



THE \$182B LOCAL ADVERTISING OPPORTUNITY:

10 Trends for 2026



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The local advertising marketplace is undergoing its biggest transition in decades. Audiences are everywhere; platforms are exploding; and advertisers, agencies, and media companies know they have to move fast to adapt.

Major platforms are also chasing a \$182 billion local ad market. National brands are thinking local, digital giants are battling for budgets and connected TV (CTV) and digital out-of-home (DOOH) are reshaping the landscape. At the same time, BIA expects both Generative AI and Agentic AI to catalyze some of the most impactful operational and performance shifts in 2026, including creative automation and campaign optimization enabled by real-time decisioning and smarter local activation.

To win in 2026, clarity is the new advantage. Companies need sharp, reliable insights to stay ahead. That's where BIA comes in. In this report, we've identified the 10 TRENDS that will shape local advertising next year.

Drawing on our local-market data developed using our proprietary forecasting methodology, this report identifies **key opportunities** for local sellers and advertisers. It covers everything from digital transformation and cross-media investment to the evolving role of political advertising, growth in digital out-of-home, business categories increasing their local spending, and what's next for television and radio.

For our clients, we encourage you to use this report as a guide and to log into the BIA platforms (BIA ADVantage and MEDIA Access Pro) to get specific local market forecast data and insights.

If you'd like to dig deeper or talk about a specific trend, we'd enjoy hearing from you. We hope you'll stay tuned as we'll continue to track these developments throughout 2026 to provide straightforward, practical insights and benchmarks to help you succeed as the local advertising market evolves.

Thank you for reading!
BIA Forecasting and Analyst Teams

advantage@bia.com



THE \$182B LOCAL ADVERTISING OPPORTUNITY: 10 TRENDS FOR 2026

BIA is examining 10 emerging trends to identify opportunities for those involved with leading, selling, and delivering local advertising in 2026.

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THE EVOLVING LOCAL VIDEO LANDSCAPE: 2026'S CROSS-PLATFORM SHIFTS

Local video remains one of the most influential drivers of local advertising, and in 2026 the marketplace will increasingly be defined by fragmentation and new competition across CTV, OTA, cable, and social platforms.

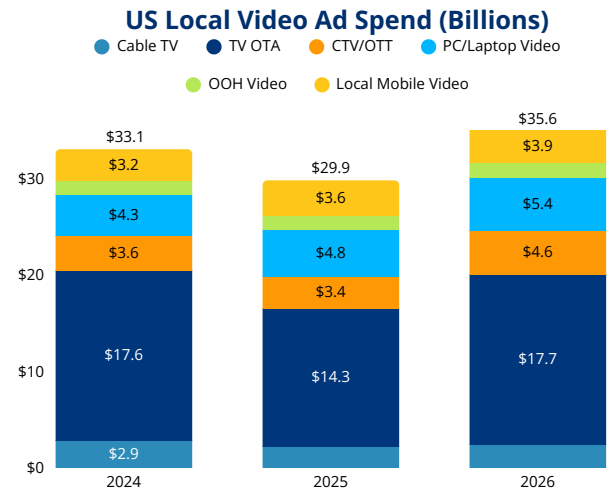
\$36B Local video ad spend forecast (BIA)
15.7% Political Share of total local video

3 Key Shifts

- Streaming opens more local inventory
- Social platforms deliver TV-quality video
- Audio brands enter CTV/social video

Audience Behavior

- Fluid viewing across live, on-demand, and social environments



BIA US Local Forecast 2025

Shifting viewing habits are accelerating changes in how video is bought and measured. Viewers now move seamlessly between live TV, streaming apps, and social video often on a single device and often encounter the same advertisers. Primetime pushes audiences to streaming platforms like Hulu and Disney+, while YouTube, Instagram, and TikTok deliver professional, long-form content that mirrors traditional TV. Streaming services are expanding local ad inventory, retail media networks are stepping into local markets, and social video continues to capture younger, cord-cutting audiences.

Local audio brands are also becoming unexpected video competitors. Audacy is simulcasting local shows on streaming platforms; Spotify is turning podcasts into short-form CTV content; and iHeart is producing visual versions of radio programming across CTV and YouTube. These moves further blur the boundaries between TV, streaming, social, and audio.

