Next Audio

Introduction to Digital Audio Advertising

A guide to the basics of digital audio advertising for new advertisers

ON AIR

Hello!

I'm Suzi, your personal guide to digital audio advertising.

You're here because you're curious about using digital audio in your marketing. But as it's a new media for you or your business, you need to get a handle on the basics.

Good news, read this and you'll soon be harnessing all of audio's power to improve your business success!

WHAT YOU'LL LEARN

Whether you're a business owner, marketer, or just curious, this guide will teach you:

1. **An overview of the different digital audio formats for advertising**

2. **A summary of audio advertising solutions**

3. **How to choose the right execution strategy based on marketing objectives**

4. **Intro to buying digital audio ad spots**

5. **List of benefits and statistics to help you sell audio to your company**

6. **Glossary of common audio advertising terms**

THE OUTCOME

After reading this full guide you'll have the fundamental knowledge to plan and launch your first digital audio campaign.

And the result of adding audio to your mix? Your campaign will reach untapped audiences, enhance engagement, and elevate your marketing endeavours, leading to improved ROI!

So go ahead and dive into digital audio – you won't regret it!

Happy Reading!

Suzi

Digital audio represents a way for you to connect with customers and spark actions that really count. But it's imperative to understand that digital audio encompasses far more than just podcasts, and is very different to traditional radio.

The Different Digital Audio Formats

Podcast

Audio-first, on-demand content available for streaming or download, covering a wide range of topics, including interviews, storytelling, education, and entertainment. Primarily distributed through an RSS feed for listeners to consume through a podcast player on a mobile phone or website.

Music streaming

A web-based service that lets people stream songs to their computers or mobile devices, example services include Tidal, Spotify, Apple Music, and Pandora. Users can access and listen to music on-demand or via curated playlists.

Web radio

A live audio stream played via the internet. This differs from traditional and DAB radio which uses AM, FM or DAB frequencies.

Smart Speakers and Voice Assistants

Devices like Amazon Echo or Google Home that respond to voice commands and can play digital audio formats.

In-app mobile gaming

Games played through an app on a mobile phone or tablet. Mobile gaming is now the most popular form of gaming in the world, overtaking both console and PC gaming!

It's different to terrestrial radio!

In an advertising context, ads on digital audio are nothing like the ones you get on terrestrial radio.

Radio takes a spray-and-pray approach. Meaning, a slog of ads is played back-to-back during regular ad break slots with the goal of reaching as many ears as possible, no matter who they belong to.

Digital audio on the other hand is much more nuanced. It uses first-party data to identify listeners for a more relevant, personalised ad experience. Plus, your ad is played one at a time. It is the only ad listeners will hear in that spot, giving you 100% share of ear.

The Different Digital Audio Types

STREAMING & WEB RADIO ADS

A 15 to 30-second pre-recorded audio ad is placed between songs or playlists.

Dynamically inserted (sold programmatically), you set demographic and contextual targeting parameters to reach the right listener.

