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Discover how to build an effective and sustainable podcast ad buying strategy.

THE PODCAST BUYING GUIDE



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THE WORLD AS WE HEAR IT

What podcasting means today. And where does advertising fit in?

We are entering podcasting's grown-up era. The running joke is that everyone has a podcast, but the reality is that starting and sustaining a podcast is harder now than it's ever been before. There are multiple paths to success in podcasting today, but with so many podcasts to choose from, producing high-quality content and delivering real value for an audience are now table stakes for every new show.

We're also entering podcast advertising's grown-up era. Podcast ads are measurable. Reaching an audience at scale is possible. Podcast ads work...for all kinds of advertisers.

Today, there is a richer diversity in content available which is bringing in more diverse audiences. Adding to the fire are improvements in ad capabilities, which helped fuel U.S. podcast advertising revenues to surpass the \$1 billion mark in 2021 for the first time, growing to \$1.4 billion.

The early adopters of podcast advertising can take some credit in making podcasting what it is today...funding creators' passions means allowing them to improve their audio production, hire a team, and market their brand to grow their audience.

Ads keep content free and accessible to the consumer. Ads support creators so they can keep telling stories, introducing new ideas, and connecting with their listeners.

Listeners get that too. They know ads help make the podcasts they enjoy possible.

72%

With 72% growth, podcast advertising grew twice as fast as the total internet advertising market in 2021

\$1.4B

Podcast ad revenues reached a new high in 2021

Source: PwC and IAB FY 2021 Podcast Ad Revenue Study

THE WORLD AS WE HEAR IT

What podcasting means to the listener. Who they are and what motivates them.

Podcast advertising continues to be attractive for ad buyers because of the quality and diversity of the listener. This audience continues to grow in meaningful ways, becoming more representative of the U.S. population.

58%

Young: 58% of the U.S. population aged 18-44 listened to a podcast in the past week.

Source: Edison Research, Infinite Dial 2022

41%

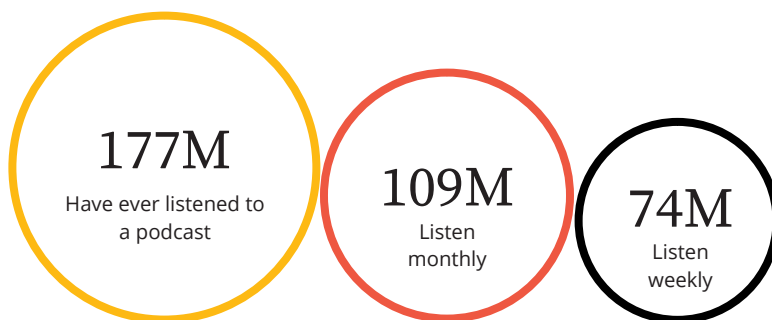
Diverse: the ethnicity of monthly podcast listeners closely mirrors the U.S. population. 41% of monthly listeners are non-white.

Source: Edison Research, Infinite Dial 2022

This audience is growing the fastest in key demographics. According to The Spoken Word Audio Report from NPR and Edison Research, in 2021 the share of time spent listening to spoken word audio among women grew 71%, 83% among African Americans, and 80% among Latinos.

The current reach of podcasting and the upside of potential reach.

There are over 100 million opportunities to convert those casual listeners into regulars.



Source: Edison Research, Infinite Dial 2022

The future of the audience depends on 'growing the pie', but also giving non-listeners a reason to give podcasts a try. Luckily, podcasters have even more tools for discovery and audience growth (YouTube, TikTok, Twitter, etc.)

THE WORLD AS WE HEAR IT

An environment like no other, podcasting checks boxes that other media simply can't.



Screen-free entertainment. Podcasts give us a break from screens, but still require attention (i.e. not passive).



The companionship. Mostly consumed at home alone, the host-listener relationship is extremely intimate without getting too weird.



Podcasts are for lovers (of learning). It satisfies the curious, those who are hungry to learn more about a topic they're interested in, stay informed.



