



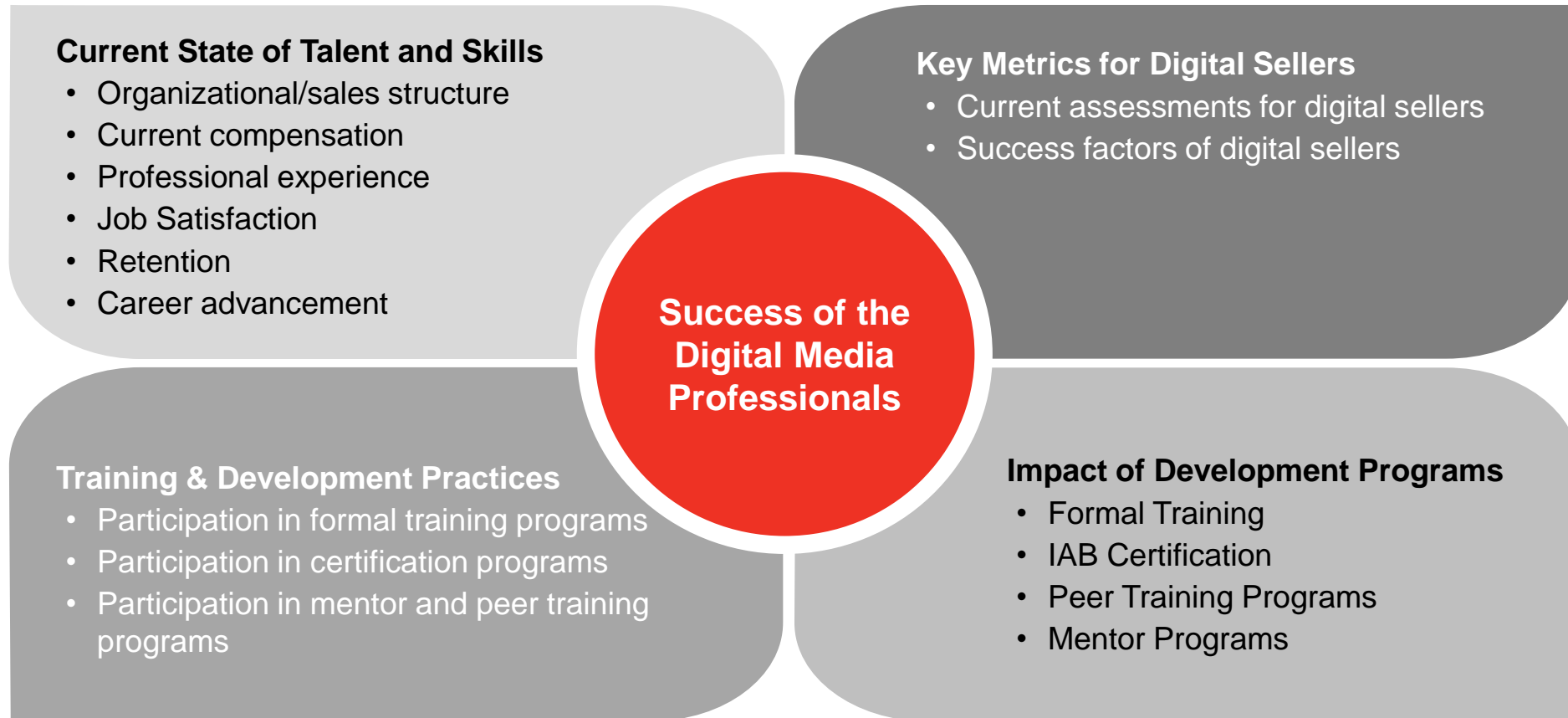
IAB Sellers' Intelligence Study

February 2018

OBJECTIVES

- Provide insights into current state of talent and skill sets
- Understand key success metrics for digital media sellers
- Benchmark current training and development practices
- Understand the impact of professional training and development

Key Areas of Exploration



Methodology

This study synthesizes both qualitative and quantitative insights collected from digital media sales leaders and digital media sales professionals to benchmark the current state of training and development in the digital advertising and marketing industry and to assess the impact of such practice. The study is composed of three components:

Qualitative Digital Media Sales Leader Interview

In-depth one-on-one interviews with 10 senior digital advertising sales and training executives.

Quantitative Digital Media Sales Leader Survey

An online quantitative survey with 61 senior digital advertising sales and training executives.

Quantitative Digital Media Seller Survey

An online quantitative survey of 433 professional who sell digital advertising and/or digital advertising solutions in the US. They are a mix of IAB members and non-members.

Executives = red / *Digital sellers = black*

Key Takeaways: Impact of Training and Development

EMPLOYEE RETENTION

Formal training is a significant driver of employee retention. 66% of digital sellers who attended formal training last year intend to work at the current company for at least 2 years. Only 44% of employees who did not attend formal training intend to stay with their current company.

EMPLOYEE SATISFACTION

Training and professional development programs directly impact satisfaction. Up to 93% of digital sellers that have participated in professional development programs such as peer training and mentor programs reported being very satisfied with their job.

EMPLOYEE FINANCIALS

Formal training and IAB Certification positively impact a seller's income. Digital sellers who had formal training last year report a greater year-over-year income increase of 7.6% than those who did not have formal training (2.8%). When surveyed in 2017, IAB certified sellers on average reported making \$54K more annually than their peers who were not.

COMPANY REVENUE

Senior digital media executives credit professional education and development with increases in their company's revenue by an average of 30%. A majority (86%) says that formal training programs have been responsible for improving digital sellers' job performance.



CURRENT STATE: TALENT AND SKILLS

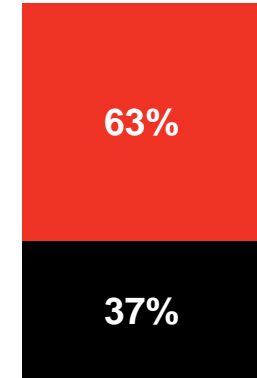
What's the current state of talent and skill sets of digital advertising sales professionals?

Most digital sellers surveyed report working in an integrated media organization with a traditional hierarchical structure

- 63% of respondents reported that they were integrated media sellers, providing a combination solution of both digital and traditional media.
- 59% of respondents indicate that they currently work for an organization with a traditional hierarchical organizational structure, 29% in a semi-flat organization and 9% in a flat organization.

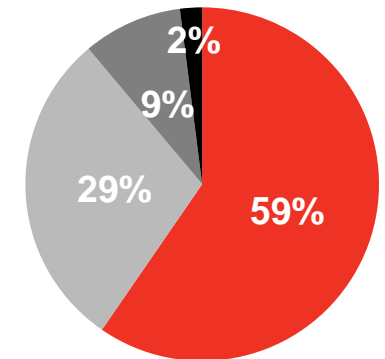
Sales Assignment Structure
(Total Digital Sellers)

- Digital Only
- Integrated (Digital + Traditional)



Organizational Structure
(Total Digital Sellers)

- Traditional
- Semi-flat
- Flat
- Other



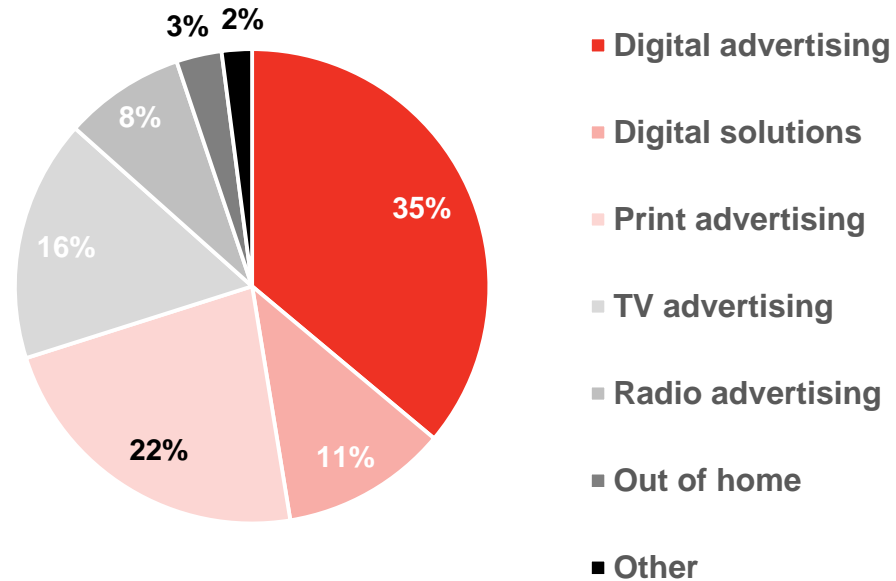
Q: Which of the following best describes your company's organizational structure? (Base: Digital media sellers n=433)

Q: Which of the following types of advertising do you regularly sell (or assist with selling)? (Digital/traditional percentages calculated based on question) (Base: Digital media sellers n=433)

Among the integrated media sellers, digital accounts for 46% of their total sales revenues

- 49% of total sales revenues are from traditional advertising among the integrated media sellers that sell both traditional and digital advertising.
- Print and TV take the most share of traditional advertising revenue.

