

Is Programmatic Audio Ready to Take Off?

Music platforms are getting serious about their ad tech stacks

INTERVIEW | **MAY 2018**

Ross Benes



An interview with:

Eric Picard

Vice President, Product Management
Pandora

Separately, **digital audio advertising** and **programmatic advertising** are each growing rapidly. However, programmatic audio has been slow to catch on. Eric Picard, vice president of product management at Pandora, spoke with eMarketer's Ross Benes about how the streaming platform plans to expand its programmatic game.

eMarketer:

Pandora recently **bought the audio ad tech firm AdsWizz**, which is used to buy and sell ads not just on Pandora, but on other audio platforms like Spotify, SoundCloud and iHeartMedia. What's the incentive for letting AdsWizz to continue operating independently when it works with your competitors?

Eric Picard:

You could, I suppose, take that view, but I don't think that's really the case. The amount of growth we're going to see in this space is massive in the next few years.

If we roll out new ad products that are only going to work on Pandora, we're going to be stuck with those innovative new ad products being [relegated to] experimental budgets within the agencies. We need those experimental budgets to expand to standard budgets. We need to foster that growth.

If that means that there are other publishers that become huge and successful, fantastic. That's not a place where we're worried at all.

eMarketer:

Have there been any developments with your programmatic audio offering since it was announced?

Eric Picard:

We're almost through beta, so it's growing rapidly. We've got increases in advertisers joining the beta. We're within a few months, I think, of opening this up to all of our sales team.

eMarketer:

Ad spend on programmatic audio remains minuscule compared to spend on other types of ads sold programmatically. What's holding that back?

Eric Picard:

The biggest complaint we were hearing [from advertisers] was that there wasn't enough inventory. That it was fine if you were trying to do a national buy, but the minute you laid any amount of targeting onto it, the amount of available inventory was evaporating pretty quickly.

eMarketer:

Pandora's programmatic audio ads are only being **sold through private marketplaces**. Why aren't they sold through open exchanges?

Eric Picard:

The market has evolved pretty powerfully away from open exchange. Open exchange is really a mechanism for liquidity more than it is anything else. In digital audio, we sell out our inventory with our direct sales team fairly regularly. It's not a situation where we get a ton of remnant inventory that we're trying to liquidate.

There's very little reason for us to open up inventory on the open exchange in an unfettered way. Now that doesn't mean that we won't make use of that mechanism to test and to see what's available.

eMarketer:

Several publishers are **eliminating the silos** that exist between their direct and programmatic salespeople. How is your sales team structured?

Eric Picard:

All of our digital sales account leads include programmatic in their pitch, but we do have a programmatic specialist sales crew that works hand in hand [with advertisers] to make sure we're setting up deals in a way that meets their objectives.

Interview conducted on May 18, 2018