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AUDIO
PLAYBOOK 2020

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INTRODUCTION TO
AUDIO ADVERTISING

INTRODUCTION TO AUDIO ADVERTISING

Based on the recent WATA study, in 2021, music streaming may also have overtaken radio listening.

In recent times, there have been significant behavioural changes in the audio consumption of New Zealand audiences. The rapid, large scale change in the way New Zealanders listen to music continues with no sign of stabilising. Three times as many New Zealanders listen to streamed music as music played on physical formats, and they listen to streamed music for twice as long.

More than four in ten (44%) listen to streamed music each day in 2020, up from 39% in 2018 and 23% in 2014.

OBJECTIVE

This playbook is designed to provide decision makers with the information and resources necessary to take advantage of Digital Audio advertising opportunities.

IAB and the members of its Digital Effectiveness Council has pursued a goal of educating marketers and agencies, creatives, planners and buyers about audio advertising opportunities and discussing best practices and guidelines for building highly successful audio campaigns.

DEFINITION

In today's highly mobile and connected consumer environment, advertisers are investing in digital audio for several key reasons:

1. Large and growing audience

2. Effective reach with mobile consumers

3. Audio is on when screens are not

4. Favourable demographics

5. Highly measurable impressions

6. Strong responsiveness to ads

7. Brand safe message environments

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EXECUTIVE
SUMMARY

EXECUTIVE SUMMARY

The number of digital devices owned by a typical consumer has exploded in recent years. Today, **81% of Kiwis** own a smartphone and **53%** of them research online, comparing products, prices and features before purchasing.

From connected personal devices to connected cars to smart speakers and other connected home appliances, digital technology offers today's consumer constant connectivity that can be a challenge for advertisers and brands looking to maximise campaign impressions efficiently.

Digital Audio overcomes several challenges facing advertisers in today's overloaded media landscape by offering impressions that break through viewability obstacles inherent to situations where the screen is minimsed, dark or non-existent.

Digital Audio impressions are the only impressions that can impact a consumer while the device is in use but not in view. Today's Digital Audio marketplace is a tremendously effective messaging environment that offers digital delivering and targeting capabilities, innovative creative options, sophisticated buying and reporting tools, a safe branding environment and relevant, effective reach with today's connected consumer.

Audio consumption has changed from ownership to access and the smartphone has created an even more fragmented consumer journey. The positive is that marketers can now dive into real moments with real people and reduce the costs of wastage.

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WHY AUDIO?

WHY AUDIO?

Digital Audio can be streamed or downloaded. The technical distinctions between streaming and downloading are virtually invisible to the listener but can impact the way that ad campaigns are planned, bought and measured.

Streamed audio is delivered over a continuous connection 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 of listening and ends when the user ends the session.

For marketers, audio provides a clear and distinct opportunity to connect with an audience by knowing who they are, what they are listening to, when they are listening and how they are listening. Armed with this information, businesses can deliver relevant messages that are more personalised and remarkable.
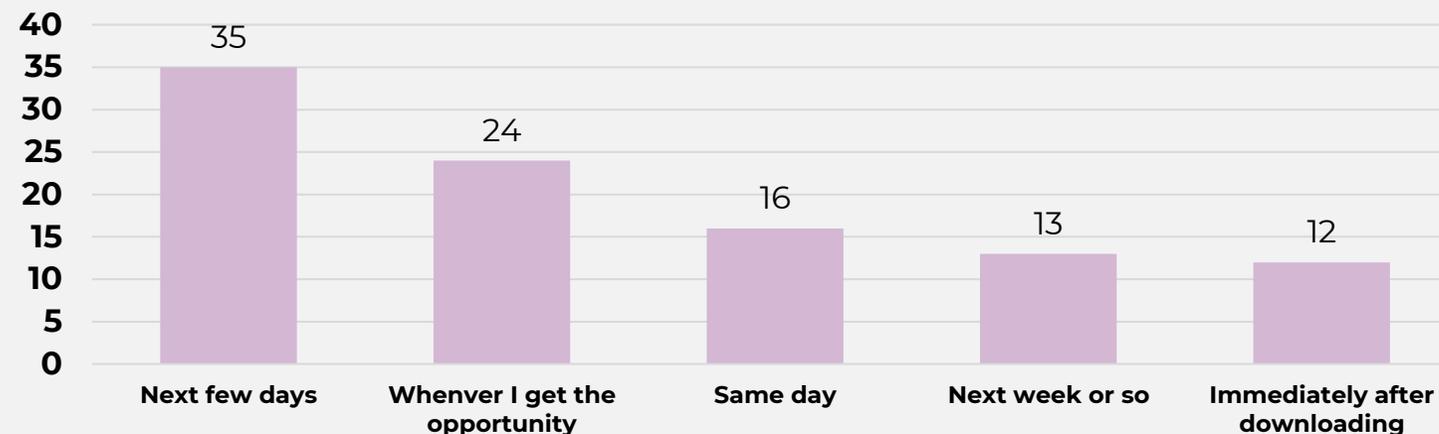
HOW AUDIO STREAMING DIFFERS FROM RADIO:

