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IAB Board of Directors CEO Report

January 28, 2024

By David Cohen

2024 and the next several years will be incredibly consequential years. Perhaps the most consequential years since IAB was founded.

We are at a critical inflection point in our digital evolution, a pivot point between the past and the future, a time I think we'll look back on as "The In-Between Years".

We're nearing the end of the third-party cookie. Nearly everything we once knew about personalization, measurement, attribution, bid dynamics, yield optimization, and so much more will be forever changed.

What the future will look like depends a great deal on what we do now, and how much we collectively lean in and get engaged.

There's enormous work ahead across the board: currency and measurement, the programmatic supply chain, privacy and addressability, generative AI, and beyond. The next generation of the streaming wars has already begun, and if we want to make the most of the emerging opportunities in digital OOH and the reinvention of commerce, we'll have to hit the ground running—on multiple fronts.

Getting attention in Washington D.C. during an election year will be hard, but we can't afford to stop pushing. The future depends on us making progress there—creating national laws that provide protection for consumers while encouraging innovation and growth.

We should all be glad IAB Tech Lab—which celebrates its 10th anniversary this year—is working hard to solve some of our most vexing challenges. Their efforts this year to create the Global Privacy Platform (GPP) is just one example of why they've become indispensable.

We're in the "in-between years" for TV too. We enter 2024 with billions of dollars in linear television looking for a home in streaming. The opportunity has never been more real and the challenges never more apparent. And how should we think about leveraging the exploding creator economy that employs 17 million Americans driving an average salary of \$170,000 a year?

Needless to say, commerce and retail have been forever changed. The pandemic accelerated the shifts we were seeing over time and the consumer buying journey will never be the same.



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We have spent a lot of time over the last year developing retail media measurement standards and guidelines in collaboration with the MRC to help the industry navigate these uncharted waters, but there’s clearly more work ahead.

We’re in the “in-between years” as it relates to trust in the media, and it’s no exaggeration to say we’re in a tough spot. The most recent polling by Gallup shows a record-high number of Americans (39%) say they [don't trust the media](#) at all. Half of Americans believe that news organizations are trying to [deliberately mislead them](#).

We need to restore trust in the media, and in the relationship between buyers and sellers. Trust is vital to our business. Partnerships between buyers and sellers have far less friction when there is a trust foundation. Transactions, which have become tedious with procurement and legal reviews become less expensive to do, because the lawyers who write the contracts fight over fewer issues.

I could go on, but suffice it to say, we face a busy 2024 and very consequential years ahead.

I’m optimistic about the future because we’re doing what needs to be done now. The best antidote to worry is to get to work on the challenges and start cutting them down to size.

We need your voice, and your ideas. Please get involved with IAB Committees, Councils, Working Groups and IAB Tech Lab initiatives. Never doubt that you can make a difference.

Wishing you and yours a year filled with peace, prosperity, and joy.

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

The Evolution of Digital Media

Initiative	Overview
Gaming and Immersive Media Post-Event Webinar <i>November 28, 2023</i>	Recapping the IAB Gaming and Immersive Media Leadership Summit that happened in NYC on October 18, this virtual gathering brought together industry experts who shared key insights and discussions from the summit. The focus was on integrating gaming and immersive media into mainstream advertising. Highlights included strategies for making these channels essential in the media mix and provided innovative approaches to storytelling and emotional connections.



