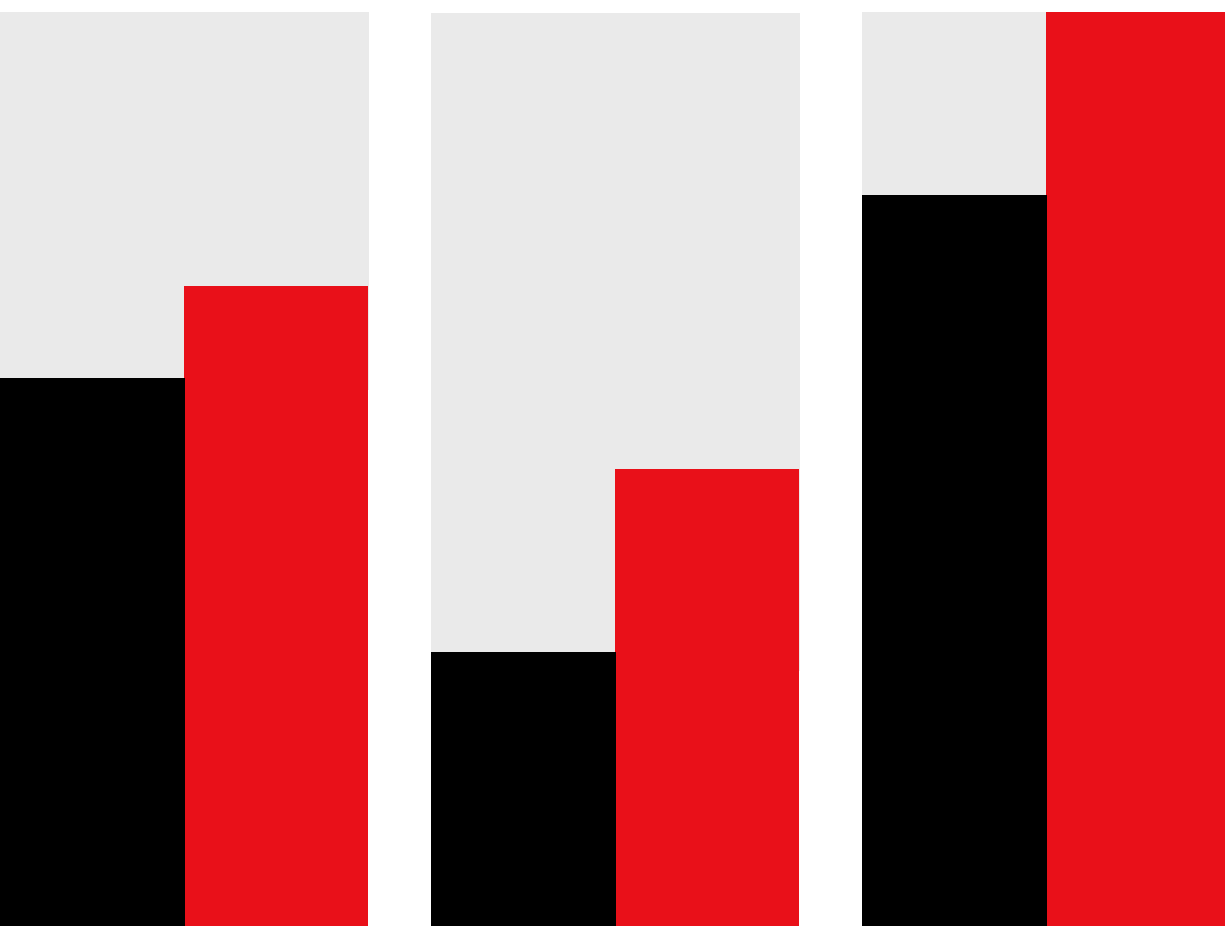


Programmatic Digital Audio and Podcast Ad Spending 2025

Automated Channels Drive \$2 Billion in Ad Spending With Digital Audio Platforms

Although automated channels are the de facto means of buying display ads, programmatic plays a smaller role when it comes to digital audio. As the market matures, digital audio platforms are developing their programmatic offerings to capture more budget from omnichannel advertisers. This EMARKETER analyst report will help you understand how much digital audio services ad spending is programmatic.



