# IAB SA DIGITAL AUDIO MARKETING TOOLKIT

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iab.
south africa

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# SECTION 1: INTRODUCTION

Our intimate connection to audio begins even before we are born, when hearing is developed at six months in utero. From that moment, hearing becomes one of our most powerful drivers to acquire information, to maintain relationships and connections, and to experience life. Audio shapes one's quality of life.

Audio has the power to evoke emotion. Research has shown that we use music to regulate our moods and emotions more than for any other purpose and, thanks to the proliferation of streaming platforms, music has never been more accessible.

Brands already know this and have turned their attention to digital audio to capture consumers' attention and deepen connections and emotional relevance. For brands, the challenge of getting consumers' attention and standing out from the crowd is nothing new. Consumers are inundated with media channels, content options and brand messages more than ever before.

Consumers are also multitasking and multi-screening, which makes it increasingly more difficult to capture and hold consumers' attention. "Share of attention" and other attention-based metrics have been widely adopted by marketers to measure how interested and engaged users are.

Digital audio addresses these challenges and puts brands front and centre for a consumer. As has been said, "No one listens to two radio stations or podcasts at the same time."

**OUR AIM:**

This toolkit has been developed to address the fundamentals of digital audio. It is a collection of authoritative and adaptable resources for all industry stakeholders. It also provides a framework of reference and credibility for publishers, levelling the playing field between large and small, and unlocking even more value for stakeholders.
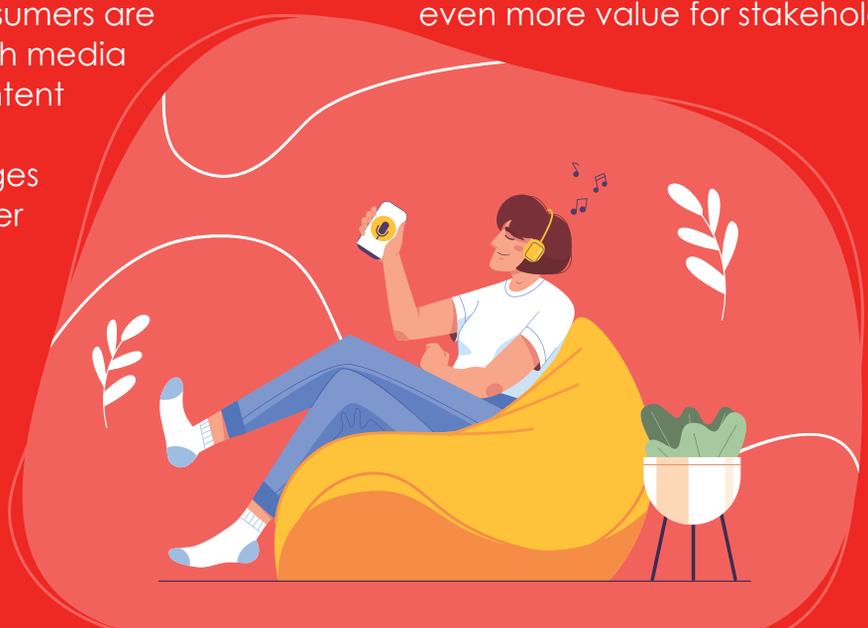
# SECTION 2: DEFINITIONS

"Digital audio" refers to any online audio that is delivered via IP and can be streamed or downloaded on any device.

Audio content can be broadly split into music and spoken word. It is delivered to listeners in real time, such as streamed audio content and audio on demand, including podcasts that have been downloaded and those streamed online.

This definition includes a vast range of services, including:

- **broadcast AM/FM radio stations online;**
- **purely online radio stations;**
- **streamed audio content; and**
- **on-demand audio content, including podcasts, which is downloaded to a device for later listening.**
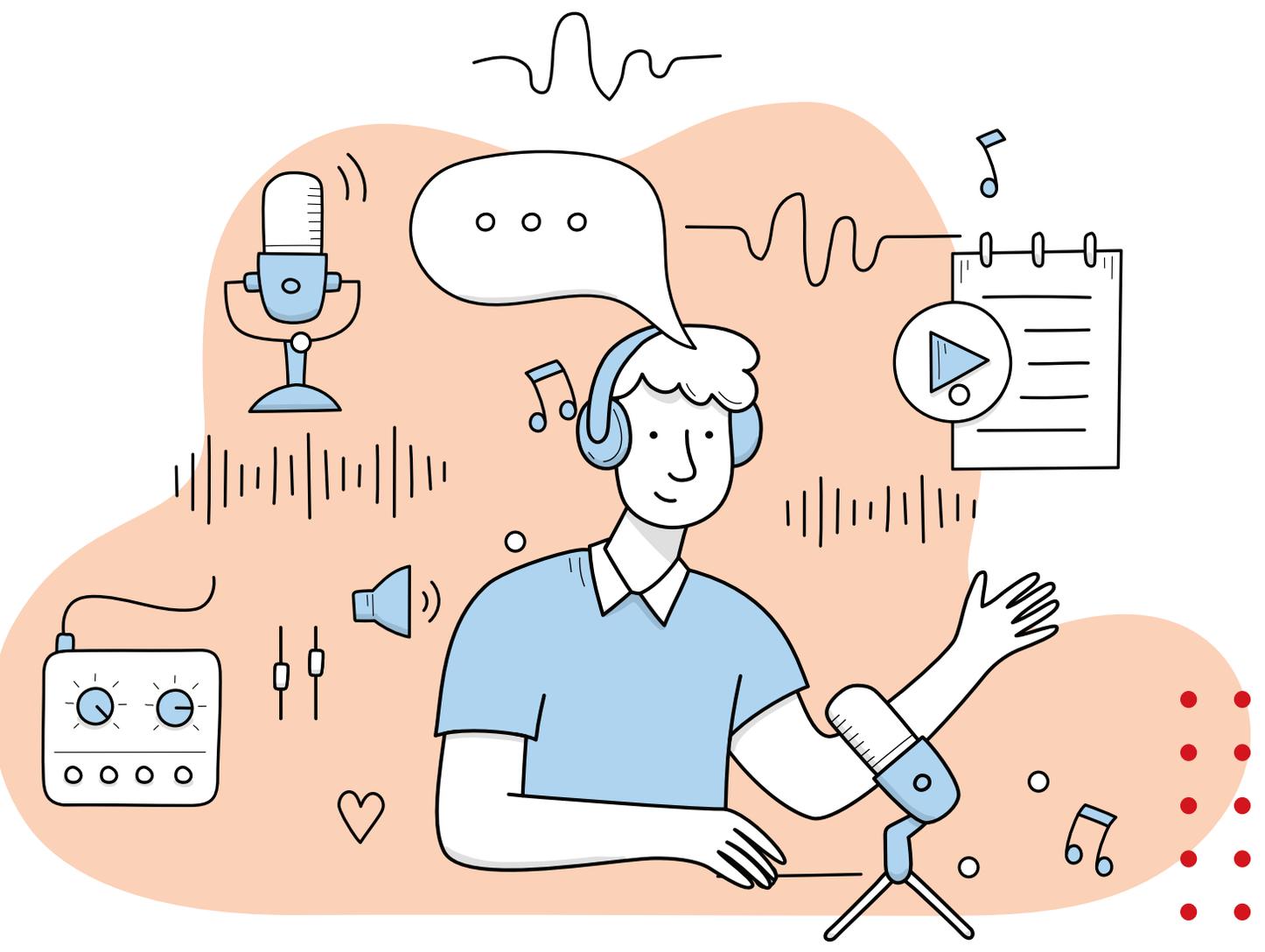
# SECTION 3: THE POWER OF DIGITAL AUDIO AND ITS VALUE PROPOSITION

*"No one listens to two radio stations or podcasts at the same time."*

In an increasingly fragmented digital media landscape, brands are turning their attention to audio. Not only is it a step away from the clutter of tried-and-tested digital advertising formats, but it also offers brands something the rest of the digital landscape cannot. Because of the linear nature of audio, it provides an undiluted medium where each message monopolises the moment.

