

# The State of the Podcast Universe Report

**VOXNEST**

# Introduction

2018 has been a breakthrough year for podcasting. First, the amount of content being created is soaring. There are over [619,000](#) podcasts on Apple Podcasts/iTunes alone, with independent and professional content coming from everywhere in the world. That increasing popularity has come with higher quality content, and that's attracting the attention of programmers from other media: HBO grabbed WNYC's 2 Dope Queens and Pod Save America, while Amazon Prime Video took on Gimlet's Homecoming, creating a streaming video series with Julia Roberts on board as the star.

Entertainment programmers aren't the only ones taking notice. Advertisers are also realizing that podcast advertising is an effective way to reach highly-targeted and engaged audiences. Podcast advertising is also "growing up" with the benefit of hindsight, so we're avoiding many of the growing pains experienced by other digital ad formats. The Interactive Advertising Bureau (IAB) has already released its Podcast Measurement Guidelines and is rolling out its official podcast host certification program with some of the largest providers.

This year, we also saw several tech industry giants launch podcast-related initiatives. Streaming music platforms Pandora and Spotify both entered the market for the first time, each with a slightly different approach. Spotify went all in, adding hundreds of thousands of shows and reaching new audiences worldwide. And while Pandora started with fewer than 1,000 podcasts, it's got big plans for a lot more in 2019 with its Podcast Genome Project, which just opened for public submissions.

2018 also saw some shake up in the production side of the equation, with Panoply, the podcast network from Slate, exit the content business to place a bigger focus on the hosting and advertising technology side of their business, Megaphone. But as is often the case, when one door closes, another opens, and the announcement that former Slate Group editor-in-chief Jacob Weisberg was starting a new podcast company with Malcolm Gladwell followed shortly thereafter.

## The Biggest Podcast Industry Breakthroughs of 2018

1. Growing mainstream attention brings more investment in high-quality content
2. Advertising infrastructure takes shape with IAB Podcast Measurement Guidelines
3. Big tech brings in new investments to grow the medium

2018 was also the first year of [Voxnest](#), which was born with a mission to enable anyone to seize the podcasting opportunity, both through our tools for professional-calibre content production and our advertising solutions that enable more podcasters to monetize that content.

So in celebration of our first anniversary and another amazing year for our industry, we introduce our first annual State of The Podcast Universe report.

## Business Trends

### Voxnest's Podcast Payouts

While Voxnest only launched in 2018, we're proud to disclose that we've already paid out over \$1 million to the podcasters who are leveraging our platform for ad insertion.

We see this as validation of the medium's increasing potential as revenue driver, and we're confident that the earning potential will grow as the industry grows. With an advertising infrastructure that conveys confidence to brands and the increases in content and audience worldwide, we project we'll see exponential growth in 2019.

### Global Podcast Advertising Trends

While podcasts have been around for 15 years, the potential as revenue driver is only now becoming clear. According to [PwC's Global Entertainment & Media Outlook 2018-2022](#), the industry is rapidly becoming a major component of the global media landscape. With a growth rate of 30% per year, PwC projects revenue to surpass \$1 billion by 2020.

#### *U.S.A:*

By far the most mature of the podcast markets, growth remains in the double digits. A survey by the [IAB and PwC](#) projects ad revenue from podcasting to reach \$659 Million in the U.S. by 2020.

