



# PLANNING, BUYING, BUILDING & MEASURING AUDIO & PODCASTING ADVERTISING

THIS WEBINAR WILL BEGIN SHORTLY

# WELCOME TO THE IAB AUDIO ADVERTISING BUYERS GUIDE WEBINAR



**Gai Le Roy**



# TODAY'S SPEAKERS



**Gai Le Roy**  
CEO  
IAB Australia



**Jonathan Mandel**  
HEAD OF DIGITAL COMMERCIAL  
SCA



**Ralph van Dijk**  
CEO  
EARDRUM



**Liam Hickey**  
Head of Automation  
Spotify

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7. Q&A

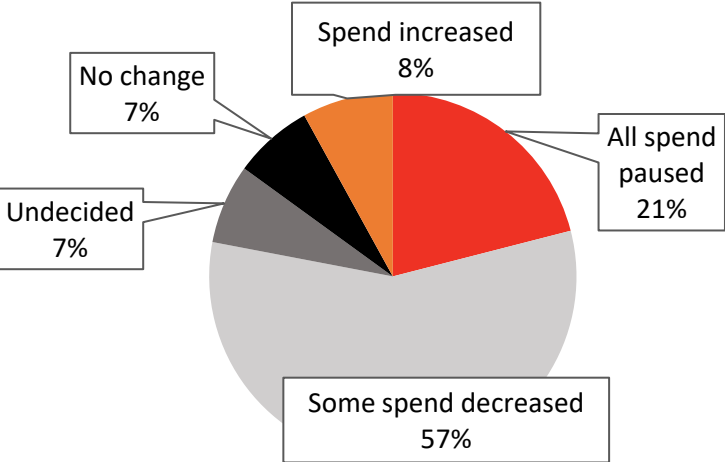
# IAB AUSTRALIA AUDIO COUNCIL

Working to educate marketers and ad agencies on the value of digital audio and podcasts as powerful and effective advertising mediums.

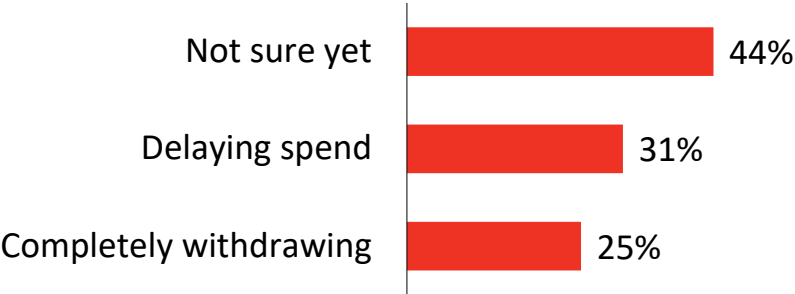


# RECENT CONTEXT - COVID-19 AUSTRALIAN DIGITAL AD IMPACT STUDY

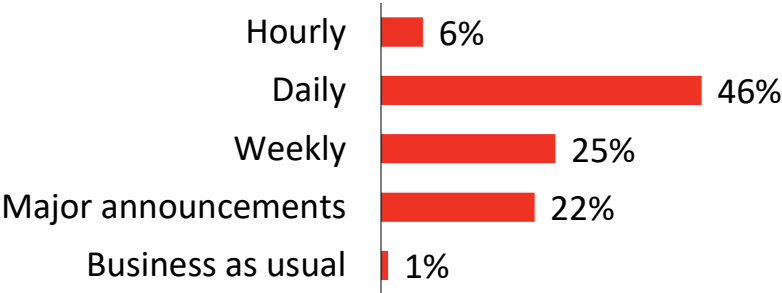
COVID-19 Impact on Digital Ad Spend



Actions for Those Decreasing Spend



Regularity of Activity & Strategy Reviews



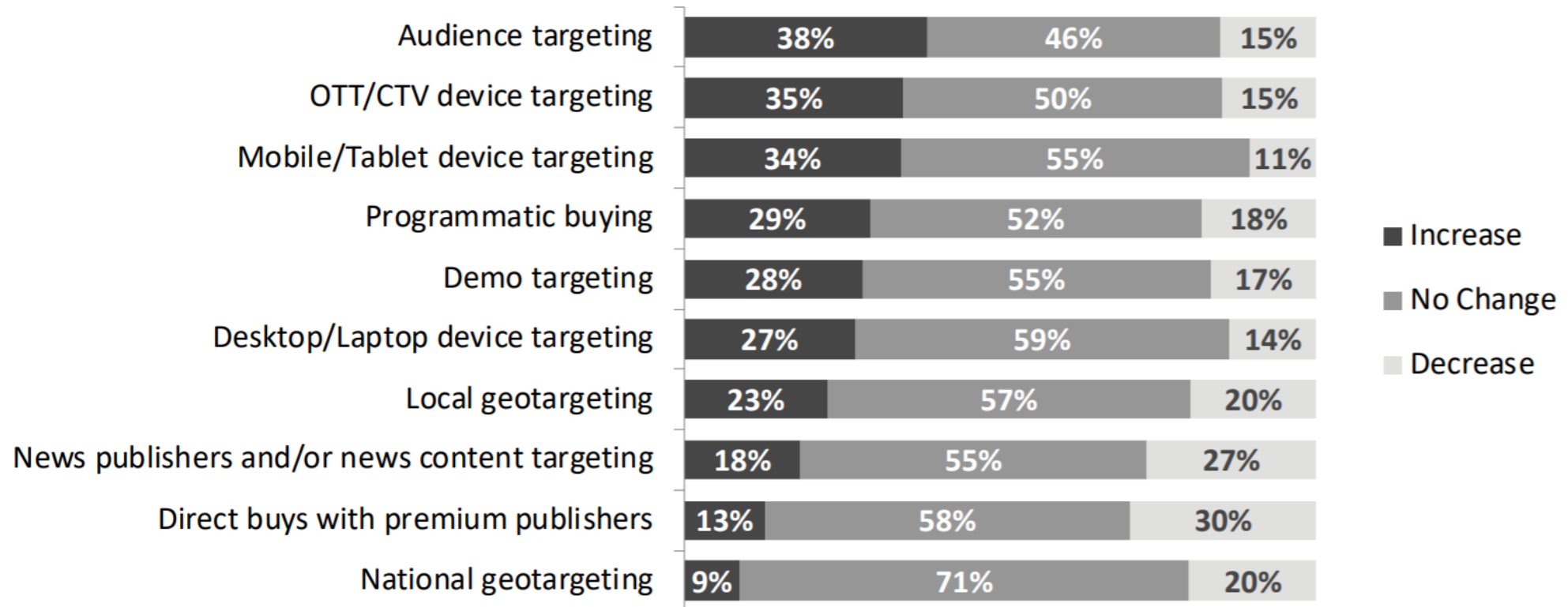
Type of Spend Impacted

|                                |     |
|--------------------------------|-----|
| Brand & performance equally    | 44% |
| Primarily on performance       | 20% |
| Primarily on brand             | 11% |
| Only on performance            | 6%  |
| Only on brand                  | 4%  |
| No change or increase in spend | 15% |

Source; IAB Australia Industry Market Pulse – COVID 19 Ad Impact – fieldwork 25<sup>th</sup> March – 6<sup>th</sup> April 2020  
n = 78, media agency executives (on behalf of individual clients) & senior marketers

# US ADVERTISERS INCREASING/NOT CHANGING MOBILE AND TARGETING TACTICS

## Types of Tactical Change

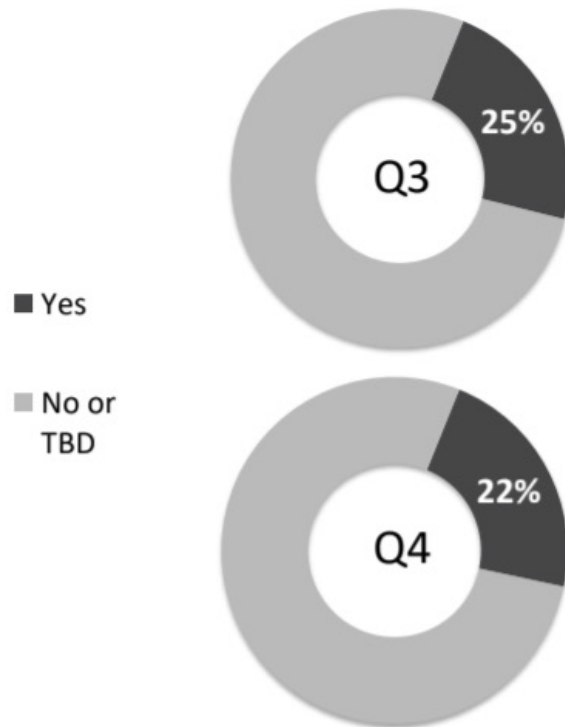


Source; IAB US Coronavirus Ad Spend Impact: Buy-Side 27 March 2020

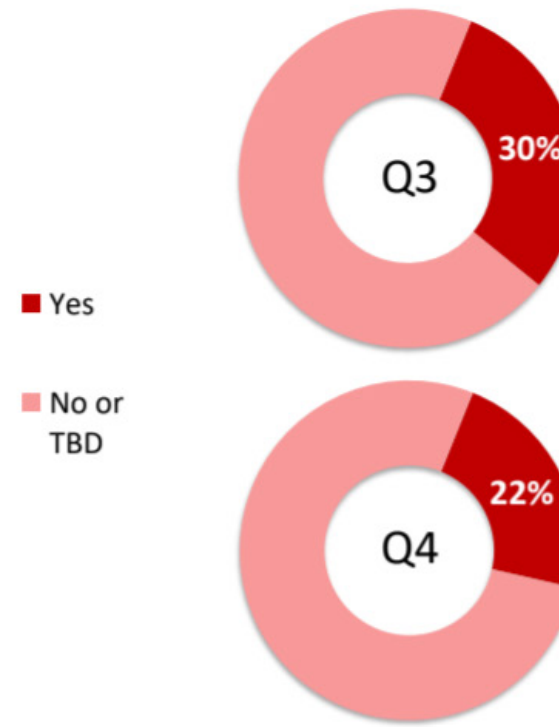
Base: Yes to advertising tactical changes, n=164 Q: Please indicate whether you plan to increase, decrease or make no change regarding usage of any of the following tactics

# US: MOST AD BUYERS & SELLERS HAVE NOT REFORECAST FOR Q3 & 4

**Buyers:** % changing spend forecasts in Q3 & Q4



**Sellers:** % changing revenue forecasts in Q3 & Q4

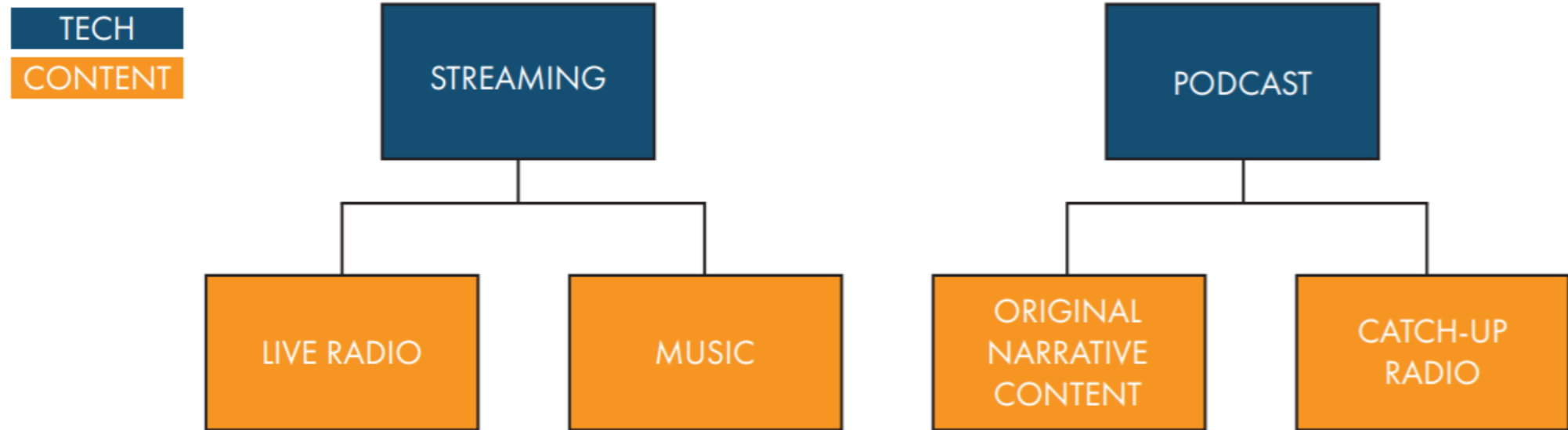


Base: Buy-side: Q3, n=89; Buy-side: Q4, n=87; Sell-side: Q3, n=61; Sell-side: Q4, n=46  
Buy-side Q: Are you making any advertising spend changes in the second half of 2020 as a result of Coronavirus?  
Sell-side Q: Are you planning to reforecast against your original 2020 plan any of the following months / time periods?

