

STEP-BY-STEP GUIDE

Digital Audio Best Practices Guide



Forward

Digital Audio

We are living through a golden age of digital audio. Streaming music, radio and podcasts offer people an unprecedented opportunity to access what they want to hear, when they want, and from virtually any device of their choosing. As listeners shift from traditional radio to streaming platforms, brands have equally unprecedented opportunities to connect with them through smart, data-powered advertising. And as a digital channel, brands have an effective way to deliver personalized messages and measure concrete business outcomes that traditional radio never could.

To help marketers navigate this dynamic landscape, the Orange 142 Emerging Channels Council has created this Best Practices Guide to Digital Audio Advertising. Our goal is to provide strategic insights and practical recommendations to ensure your brand fully leverages the potential of digital audio, delivering impactful, efficient, and measurable campaigns that resonate with today's connected listeners.

About the Orange 142 Emerging Channels Council

The Emerging Channels Council serves as a thought leadership body within Orange 142, focusing on educating, guiding, and encouraging independent brands and agencies to experiment and excel in underutilized and innovative channels. Through collaboration, data-driven insights, and practical resources, the council will help Orange 142 clients obtain strategic growth through sustainable practices in digital advertising.

To access all of the Emerging Channels Council resources, please visit: https://orange142.com/emerging-channels-hub

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1. The Opportunity

In the not too distant past, catching the news meant being near a radio at the time it was aired. Had a favorite song you couldn't wait to hear? That also meant waiting until a DJ chose to play it.

That all changed with the advent of digital audio channels such as streaming radio, streaming music and podcasts. Suddenly people had the opportunity to listen to the exact content they wanted to hear whenever they wanted, wherever they wanted. Consumers adopted these services en masse.

In 2020, digital audio crossed a major milestone when it <u>surpassed traditional radio</u> <u>listenership</u> for the first time. And this shift continues to accelerate, as 228.6 million Americans tune in each month to listen to digital audio content. In 2025, US adults will spend well over an hour of digital audio each day.

Podcast listening has seen particularly strong growth, thanks to the range of podcasters offering engaging content. Today, 53% of American adults listen to podcasts on a monthly basis, the first time the channel consumption has reached majority status. Podcasts are especially popular among the hard-to-reach younger listeners. According to surveys, 66% of Gen Zers rely on podcasts to stay current on trending topics and 61% follow them for news on social issues. (source: <u>Audio Advertising Guide, BASIS</u>)

Money Follows the Ears

Where consumers go, advertisers follow: <u>US digital audio ad spend</u> is projected to grow by nearly 44% between 2023 and 2027. <u>In 2024, spending reached \$7.12 billion</u>, or about 40% of all audio revenue. Podcast advertising is also impressive, with BASIS predicting advertisers will spend \$2.5 billion on the channel in 2025, and \$3.1 billion by 2028.

How does that compare to traditional radio? Total digital audio ad spend reached \$7.12 billion in 2024, which is about 40% of all audio revenue.

What's driving this surge in digital audio advertising? Digital audio offers marketers a powerful opportunity to connect with listeners in moments when they're highly engaged -- think daily commutes or workouts, or getting dinner ready. And, unlike

traditional radio, the digital formats allow consumers to respond to ads immediately, most listening occurs on smartphones and smart speakers.

A Golden Age of Audio Advertising

This combination of focused attention, consistent daily consumption, and the ability to drive immediate action makes digital audio a critical part of every marketer's media strategy. As audiences continue to shift toward streaming audio platforms, brands that establish a presence can build valuable relationships with listeners during these important, screen-free moments.

2. What is Digital Audio?

Like CTV, digital audio spans a great many scenarios. It's listening to a favorite radio station via a smartphone or smart speaker, or a favorite podcaster via YouTube or iTunes via a laptop. It's a subscription to Spotify, or iHeartRadio in the car. Simply put, digital audio is tuning into music, news or a podcast from a digital device.

This section explores the fundamentals of digital audio advertising and the platforms available to reach consumers.

Let's start with the basics.

What is digital audio advertising?

Digital audio advertising lets brands reach listeners while they're engaged with audio content they've selected at a specific moment in time. These ads appear across audio platforms and can leverage programmatic advertising to match messages with the right listeners based on demographics, interests (i.e. topics of audio content), and listening habits.

