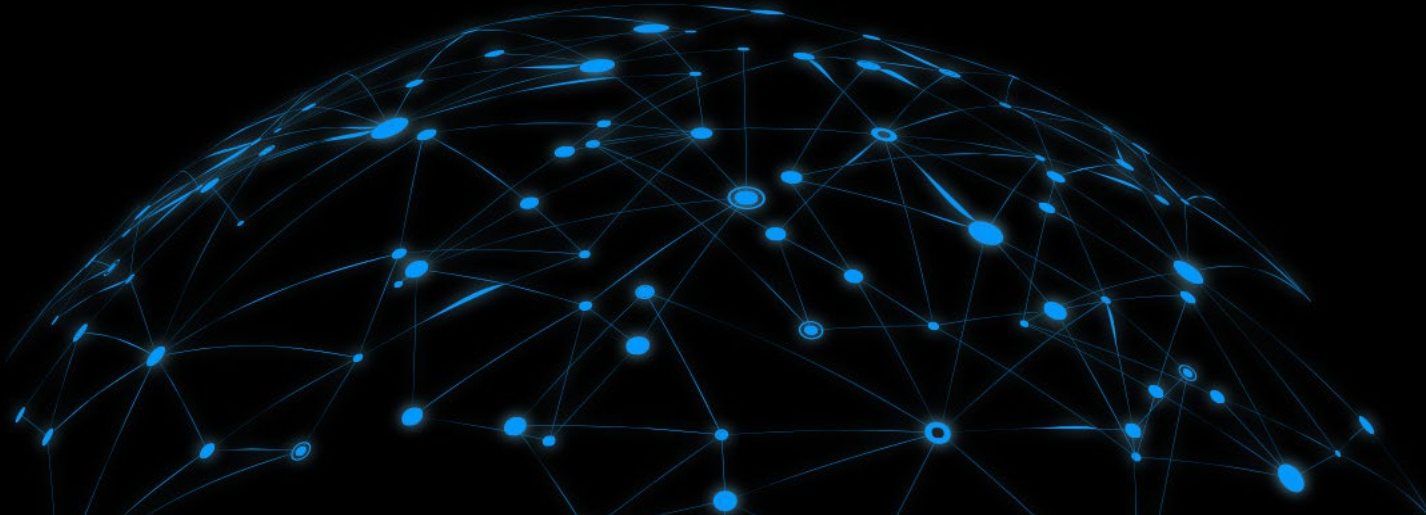


State of the Nation – Canadian Digital Advertising Industry Update

Presented by Sonia Carreno, President, IAB Canada

Powerful Digital Leadership



Discussions Shaping the Digital Media Landscape

An Industry Being Built to Last

- 1 The State of the Industry 2023
- 2 Navigating the Complexity
- 3 Charting the Course



