New Study Reveals Nearly 75% of Performance Marketers Are Experiencing Diminishing Returns on Social Media Ad Spend; Over 50% Expand Into Additional Channels Beyond Social

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NEW YORK, April 02, 2025 (GLOBE NEWSWIRE) -- Taboola, a global leader in delivering performance at scale for advertisers, today announced a new report based on a survey conducted with Qualtrics, a leading company in experience management working with nearly 20,000 organizations worldwide.

Performance advertising on social media is rapidly growing—industry forecasts predict that social media ad spend will reach $239 billion in 2025 and is projected to reach $273 billion in 2026. However, new research found that despite social media's dominance in performance advertising, nearly 75% of performance marketers have noticed diminishing returns from their social media ad investments.

Additional key insights from *The Pulse of Performance Advertising: Diminishing Returns* include:

- Most of these performance marketers indicated that diminishing returns impact over 30% of their spend.
- Marketers focused on performance face diminishing returns on social media due to audience saturation, rising costs, and ad fatigue.
- Over 80% of performance marketers use multiple tactics to combat diminishing returns, with more than half expanding into additional digital channels beyond social media ads.

"While social media accounts for a large portion of performance advertising budgets, many marketers have hit a barrier in the form of diminishing returns," said Adam Singolda, CEO of Taboola. "More spend just isn't translating into better results. The findings in this report point to difficulty in sustaining performance over time, with marketers seeking solutions that can help them overcome that barrier."

The Pulse of Performance Advertising: Diminishing Returns is based on a survey of more than 300 advertisers, from brands and agencies in the US.

About Taboola

Taboola empowers businesses to grow through performance advertising technology that goes beyond search and social and delivers measurable outcomes at scale.

Taboola works with thousands of businesses who advertise directly on Realize, Taboola's powerful ad platform, reaching approximately 600M daily active users across some of the best publishers in the world. Publishers like NBC News, Yahoo, and OEMs such as Samsung, Xiaomi and others use Taboola's technology to grow audience and revenue, enabling Realize to offer unique data, specialized algorithms, and unmatched scale.

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Taboola (the "Company") may, in this communication, make certain statements that are not historical facts and relate to analysis or other information which are based on forecasts or future or results. Examples of such forward-looking statements include, but are not limited to, statements regarding future prospects, product development and business strategies. Words such as "expect," "estimate," "project," "budget," "forecast," "anticipate," "intend," "plan," "may," "will," "could," "should," "believes," "predicts," "potential," "continue," and similar expressions are intended to identify such forward-looking statements but are not the exclusive means for identifying such statements. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and there are risks that the predictions, forecasts, projections and other forward-looking statements will not be achieved. You should understand that a number of factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements, including the risks set forth in the Company's Annual Report on Form 10-K for the year ended December 31, 2024 under Part 1, Item 1A "Risk Factors" and our subsequent filings with the Securities and Exchange Commission. The Company cautions readers not to place undue reliance upon any forward-looking statements, which speak only as of the date made. The Company does not undertake or accept any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements to reflect any change in its expectations or any change in events, conditions or circumstances on which any such statement is based.

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