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Interactive audio ads: a new back channel for radio advertising

The concept

This week's egtabite showcases the first interactive audio ads to be launched for radio. Interactive audio ads allow consumers to respond directly to advertised offers when listening to audio content on their mobile device - and the device will connect them instantly.

Whilst terrestrial radio occupies by far the lion's share of radio sales house revenues and dominates the audio marketplace, online audio is a quickly growing sector. A multitude of online audio offers have exploded onto the market in recent times, and consumers are listening to more audio content than ever across a variety of devices. As the trend continues, it is certain that advertising investments will follow.

However, when compared to other digital media in the online space, audio lacks access to an effective back channel and direct response path. With visual online advertising formats, interactivity in the form of clickable links and other activities offer publishers a natural way to generate engagement with advertising messages. For this reason, click-through-rates and cost-per-click models have become hugely important metrics in online marketing. With a growing proportion of audio consumption on mobile devices, such interactions and trading models are less relevant, as attention is unlikely to be on the device screen. Even on desktop or laptop platforms, audio is primarily a secondary activity, making visual display advertising less likely to be seen.

Interactive audio advertising: a medium-relevant response path

The recent emergence of interactive audio advertising using voice recognition seeks to address this issue. These ads are designed to generate responses from so called *ultramobile* users that are listening to the radio on a device in situations where it is not convenient or safe to engage with the screen. Consumers can simply interact with the ad by saying aloud the prompted phrase, for instance while jogging or driving. The variety of possible actions ranges from calling a number, downloading content, triggering an email, receiving a coupon or other information. As a result, listeners instantly connect with the brand without having to remember website addresses, telephone numbers or even looking at their screen.

All of the above increase response rates and add an additional revenue stream for the sales house while enhancing the user's experience. Interactive audio ads utilise not only the proven performance of audio advertising but further leverage the kinds of engagement and ROI provided by digital media.



The first company offering Interactive Audio Ads for internet radio publishers is XAPPmedia. Its interactive audio platform XAPP Ads has raised \$3 million from private investors and aims to change the internet audio advertising landscape. XAPPmedia has successfully launched the interactive audio advertising service

on National Public Radio (NPR), with *Lumber Liquidators* – a leading hardwood flooring retailer – as the launch sponsor. The service will be expanded to several other publishers throughout 2014.

Why does this matter to egta members?

Key roles for radio sales houses include experimenting with, and investing in, digital innovations as well as educating both the marketplace and internal sales teams on the potential and best use of digital audio advertising in its various formats. Innovations like interactive audio ads combine the strengths of traditional and digital media while bringing an additional revenue stream and engaging listeners on new levels.



What they said

We asked XAPPmedia for their comment on this concept:



"Since 1922, radio has provided an effective one-way medium to reach large consumer audiences. XAPPmedia's introduction of Interactive Audio Ads, consumers can now respond directly to advertising offers when listening to audio content on their mobile device - and the device will connect them instantly. Whether it is personalized listening or a live stream to a mobile app, XAPP Ads enable advertisers to capture immediate customer conversion to a variety of offers such as, CALL NOW, SEND COUPON, DOWNLOAD APP or BUY IT. XAPPmedia technology processes the spoken response and then automatically executes the action for the consumer, hands free and eyes free. It will dial a phone number, request an email or start an app download. There is no need to touch the screen or even look at the device. It is all driven by voice. There is no need to repeat a telephone number or URL three times at the end of an ad.

Advertisers are looking for ways to capture better ROI that is measurable and audio publishers need higher margin ad units. Interactive Audio Ads fulfil both needs."

— Bret Kinsella, Chief Marketing Officer, XAPPmedia



Background information

Please click on the links below to access the relevant documents:

- » **Examples of interactive spots** (please click [here](#))
- » **BIAKelsey report** "The *Internet Radio Revolution Has Arrived*" (please click [here](#))
- » **Press article** (please click [here](#))