Discussions Shaping the Digital Media Landscape

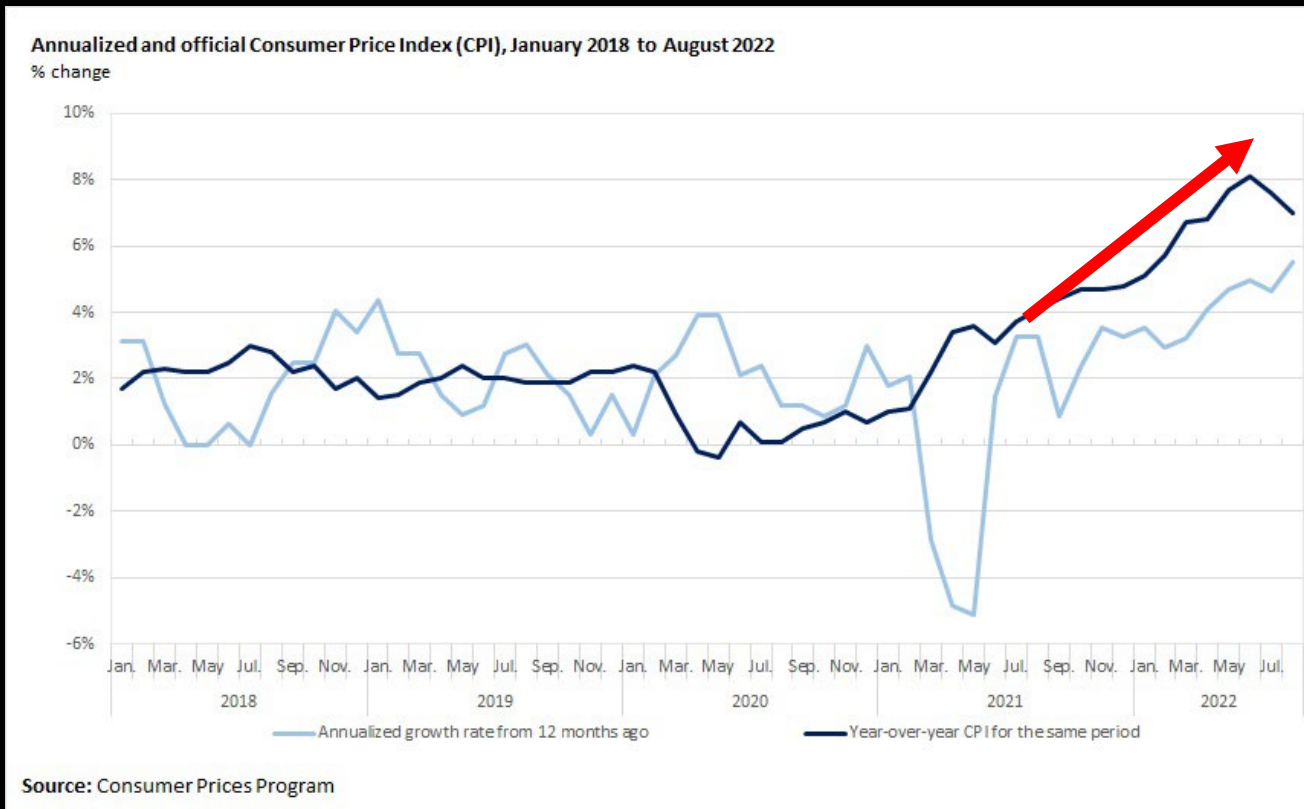
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Consumers Making Ends Meet – Shaking up the Purchase Funnel

Consumer Price Index at a 4-decade high – 6.8%.



Day-to-day costs increased significantly post-pandemic:

- Changes in consumer demand brought on by COVID-19
- Supply chain disruptions
- Oil price fluctuations

Estimated Media Inflation in Canada 2022/2023

Rising costs may drive media investment choices.

Canadian Media Inflation % Estimates	2022 Actual	2023 Predicted	Global Predicted 2023
Television	10%	10%	6.80%
Online Video	8%	7%	5.10%
DOOH	5%	4%	3.80%
Search	4%	4%	NA
Radio	3%	3%	3.20%
Online Display	3%	3%	2.80%
Magazines	1%	1%	0.80%
Newspapers	1%	1%	1.70%

IAB Canada Media Inflation Barometer April 2023

Context-Appropriate Growth

Highlights from the 2022/23 Revenue Survey

- \$14.2B Online Advertising Industry – a 15% growth rate
- Performance media spending increased along with emerging categories like CTV, Audio and DOOH
- CTV is estimated at \$658M in Canada – a 17.5% YoY growth
- Display separated from Social Media remained flat
- Programmatic – 41% is bought programmatically and 43% is reported to involve sales contact (PMP or Guaranteed)
- Retail Media is squarely on the radar – estimated at \$912M
- Estimated growth overall for 2023 –11%

A photograph of a large, jagged iceberg floating in the ocean under a clear blue sky. The iceberg is white with some blue-tinted shadows. The water is dark blue with small waves. The sky is a gradient of light blue to white near the horizon.

\$14.2B

We've Come a Long Way Since 1912

- Education – 20+ Yrs
- Better Technology
- Less Icebergs?
- Better Ships
- Skilled Captains



Agencies/Brands

Growth, Innovation & Sustainability

- 
- An iceberg floating in the ocean. The visible tip of the iceberg is small and jagged, while the much larger, submerged portion is hidden beneath the water's surface. This visual metaphor represents the relationship between visible business goals and the underlying, often more complex, operational and technological challenges.
- Tech Stack development
 - Regulatory requirements
 - Addressable audiences - scale
 - Quality inventory
 - Measurement
 - DSR Benchmarks – DEI/Accessibility/NetZero Carbon
 - Operations – upskilling, talent recruitment
 - Deepening customer relationships
 - AI

Publishers

Growth, Innovation & Sustainability

- Regulatory pressures
- Insulating inventory
- In-housing tech stacks
- Investment in new inventory
- Self-serve platforms
- AI

