



# *AD RECEPTIVITY, DECONSTRUCTED*

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THE WHEN, WHERE, WHAT OF DIGITAL AUDIO & VIDEO

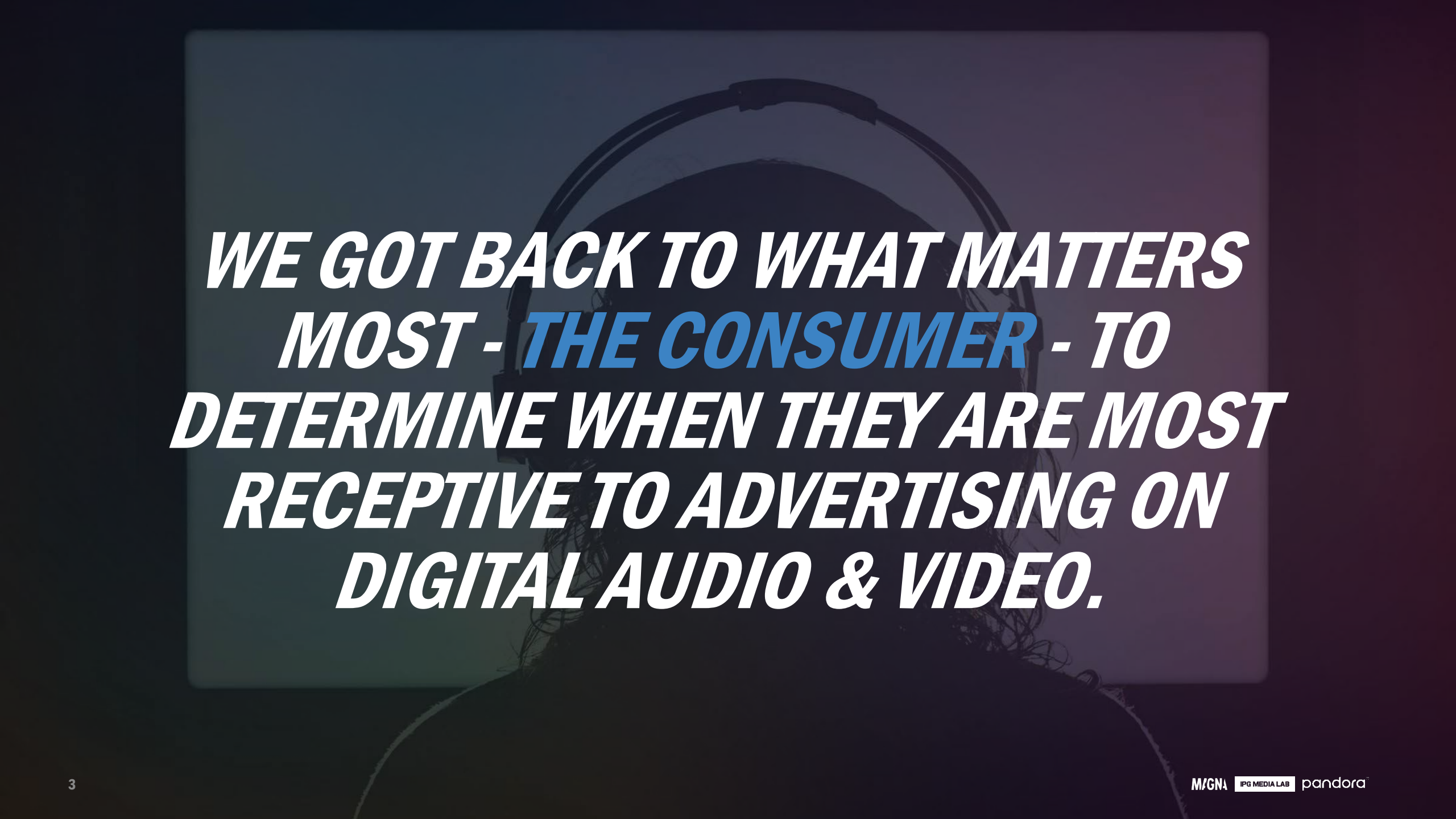
M/GNA

IPG MEDIA LAB

pandora™



***ADVERTISERS HAVE COUNTLESS MEDIA BUYING OPTIONS... ALL AIMED AT REACHING RECEPTIVE AUDIENCES.***



***WE GOT BACK TO WHAT MATTERS  
MOST - **THE CONSUMER** - TO  
DETERMINE WHEN THEY ARE MOST  
RECEPTIVE TO ADVERTISING ON  
DIGITAL AUDIO & VIDEO.***

# THE **METHODOLOGY**



## RECRUITMENT

Evenly recruited weekend and weekday to ensure representativeness

TOTAL n=2,529  
Gen Pop n=1,697  
Pandora Booster n=832



## SCREENERS

Must have listened to digital audio or watched digital video in past 24 hours

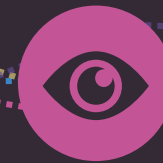
Forced split:  
🎧 Audio Diary: 2/3 of sample  
👁️ Video Diary: 1/3 of sample



## MEDIA CONSUMPTION LOG

Online diary of digital audio and video consumption over past 24 hours

Up to 3 daypart-based diary entries per person  
🎧 Audio Diary Entries n=4,188  
👁️ Video Diary Entries n=2,107



## RECEPTIVITY AND ATTENTION INDEX

Deep dive into receptivity and attention paid to advertising and content

19 reported behaviors and attitudes during digital media experience (e.g. location, device, mood, type of content, ad receptivity, etc.)

# THE *METRICS*

## BEFORE SEEING AD

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### AD RECEPTIVITY

#### DEFINITION

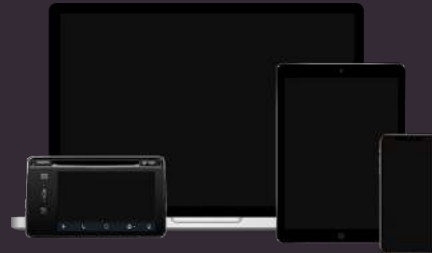
Willingness to receive an ad before exposure to an ad

#### A STATE OF MIND

Exists prior to and during exposure

#### DIARY ENTRIES FOR INDIVIDUAL AUDIO/VIDEO SESSIONS

**Q:** How receptive were you to advertising yesterday while you [listened to audio/watched video]?



## DURING AD

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### AD ATTENTION

#### DEFINITION

An active behavior of noticing an ad

#### AN ACTION

Exists during exposure only

#### DIARY ENTRIES FOR INDIVIDUAL AUDIO/VIDEO SESSIONS

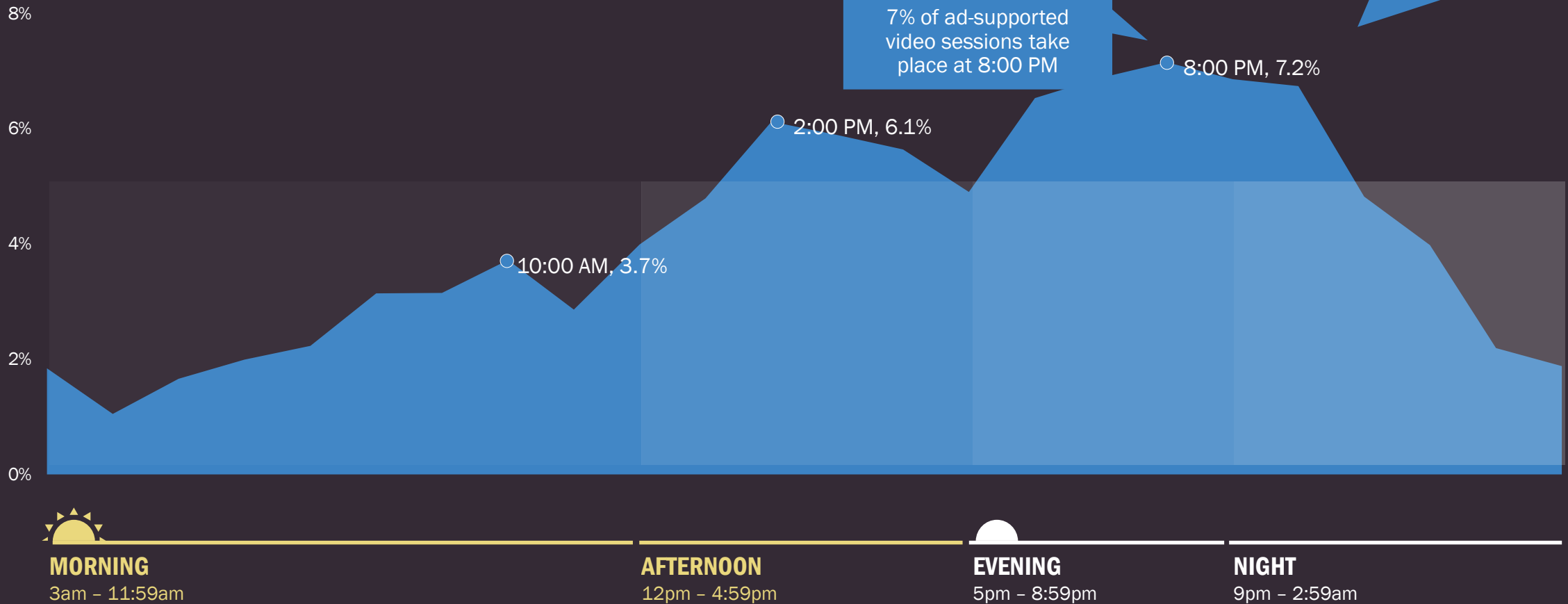
**Q:** Did you notice any ads yesterday on your [device] as you [listened to audio/watched video]?

**Q:** You mentioned you were performing other tasks as you [watched audio/listened to video] yesterday. How much attention did you pay to the digital compared to the other task(s)?