The key advantage is that digital audio combines the attention-grabbing nature of audio with the precise targeting tools of digital marketing, helping advertisers connect with audiences during screen-free moments throughout their day. (source: BASIS technologies)

What Types of Digital Audio are Available?

Channel	What is it?	Examples
Streaming Radio	Digital versions of traditional radio stations delivered via internet-connected devices.	iHeartMedia: • 860+ stations reaching • 110M weekly listeners SiriusXM: • 150M monthly listeners across music, sports, talk
Streaming Music	On-demand music services that let users choose specific songs, albums, or playlists.	Spotify: • 602M users (236M subscribers) in 180+ markets

		Amazon Music • 55M+ subscribers SoundCloud: • 76M monthly users • 200M+ tracks YouTube Music • 100M+ subscribers
Podcasts	On-demand audio programs covering specific topics, often released as episodic series	Spotify: • 32.5M US listeners Apple Podcasts • 28M US monthly listeners, 23.8% market share

Key Terms

- Digital audio. Audio content delivered through digital devices (phones, computers, tablets, smart speakers).
- Audio streaming. Technology that delivers real-time audio through internet-connected devices without requiring full downloads.
- Digital audio advertising. Ads placed within podcasts, streaming music, and digital radio.
- Programmatic audio. Data-driven automated ad placement using demand side platforms (DSPs)

3. Benefits of Digital Audio

Digital audio ads can be heard across various platforms and devices, reaching audiences throughout their day. Explains Spotify: "With podcast ads, advertisers can reach listeners during screenless moments like the daily commute. With add-on features like Canvas for Advertisers and formats like Video ads, they can also catch users when they're actively looking at their devices—like when they're curating a playlist, discovering new music, or engrossed in a video podcast."

Benefits include:

Interactive Audience Response

Some 62% of podcast listeners take action after hearing ads (source: Spotify Audio Advertising 101). Among frequent podcast listeners, 97% report taking action following ad exposure, and 82% of listeners see engaging with ads as a way to support their favorite podcasts. And 53% of smart speaker owners who've heard device ads say they're likely to respond

Captive Attention

Listeners can't ignore audio ads when streaming music or radio; they're a captive audience. This dedicated attention creates higher engagement and share of voice. Meanwhile podcast listeners spend more time engaging with ads compared to digital, social, and TV platforms, as measured by "attentive-seconds-per-thousand impressions." This metric tracks how much active attention an ad receives per 1,000 impressions, highlighting the strong engagement levels of podcast audiences.

Access to Valuable Audiences

Over <u>100 million Americans listen to podcasts</u> each week, and 90% of people aged 12-34 listen to digital audio at least monthly (<u>source: Edison Research, The Infinite Dial</u>). What's more:

- 43% of Gen Z listens daily (consuming over 3 billion podcasts in 2023)
- 23% of Gen Alpha listens to podcasts daily
- Audio creates an immersive, distraction-reduced experience

Precision Targeting

Digital audio platforms offer several targeting approaches to help marketers home in on their ideal audiences. Contextual targeting places ads within podcast and streaming content to ensure relevant placements. Many platforms, such as Spotify, offer listener data and audience segmentation to ensure ads are relevant to the users. And <u>dynamic ad insertion (DAI)</u> enables real-time ad personalization based on listener location, music preferences, or even weather conditions.

Cost and Measurement Benefits

Digital audio allows marketers to purchase inventory via programmatic advertising, helping them to maximize budgets by reaching only relevant listeners. Advanced analytics provide real-time campaign performance data, as mentioned above. Moreover, digital audio has lower fraud rates compared to other digital channels (Source: BASIS Advertising Guide), as most inventory available through premium marketplaces.

While the benefits of digital audio are real and measurable, the channel also presents some challenges that must be considered.

4. Challenges of Digital Audio

While digital audio offers compelling opportunities, marketers face several challenges when adding it to their media mix. From navigating fragmented platforms to addressing measurement gaps, these obstacles can initially seem daunting. However, partnering with an experienced media agency that specializes in both digital audio and multi-channel campaigns helps advertisers overcome these hurdles and unlock the full potential of this rapidly growing medium.

