

FREE GUIDE

How to benefit from the rise in podcast listeners

AUDDY



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.

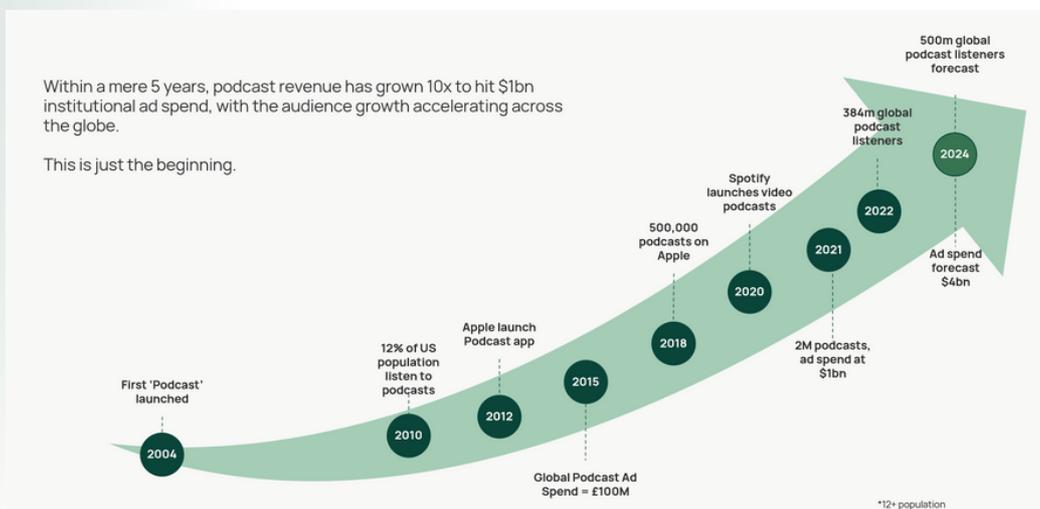
We have collated the latest industry data in a simple guide to ensure that you have the best tools at your fingertips to enter podcasting, or to further improve your business' existing audio strategy.

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The Podcast Market

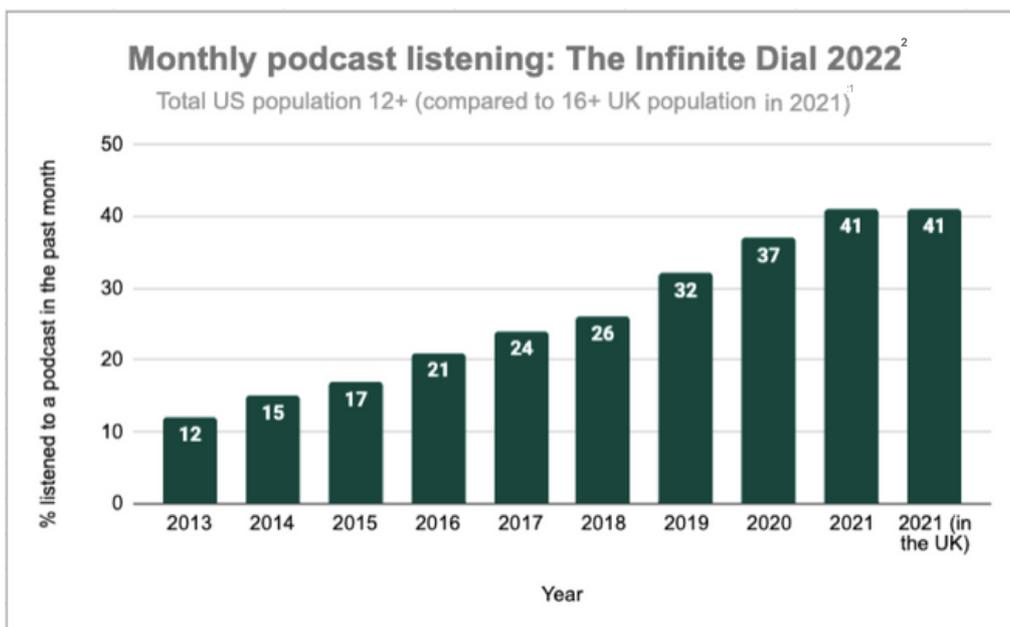
We are in the midst of a new phenomenon in media consumption.



