

• • • *PODCASTS*

THE

(AND
PERHAPS
GREATEST)

NEW

REV

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LATEST ENUE AND PTIONS

YOU DON'T HAVE A STABLE OF PODCASTS?
YOU'RE LEAVING MONEY ON THE TABLE
AND FORFEITING SUBSCRIPTION REVENUE

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y now, your head must still be spinning after a decade of endless sure-fire revenue solutions you've been told you absolutely must have right away:

- A website
- An app
- A tablet edition
- A responsive mobile site
- A bazillion page views
- A pivot to video
- An ad studio
- A pop-up shop
- A native ad team
- An in-house events team
- A hard paywall (or flexible wall or registration wall)

Aside from the proven value of responsive mobile sites and paywalls (see the chapter on revenue models), all of the above have, well, underwhelmed. Even websites nearly bankrupted us as we used them to commit the original sin of media: We gave our content away for free!

So, while we hate to add yet another sure-fire silver bullet, this one might actually be the real thing.

Podcasts.

Podcasts are not the be-all and end-all solution, but they could be a very important arrow in your quiver of revenue models.

If you go by statistics alone, the arguments for podcasts as a fast-growing, relatively inexpensive, extremely effective, lucrative revenue source and subscription-driver are hard to dispute.

“Podcasting shows explosive year-over-year growth,” stated the authors of the 2019 Edison Research study. In the US alone, the number of individuals (over the age of 12) who have ever listened to a podcast crossed 50% for the first time. The study found that 32% listen monthly, compared to 26% last year.

That increase is the largest since the data has been tracked.

Another study by podcast measurement company Chartable found 23-25% of US adults listen to podcasts daily or a few times a week. Using the latest US Census data, Chartable concluded that translates into roughly 60 million people listening a few times a week or more, and

91 million people listen at least once a week.

Globally, podcasts are also rapidly gaining traction, in some cases more dramatically than in the US. In the first quarter of 2019, the percent of respondents to a Reuters Digital News Report study who had listened to a podcast in the past month showed four countries surpassing the US podcast audience at the time, and seven other countries with rates over 20%:

- 58% - South Korea
- 40% - Spain
- 37% - Ireland
- 35% - Sweden
- 35% - United States
- 30% - Italy
- 29% - Canada
- 27% - Australia
- 25% - France
- 23% - Japan
- 21% - Germany
- 21% - United Kingdom

In March 2019, of the five fastest growing countries in terms of podcast use, four were Spanish speaking. Chile leads the group with a growth rate of 83.95%, followed by Argentina (55.28%), Peru (49.1%), Mexico (47.84%) and lastly China (43.62%), according to audio tech company VoxNest.

Not only are vast numbers of podcast fans listening, but they are also listening A LOT, consuming multiple episodes in one sitting and listening for previously unheard of lengths of time!

The Edison Share of the Ear report found that the average listener consumes seven podcast episodes a week, which is also increasing over time.

Beyond their voracious appetite, listeners are also committed. We've all heard the witticism that the human attention span has shrunk to less than that of a goldfish (reputed to be eight seconds).

Not the podcast listener.

According to the 2018 Infinite Dial Report, the average podcast listener finishes 80% of a podcast episode (which average nearly 39 minutes, according to podcast.co). Contrast that with a “good” YouTube finishing rate of 50% and viewing time of one to eight minutes, according to Chartable. The average Facebook Watching time is just 23 seconds, according to a study by digital agency Uhuru.

So, we've established the size and dedication of the podcast audience. How about the market opportunity?

WHAT TYPES OF ADVERTISING WORK WITH PODCASTS

The sudden explosion of podcast popularity has caught advertisers by surprise.

“Marketers are starting to realise there are a lot of people listening to podcasts, and thinking, ‘Let’s figure out how to best advertise in them,’” PwC Partner David Silverman told AdExchanger.

So, what’s working?

Branding is getting to be a bigger player on podcasts. Brand awareness ads made up 38% of all podcast campaigns last year, up from 29% in 2017, according to the Interactive Advertising Bureau and PwC’s Podcast Ad Revenue Study released in June 2019. Branded podcasts accounted for 10% of all campaigns in 2018, compared to 6.5% the year before.

The default approach to advertising on podcasts — direct response campaigns — are falling from favour, accounting for 51% of podcast ads in 2018, down from 64% in 2017 and 73% in 2016, according to the report. With the increasing focus on brand advertising, the primary pricing method is becoming CPM, with 86% of buyers using it versus the direct-

response metric of cost per action, which has very quickly fallen out of favour.

