

THE PODCAST
BUYING GUIDE

harness the
power of
podcasts

presented by:

cabana

table of contents



▶ the podcast glow up
page 3

▶ understanding the podcast
environment
page 5

▶ ask an ad ops expert
page 8

▶ dynamic mechanics
page 10

▶ winning strategies
page 13

the podcast glow up

“It has been a very consequential year for growth of the podcasting category.”

- Edison Research

It was not too long ago that podcasts were in that awkward phase. People were making them and people were listening. But the audio format was a wallflower for a long time, ignored by major publishers and non-existent to advertisers. The culmination of the podcast industry's continued evolution and reinvention over the decade-plus made 2019 a “consequential” year.

PODCASTS HAVE GLOWED UP.

We won't talk about the flood of mainstream media coverage or name drop the celebrities who have rushed to launch their own shows. Let's talk about the numbers behind the incredible transformation podcasting has gone through.

► IT'S PODCASTS' TIME TO SHINE.

In 2019, podcast listening crossed the 50% mark. Now, of the 75% who are aware of the term podcasting, 55% have given them a chance. Another milestone was passed in 2020, as 104 million of those folks (37% of Americans 12+) are making them a habit. Since 2015, monthly listening has grown 20 percentage points, going from 17% to 37% of the U.S. population.

15 million

more people aware of podcasting than in 2019

The podcast glow up has been a steady process as the barriers to entry – demystifying what podcasts are, making listening as easy as possible, making discovery as easy as possible – break down. And once podcasts recruit new listeners, they get hooked...fast.

In 2019, 294,736 podcasts were released in Apple Podcasts, yet there's room for more. 65% of monthly listeners agree that they would listen more if there was more content on topics that interested them. **Weekly listeners are consuming 6 shows a week on average and 47% find themselves listening to more content.**

What's not to love? Podcasts are very attractive because they are convenient, portable, entertaining, and informational.

That love shows in how people are listening too. Podcasts are often streamed for immediate gratification, but even when they are downloaded for delayed consumption there's no time to waste. 78% listen to a downloaded podcast within 48 hrs.



93% of monthly listeners are listening to most or all of the episode (ads and all)

What are listeners up to when they hit play on their favorite show? 59% are doing housework or chores. 52% are driving. 51% are relaxing before going to sleep. 50% are cooking in the kitchen and 44% are working out. 70%...wait for it...are doing NOTHING else. What else besides podcasts can command an audience's attention like that?

Now, what does this all boil down to for you, the digital buyer? The media planner? The marketing executive? Engagement, if used correctly. **Over half of podcast consumers (54%) would be more likely to consider a brand they heard within a podcast.** Understanding why the audience may be listening to a particular podcast, how they are listening to it, and what they may be doing while listening are key considerations for any podcast ad to successfully move the needle.

► GUESS WHAT? IT'S YOUR BRAND'S TIME TO SHINE TOO!

As podcasting grows, there's plenty of room for brands to grow too. Even if you have been waiting for the right moment, the right show, the right creative to dive in; time is still on your side. There are untapped shows that cater to your dream audience. **There are creative ways to integrate your messaging that have yet to be explored.** There's still a chance to get the edge on your competition, who may not be in the space.

If you have an audience to reach, you've come to the right place. There are few environments that are expanding in audience and opportunities like podcasting and even fewer where ads are a welcome part of the culture.

understanding the podcast ad environment

Podcast ad revenue
grew 53% to \$479.1
million in 2018

– IAB + PwC FY 2018 Podcast Ad Revenue Study

What if we told you there was an advertising platform where a brand can get the power of personal endorsements from influencers, seamless native content, and competitive separation in one accountable, brand-safe environment? No, it's not too good to be true, it's podcasts.

What makes podcasts so unique is also what made it work so well for direct response and direct to consumer brands. It's uncluttered. It's authentic. It's personal. In this push to connect deeper with audiences, to be storytellers rather than sellers, podcasts present an opportunity for all kinds of brands looking for new ways to break through the clutter and noise of digital advertising.

Digital advertising revenue surpassed \$100 billion in 2018. That's a lot of dollars and a lot of companies fighting for consumers' attention and wallets. Digital audio holds \$2.3 billion of that pie, growing 23% yoy, and podcasting played a role in that growth. While the \$479 million in ad revenue podcasting took in during 2018 seems small in comparison, that number will only grow by leaps and bounds over time. Now's the time to get in the door.

