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# IAB Board of Directors CEO's Report

November 17, 2021

By David Cohen

2021 was a year of sharp contrasts, of unity and disunity, sickness and health, challenges and change, opportunities and threats, consternation and inspiration.

It saw the insurrection at the Capitol, and the election of America's first female black and Asian-American Vice President.

It saw COVID-19 deaths exceed 5 million globally, but also over 3 billion people fully vaccinated — and now kids from 5 to 11 years old can get vaccinated too.

It saw intense pressure on a frail global supply chain, but the rise of a booming on-demand economy marked by storelessness and American entrepreneurship.

We could debate whether this was a good or bad year, but there's no question it was a consequential one.

The latest study commissioned by IAB and led by a researcher from Harvard Business School ("The Economic Impact of the Market-Making Internet") shows just how profound these shifts have been. The internet economy grew seven times faster than the total U.S. economy over the past four years, directly created over 7 million jobs, and now accounts for 12 percent of the U.S. gross domestic product.

The market-making internet has never been more important, yet the tech sector has never been less trusted. According to the Edelman Trust Barometer, in the U.S., trust in the tech sector [dropped precipitously](#) to an all-time low of 57 out of 100.

There is no denying that "big tech" is under assault by Washington. We have major work ahead of us to persuade legislators to not harm small businesses in their efforts to take on the biggest players. There are 850,000 full-time equivalent individuals who are self-employed and 450,000 full-time equivalents working for small businesses in jobs that could not exist without the internet. We need to preserve the vital entrepreneurship the market-making internet enables.

We need to think harder about the talent crisis and the new ways people want to live and work. Over the years we have collectively worked to create a more inclusive workforce, but we are far from done. New data is also showing significant employee burnout.



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According to the latest Women in the Workplace report from [McKinsey](#) and [LeanIn.Org](#), 1 in 3 women have considered downshifting their career or leaving the workforce this year.

A similar lack of support exists in diversity, equity, and inclusion (DEI) efforts. Women of color face similar types and frequencies of microaggressions as they did two years ago—and they remain far more likely than white women to be on the receiving end of disrespectful and “othering” behavior.

People are at the core of our business, and we need to take care of them.

This uniquely consequential year, this year of such vivid contrasts, is a pivotal one. Yet as the saying goes “you ain’t seen nothing yet”. What happens in 2022 is likely to shape our country, our world, and our industry for the next decade or more. It’s not going to be a year of catching our breath and getting back to normal.

We’ll need to push ahead, because 2022 will have significant consequences as we work to re-architect privacy and addressability, and continue to push for national privacy reform.

We’ll need to pull together, take the right kinds of risks, rebuild damaged trust, and expand the boundaries of the possible. This industry, which has had a gift for invention and re-invention since its earliest beginnings, will need to do all of that again — and do it better than ever.

Our ongoing efforts have been hard at work on doing exactly this. 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 / link
Tele://Vision	<a href="#">CTV Creative Best Practices Guide</a>	Connected TV (CTV) represents an entirely new platform with new content capabilities, creative formats, and audiences with new expectations. This guide examines the current state of creative, identifies where the challenges are, and where the industry is coalescing on creative strategy and formats.
Tele://Vision	<a href="#">IAB Tech Lab Programmatic Guide: CTV</a>	This <a href="#">first programmatic guide from IAB Tech Lab</a> focuses on connected TV (CTV) and includes a set of use cases for preparing assets, responding to an ad request, mitigating ad fraud, and enabling targeting.



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<b>Tele://Vision</b>	<a href="#">IAB Fall Marketplace</a>   September 14	The IAB Fall Marketplace, held virtually, showcased the latest opportunities for buyers in premium video content, technology, and digital platforms. The event uncovered the latest trends and consumer-first strategies to find new audiences and deepen existing relationships. Key themes and takeaways included the central role of CTV, the growth of OTT, and the DEI business imperative. View the Fall Marketplace presenters and agenda <a href="#">here</a> .
<b>Tele://Vision</b>	<a href="#">Video Leadership Summit</a>   October 1	This sixth annual invitation-only event was our annual agenda-setting event for leaders across the converging TV and digital video space. We brought together over 100 senior industry stakeholders across the marketing, media, agency, and technology industries to generate actionable ideas to reduce friction and promote areas of opportunity in an increasingly omnichannel video landscape.
<b>Audio Everywhere</b>	<a href="#">IAB Podcast Upfront Fall</a>   September 9-10	Reflecting the fast-evolving and increasingly "always on" podcast media marketplace, our fall podcast event was a view of late-breaking solutions and insights in time for Q4. Over two days of programming, attendees heard from podcasting leaders and legends including Acast, AdvertiseCast, Audacy, The Atlantic, Blue Wire, LAist Studios, NPR, SXM Media, WBUR, and WarnerMedia, who shared insights, expertise, and exclusive previews of their content offerings. View the IAB Podcast Upfront Fall presenters and agenda <a href="#">here</a> .