- First Party Data - Retention
- UIDs
- Contextual Signals
- SDA
- Privacy Sandbox
- Consent Management Platforms

AdTech

Growth, Innovation & Sustainability

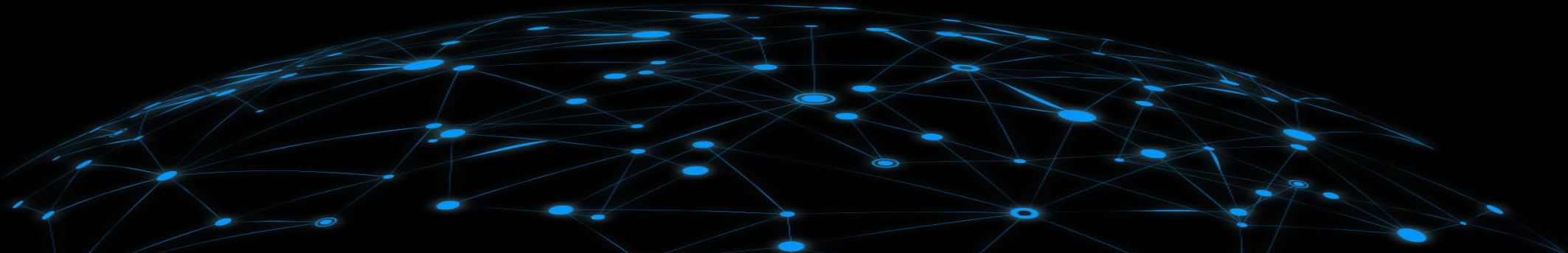
- Rapid innovation against moving regulatory targets
- Standardization/Interoperability
- Adoption
- AI

- ATT fall-out
- Cookie Deprecation
- UIDs
- Clean Rooms
- AI Integration
- API development

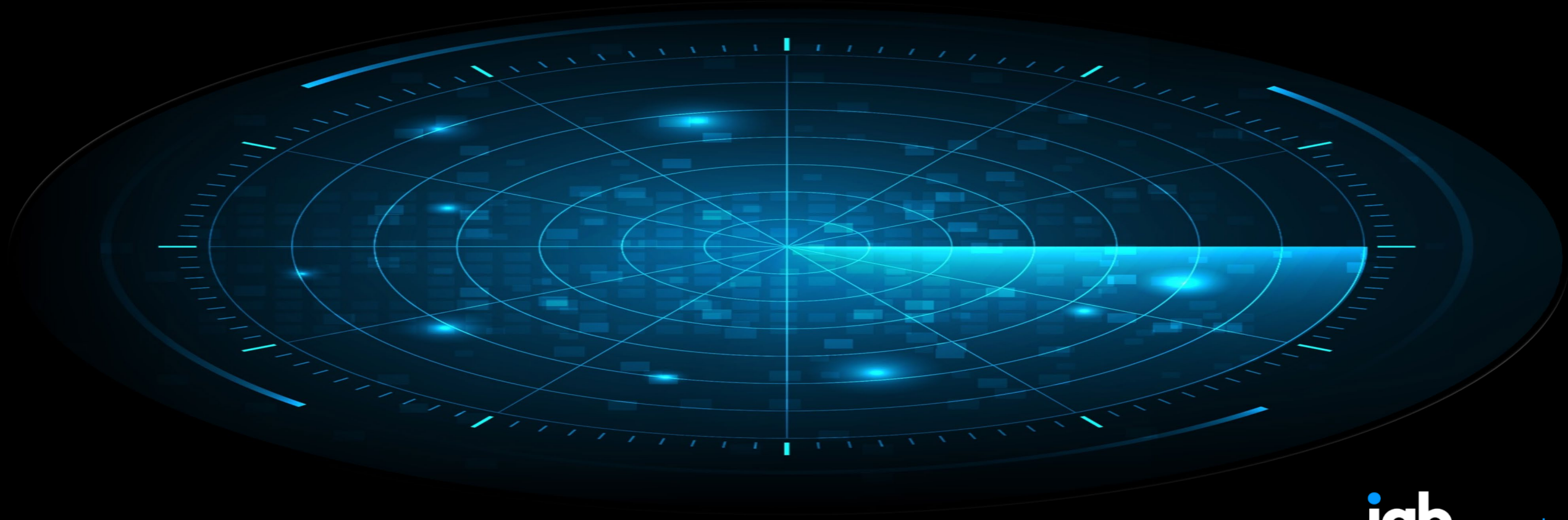
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What's on IAB Canada's Radar



