

# authentic

## Is Podcasting Ready for Your Brand?

State of Podcasting: 2016

A white paper from Authentic, A Podtrac Company

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Last update: May, 2016

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## Introduction

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**How big is podcasting?**

**Is it worth your time?**

**If so, where do you even begin to think about advertising in podcasts?**

**Today there are over 350,000 podcasts registered with Apple's iTunes, and 21% of Americans listen to a podcast in any given month.**

**Could 2016 be the right time for your brand to take advantage of podcast advertising?**

**State of Podcasting 2016 from Authentic, a Podtrac Company, uses the latest data and over 10 years of experience in podcast advertising to answer these questions and provide best practices for advertising in podcasts.**

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# 1 - State of Podcasting

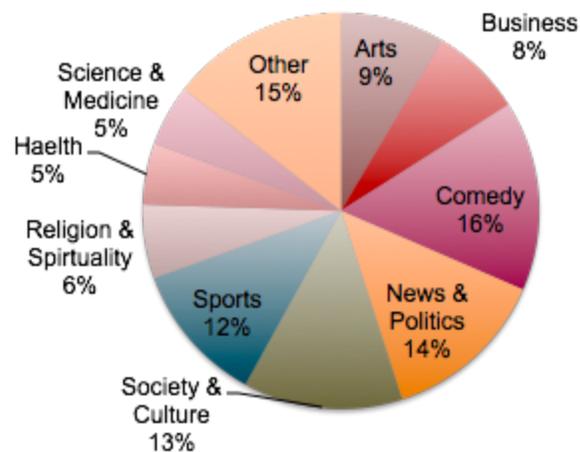
## *What are Podcasts?*

Podcasts are episodic audio talk shows available in digital format. Podcasts first became widely available in 2004, and today there are more than 350,000 podcasts registered with Apple, the largest source of podcast listening.

Within the top 200 most popular podcasts:

- 60% are podcast originals. Serial is the most popular podcast created specifically for podcasting.
- 40% are radio shows re-purposed for podcast distribution. This American Life is the most popular podcast created first as a radio show.
- Most shows are posted weekly
- The average length of a podcast episode is 32 minutes.

### *Podcasts by Genre in iTunes Top 200*



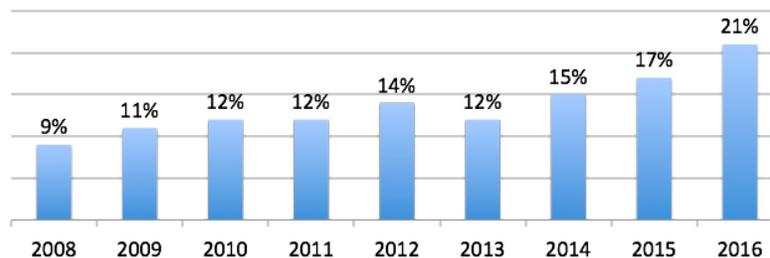
*Top podcasts are fairly evenly distributed by genre.  
Comedy, New & Politics, and Society & Culture top the list.*

A technical definition of a podcast is audio files posted to a RSS Feed. A RSS Feed consists of a html page listing information about a podcast, and descriptions and links to each episode of the podcast. Podcast publishers register the url of the RSS Feed of their podcast with iTunes and other podcast apps so users can find and listen to the shows they produce.

### *Who Listens to Podcasts?*

In the early days of podcasting, the audience was limited to techie types -- primarily males in higher income brackets. As the content available has become more diverse, so has the audience. Today 57 million Americans 12+ (21% of the population) listen to podcasts on a monthly basis. That is up from 17% in 2015. While 35 million Americans (13%) listen to podcasts weekly-- up from 10% in 2015. \*

