ANNUAL REPORT | 2015

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IAB empowers the media and marketing industries to thrive in the digital economy.

BUILDING CAPABILITIES FOR GROWTH

Twenty fifteen was a landmark year for our industry—and for IAB. Digital advertising is now a $50 billion sector in the U.S. It's an astonishing achievement, and one that was not readily apparent 20 years ago when IAB was founded. As impressive as this growth is, we cannot simply celebrate the past. The industry must look forward and ask where the next $50 billion will come from.

This is neither an idle nor a vain question. Growth in our industry will create new jobs in digital media and technology as well as in the other industries we support. Growth implies new ways of winning people's hearts and minds—with ads and entertainment, yes, but also with news, ideas, and vital information.

Hence the IAB mission: To empower the media and marketing industries to thrive in the digital economy. And helping you—our members—is how we strengthen those industries, and we are more capable of that today than ever. In five years, our membership has expanded to over 600 companies. Our financial state is strong. Our staff includes nearly 70 high-performing professionals. Our research, lobbying, and thought leadership underpin the way our members grow their businesses. Our events have built a powerful reputation as the convening platform for thought leadership in our industry.

IAB has made great strides in building capabilities to meet the demands of the industry for growth in the U.S. and across the globe. In 2015 we saw significant achievements from the **IAB Technology Laboratory**, the **IAB Digital Video Center of Excellence**, the **IAB Mobile Marketing Center of Excellence**, and the **IAB Education Foundation**. We announced a new organization, the **IAB Data Center of Excellence**, which will bring expertise to an area critical to the health of the industry.

Our progress in the Making Measurement Make Sense (3MS) initiative is paving the way for a digital GRP that will allow our industry to plan, buy, and sell advertising across all platforms and media seamlessly.

We responded aggressively to threats like ad blocking. Thanks to excellent engagement from industry executives on IAB boards and in our other leadership groups, we took the lead in tackling this issue domestically and abroad. The IAB Tech Lab's LEAN Ads Program is coalescing the entire marketing and media ecosystem around principles that will guide the next phases of technical standards and user experience so we can delight consumers while building productive businesses.

Twenty fifteen was also a year of firsts for IAB and our industry, including:

- **IAB Podcast Upfront Showcase**—a successful one-day marketplace that previewed the latest digital audio podcast programming from the biggest names in media
- **"What Is an Untrustworthy Supply Chain Costing the U.S. Digital Advertising Industry?"**—a rigorous study conducted by EY for IAB that shows how eliminating fraud and flaws in the digital supply chain in the U.S. will enable the digital ad industry to gain $8.2 billion annually
- **Mobile Advertising Summit at Mobile World Congress**—a full day of programming devoted to mobile advertising and marketing at the world's largest gathering for the mobile industry, Mobile World Congress in Barcelona, with partners Facebook and Nasdaq
- **IAB Programmatic Revenue Report**—a much anticipated study that sized U.S. programmatic ad revenues at $10.1 billion in 2014

Even after all these successes, challenges remain. We need to continue to advance technical standards to combat fraud and piracy, support education to ensure a healthy and diverse talent pipeline for our industry, and innovate an ad product portfolio to keep pace with marketer and consumer expectations.

I'm exceptionally proud of everything IAB accomplished in 2015 and grateful to the remarkable IAB team that brought it all to fruition. I am also thankful for the ongoing support from our members and the community that has made these strides possible. By continuing to work together, we can achieve a prosperous 2016 and beyond.

Sincerely,

Randall Rothenberg
President and Chief Executive Officer
Interactive Advertising Bureau

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2015 FINANCIAL REVIEW

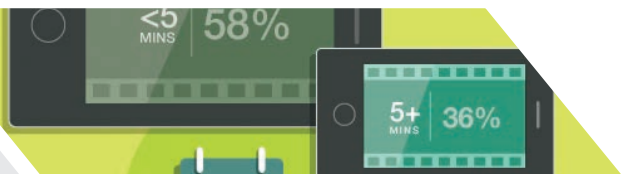Mirroring the overall health of the industry it serves, the financial state of IAB started and ended the year strong. It is a reflection of the work we do on behalf of our members and the confidence they place in us.

According to unaudited 2015 financial statements and under the fiscal leadership of IAB Executive Vice President and COO Patrick Dolan, IAB finished the year with topline revenue of $28 million, up from the record $23.2 million in 2014 and 10 percent more than budgeted.

Membership dues revenue reached a new high of $13.7 million for 2015, up $2.6 million or 22 percent from 2014, mainly because of a key change to widen the criteria for full voting or General Membership to include companies that "sell, distribute, or optimize digital advertising or marketing programs." IAB also saw a slight growth in events income, projected to bring in $7.4 million or an increase of 3 percent, largely as a result of the enormously successful IAB Annual Leadership Meeting in Phoenix, Arizona, in February.

IAB Certification Programs, established just three years ago, totaled $2.2 million in revenue, and 2015 was the program's best year yet, bringing the three-year total of candidates of certificants and candidates for certification to more than 11,000 men and women. The rapid growth of the certification programs is a validation from our members of how important certifications and training are for a healthy talent pipeline for our industry.

Overall, the newly formed organizations are taking hold and delivering on the revenue projected.

The IAB Tech Lab brought in $500,000 in its first year of operation, developing tools, standards, and best practices that simplify and reduce costs associated with the digital advertising and marketing supply chain. IAB also received $250,000 in donations to the IAB Education Foundation and its iDiverse initiative in 2015, and we are already getting recommitments for 2016 and beyond.

Our video efforts are also showing great progress, and the IAB Video Center of Excellence is projected to see $575,000 in revenue in 2015. Within that, IAB also saw $607,000 in

IAB FINANCIAL KEY INDICATORS 2015

(IN MILLIONS)

	2015 PROJECTED	2015 BUDGET	VAR FROM BUDGET $	VAR FROM BUDGET %
DUES REVENUE	$ 13,676	$ 13,500	$ 176	1%
EVENTS REVENUE	$ 7,434	$ 6,800	$ 634	9%
CERTIFICATION & TRAINING	$ 2,164	$ 1,290	$ 874	68%
TECH LAB	$ 500	$ 625	$ -125	-20%
VIDEO CENTER OF EXCELLENCE†	$ 1,182	$ 520	$ 662	127%
MOBILE CENTER OF EXCELLENCE	$ 1,282	$ 1,000	$ 282	28%
OTHER REVENUE	$ 1,764	$ 1,744	$ 20	1%
TOTAL REVENUE	**$ 28,002**	**$ 25,479**	**$ 2,523**	**10%**
COGS EXPENSES	$ 5,756	$ 5,020	$ 736	15%
OPERATING EXPENSES	$ 21,012	$ 20,459	$ 553	3%
TOTAL EXPENSES	**$ 26,768**	**$ 25,479**	**$ 1,289**	**5%**
NET INCOME	**$ 1,234**	**$ 0**	**$ 1,234**	**N/A**

† Includes NewFronts

revenue from the increasingly popular NewFronts. The IAB Mobile Marketing Center of Excellence is projected to see $1.3 million in revenue in 2015, which is a positive sign for the relevance and success of our mobile efforts.
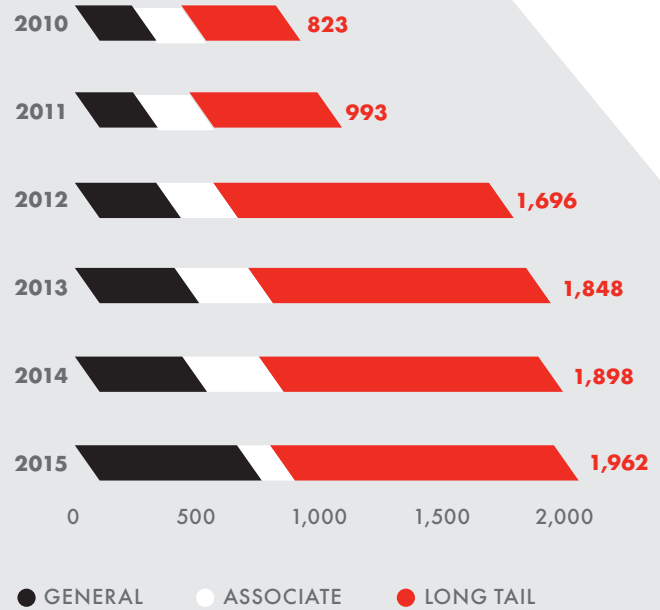
Additional ongoing revenue streams include initiatives such as sponsored research, member services, the spiders and bots list, international licensing fees, and other fundraising programs.

In the last two quarters of 2015, IAB invested revenues received in helping member businesses excel. Funding was directed toward producing valuable third-party research for building brands in digital as well as investing in the **IAB Video Center of Excellence**, the newly announced **IAB Data Center of Excellence**, the **IAB Technology Laboratory (IAB Tech Lab)**, the **IAB Education Foundation**, Making Measurement Make Sense (3MS), and the **Trustworthy Accountability Group (TAG)**.
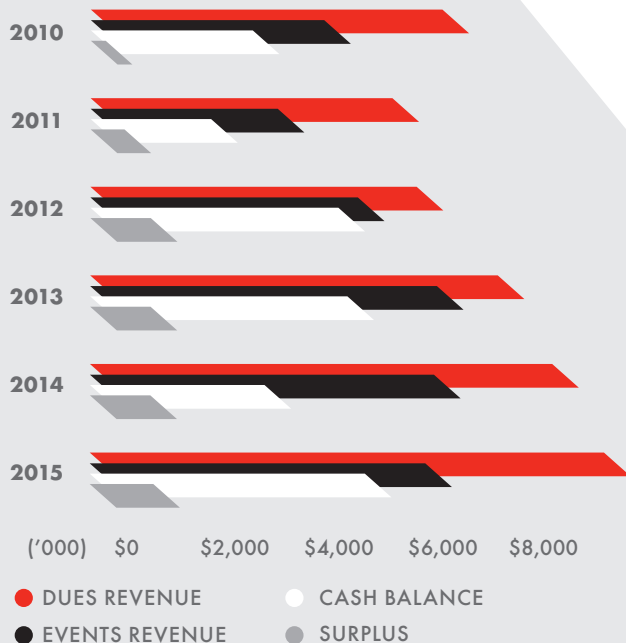
Finally, IAB managed expenses closely in 2015, which totaled $26.8 million. IAB closed the year with a surplus of $1.2 million and $7.5 million in the bank.

With our members' support, IAB is well-positioned financially to deliver on its ambitious agenda for 2016 and beyond.

IAB MEMBERSHIP GROWTH 2010-2015

Year	Members
2010	823
2011	993
2012	1,696
2013	1,848
2014	1,898
2015	1,962

● GENERAL ○ ASSOCIATE ● LONG TAIL

IAB REVENUE STREAMS*

$.1.2M
IAB VIDEO CENTER OF EXCELLENCE & NEWFRONTS

$1.3M
IAB MOBILE MARKETING CENTER OF EXCELLENCE

$13.7M
MEMBERSHIP DUES

$7.4M
EVENTS

$0.5M
IAB TECH LAB

$1.8M
OTHER**

$2.2M
CERTIFICATION & TRAINING

SOUND FINANCIAL FOOTING*

2010
2011
2012
2013
2014
2015

('000) $0 $2,000 $4,000 $6,000 $8,000

● DUES REVENUE   ○ CASH BALANCE
● EVENTS REVENUE   ● SURPLUS
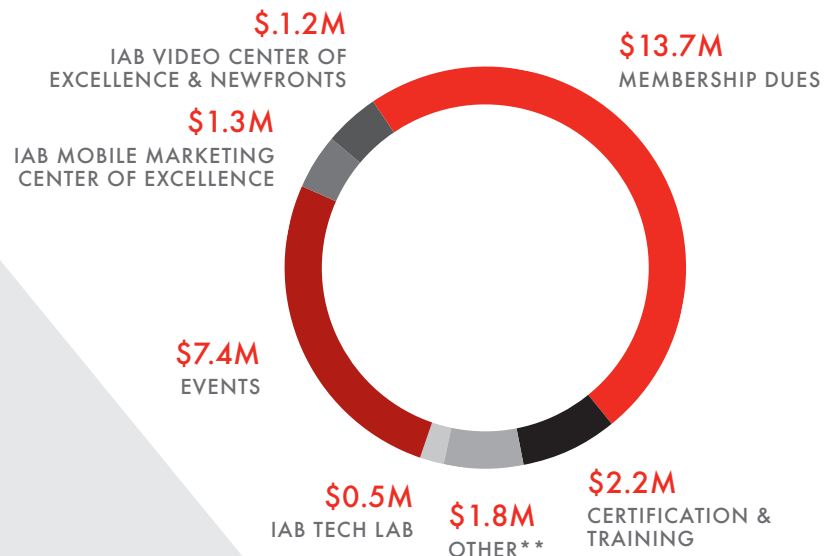
* Projections based on unaudited actuals through November 2015 and estimates for December 2015

** Professional Development & Certification, International Licensing Fees, Spiders & Bots List, Ad Lab Rentals, and other sources of revenue

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IAB TECH LAB
TECHNICAL STANDARDS FOR RAPID IMPLEMENTATION

The IAB Technology Lab (IAB Tech Lab) is a nonprofit research and development consortium charged with producing and helping companies implement global industry technical standards and solutions for their businesses. It was formed to be a global body with members from around the world and across the industry—publishers, ad technology companies, agencies, marketers, and any organization that understands the importance of global standards. The goal of the consortium is to produce, implement, and reduce the costs associated with the digital advertising and marketing supply chain while contributing to the safe growth of the industry.

The IAB Tech Lab spearheads the development of innovative and scalable technical standards, creates and maintains a code library to assist in rapid, cost-effective implementation of IAB standards, and establishes test platforms for companies to evaluate the compatibility of their technology solutions with IAB standards, which for almost 20 years have been the foundation for interoperability and profitable growth in the digital advertising supply chain. The IAB Tech Lab has also been a central strategic capability for cross-industry initiatives, such as the Digital Advertising Alliance and the Trustworthy Accountability Group (TAG).

A GLOBAL RESOURCE FOR TECHNOLOGY LEADERS

Under the leadership of Scott Cunningham, Senior Vice President, Technology and Ad Operations, and General Manager of the IAB Tech Lab, the organization has advanced IAB and its members across a number of dimensions, and the work output from this group has been prodigious.

