
NEW YORK CITY, THE PODCASTING CAPITAL

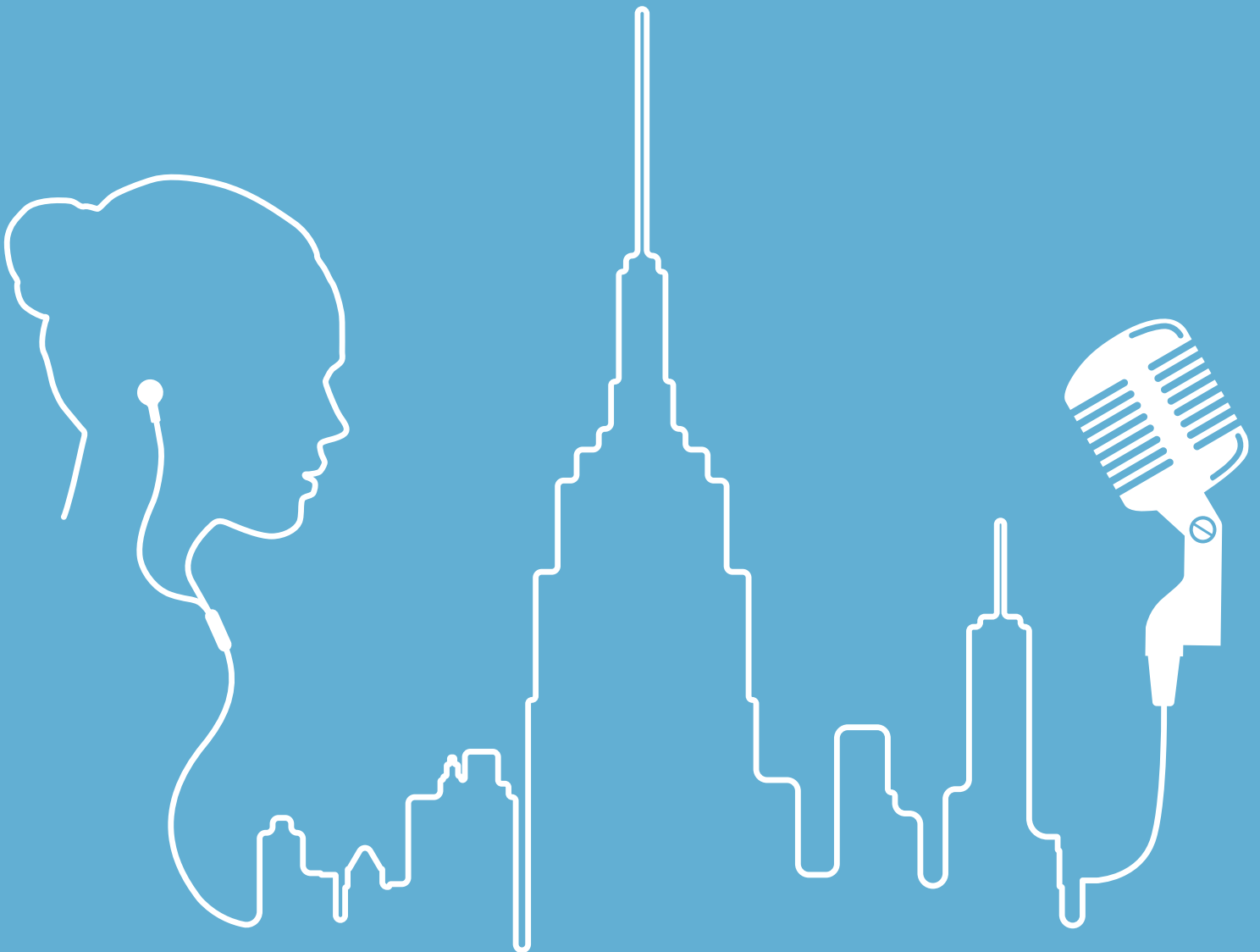


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EXECUTIVE SUMMARY

Podcasts are the newest form of the oldest entertainment medium: storytelling. Today's podcasts are a major forum for the exchange of ideas, and many are calling this time the “renaissance of podcasting.”

Born out of the marriage of public radio and the internet, podcasting has adapted to follow modern consumption patterns and the high demand for readily accessible entertainment.

Podcasts are making New York City their home. The density of advertising firms, technology companies, major brands, digital media organizations, and talent has established New York City as the epicenter of the burgeoning podcast industry. New York City is home to the fastest growing podcast startups, which have doubled, tripled, and quadrupled their size in the past several years – in employment, office space, and listenership.