Share of Revenue by Advertising Type
(Integrated sellers)

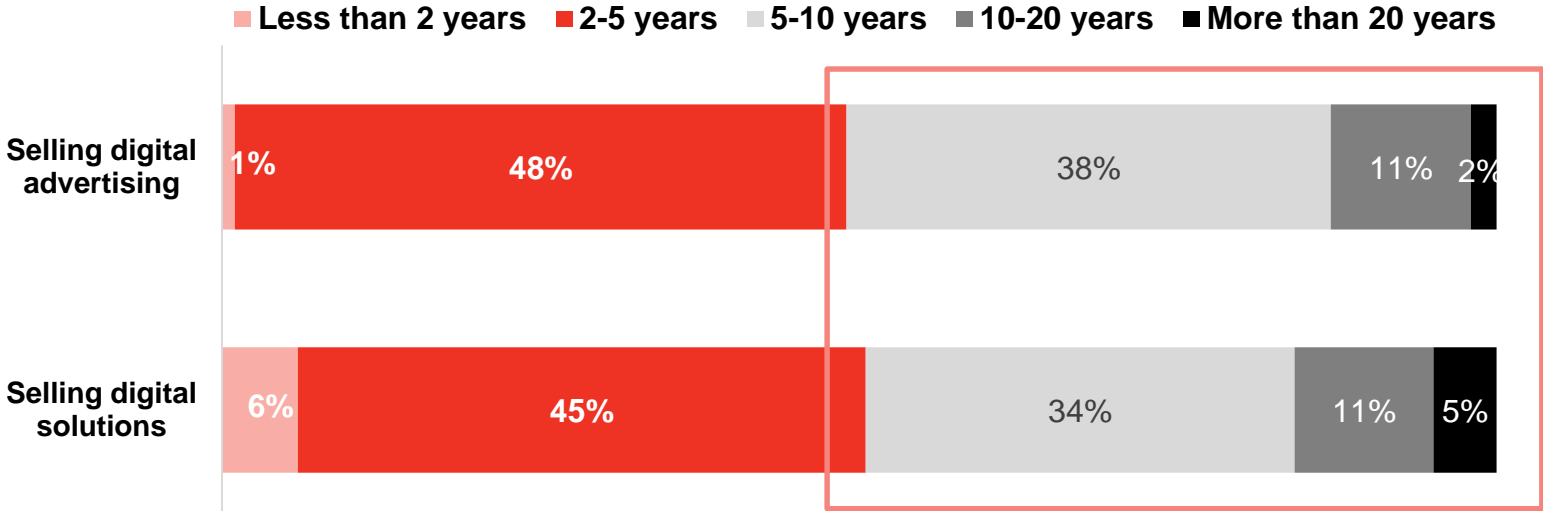


Q. You indicated that you are currently selling both digital and traditional advertising. Thinking about your total revenue from ad sales in 2016, what percentage of revenue came from each of the following types of advertising? (Base: Integrated media sellers who sell both digital and traditional advertising, n=271)

Time Selling Digital: about half of respondents have been selling digital for at least 5 years

- About half of digital media sellers surveyed have more than 5 years of experience selling digital advertising or digital solutions.
- More integrated media sellers report having 5+ years of digital sales experience than digital only sellers.

Year of Sales Experience by Advertising Type
(Total Digital Sellers)

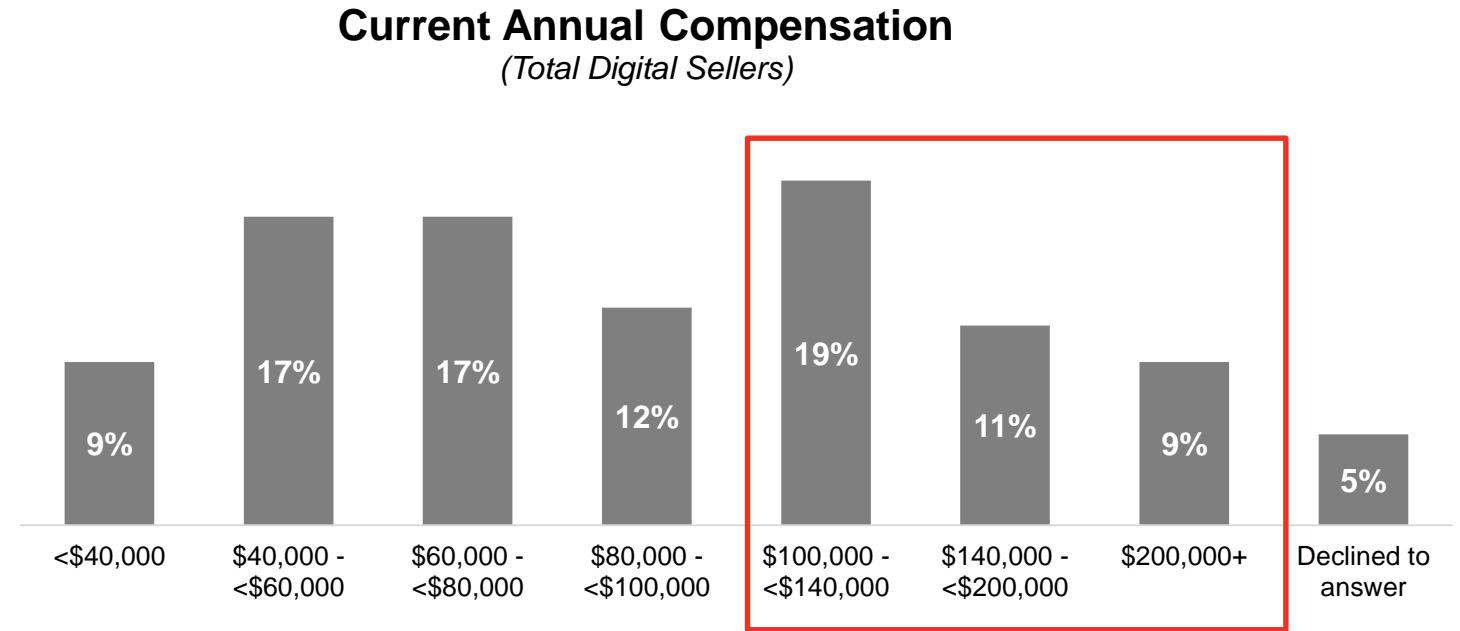


Selling the following for 5+ Years	Digital Only Seller	Integrated Seller
Digital Advertising	40%	56%
Digital Solutions	38%	56%

Q. How many years have you spent selling the following type(s) of advertising? (Base: Digital media sellers that sell this type of advertising)

Compensation: 39% of digital sellers surveyed report making \$100K or more; Northeast and Western regions have more high earners

- 51% of digital media sellers surveyed report an annual compensation of \$80,000 or more (reported nationally).
- Not surprisingly, there are differences in annual compensation across regions. The Northeast region has the highest concentration of sellers making \$100K or more, followed by West.



Annual Compensation \$100K+

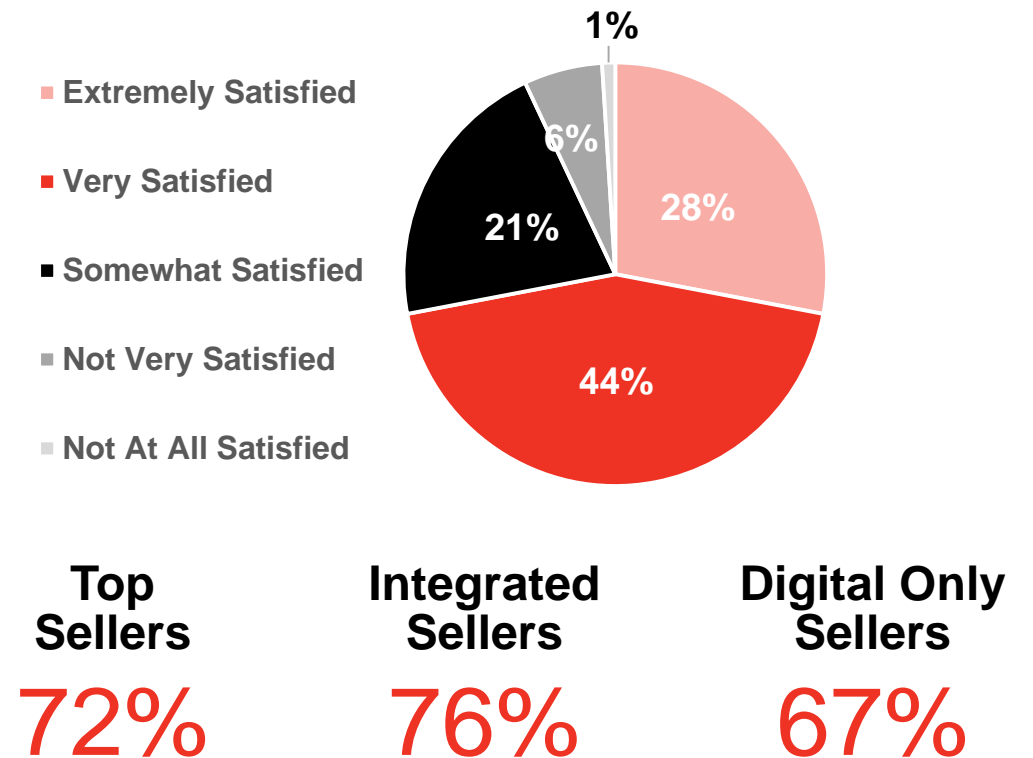
Northeast 63%	West 62%
Midwest 46%	South 40%

Q: What is your annual income (before taxes)? (Base: Digital media sellers n=433)

Job Satisfaction: Digital sellers surveyed report a high overall job satisfaction

- 72% of respondents are extremely or very satisfied with their job overall. Integrated sellers report a higher level of job satisfaction than digital only sellers.
- The following aspects of a digital media sales profession are most correlated with overall job satisfaction:
 - ✓ Career advancement
 - ✓ Organizational culture
 - ✓ Training and professional development
 - ✓ Compensation