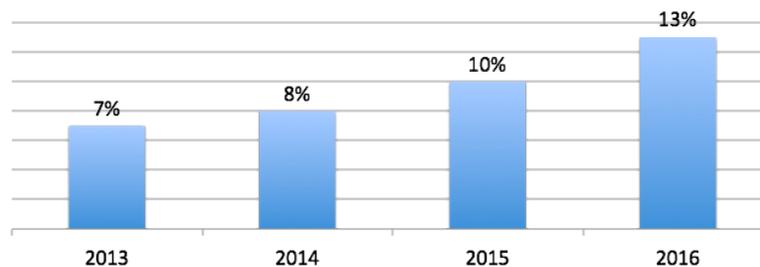
#### *Monthly Podcast Listening*



*% listening to a podcast last month*  
*US population 12+*

Source: Edison Research

#### *Weekly Podcast Listening*



*% listening to a podcast last week*  
*US population 12+*

Source: Edison Research

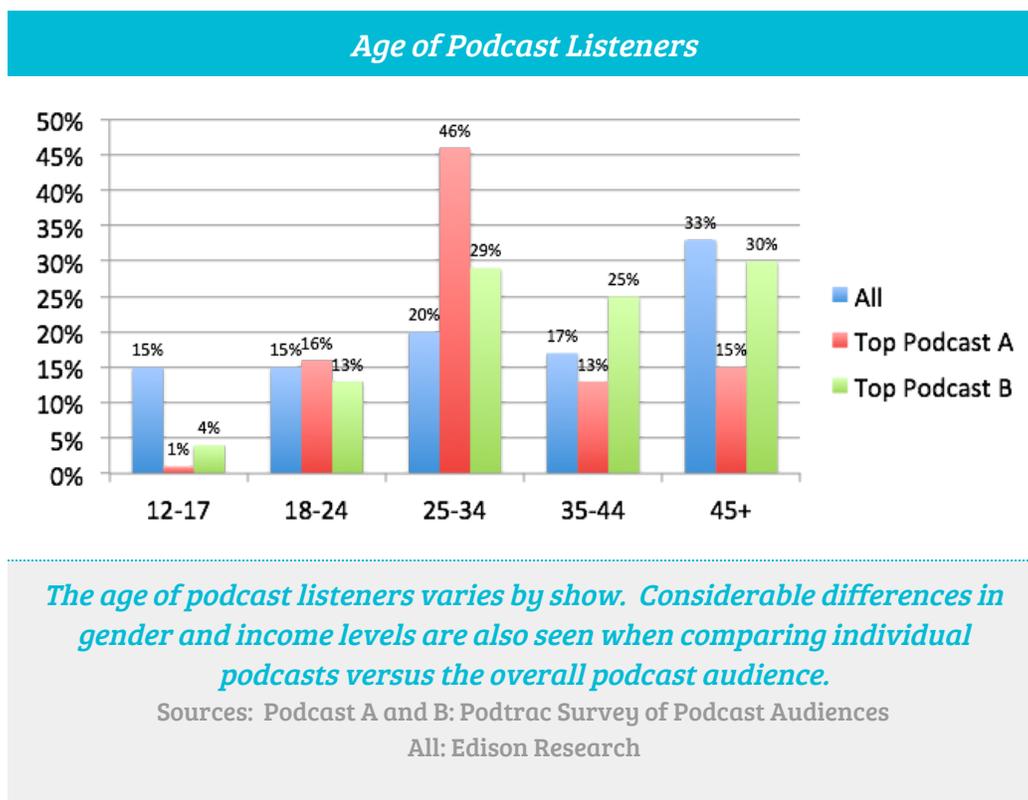
Among weekly podcast listeners, 64% listen to three or more podcasts a week, for an average of five podcasts a week.

Overall the podcast audience is:

- Gender neutral - 50% male, 50% female
- Relatively affluent - 36% of podcast listeners have incomes \$75,000+ (vs 25% of US population)
- Not highly educated - 5% of podcast listeners have college degrees vs 17% of US population
- Older - 33% of listeners are 45+

