



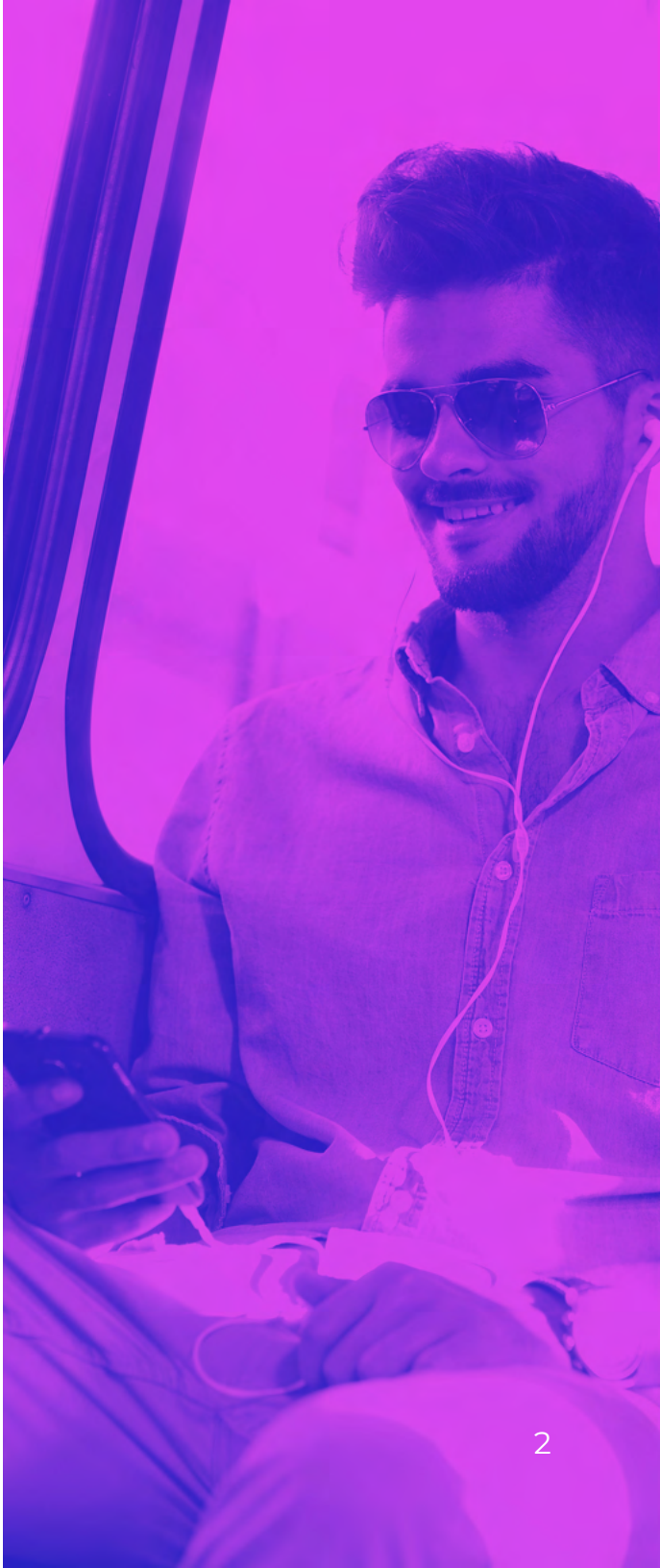
AUDIO: AN APP'S BEST FRIEND

**THE 2021 APP PODCAST
INTEGRATION REPORT**

audioburst

TABLE OF CONTENTS

Introduction and Key Findings	3
Who We Surveyed	8
Content	10
Top Benefits of Adding Audio	11
Audio vs. Other Content – Competes or Complements?	13
Inhibitors to Creating Content	15
Third-party Audio Content – Go or No-Go?	16
Engagement	17
Triggers for Users to Spend More Time in Applications	18
Feel Good Content – Audio vs. Other Content Types	19
Revenue and Opportunity	20
App Business Goals for 2021	21
Inhibitors to Maximizing Audio Revenue	22
Revenue Stream – Top Sources	23
Podcast Usage – A Consumer Perspective	24
Audio Consumption – Frequency, Time Spent and Drivers	25
Audio Apps - Top Apps for Talk Audio	27
Audio Apps - Categories Most Suitable for In-App Talk Audio	28
In-App Audio Keeps Users Engaged Longer	29
Talk Audio vs. Video	30
About Audioburst	31



INTRODUCTION & KEY FINDINGS



INTRODUCTION

Today, there are more than two million podcasts, and podcast listening has gone from niche to mainstream, with three-quarters of all Americans tuning in to talk audio regularly.

But as content creation and consumption rates rise, so does the challenge of discovery; how do listeners find a podcast diamond in the rough?

Meanwhile, to thrive in an incredibly competitive app economy, with millions of apps battling for our time and attention, app owners are constantly seeking innovative ways to monetize without spoiling the user experience.

Could in-app audio be the missing link?

To gain more insight into these important business drivers, we commissioned a survey of 100 senior managers from US-based mobile app publishers that have more than 50,000 daily active users.

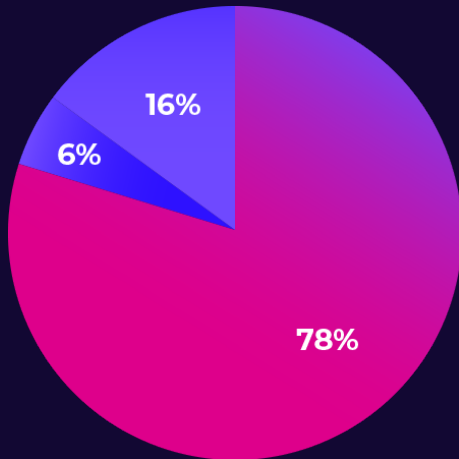
And to acquire both sides of the equation, we also surveyed 200 active app users in North America. Both surveys were completed by Global Surveyz, an independent survey company, and took place during April 2021.

The results present a fascinating view of the in-app world, the talk audio industry, and their nexus.

We found that adding informative, inspiring, and entertaining audio content to apps is a home run. Users indicate that audio content improves their app experience, while publishers find that audio content and monetization help them meet their business goals.

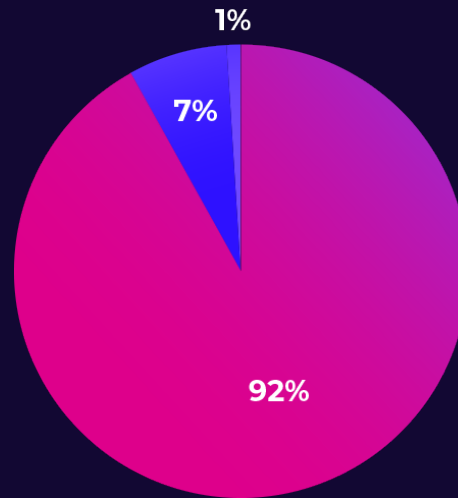
KEY FINDINGS

App publishers see audio content as complementary



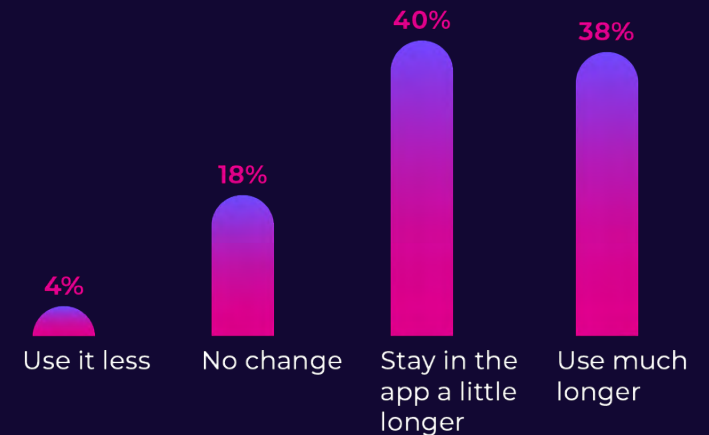
- Audio compliments app content
- Audio competes with app content
- neither

App publishers plan on integrating audio content



- Will add third-party audio content
- Have already added content
- Will not add

Users engage longer when audio is introduced to their apps



KEY FINDINGS

1

Consumers want audio – when it's good.