► FIND YOUR PLACE

Direct response companies may have pioneered podcast advertising, but a growing number of brands are turning to podcasts for awareness and lift too. If your goal is to stay top-of-mind with audiences, podcasts deliver on increasing key metrics like recall, affinity, recommendation, and purchase intent. **Nielsen found that CPG brands who are tracking the performance of their podcast campaigns see unaided awareness as high as 69%.**

From CPG to insurance, we're seeing more of those brands making podcasts a must-have for their marketing plans. Podcasting has helped boost the name recognition for young startups so what can all brands takeaway to maximize the environment and keep listeners engaged?

1. **Start with genres that speak to your core audience.** Finding the right podcast partners and hosts will take some experimenting, but demographic info is widely available for most shows.
2. **Get your messaging in order.** 2-3 key talking points max - and make it podcast-first. That means considering the context of when and where your messaging will be heard, and having your message speak in a tone that takes that environment into account. Podcasts are predominantly consumed on a smartphone while at home, and the listener may be tuning in for entertainment or to learn something new.
3. **Determine how you will track success.** Will it be a dedicated URL or a custom brand recall study? Whatever you decide, you should have some benchmark in place to help you gauge the success of your campaign.

► KNOW YOUR OPTIONS

Most shows will have pre-roll (before content), mid-roll (mid 80% of content), and post-roll (end of content) placements available. The host can put their personal spin on these ad units, without disrupting the content environment. Just know that some shows with well-known personalities may charge a premium for talent to endorse a product. Host reads are still a staple of podcast ads because they work - for the sponsor and for the listener.



Over two-thirds of listeners agreed that the ads they hear fit the content

Baked in ads (host reads that are recorded in the show and live in perpetuity) are still widely used for evergreen campaigns, but Dynamic Insertion technology has opened up possibilities for brands that need more refined targeting or the ability to change copy on the fly. Now there's the matter of measurement. Podcasts are measured based on downloads, but not all downloads are created equal. Podcasts that are IABv2 compliant or certified are using the strictest standard for measurement. **If you are entering the podcast space, make sure to ask which kind of ads are available to you and how those downloads are being counted.**

▶ BE A UNICORN

Podcasts have been a pretty easy place for advertisers to stand out, but that's changing fast (see the mattress category). **Make a lasting impression by looking for premium ad placements or category exclusivity and take advantage of content that's new to advertisers.** Find similarities between your brand and unexpected genres, and if your product is something everyone can use diversify the categories you buy to reach a varied audience.

Stand out by getting creative. Before you repurpose that radio copy, take advantage of the mediums' knack for storytelling without the limitations of traditional ad units. Use the pre-roll as a teaser. Let the host share a personal experience in the mid-roll. Tie it all back and reinforce your message in the post-roll. The rules are still being written, so there is more room than you think for exploring new ad formats.

▶ GO FURTHER

Podcasters are masters at cultivating community and generating loyalty. Their non-audio assets (i.e. social pages, website, and newsletters) are how they connect with fans, get feedback, and grow their audience. They've built influence, tap into that influential power and increase the impact of your campaign through an Instagram story, a well-timed Facebook post, or a shout-out in their newsletter.

THE PODCAST AD ENVIRONMENT IS...

- ✓ Creative, and more flexible than you think.
- ✓ The hosts trying your product, sharing their experience.

IT'S NOT...

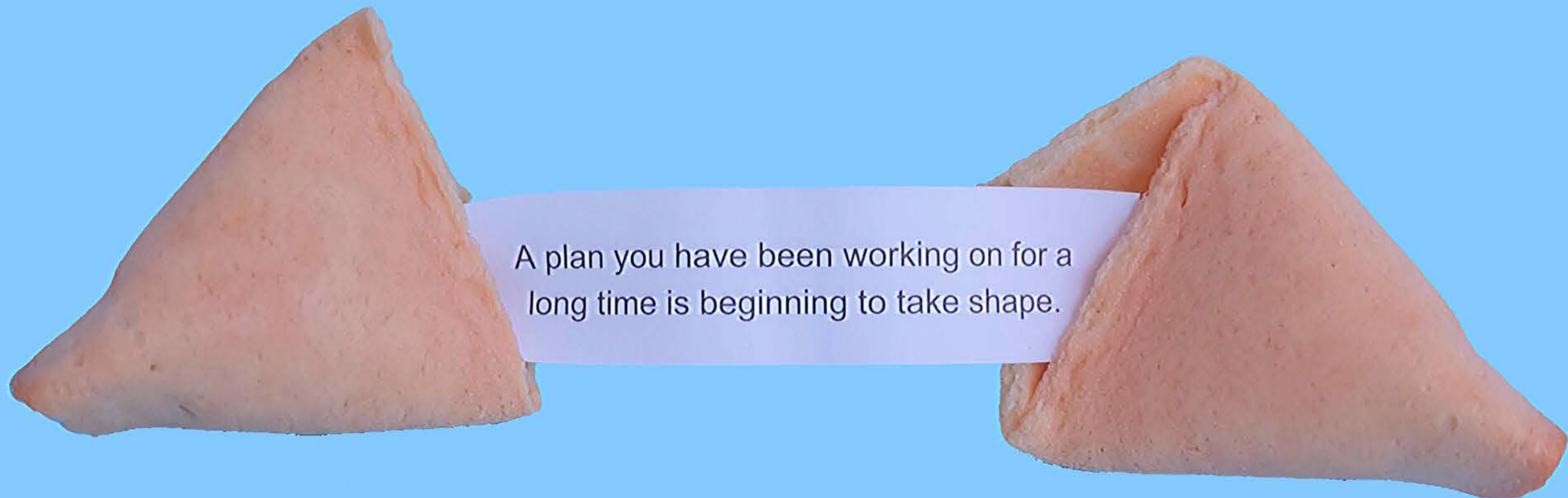
- ✗ Disruptive to the content.
- ✗ Radio. Those same ads won't work here.