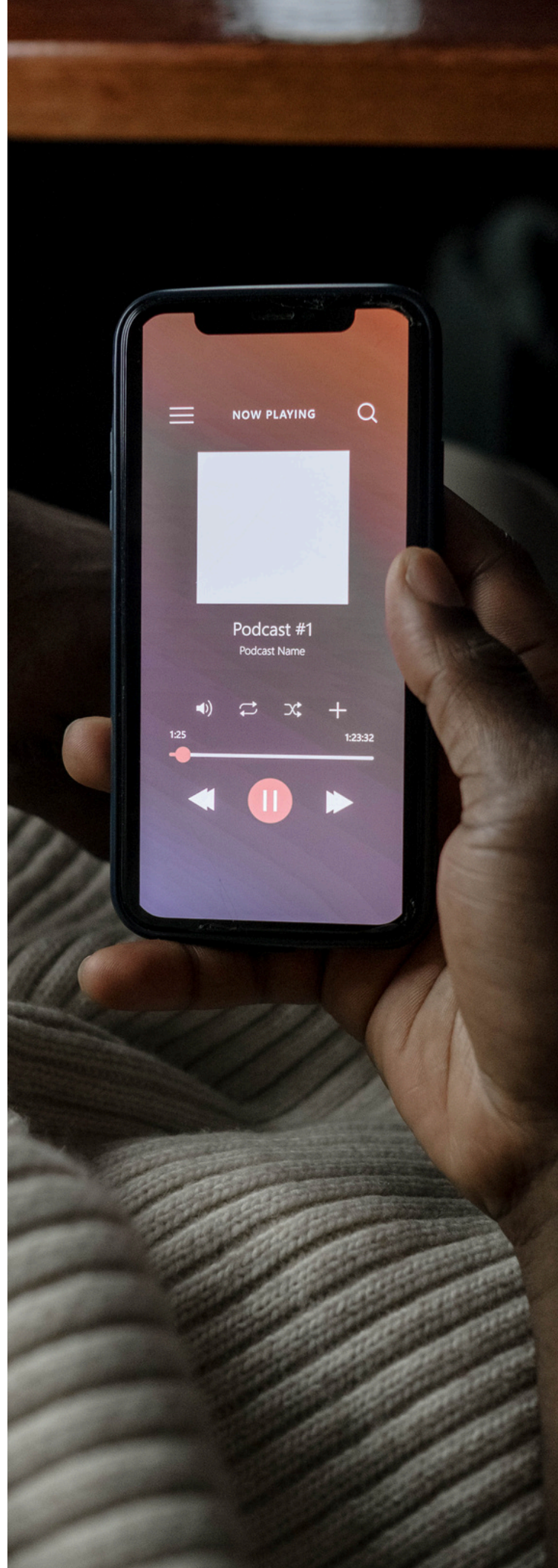A clickable companion banner is also displayed at the same time.

IN APP MOBILE GAMING ADS

Inserted in the same manner as streaming.

Mobile gaming ads are single ad spots giving you 100% share of ear.

Plus ads are unskippable and only served when volume is switched on and at a minimum of 30% volume. This means each impression counts!

PODCAST ADS

Podcasts have the most diverse advertising solutions available. While very different in style and budget, all work in harmony with other media to boost their effectiveness.

Let's look at the options:

Dynamically Inserted Ads

If you're used to the online ecosystem then the concept of programmatic will all be quite familiar. The core proposition remains the same - connecting a supply-side platform (SSP) with a demand-side platform (DSP) to purchase ad inventory in an automated manner.

All the efficiencies remain - such as targeting, measurement, retargeting, and of course, speed! A programmatic strategy will give you huge reach and access to a highly engaged audience. It is also the most budget-friendly approach.

Ad spots include:

- Pre-roll: Played before an episode. Can be skipped but isn't too common. Costs less than mid-roll. Ideal if you have a quick, clear ad that can convert in a shorter time period.

- Mid-roll: Highest cost placement as it gets the highest LTR (listen through rate).
- Post-roll: This placement is the lowest cost as its the easiest for listeners to skip. BUT it can also be said that your ad will be the last thing they hear - leaving you top of mind.

A study from Sounds Profitable says respondents stated they'd be much more likely to buy something they hear advertised on a podcast (43%) than on TV (33%) or radio (26%).

Branded Podcasts

As the name suggests, a branded podcast is the podcast of a brand. Show development is part of an inbound marketing/content strategy.

Your podcast might be designed to entertain or educate. It could be an interview, fictional, live, deep dive...anything goes.

Creating a podcast allows you to build an audience, share a story, and bring awareness in a meaningful way. Plus it costs less than video production!

A BBC report found businesses with branded podcasts saw 89% higher awareness, 57% higher brand consideration, & 24% higher brand favourability

Sponsorship

Sponsorship can help you effectively drive up sales and brand awareness through the intimate relationship hosts have with listeners. Podcast influencers have been shown to trigger much richer emotions, feelings, and trust than visuals making it a more persuasive tactic than using social influences.

Show sponsorship is a higher investment than programmatic advertising, but is a proven effective strategy to establish a strong brand, build credibility, and attract new customers.

Sponsorship options include:

- **PRODUCT PLACEMENT** You will feature in the episode content itself in a casual manner with the host organically using your brand/product within the conversation. You can request they still hit certain features or talking points but hosts should have the freedom to talk as they wish. Without a strict script to follow you'll more seamlessly fit into the tone and values of their show, which audiences resonate with better and limit any chance of being turned off by outright forms of advertising.

