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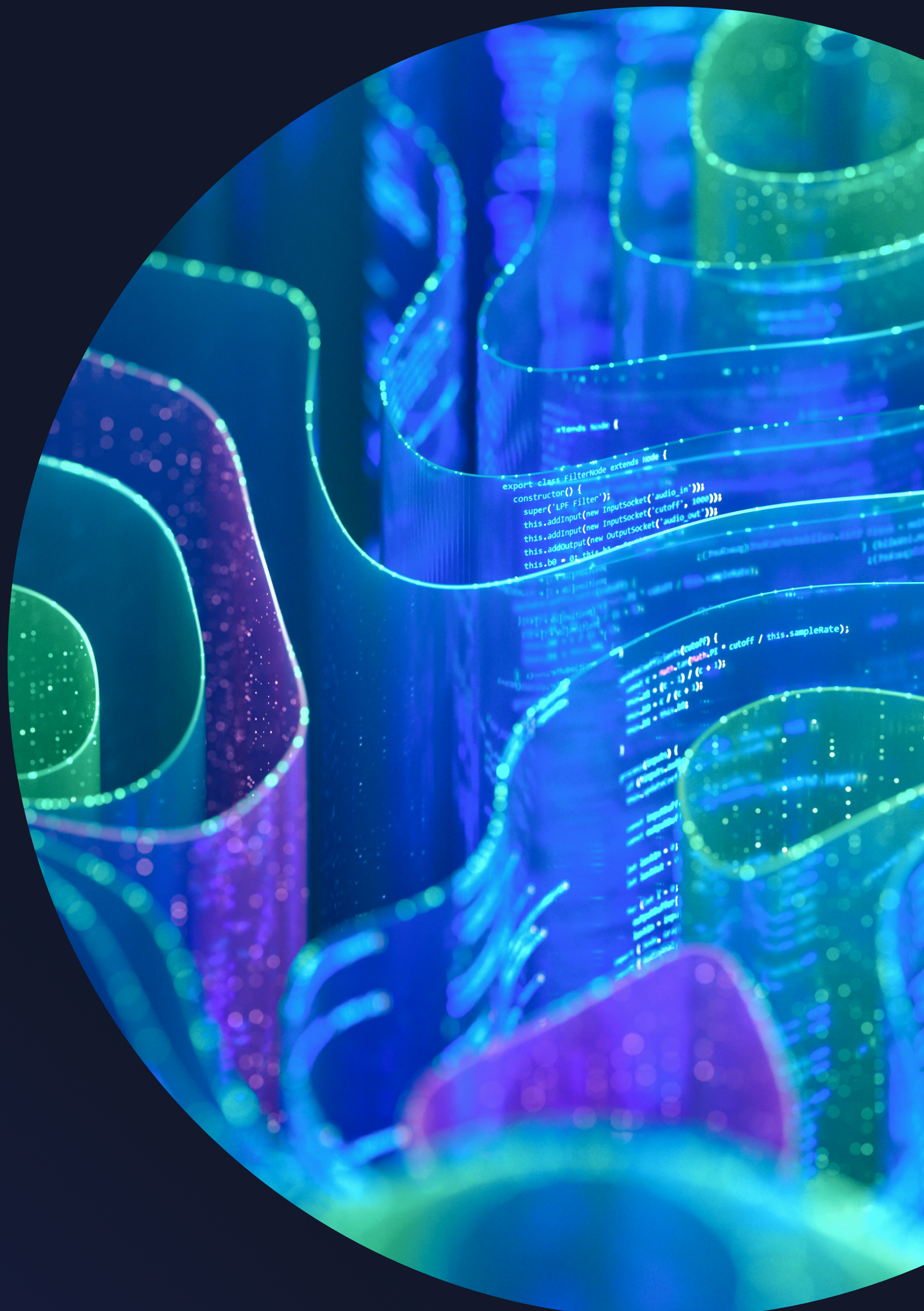

Q2 2026

Quarterly Trends Report

Introduction

AT THE MIDPOINT, FOLLOW THE SUPPLY

Q2 is the reality check on the year. The budgets set in January have been running long enough to show what is working, the holiday planning that starts in Q3 is close enough to feel, and the noise of any single event has had time to settle into a trend. What the quarter tells us is that the healthiest way to read commerce media right now is not channel by channel. It is to follow the supply.

That is the thread running through every chart in this Q2 2026 Quarterly Trends report. Where ad inventory is still expanding faster than demand can absorb it, scaling is nearly free: retail media added spend and clicks in near-lockstep while cost per click held flat near a dollar, and paid social kept impressions cheap while engagement climbed. Where inventory is contracting, the opposite happens: AI-powered search is steadily shrinking the pool of clickable queries, so paid search now costs more to hold the same ground.

eMarketer projects Meta will overtake Google in digital ad revenue for the first time in 2026, both worldwide and in the US, and that Google, Meta, and Amazon together will control 62.3% of global digital ad spend. Amazon crossed a milestone of its own, with advertising now a $70-billion-plus business growing far faster than its retail operation. Even as the platforms reshuffle at the top, performance channels with closed-loop measurement kept delivering, which is exactly why brands keep funding them.

The bigger change underneath the numbers is the continued growth of agentic AI.

Consumers are increasingly discovering and buying through AI assistants, and the buying side is racing to keep up: OpenAI opened ChatGPT ads to every US advertiser, Google put ads inside AI Mode, and the largest holding companies rebuilt themselves around AI platforms. The window to get ready is not measured in years. This report breaks down what happened in Q2 2026 across retail media, paid search, and paid social, adds a close read on Prime Day's move to June, and lays out where to focus as you build the plan for the back half of the year.

What you'll find in this report

The data in this report is drawn from Skai's managed platform. The sample comes from a population of nearly 1 trillion impressions, 10 billion clicks, and $10 billion in spend across five quarters, spanning multiple countries and industry categories. Unless noted otherwise, the analysis uses a 15-month same-store methodology, meaning only advertisers with consistent spend across the full comparison period are included. That keeps the trend lines clean and removes the distortion that account churn would otherwise introduce.

INSIDE, YOU WILL FIND:

- Long-term channel trends spanning seven years across retail media, paid search, and paid social
- A retail media close-up covering Amazon, Walmart, DSP, format mix, and category-level benchmarks
- A dedicated read on Prime Day 2026, including its move to June and what it rehearses for Q4
- Paid search and paid social trends, including Performance Max, AI Max, and TikTok investment
- Actionable guidance for Q3 planning and the road to the holidays

High-level takeaways

Amazon DSP is the standout opportunity.

Clicks more than doubled year over year while CPCs fell, and DSP's share of Amazon Ads jumped from roughly a sixth to a full quarter. It is scaling and getting cheaper at the same time, a combination almost nothing else in the mix can claim.

Social will overtake search.

Meta is projected to out-earn Google in ad revenue for the first time ever in 2026. Budgets are following attention and engagement into social feeds, and Skai's own social data shows the same story: clicks up 53% while cost per click fell.

Paid search CPCs keep climbing after five flat years.

AI-powered search is shrinking the pool of clickable queries, so advertisers now pay a structural premium to defend the high-intent clicks that remain. This is repricing, not mismanagement.

Retail media scales without a cost penalty.

Spend and clicks rose in near-lockstep again, and CPC held flat near a dollar. That only happens because inventory is still expanding as fast as demand, the signature of a channel in its growth phase.

Prime Day proved pacing beats spiking.

Advertisers who spread spend across all four days instead of front-loading Day 1 won cheaper, more engaged clicks. It is the clearest blueprint on the calendar for how to run every Q4 tentpole.

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Recent news and milestones

The quarter's headlines all pointed in one direction: ad spending is consolidating around a handful of AI-driven platforms, and the interface between consumer and product is increasingly an AI assistant. These are the developments that shaped Q2 and that will shape how you plan the rest of the year.

META IS ABOUT TO DO SOMETHING IT HAS NEVER DONE

For the first time in the history of digital advertising, eMarketer projects Meta will out-earn Google in ad revenue in 2026, roughly $243.5 billion to $239.5 billion, both worldwide and in the US. The difference is about momentum: Meta is growing around 24% a year on the strength of its Advantage+ automation and new ad surfaces, while Google grows about 12%. As analyst Max Willens put it, in passing Google, Meta has had "many of its core strategies validated." Together with Amazon, the three platforms now control 62.3% of global digital ad spend. For marketers, the center of gravity in paid media is tilting toward automated, AI-run social, and Skai's own social numbers later in this report show exactly why.

AMAZON ADVERTISING GOT EVEN BIGGER

Amazon's ad business crossed into $70-billion-plus territory, on its way from roughly $68.6 billion in 2025 to a projected $82 billion in 2026, and it is growing far faster than Amazon's retail operation. Advertising is now the company's profit engine, and the fastest-growing part of it is off-Amazon and DSP inventory, the same expansion we document in detail below.

GOOGLE IS DEFENDING SEARCH BY REBUILDING IT

Google search ad revenue is still growing, but the mechanism underneath it has changed. At Google I/O, the company said its AI Mode had passed one billion monthly users with query volume more than doubling each quarter, and it has begun placing ads inside AI Mode itself. Google Ads VP Vidhya Srinivasan framed the new reality bluntly: "the best ads must be answers." At the same time, independent measurement now puts roughly 68% of Google searches ending without a click. Fewer clickable queries plus rising prices is the entire paid search picture this quarter, and it is a durable change rather than a blip.

THE AD-BUYING INTERFACE IS BECOMING A CONVERSATION

A third major demand-capture surface is emerging next to search and social. OpenAI opened ChatGPT ads to every US advertiser, with self-serve setup and cost-per-click bidding, and Google added Gemini-powered ad formats inside AI Mode. These surfaces reward structured, answer-ready product data over classic keyword tactics, which is why agentic readiness (covered later in this report) is quickly moving from a nice-to-have to a planning priority.

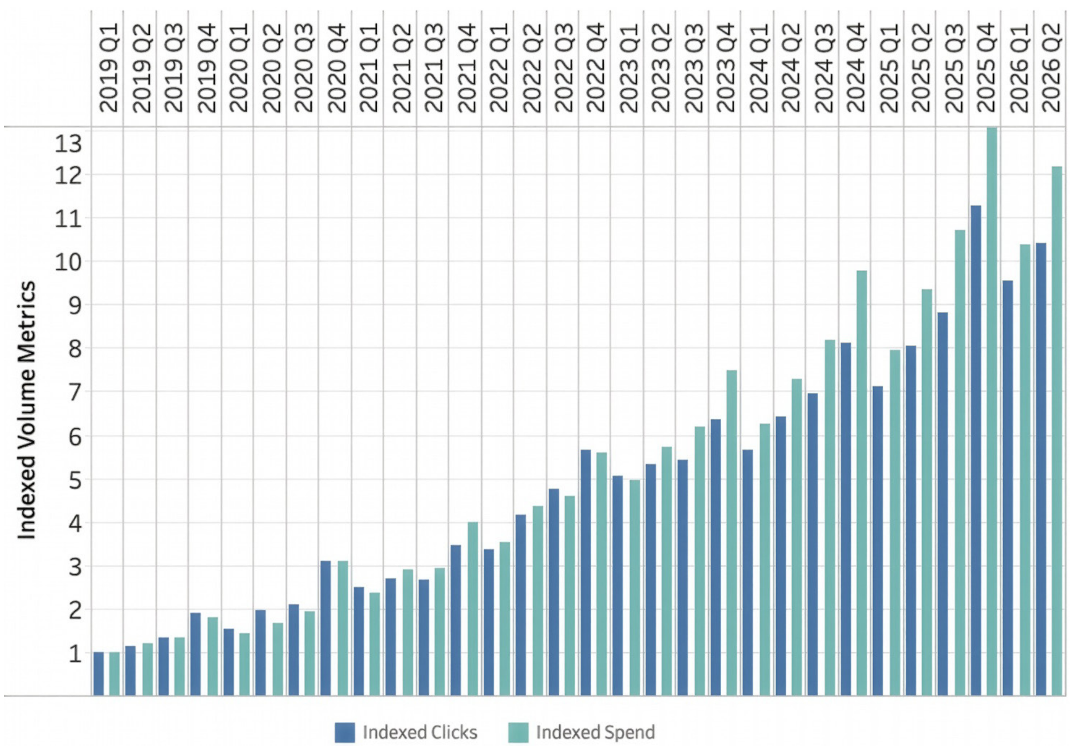
Commerce media long-term trends

Before the quarter-to-quarter detail, it helps to zoom out. These seven-year views strip away market fluctuations and expose the underlying forces shaping each channel. One note on reading them: indexed charts show the shape of change, not absolute dollars, so a line at ten times means ten times the 2019 starting point, not ten times a competitor.

Retail media grew tenfold, and spend and clicks moved as one

Since 2019, retail media spend and clicks have both climbed roughly tenfold, and the two lines track each other almost perfectly. When advertisers put in more money, they got proportionally more clicks back, with no efficiency lost along the way.

