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# *IAB Podcast Ad Revenue Study: An Analysis of the Largest Players in the Podcasting Industry*

**iab.**

June 2017

*An industry survey conducted  
by PwC and sponsored by  
Interactive Advertising  
Bureau (IAB)*



**pwc**

*The Podcast Ad Revenue Study was made possible by the financial support of the following sponsors to IAB:*



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**Authentic**  
(a Podtrac Company)



**Gimlet Media**



**HowStuffWorks**



**Market Engineunity**



**Midroll Media**



**Panoply Media**



public media marketing

**Public Media Marketing**  
(PMM)



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# *Outline*

Overview

Study scope & Methodology

Study findings

- Full year results (2015 and 2016 actuals, and 2017 forecast)
- Quarterly trends
- Delivery mechanism
- Ad mechanism
- Campaign type

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## Overview

IAB held its first annual Podcast Upfront showcase in September 2015, hosting an audience of marketers and media buyers interested in learning more about the “power of podcasts as a valuable platform to reach consumers.”

In recognition of the platform’s growth as an important and emerging marketing medium, a formal, data-driven revenue analysis needed to be executed. Industry estimates existed; but, **the range in published estimates was too wide to be reliable.** IAB’s podcast group met and a sub-group of members elected to sponsor a study to properly assess the potential for advertising revenue across the industry. PwC was engaged in March 2017 to conduct a study by directly surveying the industry’s significant revenue generators.

Over 11 weeks, PwC performed a market scan, conducted three discovery interviews, facilitated a working session with IAB’s audio working group, and surveyed 20 of the largest podcast advertising companies to generate the findings presented here.

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# *Survey Scope & Methodology*

## **Survey scope**

The IAB Podcast Advertising Revenue Study is part of an ongoing IAB mission to provide an accurate barometer of podcast advertising growth.

To achieve differentiation from existing estimates and accomplish industry-wide acceptance, key aspects of the survey include:

- Obtaining historical data directly from companies generating internet (publishers and advertising networks) advertising revenues;
- Making the survey as inclusive as possible, encompassing significant forms of podcast advertising; and
- Establishing and maintaining a confidential process, only releasing aggregate data.



## **Methodology**

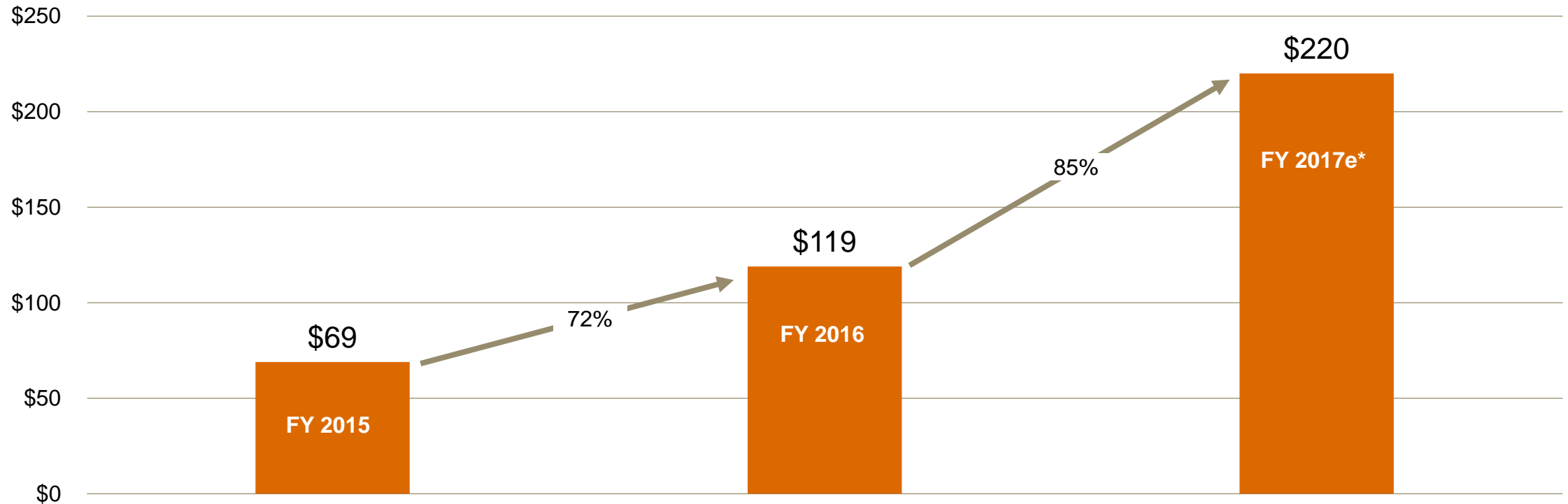
The methodology employed here is similar to the methodology which PwC has used to conduct the half-year and full-year internet advertising revenue report since 1996.

