

iabnz

2022

**THE EVOLUTION
OF AUDIO**



Contributors



This document was created by the IAB New Zealand Digital Effectiveness Council in collaboration with the IAB New Zealand and Australia.

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Definitions



Broadcast Radio



Commercial radio broadcasters both AM & FM.

Streaming Digital Audio



Live radio and music services that are streamed over the Internet – includes streaming services such as Spotify & Apple Music and live streaming services offered by radio stations & aggregators such as rova, iHeartRadio & TuneIn.

Podcasts



Spoken word audio in the form of either Original/Narrative Content or Catch-Up Radio available via apps like iHeartRadio, rova, Apple Podcasts, Google Podcasts & Spotify.

Background & methodology



This survey was conducted by the IABNZ Digital Effectiveness Council using Survey Monkey between Monday 29th August and Friday 9th September 2022.

A total of 95 respondents completed the survey.

Respondents are decision makers or influencers in the allocation of marketing spend across audio advertising including media buyers and publishers and sales teams.

The survey covers audio advertising including broadcast radio, streaming digital audio and podcasts.

This survey was originally designed to provide comparable data points to the ongoing IAB Australia 2022 Audio Advertising State of the Nation Survey.



THE EVOLUTION OF AUDIO SURVEY RESULTS

Wave 2 | September 2022



Key headlines



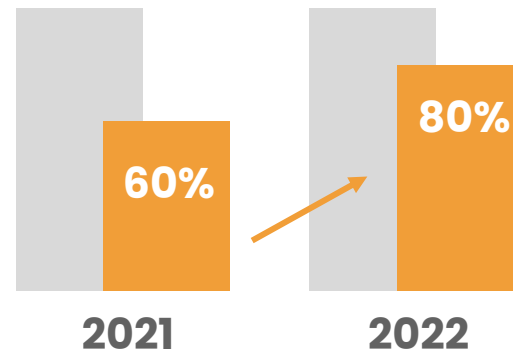
1

Intent and **use** of audio is **strong** across Broadcast, Streaming & Podcast and in many metrics is **higher than Australia.**

2

Podcast potential:

Nearly 80% of media agency respondents have used podcast advertising in the past 12 months - that is a significant increase from 60% last year



3

Opportunity to **convert experimenting** into every day buy with podcast advertising

4

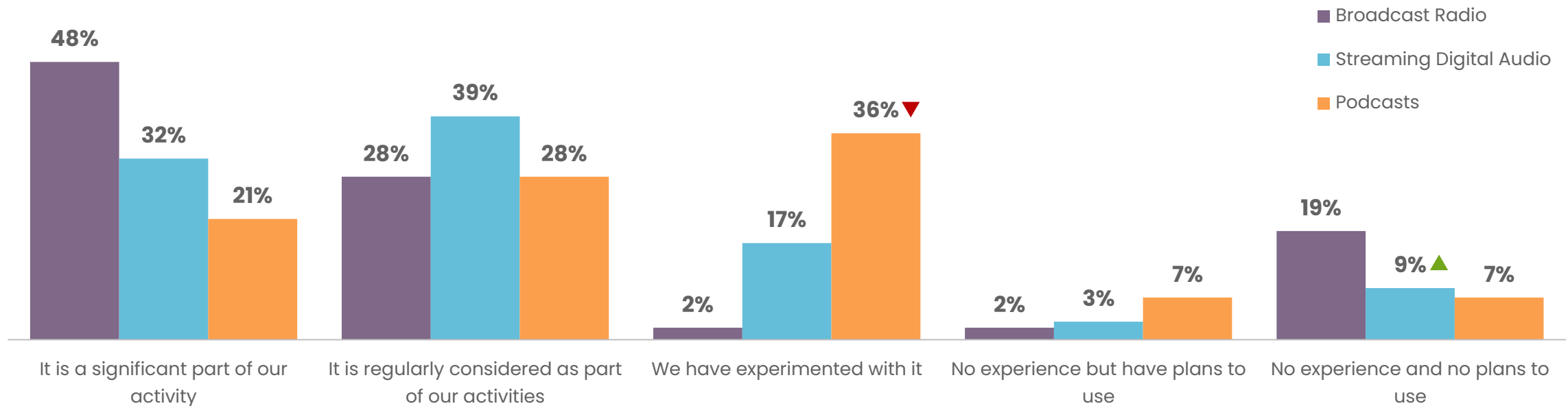
Opportunities to **educate advertisers** on **effectiveness** of podcast advertising where audiences are highly engaged

Audio continues to be a significant part of media buys, especially for broadcast radio



Podcast advertising is starting to become an every day buy but more than a third is still in the experimentation phase.

NEW ZEALAND MEDIA AGENCIES AND PUBLISHERS EXPERIENCE WITH ALL TYPES OF AUDIO ADVERTISING



Source: IAB New Zealand The Evolution of Audio Survey 2022 Results

Which of these best describes your organisation's experience with the following forms of audio advertising to date?

Base = Media buying agency and publishers n=95

▲ / ▼ : significantly higher / lower than 2021 at 90% confidence interval

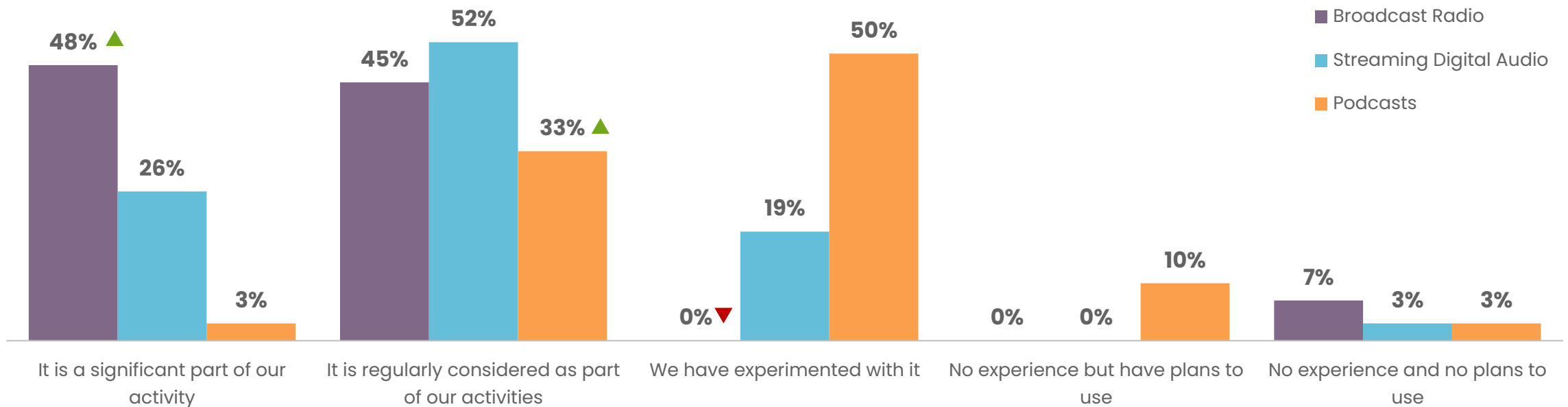


Post covid – broadcast radio back in full swing, but podcasts are stable



Broadcast radio considered more a **significant part** of media buys compared to 2021 (34%).
Podcasts considered more a **part** of media buys compared to 2021 (19%).