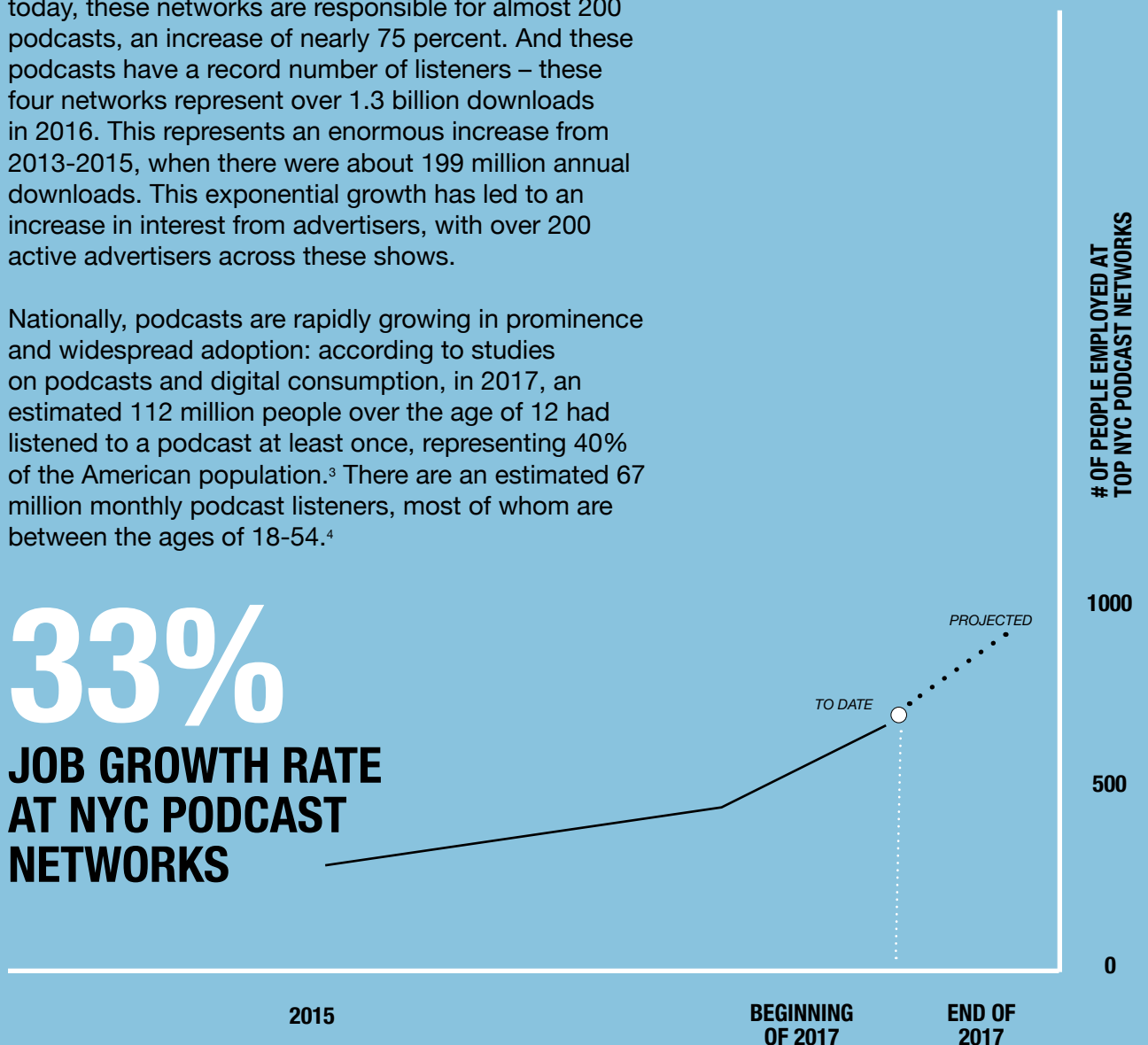
New York City's podcast networks are growing rapidly, reflecting the huge national audience of 42 million weekly listeners. Employment at the top New York City podcast networks has increased over the past several years, from about 450 people in 2015 to about 600 people in early 2017. That number could grow by as much as 50 percent by the end of 2017.¹ With a job growth rate of 33 percent, this nascent industry is

NEW YORK CITY'S PODCAST NETWORKS ARE GROWING RAPIDLY, REFLECTING THE HUGE NATIONAL AUDIENCE OF 42 MILLION WEEKLY LISTENERS.

growing faster than the advertising industry, which has a job growth rate of approximately 7 percent.² In 2015, the top four New York City networks alone produced about 115 podcasts. That number has exploded, and today, these networks are responsible for almost 200 podcasts, an increase of nearly 75 percent. And these podcasts have a record number of listeners – these four networks represent over 1.3 billion downloads in 2016. This represents an enormous increase from 2013-2015, when there were about 199 million annual downloads. This exponential growth has led to an increase in interest from advertisers, with over 200 active advertisers across these shows.

Nationally, podcasts are rapidly growing in prominence and widespread adoption: according to studies on podcasts and digital consumption, in 2017, an estimated 112 million people over the age of 12 had listened to a podcast at least once, representing 40% of the American population.³ There are an estimated 67 million monthly podcast listeners, most of whom are between the ages of 18-54.⁴

33%
**JOB GROWTH RATE
AT NYC PODCAST
NETWORKS**



Since podcasts are provided to listeners for free, the industry relies solely on advertisements for revenue, which has proven to be financially sustainable. In part, this is because research shows that podcast advertisements are uniquely effective - listeners pay attention to what they're hearing: 65 percent of listeners remember advertisements they've heard in the past day. In recent years, large companies have begun to look to podcasting as an important vehicle for brand loyalty building. These general brand ads bring in higher levels of revenue for podcast networks, and this growing segment of advertising dollars, up from a quarter of advertisements in 2015 to about half of advertisements in 2017,⁵ indicates advertisers are beginning to view podcasts as an increasingly relevant platform for their messaging, a shift that will increase overall revenues.

Podcasting is also an extremely valuable medium through which to advertise. It has one of the highest cost per thousand impressions (CPM) values of any entertainment medium, including web ads, YouTube videos, and even broadcast television commercials. A 60-second podcast ad can range anywhere from \$25 to \$100 per thousand impressions, depending on the audience size. According to an IAB industry survey, podcast advertising revenue in 2016 was about \$119 million.⁶ Between 2015 and 2016, podcast advertising grew at a rate of 72 percent.⁷ It is estimated that the total advertising spend in podcasting in 2017 will near \$220 million.