Retail media long-term YoY trends: Spend and Clicks

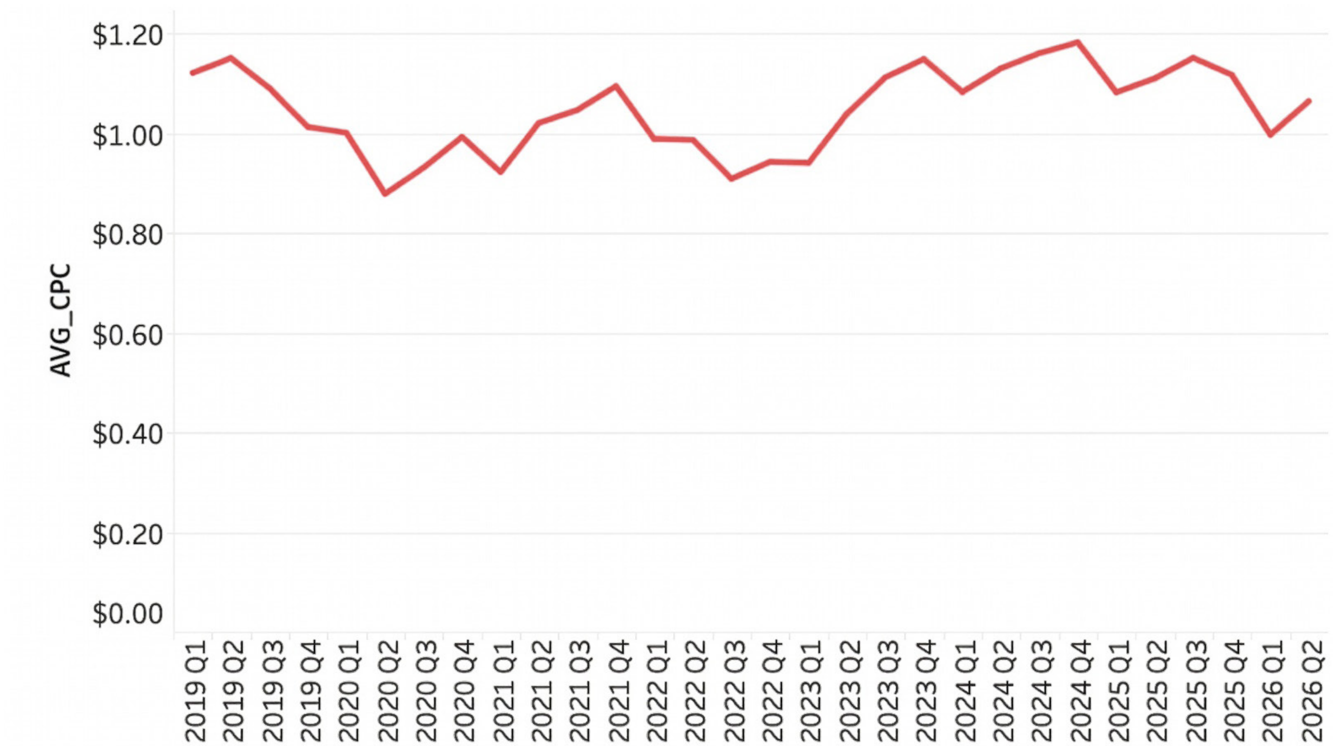


Seven years, ten times the spend, and the price of a click barely moved

Retail media CPC has held inside a narrow band near a dollar for seven straight years, even as spend grew about tenfold over the same period. A flood of new demand did not bid up the price of a click.

This is the clearest evidence that retail media supply is keeping pace with demand. In a fixed-inventory auction, a tenfold increase in spend would send CPCs soaring. Here it did not, because every wave of new demand met a matching wave of new inventory. For planning, that means you can add retail media budget without assuming you will pay more per click, a luxury paid search no longer offers.

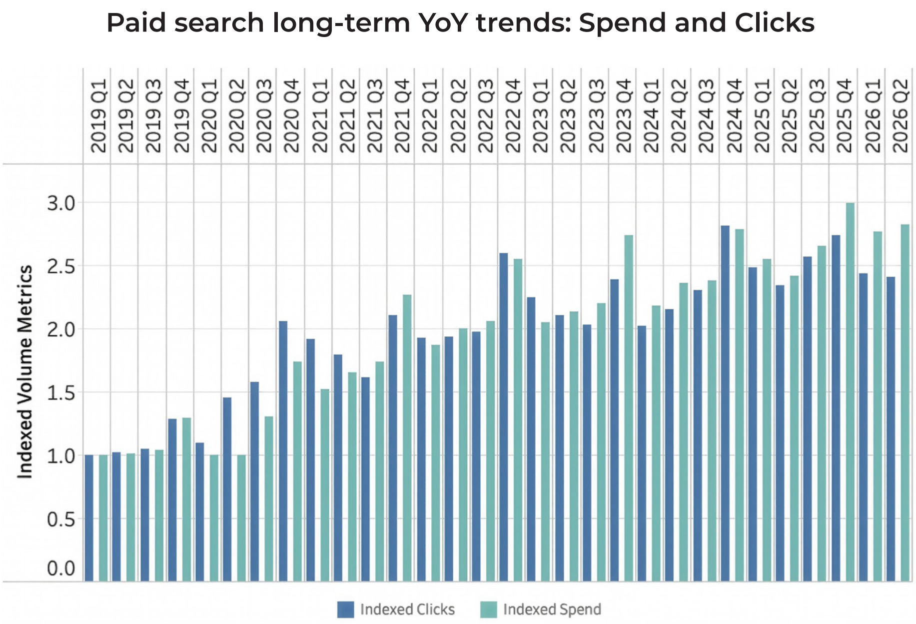
Retail media long-term YoY trends: CPC



Search spending tripled, but clicks are starting to lag

Paid search spend has roughly tripled since 2019. Clicks grew too, but more slowly, and over the last two years a visible split has opened between the spend line and the click line.

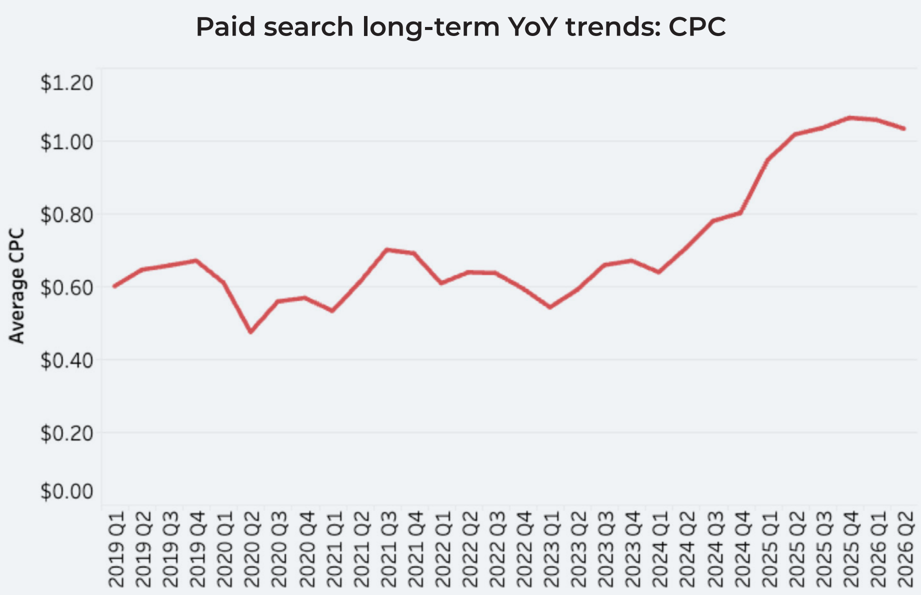
That split is the result of AI-powered search. With AI Mode past a billion users and AI Overviews answering a large share of queries directly, fewer clicks are available to buy, and the ones that remain skew toward higher intent. The clicks disappearing are mostly the cheap, informational ones at the bottom of the funnel; commercial, ready-to-buy queries are far stickier. The implication is a change in approach from chasing click volume to judging paid search on conversion value per click.



After five flat years, search CPCs nearly doubled in two

For five years, paid search CPC was essentially flat. In the last two years it has nearly doubled, a sharp break from a long, stable trend. This is the supply dynamic running in reverse.

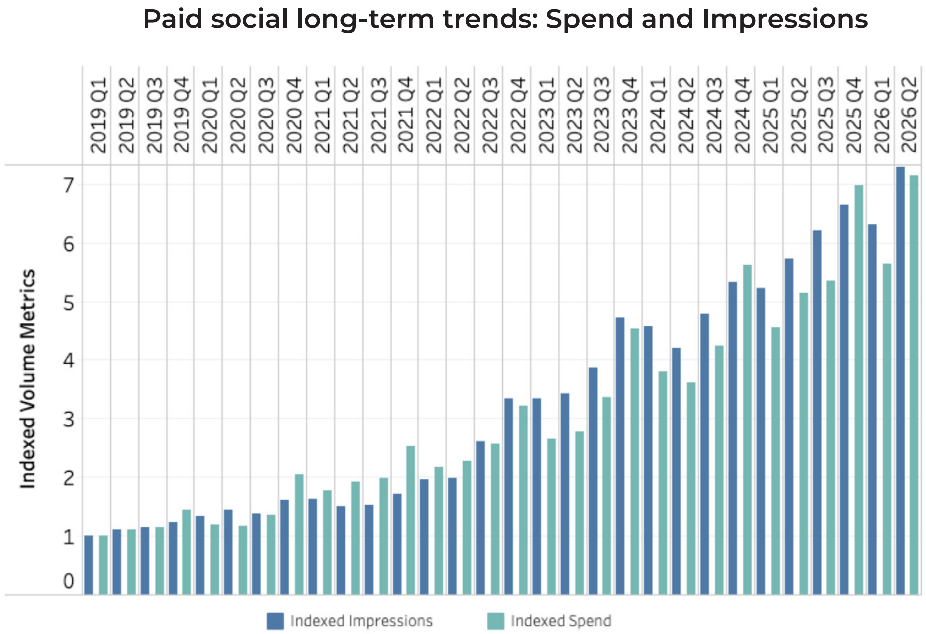
As AI answers absorb the cheap informational clicks, the pool of clickable queries contracts, and scarcity reprices what remains upward. Read this as a supply problem rather than a bidding problem that you can optimize away, because no amount of bid tuning refills a shrinking inventory. What you can do is make sure every dollar is aimed at queries that convert, which is exactly where the surviving clicks are concentrated. Rising CPCs on high-intent traffic can still be a good trade when the conversion value justifies the price.



Social impressions outran spending, so reach got cheaper

Since 2019, paid social impressions have grown about sixfold while spend grew around 5.5 times. Impressions outpaced dollars, which means each dollar has bought more reach over time, not less.

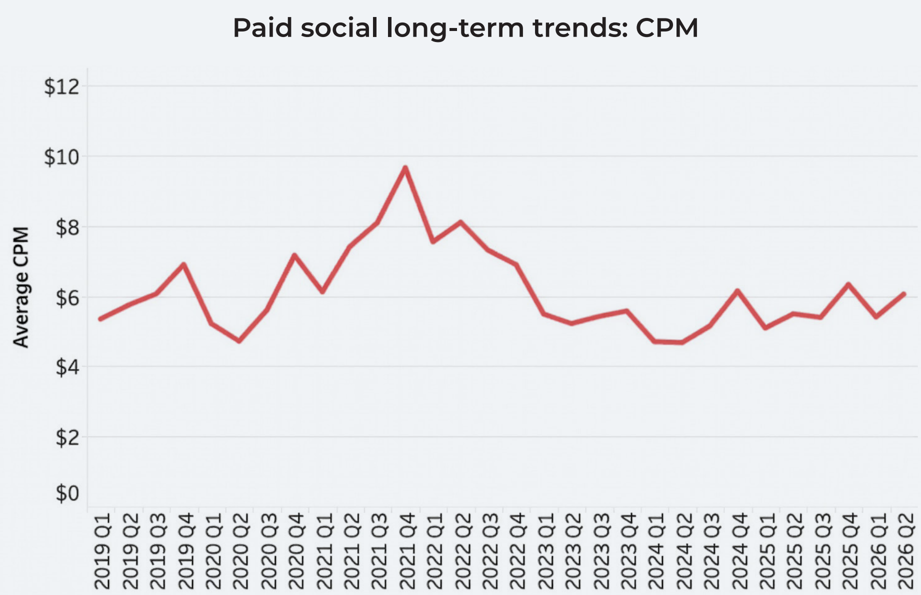
The surge came from short-form video. Reels, Shorts, and TikTok created an enormous new supply of ad slots, and that abundance kept impression prices in check even as budgets swelled. It is the mirror image of search: social manufactured inventory while search lost it. Cheap, growing reach is a real opportunity, but only if the creative earns attention, because the same supply that makes impressions cheap also makes them easy to scroll past.



You can buy attention at 2019 prices, if your creative is worth it

Paid social CPM sits at roughly its 2019 level, in the mid-single digits, despite 5.5 times more spend flowing through the channel today.

Flat CPM after years of budget growth is, once again, supply doing the work: short-form video created slots as fast as advertisers filled them. But a flat price is not flat value. As feeds move faster and formats multiply, the same CPM buys a more fleeting impression, so the differentiator is no longer how cheaply you buy attention but how well you convert it. The channels manufacturing inventory reward creative; the ones losing it reward intent. That single distinction explains most of what follows in this report.



Retail media close-up

Retail media is the largest and most closely watched channel in this report, and Q2 delivered healthy, efficient scale. Spend and clicks grew together, cost per click held its line, and returns stayed remarkably stable, all while the mix underneath moved toward offsite and DSP inventory. The sections below move from the top-line picture down to the retailer, format, and category detail.

The headline: more spend, more clicks, and a rising click-through rate

At the aggregate level, retail media spend grew 26% year over year, clicks grew 27%, and click-through rate improved 18%. Advertisers spent more, got proportionally more clicks, and those clicks earned attention more efficiently than a year ago.

The near-match between spend and click growth is the same growth-phase indicator from the long-term view, now visible inside a single year. The 18% CTR gain is the more interesting number: it says the incremental impressions advertisers bought were well-targeted enough to earn more clicks per view, not just more clicks per dollar. That is the profile of a channel where budget can still scale without diminishing returns.

Q2 2026 AT-A-GLANCE

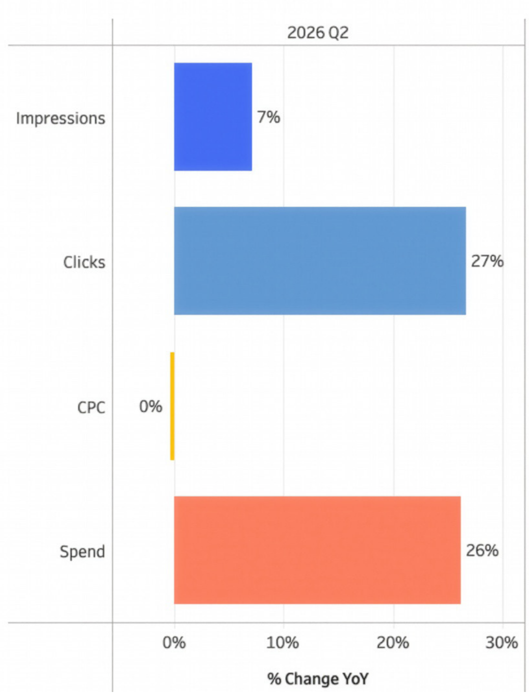
+26%	+27%	+18%
Spend YoY	Clicks YoY	CTR YoY

Spend outran impressions: advertisers are competing harder for the same shelf

Breaking the growth apart, spend rose 26% while impressions grew just 7%. Clicks climbed 27% and CPC held roughly flat. So the extra spending did not buy proportionally more impressions; it bought more clicks out of a modestly larger impression base.