In 2015, the IAB Tech Lab produced a full suite of tools and solutions:

- Openrtb Dynamic Native Advertising Addendum
- MRAID/VPAID Video Addendum
- IAB Digital Video In-Stream Metric Definitions
- IAB Digital Video In-Stream Ad Format Guidelines
- 2015 Advertising Creative Guidelines for Display & Mobile—updated for HTML5
- IAB HTML5 for Digital Advertising v2.0: Guidance for Ad Designers and Creative Technologists
- Four validator tools including HTML5 Ad Format Validator
- Tools and best practices for reducing risk of traffic fraud (in support of TAG)
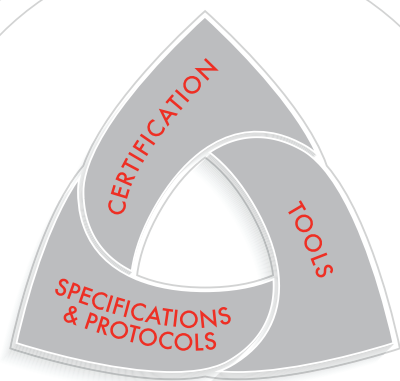
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TECH LAB

IAB TECH LAB

BOARD CHAIRMAN
David Moore, *Xaxis, Chairman*

EXECUTIVE COMMITTEE
Jonathan Bellack, *Google*

Anand Das, *PubMatic*

Kelly Petersen, *Tremor Video*

Tom Shields, *AppNexus*

Michael Smith, *Hearst Magazines Digital Media*

Srini Venkatesan, *Yahoo*

THE LEAN ADS PROGRAM

It's not an understatement to say that ad blocking exploded as a dominant issue for our industry in 2015. The rise of ad blocking poses a threat to the internet and could potentially drive users to an enclosed platform world dominated by a few companies.

As an organization, IAB is strongly opposed to ad blocking. We believe in an ad-supported internet. Depriving the internet of advertising dollars will reduce the diversity of voices in digital media. The industry needs to commit to the cause of ever-improving user experiences. The fine equilibrium of content, commerce, and technology must be reestablished on the open web.
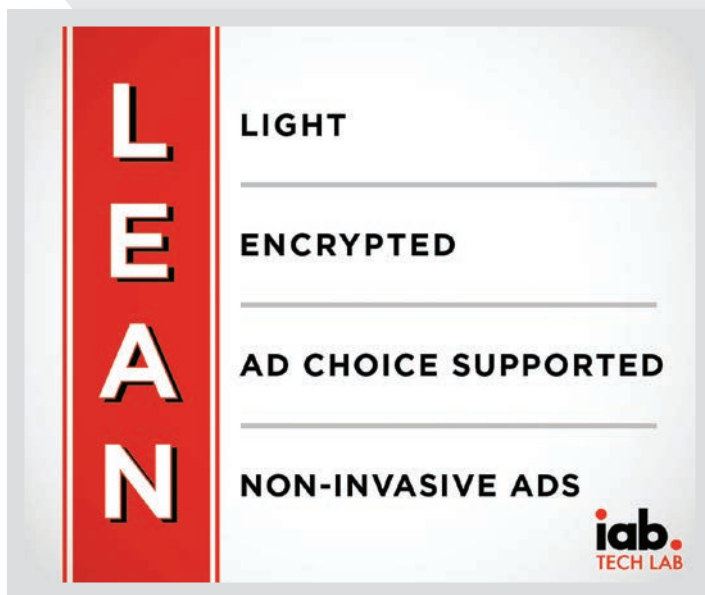
Under the stewardship of IAB Tech Lab General Manager Scott Cunningham and his team, IAB hosted a summit where vendors highlighted their available options for dealing with lost inventory, seated a working group on the issue, and developed open source code for detection of ad blocking.

In "Getting LEAN with Digital Ad UX," Cunningham laid out the industry's responsibilities for solving the ad blocking problems it is facing, and outlined the LEAN Ads Principles:

L Light

E Encrypted

A Ad-choice supported

N Non-invasive

> " *Ad blocking hurts publishers, prevents businesses from communicating and competing, reduces the diversity of voices in digital media, and hinders consumers from obtaining important information about products, services, event politics, and culture."*
>
> – Randall Rothenberg, President and CEO, IAB

Supported by the Executive Committee of the IAB Tech Lab Board, IAB licensees around the world, and hundreds of member companies, these principles will help guide the next phase of advertising technical standards for the global digital advertising supply chain.

The IAB Tech Lab hosted a series of international town halls in New York, San Francisco, and London around ad blocking to obtain feedback and guidance for its LEAN Ads Program. These principles resonated with the professional community and captured the attention of the press. Thanks to excellent engagement of thought leaders in the IAB Board of Directors, the IAB Tech Lab, and other leadership groups, IAB is well-positioned to lead the ongoing conversation on this critical issue for the industry.

The IAB Tech Lab will continue to provide publishers with tools that help them have a dialogue with users about their choices so that content providers can generate revenue while creating value.

BOARD OF DIRECTORS

BOARD MEMBERS

David Adams, *Condé Nast*

Krishan Bhatia, *NBCUniversal*

Tom Bowman, *BBC Worldwide*

Andrew Casale, *Index Exchange*

Scott Cunningham, *IAB*

Marc Frons, *NewsCorp*

David Jakubowski, *Facebook*

Tian Lim, *Hulu*

Srinivas Manapragada, *Adobe Systems*

Janneke Niessen, *Improve Digital*

Robyn Petersen, *Mashable*

Zach Putnam, *Disney/ABC Television Group*

Jason Richman, *Spotify*

Neal Richter, *Rubicon Project*

Willard Simmons, *DataXu*

Peter Sirota, *Quantcast*

Priti Tanna, *NBCUniversal*

Eoin Townsend, *Collective*

GUIDELINES AND SPECIFICATIONS

The IAB Tech Lab supported the rapid execution of the Digital Audio Ad Serving Template (DAAST) and Video Ad Serving Template (VAST) projects, including reference code, materials, and events. The IAB Tech Lab's commitment to becoming a hub for hosting testing utilities, from mobile SDKs to HTML5 Validator, generated positive responses, and the Tech Lab has continued investing in this area.

After clearing public comment, the OpenRTB 2.3 specification and OpenRTB Dynamic Native Ads API Specification V.1 were released in January and February 2015, respectively. Members of the OpenRTB Working Group—consisting of 44 companies—contributed to the OpenRTB 2.3 specification, while a subset of 15 companies with a focus on native advertising contributed to the addendum. A significant portion of the OpenRTB text has been reviewed and updated for clarity, reducing the potential for incompatible implementations, and the specifications together provide support for native ads in OpenRTB. The Dynamic Native Ads API Specification describes the technical means for programmatically transacting on the native ad types defined by the IAB Native Advertising Playbook, providing a new and better revenue stream for app developers, an increased supply of premium mobile native inventory, the acceleration of scale within mobile native, and an overall improved user experience.

ACCELERATING HTML5 ADOPTION

Ad experiences must be as natural and meaningful as the content consumers expect and enjoy in the digital realm. One major accomplishment of the IAB Tech Lab in 2015 was updating the IAB creative display guidelines to spur the adoption of HTML5. This followed extensive testing for performance and time-to-display as well as exhaustive working group consideration for guidelines unique to HTML5 ad creatives.

Key changes recommended include defining HTML5-specific guidelines for number of requests to server, shared libraries, video display, and animation for both desktop and mobile display ads. To support the transition, the HTML5 guide for ad designers was revised and was released in September for public comment, and the HTML5 Ad Validator 1.0 tool, to be used for ad creative packages for hard guidelines, is in beta release. A long-term roadmap for HTML5 Ad Validator has also been defined.

SECURITY AND BEST PRACTICES

As the industry sees a growing demand for all web pages to be delivered securely over HTTPS to prevent fraud and the proliferation of malware, IAB believes all participants in the advertising supply chain must support HTTPS. The IAB Tech Lab publicly announced its support of this point of view in a series of editorials and workshops.

At the IAB Ad Operations Summit, the Executive Committee of the IAB Tech Lab discussed upcoming developments and initiatives for the year ahead.

TAG: BUILDING TRUST AND ACCOUNTABILITY

The Trustworthy Accountability Group successfully launched in 2015 as a first-of-its-kind cross-industry accountability program to create transparency in the business relationships and transactions that undergird the digital ad industry, while continuing to enable innovation. A joint marketing-media industry program, TAG was created with a focus on four core areas: eliminating fraudulent digital advertising traffic, combating malware, fighting ad-supported internet piracy to promote brand integrity, and promoting brand safety through greater transparency. TAG was created by the American Association of Advertising Agencies (4A's), Association of National Advertisers (ANA), and IAB, the group works collaboratively with companies throughout the digital ad supply chain.

In March, TAG announced its inaugural board of directors, which includes 24 executives from the world's largest brand advertisers, online media companies, ad agencies, and advertising technology companies. The board held its first meeting in May and empowered TAG to redouble efforts to fight the criminal activity that is undermining the trust in the digital supply chain. TAG also launched its **Leadership Council**, a governance body comprising 20 leading companies that will help guide the organization's strategy and implementation priorities.

SPOTLIGHT

In 2015 under CEO Mike Zaneis, TAG developed and released two major anti-fraud tools: the **Fraud Threat List** and the **Data Center IP List**. Now in pilot programs to finalize their widespread implementation, these tools will form the foundation for an industrywide anti-fraud program that will more

effectively identify nonhuman traffic and remove it from the legitimate supply chain. Soon TAG will formally launch its Registration and Payment ID system, which will bring greater transparency to the digital supply chain and keep money from flowing to criminal entities.

For more information on TAG, visit www.tagtoday.net.

DIGITAL VIDEO CENTER OF EXCELLENCE
HARNESSING SIGHT, SOUND, AND MOTION

Digital video advertising reached $2 billion in the first half of 2015, a 35 percent year-over-year jump from the first half of 2014, and shows no sign of slowing down anytime soon. In response to digital video's skyrocketing growth, last year IAB launched the Digital Video Center of Excellence, devoted to promoting the development of the digital video medium within the marketing, advertising, and media ecosystem. Focused on tying together various IAB video activities, including Advanced TV, Digital Video, and the Digital Content NewFronts, the goal is to provide a one-stop shop for thought leadership, innovation, research, and guidance for the burgeoning digital video industry. While continuing to supervise the IAB Mobile Marketing Center of Excellence, Anna Bager also serves as the General Manager for the IAB Video Center.

MEASUREMENT AND STANDARDS FOR CROSS-PLATFORM SUCCESS

In March the board of directors for the **Digital Video Center of Excellence** convened for an inaugural meeting. Themes and needs that surfaced included measurement standards, creative format standards that will ease cross-channel and cross-platform media buying, and creative innovation that will better leverage the unique capabilities of digital video to engage users and drive advertiser ROI. The board also endorsed the creation of a **Digital Video Buyers Advisory Board**. This new group will provide insights and recommendations to help propel digital video—mobile, over-the-top, and all other platforms—as a dynamic medium for creativity in programming and marketing. Its counsel is expected to impact initiatives that will range across technology, content, measurement, consumer insights, and other areas such as the NewFronts industry event.

GLOBAL VIEW: STATE OF THE DIGITAL VIDEO WORLD

In cooperation with the global IAB network, the Digital Video Center of Excellence produced a report titled "**State of the Digital Video World**," which captures country-specific digital video ad revenues; wireless and broadband availabilities; inherent opportunities and challenges; and the perceived importance of formats, platforms, and monetization strategies. It establishes that both mobile and programmatic play a vital role in digital video advertising around the world. The global video anthology tapped into the expertise of 19 IABs and other related organizations around the globe to identify opportunities and challenges and to examine how perceptions of video vary across countries and regions.

DIGITAL CONTENT NEWFRONTS

SPOTLIGHT

IAB delivered a not-to-be-missed 10-day marketplace for brands and media buyers, in the **2015 Digital Content NewFronts**, spotlighting the latest in original digital video programming and featuring well-known talent and innovative storytelling. During a robust two-week schedule of 33 presenters (up from 22 in 2014), NewFronts garnered unprecedented media interest and coverage before, during, and after the event. Packed rooms, lines around the block, and intense social and mainstream media coverage, all affirmed the primacy of digital video to engage consumers and attract brand dollars.

ADVANCED TV AND THE FUTURE OF DIGITAL VIDEO

The Digital Video Center of Excellence also published the "**Advanced TV Industry Primer**," which provides a framework for both buyers and sellers and defines what Advanced TV is. In September, IAB followed-up with a research piece titled "**Advanced TV: Ad Buyer Perceptions Study**," which revealed that a majority of advertisers already use some form of advanced TV—including addressable and interactive TV—in their marketing efforts and that 70 percent of advertisers expect to spend more on advanced TV within the next 12 months. Reflecting the increasing importance of advanced TV, the existing **Advanced TV Advisory Board** has evolved into a full-fledged IAB committee.

iab. DIGITAL VIDEO

DIGITAL CONTENT NEW UPFRONTS 2015

An all-star lineup of talent showcased original digital video programming at the 2015 Digital Content NewFronts.

2015 ORIGINAL DIGITAL VIDEO CONSUMER STUDY

- **One in four (24%) U.S. adults watches original digital video** at least once a month

- Most view original digital video (72%) on a computer, but **twice as many as two years ago stream it on other devices: connected TVs (56%), smartphones (56%), and tablets (48%)**

  Conducted by GfK

2015 ORIGINAL DIGITAL VIDEO AD SPEND BENCHMARK

- Over two-thirds (68%) of agencies and marketers expect to **increase their video budgets** in the next 12 months

- On average, buyers saw a 66% increase in their overall digital video budgets as compared with 2013 and **40% of that video budget is expected to go to original digital video**

  Conducted by Advertiser Perceptions

ADVANCED TV: AD BUYERS' PERCEPTIONS STUDY

- The **majority of advertisers (78%) have already leveraged some form of advanced TV** in their marketing efforts

- Although the current median budget allocation for advanced TV is a modest $1.4 million, **70% of advertisers expect to spend more on the medium** within the next 12 months

  Conducted by Advertiser Perceptions

DIGITAL VIDEO CENTER OF EXCELLENCE 2015 BOARD MEMBERSHIP

abc | Adobe | A+E NETWORKS | Aol. | Bank of America | BrightRoll | CBS Interactive | CNN

CONDÉ NAST | COX MEDIA GROUP | CRACKLE | dentsu AEGIS network | DigitasLBi | facebook | FreeWheel | GM

groupm | HAVAS MEDIA | horizon media | hulu | initiative | INNOVID | lin media | MACHINIMA

MAKER. | M&? | Microsoft | NBC | News Corp | The New York Times | OmnicomGroup | SAATCHI & SAATCHI LA

SMG | snapchat | Spark | Starcom MediaVest Group | TREMOR VIDEO | UM | Unilever | UNIVISION

UNRULY | vevo | videology | The Weather Company | YouTube | YuMe | ZenithOptimedia The ROI Agency

IAB EDUCATION FOUNDATION
PROMOTING EDUCATION, DIVERSITY, AND DEVELOPMENT

A healthy industry needs a talent pipeline that reflects the audience it serves. IAB has taken important steps toward this goal by launching the IAB Education Foundation and championing efforts dedicated to increasing racial, ethnic, gender, and economic diversity; improving skills in the digital media and advertising industries; and expanding certification programs in sales, data solutions, and ad operations. The foundation operates under the leadership of Tim Armstrong, Chairman and Chief Executive Officer of AOL and Foundation Board Chairman, and Michael Theodore, Senior Vice President of Learning and Development, IAB, and General Manager of the Education Foundation.

