



AUDIO ADVERTISING  
STATE OF THE NATION: WAVE 5  
REPORT

# IAB AUDIO COUNCIL

The IAB thanks the following organisations for their support in this study.



# CONTENTS

## 1. INTRODUCTION AND BACKGROUND

- IAB Audio Council
- Introduction
- Research methodology
- Executive summary

## 3. AUDIO CREATIVE FORMATS

- Streaming audio formats
- Podcast formats
- Voice marketing
- Fit for purpose creative

## 2. AUDIO ADVERTISING PLANNING AND BUYING

- Levels of usage
- Objectives of audio advertising
- Programmatic buying

## 4. AUDIO ADVERTISING EFFECTIVENESS

- Metrics
- Opportunities to drive growth





# **1. INTRODUCTION AND BACKGROUND**

# INTRODUCTION

The IAB Audio Council is made up of industry experts across 16 different media and tech companies as well as industry body Commercial Radio Australia. The council released the first Audio Advertising State of the Nation back in 2017 with the aim to enrich all sectors of the digital audio space to ensure consumption, investment and the industry thrive well into the future.

With this Wave 5 of State of the Nation we can see usage of digital audio platforms maturing and playing a more consistent role in media plans with media buyers embracing the branding potential different formats offer and their synergistic effects when bundled with other media opportunities.



**Richard Palmer**  
Director of Market  
Development (APAC)  
Triton Digital  
Co-chair, IAB Audio Council



**Gai Le Roy**  
CEO  
IAB Australia

The IAB is pleased to release wave 5 of this important industry research to help the audio market continue growth in 2021. The IAB continues to invest in research to provide the market with objective market wide data.

Despite the impact of COVID-19 on advertising budgets through 2020, usage of digital audio has continued to grow. Over the last 5 years, digital audio market has evolved from experimentation into a more strategically driven brand building approach.

I see great opportunity for the industry to continue to strive for optimising creative to suit different audio environments and in sharing case studies that prove the value of online audio and podcasts as powerful and effective advertising mediums.



# BACKGROUND & METHODOLOGY

- This study was conducted by independent research company, Hoop Research Group
- Fieldwork was carried out in December 2020 and January 2021
- 222 completed surveys
- Respondents are decision makers or influencers in the allocation of marketing spend & either placed or planned audio advertising campaigns
- Covers broadcast radio, streaming digital audio, DAB+ & podcasts

iab.  
australia

+



# EXECUTIVE SUMMARY

- Audio is playing a more consistent role in media plans than it did 5 years ago. 69% of media agencies now have streaming digital audio advertising as a significant or regular part of their activity and 36% have podcast advertising as a significant or regular part of their activity (increasing from 33% last year).
  - 62% of media agencies have used ads within streaming services this year (up from 51% on last year) while 63% have used ads within live radio streams (up from 48% last year)
  - Usage of most podcast formats has increased amongst media agencies on last year, for example 65% are using recorded radio spots (up from 50% last year) and 53% using brand ads (up from 38% last year).
- 59% of media agencies intend to buy programmatically over the next 12 months, with **intentions to buy multiple types of programmatic** such as open exchanges, guaranteed and private marketplace deals increasing on last year.
- Growing in its importance, the predominant objective for streaming digital audio and podcast advertising is to **increase brand awareness**. 82% of media agencies are using streaming digital audio advertising for brand awareness (up from 75% last year) and 73% are using podcasts for brand awareness (up from 65% last year):
  - However **only 34% of media agencies are using brand metrics** to assess performance of streaming digital audio and podcast advertising
  - There is an opportunity to enhance branding with the use of branding assets in creative, **only 38% of media agencies consistently use brand voice** as an asset for audio branding.
- There is an opportunity to improve ad effectiveness for **a third of media agencies are not tailoring creative to suit different audio environments** when running campaigns across different broadcast and digital audio advertising options, this has not improved over the last year.
  - Greater campaign integration maybe be hampered by audio advertising **continuing to be planned and bought in silos**. Only half of media agencies report both planning and buying audio activities within the same team. 56% of agencies report planning and buying digital audio collaboratively with digital display activity, while 53% report planning and buying in combination with digital video activity.
  - **Difficulty in creating compelling audio creative has decreased significantly as a barrier** to larger share of advertising for both streaming digital audio and podcast advertising.
- According to media agencies, the lack of **effectiveness evidence and measurement/standardized metrics remain the top opportunities for audio advertising** to drive a larger share of advertising.



# DEFINITIONS

**Broadcast radio** – commercial radio broadcasters both AM & FM

**DAB+ digital radio** - includes radio broadcast stations not on AM and FM such as Smooth Relax, Chemist Warehouse Remix, Triple M Country

**Streaming digital audio** – Live radio and music services that are streamed over the Internet – includes streaming services such as Spotify, Apple Music or SoundCloud and live streaming services offered by radio stations & aggregators such as KIIS/iHeartRadio, RadioApp, Nova, Hit & Triple M.

**Podcasts** – Spoken word audio in the form of either Original/Narrative Content or Catch Up Radio available to download via apps like Apple Podcasts, Google Podcasts, Spotify, Acast, LiSTNR, iHeartRadio podcast etc





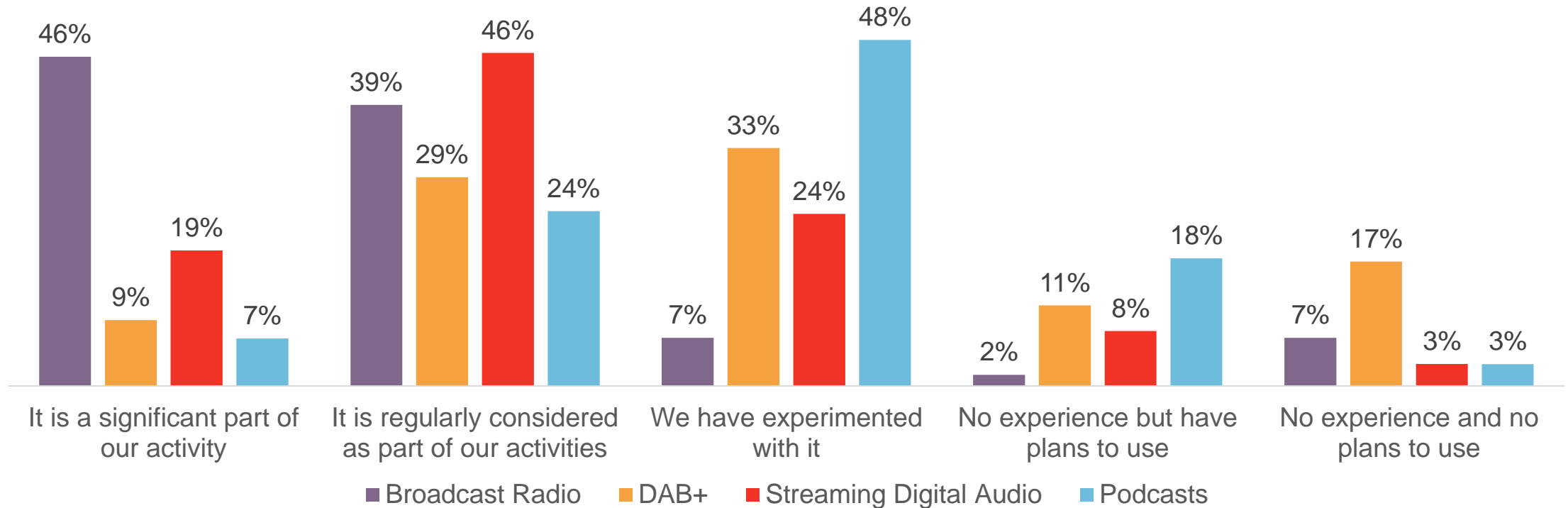


## **2. AUDIO ADVERTISING PLANNING AND BUYING**

# SIGNIFICANT LEVEL OF AUDIO ADVERTISING USAGE

9 in 10 (89%) have used streaming digital audio, it is now a significant or regular part of activity for 65% of respondents (up from 61% in 2019). 8 in 10 (79%) have used podcast advertising (up from 75% in 2019) and is now a significant or regular part of activity for 31% of respondents.

EXPERIENCE WITH ALL TYPES OF AUDIO ADVERTISING

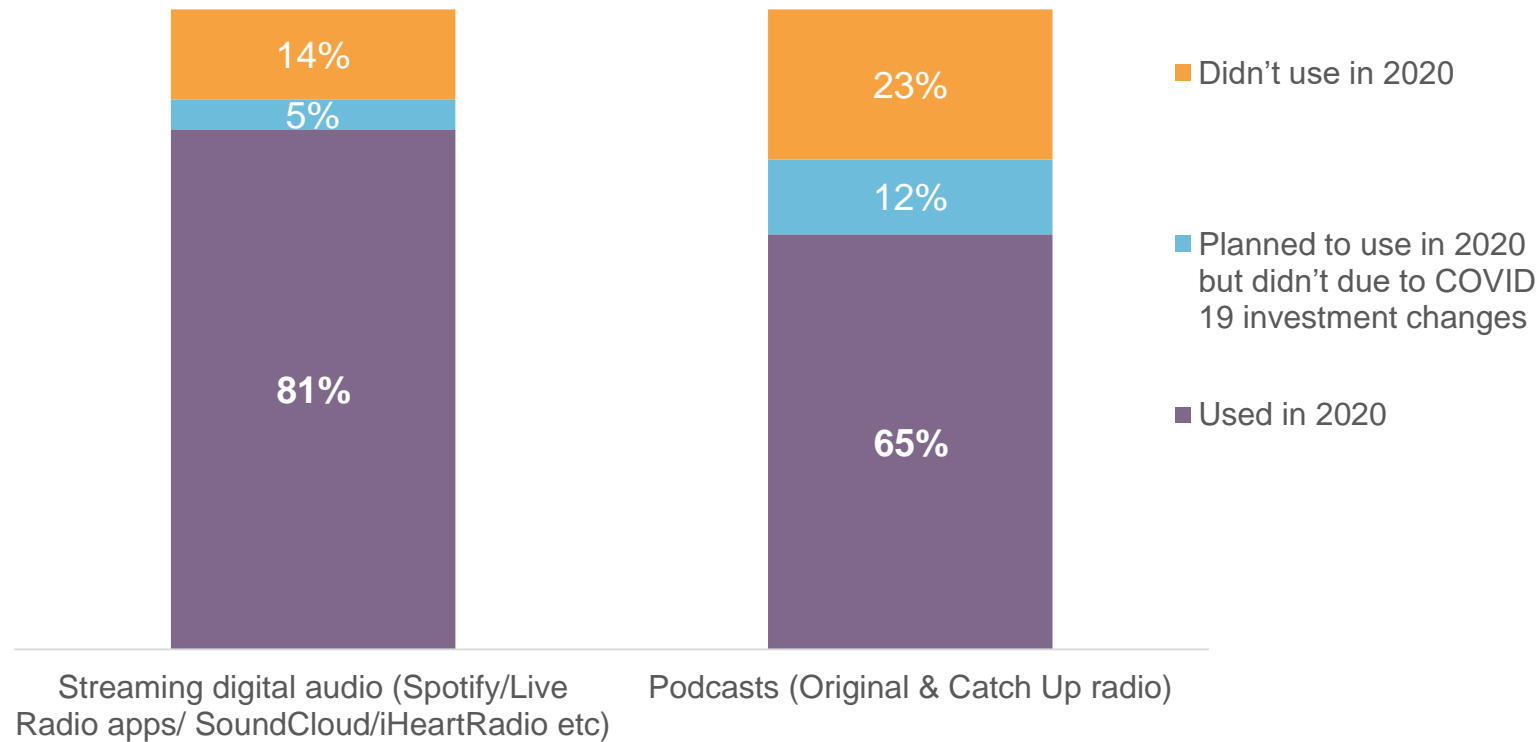


Q- Which of these best describes your organisation's experience with the following forms of audio advertising to date?  
 Base=all respondents n=222

# HIGH USAGE OF DIGITAL AUDIO THROUGH COVID-19 IMPACTED YEAR

COVID19 minimally affected media agencies plans to use streaming digital audio and podcast advertising. 81% of media agencies used streaming digital audio advertising in 2020 and 65% used podcast advertising.