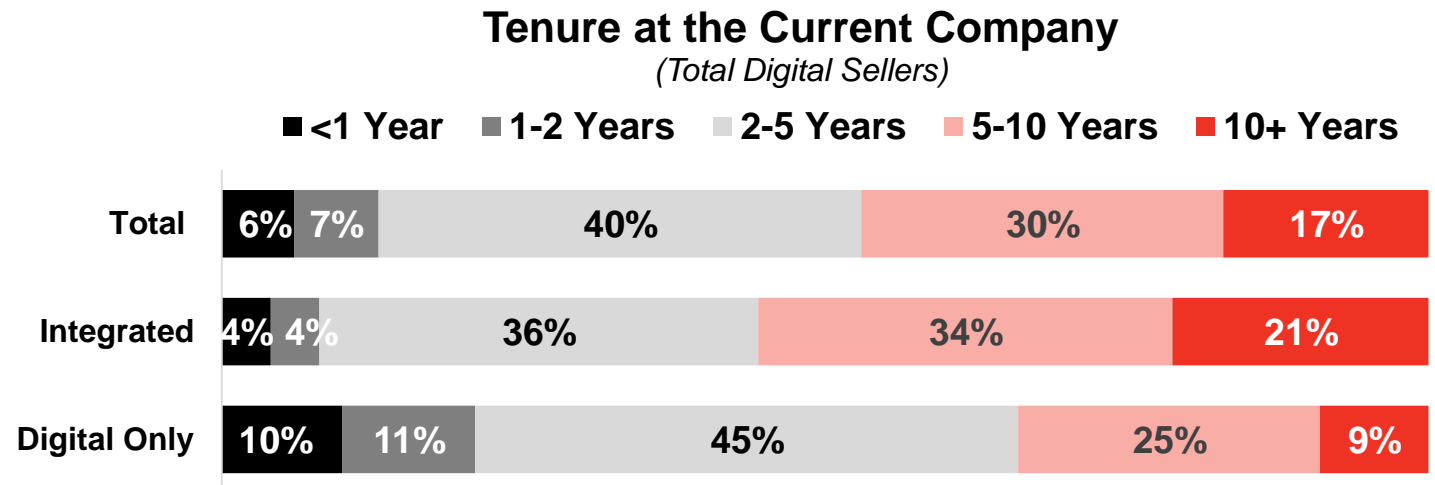
Overall Job Satisfaction
(Total Digital Sellers)



Q: How satisfied are you with each of the following aspects of your current job? (Base: Digital media sellers n=433)

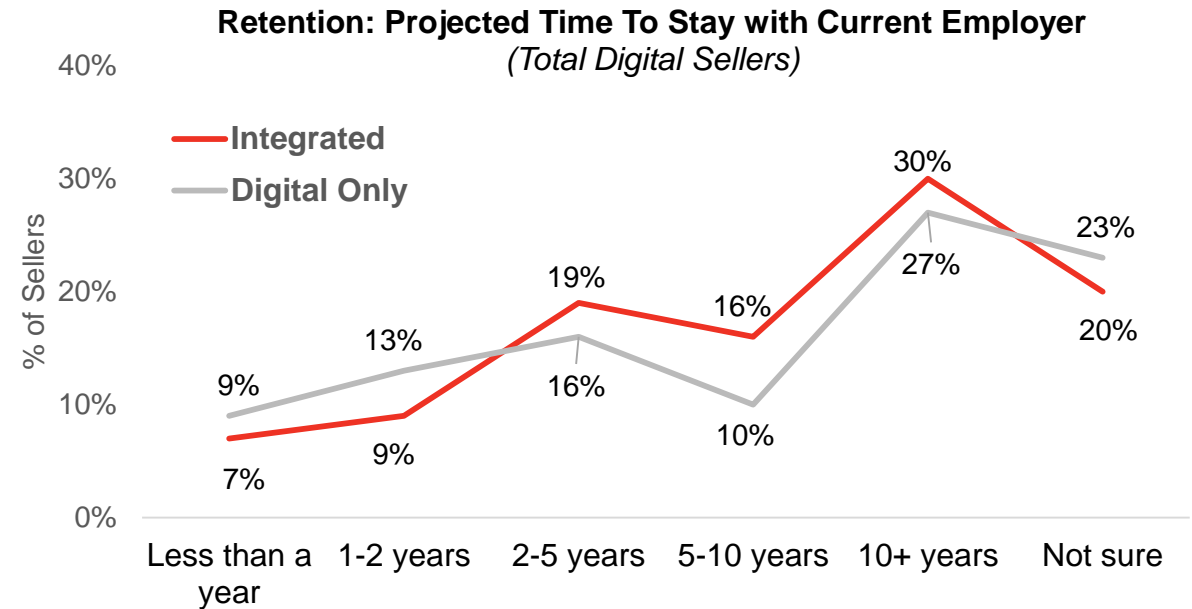
Retention: Nearly half of digital sellers surveyed have worked at their current company for at least 5 years

- 47% of digital sellers surveyed have been with the current company for at least 5 years; 40% have been with the company for 2-5 years.
- Integrated sellers tend to report a longer tenure: 55% of integrated sellers have been with the current company for at least 5 years, compared to 34% of digital only sellers.



Retention: Nearly half of digital sellers surveyed intend to work for the current company for at least five years

- 30% of integrated sellers and 27% of digital only sellers are planning to stay with the current employer for at least 10 years.
- 46% of integrated sellers intend to stay for at least 5 years. Fewer digital only sellers (37%) will do so.
- Digital sellers from different regions indicate varied intents where Midwest has the most sellers who will stay for at least 10 years.
- 43% of sellers in a senior role are likely to stay for 10 years or longer compared to those in less senior roles (22%).



Q. How much longer do you plan to stay with your current company? (Base: Digital media sellers n=433)

Career Advancement: Digital media sellers generally aspire to advance their careers, gain skills and be financially successful

Digital media sellers are ambitious and driven. **71%** of respondents express their long-term career goals in one the following four aspects.

CAREER ADVANCEMENT

- *Become CEO or CFO of the company*
- *To advance to a higher management level*

FINANCIAL SUCCESS

- *Continue working in this field, higher positions, higher salary*
- *Make more money*

SKILL DEVELOPMENT

- *At the moment, just move up and be the best that I can be*
- *Continue to grow with the evolving media landscape*

OWN/RUN A COMPANY

- *One day have my own advertisement company*
- *To grow with my company and become part or solo owner*

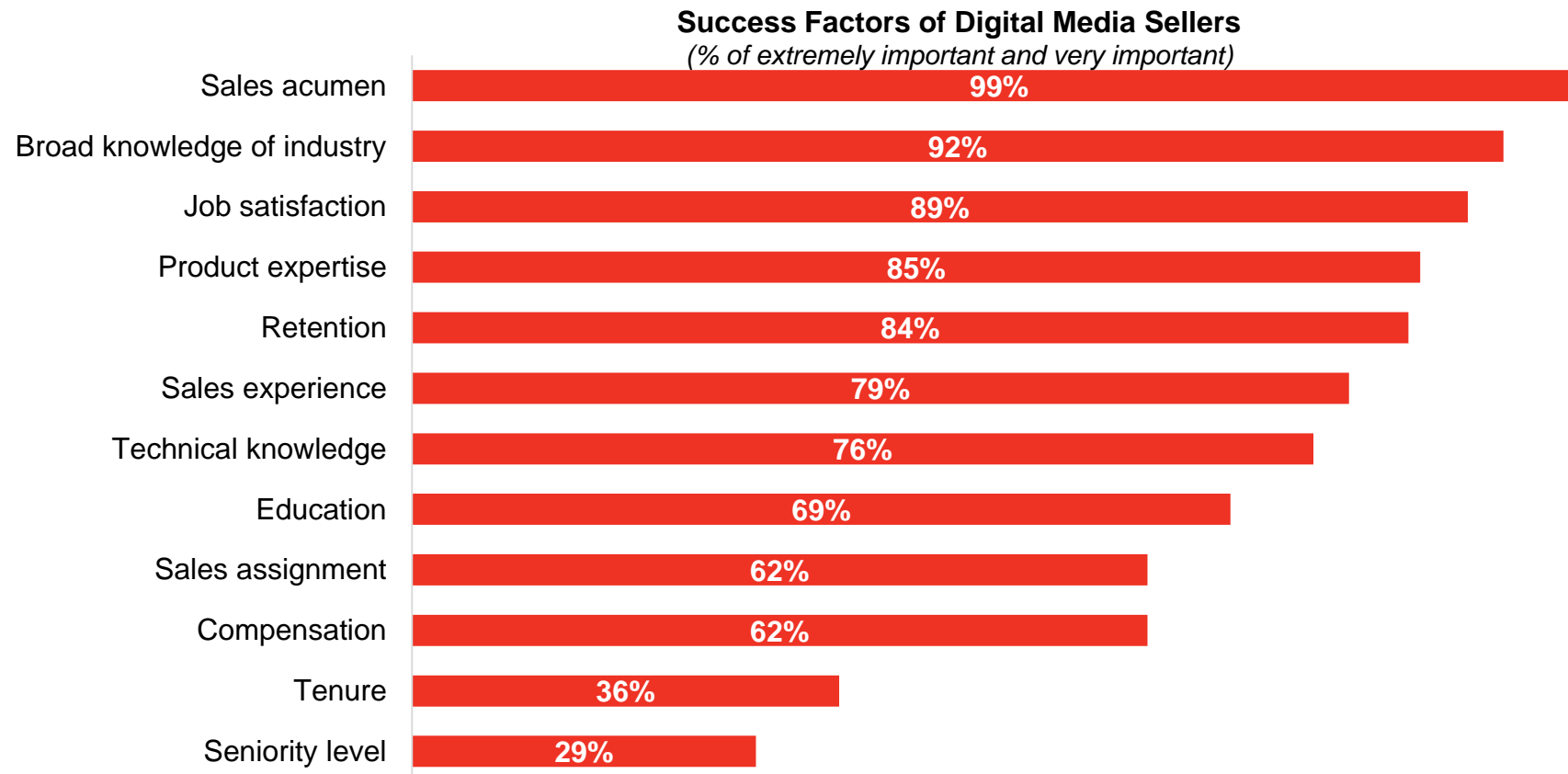
SUCCESS METRICS

**What does success mean
and how is it measured?**



Sales leaders prioritize sales acumen as top success factor of digital media sellers

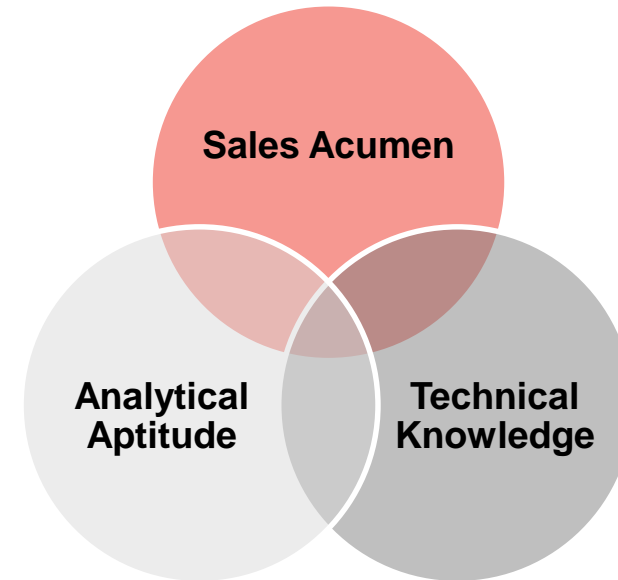
Industry knowledge, product expertise, attitudes such as job satisfaction and retention also matter.



