

# **Podcast's Return on Ad Spend**

**The Effectiveness of Podcast Ads,  
Best Practices to Maximize ROAS,  
and Podcasts' Place in the Marketing Mix**



# Summary & Methodology

Identifying a medium's return on ad spend (ROAS) is tricky, but there have been two studies of this kind for podcasting so far. The first was in 2020, with Podsights identifying a ROAS of \$2.4 for every dollar spent on podcasting. In 2022, Acast and Spotify released a study in Sweden identifying ROAS at \$6.2.

To help identify how effective podcasts are on this metric in 2023, Acast Intelligence ran a study with 250 advertisers/marketers who have spent money on multiple podcast campaigns before. The study was conducted with Attest in May 2023. All study participants work full time jobs, have a household income of over 50K, and live in the USA.

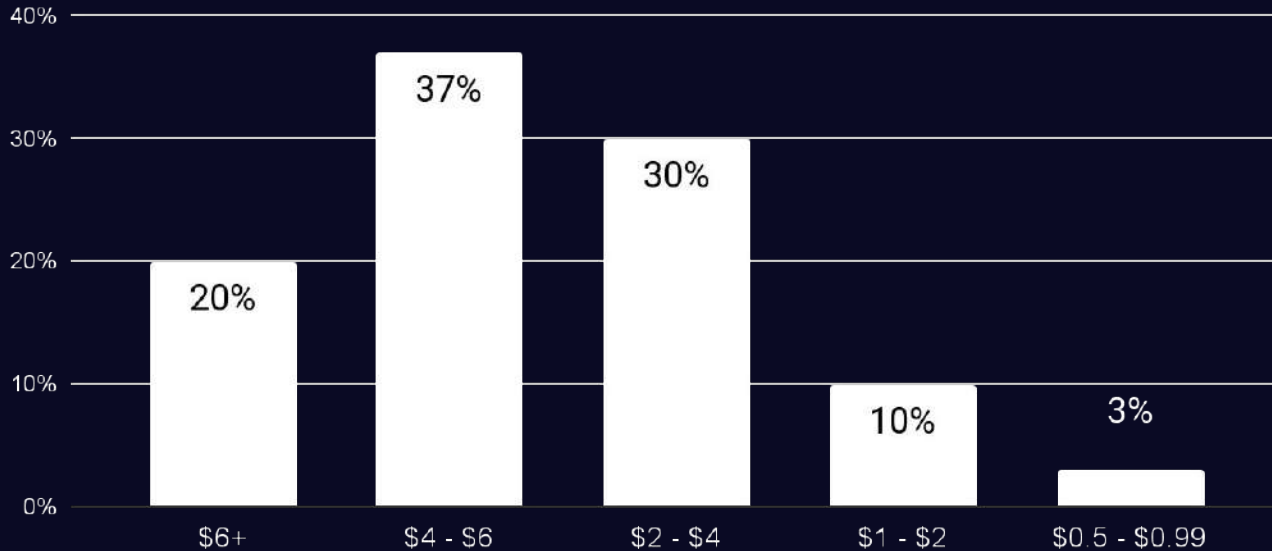
Overall, the study found that most podcast marketers say that \$1 of spend on podcasts returns between \$4 and \$6 and helped identify numerous best practices for advertisers looking to maximize the ROAS of their podcast campaigns.

Data on slide 7 came from a separate USA Acast Intelligence study from 2023 involving five OnePulse studies. Podcast size was determined by the percentage of podcast listeners listening to each of the podcasts in the 5 custom studies.