“Podcasting had been so significantly used by direct response advertisers in the past,” Silverman said. “But being associated with a particular podcast or host is good branding, so it offers a lot of good attributes for companies promoting a product.”

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The report also found that pre-produced, dynamically inserted ads gained share. Almost half of all podcast ads (49%) were dynamically inserted in 2018, up from 42% in 2017. Still, more than half of all podcast ads (51%) remain static and baked-in, down from 58% in 2017.

The host-read ad is the Holy Grail because it allows the advertiser

to take advantage of the host’s trusted status and relationship with their audience. That said, while host-read ads made up 63% of podcast ads delivered in 2018, that number is down from 67% in 2017 while cheaper and more scaleable pre-produced ads grew from 33% to 35% of all podcast ads last year.

Some observers believe that as a result of podcasting's explosive growth, we've already hit Podcast Saturation or are close to it.

Yes, the existence of hundreds of thousands of podcasts would seem to be overwhelming and a daunting environment for newcomers looking to be discovered.

But consider the fact that there are more than 35 million YouTube channels. In that context, we are a long way from Podcast Saturation.

Given this appealing opportunity to gain revenue and listeners, media companies and individuals are launching new podcasts at a torrid pace. In 2018, an average of 575 podcasts were started every day — that's about one new podcast every three minutes, according to the Edison report.

In June 2019, there were 750,000 podcasts in the Apple Podcasts directory alone, up from

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Tom Standage *The Economist* Head of Digital Strategy

550,000 in June 2018, according to Podcast Insights. Of those 750,000, almost one-third or more than 210,000 of them published their first episode in 2018. Google has reported that it is tracking 2 million podcasts. So a lot of folks still see an opportunity.

Since 2014, the share of time spent listening to spoken word audio has increased 20%, while time spent listening to music decreased 5%, according to Edison Research.

Another driver of podcast growth is mobile technology: 22% of listening to spoken word audio in 2019 is now on a mobile device, compared to 9% five years ago, according to the Edison report. While a majority of podcasts are still listened to at home, the advent of Bluetooth and other connections in the car have made podcasts a key listening tool for end users

while they commute. In fact, Edison's report said that 58% of podcast users claim that they have listened to a podcast in the car.

The market outlook gets better: The average age of the podcast listener is 39 years old and, perhaps more importantly for advertisers, the average salary of the average podcast listener is \$87,000, according to a new study from Nielsen. Apple remains the dominant podcast listening app. Here are the top five:

- Apple Podcasts (and iTunes): 57.9%
- Spotify: 13.1%
- Overcast: 2.8
- Castbox: 2.7%
- Stitcher: 2.3%
- Google Podcast: 1.8%

Aside from rapidly improving technology, what's driving the attraction to podcasts?

For the listener, podcasts are entertaining, provocative, educational, and fill previously uninspiring times of the day (the twice-daily commutes, daily chores, long walks, grocery shopping, etc). Podcasts also become an almost personal relationship. “There's something very intimate about podcasts — you're literally letting an individual into your personal space for 30 minutes,” *Grazia* magazine Editor Hattie Brett told us.

“As such, you develop a relationship with the person who is hosting the podcast and, over time, really come to trust them,” Brett said. “So for media brands, that have been built on developing trust with their readers, it's a natural extension; a way to show a more intimate side of your team to your audience.”

For the media company, it's a relatively cheaply produced revenue-producer and subscriber attraction asset that cannot be poached.

“Podcasts are not like a text story, where a free title [or site] can come along and basically republish it, diluting the value of your paid offering,” Enders Analysis Senior Analyst Joseph Evans told *Digiday*. “If you want a particular podcast, you have to go to the source. And they're a lot cheaper to put together than video, particularly the kind of editorial podcasts that news sites are looking into.”

REVENUE IS FINALLY CATCHING UP TO VIEWING

The podcast ad market is ascendant. Roughly \$479 million was spent on podcast ads in the

US in 2018, which was a 53% increase from \$314 million in 2017, according to the IAB's 2019 Podcast Revenue Report. Looking ahead, podcast advertising revenue is projected to increase to \$1 billion in 2021, according to the IAB.

