

STATE

OF

AUDIO

The Modern Blueprint to Audio Advertising





CHAPTER 1

AUDIO'S MOMENT



The glow-up that can't go unnoticed. With Audio's lead over visual media growing, savvy marketers are ready to level up. If you're getting the sense that the Audio space feels a little different right now, you're not alone. Audio is having a moment, and seasoned marketers are taking notice...

But don't take our word for it.



TV'S TUMBLE: MUST-SEE TV HAS GIVEN WAY **TO MUST-HEAR AUDIO**

Nielsen reports that Audio consumption has soared past television

The top 20 linear TV shows had 15% fewer viewers this summer. Even connected TV, the so-called savior of the medium, is feeling the churn as streaming video and cable TV consumers continue to cancel their subscriptions.

But Radio's audience continues to stand strong.

Nielsen confirms: Audio is the #1 reach medium and continues to widen the gap over TV.

Audio reach is +10% above Live+ time-shifted TV time-shifted TV

+13% Audio reaches +13% more than connected TV (CTV) viewership

Source: Nielsen NPOWER, Nielsen RADAR, Nielsen Total Media Fusion, Nielsen Scarborough, Q1 2023

EAR CANDY ECONOMICS PAYS OFF

Procter & Gamble is betting big on Radio's success

The first to air soap operas on the Radio nearly 100 years ago, P&G has spent the past few years reinvesting in Audio as part of its strategy "to reach our consumers where they are, when they are receptive, and in media that resonates with them."



P&G upped Radio investment last year to \$235 million.

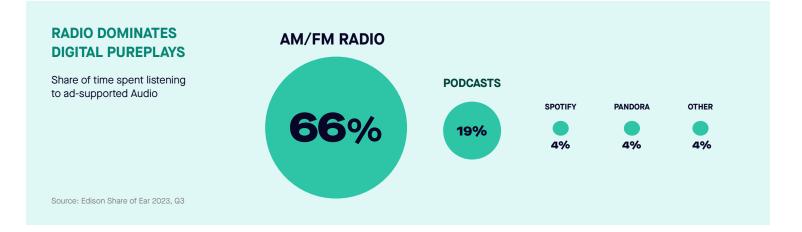
It's a smart move considering the media trends driving these shifts, including:

The coveted 18- to 49-year-old audience is watching less linear TV and listening to more Radio.

Reaching those dwindling audiences on linear or connected TV or YouTube can set you back \$10 to \$65 cost-perthousand (CPM), making the robust Radio audience, at a CPM under \$10, a sweet bargain.

Edison's most recent Share of Ear report underscores AM/FM Radio's dominance

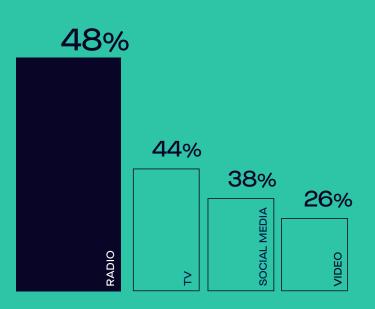
We spend the majority of our time listening to **AM/FM Radio (66%)** and **podcasts (19%)**. And when media plans skew towards digital pureplays (e.g., Pandora and Spotify), brands cut their time with audiences short, missing out on opportunities to engage and convert shoppers to buyers.



So reach is covered, but what else has Audio been up to? Glad you asked. Besides reaching more audiences, Radio and podcast platforms have been killing it with campaign performance for advertisers beating out pureplay channels when it comes to driving purchase.

Streaming Radio **(+28%)** and podcast **(+22%)** listeners are more likely than pureplay listeners to make purchases after hearing an Audio ad. **Killing it on Conversion**

RADIO OUTPERFORMS ALL MEDIA CHANNELS



The \$6 Billion Question

And performance brings us to an important question. As you refine and rightsize your advertising investments to make every dollar work harder, could you use another, say, \$6 billion?