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<p>2024 Outlook: A Snapshot into Ad Spend, Opportunities, and Strategies for Growth <i>November 30, 2023</i></p>	<p>The 2024 Outlook Survey was conducted by the IAB research team to provide the digital ad-supported ecosystem with a forward-looking view into the 2024 ad spending marketplace, a perspective on opportunities and strategies for growth, and insights on industry hot topics. Over 200 buy-side ad investment decision-makers, primarily at brands and agencies, were surveyed to help the industry plan for the year ahead, benchmark competitive positioning in the marketplace, and more. One of the key findings is that buyers expect to increase their ad spending 9.5% in 2024.</p>
<p>Audio Innovators Leadership Summit Recap Webinar <i>November 2023</i></p>	<p>This recap webinar summarized important findings from the IAB Audio Innovators Leadership Summit 2023 that happened in October in NYC and discussed the actionable ideas and solutions generated, debated, and conceptualized during this leadership summit. Topics include key takeaways from sessions focused on the needs of brands, audio's role in the attention economy, brand safety and suitability filtering, and deep dive discussions on measurement, the use of first-party data to maximize addressability, and behavioral and contextual targeting in digital audio.</p>
<p>Games Committee Relaunch <i>November 2023</i></p>	<p>The IAB Experience Center successfully relaunched the IAB Games Committee, inviting former members and new representatives to contribute. With a renewed mission, the committee focused on fostering peer-to-peer learning, educating the market about the value of gaming in advertising, providing best practices, and integrating gaming into the broader media conversation. Our final meeting of the year wrapped at the Activision Blizzard offices. The IAB Games Committee ended the year with 159 members across 82 member companies.</p>
<p>IAB Centers of Excellence Board Meeting <i>December 6, 2023</i></p>	<p>Board members from the IAB Experience Center, the IAB Media Center, and the IAB Measurement, Addressability, and Data (MAD) Center all came together, some in-person, some virtually, to recap the year 2023, review 2024 strategy, and look ahead to 2024 priorities. Following the meeting, board members were invited to a holiday party in appreciation of their service throughout the year.</p>
<p>The Creator Economy Workshop <i>December 12, 2023</i></p>	<p>IAB held a Creator Economy Workshop in partnership with Google that featured data from The Creator Economy Opportunity Report, training modules and activities developed by IAB Learning & Development, experience and perspectives from creator Dylan Lemay, and insights on how YouTube brings creators, viewers, and culture together.</p>



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Privacy and Addressability

Initiative	Overview
IAB State Privacy Law Summit <i>November 15, 2023</i>	With five state privacy laws having come into effect in 2023 and eight new privacy laws coming into effect through 2025, our industry is navigating an increasingly complex compliance landscape. This successful and sold-out event , held at the Kelley Drye & Warren LLP offices in Manhattan, convened privacy lawyers and cross-functional privacy professionals to make sense of that landscape through deep-dive discussions that leverage demonstratives and data flows to set context in a town hall setting. And it included a fireside chat with the Connecticut Attorney General’s office.
Third Party SDKs: An Overview and Practical Steps to Reduce Risk <i>November 30, 2023</i>	The use of software development kits (SDKs) is ubiquitous, providing companies with the tools they need to enhance their applications. But misconfiguration or improper use of SDKs can lead to regulatory scrutiny and litigation claims as well. Our panel of privacy and SDK experts, including our IAB Tech Lab subject matter expert, discussed the technical and organizational measures companies can take to reduce legal risks associated with SDKs. The panel covered SDK code implementation and configuration best practices, common pitfalls, the importance of auditing data flows, and how upcoming changes like iOS 17’s privacy manifests affect how SDKs are integrated in the future.
Unpacking Privacy Engineering for Lawyers <i>December 14, 2023</i>	State privacy laws place increased demands on legal teams to ensure that internal and external technology systems respond to and conform with detailed requirements. This practical webinar offered a technical deep dive of what privacy engineers do and how they do it when building publishers and advertisers’ systems to meet privacy law requirements. It also brought together privacy leaders to discuss best practices for driving alignment with engineering teams and tactical solutions for maximizing visibility and accountability.
Exploring the U.S. Multi-State Privacy Toolkit <i>December 19, 2023</i>	This webinar explored the new IAB Multi-State Privacy Compliance Toolkit and how it can help your organization understand and implement complex privacy compliance priorities.



Trust and Transparency

Initiative	Overview
Legal and Business Issues in the Metaverse November 15, 2023	<p>Although the Metaverse is relatively nascent and is still being built (and defined), experts predict exponential growth in the coming years. Aside from gaming, one of the first and most significant use cases for the Metaverse has been marketing & advertising. In this IAB training, which was offered both in person and virtual, attendees learned what the Metaverse is and is not, emerging marketing & advertising trends in the Metaverse, and the most significant business, regulatory, and legal issues involved with marketing in the Metaverse.</p>
Practical Guidance for European Privacy Laws: GDPR, ePrivacy and Beyond December 5, 2023	<p>New developments in European law continue to pose challenges for digital advertising. During this course, IAB provided practical guidance on key GDPR and ePrivacy requirements, as well as specific considerations for participants in the digital advertising ecosystem seeking to comply with those requirements. Discussion topics included the impact of recent guidance, enforcement, and individual claims on consent management platform (CMP) banners, and provided an understanding of the data handling roles (controller and processor) in the digital marketing space. This learning and development course was intended to educate U.S. digital advertising professionals about privacy laws in Europe, not audiences in the EEA or the UK.</p>