Building Better Ships – Lots of Captains Lots of Ships

Our Oceans are Changing – Fundamental Changes to the Ecosystem

- Fragmentation of AdTech – proprietary systems
- Protectionism – open vs. closed web solutions
- Short-term planning - tech debt and death by iterations
- Global and domestic policy constraints



An (Over) Regulated Industry

2023

- Privacy
 - GDPR
 - CCPA
 - CPPA
 - Law 25
- AIDA
- M2K
- Elections Canada
- Cannabis
- Vaping
- iGaming
- Streaming Bill
- News Act

2020 - 2022

- Privacy
 - GDPR
 - CCPA
 - CPPA
 - Ontario/Quebec
- M2K
- Elections Canada
- Cannabis
- Vaping
- AI
- News Act

2019

- Privacy
 - GDPR
 - CCPA
 - Transborder
- M2K
- Elections Canada
- Cannabis
- Vaping

2018

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

2015 - 2017

- Privacy
- CASL

All Hands on the Policy Deck

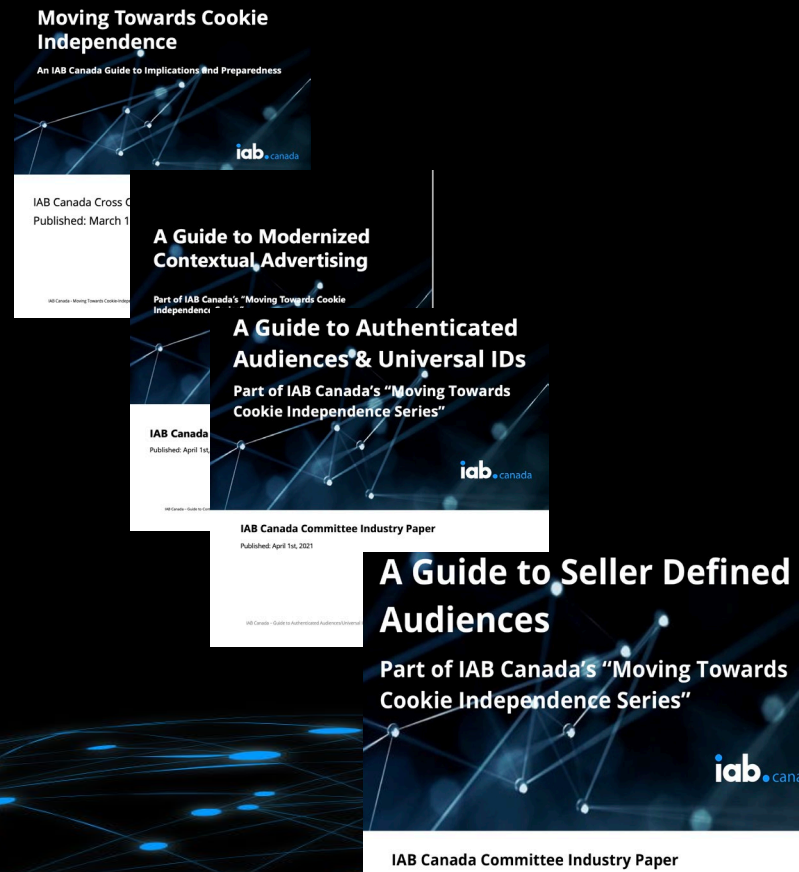
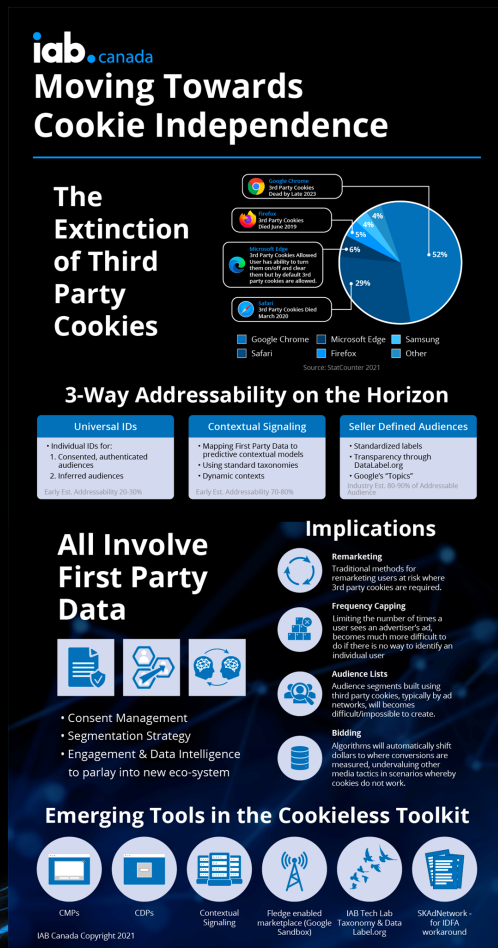
Charting the Course

