



Podcasting today



Insights for advertisers



Americans now have almost 2.1M podcast titles to choose from

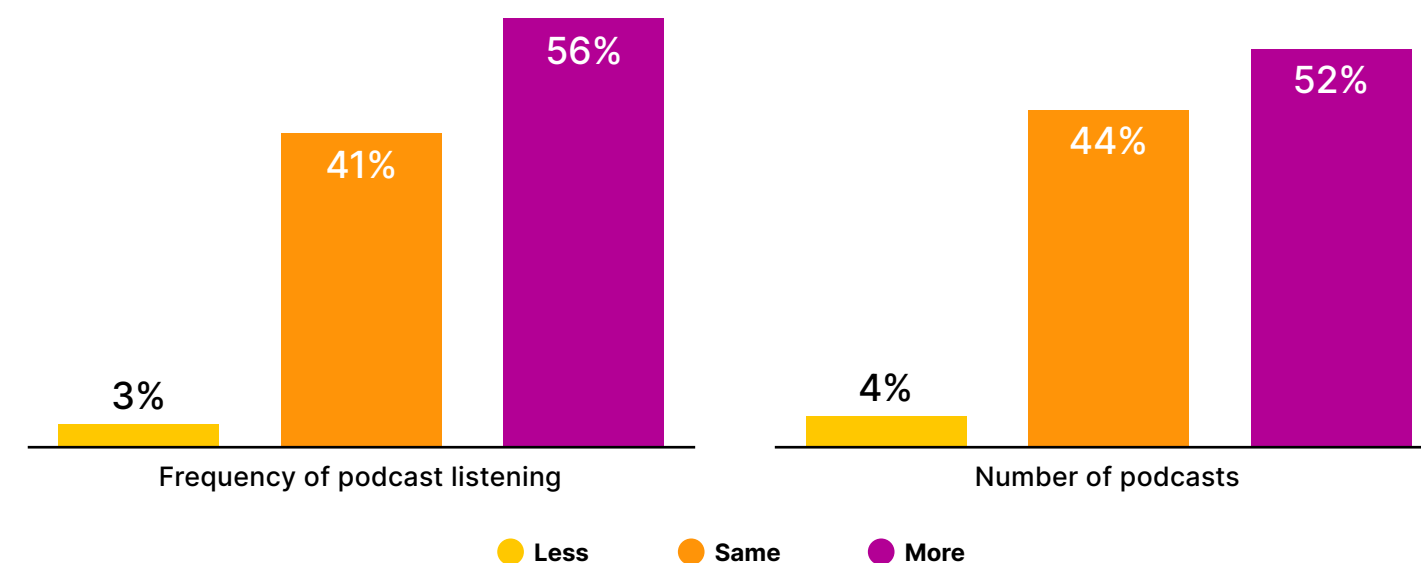
Gracenote Audio On Demand

During a pandemic that drove millions indoors, and in front of screens, a funny thing happened with podcasts: audience engagement increased.

This increased engagement is noteworthy for several reasons:

- ▶ Many consider audio an in-car medium, yet at-home podcast listening has increased.
- ▶ Media choice is more rampant than ever.
- ▶ A wider audience presents advertisers with greater reach opportunities through a medium that delivers higher brand recall than other forms of advertising.

Daily podcast listeners are listening more often and to more titles



Percentages represent answers to this question: How has the frequency/number of podcasts you listen to changed in the past two years?
Source: Nielsen Custom Consumer Sentiment Study, March 2022

Importantly, the strength of the [mainstream-bound podcast industry](#) spans beyond simply offering wide-ranging audiences a growing bevy of titles for content-hungry audiophiles—especially for advertisers. That’s because podcast audiences are shedding their COVID-induced spending inhibitions.

After consumers retreated from resuming many normal activities late last year due to the omicron spike, Nielsen’s ongoing consumer sentiment study found in March 2022 that 83% of Americans no longer feel inhibited by COVID-19.