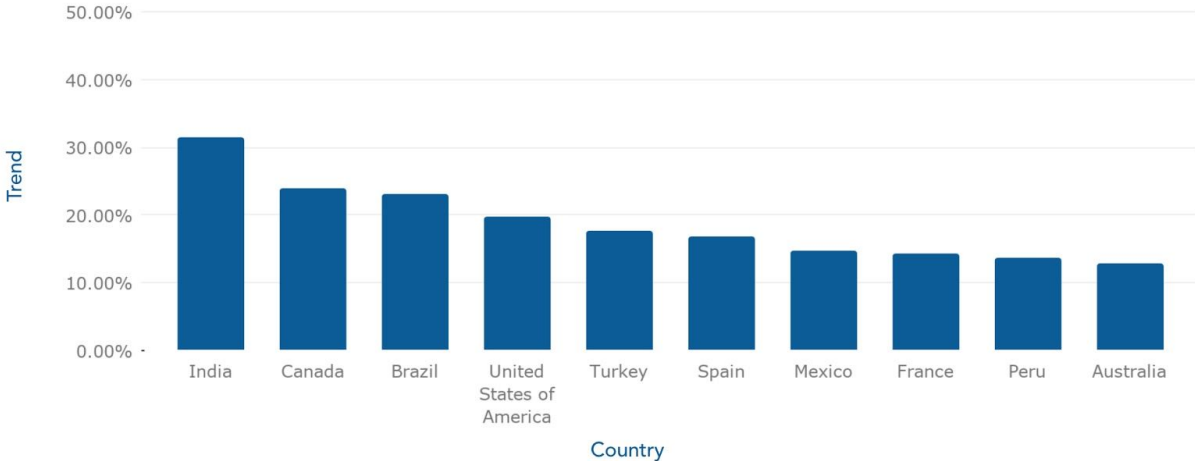
#### *Rest of the World:*

While less than 30% of the total advertising market for podcasting is currently outside the U.S., the growth in content coming from these markets indicates enormous growth potential in the future.

Not all markets are growing at the same rate, and those with predominantly English-speaking populations, namely the U.S., Canada, UK and Australia, are the most mature from a revenue perspective. There's also considerable growth in the Nordic countries, who are historically early adopters of digital media services for audio and other content - Spotify, Soundcloud and Acast actually all have their roots in Sweden. The populations of the Nordic countries are also multi-lingual, so they're able to enjoy programming in their native tongue, English and more.

India and Latin America are also growing rapidly in consumption, however revenue growth is still to come as business models lag behind. Both regions have enormous populations, but audio on demand and paid/subscription listening services are still in their nascent stages. Bottom line, there's not yet a lot of money flowing to podcasting in these markets, but they're growing fast.

## Countries where **PODCAST CREATION** is growing faster



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Voxnest Internal Data - Jan 2018 - Nov 2018

### *The Biggest Surprise: China*

On-demand audio in China is huge. While we may not be sure exactly how huge, China's State Administration of Press, Publication, Radio, Film and Television, put subscription-based audio content revenue at [\\$7.3 billion](#) in 2017, while Venture Capital firm Andreessen Horowitz estimated it's about [\\$3 Billion](#) annually - but either way, it's significant.

This is largely a result of the business model in China, which is quite different than anywhere else in the world. In China, podcast-type audio content is more likely to be distributed on a subscription basis, so revenue comes from users paying for the episodes and not advertising. The content is different as well, with more educational programming like language lessons than entertainment content.

At the same time, China has also experienced an upsurge in independent podcasts, a result of the medium's open nature. This phenomenon is driven largely by [female hosts](#) as well as those whose opinions are less often represented in traditional media, with topics often revolving around those not covered by mainstream outlets.

## The Things that Make Podcast Advertising Great

Advertising in podcasts is highly effective at driving both awareness and purchase intent, according to [Nielsen Podcast Insights](#). While there are different types of ads in podcasts, “host reads,” ads spoken by the podcast host that are seamlessly woven into the show, are the most popular with listeners and podcasters. Why? Because they take advantage of the intimacy and the feeling of real authenticity between host and audience, and for the listener, the transition from content to ad is so smooth that the ad is perceived as being far less intrusive.

Shorter and more traditional radio-like ads are playing a larger role in the dynamic ad insertion market. The combination of ad insertion and newer programmatic online spot ad buying marketplaces is opening up the advertising market to thousands of shows versus hundreds of shows with baked-in host reads.

So how does one make the most of the host read opportunity?

- Make it genuine: Sharing real experiences with a product or service increases persuasiveness
- Put it in your own words: Expressing the advertiser’s messages in your own style makes the ad much more authentic
- Illustrate with examples: Demonstrating how the product or service will benefit the listener can drive purchase intent

Some of our Favorite Host Read Ads Include:

### The Wicked Library for Casper

With seamless insertion between the podcasts’ scary tales, this humorous and creative execution is presented as conversation from a meeting of Monsters, Apparitions and Demons, during which the Wicked Library Librarian (and other recognizable bad guys) laments how hard it is to give listeners nightmares now that they’ve got Casper mattresses.

