



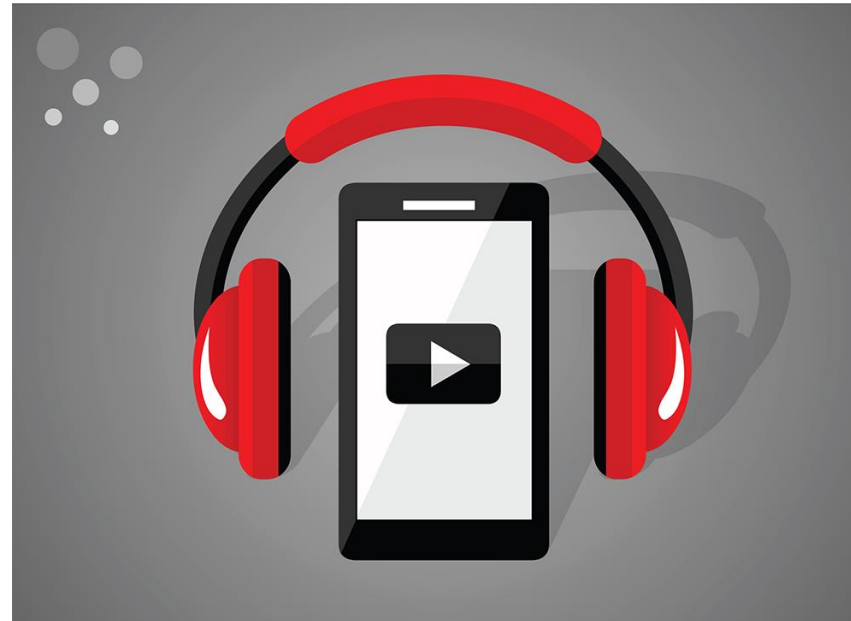
The Power of Audio

IAB Digital Audio Agency Day
November 1, 2018

The New Audio Marketplace

Digital Technology has created Audio-first environments

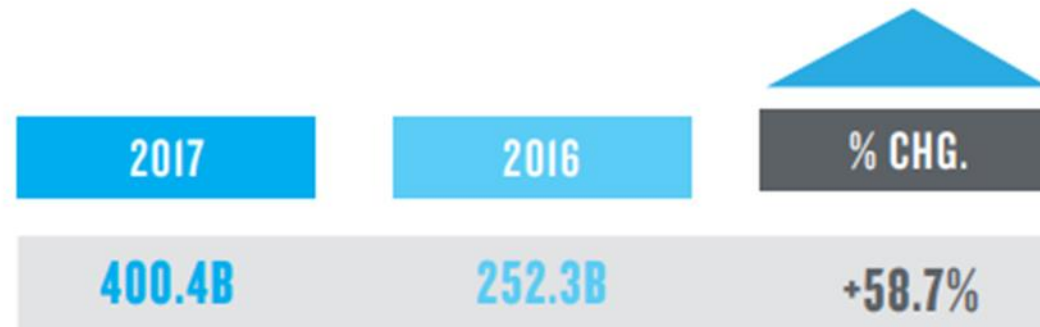
- › **What you hear is more important than what you see**
- › **Voice is the key interaction**