Podcasting faces a number of challenges inherent to the medium. The ever-changing media landscape offers engaging, interactive visual content that can quickly be disseminated

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and consumed. Podcasts, however, require an attentive, engaged and committed audience. This may be an obstacle to building a broader audience base. Another concern is that, despite its origins in the tech community, podcasting has fallen behind the curve in technological innovation and support systems to keep the content and delivery method relevant. Several companies have developed software to address distributors' need for more tools and flexibility, but they are largely unavailable to smaller, independent podcasts.

The future of podcasting is promising. Audio on demand is growing as an entertainment medium, and the ease of accessing podcasts will only increase. With the introduction and popularity of screenless technologies, the concept of audio-only entertainment has become more mainstream. The improvement of podcast technologies, such as measurement metrics and podcast discovery functions, will drive the growth of advertising revenue into its predicted industry-wide gross of \$395 million by 2020. The heart of the development of the industry is in New York City, and this epicenter will lead the podcast's evolution and growth.

INTRODUCTION

As long as humans have existed, storytelling has been the entertainment medium of choice. Storytelling has evolved, using newly available technologies to bring stories to life. From the days of sharing stories around a fire in a cave, to the development of the radio, talkies, television, and Netflix, people have found new ways to effectively communicate narratives.

Today, the podcast is the newest entry point to storytelling and the exchange of ideas. Born out of the marriage of public radio and the internet, podcasting has adapted to follow modern consumption patterns and the high demand for readily accessible entertainment. Most forms of entertainment have entered the digital realm, from television and movies to music and news, and podcasts are no exception.⁸ However, unlike most digital media, podcasting has a unique, intimate feel. It is currently reliant upon word-of-mouth advertisement for growth, and listeners engage on a deep level with podcasts, developing strong bonds to the hosts. “Podcasting is a companionship experience,” says Matt Lieber, co-founder of podcasting network Gimlet, “The way people listen to podcasts is like they’re hanging out with their friends.”

Podcasts are making New York City their home. The density of advertising firms, technology companies, major brands, digital media organizations, and talent has established New York City as the epicenter of the burgeoning podcast industry. New York City is home to the fastest growing podcast startups, which have

doubled, tripled, and quadrupled their size in the past several years – in employment, office space, and listenership.

Recently, major New York City-based media and news organizations, such as BuzzFeed and the New York Times, have begun to emerge into the podcast space, recognizing its increasing importance as a communication tool. These companies, too, have led to the growth of the podcast industry in New York City.

A major obstacle in the podcast industry is a lack of significant technological infrastructure. With relatively few distribution platforms, variations of file formats, and software programs available, podcasting is still in its technological infancy. Podcasting began in the tech community, and has since grown into the mainstream media, creating a somewhat ironic central tension in the industry. Additionally, podcasting does not have the same supporting industries and internal organization as similarly large entertainment mediums. This is a recurring theme, both in the podcast industry, and throughout this report.

This report, from the New York City Mayor’s Office of Media and Entertainment (MOME), celebrates the expansion of MOME’s portfolio into the podcast industry. It tracks the rise of podcasting generally, details the emergence of New York City as an epicenter of the industry, and highlights both the industry’s challenges and opportunities for continued growth.



**“THE WAY PEOPLE LISTEN
TO PODCASTS IS LIKE
THEY’RE HANGING OUT
WITH THEIR FRIENDS.”**

-Matt Lieber, Gimlet

A BRIEF HISTORY OF THE PODCAST

Despite its relatively recent boom in popularity, podcasting has been around for over a decade. Beginning in 2005, several years before the introduction of the iPhone, podcasts were downloaded to iPods and mostly limited to the tech community. Podcasts were limited in genre, the content was mostly tech-focused, and they were relatively inaccessible to those without the know-how to download an obscure audio file. The podcasting distributors' pool evolved when radio, especially public radio, began to utilize this new platform, packaging and posting previously aired segments online. Public radio had enormous influence over the development of podcasts. "Public radio was all about building an engaged, cultivated audience, that was interested in fairly rich and complex content," Erik Diehn, the CEO of Midroll Media, explains. "A lot of podcasts are outgrowths of that, in many ways, and the notion of documentary audio, storytelling – is all descended from that. Public radio seeded this content type."

The public radio audience has generally skewed towards white, educated, and older listeners. Between the offerings of commercial and public radio, many other demographics' interests were not being met. Young people and people of color were not engaged by much of

the programming available on the radio, which was predominantly talk radio for older, conservative groups. Podcasting created opportunities for new voices and ideas to be heard, circumventing obstacles in commercial and public radio.

Around 2007, the podcasting community began to shift from the tech world into the public radio sphere. Most of the major industry leaders have their roots in public radio, and saw podcasting as an opportunity to broaden their listener base. New genres of podcasting were developed, and soon there were podcasts about a broad range of subjects. The platform allowed for hosts to delve into subjects that were more niche and narrow than in radio, such as investigative journalism and long-form interviews. "Podcasting is deep, radio is broad," says Dean Cappello, Executive Vice President and Chief Content Officer of WNYC/New York Public Radio. Podcasts are a democratic medium – anyone with access to a microphone and a computer is able to create a podcast, and so the variety of content is staggering. This has fostered an audience with a wide range of interests, with the expectation that those interests can be found somewhere in the audio on demand universe.