# Return On Ad Spend

Most podcast advertisers say that \$1 of podcast ad spend returns \$4 - \$6 dollars

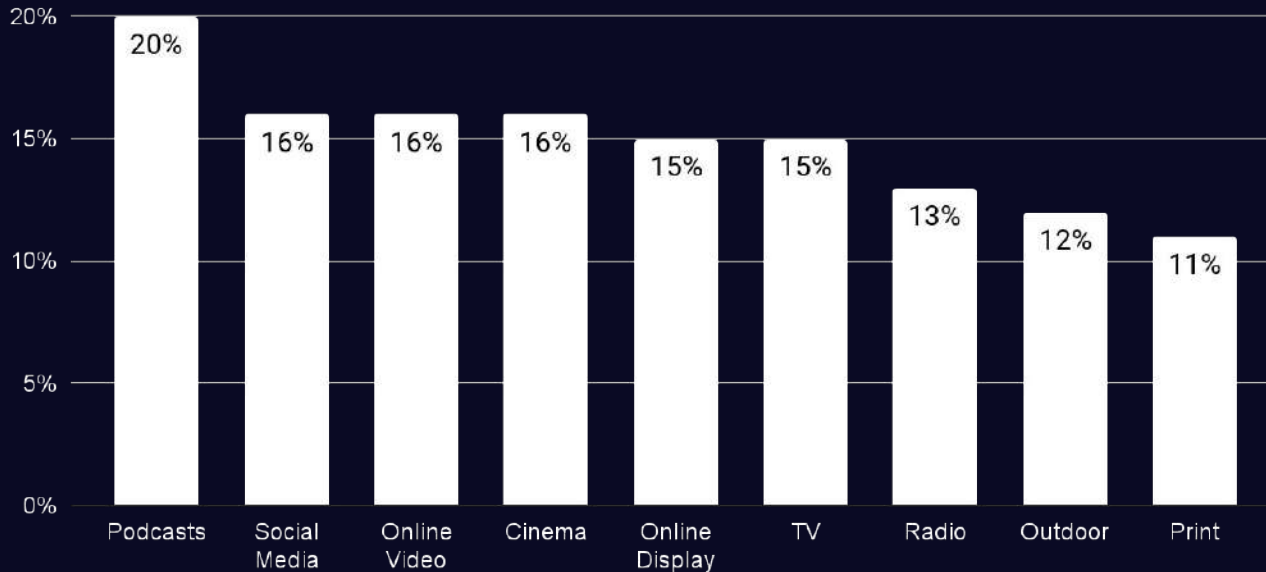
Thinking about return on ad spend - how much do you think \$1 of investment on podcasts would return?



# Return On Ad Spend Vs. Other Media

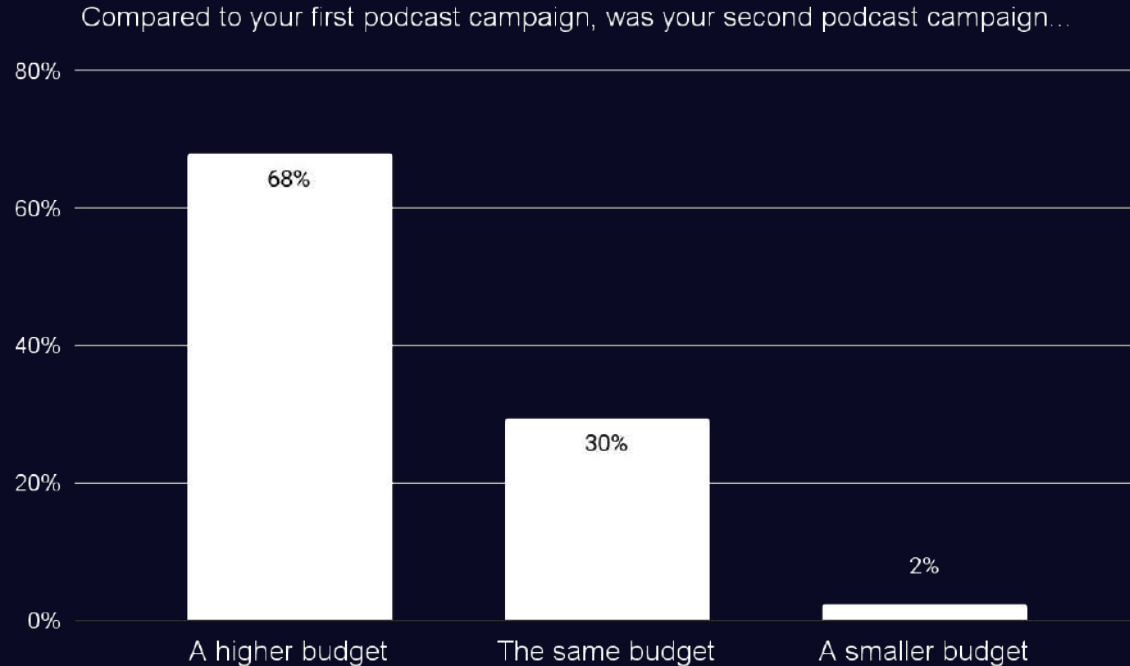
A greater share of marketers say that \$1 spent on podcast advertising is more likely to return \$6+ than \$1 spent on other mediums

