

# A-LIST(EN)ERS

THE BUSINESS OF UK PODCASTING - 2019



4DC  
The Podcast Strategists  
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VOLUME 2

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01

# INTRODUCTION



# WE ARE 4DC

4DC is a global end-to-end strategic podcast consultancy. It is part of Broadcast Specialist markettiers4dc group, and offers a full-service podcast solution.

4DC is focused on helping and advising clients to navigate the podcast ecosystem effectively with sights set on desired outcomes and ROI. As podcasting becomes normalised and brands witness the opportunity, 4DC ensures businesses can leverage its power and effectiveness correctly.



# THE POWER OF A-LIST(EN)ERS

WELCOME TO OUR SECOND REPORT INTO THE HABITS AND ATTITUDES OF UK PODCAST LISTENERS.



**HOWARD KOSKY**  
CO-FOUNDER - 4DC

The UK podcast audience, A-list(en)ers, are active, loyal, connected, growing in number - and possess valuable spending power.

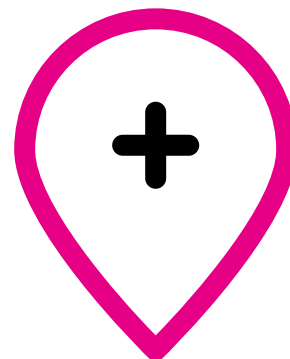
4DC is a strategic consultancy set up to drive value from the business of podcasting, and we're on a mission to provide the industry with the data to show the true worth it can offer to brands. Our goal is to give the industry unique insights so brands can make the most of the commercial opportunities before us.

Data demonstrates podcasts are fast becoming a normal part of people's routines. They are now an established information and entertainment service. As a platform for brands this is an ROI opportunity not to be missed.

**61%** **ARE POSITIVE**  
ABOUT HEARING  
ADS IN PODCASTS

**80%** **ARE ENTHUSIASTIC**  
ABOUT BRANDS ADVERTISING  
IN PODCASTS

**54%** **HAVE NOTED DOWN OR WOULD**  
**NOTE A PODCAST SPONSOR;**  
56% HAVE ALREADY OR WOULD  
RESEARCH THEM



# THE POWER OF A-LIST(EN)ERS



**46%**

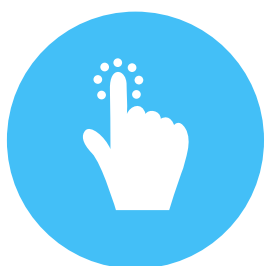
**LISTEN**  
TO BRAND-FUNDED PODCASTS

As podcasting matures there's ample opportunity for brands and organisations to amplify their message and tap into the A-list(en)er audience that is happy to hear from them. Nearly half of listeners welcome the inclusion of ads as long as the podcast itself is high quality.

More than one in seven people in the UK now count themselves a regular podcast listener. On average they hear nearly three podcasts per week. The channel is growing and it's here to stay.

There's more good news for the sector. The results of our new poll indicate almost 60% pledging support for a subscription-based service. On average, they are willing to pay £4 for it, but plenty would commit more.

The data also points to A-list(en)ers' financial prudence. They save around £2,000 each year and a third of them have a mortgage. This report delves deeper into their attitudes towards personal financial planning.



**59%**

**WOULD AGREE TO PAY**  
A SUBSCRIPTION FEE TO REMOVE  
ADS/SPONSOR MESSAGES



**59%**

**HAVE BOUGHT**  
OR WOULD CONSIDER BUYING FROM AN  
ADVERTISED BRAND OR SPONSOR



## INTRODUCTION

# THE POWER OF A-LIST(EN)ERS

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**THE CHALLENGE FOR BRANDS IS TO CAREFULLY CONSIDER THEIR STRATEGIES.**

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Far from being an add-on, podcasts should now be viewed as a central part of any marketing mix.

Yet our data shows that due care and attention to approach, application and content creation is required. Podcast listeners are educated, they're discerning and they demand quality. Brands need the ability to harness this desire for commercial success.

The host a brand chooses, how to make a podcast discoverable and using the right metrics to prove the channel's worth are just three key issues that need scrutiny.

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**4DC'S EAR IS FIRMLY TO THE GROUND. OUR ONGOING EXAMINATION OF THE A-LIST(EN)ERS REVEALS WHY YOU CAN'T AFFORD NOT TO GET INVOLVED.**

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**ONLY 31%**  
ALWAYS SKIP ADS



**£4.03 AVERAGE SUBSCRIPTION COST**  
LISTENERS WOULD BE WILLING TO PAY  
TO REMOVE ADS/SPONSOR MESSAGES



# INTRODUCTION

## HIGHLIGHTS

### HIGHLIGHTS OF THIS REPORT

59%

HAVE BOUGHT OR WOULD BUY FROM  
A BRAND ADVERTISED IN A PODCAST



46%

LISTEN TO BRAND-FUNDED  
CONTENT



£48.36

AVERAGE ANNUAL SUBSCRIPTION  
LISTENERS HAPPY TO PAY



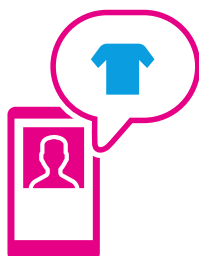
54%

HAVE NOTED DOWN OR  
WOULD NOTE A PODCAST SPONSOR



26%

HAVE JOTTED A BRAND NAME  
DOWN AFTER HEARING AN AD



22%

HAVE BOUGHT AT LEAST  
ONE PRODUCT DISCUSSED



£2,017

AVERAGE AMOUNT PUT INTO SAVINGS  
ACCOUNT PER YEAR BY LISTENERS



50%

OF LISTENERS FEEL  
HAVING HEARD OF THE PRESENTER IS IMPORTANT  
WHEN CHOOSING TO LISTEN TO A NEW PODCAST



SOURCE: 4DC







02

# LISTENER OVERVIEW



# PODCAST BITES



**47%** OF PODCAST LISTENERS HAVE  
DISCOVERED A NEW BRAND  
AS A RESULT OF A PODCAST  
INCLUSION

The Data and Marketing Association<sup>1</sup> (DMA) recently released new stats about podcast listeners. The UK trade body - which represents brands and agencies that have accountability and ROI at their core - found 47% of podcast listeners have discovered a new brand as a result of a podcast ad.

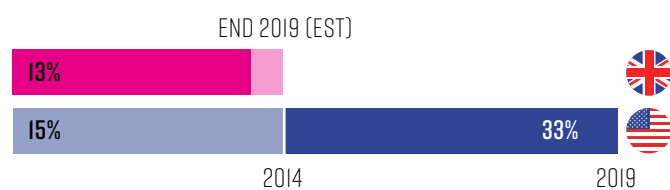
In the US, podcasts are proven to be the fastest-growing direct media channel represented by the DMA, hence the association's new focus on UK podcasts.

Encouragingly, the DMA research also showed that 59% of consumers believe podcast marketing is relevant to them, and 57% trust it.

The growth of podcasts is undeniable. In our last report, we pointed to Ofcom figures showing weekly listenership had risen from 3.2 million to 5.9 million people between 2013 and 2018. In updated figures, the regulator now reports 7.1 million people listen weekly, or more than 13% of UK adults. That's on track to hit the predicted 15% estimated adult podcast listeners by the end of 2019. The US surpassed this figure in 2014 (Source: Edison).

Ofcom<sup>2</sup> - in conjunction with RAJAR, the BBC and Chartable - reports half of all listeners have joined the podcast revolution in the past two years. Three quarters of podcast fans said they had listened to at least one BBC radio programme.