Beyond this inherent core benefit, digital audio also allows for quick production times, scalable testing and an established pool of platforms that cater for the format.

In this next section we look at the power of digital audio and its value proposition.

## PERSONALISATION AND ADDRESSABLE MOMENTS

By using audio to reach people when they are at their most attentive, marketers can create messaging that matches the consumer's moment of audio consumption – workout time, bedtime or downtime, for example. Digital audio is on track to deliver more than $6bn in ad revenue by 2022 in the US alone.[1] These micro-moments are opportunities to personalise messages for specific listeners at specific moments in their lives.

As with any new media platform or communication technology, the smarter audio channels become, the more personalised the content will be. This will allow brands to speak more directly to their audiences – for example, if the data tells your favourite store that your most-listened-to artist on Spotify is Green Day, don't be surprised if the ads it serves you start featuring Green Day.

1. US Audio Advertising Forecast 2021: https://www.emarketer.com/content/us-audio-advertising-forecast-2021

## ONE-TO-ONE BRAND LISTENER EXPERIENCE

Audio is a linear format, meaning that advertising in audio content does not fight for users' attention because there is no competing content. This is a welcome step away from other digital or even traditional placements where a user's attention is often divided across several messages vying for their attention on the same medium.

While visual media are constantly competing to catch our attention, audio is unique. It can act as a companion to our everyday moments – in some cases, it has the power to enhance these moments.

Two developments are strengthening our intimate relationship with sound. The first is headphones, which are long past being a trendy accessory and are now the dominant way we consume audio content – Generation Z are 54% more likely to stream audio on their headphones [2] than the general population. The use of headphones makes the listening experience more immersive and can create deeper emotional connections with consumers.

Second, smart and connected devices are removing any remaining points of friction in personal listening, from our homes to our cars. We have mobile phones that automatically connect to a vehicle sound system via Bluetooth, or smart speakers that we can simply ask to play our favourite podcast. And having your own smartphone means not having to listen to what's playing on a taxi's sound system.

2. The Drum: The power of audio: Chapter 1
https://www.thedrum.com/news/2017/02/15/the-power-audio-chapter-1

## AUDIO IS EVOCATIVE

Research shows that we use music to regulate our moods and emotions more than for any other purpose – and, thanks to the proliferation of streaming platforms, music has never been more accessible. Because music is such an emotional and personal medium, it can evoke vivid memories. Streaming audio will uncover profound and important insights about consumers and their behaviour. It is a remarkable opportunity to understand how people are feeling, not just what they're doing.

## CURRENT & FUTURE DATA OPPORTUNITIES

Due to continuous developments in targeting technologies, coupled with the ever-rising demand for streaming music and podcasts, we are perfectly poised to find unique and exciting ways to reach audiences.

Streaming platforms and apps store unique listener and device IDs, which allow advertisers to capture data across even more platforms. Together with the opportunities programmatic presents with demographic, behavioural and household data, audio can now be used to target unique audiences in premium, brand-safe environments. Playlists and podcast categories provide contextual ways in which advertisers can engage listeners through developments such as mood-based targeting – which can also be extended to life moments or seasonal events.

These sophisticated targeting capabilities, combined with the nature of the format, means that digital audio advertising can be an incredibly effective channel for brands.

# SECTION 4: DIGITAL AUDIO LANDSCAPE

*"Listening is reading if you close your eyes."*
*– David Mitchell*

Digital advertising may seem complicated due to the multitude of stakeholders. Digital audio advertising also has a plethora of stakeholders and services and an ever-increasing number of technology options.