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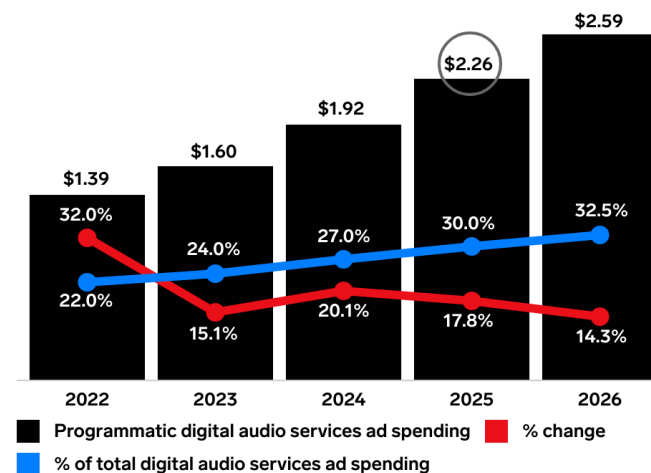
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Programmatic Digital Audio and Podcast Ad Spending 2025

- **Programmatic penetration is lower for digital audio services than overall display.** While programmatic will account for 9 in 10 display ad dollars in 2025, only 3 in 10 ad dollars spent with digital audio services will transact programmatically. Still, programmatic has come a long way in the past five years, more than doubling its share of digital audio services ad spending since 2019.
- **Programmatic opportunities in podcast advertising lag those available in other digital audio services.** Podcasts account for just 11.9% of total programmatic digital audio services ad spending. Although podcasts are driving growth for the channel, they've had less traction among programmatic advertisers.
- **Digital audio platforms are leaning on programmatic to bring ad revenues more in line with consumer time spent.** Pandora, Spotify, and iHeartMedia, which collectively represent just under half the digital audio services ad market, are expanding their programmatic offerings. Each platform is aiming to capture more demand from omnichannel advertisers and better compete with YouTube.
- **Retail media and generative AI (genAI) will unlock incremental programmatic budgets in digital audio.** Retailers are making in-store audio formats available programmatically, and genAI is breaking down barriers around creative production. Meanwhile, the prevalence of ad-free subscriptions and perceived measurement challenges in digital audio hinder ad spending growth.

Programmatic Digital Audio Ad Spending Will Be a \$2 Billion Market This Year

billions in US programmatic digital audio services ad spending, % change, and % of total digital audio services ad spending, 2022-2026



Note: digital audio services ads transacted or fulfilled via automation
Source: EMARKETER Forecast, Jan 2025

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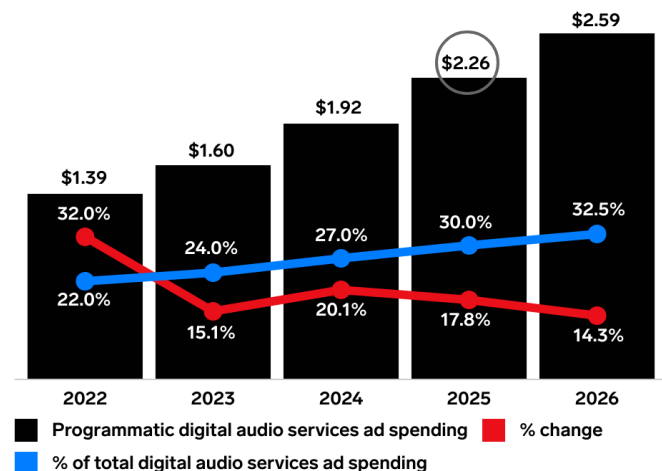
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Programmatic will account for nearly a third of digital audio services ad spending by 2026

Programmatic is the prevailing means of reaching consumers digitally, accounting for over 9 in 10 display ad dollars, per our forecast. When it comes to digital audio services, programmatic penetration is much lower, but it's still trending upward after nearly doubling between 2019 and 2024. This year, digital audio advertisers will spend 30.0% of their budgets programmatically, and the programmatic digital audio services ad market will cross the \$2 billion milestone.