For example, the *Financial Times* has nine open-access podcasts including "The FT News Briefing," which gets more than 1 million monthly downloads, according to the *FT*. Their average listen-through rate is 75% and 2019 audio ad revenue tripled over 2018, Head of Audio for Commercial Alastair Mackie told *Digiday*.

"There has been so much demand for sponsorship that it more than pays for itself," *Economist* Head of Digital Strategy Tom Standage told the journalism think-tank Nieman Lab. "The big change is commercial, which is that we had advertisers who started to come to us last year and say, 'We are only going to buy two kinds of ads next year: print and podcast. What have you got?'"

As impressive as that number is, the audio market in China (which is dominated by self-improvement audio products) was estimated to be worth around \$7.3 billion in 2018, according to China's Administration of Press, Publication, Radio, Film and Television. What makes the figure even more impressive is that it is focused only on consumers paying directly for audio content online and does not include ad-driven podcasts.

Podcast advertising isn't threatening conventional radio ad spending... yet. Podcast advertising is on double-digit growth trajectory while radio ad growth will begin contracting next year and continue

8 LAUNCH MISTAKES TO AVOID

After all the blood, sweat and tears involved in setting up a new podcast, why blow it at the last minute? Here are the eight mistakes you should avoid on launch day, according to Matty Staudt, the founder and president of podcast consulting and production company Jam Street Media, writing in the *Podcast Business Journal*:

1 Not picking the right RSS feed provider: Check where the feed will automatically send your shows, find out if they are Interactive Advertising Bureau (IAB) compliant, if they do dynamic insertion if you want to sell ads, and what other features they offer like embedded players and websites.

2 Starting your feed without a trailer: Before you launch your first episode, make sure your show is on the major players like iHeart, Spotify, iTunes, and Stitcher and perhaps on Castbox, Overcast, Luminary, etc. It may take a few days for your feed to show up on those platforms, so start with a trailer. When that shows up, you're ready to go.

3 Bad cover art: This is the first impression a potential listener gets. Bad cover art can turn them off before they listen. Make sure it's easy to see on a phone.

4 Poor show descriptions and liner notes: These are the key to SEO (Search Engine

Optimization). Many listeners find podcasts via Google search. Make sure your show description and notes are SEO-friendly.

5 No marketing or budget strategy.

6 Publishing the first podcast episode you produce: Great podcast production is an art. Produce a few shows to learn and go back and revise the first one so it's the best you can offer. You only get one chance to grab a new listener.

7 Not getting good feedback: In radio, there are things called "airchecks". That is when colleagues listen to your show and give you honest feedback. Find colleagues who will be honest and tell you what they think.

8 In radio, there are things called "airchecks" when colleagues give you honest feedback. Find colleagues who will be honest and tell you what they think.

THE PODCAST SUBSCRIPTION TECH CHALLENGE

We're past the point of wondering if people will pay for podcasts. An increasing number of media companies producing podcasts are putting one or more of their podcasts behind some form of paywall. For example, *Slate* has more than 50,000 subscribers to *Slate Plus*, over 70% of whom joined to get access to their premium podcasts, according to the company. But enabling subscriptions is not easy.

There is no simple way to charge for access because Apple, the overwhelmingly dominant podcast directory, doesn't offer podcasters a paid subscription option. (A directory is the place where your podcast is listed and can be accessed versus the platform where it is hosted and lives.)

Nor, sadly, do most of the other directories and podcast hosting platforms that have popped up to service the burgeoning podcasting industry. "The reason paywalled podcasts haven't yet been fully exploited by publishers is because the usual podcast distribution tech doesn't support it very well," Joseph Evans, analyst at Enders Analysis, told *Digiday*.

"You either have to put your podcasts on your own app, so people can't use their own chosen player, or you have to do a weird secret RSS feed workaround, which isn't very user-friendly and can be easily pirated," Evans said. If some of the major podcast player apps, particularly Apple, started supporting subscriber-only shows, it would make a huge difference, he added. Some media companies have put their podcasts within their own mobile app. But even the *New York Times*, which launched its podcast Caliphate in its own app, still ultimately released it on free podcast apps. Sports site *The Athletic* houses several paid podcasts behind its paywall. There are basically three workarounds to be able to get subscriber revenue:

- 1 Create your own hosting platform connected to your app or web page, and channel subscribers through that instead of through a distributor like Apple

- 2 Use distribution platforms like Patreon or Stitcher that allow for donations as a means of gaining access to the podcast or to special subscriber-only episodes of an otherwise free podcast

- 3 Put your podcast on a Netflix-like platform like Luminary. These are third-party podcast apps that charge listeners a flat fee for monthly access to a limited or unlimited number of premium podcasts in their library (Some, like Luminary, also have a free tier).

