

US Podcast Ad Spending to Surpass \$1 Billion Next Year

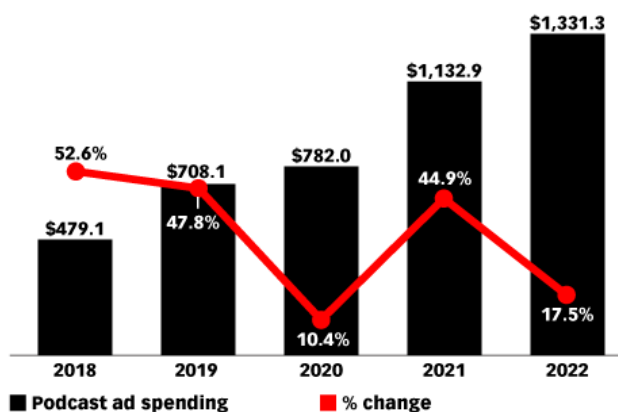
More than one in five digital radio ad dollars will go toward podcasts

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eMarketer Editors

Podcast listenership in the US has been soaring in recent years and advertising dollars are following. Podcast ad spending is a bright spot amid lackluster digital radio spending. According to eMarketer’s latest forecast, US podcast ad spending will surpass 20% of digital radio ad spending this year and cross the \$1 billion mark next year.

US Podcast Ad Spending, 2018-2022
millions and % change



Note: audio advertising within a podcast; includes all types of advertising on podcasts
Source: eMarketer, July 2020

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By the end of 2020, podcast ad spending in the US will reach \$782.0 million, up 10.4% from last year, giving it a 21.0% share of the US digital radio ad market. And in 2021, spending will jump nearly 45% to \$1.13 billion.

“Growth in podcast advertising spend will be more resilient this year relative to digital radio advertising as a whole, which will see double-digit declines,” said eMarketer forecasting director at Insider Intelligence Shelleen Shum. “The continued growth in podcast advertising is no surprise, as investments have made podcasts accessible to a wider audience. The news genre, a focus of many podcast advertisers, has performed well during the pandemic. While some ad campaigns were paused in H1 due to the uncertainty from COVID-19 lockdowns, we expect a rebound in Q3 and Q4.”

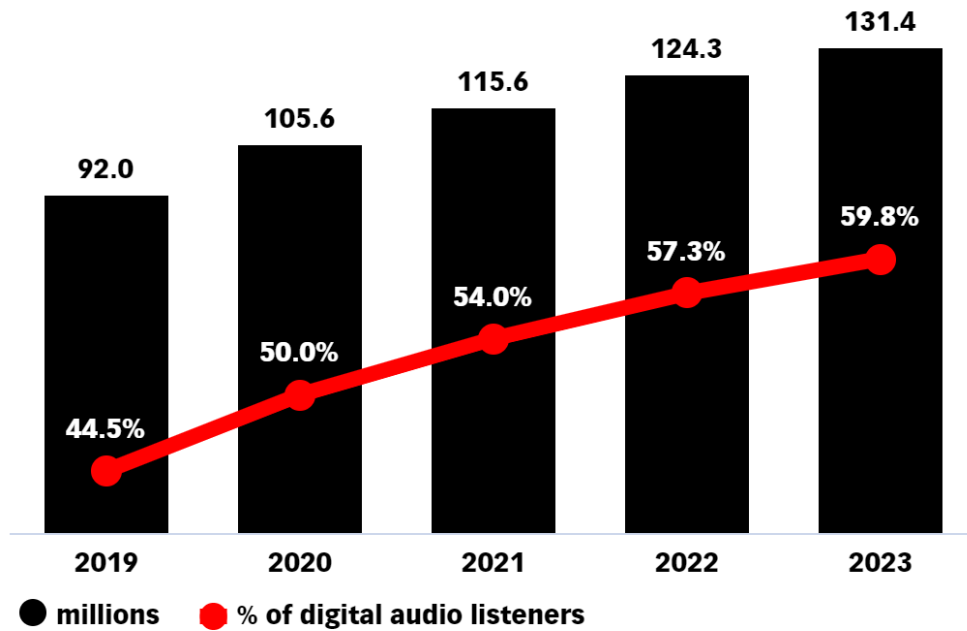
Only a very small percentage of podcast advertising is bought programmatically. This year, just 4.0% will be programmatic, with that figure increasing to 6.0% next year. eMarketer expects triple-digit growth to continue through 2021, as investments in audience measurement and the shift from untrackable baked-in ads toward dynamically inserted ones pave the way for programmatic buys. By 2022, 8.0% of podcast ads will be traded programmatically.

“One of the key challenges in podcast advertising is the lack of uniformity in measurement,” Shum said. “The IAB has released a set of guidelines to establish a common set of ad metrics for podcasts, which should bring some standardization to the industry and give advertisers more confidence.”

Strong listener growth has driven podcast advertising in recent years, as significant investments from major audio streaming services made podcast content more accessible. This year, 105.6 million people in the US will listen to podcasts, surpassing 100 million for the first time. That equates to half of US digital audio listeners.

Podcast Listeners

US, 2019-2023



Source: eMarketer, February 2020

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The mainstream success of several podcasts—“Serial” in late 2014, “S-Town” in 2017 and the rise of political podcasts like “The Daily” and “Pod Save America” after the 2016 presidential election—helped introduce the medium to a wider demographic.