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Consumer Perceptions of Podcast Advertising: Theater of the Mind and Story Selling

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ABSTRACT

COVID-19 has changed the ways in which people manage education, work, and entertainment. This study sought to identify the types of attitudes and behaviors which promote mutually rewarding connections between podcasts, audiences, and advertisers. Survey results underlined the utmost importance for the podcast advertising industry to connect and engage listeners, in order for the overall billion-dollar ad buys to have the desired effect. About two-thirds of the participants listen to 6 or more shows during an average week and prefer live-narrated ads where podcast hosts banter and tell convincing stories about their experiences with advertised products. Key findings indicate that (1) consumers dislike and easily bypass dynamically inserted segments of pre-recorded ads; (2) post-pandemic listening is likely to be more fragmented; and (3) listeners would appreciate a diversification of call-to-action in podcast ads. Podcast listeners would like to support brands and ideas by contributing in ways that go beyond purchasing.

KEYWORDS

Podcast advertising, audience engagement, dynamic ads, post-pandemic listening behaviors

INTRODUCTION

The second decade of the 21st century ended in a flurry of major societal, political, and consumer behavior changes. Between the COVID-19 pandemic, social protests around the world, and the storybook presidential election in the U.S., consumers had to rethink work, education,

and entertainment--in terms of what, when, where, and how each happened. According to a Gallup poll, about one-third of U.S. workers completed their jobs entirely online by October, a substantial decline from the 51% reporting entirely remote work in April 2020; of them, two-thirds said they would want to continue to work remotely after the COVID-19 pandemic is over (Brennan, 2020). While many companies saw remote work as a way to cut down on operational expenses and maintain some level of activity during the quarantine, individuals sought to balance out work and life during this challenging time. Media consumption behavior also changed during the COVID-19 pandemic. The need to learn about the new situation resulted in consumers tuning in to local TV news, checking government websites, and streaming audio material.

Where do podcasts feature in the context of work, education, and entertainment? Today, podcasting is one of the growing media in the U.S., with content and creative formats ready to address all of consumers' information, emotional, and behavioral needs. As of December 2020, Apple Podcasts listed almost one million active shows totaling almost 42 million episodes (Podcast Stats, 2020), covering anything from medical news and vaccine information to mental health, home improvement, politics, and entertainment. At the beginning of 2020, about 28% of the U.S. adults listened to podcasts while driving, and only 4% of podcast listeners indicated podcasts were the audio source used most often in cars. The total U.S. (age 12+) podcasting audience in early 2020 consisted of 212 million who were familiar with the term podcasting; 155 million who listened to a podcast ever; and 104 million who listened to a podcast in the last 30-days. Year-over-year growth in the podcasting audience consisted of an additional 14.1 million (+5%) U.S. consumers age 12 and older who were familiar with podcasting as a medium; 11.3 million (+4%) of new podcast listeners (ever); and 14 million (+5%) new podcast listeners in the last month (Edison Research/The Infinite Dial, 2020). This is an enormous leap from the six million American adults who had downloaded a podcast in early 2005, one year after Apple launched it--and the term (Rainie & Madden, 2005).

From an advertising perspective, today's podcasting audience differs from the overall U.S. population along several key attributes: age (overrepresented in the 12-34 age range and underrepresented in the 55+ age range); and race/ethnicity (slightly more podcast users identifying as White and slightly fewer podcast users identifying as African-American, Asian, or Other; significantly fewer users identifying as Hispanic) (Edison/The Infinite Dial, 2020). In addition, industry reports presented at the Nielsen Podcast Movement 2020 event tend to emphasize the fact that the podcasting audience skews toward higher levels of both education and income (Nielsen, 2020b).

Recent industry reports indicate that the medium's flexibility and the growth of listener adoption in the news genre led to strong performance regarding ad revenue even during the COVID-19 crisis (IAB & PwC, 2020). U.S. podcast ad revenue is still on track to reach US\$ 1 billion by

2021. According to Inside Radio (2020a), Nielsen estimates that connecting podcast listeners with specific industries such as automakers represent a \$302 billion product buy opportunity. Almost half of advertisers who included podcasts in their media mix did so as part of their annual media plan, rather than ad hoc or “scatter” buys (IAB/PwC 2020). Much of the dynamically inserted ads are supplied via digital algorithms that supposedly match brand messages with listenership demographics and internet behaviors, known as programmatic buys.

LITERATURE REVIEW

Podcasting branched out of radio, and it still shares some characteristics with the original medium, such as its exclusively audio format, relatively low production costs, and portability--in addition to the ‘theater of the mind’ approach where audiences engage mentally even as they are taking the opportunity to escape into an alternate narrative. Podcasting is also different from radio: portability and immediacy--the two key characteristics radio is known for--morphed into physical (or, rather, electronic) access through connected devices such as phones, computers, and cars anywhere in the world and access to any topic of choice, at any time. Therefore, where radio is primarily local, for advertising purposes podcasts count as a national medium, along the lines of syndicated programming, only at much lower entry costs for advertisers.

