


Making the case for investing in audio ads in 2024

Article



Though marketing budgets are under scrutiny in this tight economy, it might make sense to consider integrating audio advertising into your marketing mix. That's because listener growth is picking up for podcasts and audio formats overall. Audio ad formats also have unique features to help marketers.

Here are five reasons your marketing team should think about audio advertising.



1. There are more listeners than ever

We forecast that by 2024, digital audio will make up a fifth of all time spent with digital media in the US.

- Nearly 75% of US internet users will listen to digital audio this year, per our forecast.
- Digital audio will claim 2 hours, 20 minutes (2:20) per day from US listeners this year, which is more time than Netflix (1:02), Hulu (0:53), or YouTube video (0:48), according to our report.

“We see TV viewership declining and digital audio listenership growing. So that’s really a chance to test [placing ads] into both and see what you’re looking for,” said Michael Holmquist, director of media strategy and investment at Tinuiti, in a recent [webinar](#).

2. Podcast growth is steady

While the double-digit [growth phase for podcast listeners ended](#) in 2021, the channel is still gaining listeners faster than digital audio in general, according to our forecasts. In 2023, the number of US podcast listeners will grow by 4.6%, faster than the overall digital audio growth at 1.4%. The total US podcast audience is expected to surpass 150 million by 2027.

But that doesn’t mean there aren’t challenges.

- The podcast channel has the highest percentage of marketers that are slightly or not at all confident in its measurement capabilities, per a [Nielsen](#) report from April. It makes it more challenging for advertisers to gauge the impact of podcast content because it is downloaded.
- The transition from embedded or “baked-in” audio ads, which remain in a podcast episode forever, to dynamic ad insertion, where you can change ads in audio files on-demand for more personalized targeting, has been expensive and complicated to implement.

3. Audio platforms are sticky for users

Adult Spotify and Pandora users spend 51 and 49 minutes listening to audio daily, respectively. That’s more [time spent than on most social media platforms](#), according to our forecasts. TikTok, which leads time spent, averaged 53.8 minutes per day from its US adult users.

“Audio has massive reach and it’s just going to be continually growing as it has more and more users looking at it. And it’s also an opportunity to drive lower-funnel results, to fit into different cogs of your marketing funnel,” said Holmquist.

4. Audio ad formats have advantages

Streaming audio ads are notably unskippable, offer robust targeting features, and typically have a shorter lead time compared with other options.

- Podcast run-of-network (RON) ads are the only digital ad option that offers category exclusivity, said Holmquist.
- Host-read ads usually exist within the show’s script, and remain a permanent part of the episode. These are perceived as the most authentic, drive the most brand recall, and offer the most premium costs per thousand, or impressions, he said.

5. Audio works well in omnichannel strategies

Streaming audio and podcast RONS are the most efficiently priced, which will drive efficiency through the funnel, while a host-read ad can lead to the most responsiveness, but is the most expensive medium, according to Rachel Alaynick, senior manager of client strategy and analytics at Tinuiti.

- For the strongest marketing portfolio, an advertiser should consider running on a variety of mediums as a diverse media mix will have the strongest reach, said Alaynick.

Watch the full webinar.

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