

STRATEGIC
SPOTLIGHT

PODCASTS: STORYTELLING LOUD & CLEAR

DECEMBER 2018

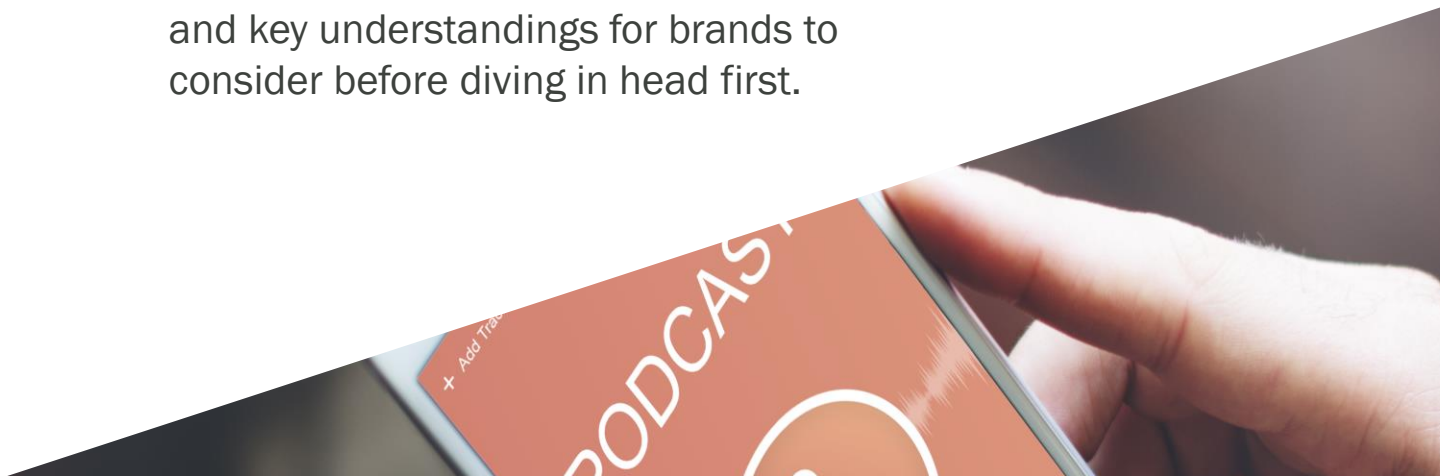
THE DIGITAL AUDIO MARKETPLACE

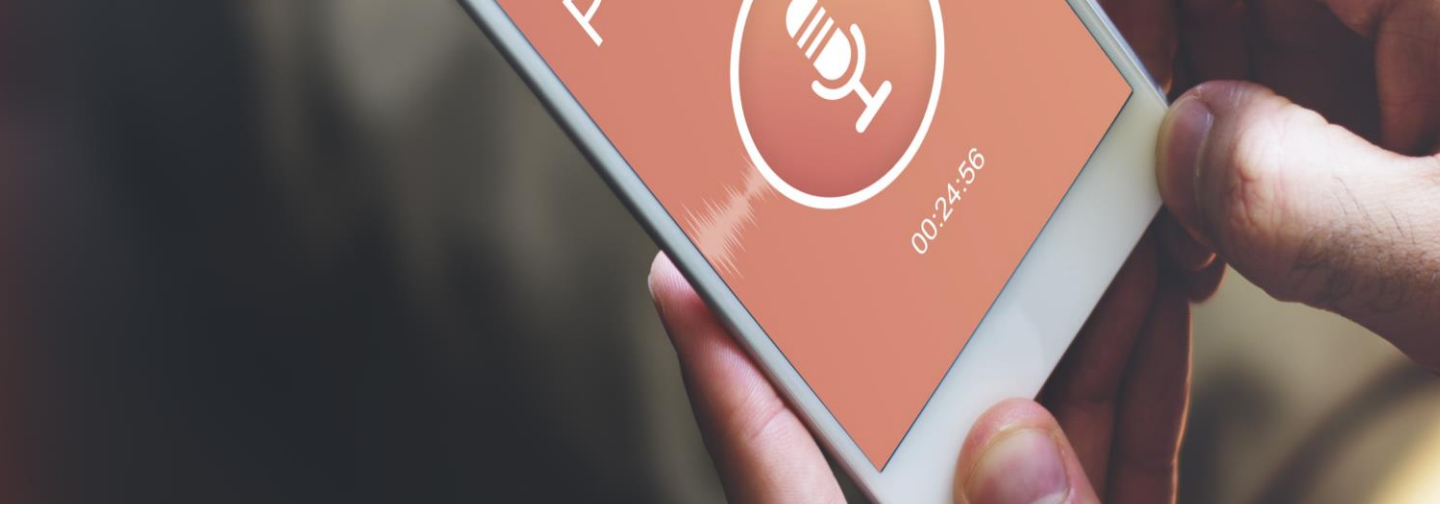
Industry Outlook

There's no doubt that digital audio is having a major moment.

Whether on your commute, during your weekend or in those few precious moments of 'you' time, people are increasingly using podcasts to entertain, educate and enlighten them on topics such as happiness hacks, unsolved murder mysteries and today's latest headlines.

As a result, podcasts, and digital audio in general, are becoming an increasingly lucrative platform for marketers to reach specific consumers in an intimate way along the purchase journey. In this Strategic Spotlight, we immerse ourselves in the world of Podcasts, including formats, watch-outs and key understandings for brands to consider before diving in head first.





PODCASTING 101

POD • CAST /pod - kast/

A podcast is a digital audio file that is made available online (e.g. via websites, apps like iOS's Podcasts app, platforms like Spotify) for downloading and/or streaming to a device (e.g. smartphone, laptop).

It is typically available as a series that users can subscribe to and receive new episodes or editions automatically.

The actual term 'podcast' was first coined in 2004 by the Guardian newspaper's tech journalist Ben Hammersley, who was writing about the boom in online radio.¹

A RICH MEDIA OPPORTUNITY

Marketers must recognize that truly modern media plans need to address audiences who crave content when and where they want it, and are willing to pay for that privilege of consumption.

With this rapid consumer shift to content on-demand, we tend to think of Netflix, Hulu and VOD for streaming solutions or Pandora, Spotify and Apple Music in audio. But the truth is: Podcasting is right in the center of this movement.

Positioning your brand where users are engaged in both highly involved moments as well as transitional ones – between work and home, wakefulness and sleep, work and leisure – is a massive communication opportunity for marketers to tell their brand story.