Podcast - Listener Habits

The Total Market

As multiple sources tell us on a daily basis, the podcast market is growing rapidly. In fact, now 41% of UK adults 16+ listen to a podcast each month¹. This rapid growth has opened up a whole new market for businesses and brands to reach outside of traditional media channels.

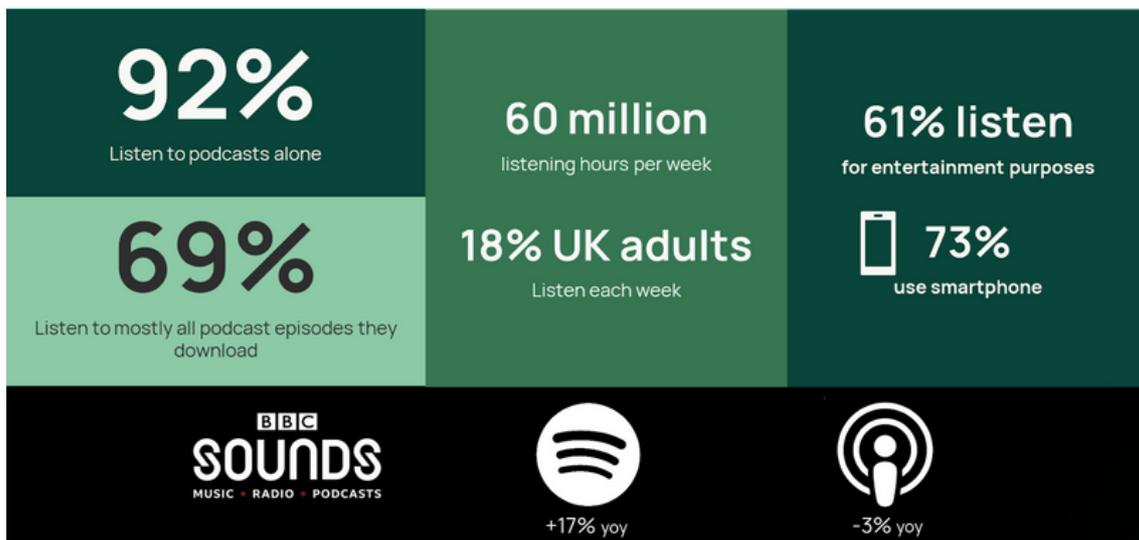


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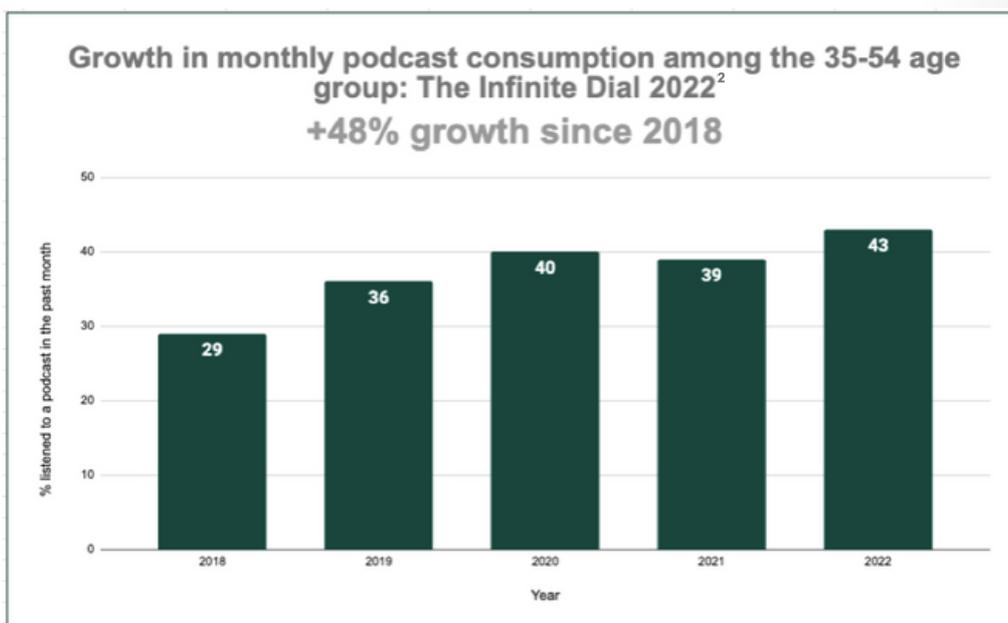
The podcast audience is significantly younger than other audio-based mediums², creating opportunities to reach this challenging target market.

