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U.S. Podcast Advertising Revenue Study

2022 Revenue & 2023-2025 Growth Projections
May 2023




pwc



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Foreword

Following a year of unprecedented growth for the overall digital advertising industry in 2021, 2022 was a year of headwinds related to a slowing economy resulting in pullbacks on advertising and marketing spend.

Despite these macroeconomic factors, U.S. podcast ad revenues showed resilience by growing 26% year-over-year to \$1.8 billion. In fact, podcasting continues to be one of the fastest growing digital channels, outpacing the total internet ad market (+11% year-over-year*).

Podcasting ad revenues in 2022 were driven by:

- A listenership that continues to expand, diversify, and increase total time spent by seeking authentic content that's aligned with their niche interests.
- Podcast creators meeting consumer demand in the production of increasingly distinct and engaging content.
- As a result, both existing and new advertisers across multiple ad categories are increasing ad spend.

On the heels of this product evolution and advertising growth, IAB anticipates further advertiser demand, growth in programmatic buying, advancements in brand safety, and the application of attention measurement to the podcasting ecosystem. See pages 13-15 for key industry developments as well as recommendations for how to capitalize on these trends.

How to Leverage This Report

This seventh annual IAB U.S. Podcast Advertising Revenue study, prepared for IAB by PricewaterhouseCoopers LLP (“PwC”), quantifies annual podcast advertising revenues generated over the past year, analyzes revenue share by ad category and content genre, and forecasts future revenues through 2025.

- **Publishers:** Benchmark revenue performance against the industry, differentiate offerings, and identify potential monetization opportunities.
- **Ad Buyers:** Gain insights into the latest opportunities available for investment and sponsorships.
- **Ad Tech / Data Companies:** Market-size the industry and identify opportunities for new market solutions and services.

Thanks to the 2022 U.S. Podcast Advertising Revenue Study Sponsors

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Executive Summary

Despite economic headwinds, podcast ad revenues posted significant growth in 2022.

- Up 26% year-over-year, podcasting continues to be one of the fastest growing digital channels—growing two times faster than digital advertising overall (+11%*).
- Revenues are projected to more than double between 2022-2025 to ~\$4 billion.

Revenue growth is being fueled by investment from advertisers across multiple categories and genres.

- Advertisers across a collection of small categories are driving 28% of all revenues—indicating that the value of the channel is widely recognized.
- For the first time since 2018, news is no longer the top revenue genre as the return of live, in-person sporting and lifestyle events generated greater interest while interest in news and political opinion content abated.



A young man with short dark hair, wearing white over-ear headphones and a blue denim jacket over a grey hoodie, is looking down at a smartphone in his hands. He is standing in a crowded, brightly lit indoor space, possibly a mall or a public event, with other people and blurred lights in the background. The overall tone is modern and tech-oriented.

