DIGITAL AUDIO BUYER'S GUIDE

EDUCATION & TRAINING DECK

MARCH 2020

iab. australia

AUDIO ADVERTISING COUNCIL

CONTENTS

1. **INTRODUCTION & BACKGROUND**
   - IAB Audio Council
   - Why are advertisers investing in digital audio?

2. **THE CONSUMER STORY**
   - Consumer usage of streaming audio and podcasts

3. **PLANNING AND BUYING DIGITAL AUDIO**
   1. Ways to buy digital audio advertising
   2. Ad creative formats available

4. **METRICS AND MEASUREMENT**
   - What can be measured
   - Measuring success of audio advertising

5. **DELIVERY & TARGETING**
   - Types of audio targeting

6. **CREATIVE BEST PRACTICE**
   - Guidelines for success
   - Results from apply best practice

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.

A GUIDE TO BUYING DIGITAL AUDIO ADVERTISING

TECH
CONTENT

STREAMING
- LIVE RADIO
- MUSIC

PODCAST
- ORIGINAL NARRATIVE CONTENT
- CATCH-UP RADIO
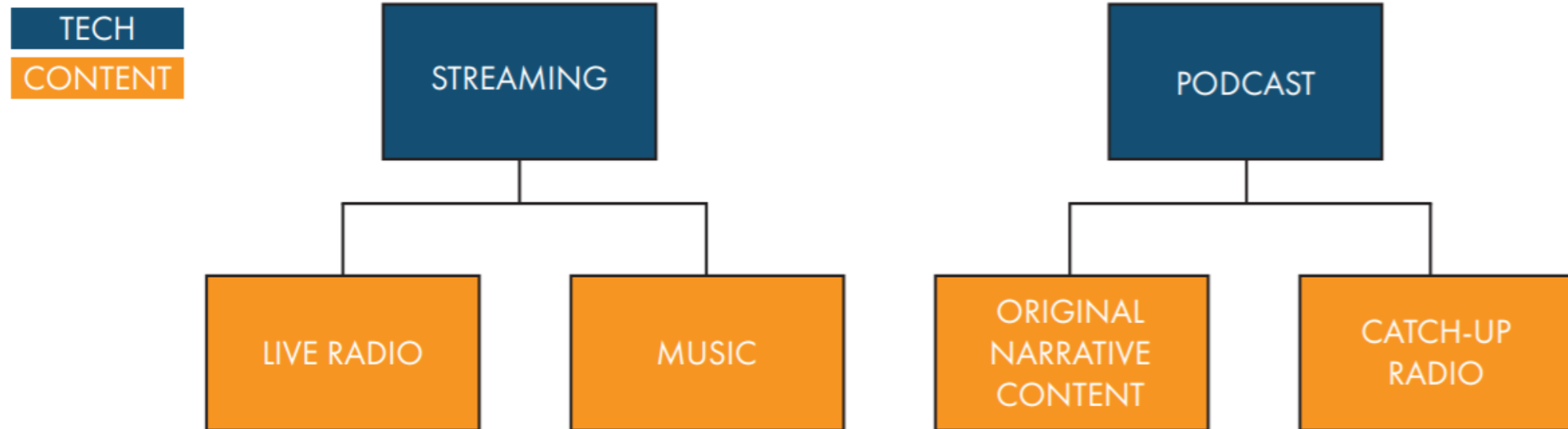
ADVERTISERS ARE INVESTING IN DIGITAL AUDIO

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
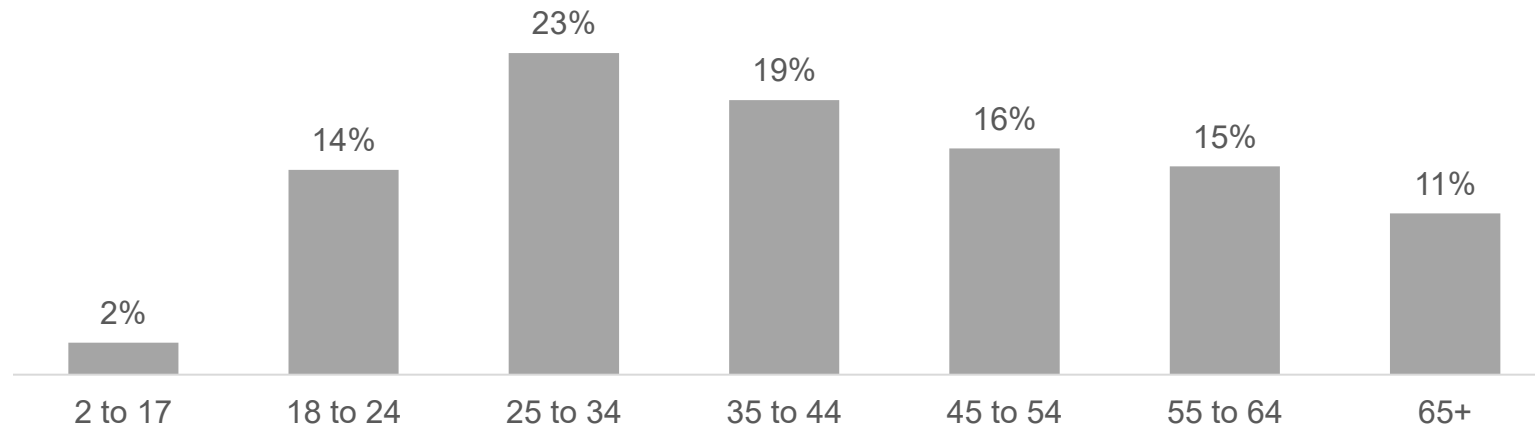
✓ Brand safe message environments

