

2020

PODCAST ATTRIBUTION:

# Using Mixed Methodologies to Set the Stage for Future Success

In the crowded media landscape, the need for reliable and incremental podcast measurement is essential to prove its rightful place in any advertiser's media mix.

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Podcast measurement has lagged behind the medium's rapid adoption by consumers and entry into mainstream media. While measurement exists, there is not yet one standard for currency across the industry. Podcasting has grown in part due to the disintermediated nature of the industry, where content is democratically chosen by listeners not tastemakers. The same open web RSS feed ecosystem that continues to keep podcasts widely available and listenership growing, makes measurement and attribution difficult relative to other digital channels. However, we are now at a tipping point in the sophistication of the campaign measurement options available, which are also providing important feedback loops for marketers, ultimately leading to more efficient and effective campaign architecture.

Podcast buyers and sellers need to know much more about the inner workings of technology and data than when transacting other media to create and optimize successful podcast campaigns. In this regard, the podcast medium is much like other early digital media yet without industry-wide standards or best practices.

Several new companies born or acquired over the past 12 months are entering the space and doing so with some varying methodologies. It's important to understand the differences between and among these offerings as those on the buy and sell sides add to their measurement and attribution tool kit.

This paper provides a brief snapshot of where the industry is today and demonstrates some early learnings on the part of Claritas and Market Engenuity®. Market Engenuity has been working with Claritas for the past two years. In that time, we have learned more about how to adjust our approach to the medium based on research that is helping us recommend more effective campaigns and provide attribution to demonstrate ROI for clients.

## Podcast Measurement Challenges

The challenges with podcast measurement are largely defined by the ecosystem. In digital display advertising, exposure pixels can detect a large array of data. In podcast advertising, the only attribution identifier available is the IP address of the connection that the listener used when downloading or streaming the content. IP addresses by themselves can yield noisy attribution results if not analyzed thoughtfully.

To illustrate the complexity of tracking solely with an IP address, consider cell towers or shared IP addresses. There is not a unique device-level identifier available and therefore it is impossible to distinguish one device from another. To work around this industry issue, isolating residential IP addresses is one accepted approach. The Claritas Identity Graph is residential and matches the IP address from a podcast ad exposure to the Graph only if the listening experience originates while the listener is at home, which still represents a significant cross section of podcast listenership. This ensures that conversions are attributed to a household, which are more predictable and reliable when compared to a cell-tower IP address.



IP addresses originating from cell towers or retail locations can be tracked by using a time threshold (hours or days), but the reliability for attribution is questionable. This echoes another challenge for podcast attribution, which is a lack of a widely adopted ad-consumption feedback mechanism.

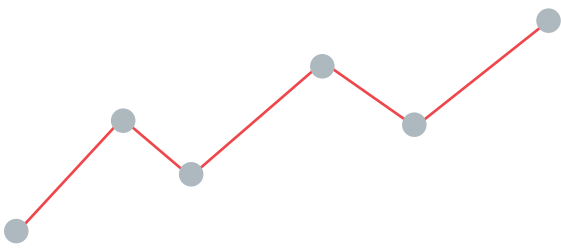
### PODCAST ATTRIBUTION 1.0:

## Vanity URLs and Coupon Codes

Up until a few years ago podcast attribution methodologies were limited to vanity URLs, unique coupon codes and one-question post-purchase surveys. According to Claritas findings, vanity URLs alone miss the vast majority of actual conversions. Additionally, those converting consumers who visit vanity URLs are a niche consumer, given that they are willing to raise their hand and credit the marketing channel that led them to the site. By pixeling both the exposure

(publisher) and conversion (brand) environments and ingesting site traffic, advertisers can parse the listeners exposed to a podcast campaign without them having to remember a specific web address.

Unique coupon codes at the show level can increase sales and provide directional information when people take action but codes alone are limited in providing a full proxy for attribution.



## PODCAST ATTRIBUTION 2.0:

# Data-Driven Media Decisions

Based on the continued growth of the medium combined with the continued importance of engaging with audiences when and where they choose, marketers must consider podcasting with the same degree of importance as any other online or offline channel in their media mix.