\*\* Source: Edison research: 2015

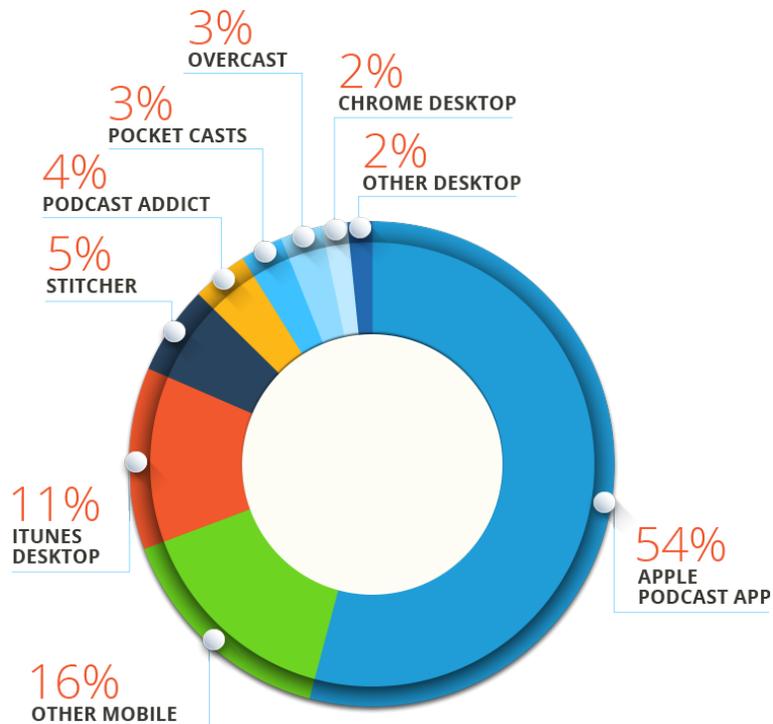
Yet, due to the diversity in podcast content, the audiences of individual podcasts vary widely. For example, while the overall podcast audience tends to be older with 33% of listeners falling in the 45+ category, Podcast A in the chart below has a very young audience (63% under 35), while Podcast B has a much older audience (55% over 35).



## How do People Listen to Podcasts?

By far the majority (65%) of podcast listening happens on an Apple platform - either iTunes on the Desktop (11%) or via the Apple Podcast app (54%). And podcast listeners are listening on the go, with 85% of listens happening on a mobile device.

### Top Podcast Listening Methods



*March 2016: 218 million unique downloads measured and analyzed  
85% mobile; 15% desktop; 65% Apple Sources*

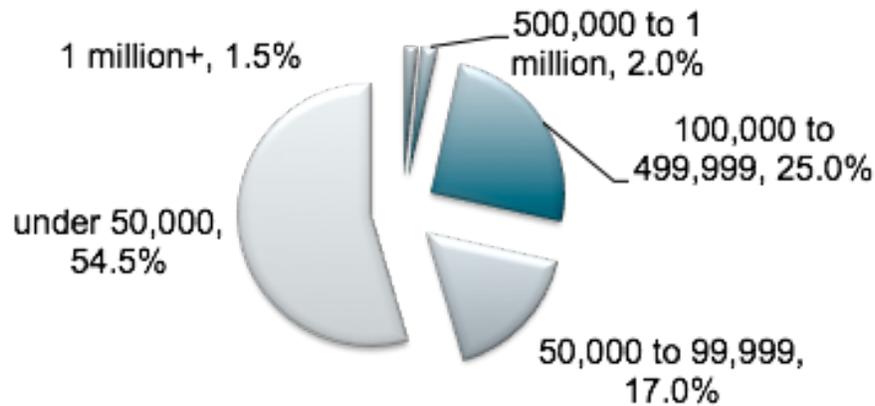
Source: Podtrac Analytics

## How Big Are Podcast Audiences?

With over 350,000 podcasts available today, the majority of them have an average audience size of less than 5,000 listeners. On the other hand, the largest podcast has an audience of more than 10 million.

If we look at the Top 200 podcasts, here's a breakdown by audience size.

### Average Downloads per Episode for Top 200 Podcasts



*Half of top podcasts have an audience size less than 50,000 global listeners per episode. The top 3% have an audience of 500,000+.*

Source: Podtrac

Beyond just looking at the number of downloads of individual podcast episodes, looking at the total audience for a publisher can be helpful in understanding podcast audiences.



The Podtrac Podcast Industry Ranking of the top 10 podcast publishers is based on unique monthly audience. This gives an accurate measure of the publisher's U.S. and global podcast audience reach, in other words, how many listeners a publisher has across all its shows. Podtrac uses the Monthly US Audience metric to rank podcast publishers each month.

According to a recent Podtrac Ranking, the top 10 podcast publishers have US unique monthly audiences of between 1 and 7 million. You can access the latest Podcast Industry Ranking Reports at [Podtrac.com](http://Podtrac.com)



For more information on podcast metrics and what numbers to look for to support advertising plans, download the Authentic white paper [What Every Advertiser Needs to Know About Podcast Metrics](#).

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## 2 - The State of Podcast Advertising

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### *What Ad Formats are Available?*

Ads in podcasts originated in 2005 as messages delivered by show hosts as they recorded their episodes. This format continues today among others. Ad formats are generally defined by the producers of each show whose objectives are to maximize:

- the podcast listening experience for audience members,
- ad effectiveness for brands, and
- revenue for their shows.

