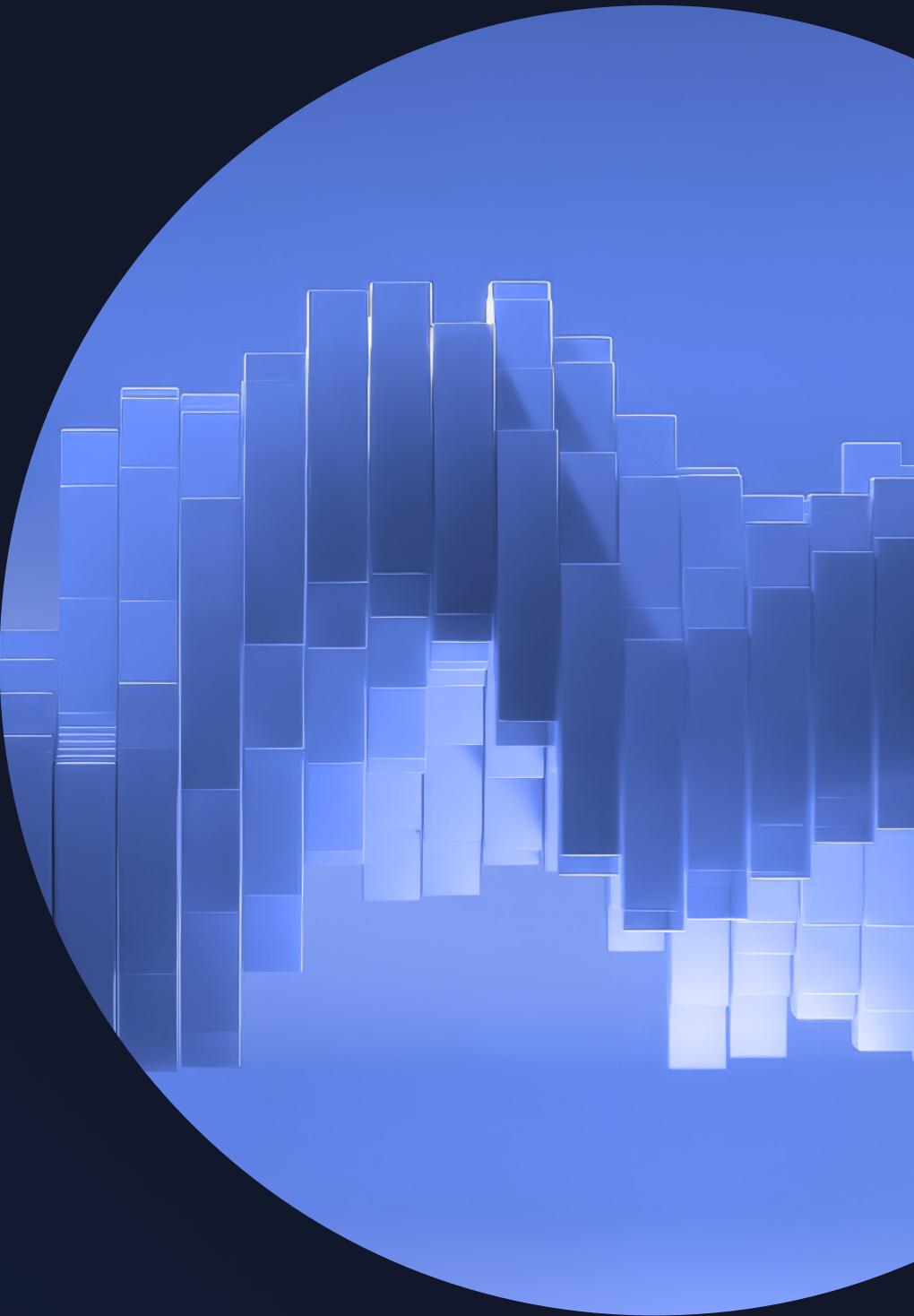




Q2 2025 Quarterly Trends Report



Q2 2025: A welcomed stable, quarter in digital advertising

For over 15 years, Skai's Quarterly Trends Report has tracked the shifts, signals, and surprises shaping digital advertising. This edition continues that tradition—grounding Q2 2025 performance in context so marketers can navigate what's happening now and plan for what's next.

If economic uncertainty was weighing on marketers this quarter, it didn't show. Retail media climbed another 18% year-over-year, paid search held steady, and social spend showed early signs of rebound, all while teams operated with more discipline than urgency. The story wasn't about spending more across the board; it was about spending better, and we saw it in the data.

Performance Max adoption passed 60%. Amazon DSP spend hit new highs, not because more brands adopted them, but because existing users leaned in further. These weren't trial runs; they were scaled bets. If anything, marketers are getting sharper at identifying what's worth their time and investment.

This wasn't a flashy quarter, but it was a smart one. Budgets may still ebb and flow, but the foundations, AI, cross-channel discipline, and the channels fueling commerce media alignment are starting to lock into place. That's where the real momentum is.

In this analysis, you'll find a breakdown of key trends, performance shifts, and strategic takeaways from Q2 2025 drawn from over 1 trillion advertising impressions and \$8.7 billion in annualized advertising spend managed through Skai to help marketers navigate the current commerce media landscape with clarity and confidence.

WITHIN THIS REPORT, YOU WILL FIND:



Market context and macro trends.

How economic conditions, media consumption habits, and AI acceleration shaped the quarter's trajectory.



Retail media performance.

What drove growth across spend, clicks, and engagement in Q2 2025—and why efficiency remained strong even as volume increased.



Prime Day 2025 analysis.

A breakdown of the event's record-setting performance, strategic shifts in advertiser behavior, and what it signals for Q4.



Search and social channel trends.

How marketers approached foundational channels with renewed discipline, including new usage patterns by category.



AI's evolving role in marketing.

A look at how AI is reshaping campaign execution, creative workflows, and performance measurement—plus early usage trends from Celeste AI.



Forward-looking planning insights.

Key takeaways to guide Q4 execution and 2026 budget strategies based on what worked in Q2.

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Q2 2025 market context: News and notes from the quarter

Several notable developments captured the digital advertising landscape in Q2 2025, providing helpful context for understanding how it continued to evolve and where new opportunities emerged for marketers.

[Streaming viewership eclipses traditional TV](#). Streaming platforms reached 46% of US TV viewing by June 2025, outpacing broadcast and cable combined for the first time. This milestone represents a fundamental shift in where premium video audiences consume content and how advertising dollars should be allocated.

[Digital advertising spend is now ~73% of the global market](#). Digital formats secured 73.2% of the \$1.08 trillion total ad market, with global ad revenue reaching \$979 billion and 4.9% year-over-year growth despite economic uncertainty.

[Digital ad market shows resilience amid uncertainty](#). Despite macroeconomic pressures and regulatory challenges, the digital advertising ecosystem demonstrated remarkable stability, with sustained investment patterns indicating that marketers view digital channels as essential rather than discretionary spending.

[GenAI to create 40% of video ads by 2026](#). AI-powered content creation accelerated dramatically, with 86% of advertisers using or planning to use GenAI for video creation. Industry projections suggest this technology will generate nearly half of all video advertisements within two years, fundamentally changing creative workflows.

[Ads now appearing in Google's AI Overviews](#). Google's integration of advertisements into AI Overviews, appearing for approximately 13% of queries, represents the search giant's most significant advertising evolution since Performance Max launched. Early results show promising engagement rates for participating advertisers.

PUBLISHER ANNOUNCEMENTS RESHAPING THE LANDSCAPE

Several key digital advertising publisher announcements highlight the shifts occurring within the industry.

Google expands AI integration.

The integration of ads into AI Overviews, now appearing for approximately 13% of queries, represents Google's most significant search advertising evolution since Performance Max. Early testing shows promising engagement rates, though long-term implications for organic traffic remain under evaluation.