Due to the reduced health risk, even with a slight increase in cases in April, the positive sentiment among consumers about returning to many pre-pandemic activities has translated into action, as 91% of respondents say they have resumed some normal activities, while 76% say they have resumed most of their normal activities. Consumer attitudes also align with first-quarter economic signals, as the unemployment rate was at 3.6% as of March 2022 (down from 6% in March 2021), and the Conference Board’s [Present Situation Index](#)—which reflects consumer sentiment about the business and labor market—was at 153 in March, up 10 points from February.

U.S. Consumer sentiment about a recovery is strong

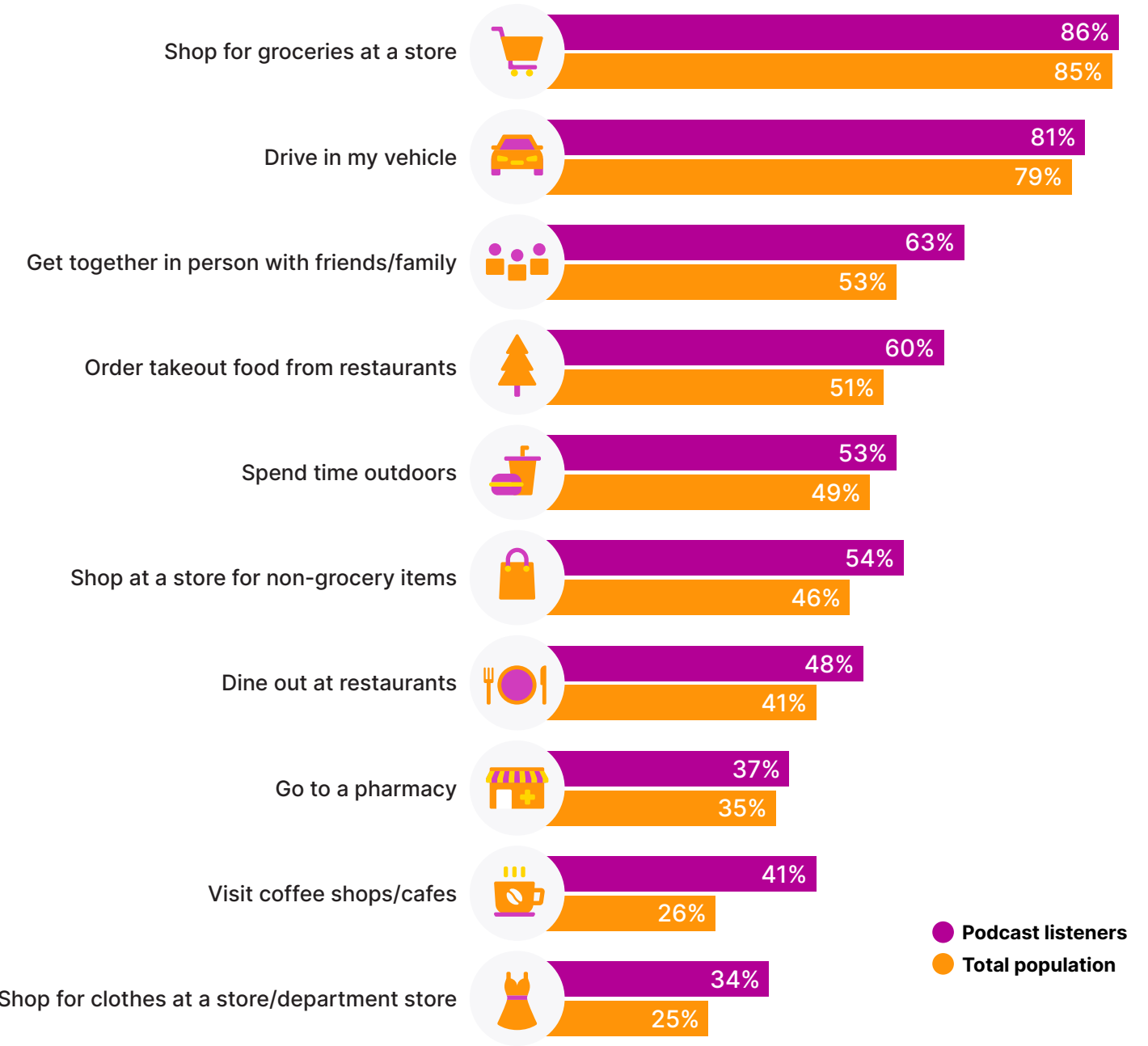


Data represents percentages of people who agree strongly/somewhat with each of the listed statements.
Source: Nielsen Custom Consumer Sentiment Study, March 2022