PODCASTING CREATED OPPORTUNITIES FOR NEW VOICES AND IDEAS TO BE HEARD, CIRCUMVENTING OBSTACLES IN COMMERCIAL AND PUBLIC RADIO.





NATIONAL LANDSCAPE OF PODCASTING

Several factors have led to what many are calling the “renaissance of podcasting”: the development of content for mobile devices and increased use of smartphones; the strong consumer demand for innovative and engaging entertainment; and new approaches to advertising in digital content.

PODCAST GROWTH

There has been significant growth in the podcasting world in the past few years. Some point to the breakout 2014 hit *Serial* as the catalyst, but most in the podcasting world believe that *Serial* was simply a consolidating force, representative of the potential and inevitable growth of podcasting. *Serial*, says Jody Avirgan, the producer for podcasts at FiveThirtyEight, “...Broke out, and got a lot of people who hadn’t listened to podcasts, but more than anything, it consolidated an audience that was already there and primed. Everyone who was going to listen to a show like that, ended up listening to a show like that.”

Another major factor that many in the podcast industry point to was the addition of the podcast app in Apple’s iOS 6 in 2012, and the app’s default installation with iOS 8 in September 2014. The first episode of *Serial* was released in October of 2014. Apple, the platform through which the majority of podcasts are downloaded, has over 350,000 active podcasts, with 13 million episodes of audio and video content.⁹ There were 10 billion downloads and streams in 2016.¹⁰





PODCAST LISTENERSHIP IS GROWING, AND THE MEDIUM IS INCREASINGLY ATTRACTING YOUNG AUDIENCES WHO ARE EXCELLENT INDICATORS OF FUTURE EXPANSION INTO THE MAINSTREAM.

112,000,000 PEOPLE OVER THE AGE OF 12 HAD LISTENED TO A PODCAST AT LEAST ONCE

According to Edison Research studies on podcast and digital consumption, in 2017, an estimated 112 million people over the age of 12 had listened to a podcast at least once, representing 40% of the American population.¹¹

67,000,000 MONTHLY PODCAST LISTENERS ARE MOSTLY BETWEEN THE AGES OF 18-54

There are an estimated 67 million monthly podcast listeners, most of whom are between the ages of 18-54.¹² This is a twofold increase in listenership from 2013, when only 32 million Americans had listened to a podcast in the past month.¹³

49% OF PODCAST CONSUMERS ARE UNDER 35 YEARS OLD

The average podcast listener is young, well-educated, and relatively affluent. The podcast listening audience skews slightly more male than female, and 49% of podcast consumers are under 35.¹⁴ The median for podcast listeners' household annual income is \$63,000, which is above the U.S. median of \$53,000.¹⁵ The average podcast listener is highly educated, with over half of listeners earning a four-year college degree, and nearly 30% attaining an advanced degree.¹⁶

42,000,000 PEOPLE ARE WEEKLY LISTENERS

The most engaged podcast consumers – weekly listeners – numbered about 42 million people in 2017.¹⁷ On average, these consumers listen to five podcasts a week, for over five hours a week.¹⁸



ADVERTISING

Since podcasts are provided to listeners for free, the industry relies solely on advertisements for revenue, which has proven to be financially sustainable. As a result, the majority of research and technological development in the podcast industry has focused on increasing advertising revenue. The ability to monetize podcasting and maximize revenue is a driving force of the industry.

THE IMPACT OF PODCAST ADVERTISING

Research has confirmed that podcast advertisements are uniquely effective - listeners are fully immersed in the content and pay attention to what they're hearing. 65% of listeners remember advertisements they've heard in the past day, 47% remember an ad from the past week, and 21% remember an ad from the past month.¹⁹ These high levels of engagement have resulted in valuable and profitable podcast advertisements.

Typically, podcast ads are designed to be consistent with the podcast's tone and style. Producing the creative for ads can be a labor-intensive process for distributors, but is usually worth the investment. Listeners often feel, when the host reads the advertisement, that the product or service is receiving an implicit endorsement. Listeners develop trust in a podcast host because of the sense of intimacy the medium fosters, and so similarly trust the host's judgment in choosing to advertise a product.

65%

REMEMBER AN AD FROM THE
PAST DAY

47%

REMEMBER AN AD FROM THE
PAST WEEK

21%

REMEMBER AN AD FROM THE
PAST MONTH

ADVERTISING MODELS IN PODCASTING

There are two major types of ads in podcasting: commercials and sponsored content.²⁰ The majority of advertisements is direct response commercials, which encourage listeners to buy a specific product using a code, linking the purchase to the podcast in which the listener heard the commercials. This provides advertisers with clear information about the reach and effectiveness of their message.

In recent years, brands have begun to turn to podcasting for brand development advertising. These general brand ads, which advertise larger purchases, such as cars, computers, and tech software, aim to build a company's brand and customers' loyalty, and are longer-term investments than direct response ads. General brand ads bring in higher levels of revenue for podcast networks, and this growing segment of advertising dollars, up from a quarter of advertisements in 2015 to about half of advertisements in 2017,²¹ indicates advertisers are beginning to view podcasts as an increasingly relevant platform for their messaging, a shift that will increase overall revenues.

The shift to brand loyalty-building advertising is also taking shape through the other major ad category, sponsored content. Similar to sponsored articles on news websites or blogs, brands are taking podcasts into their own hands, partnering with podcasting networks to create their own "sponsored content" or white-label podcasts. These sponsored podcasts span a wide range of topics and content – from an entrepreneurship podcast from Gimlet Media, sponsored by eBay, to a General Electrics-sponsored sci-fi thriller podcast created by Panoply.





