

3 KEY WAYS BUSINESSES CAN BENEFIT FROM THE RISE IN PODCASTS THE E-GUIDE



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Introduction

Who's listening to podcasts? And how can businesses use these listeners, and the podcasting medium as a whole, to their advantage?

Understanding how the category has evolved to reach mass audiences will help you to develop an approach to audio that will resonate, engage and deliver your business objectives.

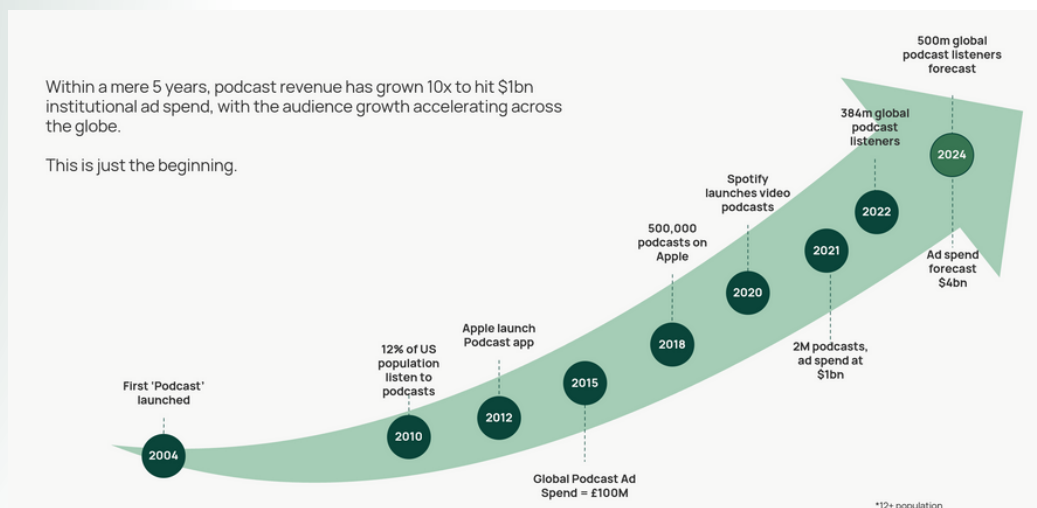
We have collated the latest industry data in a simple guide to ensure that you have the best tools at your fingertips to enter podcasting, or to further improve your business' existing audio strategy.

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The Podcast Market

We are in the midst of a new phenomenon in media consumption.



Podcast - Listener Habits

The Total Market

As multiple sources tell us on a daily basis, the podcast market is growing rapidly. In fact, now nearly 2 in 5 Americans listen to a podcast each month and an average of 8 shows every week¹. This rapid growth has opened up a whole new market for businesses and brands to reach outside of traditional media channels.