Next-Generation Measurement

Initiative	Overview
CTV Measurement: Prove It to Move It November 29, 2023	<p>The second in a series on CTV measurement webinars, this webinar from the IAB Media Center highlighted key solutions in CTV measurement for campaign performance and business outcomes. The panelists discussed outcome-based CTV measurement, challenges and opportunities, use cases, and innovative solutions.</p>
CTV Measurement: Harnessing the Power of Attention December 13, 2023	<p>The third and last webinar in the CTV measurement series was about harnessing the power of attention and focused on attention-based metrics as marketers seek solutions in the post-cookie world.</p>



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<p>Quantifying Retail Media In-Store Success: Measurement & Innovation <i>January 12, 2024</i></p>	<p>For retail media to deliver on its promise, brands and retailers must agree upon in-store measurement requirements, which are rapidly evolving. This practical document from the IAB Measurement, Addressability, and Data (MAD) Center and the IAB Retail Media Network Committee presents current in-store best practices for full-funnel attribution, proving incrementality, and the multiplier effects of in-store media.</p>
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Talent Development and DEI

Initiative	Overview
<p>Inclusion Institute – BIPOC Representation in Marketing (BRiM) <i>November 16, 2023</i></p>	<p>On November 16, IAB held its closing meeting for the pilot cohort of the BIPOC Representation in Marketing (BRiM) program. In partnership with Meta, the program paired 12 Black, Indigenous, and People of Color (BIPOC) sponsees with 12 senior leadership sponsors to develop strong relationships and further develop and elevate BIPOC talent. Fifteen human resources / talent representatives from leading companies also joined the program to support its future adoption at their organizations. Participant feedback on the program was overwhelmingly positive with many sponsor / sponsee pairs sharing anecdotes of its impact on their relationship and work.</p>

Public Policy and Legal Affairs

The IAB Public Policy and Legal Affairs teams have had a full agenda since our last meeting advocating on our members’ behalf and providing programs and tools for their business needs.

- The IAB Public Policy Team met with the [European Parliament Committee on Internal Marketing and Consumer Protection](#) (IMCO Committee) in early November. The IMCO Committee delegation was visiting Washington, D.C. to meet with various stakeholders including IAB. The goal of our meeting was for the IMCO Committee to hear the IAB perspective on various EU proposals and legislation. We discussed the Digital Service Act, the Digital Market Act, the EU AI Act, and the EU Data Governance Act. We also discussed targeted advertising, political advertising regulations, green washing, Generative AI, and advertising to children.
- IAB hosted its inaugural IAB on the Hill event on November 14. It was a successful event with over 100 attendees throughout the evening, including Congresswoman Deborah Ross (D-NC), staffers from the House and Senate, the White House, agencies, and industry stakeholders. Special thanks to Venatus, Frameplay, Azeron, and Internet for Growth for



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providing interesting demonstrations and if you missed the event you can catch a recap [here](#).

- Also on November 14, the Public Policy team and Cary Tilds, Chief Strategy and Advocacy Officer at Frameplay, met with the offices of Representatives Kelly Armstrong (R-ND), Adam Schiff (D-CA), Tim Walberg (R-MI), and Suzan DelBene (D-WA) to discuss the importance of digital advertising to the gaming, virtual reality, and augmented reality industry.
- On November 15, the Public Policy Team and IAB CEO David Cohen met with the staff of Leader Steve Scalise (R-LA), and Senators Mike Lee (R-UT), Maria Cantwell (D-WA), and Dick Durbin (D-IL), as well as Senator Marsha Blackburn (R-TN), ranking member on the Consumer Protection, Product Safety, and Data Security Subcommittee. The group discussed the importance of a national data privacy standard, the challenges of a patchwork of state laws, and the negative consequences of legislation like the AMERICA Act.
- On December 7, IAB filed a joint amicus brief with eleven other organizations in the *Moody v. NetChoice* case that is pending in the U.S. Supreme Court. At issue is whether Texas and Florida may prohibit companies from moderating content on their websites. Our amicus brief argues that websites' ability to exercise editorial discretion and the existence of varying websites upholding diverse rules are major reasons for the internet's success. Permitting Texas and Florida to outlaw content moderation would upend the internet as we know it.
- On December 26, IAB [filed](#) supplemental comments before a virtual hearing at the Federal Trade Commission on their proposed Rule Concerning Subscriptions and Other Negative Option Plans, otherwise known as the Negative Option Rule. In March 2023, the FTC [proposed](#) a rule that would require sellers to make it as easy for consumers to cancel their enrollment as it was to sign up. In June, IAB [submitted](#) comments in opposition to the proposed rule. IAB also requested that the FTC conduct a hearing on the rule and the FTC granted this request. IAB's Executive Vice President for Public Policy Lartease Tiffith testified at an informal hearing on January 16, 2024. IAB was one of only six organizations invited to participate.
- On December 28, IAB [submitted](#) comments in opposition to a proposed rule with the Consumer Financial Protection Bureau that would require depository and non-depository entities to make data related to consumer transactions and accounts available to consumers and authorized third parties, establish obligations for third parties to access consumer data, and to provide additional privacy protections for data.
- From January 9-12, the Public Policy team attended the Innovation Policy Summit at the 2024 Consumer Electronic Showcase (CES) in Las Vegas, NV. Panels included discussions on artificial intelligence, blockchain, antitrust, and privacy and had speakers from Congress, federal agencies, and industry.
- IAB participates in a coalition of advertising trade groups, including ANA, the 4A's, and AAF to track activity in state legislatures. Between September and January, the State Coalition sent 11 letters to policymakers in California, Maine, Massachusetts, Minnesota, New Jersey,



