

# Podcast Upfront Spotlights Fast-Emerging Advertising Market

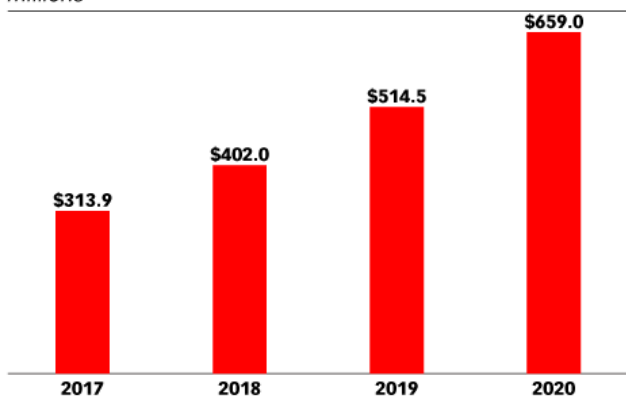
Article



**P**odcasting is one of the fastest-growing advertising media, with the Interactive Advertising Bureau (IAB) and PwC projecting the US market will more than double ad spending from 2017 to 2020 to reach \$659 million. Yet podcast advertising represents just a tiny fraction of the US radio (\$14 billion) and TV (\$70 billion) advertising markets, according to 2018 eMarketer estimates.

### US Podcast Ad Revenues, 2017-2020

millions



Note: estimates based on total market sizing, not self-reported revenues; market sizing represents an estimate of total US total podcast advertising market

Source: Interactive Advertising Bureau (IAB) and PwC, "Full Year 2017 Podcast Ad Revenue Study: An Analysis of the US Podcast Advertising Industry," June 11, 2018

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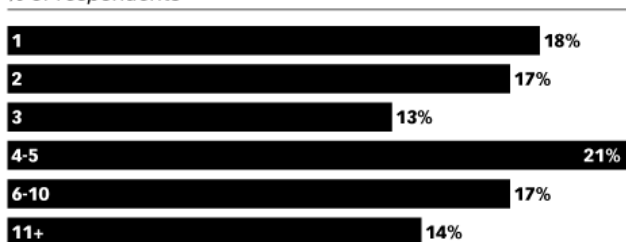
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The fourth annual Podcast Upfront, hosted by the IAB this week on September 6 in New York, aims to bring together podcast publishers and advertisers for a one-day event to highlight programming and secure advertising commitments for the upcoming year.

Optimism abounds over the future of this emerging medium. We forecast that 73.0 million listeners—more than one-fifth of the US population—will tune into podcasts at least monthly in 2018. More significantly, most of the podcasting audience is highly engaged. Recent research conducted by Edison Research and Triton Digital found that 52% of the podcasting audience in the US listens to at least four podcasts a week.

### Number of Podcasts Listened to by US Weekly Podcast Listeners, Feb 2018

% of respondents



Note: ages 12+; in the past week

Source: Edison Research and Triton Digital, "The Infinite Dial 2018," March 8, 2018

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“Podcasting is a very ‘lean-in’ activity,” said Bryan Moffet, COO of National Public Media. “It’s not a passive medium like radio, for example, which can be on in the background. Podcasts are much more likely to be an intentional, foreground experience. Someone tunes in because they want to listen and want to absorb it.”

eMarketer's latest report, "[Podcasting Advertising 2018: The Power and Potential of Storytelling for Brands](#)," examines how this popular audio format is attracting listeners at a fast clip, but has not yet captured equivalent ad spending from big, mainstream brands.

And yet podcasting is proving to be an effective advertising medium for many brands. It reaches a desirable audience of affluent millennials and features host-read ads across much of the programming, offering a more organic advertising experience. Despite CPMs that can be near the top of the advertising industry, a bevy of direct-response advertisers have found that podcasts drive strong return on investment. Popular direct-to-consumer brands like Casper (mattresses) and Dollars Shave Club (razors), and web-based services like MailChimp (email marketing) and Squarespace (website building and hosting) have become household names through their aggressive push into podcast advertising.

The question now is whether podcasting can emerge as a mainstream ad medium that attracts Fortune 500 brands, which are typically more accustomed to advertising across mass media channels. While podcasting is gaining traction among this set, it remains a massively untapped opportunity. The 2018 Podcast Upfronts offers new hope that many of the current holdouts are ready to change their tune and dial-up their podcast ad spend.

Lex Friedman, chief business development officer of podcast advertising network Midroll Media, is excited for the event, which he believes is very good for the continued growth and development of the podcast advertising industry. But he acknowledged that “the biggest thing that will make the Upfronts get even better is getting more advertisers in the room.”

*In the latest episode of "Behind the Numbers," eMarketer analysts Jasmine Enberg and Andrew Lipsman talk about the characteristics of a podcast listener. Listen In.*

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