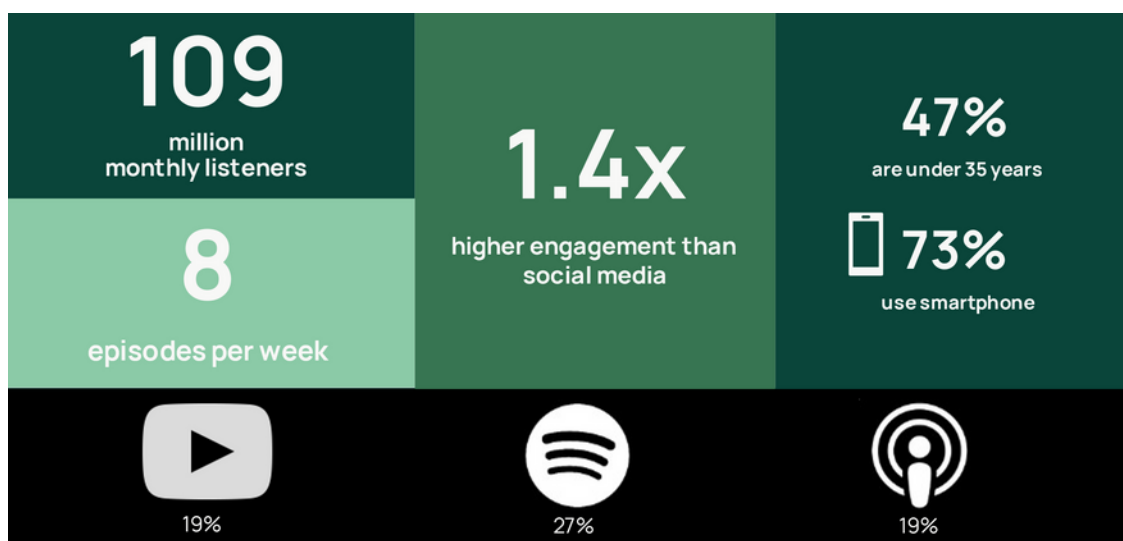


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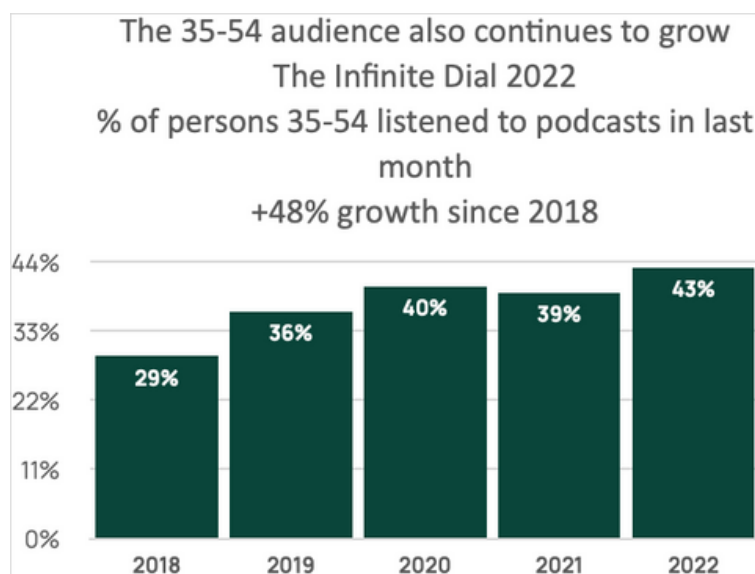
The podcast audience is significantly younger than other audio-based mediums², creating opportunities to reach this challenging target market.

- Podcast median age – **34**
- AM/FM radio median age – **46**
- ABC/NBS/CBS median age – **60**

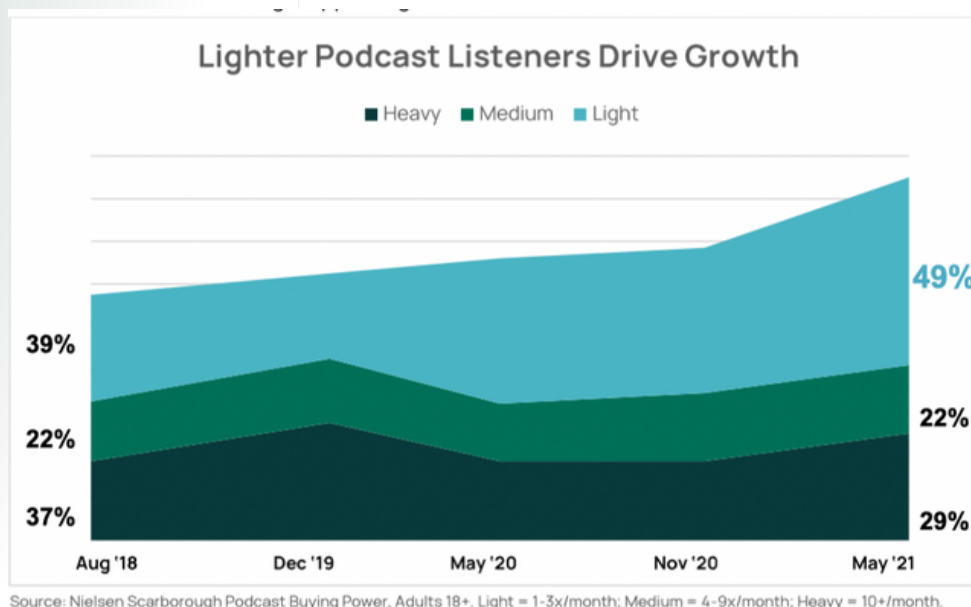
They are also super fans of audio in general, consuming +41% more audio than the average U.S. population³. That said, these listeners also consume podcasts more than any other audio source of media². So effectively, their love of podcasts is driving up their overall media consumption.



Despite the overall audience being skewed younger than other audio channels, this is not to say that the podcast market is not also a fantastic opportunity to reach older audiences. In fact, we are seeing rapid growth among listeners aged 35-54¹.