[Listen here](#) at 1:03:10.

### History Unplugged Podcast for Hello Fresh

While not as clever or funny as the Wicked Library example, this ad for Hello Fresh goes for authenticity. The host relays his personal experience using the on-demand meal service in a way that is surely relevant to the audience.

[Listen here](#) at 19:06.

### Southern Fried Crime for StoryWorth

Host Erica Kelley’s soothing voice and superb storytelling skills are among the reasons this podcast is so popular. In this example, Kelley uses both those talents, even adding an anecdote from her own life that demonstrates the value of the service for listeners.

[Listen here](#) at 10:35.

# Content Trends

## Finding the Balance of Supply and Demand

According to Edison Research's annual Infinite Dial reports, the number of monthly podcast listeners increased about 9% from 2017 to 2018 (67 million to 73 million). Because there's a relatively low barrier to entry to creating podcasts, this increase in demand has been accompanied by a supply of new shows. Across the Voxnest network, we saw a 21% increase in monthly published episodes from January 1, 2018 to November 30, 2018.

Clearly, growth on the new content side is outpacing that on the audience side, and that's leading some to question whether all this content can realistically find an audience. If podcast history serves as a guide, there will eventually be a balance. One just needs to remember that podcast audience can't be - and shouldn't be - measured in comparison to "mainstream" media.

This does not mean that podcasters can simply build it and wait for audiences to come. In 2019 and beyond, as more and more content is available, it will be increasingly important to include audience growth tactics in podcast strategy overall.

Podcasters will be looking to get in all the new music service platforms while also expecting more promotional support from the major podcast hosting platforms. Those platforms providing this level of support will prove challenging to do across thousands of podcast shows.

## The Rise of Daily: Fresh Daily Content Brings New Audiences

Starting with *The Daily*, The New York Times' podcast hosted by Michael Barbaro - Apple's most downloaded podcast in 2017 - shows with similar five-day-a-week release schedules have been gaining in number and popularity.

### Top Daily-format Podcasts (That Aren't The Daily)

- TED Talks Daily: With a different expert and topic every week day since July 2016, this podcast is perfect for the most curious among us
- The Post Reports: Launched in late November, this podcast from The Washington Post is quickly winning acclaim (and fans)
- Today in Focus: Only a few episodes more mature than The Post Reports, this daily podcast from The Guardian tells stories from the current news agenda with a documentary-type flair

*Both The Post Reports and Today in Focus have female hosts - another top trend that's we expect to continue in 2019, 2020 and beyond*

The daily format works exceptionally well with smart speakers and is best for time-sensitive topics such as news as well as informative and educational subjects about which an audience is seeking new information every day.

## True Crime Takes an Interesting Turn

The genre that arguably made podcasts a mainstream form of entertainment is maturing. Instead of simply relaying the sordid story of the crime itself, we're seeing more take a new approach where they investigate the investigation.

This new-style true crime show looks more at what happened - and even what went wrong - behind the scenes and delves deeper into the societal causes and effects. Serial Season 3 was just the icing on this trend cake. In 2018, we saw true crime podcasts have real-world impact.

First, [Teacher's Pet](#), a podcast that explored the cold-case revolving around the disappearance of Lynette Dawson nearly 40 years ago, led to the arrest of her former husband in December this year. Meanwhile, the second season of [In The Dark](#) helped uncover enough prosecutorial misconduct in the death penalty case of Curtis Flowers that the U.S. Supreme Court has agreed to hear an appeal.

### Comedy & Crime Come Together for Brilliant Results

#### ["My Favourite Murder"](#)

In this incredibly popular series, hosts Georgia Hardstark and Karen Kilgariff tell each other the stories of real crimes presented in a humorous way. With over 10 million downloads per month, it's become one of the most successful podcasts of all time.

