IAB Canada

Barometer Report: *Digital for Reach*

March 29th, 2023

Digital for Reach Barometer Report

IAB Canada Buy-Side Member Survey
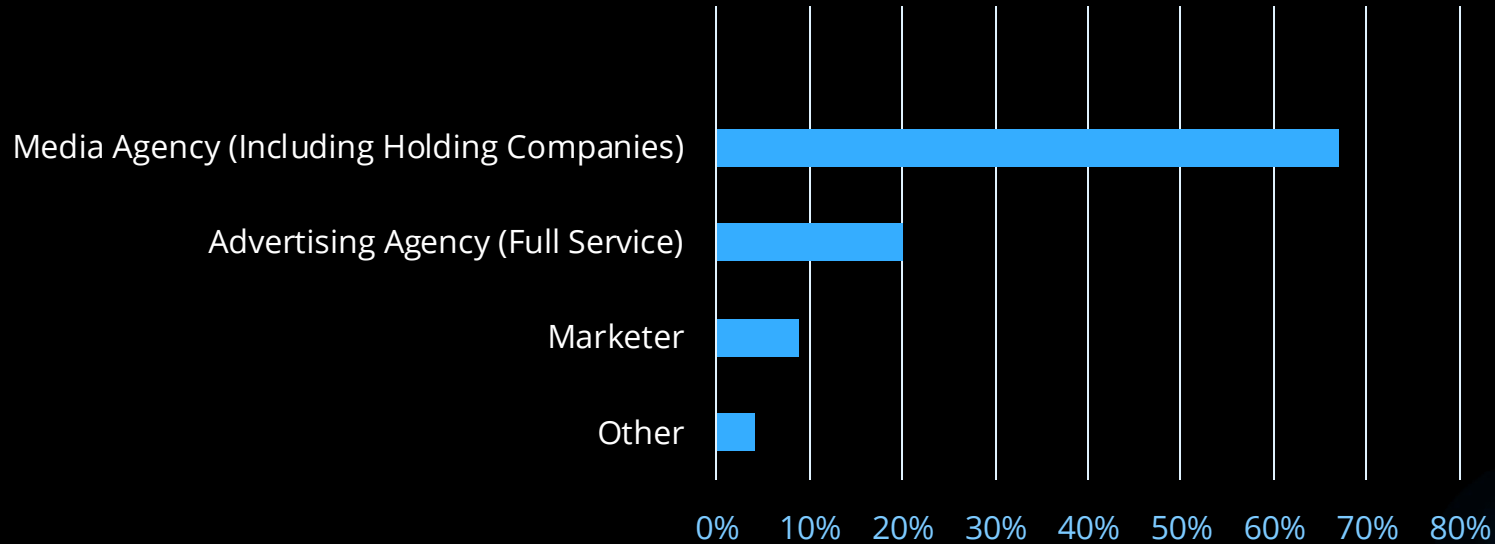
- Priorities
- Estimated +/- expenditures 2023
- Sentiment around buying digital media in Canada 2023

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Barometer Respondents

50+ Buy Side Member Respondents

+80% Directors/Strategy Level

Bar chart showing respondent categories (approximate values):
- Media Agency (Including Holding Companies): ~67%
- Advertising Agency (Full Service): ~20%
- Marketer: ~9%
- Other: ~4%