NEW ZEALAND MEDIA AGENCIES EXPERIENCE WITH ALL TYPES OF AUDIO ADVERTISING



Source: IAB New Zealand The Evolution of Audio Survey 2022 Results

Which of these best describes your organisation's experience with the following forms of audio advertising to date?

Base = Media buying agency n=58

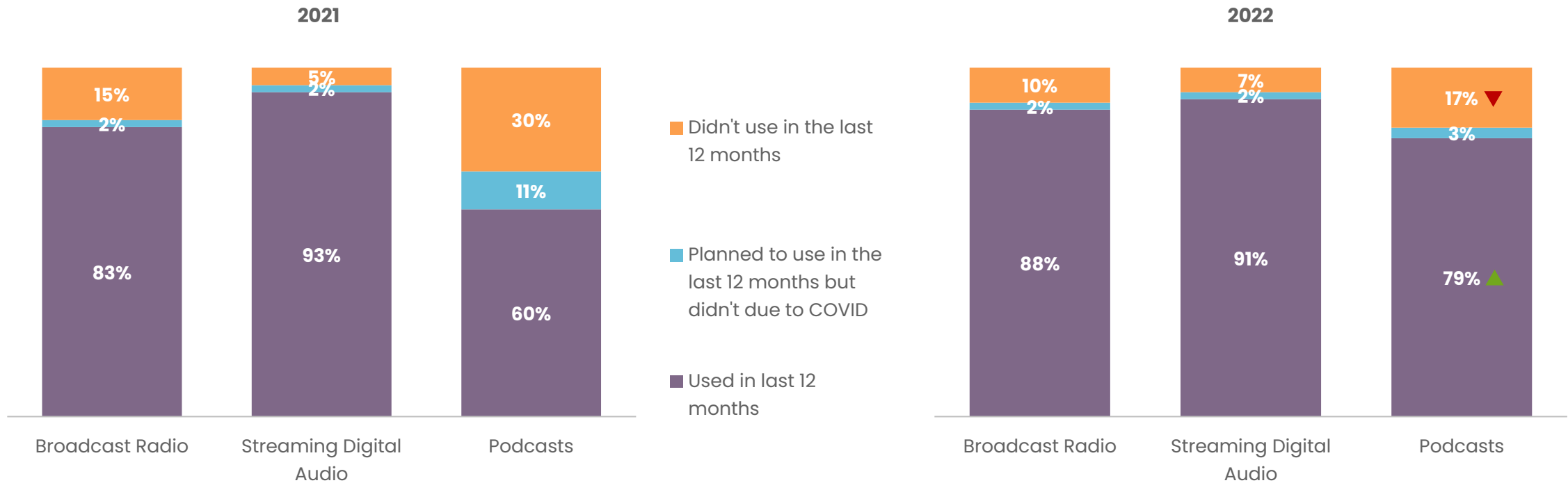
▲ / ▼ : significantly higher / lower than 2021 at 90% confidence interval

Podcast advertising has taken off in 2022



Nearly 80% of Media Agency respondents have used podcast advertising in the last 12 months – that’s **significantly more** compared to last year.

MEDIA AGENCIES USAGE OF DIGITAL AUDIO ADVERTISING



Source: IAB New Zealand The Evolution of Audio Survey 2022 Results

Which of these best describes your organisation's usage of the following forms of audio advertising to date?

Base = Media buying agency n=94 (2021), n=58 (2022)

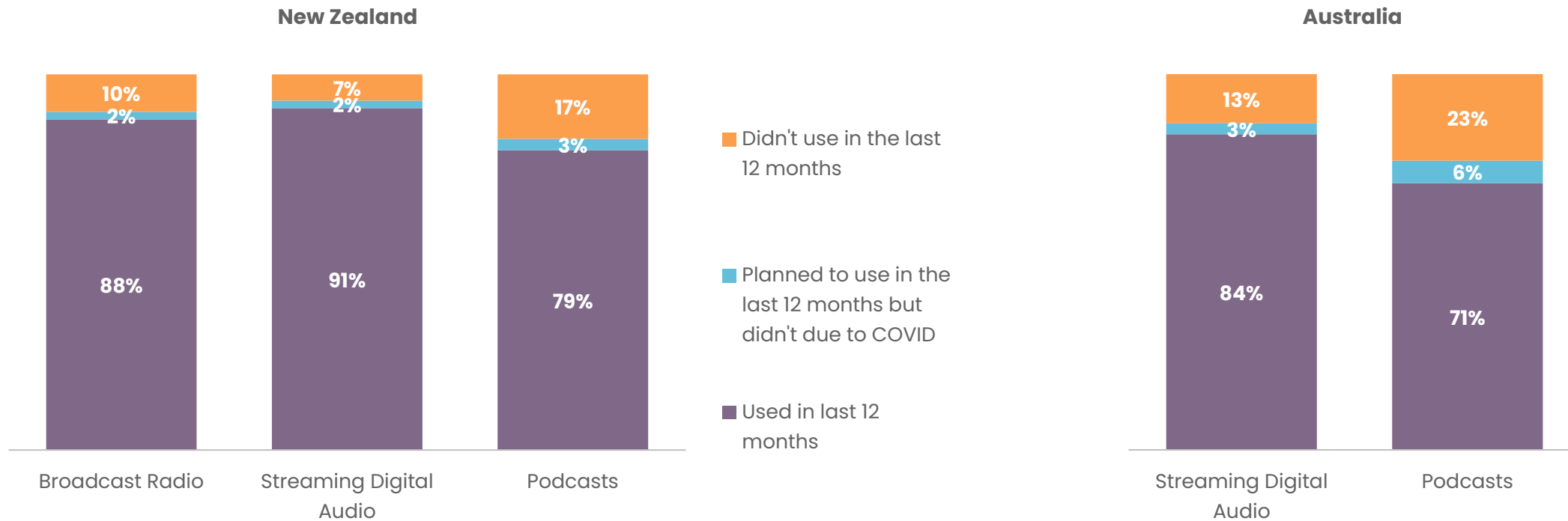
▲ / ▼ : significantly higher / lower than 2021 at 90% confidence interval

Our digital audio usage is ahead of our mates



New Zealand is **higher than Australia** for both streaming digital audio and podcast advertising.

MEDIA AGENCIES USAGE OF DIGITAL AUDIO ADVERTISING



Source: IAB New Zealand The Evolution of Audio Survey 2022 Results

Source: IAB Australia "IAB 2021 Audio Advertising State of the Nation" Wave 6: February 2022

Which of these best describes your organisation's usage of the following forms of audio advertising to date?

