

"Beyond search and social": Taboola bets on AI to sell intent, not ad slots

HiSpark team • **October 2026** • nine dimensions • a native advertising case

Taboola teardown

Buy traffic wholesale, sell intent retail

9 chapters

company analysis

Gross revenue

includes the split

Net revenue

the real size

Exclusive supply

the real moat

Three pressures

on the ceiling

Consolidation

the endgame

Download the platform checklist • taboola

Download the platform checklist

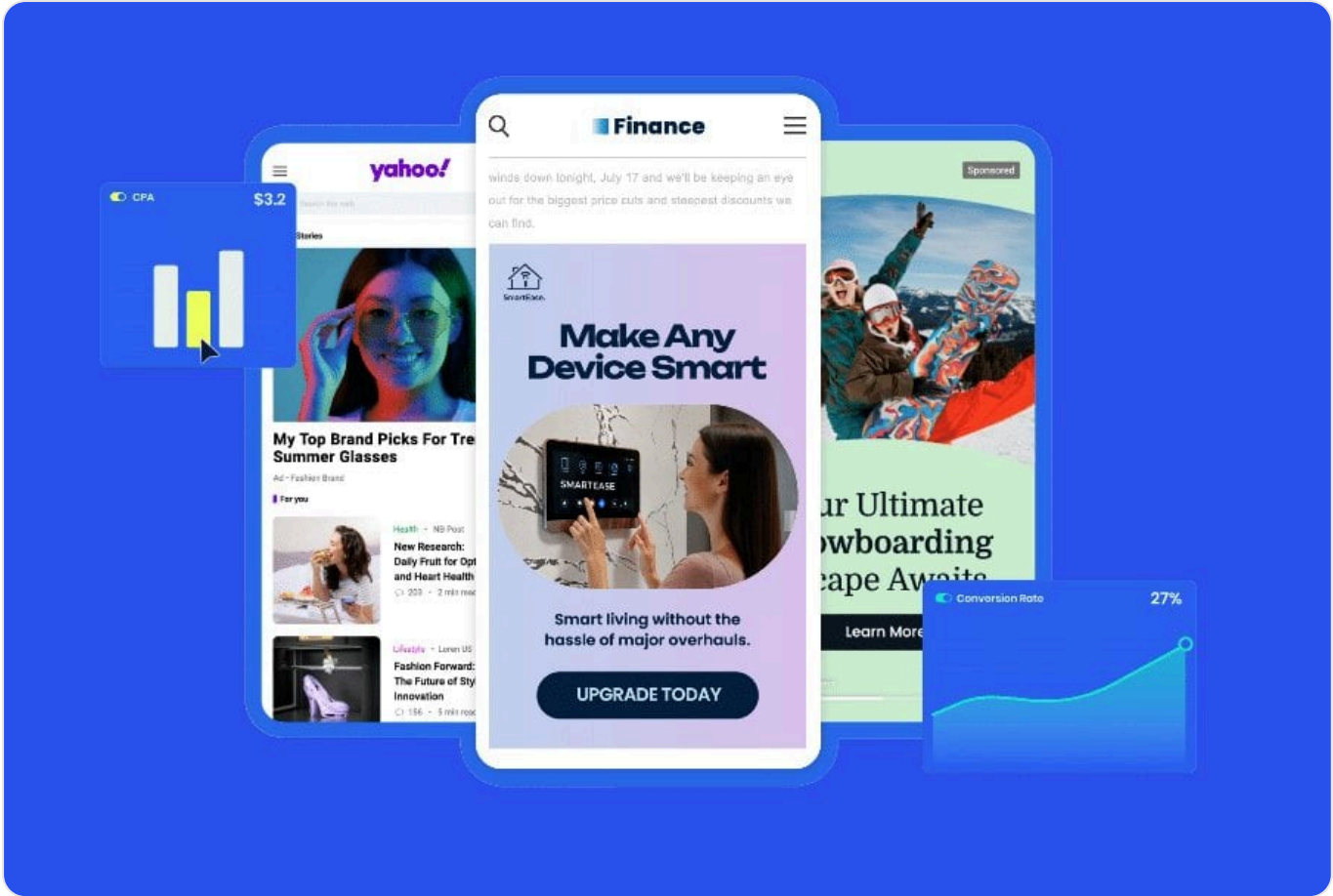
Talk to HiSpark

View all platforms

One-line conclusion: Taboola is not an ad company, it is a traffic wholesaler. It buys cheap traffic from publishers, processes it into high-intent traffic, and retails that intent to advertisers. The spread in the middle is the business.