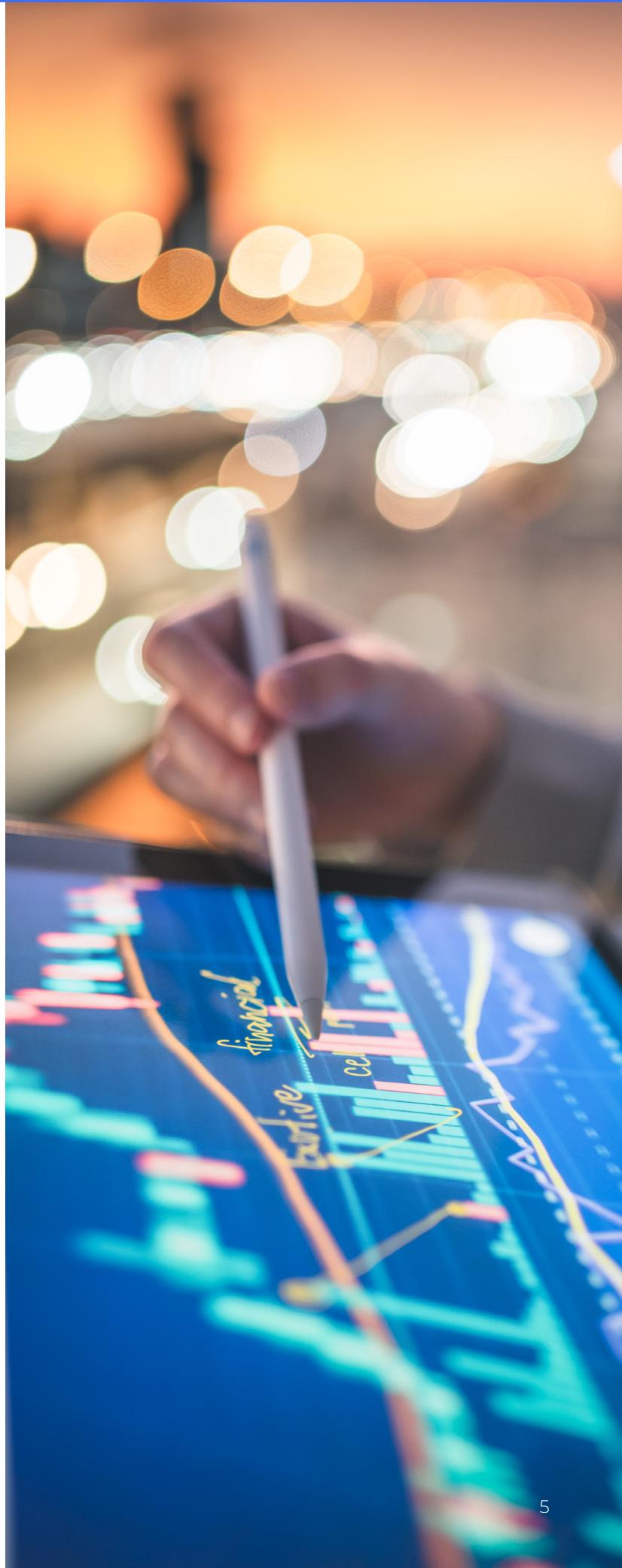
Amazon confirms record-breaking Prime Day.

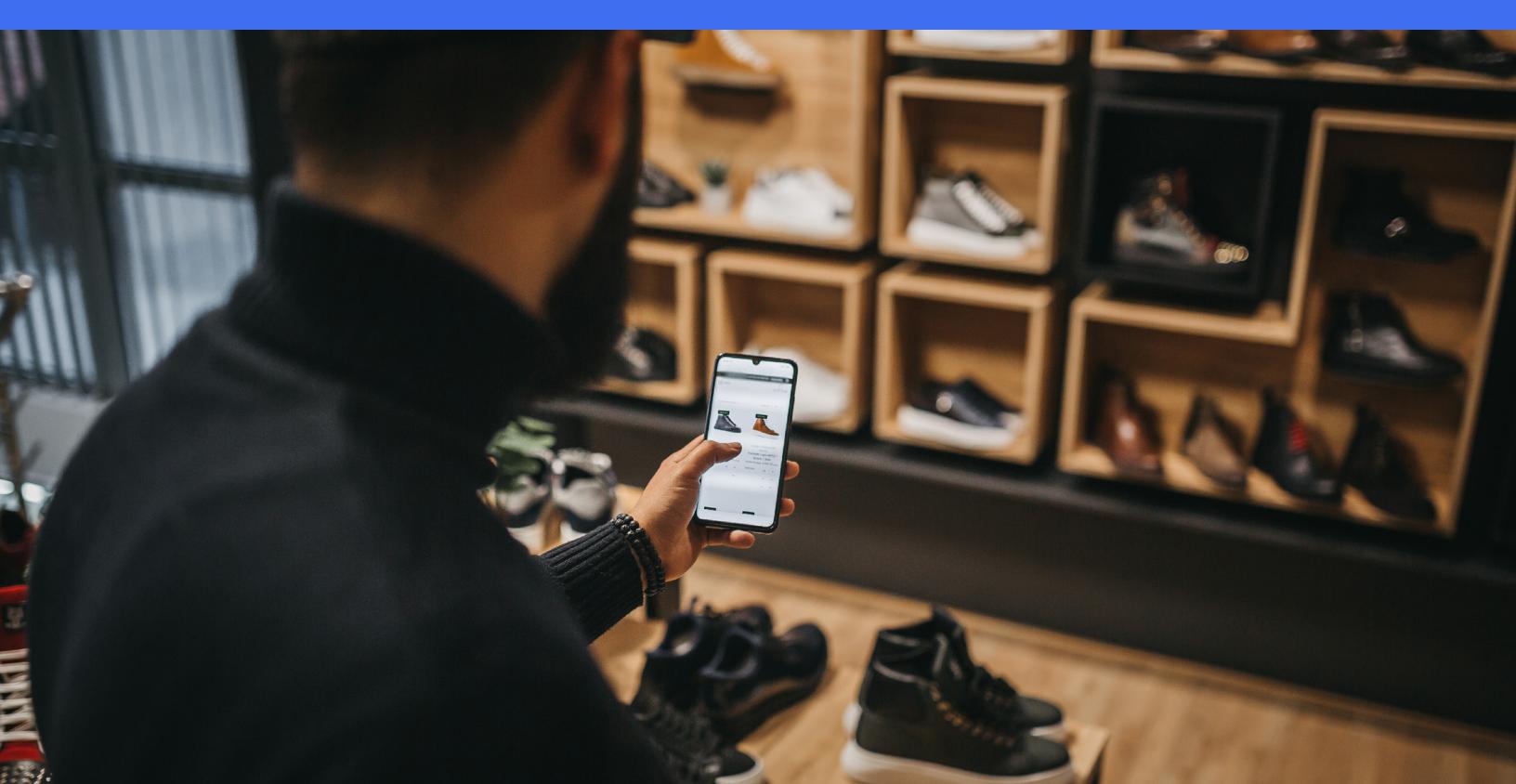
Prime Day 2025 became the "biggest Prime Day ever" driving \$24.1 billion in total U.S. online spend, providing valuable insights for Q4 planning. The event's efficiency improvements, lower CPCs combined with higher engagement, offer a roadmap for optimizing performance during high-intent periods.

TikTok maintains growth momentum.

Despite ongoing regulatory uncertainty, TikTok reached 46% adoption among paid social advertisers, demonstrating that marketers continue prioritizing platform performance over political considerations. The resilience suggests TikTok has become integral to social media strategies rather than experimental.

These developments provide crucial context for understanding why commerce media continues gaining strategic importance and how AI acceleration is reshaping every aspect of digital advertising operations.





Commerce media: How omnichannel quietly took shape

Q2 2025 marked another step forward in the evolution of **commerce media**, as channels continued to converge and retail media solidified its unifying role. The last five years have quietly resolved what the industry spent two decades trying to untangle. For decades, digital advertising was a fragmented mix of paid search, social, and other digital channels, strategically aligned in theory, but disconnected in practice. Each worked toward the same goals, yet operated in isolation. The breakthrough came not from stitching these channels together directly, but from the rise of retail media.

Retail media became the connective tissue.

By anchoring advertising around retailer destinations, where transactions actually happen, it created a natural hub for campaign integration. It allowed search and social efforts to drive directly to the point of sale, streamlining the customer journey and finally enabling cross-channel coordination that once felt out of reach. Just as importantly, it delivered clearer measurement signals by operating at the moment of conversion, addressing attribution challenges other platforms couldn't solve on their own.