Despite how new the idea of in-app talk audio content is in the market, 78% of users intrinsically understand that if they were to find interesting audio content in their favorite apps, they would listen to audio in-app and spend a longer time engaging with these apps. At the same time, 60% of consumers find it hard to discover good content to listen to in the first place.

2

Audio complements other content.

78% of respondents state that audio complements the rest of the content in their app. In fact, only 1% of respondents believe that audio would significantly compete with other content. More importantly, monetization professionals need not worry about convincing content teams as 87% of subject matter experts see audio as complementary to text, images, and video content.

3

Audio wins - 99% of publishers see the benefit of adding audio content to their apps.

No one is questioning the importance of introducing audio content into apps. App owners are quite familiar with audio; in fact, 60% of our surveyed respondents are already publishing two or more podcasts themselves. And the biggest benefit they see of in-app audio is increased time spent in the app. Those who are focused on app revenue see an even more dramatic benefit to audio content, at 73%. On the consumer side, 52% of people are listening to podcasts more today than they were a year ago, with 59% listening regularly.

A photograph of a car's interior, showing a hand on the steering wheel and a smartphone mounted on the dashboard. The phone screen displays a map application with a route highlighted. The image has a blue tint.

4

Podcasts fill an important gap for the consumer and the business.

Audio is the #1 type of content that provides consumers with that elusive “feel-good” factor, said 54% of respondents. There are many reasons for this love. 57% of people choose talk audio because it enables them to get on with other tasks, 44% say it keeps their eyes off screens, and 40% enjoy being hands-free. At the same time, 48% of businesses have prioritized increasing engagement in their apps, hoping to get users to stick around longer. As the top perceived benefit of audio was increasing time spent in the app, this makes audio a perfect match.

5

Publishers could benefit from unified audio content and monetization solutions.

When it comes to the inhibitors of generating revenue using audio content, 58% of publishers lack monetization tools, while 24% do not have the audio content to monetize. A single location where publishers could access content and find the tools they need to monetize it effectively would clearly be a game-changer.

WHO WE SURVEYED

We surveyed senior managers in US-based mobile app publishers with at least 50,000 Daily Active Users (Figure 1).

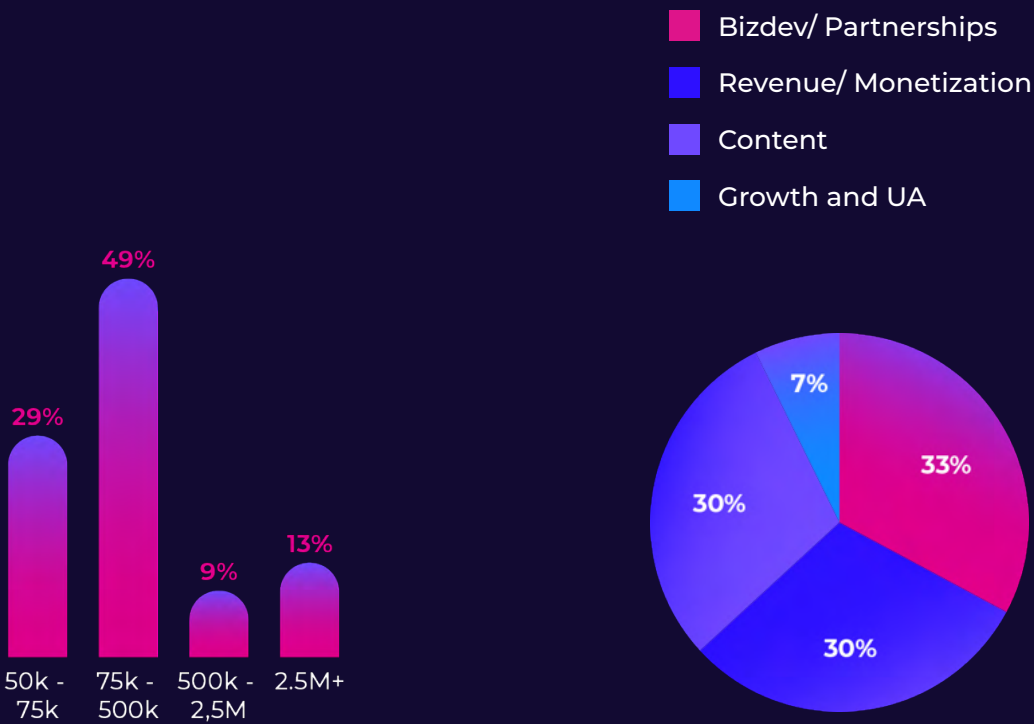


Figure 1: App DAU

Figure 2: Publisher Job Responsibility



Figure 3: Consumer Age

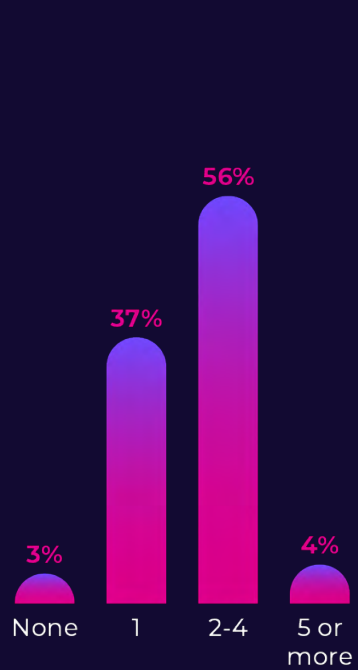


Figure 4: Podcasts Published

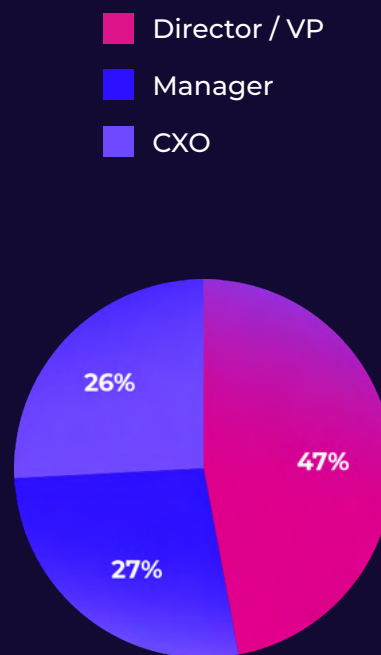


Figure 5: Publisher's Job Seniority

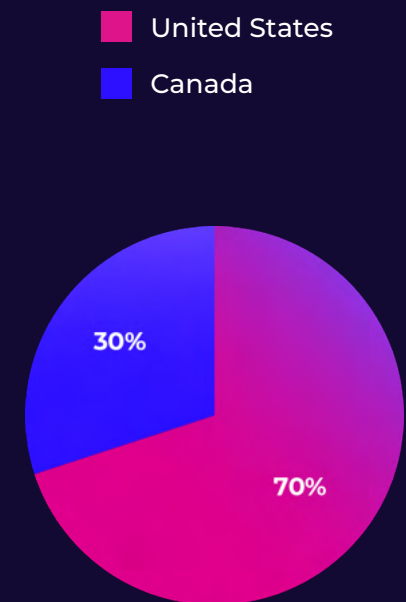


Figure 6: Consumer Country

CONTENT



TOP BENEFITS OF ADDING AUDIO

A whopping 99% of survey respondents see the benefits of adding audio content to their apps. The top benefit, as indicated by over half (53%) of survey respondents, is increasing time spent in-app. This shouldn't come as a surprise, as session durations are critical, and listening to engaging audio content dramatically increases sessions.