KEY OPPORTUNITIES

How local sellers can win in a fragmented video marketplace:

Bundle Linear + Streaming: Combine linear news, live events, and primetime with CTV/OTT and digital video to deliver full-funnel reach and precision targeting.

Expand Into Social Video: Use YouTube, Facebook, Instagram, and TikTok to extend local storytelling and offer advertisers high-engagement, high-conversion local video units.

Provide Unified Insights: Deliver cross-platform reporting that shows incremental reach and performance across OTA, cable, CTV, and social video.

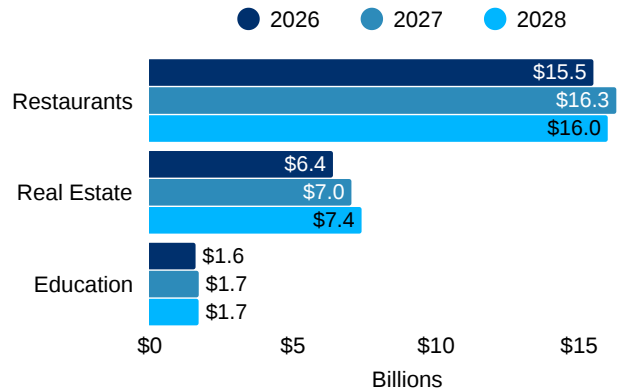


#2- HYPER-LOCAL MOMENTUM: THE VERTICALS POISED FOR THE BIGGEST 2026 GAINS

Local advertising is rebounding as national brands shift from broad campaigns to hyper-local targeting. Local businesses, which typically prioritize performance outcomes and lead generation, are fueling this growth, increasing digital, OOH, and broadcast spending to reach nearby consumers.

With AI-powered planning and activation, advertisers deliver timely offers and see strong performance.

Local Ad Spend By Category (Billions)



Political advertising aside, we expect to see the biggest growth in local advertising spend in the Real Estate, Leisure/Recreation, and Restaurants verticals in 2026.

Real Estate: Digital-First Advantage

A 5.8% rise in real estate spending, according to BIA's forecast, driven by gradually lowering interest rates and an increasingly online buyer journey, signals a strong opportunity for local sales teams.

KEY OPPORTUNITIES: As the category moves digital-first, advertisers need partners who can help identify in-market buyers and convert them. Sellers offering audience targeting, cross-platform digital solutions, and analytics tied to local activity will be positioned to win more revenue.

Leisure/Recreation: Precision Targeting to Capture Shifting Demand

BIA projects a 4.3% increase in Leisure/Recreation spending in 2026, opening strong opportunities for local sales teams.

KEY OPPORTUNITIES: Fueled by online gambling and changing travel habits, advertisers need partners who can target consumers seeking frequent, personalized experiences. Sellers offering precise segmentation and high-performing media will capture this growing demand.

Restaurants: Strategic Promotions in a Value-Driven Market

With restaurant ad spending projected to rise 3.7% in 2026, according to BIA's forecast, local sellers have a meaningful opportunity to capture new revenue.

KEY OPPORTUNITIES: Diners are more value-focused than ever, and brand loyalty is shifting, making precise targeting and fast execution essential. Sellers who deliver targeted promotions, leverage loyalty data, and scale localized creative can help restaurants win in a competitive, value-driven market.



OUT-OF-HOME (OOH) GROWTH ACCELERATES AS DIGITAL CAPABILITIES EXPAND

BIA forecasts Out-of-Home (OOH) revenue to reach \$9.2B in 2026, up 5.0% year-over-year, fueled by advertisers who value the channel's ability to build awareness and reinforce cross-media campaigns across TV, digital, and CTV/OTT.

The rapid rise of Digital OOH (DOOH—digital screens and displays) and programmatic OOH (prOOH—automated, data-driven buying), powered by dynamic creative, real-time optimization, and audience-based buying, is driving key business categories to invest local advertising dollars.

This digital acceleration, combined with OOH's proven ability to engage mobile consumers, positions OOH for continued momentum in 2026, a prime place to be amid shifting local ad budgets.



