Lund Digital Marketing Insights Survey 2022

Tunca, Burak; Anselmsson, Johan

2022

LUND UNIVERSITY

PO Box 117
221 00 Lund
+46 46-222 00 00

Lund Digital Marketing Insights Survey 2022

Burak Tunca
Johan Anselmsson
Lund University
School of Economics and Management

TABLE OF CONTENTS

ABOUT THIS REPORT

Authors:

Burak Tunca is a Senior Lecturer in Digital Marketing and Johan Anselmsson is a Professor in Marketing at the School of Economics and Management, Lund University, Sweden.

Sample:

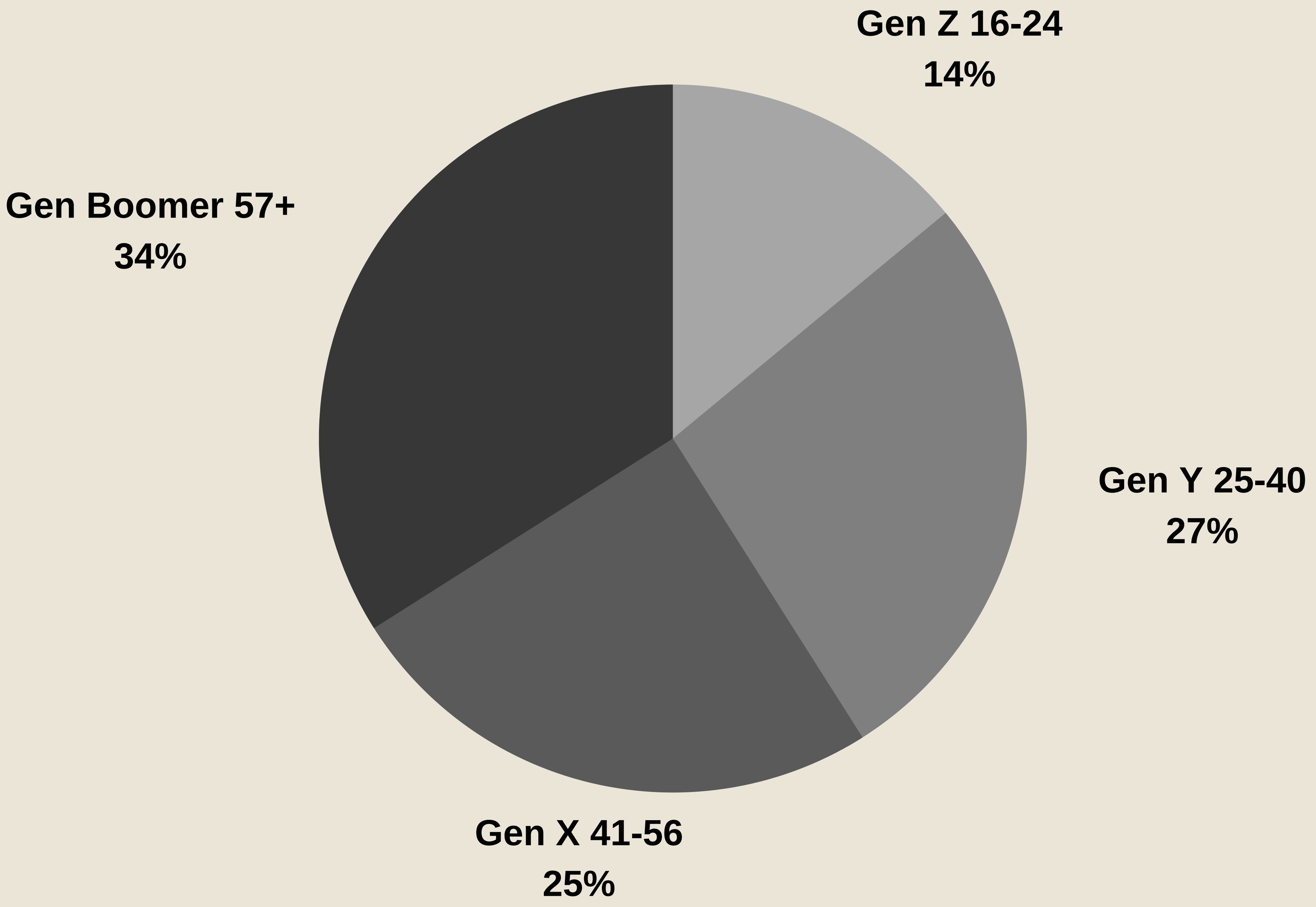
Data were collected in November 2021 from 1002 participants through the Dynata panel, which is representative of Sweden in terms of age, gender, and geography.

Funding:

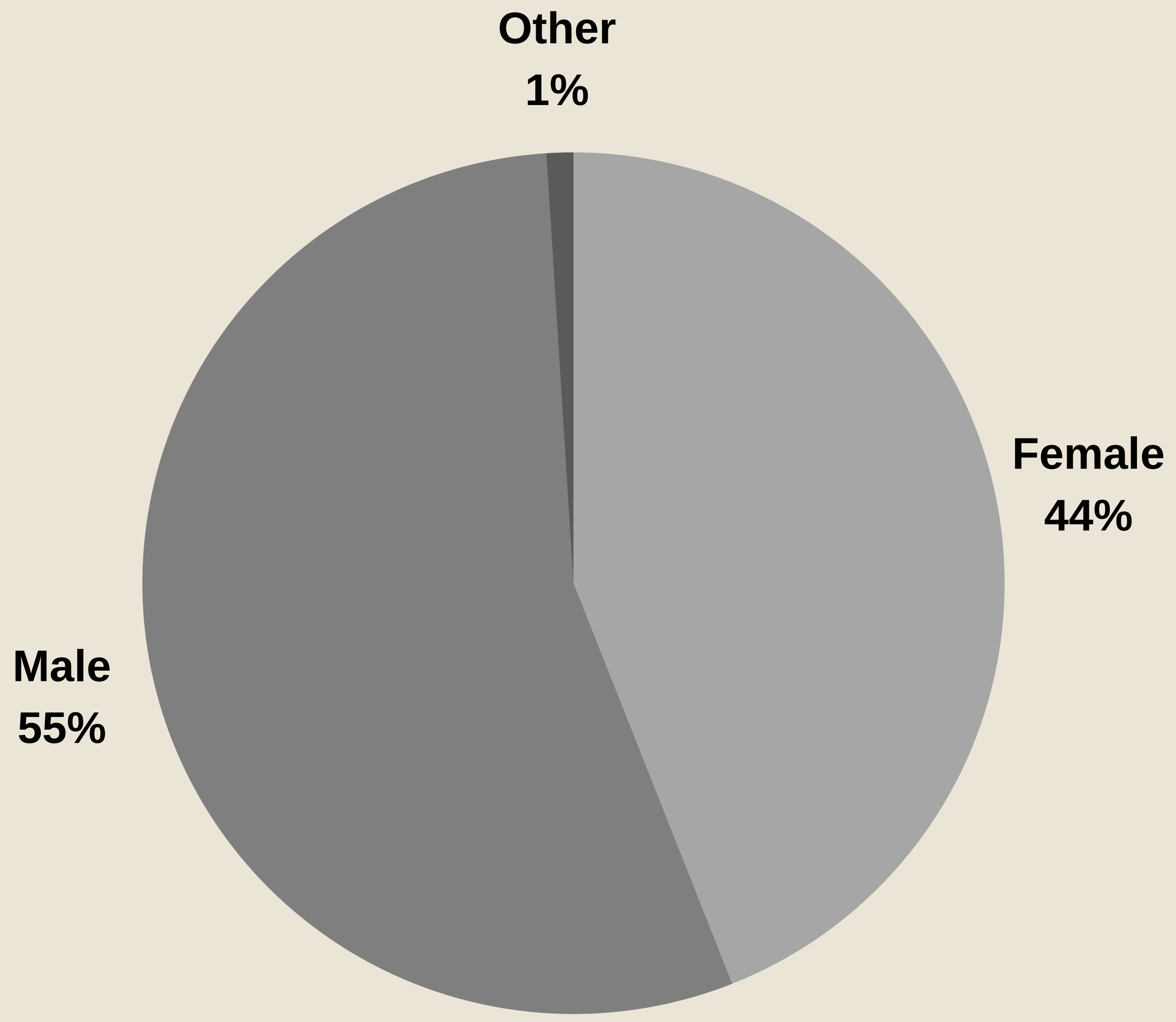
This report has been prepared with support from the research grant P20-0279 from Handelsbanken Foundation.