When spend far outpaces impressions but CPC stays flat, it usually means advertisers are competing harder for engagement on a relatively fixed pool of placements and winning more clicks through better targeting and creative rather than through raw new inventory. Notably, the year-over-year CTR gain of 18% is running at roughly half the pace seen earlier this year, which is worth watching: it suggests the easy click-through gains from better placement are maturing, and the next leg of efficiency will come from creative and audience work rather than from the inventory itself.

Retail Media spending growth

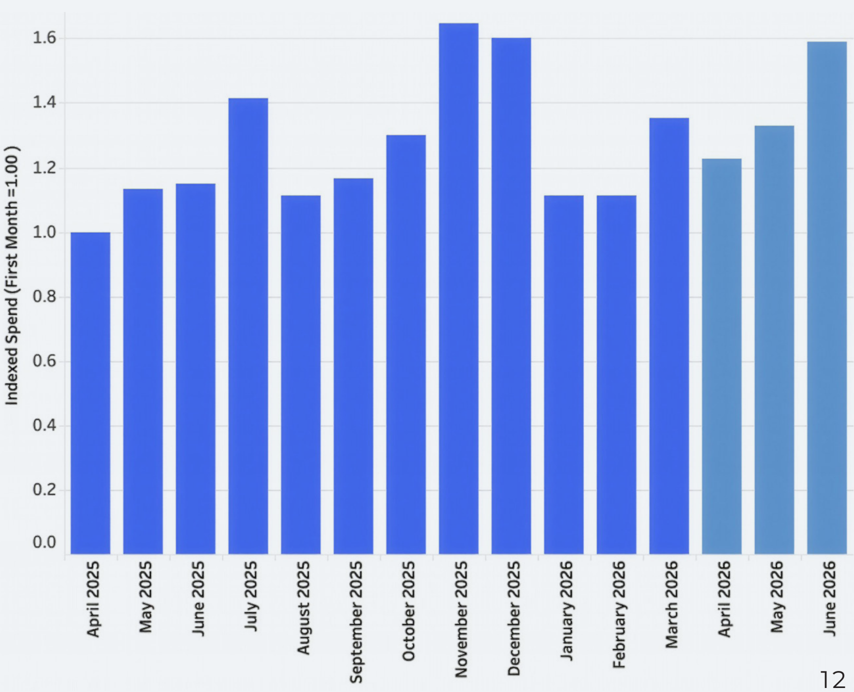


June surged on Prime Day, but the baseline was strong every month

Month by month, April spend rose 23% year over year, May 17%, and June jumped 38%. June's spike reflects Prime Day landing in June this year for the first time since 2021.

Strip out the Prime Day effect and the underlying pace still sits in the high teens to low twenties every month. That is the important read: retail media growth is not event-dependent. The tentpoles add a surge on top of a baseline that is already compounding, which is why the channel increasingly behaves as an always-on line item rather than a seasonal buy. Plan the base first, then layer the events on top.

Retail media spending by month



Five quarters at a glance: durable clicks, a stable click price, and cooling CTR

The table below indexes retail media volume against Q2 2025 and lines up the last five quarters. Clicks and spend both sit about 26% to 27% above the base, impressions are up modestly, CPC has stayed within a few cents of a dollar all year, and CTR, after peaking over the winter, has eased back toward its year-ago level.

Metric	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026
Impressions	1.00	1.00	1.13	0.91	1.07
Clicks*	1.00	1.09	1.37	1.14	1.27
Spend*	1.00	1.12	1.38	1.09	1.26
CPC	$1.07	$1.10	$1.08	$1.02	$1.06
CTR	0.37%	0.34%	0.45%	0.47%	0.44%

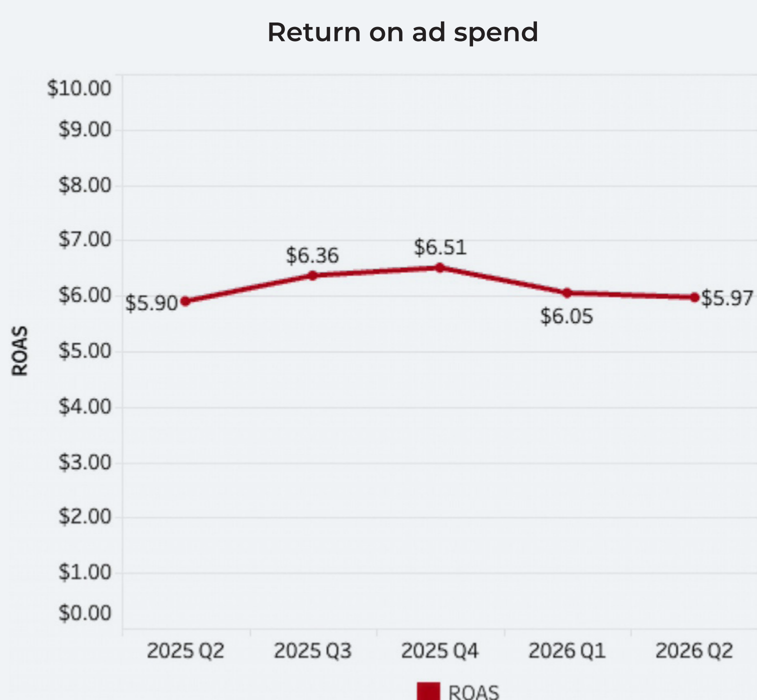
*Indexed volume (Q2 2025 = 1.00). CPC and CTR shown as reported.

Read across the CPC row and the durability of retail media pricing jumps out: five quarters, and never more than a nickel of movement. The CTR row adds the subtler wrinkle: it rises into the Q4 and Q1 holiday-and-clearance window and then normalizes, a reminder that click-through rate is partly a function of seasonal intent, not just targeting quality. Use this table as your planning baseline; it is the clearest single view of what normal looks like for the channel.

Returns held near six dollars for the fifth straight quarter

Aggregate return on ad spend has hovered around the $6.00 mark for five consecutive quarters, even as spend grew 26%. More money went in, and the blended return barely moved.

A stable aggregate ROAS through a period of heavy growth is the sign of a mature, well-functioning marketplace: new spend is finding incremental value rather than just bidding up the same conversions. The caution is that an aggregate hides a wide distribution, so a flat blended number can mask both standout programs and underperformers. Treat $6.00 as the market benchmark to beat, not a number to settle for, and dig into where your own return sits within that spread.

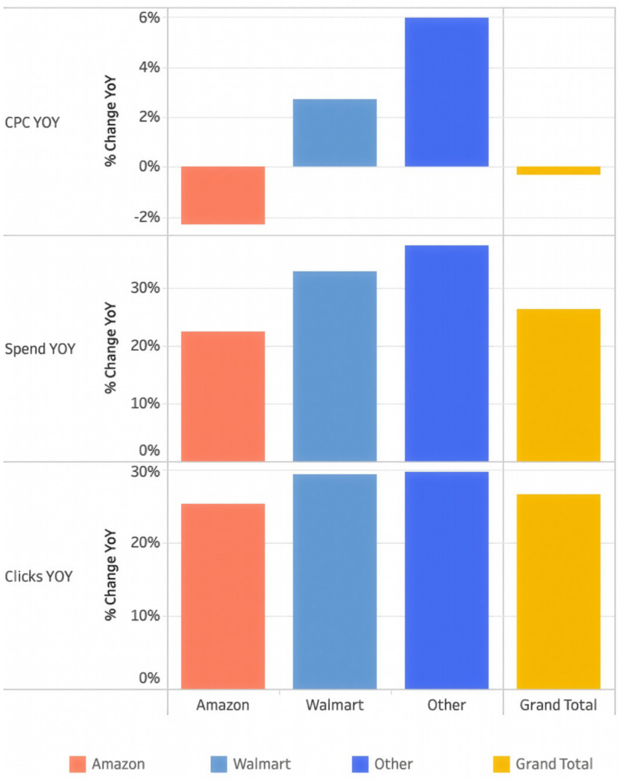


Emerging retail networks grew fastest, but the giants still take most of the dollars

Among retail media networks, the emerging players posted the fastest spend growth at 36%, outpacing the established leaders. But because they start from a small base, the two largest networks still absorbed the majority of new spend this quarter.

This is the shape of a maturing market with a long tail forming under the leaders. The fast growth at emerging networks is where incremental reach, and often lower cost, lives, since competition there is still thin. The practical move is a barbell: keep the majority of budget where the scale and measurement are proven, and carve out a deliberate test budget for the fast-growing challengers before their CPCs catch up to the majors.

Retailer comparison



Offsite display pulled ahead, opening the widest format spread in five quarters

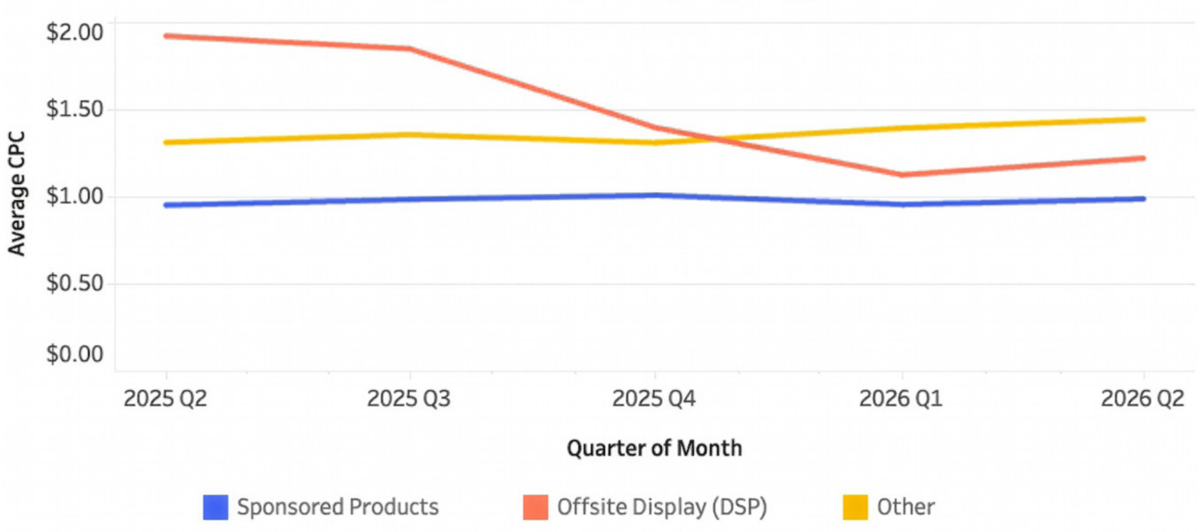
Splitting retail media by format, offsite display (DSP) pulled to the top of the spend chart while Sponsored Products sat lowest, opening the widest spread between formats in five quarters. The rise of DSP and offsite is the single most important move in retail media right now. Advertisers are moving dollars beyond the crowded on-site search shelf and into display inventory that reaches consumers across the open web, powered by retailer purchase data. Prime Day accelerated the move (more on that below), but the trend predates the event. If your retail media plan is still concentrated in Sponsored Products, this chart is the argument for diversifying.

Spending trend breakdown

DSP got dramatically cheaper, then ticked up, an early sign the bargain window is closing

DSP cost per click fell steadily from about $1.92 to $1.12 over four quarters, then ticked back up to $1.22 this quarter, its first increase in a year. Sponsored Products held near $0.98, and the catch-all other formats remained the most expensive at $1.44.

CPC trend breakdown



	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026
Sponsored Products	$0.95	$0.98	$1.00	$0.95	$0.98
Offsite Display (DSP)	$1.92	$1.85	$1.39	$1.12	$1.22
Other	$1.31	$1.35	$1.31	$1.39	$1.44
Grand Total	**$1.07**	**$1.10**	**$1.08**	**$1.02**	**$1.06**

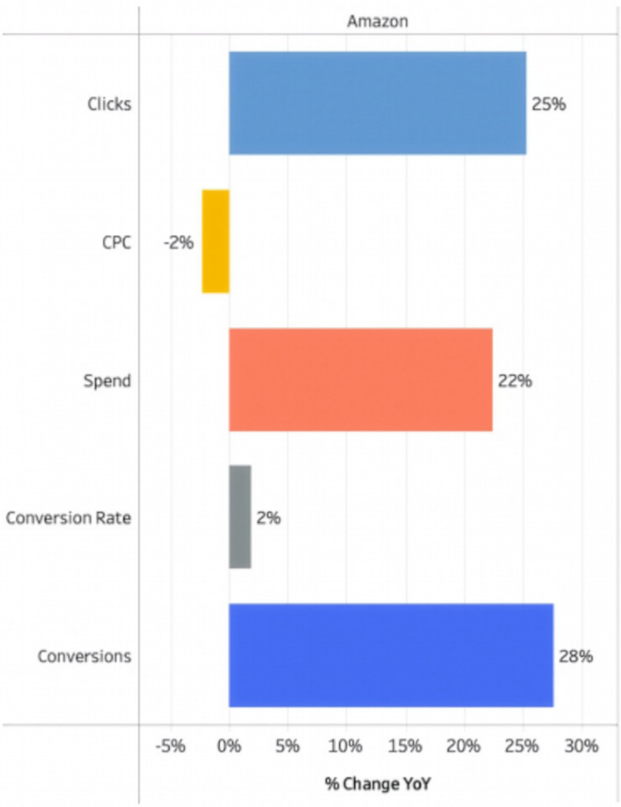
DSP's long price decline is what made it this year's efficiency headline: clicks got cheaper even as volume exploded. The uptick to $1.22 is the number to watch, because it is the first hint that demand is catching up with the new supply and the bargain is beginning to normalize. Worth noting: DSP is now priced slightly above Sponsored Products rather than below it, a reversal to keep in mind when you compare formats on cost alone. The volume and reach case is still strong, so the right move is to lock in the efficiency now, while the window is still open, rather than retreat from DSP.

On Amazon, output grew faster than spending

Amazon advertisers put in 22% more money and got 28% more sales back, while cost per click actually fell 2% and conversion rate rose 2%. Every efficiency metric moved the right way at once.

When sales growth outruns spend growth while CPC falls, the automation is doing its job. Amazon's Performance+ suite, which optimizes across the full funnel, is the likely reason: it is finding cheaper clicks and converting them better at the same time. For advertisers, the lesson is that leaning into Amazon's automated products is paying off in measurable ways, not just convenience. This is the clearest example in the report of scale and efficiency improving together.