# CONSUMERS ARE REACHABLE THROUGH **DIGITAL VIDEO** 24 HRS A DAY

% OF TOTAL AD-SUPPORTED MEDIA EXPERIENCES FOR **DIGITAL VIDEO VIEWERS** BY HOUR



**MORNING**

3am - 11:59am



**AFTERNOON**

12pm - 4:59pm

**EVENING**

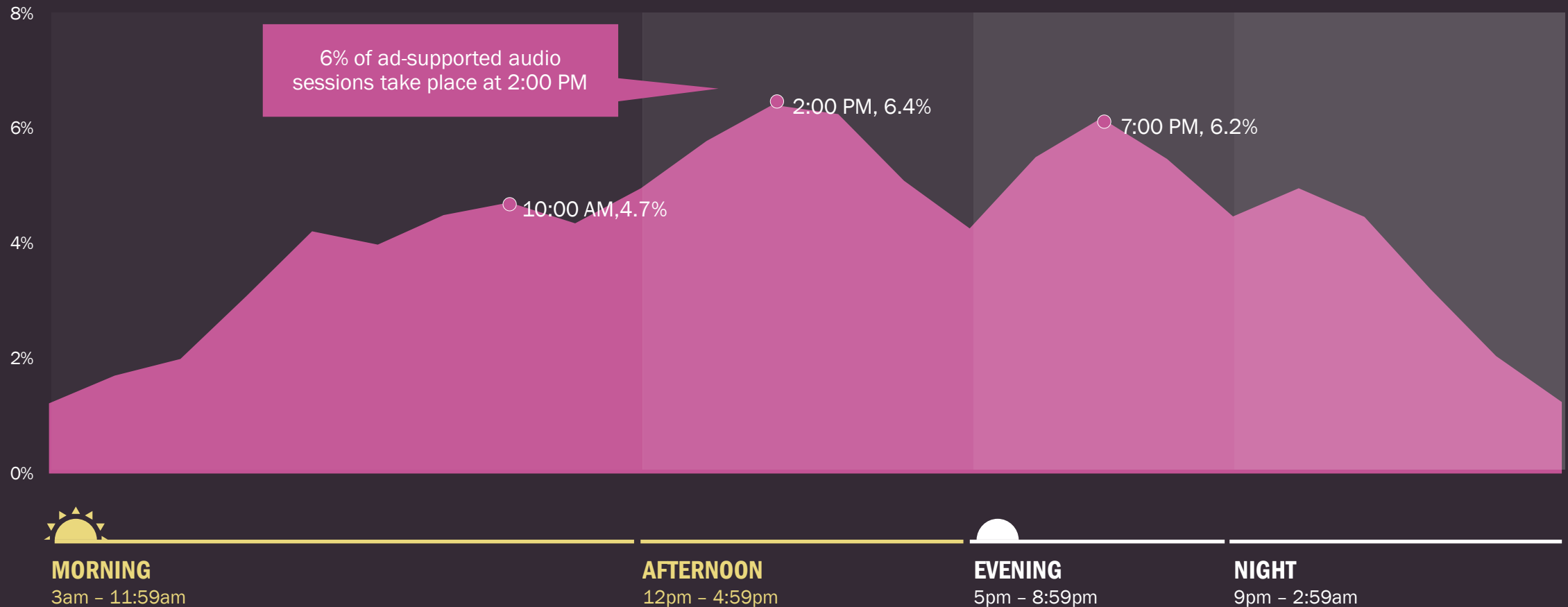
5pm - 8:59pm

**NIGHT**

9pm - 2:59am

# DIGITAL AUDIO IS ALSO CONSUMED EVERY HOUR, BUT SESSIONS ARE MORE SUSTAINED

% OF TOTAL AD-SUPPORTED MEDIA EXPERIENCES FOR DIGITAL AUDIO LISTENERS BY HOUR







THE AUDIENCE IS THERE,  
***BUT ARE  
THEY  
ACTUALLY  
OPEN TO  
ADVERTISING?***



# THE TRUTH IS... AD RECEPTIVITY IS NOT A CONSTANT MINDSET FOR DIGITAL AUDIO OR DIGITAL VIDEO

% OF CONSUMERS WITH  
CHANGES IN AD RECEPTIVITY  
THROUGHOUT DAY

 Fluctuating  
 Consistent



42% of audio listeners  
experienced fluctuations in ad  
receptivity within a single day

**AUDIO: 42%**

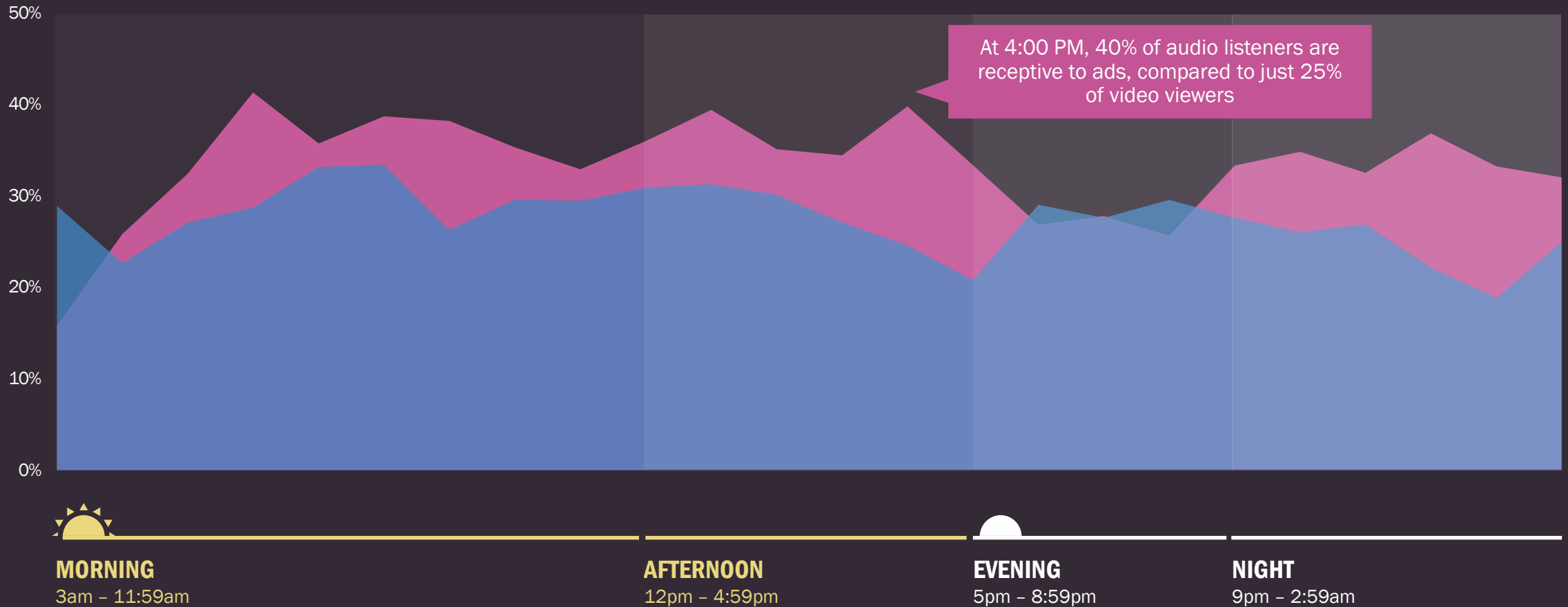
of Individuals Experienced  
Changes in Ad Receptivity  
Listening to Audio

**VIDEO: 45%**

of Individuals Experienced  
Changes in Ad Receptivity  
Watching Video

# IN FACT, RECEPTIVITY VARIES WILDLY THROUGHOUT THE DAY

AD RECEPTIVITY (%) BY HOUR    Audio    Video



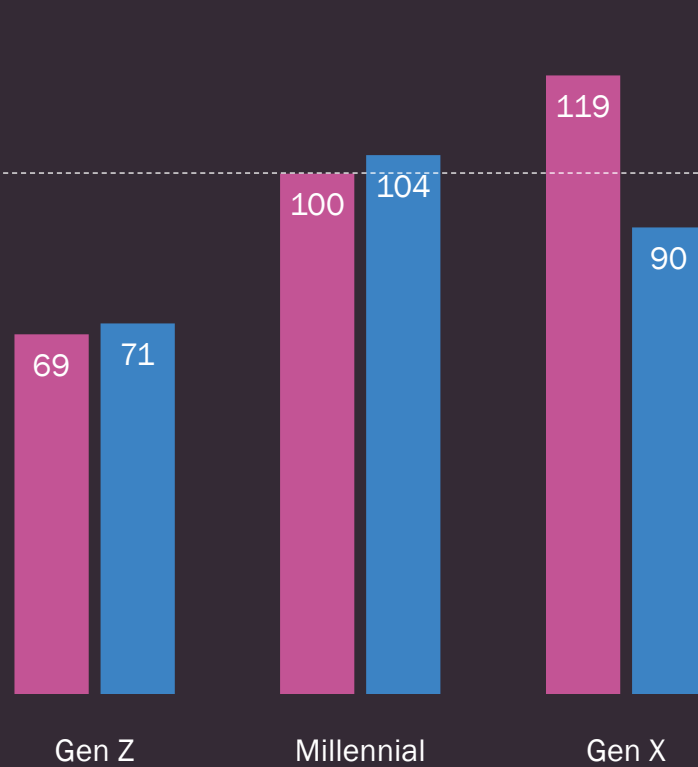
# SOME CONSUMERS ARE PRONE TO RECEPTIVITY. BUT BRANDS CAN'T CHANGE THEIR TARGETS

INDEXED AD RECEPTIVITY BY AGE AND GENDER ■ Audio ■ Video

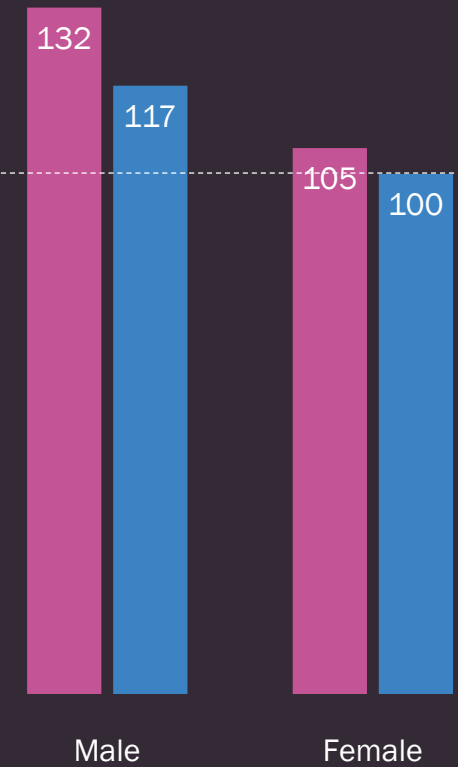
## AGE

INDEXED TO AVG. OVERALL AD RECEPTIVITY

Young consumers are least receptive, but are equally receptive to digital audio and video



## GENDER



# ***CONSUMERS ARE GENERALLY MORE RECEPTIVE TO AUDIO THAN THEY ARE TO VIDEO***

**% CONSUMERS WILLING TO RECEIVE AN AD DURING MEDIA EXPERIENCE**

**23%<sup>▲</sup>**  
**ARE RECEPTIVE TO AUDIO ADS**

**17%**  
**ARE RECEPTIVE TO VIDEO ADS**

Consumers are 35% more receptive when listening to audio than when watching video

