

IAB BOARD OF DIRECTORS

CEO's Report

November 5, 2020

By David Cohen

If you're anything like me, you probably began this year assuming it would be more or less like last year. It has turned out to be less like last year, and more like...change on an entirely new scale.

2020 pounded CTRL ALT DEL like a sledgehammer.

Call it the ultimate reset: the moment when we were all forced to rethink our priorities.

As IAB, we've had to re-think how and where we work and collaborate, how we are organized, and where we must focus to make the most positive impact. We've changed everything from our COEs (Centers of Excellence) [to our CEO](#).

As an industry, we've had to re-think how advertising—everything from targeting to attribution—will work in a cookie-less world. How consumer habits are changing, from shopping to media consumption and beyond. What consumers and public policy makers are thinking now about privacy—and what the impact of the elections will be.

As a society, we've had to re-think how we live together. What our responsibilities are to our friends and neighbors. How we protect the most vulnerable. What racial equality means. What kind of America we are today and what we want to be in the future.

Obviously, this has been hard.

But less obviously, maybe getting knocked entirely off track hasn't been all bad.

We've all been pushed out of our daily routines and comfort zones. We've been forced to take stock in ways we might not have done otherwise.

Now is a time for reflection—and as crazy as this may sound—for optimism. As disorienting as 2020 has been, we have more clarity now about what we're up against. We can plan for the future. After having spent so much of 2020 on defense, we can at last shift gears and go on offense in 2021.

That's exactly what IAB is doing. We've re-set our Centers and aligned them with our priority campaigns designed to help our members prepare for a future that's approaching faster every day.

The Media Center is about fast-changing media habits, and is focused on three critical campaigns:

- **News Saves Lives:** Proving the value of news and dispelling myths about brand safety to further public welfare and assure a robust news industry. Substantiated via groundbreaking research, which found that advertising in news is not only brand safe, but also actually increases trust and drives consumers to take action. In short, supporting news is not just a good thing to do – it’s good for business.
- **Tele://Vision:** Working across the entire ecosystem to re-engineer how video is bought, sold, measured, and optimized. Helping to leverage the new diversity of video content and distribution types to further marketing and monetization objectives. The pandemic has accelerated the rise of streaming, condensing years of evolution into a few months, making this even more timely and crucial.
- **Audio Everywhere:** Helping publishers, brands, agencies, and tech companies best utilize podcasting and audio content. Video has gotten much of the attention, but streaming audio has also been growing during the pandemic. In 2021, podcasting will be a \$1BB market. Now, more than ever, it is important for us to address the technical standards and business practices necessary to fuel the incredible growth of podcasting, streaming audio, and beyond.

The Programmatic & Data Center has three interconnected campaigns, all of which deal with the central role of data in everything we do:

- **The Future of Addressability:** Re-thinking and re-architecting digital marketing to support core industry use cases, while balancing consumer privacy and personalization. With the loss of third-party cookies and other identifiers, we want to ensure brands and publishers preserve the ability to communicate effectively with their customers.
- **The Measurement Imperative:** Addressing modern management’s expectation of smarter and more accountable marketing and media spend – and the challenges of delivering in an often hard-to-predict tech and regulatory environment. Defining best practices and guidelines pertaining to addressability, attribution, brand safety, ad fraud, and privacy.
- **Privacy Now:** Providing concrete solutions as the proliferation of new privacy regulation in the U.S. and around the world is impacting the way businesses operate – from GDPR in the EU to CCPA in California, IAB and IAB Tech Lab provide legal, policy, and technical compliance

frameworks to help advertisers and marketers find new ways to operate their business, address their customers with personalized messaging, and comply with local and global legislation.

The Experience Center is focused on change and how we, as an industry, confront, manage, and leverage those changes to create the kind of future we desire:

- **The New Media Consumer:** Examining the changes—big and small—in what consumers want and need from the media. What experiences will drive loyalty and growth? How must the media reinvent itself for the future?
- **Brand Disruption Today:** Understanding a new reality in which the same forces that critically impacted the music and newspaper business are doing the same to consumer goods. It's about ever-evolving consumer behaviors and experiences, and the associated risks and opportunities for disruptor and incumbent brands alike.
- **Diversity and Inclusion:** Urgently calling IAB member companies and industry partners to lead by example — by creating and standing behind principles, best practices, and programs to build and nurture diverse, inclusive and equitable workplaces.

