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Westwood One podcast executive study:

Sellers vs. agencies/brands

February 2020

The podcast world according to sellers and agencies/brands

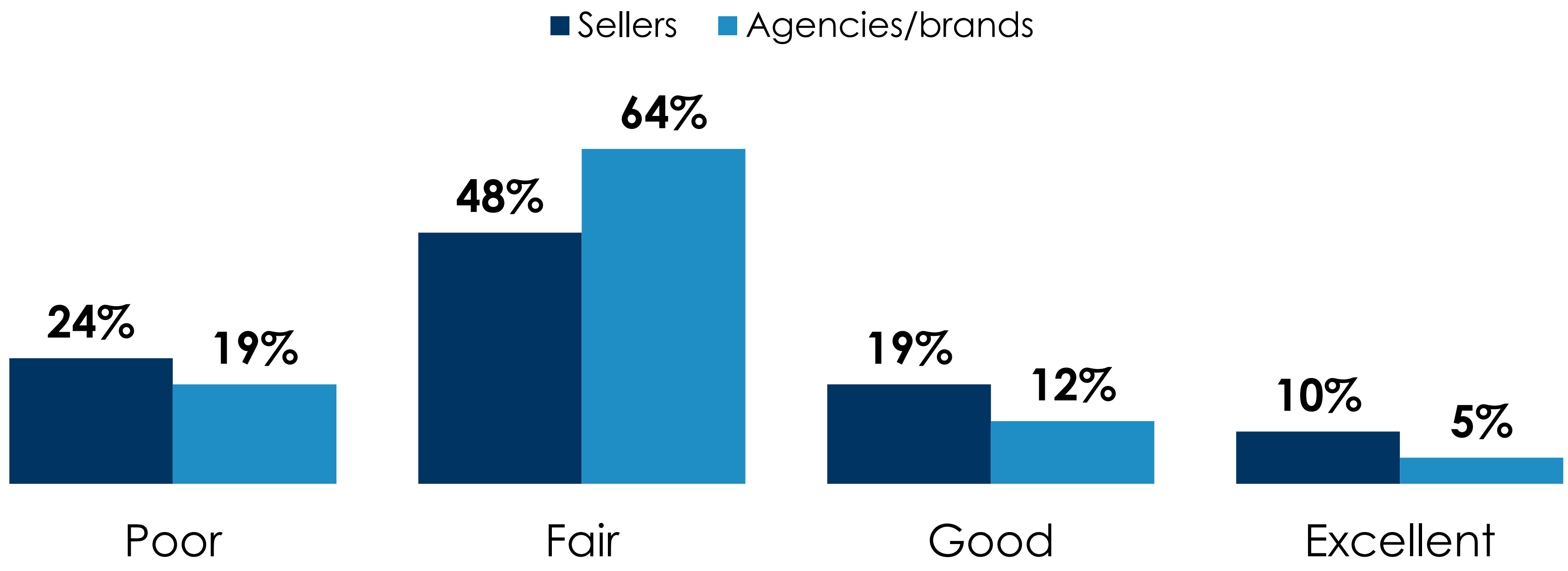
Westwood One commissioned MARU/Matchbox to conduct a study of key players on the advertising buy side of the podcast ecosystem and compared them with podcast sellers.

112 respondents completed an online survey in February 2020. Respondents averaged six years of experience in the podcast industry.

Topics covered include dynamic ad insertion, awareness and interest in new measurement firms, as well as determining what the U.S. podcast industry must accomplish to achieve $2 billion in ad revenue.

There is a low evaluation of the current state of podcast measurement; Sellers are slightly more favorable