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

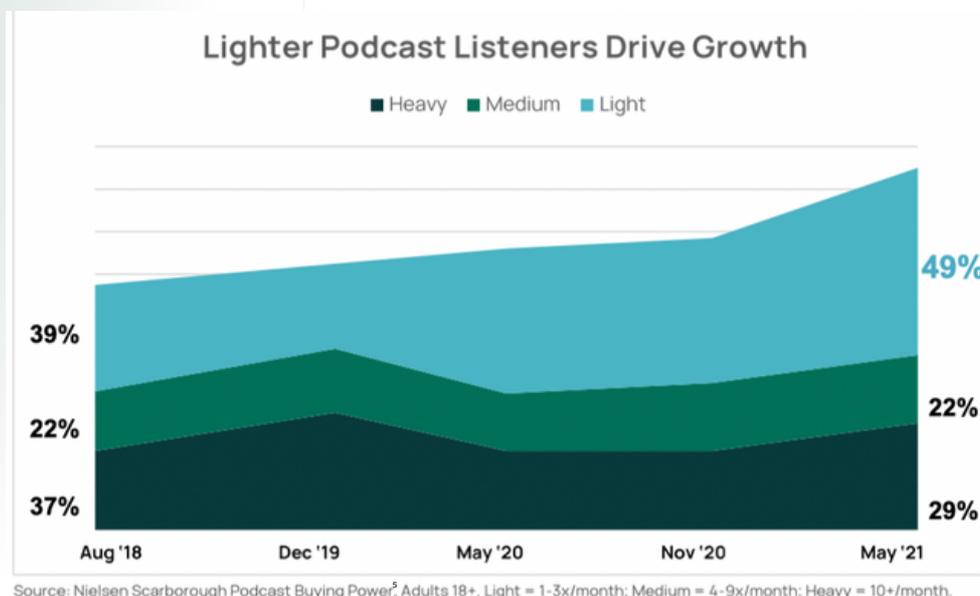
They are also super fans of audio in general, consuming +41% more audio than the average U.S. population⁴. That said, these listeners also consume podcasts more than any other audio source of media². So effectively, their love of podcasts is driving up their overall media consumption.



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 35-54².



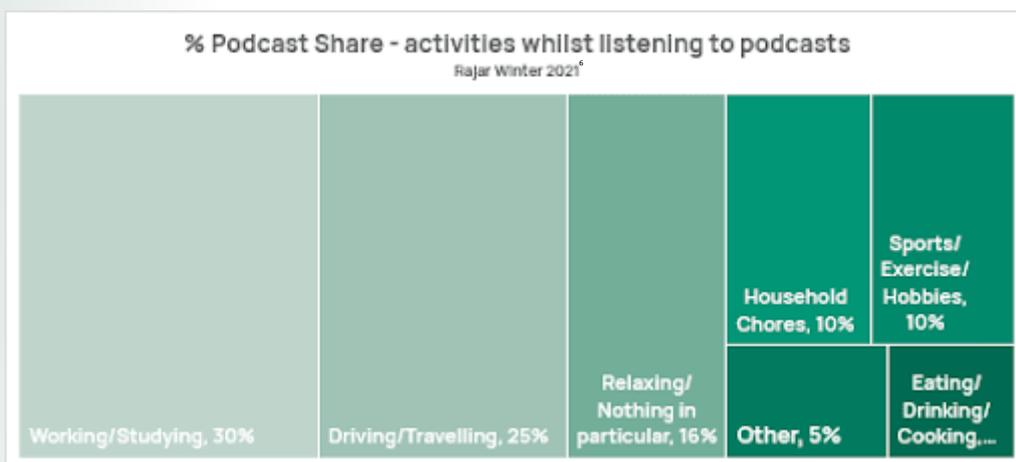
But it doesn't stop there. Despite podcast listeners consuming more and more content, the true growth in this sector is in fact coming from the 'lighter' listeners. This is accelerating overall listener reach in the sector, which increases podcasts' appeal for more advertisers.



Listener Behaviour

Podcasts are an intimate medium. In fact, 93% of podcasts are listened to alone⁶. 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.