Most of the existing research connecting podcasting and advertising has primarily focused on uses and gratifications the audience finds in listening to podcasts. Why do people listen to podcasts? Primarily due to the medium’s flexibility in terms of exposure (when, where, for how long to listen) and curating content in a manner that combines learning, entertainment, and work companionship (multitasking). Because it allows for listening to an episode in its entirety or in any number of shorter segments, the podcast can be seen as snack-like content--with an experience customizable to front seat or backseat when combined with any other activity (driving, exercising, commuting, manual labor, playing games, etc.).

In a study using individual interviews, Samuel-Azran and team (2019) found that people listen to podcasts for a variety of reasons: to learn new things and tell others about their new knowledge; because the content is more in-depth than traditional media; and because podcasts are entertaining. Some also cited listening to podcasts as a hobby, and about 80 percent of the respondents indicated they choose new podcast programs based on recommendations from a friend or family member. Overall, interviewee demographics were in line with other research, as the majority held a bachelor’s or higher degree and worked in white collar jobs.

Podcast listening is often described as a highly engaging activity that stimulates people’s minds while simultaneously allowing them to pursue other activities (Perks et al., 2019) and tuning in as a highly personalized experience prompting us to share what we heard with others (Samuel-

Azran et al., 2019). More than tuning into shows, podcast listening counts as an experience where consumers control a technology that overlaps with their use of other digital media (Perks et al., 2019). The lack of visual stimuli in podcasts, unlike most other recent digital media developments, revived Steve Allen's "theater of the mind" metaphor. Makrinova and her team (2020) suggested that tuning into podcasts "involves immersion in the created atmosphere in narrative podcasts, and encourages reflection and internal dialogue in spoken genres" (p. 3626).

A recent study published by Castos¹ about the use of ads in podcasts found audience members to be much more engaged with podcast advertisements (two to three times more engaged) when compared to radio ads. More than half of the study respondents also indicated they made a purchase from a podcast advertiser. In terms of format, it was found that previously recorded ads were perceived to be less engaging, while advertising messages read by the host were seen as more successful and captured more attention (Hewitt, 2020). Host read messages also resulted in greater ad recall and were shown to result in greater consumer purchases and recommendations (Nielsen Insights, 2020a). Research also shows the use of an individual who is seen as an expert in relation to what is being advertised can increase brand recall (Fisher, 2019). Either way, 69% of podcast listeners indicated podcast advertisements increase their awareness of a brand (Nielsen Podcast Insights, 2018). A review of data from 50 studies found podcast ads heighten other key areas in addition to brand recall: brand awareness, purchase intent, and brand recommendations (Nielsen Insights, 2019b).

According to findings from Samuel-Azran et al. (2019) and other studies, the majority of listeners learn about podcasts programs on social media or through recommendations from friends. These individuals, for the most part, listen to entire episodes (Bump, 2020). Slightly more men than women (51% vs. 49%) listen to podcasts. The age range is 48% for age 12-34, 32% for 35-54, and 20% for 55 and over. People tune into an average of six shows each week, with almost half listening to four or more shows (Edison Research/The Infinite Dial, 2020) and, on average, they listen for more than 10 hours per week (Nielsen Insights, 2020c). The podcast audience continues to grow as does the number of programs heard each week. Much of this is attributed to smart phones and smart speakers which make it easy to access podcast content (Nielsen Insights, 2020d). Smartphone growth for the podcast audience grew 157% from 2014 to 2017 (Nielsen Podcast Insights, 2018). Podcast listeners are very likely to hear about brands during podcast shows, then visit brand websites to gather more information before making a purchase, and in essence represent a very valuable audience for marketers (Nielsen Insights, 2020c).

Podcast listeners earn more than the general population, with 45% earning more than US\$ 75,000 per year (compared to 35% of the general population). Twenty-seven percent have a four-

¹ <https://castos.com/podcast-advertising/>

year degree (compared to 19% of the general population). They are more active on social media; they are more likely to follow brands on social media; they are less likely to be exposed to traditional television advertisements, and they are more likely to own a smart speaker (Bump, 2020). In addition, the podcasts reach active listeners in varying countries including South Korea, Australia, Italy, and others (Statista, 2020).