Programmatic Digital Audio Ad Spending Will Be a \$2 Billion Market This Year

billions in US programmatic digital audio services ad spending, % change, and % of total digital audio services ad spending, 2022-2026



Note: digital audio services ads transacted or fulfilled via automation
Source: EMARKETER Forecast, Jan 2025

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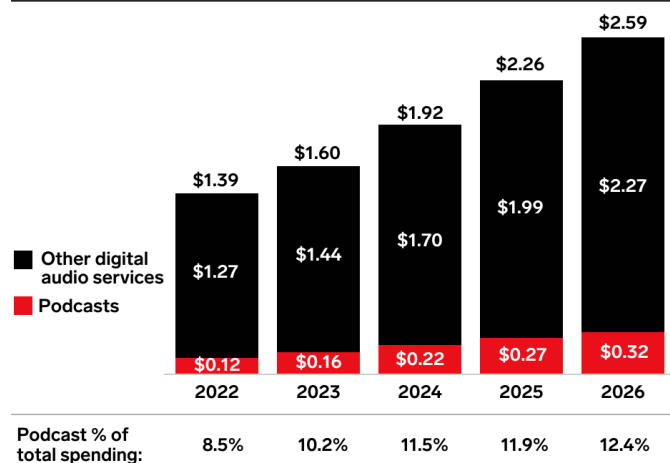
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Programmatic opportunities in podcast advertising lag those available in other digital audio services

The programmatic digital audio services category is more than podcasts. In fact, podcasts will account for just 11.9% of total programmatic digital audio services ad spending this year. The rest will go to streaming radio from local and national broadcast stations, satellite services, and other online platforms that may offer ad-supported on-demand music and audiobooks in addition to more curated radio-like listening experiences.

Podcasts Account for Just Over 1 in Every 10 Digital Audio Ad Dollars Spent Programmatically

billions in US programmatic digital audio services ad spending, by type, and podcast % of total programmatic digital audio services ad spending, 2022-2026



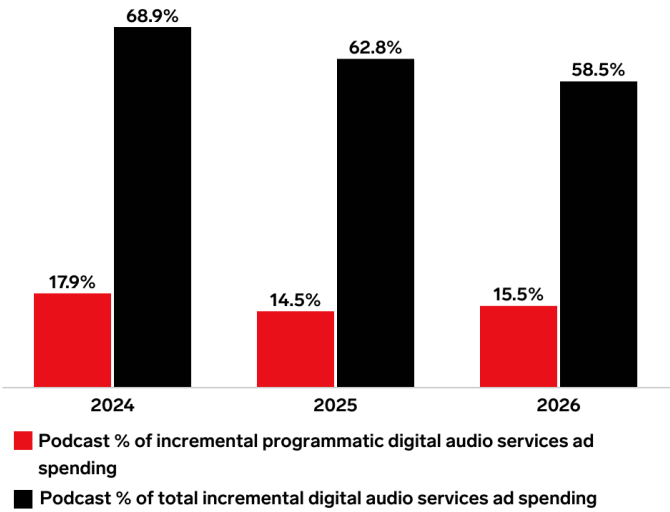
Note: digital audio services ads transacted or fulfilled via automation
Source: EMARKETER Forecast, Jan 2025

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Podcasts are driving growth in digital audio services ad spending but have had less traction among programmatic advertisers. Although podcasts will account for just over a third (33.8%) of the total digital audio services ad market this year, they'll be responsible for the majority (62.8%) of the market's new ad dollars. Meanwhile, podcasts will bring in just 14.5% of incremental programmatic digital audio services ad spending in 2025.

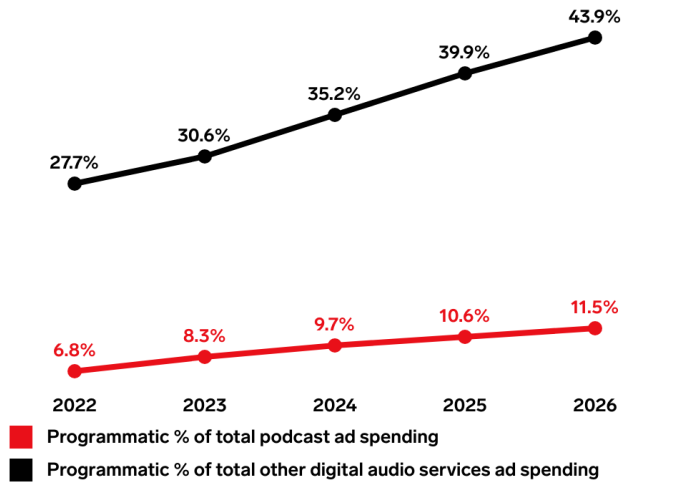
Podcasts Will Drive Less Incremental Digital Audio Spending in Programmatic Than in the Total Market
podcast % of US incremental programmatic vs. total digital audio services ad spending, 2024-2026



Note: audio advertising within a podcast; includes all types of advertising on podcasts
Source: EMARKETER Forecast, Jan 2025

Programmatic plays a much bigger role in digital audio services ad spending outside of podcasts. For every \$1 programmatic advertisers will spend on podcasts this year, they'll spend over \$7 on ads served alongside music. And while just over one-tenth of podcast ad dollars will transact programmatically in 2025, programmatic will account for nearly two-fifths of other digital audio services ad spending. The difference? Persistent concerns around measuring podcast ad exposures.

