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# IAB Board of Directors CEO's Report

January 22, 2023

By David Cohen

Here's what we know about the year ahead that I can state with total confidence.

It won't be boring.

For one thing, we'll need to buckle up for a wild ride in Washington, D.C. If something as straightforward as the election of Kevin McCarthy to Speaker of the House took fifteen rounds of painstaking negotiations, getting anything remotely controversial accomplished in Congress is going to be very challenging.

There's a lot of fear-mongering in the press about the market slowing, and highlighting the ongoing hiring freezes and layoffs. But it should come as no surprise that the long tech run-up wouldn't last forever. Nobody likes a market correction, but they generally turn out to be positive in the end.

There's no doubt there's some chaos and complexity ahead, but there's also lots of room for change and creativity.

From the leaps in generative AI to the continued growth of retail media networks, the meaningful evolution of video to data-driven advanced TV and streaming, to the rise of data clean rooms and beyond, there are fascinating things going on that mean exciting possibilities for the future.

In the end, we need to do what we always do. Focus on the fundamentals. Keep a watchful eye for challenges, but stay open to opportunities. Whatever comes, we need to all settle in and manage our way through it.

There's a real risk that all the doomsaying becomes a self-fulfilling prophecy. The antidote is to get out of our own inner circles and talk with other people. The amount of different perspectives you can get at IAB events is like getting a week's worth of fresh air in a day. When the entire big tent of the industry gathers—publishers, platforms, brands, agencies, and ad tech providers, magic happens. Collaboration happens, business happens, and we move forward together.

Beyond that, I hope you get engaged with some of the important work IAB is tackling in the year ahead—everything from making your voice heard on the Industry Standard Terms & Conditions Task Force to state privacy compliance, and of course participating in our IAB Committees and Councils. There's a lot of work to do, and the year ahead is as good as we're willing to make it.



Buckle up. Strap in. Let's get to work.

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

**The Evolution of Digital Media**

Initiative	Overview
<p><a href="#"><u>Metaverse for Brands</u></a>  <i>November 2022</i></p>	<p>The metaverse market is expected to reach \$800 billion by 2024, but some brands aren't waiting to develop their metaverse strategy; they're implementing activations and seeing real results now. To help brands understand how to navigate the metaverse and develop and implement a practical strategy while the environment is nascent, IAB called upon the Metaverse Board within the Experience Center to create a <a href="#"><u>best practices guide</u></a> for developing metaverse marketing strategies.</p>
<p><a href="#"><u>Retail Media Growth in LATAM</u></a>  <i>November 2022</i></p>	<p>Jeffrey Bustos, Vice President, Programmatic+Data Center at IAB, Matteo Ceurvels, Senior Analyst, Latin America &amp; Spain at eMarketer   Insider Intelligence, and Pablo Garcia, Marketing VP at Mercado Libre hosted a lively discussion on the <a href="#"><u>Third Wave of Digital Advertising: Retail Media</u></a> and how it is accelerating e-commerce growth across Latin America.</p>
<p><a href="#"><u>Retail Media 2023 Outlook – How Cyber 5 Performance Can Provide Insights into Next Year</u></a>  <i>December 2022</i></p>	<p>How did inflation affect year-over-year sales growth during the holidays? How are brands activating differently against various retail media networks? And what role will excess inventory and pricing power play in 2023? Jeffrey Bustos, Vice President, Programmatic+Data Center at IAB, Alicia Esposito, Vice President, Content at Retail TouchPoints, Nathan Rigby, Co-Founder of Analytic Index, and John Willkom, SVP, Head of eCommerce at The Mars Agency tackled these questions and more at a virtual event (also <a href="#"><u>available on demand</u></a>).</p>
<p><b>Cross-Center of Excellence Board Gathering</b>  <i>December 2022</i></p>	<p>Members from all the Centers of Excellence gathered to share insights about industry trends. Conversations spanned a range of topics from the role of creator economy across gaming, audio, and video to what shape the metaverse will take in the</p>



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	coming year and how advertisers are maximizing their marketing efforts across Web3 audiences and platforms.
<b>Working Towards a Unified Video Currency</b> <i>December 2022</i>	While reserve-based buys that include both linear TV and digital video inventory are now commonplace, there is still a lack of agreement on what the common currency for these unified buys should be—a major challenge for both the buy- and sell-sides. With the belief that agencies can agree on 80% and leave 20% for individual agency differentiation, IAB surveyed members of the Agency Council to identify those 80% commonalities. Findings from the survey were shared in a meeting on December 13 and the conversation will continue at ALM.
<b>Programmatic Evolution in Podcasting</b> <i>December 2022</i>	For the final Audio Committee meeting of the year, in addition to sharing key takeaways over the year and plans for IAB’s audio roadmap for 2023, the meeting focused on the rapidly evolving pace of change in programmatic podcasting advertising.

