

The Unexplored New Medium: Recent Trends in Podcast Advertising

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Abstract

This research paper explores advertising in podcasts – a relatively new medium – to see if there has been an increase in the amount of advertising since 2007, when Daniel Haygood did a similar study, and to observe if any trends have emerged in podcast advertising. Through listening to and coding episodes of the top ten podcasts on iTunes for six weeks, the research found that while a significant amount of podcasts lacked advertising, there were consistent advertising trends in those podcasts that did have advertisements. Ads in podcasts tended to appear at the beginnings and ends of episodes, creating a “bookend” effect, and the same products or services often appeared in episodes of the same podcast. Also, podcasts produced as episodes of regular radio broadcasts that shared the same broadcasting station, such as NPR, also tended to share the same advertisers.

I. Introduction

Declared as the word of the year by the *New Oxford American Dictionary* in 2005, “podcasting” is real, and so are its implications in advertising (Levinson, 2007). As a medium still emerging amid the slew of “alternative media” options, podcasting remains largely unexplored by advertisers today. Given the relatively low production cost of creating a podcast – as low as \$5,000 per episode – and the millions of consumers each podcast can reach, one would think advertisers would be scrambling to get their products into a podcast (Zucker, 2008), especially since research shows that “those who downloaded podcasts are the kind of target audience advertisers crave; well educated, high incomes [and] technologically astute” (Haygood, 2007).

Perhaps advertisers are slow to bite at the new medium because while the podcast is easily accessible to anyone with a computer, it is still less popular than the traditional modes of entertainment and news, such as print and television. Regardless of the reason that advertisers have been less inclined to advertise within podcasts versus with other forms of media, it is important for future advertisers – or current advertisers who wish to expand their advertising – to understand the podcast and how it is currently being used in advertising. While it’s still not the most popular vehicle of advertisement dissemination, podcasting has been peppered with advertisements more now than it had been years ago, and has the potential to become a more popular, advantageous resource to advertisers.

* **Keywords:** Podcasting, broadcasts, new media, advertising, bookend effect

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II. Literature Review

The general consensus of the literature on podcasting – which is still small due to the medium’s novelty – is that few advertisers have taken advantage of advertising in podcasts. Ever since the term “podcasting” was coined in 2004 by journalist Ben Hammersley, podcasts have been considered to exist under the category of “new media,” which is generally used to designate forms of media that consumers and advertisers are still beginning to explore (Hammersley, 2004). However, in the midst of other such new media strategies such as social sites, blogs, and mobile advertising, podcasting remains relatively untouched by advertisers. According to a survey done in 2008, advertisers and marketers planned on only allocating 20% of their advertising to podcasts in 2009 even though 45% of advertising spending in 2009 was expected to be allocated for alternative media as a whole (Shreffler, 2009).

With the recent focus on incorporating “alternative” or “new” media into advertising campaigns, it is a wonder why so little effort has been applied to advertising with podcasts. Podcast advertising is sparse, while social media sites like Facebook and search engines such as YouTube and Google have been increasing their advertising tactics at rapid rates. In January through March of 2010 alone, Facebook served 176.3 billion display ads (Vascellaro, 2010) and has recently extended its advertising reach with “social plugins” that enable the site to track users’ interests and target ads to them based specifically on those interests (Nuttall, 2010). YouTube, originally just a video search engine, has adopted an entire advertising platform, showing “a greater variety of ads against user-uploaded content and promot[ing] videos that draw higher ad rates more than other videos” (Vascellaro, 2009). And Google has added personalized online banner ads – which also target users based on their Internet habits – to its repertoire of ad campaigns (McCormick, 2010).

As recently as 2006, an article in *Advertising Age* postulated that “podcasting’s Wild West” is still a relatively unsettled terrain because of an inconsistency in the number of listeners. The article referenced a report from the same year that showed the total number of podcast users at 10 million, yet showed a number of only 3 million who were considered active users, or who downloaded weekly (Klaassen, 2006). This inconsistency between passive and active consumers could potentially be what has been making advertisers wary of investing in podcasting advertisements.

To help target this problem, new companies have been created to help advertisers see their options more clearly. PodTrac, established in November of 2005, is a relatively “new service designed to provide third-party audience measurement as well as an ad-sales infrastructure for podcasts” (Shields, 2005). PodTrac allows podcasters to “collect demographic and behavioral data from their listeners,” which is then indexed against MRI’s Survey of the American Consumer (Shields, 2005). In addition to this data collection, the measurement tool tracks “hard usage numbers,” which PodTrac had initially hoped would be used by advertisers who wanted to advertise on multiple podcasts (Shields, 2005).

