



# Podcast advertising analysis

Q4 2018- Q4 2019

**MAGELLAN**



# About Magellan AI

Magellan AI is the definitive source of podcast advertising analytics. They capture all ads, whether host-read or pre-recorded, baked-in or dynamically inserted, and classify ads by podcast content, position, and strategy (brand awareness versus direct response).

Using machine learning to process hundreds of thousands of podcast episodes, Magellan AI has created the world's largest database of podcast advertising data – covering activity by more than 18,750 brands across over 21,000 shows.

Industry leaders like SimpliSafe and The New York Times Company rely on Magellan AI for podcast media planning, verification and measurement.

# Methodology

CUMULUS MEDIA | Westwood One partnered with Magellan AI to analyze podcast advertising data from the top 400 podcasts in the U.S., as ranked by Apple Podcasts.

Each week's sample included up to 2 episodes from shows publishing new episodes. Podcasts advertising on other podcasts were excluded from this analysis.

Magellan AI determined the campaign objective (direct response, brand awareness, or tune-in) at the brand or product level based on whether ads for that brand or product included a promotional code or unique vanity URL. Categories used in the analysis reflect the most recent primary category available for each podcast in Apple Podcasts. Ad positions are tagged as follows:

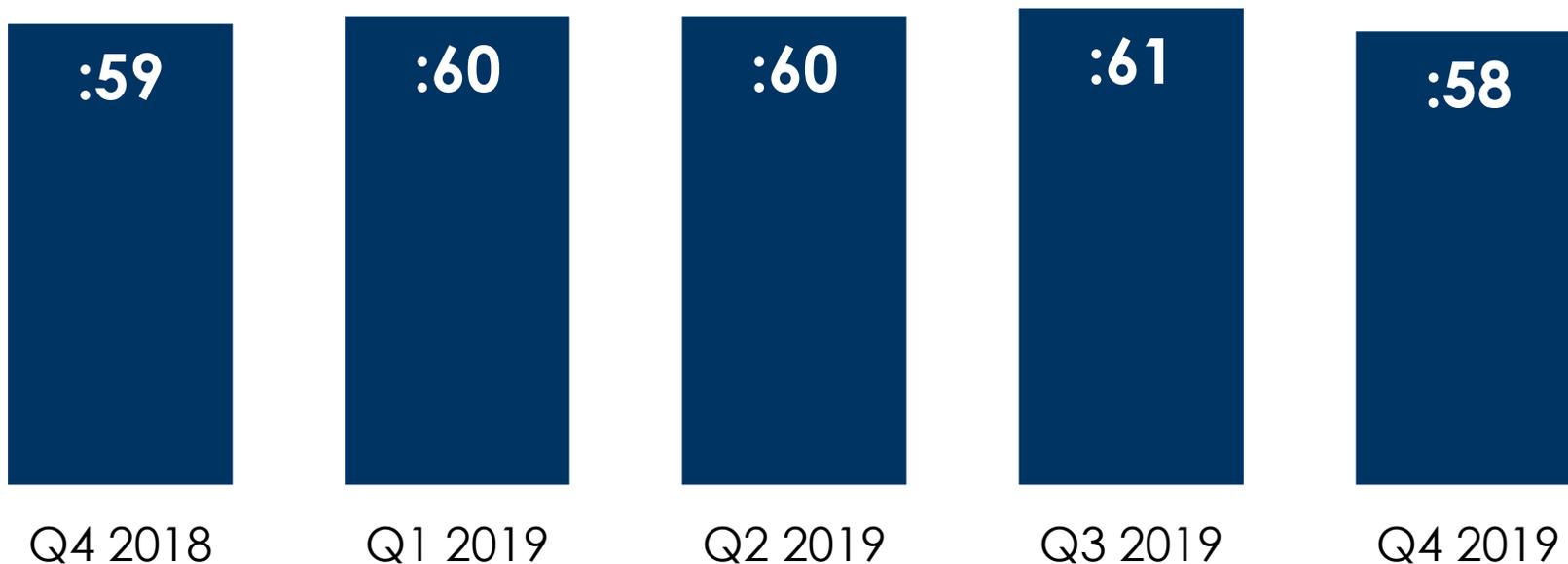
- Pre-roll ads start during the first 10% of the episode
- Mid-roll ads start after 10 - 90% of the episode has elapsed
- Post-roll ads start after 90% of the episode has elapsed

# Magellan AI: Podcast ads up +25% driven primarily by increased episodes; ads per episode are up slightly

	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	% change Q4 2018 vs. Q4 2019
Average ads per podcast	3.1	3.0	3.2	3.1	3.2	+3%
Number of unique advertisers	1,118	1,005	1,094	1,164	1,201	+7%
Average # of episodes per podcasts	2.3	2.4	2.5	2.6	2.8	+22%
Total podcast advertising detections	10,787	10,694	11,935	12,084	13,463	+25%