Let's take them one at a time:

- 1 **CREATE YOUR OWN PLATFORM**
Slate did this, and it admitted it was difficult. But it ultimately succeeded to the point where it now markets that platform to other podcasters.

A UK podcast company, The Anfield Wrap, has 80,000 listeners for its free podcasts and 10,000 listeners paying almost \$7 a month for premium audio content. It decided not to rely on third-party apps but built its own back-end to deliver the paid content via an *Amazon* server.

You and your staff could do this, too, in just two minutes with Do-It-Yourself systems like Sanity... if you understand the following instructions from *HackerNoon.com*: "Sanity is a fully customizable, headless CMS that you can install and get started with within two minutes if you know some basic JavaScript. Just run `npm install -g @sanity/cli && sanity init` to get started." Right. Let's look at option #2.

2 USE DISTRIBUTION PLATFORMS THAT ENABLE SUBSCRIPTIONS OR DONATIONS

One example is the US-based political and humour podcast *Chapo Trap House* which uses Patreon and generates \$145,000 per month in subscription revenue. Another example is distribution company, Anchor (acquired by Spotify in Feb. 2019). They are making money for *Popular Science*'s two podcasts by enabling podcasters to accept pledges from listeners, according to Editor Joe Brown. Substack Audio, another platform that enables podcasters to collect subscription payments, launched in early 2019. The service is a newsletter subscription platform used by writers including American author Matt Taibbi, the author of four New York Times bestsellers, and an award-winning columnist for Rolling Stone. The service emails private podcasts to subscribers.

declining for the foreseeable future, according to research and marketplace intelligence company Magna. In 2019, podcast advertising was a mere a 3% share of the \$16.2 billion US audio ad marketplace, but will comprise an 8.2% share by 2022, according to Magna.

Here are some more podcast growth statistics from Digiday:

- *The Economist* saw a 50% increase in monthly revenue from podcast ads in 2018
- *Bloomberg* reported its top podcasts bring in more than \$1 million per year
- *The New York Times*' "Daily" podcast earned more than \$10 million via advertising
- Sports outlet *The Ringer* said it made more than \$15 million on podcast ad sales in 2018, averaging 35 million monthly downloads

Podcasting "is still growing at a healthy clip and certainly outpacing the overall ad industry,"

AN INCREASING NUMBER OF MEDIA COMPANIES ARE PUTTING ONE OR MORE OF THEIR PODCASTS BEHIND SOME FORM OF PAYWALL.



3 PUT YOUR PODCAST ON A NETFLIX-LIKE PLATFORM SUCH AS LUMINARY

Luminary is offering exclusive podcasts for a flat monthly fee of \$7.99. Publishers ranging from *The Ringer* to *Pineapple Street Media* to *New York* magazine have listed their shows on Luminary. As of press time, it was too early for podcast creators to have reported on the success or failure of this revenue stream. Stitcher is another similar service.

In Europe, new services such as Podimo in Denmark and Majelan and Sybel in France also want to become a "Netflix of podcasting". Like Luminary, they invest in original audio content.

PwC partner David Silverman told AdExchanger. "We see a faster-than-industry growth rate through at least 2021."

Part of the reason for the success of podcast advertisements is listener responsiveness.

According to a 2018 Acast study, podcast listeners scored high in terms of engagement with ads, as well as responsiveness with 76% of listeners saying they've taken action after hearing a podcast ad, which could include visiting a site, making a purchase, or taking out a subscription.

Even though podcasting ad revenue is growing in leaps and bounds, it's still very much a strategy by experimentation.

"We're all testing [paid-revenue methods] to see what actually sticks," Stitcher CEO Erik

Diehn told *Digiday*. “Is it tipping; is it a publisher-by-publisher premium subscriber model; is it the Patreon single show, single-creator-support model; is it a Netflix-type model? There’s not going to be one thing.”

One thing we do know is working are the CPMs.

Economist podcast CPMs are higher than YouTube’s network average CPM rates of between \$2 and \$3, the *Economist*’s Standage told *Digiday*. For other podcasts in the UK with downloads in the six-figure range, podcast ads can command at least a 30% premium on pre-roll video ads, with some low-end CPMs around \$11.84 and the coveted host-read ads getting more than \$40 CPMs, according to *Digiday*.

