DIGITAL MAKING 'AUDIO' WAVES

Results on podcasts are proving to be a mixed bag of good and, well, really bad.

A new study says digital audio — streams, playlists, podcasts — is perking up marketers' ears.

After polling 1,000 listeners earlier this year, the Interactive Advertising Bureau (IAB) and Edison Research found these stats:

- 65 percent said podcast ads increase purchase intent
- 45 percent said that they're likely to visit an advertiser's website after hearing an audio promo
- 42 percent of listeners said they would consider a new product or service after hearing a plug for a brand
- 37 percent use podcast ads to help research brands

Peter Feinstein, president and CEO of Higher Power Marketing, a marketing and advertising firm in Phoenix and a member of the *Response* Advisory Board, says his agency has "a couple of very powerful DR advertisers" who see inbound weekly call volume in the thousands per week. Because of that, he opted to give a four-week podcast test a shot with "a very high profile on-air talent."

"Our expectations going in were very low, unrealistically low, I was told, and yet response … was so much less than what we'd expected that we chose to cancel after just two weeks," Feinstein says. "It wasn't a premature decision because our podcast rep told us to expect a good tail on response due to the natural drag period on people downloading and listening … which would drive post-cancelation inbound call volume. It never materialized."

Yet Feinstein does say he's seeing "tremendous results" from non-podcast audio advertising. "Digital or offline, it doesn't seem to matter — we regularly experience highly productive and profitable consumer response from radio, digital streaming, web-stream, and internet radio streams," he says.

Feinstein adds that the takeaway is that it's "all about correctly identifying key consumer pain-points in everyday life and having mass-appeal kinds of products or services that fix those pain-points with an offer worth calling in about. Consumers who are actively listening and have the problems we've identified call for the solutions."

Steve Howard, director of new business development for Armonk, N.Y.-based Hybrid Media Services, says he's tested podcasts and internet radio but that "it hasn't paid out for direct response clients — the immediate response isn't there."

Howard adds that internet radio is appealing in concept, but for "hard-core direct response advertisers, the cost-per-thousand is over three times more than traditional remnant radio, and the more passive listening style doesn't bode well for hitting that target marketing expense ratio direct response usually requires."

But he says podcasts do well for "up-funnel and drive-to-web clients," and he offers the sponsors on the comedian and actor Adam Carolla's podcast as an example. (For an example, visit: *www.podcastone.com/g/Adam-Carolla-Show/476.html*)

Howard does say Hybrid Media Services works with another agency that does a lot of podcasts and is seeing strong results. "We just tested it with a business loans company and it completely tanked," he says. "We're looking to test it for a credit repair company, so I'm not condemning it — I just don't have enough positive info on it."

Jeff Small, owner of Strategic Media, a direct response radio ad firm in Portland, Maine, says what he's seeing with digital technology is not so much competition, but rather increased opportunity. "Pandora, Spotify, podcasts, and satellite are all generating greater interest in audio programming and this is carrying over into terrestrial radio," Small says. "Marketers now have more points of entry for audio advertising."

For example, Small says many companies come to him because they've had success with online content and now want to reach an even wider audience through offline channels. He adds, "Because of this, when we recommend media strategies, we look at all the audio channels and gauge what will be most impactful for their business — whether it be broadcast, network, endorsement, satellite, streaming, or podcasts."