DEMOGRAPHICS

AGE

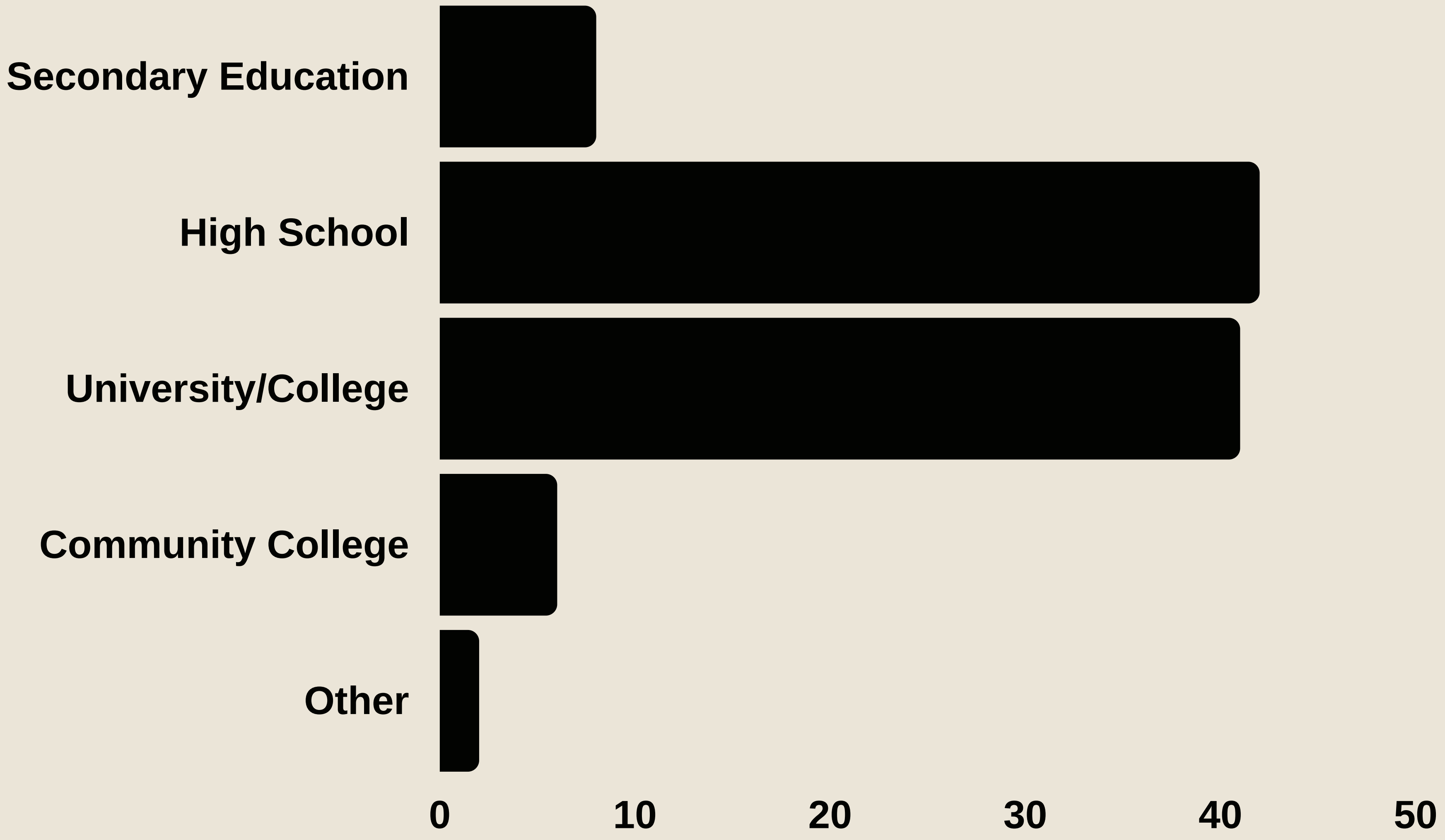


GENDER

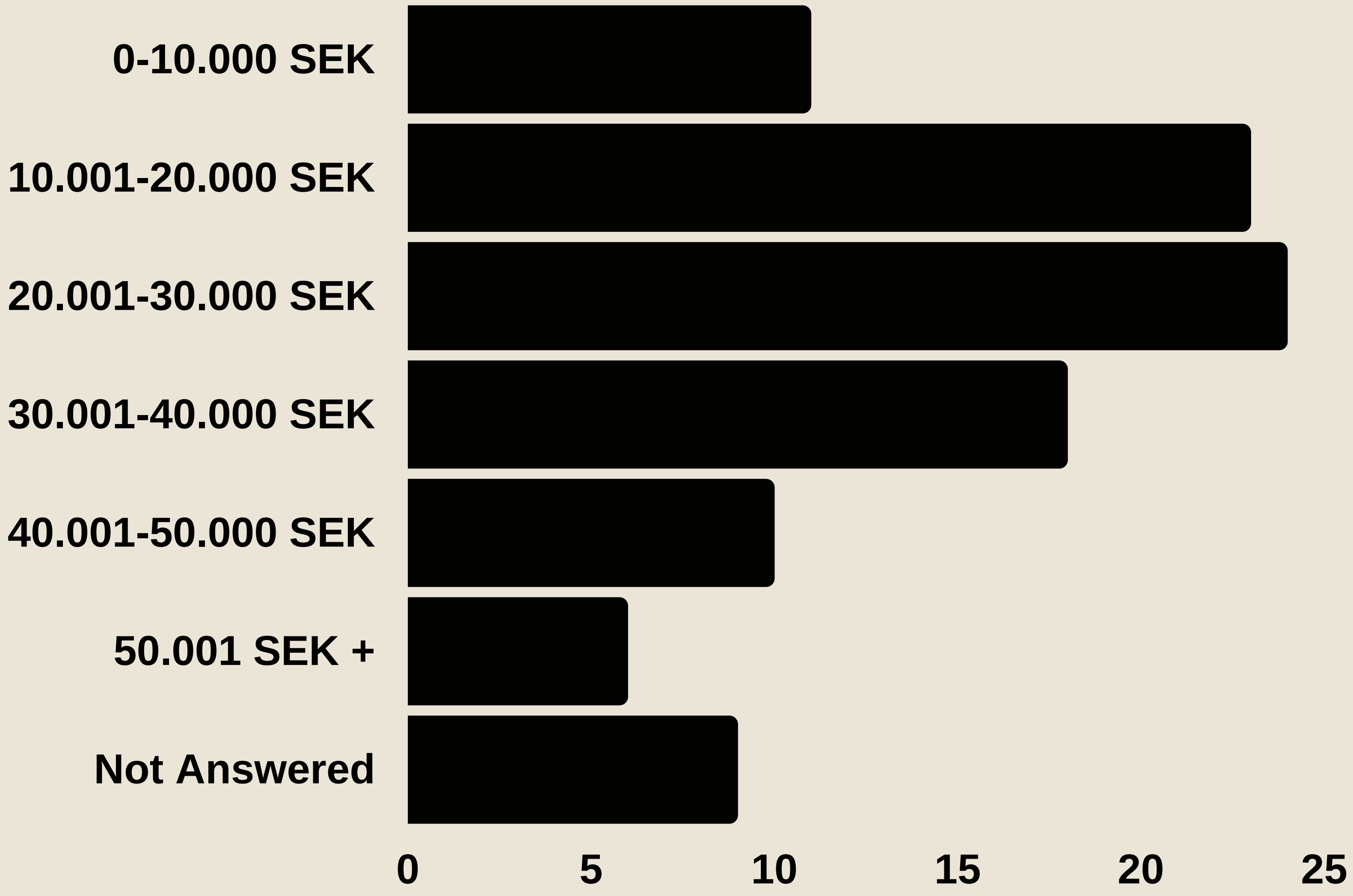


DEMOGRAPHICS

EDUCATION



MONTHLY INCOME

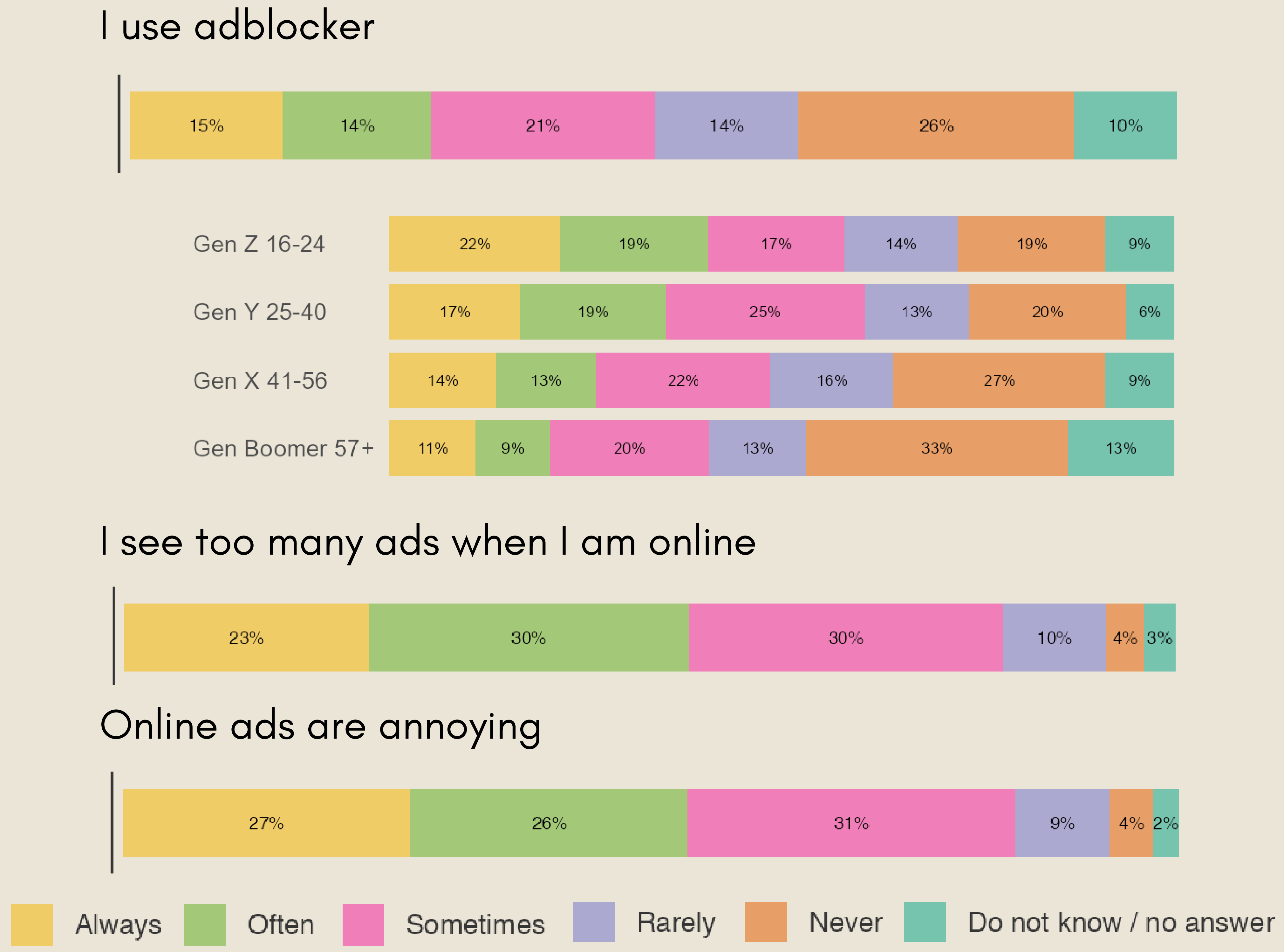


ONLINE MARKETING

In this part of the survey, we asked our respondents about their overall perceptions of channels and advertisements in the digital sphere.