“CPMs are typically higher than what is seen in the linear broadcast space, due in part to the comparatively small podcast audience and growing demand as more advertisers across more sectors show interest in experimenting with podcasts,” according to Magna’s September 2019 Podcasting Report. “Pricing remains a challenge, as CPMs can range anywhere from \$10-\$25 for pre- and post-roll spots to \$20-\$80 for mid-roll spots to \$70+ for highly sought-after shows.”

For the successful podcasts, the numbers are impressive. For example, Freakonomics Radio, which averages 1.5 million downloads per episode, an advertiser paying \$50 for every 1,000 downloads would result in an impressive \$225,000 payment per episode for three mentions of the advertiser.

The impact of these high CPMs is the rapid growth of podcast ad revenue as a percentage of total media company revenue. For example, National Public Radio in the US, one of the leading podcast producers, is set to see its podcast sponsorship revenues surpass those from broadcast next year for the first time.

Podcasts have been a “huge return on investment for us and a major growth engine for our business,” Deborah Cowan, Chief Financial Officer at NPR, told *WhatsNewInPublishing*.

The story is similar at *Slate*, one of the early entrants in podcasting, where audio could represent “nearly half” of the publisher’s revenues, up from 28% in late 2018, according to *Digiday*. *Slate*’s 30 podcasts generated 180M listens in 2018, a 78% increase year over year.

“You don’t get clients saying they want to be on pre-roll, but you get clients saying they want to be on the *Economist*’s podcast,” MediaCom Head of Investment Charlie Yeates told *Digiday*.

Part of the reason the ad revenue is increasing is the change in the methodology and ease

of placing podcast ads. In the early days, most podcast ads were host-read (a time-consuming process to sell and create, and virtually unscalable). Also, a podcast’s back catalogue was inaccessible. Equally challenging was the process of verification: Checking that the ads actually appeared.

Now, dynamically inserted ads enable brands to create a single ad and place it in large numbers of podcasts in tightly scripted campaigns. Some reports estimate that 48.8% of all podcast ads are now placed programmatically. With this kind of scale, podcast ads are approaching TV and major web platform scale and reach.

What are the podcasting revenue models?

- 1 Advertising
- 2 Virtual summits
- 3 Influencer relationships/joint ventures
- 4 Online courses
- 5 Subscriptions
- 6 Memberships
- 7 Coaching and consulting
- 8 Affiliate marketing
- 9 Services
- 10 Sponsorships
- 11 Re-packaging your content: Books
- 12 Paid public speaking
- 13 Brand extensions (selling your own stuff)
- 14 Repackage/repurpose content
- 15 Live events
- 16 Paid apps
- 17 Crowd-funding
- 18 Intellectual property

Many of these are self-explanatory, but let’s take a look at a few that bear an examination.

VIRTUAL SUMMITS

Virtual summits have all of the same benefits of real summits at a fraction of the cost (for you and for your attendees). Your attendees are already accustomed to and comfortable interacting with you in the virtual world, so this would be an easy format for them. In addition, they don’t have to pay to fly or drive anywhere and aren’t facing all of the attendant costs of food and lodging.

“A virtual summit is a collection of webinar interviews that you conduct over several days,” said Navid Moazzez, creator of the Virtual

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Summit Mastery online service. “As the host, you curate a couple dozen or so industry leaders and sell all-access passes to the event.”

For example, The How I Built This podcast tour has been so successful that National Public Radio in the US created a spin-off small business and entrepreneur virtual conference called the How I Built This Summit.

With virtual summits, you get to:

- Build an email list to use with some of your other revenue models
- Generate additional revenue (and perhaps new sponsors who like the summit format)
- Build the authority of your brands
- Network with leaders in your niche (as speakers)

A NEW HOTEL AMENITY THE PODCASTING BOOTH

On the road? Need to record a podcast episode? No problem... if you're staying at one of the hotels offering the latest in unique amenities: a podcast booth

- At the Los Angeles Mayfair Hotel, guests can reserve a custom recording booth next to a library and a private patio
- If you're at the Ace Hotel in London or Los Angeles, you can borrow in-room recording gear free of charge via a program called Studio A
- Stockholm's very posh Hotel At Six offers a rentable podcast studio.
- In downtown Chicago, Marriott's new Moxy hotel lets guest use its in-house studio free-of-charge

- Create evergreen long-tail content that can also be monetised

ONLINE COURSES

Online courses are another efficient, relatively pain-free revenue model: Once you've done the hard work of creating the course, you can run it over and over and over again.