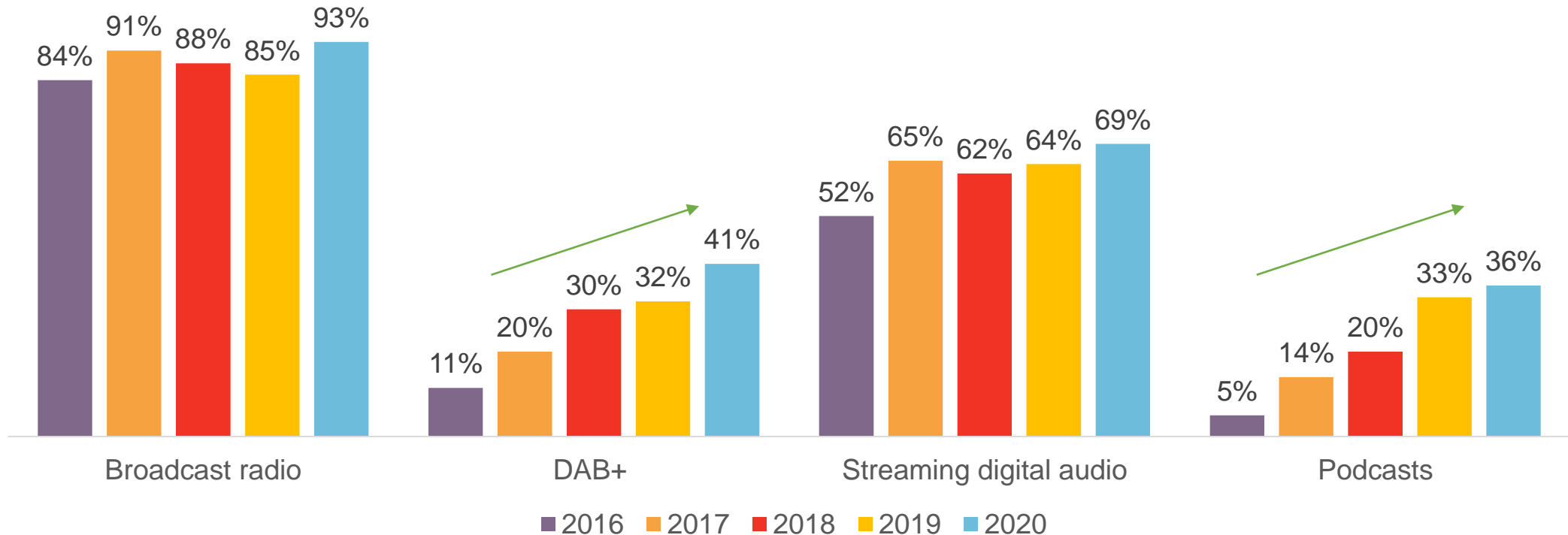
## MEDIA AGENCIES USAGE OF DIGITAL AUDIO ADVERTISING THROUGH 2020



# AGENCIES REGULARLY CONSIDER AUDIO ADVERTISING

7 in 10 (69%) of media agencies now have streaming digital audio advertising as a significant part of activity or regularly consider, up from 64% in 2019. There has been consistent growth in experience with podcasts, 36% of media agencies now regularly considering podcast advertising (increasing from 33% last year). Also, consistent growth in consideration of DAB+.

## MEDIA AGENCIES WHERE AUDIO ADVERTISING IS A SIGNIFICANT PART OF ACTIVITY OR REGULARLY CONSIDERED

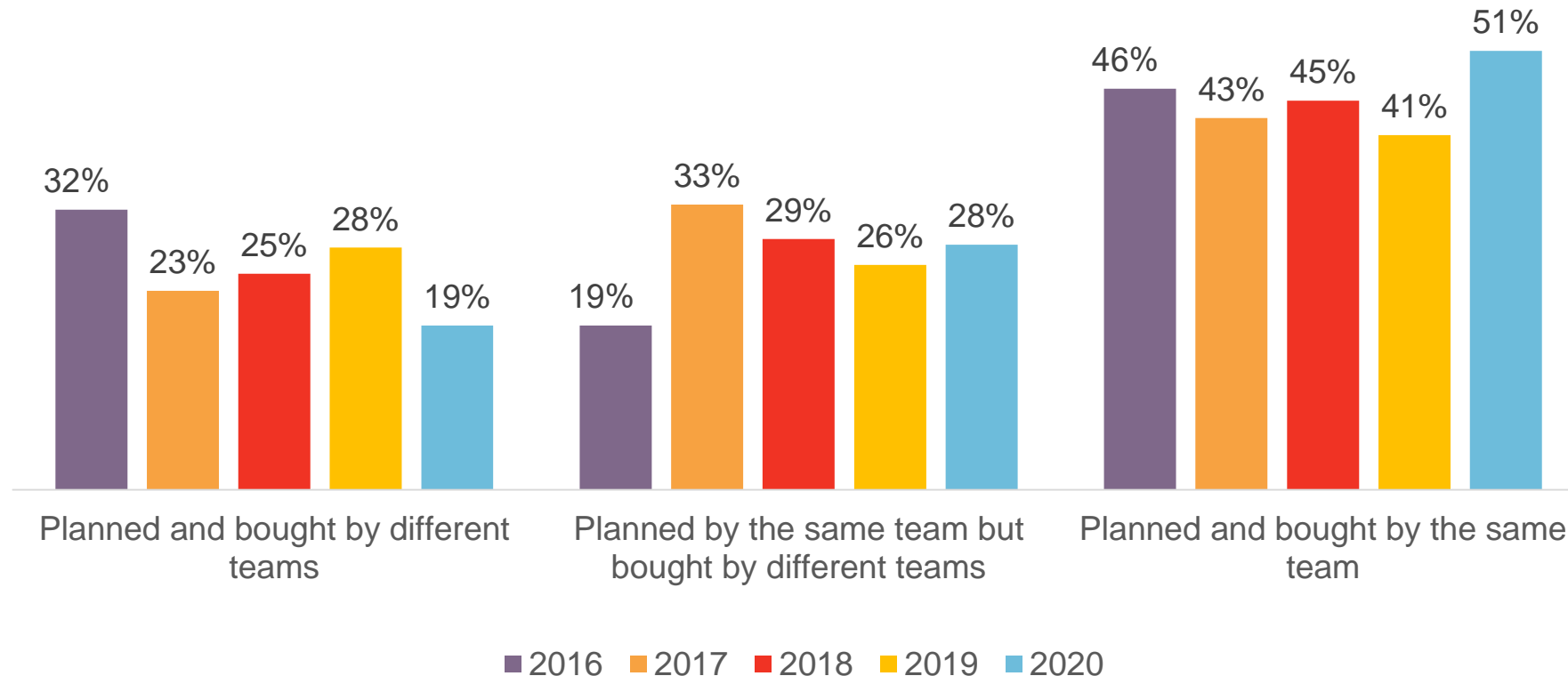


Q- Which of these best describes your organisation's experience with the following forms of audio advertising to date?  
 Base=media agencies n – 143 (2020) n – 204 (2019) n – 194 (2018) n – 133 (2017) n – 213 (2016)

# MOST AGENCIES PLAN ACROSS ALL AUDIO WITHIN THE SAME TEAM

8 in 10 (79%) of media agencies plan across all audio activities within the same team. 51% are both planning and buying all audio activities within the same team (up from 41% last year).

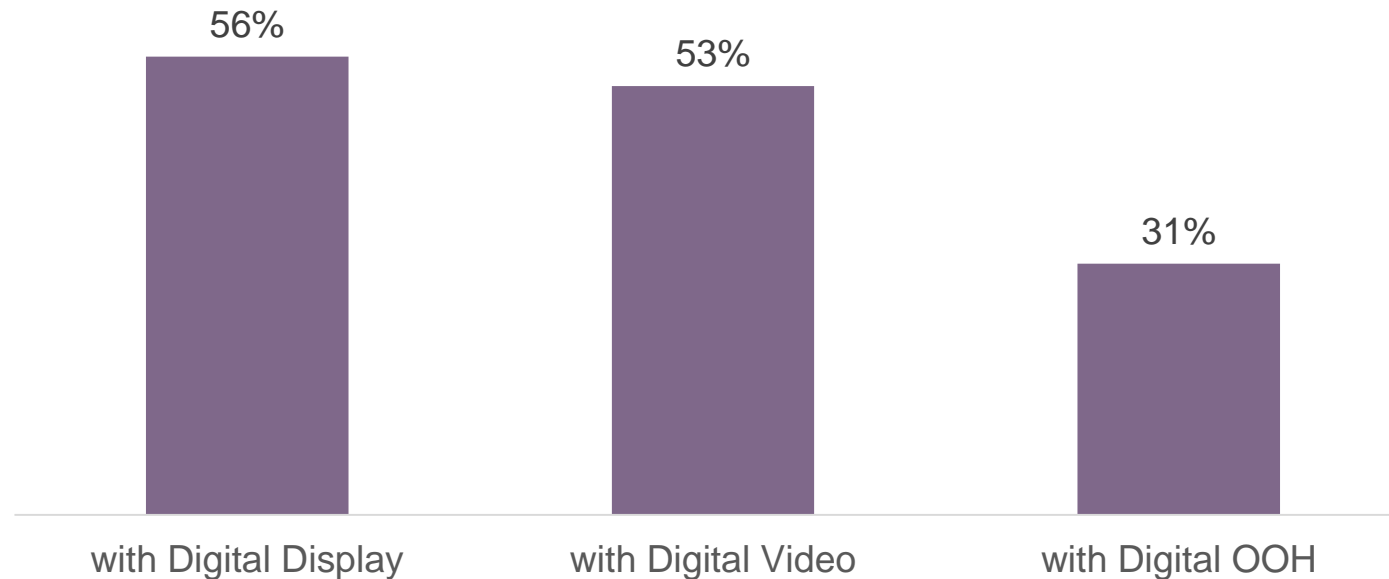
## MEDIA AGENCIES WHERE AUDIO ADVERTISING IS A SIGNIFICANT PART OF ACTIVITY OR REGULARLY CONSIDERED



# AGENCIES PLANNING AND BUYING DIGITAL AUDIO IN COMBINATION WITH OTHER DIGITAL ADVERTISING

56% of agencies report planning and buying digital audio collaboratively with digital display activity, while 53% report planning and buying in combination with digital video activity.

