

# audio advertising state of the nation

wave 6: february 2022

# iab audio council.

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



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**1. introduction and  
background.**

# introduction.

It has been extremely rewarding to see the growth of the digital audio industry over the past 12-18 months across audio streaming and podcasting all thanks to the hard work of the IAB and the members of the IAB Audio Council. The council is made up of industry experts across 15 different media and tech companies as well as industry body Commercial Radio Australia.

From the very first State of the Nation back in 2017 to the release of Wave 6, the Audio Council continually looks forward to exploring opportunities for growth, education, and investment into digital audio from the industry data we collect. This research continues to support best practices and collaboration to highlight digital audio as a successful and essential advertising channel for publishers and advertisers.



**Richard Palmer**  
Director of Market Development (APAC)  
Triton Digital  
Co-chair, IAB Audio Council



**Gai Le Roy**  
CEO  
IAB Australia

The IAB are pleased to release the 6<sup>th</sup> wave of the State of the Nation audio advertising industry survey and appreciate the input from our respondents in helping us to identify ways to enhance audio buying.

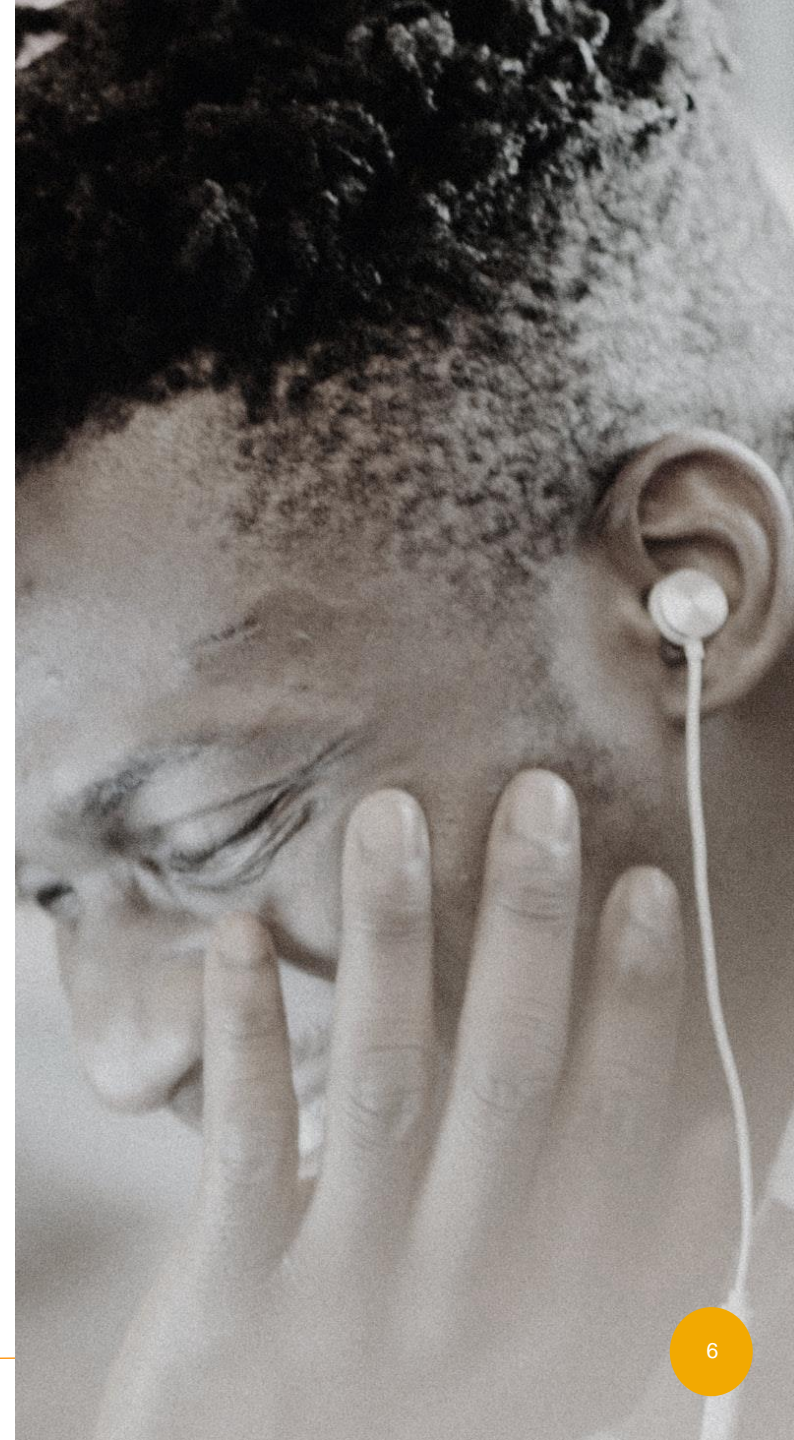
2021 has certainly been a year of strong rebound for digital advertising after COVID-19 impacted expenditure levels and usage of digital audio has continued to grow throughout this time. Digital audio advertising is now more consistently considered, there has been strong growth in programmatic buying and usage of a wide variety of formats and content genres with a more strategic brand building approach being employed.

As the industry matures different opportunities emerge for driving growth. I look forward to the IAB Audio Council's continued involvement in industry collaboration to further promote a stronger role for streaming audio and podcast advertising in the media mix.

# background.

- This study was conducted by independent research company, Hoop Research Group
- Fieldwork was carried out in December 2021 and January 2022
- 198 survey responses
- Respondents are decision makers or influencers in the allocation of marketing spend and either placed or planned audio advertising campaigns
- The analysis in this report focuses on the attitudes of decision makers from a range of media agencies
- This is the 6<sup>th</sup> wave of the IAB Advertising State of the Nation which has been conducted at a similar time each year

The survey covers usage and attitudes to advertising in broadcast radio, streaming digital audio, DAB+ and podcasts.



# executive summary.

- **Streaming digital audio and podcast advertising is continuing to play a more consistent role in media plans than it did 6 years ago.** 7 in 10 (73%) media agencies now have streaming digital audio advertising as a significant part of their activity or regularly consider it. 6 in 10 (59%) media agencies now regularly consider podcast advertising (increasing from 36% last year).
- COVID 19 impacted budgets have minimally affected media agencies usage of streaming digital audio and podcast advertising in the last year. 84% of media agencies used streaming digital audio advertising in 2021 and 71% used podcast advertising (62% used podcast original content and 50% used podcast catch up radio content).
- **Intention to buy audio advertising programmatically continues to increase.** 64% of media agencies intend to use programmatic for audio advertising over the next 12 months. Media agencies intend to buy multiple types of programmatic, with a strong increase in intention to buy on open exchanges this year.
- While data & targeting is still the dominant factor in buying digital audio advertising programmatically, there has been an increase this year in flexibility and operational efficiency as factors driving programmatic usage.
- **Streaming digital audio and podcast advertising have solidified their role in brand building.** 87% of agencies using audio advertising have used streaming digital audio to increase brand awareness and 84% have used podcast advertising. Increasing engagement also remains an important objective for digital audio and podcast advertising. In a COVID 19 influenced year there has been an increase in focus on lower funnel objectives (direct response) for broadcast radio, streaming digital audio and podcasts.
- Despite the dominance of branding as a campaign objective, consistent usage of brand metrics to assess effectiveness remains low (only 24% of media agencies are usually using brand metrics to assess performance of streaming digital audio and 36% to assess podcast advertising).

# executive summary.

- **There is high levels of experimentation across a variety of creative formats and within a range of content genres.** To optimise the impact of creative, there is an opportunity to educate further on the benefits of using branding assets in creative and clarity on the different techniques for audio branding, along with greater frequency of adjusting creative to suit the particular audio environment. Dynamic creative remains an elusive format that many have intended to try over the years but has not translated to actual usage increases.
- **Greater integration of streaming digital audio and podcasts with other audio channels and into cross-media campaigns is a significant opportunity.**
  - Greater campaign integration maybe be hampered by audio advertising continuing to be planned and bought in silos. Only 40% of media agencies are both planning and buying all audio activities within the same team (down from 51% last year).
  - There is room to further increase integration of digital audio with other forms of digital advertising. 65% of agencies report planning and buying digital audio collaboratively with digital display activity, while 59% report planning and buying in combination with digital video activity.
  - Lack of standardized metrics across audio continues to be a key barrier and lack of integration of streaming digital audio and podcasts into wider campaigns has emerged as an opportunity to drive growth this year.
- **Availability of advertising effectiveness evidence for streaming digital audio and podcasts has improved this year.** Lack of integration of streaming digital audio and podcasts into wider campaigns has emerged as an opportunity to drive growth this year. Lack of addressability has also increased as a barrier for podcast advertising.

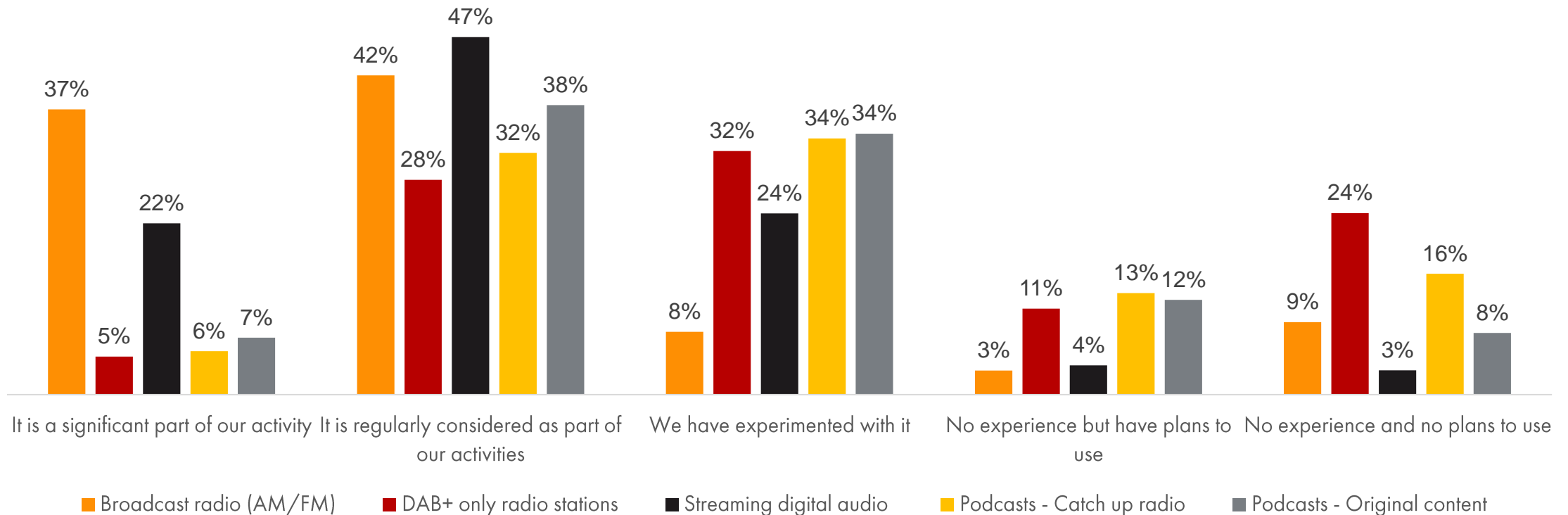


## **2. audio advertising: planning and buying.**

# significant level of audio advertising usage.

Over 9 in 10 respondents (93%) have ever used streaming digital audio and it is now a significant or regular part of activity for 69% of respondents. 8 in 10 (79%) have used podcast advertising within original content and this is a significant or regular part of activity for 45% of respondents. 7 in 10 (72%) have used podcast advertising within catch up radio content and this is a significant or regular part of activity for 38% of respondents.

