

VOXNEST

2020 MID-YEAR PREVIEW

The State of the Podcast Universe



Content



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Introduction

Introduction

If there's one thing we can all agree on, it's that 2020 has been nothing short of a wild ride so far. No matter where your company is headquartered or what industry you're in, you've inevitably felt the impact – in one way or another – of the coronavirus pandemic and civil rights unrest in the United States. The podcast industry is certainly no exception. After the banner year that 2019 was for podcasting, the juxtaposition of 2020 has been challenging to maneuver, and now interesting to examine. To say that this will be a less successful year in podcasting is not necessarily true, but the industry has certainly had to do a lot of pivoting and adjusting based on the plans that were laid out at the beginning of the year.

This new mid-year report was part of our original plan for 2020, but the contents are shaping up to look much different than we could've originally imagined. While our State of the Podcast Universe Report is typically only released once at the end of the year, we decided that taking a moment to reflect on and analyze the industry more than once a year is important because of how quickly podcasting continues to evolve. And now, more than ever, we think the timing of sharing these mid-year findings can truly be beneficial in helping to guide the industry forward.

In addition to showcasing the trends across the podcast business, advertising, listening and content segments, you'll also find a couple of special sections dedicated to showcasing specifics on how COVID-19 directly affected that piece of the podcasting world. While it's not our aim to make this entire report coronavirus-related, because there have been a lot of successes and interesting moves outside of that, we do want to effectively correlate changes in the industry to coronavirus where it's applicable.

Business Trends

Business Trends

Uptick of Podcast Publishers

While the industry was once very binary with only small indie podcasters and giant podcast networks, we're seeing a real surge of podcast publishers who fall in between the two. While the really big guys in the industry are certain to continue gaining listeners and traction, there's a precise layer between individual podcasters and massive enterprises – “energetic ventures... somewhere between three and 20 shows,” as [RAIN News](#) puts it – who are successfully finding footing in the industry.

The uptick is evident by the fact that podcast tech and service-based companies have been introducing products to meet the exact needs of this clientele; Voxnest-owned [Spreaker](#) included. Spreaker's [Publisher Plan](#) was introduced this year as a way to easily meet the needs of podcast publishers who need more support than an indie podcaster, but don't need a fully customized podcasting platform. A key element of serving podcast publishers is ensuring that the platform doesn't limit downloads, makes collaboration extremely easy, and includes a campaign manager that makes full catalog monetization simple.

Watch Out World, Spotify Means Business

Even if you don't work in the podcasting industry, it's pretty obvious that Spotify is working hard to dethrone Apple as the de facto leader in podcasting. As a company, we've been reporting on the battle for listeners between the two since things started to get really interesting at the beginning of 2019. Over the last 15 months, it's gone from a tug-of-war to a conqueror steadily taking claim of territory each month.

While we'll get into the details of the listening battle in our Listening Trends section, it's important to note here exactly why Spotify's been able to continue succeeding so quickly. In short, they've been single-minded in their pursuit of dominating the podcast industry, and have made large and risky investments in order to do so. So far in 2020, they've [launched 78 original and/or exclusive podcasts](#), [acquired The Ringer](#), and [gained exclusivity of The Joe Rogan Experience](#), which is (arguably) the most popular podcast on planet earth. These big bets seem to be paying off, even amidst the global pandemic, as Spotify turned an unexpected profit in the first quarter and showed an [increase in podcast listeners](#), quarter-over-quarter, on the platform from 16 percent to 19 percent as of April.

On the flip side, Apple's focus, and investments, seem to be entirely elsewhere. While we continued to see them make improvements, changes and put an emphasis on podcasts in late 2019, since the start of the year, they seem to be pretty solely focused on Apple TV+ programming. While it initially seemed like their focus was shifting only temporarily, we have to wonder if they are permanently putting podcasts on the back burner and conceding to Spotify (and the power of Android). While Apple was still the first platform to reach [1 million available podcasts](#), Spotify did achieve the same number about 10 days later.



Over the last 15 months, it's gone from a tug-of-war to a conqueror steadily taking claim of territory each month.