1. Critical Updates to TCF Canada to meet September 2023 deadline
2. Seat at the table for AIDA developments
3. Advocacy for informed policy across all bills
4. Updated terms and conditions between buyers and sellers
5. Clear visibility to emerging global policies



Maps and Tools

Accelerated Road Maps & Off the Shelf Tools




IAB Tech Lab Outputs (Global)

- PETs
- Advanced TV
- Cross Media Measurement
- Transparency
- Accountability

Maps and Tools

Supporting our Local Market













Powerful Digital Leadership

About ▾Events ▾Education ▾Resources ▾Guidelines ▾TCF Canada ▾Membership ▾

Search by Category

Showing 1 - 60 of 1,413

Sort by: Canadian First ▾

BUYING CAPABILITIES	COVERED VERTICALS	ADVERTISING CAPABILITIES
<div><input type="checkbox"/> Accepts 3rd Party Ad Serving/3rd Party Validation Tags (24)</div> <div><input type="checkbox"/> Accepts 3rd Party Measurement (24)</div> <div><input type="checkbox"/> Ad Fraud Compliant (23)</div> <div><input type="checkbox"/> Ads.txt (20)</div> <div><input type="checkbox"/> Behavioural Targeting (22)</div> <div><input type="checkbox"/> Brand Survey Capabilities (22)</div> <div><input type="checkbox"/> Contextual Targeting (25)</div> <div><input type="checkbox"/> French Content (23)</div> <div><input type="checkbox"/> Geo Targeting (26)</div> <div><input type="checkbox"/> In-House Production Capabilities (24)</div> <div>more</div>	<div><input type="checkbox"/>  Fashion/Beauty (21)</div> <div><input type="checkbox"/>  Recipes (8)</div> <div><input type="checkbox"/>  Political Ads (15)</div> <div><input type="checkbox"/>  Parenting & Family (239)</div> <div><input type="checkbox"/>  Government (18)</div> <div><input type="checkbox"/>  Business & Finance (536)</div> <div><input type="checkbox"/>  Cannabis (126)</div> <div><input type="checkbox"/>  Automotive (350)</div> <div><input type="checkbox"/>  Weather (107)</div> <div><input type="checkbox"/>  Dating (37)</div> <div>more</div>	<div><input type="checkbox"/> AR & VR Experiences (8)</div> <div><input type="checkbox"/> Audio (270)</div> <div><input type="checkbox"/> Custom & Branded Content (524)</div> <div><input type="checkbox"/> Data Audience Extension (154)</div> <div><input type="checkbox"/> Digital Out of Home (9)</div> <div><input type="checkbox"/> Front page take over (20)</div> <div><input type="checkbox"/> Native & Display Ads (1325)</div> <div><input type="checkbox"/> Programmatic Access (746)</div> <div><input type="checkbox"/> Representation of 3rd party sites (10)</div> <div><input type="checkbox"/> Social (19)</div> <div>more</div>

Thank you...















Crew Management

Highlights from Outlook Interviews 2023 & Council Discussions

- Pendulum swinging between art and science
- Needs in demand are both technical and analytical in scope
- Difficulty in transferring skills across the board in hybrid environments
- Significant concerns about the impact of AI on the sector's jobs
- DEI has seen positive movement and integration across sector

Digital Social Responsibility

From "Nice to Have" to "Must Have"

- Global standards – adequacy across markets
- Reporting readiness
 - Carbon Emissions – entire supply chain
 - Ethical Use of AI
 - DEI and Accessibility



Accessibility – An Integral Part of DEI

Pour Principles



- **Perceivable**
 - nothing is undetectable or invisible to the user.
- **Operable**
 - Users should be able to operate a website with the controls they normally use – voice commands etc.
- **Understandable**
 - Websites should be understandable to every user and not overly complicated.
- **Robust**
 - Content must be equally robust across a wide variety of technologies and platforms, from one browser to the next, from PCs to handheld devices and so on.