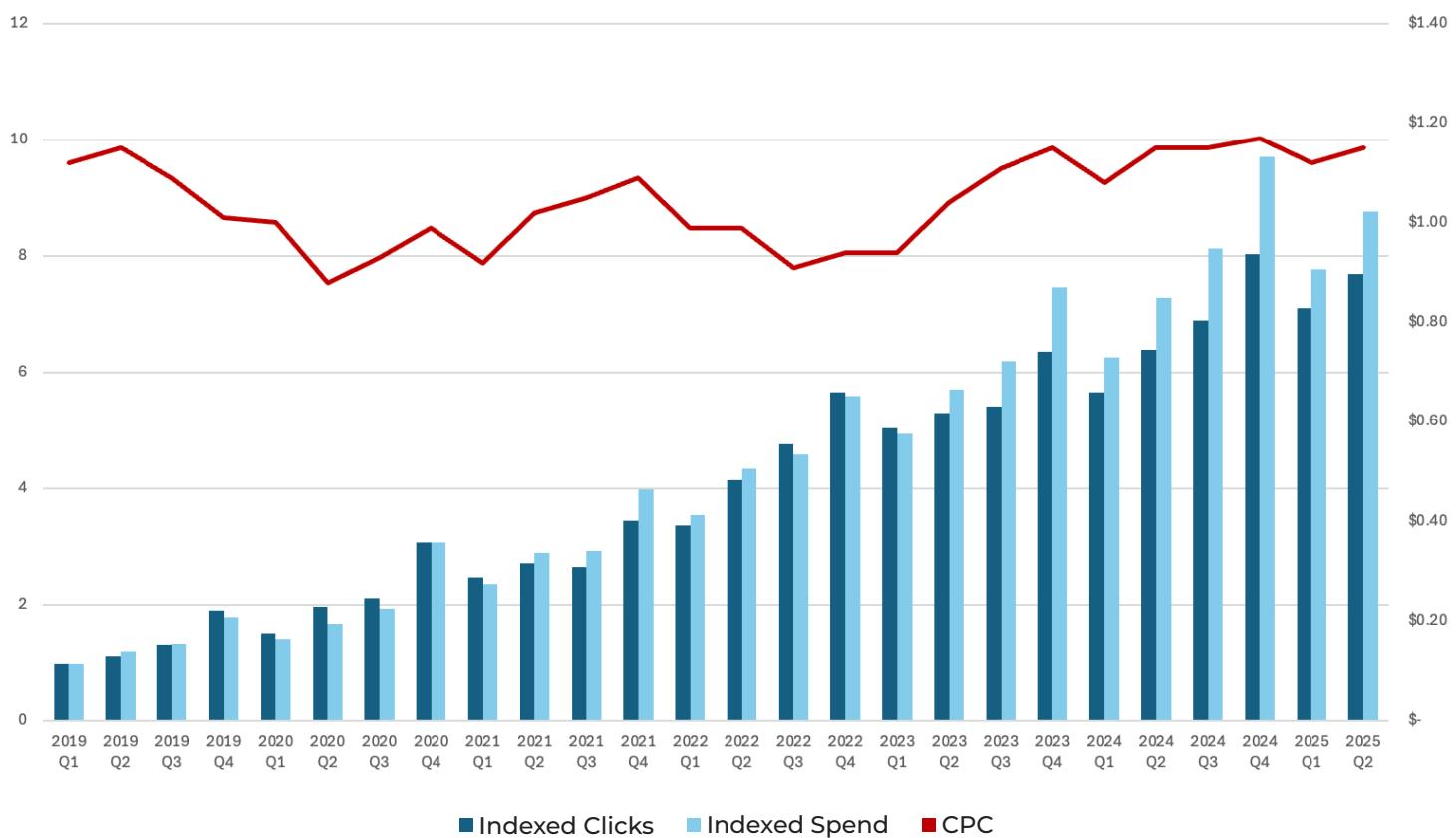
More importantly, the shift in commerce media aligns with how people actually shop. Consumers bounce between search engines, social feeds, and online stores, researching, browsing, comparing, and circling back before they buy. What once looked like a linear funnel is now a *continuous loop*. The brands seeing the most success today are present throughout that cycle: capturing interest through paid search, influencing through social, and converting through retail media. That level of integration isn't just a strategic edge anymore; it's table stakes—it's **commerce media**.

By the numbers: Solid, sustained investment

Examining long-term investment patterns, Q2 2025 confirms that investments in retail media, paid search, and social advertising continue their upward trajectories, even when individual quarters exhibit temporary fluctuations. The data reveals consistent growth momentum that validates marketers' strategic confidence in these foundational channels.

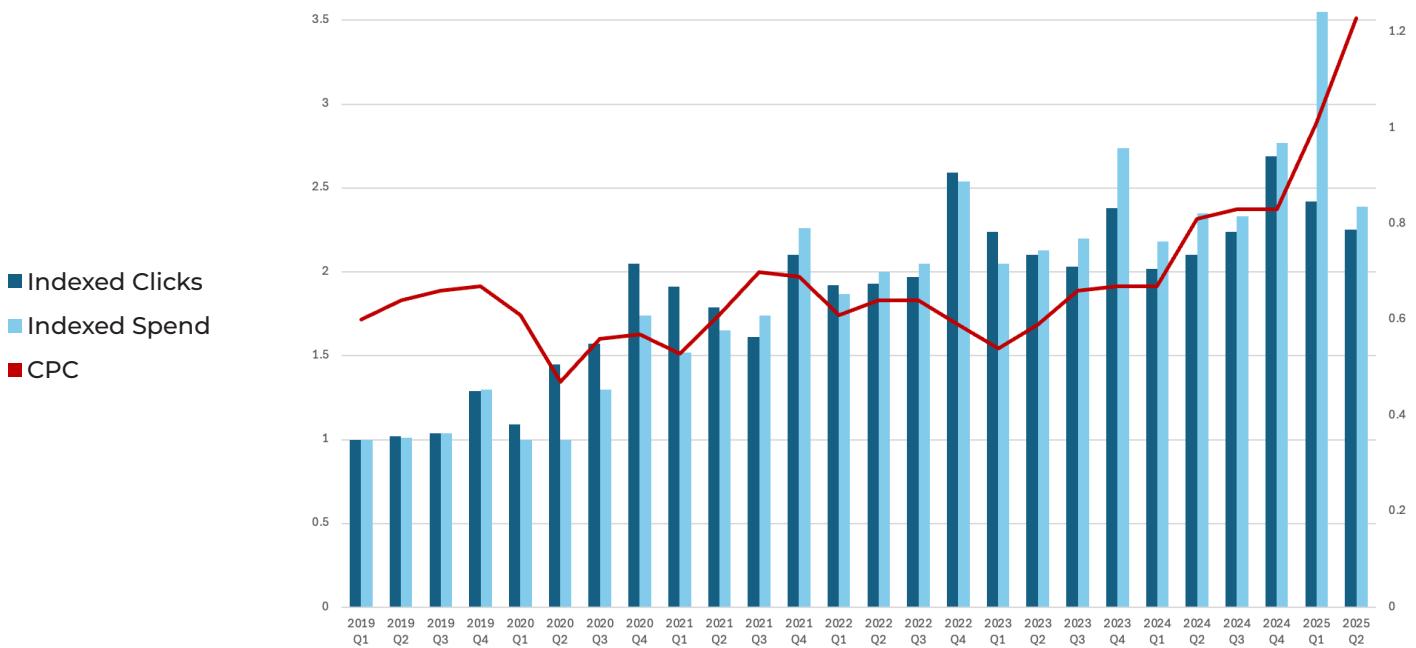
Retail media's six-year growth trajectory shows controlled expansion with spend and clicks climbing steadily without breaking apart. This parallel growth suggests marketers are scaling in step with real engagement rather than speculatively bidding up inventory.

Retail medial long-term trends



Search long-term trends

The long-term view of **paid search** reveals its foundational role, with sustained investment patterns that reflect its function as essential infrastructure for capturing ongoing consumer demand. There's inherent human behavior around information-seeking that creates lasting value regardless of how search interfaces evolve.



Social long-term trends

Social advertising demonstrated delivery-side resilience even during budget adjustments, with indexed impressions holding steady while spend fluctuated, indicating efficiency improvements that maximize reach per dollar invested.



Retail media deep dive

Retail media's continued evolution offers valuable insights into how this channel is maturing and where opportunities exist for marketers ready to adopt sophisticated approaches to point-of-purchase advertising.

In Q2 2025, three key metrics show sophisticated scaling: **18% spend growth, 16% click growth, and 9% improvement in click-through rates**. When spend grows faster than clicks but engagement still improves, it suggests marketers are achieving better quality scale rather than just buying more inventory. This data demonstrates that scaling doesn't always mean cost-per-click has to increase proportionally; there's still efficiency available for marketers who approach expansion strategically.

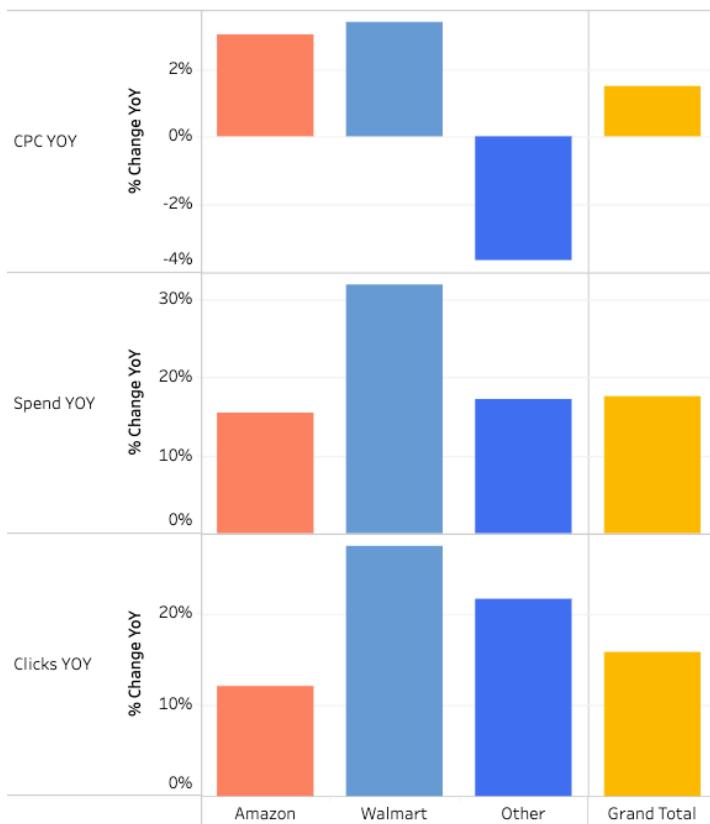
The efficiency story becomes even more compelling when examining the underlying dynamics. Click-through rates rose while impression growth lagged behind both clicks and spend, indicating stronger engagement without simply buying broader reach. CPCs held steady with just a 2% year-over-year increase, confirming that the 18% spend increase came primarily from higher click volumes rather than cost inflation. For marketers concerned about scaling efficiently, this data suggests there's still room for expansion without proportional cost increases if you're strategic about targeting and creative optimization.