Q: How important is each of the following attributes in impacting the success of digital media sellers? (Base: Sales leaders, n=61)

Executive Feedback: Digital sellers must possess technical, analytical and sales acumen

- Executives shared that building a successful digital ad sales team is much like building any successful sales team, however the individual team members need to possess a delicate balance of technical know-how, analytical aptitude and traditional relationship-building finesse.
- Executives from integrated organizations are specifically looking to break the sales silos and achieve true integration and therefore inevitably and increasingly expect integrated sellers to have holistic and broad knowledge of all types of media, not just the ones they are selling.

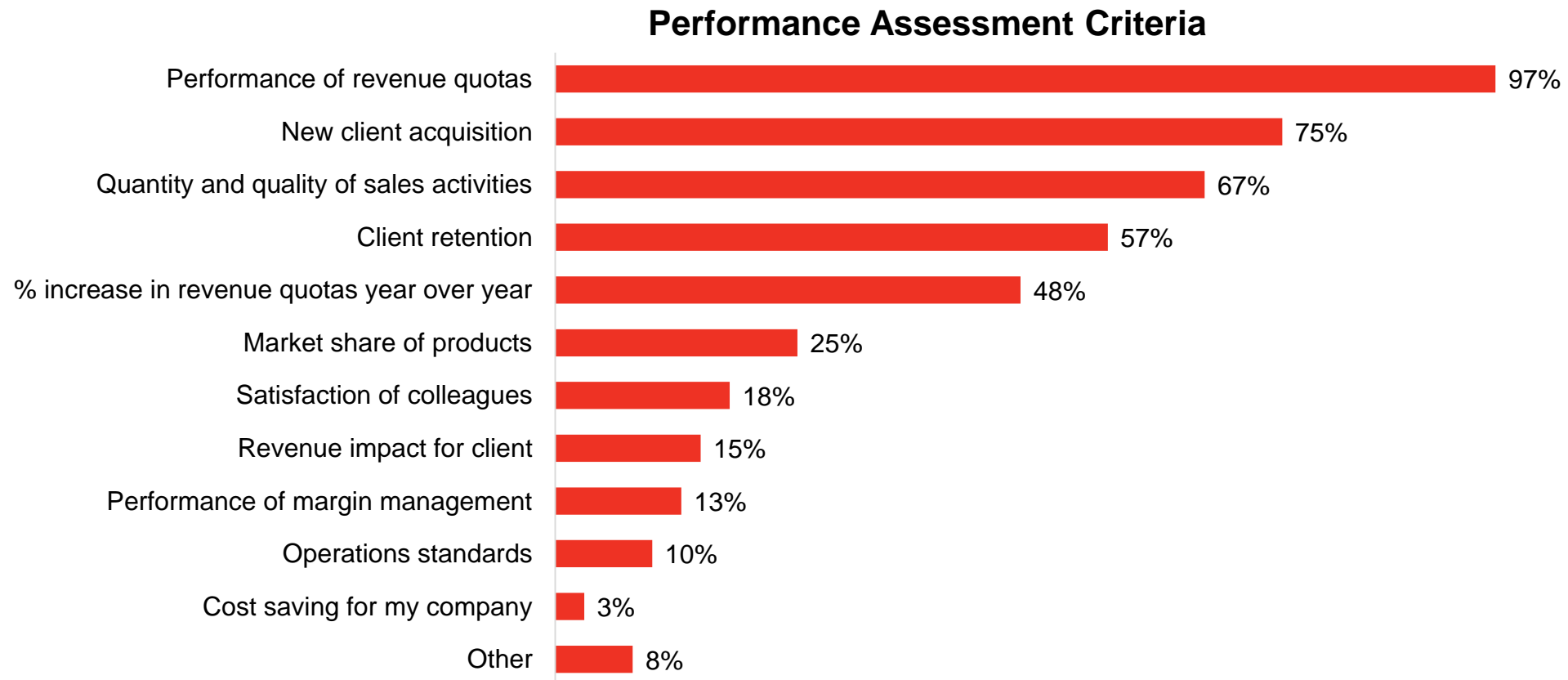


“

I always encourage (our sales team) to be a student not just of our space but a student of all media. So we beat that drum all the time. It's about paying attention to the signs of the times so we can be positioned as smart, trustworthy, thoughtful people when we get asked about whatever is going on in the ecosystem. ”

Executives consistently cite revenue quota as the leading performance assessment metric

Client acquisition, quantity and quality of sale activities are also top performance assessment criteria.



Q: How do you evaluate the performance of individual digital media sellers? Please select all that apply. (Base: Sales leaders, n=61)

Executive Feedback: Evaluation of sales "numbers" encompasses more than just revenue generation

Although revenue generation for the organization is a direct and dominant success metric; evaluation of sales "numbers" encompasses more than just revenue generation:

- The amount of new business generated, churn among existing accounts and compliance with corporate initiatives related to certain products are also evaluated.
- Sales leaders are using industry data to calculate the "share of wallet" their sales staff is obtaining from their advertisers.
- Executives are evaluating individual sales relationships and factoring in operations standards (i.e. how quickly ads are up and running, etc.) as they affect the bottom line.
- Digital sales leaders rely on CRM systems such as Salesforce to evaluate quality of activity digital sales activity.

“ We’re getting more aggressive at looking at activity on a day-to-day basis. ”

“ We look at the quality and quantity of their sales relationships as well as their sales goals. Those are the greatest indicators for success. ”



TRAINING & DEVELOPMENT PROGRAMS

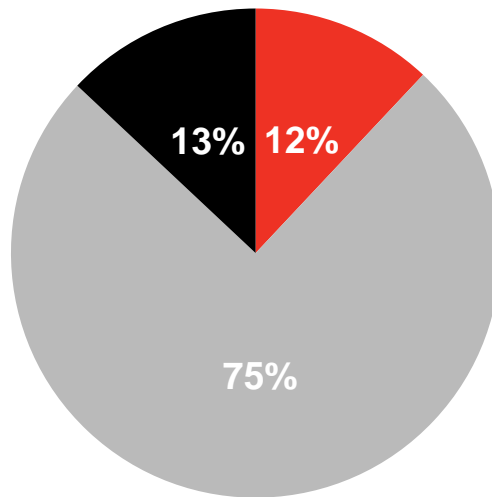
What are the current training and development practices and how are sellers' experiences?

Formal training is a common practice reported by digital sellers surveyed; in-house training is most popular

75% of respondents participated in formal training programs provided by their company in the past year.

Attended Formal Training in Past Year

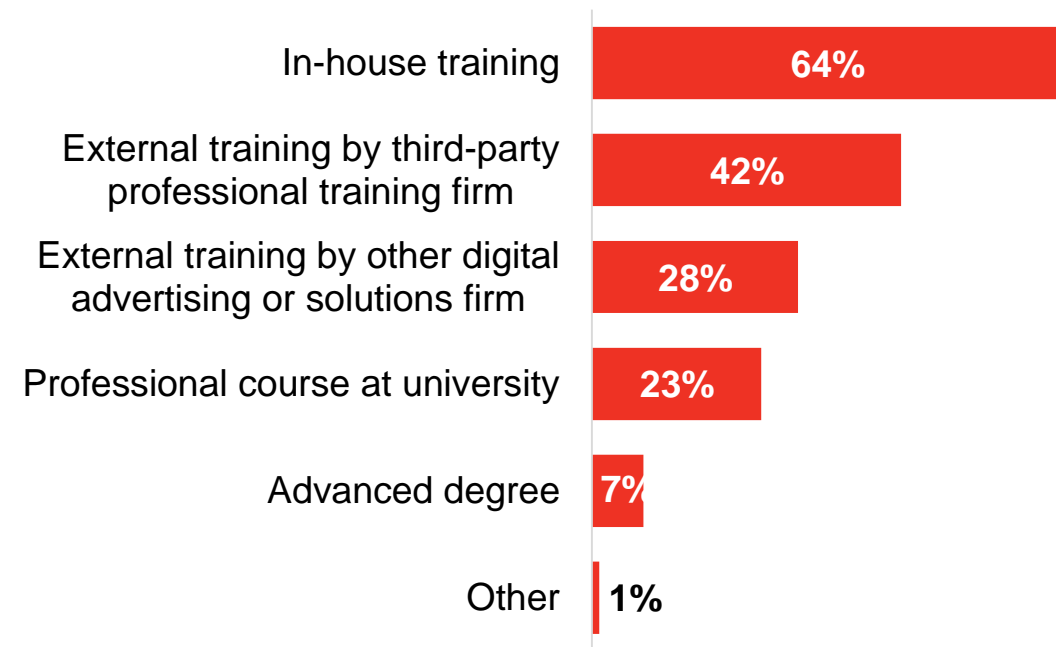
(Total Digital Sellers)



■ None ■ 1 or more ■ Company does not offer training

Types of Training Attended in Past Year

(Digital Sellers who Attended Training)