Base = Media buying agency n=58 (NZ), n=100 (AU)

▲ / ▼ : significantly higher / lower than Australia at 90% confidence interval

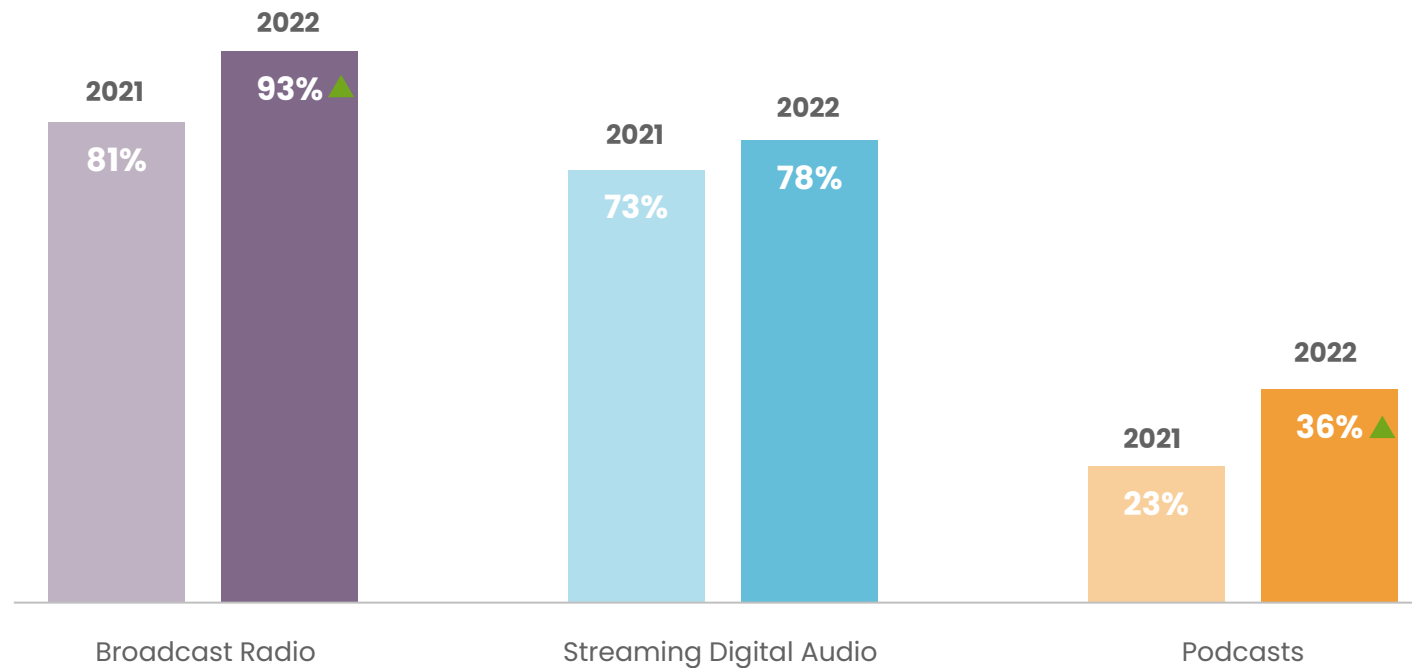


All Audio advertising modalities continue to grow



Broadcast radio and podcast advertising both saw **significant uplifts** in 2022 as active media buys.

MEDIA AGENCIES WHERE AUDIO ADVERTISING IS A SIGNIFICANT PART OF ACTIVITY OR REGULARLY CONSIDERED



Source: IAB New Zealand The Evolution of Audio Survey 2022 Results

Which of these best describes your organisation's experience with the following forms of audio advertising to date?

Base = Media buying agency n=94 (2021), n=58 (2022)

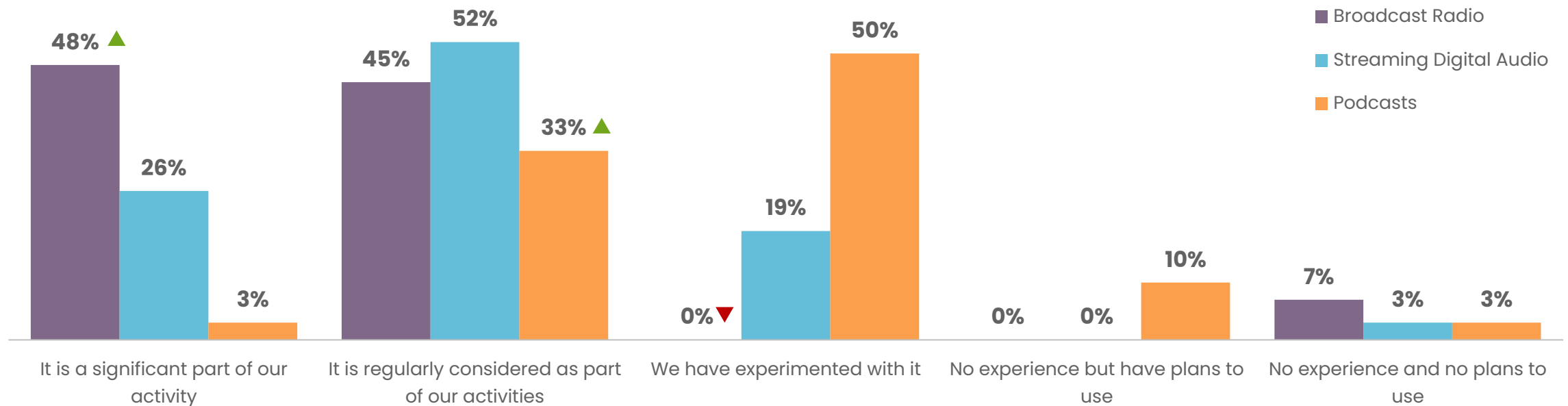
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Post covid – broadcast radio back in full swing, but podcasts are stable



Broadcast radio considered more a **significant part** of media buys compared to 2021 (34%).
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NEW ZEALAND MEDIA AGENCIES EXPERIENCE WITH ALL TYPES OF AUDIO ADVERTISING



Source: IAB New Zealand The Evolution of Audio Survey 2022 Results

Which of these best describes your organisation's experience with the following forms of audio advertising to date?