IAB Proprietary Research



# A GUIDE TO BUYING DIGITAL AUDIO ADVERTISING



# ADVERTISERS ARE INVESTING IN DIGITAL AUDIO

In today's highly mobile and connected consumer environment, audio advertising delivers:

- ✓ Large and growing audience reach
- ✓ Effective reach with mobile consumers
- ✓ Audio is on when screens are not
- ✓ Access to more difficult to reach younger demographics
- ✓ Highly measurable impressions
- ✓ Strong responsiveness to ads
- ✓ Intimate and personalised environment
- ✓ Brand safe message environments

# THE CONSUMER STORY

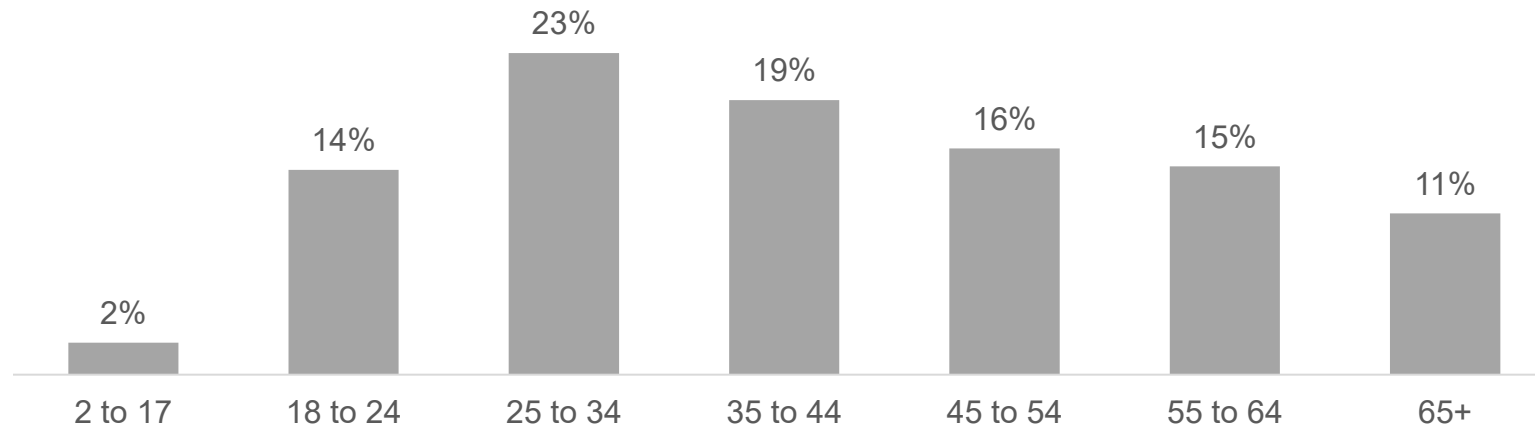
# LARGE NUMBERS OF AUSTRALIANS ARE STEAMING AUDIO, PARTICULARLY YOUNGER AUDIENCES



## CONSUMPTION

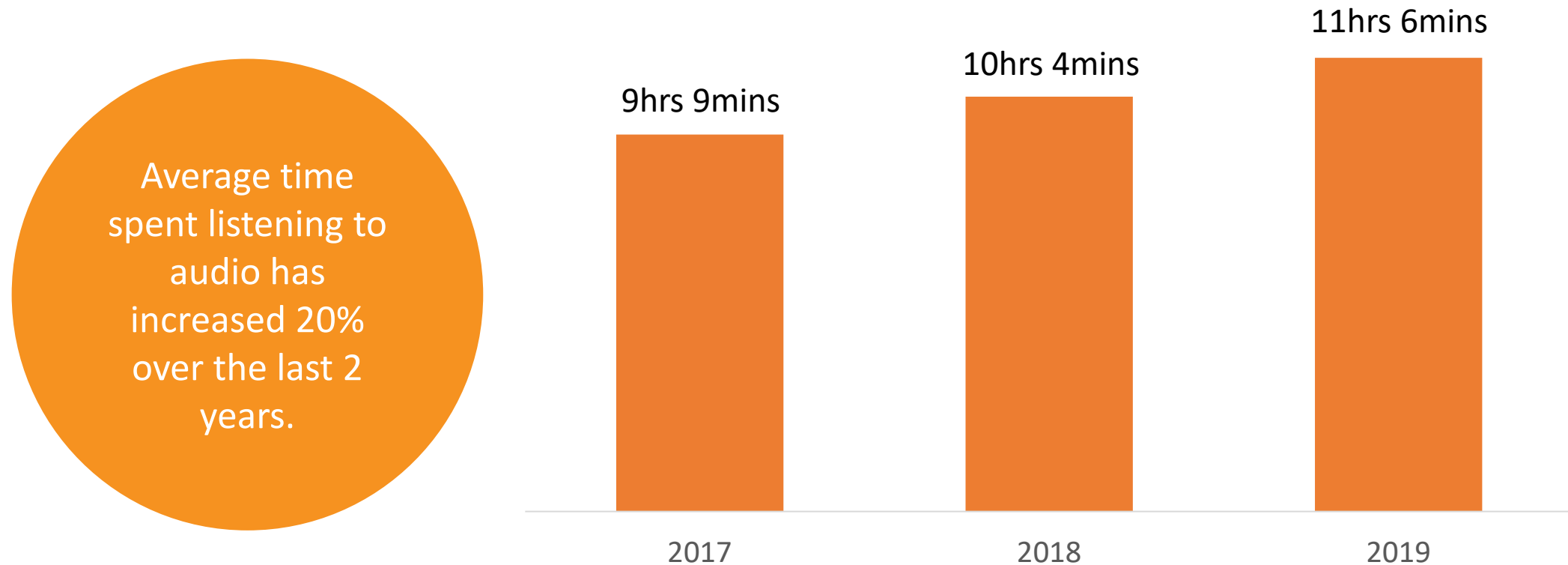
15.6m Australians streaming audio each month

AGE PROFILE OF DIGITAL AUDIO LISTENERS



Source: Nielsen Digital Panel February 2020 unduplicated audience for streaming audio, music and podcast applications

# DIGITAL AUDIO LISTENERS SPEND OVER 11 HOURS PER WEEK

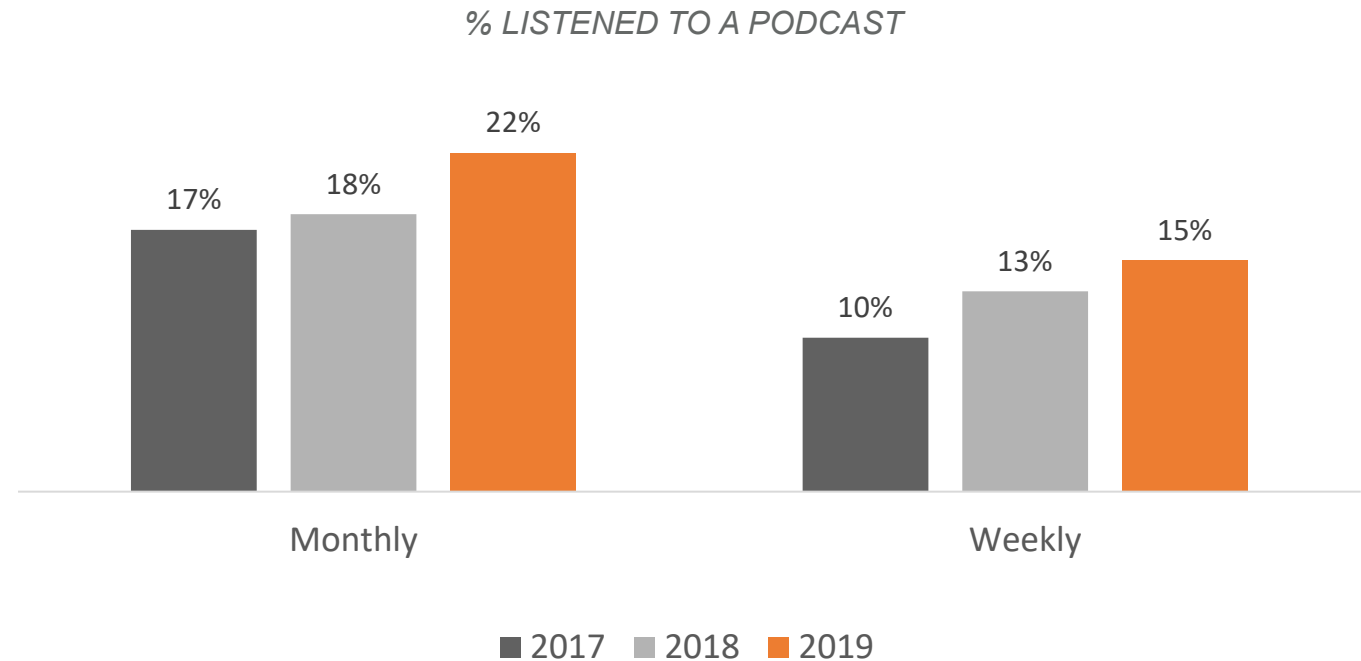


Online audio = listening to am/fm/dab+ radio stations online and/or listening to streamed audio content available only on the internet

Source; The Infinite Dial 2019 Edison Research survey n=1,021 Australians aged 12+  
Base: weekly online audio listeners

# AWARENESS AND USAGE OF PODCASTS IS GROWING

83% of Australians  
are aware of  
podcasting  
30% have listened  
to a podcast



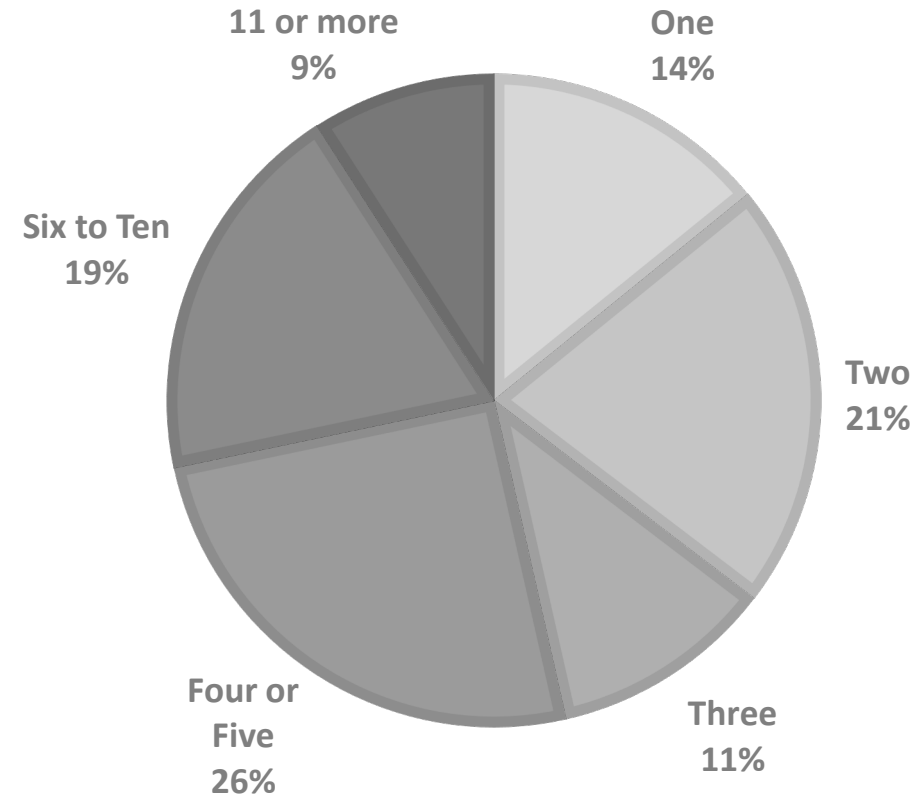
Source; The Infinite Dial 2019 Edison Research survey n=1,021 Australians aged 12+  
Base: weekly online audio listeners

# ENGAGEMENT WITH PODCASTS IS HIGH

## AMONGST PODCAST LISTENERS THE AVERAGE CONSUMPTION IS 6 PODCASTS PER WEEK

89% say they typically listen to all, or most of, the podcast episode.