+18% YoY retail media spend

+16% YoY retail media clicks

+9% YoY click-through rate

Retailer comparison



PLATFORM DIVERSIFICATION CREATES NEW OPPORTUNITIES

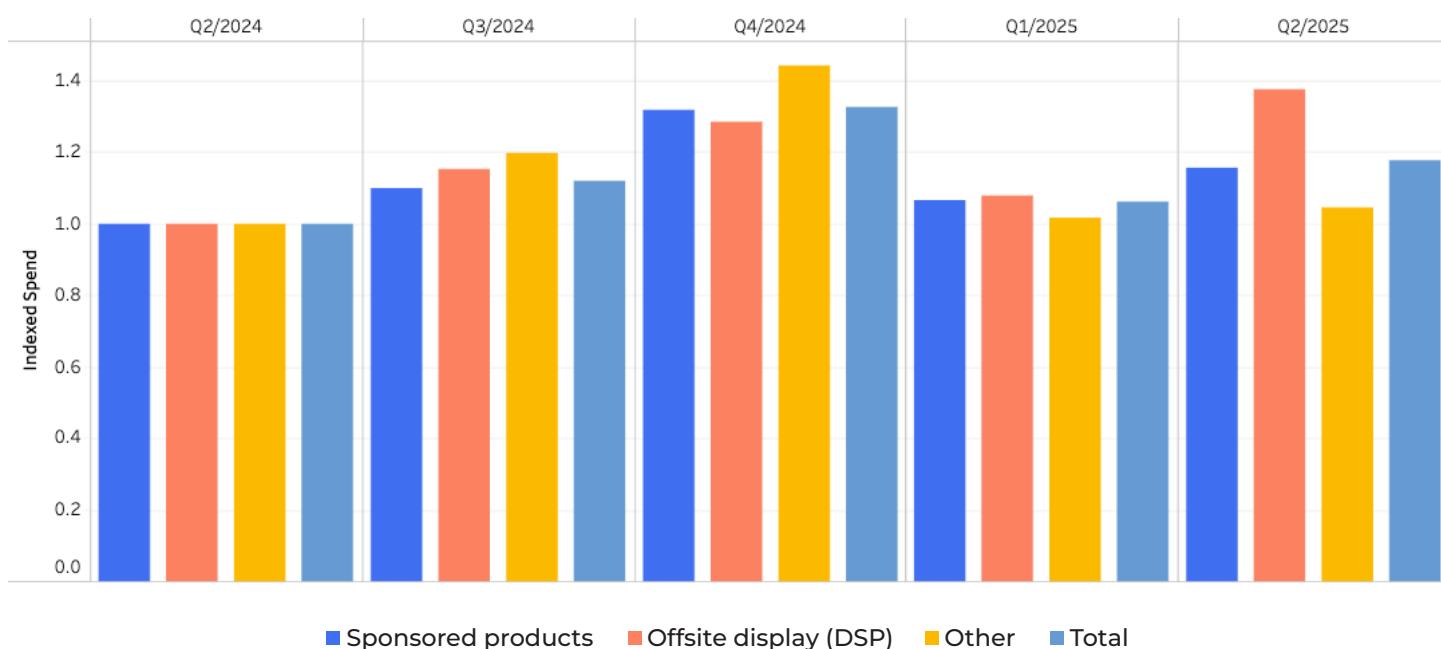
The platform comparison shows expanding opportunities. Walmart and other retail media networks outpaced Amazon in both spend and click growth this quarter, with lower CPCs creating added efficiency. Notice how different platforms show different cost structures.

This variation creates opportunities to test approaches based on your specific goals and current mix.

Spending trend breakdown

Offsite display and DSP spend continued to grow in Q2, signaling that retail media is moving well beyond its lower-funnel roots. Marketers are increasingly using these formats to reach shoppers mid-journey and drive consideration, not just conversion, as more retail media networks open up full-funnel inventory. This shift reflects a broader recognition that influence doesn't just happen at checkout; it builds across the entire path to purchase.

CPCs flattened across all formats in Q2 2025, with Sponsored Display emerging as the lowest-cost format by a wider margin at \$0.96, down from \$1.02 the previous year. This stabilization across formats points to a market where upper- and lower-funnel ads now operate side by side at sustained volume. Rather than chasing the cheapest clicks, marketers are maintaining reach and visibility even as cost gaps between formats remain steady.



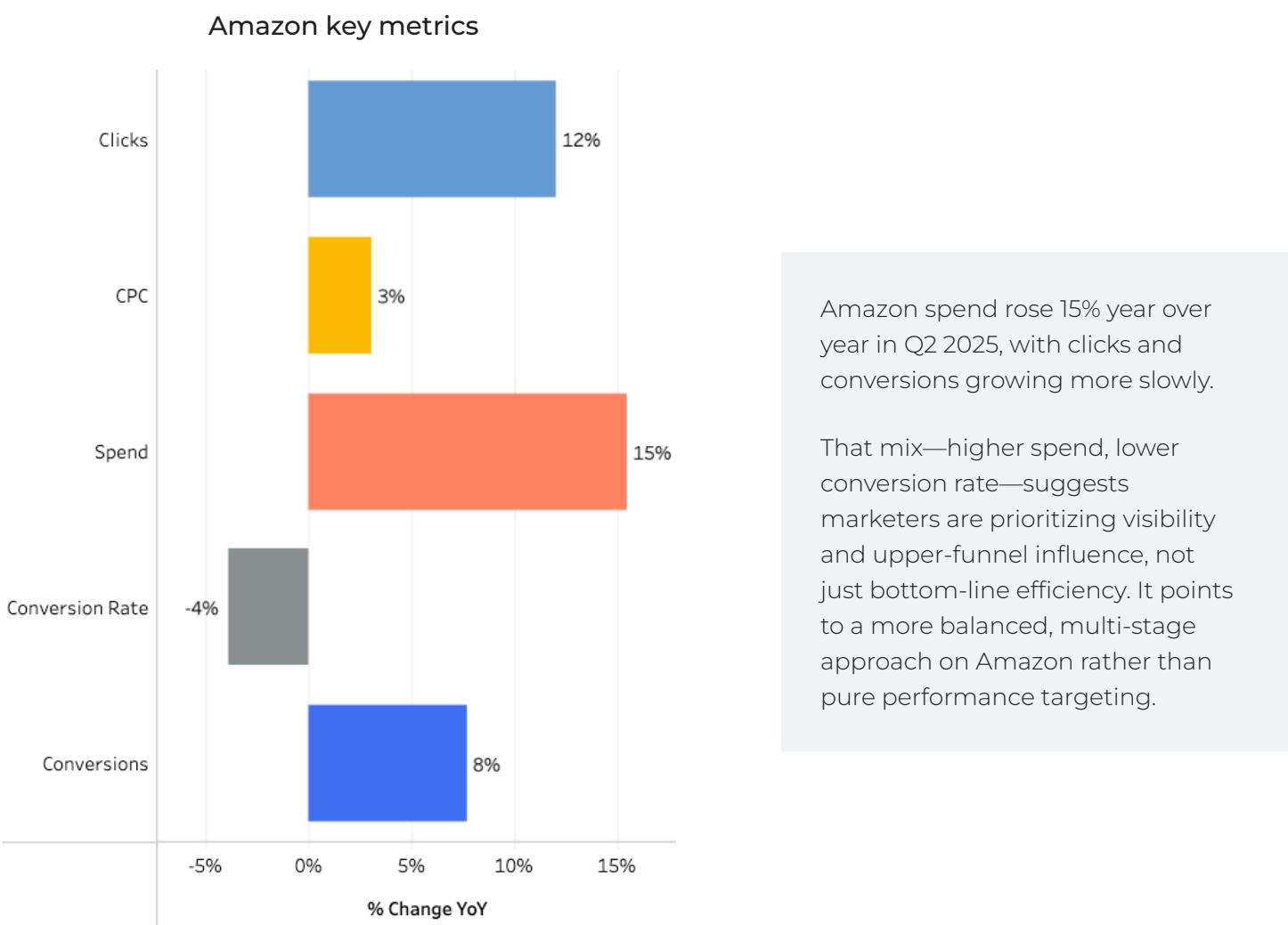
Offsite display/DSP spend widening its lead shows retail media is evolving past lower-funnel focus. Marketers appear to be using these formats not just for awareness, but to influence consideration mid-journey—especially as more RMNs open up full-funnel inventory.