Streaming Audio Continues to Explode

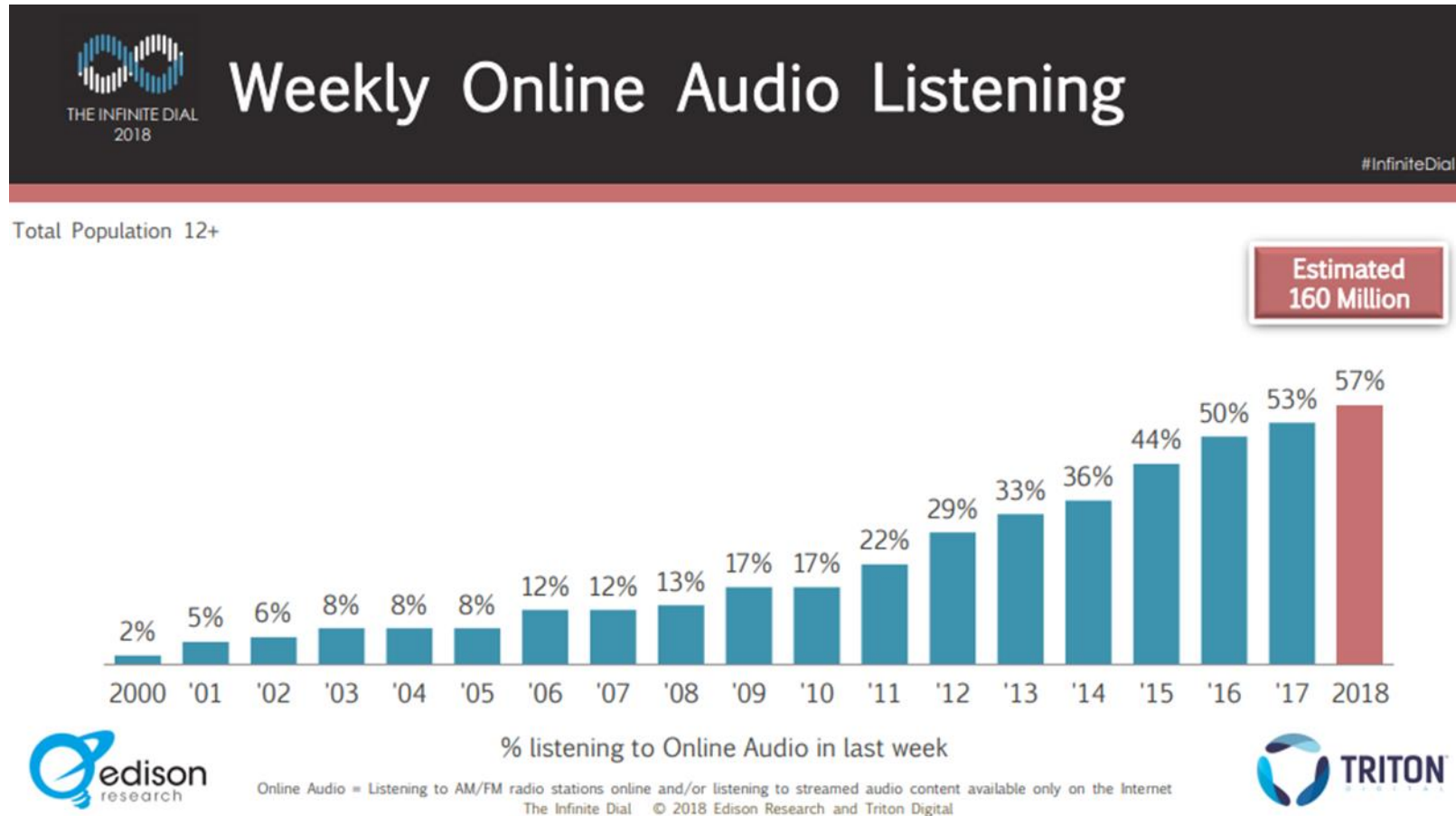
On-Demand Audio Streams grew 58.7% in a year, dominating music consumption patterns