## THE GROWTH OF PODCAST LISTENERS



SOURCE: 4DC, Ofcom

## PODCAST PENETRATION



SOURCE: 4DC, Ofcom

**7.1 MILLION PEOPLE LISTEN WEEKLY,  
OR MORE THAN 13% OF UK ADULTS**

<sup>1</sup> <https://dma.org.uk/research/customer-engagement-acquisition-and-the-consumer-mindset>  
<sup>2</sup> <https://www.ofcom.org.uk/about-ofcom/latest/features-and-news/rise-of-podcasts>

SOURCES:



# PODCAST BITES

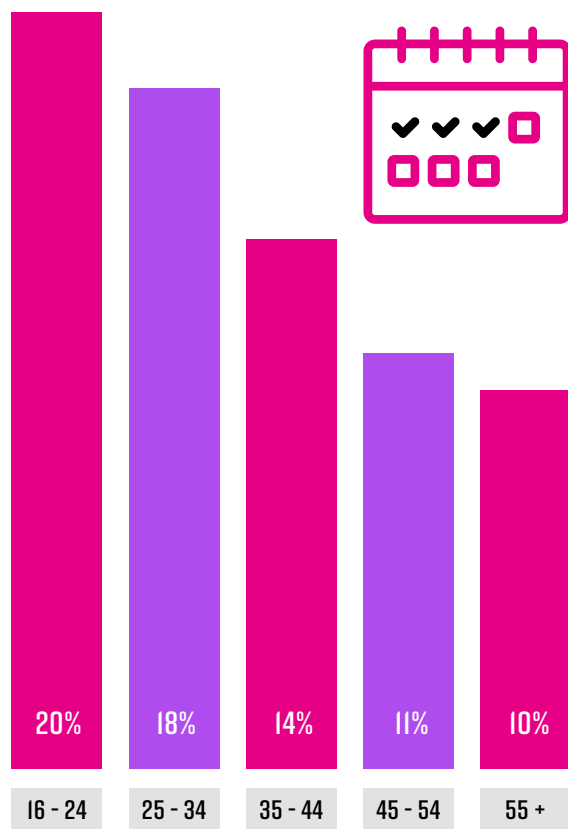


The DMA stats chime with what A-list(en)ers tell us - and they go further. More than a fifth (22%) of listeners have bought at least one product they heard being discussed on a podcast, while 25% in total have also purchased as a result of advertising or sponsorship.

According to the DMA, a majority of podcast listeners are millennials. More specifically, the most engaged podcast audience are consumers aged 16 to 34, with a household income of at least £25k. Almost a third of this group (29%) listen to at least one podcast per week.

These positive signals are also supported by 4DC's research. Noteworthy stats from our latest report include podcast listeners hearing an average of almost three per week, while almost 10% listen to five per week. Meanwhile, regular listenership has nudged up from 29% to 32% compared to the previous report.

## LISTEN TO 3 PODCASTS PER WEEK



# 25%

**HAVE PURCHASED AS A RESULT OF ADVERTISING OR SPONSORSHIP**

**REGULAR LISTENERSHIP IS NOW UP TO**

# 32%

SOURCE: 4DC

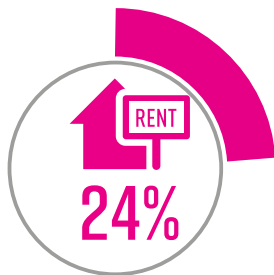


# THE LISTENER IN NUMBERS

## WHERE LISTENERS LIVE

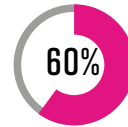
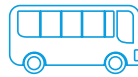


HOMEOWNERS - MORTGAGED

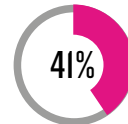
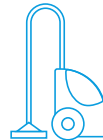


PRIVATE RENTERS

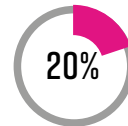
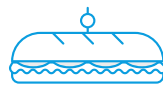
## WHERE LISTENERS LISTEN



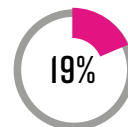
WHILE COMMUTING AND DRIVING



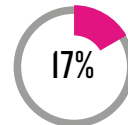
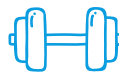
WHILE DOING HOUSEWORK



DURING LUNCH



WHILE WORKING



WHILE EXERCISING



**63%** ALWAYS LISTEN BY THEMSELVES,  
BUT A THIRD SOMETIMES LISTEN WITH  
OTHER PEOPLE



**51%** SAY **PERSONALISED RECOMMENDATIONS**  
WOULD INCREASE THEIR LISTENING



**56%** LISTEN VIA MOBILE PHONES



**35%** THINK AN ALGORITHM MAY BE BETTER  
THAN THEIR FRIENDS AT SUGGESTING GREAT  
CONTENT



**15%** LISTEN VIA THEIR LAPTOP,  
11% THROUGH THEIR TABLET



**28%** OF 25-34'S LISTEN  
FOR LEISURE AND WORK PURPOSES



**37%** WOULD LISTEN VIA SMART SPEAKERS  
IF THE SYSTEM RECOMMENDED PODCASTS  
TO THEM



**12%** OF 25-34'S SAY PODCASTS ARE THEIR  
**MOST TRUSTED SOURCE OF INFORMATION**

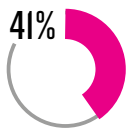
SOURCE: 4DC



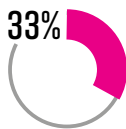


# THE LISTENER IN NUMBERS

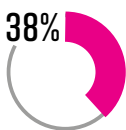
## COMMERCIALS



SAY ADS ARE THE BEST WAY TO KEEP CONTENT FREE AND ACCESSIBLE TO ALL



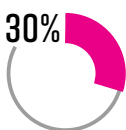
PREFER TO HEAR ADS COMPARED TO OTHER TYPES OF BRAND MESSAGES



HAVE A PREFERENCE FOR BRAND MESSAGES TO BE SPONSORSHIP



BOUGHT AFTER HEARING SPONSORSHIP



LIKE PRESENTER-READ ADS THE MOST



BOUGHT THE EXACT PRODUCT DISCUSSED

## SOCIAL MEDIA



# 22%

**SOCIAL MEDIA USERS SPEND BETWEEN ONE AND TWO HOURS DAILY USING TWITTER**

(MEN 25%, WOMEN 20%)

