

M/GNA



Spotify

Digital Audio Expansiveness

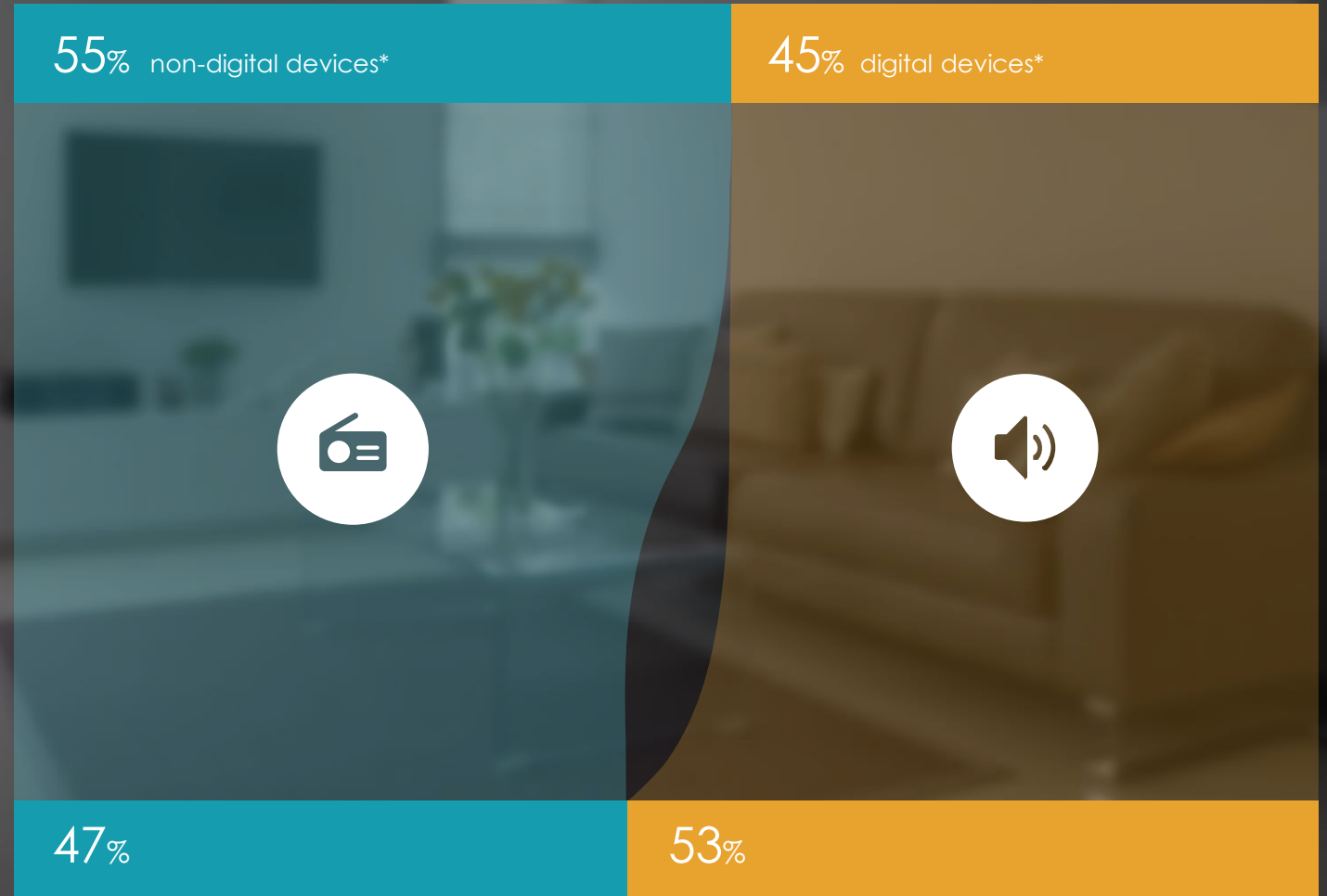
Growing Landscape & Opportunities

Digital audio on the rise

While traditional radio has recently declined, other forms of audio – including podcast listening and streaming audio – have increased

Audio Consumption Before/After Covid-19 Pandemic

Before Covid-19 Disruptions



Since Covid-19 Disruptions

*Digital devices: smartphones, computers, internet-connected televisions, smart speakers

*Non-digital devices: AM/FM receivers, SiriusXM receivers, CD players, turntables, TV channels like Music Choice
Source: MAGNA, "The Persistence of Time: How Consumers Divide Their Media Attention." Vol. 13, Q1 2021.

What do advertisers need
to know about digital
audio today?

How we did it

Recruitment

Recruited from an online representative panel

Evenly recruited weekday and weekend sample

- Gen Pop n=2,206
- Booster of Spotify Users n=300

Screeners

Must have listened to digital audio or watched digital video in past 24 hours

Media Diaries

Participants describe up to 2 digital audio or digital video sessions from past 24 hours in detail in a media diary

- Digital Audio Sessions n=3,576
- Digital Video Sessions n=1,436

Deep Dive

Deep dive on podcast listening vs TV show watching behaviors, as well as how media consumption has changed during the COVID-19 pandemic

Note: Survey recruitment ran in February 2021

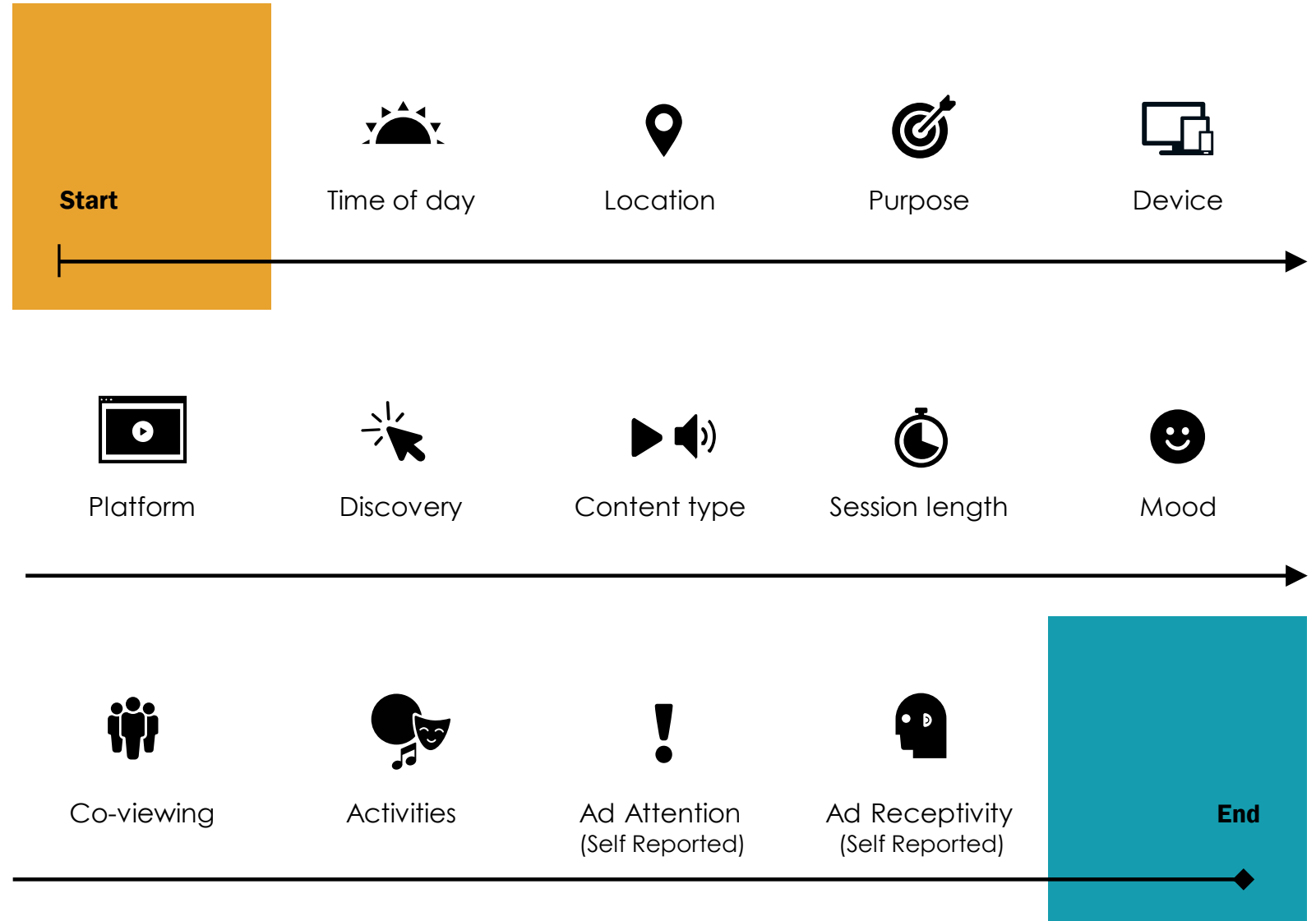
Digital audio: Audio listened on a digital device (connected to the Internet)

Digital video: Video viewed on a digital device (connected to the Internet)

Sessions based any listening or watching, which could be long or short periods of time

The Media Diary

Ways and means of consumption





Digital Audio

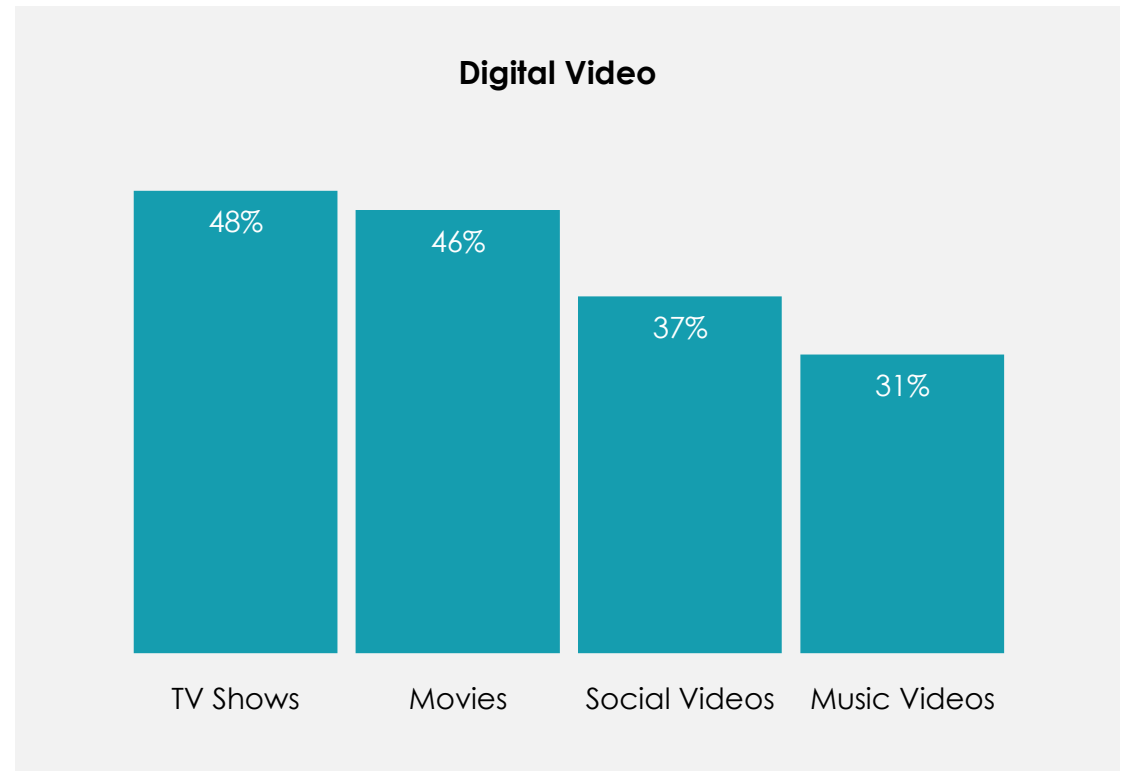
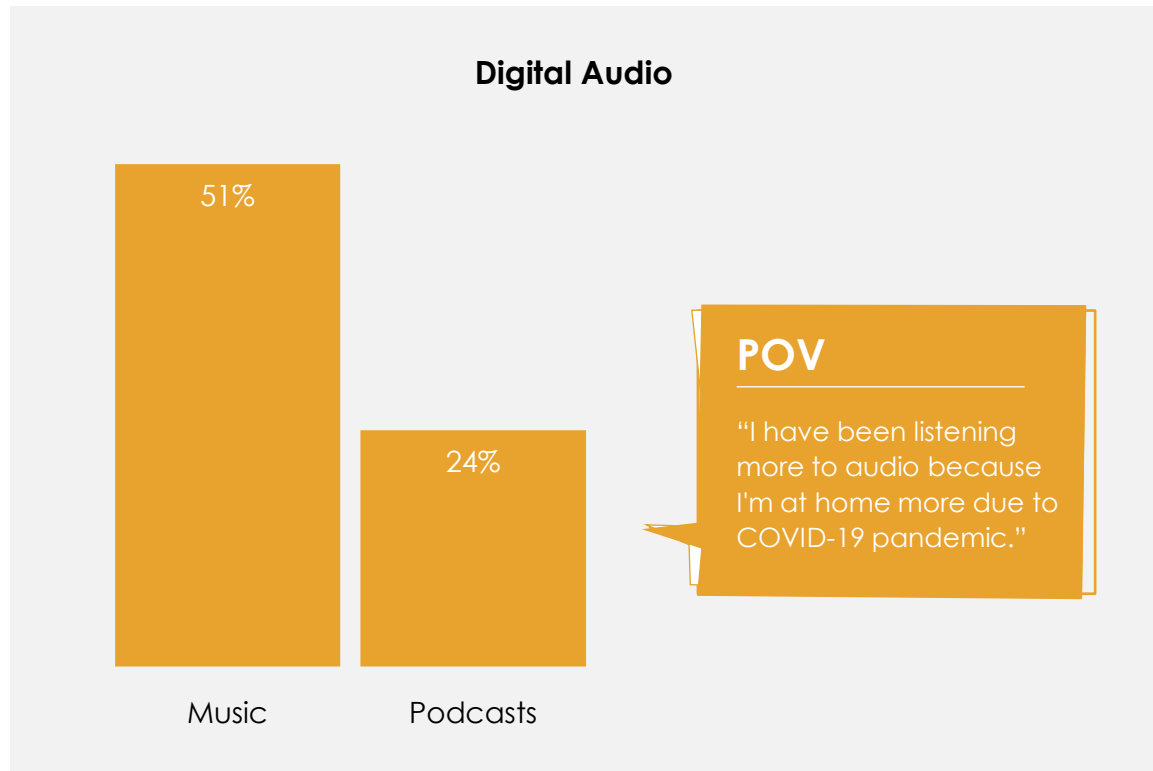
In A Post-pandemic World