The following represents the most significant work we have accomplished since our June Board Meeting:

The Media Center: News Saves Lives, Tele://Vision, and Audio Everywhere

Campaign	Initiative	Description
News Saves Lives	The News Trust Halo: How Advertising in News Benefits Brands (September 2020)	IAB, in collaboration with Magid Research, found that advertising in news is brand safe, increases trust, and drives consumers to take action. View the full report .
News Saves Lives	Ads.txt: Don't Blame the Tools, Learn How to Use Them	This blog post, published in July, clarified the use of transparency-focused standards like ads.txt (Authorized Digital Sellers).
News Saves Lives	SafeFrames 2.0 released in public comment	IAB Tech Lab released some enhanced SafeFrames with version 2.0, providing safer, simpler, and more advanced rich ad interactions in web pages and apps.
News Saves Lives	Ad Product Taxonomy 1.0	IAB Tech Lab adds a new taxonomy to its portfolio, with Ad Product Taxonomy 1.0 – in public comment until November.
News Saves Lives	Content Taxonomy 2.2 to Improve Brand Safety & Suitability	In partnership with the Global Alliance for Responsible Media (GARM), IAB Tech Lab updated the Content Taxonomy with the shared goal of creating a safer digital environment – version 2.2 is in public comment until November 27.
News Saves Lives	News Media List: IAB Tech Lab introduced the News Media Inclusion List for Buyers	To tactically support local news media globally, IAB Tech Lab has partnered with local industry organizations that have initiatives to screen and maintain lists of news publishers.

Tele://Vision	COVID Ad Spend Studies	<p>IAB identified implications of COVID via a series of timely studies:</p> <ul style="list-style-type: none"> ● COVID Impact on Ad Spend 2020: The Transformation of the Television Marketplace (June 16) – In this third study of advertising buyers, IAB focuses on Upfronts/NewFronts spend, plus the impact of COVID on total advertising spend for the 2nd half of the year. View the IAB THERE webcast about it. ● COVID Ad Spend Impact 2020 & 2021: Light at the End of the Tunnel (September 2) – IAB’s sixth 2020 buy/sell-side survey expects digital ad spend for 2020 to increase 6% versus 2019.
Tele://Vision	Tele://Vision Workshops & Leadership Summit	<p>We held a series of five Tele://vision workshops to deep dive into opportunities to reduce marketplace friction:</p> <ul style="list-style-type: none"> ● Tele://Vision Leadership Summit – June 3 ● Automation Workshop – June 17 ● Measurement Workshop – June 30 ● Ts and Cs Workshop – July 23 ● Content and Creative Development – August 17
Tele://Vision	Prove it to Move it Video Town Hall: Making the Case for Brands to Increase Spend in CTV (June 11, 2020)	<p>The “Prove it to Move it” Town Hall and blog post explored the current state of ad spend versus audience size in CTV. During this town hall, we were joined by the experts from Roku, Canvas Worldwide, Nexstar Digital, Quirk Creative, and Rhone. 335 people attended and the recording can be viewed here.</p>
Tele://Vision	IAB U.S. 2020 Digital Video Advertising Spend Report : Putting COVID in Context	<p>The IAB 2020 Video Ad Spend Study, examines the spending plans of buyers across the digital video landscape and was released in conjunction with the Digital Content NewFronts (June 2020). This year’s study highlights the growing importance of CTV, with expected 8% YoY growth (despite the impact of the pandemic).</p>