PRICING MODEL

Podcasting has one of the highest cost per thousand impressions (CPM) values of any entertainment medium, including web ads, YouTube videos, and even broadcast television commercials. A 60-second podcast ad can range anywhere from \$25 to \$100 per thousand impressions, depending on the audience size.²² By comparison, broadcast and cable TV commercials sell for about \$10 to \$25 CPM.²³ While advertising investments in emerging digital technologies can be short-lived, the growth in advertising revenue for podcasting has been explosive in the past several years, and is projected to continue on this trajectory into the next decade.

According to an IAB industry survey, podcast advertising revenue in 2016 was about \$119 million.²⁴ Between 2015 and 2016, podcast advertising grew at a rate of 72 percent.²⁵ IAB estimates that the total advertising spend in podcasting in 2017 will near \$220 million.²⁶ Bridge Ratings, a media research firm and market sizer, forecasts that podcast advertising will grow 25 percent a year through 2020, at which point annual podcasting ad spending is estimated to gross \$395 million.²⁷

ADVERTISING TECHNOLOGY

The potential for innovation in the podcasting advertising space remains vast. At the moment, there are only a few methods to generate advertising revenue. Among the most promising developments is dynamic ad insertion.

Dynamic ad insertion enables the industry to generate advertising revenue commensurate with audience size. The primary use of the tool enables podcast distributors to swap out an advertisement segment of a podcast episode without having to change the audio file. This allows an advertiser to purchase an advertising spot in an episode, up to a certain number of listens or downloads. When that number has been reached, the advertiser is able to purchase the next set of listens, or decline to continue the ad campaign, giving a different advertiser the opportunity to purchase that ad space. This tool is highly effective for new podcasts, especially from new podcast distributors, because it provides a safe opportunity for advertisers to sign on before knowing how popular the podcast will be. If it exceeds expectations, advertisers are able to continue their campaign.

If the podcast is not successful, the advertiser has not overestimated the value – and sunk the cost – of their investment.

Dynamic ad insertion allows distributors to update old episodes with new advertisements, for the many listeners who “binge” on old episodes of a podcast series, keeping their content relevant. Dynamic ad insertion also collects data on whether the ad was actually listened to, which is useful information for distributors about programming content and ad targeting.

Some podcast companies are cutting out advertising altogether and trying out a subscription model. Like Netflix, these subscription services monetize podcasts by offering archived podcast episodes, ad-free podcasts, and exclusive content for subscribers. So far, only a few podcast companies have tried this approach, including the service Howl from Midroll Media, now in collaboration with the Android-based podcast platform Stitcher.





NEW YORK CITY, THE CAPITAL OF PODCASTING

New York City is uniquely positioned as the capital of the podcast industry. The ecosystem is especially strong in New York City due to the centralization of the top podcast networks, digital media companies, and news organizations, as well as the advertising industry. New York also has the densest population of podcast listeners. The diversity of podcast companies' business models supports the New York City podcast ecosystem, with individual companies specializing in specific style and content, creating opportunities for collaboration and innovation across industries.

NEW YORK CITY'S PODCAST NETWORKS

The pioneering companies in the podcast industry include the following major New York City networks:



WNYC Studios is the oldest, most established podcast network in New York City, and is a cornerstone for the industry as a whole. The public radio network was an early distributor of podcasts, and many of the other top podcasting networks today are run and staffed by former WNYC Studios employees. Many of these networks are offshoots of WNYC Studios, and produce content that is similar in form, style, and high quality.

Gimlet

Founded in 2014, Gimlet has quickly grown to become a prominent podcast network, with a wide variety of successful and innovative podcasts. Its few but notable podcasts include a scripted fiction show, a true-crime show, a genealogy show, and a very popular show about the internet and society. It is also one of the first networks nationally to produce white-label podcasts, known as sponsored content.



Slate is a media company that functions as a daily online magazine and audio network, and was also an early podcast company. It is particularly well-known for its political podcasting coverage. In 2015, The Slate Group created the division Panoply Media, which operates as a podcasting startup. Slate and Panoply work collaboratively to share resources and growth, and have given rise to technological innovation, through Panoply's software Megaphone, the publishing tool now used by a large swath of the podcast industry. Panoply both creates and acquires podcasts, and the nearly 140 shows distributed by Panoply are representative of the diversity of available podcasts.



Midroll is a company composed of both a podcast network and a matchmaking service between advertisers and podcasts. It began in comedy podcasting in LA, and has since expanded to New York City, growing its offerings beyond comedy, to topics ranging from politics to parenting. Midroll represents hundreds of shows, and exemplifies the industry ethos that “the rising tide lifts all boats.” Midroll is responsible for ensuring revenue for other networks, and the growth of the podcasts it represents is beneficial to Midroll, as well.

NEW YORK CITY'S PODCAST NETWORKS (CONT'D)

PINEAPPLE STREET MEDIA

Pineapple St. Media is a new podcast startup that creates white-label, premium sponsored content, as well as innovative new shows in conjunction with digital media outlets such as BuzzFeed and The New York Times.

The New York Times

The Times focused on arts podcasts for the past several years, but is now becoming more serious about the digital listening sphere. They recently launched a daily news podcast, The Daily, and have made significant investments in its development and promotion that indicate the importance of the medium to the wider news and media community.

THE WALL STREET JOURNAL.

The Wall Street Journal offers several multi-daily news and business updates to its subscribers, generally interviews with remote guests.