Consumption is on the rise since the pandemic

In fact, people have listened to more music, similar to TV shows and movies

Increases In Consumption During Pandemic

% Listen/View More

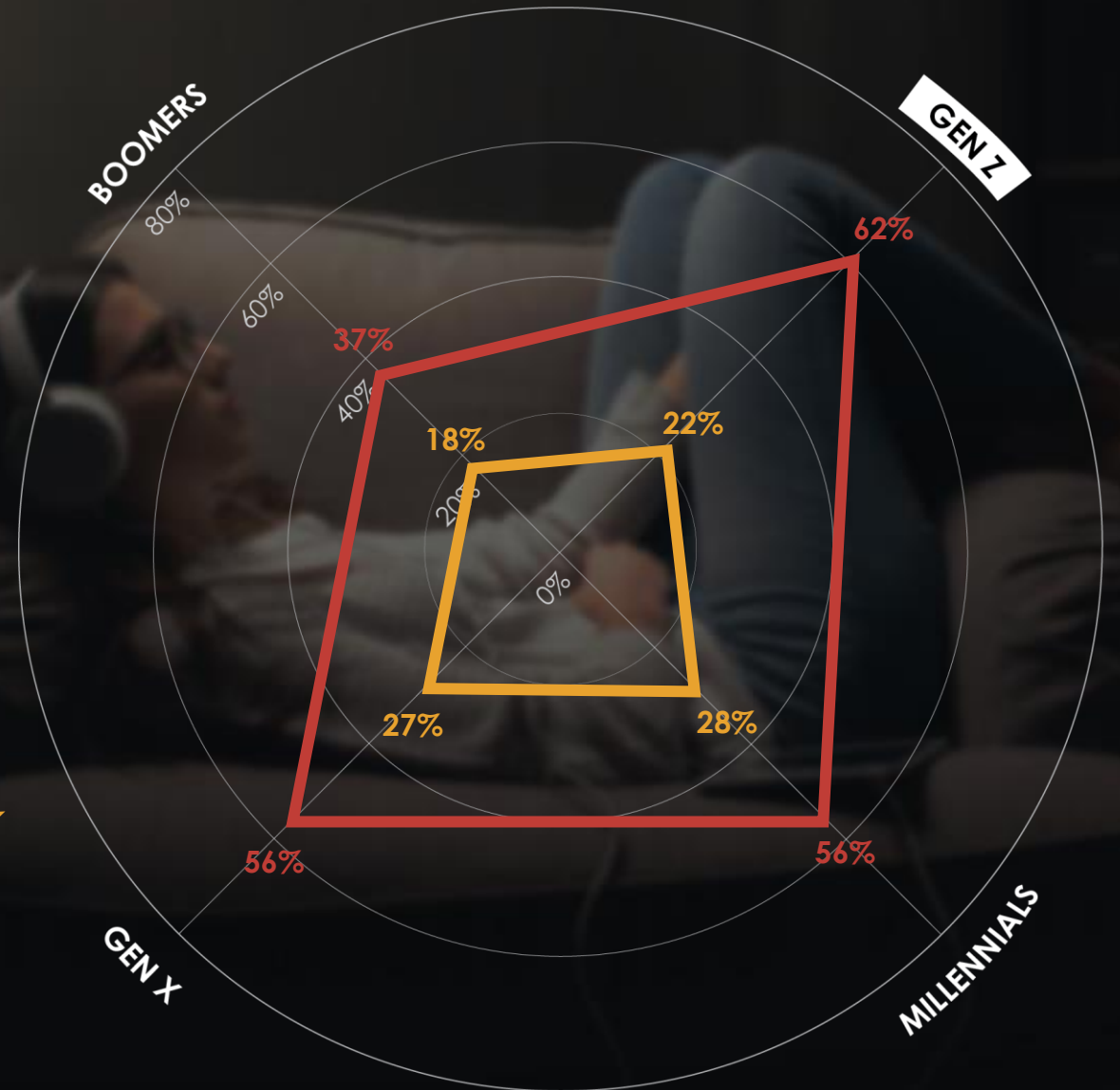


Increased music consumption is driven by younger audiences, particularly Gen Z

Additionally, millennials and Gen X are the most likely audience listening to more podcasts during the pandemic

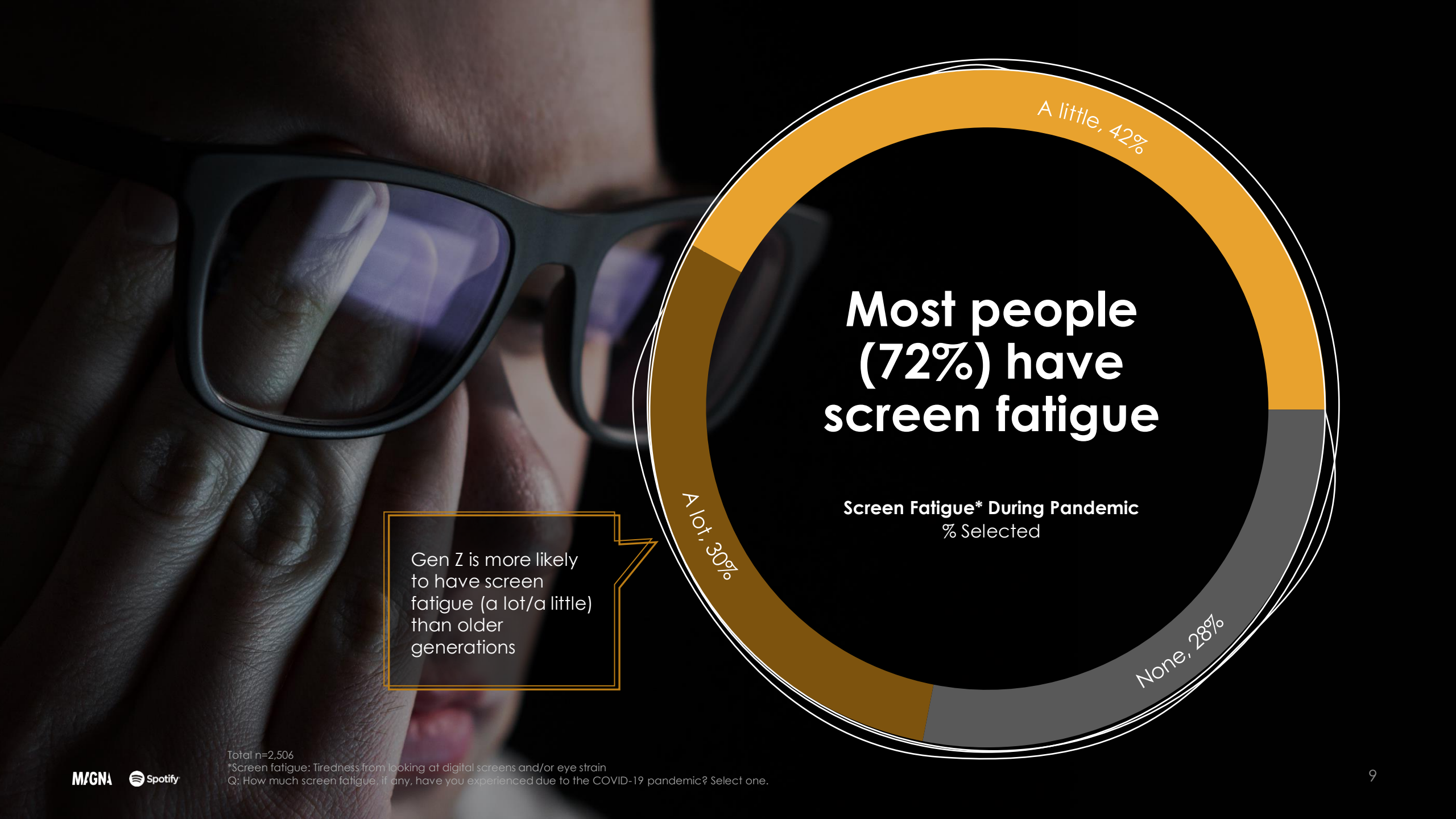
Increases In Digital Audio Consumption During Pandemic
% Listen More