CONSUMERS DO NOT ENJOY DIGITAL ADS

Q: Please answer the following questions about online advertisements



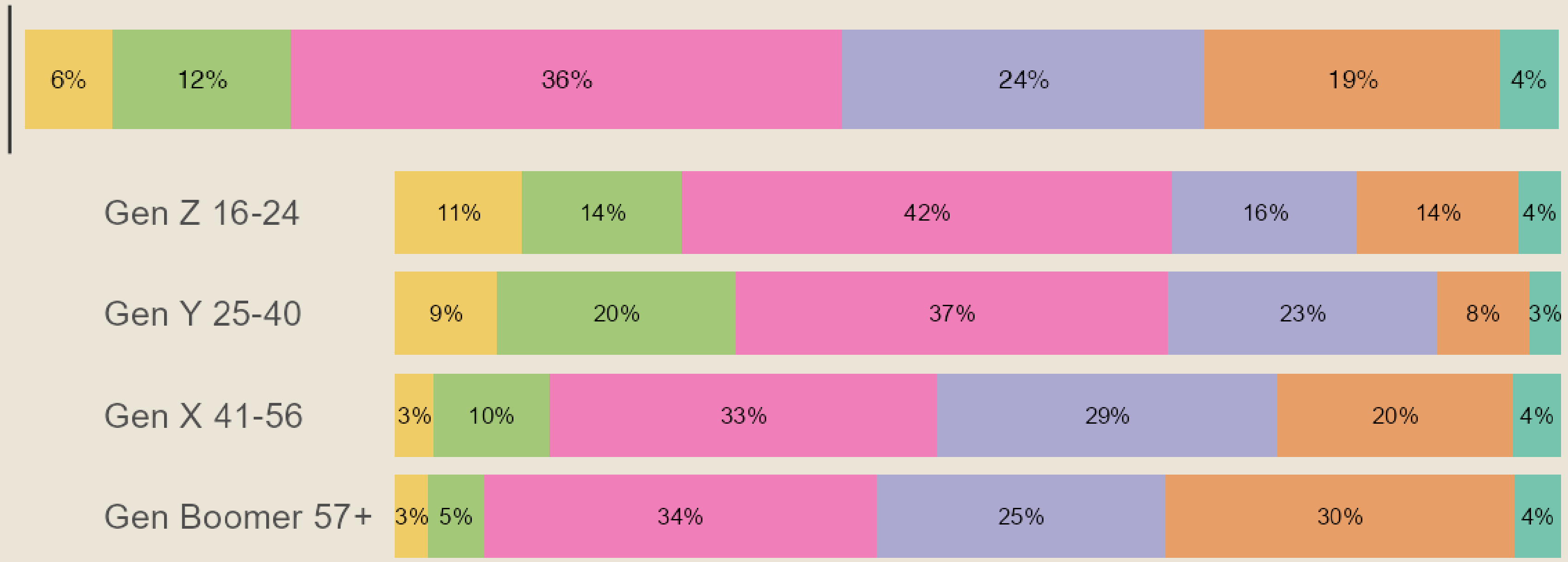
More than 50% of all respondents report that, always or often, they see too many ads online, and they find the ads annoying.

When it comes to adblocking behavior, we observe effects of age, such that younger consumers are more likely to use adblockers than older ones. While only 20% of Boomers (57+) say they always or often use adblockers, the rate jumps to over 40% for Gen Z (16-24) and Gen Y (25-40).

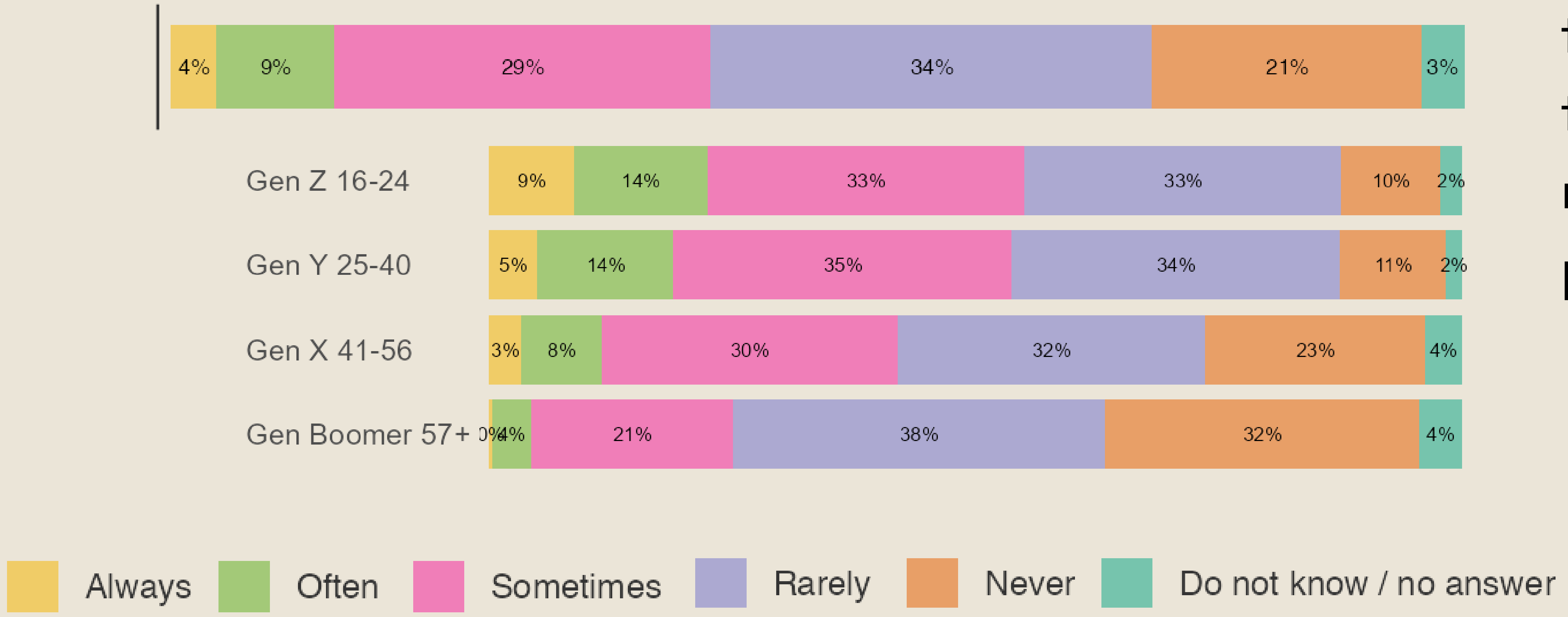
CONSUMERS OFTEN DO NOT FIND ONLINE ADS TO BE HELPFUL

Q: Please answer the following questions about online advertisements

Online ads help me find new brands and products



Online ads are relevant for my needs



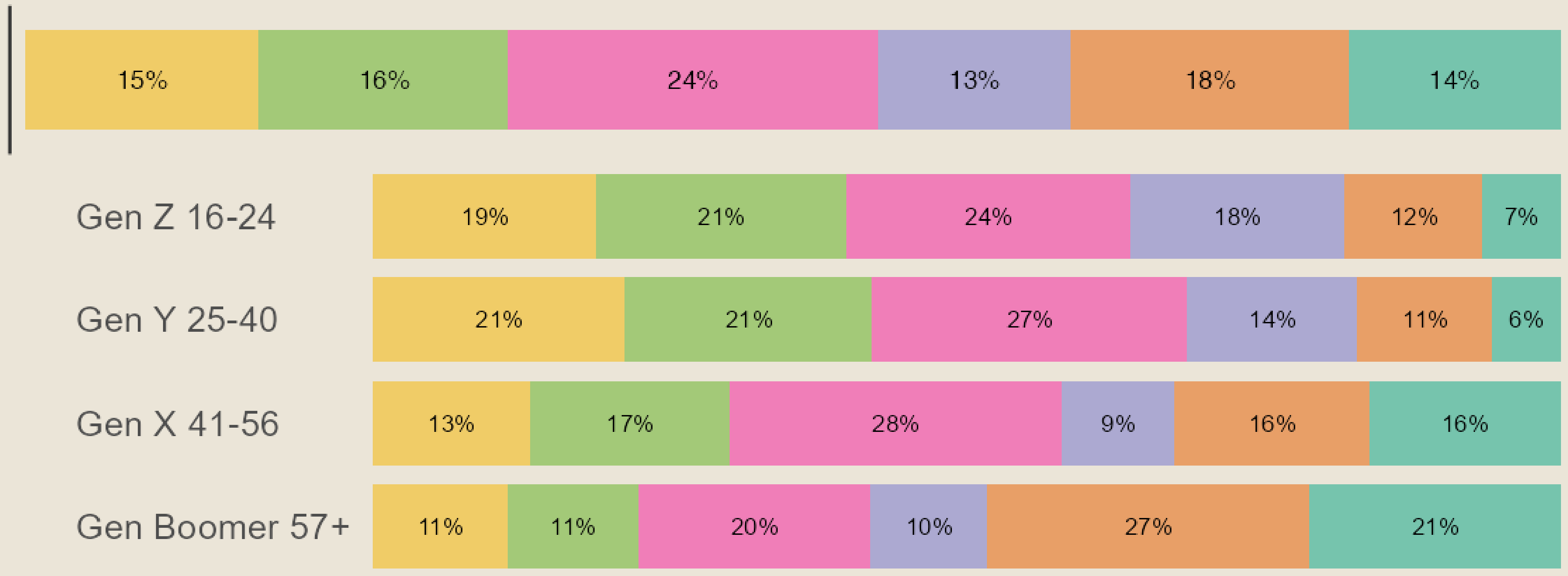
Although the major premise of online ads is "relevance", for most consumers (55%) online ads do not often present brands and products that are related to their needs. This finding highlights the importance of personalization in digital marketing.

