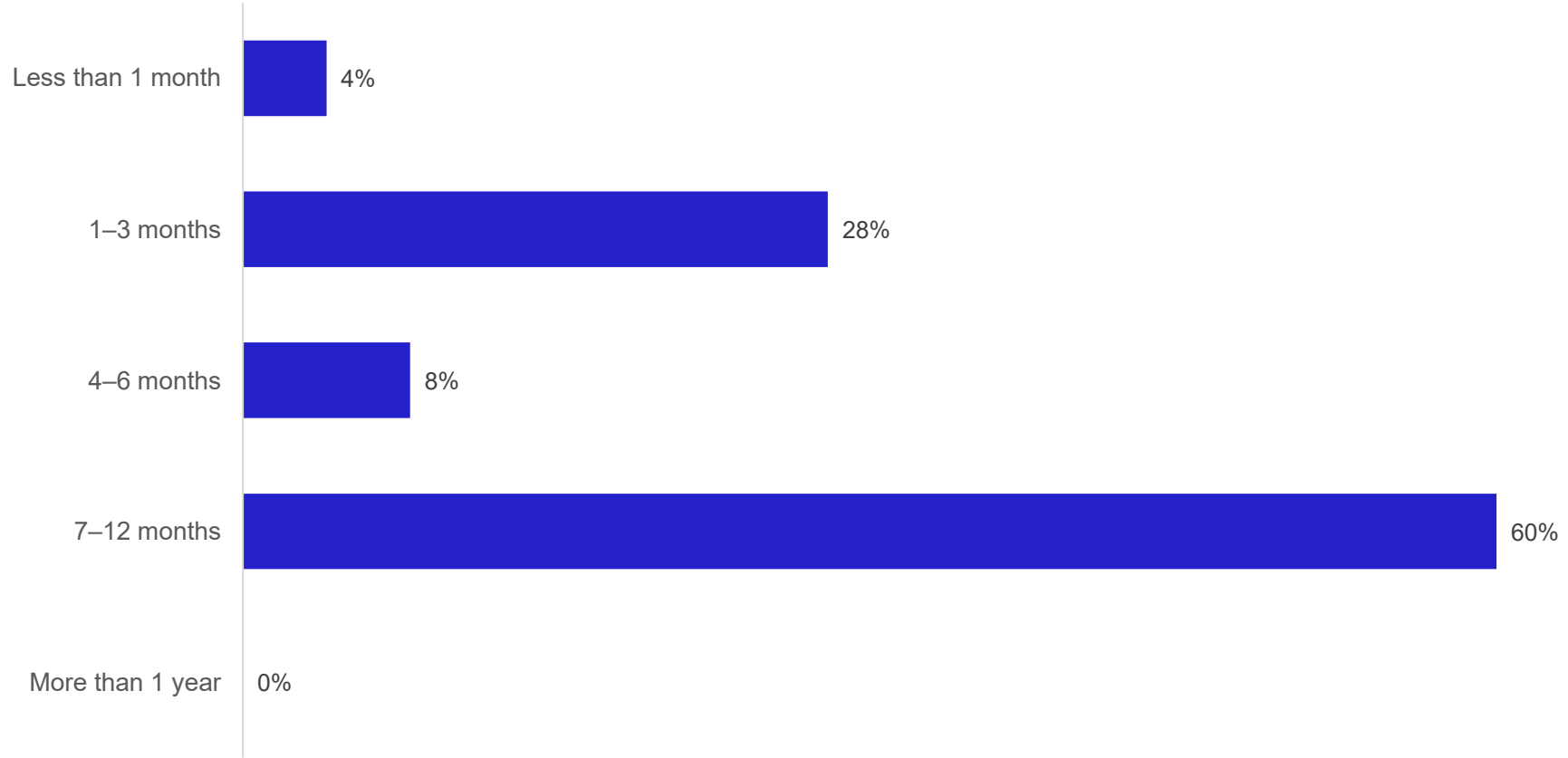
14. How has the predictability of advertising budgets changed compared to January–June 2026?

Compared to the first half of 2026, advertising budget predictability improved at 32% of surveyed companies, while 32% reported a decline. Another 28% reported no change. This distribution indicates mixed trends: although predictability improved for some companies, planning became more difficult for others in the second half of the year.



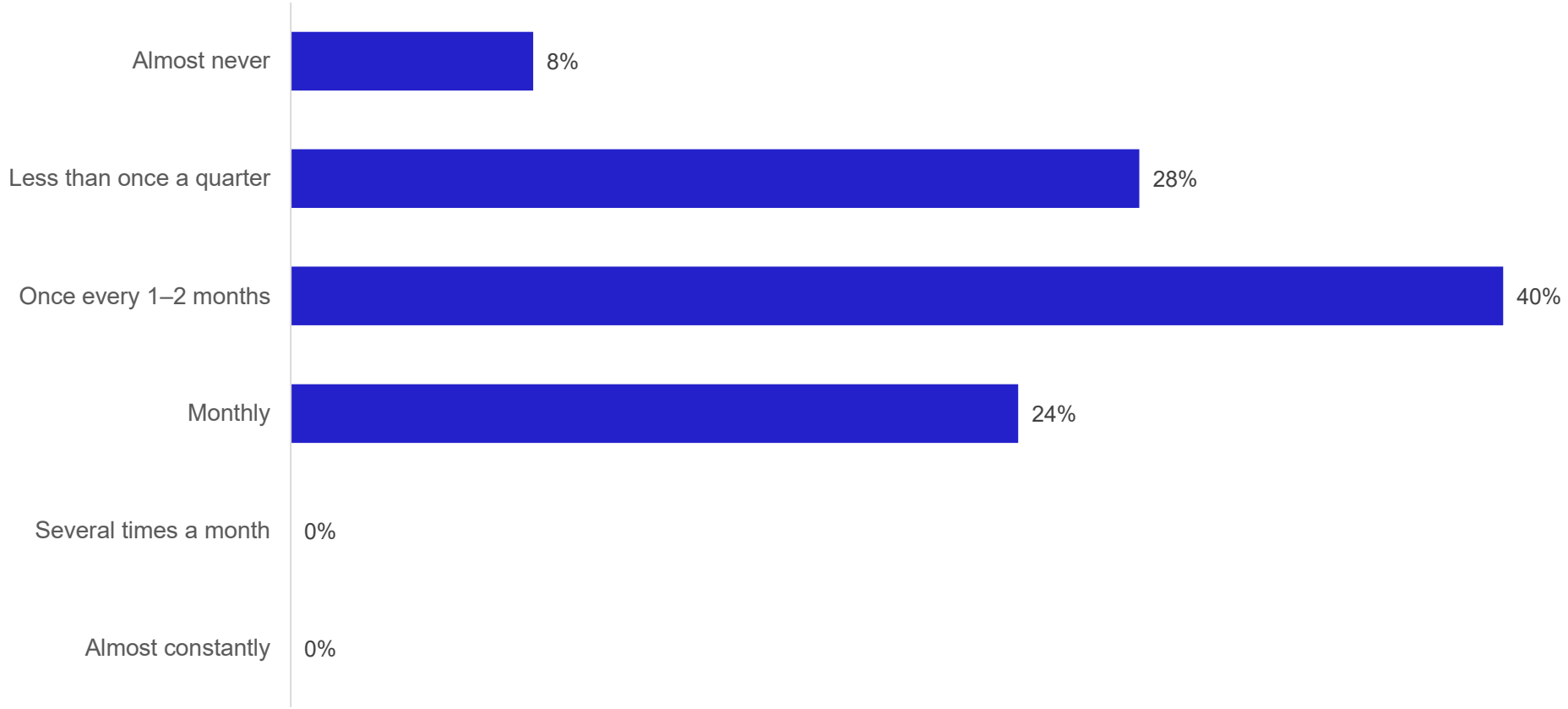
15. What is your company's average advertising budget planning horizon?

Despite wartime and economic uncertainty, 60% of companies plan their advertising budgets 7–12 months ahead, while another 8% plan 4–6 months ahead. Meanwhile, 32% limit their planning horizon to three months or less, indicating significant differences in planning approaches among surveyed companies.



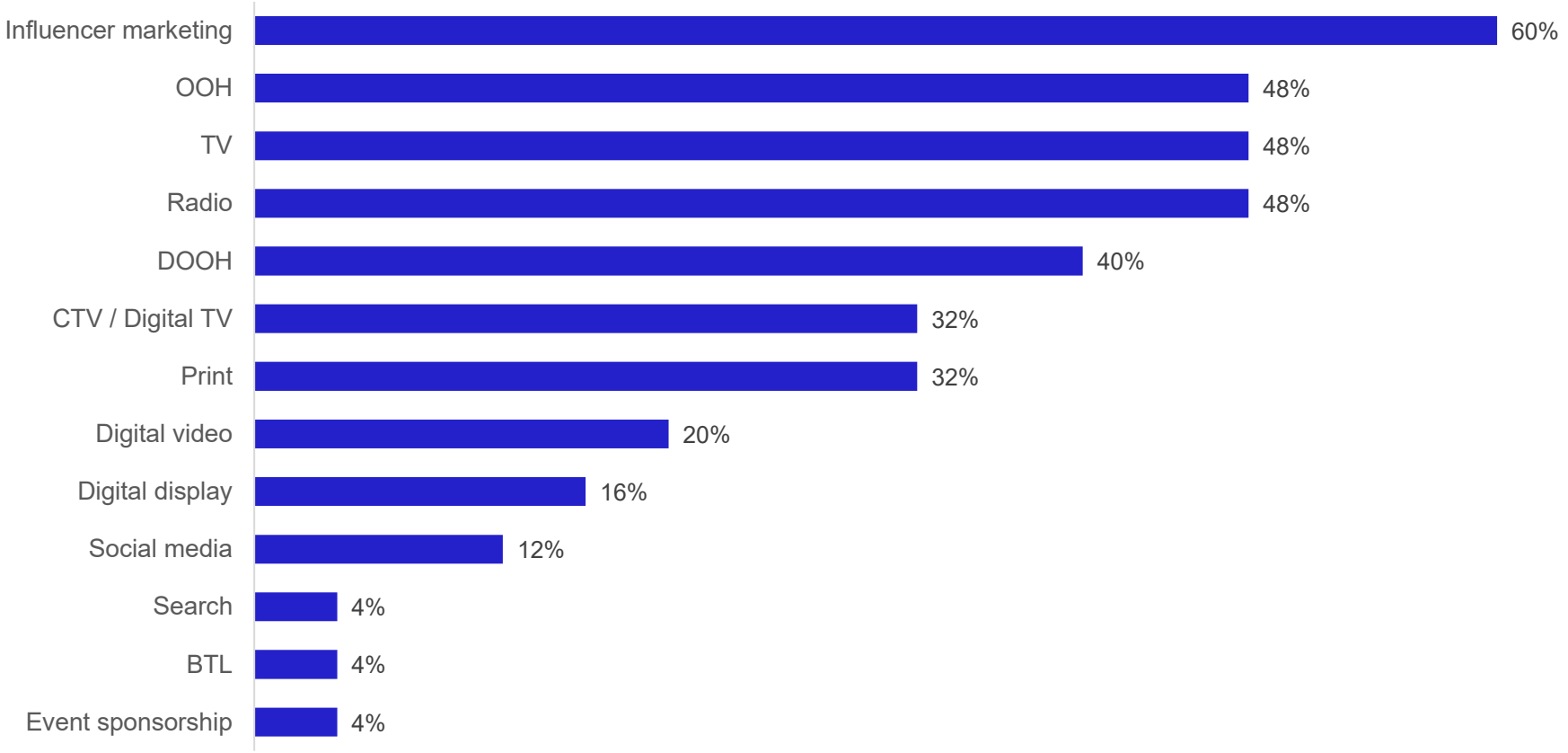
16. How often are approved advertising campaigns or budgets revised due to external circumstances?

At 64% of companies, approved advertising campaigns or budgets are revised at least every 1–2 months, including 24% that review them monthly. Meanwhile, only 8% almost never revise their approved plans, highlighting the need for flexible management of advertising investments even with a relatively long planning horizon.



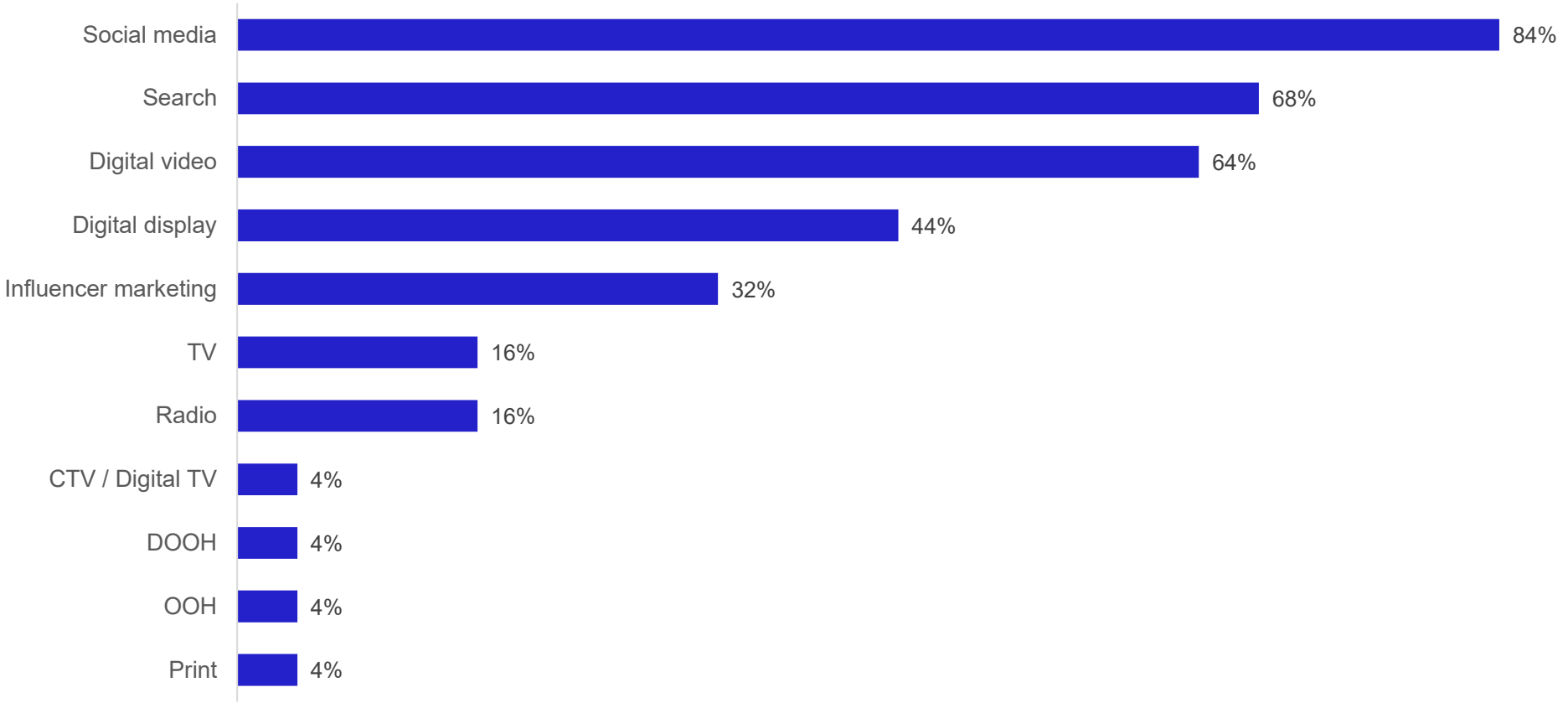
17. Which advertising channels are most often cut first when there is a need to optimize the advertising budget?

Influencer Marketing (60%) is the channel most often cut first when advertising budgets are reduced, followed by OOH, TV and Radio (48% each), and DOOH (40%). This indicates that these channels are more vulnerable to budget cuts, while Search, BTL and Event Sponsorship are cut least often (4% each).



