Billy Grace



THE STATE OF MARKETING

# Conviction over caution.

How advertisers grew through the first half of 2026, and what it signals for the year ahead.

A Billy Grace benchmark report

H1 2026 versus H1 2025

**UMM**

attribution

THE STORY IN BRIEF

# This was a year of efficient growth, not inflation.

For the last few years, the prevailing mood in marketing has been defensive. Rising media costs, signal loss, and pressure to prove every euro pushed many teams toward caution. The first half of 2026 tells a different story. Across the advertisers we measured, budgets grew, the cost of reaching and engaging audiences fell, and the money began to spread across a wider set of channels than the search-and-social platforms that have long anchored media plans.

In short: this was a year that rewarded advertisers for investing, not for holding back. The efficiency gains were real, though they were felt most keenly by small and mid-sized advertisers rather than the largest spenders. And the shape of the smart media plan is visibly changing: more channels, tested earlier, with success judged on outcomes rather than the headline price of reach.

The sections that follow set out what changed, for whom, and what it means for the way marketers plan the year ahead. Each closes with concrete action points for CMOs and marketing teams, because a benchmark is only useful when it turns into a decision.

ABOUT THIS REPORT

We built a matched cohort of advertisers, each an active paid-media investor in both H1 2025 and H1 2026. Holding the group constant means every comparison reflects genuine year-on-year change within the same businesses.

Unless stated otherwise, every headline figure describes the **typical advertiser**: the median business in the group. All figures use our Unified Marketing Measurement (UMM) attribution model.

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H1 2026 AT A GLANCE · the typical advertiser, year on year

| +17.5% | –10.8% | +13.0% | +3.9pp |
|---|---|---|---|
| Media investment per advertiser | Cost per click | Click-through rate | Mid- and upper-funnel share of investment |

# Contents

SIX CHAPTERS + METHOD

# 01

CHAPTER 01 · THE OVERALL STATE OF MARKETING

## Efficient growth: more investment, cheaper engagement.

The typical advertiser increased paid media investment by around **18% year on year**. Across the cohort as a whole, total measured investment rose about 14%. Both figures point the same way: budgets grew meaningfully, and roughly two-thirds of advertisers spent more than they did a year earlier.

What makes the year notable is that this extra investment did not run into rising costs. The cost of reaching a thousand people stayed essentially flat, and the cost of a click actually fell. The typical advertiser paid around 11% less per click than a year earlier. Far from an inflationary market, H1 2026 rewarded advertisers with cheaper engagement.

That engagement improved across the board. Click-through rates rose about 13%, and advertisers earned roughly 12% more clicks for every euro invested. More money went in, each euro worked a little harder, and audiences engaged more readily.

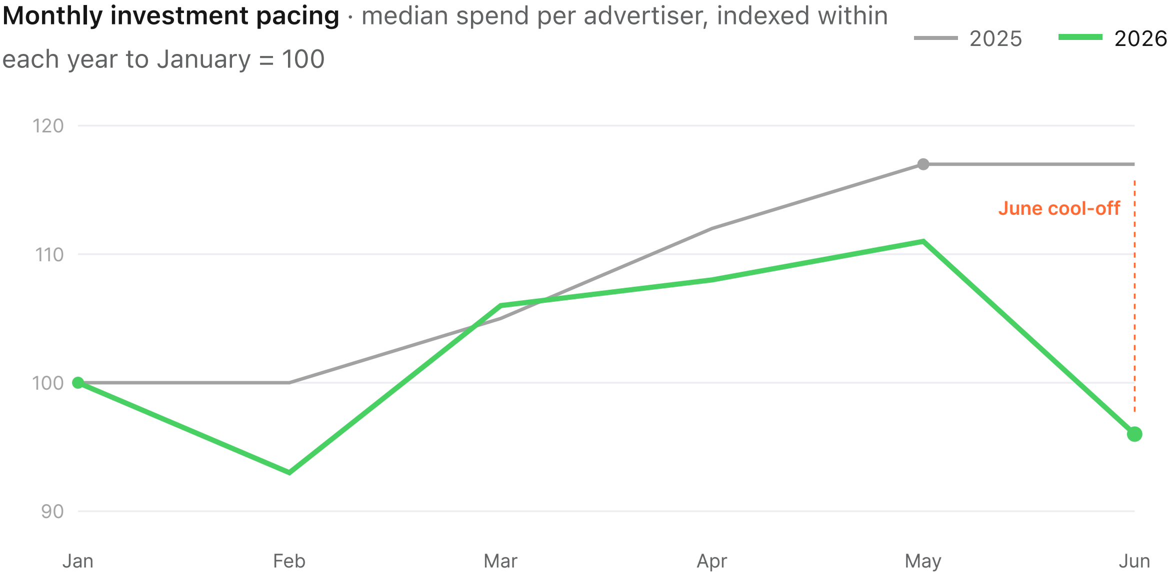
| | | |
|---|---|---|
| INVESTMENT / ADVERTISER<br>**+17.5%**<br>median per advertiser · * | COST PER CLICK<br>**–10.8%**<br>€0.53 → €0.47 · * | CLICK-THROUGH RATE<br>**+13.0%**<br>1.25% → 1.41% · * |
| CLICKS PER UNIT OF SPEND<br>**+12.1%**<br>more clicks per euro · * | COST PER 1,000 (CPM)<br>**+1.3%**<br>remained relatively flat | ADVERTISERS SPENDING MORE<br>**64%**<br>roughly two in three |