Let's review the formats that perform for advertisers the best based on Authentic/Podtrac's 10 year's of podcast ad experience.

#### Ad type and voice

Most ad messages (90%) are delivered in the tone and manner of each show, usually by the podcast host or producer. This maintains the audience-host-show content connection during the ad segments and is one of the reasons podcast ads can be so effective.

#### *Host-Delivered Ads*

Host delivered ads are usually based on talking points vs. scripts which enables hosts to customize certified language in their own authentic voice. There are two types of host-read ads:

- **Personal experience/endorsement messages** - this ad includes personal positive comments about the host's first-hand experience with a product or service. For this

ad format, hosts will try the product or service before delivering the ad to ensure their ad messaging comments and tone are authentic. In many cases, this is an endorsement ad.

- **Ad read with no personal experience/endorsement** - similar to endorsement ads but without a personal endorsement or personal experience messaging. In these cases the host may not have personal experience with the product or service being promoted. Because the show host is delivering the ad, the endorsement is implied vs. explicit. Some audience members may not distinguish between this format and the personal endorsement format.

### *Producer-Read Ads*

Producer-read ads are delivered by a voice talent affiliated with the show, which is usually a producer. In most cases the voice of the producer is similar to the tone of the show hosts, and because of the similarity in tone and delivery, an implicit endorsement assumption is often made by audience members. Producer-read ads are usually tightly scripted, and written in the second or third person. Producer-read ads is the format favored by public radio podcasts.

## Best Practices for Ad Placements

### *Ad length and position*

Most podcasts provide two ad positions per episode per advertiser. The first ad position is usually a :10 to :15 placement near the beginning of the episode, and the second ad position a :30 or longer placement within the episode usually between show content segments.

Podtrac research analyzing the effectiveness of each ad position has found:

- The :10 to :15 ad position near the beginning of the show has 2x the ad recall as the second :30 ad position.
- The :30 ad position during a segment break has 2x the interest/entertainment/engagement value as the first :10 to :15 ad position.
- Together, these two ad positions work to deliver the most effective ads

### *Advertisers per episode*

Most podcasts limit the number of advertisers per episode based on the average length of the show.

- For shows less than 15 minutes, there is typically one advertiser per episode.
- For shows lasting about 30 minutes, there are normally two advertisers per episode.
- For shows lasting about 60 minutes or longer, there can be as many as three advertisers per episode.

### *Direct calls to action*

Show-specific URL's and offer codes in ad copy are used to direct listeners to take specific actions (such as learn the details of a podcast-only offer). Advertisers can also use these urls to measure ad response. Trackable URLs most often use the naming convention: brandurl.com/showcode, where "showcode" is an abbreviated nickname for the show also used consistently by other advertisers in the show.

### *Effective copy*

Podtrac ad effectiveness research shows that repeating messaging points in the first and second ad position increases the messaging awareness of those points, and if those points increase brand affinity, the repetition also increases brand favorability. Choosing the points most likely to positively impact the listener's brand perception, and repeating them in the first and second ad positions maximizes ad effectiveness.

### Ad formats to avoid or to approach with caution

Some podcasts provide these options, which often don't perform as well:

- **One ad position per episode only.** Advertising research and the results of direct response advertisers show that the two ad position format per episode is more effective than other ad formats.
- **Long pre-roll ad blocks.** 30 second ads at the beginning of the episode turn listeners off when they want to listen to episode content. As a result listeners may skip the ad or have a negative opinion of the brand. Brand favorability, engagement and ad effectiveness will be higher with a :10 to :15 ad at the beginning of the episode and a longer :30 ad during a segment break after the audience is already engaged with the content.
- **Post roll only position.** Some shows offer a post-roll only ad position. We don't advise a post-roll only position even when discounted as a high percentage of listeners are unlikely to hear the ad and advertisers are still charged for the spot.
- **Too many advertisers per episode.** It's challenging to keep audience attention if there is too much clutter. It disrupts the podcast listening experience and may reduce ad effectiveness.
- **Over-sharing hosts.** Without appropriate management or professional filters, some show hosts have the potential to make comments about a product or service that may be perceived as negative. Appropriate host selection and experienced preparation is necessary to maximize ad outcomes.