Amazon Advertising:

Advancing fast, scaling smart

Amazon remains the most mature player in retail media, and its momentum continued in Q2 with a 15% increase in advertiser spend. Marketers are leaning into Amazon's growing DSP capabilities and evolving toolset to drive transactions and influence shoppers earlier in the journey. It's a clear signal that brands see Amazon as more than a point-of-sale platform; it's a full-funnel engine for sophisticated, targeted campaigns.

Amazon DSP spend reached its highest share yet in Q2 2025, climbing to over 20% of total Amazon investment while account adoption remained steady at 48%. This suggests that existing advertisers may be increasing their DSP investment, potentially to support broader upper- and mid-funnel strategies. Rather than treating DSP as a secondary format, some marketers appear to be exploring how it can drive incremental reach and influence earlier in the customer journey—both onsite and offsite.



Prime Day 2025: Efficiency breakthrough

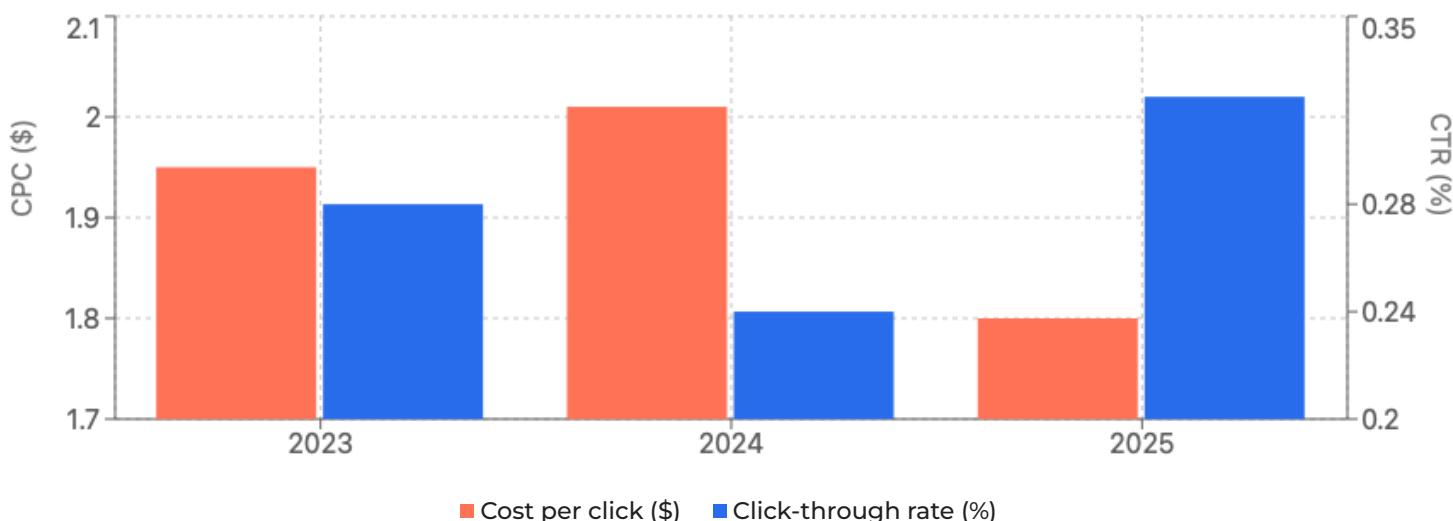
While technically a Q3 event, we're including Prime Day 2025 in this report because the planning, forecasting, and budget allocations happened squarely in Q2, and waiting until the next report would mean missing the opportunity to learn from it in real time. This year's event expanded to a four-day stretch from July 16-19, with Walmart, Target, Best Buy, and others launching overlapping promotions. What was once a single-retailer moment has become a full-blown competitive "deal season," fundamentally changing how brands need to budget, pace, and execute their campaigns during peak demand periods.

The results were significant across the retail landscape. [U.S. ecommerce sales hit \\$24.1 billion](#) during Prime Week—a [30.3% year-over-year increase](#) that represented [6.5% of all July online retail activity](#). Shoppers responded to value across the board: [two-thirds of items sold were under \\$20](#), Grocery led category growth, and flexible buying options like ["subscribe & save"](#) and [buy-now-ship-later](#) gained traction—clear signs of increasingly savvy consumer behavior.

So how did Amazon advertisers adapt to this year's first four-day Prime Day amid intensified competition from other retailers? The data reveals sophisticated strategic thinking rather than simply increasing spend proportionally.

This three-year efficiency comparison shows something remarkable. Prime Day 2025 achieved cost reduction (-10.4% CPCs) alongside engagement improvement (+33.3% CTRs). The pattern challenges traditional assumptions about high-traffic periods, where competition typically drives up costs, and the increased ad impression can impact engagement. What may have contributed to this shift in 2025 is a combination of more advanced planning and growing use of AI-driven optimization, which likely helped marketers maintain efficiency even as demand surged.

Advertising efficiency reaches three-year highs



CPC fell 10.4% to \$1.80 (lowest in 3 years) while CTR rose 33.3% to 0.32% (highest in 3 years)

Prime Day 2025: Daily lift vs. 30-day baseline

The volume lift during Prime Day demonstrates the power of synchronized demand events, while showing that efficiency gains are possible during high-intent periods. Spend increased 198% while clicks grew 108%, impressions 114%, conversions 153%, and revenue 197%. These lifts are in line with how marketers generally treat the ramp-up period before big shopping events.

METRIC	DAILY LIFT VS. 30 DAYS OF LEADING UP
Spend	+198%
Clicks	+108%
Impressions	+114%
Conversions	+153%
Revenue	+197%

KEY INSIGHTS FOR MARKETERS FROM PRIME DAY 2025

Prime Day 2025 offers three critical insights that extend well beyond Amazon advertising and provide frameworks for optimizing performance during any high-intent shopping period.

1 Efficiency gains are achievable during peak demand if you plan.

The combination of reduced costs and improved engagement proves that strategic preparation, AI-enhanced optimization, and sophisticated targeting can overcome competitive pressures that typically characterize major shopping events. Q4 success could depend even more on the quality of preparation than on the size of the budget.

2 Extended event periods open up the opportunity for intra-event optimization.

The four-day Prime Day gave marketers time to adjust bids, rotate creative, and reallocate spend based on early signals. That kind of mid-flight optimization only works when campaigns are set up with the structure and flexibility to respond in real time. For marketers planning future seasonal campaigns, extended timelines may offer similar opportunities if they're built to take advantage of them.

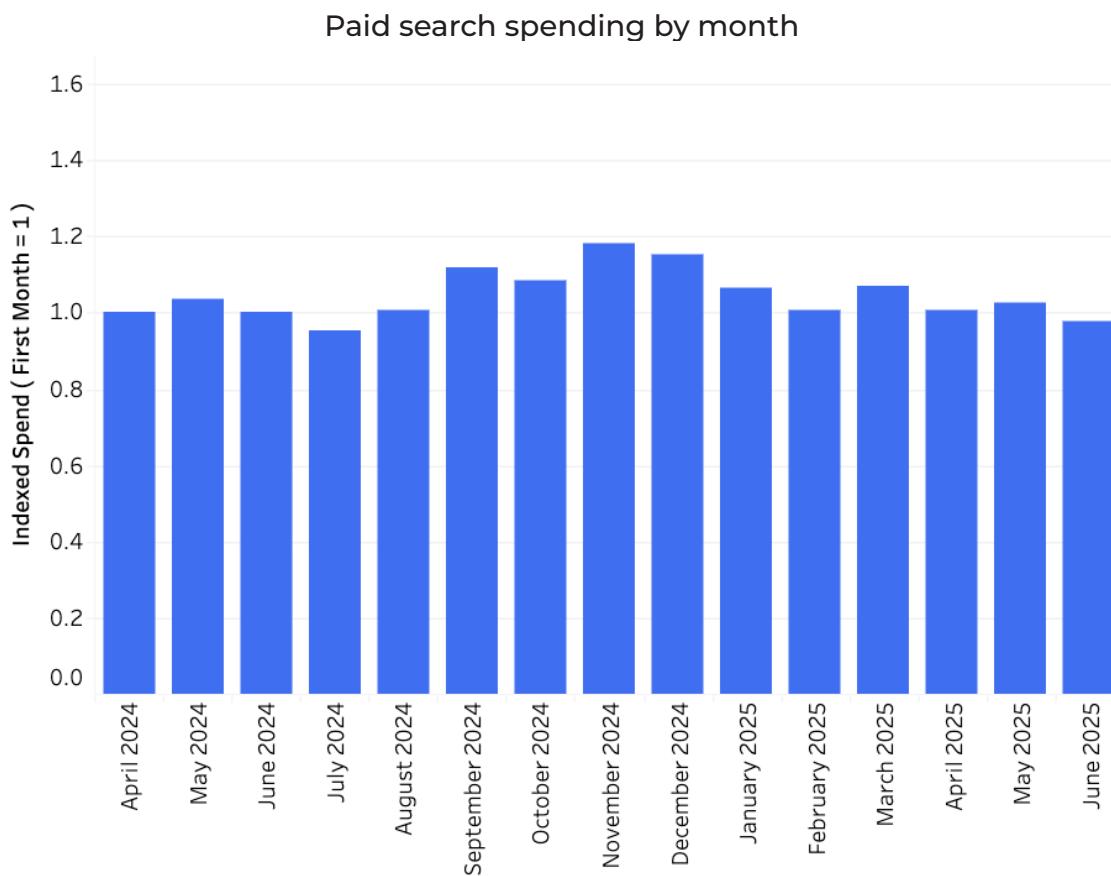
3 Multi-retailer competition benefits prepared advertisers.