Similarly, demonstrating a brand's values through an integration or a branded podcast series is an effective way to build an emotional connection with audiences – if done well and distributed properly.

One might even argue that the marketplace hasn't yet caught up to the true potential of being a part of this intimate lean-in experience. With a number of ways to engage, there is no better time to explore the opportunities.

“ 22% of the
US population
will listen to
a podcast in
2018. ”

- eMarketer²

WHY PODCASTS HAVE BECOME SO POPULAR

After cave drawings, auditory-based storytelling may be the oldest form of sharing stories.

Voice-driven storytelling isn't exactly a new art form. Before printing presses or even writing, people used their voice to share, educate and entertain. Behavior tells us that people like hearing others tell stories. There is no need to carry around a book or newspaper to follow along nor a screen to understand the context. This behavior enables both teller and listener to be creative, imaging what they are sharing and hearing. The magic – or even scientific – explanation is that people enjoy the soothing sound of someone else's voice.

But while podcasts are enjoying new levels of popularity, we believe this is actually their second major moment. The first moment occurred four years ago when *Serial* brought the medium into pop culture conversations, primarily driven by Apple iOS.

Today's second moment is being driven by streaming services and platforms like Spotify offering podcasts greater distribution by distinguishing them as a category, as well as the wider-use by publishers to reach audiences with new formats (e.g. *The New York Time's The Daily*).

PODCAST DRIVERS

Supply & Demand

Consumers are engaging with podcasts across a host of topics. But what makes this such a marketable form of communication?

1

USER CONTROL

Unlike radio or satellite audio, users choose when and what to listen to, making podcasts a Netflix-like model of storytelling and enabling content consumption on demand.