WHICH INDICATORS

# ***INFLUENCE RECEPTIVITY THE MOST?***

DEVICE  
LOCATION  
GENRE OF CONTENT  
CONTENT TYPE

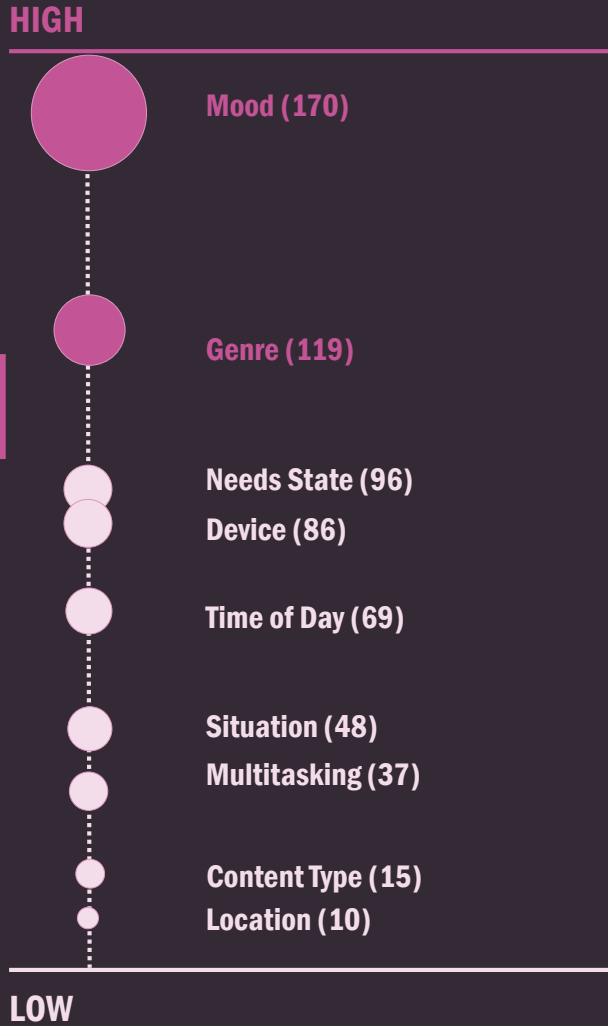
MOOD  
SITUATION  
MULTITASKING  
NEEDS STATE

# EACH INDICATOR IMPACTS AD RECEPTIVITY TO VARYING DEGREES

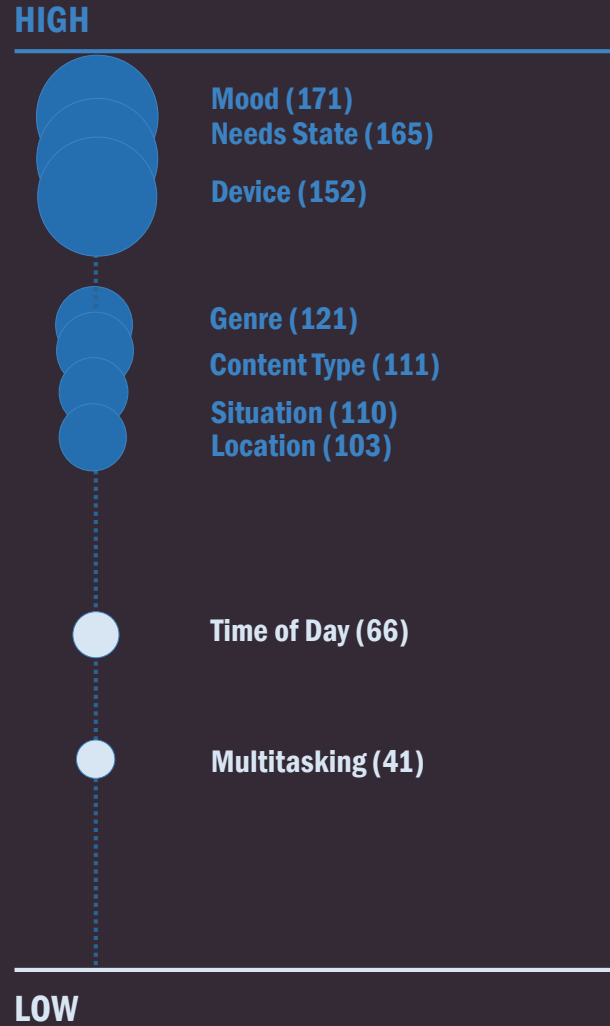
The Receptivity Influence Index represents the variance of ad receptivity within an indicator—a higher value means receptivity is more sensitive to changes within that indicator. A value of 100 is average variance

Mood has a larger impact on audio ad receptivity than genre

## AUDIO RECEPTIVITY INFLUENCE INDEX



## VIDEO RECEPTIVITY INFLUENCE INDEX

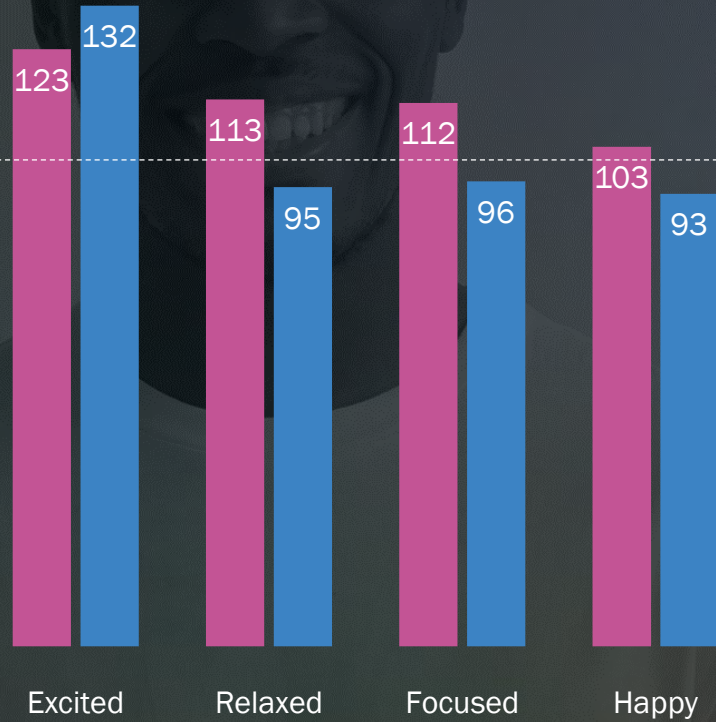


# GOOD MOOD TRANSLATES INTO WILLINGNESS TO SEE ADS

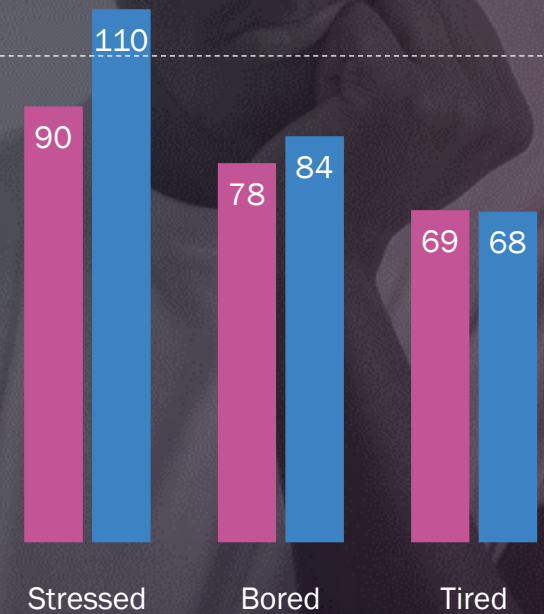
INDEXED AD RECEPTIVITY BY MOOD ■ Audio ■ Video

## POSITIVE MOOD

INDEXED TO AVG. OVERALL AD RECEPTIVITY



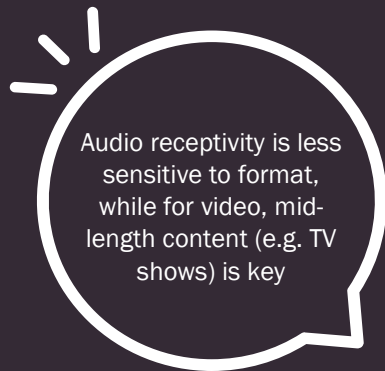
## NEGATIVE MOOD



Receptivity is lowest for audio and video when people are tired

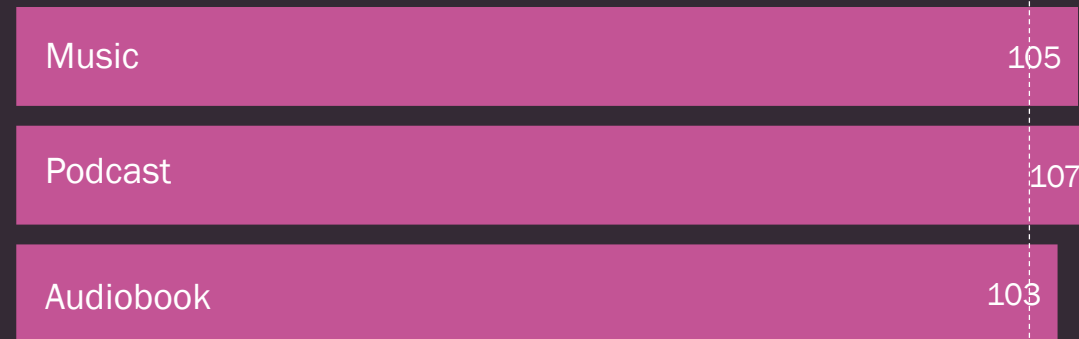
Q: Which of the following best describes your mood while you [listened to audio/watched video] yesterday?  
 Audio diary: excited N=244, stressed N=217, happy N=542, focused N=411, relaxed N=1,142, bored N=201, tired N=280.  
 Video diary: excited N=82, stressed N=83, happy N=169, focused N=118, relaxed N=475, bored N=142, tired N=158.

