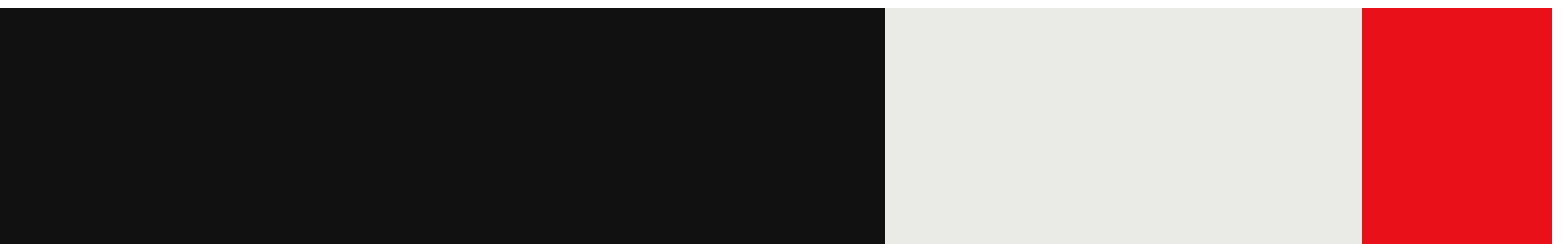


A look at ad placement and volume in short video and podcasts

Article

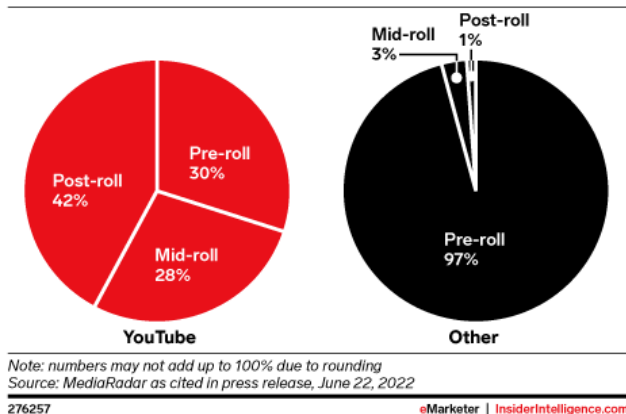


YouTube is toying with its ad strategy. The platform is beefing up [Shorts](#) by including ads; it [tested users' ad tolerance](#) by running as many as 10 unskippable ads before videos. The experiment has been a headache for users, but the central question isn't new: How many ads and ad breaks will users put up with?

My skips don't lie: YouTube said its test of multiple unskippable ads was aimed at reducing ad breaks, according to 9to5Google.

- Ad revenues are imperative to YouTube, passing \$8 billion this year and making up 16.6% of Google's total revenues.
- YouTube's ads function differently than other digital video platforms. For YouTube videos, ads are fairly evenly distributed across placements. Post-roll ads are most common (42%), followed by pre-roll (30%) and mid-roll (28%). That's not the case with other platforms, where 97% of ads tend to run pre-roll.
- YouTube's ads will see some changes as the platform doubles down on Shorts, its TikTok copycat. As ads pop up in Shorts, YouTube reportedly plans to pay creators 45% of ad dollars, according to The New York Times. That's similar to videos, for which creators are paid 55% of ad dollars.

Share of US Digital Video Advertising, by Ad Location, Q1 2022
% of total



Wherever you listen to podcast ads: YouTube and short video aren't the only places where ad volume and placement matter. Enter podcasts.

- This year, podcast ad spending will reach \$1.73 billion, and it'll nearly double to \$3.30 billion by 2026.
- Listeners are feeling that influx. As of 2021, nearly 3 in 5 heavy podcast listeners felt the total number of podcast ads had increased, according to Edison Research.

- Podcasts had more ads in Q2 2022 than in the same quarter the previous year, according to Podsights.
- To stand out, placement is key. Pre-roll ads had the [highest conversion rate](#) as of Q2 2022 (1.16%), with mid-roll close behind (1.10%), according to Podsights. Post-roll ads have the lowest conversion rate by far (0.83%), likely due to listeners dropping off.

Our analyst Ross Benes broke down these podcast ad-conomics:

- “Generally, in the middle of an episode, people are more engaged with whatever they are watching or listening to,” said Benes. “That draws more attention to the ads but also makes them more sought after, which drives their price up.”
- That’s not the only factor affecting prices, according to Benes: “Depending on how a given publisher or platform sets up their ad load, there may be a lot more pre-roll than the rest. That suppresses pre-roll price and could allow more brands to use or test it.”

More ads ≠ more money: An excess of ads can tamp down their value.

- More ads during an ad break can make each ad unit cheaper. That’s good news for advertisers, but it also has the potential to fatigue viewers and listeners. For videos and podcasts, platforms run the [risk](#) of emulating cable TV or radio.

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