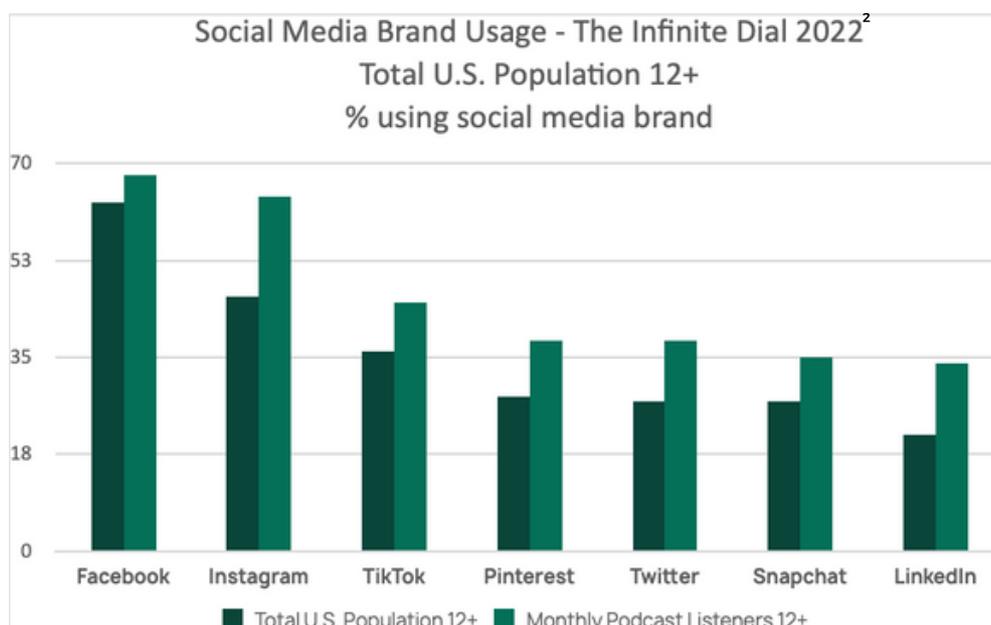
Looking more specifically at how and when people listen to podcasts, things become much more interesting. According to a BBC Global News study⁷, "94% of listeners consume podcasts whilst performing other tasks." Working and travelling were the most common, meanwhile exercising, shopping and running errands were also popular. On top of this, they found that 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 download⁶.



Podcast listening is also not a passive activity. Users must make an effort to listen - they search for content on their player of choice and choose to commit time to their latest episode. Therefore, they want to gain something from the experience whether it's to be educated, entertained or informed.

Social Media & Podcasts

Podcast listeners are more active across social media platforms compared to the general population². 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 population². 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 behaviour to discover podcasts. The core sources are claimed to be recommendations (from friends and family) and via internet searches. For example, research from Statista⁸ shows that 39% of listeners in Europe use Google to discover new podcasts (and 27% of listeners in the U.S.). And, research from Edison⁹ 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.

As previously mentioned, podcast listeners are bigger social media users than non-listeners. Therefore, they also discover a lot of podcasts directly via social media. In fact, the majority of podcast listeners say that they come across most podcast advertising on YouTube (25%), Facebook (23%) and Instagram (18%)¹⁰. And they are highly responsive to these messages – when a new podcast is advertised to them, over a third of podcast fans will tune in within a week (34%), and one in five will do so that very day (19%)¹⁰. Younger viewers are most likely of all to click and tune in instantly¹⁰.

On top of this, more and more people (particularly Gen Z) are using TikTok as a search engine^{11 12}. In fact, last year, TikTok actually overtook Google as the world's most popular domain¹³. This shouldn't be overlooked when it comes to identifying key listener habits and giving a podcast the best discoverability possible.

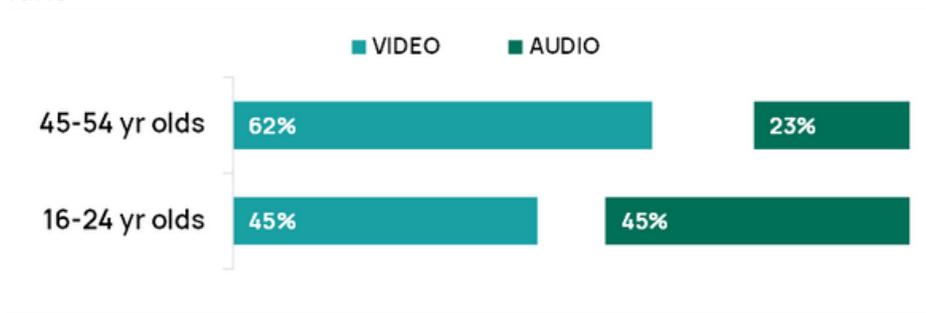
The Growth of Video

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.¹⁴. And nearly 60% of weekly podcast listeners say they prefer podcasts with video – the more recently somebody has started listening to podcasts, the more likely they are to say this¹⁴.