And while overall recovery sentiment is rising, the consumer study found that podcast listeners are more likely than the general population to resume some of their pre-pandemic activities, including shopping for groceries at physical stores, shopping for non-grocery items at physical stores and dining out at restaurants.

Podcast listeners are increasingly resuming pre-COVID activities



Source: Nielsen Custom Consumer Sentiment Study, March 2022

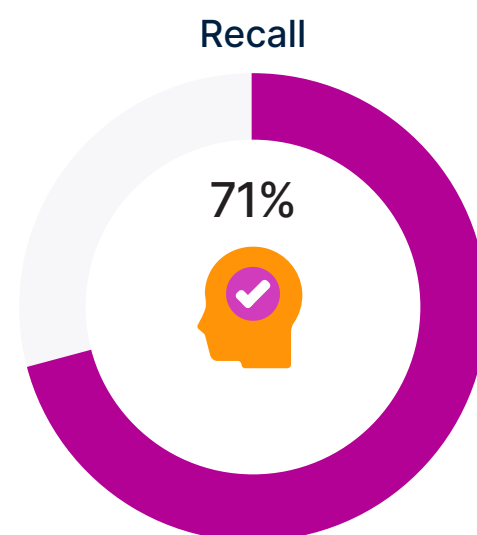
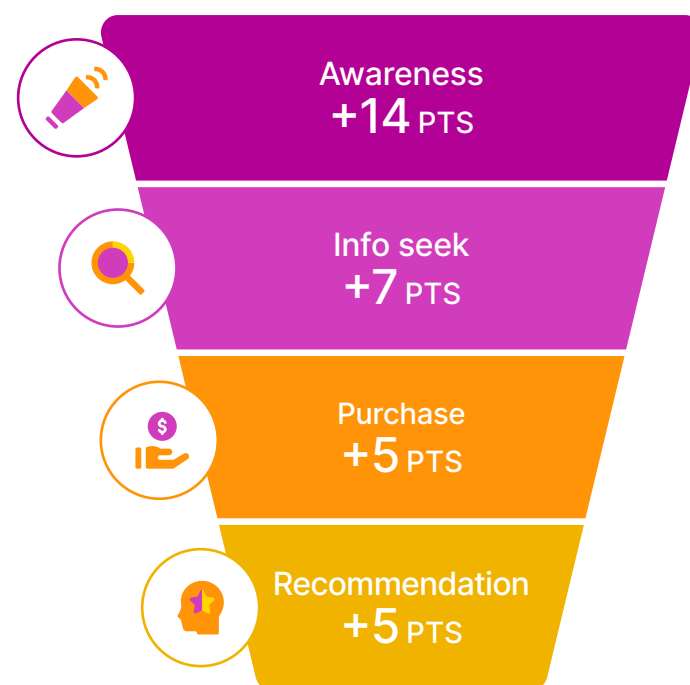


The IAB expects U.S. podcast ad revenue to hit **\$2B** in 2023

The resumption of many pre-pandemic activities and behaviors is good news for all industries, and podcast advertisements represent a bright option for brands looking to increase their visibility and drive upper-funnel engagement. According to [Nielsen Podcast Ad Effectiveness](#) data, podcast advertisements drive 14 points in brand awareness and 7 points in information seeking. Those metrics bode well for marketers in North America, whose top objective for the next year is building brand awareness, followed very closely by new customer acquisition, as detailed in Nielsen's [2022 Annual Marketing Report](#).