But it doesn't stop there. Despite podcast listeners consuming more and more content, the true growth in this sector is in fact coming from the 'lighter' listeners. This is accelerating overall listener reach in the sector, which increases podcasts' appeal for more advertisers.



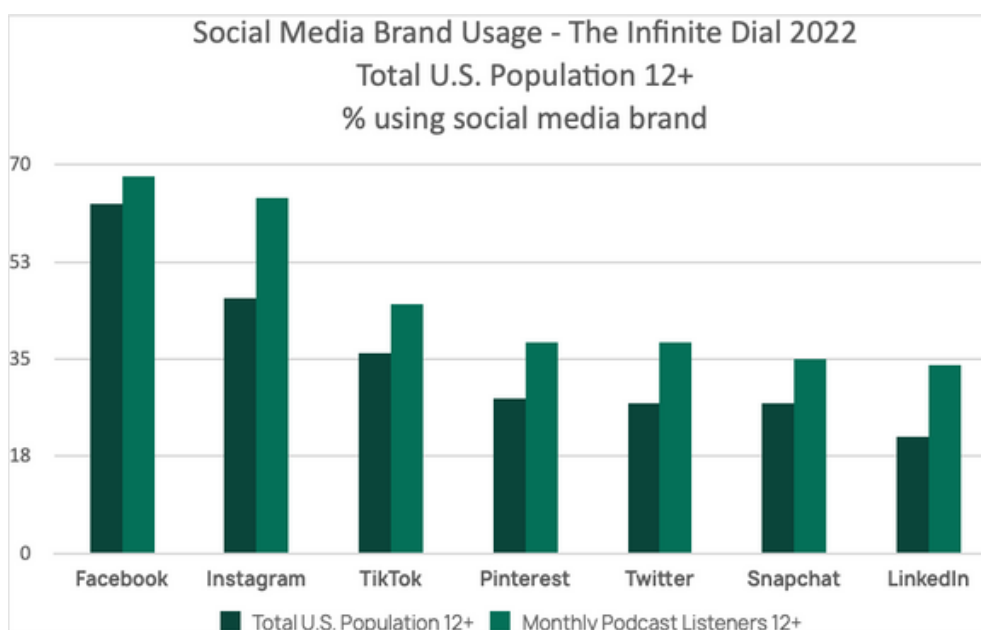
Listener Behavior

Podcasts are an intimate medium. In fact, 93% of podcasts are listened to alone⁵. This gives them a lot of potential for exceptional storytelling that listeners can truly invest in. Podcasts really engage your cognitive prowess and have the ability to transport you into a place, situation or conversation.

Looking more specifically at how and when people listen to podcasts, things become much more interesting. According to a BBC Global News study⁶, "94% of listeners consume podcasts whilst performing other tasks." Carrying out chores at home (61%) and driving (55%) were the most common, meanwhile exercising, shopping and running errands were also popular. On top of this, being active while listening increases "engagement (+18%), emotional intensity (+40%) and long-term memory of the podcast (+22%)." This helps to explain why higher completion rates are being seen in podcasts versus traditional video, with around 70% of listeners completing most/all of the episodes they download⁵.

Social Media & Podcasts

Podcast listeners are more active across social media platforms compared to the general population¹. A number of factors could explain this: podcast listeners are engaged with content, and so likely to be proactive in associated online communities. Podcast listeners also skew slightly younger within the population¹. But why is this relevant to brands and businesses? Put simply, this overall heightened media consumption, in comparison to the overall population, means that businesses need to use podcasts in a way that engages their audience but also in a way that stands out against all of the other content their audience is consuming.