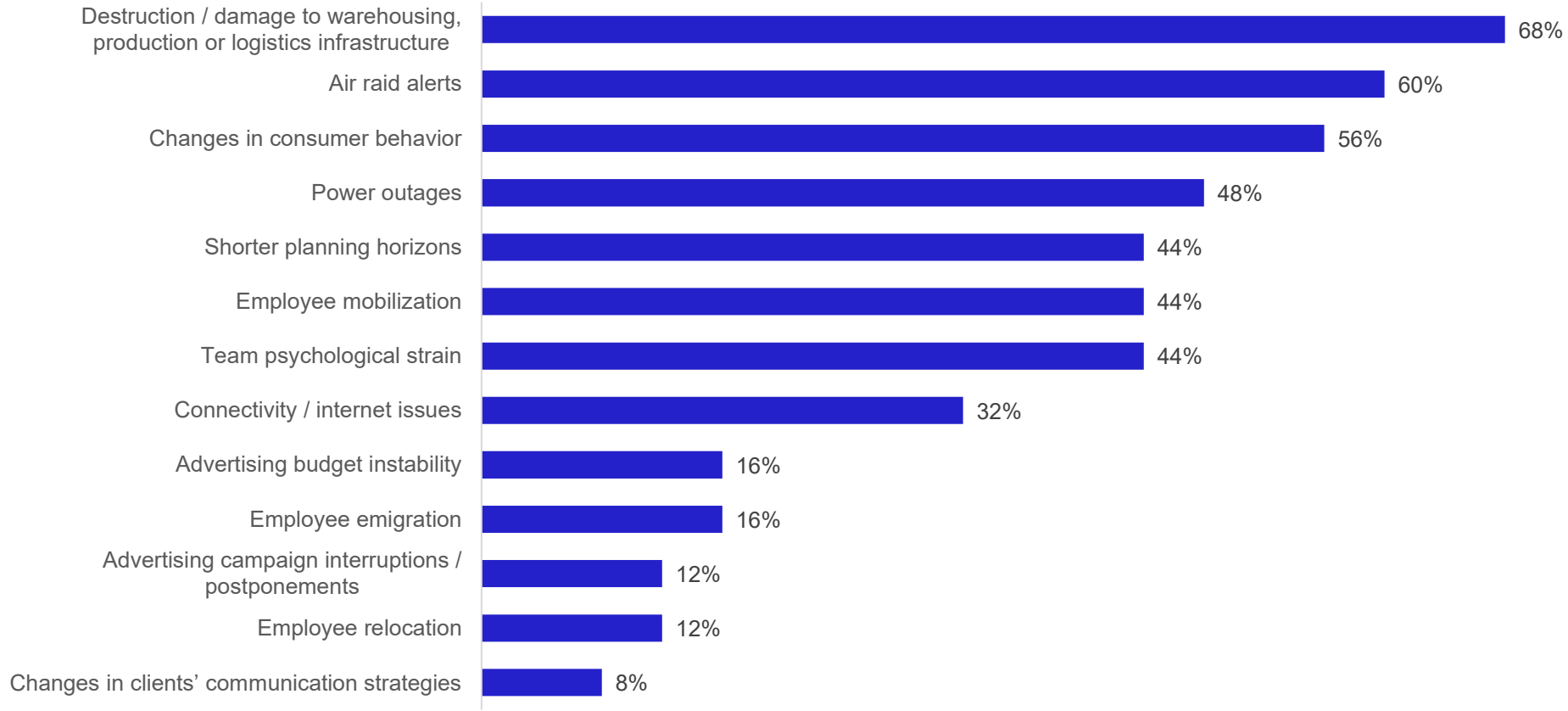
18. Which advertising channels are considered “must-have” even when advertising budgets are cut?

Even when budgets are cut, companies most often consider Social Media (84%), Search (68%) and Digital Video (64%) indispensable. Comparing these findings with the channels cut first shows that Social Media and Search remain priorities while also being subject to budget optimization, suggesting their significant role in the media mix when resources are limited.



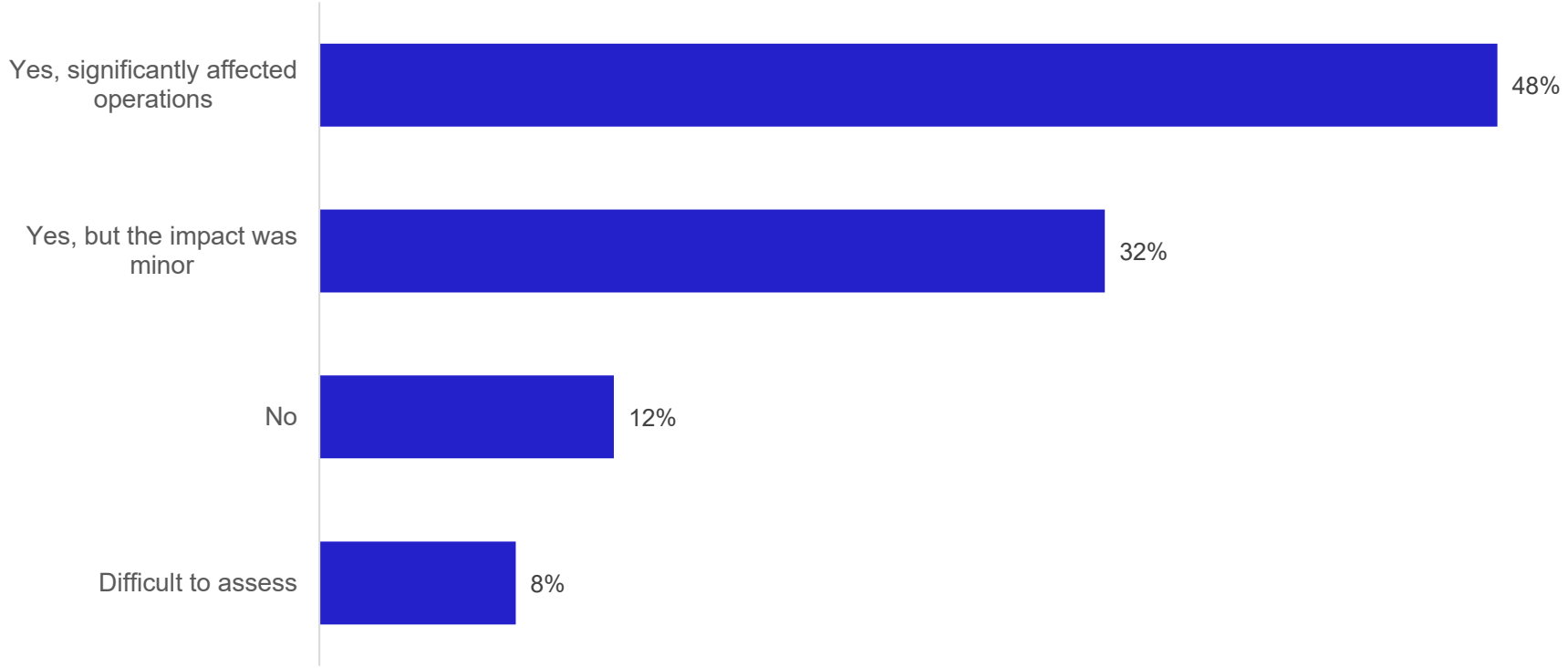
19. Which consequences of the full-scale war currently have the greatest impact on your company's operations?

The greatest impact on companies' operations comes from the destruction or damage of warehousing, production or logistics infrastructure (68%) and air raid alerts (60%). Other key challenges include changes in consumer behavior (56%), power outages (48%), and shorter planning horizons, employee mobilization and team psychological strain (44% each). This indicates that the war affects not only advertising planning but also businesses' operational capacity.



20. Has your company experienced war-related destruction or damage to warehousing, production or logistics infrastructure?

80% of surveyed companies have been affected by war-related destruction or damage to warehousing, production or logistics infrastructure: 48% report a significant impact on their operations, while another 32% report a minor impact. Only 12% have not experienced such consequences, highlighting the scale of the war's direct impact on business operations.



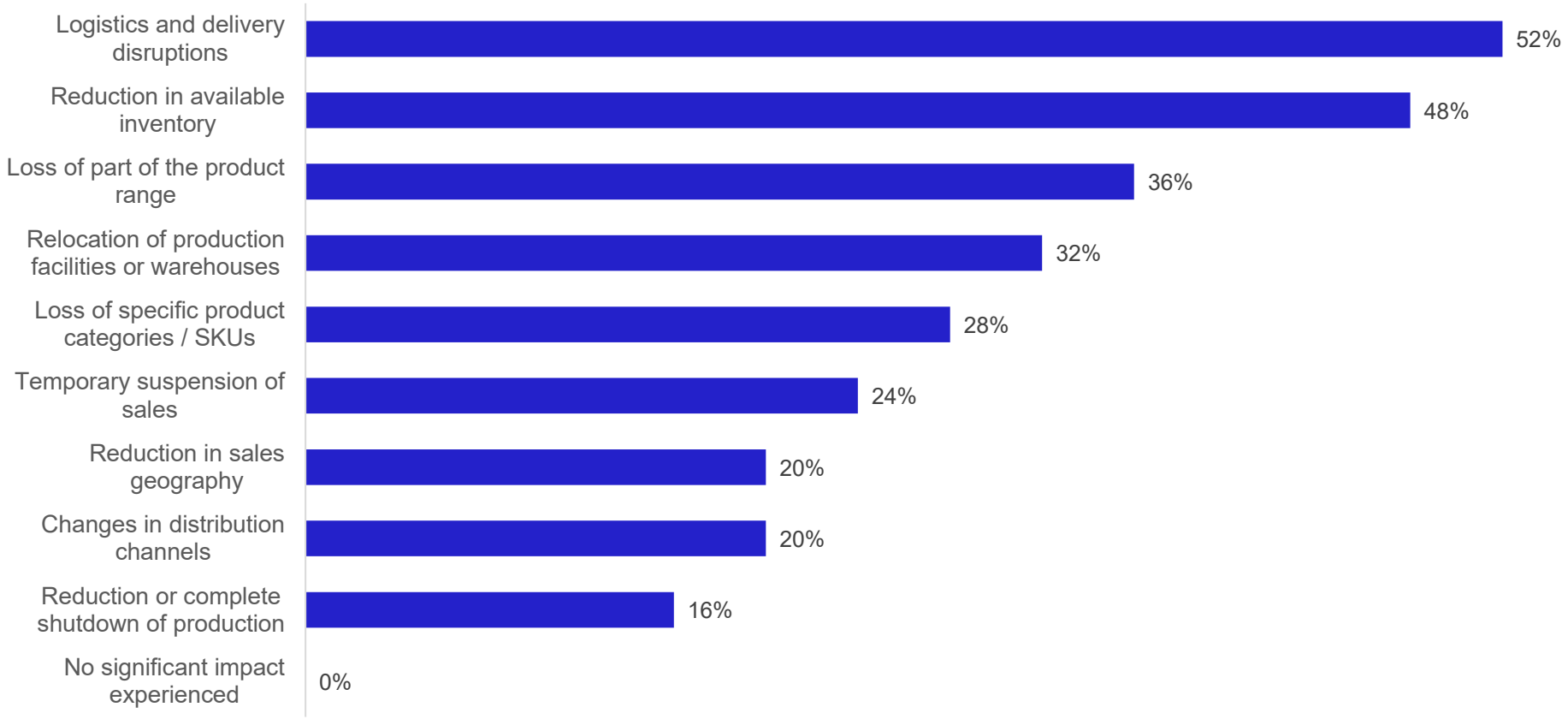
21. What proportion of businesses have been significantly affected by the destruction or damage of warehousing, production or logistics infrastructure?

According to advertisers, war-related destruction or damage to warehousing, production or logistics infrastructure has significantly affected an average of 27% of their business.

27%

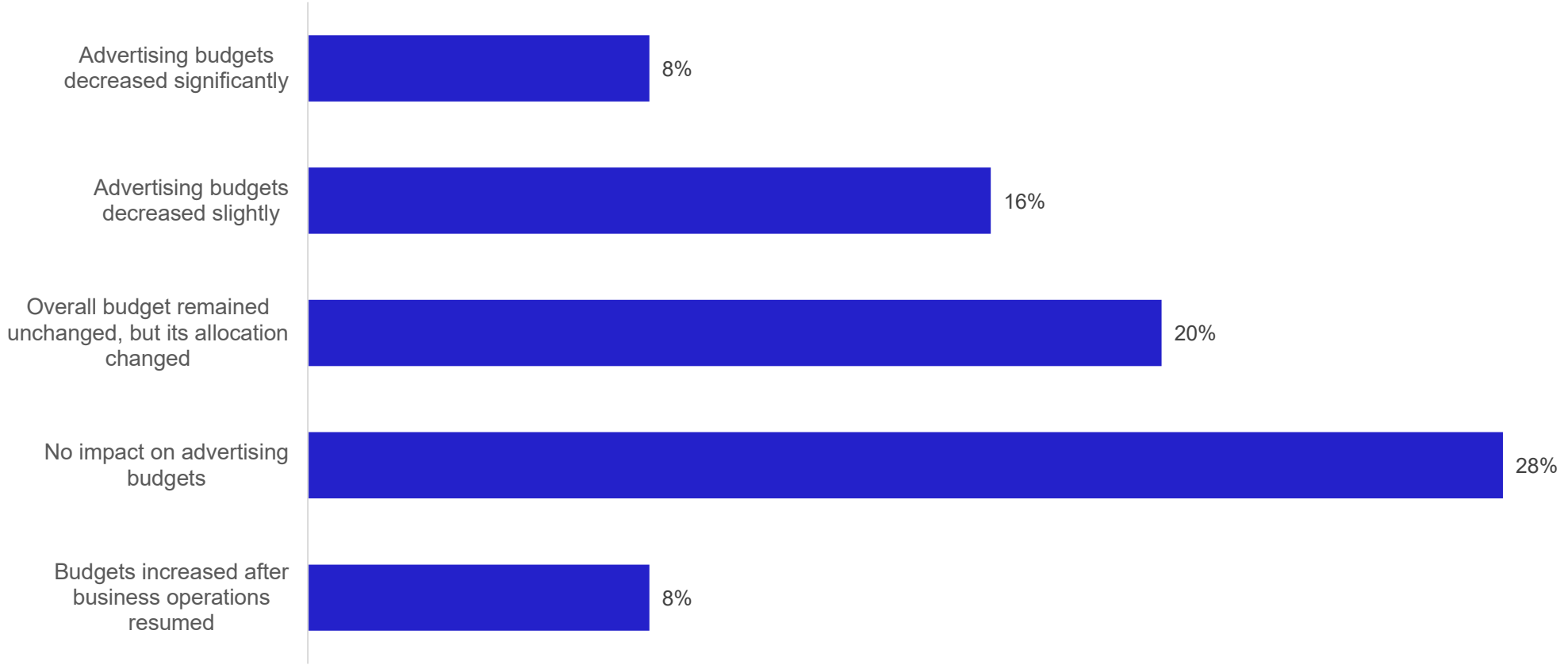
22. What impact has the destruction or damage of warehousing, production or logistics infrastructure had on businesses?

The most common consequences of infrastructure destruction or damage were logistics and delivery disruptions (52%) and reduced inventory (48%). Companies also reported the loss of part of their product range (36%) and the relocation of production facilities or warehouses (32%), highlighting the significant impact on supply chains and business operations.