For Revenue Managers (Figure 7), it is seen as even more important (73%), as a slight increase in session duration can boost revenue significantly (not only due to audio ads but because audio provides more time for other monetization engines to kick in).

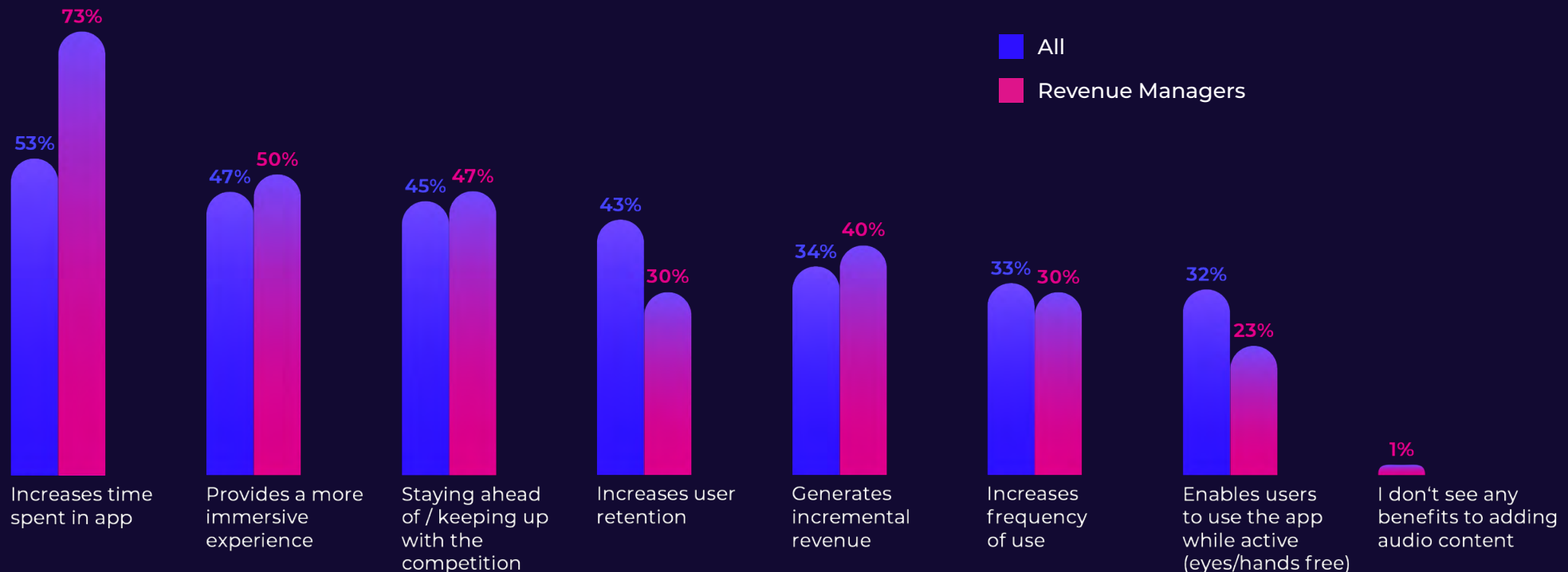


Figure: 7 Top Benefits of Adding Audio Content to Apps

TOP BENEFITS OF ADDING AUDIO

Time spent in-app is also critical for companies with DAU if 500K-2.5M (Figure 8).

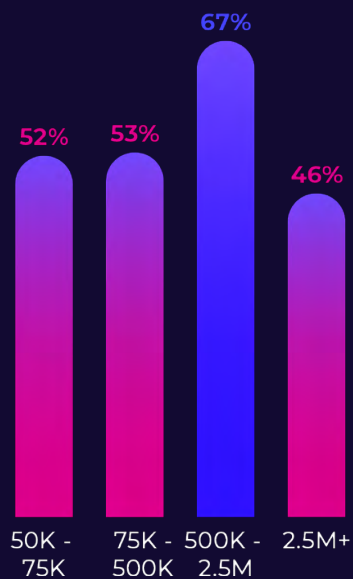
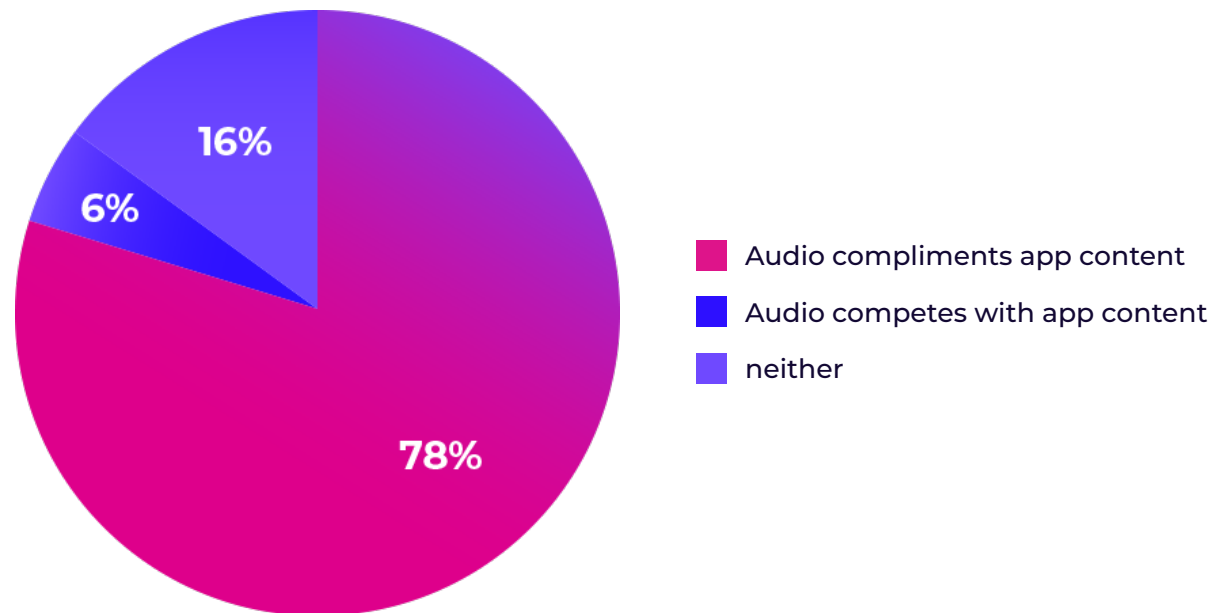


Figure 8: Increase in Time Spent in App by DAU



AUDIO VS. OTHER CONTENT – COMPETES OR COMPLEMENTS?

Does audio compete with other content or complement it? Not only did almost everyone agree that audio content complements text, images, and video (only 6% see it as competing), but those tasked with content (subject matter experts) see it as complementary (Figure 10), meaning revenue officers should not have an issue introducing it to product and content stakeholders.



