MATCHED AUDIENCES FOR UNMATCHED AUDIO PERFORMANCE

REACHING THE RIGHT PEOPLE THROUGH DIGITAL AUDIO
DIGITAL AUDIO SALES ARE CLIMBING

Sales in digital audio advertising are anticipated to grow by a third over the next five years.

Source: MAGNA US Media Landscape, Fall 2023
HOW CAN BRANDS TAKE FULL ADVANTAGE OF THE ‘DIGITAL’ IN DIGITAL AUDIO?
Explore the value of using advanced data to reach digital audio listeners
MATCHED AUDIENCES, EXPLAINED.

Matched audiences are audience segments created through a one-to-one match between 1st or 3rd party data and digital audio platform users.

Data Sources:

1st Party
Data collected directly from interactions between marketer & customer
Examples: demographics, purchase history, website activity, mobile app data, email engagement, sales interactions, support calls, customer feedback programs, interests, and behaviors

3rd Party
Data acquired from a data aggregator, which does not directly collect data but obtains it from other companies, compiling it into a single dataset
Examples: data provided by Acxiom, which may include demographics, category status, psychographics, etc.
Acxiom provides high-performing audiences generated from ethically sourced and dependable data.

These audiences are curated from a vast catalog of more than 12,000 global data attributes, emphasizing a focus on personalized experiences.

- Behavioral
  - TV, digital, mobile & tablet viewing habits
- Shopping/Purchase and Search Behavior
- Conversion
  - Site visitation
  - Branded content search
  - Transactional data
- Exposure
  - TV & Digital (mobile & online)
- Demographic
  - Client CRM
  - Self-Identified Info
HOW WE DID IT

EXPERIMENTAL DESIGN

Controlled ad effectiveness testing to measure the impact of leveraging 1st party and 3rd party data types for reaching audiences

SAMPLING

Recruited digital audio listeners from a nationally representative online panel. Participants identified for recruitment using database match with panel in clean room

Demographic Audiences n=485

Matched Audiences (1st & 3rd Party) n=700

DIGITAL AUDIO LISTENING

Listeners chose music playlist based on interest and listened on chosen personal device in their own environment (home, on the go, etc.)

Test and control ads served based on pre-randomization

BRAND LIFT

Survey to measure impact on branding metrics and gather feedback on creative

Note: 1st party audiences were provided by participating brands. 3rd party audiences were curated by a 3rd party data source based on each brand’s key audience.
WHAT WE TESTED

DEMOGRAPHIC AUDIENCES

- Broad demographics, such as age, gender and/or income to identify audiences for ad delivery

AD TYPES

- GENERAL MARKET ADS: Ads created for broad audiences
- ADS CUSTOMIZED TO MATCHED AUDIENCE: Ads created to connect directly with matched audiences

MATCHED AUDIENCES

1ST PARTY AUDIENCES

- 1st party data collected by the marketer (e.g., email lists, past customers) used to identify audiences for ad delivery
  - e.g., demographics, purchase history, website activity, mobile app data, email engagement, sales interactions, support calls, customer feedback programs, interests, etc.

3RD PARTY AUDIENCES

- 3rd party data sourced by a trusted partner used to identify audiences for ad delivery.
  - e.g., data provided by a trusted partner, which may include demographics, category status, psychographics, etc.

INDUSTRY VERTICALS

- TRAVEL
- AUTO
Finding #1
PEOPLE OF ALL AGES ARE RECEPTIVE TO AUDIO ADS

AD RECEPTIVITY
% Strongly/Somewhat Agree

Adult Gen Z: 64%
Millennials: 70%
Gen X: 66%
Boomers: 64%

Gen Z n= 77; Millennials n=291; Gen X n=431; Boomers n=386
Finding #2

AUDIO ADS ARE MOST MEMORABLE AMONG MATCHED AUDIENCES

IMPACT ON AIDED AD RECALL
Delta (Exposed – Control)

- 3rd Party Matched Audience
- Demographic Audience

Matched audience includes 3rd party audience
Matched Audience: Exposed: n=201, Control: 199
Demographic Audience: Exposed: n=198, Control: n=187
▲: Significant difference at 90% confidence between two groups.
Finding #3
BOTH 1ST AND 3RD PARTY DATA BEATS DEMOGRAPHICS ALONE