THE CONSUMER STORY
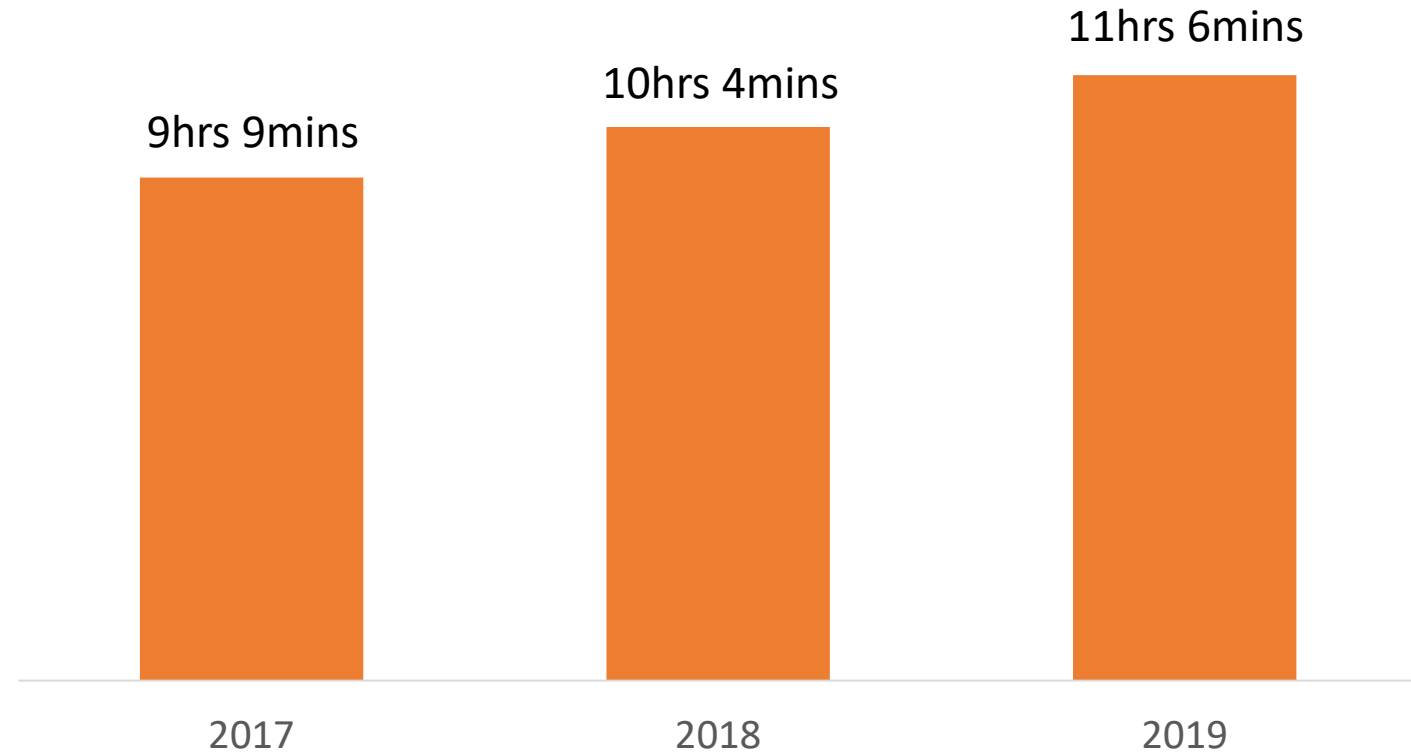
AWARENESS AND USAGE OF PODCASTS IS GROWING

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

% LISTENED TO A PODCAST

Monthly
- 2017: 17%
- 2018: 18%
- 2019: 22%

Weekly
- 2017: 10%
- 2018: 13%
- 2019: 15%

■ 2017 ■ 2018 ■ 2019
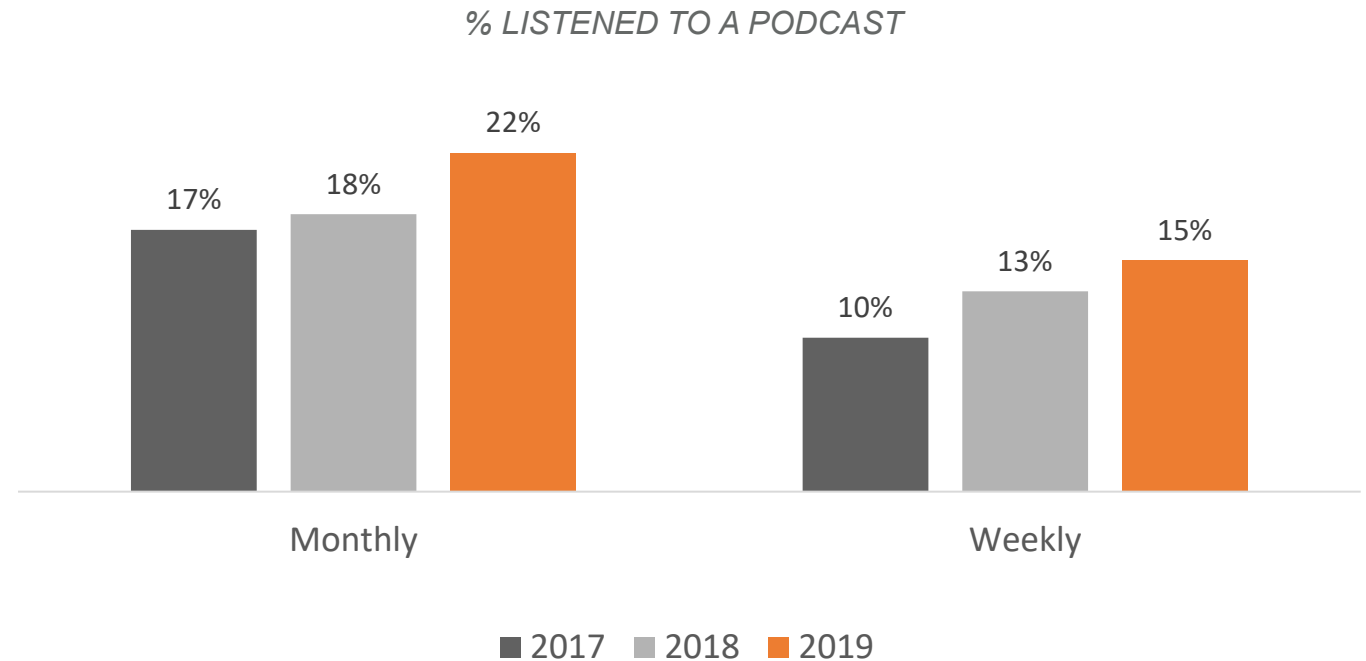
ENGAGEMENT WITH PODCASTS IS HIGH
AMONGST PODCAST LISTENERS THE AVERAGE CONSUMPTION IS 6 PODCASTS PER WEEK