As an example, the 2021 Audio LUMAscape[3] diagram below maps various companies into categories.
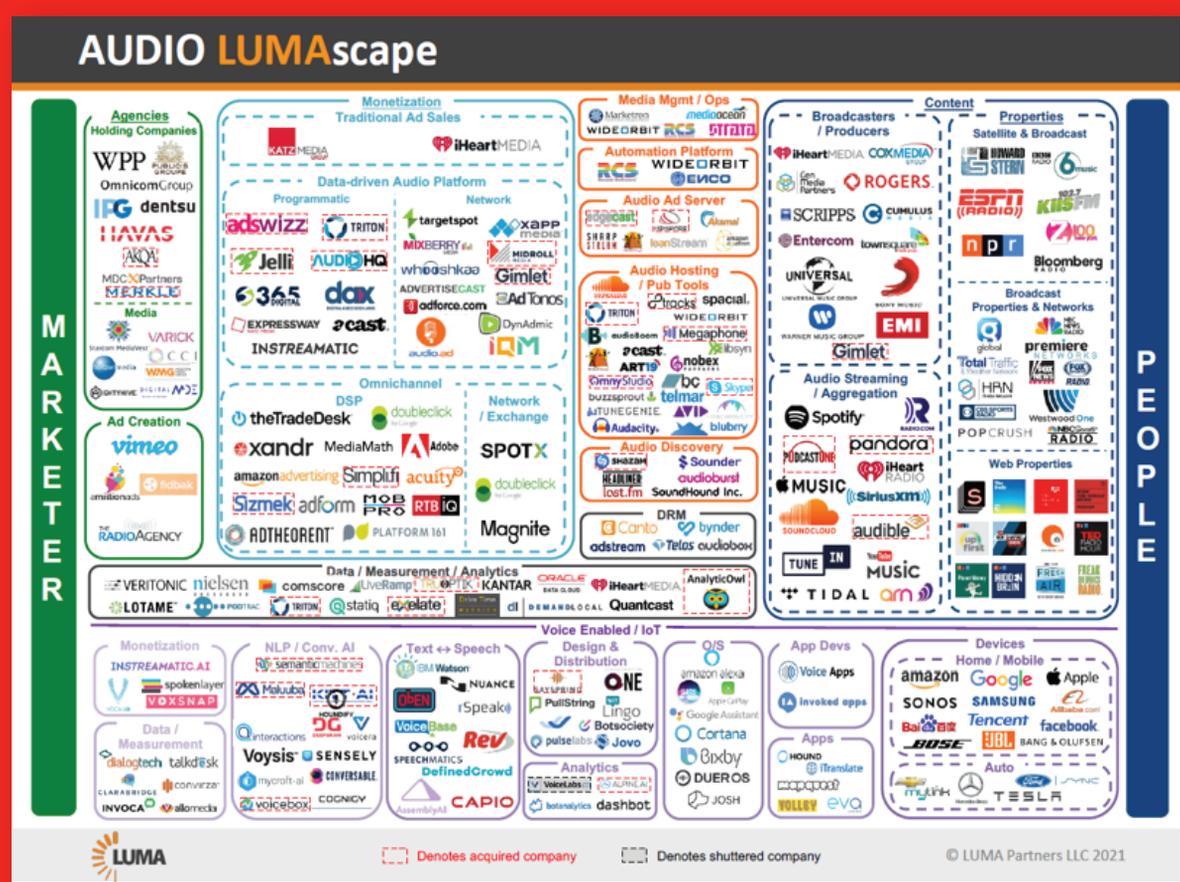
However, if one takes a step back, the ecosystem can be distilled into three key stakeholder categories and four broad enabling components.
The digital audio components link the three key stakeholders and ensure that everyone's needs are met as well as possible.
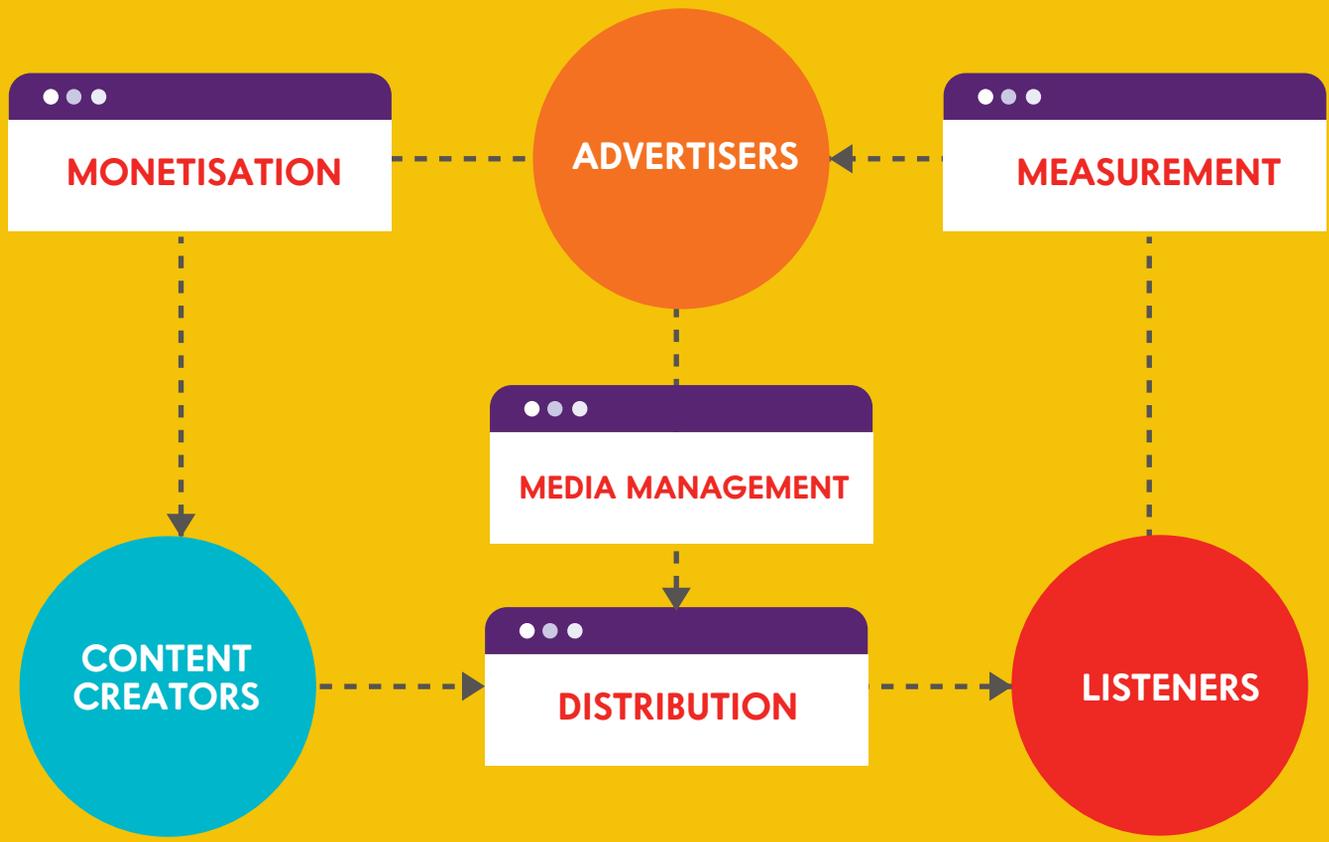


At its core, a **content creator/publisher (for example, a podcaster, streamer, radio station or media company)** generates compelling content for listeners. This can be real-time content, such as an FM or AM radio station that is also streaming on the internet.

**Advertisers** buy opportunities from the content creator/publisher to influence listeners.

Digital audio content (real-time and on demand) is made available on the internet through **media management systems** where content is uploaded, managed with accompanying metadata and made available for consumption.
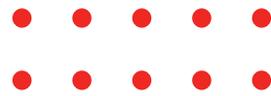
Content is then **distributed** via syndication sites and audio aggregators, social media platforms, technology integrations with smart speakers and automobiles, among others, and other players.

**Monetisation** technology provides mechanisms for the content creator/publisher to monetise content.

In this document, the emphasis will be on advertising mechanisms that include the ability to know how much inventory is available; to book and manage campaigns; to have audio advertisements inserted in content; to target the delivery of advertisements; to monitor and measure; and to have a view of financial aspects related to such advertising. Monetisation also includes patron and sponsorship models, paid subscriptions and premium content mechanisms.

**Measurement** provides the ability to measure success and trends in content consumption, audience and demographics consistently and reliably. This can apply to both content consumption and monetisation.

A critical consideration here is the measuring methodology. How are search bots and non-human traffic detected? What constitutes a valid listen? How are multiple file requests combined into a single listening session, and how are unique users measured?

Standardisation becomes even more important from an advertising and monetisation viewpoint.

The "IAB Podcast Ad Metrics Guidelines" provides valuable insights into the development of reliable industry standards for podcast audience tracking and representation and addresses the issues mentioned above. These methodologies have been adopted by numerous digital audio platforms, providing a valuable standard for reporting and measurement.

**The advertising ecosystem** refers to the roles of each of the components as they pertain to the commercialisation of digital audio.

With reference to the IAB Digital Audio Buyer's Guide:[4]

"Digital audio can be streamed or download-ed. The technical distinctions between streaming and downloading are virtually invisible to the listener, but they can impact how ad campaigns are planned, bought and measured. Streamed audio is delivered over a continuous connec-tion between the audio source and the listener. This connection enables real-time measurement of audience and reporting of impressions. The connection is initiated at the beginning."

And:

"Listening by download means that the listener has selected a segment for listening that has a beginning and an end – often referred to as a podcast.

"Downloads can be measured, can take just a few seconds, and require the listener to be connected to the internet. While music services like Spoti-fy and Pandora are delivered entirely via streaming, podcasts can be con-sumed either by streaming or down-loading."

Downloaded podcasts can be con-sumed immediately or saved for later listening. Downloaded music con-sumed offline will be counted by your streaming app the next time the app can connect to the internet. Edison Research's 2017 Infinite Dial study found that 77 percent of all podcast listeners said they "click and listen immediately," suggesting that down-loaded programmes have tremendous immediacy for the advertiser.[5]

4. https://iabeurope.eu/knowledge-hub/iab-europe-buyers-guide-to-digital-audio/
5. https://www.edisonresearch.com/infinite-dial-2017/

# SECTION 5:
## TYPES OF DIGITAL AUDIO

**As** mentioned above, digital audio content can be split into **real-time streamed audio** and **audio on demand.**

**Real-time streamed audio** uses a special streaming protocol. The stream goes out on the internet, is listened to and then disappears again. (Same as radio waves but via internet protocol instead of radio waves.)

**Audio on demand** (including podcasts and similar terms) refers to files that can be accessed at any time and downloaded either in their entirety or in little sections as they are being listened to, appearing to "stream".

