

Podcasting Is a Bright Spot amid Declining Digital Radio Spending

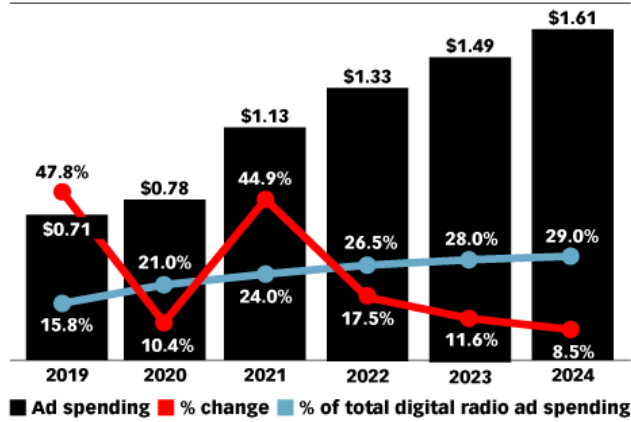
ARTICLE | AUGUST 27, 2020

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Digital radio spending has declined during the pandemic, which is in line with reduced advertiser demand. We do, however, expect growth to rebound by 26.8% next year.

But podcast advertising remains a bright spot of growth within digital radio. Spending on all types of podcast ads, including host-read sponsorships, will rise by 10.4% this year to more than \$780 million. Next year, podcast ad spending will surpass \$1 billion in the US for the first time as growth rebounds to 44.9%. That will boost podcast advertising to almost one-quarter of the digital radio ad market.

US Podcast Ad Spending, 2019-2024
billions, % change and % of total digital radio ad spending



Note: audio advertising within a podcast; includes all types of advertising on podcasts

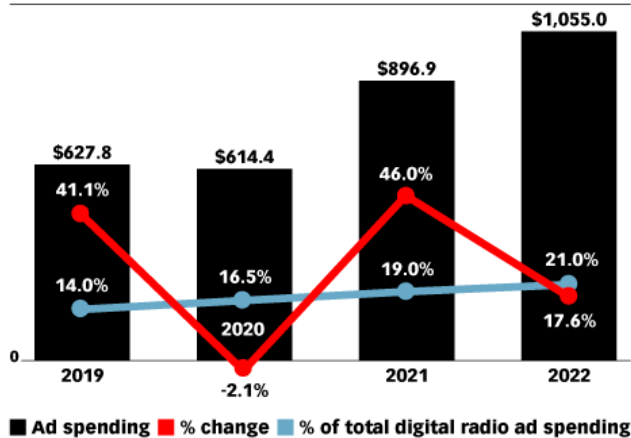
Source: eMarketer, July 2020

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www.eMarketer.com

Only a small share of digital radio advertising is traded programmatically, but that share will increase to 16.5% this year. By 2022, more than \$1 billion worth of digital radio ads will be traded through automated means.

US Programmatic Digital Radio Ad Spending, 2019-2022
millions, % change and % of total digital radio ad spending



Note: digital radio ads transacted and fulfilled via automation

Source: eMarketer, July 2020

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And within podcast advertising specifically, the slice of spending that flows through programmatic pipes is tiny—just 4.0% this year. Podcasts still tend to be downloaded rather than streamed, and most

ads are still baked into conversation rather than dynamically inserted. But that's starting to change, and companies like Spotify are working to bring scale and reach to targeted, automated podcast ad buys.

To learn more about how the pandemic is impacting digital display advertising, eMarketer PRO subscribers can read our recent report:

Report by Nicole Perrin Aug 12, 2020

US Digital Display Advertising 2020

US DIGITAL DISPLAY ADVERTISING 2020

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