TOTAL ON-DEMAND STREAMS - AUDIO



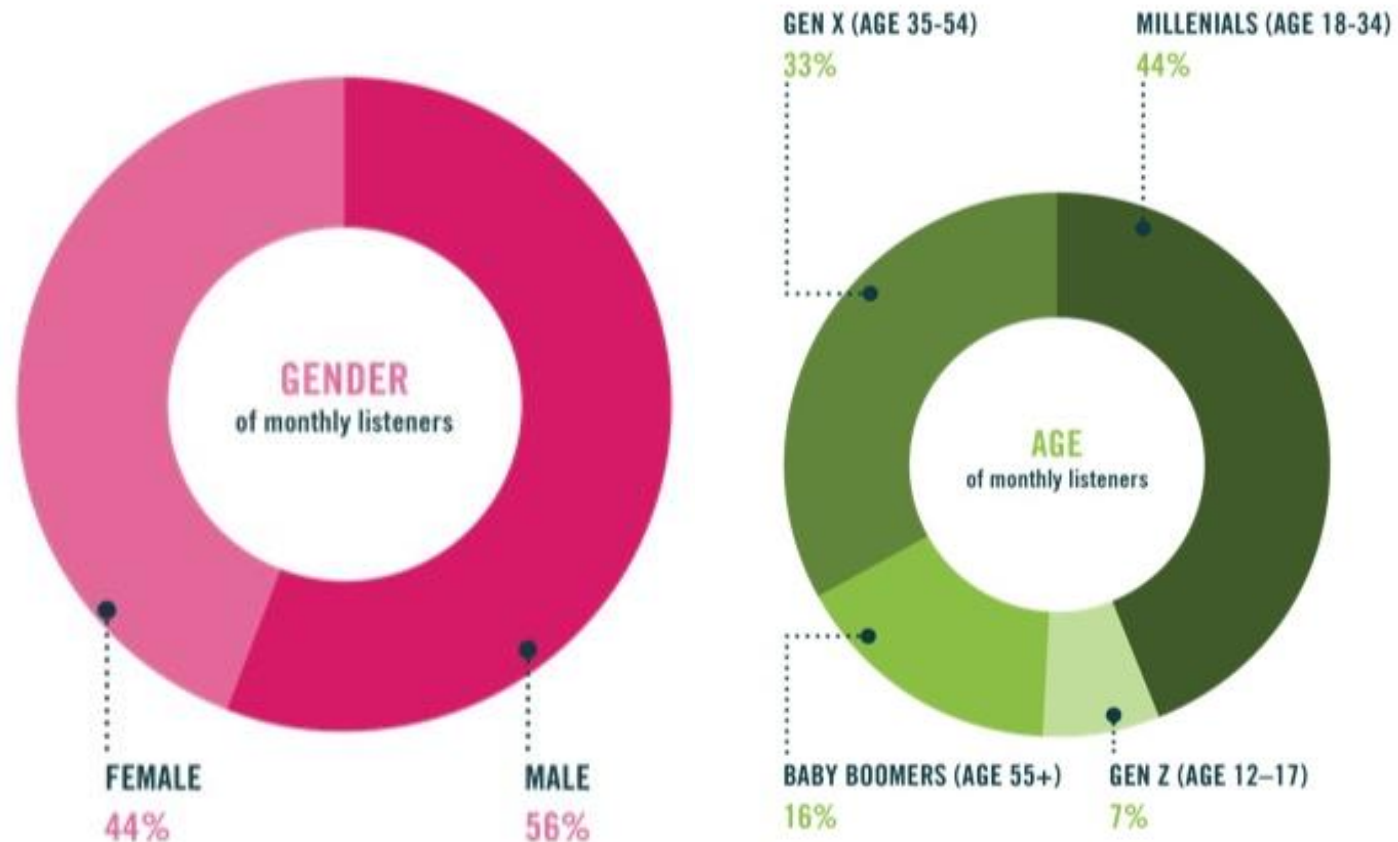
This is Main *Stream* Media

With 57% of Americans listening, Streaming is now a Mainstream Media



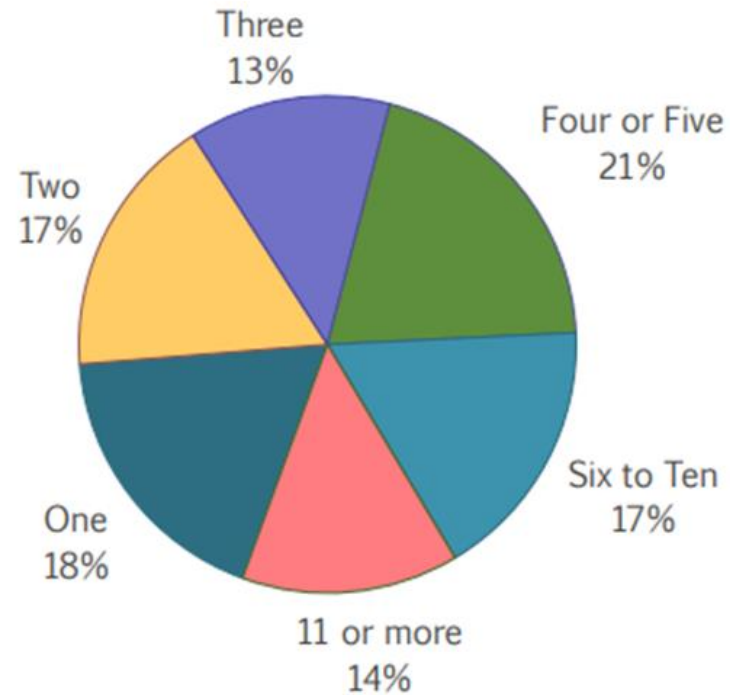
Podcast Listening Continues to Surge

48 million Americans have listened to podcasts in the past week



Impressive Consumption Patterns

Weekly Listeners Listen to an Average of 7 Podcasts per Week.