62% of Gen Z are listening to more music during the pandemic



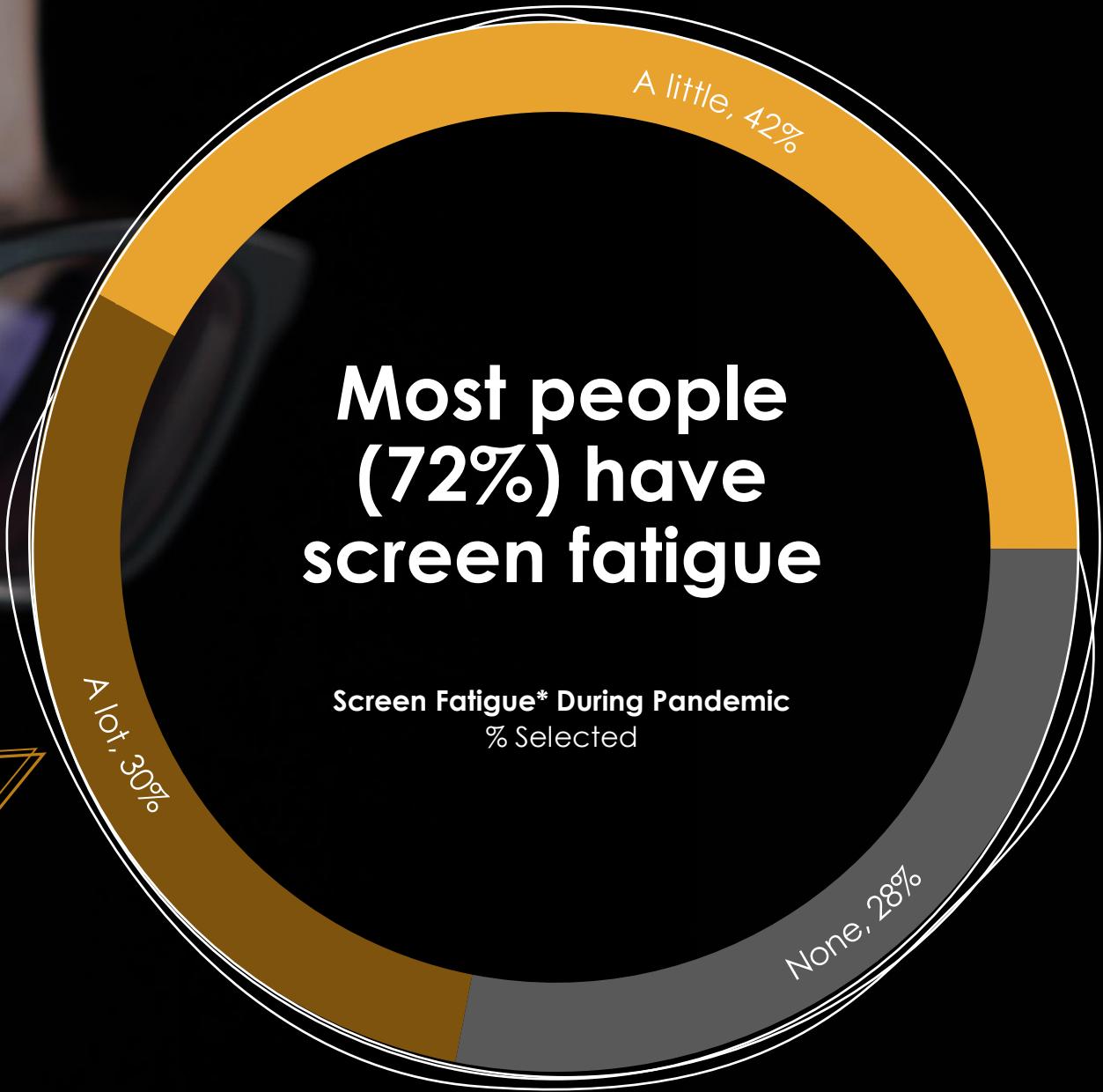
— Music — Podcasts

Total n=2,506
Q: How has your time spent listening or watching the following types of media changed, if at all, during this COVID-19 pandemic? Select one for each option.



Most people (72%) have screen fatigue

Screen Fatigue* During Pandemic
% Selected



Gen Z is more likely to have screen fatigue (a lot/a little) than older generations

Total n=2,506
*Screen fatigue: Tiredness from looking at digital screens and/or eye strain
Q: How much screen fatigue, if any, have you experienced due to the COVID-19 pandemic? Select one.

People are turning to digital audio as a tool to combat screen fatigue

With new purposes for listening, there is an increased reliance on digital audio

Listening To More Digital Audio To Reduce Screen Fatigue During Pandemic

Those Who Have Screen Fatigue - % Selected

42%

Primary reason
I'm listening to more digital audio

37%

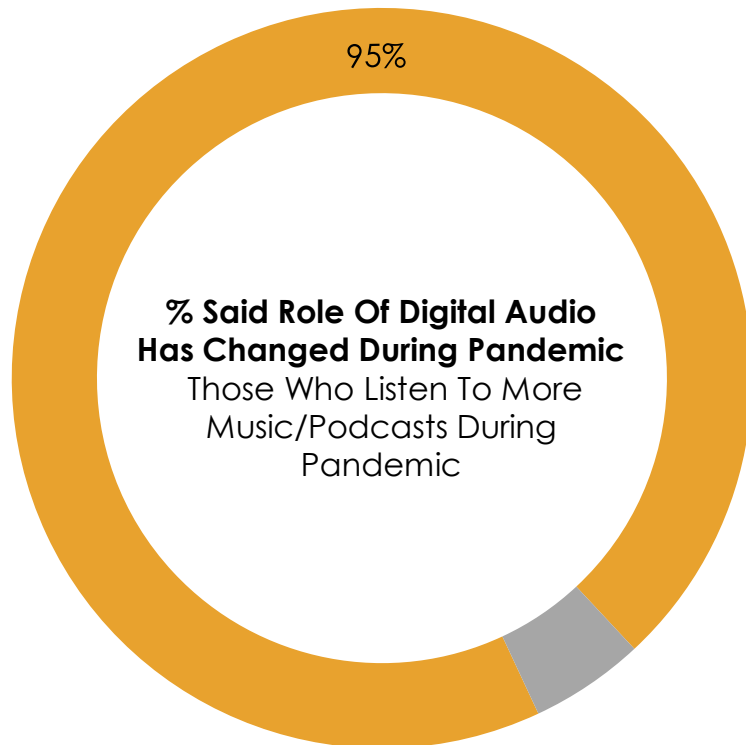
Part of the reason

21%

Other reasons

Major shift in the role of digital audio, with it serving as a respite for many

Over a third of people are looking forward to listening more



Top 3 Ways Role Of Digital Audio Has Changed During Pandemic

Those Who Listen To More Music/Podcasts During Pandemic - % Selected

I'm looking forward to it more



It's a way to de-stress



It's a break from screen time

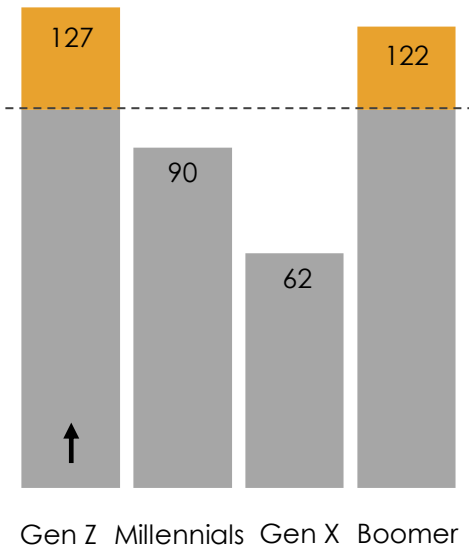


For younger listeners, digital audio is a tool to connect with others & break from screen time

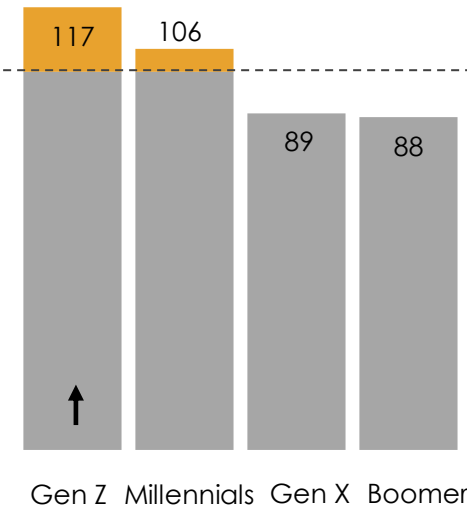
Ways The Role Of Digital Audio Has Changed During Pandemic

Those Who Listen To More Music/Podcasts During Pandemic - Indexed To Average (100)

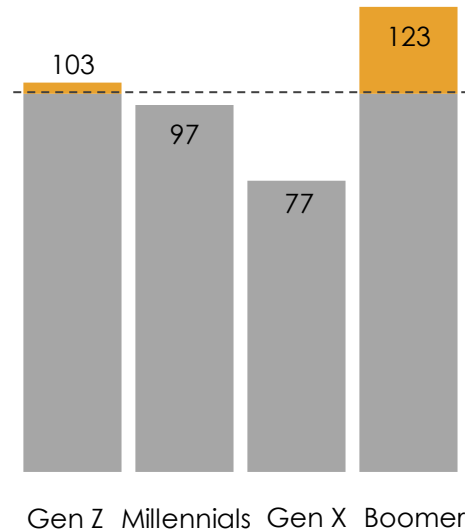
It's a way to connect with others



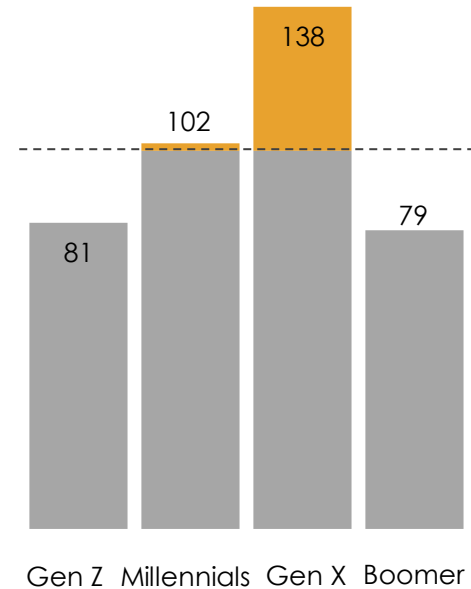
It's a break from screen time



It's a way to de-stress



I'm looking forward to it more



Indexed to Avg. Within Each Reason (100)