- **DIRECT RESPONSE** This is a popular option with advertisers and one I'm sure we've all experienced. Direct response ads are scripted 30-60-second host-read ads that are prerecorded and end with a call for listeners to visit a website, use a discount code, or some other action. Dynamically inserted into the episode, the audience remains immersed in the show because they are hearing the host's voice. While you will be called out as a sponsor, because the host is presenting your product you will still benefit from the trust listeners have in their recommendations.

- **LIVE READ** Like direct-response, these ads are mostly scripted and read by the host but performed live during an episode instead of being edited and dynamically inserted. Your brand will benefit from a more natural style of reading and ad-lib moments.

Nielsen research found host-read ads lead to stronger lifts in key equity metrics, such as a 67% increase in brand affinity.

Choosing the Right Advertising Strategy

TIME

If you are in a time crunch, programmatic is going to be your strategy. It is the fastest method to go live.

Self-serve audio ad managers such as **admanager.fm**, uses AI for the creative, so you can plan, create and go live within minutes. Go to "how to buy ad spots" for more info on Ad Managers.

An agnostic network, like Next Broadcast Media, is also a fast option. They can get ads professionally recorded and live within 48 hours, across all platforms and formats.

BUDGET

If your budget is $250 - $5k, using an audio Ad Manager to book a programmatic campaign is going to be your best strategy. While it requires internal resources to manage the campaign internally, it is fast and simple.

A managed programmatic campaign starts at a higher base price as it comes with full-service support including planning, setup, creation, distribution, optimisation, and analysis.

Sponsorship is also bought using CPM, the cost will vary depending on the show's reach. But as a rule-of-thumb, it will be the most expensive option.

Pick an Ad Strategy By Campaign Goal

Brand Awareness

Dynamic ad insertion across multiple audio formats will award you maximum reach. Plus detailed analytics to optimise and analyse.

Utilise contextual and demographic targeting, and run your campaign for 6+ weeks.

Customer Acquisition

Podcast sponsorship is one of the most effective ways to move listeners from awareness to action. This is because of the high trust listeners have with the host.

Target specific shows with a listenership that closely matches your ideal customer persona. Don't pick just one show and expect results. Pick a variety of shows to amplify your reach and effectiveness.

Customer Retention

Dynamic ad insertion, across all digital audio formats will keep your product/brand top of mind. The objective is to be present in multiple touchpoints.

Branded podcasts and podcast sponsorship approach is also beneficial here too! This will deepen the emotional connection.

Announcement & Promos

Spread the word by using all formats, programmatic.

Create ads with a clear and concise call to action, and harness geographic and contextual targeting to maximise relevant awareness and conversion.

Thought Leadership & Education

Creating a branded podcast is going to showcase your authority and expertise. Plus it'll give you valuable owned content to use elsewhere. A good alternative is product placement podcast sponsorship. Doing this you'll benefit from an already established listenership but it'll cost more than doing your own.

How to Buy Digital Audio Ads
Choosing Your Audio Partner

The digital audio media buying landscape can be complex due to its fragmentation and country uniqueness. There are a lot of platforms, networks, and marketplaces to buy. But as ultimate success is dependent on getting a quality ad in front of the right people, picking the right supplier is a paramount decision.

Picking the right supplier will largely be based on your target market, the solutions the partner offers, and their potential reach.

You'll likely choose to buy audio in one of two ways, directly with publishers or podcasts, or through an ad network.

Buying direct with an audio platform like Spotify, Apple, SoundCloud etc. will give you access to free account users. Platforms will utilise internal detailed insights about their users and may also have exclusive access to certain pieces of content.

An Ad Network on the other hand, like Next Audio aggregates all available inventory across leading and local platforms enabling you to reach a large targeted audience, no matter how they are accessing content. Plus we can by-pass ad blockers, reaching premium paid users too. Because of this extended reach, many advertisers find the expertise of an outside party can help achieve the best results.