Thinking about return on ad spend - how much do you think \$1 of investment on each of the following mediums would return? (% saying \$6+)



# Podcast Budgets

Podcast marketers were 34X more likely to say that their second podcast campaign was at a higher budget than their first campaign, indicating that the first campaign was effective at achieving KPIs

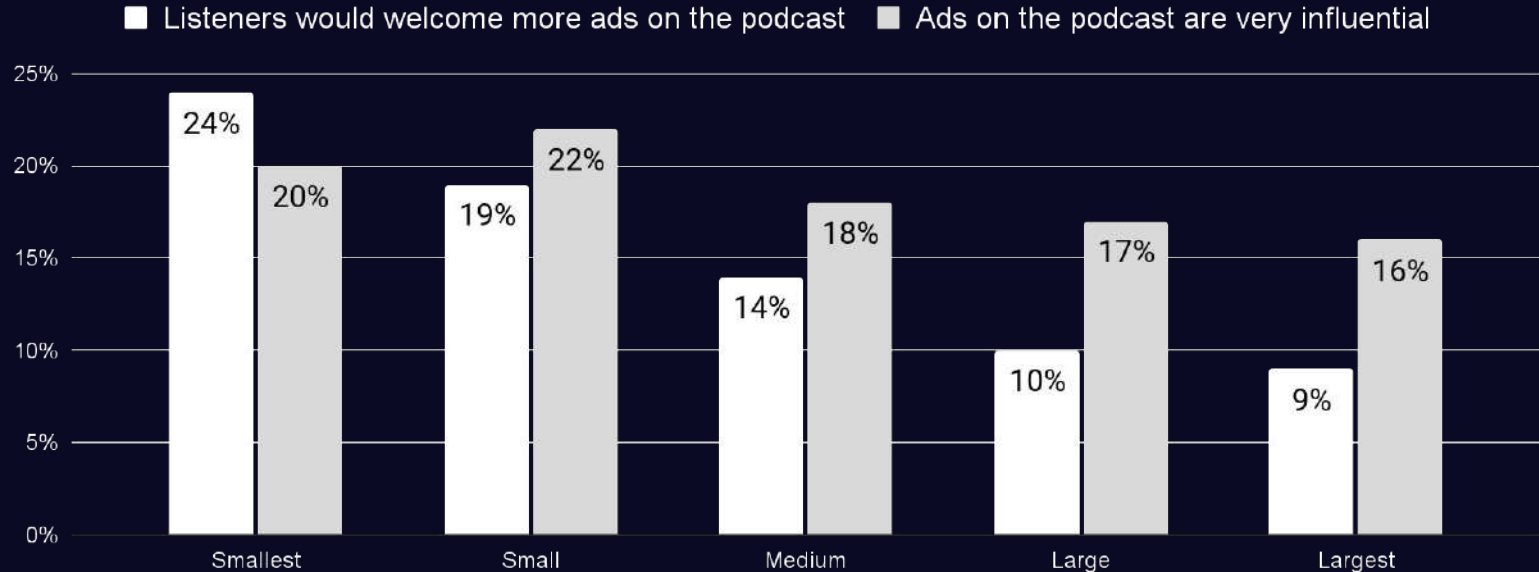


# **Best Practices to Maximize ROAS**

# Ideal Show Size

51% of podcast marketers wrongly think that investing budgets in large shows delivers the best ROAS, vs. only 23% saying investing in lots of smaller shows performs better. Acast research from this year showed that smaller podcasts have a higher percent of listeners saying ads on the podcast are influential and are welcoming of more ads