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<p><b>News Saves Lives / Brand Safety &amp; Suitability</b></p>	<p><a href="#">The Impact of Brands on Misinformation and Bias in the News Ecosystem   IAB There</a></p>	<p>In a brand safety and news-focused session of IAB There (our talk show featuring IAB subject matter experts and guests), IAB's Vice President of the Media Center, Eric John spoke to Vanessa Otero of Ad Fontes and Dan Granger of Oxford Road. They discussed <a href="#">IAB's News Trust Halo research</a>, the state of accuracy and bias in news media, and how brand safety within news and podcasts is different from other mediums. The session also addressed what brands do to protect the future of the digital news industry and the latest <a href="#">brand safety tools from IAB Tech Lab</a>.</p>
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**Programmatic + Data Center: Future of Addressability, Measurement Imperative, and Privacy Now**

Campaign	Initiative	Description / link
<p><b>Future of Addressability &amp; Measurement Imperative</b></p>	<p>The State of Data Town Halls   <a href="#">June 16</a>, <a href="#">July 14</a>, <a href="#">August 11</a></p>	<p>As an extension of the flagship <a href="#">State of Data research</a>, the PDC held three town halls to deeply explore key findings of the research with the goal of providing insights to the research. The town halls addressed <a href="#">identity and addressability</a>, the <a href="#">future of contextual</a>, and <a href="#">measurement</a>.</p>
<p><b>Future of Addressability &amp; Measurement Imperative</b></p>	<p>Identity Solutions Town Halls   <a href="#">June 22</a> &amp; <a href="#">August 14</a></p>	<p>The world of identity as we know it is about to change, as the looming elimination of third-party cookies and other identifiers has marketers actively seeking solutions for unprecedented scenarios. These <a href="#">town halls</a> were devoted to keeping the advertising community educated, informed, and speaking the same language.</p>
<p><b>The Future of Addressability &amp; Measurement Imperative</b></p>	<p><a href="#">IAB Audience Connect: Balancing Privacy, Personalization &amp; Safety</a>   September 15</p>	<p>This new fall virtual event, IAB Audience Connect, brought together the most influential voices in data, addressability, and privacy to discuss the latest consumer-first, privacy-by-design identity solutions for advertisers and publishers in</p>



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		preparation of a post-cookie world. View the Audience Connect presenters and agenda <a href="#">here</a> .
<b>Future of Addressability &amp; Measurement Imperative</b>	New Rules for Digital Media Series   <a href="#">October 27</a> , <a href="#">November 17</a> , and <a href="#">December 14</a>	The Programmatic+Data Center continues to educate the ecosystem on the business impact the changes to identity and addressability will cause on audience targeting. In the current series of town halls, we have convened the industry to provide guidance and insights for <a href="#">privacy and trust</a> , <a href="#">addressability and first-party data</a> , and <a href="#">addressability and measurement</a> (coming 12/14).
<b>The Future of Addressability</b>	<a href="#">id-sources.json</a> Released for Public Comment	A new addition to the suite of supply chain transparency standards IAB Tech Lab now has in market (ads.txt, sellers.json/SupplyChain object, and buyers.json/DemandChain object), id-sources.json provides companies a way to disclose which unique-to-user identity sources (IDs) they use. This first-of-its-kind standard will help all sides of the advertising marketplace more quickly understand how to activate ad campaigns dependent on ID connections. It also provides a foundation for analysis of data sharing in the industry—critical for the accountability platform work we are pursuing.

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

Campaign	Initiative	Description / link
<b>The New Media Consumer</b>	<a href="#">IAB Gaming and Esports Advertising Framework</a>	The Games & Esports Board partnered with the IAB UK games group to re-architect a common taxonomy for advertising in the space. The new framework optimized for buyer education by being structured as a logical hierarchy rather than a list of terms and definitions.
<b>Brand Disruption</b>	<a href="#">Brand Disruption Summit</a>   November 8-10	Now in its fourth year, the Brand Disruption Summit brought together executives from the