*"Despite the use of the word 'streaming' in podcasting, 'streamed' podcast files are progressively downloaded via the standard HTTP protocol. True streaming – typically reserved for live events – requires a specialised server and uses an entirely different protocol."*

*"While 'streaming' a podcast and true streaming formats appear exactly the same to end users, delivery of a streamed podcast is logged the same way as a downloaded file in the server logs. This important distinction impacts the ability to measure content and ad delivery in real time without access to client-side analytics. Podcast publishers must work around this limitation and track metrics using server log data."* [6]

6. IAB Podcast Measurement Technical Guidelines (Version 2.1 Updated) https://iabtechlab.com/wp-content/uploads/2021/01/IABTechLab_Podcast_Measurement_v2.1_Updated_Jan-2021.pdf

# SECTION 6: AUDIO ADVERTISING FORMATS

Audio advertising formats may comprise different audio ad lengths and production styles and are inserted in or between audio content as **ad placements** or **native ad placements.** Ad placements:

☐ **Pre-roll:** an advertisement (whether baked-in or inserted live) that appears at the beginning of a piece of media content.

☐ **Mid-roll:** an advertisement (whether baked-in or inserted live) that appears at various times in a piece of media content.

☐ **Post-roll:** an advertisement (whether baked-in or inserted live) that appears at the end of a piece of media content.

**Native or baked-in ad placements:**
- Host mentions
- Live reads
- Power spots
- Product features
- Competitions
- Sponsorship (show sponsorships; segment sponsorships; feature sponsorships)

**Production formats**
- **Host read:** a commercial message that is delivered by the show host or an associated familiar voice. This message can be short- or long-form messaging (top and tail, open and closing billboard or mid-roll). It may be "baked in" or pre-recorded.
- **Studio pre-recorded:** typically done by an agency as part of a larger campaign, involving professional voice artists, multiple tracks, professional scripts and editing.
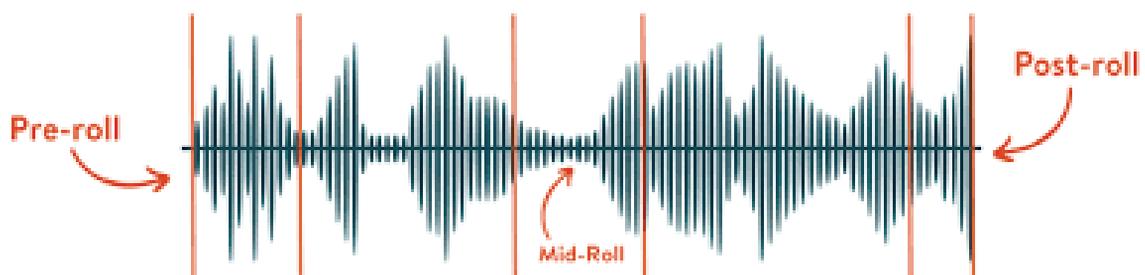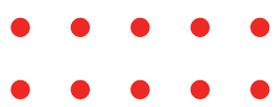
# SECTION 8: BUYING TYPES AND SALES MODELS

There are several strong value propositions for advertisers who are looking to invest, or already are investing, in digital audio:

- a highly responsive, engaged audience;
- listeners have the means to engage directly (because consumption is over connected devices);
- favourable demographics and contextual targeting opportunities;
- a one-to-one advertising experience;
- highly measurable impressions; and
- additional reach among mobile consumers.

When buying digital audio inventory, the two dominant types of costing models are:
- CPM (cost per thousand impressions); and
- sponsorship (bought on a flat fee).

Other less-common commercial types include:

- CPI (cost per install);
- CPL (cost per lead);
- CPA (cost per acquisition); and
- CPS (cost per sale).

## COMPANION ADVERTISEMENTS

Audio publishers often give advertisers the opportunity to run companion advertisements. These are display advertisements that deliver together with the above audio advertisements. They take many formats such as standard display (billboards, leaderboards, medium rectangles etc) or video and display in the player itself, acting in many cases to close the loop on the call to action from the advertiser in the said audio advertisement.

**Several variables may alter the cost of a specific ad spot. Here are the most common reasons why a podcast ad rate may differ between platforms and publishers:**

- Audience profile
- Podcast popularity (listens, social influence)
- Ad length
- Host-read vs traditional ads vs additional opportunities
- Number of purchased ad spots
- Campaign length
- Podcaster's discretion

## SALES MODELS

### DIRECT

Through direct buys, advertisers can reserve inventory in advance at a fixed price. In addition to this, the publisher manages the campaign completely on the advertiser's behalf. It is common practice to find publishers ring-fencing packages, ad formats and first-party data to the direct-buy type.

**Guaranteed delivery**
Reserve inventory in advance to ensure campaigns scale to meet your objectives.

**Fixed pricing**
Confidently budget your campaign through a fixed-price CPM, agreed upon before your campaign is activated.

### PROGRAMMATIC

Like other digital media, programmatic access to digital audio is readily available. The IAB defines programmatic as the automated buying and selling of inventory. The access, purchase and opportunity to bid on audio inventory uses the IAB Open Real-Time-Bidding (RTB) 2.4 Protocol framework (www.iab.com/openrtb). Inventory sold programmatically can be split between two types of buying:

- Open exchange (also often referred to as open market); and
- Programmatic direct private marketplace non-guaranteed (PMP) or programmatic guaranteed (PG).

Both solutions require a buyer to use a DSP (demand-side platform) and a seller to use an SSP (supply-side platform) or exchange. Through programmatic trading there are options for a publisher to disclose its domain/name transparently or to make it anonymous, masking the domain/name.

Due to an increased demand for transparency, a seller that chooses to mask its domain/name may be excluded from some buyers' programmatic trading.

### Open market

This is an open mode of buying and selling where a media owner can offer its ad inventory for sale to buyers, often through real-time auctions. There are options to disclose the publisher's name transparently or to make it anonymous, masking the publisher's name.

## Private marketplace

Through private marketplaces, a buyer can hand-select a target audience from a quality user base and bid on the impressions that are right for the campaign.

A price floor is agreed upon between the buyer and seller, which is the minimum the publisher will expect to sell that inventory for. The actual price of an impression will, however, depend on fluctuations of supply and demand for the chosen publisher(s).

Inventory is not reserved and, as such, there is no guarantee on how much a buyer will pay or whether the buyer will win the intended impressions. Capabilities include:

Control on delivery

- Adjust budgets, impression goals and flight times in real-time based on your business needs.
- Test and alternate creative units in real-time.

## Choose your impression

- Pre-select targeting and only receive bid requests for the impressions you choose.
- Bid only on the inventory that's a fit for your campaign.

## Consolidated reporting and transparency

- Execute programmatic campaigns through your chosen DSP partner.
- Manage your auction and guaranteed campaigns side-by-side in a single platform.