X-axis: 0% 10% 20% 30% 40% 50% 60% 70% 80%

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A 2023 Probe into Digital for Reach
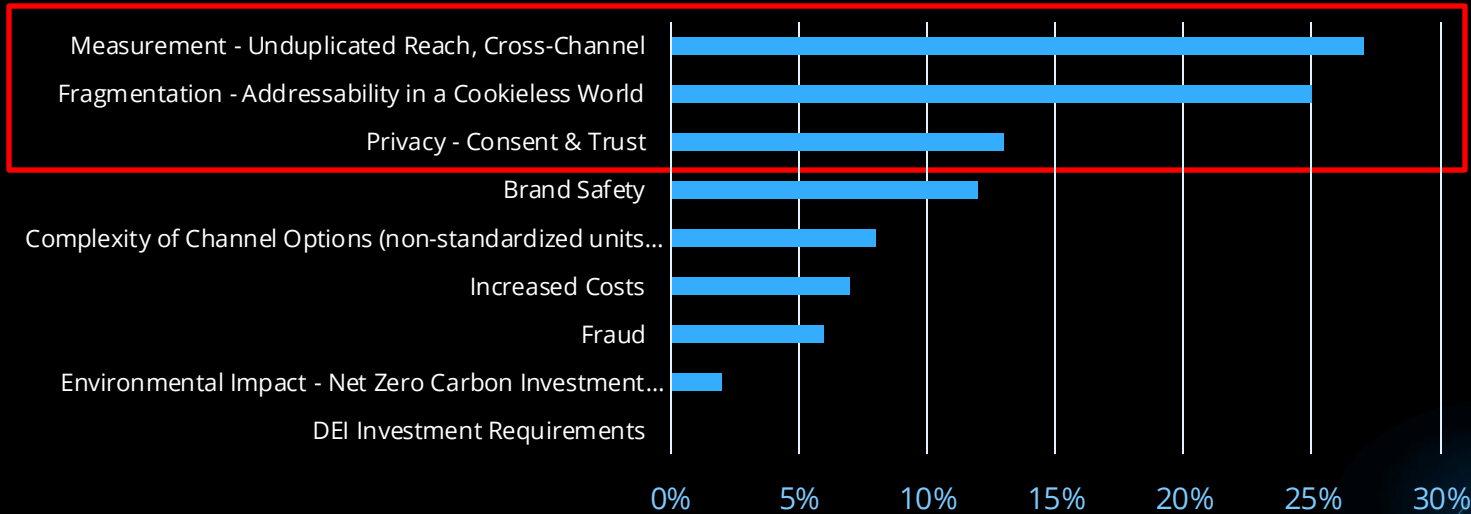
Reaching Audiences in 2023

- Measurement, Addressability and Privacy take centre stage as top priorities in 2023
  - Measurement issues are compounded in a Cookieless environment – addressability needs to thread more needles than reach
- Inflexibility persists in a flexible medium
  - A quarter of budgets are fixed with no consideration to incrementality
- The industry needs higher standards – setting the bar for quality supply
- Contextual advertising and branded content are getting a real shot at resurgence
- Video continues to push ahead with additional growth potential while display investment wanes
- Market continues to express cautious optimism for 2023

Top Priorities in 2022

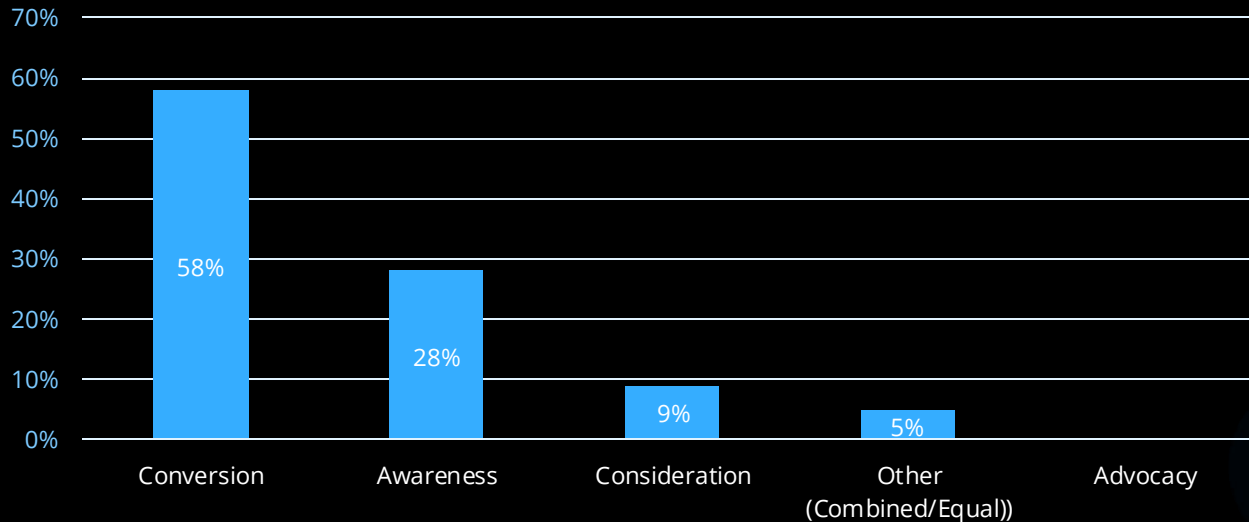## Measurement, Addressability & Privacy Front and Center