ask an ad ops expert

You've got questions. Our ad ops team has answers.

Podcast advertising is still the newer kid on the block. It's growing rapidly, it's changing rapidly, and requires a different approach than other forms of digital media.

So let's address the questions we get the most from advertisers and debunk some misinformation around podcast ads.



- Q** Should podcasts be bought based on downloads or impressions?
- A** Downloads are a good measure of how many people are listening to a particular show, but impressions are what media schedules should be built on. An impression confirms that an ad was delivered to a listener. One episode can deliver multiple impressions across different units.
- Q** Where will my ads run? How do I know my ad has been heard?
- A** With DI, your ads will still run across major podcast platforms and apps - Apple Podcasts, Spotify, Google - wherever the podcast has submitted their feed. Ask if the podcasts you buy are certified or compliant for IAB V2, the standard for measurement that utilizes a strict 24-hour window. A listen only counts once, even if the episode is started and stopped. In addition to knowing that the numbers you bought on will not be inflated, an impression isn't counted unless your ad is heard.
- Q** Does dynamic insertion mean I can only use a pre-produced ad?
- A** No. Dynamic insertion (DI) just uses technology to place an ad in a podcast, instead of the ad being edited into the episode. DI doesn't dictate the type of ad. Host reads, pre-recorded ads, even custom segments can be dynamically inserted. While dynamic insertion tech allows us to seamlessly schedule any type of audio placement, podcast-first ads, better yet, host reads are strongly recommended.
- Q** I want to test first. What's the optimal buy? How many podcasts should I test?
- A** Test campaigns are a great way to gauge how a host and product will jive together. But one midroll in one podcast may not generate results you want. Depending on the product and your target demo, diversify the genres you test as well. We typically recommend at least 4 weeks for a test, these can be back to back or spread out (2 weeks on, 1 week off).

- Q** What's the optimal buy for any campaign? Mid? Pre? Post? How many? How Often?
- A** Midroll units should be the meat of your buy. Think of the midroll as the prime time slot, when listeners are the most invested in the content. Use the pre and post positions to reinforce messaging if you want multiple touchpoints with listeners. Every campaign is different, so there's no 'one size fits all' solution. Work with your partners to map out a plan that addresses your unique goals.
- Q** What about over-saturation? Will my copy get stale?
- A** There are a few tactics that can be used to keep messaging fresh. Recording multiple versions of a read, rotating a number of different offers and promotions, or taking a brief break between flights. Make sure the partners you work with practice frequency capping to avoid overloading the audience. Frequency capping can also combat ad fatigue if a listener happens to binge on a show.
- Q** My product is only sold in the U.S. Can I exclude international audiences?
- A** Yes. Many DI ad serving platforms (like Megaphone) carry the ability to geo-target by country, state, and DMA. Your ad only gets heard by the audiences eligible to buy your product.
- Q** Talking points? Scripts? Which is better?
- A** Talking points, hands down. We've found that the best host reads draw on their personality, maybe incorporating a story about their experience with the product. Unlike hard and fast scripts, talking points allow for the wiggle room needed to make an ad part of the conversation. A bulleted list of 2 to 3 key message points plus a straight-forward call to action will give the host something to run with. Bonus points if there's time for them to sample the product.

dynamic mechanics



The Podcast Ad Revenue Study from the IAB pointed to an upswing in podcast ads delivered via dynamic insertion, increasing from 42% in 2017 to almost 50% in 2018. We mentioned before that dynamic insertion (or DI for short) uses technology to place an ad in a podcast, instead of the ad being edited into the episode. When done right, the ad can sound just as natural as one that has been baked into the content.