IAB EDUCATION FOUNDATION

In 2015, the Education Foundation completed a series of Voices United diversity workshops and listening tours, with programs in New York, Washington, D.C., and San Francisco. Tim Armstrong and Freada Kapor Klein, Ph.D., Founder of the Level Playing Field Institute and Co-Chair of the Kapor Center for Social Impact, led the day's conversation that spotlighted the lack of diversity in digital media and technology. A large cross-section of publishers, ad tech companies, and agencies actively participated to discuss diversity and workforce issues and what cross-industry collaboration can achieve. Participants included representatives from AdRoll, Adtech, AppNexus, Black Entertainment Television (BET), Bloomberg L.P., BrightRoll, Comcast, Facebook, Google, Huffington Post, LinkedIn, Microsoft Corp., New York Post, NY Daily News, Pandora, Quantcast, Salesforce, Seeking Alpha, Square Inc., U.S. Department of Labor, Yahoo Inc., Yelp, and more.

The IAB Education Foundation showed it was well-positioned to deliver a customized program that provides trained, tested, and vetted entry-level employees for positions in ad operations, marketing, data analysis, and sales support. In September, the IAB Education Foundation released "**The Diversity Dividend and the Looming Skills Gap in the Interactive Media Industry**" a report that encapsulated the learnings from the Voices United multicity listening tour. Also that month, the **iDiverse** initiative was established with the goal of increasing diversity in the digital media workforce as well as to help reduce the talent gap. Accordingly, Tim Armstrong has called for the iDiverse initiative to fill 10,000 positions over the next 10 years in the industry. The foundation will also offer recruiting, interviewing, and placement services, as well as ongoing training and mentoring.

The IAB Education Foundation released results from an EY Digital Media Skills report that forecasts industry needs in entry-level positions over the next five years. More than 25,000 new jobs are expected by 2020, with the majority likely to be based in New York and the San Francisco Bay Area. The report notes the need for new skills and training programs to help maintain the growth of the digital media and advertising industries.

The IAB Education Foundation has two new training partners that will be developing curriculum for entry-level positions. University Now, an accredited online higher education provider based in Oakland, California, and the College of San Mateo are teaming up to develop the first classroom and web-based training program for the digital industry and will be offering several classes leading to a Digital Advertising Certification. In addition, the IAB Education Foundation is partnering with the New Jersey Community College Consortium to establish entry- and mid-level training programs in data management.

IAB CERTIFICATION AND LEARNING

The IAB Certification Program posted its best year ever in 2015. In Q3 2015 alone, more than 1,000 candidates applied for the Sales, Ad Operations, and Data Solutions certification examinations. That brings the three-year total of participants in the programs to more than 11,000 professionals.

IAB CERTIFICATION GROWTH 2012-2015

5,030

5000														
4000														
3000														
2000														
1000														
0	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	2012		2013				2014				2015			

The total number of IAB Certified professionals surpassed 5,000 in 2015.

One of the most important milestones of the year was when the **American National Standards Institute (ANSI)** recognized the program's rigorous adherence to operational and ethical standards by awarding accreditation to the Digital Media Sales Certification and the Digital Ad Operations Certification programs—a first for any professional certification program in the digital advertising industry. Only about 10 percent of all U.S. certification programs earn this prestigious achievement.

The ongoing success of IAB learning and certification programs is a validation of how important training is for the industry as a whole to extend the talent pipeline. In May, IAB launched the IAB Digital Data Solutions Certification Program, which aims to ensure that digital sales, operations, and marketing professionals are proficient in data management—a critical area of

expertise as the industry increases its reliance on data-driven marketing. Open to all members of the digital advertising ecosystem—marketers, agencies, publishers, and vendors—the data certification will provide another validation of the knowledge and expertise needed to make interactive advertising more efficient. In 2016, a new certification program for digital agency buyers and planners is expected to launch.

PROFESSIONAL DEVELOPMENT

IAB launched two new major professional development initiatives this year. The **Digital Leadership Program**, a three-day intensive training program that focuses on mid-level professionals and the knowledge necessary to be successful digital managers, sold out its debut, with candidates from Time Warner Cable Media, Bloomberg, Twitter, and Time. The **IAB Online Learning Program**, launched in partnership with Bisk Education a nationally recognized e-learning provider, offers specially designed professional development programs to IAB members and nonmembers alike. The first offering was the IAB Sales Certification Prep Course with Fundamentals of Digital Advertising expected to launch in early 2016, followed by courses on Ad Operations and Programmatic Selling.

IAB Online Learning offers the latest IAB professional development courses online.

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MAKING MEASUREMENT MAKE SENSE

Making Measurement Make Sense (3MS) has been on an evolutionary path that is truly a revolutionary media measurement ambition. It is about much more than viewability, and all the talk about that one aspect obscures an important fact: The initiative is about defining metrics to make cross-media planning, buying, and evaluating comparable so that brand dollars can flow to digital media. Viewability paves the way for the work that needs to be done.

MOVING THE AGENDA FORWARD

IAB began the year with a clearly formulated set of principles for viewable transactions in 2015, a year of transition. At the end of 2015, the consensus was that viewability is settling into a marketplace norm and moving the industry closer to the true goal of 3MS: currency based on viewable, human impressions, in-target for audience characteristics. All media should be allocated and valued using common metrics, empowering marketers to create breakthrough cross-screen branding campaigns based on educated decisions and accountable investments. Progress in the 3MS initiative, a multiyear investment, moves the industry closer to this goal.

At the end of 2015, the MRC convened the 3MS Blue Ribbon Task Force along with leaders from the ANA, IAB, and 4A's to review progress on 3MS, reconfirm the long-term vision of the redefinition of measurement in digital, and provide high-level guidance on next steps.

VIEWABILITY

In 2015, there was substantial progress in terms of implementation of viewability. Under the leadership of Senior Vice President Sherrill Mane, publisher-centric messaging and practical training on viewability overtook the hype that

A DIGITAL MEASUREMENT EVOLUTIONARY PATH

PRIOR TO JUNE 2014

Currency Based on Served Impressions

TODAY

Currency Increasingly Based on Viewable Impressions, with Improving Filtration for Invalid Traffic

SOON PREPARED FOR CROSS-MEDIA

Currency Based on Viewable, Human-Valid Impressions, in-target for Audience Characteristics

Source: MRC

dominated earlier in the year. With the assistance of the MRC and 3MS partners, the ANA and the 4A's, IAB has focused on four key areas:

EDUCATION to strengthen understanding of viewability as the "opportunity to see" and boost acceptance of the empirical science behind the standard

COMPLETION AND COMMUNICATION to strengthen understanding of viewability as the "opportunity to see" and boost acceptance of the empirical science behind the standard

FOLLOW UP with the MRC on the progress vendors are making to adopt the updated viewability measurement standards (version 2.0 was released in August 2015 and incorporates guidance from the reconciliation work)

MOVING FORWARD WITH DEVELOPMENT AND WRITING of a standard for mobile viewable impressions, both web and in-app, as well as developing a broader framework for prosecuting a complete mobile measurement agenda

EDUCATION AND COMMUNICATION

As part of the IAB 3MS Educational Forums, a series on the whys and hows of viewability implementation, IAB hosted the release of the findings of the MRC data reconciliation study in July, analyzing viewability measurement results for advertising campaigns. The session featured MRC CEO and Executive Director George Ivie, whose presentation covered data and implications as well as the timeline for vendor improvements. In addition, IAB released a statement supporting the work of the MRC and used it as an opportunity to communicate a message about the importance of rapid improvement of viewability measurement. The letter highlighted MRC substantiation of the IAB assertion that 100 percent viewability was not yet feasible.

At the IAB Ad Operations Summit, George Ivie, Chief Executive Officer, Executive Director at Media Rating Council, provided an update on the progress toward viewability, including market stability, ongoing challenges, and what's next in the year ahead.

At the request of the 3MS leadership team, the 4A's hosted a measurement town hall meeting in September. The session covered viewability and emphasized the distinction between fraud and viewability. It also addressed the work being done to improve measurement through the identification and filtration of invalid traffic from impression counting. The **IAB Board of Directors Subcommittee on Viewability**, renamed the IAB Board of Directors Subcommittee on Revenue Strategy in 2015, has also discussed how to communicate to the market the progress that has been made and where there are still hurdles. In addition, in October, the 3MS Educational Forum did a deep dive on a successful case study of viewability implementation by PGA Tour Digital.

Viewability is now currency, and with MRC oversight, measurement vendors are now improving their processes so outputs between vendors will be more closely aligned.

DEFINING VIEWABILITY FOR MOBILE

Moving forward with the development and writing of a standard for mobile viewable impressions is critically important to Making Measurement Make Sense, as mobile usage and ad revenue climb. In addition, the MRC found that the biggest source of variance across vendor viewable impression measurement at a campaign level was the combining of desktop and mobile viewable impression counts in one line item.

In May, the MRC issued "**Interim Guidance on Mobile Viewable Impression Measurement**." The document was created at the request of IAB and answers key recurring questions about mobile viewability measurement. It posits that, in all likelihood, the viewability standard for mobile web and in-app display and video ads will be the same as for desktop. However, the MRC does note that the industry work and research on the standard is still ahead of us. The mobile viewable impression measurement guideline is slated for completion in early 2016.

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PUBLIC POLICY AND ADVOCACY

Throughout the year, IAB worked actively with our reelected congressional champions and established direct connections with new members of Congress under the leadership of Mike Zaneis, former Executive Vice President, Public Policy and General Counsel, IAB. After nine years, Zaneis left IAB in August to helm the Trustworthy Accountability Group (TAG). He leaves the IAB public policy efforts in good hands: In December, IAB appointed Dave Grimaldi as the trade organization's new Executive Vice President of Public Policy and head of its Washington, D.C., office. Grimaldi was previously the Director of Public Affairs for Pandora and will spearhead the IAB advocacy efforts in support of consumer privacy, data security, supply chain safety, advertising taxation, and other major regulatory and legislative issues. He assumes the role in January 2016 and will ensure that IAB members' voices are represented before Congress, as well as at key agencies including the Federal Trade Commission (FTC) and Federal Communications Commission (FCC).

WASHINGTON, D.C.

In 2015, the IAB Political Action Committee actively supported elected officials who have traditionally championed the digital advertising industry. This backing will be of growing importance as the Public Policy Office focuses on several major legislative initiatives.

ADS ALLIANCE POLITICAL ACTION COMMITTEE

Early in 2015, IAB successfully merged its Political Action Committee (PAC) with the joint 4A's/ANA PAC to form the ADs Alliance Political Action Committee (AD PAC). The AD PAC begins with a major capitalization of over $100,000 and will allow the digital advertising industry to help educate members of Congress.

FDA AND DRUG RISK INFORMATION IN ADVERTISING

IAB sought clearer guidance from the Food and Drug Administration (FDA) on appropriate ways for pharmaceutical companies to advertise products in space-limited digital advertising formats. In an

unprecedented move, the FDA hosted a meeting with its senior officials, where IAB and several member companies presented the benefits to patients when they receive drug information via online advertising. The uncertainty around FDA enforcement over existing restrictions costs the digital media industry hundreds of millions in advertising dollars each year.
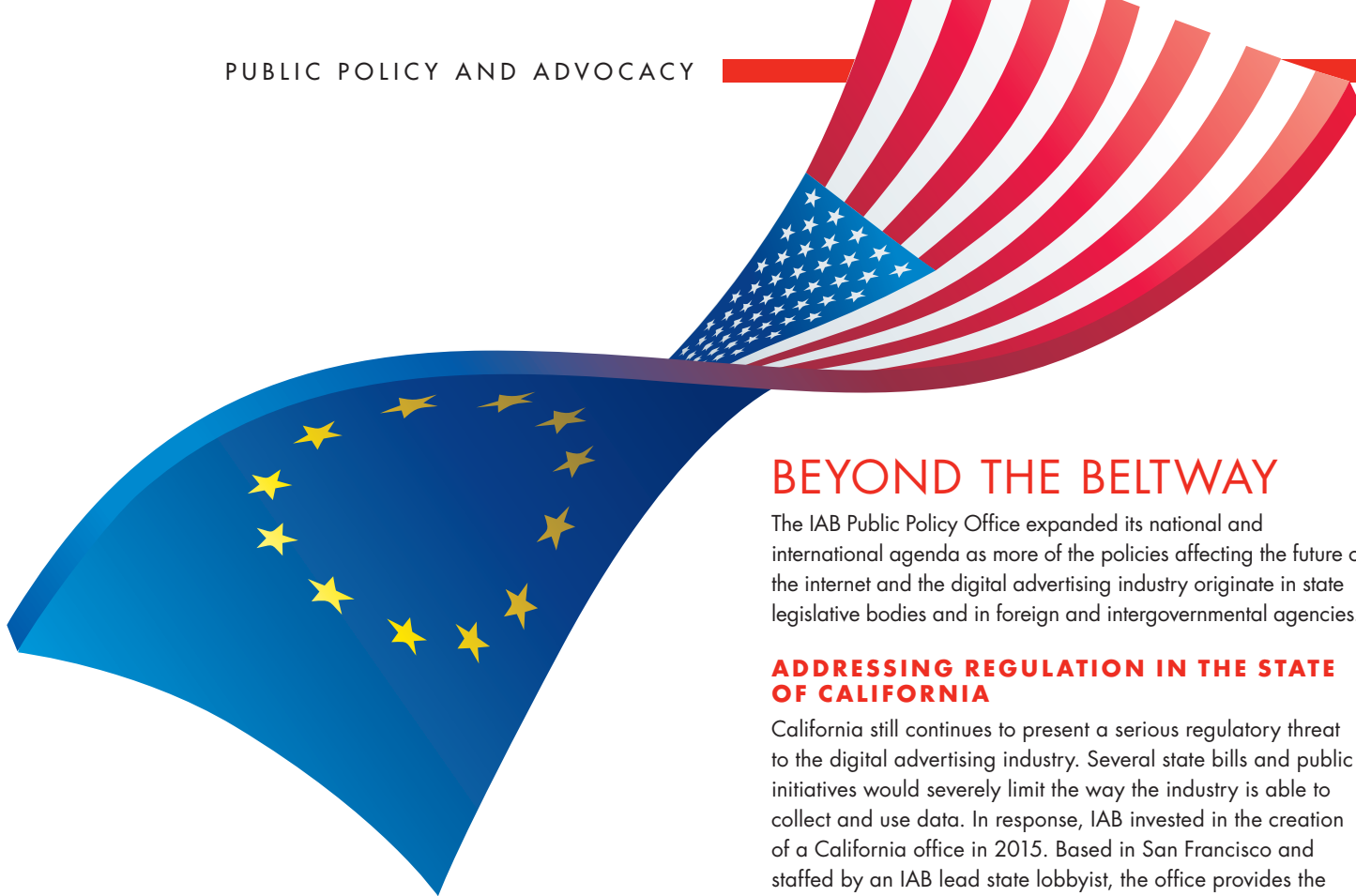
MITIGATING TAX RISKS

The CFO Council continued its work on advertising technology tax risks. More and more members are being targeted by state and local tax authorities in an attempt to classify revenues associated with their advertising exchange services as "software" or "information services" and therefore taxable. The CFO Council invited Richard Leavy, tax attorney at Sidley Austin, to address the council on the matter, and the council continues to lobby on our members' behalf.