ACCORDING TO NEUSTAR, THAT'S THE ASTOUNDING AMOUNT OF REVENUE ADVERTISERS LEFT ON THE TABLE LAST YEAR BY NOT PROPERLY INTEGRATING AUDIO INTO THE MIX. BUT THAT DOESN'T HAVE TO BE NEXT YEAR'S STORY.

Neustar, Meta-Analysis on Audio Performance, 2023. Industry



In this State of Audio guide, we're sharing the next-gen approach to Audio advertising.

WE'RE COVERING:

- Why advertisers are paying more attention... to attention
- Where to power up the performance in your media mix
- How you can level up your podcast buy
- The creative tips our production
 pros swear by
- And the trends you should keep your eye on

It's time to level up.



CHAPTER 2

SHIFT YOUR PLANNING AND PLATFORM STRATEGY

Turn up the volume on your media plan.

At a time when marketers need every dollar to work harder, many are seeing an opening for a shift in their media mix.

We All Love a Good Remix

Throughout an average day, Americans are hit with a whopping 4,000 advertising messages. Not only is that a lot of clutter to break through, but it's also a lot of media platforms to consider. As traditional favorites like TV, CTV, and social media deliver diminishing returns for steadily higher CPMs, many are seeing an opening for a shift in their media plan.

Here are the four strategies driving the industry's interest in a media mix remix.



This study just validates that all forms of Audio generate large volumes of recall. And it is truly the best of both worlds it has high levels of attention and efficient levels of attention. And those two together are very, very powerful. It's going to help inform our overall comms plan as we go to market and when we're looking to put our buys together."

Jennifer Hungerbuhler EVP and head of local video and Audio investment, Dentsu Media U.S.

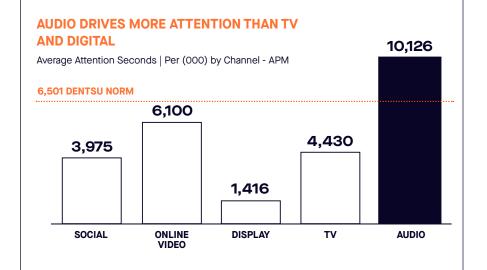


Marketers are paying greater attention... to attention

When building media plans, marketing leaders are starting to look at completely new metrics to determine which channels should get the lion's share of investment. Media agency giant Dentsu recently delivered a groundbreaking study evaluating attention driven from video and Audio ads—all in an effort to determine what marketers are really getting for all those impressions. While reach and cost of ads are well-known, understanding their impact among distracted consumers is the real game-changer.

Now that Dentsu has a basis for comparing attention across video

and Audio channels, advertising execs are seeing new opportunities for the hardestworking channels (ahem... Radio and podcasts) to play a larger role in media plans.





Power up the performance in your media plan

Maximizing Revenue by Maximizing Audio

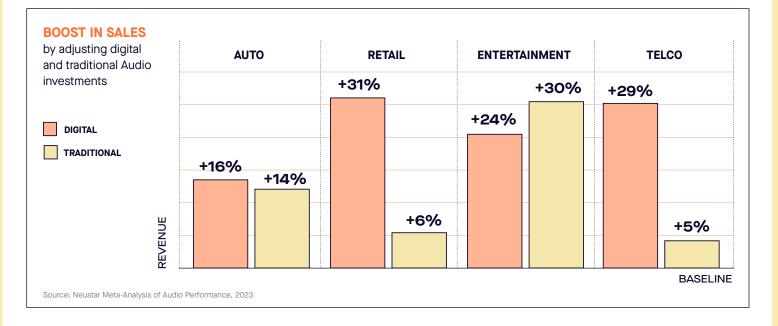
It's every marketer's happy place performance mixed with efficiency. Our goal as marketers is to drive revenue—as much revenue as we can while staying within our assigned budgets. So we're looking for the media channels that work the hardest.

Neustar recently released a study that reviewed the past three years' worth of media investments across Fortune 100 companies to understand if national advertisers were going to market with the optimal media mix. The results are eye-opening: brands are underinvesting in Audio. And not just by a little bit. Some industries are off by 12%, some by 25%, some by even more.