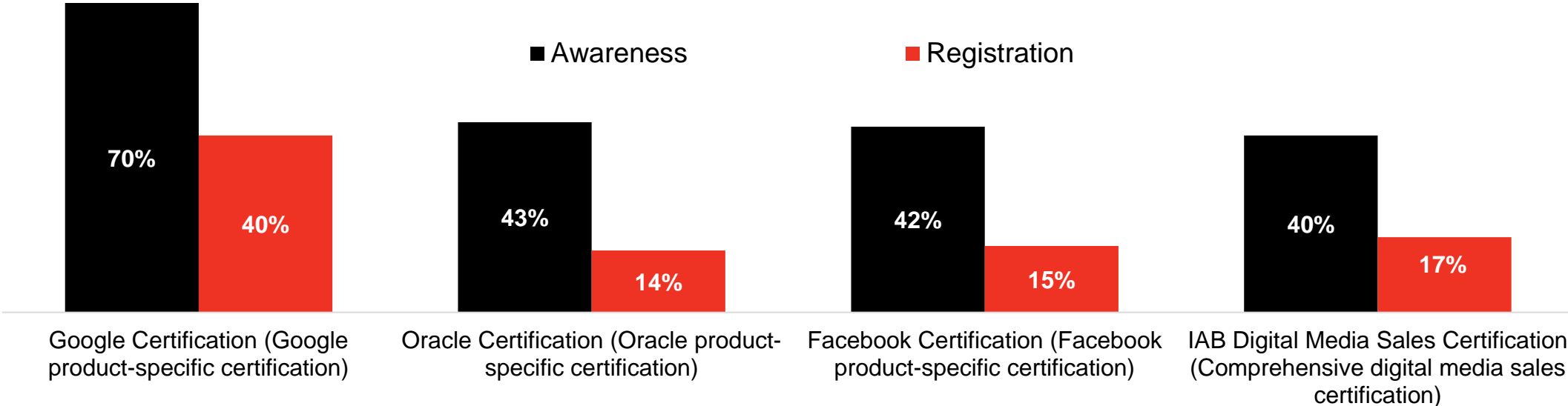
64% were trained in-house.

42% were trained by an external training vendor.

The most recognized certification programs among digital sellers surveyed include Google, Oracle, Facebook and IAB

Google Certification has the highest awareness and participation rates; IAB Certification has room to grow in recognition.

Awareness of and Participation in Digital Media Sales Certification
(Total Digital Sellers)



Q: Which of the following certification programs for digital media sales have you heard of? (Base: Digital media sellers n=433)

Q: Which digital media sales certification programs have you registered for and/or participated in? (Base: Digital media sellers n=433)

Executive Feedback: Executives classify current training practices into three main categories

Digital sales and training executives generally classified the training their sales teams need into three buckets: product, industry and general career building.

- Industry-specific training could and should be happening from both internal and external resources.
- General career building training is best done by external experts.
- Product training must be conducted internally.



INTERNAL

"We need to be better at the onboard so we can accelerate or collapse the time period at which (sales reps) start to become contributors to top line growth."



INTERNAL & EXTERNAL

"I think it's easier for them to learn the technical side from us and it's easier for them to get perspective on the traditional sales side from an external trainer."



EXTERNAL

"You have to be proficient in the industry language and the dynamics and how they change every day. I think a continuous commitment to training is critical if you want to be successful in this business."

Executives mention additional training and development investments such as centers of excellence and software

- “Centers of Excellence” are used by leaders to provide thought leadership within digital media organizations and to clients. They are also used to offer training to digital ad sales personnel.
- Computer systems such as LearnCore are used to develop and administer internal training to solve for challenges with scheduling and scalability.
- Purely digital organizations are more likely to have dedicated training departments at their organizations.
- Organizations that started in traditional media and expanded into digital generally are perceived to lack dedicated training departments and struggle to find the resources for training.

“We clustered our hiring so that we’ve got key Centers of Excellence and so there is a support group of X account managers in each market or X amount of sales people in each market.”



IMPACT OF PROFESSIONAL TRAINING AND DEVELOPMENT

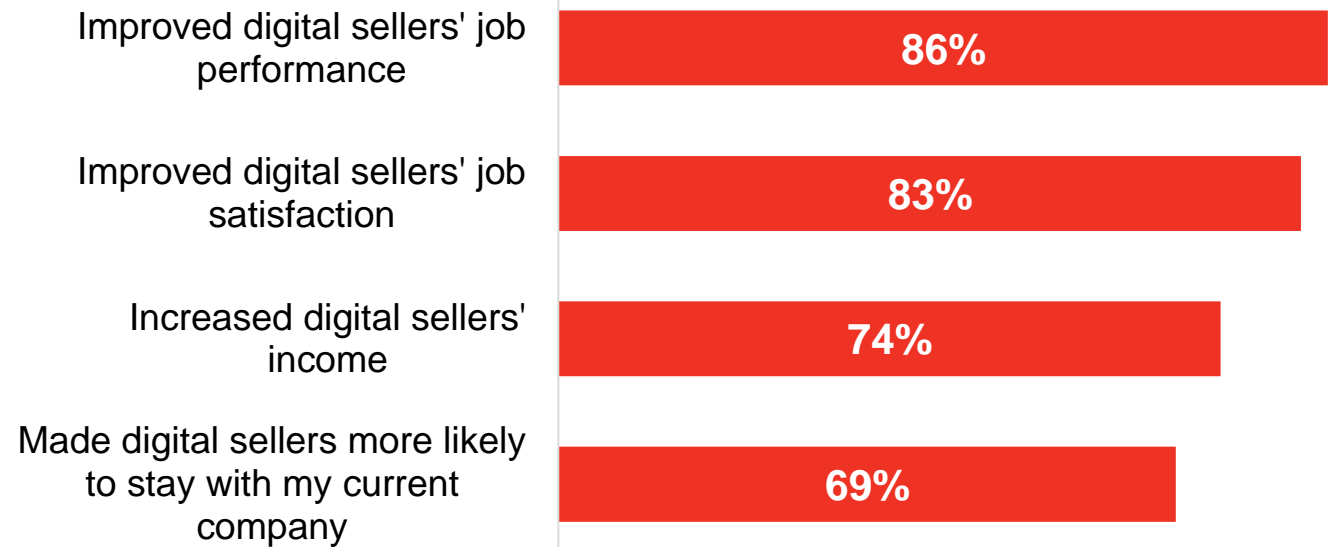
What is the impact of training and development programs on digital sellers' success?

Sales leaders recognize formal training's impact on digital sellers' job performance, satisfaction, income, and retention

- Sales leaders surveyed recognize the value and impact of formal training they have invested in, which ranges from improving job performance and job satisfaction to increasing retention and annual income.
- On average, sales leaders report that formal training and development has increased revenue by

30%.

Impact of Formal Training
(% of somewhat agree + completely agree)



Q: How much has formal training impacted the revenue growth of your team? (Base: Sales leaders, n=61)

Q: Overall, how much do you agree that the formal training in digital advertising sales you provide has...? (Base: Sales leaders, n=61)

Executive Feedback: Sales leaders universally recognize the importance of training and development

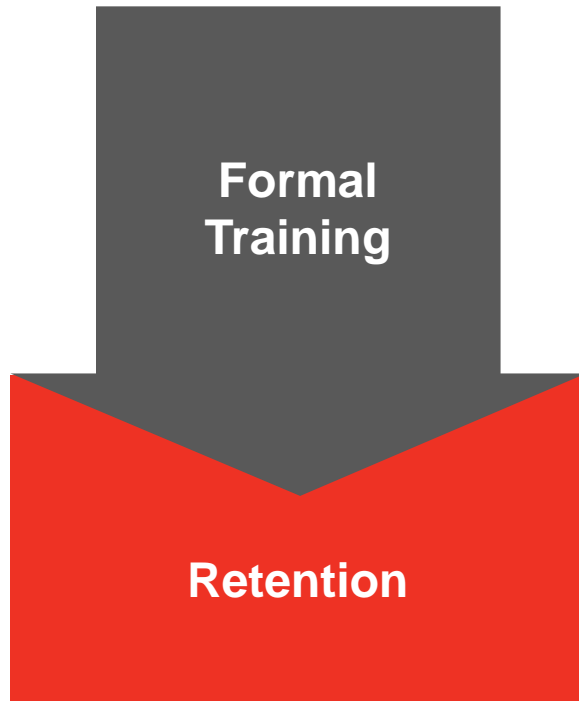
- Executives universally acknowledge the importance of training. **Product training** is generally first and foremost in their minds – employees can't sell if they don't know the ins and outs of each particular product, especially technical digital products.
- Executives believe that **training needs to be a continuous effort** to hone critical skills. Furthermore, this belief extended to the sales support/operations teams as well.
- Additionally, some executives have observed that training and development **boosts morale and increases retention**.
- Digital-only organizations appeared to have a greater company culture that emphasizes training, especially when compared to those with long roots in traditional media (in some cases training has been a budget cut in those organizations).