Experience and Lifestyle Categories Drive 2026 OOH Growth

BIA's 2026 forecast highlights where OOH dollars will expand in 2026. Several categories are set for notable year-over-year spending increases, including **Amusement Parks & Arcades (+9.6%)**, **Full-Service Restaurants & Bars (+8.1%)**, **Real Estate Development (+7.2%)**, and **Quick Service Restaurants (+4.6%)**. These experience-driven and service-oriented sectors rely on visibility and foot traffic, making OOH a high-impact channel. Legal Services, already a major OOH spender, will also see modest growth in 2026.

KEY OPPORTUNITIES

As DOOH and prOOH expand, OOH is competing more directly with digital platforms, CTV, and social media for local ad budgets.

This heightened competition is increasing expectations around ROI, targeting precision, and market-level performance insights. For OOH operators, the **opportunity lies in using deeper data, competitive benchmarking, and localized intelligence to price inventory strategically, identify high-growth categories, and strengthen their position against digital-first channels.**



THE ACCELERATION OF LOCALIZED MEDIA SPENDING

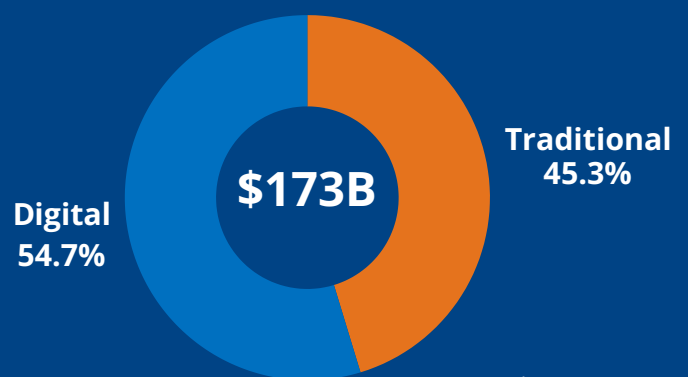
As we head into 2026, national advertisers are no longer treating “local” as a tactical add-on. Local markets have become the primary battleground for growth. After a 2025 “reset year” marked by elevated rates, tight credit, and tariff uncertainty, 2026 is shaping up to be a highly competitive year in which advertisers lean harder into channels that deliver measurable, market-level performance.

A High-Stakes, Locally Driven Year

Looking at BIA’s forecast without political, local ad spend is projected to **grow 3.4% in 2026, with digital capturing 54.7% of all investment**. The strongest momentum continues to be in local video, especially addressable CTV/OTT where advertisers can optimize performance at both the market and audience level.

US Local Media Spend 2026

excl. political



BIA US Local Forecast 2025

The surge in spend will be amplified by major 2026 events including a high-intensity midterm election, the Winter Olympics, the FIFA World Cup, and additional political activity all of which monetize primarily through local inventory.

Consumers Respond to Localized Messaging

Locality data shows that **63% of viewers react more positively to localized ads** and 71% prefer messaging tailored to their community. Digital and streaming channels excel here, enabling fast, scalable creative versioning by DMA, audience, or trade area. This level of personalization, combined with clear measurement, continues to push national advertisers and agencies to shift more dollars into local.

KEY OPPORTUNITIES

In 2026, the strongest opportunity for **local sellers is to become the bridge between national strategy and market-level performance**. As brands rebalance budgets toward local, the sellers best positioned to win will be those who **combine addressable CTV/OTT and digital inventory with robust DMA-level data and measurement**.

By using granular insights to highlight where key verticals are over- or under-invested and by enabling localized creative that still aligns with national campaigns. **Local sellers can move from being viewed as a tactical add-on to becoming a strategic growth partner in one of the most competitive local advertising environments yet.**