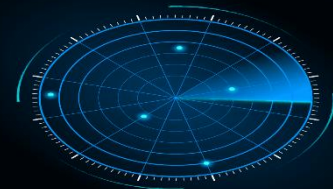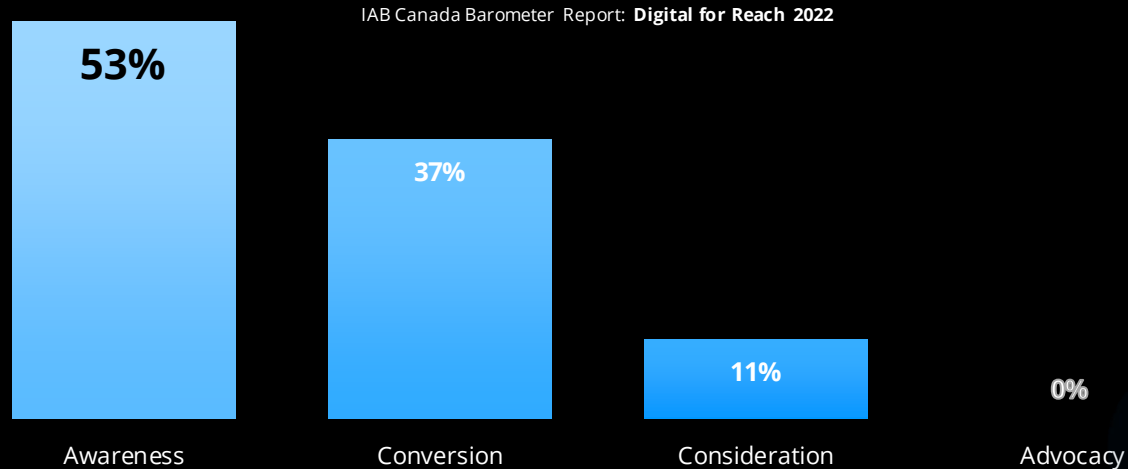2022
1. Privacy
2. Addressability
3. Increased Cost

Bar chart showing top priorities:
- Measurement - Unduplicated Reach, Cross-Channel: ~27%
- Fragmentation - Addressability in a Cookieless World: ~25%
- Privacy - Consent & Trust: ~13%
- Brand Safety: ~12%
- Complexity of Channel Options (non-standardized units...): ~8%
- Increased Costs: ~7%
- Fraud: ~6%
- Environmental Impact - Net Zero Carbon Investment...: ~2%
- DEI Investment Requirements: ~0%

X-axis: 0% 5% 10% 15% 20% 25% 30%

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Budgets Focused on Conversion

Almost 60% report conversion-focused budgets – under 1/3 on awareness

Purchase Funnel Focus for Media Investment 2023

Bar chart showing:
- Conversion: 58%
- Awareness: 28%
- Consideration: 9%
- Other (Combined/Equal): 5%
- Advocacy: (not labeled)

Down-Funnel Shift In Focus from 2022

Economic uncertainty may be pushing investments towards conversion

IAB Canada Barometer Report: **Digital for Reach 2022**

53%
37%
11%
0%

Awareness   Conversion   Consideration   Advocacy

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CTV & Video Represents Major Opportunity for Growth