“ People recognize that the company is investing in them and that's a strong sign of confidence in you as an individual. ”

“ If you want to retain quality, hard-working, creative, business-type employees, formal training programs are a must. ”

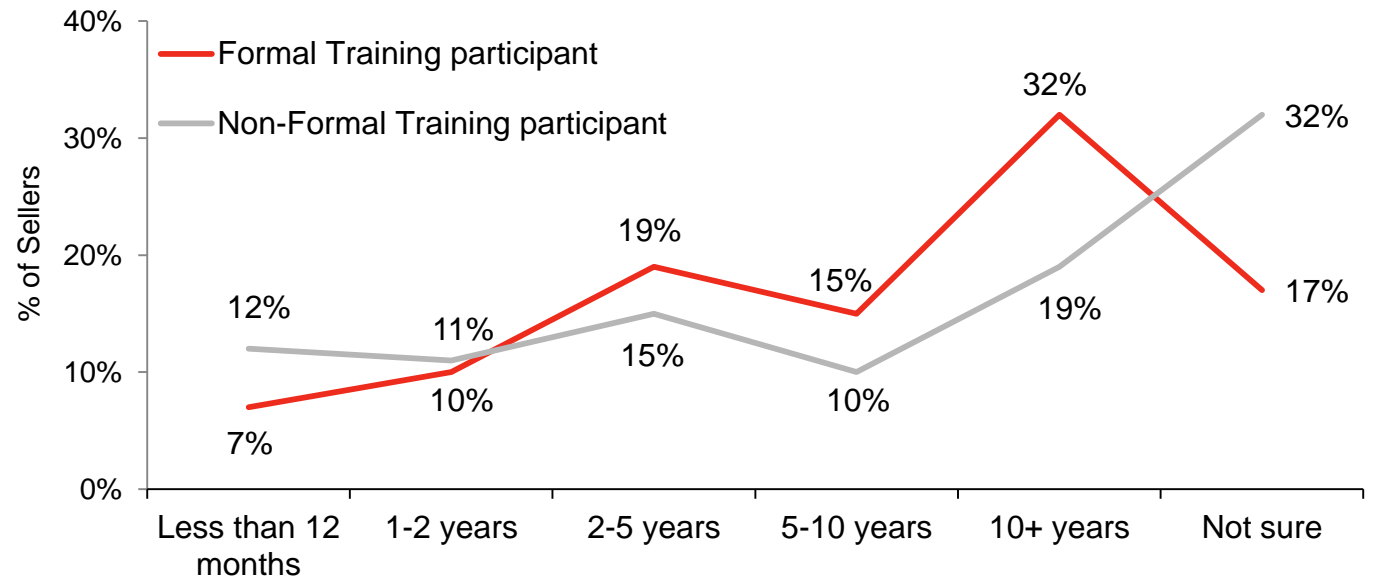
Formal training: Formal training is a significant driver of digital seller retention

Digital sellers who had formal training last year are likely to stay with the current employer longer than those who didn't.



66% of digital sellers who attended formal training last year intend to work at the current company for at least 2 years, compared to 44% of those who did not attend.

Estimated Time to Stay with Current Company
(Digital Sellers)

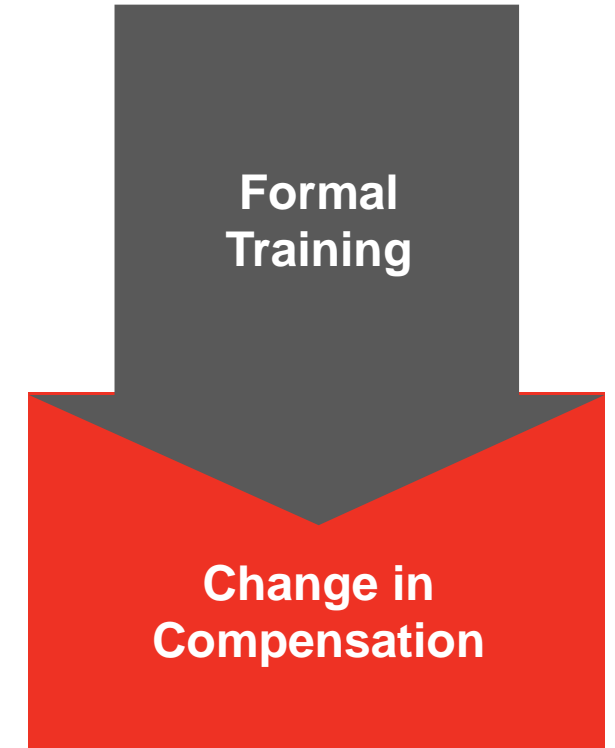
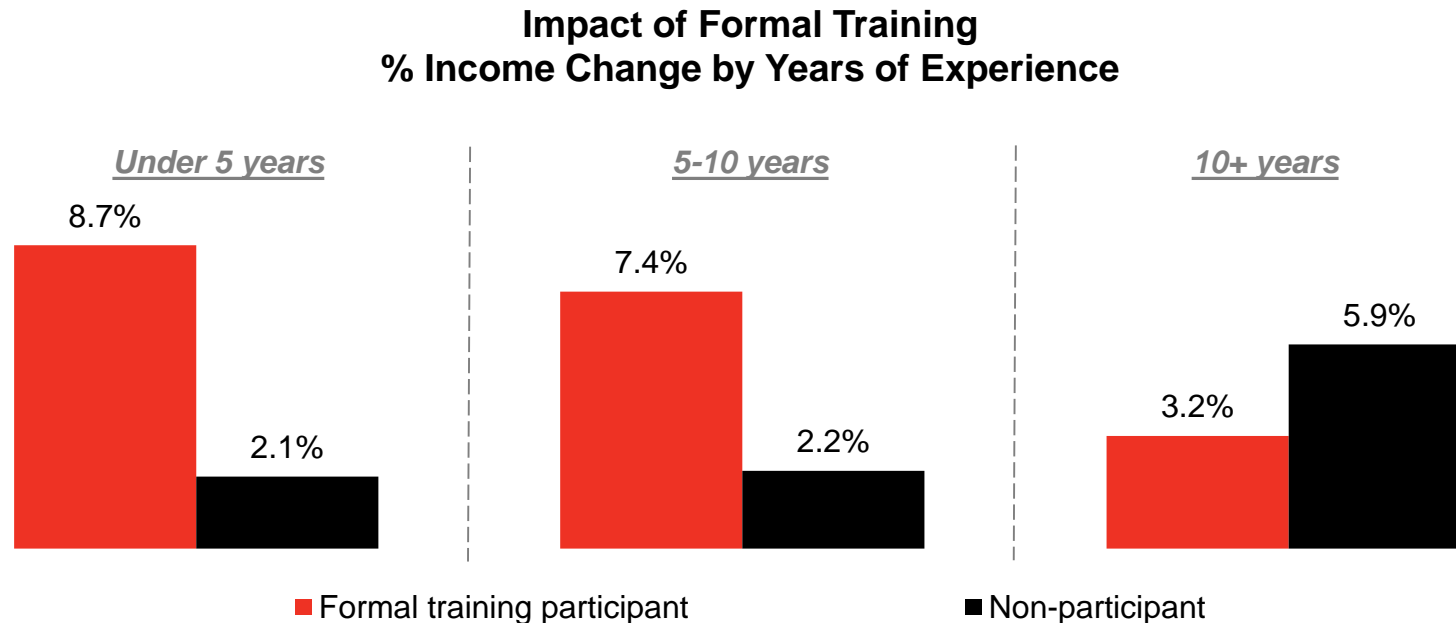


Q. How much longer do you plan to stay with your current company? (Base: Digital media sellers n=433)

Regression analysis is tested at 95% confidence level. See detailed explanation of the regression analysis in APPENDIX.

Formal Training is also a significant drivers of compensation increase

- Digital sellers who had formal training last year report a greater income increase of **7.6%** than those who did not have formal training (2.8%).
- Formal Training have a stronger positive impact on compensation change among sellers with less than 10 years of experience, especially those with less than 5 years of experience.

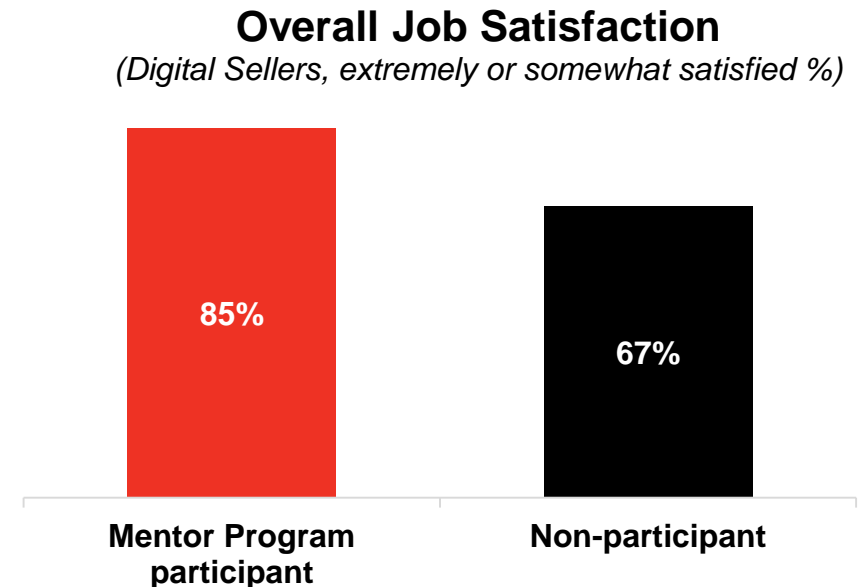
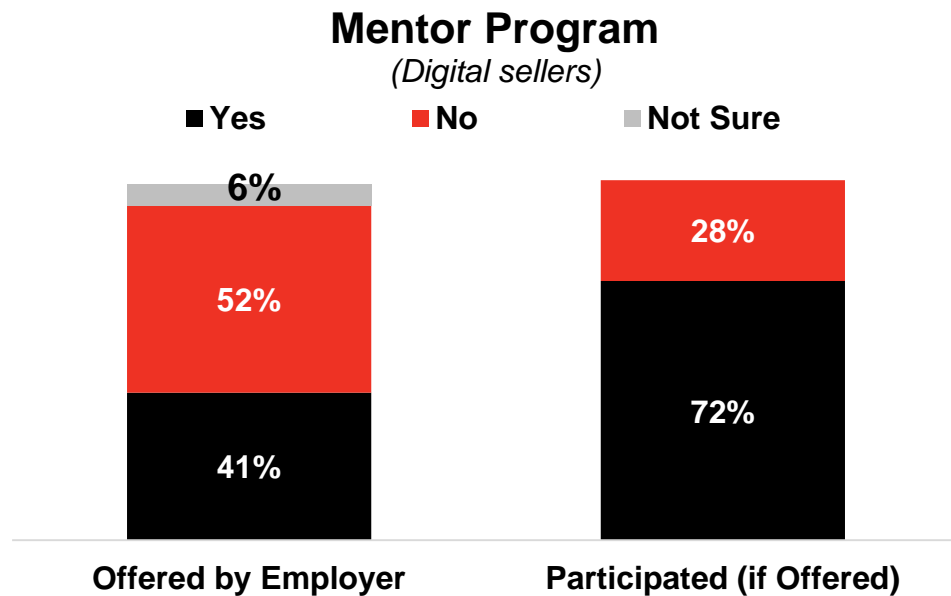


Q In the past year, has your annual compensation from your job in digital advertising sales increased, stayed the same or decreased? (Base: Digital media sellers n=433)

Regression analysis is tested at 95% confidence level. See detailed explanation of the regression analysis in APPENDIX.

