

# Podcasting – A Primer

Understanding and Employing On Demand, Subscription-Based Audio

insight

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## Getting ahead of the curve in new media

The marketplace for personal media devices is growing quickly and shows no sign of slowing down. In 2006 a host of new portable media players, including next-generation wireless phones, will enter the American market, causing an increased demand for quality content among consumers. Trends in satellite radio, video on demand, and online media distribution channels indicate that growing numbers of consumers enjoy selecting their own content and marketing message flows as well as the freedom to experience those messages on portable devices. Podcasting, the on-demand version of streamed Internet radio, is a unique and increasingly popular method of distributing content and marketing messages to audiences who want their media their way.

As with many emerging media channels, marketers see the potential of podcasting, but struggle with practical applications, implementation, strategy and ROI. As podcasting moves into widespread adoption as a media channel, enterprises will face an increasing impetus to incorporate the channel into their existing marketing mix.

### **Problem:**

As more consumers adopt podcasting, companies need to understand its nature and possibilities.

### **Solution:**

Begin serious experimenting with the technology *before* the audience grows and marketing needs demand it.

### **Benefit:**

Getting in front of the podcasting trend means that marketers will have the framework, partners, and knowledge to hit the ground running as millions adopt this technology.

## **A clear understanding**

The purpose of this paper is to help marketers obtain a clear understanding of the nature of podcast media, its user adoption growth, potential applications, strategic benefits, and ROI so they can assess its value as a viable and effective media channel for their enterprise.

## What is a podcast?

**Podcasting** is a method of publishing audio and video programs through the Internet, usually using **MP3s** files. In its strictest sense, it is distinct from other types of online media delivery vehicles because of its subscription model, which uses a feed (such as **RSS** or Atom) to deliver an enclosed file. Podcasting enables independent producers to create self-published, syndicated "radio shows," gives broadcast and **Internet radio** programs a new distribution method, and allows enterprises to create and deliver specialized information and messaging to interested audiences in a convenient, portable, and user controlled format. Listeners may subscribe to feeds using podcatching software (such as iTunes from Apple), which periodically checks for and downloads new content to users automatically.

### **RSS:**

Really Simple Syndication: a way to easily distribute a list of headlines, update notices, and sometimes content to a wide number of people who have subscribed to certain topics or sites.

### **Satellite radio:**

A broadcast signal from a satellite that can reach a receiver from thousands of miles, instead of the usual 50 or so miles.

### **Internet radio:**

A broadcasting service transmitted through the Internet.

### **MP3:**

A file format that is a compression scheme used to transfer audio files by the Internet and store them in portable players and digital audio servers.

The word "podcast" is often misused to describe the posting of any link to an audio file (typically MP3) on a website. Some radio personalities post MP3 versions of their shows daily, and even though they are not part of any subscription model, they are often called podcasts.

Most podcatching software enables users to copy podcasts to portable music players. Any digital audio player or computer with audio-playing software can play podcasts. From the earliest RSS-enclosure tests, feeds have been used to deliver video files as well as audio. Some aggregators and mobile devices can already receive and play video, but the podcast name remains most associated with audio.

"Podcasting" is a portmanteau word that combines "broadcasting" and "iPod." The term can be misleading, however, since neither

podcasting nor listening to podcasts requires an iPod or any portable player. Also, podcasting does not involve broadcasting or sending out audio, since users need to point software to an XML-tagged file to pull it down to their computer or portable device.

## Podcasting metrics

Because podcasting is still in its infancy, it is difficult to establish hard numbers around how many people have adopted the channel and who exactly they are. Yet if we take the stance that podcasting is essentially Internet radio on demand, we can begin to shape an opinion about usage by comparing adoption rates among **satellite radio**, Internet radio, and personal media player use, and podcasting use by household to date.

Today an estimated 110 million US households use some form of digital audio on a regular basis. Of those households, roughly 20 million use an MP3 player, with the vast majority -- 76

million -- preferring the PC for digital audio. (Satellite radio and Music Choice® make up the remaining total.)

But it is the nexus between PC digital audio users and MP3 player users that will likely form the audience for podcasting. This nexus is estimated at approximately six million households in 2006, or about 5% of the 110 million digital audio households, but the number is expected to grow, reaching 45 million households by 2010.<sup>1</sup>

### Applications for podcasting

Currently, podcasting is used mostly by consumers who create and publish their own content on a wide range of topics, from lifestyle and parenting, to automobile maintenance. But a growing number of radio and TV networks, publishing houses, and marketers have begun exploring the channel as a new method of distributing content, ranging from medical and product information to sales and training information. Over the last six months, a number of major media companies have made deals to offer versions of their existing television and radio programming for portable media devices, most notably ABC and CBS. For example, iTunes users can now download the latest episode of ABC's popular TV show "Desperate Housewives" on to their iPod. While not podcasts in the strictest sense (since many of these offerings are single serving and do not employ the RSS-like feed / subscription model), they exist in the same space and are similar in nature.