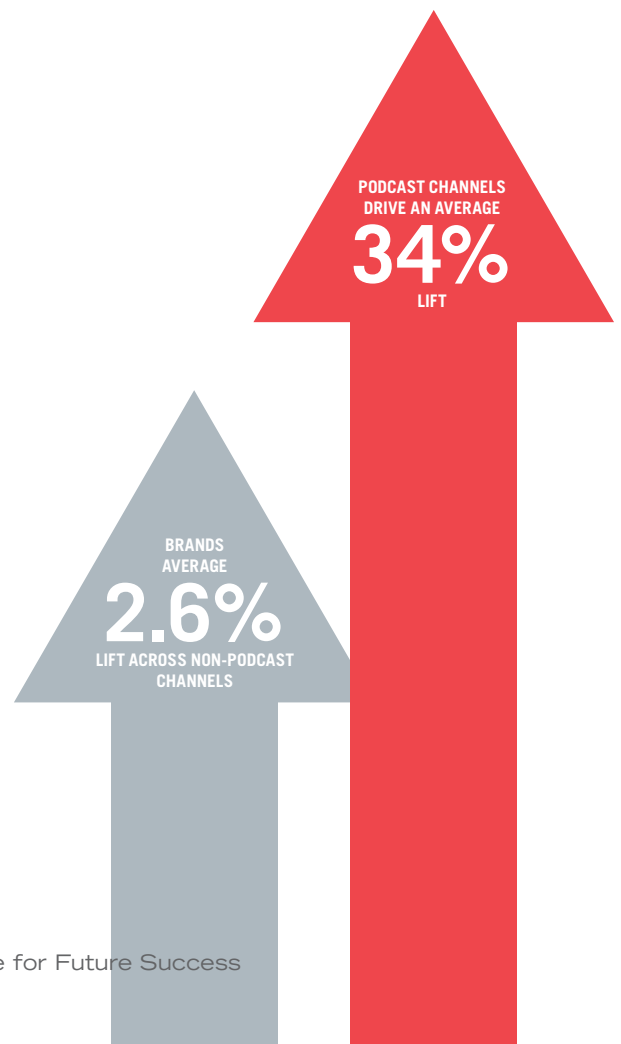
With robust attribution tools now available, marketers can rely on data to prove podcasting's effectiveness for engaging certain audiences and driving conversions.

In November 2018, Claritas acquired the omni-channel attribution platform Barometric, which offered the podcast industry's first digital-style attribution solution. Since that time, the platform has collected and reported on campaign incrementality results across hundreds of campaigns. The learnings showcase what is working and what can be further optimized.

The purpose of attribution is to optimize toward the audiences and networks that are driving ROI efficiency. If available, multiple conversion environments such as web traffic, app conversions as well as in-store visits / purchases can prove campaign effectiveness for more than one type of consumer.

The Claritas (formerly Barometric) platform has been running Conversion Lift studies across a multitude of channels for the past four years, and the data proves podcasts' overall effectiveness for advertisers\*:

- Brands average a 2.6% lift across non-podcast channels such as digital display (1.1%), print (2.4%), linear TV (3.1%)
- Podcast channels, however, are driving an average 34% lift



\* Results based on 100+ campaigns across industries as diverse as CPG, automotive, direct brands, finance and insurance. Lift % defined as the relative performance of exposed households vs. unexposed households.

## In Summary

As podcasting evolves, we advocate for the adoption of mixed attribution methodologies to show a broader picture of campaign impact. Running an attribution campaign alongside vanity URLs or coupon codes yields important insights such as the appropriate multiplier to put against the attribution 1.0 tools. As we conducted more attribution campaigns it became clear that there is no prescription for success in podcast advertising. Rather, attribution technology can help define key questions such as the optimal

SOV on different shows, the most effective creative and even the relative difference in long-form content spots vs. straight 30-second reads. It also helps gauge seasonality for a specific brand, allowing them to buy during the times of the year when conversions are highest. We are not advocating a specific vendor or test methodology, but simply that the time has arrived to become better stewards of the medium from both the buy and sell sides.