UNAIDED AD RECALL

+13%▲
1st Party Audience

+10%▲
3rd Party Audience

+6%▲
Demographic Audience

AIDED AD RECALL

+52%▲
1st Party Audience

+41%▲
3rd Party Audience

+34%▲
Demographic Audience

IMPACT ON AD RECALL
Delta (Exposed – Control)

Brand 1: 1st Party Audience: Exposed: n=100, Control: n=100
Brand 1: 3rd Party Audience: Exposed: n=100, Control: 100
Brand 1: Demographic Audience: Exposed: n=100, Control: 100
▲: Significant difference at 90% confidence between two groups
Finding #4
MATCHED AUDIENCES DRIVE 3X IMPACT ON PURCHASE INTENT AMONG THOSE NEW TO CATEGORY

IMPACT ON PURCHASE INTENT | Those New to Category
Delta (Exposed – Control)

Matched audience includes only 3rd party audience
Brand 1; Matched Audience: Exposed: n=72, Control: n=71
Brand 1; Demographic Audience: Exposed: n=77, Control: n=81
▲ - Significant difference at 90% confidence between two groups
Finding #5
MATCHED AUDIENCES ARE NOT ONLY MORE EFFECTIVE, BUT ALSO MORE COST EFFICIENT AT DRIVING PURCHASE INTENT

Brand 1: Those new to category
Matched audience includes 3rd party audience
Brand 1: Matched Audience: Exposed: n=72, Control: n=71
Brand 1: Demographic Audience: Exposed: n=77, Control: n=81
Finding #6
CUSTOMIZING MESSAGING TO MATCHED AUDIENCES PROVIDES MORE UTILITY

AD “PROVIDED HELPFUL INFORMATION”
% Strongly/Somewhat Agree

- General Market Ad
- Customized Matched Audience Ad

<table>
<thead>
<tr>
<th></th>
<th>General Market Ad</th>
<th>n=120</th>
<th>Customized Matched Audience Ad</th>
<th>n=124</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand 2, In-Market for Product: General Market Ad</td>
<td>54%</td>
<td></td>
<td>Brand 2, Customized Matched Ad</td>
<td>63%</td>
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Finding #7

**ADS CUSTOMIZED TO MATCHED AUDIENCES SWAY THOSE IN THE DISCOVERY PHASE**

**IMPACT OF AD TYPE BY THOSE IN DISCOVERY PHASE OF PURCHASE JOURNEY**

Delta (Exposed – Control)

- **General Market Ad**
- **Customized Matched Audience Ad**

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**Brand Favorability**

- General Market Ad: +1%
- Customized Matched Audience Ad: +13%▲

**Brand is “Exciting”**

- General Market Ad: +5%
- Customized Matched Audience Ad: +17%▲

**Brand is “Innovative”**

- General Market Ad: +3%
- Customized Matched Audience Ad: +12%▲

▲: Significant difference at 90% confidence between two groups
SUMMARY
**IMPLICATIONS**

1. **1:1 MATCHING > DEMOS**
   Brands miss out on impact when delivering ads based on demographics alone. Matched audiences enable impressions to work harder for less $$

2. **PRECISION CREATIVE**
   Ethically sourced data should also be used to create messaging that resonates more strongly with matched audiences
NEXT STEPS

WIN CUSTOMERS’ HEARTS AND MINDS BY CREATING ENGAGING AUDIO EXPERIENCES USING THE RIGHT DATA

DISCOVER THE IDEAL DATA COMBINATION FOR REACH AND PRECISION BY CONSULTING WITH A 3RD PARTY DATA PROVIDER TO FIND YOUR ADDRESSABLE SWEET SPOT

ENHANCE AD RELEVANCE & IMPACT BY COLLABORATING WITH A CREATIVE STUDIO SUCH AS STUDIO RESONATE TO ALIGN YOUR AD MESSAGE WITH THE APPROPRIATE AUDIENCE
THANK YOU