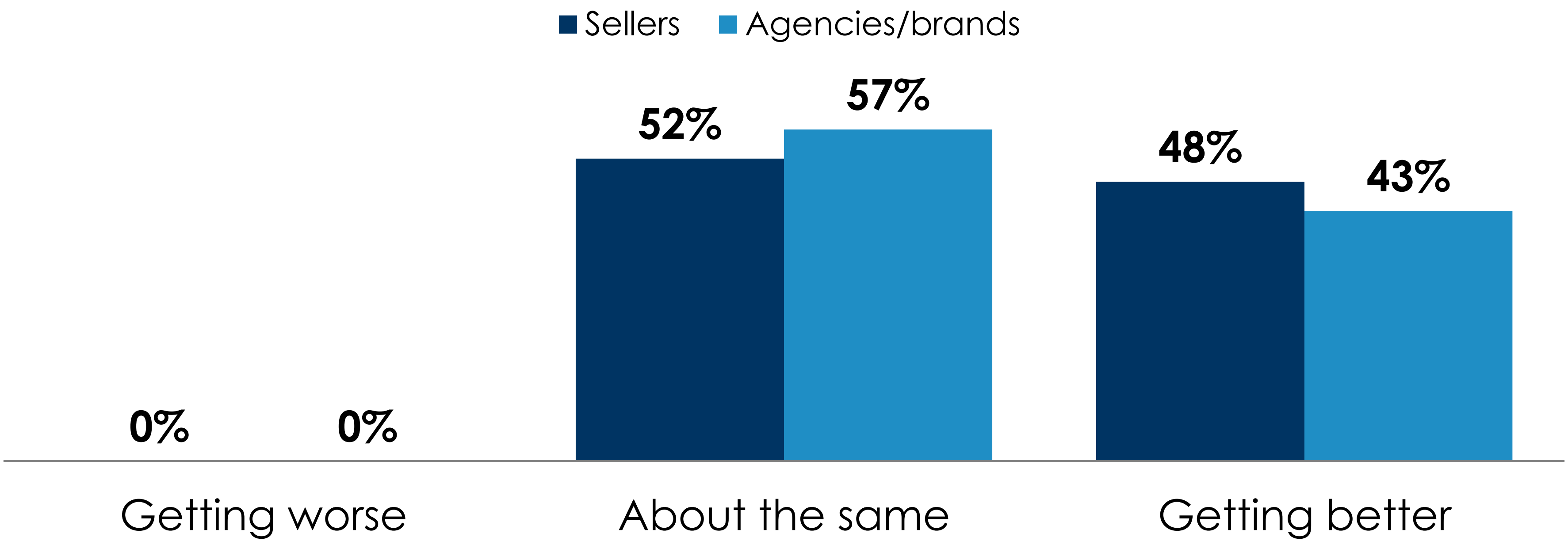
Q: What is your assessment on the current state of podcast audience measurement?



Source: MARU/Matchbox, Study of Podcast Industry Executives, February 2020, 112 respondents

Both sellers and buyers indicate audience measurement and attribution is improving

Q: Compared to prior years, how would you rate the current state of podcast audience measurement ad attribution?



The Interactive Advertising Bureau (IAB) forecasts ad revenue for the U.S. podcast industry will exceed $1B by 2021. What is it going to take to make podcasting a $2B advertising industry?

Verbatim response
Better measurement
Richer insights/data through tagged actions Maintaining leaned in audience without over saturating show with ads Keep reads organic
Uniform effort to deliver ads, and a better way to tag/track the ad delivery
Accountability and better measurement of downloads/listens. More advertiser buy in of audio as an effective means of communication.
Advancement in attribution and scale
Lower CPM's
Advances in measurement & analytics, continued consumption growth, and further consolidation of podcast networks.
Greater accountability and more uniform reporting metrics
rating system of actual impressions by listeners not downloads
Reach
Standardized measurement and easier vendor interaction
uniform measurement from all publishers from a third party.

Source: MARU/Matchbox, Study of Podcast Industry Executives, February 2020, 112 respondents

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Verbatim response
Better measurement and attribution
Better data and more focused selling techniques.
attribution enhancements
Broader listenership and more companies viewing podcasts mainstream.
Better measurement. Connections to Data Management Platforms.
Better listener experiences in a fragmented ecosystem.
More options for podcast. Additional content. Better attribution models to connect visitors and conversions to podcast media buys. Clickable engagement content during streams.
Enhanced advertising attribution.
Major brands realizing that they can get more bang for their advertising bucks by placing ads with podcasts.
Transparency and flexibility in reporting (demo, device, program, etc). flexibility to buy by specific programs and/or genre. capability to track to in store sales/tagging for attribution
More content. Larger scale content. A big breakthrough in the content space. Better search and better discovery.
Better transparency about who's listening, when and how much, so there is accountability. Right now there is too much black box.
Monetize the longer tail shows which are being relatively ignored currently.
more brands entering the space

Source: MARU/Matchbox, Study of Podcast Industry Executives, February 2020, 112 respondents

The Interactive Advertising Bureau (IAB) forecasts ad revenue for the U.S. podcast industry will exceed $1B by 2021. What is it going to take to make podcasting a $2B advertising industry?