Tele://Vision	2020 NewFronts (June 22–26)	The 2020 NewFronts, live streamed in June, drew 12,000 viewers and was a clear reminder of how powerful data, technology, and creative storytelling can be.
Tele://Vision	Town Hall: The Future of the Video Marketplace (July 7)	We reviewed the latest insights and trends in cross-platform video and explored how the digital video marketplace is evolving to best serve the needs of today’s audiences. We were joined by experts from McKinsey, Altice/Cheddar, Initiative, 360i, and GroupM as well as 300+ attendees.
Tele://Vision & Audio Everywhere	IAB Audience Week: Reach Conference (September 29 – October 1)	We launched our first-ever IAB Audience Week event as a direct response to what we heard during the IAB NewFronts in June. Planning and buying in a time of change was the context, with the Reach Conference kicking off the week, followed by the invite-only Video Leadership Summit on Friday 10/2. With over 650 leading buyers, brands, publishers, and tech enablers in attendance, 88% of attendees surveyed said they would attend next year’s Reach Conference.
Tele://Vision	IAB Audience Week: IAB Video Leadership Summit (VLS) (October 2)	At our fifth annual invite-only Video Leadership Summit (VLS) on October 2nd, we brought 120+ leading industry stakeholders together, to establish the priorities and overall video agenda for IAB. Key discussions at VLS helped identify potential initiatives for IAB to drive, including: an Advanced TV Curriculum, a fluidity checklist, common terms and conditions for data collection and metrics, a standard ad package for CTV, etc. Detailed findings can be found in the VLS Post Summit Recap Report here and presentation deck here .

Tele://Vision	CTV Blog post series : How Digital Media Standards Can Support Healthy Growth of CTV	IAB Tech Lab put together a CTV Blog post series to explain how Tech Lab standards support CTV and are enhancing the Podcast Measurement Technical Guidelines
Tele://Vision	Secure Interactive Media Interface Definition (SIMID) 1.1	Secure Interactive Media Interface Definition (SIMID) 1.1 was released for public comment – the Tech Lab updates include support for non-linear ads and complement the V-Suite
Tele://Vision	Streaming TV 101 Learning & Development Course	The Streaming TV 101 course was developed in partnership with Hulu and presented during IAB’s Reach Conference in September. IAB’s Video Center has also continued to conduct the “State of Video Advertising” roadshow which highlights the latest in video ad spend, viewer behavior, and creative trends. In 2020, IAB has reached over 700 members through these forums.
Audio Everywhere	IAB Podcast Upfront 2020 (September 9-11)	Now in its sixth year, IAB’s Podcast Upfront expanded into three days of exciting digital audio content, where media buyers previewed the latest in podcast programming from the biggest names in the digital audio arena. We had a record number of presenters including the New York Times, Viacom and Sony who made their debut with us this year, and A-list talent including Oprah Winfrey, Will Ferrell, Sean Hayes, Kevin Durante, and Brie Larson.
Audio Everywhere	IAB Podcast Advertising Revenue Report (July 2020)	In July, IAB released the U.S. Podcast Ad Revenue Study, detailing 2019 spend, as well as 2020 COVID-19 impact. With the support of 16 major players in the audio space, this report illustrated that despite a slight downturn in ad spend, podcast revenue still saw a 14.7% increase in 2020 spend.

Programmatic + Data Center: Future of Addressability, Measurement Imperative, and Privacy Now

Campaign	Initiative	Description
The Future of Addressability	2020 U.S. Report on Programmatic In-Housing (August 2020)	Programmatic Growth: The Programmatic+Data Center, in collaboration with Accenture Interactive, published a series of market-specific research initiatives tracking the evolution of Programmatic In-Housing. The research documented the hybrid approach to in-housing with acknowledgment of the impact of consumer privacy and data regulatory changes. Reports were published for the U.S., Latin American, European, and International markets.
The Future of Addressability	Guidance for iOS changes	This IAB Tech Lab blog post, published in July, provided timely guidance for the recent iOS 14 privacy changes and new features.
The Future of Addressability	IOS14 Privacy Changes and OpenRTB	In September, IAB Tech Lab defined supporting extensions for OpenRTB (Real Time Bidding)
The Future of Addressability	Congress Requests Investigation of RTB – Public Policy Advocacy	Sen. Wyden’s office reached out to IAB to understand the real time bidding landscape, and how bid-stream data is utilized, with the anticipation that it could become a first-tier issue in the new Congress beginning in January.