**Privacy and Addressability**

<b>Initiative</b>	<b>Overview</b>
<a href="#"><u>IAB Multi-State Privacy Agreement (MSPA) Webinar</u></a> <i>December 2022</i>	There are five state privacy laws coming into effect in 2023 (California, Colorado, Connecticut, Utah, and Virginia) that enable consumers to opt out of “sales,” “sharing,” and processing of personal data for “targeted advertising.” The IAB Legal Affairs Council has developed an industry contractual framework – dubbed the <a href="#"><u>IAB Multi-State Privacy Agreement (MSPA)</u></a> – to aid in compliance with those laws using privacy protective terms that spring into place among a network of signatories and follows the data flows through the digital ad supply chain. IAB and IAB Tech Lab also offered <a href="#"><u>supporting explainers</u></a> and webinars on the subject as well as delivering <a href="#"><u>high-profile industry briefings</u></a> .



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<p><b><u>Global Privacy Platform</u></b>  <i>December 2022</i></p>	<p>The <b><u>Global Privacy Platform (GPP)</u></b> is part of a portfolio of solutions developed by IAB Tech Lab to help the industry solve the challenges that come with the need to address differing and evolving privacy regulations worldwide. The GPP is a protocol designed to streamline the transmission of privacy, consent, and consumer choice signals from sites and apps to ad tech providers; it enables advertisers, publishers, and technology vendors in the digital advertising industry to adapt to regulatory demands across markets. In the fall, the IAB Legal Affairs team collaborated with the IAB Tech Lab to provide the legal inputs to finalize state-level signals encoded in the GPP.</p>
<p><b>Privacy Roundtables</b>  <i>December 2022</i></p>	<p>IAB convened roundtable discussions with approximately 100 lawyers to work through ambiguities and interpretations, implementation challenges, benchmarking, and peer feedback concerning approaches to the forthcoming U.S. state privacy laws.</p>
<p><b>Children’s Privacy Bill</b>  <i>November - December 2022</i></p>	<p>This fall, IAB urged Congress to drop a late addition to a year-end spending package. IAB supports children’s privacy, but including significant changes to the Children’s Online Privacy Protection Act (COPPA) in a hurried omnibus spending bill risks unintended consequences for internet users of all ages. <a href="#">Read more.</a></p>

**Next-Generation Measurement**

Initiative	Overview
<p><b>State of Data Town Hall: Data Collection and Addressability</b>  <i>November 2022</i></p>	<p>IAB experts and industry thought leaders discussed privacy-first approaches to data collection, first-party data, and addressability. This second town hall featured an in-depth discussion on the findings from the latest <b><u>IAB State of Data 2022 Part II: Preparing for the New Addressability Landscape</u></b> report, which examines how changes in privacy legislation, the deprecation of third-party cookies and identifiers, and platform policies are affecting data collection, addressability, measurement, and optimization. Members can watch the <a href="#">video on demand here</a>.</p>



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[Leveraging First Party Data: Turning Data Scavengers into Data Harvesters](#)

*December 2022*

As marketers become less reliant on third-party data they need to know how to take advantage of their own data to gain data independence and find more customers. To help members navigate this new reality, Angelina Eng, Vice President, Measurement and Attribution at IAB and Amol Waishampayan, Chief Product Officer at FullThrottle held a discussion on the increasing importance of first-party data.

**Trust and Transparency**

Initiative	Overview
<a href="#"><u>Specification Adoption Program</u></a> <i>November 2022</i>	It's incredibly challenging for the buy-side to verify that ad tech companies have adopted technical standards that truly benefit the industry. To solve this issue and provide transparency into technical standard adoption and usage, IAB Tech Lab unveiled the <a href="#"><u>Specification Adoption Program</u></a> . Companies can use this tool to identify and verify the standards that other businesses are leveraging and it enables third-party verification from the companies submitting their data. <a href="#"><u>Read more.</u></a>

**Talent Development and DEI**

Initiative	Overview
<b>Relaunch of Talent Development Council</b> <i>November 2022</i>	IAB Learning & Development relaunched the <b>Talent Development Council</b> , convening to identify priority topics to cover in 2023. Key themes emerged around “Hybrid Work Culture,” “Assessing Value of Employee Training Programs,” and “Position of Talent Development in Organizations and Our Industry” which the Talent Development Council will aim to address through resources and thought leadership in 2023.