Throughout the reporting process, PwC:

- Compiles a database of the 20 largest podcast advertising revenue generators. Companies surveyed are believed to make-up a significant amount of the overall market, but they are not meant to estimate the entire market.
- Conducts a quantitative mailing survey with leading industry players, including podcast publishers and ad networks.
- Requests and compiles several specific data items, including quarterly net commissionable advertising revenue by delivery mechanism, advertisement type, campaign type, and advertising industry category.
- Analyzes the findings, identifies and reports key trends.

# ***Podcast advertising revenue grew at a double-digit rate from 2015 to 2016, and the growth is forecast to build in 2017.***

Podcast Advertising Revenues, 2015 – 2017 (in millions)

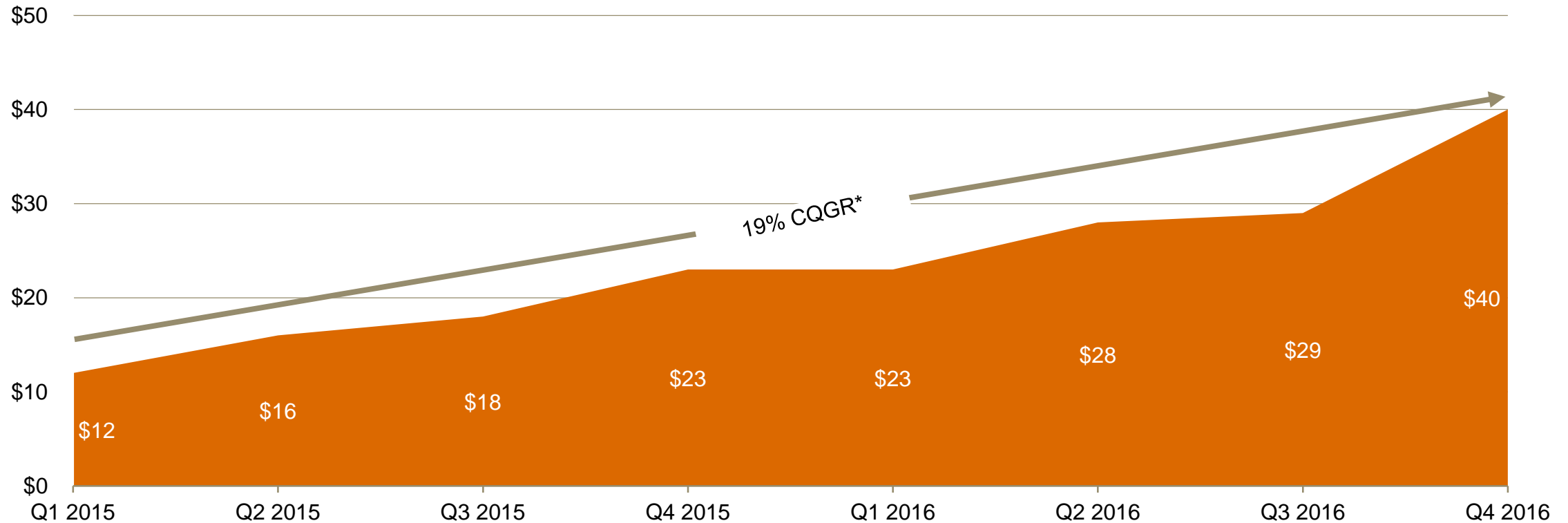


Advertising revenues represent the 20 companies surveyed, less than 100% of the podcast advertising market

*\* 2017 revenue is a forecast based upon self-reported estimates*

# ***Podcast advertising revenue has increased steadily, growing 228%, on a quarterly basis, between Q1 2015 and Q4 2016.***

Podcast Advertising Revenue, by Quarter, 2015 – 2016 (in millions)



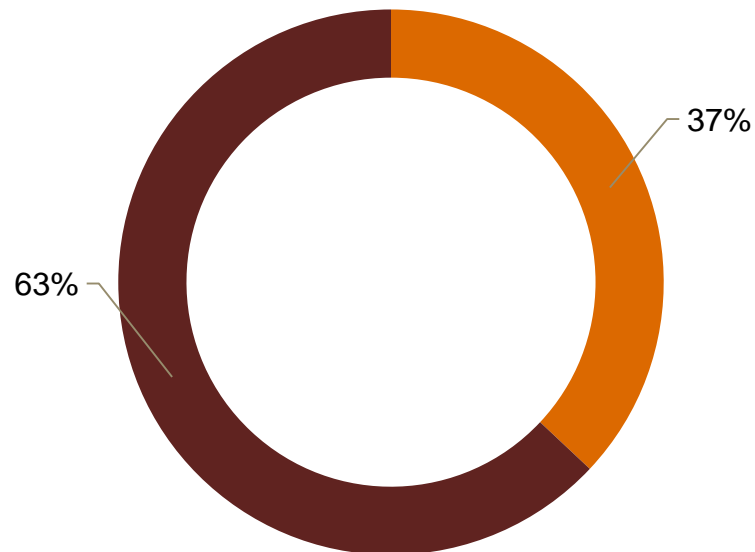
Advertising revenues represent the 20 companies surveyed, less than 100% of the podcast advertising market