Net Zero Carbon

Happening TODAY

- Benchmarking initiatives
- Focus on the three areas of emission you can control today:
 - Reduce bid calls
 - Shorten proxies
 - Content efficiencies
- Step Changes – creating the starting point
- Integration with gold standard



Measurement

The Race to Measurement

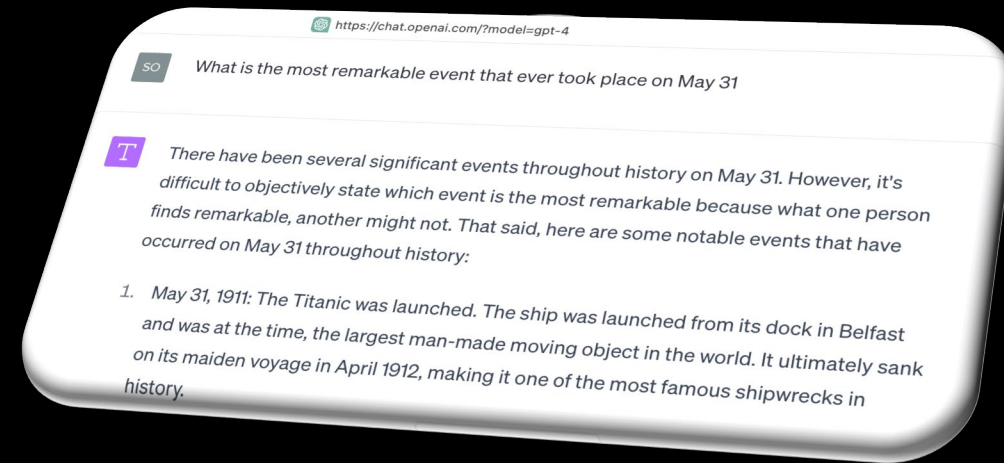
- Industry initiatives underway led by ACA and WFA to lock down the CTV / Video measurement standards
- Emerging media creating some risk of cross-media incompatibility
- Fundamental – technical definitions must be used as baseline
- Attention Metrics – replacing viewability and potentially re-defining value/currency levers



Responsible use of AI

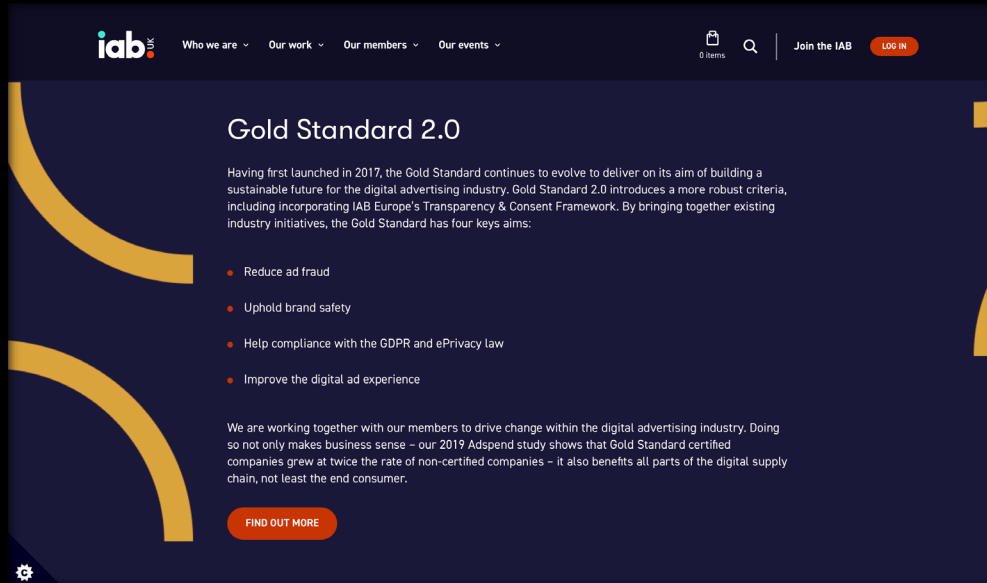
The Race to Measurement

- Consent management
- Identifying and eliminating bias in algorithms
- Shaping governance of AI for the use of advertising – disclosures and watermarking practices etc.
- Accountability of decision-making capabilities and process
 - Transparency
- Global framework for codes of practice and conduct