# One minute average podcast ad length is stable

Average length of a podcast ad (in seconds), top 400 national podcasts, Q4 2018 to Q4 2019

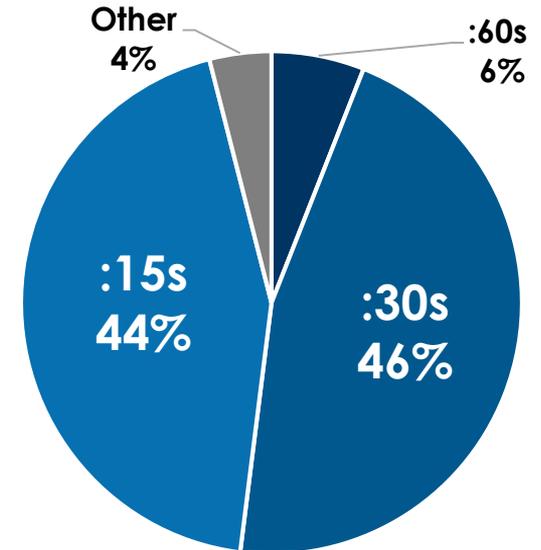


# Most podcast ads are between :30 and :90 seconds long

Podcast ad detections by length, top 400 national podcasts	
Ad length	Q4 2019
Under :15 seconds	9%
:15 to :30 seconds	22%
:30 to :60 seconds	24%
:60 to :90 seconds	28%
:90 to :120 seconds	11%
Over 2 minutes	6%

