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# iHeart To Offer Real-Time Bidding For Its Broadcast Ad Inventory.

Sep 8, 2023



The biggest challenge at iHeartMedia isn't attracting new listeners, it's doing a better job monetizing the sprawling audience it already has. As part of ongoing efforts to sell advertising the way marketers want to transact, it now plans to bring real-time bidding to its 850 broadcast radio stations, top company management said Thursday.

"We're going to have the capabilities to do real-time bidding and programmatic on the broadcast side," President and COO Rich Bressler said during an appearance at the Goldman Sachs Communacopia + Technology Conference. "If you look at broadcasters in general, whether they're video or audio, I don't think anyone else is going to have those capabilities out there."

Real-time bidding is a subcategory of programmatic media buying in which ads are bought and sold in real time on a per-impression basis in an instant auction. Pittman and Bressler didn't offer specifics on how this would be accomplished other than to say the company is currently building out the technology as part of a multi-year effort to allow advertisers to buy iHeart inventory the way they buy digital media advertising. That involves data-infused buying and programmatic trading, along with ad targeting and campaign attribution.

Radio's largest group has also moved away from selling based on rating points to transacting on audience impressions, and migrated from traditional demographics to audiences or cohorts. It now offers advertisers 800 different prepopulated audience segments, ranging from auto intenders to moms that had a baby in the last six months.

Making impressions the currency advertising is bought and sold on is seen as a way to better monetize dayparts beyond the traditional radio primetime of Mon-Fri, 6am-7pm. "We sell impressions," Pittman told the investor crowd. "People aren't buying Elvis Duran on Z100 at 7:15 on Monday morning. They're [saying], give me this audience and give me X number of impressions. If they're listening at 3am, or they're listening at 8pm, or they're listening at 2pm, we can use that impression to fill in the holes." Advertisers buy iHeart's ad inventory "in pieces," Pittman explained, leaving "holes in between" that go unsold. "Digital-like buying for broadcast radio is the key to filling in those holes," he added.

Pittman said iHeart's top priority is to better monetize the audience it already has. "This is the only business I've been in where we've got all the users we need. We just need to monetize them better," he said.

## **Marching Toward Ad Recovery**

Commenting on the current ad market in a Q&A at the conference, Pittman said iHeart continues to see sequential improvement in ad revenue and it expects to see more of a recovery in the fourth quarter. "From a trendline perspective, we are seeing what I think everyone would call the recovery. And the question is, when is it fully recovered?" Later in the conversation, he added, "Most every discussion we're having is about a sort of recovered economy from the standpoint of the advertiser."

He also contrasted the 2023 ad downturn with the steep, pandemic-stoked downturn of 2020. "When the [2020] downturn came, we lost about 50% of our broadcast radio revenue immediately. This time, in this downturn it's down only seven or eight percent," Pittman said. When the ad market recovers, the expectation is that iHeart's Multiplatform Group, home to its broadcast radio stations and networks, will return to growth mode, although not at as high a growth rate as its Digital Audio Group.

A recurring point Pittman hammered home at the investor conference is this: Unlike the television business, which is transitioning from linear to on-demand viewing, radio is not going through a period of transition. "We're not a business that's going through a transition; we're a business that's adding new pieces to our existing business," he said, pointing to digital audio streaming, podcasting, social media and events. "And there has been no degradation in the reach of broadcast radio. The degradation has been in a lot of other media, but not radio. And the reason is because what we do is fundamentally more important than it's ever been: we keep people company."