“Teachable and Thinkific are two online course platforms that you can use to create and host your online courses on with ease,” according to Moazzez.

“Don't try to hit a gigantic home run with your first info-product,” Moazzez recommended. “Keep the project small and make sure it provides incredible value. Think of your first info-product as warming up your audience so that you can up-sell them on your first really big premium course.

“You may even want to consider giving your first info-product away for free,” Moazzez said. “Your audience will feel almost guilty if they don't buy your premium product when it comes out.”

According to Moazzez, here are the benefits of online courses:

- Leverage existing content
- Unlike physical products, there are no shipping hassles
- Unlike affiliate sales, you get to keep all the revenue (unless a partner promotes your course)
- Unlike sponsorships, you don't have to continually hunt down opportunities
- By creating your own course, you guarantee that the content will be highly relevant to your audience
- You'll never run out of stock

SUBSCRIPTIONS

One of the poster children for paid podcasts is *Slate*, a US-based daily web magazine and podcast network.

Slate jumped on the podcast bandwagon long before it was a bandwagon. *Slate* launched its first podcast on July 15, 2005, just five years after the creation of the first rudimentary system that enabled the selection, automatic down-

loading and storage of serial episodic audio content on PCs.

By late 2019, *Slate* was making almost half of its overall revenue from podcast advertising, with total downloads up 39% following a 78% increase in 2018.

In 2014, *Slate* introduced a subscription product called *Slate Plus*, which included benefits such as discounted tickets to live events, and access to web-only content and certain podcasts. A year later, it had attracted 9,000 subscribers generating about \$500,000 in annual revenue. By 2019, the subscriber total was up to 50,000 people paying \$60 a year, or \$3 million. According to *Slate*, 70% of the *Slate Plus* members joined to access the podcasts, which means the podcasts are responsible for \$2.1 of the \$3 million.

In addition to the benefits *Slate Plus* offers, other potential subscriber benefits could include:

- Early access to episodes
- Ad-free episodes
- Access to the back catalogue of episodes

Getting podcast subscriptions to grow is challenging because of technical difficulties associated with any subscription offering. The podcasting world is fragmented with many podcast listing apps offering the service but few offering a paid subscription option. Apple, which dominates market share, does not offer in-app payment functionality (see the sidebar on podcast subscription tech challenges).

One workaround is the growing collection of podcast platforms — Patreon, Substack, Glow — that give podcasters the opportunity to offer personalised RSS feeds to paying subscribers, with those feeds being accessible on most podcast apps.

But subscriptions are not always a good alternative to advertising.

For example, the US-based show, *The Athletic*, uses both approaches. It started with 20 podcasts that were for subscribers only. But as it expanded to 120 podcasts, most were set up to run on a schedule of one free episode per week, plus an additional episode for subscribers only. “Podcast ads fetch \$25 CPMS, making a free-model based on ad revenue more attractive [than subscriptions],” *Athletic* Co-Founder Adam Hansmann told *Digiday*.

Just two months after introducing advertising in late 2019, the advertising revenue stream grew enough in that time to compete with subscription revenue, *Athletic* Audio GM Nick Adler told *Digiday*.

TIPS



- **Audio quality matters:** Invest in good equipment such as mics, pop filters, and sound proof panels.
- **Build genuine relationships with industry leaders and your audience.**
- **Don't be afraid to edit:** Shorter is better. Think you're finished? Edit down again. Experiment with lengths, compare finish-time data, and use the length the data shows is most effective.
- **Build authority:** Associate your podcast with reputable people in your niche and with quality products. Deliver helpful advice.
- **Have personality:** This is theatre in a very real sense. Find someone who connects well with people, and has a voice for radio plus a flair for either the dramatic, or an easy sense of humour, or a visceral tone that oozes gravitas. If it's an opinion podcast, make sure the host is quick, thoughtful, witty, trustworthy, and solid.
- **Address pain points that affect the happiness and well-being of your audience.**
- **Stream through multiple channels —** Apple is still the best way to get your podcast out to the world, but now there are an ever-increasing number of options. There are also services that will distribute your podcast to multiple channels.
- **Provide a ton of free value.**

Figuring out what should be ad-supported and what can support a subscription is a process, internet radio service Stitcher's Diehn told *Digiday*. Further, the formats that typically see subscriptions as a better strategy for monetization are scripted fiction, which may not drive as much advertiser appeal — or niche podcasts that have 10,000 to 50,000 listeners — since there are fewer options for those topics, he said.