### PLATFORMS USED

**f 77%**

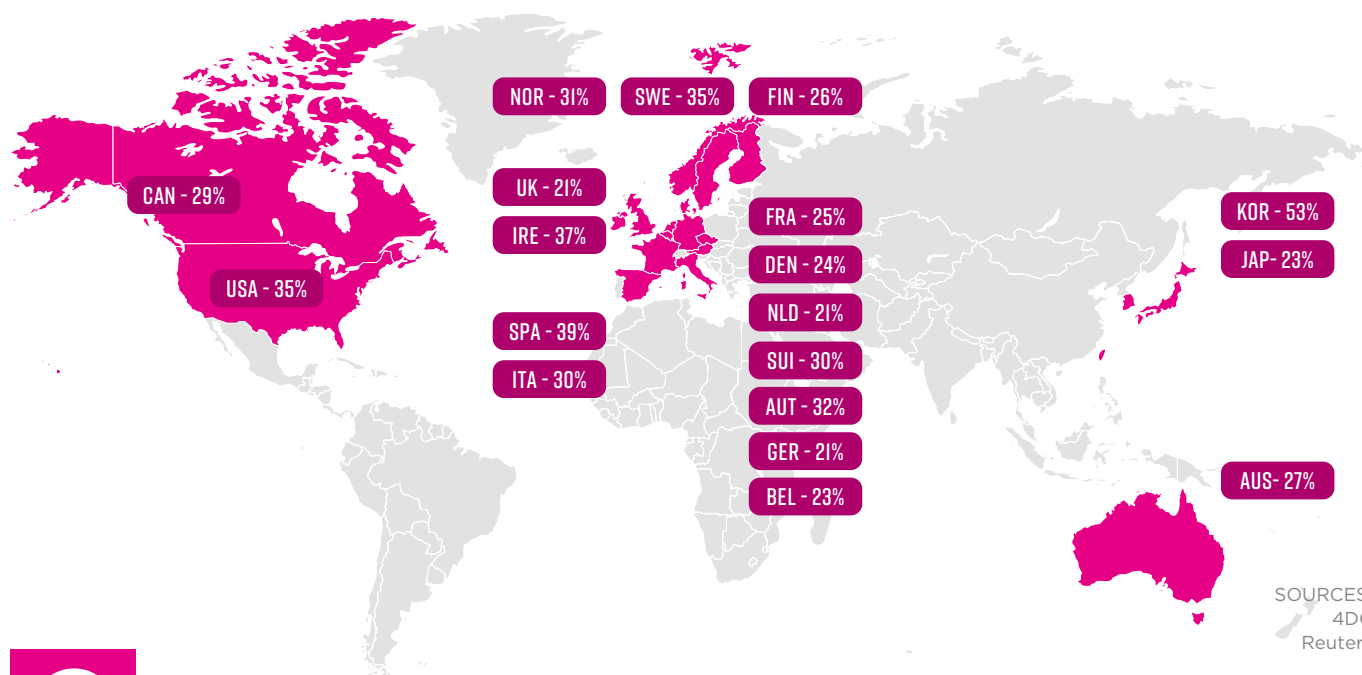
**60%**

**48%**

**44%**

## PODCAST LISTENERS IN THE LAST MONTH

### PROPORTION OF POPULATION



SOURCES:  
4DC  
Reuters





# NEW LISTENER JOURNEYS

As podcast volumes grow, specialist search engines are coming on-stream to satisfy consumer demand and help them find podcasts they want to hear. Google has been relatively slow on the uptake and new providers are leading the way.

Just short of four in 10 listeners say they find podcasts through online research, up from 32%. Visibility is paramount.

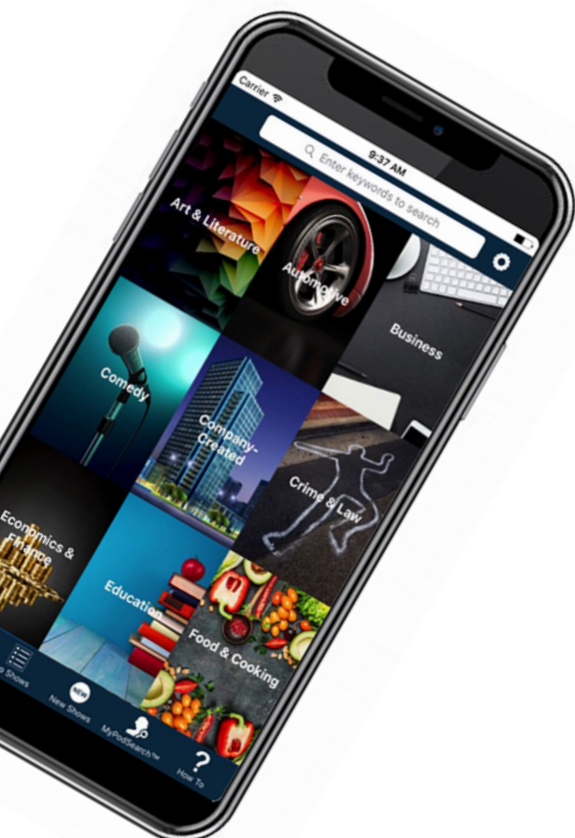
A number of services<sup>3</sup> have sprung up helping people to work out what to listen to next. The likes of PodSearch, Podchaser and Discover Pods feature filtered searching by category and keyword - making it much easier to pick something up your street to listen to next.

Many of these sites also host podcast news and reviews. Several even allow users to build lists of suggested podcasts they can share with their friends. Spkr is a new app that curates podcast clips and refines suggestions based on user activity. There's even a Facebook chatbot, called PodFinder, pointing fans towards new podcast content.

When it comes to finding new podcasts, search online is king. It's even the most trusted source (22% agree); more so than general word of mouth and even friends' recommendations.

39%

OF LISTENERS SAY THEY  
FIND PODCASTS THROUGH  
ONLINE RESEARCH



## HOW DO YOU FIND NEW PODCASTS?



### RESEARCH ONLINE



### WORD OF MOUTH



### RECOMMENDATION FROM FRIENDS



SOURCE: 4DC

SOURCE:  
<sup>3</sup> <https://www.businessinsider.com/podcast-discovery-tools-what-to-listen-next-2019-10?r=US&IR=T>



# THE DISCERNING LISTENER

ACROSS A RANGE OF MEASURES, THE PROPORTION OF PEOPLE EXPECTING QUALITY AND PROFESSIONAL OUTPUT IS ON THE UP.

## A-LIST(EN)ERS' BUYING HABITS



50%

I WILL BUY A PRODUCT IF THE BRAND IS **FAMILIAR TO ME** IN SOME WAY



38%

I TYPICALLY BUY THE **MID-RANGE PRICED BRAND/PRODUCT** ON THE MARKET



27%

I WILL BUY A PRODUCT IF I KNOW THE **BRAND IS SUSTAINABLE**

Podcast listeners are a considered bunch. They are discerning: look at their penchant for familiar products. Half say this is important to them in choosing a brand, up from 37% previously. Nor are they hell-bent on high-end products, with 38% preferring mid-priced items.

A quarter often buy based on recommendations, but this shows many still do their own research. A green mind-set is also on the rise with 27% - compared to 24% previously - stating they'd only buy sustainable product from a brand.



SOURCE: 4DC



## LISTENER OVERVIEW

# THE DISCERNING LISTENER

Their pragmatism extends to podcasts. Listeners expect content to be authentic and professional, and even demand engaging descriptions before committing their time. In fact, they're becoming stricter in their choices.

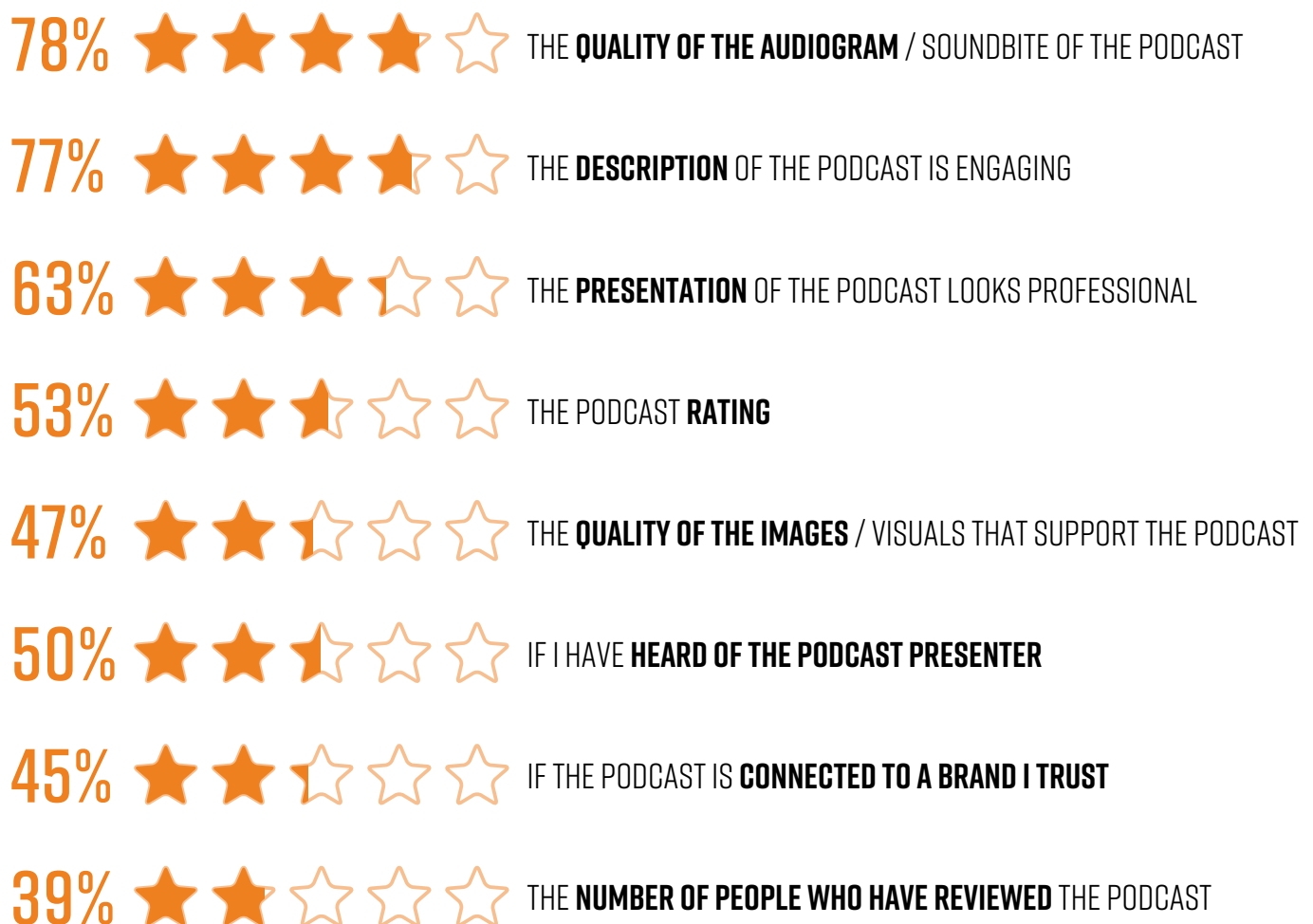
It's not enough for podcasts to have a decent reputation anymore. Listeners want all surrounding content to be slick and engaging, from the podcast landing page to how it sounds. Cut back on production values at your peril.