We should also note age differences here, such that younger consumers (Gen Z & Y) are more likely to agree that online ads are relevant for their needs and introduce them new brands and products.

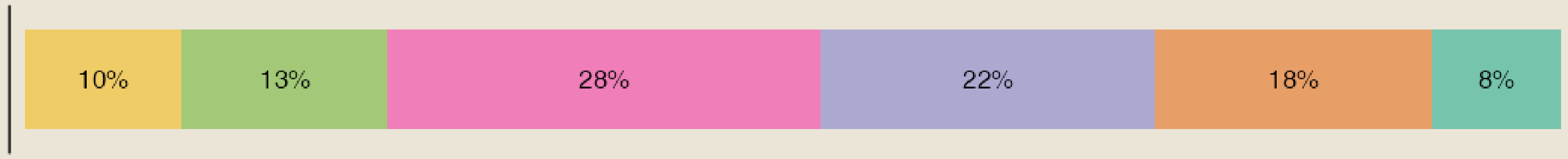
CONSUMERS ARE SUSPICIOUS ABOUT ONLINE ADS

Q: Please answer the following questions about online advertisements

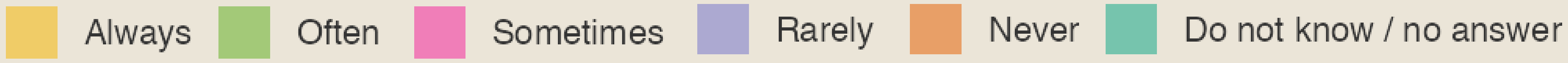
My phone/computer listens to my conversations to show ads



I worry that ads compromise my privacy online



I worry that online ads include computer viruses

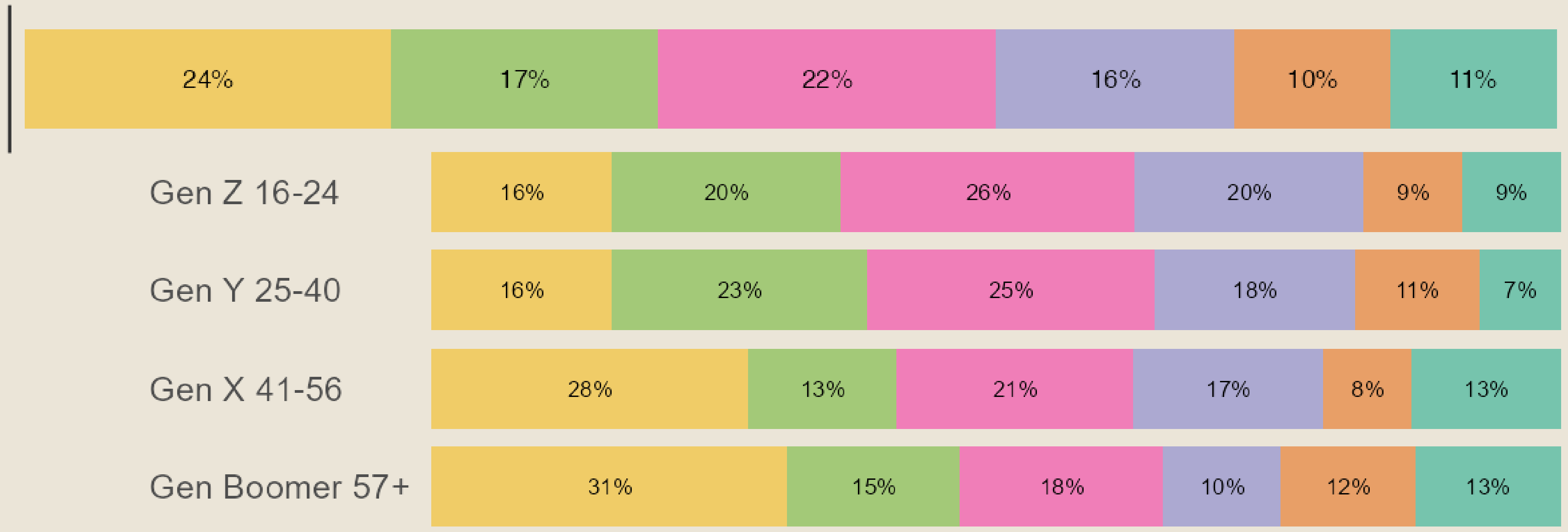


Younger consumers seem to be more skeptical towards online ads. About 40% of Gen Z and Gen Y consumers say, always or often, they think their computers are listening to them to show ads, and they are worried about viruses and privacy-hacks. On the other hand, the rate drops to about 20-30% for Gen X and Boomers.

CONSUMERS ARE NOT POSITIVE TOWARDS AD-BASED BUSINESS MODELS

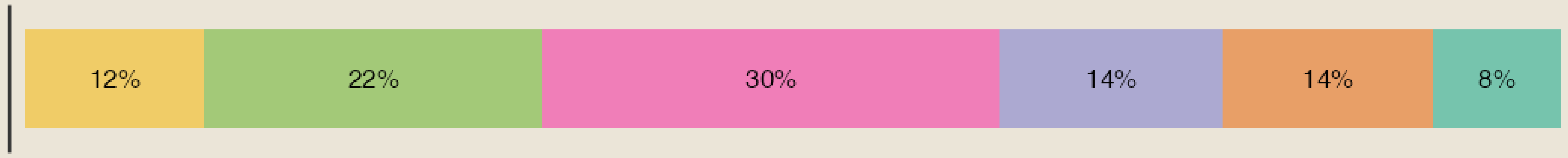
Q: Please answer the following questions about online advertisements