Base = Media buying agency n=58

▲ / ▼ : significantly higher / lower than 2021 at 90% confidence interval

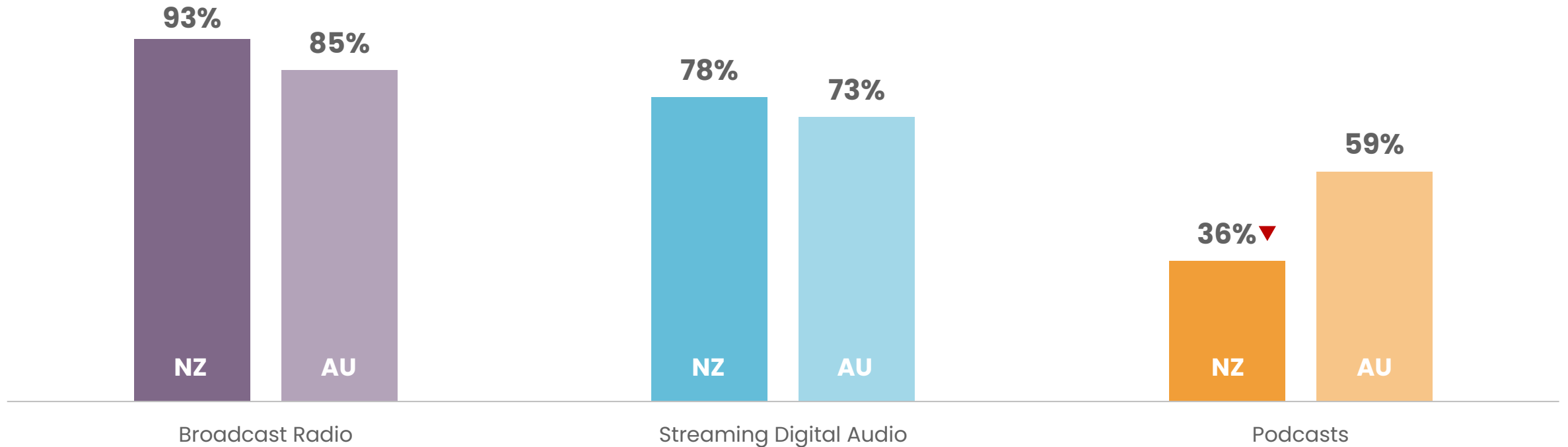


Huge potential for podcast advertising



Although New Zealand has a higher usage for podcast advertising than Australia, New Zealand is **mostly experimenting** and would **not consider** it part of its activities.

MEDIA AGENCIES WHERE AUDIO ADVERTISING IS A SIGNIFICANT PART OF ACTIVITY OR REGULARLY CONSIDERED



Source: IAB New Zealand The Evolution of Audio Survey 2022 Results

Source: IAB Australia 2022 Audio Advertising State of the Nation

Which of these best describes your organisation's experience with the following forms of audio advertising to date?

Base = Media buying agency n=58 (NZ), n=119 (AU)

▲ / ▼ : significantly higher / lower than Australia at 90% confidence interval



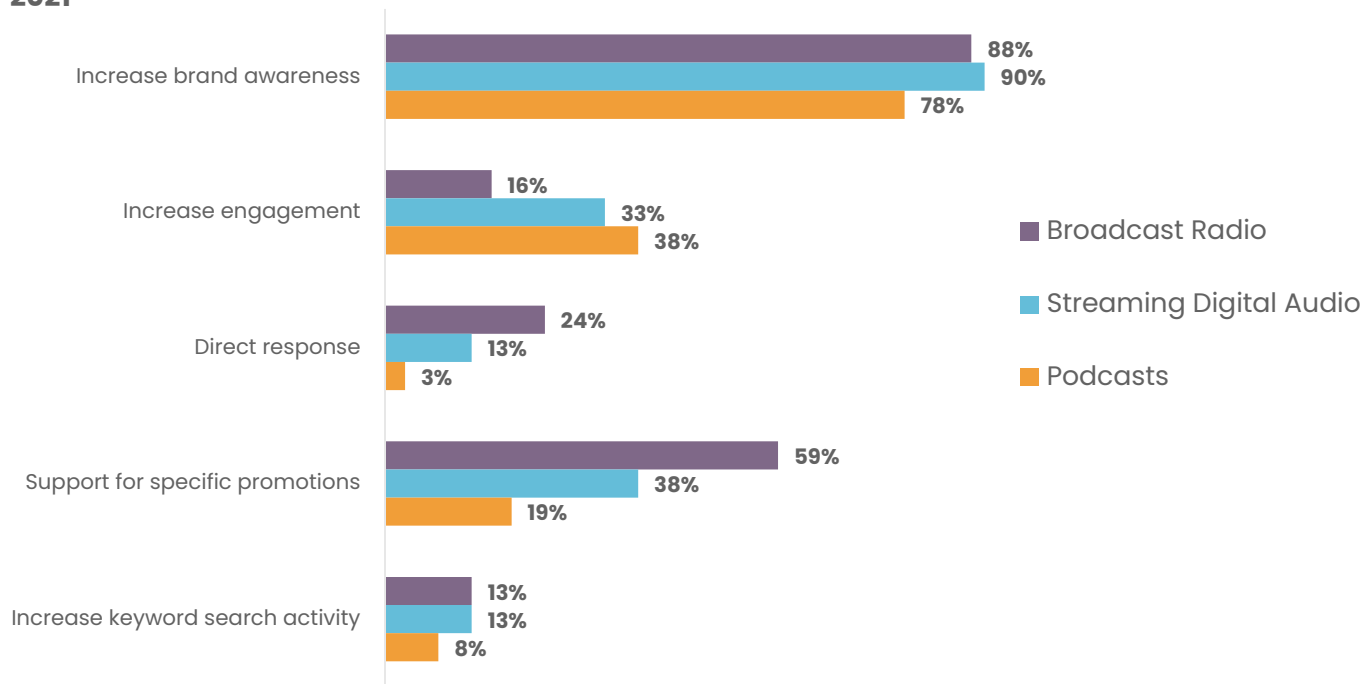
Shift towards engagement. More focus on lower funnel objectives this year for digital audio and podcasts



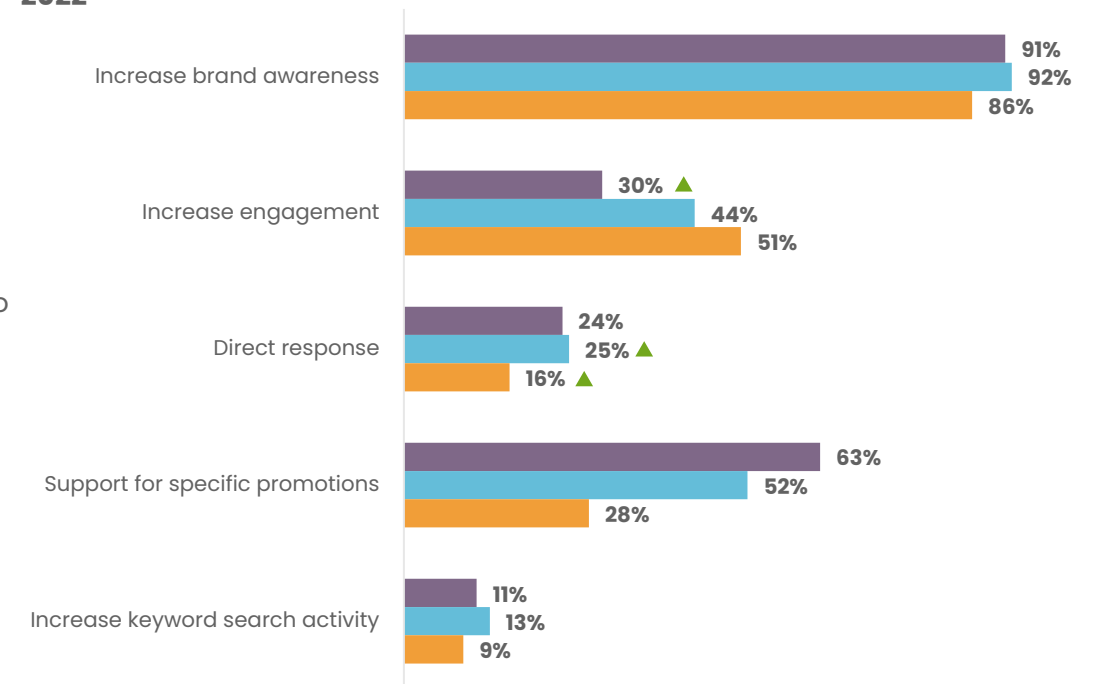
Agencies are wanting more tangible results,
with objectives around engagement and direct response increasing significantly.