Average of seven podcasts listened per week

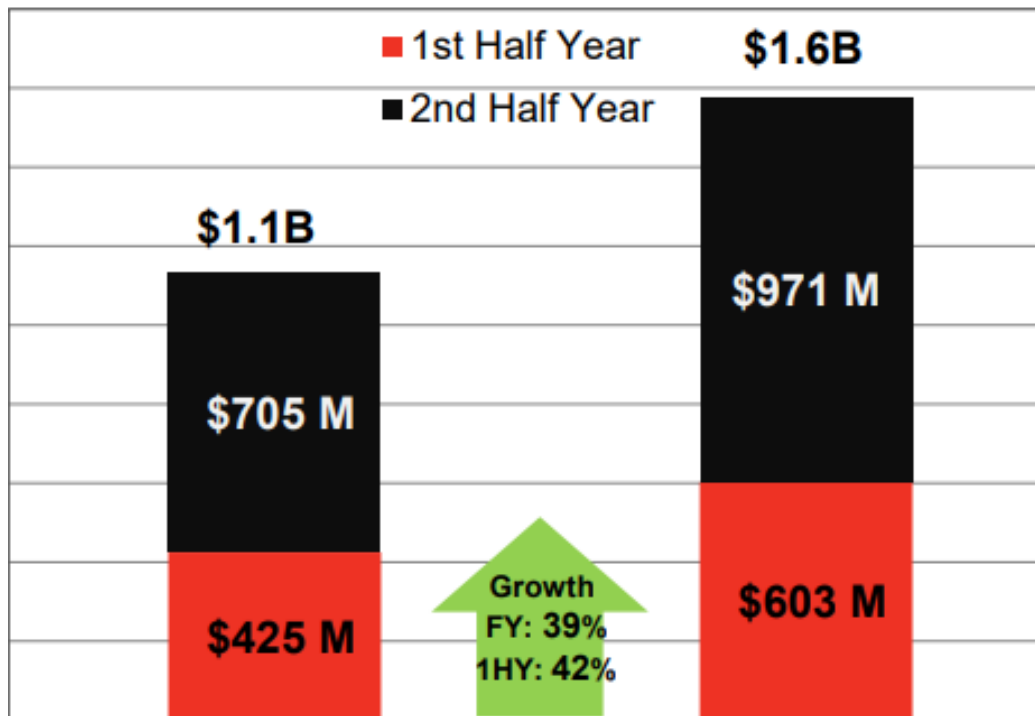


The Infinite Dial © 2018 Edison Research and Triton Digital



Audio Ad Revenue (Mobile + Desktop) Has Grown 39% Year Over Year

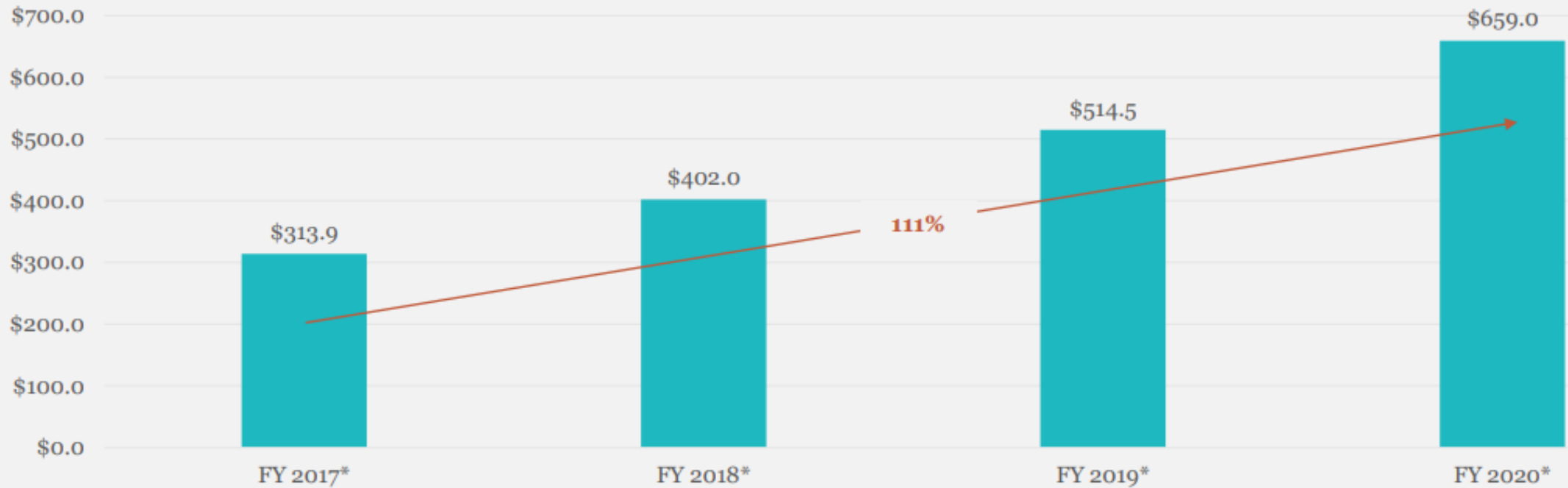
Total Audio Ad Revenue (Mobile + Desktop) (\$ Millions)
Full Year, Half Year and % YoY Growth



- Total audio ad revenue (mobile + desktop) is up 39% to \$1.6 billion
- Mobile audio ad revenue is up 36% to \$1.2 billion
- 2017 Figures do not include podcast revenues

US podcast advertising revenue is expected to grow more than 110% by 2020, to \$659.0 million.

Market Sizing (in millions)



*2017 - 2020 revenues are an estimate based total market sizing, not self-reported revenues
Market Sizing represents an estimate of the total US total podcast advertising market

Trends Driving This Expansion..