50%

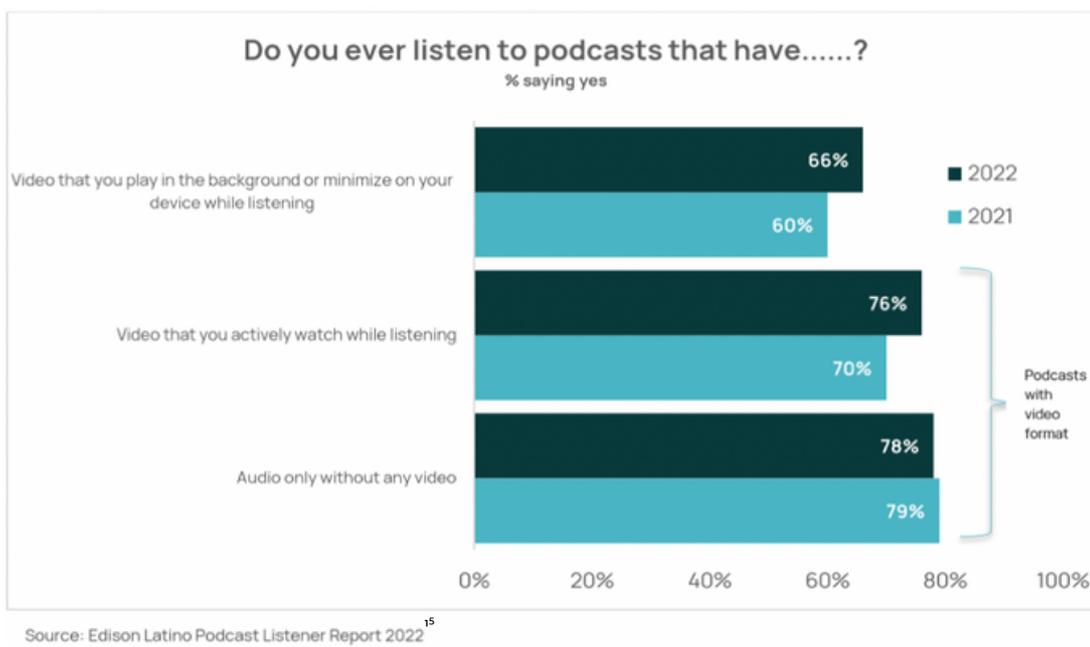
of UK listeners who have experience watching visual pods say now they prefer video to audio.

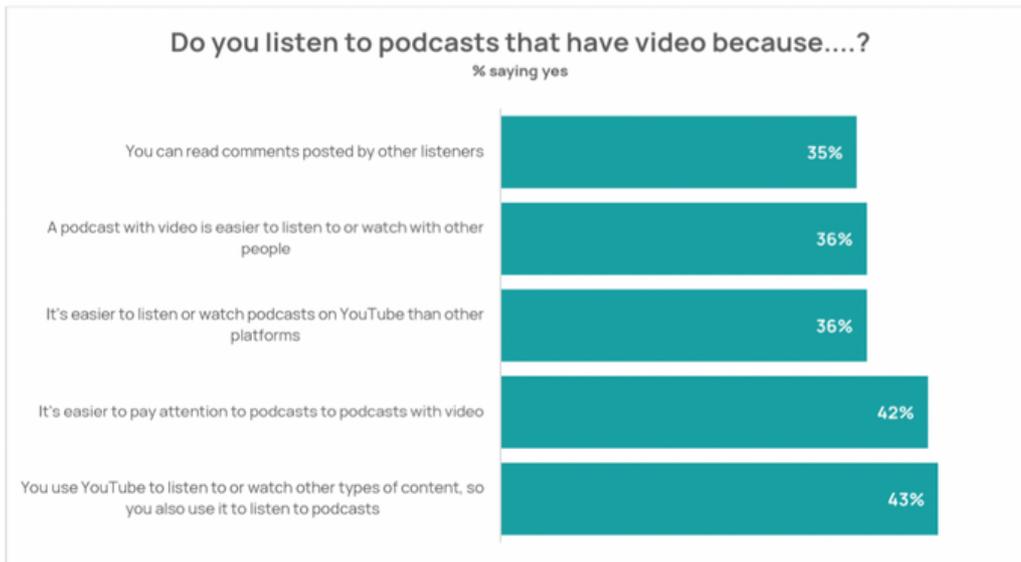
Video is emerging as a gateway drug for older and casual podcast fans