Discoverability

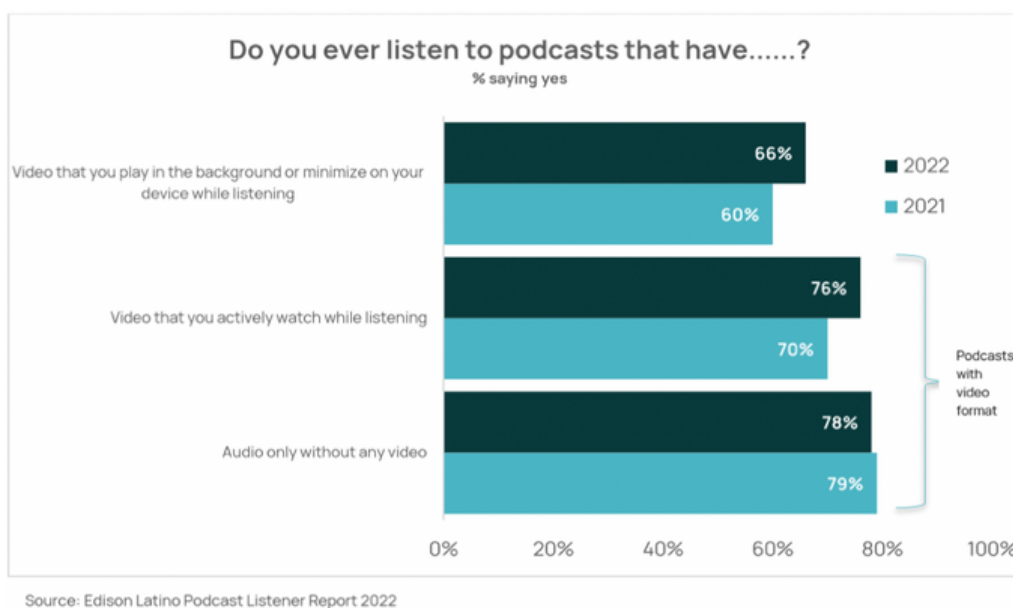
Discoverability remains a key issue in the podcast sector. However, we are learning more and more about how audiences are changing their behavior to discover podcasts. The core sources are claimed to be recommendations (from friends and family) and via internet searches. For example, research from Statista⁷ shows that 39% of listeners in Europe use Google to discover new podcasts (and 27% of listeners in the U.S.). And, research from Edison⁸ found that podcast Super Listeners (that's anyone who listens to podcasts for at least 5 hours a week) use YouTube to discover podcasts more than any other means.

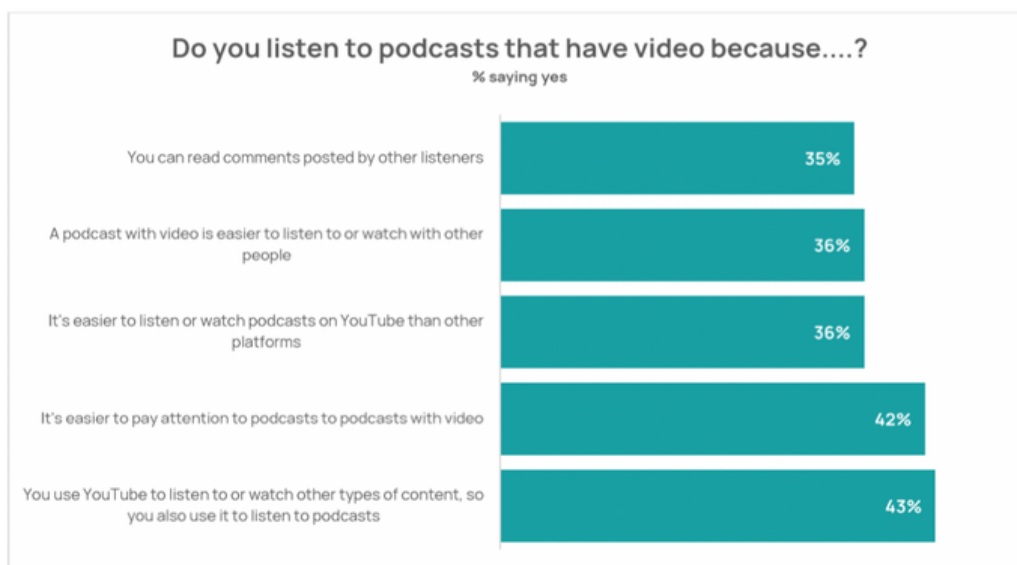
On top of this, **more** and **more** people (particularly Gen Z) are using TikTok as a search engine^{9 10}. In fact, last year, TikTok actually overtook Google as the world's most popular domain¹¹. This shouldn't be overlooked when it comes to identifying key listener habits and giving a podcast the best discoverability possible.

The Growth of Video

There is a lot of talk across the sector about the growth of video content within the podcast category. As referenced earlier, both YouTube and TikTok are core drivers of podcast discoverability. In fact, YouTube has just been found to be the biggest platform for consuming podcasts in the U.S.¹². And nearly 60% of weekly podcast listeners say they prefer podcasts with video¹² – the more recently somebody has started listening to podcasts, the more likely they are to say this.

Edison's recent Latino Podcast Listener Report¹³ specifically addressed the inclusion of video in podcasting to try and understand why this is so appealing to many listeners.