Understandably, industry analytics providers such as Nielsen's Podcast Listener Buying Power Service are more interested in connecting podcast programming and ad message efficacy as a precursor to or manifestation of intention to buy (Nielsen, 2019a). At the ad placement end, machines are constantly adjusting the algorithms attempting to match live listeners with pre-recorded ads, in order to monitor circulation of advertisement fees and revenues. Industry reports indicate that programmatic ad buys rose by as much as 65% during the first half of 2020, with ad categories changing in prominence according to the economic cycle and, for this year, the COVID-19 direct implications for their respective industry (Inside Radio, 2020b).

The Share of Ear study conducted by Edison Research during Summer 2020 (Edison Research, 2020a), coined "super listeners" as respondents who reported listening to podcasts for at least five hours a week. Summarizing data from a nationally representative sample, the team found that podcast super listeners are predominantly male (56%), overall in the first half of their life span (66% age 44 or younger), and predominantly White/Caucasian (71%). Furthermore, this audience segment is both aware of ads in the podcasts they listen to (86%), and unhappy with the changes in podcasts advertising in the past year: 56% think the number of ads in the podcasts has increased; and 41% think the ads have gotten longer, while 50% of the listeners say it is important or very important to limit their exposure to advertising.

From an audience perspective, podcasting is the definitive opt-in medium, with the listener base consisting of hyper-engaged and passionate listeners who carefully curate their content intake along variables that meet their needs and interests. Programmatic ad buys are one scalable way to match listeners to brands and products across a variety of shows, formats, and hosts. Ironically, though, the same characteristics that make podcast listenership so special and so dear to advertisers (high frequency and high loyalty of listening equal high chance of repeat exposure to ad messages), also make it most likely for much of this audience to bypass advertising altogether by skipping ads, subscribing, or paying premium rates. Indeed, in a recent Nielsen study asking respondents to specify why they subscribe to paid audio streaming services, the top two reasons command almost 40% of the answers each (understandably with substantial overlap): to access content "on the go" or on mobile devices; and to access content with limited or no commercials (Inside Radio, 2020a).

This study seeks to identify the types of attitudes and behaviors which promote mutually rewarding connections between podcasts, audiences, and advertisers. Such insight into the current state of podcast advertising, and podcast audiences, would help provide insight valuable to professionals operating in a variety of positions intersecting podcast hosting, production, advertising, and audience relations.

METHOD

The authors developed a survey consisting of 31 questions covering basic demographic information (age range, gender, education, race/ethnicity, and income); podcast listening behaviors (genres, subscription, download/stream); and attitudes and behaviors related to trying out new podcasts, listening to/responding to ads, as well as recommending brands/products heard during ads. The original survey instrument cast a broader net and recruited participants from several countries. This study used the U.S.-only dataset, which consists of 293 valid questionnaires (excluding spam entries, respondents younger than 18, and respondents who do not listen to any podcasts during their typical week). Respondents were recruited via invites posted on various podcast community pages (Facebook, Reddit), snowball sampling ('please forward the survey link to people you know who listen to podcasts'), and the project website (www.mypodcastsurvey.com).

Podcast Listenership Demographics

For the first research question, the study summarized age, gender, education, income, student enrollment status, race/ethnicity, and household income for last year. While the study sample did not seek or achieve representativeness for the total population, insights were sought into similarity of findings from this study with existing literature from academic and industry sources.

Podcast Listening Behaviors

A second research question explored podcast listening behaviors through connections between genres included in the regular podcast playlist, time and place of listening, multitasking associated with podcast listening, reasons for listening to podcasts, and other likes and dislikes about podcasts. Insights were sought into the behavioral characteristics and preferences associated with the level of podcast listening on an average week: light (1-5), medium (6-10) and heavy (11 or more). The closest comparative reference from an industry source for this section was Edison Research's Super Listeners report.

Advertising Attitudes and Behaviors

A third set of questions asked respondents about predispositions regarding premium content, listening to ads, accepting recommendations for new podcasts or new brands, and familiarity with brands heard in podcast ads. Insights were sought into advertising beliefs and actions

associated with the typical behavior when encountering ads (skip, bypass through paid subscription, or always listen to ads) and familiarity with brands mentioned in actual commercials or casual conversations during podcasts.

Respondents were also invited to provide feedback regarding ideal length of podcasts, brands recalled from podcast ads or conversations, responding to calls for action in podcasting ads, and acting as referrals for brands and products heard during podcasting ads. The last two questions asked respondents to consider how their podcast listening and ad listening during podcasts changed due to the COVID-19 pandemic.

FINDINGS

Survey results underlined the utmost importance for the podcast advertising industry to connect and engage listeners, in order for the overall billion-dollar ad buys to have the desired effect. Three major themes emerged from the data analysis, which addressed our research questions regarding demographics, behaviors, and attitudes of podcast listenership: (1) insights about what sets apart heavy listeners from medium and light listeners; (2) insights into the female audience; and (3) insights into strategies advertisers and the podcast advertising industry should consider to pursue a mutually rewarding relationship with their audiences.