Advertising Trends

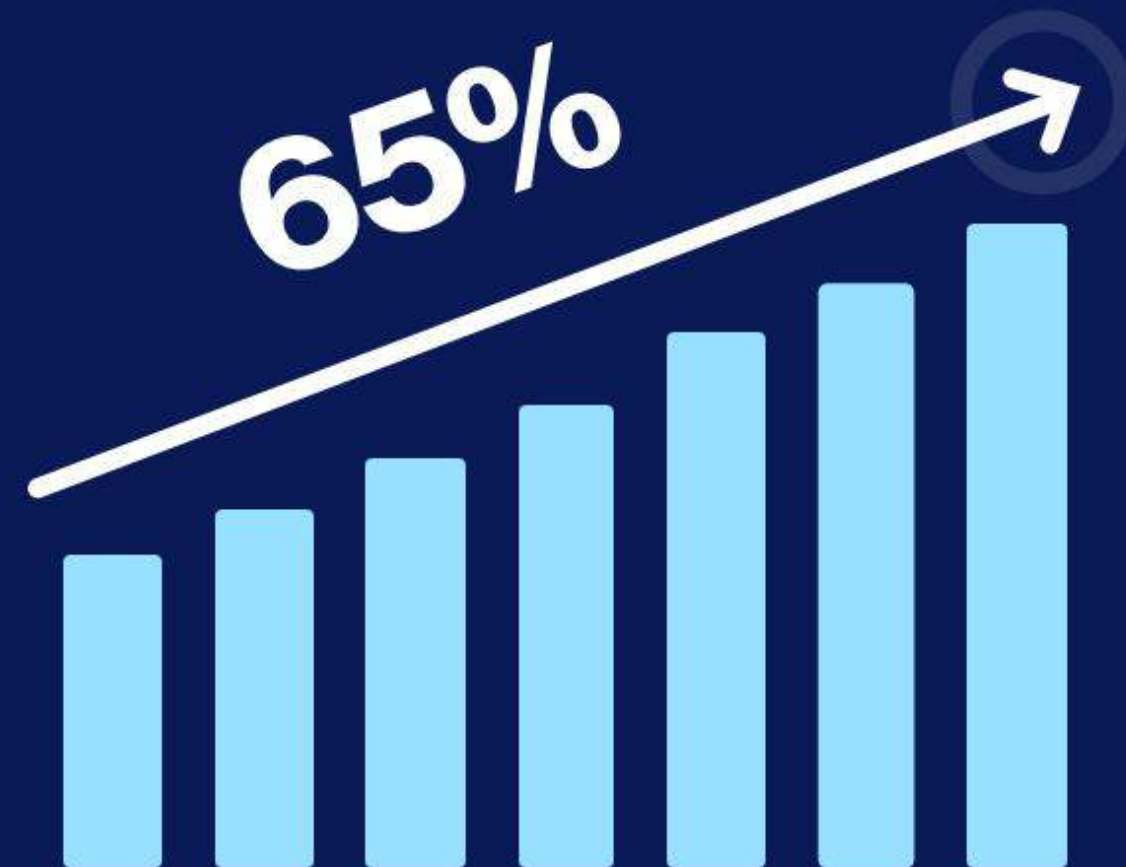
Advertising Trends

Listeners Accepting of More Ads

As with any type of media that begins ad-free, it can be an uphill battle to get consumers to accept advertising. However, as our industry knows from the last several years of data, it's well worth the fight because of how engaged podcast listeners are. A difficult to reach audience with traditional advertising – podcast “[Super Listeners](#)” as PodcastOne and Edison Research calls them – is quite open to ads in podcasts. Nearly half of them (44 percent), say they pay attention to ads in podcasts more than any other media form, and 37 percent of them say that podcasting is the best way for a brand to reach them.

In the time since this study was conducted, data from within the [Voxnest Audience Network](#) highlights this fact. Not only did we report on programmatic advertising growing by 137 percent year-over-year at the end of 2019, but that growth continues just in the first five months of this year. Since January, programmatic advertising within our network has increased by 65 percent. Brands and agencies – like [Xaxis](#), who we now works with in the US, Latin America and Europe – that were just testing podcast advertising in previous years, are seeing the continued acceptance and engagement from listeners, and they're diving deeper.

Since January,
programmatic advertising
within our network is **up**
by 65 percent.



Advertising Trends

A Dynamic Evolution for Host-Read Ads

While baked-in host-read ads still play a vital role in podcast advertising, there's a new implement within live reads that's making waves. While dynamic ad insertion, in regards to programmatic advertising, certainly isn't a brand new conversation, it's still fairly uncommon to hear dynamic ad insertion discussed in relation to host-read ads. In fact, you typically hear of the two concepts in opposition. But, in actuality, when paired together, they can be a lethal weapon of success.

To clarify a common misconception, dynamic ad insertion is simply the mechanism in which an ad is delivered, it's not actually a type of ad itself. So regardless of what the ad type is – an ad from a programmatic marketplace or a host-read ad – if it's dynamically inserted, that means it can be placed into a podcast post-production.

The benefit of dynamically inserting host-read ads is two fold. First, it maintains the style that listeners – and advertisers – love about host-read ads; they are “significantly more likely to be described by respondents as authentic and believable, and less likely to be felt as forced,” [according to Nielsen](#) (and a multitude of research since). Second, it allows what the hosts are endorsing to actually stay relevant. Instead of brands hiring hosts to read a generic message about their product or service, that will live in perpetuity, hosts can actually record relevant ads tied to special releases, discount codes or events. And when the next new campaign comes along, they can record another message and simply replace the last ad in the exact same spots. Marketing and advertising pros know the importance of specificity and urgency; so combining dynamic ad insertion's ability to keep ads relevant with the power of a host's endorsement is a seriously impactful way to reach listeners.

More and more brands and agencies are seeking to approach their advertising with this strategy, and are seeing big results. According to [footwear brand Puma](#), their first campaign with this strategy resulted in an 180 percent gain in ad-recall.



Combining dynamic ad insertion's ability to keep ads relevant with the power of a host's endorsement is a seriously impactful way to reach listeners.