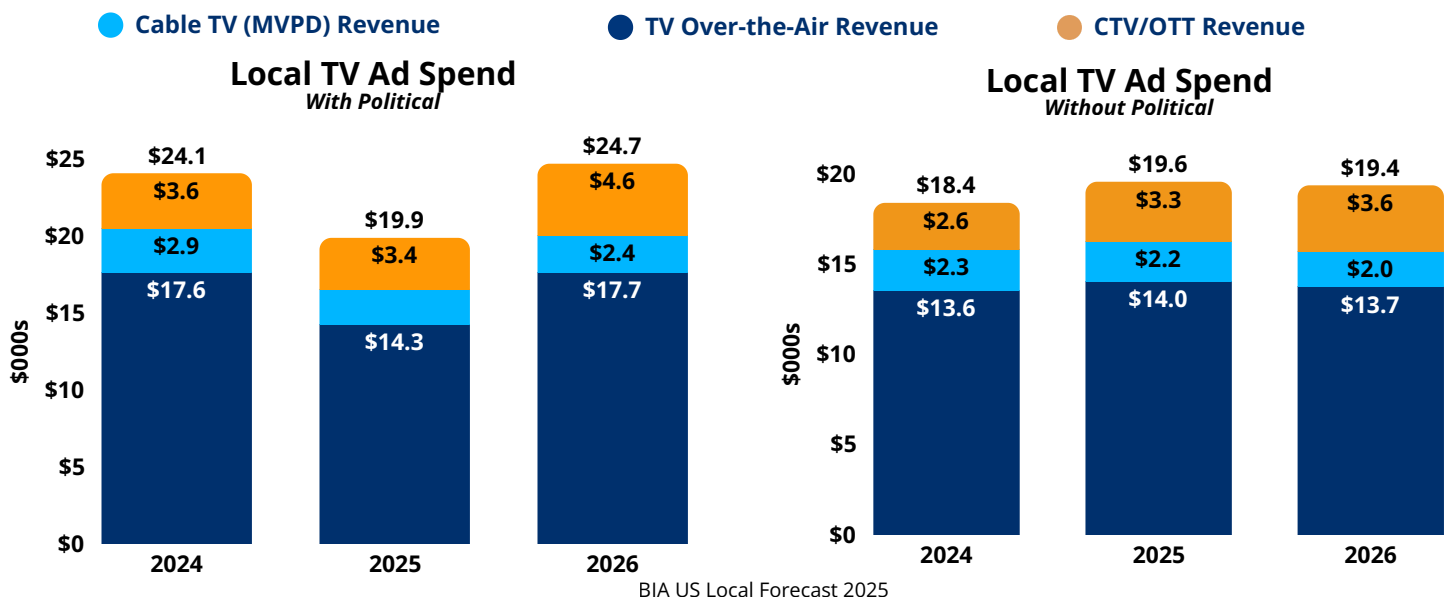
WHERE CTV + BROADCAST MEET, REVENUE GROWS

As local audiences move to streaming, CTV/OTT is becoming essential for advertisers seeking targeted reach and performance. Accelerated by AVOD and FAST growth, programmatic buying, and more local inventory, CTV is transforming the local video landscape.

BIA's 2026 forecast underscores a clear shift in local video: CTV/OTT is capturing an accelerating share of the TV wallet and reshaping how advertisers allocate budgets.

- CTV/OTT spending is estimated to grow another 9.7% in 2026 (ex-Political) after a 29.9% jump from 2024–2025.
- CTV/OTT share of the local TV wallet will climb from 13.9% in 2024 to 18.8% by 2026, up 35.3% (ex-Political).
- Local CTV/OTT spending reaches \$3.6B in 2026 (ex-Political).
- Without Political: Local TV OTA + TV Digital decreases (-1.3% YoY) in 2026, and Cable TV declines 10.3%.
- With Political: TV OTA + TV Digital increases 23.0%, and Cable TV rises 7.8% YoY.

BIA's new Local Video Analysis quantifies how each video channel competes with and complements the others.



KEY OPPORTUNITIES

Local sellers that package TV OTA, CTV/OTT, and digital video together deliver coordinated reach across every screen for advertisers. This integrated, full-funnel approach helps unlock larger budgets, demonstrate stronger cross-platform performance, and capture more revenue as video spending shifts.