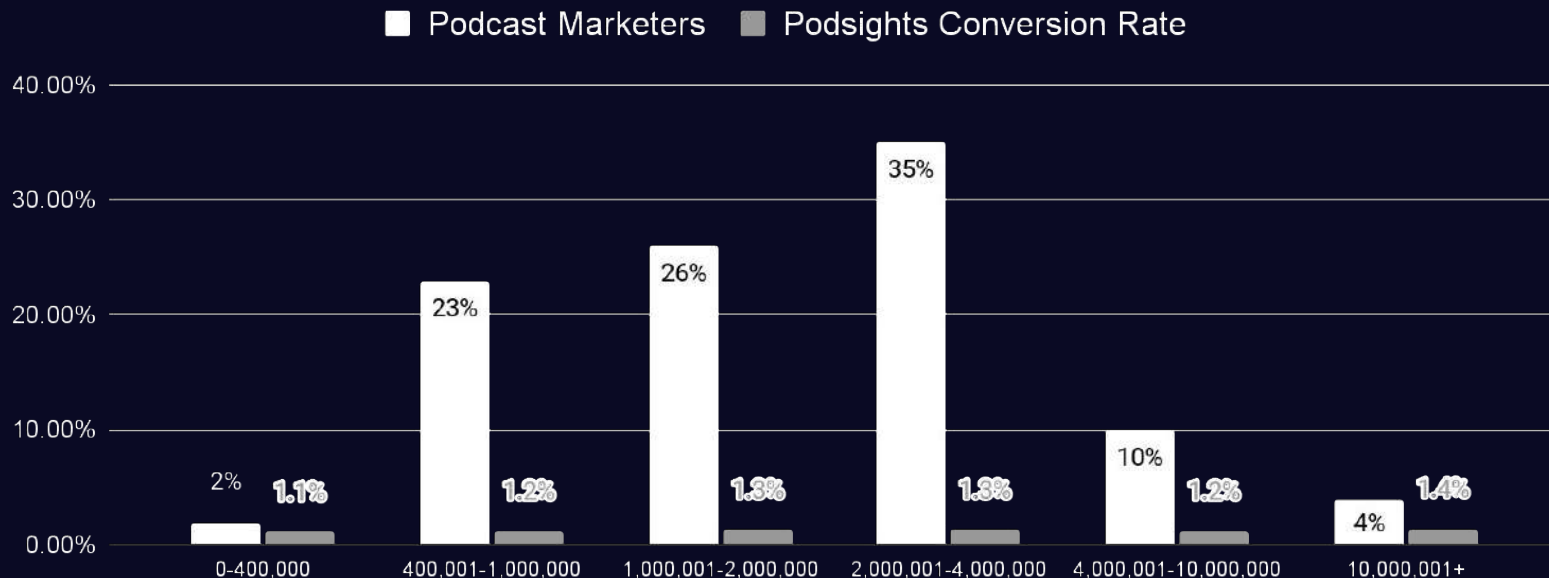
## Size of Show vs. Low Ad Load and Ad Influence



# Optimal Campaign Size

Most podcast advertisers correctly identify 1-4M impressions as an effective campaign size, although campaigns with over 10M impressions generate the strongest conversion rates

In your experience, how large of a podcast campaign (in impressions) is the optimal size to generate the strongest return on ad spend?





