

# Whether or Not Advertisements on Podcasts have a Visible Effect on the Minds of the Audience?

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**Abstract:** *In recent times, podcasts have achieved a huge set of audience and are growing at a great scale. In India, the industry has acquired third place and has brilliant opportunities in the sectors of education, entertainment, technology, news, etc. There is a huge scope in the industry for sure, but it is yet to be explored. Podcasting platforms these days are focused more on advertisement revenue models. The model is best suited for brands who want to promote themselves on different kinds of media. This research paper specifically focuses on podcasting as a medium for advertising and helps us understand whether or not advertisements on podcasts have a visible effect on the minds of the audience.*

**Keywords:** podcasts, audience growth, India, opportunities, education, entertainment, technology, news, advertising, research paper, advertisement effectiveness

## 1. Introduction

Over the past few decades, there have been enormous developments in terms of technology globally. There have been many changes in processes, with continuous innovations and its simplifications. It has scaled up to such a level that, today, the world is run by technology and most of the people's lives run around it. If we take the example of a smartphone it has become an integral part of daily life that it's more than unthinkable to not have it around, from setting the alarm, making calls, taking pictures, browsing the internet, using the maps, social media life, entertainment, music, and countless needs that it satisfies and setting itself within the size of our palm.

In the advancement of technology, the internet has played an integral role in widening its portfolio. Moreover, internet services today have become a part and parcel of modern-era technology and highly depended on it. Even though if we point the negative side, their elimination will be pointless, as the internet has become a living for many people around the world offering their service business and more and more.

### Internet Usage in India

Internet growth in India, followed by the introduction of Reliance JIO telecom services playing crucial role, opening the way for digitalization and increase the internet business and entertainment opportunity. Startups in the country started booming and digitalisation showed up many opportunities. The reports by the "Telecom Regulatory Authority of India (TRAI)" stated a 100 percent increase in the internet usage of an average consumer that is from 154 MB data to 15.8 GB of internet a month in 2022, that is, within the span of 6 years they have come across an impeccable achievement. Fast forward to today, the 5G services will be seeing a 2 times or more increase in data consumption in the next 3 years.

### Entertainment Industry

Making the entertainment sector accessible to anyone from any part of the world has given a chance to strengthen its broadband in every possible way to reach out to the world. Considering the OTT platform, good internet service allows

users to access movies and TV shows/series from anywhere. Similarly with music, it could be accessed online or through specific applications or websites. The growth in the entertainment industry consists of OTT platforms, online music, social media, online gambling, online games, podcasts, etc. Making the internet a bridge for connecting the entertainment industry overseas.

### Podcast

It is an audio medium content available to play at any time anywhere in any smart devices. The podcast program will be available pre-recorded or live streamed. The content is accessible through digital mediums and sometimes the content can also be seen in the format of video. Also, most podcasts run on the advertisement revenue model, and there are platforms who charge fees. The potential of podcasts is high it can be put into many possible ways other than entertainment utilisation like education, news, tech, the scope in this industry is yet to be fully explored and has a long way to go.

### Podcast Industry in India

India is ranking third place in the industry, after USA and China, posing a great space to grow for podcasts. And between 2020 and 2021 India saw an increase of 57% in active podcast listeners in the genres of comedy, news and current affairs, business, and finance. Opening a medium for a new boom in the entertainment industry. Brand promotions through the podcasts will become a deal breaker attracting many creators to join the platform but looking at the conversion rate of 1.10%, 0.045% site visitors for a purchase, and the lead conversion showing only 0.08%. The ads also show an installation rate of 0.15%. showing there is a long way to go.

### Advertising in Podcast

Advertisement in podcast can be beneficial as content consumption from the podcast is easily available free of cost at many times, hence the audience can be made aware of brand their product and services in a way effective manner as the data presented subsequently regarding the conversion rate and turnout ratios, the present data might look adequate but it has real potential to grow in double digits if done right

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brand with its products and services coupled with a well-executed script from the podcasters can tend to engage audience in potential purchase process in these fast pace time podcast audience have grate affiliation towards audio based content, podcast have a higher rate of effectiveness as there are no other media interruptions that can waver and individuals attention which brings in huge opportunities for advertisers to jump into the podcasting scene, in comparison to visual media content, audio based media content (podcast) allow its audience to blend the media content into their daily routines in such a way that doesn't demand their full attention and it (podcast) become a part of their routine in the background, this is the one of the primary factors after further analysis as made marketing agencies and companies as well to start their initial investments for promotions in podcasting industry booming content creators ranging from educative content, entertainment, content, news, tech content, the scope in this industry is yet to be fully explored, content creators have audience and then they fan bases, and Indians known for being entertainment/media hungry, Indian podcasting scene is gradually progressing into disparate vernacular category paving way for when much more larger audience base. One key factor for the growth rate is because of the popularity that can be seen in the audio content market and more people turning up regularly gives the advertisers the reach of consumers.

The monetization opportunity from the podcast industry can be expected to have a growth rate of 9.81% in the worldwide range projecting the market value to 5.03 billion US dollars and reaching a user base of 616.5 million by 2027, while India is expected to grow at a range of 6.76% with the market volume of 80.02 million US dollars and the advertising sector in podcast industry is to reach 53 million users by 2027. The user penetration can be expected to grow by 3.6 % by 2027.

## 2. Review of Literature

- 1) **(Stephanie Maher Palenque, 2016)** Explained the power that podcasting has and how effective it could be a leading the students to learn and be highly engaged as it's possible future developments.
- 2) **(Anneli Modin and Sasha Börholm, 2019)** The study suggested the success rate and fast-paced growth in the conveys shows the potential to grow in the entertainment industry.
- 3) **(Molly K. McGowan, 2010)** The study shows that the advertising has tapped into a smaller part of the Podcast

medium, but tends to have a high chance of growth in the sector.