MOBILE CENTER FLY-IN

In April, the IAB hosted the fourth annual Washington, D.C., Mobile Center Fly-In. In conjunction, IAB sponsored the State of the Net Wireless conference, with a panel featuring several Mobile Center members talking about the latest in the mobile space. It was widely attended by congressional staff and key industry policy representatives and featured a full day of meetings in both the House and Senate. The group met with congressmen, senators, and key staff working on front-burner issues, including data breach, trade, location, privacy, and tax deductibility legislation.

BEYOND THE BELTWAY

The IAB Public Policy Office expanded its national and international agenda as more of the policies affecting the future of the internet and the digital advertising industry originate in state legislative bodies and in foreign and intergovernmental agencies.

ADDRESSING REGULATION IN THE STATE OF CALIFORNIA

California still continues to present a serious regulatory threat to the digital advertising industry. Several state bills and public initiatives would severely limit the way the industry is able to collect and use data. In response, IAB invested in the creation of a California office in 2015. Based in San Francisco and staffed by an IAB lead state lobbyist, the office provides the industry with a major advocacy platform.

EXPANDING THE INTERNATIONAL AGENDA

Digital knows no borders and there continue to be a number of regulatory priorities at the international level. The IAB Public Policy Office has coordinated a global policy strategy with our international counterparts to more effectively advocate for the digital advertising industry before foreign governmental agencies. These efforts bore fruit recently when U.S. negotiators were able to finalize language with 11 of their Trans-Pacific trading partners on an agreement to expand the flow of goods (including digital goods and advertising) across international borders. This agreement still faces several legislative hurdles, and IAB will be lobbying Congress for swift approval.

MODERNIZING INTERNATIONAL TRADE AGREEMENTS

IAB is committed to supporting the modernization of international trade agreements to serve the needs of the industry. Current trade agreements fail to adequately protect the digital ecosystem from anticompetitive policies. IAB had been working with the United States Trade Representatives on a new framework to strengthen the **Safe Harbor program**. In a distressing setback, a European Union court recently invalidated the Safe Harbor Program, which had provided protections for thousands of U.S. companies that transact business in the European Union and pass data across these international boundaries. The decision leaves multinational members in legal limbo. Our efforts on this front are more important than ever as the European court has told companies that they will begin to enforce the data-sharing restrictions as early as February 2016.

SMALL PUBLISHER FLY-IN

In June, IAB brought small publishers from 20 states to Capitol Hill for the Seventh Annual IAB Small Publisher Conference and Fly-In. Participants immersed themselves in the hottest topics in digital: viewability, fraud, video, mobile, local, social, and more. The publishers also had an opportunity to meet with legislators about the challenges, concerns, and impact that adverse legislation and regulation may have on their businesses. The Long Tail Alliance now includes over 1,160 members. By convening this meeting, IAB showed policymakers the real difference that these small businesses are making in the national economy and in employment levels.

Small publishers visited Capitol Hill for the IAB Seventh Annual Small Publisher Conference and Fly-In.

IAB MEMBERS

We thank all of our members for their support throughout the year. With their leadership and participation, the influence of IAB on the industry will continue to grow. Twenty fifteen marked the first year the IAB General Membership criteria was expanded to include companies that "sell, distribute, or optimize digital advertising or marketing programs." As a result, a number of previously Associate Member companies are now General Members and eligible to vote for and serve on the IAB Board of Directors, as well as chair IAB committees and councils.

GENERAL MEMBERS

33Across
4INFO
5min Media
A&E Television Networks
Aarki
AARP
Abacast
ABC News
ABC TV Network
About.com
Absolute Punk
Accordant Media
AccuWeather.com
ActionX
AcuityAds
Acxiom
Adap.tv
Adaptive Media
ADARA, Inc.
AdColony
Addroid
AddThis
AdFin
AdFormics
AdLarge Media
adMarketplace
Adobe
Adomik
AdoTube
AdRoll
Adslot
AdsNative
AdSpirit
AdSupply
Adswizz
AdTaxi Networks
ADTECH
Adtegrity
AdTheorent
Advance Local
Advanstar
    Communications
Adversal.com
Advertising Age
AdYapper
Adzerk
AerServ
Affinity Express
Ahalogy
Airpush
Allrecipes.com
Allvoices
Altitude Digital
Amazon

AMC
AMC Networks Digital
American City Business
    Journals
American Express
    Publishing
American Media, Inc.
Amobee
Aniview
Anyclip
AOL
AOL Platforms
Apple Inc. (iAd)
AppNexus
Appsnack
AT&T AdWorks
Audience Entertainment
Audience Partners
AudienceScience
Autotrader
AXS Digital
BabyCenter
Baltimore Sun
Batanga Media
Bazaarvoice
BBC Worldwide
Beachfront Media
BET Networks
Bidtellect
Bionic Advertising
    Systems
Bizo
BlackBerry Limited
BlogHer
Bloomberg
Bloomberg Businessweek
BlueCava
BlueLink Marketing
Brides Magazine
Brightcove
BrightRoll
Burst Media Corporation
BuySellAds
BuzzFeed
Buzznet
Cablevision Media Sales
Cablevision Systems
    Corporation
Canoe Ventures
Cars.com
CBS Interactive
CBS Local
Celebuzz
Celtra

Centro
Chango
Chartbeat
Chegg
Chicago Tribune
Chitika
ChoiceStream
CIO
Clipcentric
clypd
CMC
CNN.com
Collective
College Degree Helper
Comcast Spotlight
Comedy Central
Complex Media
Computerworld
Concrete Loop
Condé Nast
Connexity
Conversant Media
ConvertMedia
Convertro
Core Audience
Coupons.com
Cox Media Group
Cox Media Inc.
Cox Reps
CPXi
Crackle
Crain Communications
Crisp
Criteo
CSO Online
Daily Press
DailyMail.com/Elite Daily
Datalogix
DataXu
Dealer.com
Defy Media
Delivery Agent
Demand Media
Demandbase
Departures
Details Magazine
Digilant
Digital First Media
Digital Photography
    Review
DIRECTV
Discovery
    Communications
DISH
Disney Interactive
Disqus

Dominion Digital Media
Dow Jones & Company
    (Wall Street Journal)
Drawbridge
Dstillery
Earth Networks
eBay
eBay Enterprise
Ebiquity
Electric Sheep
Electronic Arts
eMarketer
e-Miles
engage:BDR
Entertainment Weekly
Epom
Equinix
ESPN.com
Essence Magazine
Everyday Health
eXelate
Expedia Media Solutions
Experian Marketing
    Services
Exponential
Extreme Reach
eyeReturn Marketing
EyeSee, Lda
Eyeview
Facebook
FaceCake Marketing
    Technologies
Factual
Factual
FanIQ
Fast Company
FatTail
Federated Media
Fiksu
Financial Times
Firefly Video
First Look Media
Flashtalking
Flipboard
Flite
Flurry
Food & Wine
Forbes Media
Fortune
Foursquare
FOX Networks Group
FOX News Channel
FreeWheel
Fyber
G/O Digital
Gamut
GasBuddy.com
Gawker Media
Genome from Yahoo!
Goldspot Media
Golf Digest
Golf Magazine
Goodway Group
Google
GQ Magazine
Grab Media
Gravity
GSN Games
GumGum
Hanley Wood
Hartford Courant
Harvard Business Review
Haystagg
Health.com
HealthiNation
Hearst Magazines Digital
    Media
Heyzap

HIMSS Media
HIRO-Media
Hotels.com
Hotwire
Hulu
HyprMX Mobile
I-5 Publishing
I-Behavior
IDG Communications
IDG Consumer & SMB
IDG Enterprise
IDG Entertainment
IDG TechNetwork
Idolator
IFC
IGN Entertainment
iHeartMedia
IMDB
Inc.com
Incient Labs Group LLC
Index Exchange
InfoWorld
InMobi
Innity
Innovid
InStyle
Intersection
Investor's Business Daily
Iponweb
IRI
IZEA
Jivox
Jumpstart Automotive
    Media
Jun Group
Just Jared
Just Jared Jr.
JW Player
Kantar Media
Kargo
Kelley Blue Book
Krux
LA Times
Libsyn
LIN Digital
LinkedIn
Liquid powered by
    Publishers Clearing
    House
Liquidus
Lithium | Klout
Live Nation
LiveIntent
LiveRail
Local Corporation
Lonely Planet
Lotame
Machinima
Magnetic
Major League Gaming
Maker Studios
Manage.com
Mansueto Ventures
Marchex
Markit On Demand
Martini Media
Mashable
Match Media Group
Matomy Media
Maxifier
MaxPoint
Media Lodge
Mediabrix
Medialets
MediaMath
Mediative a division of
    Yellow Pages DMS
    Limited
Medicx Media Solutions
Medula Network
Meebo Inc.
Meredith Digital
Metamarkets
Mezzobit
MGID
Microsoft Advertising
Midroll Media
Millennial Media
Mirriad
Mirror Image Internet

Mixpo
Mobile Theory
MobPartner
MODE Media
Moguldom Media Group
Moko Social Media
MONSTER
Morningstar
Move, Inc.
MTV
Multiview
my6sense
MySpace
MyWebGrocer
Nanigans
NASCAR
National Geographic
National Public Media
Nativo
Nature Publishing Group
NBCUniversal
NCC Media
NEC VUKUNET
Netmining
NetSeer
NetSuite
Network World
Neustar
New York Post
New York Public Radio
News Corporation
News Distribution
    Network
Newsday
Nexage
Nexstar Digital
NextNewNetworks
NinthDecimal
NorthStar
NTENT
OneSpot
Ooyala
OpenX
Opera Mediaworks
Optimatic
Optonline
Orange Advertising
    Network
Orlando Sentinel
Outbrain
Outfront Media
OWN: The Oprah
    Winfrey Network
OwnerIQ
PadSquad
Pandora
Patch Media
PC World
People
People En Espanol
Persado
PGA TOUR
Phunware Advertising
Pictela
Pixability
Pixalate
PK4 Media
PlaceIQ
PodcastOne
Podtrac
PointRoll
Polar
POPSUGAR
PowerLinks Media
Prisa Digital
PROXi Digital
Proximic
PubMatic
PulsePoint
Purch
Q1Media
Quaero
Qualia Media
Quantcast
Radar Online
RadiumOne
Rakuten Marketing LLC
Rare
RawVoice
ReactX

Reader's Digest
   Association Interactive
Real Media Group
Real Simple
Realtor.com
Realvu
Refinery29
Remezcla
Resonate Insights
Revision3
Rhythm NewMedia
RhythmOne
Rocket Fuel
Rodale
Roku
Rubicon Project
RUN
S4M USA
Salesforce Marketing
   Cloud
Samsung Electronics
   America, Inc.
SAS Institute
Scripps Networks
   Interactive
SeaChange
Selectable Media
Semcasting
SessionM
SET
ShareThis
Sharethrough
Shopping.com
Signal
Simpli.fi
Simulmedia
Sizmek
Slate
Smaato
Small Business Loan
   Center
Smart AdServer
SmartyAds
Smiley Media
SMRTR.MEDIA
Snap Technologies Inc.
Social Reality
Socialite Life
Sojern
Sonobi
Sony Pictures Television
Southern Living
Sovrn
Specific Media
Speed Shift Media
Spiceworks
SpinMedia
Spongecell
Sports Illustrated
Spotify
SpotX
StartApp
STEEL MEDIA
Stereogum
Strategy+Business
StubHub.com
Studio One

Summit Professional
   Networks
Sundance Channel
Supersonic
Synacor
Taboola
Tapad
Tapjoy
TargetSpot
Taunton Interactive
Teads
Technorati Media
Telemetry
Telemundo
Teradata
Terra Networks USA
The Associated Press
The Daily News
The Economist
The Exchange Lab
The Huffington Post
The Madison Square
   Garden Company
The Morning Call
The New York Times
   Company
The New Yorker
The Superficial
The Trade Desk
The Wall Street Journal
   Digital Network
The Weather Channel
TheStreet.com
Thinknear by Telenav
This Old House
Thomson-Reuters
Time Inc.
Time Out America
Time Warner Cable
Time Warner Cable
   Media
Transpera
Travel+Leisure
Tremor Video
TreSensa
Triad Retail Media
Tribal Fusion
Tribune Company
Tribune Publishing
TripAdvisor
TripleLift
Triton Digital
true[X] media

TruEffect
Trulia
TruSignal
TubeMogul
Tubular Labs
Tumblr
Turn Inc.
Turner Broadcasting
   System
Twitch
Twitter
UberMedia
Undertone
Univision
   Communications Inc.
Unruly
URX
US News & World
   Report
USATODAY.com
Utah.com
V12 Group
Valassis
Vdopia
Verizon Wireless
VertaMedia
Verve Mobile
VEVO
Viacom
Viant Inc./ Vindico
Vibrant Media
VideoAmp
Videogum
Videology
Videoplaza
Vidible
Viewster AG
Viggle
Vindico
Vindigo, Inc.
Virool

Visible Measures
VISIT FLORIDA
Vistar Media
Vungle
Warner Bros. Media
   Research
Washington Post Digital
Watchwith
Webspectator
Westwood One
WEtv
Whitepages
WideOrbit
Wiland
WIRED
Worldata
WorldNow
WWE
WWTDD
xAD
XappMedia, Inc.
Xaxis
XUMO
Yahoo

Yahoo Contributor
   Network
Yahoo en Espanol
Yext
YieldEx
YP
YuMe
ZEDO
Ziff Davis, LLC
Zillow
ZUMOBI
Zynga

NEW GENERAL MEMBERS

Adadyn
Adbrain
Adform
AdGear Technologies,
   Inc.
Adtile Technologies
Advoice

Alliant
BlogTalk Radio
Bounce Exchange
C1 Exchange
Cable One Advertising
Cedato Technologies Ltd
Clear Channel Outdoor
Click-Video LLC
Cofactor Digital
Coull Ltd
DashBid
DGital Media
Emogi
Fluent
Genesis Media
Gimbal Inc.
Grapeshot
Haymarket Media
Imminent Digital
Inneractive LTD
IronSource
JUICE Mobile
KBM Group
Kiosked

Kochava Inc.
Legacy.com
LittleThings.com
LotLinx
Madison Logic
MeritDirect, LLC
National Football League
   (NFL)
NeoReach
NovoRoll
Oracle
Pebble Post
Phluid Media
Pinterest
Placester, Inc.
PubNative GmbH
PushSpring
Qriously
Quixey
RebelMouse
Reelz
RevJet
RockYou!