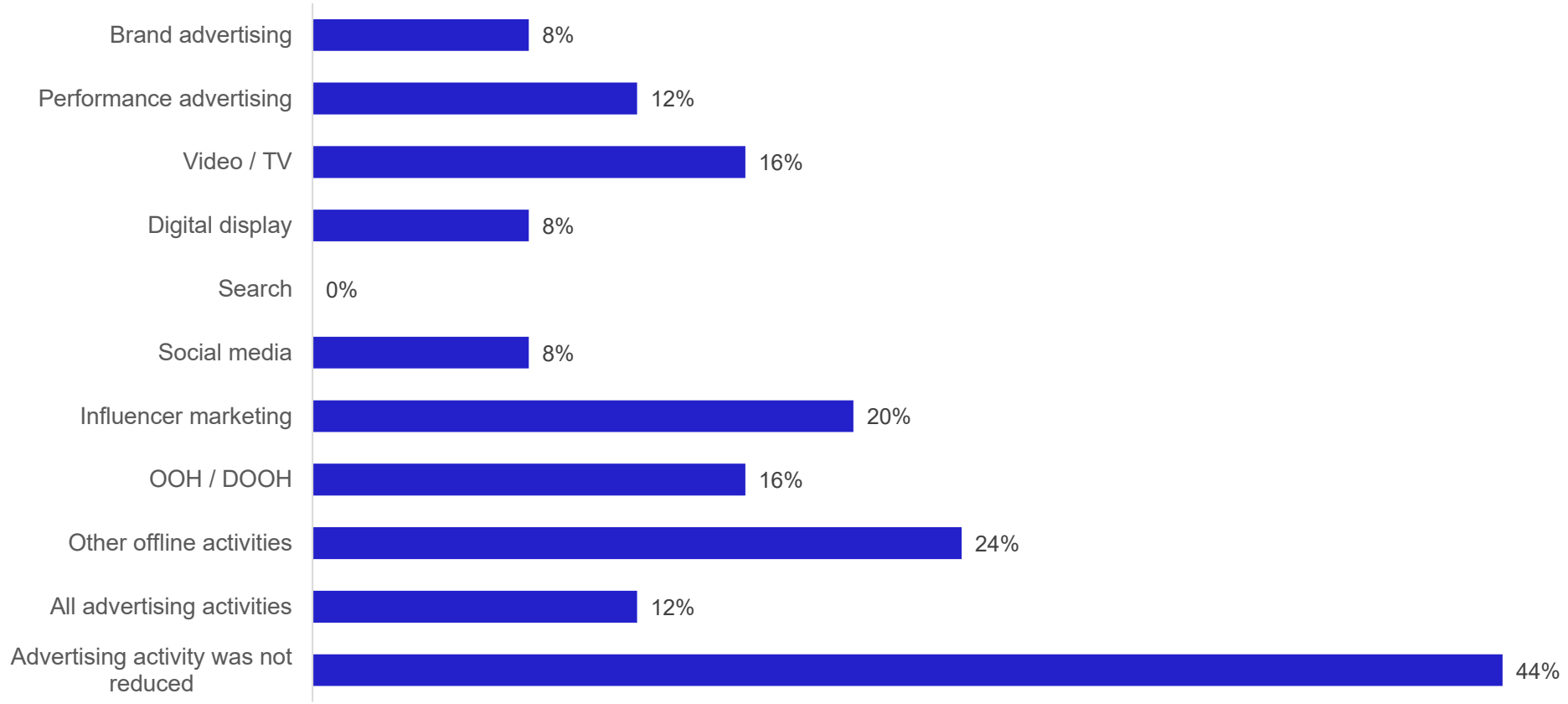
23. How has the destruction or damage of warehousing, production or logistics infrastructure affected advertising budgets?

At 24% of companies, infrastructure destruction or damage led to advertising budget cuts, while another 20% changed their budget allocation without changing the overall amount. Meanwhile, 28% reported no impact on advertising budgets, and 8% increased their budgets after resuming operations.



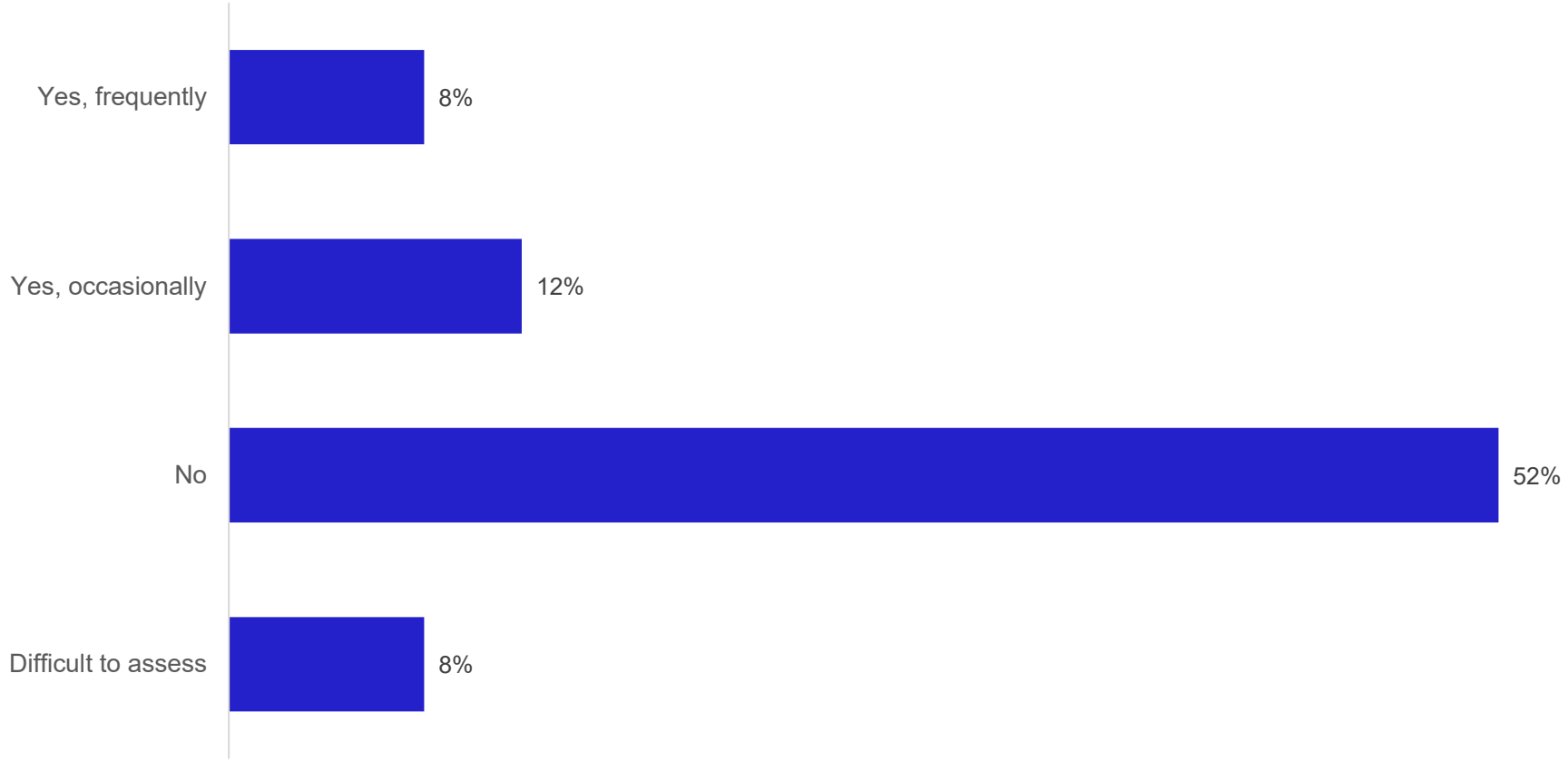
24. Which advertising activities were most often reduced or suspended due to the destruction or damage of warehousing, production or logistics infrastructure?

At 44% of companies, advertising activity was not reduced even when infrastructure losses occurred. Among those that adjusted their advertising activities, the most frequently reduced were other offline activities (24%) and Influencer Marketing (20%); another 12% suspended all advertising activities.



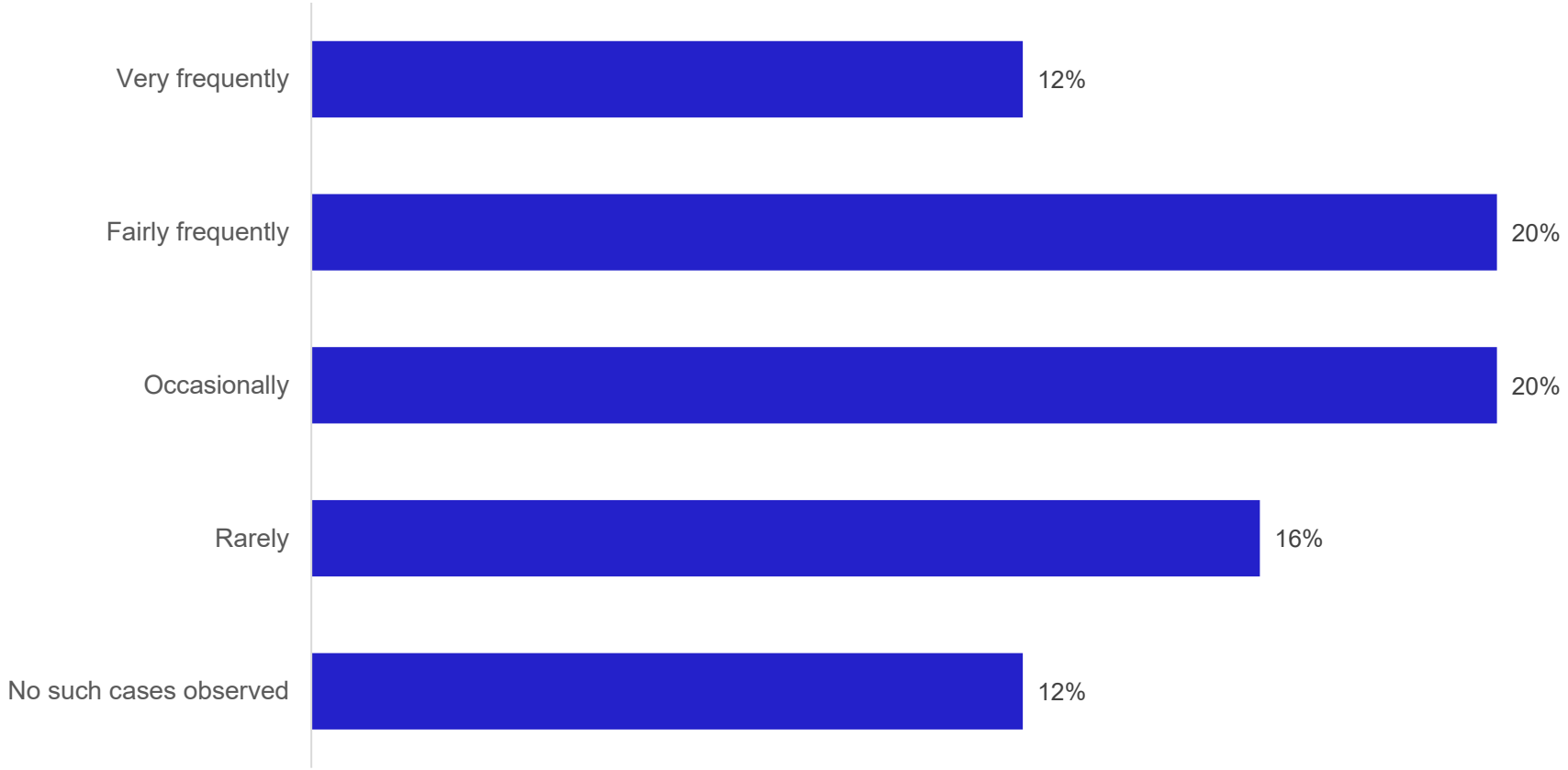
25. Have there been cases where advertising activity recovered more slowly than business operations due to inventory or logistics issues?

At 20% of companies, advertising activity recovered more slowly than business operations due to inventory or logistics issues: 8% experienced this frequently and 12% occasionally. Meanwhile, 52% reported no such gap between business recovery and the resumption of advertising activity.



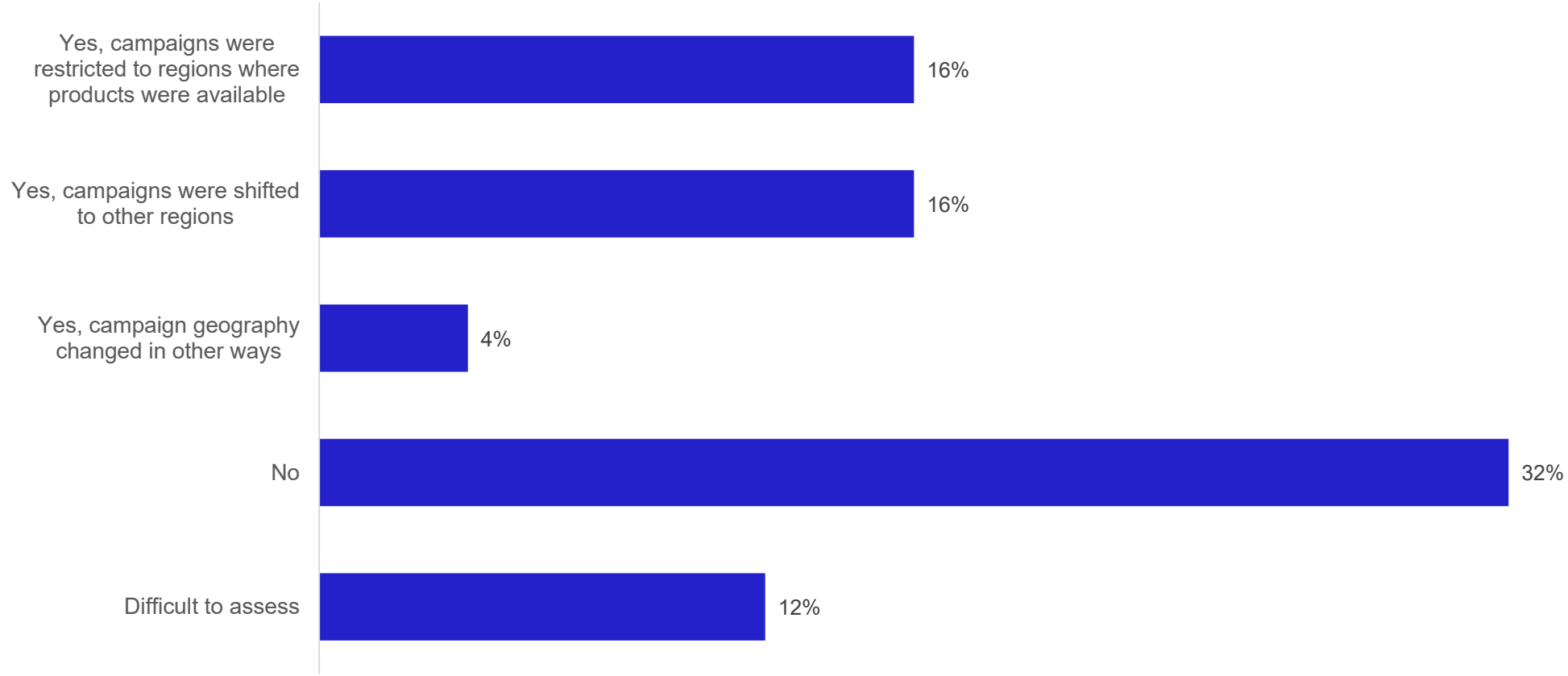
26. How often has advertising strategy changed due to the loss or shortage of specific products / categories?

At 52% of companies, advertising strategy was adjusted due to the loss or shortage of specific products or categories at least occasionally, including 32% that did so fairly or very frequently. Meanwhile, 12% reported no need for such adjustments.