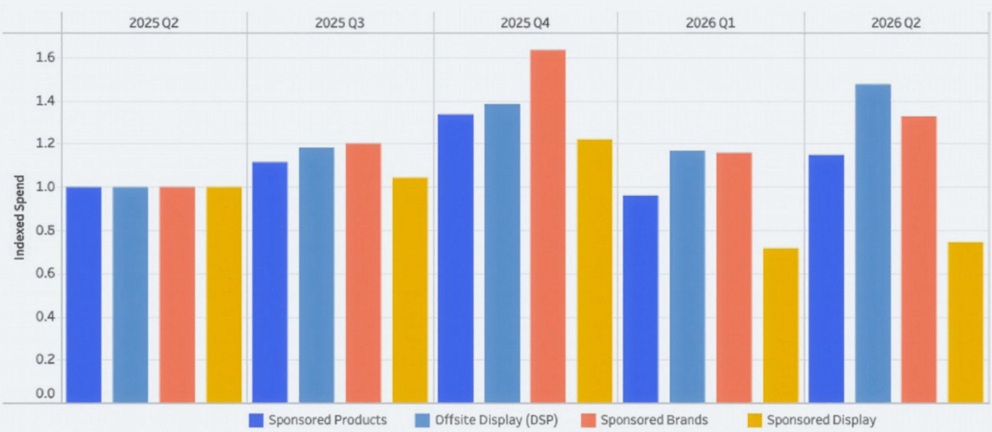
Amazon key metrics



Amazon dollars flowed to the formats that reach beyond the search shelf

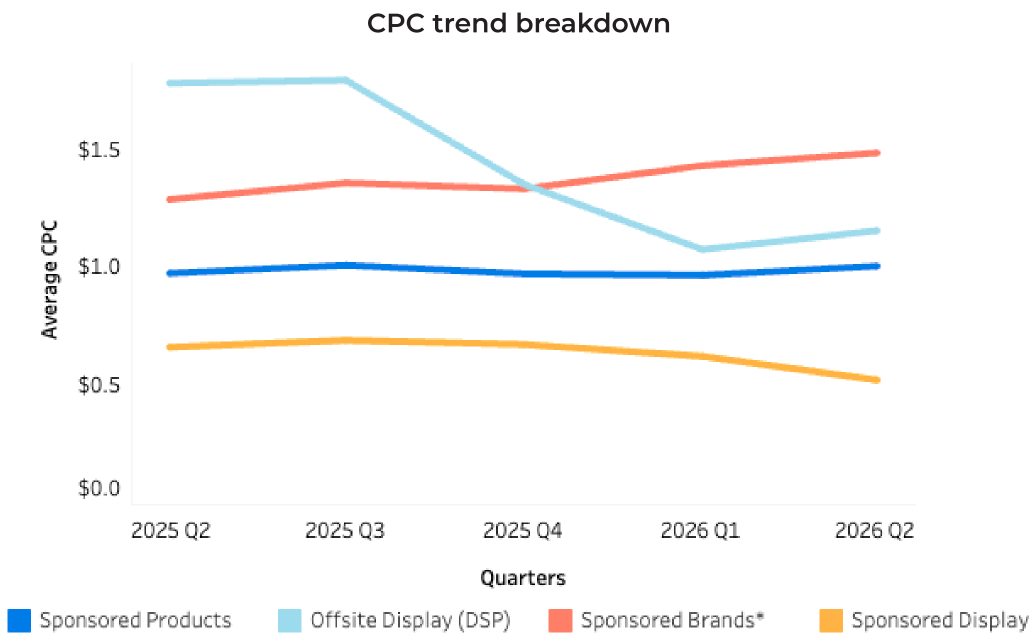
Across Amazon's four main ad formats, three grew and only sponsored display pulled back. The money moved toward formats that reach consumers both on and off Amazon, DSP chief among them. This mirrors the broader format move: advertisers are widening their Amazon presence beyond on-site search into display and off-Amazon reach. The pullback in sponsored display, a lower-funnel retargeting format, alongside growth in DSP suggests brands are consolidating display spend into the more flexible, better-measured DSP rather than abandoning display altogether. The direction of travel is clear: broader, upper- and mid-funnel reach, bought programmatically.

Amazon spending by ad format



Three of four Amazon formats sit near or below a dollar; only Sponsored Brands runs hot

Looking at cost by ad type, three of Amazon's four formats cluster near or below the dollar mark, with Sponsored Products anchoring the low end. Sponsored Brands is the clear exception, sitting highest and continuing to climb.



	Sponsored Products	Offsite Display (DSP)	Sponsored Brands*	Sponsored Display
Q2 2025	$0.98	$1.78	$1.29	$0.66
Q3 2025	$1.01	$1.80	$1.36	$0.69
Q4 2025	$0.98	$1.35	$1.33	$0.68
Q1 2026	$0.97	$1.08	$1.43	$0.63
Q2 2026	$1.01	$1.16	$1.49	$0.53
CPC QoQ	4%	7%	4%	-16%
CPC YoY	3%	-35%	15%	-21%

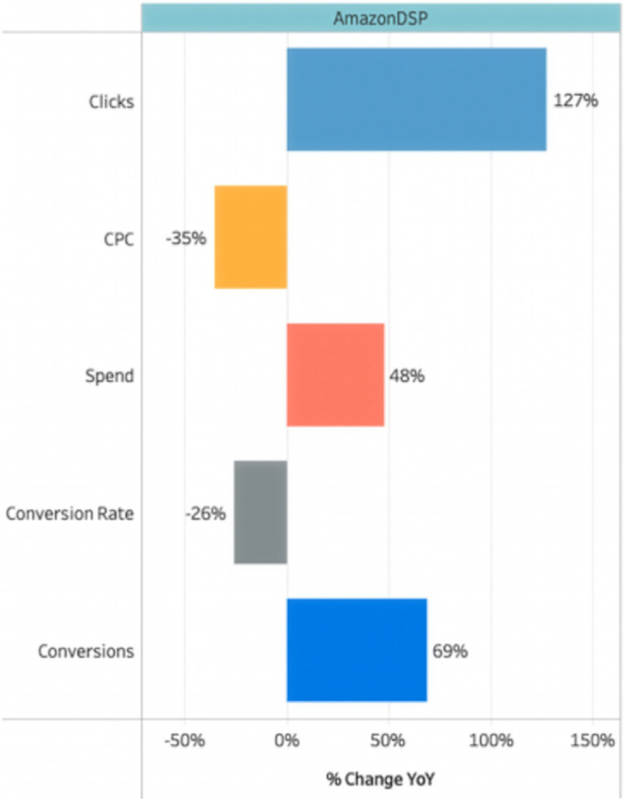
*Sponsored Brands includes Sponsored Brand Video

Sponsored Brands carries a premium because it buys the most valuable real estate, the banner at the very top of the search results page, where competition concentrates. The rest of the portfolio stays comparatively affordable, which is what makes a diversified Amazon format mix so efficient: you can pair the premium, higher-cost placements with a base of cheaper, high-converting Sponsored Products and DSP. Price your formats to their job rather than chasing the cheapest click across the board.

Amazon DSP is scaling and getting cheaper at the same time

Amazon DSP had a breakout quarter: clicks more than doubled (up 127%), CPC fell 35%, spend rose 48%, and conversions grew 69%, even as conversion rate dipped 26%.

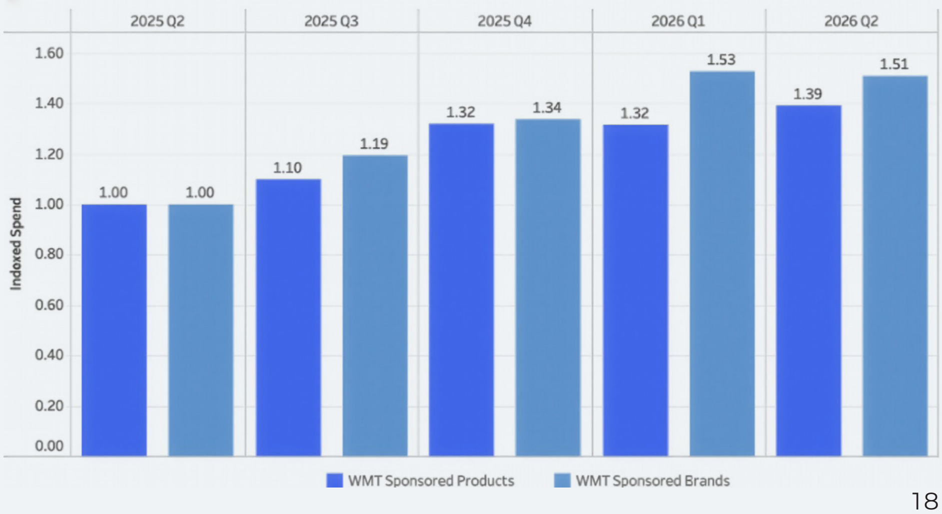
This is the single most important chart in the retail media section, and it is why DSP leads our takeaways. Clicks doubling while CPC falls is the rare combination of scale and efficiency in the same motion. The dip in conversion rate is expected and healthy: as DSP expands into upper-funnel prospecting audiences, a lower conversion rate per click is the cost of reaching new consumers, and the 69% jump in total conversions shows the trade is paying off. Judge DSP on total conversions against total spend, not on conversion rate in isolation, and the case for scaling it becomes obvious.



On Walmart, the conversion-focused format started catching up

Walmart's format momentum flipped this quarter. Sponsored Brands, which had been pulling ahead, slipped for the first time, while Sponsored Products climbed again. The spend difference between the two formats narrowed from 21 points to 12. The rebalancing toward Sponsored Products shows that advertisers are refocusing on Walmart's most direct, conversion-oriented format after a period of leaning into brand-building placements. A narrowing gap is generally the sign of a healthier, more balanced program, one that pairs lower-funnel efficiency with upper-funnel exposure. Walmart Connect remains one of the fastest-growing shelves in retail media, so the format mix here is worth revisiting each quarter as the network matures.

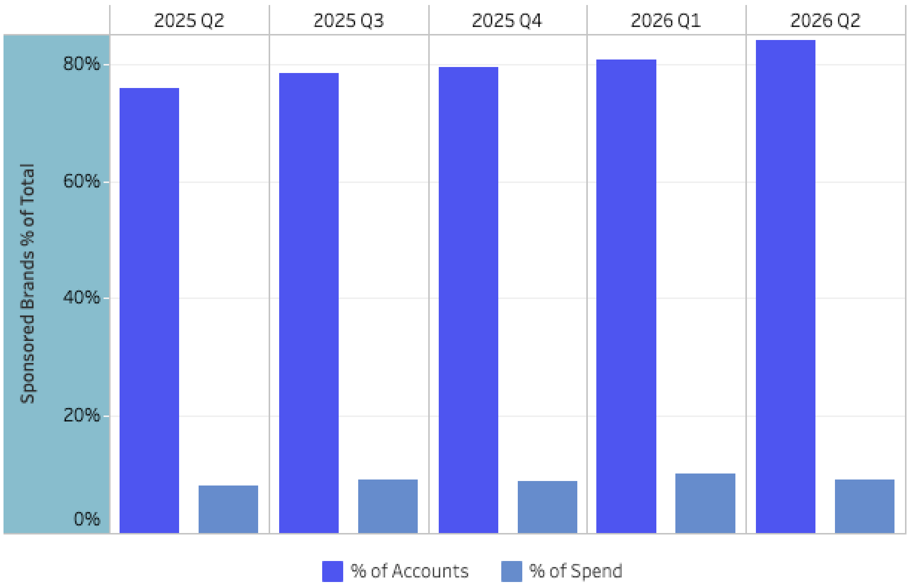
Walmart spending by ad format



Nearly everyone runs Sponsored Brands on Walmart now; the lever is depth, not adoption

More than 84% of Walmart advertisers now run Sponsored Brands, yet the format's share of total Walmart spend actually slipped from 10.2% to 9.2%. Adoption is nearly universal, but advertisers are allocating a slightly smaller slice of budget to it.

Walmart sponsored brands

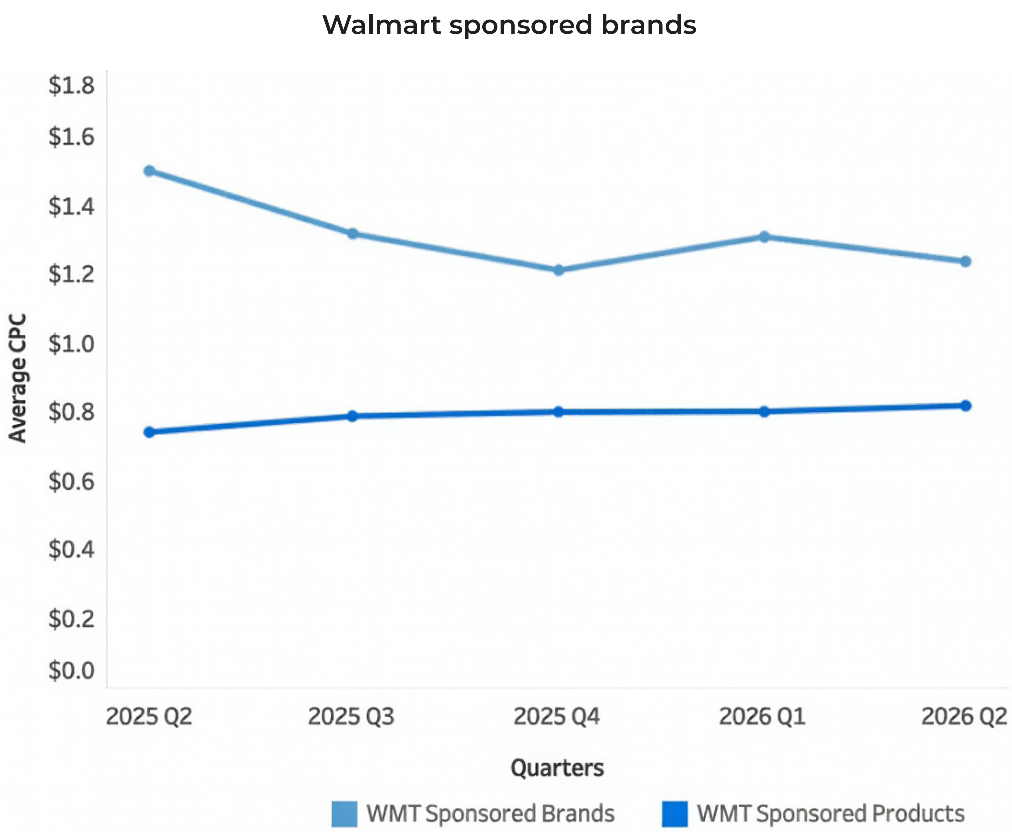


	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026
% of Accounts	75.8%	78.5%	79.4%	80.6%	84.1%
% of Spend	8.1%	9.3%	8.9%	10.2%	9.2%

When adoption is already this high, the growth lever is no longer getting more advertisers to try the format, it is getting existing advertisers to commit more budget. The dip in spend share, alongside the format rebalancing above, suggests brands are being deliberate about where Sponsored Brands fits rather than defaulting to it. For a Walmart program, the question has moved from whether to run Sponsored Brands to how much budget it deserves relative to Sponsored Products and display.