Listenership Demographics

At a frequency descriptive level, several demographic characteristics in this study presented unique opportunities to gain insight into the podcast listenership. In our dataset, respondents were predominantly female (60.8%; male: 35.8%; other/non-response: 3.4%) and completed college and advanced degrees (76.1%). For about half of the respondents, the household income for the last year was below US\$ 75,000 (52.6%), meaning that even if the study collected valuable data about the lower half of the income spectrum, podcast listenership still tends to be on the higher end of household income--a finding consistent with the existing literature. As configured in the answer options for this survey, the race/ethnicity of our participants was overwhelmingly White/Caucasian (89.1%), despite the effort to recruit podcast listeners from niche groups the researchers thought more likely to include a diverse population. More importantly, though, in the open-ended answers several respondents suggested that the race/ethnicity question should have been set up as a multiple-answer, rather than a multiple-choice. In the words of one of the respondents, “Hispanic, Asian, and Caucasian aren’t mutually exclusive” considering today’s patterns of travel and migration.

Respondents were roughly evenly distributed across levels of listenership in terms of the number of podcasting shows or episodes listened to during an average week: light (1-5, 33.8%), medium (6-10, 32.4%), and heavy (11+, 33.8%). Almost half of the study participants reported their age

in the 35-44 range, with most of them falling into the medium and heavy listening groups (See Table 1 below). There was a strong connection between heavy listenership and the 35-44 age range (chi-square 39.037, $p=0$).

This is one of the few studies conducted by independent researchers that did not focus on college students (currently enrolled as a student: 16%). Therefore, the connections between demographics, behaviors, and attitudes toward advertising in podcasts present valuable insights for practitioners in several key areas related to podcast listenership.

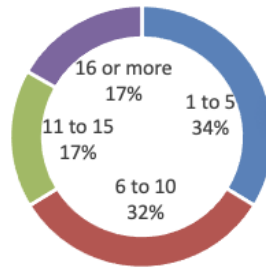
Table 1. Data Summary: Age Range and Level of Listening

Age range	Listen Light (1-5/wk) N (%)	Listen Medium (6-10/wk) N (%)	Listen Heavy (11+/wk) N (%)	Total N (%)
18 - 24	25 (25.3)	4 (4.2)	5 (5.1)	34 (11.6)
25 - 34	36 (36.4)	33 (34.7)	29 (29.3)	98 (33.5)
35 - 44	28 (28.3)	46 (48.4)	49 (49.5) $\chi^2 = 39.037, p=0$	123 (42.0)
45 - 54	9 (9.1)	10 (10.5)	11 (11.1)	30 (10.2)
55 - 64	0 (0)	2 (2.1)	5 (5.1)	7 (2.4)
65+	1 (1.0)	0 (0)	0 (0)	1 (0.3)
Total	99 (100)	95 (100)	99 (100)	293 (100)

Podcast Listening Behaviors

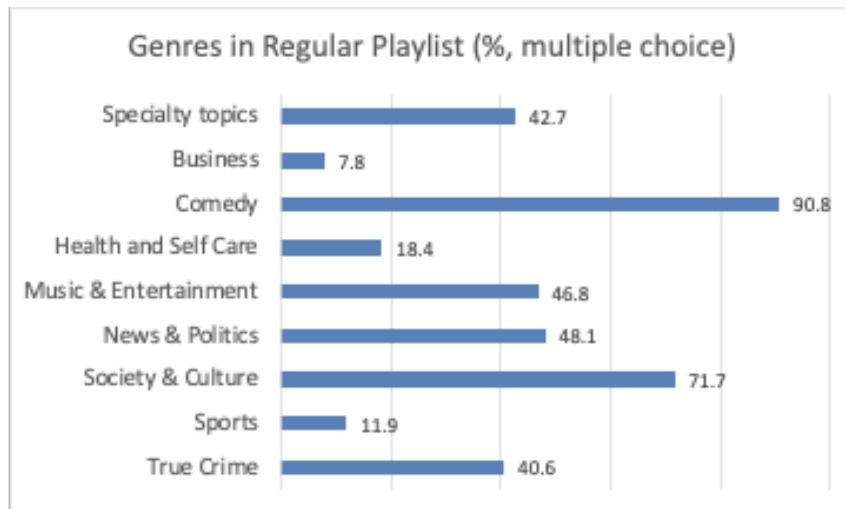
In terms of the number of podcasts respondents listened to on an average week, this study found a relatively even distribution between light listening (1 to 5, 34%), medium listening (6 to 10) and heavy listening (11 or more, 34%) (see Figure 1 below). When relevant, findings regarding listening level compare this study to the Super Listeners study published by Edison Research (2020a), which included the equivalent of 6 or more podcasts.