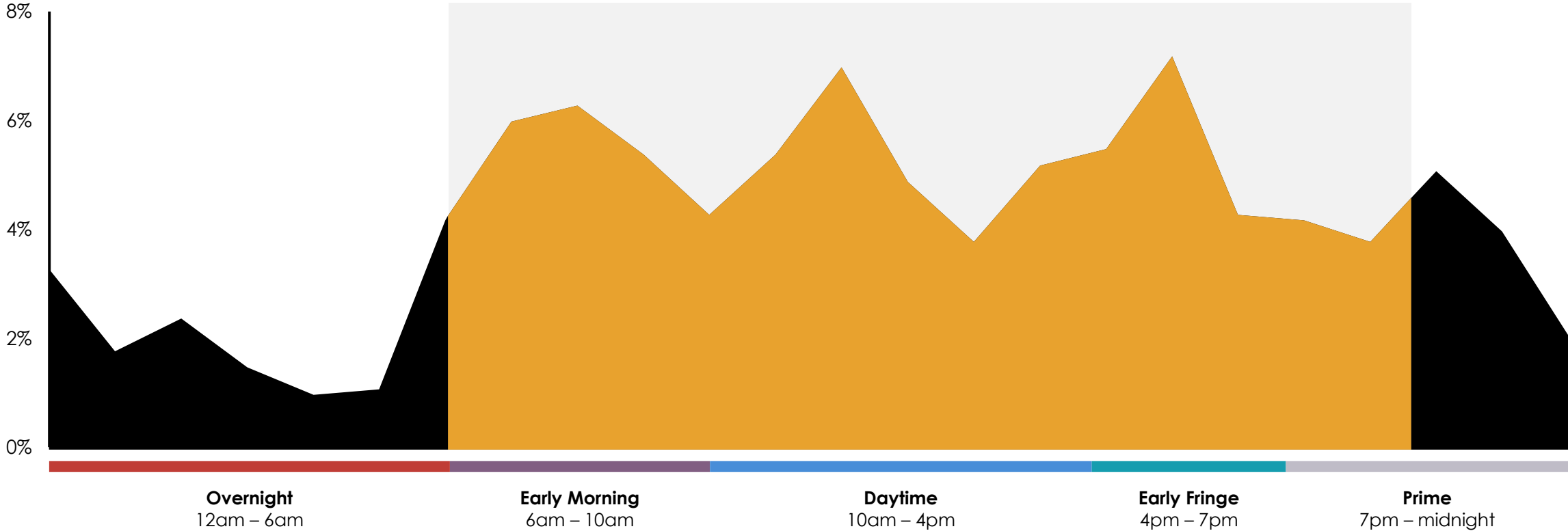


Peak Openness

Reaching People When Most Willing To Consider

Sustained audio throughout the day offers opportunities for moments targeting

Time Of Day
Digital Audio - % Of Session Start Times



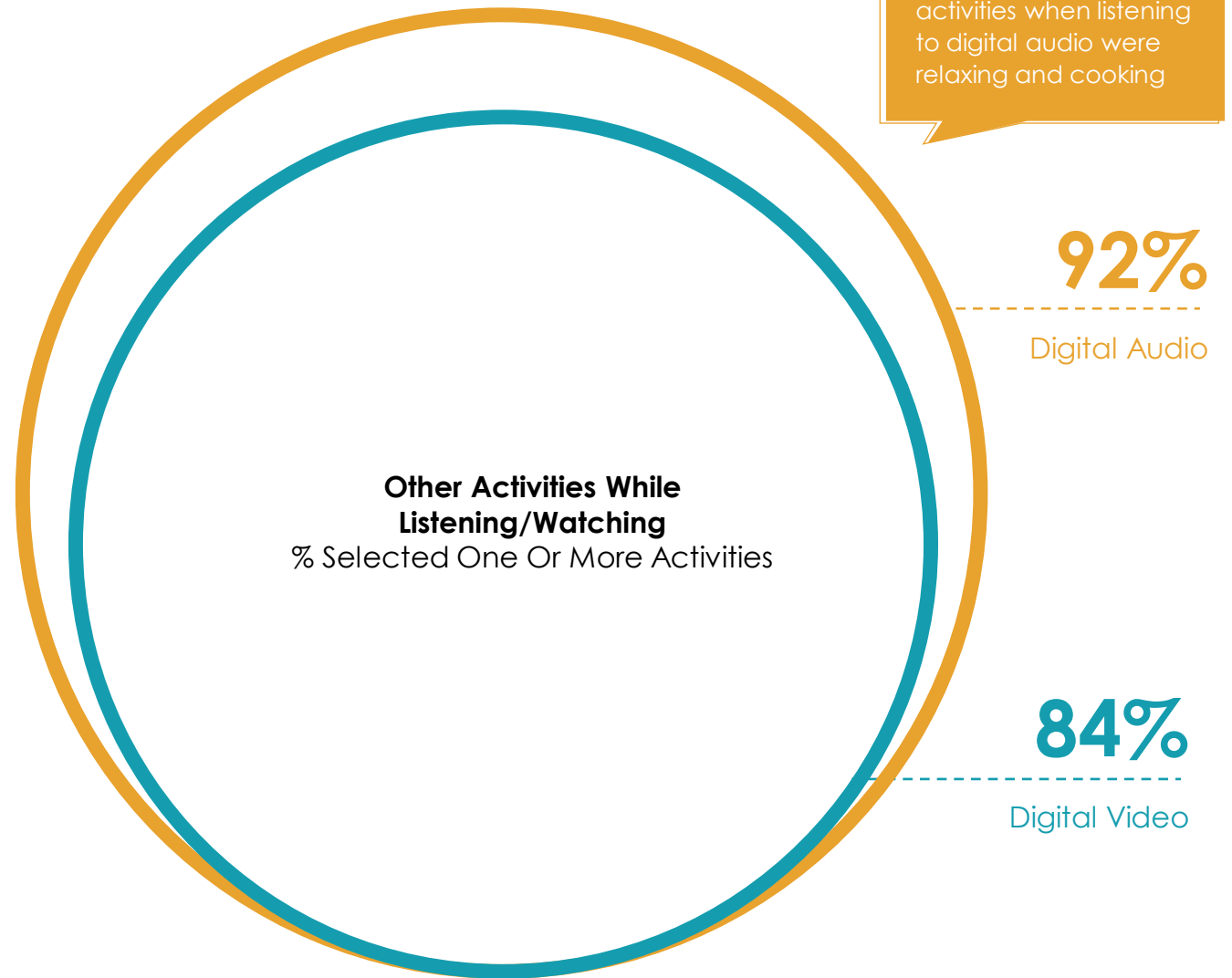
In fact, more unique moments with audio

Audio is a multi-tasking friendly medium

Activities

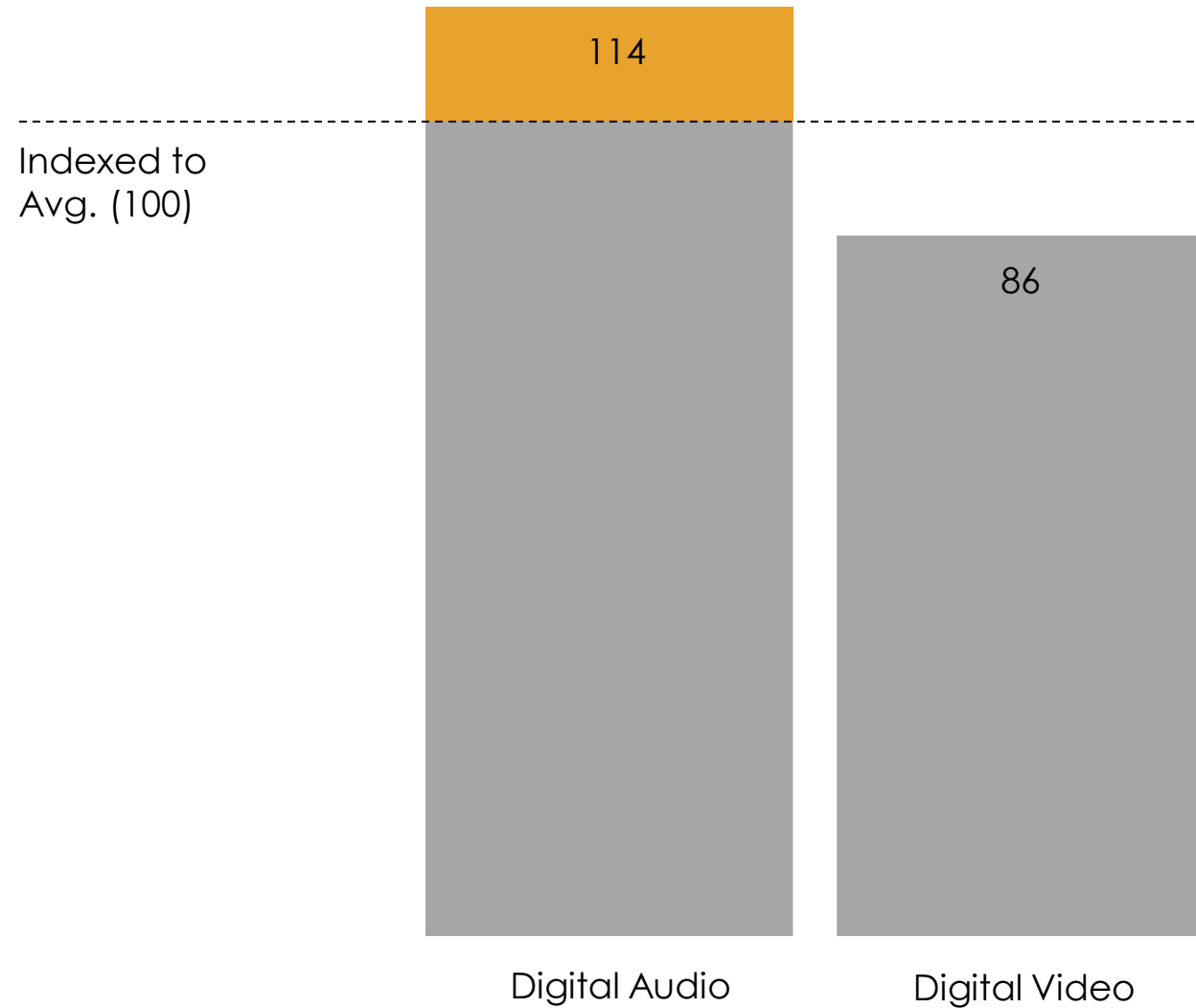
- Hanging out with friends
- Entertaining kids
- On a road trip
- Relaxing
- Doing yoga
- While playing video games
- Working out, Running, Biking
- Doing outdoor activities
- Cooking
- Shopping
- Commuting/traveling
- Studying
- Working
- Running errands
- Preparing for/before going to sleep
- Doing housework/chores
- Eating dinner
- Taking a shower/bath
- Getting ready to go out (party, etc.) on nights or weekend
- Getting ready in the morning
- Browsing online on the same device
- Browsing online on a different device
- Other

The most common activities when listening to digital audio were relaxing and cooking



Multi-tasking when listening to digital audio doesn't hurt openness to ads

High Ad Receptivity
Indexed To Average (100)



Listeners are most receptive to ads when connecting with others

High Ad Receptivity By Other Activities While Listening

Digital Audio - (Scale 1-10) % Selected 7-10

Connect

Consuming with intent to belong or share



Shelter

Consuming entirely for personal intent, without intent to share



Lean-Back

Relaxed w/o impulse to acquire or take action



Lean-In

Active mental engagement and intent to acquire something



Connect Activities: Hanging out with friends, entertaining kids

Shelter Activities: Doing yoga, doing outdoor activities, while playing video games, getting ready to go out on nights/weekends, getting ready in the morning, browsing online on the same device, browsing online on a different device, preparing for/before going to sleep, taking a shower/bath

Lean-Back Activities: On a road trip, relaxing

Lean-In Activities: Working out/running/biking, cooking, studying, working, running errands, commuting/traveling, doing housework/chores, eating dinner, shopping

Digital Audio Sessions n=3,576

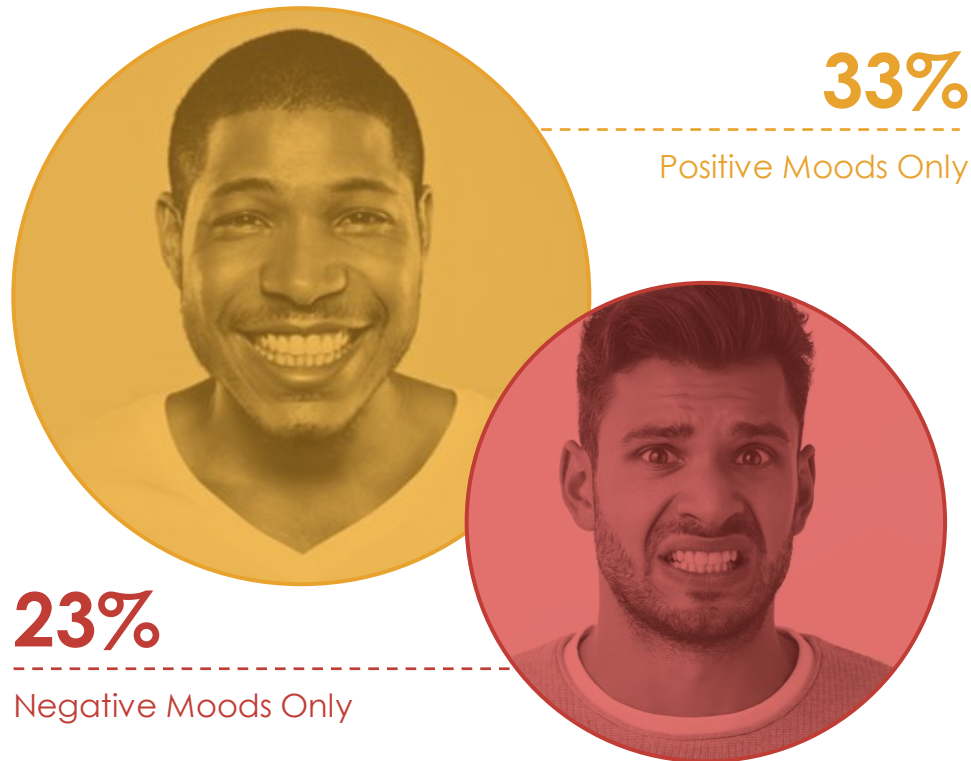
Q: Now thinking more broadly, on a scale of 1 to 10, how open were you to seeing ads during your {audio/video} session? Drag the slider to a point on the scale.

Q: What else were you doing while you were {listening/watching} if anything? Select all that apply.