Podcast ads are far longer than network television ads

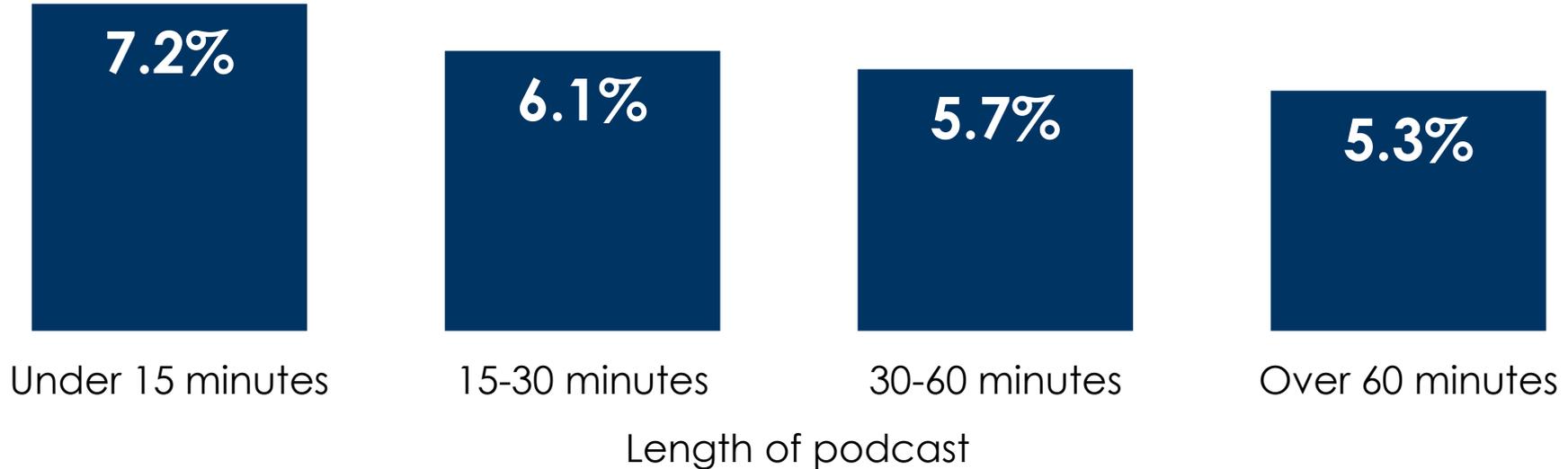
Composition of network TV ads by length



# Over-commercialization has not arrived: Ads comprise less than 10% of podcast time

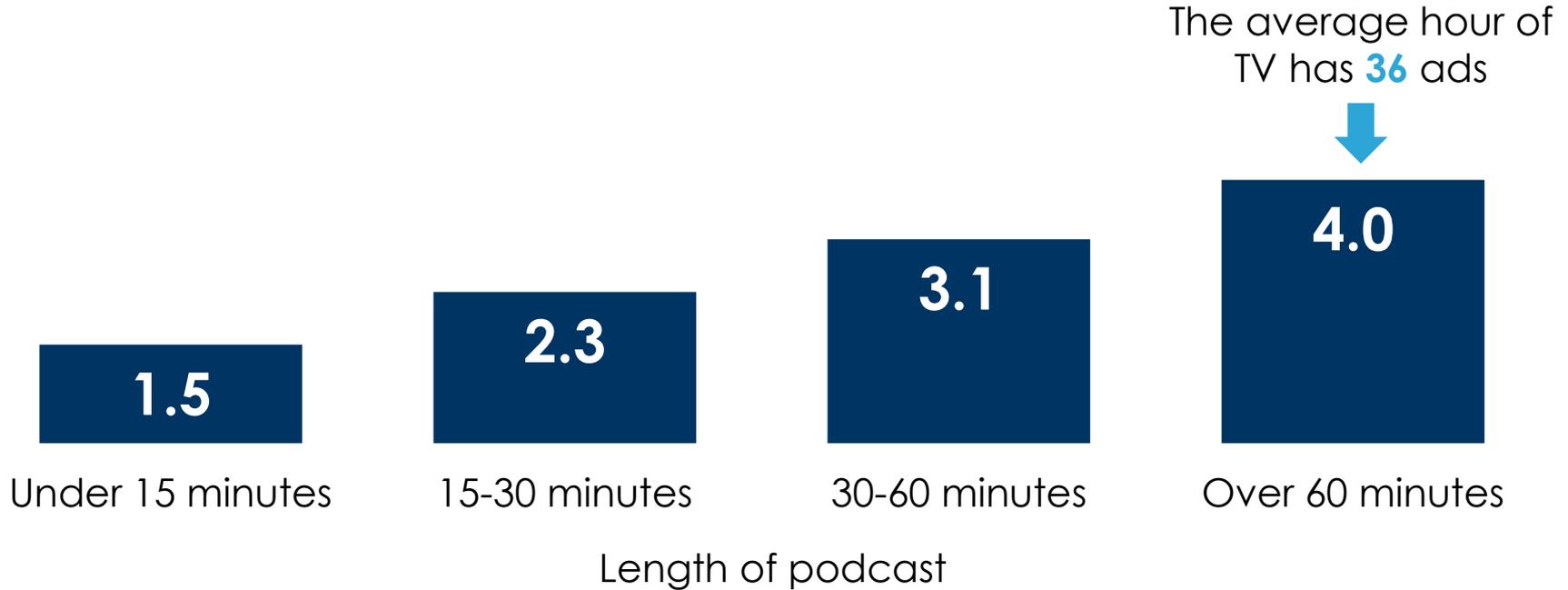
The longer the podcast, the lower the proportion of advertising time

Average % of podcast time devoted to ads, top 400 national podcasts, Q4 2019



# The number of ads per podcast is very low

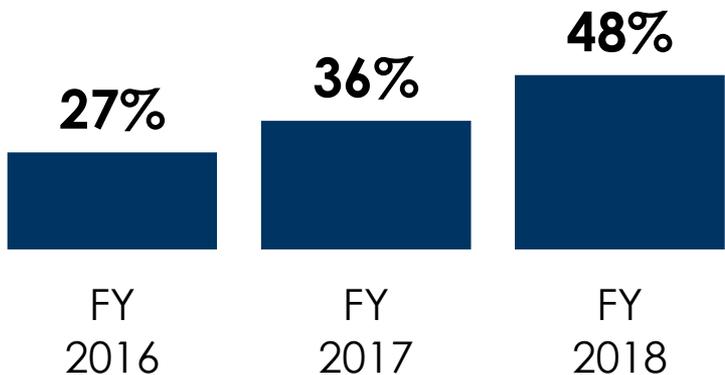
Average number of ads per podcast, top 400 national podcasts, Q4 2019



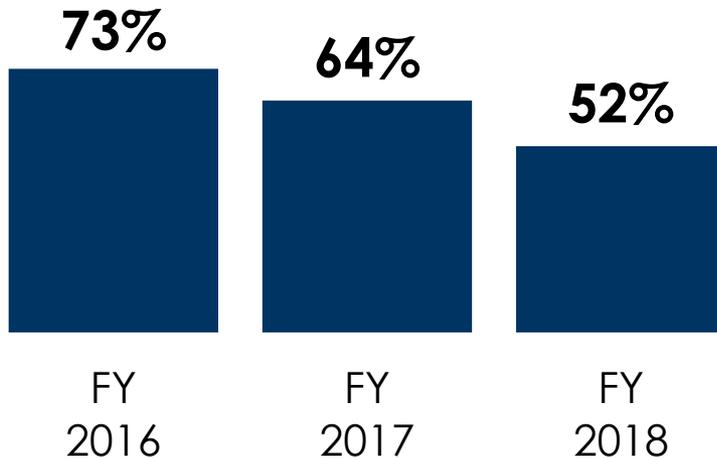
# IAB/PwC revenue study: Brand advertising represents 48% of podcast revenue...