**Podcasting is an increasingly popular method of distributing marketing messages to audiences who want their media their way.**

### Podcasting and placement based advertising

While a number of advertising models have been advanced for podcasting, it seems likely that direct ad placement within third party podcasts will ultimately take hold as it has on Internet radio stations. As pre-roll and post-roll bumper promos, these ads will be short and to the point, as audiences can simply fast-forward through the sponsorship messages. Still, these pre- and post-rolls, with a limited mid-program placement, have emerged as the preferred model for video on-demand TV services, and initial research has shown low rates of skipping in this context. Additionally, at least one company has emerged offering dynamic ad insertion capabilities for podcast content providers. The company, Audible.com, offers dynamic insertion tools and limited metrics reporting on those insertions, enabling even independent content providers to sell and report on ad placements in their own podcasts.

Three styles of advertising in podcasts seem more likely to be effective, given audiences and the nature of the medium:

- **Advertisers can sponsor content that has a meaningful synergy with their brands.** As an example, a cholesterol drug maker might sponsor a third-party podcast on the subject of a heart healthy lifestyle or a cooking tips program. The

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\* Source – Forrester Research, Ted Schadler, "The Future of Digital Audio," 3/21/2005 and "Getting Real About Podcasting," 8/2/2005; and Revenue Magazine, January/February 2006, Lisa Picarille, "Casting A Wider Net."

advantage to the advertiser is the ability to micro-target audiences who pre-select themselves as interested in the content, thereby declaring their interest in related products and services, an affinity not possible with traditional radio and TV ad buys.

- **The early adopter makeup of podcasting audiences can be used to generate buzz around a brand** in advance of a full blown mass-market media campaign. Podcast subscribers are likely individuals who function as opinion leaders in their own social networks, an assumption supported by the nature of the channel. This buzz-generating approach may be extremely effective for products with fanatical followings, such as video games, movies, and certain music.
- **Advertisers can take advantage of podcasting’s inherently viral nature.** Because podcast audiences are prone to sharing their favorite channels, an advertiser can create a “must-hear” campaign of podcast content, which ideally will become a cultural phenomenon that compels sharing among audience members. This approach can be effective for brands, such as athletic shoes, automobiles, and some online services, where the ad creative has a “must-see” perception.

## Pure content advertising

As marketers continue to understand the on-demand, user-controlled media, a new approach to marketing messages is emerging: brand relevant content. Increasingly, marketers are creating original content around subjects such as lifestyle, healthy living, trends, technology, or other topics deemed relevant to both consumers and the brand -- just as many brands have entered the custom magazine publication business over the last year. While the cost and logistics of creating original, pure content for mass audiences are equal to, or greater than, those of traditional ad spot development, the advantages outweigh the costs.

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First, pure content programming created by a marketer allows for total control over the subject matter and tone of the programming in a way that sponsorship never will. Especially with a homespun and user-created medium like podcasting, paid sponsors will always have to assume the risk that the content they sponsor may not always align with their core brand and audience objectives. By creating their own content, brands can ensure that the subject matter aligns beneficially with their brand. This concept also allows for the development of niche subject matter areas that may not exist in the sponsorship marketplace currently. Second, product placement and branding messages can be folded into original content in line with subject matter, which the audience has pre-selected, making it receptive to the brand’s message.

Of course the challenge to marketers will be developing meaningful subject matter, with a media quality that won’t be perceived as a thinly veiled “spot” or infomercial. By partnering with agencies experienced in creating editorial or entertainment content, brands can discover a favorable new way to reach their core audiences with both marketing and content information.

## Enterprise applications for podcasting

Most of the attention and audience expectations for podcasting currently center on entertainment and lifestyle content directed at consumers. However, a host of pure business applications exist, and as of yet, they remain largely unexplored. The potential for using podcasting for the distribution of sales presentations, for example, can create deeper engagement between the sales rep and the audience, since the media are portable and easily updated. With pharmaceutical brands, for example, an updatable podcast on a drug may lengthen the overall interaction between the doctor and the rep and improve retention of the information covered during the presentations. Financial companies should explore providing Morning Call and fund manager podcasts to facilitate access to this information away from the PC and desk. Enabling managers and related personnel to review updated and critical information during their commutes (or at off-site meetings) would secure greater attention to the information and a greater willingness to review it, since the audience can elect when and where the review takes place.