And this is where the \$6 billion revenue shortfall rejoins our story. We're talking about \$6 billion more revenue in the pockets of national brands just for optimizing their media plans with a balanced mix of Radio and digital Audio.

ACROSS INDUSTRIES, IMPROVING AUDIO'S SHARE OF THE MEDIA MIX DELIVERS A BOOST IN AD-DIRECTED SALES OF MORE THAN 30%.

See which industries have the most to gain by remixing their media mix with Audio.





Level up your podcast buy

Now that brands have dipped into the podcast pool and are starting to get comfortable swimming there, the questions become "What's next?" and "How do I level up my podcast strategy?"

We're long past the days of relying solely on host reads. Today's best podcast strategies come with a 360-degree approach with brand advertising, sponsorships, and show integrations to meet the needs of both brand awareness and conversion campaigns.

When you're allocating your budget, balance contextual and addressable in your podcast buy. That way, you can be sure you're getting the best of both worlds in the pod-sphere: the targeted shows and hosts for deep engagement and authenticity, matched with the scale of reaching your key audiences in more places across the network.

Picking Up the Pace: Your 360° Podcast Plan

Up your podcast game with some of these integrated tactics.

AUDIO EXECUTIONS

Tried and true

Impression-based delivery:

- Addressable run-of-network audience campaigns
- Contextually relevant active listening

Presenting sponsorships

Influential host and producer reads

MULTI-PLATFORM INTEGRATIONS

Branching out

Video Extensions Social Media Integrations In Content Sponsored Segments Host extended streaming & OTA extensions Live & Virtual Events

CUSTOM CONTENT CREATION

Make it all about you Branded episodes Custom content features

Brand interviews and product reviews









Now that the wild days of just throwing money at podcasts are behind us, the real work of building a sound strategy lights up. And that's the exciting part."

Jenna Weiss-Berman, EVP Podcasts, Audacy

Go big and go broad with a Total Audio plan

So you've moved more investment into the Audio line on the media plan. But wait—the job doesn't stop there! Allocating budget among Radio, streaming, and podcasts has a big impact on campaign performance. And the #1 indicator of success for campaigns aiming to drive sales performance is the use of both AM/FM Radio and digital Audio platforms.

The advice here is to go big and go broad with a total Audio plan.

A MULTI-PLATFORM AUDIO STRATEGY IS SO POWERFUL THAT ADVERTISERS SEE **1.5X** THE RETURN ON AD SPEND WHEN COMPARED TO DIGITAL-ONLY CAMPAIGNS.

And no one knows this better than our friends at Live Nation.

CASE STUDY

Total Audio Works: **Live Nation** Rocks Out with Over 1,000% ROAS

When Live Nation invited fans to rock out and jam with their favorite artists during its 2023 Concert Week promotion, a single media platform couldn't hold the excitement. Instead, the powerhouse live entertainment leader implemented a multiplatform Audio campaign to support awareness before and during ticket sales for the event.

THE MEDIA PLAN

SCALED RADIO

Presale and onsale messaging across 43 markets nationwide

TARGETED STREAMING

Presale and onsale messaging on Audacy's exclusive stations targeting music enthusiasts, concertgoers, moviegoers, entertainment enthusiasts, and sports fans

CUSTOM ACTIVATIONS

Live Nation exposure on custom streaming stations

EDITORIAL AND SOCIAL MEDIA

Multi-platform activations

INFLUENTIAL PODCASTS

Host endorsements on Audacy's high-profile influencer bundle and sports network



RESULTS

Audacy's hosts and audience kicked this phenomenal campaign into overdrive, helping to generate increased ticket sales and a 1,000% return on ad spend. This campaign proves what our partners at Live Nation already knew: multi-platform Audio campaigns that include AM/ FM Radio + Digital Audio yield tremendous conversions.