MEMBERSHIPS

Memberships are the other side of the subscription coin, but without the hassle of finding or creating a platform to accept payments for podcast access. With memberships, media companies can offer benefits that they can house behind a paywall on their own site.

For example, paying members could access:

- Behind-the-scenes extras
- Live Q&A sessions
- Bonus interviews
- Exclusive community
- Tutorials on subjects relevant to the podcast subject

COACHING AND CONSULTING

This is not a big revenue generator, but it could lead to other revenue streams. Once you've developed your podcast and your studio, even if it's bare-bones, you will still have more podcast-

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Seth Resler Analyst, Jacobs

ing expertise than most people in your niche or geographic market.

You could offer coaching or consulting to aspiring individual or business podcasters, but another more lucrative approach in the long run would be to offer your expertise to advertisers who might want to add podcasts to their marketing, native advertising or branded content campaigns. So, you could make money with the consulting and then with the ad revenues for running their audio content.

AFFILIATE MARKETING

While it might seem obvious, podcasts offer a twist on affiliate marketing that your run-of-the-mill digital content does not: Longevity.

The typical text story or video might gain a few search visitors over time, but podcast listeners are constantly discovering podcasts that might have been running for months or even years... and they often start at the beginning of the series, especially if it's an extended sequential story like *Serial* or a sequential approach to a topic or recipes that relate to a season of the year.

As a result, the affiliate deals you cut months or years ago will still be generating revenue long after their first appearance.

REPACKAGING YOUR CONTENT: BOOKS AND E-BOOKS

You've already spent the time and money to create what your listeners are telling you by their downloads is valuable.

Transcribe the content of your podcasts around a particular topic (recipes, themes, most popular, influencer interviews, geographic locations, tips, etc). Create an e-book and let your listeners know it's available for a fee.

Welcome to Night Vale, a podcast covering strange happenings in a desert community in the southwest US, translated the popularity of its podcast into a novel. When the book became available for pre-order, it became Amazon's #2 title seven months ahead of its October release date.

After that initial success, Welcome to Night Vale released three more novels.

Following on the success of the novels, Welcome to Night Vale released four books featuring scripts

WHY PODCASTS WORK FOR ADVERTISERS

According to the “Audio:Activated” Study, a four-continent research project commissioned by BBC StoryWorks (BBC Global News’s branded content division), podcasts deliver the following results for advertisers:

- Podcast branding messages stand out, with 16% higher engagement and 12% higher memory encoding than the surrounding content, almost 20% higher than radio measures which score 5% lower than content

- 76% of listeners say they’ve taken action after hearing a podcast ad, which could include visiting a site, making a purchase, or taking out a subscription

- 94% of listeners consume podcasts while doing other tasks. This mode of listening elevates engagement with the brand, the study found

- Podcasts are consumed in ways that are additive to the marketing mix

- Podcasts are a particularly effective way to reach ad avoiders

- The language of a podcast creates subconscious associations with the brand

- Podcasts deliver lifts in awareness (+89%), brand consideration (+57%), brand favourability (+24%), and purchase intent (+14%)

Because of the unique way podcasts are consumed — usually whilst multitasking — brands are now able to reach people in what were previously thought to be unreachable moments. This is an enviable commercial opportunity as it is additive to the marketing mix.

from the show as well as commentary, introductions by the authors, and original illustrations.

HOST A LIVE EVENT

Live events can be costly and time-consuming to run. However, if you have an experienced events team that runs events all the time, a live event, even if it’s just you doing your podcast in front of a live audience, will attract paying customers. According to long-time podcaster Robin Kinnie, president of Motor City (Detroit) Woman and Audio Engineers, live shows are:

- A great way to connect with your audience: Live shows give loyal listeners the opportunity to meet you face-to-face and give you the opportunity to learn more about your listeners.
- A new way to monetise your podcast: You can approach your advertisers, offering them the opportunity to meet potential customers in person. You can charge an admission fee. And you can make money

from concessions and the sale of podcast swag (souvenirs).