OBJECTIVES OF AUDIO ADVERTISING OVER THE PAST YEAR AMONGST MEDIA AGENCIES

2021



2022



Source: IAB New Zealand The Evolution of Audio Survey 2022 Results

What have been the objectives of the Broadcast Radio/Streaming Digital Audio/Podcast advertising activities you've been involved with over the past year? Base = Media buying agency n=94 (2021), n=58 (2022) excl. missing / not applicable

▲ / ▼ : significantly higher / lower than 2021 at 90% confidence interval

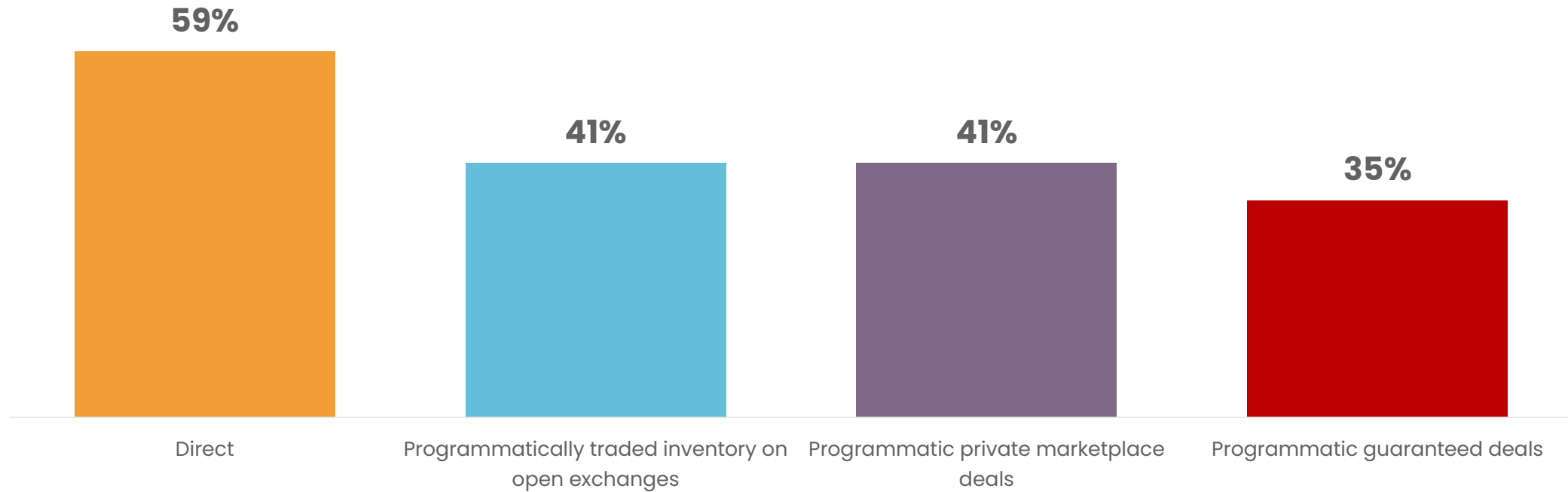


Direct response, direct buying



With an engaged audience, **direct** is the predominant way media agencies currently use to buy their podcast inventory.

PODCAST ADVERTISING NEW ZEALAND MEDIA PLANNERS ARE BUYING



Source: IAB New Zealand The Evolution of Audio Survey 2022 Results

How do you currently buy your podcast inventory - pre / mid / post roll?

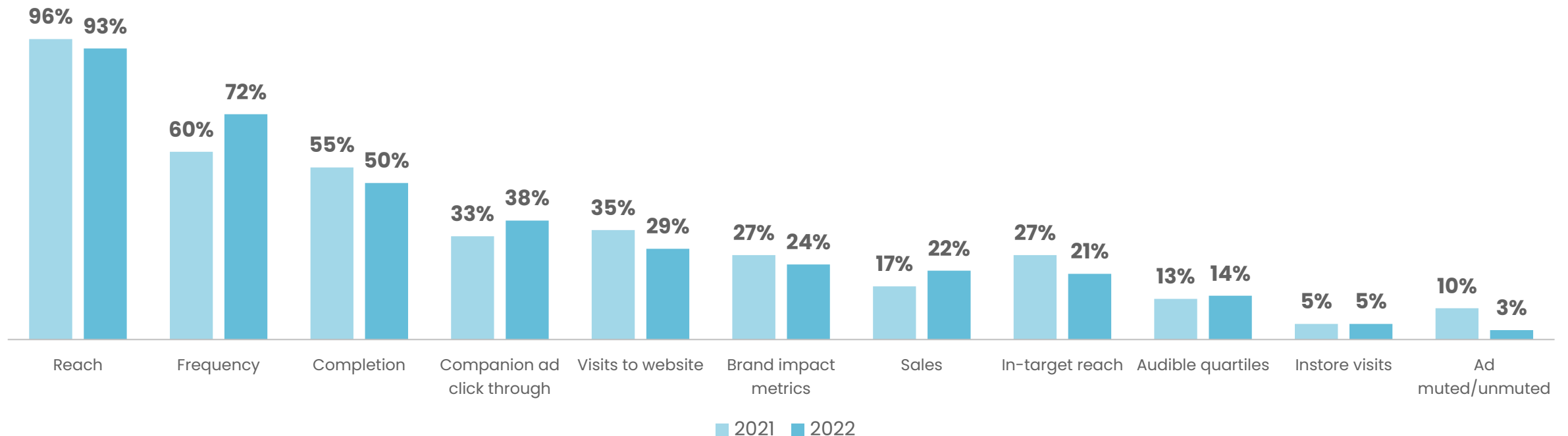
Base = Media buying agency that used podcast advertising in the last 12 months n=46

Reach is still the key success metric, but frequency is also important



Metrics used to assess **effectiveness** of audio campaigns are **similar to 2021**, but there is a **stronger focus on frequency** with more focus to **increase engagement**.