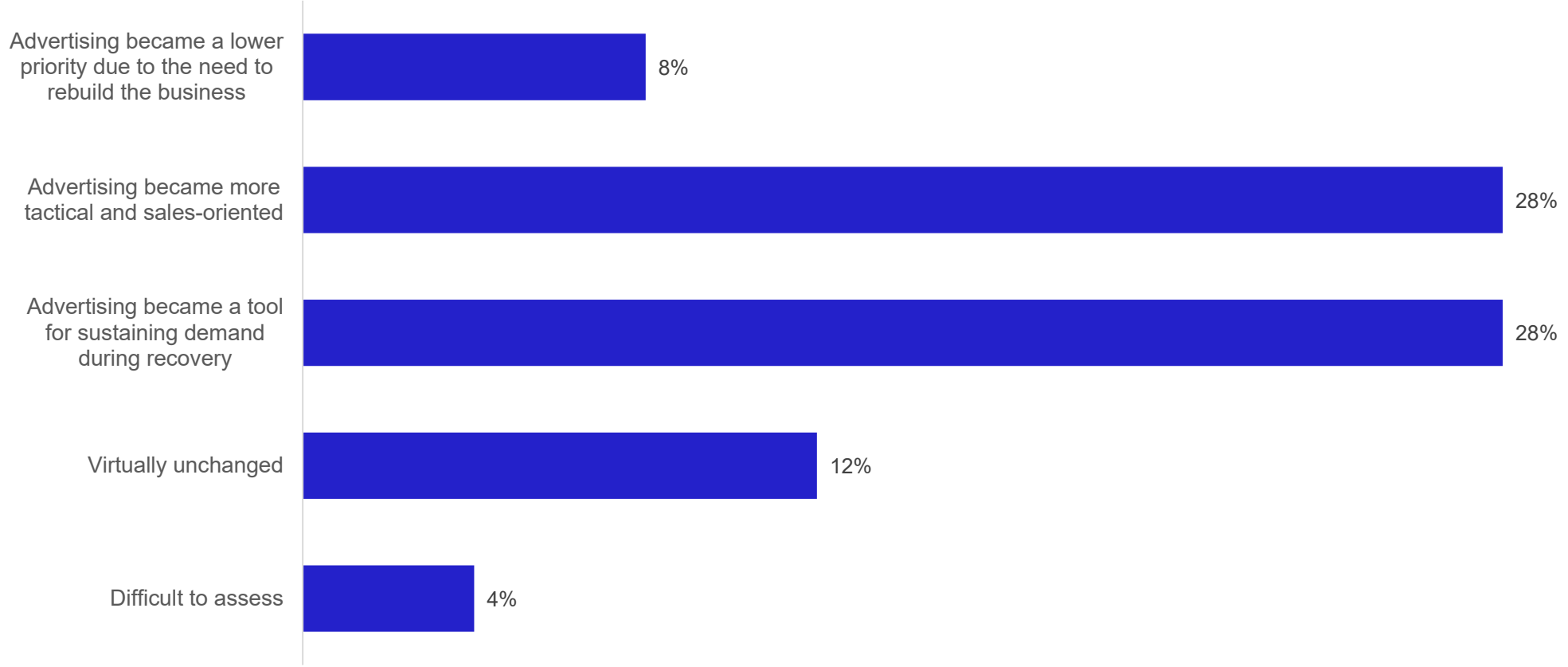
27. Did product availability issues affect the geographic targeting of advertising campaigns?

At 36% of companies, product availability issues affected the geographic targeting of advertising campaigns: 16% restricted campaigns to regions where products were available, while another 16% shifted campaigns to other regions. Meanwhile, 32% did not change campaign geography in response to such issues.



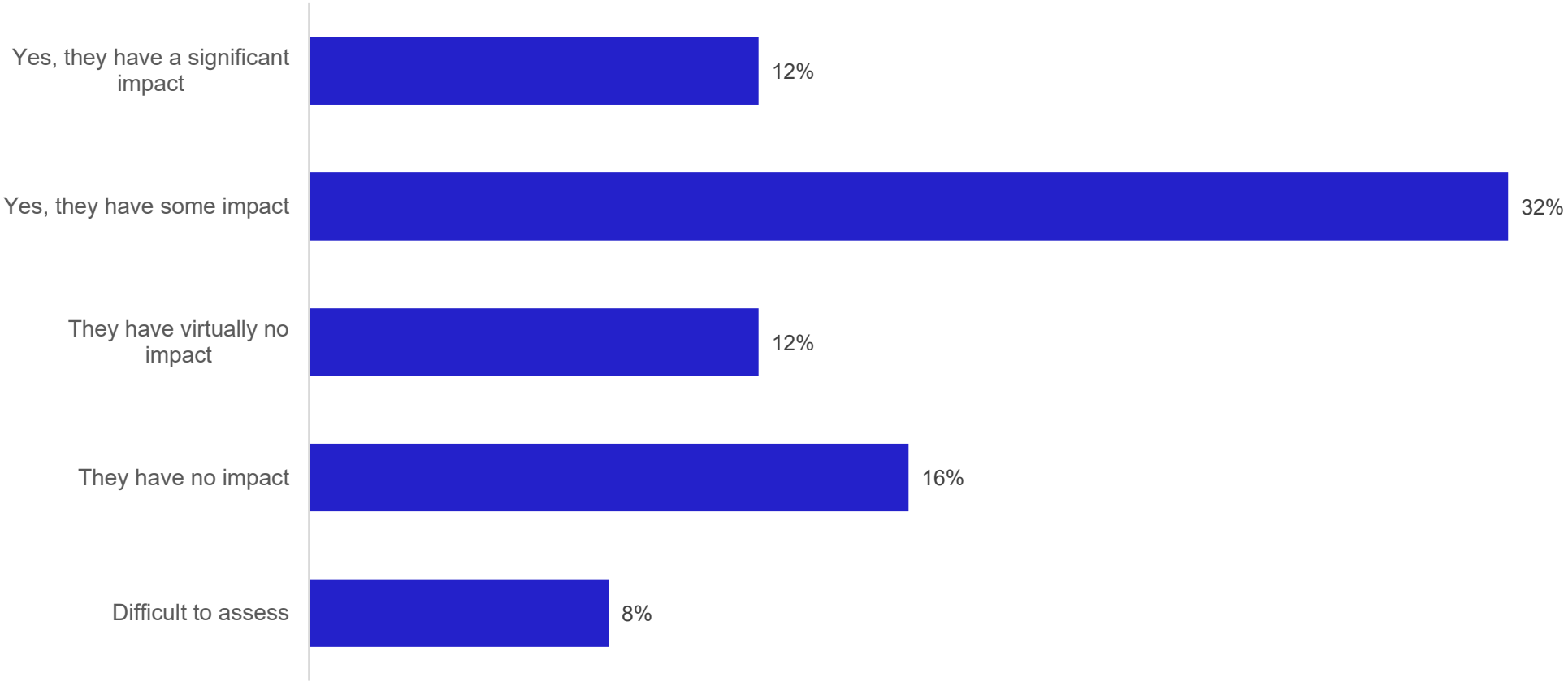
28. In your assessment, how has the role of advertising in business changed following significant physical infrastructure losses?

Following significant physical infrastructure losses, advertising largely retains its role as a tool for supporting business operations: 28% of companies use it to sustain demand during recovery, while another 28% have made it more tactical and sales-oriented. Only 8% report that advertising has become a lower priority due to the need to rebuild their businesses.



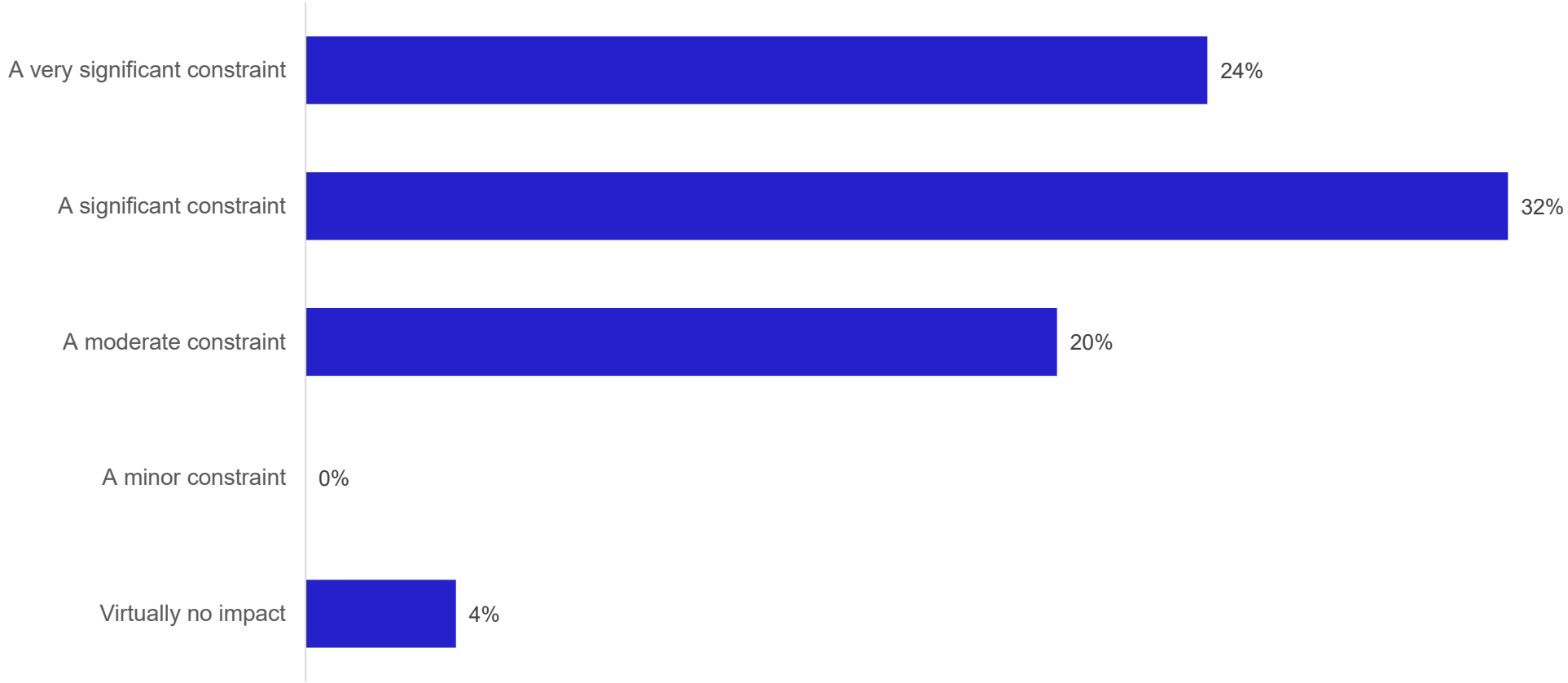
29. Do the consequences of infrastructure destruction or damage continue to affect advertising budgets?

The consequences of infrastructure destruction or damage continue to affect advertising budgets at 44% of companies, with 12% reporting a significant impact. Meanwhile, 28% report little or no impact, indicating that infrastructure losses remain a factor in advertising investment planning for some businesses.



30. In your opinion, to what extent will physical losses to business infrastructure continue to constrain Ukrainian advertisers' advertising investments over the next 1–2 years?

56% of respondents believe that physical losses to business infrastructure will remain a significant or very significant constraint on Ukrainian advertisers' investments in advertising over the next 1–2 years. Another 20% expect a moderate impact, indicating that most respondents anticipate that the consequences of infrastructure destruction will continue to limit advertising activity.



31. Which consequence of infrastructure destruction has the greatest impact on advertising activity today?

Destruction of Warehousing, Production and Other Infrastructure

- Warehouses, etc.
- Warehouses and data centres.
- Warehousing and production facilities.

Logistics and Inventory

- Uncertainty around product availability and range.
- Logistics issues and inventory availability.
- Destruction of companies' own inventory and disruption of retail chains' logistics networks.

Power, Communication and Security Restrictions

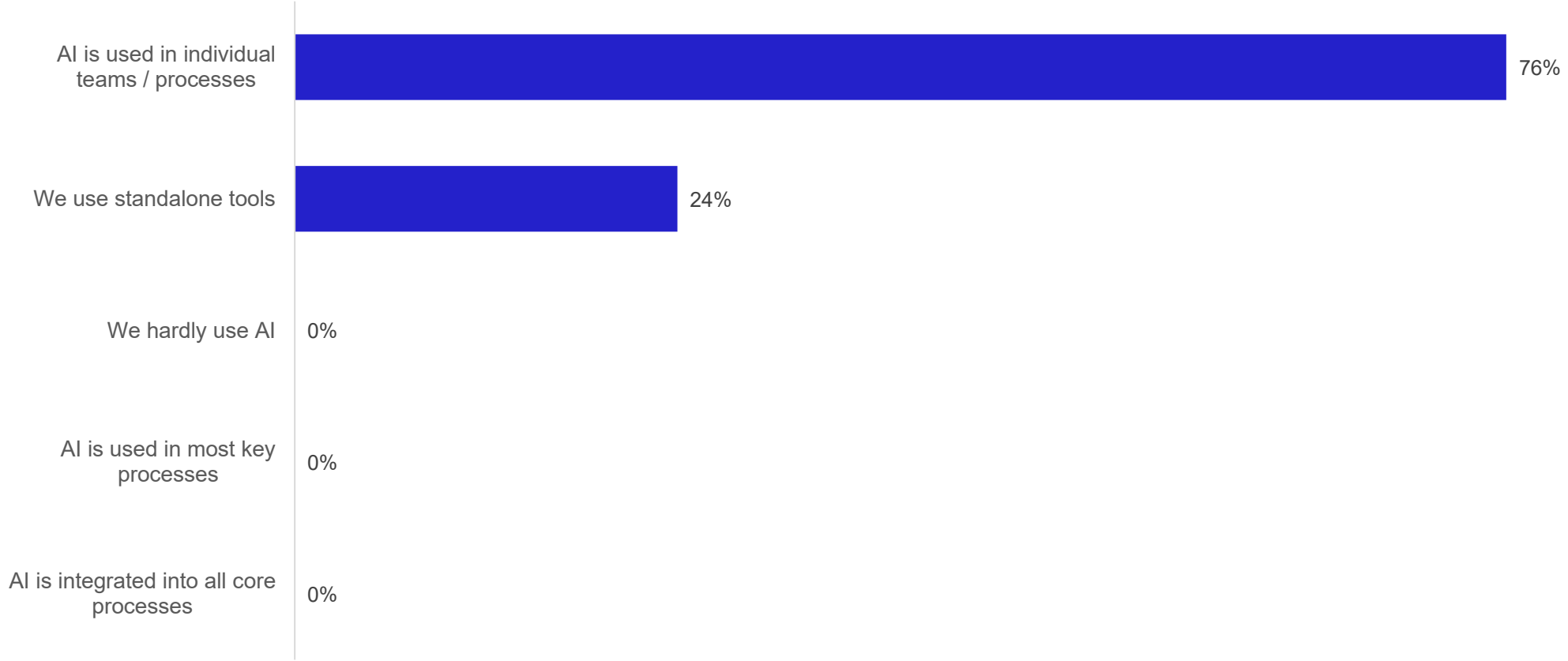
- Loss of communication and internet connectivity.
- Inability to work during air raid alerts.

Impact on Audiences and the Broader Consequences of Destruction

- Branch closures, reduced consumer purchasing power and audience out-migration.
- Destruction of production facilities, in the case of businesses.

