

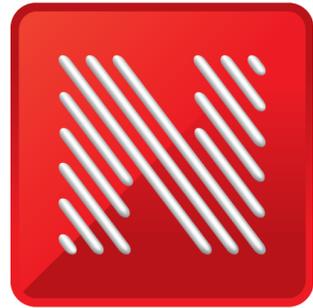
# DIGITAL AUDIO ADVERTISING: STATE OF THE NATION

FEBRUARY 2017



# SPONSORS

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



**NOVA**  
ENTERTAINMENT

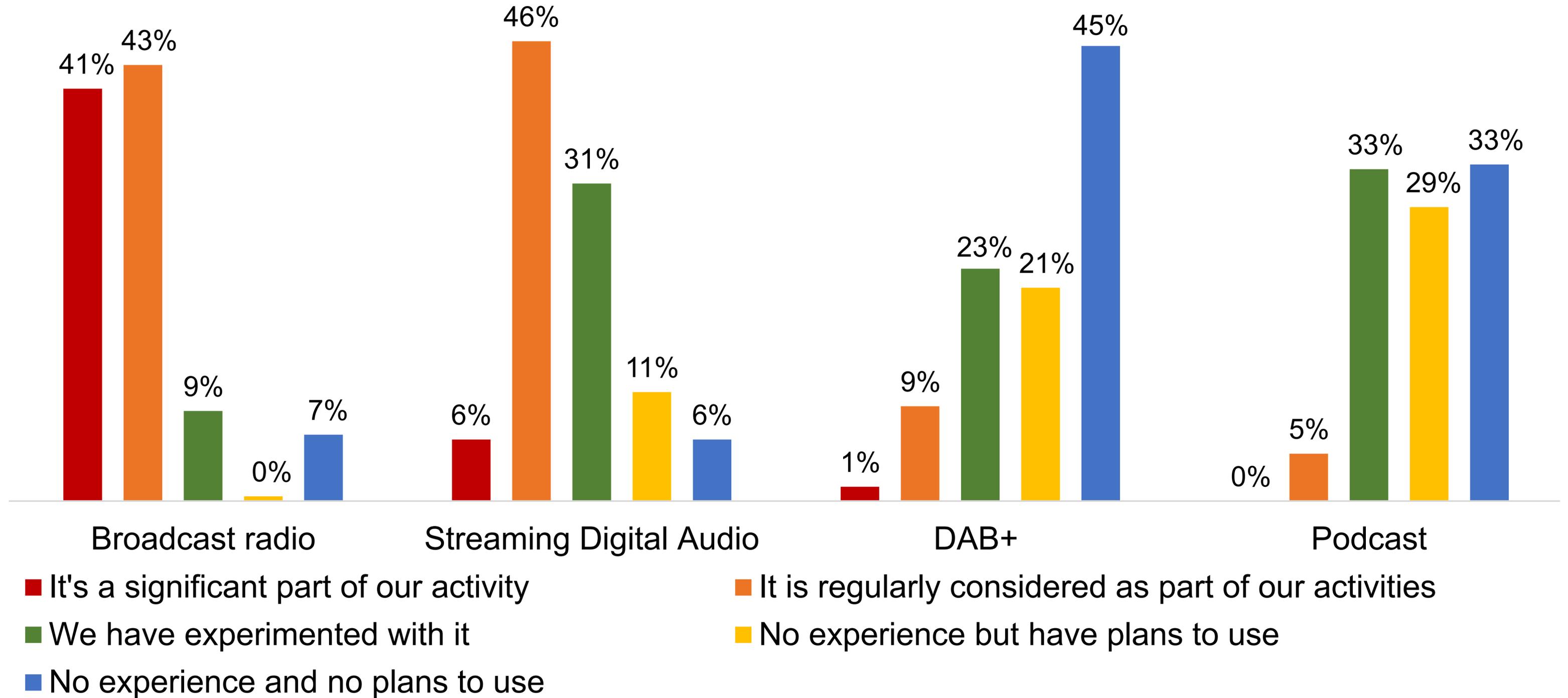


**Spotify**<sup>®</sup>

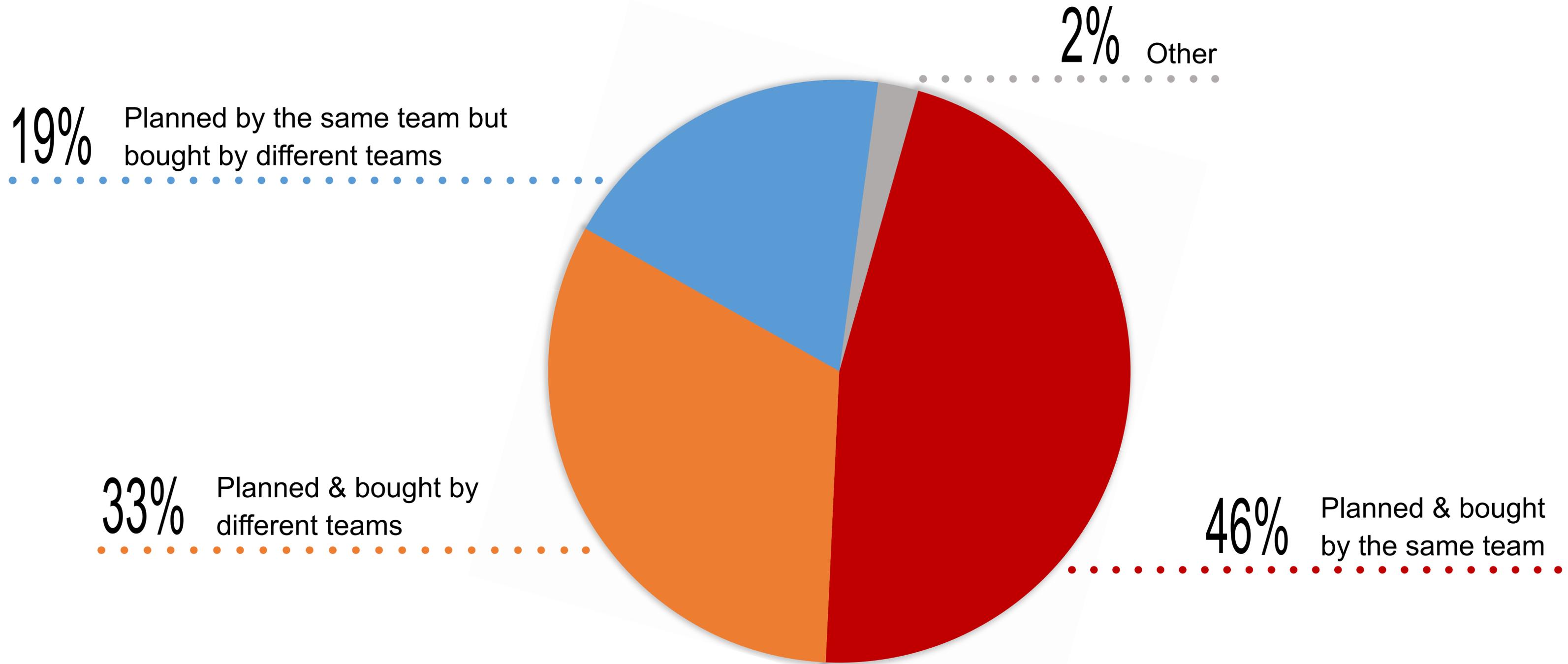
**pandora**<sup>®</sup>



# EXPERIENCE WITH DIFFERENT AUDIO FORMATS



# AGENCY TEAM STRUCTURE ACROSS BROADCAST & STREAMING



# BUYING METHODS IN 2017

**Traditional radio spot buy**

74%

**Bundled with other media opportunities**

56%