Connected Cars

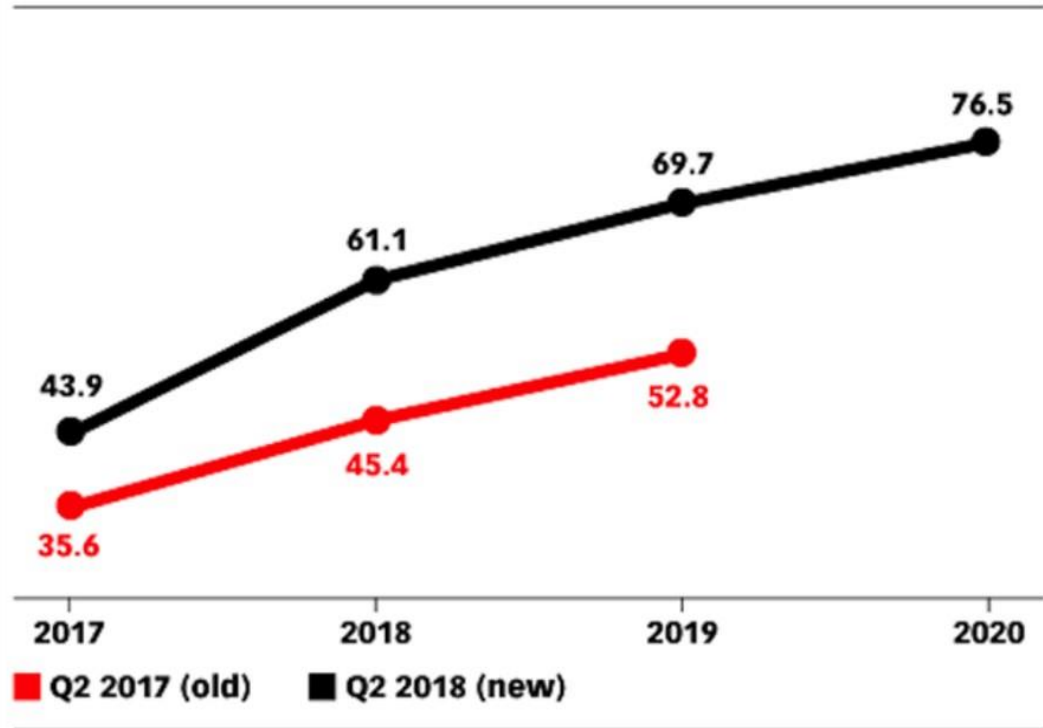
- **Apple CarPlay, Android Auto and Bluetooth systems have made it easy to connect and listen in the car**
- **44% of people connect their phones to their car audio system to listen online**
- **Excellent options for advertisers looking to interact with consumers while they are in the car**



Smart Speakers Make Voice Interactions Central to Our Lives

US Smart Speaker Users, 2017-2020

millions



Note: individuals of any age who use a smart speaker at least once per month

Source: eMarketer, April 2018

238136

www.eMarketer.com

- # of Smart Speakers is Growing at a Rate of 48% annually
- 76.5 Million Users by 2020