2

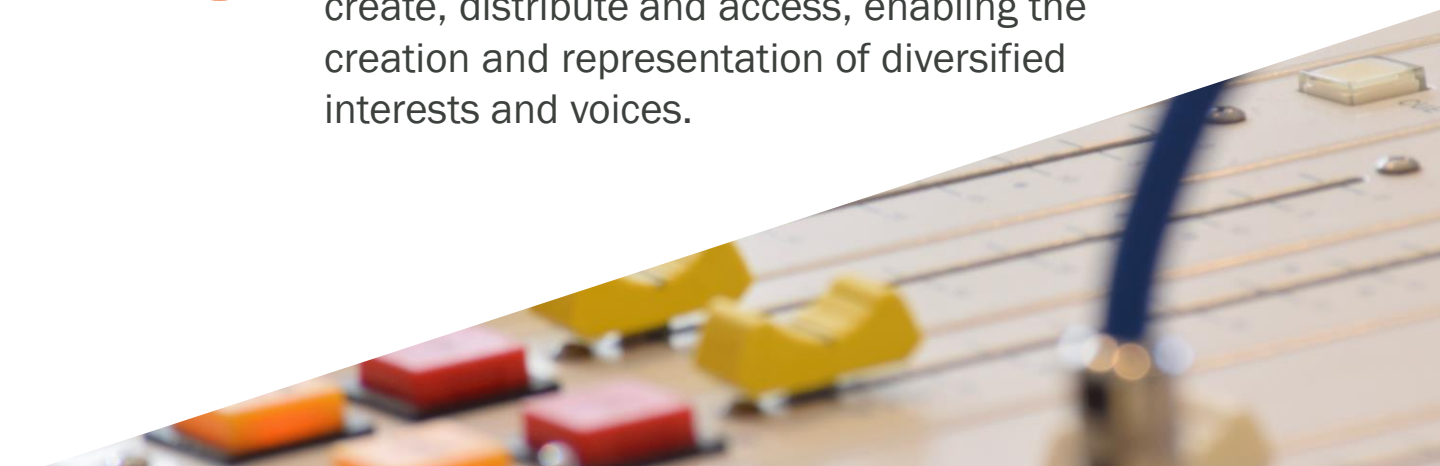
DIVERSE CONTENT

There's endless content out there to tune into– from political news to long-form stories – giving consumers choice and marketers access to nearly any audience they are seeking to connect with along the purchase journey.

3

EASE OF PRODUCTION

The content is, at its core, fairly easy to create, distribute and access, enabling the creation and representation of diversified interests and voices.



PODCAST LISTENER PROFILE

Who is our audience?

Passionate and dedicated listeners. While user numbers are still low compared to terrestrial audio, for brands trying to connect with specific audiences, there is no mistake that these listeners are there to listen. For many it's already an important habit with weekly listeners in the US tuning into an average of 7 podcasts per week.⁴ This isn't passive listening (e.g. background noise) either; podcast listening tends to be an intentional experience consumers put their focus on in order to hear, learn and catch every detail of the story.

A lucrative and affluent group. Listeners are more affluent, and spend more than average on many consumer products. In fact, podcast listeners have an average annual income of \$64,600 vs \$42,800 for the general US population.⁵

Engage with ads more than any other medium. This is good news for advertisers, especially considering that 18% of US internet users trust and remember podcast ads, while roughly one-in-ten Internet users in the US trust and remember radio ads.⁶

MAJOR PLAYERS: PODCAST NETWORKS

A collection of podcasts produced, distributed and made available to marketers via one single network. For podcasters, it offers an opportunity to monetize and grow their audience, no matter their genre, audience size or podcast length. A few popular podcast networks include:

Midroll: Boasts a collection of 300+ podcast, including *WTF with Marc Maron*, *The Art of Wrestling with Colt Cabana*, *Never Not Funny with Jimmy Kimmel* and *Entrepreneur On Fire with John Lee Dumas*. They also have relationships with 200+ companies and work to match podcasters with advertisers that make sense.

PodcastOne: Claiming to be the U.S.'s largest advertiser-supported podcast network, their podcast lineup features content from Shaquille O'Neal, Dr. Drew, Jay Mohr, TheChive, and over 200 more that combine for 400+ million monthly impressions.