METRICS USED BY NEW ZEALAND MEDIA AGENCIES IN ASSESSING EFFECTIVENESS OF STREAMING DIGITAL AUDIO ADVERTISING



Source: IAB New Zealand The Evolution of Audio Survey 2022 Results

What metrics are you using to assess the effectiveness of your audio campaigns on Streaming Digital Audio (Spotify, iHeartRadio, rova etc)? Base = Media buying agency n=94 (2021), n=58 (2022)

▲ / ▼ : significantly higher / lower than 2021 at 90% confidence interval

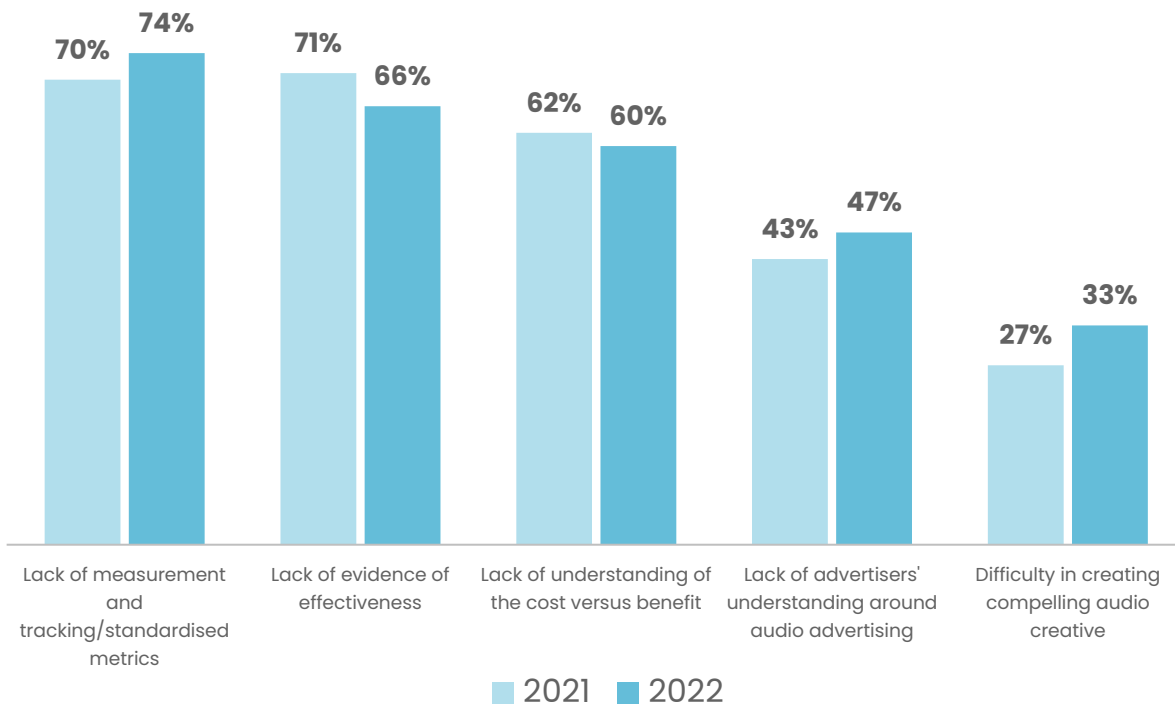


Lack of evidence no longer the biggest barrier to growth for podcast advertising volume

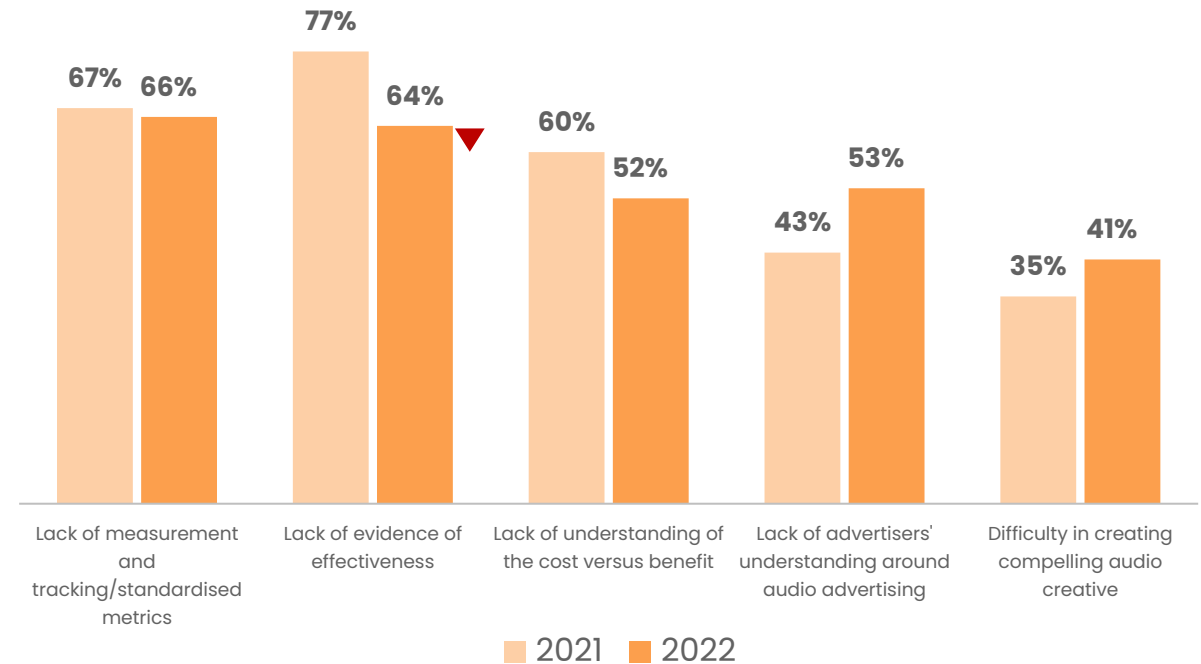


Standardisation of reporting required, **Education** needed to bridge gap of understanding.

BIGGEST ISSUES STOPPING **STREAMING DIGITAL AUDIO** BEING A LARGER PROPORTION OF AD VOLUME



BIGGEST ISSUES STOPPING **PODCASTS** BEING A LARGER PROPORTION OF AD VOLUME



Source: IAB New Zealand The Evolution of Audio Survey 2022 Results

What are the three biggest issues stopping audio advertising in Streaming Digital Audio from being a larger proportion of ad volume? Base = Media buying agency n=94 (2021), n=58 (2022)