That single judgment explains three things: why revenue looks huge but margins are not, why it must keep signing bigger publishers, and why it and its main rival eventually became one company.

This piece breaks Taboola down across nine dimensions: company basics, business model, revenue and cost structure, product matrix, M&A and competition, how the industry is shifting, the risk surface, what it means for anyone in the traffic business, and a short summary.



Taboola official homepage key visual · source taboola.com

Taboola A content recommendation and native advertising platform. Founded in Israel around 2007, listed on Nasdaq in 2021, and merged with its main competitor in 2024-2025. 2007 2021 Net revenue founded listed the real size			
🕒 Company basics	💰 Business model	💎 Revenue and cost	
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1. Company basics: from a recommendation widget to a Nasdaq listing

Stage	Timing	What happened
Start	Around 2007	Founded in Israel, going after the slot nobody wanted: the recommendation strip at the bottom of an article
Scale-up	2012 to 2019	Signed up mainstream media at volume; the recommendation strip became standard publisher furniture
Listing	2021	Went public on Nasdaq through a merger
Consolidation	2024 to 2025	Merged with its main competitor, turning a duopoly into a single dominant player

Four milestones in Taboola's path

1 Around 2007

2 2012 to 2019

3 2021

4 2024 to 2025

It started as position arbitrage: turning the page bottom nobody wanted into standardised inventory
(compiled by HiSpark)

The takeaway: Taboola started as position arbitrage. Advertisers looked down on that strip at the bottom of a mainstream media page. But the traffic was real and the cost was tiny. Whoever industrialised that slot first owned it.



Taboola official Our Story, chapter one artwork · source taboola.com

2. Business model: buy traffic wholesale, sell intent retail

Step	Who is involved	How the money moves
Supply	Publishers (media sites)	The platform shares most ad revenue back to the publisher
Processing	The platform itself	Recommendation algorithms turn idle browsing into plausible interest
Demand	Advertisers, mostly performance	Pay per click or per conversion

Where the money goes: most of it back to publishers

What advertisers pay in total *gross revenue*

Shared back to publishers *more than half*

Net revenue the platform keeps *the real size*

Margin is set by the cost of buying traffic, not by technology (order of magnitude, compiled by HiSpark)

Core judgment: the margin in this business is set by the cost of buying

traffic, not by the technology.

Most of what advertisers pay goes back to publishers. Two things follow.

First, scale is not optional. Without enough publishers you cannot buy traffic cheaply enough; without enough traffic you cannot afford the algorithm and the sales team. This is a classic two-sided scale game.

Second, the moat is exclusive supply. Whoever signs exclusive or long-term deals with top-tier media holds the scarce resource. That is harder to catch up with than an algorithm lead.



Taboola official Our Story, the section for publishers · source taboola.com

3. Revenue and cost structure: a business model that is easy to misread

Metric	Character	What it means
Gross revenue	Large	The total advertisers spend
Traffic acquisition cost	A high share, usually more than half	The part shared back to publishers

Net revenue	Gross revenue minus traffic cost	The only number comparable to your own costs
R&D and sales	A meaningful share of net revenue	The spend on algorithms and client relationships

Read net revenue first

Gross revenue basis *inflated*

Net revenue basis *comparable*

R&D and sales vs net revenue *cost base*

Counting the publisher share as revenue makes the company look far bigger than it is (compiled by HiSpark)

When you read Taboola's filings, the first number to look at is net revenue, not gross revenue. Counting the publisher's share as revenue makes the company look far bigger than it is. This accounting habit runs through the whole native advertising industry.

The image displays a variety of native advertising formats on a dark green background:

- Display Ad:** A rectangular ad featuring a couple on a motorcycle with the headline "Your Gateway to Unforgettable Journeys" and a "Learn More" button.
- Vertical Ad:** A tall, narrow ad showing two snowboarders with the headline "Your Ultimate Snowboarding Escape Awaits" and a "Learn More" button.
- Native Ad:** An ad integrated into a news article layout, featuring a snowboarder and the headline "Your Ultimate Snowboarding Escape Awaits". It includes a "Datterra | Sponsored" label and an "Apply Now" button.
- Carousel:** A horizontal sequence of three small image-based ads at the bottom, each with a headline and a "Learn More" button.