Programmatic Penetration Is Far Lower for Podcasts Than for Other Digital Audio Services
programmatic % of US total podcasts vs. total other digital audio services ad spending, 2022-2026



Note: digital audio services and podcast ads transacted or fulfilled via automation
Source: EMARKETER Forecast, Jan 2025

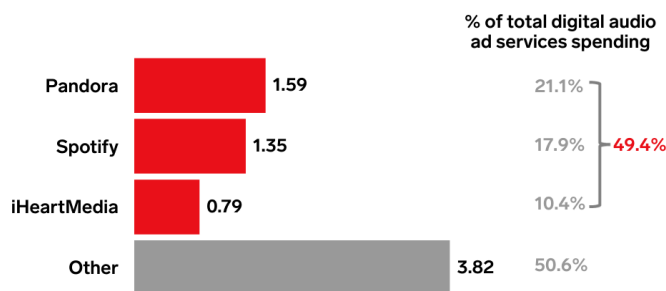
Major digital audio players are shoring up their programmatic offerings

Digital audio is undermonetized relative to consumer time spent. US consumers will average 1 hour, 25 minutes per day with digital audio in 2025—just 2 minutes shy of their daily time spent browsing social media, per our forecast. But while social networks will account for nearly a quarter of total US media ad spending, digital audio services will represent just 1.8%. The disparity is partially explained by the popularity of digital audio platforms' ad-free subscriptions, which are unavailable on major social platforms. But social platforms' early prioritization of automation in ad serving and buying also factors in.

Digital audio platforms are leaning on programmatic to bridge the gap. The three biggest digital audio players—Pandora, Spotify, and iHeartMedia, which collectively account for just under half the digital audio market—are expanding programmatic capabilities to capture more demand from omnichannel advertisers.

The 3 Largest Digital Audio Players Collectively Account for Just Under Half the Market

billions in US digital ad revenues and % of total digital audio services ad spending, 2025



Note: includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets, and other internet-connected devices, and includes all the various formats of advertising on those platforms; net ad revenues after companies pay traffic acquisition costs (TAC) to partner sites
Source: EMARKETER Forecast, Nov 2024

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Pandora owner SiriusXM has built programmatic paths to most of its inventory.

When SiriusXM acquired Pandora in 2019, Pandora had recently acquired digital audio ad tech company AdsWizz, which now acts as the ad server and sell-side platform (SSP) for the entire SiriusXM portfolio. Advertisers can access Pandora inventory through private marketplaces (PMPs) and programmatic guaranteed deals by way of SiriusXM's integration with every major demand-side platform (DSP). SiriusXM cited programmatic sales and AdsWizz fees as primary drivers behind the 1.1% ad revenue growth in 2024 for its Pandora and off-platform segment, which includes ads served via partnerships with the likes of SoundCloud and Sonos.

Spotify is ramping up its new SSP as it caters to performance advertisers.

The Spotify Ad Exchange (SAX) was announced in October 2024 as a direct connection to the platform's video inventory, with audio formats still on the agenda. Spotify's CFO, Christian Luiga, told investors in February that 2025 will be the "year of building," as it looks to add more DSP integrations beyond its pilot partner, The Trade Desk. If all goes to plan, 2026 will be the year the platform gets to scale, per Luiga. But even before SAX scales, advertisers can access Spotify inventory—including audio—through PMPs and programmatic guaranteed deals via select DSPs. And advertisers are already taking advantage: Spotify called out automated sales channels as the main drivers of its 7% YoY growth in ad revenues in its Q4 2024 earnings.

iHeartMedia continues to capitalize on its previous programmatic investments. Between 2018 and 2021, iHeart went on a programmatic acquisition spree, snapping up Jelli, Voxnest, and Triton Digital. Since then, iHeart has developed its programmatic channels to incorporate more audio inventory across its broadcast radio, streaming radio, and podcast properties. In January 2024, the company partnered with Magnite to consolidate advertiser access to all its audio assets in a biddable marketplace.