Fragmented Platforms	The diversity of audio platforms adds complexity. Ad formats vary across the ecosystem, sometimes dramatically; streaming music services deliver highly produced ads that are seamlessly inserted into playlists, while podcast ads often feature host-read endorsements that can be skipped. This fundamental difference in delivery method makes it difficult to compare engagement metrics between formats.
Limited Scale	Scale can be difficult to achieve in some instances, as premium audio services are often ad-free, and major platforms control large portions of ad inventory.
Measurement & Standardization	Comparing performance across channels can be difficult due to the lack of standardized metrics that work across all audio formats (streaming, podcasts, digital radio) and integrate smoothly with broader digital media measurement systems. Without standardized metrics similar to the IAB's established video standards, advertisers struggle to evaluate audio performance against other channels in their media mix.
Engagement Tracking	Audio-only ads can make it difficult to measure user engagement beyond basic completion rates. Unlike clickable display ads or interactive video, determining whether a listener is actively engaged with an audio message requires sophisticated attribution models that connect audio exposure to subsequent actions across devices.
Invalid Traffic & Fraud	The expanding digital audio market naturally attracts fraudulent activity, just as is the case with other digital channels. Bad actors use bots to simulate human listening, create fake podcasts solely for ad impressions, or manipulate streaming data to appear legitimate. While less common than in display advertising, these deceptive practices waste advertising budgets by charging for non-human traffic. As audio investment grows, verification tools

	and trusted partners become essential to protect campaign effectiveness.
Targeting Limitations	In some instances, advertisers may face some targeting limitations. For instance, some smart speakers, such Amazon Echo and Google Home, offer restricted audience targeting compared to other digital devices.
Privacy Concerns	Balancing effective audience targeting with privacy regulations and data protection remains an ongoing challenge. For instance, mobile listening provides rich data opportunities from location and demographic details to behavioral patterns. But, advertisers must still navigate increasingly strict privacy regulations, including GDPR, CCPA, and emerging state laws.
Cross-Media Alignment	Creating cohesive multi-channel campaigns that incorporate audio, video, and display elements presents unique challenges in creative development, frequency management, and performance measurement. Advertisers must navigate different ad specifications, audience targeting capabilities, and reporting metrics across these channels to deliver unified campaign experiences.

5. Emerging Technology and Trends

This is an exciting time in the digital audio world, with new technologies and trends emerging that will enhance the overall experience and listening and engaging with brands. While these innovations offer unique possibilities, determining which are ready for mainstream campaigns versus which remain experimental requires expertise.

A knowledgeable media agency can help you evaluate these emerging trends and identify the right moments to incorporate them into your audio strategy for maximum impact without chasing unproven technologies.

Programmatic Audio Growth

The volume of digital audio inventory that is available via programmatic channels is growing rapidly. This offers numerous benefits for brands beyond the precision targeting and measurement. Digital audio can now be integrated into omnichannel campaigns. By incorporating audio alongside mobile, desktop, and CTV channels, brands can create more coherent, unified experiences that reach consumers at multiple moments throughout their day. We see this occurring on platforms such as Amazon, where cross-channel attribution provides deeper insights into campaign effectiveness.

First-Party Data Solutions

As third-party cookies fade, audio platforms are developing privacy-compliant targeting alternatives. Music streaming services and podcast networks leverage their own listener data through secure partnerships and data clean rooms, helping advertisers reach specific audiences based on genuine listening preferences and behaviors.

Enhanced Listening Experiences

Technical advances are creating more engaging audio environments, for instance:

- <u>Spatial audio</u> and 3D sound technologies, which place sounds in different parts of the room, deliver more realistic and immersive experiences.
- <u>Ultra-high definition formats</u> improve sound quality through higher sampling rates. Higher sampling rates refer to the process of capturing audio at more

frequent intervals per second, resulting in greater detail and accuracy in sound reproduction.

Augmented reality audio blends virtual sounds with real-world environments.
 Some digital radio apps use AR audio to deliver content that changes based on where the listener is—for example, a radio station app could provide interactive city tours, where users hear historical facts, music, or sponsor messages tied to their physical location, creating a dynamic listening experience that blends digital audio with the real world.

Al Applications

Artificial intelligence is transforming how audio advertising works in multiple ways. For instance, dynamic creative optimization adjusts ads in real-time based on listener context.

Fraud detection systems protect advertisers from fake impressions, and campaign optimization tools automatically adjust spending for better performance.

Meanwhile, Al is essential to delivering <u>personalized technologies</u> tailor sound experiences to individual preferences and hearing abilities.