Ad Network
Definition: a company that is given the rights to aggregate ad inventory from multiple publishers and sell it on their behalf

Key Audio Advertising Facts & Stats

Need to convince your clients, boss, or colleagues about the benefits of audio? Here's a round-up of essential audio advertising statistics covering popularity across the world, and the effectiveness for business use.

POPULARITY

- In 2020, time spent listening to digital audio **surpassed traditional radio.**

- In 2023, nearly **55%** of audio time will be **spent on digital platforms.**

- As of 2023, there are over **5 million** registered **podcasts** globally, and 70 million episodes. They are available in over 150 languages.

- Currently, there are **464.7 million podcast listeners** globally and predicted to reach 504.9 million by 2024.

- **Smart speaker sales** increased by **22%** during the 2020 pandemic.

- It's reported **Gen Z** discovers podcasts more than twice the rate of other age groups

- The **music streaming** industry has more than **616 million** users worldwide.

ADVERTISING EFFECTIVENESS

- Audio ads have a **24% higher recall** rate than traditional display ads.

- **74%** of podcast listeners report **visiting a company** or product's website after hearing an ad.

- **53%** of smart speaker owners who have heard an ad on their device say they're **likely to respond** to such ads.

SOURCES: Statista, MIDiA, IFPI, IAB, Edison Research, Spotify, Podcast Index, Infinite Dial

Glossary of Terms

The Podcast Industry Glossary is a collaborative effort by Sounds Profitable and audio partners. Use this to help with key terms, or visit the full glossary for more.

ADVERTISING FORMATS

Term: Dynamic Ad Insertion (DAI)
Definition: The ability of a podcast's ad server to place the ideal ad creative for each ad position in real time as the unique listener requests the episode for download. This server-side action takes into account the listeners information (IP address, device user agent, and specific episode) and the campaign goals and targeting.

Term: Programmatic Advertising
Definition: An operationalized method of buying and selling ad inventory through the use of Supply Side Platforms (SSPs) and Demand Side Platforms (DSPs) allowing for real-time bidding on the inventory. The pre-negotiated nature of programmatic advertising creates operational efficiencies in ad serving, ad targeting, sales, billing, and more.

Term: Programmatic Guaranteed (PG)
Definition: A type of programmatic advertising that allows buyers to purchase a guaranteed number of impressions at a pre-negotiated rate from a publisher.

Term: Branded Podcast
Definition: A podcast created by or on behalf of a company or specific brand to promote its products or services, strengthen its brand narrative, and/or spread its key messaging.

Term: Episodic Buying
Definition: Buying a set volume of ad impressions in a specific episode or episodes.

Term: Run of Network (RON)
Definition: A type of targeting where an ad could run on any episode for a specific show, old or new, that is listened to in the timeframe of the campaign. Sometimes called Full Catalogue.

Term: Sponsorship
Definition: Advertising focused on the building of a strong association between the brand and podcast or publisher, often exceeding the scope of a more defined ad campaign

Term: Spot Buying
Definition: Buying 100% share of voice (SOV) for a specific ad position in a specific episode either indefinitely or for a set period of time after the episode has launched.

SUPPLY

Term: Supply Side Platform (SSP)
Definition: A programmatic advertising platform that allows publishers to coordinate the supply, monetization, and distribution of their advertising inventory to and from advertisers. Supply-side platforms connect advertising networks and exchanges to demand-side platforms (DSP) on the advertiser side.

Term: Demand Side Platform (DSP)
Definition: A programmatic advertising buying platform that allows advertisers and media buying agencies to bid automatically and in real-time on audio, display, video, mobile, etc.

Term: Hosting Platform
Definition: A software platform designed to store online podcast/episode details, podcast episode files, and to publish an RSS feed which allows podcast players to access all of this information for their listeners. Many hosting platforms have an integrated ad server for dynamic ad insertion as well.

Term: RSS Feed
Definition: A public or private URL, provided by a podcast hosting platform, to a formatted text document which contains all required information and attributes for a podcast player to correctly display and access a specific podcast.

TARGETING

Term: IP Address
Definition: A unique digital address that identifies a device or network. In podcasting, IP address is primarily identified by household Wi-Fi, cellular connections, or business Wi-Fi networks. This data is passed from the podcast player to the hosting platform when requesting an episode to download.