## Unified programmatic campaign frequency

**Programmatic guaranteed:**
With programmatic guaranteed, a buyer can make use of a publisher's full data set, executing quality ad experiences with the confidence of guaranteed delivery at a fixed rate – executed through your DSP. Capabilities include:
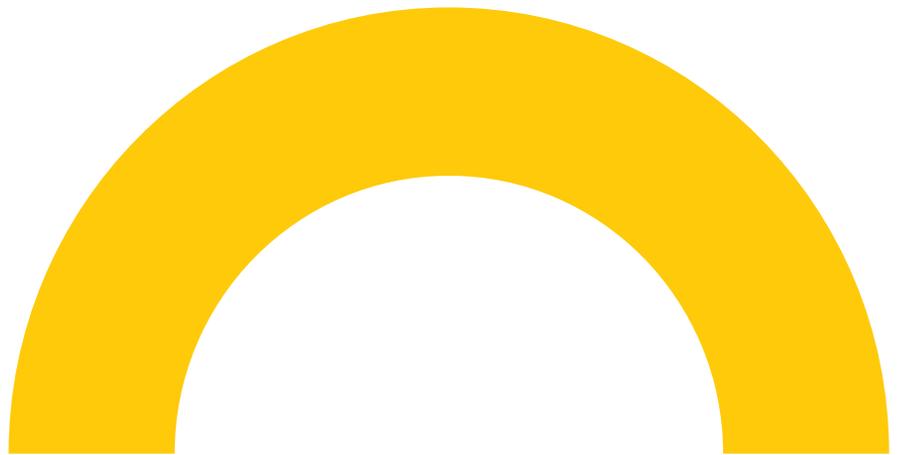
## Guaranteed delivery

- Reserve inventory in advance to ensure campaigns scale to meet your objectives.
- Prime for time-sensitive campaigns such as product launches or short-flight promotions.

## Fixed pricing

- Confidently budget your campaign through a fixed-price CPM, agreed upon before your campaign is activated.

## Consolidated reporting and transparency

- Execute campaigns through your chosen DSP partner.
- Manage your auction and guaranteed campaigns side by side in a single platform.

## Unified campaign frequency

## ADVANTAGES TO TRADING AUDIO PROGRAMMATICALLY:

- **Yield & ROI:** Buyers and sellers can use audience and performance data to increase inventory value across audio (alongside other channels such as mobile, video, native, high-impact and display).
- **Data intelligence:** a seamless way to use first-party data to improve effectiveness and performance.
- **Connections:** access to global, transparently traded, high-quality campaigns and audiences including brands, agencies, trading desks, DSPs and premium brand audio platforms, for both private marketplace and guaranteed deals.
- **Efficiency:** assure maximum reach through specific targeting, effective discovery, negotiation and execution to reduce operational cost and increase time spent on more valuable activities.
- **Real-time campaign optimisation:** enable buyers to deliver real-time dynamic creative that can be targeted, refined, expanded and optimised according to a variety of specific parameters day by day to reach the pre-established KPIs (eg universal campaign management, setting filters for devices, geography, sites, audience frequency cap across publisher etc).

# SECTION 9: DIGITAL AUDIO AND BROADCAST RADIO ADVERTISING

How should traditional radio advertisers approach digital audio, and how best can digital audio map into broadcast radio?

Broadcast audience measurement depends on the receiver – the radio device – being turned on by many listeners. Listening reporting is captured from a representative sample with audience profile attribution back to national adult level. Broadcast reach may not be verifiably accurate down to a person, but audience profiling adheres to uniform standards, which means one can compare different stations, being a single source of data.

Digital audio audience measurement works on a similar principle, but it depends on the hosting platform logging each connection or listening request. Unlike broadcast, each individual listen or connection is evaluated. The audience profile attribution is either deterministic (a known user with profile data) or probabilistic (the audience profile average for the page where listening happened or through other advanced profiling attribution). Digital audio listening reports capture vastly more accurate reach, while audience profiling may not be gathered from a single source.

All the above data can and should be used with accurate representation.

Measurement methodology aside, in both cases an advertisement is sold to be delivered to more or less an agreed amount of people conforming to a certain audience profile. Because of the linear and broadcasting nature of radio, that survey data is rolled up into a rate card where ad-slot prices are linked to the estimated audience size and type for that slot. Digital audio content also has an audience type but because of listening and ad delivery measured per individual session, ads can be sold on the bases of how much it costs to deliver a single ad and exactly how many of these ads will be delivered.

The primary difference between broadcast radio and digital audio is that broadcast radio is a "one to many" platform, whereas digital audio is one to one and users are reached on an impression basis throughout set time periods.
Broadcast radio advertisements are run at specific times, reaching a broad number of listeners tuned in at that specific time.

Digital audio also provides further depth of measurement and monitoring, targeting and reporting. So, while broadcast is the amplifier, digital audio brings the following qualities to an audio marketing plan:

1. **Digital audio accounts for individual listens:** Advertisers can now pay for each ad delivered, instead of an approximation of the expected listenership.

2. **Targeting and metrics that matter:** Targeting in digital audio is granular, down to gender, age, geographic location and device type, for instance, which allows for better demographic modelling and targeting. It is also cost-effective in that way.

3. **Digital audio enables scale:** Due to the nature of digital audio, advertisements can be globally distributed. Most dynamic advertising plat forms allow for country or region-specific targeting.

Audio will always be a part of our lives. The companionship, information-sharing and entertaining nature of radio won't go away anytime soon. Listeners therefore aren't necessarily shifting away from radio but changing the way that they engage with it.

The number of options for listeners to access audio have increased significantly over the past few years, in terms of not only the number of platforms available but also the devices that listeners have at their disposal. The Covid-19 pandemic forced many people to set themselves up to work from home and resulted in an increase in engagement with digital forms of audio.

Driven by this new level of home connectivity, the adoption of new devices from which to consume audio is also on the increase, including desktop, mobile, smart speakers, smart TVs and internet radios. Drive time is also likely to change when connected cars enter the market, but for this technology adoption to be fully embraced, it must be matched by decreasing data costs.

From an audio media-planning perspective, research is being conducted by media owners to determine the usage patterns of FM audio and digital audio. The research aims to better understand consumption patterns such as users who listen to FM exclusively; users who listen to digital audio exclusively; and those who make use of both. Research of this nature will be vital in building out a better understanding of how audiences engage and how best to make use of this from a frequency and incremental reach perspective when planning across both broadcast and digital audio platforms.

**Podcast and stream advertising vs web-based advertising:** Unlike websites where there's a fairly standard way of delivering ads in browsers, digital audio is typically listened to via a wide array of aggregators and players.

Advertising and reporting standards are still being established across the platforms and, in time, some level of standardisation will take place, as has been the case with many other digital channels.

The practical implication of this is that while podcast and stream advertisements are also delivered on a per-impression basis, client-based analytics (such as user demographics, listening patterns etc) will probably not be available for listens outside the hosting-site ecosystem.

This makes targeting on client-based analytics much less effective and leads to a system where in many cases ads are inserted on the hosting site. Analytics are also often extrapolated from measurable areas across non-measurable areas.

# SECTION 10:
# KEY CONSIDERATIONS

## THE OPPORTUNITY

One of the fastest-growing content mediums, digital audio is capturing a growing share of attention across the globe. Nielsen estimates that 79% of audio consumption takes place while consumers are engaged in activities where visual media can't reach them.[7] Hence, it's become increasingly important for brands to integrate an audio strategy into their content marketing plans.

However, audio advertising is still a nascent market. The monetisation of the audio market has not kept pace with the growth in consumption of audio services, while challenges around measurement and attribution have limited its appeal to advertisers. The industry needs to work together to convert the promises of audio advertising into reality.

The foundations are already in place, with several core characteristics making digital audio highly attractive for advertisers:

- **Quality and trust:** Audio offers premium inventory closely associated with the editorial content and high transparency in terms of where the ad is shown.

- **Brand safety:** As with all digital formats, there is much diversity among publishers and ad-tech platforms, and advertisers concerned about brand safety can select environments that are subject to tighter controls and even regulatory oversight.