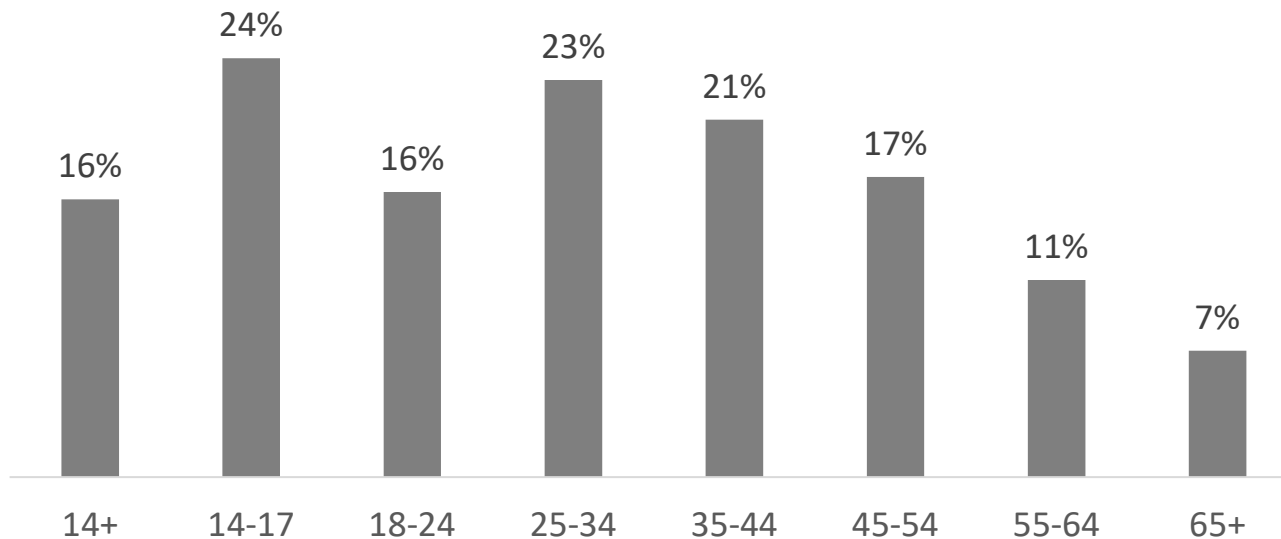
NUMBER OF PODCASTS LISTENED TO IN THE LAST WEEK



Source; The Infinite Dial 2019 Edison Research survey n=1,021 Australians aged 12+  
Base: listened to podcast in last week; 15%

# SMART SPEAKER OWNERSHIP IS EMERGING, WITH 16% OF AUSTRALIANS OWNING THIS DEVICE

% WITH A SMART SPEAKER AT HOME



Over 3.4 million  
Australians have a  
Smart Speaker in  
the home.

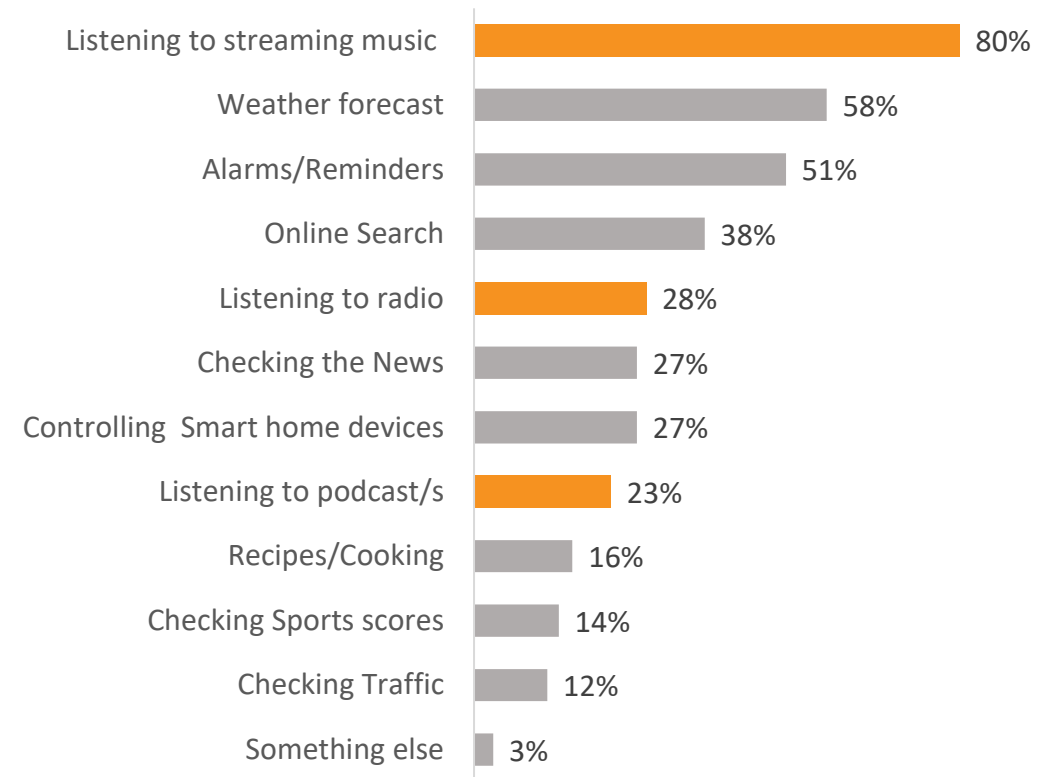
Source; IAB Australia Nielsen Digital Enumeration Study Nov19 – Jan20 quarter ages 14+ n=3000 per quarter



# SMART SPEAKERS REPRESENT AN EXCITING NEW PATHWAY FOR AUDIO CONSUMPTION

Amongst those who own a Smart Speaker, 32% use it daily and 60% at least weekly.

USES OF SMARTSPEAKER  
AMONGST THOSE USED IN LAST MONTH



Source; IAB Australia Nielsen Digital Enumeration Study Nov19 – Jan20 quarter ages 14+ n=3000 per quarter

# PLANNING AND BUYING A DIGITAL AUDIO CAMPAIGN

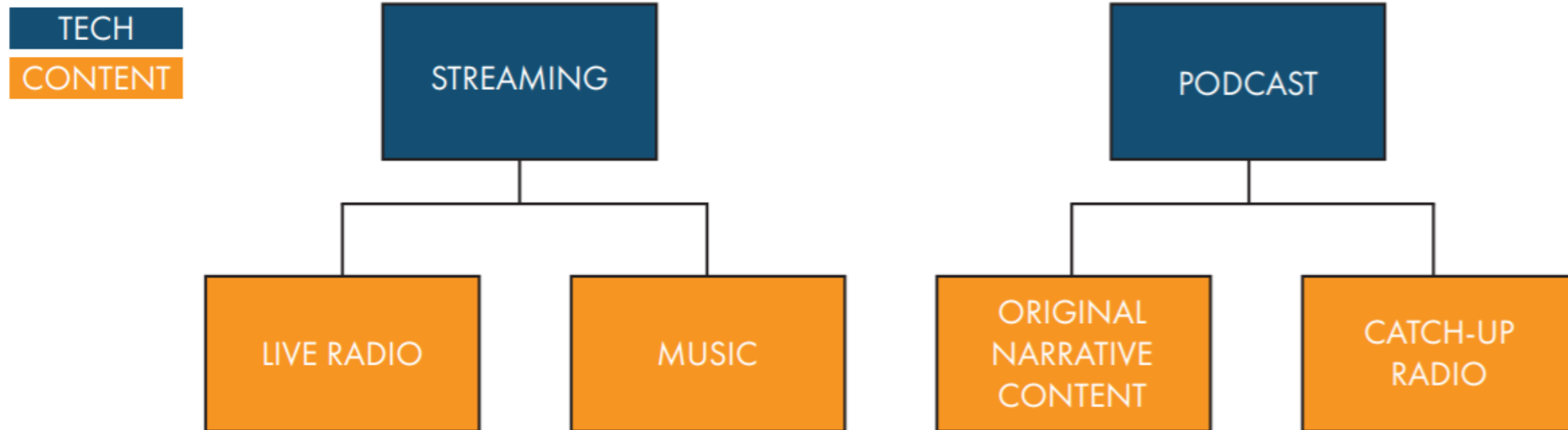


**Jonathan Mandel**



# PLANNING AND BUYING A DIGITAL AUDIO CAMPAIGN

# DIGITAL AUDIO ADVERTISING OPPORTUNITIES



Streamed audio is delivered over a continuous connection between the audio source and the listener.

Podcast is a digital audio file downloaded via internet connection and can be played now or saved for later.

# SUPPORT FOR PLANNING AND BUYING DIGITAL AUDIO CAMPAIGNS

## AGENCY BUYING TEAMS

- Audio planning and buying sits between Radio and Digital agency teams

## SALES CHANNELS

- Publishers
- Content Aggregators/  
Portals

## PROGRAMMATIC

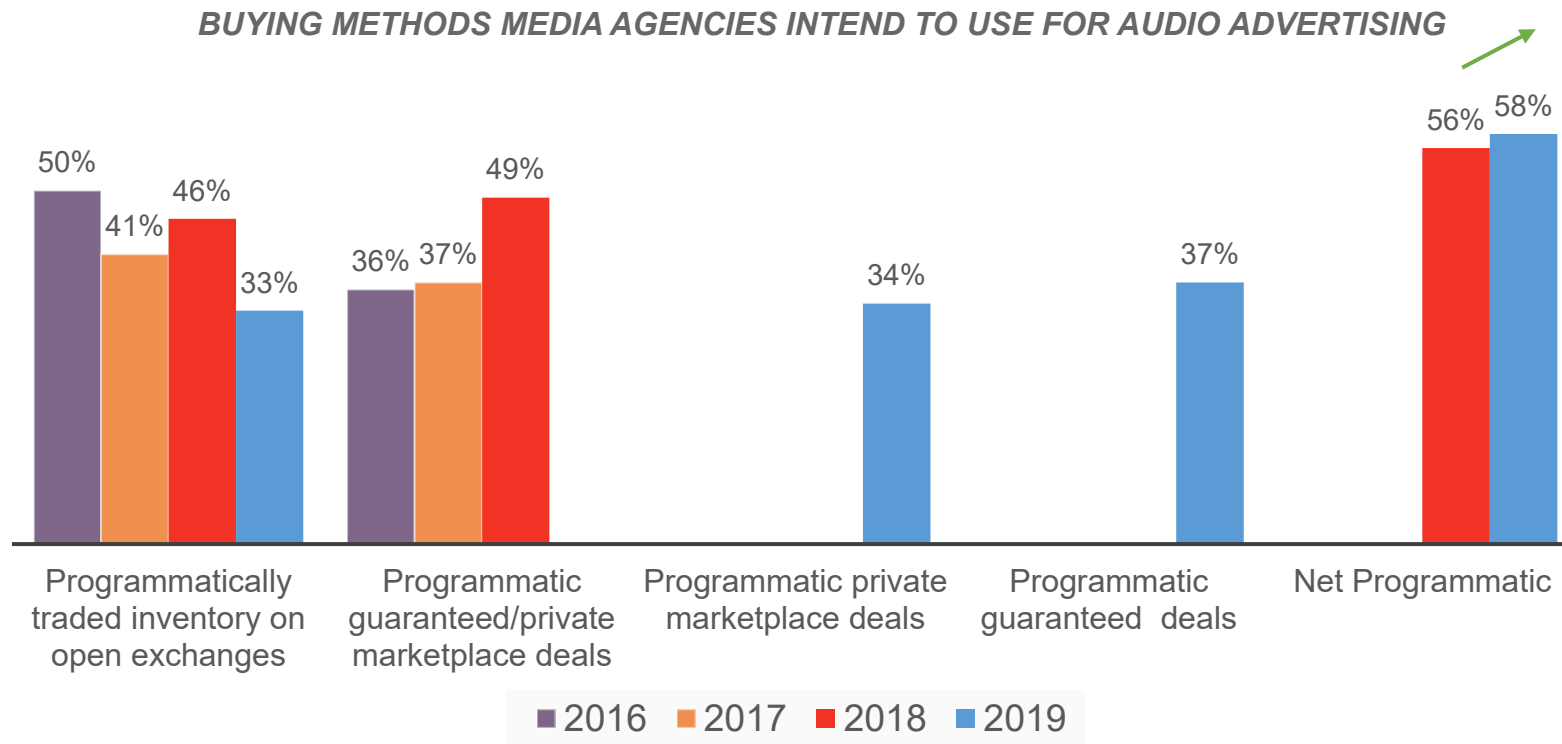
- Open Market (OMP)
- Private Marketplace (PMP)
  - Option of PMP guaranteed gives advertisers access to premium inventory while also allowing them to overlay first-party data

# BENEFITS OF BUYING PROGRAMMATICALLY

- ✓ ROI
- ✓ Data & Targeting
- ✓ Enhanced reach
- ✓ Access to premium inventory at scale
- ✓ Trading and operational efficiency
- ✓ Flexible buying options and granular control of inventory
- ✓ Real Time Campaign Optimization
- ✓ Not just for performance – can deliver brand advertising at scale

# INTENT TO BUY AUDIO PROGRAMMATICALLY IS INCREASING

- Intentions driven by guaranteed and private marketplace deals - buyers recognise the future compliance risk of trading on open exchanges with intentions to use declining