Walmart’s format prices are converging

Walmart cost per click is converging across formats: Sponsored Brands CPC fell 18% while Sponsored Products CPC climbed 10%. The two are meeting in the middle.



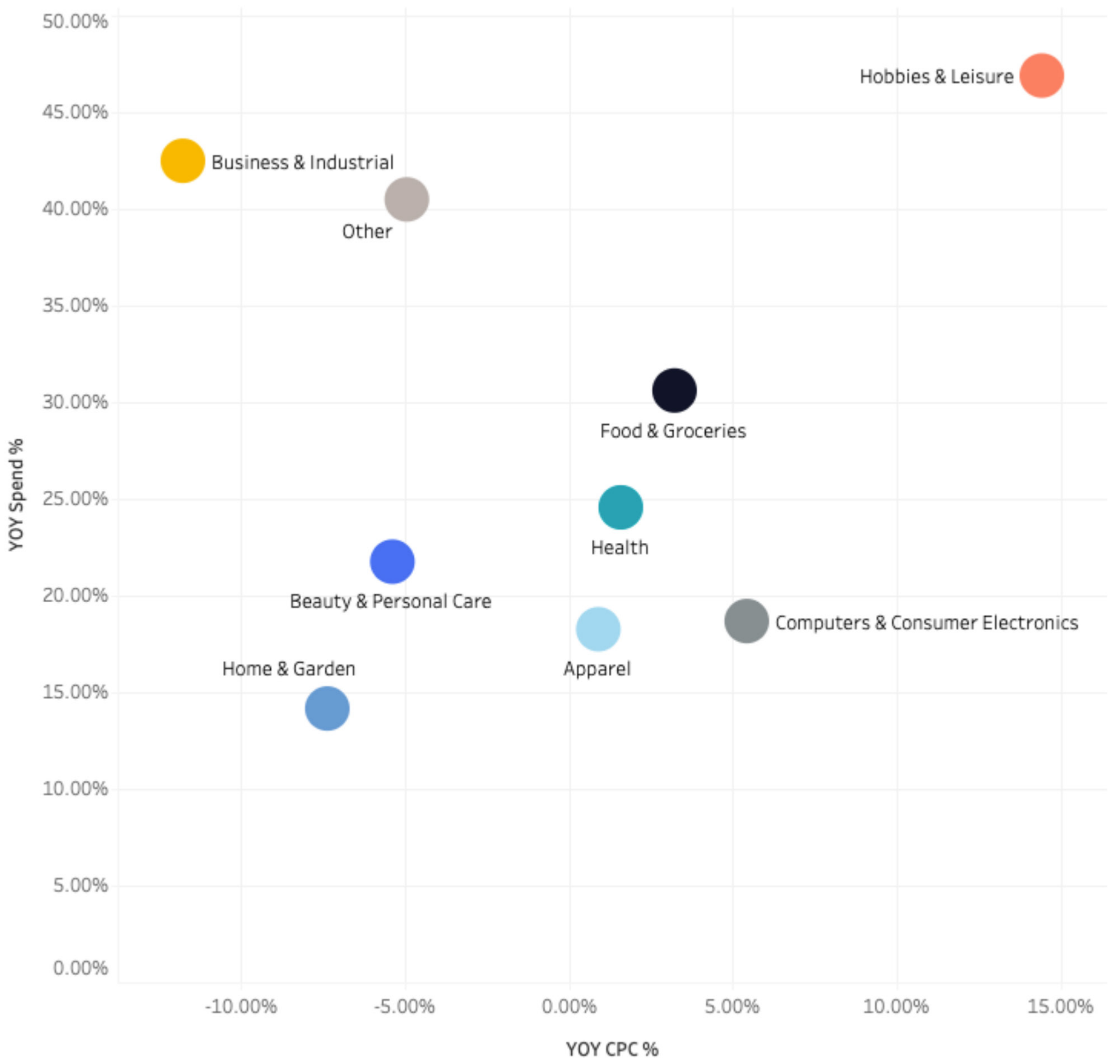
	WMT Sponsored Products	WMT Sponsored Brands
Q2 2025	$0.74	$1.50
Q3 2025	$0.79	$1.32
Q4 2025	$0.80	$1.21
Q1 2026	$0.80	$1.31
Q2 2026	$0.82	$1.24
CPC QoQ	2%	-5%
CPC YoY	10%	-18%

Converging format prices simplify the planning decision. When Sponsored Brands and Sponsored Products cost roughly the same per click, the choice between them comes down to the job each does (awareness versus conversion) rather than a price difference. That is a more mature marketplace, and it rewards advertisers who choose formats by intent and objective instead of whichever one happens to be cheapest this quarter.

A split market: spend rose almost everywhere, but costs moved both ways

Across industries, retail media spend rose almost everywhere, but cost per click split roughly down the middle, rising for about half of categories and falling for the other half. Hobbies and leisure posted both the highest spend growth and the steepest CPC increase, while categories like beauty and home and garden grew spend even as their costs fell.

Retail media by industry

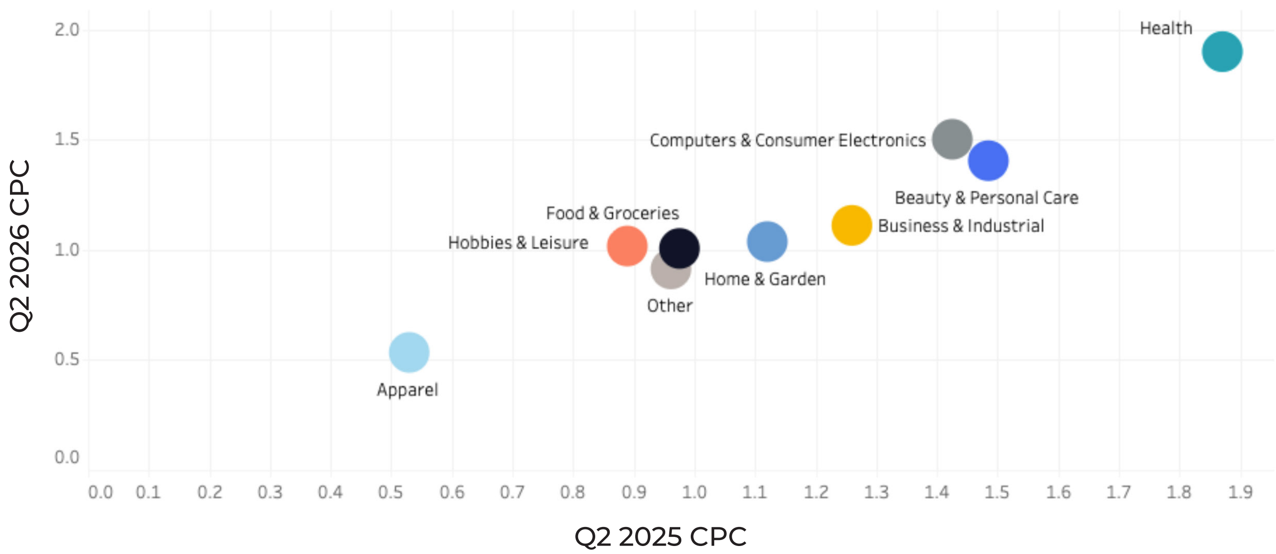


The divergence tells you that cost trends in retail media are a function of category-level competition, not by a single market-wide force. Where demand is surging, as in hobbies and leisure, advertisers are bidding each other up; where supply and demand are better balanced, brands are growing efficiently. The implication is that your category, not the overall market, sets your cost trajectory, so benchmark against peers in your vertical rather than against a blended average that may look nothing like your reality.

The cheap categories stayed cheap and the expensive ones stayed expensive

Category cost differences proved remarkably sticky. Health sat near $1.90 per click while apparel sat near $0.50, a roughly four-to-one spread that held steady all year.

Retail media CPC by industry



These gaps are persistent because of baked-in differences in margin, competition, and product value across categories, not because advertisers are doing anything wrong. A health brand paying nearly four times what an apparel brand pays is simply competing in a more competitive, higher-value auction. This reinforces the point above: a blended CPC benchmark is close to meaningless. Compare your cost per click to your own conversion value and to peers in the same category, and ignore the market average entirely.

Prime Day 2026: a smarter, more efficient event

Prime Day was in the month of June this year for the first time since 2021, and it turned into a masterclass in efficient event marketing. Consumers spent at record levels, but the more instructive part plays out on the advertiser side: the winners did more with roughly the same budget by changing how and where they deployed it. Because Prime Day now rehearses the exact playbook you will run in Q4, it earns its own section.

A record event, built from smaller, more deliberate carts

US shoppers spent $26.4 billion online across the four-day event (June 23 to 26), up 9.3% year over year, with $8.3 billion on Day 1 alone, the single biggest US e-commerce day of 2026 so far. The move to June blended Prime Day into a crowded promotional window alongside Father's Day, the FIFA World Cup, and early back-to-school, which analysts at Telsey Advisory Group said helped create a midyear spike in consumer spending. One nuance worth planning around: even as total spend set a record, per-household baskets shrank, with Numerator reporting average order sizes down mid-teens percent year over year, a sign that consumers were looking for essentials and deals rather than splurges.

$26.4B	+9.3%	$8.3B
US online spend, 4 days	YoY growth	Record day 1

The record-total-but-smaller-cart pattern is the macro backdrop every marketer should carry into the holidays: demand is intact but price-sensitive. For advertisers, though, the consumer numbers matter less than what happened to campaign efficiency, which is where the rest of this section focuses. The headline is that Prime Day 2026 was won on portfolio strategy, not on spending more.

Takeaway 1: efficiency came from the mix, not from bidding harder

Total Amazon Ads investment held roughly flat year over year, up about 1%, yet blended cost per click fell about 6% to a record-low $1.63 and click-through rate climbed about 10% to a record-high 0.357%. Advertisers earned cheaper, more engaging clicks without adding budget.

Lowering CPC and lifting CTR on a flat budget comes down to changing the mix. Advertisers shifted roughly a quarter of their Prime Day budget into DSP, whose cheaper, high-engagement clicks pulled the blended averages in the right direction. This is the core lesson of the event: efficiency is a portfolio decision. The same dollars, allocated differently, delivered a materially better result. Hold onto that for Q4, when the instinct will be to simply spend more.

+1%
Total ad spend YoY

$1.63
Record-low blended CPC

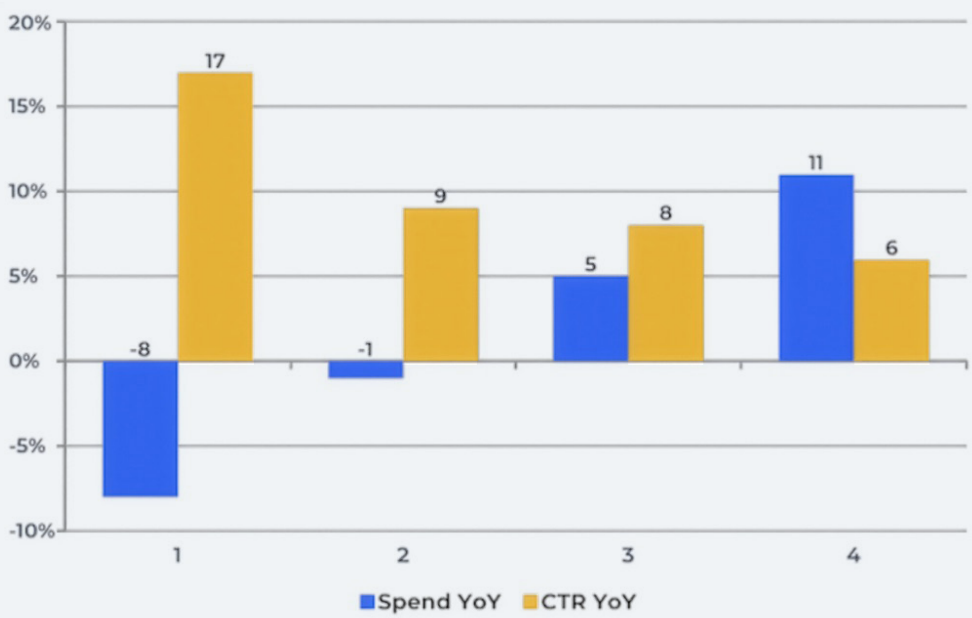
0.357%
Record-high CTR

Takeaway 2: pacing beat front-loading

The old Prime Day playbook was to pour budget into Day 1. This year, advertisers who spread spend evenly across all four days won. Day 1 spend actually came in about 8% below last year's opening, yet Day 1 click-through rate rose 17%, every day of the event beat its 2025 CTR, and Day 1's share of total event spend fell from around 30%.

Spreading spend across the event sidesteps the Day 1 bidding frenzy, when everyone competes for the same impressions at the highest prices, and it captures the consumers who browse early and buy later in the window. The payoff is cheaper, more engaged clicks across the board. This is the single most transferable tactic in the report: for any multi-day event, weight your budget toward the back half rather than blowing it on the opening bell.

Day-by-day change vs. 2025



Takeaway 3: DSP won on economics, not mandates

DSP's share of Amazon Ads spend during Prime Day jumped from 17.9% to 25.5%. Behind that move, DSP spend rose 44%, clicks more than doubled (up 112%), CPC fell 32%, and CTR climbed 53%.

