Part 4:

Audio Streaming

The immersive experience of audio streaming is growing, and brands are finding new ways to integrate their offerings into platforms ranging from gaming consoles and podcasts to automobiles.

Digital Trends:
Predictions for 2019 and Beyond

A seven-part series brought to you by the Insight Lab at MNI Targeted Media Inc.
From Audio Streaming to a Sonic Revolution

The era of Aural Renaissance is here, and it’s here to stay.

Consider this statistic—80% of U.S. adults currently use at least one audio streaming service. Moreover, over half of the daily time spent with audio services is with digital audio.

Traditional radio will remain in the game for nearly as long as people drive cars. Still, the number of people straying away from AM/FM channels and toward on-demand and digital audio platforms is on the rise. Given the constant need to stay connected, more people are plugging into digital audio via smartphones, tablets, and voice-activated technology.

While listeners across demographics use smartphones extensively to tune into digital audio, Millennials and Gen Z-ers are drawn toward services that allow them to listen to their favorite music and audio files on-the-go, offline, and synced across all devices. They also give priority to services offering personalized music recommendations.

The implications of this audio revolution for marketers are plenty—think personalized in-stream audio ads, branded playlists, connected technologies, and beyond. One of the biggest audio-driven benefits for 2019 will be the availability of first-party consumer data—near-perfect audience data is picked up by digital audio platforms, which will enable better ad targeting and delivery, seamlessly blending ad and content into a singular sonic experience.

How Do U.S. Internet Users Listen to Music?

(\% of respondents, by demographic)

Source: eMarketer, September 2018

For more strategic predictions go to mni.com, or email janine.pollack@mni.com.
What to Expect in 2019

Ad Tech Streams into Audio

Digital audio is booming: 93% of radio ad buyers looked at programmatic purchases on online music streaming services such as Spotify and Pandora in 2017[^1].

The emphasis on brand-safe environments—particularly those with an abundance of freemium, ad-supported subscribers—will drive ad spending in digital audio. Brand safety in digital audio formats, such as podcasts and streaming music, is more easily attained. Audio offers a higher level of control to advertisers in terms of the quality and safety of the content as well as the demographics their ads are served to.

Podcasting is Growing in Popularity and Monetization

Podcasts, already touted as the new Talk Radio, will witness a further surge in popularity, despite a less-than-desirable user experience and hard-to-find content for listeners, and thin measurement data for advertisers.

73 million people in the U.S were expected to listen to a podcast at least monthly in 2018, equating to over one-fifth of the U.S population. This figure will rise to 23.7% in 2020[^4].

[^1]: For more strategic predictions go to mni.com, or email janine.pollack@mni.com.
What to Expect in 2019
Audio Streaming

Podcast Ads & Purchase Intent
Since listeners are highly immersed when tuned into a podcast and usually don’t mind hearing ads, it is a strategic platform for advertisers to share their message. Sponsored podcast ads are typically kept to a minimum and are relevant to the program’s content, which are often read (voiced over) by the host. This builds greater trust and brand recall, both key measures of advertising effectiveness.

U.S. podcast ad revenues are predicted to cross the $500 million mark in 2019, a 28% increase over 2018’s revenues.

Brand Activation
Audio-focused brand activation budgets are set to grow, albeit slowly. In 2018, Nike created an immersive audio installation for its Air VaporMax sneaker, which generates unique soundscapes based on bioanalytics of the user’s skin temperature and environmental humidity.

Retail Staying Power
Retail audio environments are being revamped so customers stay longer in stores, which will lead them to spend more.

3D Audio
3D audio music will no longer be a futuristic vision. Platforms such as YouTube VR and Facebook 360° enable user interaction with 360° videos that contain spatial audio. Brands who are serious about engaging their target audience with immersive experiences are sure to invest in these audio experiences.
Sources

[1] Pandora, 2018