**Brand sponsorships**

66%

**Programmatically traded inventory**

50%

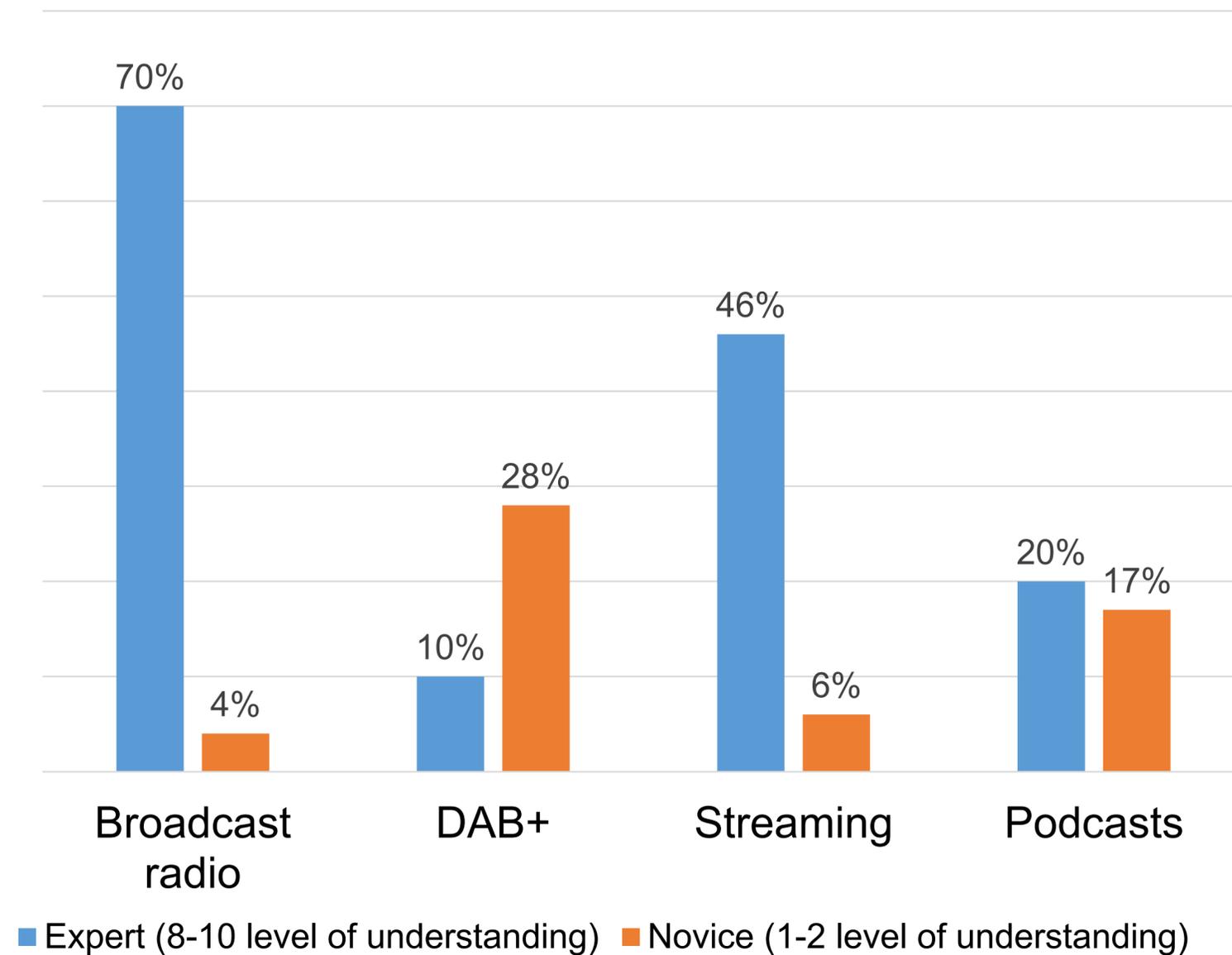
**Programmatic Private Marketplace**

36%

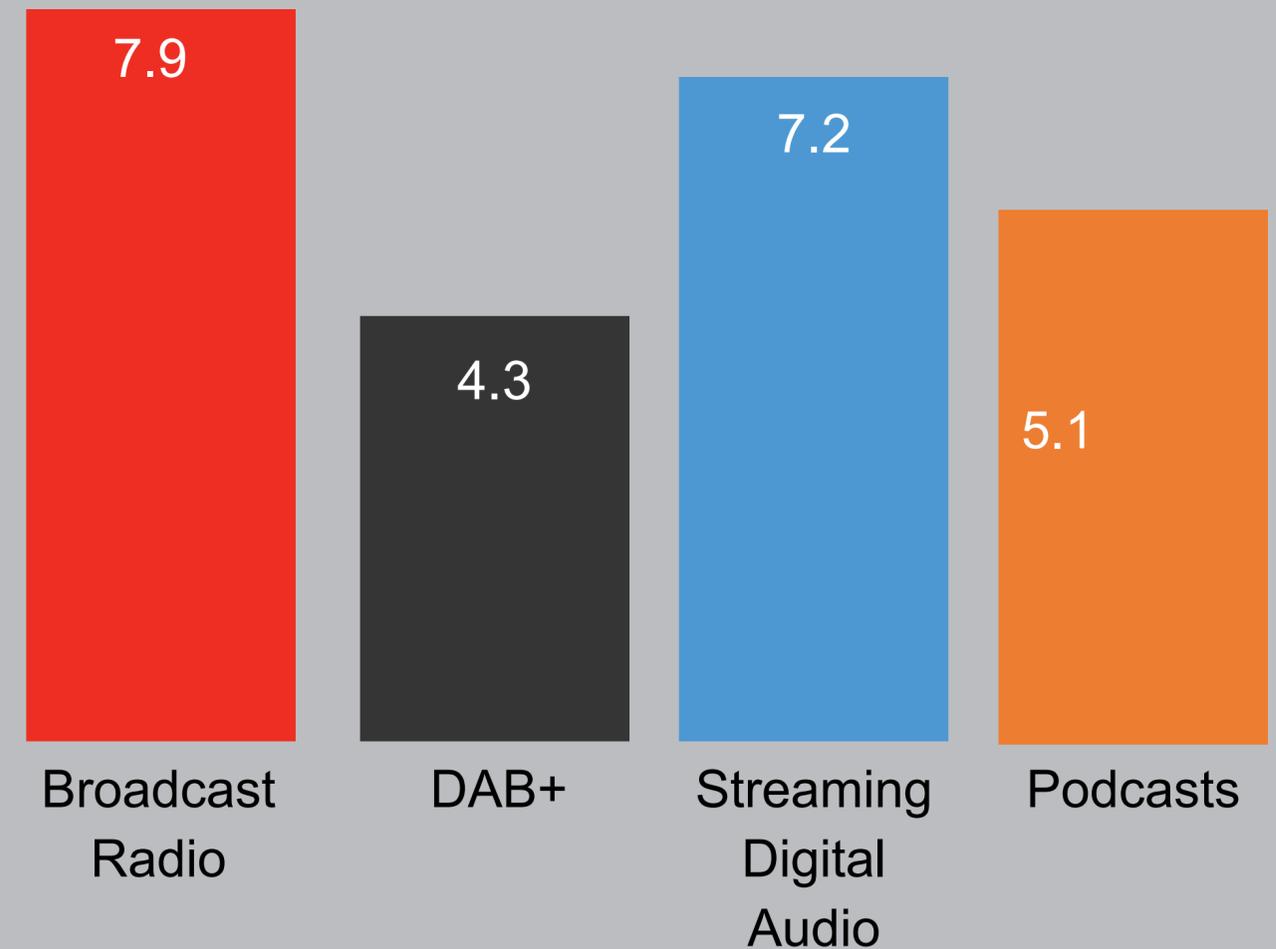


# LEVEL OF UNDERSTANDING

## Experts vs. Novices

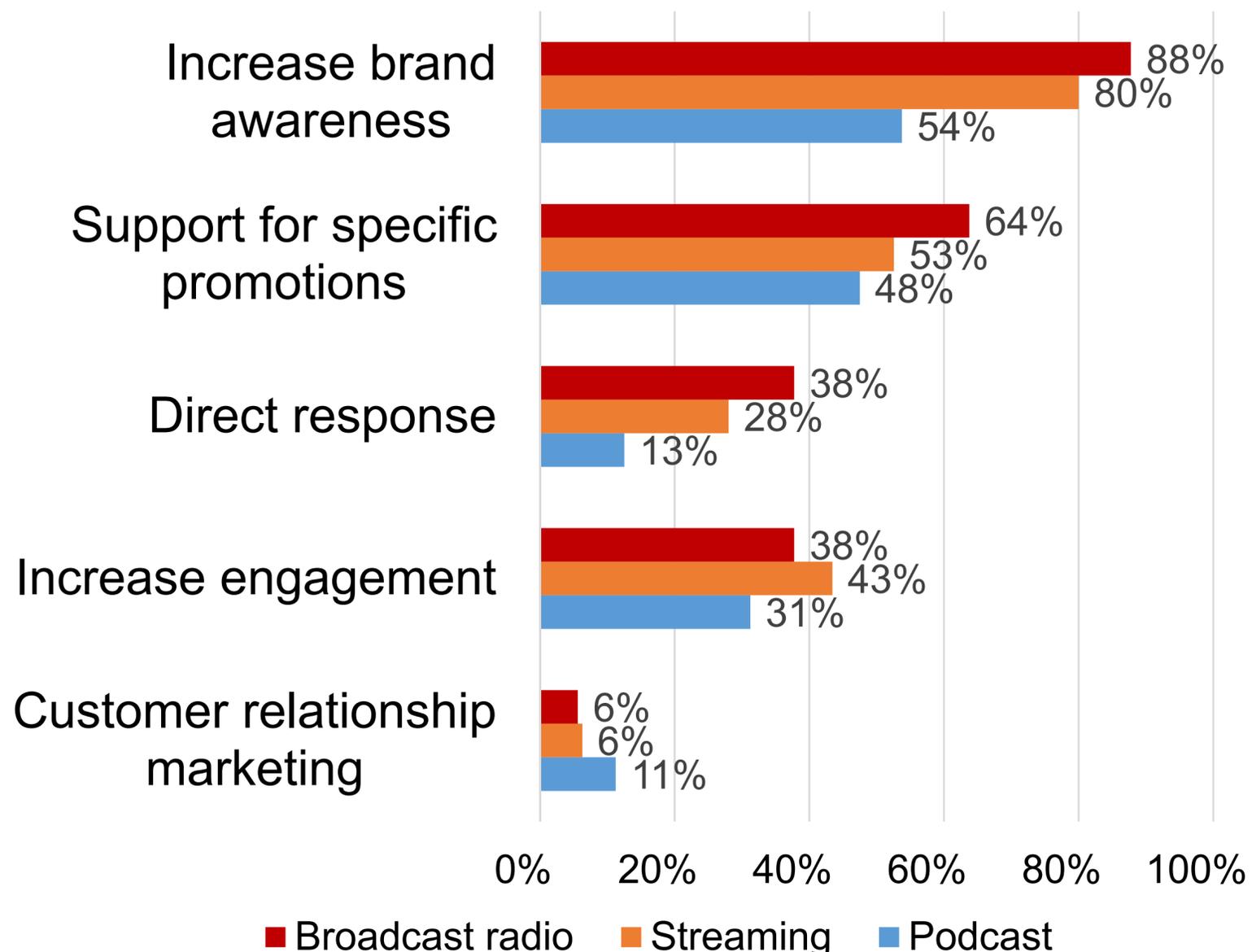


## Average Level of Understanding Scale (1 = no understanding, 10 = Complete Understanding)

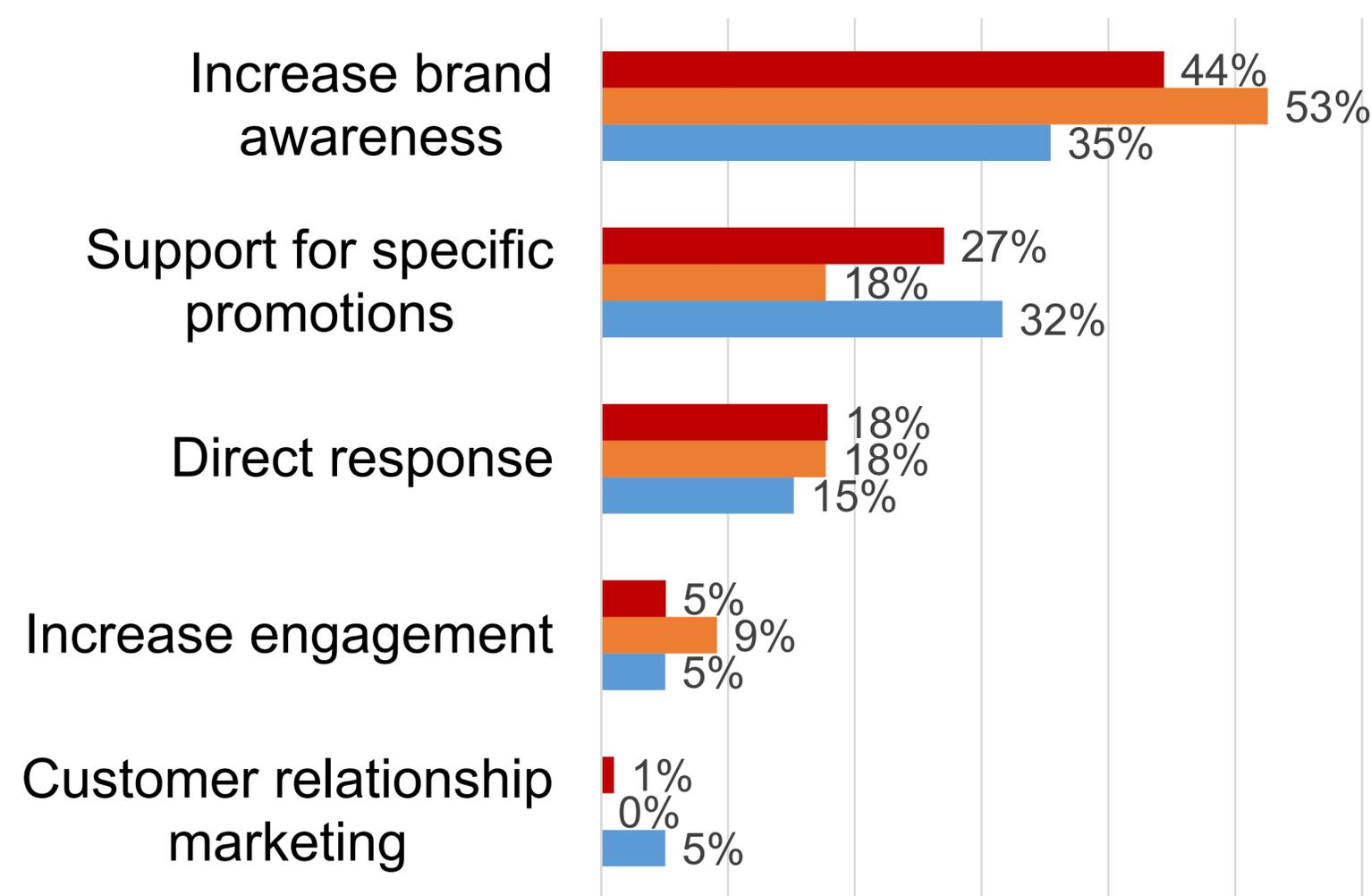


# ADVERTISING OBJECTIVES

## All Objectives



## Primary Objective



# SATISFACTION WITH OBJECTIVES – ALL AUDIO

Increase brand awareness