LOCAL VIDEO AND FAST-MOVING DIGITAL: THE AUTO INDUSTRY'S SECRET WEAPONS

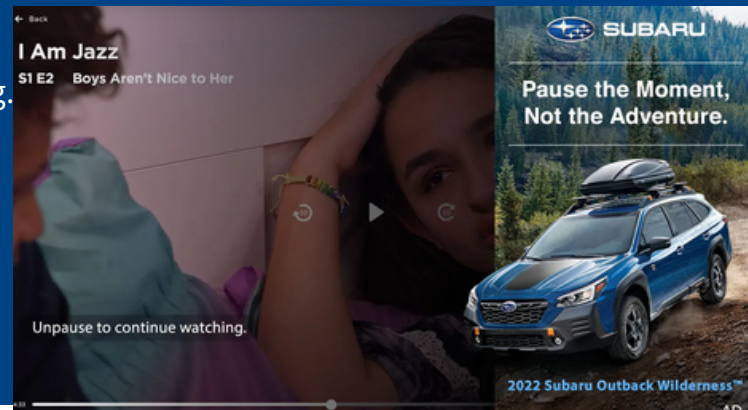
Turn on the TV, and you'll see it: Local video is still the backbone of automotive advertising. What started as a way for major car brands and local dealers to hawk the latest models on broadcast and cable has now stretched into something bigger. Today, tire shops, service centers, and even gas stations rely on local TV, over-the-air, cable, and streaming, to stay in front of their neighbors.

Why? Visibility. Trust. That sense of being everywhere at once, right where it counts.

There's a new reality running in parallel: Digital, search, and mobile platforms are slicing through the noise faster than ever, catching customers right at the moment they're ready to buy, book a service, or fill up the tank. Whether someone's searching for "oil change near me" or scrolling past a deal on their phone, local digital is all about action and the payoff is immediate foot traffic.

How Different Players Harness Local Video

- **Big Brands (OEMs):** Launches and broad messaging.
- **Regional Groups:** High-impact, incentive-heavy campaigns.
- **Dealers:** Local offers, trade-ins, and financing.
- **Service/Tire Shops:** Trust-building and seasonal promotions.
- **Gas/Convenience Stores:** Loyalty programs and memberships.



DIGITAL, SEARCH, AND MOBILE: NO LONGER OPTIONAL

Most car shoppers and customers looking for service, gas, or snacks start their journey online. These days, digital is core. Search tools and maps intercept people exactly when and where they have a need. Mobile targeting follows drivers as they pass by a dealership or a service shop. Social channels hype the latest incentives, while loyalty apps keep brands wedged into daily habits.

KEY OPPORTUNITIES

Ad packages across broadcast, cable, and streaming, while layering on digital targeting, grab the edge. Where to focus:

- Bundle cross-platform video with smart digital extensions.
- Tap into local data to zero in on high-opportunity markets.
- Add proximity-based outdoor and digital-out-of-home ads for repair shops and fuel stations.
- Set up continuous campaigns for categories that always need business, like service and tires.
- Position digital as the not-so-secret sauce for driving real, ready-to-buy consumers.

The winning sellers are moving fast and thinking cross-platform.



THREE VERTICALS DRIVING THE LOCAL DIGITAL SHIFT IN 2026

As consumers spend more time on mobile, social, and video platforms, local advertisers are moving more aggressively into digital channels, and three major verticals: **Real Estate, Education, and Restaurants** are expected to lead the shift in 2026. These dynamics create a clear opportunity for local sellers to deliver cross-platform solutions that reflect how consumers make decisions today.

Digital Drives Real Estate Growth

Real Estate leads in digital marketing, with a significant shift towards online channels. By 2026, 81.0% of local Real Estate ad spending, or \$5.2 billion, will be digital, a 6.6% increase from last year, according to BIA's forecast. With 97% of homebuyers starting their search online^[1], digital marketing is crucial, especially with the rise of video platforms like CTV and OTT. Search and display ads will also remain popular, generating \$4.14 billion with strong year-over-year growth.

Education: Digital Crosses the Tipping Point

Education is shifting decisively toward digital. In 2026, 36.1% of Education spend (\$588M, BIA Forecast) will go to digital, up 6.4% YoY. Traditional grows modestly at 2.1%, anchored by Direct Mail (\$455M) and continued OOH strength. Digital momentum reflects student behavior: Gen Z is driven by YouTube, Instagram, TikTok, and streaming. CTV/OTT, in particular, is projected for double-digit growth, giving institutions a powerful video-led recruitment channel.

Restaurants

Restaurants will allocate 54.7% of their local ad budgets, which is \$8.5B in BIA's Forecast, to digital in 2026, a 6.0% YoY increase. Mobile (including social platforms) leads with \$3.4B in revenue, driven by real-time discovery and ordering behavior. Traditional media grows 0.9%, with Direct Mail and OTA Radio remaining effective for local reach and promotional response.

