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Inside Story: Why IHeartMedia Is Buying Jelli.

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Ad tech firm Jelli was already providing the backbone that enabled iHeartMedia advertising to be bought programmatically. Yesterday the broadcaster announced it will outright buy the Silicon Valley firm. The goal is to meet growing advertiser demand for all things audio with a tech platform that can sell broadcast radio, and its digital audio extensions, in the same way Facebook, Google and other big digital players do.



Brian Kaminsky, president of iHeart's SmartAudio and Analytics Group, says they've only scratched the surface of how to marshal technology and data for marketers at a time when the use of smart speakers, streaming audio and podcasting is exploding and broadcast radio listening remains steady. "It's time that we expand the prospects of what we can do with that platform, using data to evaluate broadcast radio, to optimize the delivery and to measure its performance," he told **Inside Radio**.

One reason why it's going from partner to owner is Jelli's technology team and their understanding of how evolving digital ad technology and broadcast radio can work together. Jelli will remain intact as its own company under the iHeart umbrella, led by president and CEO Mike Dougherty. Katz Media Group will continue to be, in essence, a customer of Jelli for Expressway from Katz, the programmatic ad exchange used by numerous radio groups, including Alpha Media, Beasley Media Group, Cumulus Media, Emmis, Entercom, Radio One and Townsquare Media. Ad agencies will continue to use Jelli's demand-side SpotPlan platform.

Financial terms of the purchase were not disclosed.

The deal, which makes Jelli iHeart's primary ad technology operation, is the latest example of audio companies scooping up ad tech firms. In May, Pandora closed on a \$145 million purchase of ad tech firm AdsWizz. In October, the E.W. Scripps Company said it will pay \$150 million to buy digital audio tech and measurement provider Triton. One year ago, Spotify bought MightyTV to focus on its marketing and advertising platforms.

The announcement came the same day that Zenith issued a new forecast that 83% of all money spent on advertising in digital media in the U.S. this year will be traded programmatically. It also arrives as advertisers increasingly want to use data to plan and buy their campaigns, to simplify the buying process and to get a better handle on the outcome of their media investments. At the same time, some industry leaders see an audio renaissance taking shape. "We're a medium that is in high demand right now, while digital is fraught with issues," such as concerns about consumer privacy and ad viewability, Kaminsky said. Meanwhile, billion-dollar advertisers, including Procter & Gamble, have publicly said they overinvested in digital, narrowing their ad focus in a way that was counterproductive. "Broadcast radio is the solution to a lot of those problems," Kaminsky added. By bringing radio more in line with how digital is bought and sold, the hope is to "bring back a lot of the dollars that have fled the industry."

The combination of iHeart's data with Jelli's tech stack will allow the broadcaster to air dynamic ad creative using real-time triggers. For example when there is inclement weather, a home improvement store's ad message can pivot to pitching indoor product purchases instead of fertilizer and mulch.

Already Jelli is able to supply reports showing the impressions a campaign delivered, while providing an audio clip of the spot that aired, along with the content that broadcast immediately before and afterward. With advertisers often having to wait 90 days for such reports, that's "an immediate improvement over where we are today as a broadcast radio industry," Kaminsky said. Looking ahead he envisions Jelli becoming a more holistic data warehouse where participating advertisers house campaign effectiveness data alongside impressions reporting. The goal is to have a real time system that allows advertisers to understand the audience they're buying, create a media plan to target them, get verification of the audience delivery and assess the impact. "That's what we need, something that makes traditional broadcast radio look, feel, taste and act like digital media," Kaminsky said. Bringing the resources of the two companies together will have "an additive effect that benefits the whole industry, not just iHeart."