<p>The Future of Addressability</p>	<p>Project Rearc Global Task Force and Accountability & Addressability Working Groups</p> <p>Partnership for Responsible Addressable Media in collaboration with 4As, ANA, and other industry associations</p>	<p>IAB Tech Lab, in collaboration with key stakeholders, is focused on rearchitecting the future of digital marketing to balance personalization and consumer privacy.</p> <p>IAB Tech Lab has been focused on collaboration towards standards to achieve predictable privacy for consumers through the first parties they trust, increased accountability and trust for our industry, and improved market innovation and competition. Our end goal is to deliver technical standards, guidelines, and best practices as well as accountability/compliance program(s) by next year via our Project Rearc, and in collaboration with other industry stakeholders via the Partnership for Responsible Addressable Media.</p>
<p>The Future of Addressability</p>	<p>Project Rearc Educational Webinar Series</p>	<p>IAB Tech Lab continued its educational webinar series on how the loss of third-party cookies and other identifiers will profoundly impact our digital media and marketing industry:</p> <ul style="list-style-type: none"> • How the Removal of Identifiers Impacts Publishers (August 19 & October 6) • How the Removal of Identifiers Impacts Brands & Agencies (July 16 & 21) – View VOD
<p>The Future of Addressability</p>	<p>IAB Tech Lab: REBOOT 2020 (September 15-17)</p>	<p>IAB Tech Lab: REBOOT 2020 Virtual Summit discussed the future of privacy, measurement, brand safety, and streaming video.</p>
<p>The Future of Addressability</p>	<p>Common Ad Transport Standard (CATS) 1.0</p>	<p>The Common Ad Transport Standard (CATS) 1.0 released in June 2020, was designed to complement OpenRTB and is a new standard to execute ad requests in non-biddable ad transactions. It works with VAST (Digital Video Advertising Standard)</p>

Measurement Imperative	IAB State of Data Report (July 2020)	The Programmatic+Data Center released its annual IAB State of Data Report updating the approach to include the impact of the global coronavirus pandemic. This report denotes the increased attention to first-party data solutions while reinforcing the importance of third-party data to audience analytics and the extensive concerns of the pandemic on business planning. It also continues to benchmark data investment and priorities across the media and advertising industry.
Measurement Imperative	Guidance for podcasts on watchOS	Apple WatchOS duplicates podcast downloads resulting in inflated reporting – IAB Tech Lab provided some filtering guidance: guidance for podcasts on Apple WatchOS .
Privacy Now	IAB CCPA Compliance Framework for the California Consumer Privacy Act	IAB Tech Lab’s U.S. Privacy String has become the standard for conveying CCPA compliance signals and the IAB Limited Service Provider Agreement has scaled to over 500 signatories.
Privacy Now	IAB CCPA Roundtables/Benchmark Survey	IAB completed its bi-weekly CCPA roundtables, which brought together approximately 80 privacy lawyers to work through CCPA friction points, complexities, and ambiguities. The CCPA Benchmark Survey, drafted by the lawyers in the CCPA Roundtables, was put into the field in August 2020 and will provide the most comprehensive view of the market’s interpretations of the law and compliance approaches.

Privacy Now	IAB Privacy Law & Public Policy Webinar Series	<p>IAB conducted a series of privacy law and policy webinars with a heavy focus on practical challenges regarding CCPA. From June to October, we had over 1,500 attendees:</p> <ul style="list-style-type: none"> ● CCPA & the Qualified Right of Deletion (June 11) ● Digital Political Advertising Town Hall (June 18) ● Geolocation and Sensitive Information: Congress is Watching and Waiting (June 25) ● Privacy Law Webinar Series: CCPA and User-Enabled Global Privacy Controls (June 30) ● CCPA: A View from the Plaintiff's Bar (September 24) ● The Shifting Sands of EU Privacy Law (October 20) ● Vendor Management: Privacy & Security Best Practices for Brands and Publishers (October 29)
Privacy Now	IAB Cross Jurisdiction Privacy Project	<p>IAB launched the Cross-Jurisdiction Privacy Project on August 12th with 71 members participating. It assesses the privacy laws of a dozen jurisdictions globally to determine the common legal elements needed in digital advertising transactions. The goal is to create a baseline privacy string.</p>
Privacy Now & Tele://Vision	Project Crosswalk: CCPA practices in OTT/CTV	<p>Project Crosswalk was launched on July 28th with 59 members and a focus on CCPA compliance considerations for OTT/CTV.</p>

Privacy Now	IAB continues to raise awareness prior to the November 3rd vote on CPRA	IAB has been advocating against the passage of a new ballot initiative that would expand CCPA and force companies to pivot once again in response to a new privacy compliance regime. The California Privacy Rights Act (CPRA) would not only fail to provide meaningful new protections for Californians but would also impose considerable new costs on a business community that is still working to implement CCPA as well as weather substantial economic hardships due to the COVID-19 pandemic.
-------------	---	--