## Revenue by campaign type

### Brand ads



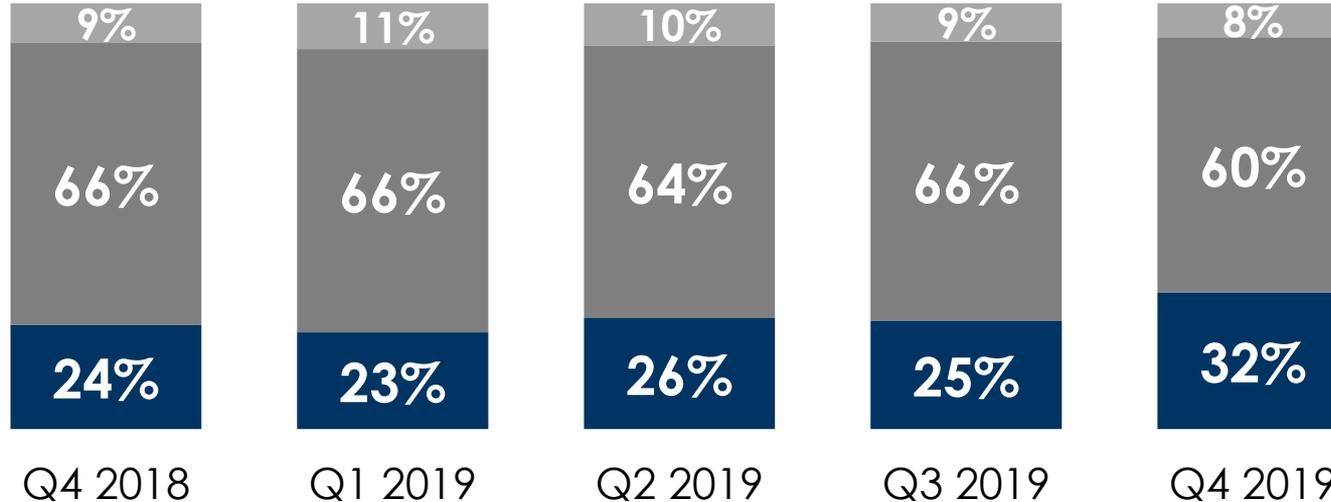
### Direct response ads



# ...in contrast, Magellan AI finds brand ads represent 32% of Q4 2019 podcast ad occurrences

% of ad detections by type, top 400 national podcasts, Q4 2018 to Q4 2019

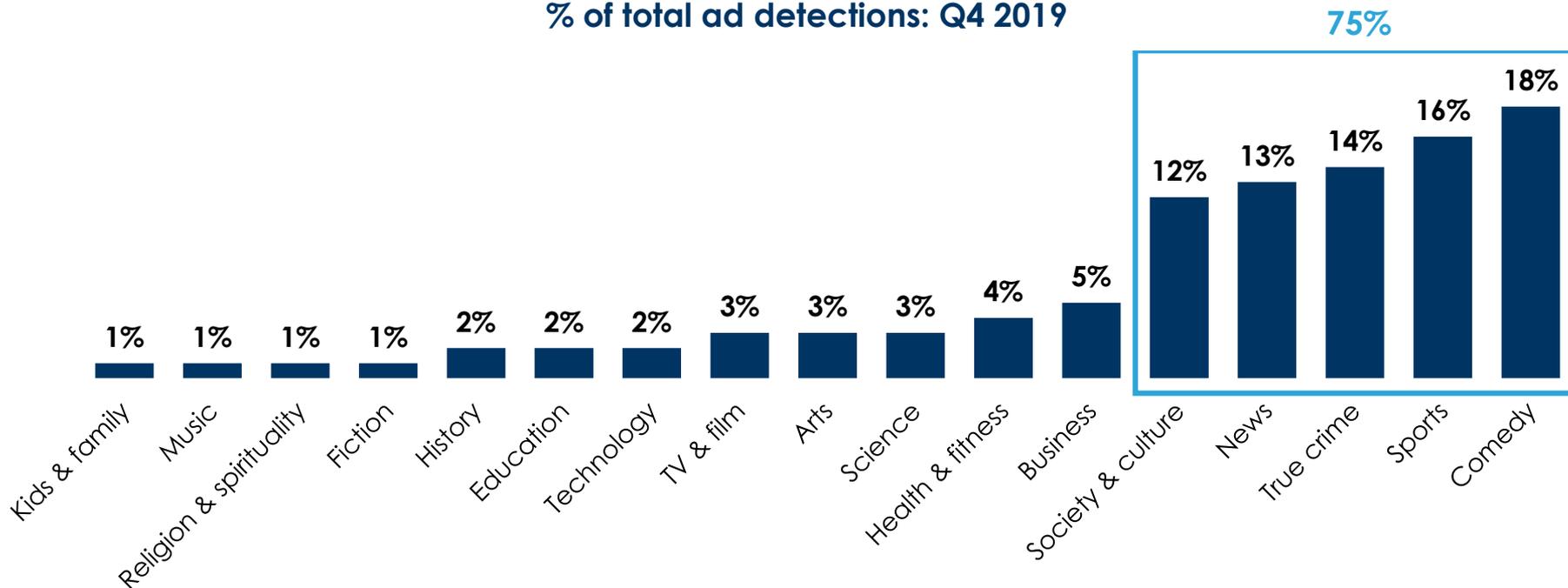
■ Brand advertising ■ Direct response ■ Other