Positive moods = high receptivity

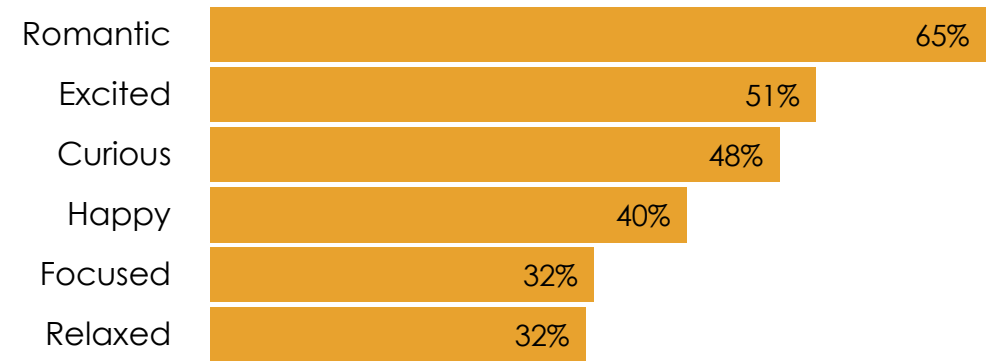
High Ad Receptivity

Digital Audio - (Scale 1-10) % Selected 7-10



On Spotify, receptivity is highest when people are curious, possibly due to users being in an exploratory mindset

Positive Moods



Negative Moods



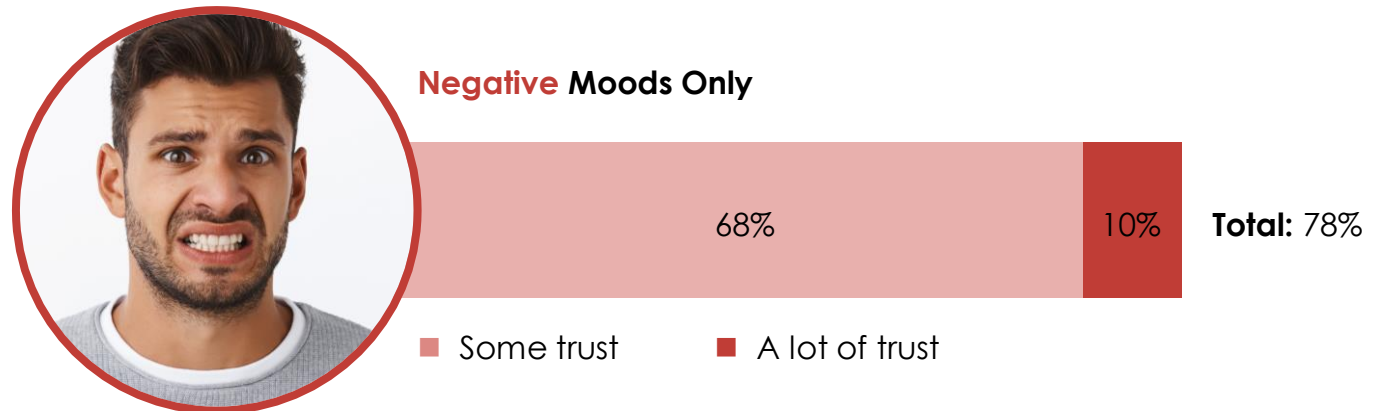
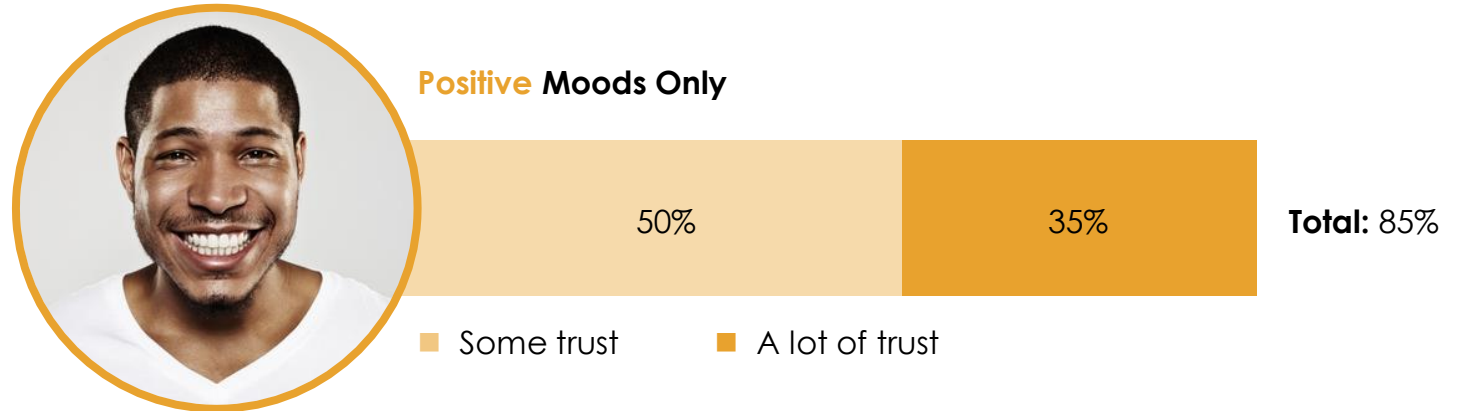
Digital Audio Sessions n=3,576

Q: Now thinking more broadly, on a scale of 1 to 10, how open were you to seeing ads during your {audio/video} session?

Q: Which of the following describes your mood during your {audio/video} session? Select all that apply.

When people are in positive moods, listeners are also more likely to trust the product advertised

Trust In Product/Service Advertised By Mood Digital Audio - % Selected



Digital Audio Sessions n=3,576

Q: How much trust did you have in the product or service advertised during your {audio/video} session? Select one.

Q: Which of the following describes your mood during your {audio/video} session? Select all that apply.

Surprisingly, digital audio listeners are most open to ads from visually focused industries

High Ad Receptivity To Industry Verticals
Digital Audio - (Scale 1-10) % Selected 7-10



50%

Visual Industry

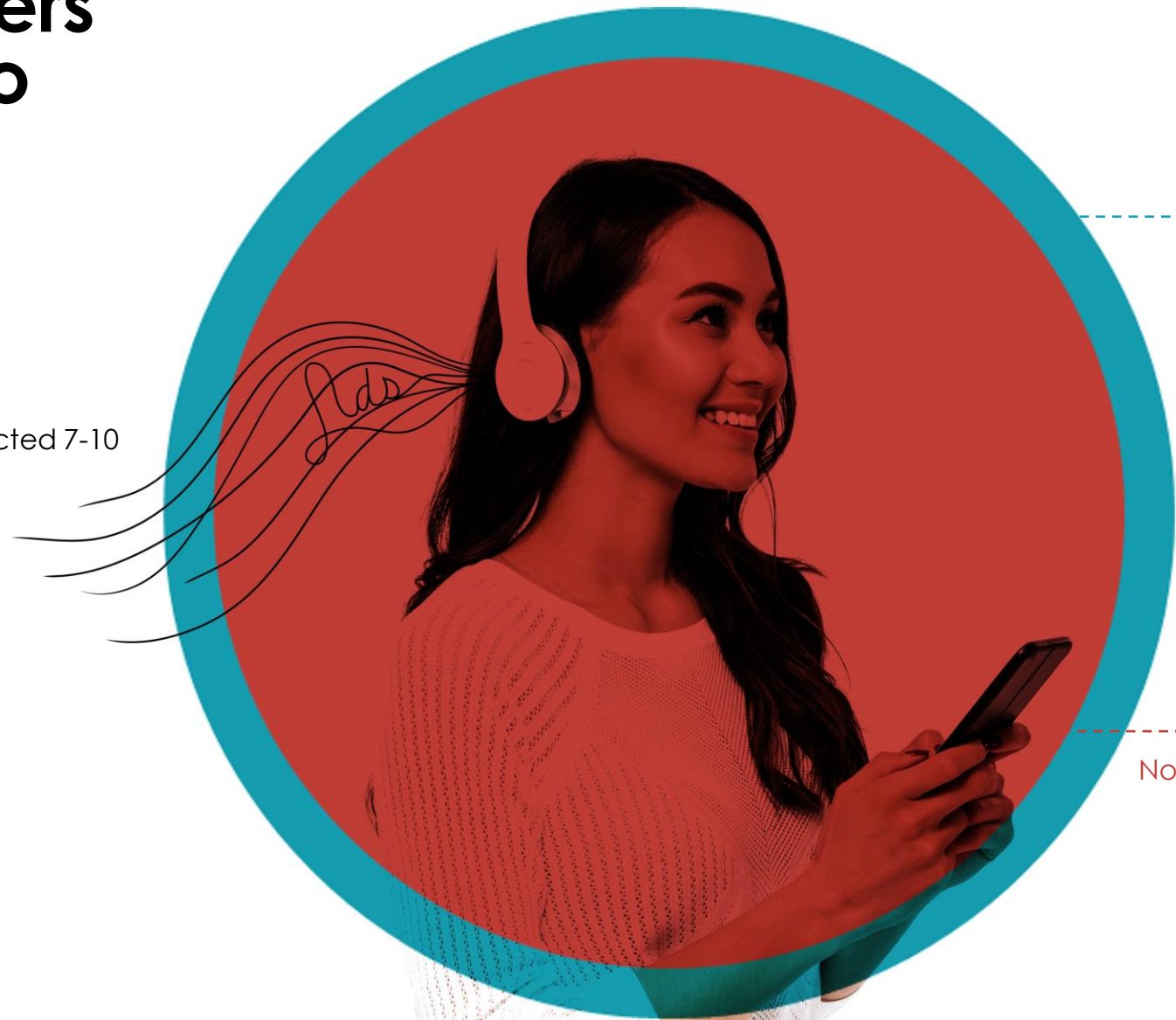
41%

Non-Visual Industry

Digital Audio Sessions n=3,576
Visual Industry: Auto, Entertainment (e.g. movies/TV shows), Food/Beverage, Personal Care (e.g. Beauty), Restaurants, Retail (e.g. clothing/stores), Travel (e.g. hotels, airlines)
Non-Visual Industry: Finance (e.g. banks/investment), Pharma (e.g. medication), Technology, Telecom.
Q: On a scale of 1 to 10, how open were you to seeing ads from the following types of brands during your (audio/video) session? Drag the slider to a point on the scale.

On Spotify, listeners are more open to ads from both visual and non-visual industries

High Ad Receptivity To Industry Verticals
Digital Audio on Spotify - (Scale 1-10) % Selected 7-10



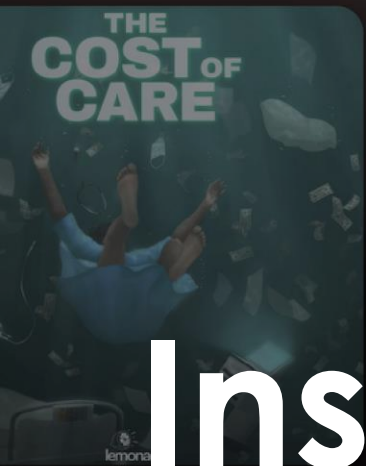
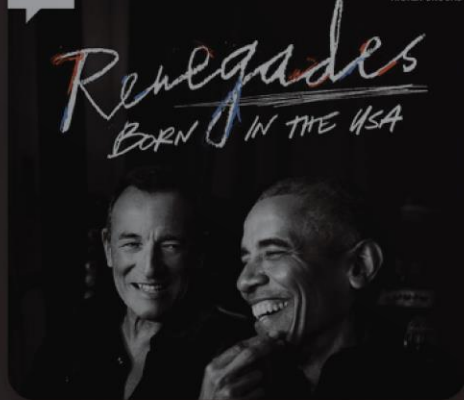
55%

Visual Industry

45%

Non-Visual Industry

Digital Audio Sessions on Spotify n=746
Visual Industry: Auto, Entertainment (e.g. movies/TV shows), Food/Beverage, Personal Care (e.g. Beauty), Restaurants, Retail (e.g. clothing/stores), Travel (e.g. hotels, airlines)
Non-Visual Industry: Finance (e.g. banks/investment), Pharma (e.g. medication), Technology, Telecom.
Q: On a scale of 1 to 10, how open were you to seeing ads from the following types of brands during your [audio/video] session? Drag the slider to a point on the scale.