		world’s most innovative companies to discuss proven growth strategies for the modern brand.
<b>Brand Disruption</b>	<a href="#">IAB 2022 Brand Disruption Report</a>	The <a href="#">IAB 2022 Brand Disruption Report</a> is the fifth annual study about “The Direct Brand Economy,” the snowballing effect of changes in digital consumers, digital supply chain management, digital distribution, digital selling, and digital marketing. The Brand Disruption Study highlights the acceleration of the storeless economy, the growth of retail media networks, changes in delivery times, big brands adopting the DTC playbook, and more shifts driven by the direct-to-consumer economy.
<b>The New Media Consumer</b>	<a href="#">State of Voice for Brands 2021</a>	A collection of the latest and best brand use cases in voice technology to bring brands up to speed on the latest opportunities to engage with consumers and drive results using voice technologies.
<b>The New Media Consumer</b>	<a href="#">Augmented Reality Buyer’s Guide</a>	A comprehensive buyers’ guide to introduce brands to the world of AR. The document defines terms, provides an overview of the landscape, and gives brands guidance on how to engage.
<b>The New Media Consumer</b>	<a href="#">Augmented Reality ROI Creative Showcase</a>	A follow-up to the AR Buyers Guide using creative examples to demonstrate that AR can deliver strong ROI across the marketing funnel and to inspire brands to AR through demonstrable results.
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<b>The New Media Consumer</b>	<a href="#">State of Voice for Brands 2021</a>	A collection of the latest and best brand use cases in voice technology to bring brands up to speed on the latest opportunities to engage with consumers and drive results using voice technologies.

### Diversity, Equity & Inclusion (DEI)

- The IAB Inclusion Institute launched **Career Days** for students to learn from industry professionals and a **Student Career Bootcamp** to set students up for success in the job search as they enter the industry.
- We are actively collaborating with a new audience of brands and agencies to leverage our training opportunities and growing our community with more DEI and L&D leaders joining our monthly **IAB Talent Council** meetings.

### Learning & Development

- IAB conducted **nine virtual instructor-led training courses for enterprise** members including Digital Trends, Ovation TV, GSTV, Estrella Media, and L’Oréal and executed **three brand academies** for Pixability and Acuity Ads.
- Experts held **six public training classes** including Power of Listening, Legal Issues Regarding Influencer Marketing, Programmatic Demystified, Intro to Malware & Ad Quality, and Eliminate the Things that Hold Your Presentations Back.

### Public Policy and Legal

- The IAB Legal Affairs Council, through its State Compliance Working Group, published a [white paper on the use of global privacy controls](#) (GPCs) as addressed by the CPRA, which discusses technical and implementation considerations raised by the new law, compares the CPRA approach with that of the



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CCPA, and outlines technical and other considerations being considered by the IAB Tech Lab to address as a prerequisite to successful implementation of GPCs.

- On November 16, the [IAB Public Policy and Legal Summit 2021](#) brought together virtually leaders in U.S media, technology, and government to debate the most significant policy and legal challenges facing the digital media and marketing industry.

### **IAB Tech Lab and Global Engagement**

- Since the last board update, IAB Tech Lab’s Privacy & Rearc Commit Group, Rearc Task Force, Addressability, Accountability, and Global Privacy Working Groups met over 30 times to push forward the [portfolio of solutions](#) released to public comment in March.
- IAB Tech Lab made several advances in supporting **Supply Chain Transparency and Security** during this period with releases of key standards, guidance, and tools to help the industry build a more transparent and safe supply chain.
- IAB Tech Lab’s Cryptographic Security Foundations Working Group, [ads.cert 2.0](#) establishes a common framework and guidelines for safe and transparent transactions across ad buying and selling through several security protocols. In particular, the protocols secure buying and selling of programmatic Connected TV (CTV) ad inventory.
- The IAB Tech Lab [Transparency Center](#) provides a resource that makes it easy for digital advertising participants—buyers, sellers, and ad tech companies—to see which standards media partners have implemented, their level of compliance, certification program results, and more. This will help ensure a safe, privacy-centric ad experience for consumers. The IAB Tech Lab Transparency Center includes supply chain validation, a global industry compliance registry and an advertising system aggregation.
- IAB Tech Lab launched a new initiative called [Programmatic Guides](#) this fall. The first in the series is the guide for [CTV with SSAI](#) and cross-media video. Programmatic guides work as a knowledge base for the industry. Available online with an easy-to-navigate web interface, these guides outline all the technical specifications, guidance, and additional resources used for a given media channel, like serving video in CTV and working with server-side ad insertion (SSAI); or how to work with our standards and tools to combat ad fraud.
- IAB Tech Lab Taxonomy and Mapping Working Group updated content taxonomy structure to support contextual buying for connected TV (CTV) and expanded the News category in the [Content Taxonomy 3.0](#). This latest version of the content taxonomy includes updates to better support a variety of areas – News, Video/CTV content, Podcasts, Radio, Games and App stores.
- IAB Tech Lab launched its [Open Source Initiative](#) to increase transparency and collaboration across the advertising community. Initial code contributions will come from engineering teams at Google, Index Exchange, The Trade Desk, and Zefr, and include Unified ID 2.0 (UID2), brand suitability test benchmarks, and ads.cert.
- The [2021 IAB Tech Lab Summit: Renaissance](#) on October 13-14 provided insights and updates about “The Next Generation of Privacy, Addressability & Safety.” Major changes have impacted our industry: video streaming growth, brand safety challenges, global privacy, new data protection regulations, and OS/browser changes. You can [watch the VOD until November 21](#) to view the Tech Lab Summit sessions. These showcase solutions and standards developed by IAB Tech Lab and its members for the next generation of ad tech solutions.