**+33%**  
growth for  
brand  
advertising  
in podcasts  
over the  
past year

# Three-quarters of all podcast ads run in comedy, sports, true crime, news, and society & culture podcasts

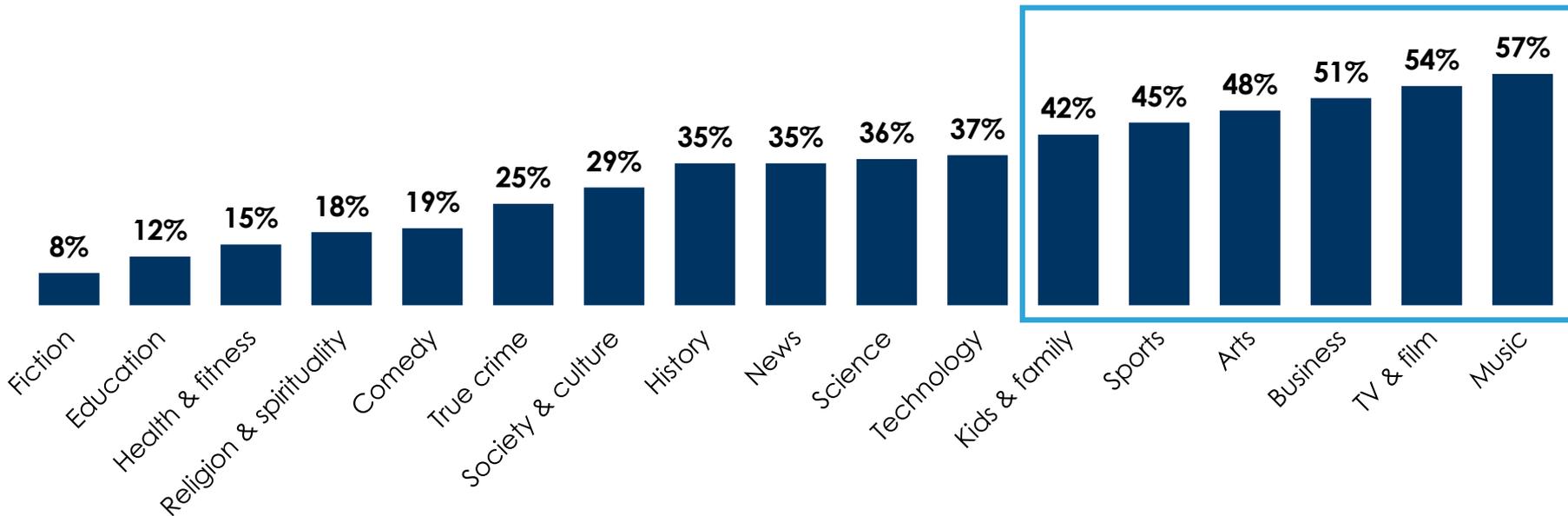
% of total ad detections: Q4 2019



**How to read:** Ads in comedy podcasts comprised 18% of all podcast ad detections in Q4 2019.

# Podcast genres with the highest proportion of brand advertising are music, TV & film, business, and arts podcasts

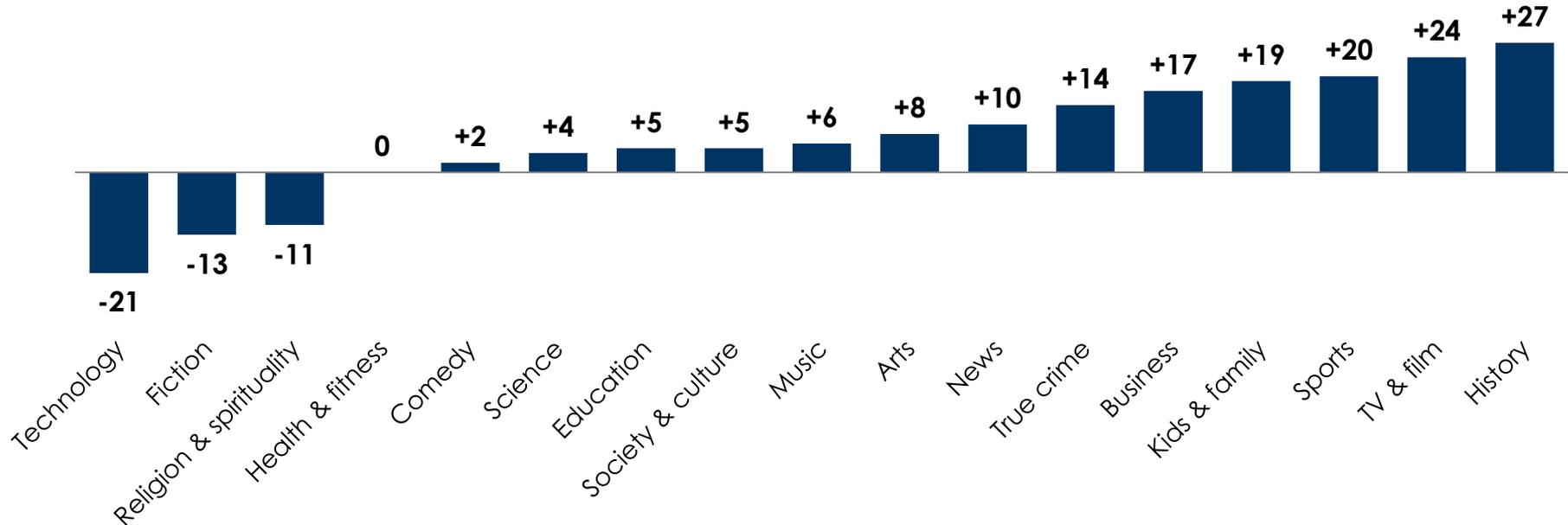
% composition of brand advertising: Q4 2019



