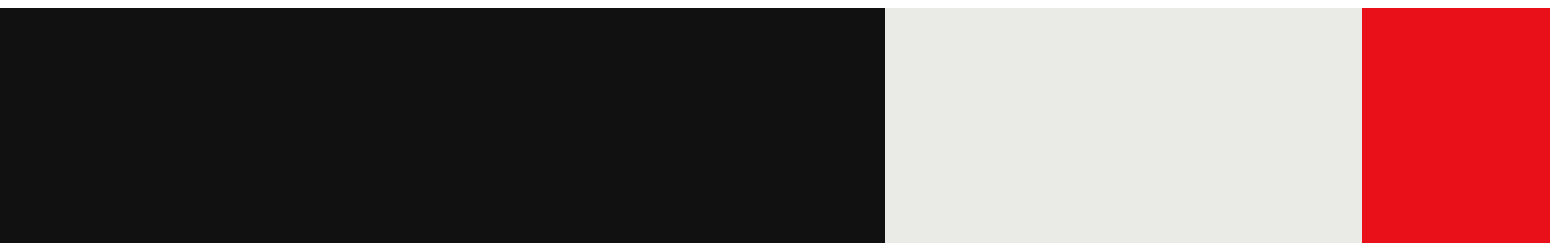



Digital audio services' ad businesses are showing signs of maturity

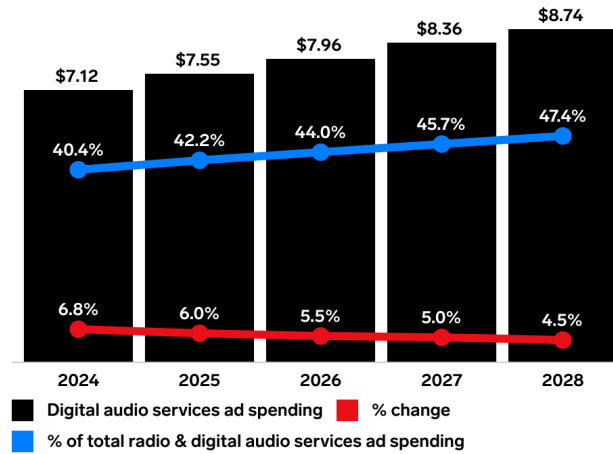
Article



After more than a decade of healthy, double-digit compound annual growth, ad spending on digital audio services slowed dramatically in 2023, downshifting the space into a new era. While 2024 represented something of a bounce-back year, we expect annual ad spending growth rates to decelerate in each of the next four years, eventually reaching 4.5% YoY in 2028.

Digital Audio Services Will Generate More Than \$8 Billion in Ad Revenues in 2027

billions in US digital audio services ad spending, % change, and % of total radio & digital audio services ad spending, 2024-2028



Note: includes digital advertising revenues for local and national broadcast radio stations, satellite radio services, purely online radio stations, and streaming music services such as Pandora and Spotify; includes podcast advertising and sponsorship; includes both audio and nonaudio ad formats
Source: EMARKETER Forecast, Nov 2024

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Structural impediments are limiting digital audio's ad spending growth

Digital audio ad sellers must fight an unusually steep uphill battle to grow their businesses. In addition to concerns over audio's creative limitations relative to other digital formats, many of the format's largest services were launched as ad-free, subscription-focused products.

Most of the largest services—now well over a decade old—have run out of easy user growth opportunities. For example, Spotify's base of US listeners will have compound annual growth rate (CAGR) of just 1.9% from 2024 through 2028, per our forecast.

And those services continue to focus on converting their existing ad-supported users into paying subscribers. Today, the percentage of US Spotify users who are subscribers, rather than ad-supported listeners, continues to tick upward, however slowly: By 2028, 57.5% of Spotify's US listeners will be subscribers, up just 1 percentage point from 2024's figure.

Read the full report, [Audio Ad Spending 2024](#).

Report by Max Willens Jan 21, 2025

Audio Ad Spending 2024