#### ["Whatever Happened to Pizza at McDonald's"](#)

The first true parody of the popular true crime podcast format, this show has managed to release almost 100 fresh episodes - and has gotten hundreds of people from all over the country to visit a McDonald's in Pomeroy, Ohio, where they can still taste a slice of a rare McDonald's Pizza.

#### ["Done Disappeared"](#)

More a parody of the creators and tropes of true crime podcasts than the genre itself, this show is known for its breakthrough opening line, "I'm not a podcaster, I'm a filmmaker. I've never made a podcast, but I've also... never made a film," as well its satirical ads for real products.

# Listening Trends

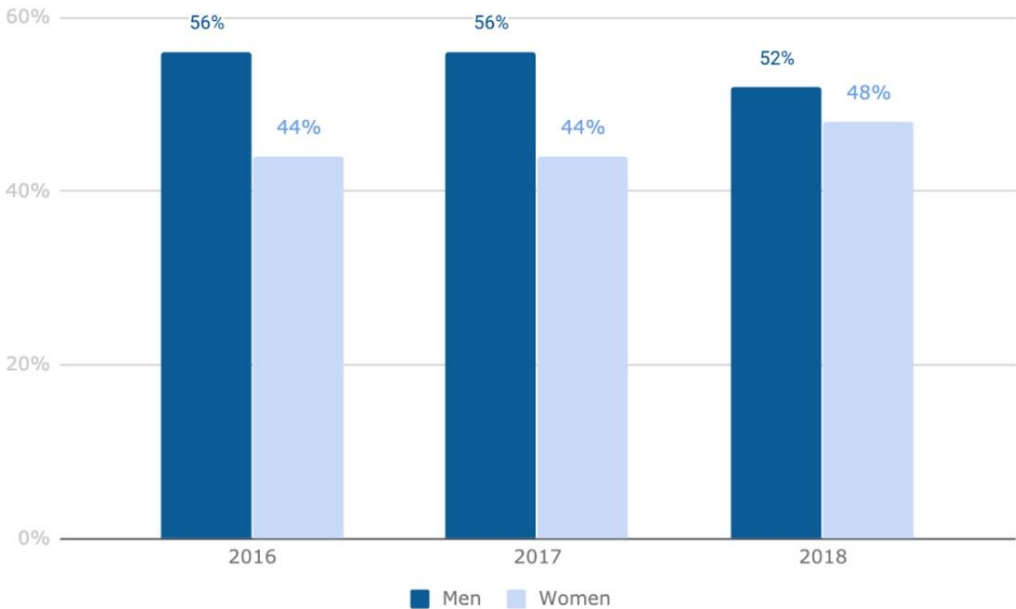
## Increasingly Diverse Audiences

No longer can podcasts be seen as a by-white-male, for-white-male medium. In fact, 2018 marked the year when the demographics of podcast audiences nearly mirrored the demographics of the United States overall, at least for gender and ethnicity.

According to a presentation by [Edison Research](#) at this year's Werklt conference, the podcast audience is now 48% female, up from 44% in 2016 and 2017.

## Closing the listening gender gap

48% of podcast listeners are now female, up from 44% in 2016 and 2017



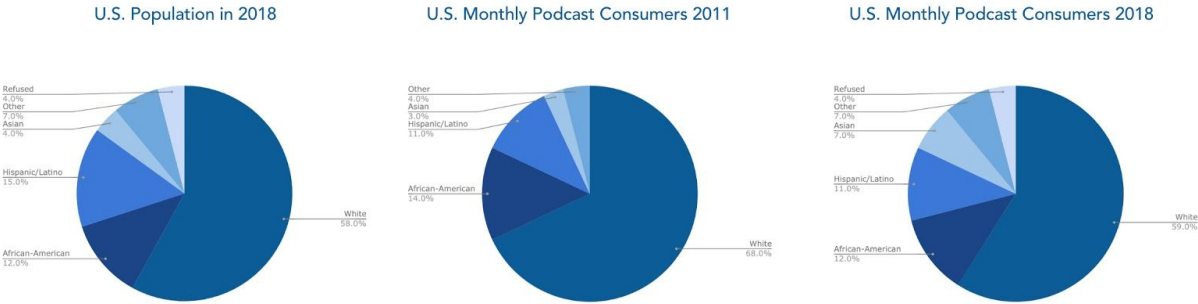
The Infinite Dial © 2016-2018 Edison Research and Triton Digital

The nearly-even split is only part of the story. In the U.S., women buy [more than 80 percent](#) of all U.S. goods and services, making them an important audience for advertisers. Furthermore, self-identified [heavy podcast listeners](#) fall into highly-coveted demographic groups: married, millennials with kids and high earnings. It's the growth of this audience that will bring more brands to podcast advertising to catalyze the industry's growth.