I do not like helping a company make money from my surfing



I am annoyed when I see ads based on my surf history

I accept to see ads if I am not paying for the online service

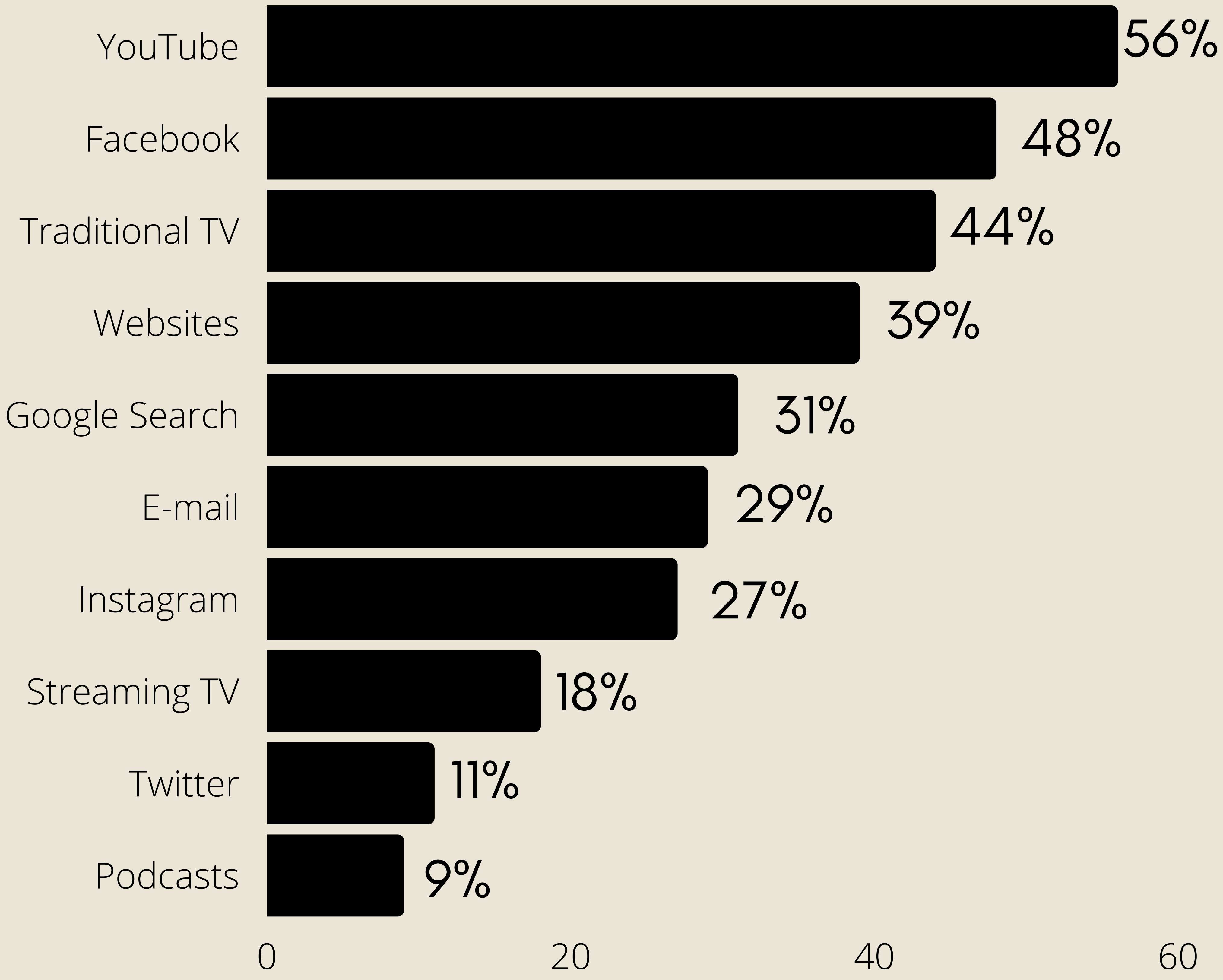


Always Often Sometimes Rarely Never Do not know / no answer

The ad-based business model is predicated on collecting information and showing relevant ads while the main online service is free. Our survey results indicate that younger consumers (Gen Z and Y) are especially more positive towards ad-based services, such that only 16% says they are "always" against companies making money on their surfing, while the rate doubles to about 30% for older consumers (Gen X and Boomers).

CONSUMERS SEE TOO MANY ADS ON YOUTUBE

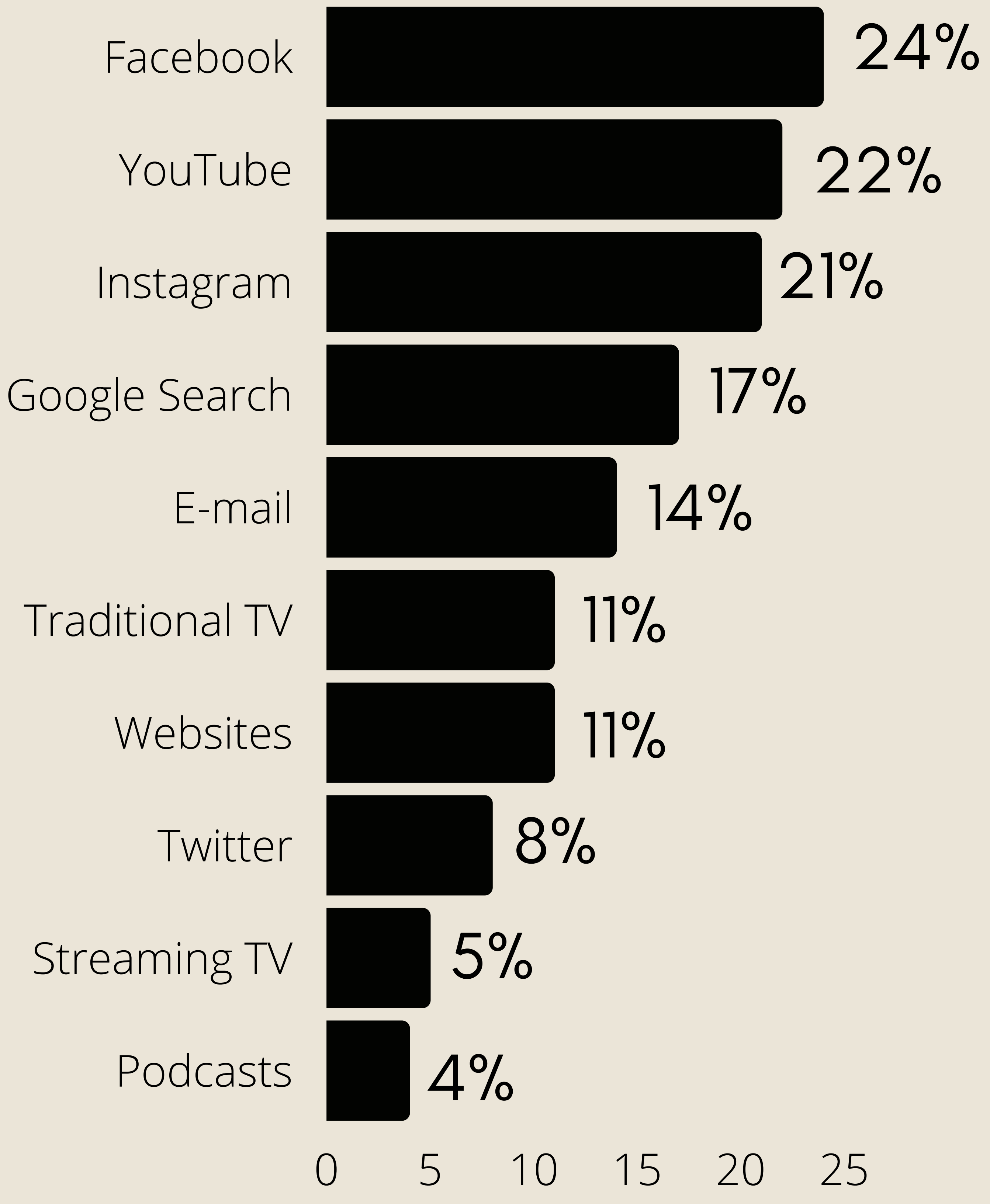
Q: On which of the following channels do you see too many ads?