## MEDIA AGENCIES PLANNING AND BUYING DIGITAL AUDIO (STREAMING OR PODCASTS) WITH OTHER DIGITAL ADVERTISING TYPES

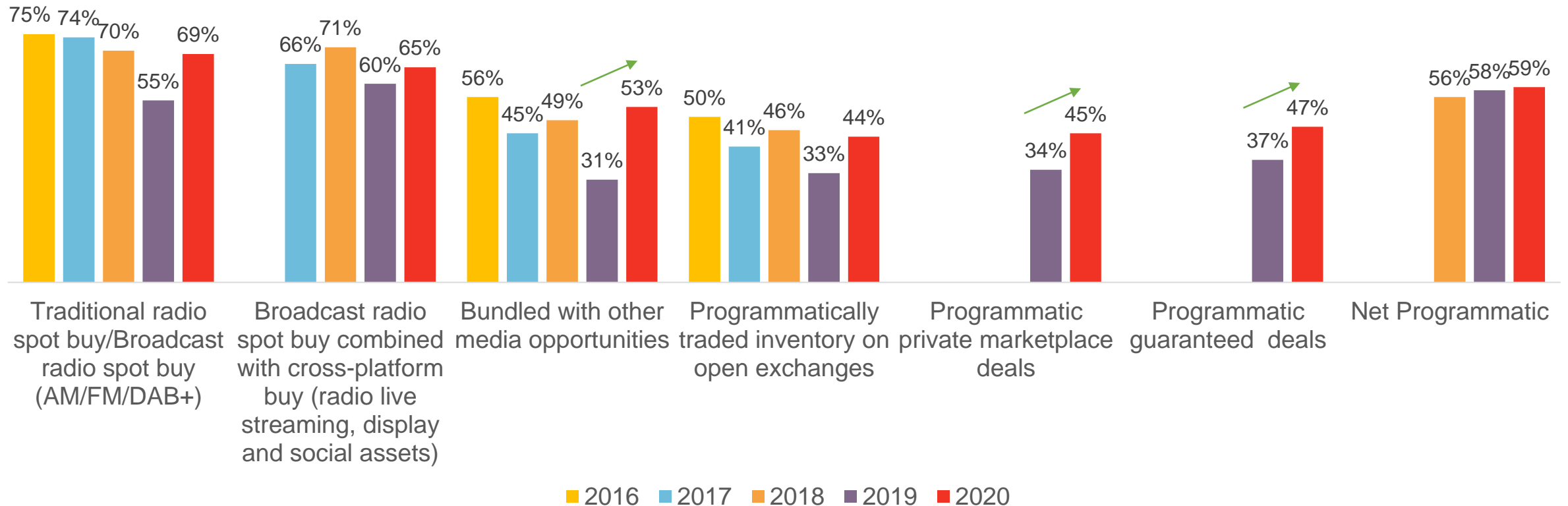


Q- When buying digital and/or programmatic audio what best describes where Digital audio (streaming or podcasts), typically fits into your campaign plan? Base= 110 (media agencies)

# INTEGRATED OPPORTUNITIES AND PROGRAMMATIC EXPECTED TO INCREASE THIS YEAR

The intention to buy audio advertising bundled with other media opportunities has increased on last year. Media agencies intend to buy multiple types of programmatic over the next 12 months with intentions to buy on open exchanges, guaranteed and private marketplace deals increasing on last year.

**BUYING METHODS MEDIA AGENCIES INTEND TO USE FOR AUDIO ADVERTISING**

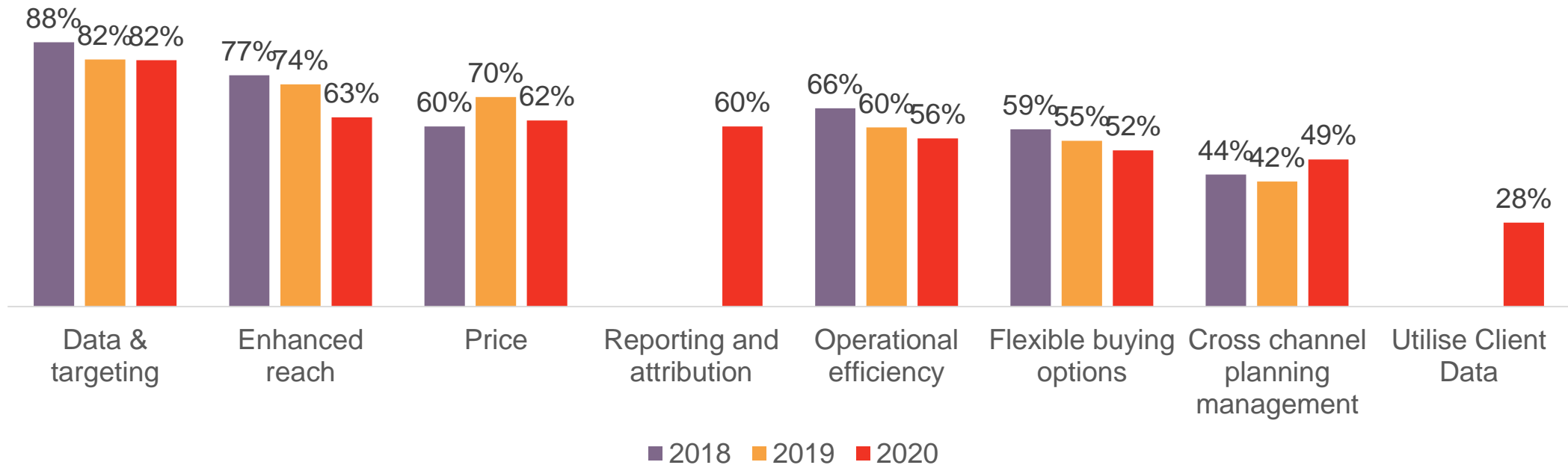


Q- Which of the following types of audio buys do you plan to use in 2021?  
 Base=media agencies n – 123 (2020) n – 204 (2019) n – 194 (2018) n – 133 (2017) n – 213 (2016).

# DATA AND TARGETING #1 FACTOR IN USING PROGRAMMATIC

Data and targeting continues to be the #1 factor in using programmatic buying methods for audio, however only 28% using client data. Despite a low growth advertising environment over the last year, price has not increased in significance. Reporting and attribution was added to the survey in 2020 and 60% of agencies buying programmatically consider this a major factor for buying programmatically.

FACTORS IN BUYING PROGRAMMATIC AUDIO AMONGST AGENCIES BUYING PROGRAMMATICALLY

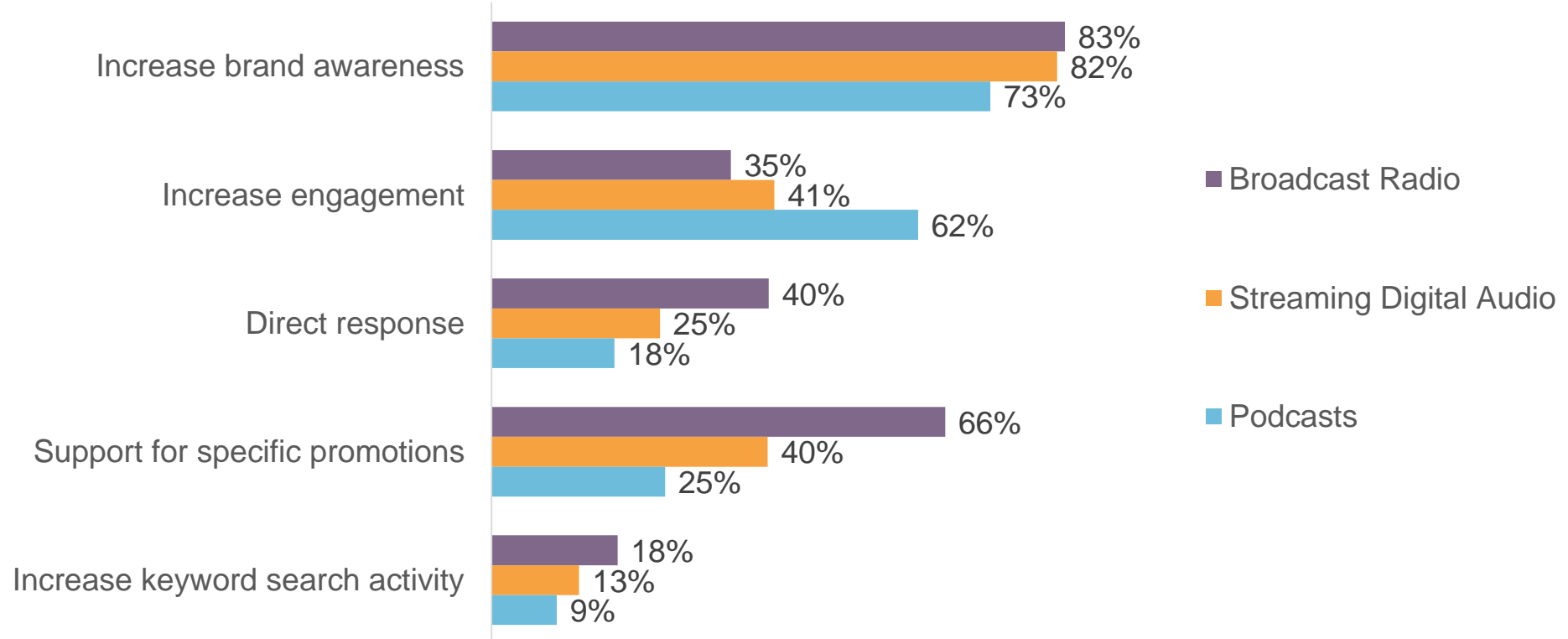




# ALL AUDIO TYPES PLAY A STRONG ROLE IN BRANDING

The predominant objective for all audio formats is to increase brand awareness. Podcasts are also playing a major role in increasing consumer engagement while streaming digital audio is also used to increase engagement and support specific promotions.

**OBJECTIVES OF AUDIO ADVERTISING OVER THE PAST YEAR  
AMONGST THOSE MEDIA AGENCIES WITH EXPERIENCE IN AUDIO ADVERTISING TYPE**

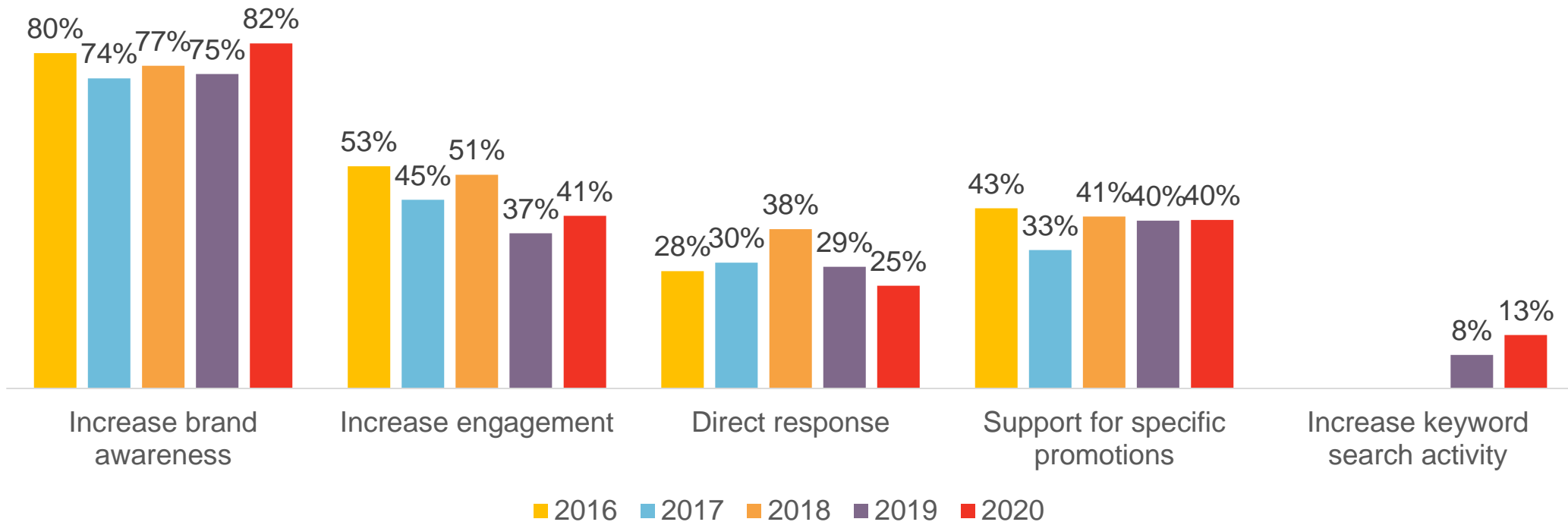


Q- What have been the objectives of the Broadcast Radio/Streaming digital audio/podcast advertising activities you've been involved with over the past year? (Please select all that apply) Base=media agencies n – 109 (2020)

# MORE AGENCIES USING STREAMING DIGITAL AUDIO FOR BRAND AWARENESS THIS YEAR

Compared to the previous year there has been a lift in usage of digital audio for increasing brand awareness and engagement, as well as increasing keyword search activity.

