

Podcasts: A Small but Significant Audience

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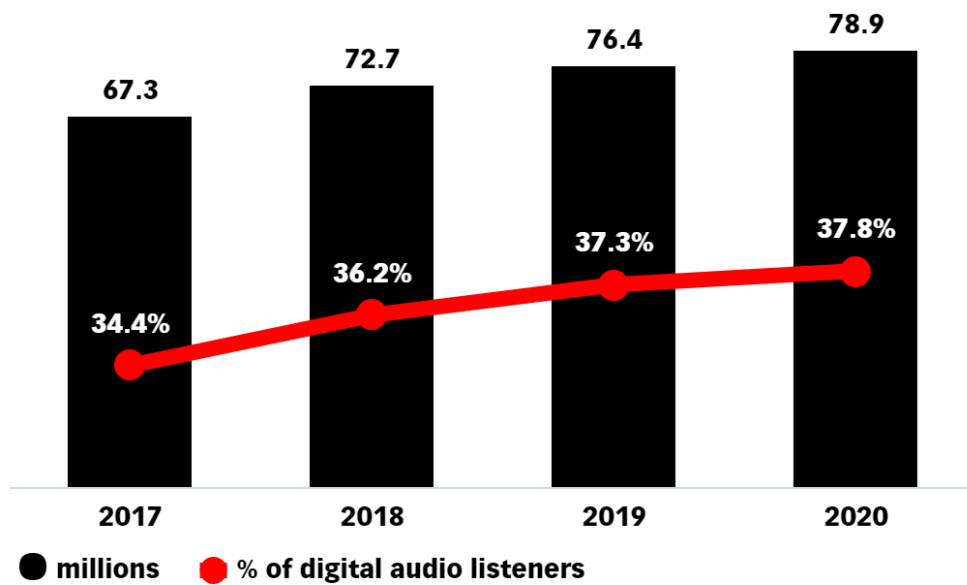
Blake Drosch

Podcasts still have a ways to go before catching up with traditional radio. As marketers try to reach the growing audience of digital audio listeners, podcasts stand out in a few key ways.

We estimate that 76.4 million people in the US will listen to podcasts this year, accounting for 37.3% of digital audio listeners.

Podcast Listeners

US, 2017-2020



Source: eMarketer, March 2019

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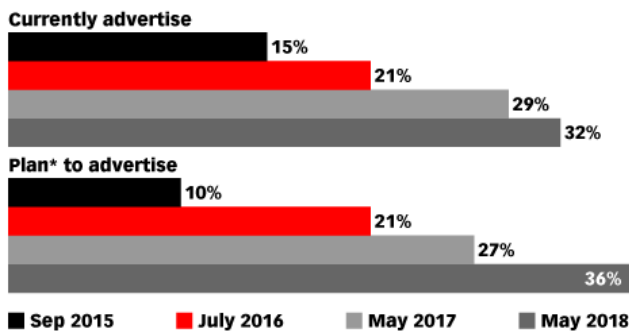
By comparison, that's less than one-third of traditional radio's audience, which is expected to reach 234.7 million US listeners this year, maintaining its 91.5% share of the adult population.

We forecast US ad spending on traditional radio will reach \$13.90 billion this year, though growth is in decline. While we do not currently forecast podcast ad spending, the Interactive Advertising Bureau (IAB) and PricewaterhouseCoopers (PwC) expect **US podcast ad revenues will grow 110%**, to \$659 million, by 2020.

And a growing number of US marketers and agency professionals have added podcasts to their budgets. In May 2018, 32% said they already advertise in podcasts, according to Advertiser Perceptions and audio media company Westwood One. Thirty-six percent had plans for podcast advertising in the next six months.

US Marketers/Agency Professionals Who Advertise in Podcasts, Now vs. in the Future*, Sep 2015-May 2018

% of respondents



Note: Sep 2015 n=310; July 2016 n=284; May 2017 n=316; May 2018 n=300; *"definitely will advertise" in the next 6 months
 Source: Advertiser Perceptions as cited in Westwood One, "2019 Audioscape Report," March 25, 2019

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Podcast Listeners Are Dedicated

A survey conducted in January 2019 by CivicScience found that 7% of US internet users ages 13 and older claimed to be daily podcast listeners, and 8% listened weekly.

While these numbers are still fairly low, additional third-party surveys have found that frequent listeners are highly engaged. Among US weekly podcast listeners, more than one-fifth reported listening to four or five podcasts within the past week, according to a February 2019 poll conducted by Edison Research and audio tech company Triton Digital. Close to one-third said they listened to six or more podcasts.

Number of Podcasts Listened to by US Weekly Podcast Listeners, Feb 2019

% of respondents



Note: ages 12+; in the past week
 Source: Edison Research and Triton Digital, "The Infinite Dial 2019," March 6, 2019

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Relevant Ads

Podcasts ads are generally low frequency, nonautomated and **contextually relevant**. While pre-roll and mid-roll ads exist, a good amount of spots are still read by the podcast hosts themselves. Per Nielsen's recent Podcast Ad Effectiveness benchmarks, 64% of listeners generally agree that ads are a good fit for podcast content. The Edison Research/Triton Digital survey also found that 54% of podcast listeners were either somewhat or much more likely to consider a brand after hearing it advertised on a podcast.

Marketers Can Reach the Subscription-Only Audience

Podcasts could also be a way for marketers to reach listeners on ad-free streaming platforms, which are becoming increasingly popular with digital audio listeners. Spotify and Pandora are the **two largest streaming services** in terms of audience, and both are **investing in podcasts**. Spotify, as of February of this year, **has roughly 26 million Premium subscribers** in the US who cannot be reached on the platform by advertisers. However, they will still hear third-party ads that are placed within podcast episodes. And according to Edison Research/Triton Digital, 43% of US podcast listeners use Spotify.