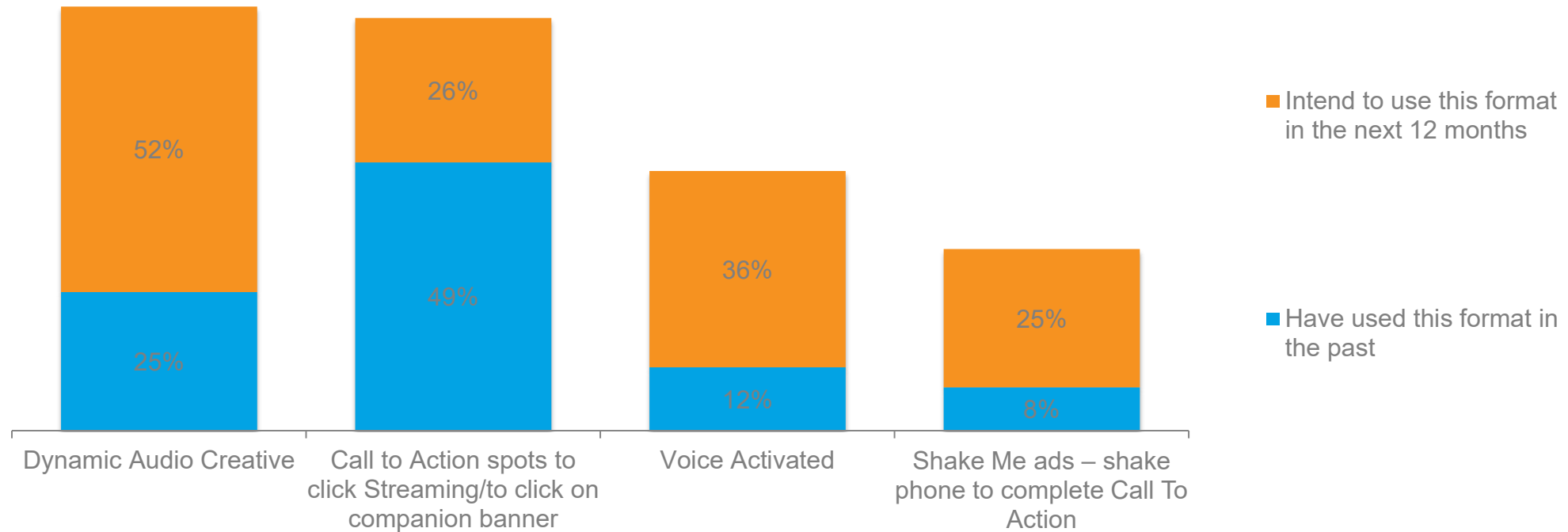


Source: IAB Audio Advertising State of the Nation Survey Wave 4 2020 conducted by Hoop Group  
Q5A. In the next twelve months, which of the following buying methods do you expect to use for audio advertising?  
Base: Media Agencies n – 204 (2019) n – 194 (2018) n – 133 (2017) n – 213 (2016). **NB: QUESTION CHANGE FROM PREVIOUS YEARS**

# STREAMING AUDIO AD CREATIVE FORMATS

Call to action spots and dynamic audio creative are the most popular streaming audio ad creative formats

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



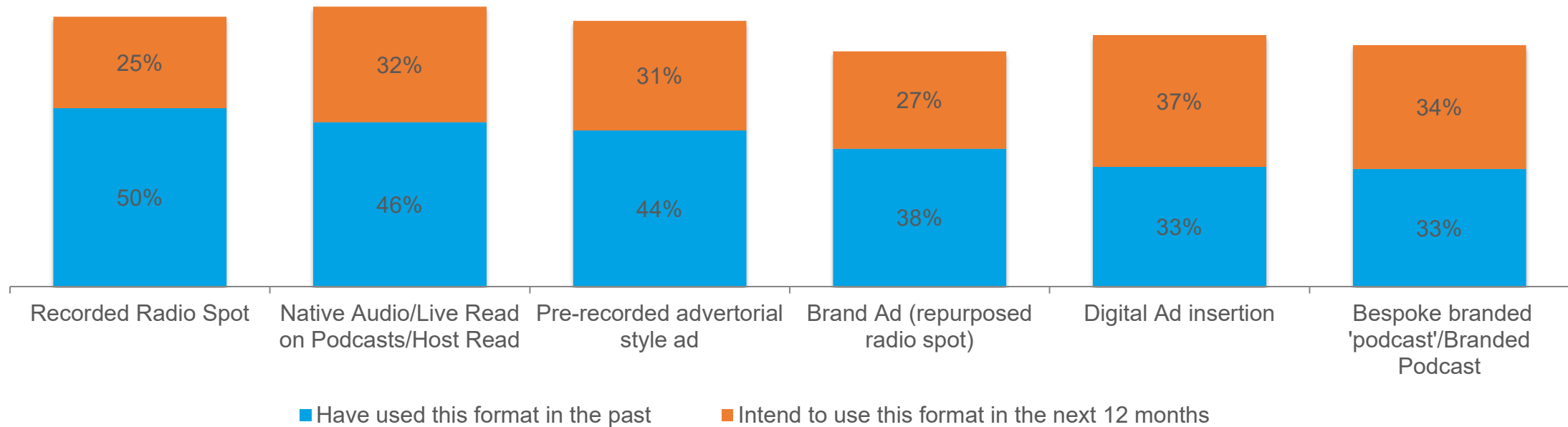
Source: IAB Audio Advertising State of the Nation Survey Wave 4 2020 conducted by Hoop Group  
Q5C1- Which of the following creative formats have you used/or plan to use for audio advertising on Streaming audio? Base: Media Agencies with experience or intent to use streaming audio n=189 (2019)



# PODCAST AD CREATIVE FORMATS

Recorded radio spots, native/host read advertising and pre-recorded advertorial style ads are the most popular podcast ad creative formats.

*PODCAST CREATIVE FORMATS HAVE USED OR INTEND TO USE  
AMONGST MEDIA BUYERS WITH PREVIOUS EXPERIENCE OR INTENT TO USE PODCASTS*



Source; IAB Audio Advertising State of the Nation Survey Wave 4 2020 conducted by Hoop Group  
Q5D1 - 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 – 177 (2019)

# IAB UK HAS IDENTIFIED VOICE STRATEGIES FOR BRANDS

IAB UK 'Find your Voice' study offers guidance to help brands identify opportunities within the voice tech space



## VOICE APPS

Specific voice assistant applications that exclusively work on one of the voice operating systems e.g. Alexa Skills



## ADS

Advertising in its traditional sense. Paid for messages and content targeted at people e.g. digital audio ads



## SEO

Optimising your digital presence for voice search e.g. voice search engine optimisation



## PRODUCTS/ DIGITAL SERVICES

Creating new, or augmenting your existing, products or services with voice tech e.g. website or chatbots



## BRAND PARTNERSHIPS

Partnering with existing voice tech providers or services e.g. sponsorships of an existing voice tech service

# METRICS AND MEASUREMENT

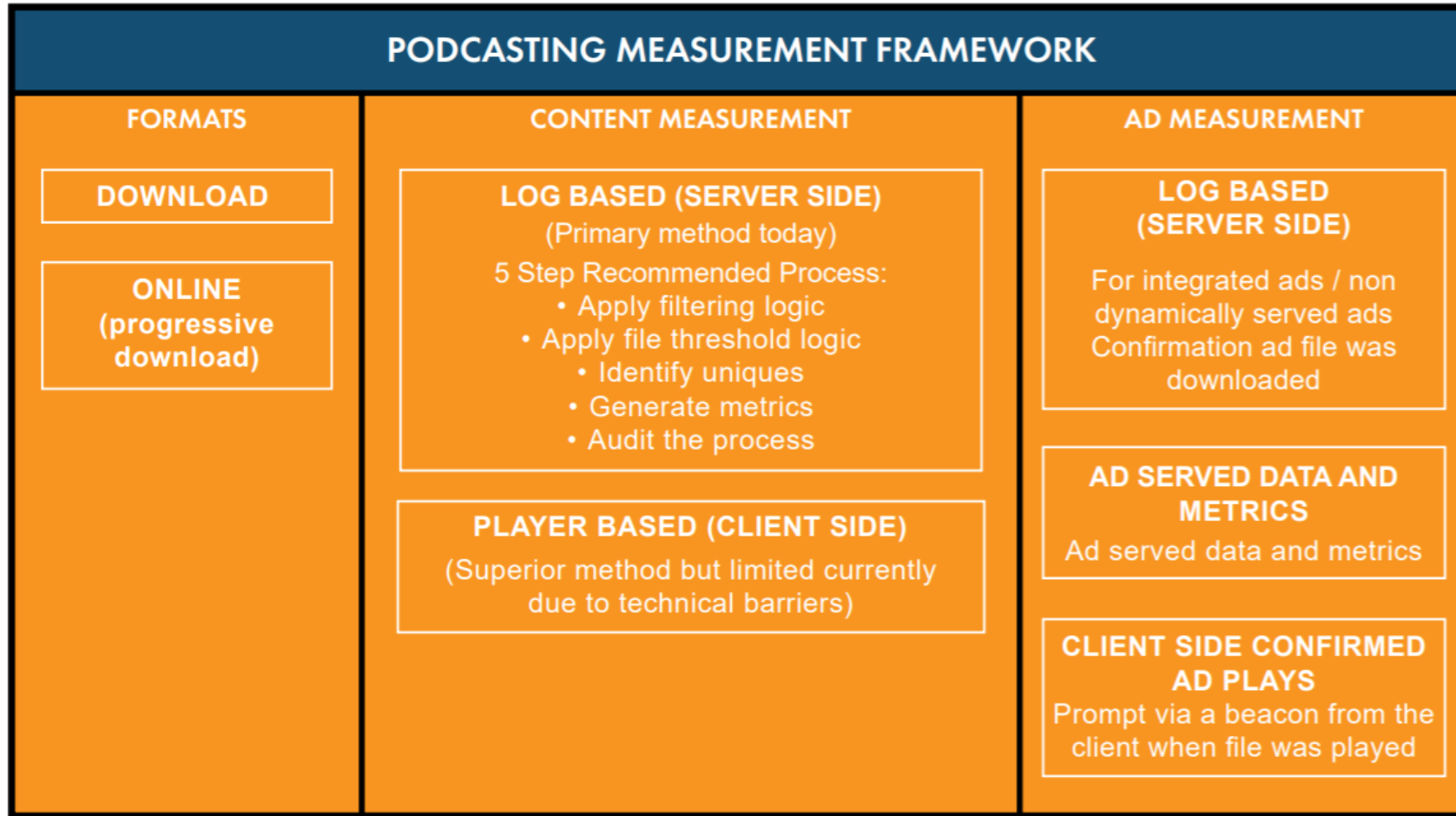
# STREAMED DIGITAL AUDIO – WHAT CAN BE MEASURED?

- Delivered **impressions** via third-party ad serving and ad tagging
- **Reach and frequency** provided by publisher or media network
- **Completion Rate** (Listen-Thru Rate) provided by publisher or media network
- Advertiser brand **website visitation uplift** by looking for correlation between the ad delivery times and site visits
- **Sales** via redemption of an offer by presenting a unique offer or promo code to audio listeners
- Response or **interaction with ads** such as response to voice activated ads or response to Shake Me Ads
- **Uplift in brand metrics** (brand awareness, purchase intent and key message take out) and sales as a result of exposure to audio advertising via a controlled experiment.

# PODCASTS – WHAT CAN BE MEASURED?

- The industry has developed standards whereby server logs can be analyzed according to agreed-upon core metrics:
  - **Ad Impressions:** ad served (dynamically inserted) pass the impression event to the ad server at the point of download
  - **Downloads:** a unique file request that was downloaded or partially downloaded
  - **Audience reach:** individual users downloading content
- Unique **visits to a vanity URL** e.g. /podcasts
- Advertiser brand **website visitation uplift** by looking for correlation between the ad delivery times and site visits
- **Sales** via redemption of an offer by presenting a unique offer or promo code to audio listeners
- **Uplift in brand metrics** (brand awareness, purchase intent and key message take out) and sales as a result of exposure to audio advertising via a controlled experiment.