*Every efficiency measure moved in the advertiser's favour: more investment and more clicks per euro, higher engagement, while the cost of a click fell and the cost of reach barely moved.*

### How the first half of the year unfolded

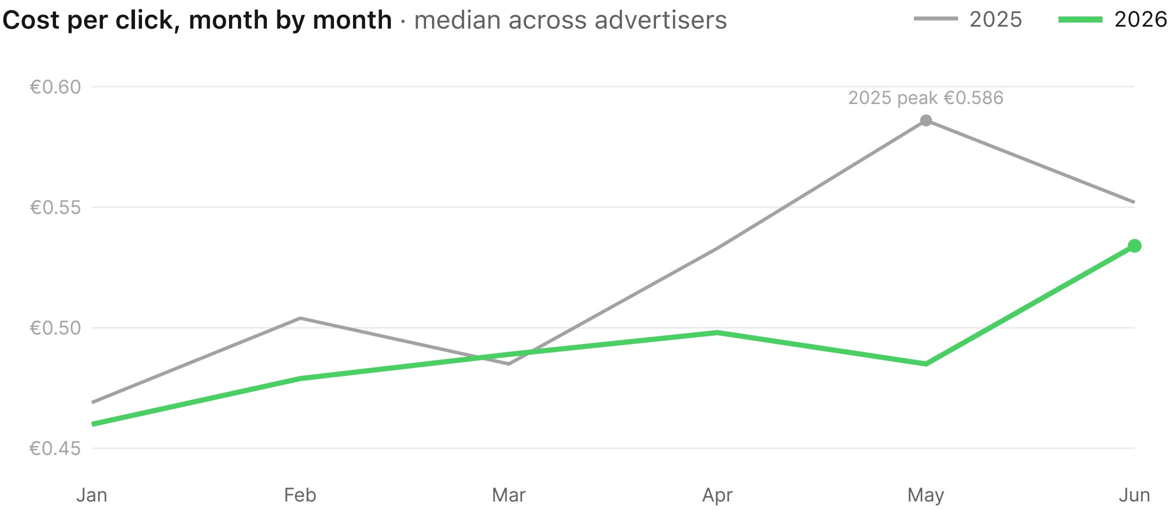
The two years followed different rhythms. In 2025, spending built gradually, climbing from January to a June peak. In 2026, advertisers front-loaded: January budgets came in well above the prior year before the pace cooled in the closing month. June 2026 stood apart, with the weakest year-on-year investment growth and the highest cost of reach of any month in the two-year window. For most of the half, though, the story was consistent: cheaper clicks month after month, with the spring the high-water mark for efficiency.

**Monthly investment pacing** · median spend per advertiser, indexed within each year to January = 100



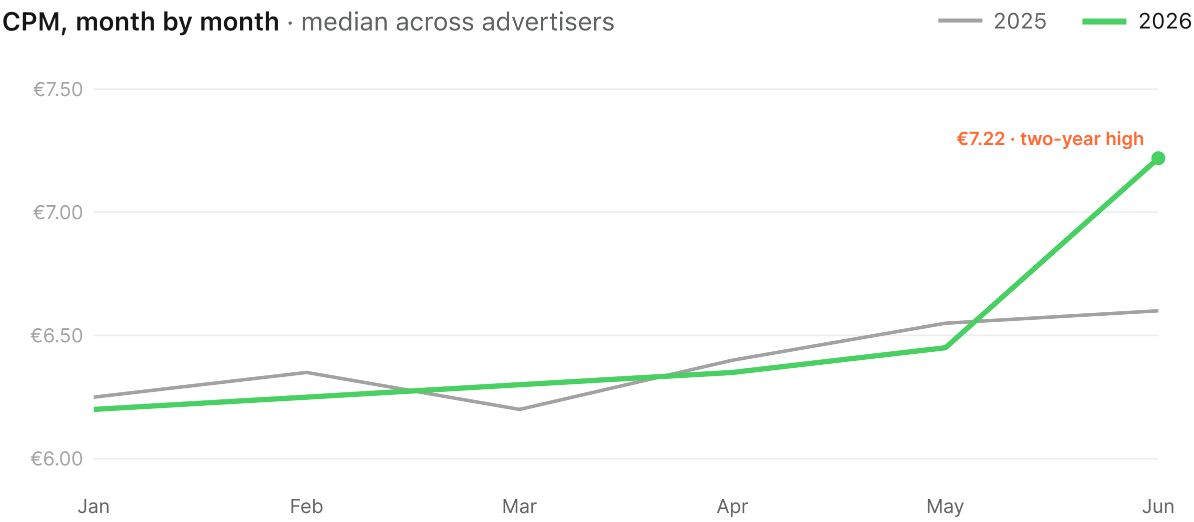

*Each line is indexed to its own January = 100, so it shows the* ***shape within each year, not the year-on-year level****. 2025 built gradually to a June peak; 2026 came in hot early and eased at the close, the one month advertisers pulled back as costs rose. 2026 ran above the prior year throughout the half.*