6. Data & Privacy Concerns with Digital Audio

Consent Requirements

Audio platforms often collect valuable listener data for targeting, but privacy regulations may require explicit consent before using this information. Implementing proper consent management becomes particularly important when delivering personalized ads based on listening habits, location, or demographic information.

Al Voice Technology Considerations

The growing use of AI to generate synthetic voices for ads creates new legal challenges. Using technology to mimic a podcast host's voice or to create custom ad reads without proper authorization can trigger copyright violations and privacy concerns. These technologies require careful licensing agreements and transparent disclosures. (Source: Feeding the Machine)

Multi-Device Tracking Challenges

As listeners move between devices — from car speakers to smartphones to smart home devices — maintaining consistent privacy standards becomes complex. Advertisers must balance the desire to track behavior across these environments with increasing regulatory requirements limiting cross-device identification.

Addressable Inventory Compliance

The audio industry's shift toward addressable advertising (targeting specific audience segments rather than broad demographics) creates additional compliance requirements. These targeted approaches typically require stronger consent frameworks and more transparent data usage policies.

User Control

Providing clear, accessible ways for listeners to manage their privacy preferences is becoming both a legal requirement and consumer expectation. Several streaming companies have already received warnings from regulatory bodies like the California Attorney General for insufficient privacy controls. Implementing robust opt-out mechanisms and preference centers helps maintain compliance and build consumer trust.

7. Attribution & Measurement

Digital audio advertising offers several approaches for measuring ad effectiveness by leveraging various data sources such as listening data, device IDs, and contextual signals. These tools help advertisers understand campaign performance and attribute conversions to specific audio ad exposures.

Attribution Models

A key part of this process involves using attribution models, which help determine how different interactions with audio ads contribute to conversions. Let's look at the main ones:

Model	Definition	Why Use?
Pixel-Based Tracking	Attributes conversions to audio ad exposure by tracking user actions after hearing an ad through code snippets placed on destination websites.	Provides direct connection between audio exposure and digital actions, allowing for real-time monitoring of campaign performance.
Custom URLs & Promo Codes	Tracks conversions through unique landing pages or promotional codes that are specifically mentioned in audio ads.	Creates a clear attribution path, particularly effective for podcast advertising where hosts can naturally incorporate memorable codes during their reads.
Cross-Channel Attribution	Analyzes how audio advertising interacts with and amplifies other marketing channels in the customer journey.	Helps understand audio's role in the broader marketing mix and identifies synergies between audio and other digital tactics.
AI-Driven Measurement	Uses artificial intelligence to analyze complex patterns in consumer behavior following audio ad exposure.	Processes large datasets to identify relationships between audio ads and consumer actions that might not be apparent with traditional analytics.

Measurement

In digital audio advertising, measurement is the process of collecting and analyzing data to understand campaign effectiveness. This involves tracking various metrics

that indicate ad exposure, engagement, and conversion outcomes. The goal is to quantify the impact of audio campaigns on business objectives.

Measurement in digital audio typically includes:

- Brand Lift Studies. Measuring changes in key brand metrics before and after audio campaigns by comparing control and exposed groups.
- Brand Recall Research. Assessing listeners' ability to remember specific audio advertisements, typically 48-72 hours after exposure.
- Cross-Platform Measurement. Providing unified views of audio performance across smartphones, smart speakers, connected cars, and desktop devices.
- Third-Party Verification. <u>Independent validation</u> of ad delivery, fraud prevention, and performance metrics to ensure accountability.

Advanced Measurement Strategies

Measuring digital audio performance is more complex than traditional radio campaigns. While exposure metrics provide valuable insights, advertisers need deeper visibility into how audio ads influence consumer behavior across devices and drive both online and offline actions.

One of the biggest hurdles in audio measurement is cross-device attribution. Listeners often hear an audio ad through one device (like a smart speaker) but complete actions -- such as visiting a website or making a purchase -- on another device. Recent advances in web-based attribution and Al-powered models help connect these touchpoints, providing a clearer picture of the customer journey.

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For advertisers tracking real-world outcomes, <u>total audio attribution</u> now makes it possible to measure everything from website visits and online purchases to app downloads and sign-ups across various audio formats.