Shareablee, Inc.
She Knows
Site Tour
Skyhook Wireless
SnapChat
SteelHouse
Sublime Skinz
SundaySky
Tavant Technologies
The Guardian
The Mobile Majority
The Onion
The Wireless Registry
Trivver, Inc
Ubimo
Ve Interactive
Venturist Media Inc.
   dba Andbeyond.
   media
ViralGains, Inc.
WebbMason, Inc.
WebMD
Wibbitz
Wikia, Inc.
Woven Digital
Yieldmo
Zefr
Zemanta

TECH LAB MEMBERS

All IAB U.S. General Members are automatically members of the IAB Tech Lab.

Additional members include:

Authenticated Digital
Double Verify
Monotype
The Media Trust
Integral Ad Science
Improve Digital
Yahoo! Japan

ASSOCIATE MEMBERS

Ace Metrix
Active International
Adcade
Ad-iD
AdJuggler
ADLOOX
 edia (AAM)
Archer Advisors
Are You a Human
Bartle Bogle Hegarty
BIA/Kelsey
Billups
Bluekai
Bonzai

BPA Worldwide
BPN
BrightLine
Burt
Cadreon
CDK Digital Marketing
Cisco
Clearstream.TV
comScore
Crowdtap
Deloitte & Touche, LLP
DeviceAtlas
Dieste
Distil Networks
DoubleVerify
Dun & Bradstreet
DWA Media
Efficient Frontier
Ernst & Young
Forensiq
Fraudlogix
Fuisz Media
GeoEdge
GET IT Mobile
GfK North America
Ghostery
GroupM
guidetoVoIP
Havas Media
iCrossing

IHG
ImServices Group
Infinitive
Initiative
Integral Ad Science
Intel
INVISION Inc.
IPG Mediabrands
Kantar Video
Kinetic Active
LiveRamp
Loeb & Loeb LLP
Magna Global
MarketShare
MEC Global
Media Rating Council
MediaLink
MediaOcean
Merkle
Millward Brown Digital
Moat
Monotype
MoPub
Newspaper Association
   of America
Nielsen
ONEcount
Opera Software
Outsourced Ad Ops
Paradysz + PM Digital

Pay Day Cash Tree
Pfizer
PIVnet
Prohaska Consulting
Psychology College
   Degree
PureClick
Research Now
ResponsiveAds
Revolution Messaging
Rokkan Media LLC
SapientNitro
Sorenson Media
Strategy& (formerly Booz
   & Company)
Szabo Associates, Inc
Television Bureau of
   Advertising
Teradata
The Center For Sales
   Strategy
The Estee Lauder
   Companies
The Integer
   Group

The Media Trust
   Company
Theorem
UM
Unilever
Varick Media
   Management
Visual IQ
VivaKi
White Ops
Wildfire
Winterberry
   Group
WNYC
Zvelo

NEW ASSOCIATE MEMBERS

6Sense
Acquia
Authenticated Digital
Avant Digital Media
Ayuda Media Systems,
   Inc.

Brandtale
ClarityAd
Dell Inc.
F#
First Haven Media
Glassnetic
Innocean Worldwide
InstaBrand
Ipsos
Management Science
   Associates
Media Management Inc.
Netflix
PricewaterhouseCoopers
RADS Media
Redbooks
RiskIQ
Sailthru
Sales Athlete Media Network
Secret Media Inc
TiVo Research
Uprise Technologies LTD
Yavli

COMMITTEES AND COUNCILS

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Through the efforts of committees and councils in various industry segments, IAB helps drive the industry forward. These groups include the brightest minds in the industry and work together to develop solutions that improve the interactive advertising and marketing ecosystem for everyone.

IAB COMMITTEES are based on specific platforms within the digital advertising medium. Committee members work together to prove platform value or simplify the processes for buying, selling, and creating interactive advertising.

IAB COUNCILS are based on a specific industry role within members' organizations. Council members share best practices and develop tools to improve efficiency, provide thought leadership, and grow digital advertising.

In November 2015, the IAB Mobile Marketing Center of Excellence and the Performance Committee jointly organized an Attribution Town Hall.

COMMITTEES AND COUNCILS

Ad Ops Council
James Deaker, *Yahoo,*
    Co-Chair
Michael Stoekel, *The New*
    York Times Company,
    Co-Chair

Advanced TV Committee
Chris Falkner, *NBCUniversal,*
    Co-Chair
Adam Lowy, *DISH, Co-Chair*

**Advertising Technology
Council**
Jonathan Bellack, *Google,*
    Co-Chair
Jay Sears, *Rubicon Project,*
    Co-Chair

Audio Committee
Scott Liss, *iHeartMedia,*
    Co-Chair
Douglas Sterne, *Pandora,*
    Co-Chair

B2B Committee
Andrew Goldman, *LinkedIn,*
    Co-Chair
Louis Moynihan,
    Demandbase, Co-Chair
Steve Suthiana, *Mansueto*
    Ventures, Co-Chair

CFO Council

Data Council
Khurrum Malik, *Facebook,*
    Chair

Digital Video Committee
Matthew B. Corbin,
    Facebook, Co-Chair
Danielle Lee, VEVO,
    Co-Chair

Games Committee
Kym Nelson, *Twitch,*
    Co-Chair
Ari Brandt, *Mediabrix,*
    Co-Chair
Julie Shumaker, *Zynga,*
    Co-Chair

Legal Affairs Council
Steve Hicks, *Ziff Davis, LLC,*
    Chair

Local Committee
Kristen Berke, *Tribune*
    Publishing, Chair

**Mobile Advertising
Committee**
Sol Masch, *Time Inc., Chair*

Multicultural Council
Liz Blacker, *iHeartMedia,*
    Co-Chair
Diego Antista, *Google,*
    Co-Chair

**Native Advertising/Content
Committee**

**Performance Marketing
Committee**
John Busby, *Marchex,*
    Co-Chair
Dave Tan, *Google, Co-Chair*

Programmatic Council
Bob Arnold, *Google,*
    Co-Chair
Jason White, *CBS*
    Interactive, Co-Chair
Jason Fairchild, *OpenX,*
    Co-Chair

Public Policy Council

Research Council
Stephanie Fried, *Discovery*
    Communications,
    Co-Chair
Daniel Murphy, *Univision*
    Communications Inc.,
    Co-Chair

Sales Executive Council
Brian J. Quinn, *Triad Retail*
    Media, Chair

Social Media Committee
Carine Roman, *LinkedIn,*
    Co-Chair
Christine Cuoco, *Twitter,*
    Co-Chair

**Tablet Advertising
Committee**
Ned Newhouse, *Condé*
    Nast, Chair

WORKING GROUPS, TASK FORCES, AND ADVISORY BOARDS

Accounts Receivable Working Group

Ad Blocking Work Group

Ad Effectiveness Studies Working Group

Ad Ops Advisory Board

Audio Events Working Group

CFO Tax Working Group

Compensation Working Group

Consumer Perception of Data Working Group

Cross Platform Ad Effectiveness Research Working Group

Cross Platform Measurement Issues Working Group

Data Measurement Research Working Group

Data Primer 2.0 Working Group

Digital Video Ad Format Guidelines Working Group

Digital Video Emerging Tech Focus Group

Digital Video Technical Standards Working Group

Display Creative Guidelines Working Group

Facial Recognition Privacy Task Force

IAB Dynamic Content Ad Standards Working Group

Local Buyers Guide Working Group

Mobile Ads QA App Working Group

Mobile Location Data Publisher's Guide Working Group

Mobile Location Data Working Group

Mobile Measurement Task Force

Mobile Research Working Group

Mobile Rich Media Ad Interface Definitions (MRAID) Working Group

Mobile User Acquisition Working Group

Mobile Video Task Force

Modernizing Measurement Task Force

Native Advertising Agency Task Force

Native Advertising Playbook - V2 Working Group

Open Direct Working Group

OpenRTB Native Working Group

OpenRTB Working Group

OpenVV Work Group

Podcast Business Working Group

Podcast Technical Working Group

Programmatic Fee Transparency Working Group

Programmatic Video Working Group

Research Advisory Board

SafeFrame Implementation Working Group

Social Media Measurement Guidelines Working Group (MRC)

Taxonomy and Mapping Work Group

TASK FORCES are created to address an industry challenge or topic that is emerging and requires discussion, definition, and development from an IAB perspective. The groups may transition into a committee or council should the topic require numerous and long-term resources. Task forces are made up mostly of invited members and may include nonmember partners should their expertise be required to move forward.

WORKING GROUPS are formed by members of committees and councils. They are smaller, more focused groups of members and aim to complete a project, initiative, or committee action that requires member contributions

ADVISORY BOARDS serve as guidance to committees, councils, or initiatives. These groups are invitation-only and include highly knowledgeable leaders active in IAB initiatives.

WHAT ARE THE MAIN OUTPUTS OF COMMITTEE AND COUNCIL WORK?

WHITE PAPERS, BEST PRACTICES, AND BUYER'S GUIDE

These documents serve to define, help people understand, or provide an update on a particular industry platform or topic. White papers tend to provide an industry overview and perspective on a platform, problem, or process. Best practices are determined by a group of IAB industry experts and are benchmarks or proven methodologies to approaching a platform process, industry workflow, or common practice. Buyer's guides are designed to be the definitive industry guide for anyone who wants to learn about using digital media to advertise within a specific platform or technology. This resource usually includes information such as market statistics, metrics commonly used, and successful ad campaigns.

TECHNICAL SPECIFICATIONS

IAB creative ad formats and technical specifications provide consistency in ad formats and delivery methods (usually in the form of code) so the marketplace can realize efficiencies of scale in ad buying, selling, and ad creation. These standards apply to publishers, other media sellers, and technology vendors.
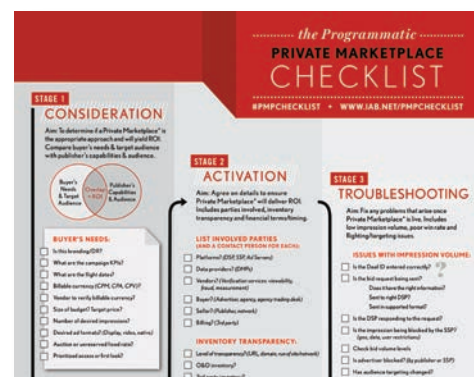
IMPLEMENTATION GUIDELINES

Upon the completion of a technical specification, an implementation guideline provides organizations with a clear template for applying and adopting IAB standards into their business practices.

IAB COMMITTEES AND COUNCILS AT WORK

Composed of representatives from IAB member companies, committees and councils drive the industry forward in key industry segments with in-depth research, best practices development, thought leadership, and other essential activities. In 2015, these groups were instrumental in developing practical and scalable solutions for the benefit of everyone in our industry, particularly in the areas of native advertising, programmatic, digital audio, and data.

NATIVE ADVERTISING AND SOCIAL MEDIA

In-feed native ads continued to be an integral part of reaching the consumer in 2015. In July, a working group of 30 Native Advertising Task Force members published the "**Deep Dive on In-Feed Ad Units**," a supplement to the Native Advertising Playbook. This paper examined different permutations of in-feed ads, highlighting the need for advertisers to ensure that the ad type and the ad experience fit within a given publisher's environment/UX to meet the advertiser's goals. Published in August, "**Disclosure, Disclosed: How Leading Web Properties Disclose In-Feed Ads**," a snapshot view of the comScore Top 100 Most Visited Web Properties (desktop only), showed that leading web properties appear to be paying attention to helping consumers understand when they are viewing in-feed ads, using language and other visual disclosure cues to distinguish ads from surrounding publisher editorial content.

On the social media front, IAB worked with the Media Rating Council to create a new Social Media Measurement Guidelines working group, in association with the 4A's and the Word of Mouth Marketing Association (WOMMA).

DEMYSTIFYING PROGRAMMATIC

For 2015, the Programmatic Council focused its main efforts on education, mobile, and making private marketplaces work better. In partnership with the IAB Learning and Development team, the one-day Advanced Programmatic training program for direct sellers and buyers continued its roll-out across the country with training sessions held in Washington, D.C., New York, San Francisco, and Chicago. Among the Programmatic Council's particular emphases was the **Making Private Marketplaces Work Better** initiative. The council released a Private Marketplace Checklist with the goal of ensuring that buyers and sellers are aligned on what they are trying to achieve from their private marketplaces and that they appropriately assess whether it is the right channel to transact through before moving ahead. The checklist provides a list of issues that buyers and sellers need to discuss and agree to in order to ensure ROI from their private marketplaces. The work is seeing widespread adoption in the marketplace.

DIGITAL AUDIO

Expanding on the release of the "Digital Audio Buyer's Guide" in April 2015, the Digital Audio Committee brought this valuable resource to life at three Digital Audio Days: in Los Angeles at Spotify's headquarters in May, in Dallas at the Dallas Entrepreneur Center on Aug. 5, and in Chicago on November 10 at the Wit Hotel. Each event independently reached more than 100 marketers, media executives, and content providers, who heard from industry leaders, examined research supporting the growing digital audio market,

learned from creative campaign best practices, and gained insights on rising and developing trends in digital audio. Audio has taken its rightful place in the big leagues of digital advertising and content, and IAB leadership has been key in that maturation process.