South Carolina, and Wisconsin. The letters' topics ranged from automated decision making in California, comprehensive privacy bills in New Jersey and Maine, and an age-appropriate design code bill in Minnesota. The letters opposed harmful legislation being considered in those state legislatures. To this end, IAB sent the following coalition letters between October 2023 and January 2024 to put the industry and IAB on record as opposed to this patchwork of state laws:

- Letter in opposition to Massachusetts S227 and H60 (October 18)
- Letter in opposition to Massachusetts S25 and H83 (October 18)
- Letter in opposition to Maine LD1977 (October 16)
- Letter in opposition to Wisconsin AB466 (November 13)
- Letter in opposition to Wisconsin AB466 (November 29)
- Letter in opposition to Maine LD1973 (December 18)
- Letter in opposition to California Draft Regulations on Automated Decision-Making Technology (December 6)
- Letter in opposition to New Jersey A1971 and S332 (January 2)
- Letter in opposition to Minnesota SF2810 (January 9)
- Letter requesting that New Jersey Governor Veto S332 (January 10)
- Letter in opposition to South Carolina H4700 (January 10)

The IAB Legal Affairs Team also sent the next issues of its State Law Insights Newsletter on December 4 and its Federal Legal Insights Newsletter on December 18.

- IAB Privacy designed, launched, and is maintaining a [Certified Partner Program \(CPP\)](#) as part of its [Multi-State Privacy Agreement \(MSPA\) compliance framework](#). Some ad-tech companies have chosen not to sign the MSPA because they have well-developed compliance mechanisms, data processing modes, and contractual frameworks that facilitate their state law compliance. The CPP provides a pathway for those companies to participate in MSPA covered transactions. Applicants to the CPP that become MSPA Certified Partners are permitted to process MSPA Covered Transactions without signing the MSPA.
- In November, IAB Privacy also [established a voluntary MSPA Accountability Program](#) for signatories to earn their certification. This assessment program validates that companies are meeting MSPA promises. And the Network Advertising Initiative (NAI) became the first assessor authorized to grant 'MSPA Certified' seals as part of the [MSPA Accountability Program](#).

IAB Tech Lab and Global Engagement

- To help businesses deliver greater transparency in using personal data for addressability, IAB Tech Lab announced the launch of the [Accountability Platform](#), a technical audit framework in December. The platform is open for a 75-day public comment period until February 27, 2024, and is essential in establishing a consistent standard for the data structures and reporting mechanisms companies across the digital advertising supply chain deploy to address consumer privacy preferences.