Listening Trends

Listening Trends

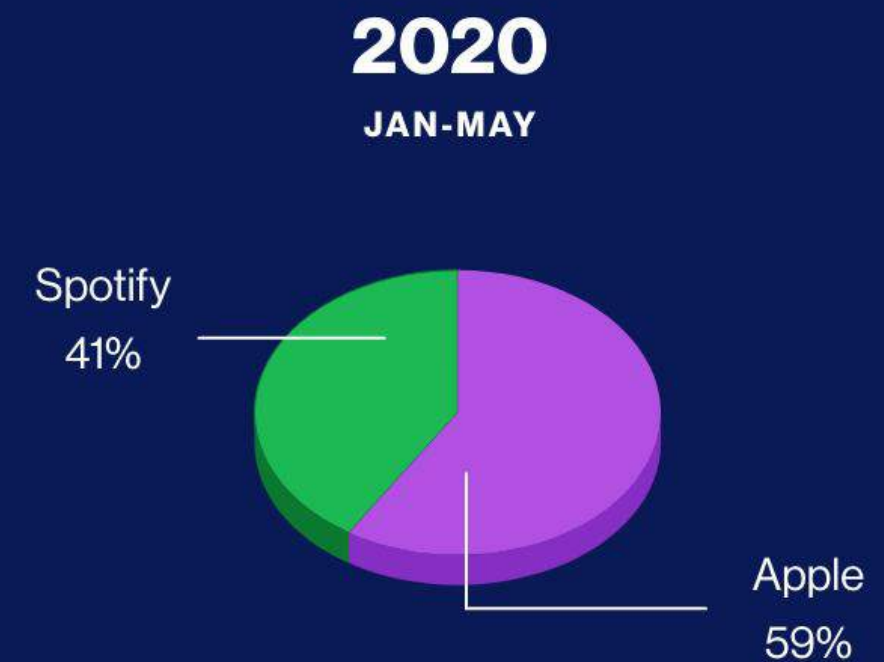
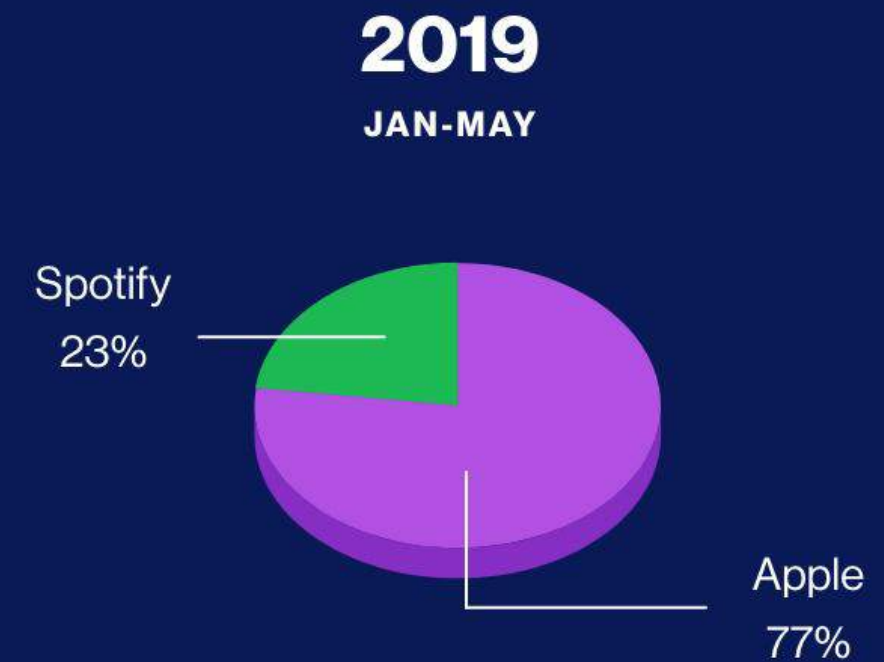
The War Wages on Between Apple and Spotify

While we already tackled some of the specific risky business moves that Spotify's made throughout the year, it's pretty interesting to look at how their podcast-forward business model is paying off regarding the actual podcast listeners on their platform. As reported on by CNN, Spotify says they're "ahead of Apple in more than 60 markets." According to our data, that number is actually a bit modest, with them leading in more than 80 markets total.

The first quarter alone showed some pretty big results for Spotify. Not only did Spotify take over some larger countries, like Australia and Ireland, but they also finally started to loosen Apple's grip on the US' – Land of the iPhone, if you will – podcast listeners. As of the end of May, they haven't held on to the states, but for one month periods throughout the first five months of the year, Spotify led in California, New York and New Jersey. We expect to see this, nearly literal, tug-of-war go on as Spotify continues to double down on their podcasting efforts. Looking at growth percentages, during the first five months of the year in the US, Spotify saw an increase in listens by 32 percent, where Apple only saw a 13 percent increase. From a global perspective, they made even more significant progress by increasing total podcast listens by 51 percent compared to Apple's 20 percent.

In the battle between the two for share of voice (not considering other listening platforms), Apple is currently holding at 59 percent and Spotify is at 41 percent. In the same five month period of 2019, Apple sat at 77 percent and Spotify at 23 percent. Needless to say, Spotify's short two year time in the industry is making a pretty massive impact.