**Cost per click, month by month** · median across advertisers




*The green line sits below the grey one in every month: the typical advertiser paid less per click than a year earlier throughout the half, with the widest gap in May, when 2025 costs peaked. Only in June did 2026 costs start climbing toward the prior year.*

**CPM, month by month** · median across advertisers




*Reach costs tracked close to the prior year for most of the half, then jumped sharply in June 2026 to €7.22, the highest CPM in the two-year window. The spike is what pulled the year's flat average (+1.3%) upward and coincided with the one month advertisers eased off spending.*

WHAT THIS MEANS FOR MARKETERS

When budgets rise across an industry and CPCs still fall, it signals that ad inventory is keeping pace with demand, and that advertisers holding back are not being protected from inflation so much as missing cheaper engagement. The June 2026 cost spike, when CPM reached its two-year high, is a reminder that the cheapest impressions rarely sit in the most crowded moments. In a year of falling click costs, a flat budget is not neutral: it quietly buys less growth than it did twelve months earlier. The practical takeaway is to treat a flat budget as a real-terms cut: with clicks around 11% cheaper, holding spend level buys fewer customers than last year, so rebase budgets to outcomes (leads, orders, revenue) rather than to the prior year's euro figure.

## 02

CHAPTER 02 · WHERE THE MONEY WENT

# Search still anchors the plan, but investment is spreading.

Google is still where most advertising money sits, and it remains the foundation of nearly every media plan in the cohort. Its share of investment moved from roughly **62% to 57%** year on year, a shift of close to five percentage points and the single clearest structural change in the data. Some of that movement went to Meta, which grew its share modestly and holds firm as the second anchor.

Beneath the two largest channels, a genuine broadening is under way. Advertisers moved onto newer platforms in real numbers: many added TikTok and YouTube, while Reddit saw the fastest adoption relative to its size. In pure spend terms these channels grew quickly: TikTok investment across the cohort rose about 65%, and Reddit multiplied several times over.

**Channel share of investment** · spend-weighted across the cohort


Google **−4.8 pp**  Meta **+0.9 pp**  All other channels **+3.9 pp**

*Search still holds the majority of investment, but its share moved down close to five points. Most shifted to the second anchor, Meta; the balance flowed into a widening set of newer channels growing fast from a small base.*

## The emerging channels: momentum from a small base

**Reddit**
**+650%**
spend YoY · fast-rising adoption

**TikTok**
**+65%**
spend YoY · many new advertisers

**Pinterest**
**+42%**
spend YoY · rising adoption

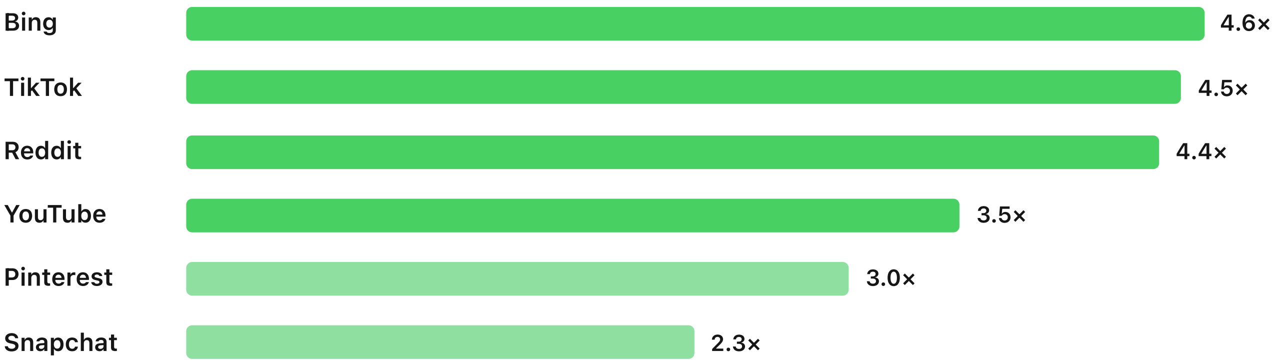
**Bing**
**+34%**
spend YoY · many new advertisers

**YouTube**
**+15%**
spend YoY · many new advertisers

*The challenger channels are growing fast and winning new advertisers every quarter, but still represent a small slice of total investment. The market is actively testing them, and the concentration that defined earlier media plans is steadily opening up.*

**Adoption momentum by channel** · new advertisers for every one who dropped the channel

A ratio above 1× means more advertisers moved onto the channel than left it. Every emerging channel ran a clear net inflow.