Brittany Clevenger

Senior Director of Audio Partnerships,
BetterHelp

Is the 'I heard it on a podcast' effect real?

"It's quite real, or we wouldn't be spending so much. :) Benefits we experience range from incredible user acquisition to even seeing a high percentage of new company employees be knowledgeable about BetterHelp from podcasts they listen to, which helps our recruitment efforts."

Why podcast advertising works. What we know about ad effectiveness.

The glow is real. Not only do podcast listeners trust this ad environment, they find the ads they hear useful.

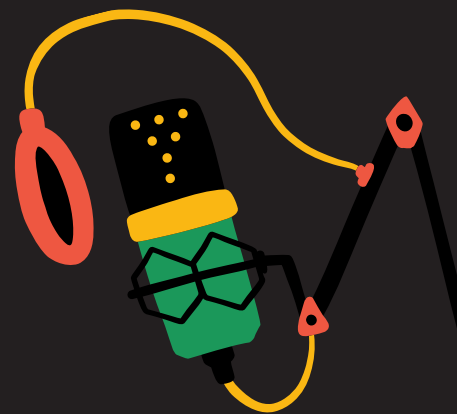
78% find both host reads and sponsor messaging of value, 68% find pre-recorded ads interesting.

71% of weekly podcast listeners trust podcast ads more than other ads.

Source: After These Messages, Sounds Profitable and Edison Research 2022

A great driver of upper-funnel engagement, The Nielsen Podcast Ad Effectiveness Norms Database reports that podcast advertising results in an average 15-point increase in brand awareness and a 7-point increase in information seeking.

THE 'S-WORD'



Brand suitability has entered the chat.

Despite this compelling ad environment, there are still brands that have held back. Between concerns around ad-libbed host reads and off-the-cuff conversations—podcast advertising is simply too risky. Or is it?

While brand safety is clear-cut, suitability is more nuanced and will vary from brand to brand.

The current state of brand safety and suitability.

Tamara Zubatiy, CEO of the AI-based brand suitability platform Barometer, says, "Early podcast ad growth was driven by performance at all costs, whereas now larger brands with more to lose are entering the space. Brand suitability protections are table stakes in other advertising channels, but are a newer point of focus in the podcast space."

44%

only 4 in 10 publishers are utilizing brand safety solutions and only 33% have brand suitability measures in place.

Source: PwC and IAB FY 2021 Podcast Ad Revenue Study

This emerging issue in the industry is relatively new as more and more brands start to explore podcasting. Widely-available tools for vetting hosts and shows are still in the works.

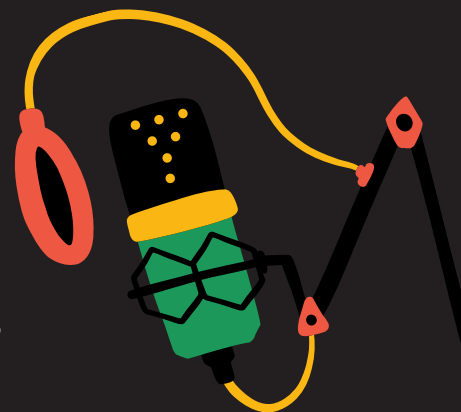
The good news is that audio is already less prone to the brand safety issues like ad stacking and ad fraud that often run rampant in the digital display world. And don't forget the very nature of podcasting itself—it's opt-in content with built-in contextual targeting.

Speaking of context, solutions that focus on context rather than keywords are coming to the forefront. The all-important episode transcript plays a key role in this. Using the GARM (Global Alliance for Responsible Media) framework, AI can analyze transcripts to determine a show's relative safety and suitability. Current third-party providers include Barometer, Podscribe, and Sonnant, to name a few.

"Keyword-based approaches take an ax to media plans, while contextual solutions offer a more refined scalpel, allowing brand suitability to shift from anti-targeting word lists and blocking entire genres to powering a more data driven enforcement at scale, resulting in more overall brand investment," states Tamara.

THE 'S-WORD'

A brand suitability checklist for finding content that aligns with your brand's unique risk profile.