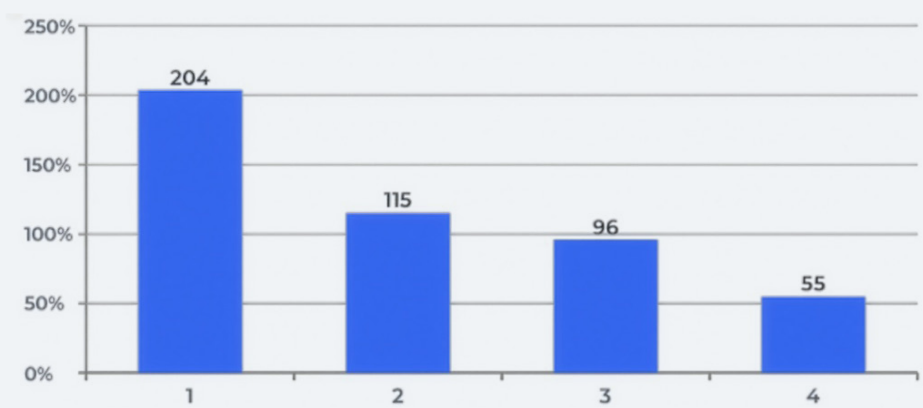
25.5%	+112%	-32%	+53%
DSP share (from 17.9%)	DSP clicks	DSP CPC	DSP CTR

Advertisers did not move to DSP because a platform told them to; they moved because the numbers speak for themselves. Cheaper clicks, more of them, and higher engagement is a combination that wins budget on its own merits. The Prime Day DSP surge is a sharper version of the same DSP pattern running through this entire report: it is where scale and efficiency currently overlap, and events simply accelerate the move.

Takeaway 4: the Prime Day premium is shrinking, because the everyday baseline is rising

Measured against the 30 days before the event, Prime Day spend spiked 204%, impressions 115%, clicks 96%, and CPC 55%. But that spend multiplier is smaller than it was a year ago, when it ran closer to 229%. The reason is encouraging: the everyday baseline is rising. Advertisers spent about 9% more per day in the lead-up, while the baseline cost per click eased from $1.19 to $1.05.

Event lift vs. 30-day pre-event baseline



A shrinking event multiplier is a sign of maturity. As retail media becomes a year-round, always-on channel, the tentpoles matter less as isolated spikes and more as amplifiers of continuous activity. Don't read that as a reason to under-invest in Prime Day. Read it as a reason to stop treating the event as an island. The advertisers getting the most from events are the ones running strong baseline programs that the events then amplify.

Paid search trends

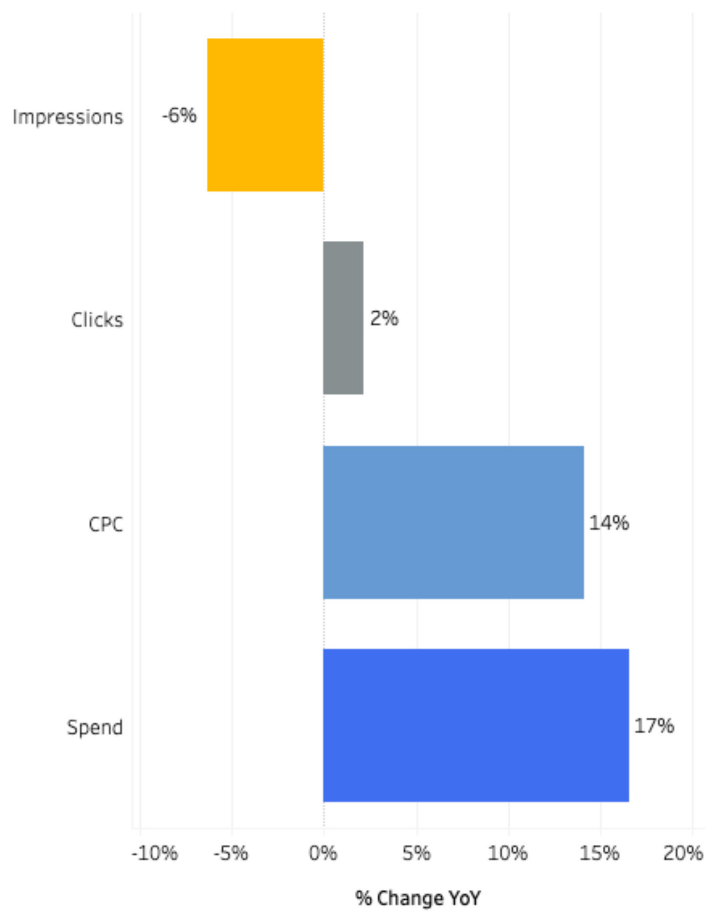
Paid search is the channel most reshaped by AI, and Q2 made the new economics plain. Spending rose sharply, but almost all of the increase went to defending position rather than to buying more traffic. The theme carries straight from the long-term view: fewer clickable queries, a higher price to hold them, and a steadily growing role for automation.

Spending jumped 17%, but nearly all of it went to holding ground

Paid search spend rose 17% year over year, but clicks grew just 2%. Cost per click climbed 14% and impressions actually fell 6%. Advertisers spent meaningfully more and got only slightly more traffic in return.

+17% YoY spend

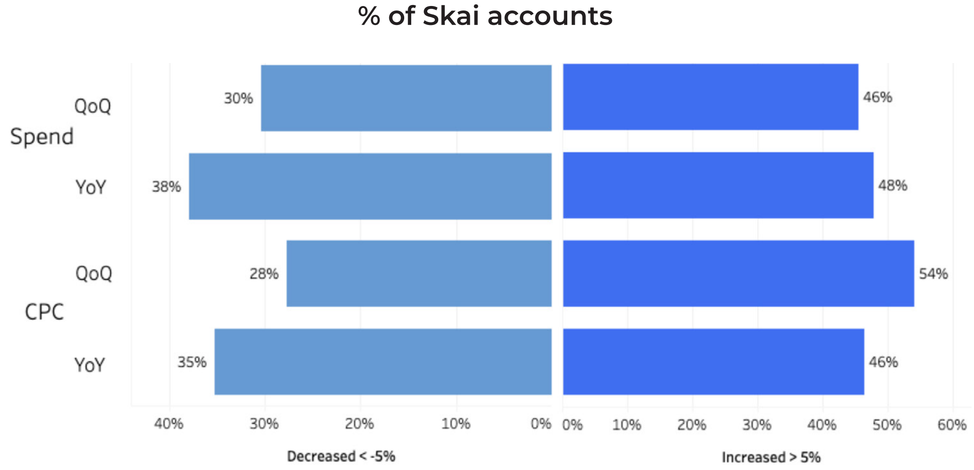
Paid search spending growth



This is the cost of defending position in an AI-shaped search market. With fewer clickable queries available, holding onto the same high-intent traffic now costs more, and spend growing roughly eight times faster than clicks is the signature of that repricing. The strategic response is not to chase volume that no longer exists, but to concentrate budget on the queries that convert and to accept rising CPCs when the conversion value justifies them.

The click-price floor is lifting for most advertisers, not just a few

The pressure is broad-based. About 54% of accounts saw CPC rise more than 5% quarter over quarter, versus 28% that saw it fall. On the spend side, 48% of accounts grew budgets while 38% pulled back.



When more than half of accounts face rising click prices in a single quarter, that is a market-wide floor lifting, not a handful of competitive auctions, and it is consistent with supply-driven repricing rather than isolated bidding wars. The split on spend, with nearly half growing and over a third retreating, shows the market sorting into advertisers doubling down on search and those reallocating toward cheaper channels like social and DSP. Both can be the right call, depending on how much of your demand genuinely lives in high-intent search.

Search spending climbed steadily and is smoothing out

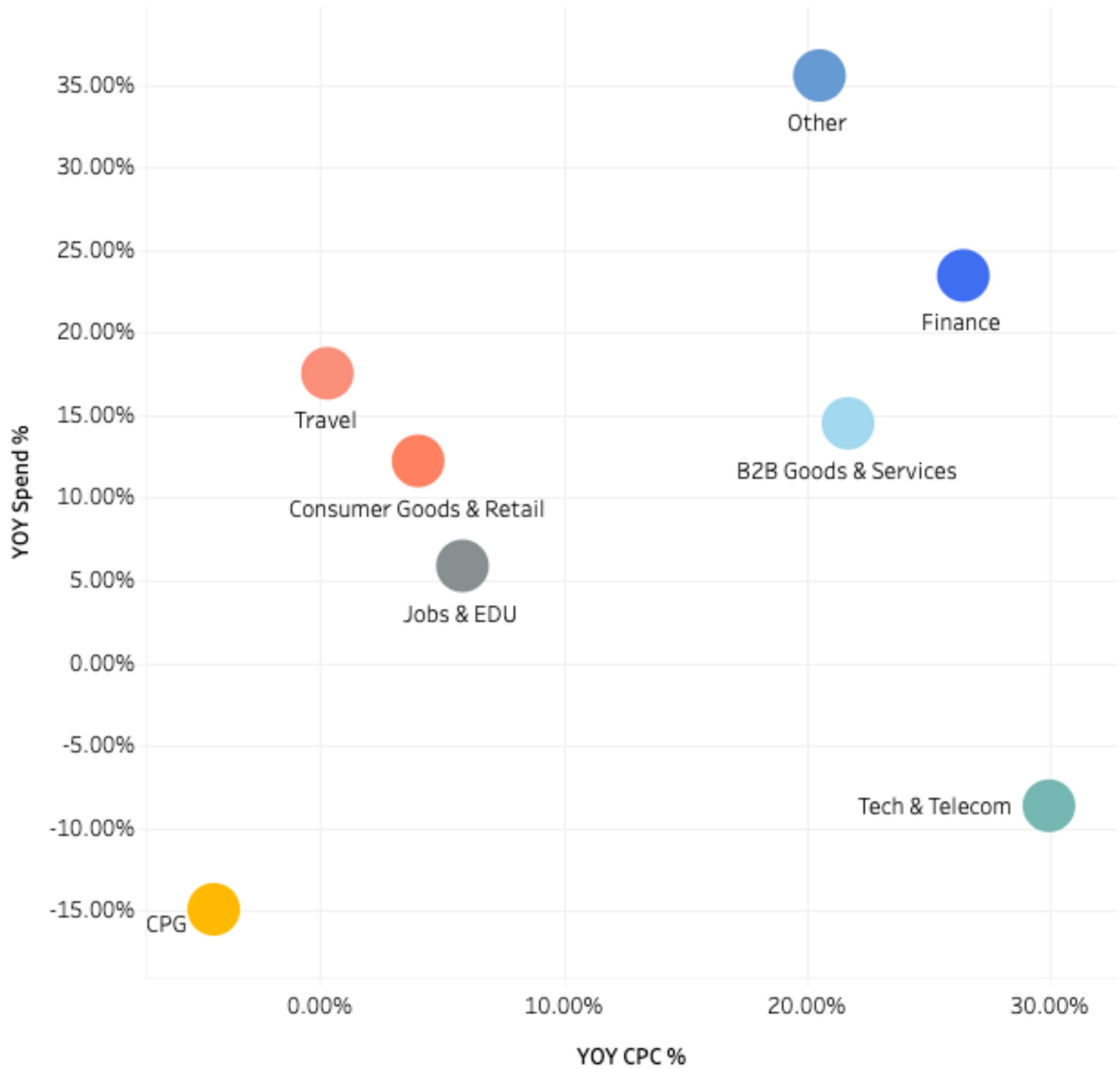
Month to month, paid search spend rose steadily from April through June, ending the quarter at its high, with none of the sharp peaks and troughs that used to mark the calendar.

The steady, upward line is itself noteworthy: paid search is losing its seasonal shape and becoming a steady, always-on channel. As automation evens out bidding and AI reshapes query patterns, the old rhythm of seasonal spikes is flattening into continuous investment. For planning, that means budgeting search as a consistent monthly commitment rather than front-loading it around traditional peaks.

Some industries leaned into rising costs; others were priced out

By industry, the response to rising costs split sharply. Finance and the other category combined the steepest CPC increases with strong spend growth, leaning in despite the price. Tech and telecom saw the largest CPC rise and cut spend, effectively getting priced out, while consumer packaged goods pulled back more mildly.

Paid search by industry

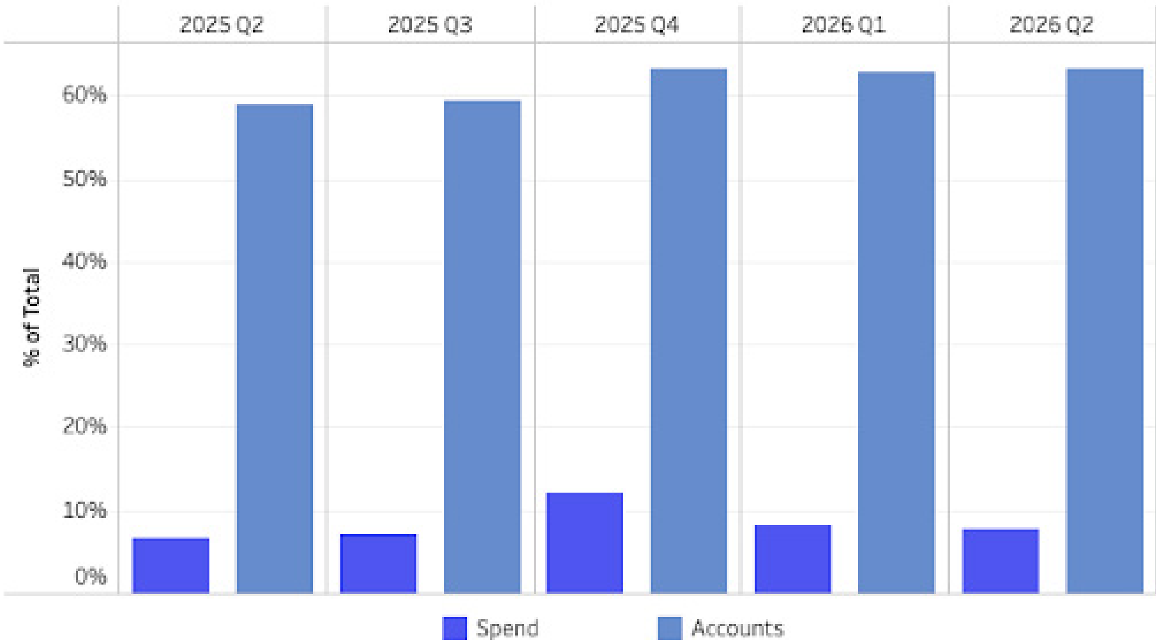


This is the clearest illustration that a rising CPC is only good news when spend rises with it. Finance leaning into higher costs signals confidence that the traffic still converts; tech and telecom retreating signals the opposite, that the price outran the value for them. The read-across for your own program: if your CPCs are climbing, the question is not whether that is good or bad in the abstract, but whether your conversion value is climbing alongside them.