Rather than hurting performance, the simultaneous sales from Walmart, Target, and other retailers created a larger overall shopping moment that lifted all participants. This suggests that coordinated industry events, rather than isolated promotional periods, may become the new standard for major shopping holidays. Advertisers may need to shift their approach in the coming years to be more holistic and less single-retailer focused.

Paid search and social advertising: Always-on anchors of commerce media

Retail media may be driving the most innovation, but search and social continue to do the quiet, essential work of meeting consumers where they are before they're ready to buy. These channels are critical to modern commerce media strategies because they power the rest of the journey: helping consumers discover, compare, and narrow choices long before a product page is in sight. In today's continuous loop—not a linear funnel—paid search and social advertising provide the reach, consistency, and behavioral signals that make full-funnel orchestration possible.

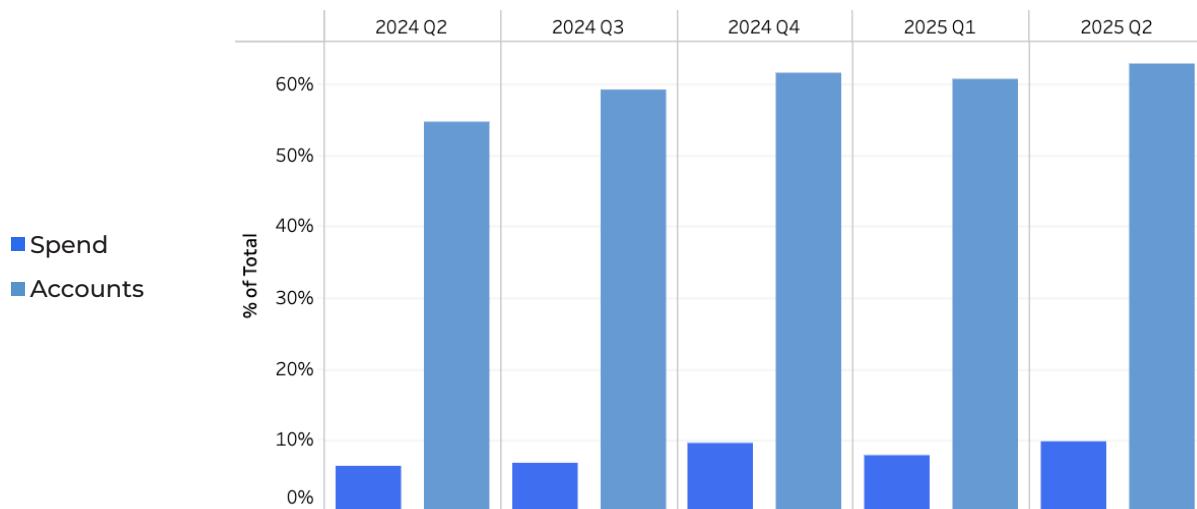
In Q2 2025, **paid search** remained the bedrock of digital marketing strategy. Spend stayed stable across the board, with nearly half of Skai accounts increasing budgets by more than 5% YoY, even as CPCs followed a similar upward pattern. This discipline signals that marketers weren't reacting to volatility; they were doubling down where performance held. Search continues to function as infrastructure: always on, always aligned to demand.



Importantly, paid search performance held steady even in categories facing economic pressure. For instance, Health led spend growth (+20% YoY) despite absorbing the highest CPC increases of any category (+40%), underscoring the value marketers still see in search visibility, even when costs rise. On the flip side, CPG and B2B brands pulled back slightly, suggesting a sharpening of focus in how budgets are allocated based on business cycles and category-specific ROI.

Performance Max adoption

Performance Max adoption hit a new high, with over 60% of Skai search accounts now using the format. While not new, this level of adoption reflects a shift: it's no longer being piloted—it's becoming standard. Marketers are relying on PMax to streamline execution and scale campaigns efficiently, even as they monitor rising CPCs more closely.



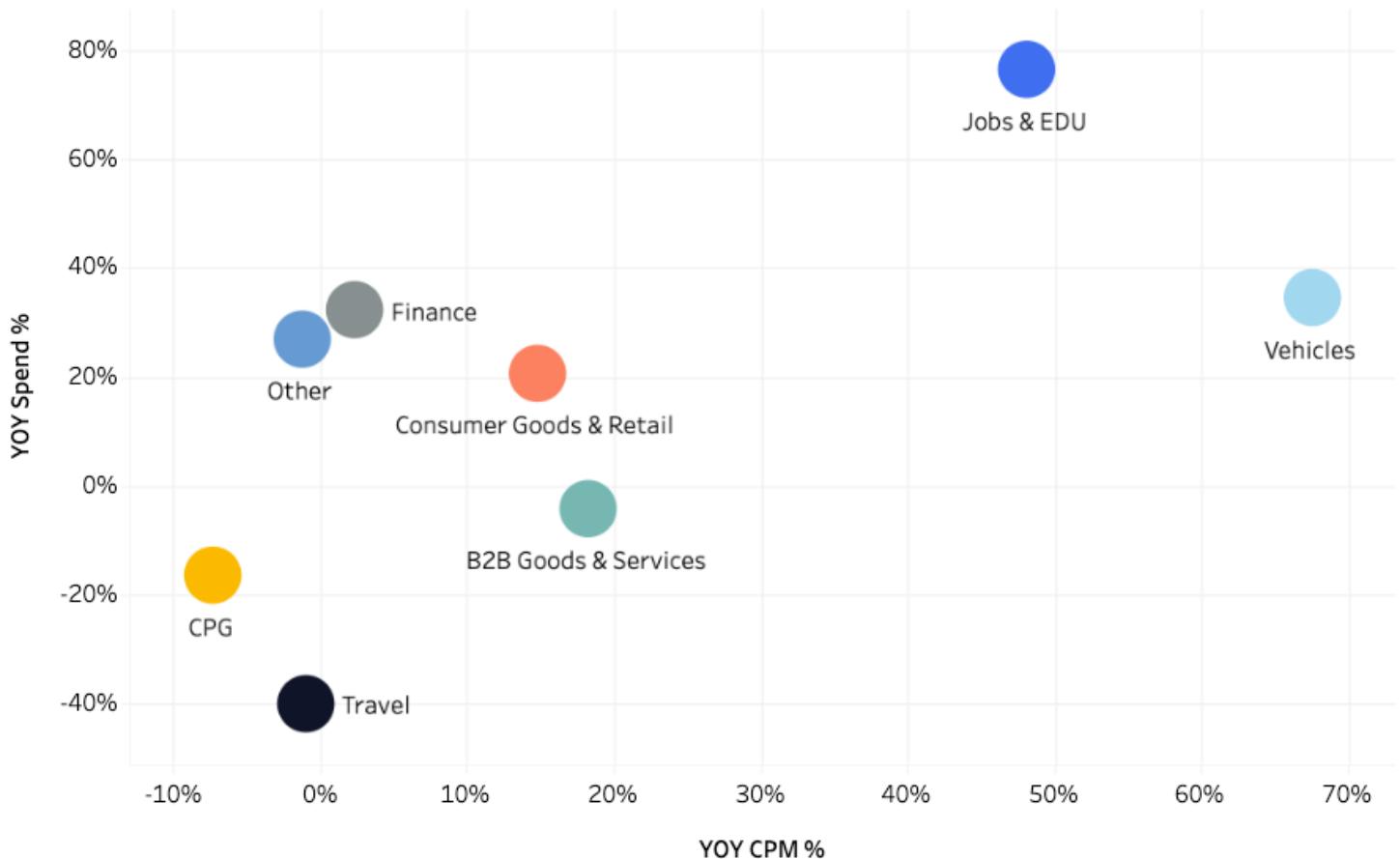
TikTok adoption and share-of-wallet

Marketers are sharpening their **social advertising** strategies by focusing on platforms that deliver measurable impact. In Q2, TikTok adoption reached 46% of paid social advertisers, with spend share rising to 13%. This steady growth, even amid regulatory headlines, reflects confidence in mobile-first, short-form environments that blend discovery with conversion. Marketers are concentrating their investments where both engagement and performance are strong.



Paid social by industry

Category trends revealed a clear split in how brands are approaching paid social. Jobs & Education led growth with the largest YoY spend increase, followed by Finance and Vehicles. These segments appear to be leaning into social for reach and visibility, even with elevated CPMs. Meanwhile, categories like Travel and CPG pulled back, likely reallocating spend to more bottom-funnel or retail-driven channels, or waiting for better efficiency signals before reinvesting.