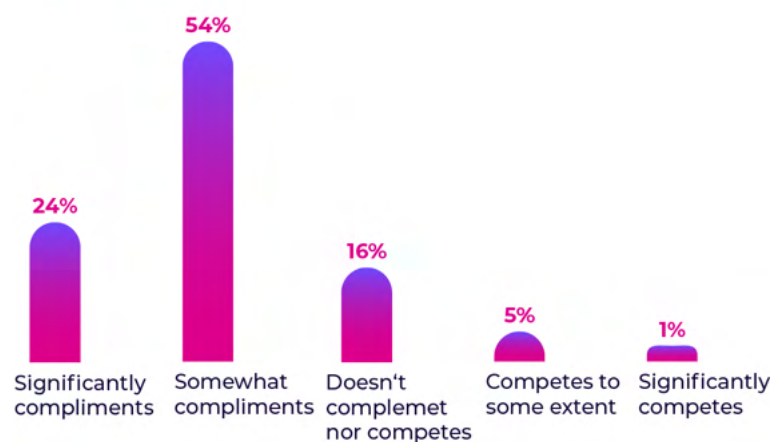


Figure 9: Audio vs. Other Content – Competes or Complements

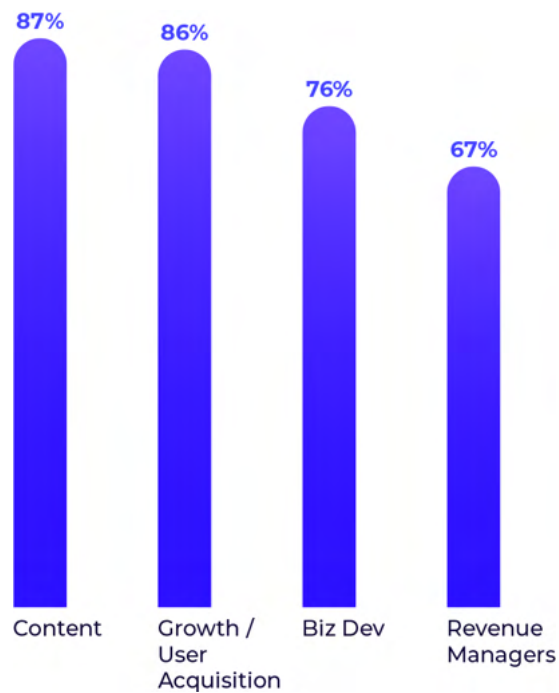


Figure 10: Audio vs. Other Content – According to Job Function

INHIBITORS TO CREATING CONTENT

What is holding mobile app publishers back from creating more podcasts/ audio content?

While there are countless tools to get the job done, surprisingly, a perceived lack of tools shows up first (39%). But when combining the following reasons on the list (people, time, and money), we see what may, in fact, be holding them back is a lack of resources and expertise.

Producing audio content on your own is a challenge from multiple angles, and it's often easier and more beneficial to access third-party audio content.

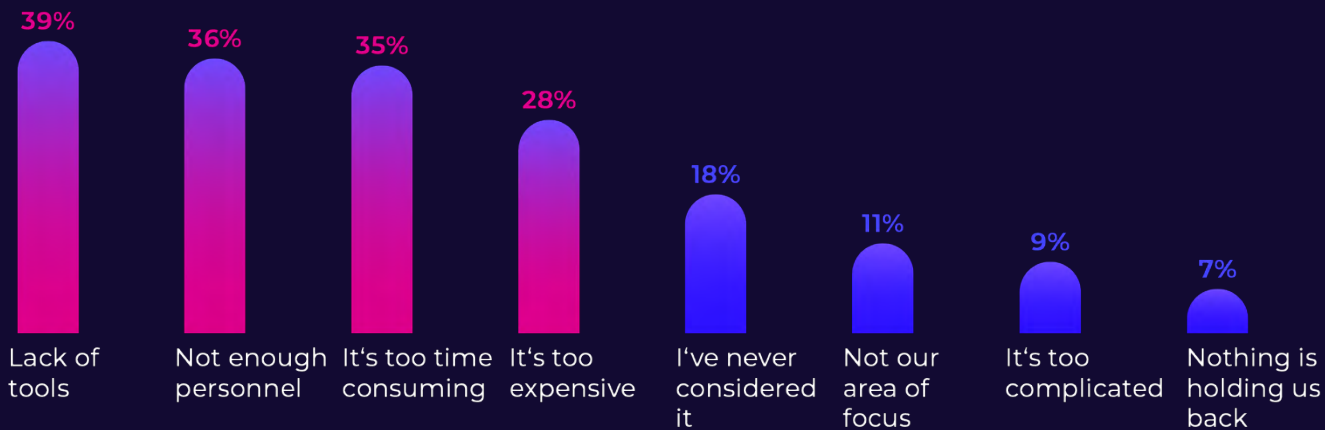


Figure 11: Inhibitors to Creating More Podcasts and Audio Content

THIRD-PARTY AUDIO CONTENT – GO OR NO-GO?

We asked survey respondents if they would consider introducing third-party audio content into their apps. Only 1% said they are not considering adding audio content. 7% already have it. And 92% are considering it. There is a major disconnect between the 78% who see audio as complementing their other content (Figure 25) and the 92% who want audio content, compared to actual implementation, with only 7% already having audio content.

We believe this gap will shrink in the coming months as more apps begin to integrate talk audio.

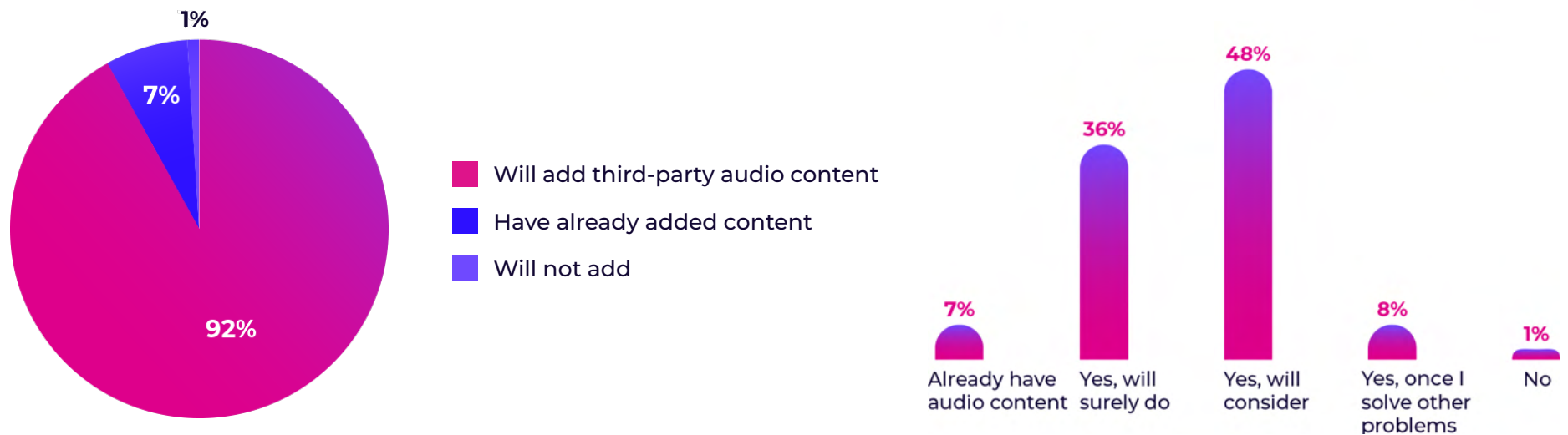


Figure 12 Third-party Audio Content – Go-no-go?

ENGAGEMENT



TRIGGERS FOR USERS TO SPEND MORE TIME IN APPLICATIONS

With publishers' #1 business goal to increase users' engagement time in their apps (Page), we asked, what will cause users to spend more time in-app?

Over half (56%) indicated varied content as the top trigger. This was followed by personalized content (45%) and better content (42%).

We see talk audio as a possible way to address all of these concerns in one.

