

Three hours Marketing Challenge



Spotify Podcasters

Simon Marketing Association

Team 2

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Streaming Ad Insertion will significantly increase Spotify's revenue

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01

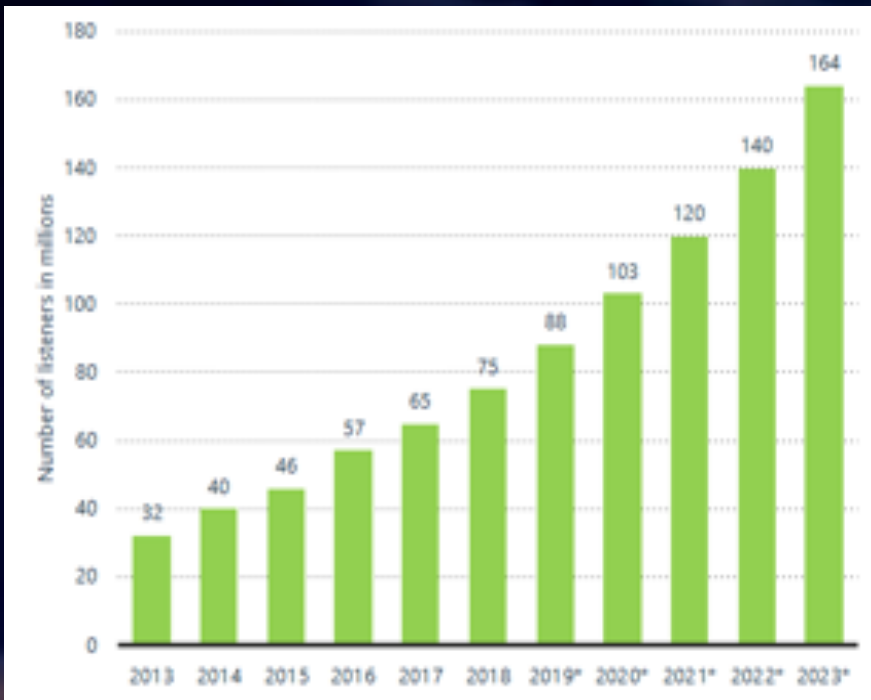


Industry Analysis

Podcast Industry

Huge Potential In Podcasting Market

Number of monthly podcast listeners in the U.S. from 2014 to 2023 (in millions)



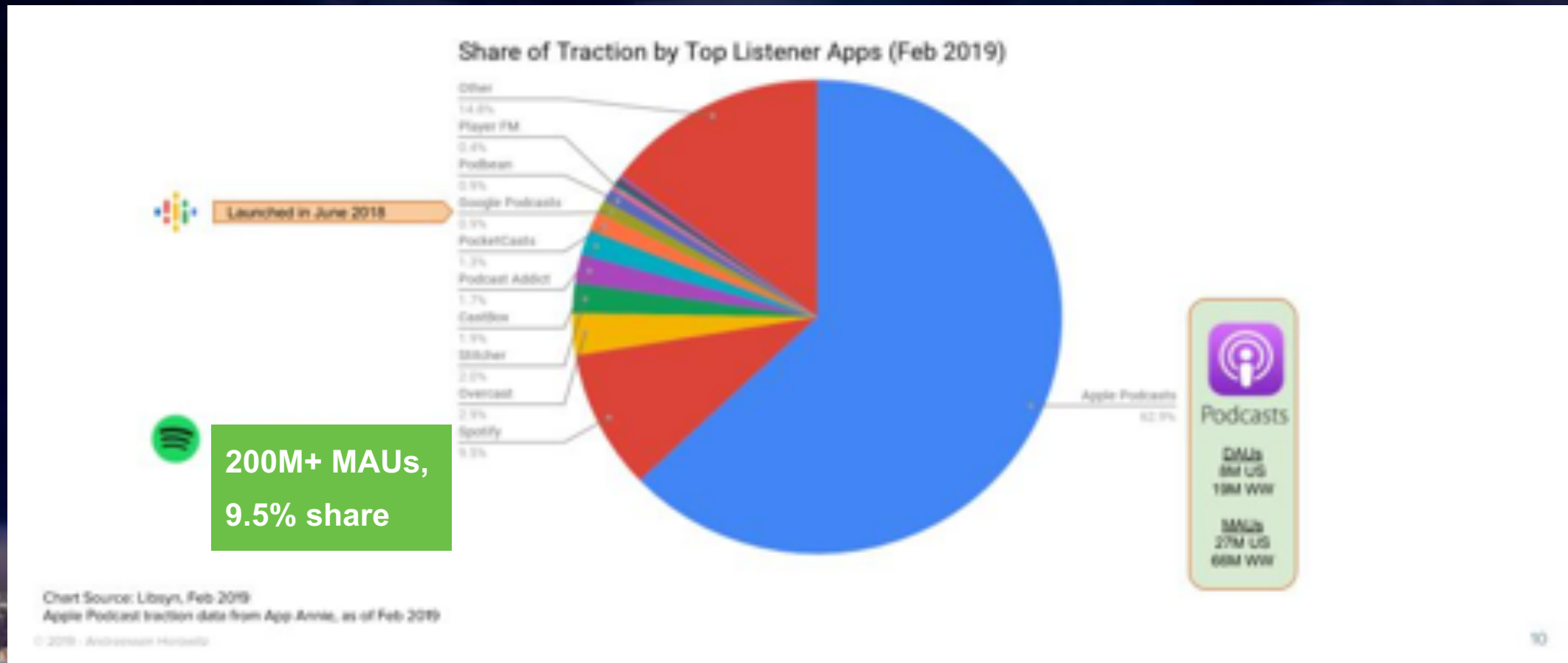
U.S. population that have listened to an audio podcast in the last month from 2008 to 2019



