



Access Audio

An IAB Canada Quick Start Guide to Investing in Digital Audio

An IAB Canada Committee Industry Guide

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Introduction

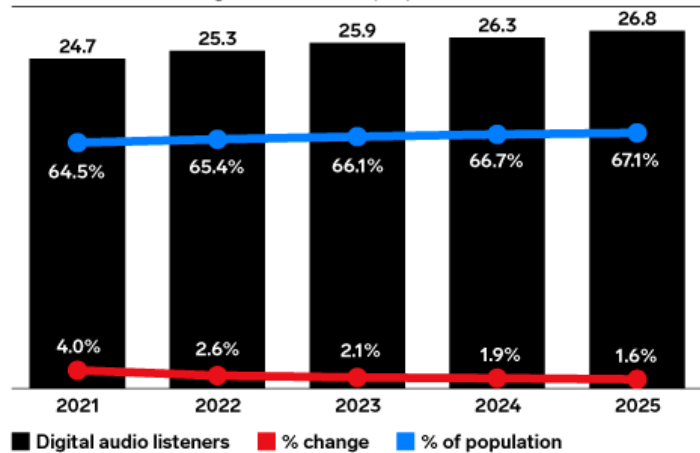
Digital Audio is on the rise in Canada. As consumers shift their attention to streamed content and an incredible array of podcasts, advertisers are leveraging this exciting channel to reach engaged audiences at scale. In 2022, the category grew by 28.6% (\$196M) and still remains in its infancy as a channel.

Now is the time to harness the power of digital audio advertising as it offers advertisers across all categories with a clutter-free advertising environment and a highly engaged user base. With the right creative approach, digital audio can help grow your brand and connect with new customers.

IAB Canada’s Audio Committee recently discussed the fact that Canadian marketers delving into the world of podcast and streaming advertising can sometimes feel overwhelming. That’s where this comprehensive guide comes in, pointing audio enthusiasts in the right direction and providing valuable insights to kickstart their advertising journey.

Digital Audio Listeners in Canada, 2021-2025

millions, % change, and % of population



Note: internet users 18+ who listen to music or other audio content (i.e., podcasts) via direct download on mobile devices or live stream on any device at least once per month
Source: eMarketer, July 2021

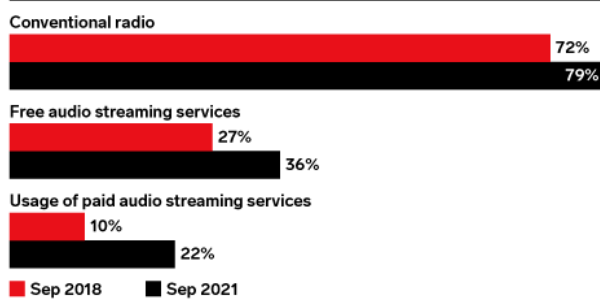
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Through major advancements in programmatic capabilities and a surge in content, audio which was once considered an “above the line” medium reserved for large national advertisers, has now become accessible to businesses of all sizes across all geographies.

Adults in Canada Who Use Paid Audio Streaming Services, Free Audio Streaming Services, and Radio, Sep 2018 & Sep 2021

% of respondents



Note: ages 18+
Source: Vividata, “Winter 2022 Study of the Canadian Consumer (SCC)” as cited in press release, Feb 9, 2022

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Paid advertising opportunities are on the rise as more content becomes available in Canada as well as a shift in listeners relying more frequently on ad-supported channels to enjoy hours of high-quality content.

This short guide was developed by the IAB Canada Audio Committee to provide a reference to access points, best practices and FAQs about investing in Digital Audio in Canada. We hope you find it useful.

Digital Audio Defined

“Digital Audio” refers to any online audio listening, that is IP delivered and can be streamed or downloaded, on any device. This definition includes a vast range of services including:

- Broadcast AM/FM radio stations online
- Pure-play online radio stations
- Streamed audio content
- Audio on-demand programming like podcasts, which are downloaded to a device and listened to later

There are two basic formats for audio ads:

- Digital ad insertion in podcasts or streamed content
 - 6/15/30 second spots – re-using audio creative from radio that can be digitally inserted in playlists and podcasts; inexpensive as advertiser is able to re-use radio creative
- Live reads or “baked-in” ads by hosts during a podcast – seamless integration and authenticity - many providers will offer free creative if advertiser works with host and offers script ideas and points

Podcasts deliver content listeners want to dedicate their attention to and connect with audiences like no other medium. From news and politics, to entertainment or sport, podcasts get the world talking and provide listeners a break from other media, which drives the platform's epic reactivity to messaging.

91% of Canadian podcast listeners say they have acted on a brand message within a podcast!