Inside Look on Podcasts

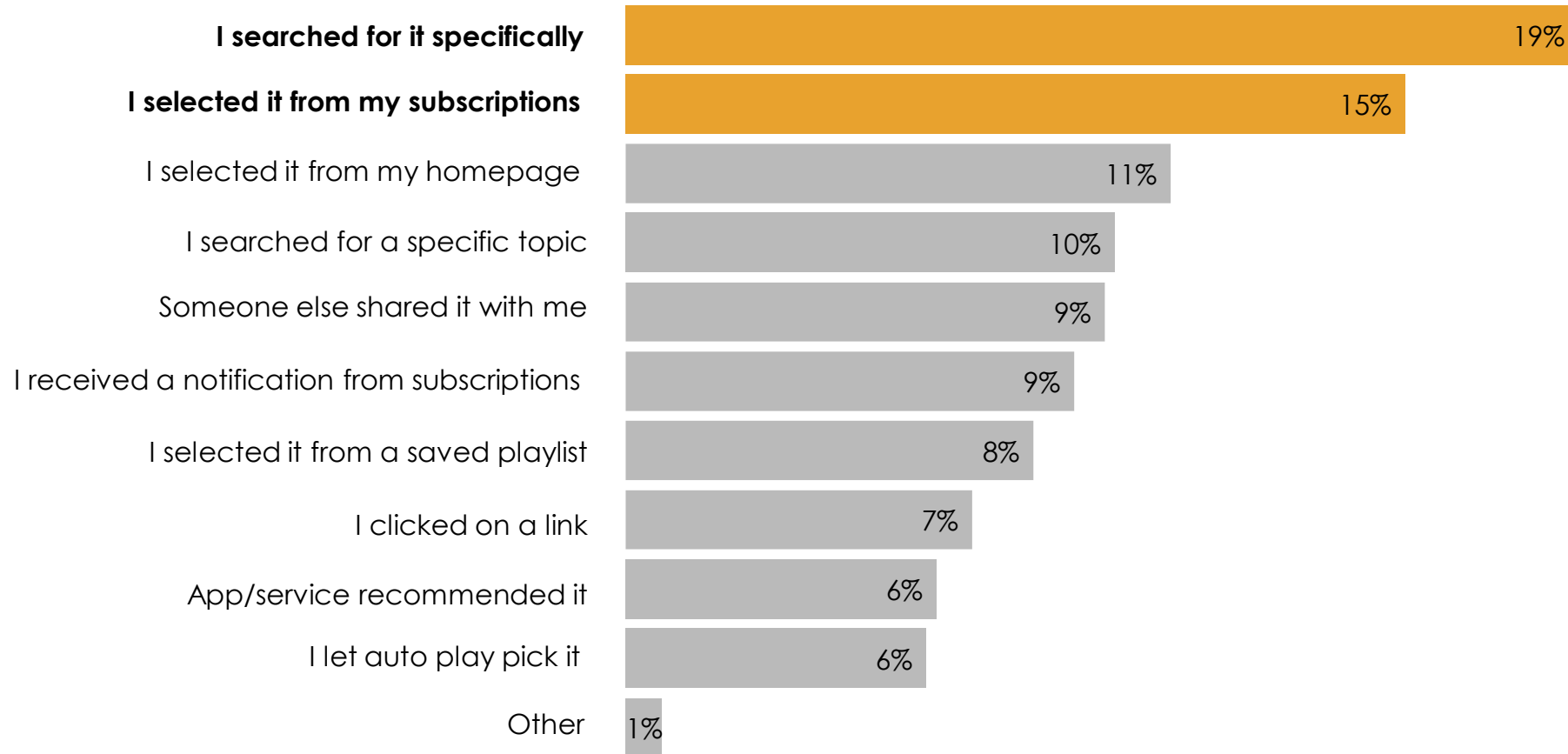


Podcast listeners know what they want to listen to

Listeners are most likely to search for something specific, possibly due to loyal followings podcast hosts have created with them

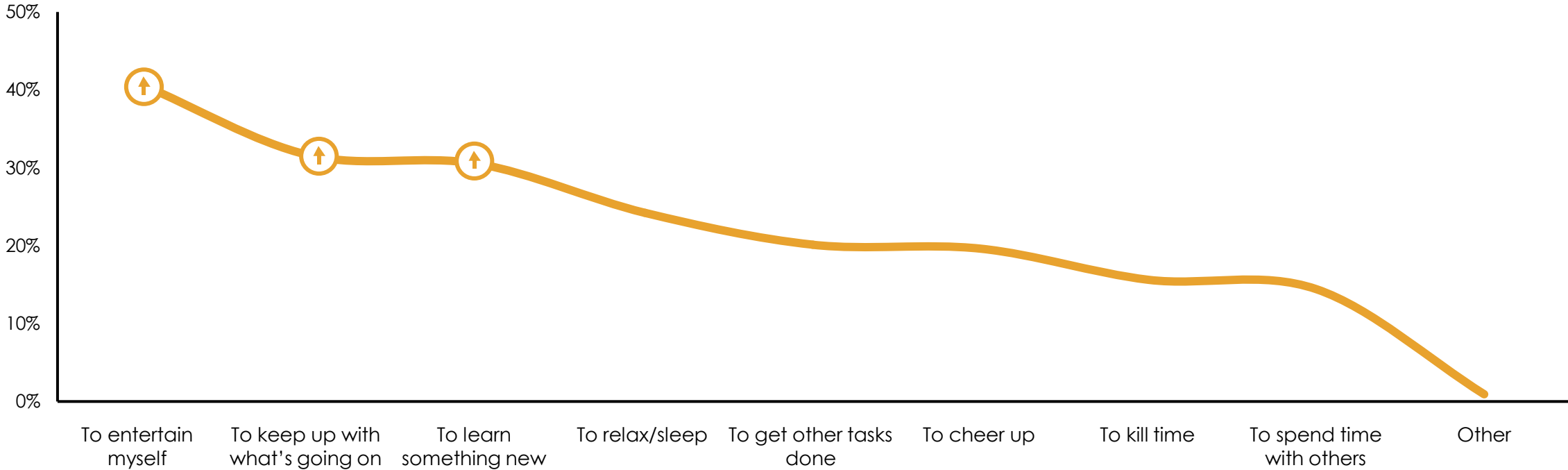
Discovery

Podcasts - % Selected



Top reason for podcast listening is to entertain, but information seeking isn't far behind

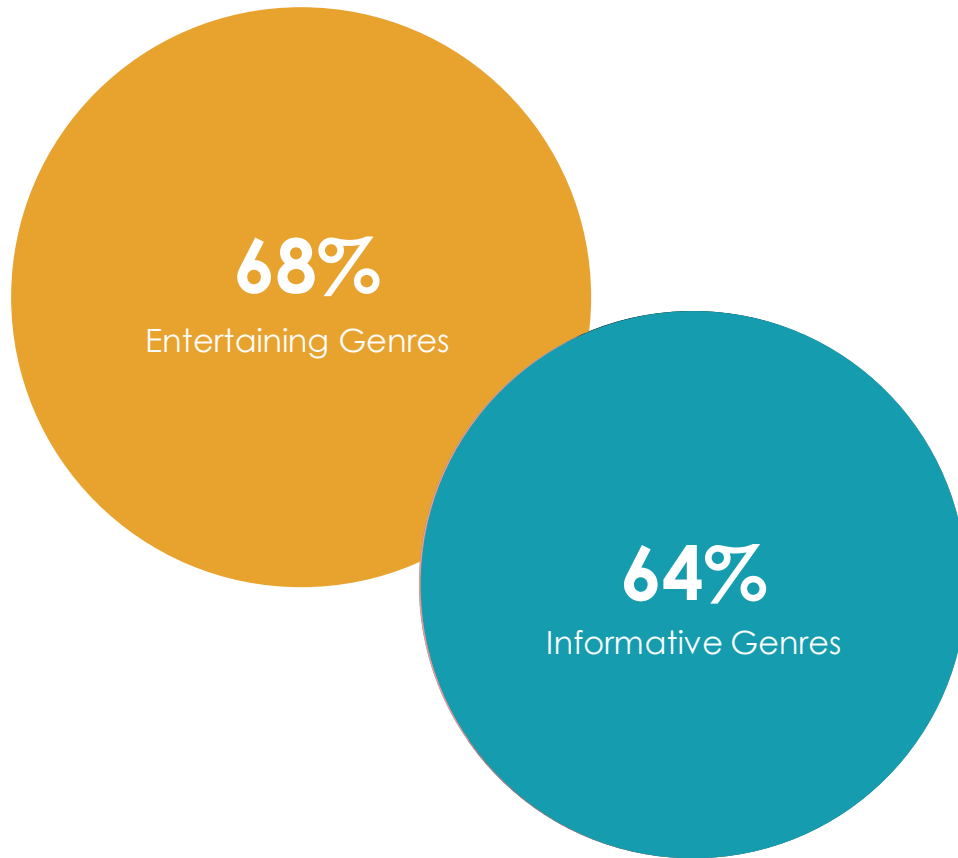
Purpose
Podcasts - % Selected



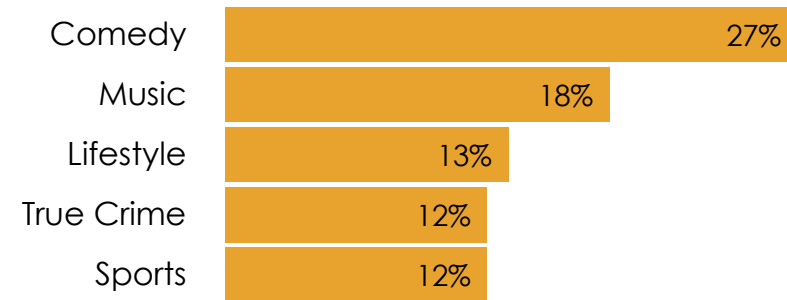
Listeners turn to both entertaining and informative genres

Genres

Podcasts - % Selected



Top 5 Entertaining Genres



Top 5 Informative Genres

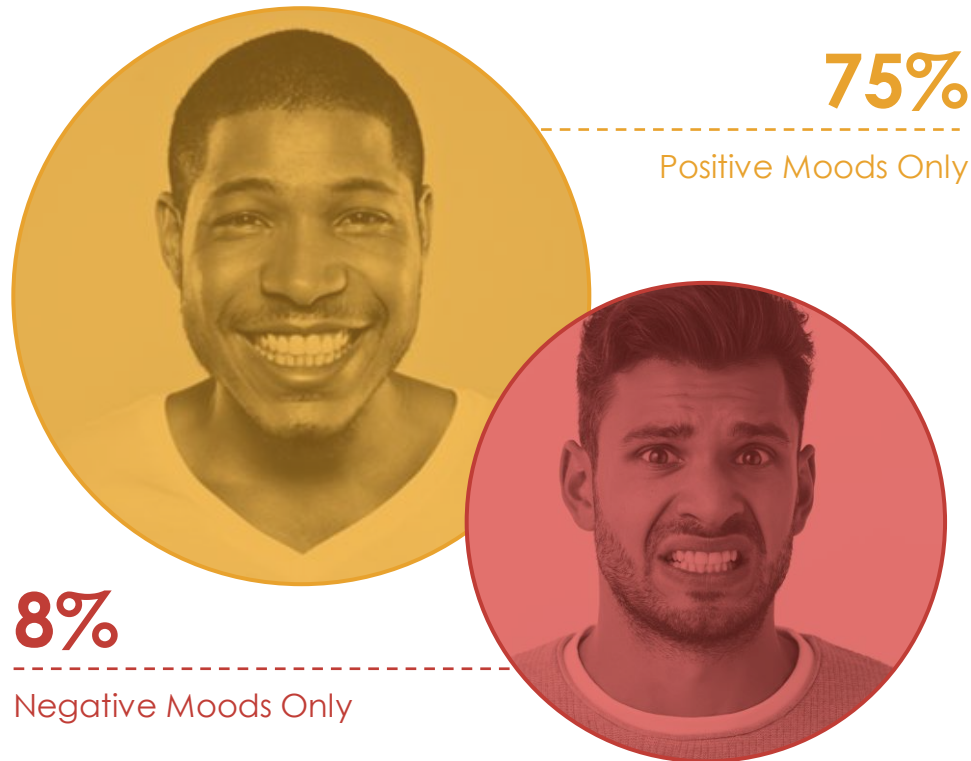


Majority are in a positive mood when listening to podcasts

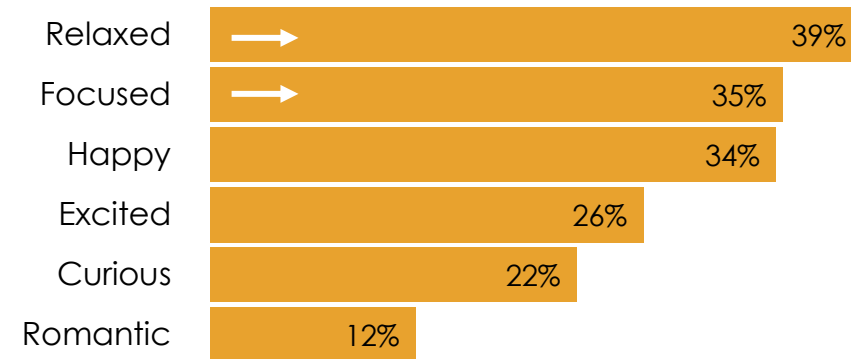
Both lean-back* and lean-in* moods are prevalent when listening to podcasts