KEY OPPORTUNITIES

Across all three verticals, the winning approach for local sellers is to offer a unified "Local Digital + Video Acceleration Package." Local sellers who package these together can:

- Capture budgets moving out of traditional channels.
- Deliver video-first engagement, mobile/social targeting, and strong local frequency.
- Position themselves as strategic partners not single-channel vendors.



ELECTION-YEAR AD OUTLOOK: LINEAR STRENGTH + HYBRID VIDEO GROWTH

The 2026 midterm elections will be highly competitive, with control of Congress in play and fewer persuadable voters. BIA forecasts **\$9.0B in political ad spend**, heavily concentrated in battleground states and contested districts. This unusually active cycle will trigger early spending, premium-inventory pressure, and sharp price inflation in top markets.

Linear TV Stabilization with Political Windfalls

Outside political years, OTA and cable remain soft, but midterms deliver strong rebound.

Expect:

- **Major revenue spikes** in key DMAs
- Spending across **top races, PACs, issue groups, and down-ballot contests**
- **Late money surges**, intensifying displacement of core advertisers
- Heightened demand for **local news, sports, and primetime**

Political continues to be linear's most reliable revenue engine.

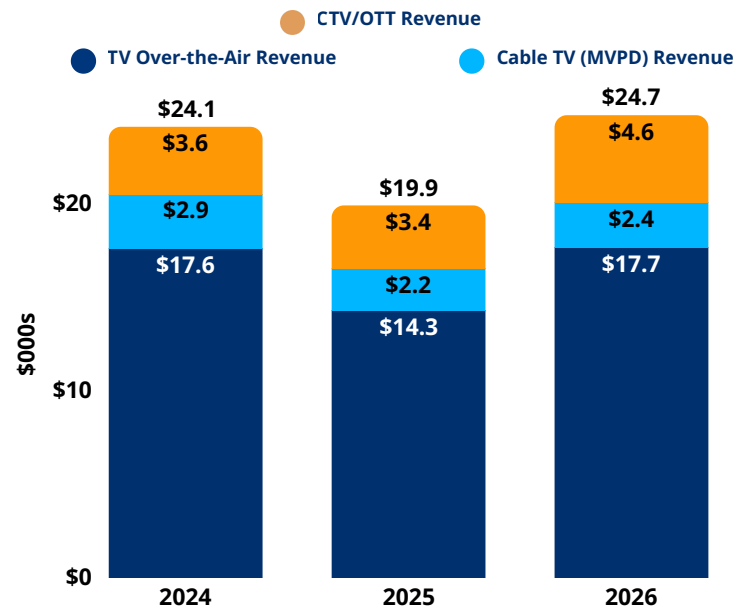
TV Is Now Fully Hybrid

Linear still supplies broad reach, but CTV, YouTube, and streaming are now essential for voter coverage.

Key shifts to watch:

- Streaming surpasses linear in **reach and time spent**.
- Heavy linear viewers dominate impressions, leaving many voters under-exposed.
- Campaigns use CTV/YouTube to reach the **"missing majority"** of light-TV voters.
- Hybrid plans (OTA + Cable + CTV + Digital Video) are now standard.

Local TV Ad Spend *With Political*



KEY OPPORTUNITIES

2026 requires a nimble, data-driven, hybrid approach where linear remains crucial. Key opportunities for local sellers include:

- Locking in early reservations around debates, primaries, and key news cycles.
- Offer custom sponsorships, news adjacencies, and takeover packages.
- Present cross-screen video solutions to expand voter reach.
- Use targeting intel to identify and reach light-TV voters via streaming.
- Emphasize speed, flexibility, and priority access for early buyers.

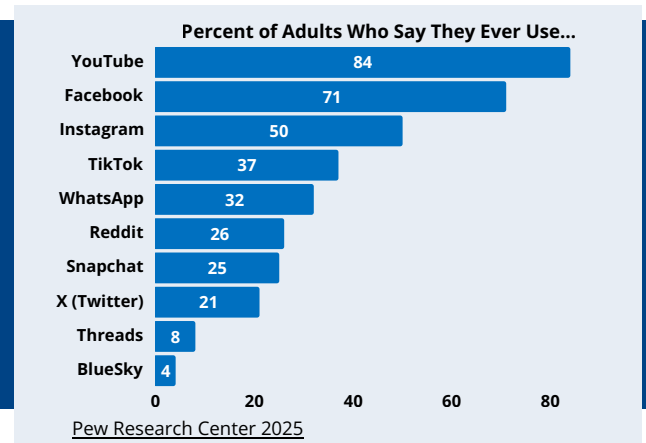
Fragmentation and fierce competition will favor local sellers who deliver precise, cross-screen voter reach.



