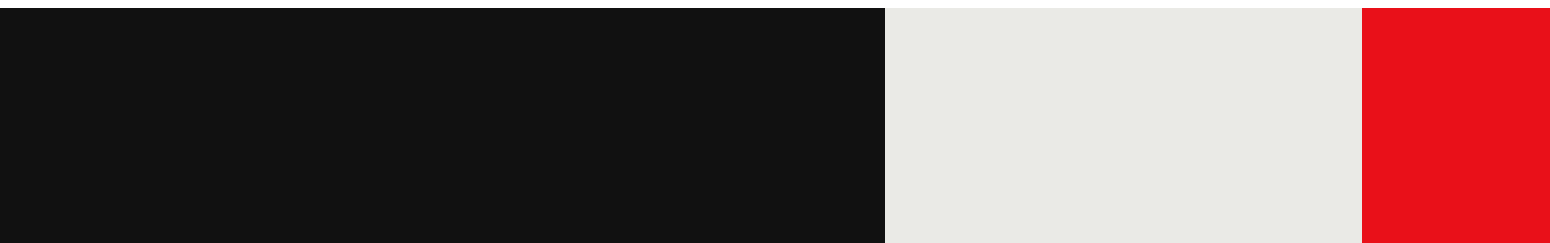


Digital audio market sees inflection as advertising grows in share

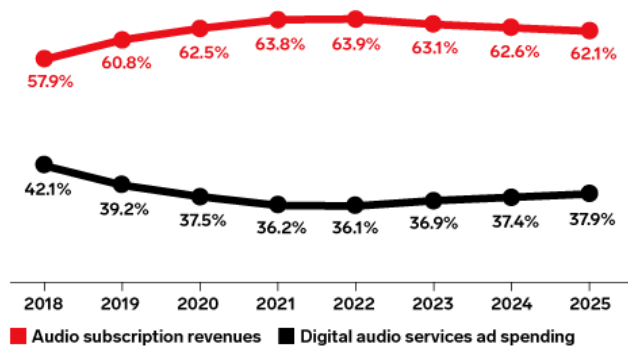
Article



The forecast: After several years of growth in share, US digital audio subscription revenues will peak at **63.9%** of total digital audio revenues in 2022. Subscription revenues will continue to grow after that, but will make up slightly less of the digital audio ad revenue pie as ad spending grows in share.

US Digital Audio Subscription Revenues vs. Digital Audio Services Ad Spending, 2018-2025

% of total digital audio revenues



Note: digital audio subscription revenues include revenues from paid audio subscriptions and limited tier paid audio subscriptions; digital audio services ad spending includes digital advertising revenues for local and national broadcast radio stations, satellite radio services, purely online radio stations, and streaming music services such as Spotify and Pandora; includes podcast advertising and sponsorship; includes both audio and nonaudio ad formats
Source: eMarketer, Nov 2021

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eMarketer | InsiderIntelligence.com

Dive deeper:

- As subscription revenue increased between 2018 and 2021 as a share of total audio revenues, digital ad spending waned. Advertising will fall to **36.1%** of total audio revenues in 2022, but rebound to **37.9%** in 2025.
- While total US audio subscription revenues will remain relatively stable, the category remains competitive. Currently **Spotify** has the largest share of subscription revenues as **Apple**, **Amazon**, and **Google** all continue to build out their audio businesses.
- The number of paid audio subscribers has been increasing in the US. That figure will reach **121.9 million** by year-end 2021, for an **11.2%** increase over 2020. We expect future growth in this area to be modest, as penetration for audio subscribers settles at a saturation point.

Looking ahead: While digital audio subscription revenues remain stable as a percentage of total digital audio revenues, these revenues are increasing overall. Digital audio subscription revenue per paid subscriber will increase in future years, as subscribers come off promotional pricing deals and companies potentially increase subscription prices.