RADIO	AUDIO STREAMING
One to many	One to One
Personality led	Content led, personal
Broadcast	Targeted, clickable
Drive recall	Drive action
Built on breakfast and drive shows	Companion through the day
Ownership	Access
Scheduled	On Demand

When will a user listen to a podcast after downloading (%)?

Next few days	Whenver I get the opportunity	Same day	Next week or so	Immediately after downloading
35	24	16	13	12

HOW CAN AUDIO BE USED EFFECTIVELY

Digital Audio Ad Campaigns can be evaluated in several ways, depending on the type of digital audio and the way it is consumed.

TRACKING BY IMPRESSIONS

When listening is streamed, as in music platforms and sometimes podcasts, delivered impressions can be tracked and verified using ad tagging. Click-through, Last-click, and Post-listen are the most precise key performance indicators for streaming audio. It has become standard to fire the ad tag at the end of the audio unit, confirming that the listener remained connected for the duration of the ad.

NATIVE ADS

These ads are often read by the show host and sometimes include endorsements. Listeners are sometimes given a purchase incentive and code specific to the content platform or program and results are tracked by code use.

COMPANION BANNER ADS

When a banner ad appears on the screen with the audio, both the content platform and the advertiser can count responses and calculate a click-through rate. Since much listening occurs when the screen is not in use, this is not an effective way to evaluate performance of a digital audio campaign.

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INDEPENDENT RESEARCH

Third party research options can be integrated to track listener engagement from the top of the sales funnel (e.g. brand awareness lift, purchase intent) to the bottom (e.g. in-store traffic, purchase).

DYNAMIC CREATIVE OPTIMISATION

With dynamic creatives you can customise the audio message based on listener data, i.e Location, Day Part, 1st party data, Weather, Platform. The audio creative can be personalised for each listener."

SHAKE ADS

Listeners are invited to shake or tap their phones in order to trigger an action while listening to an audio ad. When they shake the phone, this can trigger the action to download an app, open a website, place a call, download a coupon, and invite a voice command. Listeners are able to interact directly with the ad without unlocking their phone or even looking at their screens. Campaigns using this format have seen a much higher response rate than traditional mobile display advertising.

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WHERE ARE
USERS LISTENING?

HOW CAN AUDIO BE USED EFFECTIVELY

With the proliferation of connected devices, consumption of digital audio content as never been easier.

From Smart Speakers and Gaming Consoles to Connected TV's and Set-Top Boxes, these devices are creating new places and spaces for consumers to enjoy audio first programming as demonstrated by 10% of listening coming from "Other" non-traditional platforms