Likewise, in a presentation at [Werklit](#), Edison showed how the ethnic breakdown of podcast audiences for podcasts are increasingly representative of the general U.S. population.

### Listener Breakdown By Ethnic Background



The Infinite Dial © 2011/2018 Edison Research and Triton Digital

### Growth in Critical Markets Worldwide

Comparing the number of downloads for Voxnest-hosted content from January 2018 and November 2018, the top 10 fastest growing markets are:

- Brazil
- New Zealand
- Ireland
- Netherlands
- Japan
- Hong Kong
- Australia
- Turkey
- Mexico
- United Kingdom

Taking both market size and growth speed into consideration, the increases across Europe are a particularly positive sign that some very interesting developments should take place there in the coming years.

## Podcasting En Español

From January 1st to November 30th, the number of Spanish-language podcasts hosted by Voxnest grew 13%, and we expect that to accelerate in 2019.

Spanish has the [second largest number of native speakers](#) in the world (English is only number three). And that number is growing. Currently, the U.S. has over [40 million](#) residents who speak Spanish at home, an increase of 133.4% since 1990. Latin America has a population of over 640 million people, the majority of whom speak Spanish.

With the sheer size of this potential audience, it should come as no surprise that more content in Spanish is being created for populations North and South of the border as well as over the pond. And these three important developments and trends that will help accelerate growth in 2019:

### 1. More High-Quality and Easily Discoverable Non-English Content

The healthy growth of any new media type requires a degree of professionalization. For podcasting, this means elevating the caliber of both content and production, which often comes from the involvement of larger media organizations. Radio Ambulante's distribution through NPR and reVolver's content development partnership with Univision are the types of relationships that will bring Spanish-language podcasts to the forefront.

### 2. Established Companies Entering New Markets

Similar to the impact of more professional content, a single big player entering a new market can be the catalyst needed to grow the industry. The expansion to Latin America by both Deezer and Spotify will increase awareness of podcasting among these populations, resulting in more listeners and more content.

### 3. Increasing interest from Brands and Advertisers

The ability to drive ROI from content has been a challenge to digital media of all types. So when a large media company like PRISA Group gets involved, it can be the proof point that other organizations need in order to get on board. We expect the podcast launched by PRISA Radio and toy maker Fisher-Price will catalyze other content partnerships and bring new attention and funding into the industry.

Looking at the countries with the highest quantity of downloads, we see that even mature markets are growing. Additionally, while markets with predominantly English speakers currently have the highest listenership, increases in foreign-language podcasts will still drive considerably more global growth in 2019.

- United States of America
- Denmark
- Brazil
- United Kingdom
- Spain
- Italy
- Canada
- Australia
- Mexico
- New Zealand
- Poland

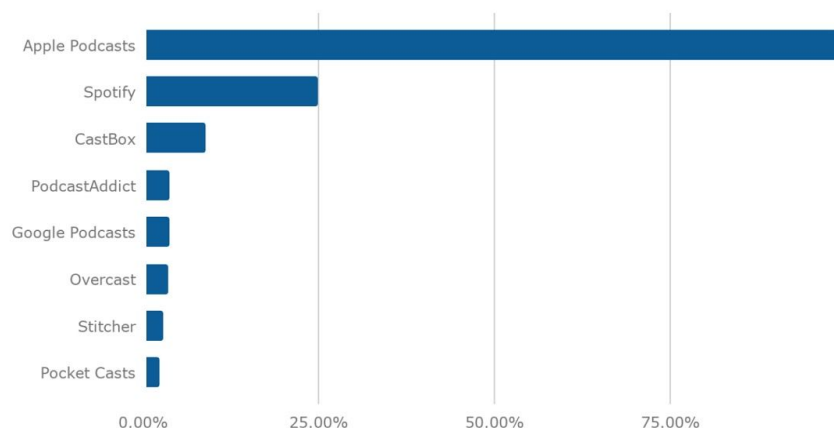
## It's an Android World, Yet Apple Still Rules Podcast Land