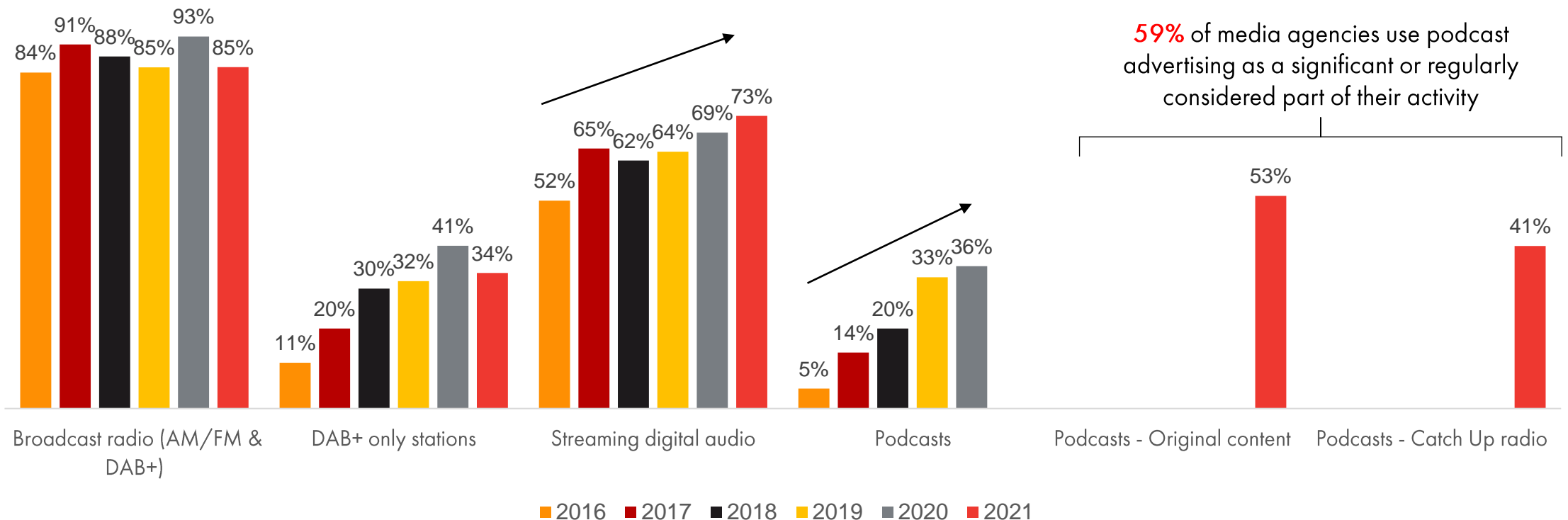
experience with all types of audio advertising



# agencies **regularly consider** audio advertising.

Media agency usage of streaming digital audio advertising and podcast advertising has shown steady and consistent growth over the last 6 years. 7 in 10 (73%) of media agencies now have streaming digital audio advertising as a significant part of their activity or regularly consider it. 59% of media agencies are now regularly considering podcast advertising (increasing from 36% last year). For the first time in 2021 the usage of specific podcast types has been spilt into original content (53% of media agencies have at least regularly considered) and catch up radio (41% of media agencies).

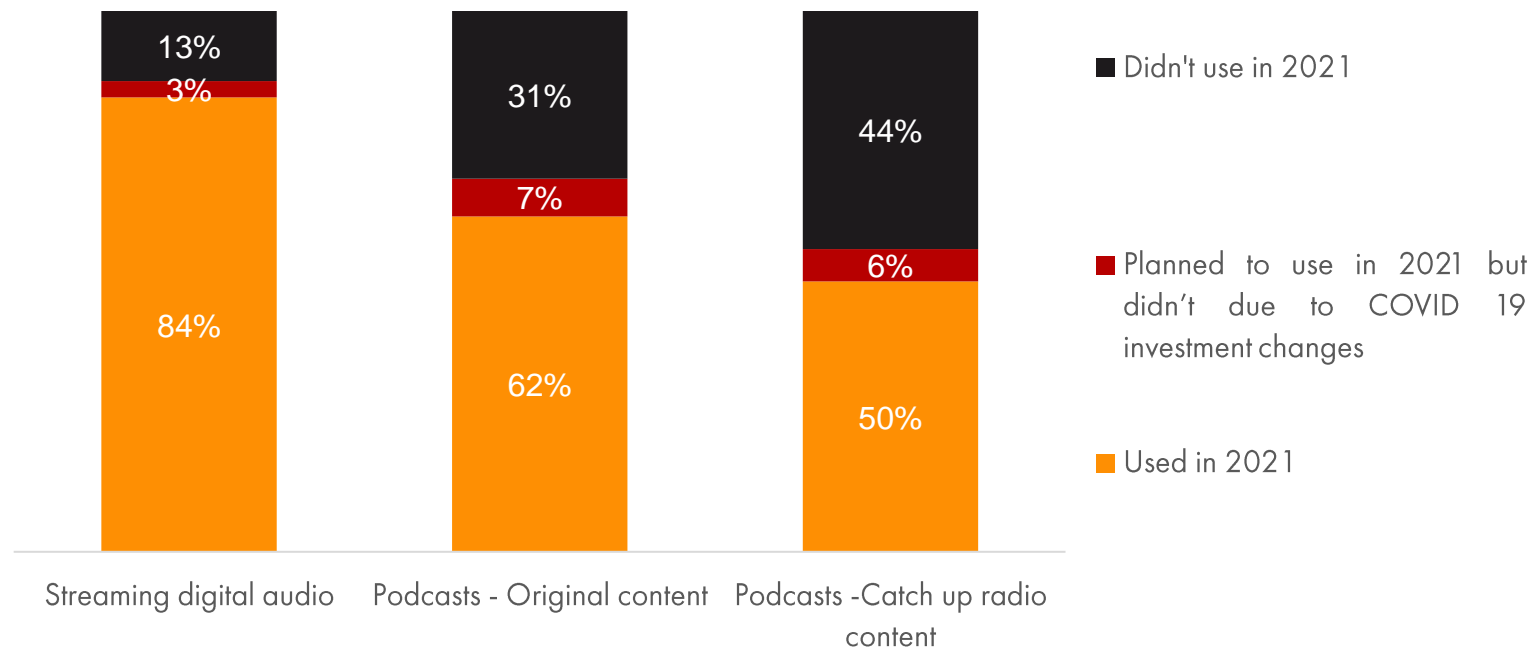
media agencies where audio advertising is a significant part of activity or regularly considered



# high usage of digital audio continues through another covid impacted year.

COVID19 minimally affected media agencies plans to use streaming digital audio and podcast advertising. 84% of media agencies used streaming digital audio advertising in 2021 and 71% used a form of podcast advertising (62% used podcast original content and 50% used podcast catch up radio content).

media agencies usage of digital audio advertising through 2021

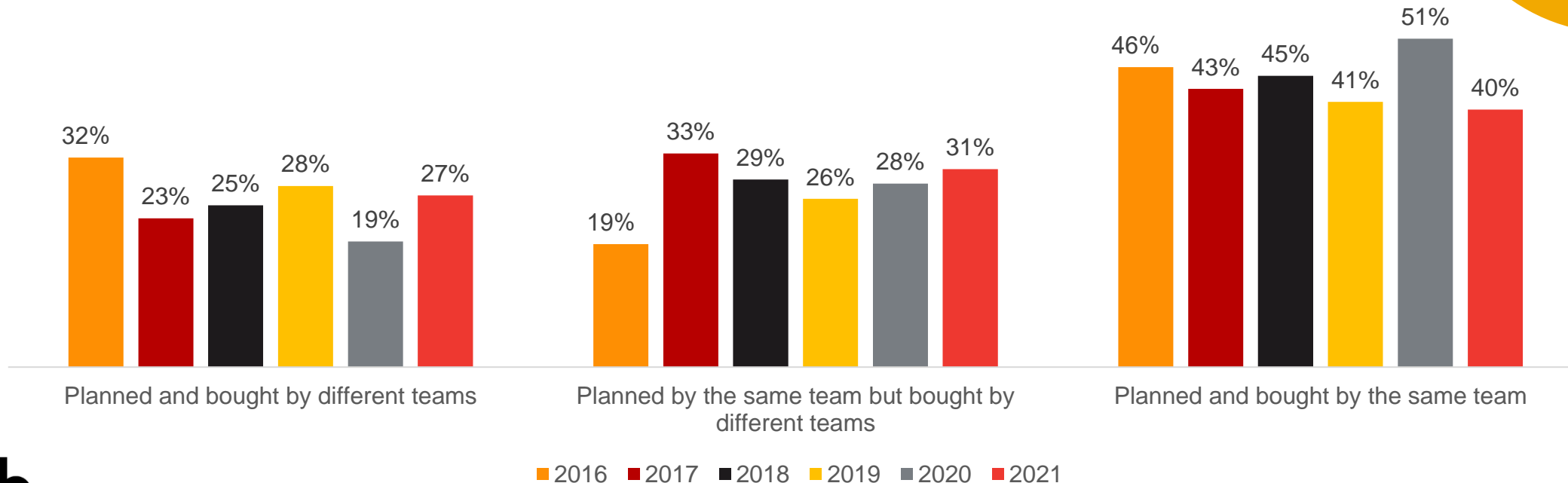


# most media agencies plan audio advertising within the same team.

7 in 10 (71%) media agencies plan across all audio activities within the same team. This has not changed greatly over previous years but is down slightly on last year (79% in 2020). 40% of media agencies are both planning and buying all audio activities within the same team (down from 51% last year).

Promoting a stronger role for streaming audio and podcast advertising: *"focus on integrated measurement and planning sitting with the Audio Planner - should be planned with 'radio' not in silo."\**

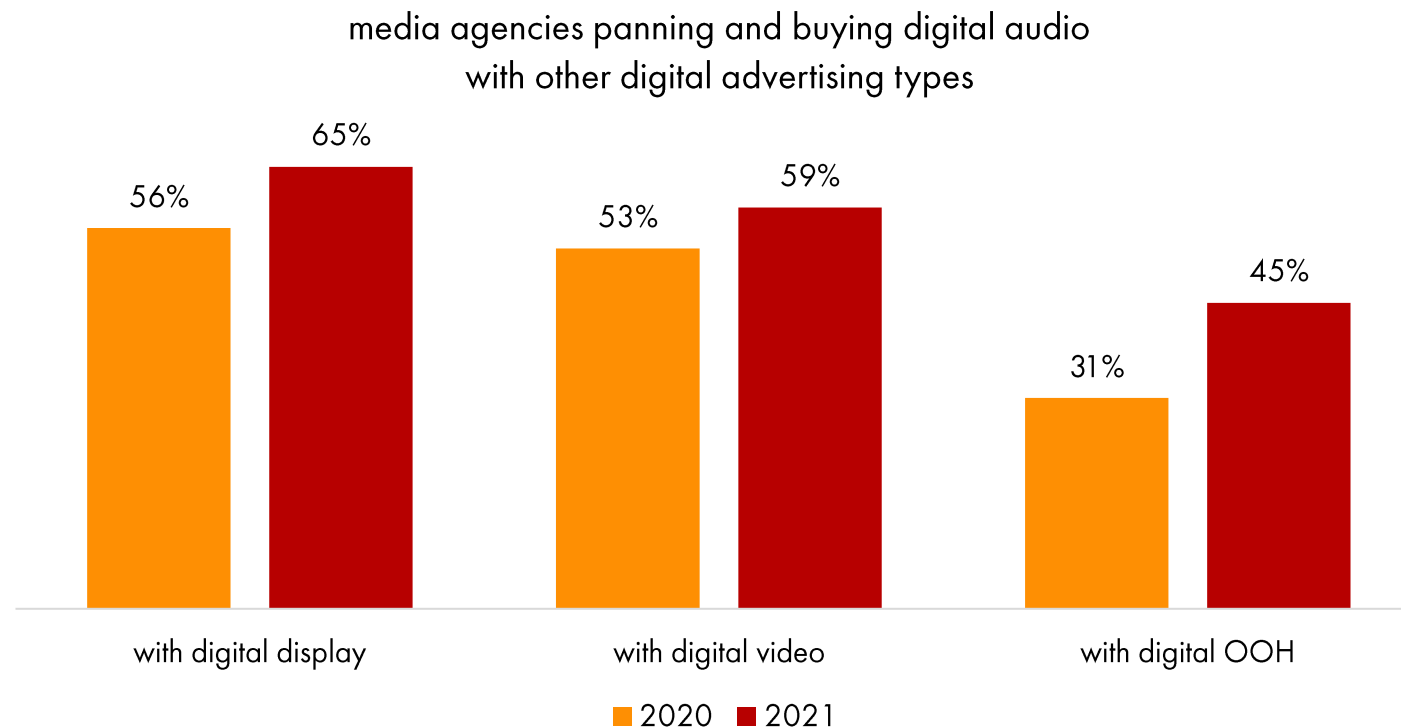
media agencies where audio advertising is a significant part of activity or regularly considered



# increasingly agencies plan and buy **in combination** with other digital advertising.

Media agencies planning and buying digital audio (streaming or podcasts) in combination with other digital advertising types has increased year on year. 65% of agencies report planning and buying digital audio collaboratively with digital display activity, while 59% report planning and buying in combination with digital video activity. The greatest increase was in buying digital audio in combination with digital OOH (45%). Respondent verbatim comments reiterate more focus is required on integrating audio into the wider media mix.