Source: 4DC The Evolving Audience, 2022¹⁰

Edison’s recent Latino Podcast Listener Report¹⁵ 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 2022¹⁵

For podcast creators, this creates an interesting dilemma: podcasts are cheaper to create without video. However, video appears to maximise 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 favourite podcast platform to listen to more.

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

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

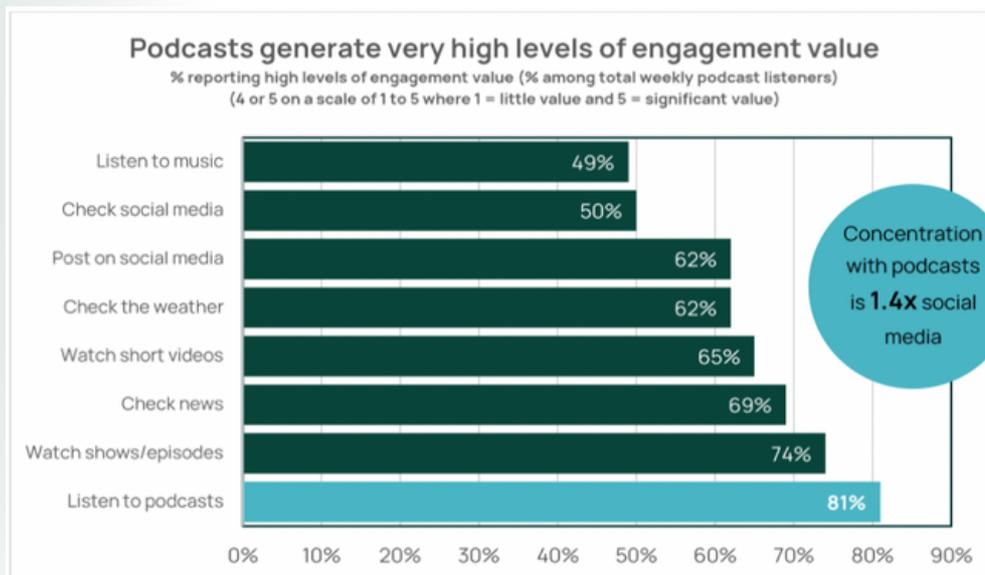
Probably the most familiar way to enter the podcasting market is through advertising or sponsorship. This is particularly beneficial if you have a brand awareness or sales objective in mind.

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 Listeners⁹, 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 Report⁴

Advertising

Podcast audiences are more prone to binge listening (46%) versus TV (37%)¹⁶ 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 content⁷.

Kantar 2021¹⁷ 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 ads¹⁸ on podcasts versus other media and they can have a positive effect on sales with reported impacts:
 - 74% have visited a company's website⁹
 - 65% have made a purchase⁹
 - 56% have recommended a product/service to others⁹

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 for 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 Listeners 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 advertising⁹
- 48% favourability for brands who use podcast sponsorship⁹
- 27% strongly agree that 'companies that invest in personalised discussions about products or services understand how to reach people like me'⁹
- 49% agree that they believe podcasts hosts are actual users of the products featured⁹

Similarly, NPR found that 75% of podcast listeners took action in response to a sponsored message on the shows they listen to, including brand messaging¹⁹.

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 alone²¹. 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 favourability (24%), and even purchase intent (14%) compared to other channels such as video or blogging"⁷.

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, are very difficult to reach through traditional advertising channels. But podcasting offers a way in²¹.

Research by Bulbshare²² 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 all²³ – 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 podcasts²⁴.

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)²⁵, 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 program²⁶, 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 Gallagher²⁷ 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 humour 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 organisations 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.

Sources

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