**How to read:** 57% of ads running in music podcasts are brand ads.

# Podcast genres with the largest growth in share of brand advertising: history, TV & film, sports, kids & family, business, and true crime podcasts

Difference 2018-2019 in % composition of advertising from brands



**How to read:** The composition of brand ads in history podcasts grew +27% from Q4 2018 to Q4 2019.

# Brand Power Ratio: Music, business, TV & film, arts, and sports have higher share of brand ads versus total

The largest % of brand ad detections are from sports, news, true crime and comedy, representing 58% of all brand ads

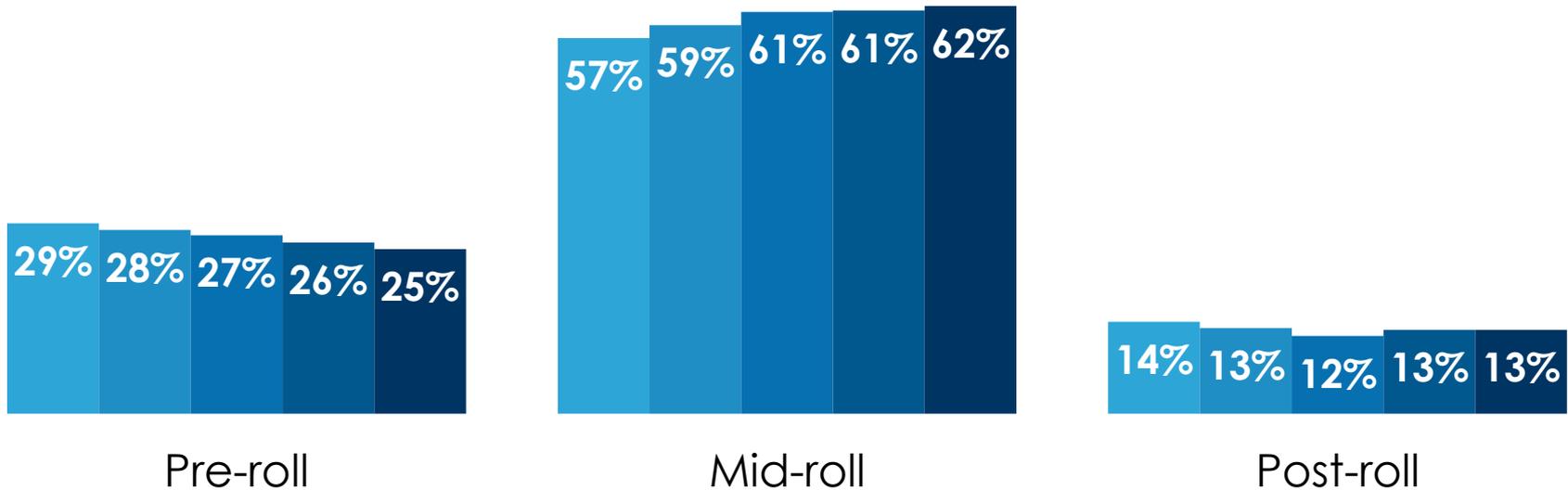
Category	% of total ad detections Q4 2019	% of brand ad detections Q4 2019	Difference	Brand Power Ratio
<b>Sports</b>	<b>16%</b>	<b>22%</b>	<b>+6</b>	<b>1.39</b>
Business	5%	8%	+3	1.60
TV & film	3%	5%	+2	1.68
History	2%	3%	+1	1.10
News	13%	14%	+1	1.09
Arts	3%	4%	+1	1.51
Music	1%	2%	+1	1.78
Kids & family	1%	1%	0	1.32
Science	3%	3%	0	1.12
Technology	2%	2%	0	1.15
Education	2%	1%	-1	0.37
Religion & spirituality	1%	0%	-1	0.55
Fiction	1%	0%	-1	0.25
Society & culture	12%	10%	-2	0.89
Health & fitness	4%	2%	-2	0.46
<b>True crime</b>	<b>14%</b>	<b>11%</b>	<b>-3</b>	<b>0.79</b>
<b>Comedy</b>	<b>18%</b>	<b>11%</b>	<b>-7</b>	<b>0.59</b>

**How to read:** Ads in comedy podcasts comprised 18% of all podcast ad detections in Q4 2019, while comprising 11% of all ad detections from brands in Q4 2019. This represents a Brand Power Ratio of 0.59, meaning that brand advertisers are 41% less likely to support comedy podcasts versus advertisers overall.