Since PodTrac’s inception, other networks have emerged that offer similar podcast information-gathering services which could potentially assist an advertiser. PodBridge’s services include presenting information about if and when listeners hear an embedded ad, using “passive technology to track listening: When a listener subscribes to a podcast within the PodBridge network, it installs a plug-in, a la Macromedia flash, that asks basic demographic questions” (Klaassen, 2006). From there, the plug-in creates a header in the listener’s podcast content and records the time when the advertising content was played, and whether or not the listener played it long enough to actually hear the advertisement (Klaassen, 2006).

Whether or not networks like PodTrac and PodBridge are actually assisting advertisers, a few more companies have started pushing their products in podcasts, which Mat Zucker of *Advertising Age* thinks is a smart and cost-effective strategy for marketing. In his 2008 article, he stated that it can cost as little as \$5,000-\$30,000 to produce an audio podcast, which makes it easy for advertisers to afford paying sponsorship fees (Zucker, 2008). According to an article in *Advertising Age* in 2006, most of the advertising done in podcasts has been sponsorship-based: “A marketer commits a set amount of dollars against an estimated number of downloads or impressions. Marketers can then back into a cost per download – a number that’s ranged between a couple cents to \$2” (Klaassen, 2006). One may wonder if, at this expansion rate, podcast advertising might grow in the future. According to eMarketer, spending on podcast advertising should increase to \$400 million by 2011, reflecting a growth in the recently small shift towards populating podcasts with ads (Haygood, 2007).

Volvo and Lexus were some of the first automobile companies to advertise on podcasts. Volvo paid a total of \$60,000 for a podcast sponsorship that lasted six months and was downloaded 150,000 times. Using

a different sponsorship model, Lexus paid a single flat rate to sponsor the podcast of Santa Monica radio station KCRW, after which the station decided to charge advertisers \$25 per thousand listeners as a general rule and this number has become the normal rate for advertising on a podcast (Haygood, 2007).

With the podcast advertising rate roughly set, one may conjecture whether advertisers are using podcasts as marketing tools more than they did a few years ago. In Daniel Haygood's 2007 article, "A Status Report on Podcast Advertising," he outlined an experiment that coded when and how frequently advertisements showed up in the top 100 podcasts on iTunes. After coding the data, his results showed that the majority of advertisements were placed at the beginnings and ends of podcasts, creating a "bookend" effect (Haygood, 2007).

III. Method

This research examined the type of advertising that is currently being used in the top ten most popular podcasts on iTunes, over the course of six weeks. The research included a record of what types of products and companies are using podcasts as an advertising medium, based on the brands with advertisements in the podcasts studied. This will potentially show which type of product or service provider has implemented podcasting into their repertoire of advertising techniques, which may be helpful for the future advertiser. In addition to this classification, the placement of the ads within the podcasts was examined. In order to determine whether advertising has become more prevalent in podcasting, a system of coding was implemented, whereby the frequency and placement of specific products or services in the advertisements were documented.

Modeled after Haygood's research in 2007, the most popular podcasts on iTunes were selected for study. However, in the interest of time and personal computer hard drive capacity, the top ten most popular podcasts on iTunes were downloaded for coding, instead of the top 100. At the time of download, March 6, 2010, the top ten podcasts were "NPR: Wait Wait...Don't Tell Me," "NPR: Fresh Air Broadcast," "This American Life," "Freakonomics Radio," "Stuff You Should Know," "Stuff You Missed In History Class," "WNYC's Radiolab," "The Nerdist," "The Adam Carolla Podcast," and "Tell 'Em Steve-Dave." It is important to note that the positions of iTunes' top ten podcasts fluctuate on a weekly basis, and that these particular podcasts were the top ten during time of download. However, regardless of popularity fluctuation over the six weeks of study, the same ten podcasts were listened to and coded to maintain consistency.

Over the period of six weeks, each podcast episode was listened to in its entirety, and any advertisement information – including the name of the product or service being advertised, its placement within the podcast, and terminology used to introduce the advertisement – was recorded. Due to individual podcast's broadcasting schedules, there were weeks when certain podcasts did not broadcast an episode within the specific seven-day week of study. Thus, not an exactly equal number of episodes per podcast was able to be studied; however, the consistency of advertisement appearances within said podcasts suggested relatively consistent results, despite the slight discrepancy in episode number.