NUMBER OF PODCASTS LISTENED TO IN THE LAST WEEK

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

11 or more
9%

One
14%

Six to Ten
19%

Two
21%

Four or Five
26%

Three
11%

AUDIO ADVERTISING
STATE OF THE NATION: WAVE 4

iab.
australia
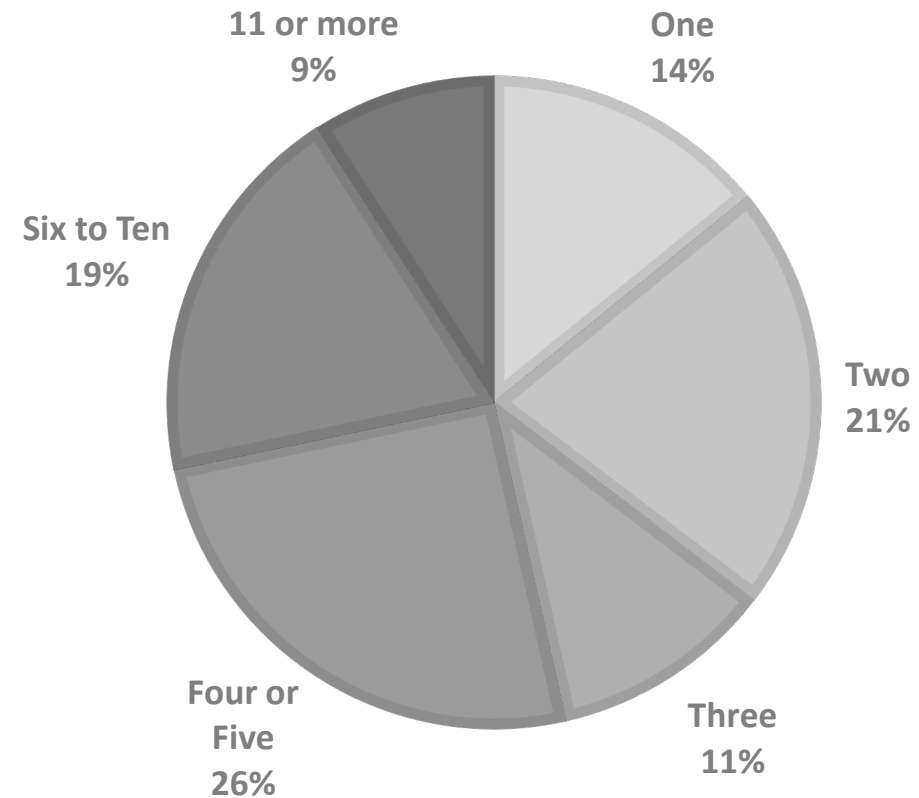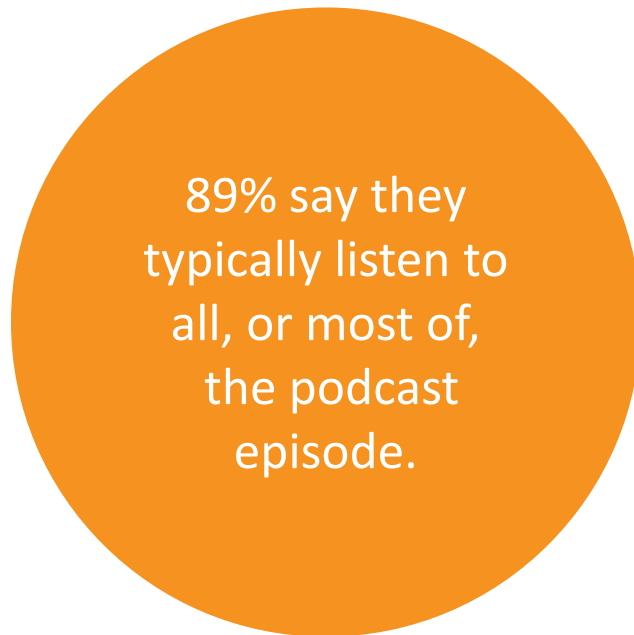
SMART SPEAKERS REPRESENT AN EXCITING NEW PATHWAY FOR AUDIO CONSUMPTION

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

USES OF SMARTSPEAKER AMONGST THOSE USED IN LAST MONTH

Listening to streaming music service	75%
Weather forecast	54%
Alarms/Reminders	48%
Online Search	35%
Listening to radio	26%
Checking the News	25%
Controlling Smart home devices	25%
Listening to podcast/s	21%
Recipes/Cooking	15%
Checking Sports scores	13%
Checking Traffic	11%
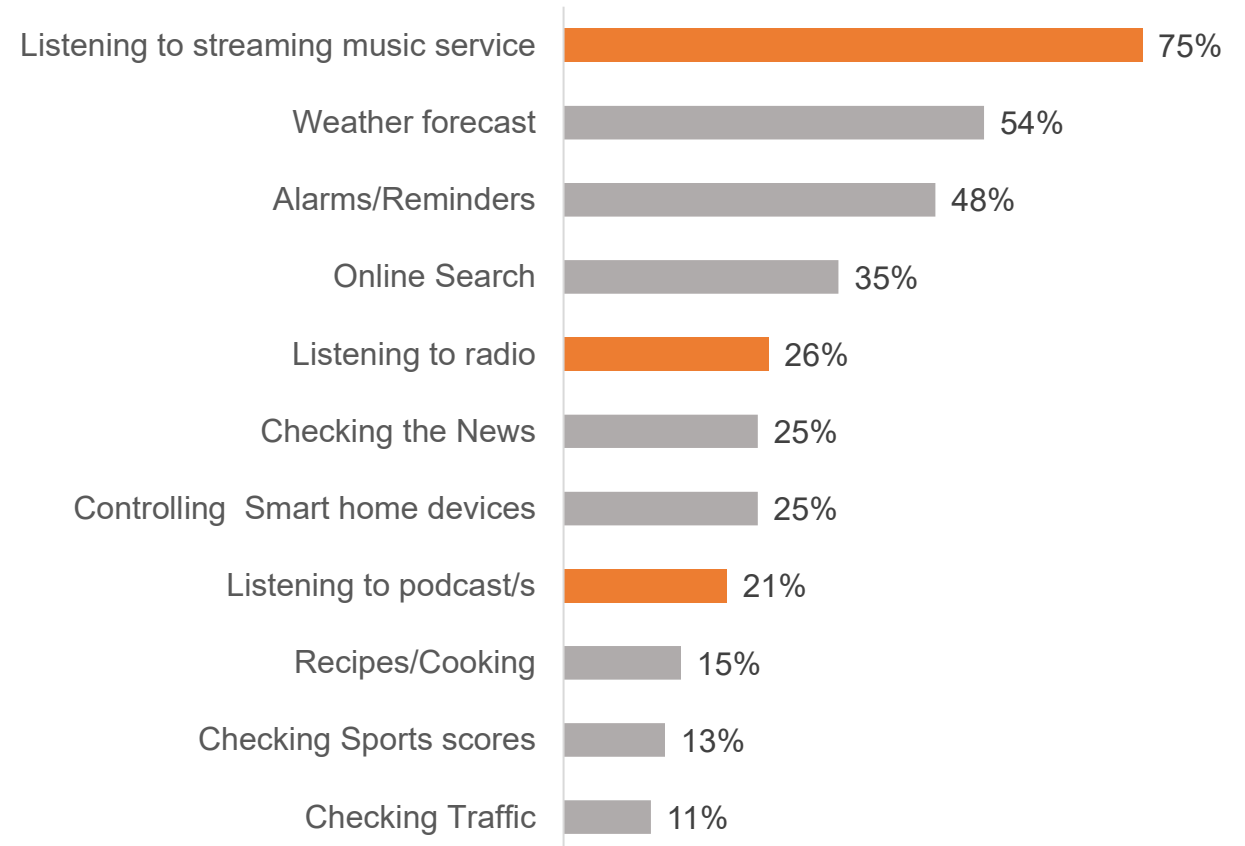
AUDIO ADVERTISING
STATE OF THE NATION: WAVE 4