These companies top the charts in podcasting, too.

Spotify, SiriusXM Podcast Network, and iHeartPodcasts took the top three spots in Edison Research's ranking of podcast networks by reach every quarter in 2024.

But YouTube looms over pure-play digital audio platforms.

Although the digital video giant isn't included in our programmatic digital audio services ad spending forecast, it does compete with digital audio players for programmatic digital audio and podcast ad budgets. With its comprehensive repository of music videos and video podcasts, YouTube was second only to terrestrial radio in share of consumers' time with audio, according to Q3 2024 data from Edison, and was the most-used service among weekly podcast listeners in Q2 2024, also per Edison. Like social platforms, YouTube was all in on automation sooner than most digital audio platforms. With its first-mover advantage in programmatic, its native video-first environment, and impressive scale, YouTube weighs on the growth potential of digital audio platforms' ads businesses.

Old headwinds and new tailwinds will shape programmatic digital audio ad spending this year

Ad-free subscriptions and measurement challenges—real and perceived—will hinder growth

Not all digital audio listeners are accessible to advertisers. Ad-free subscriptions continue to make up a sizable share of listenership on the largest platforms, and digital audio players are incentivized to prioritize the ad-free revenue stream. Annual ad revenues per ad-supported user are considerably less than revenues generated by an annual ad-free subscription for Spotify and Pandora. As long as this dynamic holds, digital audio players will continue to promote ad-free subscriptions to ad-supported users, removing them from programmatic advertisers' reach when successful.

Measurement remains a sticking point for advertisers.

US brand and agency marketers surveyed by Integral Ad Science in February 2024 cited a lack of sufficient measurement solutions as the top performance factor likely to negatively affect their decision to advertise on digital audio.

Despite perceived inadequacy, digital audio ad measurement is as advanced as CTV ad measurement.

Many of the largest players, including Spotify and Pandora, require listeners to log in to stream any audio content, ad-supported or otherwise. With logged-in user bases and the same pixeling capabilities available in display, advertisers need only match exposures to cross-device conversions, as they would for CTV ad spending.

But legacy distribution tech has held back podcast ad measurement. Historically, most podcast content was delivered via download, and programmatic podcast ads were typically dynamically inserted into an episode as a download was triggered. Although streaming has made gains in podcast distribution, visibility into post-download listen-through behavior (e.g., skipping) is still catching up to other programmatic channels, hence the lower programmatic penetration in podcast advertising.

But 2025 also presents emerging opportunities, including RMN integrations

Retail media networks (RMNs) are opening doors for digital audio. Like other digital channels, digital audio can make use of retailers' consumer data to enhance targeting and measurement. Retailers with brick-and-mortar footprints like Walmart, Lowes, and CVS are also expanding in-store advertising capabilities to include audio formats, often available for purchase programmatically. Audio is likely to gain traction quicker than other in-store activations. It offers advertisers a familiar format to leverage closer to the point of purchase and a relatively low-lift campaign addition—especially for advertisers with preproduced audio assets.

GenAI could also boost digital audio's programmatic prospects. Making digital audio inventory available through popular DSPs is the first step toward unlocking programmatic budgets from omnichannel advertisers. GenAI can remove additional barriers by automating the production of audio-specific creative. As media planning responsibilities shift further toward platforms' AI-powered performance advertising products, advertisers can expect turnkey integration of audio into their programmatic campaigns.

4 opportunities and advancements for programmatic audio in 2025

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Jeremy Randol

*Vice President,
Programmatic Sales Strategy
SiriusXM Media*

Programmatic audio is rapidly growing. Advertisers are combining programmatic benefits (efficiency, frequency management, data, and optimization) with the unique relationship audiences have with audio. Audio reaches engaged consumers in a positive atmosphere, and using programmatic tools for audio buys allows marketers to achieve scale, unduplicated reach, and full-funnel performance. Despite this, 75% of audio transactions still take place via insertion orders.

Audio will shine brighter when more buys sit alongside other formats and strategies within a demand-side platform. As we look ahead in 2025, four trends will shape the future of programmatic audio.

1. The programmatic podcast opportunity

A massive opportunity for advertisers is the growing popularity of the podcast medium. By leveraging programmatic platforms, they can reach large audiences across popular and niche shows with transparent reporting and precise targeting. The programmatic podcast ecosystem allows tracking performance, measuring brand suitability, monitoring content, and optimizing creative assets. Ultimately, programmatic tools provide a more scalable and data-driven way to invest in podcast advertising.