Listener Share of Voice Between Apple & Spotify*



*Excludes all other listening platforms

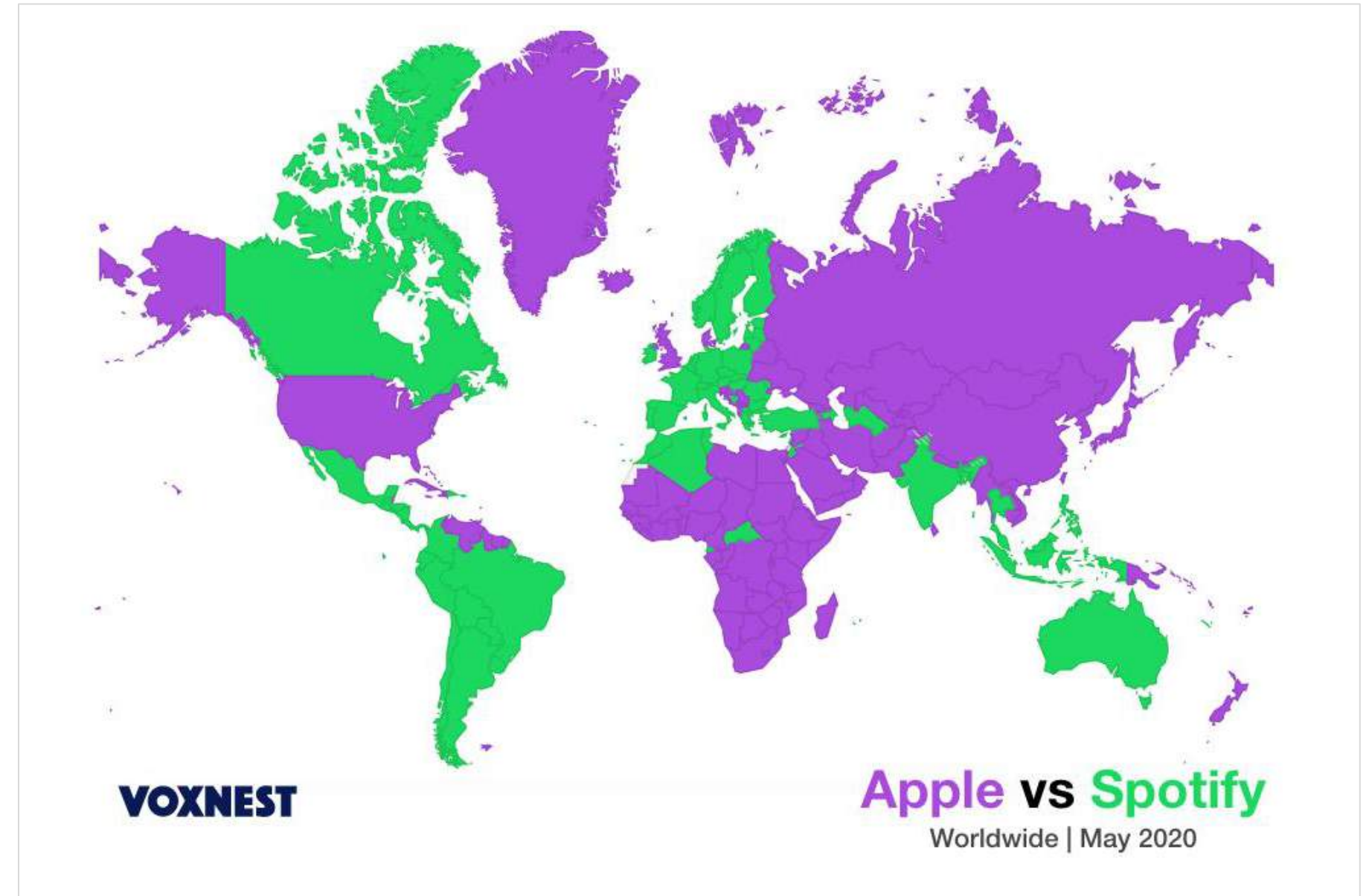
Listening Trends

While the countries and territories that shifted during the first two months of Q2 in 2020 aren't particularly large, Spotify did manage to claim:

- Moldova
- North Macedonia
- Azerbaijan
- Turkmenistan
- Bangladesh

In the same period, Apple actually took a few markets back from Spotify, including:

- French Guiana
- Lesotho
- Svalbard and Jan Mayen
- Qatar
- Vietnam



Listening Trends

The World is Podcasting's Oyster

While it's easy to focus on the mecca that North American podcast listening is, we're truly seeing a surge in listeners from a global audience. While it's no surprise to see many Spanish-speaking countries on the list – thanks to their increase in podcast creation (highlighted in the next section) – it's quite interesting to see countries like Turkey, India, Philippines and New Zealand make the top 10 fastest growing podcast consumption list for the first five months of 2020.

Fastest Growing Countries by Podcast Listening:

1. Turkey
2. India
3. Colombia
4. Argentina
5. Brazil
6. Philippines
7. Germany
8. New Zealand
9. Chile
10. Mexico

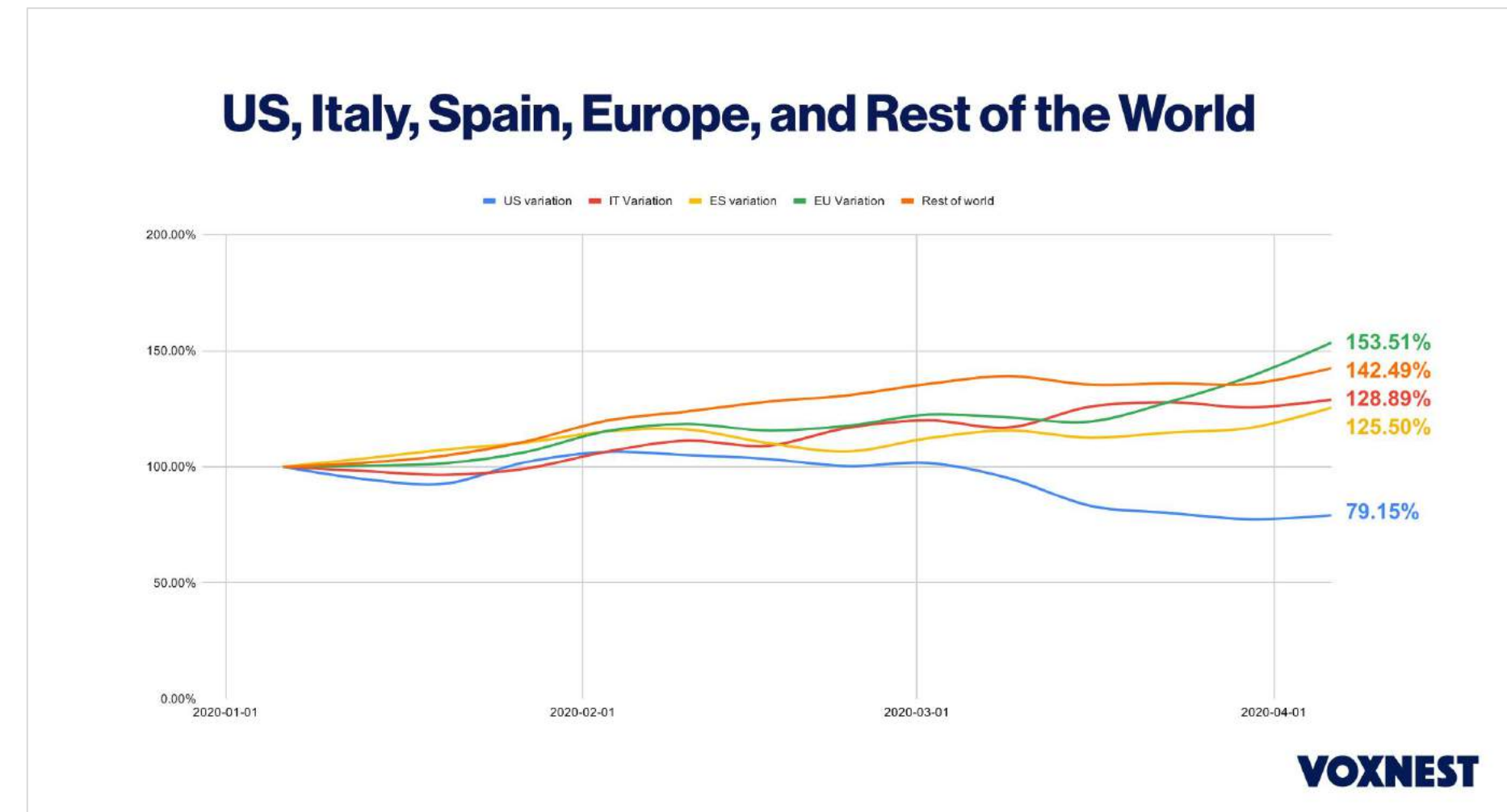
Listening Trends

Coronavirus' Impact on Categories & Devices

During the early days of the pandemic, we immediately began to track the listening behaviors within the Voxnest Audience Network as we started to see behaviors shift. Especially with Voxnest-owned Spreaker's large presence in Italy and Spain, we knew we could provide some truly valuable insights, as those were the first two countries in the Western world to be locked down from the pandemic.

Overall Listening Changes

While the most interesting data comes from exploring the changes related to categories specifically, we'll still touch on overall listening behaviors before we dive into the more detailed findings. In March, in Italy, we saw increases of 10 percent initially, and then, upon reviewing the data again at the end of April, we saw massive worldwide growth. Global podcast listens increased by 42 percent and European listens were up by 53 percent. As mentioned above, we specifically tracked the two countries who were quarantined first, and found that listening was up by 29 percent in Italy and up by 25 percent in Spain. Meanwhile, the US is showing a decline of 20 percent, however, certain categories saw a massive uptick in the US, which is detailed in the next pages.