Figure 1. How many podcasts do you listen to, in an average week?



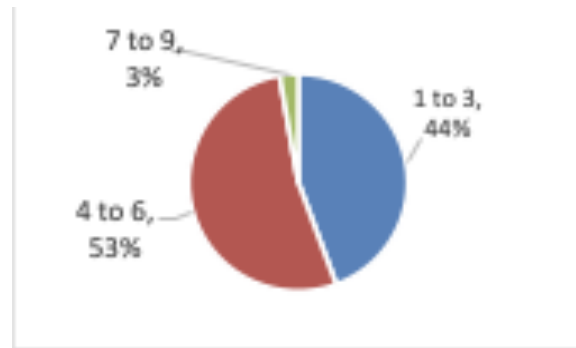
The most popular podcast genres respondents indicated in their regular playlists included Comedy (90.8%) and Society & Culture (71.7%) (see Figure 2 below). This finding is substantially different from all other sources such as Edison Research’s 2020 report (Edison Research, 2020b) where the comedy genre was also the most popular, but only mentioned by about 40% of respondents. Partially due to our predominantly female set of participants, the Sports and Business genres were mentioned less frequently in the regular list of podcasts, compared to the Edison reports.

**Figure 2. Which of the following genres are included in your regular list of podcasts?
[some podcasts fit in more than one genre; check all that apply]**



It is important to mention that almost half of the participants listen to a small number of podcast genres on a regular basis (see Figure 3 below); on the other hand, this also means that more than half of the participants include four to six podcast genres in their regular weekly playlist--not necessarily the same podcasts or same genres each week, but definitely a combination of genres, which also create, one would assume, exposure to advertisements from a variety of marketers.

Figure 3. Number of different genres in the weekly podcast playlist



When asked about the source of their podcasts, participants were offered a list of options, and asked to include others, if applicable. There were about two-dozen sources with Apple Podcasts leading (41.6% of respondents), followed by Spotify (25.9%) and Overcasts (12.3%), and over one-quarter of the respondents included at least one other source (such as YouTube and BeyondPod). Overall, however, the podcast listenership tends to apply the medium convenience to sourcing options as well, with 80.2% of the respondents saying they get all their podcasts from one source, and an additional 16.4% using two sources.

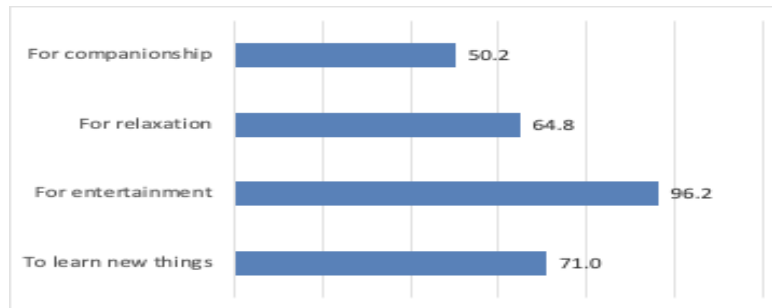
In addition to age range, heavy listeners also shared a predilection for using several sources to access podcasts from several genres, and were susceptible to more reasons to check out new podcasts, and listed more reasons to listen to podcast ads. Consequently, they also tended to report higher degree of familiarity with brands they had heard during podcasts in the previous week, both in actual commercials and in casual conversation during the shows (See Table 2 below).

**Table 2. Factor analysis: relevant correlations for heavy listeners
(11+ podcast/week)**

Heavy listeners, relevant correlations	Rotated F Score
Q13 More sources & Q10 More genres	0.348
Q14 More new podcasts & Q10 More genres	0.389
Q14 More new podcasts & Q15 More reasons to listen	0.301
Brand familiarity from Q22 Actual commercials & Q21 Casual conversation	0.423

So why do our participants, consisting primarily of female Millennials and Gen X, listen to podcasts? The most frequent reason for listening is entertainment: 96.2%, followed by learning new things (71%) and relaxation (64.8%) (See Figure 4 below). More importantly though, two-thirds of the respondents (64.8%) marked three or all of these reasons when asked why they listen to podcasts.