▶ THE ROAD TO DI

So how did this technology catch on? The baked in read is the OG of podcast ads. The host gets your copy or talking points and when they record an episode, your ad gets recorded along with it in the content. That ad will be heard in that episode forever, by everyone who hears that episode, until it's manually removed. Of course, this method worked for direct response in particular in the past. But it shut out marketers who needed more. More flexibility to promote different product lines. More capabilities to keep copy fresh. More targeting by timing and location. DI is meeting those needs.

▶ HOW IT WORKS

A scripted :30, an ad-libbed personal endorsement, or a custom branded segment – any form of audio can be dynamically inserted. The possibilities are there for the advertisers who need it. Most importantly though, brands who frequently need to swap copy or need specific targeting can still take advantage of the ever-effective host read with DI.

The ads are sent to the ad server with the necessary campaign parameters (flight dates, geotargeting, etc). When a podcast episode is requested by the player the server looks for the right ad to serve based on those parameters. The ad is inserted into the mp3 file and gets sent back to the player for the listener to enjoy.



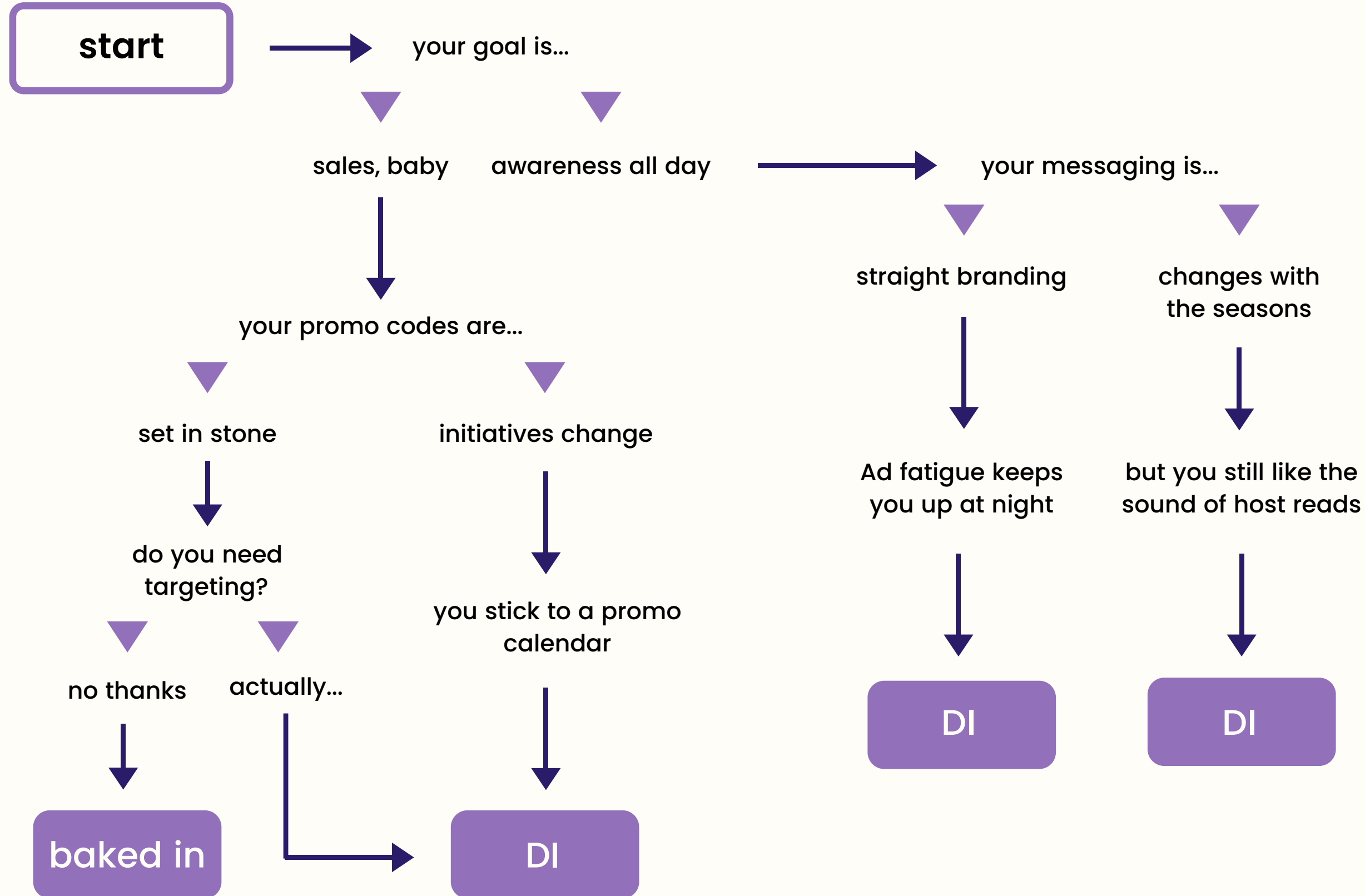
A listener in Canada won't hear the ad for a product only available in the U.S. A listener won't hear the same ad over and over again as they binge a series. A subscriber may hear different versions of a brand's message from week to week. **The advertiser gets more value by addressing the right audience and avoids ad fatigue, while the listener gets a more customized experience. It's a win-win for everyone.**