LISTENING LOCATION
Share of daily time spent streaming by listening location

PERSONS 13+

Car/truck 10%

Other 10%

Work 17%

Home 63%
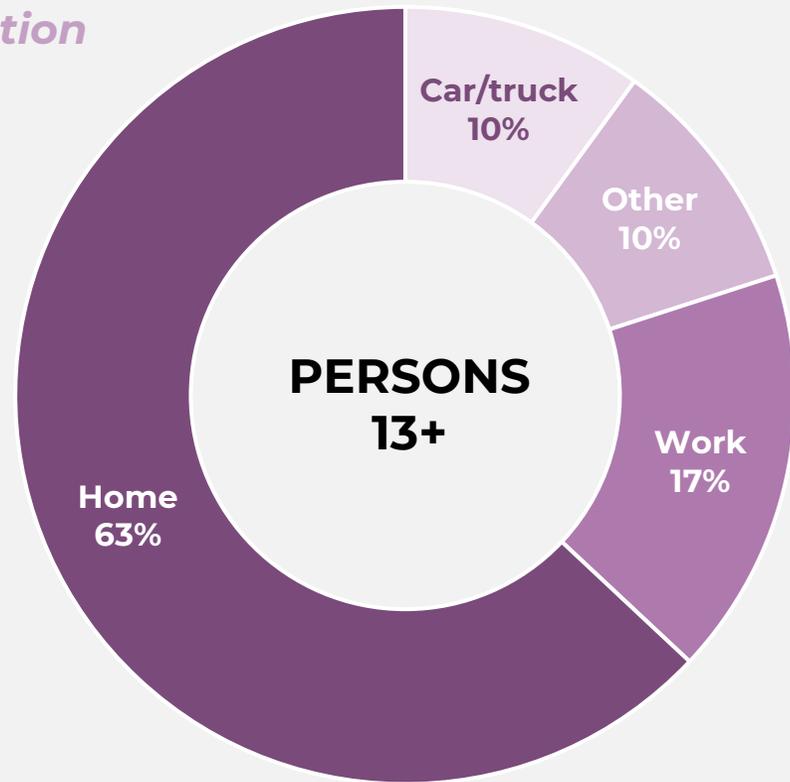
Source: Edison Research, Share of Ear Study, Q2 2018. Figures may not add to their expected totals due to ranking.

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TYPES OF
AUDIO ADVERTISING

TYPES OF AUDIO PLAYS

Streaming services can be further categorised:

AM/FM STATION STREAMS

Where the same content that is broadcast is also streamed and delivered to many people at the same time.

STREAMING STATIONS

Can be programmed or personalised through algorithms based on listener choices. Content is delivered individually to each listener. Stations can also be similar to but different to the terrestrial version without the dynamic music changes based on the individual.

ON DEMAND SERVICES

Allow listeners to select songs and build playlists. Content is delivered 1:1 to each listener.

Downloads can be measured, can take just a few seconds and require the listener to be connected. While music services like Spotify are delivered entirely via streaming, podcasts can be consumed either by streaming or downloading. Downloaded podcasts can be consumed immediately or saved for later listening.

TYPES OF AUDIO ADS

RECORDED SPOTS

Typically available in standard lengths i.e. 15', 30' and 60', spots can run by themselves or within a commercial ad block. They are pre-recorded and sometimes include a visual element on the display ad that is clickable. Positions can include pre, mid or post roll.

NATIVE ADS

These spots are often host read and can include an endorsement. Length of these spots tends to be irregular. Native ads are more often associated with podcasts. These units can be permanently integrated into the program or dynamically inserted. They can run in pre, mid, or post roll positions.

BRANDED CHANNELS

Streaming platforms offer customised channels and playlists that can be branded for an advertiser, including audio elements as well as on screen and marketing communication.

BRANDED PODCASTS

Podcast creators offer numerous ways for brands to engage with their audiences. In some cases, publishers and creators can produce a stand-alone podcast series on behalf of a brand.

Publishers and creators can make themed or branded episodes of an existing show in partnership with a brand and either release it into the show feed as part of their regular publishing schedule or present it to their audience as a bonus episode.
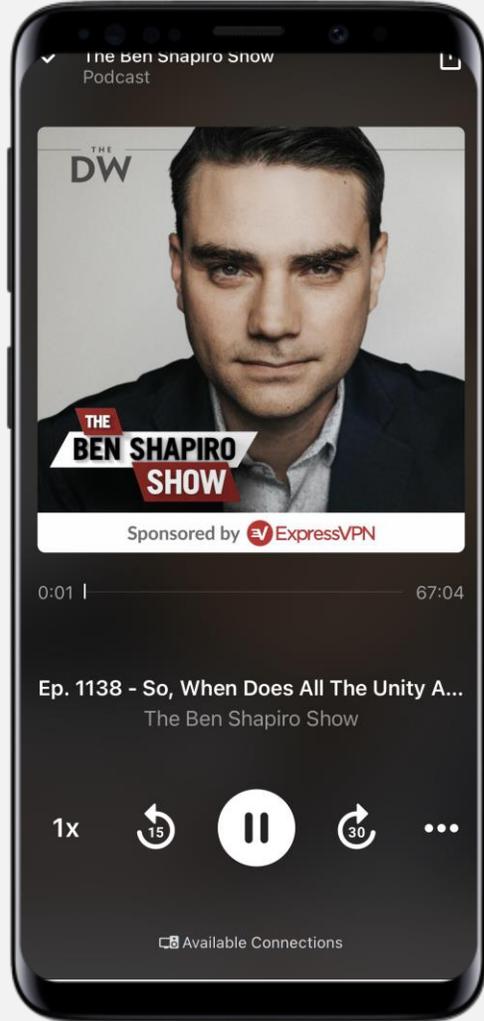
Other creators will work with brands to create highly-produced segments delivered in the regular ad break.