*Every emerging channel drew in several new advertisers for each one that left it. TikTok, Bing, and Reddit led the inflow, and even the slower movers stayed comfortably net positive, the mechanism behind the broadening media plan.*

For marketers, this is the practical shift of the year. A plan built around one or two channels is increasingly out of step with how the wider market is now investing. The advertisers moving first onto emerging channels are doing so while costs there are still low and competition for attention is thinner: the window where testing is cheapest tends to be the window before everyone arrives.

Diversification is no longer an experiment at the margin; it is becoming the shape of a normal media plan. But breadth only pays off if it is measured properly. Newer channels often drive impression-led and view-through demand that last-click attribution renders invisible, which is precisely why they can look unprofitable in a spreadsheet while lifting the results of the channels credited beneath them. Reading them through a unified lens is what turns a scattered set of tests into a coherent, defensible plan.

WHAT THIS MEANS FOR MARKETERS

The concentration risk of a two-channel plan is now a competitive risk as well. When the rest of the market is spreading investment and learning newer platforms while they are cheap, an advertiser standing still on Google and Meta is not only more exposed to price and policy shifts on those platforms, it is also building less audience knowledge than its peers. And the risk is not only about cost: a two-channel plan misses touchpoints along the customer journey. Your customers are increasingly active on platforms you may not be running on at all, so channels you ignore are conversations about your brand you never join. The channels themselves matter less than the habit: a standing process for testing, measuring, and graduating new channels is what keeps a media plan ahead of its cost curve and present across the whole journey.

## ACTION POINTS FOR CMOS & MARKETERS

- **Set an explicit target for spend outside Google and Meta.** Even a small ring-fenced allocation (5 to 10% of media budget) forces the testing discipline the market is already adopting, and creates a portfolio that is less exposed to any single platform.
- **Test emerging channels while they are cheap.** TikTok, Reddit, and YouTube are drawing advertisers fast; entering before the crowd is what keeps acquisition costs low. Treat the current low-competition window as a limited-time opportunity.
- **Follow your customers across the journey, not just the cheapest click.** A two-channel plan risks missing touchpoints where your audience actually spends time. Map where your customers are active and make sure you show up on the platforms you are currently absent from.
- **Judge new channels on the full picture, not last click.** Impression-led platforms are systematically undervalued by last-click reporting. Use unified measurement to see the demand they create downstream before deciding whether they earn a permanent place in the plan.

03

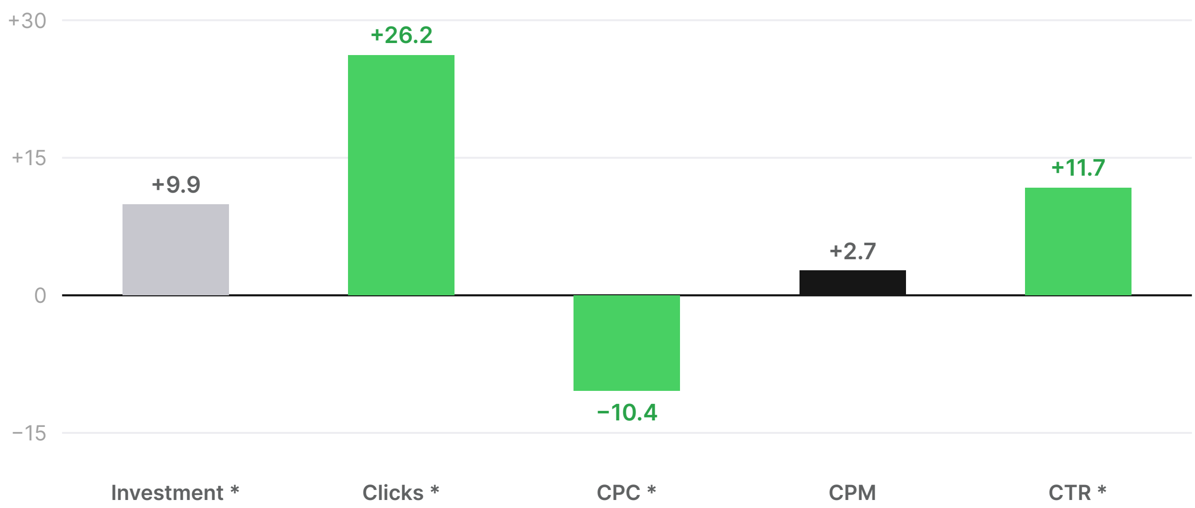
CHAPTER 03 · ECOMMERCE

# Scaling volume while holding the line on cost.

For advertisers selling products, the year was about scaling volume while holding the line on cost. Ecommerce advertisers lifted investment close to **10%** and won more than a quarter more clicks (**+26%**) as the cost of a click fell about **10%**. That traffic converted: conversions grew roughly **10%** and the crucial number held firm, with cost per acquisition essentially flat year on year (down 1.6%). Advertisers scaled their programmes without paying more for each outcome.