Go to StateofAudio.com to hear creative from this campaign



Your Audio Plan Needs to Be Louder

Turn up the volume to drive as much as 30% more ad-directed sales by optimizing your mix of Audio in media plans.

Bust the Visual Media Myth

Seeing isn't necessarily believing. It turns out Audio advertising works harder—driving greater attention and recall even at more desirable CPMs.

Tap the Power of Total Audio

Radio and digital Audio are stronger together.

A balanced mix of AM/FM Radio, streaming, and holistic podcast offerings drives the greatest conversions.

KEY TAKEAWAYS



CHAPTER 3

YOUR CREATIVE CHEAT CODES

Creative matters. And it needs to be really freaking good. Learn the top tips from commercial production pros.

5 Ways the Best Audio Ads Crush the Status Quo

Advertising on the #1 reach media—Audio—will get you the most ears. But to keep them, your creative can't just be good—it needs to be really freaking great. Here are five proven characteristics of winning Audio ads to incorporate into your creative.

#1

Great ads are built like the perfect puzzle

MENTION YOUR BRAND IN THE FIRST 3-5 SECONDS



THE HOOK

Dissecting a 30-Second Ad

Let's take a look at creating high-performing Audio ads by dissecting a 30-second spot. :30s are one of the most popular ad options—they often outperform on engagement, brand recall, and purchase intent because they're long enough to hold our attention, but not so long that we zone out and lose interest. Let's dig into the three main parts of a winning 30-second ad: the hook, the pitch, and the call to action.

THE HOOK

You only get one chance to make a first impression, and in the age of TikTok, that chance is fleeting. The hook is where you can capture attention with a question or a claim that makes listeners skip the mute button.

And when it comes to brand mentions, promote early and promote often once in the first three to five seconds, and at least four times throughout the ad. This keeps your brand front and center, and activates positive connections in our brain. When ads contain four or more brand mentions, purchase intent rises by **4%**.

THE PITCH

Like a model on a runway, you're working it here. Sustain and elevate attention to your clear value proposition, whether it's savings, innovation, or another unique benefit or characteristic of your product or service.

THE CALL TO ACTION

CTAs that encourage listeners to take a specific action will see stronger performance. Make it easy for listeners—ditch the long custom phone numbers. Share your location (online or IRL). And don't forget to repeat your call to action.



THE PITCH



Sound design is on point

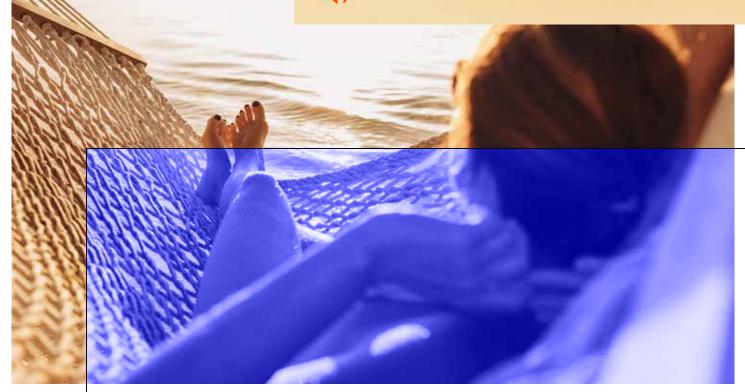
Layered sound design involves more than music selection. It's part of the story that creates emotional resonance, taking your listeners to a time and place that connects them to your message. This is where Audio does what visuals can't—it takes storytelling to another level.

Take this ad for example. The message starts simply with calm ocean waves. Then crafted sounds are layered in. It only takes a few moments to feel transported to a beach in Los Cabos and consider booking your next visit.

DUILD A BEACH Use on a beach Use of the transmission of transmission of the transmission of trans

COMPLETE AD WITH INTEGRATED SOUND DESIGN

()) Go to StateofAudio.com to hear creative from this campaign



Put us in a good mood

Good vibes only! It's not enough to just grab attention ads that put us in a good mood, with a healthy dose of the warm fuzzies, drive higher ad recall and purchase intent. Don't be afraid to experiment with your Audio creative to build emotional resonance. Messages that tell a story, introduce characters, and infuse humor to make us laugh create strong emotional connections.