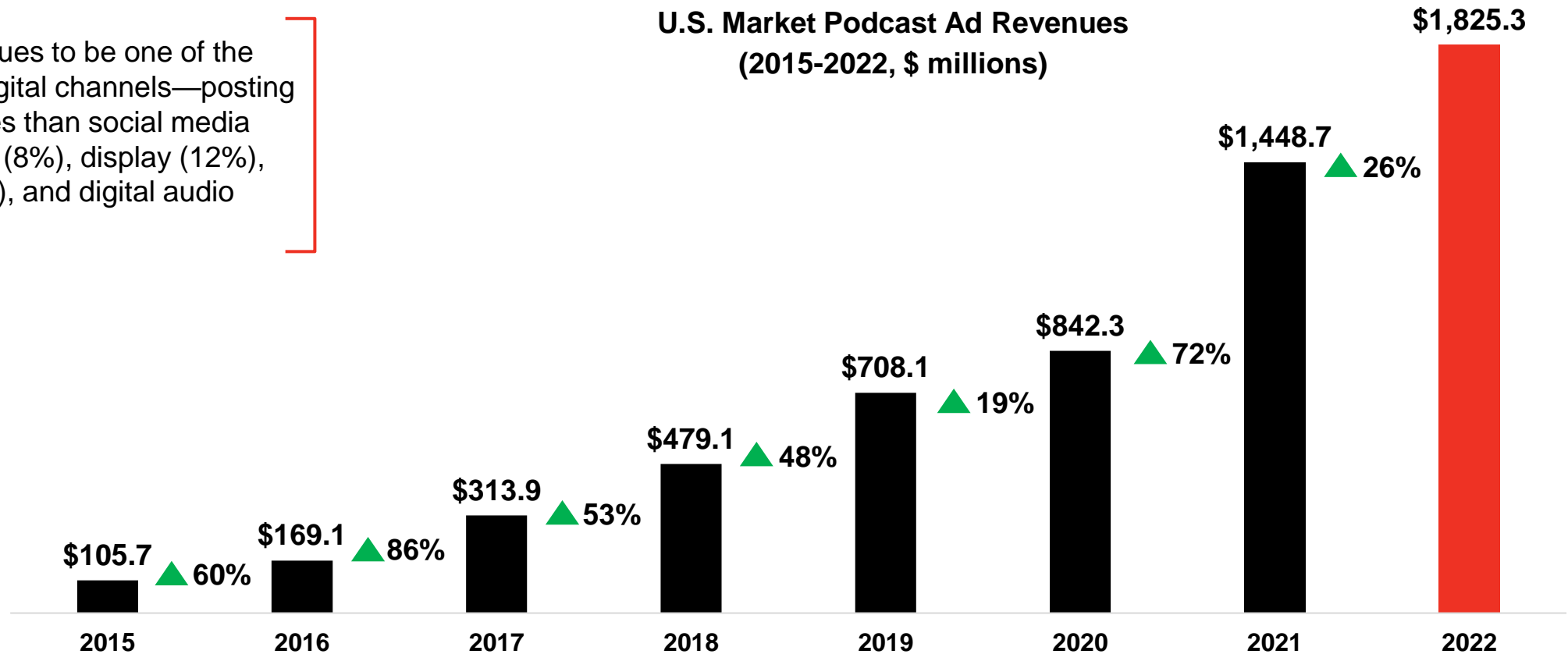
Market Size and Growth:
U.S. 2022 Advertising Revenues
& 2023-2025 Growth Projections

Despite economic headwinds, podcast ad revenues posted strong growth in 2022, +26% to \$1.8B

Revenues grew more than twice as fast as total internet ad revenue (+11%).

Podcasting continues to be one of the fastest growing digital channels—posting higher growth rates than social media (4%), paid search (8%), display (12%), digital video (19%), and digital audio overall (21%).*

U.S. Market Podcast Ad Revenues (2015-2022, \$ millions)