AUDIO EXAMPLES

DISPLAY SIDECAR

ANNOUNCER READ
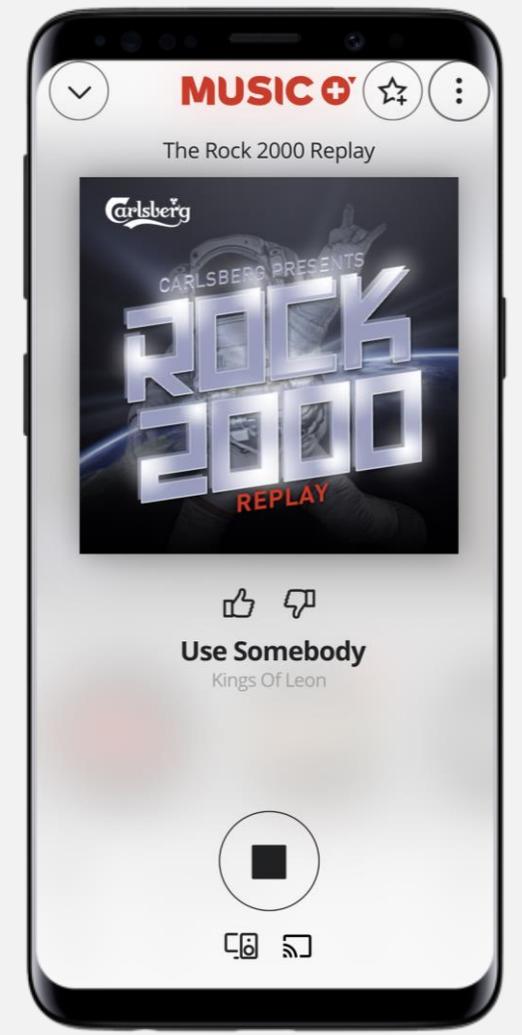
CUSTOMER SEGMENTS

AUDIO
EXAMPLES

BRANDED SERIES

PRE-RECORDED

PRESENTING SPONSORSHIPS

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APPENDIX

PLANNING AND BUYING
AUDIO CAMPAIGNS

PLANNING AND BUYING AUDIO CAMPAIGNS

There are many resources that offer support for planning and buying digital audio campaigns.

From buying channels to measurement and targeting technologies to creative expertise, the digital audio marketplace has the tools to support advertisers' strategic campaign objectives.

SALES CHANNELS

Access to digital audio inventory is available from several types of companies who offer support and resources for campaign execution:

ADVERTISING REP FIRMS

Like traditional rep firms, these companies provide access to inventory for a certain group of publisher

CONTENT AGGREGATORS/ PORTALS

Some companies provide access to a catalogue of digital audio content under one consumer brand.