Ad assets recently tested found:

The top 50% of assets with the highest likeability score on average scored 12% higher on intent.

Source: Veritonic Analysis, 2022



#4

Stand out with sonic branding

Consistent sonic branding is central to how we feel about and identify with brands. But it's more than that. Those sticky auditory stimuli like sound logos, brand anthems, and taglines also affect how we make decisions. When it comes to Audio ads, these effective mnemonic devices are the single most-effective way for marketers to improve brand recognition and purchase.

he Power of Sonic Branding	
INCREASES AD RECALL IN	BOOSTS PURCHASE INTENT IN
Radio ads by +17%	Radio ads by +6%
Podcast ads by +14%	Podcast ads by +2%
BRAND PERCEPTION	+7% more trustworthy
DRAND I EROEF HOR	+6% more likeable
Radio ads with sonic	+5% more empowering
branding are heard as:	+4% more relevant

The message matters

What you say, and how you say it, matters. Here are some best practices in production and script creation.

VOICEOVER

There's a lot of discussion over whether a male or female voiceover works better, but we can end the debate right here. It's actually a dialogue with multiple voices, regardless of gender, that works best. That back-and-forth banter really holds our attention—and increases recall by 10%.

CREATIVE ROTATION

Don't rely on one silver bullet. Running two to four creatives in market works best to match the needs of your audience segments.

PERSONALIZATION

Brands that create ads personalized to their listeners tend to see higher engagement. Targeting a specific location? Consider mentioning it: "Hey Boston!" And think about your target audience's taste when selecting background music.

PLATFORM

Customize for your platform when building Audio creative. Radio ads are designed to grab attention from distracted audiences, while podcast audiences prefer ads that seamlessly blend in with the stories and hosts they love.

By creating compelling Audio narratives and captivating storytelling, you can create an immersive experience that keeps your audience engaged from start to finish.



Want more creative how-to's, like the best music choices, voice options, and script tips? Check out our Sound Creative Guide.



Find Your Formula

It only takes 30 seconds to make a lasting impression. Design your ads with a winning formula to grab attention, deliver value, and close with a strong call to action.

All Creative Isn't Created Equal

Professional commercial production talent takes your brand message up a level, with customized sound design, script development, and sonic branding to engage and drive audiences to action.

The Mood Matters

A happy listener is an engaged listener—who's more likely to make a purchase.

KEY TAKEAWAYS



CHAPTER 3

FUELING YOUR FUTURE

Embracing innovation is a non-negotiable. Stay on top of the industry's latest moves, from innovative podcast brand integrations to the power of AI.



Podcast popularity pops into new spaces

Even in the crowded media landscape, podcasters haven't lost their shine. The growth story continues— with growing audiences, increasing ad revenue (at a much higher clip than digital media), and exciting innovation for creators and advertisers.

Getting closer to creators with innovative show integration

For podcast advertisers, integrating closely with shows and hosts has always been key. Producer reads perform great. Host reads perform great. And now there's a lot of excitement around creating a clear fit for brands to directly integrate into a show.

The next generation of brand integration is here. Amy Poehler's new scripted podcast, *Say More with Dr? Sheila*, is taking host reads in-character and in-script to directly incorporate brands right into the comedic show.

FASTEST GROWING DIGITAL MEDIA CHANNEL

Revenue increase from 2021 to 2022:

PODCASTING: **†26%** DIGITAL MEDIA: **†11%**

GRABBING MORE SHARE

Source: IAB

1 out of every 10 minutes listening to Audio is now spent on podcasts.

That share has doubled in just three years.

Source: Edison Research, Share of Ear Report, Q2, 2023

POWERFUL PERFORMANCE

65% of listeners have purchased a product or service from a brand they heard advertised on podcasts.