Source: Edison Latino Podcast Listener Report 2022

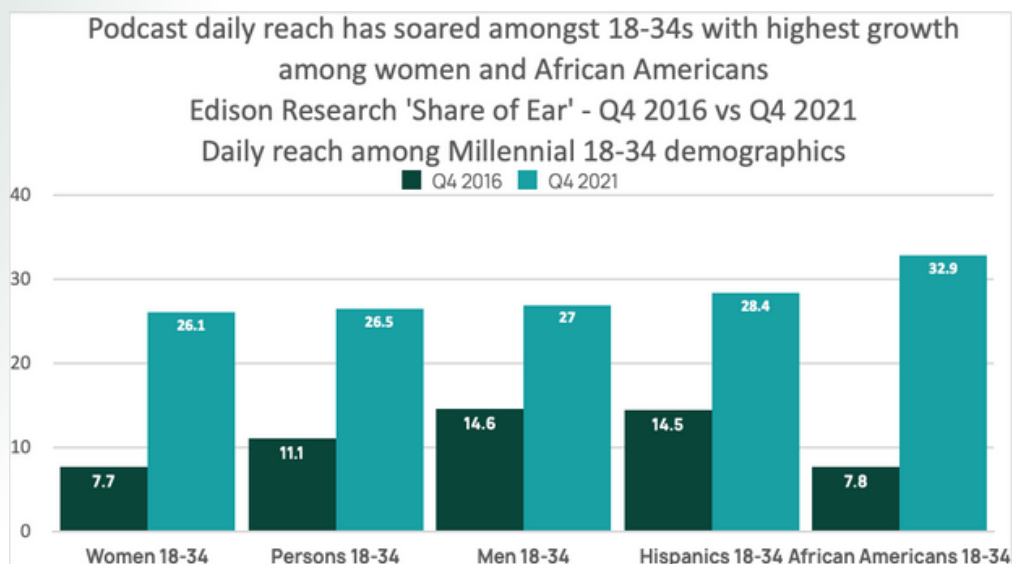
For podcast creators, this creates an interesting dilemma: podcasts are cheaper to create without video. However, video appears to maximize opportunity for discoverability in podcasting. Therefore, it is now very common for podcasts to also be available in video form, but the quality of this video can vary. In its simplest form, podcasts can be uploaded as a playlist to YouTube which typically includes the show's key art as a (semi) static image whilst the audio plays. The more advanced forms of video are fully edited and available as full episodes via YouTube.

However, if the objective of using YouTube (or other video channels such as TikTok) is to aid discoverability, then it can also be used as a 'teaser' asset to allow people to listen to a sample of the show and to then direct them to their favorite podcast platform to listen to more.

Either way, the inclusion of video within your podcast strategy needs to be considered.

Variations Across the U.S.

While podcasting is accelerating across the board, there are certain audiences and geographies seeing particularly interesting growth within the U.S.



Sources: Edison Research, 'Share of Ear' 2016 and Edison Research, 'Share of Ear' 2021

Podcast listening also over-indexes (more likely than average listeners) in 14 of the top DMA14 markets. This indicates that they are strong opportunities for businesses.

Index of persons 18+ who have listened to an audio podcast (past 30 days), by DMA market size		
DMA Rank	Top 15 DMA Markets	Index
1	New York	115
2	Los Angeles	118
3	Chicago	116
4	Philadelphia	102
5	Dallas-Ft. Worth	116
6	Atlanta	129
7	Washington, D.C.	136
8	San Francisco-Oakland-San Jose	146
9	Houston	103
10	Boston	120
11	Seattle-Tacoma	134
12	Phoenix	105
13	Tampa-St. Petersburg	82
14	Minneapolis-St. Paul	113
15	Detroit	103

Source: Nielsen Podcast Recontact Study (USA+) 202114

These listeners are desirable audiences for brands; they over-index across employed, white-collar, high-income earners.

% of persons 18+ who have listened to an audio podcast (past 30 days), by qualitative category			
Category	% of total U.S. population	% of U.S. podcast listeners	Index
Employed full-time	43%	57%	130
White-collar occupation	39%	55%	140
Management, business, financial or professional/related occupation	27%	41%	152
Household income = \$75,000+	44%	57%	130
Household income = \$100,000+	29%	40%	140
College graduate+	29%	44%	150
Post graduate degree	11%	17%	155

Source: Nielsen Podcast Recontact Study (USA+) 202114

U.S. Latino Audiences

The Latino audience in the U.S. is a prolific podcast listening audience but the language variations add an additional layer of insight into this community. In [Edison's Latino Podcast Listener Report 2022](#)¹³, they have revealed that 59% of U.S. Latinos over 18 have listened to a podcast. And 34% of U.S. Latino adults are monthly podcast listeners. That's about 15 million people.