# AUDIO IS AUDIO WHEN IT COMES TO RECEPTIVITY BUT FORMAT MATTERS FOR VIDEO

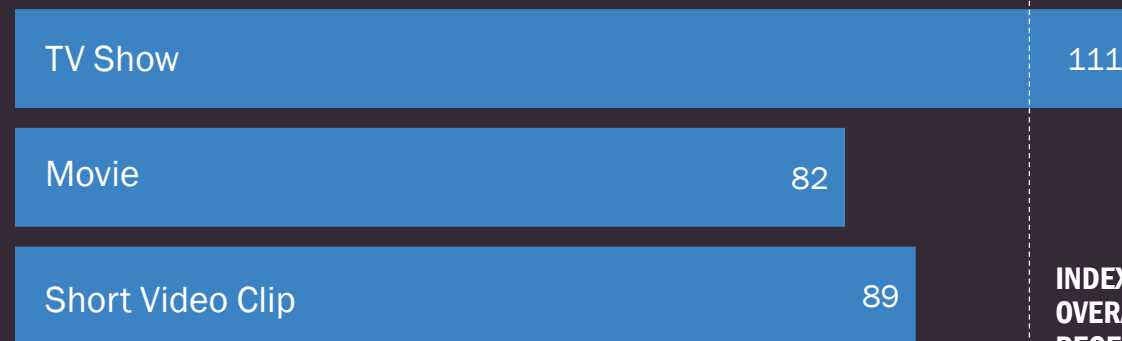


## INDEXED AD RECEPTIVITY BY CONTENT TYPE

### AUDIO



### VIDEO



INDEXED TO AVG.  
OVERALL AD  
RECEPTIVITY



# RECEPTIVITY IS HIGH WITH RELAXING MUSIC GENRES, BUT POP AND ROCK ARE EXCEPTIONS



## TOP 5 GENRES FOR GEN Z/MILLENNIALS

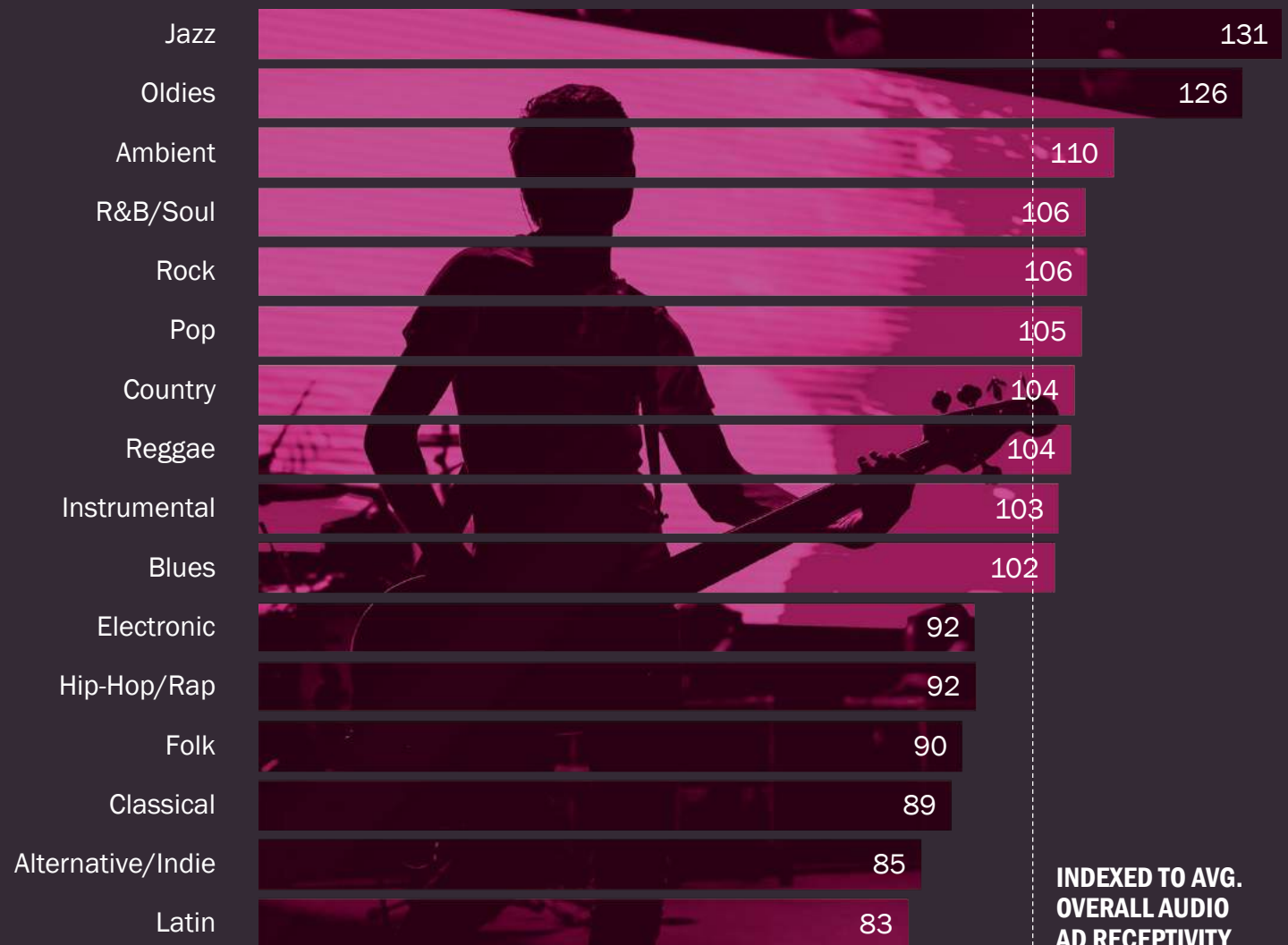
1. Ambient
2. Jazz
3. Reggae
4. R&B Soul
5. Blues



## TOP 5 GENRES FOR GEN X & OLDER

1. Oldies
2. Jazz
3. Pop
4. Country
5. Rock

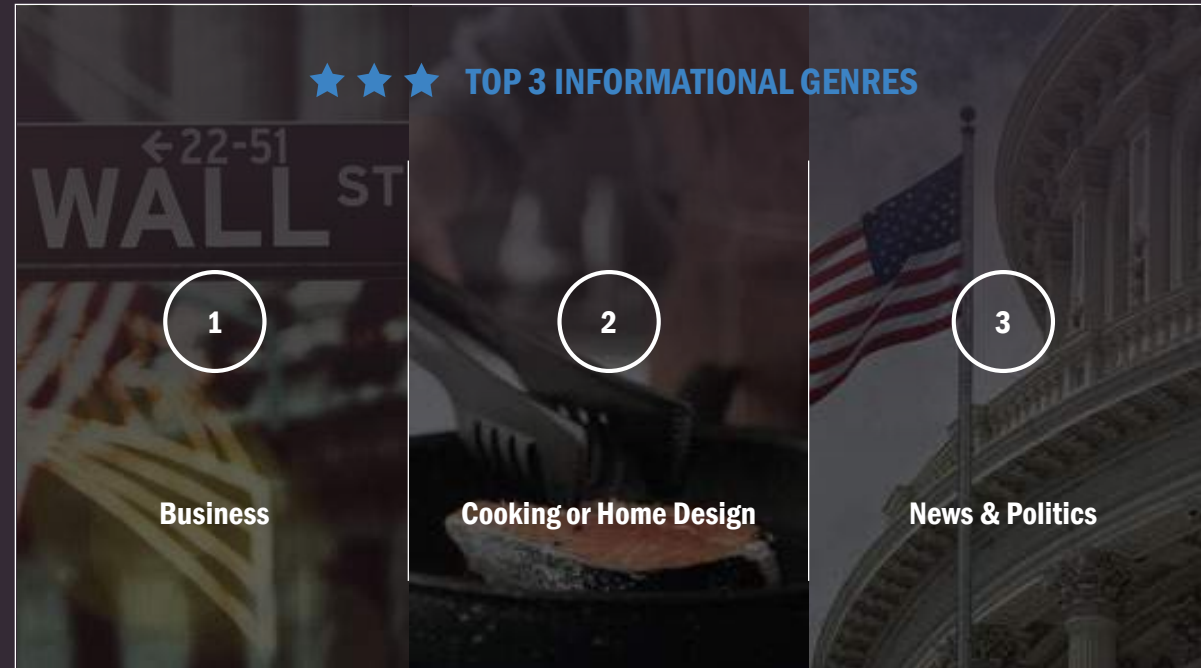
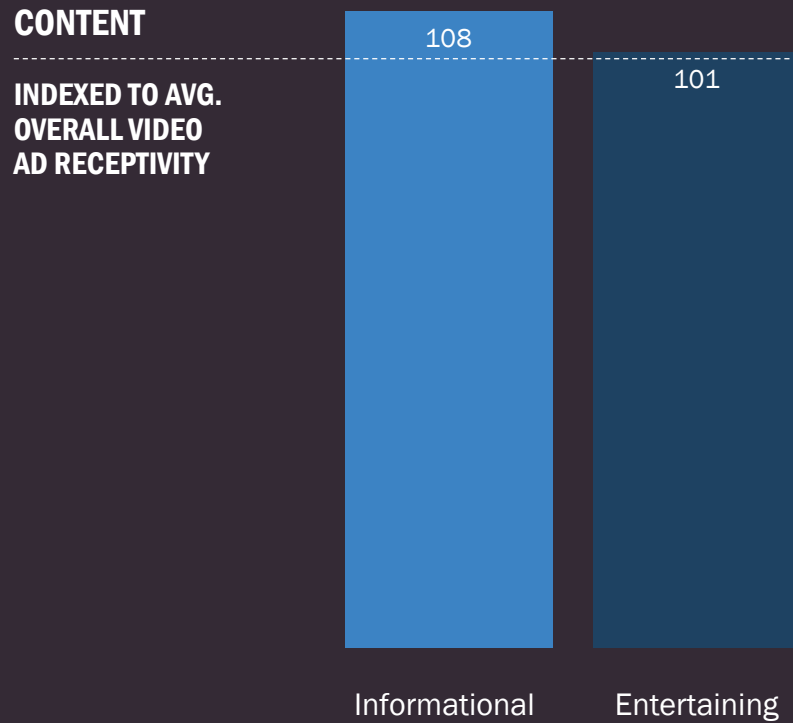
## INDEXED DIGITAL AUDIO AD RECEPTIVITY BY GENRE OF MUSIC



INDEXED TO AVG. OVERALL AUDIO AD RECEPTIVITY

# DIGITAL VIDEO VIEWERS ARE GENERALLY MORE RECEPTIVE WHEN SEEKING PRACTICAL CONTENT

## INDEXED DIGITAL VIDEO AD RECEPTIVITY BY GENRE OF CONTENT



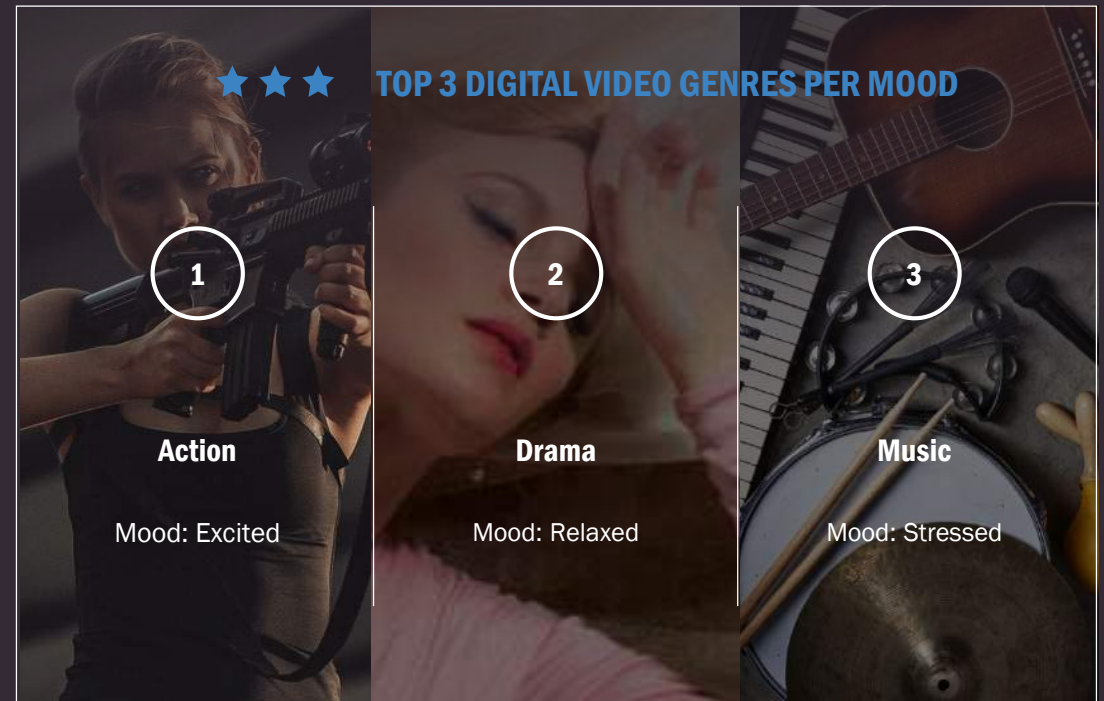
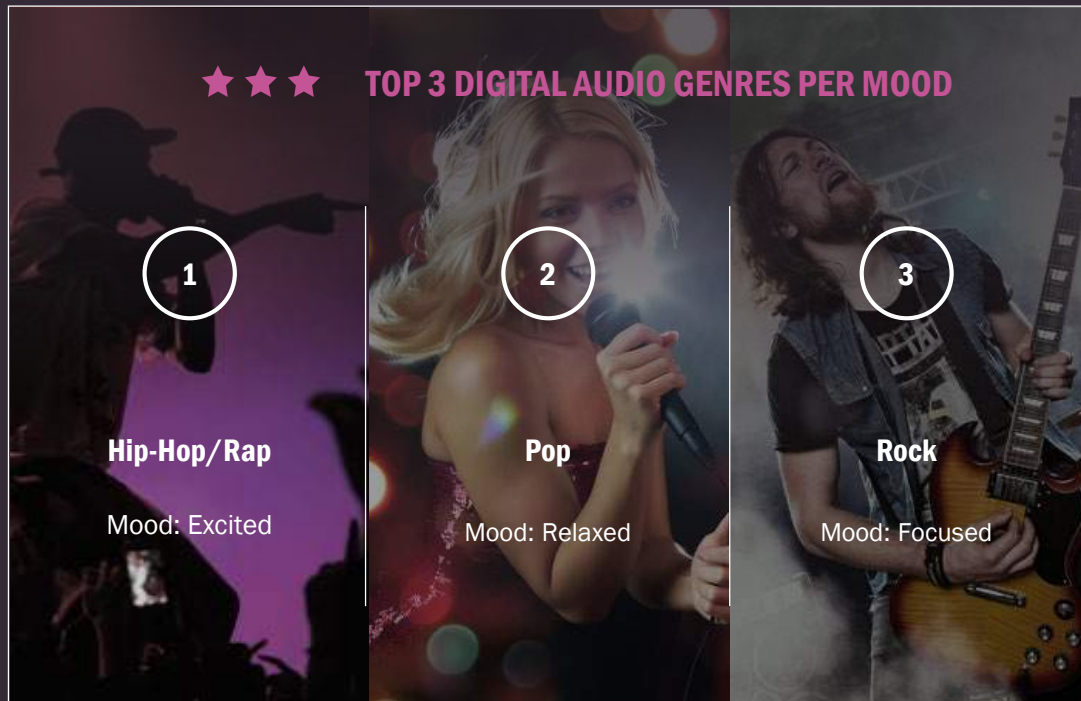
Informational includes business, cooking/home design, news/politics, how-to/DIY, science/technology/education; Entertaining includes sports, drama, mystery, true crime, action, family, music, pet/animal, comedy, reality/game/talk shows