- 4) **(M. Olguta Vilceanu, Kristine Johnson and Alexis Burns, 2021)** The study stated the effect on the listeners.
- 5) **(Arvid Lögdberg and Oscar Wahlqvist 2020)** This research paper evaluates the B2B market and the podcast advertising sector and its functioning.
- 6) **(SeVohn Alexis Bree Hunter, 2021)** The thesis focuses on the engagement and applicability of utilizing the podcast platform for small businesses.
- 7) **(Claritas and Market Enginuity, 2020)** The report of these two firms speaks about the potential catch over the advertising industry that podcast platform has.
- 8) **(David García-Marín, 2020)** The thesis stated factors regarding podcast platforms having a high level of engagement within the communities with a survey.
- 9) **(Jemily Rime, Chris Pike and Tom Collins, 2022)** Points out the methods used in to attract and make a better output to users.
- 10) **(Richard Berry, 2016)** The adaptation and evolution of the audio medium from radio to today's podcast.
- 11) **(Patricia Aufderheide, David Lieberman and Jiji Majiri Ugboma, 2020)** The paper talks about the podcast's broad range to widen its category into many fields and focuses on public media.
- 12) **(Tamara Bonk and Marie Sophie Kubinski, 2023)** The research paper complies with the relationship between the host and audience and the makes the host a trusted person for advertisements and promotions
- 13) **(Abhishek Tiwari, 2021)** The thesis looks into the factors for the listeners in selecting the podcasts depending on the quality, the connection with the host is also the reason and the factors for the retention of the audience.

## 3. Methodology

The study aims to find out if the advertisements in the podcasts have a positive effect on the listeners.

Hypotheses as follows:

H0 -> Null hypothesis = There can be seen no effect of the advertisements played on the podcast among the listeners.

H1-> Alternate hypothesis = There can be seen a significant effect of the advertisements played on the podcast among the listeners.

The questionnaires analysed are given below.



Question 7	Numerical Value	Number of Respondents	Total
SD	1	5	5
D	2	3	6
N	3	4	12
A	4	26	104
SA	5	112	560
Total Number of Respondents		150	687
		687/ 150=	4.58

Question 13	Numerical Value	Number of Respondents	Total
SD	1	0	0
D	2	8	16
N	3	5	15
A	4	113	452
SA	5	24	120
Total Number of Respondents		150	603
		603/ 150=	4.02

Question 8	Numerical Value	Number of Respondents	Total
SD	1	0	0
D	2	13	26
N	3	76	228
A	4	45	180
SA	5	16	80
Total Number of Respondents		150	514
		514/ 150=	3.426666667

Question 14	Numerical Value	Number of Respondents	Total
SD	1	6	6
D	2	9	18
N	3	78	234
A	4	42	168
SA	5	15	75
Total Number of Respondents		150	501
		501/ 150=	3.34

Question 9	Numerical Value	Number of Respondents	Total
SD	1	89	89
D	2	44	88
N	3	17	51
A	4	0	0
SA	5	0	0
Total Number of Respondents		150	228
		228/ 150=	1.52

The formulation of the above responses for the questions gives us an idea of the respondent's agreeableness or disagreeableness. Further, the below calculation lets us understand whether the advertisements in the podcasts affect the listeners.

Calculating the respondents individual mean scores,  
 $=3.893+1.46+3.853+2.66+4.2+3.46+4.58+3.4267+1.52+3.5267+3.64+1.653+4.02+3.34$   
 $=45.23$

Question 10	Numerical Value	Number of Respondents	Total
SD	1	15	15
D	2	4	8
N	3	41	123
A	4	67	115
SA	5	23	529
Total Number of Respondents		150	
		529/ 150=	3.526666667

Next the value being divided by 14 which is the number of question,  
 $=45.23/14=3.2$

The value seems to be in the "Neutral" level along with a slight tilt to the "Agree" level. This shows that the advertisements in the podcasts affect the listeners, even though the response doesn't have a higher effect on the listeners. They neither agree nor disagree when it comes to having an effect on them.

Question 11	Numerical Value	Number of Respondents	Total
SD	1	0	0
D	2	2	4
N	3	82	246
A	4	34	136
SA	5	32	160
Total Number of Respondents		150	546
		546/ 150=	3.64

## 5. Discussion

The not-new platform in India has been grabbing listeners at a high rate and as the platform grows it is going to have higher listenership and more engagement in the long run letting advertise as a great medium of revenue for the programs. However, these audio advertisements tend to not have an exciting effect on the listeners and more often have a neutral effect or slightly higher rate in the listener's mind in the survey. Even though the advertisements on paper have a lower conversion rate, the people who have responded to the research questionnaire have shown that it has the potential to attract, but at a lower rate.

Question 12	Numerical Value	Number of Respondents	Total
SD	1	84	84
D	2	45	90
N	3	12	36
A	4	7	28
SA	5	2	10
Total Number of Respondents		150	248
		248/ 150=	1.65333333

## 6. Conclusion

Even though the data shows a slightly positive approach towards the advertising in the podcast, the sample which is selected between the listeners is small and the data cannot be relied to get a highly convincing output. But the industry is growing day by day and the user base is also high, may be through the video approach also it is sure that advertisement

can play a role in generating revenue for the shows or the platform or have a better promotional rate in the coming future. So to conclude we can assume that the study has to move further and increase the sample size and the effect of advertisement on the listeners will be increasing as the industry grows.

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