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## **Research**

- A new study commissioned by the Interactive Advertising Bureau (IAB) and led by a researcher from Harvard Business School, found that the internet economy grew seven times faster than the total U.S. economy during the past four years, and now accounts for 12 percent of the U.S. gross domestic product (GDP). The study, [The Economic Impact of the Market-Making Internet](#), also discovered that more than 17 million jobs in the U.S. were generated by the commercial internet, 7 million more than four years ago. The report is a powerful affirmation of the incredible industry we work in and the impact it has on our lives. You can watch the [VOD of the webinar](#) with highlights from the study and download the [full report here](#).
- While the digital advertising industry is expected to remain a bright spot in an otherwise tough year, serious challenges loom. The report [IAB Outlook: 2022 Digital Ad Ecosystem](#) highlights the increasing lack of consumer tolerance for advertising—particularly within digital video—and the data is a call to accelerate shoppable and other formats that allow consumers to experience, explore, query and purchase.

## **Financial Management**

IAB continues to perform well due to revenue upside in combination with considerable cost savings. We are currently pacing at +16% or \$2.3 million over budget on member dues. Our events business, all virtual this year, is up 53% or \$1.7 million. The upside is driven by better-than-expected sponsorship sales early in the year and the addition of three new fall events: Audience Connect, Fall Podcast Upfront, and the Fall Marketplace. While all those events were profitable, we are experiencing a greater than normal attrition of registrants to attendees and will consider that for our remaining events this year. Our Centers of Excellence revenue is down -7% or (\$200,000) driven mostly by the Programmatic+Data Center. Learning and Development revenue continues to be a challenge and is down -41% or (\$705,000). Overall, revenue is up 11% or \$2.6 million versus the 2021 budget. Cost of goods sold (COGS) are up \$658,000 versus the original budget due to the additional events added in the fall, offset by savings in Learning and Development because of revenue under delivery.

We showed significant savings across the board on expenses. IAB adopted a work from home policy in March 2019 and, as we continue to push off our return to office, we recognized savings in office operations (utilities, cleaning, real estate tax relief), travel and entertainment, and member activities. In addition, like most organizations we are experiencing significant employee attrition resulting in greater than normal savings this year. In November 2020, the IAB Board approved the funding of a bonus pool through any upside on net income versus the original 2021 budget and we are happy to report that we can fully fund that bonus pool. COGS and expenses combined, with a fully-funded bonus pool, are up \$308,000 or 2% vs. the original budget. Net income for the year is predicted to be \$1.9 million vs. the 2021 budget loss of \$409,000.



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**New Members**

Since June, the following 33 new members have joined IAB, including Best Buy Retail Media and Walgreens Advertising Group. These are among the Retail Media Networks who have joined our IAB Programmatic+Data Center’s Retail Media Committee (highlighted in bold below).

<b>84.51°</b>	DanAds	Silverbullet
Activision Blizzard Media	diDNA	SmartyAds
Adelaide	Diray Media	Stirista
Admix	Firefly	Tavant
Anzu	Gamesight	TEGNA
ArcSpan Media	Helios Data	Trigger
<b>Best Buy Retail Media</b>	Infutor	TVision
<b>Network</b>	Ketch	<b>Vibonomics</b>
Celtra	LG Ads	<b>Walgreens Advertising</b>
Column6	<b>Placements.io</b>	<b>Group</b>
<b>Cooler Screens</b>	Roundel	WireWheel
Customer ID	Sayollo	

The past year has been challenging, but I am very optimistic about the year ahead. Make no mistake, we still have much work to do.

The legislative landscape continues to be ominous. Our top priority is to continue to work with Congress to introduce and pass a comprehensive, first-of-its-kind nationwide privacy reform bill. We will rely on every piece of Capitol Hill access we have to be successful in this endeavor.

We also need to ensure there are sound technical standards that reduce the friction inherent in rapid digital growth. We must continue to combat fraud and supply chain opacity, and make sure that best practices are socialized and adopted.

Together we will address the seismic shifts in our industry as we look to clear the path for brands to connect with audiences and ensure the industry’s collective and continued growth.

This is what we do best when we work together. Thank you for your ongoing support.

Respectfully,

David Cohen  
 Chief Executive Officer, IAB