On top of this, they discovered that [47% of Latino monthly podcast consumers](#) consider it important to have audio content that references stories and perspectives of their country of origin¹³. In fact, 57% of those surveyed had listened to Spanish-language podcasts within the past month¹³. So, if your brand wants to engage with this particular audience, simply making an English-speaking podcast may not be enough.

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Ways to Reach Podcast Audiences

Podcasting is incredibly accessible and user-friendly: unlike radio, it is on-demand; unlike TV it is mostly non-visual; unlike social media, it is devoid of newsfeed noise. This makes it the perfect medium for storytelling. In your own time, without distraction, you can sink into and truly immerse yourself in the narrative – whether fictional or non-fictional.

This is good news for brands, as podcasting is therefore the ideal environment to craft a story around your business, build a community, and boost engagement.

When entering the podcast space, there are three key opportunities for your brand to consider:

1. Advertising and Sponsorship
2. Branded Podcasts
3. Private Podcasts

Advertising & Sponsorship

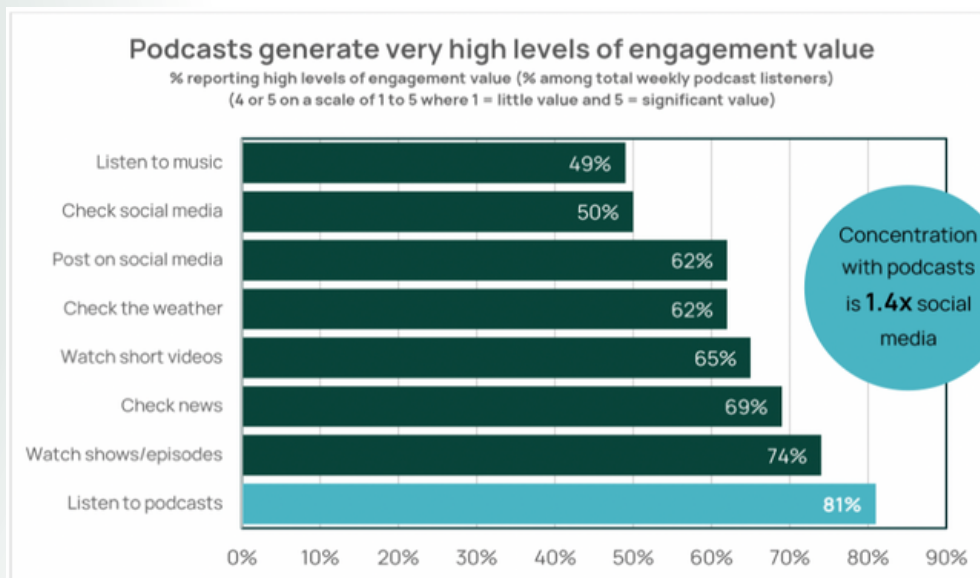
Probably the most familiar way to enter the podcasting market is through advertising or sponsorship. This is particularly beneficial if you have a brand awareness or sales objective in mind.

Advertising is purchased through third party platforms (Auddy, ACast, Spotify) to tap into specific audiences on a CPM (cost per thousand) basis. You will need to provide a 30 second asset and they will ensure that impressions are delivered to your audience.

In contrast, sponsorship is a higher cost to entry, but the podcast hosts themselves will record a sponsored read to deliver to their captive audience.

Both routes have merit and depending on your budget and objectives, you may want to test both to see which works best for your business.

A lot of research has gone into understanding the effects of advertising and sponsorships within podcasting. One of the most reputable is [Edison's study into podcast Super Listeners⁸](#), which found that 74% state that they have visited a company website following hearing an advertisement or sponsorship on a podcast that they regularly listen to. [51% of podcast Super Listeners](#) also agree that they are more likely to respond to advertising messages within podcasts compared to other forms of media. This is worth taking note of and demonstrates why the podcast space can be a valuable addition to your media plan.



Source: Cumulus Media and Signal Hill Insights' Podcast Download - Spring 2021 Report³

Advertising

Podcast audiences are more prone to binge listening (46%) versus TV (37%)¹⁵ which means they have regular opportunities to be exposed to brand messages. Podcast advertising delivers a **16% higher engagement and 12% higher recall** compared to surrounding content⁶.