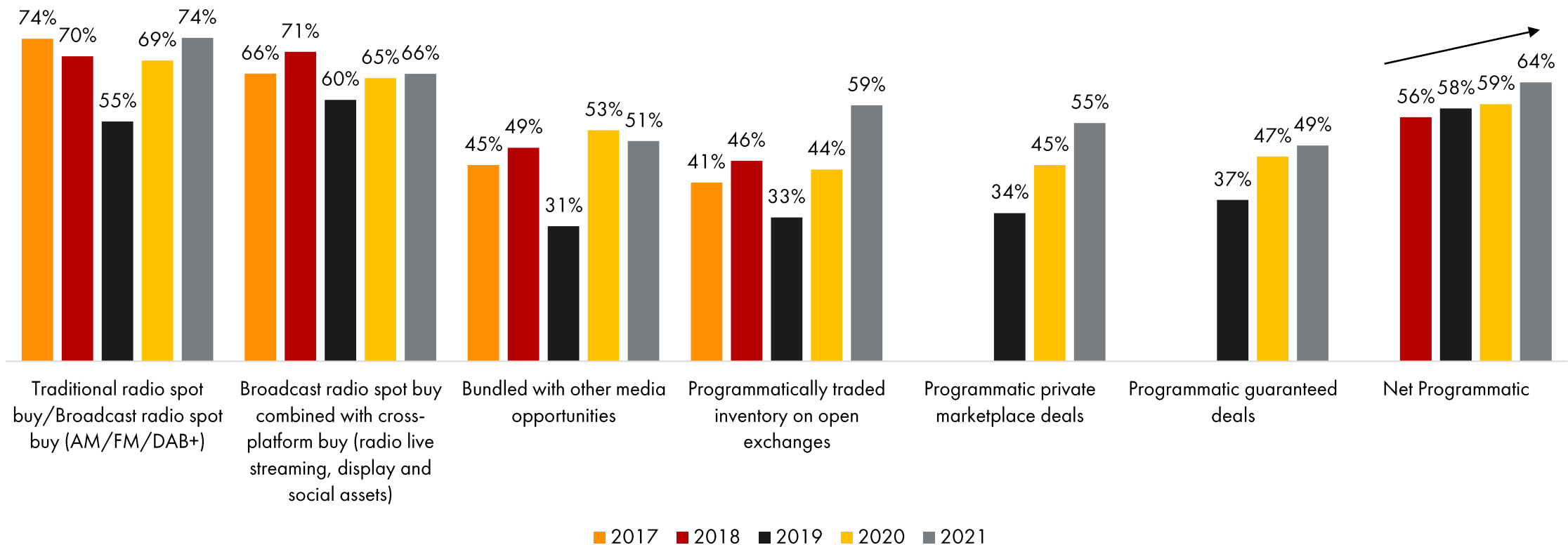
Promoting a stronger role for streaming audio and podcast advertising: *"Audio and podcasts often sit so separately on the media plan as we are unable to track it as we would like to and so it is often not integrated into the wider media mix."*



# programmatically expected to increase this year.

The intention to buy audio advertising programmatically has increased strongly over the last few years with 64% of media agencies intending to use programmatic for audio advertising over the next 12 months. Media agencies intend to buy multiple types of programmatic over the next 12 months with intentions to buy on open exchanges, guaranteed and private marketplace deals increasing on last year.

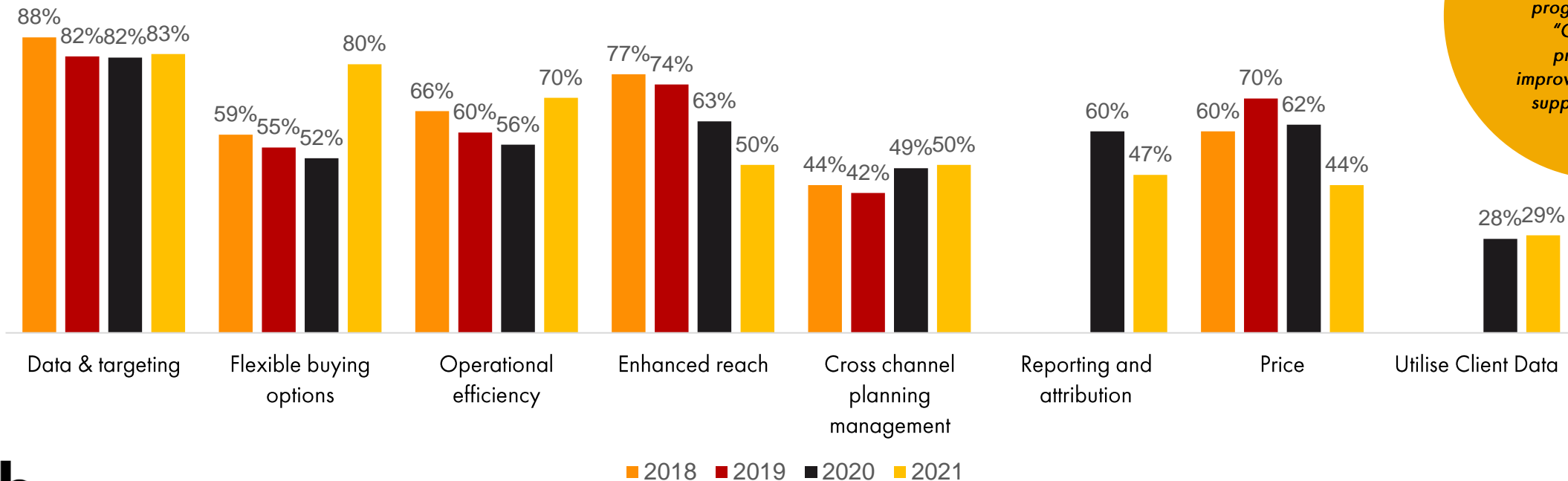
buying methods media agencies intend to use for audio advertising



# flexibility and efficiency increasing reasons to buy audio advertising programmatically.

While data & targeting is still the dominant factor in buying digital audio advertising programmatically, there have been significant increases this year in flexible buying options and operational efficiency as factors driving programmatic usage. Enhanced reach, reporting/attribution and price have all decreased as factors in buying programmatic audio this year.

factors in buying programmatic audio amongst agencies buying programmatically



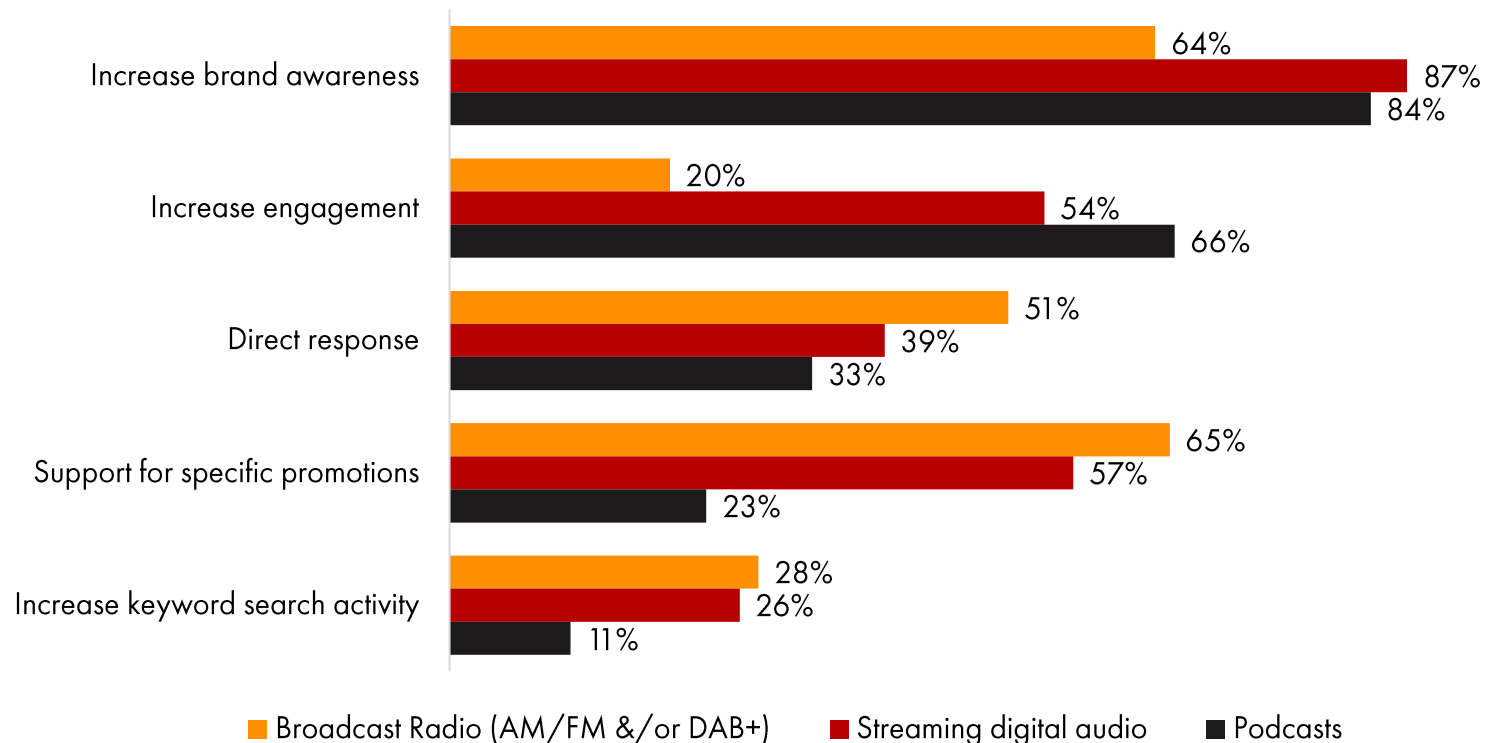
Promoting a stronger role for streaming audio and podcast advertising: "More supply available programmatically." "Omnichannel programmatic improvement needed - supply, metrics and tech"\*



# digital audio plays a strong role in branding.

Increasing brand awareness is a predominant objective for all digital audio formats. Streaming digital audio and podcasts are used by media agencies primarily for increasing brand awareness and engagement. This year, broadcast radio has played a greater role in lower funnel objectives such as direct response and support for specific promotions.

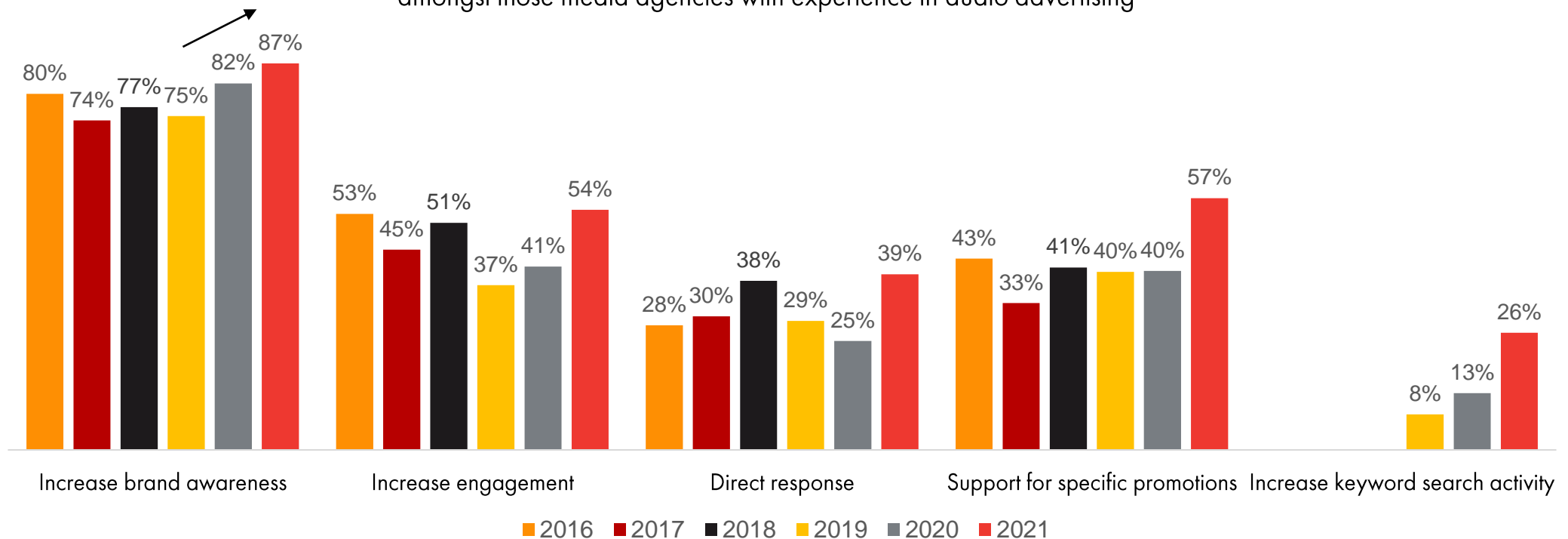
objectives of audio advertising over the last year  
amongst those media agencies with experience in audio advertising type



# streaming digital audio has also played an increasing role in supporting promotions.

Streaming digital audio has steadily grown in its importance for branding with 87% of media agencies using it for the predominant objective of increasing brand awareness. Using streaming digital audio advertising to support specific promotions has emerged this year as a stronger secondary objective (57%), along with increasing engagement (54%).