# Use of mid-rolls in podcasts is on the rise at the expense of pre-roll ads

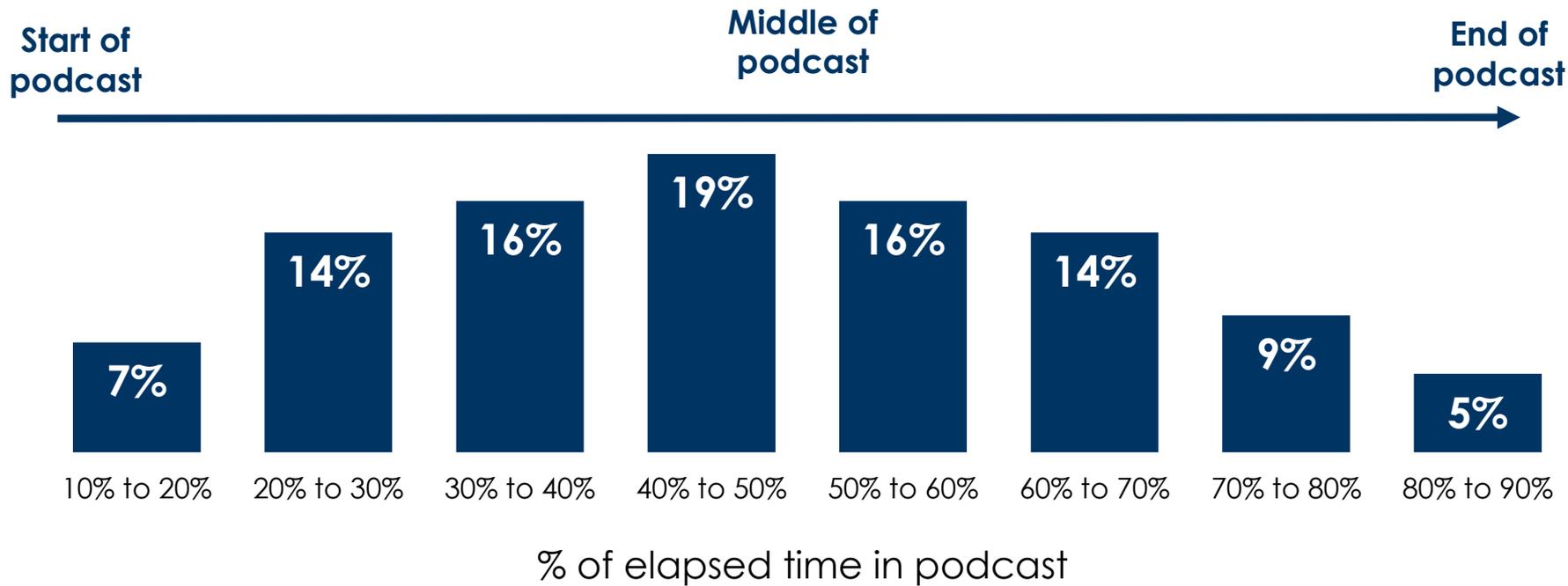
% of ad detections by in-show placement, top 400 national podcasts, Q4 2018 to Q4 2019

■ Q4 2018 ■ Q1 2019 ■ Q2 2019 ■ Q3 2019 ■ Q4 2019



# Mid-roll ad placements are centered broadly around the mid point in a podcast; slightly front loaded

% of ads by percentage of time elapsed within a podcast, top 400 national podcasts, Q4 2018 to Q4 2019



# Top podcast advertisers year-over-year: Direct response dominates, ad volume is up slightly

Q4 2018		
Rank	Advertiser	Detections
1	ZipRecruiter	427
2	SimpliSafe	266
3	Squarespace	216
4	Quip	209
5	Stamps.com	194
6	Rocket Mortgage	168
7	Robinhood	153
8	23andMe	144
9	Cash App	138
10	Audible	119
	<b>Average</b>	<b>203</b>

Q4 2019		
Rank	Advertiser	Detections
1	SimpliSafe	371
2	ZipRecruiter	246
3	State Farm	245
4	Quip	233
5	BetterHelp	231
6	Geico	220
7	Spotify	203
8	Squarespace	168
9	Cash App	152
10	Policygenius	127
	<b>Average</b>	<b>219</b>