**OBJECTIVES OF STREAMING DIGITAL AUDIO ADVERTISING OVER TIME AMONGST THOSE MEDIA AGENCIES WITH EXPERIENCE IN AUDIO ADVERTISING**

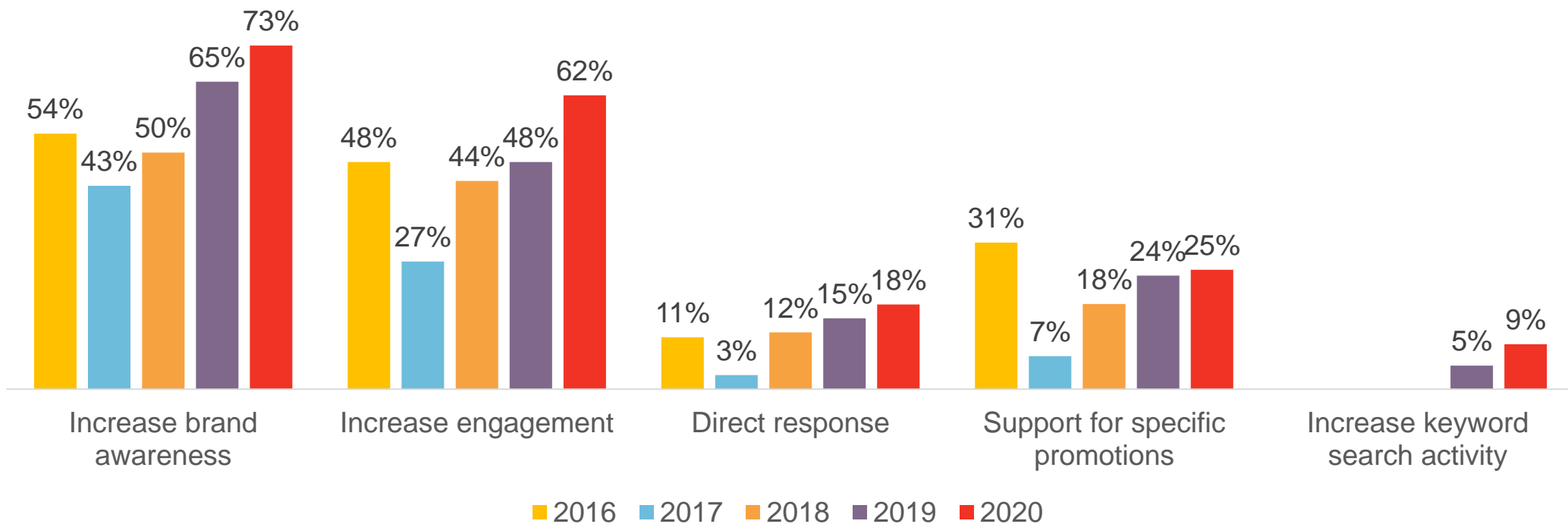


Q- What have been the objectives of the streaming digital audio advertising activities you've been involved with over the past year?  
 (Please select all that apply) Base=media agencies n – 109 (2020)

# STRONG GROWTH IN USING PODCASTS FOR BRANDING AND ENGAGEMENT THIS YEAR

There has been growth in using podcasts for all objectives this year compared to the previous year. There has been strong growth over time in usage of podcasts to increase brand awareness and increase engagement.

**OBJECTIVES OF PODCAST ADVERTISING OVER TIME  
AMONGST THOSE MEDIA AGENCIES WITH EXPERIENCE IN AUDIO ADVERTISING TYPE**



Q- What have been the objectives of the streaming digital audio advertising activities you've been involved with over the past year?  
(Please select all that apply) Base=media agencies n – 109 (2020)

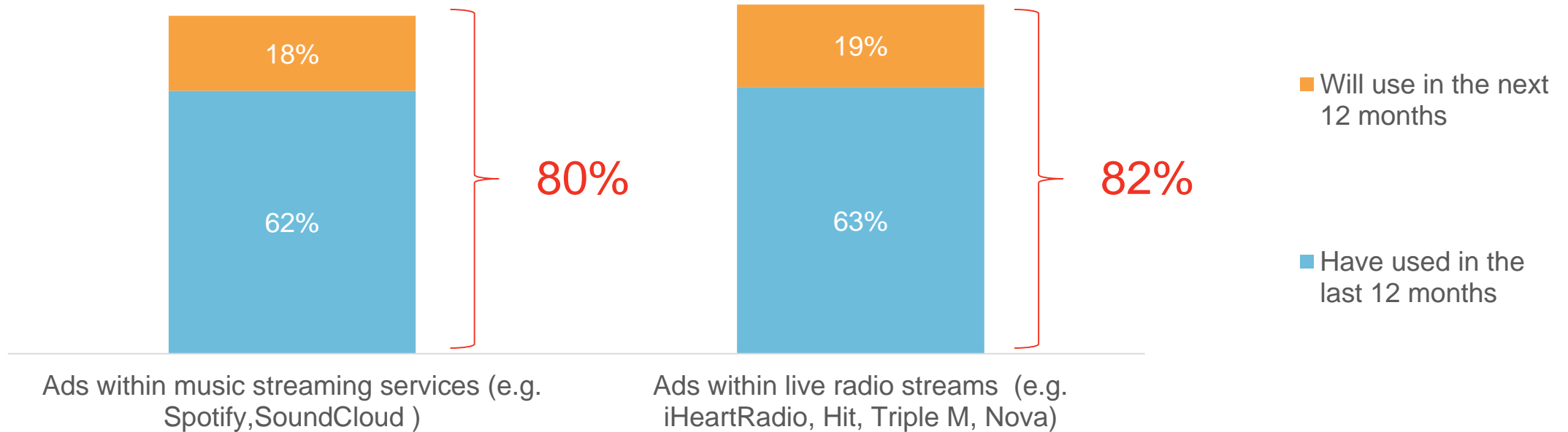


# **3. AUDIO CREATIVE FORMATS**

# GROWTH IN USAGE OF STREAMING AUDIO ADVERTISING

62% of media agencies have used ads within streaming services (up from 51% on last year) while 63% have used ads within live radio streams (up from 48% last year)

## TYPES OF STREAMING AUDIO ADVERTISING HAVE USED OR INTEND TO USE IN THE FUTURE AMONGST MEDIA AGENCIES WITH PREVIOUS EXPERIENCE OR INTENT TO USE STREAMING AUDIO

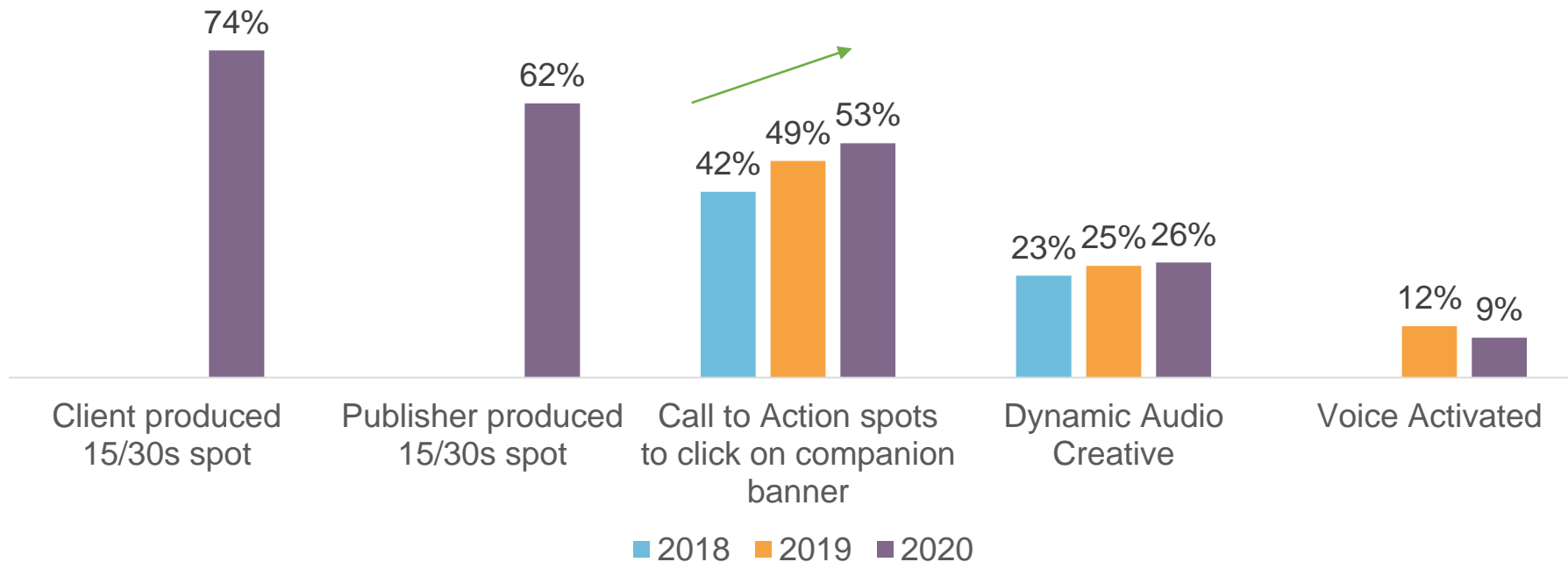


Q- In regard to your experience and intentions with streaming digital audio, which of the following types of services have you used in advertising activity or intend to use in the future? Base: Media Agencies with experience or intent to use streaming audio n – 113 (2020), n=189 (2019)

# STREAMING AUDIO CREATIVE FORMATS

74% of media agencies with experience or intent to use streaming audio advertising have used or plan to use client produced 15/30 second spots. Client and publisher produced 15/30 second spots are the most popular streaming audio creative formats used (added to survey for the first time this wave). Usage of call-to-action spots has increased consistently over the last few years.

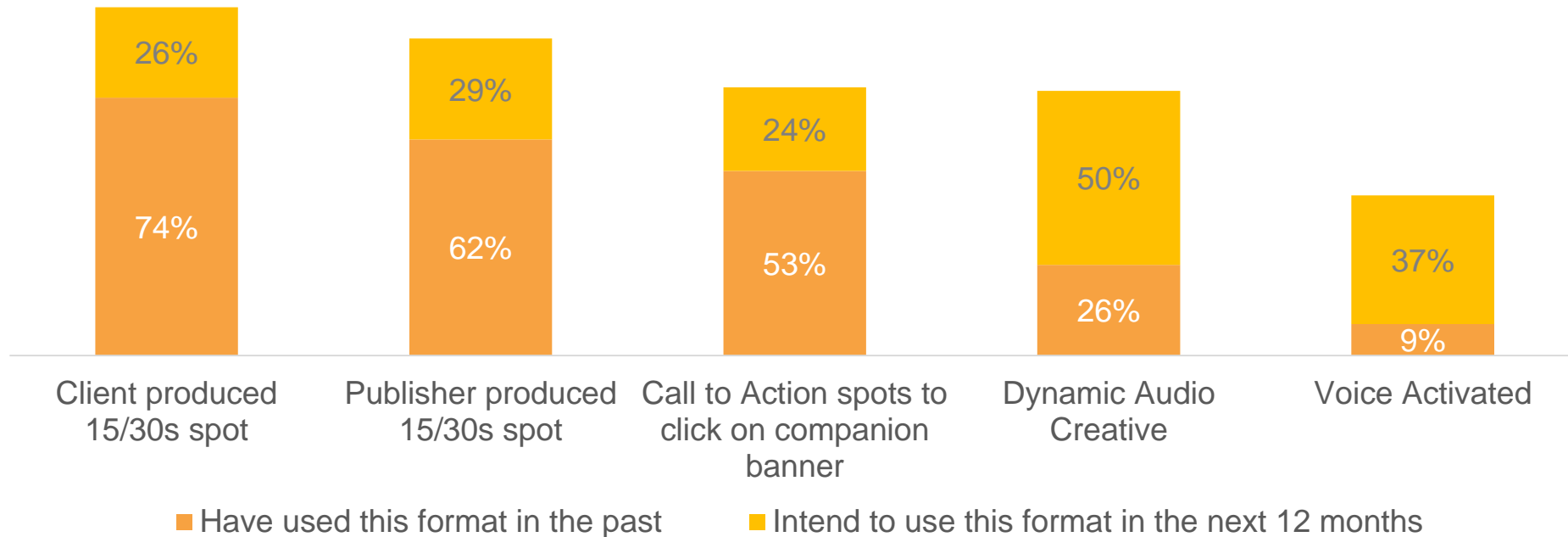
**STREAMING AUDIO CREATIVE FORMATS USED  
AMONGST MEDIA BUYERS WITH PREVIOUS EXPERIENCE OR INTENT TO USE STREAMING AUDIO**



# APPETITE TO TRY STREAMING AUDIO CREATIVE FORMATS

Nearly all agencies have either used or intend to use client produced 15/30 second spots. 9 in 10 have used or intend to use publisher produced 15/30 second spots. While usage of Dynamic Audio Creative and voice activated formats has not grown over the last few years, intention to use is still high.

