

Podcast Listens May Be Down for Now, but Advertisers Can Still Find Opportunity

Veritone One's Stephen Smyk on what advertisers should focus on during the pandemic

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The pandemic has led to decreased daily commutes nationwide, which has affected podcast listens and downloads.

Podcast measurement company **Podtrac** has recorded mostly negative week-over-week download and unique audience growth since social distancing measures began. The declines were most severe in mid-March when major cities began shelter-in-place requirements and nonessential American workers began working from home. As of the week of April 27, however, weekly download and audience growth are slowly ticking back up.

But it's not all bad news: Podtrac found that for the shows it measures, year-to-date growth overall is still positive with major download growth in categories like news, comedy and business.

Stephen Smyk, senior vice president of podcasting and influencer marketing at agency Veritone One, spoke to us about the pandemic's impact on podcast advertising, where advertisers can find

opportunities during the crisis and how ads will look as more dollars are invested into programmatic.

How have decreased podcast listens affected industry?

Overall downloads have decreased since March 15, but not all shows have seen a dip. Many news, political and health podcasts are up in listenership and downloads. Additionally, many shows [have seen growth] from the beginning of the year, meaning the upward trend in podcast listening has been impacted, but not significantly overall.

We've seen decreases in downloads at commuting hours [and] increases at other times during, especially on weekends. It's the flattening of the podcast curve—some podcast hosts estimate that 60% of podcast downloads happen during commuting and only 20% is on weekends, and this is leveling out consumption fairly significantly.

How have advertisers responded to this dip in listening?

Financially, advertisers that have experience or have a knowledgeable agency working with them only pay for what they get, so if fewer consumers download the podcast, the show cost will be less. So there is little financial impact if listening is down.

We have seen every client reaction, from turning all advertising off to increasing spend significantly. Every advertiser will be impacted differently, so it's about being smart and flexible.

Clients' responses should be based on whether they have a product or service that will be impacted from the economic fallout on the horizon. If your product or service is affected—retail, an event, travel—that is far more impactful on how and where to alter your ad spending and strategy.

Listening habit changes will likely be short term, and if brands have protected themselves with their buying strategies, listening changes won't have a major impact. If they aren't protected by paying less for shows where delivery is impacted, they need to figure out why they weren't protected to begin with.

Are there any opportunities for advertisers, despite the current decline?

We've seen a huge influx of new health-related shows covering the pandemic, and it will be interesting to see if that holds up over time. We assume that much of the commuting podcast listening will resume as people head to their offices again, and some of the increased weekend listening may add to continued growth of podcast listening.

One thing we know from the Great Recession is that advertisers that stayed the course and continued supporting shows ended up with a ton of goodwill from hosts, including preferential pricing and positive callouts by hosts and shows for years. As the industry has grown, we don't expect that all shows will do this, but many of our clients have already received many positive callouts from podcasters for their continued support of shows.

Audio companies like Spotify are investing in programmatic businesses. How does that change things?

You'll end up with two types of ad units. If you would like a host-endorsed embedded ad read, you will buy it one way, and if you want to generate some awareness across the podcast universe and want to buy a 30-second scripted ad, you'll be able to buy those another way.

Spotify is making some significant commitments. But the challenge is, what can it sell those dynamic ads on? And how that changes over time—if it expands and tries to build an AdWords type of network where it sells inventory on many different shows—will be interesting.