- **Pre-recorded radio spots.** Podcast audience members are more likely to have a less favorable view of these ads because they are not written or recorded in the tone and manner of each show.
- **Celebrity voice talent.** Unless the celebrity is introduced as associated with the show in some way, some audience members are likely to consider a celebrity voiced podcast ad as not authentic and the brand not endorsed by the show. For podcast audiences, show hosts and producers are the celebs, so make use of them whenever possible.

### *How are ads delivered?*

#### Ad placement types

Ads are recorded for podcasts in one of two ways:

- **Live reads** - Ads are recorded as part of recording the episode, usually by the podcast host. These ads usually stay embedded in the episode for as long as the episode is available.
- **Pre-recorded ads** - Ads are pre-recorded and inserted during post-production. These ads can either stay embedded in the episode for as long as the episode is available or be auto-inserted per a rotating ad schedule.

#### Auto-insertion versus embedded ads

Ads which are pre-recorded can potentially be auto-inserted dynamically into a podcast using ad serving technology. Whether the ads are embedded or auto-inserted is defined by each podcast publisher. In most cases there is no advantage to advertisers of auto-inserted ads vs. embedded ads. Here's why. For 99% of podcasts, 95% of podcast downloads occur within 14 days of the episode posting date, so there is little potential ad delivery in episodes after that date. However, for the 1% of podcasts that receive 25% or more of their downloads 14 days after the episode posting date, auto-inserted ads provide an advantage to publishers as they can make the ad inventory available to other advertisers after initial campaigns tied to the episode posting dates are fulfilled.

#### Geotargeting

A feature of auto-insertion podcast ad platforms often discussed is geotargeting. Most podcast ads can be purchased on either a U.S. or global audience basis, regardless of whether the ads are embedded or auto-inserted. Scaling a geotargeted campaign at a more granular level than country is possible, but not practical in podcasting today because audiences are

fragmented across hundreds of shows and geographies. In practice over the last few years, few if any geotargeted podcast campaigns targeted with more granularity than country have continued after an initial test. Given the current reach of podcasts, we are not aware of a geo-targeted campaign in all of podcasting that has been successful enough to be continued after an initial test, which means despite technological capabilities, in practice, podcasting is not yet ready for geo-targeting.

## Ad scheduling

Ads can be scheduled in a number of ways, including:

- **Maximize reach** - Ads are scheduled to be placed in the most recent episode only. This means you are not scheduling multiple episodes during the same time period which likely increases frequency much more than it increases reach.
- **Maximize frequency** - Ads are scheduled to be placed in all episodes available in a given time period, including both new episodes and the historical catalog. Some audience members will “binge-listen” to a podcast, and so ads scheduled in multiple episodes at the same time will maximize ad frequency to this type of listener.
- **Reach and frequency balance** - Ads are scheduled twice a month in the most recent episodes only, for example, or in the most recent episode plus 25% to 50% of the historical episode catalog.

### *How are ads measured?*

Numerous advertisers in podcasts over the last 10 years can attest to podcast ad effectiveness. But most podcast listeners have had the experience of downloading a podcast but not listening to it, or waiting until they have the opportunity to binge-listen to several episodes at once. Ideally, measuring podcast ads would be as simple as counting play ping-backs, but it's not. Here's why. Most listeners (65%) come through Apple sources, and although Apple software unsubscribes users who download but don't listen to podcasts, it doesn't enable JavaScript which is essential for accurate play measurement.

How then is podcast ad delivery measured? Given the Apple-dominated podcast listening landscape, and the lack of actual listen data for the vast majority of audiences who come through Apple sources, the best ways to measure podcast ad delivery are: “unique downloads per episode” or “unique downloaded impressions” (global or US).

There are three techniques for determining ad delivery:

1. For “live read” ads which are integrated into an episode, the tally of Unique Downloads for that episode times the number of ad placements equals ad delivery.

2. For auto-inserted ads stitched server-side, ad delivery is a tally of Unique Downloads for specific versions of that episode containing the ad.
3. For auto-inserted ads stitched client-side during playback, ad delivery is a tally of ads actually played through the player.

Auto-insertion systems (both server and client side) are gaining popularity -- particularly for big shows and shows with “durable” long-tail delivery -- since they allow multiple advertisers to share the same piece of content.

While #3 is obviously preferable from an advertiser’s perspective because ad delivery is most closely associated with actual playback, this technique is impossible to implement for the vast majority of podcast delivery. This is because podcasts are usually (90% of the time) delivered through podcatchers and online players that don’t report playback data due to user privacy concerns. Foremost among these are the Apple podcatchers and players, which account for over 65% of all podcast delivery.