All ads prominently feature the Datterra logo in the top left corner.

4. Product matrix: from recommendation slots to a full performance stack

Product line	For	What it does
Content recommendations	Publishers	Turns page bottoms into monetisable inventory
Performance platform	Advertisers	Buys on clicks and conversions
Commerce placements	E-commerce advertisers	Puts products directly into the recommendation strip
Data and measurement	Advertisers	Attribution and optimisation tools

The direction of travel is clear, and in the last two years it has accelerated into three specific products.

Realize is the performance platform the company now leads with, positioned explicitly for advertisers who want to scale **beyond search and social**. On top of it sits **Realize+**, described as an agentic system that turns advertiser goals into outcomes: it reads signals, makes decisions and adapts in real time rather than waiting for a human to tune a campaign.

DeeperDive points the other way, at publishers. It turns a site's own archive into a conversational AI layer that answers reader questions using only that publisher's verified journalism, and the company says it drives a 15% click-through rate from every AI answer back to the publisher's content. The pitch is blunt: the internet was built to be explored, not summarised.

Put together, the product line has moved from selling a slot, to selling an outcome, to selling a closed loop. When a platform controls both the traffic entry point and the conversion data, its pricing power rises sharply.



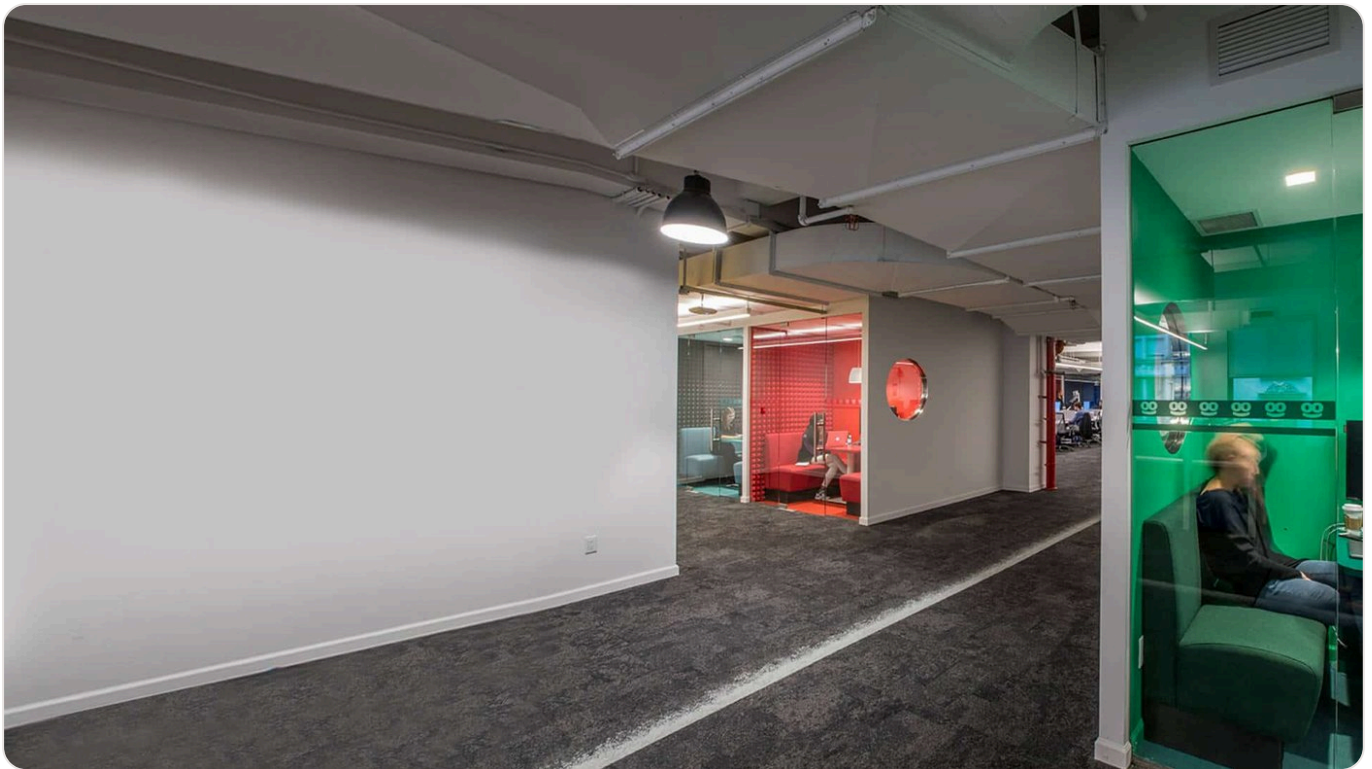
Taboola official Our Story, the section for advertisers · source [taboola.com](https://www.taboola.com)