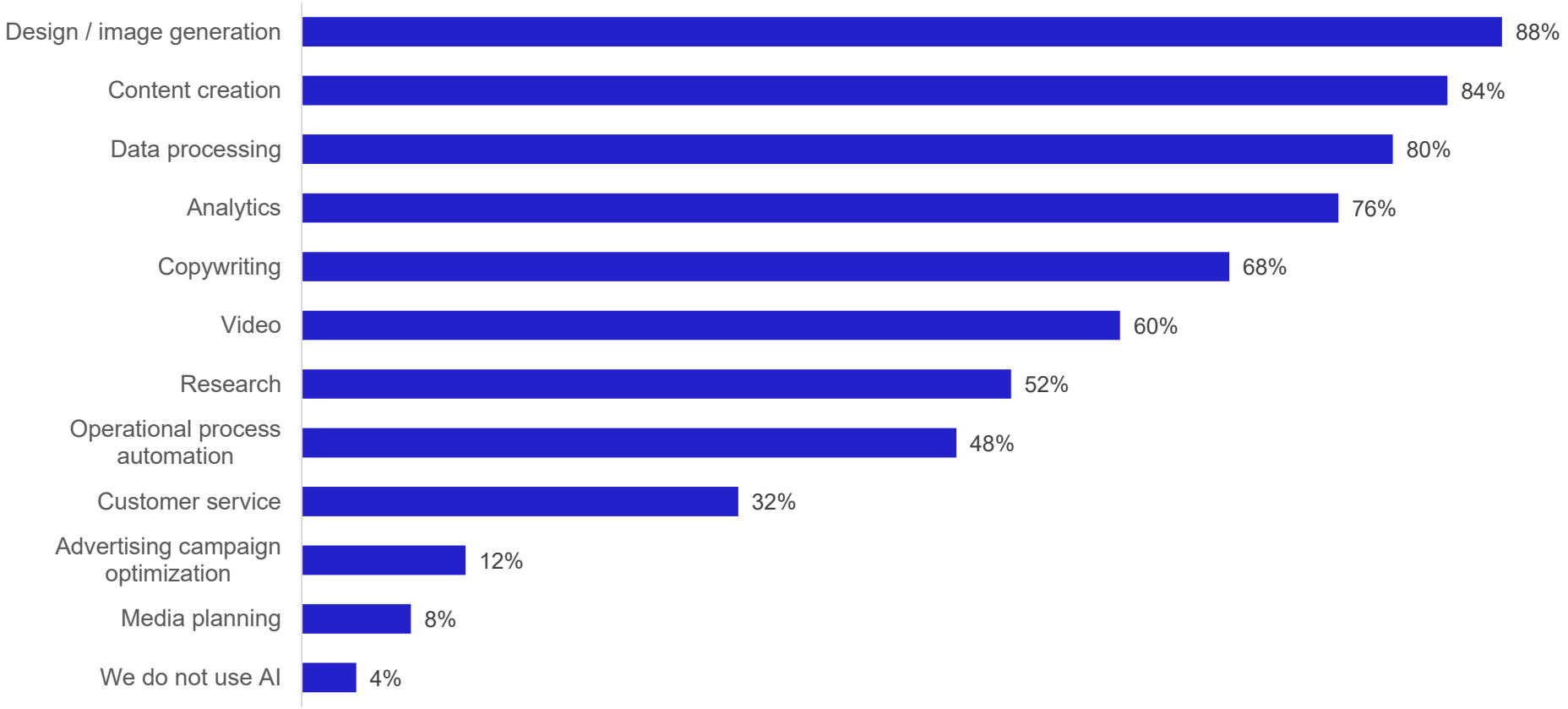
32. How actively does your company use AI in its operations?

All surveyed companies already use AI, primarily at the level of individual teams and processes, as reported by 76% of respondents. Another 24% use standalone tools, while no respondents reported integrating AI into most or all core business processes. This indicates that AI adoption is widespread, but full integration into company operations remains limited.



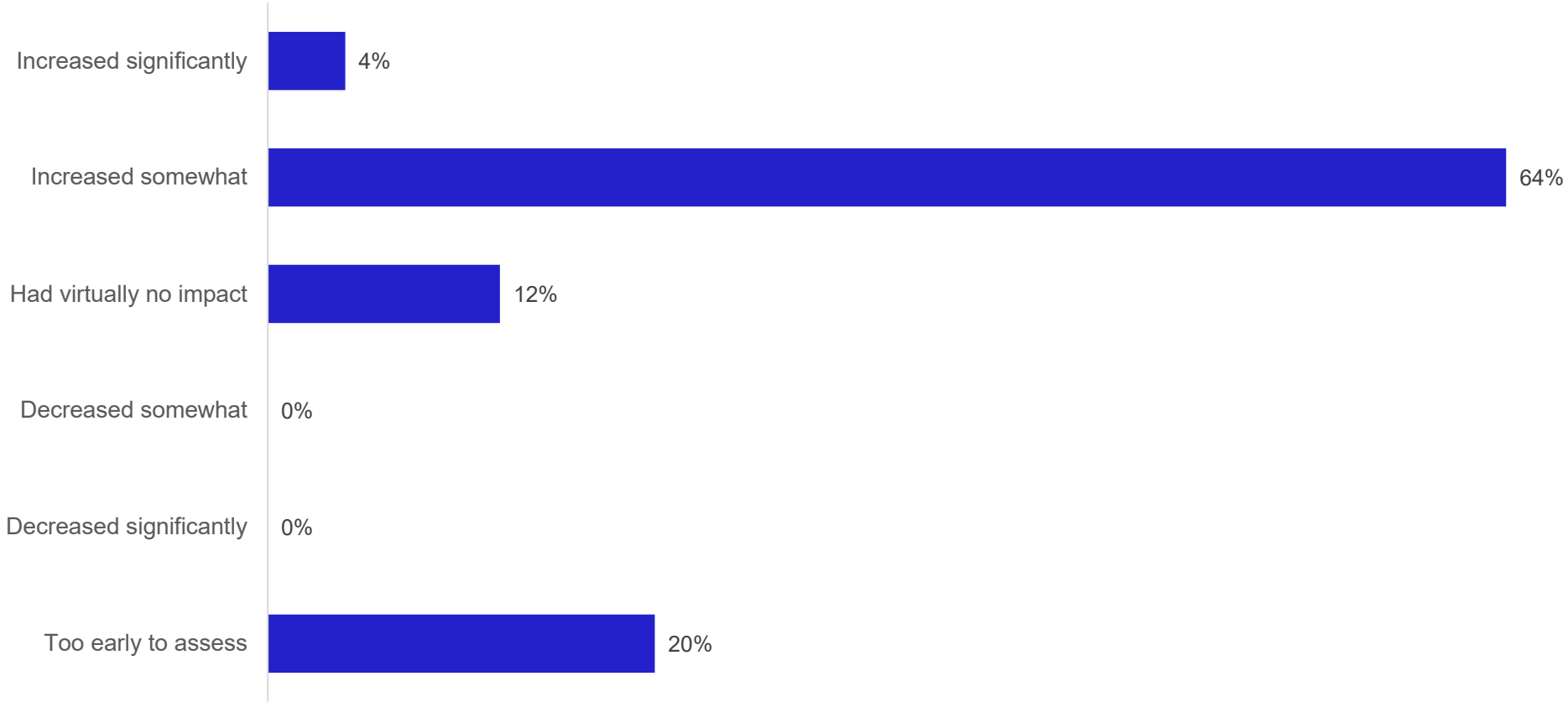
33. What tasks does your company already use AI for?

AI is most commonly used for design and image generation (88%), content creation (84%) and data processing (80%). Analytics (76%) and copywriting (68%) are also common applications. However, the use of AI in advertising management remains limited: only 12% of companies use it for campaign optimization and 8% for media planning.



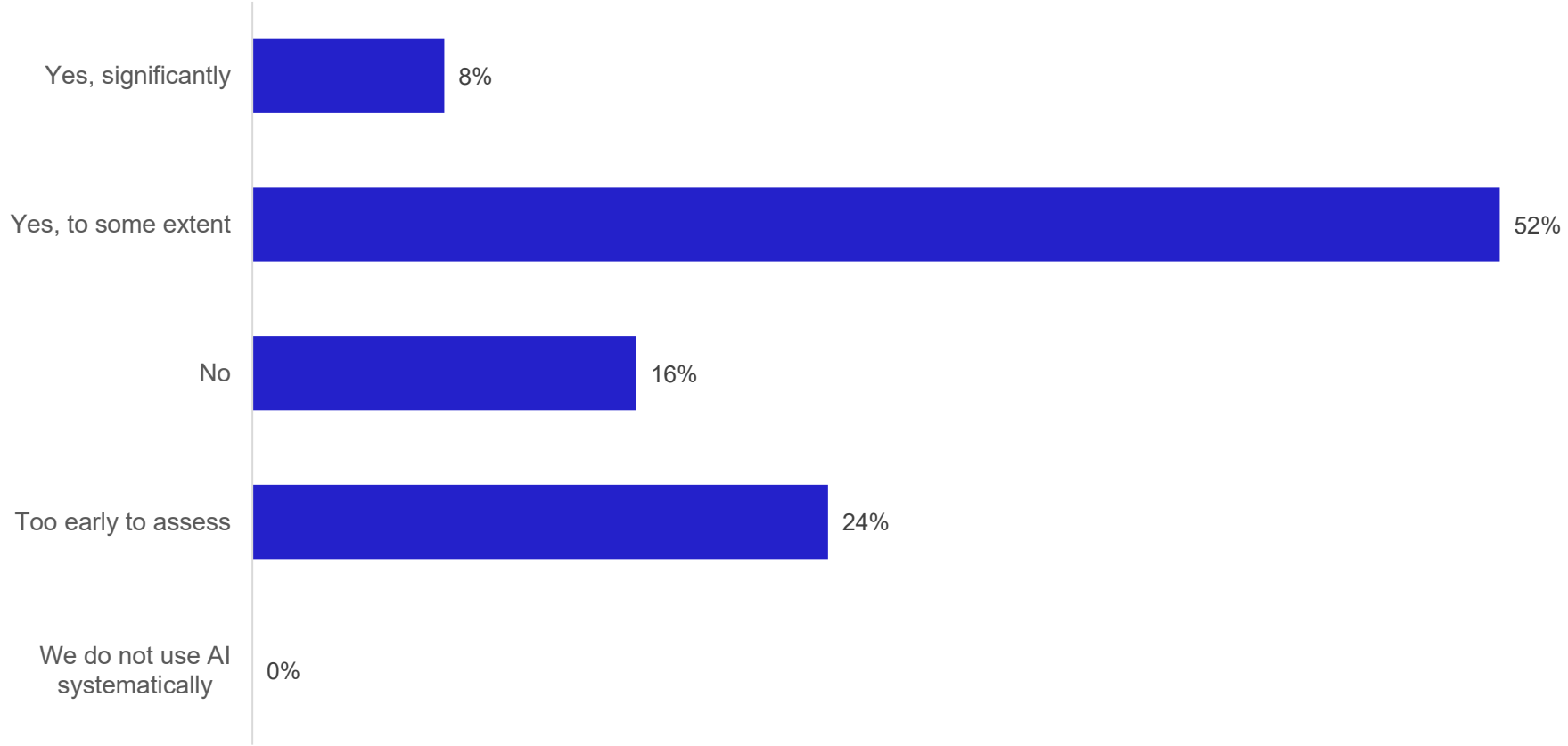
34. How has AI affected your company’s productivity over the past 12 months?

68% of surveyed companies report increased productivity due to AI over the past 12 months, including 64% reporting some improvement and 4% a significant increase. Another 20% believe it is too early to assess the impact, while 12% have not observed any noticeable effect on productivity.



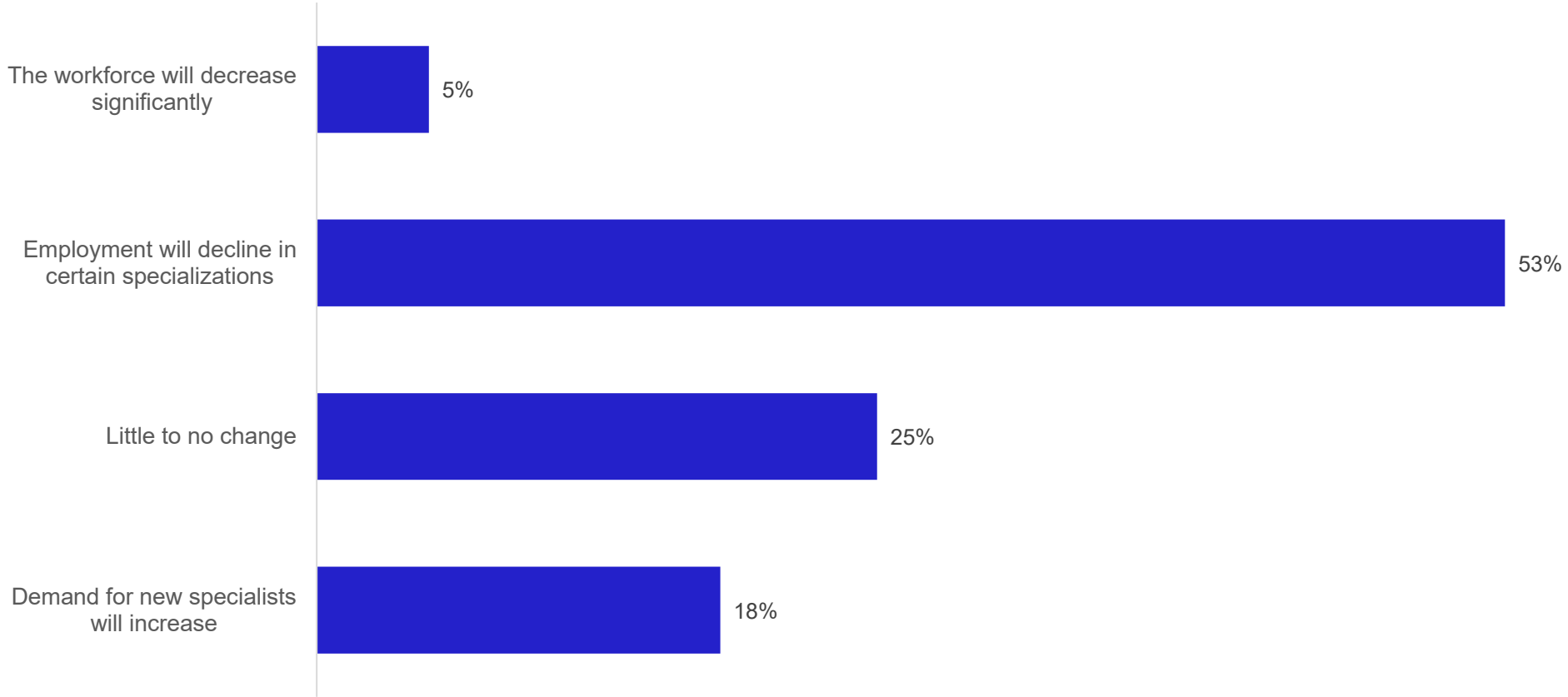
35. Has the use of AI helped reduce the costs of specific processes?

60% of surveyed companies already report cost reductions in specific processes thanks to AI, including significant reductions for 8% and some reductions for 52%. Meanwhile, 24% believe it is too early to assess the financial impact, while 16% have not observed any cost reductions.



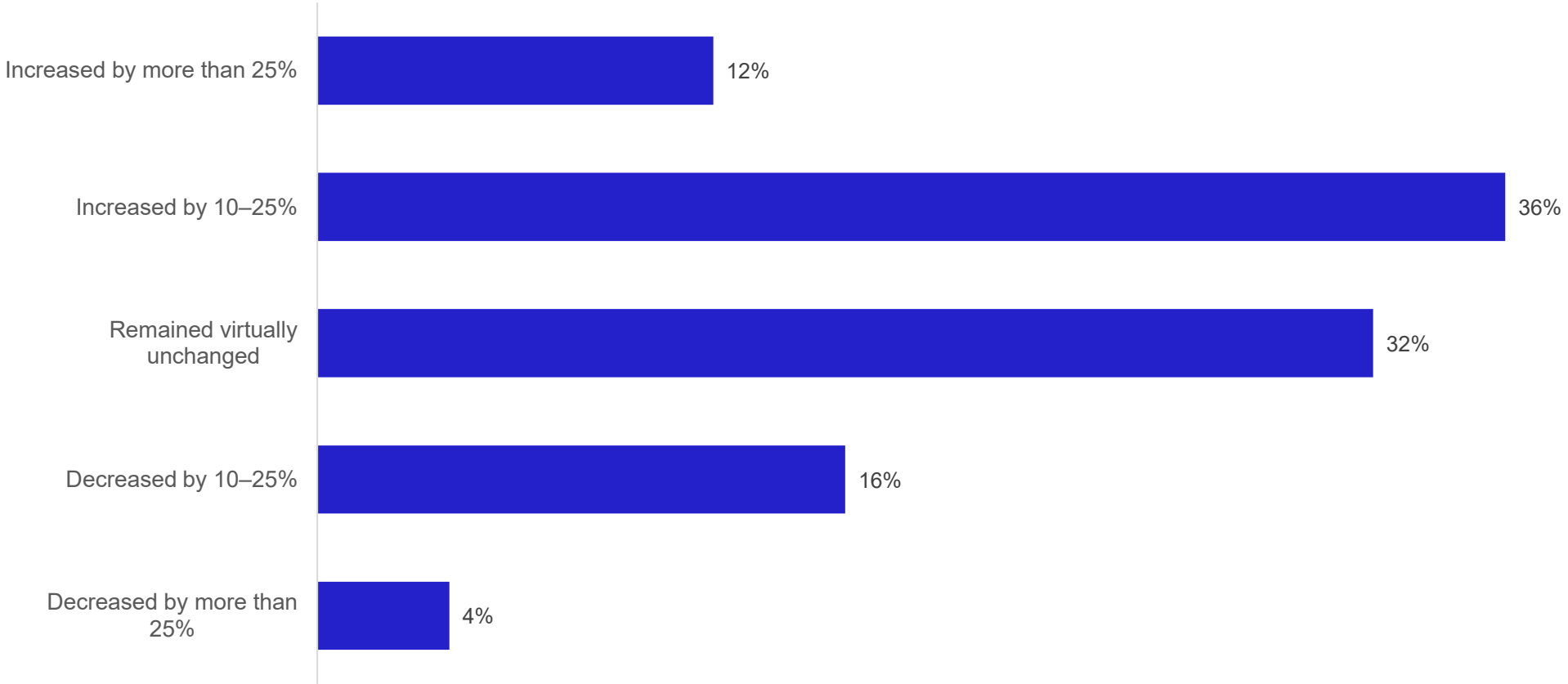
36. How do you think AI will affect employment in the advertising industry over the next 2–3 years?