Mood

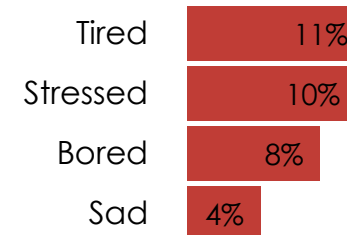
Podcasts - % Selected



Positive Moods



Negative Moods



*Lean-in: Active mental engagement and intent to acquire something

*Lean-back: Relaxed w/o impulse to acquire or take action

Podcast Sessions n=449

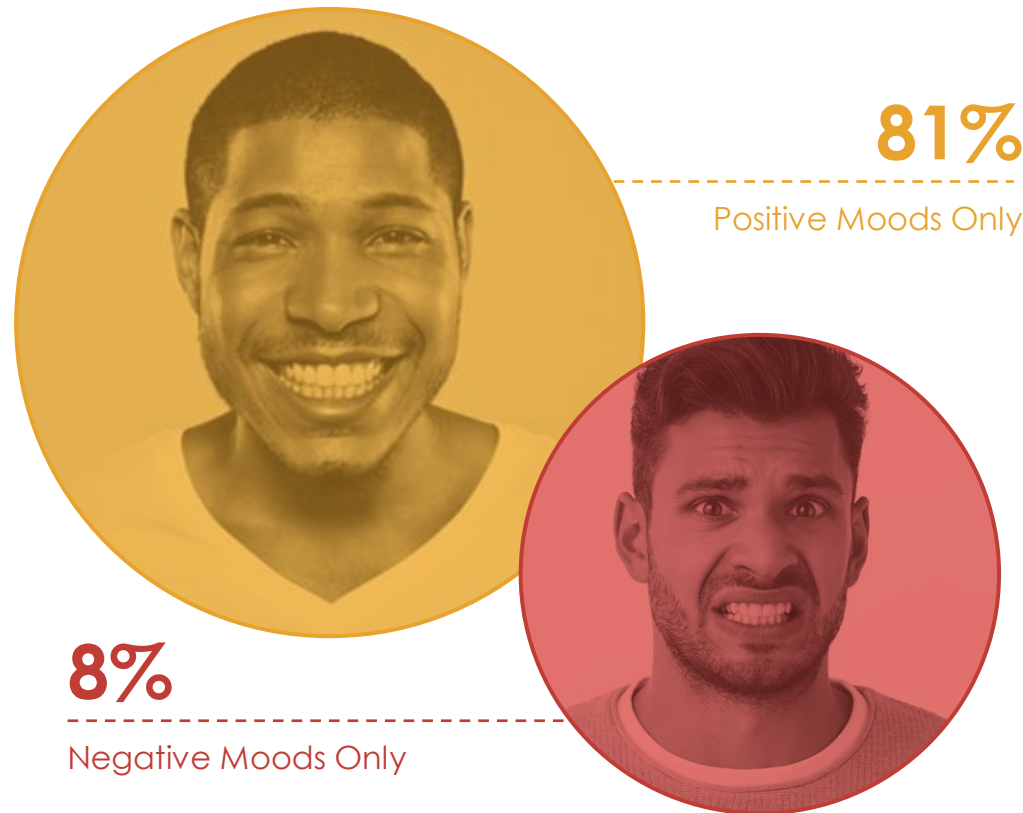
Q: Which of the following describes your mood during your {audio/video} session? Select all that apply.

More likely to be in positive moods on Spotify

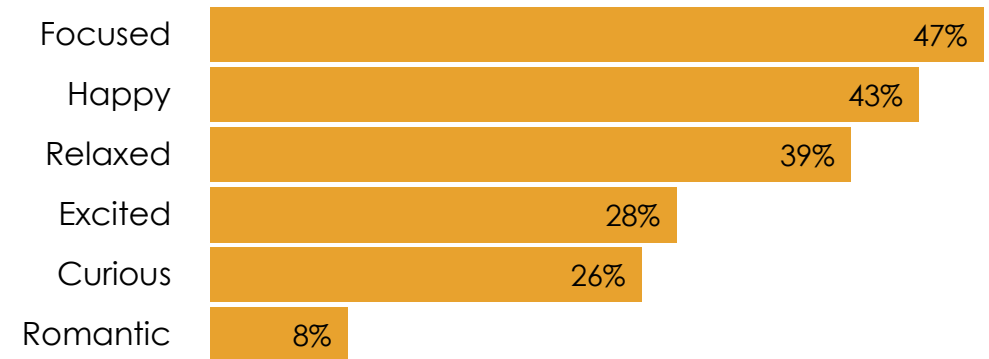
Good moods may be attributed to stronger focus on entertaining genres than informative content on Spotify

Mood

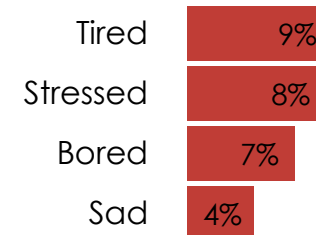
Podcasts on Spotify - % Selected



Positive Moods



Negative Moods



Podcast listeners are listening while doing lean-in activities

Prevalence of lean-in activities when listening to podcasts = focused moods

Other Activities While Listening

Podcasts - % Selected

Lean-In

Active mental engagement and intent to acquire something



Shelter

Consuming entirely for personal intent, without intent to share



Connect

Consuming with intent to belong or share



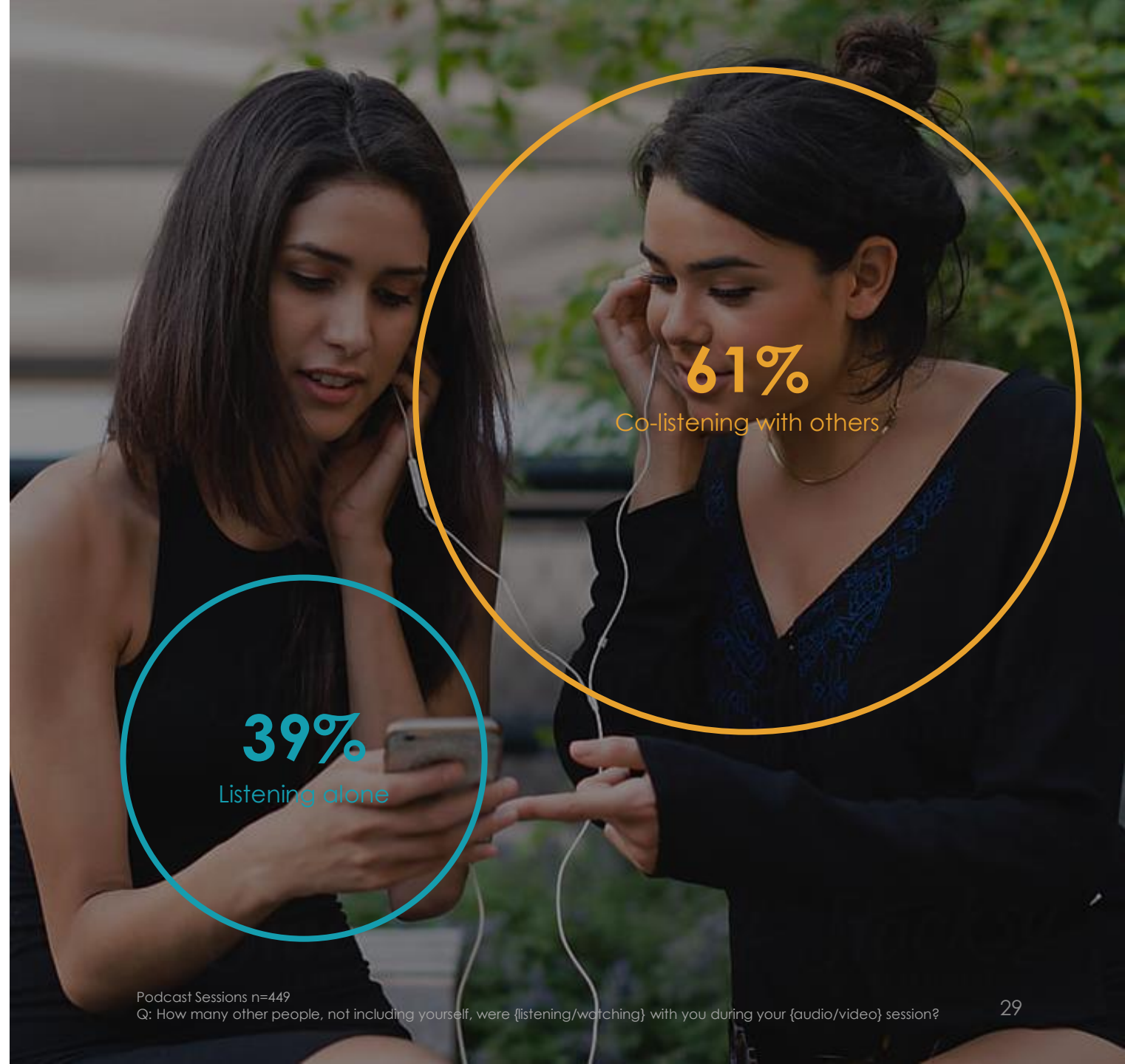
Lean-Back

Relaxed w/o impulse to acquire or take action



Co-listening is more common than you think

Co-listening
Podcasts - % Selected



Podcast Sessions n=449

Q: How many other people, not including yourself, were {listening/watching} with you during your {audio/video} session?



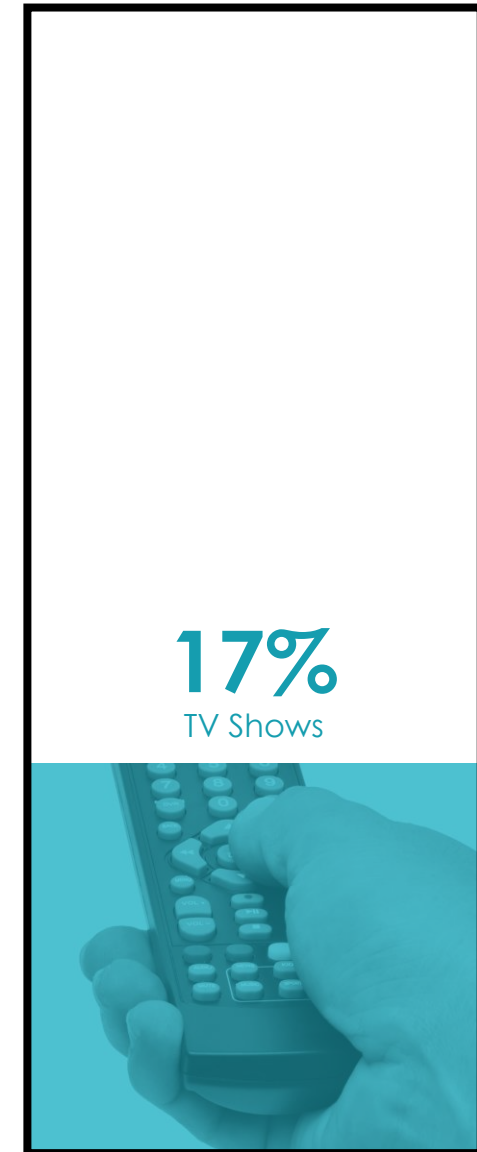
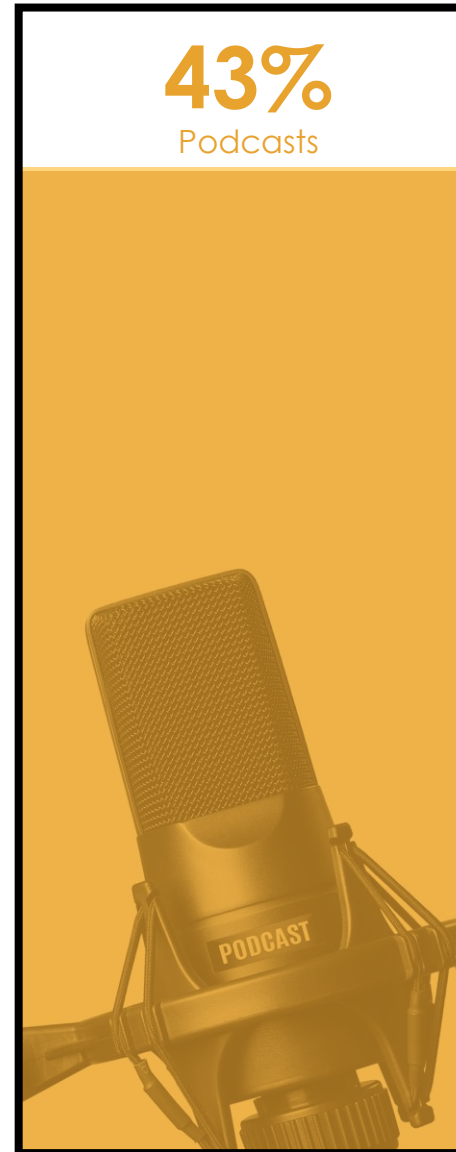
Connecting Through Podcasts