▲ / ▼ : significantly higher / lower than 2021 at 90% confidence interval

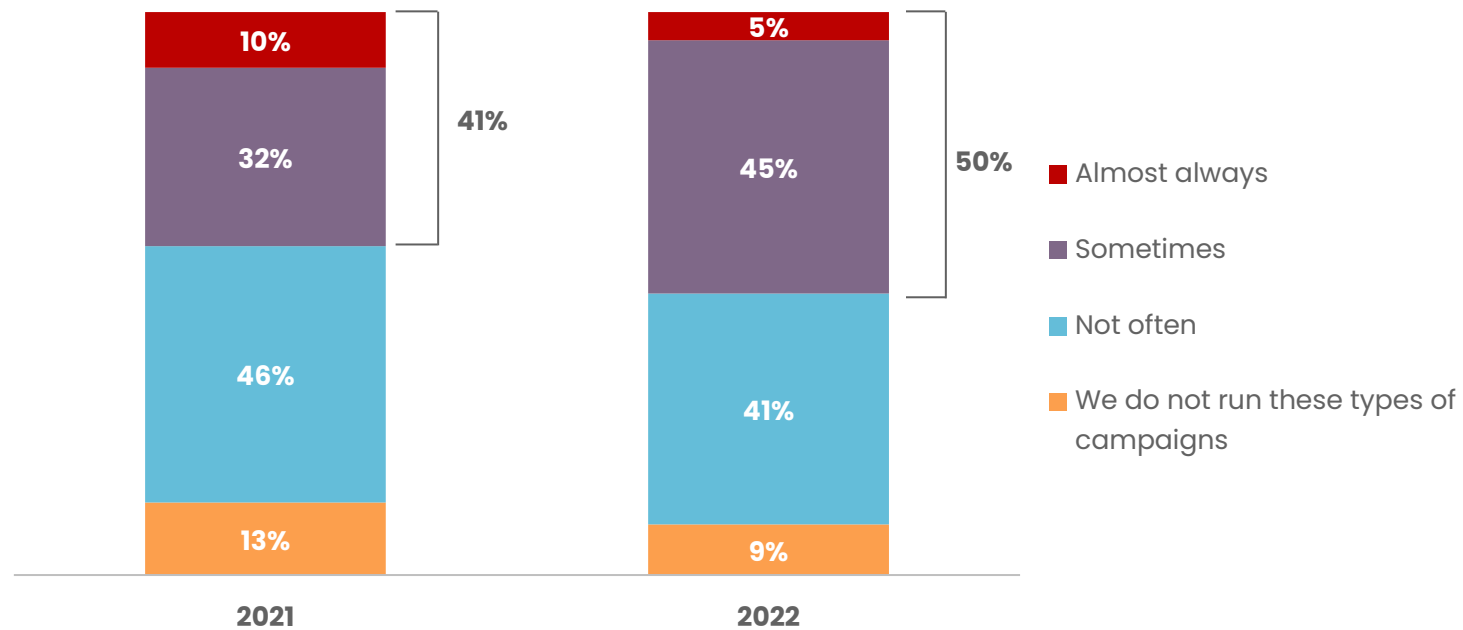


Think outside the box



Creative quality is an important driver of digital ad effectiveness, think creatively and adapt to the different audio environments.

FREQUENCY OF CHANGING CREATIVE TO SUIT PARTICULAR AUDIO ENVIRONMENT AMONGST MEDIA AGENCIES



Source: IAB New Zealand The Evolution of Audio Survey 2022 Results

When running campaigns across different Broadcast and Digital Audio ad options (e.g. Broadcast and Podcasts or Broadcast and Streaming), how often does the creative change to suit the different audio environments? Base = Media buying agency n=94 (2021), n=58 (2022)

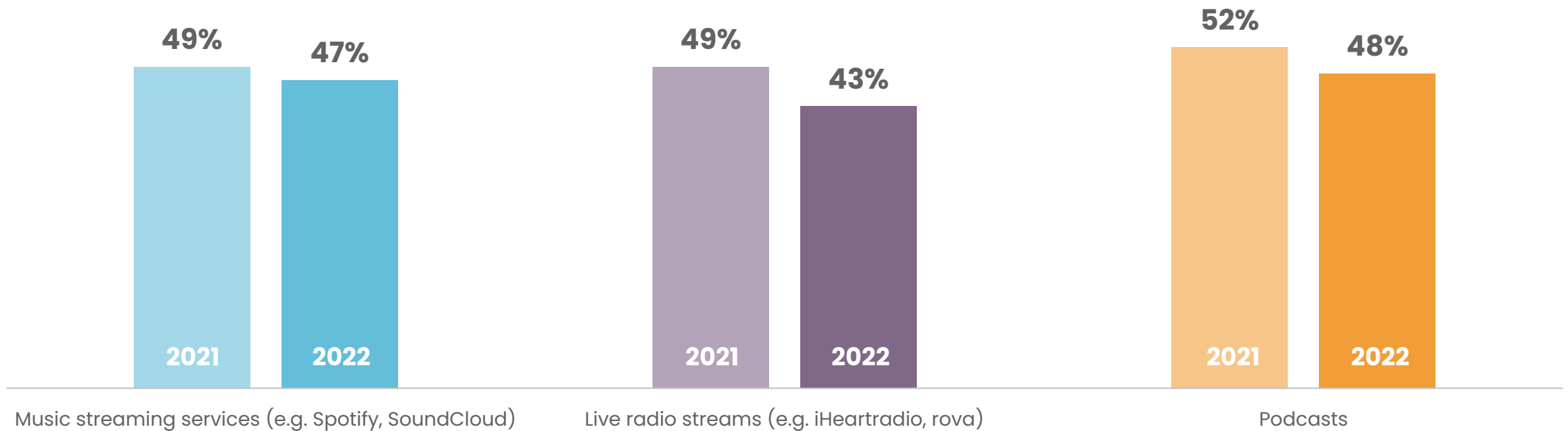
▲ / ▼ : significantly higher / lower than 2021 at 90% confidence interval

Expectation versus reality...



There is an opportunity to **convert experimentation** to **active media buys** when it comes to podcast advertising.

ADVERTISING USING IN NEXT 12 MONTHS



Source: IAB New Zealand The Evolution of Audio Survey 2022 Results

In regard to your experience and intentions with digital audio, which of the following types of services have you used in advertising activity or intend to use in the future? Base = Media buying agency n=94 (2021), n=58 (2022)

▲ / ▼ : significantly higher / lower than 2021 at 90% confidence interval

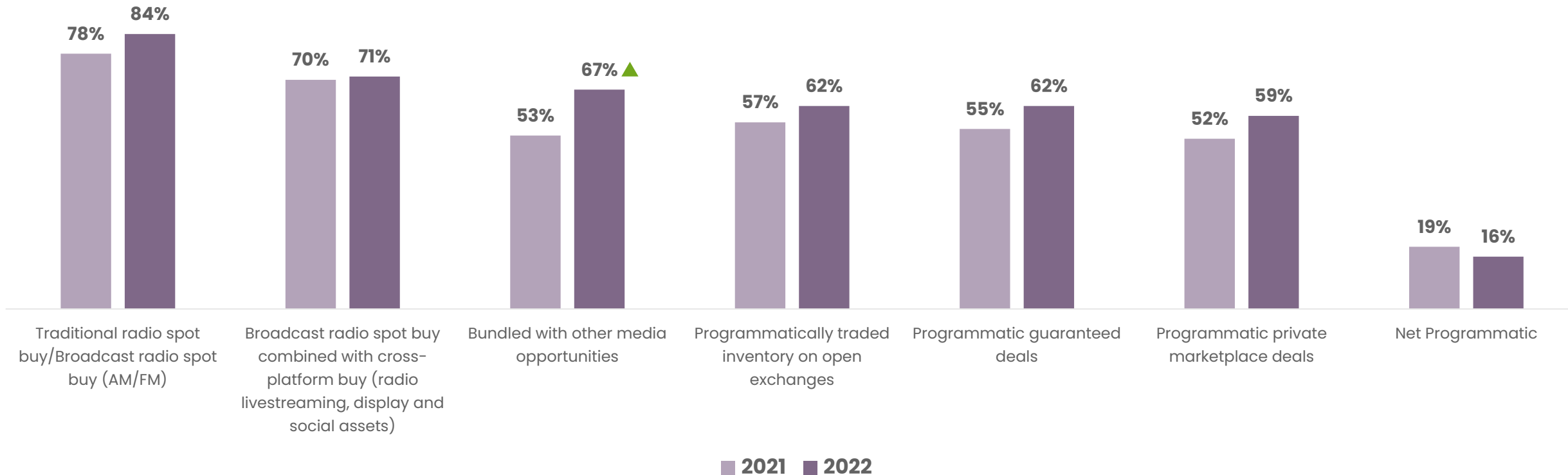


Broadcast strong, bundled opportunities growing



There are opportunities for greater integration across platforms to deliver a successful campaign.