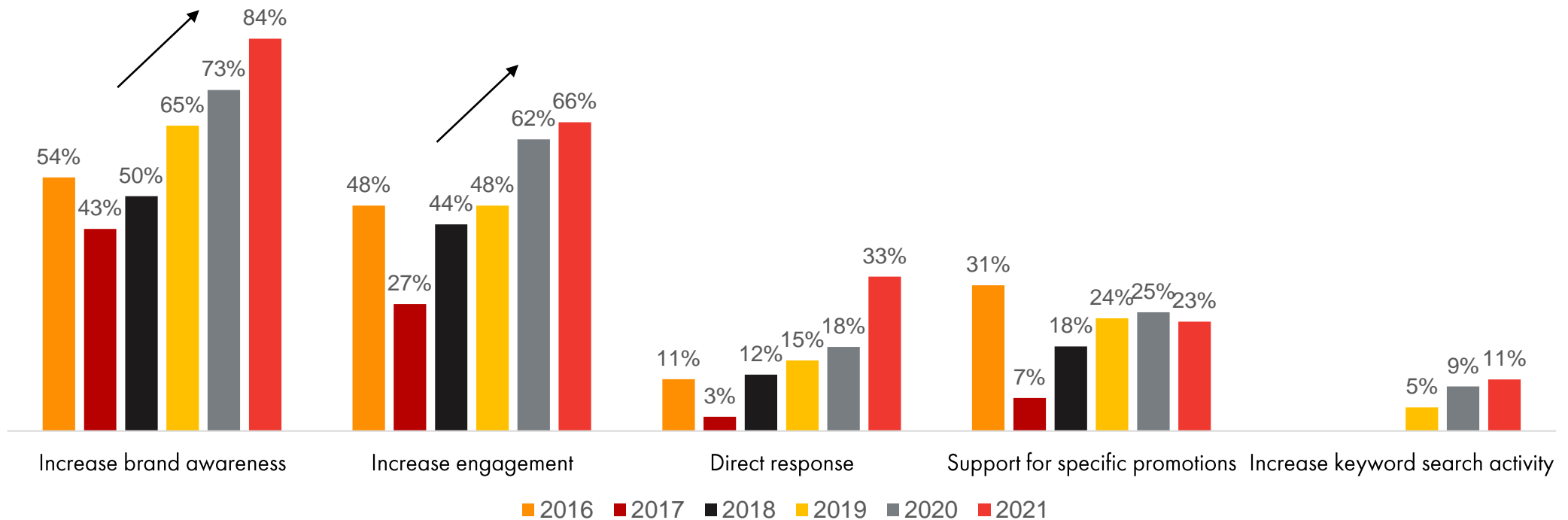
objectives of streaming digital audio advertising over time  
amongst those media agencies with experience in audio advertising



# podcast advertising has also played an increasing role in engagement.

More media agencies are using podcast advertising for brand building again this year. 84% of media agencies are using podcast advertising for the predominant objective of increasing brand awareness. Two-thirds of media agencies are also using podcast advertising to increase engagement. During this last covid impacted year, direct responses has also lifted as an objective with a third of media agencies using podcast advertising for this purpose.

objectives of podcast advertising over time  
amongst those media agencies with experience in audio advertising

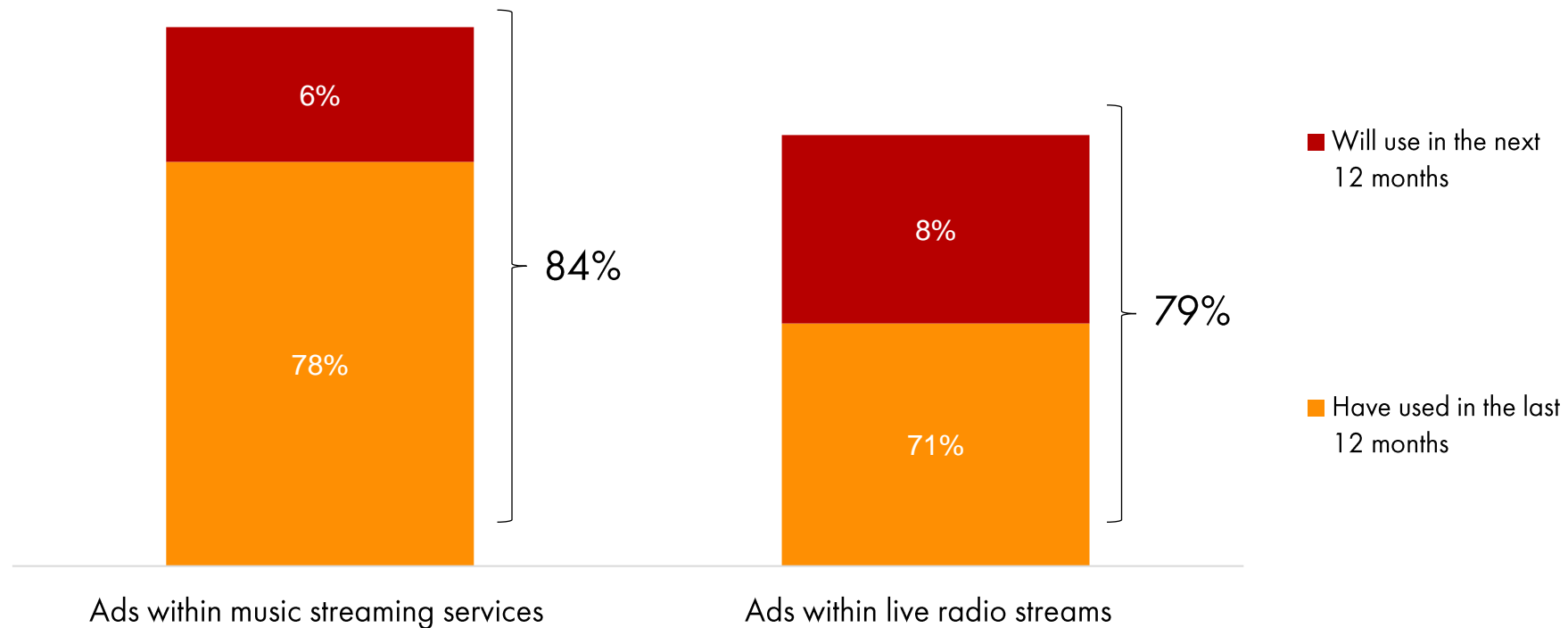


# **3. audio creative formats.**

# increased usage of streaming audio advertising types.

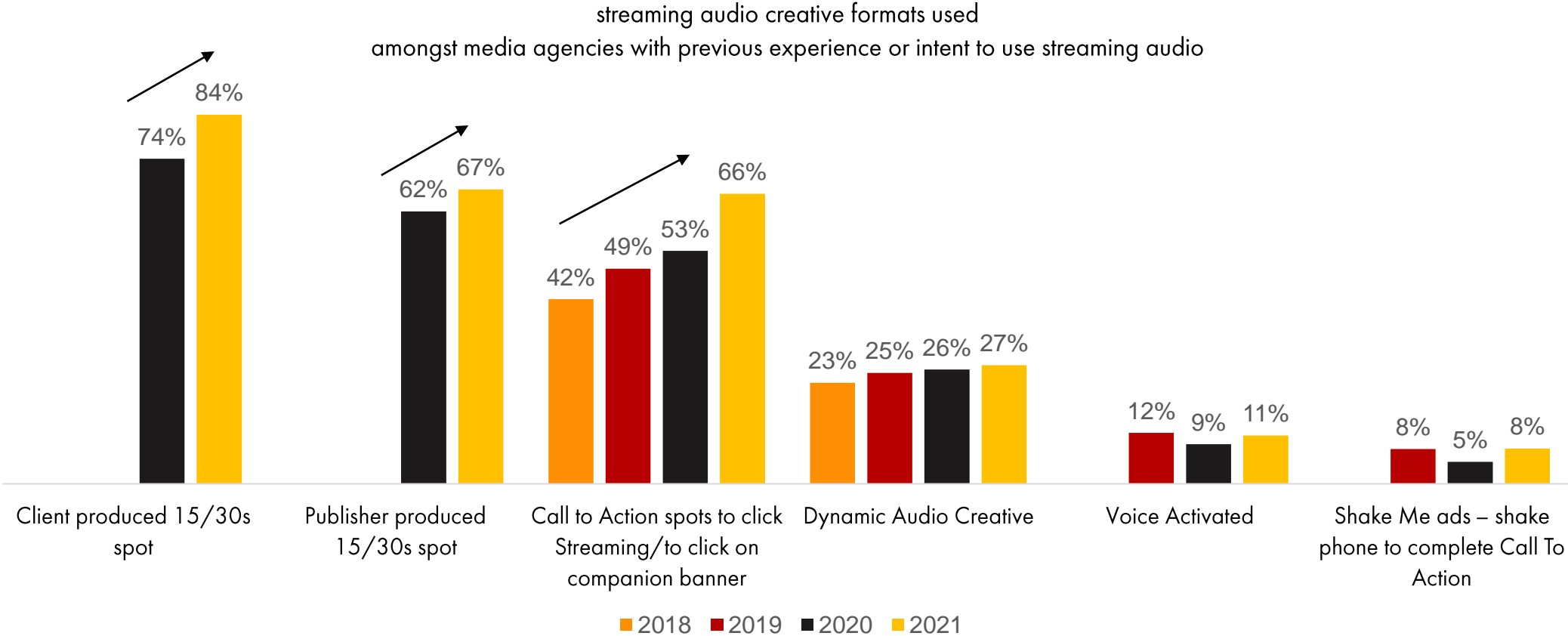
There has been an increase in usage of streaming audio, particularly ads within music streaming services over the last year. 78% of media agencies used ads within music streaming services last year, up from 62% in the previous year. 71% of media agencies have used ads within live radio streams last year, up from 63% in the previous year.

types of streaming audio advertising used or intend to use amongst media agencies with previous experience or intent to use streaming audio