DIGITAL AUDIO ADVERTISING OPPORTUNITIES

TECH
CONTENT

STREAMING

LIVE RADIO

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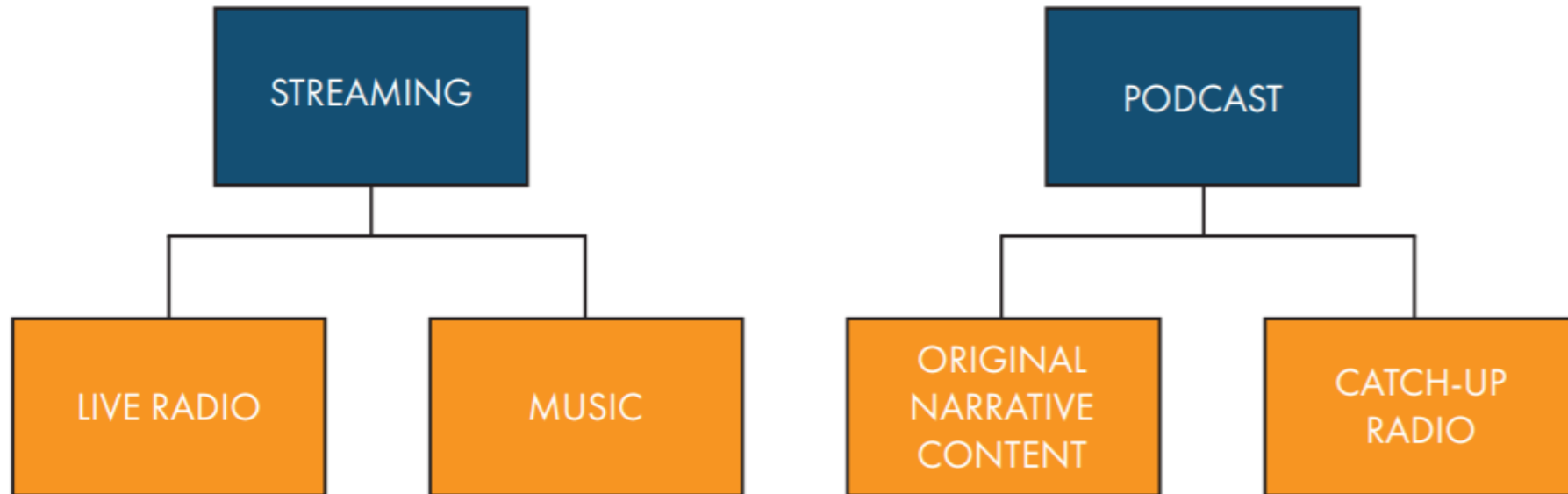
Streamed audio is delivered over a continuous connection between the audio source and the listener.

PODCAST

ORIGINAL NARRATIVE CONTENT

CATCH-UP RADIO

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
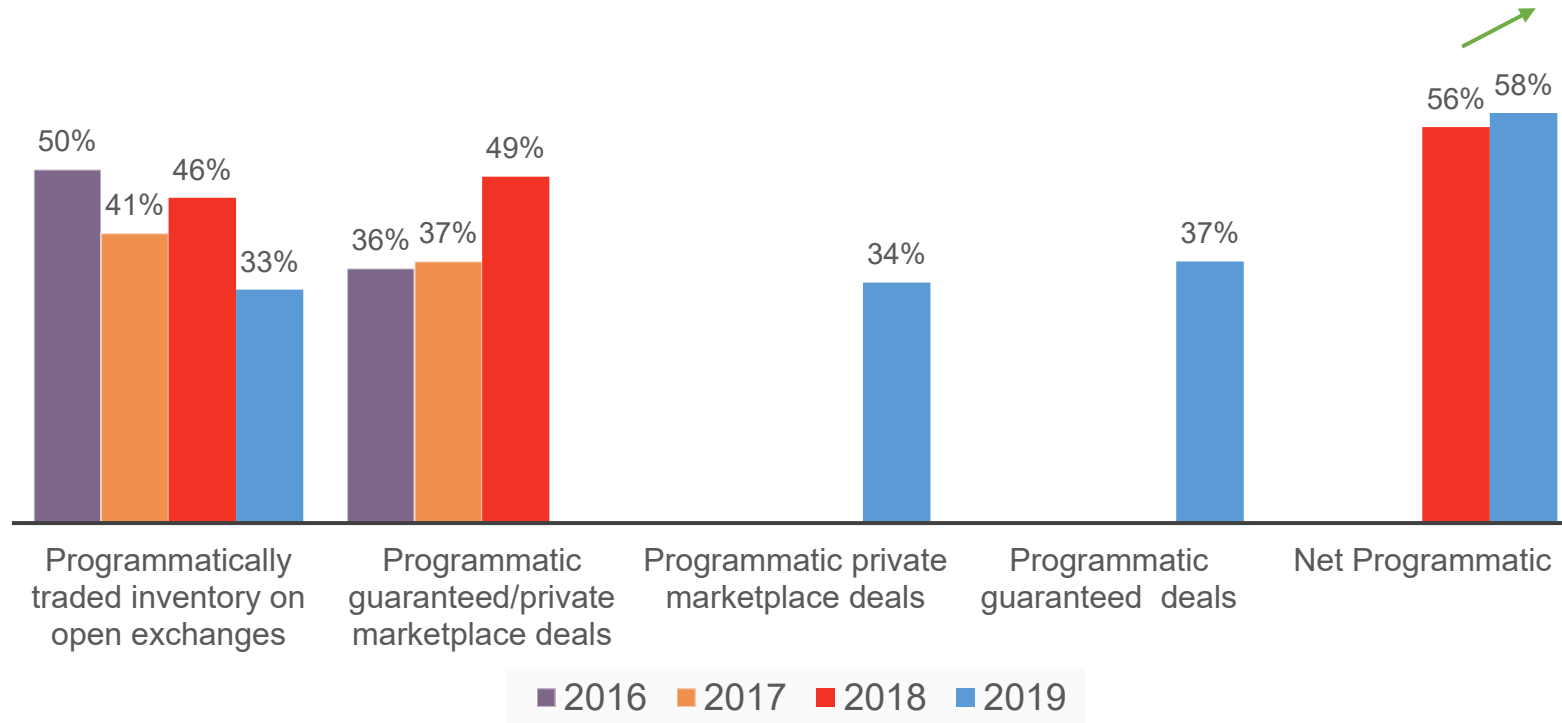
BENEFITS OF BUYING PROGRAMMATICALLY