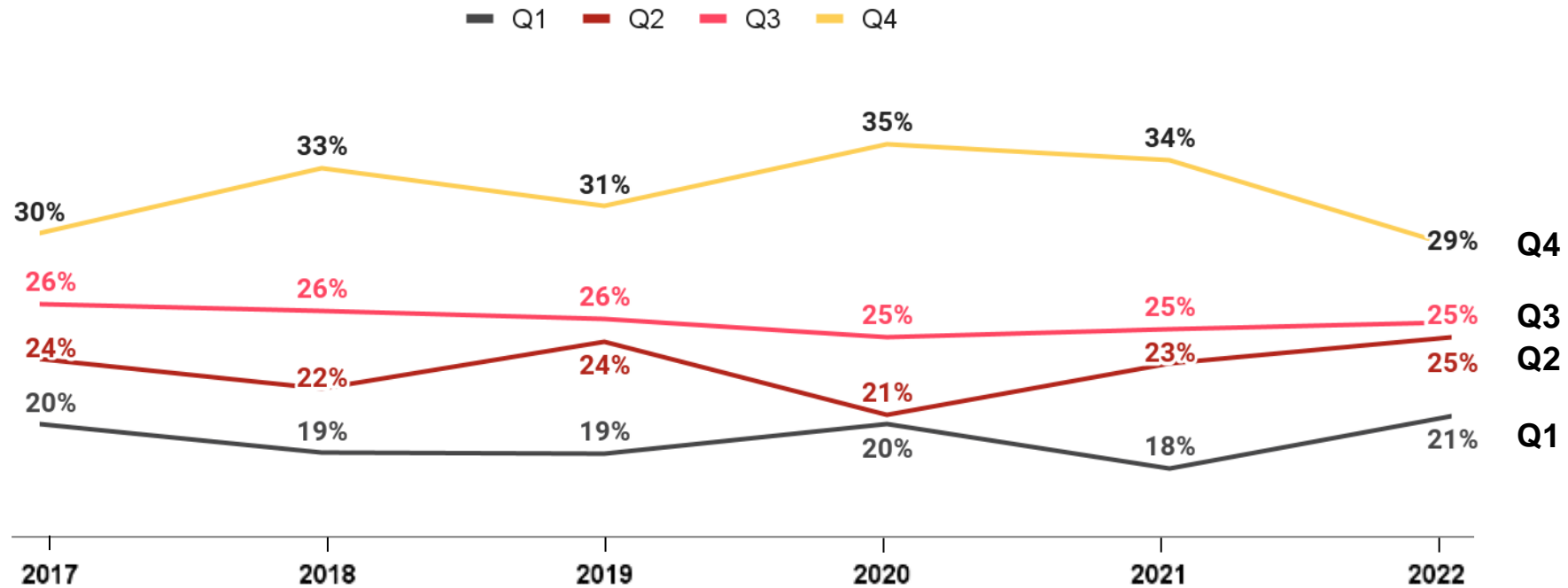


*2022 PwC / IAB Internet Advertising Revenue Report

Q4's share of revenue fell to 29%—the lowest level seen in the last six years

Typically the quarter with the largest share by far, Q4's decreased share in 2022 reflects the overall deceleration in ad spend as the year progressed.

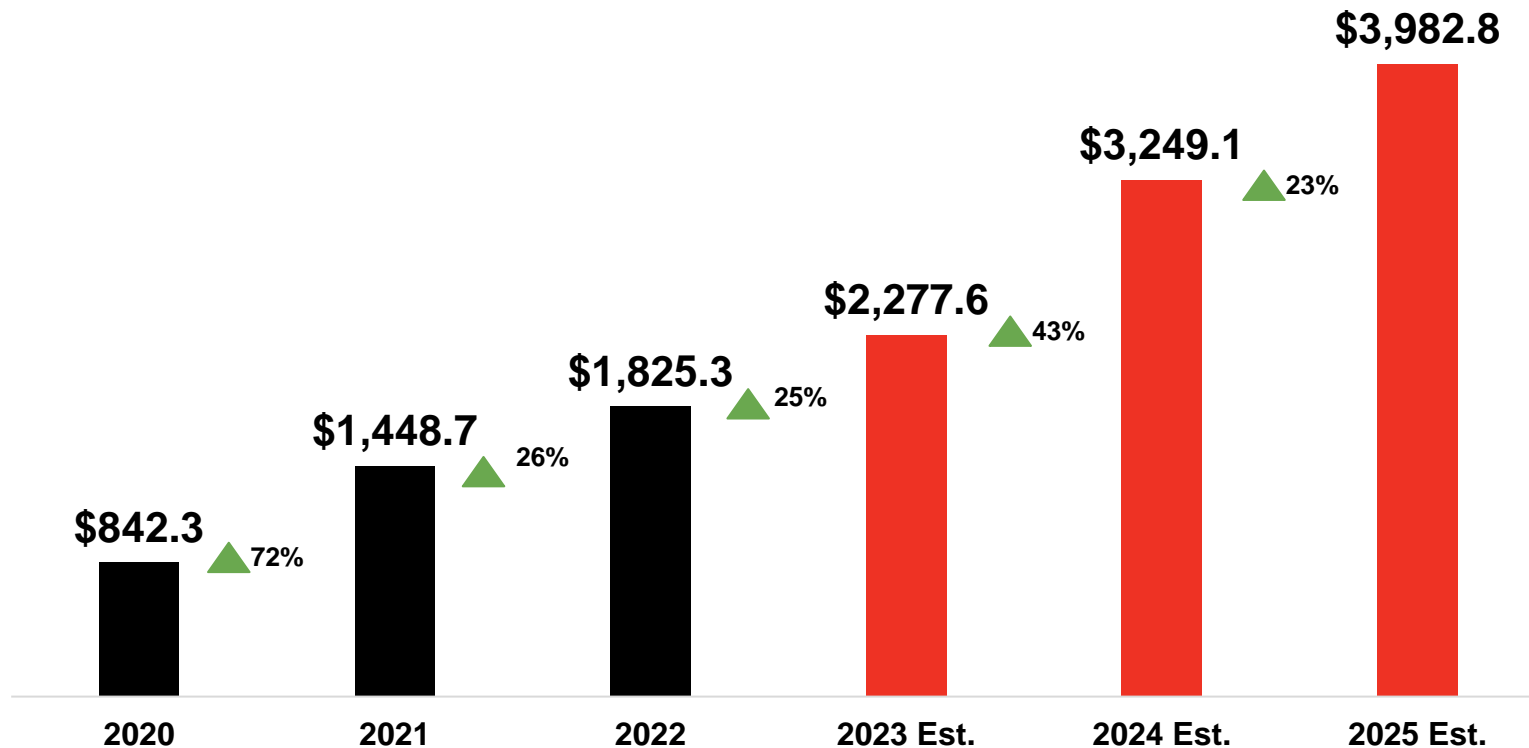
U.S. Market Podcast Ad Revenue Percentage Share by Quarter (2017- 2022)