Kantar 2021¹⁶ identified that podcast ads are perceived as both better quality and more relevant for audiences than other channels and delivered the highest ad equity amongst digital channels in 2021 (surpassing Influencers for the first time). They also found that audiences respond well to advertising within podcasts believing that 'Advertising on a podcast is the best way for a brand to reach me'. 50% agree.

- 65% believe that they pay more attention to ads¹⁷ on podcasts versus other media and they can have a positive effect on sales with reported impacts:
 - 74% have visited a company's website⁸
 - 65% have made a purchase⁸
 - 56% have recommended a product/service to others⁸.

One of the core benefits of podcasting is that consumers listen 'on demand' and therefore they are more likely to be engaged and responsive to your brand message. Within this medium, it's possible to purchase media to a specific target audience or even buy advertising against particular shows (usually at a greater cost).

Sponsorship

PAs outlined above, sponsorship is a more bespoke form of advertising for your brand. The host/s of a show already have an in-built audience listening to their podcast who are likely to be actively engaged in the content. Therefore, this can be a highly effective way to make a new audience aware of your brand, or even to get them to purchase your product (using unique codes is beneficial to be able to track a purchase back to the sponsorship). The key here is that the sponsored read needs to be authentic, natural and the brand itself must be one that listeners can convincingly associate with the host.

And the results deliver. Edison Super Listeners⁸ said that they are more likely to think positively about a brand who is sponsoring a podcast series, even saying that:

- 36% strongly agree that they pay more attention to host-read ads, or discussions about products by the hosts, than any other form of advertising
- 48% favorability for brands who use podcast sponsorship
- 27% strongly agree that 'companies that invest in personalized discussions about products or services understand how to reach people like me'
- 49% agree that they believe podcasts hosts are actual users of the products featured

Similarly, **NPR found that** 75% of podcast listeners took action in response to a sponsored message on the shows they listen to, including brand messaging.

All in all, this is a very positive story for brands. However, many businesses are yet to dive into podcast advertising/sponsorships. Our advice? Look at the evidence – and act accordingly.

Branded Podcasts

In the last 3 years, the creation of content by brands has risen exponentially. There was as many as 8,000 active branded podcast feeds available through Apple Podcasts in 2021 alone¹⁹. This is largely due to the fact that "Businesses that invest in a branded podcast can see a considerable uplift in engagement, brand awareness (89%), brand favorability (24%), and even purchase intent (14%) compared to other channels such as video or blogging"⁶.

Podcasts can be used to strengthen your media mix, creating a multiplier effect, or as a bespoke channel to reach and engage your audience in new ways. Although a branded podcast is unlikely to deliver an immediate sales impact, they will drive overall brand metrics over time.

Rather than being a 'quick fix', podcasting enables brands to develop sustainable connections with their audience – to nurture a community – and to craft meaningful content that individuals feel compelled to listen to.

With this in mind, before diving into the world of podcasting, brands must take time to invest in the planning, production and quality content creation in order to succeed.

Another benefit of creating a branded podcast is that many audiences, particularly **the younger generations**²⁰, are very difficult to reach through traditional advertising channels. But podcasting offers a way in.

Research by Bulbshare²¹ warns us that using traditional advertising is not a good move if you're trying to engage Gen Z, as 99% of this age group are hitting 'skip' on every ad thrown at them and nearly two-thirds (63%) are using ad blockers. Combine this with the fact that Gen Z are reportedly watching less and less TV – with **29% not watching any** live TV at all²² – and one thing seems clear: Gen Z are difficult to reach through standard advertising channels. We must do so via their own content consumption instead – and luckily, Gen Z **love podcasts**²³.

Private Podcasts

The newest phenomenon within the audio space is private podcasting.

Put simply, a private podcast can only be accessed by the listeners that you grant access. You are in control. At Auddy, our preferred method of delivery is through a dedicated app, which users are invited to download. As well as increased security, there are other distinct benefits, such as the ability to give different audiences access to different pieces of content.

There are many ways that your business can use a private podcast, but we are going to focus on just three:

1. Internal communication
2. Member benefits or engagement
3. Building a community

Internal Communication

According to a study by the APA (American Psychiatric Association)²⁴, the majority of employees working from home say they have experienced negative mental health impacts, including isolation, loneliness and difficulty getting away from work at the end of the day. That is where podcasting comes in: even remote teams operating across different time zones can feel less alone if they are able to communicate and share stories via a podcast.