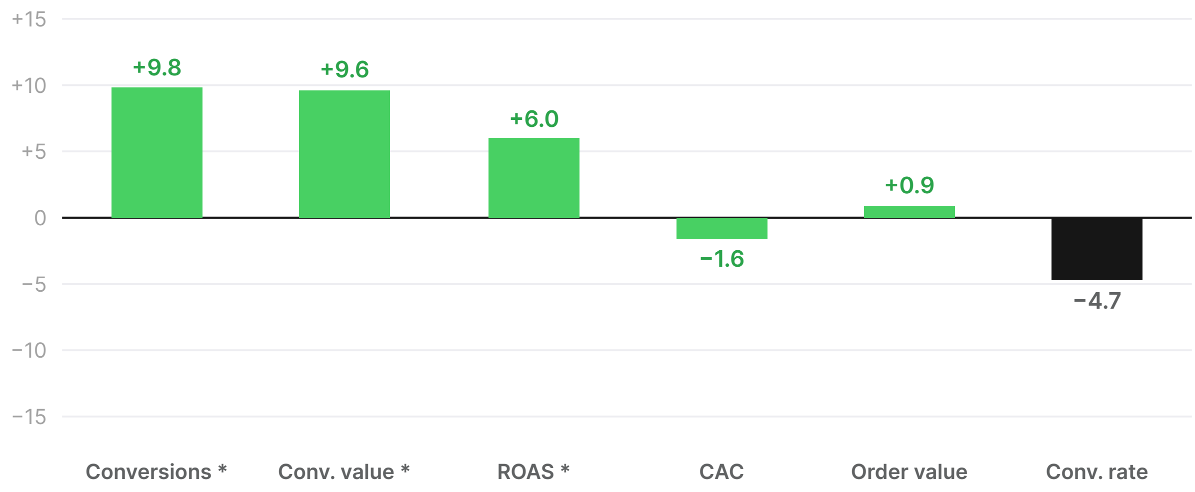
Return on ad spend improved for the typical advertiser, up around **6%**, a gain solid enough to clear the bar for statistical confidence. Order value held its ground, rising a marginal **0.9%**, while conversion rate per click softened about **5%**, consistent with more clicks entering the funnel at a slightly lower yield; neither move was statistically significant. More people converted, at broadly steady value each, and each euro of spend worked a little harder. Growth came mainly from volume, with returns edging up alongside it.

**Traffic & cost, year-on-year change** · ecommerce advertisers · per-advertiser median YoY %




*On the traffic side, ecommerce advertisers invested more, won far more clicks, and paid less for each one, while engagement rose and the cost of reach barely moved. Per-advertiser median change; * marks a statistically significant change; CPM was not significant.*

**Conversion metrics, year-on-year change** · ecommerce advertisers · per-advertiser median YoY %




*On the outcomes side, conversions and conversion value both grew about 10%, cost per acquisition held flat, and return on ad spend improved. Order value held its ground while conversion rate per click eased as funnels widened. Per-advertiser median change; * marks a statistically significant change; cost per acquisition, order value, and conversion rate were not significant.*

WHAT THIS MEANS FOR MARKETERS

As advertisers widen their reach and pull more people into the funnel, the average quality of that incoming traffic dilutes a little even as total outcomes climb. That is the normal texture of scaling, not a warning sign, and this year it showed up as a modest softening in conversion rate rather than in the money metrics: order value held and cost per acquisition stayed flat. The advertisers best placed to compound these gains are the ones who keep order value climbing as volume grows, through bundling, delivery thresholds, and post-purchase upsells, so scaling adds revenue rather than simply more low-value orders.

## ACTION POINTS FOR ECOMMERCE LEADERS

- **Keep average order value climbing.** Order value held roughly flat this year while volume grew. Treat that as the floor, not the goal: bundling, delivery thresholds, and post-purchase upsells are what turn more orders into more revenue per order.
- **Expect conversion-rate dilution, and budget for it.** A wider funnel converts at a lower rate; that is healthy if total outcomes rise. Set targets on total conversions and blended CPA, not on conversion rate alone, so a falling rate does not trigger the wrong alarm.
- **Bank the return-on-spend gain, and keep proving it.** ROAS improved for the typical advertiser by a margin solid enough to be statistically significant this year, alongside a broadly flat cost per acquisition. Treat it as a real gain to build on, and keep conversions and ROAS together at the centre of the scorecard so efficiency and volume are read as one story.