# streaming audio creative formats used.

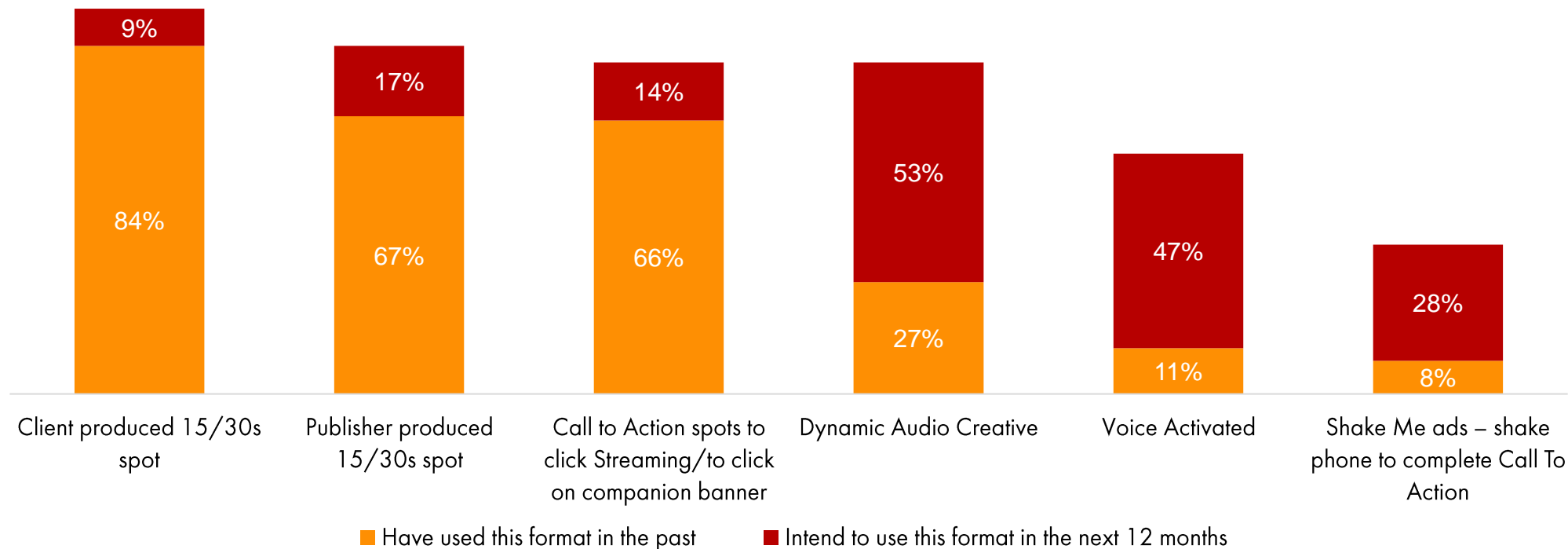
Client produced 15/30s spots remain the most popular streaming audio creative format with 84% of media agencies have now used them, increasing from 74% last year. There has also been consistent growth in the usage of call to action spots over the last few years with two-thirds of media agencies having now used this creative format of streaming audio.



# appetite to try streaming audio formats.

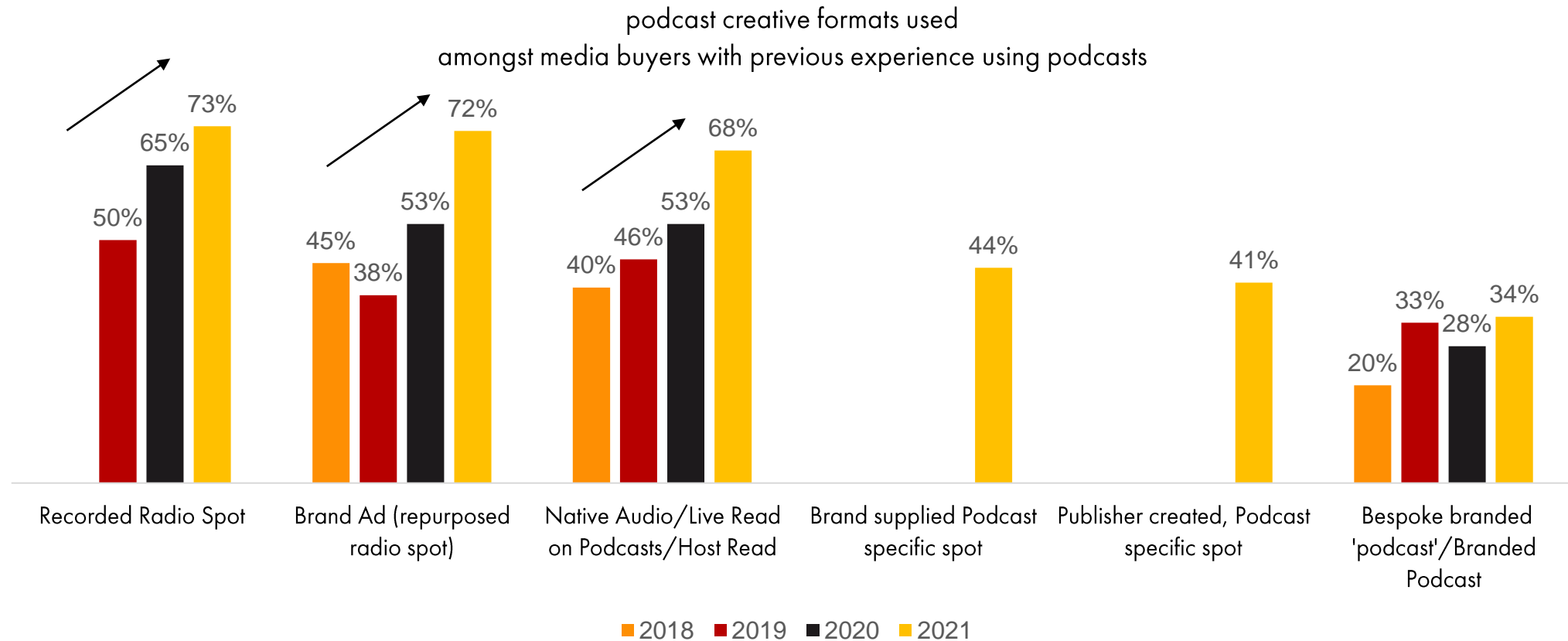
Over 9 in 10 media agencies have either used client produced 15/30s spots or intend to in the next 12 months. Intention to use publisher produced 15/30s spots and call to action spots indicates some further growth in these already popular formats over the next year. While usage of Dynamic Audio Creative and voice activated formats has not grown over the last few years, intention to use remains high.

streaming audio creative formats used  
amongst media agencies with previous experience or intent to use streaming audio



# recorded radio spots and brand ads the most used **podcast creative formats.**

Amongst media agencies, usage of most podcast formats has increased on previous years. In particular, the usage of recorded radio spots and brand ads (repurposed radio spots) and native audio have increased significantly. Usage of brand supplied and publisher created podcast specific spots was assessed in the survey for the first time this year, with 44% and 41% of media agencies using these formats.

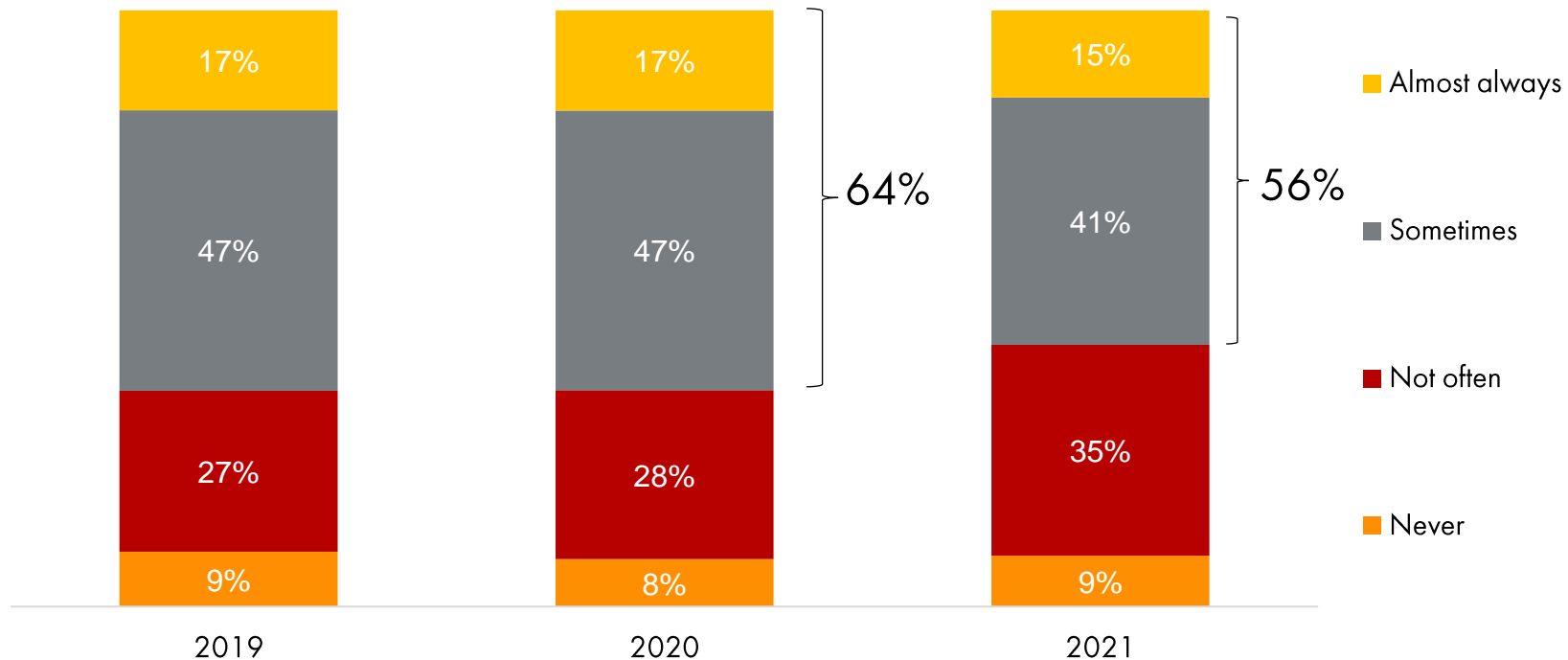




# reduction in frequency of adjusting creative to suit the audio environment.

In previous years, 64% of media agencies were always or sometimes changing creative to suit particular audio environments. Frequency of adjusting creative has reduced this year to 56%. Creative quality is one of the most important drivers of digital advertising effectiveness so its worth putting effort into adapting creative to suit the different audio environments.

frequency of changing creative to suit particular audio environment amongst media agencies with previous experience of any audio



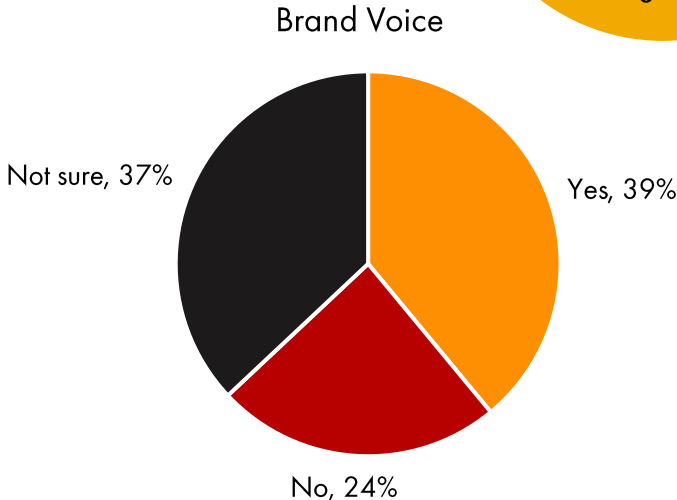
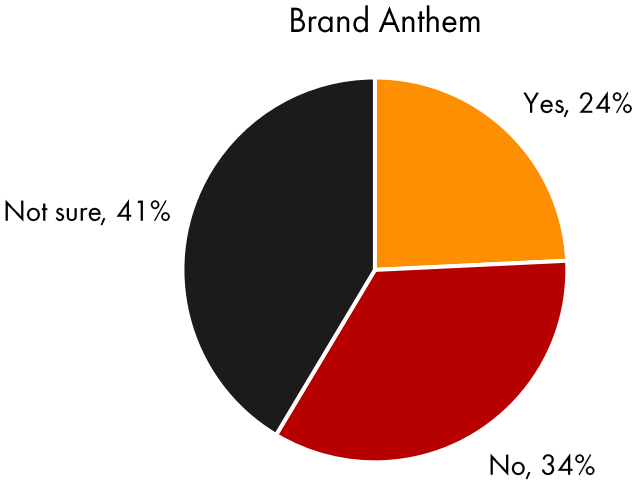
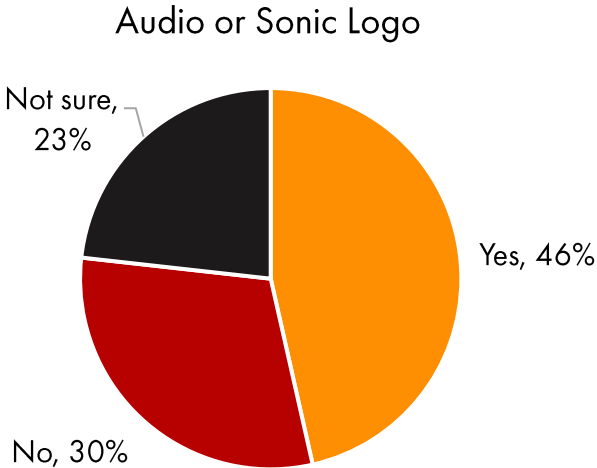
Promoting a stronger role for streaming audio and podcast advertising: *"Make it easier to develop compelling creative - work with client closely"*

# sonic logo the most used in audio branding.

46% of media agencies with experience in any audio consistently use an audio or sonic logo as a branding asset in their creative, this usage has increased from 35% last year. 39% are consistently using brand voice and 24% are consistently using a brand anthem for audio branding (unchanged on previous year). Further education is needed on the benefits of enhancing brand with audio and clarity on the techniques that can be used, as a high proportion of agencies are not sure or not using these audio branding assets.