Reputable platforms typically have terms and conditions in place that govern both content published on these platforms and allowed ad categories.
Private marketplaces allow ads to be placed with selected publishers, including public broadcasters, that are typically subject to regulation. On the content publishing side, many platforms have mechanisms in place to exclude unsuitable ad categories and some have campaign opt-in mechanisms.

The high level of targetability in digital audio also allows advertisers to transcend brand safety and achieve high levels of brand suitability against audiences and content environments.

- **Control:** Private marketplaces are a common model for programmatic audio, giving sellers the necessary control they need.
- **High share of voice:** Most audio environments, particularly on mobile devices, offer brands an unbeatable share of voice in a one-to-one audience setting. Ad loads in podcasts are low, and narrator-read ads generate additional connection between advertising and content.

• **Data-driven creative:** Audio provides huge opportunities for creative optimisation at low incremental cost of personalisation, due to moderate production costs and a seamless combination of audio elements from a "toolkit" into a storyline.

## THE BARRIERS [8]

For the audio market to fully realise its potential, scale is key. And for that, there will need to be rapid growth in programmatic audio. However, until the barriers to unlocking programmatic audio are overcome, the audio advertising renaissance will be stuck in first gear.

Some of the barriers are:

• **Honing the data flow:** At present, programmatic affords only limited return-path data, analytics and measurement for audio content – particularly when it comes to podcasts. It goes without saying that putting in place detailed data analytics is a critical factor for a strong programmatic market in audio.

• **Replacing real-time bidding for podcasts:** The podcast market differentiates itself through native ads, where podcast hosts read advertisements on behalf of brands. This approach clashes with the type of real-time bidding in the display and video world. Instead, what may be required is a different implementation of programmatic, from guaranteed deals over real-time auctioning but not real-time delivery, and wider automation, such as workflow automation.

• **Overcoming fragmented inventory and achieving scale:** Despite the explosion of content, there's still a lack of scale. Audience segmentation is already difficult enough on audio, but it will be even more challenging with narrow targeting through programmatic. Outside major streaming platforms, inventory in audio is highly fragmented, as it is dispersed among many local service providers – each with their own way of measuring reach. Getting all the inventory together and making it saleable is critical for long-term growth.

• **Integrating with other media:** The true power of audio is not as a standalone channel, but as a part of an integrated advertising approach that includes other programmatic channels such as display and video. This underscores a need to get the right professionals to manage the complexity that comes with adding audio into the advertising mix.

• **Creating the right metrics:** For programmatic audio to be really taken up at scale, the industry needs to identify and promote audio-specific metrics such as "listen-through rates" and "mute rates", so buyers can truly understand the effectiveness of campaigns.

8. https://mediatel.co.uk/news/2019/10/17/nurturing-the-renaissance-in-audio-advertising/

More granular metrics, such as audibility quartiles, will give advertisers the opportunity to better understand attention and muting/skipping behaviour across the audio ad itself, and will allow them to make creative optimisations during the life of the campaign, instead of only having the option after the campaign has finished. This is an educational process that will take some time to complete.

Most audio is bought and sold via PMPs. Due to the measurement and reporting challenges of buying programmatic audio in download environments, it is recommended that buyers split their audio buying across two types of listening categories: streamed and/or download.

Splitting streamed and downloaded inventory into specific PMPs enables buyers to maintain hygienic buying, reporting and campaign measurement. It allows for a clear understanding of the results, which they will then be able to dissect for post-campaign analysis between both listening categories.

## TARGETING [9]

Apps and streaming platforms provide unique listener and device IDs, letting advertisers capture data across devices, to understand location and daypart.

Audio playlists also give clues to people's orientations and mood – upbeat, jazzy, serious and concentrating, old-time rock, or the latest hip-hop and salsa. With the introduction of programmatic, integrating demographic, behavioural and household data into the mix, advertisers can now use audio to:

• target consumers in choice segments in premium, brand-safe, non-skippable media environments;
• integrate audio into wider programmatic campaigns, balancing against other reach, frequency and KPIs to drive toward improved outcomes;
• engage consumers with interactive opportunities;
• reach consumers when they are not on their screens;
• target by circumstances, such as weather, daypart and location;
• target by contextual relevance and unlock additional audio inventory outside broader categories/genres; and
• associate themselves with celebrities and influencers via their music and podcasts.

## MEASUREMENT

Audience measurement for digital audio advertising, as well as reporting methods for digital audio campaigns, is determined by the way the audio is consumed. It is, therefore, important to consider the type of listening that users engage in: are they listening to streamed audio content or are they listening to downloaded audio content? [10]

Currently, widely accepted analytics across audio campaigns are limited in comparison to display and video, and offer little transparency into the audio ad listening experience itself. This presents a challenge for advertisers who have the desire to make the most of the growth in consumer listening behaviour but are not yet equipped and empowered with the data required to invest more heavily to run audio at scale.

Across music streaming, a widely accepted measure of success is whether the companion banner running alongside an audio ad was brought into "view", fired an "impression", or generated "clicks". The nature of audio is to exist in a backgrounded app or tab, and these measures don't do justice to the power of listening as a tool of connection. Arguably, a "viewable" ad in an audio environment is of higher value given the intentional action of the listener bringing the ad into "view", and potentially a testament to the strength of the audio creative. Across podcasting, the widely accepted measure of success is "downloads", which limits visibility into the listening experience itself. Another metric is "impression/download" or "listen-through rate", but without standardisation in methodology and measurement from an unbiased third-party source, it's challenging for advertisers to effectively make a decision based on this data.

For audio, it's important to start with a strong foundation: did someone hear my ad and was it delivered to a human endpoint? Was the ad audible long enough for someone to pay attention and identify with the sonic identity of the brand? Beyond that, audibility metrics, audibility quartiles, listen-through rates and invalid traffic metrics are key categories of metrics needed to better understand the effectiveness of an audio campaign.

For client-side apps with OMSDK integrated to measure audio ads, these events are more easily obtained for deeper analytics. There remain technical nuances to measurement across podcast audio ad inventory, and the industry is coming together to solve this challenge.[11]

## STREAMED DIGITAL AUDIO METRICS

Similar to other digital media, streaming audio publishers can support third-party ad serving and tracking for audio ads. Audio playback triggers the tracking pixels that are needed to report impressions and events by both the publisher and third-party ad servers, based on the listener's activity, and in compliance with IAB measurement guidelines.

## PODCAST AUDIO METRICS

When it comes to reporting for downloadable audio, the ability to track podcast content and ad playback largely depends on the player requesting the file. Approximately half of podcast listening is taking place on Apple's iOS systems, which offer no technology for confirming that a podcast file was played.

This lack of client-side response prevents podcast distributors from measuring ad plays at the level expected in other digital media. Despite these challenges, the industry has developed a set of standards that enable uniform metrics for reporting and evaluating podcast advertising campaigns. Those standards are fully explained in the IAB document "IAB Podcast Metric Guidelines v2".

Companion banners can enhance audio campaigns in situations when the user is looking at the screen and can provide consumers with an easy clickthrough to access advertisers' websites. However, since in most cases the audio screen is off, clickthrough rates shouldn't be used as a main KPI to measure the success of a campaign.

### PROGRAMMATIC DOWNLOADS

If audio consumption is happening in a downloaded environment, then there are specific considerations:

**Downloaded audio**

☐ **Pricing:** CPM is cost per download - Inventory is priced as CPM, where the impression is the download of the show, not the listen of the podcast.

☐ **Limited reporting:**
- There is no industry standard to provide proof of play after the creative has been delivered.