This is exemplified by the reasons listeners sometimes fail to reach the end of the podcast.

Top responses given were:

- 33% NOT ENGAGING ENOUGH
- 33% BORING CONTENT
- 19% I ONLY LISTENED TO THE PART THAT INTERESTS ME
- 14% I FIND ANOTHER TO LISTEN TO

## WHAT A-LIST(EN)ERS RATE WHEN PICKING PODCASTS



SOURCE: 4DC





03

# PODCAST LISTENERS' PURCHASE POWER



# A GROWING CASE FOR INVESTMENT

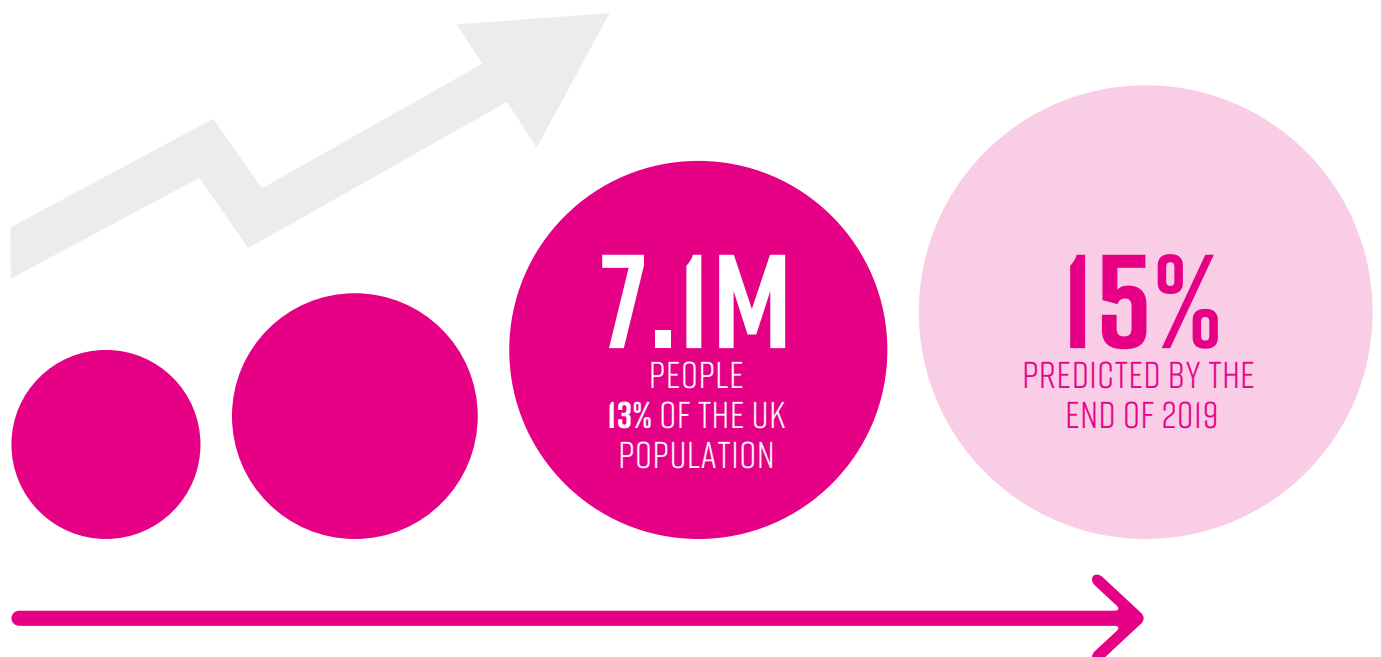
**THE DATA CLEARLY SHOWS PODCASTS ARE GAINING A GREATER SHARE OF VOICE. THEY'VE NOW CRASHED LOUD AND CLEAR INTO MAINSTREAM MEDIA CONSUMPTION.**

Overall listener figures in the UK are heading up just as they are in other parts of the world, from the US to the UAE. Consumers' new perception of podcasts as an entertainment format is striking but so too is their acceptance of brand inclusion through it.

A compelling commercial opportunity exists here and now. Brands need to grab the chance with both hands by approaching podcasts correctly.

As the podcast industry becomes more sophisticated brands will need a better understanding of who's listening and what they are worth.

That might sound cynical, but consumers are just as savvy as brands - if not more so - about marketing techniques and the value exchange. They respond best to relevant content and well-placed ads.





# DEAR PRUDENCE: LISTENERS' FINANCIAL HABITS

Banks and other financial institutions take note: podcast listeners are wise with money. They're willing to save, are more likely to have a mortgage and also like independent financial advice.

There are some striking differences between podcasts listeners' and non-listeners' attitudes:

31% of podcast listeners have a mortgage, compared to 24% of non-listeners.

£2,017 is the average annual amount put into savings by listeners; just over £500 more per year than non-listeners.

However, listeners are not averse to a loan: 16% have taken one out, compared to 10% of non-listeners