**STREAMING AUDIO CREATIVE FORMATS USED OR INTEND TO USE AMONGST MEDIA BUYERS WITH PREVIOUS EXPERIENCE OR INTENT TO USE STREAMING AUDIO**

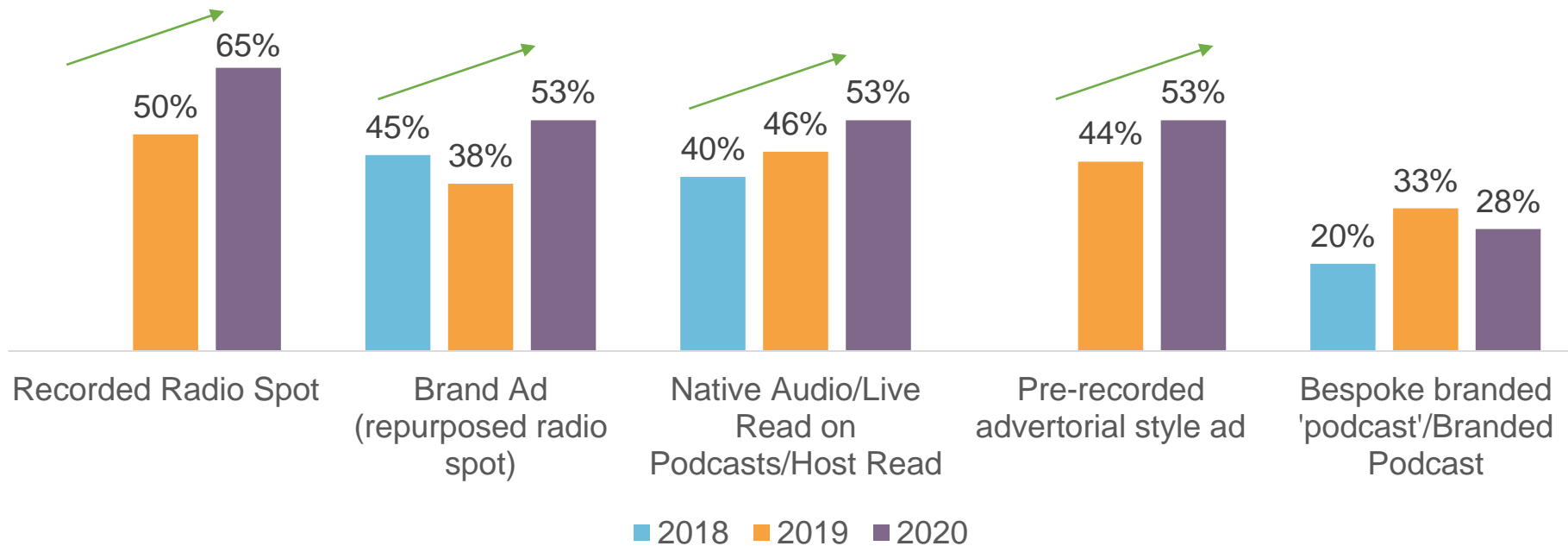


Q- Which of the following creative formats have you used/or plan to use for audio advertising on Streaming digital audio e.g. Spotify/Live Radio apps/ SoundCloud/iHeartRadio etc? Base: Media Agencies with experience or intent to use streaming audio n – 117

# STRONG INCREASE IN THE USE OF PODCAST FORMATS

Amongst media agencies, usage of most podcast formats has increased on last year. In particular, the usage of recorded radio spots and brand ads (repurposed radio spots) have increased significantly.

**PODCAST CREATIVE FORMATS USED  
AMONGST MEDIA BUYERS WITH PREVIOUS EXPERIENCE USING PODCASTS**



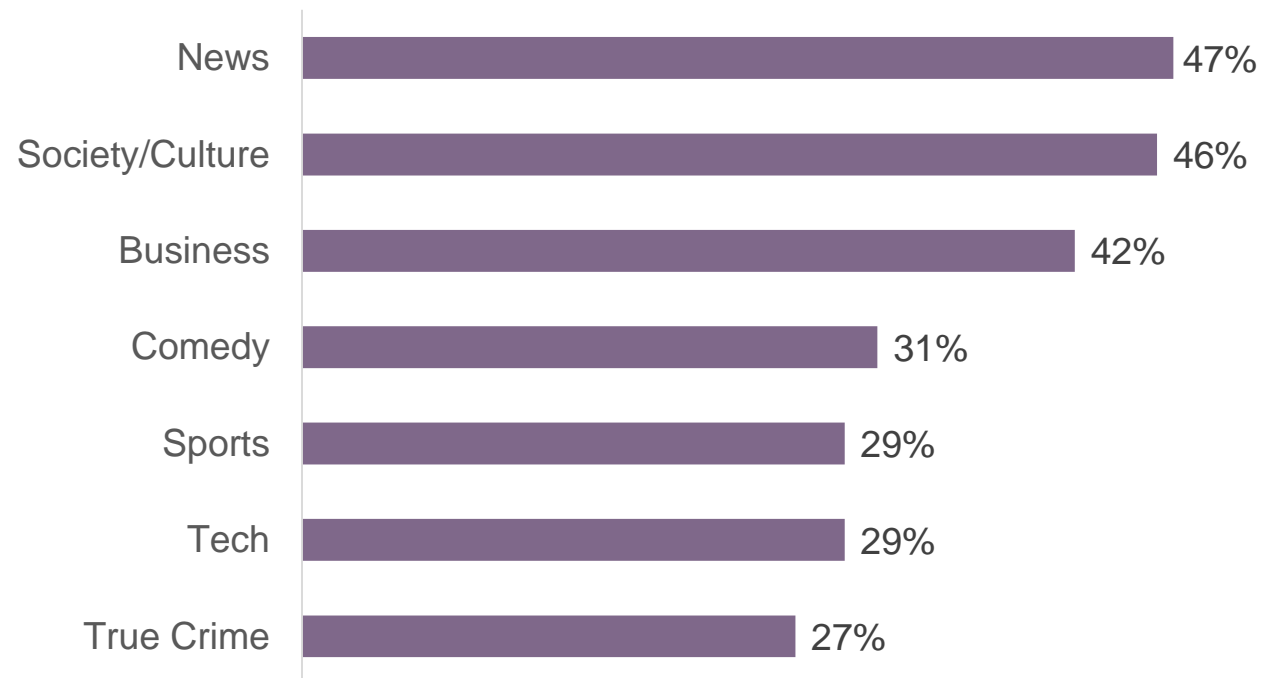
Q- Which of the following creative formats have you used/or plan to use for audio advertising on Podcasts?  
Base: Media Agencies with experience or intent to use podcasts. n= 112 (2020), n – 177 (2019)



# NEWS IS THE MOST POPULAR GENRE FOR PODCAST INVESTMENT

Agencies indicate that news content, closely followed by society/culture, podcasts are the most common podcast investment environments.

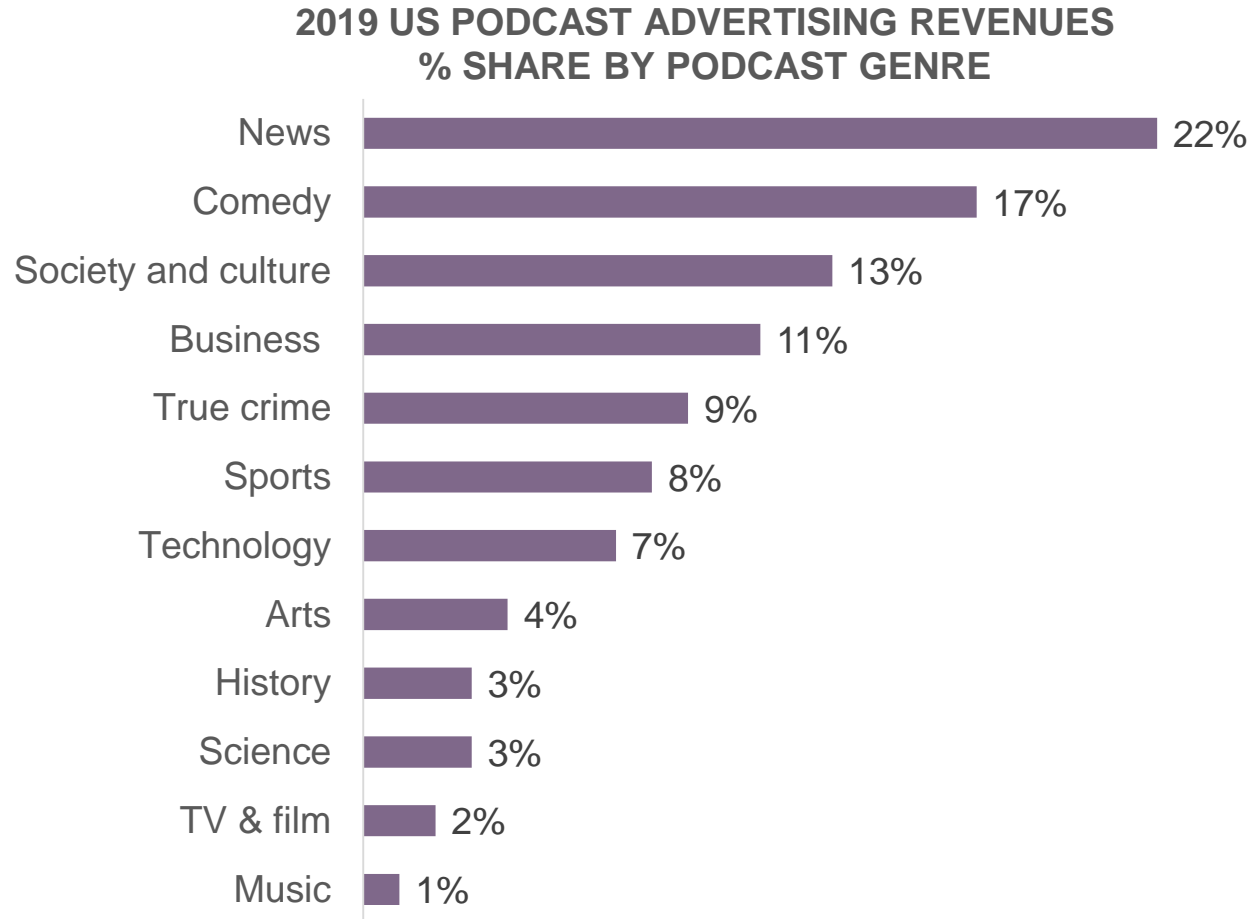
## PODCAST CONTENT GENRES USED IN THE LAST 12 MONTHS



Q- Which of the following podcast content genres have you invested in over the last 12 months?  
Base: Media Agencies with experience or intent to use podcasts. n= 112 (2020),