Note: 1| Based on self-reported data 2| Percentage share total may not equal 100% due to rounding

Podcast revenues are projected to more than double between 2022-2025 and approach \$4B

U.S. Market Podcast Ad Revenues Growth Projections
(2023-2025, \$ millions)

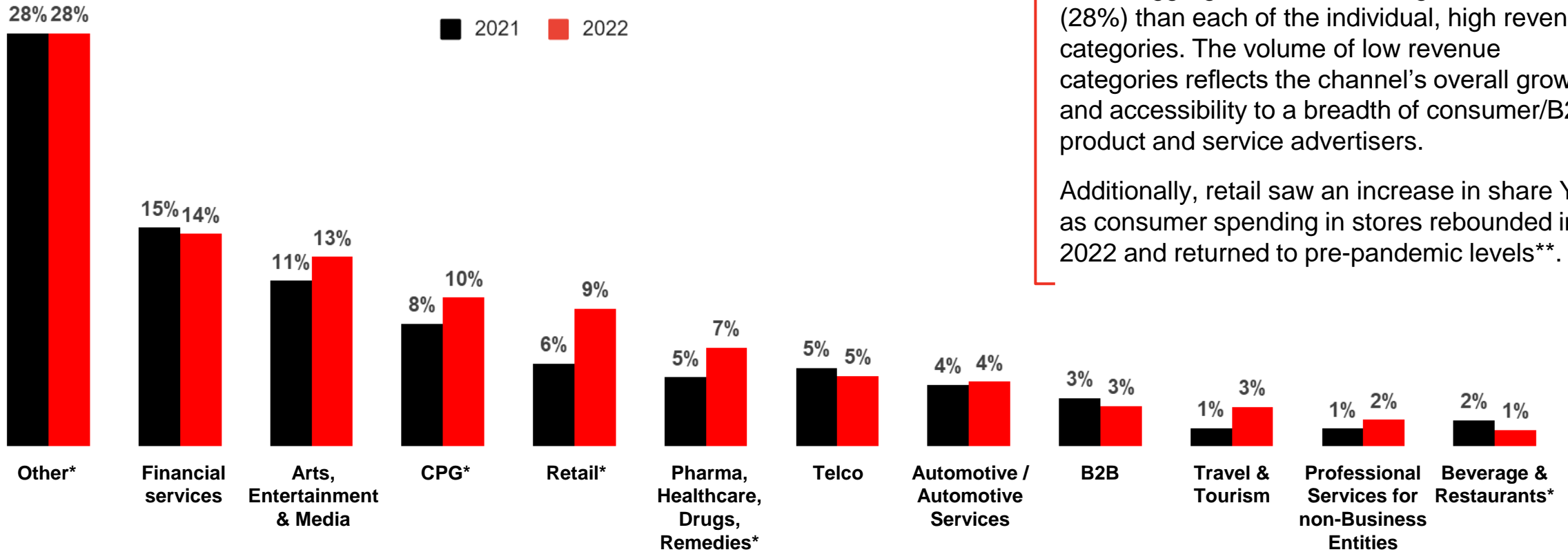


A young woman with long brown hair is sitting on a rooftop, leaning against a yellow metal railing. She is wearing white headphones and a green long-sleeved shirt. She is looking off to the side with a slight smile. The background shows a cityscape at sunset, with buildings and a body of water visible. The lighting is warm and golden.

Ad Categories & Content Genres

There is a wide range of advertising categories that podcasting appeals to

Podcast Ad Revenue Percentage Share by Industry Category (2021-2022)



“Other” includes multiple, low revenue categories that in aggregate account for a greater share (28%) than each of the individual, high revenue categories. The volume of low revenue categories reflects the channel’s overall growth and accessibility to a breadth of consumer/B2B product and service advertisers.

