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## iHeartMedia steps into programmatic for terrestrial radio




This week's egtabite looks at a landmark deal that marks the first move by an egta-member radio company into programmatic trading for linear, terrestrial radio. iHeartMedia will make its broadcast inventory available for automated buying later in 2015 following the announcement of a partnership with cloud-based programmatic radio company Jelli.

In a highly significant move for the industry, America's largest radio broadcaster is taking a bold step towards automating elements of radio trading and introducing data-driven, digital thinking to the medium, using technologies that could easily be deployed within European markets.

Bob Pittman, Chairman and CEO of iHeartMedia, Inc. commented on the deal in a press release: *"Programmatic is already an important and expected method of ad buying in the digital space. Now we can bring broadcast radio into that world at a scale no digital audio provider can offer. This new tool will give our sales groups the ability to more deeply partner with an advertiser and bring the best resources, unprecedented accountability and speed – allowing us to provide much better service and performance to every client."*

egta is highly engaged in exploring the potential application of sophisticated audience buying techniques to both terrestrial radio and online audio, and by bringing developments such as this to the attention of members, we hope to trigger a wider debate about the future of the medium. egta members will be able to gain further insights into programmatic developments in the U.S. during the planned study trip to New York in October 2015 (indicative and provisional list of companies available [here](#)).

### Jelli's programmatic solution for radio

Jelli – a California-based start-up – offers a solution for premium radio inventory sales on a guaranteed programmatic execution basis. The company is active in the U.S. national radio advertising market, and it makes inventory from over 1,200 radio stations available through its cloud-based tools.

It is important to recognise that the front-end of sales under this model remains similar to the traditional workflow. The relationship and negotiation between sales rep and client has not changed, but the process by which the campaign is planned and executed is significantly more automated than before. There is no auction mechanism involved, unlike within real-time bidding (RTB) for online display advertising.

The first programmatic elements are found in the planning stage: radio stations introduce a portion of their inventory (typically a single-digit percentage of their total available airtime) into Jelli's exchange, with rules such as price, availability, daypart, station identity, geographical location and other parameters that the station may wish to pre-select. The client's desired campaign specifications are then matched against this inventory using a set of algorithms in order to define the most efficient plan to meet the client's objectives. This can involve sophisticated targeting data that extends well beyond the traditional audience demographics available from measurement bodies such as Nielsen and others and can include dynamic campaign triggering based on external events such as weather or traffic conditions.

The screenshot shows the RadioDash dashboard interface. At the top, there's a navigation bar with 'RadioDash™', 'Dashboard', and 'Stations'. The user is identified as 'Stephen Stephanopoulos, Traffic Manager'. The date is set to 'March 9, 2015'. Below the navigation, there are tabs for 'Traffic', 'Spots', and 'Play Logs'. The main content area displays a table of advertising spots with columns for Advertiser, Creative, ISCI, Air-Check, Play Time, Daypart, and Status. Below the table is an audio waveform player for an 'Air-Check' spot, showing a green waveform on a black background with a play button and a progress bar.

| Advertiser | Creative               | ISCI        | Air-Check   | Play Time                           | Daypart   | Status |
|------------|------------------------|-------------|-------------|-------------------------------------|-----------|--------|
| Das Auto   | Optima Hybrid Launch 1 | ▶ DATO68991 | ▶ Air-Check | Tue, 03/10/2015 03:39 pm US/Central | tu 3p-7p  | Aired  |
| Das Auto   | Optima Hybrid Launch 2 | ▶ DATO68993 | Air-Check   | Tue, 03/10/2015 01:52 pm US/Central | tu 10a-3p | Aired  |
| Das Auto   | Optima Hybrid Launch 1 | ▶ DATO68991 | ▶ Air-Check | Tue, 03/10/2015 12:55 pm US/Central | tu 10a-3p | Aired  |
| Das Auto   | Optima Hybrid Launch 3 | ▶ DATO68995 | ▶ Air-Check | Tue, 03/10/2015 11:50 am US/Central | tu 10a-3p | Aired  |
| Das Auto   | Optima Hybrid Launch 2 | ▶ DATO68993 | ▶ Air-Check | Tue, 03/10/2015 10:51 am US/Central | tu 10a-3p | Aired  |
| Das Auto   | Optima Hybrid Launch 2 | ▶ DATO68993 | ▶ Air-Check | Tue, 03/10/2015 08:41 am US/Central | tu 6a-10a | Aired  |

Jelli's ad server injects spots into the radio stations' trafficking systems in a fully automated, real-time process. Clients can then access a dashboard to see where and when their spots have run and export campaign performance data for analysis against their own first-party data, such as sales figures or visits to their online properties, allowing a near-instant understanding of the impact of their radio campaign as it is carried out. The broadcasters themselves can also use this dashboard to manage and optimise the playout of spots on their stations, avoiding compliance issues, maximising revenues and minimising make-goods.

Aside from introducing workflow efficiencies and increasing the targetability of campaigns, Jelli's programmatic platform allows radio to be bought in a much more digital way. Digital-native buyers now have a tool to include radio inventory in their media mix easily and seamlessly, allowing them to leverage a range of data sources, much as they can for digital.

### Jelli and iHeartMedia

The deal, announced in April 2015, is the foundation for iHeartMedia to be able to offer its ad inventory to advertisers and agencies looking to leverage programmatic and automated technology including private market place and exchange environments to improve the buying process and reduce administrative hurdles and delays.

This partnership will also see the creation of a new programmatic buying exchange, *Expressway from Katz*, extending programmatic trading to a huge number of radio stations from the multiple broadcasters represented by Katz Media Group (a subsidiary of iHeartMedia).

### Why this matters for egta members

Innovations in data-driven approaches to terrestrial radio and television are starting to open many of the advantages of digital marketing techniques to broadcasters. By re-considering the application of sophisticated targeting, reporting and campaign analysis to different stages of the sales workflow, solutions such as this offer radio broadcasters and their sales houses a new way to increase the value of their inventory, tap into new marketing budgets and deliver even stronger proof of the effectiveness of radio as an advertising medium.

Stay tuned to egta to follow broadcast's journey into programmatic!



### Background info

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

- » **Press release** (please click [here](#))
- » **Press article** (please click [here](#))