IV. Results Discussion

Studying and coding the ten podcasts over six weeks yielded results showing that 24 out of 66 episodes, or 36%, had advertisements. Four of the ten podcasts didn't have any advertising whatsoever: "Stuff You Should Know," "Stuff You Missed in History Class," "The Nerdist," and "The Adam Carolla Podcast." The other six podcasts had regular advertising, three of which had a relatively established schedule: "NPR: Wait Wait...Don't Tell Me," "NPR: Fresh Air," and "This American Life." The largest similarity among these three podcasts was that they were episodes of regular radio show broadcasts, "Wait Wait...Don't Tell Me" and "Fresh Air" belonging to National Public Radio (NPR) and "This American Life" regularly broadcast on Chicago Public Radio. The majority of the advertisements in these three podcasts were at the beginnings and ends of each episode, creating the same "bookend" effect that Haygood observed in his 2007 study of podcast advertising. In fact, seven of the 17 episodes in these three podcasts with advertisements (41%) had ads at both the beginnings and ends of each episode. The remaining ten of the 17 episodes (59%) in the aforementioned three podcasts just had a single ad at the beginning of the podcast (see Appendix).

This bookend effect remained consistent in the podcasts that featured ads less frequently, with 10 out of the total 24 episodes with advertisements (42%) displaying ads at the beginnings and ends of episodes. The other podcasts with ads (58%) lacked the bookend structure, placing either a single ad at the beginning of an episode, and sometimes in the middle.

Another similarity that all the podcasts with advertising shared was the continued use of the same supporters. For example, “Wait Wait...Don’t Tell Me” consistently had ads from Angie’s List, Visa Signature, and the National Association of Realtors. “Fresh Air Broadcast” consistently had advertisements from Visa Signature; “This American Life” had multiple advertisements from Kohler; and “Freakonomics Radio” consistently had advertisements from Audible.com and the University of Chicago Booth School of Business (see Appendix). It is important to note that for the purposes of this research, supporters and underwriters for podcasts were considered advertisers because they gained recognition in a medium to which many potential consumers had access.

Also consistent within the advertisements themselves was the wording used to introduce the ads. For example, both Angie’s List and Visa Signature advertisements were introduced by “Support for this podcast comes from...”; Kohler ads were consistently preceded by “Support for This American Life comes from...”; and advertisements for the University of Chicago Booth School of Business were introduced using “Support for Freakonomics Radio comes from...” The consistent use of the same supporters using the same language suggests that advertisers paid for blocks of time, similar to purchasing advertising time in other media.

Also noted was that the two podcasts by NPR – “Wait Wait...Don’t Tell Me” and “Fresh Air Broadcast” – shared Visa Signature as a consistent sponsor in their episodes. These ads always appeared at the episodes’ beginning, and were always introduced by “Support for this podcast comes from...” regardless of podcast and episode (see Appendix). This, too, suggests that advertisers bought pieces of advertising time from the original radio broadcasting station.

The research found that advertising in the ten podcasts included ads for both products and services. Products advertised included Kohler, Visa Signature and the Mini Cooper automobile. However, a large amount of the advertising coded was for service providers, such as Progressive Insurance and Lindamood-Bell learning centers. Also noted was the fact that several of the service providers advertising on the podcasts were educational service providers: Lindamood-Bell is a family of learning centers; The John S. and James L. Knight Foundation is a national foundation for the advancement of journalism; and The George Lucas Educational Foundation was created to improve public education. Granted, these are underwriters for the shows, but because they gained recognition in the episodes, they were coded as advertisers.

In regards to self-supporting advertising, only one of the ten podcasts studied included self-support ads in their episodes. “WNYC’s Radiolab” inserted advertisements encouraging listeners to access their web site and click on the “support” button to help fund the podcast. These advertisements were placed at the beginning, middle, and ending of episodes, without any specific structure (see Appendix).

V. Conclusion

Even though three years have passed since Haygood published his research on podcast advertising – a significant amount of time for change to occur in media – only a small amount of progress has been made in advertising within podcasts. The medium remains relatively untouched by advertisers, yet the trends that Haygood observed in 2007 have stayed consistent in podcast episodes in 2010. For example, the placement of ads at the beginning and ends of episodes – creating a “bookend” effect – is still in practice today.