2. Off-site media for retail media networks

As retail media networks (RMNs) continue to grow, they give brands access to valuable first-party data and closed-loop measurement, enabling them to target customers based on shopping behaviors

and preferences. Off-site media and programmatic audio take brand messages further. When this RMN data and closed-loop measurement is paired with programmatic audio, advertisers can reach customers in new environments, often away from visual media and in a buying mindset.

3. Addressing privacy worries

Consumers want personalized ad experiences and data privacy protections. As advertisers adopt privacy-first solutions, programmatic audio and new technology deliver privacy-forward solutions, like ID-less targeting and clean room solutions. Unified ID 2 is gaining traction across platforms, including Pandora, offering brands confidence in privacy-compliant, targeted advertising. Incorporating alternative IDs into programmatic audio campaigns allows precise targeting and measurement without compromising privacy.

4. Solving for brand suitability concerns

Brand safety is a top concern in podcast advertising. Traditional brand suitability methods (like keyword targeting) don't work well for podcasts due to the content volume and variety. While episode-level buying can ensure control for brands, it sacrifices scale and programmatic buying benefits. Now, pre-bid brand suitability targeting allows advertisers to evaluate podcast content in the bid stream before buying a podcast ad, ensuring ad placements align with their brand's values, tone, and audience. This advancement is a major step forward in the programmatic podcast landscape.

With the podcast opportunity and the intersection of retailer data with audio, 2025 is shaping up to be a year of innovation and growth for programmatic audio.

Why work with the industry leader in programmatic ad tech?

Here's why we're the best in the biz

You have a great product. You have the perfect ad. But, whether due to lack of audience reach or audio experience, that ad's performance leaves you wanting more.

If this sounds familiar, here's what a programmatic partnership with the largest digital audio advertising ecosystem in North America will give:



Access to the most hit shows



A truly premium auction experience



Transparency, brand suitability and advanced measurement

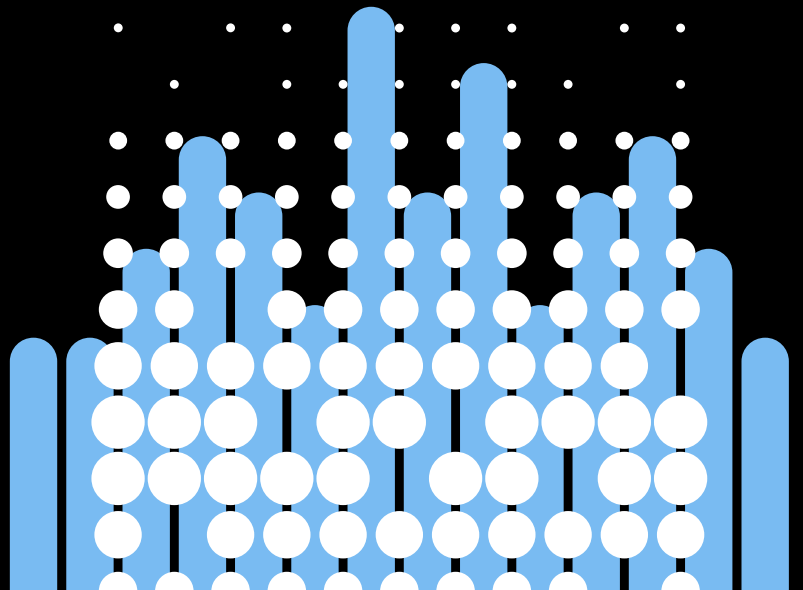


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EMARKETER Interviews

EMARKETER research is based on the idea that multiple sources and a variety of perspectives lead to better analysis. Our interview outreach strategy for our reports is to target specific companies and roles within those companies in order to get a cross-section of businesses across sectors, size, and legacy. We also look to interview sources from diverse backgrounds in order to reflect a mix of experiences and perspectives that help strengthen our analysis. The people we interview for our reports are asked because their expertise helps to clarify, illustrate, or elaborate upon the data and assertions in a report.

Carter Brokaw

Chief National and Digital Revenue Officer

iHeartMedia

Interviewed February 13, 2025

Jeremy Randol

Vice President, Programmatic Sales Strategy

SiriusXM

Interviewed February 5, 2025

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