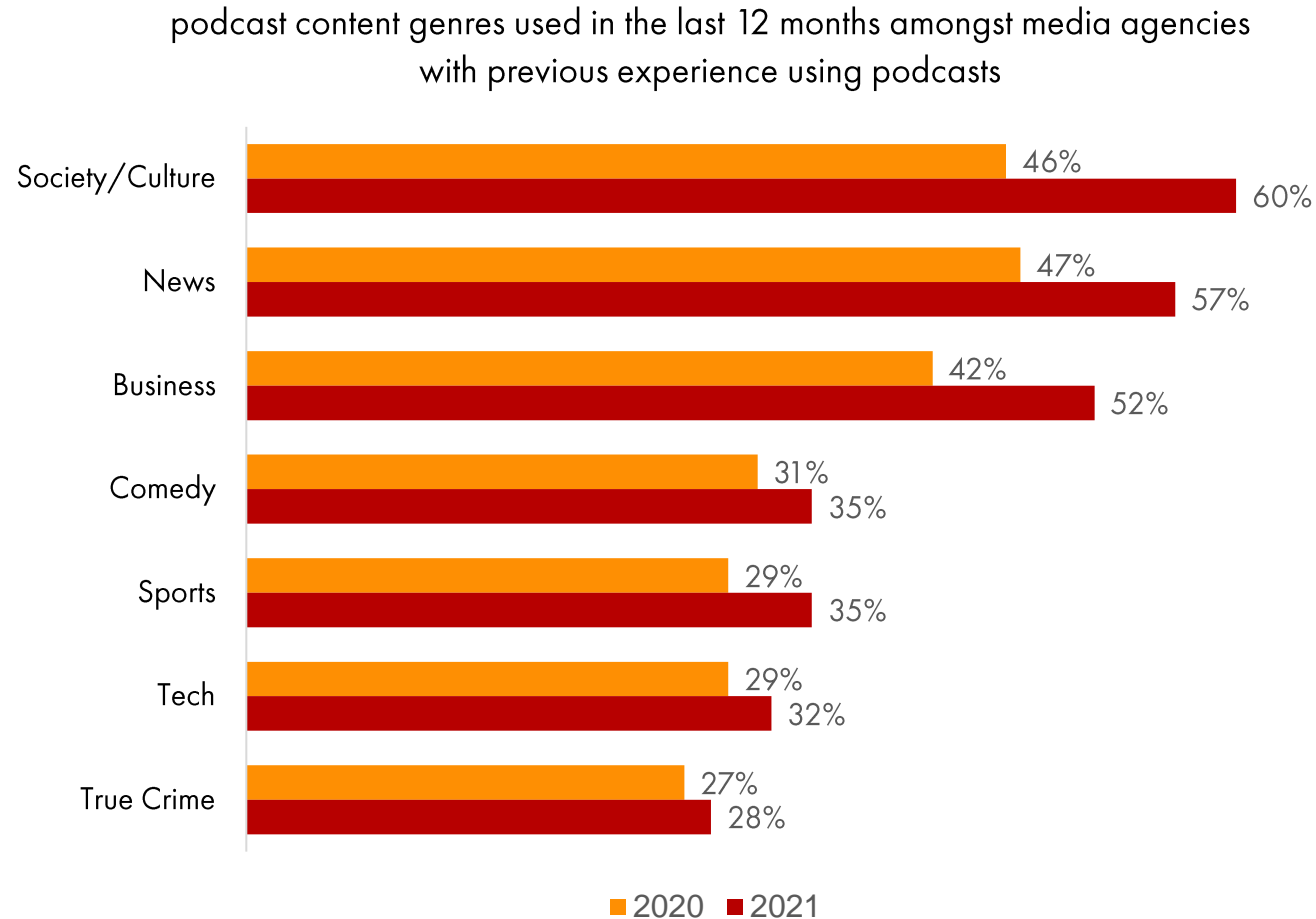
consistent use of audio branding assets  
amongst media agencies with experience in any audio

Promoting a stronger role for streaming audio and podcast advertising: "Explain what the difference is between the different sonic branding options". \*



# usage of all genres of podcast has increased.

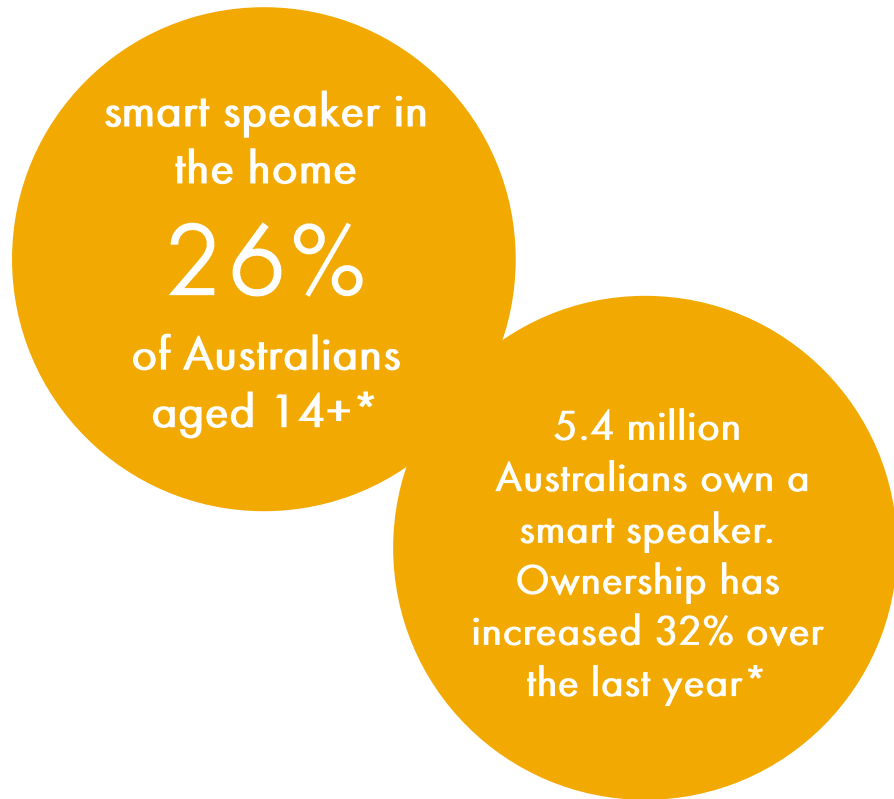
With the overall increase in usage of podcast advertising over the last year, all content genres have benefited from the increased investment. Society and culture podcasts have overtaken news as the most popular genre.



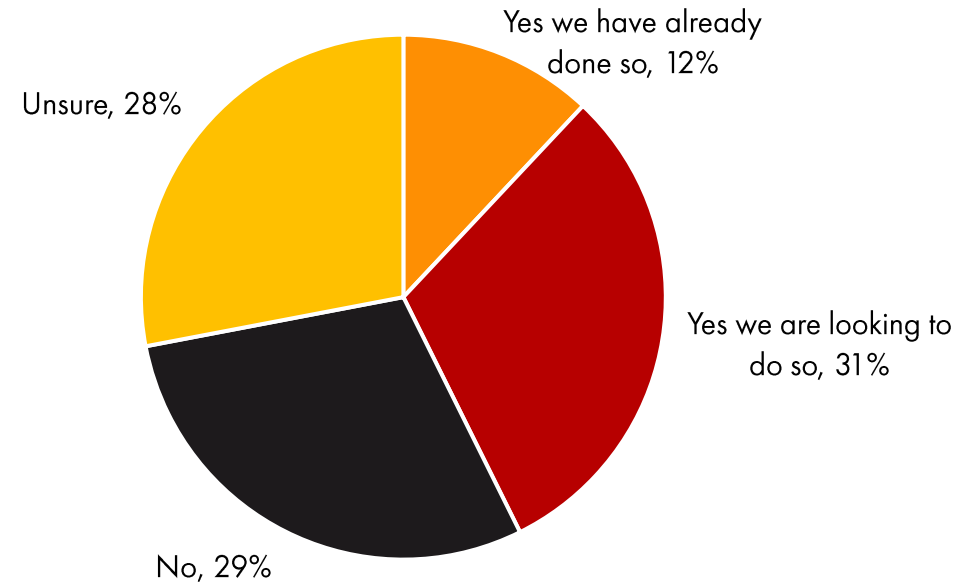
Promoting a stronger role for streaming audio and podcast advertising: "Make it easy for planners to assess brand suitable podcast environments."\*

# voice marketing strategies still emerging.

There has been minimal change in the number of media agencies looking at or involved with voice marketing strategies. 43% of media agencies have looked at or are looking to consider voice marketing strategies this year (up slightly from 38% in 2020 but currently at similar to levels to 2019 and 2018).