# NEWS IS THE LEADING PODCAST GENRE FOR US AD REVENUE

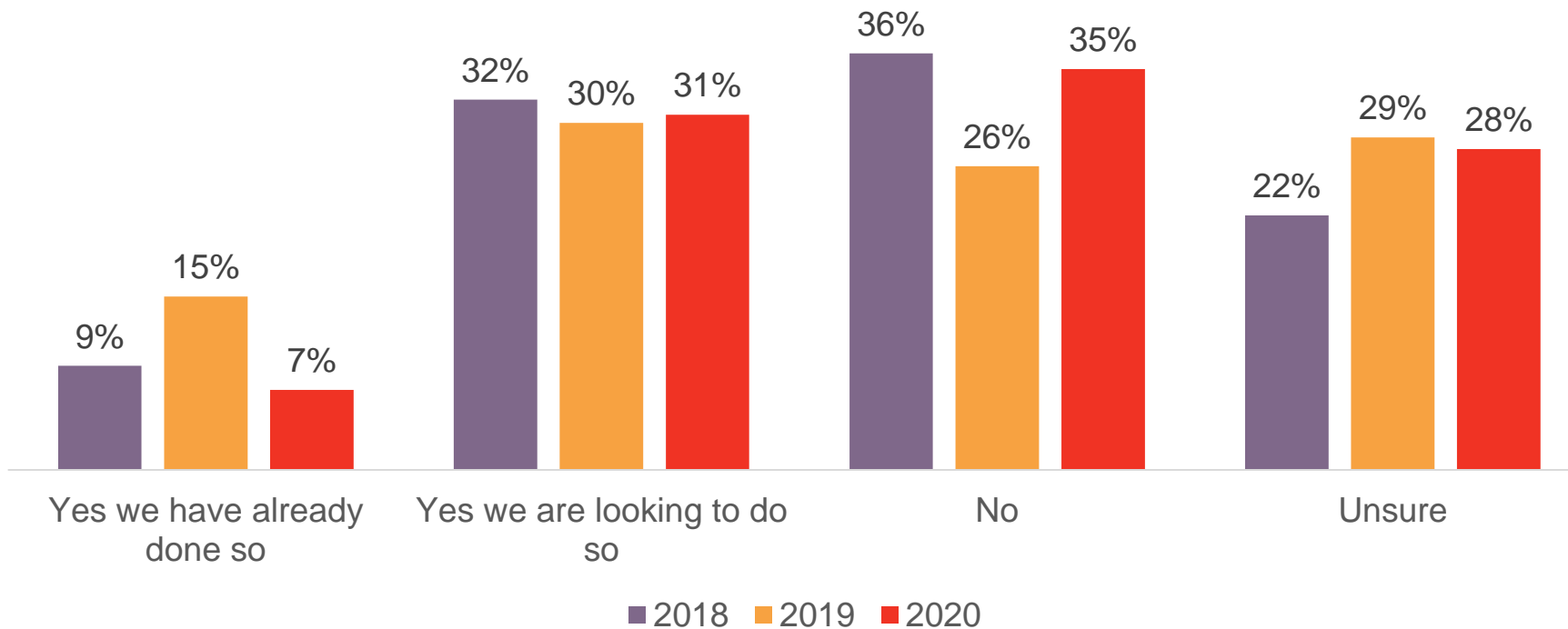
Like Australia, the US advertising market also shows the popularity of news content for podcast advertising.



# VOICE MARKETING STRATEGIES STILL EMERGING

While advertising budgets have been under pressure during 2020, there was a reduction in those who were involved with voice marketing strategies. 38% of media agencies had done so or were looking at voice marketing strategies in 2020 (down from 45% in 2019).

## CONSIDERATION OF VOICE MARKETING STRATEGIES AMONGST MEDIA AGENCIES



SMART SPEAKER  
IN THE HOME  
**20%**  
OF AUSTRALIAN  
POPULATION  
AGED 14+\*

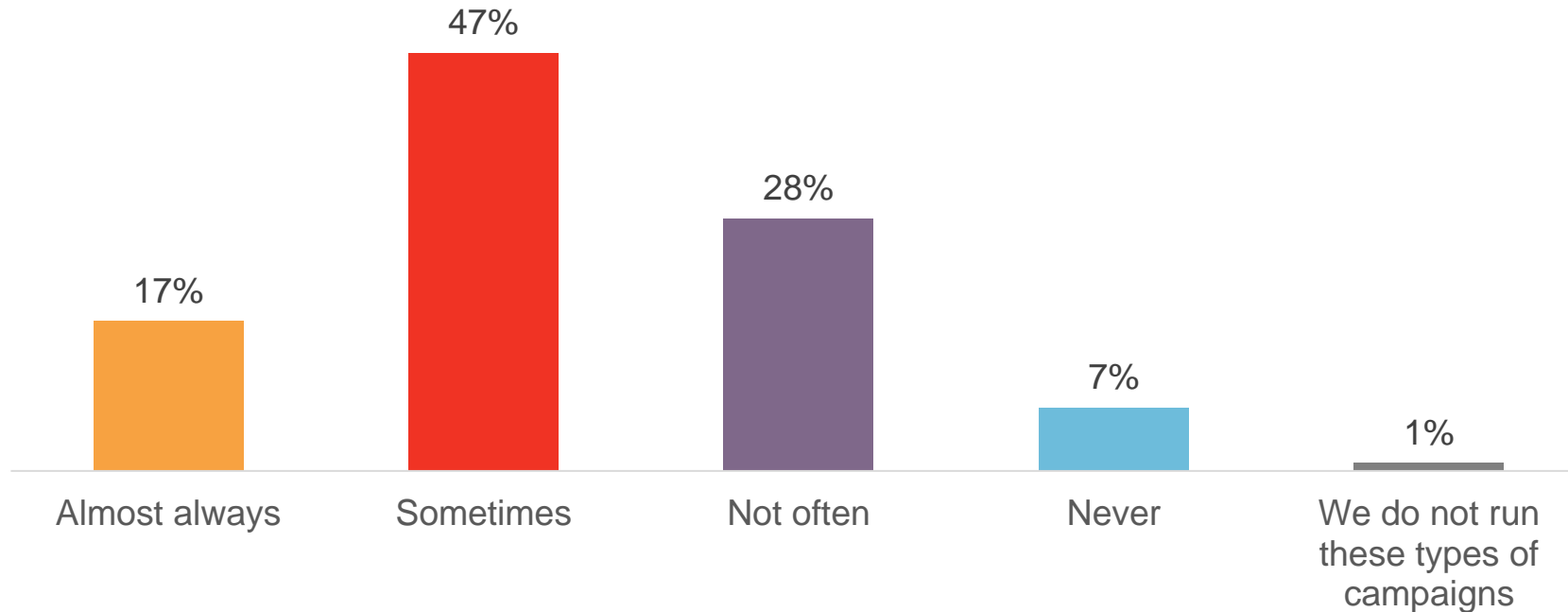


Q- Is your organisation looking at voice marketing strategies (e.g. search voice strategies / smart speaker skills) for any clients or brands? Base: Media Agencies. n= 101 (2020); \*Source; IAB Australia Nielsen Digital Enumeration Study September 20 – November 2020 quarter ages 14+ n=3000 per quarter (Smartspeaker in the home)

# ROOM TO IMPROVE FIT FOR PURPOSE CREATIVE

A third of media agencies are not tailoring creative to suit different audio environments when running campaigns across different broadcast and digital audio advertising options, this has not improved over the last year. Creative quality is one of the most important drivers of digital advertising effectiveness so its worth putting effort into adapting creative to suit the different audio environments.

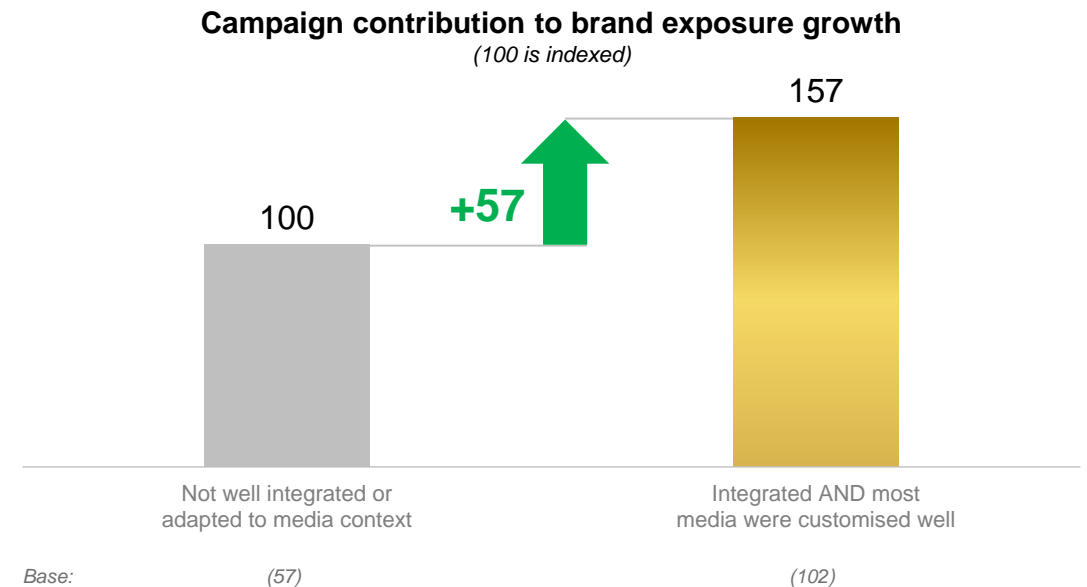
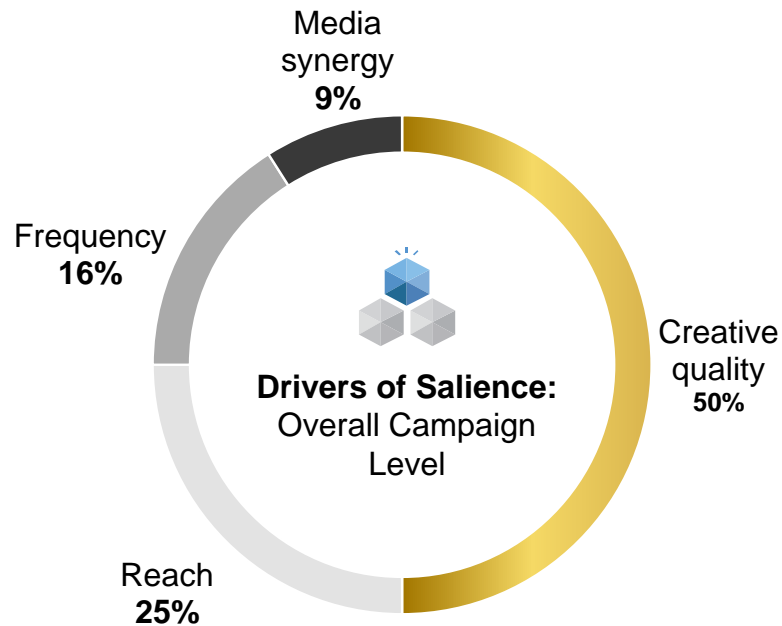
## FREQUENCY OF CHANGING CREATIVE TO SUIT PARTICULAR AUDIO ENVIRONMENT AMONGST MEDIA AGENCIES WITH PREVIOUS EXPERIENCE OF ANY AUDIO



Q- When running campaigns across different Broadcast and Digital Audio ad options (e.g. Broadcast & podcasts or broadcast & Streaming), how often does the creative change to suit the different audio environments? Base: Media Agencies with experience using any audio N= 113

# CREATIVE QUALITY IS HALF CAMPAIGN IMPACT

Kantar’s global cross-media effectiveness database highlights that creative quality on average contributes to half of campaign effectiveness. This highlights the importance of designing creative with context in mind. Optimising assets to work their hardest makes your ad dollar work to highest potential. Campaigns where creative is customised to the media and creative elements are integrated well, will on average deliver 57% higher brand effectiveness results than campaigns that are not adapted to media context or well integrated.