While CPMs remained high—especially in Vehicles and B2B—advertisers still leaned in where value could be justified. The takeaway isn't that social is underperforming; it's that marketers are getting sharper about when and where to scale. Platforms are expected to deliver, not just engage.

Together, paid search and social advertising remain essential components of commerce media because of their presence in the customer journey. These are the channels that meet the customer at every phase of the loop: discovery, comparison, reconsideration, and finally, action. While retail media brings the point of sale into focus, search and social do the work of setting it up. What Q2 reinforced is that these channels don't need reinvention—they need precision, continuity, and continued investment as part of one coordinated commerce media program.



THE AI ADVERTISING EVOLUTION: **A new direction for our quarterly trends**

After nearly 15 years of quarter-over-quarter analysis focused on channel performance and advertiser behavior, we've reached a point where AI has become too transformative to treat as a sidebar topic. This represents a new direction for our Quarterly Trends Reports, one we knew was inevitable as artificial intelligence fundamentally reshapes how marketing operates.

We're now monitoring and reporting on AI evolution as a permanent part of our quarterly analysis because this technology touches every aspect of commerce media strategy. From campaign optimization and creative development to audience targeting and performance measurement, AI capabilities are changing faster than most marketing organizations can adapt. Rather than waiting for AI disruption to stabilize, we're tracking it as it unfolds.

Our approach focuses on practical insights that help marketing teams navigate this transformation. We'll examine how AI tools evolve, how they impact consumer behavior and the customer journey, and how marketers can adapt their strategies as capabilities continue advancing. The goal is to provide frameworks for making informed decisions about AI adoption rather than chasing every new development without strategic purpose.





HOW CMOs VIEW AI'S IMPACT

Recent research shows that CMOs are leading organizations in the AI transformation, as marketers tend to be a bit ahead of the technology curve. When CMOs are asked where they expect the biggest impact from Artificial Intelligence, specifically GenAI, it's not surprising that **customer experience** tops the list at 36%. It's followed closely by **access to customer insights** and **personalized content**, both at 33%, highlighting a strong focus on relevance and intelligence. Other priorities include **brand consistency** (32%) and **employee productivity** (29%), showing that AI isn't just about output—it's about alignment and efficiency.

The takeaway? CMOs see AI as a force multiplier across every dimension of marketing, not just a creative shortcut.

GenAI-Driven Marketing Transformations According to CMOs Worldwide, May 2025

% of respondents



Note: n=200 top 3 responses

Source: Boston Consulting Group (BCG), "How CMOs Are Scaling GenAI in Turbulent Times," June 2, 2025

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For marketers, the path forward begins with identifying where AI can deliver the most meaningful lift through faster insight generation, stronger personalization, or more consistent execution across teams. Rather than chasing every new tool, focus on building repeatable workflows where AI adds real value. That might mean automating time-intensive processes, upskilling teams to better prompt and interpret AI outputs, or refining measurement frameworks to track AI's contribution. The goal isn't to replace human strategy, it's to clear space for it.

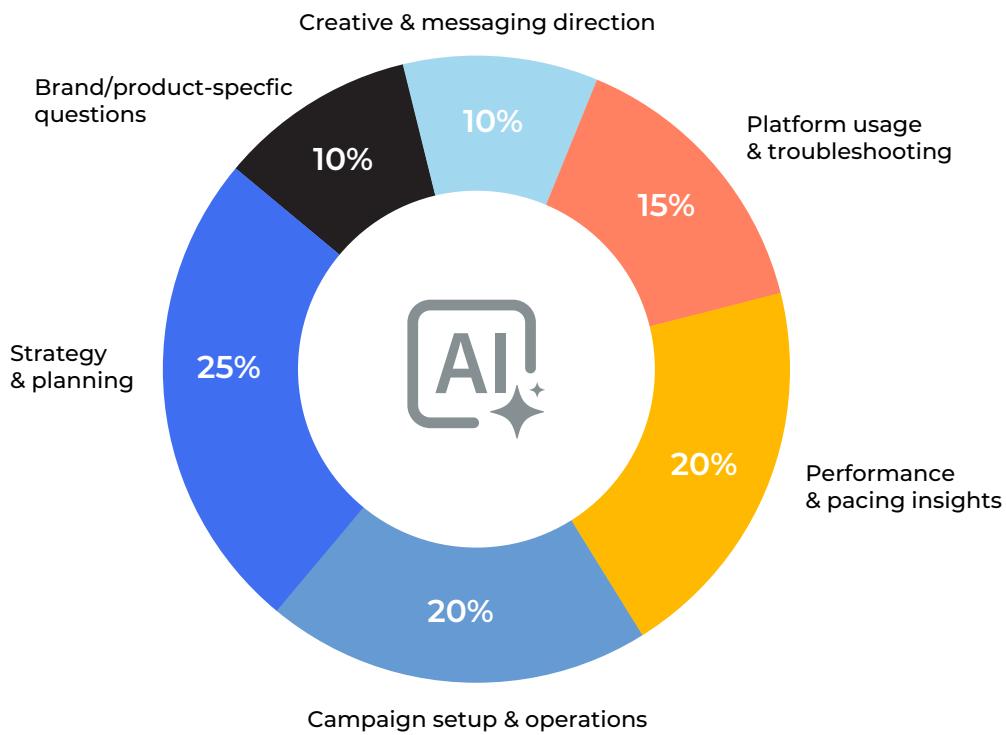
CELESTE AI

CELESTE AI USAGE GIVES US A GLIMPSE INTO THE FUTURE OF MARKETING AI

Early usage data from Celeste AI—the first GenAI marketing agent purpose-built for commerce media—offers a real-world snapshot of how marketers are integrating AI into their workflows today. Rather than isolated experiments, prompts are centering around core tasks: campaign analysis, decision support, and cross-platform insight generation. It's less about novelty and more about speed, visibility, and control in areas where AI can reduce friction without requiring teams to fully rewire how they work.

Looking at how prompts break down, **strategy and planning** lead at 25%, followed by **campaign setup and operations** (20%) and **performance and pacing insights** (20%). Tasks tied to **creative direction** and **platform troubleshooting** account for 10% and 15%, respectively,” with the remaining 10% covering **brand- or product-specific questions**.

Types of AI Prompts - Q2 2025



Source = Skai Celeste AI

What stands out most is the balance: marketers aren't leaning too heavily into any one use case. Instead, they're spreading AI support across the campaign lifecycle, from upfront planning through execution and post-launch adjustments. That spread points to a mindset shift. AI isn't being treated as a specialized tool for a specific phase, but as a companion across the full workflow. As confidence builds, we may see deeper specialization in how GenAI is used, but for now, breadth is the story.

AI Trendwatch: You must now market to the consumer + their AI

Starting with this report, the Skai Quarterly Trends Report will examine major AI trends reshaping marketing. This quarter, we believe **the most important AI trend that will impact advertisers is the growing role of personal AI assistants**. And it's already started. GenAI tools are helping consumers summarize product reviews, ask follow-up questions, and compare options across retailers. The behavior is here, but it just hasn't gone mainstream yet.

However, once personal AI assistants become a regular part of daily life, guiding consumers through every decision, they will fundamentally change how advertising works. With a deep understanding of each person's preferences, needs, and context, these assistants will filter options, make recommendations, and, in many cases, make decisions on the consumer's behalf. **Marketers won't just be speaking to people anymore—they'll be speaking to the systems that speak to people.**

What this means: Your audience is expanding. You still need to connect emotionally with consumers, but you'll also need to communicate clearly with their AI. That means clean data, consistent product info, transparent value, and content that's structured in ways machines can understand. If your offer isn't easy for an assistant to evaluate, you may never make it into the consideration set.

Here are some of the ripple effects marketers should expect:



Good data becomes a competitive advantage.

AI assistants will rely on structured, accurate information. Incomplete specs or vague messaging could exclude your brand before a consumer ever sees it.



The middle of the funnel gets compressed.

Assistants will handle research and comparisons instantly. You'll need to win attention early or be the obvious choice at the end.



Trust will be verified, not assumed.

Reviews, guarantees, sustainability claims—everything you say will need to be backed up and machine-readable.



Context becomes critical.

AI will personalize recommendations based on timing, location, and intent. Generic messaging won't be enough.



Loyalty shifts from memory to performance.

Assistants will remember what worked, not just what was marketed well. Reliability and value will drive repeat purchases.

This is already underway, and marketers who prepare for it now will be better positioned as AI shifts from optional to expected.



AI's channel-by-channel impact: Marketing to people and their AI

Retail media, paid search, and social advertising won't be immune to the rise of personal AI assistants—they'll be reshaped by it. As GenAI behaviors become mainstream, each channel will need to adapt to a world where the buyer is guided by a system that filters, verifies, and sometimes makes decisions before a brand ever enters the picture. The job of marketers isn't just to show up—it's to be *selectable* by both the consumer and their assistant.