Top funnel effectiveness across podcasts

Podcast brand lift benchmarks



Source: Nielsen Podcast Brand Impact norms database, Q1 2022

The effectiveness of podcast advertising is already resonating with many marketers, as our 2022 Annual Marketing Report found that 56% of marketers in North America plan to increase their podcast spending over the next year. What's more, 15% plan to increase their podcast spending by 50% or more, above the global average (11% plan to increase their podcast spending by 50% or more).

Somewhat surprisingly, marketers aren't overly confident in their ability to measure the ROI of their podcast spending. Specifically, only 43% of marketers in North America are extremely or very confident in their ability to measure podcast ROI. They're also not overwhelmingly convinced of the effectiveness of their spending, with only 46% saying they believe they're very or extremely effective. A better understanding of listeners and how they engage with podcast content would likely benefit the remaining 54%.

The rise in podcast spending also tracks with the growing popularity of the medium, as the listener base in the U.S. has grown by 40% over the past three years. This growth is perhaps even more notable because it occurred when consumers were spending less time in their cars and away from physical offices. According to Nielsen's most recent consumer study, the number of new podcast listeners is almost even with historical podcast listeners.

Half of daily podcast listeners started listening to podcasts in the past two years



Source: Nielsen Custom Consumer Sentiment Study, March 2022

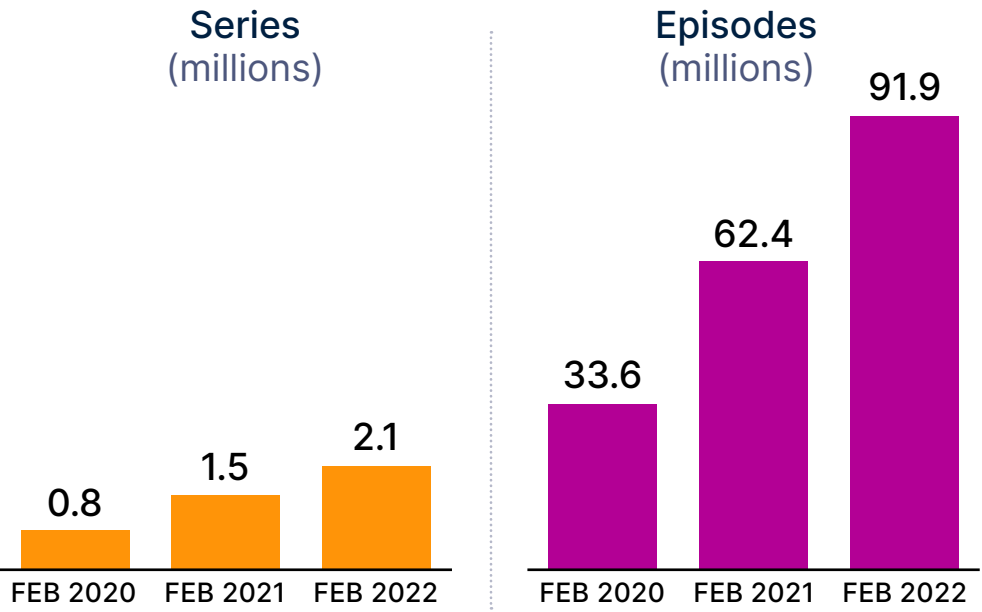
Podcast listeners now spend  90 minutes per day in their vehicles

For advertisers, it's also important that more than half of podcast listeners (53%) are spending more time listening, with only 3% reporting that they are spending less time listening. Podcast engagement is also rising among consumers who pay for audio streaming services, as 61% say they plan to increase their podcast consumption in the coming year¹.