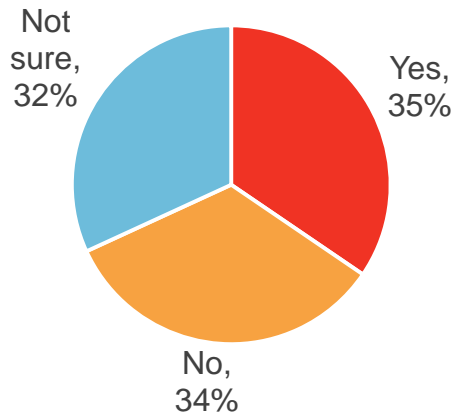


# BRAND VOICE THE MOST CONSISTENTLY USED AUDIO BRANDING

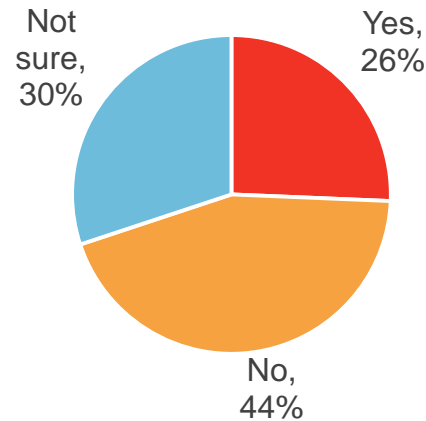
38% of media agencies consistently use brand voice as an asset for audio branding. Further education is needed on the benefits of enhancing brand with audio, as a high proportion of agencies are not sure or not using these audio branding assets.

## CONSISTENT USE OF AUDIO BRANDING ASSETS AMONGST MEDIA AGENCIES

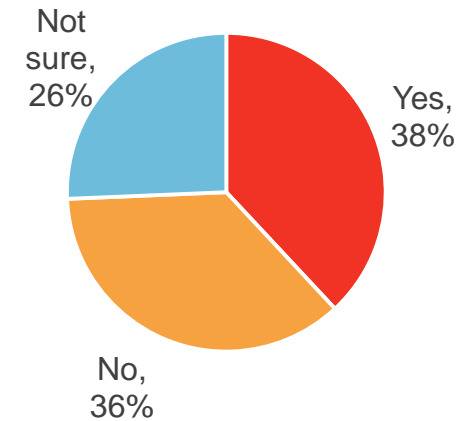
### AUDIO OR SONIC LOGO



### BRAND ANTHEM



### BRAND VOICE



Q- Does your brand or any of your client brands use any of the following audio branding assets consistently?  
 Base: Media Agencies with experience using any audio N=113

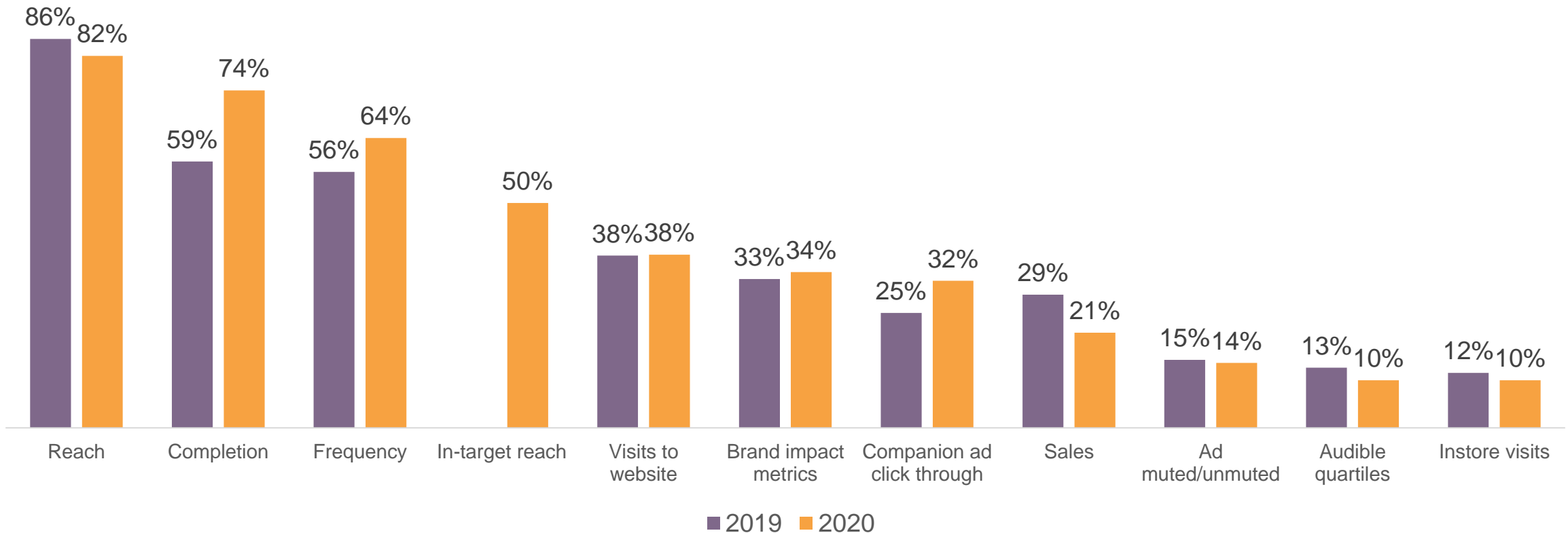


# **4. AUDIO ADVERTISING EFFECTIVENESS**

# ASSESSMENT OF EFFECTIVENESS OF STREAMING AUDIO

Significant increase in the usage of completion rates to assess effectiveness of streaming audio since last year. Usage of frequency and companion ad click-through as effectiveness metrics have also increased, while usage of sales has decreased year on year.

**METRICS USUALLY USED BY MEDIA AGENCIES IN ASSESSING EFFECTIVENESS OF STREAMING DIGITAL AUDIO ADVERTISING**



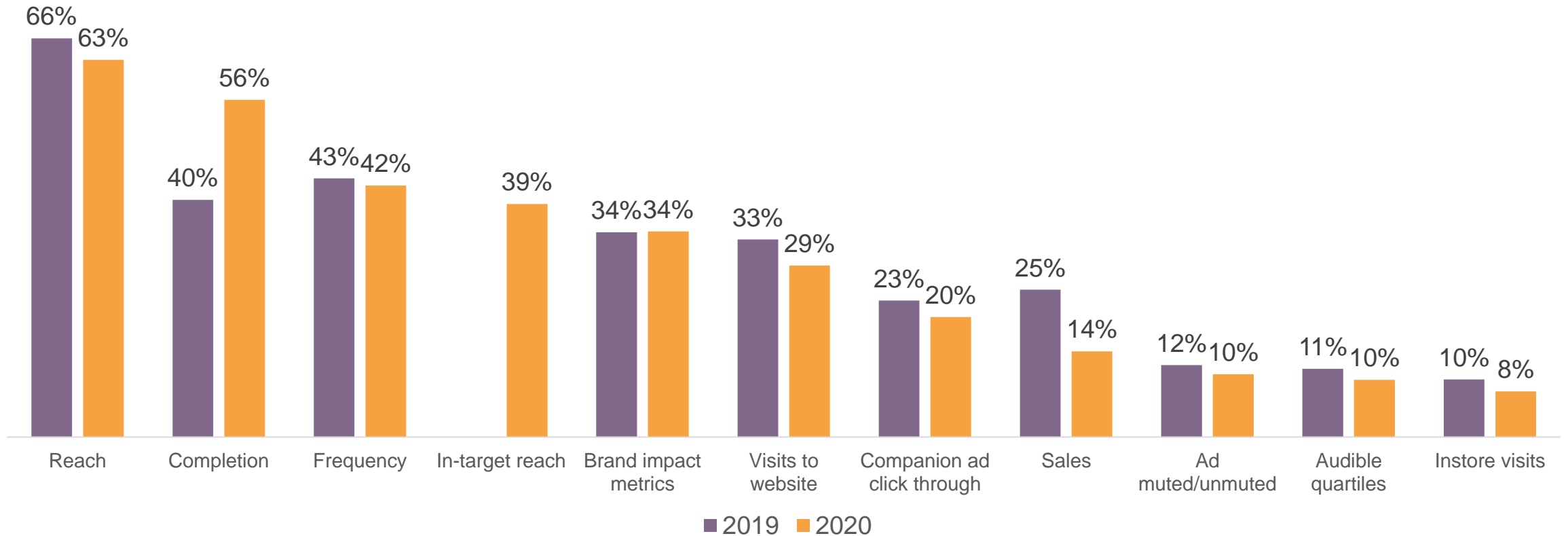
Q- What metrics are you using to assess the effectiveness of your audio campaigns on Streaming digital audio?  
 Base: Media Agencies with experience using any audio N=105



# ASSESSMENT OF EFFECTIVENESS OF PODCASTS

As with streaming audio, there has been a significant increase in the usage of completion rates to assess campaign effectiveness of podcast advertising since last year and a reduction in the usage of sales.

## METRICS USUALLY USED BY MEDIA AGENCIES IN ASSESSING EFFECTIVENESS OF PODCAST ADVERTISING

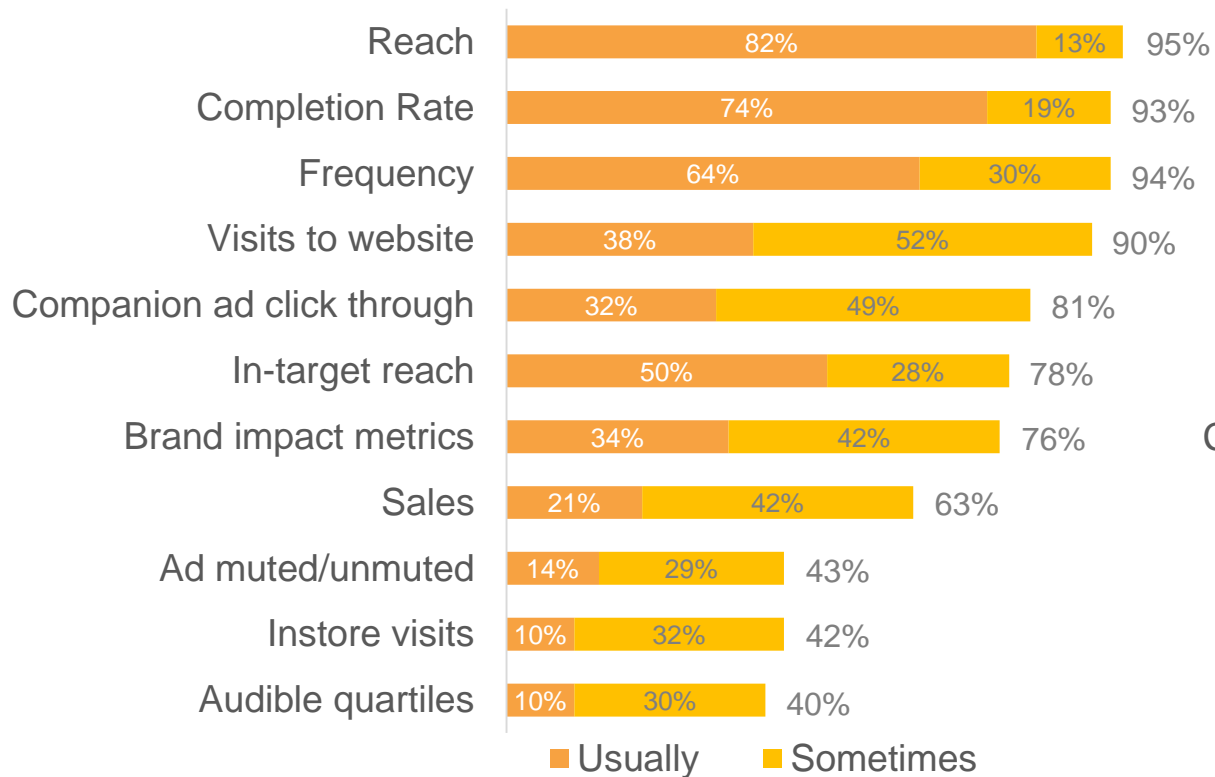


Q- What metrics are you using to assess the effectiveness of your audio campaigns on Streaming digital audio?  
 Base: Media Agencies with experience using any audio N=105

