

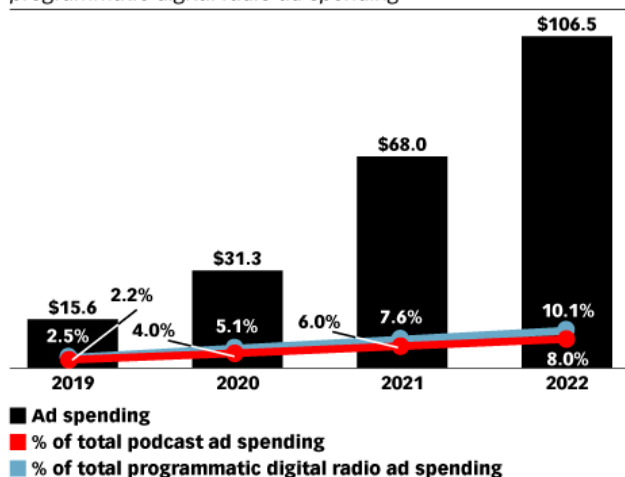
US Programmatic Podcast Ad Spending Will Double in 2020

ARTICLE | SEPTEMBER 23, 2020

Ross Benes

Programmatic podcast ad spending in the US, which we are forecasting this year for the first time, is growing at a fast rate from a small base. We define such ad spending to include podcast ads that are transacted and fulfilled via automation. Spend will double from last year to \$31.3 million and reach \$106.5 million by 2022.

US Programmatic Podcast Ad Spending, 2019-2022
 millions, % of total podcast ad spending and % of total programmatic digital radio ad spending



Note: podcast ads transacted and fulfilled via automation

Source: eMarketer, July 2020

256865

www.eMarketer.com

Just 4.0% of total US podcast ad spending will transact or be fulfilled programmatically, up from 2.2% last year. That figure will increase to 8.0% in 2022.

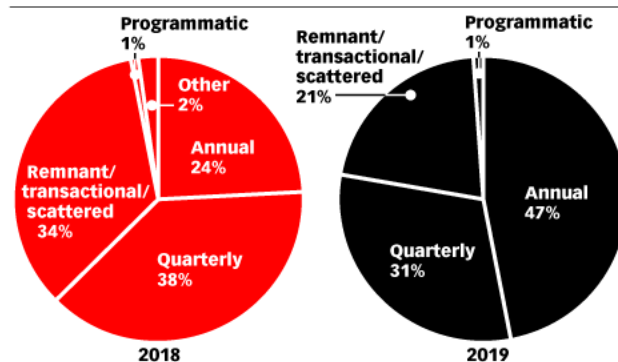
There are multiple reasons why programmatic has been slow going into podcasts:

- Some podcast publishers haven't adopted the necessary ad tech to facilitate these transactions.
- Apple, which controls one of the most popular platforms for podcasts, has been reluctant to share listener-level data with advertisers, making targeting and measurement more difficult.
- Brand awareness, which is influenced more by overall reach than hypertargeting specific segments, has become a more common podcast campaign goal.
- Some podcasters fear that programmatic could reduce their ad prices and ruin the user experience, so they turn to embedded host-read ads instead.
- Some ad buyers prefer embedded host-read ads because they find them to be more effective.

Nearly half (47%) of US podcast advertising was purchased on an annual rate in 2019, and 31% was purchased quarterly, according to the Interactive Advertising Bureau (IAB). Some 21% was bought on a scatter basis. And only 1% was purchased programmatically.

US Podcast Ad Revenue Share, by Buy Type, 2018 & 2019

% of total



Note: self-reported advertising revenues represent the companies surveyed, less than 100% of the total podcast advertising market; numbers may not add up to 100% due to rounding

Source: Interactive Advertising Bureau (IAB) and PricewaterhouseCoopers (PwC), "US Podcast Advertising Revenue Study: FY 2019 & 2020 COVID-19 Impact," July 13, 2020

256805

www.eMarketer.com

When so much inventory is purchased well before a campaign runs, it restricts programmatic's role.

For more of our inaugural forecast on podcast ad spending and listenership, eMarketer PRO subscribers can read our recent report:

Report by Ross Benes Sep 09, 2020

US Digital Audio Ad Spending 2020

**US DIGITAL
AUDIO AD
SPENDING 2020**

Examining Radio, Streaming
Audio, and Podcast Advertising
Opportunities amid the Pandemic

SEPTEMBER 2020
ROSS BENES
CONSULTANT, PAID MEDIA, NORTH PARTNERS, CHARTER HILLTOPS, STRATTON OAKS

eMarketer