consideration of voice marketing strategies amongst media agencies

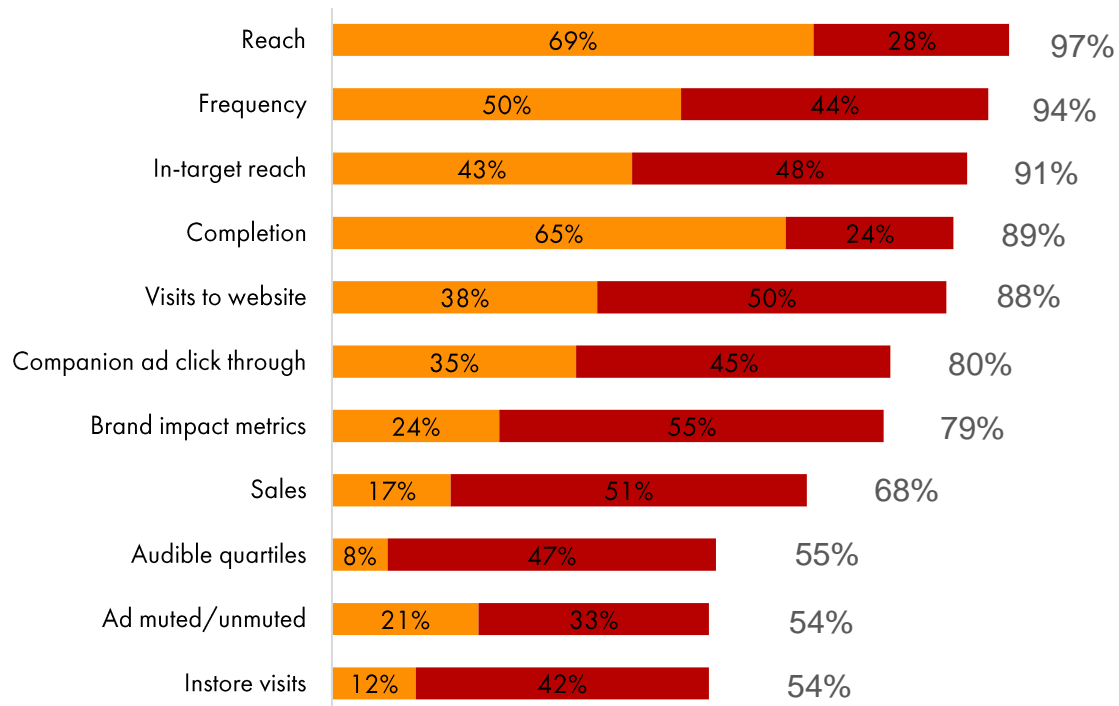


# **4. audio advertising effectiveness.**

# assessment of advertising effectiveness for streaming audio and podcasts.

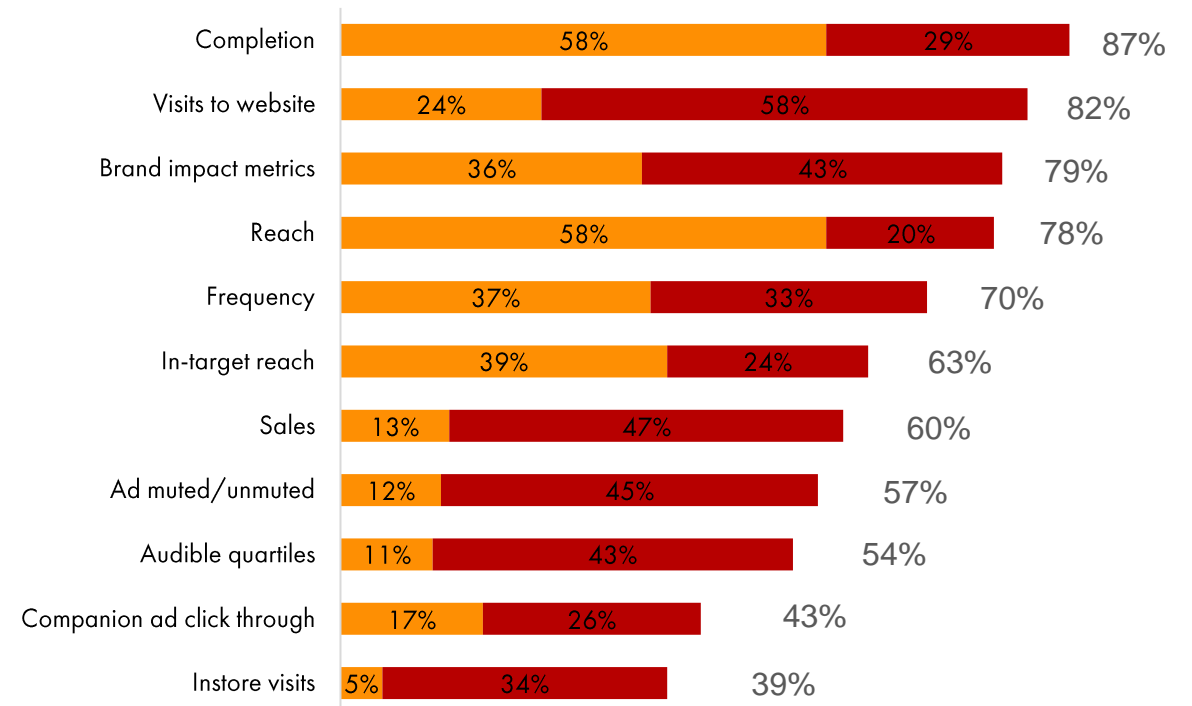
metrics usually or sometimes used by media agencies in assessing ad effectiveness

streaming digital audio



Usually Sometimes

podcasts

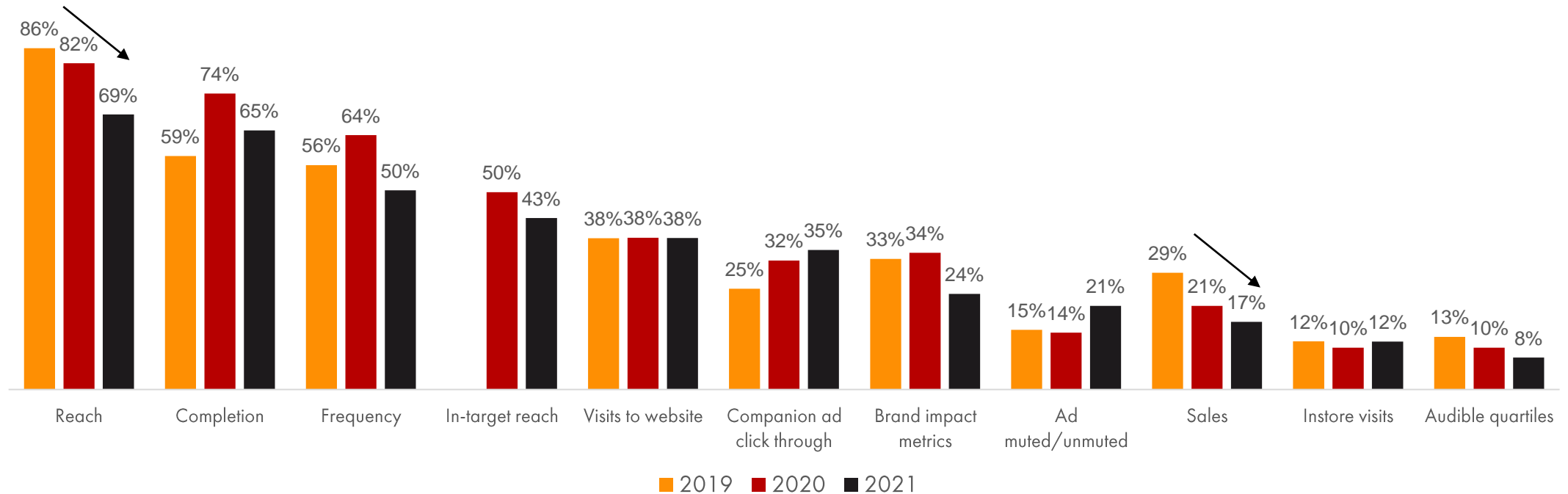


Usually Sometimes

# reach is still most often used metric in assessing effectiveness of streaming audio.

There has been a decrease in the 'usual' usage of several metrics to assess streaming audio advertising over the last year, in particular the metrics of reach, frequency, brand and sales. There has been an increase in less frequent usage of these metrics (ie 'sometimes use'), so that overall usage (usually or sometimes) has remained stable year on year for most metrics.

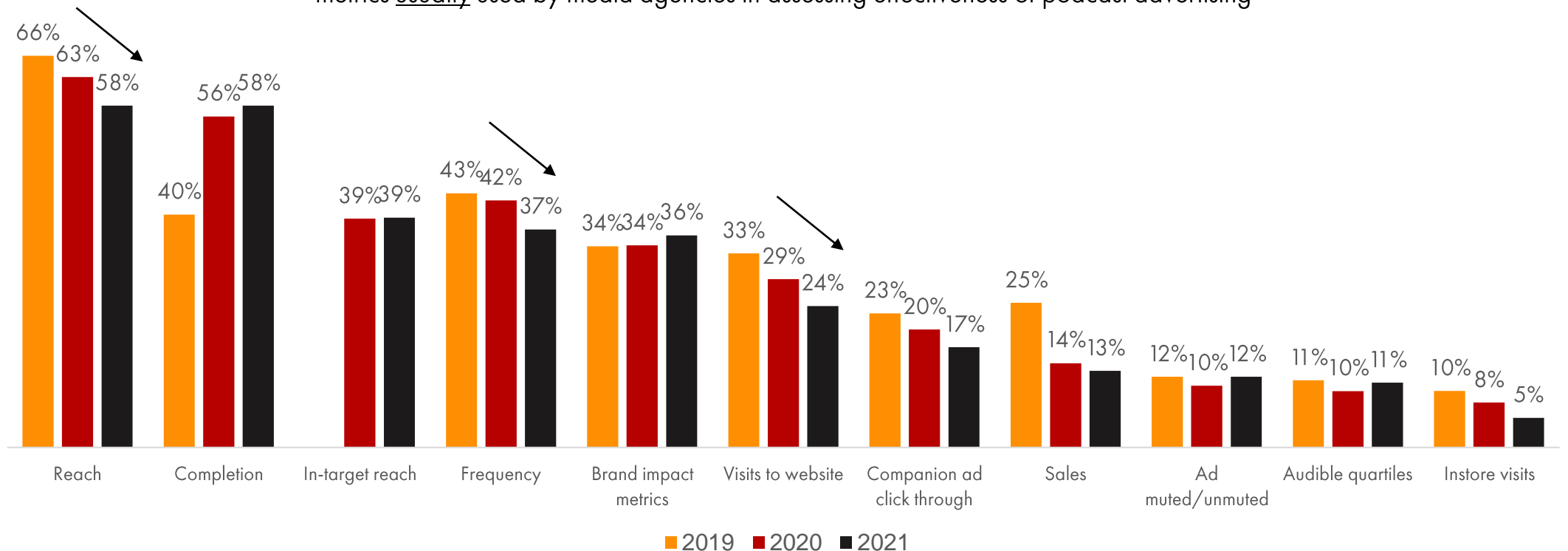
metrics usually used by media agencies in assessing effectiveness of streaming digital audio advertising



# reach and completion most often used in assessing effectiveness of podcasts.

As with streaming audio, there has been less frequent usage of some metrics used by media agencies in assessing effectiveness of podcast advertising, in particular reach, frequency and visits to website. Overall usage (usually or sometimes) has increased or remained stable year on year for most of the metrics, except for companion ad click through (43% usually or sometimes used this metric in 2021, compared to 61% in previous year).

metrics usually used by media agencies in assessing effectiveness of podcast advertising





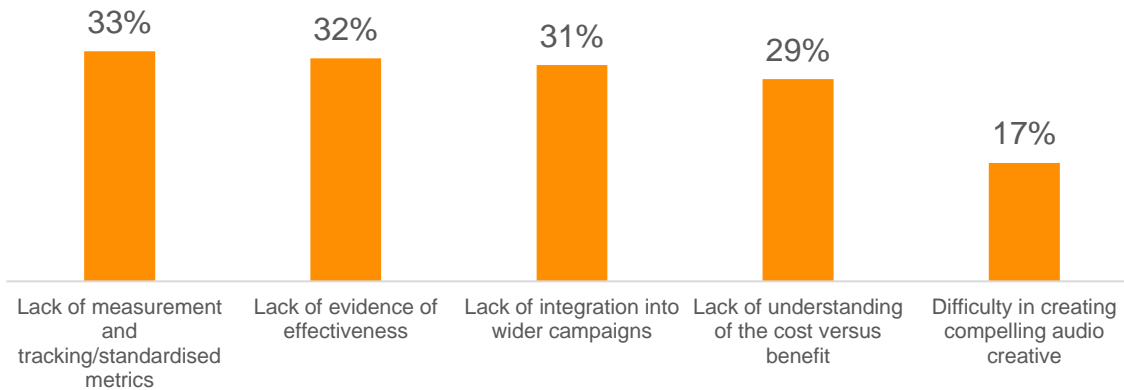
# lack of measurement/standardised metrics the #1 industry opportunity to address.

Standardised planning and reporting metrics across all audio, cross-channel audio measurement and measurement of audio in the cross-media context continue to be important opportunities for the industry.