5. M&A and competition: an industry down to two players, then to one

In 2019 and 2020 the two biggest players tried to merge and failed. In 2024 and 2025 the same merger was pushed through, and this time it closed.

The repetition says one thing: **native advertising has very strong scale effects and very weak differentiation.** When two companies look almost identical to both advertisers and publishers, merging is the only efficient answer, because it removes duplicated sales costs and duplicated bidding for the same inventory.

What this means for outbound teams: if the players in a category have no product difference and only a scale difference, the end state is acquisition. Judging that early keeps you from over-investing in the wrong lane.



Taboola official Our Story, the Taboola Today section · source taboola.com

6. The shifting board: three sides compressing the business

Pressure	Mechanism	Effect on the platform
Platforms (browsers and operating systems)	Tighter privacy rules, the end of third-party cookies	Weaker targeting, lower conversion efficiency
Publishers building their own	Media houses run their own recommendations and inventory	Less high-quality inventory available to buy
Short video and social	Taking user time	Total traffic to article pages declines

Three pressures squeezing the category at once

Tighter privacy rules in browsers and OS *harder targeting*

Publishers building their own *less inventory*

Short video and social taking time *traffic decline*

All three pressures act at once, so the ceiling is squeezed from three directions.

That is why the leading platforms have re-centred on commerce and AI optimisation over the past few years. It is not a search for growth, it is a search for a way out. Realize is the attempt to take performance budgets away from search and social; DeeperDive is the attempt to make publishers stickier so they keep supplying the platform.



Taboola official Our Story, the section for readers · source taboola.com

7. Risk: three fragile points

One, supply concentration. Top publishers account for a meaningful share of revenue, so losing any single large client shows up directly in the numbers.

Two, traffic-quality disputes. Recommendation strips have long been accused of hosting low-quality content and clickbait. That is both a regulatory risk and the reason brand advertisers hesitate to move budget in at scale.

Three, the intermediary being disintermediated. Once publishers learn to run recommendations themselves and advertisers learn to buy traffic directly, the value of the middle layer gets squeezed.

8. What it means for us: three things to watch in a traffic business

Question	How to ask it	Taboola's answer
Nature of the business	Are we earning a spread or a technology premium?	A spread. Scale decides whether you live
Key resource	Who holds the scarce supply?	Exclusive deals with top publishers
Cost structure	Who gets the biggest slice?	Publishers. Net revenue is the real size
Ceiling	Who is pressing down?	Platform policy, publisher self-build, short video
Way out	Where does it go next?	Commerce loops and AI optimisation

The most important row: every buy-wholesale-sell-retail business eventually has to answer why it can get supply that nobody else can.

9. Summary

1. **Identity:** Taboola is a traffic wholesaler earning a spread on processing and matching traffic.
2. **Structure:** gross revenue flatters it; net revenue is the real size.
3. **Landscape:** differentiation is thin, so the industry drifts towards consolidation.
4. **Risk:** supply concentration, traffic-quality disputes and disintermediation are the three long-term fragile points.

What is inside:

- A three-column template for gross revenue, net revenue and traffic cost
- A checklist for judging the moat of a traffic business
- A self-check list for the monetization architecture of an overseas product

Sources: compiled and analysed from public information, with reference to Taboola's official site. Timelines and revenue mix ratios are orders of magnitude rather than precise figures; please refer to the company's latest filings and official announcements. Judgments in chapters 2 through 8 are the author's opinions based on public materials, not statements of fact. Data and views are for reference only.

官方参考

本文关于平台产品与业务边界的事实以 [Taboola 官方网站](#) 的公开信息为参考，检索与整理日期为 2026-10-24。文章为独立行业分析，不构成平台承诺或投资建议。



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