ESPN / FiveThirtyEight

FiveThirtyEight's approach to data-driven predictions during the 2008 U.S. presidential election sparked a new mainstream interest in big data as an analytical tool. This focus on data has become the foundation for their podcast venture, with support from their parent company ESPN. The podcasts have become another access point into their widely-followed politics coverage.

BuzzFeed

BuzzFeed initially was a major distributor of viral entertainment content, but has now grown into the news space, and, relying on crowdsourcing and the speed of social media, has grown to be a major news outlet. They too, are creating podcasts, with a specific focus on increasing the diversity of voices and stories that are heard.

NEW YORK CITY PODCAST INDUSTRY GROWTH

New York City’s podcast networks are growing rapidly. Employment at the top New York City podcast networks has increased over the past several years, to about 600 people engaged in podcast creation, distribution, and management as of February 2017 from over 450 people in 2014-5.²⁸ That number is expected to grow further, say the podcast networks, perhaps by as much as 50 percent by the end of 2017. With a job growth rate of 33 percent, this nascent industry is growing faster than the advertising industry, with a job growth rate of approximately 7 percent.²⁹ Similarly, podcast jobs are similarly growing faster than the rate of jobs growth in television and radio news.³⁰

Networks are also expanding their physical footprints. Nearly every network has recently expanded their office space, or is in the process of doing so. In 2014-5, New York City podcast networks occupied about 100,000 square feet of office space. Today, they occupy almost 140,000 square feet. If podcast recording studios built out in digital media companies such as BuzzFeed, the New York Times, and the Wall Street Journal were included, that number could double.

These podcast networks are also highly productive. In 2015, the top four New York City networks alone produced about 115 podcasts. That number has exploded, and today, these networks are responsible for almost 200 podcasts, an increase of nearly 75 percent.

And they have a record number of listeners – these four networks represent over 1.3 billion downloads in 2016. This represents an enormous increase – in just 4 years, there has been over 550 percent growth since 2013-2015, when there were about 199 million annual downloads. This exponential growth has led to an increase in interest from advertisers, with over 200 active advertisers across these shows. Nearly 50 percent of these advertisements are the more lucrative general brand advertisements, as opposed to direct response ads.

**IN 2014-15,
NEW YORK CITY
PODCAST NETWORKS
OCCUPIED ABOUT
100,000 SQUARE FEET
OF OFFICE SPACE.
TODAY, THEY OCCUPY
ALMOST 140,000
SQUARE FEET.**



THE NEW YORK CITY PODCAST COMMUNITY

Public radio has made extensive contributions to the podcast medium in tone and style, and has essentially served as a training ground for the top editors, executives, and hosts in podcasting. While employment opportunities appear to be increasing, the skills needed for these positions – largely in the editorial space – are in short supply. These audio skills are not taught formally in journalism programs, leaving podcast networks reliant on alumni of public radio to fill vacancies and growing personnel needs. This creates an opportunity to increase the number of eligible, full-time employees for the podcast industry through educational and training programs.

WNYC, one of the foremost public radio stations in America, has educated and groomed dozens of the people responsible for shaping podcasting today. As a result, the podcast community is just that – truly a community in which the majority of those employed in the industry know one another, either from previous employment or partnerships between networks.

The relationships in podcasting are extensive, and while, like any industry, networks compete for prominence, they are also supportive and collaborative. “A rising tide lifts all boats,” says Jody Avirgan of FiveThirtyEight. The sentiment was echoed, verbatim, by Eleanor Kagan, the Director of Audio for BuzzFeed, and reflects a consistent ethos across the industry.

The New York City podcast networks, from the upstarts to the legacy publications like *The New Yorker* and *New York Magazine*, are creating innovative, cutting edge-programming that raises the bar in the industry and inspires healthy competition. “There’s a shared interest in promoting the medium and promoting the podcasts,” says Jacob Weisberg, Chairman of the Slate Group, “My sense of it is that everyone sees the competition as not zero-sum – that there can be a lot of winners, but for there to be any winners, the industry itself has to get over certain hurdles.”

New York’s storied history as a haven for artists is due to its high concentration of creative talent in all fields. Podcasting is no exception. “Access to talent is key,” says Erik Diehn, CEO of Midroll Media. “On both sides of the mic – comedians, hosts, et cetera, and then there’s engineers, and the producers. There is a density of both in New York.” Podcast hosting talent can easily be found in New York, along with a wealth of composers, audio producers, and sound designers from the music industry. The attraction of talent is a reinforcing loop - the central location of the podcast industry attracts podcasting talent, which strengthens New York’s prominence in the podcast industry.

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PERCENT.**

INCREASING DIVERSITY IN NEW YORK CITY PODCASTING

New York City's podcasting networks are taking steps to increase diversity in podcasting, bringing new voices and perspectives to the forefront of the medium.

Much like other mainstream media and entertainment, the podcasting field is largely white and male. The number of top podcasts hosted and co-hosted by women over the past four years has hovered between 20 and 30 percent.^{31 32 33} But, says Dean Cappello of WNYC Studios, “The demand on us is to continue to be constantly expanding the portfolio, to bring a greater diversity of people to the conversation, both on the talent side and the audience side... The next phase of life of the radio station will be about listening to the community, mirroring back to the community, engaging the community... making things out of listening. [It's about] people being heard.”