Additionally, retail saw an increase in share YoY as consumer spending in stores rebounded in 2022 and returned to pre-pandemic levels**.

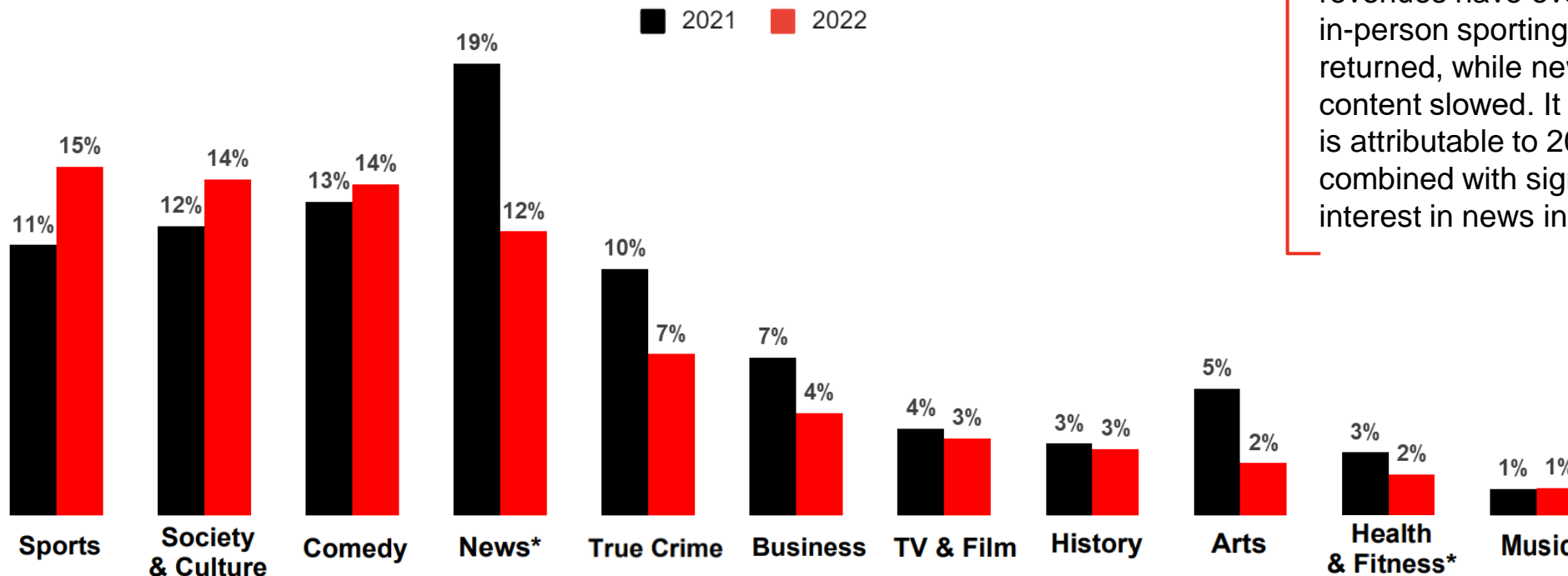
Note: 1| Data in bars are rounded 2| Based on self-reported data 3| Excludes Retail DTC due to a lack of submission data for this particular category YoY

*Other includes Other, please specify: (24.9%) made up of Energy, Government, Non-Profit, Advocacy, Tech, Law, Pets, Sports, Religion & Spirituality as well as other, smaller categories: Education (0.8%), Home Improvement / Furnishings (2.0%), Gambling / Sports Betting (0.3%); **Pharmaceuticals** includes 2022 Pharmaceuticals (2.4%), Health / Wellness (4.2%); **CPG** includes 2022 Consumer Packaged Goods (9.7%), Baby / Child / Parenting (0.1%), Beauty / Cosmetics (0.3%); **Retail** includes 2022 Retail (Brick & Mortar / eCommerce) (7.8%), Apparel / Fashion / Accessories (1.5); **Beverages & Restaurants** include 2022 Beverages (0.2%), Restaurants (0.9%)

**U.S. Department of Commerce, [2/17/23](#)

News is no longer the top revenue genre—for the first time since 2018

Podcast Ad Revenue Percentage Share by Content Genre (2021-2022)



Sports, society and culture, and comedy revenues have overtaken news as major live, in-person sporting and lifestyle events returned, while news and political opinion content slowed. It is likely that news' decrease is attributable to 2021 being an election year combined with signs of waning consumer interest in news in 2022**.