As of 2016, a few non-Apple podcatchers DO provide playback data, but they account for such a miniscule portion of all podcast delivery as to be effectively irrelevant. This leaves the two server-side ad insertion systems (#1 and #2) dominating the podcasting space.

### *How do you measure success?*

#### Direct response advertisers

In general, an objective of many direct response advertisers is to identify and test new channels for acquiring customers at a targeted Cost per Acquisition (CPA). And as part of a channel test, identify properties within the channel that meet or exceed CPA goals and those that don't. Podcasting has been a high performing channel for a range of direct response advertisers for over 10 years.

Most advertisers in podcasts measure ad response by show by including a show-specific URL extension or offer code in ad copy. Listeners are directed to a specific URL to learn the details of a podcast-only offer, or they may be directed to enter an offer code at checkout for an ecommerce website.

Direct response performance metrics consist of:

- Initial ad response metrics: unique url page views
  - A note about ad clicks - the vast majority of podcast listening environments do not support click based ad response, so measuring podcast ad clicks is not a valid way of measuring ad response.
- Conversion metrics: signups or purchases by users who came through the unique url or entered the offer code at checkout.

- **Customer Lifetime Value (CLV):** often advertisers find the podcast ad channel to yield higher initial and total purchase amounts and higher CLV. Over time, advertisers find CLV analysis most helpful in setting CPA targets for the podcast channel.

## **Brand Advertisers**

Many brand advertisers are continuously working to identify media types that can effectively reach their target, communicate their messaging, and have the ability to scale.

Brand advertisers often measure results through ad effectiveness studies. Depending on the campaign objectives, ad effectiveness studies measure changes in:

- **Brand, feature or benefit awareness**
- **Consideration**
- **Purchase intent**
- **Brand favorability**

Ad effectiveness studies can be structured to analyze the campaign as a whole or podcasts individually. There are many complexities to designing and developing a successful podcast advertising brand study, so we recommend working with a group with years of podcast ad effectiveness experience.

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## 3 - Next Steps

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### *Podcast Publishers*

If you publish a podcast, we encourage you to use the free Podtrac Measurement service. It provides you with insightful reports, and it helps advance the podcast industry with consistent metrics you can use for your show. You can start today at <http://podtrac.com>.

### *Advertisers*

Whether you're new to podcasts or have been advertising in them for years, here are some ways you can support industry metrics:

- **Sign-up to receive monthly rankings at Podtrac.com.** We'll keep you up to date with monthly podcast publisher rankings, and insights into new developments in podcast measurement.
- **Ask podcast publishers for their Podtrac stats.** Podtrac stats will help you evaluate podcasts in a more meaningful way. If a publisher doesn't have Podtrac numbers, encourage them to start using the Podtrac Measurement service. There is no cost to them, and it can supplement whatever other reporting they currently use.
- **Contact Authentic for advertising in top podcasts such as *This American Life* and *Serial* at <http://www.authenticshows.com>.** Podtrac measures well over 10,000 podcasts at no charge to the industry. Working with Authentic for podcast advertising is a great way to support Podtrac's industry-leading metrics.

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## About Authentic and Podtrac Inc.

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Launched at the first podcasting conference in 2005, Podtrac Inc is the leading podcast measurement and advertising services company. With the tremendous growth of podcasting, in 2016 Podtrac separated its offerings into two services to better serve the podcast industry.

- ***Podcast Advertising Services - Authentic***

Authentic is the new name of Podtrac's advertising services, providing advertising representation for 200 top podcasts including *This American Life*, *Serial*, *This Week in Tech*, and more. Authentic works with leading brand and direct response advertisers and agencies to reach their targets in the top podcasts we represent, managing some of the most successful and longest-running advertising efforts in podcasting.

[CONTACT AUTHENTIC AT AUTHENTICSHOWS.COM](http://AUTHENTICSHOWS.COM)

- ***Podcast Analytics - Podtrac***

100% focused on podcast industry metrics and analytics. Podtrac provides analytics to thousands of podcasts including virtually all of the top podcasts and publishers. It's "unique monthly audience" metrics and monthly rankings of podcasts are industry firsts for podcasting.

[CONTACT PODTRAC AT PODTRAC.COM](http://PODTRAC.COM)