▶ WHO IT WORKS FOR

You have options and there is no one-size-fits-all solution for every podcast campaign. Which delivery method is right for your next campaign? We can help point you in the right direction.

breaking down: DI

Is the tech right for your next podcast ad campaign? It all depends on how much flexibility you need to succeed.



baked in

These reads will live in the content forever and will be heard by everyone...and that's OK! Your campaign messaging is evergreen.

DI

You still want host reads, but your campaign initiatives may change on a dime. Or maybe you want your reads to sound fresh. Or maybe you need more targeting - you can have it all!

winning strategies



Hear that? That's the sound of a podcast host knocking another ad read out of the park. Not only have they nailed the copy points, they shared an awkward experience that the product helped them avoid. Listeners are then tweeting or posting about the ad or about the product they just bought and now love. The advertiser is over the moon, reassured that they have made a smart investment.

Very few media channels can boast the kind of ad effectiveness like podcasting can, letting a brand's personality truly shine. So now that you know the components of a good campaign, let's talk about what success looks like with some case studies in compelling brand creative.

▶ WHEN THE AD IS JUST AS INTERESTING AS THE CONTENT

There are few rules when it comes to podcast ads, but telling a story is one of them. Podcasting is all about storytelling, after all. Ads can take an unexpected twist, tug at the heartstrings, or play into the audience's deepest fears. How about all of the above?

This not-for-profit took an unusual approach to raise awareness for a deadly disease, and a True Crime host took the creative and ran with it. Her show doesn't dwell on the gory details, but instead empowers listeners to stay informed and stay vigilant. By leaning into the tone of the show, the educational campaign fit seamlessly. Fans noticed too as they took to social media to share their own experiences and to thank the host for bringing this cause to their attention.

pro tip:

Approach long term campaigns not as an "ownership" opportunity, but as a chance to build a relationship with the audience and establish familiarity.

▶ WHEN THE BRAND IS THE *PERFECT* FIT

In a field of 900,000 podcasts, only a handful have mega-reach. Those shows get crowded fast, as advertisers see their overarching reach as an efficient way to get their message heard. But big shows don't always equal big impact. Brands that capitalize on untapped podcasts to cut through the clutter frequently see better than expected results, and return to the podcast for longer campaigns.

Take, for example, a men's health vitamin that invested in an American history podcast. While the ads didn't include the host's personal experience with the product, the reads were authentic, engaging, and invited his niche audience of hard-core history buffs to take better care of themselves by using this product. End result? This podcast landed in the top 25 performers for the brand. The brand acknowledged that despite the (what some might consider) smaller audience, the results were impactful enough for a yearlong renewal. #winning

▶ WHEN MORE IS MORE

There's more to podcasting than the show. These hosts have built entire communities to connect deeper with their audience and expand their listenership. This can include their fan clubs, social pages, newsletters, and YouTube channels.

To maximize the impact for a national CPG brand's first foray into podcasting, it was time to think of the podcast as the total influencer package. This brand used dynamically inserted ads and the host's social clout to generate buzz for a new product release. Fans knew that when their favorite podcaster endorsed a new product, it had to be good. It was not long after campaign launch when the fans rushed in to send DMs, post Instagram Stories, and write their own social posts to thank the host for telling them about the product, and how much they loved it too.

pro tip:

Use the podcasts' unique positioning and core values to inform how your messaging is delivered.

pro tip:

Launching a new product? Let the host sample first, so they can create some FOMO in their reads.



cabana

**THE PODCAST
BUYING GUIDE**

Let's talk about podcast ads:



@letscabana



@letscabana.com



hello@letscabana.com

Sources:

Edison Research, The Infinite Dial, 2020

Edison Research, The Podcast Consumer, 2019

IAB, PwC FY 2018 Podcast Ad Revenue Study, 2019

Nielsen Podcast Ad Effectiveness Study, 2018