# Targeting

Podcast marketers were most likely to say that 1st party data drives the highest ROAS. Surprisingly, contextual targeting was outperformed by interest and demographic targeting, which is counter to what Acast research has found during AB testing

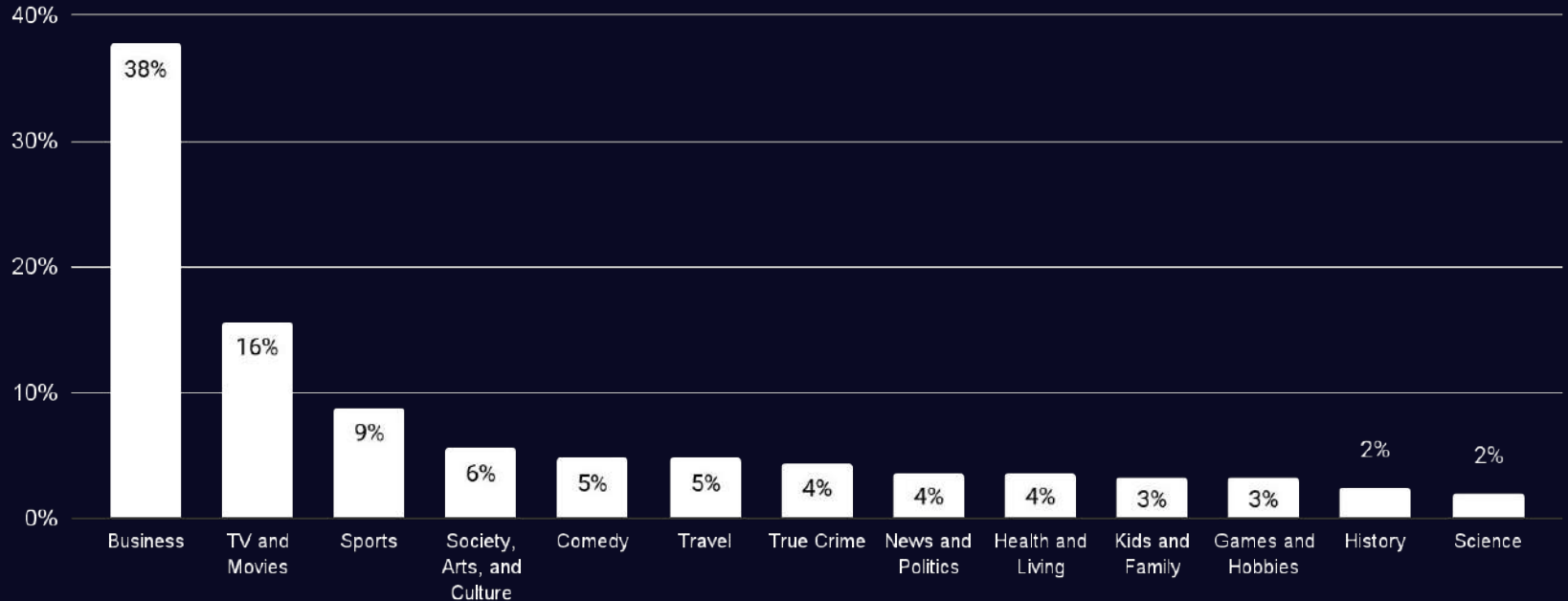
Thinking about return on ad spend - how much would you expect \$1 of investment in podcasting would return using each of the following types of audience targeting?

	1st party data	Contextual based on the podcast	Interest based	Demographic based
6+	17%	13%	16%	14%
\$4 - \$6	30%	34%	33%	40%
\$2 - \$4	36%	34%	36%	34%
\$1 - \$2	15%	16%	13%	11%
\$0.5 - \$0.99	2%	3%	1%	2%

# Top Performing Genres

In podcast marketers' view, advertising on business podcasts returns the best ROAS