Note: 1| Data in bars are rounded 2| Based on self-reported data 3| Excludes Other (21%) which is largely driven by one respondent's heavy investment

Additional genres not shown: Religion & Spirituality (0.5%), Technology (0.6%), Science (0.4%), Fiction (0.4%), Kids & Family (0.3%), Education (0.1%) and, Leisure (0.02%)

*Reconciled to align with 2019 genre categories: **News** includes 2022 News (11.9%), Political Opinion Left (0.0%), Political Opinion Right (0.0%), Political Opinion Center (0.1%); **Health & Fitness** includes 2022 Physical Health & Fitness (0.4%), Mental / Emotional Health (1.3%)

**Axios, 1/3/23; 7/12/22



Key Industry Developments & Recommendations

Key Industry Developments & Recommendations

It is evident that, even in a down economy, advertisers turn to podcasting as a channel to meet the increased listener demand for diverse, engaging content that aligns with their interests.

As the podcast advertising landscape matures, below are a few key industry developments followed by recommendations for how to capitalize on these trends.

1

Growth in Programmatic Buying: Programmatic buying is expected to grow in response to advertiser demand for contextual audience targeting that enables the generation of advanced user insights.

- To power this growth, IAB and IAB Tech Lab are facilitating buyer-seller collaboration to standardize signals and enable the ecosystem to provide the same level of transparency into podcast that advertisers have into other digital channels. Review and contribute to IAB's guidelines for [Programmatic Signaling for Podcast Inventory](#)—open for public comment.

2

Advancements in Brand Safety: Last year, the podcast industry made great advancements in brand safety and suitability targeting solutions via contextual transcript analysis—including the opportunity to exclude individual podcast episodes. As a result, advertiser awareness of these solutions are expected to grow and thus, advertisers will be more likely to tap into them.

- To aid in this process, IAB is proposing the creation of a centralized [Transcription Clearing House](#) to enable podcast ad tech providers to more easily provide brand safety and suitability results to advertisers at scale—and therefore further support programmatic activations.

Key Industry Developments & Recommendations

- 3** **The Rise of the Attention Economy:** As the overall digital advertising measurement discussion evolves from an opportunity-to-see/listen to attention and business outcomes, podcast advertising is expected to further interest ad buyers looking to reach consumers who are highly engaged and leaned into the content they're consuming.
- IAB is spearheading initiatives to set standards/benchmarks for how new attention metrics can be applied across media channels, including podcasting, and inform media channel mixes. Join IAB's "Attention Task Force" to be part of the conversation. Go [here](#) to learn more and [here](#) to sign up.

- 4** **Coming in Q4: IAB's Podcast Report Part II:** Stay tuned for IAB's 2023 Podcast Report Part II which will examine the drivers, strategies, and tactics related to 2022 revenues as well as, for the first time ever, reveal insights from the current year's (2023) performance. The report will be released at IAB's Audio Leadership Gathering in October.



Appendix



Definitions and Survey Options

Terminology	Definition	Survey Options
Industry Category	Business categories into which Podcast advertisers may be grouped	<ul style="list-style-type: none"> • Apparel/Fashion Accessories (Men/Women) • Automotive / Automotive Services • Arts, Entertainment & Media (Streaming Services, Movies, Dance, Theater, Concerts, Opera, Amusement Parks, Games, Books - Audio and Bound, Music, Magazines, Newspapers, Websites, Apps, DVDs, Radio and Television Networks/Stations/Programming) • Baby/Child/Parenting • Beauty/Cosmetics • Beverage (Alcohol / Beer / Wine) • Business-to-Business (Business conducted between one business and another such as a wholesaler and retailer) • Consumer Packaged Goods (CPG) • Education • Gambling/Sports Betting • Health/Wellness (including Fitness, Diet, Yoga, Meditation, etc.) • Financial Services (Banks, Insurance, Securities, Mortgages, Financial Services Software) • Home Improvement/Furnishings • Pharmaceuticals (OTC and DTC) • Professional Services for non-Business Entities • Restaurants/bars • Retail (Brick & Mortar / eCommerce) • Retail Direct-to-Consumer (companies whose revenue is attained predominantly through E-commerce) • Telecommunications (Telephony, Mobile Service Providers, Cable/Satellite TV services, ISPs, Wireless) • Travel and Tourism (Resorts/Hotels/Airlines) • Other
Content Genre	Categories of thematic subject matter into which Podcast programming may be assigned	<ul style="list-style-type: none"> • Arts • Business • Comedy • Eco-conscious / Green Living • Education • Fiction • History • Kids & Family • Mental / Emotional Health & Wellbeing • Leisure • Music • News Religion & Spirituality • Political Opinion: Left-Leaning • Political Opinion: Right-Leaning • Political Opinion: Center / Bipartisan • Physical Health & Fitness • Science • Society & Culture • Sports • Technology • True Crime • TV & Film • Other