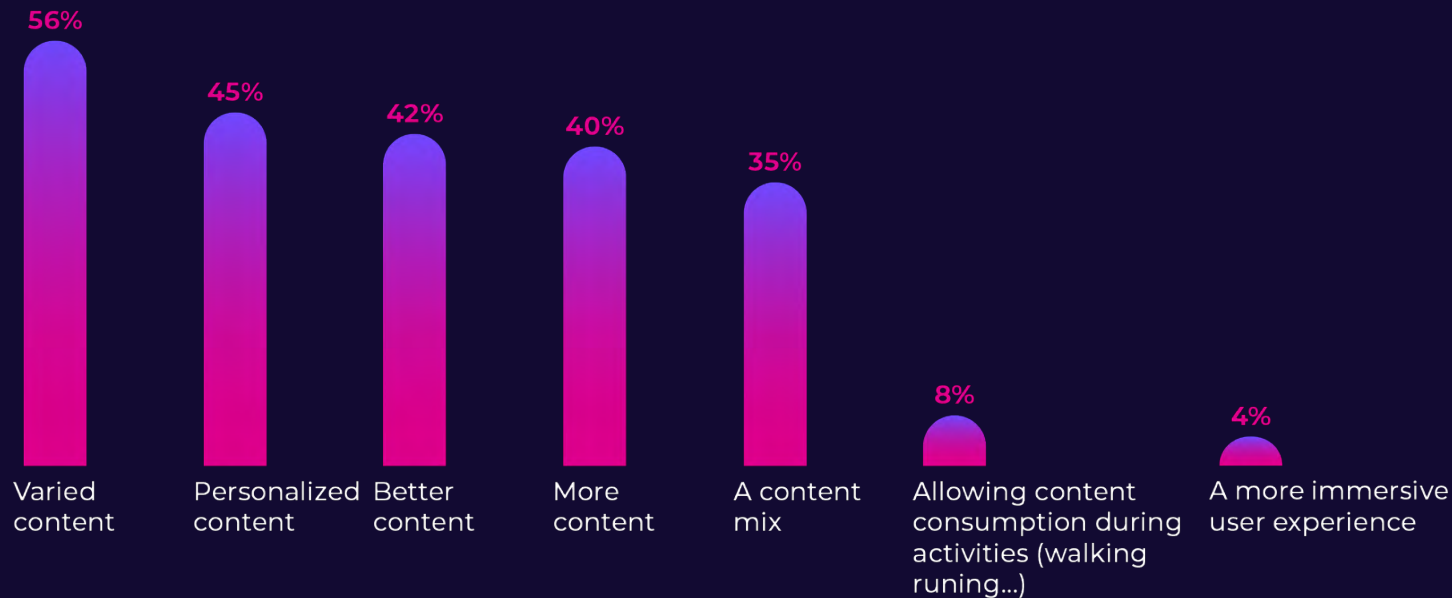


Figure 13: Triggers for Users to Spend More Time in Applications

FEEL GOOD CONTENT – AUDIO VS. OTHER CONTENT TYPES

Music and Talk Audio is the top type of content (54%) that makes users feel best about consuming. When consumers listen to content, they report feeling like they've learned something new and didn't waste their time.

People feel better about consuming audio (54%) than any other content because they report feeling like they've learned something new and didn't waste their time.

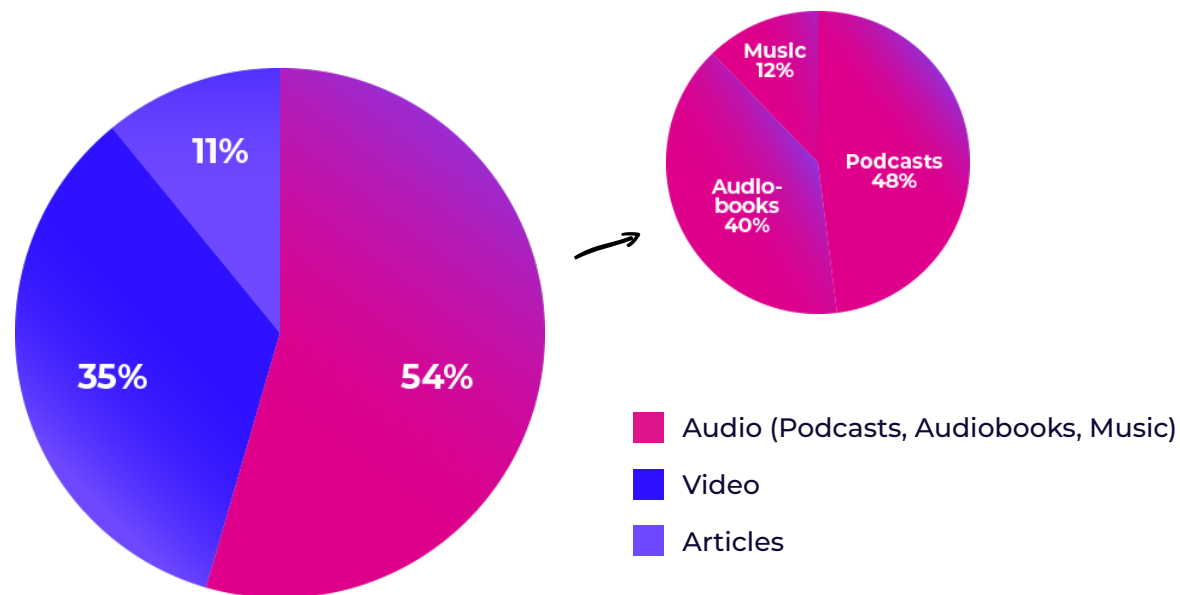


Figure 14: Feel Good Content – Audio vs. Other Content Types

The background is a composite image with a purple tint. It features a line graph with an upward-trending arrow, a bar chart, and a smartphone held by a hand. A white audio waveform is overlaid on the right side of the image.

REVENUE AND OPPORTUNITY

audioburst

The 2021 app podcast integration report

APP BUSINESS GOALS FOR 2021

The top business goal for apps in 2021 is encouraging longer engagement (more time spent in-app), according to 48% of survey respondents.

This was followed by increased app sessions (28%).

Only 14% of survey respondents indicated their top goal for the year is to increase revenues.

Why are engagement metrics more important than revenue? Clearly, because better engagement drives revenue.

With audio content's #1 benefit being longer engagement (Page 17), there is an understandable incentive to add audio content.

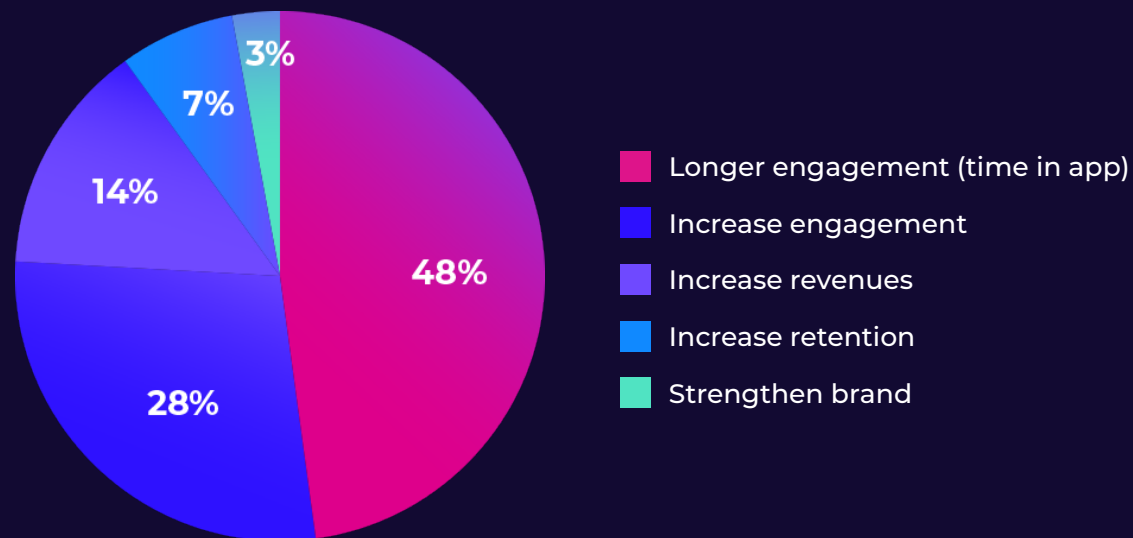


Figure 15: Application Business Goal for 2021

INHIBITORS TO MAXIMIZING AUDIO REVENUE

Audio monetization is in its infancy, trails long behind video.