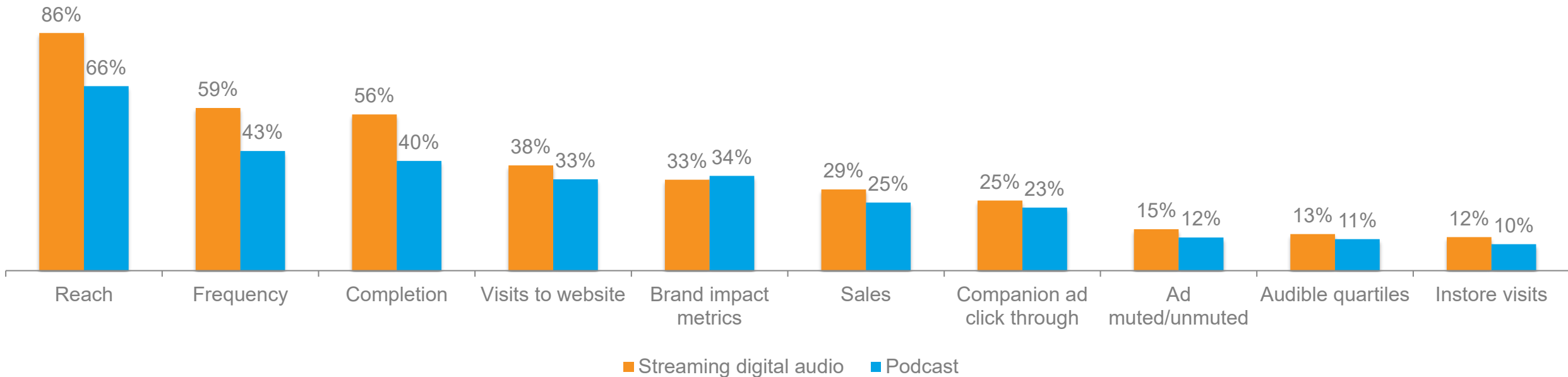
# PODCAST MEASUREMENT STANDARDS



# METRICS USED FOR ASSESSING STREAMING DIGITAL AUDIO

**STREAMING AND PODCAST ADVERTISING CAMPAIGNS CAN BE ASSESSED USING A VARIETY OF METRICS. LOWER USAGE OF METRICS OVERALL FOR PODCAST HIGHLIGHTS THE RELATIVE COMPLEXITIES IN MEASUREMENT.**

*METRICS USUALLY USED TO ASSESS EFFECTIVENESS OF AUDIO CAMPAIGNS  
AMONGST MEDIA BUYERS WITH PREVIOUS EXPERIENCE OF STREAMING AND PODCAST ADVERTISING*



Q9B2 - What metrics are you using to assess the effectiveness of your audio campaigns?

Base Media Agencies with experience in streaming audio n – 174 and Media Agencies with experience of podcast advertising n – 167 (2019)

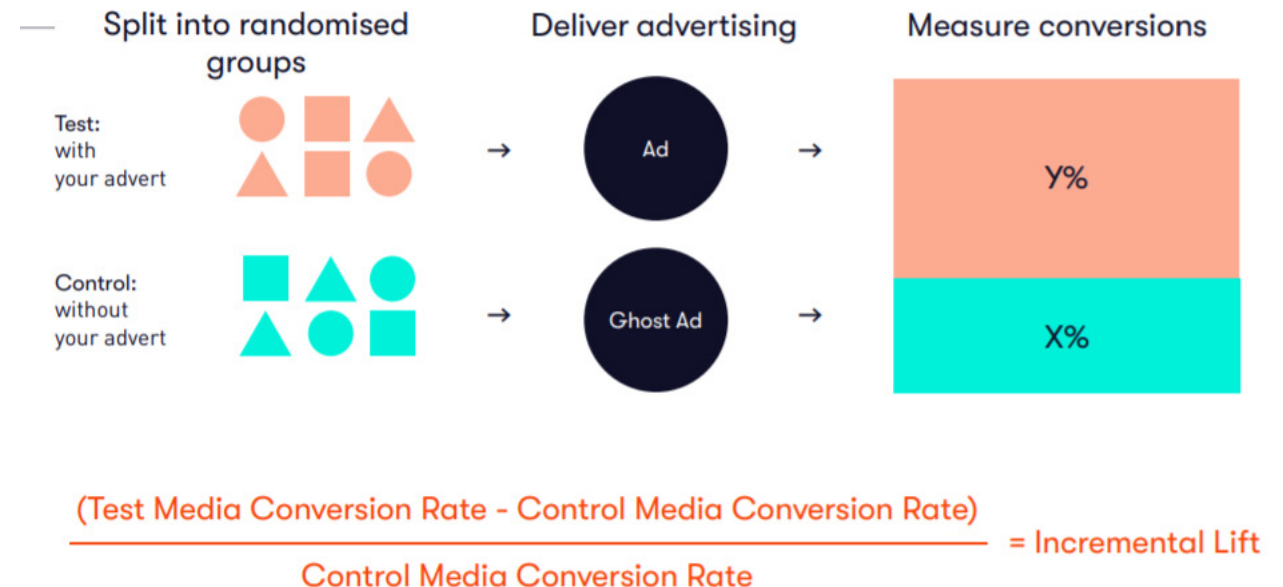
# MEASURING BRAND AND SALES IMPACT OF AUDIO CAMPAIGNS

## THE STEPS

1. Set campaign objectives
2. Create a clear hypothesis to test that will address the business objective
3. Choose the right metrics
4. Plan the measurement method and understand the tools you are using
  - Measure for incremental lift
5. Prepare your results to understand how to adjust your campaign to drive greater impact
6. Continue to test and learn

## BEST PRACTICE CONTROLLED EXPERIMENTS

Controlled Experiments offer best practice to isolate the impact of advertising and measure the incremental lift – what your ad did that would not otherwise have happened.





# VAST 4.1 - NOW WITH AUDIO POWER

- VAST is a standardized method of enabling audio players to talk to third-party ad servers. This meant developers wouldn't have to customize audio players to serve ads being delivered from different servers
- Ad tech companies, servers, and publishers can now unify existing video ad specifications with the digital audio ad market.
- Video and audio share enough consistency in operational processes, ad serving technology, player technology, and ad measurement, that it is most efficient to merge the formats into a single spec

# DELIVERY AND TARGETING

# TYPES OF AUDIO TARGETING

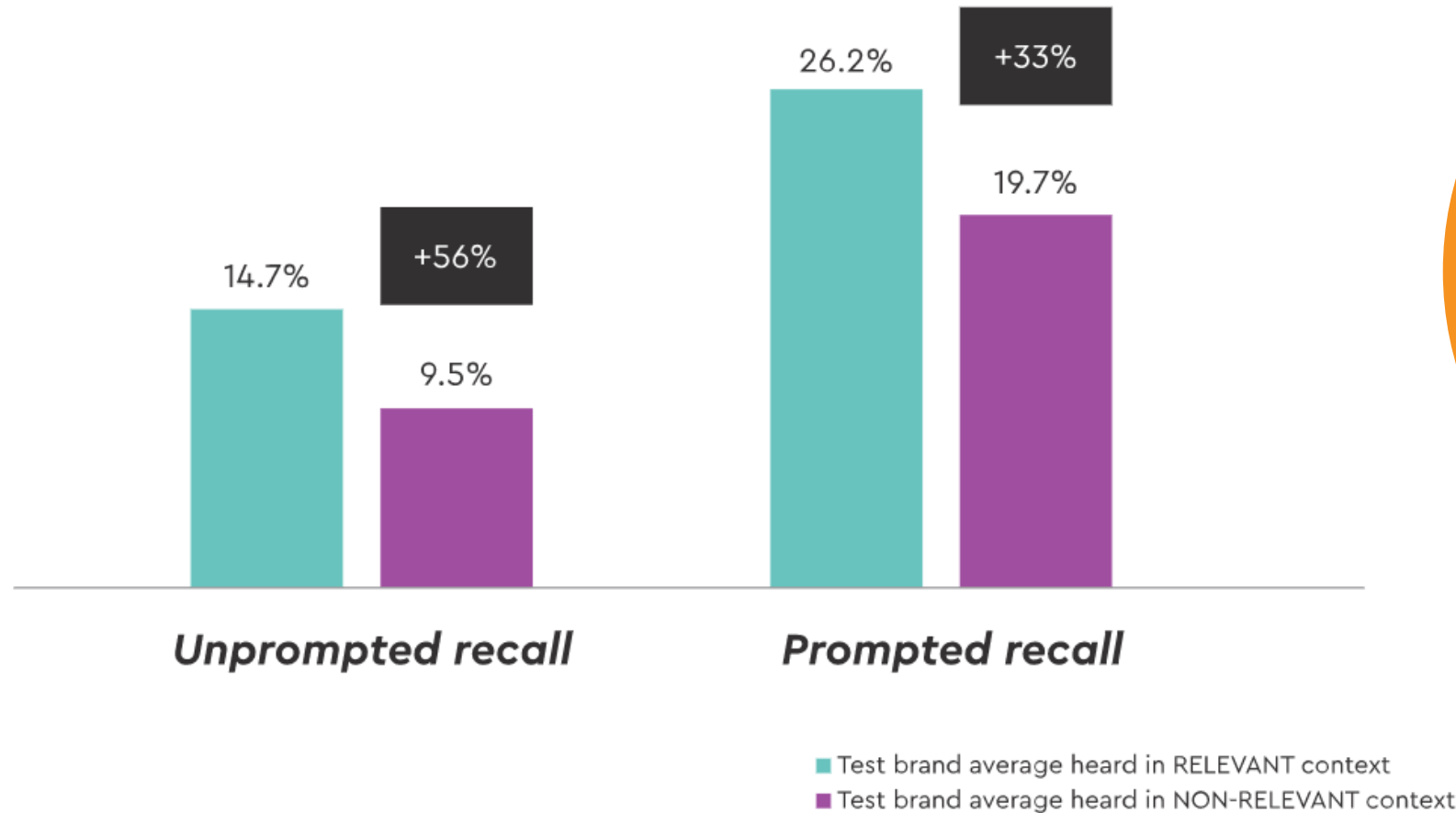
## Targeting utilizing data/unique ID:

- **Geotargeting** using IP or registration data
- **Demographic** targeting using registration data
- **Behavioural** targeting using previous browsing, listening and/or shopping behavior
- **Audience** targeting combining registration data with other buying intent and purchase behavior data
- **Technographic** targeting using listener usage of domains, browser, telcos, operating system, devices etc

## Other types of targeting:

- **Geotargeting** using radio network's market location
- **Demographic** via content targeted at particular groups
- **Contextual** to relevant genres of content
- **Time** including by day of week, weekday/weekend, daypart
- **Sequential** delivery of ad messages over time

# TARGETING RELEVANT MOMENTS CAN HELP BRANDS SPRING TO MIND MORE EASILY



Neuro-Insight and RadioCentre found situationally relevant ads (specifically referencing the task being carried out) elicited higher engagement and brand salience.



NEURO-INSIGHT

Source; Radiocenter 'Hear and Now: how targeting people at relevant times helps turbocharge ad effectiveness', Research by Neuro-Insight

# CREATIVE BEST PRACTICE



**Ralph van Dijk**  
CEO

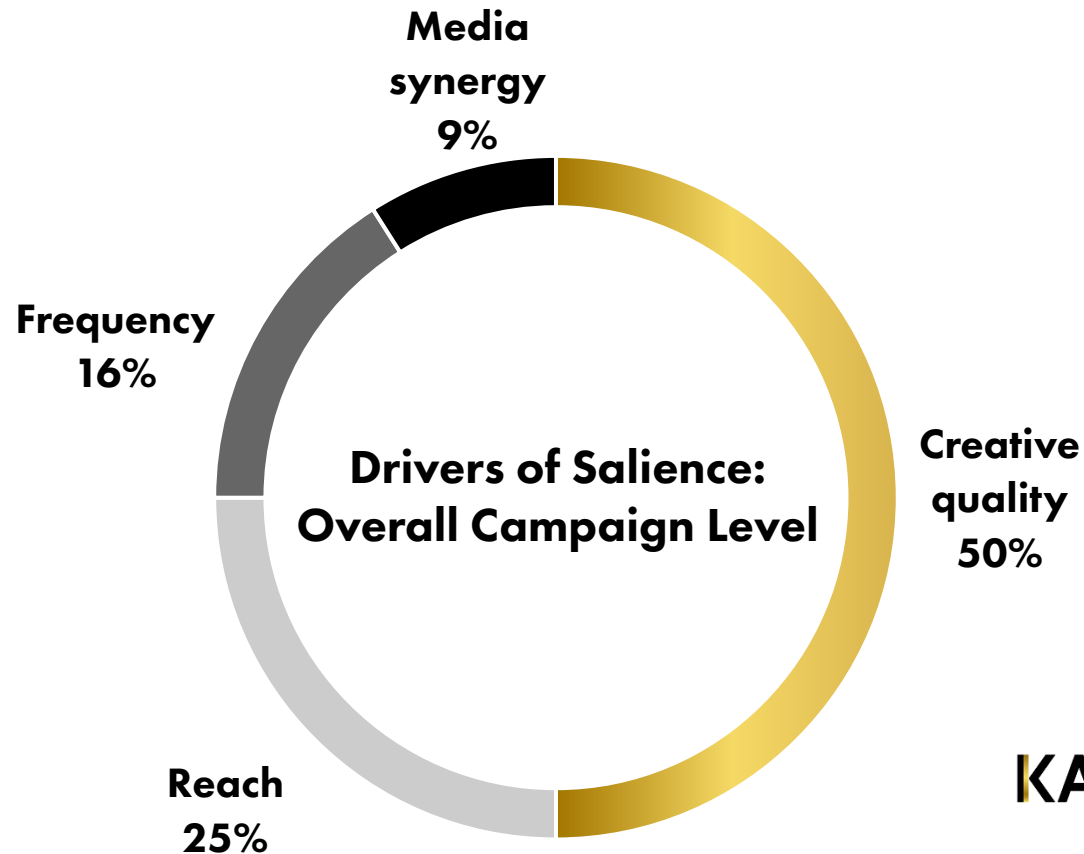


**EARDRUM**

# CREATIVE BEST PRACTICE

# CREATIVE QUALITY IS HALF OF CAMPAIGN IMPACT

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.

