

An abstract graphic of a network with glowing blue nodes and connecting lines, set against a dark background. The network is more dense on the left and fades towards the right.

IAB Canada

State of the Nation 2019

About IAB Canada

Powerful Digital Leadership

IAB Canada represents over 250 leading media and technology companies that are responsible for buying, selling, delivering and optimizing digital advertising or marketing campaigns. Together, **our members account for over 80% of the estimated \$7.7 Billion digital advertising industry in Canada.**

The State of the Nation

Powerful Digital Leadership

- Opportunity for Canada to hear the latest narrative on digital advertising
- Develop awareness of emerging issues
- Access to Canadian research
- Join the conversation

The State of Digital Media in Canada

Catching up with Consumer Usage

- Internet weekly reach hits **98%** among A25-34; time spent hits 28 hrs/wk among A35-54
- Estimated \$7.7B Industry in Canada (2018)
- Internet revenues rise to 55% of overall spend
- Mobile revenues: still lots of room for growth
 - 52% of major media ad revenue vs 56% of major media usage
- Social Media hit 16% on Internet revenue vs 10% of total internet time spent due to high scalability
- Video 14% of Internet revenue vs 36% of Internet time spent
 - potential currently inhibited by high adoption of non-monetizable Netflix but plenty of room for growth in-app

The State of Digital Media in Canada

Trends we're watching...

- Online Video – hits 97% /22 hours weekly among adults 18-34
 - Canadian Broadcasters aggressive in cobranded video development - Co-branded sites hit 50% A18-34 weekly
- Online Audio – hits 85% weekly reach of A18-34 – driven by streamed music
- *SmartSpeakers – ownership hit 26%
 - Major IoT implications
- Unearthed Total Internet Usage (measured and unmeasured) is 40% larger than current measurement
 - Hard for measurement to keep up with consumer behavior

IAB Canada – 2019 Three Core Messages

Powerful Digital Leadership

①

Real Discussion about Value

②

The Direct Economy

③

Policy & Regulation – The Great Leveller

Value

Powerful Digital Leadership

Truth

**Cheap is Expensive
when it doesn't
work –**

unknown (most experienced digital marketers)

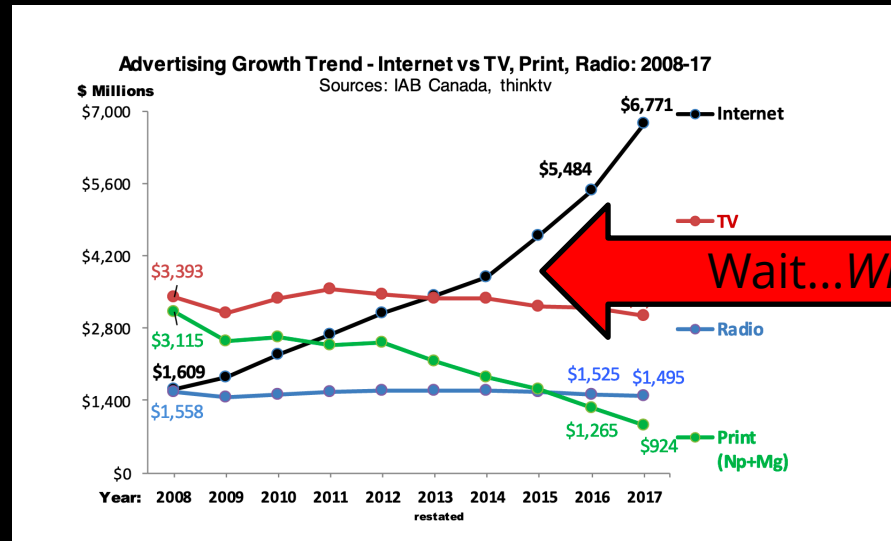
History of Cheap

Sampling that led to our Addiction to Volume

- “Testing” – the Proof of Concept Loop
- Competition
- Legacy Buying models – Bulk Discounts
- Bundles
- The Programmatic Firehose
- Procurement lagging behind the value equation

History of Cheap

Digital \$'s started tipping the balance of controlled media substances...



Wait...What?