Only 18% have never considered audio ads in their apps, but 58% have no tools to monetize audio (indeed, there are still few off-the-shelf audio monetization solutions), and 24% have no audio content to monetize.

Companies should look for solutions to solve both these problems by **introducing both audio content and a built-in monetization solution.**

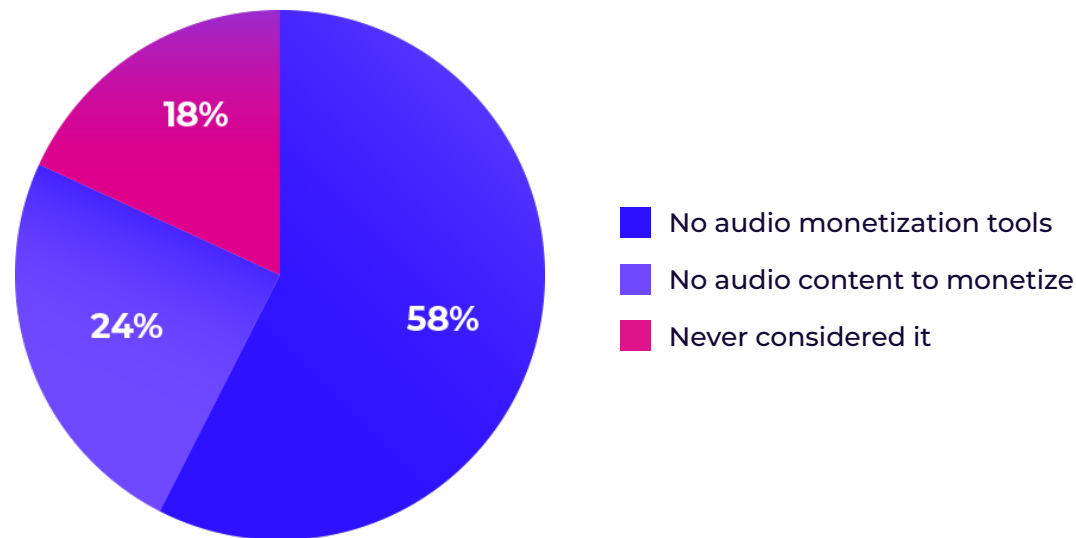


Figure 16: Inhibitors to Maximizing Audio Revenue

REVENUE STREAM – TOP SOURCES

Videos (49%) and display (34%) ads are still considered the top source for ad revenue, with audio lagging behind at 7%. When asking app publishers what is more challenging when it comes to revenue streams, they are almost split half and half between those that find it more difficult to optimize their existing revenue streams (53%) and those that find it more challenging to discover new revenue streams (47%).

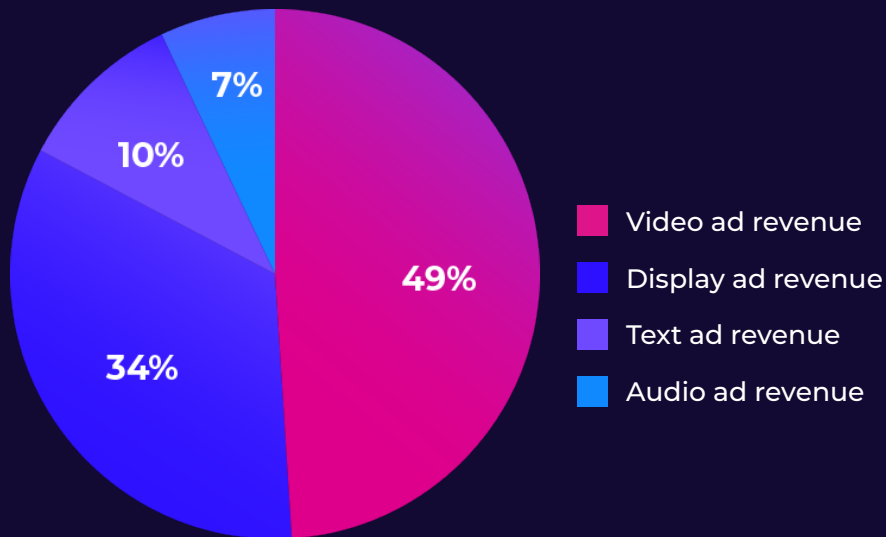


Figure 17: Top Sources for Ad Revenue (Next 12 Months)

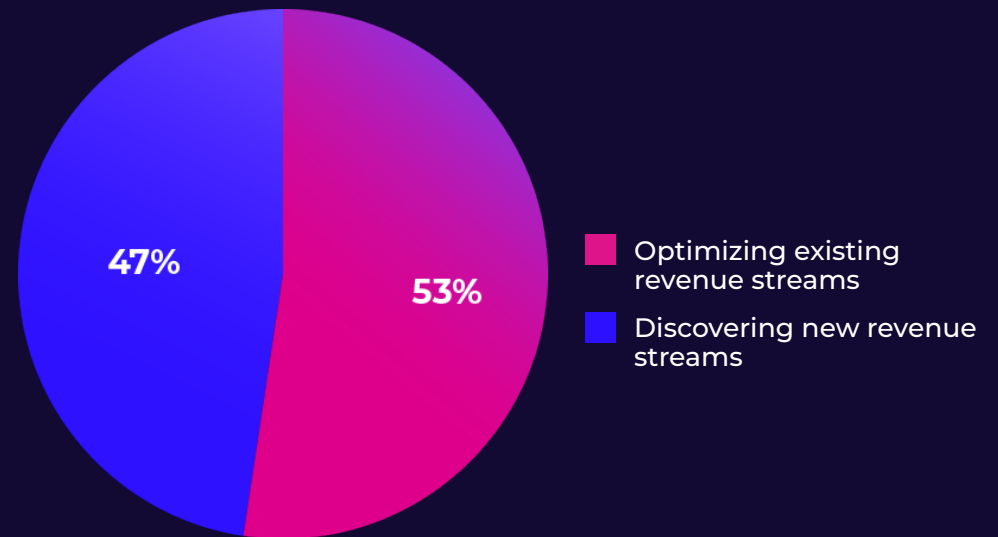


Figure 18: Revenue Stream – Challenges in Optimizing vs. Discovery of Revenue Streams



PODCAST USAGE - A CONSUMER PERSPECTIVE

AUDIO CONSUMPTION – FREQUENCY, TIME SPENT, AND DRIVERS

People spend almost two hours a day listening to music and audio. While Music is still the king of audio consumption (64 minutes/day on average), Talk Audio (podcasts, talk radio, and audiobooks) accounts for 7-22 minutes per day (Figure 20).

Most people (57%) consume podcasts for entertainment (Figure 21).