- A unique way to promote relevant local businesses or nonprofits: If you’re looking for a space to host a live event, consider your advertisers (restaurants, theatres, sports facilities) or partners (museums, nonprofits). The business or nonprofit will probably welcome the traffic and publicity, and might even pay you for the privilege of hosting the event.
- An opportunity to expand your reach by sharing the live podcast on YouTube: Your podcasts are purely audio, but your live shows can be captured on video and shared on YouTube. You not only extend the shelf life of the event but you also expose your podcast to a whole new and massive universe of potential listeners on a platform you’d heretofore been absent from. You can also use the recording as a tool for prospective advertisers.

Many podcasts have picked up on this revenue option: Watch What Crappens, a podcast about Bravo’s reality TV shows, charges \$25 a seat but listeners can also fork out \$200 for a

VIP experience. The true-crime podcast Crime Junkies sold out many shows on its 2019-2020 tour, where tickets averaged \$30 but a premium package that included a private meeting with the hosts went for \$100.

Even with those prices, live podcast events aren't going to be a huge contributor to your bottom line. The revenue is welcome, but their primary value is marketing and promotion.

Apparently, podcast fans are hungry to see their hosts live and in-person. One in five heavy podcast listeners — those who listen more than six hours per week — have attended a live podcast show where the average price was \$42, according to a recent study by MARU/Matchbox and Westwood One.

One of the best podcasts at running live events is Welcome to Night Vale.

The Welcome to Night Vale podcast opened their first live podcast tour in 2018 with two sold-out shows at the Neptune Theatre in Seattle. With tickets priced at \$30 and 800 seats in the auditorium, the podcast brought in just under \$50,000.

The 2018 tour included 20 more shows, including European cities such as London and Berlin and additional US locations. By the time the 2020 schedule was announced, the tour had exploded to more than 50 events in cities across the US and Europe with ticket prices ranging from \$25-\$35.

"While the show often gets 400,000 downloads per episode, touring is more reliable and lucrative," Night Vale Co-Founder Jeffrey Cranor told podcast database company ListenNotes. "Advertisers are fickle."

THE WORLD'S LONGEST PODCAST

The current Guinness World Record for the world's longest audio livestream is 52 hours and was set in 2012 by Turkish radio disc jockeys Cenk and Erdem. In late 2018, nine students from the University of North Texas in the US recorded a 58-hour long livestream in an attempt to break the record. At press time, the Guinness site still listed the Turk disc jockeys as the record holders.

INTELLECTUAL PROPERTY

One revenue source that might not have occurred to you is to convert your intellectual property (your podcast) into movies or television shows. While it's only happened to a small percentage of podcasts to date, it's still a possibility with a potentially lucrative outcome. And it's a possibility expected to soar in the near future with the increasing demand for movie and television series content.

FX recently reached a deal with Sony Pictures Television to turn Welcome to Night Vale into a TV show.

"Increasingly, podcasts are getting turned into properties for other mediums," said Seth Resler, an analyst at US-based media strategy firm Jacobs. StartUp, Sword and Scale, Pod Save America, 2 Dope Queens, Up and Vanished, Lore, Dirty John, Homecoming, Serial, The Bright Sessions, CrimeTown, Alice Isn't Dead, Desus and Mero, Atlanta Monster, Tanis, Limetown, and more have all spawned television shows.

"At CES this year [2019], a panellist in one podcasting session predicted that in the coming years, we will see a quarter of all television shows and movies being developed out of podcasts," Resler said. "As a result, the panellist predicted a boom in scripted podcasts, with the hope that the hits would find a profit in the licensing of intellectual property rights."

One seemingly small but significant development in the recognition of podcasts as a force in media was the announcement in late 2019 of a new Pulitzer Prize audio category. The prize will be awarded "for a distinguished example of audio journalism that serves the public interest, characterized by revelatory reporting and illuminating storytelling," according to the Pulitzer Board.

With all these options for raising revenue and attracting paid subscribers, podcasts are already beginning to contribute to media companies' bottom lines, from single digit percentages of total revenue to nearly half.

"Our current Golden Age of Television started 80 years after the invention of TV," said Chartable Co-Founder and CEO Dave Zohrob. By comparison, the Golden Age of Podcasts only took 15 years from the invention of the medium, and it's just getting started."

So, if you haven't climbed on board yet, there's still plenty of room on the bandwagon. And it's a hell of a lot cheaper, easier, and more immediately lucrative than, say, an in-house agency or building a VR capability. Right?