High consumption among weekly podcast listeners:

7 episodes per week
nearly **1 hour** per day

Dominant Apple Podcasts has a falling market share, which is taken up by Spotify and other listening Apps



Advertisers are spending more on Podcasts, but revenue is still tiny compared to other mediums due to relatively low return

US Podcast Ad Revenues, 2015-2021

millions



Note: estimates based on total market sizing, not self-reported revenues; market sizing represents an estimate of total US total podcast advertising market

Source: Interactive Advertising Bureau (IAB) and PricewaterhouseCoopers (PwC), "Full Year 2018 Podcast Ad Revenue Study: A Detailed Analysis of the US Podcast Advertising Industry," June 3, 2019


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www.eMarketer.com

2017 U.S. ad spending



	Active Users	Hours per Year per Active User	Annual Ad Revenue	Average Revenue per Active User per Hour
Podcasts	73,000,000	364	\$310,000,000	\$0.01
Radio	243,000,000	702	\$18,200,000,000	\$0.11
TV	301,000,000	1,872	\$71,000,000,000	\$0.13
Internet	290,000,000	1,248	\$86,400,000,000	\$0.24
Magazines	216,500,000	135	\$16,600,000,000	\$0.57
Newspapers	169,000,000	138	\$16,800,000,000	\$0.72



02

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Product Breakdown

Streaming Ad Insertion (SAI)

Target Customers

- **Podcast Content Creators**
- **Audience - Spotify Users**
- **Advertisers / Sponsors**



Improved Targeting Accuracy

Streaming Ad Insertion (SAI) - New resolution in target advertising

- Incentivize exclusive podcast contents
 - *Get data and insights from audience surveys*
- Target on different needs of audience
 - *A/B Testing*
- Provide specific new measurements to advertisers
 - *Unique promotion channels giving URLs, promo codes, etc.*



Create a marketplace for Spotify business

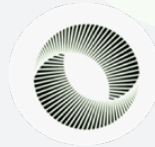
- Advance the quality of ad delivery



Actual Ad Impression



Reach



Frequency

- Improve targeting accuracy with customized user profiles



Age



Gender



Devices



Listening
Behavior



Streaming Ad Insertion will differentiate Spotify as the premier podcast streaming platform

Attract
Content
Creators

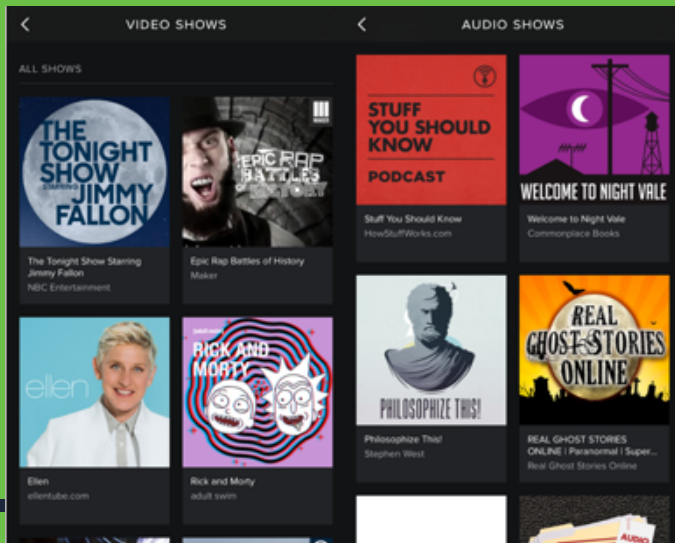
Grow
User
Base

More
Advertisers

Benefits
for
Spotify

Benefits

Content Creators



Content creators will flock to Spotify

Content Creators will be empowered to make more money through the Marketplace

Can focus on creating premium content

Opportunity to grow their user base

Benefits

Audience



Users will be attracted to a better listening experience

— Expansive selection of premium content

— Less noise with targeted ads and ad options

— Opportunity to engage with content creators in the Spotify Community

Benefits

Advertisers



With SAI, advertisers can expand the size of their potential customers.

Podcasts tend to be highly engaging mediums for delivering message.

People listen to podcasts since they have deep respect to the host.

Higher ROI from targeted ads

Benefits

Spotify



Benefit from exclusive content creators, growing user base, and increased number of advertisers

Increased data collection and Algorithm optimization.

Become the leader in the podcast industry.



03



Future Prospects

- Keep Spotify an industry leader

Spotify will be leader in the podcast landscape in 5 years

- 1.Huge opportunity in the Podcast Advertising Space
- 2.SAI will make Spotify the most attractive platform for content creators, listeners and advertisers
- 3.Spotify will be able to continue to grow the number of user on their platform and improve their algorithm



An abstract graphic design featuring a dark teal circle with a black center. The word "THANKS" is written in white, bold, sans-serif capital letters within the black center. The background is black, with several thin, light green diagonal lines scattered across it. At the bottom, there are stylized green hills in various shades of green.

THANKS