As we've seen across the digital media landscape, podcast creators are rallying to satiate consumer demand for content. Podcast audiences today can listen to more than 2.07 million podcast series, backed by nearly 92 million individual episodes, representing respective increases of 163% and 173% in just two years².

¹ Nielsen Streaming Media Consumer Survey, January 2022
² Gracenote Audio On Demand

Tracking the growth of available podcast content



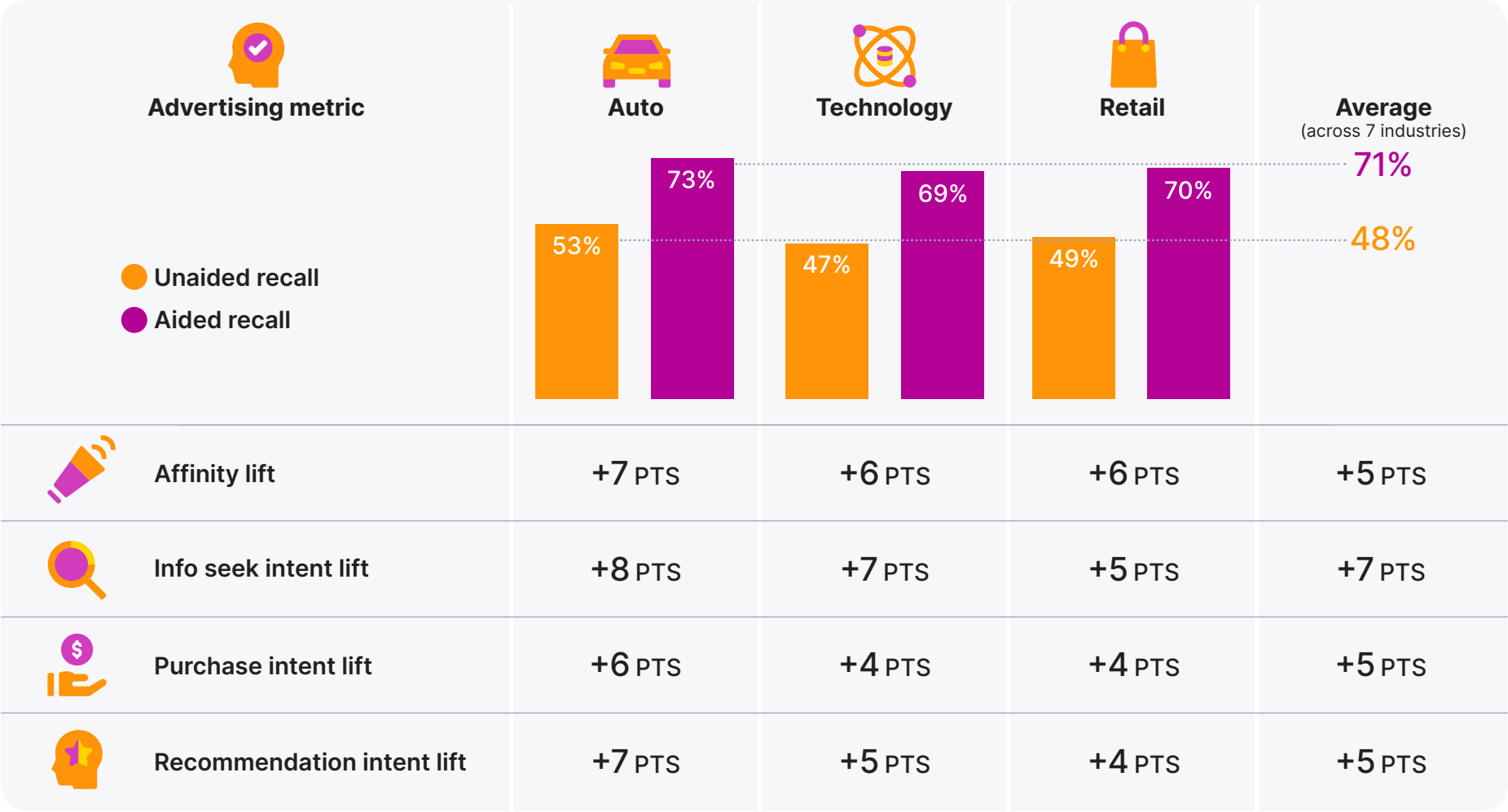
Source: Gracenote Audio On Demand



The increasing variety of new podcast series and episodes presents an equally vast range of choice for brands seeking to engage with podcast listeners. That choice, however, doesn't need to be a challenge, as brands can cut through the myriad content options by gaining an understanding of which genres deliver the highest marketing metrics for their messages—and who should deliver them: 56% of podcast listeners say they pay more attention to ads that the host reads³.

While all podcast advertising drives awareness and purchase intent, auto ads are especially impactful among listeners. Across more than 600 [podcast ad effectiveness studies](#), auto ads lead in unaided recall, affinity, information seeking, recommendations and sharing. Specifically, auto ads generate an unaided recall rate of 53%, the highest across seven different categories. They also raise brand affinity by 7 points and raise the listeners' likelihood to seek more information by 8 points.

Podcast ads drive more than just awareness






Read as: 53% of listeners recalled the auto brand after hearing the ad during a podcast; auto ads in podcasts raise brand affinity among listeners by 7 percentage points.
Source: Nielsen Podcast Brand Impact norms database, Q1 2022

³ Nielsen Custom Consumer Lifestyle Survey, March 2022



There are many ways to look at ad effectiveness across podcasts, however, and technology brands score the best for being a good fit in the podcast environment.

Podcast ads drive awareness, interest and word of mouth

Attribute	 Technology	 Finance	 Alcoholic beverage	Average (across 7 industries)
Brand fit	69%	65%	66%	67%
Overall rating	60%	63%	51%	60%
Intent to seek	63%	65%	53%	63%
Intent to share	54%	56%	45%	54%
Uniqueness	46%	47%	39%	45%

Read as: 69% of podcast listeners agreed that technology ads had a good brand fit
Source: Nielsen Podcast Brand Impact norms database, Q1 2022

88%
of consumers who
are planning a large
purchase are willing to
consider a new brand