Term: Targeting, Audience
Definition: The ability to target ads based on the advertisers existing or prospective customers. This requires an ad server which can access the advertisers first-party data.

GLOSSARY OF TERMS

TARGETING CONTINUED...

Term: Targeting, Behavioral
Definition: The ability to target your audience based on a user's online and offline behaviour from first or third-party data sets (e.g. parents shopping for baby goods, connected home users, auto enthusiasts, etc).

Term: Targeting, Category
Definition: The ability to target ads to a specific audience based on the category of content they're consuming, defined by the podcast genres or the IAB Content Taxonomy.

Term: Targeting, Contextual
Definition: The ability to target a campaign to run only when the title, show description, episode description, or actually transcribed content of the episode are a match. This can be simplified keyword targeting or more complex solutions that assign topics to the content or segments of the content.

Term: Targeting, Date/Time
Definition: The ability to target advertising to be run at a specific date and/or time.

Term: Targeting, Demographic
Definition: The ability to target advertising to specific characteristics of the listener, including but not limited to: age, gender, race/ethnicity, income, and education.

Term: Targeting, Geographical
Definition: The ability to target advertising by geographical identifiers such as post/zip code, DMA, country, state, region, and country.

AD PLACEMENT

Term: Ad, Mid-roll
Definition: An ad insertion point located within the body of the content, after the intro and before the outro.

Term: Ad, Post-roll
Definition: An ad insertion point that is placed within the last 10% of an episode, commonly after the episode ends

Term: Ad, Pre-roll
Definition: An ad insertion point that is placed within the first 10% of an episode, commonly before an episode begins.

Term: Frequency
Definition: The number of times a listener can be served an advertisement or the number of times an advertisement was served during a flight.

Term: Frequency Capping
Definition: The ability to define the maximum number of times an ad can be delivered to a listener within a given timeframe.

AD CREATIVE

Term: Read, Host
Definition: Ad creative voiced by the host of the podcast.

Term: Read, Live
Definition: Ad creative recorded live during and as a part of the specific podcast episode being sponsored. Often interwoven seamlessly into the content.

Term: Read, Pre-Produced
Definition: Ad creative produced and supplied by the buyer, not utilising podcast host or producer talent.

Term: Read, Scripted
Definition: Ad creative that is read verbatim from a script.

Term: Read, Un-scripted
Definition: Ad creative that typically utilises talking points instead of a script, so that the read comes off more authentic.

ANALYTICS

Term: Download
Definition: A term governed by the IAB Podcast Measurement Technical Guidelines that is counted once per episode, per unique IP address and device user agent combination, in a 24-hour period when 60 seconds or more of the audio file for a podcast episode has been sent from the hosting platform to the listeners device.

Term: Download, Automatic
Definition: Specific podcast players allow listeners to follow a podcast so that when a new episode is released, regardless of listener interaction, the episode is downloaded by the podcast player in the background.

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Definition: Specific podcast players allow listeners to follow a podcast so that when a new episode is released, regardless of listener interaction, the episode is downloaded by the podcast player in the background.

Term: Download, Manual
Definition: When a listener selects the download option in their podcast player to save that episode to their device.

GLOSSARY OF TERMS

ANALYTICS CONTINUED...

Term: Download, Progressive
Definition: When a listener presses play on a specific podcast episode, the podcast player requests the full file or chunks of the episode at a time from the hosting platform, while allowing the listener to play the episode. The downloaded files are stored in a temporary location rather than in a library as a downloaded podcast. Often confused with Streaming.

Term: Listens
Definition: A statistic unique to podcast players meant to represent the action of the listener consuming a podcast. There is not a standard for this statistic within the IAB guidelines and no two podcast players define a listen the same, nor do all podcast players provide this statistic.

Term: Reach
Definition: The number of unique listeners over a period of time. Can be applied to a specific podcast, network, or ad campaign.

Term: Share of Ear
Definition: The percentage of impressions one advertiser receives measured against the total impressions within a specific ad position or an entire episode. If an episode supports up to four ads total and a buyer purchases one position fully, they would have 25% share of ear of the entire episode but 100% of that ad position.