When it comes to mobile devices, the Android operating system is the global leader, with an astonishing [72% market share](#). Still, with just 24.4% of the market, Apple dominates when it comes to podcast listening worldwide.

According to our metrics, the ratio of listening on Apple Podcasts versus general podcast listening on Android is about five to one. With this disparity, it seems getting a larger share of Android users to listen to podcasts would immediately increase the number of listeners worldwide.

## Player Apps Ranking vs **Apple Podcasts** (Apple Podcasts = 100)

Spotify Quick growth & Google lagging behind in the middle of the pack



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Voxnest Internal Data - Nov 2018

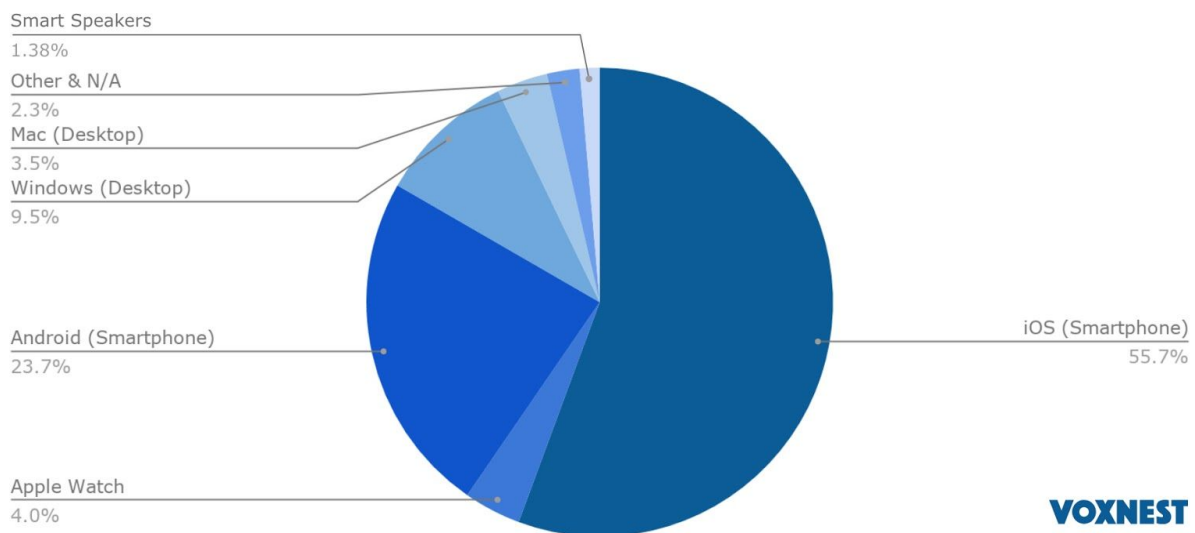
## Google Finally Ups its Podcasting Game (And Nothing Happens)

When Google Podcasts launched, there was a lot of excitement around its potential to grow the industry exponentially and quickly. But after a surge at launch, adoption has slowed and usage declined. Six months in, most would classify the initiative as a big disappointment.

Many industry leaders believe the reasons Google Podcasts has struggled include a confusing app installation process and a complete lack of promotion - particularly from podcasters, who are primarily in the Apple ecosystem.

### Listens by Operating System

Listening on Android is less than 1/2 compared to iOS. Desktop listening still relevant. Smart Speakers small overall (though big for short content)



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Voxnest Internal Data Nov 2018

## Spotify Grows Into a Strong Second Place Shareholder

Not since the Microsoft Zune in 2008-9 has a large, second-place market share listening platform emerged. Spotify has grown rapidly to 10-25% market share range on various podcast hosting platforms. Podcasters have been so excited about the entry of Spotify to the podcast listening market that many new shows are being launched with the goal of getting into Spotify first and submitting to Apple Podcasts at some point after that. Spotify has a huge opportunity to globally grow listenership on Android with the failing Google Podcasts app. 2019 should be an interesting year to watch Spotify, Google and Pandora battle for podcast listeners on Android.