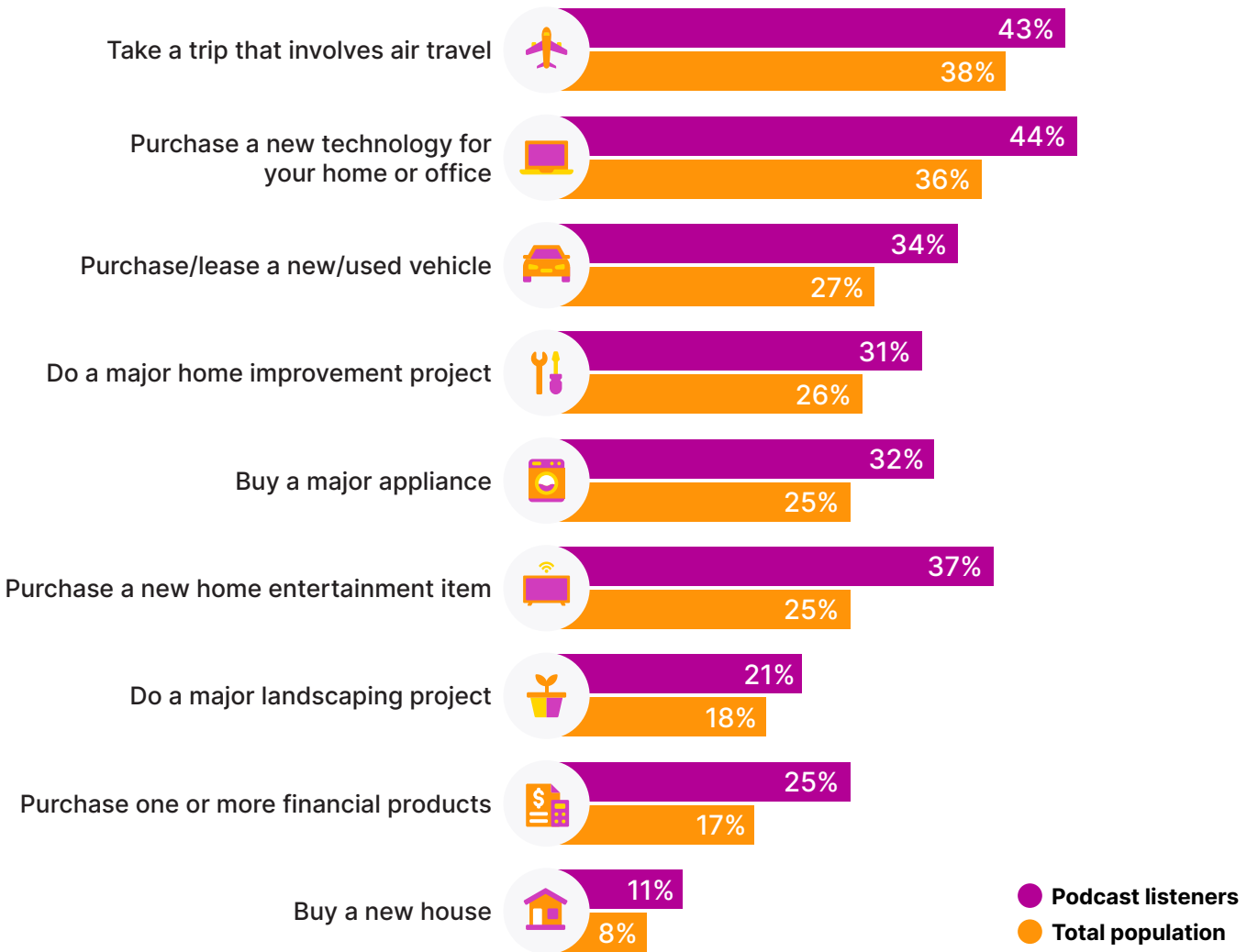
Nielsen Custom Consumer Sentiment Study, March 2022



In addition to being receptive to advertising, especially when it’s read by the host, podcast listeners are among the consumers most likely to feel that life is returning to normal, and that includes planning major purchases, such as a new vehicle, a new home entertainment system and planning trips that involve air travel. The combination of sentiment and an eagerness to spend represents a bankable opportunity for brands with the right audience data.

Podcast listeners are more likely to plan a major purchase in the coming year

Which of the following do you intend to do in the next 12 months



Source: Nielsen Custom Consumer Sentiment Study, March 2022

The bottom line

Given marketers' lofty brand awareness and new customer acquisition goals for the year ahead, complemented by their significant planned increased spending across digital channels, brands should be focused on leveraging the channels that are best geared toward meeting their individual KPIs while simultaneously understanding the returns of their efforts.

As podcasts continue to find new audiences—and those audiences increase the time they spend listening—brands that can glean insight from audience data will find audiences that are ready to transition from listener to customer.

Sources

Gracenote Audio On Demand

Podcast Ad Effectiveness

Podcast Brand Impact

Nielsen 2022 Annual Marketing Report

Nielsen Custom Consumer Sentiment Study, March 2022

Nielsen Streaming Media Consumer Survey, January 2022

About Nielsen

Nielsen shapes the world's media and content as a global leader in audience measurement, data and analytics. Through our understanding of people and their behaviors across all channels and platforms, we empower our clients with independent and actionable intelligence so they can connect and engage with their audiences—now and into the future.

An S&P 500 company, Nielsen (NYSE: NLSN) operates around the world in more than 55 countries. Learn more at www.nielsen.com or www.nielsen.com/investors and connect with us on social media.

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