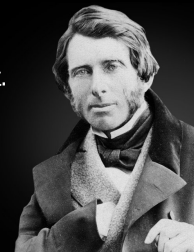
The Progression of “Hidden Costs”

The Clean-up Crew

Delivering Trusted Supply

Quality is never an accident.
It is always the **result**
of intelligent effort.

– John Ruskin



Measurement

Fraud
Prevention

Verification

Safety

Viewability

Solutions Providers

Global
Industry
Standards



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- Member Services
- Standards
- Best Practices



- Open RTB
- Ads.txt
- OM SDK
- TCF



- Verified
- Certification
- Anti-Piracy
- Trusted Supply

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The Trusted Supply Chain

Awareness & Security

- Understanding the supply/value chain
- Partnerships that move away from “suppliers” and closer to trusted consultants/advisors
- Disclosure of layered costs to deliver results
- Decisions based on full awareness and business objectives
- Reporting that matters
- Reframing perception of “premium”













A lack of transparency results in distrust and a deep sense of insecurity.
- Dalai Lama

Demand for Higher Standards

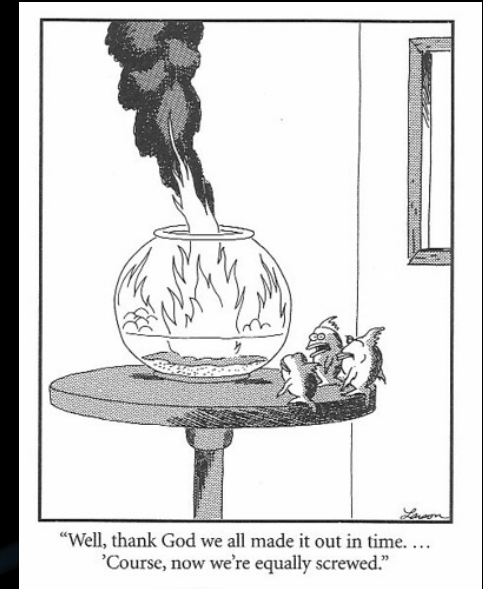
Walk the Talk...

**Quality is not an act,
it is a habit –** Aristotle

Consumers Drive Marketers' Needs

	Consumers	Marketers
Authenticity vs. Fake		
Transparency		
Choice/Control		
Protection		
Frictionless, Positive Experiences		
As close to “free” as Possible		

Authenticity



Transparency

What's Inside?

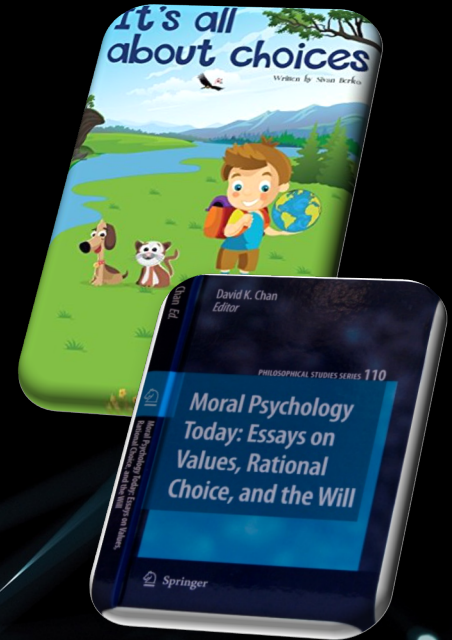
- In a society of ingredient-checkers...
- Check the side of your media buy box – what's in the buy?
- If you don't recognize the players – ask questions.
- If you don't like the answers, walk away.