Listening Trends

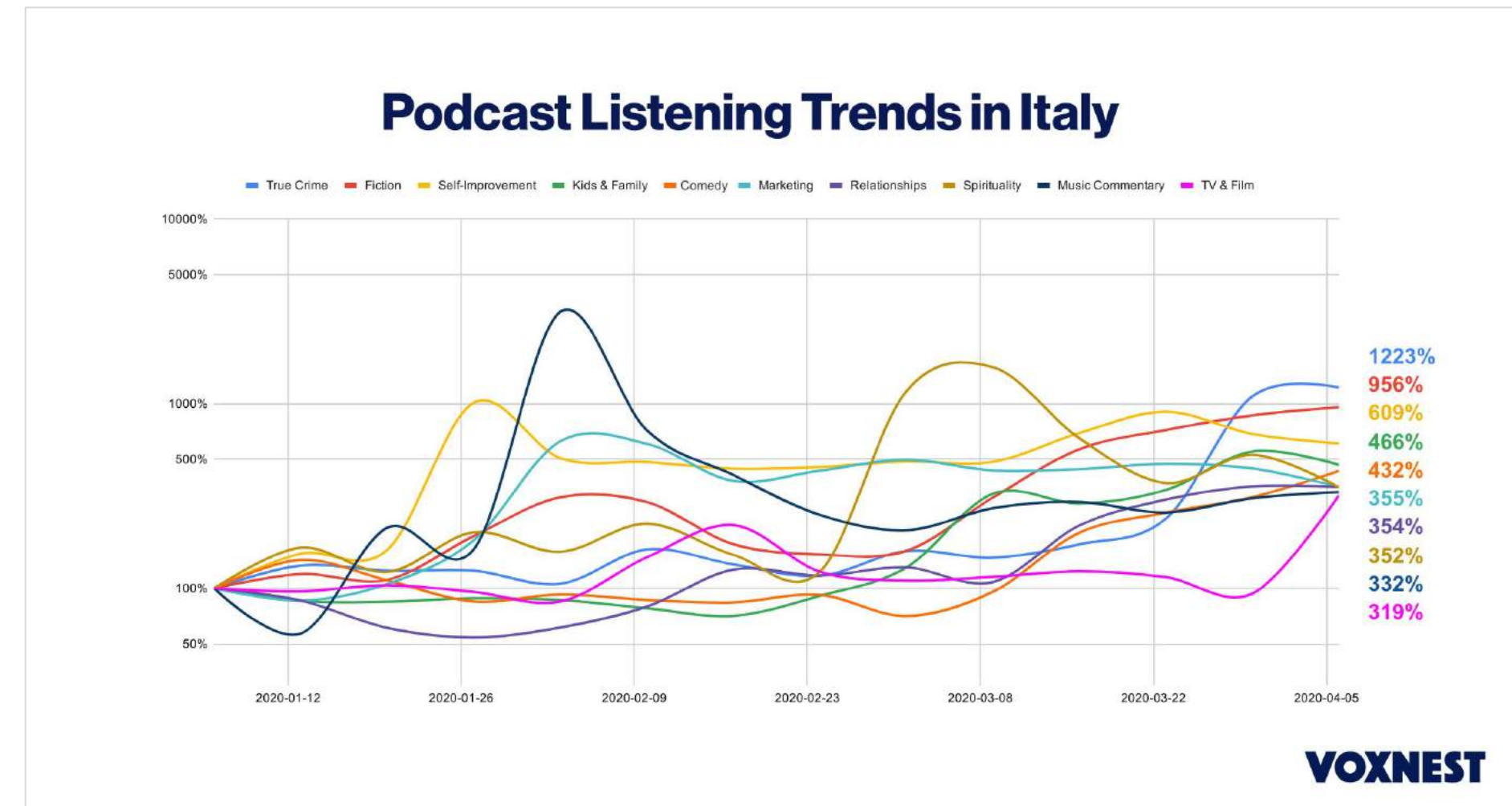
Listening Category Changes

Upon first review of category changes in March, it was quite interesting to see categories like Spirituality & Religion (1,576 percent increase) and Self-Improvement (484 percent increase) in Italy see ginormous jumps. Other categories that saw initial spikes across the US, Italy and Spain were Books, Games & Hobbies, Comedy, Sports and Current Events. It was clear that listeners were either using podcasts to lean in and learn about the pandemic or utilize them as a distraction.

As the situation evolved, so did the category listening behaviors of Italian, Spanish and American listeners. It continued to show that people across the globe were really diving into their hobbies, learning, and finding podcasts as a source of entertainment. It's particularly interesting to note the increase in listening to music-related podcasts in the US (three of the top 10 categories are music-related).

Italy Categories with Increased Listens:

1. True Crime
2. Fiction
3. Self-Improvement
4. Kids & Family
5. Comedy



Listening Trends

Spain Categories with Increased Listens:

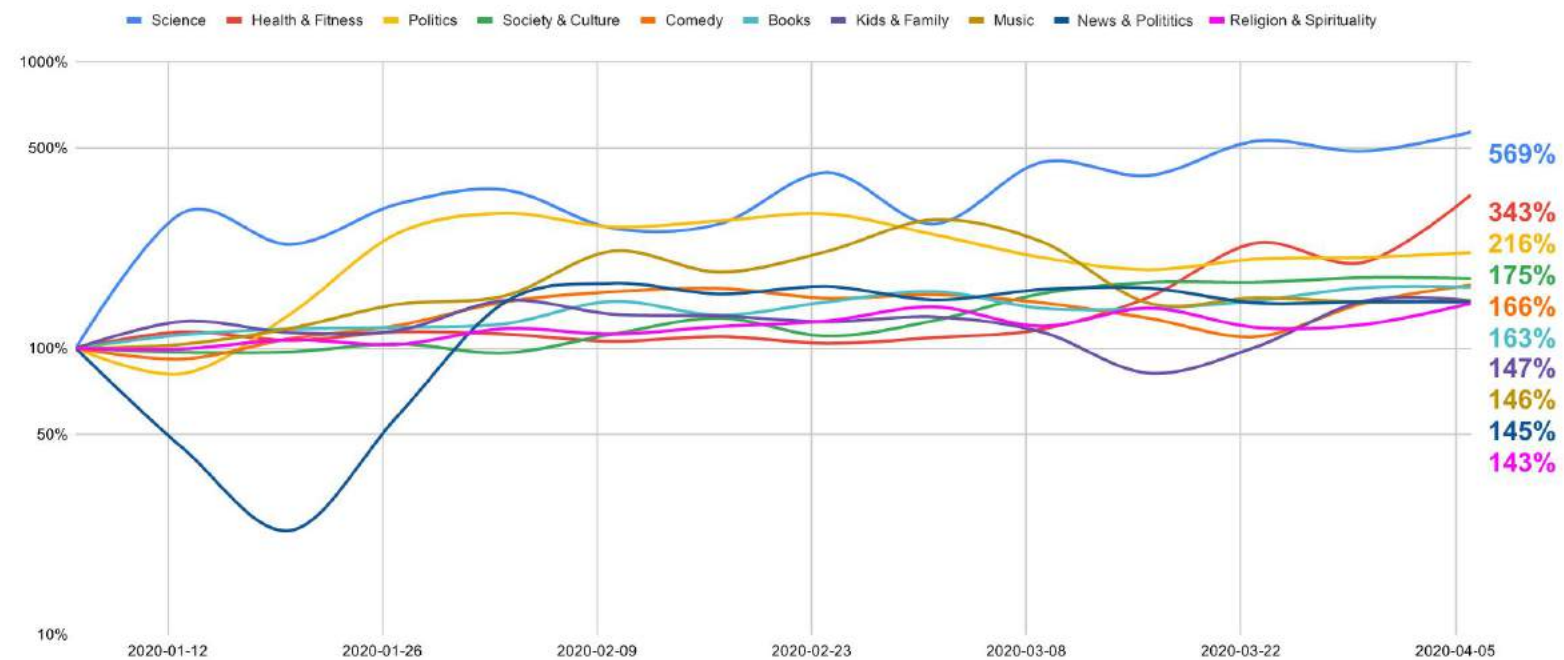
1. Science
2. Health & Fitness
3. Politics
4. Society & Culture
5. Comedy

US Categories with Increased Listens:

1. Design
2. Food
3. Music Interviews
4. Medicine
5. Music History

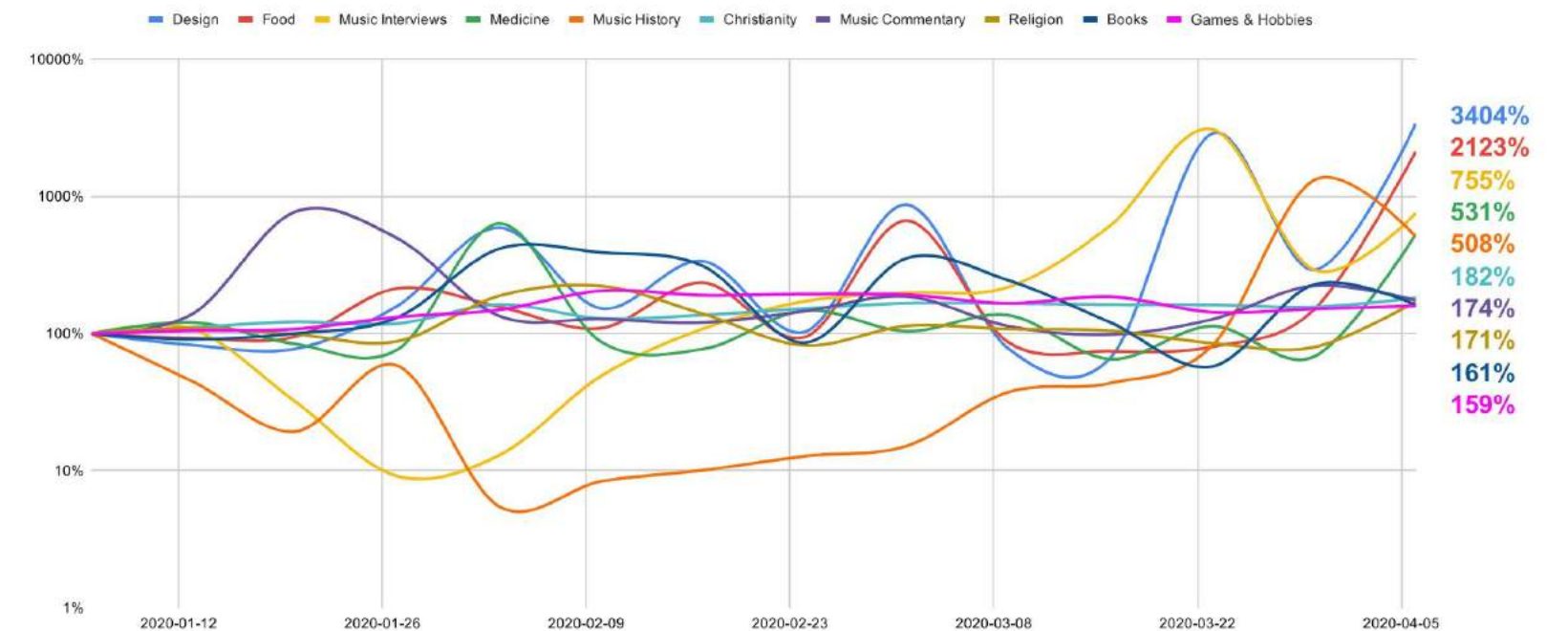
While the pandemic isn't over, because lockdowns are ending in some countries, listening behaviors are shifting back to pre-lockdown trends. We'll continue tracking and sharing updates throughout the year.

Podcast Listening Trends in Spain



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US Podcast Listening Trends



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Listening Trends

Coronavirus' Impact on Categories & Devices

Listening Device Changes

Based on the devices that consumers are using, it's very evident that people are listening to podcasts at home, possibly even as a family. Three of the top five devices – desktop (58 percent increase), phone and tablet (32 percent increase), TV (28 percent increase), Smart Speaker (11 percent increase) and Smart Watch (11 percent increase) – with the fastest growth over the last five months reflect this idea clearly.



↑ 58%
Desktop



↑ 28%
TV



↑ 11%
Smart Speakers

Content Trends

Content Trends

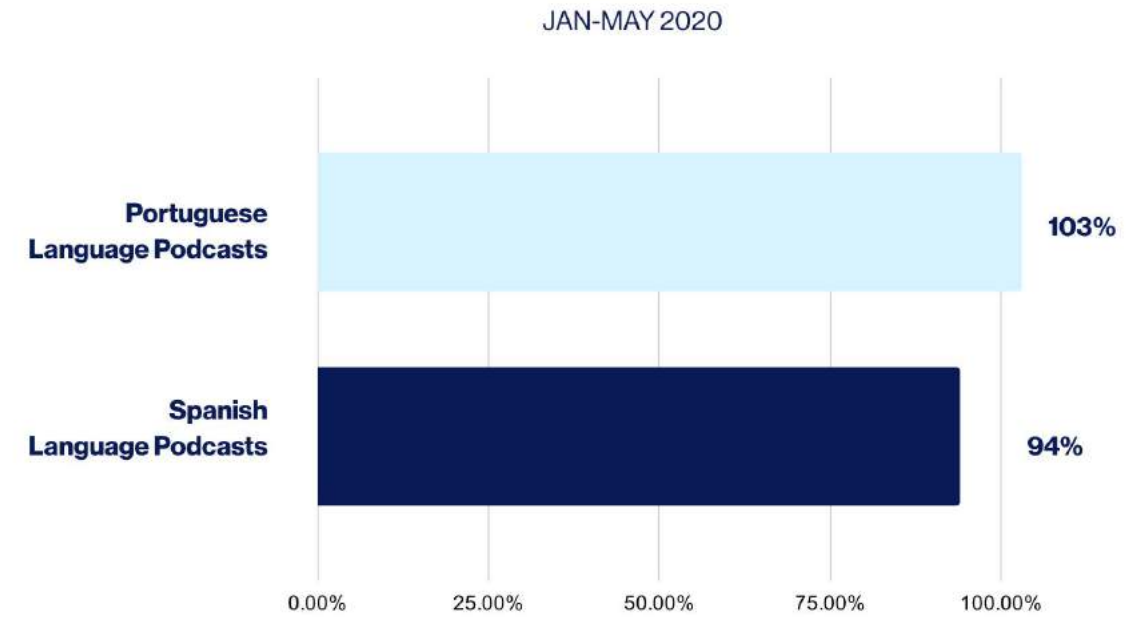
Portuguese & Spanish-Speaking Countries Bloom

Since late 2018, Voxnest has steadily seen the trend line move upwards in Spanish-language podcast creation. Established companies entering these markets, along with a surge in interest from brands and advertisers, has accelerated Spanish-language podcast creation at an even higher rate over the last two years, and in this year alone. During the first five months of the year, the number of monthly active Spanish-language podcasts grew by 94 percent.