Q: Please describe the subject(s) of what you [listened/watched] yesterday. Select all that apply.

Video diary N=1,240.

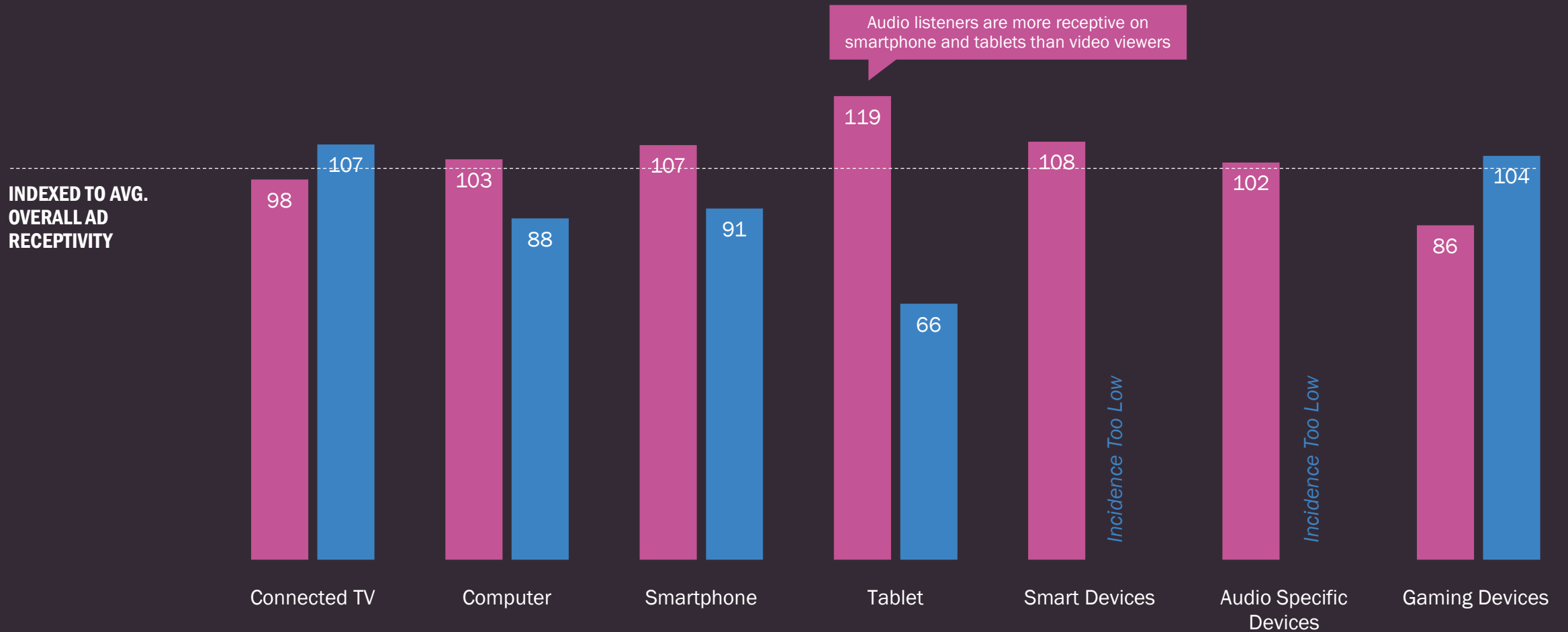
# YOU CAN'T TARGET MOOD, BUT YOU CAN TARGET GENRE

## MOST LIKELY GENRES FOR TOP 3 RECEPTIVE MOODS



# THE BIG SCREEN IS KEY FOR VIDEO; THE SMALL SCREEN FOR AUDIO

INDEXED AD RECEPTIVITY BY DEVICE Audio Video



Connected TV includes smart TV, streaming device like Roku; Computer includes desktop and laptop; Smart devices include wearables like Apple Watch; Audio devices include satellite/terrestrial radio, MP3 player

Q: Which device did you use for digital [audio/video] yesterday? If you were using more than once device, please select the primary one at this time.

Audio diary: connected TV N=589, computer N=468, smartphone N=1,047, tablet N=201, smart devices N=150, audio devices N=451, gaming N=116.

Video diary: connected TV N=294, computer N=250, smartphone N=310, tablet N=80, gaming N=109.

# AUDIO THRIVES ON MULTITASKING WHILE VIDEO THRIVES ON SOCIALIZING

INDEXED AD RECEPTIVITY BY NEEDS STATE ■ Audio ■ Video



Q: Which best describes why you [listened to audio/watched video] yesterday?

Audio diary: To learn something new n=202, To relax n=1,257, To distract myself n=324, To spend time with others n=195, To get other tasks done n=619, To kill time n=353

Video diary: To learn something new n=128, To relax n=503, To distract myself n=128, To spend time with others n=114, To get other tasks done n=101, To kill time n=239

# VIDEO RECEPTIVITY IS MORE SENSITIVE TO SITUATION THAN AUDIO

INDEXED AD RECEPTIVITY BY SITUATION ■ Audio ■ Video



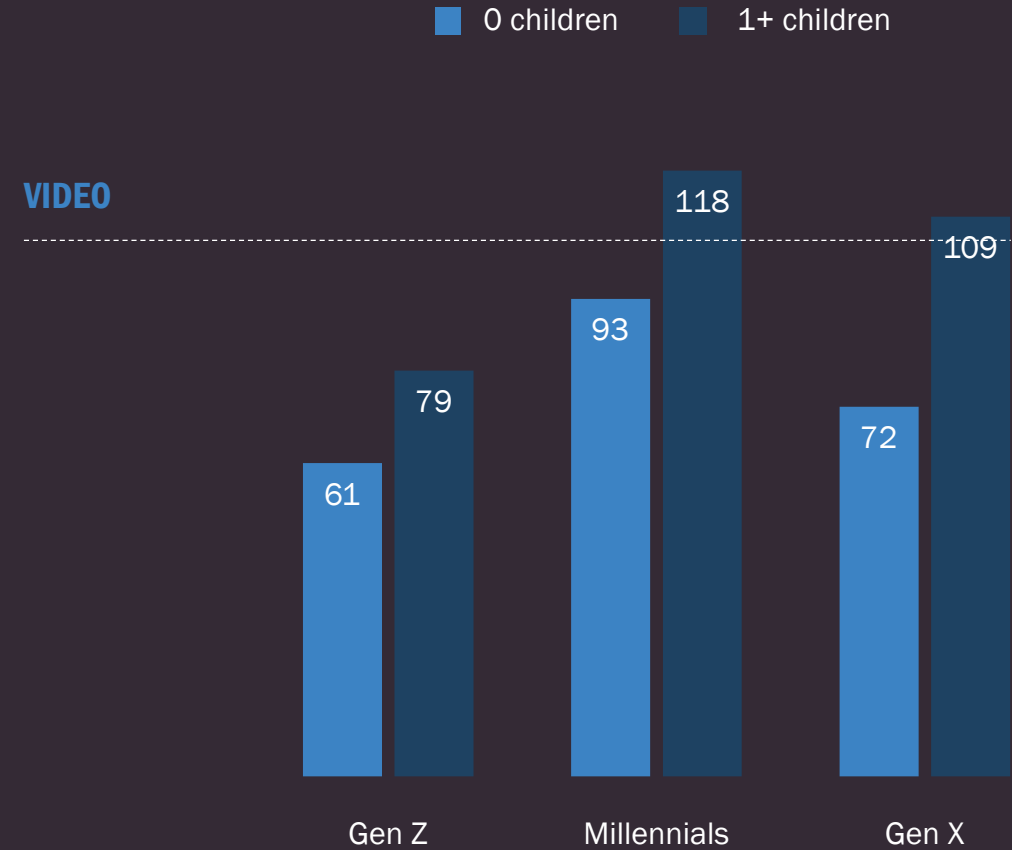
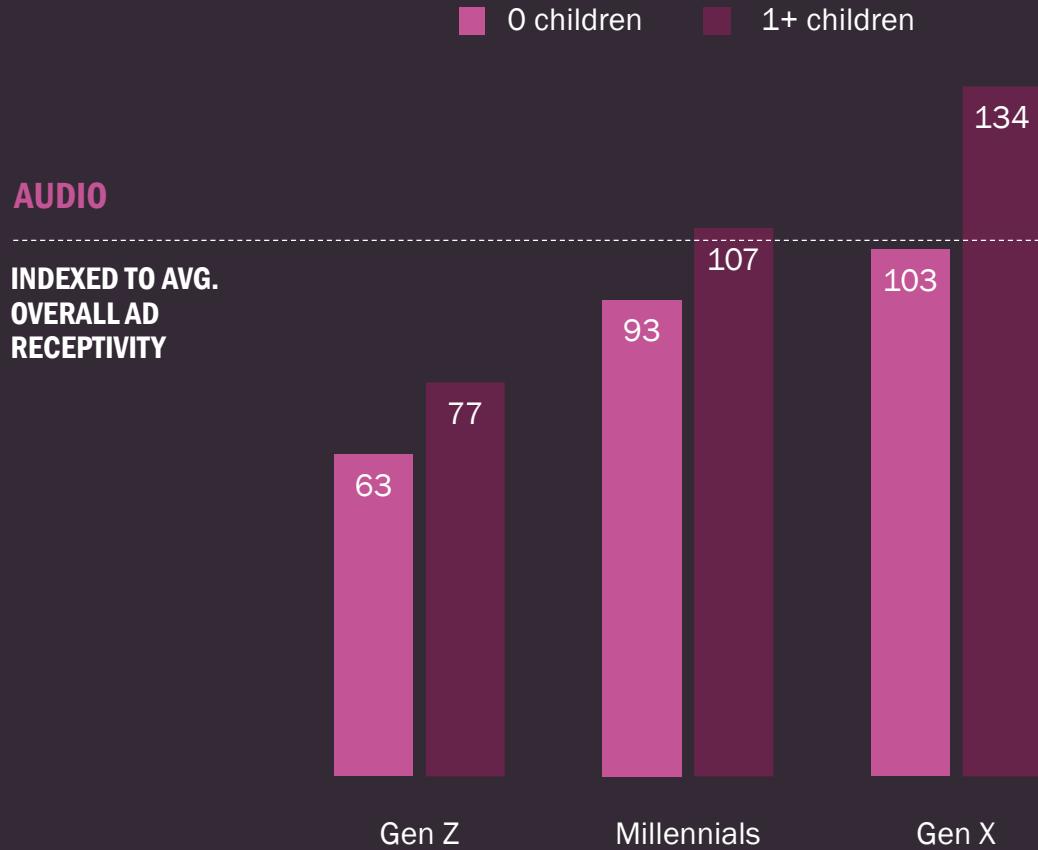
Q: While you were [listening to audio/watching video] yesterday, what was happening at that moment? Please select the option which best describes the situation you were in.