# Top podcast brand advertisers doubled their weight in podcasts

Q4 2018		
Rank	Advertiser	Detections
1	Geico	100
2	Capital One	97
3	Comcast Internet Essentials	62
4	Comcast	59
5	American Express	54
6	Jet.com	53
7	Polaris RZR	44
8	TrueCar	43
9	Espresso Monster	42
10	Progressive	40
	<b>Average</b>	<b>59</b>

Q4 2019		
Rank	Advertiser	Detections
1	State Farm	245
2	Geico	220
3	Spotify	203
4	Policygenius	127
5	Capital One	92
6	Best Fiends	88
7	Total Wine & More	84
8	Luminary	71
9	Progressive	60
10	Grow with Google	57
	<b>Average</b>	<b>124</b>

# Fastest growing podcast advertisers: Blue chip brands embrace podcasts

Overall top advertisers Q4 2019

Rank	Advertiser	YOY change in detections
1	State Farm	+236
2	BetterHelp	+191
3	Spotify	+184
4	Geico	+120
5	Native	+115
6	SimpliSafe	+105
7	Policygenius	+90
8	Hillsdale College	+90
9	Noom	+90
10	Best Fiends	+88
	<b>Average</b>	<b>+131</b>

Top brand advertisers Q4 2019

Rank	Advertiser	YOY change in detections
1	State Farm	+236
2	Spotify	+184
3	Geico	+120
4	Policygenius	+90
5	Best Fiends	+88
6	Luminary	+71
7	Total Wine & More	+69
8	Capital One Walmart Rewards Card	+54
9	Pennzoil	+52
10	Fidelity Investments	+41
	<b>Average</b>	<b>+100</b>

# Many top podcast advertisers are also top AM/FM radio advertisers

Q4 2019		
Brand	Podcast rank	Broadcast rank
ZipRecruiter	1	49
Geico	8	1
Indeed	10	10
hims	19	46
Capital One	22	11
Stitch Fix	27	68
State Farm	33	3
Progressive	35	13
TrueCar	55	109
American Express	56	20
Discover Card	78	40
Sleep Number	80	122
LifeLock	82	131

Q4 2019		
Brand	Podcast rank	Broadcast rank
Total Wine & More	100	200
Mattress Firm	110	57
ExxonMobil	112	44
National Highway Traffic Safety Administration	115	12
Chase	117	140
Comcast Business	130	139
Purple	136	121
Babbel	153	129
Vistaprint	154	29
Xfinity	170	21
Dell	177	45
Lowe's	179	9
The Home Depot	196	2

# Key takeaways

- **Podcast advertising occurrences have grown 25%** from Q4 2018 to Q4 2019, driven primarily by an increase in the number of episodes.
- **Podcast over-commercialism has not arrived:** Ads per podcast are only up 3%. Ads comprise less than 10% of podcast programming. The longer the podcast, the lower the proportion of ad minutes. A sixty-minute podcast has an average of 4 ads versus 36 ads in an average hour of network TV.
- **Brand ads are on the rise:** 32% of Q4 2019 occurrences are brand ads, up from 24% in Q4 2018. Top brands have doubled their podcast ad occurrences. Music, TV & film, business, and arts podcasts have the highest proportion of brand advertising. The podcast genres exhibiting the largest growth in share of brand advertising are history, TV & film, sports, and kids & family podcasts
- **Podcasts ads are long:** :60 seconds is the average length of a podcast ad. Most podcast ads are between :30 and :90 seconds long. In contrast, most network TV ads are :30s 46% and :15s 44%.
- **Podcast and network radio share a greater overlap of advertisers:** Several years ago, podcast advertisers were dominated by direct-to-consumer (DTC) brands who rarely advertised on AM/FM radio. Now DTC brands are using AM/FM radio to grow reach and build their brands. Conversely, major network radio advertisers are now increasing their use of podcasting.



# Thank You

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# Appendix

# Mid-roll ads: Growth is consistent for podcasts over 15 minutes long

% of ad detections that are mid-rolls by podcast length, top 400 national podcasts, Q4 2018 to Q4 2019

Podcast length	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	YOY difference
Under 15 minutes	47%	42%	37%	42%	42%	-5
15 to 30 minutes	48%	51%	51%	52%	55%	+7
30 to 60 minutes	60%	63%	65%	66%	65%	+5
Over 60 minutes	57%	59%	61%	60%	63%	+6
Total	57%	59%	61%	61%	62%	+5

# Podcast ad inventory: Mid-roll ad loads are up slightly

Average number of ads per podcast by location, top 400 national podcasts, Q4 2018 to Q4 2019, all podcast lengths

Podcast length	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	YOY difference
Pre-roll	0.9	0.8	0.9	0.8	0.8	-0.1
Mid-roll	1.8	1.8	2.0	1.9	2.0	+0.2
Post-roll	0.4	0.4	0.4	0.4	0.4	--