✓ 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
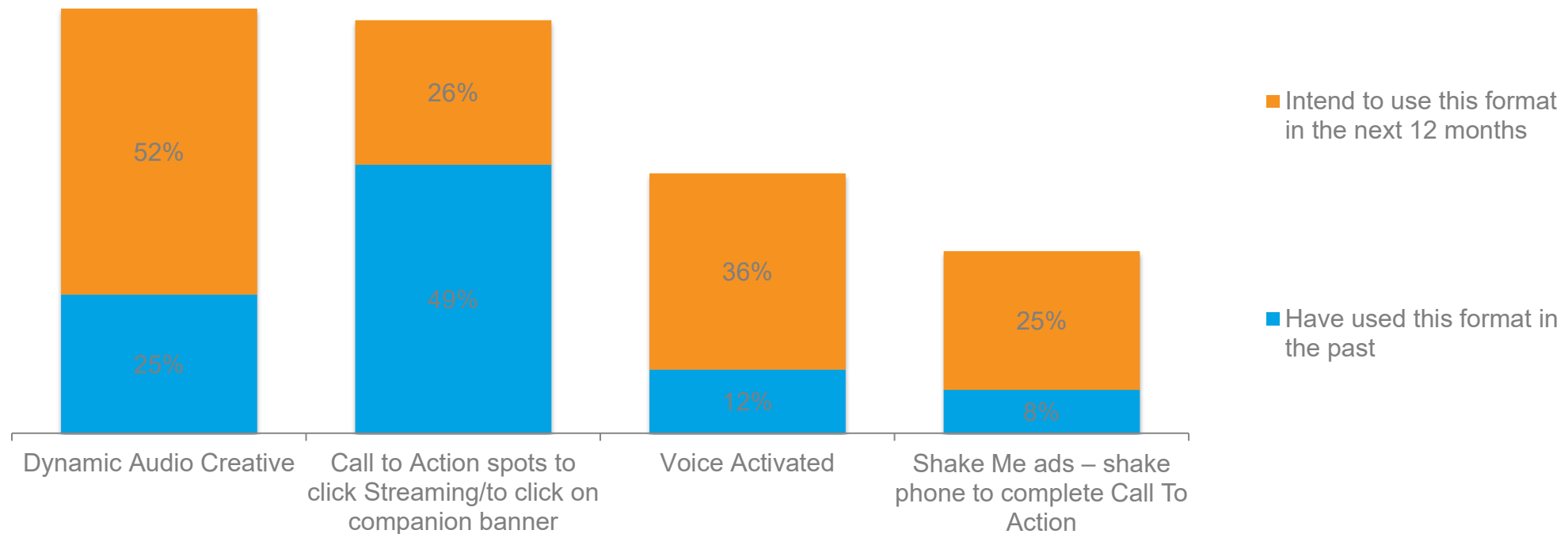
BUYING METHODS MEDIA AGENCIES INTEND TO USE FOR AUDIO ADVERTISING

Chart data:

	Programmatically traded inventory on open exchanges	Programmatic guaranteed/private marketplace deals	Programmatic private marketplace deals	Programmatic guaranteed deals	Net Programmatic
2016	50%	36%			
2017	41%	37%			
2018	46%	49%			56%
2019	33%		34%	37%	58%

Legend: 2016 2017 2018 2019

AUDIO ADVERTISING
STATE OF THE NATION: WAVE 4

STREAMING AUDIO AD CREATIVE FORMATS

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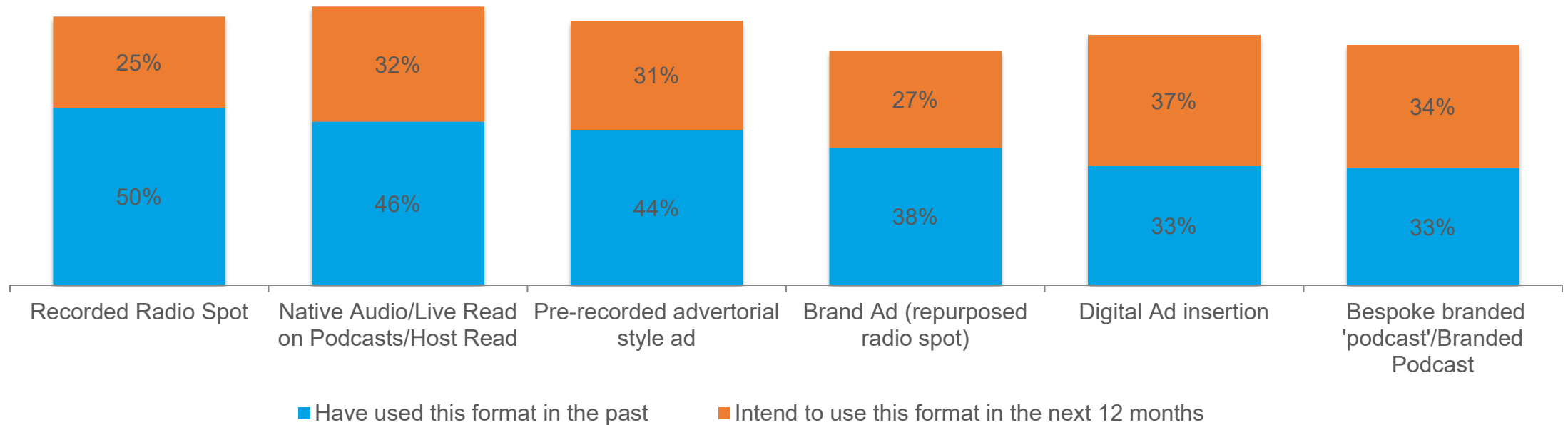streaming audio ad creative formats

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

- ■ Intend to use this format in the next 12 months
- ■ Have used this format in the past

AUDIO ADVERTISING
STATE OF THE NATION: WAVE 4

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 EXERIENCE OR INTENT TO USE PODCASTS

	Recorded Radio Spot	Native Audio/Live Read on Podcasts/Host Read	Pre-recorded advertorial style ad	Brand Ad (repurposed radio spot)	Digital Ad insertion	Bespoke branded 'podcast'/Branded Podcast
Intend to use this format in the next 12 months	25%	32%	31%	27%	37%	34%
Have used this format in the past	50%	46%	44%	38%	33%	33%

■ Have used this format in the past   ■ Intend to use this format in the next 12 months