## Are Podcasts the “Killer App” for Apple Watch?

After losing market share in the smartwatch market this summer, Apple may have found the way back to the top with the release of the podcast-friendly WatchOS 5 in September.

Within a couple months, Voxnest data showed that 4% of podcast downloads were happening on Apple Watch. Those downloads were also more evenly distributed throughout the week, in contrast to overall download numbers which decline dramatically on weekends. Meanwhile, Smart speakers, often [heralded](#) as a growth driver for both the advertising and podcast industries, are the source of just 1.3% of podcast listens.

We can't say for sure whether podcasts are helping sell the device, perhaps this type of practical application will beat out fancy heart rate monitors and fitness coaching as the killer app that brings smartwatches into the mainstream.

# What's Ahead for 2019

## 1. With Standards in Place, Podcast Advertising Goes Mainstream:

As more podcast hosting platforms including Voxnest's Spreaker undergo the extensive and expensive verification for the IAB v.2 Podcast Metrics Guideline certification, advertisers' confidence in podcasting will grow.

Armed with analytics that show real, growing ROI, 2019 should be a breakthrough year where more big brands turn to the medium to reach and engage audiences. Meanwhile, as the year progresses, the emphasis on audience metrics as the competitive feature that business models are built on, the industry can get back to competing based on the quality of the content.

## 2. More media companies Pivot to Audio:

Following disappointing returns on their Pivots to Video, we project the relative ease and much lower cost of podcast production will bring more non-audio content publishers such as newspapers and magazines onto the podcasting bandwagon.

The Washington Post is already paving the way, with a library of 14 original shows including its most ambitious yet, a 20-minute daily news podcast called "The Post Reports." And showing their belief that the medium is a revenue driver, the media company has developed its own ad insertion technology, Rhapsorchord.

*"If your newsroom is not doing podcasts, pitch it like an experiment or an innovation project, find allies in terms of colleagues interested in doing a podcast with you and start slowly building your audience."*

*Dávid Tvrdoň, head of podcasting at SME, Slovakia's largest news media organization*

### 3. Fictional Storytelling Podcasts Increase in Popularity

While 2018 saw bigger producers focus on fictional storytelling, 2019 will see these types of productions grow even faster, with the release of more independent productions from smaller podcasters.

While the more traditional, reality-based podcast production will remain popular, it's this upsurge in fictional podcasts that will bring new excitement to the medium and new podcasters into the fold.

### 4. Large Distribution Platforms Compete for Market share

2018 saw Spotify successfully enter the podcasting space, and that resulted in solid growth of their market share. With other players now getting in the game including Google and Pandora, the field will become more competitive.

With Apple's de facto dominance in the space, Google has the highest hurdles to overcome as listening on Android continues to lag far behind. Their biggest opportunities lay in adding support for Google Podcasts in Chrome browsers and creating a full native Android app that can provide a listening experience on par with that of iOS.

### 5. Podcasting gets its Own Global Trade Association:

While an attempt to form an organization 10 years ago, The Association of Downloadable Media (ADM), was unsuccessful, the industry's maturation and increasing complexity warrants a second try. With a "big tent" organization that takes the needs of all stakeholders into consideration and collaborates on standards and best practices, we can accelerate our growth - both from the listening and the advertising sides of the industry.

Voxnest is a technology company that provides professional solutions for podcasters and the brands looking to engage with listeners. The company's comprehensive tools for podcast creation, distribution, management, measurement, monetization and advertising include Spreaker, catering to independent podcasters, Spreaker Enterprise, a turnkey platform for enterprises, 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 President Francesco Baschieri and is headquartered in New York.

For more information, visit [www.voxnest.com](http://www.voxnest.com) or contact [voxnest@clarity.pr](mailto:voxnest@clarity.pr)