15% of listeners use an IFA compared to 11% of non-listeners

## FINANCIAL HABITS



### HAVE A MORTGAGE



### THE AVERAGE ANNUAL AMOUNT PUT INTO SAVINGS



### HAVE TAKEN OUT A LOAN

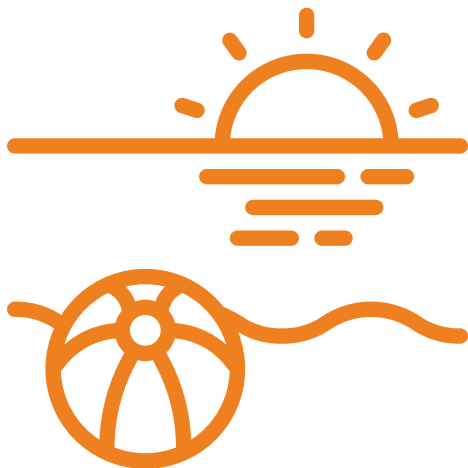


### USE AN IFA



SOURCE: 4DC

# DEAR PRUDENCE: LISTENERS' FINANCIAL HABITS



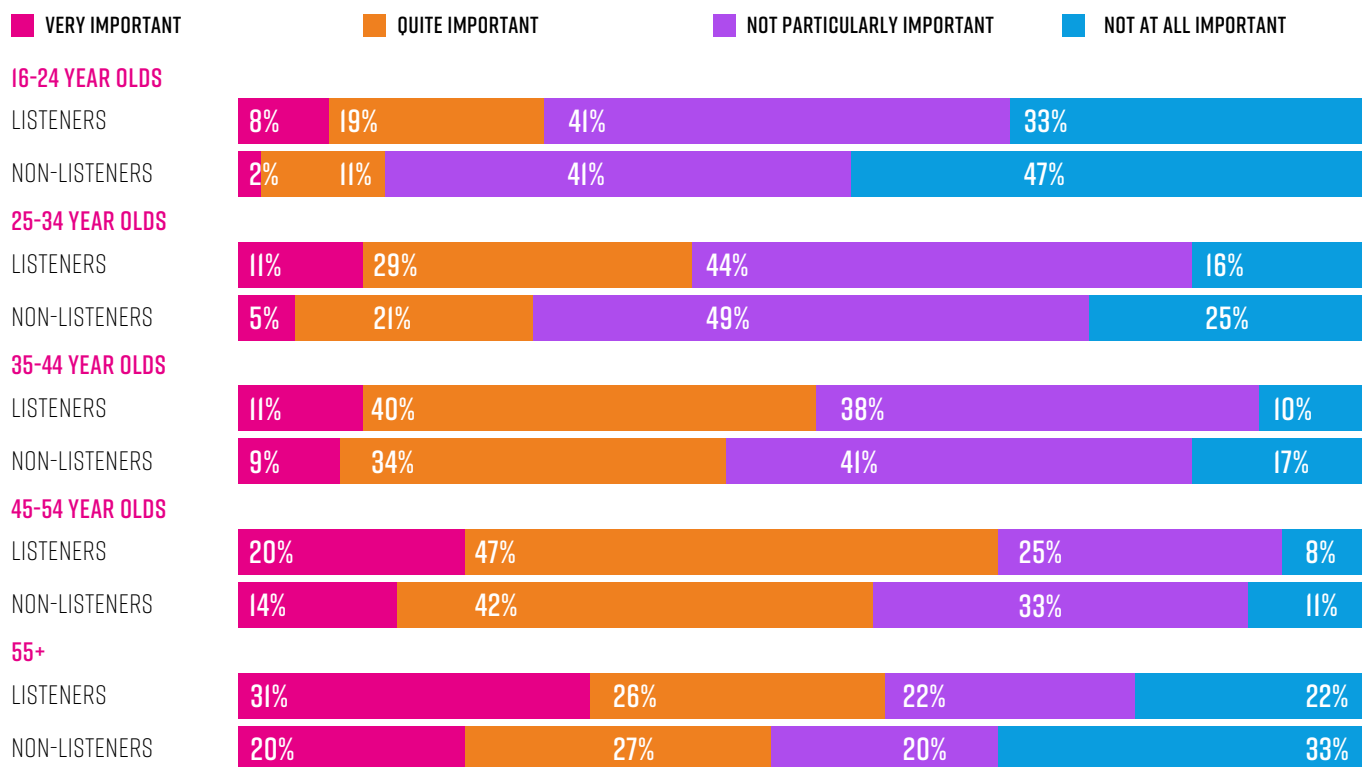
Podcast listeners are far more likely than their non-listening counterparts to be planning for their retirement - regardless of age. Overall, very nearly half (49%) of listeners think it's important versus 41% of non-listeners.

Two thirds of listeners plan their retirement for a specific reason; it's the same for less than half of non-listeners. Some 29% of listeners want to protect their money, 23% are protecting their health and wellbeing, and 8% their property. Meanwhile, listeners (24%) are more likely than non-listeners (13%) to be actively investing in their retirement fund.

All of these findings point to a sophisticated attitude to money; food for thought for financial services brands considering investing in podcasts.

## AN EYE ON THE FUTURE: PLANNING FOR RETIREMENT

BY AGE GROUP



SOURCE: 4DC



# PODCAST LISTENERS' PURCHASE POWER

## CATEGORY CHAMPIONS

### ENTERTAINMENT & TRAVEL



18%

ARE WILLING TO SWITCH IT UP, HAVING NO PREFERRED VACATION



55%

ARE SIGHTSEERS



40%

LIKE LOW-INTENSITY ACTIVITY, A QUARTER JUST WANT TO LAND AND CHILL OUT



14%

PREFER A HIGH-INTENSITY ACTIVITY, IN CONTRAST TO NON-LISTENERS (6%)

Loving their spare time, podcast listeners are splashing out an average £73 per month more on pastimes than in our previous survey.

Travel is a gap in the podcast market for brands keen to broaden their commercial horizon. Particularly when you consider holidays are a favourite interest of listeners (45%) - second only to finding money saving tips.

They take on average 1.67 holidays each year, increasing to two vacations on average for 55+ listeners. Non-podcast listeners tend to make one trip.

Apart from January, when 14% think about booking, consideration is spread throughout the year, so travel programmes could be hot.

## AVERAGE SPEND ON HOLIDAYS ANNUALLY - BY AGE GROUP



16-24 YEAR OLDS	£964.59
25-34 YEAR OLDS	£1,354.39
35-44 YEAR OLDS	£1,734.4
45-54 YEAR OLDS	£2,054.47
55+	£2,370.3
AVERAGE	£1,702.19

SOURCE: 4DC



## UNIVERSAL APPEAL: MILLENNIALS AND 55+

When podcasts first took off it was largely thanks to young listeners. Content was biased towards sport and comedy.

But the channel's rapid growth is all down to its universal appeal. Older consumers are getting on board with the diversity and dynamism of shows on offer.

So let's compare how Millennials listen, the podcast habits of people aged 55+, and the financial foibles of both groups.





# PODCAST LISTENERS' PURCHASE POWER

## UNIVERSAL APPEAL:

### MILLENNIALS (25-34)

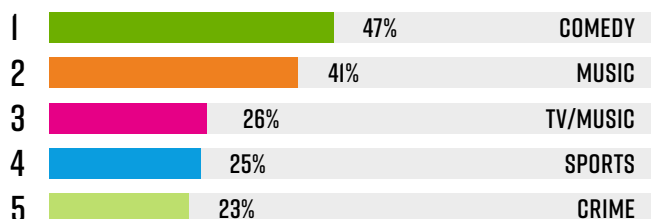
This group appreciated and understood “new media” and technology as it was rolled out, from the dotcom boom to smartphones.

They're used to - and cope with - media fragmentation, and they're also wise to brands that wrap themselves around content like poorly applied sticking plaster.

For any advertiser, using any channel, they're a vital audience. They're youthful enough to be aspirational alongside their media cynicism.

#### PODCAST PICKS BY GENRE

##### 25-34 YEAR OLDS



SOURCE: 4DC

#### AVERAGE SPEND PER MONTH/YEAR

CATEGORY	25-34 AVERAGE	OVERALL AVERAGE	DIFFERENCE
Takeaways	£ 28.85	£ 26.00	11%
Music Subscription	£ 10.60	£ 7.76	37%
TV/Film Subscription	£ 23.76	£ 25.61	
Magazine Subscription	£ 7.13	£ 5.53	26%
Alcohol	£ 30.91	£ 33.23	
Health Insurance (Annual)	£ 227.10	£ 194.63	17%
Furnishings (Annual)	£ 585.02	£ 510.50	15%
Supermarket Shop	£ 148.45	£ 169.42	
Clothes	£ 42.97	£ 41.59	3%
Tech (Annual)	£ 579.05	£ 542.52	7%
Holidays (Annual)	£ 1354.39	£ 1702.19	
Fitness	£ 15.25	£ 12.38	2%
Dining Out	£ 44.03	£ 44.88	