Data Transparency Facts	
Data Distributor Name: Data Company Data Distributor Contact: DataCompanyTeam@data.com Data Provider Name: Leasing Company Data Provider Contact: DataAccounts@leasingco.com	
Audience Snapshot	
Branded Name	Auto Intenders – Six Months
Standard Name	Auto Intenders
Audience Description Households likely in the market to purchase a new vehicle in the next six months	
Geographies	
Audience Construction	Attribution
Audience Count	6,500,000
Precision Level	Households
Activation ID(s)	Cookies
Audience Expansion	Yes
Cross-Device Expansion	Yes
Last Refresh Date	02-Jan-2018
Event Lookback Window	60 Days
Data Source	
Source ID Description Dealer-reported names and postal codes of individuals who requested test drives	
Source ID Contribution	1,130,000
Precision Level	Individual
ID Key	Name and Postal
Source Event	Transactions
Inclusion Method	Observed
Seed Size (if modeled)	-
Source Refresh Frequency	Quarterly
Event Lookback Window	180 Days
This Data Transparency Label has been developed by members of ANA's Council for Data Integrity and IAB Tech Lab's Data Transparency Working Group, with the support of CMMI, The ANF and IAB's Data Center of Excellence. For more information, please visit datacenter.org .	

Choice & Control

Law, Ethics and Great Expectations...

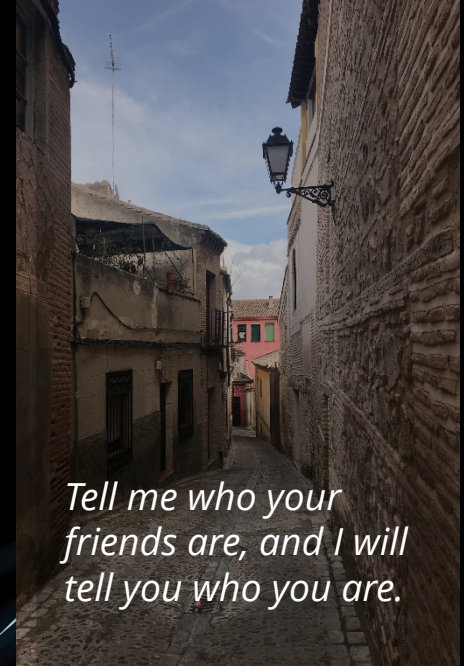
- Consumers are accustomed to greater controls.
- Allowing consumers to opt-out of advertising is one of the aspects that make PIPEDA – in its current state and adopted interpretation, the gold standard in balanced privacy regulation that allows for innovation and industry growth.
- When we breach this regulation by not participating in an opt-out framework like Ad Choices or a Consent Management platform that follows the Consent Framework we've been developing through the tech lab – we are risking the luxury of our current balanced law.



Protection

Brand Safety

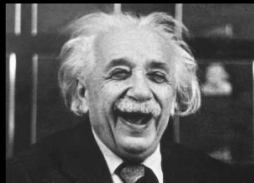
- Personal & Social identity links directly to brands.
 - *Quality Context Matters (positive attention/encoding to memory)
 - *Brand Safe Content Matters (impacts brand favourability scores)
- Brand Safety strategy in place and documented.
- Who are you – who are you *not*?
- Brief your partners, engage a brand safety solution that helps mitigate risk and work with media partners who share your level of risk aversity
- Have a policy that balances realistic media consumption



Frictionless, Positive Experiences

Raising the Bar on Creative Strategy

- **Invest in creative** and immersive experiences for consumers
- Look to raise the bar to Cannes winning standards
- The digital canvas has expanded year over year – audio, display, social and video
- Online advertising is a verb – brands have control of the “what”
- Reach and frequency alone does not equal quality interactions – double down on progressive creative or let the platforms help with branded content solutions



CREATIVITY is contagious.
Pass it on.

- Albert Einstein

As for “As Close to Free as Possible”...

**Cheap is
Expensive
when it
doesn't work**

- unknown (most experienced digital marketers and suckers)



Getting Involved in Industry Conversations

600+ Members Participating in Councils & Committees across Canada

Find out more and get teams involved in relevant conversations that are shaping new standards. Get a line in on the latest developments and toolkits providing safety, transparency and a stronger digital media marketplace.

Committees@iabcanada.com

The Direct Economy

Powerful Digital Leadership

DTC Brands – IAB 250 Brands to Watch *Dunn & Bradstreet*

Disruption Across Virtually Every Category



DTC Brands – The Perfect Storm

Low Barriers, High Flexibility, UX and Value

- Permanent **changes in industry supply chains** are shifting the center of growth in the global consumer economy.
- Smart firms are creating value by tapping into **low-barrier-to-entry, capital-flexible, leased or rented supply chains**.
- Singular retail **fulfillment experience** to variable - forever
- **Value-creation and-extraction activities** before, during, and after the sale.