Source: Edison Research, Super Listeners, 2021

CASE STUDY

Brands Become Part of the Story with Innovative Script Integration

Say More with Dr? Sheila, A Scripted Comedy from Amy Poehler



This hilarious scripted podcast stars Poehler as Dr? Sheila, a fictional therapist with questionable methods and credentials counseling a new couple every week, played by a cast of esteemed actors and comedians.

SCRIPT INTEGRATION

Audacy teamed up with Kroger for a special first-of-its-kind collaboration: the opportunity to have the brand integrated directly into the script. By weaving Kroger directly into the episode, Amy Poehler— in character as Dr? Sheila—is able to emphasize Kroger's unbeatable freshness while baking the brand into the narrative in perpetuity.



The advertisers will get the chance to be in character, in universe. With storytelling at its core, there are a lot of places to grow—connecting audiences and brands, especially with scripted partners."

Moira Curran SVP, Consumer Marketing, Audacy

Pods for the ears and the eyes

Creators are going multi-platform. We're seeing continued podcast expansion into visual channels such as YouTube. While Audio is still the most popular platform for pod consumption, there's an insatiable appetite for podcasts on any platform you're using—and these visual platforms lend themselves well to search and discovery.

Three out of every four U.S. podcast consumers say podcasts can be either Audio or video. And podcasters are here for it—some of the biggest are creatively expanding and driving deeper connections by offering fans tantalizing glimpses into their daily lives. And advertisers get another platform to engage with these dedicated audiences through studio sponsorships, in-content sponsorships, and, of course, live video reads.

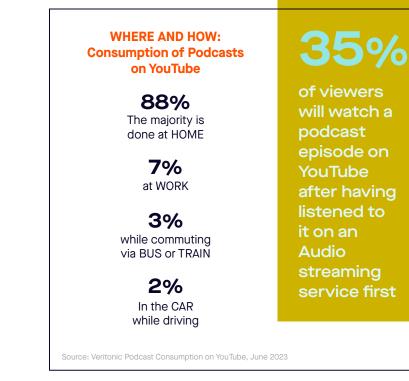
Live and In Person!

Beloved podcasts are going on tour to drive deeper connections with their fans IRL.

Who? Weekly - Where? In your town!

Hosts Bobby and Lindsey doubled down on the fan experience, bringing their popular *Who? Weekly* podcast straight to listeners with a live tour. Guests were able to live, love, and laugh in person alongside the Wholigans! as the duo dug into their favorite Daily Mail headlines, held pre-show meet-and-greets, and offered memory-making Polaroids. This kind of event offers brands a unique opportunity to activate integrations with social media, sponsorships, sets, and even custom-branded segments.





Stay a Step Ahead: iOS 17 Updates

Changes to Automatic Downloads In Apple's Podcasts App Are Good for the Industry

Apple just announced some changes to their podcast app, including pauses to automatic downloads for light listeners, a different treatment to new show followers and removing the automatic downlaod on re-published episodes.

What These Changes Mean

BETTER FOR LISTENERS

Users won't have to worry as much about inadvertently eating up device storage just because they took a break from a show.

BETTER FOR CREATORS

Creators will get a better sense of what their audience loves as they gain a more accurate look at individual show listenership. And, since advertisers will have a better sense of how podcasts perform, creators will see the allocation of more dollars to the medium.

BETTER FOR ADVERTISERS

With more accurate download figures, we expect podcasting will be shown to be more effective than previously thought: conversions per download may actually be higher than we see now.

Al in Audio

While artificial intelligence is only scratching the surface today, the exciting role that generative AI, personalization, and sentiment analysis are already playing in Audio is having a sizeable impact on how audiences interact with content—and how advertisers interact with audiences.

Discovery

For Listeners: The power of generative AI has big implications for discovery. It's all about finding the content you'll love—from serving up podcast shows, clips, and summaries that help us discover your next favorite host, to curating music that will vibe with your mood. Sentiment analysis, transcription and recommendation engines, and advanced content analysis help publishers deliver the content you didn't even know you loved. **The content should find you.** **For Advertisers:** And on the flip side, for brands—it's easier than ever to find consumers no matter where they're listening. Publishers can easily slice, dice, and serve up audiences based on their favorite shows, interests, and demos.