When we ask consumers on which channels they see "too many ads", we see that more than half mention YouTube. With 48%, Facebook is a close second, and traditional TV is third with 44%. Only 9% of consumers complain about ads on Podcasts, which present opportunities for digital marketers as an unsaturated channel.

MOST CHANNELS DO NOT SHOW RELEVANT ADS

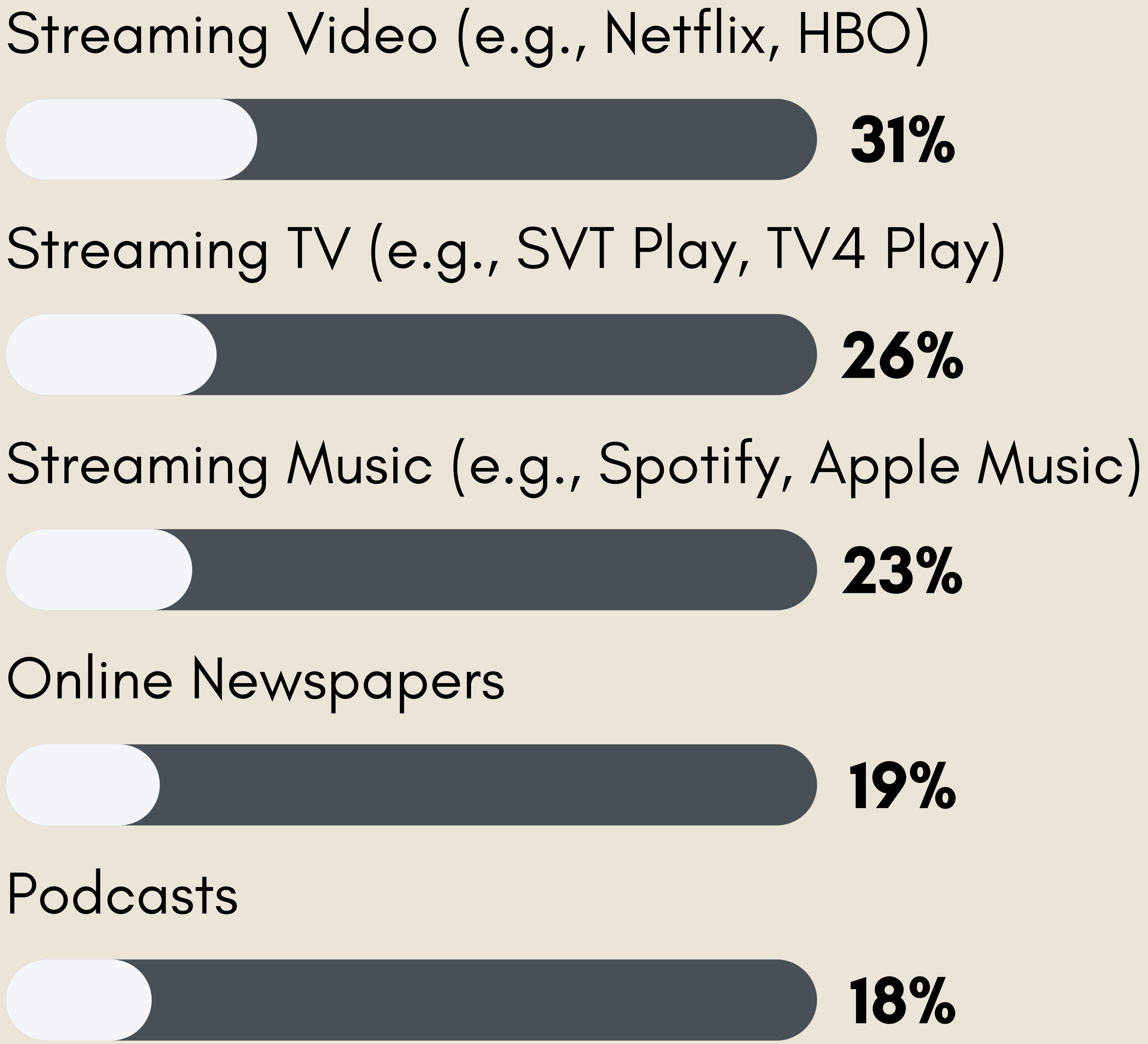
Q: On which of the following channels do you see the most relevant ads?



On average, consumers report that Facebook, YouTube, and Instagram show them the most relevant ads. Nonetheless, we should highlight some age differences here. For example, about 45% of Gen Z consumers say that they see most relevant ads on Instagram and YouTube, whereas 36% of Gen Y consumers say that they see most relevant ads on Facebook, in line with those channels' user demographics. Interestingly, Boomers report that Facebook and Traditional TV show them relevant ads a similar rate (about 14%).

TOP 5 CHANNELS CONSUMERS WILL USE MORE IN THE FUTURE

Q: Do you think that you will use the following channels more or less in the future?