SOURCE: 4DC



#### THEY ARE THE MOST TRUSTING OF PODCAST CONTENT

**12% LISTEN TO A PODCAST EVERY DAY**  
THE HIGHEST % OF ANY AGE GROUP

**46% WOULD LISTEN TO PODCASTS THROUGH A SMART SPEAKER**  
IF IT MADE RECOMMENDATIONS

**38% PREFER NON-MEDIA BRANDED PODCASTS**  
(THE HIGHEST PROPORTION)

**THEY ARE THE LIKELIEST TO APPRECIATE ADS IN EXCHANGE FOR FREE CONTENT** - 57% ARE HAPPY WITH THE TRADE;  
BUT ALSO LIKELY TO STATE ADS RUIN PODCASTS

**THEY ARE THE MOST LIKELY TO SUBSCRIBE** TO AUDIO CONTENT OR MUSIC (44%)

**29% HAVE BOUGHT A PRODUCT THEY HEARD ABOUT ON A PODCAST**  
SPONSORSHIP MESSAGE; 25% DUE TO ADVERTISING

**JOINT LEAST LIKELY TO ALWAYS SKIP PODCAST ADS** (28%)

**THEY WOULD COMMIT THE MOST TO A PODCAST SUBSCRIPTION**  
AT £4.24 ON AVERAGE

#### FINANCE FOIBLES

**26% ARE ALREADY PUTTING AWAY MONEY FOR THEIR RETIREMENT**  
THE SECOND-HIGHEST PROPORTION OF ANY GROUP AFTER 45-54s.  
33% HAVE A PENSION

**£174 SAVINGS PER MONTH**  
APART FROM 55 AND OVERS, THEY SAVE THE MOST:

**31% HAVE A MORTGAGE**: BANG ON THE AVERAGE





# PODCAST LISTENERS' PURCHASE POWER

## UNIVERSAL APPEAL:

### LISTENERS AGED 55+

Far from being left behind by technology, older consumers have been spurred on to try new things by their relatively comfortable lifestyles and, for retirees, having time on their hands to develop their passions.

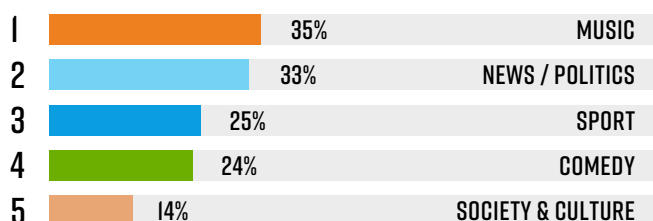
They apparently hold the nation's wealth and they're not averse to spending it. They've embraced e-commerce.

This group represents a great opportunity to build brand sales across many categories and channels, including podcasts. Ignore their monetary might at your peril.

#### PODCAST PICKS BY GENRE



55+



SOURCE: 4DC

#### AVERAGE SPEND PER MONTH



CATEGORY	55+ AVERAGE	OVERALL AVERAGE	DIFFERENCE
Takeaways	£ 17.40	£ 26.00	
Music Subscription	£ 2.19	£ 7.76	
TV/Film Subscription	£ 48.80	£ 25.61	90.5%
Magazine Subscription	£ 3.14	£ 5.53	
Alcohol	£ 37.27	£ 33.23	12%
Health Insurance (Annual)	£ 156.39	£ 194.63	
Furnishings (Annual)	£ 400.28	£ 510.50	
Supermarket Shop	£ 198.73	£ 169.42	17%
Clothes	£ 37.36	£ 41.59	
Tech (Annual)	£ 401.41	£ 542.52	
Holidays (Annual)	£ 2370.30	£ 1702.19	39%
Fitness	£ 6.27	£ 12.38	
Dining Out	£ 52.14	£ 44.88	16%

SOURCE: 4DC



ALMOST A QUARTER (24%) DESCRIBE THEMSELVES AS **REGULAR PODCAST LISTENERS**

**JUST 4% HIGHLY TRUST PODCAST CONTENT AT PRESENT**  
- WELL BEHIND MILLENNIALS AND THE AVERAGE

**5% LISTEN TO A PODCAST EVERY DAY**  
THE LOWEST % OF ANY AGE GROUP

**22% WOULD LISTEN TO PODCASTS THROUGH A SMART SPEAKER**  
IF IT MADE RECOMMENDATIONS

**13% PREFER MEDIA-BRANDED PODCASTS**

**38% ARE HAPPY WITH THE TRADE-OFF BETWEEN ADS AND FREE CONTENT**

**47% SUBSCRIBE TO TV/ENTERTAINMENT PACKAGES**  
BUT JUST 14% SUBSCRIBE TO MUSIC SERVICES

**10% HAVE BOUGHT A PRODUCT THEY HEARD ABOUT ON A PODCAST**  
SPONSORSHIP MESSAGE; 10% DUE TO ADVERTISING

**JOINT MOST LIKELY - WITH GEN Z - TO ALWAYS SKIP PODCAST ADS (35%)**

**THEY WOULD COMMIT £3.84 ON AVERAGE TO A PODCAST**  
**SUBSCRIPTION**

#### FINANCE FOIBLES

**22% ARE INVESTING FOR THEIR RETIREMENT**  
THE SECOND-LOWEST PROPORTION OF ANY AGE GROUP

**77% HAVE A SAVINGS ACCOUNT** (THE HIGHEST PROPORTION),  
BUT ONLY 65% HAVE A PENSION

**THEY MANAGE TO SAVE THE MOST:** NEARLY £188 PER MONTH,  
£20 PER MONTH ABOVE AVERAGE

**LESS THAN A FIFTH (19%) STILL HAVE A MORTGAGE TO PAY OFF**





04

# TAKING ACTION



## TAKING ACTION

# POSITIVE ACTION



**PETER MITCHELL**  
CO-FOUNDER - 4DC

Now we've witnessed the spending power of the A-list(en)ers, it's time to understand how to get them to take action. Ultimately, that means driving consumers through the brand sales funnel.

With just a fifth of consumers saying they don't want to hear ads or sponsorship in podcasts, brands should seize the commercial opportunity. The trick is when to include messages so they don't intrude on the audience's enjoyment.

Far from falling on deaf ears, in-podcast advertising and sponsorship is broadly welcomed by listeners. Recall is staggering for a maturing channel: many jot down and research the brands mentioned and others are prompted to buy almost straight away.

Podcast listeners also told us they would be willing to spend to access premium programming, whether that's in the form of paying to go ad-free or signing up to a subscription service. The likes of Luminary are taking a Netflix-style approach, offering what they deem "premium content" at an affordable monthly cost.

This is all part of the trend towards podcasts becoming a normal part of people's content consumption. Yet that doesn't mean the medium should lose its edge.



# 59%

**WOULD BE WILLING TO  
PAY A SUBSCRIPTION  
FOR AD-FREE CONTENT**



# POSITIVE ACTION



**57%**

**TRUST THE ADVICE  
AND INFORMATION  
GIVEN BY PODCASTS**



**50%**

**WILL PICK A PODCAST  
IF THEY HAVE HEARD  
OF THE PRESENTER**



The cult of podcasting took off because it harnessed the commute and our love affair with smartphones. But it has also moved the needle on the way mainstream messages are pumped out by brands every day.

What's interesting is that as the podcast phenomenon grows listeners seem happy for brands to come along for the ride - rather than indicating a subversive attitude towards advertisers.

In the US, podcast producers have for a while been wise to the power of bringing celebs to the mic to drive their content. As embryonic as this movement might be in the UK, it's definitely happening. This is something we'll explore further in the following pages.

As ever, brands must tread a fine line to make the most of this emerging opportunity. Knowing exactly when to advertise and at what point the message becomes a turn-off is crucial.

Finding the right talent to match the mood of A-list(en)ers is one of many elements advertisers must get right to maximise the value of podcast listeners. As they adopt podcasts into their media routines in greater numbers, understanding their turn-ons and turn-offs will be the difference between marketing that bombs and soaring ROI.