Developing the Gold Standard

Building a sustainable future for digital advertising



The screenshot shows the IAB Gold Standard 2.0 website. The header includes the IAB logo, navigation links (Who we are, Our work, Our members, Our events), a shopping cart icon with '0 items', a search icon, and buttons for 'Join the IAB' and 'LOG IN'. The main content area is titled 'Gold Standard 2.0' and describes the standard's evolution and goals. It lists four key aims: Reduce ad fraud, Uphold brand safety, Help compliance with the GDPR and ePrivacy law, and Improve the digital ad experience. A paragraph below explains the benefits of certification, supported by a 2019 Adspend study. A 'FIND OUT MORE' button is at the bottom.

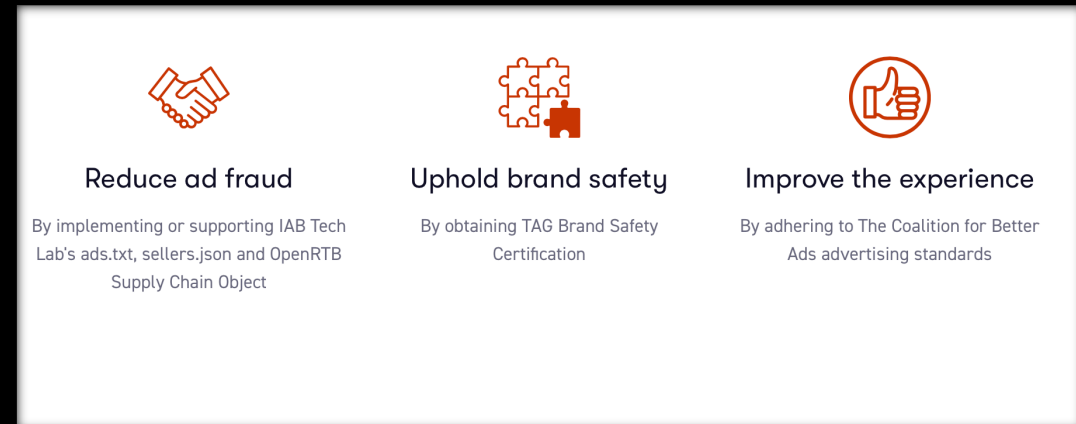
Gold Standard 2.0

Having first launched in 2017, the Gold Standard continues to evolve to deliver on its aim of building a sustainable future for the digital advertising industry. Gold Standard 2.0 introduces a more robust criteria, including incorporating IAB Europe's Transparency & Consent Framework. By bringing together existing industry initiatives, the Gold Standard has four keys aims:




- Reduce ad fraud
- Uphold brand safety
- Help compliance with the GDPR and ePrivacy law
- Improve the digital ad experience

We are working together with our members to drive change within the digital advertising industry. Doing so not only makes business sense – our 2019 Adspend study shows that Gold Standard certified companies grew at twice the rate of non-certified companies – it also benefits all parts of the digital supply chain, not least the end consumer.

[FIND OUT MORE](#)



The diagram illustrates the four key aims of Gold Standard 2.0, each with an icon and a brief description of how to achieve it.

Icon	Goal	How to Achieve It
	Reduce ad fraud	By implementing or supporting IAB Tech Lab's ads.txt, sellers.json and OpenRTB Supply Chain Object
	Uphold brand safety	By obtaining TAG Brand Safety Certification
	Improve the experience	By adhering to The Coalition for Better Ads advertising standards

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How to Avoid Icebergs

The "onus" is on captains and shipping companies

1. Adopt the tools that exist TODAY
2. Watch and listen to stakeholder challenges BEFORE making potential break changes
3. Build for the oceans not for the lakes
4. Assess short term investments against long term gains and potential penalties
5. Switch perspective from short to mid-long term – tech solutions take time
6. Be part of the solution
7. Be prepared to change course – build for agility, global standards and scale

“The Titanic hit the iceberg not because they could not see it coming but because they could not change direction..” ~ D. Devlin





Join the Powerful Digital Leadership Community

Learn more about membership today.

Reach out to memberships@iabcanada.com





Thank you for your continued support.

