

Spotify loosens podcast exclusivity after slow listener growth

Article

The news: Spotify is beginning to loosen its hold on podcast exclusivity. The new “**Science Vs**” from **Gimlet Media**, the podcasting network Spotify acquired for \$200 million in 2019, will also be available across rival audio platforms like **Apple Podcasts** and **Google Podcasts**.

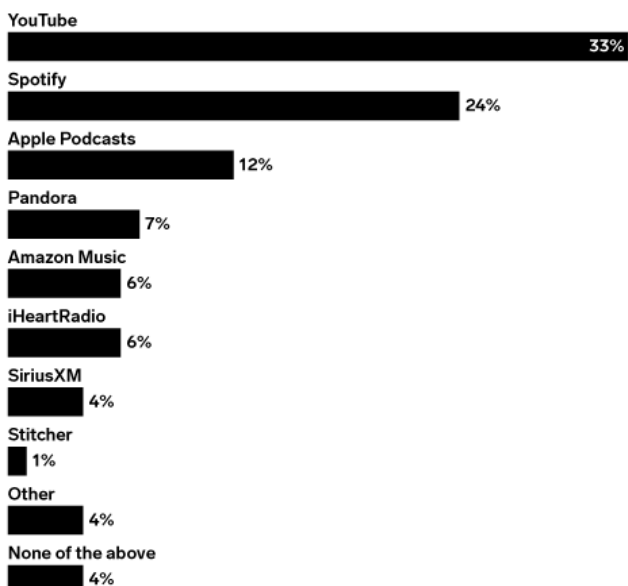
- In a statement to [The Verge](#), Spotify said the move is an attempt to increase the audience and ad sales potential of its shows, and distribution for future programming will be decided on a case-by-case basis.

Why this matters: In the last few years, Spotify went on an acquisition spree purchasing popular podcasts and networks and making its shows platform-exclusive in a bid to change podcast listening habits and become the defacto audio platform. But over time, it turned out that exclusivity was poisonous for growth.

- When Spotify laid off a hefty portion of Gimlet’s staff in October 2022 (including an alleged 30% of its union’s bargaining unit), the **Gimlet Union** revealed that going exclusive reduced the network’s listenership by a staggering **75%** for some shows.
- It’s long been rumored that exclusivity had a similar effect—or at least slowed listener growth—for some of Spotify’s most popular acquired shows like “**The Joe Rogan Experience**” and “**Call Her Daddy**.” But the effect is much worse for Gimlet, a network that relies less on major personalities and continues to produce new podcasts.
- Take [slower podcast listener growth](#) in key markets, [reduced spending](#) on podcast production, and a saturated market that makes it hard for a new show to find an audience, and it no longer makes sense for Spotify to lock shows behind its platform. By letting users across services have a taste, Spotify could end up with more adopters down the line.

Preferred Platform for Listening to Podcasts According to US Podcast Listeners, Oct 2022

% of respondents



Note: n=1,172 ages 18+ who listened to a podcast in the last month; numbers may not add up to 100% due to rounding

Source: Morning Consult, "National Tracking Poll #2210197," Jan 11, 2023

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Audiobook shakeup: Spotify has called podcasting a "\$20 billion opportunity," but the company's ambitions don't stop there. Its latest plunge has been into audiobooks, but only one year after the feature's launch, Spotify audiobook chief **Nir Zicherman** announced he will leave the company in the fall.

- Audiobooks first launched on Spotify in September 2022 in the US, but its early growth and revenue trajectory hasn't mirrored podcasting. For one, audiobooks on Spotify must be purchased, making them less accessible than podcasts and subject to **Apple's** hefty cut of in-app purchases. It's also a medium that's rather ad-averse—no one wants to hear an ad for mattresses in the middle of "Of Mice and Men."
- Zicherman's focused on expanding Spotify's audio super-app ambitions to audiobooks. He leaves at a time when Spotify's audiobook future is unclear. In the past, Zicherman has said Spotify is toying with several models, including ad-supported audiobooks or a separate subscription service with a broad catalog.

Our take: Spotify is one of the clear winners of its generation of digital services, maintaining strong user growth and resilient ad revenues. But with growth starting to taper off, we're

seeing the company experiment and break down self-made barriers that stand in the way of user acquisition.