Voice is the new Touch

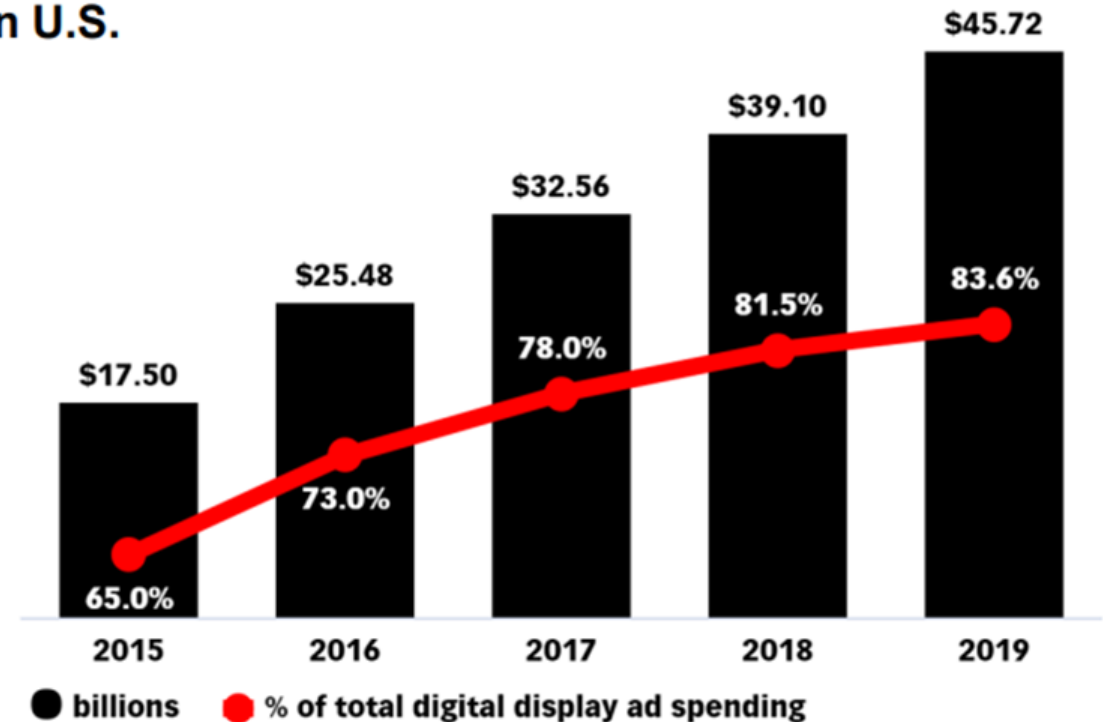
- **Smart speakers are changing the way we interact with everything**
- **Voice and Audio are central to interactions with everything in the home from Smart Speakers to appliances, Smart TVs and home audio systems.**
- **71% of people with a smart speaker listen to more audio**



Programmatic Deployment

- Flexible Options
- Better Targeting
- Enhanced Reach
- Managed Buys Across Channels

Programmatic ad spend in U.S.



Source: eMarketer, September 2017

www.eMarketer.com

Source: <https://numbers-na1.emarketer.com/584b26021403070290f93a55/5851918a0626310a2c186aad>

What is the Advertiser Opportunity in Digital Audio?

- **Brand Safe Environments**
- **Creative Opportunities**
- **High Engagement Opportunities**
- **Reach Consumers While They are On The Move**

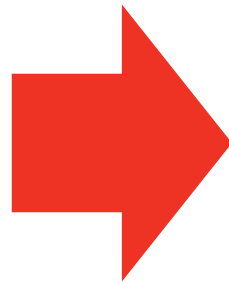


Brand Safety and Digital Audio

- › Listeners only hear one message at a time
- › There is no screen required for delivery of an audio ad
- › Ads in streams are usually non-skippable
- › Listening often takes place on mobile devices and in-app where fraudulent bot activity is very low
- › Selection of programming is intentional, therefore the listener is qualified as engaged

Direct Brands Play Well with Digital Audio

- Brands that want Direct Connections to Consumers
- Often Web Native
- Direct interactions with consumers that produce data exchanges
- Content-based marketing where the consumer is highly engaged



- Audio is Poised to be Front and Center
- High Engagement
- Storytelling
- Personalization

These Direct Brands Made Podcasting Part of Their Success Stories



HARRY'S

Razors

Gillette's share of the U.S. men's-razors business fell to 54% in 2016, from 70% in 2010. Both Dollar Shave Club and Harry's combined U.S. share rose to 12.2%, from 7.2% in 2015.



Source: <http://www.foxbusiness.com/markets/2017/04/04/gillette-bleeding-market-share-cuts-prices-razors.html>

IAB Digital Audio Day

Today's Sessions

The Neuroscience of Audio

Advertiser Perspectives: Veritone Media

Creating Effective Audio Campaigns

Viewability/Audibility and Brand Safety in Digital Audio

Advertiser Perspectives: EXPRESS

Smart Speakers: Audio's Opportunity

Best Practices for Excellent Audio Campaigns

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