✓ Know what you're buying.

Only work with reputable partners and high-quality content that not only sounds good, but is consistent, and engages listeners. For larger-scale reach buys, it's a red flag if you don't know what shows are in the network you bought.

✓ Know the show's history.

Tools like podcast media planning platform Magellan AI can help advertisers understand a show's ad history. While AI-based platforms like Barometer help give insight into the actual conversations happening within the content at the episode level.

✓ Get host buy-in.

Brand suitability goes both ways. Podcasters want to do right by their audience, so if they can't get behind a product or a brand doesn't align with their values, it's not a good fit for either of you.

✓ Quality control measures are in place.

Despite the growing number of tools and technology available, brand suitability still needs a human touch. Human eyes and ears help to look out for potential issues in the content or the ads heard.

“



Tamara Zubatiy

CEO & Co-founder, Barometer

“I am confident that publisher prioritization of brand safety and suitability protections for advertisers coupled with transparent, third-party labeled data on both the buy and sell side will bring in more (and larger) advertisers. There are brands that are simply unable to invest in emerging channels that don't offer the brand protections they expect.”

Strides in brand suitability already underway signal a positive forward-moving effort. But, this is a long-term, industry-wide endeavor that needs to take place to bring more 3rd party solutions and capabilities to the table.

THE 'S-WORD'

Put your money where your mission is.

Don't just advertise, be an ally. Staying silent on today's issues is not an option for most brands today. Supporting underserved podcasters and their content is a great way to (meaningfully) align with causes that are important to your consumers.

According to a study from Trustpilot, around half of consumers said it's important for brands to take a stance on issues—whether social, ethical, or political. While 7 in 10 of marketers agreed this is “increasingly important,” many brands hesitate.



Steph Colbourn

Founder & CEO, editaudio

"Stay true to the demographic of the show with the demographic of the ad. Do it in the host's voice because they already trust the host and they feel tied to them and connected to them. So the host probably knows how to talk to them best."

Tips for a socially-conscious podcast sponsorship

- Listen to your customers. What issues are impacting their lives?
- Ask if your brand can genuinely speak to these issues and/or take meaningful action
- Form partnerships based on mutual values and shared mission.



OLD SCHOOL V. NEW SCHOOL

Advertisers want to know that where they are advertising is safe AND easy to buy.

How do we bring buying podcasts into the future without losing the essence of what makes podcast advertising great?

Getting to the next \$1 billion in podcast ad revenue? Programmatic buying is the key to unlocking explosive growth in podcast advertising for a variety of reasons:

- Meets the demands of current advertisers who are eager for more reach.
- Creates more efficiencies in the buying process thru automation.
- Opens the door to bigger brands that have different needs and goals.
- Taps into the untapped potential for buys at the local level.

2% Programmatic podcast advertising only makes up 2% of total U.S. podcast ad revenue in 2022.

Source: PwC and IAB FY 2021 Podcast Ad Revenue Study

Programmatic makes up a small fraction of podcast ad transactions today, while true programmatic solutions account for even less. We'll dive into the current options available to advertisers today and the nuances of programmatic podcast advertising. But first, some definitions:

DSP



Demand Side Platform is used by advertisers. The Trade Desk and Basis work across multiple ad channels, while platforms like AudioHook are catering to audio specifically.

SSP



Supply Side Platform is used by publishers/the podcast hosting platform. Triton Digital and AdsWizz offer podcast solutions.

VAST



Video Ad Serving Template transfers key metadata about an ad from the ad server to a player. Don't be fooled by the name, this tag is key for executing programmatic podcast buys in certain cases.