Study Scope and Methodology

Scope

The Podcast Advertising Revenue Study is part of an ongoing IAB mission to provide a barometer of Podcast advertising growth in the U.S. IAB is committed to achieve differentiation from existing estimates and accomplish industry-wide acceptance.

A short survey was distributed to Podcast companies in early 2023 with four key questions; understanding 2022 Podcast advertising revenues, forecasted revenue growth from 2023-2025 as well as revenue by industry category and content genre.

Key aspects to create this study include:

- Designing the process to maintain participant anonymity and only release aggregate data
- Designing each survey based on relevant industry topics
- Obtaining advertising revenue and other related data directly from companies generating Podcast advertising revenues (publishers and advertising networks)
- Data in this report related to forecasted growth from 2023-2025: the number of responses for this data may vary from total responses if some companies choose not to respond to every question in the survey
- 2022 Podcast market sizing is based on self-reported data, publicly available information and reasonable estimates for non-survey participating companies
- Podcast advertising revenues generated outside of the United States are out of scope for this study

Methodology

The methodology evolved from the methodology used to create the full-year internet advertising revenue report since 1996.

The reporting process includes:

- Compiling a database of the largest Podcast advertising revenue generators
- Conducting one quantitative online survey with leading industry players, including Podcast publishers and advertising networks
- Requesting and compiling specific data items, including quarterly net commissionable advertising revenue by Podcast content genre, and advertising industry category
- Performing a Podcast advertising market sizing in 2022 to deliver a reasonable estimate of the market in the United States, inclusive of non-survey participating companies
- Analysing the findings, identifying and reporting key trends

About this Study

IAB U.S. Podcast Advertising Study is prepared by PricewaterhouseCoopers LLP (“PwC”) on an ongoing basis, with results released annually. Commissioned by the Interactive Advertising Bureau's (IAB) Audio Industry Working Group in 2017, this study uses data and information reported directly to PwC from companies that generate revenue on Podcast platforms. The results reported are considered to be a reasonable measurement of Podcast advertising revenues because much of the data is compiled directly from the revenue generating companies.

The report is conducted independently by PwC, including research by their in-house market research team, PwC Research, on behalf of the IAB. PwC does not audit the information and provides no opinion or other form of assurance with respect to the information. Only aggregate results are published, and individual company information is held in strict confidence with PwC. Further details regarding scope and methodology are provided in the appendix of this report.

About IAB and PwC



The Interactive Advertising Bureau empowers the media and marketing industries to thrive in the digital economy. Its membership comprises more than 700 leading media companies, brands, agencies, and the technology firms responsible for selling, delivering, and optimizing digital ad marketing campaigns. The trade group fields critical research on interactive advertising, while also educating brands, agencies, and the wider business community on the importance of digital marketing. In affiliation with the IAB Tech Lab, IAB develops technical standards and solutions. IAB is committed to professional development and elevating the knowledge, skills, expertise, and diversity of the workforce across the industry. Through the work of its public policy office in Washington, D.C., the trade association advocates for its members and promotes the value of the interactive advertising industry to legislators and policymakers. Founded in 1996, IAB is headquartered in New York City.



As business, accounting, and tax advisors to many of the world's leading technology, media, and telecommunications (TMT) companies, PwC (www.pwc.com/us/tmt) has an insider's view of trends and developments driving the industry. With approximately 1,200 practitioners serving TMT clients in the United States, PwC is deeply committed to providing clients with industry experience and resources. In recent years, our work in TMT has included helping our clients to develop strategies to leverage digital technology, identifying new sources of financing, and marketplace positioning in industries characterized by consolidation and transformation. Our experience reaches across all geographies and segments, including broadband, wireless, film, television, music, publishing, advertising, gaming, sports, theme parks, computers and networking, software and technology services. With thousands of practitioners around the world, we're always close at hand to provide deep industry knowledge and resources.

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Thank you