DIGITAL AUDIO NETWORKS

Similar to display, video and mobile, a digital audio platform is one that aggregates ad space supply from publishers and matches it with advertiser demand using a central ad server to deliver advertisements to consumers using dynamic ad insertion.
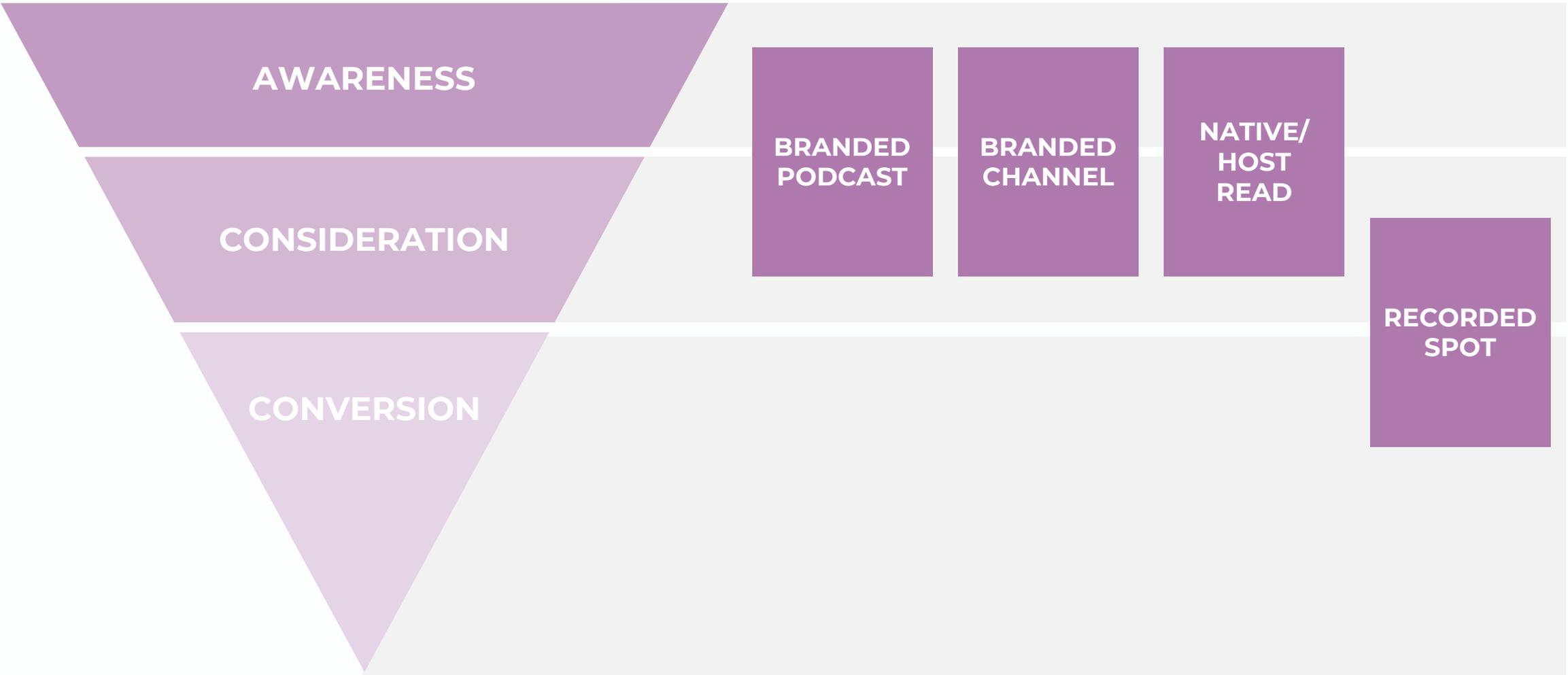
PUBLISHERS

Some streaming publishers, particularly some of the larger ones, sell their inventory directly through sales representatives that work exclusively for one brand.

PROGRAMMATIC AUDIO

Like other digital media, programmatic access to digital audio is readily available. IAB defines "programmatic" as the automated buying and selling of inventory

AUDIO FORMATS PLAY A ROLE ACROSS THE ENTIRE SALES FUNNEL

AWARENESS

CONSIDERATION

CONVERSION

BRANDED PODCAST

BRANDED CHANNEL

NATIVE/ HOST READ

RECORDED SPOT

DELIVERING AND TARGETING OPPORTUNITIES

DELIVERING AND TARGETING OPPORTUNITIES

Various techniques and technologies enable targeting of digital audio advertising based on geography, demographics, and behaviour.

Most, but not all, rely on real-time ad insertion for execution.

GEOTARGETING

Is accomplished using one of the following techniques:

- **IP based targeting** which uses the Internet Protocol address of the listener to identify their location and serves ads.

- **Geo-fencing** – When enabled by the listener and media player, location data can be tracked and targeted.

DEMOGRAPHIC

Targeting users based on demographics can be accomplished in several ways:

- **Content Targeting** – Using data that shows that certain types of formats or programs resonate with a particular age and gender set.

- **Behavioural Targeting** – Advertisers and publishers utilise a user's previous browsing, listening and/or shopping behaviour to customise the types of ads they receive.