☐ **Relevance/perpetuity**
- A file can be downloaded and listened to days, weeks or even months later. For time-specific promotions, buyers should be aware that by the time the ad is played, the advert may no longer be relevant.

☐ **Limited targeting**
- The file download server does not pass the user ID to exchanges. Other than context, there is no ability to apply frequency capping or audience-based targeting or retargeting.[12]

### PERFORMANCE

Audio is undoubtedly ascendant, and with it, there is technology that supports its growth. As technology catches up with audio innovation, so does performance measurement. For example, downloaded podcasts have traditionally used offer codes, unique URLs and vouchers to measure campaign effectiveness. Innovation in relation to measurement of this space gives information about how audiences respond to a brand's call to action, and can bring granular campaign metrics to podcasts such as ad impressions, reach, frequency and anonymised audience insights.

## BEST PRACTICE AND STORYTELLING TIPS FOR AUDIO ADVERTISING

● **Get to the point:** Attention spans are shrinking, so state the purpose of your message quickly and talk about what your brand/product can do for consumers. Focus on the most important point you want the listener to walk away with. Less is more, so keep your message simple and clear. If it suits the story arc, consider early and multiple brand mentions.

● **Build a sense of urgency:** If there are exclusives or sales, time-sensitive messaging instils a sense of urgency and could lead to greater purchase or footfall opportunities. When paired with listeners on the move, your message can lead to two times higher CPG return on your advertising spend.

● **Use your sonic branding:** If your brand has a sonic logo, audio mnemonics, sound elements or even a jingle, don't be shy to use them! Where brands rely on logos, colours and typefaces in visual media, think about what that branding would sound like in audio. An audio identity offers an impactful way to enhance your brand's message and leave an impression.

● **Include a call-to-action (CTA):** These are crucial for driving online action. Ads with a CTA can see a 4.4-times lift in footfall compared with those that don't. You can even match the CTA to how they listen, such as a "tap" for mobile or "click" for desktop, or drive to a URL on screen-less media, such as smart speakers or in-dash connected cars.[13]
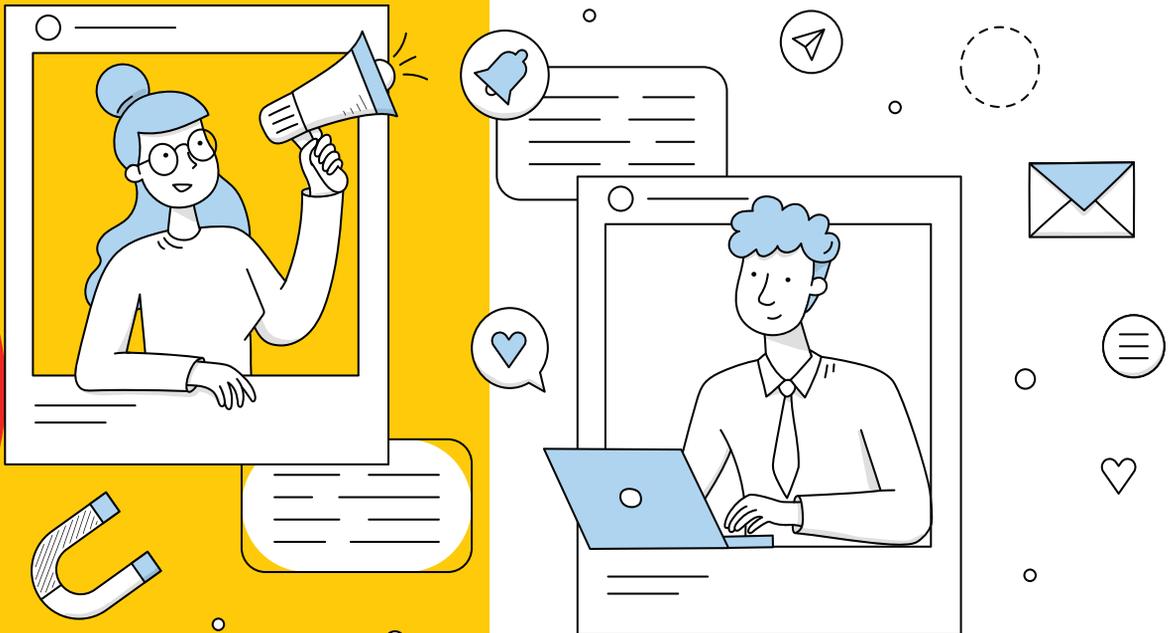
## PERSONALISE FOR EFFECTIVENESS

Your message will be heard in an environment very different from the message-to-the-masses of radio. Rethink your creative format. First and foremost: disrupt, don't interrupt. Consider how your audio ad can disrupt (innovate or improve) and not interrupt (frustrate or suspend) the listening experience.

● **Keep it conversational:** How would you connect with consumers in this intimate space? For starters, there'sno need to scream! Keep speaking voices conversational and speak like you're talking to a friend.

● **Build a one-to-one connection:** You're most often speaking to just one person at a time, and ads that are personalised to the listener deliver higher engagement. Consider a targeted approach for your message. For instance, if you're targeting Jakarta, say "Hey, Jakarta".

● **Context and content matter:** Did you know listeners rank the quality of the ad content and its personal relevance to them as the top two contributors to a satisfying ad experience? Reaching consumers at the right moment can lead to results such as a 2.7-times higher awareness and 5.3-times higher intent over campaigns with basic demographic targeting.[14]

● **Meet your audience where they are:** Your listeners will hear your ad between songs. If your audio spot has a music bed, consider a genre of music similar to your audience's listening preferences. At the same time, not all ads need background music. Just be engaging and use audio in the best way for your brand story.

● **Constraint inspires creativity:** Use this precious time to create clever ways to tell your story. In this age of shorter attention spans, instead of creating one spot, a solution could be a campaign of shorter ads that cover a variety of talking points.

● **Design your audio story:** Treat audio as its own canvas. Instead of trying to adapt a TV ad into a spot, let audio be its own creative within the big idea. Here are some audio storytelling tips to get you started:

**Sound triggers imagination:** When listeners hear a soundscape or sound design, their imaginations kick in to fill in the picture of what's going on. This is called "theatre of the mind". By imagining, the listener is participating. And as listeners fill in the rest of the story in their minds, they are adding their personal touches to it. For example, the sound of a bustling market will pull up different images and memories for different listeners. This gives brands a powerful tool to engage consumers and draw them into their message. At the same time, consumers are adding their personal touches to what they hear.

14. Spotify Nielsen Catalina Solutions Analysis 2018 (https://assets.ctfassets.net/ziwa9xqm84y1/tIUMG95ByDdu-W6aPIseIY/1ff10bc4eb05e2cbe2768c3598cb1a40/Stream_Big_loveAudio_May28_jsv4.pdf)

**Tap language & craft copy:** Audio is storytelling at its purest. Since the time of our ancestors sharing stories around the fire, audio is one human talking to another. Think about language: should your ad be in English or in-language? How would your target audience speak and what feels right for your brand? Craft your copy to share your brand message in an authentic manner.

**You have a voice, so use it**. Think about what voice would suit your brand and its story. In the intimate space of digital audio, loud voices become louder in the listener's headphones. Instead, adopt a tone that feels more real. With the way people consume media today, trends are shifting towards content that is more genuine and less scripted.

## STREAM OF CONTEXT

Getting context right – landing the right message, in the right setting, at the right time – is key to getting your message heard. Being mindful of context and tone. Thoughtfully inserting a brand's creative message into the existing listening experience of an audience is likely to create a stronger relationship between the listener and the brand. So how can brands use context to truly be heard?