# PODCASTING'S EFFECTIVENESS

## HOW DO PODCAST LISTENERS FEELS ABOUT IN-PROGRAMME ADVERTISING AND SPONSORSHIP?

In a bid to understand how the podcast listener feels about - and follows up on - in-programme advertising and sponsorship, we asked a series of questions about what those messages prompt them to do, and precisely when they do it.

A major finding is that almost half (46%) listen to brand-funded podcasts (though a further 35% say they wouldn't know how to identify one). Of those who do, the highest proportion (47%) are keen on a balance between media brand-owned and non-media brand-owned podcasts. The key question now is whether those brands are able to effectively measure their investment in podcasts and the value they provide. Strong ROI is clearly achievable but not always demonstrated.

Further value is revealed in our data. Just a fifth of listeners say the inclusion of marketing messages is negative, outweighed by the 23% who say it's positive. Only 12% are unhappy with the trade-off between advertising / sponsorship inclusion and receiving free content.

It's vital not to interrupt someone's enjoyment at the wrong time, but just as crucial to understand the effect the message placement will have. Sponsorship, for example, might be more acceptable to listeners than in-reads by presenters or brand spokespeople; but the latter follows more precisely the tried and trusted principles of direct response. The message can last longer and be more effective.

### WHAT DO YOU THINK OF ADVERTISING IN PODCASTS?



**24%** THEY ARE NECESSARY

**11%** THEY IMPROVE THE LISTENING EXPERIENCE

SOURCE: 4DC



### OF THOSE

**47%**

LIKE A BALANCE BETWEEN MEDIA  
BRAND-OWNED AND NON-MEDIA  
BRAND-OWNED PODCASTS





# PODCASTING'S EFFECTIVENESS



## HAVING A PERSONAL INTEREST IN THE BRAND ALIGNED TO THE PODCAST IS A CRUCIAL FACTOR

The A-list(en)ers are media savvy. They were keen to share their preferences of the types of ads they are willing to put up with. Importantly, they also indicated when in a programme these messages should appear.

We also asked for ad type preference for people listening during leisure time: 38% said advertising suited them best; 22% want presenter-read ads and 6% preferred an identified brand spokesperson to read out the message.

There is a rising preference to hear advertising messages at the beginning of the show. This fits with listeners' general ad acceptance; they're not averse to brands identifying themselves as being aligned to the content from the get-go. It's becoming critical not to interrupt their enjoyment.

For listeners, there are three key aspects of commercial messages - whether sponsorship credits, standalone ads or brand credits - that hit home. Having a personal interest in the brand aligned to the podcast is the most important, with around a fifth of listeners to each type of message saying this makes ads more memorable. Relevance is key.

## OFF MENU



# PODCASTING'S EFFECTIVENESS

## WHAT LISTENERS DO NEXT

Compared to other channels, recall is huge: 28% have noted down a brand name they heard in a sponsorship ident, and a further 26% would do so.

While 26% have jotted down a brand name following an ad, brands that are discussed during the show are the most likely to be written down by listeners (31%).

A decent proportion claim they would then go on to research the brand: 56% of brands named as a sponsor, 55% of those advertised and 63% of brands discussed (when "I wouldn't jot down" is removed for each option).

Positively, a majority say they research the brand mentioned immediately (16%) or straight after the podcast has finished (40%). Making the product or service easy to find online - perhaps even mentioning the relevant website - is vital.

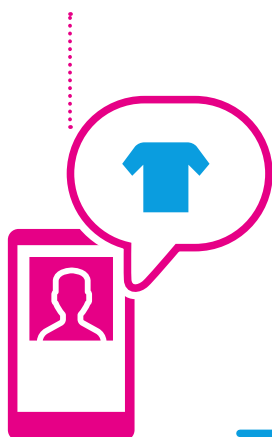
Already, 22% of listeners have bought at least one product they heard being discussed on a podcast, while a fifth have also purchased as a result of advertising or sponsorship (20% in each case). Similarly, around a fifth bought the exact product being described.

If evidence of the selling power of podcasts is still required, consider this: 25% of listeners have bought at least one product from a featured brand while listening, or just after the programme had finished. Around one in six buy the next day.

Overall, listeners' habits underscore the value of podcasts for driving people through the funnel: either pushing them directly to a sale or promoting indirect purchases following a period of research and consideration.

### 31%

WOULD WRITE DOWN BRANDS DISCUSSED DURING A PODCAST



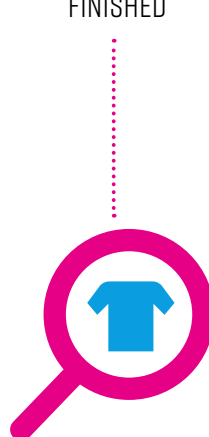
### 28%

HAVE NOTED DOWN A BRAND NAME THEY HEARD IN A SPONSORSHIP IDENT



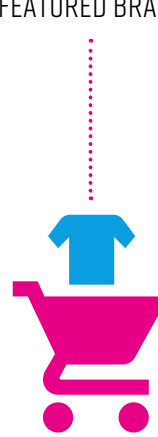
### 40%

RESEARCH THE BRAND MENTIONED STRAIGHT AFTER THE PODCAST HAS FINISHED



### 25%

OF LISTENERS HAVE BOUGHT AT LEAST ONE PRODUCT FROM A FEATURED BRAND



# A VIEW WORTH SUBSCRIBING TO

Not only are podcast aficionados surprisingly keen on ads, they are up for a subscription model. 59% would be happy to pay towards decent content at an average of just over £4 per month; getting on for £50 per year. In general, almost three quarters (74%) of listeners have signed up for at least one subscription.

The subscription economy is growing so fast that many brands see it as the new Holy Grail of marketing. In 2018, the UK market for delivery subscriptions broke through the £2bn barrier (source: Retail Times). Think of the benefits: a guaranteed audience making repeat purchases and freely sharing their data to do so.

Netflix is the gold standard of media streaming subscriptions. It has now reached nearly 160 million memberships globally by the end of Q3 2019 (source: Statista<sup>4</sup>). Netflix is so successful at building its customer base that it has persuaded Amazon, Disney and Apple to take a bite of the streaming-by-subscription market.



**THE SUBSCRIPTION ECONOMY IS GROWING SO FAST THAT MANY BRANDS SEE IT AS THE NEW HOLY GRAIL OF MARKETING**

SOURCE:

<sup>4</sup> <https://www.statista.com/statistics/250934/quarterly-number-of-netflix-streaming-subscribers-worldwide/>



## TAKING ACTION

# A VIEW WORTH SUBSCRIBING TO

Look further afield and it's a similar picture. Brands in multiple categories are taking to a subscription model. From Abel & Cole to Hello Fresh in grocery to Dollar Shave Club and Harry's in male grooming, it is clearly paying dividends.

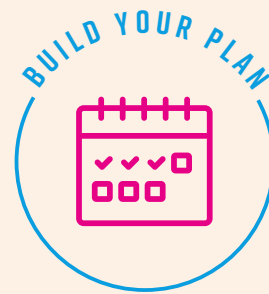
In the media space, several of the mainstream newspapers (not to mention a swathe of trade publications) are now behind paywalls: The Times, Daily Telegraph and FT leading the way. Proving the sceptics wrong, they have already built a loyal following among their reader-subscribers.

So there's no reason why subscriptions should be a bad thing for podcasts. In fact, as listeners are already au fait with the value exchange of data and attention in return for great content, it could be the main driver of further growth. Not to mention a healthy new revenue stream for brands. Each subscriber you add is more than just a listener: they are building podcasts as a powerful distribution channel.

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**LISTENERS ARE ALREADY AU FAIT WITH THE  
VALUE EXCHANGE OF DATA AND ATTENTION IN  
RETURN FOR GREAT CONTENT**

---





# TALENT INVASION?

## WE BELIEVE IT'S ONLY A MATTER OF TIME BEFORE CELEBRITIES BEGIN TO DOMINATE AT THE MIC

Believe it or not, celebrity brand endorsement has been around for more than a century. Mark Twain put his name to a pen in the early 1900s; Doris Day bizarrely advertised steam-rollers in the 50s; Michael Jordan became as famous off the basketball court with Nike in the 1980s as he was while playing.