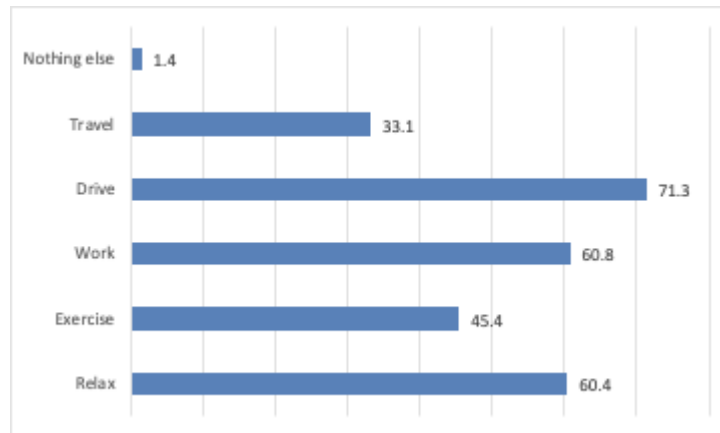
Figure 4. Why do you listen to podcasts? [check all that apply]



In one of our respondents' words, "a combination of all the above. There are some shows that I like mainly because of the relationship between the hosts, others that are relaxing for me, others that hype me up... I listen to a lot of podcasts, but each has its own ideal listening time/scenario." The relationship aspect, previously known as "parasocial interaction" in studies focused on TV show audiences, is approached at a very conceptual level. Another respondent explained it as follows: "I think companionship is a 'byproduct' instead of the reason. I feel like friends with Jenna and Angela from *The Office Ladies*, but that's not the reason I started listening."

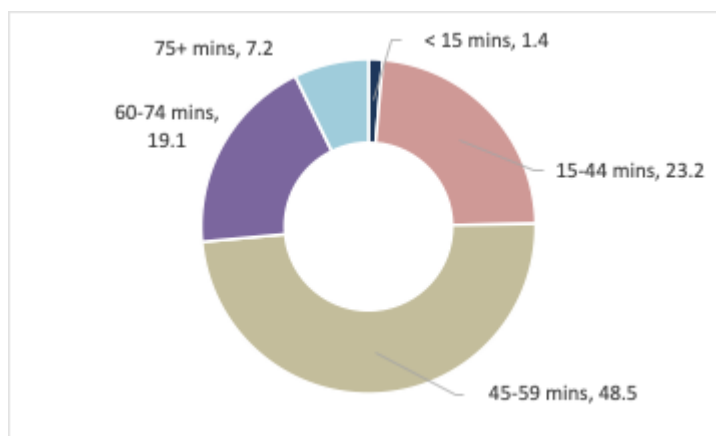
When asked what else they do when listening to podcasts, audience behaviors were reminiscent of pre-COVID-19 times, with driving being the main concurrent activity (71.3%), followed by work (60.8%) and relaxation (60.4%). Again, the majority of the respondents (68.3%) indicated podcast listening is happening in the context of three or more of these other activities (see Figure 5 below).

Figure 5. What else do you do as you listen to your podcasts?



Not only is podcast listening a co-behavior, but it is like the ketchup of convenience cuisine. In respondents' words, when asked what else goes well with podcast listening, the answer is "almost anything:" from chores to work, crafts and hobbies, dog walking, playing games, running errands, or falling asleep. Therefore, it is no wonder that podcasts do not have to be short to fit the audience's lifestyle: fewer than one-quarter of the respondents (24.7%) said the ideal podcast episode should be shorter than 45 minutes (see Figure 6 below). Several participants commented along the lines of "comedy podcasts I generally want to be longer. News and politics I prefer to be an hour or less," once again emphasizing the importance of being able to access and exercise a variety of options based on the listeners' interests.

Figure 6. What is the ideal length for a podcast episode?



When asked about the things they like about listening to podcasts, answers ranged from “background noise” that “makes mundane tasks go faster” when it comes to work or chores with the added bonus of learning, or becoming more informed in the process, to entertainment derived from “banter between hosts” or “funny people” and “building a connection to an artist and community.” The community term showed up very frequently, resonating with the findings of the Super Listeners report conducted by Edison Research last year. Spending time with the podcast hosts and their guests is, for listeners, a means to enjoy “genuine conversation” and it “can feel like a community,” due to the “companionship and storytelling” environment it affords.

Entertainment and learning are no longer discordant pieces in the podcasting audience’s minds. If the podcast host communicates enthusiasm for the topic, the very “episodic nature” of podcasts invites listeners to “expand [their] social awareness” due to the “free high-quality audio content on almost any topic I want.” Hosts play a pivotal role in fostering a connection with the listeners: while different viewpoints are appreciated, listeners need “significant context and details” to help them understand new ideas and perspectives. Listeners are fully aware that podcasts offer the “illusion of companionship” where “it feels like having a drink with friends without the pressure of supporting the conversation” or getting “as close as possible to human interaction during the pandemic.”