New York City podcast networks are taking advantage of the many voices and communities that are found here and represent what America truly looks like. BuzzFeed's podcasting offerings include See Something Say Something, highlighting the Muslim experience in America; and Another Round, a popular show hosted by two women of color, who discuss everything from race, to gender, to pop culture, and wellness. Slate's Represent explores films and TV shows created by or about women, people of color, and the LGBTQ community. WNYC Studios' 2 Dope Queens, hosted by two female comedians of color, has risen to the top of the iTunes chart. The show, as Cappello describes it, is “...not your typical public radio show. And yet, it is, in our eyes, as mission-driven as the Brian Lehrer Show, because [the hosts,] Phoebe and Jessica, created that program to create a platform for people who didn't have platforms. That's a very public radio way of looking at the world.”



Phoebe Robinson and Jessica Williams of **2 Dope Queens**, a WNYC Studios production. Photo credit: Amy Pearl

TECHNOLOGY

Podcasting faces a number of challenges inherent to the medium. The ever-changing media landscape offers engaging, interactive visual content that can quickly be disseminated and consumed. Podcasts, however, require an attentive, engaged and committed audience. This may be an obstacle to building a broader audience base. Another concern is that, despite its origins in the tech community, podcasting has fallen behind the curve in technological innovation and support systems to keep the content and delivery method relevant. A major method of gaining traction in this increasingly digital age is sharing content via

Despite its origins in the tech community, some are concerned that podcasting has fallen behind the curve in technological innovation and support systems to keep the content and delivery method relevant. But where there is a technology need, there is often a closely-following solution.

social media. However, social media does not support an audio-only platform, making it hard for users to share podcasts with their circles. This inhibits the growth and reach of the medium, requiring podcasting networks to rely on word-of-mouth for awareness, an obstacle to expanding audiences, especially in older, less technologically-savvy demographic groups. But where there is a technology need, there is

often a closely-following solution “The linear, steady growth [of podcasting] is hopeful, because it means it’s sustainable. You don’t have to bank on a really steep curve. But I’m convinced that there are still tons of people who don’t know they’re podcast fans yet,” says Avirgan of FiveThirtyEight. “And one of the reasons these people don’t know they’re podcast fans yet is because of the mechanics of the medium. It’s still pretty hard to sign up for a podcast on your phone.”

While the content and format of podcasting are moving forward at a rapid clip, evolving to reflect listeners’ preferences and interests, the technology behind the medium has remained mostly stagnant. There are two primary file formats to distribute streaming audio: mp3 and RSS feeds. Mp3s are the original, standard format for music and audio files. RSS is a web feed format, enabling publishers to automatically update their episodes, including sponsor messages. For an entertainment medium that attracts millions of weekly listeners, there is relatively little technological infrastructure to support the changes in the industry. Several companies have developed software to address distributors’ need for more tools and flexibility, but they are largely unavailable to smaller, independent podcasts.

Both mp3s and RSS feeds are one-way audio platforms: data about the listener and their preferences are extremely limited. In every digital entertainment platform, users are able to rate a piece of content, be it a movie on Netflix, a song on Apple Music, or a post on Facebook. This real-time feedback provides distributors with information about users’ interests, which is used to tailor content and provide ever-better programming. Podcasts, however, have no such capability. As the technology currently exists, distributors lack important information about how listeners engage with a podcast episode,

including whether someone has actually listened to an episode after downloading it, or how much of an episode was listened to.

In order to become a truly digital medium, the platform will need to become a two-way, interactive technology. Further, this lack of accurate measurement information makes it more challenging to maximize advertising revenue. There is a generally accepted standard by which podcast networks measure their listens and sell advertising time, but the measurements of listener information have yet to become an exact, objective science. The lack of specific data creates an opportunity for innovation, one that has already been partially filled by companies such as Podtrac and Panoply's technology platform, Megaphone. But further insight into listener engagement is needed to advance podcasting's status as a media force.

The future of podcasting is promising. Audio on demand is growing as an entertainment medium, and the ease of accessing podcasts will only increase. With the introduction and popularity of screenless technologies, such as Amazon's Echo and Google Home, the concept of audio-only entertainment has become more mainstream. The development of technology that creates connectivity to the home and the car, as well as the introduction of Wi-Fi in the New York City subways and other public transit across the country, will increase opportunities for listening.

New methods of podcast discovery will be integrated into podcast platforms, and hopefully adopted by the major podcast platforms. Currently, podcast discovery is limited to browsing the lengthy catalogues of shows, with little way for the listener to know if they will enjoy a new show. But similar to Netflix, Spotify, and Pandora's technologies, recommendation software, based on users' previous preferences, is starting to become available.





THE FUTURE OF PODCASTING

Podcasting has undergone a rapid evolution in the past several years, as the medium's popularity has grown and networks compete to capture listeners through high-quality and innovative content. After nearly a decade of stagnancy, the renaissance of podcasting is fully underway, and the future of podcasting is approaching at a faster rate than anyone in the podcasting world would have imagined only a few years ago.

A major debate in the podcasting world is how podcasts will continue to evolve and how they will fit into the modern diet of daily media consumption. Many believe that podcasts will follow the model of blogging, in which the best podcasts rise to the top. The best podcasts will generate high levels of advertising revenue, similar to how a website such as BuzzFeed, which originated in the blog space, became a large and profitable media company. An alternative forecast is one in which podcasting follows a similar model to TV, entering the digital space through paid subscription models for revenue. This model already exists, but it is not currently the method through which most podcasts are consumed.