Performance Max is everywhere, but still a thin slice of spend

Performance Max now runs in roughly 63% of accounts, yet it accounts for only about 8% of paid search spend. Adoption is wide, but depth is shallow.

Performance Max adoption

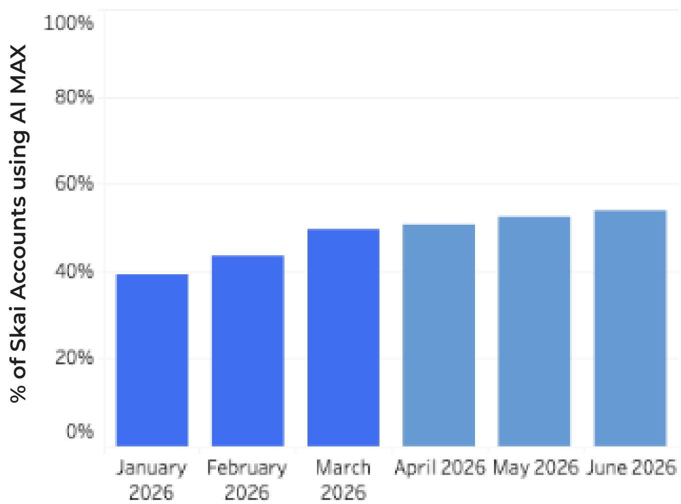


The distance between broad adoption and thin spend share reflects a familiar tension: advertisers want the reach and automation Performance Max offers, but many have held budget back over limited visibility into where the money actually goes. Google's recent transparency updates, which add channel-level reporting, directly address that hesitation. Watch spend share, not just adoption, over the next few quarters: if the transparency improvements land, that 8% could climb quickly as advertisers gain the confidence to commit more.

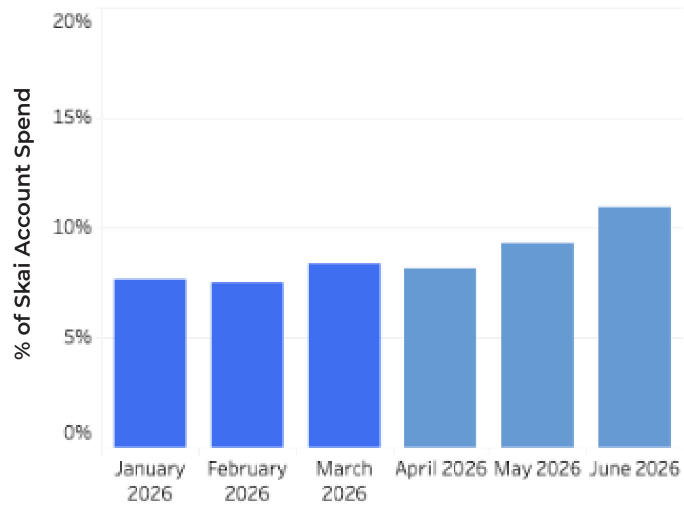
AI Max adoption is climbing fast and delivering real lifts

AI Max adoption rose from 39% in January to 54% in June, with its share of spend rising alongside it. Advertisers report double-digit conversion lifts, and automatic upgrades are scheduled for this fall.

AI Max client adoption



AI Max spend %



AI Max is following the classic path of a successful automation product: fast adoption, growing budget commitment, and measurable performance gains that reinforce the trend. With automatic upgrades coming, it is quickly becoming a default rather than an option. The practical stance is to get hands-on now, learn how it behaves with your campaigns, and shape it deliberately before it is switched on for you.

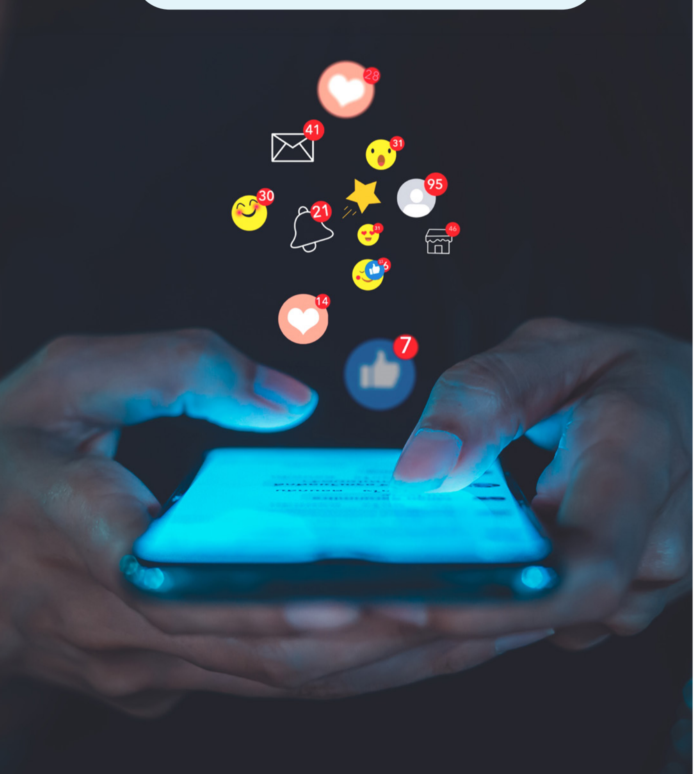
Paid social trends

Paid social was the quarter's growth engine, and it ran almost the reverse of paid search. Costs stayed contained, engagement surged, and the differentiator moved decisively to creative. With Meta about to overtake Google in ad revenue, the momentum in these numbers reflects a broader move of budgets toward attention.

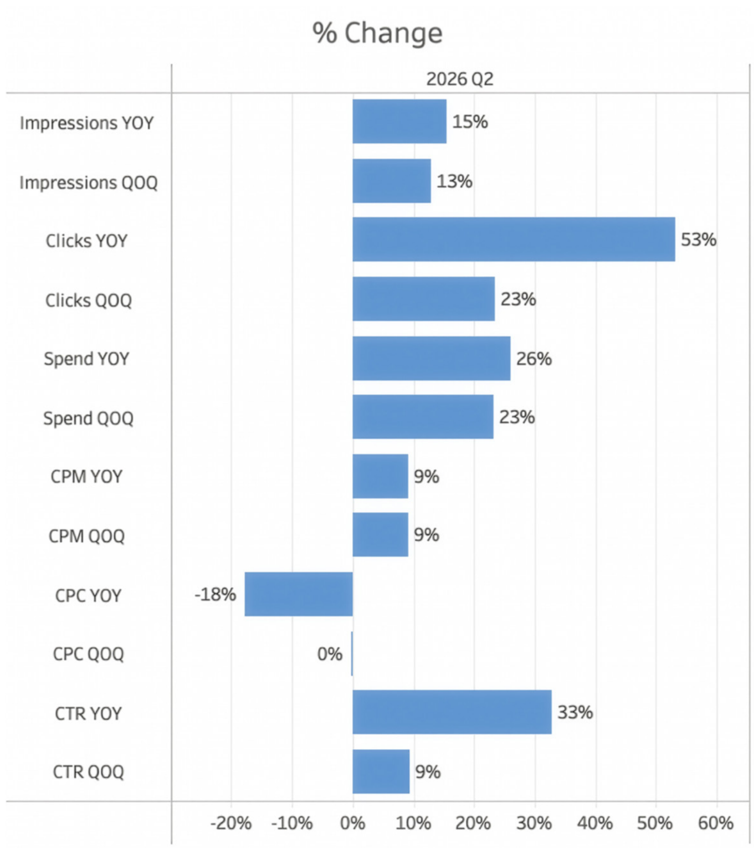
Spending rose 26%, and the cost moved from the media to the message

Paid social spend grew 26% year over year. Break it apart, impressions rose 15%, CPM rose 9%, clicks jumped 53%, cost per click fell 18%, and click-through rate climbed 33%. Advertisers bought modestly more reach, but got far more engagement for their money.

+26% YoY spend



Paid social spending growth



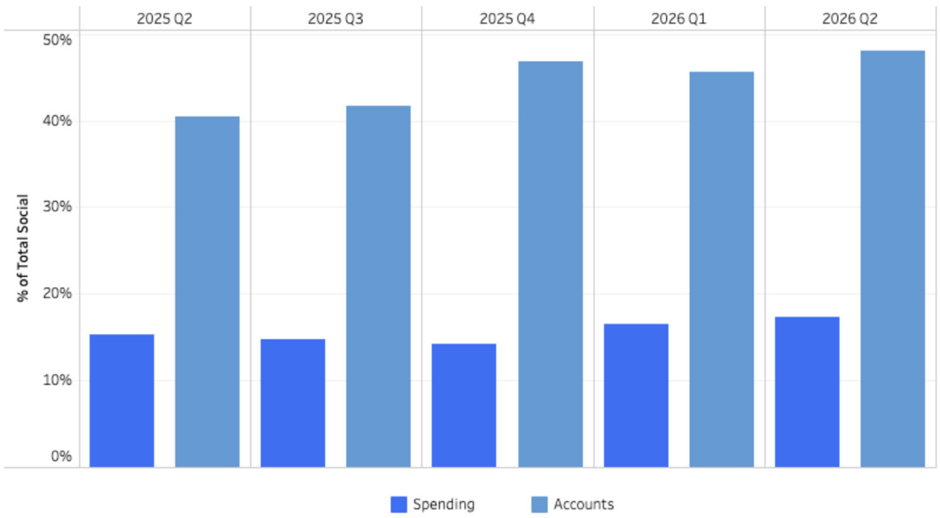
The pattern, with clicks and CTR up sharply while CPC falls and CPM rises only modestly, means the growth came from converting reach more effectively, not from buying a lot more of it. The cost has moved from the media to the message. When CPMs are flat to modestly rising and engagement is surging, a flat cost per click is no longer a media-buying problem, it is a creative opportunity: the advertisers with the best creative are the ones turning cheap impressions into cheap clicks.

TikTok commands attention

TikTok now takes roughly 17% of social budgets, but it commands a larger share of consumer attention and time spent. The dollars are trailing the eyeballs.

A gulf between attention and investment is where opportunity lives. TikTok is arguably the most underfunded major channel relative to the time audiences spend there, which means early, well-executed spend can capture outsized reach before budgets, and prices, catch up. As with the emerging retail networks, the move is to test deliberately now, while the efficiency advantage of being early still exists.

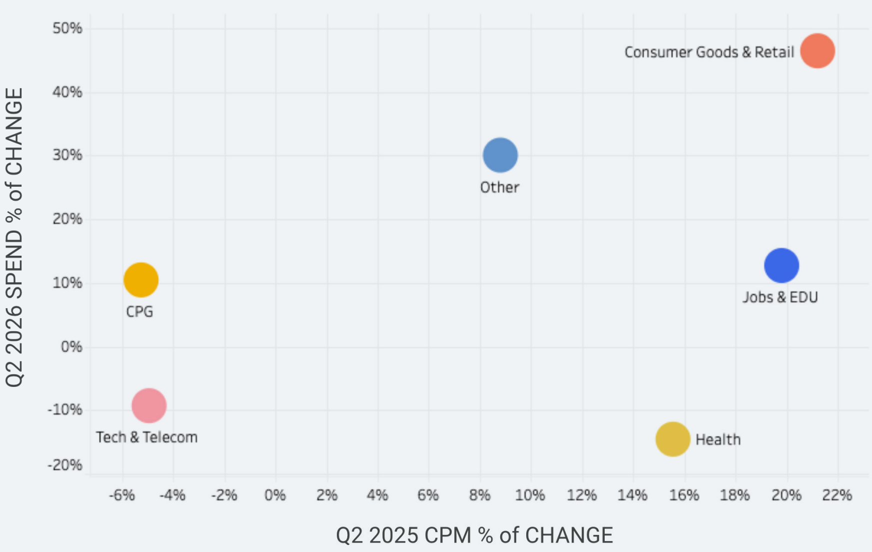
TikTok adoption and share-of-wallet



In social, cost and budget move independently

Across industries, cost and spending moved independently. Consumer goods and retail paid higher CPMs and still grew spend nearly 47%. Consumer packaged goods saw CPMs fall and grew too, while some categories saw costs rise and cut back.

Paid social by industry

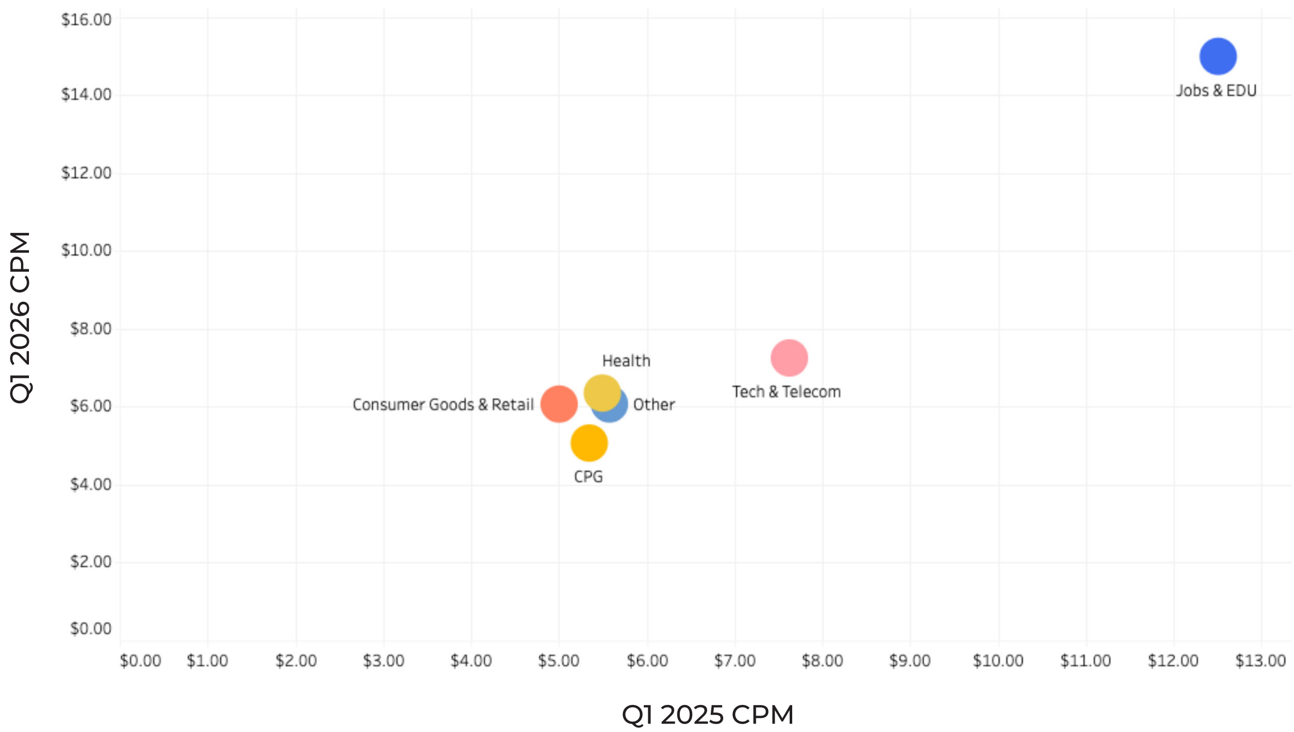


The lack of a consistent relationship between cost direction and spend direction tells you that social budget decisions are being shaped by opportunity and creative fit, not by price movements. Rising CPMs did not deter the categories that saw social working, and falling CPMs did not automatically pull in more spend elsewhere. The lesson is to let performance, not price, lead your social budgeting: if the channel is converting for your category, cost movements are secondary.