Planned decrease in expenditures for display & social media

Planned Increase/Decrease Investment for Media Portfolio 2023

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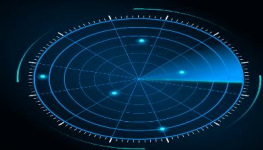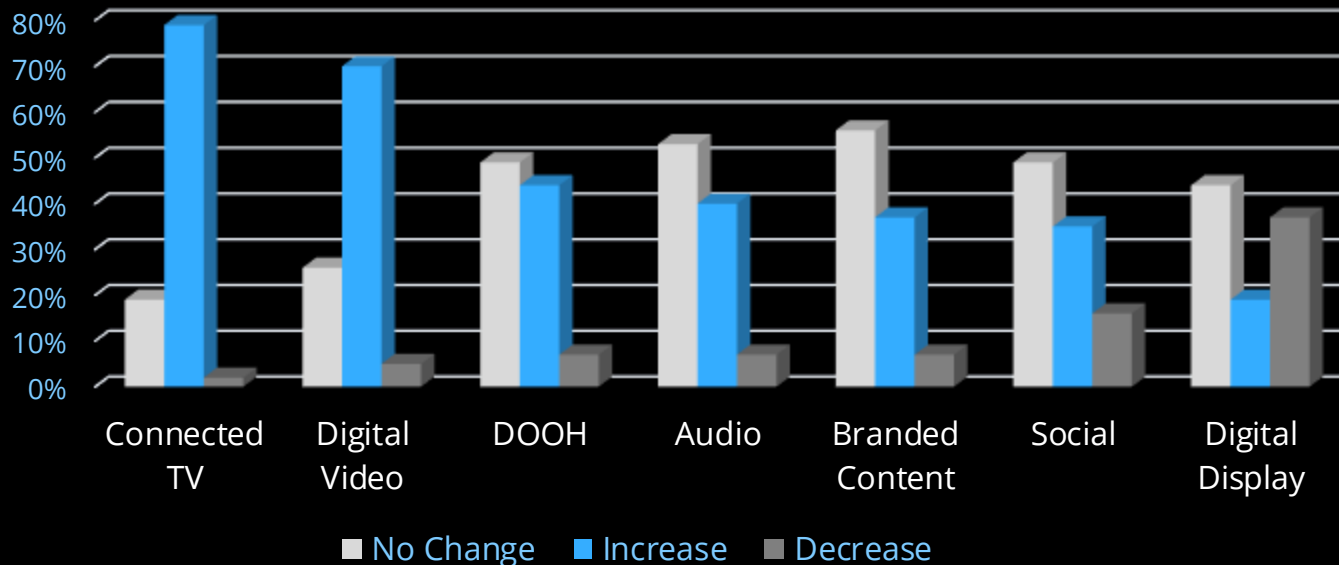
Addressability Contextual & UIDs

Buyers report contextual ads as go-to with UIDs showing some growth

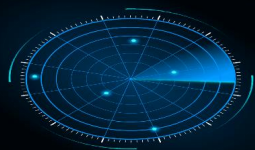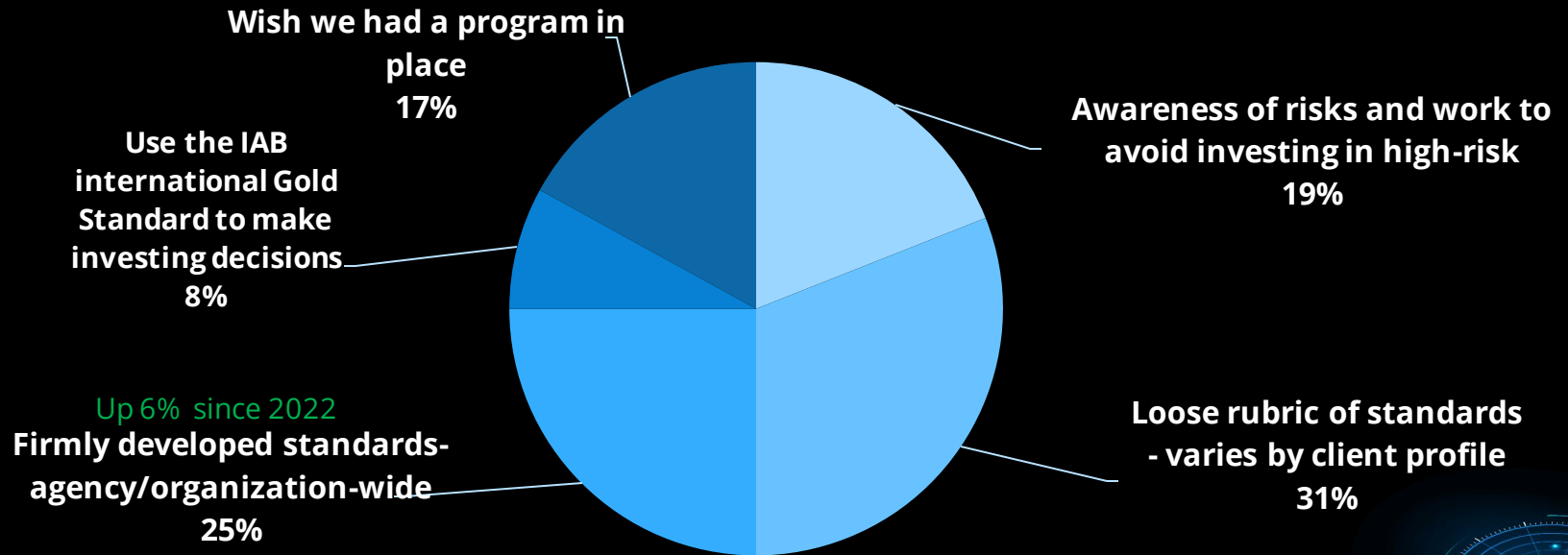### Percentage of Investment Allocation Towards Emerging Solutions