04

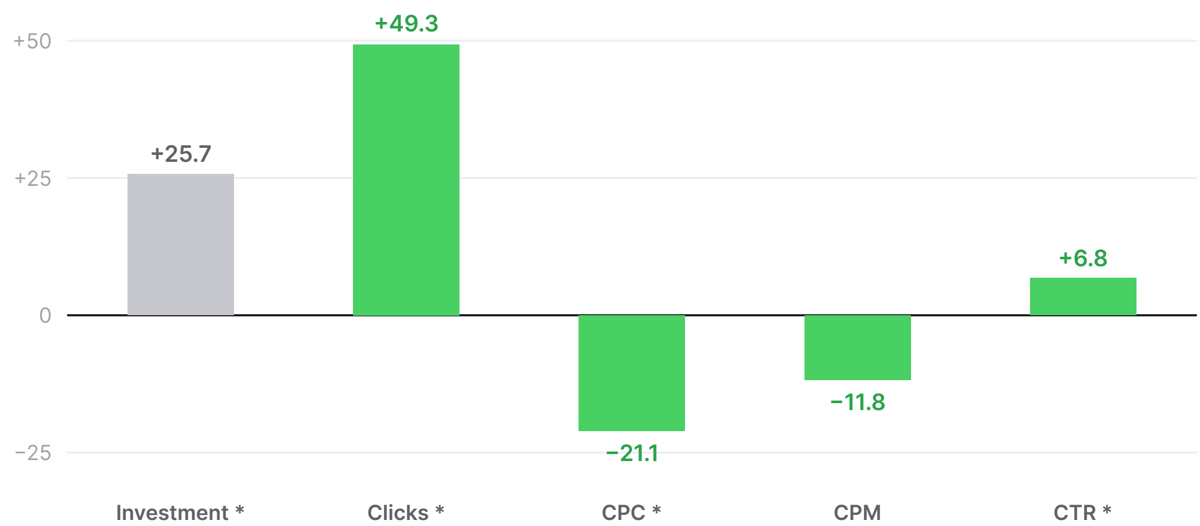
CHAPTER 04 · LEAD GENERATION

# The cheapest clicks in the market.

Lead-generation advertisers scaled harder than any other group. The typical lead-gen advertiser lifted investment about **26%** and was rewarded with the cheapest clicks in the market: cost per click fell **21%** year on year, and the group won nearly **50% more clicks** for its money. For advertisers whose job is to fill the top of a funnel, this was an unusually favourable market.

The mechanics pointed the same way. Engagement strengthened, with click-through rate up about **7%**, a gain solid enough to be statistically significant, while the cost of a thousand impressions eased around **12%** (a directional move that did not reach significance). Stronger engagement on broadly cheaper reach is what drove the sharp fall in the cost of a click. Nothing here came at the expense of something else; a euro of budget simply bought far more traffic than a year earlier.

**Lead generation, year-on-year change** · per-advertiser median YoY %, combined group




*Every measure moved in the advertiser's favour: more investment, far more clicks, cheaper clicks, and stronger engagement, while the cost of reach eased. Per-advertiser median change across the combined lead-generation group; * marks a statistically significant change; CPM was not significant.*

**Investment (+25.7%*).** Lead-gen advertisers raised budgets harder than any other group in the study, a clear vote of confidence in a market where the top of the funnel had rarely been cheaper to fill.

**Clicks (+49.3%*).** The clearest result of the chapter: the typical advertiser won close to half as many clicks again as a year earlier, the combined effect of bigger budgets and cheaper traffic.

**Cost per click (–21.1%*).** Clicks were more than a fifth cheaper year on year, the steepest fall of any segment in the report. This is the number that made the aggressive scaling affordable.

**Reach and engagement (CPM –11.8%; CTR +6.8%*).** Engagement did the decisive work: click-through rose by a statistically significant margin, while the cost of reach eased by a larger but non-significant amount. The cost of a click fell because audiences engaged more readily, not because engagement had to be sacrificed for cheaper reach.

Put together, lead generation was the clearest expression of the year's theme: advertisers invested aggressively and were met with cheaper reach and cheaper clicks rather than rising costs. The result was a step-change in traffic volume for the same relative outlay.

WHAT THIS MEANS FOR MARKETERS

When each click is cheaper, the same budget buys a wider pool of prospects, making this a favourable moment to test broader targeting, new audiences, and engagement-led creative. Lead-gen advertisers read the market correctly this year: they leaned in with budget and were rewarded with far more traffic rather than higher costs.

The risk sits downstream, not in the media. A funnel that grows this fast can quietly fill with clicks that never become qualified leads, and cost per click says nothing about lead quality. The advantage goes to the teams that pair aggressive top-funnel scaling with disciplined measurement of what those clicks are actually worth once they reach the pipeline.

### ACTION POINTS FOR LEAD-GEN MARKETERS

- **Scale into the cheap-click window.** Cost per click fell more than a fifth. This is the moment to widen budgets and test broader targeting, new audiences, and engagement-led creative while traffic is cheap.
- **Anchor every top-funnel test on lead quality.** A funnel growing at nearly 50% more clicks can fill with traffic that never converts. Tie each test to a downstream metric, cost per qualified lead, pipeline, or closed revenue, not clicks alone.
- **Redeploy the savings, don't just bank them.** Cheaper clicks free up budget. The advertisers who compound their advantage put it back into more testing and stronger nurture, rather than simply spending less to hit the same result.