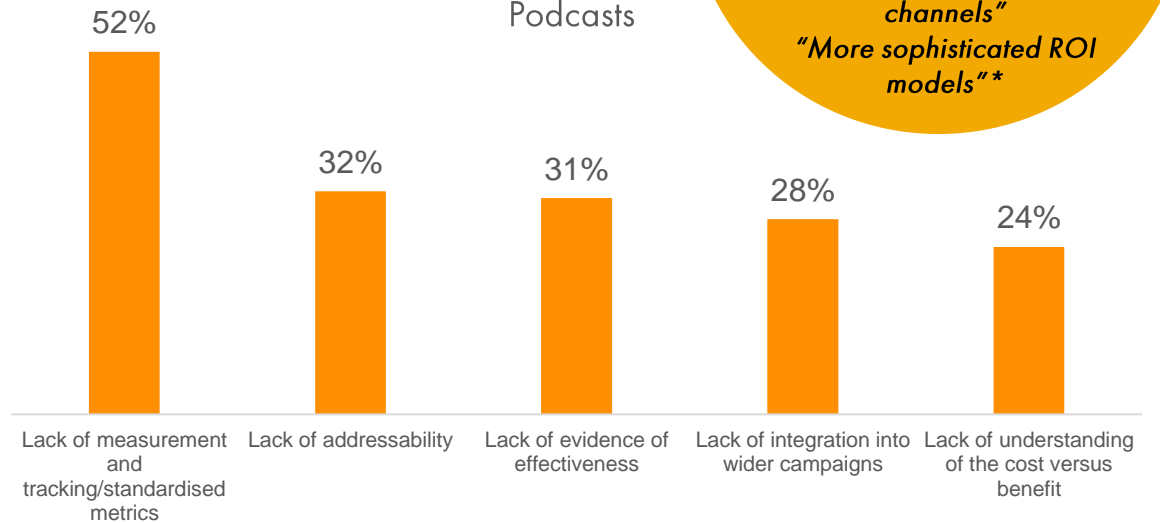
opportunities to drive a larger proportion of ad volume

Promoting a stronger role for streaming audio and podcast advertising:  
*"Cross-channel audio planning, reporting, and measurement"*  
*"Unify measurement across all audio channels"*  
*"More sophisticated ROI models"\**

Streaming digital audio

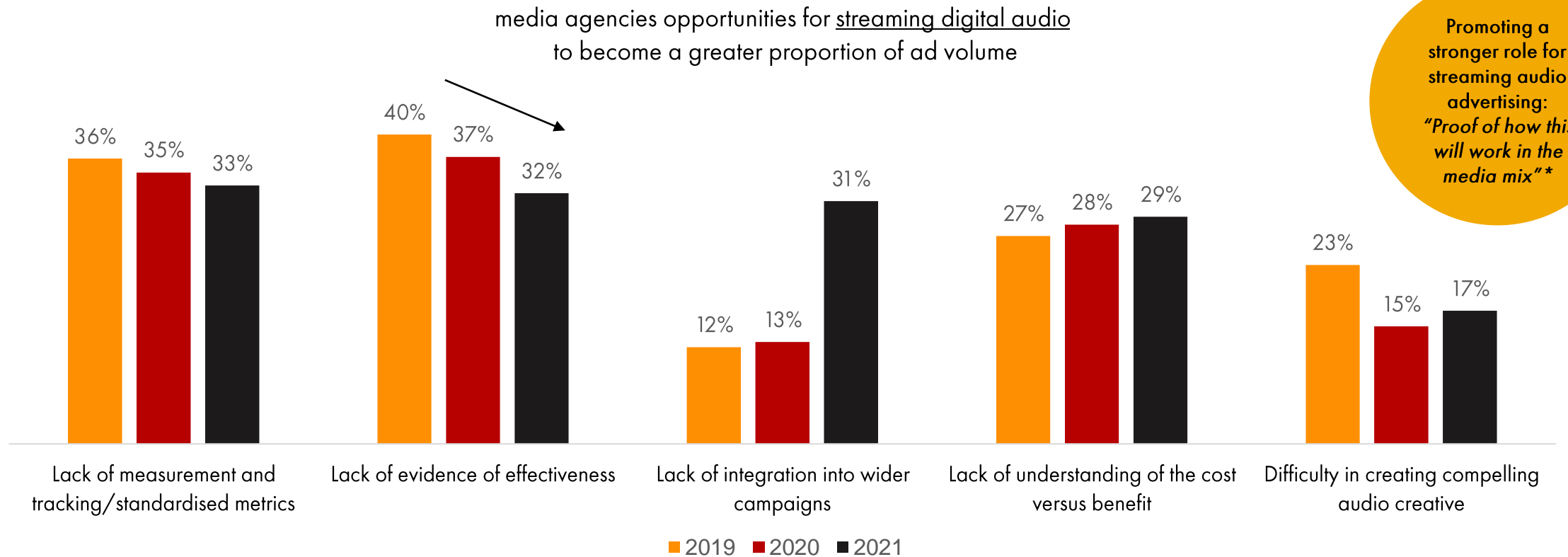


Podcasts



# lack of effectiveness evidence reducing as a barrier to streaming digital audio.

Although lack of measurement/standardized metrics and evidence of effectiveness remain key barriers for media agencies to invest a greater proportion of ad volume to streaming digital audio, these barriers have reduced over the last few years. Lack of integration of streaming digital audio into wider campaigns has emerged as a key barrier in 2021.

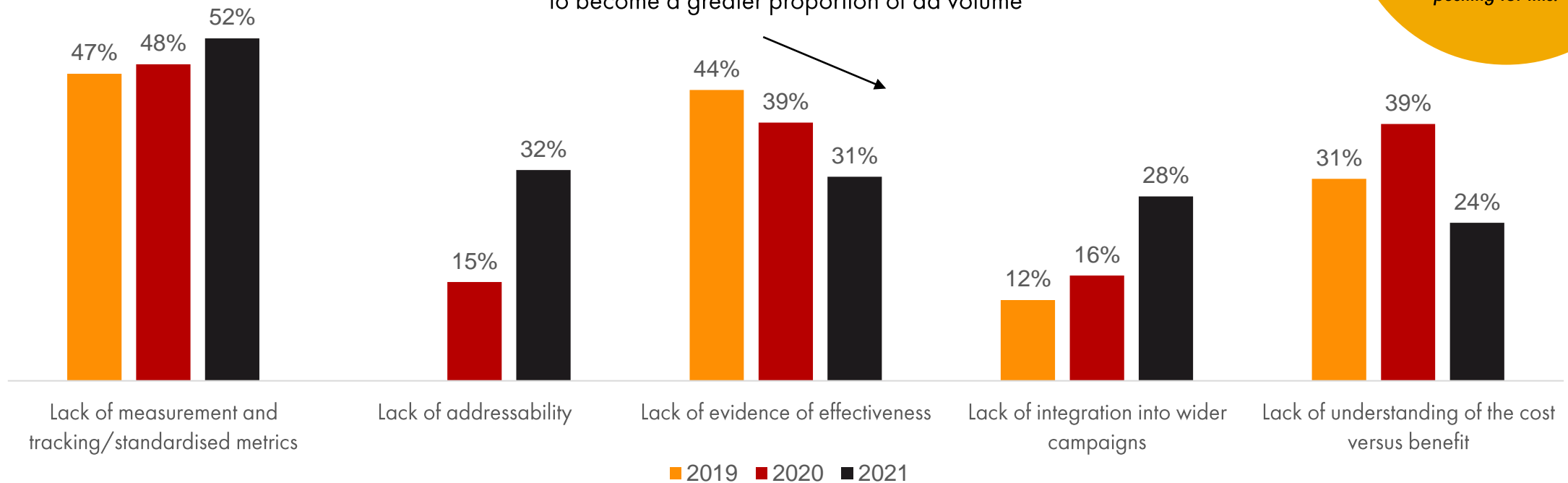


# addressability and integration emerge as opportunities for **podcast advertising**.

Lack of measurement/standardized metrics continues to be the most important opportunity for the industry to drive greater podcast ad investment. Similar to streaming digital audio, lack of evidence of effectiveness has reduced as a barrier over the last few years, however lack of integration of podcast advertising into wider campaigns and lack of addressability have emerged as barriers in 2021.

Promoting a stronger role for streaming audio and podcast advertising  
*"Move to more addressable technology ...TVs are getting smarter, but I don't feel like radio is pushing for this."\**

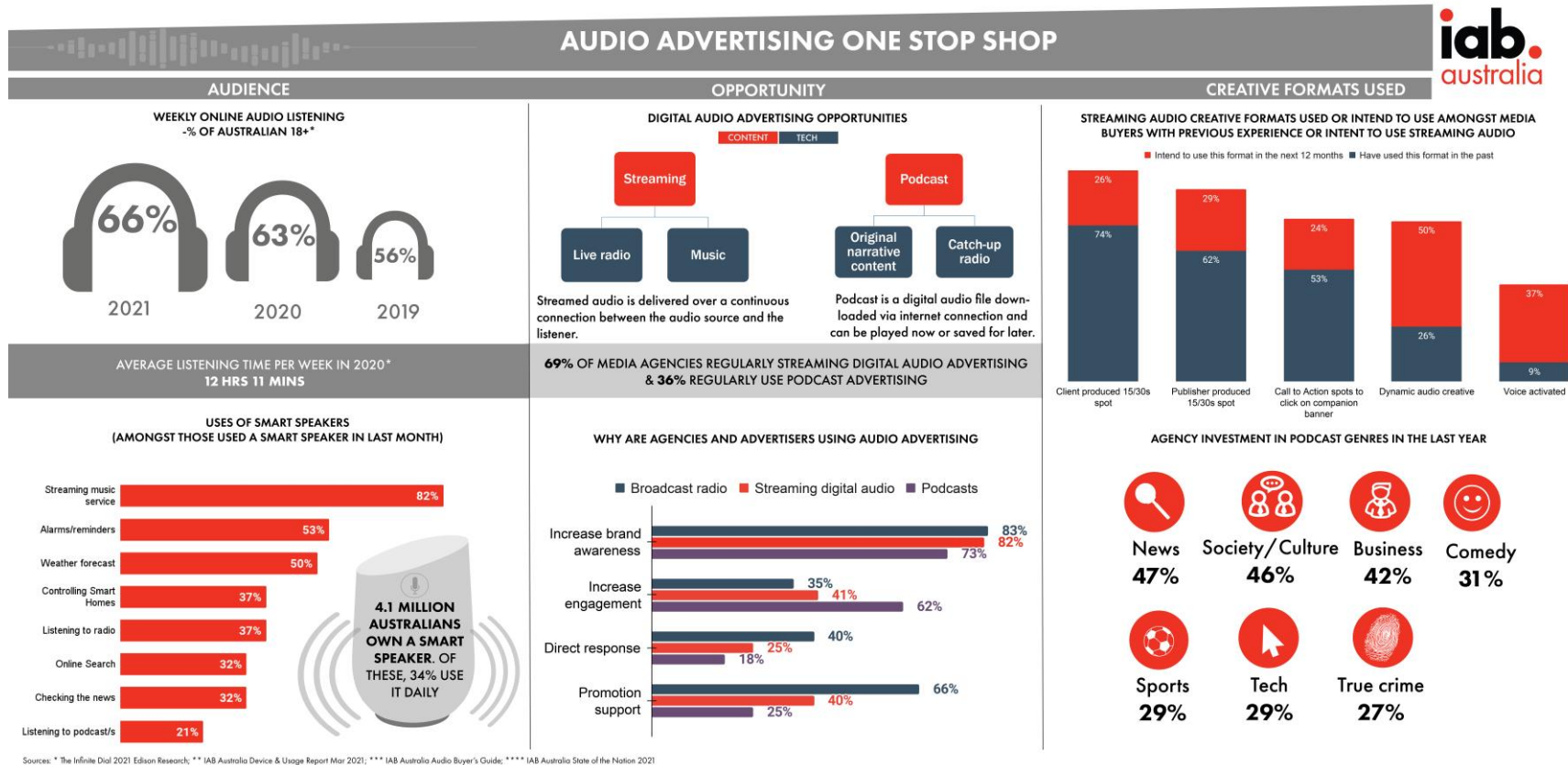
media agencies opportunities for podcast advertising to become a greater proportion of ad volume



# further resources.

## One stop shop on audio advertising

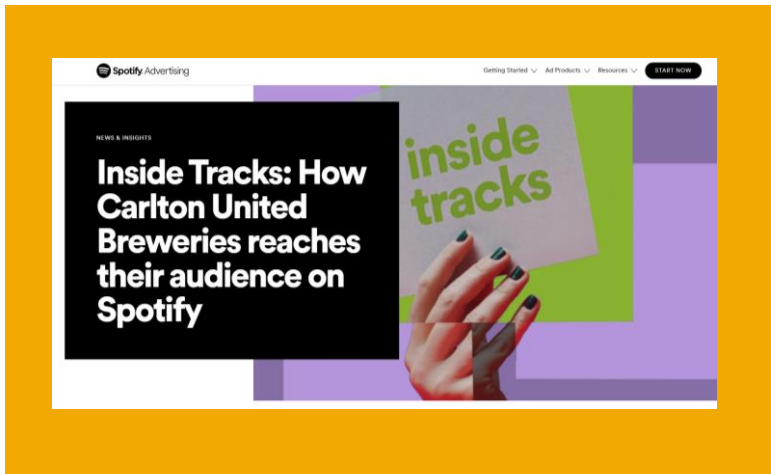
A hub of resources on the IAB Australia website provides media and marketing professionals with education, information and advice on the streaming audio and podcasting.



# further resources.

## IAB Australia Industry Case Studies

We have gathered examples of effective digital campaigns from across the industry into one place in the IAB case study library. This showcase of campaigns includes effectiveness results from a range of audio campaigns.



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