In a true reflection of an audio medium that functions as “theater of the mind,” podcasts promote a connection with new topics, with the hosts, with occasional guests, in a way where “I feel like I am listening to my friends.” In a funny connection between the time and place flexibility listeners most appreciate about podcasts, one respondent said “I have friends on demand” while they enjoy “the shared experience with other people.” In a world where film and television have become the ultimate escape from reality, podcasts nurture listeners’ needs to “hear other people’s stories” and “listen to things that interest me that no one I know likes. So, it’s my quiet place to feel less alone.” The niche content factor is a frequent occurrence in listeners’ comments, and a way to bypass TV gatekeeping. Just like listeners can do anything while listening to podcasts, they like listening to podcasts because they “can be about anything.” Even when used as an escape or coping mechanism, podcasts are still about finding and enjoying one’s pod community through “the chance to escape the absolute shit show that is daily life right now and enjoy the company of people much cooler than the majority of those around me.”

The concept of community is based on not geography, but like-mindedness. Podcasts are not a means to learn about one’s specific geographic location (only 3.8% would “check out a new podcast if it is specialized for my location”); and not many listeners are very likely to check out a new podcast if recommended in other regular media outlets (17.1%), on the podcast downloading platform (12.6%), or by a work colleague (17.7%). Instead, new podcasts are most likely to make it to first listen if recommended by a familiar podcast host (84.6%), a friend or

acquaintance (69.3%), or if it is focused on the listener's special interests (51.2%). Somewhere in the lower tier of effectiveness we will find recommendations from a family member (22.9%) or the podcast being talked about in social media (35.5%).

What are the things listeners dislike about podcasts? First, all things interfering with their likes: “armchair experts” and no fact checking, unpredictable release schedule, phoniness, “genericness,” poor sound quality or scripting or editing, availability exclusive to one platform, confrontational guests, and “my kids.” Next, if listeners absolutely dislike certain things about podcast hosts, they will simply avoid the show in the future. Examples of exit points include: “ill-informed or ignorant” hosts, “speaking from obviously privileged perspectives,” annoying voices, speaking too fast, and not following up on promised rewards: “Nick Turner from Get Rich Nick. That guy owes me a mug.” Third and most importantly, ads--but not all ads.

Advertising Attitudes and Beliefs

All relationships, fake or real, illusory or permanent, require reoccurring contact. In the context of podcast ads, two key details should be considered: first, all such contact is deliberate, since consumers have literally millions of options available and their attention and affection can switch easily to a different host; and second, American listeners in particular are aware of the fact that marketer support is necessary to provide free quality content. As a consequence, almost 80% of the participants said they sometimes or always listen to the ads and a very small percentage pay for premium subscription in order to avoid ads (see Table 3 below).

Table 3. As you listen to podcasts, what is your typical behavior when you encounter advertisements?

Behavior	Frequency	Frequency
No answer	11	3.8
I don't get ads because I pay for my subscription	7	2.4
I fast-forward or skip ads	43	14.7
I sometimes listen to the ads	169	57.7
I always listen to ads	63	21.5

Not only do podcast listeners not resent advertisements on principle, but they also actively listen to them unless they are “repeats,” or poorly executed, or irrelevant to personal interests or the content of the show. Listening to ads is a way to support their favorite podcast producers, and listeners appreciate it when the hosts are involved in creating ads that are funny, or doing funny

reads on marketer-provided ads (such as The Doughboys, JJGo, BCC, MBMBaM, and Flophouse). About half of the participants stated they were familiar with three or more or even all the brands they heard mentioned casually in conversation during their podcasts, and even more participants (65.8%) stated they were familiar with three or more or all the brands heard in actual commercials during their podcasts. Listeners not only remember brand names, but they also remember advertising call-to-action appeals (73.4%) and sometimes (63.5%) respond to requests such as visiting a webpage or social media site, make a donation, or send an email. On the other hand, poorly executed ads, or ads that are “made for the radio” or poor host reads are seen as a nuisance to be avoided, and listeners get upset when they cannot skip bad ads while driving.

Beyond listening to, or remembering ads, participants were asked what tactics would make it very likely for them to pay attention to brands names during podcast ads. As typical for all advertising, attention would most likely be triggered by a brand or product relevant to the listener's likes and interests (72.4%). They would be most likely to buy a product advertised during their podcasts if promised immediate benefits such as savings for them (41.3%) or a referral fee for the podcast (43.7%), and again, if the ads were funny and “entertaining enough that it isn’t a bummer of the vibe or it’d be more effort to get out my phone to skip forward than to just keep listening,” or if the host can talk about the brand “casually as if it were part of the episode.”

In open-ended answers, ad creative and ad delivery were the two concepts showing up in almost every single comment, along with a reiteration of the importance of the role played by the show host in facilitating a connection between advertisers and the audience. Interestingly enough, and possibly because of the abundance (still) of independently produced podcasts, a substantial portion of the respondents (21.8%) think that podcast hosts have a lot of control over which brand names are advertised or mentioned during their shows. Of course this is very unlikely with dynamic ads, but consumers are more likely to skip those anyway.