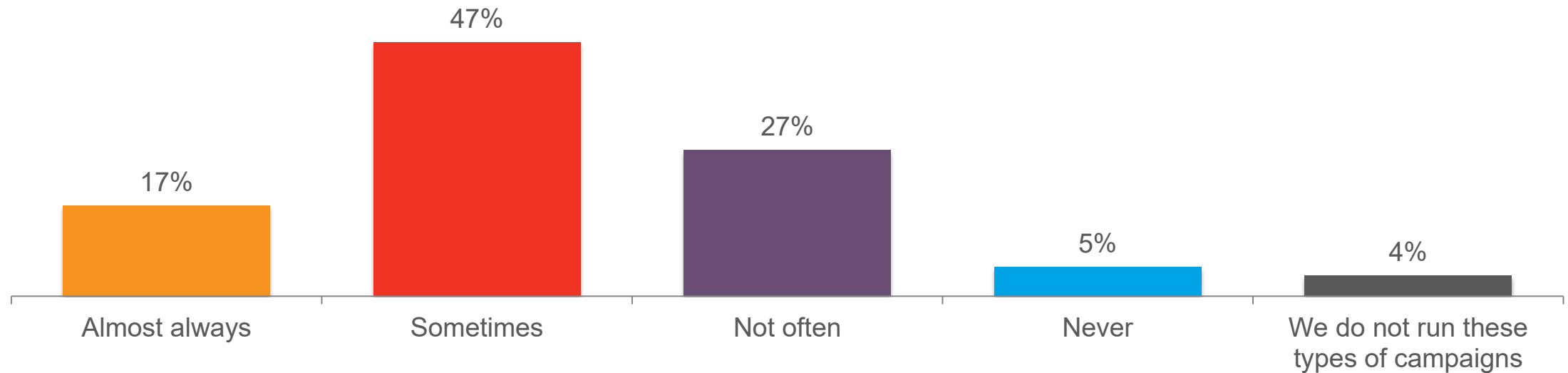
**KANTAR**

Source: Kantar global CrossMedia studies, 2015-2017, (223 studies).

# ROOM TO IMPROVE FIT FOR PURPOSE CREATIVE

A third of media agencies with experience of audio advertising are not tailoring creative to suit different audio environments.

*FREQUENCY OF CHANGING CREATIVE TO SUIT PARTICULAR AUDIO ENVIRONMENT  
AMONGST MEDIA BUYERS WITH PREVIOUS EXPERIENCE OF ANY AUDIO*



Q5E - When running campaigns across different audio ad options, how often does the creative change to suit the different audio environments?  
Media Agencies with experience using any audio n – 185



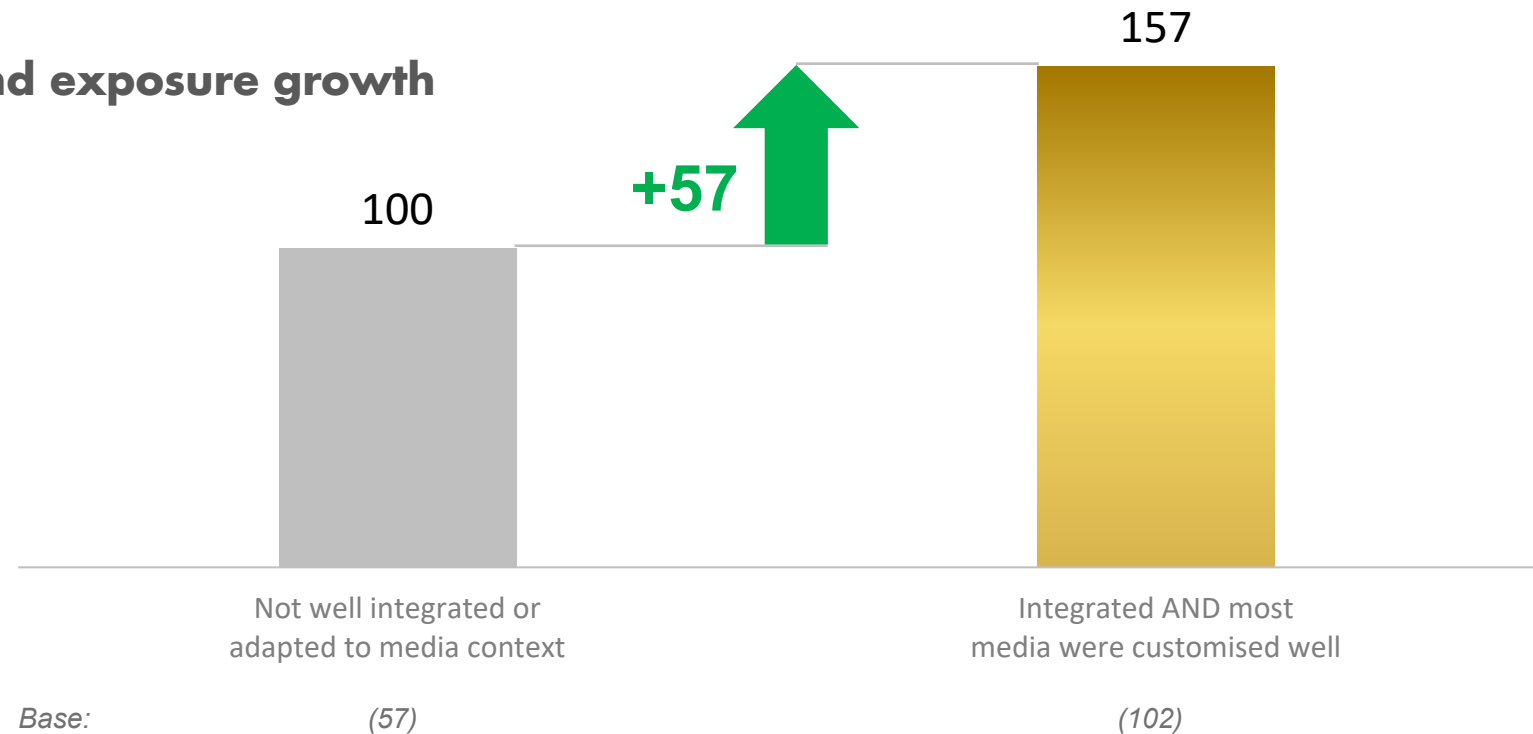
# CREATIVE BEST PRACTICE GUIDELINES

- ✓ Use creative that is customised to digital audio
- ✓ Recognize the screen may be turned off or not exist at all.
- ✓ Tell a story, create “theatre of the mind”
- ✓ Be clear and stay on specific message
- ✓ Build frequency with clever repetition
- ✓ Rely on an authentic, familiar voices and leverage the connection personalities have with their listeners
- ✓ Limit the amount of voices as multiple voices confuse the listening experience
- ✓ Keep a consistent pace, tone and tempo, saying more with less
- ✓ Localize and personalize your message as you are speaking to people in their personal spaces
- ✓ Make sure host read ads follow truth-in-advertising guidelines
- ✓ Podcast adverts contextualized to the content resonate the best with listeners

# BEST PRACTICE: CREATIVE IS INTEGRATED AND CUSTOMISED

Campaigns where creative is customised to the media and creative elements are integrated well, will deliver higher brand effectiveness results.

## Campaign contribution to brand exposure growth (100 is indexed)



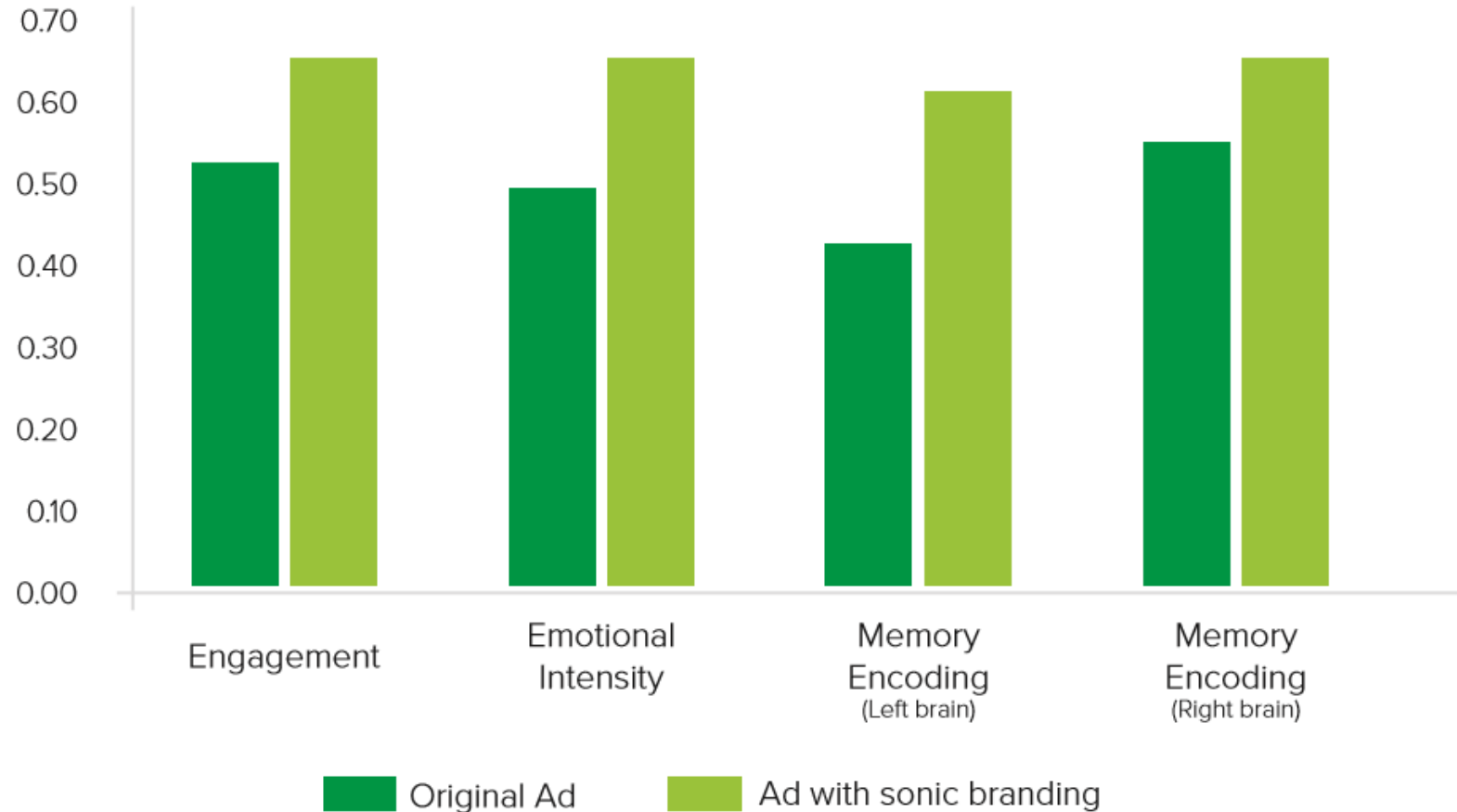
Source: Kantar global CrossMedia studies, 2015-2017, (223 studies).

Overall Campaign Contribution is a measure of campaign impact on a combination of all brand KPIs (awareness, associations, motivation)

**KANTAR**

# BEST PRACTICE: USE A SONIC DEVICE

USING A SONIC DEVICE FOR AUDIO BRANDING DELIVERED GREATER NEURO RESPONSE



Neuro-Insight had an audio branding expert develop a sonic device for a brand that didn't have one, then researched the original and edited versions of the ad side by side.



NEURO-INSIGHT

Source; Neuro-Insight 'Tuning into Sound: the underused creative resource'

# QUESTIONS TO ASK YOUR AUDIO MEDIA PARTNER

# QUESTIONS TO ASK YOUR MEDIA PARTNER WHEN PLANNING AND BUYING AUDIO

How do listeners engage with your audio format and content?

- audio publishers have a wealth of information and data about their audience which can help plan a campaign

Which creative ad formats are suitable to my campaign message and objectives?

- there are a range of streaming and podcast ad formats available but its important to align with the most suitable to deliver your message

What is the source of data being used for targeting my audio campaign?

- understand if the audience data is first, second, third-party or claimed and the implications for quality and privacy

How can they help measure campaign success?

- agree upfront with the audio publisher what metrics will be used to determine the success of the campaign and how they will be measured

Can they help optimize creative for the audio format?