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Other enterprise and business applications for podcasting include:

- **Audio white papers** – providing for a passive yet engaged experience of highly technical product or service information.
- **Virtual conference or tradeshow experiences** – giving access to tradeshows and conferences even though the patrons are not in attendance.
- **Meeting recaps and presentations** – enabling the relatively low cost publication of meeting minutes and presentations through podcasts to supplement or replace written meeting summaries.
- **Press releases** – providing press releases in podcast form to supplement newswire and PR blast strategies and to take advantage of the early adopter “buzz factor” of podcasted media.
- **Product demos** – showcasing a product’s features and benefits to an audience who has declared an interest in the product by accessing the podcasted information, which will result in heightened engagement, retention, and deeper understanding of the product’s functionality.

These ideas represent only a fraction of the potential enterprise and business applications for this channel. In truth, any event or piece of information that could be captured or created in audio form is a likely candidate for podcast distribution.

## Measuring podcasts

So far, no valuable tools measure podcasts in the way many online marketers are used to measuring online tactics. Still, a couple of strategies exist. First, it is possible to know how many users have subscribed to a particular podcast feed. It is not possible to know how many times that subscriber has subsequently accessed the feed or how many episodes published to the feed have been examined. However, this measure at least provides a rough idea of the scale and potential reach of the audience for a particular program. Second, the clever embedding of

calls to action, with specific and trackable URLs, could allow response rates to be tracked and matched against initial download numbers to provide a clearer picture of effectiveness and to establish ROI models accordingly. While neither measure is compelling and granular in the way that rich media analytics are at this point, they do provide the basic foundation for evaluating the channel, something that even the best broadcast radio and TV programming cannot do.

## Strategic recommendations and conclusion

### Strategic Recommendations

A few key recommendations emerge for this media channel:

- **Now is a good time to test** – Because of the relatively low cost in creating podcasts, this year is a good time for marketers to begin testing uses and results for this channel. With little or no clutter and with audience numbers still relatively low when compared with other channels, companies seeking to use this emerging channel should conduct pilots that gauge the channel's effectiveness, feasibility, and value with little risk and with potential to generate knowledge about its possibilities and drawbacks.
- **Start small** – Begin by outlining specific goals, clearly defining audiences, and spending resources in places where results can be obtained. Rushing to put in place a wide scale podcasting program before clearly defining necessary resources and methods of determining ROI runs the risk of entering the channel for the channel's sake as opposed to taking full strategic advantage of the potential gains for the brand or enterprise.
- **Choose a good partner** – Partnering with an agency that has experience in emerging media, online marketing, quality content, and measurement analytics will assure that your pilots produce tangible results and are scalable and viable over longer term development.
- **Explore alternative uses** – Look outside of the current entertainment and lifestyle skew of podcast media for opportunities to employ the channel in meaningful ways for your business, brand, or enterprise.
- **Get into the branded content business** – As daunting as this may seem initially, many companies are already pursuing this direction in their marketing. Getting in front of this trend will mean having a framework, partners, and knowledge to undertake creating content before the volume gets turned up, and you start to see your competitors in front of your audiences with their own content offerings.

### Conclusion

Podcasting, while still emerging as a channel, has legs and will continue to become the part of the stable of on-demand media channels that audiences are gravitating towards. Having a clear understanding of the nature, possibilities, future directions, and potential pitfalls of this emerging technology now will ensure that as the channel emerges, your brand or enterprise clearly understands its value and position in an integrated marketing mix.

## About the Author



**Patrick Moorhead** is an Emerging Technology Specialist for Avenue A | Razorfish's Philadelphia office. There, Patrick serves as the point person for emerging technologies on behalf of the Experience Design Group. Through research and development initiatives in a number of emerging technology categories, Patrick assists in defining strategy, resources, applications, and opportunities related to cutting edge technology for the firm and its clients.

Patrick comes to Avenue A | Razorfish after spending the past five years as Assistant Professor of Design at Drexel University's College of Media Arts and Design. His areas of focus at Drexel spanned a wide range of topics, including commercial publication design, modern brand design and brand confluence, interior design, and retail fashion merchandising. Concurrently, Patrick kept his professional skills sharp in his role as President and Creative Director of Burroughs/Moorhead Design Inc., a design and strategic consulting company he founded with partner Brody Burroughs.

Patrick holds a BA in Fine Arts and Philosophy from Kenyon College and has studied at the graduate level in painting, education, architecture and interior design.

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