Podcast listeners understand that ads are necessary in order to produce high quality content, and therefore are willing to accept ads with their podcasts: “I listen to them because I know that’s how these podcasters can make money! I want to help.” One comment brought up a general issue in advertising, where most coupons or special offers are only available for new customers--a concept with which several podcast listeners disagreed, on grounds of having already tried or subscribed for products advertised during podcasts. Something along the lines of a loyalty reward through podcasts would be a novel idea consumers would appreciate.

SUMMARY AND DISCUSSION

To summarize, the main focus of this study explored audience demographics, behaviors, and attitudes regarding podcast shows and podcast advertising. Unlike industry-led studies which approximated national representativeness, this study targeted members of online communities of podcast listeners, resulting in much higher preponderance of women, heavy listeners, and overall respondents willing to share detailed feedback regarding their favorite shows and podcast advertising. Therefore, some of our findings aligned strongly with those from Edison Research's Super Listeners (2020) report, such as the importance of relationships and community for listeners whose podcast playlists include 6 or more shows during an average week.

The sample consisted predominantly of Millennial and GenX women coming from a highly educated background and household income covering the entire spectrum, making it one of the first studies to include details specific to the female side of podcast listenership. It appears that podcasting as a medium is entrenched with the audience it originally captured as teenagers and young adults in 2004-2010, and is now continuing to grow within the same age cohorts. While podcast hosts learn firsthand how to customize storytelling in ways that capture and maintain their audience, the most successful marketers work as partners, rather than absentee clients, and work hard to build connections with the podcast listenership. Here are five takeaways from the podcast listeners that would directly benefit advertisers.

Advertiser Takeaway #1: remember that the medium is the message. With podcasts, consumers are more likely to listen to ads if they are narrated or acted out by hosts who visibly go off script—or story selling. While dynamic ads are more likely to convey a consistent brand message and image in many different podcasts with very little effort, they are also very likely to completely miss out with savvy listeners who simply skip through the ad pods in 15-second intervals until the show resumes. Live ads, instead, become part of the show and “if you skip the ads, you miss some of the actual content” with hosts bantering and joking during the ads. This insight is consistent with podcast industry research reports.

Advertiser Takeaway #2: podcast listeners are in the technology-forward portion of the general audience and also more likely to read between the lines BECAUSE they prefer to consume involved media, as opposed to passively watching TV or having the radio in the background for the music. The most effective ads are narrated, not read from a script, and the host can convincingly tell a story about how they use the product or service, or product sales help raise funds for a cause. There is no guarantee that listeners will actually make a buy unless they already need the product—but they will at least listen to it, and remember the brand name in a positive manner. This insight is consistent with podcast industry research reports.

Advertiser Takeaway #3: podcast listening has been affected by the COVID-19 pandemic in ways that are different from other media. Preexisting consumption patterns related to multitasking have changed for different people in different ways. For much of the female audience, working from home means less driving, and for many women driving was alone-time when they could consume media content of their choice without disturbances, “in the BEFORE TIMES.” After the onset of the COVID-19 pandemic, childcare or supervising virtual school for children often interfered with homecare and work from home in ways that drastically diminished availability of podcast time. Best case scenario, the same episodes are listened to in smaller chunks of time; worst case scenario, fewer episodes are listened to overall. Either way, creating ad pods where several pre-recorded ads are played together is very likely to result in skips. This insight was not yet covered in podcast industry research reports.

Advertiser Takeaway #4: At the other end of the spectrum, listeners whose lives now include more time for podcast listening do so as a way to escape and seek joy through sharing and learning through communities of mind, along special interests. As a result, we see either nostalgic loyalty (“I now only listen to shows I have listened to for many years”) or aggressive exploration (“I burned through my weekly episodes more quickly” and “listening to distract myself and bc many other forms of entertainment went on hiatus”). All of these are reasons to encourage carefully narrated stories about brands and products, in the familiar voice and style of the show hosts. This insight was not yet covered in podcast industry research reports.

Advertiser Takeaway #5: For many listeners, life changed in irreversible ways throughout the first year of the COVID-19 pandemic, possibly resulting in less disposable income, and different priorities for spending any available income. The community-based character of podcasting as a medium, beyond individual shows or episodes, makes it an ideal partner for cause marketing and a variety of calls-to-action that invite listeners to contribute to the growth of brands, podcasts, and society in general in ways that may go beyond purchasing, and validate the things and ideas they support. This insight was not yet covered in podcast industry research reports.

FUTURE RESEARCH

This article is part of a bigger research project which will continue to analyze consumer perceptions, attitudes, and behaviors related to podcast advertising. Deeper connections will be explored among key variables to explore questions along the lines of gender influence on consumer preference for consumption of podcasting shows, and podcasting ads.

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