\* CQGR – Compound Quarterly Growth Rate

## Revenue by *Delivery Mechanism* – 2015 to 2016

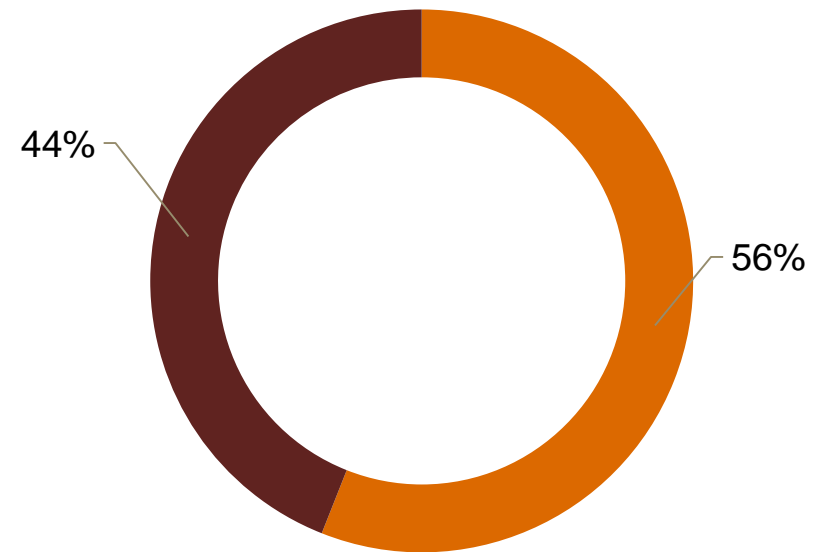
*Dynamically inserted ads increased their proportion of ad spend by 51% from 2015 to 2016*

2015



■ Dynamically Inserted Ads  
■ Integrated/Edited-In / Banked-In Ads

2016



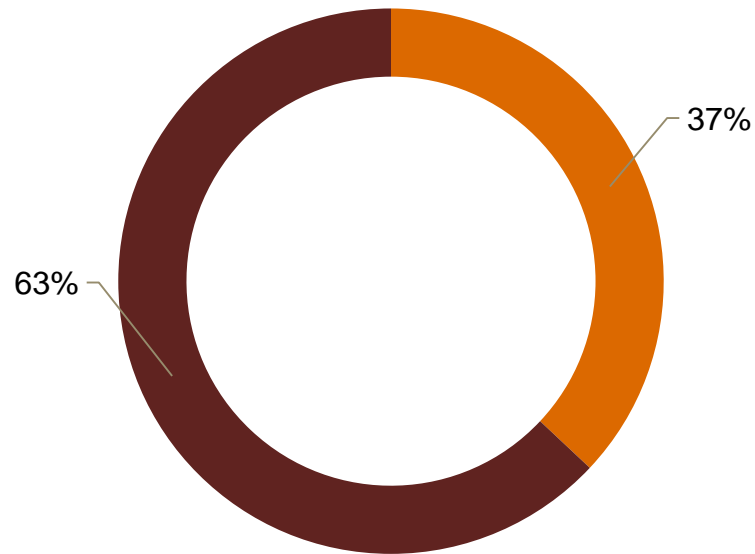
■ Dynamically Inserted Ads  
■ Integrated/Edited-In/Baked-In Ads



## Revenue by *Ad Mechanism* – 2015 to 2016

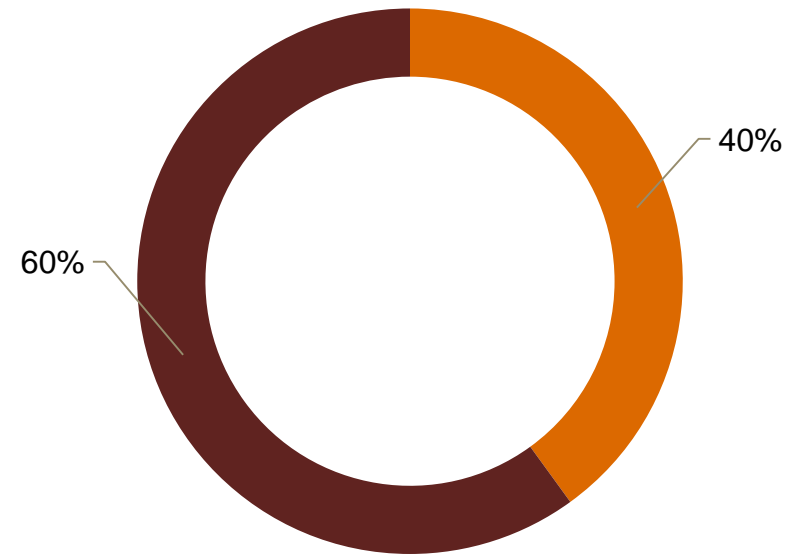
*Host Read Ads continue to be the preferred Ad Mechanism. Pre-Produced ads share of total Ad Mechanism revenue increased by 3 percentage points in 2016*