05

CHAPTER 05 · THE VERTICAL PICTURE

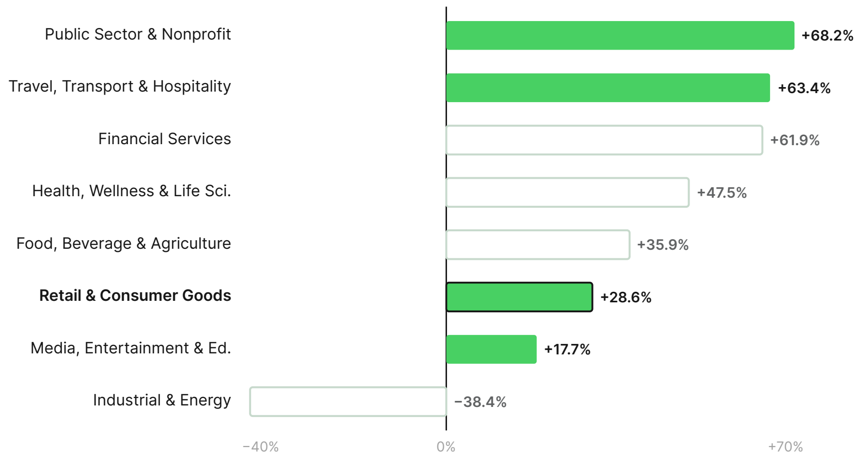
# Not every industry moved at the same pace.

**Retail and consumer goods**, the largest and most reliable group, is the proof case for the whole year: investment up around 29%, clicks about 16% cheaper, return on ad spend up, and cost per acquisition down. Every measure moved in the right direction, on the most solid sample in the study.

**Travel, transport and hospitality** was the comeback story, posting the most aggressive re-investment of any sector, with the typical advertiser lifting spend more than 60%. **Media, entertainment and education** scaled steadily, lifting investment around 18% while clicks grew roughly 10% cheaper. Other sectors showed large swings on smaller samples, so we treat them as directional colour rather than firm findings.

**Marketing investment growth by industry** · per-advertiser YoY %

Statistically significant    Directional (not significant)




*Growth was broad, but only some sectors clear the bar for statistical confidence (solid green). The largest, most reliable sample, retail, sits mid-pack on marketing investment growth.*

THE PROOF CASE · RETAIL & CONSUMER GOODS

**+13.1%**

Return on ad spend

7.72 → 8.73 *

**−3.7%**

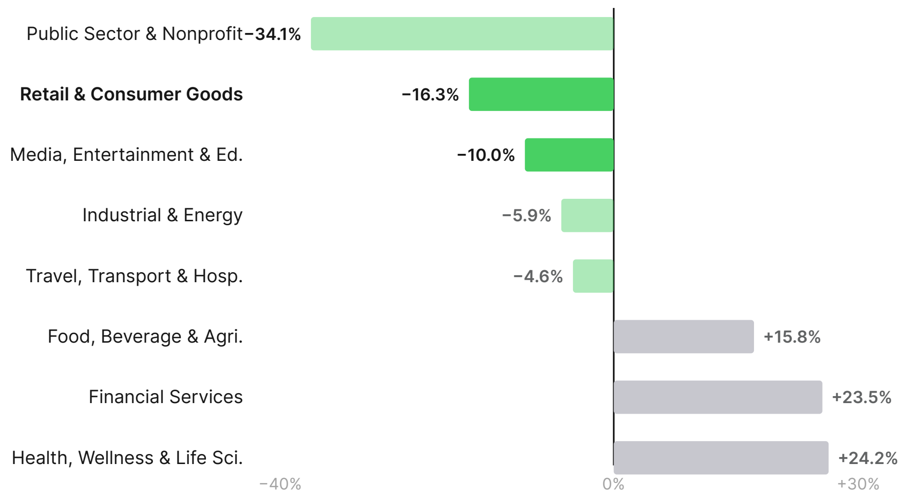
Cost per acquisition

€15.06 → €14.51 *

Return-on-spend and acquisition-cost gains are reported for retail only. For other verticals, H1 2025 attribution gaps left too few both-period-valid advertisers for a reliable ratio.

**Cost per click by industry** · per-advertiser YoY %, cheaper clicks to the left

Clicks got cheaper  Clicks got pricier




*Paler bars are directional*

WHAT THIS MEANS FOR MARKETERS

Industry benchmarks are most useful as a mirror, not a target. Retail's clean sweep of improving metrics sets a reference for what disciplined growth looked like this year; if a retail advertiser's own efficiency stood still while the sector's improved, that gap is the story worth investigating. The travel rebound carries a different lesson: rapid re-investment after a lean period is where measurement discipline matters most, because spend can outrun the systems meant to prove its return. And the quieter point behind the vertical table is about sample size: the sectors with the most eye-catching swings were also the smallest and least stable.

## ACTION POINTS FOR CMOS & MARKETERS

- **Benchmark against your own vertical, at your own scale.** Cost and efficiency moved very differently by sector. A cohort-wide average flatters some categories and penalises others; measure your progress against the industry that actually shares your dynamics.
- **If you are reinvesting hard, scale measurement first.** Sectors such as travel lifted spend more than 60%. Rapid re-investment is exactly when attribution and reporting must keep pace, so the return on a surge stays visible rather than assumed.
- **Discount the boldest small-sample numbers.** The most dramatic swings came from the thinnest samples. Treat them as hypotheses to test in your own account, not as proven trends to plan a budget around.

# 06

CHAPTER 06 · THE YEAR AHEAD

## Five observations for the year ahead.

Pulling the findings together, five themes carry into the second half of the year. Each is a decision as much as an observation: taken together, they describe how the strongest advertisers turned a favourable cost environment into durable advantage.