There have been recent indicators that the medium's standing is growing beyond the podcasting world. The podcast has been increasingly used as a primary and direct method of communication on issues of high national importance. Pineapple St. Media, a New York City podcasting startup, created and distributed the podcast *With Her*, the podcast with Hillary Clinton, during the 2016 presidential campaign. It quickly became the top podcast on iTunes and served as a way for millions of listeners to connect with the presidential campaign. It was also widely discussed when, in January 2017, former President Barack Obama chose to have his final interview in office take place on

the podcast Pod Save America. These high-profile podcasts are only a small sample of the important conversations currently taking place in podcasting, as journalists, celebrities, and politicians begin to recognize podcasting as an opportunity to broadcast their message.

The future of podcasting is also taking shape through forays into new forms of content. Currently, the most popular, mainstream genres include society and culture, technology, sports, news and political analysis, true crime and investigative reporting, and comedy. But because podcasting is still evolving, there is an openness and flexibility in audiences towards new kinds of audio. Podcast distributors are now willing to take a gamble and create more niche shows for different audiences and demographics, with the confidence that these investments will generate revenue. Diehn discusses the expanding opportunities to innovate, “Just like every other medium now, you can build a show for much smaller audiences, and the economics of distribution and production have changed so much, that you can do that and make money off of it.” Scripted series, both in drama and comedy, are gaining momentum and evoke the original radio shows that captivated a generation. Children’s programming has also started to grow.

Most significantly, news outlets are looking towards daily podcasts that brief the listener on current events. The New York Times recently launched a daily news podcast, and the Wall Street Journal has also begun to publish daily business podcast updates. These investments in audio programming signify podcasting’s increasing prominence as a medium through which to engage with the world, beyond pure entertainment value. As print publishing declines in the face of the proliferation of digital media, these major New York City-based news organizations and multimedia companies look to podcasting as the future of digital media.

Format is also a space in which podcasting offers variety to listeners. Unlike the typical

22- and 44-minute standards for TV shows, podcasts can range in length from several minutes to two-plus hours. This flexibility offers podcasters the opportunity to delve into topics in great depth, or provide quick updates to listeners – ensuring that there is a format of audio on demand for all types of listeners. And of course, variety in length creates opportunities to increase advertising revenue. Says Avirgan, “Podcasting... comes out of radio. People are in this ‘show’ mindset, but it’s not a show in any sense. It’s a show in that you want familiarity, but what [listeners are] really doing is committing to a feed, and then whatever happens to pop into that feed, [podcast distributors] can dictate that. We’ve thought of the feed as a playground, and tried to do some experimentation, while still having a core thing that will keep people coming back.”

Similarly, frequency of episode publishing is not a constant between podcasts. While the majority of podcasts are published weekly, some podcasters provide episodes sporadically, and other distributors have recently begun to drop entire seasons of a show at once, encouraging the “binge” consumption that has driven popularity of video streaming services, such as Netflix. Recently, daily (or multiple-times daily) podcasts have surfaced, primarily driven by news organizations. This opens the door to high volumes of production, which will ultimately increase demand in the audio employment market.

The future of podcasting will include an interactive component to audio on demand – whether in person, or digitally. A talk-based entertainment medium encourages dialogue, and given listeners’ loyalty to and deep engagement with podcasts, they want to become involved. Many New York City podcasts are created via live tapings in front of audiences – from WNYC Studios’ 2 Dope Queens to Midroll’s Beautiful/Anonymous. New York City provides an excellent environment to encourage listener participation.



CONCLUSION

As the world of podcasting matures from its humble tech beginnings and becomes centralized, monetized, and mainstream, it is still growing and changing every day. The current renaissance of podcasting will yield new, innovative approaches to audio on demand, and will provide a wealth of content from which the listener can choose. Screenless and connectivity technologies will improve, and continue to support the podcasting world's expansion, as the podcasting field continues to grow into the next several years. Other technologies, such as measurement metrics and podcast discovery functions, will drive the growth of advertising revenue into its predicted industry-wide gross of \$395 million by 2020. The heart of the development of the industry is in New York City, and the race to win at scale, based on different models of content, production, and distribution, will take place in New York.

PODCASTERS' FAVORITE PODCASTS



MATT LIEBER
Co-founder, Gimlet

StartUp
Politically Reactive



SAMANTHA HENIG
Editorial Director for Audio,
NYT

In the Dark
Homecoming
Making Oprah



JENNA WEISS-BERMAN
Co-founder,
Pineapple St. Media

Another Round
My Favorite Murder
Ronna & Beverly
The Read
This American Life



LISA TOBIN
Executive Producer for Audio,
NYT

Homecoming
Heavyweight
Reply All
This American Life



ERIK DIEHN
CEO, Midroll

Magic Tavern
I Was There Too,
FiveThirtyEight
Reply All
WTF with Marc Maron
Hardcore History
Beautiful/Anonymous



ELEANOR KAGAN
Director of Audio, BuzzFeed

The Heart
Millennial
Call Your Girlfriend
How to Be a Girl
Love Me
Why Oh Why



JODY AVIRGAN
Producer,
FiveThirtyEight

This American Life
Slate's Political Gabfest
Song Exploder



JACOB WEISBERG
Editor-in-Chief, Slate Group

Still Processing
Rational Security
Studio 360
New Yorker Fiction
NYT The Daily



JOHN WORDOCK
Senior Editor, WSJ

WEEI Boston Sports
NPR's Marketplace Tech



LAURA WALKER
President and CEO,
New York Public Radio

Invisibilia
The Daily
The Riverside Church
Sermon Podcast
The Mash Up Americans

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