**Public Policy and Legal Affairs**

- Digital advertising powers the U.S. economy, connecting businesses and consumers, expanding web users’ choice of products and services, and creating opportunities for small businesses and creators on a multitude of e-commerce and media platforms. To some



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legislators and regulators however, this essential technology is “commercial surveillance,” a trendy new term with potentially devastating consequences. IAB sets the record straight. Rather than harm competition, digital advertising fosters it. Consumers prefer personalized ads, not irrelevant ones. The FTC’s efforts to protect consumers and increase competition would eliminate convenient, low-cost products Americans enjoy and make “Big Tech” bigger. [Privacy for America](#) has a better solution. The ad industry initiative supports federal legislation that would clearly define prohibited data practices, while preserving the benefits that come with responsible data use.

- As the politics and policy of digital advertising heats up in the capital, IAB hosted its Washington, D.C., holiday party in December to engage more industry experts. Attendees included congressional and agency staff who met friendly faces of digital advertising, learned more about the advertising industry’s contributions to innovation, jobs, and the economy, and celebrated a year of collaboration. IAB Chief Executive Officer, David Cohen, outgoing Executive Chair, Randall Rothenberg, and IAB’s new Public Policy team, headed by Executive Vice President, Lartese Tiffith, ushered in the New Year with IAB members as well.

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

- The IAB Tech Lab is producing and helping companies implement global technical standards and solutions for digital media and advertising. The Tech Lab kicked off a big initiative in 2022, promising to move cross-screen advertising into the future as has been envisioned for the last 30 years. The innovation across the field has led to divergent solutions and a fragmented marketplace. With the announcement of our [roadmap for Advanced TV](#) over the next 3-5 years, we have a clear outline for a full year of activities and beyond. Most of 2023 will be about normalizing the existing solutions with guidance on what’s available and the best way for the market to converge on these solutions. This will involve defining use cases and outlining the most efficient tools and processes to achieve those outcomes. As we develop guidance in 2023, we will also be laying the foundations for new technology that TVs, ad servers, data platforms, and service providers can implement to begin the ultimate transformation of ad tech in TV. You can read more about the initiatives and working groups [here](#).
- In November, the IAB Tech Lab released an addition to the [OpenRTB 2.x specification](#) to standardize how Digital Out of Home inventory is handled programmatically. The Tech Lab has collaborated with leading international trade organizations, publishers, and ad tech companies in the Out-Of-Home (OOH) media world to formally include OOH in OpenRTB standard for programmatic trading.
- At the end of November, IAB hosted a Global Summit in NYC for International IAB leaders to come together for information sharing, collaboration and aligning on strategic priorities for the IAB network. A bit of fun was included with two delicious dinners and a trip to see the Holiday Spectacular show with the Rockettes at Radio City Music Hall.



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**Financial Management**

IAB financials finished strong in 2022. Revenue overall was up \$791,000. Most of this upside, \$1.2 million or 7%, was fueled by member dues. Significant gains were made following the IAB Board vote to allow agencies to become general members and we added several retail media networks to our membership. We also saw a few members rejoin after a pandemic hiatus.

Our events revenue was up \$403,000 or 7% in a year where attendance was a challenge. These gains were offset by some under delivery in DEI initiatives and our Learning & Development division as well as a change to our research portfolio resulting in fewer sponsored studies. Cost of goods sold (COGS) expenses came in at \$60,000 or 1% under budget largely due to savings in Learning & Development, a result of the shortfall in revenue. An increase in event costs offset some of that saving. Expenses overall were up \$277,000 or 1% due to fully funding the bonus pool. The original budget planned for a bonus pool of 25% but through savings in open headcount and stewardship of expenses we were able to fund the pool 100%.

Net income finished 2022 at \$626,000 versus the original budget net income of \$53,000. We are well positioned for an ambitious and undoubtedly challenging 2023.

**New Members**

Since November, the following 26 new members have joined IAB, including Albertsons Media, eBay, FanDuel, and Marriott International to name a few. All members have access to join the inner workings of the IAB—including voting board membership, Center of Excellence leadership, and access to legal and public policy resources.

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|------------------|------------------------|------------------------|
| Aderize          | Digiphy                | Marriott International |
| AdMedia          | Digital Pulp           | Opaque                 |
| Albertsons Media | eBay                   | Pearl TV               |
| Collective       | Eversana Intouch Media | Red Clover Advisors    |
| AnalyticsIQ      | EX.CO                  | Revry                  |
| Blavity          | FanDuel                | Transcend              |
| Caden Inc.       | Fieldfisher            | Wild Brain Family      |
| Canela Media     | Jackpocket             | International Ltd      |
| Carbonatix       | Kliken                 |                        |
| Cedara Inc.      | Lumen Research         |                        |

Thank you for your ongoing support. None of this is possible without your passion, dedication and guidance. Together we look forward to ensuring the industry’s continued growth!

Respectfully,  
  
 David Cohen  
 Chief Executive Officer, IAB