Retail media: More signals, tighter decisions. Retail media has always had a measurement advantage, thanks to its proximity to the point of sale. But as AI assistants gain traction, the precision stakes go up. Assistants will evaluate retail media options based on relevance, availability, delivery time, price, and even sustainability—all in milliseconds. Inventory-aware targeting and real-time optimization won't just be nice to have—they'll be table stakes for making it past the filter.



What this means: Winning in retail media will require better inputs. Product data, pricing accuracy, availability, and shopper signals must be aligned and accessible. Dynamic creative and product feeds that can adapt to context—who the consumer is, where they are, what they've browsed—will become more important. Being listed won't be enough; your listing has to *win the logic test*.

Paid search: Visibility now means visibility to AI. Search is on the front lines of this shift. GenAI interfaces are already changing the search experience, from Google's AI Overviews to emerging platforms offering answer-first results. Personal AI assistants will soon handle search tasks directly, skipping over traditional keyword-based queries and relying on product data, brand reputation, and trusted signals to recommend results. The idea of a top-ranking link will evolve into being the top response.



What this means: Search strategy must move from keyword targeting to intent fulfillment. This means doubling down on clear product information, structured data, and machine-readable signals like schema markup. Start treating AEO (AI Engine Optimization) as a parallel to SEO—something to build into every campaign. The better your brand answers the AI's questions, the better chance you have of making it into the recommendation set.

Social advertising: Proving value in a filtered feed. Social has long been the channel for inspiration and discovery. But even that will shift as personal AI agents learn a user's tastes, scroll habits, and brand affinities—and begin to shape what's shown. AI-generated content, dynamic ad formats, and personalized creative are already rising. In a world where assistants guide entertainment and content choices, social ads must prove their relevance not just to the person, but to their digital proxy.



What this means: Invest in creative that works both ways—emotionally for the consumer and logically for the algorithm. High-quality, modular assets that can be customized on the fly will stand out in AI-shaped feeds. Marketers will also need to validate claims, back up messaging, and ensure content isn't just thumb-stopping—it's *filter-passing*. AI won't amplify fuzzy promises.

ACROSS ALL CHANNELS, THE IMPACT OF AI ASSISTANTS WILL BE MASSIVE.

Retail media will require cleaner, more structured data. Search will demand content that aligns with machine logic and context. Social will need creative that's both high quality and algorithmically compelling. But the common thread is this: if your content, offer, or experience isn't good enough for the AI to recommend, it may never reach the consumer at all. Marketing in the AI assistant era will be about readiness, precision, and becoming the most logical choice for both audiences.

The one thing marketers can do now: **start optimizing content, data, and messaging for AI readability**—not just human appeal. That means making sure product info is complete and structured, value props are clear and specific, and creative is tailored for both emotional resonance and machine logic. The earlier brands begin speaking the language of AI, the more likely they are to be included in its recommendations.



Looking ahead: Using Q2 2025 to fuel the rest of the year

As we close Q2 and look ahead to the rest of 2025, insights from this quarter's performance and Prime Day's efficiency breakthroughs inform both immediate Q4 preparation and strategic 2026 budget development. What we've learned about AI acceleration, commerce media maturation, and seasonal optimization creates frameworks for forward-looking budget planning.

2H 2025 KEY MARKETING CALENDAR EVENTS		
PERIOD	EVENT	DATE
Q3 2025	Back-to-School Season	July 15 - September 15
	Labor Day	September 1
	Columbus Day	October 13
Q4 2025	Halloween	October 31
	Cyber 5	Thanksgiving (Nov 27 - Dec 1) Black Friday Small Business Saturday Cyber Monday
	Giving Tuesday	December 2
	Green Monday	December 8
	Christmas	December 25
	Boxing Day	December 26

Three key tips for Q4 preparation:

1 Start creative planning now.

Use Q3 to develop and test holiday creative variations, ensuring you have proven assets ready for peak shopping periods when time and attention become scarce.

2 Build retargeting pools early.

Begin capturing Q3 traffic for sophisticated audience targeting during Q4 campaigns, when acquiring new audiences becomes more expensive.

3 Validate operational readiness.

Confirm holiday product availability, shipping capabilities, and inventory management systems can support increased advertising volume without creating poor customer experiences.

Key learnings from 2025 for Q4 planning and 2026 budgeting

What we've learned from Q2 2025 performance and Prime Day efficiency breakthroughs can help inform planning for two critical upcoming priorities, Q4 planning and 2026 budgeting.

Applying 2025 learnings to Q4 planning:

■ Efficiency during high-intent periods.

Prime Day 2025's -10.4% CPC reduction with +33.3% CTR improvement shows that efficiency gains are possible during peak shopping periods through better targeting and creative optimization.

■ Cross-channel coordination.

The 198% spend increase with 108% click growth during Prime Day demonstrates the value of synchronized optimization across retail media, search, and social advertising.

■ AI-enhanced scaling.

Performance Max's 60% adoption and Amazon DSP's growth to 20%+ share show marketers are comfortable trusting AI with significant budget allocation during critical periods.



USING Q2 INSIGHTS TO INFORM 2026 BUDGET PLANNING

Planning season starts sooner than it feels. By August, agency teams are already using Q2 results to shape initial 2026 recommendations. Budgets move into partner reviews by September and start locking in across marketing and finance by early Q4. That makes mid-year performance a critical checkpoint for guiding where next year's investment should go.

Here's how Q2 learnings can shape smarter budget conversations across your core channels:



2026 retail media.

Q2 reinforced the value of deepening platform expertise. Advertisers leaning into Amazon DSP and Amazon Marketing Cloud drove more efficient full-funnel outcomes, showing what's possible when teams go beyond surface-level adoption. As you scope next year's budget, consider how much to invest in building the systems, talent, and testing capacity needed to unlock the full value of these tools. Retail diversification is also proving its case. Q2 results highlighted strong performance from multiple retailers, pointing to the need for more flexible planning that supports a multi-retailer approach from the start.



2026 paid search.

Search remains foundational—but the search environment is evolving. AI-generated results are beginning to displace organic traffic in measurable ways, especially for high-volume queries. That's not a signal to cut spend, but a reason to revisit how paid search fits into your larger visibility strategy. Some programs may need stronger support to make up for drops in unpaid traffic, while others may benefit from fresh investments in automation, creative testing, or new keyword categories. Next year's search budget will need to do more than replicate this year's; it'll need to respond to a shifting landscape in real time.



2026 social advertising.

Social's pace isn't slowing, and neither are its demands. Q2 showed that advertisers who built repeatable processes for AI-assisted creative stood out. Those learnings can help shape next year's creative development budget, whether that means new tooling, faster production cycles, or rethinking how to resource content at scale. TikTok's continued rise also points to shifting platform dynamics that may influence where budget flexibility matters most. Social's unpredictability makes it harder to "set and forget," which means 2026 budgets should include room for quick pivots and testing as new trends and new formats emerge.



Conclusion:

On to Q3 and beyond

Q2 2025 showed clear momentum across commerce media. Retail media continued to mature with more advanced targeting and measurement features, even as marketers balanced spend in categories under pressure. Paid search and social held steady, reinforcing their role as foundational channels—even as AI began to reshape how each works.

And while Prime Day technically sits in Q3, early July gave us a preview of how brands are approaching major events in a more strategic, measured way with an eye on efficiency and full-funnel outcomes.

Across the board, one pattern stands out: **marketers aren't waiting**. Whether it's testing new AI tools, rethinking how to reach consumers during high-stakes events, or maintaining discipline in evergreen channels, teams are leaning into change. The second half of the year will be shaped by how marketers turn that momentum into lasting performance.

Stay tuned for future Quarterly Trend Reports where we continue tracking the evolution and progress of commerce media and AI integration across the digital advertising landscape.

Methodology

Unless otherwise noted, all data in this report comes from over 1 trillion impressions, 8.2 billion clicks, and \$8.7 billion of Skai platform activity across retail media, paid search, and paid social advertising in Q2 2025 (April 1–June 30). Data is aggregated and anonymized across Skai accounts, which include many of the world's leading consumer brands and agencies.

Year-over-year comparisons reflect the same date range in Q2 2024. Skai's data set only includes advertisers that were active on the Skai platform for the full duration of both Q2 2024 and Q2 2025 to ensure consistency and comparability in trend analysis.

Platform performance insights are complemented by select consumer survey results and partner data, which are cited directly when included.



About Skai

Skai is the leading omnichannel advertising platform for commerce media, combining advanced digital marketing capabilities with commerce insights and operations to drive growth for brands and agencies. Powered by unified data and proprietary GenAI, Skai delivers full-funnel media planning, optimization, and measurement, plus insights and automation that help brands improve digital shelf performance, retail execution, and revenue recovery. This integrated approach maximizes sales, profitability, and market share across media and commerce touchpoints.

Trusted by over 8,000 brands and agencies, including PepsiCo, Sanofi, and Estée Lauder, Skai integrates with 300+ publishers and retail media networks such as Amazon Ads, Walmart Connect, Criteo, Google, Microsoft, Facebook, and TikTok. Headquartered in San Francisco with nine international offices, Skai empowers brands to connect media and commerce for measurable growth and efficiency.