89%

Increase engagement

81%

Direct response

71%

Promotions

91%

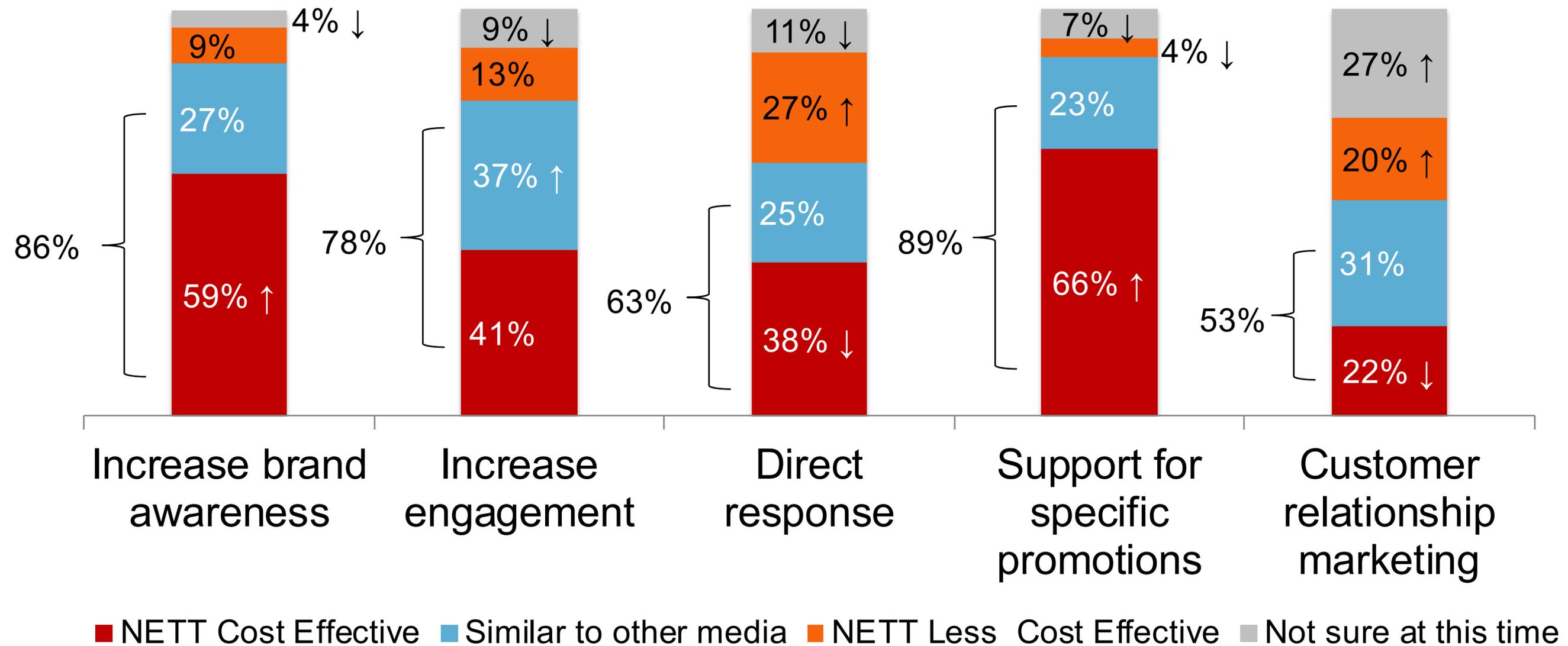
CRM

67%

Nett. Satisfied %



# COST EFFECTIVENESS AUDIO VS. OTHER MEDIA



# ADVANTAGES OF AUDIO ADVERTISING

- Integration & Talent access
- Emotional saliency & storytelling
- Visual & audio combinations
- Data driven opportunities
- Dynamic Creative

# OPPORTUNITIES FOR MARKET GROWTH

- Market Education
- Effectiveness Proof Points & Research