More than half of respondents (53%) expect employment to decline in certain advertising industry specializations over the next 2–3 years. Meanwhile, 25% anticipate no significant changes, while 18% expect growing demand for new specialists.



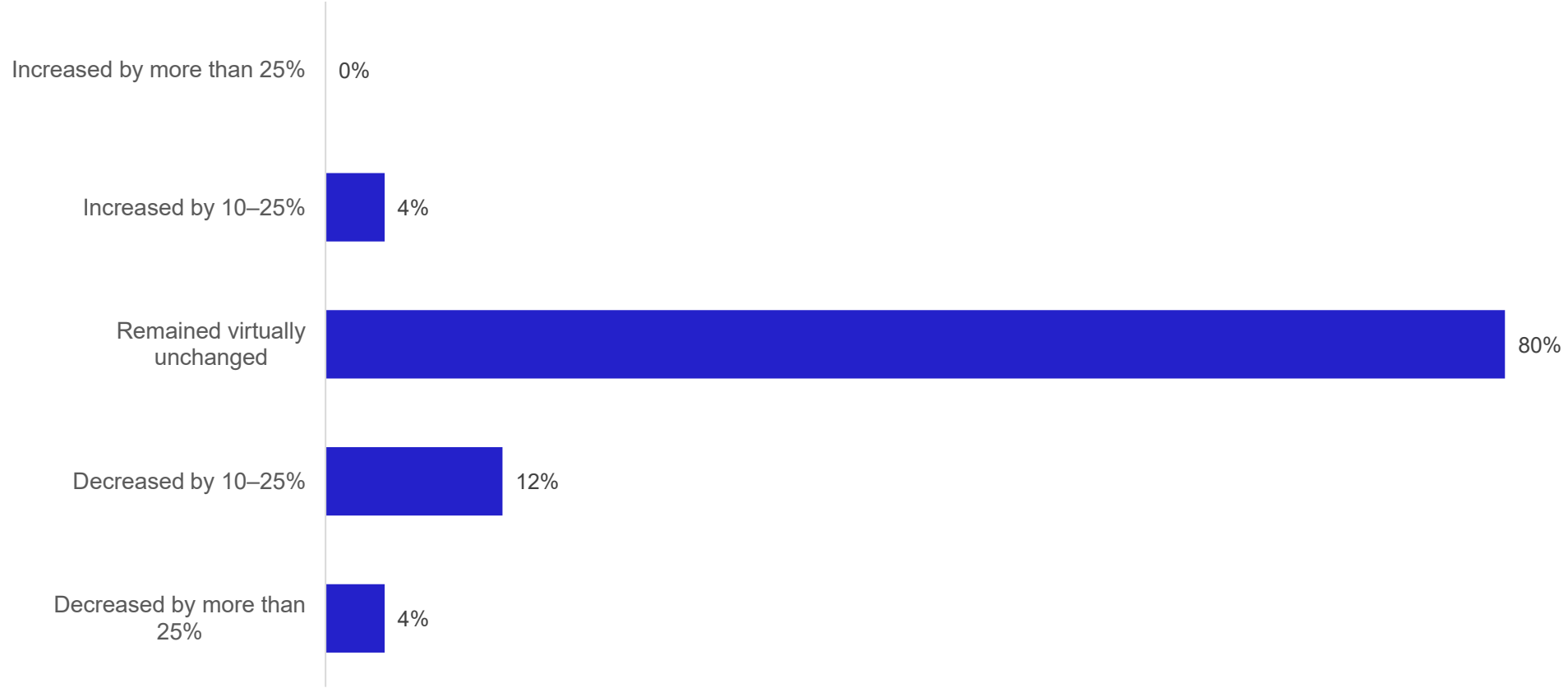
37. How has the number of employees at your company changed compared to March 2022?

The number of employees has increased since March 2022 at 48% of companies, with 12% reporting growth of more than 25%. Another 32% have kept their workforce virtually unchanged, while 20% have reduced their headcount, indicating an overall positive employment trend among the surveyed companies.



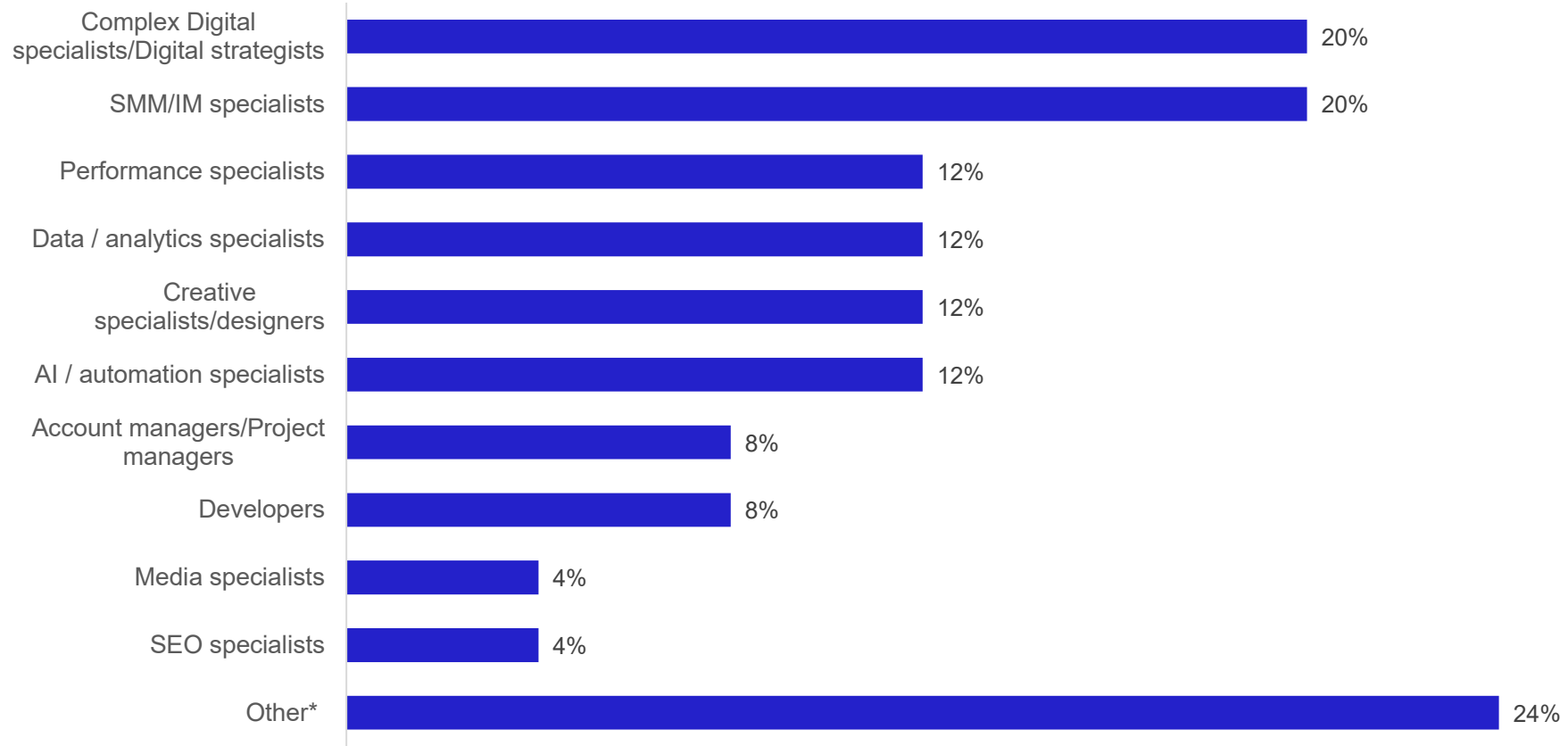
38. How has the number of employees at your company changed compared to June 2026?

Compared to June 2026, the number of employees remained virtually unchanged at 80% of companies. Meanwhile, 16% reduced their workforce, while only 4% of respondents reported an increase, indicating stable employment levels with no significant team expansion in the short term.



39. Which specialists are currently the hardest to find or hire?

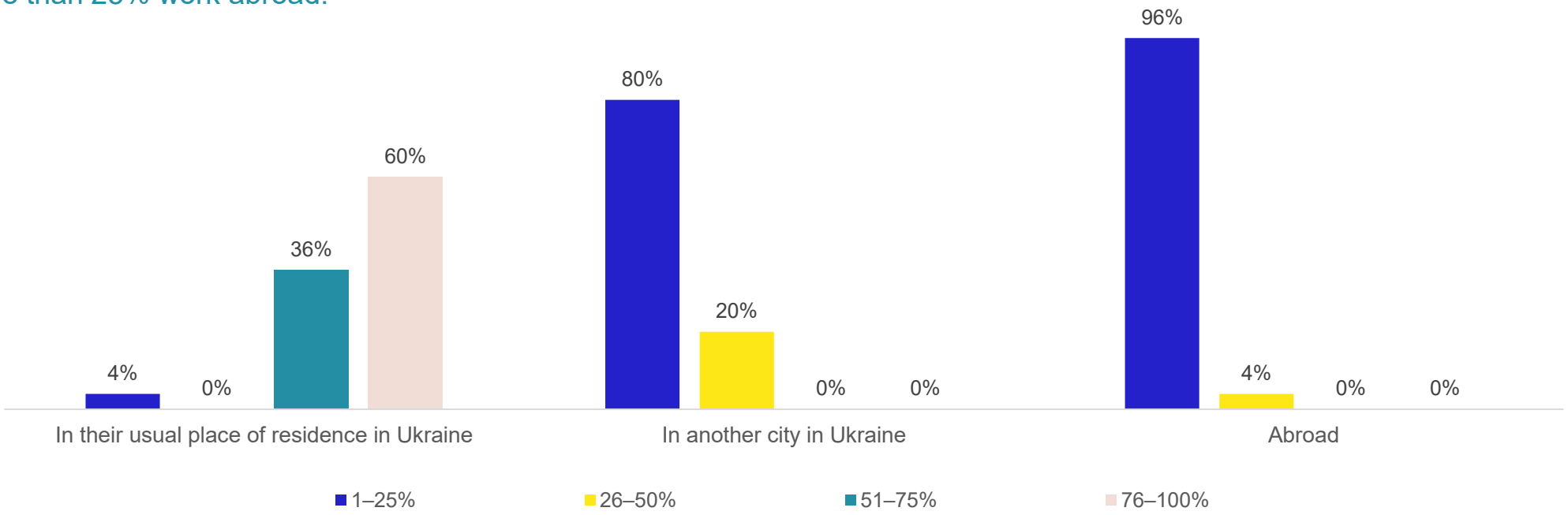
Companies report the greatest difficulty in hiring SMM / Influencer Marketing specialists and Complex Digital specialists / Digital strategists, with both categories accounting for 20% of responses. Performance, Data / Analytics, Creative, and AI / Automation specialists follow at 12% each. Meanwhile, 24% selected “Other,” indicating a broad range of specializations that are difficult to recruit.



*Drivers and loaders, technical specialists, a trade marketer, a PR manager, non-marketing roles

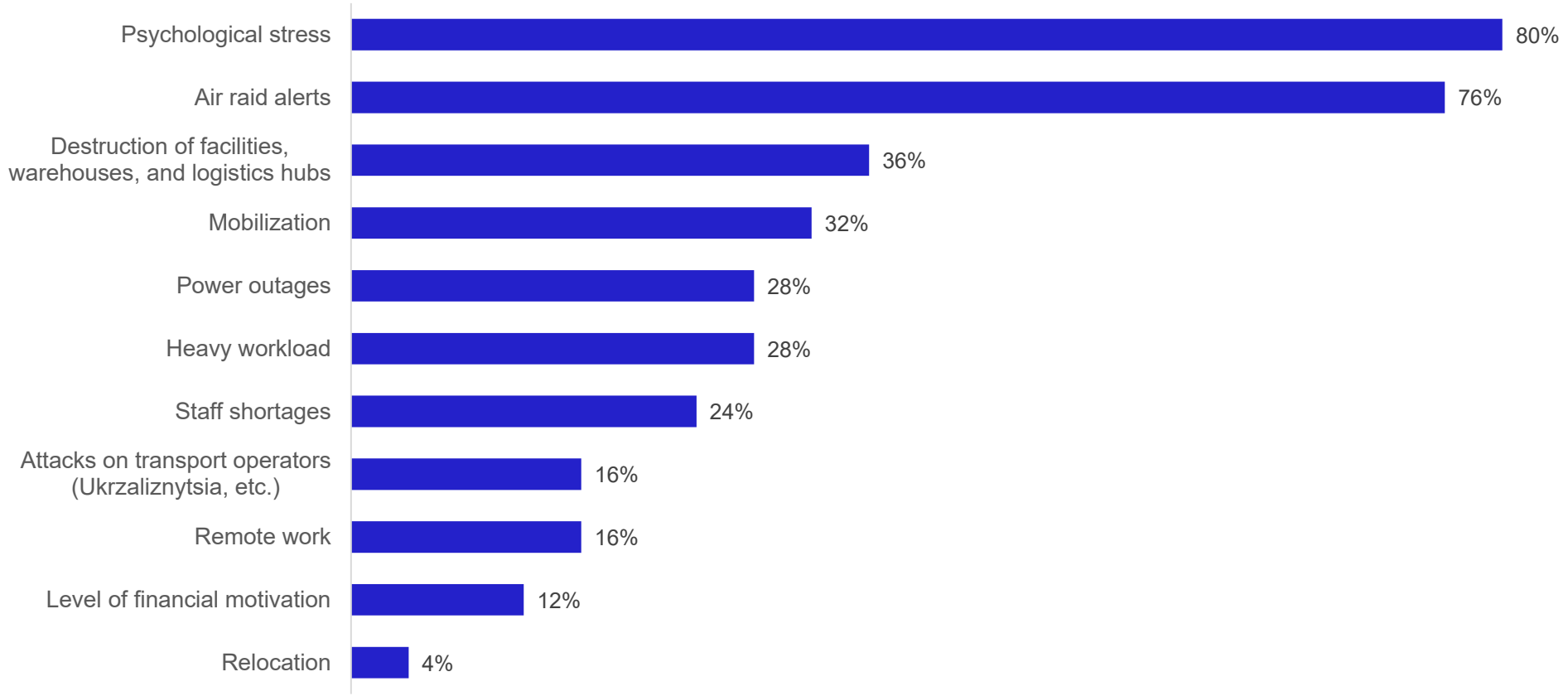
40. What proportion of your employees currently work

In 60% of companies, 76–100% of employees work from their usual place of residence in Ukraine, while in another 36% of companies, this share is 51–75%. Employees based in other Ukrainian cities or abroad account for a smaller proportion of the workforce: in 80% of companies, no more than 25% of employees work in other Ukrainian cities, while in 96% of companies, no more than 25% work abroad.