Audio diary: family N=606, hobbies N=1,052, socializing N=467, job N=630, shopping N=293.

Video diary: family N=308, hobbies N=421, socializing N=221, job N=133, shopping N=157.

# PARENTS TEND TO BE MORE RECEPTIVE ACROSS ALL GENERATIONS

INDEXED AD RECEPTIVITY BY AGE AND HOUSEHOLD STATUS



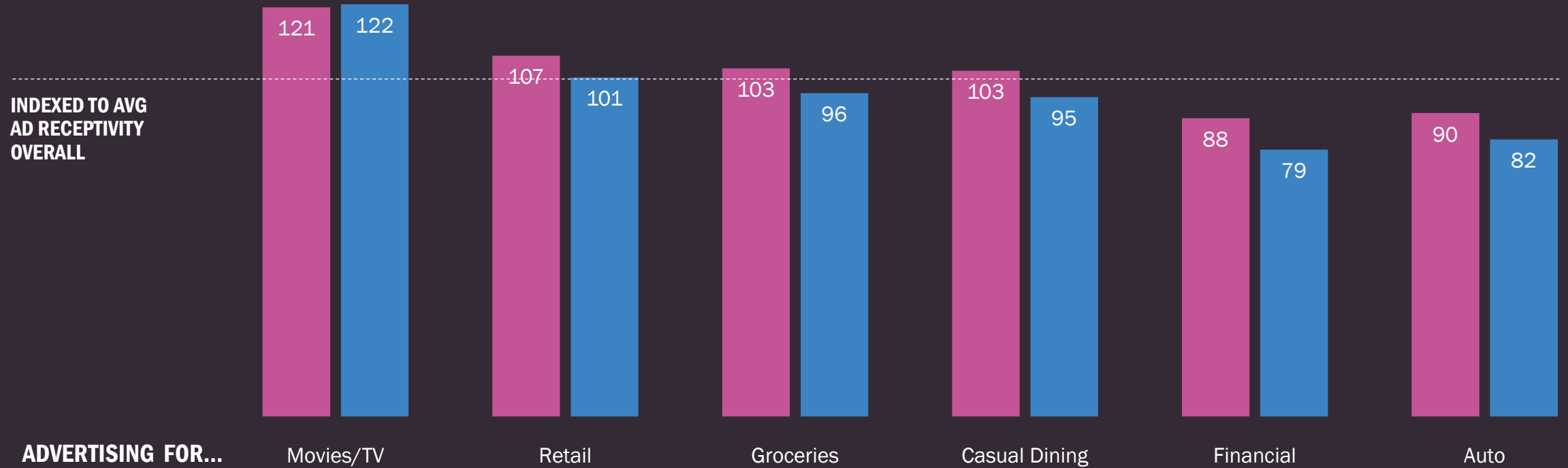
Q: How many people (including yourself) are currently living or staying in your household?

Audio diary: Gen Z (0 children n=178, 1+ children n=236), Millennials (0 children n=698, 1+ children n=739), Gen X (0 children n=371, 1+ children n=417)

Video diary: Gen Z (0 children n=103, 1+ children n=135), Millennials (0 children n=253, 1+ children n=200), Gen X (0 children n=152, 1+ children n=158)

# RECEPTIVITY IS NATURALLY HIGHER FOR CERTAIN INDUSTRIES

INDEXED AD RECEPTIVITY BY VERTICAL OF AD    Audio    Video





# ADVERTISERS NEED TO BE ESPECIALLY THOUGHTFUL WITH THEIR APPROACH TO DIGITAL VIDEO

AVERAGE RECEPTIVITY INFLUENCE INDEX BY MEDIA TYPE  
(INDEXED TO AVERAGE [100])



- Variance in receptivity for video is influenced by indicators 56% more strongly than audio.

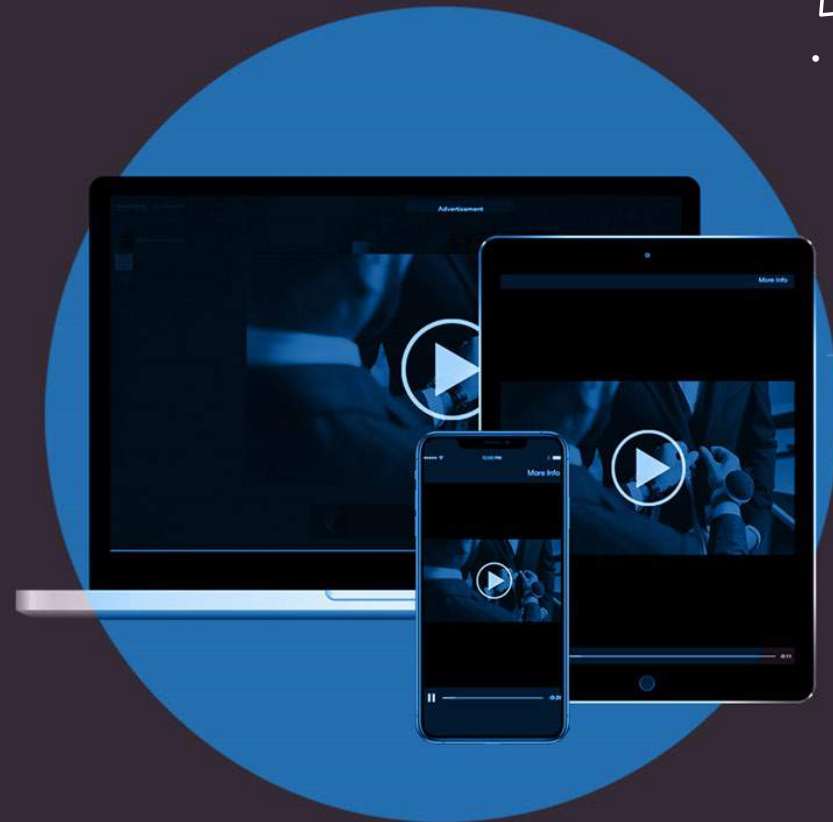
AUDIO

75



VIDEO

117



Receptivity on video is influenced by indicators 17% more strongly than average



***THE INTERSECTION  
OF AD RECEPTIVITY  
+ AD ATTENTION***

# ATTENTION IS FINITE FOR BOTH MEDIA TYPES, BUT AUDIO LISTENERS ARE LESS LIKELY TO AVOID ADS THAN VIDEO VIEWERS

% OF RESPONDENTS WHO...

VIDEO: 46%<sup>Δ</sup>

AUDIO: 39%

## AVOIDED AD ACTIONS

- Ignored the ad
- Muted or skipped the ad
- Left the area

Because it is easier to escape video ads (e.g. not looking at screen, leaving the room), video viewers are more likely to avoid ads than audio listeners

AVOIDED AD

INTERACTED WITH AD

AUDIO: 17%

VIDEO: 13%

## INTERERACTED WITH AD ACTIONS

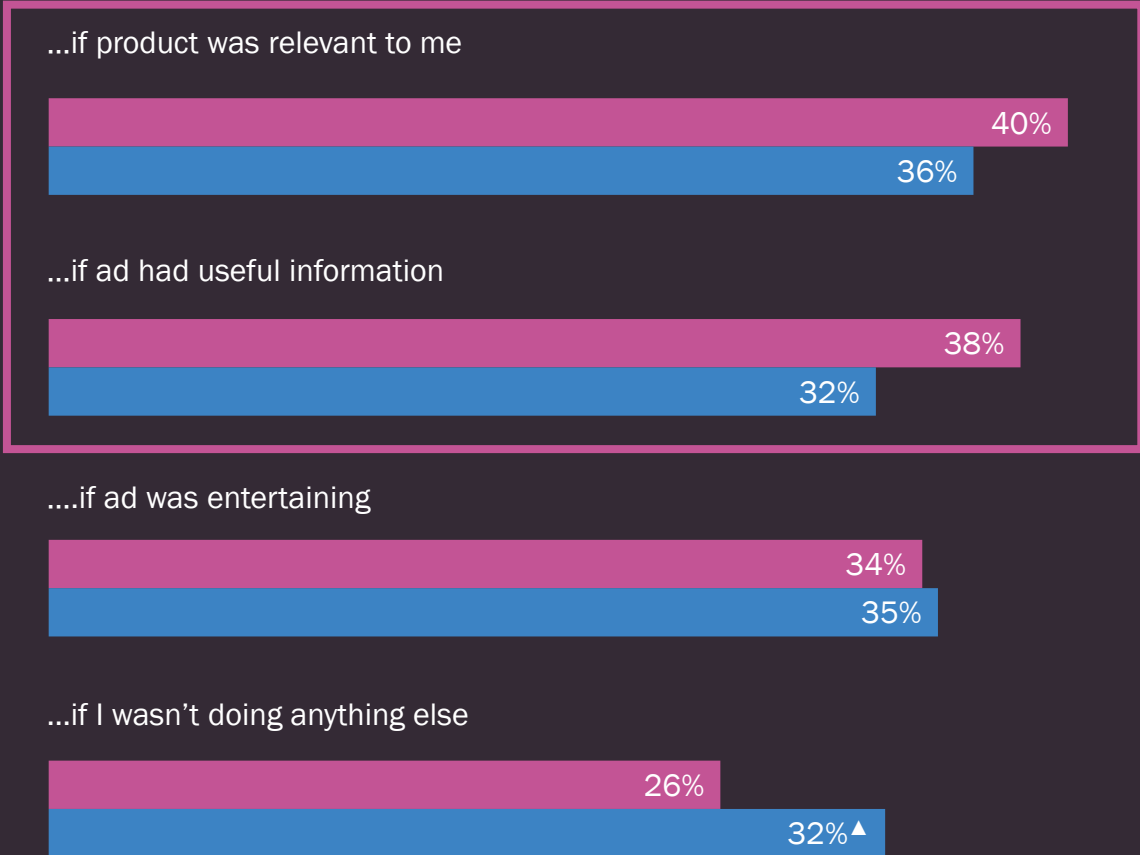
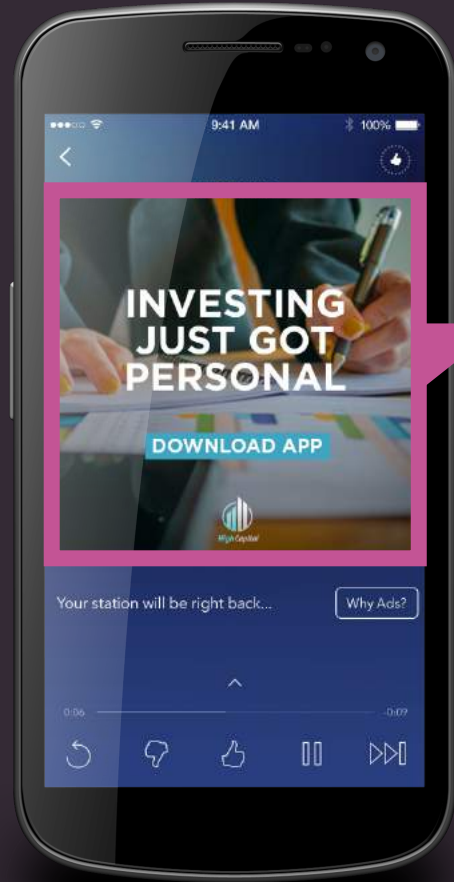
- Researched product
- Clicked to learn more
- Interacted in exchange for a reward
- Considered purchasing

Q: Which of the following did you do when you experienced an ad while you [listened to audio/watched video] yesterday on your [device]? Select all that apply.  
Audio diary N=3,048, video diary N=1,240.