Acast/Attest Study 2023

How to Access Audio Inventory in Canada

Direct

Direct buys, allow buyers to reserve inventory in advance at a fixed price. This method of buying comes at a premium as publishers may reserve certain formats, content and audiences for the purpose of direct buys. There are benefits to buying directly through sales reps:

Guaranteed delivery

Reserve inventory in advance to ensure campaigns scale to meet your objectives. This is particularly valuable when locking up specific content like sports or niche genres that match the brand’s contextual objectives.

Fixed pricing

Predictability and confidence in your investment is gained through a fixed price CPM, agreed upon before your campaign is activated.

Programmatic

There have been some significant advancements in the programmatic landscape making audio content available at scale. Buyers can access, purchase, and bid on audio inventory through the IAB Open Real-Time-Bidding (RTB) 2.4 Protocol framework (www.iab.com/openrtb).

Some key advantages of leveraging programmatic for the purposes of audio include the ability to:

Target by:

- audiences rather than podcast titles or podcast networks
- age, gender, online behaviour, HHI, geo
- content-type (genre) music streaming, podcasts

Control delivery by:

- Optimizing budgets, impression goals and flight times in real-time based on business needs.
- Unified control of frequency
- Testing creative in real-time
- Consolidated reporting and campaign management in a single platform.

As with all other programmatically sold inventory, there are two tiers to access inventory:

Open Market

Often implemented to deliver scaled inventory, this open marketplace allows publishers to offer their ad inventory – mostly through real-time auctions. This method is often associated with a less transparent approach to buying media but there are options to disclose the publisher's name. Advertisers looking for increased transparency may exclude inventory that has masked domain/name.

Private Marketplace (PMP)

Private marketplaces allow buyers to select target audiences from a pre-determined and often premium quality user base. Leveraging PMPs allows buyers to negotiate a CPM floor, which is the minimum the publisher will expect you to pay for that inventory.

Non-Guaranteed Inventory

When inventory is not guaranteed, the actual price of an impression is determined by supply and demand for any given publisher/impression. When inventory is not reserved there is no guarantee on cost or the ability to deliver on budget.

Programmatic Guaranteed

Programmatic guaranteed buys are pre-negotiated and offer premium ad experiences at a fixed rate. This type of arrangement allows buyers to reserve inventory providing greater certainty that the campaign will deliver the scale at budget. Guaranteed buys are often used for campaigns that are shorter or time sensitive.

Creative for Audio

Audio provides a robust canvas for creativity and connection. The power of “theatre of the mind” is flexible and has endless contextual possibilities. Understanding the platform and context of the listener is critical to developing the right content. As such, it is recommended that audio is developed specifically for the channel it is intended to be heard on. Re-purposing creative (for example through video soundtracks), is strongly discouraged unless it seamlessly aligns to the tone and nature of the podcast.

The following is a non-exhaustive list of best practices when creating audio assets.

- **Get to the point** - Less is more, so keep your message simple and clear. If it suits the story arc, consider early and multiple brand mentions.
- **Use your sonic branding** - sonic logo, audio mnemonics, sound elements, jingles etc. - all are effective from a repetitive standpoint to drive recall, association and recency .
- **Urgency** - Time-limited offers are effective and creating greater purchase or footfall opportunities. Capturing listeners on the move, can lead to double the effectiveness on ad spend.
- **CTAs** - Ads with a CTA can see over 4x lift in footfall compared to those that don't. Matching calls to action with device can be even more effective - i.e. “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.
- **Context is king** - Be mindful of context and tone, and ensure it matches with the existing listening experience of an audience. Keep your messages relevant to the context in which you reach them. Show awareness of what the audience is listening to and match creative to their preferences and style, or vibe.

Measuring Success

Reporting and measurement for Digital Audio depends on the channel of consumption. Streaming vs. downloaded content consumption has different metrics associated to it. Audio measurement still has a way to go on standardization that is comparable to other media bought online. Given the importance of measurement when it comes to investment, the lag in data availability has presented a challenge to media buyers as they look to capitalize on the growing sector. But the industry has made significant progress. For example, client-side apps that are integrated with OMSDK to measure audio ads, provide access to deeper analytics. As we'll discuss, there remain technical nuances to measurement across podcast audio ad inventory, so there is still some work to do.

When it comes to Audio, the core measurement of success is whether a human heard the ad and whether the ad was audible long enough to signal that it was paid attention to, and that the sonic identity of the brand came through.