### CASE STUDY:

## How Lift Analysis Proved Critical for Leading U.S. Meal-Kit Provider

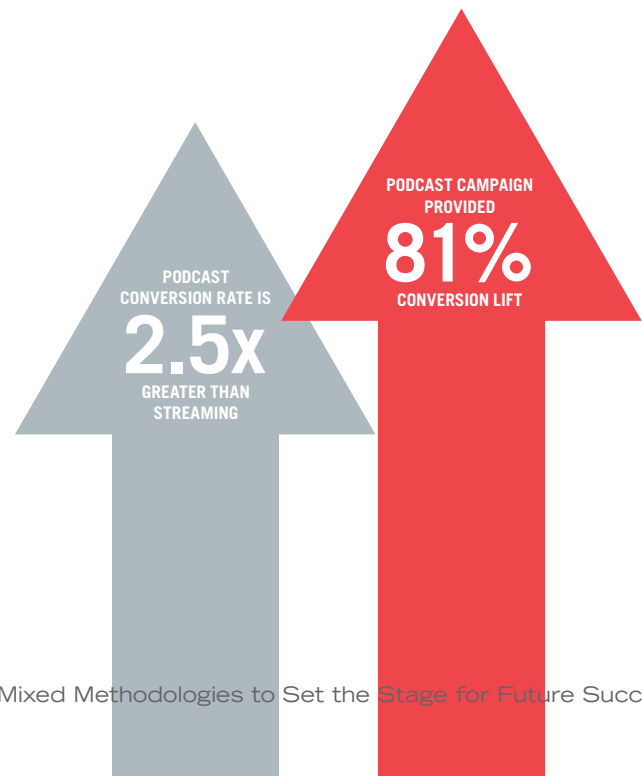
One of the largest meal-kit providers in the U.S. recently integrated podcasting and streaming audio into its campaign media mix and wanted to evaluate whether the two channels cannibalized each other. They needed to measure which had a bigger impact on sales to determine future marketing budgets. Claritas's lift analysis methodology helped them determine whether either channel was effective, and if so, to what extent.

The analysis uncovered that 1.8% of those exposed to podcast advertising converted compared to 0.7% of those exposed to streaming audio, therefore concluding that households exposed via podcast were converting at a rate 2.5 times that of streaming audio. While podcast conversion rates were higher than streaming, it was concluded that both channels provided a positive lift. Since they were not cannibalizing each other, it was recommended that the meal-kit provider should continue investing in both channels to optimize conversion opportunities.

The meal-kit provider was also interested in the impact podcast advertising had on sales. The critical piece for an accurate measurement was to create a control group of those who were not exposed to a podcast

campaign but mirror the attributes of those who were. The analysis found that 0.97% of those who were not exposed converted, thus yielding that podcasting as a channel provided a 81% lift in conversions.

This information provided the company the transparency into channel effectiveness as well as audience effectiveness, arming them with new knowledge and tools to make strategic campaign decisions that drive better ROI.





#### ABOUT CLARITAS

For nearly 50 years, Claritas's unparalleled knowledge of American consumers has yielded the most adopted segmentation in the industry, helping marketers identify their best customers. Through key acquisitions, the company has transformed into a leader with a single-source suite of solutions to enable marketers the ability to identify their ideal audiences, deliver multichannel marketing engagements with precision, and leverage measurement tools to optimize the media spend across online and offline channels to drive better marketing ROI. With an accuracy-first foundation, the robust Claritas Graph serves as the engine that drives these powerful solutions, reaching 120 million households and over 900 million devices. More information can be found by visiting [www.claritas.com](http://www.claritas.com).



#### ABOUT MARKET ENGINUITY

Market Engenuity links mission-driven media clients and sponsors in mutually beneficial partnerships. As the largest public media sponsorship sales force in the U.S., Market Engenuity represents local and national sponsorship for clients ranging from public media stations in Nielsen media markets #2-44 to independent podcast networks. Comprised of podcast sponsorship specialists and pioneers in the industry, Market Engenuity Podcast Group is the sponsorship sales agent for PRX — the third largest podcast network in the U.S. and public radio's largest distribution marketplace. More information can be found by visiting [www.marketengenuity.com](http://www.marketengenuity.com).

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