In addition to already-established trends in podcast advertising, a few others were observed, such as the consistent use of the same supporters using the same language in a particular podcast, which suggests that advertisers paid for blocks of time, similar to purchasing advertising time in other media. Also, the shared sponsorship from Visa Signature on both NPR podcasts further reinforced the idea that advertisers bought pieces of advertising time from the original radio broadcasting station, which was in this case, National Public Radio. Lastly, given the consistent sponsorship of Lindamood-Bell, The John S. and James L. Knight Foundation, and The George Lucas Educational Foundation, perhaps a trend is emerging where educational foundations and services support podcasters and advertise the fact that they are underwriters on podcasts.

This information will be useful for advertisers who are interested in advertising in podcasts. If, in fact,

there is a trend in which educational sponsors support podcasts, the above research can be utilized by other educational foundations that are looking to advertise their services in new media.

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Appendix

NPR: Wait Wait...Don't Tell Me					
Date	Podcast Length	Advertisements			
Week 1 3/6/2010	47:52 min.	Angie's List (0:00-0:14) "Support for this pod-cast comes from..."	Progressive Insurance & Lending Tree (46:02-46:18) "Support for NPR comes from..."	-	-
Week 2 3/13/2010	47:12 min.	Angie's List (0:00-0:14) "Support for this pod-cast comes from..."	Lindamood-Bell, Lending Tree, Angie's List (45:02-45:29) "Support for NPR comes from..."	-	-
Week 3 3/20/2010	47:41 min.	Visa Signature (0:00-0:12) "Support for this pod-cast comes from..."	Lumber Liquidators (45:23-45:32) "Support for NPR comes from..."	George Lucas Education Foundation (45:33-45:40)	MINI (Mini Cooper) (45:41-45:48)
Week 4 3/27/2010	47:25 min.	Visa Signature (0:00-0:12) "Support for this pod-cast comes from..."	Lending Tree (45:36-45:44) "Support for NPR comes from..."	Avis Family Foundation (45:45-45:49)	Avis Family Foundation (45:45-45:49)
Week 5 4/3/2010	47:07 min.	Visa Signature (0:00-0:12) "Support for this pod-cast comes from..."	National Association of Realtors (44:52-57) "Support for NPR comes from..."	The Avis Family Foundation (44:58-45:02)	Lending Tree (45:03-45:11)

Week 6 4/10/2010	47:32 min.	Angie's List (0:00-0:14) "Support for this pod- cast comes from..."	Lumber Liq- uidators (45:53-45:59) "Support for NPR comes from..."	The John S. & James L. Knight Foundation (46:00-46:04)	National Association of Realtors (46:05-46:11)
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NPR Fresh Air Broadcast					
Date	Podcast Length	Advertisements			
Week 1 3/9/2010	45:24 min.	Visa Sig- nature (0:00-0:12) "Support for this pod- cast comes from..."	-	-	-
Week 2 3/17/2010	43:50 min.	Visa Sig- nature (0:00-0:12) "Support for this pod- cast comes from..."	-	-	-
Week 3 3/23/2010	44:34 min.	Visa Sig- nature (0:00-0:12) "Support for this pod- cast comes from..."	-	-	-
Week 4 3/30/2010	43:42 min.	Visa Sig- nature (0:00-0:12) "Support for this pod- cast comes from..."	-	-	-

Week 5 4/8/2010	53:07 min.	Allied Bank (0:00-0:13) “Support for this pod- cast comes from...”	-	-	-
Week 6 4/12/2010	45:26 min.	Angie’s List (0:00-0:14) “Support for this pod- cast comes from...”	-	-	-

This American Life					
Date	Podcast Length	Advertisements			
Week 1	59:21 min.	-	-	-	-
Week 2 3/14/2010	59:01 min.	Audible.com (0:00-0:14) “This podcast of ‘This Ameri- can Life’ is brought to you by...”	Kohler (58:18-58:32) “Support for This American Life comes from...”	-	-
Week 3 3/21/2010	58:34 min.	Kohler (57:08-57:21) “Support for this American life comes from...”	-	-	-
Week 4 3/28/2010	1:01:02 min.	Kohler (1:00:02- 1:00:18) “Support for this American life comes from...”	-	-	-

Week 5 4/4/2010	58:34 min.	Kohler (1:00:02-1:00:18) “Support for this American life comes from...”	-	-	-
Week 6 4/11/2010	59:55 min.	Kohler (59:05-59:18) “Support for This American Life comes from...”	-	-	-