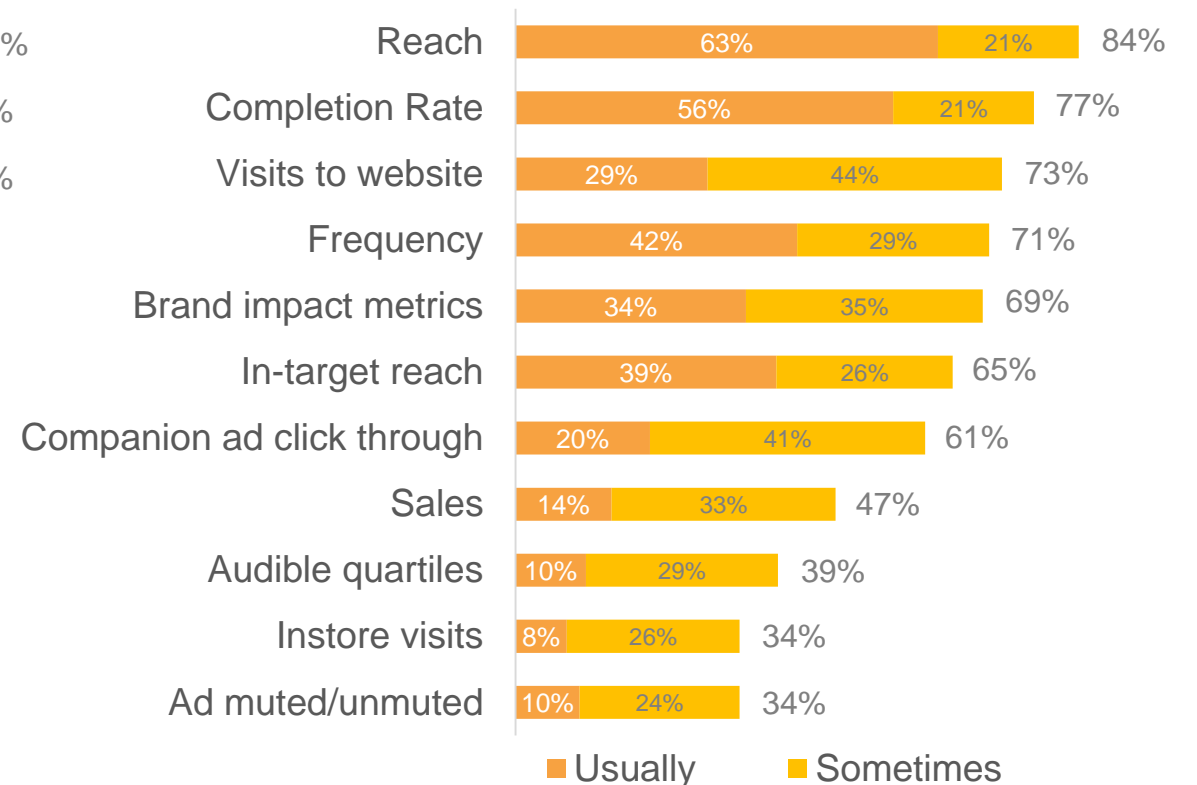
# ASSESSMENT OF EFFECTIVENESS OF STREAMING AUDIO AND PODCASTS FOCUSED ON REACH AND COMPLETION

## METRICS USUALLY OR SOMETIMES USED BY MEDIA AGENCIES IN ASSESSING EFFECTIVENESS

### STREAMING DIGITAL AUDIO



### PODCAST



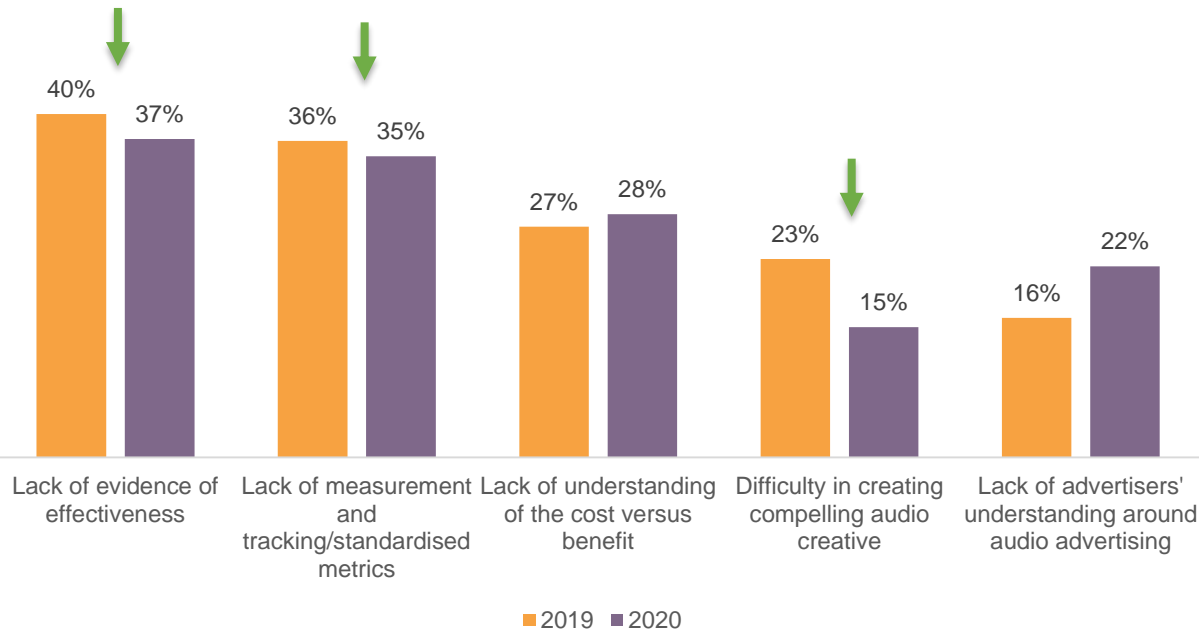
Q- What metrics are you using to assess the effectiveness of your audio campaigns on Streaming digital audio/Podcasts?  
 Base: Media Agencies with experience using any audio N= 105

# DEVELOPING CREATIVE HAS REDUCED AS A BARRIER

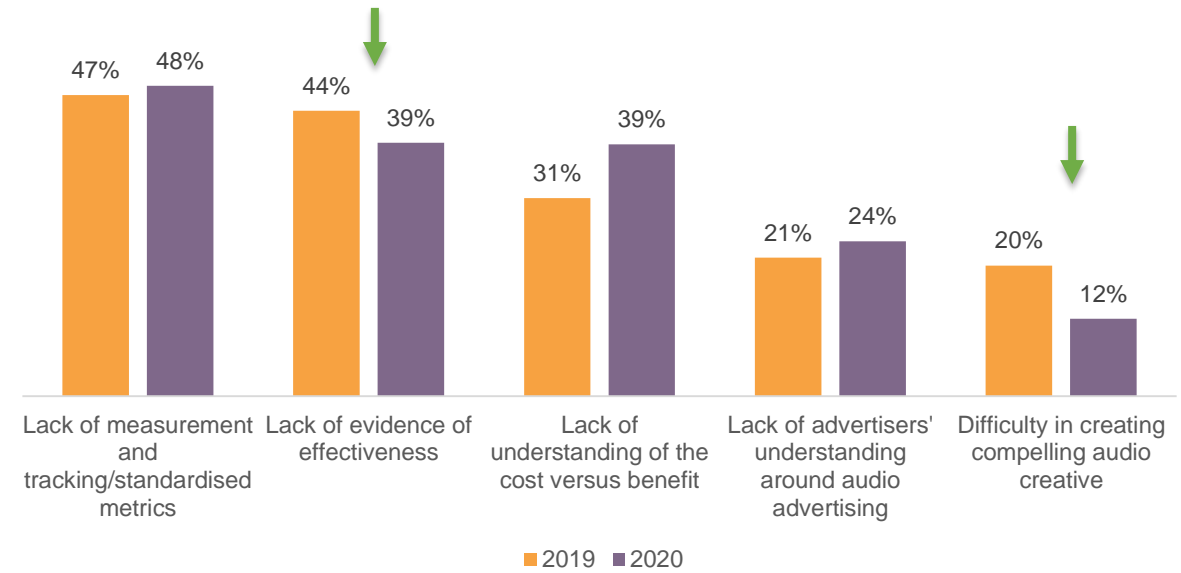
Difficulty in creating compelling audio creative has decreased significantly as a barrier to larger share of advertising for both streaming digital audio and podcast advertising. There have also been improvements in providing evidence of effectiveness.

## MEDIA AGENCIES BIGGEST OPPORTUNITIES FOR AUDIO ADVERTISING TO DRIVE A LARGER PROPORTION OF AD VOLUME

### STREAMING DIGITAL AUDIO



### PODCAST



Q- What are the three biggest issues stopping audio advertising in the following format (INSET FORMAT) from being a larger proportion of ad volume? Base: Media Agencies with experience using any audio N=105

# AREAS TO ENHANCE DIGITAL AUDIO

## INTEGRATED BUYING AND SELLING ACROSS ALL AUDIO

*“Provide detail on effectiveness of these tactics in addition to standard Broadcast activity, from a cost, measurement and reach standpoint. Ensure all reps are speaking to clients, agencies and external teams from the perspective of a holistic buying model and benefits of each format compared to in silos.”*

## HIGHLIGHT COMPLIMENTARY ROLES OF TRADITIONAL RADIO AND DIGITAL AUDIO

*“Showcasing the opportunities and growth of podcasts and streaming audio and how they can compliment (not detract) from radio audiences.”*

*“Prove out incremental reach for these formats on top of traditional radio and have a more uniform measurement system for all audio formats.”*

## CASE STUDIES OF AUDIO AD EFFECTIVENESS

*“Keep educating media strategists, planners and buyers as things evolve. Go to market with case studies and examples of 'best in class' campaigns to demonstrate how those who are doing it well are doing it.”*

*“Provide detail on effectiveness of these tactics in addition to standard Broadcast activity, from a cost, measurement and reach standpoint.”*

## STANDARDISATION AND TRANSPARENCY

*“Greater standardisation and transparency around podcasts”*

*“implement a universal reporting or measuring tool”*

*“Standardisation in formats and measurement.”*

## GREATER ABILITY TO TRACK CAMPAIGN PERFORMANCE

*“holistic measurement across podcast platforms and consistency across market”*

*“Prove return on investment”*

*“Tools for effectiveness tracking for agencies”*

## UNDERSTANDING CONSUMER BEHAVIOUR

*“Greater understanding of the media moments - when people choose live radio versus streamed music versus podcasts”*

*“More audience and cross media behaviour information”*



Q- What single thing would the industry need to do to promote a stronger role for streaming audio and podcast advertising?  
(Please type your response in the box below)

# FURTHER RESOURCES



**DIGITAL AUDIO BUYERS GUIDE  
[EDUCATION AND TRAINING DECK](#)**



**AUDIO METRICS AND  
MEASUREMENT  
[IAB MEMBER Q&A](#)**



**PROGRAMMATIC AUDIO  
[IAB MEMBER Q&A](#)**