Mentor Programs: Participation in mentor programs is positively related to job satisfaction

- 41% of digital media sellers surveyed report their organizations offer mentor programs, among which the majority (72%) participated.
- Overall job satisfaction is **higher among mentor program participants (85%)** than those who didn't participate (67%).

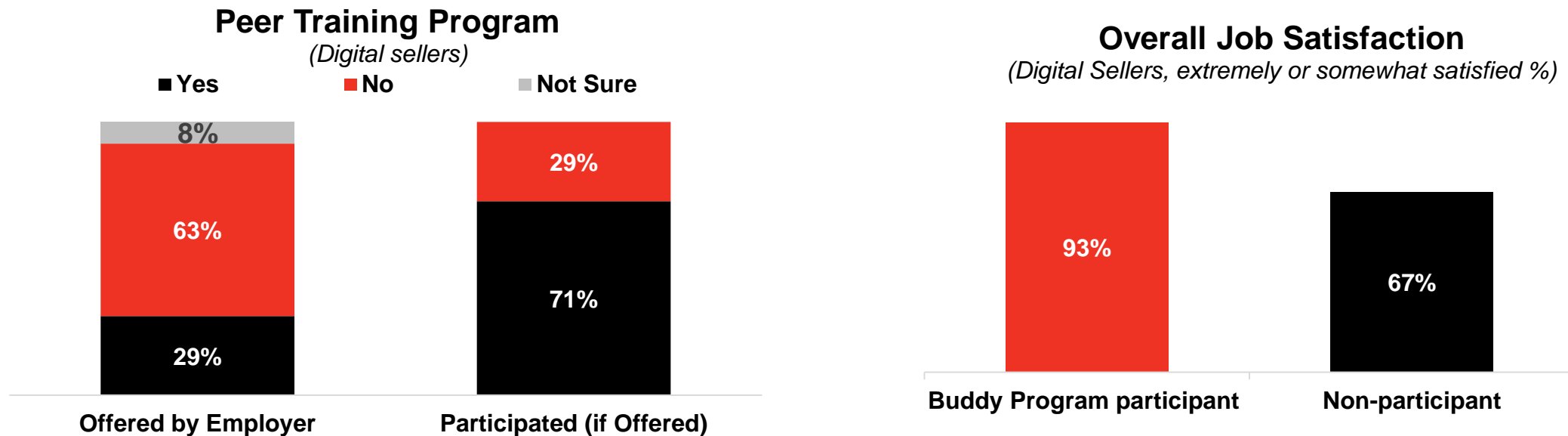


Q: Does your current company provide the following types of support programs to digital media sellers? (Base: Digital media sellers n=433)

Q: Have you ever participated in the following type(s) of support programs in your current company? (Base: Those who indicated their company provides Mentorship programs n=178)

Peer Training: Fewer companies offer peer training programs, though it is effective in bolstering job satisfaction

- Digital media sellers surveyed report a lower incidence (29%) of peer training program offerings at the current company. **However, among those offered, the majority (71%) participated.** Participants overwhelmingly found it valuable (92%).
- 93% of peer training program participants report they are very satisfied with their current jobs, compared to those who did not participate (67%).



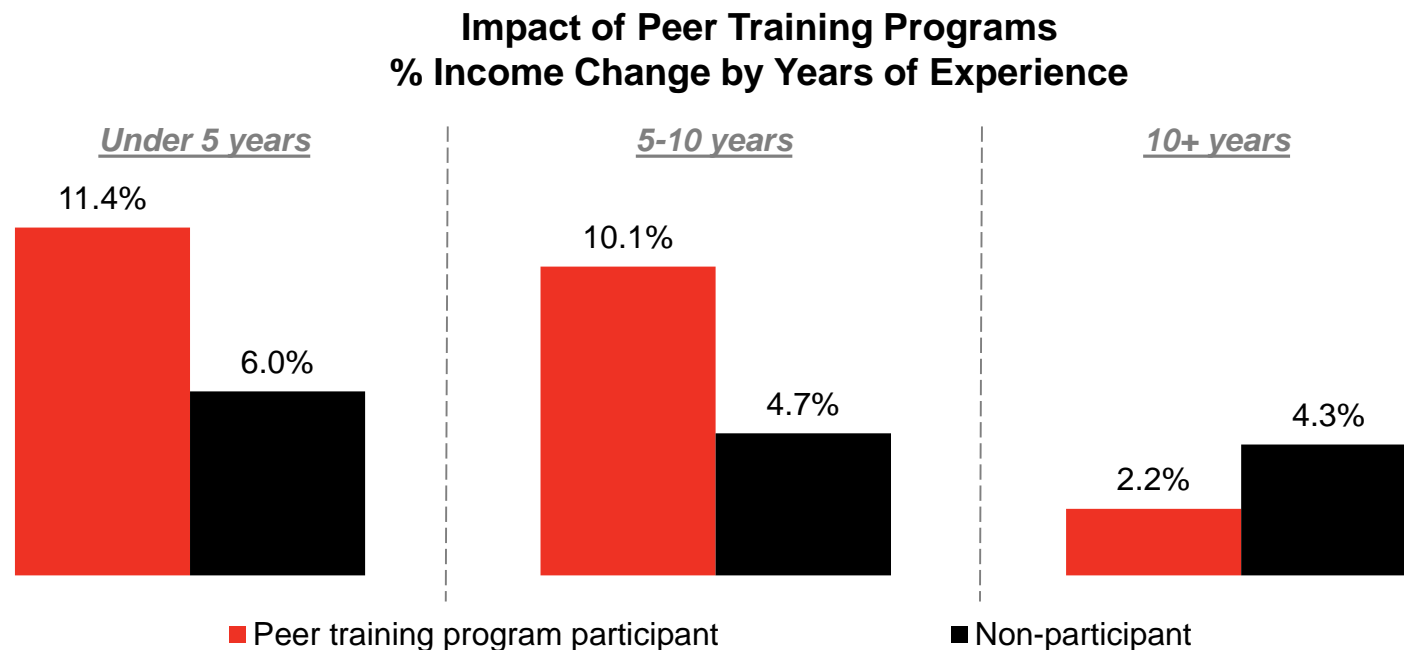
Q: Does your current company provide the following types of support programs to digital media sellers? (Base: Digital media sellers n=433)

Q: Have you ever participated in the following type(s) of support programs in your current company? (Base: Those who indicated their company provides Peer Training programs n=125)

Q: With regard to your skills development, how valuable is the following program(s)? (Base: Those who indicated they participated in a Peer Training program n=89)

Peer Training Program is a significant driver of compensation increase

- Digital sellers who participated in a peer training program report a greater income increase of **10.2%** than those who did not participate (5.5%).
- Peer Training Programs have a stronger positive impact on compensation increase among sellers with less than 10 years of experience.



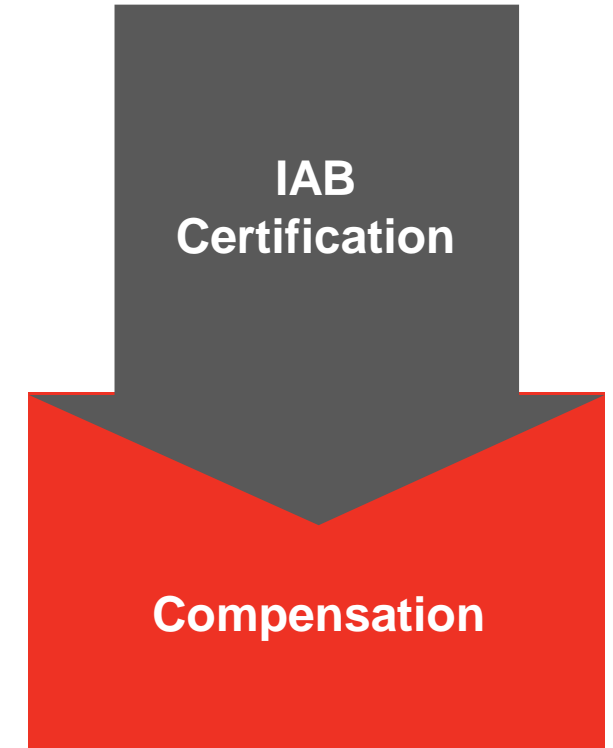
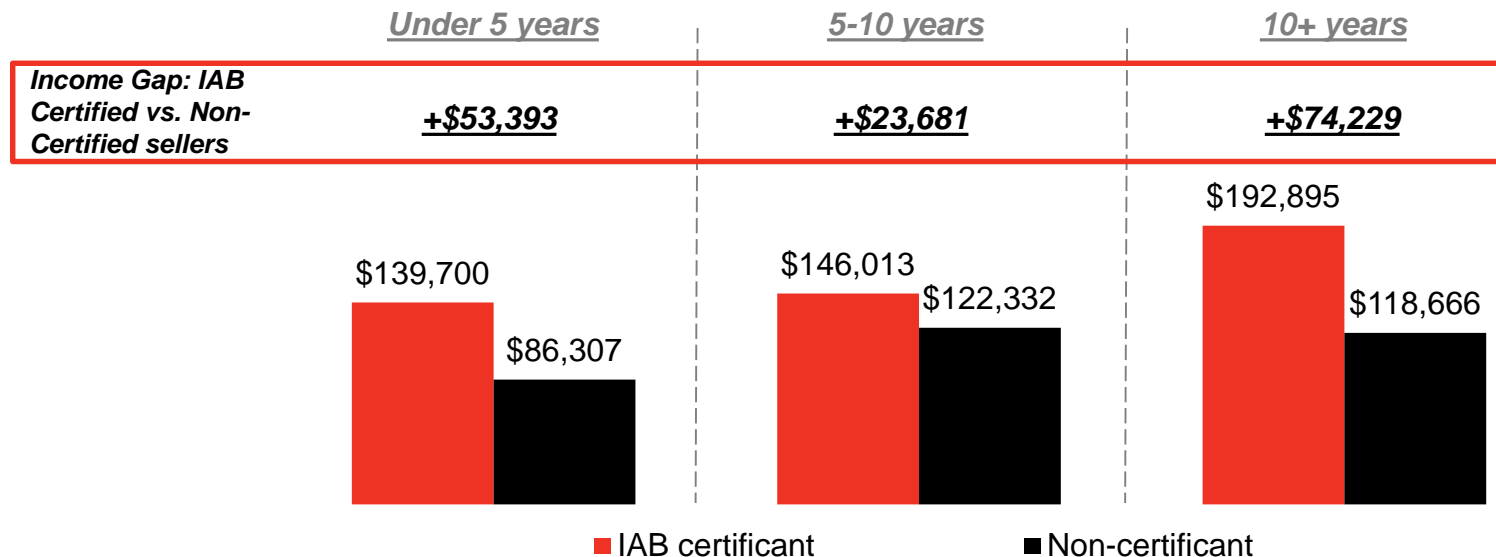
Q. In the past year, has your annual compensation from your job in digital advertising sales increased, stayed the same or decreased? (Base: Digital media sellers n=433)