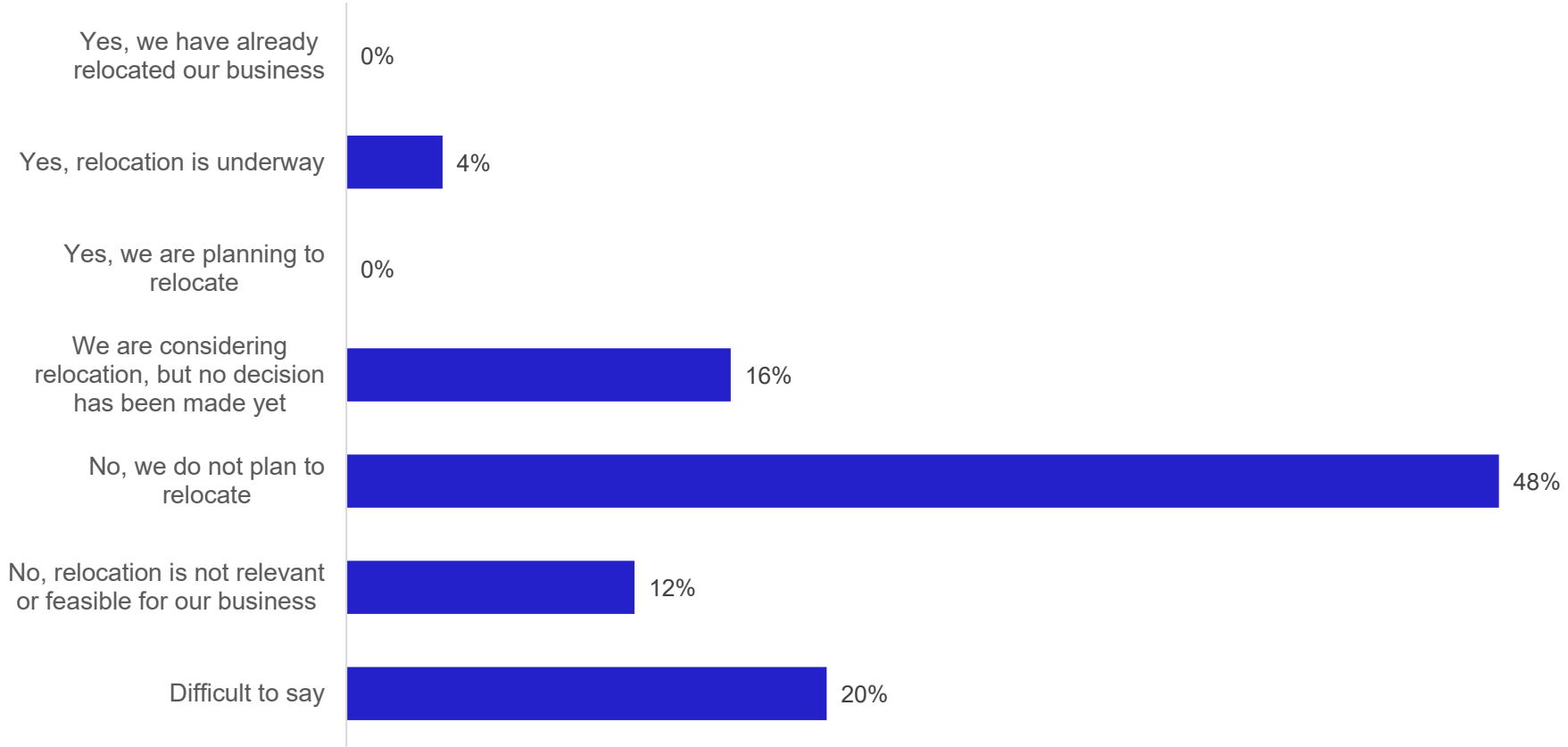
41. Which factor has the greatest impact on your team's productivity today?

The factors having the greatest impact on team productivity are psychological stress (80%) and air raid alerts (76%). Other significant factors include the destruction of facilities, warehouses, and logistics hubs (36%), mobilization (32%), and power outages and heavy workloads (28% each).



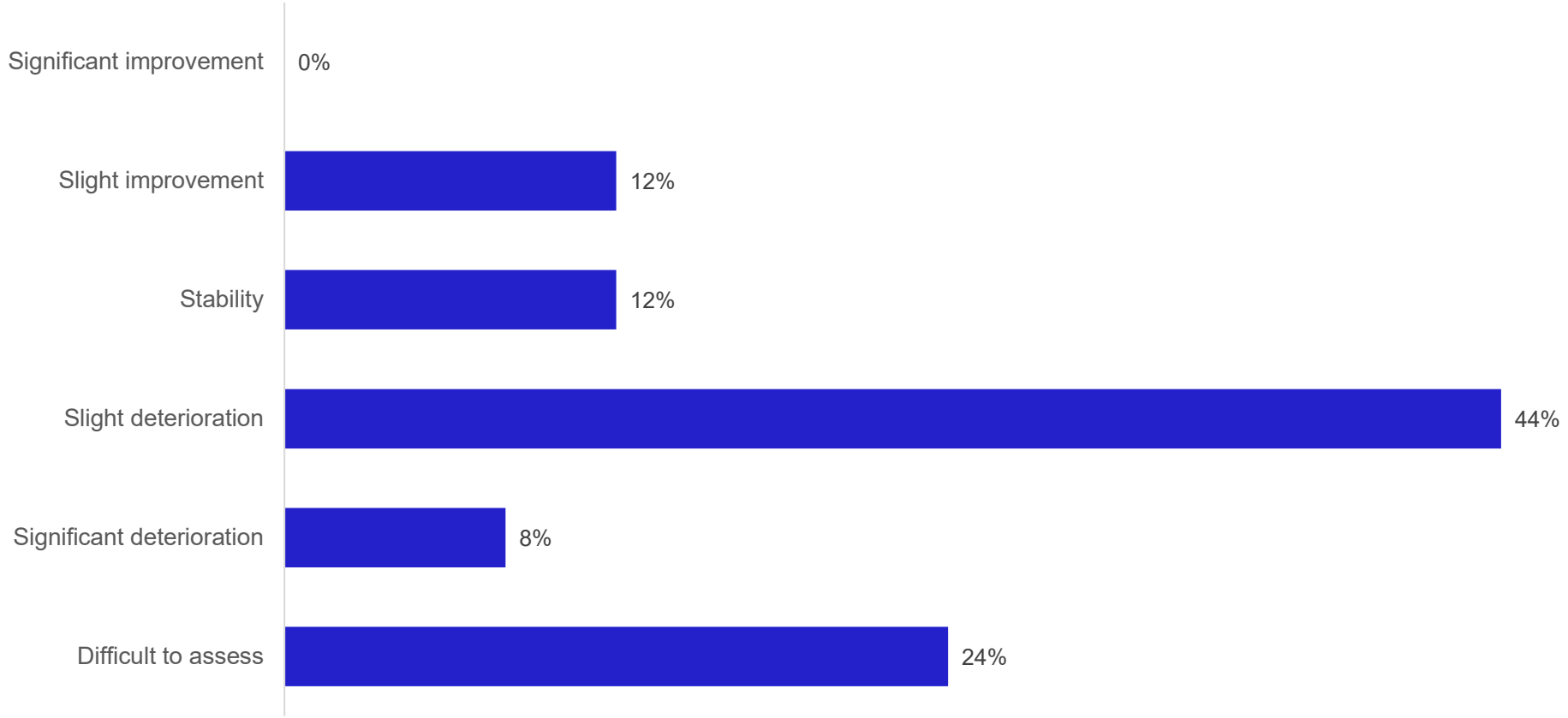
42. Is your business planning to relocate to safer regions within Ukraine?

The majority of surveyed companies do not plan to relocate their businesses to safer regions of Ukraine (48%), while another 12% consider relocation irrelevant or unfeasible. Meanwhile, 16% are considering relocation, and 20% have not yet made a decision.



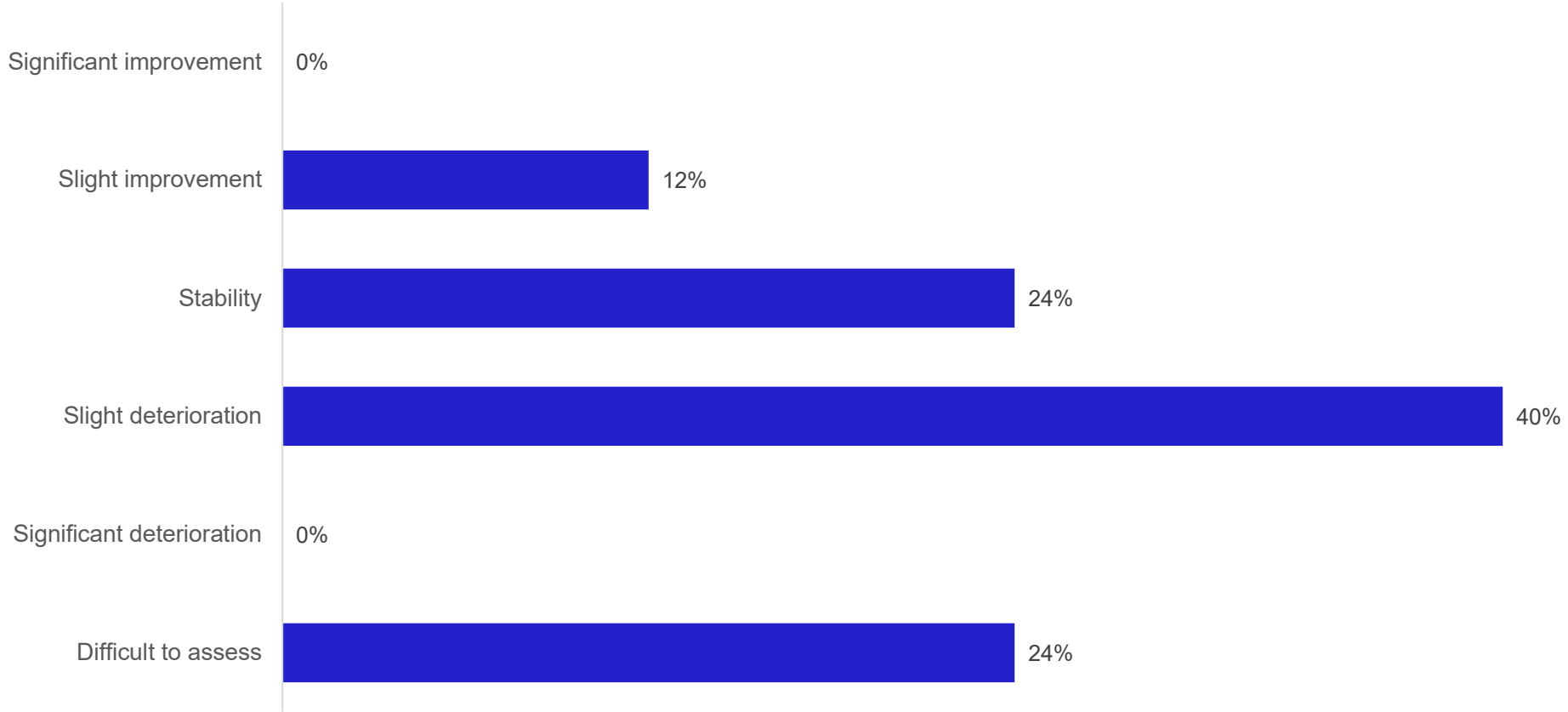
43. How do you assess the outlook for your business in Ukraine over the next three months?

Half of the surveyed companies expect business prospects in Ukraine to deteriorate over the next three months: 44% anticipate a slight deterioration, while another 8% expect a significant decline. Only 12% of respondents expect positive changes, while 24% are unable to assess the outlook.



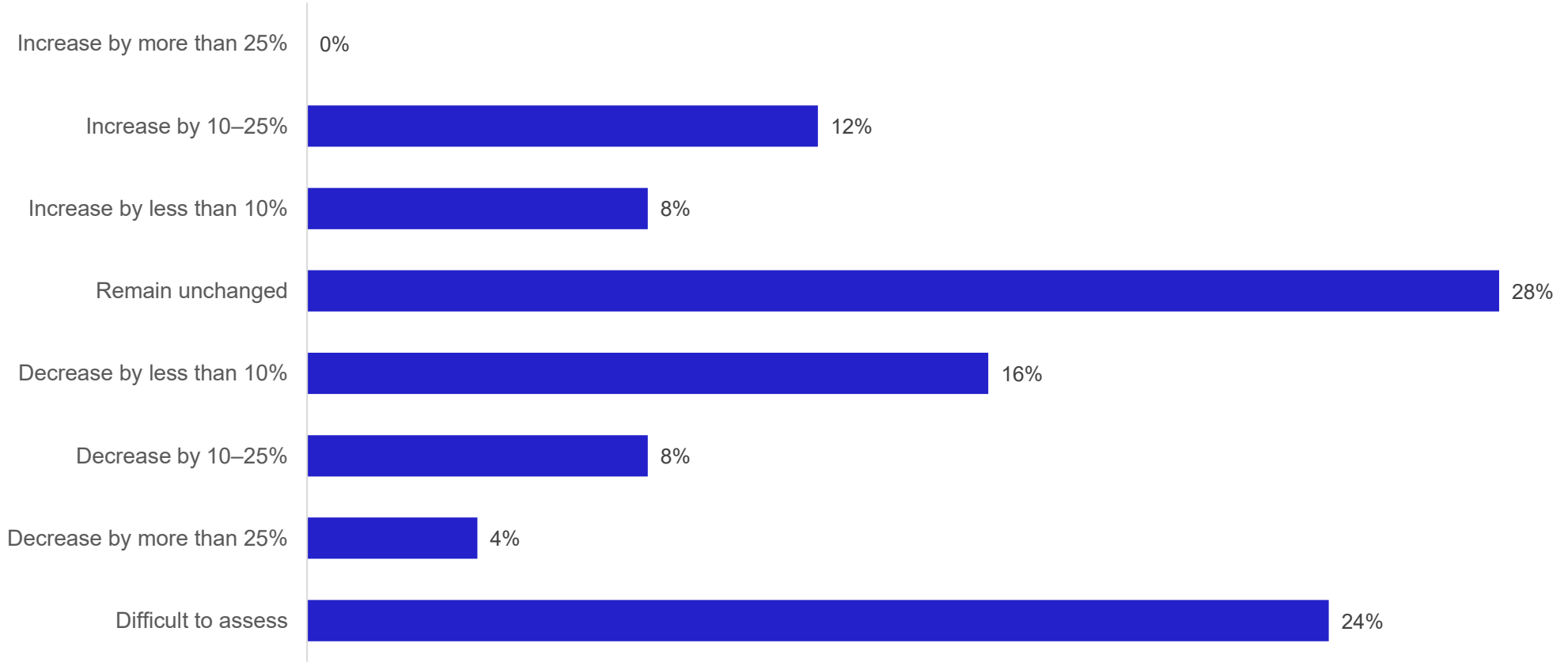
44. How do you assess the outlook for your business in Ukraine over the next six months?

Over a six-month horizon, outlook assessments remain largely cautious: 40% of companies expect a slight deterioration in business prospects, while 24% anticipate stability. Only 12% of respondents expect positive changes, and another 24% have not yet formed an outlook.