Δ =significant difference between audio and video at 90% confidence.

# RELEVANT AND INFORMATIVE ADS ARE ATTENTION-GRABBING FOR AUDIO LISTENERS

% OF RESPONDENTS WHO PAID ATTENTION IF... ■ Audio ■ Video

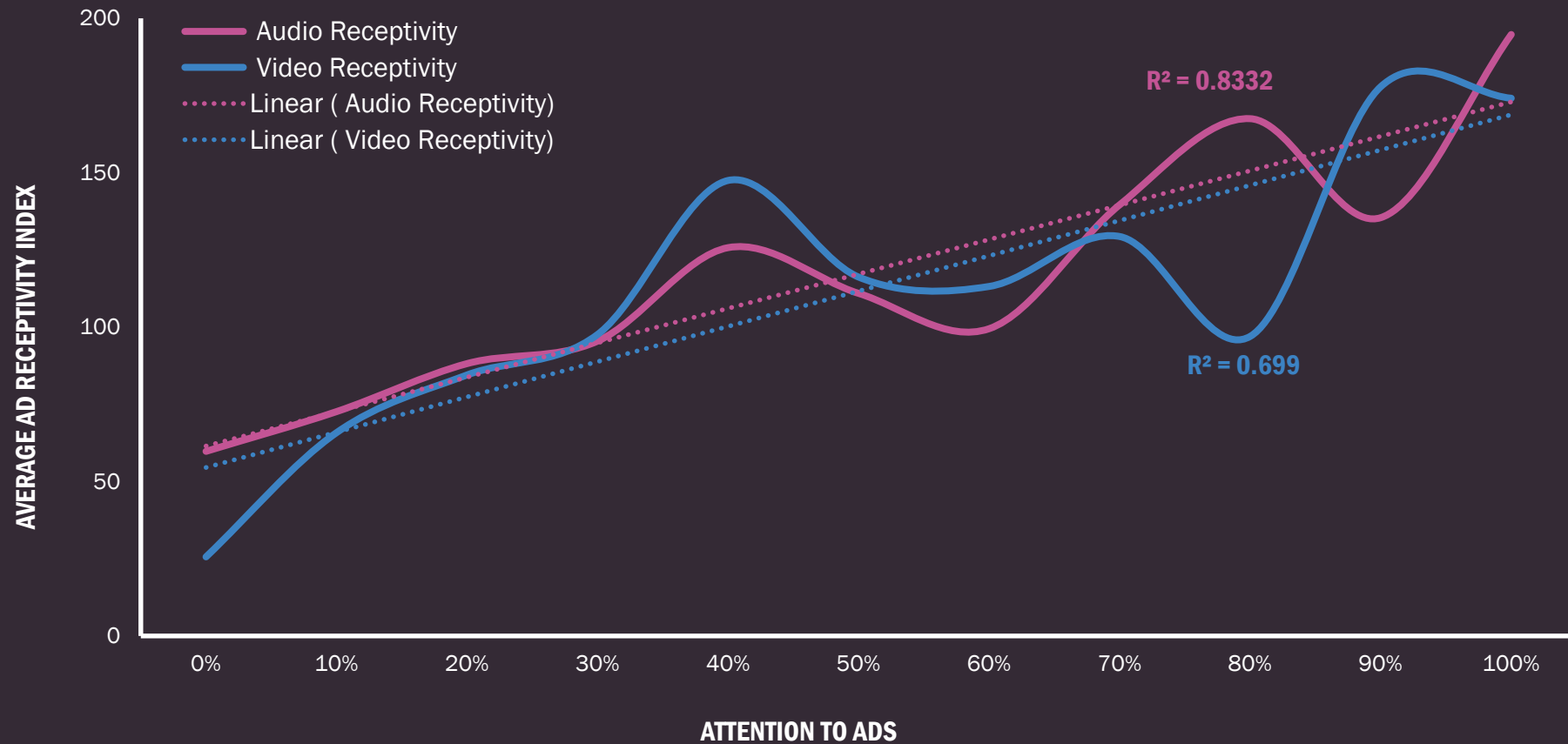


Q: Which of the following did you do when you experienced an ad while you [listened to audio/watched video] yesterday on your [device]? Select all that apply.

Audio diary N=1,046. | Video diary N=408.

▲ =significant difference between audio and video at 90% confidence.

# THE MORE RECEPTIVE CONSUMERS ARE, THE MORE LIKELY THEY'RE PAYING ATTENTION



As ad receptivity increases, so does attention to advertising

# ***SPOTLIGHT ON PANDORA***

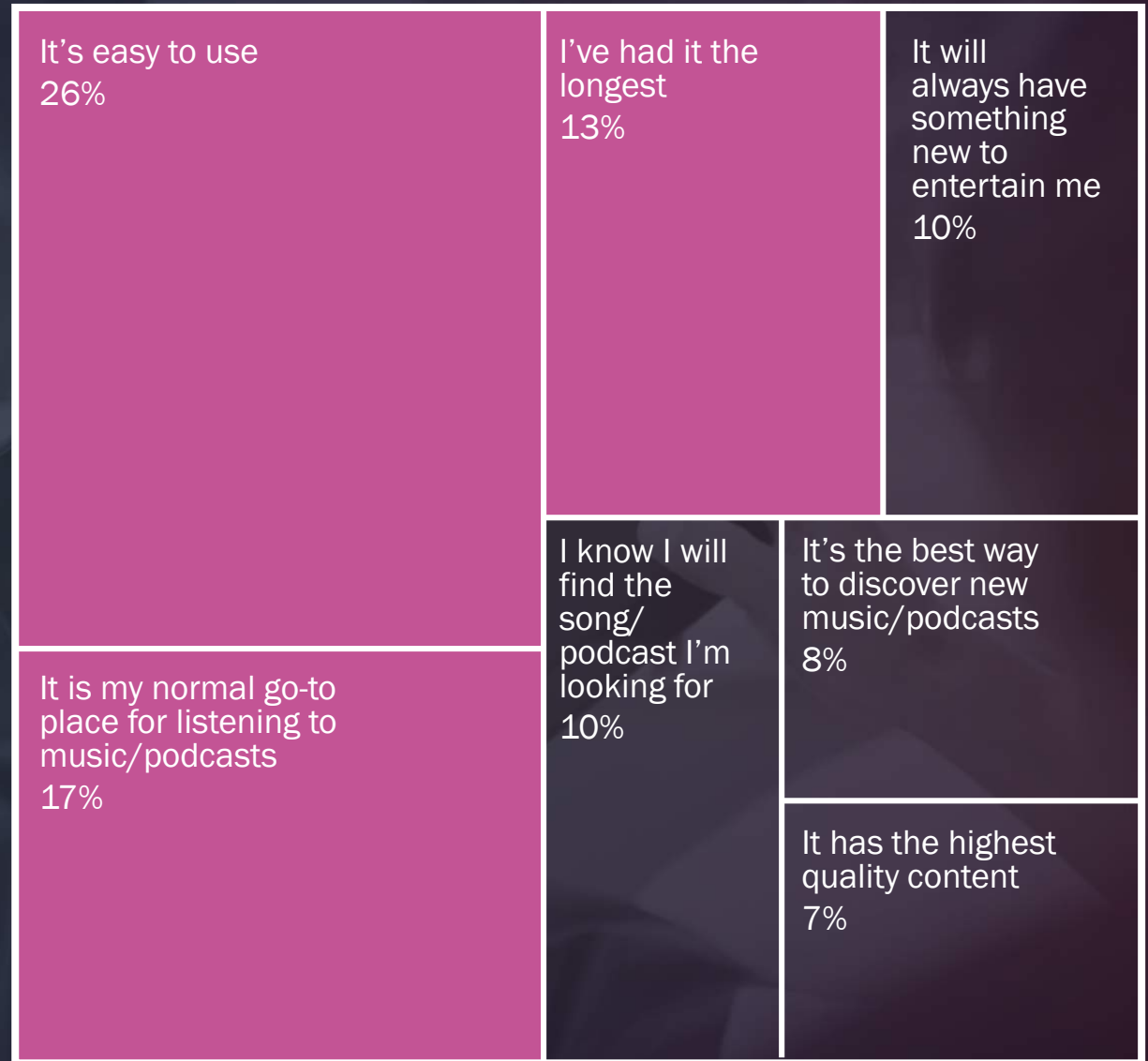
# PANDORA IS CONSIDERED A GO-TO PLACE FOR AUDIO

REASONS FOR USING PANDORA  
(BOTH FREE/PAID)

“I like how it is like the normal radio, you never know what song comes on next”