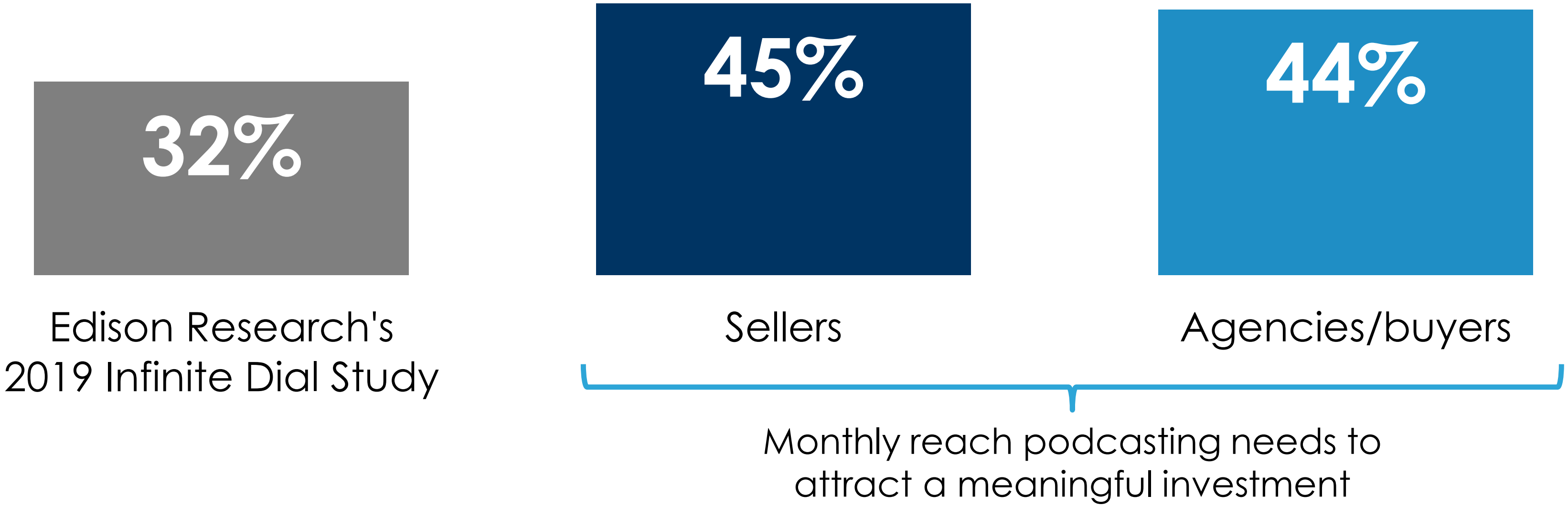
Verbatim response
Better client service
better measurement and continued audience growth
uniform measurement and reporting
Better measurement
Measurement transparency
Audience Consistency and Growth. Individual Podcasts will have a hard road to compete with radio stations and large corporate podcast entities.
Time
Better ad technology for host reads; honest conversations about how much downward pressure dynamic insertion will take on CPMs (based on results it has to be low double or single-digit CPMs before it'll back out for most ROAS focused advertisers); engaging brands directly and creating long-lasting partnerships in-house vs. brands going from one agency to another and programs lacking continuity.
– Ad tech & measurement – Better discoverability – Scalable ad products – Higher quality programming – Interactive audio solutions
better measurements and dynamic ads
Decentralization
Greater access to the consumer data from all podcast tech companies.
Don't involve this industry in ad injection tactics

Source: MARU/Matchbox, Study of Podcast Industry Executives, February 2020, 112 respondents

Sellers and buyers agree that podcasting needs a monthly reach of 44% to attain meaningful advertising investment

Monthly 12+ reach

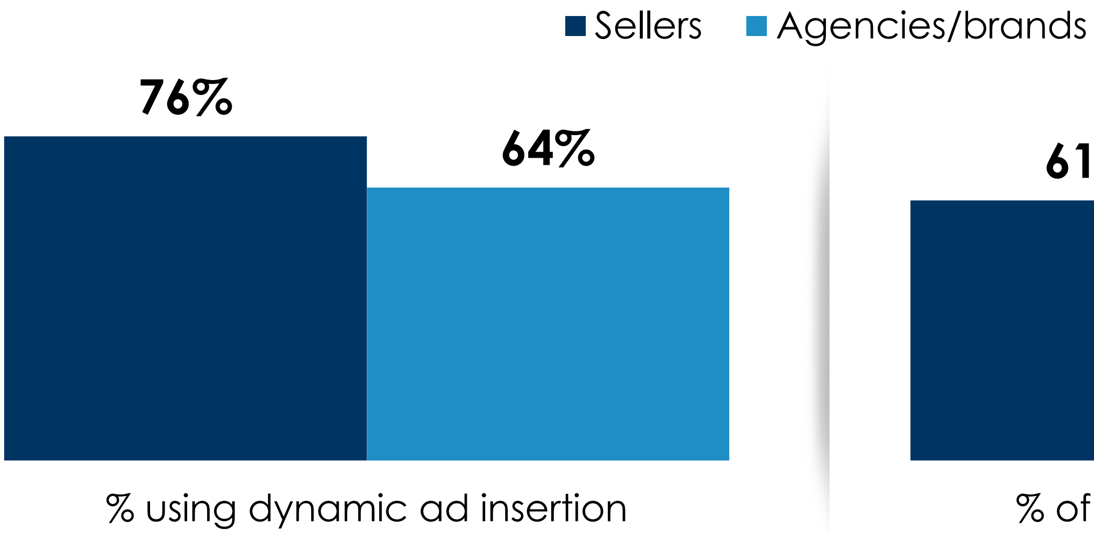
Q: According to Edison Research, the current monthly reach of podcasting in the U.S. is 32%. In your opinion, what level of monthly reach does podcasting have to attain for agencies to consider it worthy of meaningful brand advertising investment?