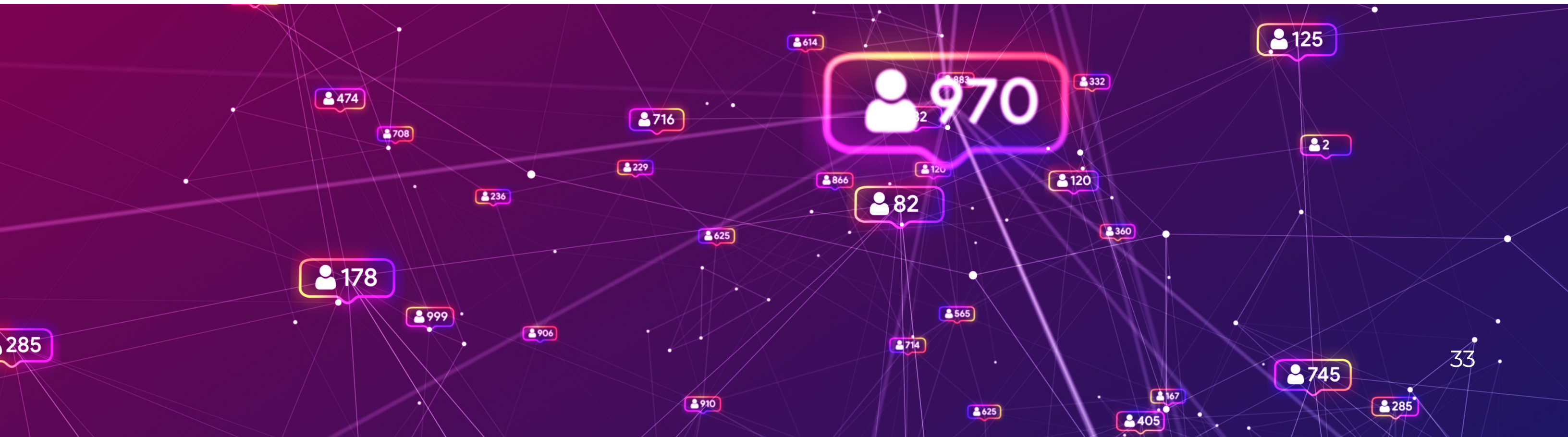
Setting aside one outlier, everyone pays about the same for attention

Aside from a single outlier category, CPMs across industries cluster tightly in the mid-single digits. Unlike retail media and paid search, where category differences are wide and sticky, social prices attention at a remarkably uniform rate.

Paid social CPM by industry



Uniform CPMs mean the social auction is pricing attention itself, not the category buying it. That is good news for high-value categories: a brand with a high conversion value pays roughly the same for a thousand impressions as a low-value one, so the return on that attention can be far higher. The strategic implication is that social rewards advertisers whose economics let them extract more value from the same-priced reach, which again points back to creative and conversion rather than to bidding.



Looking ahead:
Q3 2026 and the road to the holidays

Q3 is where the year is won or lost, because it is when Q4 gets built. The calendar below and the action items that follow are drawn from the patterns in this report, aimed at putting you in position before the holiday rush rather than scrambling during it.

THE Q3 MARKETING CALENDAR

Early July
Q4 planning kicks off. Lock budgets and briefs while there is still time to test.

July to August
Back-to-school, the summer's largest shopping season and a live rehearsal for Q4 tactics.

September 7
Labor Day, the last major sale before the holidays.

Late September
Final Q4 preparation, with feeds, creative, and pacing locked.

What to do in Q3

1 Lock Q4 budgets now.

Decide your channel and event allocations early so you can spend the quarter testing, not deliberating.

2 Stress-test your data and feeds.

Clean product data, healthy feeds, and reliable pacing are what separate smooth holidays from painful ones.

3 Rebalance toward DSP.

Shift budget toward the format that is scaling and staying efficient, and build the audiences you will harvest in Q4.

4 Test and bank social creative.

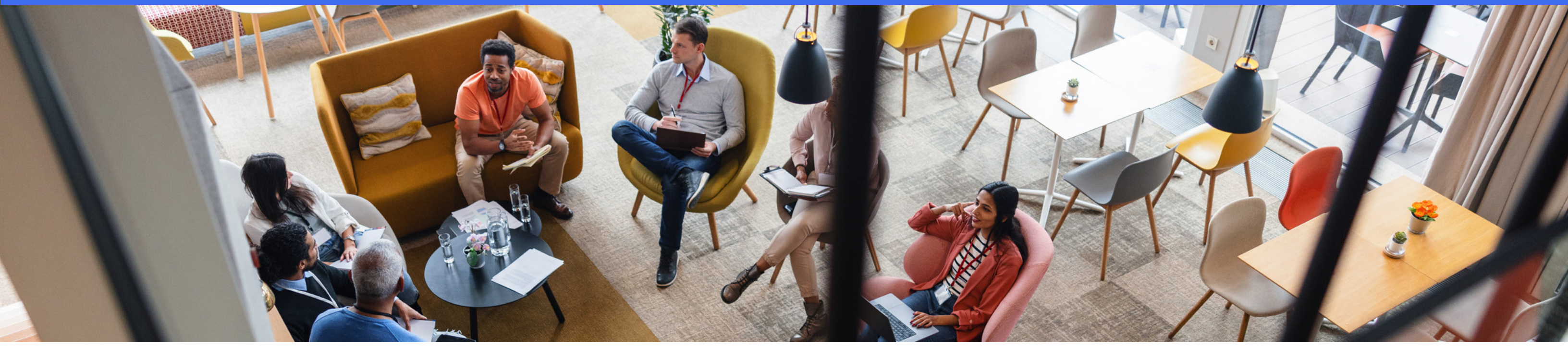
Build a library of proven creative now, so you are not creating under pressure during peak.

5 Build agentic capability inside your platforms.

Start closing the readiness shortfall by putting agents to work on real campaigns while the stakes are still low.

6 Refresh PDPs and creative.

Product pages and assets should be holiday-ready and, increasingly, agent-ready before traffic surges.



THE Q4 EVENT CALENDAR

Early October
Amazon Prime Big Deal Days, the holiday season's opening act.

November 11
Singles Day.

November 26 to 30
Thanksgiving, Black Friday, and Cyber Monday, the Cyber 5 weekend that anchors the quarter.

December 14
Green Monday, the last big push before shipping cutoffs.

How to plan Q4

1 Front-load your planning, not your Day 1 spend.

Prime Day showed pacing beats spiking, so weight budget toward the back half of every event.

2 Do not go dark between events.

The efficient days are often the quiet ones between tentpoles, so keep a baseline running throughout.

3 Lean into DSP.

It is where reach and efficiency currently overlap, and it hedges rising search costs.

4 Defend your high-intent search.

Search CPCs are climbing, so protect the converting queries that matter most rather than spreading thin.

5 Freeze creative and PDPs before Cyber Week.

Lock your assets and product pages before the peak so nothing breaks when traffic is highest.

6 Make your product data agent-ready.

With a large and growing share of consumers using AI in the shopping journey, structured, accurate product data is increasingly what gets you surfaced.

Conclusion

The through-line of Q2 is that commerce media rewards advertisers who follow the supply and plan for the change already underway. Here are the five takeaways again, each paired with what to actually do about it.

Amazon DSP is the standout opportunity.
Check DSP as a share of your Amazon spend; if it is still in the single digits, you are likely leaving efficient reach on the table. Seed prospecting audiences in the cheaper windows now, before the bargain fully normalizes.

Social will overtake search.
Treat social budgets as flexible rather than fixed, and put your best resources into creative, since the data shows the message, not the media, is now the lever. Give TikTok a deliberate test while its attention outruns its cost.

Paid search CPCs keep climbing after five flat years.
Forecast on conversion value per click, not click volume, run a wasted-spend audit to cut queries that no longer convert, and concentrate budget on defending your highest-intent terms.

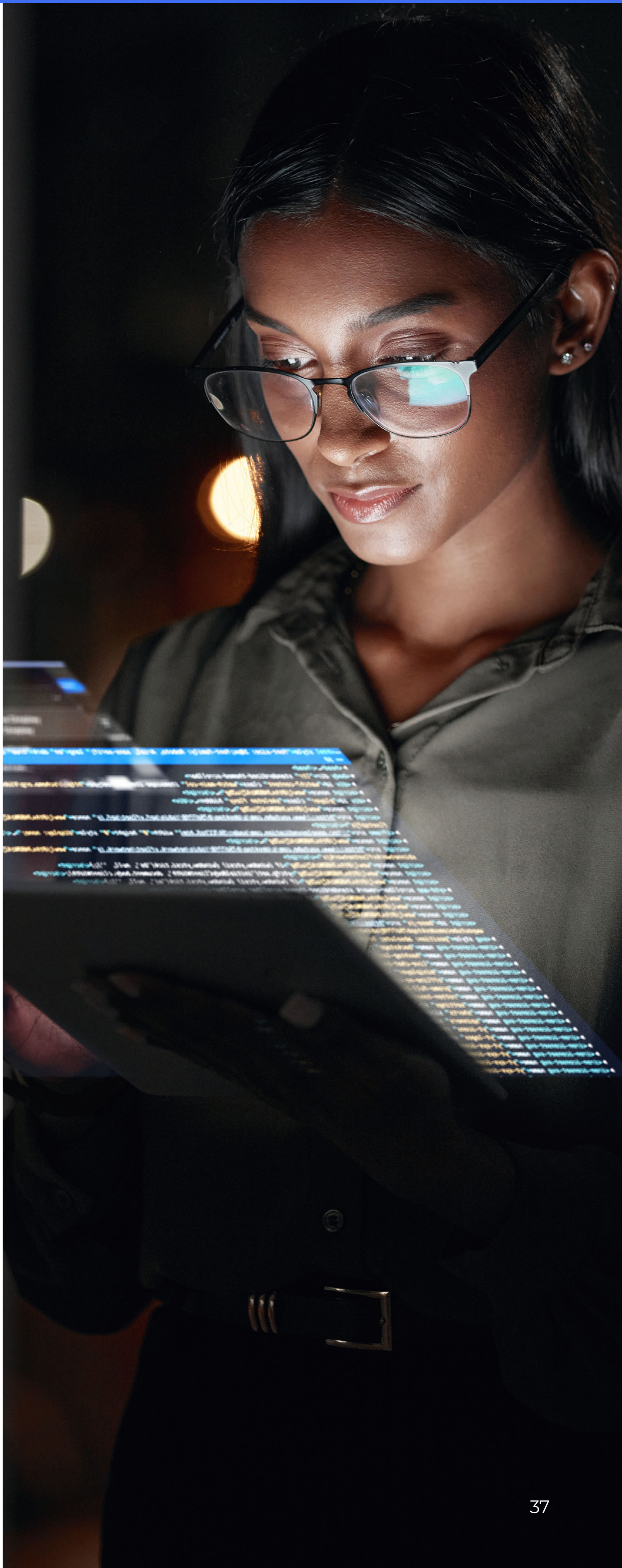
Retail media scales without a cost penalty.
Fund it as an always-on channel, not a seasonal buy, and diversify across retailers and formats, including a test budget for the fast-growing emerging networks before their prices catch up.

Prime Day proved pacing beats spiking.
Apply the Prime Day blueprint to every Q4 tentpole: weight budget to the back half, split reach from harvest, and keep spending in the efficient tail rather than going dark.

Above all, use the second half of the year to build the foundations, clean data, connected measurement, and hands-on experience with agents that the next phase of marketing will require. The teams that fix the plumbing now will be the ones ready to run when agentic commerce arrives in force. Follow the supply, plan for the change ahead, and build the base.

Methodology

The findings in this report are based on aggregated, anonymized data from Skai's managed platform, drawn from a population of nearly 1 trillion impressions, 10 billion clicks, and $10 billion in advertising spend across five quarters spanning multiple countries and industry categories. Unless otherwise noted, year-over-year comparisons use a 15-month same-store methodology including only advertisers with consistent spend across the full comparison period. This approach removes distortion from account churn and isolates genuine market trends. Indexed charts show the shape of change relative to a base period rather than absolute dollar values. Third-party figures, including Prime Day consumer spending and industry ad-revenue projections, are attributed to their original sources and used as context alongside, not in place of, Skai's proprietary data.



About Skai

Skai is the leading omnichannel platform for commerce media, enabling brands and agencies to connect data, insights, and execution across the world's largest publishers and retailers. Built for the agentic era, Skai's platform unifies planning, activation, measurement, and retail operations in a single integrated system. With its open architecture and AI capabilities, including support for custom AI agents via its Model Context Protocol (MCP), Skai enables organizations to drive smarter decisions, greater efficiency, and improved performance across every channel.

Trusted by over 8,000 brands and agencies, such as PepsiCo, Sanofi, Estée Lauder, Publicis, Tinuiti, and WPP, Skai integrates with more than 300 publishers and retail media networks, including Amazon Ads, Walmart Connect, Criteo, Google, Microsoft, Meta, and TikTok, and is headquartered in San Francisco with nine international offices.