OLD SCHOOL V. NEW SCHOOL

AUTOMATED PODCAST AD BUYING TODAY

PROGRAMMATIC DIRECT	<p>Also referred to as programmatic guaranteed or preferred deals, the buyer gets access to inventory directly from a publisher.</p> <p>Advertiser and publisher negotiate the terms on a one-on-one basis.</p>
OPEN + PRIVATE MARKETPLACES	<p>Through their DSP, buyers bid/purchase ad inventory thru SSPs publishers have opted into like AdsWizz or Triton.</p> <p>Ad inventory on the open market doesn't have to be exclusive and the level of transparency will vary.</p>
PROGRAMMATIC-ESQUE	<p>Platforms that mimic the capabilities of programmatic, but are managed internally and cannot be transacted from the buyer's DSP. E.g. SPAN/Spotify Audience Network</p>

Programmatic is just another tool in the podcast advertisers' toolbox. While growing the podcast ad revenue pie is important, we can add to it without taking away host reads.

The host read will always be essential to podcast advertising—this is prime real estate that brands can't afford to overlook. So how can brands balance the traditional with the new to increase their reach potential?



Make host reads the core of your buy—even if you partner with just a few hosts who can authentically speak to your brand and product.



Create bespoke announcer reads that incorporate voice talent, music, or messaging designed for the intended audience and format.



Use VAST when available to automate and control more ephemeral messaging and offers.

OLD SCHOOL V. NEW SCHOOL



There are a lot of misconceptions about programmatic in podcast advertising, and the term often gets thrown around incorrectly. To set the record straight, we asked **Bryan Barletta, Founder of Sounds Profitable**, to help us get to the bottom of some common narratives.

Programmatic and DAI are interchangeable.

False! Dynamic Ad Insertion (DAI) can be summed up as the ability for every ad in a podcast episode to be decided at the moment the podcast listener presses play to listen to the episode. Programmatic only works in podcasting on platforms that offer DAI, allowing publishers to broadcast their inventory to one or more DSPs, allowing buyers to make a decision on their end, in real-time, whether or not they'd like to purchase that inventory. Basically, not every DAI ad is programmatic, but all programmatic uses DAI.

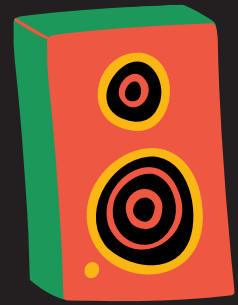
Programmatic in podcasting should work exactly the same as it does in other media.

True! As an on-demand method of entertainment, podcasting works just a little bit differently than all other forms of digital media most are familiar with. Podcasts are downloaded progressively when a listener presses play and all of the tracking needed to execute programmatic ads are fired server-side instead of on the listener's device. We're not hurting for data, attribution, or anything like that, but the response times from a partner submitting a programmatic bid, to finding out that they've won and the impression was downloaded does take longer than other channels. Demand Side Platforms (DSPs) like The Trade Desk, Audiohook, Adswizz, and others have all worked out the proper way to handle these differences, allowing podcasting to thrive in a multi-channel programmatic advertising campaign.

Once we truly unlock programmatic it will eventually replace all other forms of advertising.

False! Podcast advertising's success comes from its flexibility. While it absolutely is technically possible to serve a host-read advertisement through programmatic, it's not the most efficient. Many publishers also offer incredibly unique opportunities to build custom content with their brand partners, from segments to episodes, that may not be a great fit for DAI, let alone programmatic. Programmatic, however, isn't a race to the bottom in any financial sense, with many publishers setting the same prices as they sell for their manually entered DAI campaigns through their programmatic relationships. Programmatic absolutely is efficient and cost-effective in its fees, which is why it's a major part of all ad sales in other channels, but it is not the sole form of ad sales.

CREATING A SOUND APPROACH



Despite the challenges buyers face, investments in podcasting are on the rise.

According to WARC's Marketer's Toolkit 2022, 54% of marketers plan on increasing their podcast investments this year.

Let's put together an optimal strategy, step-by-step. Plus, we answer the most-asked buying questions.

DEFINE THOSE GOALS

A clear goal and a plan for measuring performance will help set your campaign up for success. There are many ways to buy, so your goal will determine the right path for you.

✓ Get the biggest reach possible

Efficiency is key in brand awareness.

Target top shows, network buys, programmatic deals.

Measure with: brand lift studies, surveys, pixel-based attribution.