AUDIO ADVERTISING NEW ZEALAND MEDIA PLANNERS INTEND TO USE NEXT YEAR



Source: IAB New Zealand The Evolution of Audio Survey 2022 Results

Which of the following types of audio buys do you plan to use next year?
 Base = Media buying agency n=94 (2021), n=58 (2022)

▲ / ▼ : significantly higher / lower than 2021 at 90% confidence interval

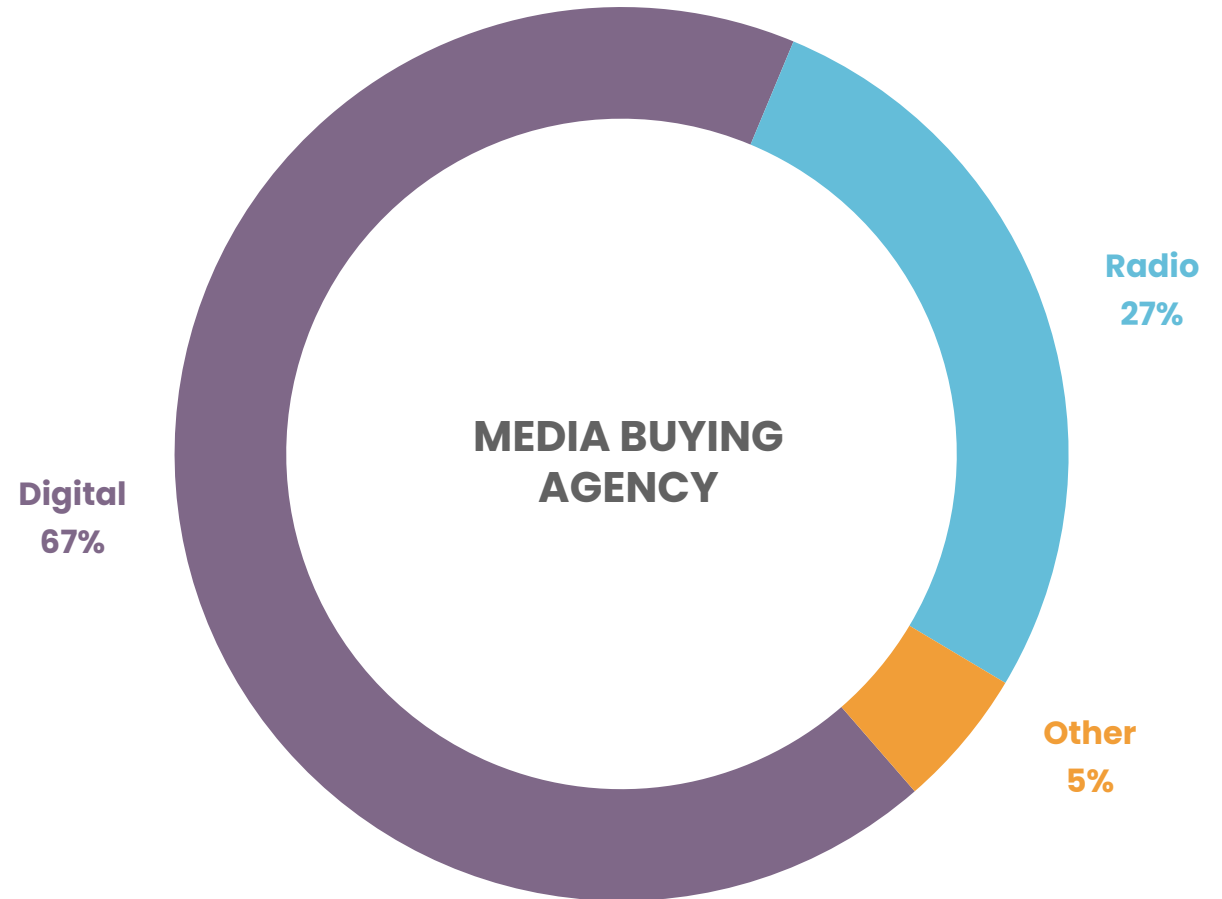


New Zealand media agencies



Of agencies that buy digital audio, **67%** put the spend against their digital budget.

There was a **12% increase** in agency respondents allocating their digital spend against radio budgets this year, which is not in line with IABNZ Guidelines



Source: IAB New Zealand The Evolution of Audio Survey 2022 Results

When buying digital audio advertising, what budget does the spend sit against?

Base = Media buying agency that bought digital audio n=91 (2021), n=55 (2022)

Take Advantage of The Digital Audio Evolution



Five things you can do right now:

1. **Understand** your specific target audience's digital audio behaviour and;
2. Forge a comms plan to **integrate into their consumption**
3. Challenge the creative norm & produce **remarkable audio advertising that embraces the environment**
4. Mitigate risk of revenue wastage by delivering **audience targeted campaigns** in addition to contextual placement
5. Experiment with unique offerings to **better understand the impact of digital audio** and **create case studies of them to share with clients**

What is the one thing you like the most about digital audio advertising?



Comments from respondents

The ability to **reach** those very **special audiences** at the **cutting edge** of their **industries** or **interests**... it is a medium to "**influence the influencers**".

Personalisation opportunities.

The ability to be **hyper relevant** with **dynamic creative** or engage niche audiences through podcasts.

More **measurable** vs **traditional** audio.

Audio ads have **high engagement** and **recall** rates with listeners.

It reaches people in a more **intimate way** and allows advertisers to serve more **relevant messaging**.

It's a **growing** space.

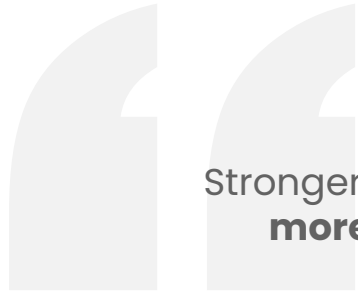
The ability to **expand/compliment traditional/usual media touch points** and increase audience **reach** within a campaign. The ability to use **sounds** and a **softer touch** in **creative** than traditional radio.

The **unique nature** that digital audio offers for advertisers to reach consumers. There are so many **fresh and exciting ideas** for new ways to target consumers.

What single thing would the industry need to do to promote a stronger role for Streaming Audio and/or Podcast advertising?



Comments from respondents



Stronger Publisher connections to content –
more localised content for NZ public.

Use cases around its **effectiveness** from a top of the funnel perspective and how it **influences user behaviour**.

Better **measurement** of audio beyond R&F.
Research around podcast **effectiveness**.

Standardised, easy **measurement** for standard and attention metrics.

Ad effectiveness/brand uplift studies at an easily **accessible cost**.

Educating agencies and representatives of brands in **methods** to show them **other formats work**.

Provide more **evidence** and a **streamlined approval** process.

Better **measurement** and a better **proof-point** for why it should be used – not just for incremental reach!

Thought leadership, **demonstration** of **value / impact**.



Thank you



If you'd like to become a member
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