- audio publishers can provide advice and case studies on the best ways to adapt creative to optimize for audio, they are also experts in audio content creation

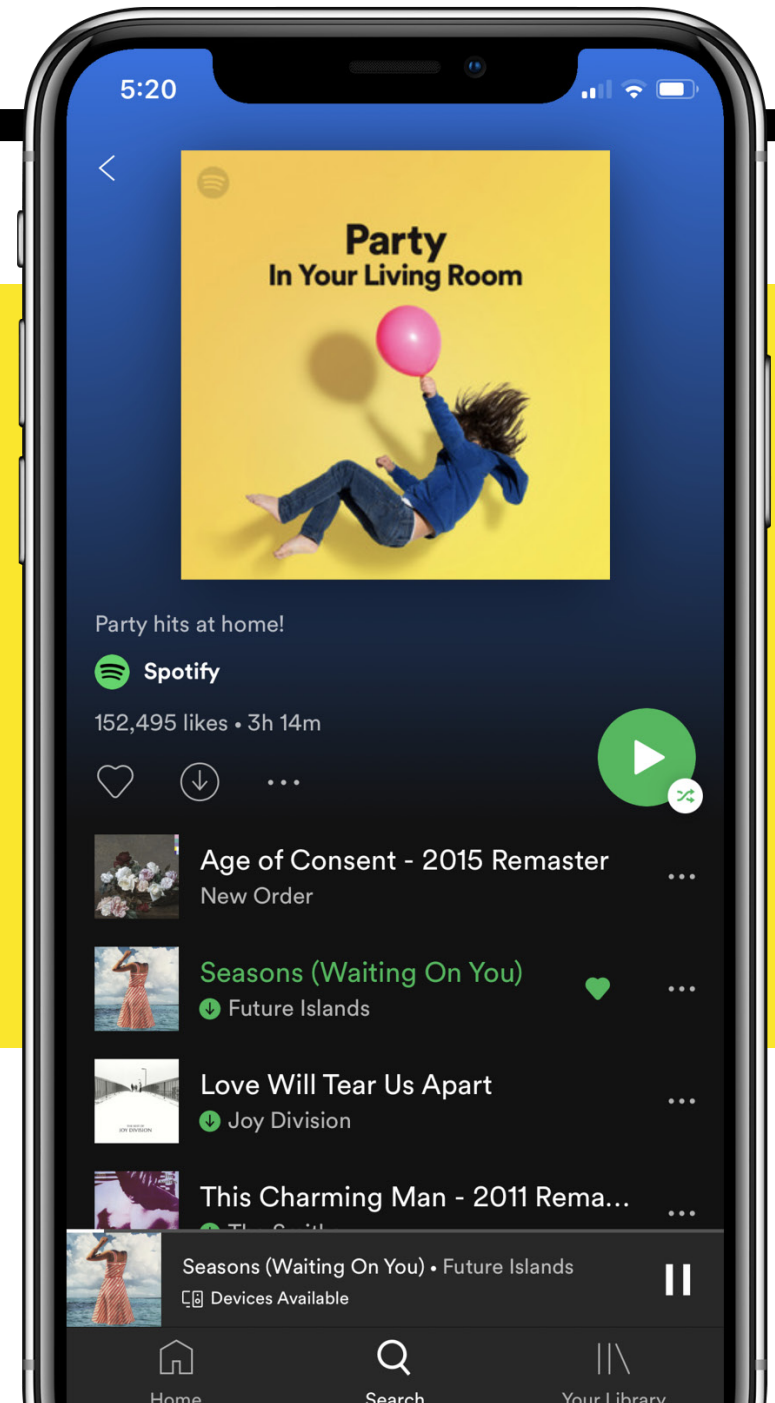
# AUDIENCE TRENDS & BEHAVIOURS



Liam Hickey



# Audience Trends & Behaviours





# Today's Playlist

- Trends & Behaviours
- Consumption Moments
- Buying Trends





# Trends & Behaviours



# Listening Moves to Home, Creating New Habits

Streaming consumption in the home across devices such as desktop, gaming consoles, TVs, and speakers **is beginning to grow** while in-car consumption has seen a decline, as a greater share of listening moves inside.



# Mobile Still Dominant, Acts as a Remote

Mobile continues to be the **primary platform** where users listen to Spotify, however it's likely increasingly used as a remote to **control other devices** like speakers, TVs and consoles, reflecting users adapting to new routines.





# Focusing on Family & Domestic Tasks

As increased domesticity becomes the norm, we're seeing an **increase in cooking and housework playlists**, as well as children's music, and a move away from music intended for group celebrations and work.



# Reflection, Education & Entertainment

Podcast genre choice **reflects** **listeners' attitudes** towards the world around them. We're seeing that users are focusing their podcast listening time on **self improvement** (wellness, meditation) and **entertainment content** (sports, comedy).



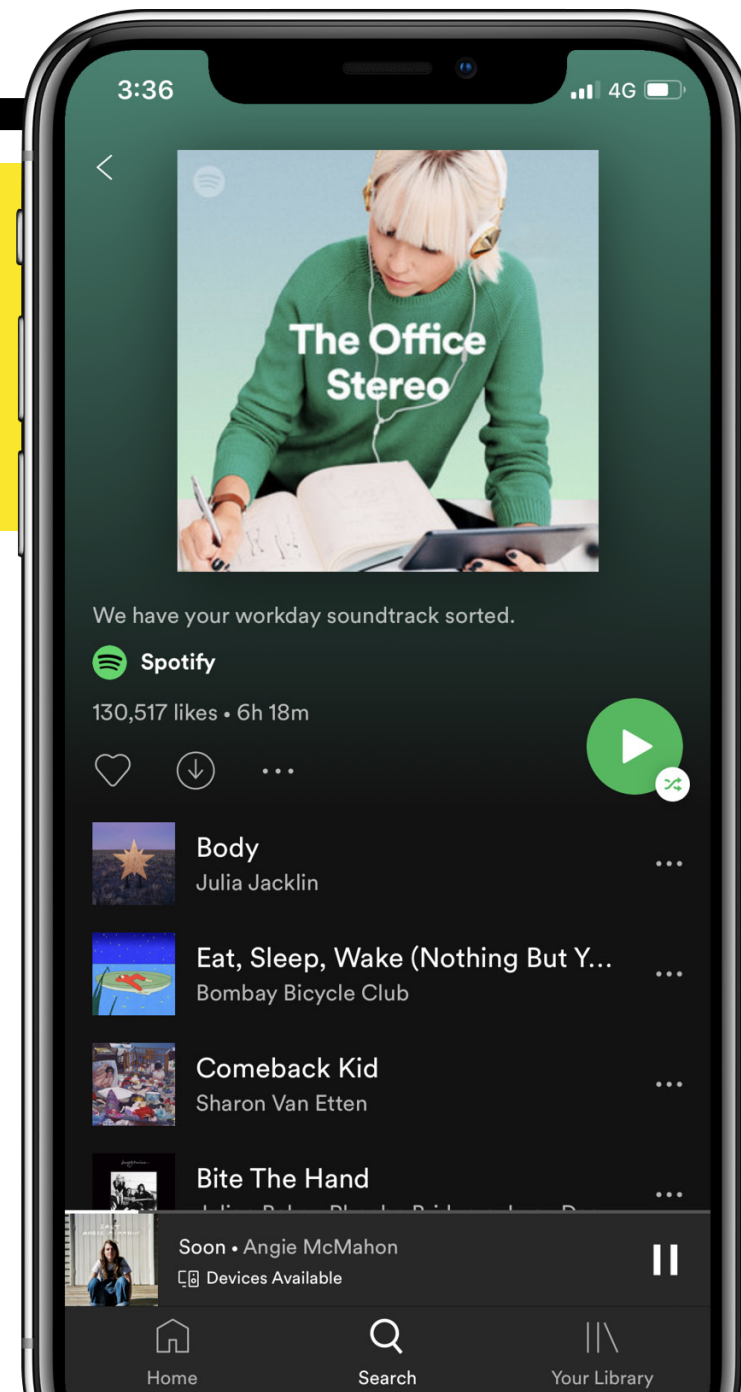


# Consumption Moments



# Motivation & Productivity

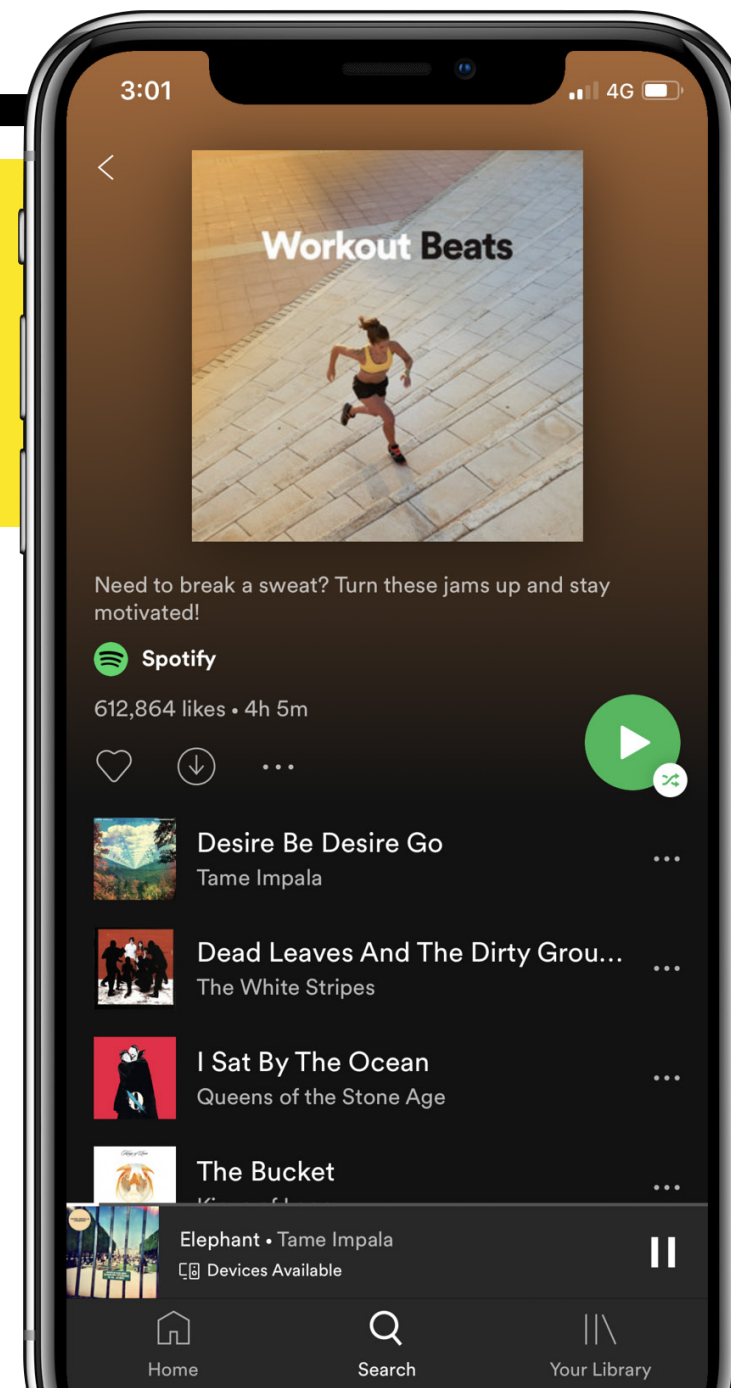
Increases in search for: Poppin',  
Motivation, Work, Happy & Upbeat.



# Health & Fitness

Increases in search for: Workout,  
  
F45, Crossfit, Yoga, Running, &  
  
Cardio.