✓ Get listeners to take a specific action

Focus on environments and personalities.

Buy titles/genres that deliver the right content fit, long-tail/niche titles.

Measure with: promo codes, URLs, pixel-based attribution.



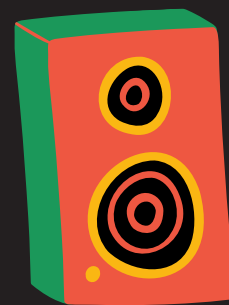
Alexa Marulli

Director, Sales & Partnerships, AdLarge

Q: What if my goal is brand awareness? Will podcasts make an impact?

A: Podcasts are the ultimate form of word-of-mouth advertising. Studies from Nielsen show that podcast ads—and host reads in particular—drive interest while generating high levels of aided and unaided recall as well as recommendation intent. Podcast hosts are great at building relationships with their listeners, so let them establish your brand as a familiar presence in their content.

CREATING A SOUND APPROACH



FIND YOUR FIT

We can't stress enough how important fit is in podcast advertising, and this can take many forms. Either the podcast's listening audience is a good fit, the content itself is a good fit, or the host is a good fit and aligns with your brand values.

If your product has broad appeal, don't count out genres outside of the obvious. A wellness brand may resonate across a variety of genres—including true crime—because, who can't use a little bit of self-care these days?

The tools available to buyers today for evaluating content and finding audience are robust. While the podcast charts and rankers give a window into the biggest shows, resources like Magellan AI and Podsights dig deeper and provide a show's ad history and competitive insight into ad category trends.

With the right fit in quality content, brand suitability issues can be avoided, but have those parameters in mind before getting started. What topics/keyword triggers are a no-go and what contextual environments are acceptable? For example, true crime will contain discussions around violence, but the audience expects those discussions in this environment.



Ilwira Marciszek

Senior VP, Head of
Revenue Operations &
Digital Sales, AdLarge

Q: Should I test first?

A: We always encourage clients to test but test like you mean it. Make sure your test is big enough to generate the data you need to make an informed decision. Book sufficient ad inventory and test multiple hosts across different genres. Depending on your KPIs, working with the attribution or measurement partner is a great idea.

For the average test campaign in shows with a smaller audience, we recommend one spot per week for a minimum of 4 weeks to help ensure KPIs are met. For larger shows (e.g. one million-plus listeners), advertisers can buy one spot over 30 days or buy impressions in a specific flight week.

CREATING A SOUND APPROACH

SECURE YOUR INVENTORY

You know who you want to reach and what kinds of content they engage with, it's time to find the best inventory available. Ad buyers can purchase inventory either by individual title or buy across targeted audiences and networks.



By individual show

Requires more heavy lifting, but can offer more control.



Within a network

Deliver your campaign at scale across different genres and audiences.



By content vertical

Deliver reach across similar audience segments.

According to Podsights benchmark data, buying across publishers and limiting the number of times a household hears your ad can have a positive impact on converting listeners.

Work with your partners to build a campaign against your strategy, identifying the right frequency, share of voice, plus any opportunities for category exclusivity, presenting sponsorships, and social extensions.

Host reads are a must, even if they're just part of a larger strategy. Opt for dynamic ad insertion (DAI) over baked-in where available. DAI host reads or 'faked-in' ads enable greater benefits like impression tracking, pixel-based attribution, and seamless integration into past episodes for back-catalog listening.

It's time to play...

IS THIS INVENTORY PREMIUM?

- ✓ Do the episodes have limited ad breaks?
- ✓ Will I have category exclusivity?
- ✓ Will I get transparent reporting?
- ✓ Am I buying direct? If buying third-party, is this sold anywhere else?

CREATING A SOUND APPROACH

CREATIVELY, SPEAKING

Now's your chance to shine. How you execute can make or break a campaign.

Whether providing talking points or scripts, the best reads draw on the host's personality and their experience with the product. 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 straightforward call to action will give the host something to run with.