A Galvanizing Ad Experience

People are more receptive to ads in podcasts than ads in TV shows

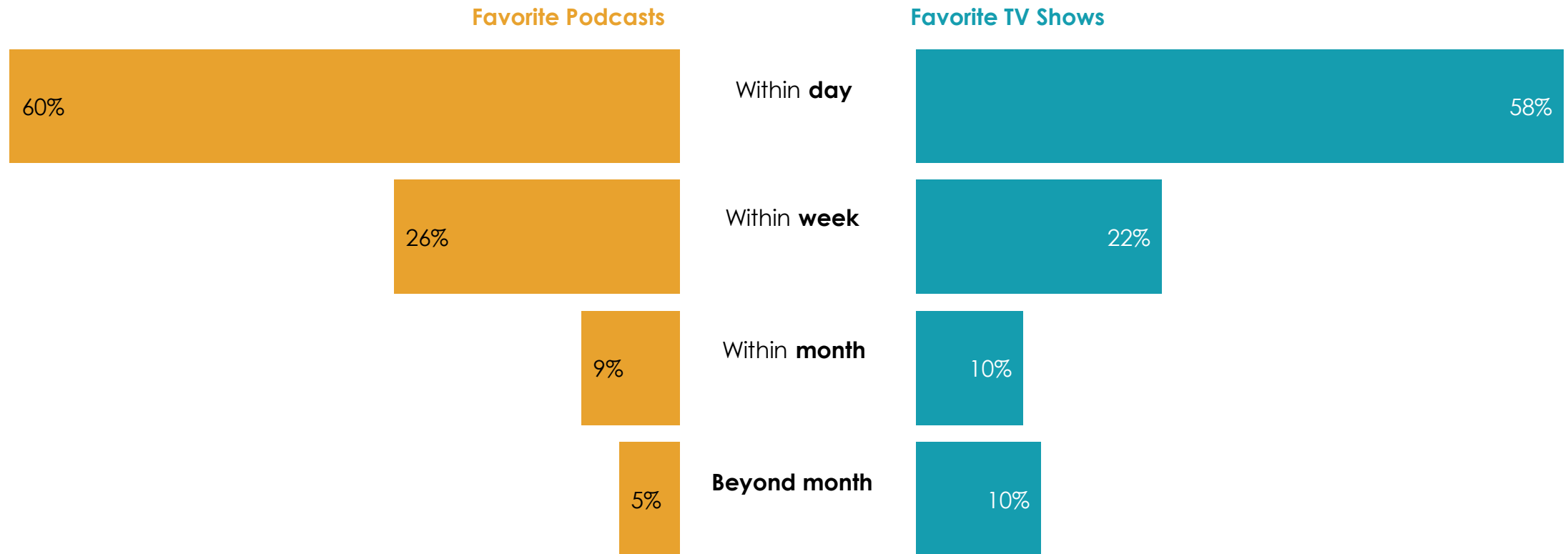
High Ad Receptivity

(Scale 1-10) % Very Receptive (7-10)



Draw to listen to podcasts is just as immediate as TV shows

Time New Episodes Of Favorite Podcasts/TV Shows Are Listened To/Watched
% Selected



Relistening to podcasts is just as common as rewatching TV shows

Frequency Of Relistening/Rewatching
Favorite Podcasts/TV Shows
% Very Frequently/Sometimes

Top reason for both relistening to podcasts and rewatching TV shows is the desire to hear/watch the story again

75%
Favorite Podcasts



74%
Favorite TV Shows



A person is holding a smartphone in their hands. The screen shows a podcast player interface. At the top, the time is 7:32 and the location is App Store. The podcast title is 'SNAKES!!!' by 'Science Vs'. Below the title, it says 'Thu · 30min left' with a progress bar. There are icons for adding to a library, downloading, and sharing. A green play button is visible. The episode description reads: 'Snake venom is a wily beast. It's packed with hundreds of toxins that can attack our blood vessels, muscles and nerves. That's why snake bites kill some 100,000 people each year. On today's show — dangerous snake bi... see more'. Below the description, it says 'Mar 25 · 30min'. There is a 'See all episodes' link with a right arrow. A 'You might also like' section shows a small thumbnail for the same podcast. At the bottom of the screen, there are icons for Search, Your Library, and Premium. The background of the image is a blurred person wearing a grey sweater, with white concentric circles and lines radiating from the phone, suggesting sound waves or a digital interface.

Though similar on the surface, **podcasts** offer a distinct listening experience

Despite similar sense of urgency, podcast listeners are more likely to actively seek out new podcasts

Frequency Of Seeking Out New Podcasts/TV Shows
- % Very Often

Gen X (48%) audiences are the most likely to seek out new podcasts

35%
Podcasts



27%
TV Shows



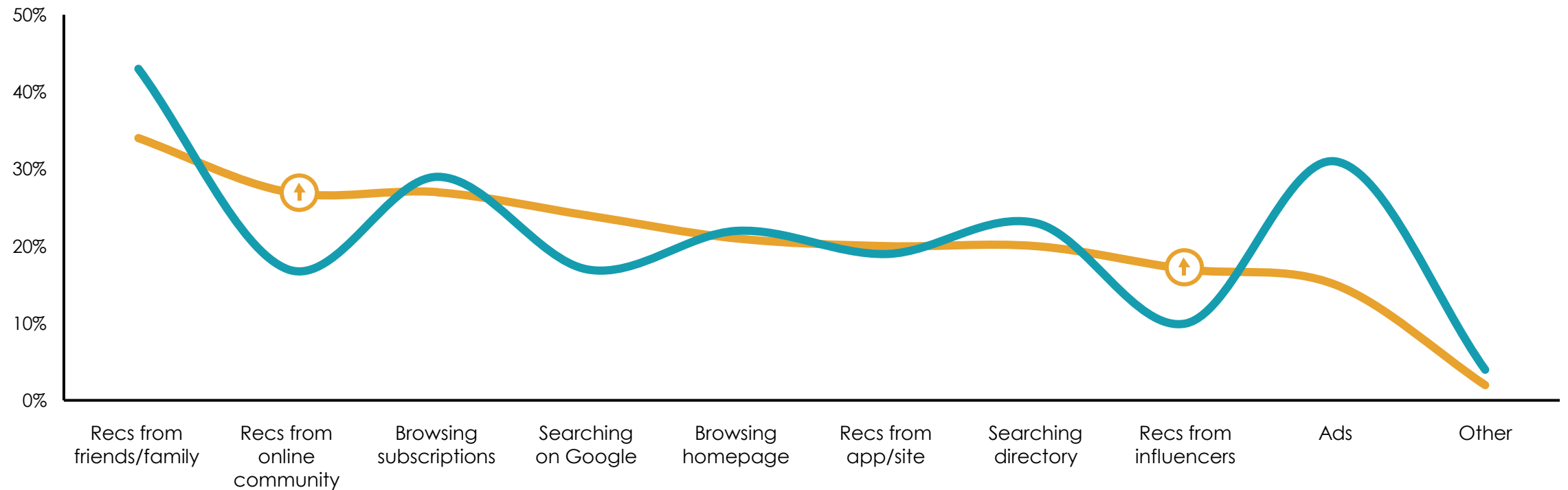
Podcast listeners rely on their online community more than TV show watchers

Podcasts tailor to those with niche interests, with listeners more likely connecting with others who share their passions, instead of people in their physical world

Discovery Of New Podcasts/TV Shows

% Selected

● Podcasts ● TV Shows



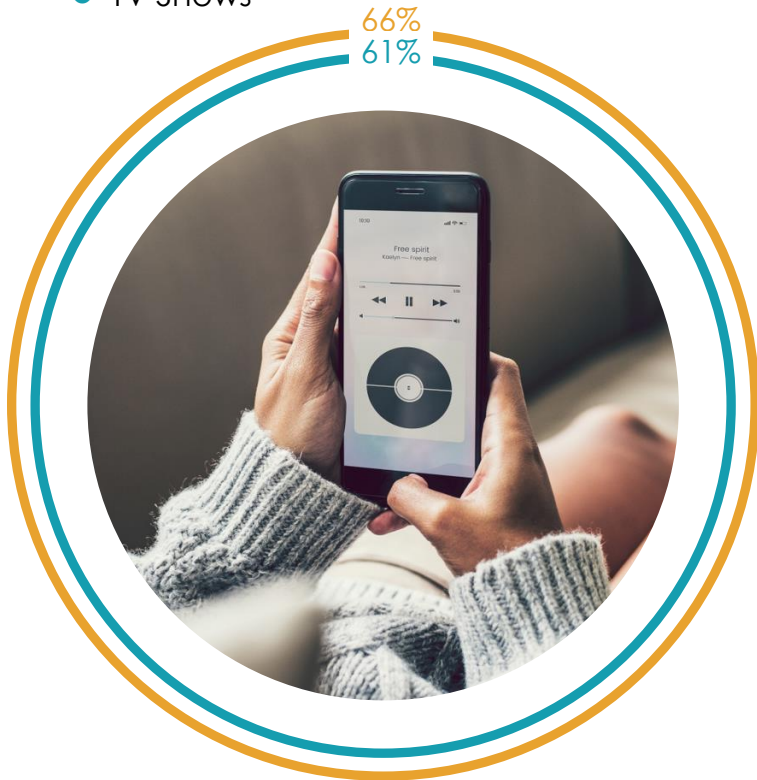
Podcast listeners have a strong passion for the host themselves

Educational component was the top reason why listeners love podcasts. Intimacy with the host is the #2 reason

Passion - (Scale 1-10) % Strong Passion (7-10)

● Podcasts

● TV Shows



Strong Passion For **Favorite Podcast Or TV Show**



Strong Passion For **Podcast Host Or TV Show Actors**

“Podcasts have more **interesting personalities** who discuss topics more thoroughly and openly than on mainstream radio or TV”

More trust in ads in podcasts, likely due to strong passion for the hosts

Not only were podcast listeners more passionate about the host/content, they also trust advertising in podcasts more than that in TV shows

Trust In Product/Service Advertised
% A Lot Of/Some Trust

"[I trusted the ad]... because of the podcast hosts. They share my values"

"I trust the host of the podcast so I know they would promote good products."

84% 

More Trust in Podcasts

VS

77% 

More Trust in TV Shows

Summary



Action Items

Invest in moments when leveraging digital audio

Digital audio offers vast opportunities for reaching consumers contextually throughout the day - with higher ad receptivity compared to digital video to boot

Explore targeting based on mood

Good moods = higher trust and ad receptivity. While brands are more likely to find consumers in a good mood when listening, consider targeting based on moods through "moments" or genre

Consider investing more in podcasts

Podcasts offer brands a unique opportunity to reach consumers within an environment they feel passionately about. Whether it's the host or podcast itself, this passion leads to trust and receptivity that trumps that of TV shows

Thank You

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