	0%	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%
Identifiers - UID2 etc.	13.89%	13.89%	16.67%	22.22%	5.56%	8.33%	8.33%	5.56%	5.56%	0.00%	0.00%
Contextual Advertising	5.41%	8.11%	18.92%	13.51%	21.62%	16.22%	0.00%	10.81%	2.70%	2.70%	0.00%
Seller Defined	21.62%	27.03%	27.03%	8.11%	5.41%	8.11%	0.00%	0.00%	2.70%	0.00%	0.00%
Branded Content - Custom Deals	22.22%	27.78%	22.22%	11.11%	2.78%	8.33%	2.78%	2.78%	0.00%	0.00%	0.00%

- Over 70% reporting between 10-50% of budgets towards contextual targeting
- 57% report between 10-20% of budget towards branded content
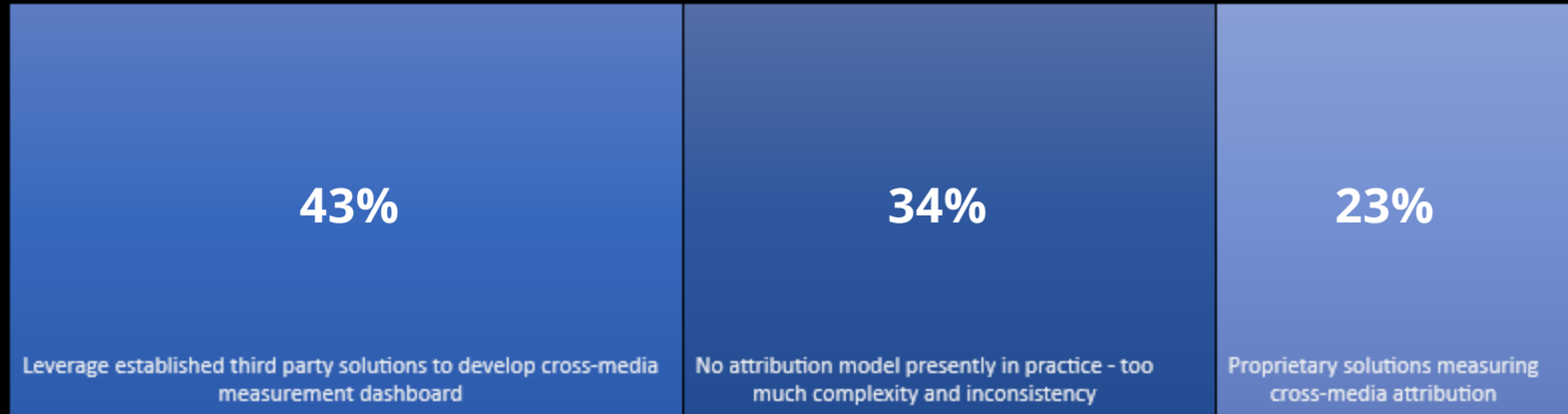- 53% report between 10-30% allocated to UID addressability

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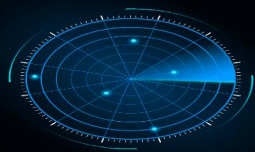
A Continued Need for (Gold) Standards

36% without firm program in place – down from 50% in 2022

Wish we had a program in place
17%

Use the IAB international Gold Standard to make investing decisions
8%

Up 6% since 2022
Firmly developed standards- agency/organization-wide
25%

Awareness of risks and work to avoid investing in high-risk
19%

Loose rubric of standards - varies by client profile
31%

On Measurement & Attribution

34% **do not** have an attribution model in place – stating complexity – most leverage third party solutions