If you're going the announcer-read or programmatic route ask what kinds of investments you will make in creative execution. The final creative should be tailored to this environment. Consider everything from the voice of your announcer to the background music and the tempo of how the copy is read. Would you want to hear this ad, fully immersed in your favorite show with earbuds in?

CHECK IN AND OPTIMIZE

Whether you're accessing attribution data in real-time or executing a post-campaign survey, podcast advertising is measurable and rich with data advertisers can use to make smart decisions.

If your messaging is getting stale, it's time to update your copy. 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 brief breaks between flights. Experimenting with messaging and testing creative is encouraged here.

Be patient. Podcast advertising is a long game, requiring steady and consistent messaging. Not every listener will be ready to buy right away; it's about being the first name that comes to mind when they are.



Brittany Clevenger

Senior Director of Audio Partnerships,
BetterHelp

"Be sure to work with an expert. Find someone in the space on the brand or agency side who can guide you during your first buys. There are many moving pieces and being set up for success involves things that are not intuitive if you've never advertised in audio before, such as: asking about downloads vs. impressions vs. unique listeners, frequency capping, best practices for attribution, copywriting, and more."

CREATING A SOUND APPROACH

CASE STUDY: A TALE OF TWO AD BUYS

Two advertisers take two very different approaches to achieve ROI on their podcast investments.



Traditional DTC buy

A new-to-podcasting advertiser tests DAI host reads. By letting the hosts try their product and share their personal experiences, this wellness brand saw online sales increase 50x leading to larger investments in the space.



Direct programmatic buy

A long-time podcast advertiser tries new tactics to reach listeners. The implementation of VAST tags puts creative control back on the advertiser. Even for legacy podcast advertisers, this is a way to expand a buy beyond host reads and test non-host or other audio creative tactics at scale.

Bottom line: there are many ways to approach podcasting advertising, it's about getting the basics down and working with the partners who can give you the tools and environments necessary to make your message shine.



The Golden Rules

OF PODCAST ADVERTISING

The podcast industry can't continue to flourish without some ground rules—rules that the industry can collectively agree upon to preserve the environment. 'The Golden Rules' respect the content environment, the creators, and the listeners.

A pledge to make podcast advertising better

1

GROWING THE LISTENER PIE

Commit to education around where and how to listen to podcasts. Keep the barriers to listening low to keep bringing in new audiences.

2

BUILDING TRUST WITH BUYING COMMUNITY

Maintain transparency in advertisers expectations, ad loads, and ad placement.

3

DON'T MAKE CREATIVE AN AFTERTHOUGHT

Good creative trumps everything — whether an ad is host-read or announcer-read, DAI or baked-in. This will become even more important as programmatic capabilities grow.

4

PODCAST ADVERTISING IS HANDS-ON (AND THAT'S OK)

Let's continue to celebrate the uniqueness of podcasting. It's truly unlike any other ad channel out there—and that's a good thing.

ABOUT ADLARGE

AdLarge Media is the leading independent podcast ad sales network in the industry representing almost 200 shows including top-ranking hits like the Murdaugh Murders Podcast, Girls Next Level with Holly Madison and Bridget Marquardt; female lifestyle-focused content from influencers such as Mina Starsiak-Hawk, Tori Dunlap, and Cathy Heller; and curated networks from Eeriecast, Recorded History, and Cavalry Audio.

Combining our decades of audio expertise, careful content curation, and a hands-on approach, we transform podcast advertising newbies into podcast advertising experts. We create this guide every year to empower marketers and agencies to take full advantage of everything this industry has to offer.

Acknowledgments

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Sources & Appendix

PwC and IAB FY 2021 Podcast Ad Revenue Study; Edison Research 2022 Infinite Dial; Edison Reserach and NPR Spoken Word Audio Report 2021; Magna Global, Nielsen Podcast Ad Effectiveness Norms Database (Exposed studies conducted from 2018-2022); Sounds Profitable and Edison Research After These Messages 2022; Trustpilot study 2022; WARC Marketer's Toolkit 2022

WE WANT TO HEAR FROM YOU

Is there something you want to learn more about?
Get in touch and we'll answer your questions.

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