Regression analysis is tested at 95% confidence level. See detailed explanation of the regression analysis in APPENDIX.

IAB Certification is a significant driver of digital seller's annual compensation

- Digital sellers with the IAB Digital Media Sales Certification reported making on average **\$54,000** more annually than sellers who are not certified, when controlling for the effect of age, gender, geography, experience and seniority.
- IAB Certification has a greater impact on compensation among sellers with 10+ years of ad sales experience.

Annual Compensation by Years of Digital Advertising Sales Experience



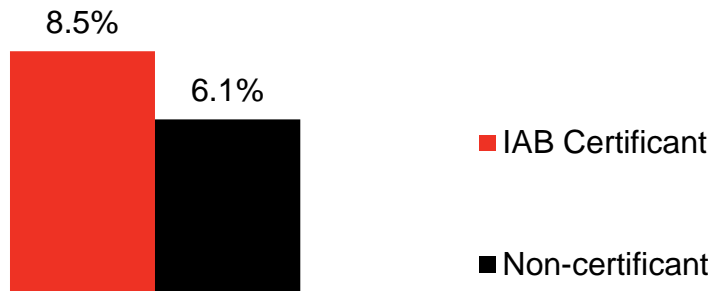
Q: What is your annual income (before taxes)? (Base: Digital media sellers n=433)

Regression analysis is tested at 95% confidence level. See detailed explanation of the regression analysis in APPENDIX.

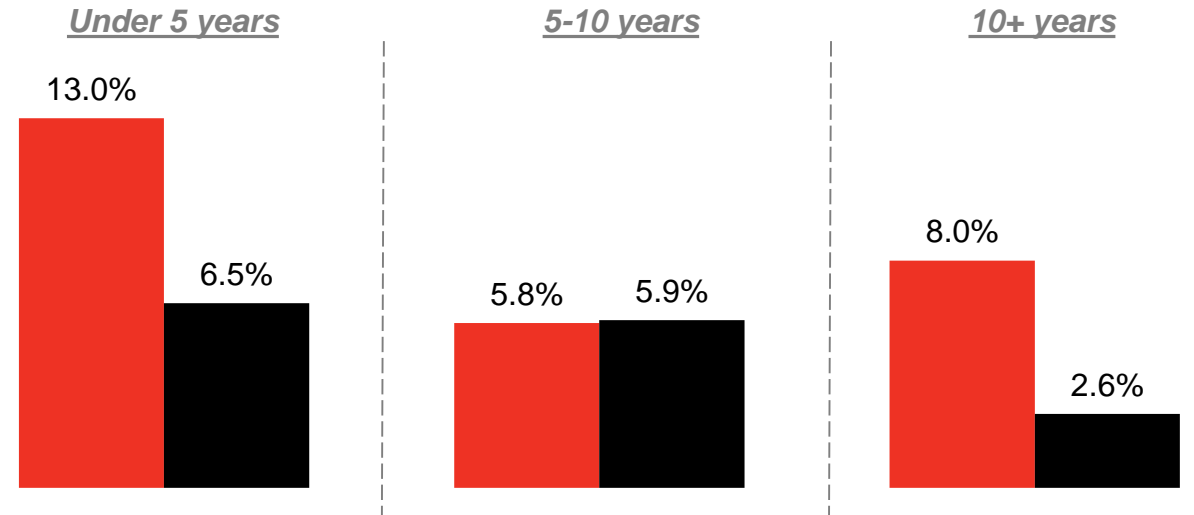
IAB Certification also impacts change of income among digital sellers

- Compared to last year's compensation, IAB certified sellers report an average of **8.5%** increase whereas non-IAB certified sellers report a 6.1% increase on average.
- This positive impact of IAB certification is most significant among sellers with less than five years of experience.

% of Income Change from last year



% of Income Change By Years of Digital Advertising Sales Experience



Q: In the past year, has your annual compensation from your job in digital advertising sales increased, stayed the same or decreased? (Base: Digital media sellers n=433)

Regression analysis is tested at 95% confidence level. See detailed explanation of the regression analysis in APPENDIX.

Digital sellers firmly believe that training and development is an investment in both individual and organizational success

- Digital media sellers unanimously agree that training and development are imperative to stay relevant and competitive.
- They commonly acknowledge the major benefits of training that include improving job performance, enhancing expertise and knowledge, boosting confidence, instilling trust in client relationships, and ensuring retention.
- Digital media sellers consistently connect their personal success to the organizational success.



“Digital advertising is ever-changing and we need to be sure that the people who are on the front line know what they are talking about and are on the cutting-edge of it.”

“Some programs are more beneficial than others but in a constantly changing field these training programs are imperative to continued success.”

*“The most valuable asset of the company is the people. **Invest in your most valuable asset to increase company success.**”*

*“The right training will make us stronger employees who will be assets to the company. **Investing in their employees is investing in the company.**”*



A person's feet in orange sneakers are shown walking on a blue metal staircase. The background is a bright, slightly blurred outdoor setting. A red banner is positioned at the top left of the image.

NEXT STEPS

What can IAB do to leverage these research insights and further foster the success?

Further efforts will be made to expand and operationalize the success drivers including training and development

Proving ROI

Conduct additional research to focus on **ROI measurement** from an organizational perspective to establish industry best practices of how to measure, calculate and track this metric.

Turn Insights to Action

Collaborate with IAB Learning and Development Council's **Best Practices Working Group** to incorporate research learnings into the development of training best practices on behalf of the industry.

Holistic View of Success Drivers

Gain further insights and understanding of other influencing factors of success and how they all work together to foster the growth of digital media sales professionals and their organizations.



APPENDIX

Detailed Methodology

The study synthesizes both qualitative and quantitative insights collected from both digital media sales leaders and digital media sales professionals to benchmark the current state of training and development in the digital advertising and marketing industry and to assess the impact of such practice. The study is composed of three components:

Qualitative Digital Media Sales Leader Interview

In-depth one-on-one interviews with 10 senior digital advertising sales and training executives.

- Interviews lasted 45-60 minutes.
- Key topics included:
 - ✓ Digital sales team set up and evaluation
 - ✓ Current training & development practices
 - ✓ Value and impact of professional training and development

Quantitative Digital Media Sales Leader Survey

An online quantitative survey with 61 senior digital advertising sales and training executives.

- Surveys ran up to 7 minutes
- Respondents are VP+ positions in media sales
- Key topics included:
 - ✓ Digital sales team evaluation and success factors
 - ✓ Current training & development practices
 - ✓ Impact of training and development

Quantitative Digital Media Seller Survey

An online quantitative survey of 433 professional who sell digital advertising and/or digital advertising solutions in the US. They are a mix of IAB members and non-members, including 227 respondents who had registered for IAB certification and 206 respondents who had not done so. Qualification criteria included:

- Age 25+
- Sell digital advertising or digital advertising solutions
- Have at least two years of digital ad sales experience

Executives = red | **Digital sellers = black**

APPENDIX Methodology

QUALITATIVE RESEARCH BACKGROUND

Penn Schoen Berland conducted ten 45-minute executive interviews in February and March of 2017 with digital media executives selected by IAB. Nearly all executives were familiar with the IAB's DMSC program and most had participated in it in some capacity. Organizations represented included companies that are purely digital in focus and companies with an integrated media focus (digital and traditional media sales products); some organizations were publishers, some were data companies. As such, the perspectives were varied, but distilled into the following key areas.

Executives were assured anonymity (several inquired about that directly), which will be reflected in the interview transcripts provided to IAB.

APPENDIX Methodology

REGRESSION ANALYSIS BACKGROUND

Ordinary least squares (OLS) regression analysis was conducted to understand the effect of training and development scenarios on various success factors. OLS identifies linear relationships among variables by minimizing the squared error terms of the predictions of a linear model. A linear model adds together individual independent variables each weighted by their own coefficient. This model predicts the value of the dependent variable. The difference between the prediction and the actual value for each respondent is the error that OLS minimizes.

In order to minimize the error of the prediction made by this linear model, OLS identifies the coefficients that produce the best fit to the data. These coefficients indicate the linear effect of the independent variables. For each independent variable included in the model, the coefficient indicates how many units the dependent variable changes for a one unit change in the independent variable. The units are determined by the way in which the variables are measured. The effect of each coefficient holds all of the other independent variables constant or *ceteris paribus* (all else equal).