Typical audio metrics include:

- Reach/Frequency – during post reporting the advertiser should expect a report that shows LTR as well as Reach (how many unique individuals heard your ad), frequency (the average number of times each unique individual heard your ad), and impressions (reach x frequency)
- LTR – Listen Through Rate - how much of your ad was listened to – a more challenging metric for podcast advertising
- Invalid traffic metrics – filtering for human consumption
- Actions – using audio pixels, advertisers can measure device-level activity associated with an ad i.e. site visits, CTA responses and consequently, conversions and other lower funnel activity.
- Companion banner activity - may enhance audio campaigns in situations when the user is looking at the screen but should not be relied on as an effective KPI as in most cases when listening to audio, the screen is not a point of focus and provides very limited visual impressions.

Let's look at the different types of audio and how measurement applies to each.

Stingray Advertising continues to prove through ongoing quantitative research that in-store audio advertising simply works. Based on recent aggregated Leger results, 75% of shoppers who recall hearing an audio ad within a retail location say they bought the product as a direct result of hearing the audio ad. Simply put, consumers are open and receptive to audio advertising within unmutable, unskippable, and unavoidable contextual environments like retail, empowering brands to play a truly complimentary role in the overall physical shopping experience.

Streamed Digital Audio

Streaming audio publishers are able to support third-party ad serving and tracking for audio ad inventory. Audio playback triggers the tracking pixels described above 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

The ability to track podcast content and ad playback comes down to the player requesting the file. Unfortunately, almost 50% of podcast listening is taking place on iOS systems, which offer no visibility into whether a podcast file played. This lack of data creates a major inconsistency in the way it can measure overall audio advertising. In response, the industry has developed a set of standards that enable uniform metrics for reporting and evaluating podcast advertising campaigns as outlined in "IAB Podcast Metric Guidelines v2". Today, there are a number of Podcast Attribution companies measuring the efficacy of podcast campaigns including Artsai, Podsights and Podscribe.

Programmatic Downloads

Downloaded environments inherently create some challenges for both targeting and measurement. The focus is around the download itself as opposed to the "listen". In some cases, advertisers will opt to buy media based on a CPD – Cost Per Download. Given the lack of visibility into the timing of the listen, it is important to avoid time-sensitivity, seasonal or promotional audio content in this type of scenario. Evergreen or anthemic branding is best suited to this type of buy. Because the download server does not provide any user ID information back to the exchanges, there is no ability to frequency cap or retarget individuals who have successfully downloaded the content.

Performance

Where downloaded podcasts have traditionally used (and still do) promotional codes, unique URLs, and vouchers to measure campaign effectiveness, today we are able to glean how audiences respond to a brand's call to action and access more granular campaign metrics such as ad impressions, reach, frequency and anonymized audience insights.

To learn more about digital audio measurement, check out the [guide](#) developed by the IAB Audio Committee that provides an excellent foundation to the subject.

Getting Started

1. Establish a clear objective – are you driving brand awareness or a clear call to action?
 - Listening/Downloads
 - Clicks, taps or visits to a page
 - Foot traffic to a store
 - Purchases

1. Determine appropriate budget – Consider the objectives and decide the way in which the budget will be invested:
 - CPMs – most of the inventory currently charges on a CPM basis meaning media is costed a certain dollar amount per 1000 people that are exposed to your ad i.e. a \$50 CPM would buy 1000 exposures to your ad.

2. Choose verticals and determine contextual content (if desired):
 - Topics
 - Specific podcasts
 - Music genres
 - Audiences

3. Select a region or geography:
 - National
 - Province
 - Local community or city
 - Hyper-location – mall, store or other venue of choice

4. Conduct a fulsome RFP:
 - Reach out to as many vendors as possible. Search for “Audio” vendors using the [IAB Canada Digital Media Directory](#)

What's Next for Audio Advertising

IAB Canada expects continued double-digit growth for audio advertising in 2023 and beyond. With advancements in measurement, targeting and automation, we anticipate audio to increasingly shift towards a full-funnel medium. As inventory continues to expand and retail media networks launch their in-store offerings, we will see advertisers take advantage of the omni-platform access that audio now provides. As content and scale becomes increasingly available, brands will follow across a broad range of categories from CPG and automotive to finance and electronics.

The industry continues to work on frameworks and solutions that will allow audio advertisers to bring inventory sources together with a unified measurement and attribution model. Given the importance of measurement, these developments will bolster podcast advertising well into the future by demonstrating its power to connect meaningfully with bespoke audiences.

As for the ad experience, we anticipate heftier budgets moving towards higher quality placements like host-read or programmatically powered influencer endorsements. Much like video, content publishers will keep a close eye on diminishing returns when it comes to monetization. For audio it's truly about balancing quality with quantity.

Further Reading

[IAB Canada – Practical Guide to Buying Digital Audio 2020](#)

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Get Involved

If you have questions about audio advertising or would like to join the conversation, reach out to committees@iabcanada.com