These days, a major slice of endorsement lies in the hands of entertainment megastars from Ariana Grande to Brad Pitt. Many brands are equally happy to cross the palms of a growing online army of influencers to promote their products on YouTube and Instagram.

As podcasting matures, we believe it's only a matter of time before celebrities begin to dominate at the mic. It's already happening in the US: Shortlist named Oprah's SuperSoul Conversation, Snoop Dogg's GGN Podcast, The Big Podcast With Shaq and Ru Paul: What's The Tee With Michelle Visage among its top picks in summer 2019<sup>5</sup>.



Our money is on the UK podcast channel soon becoming home to many celebrity-fronted broadcasts. Brands are linking the value of spending extra budget on famous voices, just as they have courted celebrity endorsement in established channels from TV to press ads.

Presenter Fearne Cotton launched her podcast Happy Place in 2017, while former Doctor Who actor David Tennant and ex-England footballer Peter Crouch and are among those who've gone on air this year.

We're already seeing a clamour for celebrity among podcast listeners. In the previous survey, 17% said they preferred a celeb to present podcasts; now a quarter prefer it. Additionally, half of all podcast listeners state knowing the presenter is important when finding new content to listen to.

One thing worth noting in the rush to select celebs: just over half of listeners (51%) still rate a subject specialist as one of the best to present a podcast, and 57% say they would trust a brand more if their programme featured an expert.



SOURCE:

<sup>5</sup> <https://www.shortlist.com/lists/best-celebrity-podcasts-400701>



**4dc**

The Podcast Strategists

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# POWER PODCASTS



## THE JOE ROGAN EXPERIENCE

Number one in the subscriber charts for 2019, according to Pocket Casts. Earlier this year, the global podcast listenership was estimated at 1.5 billion by Twitter. The podcast, a free audio and video programme hosted by US comedian, actor, sports commentator, martial artist and television host Joe Rogan, was launched in 2009 by Rogan and comedian Brian Redban. It has now reached almost 1,400 episodes.

## OPRAH'S SUPER SOUL CONVERSATIONS

Oprah Winfrey's popular podcast promises listeners will "awaken, discover and connect to the deeper meaning of the world around you with SuperSoul. All designed to light you up, guide you through life's big questions and help bring you one step closer to your best self".

The show includes Oprah's interviews with thought-leaders, best-selling authors, spiritual luminaries, as well as health and wellness experts. It has featured many guests, from Lady Gaga to Malcolm Gladwell.

## DAVID TENNANT DOES A PODCAST

The celebrated actor's show has featured guests like Jon Hamm, James Corden and Tina Fey. Each episode lasts close to an hour and the tone is entertaining, funny and full of gripping stories.



# MEASUREMENT

60%

YEAR-ON-YEAR GROWTH  
OF ADVERTISING SPEND  
THROUGH THE CHANNEL  
PREDICTED



The business of podcasting is booming: it's predicted there will be 60% year-on-year growth of advertising spend through the channel. The next thing marketers will rightly want to know is: how do we measure it?

We view listener measurement with the attitude that all factors count. Frequency and length of listen; genres consumed; the amount listeners spend: everything's important.

We describe the value equation as:

Audience size x attention span (duration) x action  
= communications benefit

The outcome is often considerably greater than the sum of its parts.

We've developed in-house tools to prove to brands what works and what doesn't.

Our Podcast Intelligence research is one such tool. We use it to track and map brand sentiment. It offers key take-outs that highlight where a brand's key messages are reaching listeners.

The A-list(en)ers' interest in subscribing to podcasts will prove invaluable fuel to demonstrate the power of podcasting. Subscribers effectively become a bespoke audience of opted-in consumers who are happy to engage with a brand's content.

The better and more relevant the content, the bigger the audience and the greater their engagement.

Ultimately, the effectiveness of that content can be quantified through direct and indirect sales, and a range of other measures including listeners reviews and chart rankings.

That's gold dust to brands joining the podcasting gold rush.



# OUTRO

Thank you for reading our latest examination of A-list(en)ers. This growing army of podcast fans are educated, engaged, enthusiastic and entirely open to a commercial value exchange with brands.

Podcasts are rapidly becoming mainstream media. It's an intimate entertainment format that offers a unique opportunity for brands to speak with greater relevance to their target audience.

Longer messaging can be discussed. Celebrities can enhance the conversation. Expert speakers are building trust in the channel. All of these factors will drive increased direct and indirect sales.

As podcasting matures, many of our A-list(en)ers would willingly take the next step and sign up to a subscription. That can be the fuel that continues to propel the medium's rapid growth.

By providing quality content and knowing when to include commercial messages, brands can gain great value from the newly established business of podcasting.

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**WE HOPE YOU ENJOYED GETTING TO KNOW THE A-LIST(EN)ERS  
- WE LOOK FORWARD TO NEXT TIME**

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# PODCAST GLOSSARY

## BACK CATALOG

Previously recorded podcast episodes

## CPM RATE

Cost per mille (CPM) Cost per thousand listens/U-FR's. In podcasts it's the average CPM rate according to sources is approximately £20-£35. Some popular and well produced shows are seeing CPM's up to £100.

## EVERGREEN CONTENT

Content that is sustainable and lasting, remains relevant over time.

## INSERTION ORDER

An insertion order is the final step in the ad proposal process. When signed, it acts as a commitment that the advertiser will run a campaign or ad spot on the podcasters podcast. Our platform automatically takes care of this for you.

## LIVE READ AD

Podcast host reads your ad live during his/her show. In most cases your ad will be permanently recorded.

## MID-ROLL AD

The ad gets mentioned during the middle of the podcast.

## NATIVE ADVERTISING

Type of advertising , usually online but feasibly elsewhere, that matches the form and function of the platform upon which it appears which in our case is podcasts.

## POST-ROLL AD

The ad gets mentioned near the end of the podcast.

## PRE-ROLL AD

The ad gets mentioned at the beginning of a podcast.

## PROGRAMMATIC ADVERTISING OR DYNAMIC AD INSERTION TECHNOLOGY

Programmatic advertising typically refers to the use of software to purchase and insert ads in a particular medium, as opposed to the traditional process that involves human negotiations and manual insertion orders. It's using an ad server to buy and insert ads.

## RSS FEED

An individual link you'll get from your media host when you sign up with them. This is where you'll upload your podcast episodes so that you can submit your podcast to various directories easily.




## UFR

Unique file requests, essentially what we call a listen.

TO CREATE THIS REPORT, 4DC COMMISSIONED PROPRIETARY RESEARCH. THE RESEARCH WAS CONDUCTED BY OPINION MATTERS, WITH 3,103 RESPONDENTS (1,100 NON-PODCAST LISTENERS AND 2,003 PODCAST LISTENERS) AGED 16+ IN GB BETWEEN 11.10.2019 - 23.10.2019. THE SURVEY WAS CONDUCTED FROM A RANDOM SAMPLE OF UK ADULTS. OPINION MATTERS ABIDE BY AND EMPLOY MEMBERS OF THE MARKET RESEARCH SOCIETY WHICH IS BASED ON THE ESOMAR PRINCIPLES.



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# ADDITIONAL SOURCES

<https://dma.org.uk/research/customer-engagement-acquisition-and-the-consumer-mindset>

<https://www.ofcom.org.uk/about-ofcom/latest/features-and-news/rise-of-podcasts>

<https://www.businessinsider.com/podcast-discovery-tools-what-to-listen-next-2019-10?r=US&IR=T>

<https://www.statista.com/statistics/250934/quarterly-number-of-netflix-streaming-subscribers-worldwide/>

<https://www.shortlist.com/lists/best-celebrity-podcasts-400701>



# 4DC

## THE PODCAST STRATEGISTS