AUDIO ADVERTISING
STATE OF THE NATION: WAVE 4

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

AUDIO ADVERTISING
STATE OF THE NATION: WAVE 3

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.
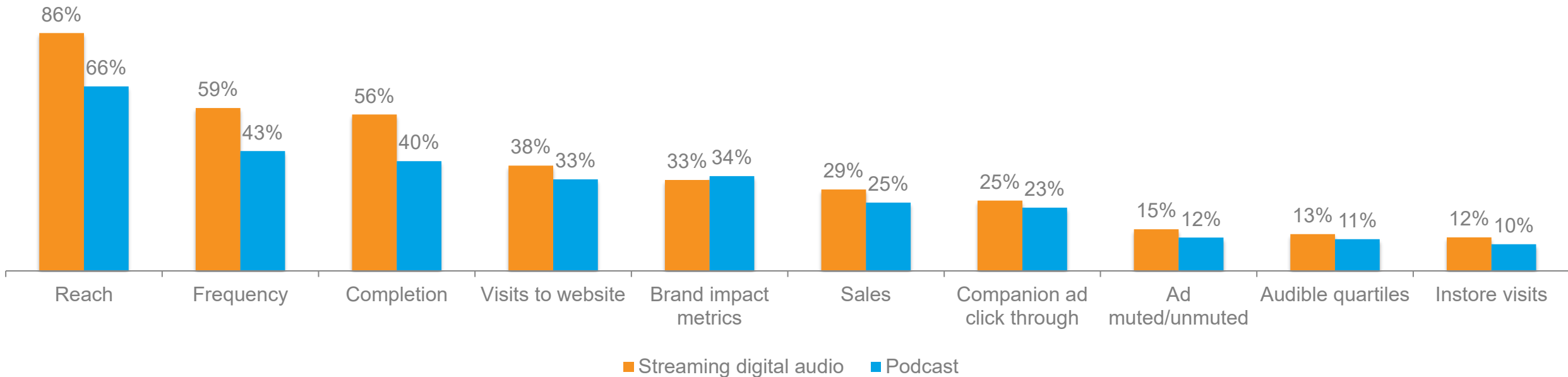
PODCASTS – WHAT CAN BE MEASURED?

- 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
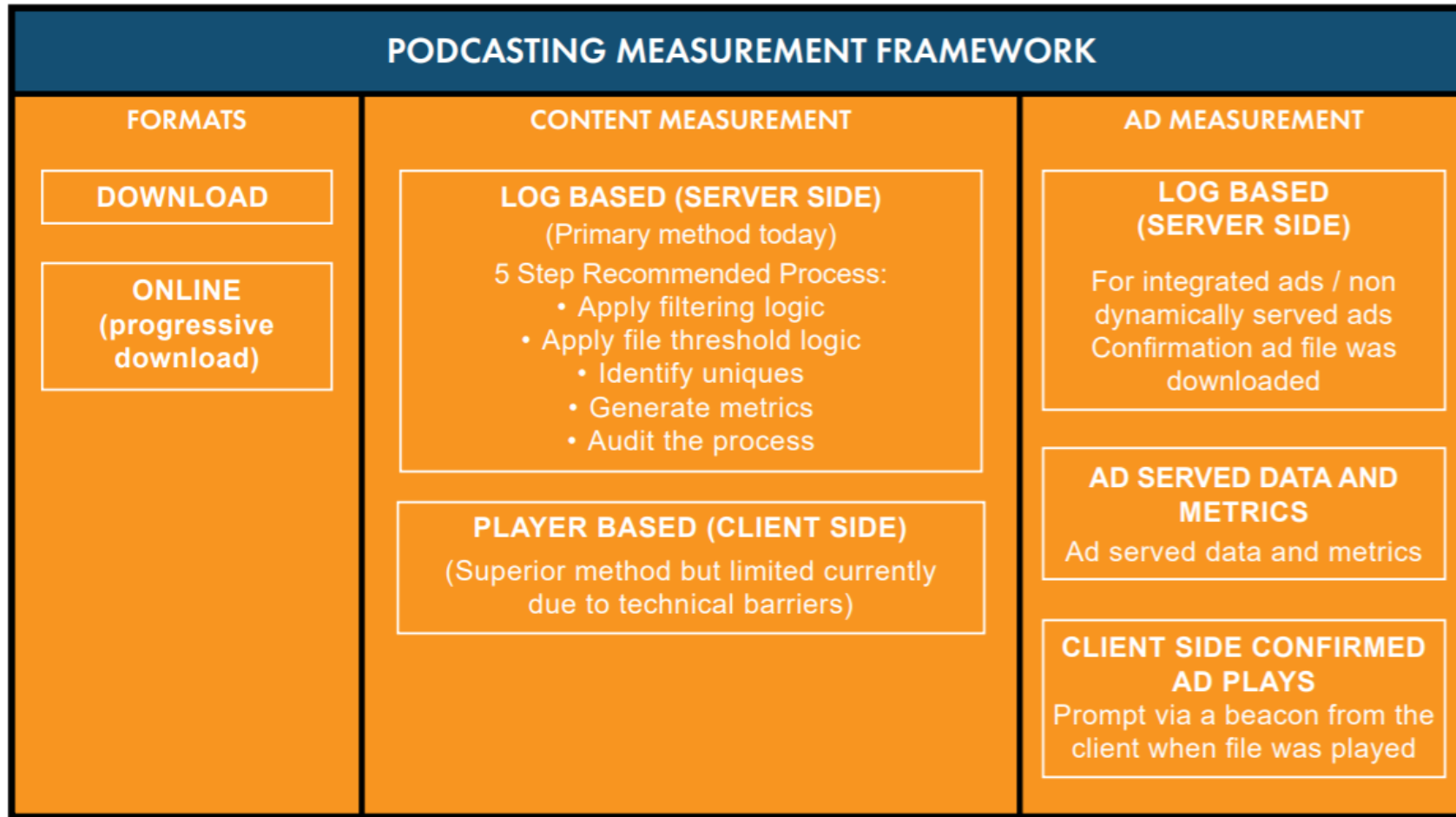
PODCASTING MEASUREMENT FRAMEWORK

FORMATS

DOWNLOAD

**ONLINE
(progressive download)**

CONTENT MEASUREMENT

LOG BASED (SERVER SIDE)
(Primary method today)
5 Step Recommended Process:
• Apply filtering logic
• Apply file threshold logic
• Identify uniques
• Generate metrics
• Audit the process

PLAYER BASED (CLIENT SIDE)
(Superior method but limited currently due to technical barriers)

AD MEASUREMENT

**LOG BASED
(SERVER SIDE)**

For integrated ads / non dynamically served ads
Confirmation ad file was downloaded

AD SERVED DATA AND METRICS
Ad served data and metrics

CLIENT SIDE CONFIRMED AD PLAYS
Prompt via a beacon from the client when file was played

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.