Panoply Media: Launched by the Slate Group, Panoply has gone all-in on its podcasting platform Megaphone, as well as its targeted advertising marketplace, which it says uses Nielsen data to introduce audience targeting to podcasting.

MAJOR PLAYERS: PODCAST PUBLISHERS

Publishers control all facets of the podcast, from conception through execution through distribution. We've seen an increase in public radio networks, major local radio stations, publishers and other for-profit companies launch podcast platforms of their own, distributing them across iTunes platforms and their own websites. A few popular podcast publishers include:

NPR: The leading publisher, according to Podtrac, NPR is the only publisher with a monthly reach of more than 10 million.³ In fact, 16.9 million consumers in the US listened to an NPR podcast in June 2018, while second-place WNYC Studios had 7.2 million US listeners. A few other publishers include:

Acast: Acast is a curated platform for podcasts that connects listeners, podcast creators and advertisers in a fully integrated, one-stop shop, including podcast discovery, listening, hosting, and RSS distribution.

Slate: Slate is the among the latest publishers to push into podcasting, including their own daily news podcast *What Next*.



TOUCH POINTS AND INVESTMENT LEVELS

Podcasts have the ability to deliver on a number of variables via connected brand storytelling across different formats and investment levels.

ADVERTISEMENT

A simple audio insert either pre-, post-, or mid-roll. This can be done with programmatic audio or an existing audio ad. An impactful approach is to have the ad read by podcast talent – or original copy to ensure alignment with podcast tone.

SPONSORSHIP

If the audience is right why not become the sole sponsor of a series? Here we would strongly recommend the talent do the ad read for maximum impact.

INTEGRATION

Integrating into fiction and non-fiction podcasts is a smart way to seamlessly connect with your audience yet it can take more due diligence to find the right fit between podcast and brand, and then engineer an integration that feels authentic to the content. Sometimes done in conjunction with an ad and/or sponsorship.

BRANDED SERIES

While more advanced, the payoff is greatest when consumer connects the content they love with a brand. The key is understanding how to translate a brand's core values in a storytelling format such as GE's The Message, which saw the creation of a sci-fi series by the tech giant.

“ Direct-response
ads made up 64.2%
of podcast ad
revenues in the
US in 2017. ”

- IAB and PwC⁷

BRANDED PODCASTS

Considerations & watch outs

Branded podcasts offer plenty of opportunities when done properly. However, just because you record it does not mean people will listen to it. To differentiate yourself from the tens of thousands of other podcasts, a sound content strategy must consider the following:

Having a **Distinct Point of View** to stand out from the rest of the field is only part of the battle.

Finding a **Like-Minded Production Partner** and **Engaged Talent** that believe in and will resonate with your intended audience is crucial.

Giving some thought to the **Appropriate Format**– which range from comedic talkfest to non-fiction to sci-fi – will ensure an authentic connection to your brand.

Audience is paramount. Content should build community around shared interests and passions that elevate your brand values with your identified targets.

But none of the great storytelling matters if people can't discover your podcast, making a **Wide Distribution Model** across all major platforms, like Apple and Spotify, equally as important.

IN SUMMARY

Key takeaways

Podcasts offer brands a chance to connect with highly-engaged consumers. While this audience is small compared with generic radio, they are lucrative in who they are, how they spend and what they are looking for. It's rare to find a medium consumers are so actively seeking out and interested in devoting their full attention to.

Advertising in podcasts runs the gamut of audience opportunities. There are increasingly evolving ways to natively be part of podcasts that enable you to stand out from the editorial content while making your voice heard. There are also a growing number of ways to advertise across other platforms that podcast use for promotion. Not every brand needs to be the creator and executor of a podcast. Instead, brands need to recognize their needs and decide how to best engage with the audience that lives on podcasts.

Podcasts will continue to grow in popularity. The fact that they allow for flexible, on-demand listening, are focused in content and are creatively driven make them an enticing add to a consumer's media diet. There is no lack of content out there, as everyone has a story to tell. While we may witness an upcoming glut of content (as we do with nearly every story-based medium), the quality stories will find ways to distinguish themselves from the rest, ultimately resulting in a highly engaged, niched landscape.



SOURCES:

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