Given more than 50% of businesses plan to introduce a new workforce podcasting program in the coming year, and 37.5% planned to grow their program²⁵, this isn't a passing fad and is here to stay.

Podcasting is such an intimate medium as most people listen through their headphones, so with the right creative treatment, it really is the perfect tool to engage your teams.

Recent research from Gallagher²⁶ into HR departments claims that businesses want to focus in the coming year on:

- Engaging teams around purpose, strategy, values - 53%
- Adapting our channel strategy to hybrid working - 39%
- Enhancing people manager communication - 31%
- Enhancing leadership visibility - 26%
- Improving impact measurement and evaluation - 26%

This presents both a challenge and an opportunity. Increasing the channels of communication can actually benefit teams who are feeling disconnected or overwhelmed. An email can easily get lost among the rest of the workload, deprioritized, and often left unopened. But podcasts cut through. Plus, for teams who are on screens all day, it can be incredibly beneficial to step away from the computer and engage with work in a more intimate way. This could be at a time that suits them, or staff could be given allocated slots in their diary to listen to a podcast.

A private podcast may be a simple concept, but it has the power to deliver against all of the above by improving communication, culture and leadership across your business.

To sum up, they can:

- Be more engaging than other media
- Cut through the clutter of email, making it more likely that your audience will listen
- Help beat screen fatigue
- Be more convenient for employees
- Accommodate diversity in learning methods
- Build company culture
- Encourage discussion and two-way conversations within your business
- And, you can measure what's working.

Specifically, you can use them to:

- Encourage employees
- Talk about your vision or goals
- Give important news updates to your staff in a succinct, digestible way
- Manage change
- Celebrate talent
- and set the company culture to boost morale and connect with your employees

This all comes down to one element of podcasting that emails and other impersonal methods of communication lack: a voice. You can set the tone in a podcast. You can show empathy, create humor and even build trust by creating an authentic and transparent dialogue with your employees.

And so, the question becomes: do you want to build a better communication with your workforce? Do you want to do this in a way that will improve your company's culture, rather than fight against it? Do you want to do this in a meaningful way that your staff will want to engage with? If the answer is yes, it seems like a podcast is a promising route for you and your business to follow.

Membership Groups & Subscription Channels

At Auddy, we are also seeing new, innovative internal podcast strategies, including organizations creating exclusive content for their members or franchisees. Podcasts deliver added value to members which can help to retain them and attract new ones.

Some companies are charging members to subscribe and listen to their content, or indeed including partners to sponsor the podcast to cover the costs or to create an additional revenue stream.

Whether you are a private members club or a publisher offering a magazine subscription, a private podcast is the perfect add-on as an additional revenue stream, or an added value item to retain members/subscribers.

Your target audience is a ready-made captive audience who already have a vested interest in you, and they will typically value additional and exclusive content that you offer to them via a different medium.

Building a Community

A private podcasting platform offers you a versatile, easily manageable and secure environment to nurture your community – and also to develop your business's audio strategy.

Furthermore, because it is 'private', it offers a safe home for sensitive, targeted content. It also allows authorized team members comprehensive visibility into how and when content is being accessed, and by whom.

We believe that beautifully made, bespoke podcasts, developed with specific target audiences in mind – and made available to members of the community in a manner that makes them feel special, noticed and cared for – could differentiate your business from others who are relying on traditional comms channels. A podcast can be much more exciting and impact-making.

How Auddy Can Help

While you may see potential for your business within the audio space, this is only the beginning. The challenges now lie in creating a strategy that will deliver you the best results.

What is the best way for you to tap into the podcasting audience? What does your brand sound like within this medium? What is the tone of voice? These are all things to consider.

Auddy can guide you through this process. Our team are experts in delivering exceptional storytelling and high-quality productions across all of these areas.

- Advertising and sponsorship – we can pair brands up with the correct podcasts and help you to tap into this highly promising sector.
- Branded content – the Auddy team are storytellers at heart. We know how to craft content that will engage your audience and help you to deliver your goals.
- Private podcasts – we have helped organizations to create private audio ecosystems, which act as a meaningful resource for their specific audience.

Whether you are thinking about building an audio strategy from scratch, or you want to make an existing one work harder, our fresh approach to audio will ensure that the content you create will deliver.

Contact Jacob at sales@auddy.co to find out more about how we can support you with your audio strategy or podcast production.

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