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- To create a framework for standardization and interoperability across TV environments, IAB Tech Lab unveiled its new [Advanced TV initiative](#). Developed within the [Advanced TV Commit Group](#), the initiative is set to bridge the gap between traditional linear TV, digital video, and live streaming. The Commit Group's primary focus is implementing a creative ID framework and conducting a dedicated workshop. This registered creative ID will outline the integration process for all supply chain members. It will also include essential information about advertisers, represented products, and technical specifications—details crucial to various ad placement scenarios such as frequency capping, competitive separation, measurement, and cross-platform creative reconciliation.
- The [Digital Services Act \(DSA\)](#) is a regulation that pertains to online intermediaries and platforms, is applicable across the whole EU, and goes into effect on February 17, 2024. IAB Tech Lab has made a [Minimum Viable Product \(MVP\) DSA transparency specification available](#) for public comment to help online platforms comply with the DSA. The primary goal of the DSA is to enhance the trust of both individual consumers and business users when using online platforms and the products, services, and advertisements they encounter on them.
- IAB Tech Lab has added [three new CTV app stores to the app.ads.txt aggregator](#) for Samsung, Vizio, and LG to increase supply chain transparency in CTV inventory. While some of these app stores are still working toward compliance with the app-ads.txt specification, we have begun crawling these stores for app-ads.txt files when supported.
- In a significant stride towards advancing privacy in the digital advertising industry, the IAB Tech Lab received a generous donation from [Ethyca](#) to help [accelerate defining privacy standards within the ad tech industry](#). Ethyca's Fides Language (Fideslang) is the product at the heart of this donation; the privacy taxonomy project group will leverage this donation to accelerate the development of a standardized personal data taxonomy.
- Made for Advertising sites (MFAs) have gained significant attention following the recent [ANA study](#) that focused on themes like carbon emissions, supply chain transparency, and brand education about programmatic inventory. MFAs are a concern because they are designed specifically to win programmatic scale and churn out profits while delivering poor consumer experiences, lacking unique, professional, and high-quality content. In November, IAB Tech Lab [published guidance](#) on how to use signals in open RTB protocol to assess if a site is made for advertising.

Financial Management

In a year of unprecedented change for our industry, IAB has proven extraordinarily resilient. According to unaudited financials, IAB finished 2023 with \$748,000 in net income.

Membership revenue is projected to be \$18.5 million for 2023 versus \$17.9 million in 2022. That was down 2% (\$366,000) against the 2023 budget because one of the biggest members, X



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(formally known as Twitter), did not renew. Even so, our membership roster remains strong: over 100 new members joined IAB this year, several of them in the retail media segment.

IAB Events was up 1% or \$95,000 from the original budget. The softer-than-expected revenue from the [2023 IAB Annual Leadership Meeting](#) and [IAB PlayFronts](#) events was offset by strong demand for the [IAB NewFronts](#), the [IAB Public Policy & Legal Summit](#), and the addition of the [IAB Connected Commerce Summit: Retail Reimagined](#) in September, which was not originally on the roadmap for the 2023 season.

In the Centers of Excellence, IAB planned to sell several sponsorships that did not materialize this year, and IAB Learning and Development finished 18% (\$20,000) below expected targets due to some of our members pushing enterprise deals to 2024.

Additional ongoing revenue streams for IAB in 2023 included initiatives such as sponsored research, member services, international licensing fees, and other fundraising programs. IAB invested these revenues towards helping member businesses grow and excel. Funding was directed toward producing valuable third-party research and tools for building brands in digital media. The cost of goods and services for IAB Events finished the year better than budgeted due to savings on our IAB Annual Leadership Meeting.

Overall, IAB managed expenses closely in 2023, which are projected to total \$31.6 million, and remains well positioned for an ambitious and fiscally sound 2024.

New Members

Since November, the following 54 new members have joined IAB. All members have access to join the inner workings of IAB—including voting board membership, Center of Excellence leadership, and access to legal and public policy resources.

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| 3Z Brands | EDO | Kohler |
| AffinityAnswers | Fairlife | LendingTree |
| Ally Financial | Fetch | Market Performance |
| Athletic Greens | Freixenet Mionetto | Group |
| Atmosphere TV | FTI Consulting | Master & Dynamic |
| Babbel | General Mills | Meijer |
| Bausch + Lomb | Gerber Life | MetLife |
| Bayer | Goldman Sachs | Motom |
| Bimbo Bakeries | Instacart | Northwestern University |
| BlackRock | InsureAds | Pathformance |
| Bridg | Intent IQ | Technologies Inc. |
| Burlington Store | Intentsify | Polarbyte |
| CarGurus | Intuit | PRN, LLC |
| Con Ed | Jaguar LandRover | Rembrand |
| Doceree | John Deere | RTB House |
| Doing Things | JP Morgan Chase | |



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Sigma Software
Silverpush

SodaStream
The Home Depot
The Vitamin Shoppe
Visit Tampa Bay

WeAre8
Wellow

Thank you for your ongoing support. I look forward to working together to ensure the industry's collective and continued growth in 2024 and beyond.

Respectfully,

A handwritten signature in blue ink that reads "David A. Cohen". The signature is written in a cursive, flowing style.

David Cohen
Chief Executive Officer, IAB