Split into randomised groups → Deliver advertising → Measure conversions

Test: with your advert → Ad → Y%

Control: without your advert → Ghost Ad → X%

$$\frac{(\text{Test Media Conversion Rate} - \text{Control Media Conversion Rate})}{\text{Control Media Conversion Rate}} = \text{Incremental Lift}$$
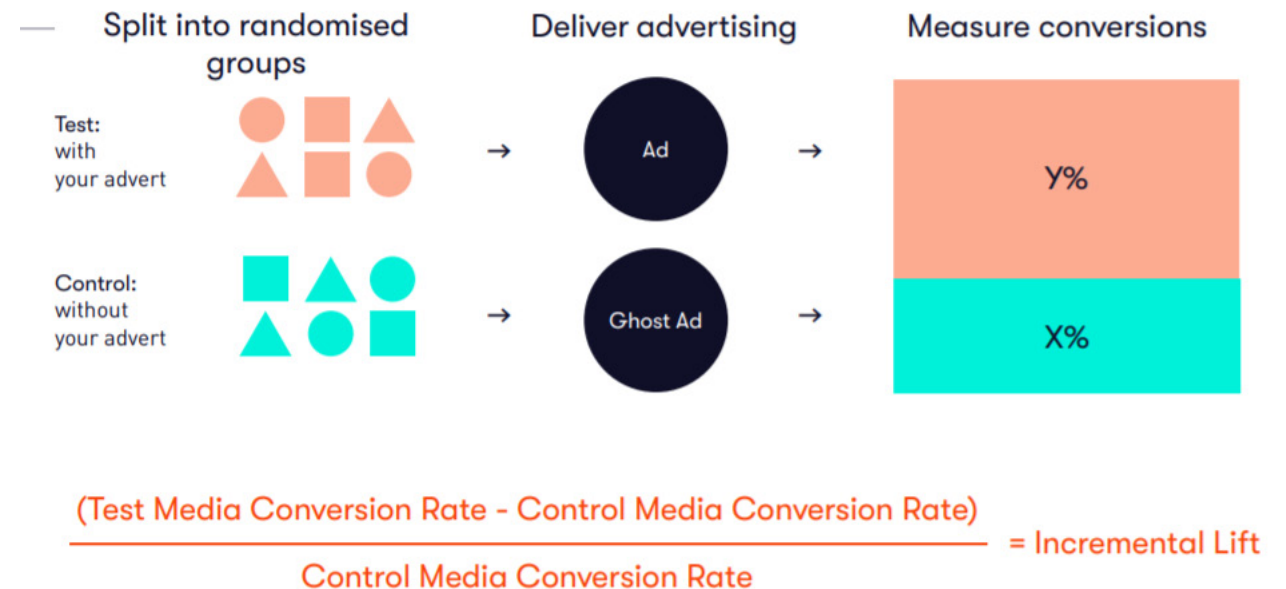
VAST 4.1 - NOW WITH AUDIO POWER

- 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
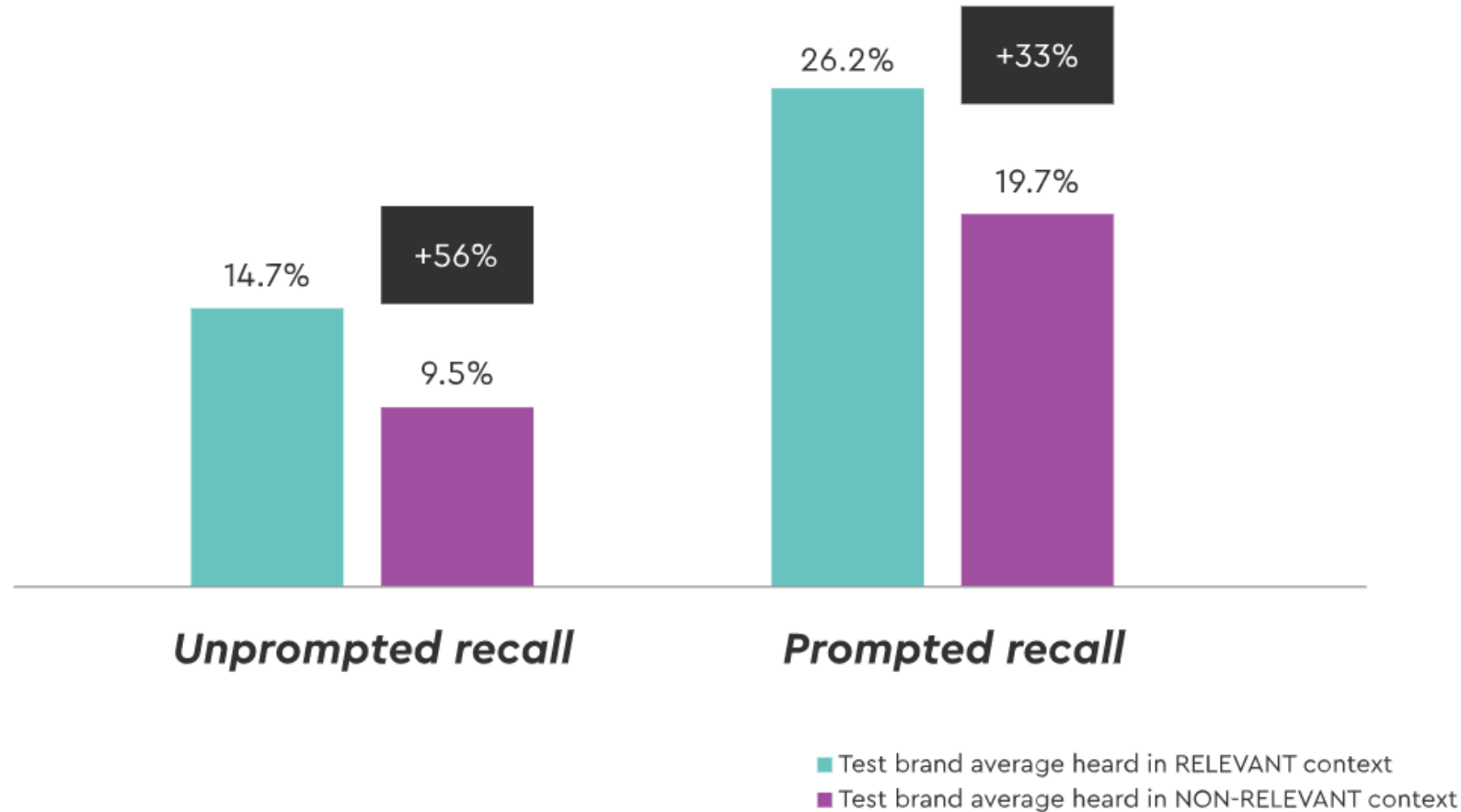
CREATIVE BEST PRACTICE