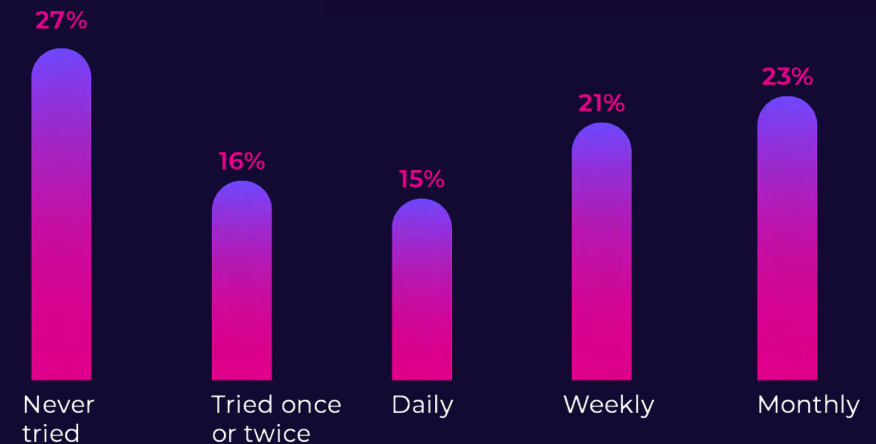
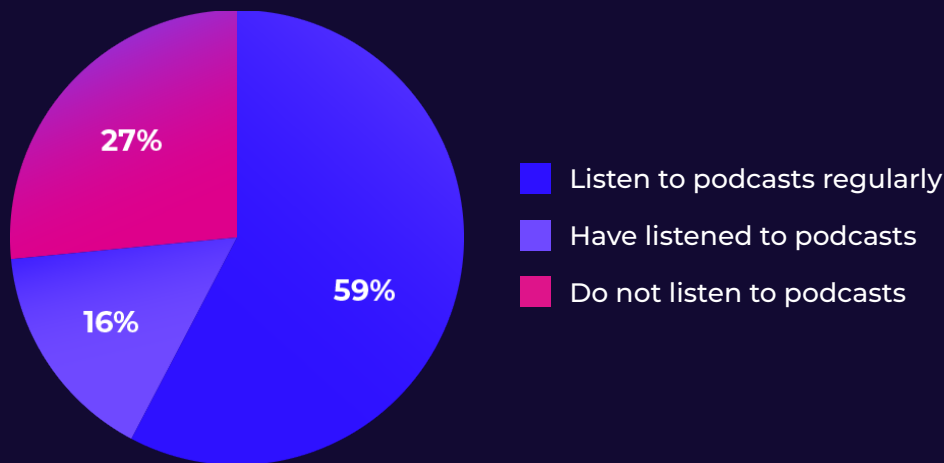


Figure 19: Frequency of Audio Content Use

59% of people consume audio content regularly (Figure 19), and consumption has increased for more than half of our respondents (52%) compared to last year (Figure 22).

People spend almost two hours a day listening to music and audio. While Music is still the king of audio consumption (64 minutes/day on average), Talk Audio (podcasts, talk radio, and audiobooks) accounts for 7-22 minutes per day (Figure 20). Most people (57%) consume podcasts for entertainment (Figure 21).



Figure 20 Average Daily Consumption in 103 Minutes of Audio

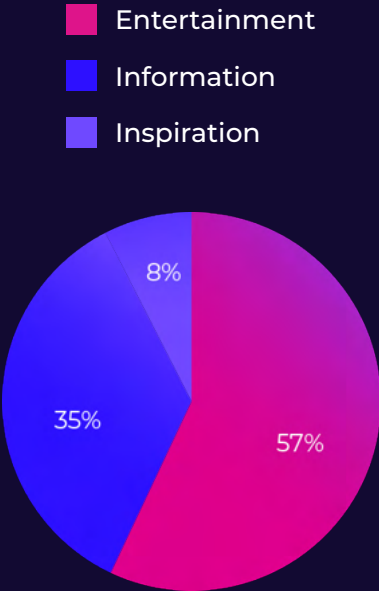


Figure 21 Drivers to Hearing Podcasts

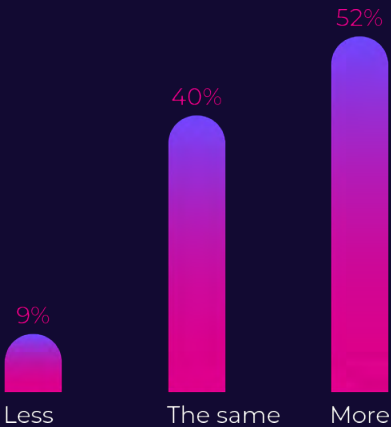


Figure 22 Audio Content Consumption Compared to Last Year

AUDIO APPS – TOP APPS FOR TALK AUDIO

There's no one clear “home for podcasts” yet. The most popular apps used for audio are Spotify (55%), Pandora (36%), and Apple Podcasts (27%).

When asked which kind of app they'd prefer to find audio content, users indicated that audio could complement any app experience.

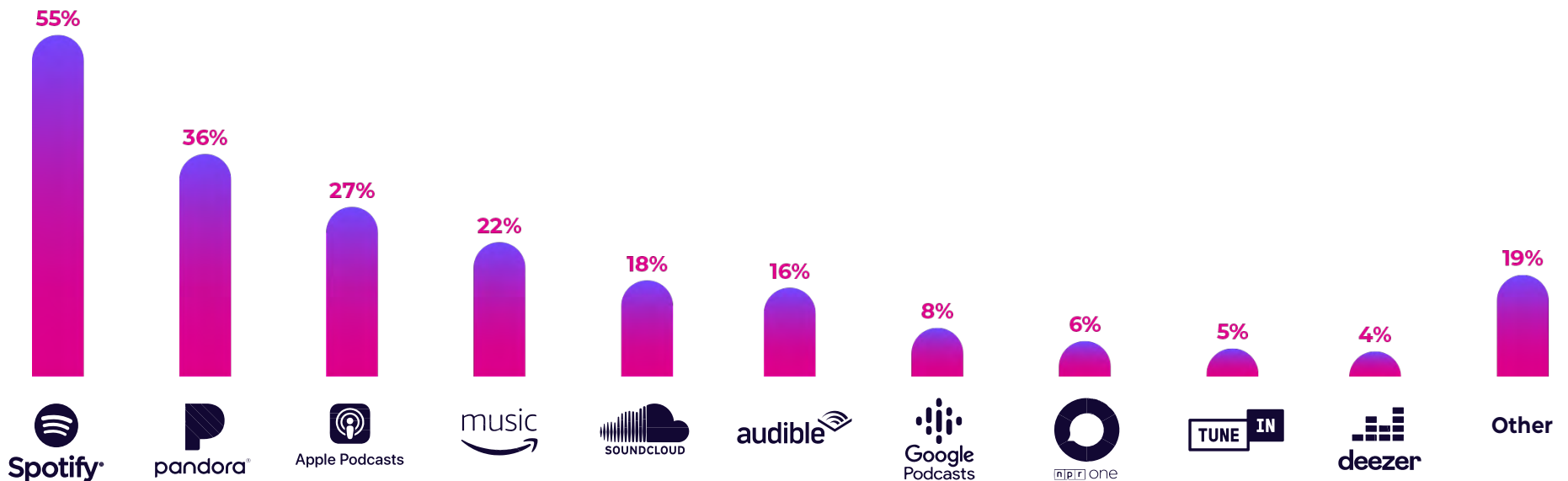


Figure 23: Most Popular Podcast Apps

AUDIO APPS – CATEGORIES MOST SUITABLE FOR IN-APP TALK AUDIO

When asked which kind of app they'd prefer to find audio content, users indicated that audio could complement any app experience. In music and audio, the fit is most evident because the content is already audio. And entertainment, games, and sports are three where audio most obviously fits in.