- **Audience targeting** – Using a publisher's DMP (data management platform) ads can be served to a group of people based on combining their app registration data (1P) and their buying intent and purchase behaviours (3P data), using Audiences, eg. "Luxury Car Buyers" vs. traditional demo A25-54.

CONTEXTUAL

Ads can be served that are relevant to the genre of a certain station, playlist, channel or program.

COOKIE TARGETING

A cookie is a small text file that stores data generated by a website and is saved by your web browser. Its purpose is to remember information about you, creating data that informs preferences by which an advertiser can target messages. Cookies are only available via web platforms.

DELIVERING AND TARGETING OPPORTUNITIES

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Most, but not all, rely on real-time ad insertion for execution.

MOBILE AD ID TARGETING

Mobile Advertising ID's (MAIDs) are unique, user-resettable ID's used in advertising to identify a mobile device. MAID's are the equivalent of a cookie for the web.

SEQUENTIAL ADS

Ads that are served in a placed sequence, as on an impression-based or click-based sequence, with the objective of delivering multiple/consecutively executed messages over a period of time.

DYNAMIC AUDIO

Dynamic Audio ads allow advertisers to serve ads tailored to listeners in real time using listener data signals. The technology strings together different elements, or pieces of an audio ad, to get a message just right for each listener. Data signals available to advertisers can include but are not limited to:

- *Location:* Region, City, Post Code and with mobile longitude and latitude

- *Demographics:* Age and Gender

- *Date and Time:* Day of Week, Weekday/Weekend, Daypart, Countdown (to an event, for example, *'only three days left until Black Friday sale starts'*)

- *Music Genres:* Pop, Rock, R&B etc

- *Phone Operating System:* iOS, Android etc

There is also a technographic targeting capability in audio advertising. Custom platform targeting can include but is not limited to:

- *Web Browser:* Chrome, Firefox, Safari, etc.

- *Wireless Carriers:* Spark, Skinny, Vodafone etc.

- *Listening Platform:* Web, mobile, tablet, in-home connected devices/speakers, and/or connected-car platforms, Bluetooth enabled

- *Devices:* Mac, PC

MEASUREMENT TOOLS

MEASUREMENT TOOLS

It's been noted previously in this document that there are two ways to consume digital audio – by streaming or downloading. Audience measurement and impression tracking methods vary according to the way the content is consumed.

STREAMING AUDIO

Triton Digital's Webcast Metrics™ provides credible, third-party data that is translated into traditional and digital metrics to facilitate both kinds of media buying. No samples, surveys or panels are utilised in the data collection, transformation or display processes and procedures.

Triton Digital collects data through raw log files of streaming activity collected daily from the Content Delivery Network (CDNs) hosting the radio station players, or through client-side measurement, by collecting the data directly from the web-based player or mobile device.

PODCAST AUDIENCE MEASUREMENT

Most podcast hosting platforms offer audience tracking resources that process data according to industry standards which can be provided for planning and purchasing purposes. In addition, there are two companies that offer "rankers" publicly:

- *Podtrac* – is a company that has been measuring podcast audiences for more than ten years. It recently began publicly releasing monthly rankers reflecting the audience size of publishers and platforms it measures by counting "Monthly Unique Audience".

- *iTunes* – The iTunes Podcast Top Charts is sometimes taken to be a measurement resource. Methodology is unstated and therefore it is sometimes unclear what the charts represent. Therefore, it should be used in combination with other data sources for accuracy.

APPENDIX - CONTRIBUTORS

This Playbook was created by the IAB New Zealand Digital Effectiveness Council in collaboration with the IAB New Zealand.

AUDIO PLAYBOOK TEAM

Matt Fussell, MediaWorks (Vice-Chair)

Roger Shakes, Media Tech Partners

Zane Furtado, Acquire Online

IAB NEW ZEALAND DIGITAL EFFECTIVENESS COUNCIL MEMBERS

Michael Buhagiar, Big Mobile (Chair)

Matt Fussell, MediaWorks (Vice-Chair)

Gary Joseph, MediaCom

John Farrell, Stuff

Miri Kang, OMD

Nathan Laing, Google

Nikhil Elayat, Stanley Street

Phillip Pearson-Sue, PHD

Roger Shakes, Media Tech Partners

Saj Patel, NZME

Sebastian Graham, Verizon Media

Zane Furtado, Acquire Online