Real-time optimization capabilities allow advertisers to view campaign results as they happen rather than waiting for post-campaign reports. This enables immediate adjustments to targeting, creative, or placement strategies based on actual performance, ensuring that budgets are spent efficiently and that ads reach the right audiences at the right moment.

By addressing these complexities, advertisers can move beyond basic exposure metrics and develop a more accurate understanding of how digital audio contributes to business outcomes.

8. Tips for Success

Digital audio brings together sound's emotional impact with digital advertising's precision targeting, but getting measurable results requires strategic planning. By carefully selecting your audience, crafting engaging audio messages, and implementing data-driven measurement, you can maximize every advertising dollar on streaming platforms and podcasts.

These best practices will help your digital audio campaigns perform better, deliver stronger returns on your investment, and create authentic connections with listeners during their daily screen-free moments.

- 1. Create audio-first creative. Invest in high-quality audio production that captures attention in sound-only environments. Unlike visual media, audio requires distinctive voices, memorable sound design, and clear messaging that works without visual support. The first three seconds are critical—use unique audio elements to differentiate your brand immediately.
- 2. Craft clear, concise messaging. Develop straightforward messaging that communicates your brand's value proposition effectively. With limited time to capture attention, focus on a single key benefit that resonates with listeners and drives your campaign objectives.
- 3. Use storytelling techniques. Create emotional connections through narrative approaches that engage listeners' imagination. Audio excels at storytelling -- use scene-setting, character development, and relatable scenarios to make your brand memorable in ways visual media cannot.
- 4. Create immersive audio experiences. When feasible, leverage advanced audio technologies such 3D sound, spatial audio, and binaural recording to create more engaging and memorable ads. These immersive techniques help you stand out by creating a more realistic, multi-dimensional sound environment that captures attention and enhances message retention in ways traditional audio cannot.
- **5. Personalize messaging.** Customize audio ads based on audience segments, listening context, and behavioral data using dynamic creative optimization

- (DCO) technology. This approach automatically adapts your messages based on factors like listener location, time of day, weather, and device type 00 ensuring relevant content in every situation. By delivering tailored audio experiences that speak directly to different listener needs and scenarios, you'll enjoy higher engagement and response rates.
- 6. Include clear calls-to-action. Every audio ad should feature a simple, memorable CTA that aligns with campaign goals. Whether it's "Visit our website," "Use code PODCAST20," or "Ask your smart speaker about our offer," ensure the next step is easy to remember and frictionless for listeners.
- 7. Choose programmatic buying. Leverage programmatic audio for precise audience targeting and cost efficiency. While CPMs may be higher than traditional radio, programmatic ensures your ads reach qualified listeners rather than being wasted on broad, untargeted audiences -- leading to stronger return on investment.
- 8. Layer audience targeting. Combine multiple data sources for smarter targeting: first-party data (your CRM and purchase records), platform listening data (genres, moods, topics), and third-party audience segments. This multi-dimensional approach helps you reach consumers most likely to convert, eliminating wasted impressions.
- 9. Select Podcast Hosts Who Have a Similar Audience to Your Brand. Podcast hosts will be the ones who read your messages, so be sure you select hosts whose audiences overlap with your own. Podcasts are a great opportunity to tap into the trusted relationship between hosts and listeners, which can drive significantly higher engagement.
- 10. Optimize timing and frequency. Enhance relevance by delivering ads based on daypart and listener context. Serve ads when listeners are most receptive -- whether during commute hours, workout times, or specific listening activities -- and manage frequency to prevent fatigue while maintaining awareness.
- 11. Track comprehensive metrics. Monitor both digital and brand metrics to understand full campaign impact. Track completion rates, listener actions, website visits, promotional code redemptions, and cross-device attribution to

campaign.						

9. About Orange 142

Orange 142 is a digital marketing and advertising company with offices across the US. We help marketers of all sizes grow their reach and revenue through data-driven media strategies. We also partner with agencies and execute campaigns on behalf of their clients.

Our team of experts deeply understands the digital landscape and the latest advertising and marketing technologies. We work closely with our clients to develop and execute custom advertising and marketing campaigns that meet specific goals.

We are committed to providing our clients with the highest service and transparency. Open communication and collaboration are essential to the success of every advertising and marketing initiative.

Want to learn how this can work for you? Orange 142 helps businesses of all sizes navigate and maximize emerging advertising channels with strategic guidance and best practices. Let's connect to explore the right approach for your goals. Contact us today!