IAB PODCAST UPFRONT SHOWCASE

SPOTLIGHT

In 2015 IAB launched its first **Podcast Upfront Showcase** in September in New York. Leading content publishers who participated included AdLarge Media, CBS Radio, ESPN, Midroll, NPR, Panoply, Podtrac, and WNYC, who promoted their unique offerings to over 120 advertising and marketing executives and previewed the latest in innovative podcast programming. Both veterans and newcomers to the space shared similar messages— intimate entertainment experience, listener loyalty, niche targeting, imaginative programming, and nonblockable native advertising all demonstrate that podcasting is a truly viable and mainstream medium worthy of brands' attention. In true upfront fashion, the stage was set with the hottest podcast talent, from mainstream celebrities such as actor and director Michael Rapaport to highly regarded public radio hosts and journalists such as Slate's editor-in-chief Julia Turner. Advertising Age recognized the efforts in "Podcasting's Renaissance Celebrated," and Adweek shared "Why the IAB's First Podcast Upfront Was Such a Hot Event for Marketers." IAB plans to build on the success created from this initiative in 2016 and beyond.

Julia Turner, Editor-in-Chief, Slate, opened the first IAB Podcast Upfront Showcase.

GAMES

The Game Advertising Committee took its show on the road this year to communicate the value and scale of gaming as an advertising medium. In May, Susan Borst, Director of Industry Initiatives, moderated a panel titled "Game Advertising for Brands: Now's the Time to Reframe the Conversation" with EA, Microsoft Xbox, and Twitch at the LA Games Conference. The committee was also represented at the New York Media Festival on October 8, with a panel including representatives from AerServ, HyprMX, ironSource, MediaBrix, and TreSensa. The article "Five Ways to Get More Brands in the Advertising Game," published after the event, focused on spreading the word about the premium nature of games and the opportunities for brands.

PERFORMANCE

Made up of professionals from a diverse range of digital sectors including email and messaging, search, lead generation, and others, the Performance Committee joined forces with the IAB Mobile Center to host an important industry conversation on attribution in November. Because media campaigns follow the liquid consumer audience from screen to screen, understanding the cumulative impact of media and messaging grows ever more complex. This town hall meeting gave participants a thorough understanding of the state of attribution and started to shape an IAB agenda for this important topic in 2016.

B2B

In June, the Native Advertising Task Force held a town hall titled "Winning Strategies for B2B and Native." Speakers from 6Sense, Adobe, Adweek, Demandbase, eXelate, Forbes, IBM, Nativo, Polar Polls, and SmartBrief took to the stage to discuss pain points such as targeting, data, and distribution as well as unique opportunities for engagement, lead generation, and sales. On Oct. 19, partnering with the Mobile Center of Excellence, Demandbase, Haymarket Media Group, Fast Company, LinkedIn, Madison Logic, Medialets, Polar Polls, and Shareablee provided deep insights and concrete examples of the role and importance of mobile for B2B marketers.

DATA

In October, the Data Council released a major study, "**Data as Competitive Advantage**." This study, conducted with the Winterberry Group and supported by Accordant Media, AddThis, Dun & Bradstreet, Oracle Marketing Cloud, Alliant, Connexity, and SAS, features insights from more than 100 executive-level thought leaders representing all segments of the advertising, marketing, media, and technology industries. It explores how data adds value across various traditional, digital, and omnichannel use cases. The study includes special emphasis on the methods that sophisticated companies are applying to extract meaningful competitive advantage from their first- and third-party data assets as well as what best practices data users uphold as they seek to elevate data's contribution to the marketing enterprise.

Advertisers and technologists have a multibillion dollar opportunity to create better, more engaging, and more useful marketing experiences for consumers in today's fragmented, technology-driven media market. IAB is the only organization that can host this conversation and connect the dots among brands, marketers, publishers, agencies, and technology companies to educate all sides of the industry, and jumpstart the type of meaningful collaboration that elevates advertising earlier in the development process.

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MOBILE MARKETING CENTER OF EXCELLENCE
MOVING MOBILE MAINSTREAM

The global mobile marketplace is growing at an unprecedented rate. Mobile advertising accounted for almost $31.9 billion in 2014 global advertising revenue, compared with $19.3 billion in 2013—65 percent year-on-year growth, according to "**Global Mobile Advertising Revenue 2014: The State of Mobile Advertising Around the World**," a report prepared for IAB by IHS Technology and released in August.

Under the leadership of Anna Bager, Senior Vice President, IAB, and General Manager, Mobile and Video Centers, the Mobile Marketing Center of Excellence continues to foster the mobile advertising industry's growth on a number of fronts.

MOBILE PROGRAMMATIC

Early in 2015, the IAB Mobile Center of Excellence released its first "**Mobile Programmatic Playbook**," a guide for marketers, media companies, and others in the digital ad ecosystem to the ins and outs of programmatic buying and selling of media in the mobile world. It outlines ways that mobile programmatic is similar to programmatic buying in general as well as areas where it diverges, such as lack of cookies and the importance of location data. The playbook will serve all IAB members who can add to their educational and sales materials.

EXPLORING THE MYTHS OF MOBILE VIDEO

In June, IAB released "**Mobile Video Usage: A Global Perspective**," a comprehensive survey of consumers from 24 countries around the world who watch videos on smartphones. Contrary to popular perception, mobile screens are regularly being tapped for streaming longer-form video: 36 percent of total respondents said they watch videos that are five minutes or longer on their phones daily or more frequently, with smartphone video viewers in Turkey, Finland, China, Russia, and Singapore being particularly frequent viewers of such videos. The study also examined popular video content genres, locations, and times of day when people watch videos and attitudes toward advertising in the context of mobile video content.
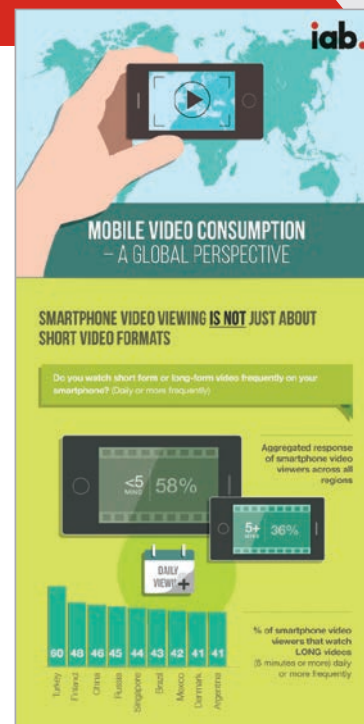
IAB MOBILE MARKETING CENTER OF EXCELLENCE 2015 BOARD MEMBERSHIP

iab.MOBILE

MAKING MOBILE WORK IN AN OMNISCREEN WORLD

In July, the IAB Mobile Center relaunched the **Make Mobile Work** initiative with a series of webinars aimed at providing marketers and agencies with practical, jargon-free advice on how to make mobile advertising work for them in the increasingly omniscreen world. The first two webinars were a great success, attracting 300 attendees each to learn about how to succeed with mobile video and cross-device measurement. The last webinar in this series was on tactics for app promotion campaigns in December.

REACHING LOCAL AUDIENCES

The Mobile Center published the "**Local Buyer's Guide: Practical Advice for Advertising Targeted to Digital Local Audiences.**" This aims to be the definitive industry guide for anyone who wants to learn about using digital to advertise to local audiences and to understand local digital media's growth, evolution, sophistication, and burgeoning opportunities. The report includes data relevant to large national brands, small and medium-sized businesses, as well as regional-to-global ad agencies.

MOBILE METRICS AND ENGAGEMENT

This year the Mobile Marketing Center of Excellence released the Video Addendum to the IAB **Mobile Rich Media Ad Interface Definitions (MRAID)** standard. This specification creates a new standard that facilitates running and tracking metrics for Video Player Ad-Serving Interface Definition (VPAID) video within MRAID interstitial ads. Adoption of the Video Addendum will help more publishers add mobile video inventory, while simplifying ad creation, delivery, and measurement of mobile.

The Mobile Center published a **Digital Simplified** report that explains mobile ad engagement metrics and helps bring order and clarity to industry conversations about consumer engagement on mobile screens. This piece builds on the groundbreaking "**Defining and Measuring Digital Ad Engagement in a Cross-Platform World**," released in February 2014, by highlighting and reinforcing mobile-specific engagement metrics, as well as indicating ways that measuring engagement on smartphones and tablets diverges from the desktop.

Also published was the third in an ongoing series of surveys of senior marketer decision-makers called "**Marketer Perceptions of Mobile Advertising, 2015 Edition**," which looked at a wide range of mobile topics, including spending level, opportunities and challenges, success metrics, and ad formats for mobile. The study included questions on mobile programmatic and emerging devices such as wearables. Conducted repeatedly over five years, the study offers a view of marketers' evolving thoughts on mobile and validates the idea that the Mobile Center's priorities reflect those of marketers.

MOBILE AND MEDIA IN THE LIVES OF MOMS

- Millennial moms' ownership of smartphones in the U.S. outpaces ownership of laptop and desktop computers for the first time, and they report spending **35% more time online on their phones**

- **Mobile usage by millennial moms outpaces TV** in the U.S., Brazil, Canada and China, and nearly reaches parity in the UK

Conducted in partnership with BabyCenter

MOBILE VIDEO USAGE, A GLOBAL PERSPECTIVE

- **Mobile video is not only a short-form phenomenon:** 36% of smartphone video viewers said they watch videos that are five minutes or longer on their phones daily or more frequently

- **Dual-screen video viewing is a thing:** 53% of smartphone video viewers across the 24 markets say they often or sometimes watch mobile video while watching TV

- **Viral video:** 68% share the videos they watch on their smartphones, and 42% say social media is a way they often find the smartphone videos they watch

Conducted by On Device Research

COLLEGE STUDENTS AND MOBILE

- College students are more likely than the average smartphone user to cite **mobile as the medium with the most relevant ads** (28% versus 22%)

- Students were significantly more likely to **choose a brand based on their social media** (16% vs. 10%) and friends' opinions (13% vs. 9%) compared with all other smartphone users

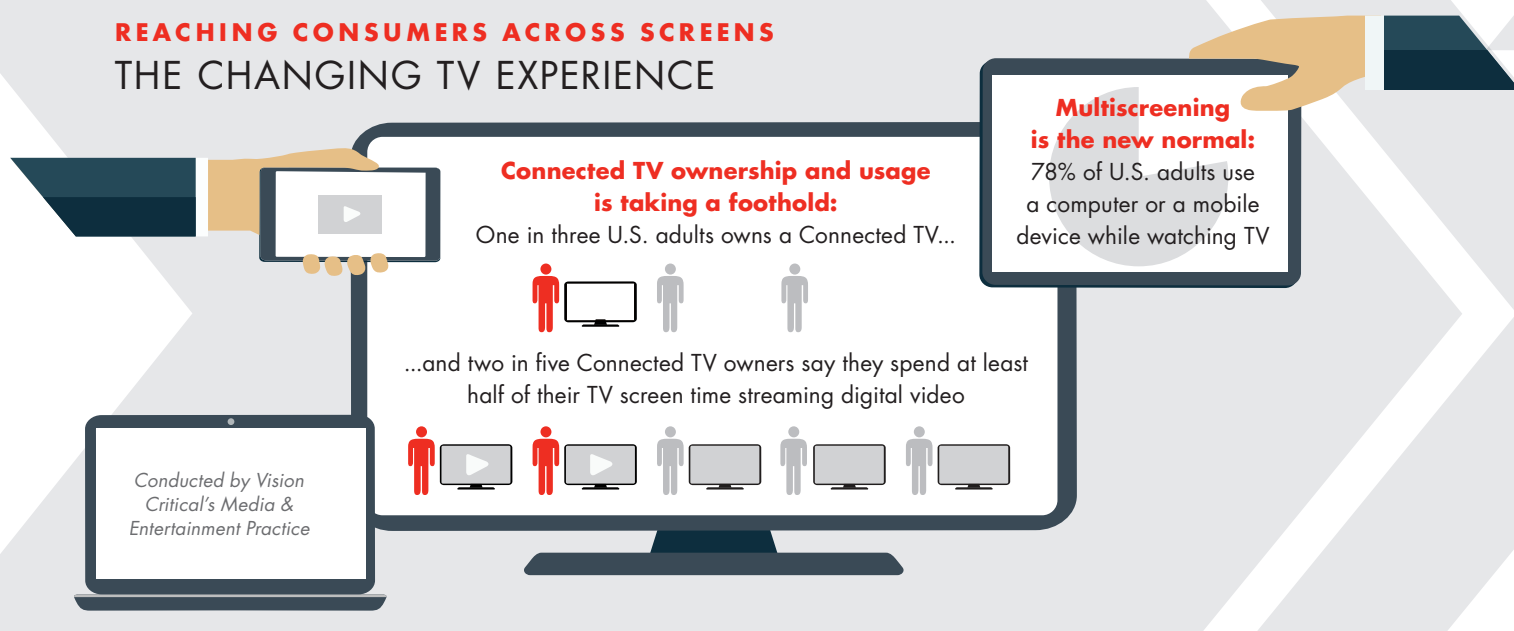*Conducted in partnership with Qriously*

GLOBAL MOBILE AD REVENUE

- Global figures for **mobile advertising revenue surged 64.8% to $31.9 billion (€23.9 billion)** in 2014 from $19.3 billion (€14.6 billion) in 2013

- **Mobile display reached a landmark $15.1 billion**, outpacing search for the first time

Conducted in partnership with IAB Europe and IHS Technology

IAB RESEARCH

The research produced by IAB helps guide and advance the digital media and advertising industry by delivering information that our members and partners need to build brands and businesses.

REACHING CONSUMERS ACROSS SCREENS
THE CHANGING TV EXPERIENCE

Connected TV ownership and usage is taking a foothold:
One in three U.S. adults owns a Connected TV...

Multiscreening is the new normal:
78% of U.S. adults use a computer or a mobile device while watching TV

...and two in five Connected TV owners say they spend at least half of their TV screen time streaming digital video

Conducted by Vision Critical's Media & Entertainment Practice

PATH TO PURCHASE/REACHING CONSUMERS

IAB DIGITAL SHOPPING REPORT

- Consumers are **more likely to purchase using a tablet (35%) than a smartphone (28%)** except for adults 18–34 who are more inclined to make purchases using their smartphones (43% vs. 35% on a tablet)

- While different age groups "showroom" differently, **half of U.S. adults compare prices on a mobile device while in a store** and most will then buy in a physical store —at the current retailer or that of a competitor

A custom IAB analysis of Prosper Insight data

IAB DIGITAL INFLUENCE ON HOME IMPROVEMENT PLANS

- U.S. consumers planning home renovations are nearly twice as likely as the general population to be influenced by mobile and desktop ads, with 22% saying these **ads guide their purchases**, compared with 12% of the general population

- Home renovators, most likely to be aged 35–64, tend to be more digital media–savvy than the typical U.S. adult, with **40% citing online search as a source for home improvement ideas**

A custom IAB analysis of Prosper Insight data

TRUSTWORTHY SUPPLY CHAIN
WHAT IS AN UNTRUSTWORTHY SUPPLY CHAIN COSTING THE U.S. DIGITAL ADVERTISING INDUSTRY?