The Experience Center: The New Media Consumer, Brand Disruption, and Diversity & Inclusion

Campaign	Initiative	Description
The New Media Consumer	Augmented Reality (AR) Buyers' Guide	IAB partnered with Facebook, Google, Snap, and Unity to create a framework and nomenclature that advertisers can use to navigate augmented reality and make sense of formats and measurement metrics across platforms.
The New Media Consumer	Catching Zs Town Hall: Gen Z Insights and How Brands Connect with Them	IAB partnered with Snap, Spotify, and Twitch to explore the hallmark behaviors of Gen Z consumers and uncovered how publishers, brands, and agencies are reaching this coveted demographic.
The New Media Consumer	Deep dive on Gen Z	We aggregated the latest in Gen Z research to help marketers understand the first digitally native generation, the next workforce, and the unreachable cord-nevers.

Brand Disruption	Brand Academy: Balancing Scale with Brand Safety (July 8)	IAB Brand Academy is a series of virtual webinars curated for brand marketers and agency executives to help them learn how they can leverage tools, data, and insights to make decisions critical to driving business growth.
Diversity & Inclusion	IAB Inclusion Institute	We launched the IAB Inclusion Institute, an IAB entity committed to realizing a truly inclusive, equitable, and diverse industry. The IAB Inclusion Institute is focused on core pillars of Community & Engagement; Workforce & Workplace; and Best Practices & Resources, and is dedicated to providing ongoing efforts to impact these three areas.
Diversity & Inclusion	Step In & Step Up: Allies for Action (July 2020)	View the video from Step In & Step Up: Allies for Action Initiative Kick-Off Meeting

Learning & Development

In October, we launched the **Digital 360 Suite**, a comprehensive learning journey of digital media & marketing best practices. Learners receive simple online access to our interactive e-learning platform via an annual subscription so that they can progress at their own pace and test their knowledge.

Public Policy

Privacy, data sharing, and taxes are a few of the areas in which the IAB Public Policy Team in Washington D.C. achieved critical victories. We defeated the Washington State Version of CCPA, the Maryland digital ad tax, and the D.C. Council budget amendment that proposed a 3% tax on all advertising. We played a key role in the definitions and proposed language around opting-in for all data sharing, and federal preemption of state privacy bills. IAB is the leading industry source for education and feedback for U.S. senators regarding the U.S. government’s use of certain types of personal information. And we are preparing for additional advertising tax proposals to be introduced across the U.S., as municipal and state governments look for new revenue sources.

Financial Management

IAB, like most organizations, continues to face financial challenges brought on by the Coronavirus pandemic. We previously received the approval of the Chair, Vice Chair, Finance and Executive committees to end the year with a \$2.8M net income loss. Since that time, we have worked hard to

improve our financial picture. For our most recent forecast we are projecting a \$600K net income loss, a 79% improvement from the prior forecast. Overall revenue from our last update has improved by 1% or \$145K. From an expense perspective COGS have been reduced by \$1.2M or 26%, mostly due to Events moving to a virtual platform and virtual events being less expensive to produce. All other expenses including significant savings on legal and professional fees and office expenses are down 4% or \$863K. We are encouraged by the significant improvement to Net Income we have made over the last few months. We will continue to refine our Events and Centers of Excellence strategies, our thought leadership process and topics, and our organizational structure to continue to deliver exceptional value to all members.

New Members

Since June, the following 28 new members have joined IAB, including fuboTV and Kidoodle.TV who were NewFronts sponsors, and eight brands (highlighted in bold below).

Aarki	Kidoodle.TV	Strategus
Adapex	Magellan AI	Teach For America
Advance Publications	Magnite	Toyota Motor North America
Backtracks	NoBid	TVDataNow
Bank of America	Podsights	University of Phoenix
Buzzsprout	Preciso	Veritonic
City National Bank	Publica	VIZIO
E. & J. Gallo Winery	PubWise	YieldLift
fuboTV	Remixd	
Helen & Gertrude	Scotts Moving	

2020 hit CTRL ALT DEL and we all felt the impact.

But a reboot after a hard crash usually leads to a much better experience. Let’s drive forward together and use this opportunity to see our way to the better days I know are ahead. As always, thank you for your continued support.

Respectfully,



David Cohen
 Chief Executive Officer
 IAB