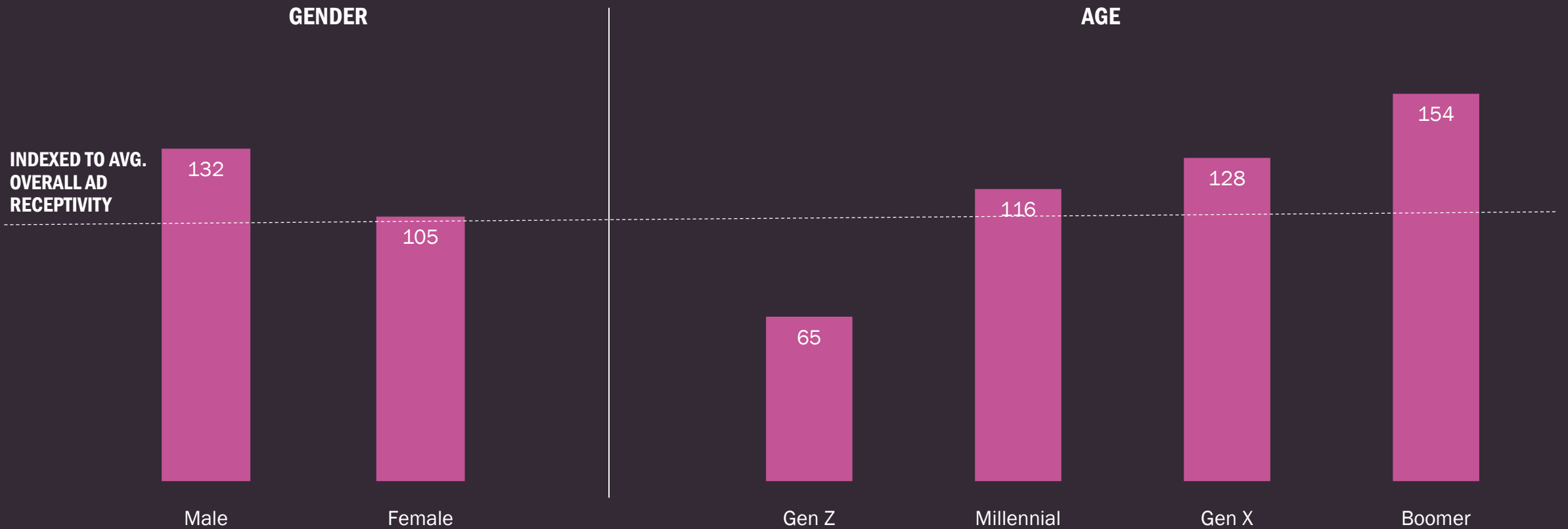
“I use it for listening to uninterrupted music on a shuffle”

“Not as many ads as youtube”



# WHAT DOES A RECEPTIVE PANDORA USER LOOK LIKE?

INDEXED AD RECEPTIVITY BY... ■ Audio



INDEXED TO AVG.  
OVERALL AD  
RECEPTIVITY

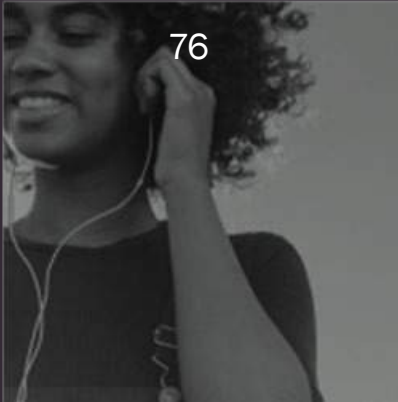
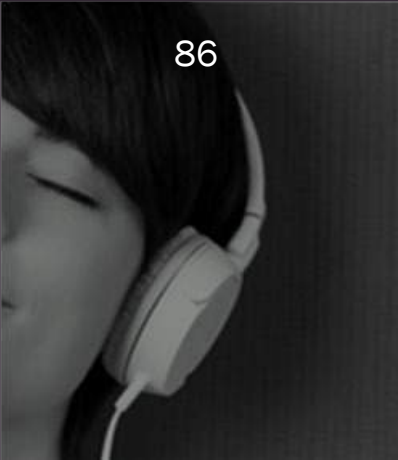


# PANDORA USERS IN PARTICULAR ARE RECEPTIVE TO AUDIO ADS

## INDEXED AD RECEPTIVITY TO DIGITAL AUDIO BY GENERAL PANDORA USAGE

## INDEXED AD RECEPTIVITY TO DIGITAL AUDIO BY GENERAL PANDORA USAGE AMONG GEN Z/MILLENNIALS

INDEXED TO AVG. OVERALL AUDIO AD RECEPTIVITY



Even though Gen Z was the least receptive age group overall, Pandora users in this age bracket are particularly receptive

Pandora Users On Any Audio Platform

Non-Pandora Users On Any Audio Platform

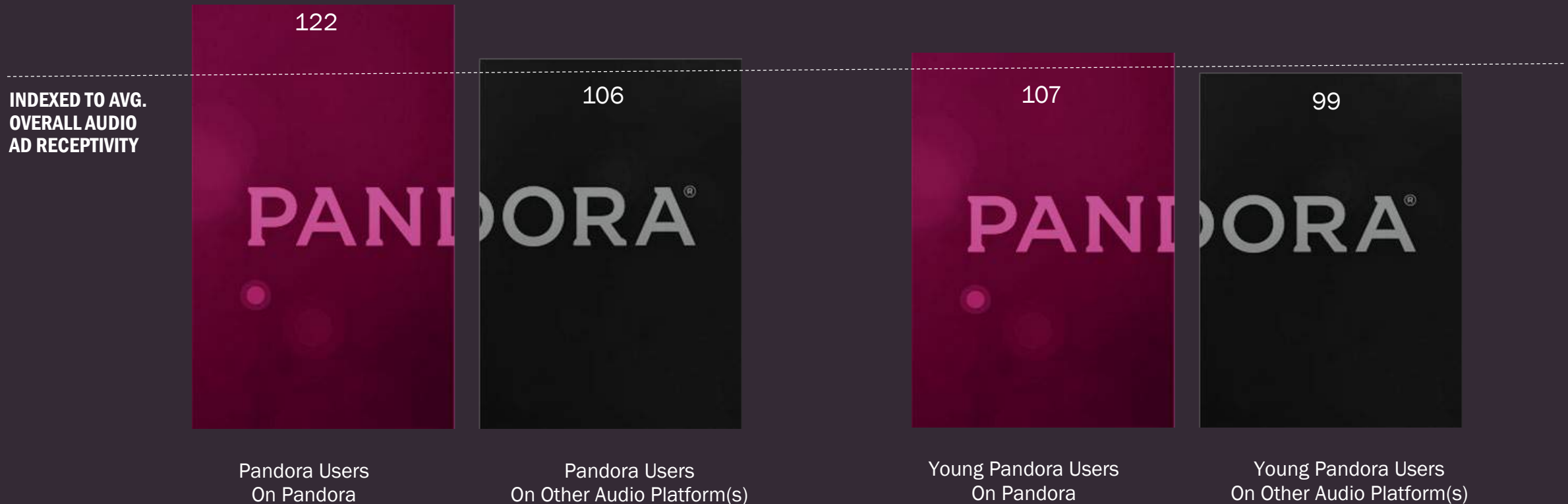
Young Pandora Users On Any Audio Platform

Young Non-Pandora Users On Any Audio Platform

# THEY'RE EVEN MORE RECEPTIVE WHILE ON PANDORA

INDEXED AD RECEPTIVITY TO DIGITAL AUDIO BY PANDORA USERS ON AND NOT ON PANDORA

INDEXED AD RECEPTIVITY TO DIGITAL AUDIO BY PANDORA USERS ON AND NOT ON PANDORA AMONG GEN Z/MILLENNIALS



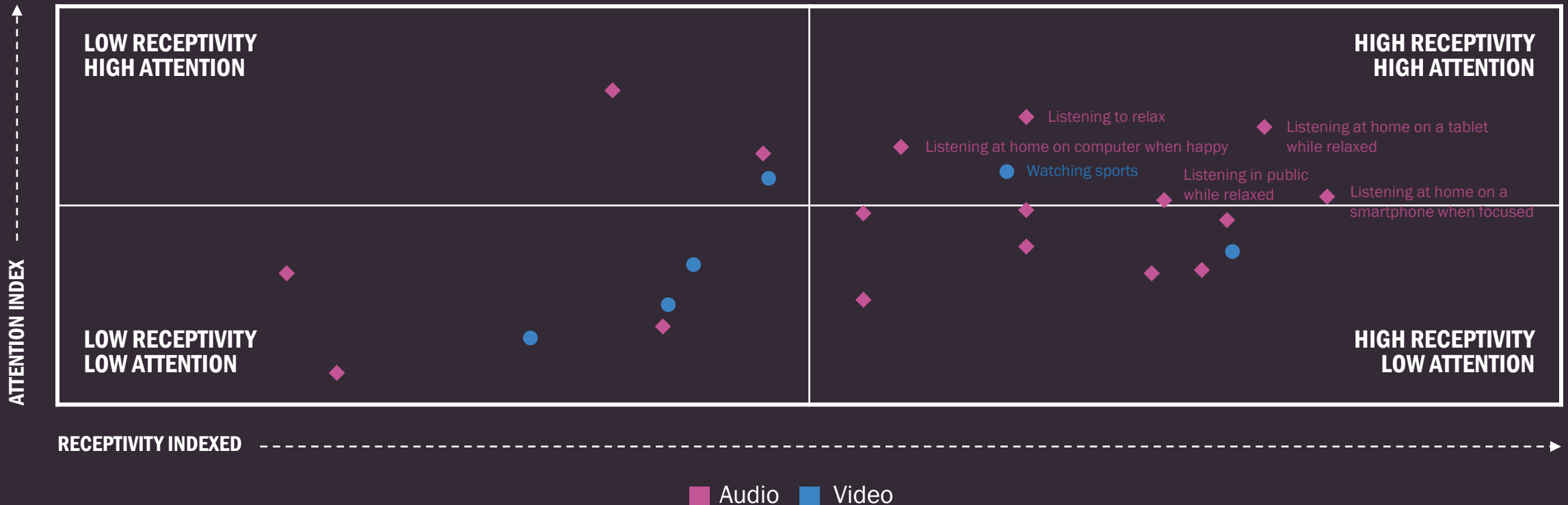


# *THE WRAP UP*

# INFINITE MOMENTS EXIST, BUT HIGH RECEPTIVITY AND ATTENTION ARE KEY

- Advertisers shouldn't simply hope for the best. They should be purposeful with their targeting
- For example, audio listeners are highly receptive and attentive when listening to relax

## MOMENTS FOR AUDIO + VIDEO BY INDEXED ATTENTION AND RECEPTIVITY



# RECOMMENDATIONS

1

## **MEDIA TYPE IMPACTS RECEPTIVITY.**

Though consumers are reachable via digital audio and video throughout the day, ad receptivity varies widely across a variety of indicators, such as genre of content and device. Marketers should be mindful of when and where they are reaching audio listeners and video viewers.

2

## **MINDSET IS CRUCIAL.**

Mood, needs state, and situation, indicators that are often dependent on one another, have a strong impact on ad receptivity. Marketers should explore efficient ways of targeting these components of mindset with contextual targeting.

3

## **AD RECEPTIVITY IS COMPLEX, BUT TARGETABLE.**

While receptivity is influenced by many factors, marketers can learn and adapt targeting methods to optimize accordingly. Using data and AI to better target key indicators should be explored.

# ***ACTION ITEMS***

## **UNDERSTAND YOUR AUDIENCE**

- Define your target audience and utilize enhanced targeting to improve audience delivery.

## **UNDERSTAND THE ENVIRONMENT**

- To resonate with your target market, use contextual targeting to better understand the environment they are in when consuming content. Indicators like content type, mood, and need state highly impact receptivity for consumers.

## **UNDERSTAND YOUR MESSAGE**

- Consider tactics such as dynamic ad creative to best tailor your engagements to your unique market.

## **UNDERSTAND AD DELIVERY & IMPRESSION LOAD**

- Determine when your target audience is most receptive and explore the most appropriate frequency during those moments.

## **CONSIDER VALUE-EXCHANGE BASED ADS**

- Though younger consumers are the least receptive age group, marketers can consider opt-in value exchange based ads to provide added value for these segments. Previous research has shown that value exchange based ads are especially effective among younger consumers and drive other key metrics for brands.



*THANK  
YOU*