Freakonomics Radio					
Date	Podcast Length	Advertisements			
Week 1 2/25/2010	21:21 min.	U. of Chicago Booth School of Business (0:00 -0:12) “Support for Freakonomics Radio comes from...”	-	-	-
Week 2 3/17/2010	3:17 min.	-	-	-	-
Week 3 3/23/2010	21:05 min.	Audible.com (0:00-0:19) “This podcast is brought to you by...”	U. of Chicago Booth School of Business (7:37-7:50) “Support for Freakonomics Radio comes from...”	-	-

Week 4	NO PODCAST				
Week 5 4/7/2010	7:18 min.	U. of Chi- cago Booth School of Business (0:00 -0:12) “Support for Freakonomics Radio comes from...”	-	-	-
Week 6 4/12/2010	20:34 min.	Audible.com (0:00-0:19) “This podcast is brought to you by...”	Audible.com (9:56-10:07)	-	-

Stuff You Should Know					
Date	Podcast Length	Advertisements			
Week 1	32:45 min.	-	-	-	-
Week 2 3/18/2010	31:23 min.	-	-	-	-
Week 3 3/23/2010	29:24 min.	-	-	-	-
Week 4 3/30/2010	25:56 min.	-	-	-	-

Week 5 4/8/2010	26:34 min.	-	-	-	-
Week 6 4/13/2010	30:37 min.	-	-	-	-

Stuff You Missed In History Class					
Date	Podcast Length	Advertisements			
Week 1 3/10/2010	19:02 min.	-	-	-	-
Week 2 3/15/2010	18:22 min.	-	-	-	-
Week 3 3/24/2010	22:51 min.	-	-	-	-
Week 4 3/31;2010	21:28 min.	-	-	-	-
Week 5 4/7/2010	14:48 min.	-	-	-	-

Week 6 4/12/2010	26:37 min.	-	-	-	-
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WNYC's Radiolab					
Date	Podcast Length	Advertisements			
Week 1 3/8/2010	9:43 min.	Austria (0:00-0:12) "WNYC is supported by..."	Self-support ad (0:13-0:37) Encourages listeners to click "support" button online	National Science Foundation & Sloan Foundation (9:02-9:15) "founded in part by..."	Self-support ad (9:25-9:43) Encourages listeners to click "support" button online
Week 2	NO PODCAST				
Week 3 3/23/2010	14:21 min.	Austria (0:00-0:12) "WNYC is supported by..."	Self-support ad (0:13-0:37) Encourages listeners to click "support" button online	National Science Foundation & Sloan Foundation (13:50-14:00) "founded in part by..."	Self-support ad (14:06-14:21) Encourages listeners to click "support" button online
Week 4	NO PODCAST				
Week 5 4/5/2010	1:03:01 min.	Self-support ad (0:03-0:28) Encourages listeners to click "support" button online	Self-support ad (1:02:44-1:03:01) Encourages listeners to click "support" button online	-	-

Week 6	NO PODCAST
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The Nerdist					
Date	Podcast Length	Advertisements			
Week 1	1:02:33 min.	-	-	-	-
Week 2 3/16/2010	1:08:07 min.	-	-	-	-
Week 3 3/23/2010	1:12:06 min.	-	-	-	-
Week 4 3/30/2010	1:04:13 min.	-	-	-	-
Week 5 4/6/2010	1:04:25 min.	-	-	-	-
Week 6 4/13/2010	1:47:00 min.	-	-	-	-

The Adam Carolla Podcast					
Date	Podcast Length	Advertisements			
Week 1	59:52 min.	-	-	-	-
Week 2 3/15/2010	49:21 min.	-	-	-	-
Week 3 3/24/2010	1:29:33 min.	-	-	-	-
Week 4 4/1/2010	1:00:43 min.	-	-	-	-
Week 5 4/9/2010	1:00:58 min.	-	-	-	-
Week 6 4/14/2010	1:19:19 min.	-	-	-	-

Tell 'Em Steve-Dave					
Date	Podcast Length	Advertisements			
Week 1	1:01:45 min.	-	-	-	-
Week 2 3/19/2010	55:17 min.	-	-	-	-
Week 3 3/26/2010	1:01:01 min.	-	-	-	-
Week 4 4/2/2010	1:06:00 min.	-	-	-	-
Week 5 4/9/2010	52:06 min.	-	-	-	-
Week 6 4/16/2010	55:53 min.	-	-	-	-