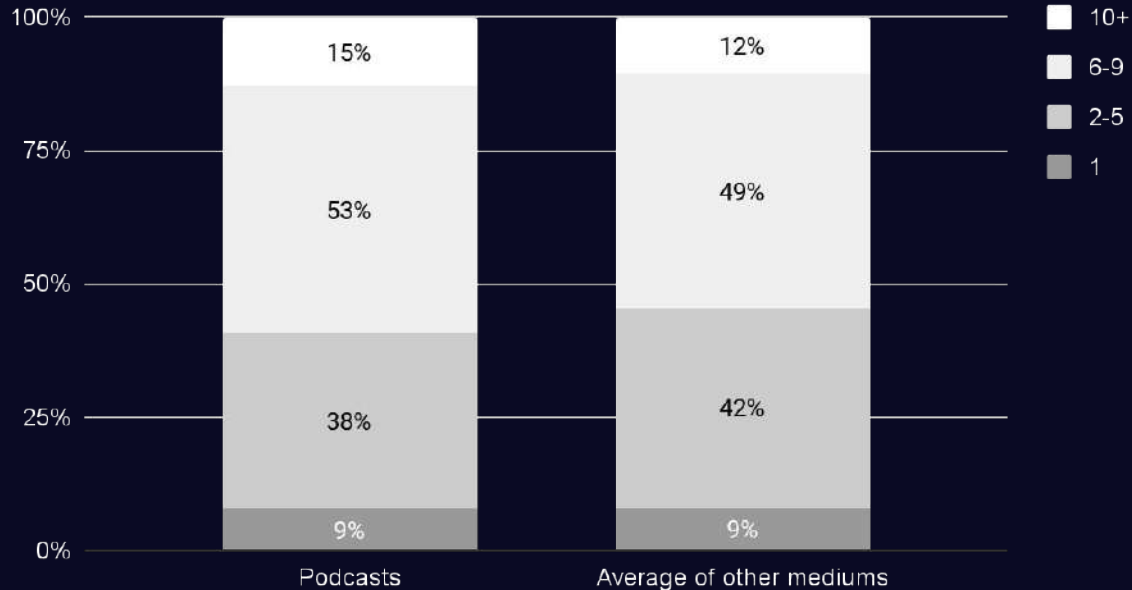
Advertising on which of the following podcast genres do you think generates the strongest return on ad spend?



# Ideal Frequency

Most podcast marketers think that an ideal frequency is between 6 and 9.  
This is higher than Podcasts' stated ideal frequency of 2-5

What do you think the optimal frequency of ad exposure is optimal to generate the highest return on ad investment?



# Podcasts in the Marketing Mix

# Podcast are a Marketing Multiplier

Podcasts pair fantastically well with other forms of media by reaching young and engaged audiences. In combination with most media, most marketers say that podcasts improve the campaign effectiveness by 21% - 40%

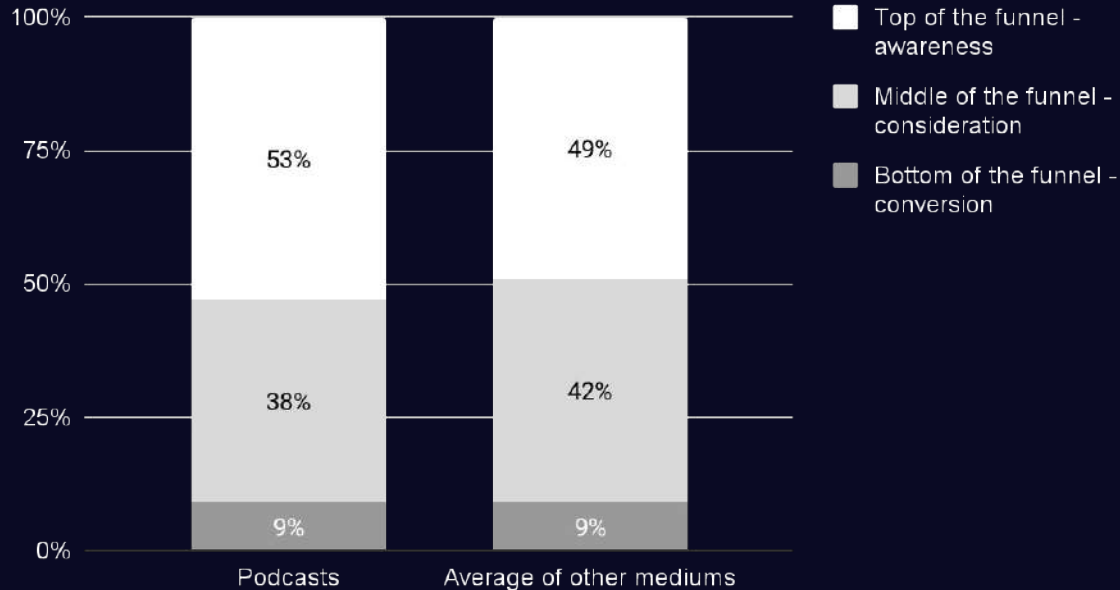
In combination with other media, how do you think overall effectiveness of an advertising campaign is changed by combining podcasts with each of the following types of media?