- Fraudulent impressions ($4.6 billion), infringed content (2.5 billion), and malvertising-related (1.1 billion) supply chain flaws **cost the U.S. digital marketing, advertising, and media industry $8.2 billion annually**

- That money can be recouped if companies **fix badly designed business processes and work collaboratively across the ecosystem** to ensure seamless and safe partnerships

Conducted in partnership with EY

DIGITAL TRENDS
YEAR IN REVIEW: DIGITAL USAGE TREND REPORT

- While mobile internet usage has surpassed that of computers since late 2013, accessing the internet via a computer has not declined overall. **Video and video ads in particular are growing**.

AD REVENUE
IAB INTERNET ADVERTISING REVENUE REPORT

- 2014 Full-Year Report: Digital and mobile ad revenue continues to climb at double-digit growth rates year over year to reach **$49.5 billion over 2014**. Video and mobile growth continues to stand out as overall internet ad revenues have surpassed broadcast TV.
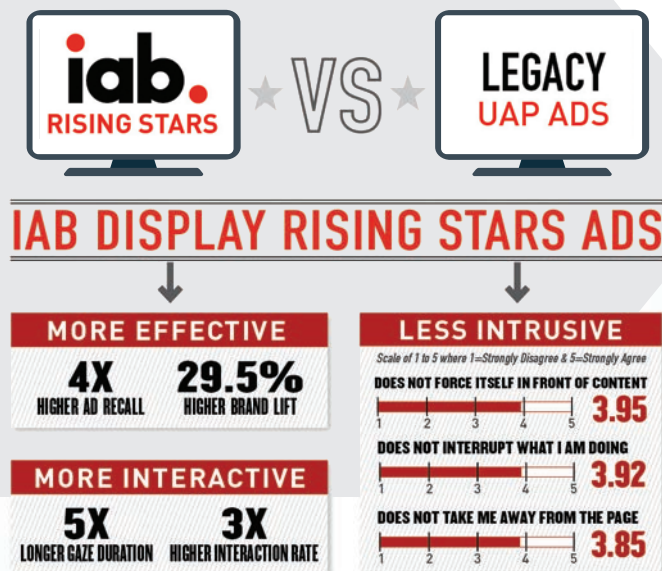
Prepared by PwC US

PROGRAMMATIC REVENUE REPORT

- Programmatic buying and selling of online display-related advertising generated **$10.1 billion in 2014**, making up 20 percent of last year's overall internet advertising revenues ($49.5 billion)

- This figure represents approximately **52% of display-related advertising** in 2014 ($19.6 billion), while nonprogrammatic display-related revenues accounted for the remaining 48% at $9.4 billion

Prepared by PwC US

PUBLISHER TRANSFORMATION/AD CREATIVE
RISING STARS BRAND IMPACT STUDY

Rising Star display ads outperform standard ads in both interactivity and brand impact. They get **three times higher interaction rates, offer a better user experience, and are more effective with four times higher brand recall and 30% higher brand lift** than standard ads with the same creative.

Conducted in partnership with C3Research

iab. RISING STARS ★ VS ★ **LEGACY UAP ADS**

IAB DISPLAY RISING STARS ADS

MORE EFFECTIVE
4X HIGHER AD RECALL   29.5% HIGHER BRAND LIFT

MORE INTERACTIVE
5X LONGER GAZE DURATION   3X HIGHER INTERACTION RATE

LESS INTRUSIVE
Scale of 1 to 5 where 1=Strongly Disagree & 5=Strongly Agree
DOES NOT FORCE ITSELF IN FRONT OF CONTENT — 3.95
DOES NOT INTERRUPT WHAT I AM DOING — 3.92
DOES NOT TAKE ME AWAY FROM THE PAGE — 3.85

BUILDING BRANDS DIGITALLY

Work continues on enabling brand advertisers to embrace the new digital media mix enthusiastically, as the challenge of measuring, executing at scale, and building great creative is still resulting in under-investment in digital. To address these issues, under the leadership of Executive Vice President and Chief Marketing Officer David Doty, IAB is helping members on a number of fronts to lead brands through programs designed to make it easier to buy, create, deploy, and measure engaging digital advertising.

DIGITAL ADVERTISING TOPOLOGY

At the start of the year, IAB released its three-part digital advertising typology at the IAB Annual Leadership Meeting, recognizing that the digital advertising market has divided into three types of advertising that marketers use to achieve strategic objectives: **concept ads**, **content ads**, and **commerce ads**. The industry was urged to master this framework as it will help simplify the planning of advertising and marketing and make strategy, media, and creative execution come together more effectively in pursuit of marketers' goals of awareness, consideration, and purchase.

THREE TYPES OF ADS

Concept ads

Content ads

Commerce ads

RISING STARS AND AD PRODUCTS

"**The Rising Stars Ads and Brand Equity Study**", released by IAB in January 2015, proved that these concept ad formats deliver higher interaction (five times longer gaze duration and three times higher interaction rate), which drives greater effectiveness (four times ad recall and 29.5 percent greater brand lift). In addition, the research found that Rising Stars ads achieve this level of performance while also being seen as less intrusive and less annoying than legacy ad banners, owing to better creative, more viewer control, and greater choice.

The Ad Product Advisory Board, in cooperation with the IAB Tech Lab, advanced its initiatives designed to enable marketers to use ads more effectively. **The Dynamic Ad Component Standards Workshop** hosted by Yahoo in Silicon Valley was attended by experts from across the ecosystem and work began on standards to help drive content advertising at scale.

SILICON VALLEY MEETS MADISON AVENUE

In June, IAB released "**Madison Avenue Meets Silicon Valley and Silicon Alley: Building Collaboration Between Creativity and Technology**," a report that crystallizes insights and advice on how best to bridge the gap between creativity and technology to build better, more sustainable consumer advertising experiences. These learnings came from West and East Coast summits of the IAB Agency Advisory Board (a team of 36 senior executives from across the creative and media-buying arenas) that included some of the biggest names in the technology, publishing, agency, venture capital, and marketing communities. Ron Conway, founder of SV Angel, a premiere San Francisco-based angel investment firm, and Michael Lebowitz, founder and CEO of Big Spaceship, an award-winning digital agency headquartered in Brooklyn, and Chair of the IAB Agency Advisory Board, married their perspectives in the paper's foreword and urged all parties to "champion new ways to drive collaboration across technology and advertising." The paper also identified nine vital takeaways that can help both advertisers and technology companies foster greater internal and external collaboration, as Silicon Valley and Madison Avenue need to

learn to work better together. The recommendations include understanding a new consumer paradigm, bringing innovation in-house, and being willing to fail.

IAB@CANNES

For the third year in a row, IAB grew its presence at the Cannes Lions Festival of Creativity with its popular "Liquid Creativity" explorations, this time shining the spotlight intensely on digital
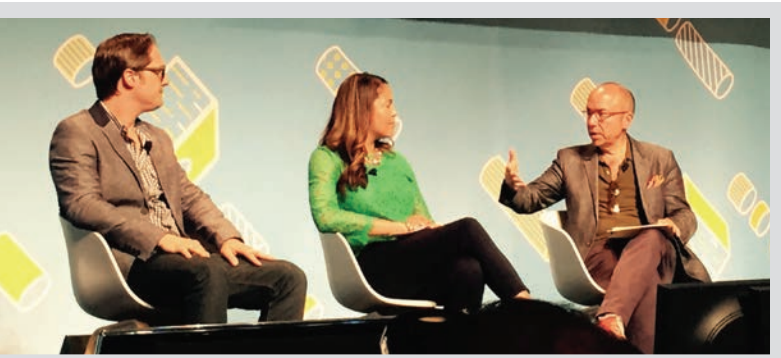
At the Cannes Lions Festival of Creativity, IAB delved into the need for "liquid creativity."

video. Randall Rothenberg was joined on stage by Danielle Lee from Vevo and Athan Stephanopoulos from NowThis Media to share real-world learnings on cutting-edge content creation and distribution. Anna Bager, Senior Vice President and General Manager of Mobile and Video Centers, IAB, spent a full day moderating sessions at the Cannes Lions Innovation Festival. IAB also hosted an invitation-only party honoring Elizabeth Weil from Andreessen Horowitz at the Hôtel Martinez, which was sponsored by YuMe.

That same evening, IAB and YuMe released "Digital Advertising Audiences: The New 'Liquid Consumer' Paradigm." A white paper produced in cooperation with the IAB Agency Advisory Board that taps into top creative, brand, agency, and publishing leadership for insights and guidance on navigating the new "liquid audiences" that discover content across a range of mediums, devices, and platforms.

IAB MIXX AWARDS

For more than 10 years, the IAB MIXX Awards has been a beacon of where the industry is going and a benchmark of outstanding achievement. Michael Lebowitz, Founder and CEO of Big Spaceship, served as the 2015 IAB MIXX Awards jury chair, leading a cross-industry panel of 38 judges consisting of creative luminaries, brand marketing

powerhouses, and blue-chip publishers in the selection process. This year's most sought-after IAB MIXX Award—the Best-in-Show prize—went to the ALS Association for "The ALS Ice Bucket Challenge." The winners of the 2015 IAB MIXX Awards demonstrate how imagination and technology can be woven together to move hearts and minds. The work represents the finest in digital marketing the world over and will surely influence the next generation of marketing campaigns.

WHAT WORKS AND WHY

In April, IAB released the second edition of "What Works and Why: IAB MIXX Awards 2015 Insights Report," which provided analysis from the awards' elite panel of industry judges on select Gold-winning campaigns in branding, video, mobile, data, and various techniques and technologies. Alongside 14 campaign case studies and video interviews, the report highlights best practices across digital channels and explores emerging trends that will be critical to interactive marketing in the years to come.

As digital becomes more of a borderless medium every day, marketers need a global playbook for best practices and creative insights. In September, IAB expanded the conversation on marketing creativity by releasing the "IAB What Works and Why—Global Insights Report," which explores case studies from 24 award-winning ad campaigns from around the world. It also features expert commentary from 28 international digital marketing and media leaders. The report focuses on the theme of "The Allure of Authenticity and Creativity" in interactive advertising and presents campaigns curated from various international IAB MIXX Awards programs and other similar honors around the world. It highlights both the art and science necessary to create authentic digital marketing that resonates with cross-border, or global audiences, and is a valuable tool for agencies and marketers for learning how best to leverage the opportunities presented by publishers.

iab.

UNITING BIG IDEAS WITH THE PEOPLE WHO BRING THEM TO LIFE

At IAB, events are convening platforms for industry thought leadership and attract the most important innovators in the industry to the stage. In 2015, more than 7,000 media executives and digital influencers from around the globe attended more than 100 IAB events and conferences.

Lisa Donohue
Starcom USA
IAB Annual Leadership Meeting

Jeffrey Cole
USC Annenberg School for Communication and Journalism
IAB Annual Leadership Meeting

Ira Glass
This American Life
IAB MIXX

David Sable
Y&R
IAB Mobile Marketplace
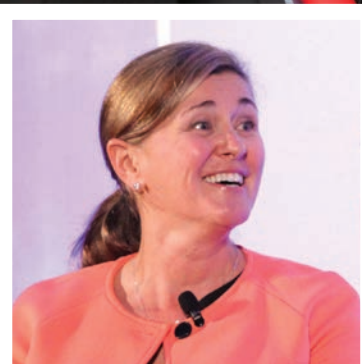
Monique Bonner
Dell
IAB Ad Technology Marketplace

David Moore
WPP Digital, Xaxis
and IAB Tech Lab
IAB Ad Operations
Summit
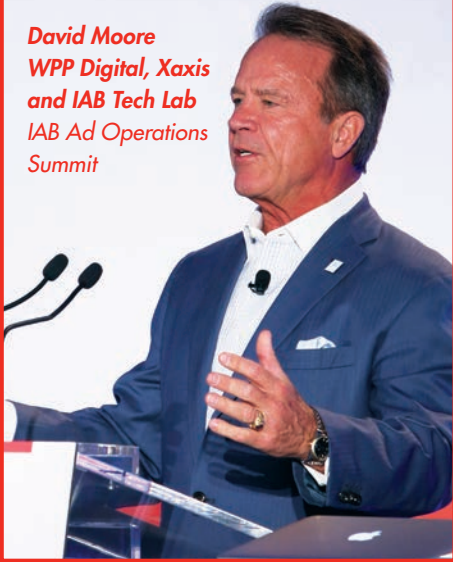
JP Maheu
Twitter
IAB Digital
Video
Marketplace

Susan Wojcicki
YouTube
IAB MIXX

Linda Boff
GE
IAB Annual Leadership
Meeting

Jacob Weisberg
The Slate Group
IAB MIXX

Marissa Mayer
Yahoo
IAB MIXX

Seth Meyers
IAB MIXX

Ashu Garg
Foundation Capital
IAB Digital Video Marketplace

Mark Thompson
The New York Times Company
IAB Annual Leadership Meeting

31

IAB INTERNATIONAL
DIGITAL WITHOUT BORDERS

Twenty fifteen was a year of strong collaboration for the IAB Global Network. Now made up of 44 organizations across six continents, the network's cooperative working relationships further the needs of hundreds of corporate members in critical areas and serves as an international platform for sharing information and creating content on ad technology, policy, and thought leadership.

The international team, led by IAB Executive Vice President and Chief Marketing Officer David Doty and Senior Director of International Alexandra Salomon, aims to further the overall mission of IAB and to serve the interactive ad industry globally by advancing global thought leadership, promoting IAB certification and training programs, expanding the IAB brand into strategic markets, and encouraging self-regulation and public policy.

EXPANDING INFLUENCE OF THE GLOBAL NETWORK

As a confirmation of that evolution in influence and cooperation, more than 100 participants from 35 countries converged at this year's annual **IAB Global Summit** on September 30 and October 1, 2015, in New York City. Joining the IAB leaders were members of the IAB Board of Directors as well as members of IAB branches across the globe, including publishers, ad tech companies, and creative agencies. Over the two days, spirited town hall discussions focused on ways the global network can work in partnership on solutions and to find new inspiration and ideas. The most important theme was how to collaborate globally on ad blocking, bringing together voices from the U.S., U.K., IAB Europe, and other places around the globe.

Alice Manners, CEO, IAB Australia, highlighted the key trends in the Australian landscape at the IAB Global Summit.