Source: Spotify internal Search Data Week Ending 26 March 2020

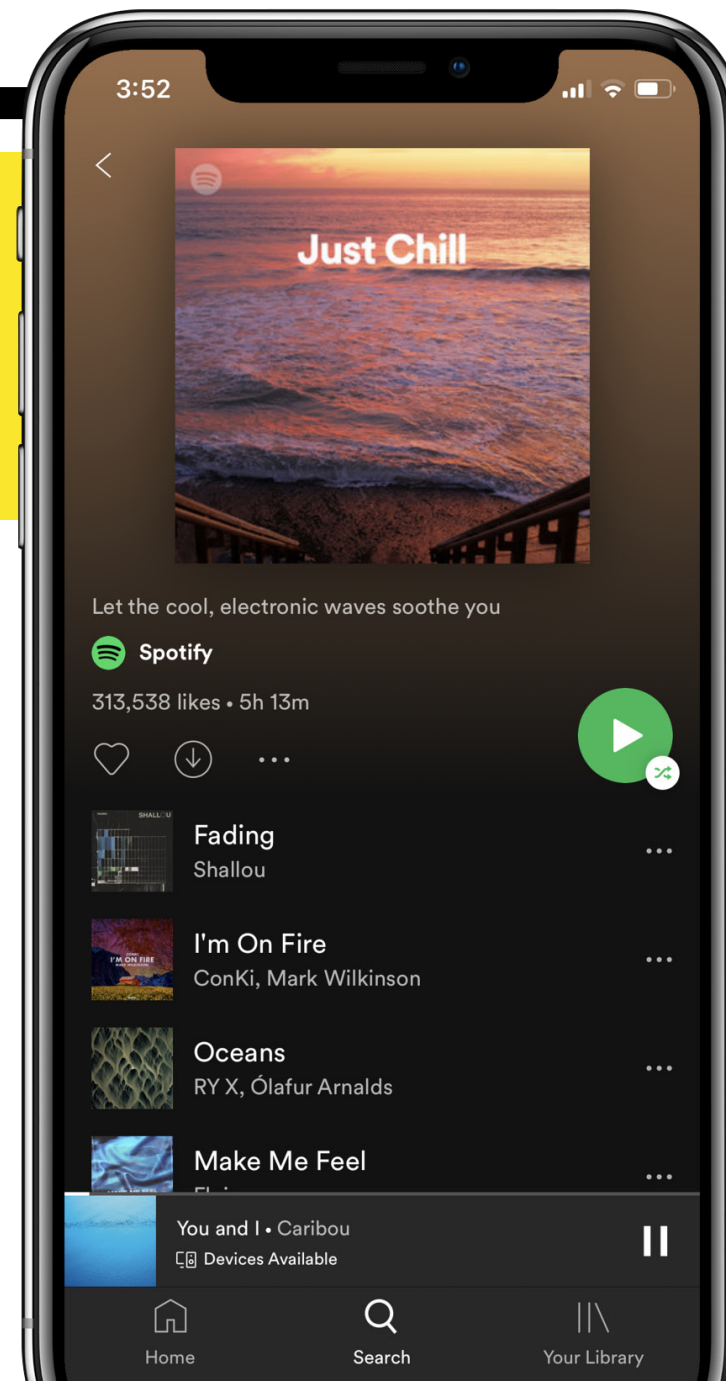




# Wellness & Relaxation

Chill was already the most popular moment on Spotify.

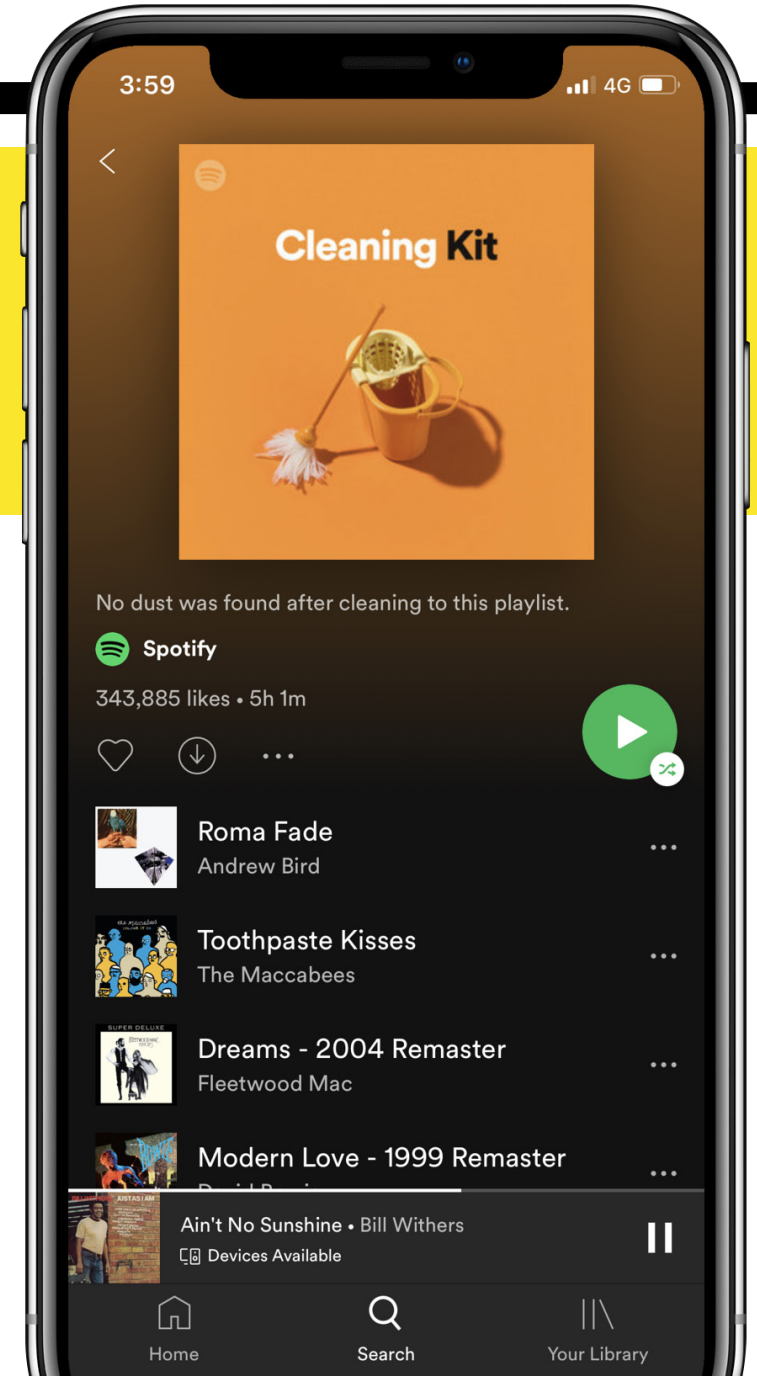
Increased search for: Chill, Chilled, Classical, Acoustic, Relaxing & Instrumental.



# Around the House

Increased search for: Housework, Cleaning, Shower, Breakfast, House & Jazz.

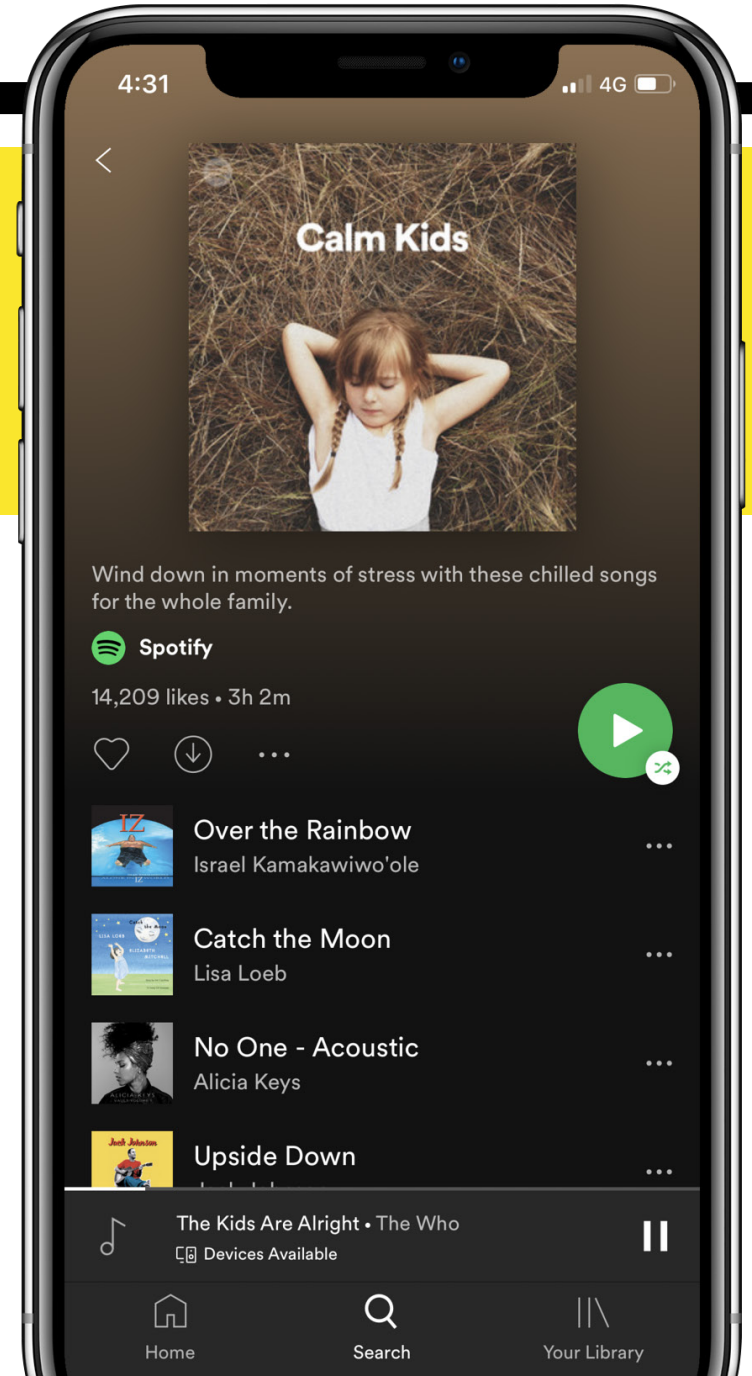
Source: Spotify internal Search Data Week Ending 26 March 2020



# Parents with Children

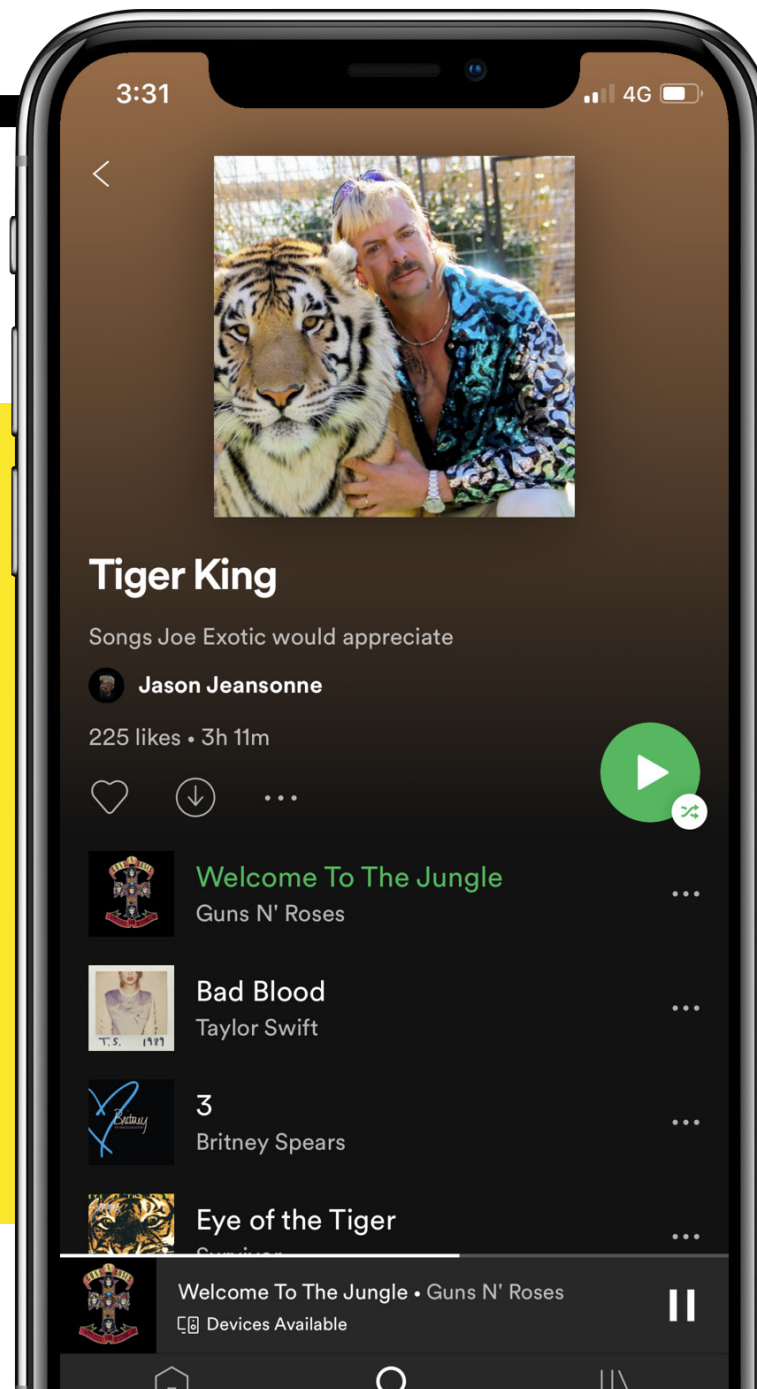
Increases in search for: Fishy on Me,  
Kids Dance, Disney, Harry Potter & Baby  
Sleep.

Source: Spotify internal Search Data Week Ending 26 March 2020



Also,  
'Tiger King +606%  
Search Increase

Source: Spotify internal Search Data Week Ending 2 April 2020





# Buying Trends



# **Brands are using programmatic more in these times**

- **It's easy to test and learn through programmatic**
- **Programmatic allows for more flexibility**



QUESTIONS?





WEBINAR  
SERIES



# NATIVE ADVERTISING

## BEST PRACTICES & LOCAL EXAMPLES

11 AM-12PM • THURSDAY • 30.04.2020