DTC Brands are Born to Disrupt

**Direct brands are born to disrupt:
97% list “category disruption” as
their goal.**

DTC Brands are Born to Impress

Not Tech led – *Marketing* led.

DTC Brands are Born to be Fast

Average time to launch a new product: 4 months.

Data is the Firestarter.... *Instigator*

First Party Data Relationships are Critical



- Fuel all significant functions of the enterprise
 - product development, customer value analysis, and pricing.
- An arms race for first-party data is influencing strategy, investment, and marketing strategies among major incumbent brands across all categories.

Policy & Regulation – The Great Leveler

Powerful Digital Leadership

IAB Canada Policy Priority Areas

**Fair
Marketplaces**

**Safe
Marketplaces**

Privacy and Data

**Digital economy,
innovation and
economic growth**

IAB Canada continues to build **trust** and **respected** by policymakers as **the voice** of the digital advertising industry.

IAB delivers **value for members** with a **proactive** agenda to **advance public policy solutions** and **responds** effectively to issues as they arise.

Digital Advertising & Policy

2015

- Privacy
- CASL

2017

- Privacy
- CASL
- Section 19

2018

- Privacy
 - GDPR
- CASL
- Heritage
- Marketing to Kids
- Cannabis
- ISED

2019

- Privacy
 - GDPR
 - CCPA
 - Transborder
- M2K
- **Elections Canada**
- Cannabis
- Vaping
- ISED
- ?

Issue Ads

How to Spot an Issue Ad

- Is the ad flighted during the election period? Any issue ads transmitted outside that period are not regulated.
- Is the ad (factually) for or against an issue with which at least one candidate or registered party is associated? Any political ad for or against an issue transmitted on a platform during elections may be regulated.
 - social
 - domestic
 - foreign policy
 - economics
 - national security
- An issue ad transmitted during the election could at some point become associated with a candidate or registered party.
- Learn more about issues associated with registered parties and candidates based on the registered party or candidate's political platform, debates they participate in, social media campaigns, etc.

Canadian Digital Charter

Ten Principles of the Digital Charter – #OhCanada

1. Universal Access:

All Canadians will have equal opportunity to participate in the digital world and the necessary tools to do so, including access, connectivity, literacy and skills.

3. Control and Consent:

Canadians will have control over what data they are sharing, who is using their personal data and for what purposes, and know that their privacy is protected.

5. Open and Modern Digital Government:

Canadians will be able to access modern digital services from the Government of Canada, which are secure and simple to use.

7. Data and Digital for Good:

The Government of Canada will ensure the ethical use of data to create value, promote openness and improve the lives of people—at home and around the world.

9. Free from Hate and Violent Extremism:

Canadians can expect that digital platforms will not foster or disseminate hate, violent extremism or criminal content.

2. Safety and Security:

Canadians will be able to rely on the integrity, authenticity and security of the services they use and should feel safe online.

4. Transparency, Portability and Interoperability:

Canadians will have clear and manageable access to their personal data and should be free to share or transfer it without undue burden.

6. A Level Playing Field:

The Government of Canada will ensure fair competition in the online marketplace to facilitate the growth of Canadian businesses and affirm Canada's leadership on digital and data innovation, while protecting Canadian consumers from market abuses.

8. Strong Democracy:

The Government of Canada will defend freedom of expression and protect against online threats and disinformation designed to undermine the integrity of elections and democratic institutions.

10. Strong Enforcement and Real Accountability:

There will be clear, meaningful penalties for violations of the laws and regulations that support these principles.

The word "Canada" in a large, black, serif font. Above the letter "a" is a small Canadian flag.

- PIPEDA amendments are coming
- Desire for stronger enforcements
- Enhanced Consent will most likely be required
- Elections law

Getting Involved

200+ Members Participating in Policy & Regulatory Affair Conversations

Find out more and get your legal counsel, privacy officers and senior management team involved in policy that is shaping the future of digital advertising in Canada.

Policy@iabcanada.com

Thank you for your continued support!

Powerful Digital Leadership





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