2015



■ Pre-Produced Ads  
■ Host Read Ads

2016

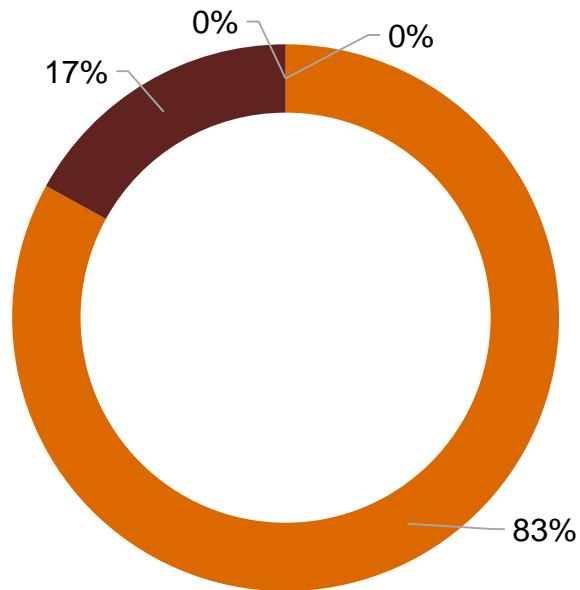


■ Pre-Produced Ads  
■ Host Read Ads

## Revenue by Campaign Type – 2015 to 2016

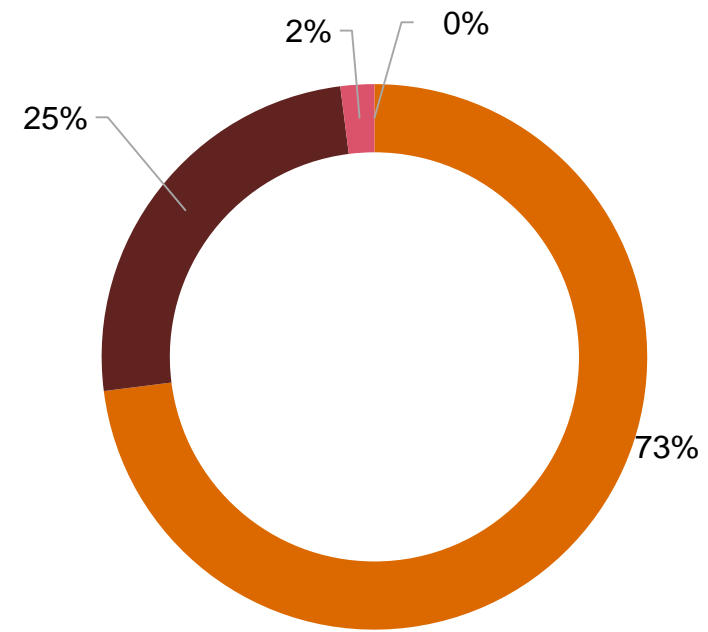
*Direct Response campaigns decreased from 2015 to 2016, as a percent of total revenue, while Brand Awareness campaigns increased. Branded Content made its revenue generating debut.*

2015



■ Direct Response Ad ■ Brand Awareness Ad  
■ Branded Content ■ Product Placement

2016



■ Direct response Ad ■ Brand Awareness Ad  
■ Branded Content ■ Product Placement

# Contacts



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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 pioneering work in TMT has included developing 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 of the TMT sector, including broadband, wireless, the internet, music, film, television, publishing, advertising, gaming, theme parks, computers and networking, and software. With thousands of practitioners around the world, we're always close at hand to provide deep industry knowledge and resources.

Our services include:

- Business assurance services
- Web audience measurement and advertising delivery auditing and advisory
- IAB Measurement Certification Compliance auditing
- Privacy policy structuring, attestation, and compliance advisory
- Mergers & acquisitions assistance
- Tax planning and compliance
- Capital sourcing and IPO assistance
- Marketing & Media operations enablement

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# *Technology, Media, and Telecommunications practice*

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