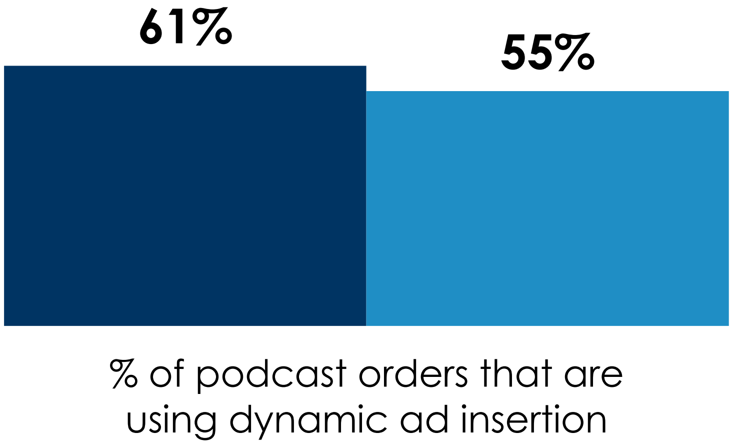


Dynamic ad insertion: Sellers are using dynamic ad insertion more frequently

Q: Are you currently using dynamic ad insertion (DAI)?

Q: Given 100 share points, for the podcast orders that your company sells and/or buys, what is the share between dynamic ad insertion ads and baked-in ads?





The most utilized test buy:

- Sellers and buyers agree on the number of podcasts to purchase
- Buyers indicate they would purchase more ads per week and number of weeks
- Buyers are more likely to run every week

	Sellers	Agencies/ brands
# of podcasts purchased	5	5
# of ads in each podcast per week	2	3
# of weeks in a typical test	5	7
% who run test buys every week	32%	68%

Source: MARU/Matchbox, Study of Podcast Industry Executives, February 2020, 112 respondents

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Measurement service awareness and evaluation: Sellers and buyers disagree on attribution service evaluation but mostly agree on other services

Service	Sellers: % awareness	Agencies/brands: % awareness	Sellers: % who rate service as "excellent"	Agencies/brands: % who rate service as "excellent"
Attribution (Chartable, Barometric, LeadsRx, AnalyticOwl, Podsights)	88%	75%	0%	28%
Edison	75%	64%	19%	19%
Podtrac	100%	86%	13%	17%
Triton	69%	61%	6%	14%
Brand lift (Nielsen, Audience Insights Inc.)	81%	81%	19%	14%
Nielsen Scarborough	75%	61%	13%	6%

Source: MARU/Matchbox, Study of Podcast Industry Executives, February 2020, 112 respondents

Likelihood to use: Among buyers, attribution services have the highest intention to use, followed by Podtrac and brand lift studies; Sellers favor Podtrac and brand lift studies

Likelihood to accept or use the service among frequent buyers and planners Q: How likely would your company be to accept or utilize this service?		
Service	Sellers: Very likely	Agencies/brands: Very likely
Attribution (Chartable, Barometric, LeadsRx, AnalyticOwl, Podsights)	25%	42%
Podtrac	38%	28%
Brand lift (Nielsen, Audience Insights Inc.)	31%	25%
Nielsen Scarborough	25%	17%
Edison	19%	14%
Triton	19%	8%

Source: MARU/Matchbox, Study of Podcast Industry Executives, February 2020, 112 respondents

Key takeaways

- Podcast measurement and attribution rate poorly according to agencies/brands and sellers. Still, there is hope on the horizon. Two out of five agencies/brands and almost half of sellers say there has been improvement.
- Better measurement, attribution, bigger shows, and bigger brands are what's needed for podcasting to crack $2 billion in ad spend.
- According to agencies/buyers, a monthly reach of 44%, up from 32% in 2019, is seen as a tipping point to a step up in spend. Sellers say 45% reach is needed.
- Agencies/buyers believe a good podcast test buy includes 5 podcasts, 3 ads in each podcast, for 7 weeks. Sellers say a good podcast test includes 5 podcasts, 2 ads in each podcast, for 5 weeks. A test buy of one ad per month is marketing malpractice.
- Attribution services rate well and should expect greater usage. Newly launched measurement solutions need time to be understood and tested.

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Thank You