● **Keep your messages relevant:** Consider content interests that align with your brand message. Through podcast listener targeting, you can now reach comedy buffs, culture lovers and more.

For example, if you're looking to drive awareness of a new comedy series or want to reach people who are into sports, you can find listeners of podcasts with similar topics and target them with a relevant message.

● **Get the beat of your ad right:** Playlist keywords give us clues to the listeners' context while they're listening: their setting, their current genre preferences and even their preferred BPM – so much so that campaigns that include playlist targeting drive 2.1-times higher intent than campaigns that don't. Know what your audience is listening to and match your creative to their preferences and style, or vibe. Whether the mood is workout, cooking, chill or party, there are endless opportunities to get creative with how you reach your audience in context.

● **Use context to find the right canvas:** Audio and video advertising both have their moments of context – find the right way to deliver your message. A video with a direct call to action is a great fit for when the screen is in view. For on-the-go moments, use the power of audio to tell a story and create a memorable impression for the listener.
While some nuances of tone of voice and sentiment remain challenges to solve for the audio environment, adding contextual intelligence across lyrics and podcast transcriptions is a great starting point to better align a brand message with the message of the content surrounding it.[15]

# APPENDIX A: GLOSSARY OF GLOSSARY OF COMMONLY USED DIGITAL ADVERTISING TERMS

| TERM | DEFINITION |
| --- | --- |
| **ACTION** | Metric that indicates how many times listeners completed an action after being exposed to an audio ad. |
| **ACTIVE SESSIONS (AS)** | Number of sessions (with duration of at least one minute) that were active within a given period. |
| **AGGREGATOR** | Firms that collect multiple digital audio channels into larger entities, increasing reach and making them of greater interest to advertisers. |
| **AUDIO IMPRESSION** | Metric that indicates the number of fully delivered ads. |
| **AVAIL** | The commercial position within or between programmes on given station or network available for purchase by an advertiser. |
| **AVERAGE ACTIVE SESSIONS (AAS)** | The average number of listeners (with duration of at least one minute) during the daypart/period. |
| **AVERAGE QUARTER HOUR (AQH)** | The average number of persons listening to a particular station for at least five minutes during a 15-minute period. |
| **AVERAGE QUARTER HOUR (AQH) RATING** | A rating calculated by dividing the AQH listening in the relevant daypart and demographic by the base population in that demographic. |
| **AVERAGE TIME SPENT LISTENING (ATSL)** | The average length of each session (with duration of at least one minute) within the daypart/period. |
| **BANNER IMPRESSION** | Metric that indicates how many display companions were delivered along with the audio ad. |
| **CLICKTHROUGH** | Metric that indicates how many times listeners followed the link associated with a banner ad. |

# APPENDIX A: GLOSSARY OF GLOSSARY OF COMMONLY USED DIGITAL ADVERTISING TERMS

| TERM | DEFINITION |
| --- | --- |
| **CLICKTHROUGH ATTRIBUTION** | KPI measuring the effectiveness of an audio ad based on the ratio of audio impressions and clickthroughs. |
| **CONTENT DISTRIBUTION NETWORK (CDN)** | Vendor that provides the technical heavy lifting of moving streamed digital audio content around the internet and ensuring scalability and performance for listeners. |
| **CONVERSION ATTRIBUTION** | KPI measuring the effectiveness of an audio ad based on the ratio of audio impressions and actions. |
| **CUME** | The count of unique listeners during the specified period (with sessions lasting at least one minute). |
| **CUME RATING** | A rating calculated by dividing the weekly average Cume in the relevant daypart and demographic by the base population in that demographic. |
| **DIGITAL AUDIO** | Audio programming available to consumers on a streaming basis, delivered via the wired and mobile internet. |
| **EFFECTIVE REACH** | The average number of people that will hear a commercial at least three times during a campaign. |
| **FREQUENCY** | The average number of times an individual has an opportunity to hear an advertising message during a period of time. |
| **I/O** | Insertion order. |
| **LISTENER TRACKING METHOD** | A method of collecting data through client-side measurement directly from the web-based player or mobile device. |
| **PODCASTS** | An audio programme that listeners can access via portable devices or their computers in an offline mode. |

| TERM | DEFINITION |
|---|---|
| **POST-LISTEN ATTRIBUTION** | KPI measuring the effectiveness of an audio ad based on the ratio of audio impressions and visits. |
| **PUREPLAY STREAM** | Personalised and on-demand streamed audio services that create playlists based on user preferences of artists, tracks or genres. |
| **REACH** | The number of different persons in the audience of a specified advertising campaign, station, network or syndicated programme. |
| **SATELLITE** | This system transmits audio with orbiting communication satellites rather than ground-based transmission. |
| **SESSIONS STARTED** | The number of streams (with duration of at least one minute) within the daypart/period. |
| **SHARE OF VOICE** | The percentage of total advertising weight per brand in a competitive set. |
| **TERRESTRIAL STREAM** | Live digital audio stream of a terrestrial (aka broadcast AM/FM) radio station. |
| **TIME SPENT LISTENING (TSL)** | The average amount of weekly time spent listening by an individual user within the daypart/period. An individual user's discreet sessions are added together to calculate total weekly TSL. |
| **TOTAL LISTENING HOURS (TLH)** | Total number of hours streamed (during sessions of at least one minute) within the daypart/period. |
| **UNIQUE LISTENERS** | The number of unduplicated users listening to a given online audio programme, piece of content or advertising message. Typically, "listeners" and "streamers" are inter changeable. |
| **VISIT** | Metric that indicates how many times listeners visited the marketer's website after being exposed to an audio ad. |
| **VOICE CLICKTHROUGH** | Metric that indicates how many times listeners respond to interactive audio ads via voice to connect with advertiser offers (by automatically initiating a call, a video view, an email, a webpage open or a content selection) on a mobile device. |

# APPENDIX B: CONSIDERATIONS FOR PUBLISHERS AND CONTENT CREATORS ON SYNDICATION AND SHARED HOSTING

With reference to Section 4: Digital Audio Landscape, distribution platforms can be grouped into hosting or syndication platforms. A hosting platform has a physical copy of the audio content to distribute to listeners. A syndication platform lists content on the site or platform and when someone wants to listen to the content, redirects them to the site actually hosting the content.

Syndication forms an important part of the distribution strategy that becomes a trade-off between keeping a listener in your own ecosystem (eg on your radio station's website or mobile app where you have more contact points with them and can better monetise them) and syndicating to other platforms with a large audience and possible ease-of-use benefits but where you risk becoming detached from your listeners and losing the ability to guide their listening experience.

Syndicated listeners, in terms of advertising, often have less measurement information and advertising options. Trade-off examples include:

1. delivering companion banners and clickthrough links; and
2. options to skip ads, and to track where and when people skip ads or how many people listen to the full ad.

While distributing content to a second hosting site looks similar to syndication on the surface, it has quite a big impact on analytics and dynamic advertising. Because in syndication all the content is served from a central location, all downloads and plays will show up on the reports for that hosting site. It will also be possible to run adverts across all the syndication sites by inserting these on the hosting site.

In the second case where content is copied to more than one hosting site, analytics will be split across the different hosting sites and advertising campaigns, if possible, and will need to be run separately on the different hosting sites.

# APPENDIX C: RESOURCE FILES

1. IAB Podcast Measurement Technical Guidelines
2. IAB Digital Audio Buyer's Guide – 2.0
3. https://lumapartners.com/content/lumascapes/audio-lumascape/

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