Term: Share of Voice (SOV)
Definition: The percentage of impressions one advertiser receives measured against the total impressions within a specific ad position or an entire episode. If an episode supports up to four ads total and a buyer purchases one position fully, they would have 25% share of voice (SOV) of the entire episode but 100% SOV of that ad position.

Term: Ad Delivered
Definition: The number of times an ad was delivered to listeners, counted if all bytes of the ad creative have been sent to the listeners device in an IAB certified download.

Term: Ad Impression
Definition: A metric used to quantify the total number of engagements with an advertisement. In podcasting, our engagement metric is Ad Delivered, indicating when the portion of the episode containing the advertisement has been sent to the listener in an IAB certified download.

Term: Attribution Pixel
Definition: A tracking pixel used to identify the consumer exposed to an ad and match them to a tracked action on a website, app, or other endpoints.
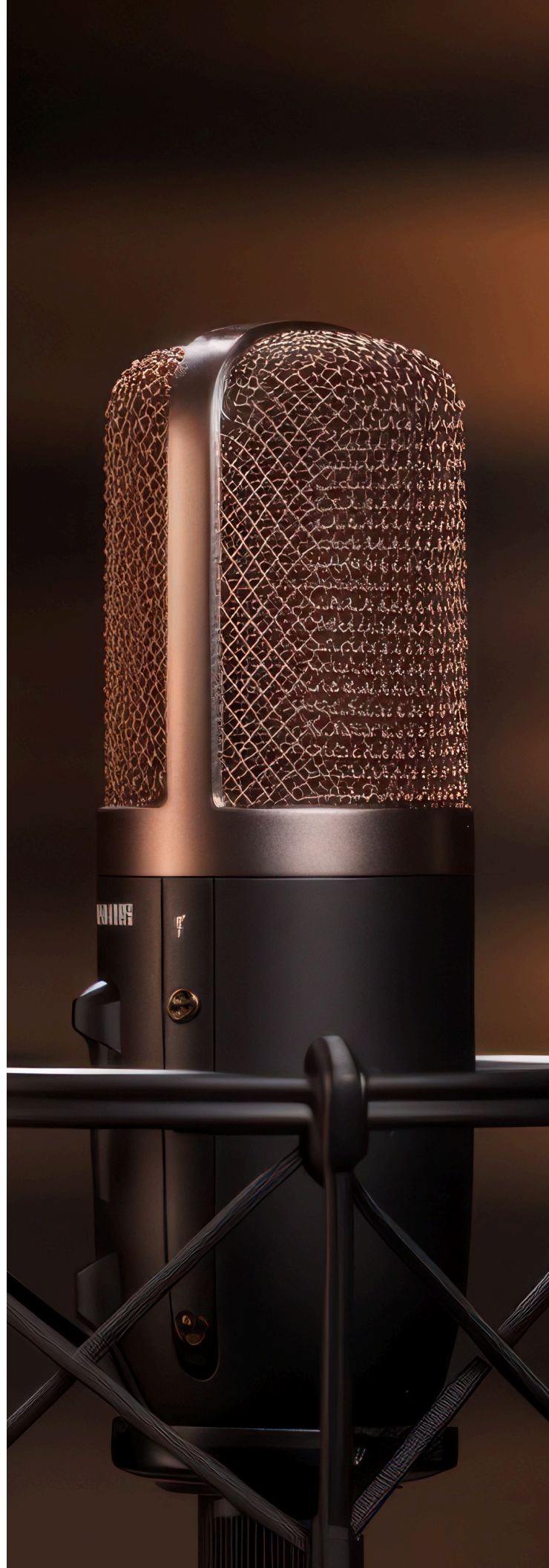
Our Solutions

We're independent audio experts with the latest tech to help you tap into the most extensive, non-fragmented audio inventory across 50+ countries.

Next Audio

- End-to-end, full service
- Sponsorships
- Show production
- Special executions
- Programmatic
- Free creative studio
- Campaign budgets $5,000+

www.nextaud.io

AdManager.FM

- Self-serve ad manager
- Full control and user-friendly
- Live within minutes
- Campaign budget $250
- AI script writing
- Free audio ad recording
- Programmatic, <30 second ads

www.admanager.fm

OUR CLIENTS