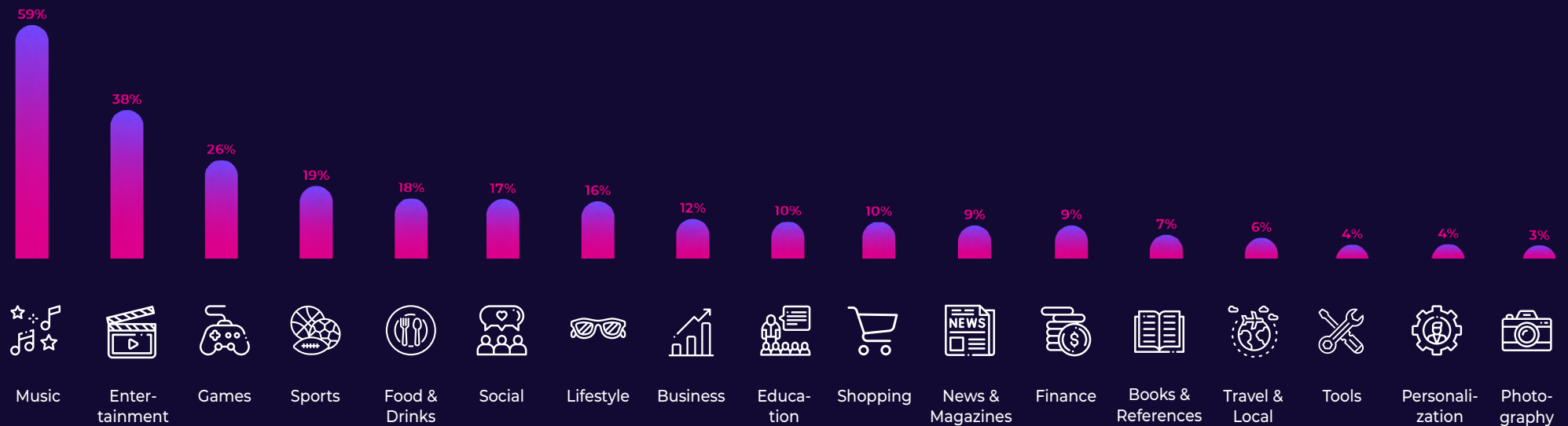


Figure 24: Top App Categories for Audio

IN-APP AUDIO KEEPS USERS ENGAGED LONGER

While the revolution of in-app talk audio is just beginning, 78% of users seem to intrinsically comprehend that they will stay longer once they find audio in an app. And only 4% see it as interfering with the app experience. (Figure 25).

With more than two million podcasts out there, 60% of respondents report a challenge finding quality audio content. This problem is going to increase as content creation increases. (Figure 26).

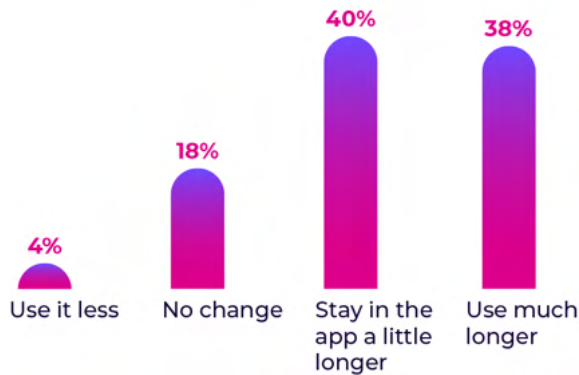


Figure 25: Impact of Discovering Interesting Audio on App Usage

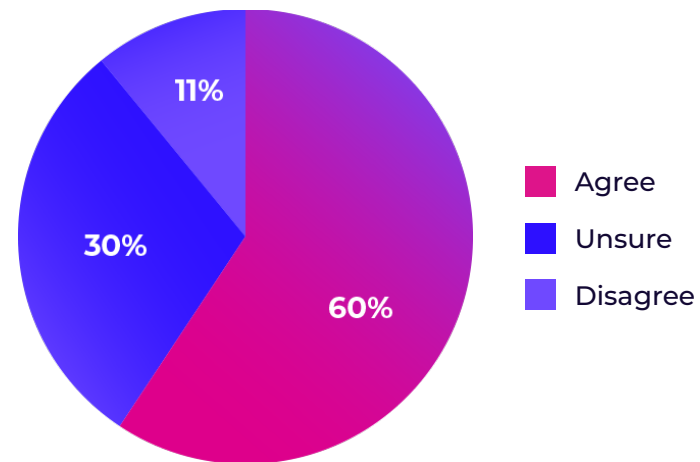


Figure 26: Do you Agree - Great Audio Content Is Hard to Find

TALK AUDIO VS. VIDEO

People clearly want to be freed from the shackles of screens.

When asking what the advantages of talk audio are compared to watching video, over half (57%) of consumers indicated it allows them to do other activities simultaneously, like running or cooking.

Other advantages of talk audio include not being glued to the screen (44%) and freeing their hands for other tasks. (40%).

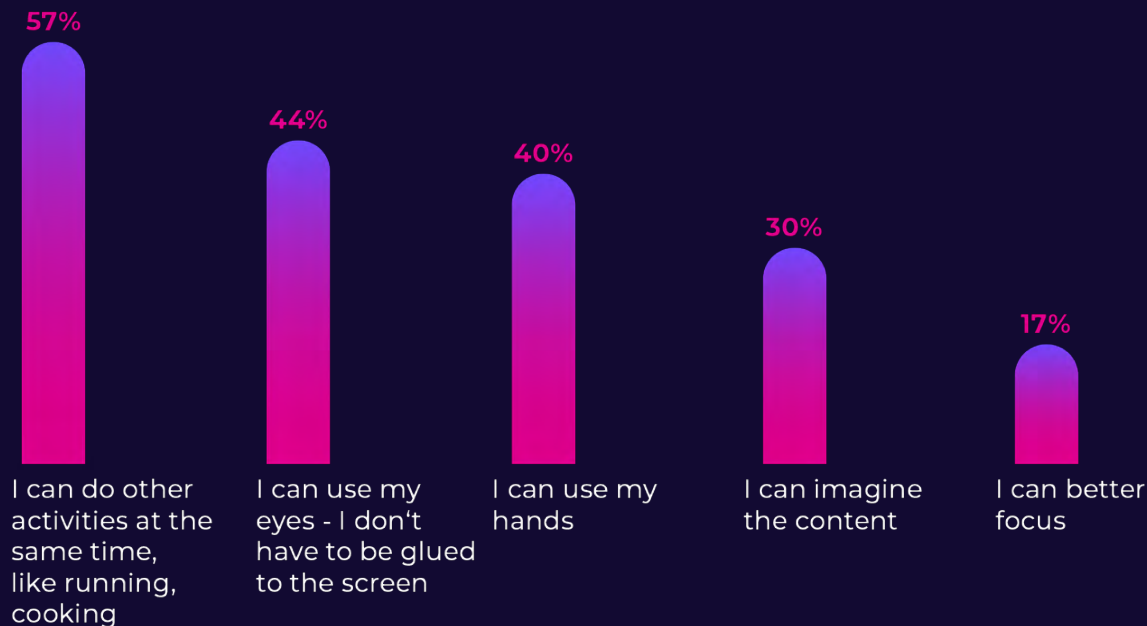


Figure 27: Advantage of Talk Audio (vs. Watching Video)

ABOUT AUDIOBURST

Audioburst, the Audio Search and Delivery Platform, makes the world's audio content accessible to users, whenever they want it, and wherever they are.

Our powerful suite of API and SDK solutions enables publishers, mobile apps, device manufacturers, and automotive companies to tap into the world's most extensive indexed library of fresh talk audio content. Adding a layer of informative, entertaining, and inspiring short-form audio content streams increases the user experience and introduces new monetization opportunities for Audioburst partners such as Hyundai, Samsung, and Flipboard.

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