### 1 The cost environment is working in advertisers' favour.

Budgets rose while the cost of clicks fell and the cost of reach held flat. The advertisers who leaned in were rewarded with more engagement per euro, not penalised by inflation. Holding budgets flat "to be safe" is what leaves efficiency on the table.

### 2 Investment is spreading across more channels.

Search's share moved down by nearly five points, with the balance shifting first to Meta and, increasingly, into a widening set of newer channels. The advertisers testing emerging channels now are doing it while costs are low and attention is less contested: the practical case for treating diversification as a standing habit, not a one-off.

### 3 Ecommerce grew on volume, with returns improving.

Product advertisers grew conversions and investment around 10% while holding cost per acquisition flat and lifting return on ad spend. In general, growth came from more orders rather than richer baskets, so the metric to protect as you scale is average order value, through bundling, thresholds, and upsells.

### 4 Lead generation won the cheapest clicks in the market.

Lead-gen advertisers scaled budgets hardest and were rewarded with clicks more than a fifth cheaper and nearly 50% more of them, as cheaper reach did the work while engagement held. The discipline that protects those gains is measuring lead quality downstream, so a fast-growing funnel does not fill with traffic that never converts.

### 5 Efficiency gains are broadest among small and mid-sized advertisers.

The largest advertisers grew investment and outcomes broadly in step, while smaller advertisers captured the clearest efficiency gains. Scale brings reach, but this year the sharpest improvements in efficiency were found further down the size curve.

METHODOLOGY · HOW TO READ THIS REPORT

# How we measured the year.

A benchmark is only as trustworthy as the way it is built. This report is designed to answer one question cleanly: what genuinely changed for advertisers between the first half of 2025 and the first half of 2026? The choices below, from how the group was assembled to how each figure was tested, all serve that goal, and they explain why some numbers are stated with confidence and others are flagged as directional.

Read together, they also make the report's central distinction usable. Throughout, we separate what happened to the *typical* advertiser from what happened to the *market* as a whole, because in a year of uneven gains those two lenses can tell different, and equally true, stories.

## 01 The matched cohort

Every comparison is drawn from a single group of advertisers on Billy Grace who were active paid-media investors in **both** H1 2025 and H1 2026. Holding the group constant is what makes the year-on-year change real: we are watching the same businesses evolve, not comparing this year's advertisers to a different set from last year. Advertisers present in only one period are excluded, so the movement in every metric reflects genuine change within the cohort rather than shifts in who is being measured.

## 02 UMM attribution

All figures use Billy Grace's **Unified Marketing Measurement**, which combines marketing-mix modelling with multi-touch attribution to credit outcomes across the full funnel. Unlike last-click, UMM captures the impact of impression-led and view-through channels, so investment and return are attributed to the touchpoints that actually drove them. Using one consistent model across both periods means the year-on-year story is not distorted by a change in how conversions are counted.

## 03 The median, unless stated

Headline figures describe the **typical advertiser**: the median business in the group. The median is used deliberately, because a handful of very large spenders can pull an average far from most advertisers' lived experience. Where we instead report a spend-weighted, market-level figure, it is labelled as such. When the median and the market diverge, as they do most sharply in lead generation, we show both, since the gap between them is itself a finding.

## 04 Segments: models & verticals

Advertisers are grouped two ways. By **objective**, product sellers (ecommerce) and lead-generation advertisers are analysed separately, since they optimise for different outcomes (orders and revenue versus qualified leads). By **vertical**, results are broken out by industry, but only for sectors with a robust sample; the smallest categories are suppressed to avoid drawing conclusions from a handful of accounts. Ratio measures such as return on ad spend and cost per acquisition are shown only where enough advertisers had valid values in both periods.

HOW SIGNIFICANCE IS TESTED

A result is called significant when the probability it arose by chance is below 5%. Throughout the report, significance is marked so you can weigh each figure at a glance:

| | |
|---|---|
| * | statistically significant (below the 5% threshold) |
| — | no mark: directional only, not statistically significant |

A closing word on interpretation: the sharpest-looking swings in this report tend to sit on the smallest samples, which is why we lean on the largest, most stable segments when drawing firm conclusions and treat thin-sample movements as hypotheses to test rather than settled trends. Use these figures as a mirror for your own performance, not as a target to hit.

SEE WHERE YOU STAND

## Find out how your results compare to this benchmark.

The gap between your numbers and the market is where the next decision lives. Billy Grace measures your channels through one unified model, so you can see it clearly and act on it with confidence.

Book a walkthrough →

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Billy Grace

Billy Grace is an AI-powered marketing intelligence platform: first-party tracking, Unified Marketing Measurement, centralized analytics, and automated budget optimization in one place. billygrace.com

A NOTE ON METHOD

All comparisons are H1 2026 versus H1 2025 within a matched cohort of hundreds of advertisers (active paid-media investors in both periods), measured through UMM attribution, with headline figures reported as the median advertiser and significance tested per advertiser. The full approach is set out in the Methodology chapter.