Dynamic Creative Development

Al is revolutionizing creative development. Not only can we create dozens, or even hundreds, of unique ad formats to test across a network—but Al is also opening the doors for personalized advertising on an unprecedented scale. Al helps crunch the real-time data on brand safety, listenership, device usage, and even weather to trigger dynamic ads personalized to your day.



"One of AI's big opportunities for advertisers lies with creative. AI processing is already proving its worth to revolutionize, speed up, and improve creative development options. And as programmatic continues to be more prolific in Audio advertising, the opportunity for dynamic and triggerbased creative driven from real-time data is a very real thing."

ßß

J.D. Crowley Chief Digital Officer, Audacy

Gen Z is not Generation Next it's Generation Now

If we had a nickel for every time we were asked about Gen Z's media habits, we'd be on that beach in Cabo right now. The members of this generation now account for one in every five Americans. And they tend to get a very specific rep, but there's actually a lot of stereotypebusting nuance here.

If you want to engage with Gen Z, pay attention to where they go and what they care about. And that means you can't forget Audio, where you'll find a remarkable 98% of Gen Z listening daily.

Gen Z Media Habits: The Kings and Queens of Cross-Platform

Gen Z listeners are so connected, they've become platform-agnostic. They love their Audio for entertainment, discovery, growth, and connection and they don't stick with a single platform. Three out of four use Radio, podcasts, *and* streaming Audio.

Even better for advertisers, these cross-platform listeners are nearly twice as likely than average to say they've made a purchase in the past year based on Audio ads, and seven in 10 say they trust their favorite hosts' product and service endorsements, compared to 46% among the overall audience.

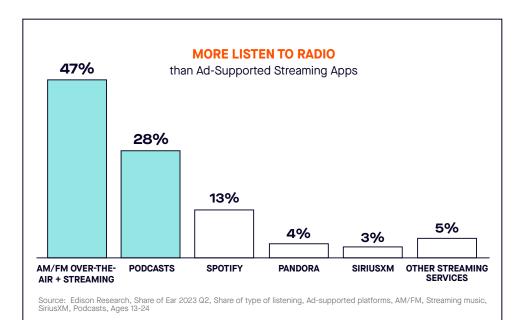
Source: Edison Research, Share of Ear, Share of Ear 2023 Q2, Device Cume, Ages 13-24



Craving Content that Resonates

Even though they're the most digitally savvy generation, these young adults and teens want real connection, curated content, and, get ready for this—AM/FM Radio.

More listen to Radio than to adsupported streaming services such as Spotify and Pandora. That's at least in part because Radio has evolved to cater to Gen Z preferences and behaviors, embracing interactivity, personalization, and authentic content. It's all about pure connection, fun stories, trusted influencers, and local connections that truly matter.



GEN Z (A18-24) ARE:

+13%

more likely to consider Radio more fun and entertaining than their personal playlists

+12%

more likely to say "I like the content curation more on my favorite Radio stations than on digital-only Audio platforms."

+11%

more likely to say "It feels like I'm hanging out with my favorite hosts when I listen to my Radio stations."

Source: Edison Research, Share of Ear 2023 Q2, Share of type of listening, Ad-supported platforms, AM/FM, Streaming music, SiriusXM, Podcasts, Ages 13-24

Get Cozy with Creators

Podcasters are continually innovating to find new ways to weave brands into their shows. Be ready to go deeper with custom integrations.

Embrace Al

Reap the benefits of Al's impact with advanced audience targeting, personalization, and dynamic creative to put your best foot forward.

Follow Gen Z's Lead

Don't miss this highly influential audience, where 70% are making purchase decisions from Audio advertising. Go deeper by meeting them on the platforms they love, tapping into influential hosts that have their ear, and engaging authentically.

KEY TAKEAWAYS