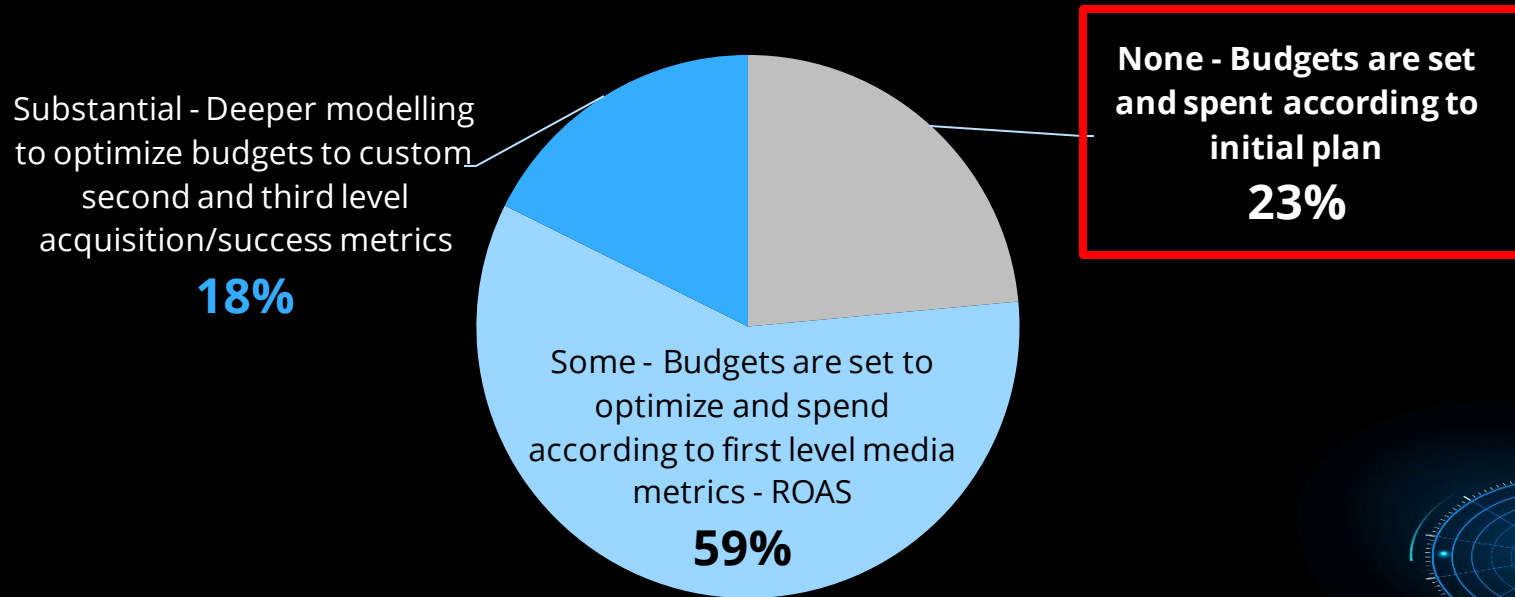| 43%	34%	23%
Leverage established third party solutions to develop cross-media measurement dashboard	No attribution model presently in practice - too much complexity and inconsistency	Proprietary solutions measuring cross-media attribution

■ No attribution model presently in practice - too much complexity and inconsistency

■ Leverage established third party solutions to develop cross-media measurement dashboard

■ Proprietary solutions measuring cross-media attribution

■ Testing with synthetic audiences & new panels in the market
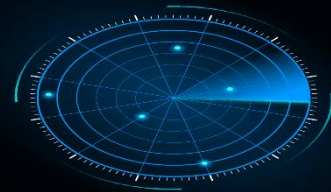
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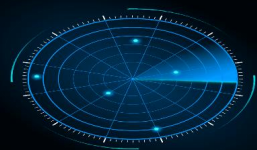
Incrementality Planning

Incremental budgets predominantly based on ROAS – less than 20% on deeper metrics – almost ¼ are inflexible

Substantial - Deeper modelling to optimize budgets to custom second and third level acquisition/success metrics
18%

None - Budgets are set and spent according to initial plan
23%

Some - Budgets are set to optimize and spend according to first level media metrics - ROAS
**59%**

Looking Forward on 2023

Cautious optimism – on average the industry gets a **C**

6.5/10

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Industry Marching Orders 2023

- Crack privacy-first models
  - Access to data on in-market testing and activity
  - Consent management with flexible and scalable means to grow with the patchwork of requirements – updating TCF for Bill 64
- Develop "Pillar of Truth" for measurement
  - Ensure we have common definitions from which to build measurement standards – global issues global solutions
  - Attention working group from US will lead and Canadian parallel sub-group
- Publish "Gold Standard" to provide a trusted, thorough and accessible supply standard
- Incrementality Testing – When online ads become ROI-positive they need to be managed accordingly
- Lead through uncertainty - prove we are better than a C
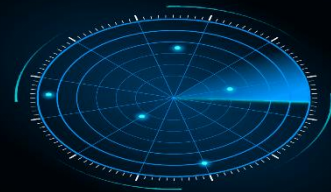
Thank you for Supporting IAB Canada

Powerful Digital Leadership

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