Adding insights to the summit were keynote presentations from such industry visionaries as Sophie Kelly, former Chief Executive Officer, the Barbarian Group; Frank Cooper, Chief Marketing and Chief Creative Officer, BuzzFeed; and Elizabeth Weil, Partner, Andreessen Horowitz. The IAB Global Summit provided an excellent platform for the release of several important initiatives, such as the "**IAB What Works and Why: Global Insight Report**"

At the IAB Global Summit, Frank Cooper, Chief Marketing and Chief Creative Officer, BuzzFeed, shared how a marketer from a global consumer brand can take a company from a digital startup to a thriving media and content company.

(see Building Brands Digitally, page 29) and the "**IAB State of the Digital Video World**," a first-of-its-kind report examining the important role that mobile and programmatic play on video platforms in 19 markets around the globe.

AD BLOCKING AND LEAN: A TRULY GLOBAL INITIATIVE

With ad blocking emerging as a dominant global issue in 2015, the entire IAB international community united to address the issue with the global rollout of the **LEAN Ad Principles**, a program established by the IAB Tech Lab (see page 7 for more on LEAN). The IAB Tech Lab hosted a series of international town halls around ad blocking to obtain feedback and guidance for **LEAN**. IAB UK, IAB Europe, IAB France, and IAB Germany worked very closely with the IAB Tech Lab to lay the groundwork for global advertising standards creation and execution around the LEAN Ad Principles to optimize user experience and address the industry's global ad blocking

challenge. The conversation began at the Global Summit when Scott Cunningham, General Manager of the IAB Tech Lab, moderated a town hall on ad blocking. The objective of the discussion was to identify ways to help publishers, agencies, and marketers best protect their interests while respecting consumers' concerns.

IAB INTERNATIONAL: PORTUGAL

Headquartered in Lisbon and helmed by Bernardo Rodo, Managing Director of OMD Portugal, IAB Portugal kicked off in January with its Leadership Conference opening up industrywide discussion and debate on the current digital media landscape to align with global IAB initiatives. With David Doty in attendance, the event was hosted in partnership with the country's leading business newspaper, Jornal de Negócios, with the support of major members such as Google and Microsoft, as well as major Portuguese publishers and global agencies including GroupM, OMD, and others.

MOBILE WORLD CONGRESS

In March, IAB expanded its international events footprint by holding its inaugural one-day summit at the **Mobile World Congress** in Barcelona, partnering with Facebook and Nasdaq. *IAB at Mobile World Congress* attracted a full house of mobile professionals who came to hear keynote speakers such as Gerry D'Angelo, European Media Director of Mondelēz International; Sarah Personette, Head of Global Business Marketing, Facebook; Bob Pittman, Chairman and CEO, iHeartMedia; Russell Rubino, Vice President of Global Marketing, Nasdaq; Randall Rothenberg, President and CEO, IAB; and David Sable, Global CEO of Y&R. They debated the future of mobile advertising and the issues driving (or preventing) its growth, from measurement to wearables and from "walled gardens" to better creative.

SPOTLIGHT

Overall, 2015 marked a growing spirit of collaboration in the international marketplace with lots of opportunities for publishers, marketers, and agencies to participate in driving the industry forward. One particularly outstanding case, the "Digital Advertising in the European Economy," shows the importance of jobs attributable to digital advertising in Europe and gives a qualitative perspective on digital innovation. IAB expects increased activities in all these countries and across borders in 2016 and beyond to help government entities understand which regulations can be good for the industry and to promote responsible growth.

For the first time at the Mobile World Congress, IAB, along with partners Facebook and Nasdaq, held an all-day summit on mobile advertising.

iab.

EXPANDING INFLUENCE

On October 14, 2015, IAB.net became IAB.com. The new IAB website has more news and information about the most pressing topics in digital, simpler navigation, and a fully responsive design to support tablet and mobile phone browsing. IAB would like to thank BrightRoll, Collective, Google, MediaMath, Rubicon Project, sovrn, Turn, and Yahoo for their generous donation of the domain www.iab.com.
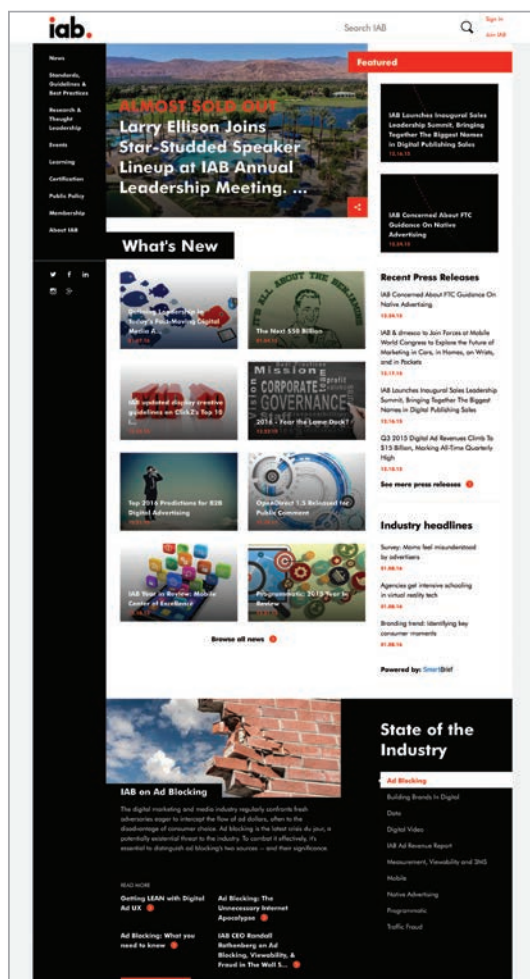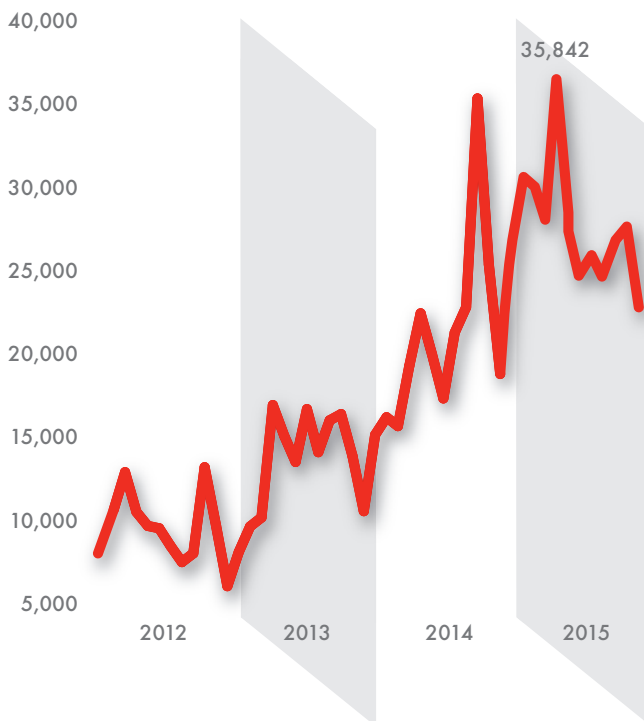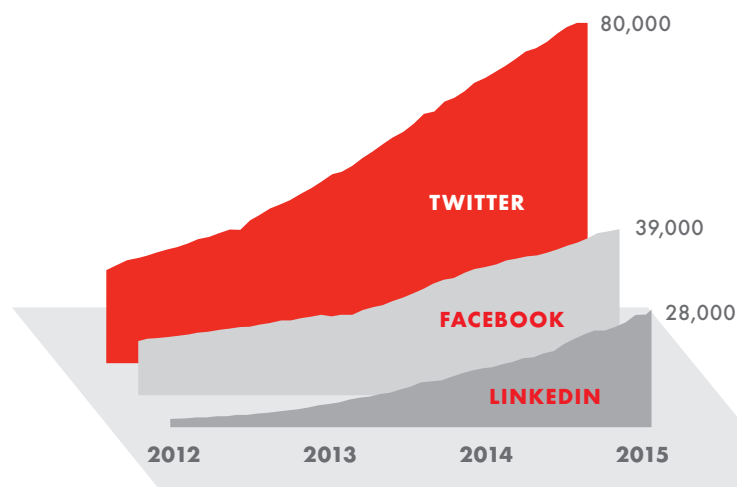
IAB.COM DONORS

BrightRoll

collective

Google

MediaMath

rubicon PROJECT

sovrn

TURN

YAHOO!

STORYTELLING THROUGH VIDEO
IABTV VIDEO VIEWS UP IN 2015

35,842

40,000
35,000
30,000
25,000
20,000
15,000
10,000
5,000

2012   2013   2014   2015

TWITTER FOLLOWERS, FACEBOOK FAN LIKES, AND LINKEDIN MEMBERS ALL UP IN 2015

80,000

TWITTER

39,000

FACEBOOK

28,000

LINKEDIN

2012   2013   2014   2015

TOP NEWS HEADLINES FROM 2015

The Atlantic
Are the Mobile Ad-Blocking Wars Already Over?

ad exchanger
Ad Blocking – Unlike Fraud – Comes at the User's Behest

FORTUNE
Inside the First-Ever 'Podcast Upfront'

THE WALL STREET JOURNAL.
Flaws Cost U.S. Online Ad Industry $8.2 Billion Annually, IAB Says

THE WALL STREET JOURNAL.
The Mobile Web Isn't Dead, IAB Says

AdvertisingAge
WHAT'S NEWS TO WHAT'S NEXT
IAB Says HTML5 Is New Standard, Adobe Agrees

AdvertisingAge
WHAT'S NEWS TO WHAT'S NEXT
IAB Study: Programmatic Revenue Exceeds $10 Billion, but Industry Still Confused

The New York Times
NYTIMES.COM
Packed Field Stokes Competition for Digital Ad Dollars

NEW YORK POST
More Americans Are Watching Digital Programming than Ever

ADWEEK
The Future May Belong to Web and Mobile Video, but TV Will Survive

Bloomberg
AOL CEO: Workforce Diversity `Big Business Opportunity'

TOP-LINE PRESS RESULTS 2015

TOTAL MONTHLY PRESS STORIES SET NEW RECORDS IN SEVEN OF THE 12 MONTHS
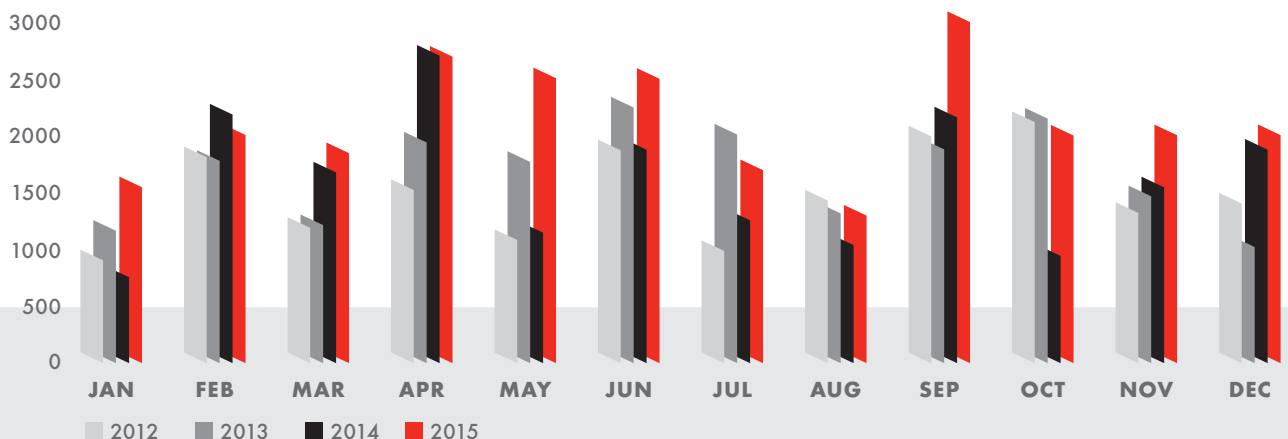
Legend: 2012, 2013, 2014, 2015

WHO IS IAB?

EXECUTIVE COMMITTEE 2015

Randall Rothenberg
IAB President and CEO

David Morris
CBS Interactive
Chairman

Lauren Wiener
Tremor Video
Vice Chairman

Joe Apprendi
Collective

Joan Gillman
Time Warner Cable Media

Neal Mohan
Google

David Moore
Xaxis

Jim Norton
AOL

Scott Schiller
NBCUniversal

Vivek Shah
Ziff Davis, LLC

Rik van der Kooi
Microsoft

BOARD OF DIRECTORS 2015

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Paul Caine
Bloomberg

Kevin Conroy
Univision Communications Inc.

Frank Cooper
BuzzFeed

Seth Dallaire
Amazon

JoryDes Jardins
SheKnows

Mark Ellis
Time Inc.

Rick Erwin
Acxium

Eric Franchi
Undertone

Michael Friedenberg
IDG

Mark Howard
Forbes Media

Eric Johnson
ESPN.com

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The New York Times Company

Seth Ladetsky
Turner Broadcasting System

Jean-Philippe Maheu
Twitter

Kirk McDonald
PubMatic

Harold Morgenstern
Discovery Communications

Marian Pittman
CMG Digital

Penry Price
LinkedIn

Brad Smallwood
Facebook

Jeremy Steinberg
The Weather Channel

John Trimble
Pandora

Lisa Utzschneider
Yahoo!

Lisa Valentino
Condé Nast

Jacob Weisberg
Slate

Mike Welch
AT&T AdWorks

Troy Young
Hearst Magazines Digital Media

EX OFFICIO

Stu Ingis
Venable
Secretary

Rich LeFurgy
Archer Adviors
Founding Chairman

John Toohey
Time Warner Cable Media
Treasurer

The Interactive Advertising Bureau (IAB) empowers the media and marketing industries to thrive in the digital economy. It is comprised of more than 650 leading media and technology companies that are responsible for selling, delivering, and optimizing digital advertising or marketing campaigns. Together, they account for 86 percent of online advertising in the United States. Working with its member companies, IAB develops technical standards and best practices and fields critical research on interactive advertising, while also educating brands, agencies, and the wider business community on the importance of digital marketing. The organization is committed to professional development and elevating the knowledge, skills, expertise, and diversity of the workforce across the industry. Through the work of its public policy office in Washington, D.C., the IAB advocates for its members and promotes the value of the interactive advertising industry to legislators and policymakers. Founded in 1996, the IAB is headquartered in New York City and has a West Coast office in San Francisco.

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Technology innovations are igniting a shift in digital media that may forever alter the power structure of our industry. Change can be debilitating, but in the digital media world, it is also what produces so many incredible opportunities. Embracing this change will pave the way to the next $50 billion.

— RANDALL ROTHENBERG
PRESIDENT AND CEO, IAB