- Improvement Measurement & Standardised Metrics
- New creative opportunities

*Agencies identified very similar areas for all forms of audio advertising*

# DIRECT QUOTES

**“ SHOW US HOW BROADCAST AND STREAMING DEVICES CAN WORK TOGETHER TO INCREASE AUDIO REACH. ”**

*- Media Planner, VIC*

**“ REACHING CONSUMERS IN A PLACE WHERE THEY ARE RECEPTIVE TO BRANDS THAT ARE RELATED TO THE TYPE OF ENTERTAINMENT THEY ENJOY - CORRECT TIME AND PLACE AND RECEPTIVE AUDIENCES. ”**

*- Agency Director, NSW*

**“ OUR EXPERIENCE HAS BEEN THAT WITH THE RIGHT CREATIVE PARTNER, WE CAN PRODUCE HIGHLY ENGAGING AND MEMORABLE CREATIVE THAT CAN DRIVE GREAT BUSINESS RESULTS. ”**

*- CMO, NSW*



## KEY TAKEAWAYS

- Audio expertise is being leveraged within agencies with nearly half using the same team for broadcast radio and streaming digital audio planning and buying.
- 8 in 10 media buyers have used streaming digital audio.
- Half of agency people are either already buying programmatic audio inventory or expect to be in the next 12 months
- Podcast usage expected to increase in 2017 with 3 in 10 people having plans to trial this advertising option on top of the 38% who have already experimented with it.
- Brand awareness is the most common and main objective for broadcast, streaming and podcasts, followed by support for promotions.
- High level of agency satisfaction with audio advertising in terms of both meeting objectives and being cost effective.
- There is desire from the buyers to see improvement in audience measurement systems and guidance in measuring effectiveness.

# WHAT CAN THE INDUSTRY DO TO PROMOTE THE ROLE OF AUDIO?

- Creative showcases
- Better measurement
- Case studies/insights that highlight ROI & effectiveness
- More innovation
- Education, especially of new forms of audio advertising
- Better planning tools
- More programmatic & programmatic integration
- Beyond spots & dots
- Integration & collaboration across broadcast & streaming
- More integration with other media
- Contemporise the medium & highlight the new forms more

THANK YOU

Hoop<sup>o</sup>

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australia