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

ROOM TO IMPROVE FIT FOR PURPOSE CREATIVE

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

FREQUENCY OF CHANGING CREATIVE TO SUIT PARTICULAR AUDIO ENVIRONMENT AMONGST MEDIA BUYERS WITH PREVIOUS EXERIENCE OF ANY AUDIO
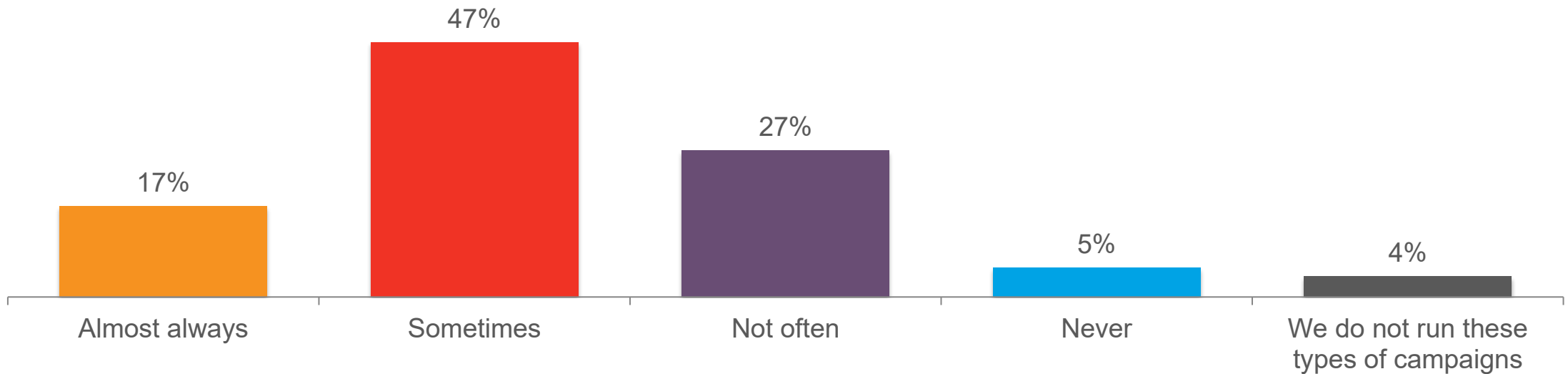
Almost always	Sometimes	Not often	Never	We do not run these types of campaigns
17%	47%	27%	5%	4%

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

AUDIO ADVERTISING
STATE OF THE NATION: WAVE 4
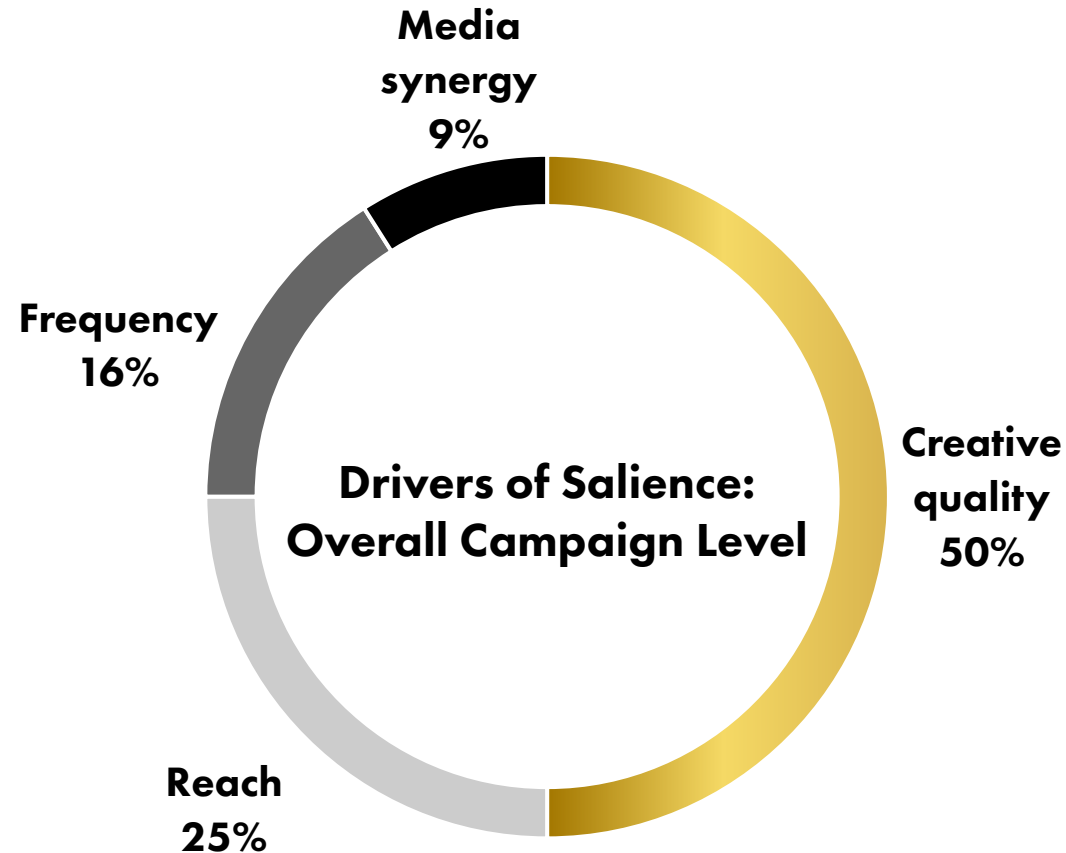
BEST PRACTICE: CREATIVE IS INTEGRATED AND CUSTOMISED

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)

100

+57

157

Not well integrated or adapted to media context

Integrated AND most media were customised well

Base: (57) (102)

KANTAR

AUDIO ADVERTISING
STATE OF THE NATION: WAVE 4

iab.
australia

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

MORE RESOURCES

BEST PRACTICE AUDIO CREATIVE

Digital Audio Fit-For-Purpose Creative: Choosi and IAB Audio Council

There's no one-size-fits all approach to audio. Each audio platform is consumed in a different way and has its own nuances which need to be considered. Visit the IAB Digital Audio Best Practice site here.

LATEST IAB PODCAST ON AUDIO

The Podcasting Boom - with Sharon Taylor and Rob Loewenthal

Gai Le Roy caught up with audio experts Sharon Taylor of Omny Studio and Rob Loewenthal of Whooshkaa to discuss what makes a good podcast, building an audience that will last, dynamic ad insertion and targeting.

MORE RESOURCES FROM THE IAB

IAB Creative Resources

On this page we have rounded up all of our latest creative resources, designed to fully embrace digital advertising in all shapes, sizes and formats. Visit the IAB microsite for more.

Stay up-to-date with IAB Australia and the work we do to simplify and inspire the digital advertising industry by following us on LinkedIn, Twitter and Facebook, and subscribing to our monthly newsletter.