BREAKOUT CHANNEL: LOCAL SOCIAL VIDEO DRIVING A SHIFT IN SOCIAL AD SPEND

The 2026 local social landscape will be reshaped by the explosive rise of short-form video. BIA's U.S. Local Advertising Forecast **shows local social ad spend growing from \$36.7B in 2025 to \$42.6B in 2026, with more than 70% of that total coming from video formats.**

Short-form content on TikTok, Instagram Reels, and YouTube Shorts is expected to push **social video revenue past \$30.2B next year.**



This shift reflects how people, especially Gen Z and younger Millennials, use social platforms today. Social has become a primary discovery engine for local products and experiences, and audiences respond best to quick, authentic, creator-led video that feels native to how they scroll.

At the same time, platforms are becoming full-funnel environments. Shoppable posts, in-app checkout, and precise local targeting move consumers from discovery to conversion in one place. AI tools now help advertisers generate and localize creative across DMAs and trade areas, keeping campaigns efficient as content demands grow.

KEY OPPORTUNITIES

Local sellers who deliver high-volume, localized short-form video with strong measurement will be best positioned to capture growing social budgets in 2026 and beyond.

- Scale short-form video quickly with multiple creative variations and real-time optimization.
- Localize at scale by adjusting offers and creative for each DMA, neighborhood, or trade area.
- Use authentic, creator-led, or staff-shot content that performs well without heavy production.
- Tie campaigns to clear local outcomes: store visits, leads, appointments, or in-feed sales, and use precise targeting.



RADIO'S RESILIENCE THROUGH DIGITAL EXTENSION

Local audio will evolve rapidly in 2026, and **seven emerging digital trends** BIA is watching are creating fresh opportunities for sellers to innovate, target smarter, and win more business.

1. FM Geotargeting Unlocks Zone-Level Inventory

Neighborhood-level targeting and new high-value ad units.

2. Digital Audio Accelerates Through Personalization & Programmatic

More precise, data-driven ads across streaming and podcasts.

3. Interactive Audio Enables Two-Way Engagement

Voice-responsive ads on smart speakers, mobile, and connected cars.

4. Radio Sellers Expand into CTV & Video Advertising

Cross-platform packages that capture shifting video budgets.

5. Podcasting Becomes a Scalable Local Ad Vehicle

Geo-targeted, dynamically inserted ads in local and niche shows.

6. In-Car Listening Becomes Digital-First

Streaming dashboards blending OTA radio with IP-delivered audio.

7. First-Party Data & Audience Extensions Strengthen Targeting

Richer listener data fueling multi-channel audience targeting.

KEY OPPORTUNITIES

Become a Full-Funnel, Cross-Platform Audio + Video Partner

Package OTA, streaming audio, podcasts, and CTV to win larger, more strategic campaigns to reposition from a spot seller to a full-funnel, multi-platform partner.

Sell Targeted, Measurable, Locally Relevant Advertising at Scale

Use geo-targeting, programmatic audio, and first-party data to deliver digital-style precision, reaching the right neighborhoods and in-market audiences with high-impact, measurable campaigns.

Capture the Shift Toward Mobile, Social, and In-Car Digital Listening

Follow listeners into connected dashboards, smart speakers, and streaming environments to expand inventory and unlock new attribution opportunities such as store visits, leads, calls, and conversions.

PROVIDING CLARITY FOR THE LOCAL ADVERTISING MARKETPLACE

For over 40 years, BIA has empowered businesses to succeed in local media and advertising.

Our comprehensive [U.S. Local Advertising Forecast](#) provides unparalleled clarity into how billions of dollars move across media and business verticals both nationwide and within local markets.



With BIA as a trusted partner, you get more than data. Our team maps out selling strategies, offers competitive intelligence, produces reliable valuations and appraisals and delivers insights and analytics.

Let us help you stay **one step ahead** in the ever-evolving local advertising landscape. Together we can create a custom success plan.

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