Joining the quickly growing ranks of non-English podcast creation is Portuguese. Seeing an even bigger bump in growth than the Spanish-language podcasts, Portuguese podcasts increased by 103 percent from January to May of this year. Because of this growth, Voxnest-owned Spreaker launched their hosting platform in Portuguese, and is now actively engaged in the podcasting communities of Brazil and Portugal.

With these podcast creation growth superstars in mind, it's no wonder that nearly half – Brazil, Colombia, Mexico and Spain – make up the top 10 fastest growing podcast creation countries from the first five months of 2020.

2020 Growth of Spanish & Portuguese Language Podcasts



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Fastest Growing Countries by Podcast Creation:

1. Brazil
2. Great Britain
3. Canada
4. Colombia
5. Italy
6. Mexico
7. Spain
8. Poland
9. New Zealand
10. United States

Content Trends

Real-Time Storytelling

If 2020 has taught us anything, it's that everything can change in a moment's notice. While there are plenty of silver linings we could point to as a society, we can't properly discuss the year's climate without recognizing that it has brought about a multitude of hardships across the globe, especially in regards to the Black community in the United States. The solution to these issues are not easy, so brief condolences and short segments on the news aren't satisfying many people's desire to disseminate information or understand new perspectives. Long-form media is needed to express the depths of these complicated topics, and since movies, TV series and books can't be produced quickly – in fact, existing books on anti-racism have been sold out and on back order – podcasts have had their opportunity to shine.

Because of the nature of podcasting, well-produced conversations and stories can be recorded, edited and shared within days. While it's certainly not an easy task, the medium makes it possible to turn content around faster than nearly any other option. Existing podcasts that already addressed these topics, like NPR's Code Switch, jumped to no. 1 on Apple's podcast charts and other existing podcasts, like Dax Shepard's Armchair Expert Podcast, paused their typical programming to interview Black race relations experts like Heather McGhee and Ibram X. Kendi. Armchair Expert certainly wasn't the only one, as there was a giant surge in discussing these topics on podcasts that already existed, which is likely a main contributor to the Society & Culture podcast category episodes surging by 46 percent since the start of the year.

On top of existing podcasts tackling the topic, there's also been a big influx of brand new podcasts dedicated to the subject, such as Stand Up For Black Lives, Silence is Not an Option and Higher Learning with Van Lathan and Rachel Lindsay, just to name a few.

Coronavirus and Content

In the same vein as the last section, there has been a massive rise in COVID-19 pandemic-related content. From dedicated podcasts to a plethora of individual episodes about the pandemic, there was a large increase in this kind of content to listen to. While the bump in daily podcasts about coronavirus increased, there was also another content-related adjustment during the pandemic; an open acknowledgement from podcast professionals that, without access to their studios, audio quality would certainly suffer. While the quality lag was pretty apparent within the first weeks of lockdown, there was also an improvement in the weeks that followed as teams figured out how to better deal with producing, recording and editing from afar.

On the flip side, with people quarantined at home, there was also a new surge of creativity from people looking to take their minds off the problems at-hand. During the months of February and March, Spreaker, Voxnest-owned podcast hosting platform, saw an increase in new sign-ups by 75 percent for their most popular plans; and in Italy alone, sign-ups nearly doubled. While the spikes have steadied since, the time at home certainly brought a bunch of new podcasters into the fold.

Top five fastest growing global podcast creation categories during the first five months of 2020:

1. Education
2. Arts
3. Society & Culture
4. Music
5. Health & Fitness

What's Ahead?

What's Ahead?

It's hard to say exactly what lies ahead for the remainder of 2020, but thanks to the agility of podcasting, we think there's a lot of potential for the industry to remain on track to fulfill the [IAB's 2019 projections](#) of podcast ad revenue reaching \$1 billion by 2021. With podcast listening leveling out since the start of the global pandemic, and a steady upward trend in Voxnest Audience Network's advertising earnings, we think 2020 will likely still turn out to be podcasting's biggest year.

Figures and data aside, this year we've also been reminded of just how impactful podcasting, as a medium, is. It's helping to inform, mobilize and unify people surrounding important topics. Podcasts continue to become a true north for many people since its format can actually facilitate the depth that's needed to tackle complicated issues through conversation. We're confident that podcasting's value will continue to skyrocket throughout a big political year in the United States.

Over the remainder of the year, we'll continue tracking the trends, data and impact of podcasting; and we'll report back with a full recap of 2020 in December.



About Voxnest



Voxnest is a technology company that provides podtech solutions for podcasters and brands looking to engage with listeners. The company's comprehensive tools for podcast creation, distribution, management, measurement, monetization and advertising include Spreaker, a turnkey platform for independent podcasters and podcast publishers, and Dynamo, a standalone monetization solution that gives any podcaster, regardless of host or distribution platform, the ability to earn revenue using Voxnest's real-time, dynamic ad injection technology. The company also works directly with brands looking to deliver highly-targeted, high-impact advertising campaigns through podcasts. The company, launched in January 2018 following the merger of Spreaker and BlogTalkRadio, is led by co-founder and CEO Francesco Baschieri and is headquartered in New York. For questions concerning this report, feel free to email press@voxnest.com.



Resources

- <https://www.theverge.com/2020/5/19/21263927/joe-rogan-spotify-experience-exclusive-content-episodes-youtube>
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