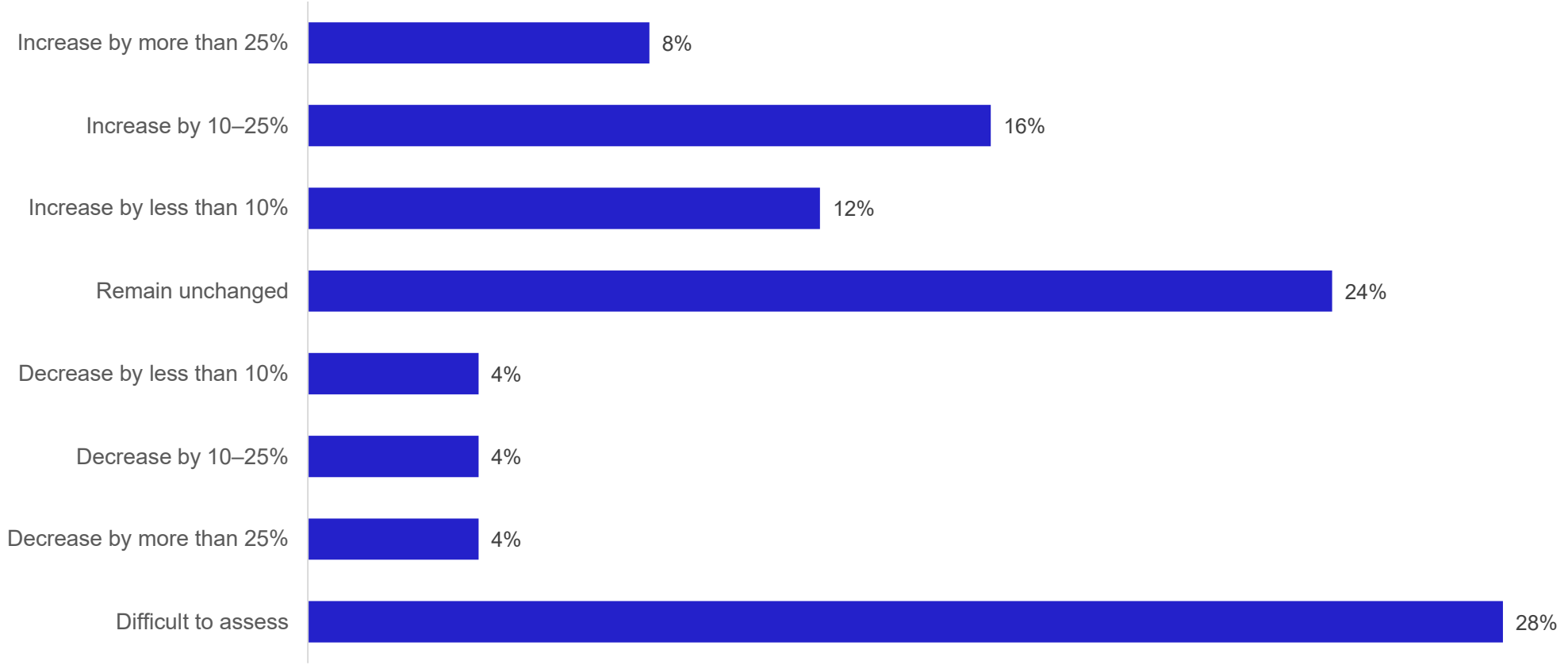
45. What level of commercial activity do you expect your company to have in three months compared to the current level?

Over the next three months, 28% of companies expect commercial activity to remain at its current level, while another 28% anticipate a decline of varying magnitude. Growth is expected by 20% of respondents, while 24% were unable to assess future trends.



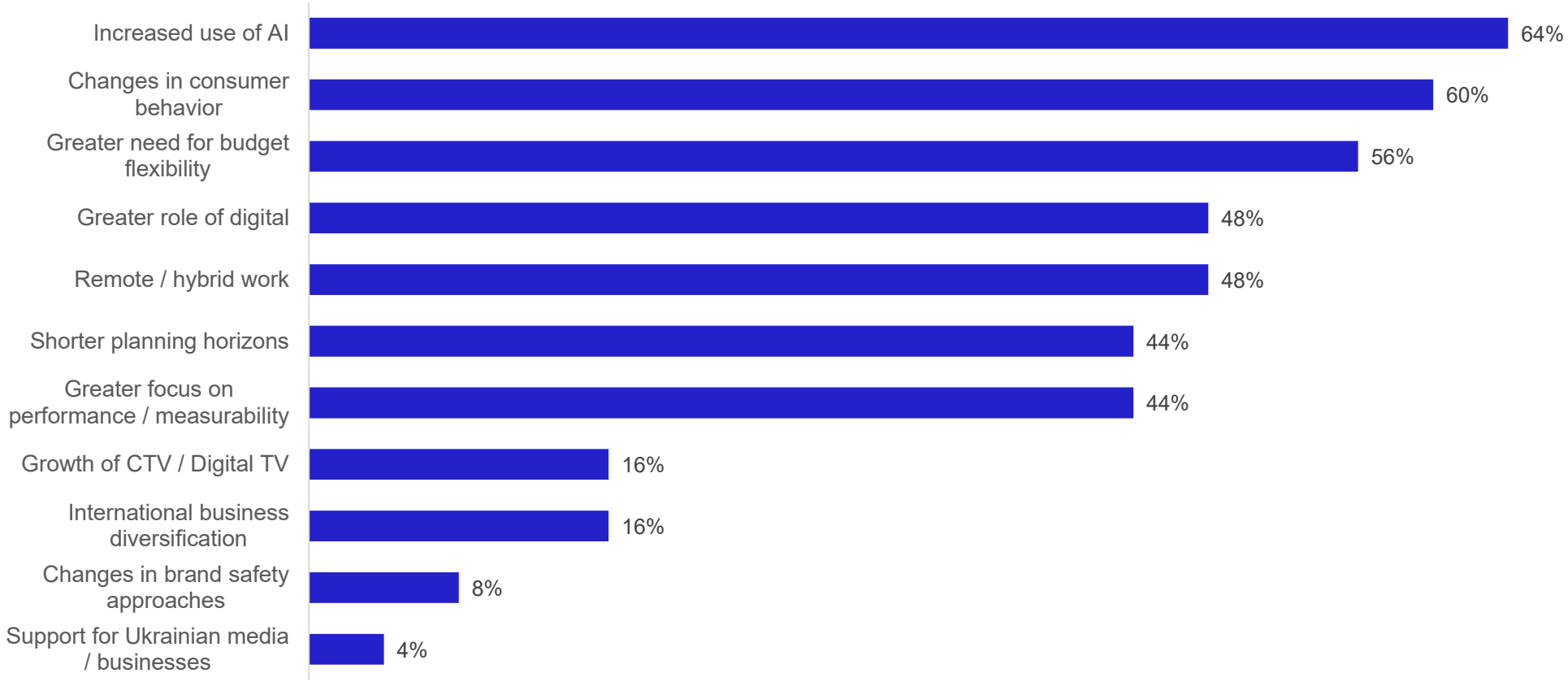
46. What level of commercial activity do you expect your company to have in six months compared to the current level?

Over a six-month horizon, expectations for commercial activity become more optimistic: 36% of companies anticipate growth, including 8% expecting an increase of more than 25%, while 12% expect a decline. Another 24% expect activity to remain stable, and 28% are unable to assess the outlook at this stage.



47. Which business trends that emerged after 24 February 2022 do you think will persist even after the war ends?

The trends most likely to persist after the war are increased use of AI (64%) and changes in consumer behavior (60%), as well as a greater need for budget flexibility (56%). Other lasting trends include the growing role of digital and remote/hybrid work (48% each), along with shorter planning horizons and greater focus on performance and measurability (44% each).



48. What is the main opportunity for the development of Ukraine's advertising industry today?

AI, automation and technological advancement

- Integration of artificial intelligence to automate and optimize campaigns and enhance analytics.
- AI, Digital
- Use of artificial intelligence
- The main opportunity lies in developing in-house expertise and technology, with a stronger focus on data, automation, and AI. The Ukrainian market has already learned to work quickly and adapt to constant change. The next step is to leverage these capabilities to create more effective, personalized, and measurable advertising.

Effectiveness measurement and data management

- Developing a data-driven approach to measuring the impact of media on offline sales. If implemented, this would be a key differentiating factor.
- Aligning media metrics with real business outcomes (sell-out), developing native influencer marketing, and integrating AI solutions.

Development of new advertising channels and formats

- retail media

48. What is the main opportunity for the development of Ukraine's advertising industry today?

Creativity, a distinct identity, and unconventional solutions

- Finding unconventional solutions
- I believe the main opportunity for Ukraine’s advertising industry today is to stop being afraid to be itself. Over the past few years, we have gained a wealth of experience, changed as a society, and learned to communicate with people in entirely new ways. We have our own sense of humor, our own insights, emotional perspective, and a remarkable ability to find solutions even in difficult circumstances. I therefore see an opportunity not simply to copy what works elsewhere in the world, but to create something of our own — ideas born in Ukraine that can also resonate with audiences beyond its borders. I see AI as a tool that can help us do this faster. But the most powerful advertising, as ever, is created not by technology, but by people who truly understand other people.

International expansion

- Entering international markets

Consolidation and partnership

- Industry consolidation
- Flexibility and finding mutually beneficial solutions.

Stability and security

- At least some degree of stability
- Peace and security in Ukraine as the foundation for growth and development

49. What is the biggest threat to Ukraine’s advertising industry today?

The war and the security situation

- The war
  The aggressor’s actions
  Deterioration of the security situation in the country

Economic instability and cuts to advertising budgets

- Declining client revenues and population outflow.
- Companies reducing their budgets.
- Budget cuts and team downsizing.
- Declining GDP, population migration, and a high level of uncertainty.
- The main threat is economic instability and cuts to advertising budgets. Businesses are forced to focus on short-term results, leaving fewer resources for brand building, experimentation, and long-term strategies.
- Lack of budgets.
- Artificial intelligence could also become a major threat. Overall, the key concern is declining advertising activity among advertisers.

49. What is the biggest threat to Ukraine’s advertising industry today?

Staff shortages and population migration

- Staff shortages due to migration, mobilization, and the outflow of professionals.
- Population decline.
- High uncertainty driven by the war, staff shortages, and increasing consumer price sensitivity.
- Staff attrition driven by several factors, including significant cuts to advertising budgets.

Loss of talent and human capital

- Loss of talent.
- Economic challenges, people-related challenges, and inefficiency.
- An excessive focus on survival at the expense of investing in the future. Losing top talent to the global market.

Loss of creativity and consumer understanding

- For me, the greatest threat is the loss of creativity, boldness, and understanding of the consumer.

Outdated processes and a lack of innovation

- Reliance on outdated processes, lack of innovation and flexibility

50. What single change has had the greatest impact on transforming Ukraine’s advertising industry over the past four years?

Widespread adoption of AI and digitalization

- Widespread adoption of AI tools in day-to-day processes and content creation.
- AI, Digital
- The emergence of AI.
- Artificial intelligence

The war and adaptation to new conditions

- Air raid alerts and power supply issues.
- The war and the need to adapt to new realities (power outages, attacks on logistics infrastructure, mobilization, and a deteriorating security situation for civilians, among other challenges).
- The military context has had the greatest impact on transforming Ukraine’s advertising industry.

Flexibility, speed and a stronger focus on results

- I believe the Ukrainian advertising market has become more flexible, faster, and more honest. At the same time, it needs to focus not only on compelling communications, but also on delivering real value to people.
- A shift from the illusion of stability to flexible digital planning and a direct link between communications, business outcomes, and sales.
- A shift from long-term planning to continuous adaptation. Over the past four years, the advertising industry has learned to operate amid uncertainty: rapidly reallocating budgets, changing channels and messaging, and placing much greater emphasis on measurable results here and now.

50. What single change has had the greatest impact on transforming Ukraine’s advertising industry over the past four years?

Changes in media consumption and advertising channels

- Media holding companies are attempting to shift TV budgets to CTV without a corresponding shift in audience. The capabilities of CTV are being overstated in aggressive sales efforts. The lack of transparency in how global media platforms such as Google and Meta calculate their results has led advertising agencies to resist reallocating clients’ budgets to these channels. This significantly slows the development of Ukraine’s advertising market.
- Power outages have also accelerated the shift towards digital media consumption.

Corporate social responsibility

- A shift from traditional commercial incentives to socially responsible initiatives.
- The development of CSR.

Changes in traditional media

- Stagnation of TV

CONCLUSIONS

01

Business Recovery Does Not Guarantee Increased Profitability.
Commercial activity at many companies has already surpassed March 2022 levels, yet profitability has declined at 38% of agencies and platforms and 48% of advertisers. This highlights a gap between the recovery of business operations and financial performance.

02

Advertising Budget Trends in the Second Half of the Year Are Mixed.
In the first half of the year, 56% of agencies and platforms and 56% of advertisers reported budget growth. In the third quarter, this share rose to 64% among advertisers but fell to 31% among agencies and platforms. This points to differing assessments of market trends by the two groups of industry participants.

03

Rising Service Prices Do Not Eliminate Pressure on Profitability.
48% of agencies and platforms and 80% of advertisers report an increase in average service prices. At the same time, many companies report declining profitability, indicating that price increases alone do not necessarily translate into improved financial performance.

04

Advertising Planning Remains Flexible but Short-Term.
53% of agencies and platforms plan their budgets 1–3 months ahead, while 60% of advertisers plan 7–12 months ahead. Despite the difference in planning horizons, both groups regularly revise approved campaigns in response to external circumstances.

05

Digital Channels Remain the Foundation of the Advertising Mix.
Digital Video, Search and Social Media are among the channels most frequently reporting budget growth. Meanwhile, some advertisers use traditional media less often, particularly Print.

CONCLUSIONS

06

Search and Social Media Are Highly Valued but Not Immune to Budget Cuts.
For agencies and platforms, Search is the clearest must-have channel, cited by 78% of respondents. Advertisers, meanwhile, most frequently identify Social Media (84%), Search (68%) and Digital Video (64%) as essential. However, advertisers also list Social Media and Search among the channels they cut first when optimizing budgets.

07

Infrastructure Destruction Affects Not Only Business Operations but Also Advertising Investment.
These consequences have affected 85% of agencies and platforms and 80% of advertisers. The loss of production capacity, warehouses, inventory and logistics capabilities limits businesses' ability to sell and sustain previous levels of advertising investment.

08

Product Availability Directly Shapes Advertising Strategy.
Product shortages and logistical challenges are forcing companies to adjust the product ranges featured in campaigns, promotional geographies and advertising activities. As a result, media planning is becoming increasingly dependent on advertisers' actual operational capabilities.

09

Advertising is becoming more tactical and focused on supporting sales.
Following significant physical infrastructure losses, businesses are increasingly using advertising to sustain demand and achieve short-term results. At the same time, some companies are postponing advertising investments until their operations stabilize.

10

AI is moving from experimentation to practical application.
Agencies and platforms demonstrate a higher level of AI integration into core processes, while advertisers more often use standalone tools or solutions at the team level. For both groups, the main areas of application are analytics, data, content creation and image generation.

CONCLUSIONS

11

Productivity gains are the most noticeable impact of AI at this stage.
Productivity gains from AI are reported by 90% of agencies and platforms and 68% of advertisers. However, cost reduction is not yet a universal outcome, and the level of technology integration varies significantly across companies.

12

AI will transform employment structures and skill requirements.
More than half of respondents in both segments expect employment to decline in certain advertising industry specializations over the next 2–3 years. At the same time, the market faces difficulties recruiting specialists in performance marketing, digital, analytics and other specialized fields.

13

Human factors remain a critical constraint on productivity.
Psychological strain and air raid alerts are among the most significant factors affecting teams. The war creates not only infrastructure and financial risks but also long-term challenges to team resilience and the retention of human capital.

14

Short-term outlook is more pessimistic than the medium-term outlook.
In both segments, cautious assessments of the next three months prevail. At the same time, forecasts for commercial activity over a six-month horizon are more optimistic, suggesting expectations of gradual business adaptation, although uncertainty remains high.

15

Future growth opportunities lie in technology, measurability and international diversification.
In their open-ended responses, participants most frequently mention AI, automation, data analytics, digital development, expansion into international markets and adaptability. The industry's key opportunity lies in turning the experience of operating under unstable conditions into a competitive advantage.

THANK YOU

FOR YOUR COOPERATION



If you have any comments, suggestions or additions, please contact us by email at anastasiya.baydachenko@iab.com.ua
We will consider all constructive feedback in the next edition.