

What Retailers Need to Know About Digital Audio Advertising

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eMarketer Editors

Whether it's podcasts or streaming radio and music, the US population is spending more of its time with digital audio. Here are three things retailers should know:

More Consumers Are Tuning In ... and Adoption Is Accelerating

More than three-quarters of US internet users will listen to digital audio formats like podcasts and streaming music at least once a month this year, according to our April 2019 forecast. Podcast listeners account for a much smaller portion of the US internet population (26.9%), but this audience is growing the fastest. And this year, more than three in 10 digital audio listeners will access that content via a smart speaker.

How Many US Consumers Listen to Various Forms of Audio?

2017-2021

	2017	2018	2019	2020	2021
Radio*	230.4	232.6	234.7	236.7	238.7
—% change	0.9%	0.9%	0.9%	0.9%	0.9%
—% of population	91.5%	91.5%	91.5%	91.5%	91.5%
Digital audio**	195.6	200.9	204.8	208.7	211.3
—% change	3.3%	2.7%	1.9%	1.9%	1.3%
—% of population	60.1%	61.3%	62.0%	62.7%	63.1%
—% of internet users	76.1%	76.7%	77.0%	77.4%	77.4%
Podcasts***	67.3	72.7	76.4	78.9	81.2
—% change	11.4%	8.1%	5.0%	3.3%	3.0%
—% of population	20.7%	22.2%	23.1%	23.7%	24.3%
—% of internet users	24.5%	26.0%	26.9%	27.4%	27.9%

Note: *ages 18+ who listen to radio at least once per month; includes terrestrial AM/FM radio and satellite radio; excludes digital; **internet users of any age who listen to music or other audio content (i.e., podcasts) via live-streaming on any device or via direct download on mobile devices at least once per month; ***internet users of any age who listen to a podcast via direct download or live stream on any device at least once per month

Source: eMarketer, April 2019

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“Digital audio is a diverse category that spans multiple content types consumed on multiple devices and platforms,” said Lauren Fisher, principal analyst at eMarketer and author of our latest report: ["Digital Audio Advertising: Exploring Opportunities in Streaming Audio, Podcasts and Smart Speakers."](#) “Desktops and laptops have historically been favored for accessing digital audio content, but mobile is climbing as desktop/laptop listening shrinks. By 2021, 66.6% of US digital audio listeners will access content via a mobile device, compared with 68.8% via desktop or laptop.”

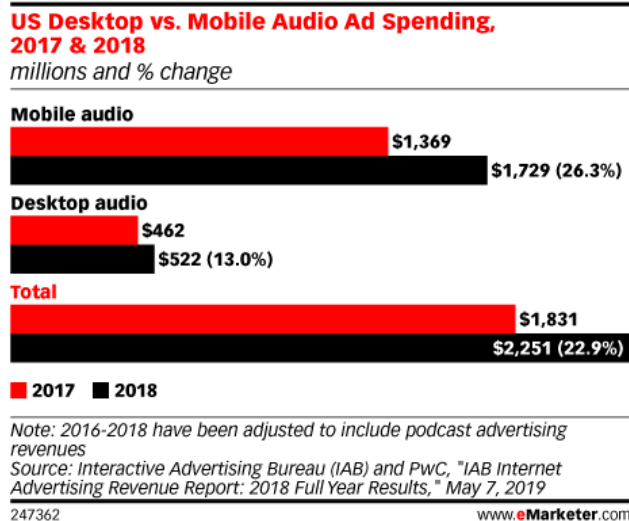
There’s an (Audio) App for That

Of the nearly 3 hours per day the average US adult spends on mobile app activities this year, audio accounts for the greatest portion: 53 minutes. Over the next 24 months, adults will increase that portion of time by 4 minutes, an increase on par with video.

“Podcasts are one of the fastest-growing audio formats, and they’re also largely accessed via audio apps on smartphones and other mobile devices,” Fisher said. According to a February 2019 poll conducted by Edison Research and Triton Digital, 65% of US podcast listeners said the primary devices used to listen were mobile or portable devices. In contrast, just a quarter chose desktop/laptop, and 10% chose a smart speaker.

As Listening Activity Heats Up, So Does Advertiser Investment

The Interactive Advertising Bureau (IAB) and PwC estimated US audio ad spending totaled \$2.25 billion last year. While this accounted for just 2% of all US digital ad spending forecast by the two firms, spending was up 22.9% from 2017 (\$1.83 billion). Mobile accounted for more than three-quarters of all audio ad dollars.



"It's a medium that weaves a brand into not only places that you can't reach with screen time, but also increasingly audiences that are moving away from screen time," said Zuzanna Gierlinska, head of automation for EMEA at music streaming service Spotify.

In fact, many interviewed for this report emphasized the importance of digital audio audiences gaining critical mass—an absolute must for attracting significant ad dollars. But they also highlighted the uniqueness of digital audio as an attractor: the ability to reach consumers in an active and engaged mindset with an advertising format that requires no visuals and limited competition for share of voice at the moment of impact.

For more information about of the digital audio advertising space, eMarketer PRO subscribers can read our latest report:

Report by Lauren Fisher Jul 30, 2019

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