	Social Media	Online Video	TV	Cinema	Online Display	Radio	Print	Outdoor
Greater than 40% lift	29%	24%	24%	19%	16%	14%	14%	12%
21% - 40% lift	55%	56%	55%	55%	61%	54%	55%	49%
0% - 20% lift	16%	20%	21%	26%	23%	32%	31%	39%

# Placement Within the Funnel

While many think of podcasts exclusively as an awareness play, podcast marketers are equally likely to say that podcasts belong at the bottom of the funnel as other mediums

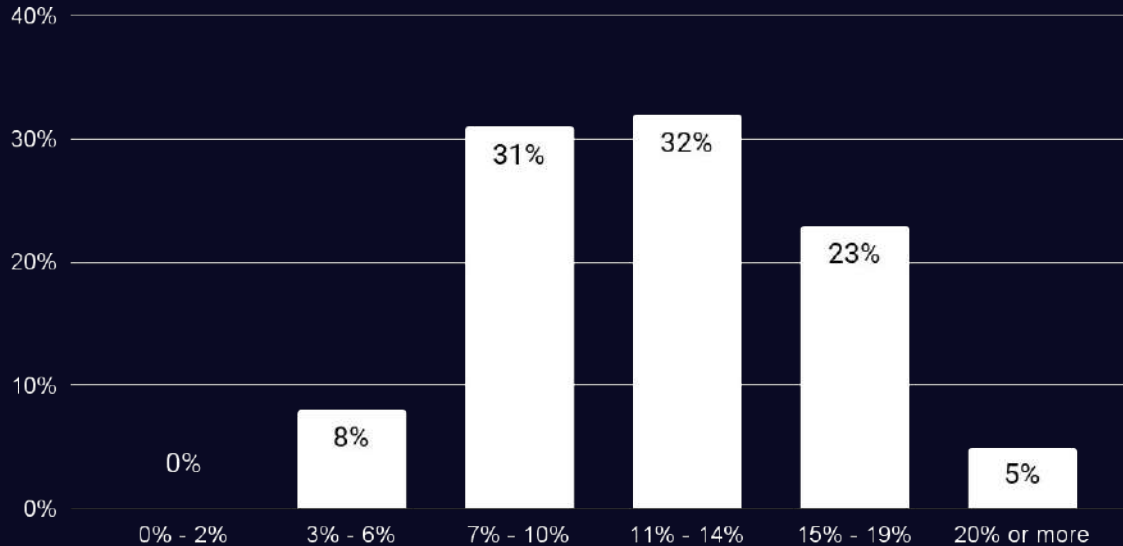
Thinking about the marketing funnel - where do you think each of the following types of media is most effective?



# Podcast's Share of Total Spend

Podcast ad spend reached 1.7B in 2022, per eMarketer, making up only a tiny piece of total digital ad spend (248.7B). Experienced podcast marketers think podcasts deserve a greater piece of the pie

Thinking of podcasts, what share of the total marketing spend should podcasts take?



**Want to find out more? Reach out at:**

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