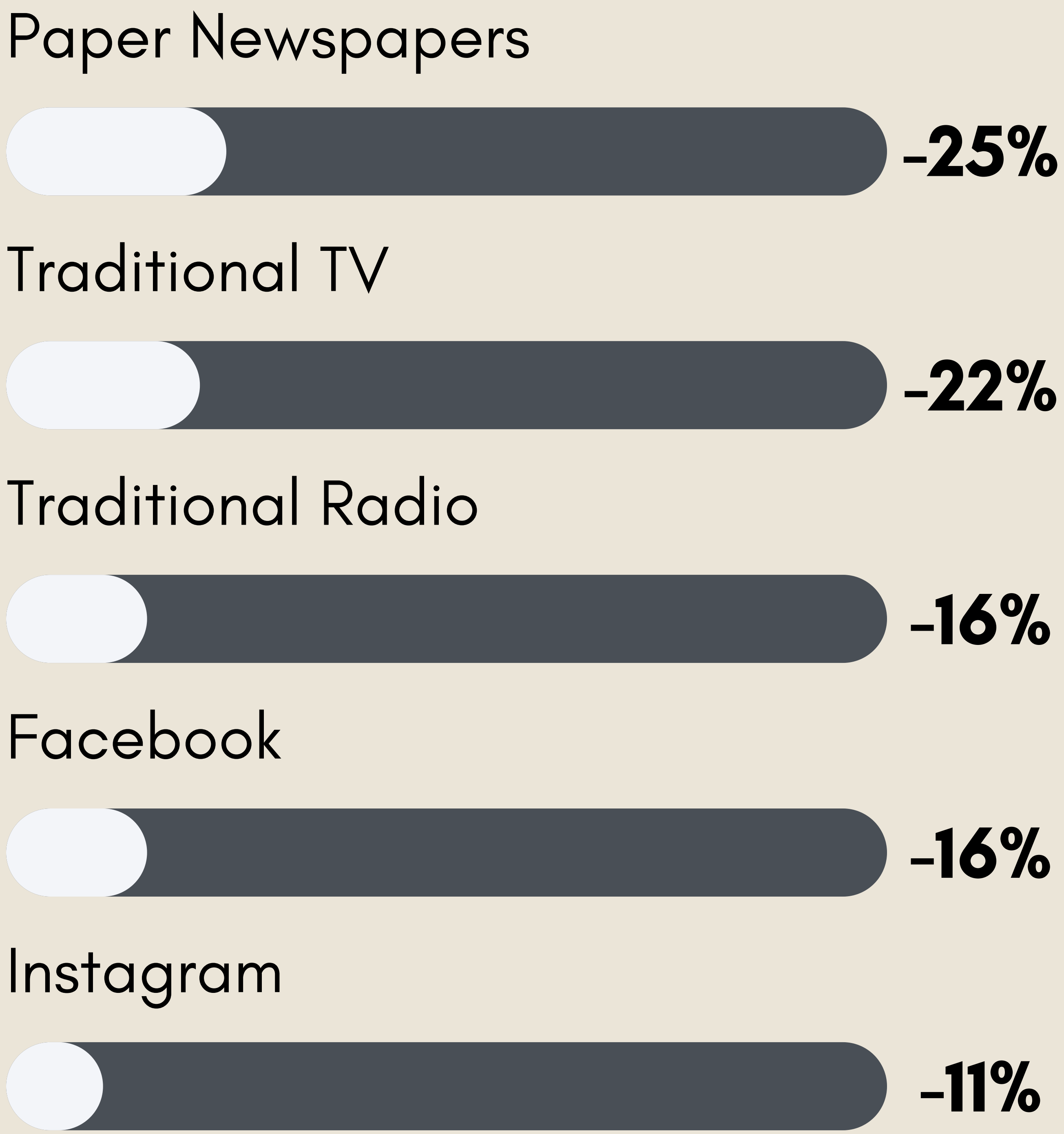


When we ask our respondents which channels they think they will be using more in the future, we see a clear pattern for all types of streaming and online services, indicating no signs of reverting back to offline formats.

Although the respondents were given an extensive list of channels with major social media platforms, the only channel that made it to the Top 5 was Podcasts. 18% of all respondents think that they will be listening to more podcasts in the future.

TOP 5 CHANNELS CONSUMERS WILL USE LESS IN THE FUTURE

Q: Do you think that you will use the following channels more or less in the future?

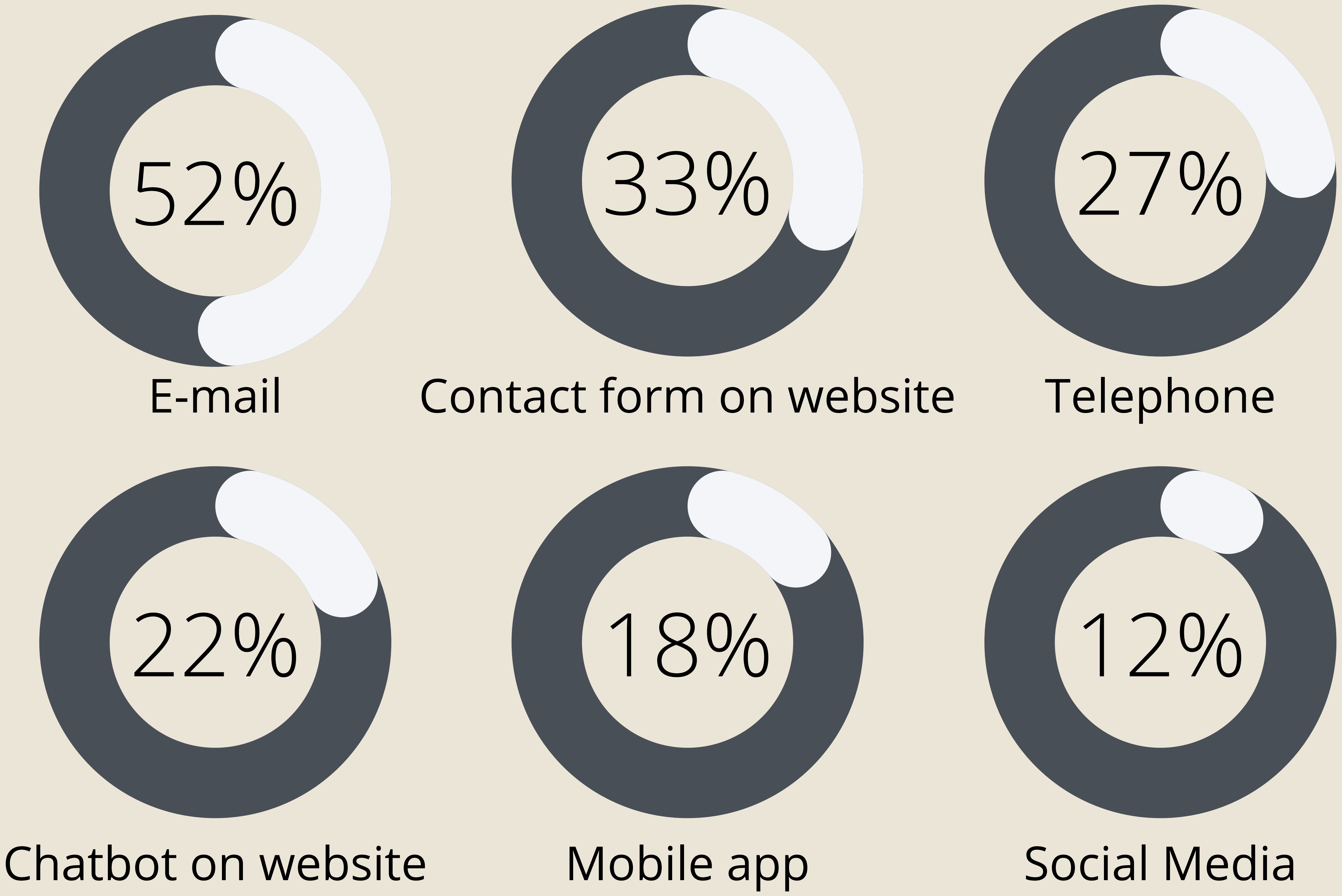


While consumers are more optimistic about their use of online streaming services, future is not so bright for offline services. Our respondents expect to spend less time reading paper newspapers (25%), watching traditional TV (22%), and listening to the traditional radio (16%).

When it comes to other channels, respondents say that they think they will spend less time on Facebook (16%) and Instagram (11%), indicating that today's mainstream platforms might be reaching their peak.

E-MAILS AND ONLINE FORMS MOST PREFERRED <u>BEFORE</u> PURCASE

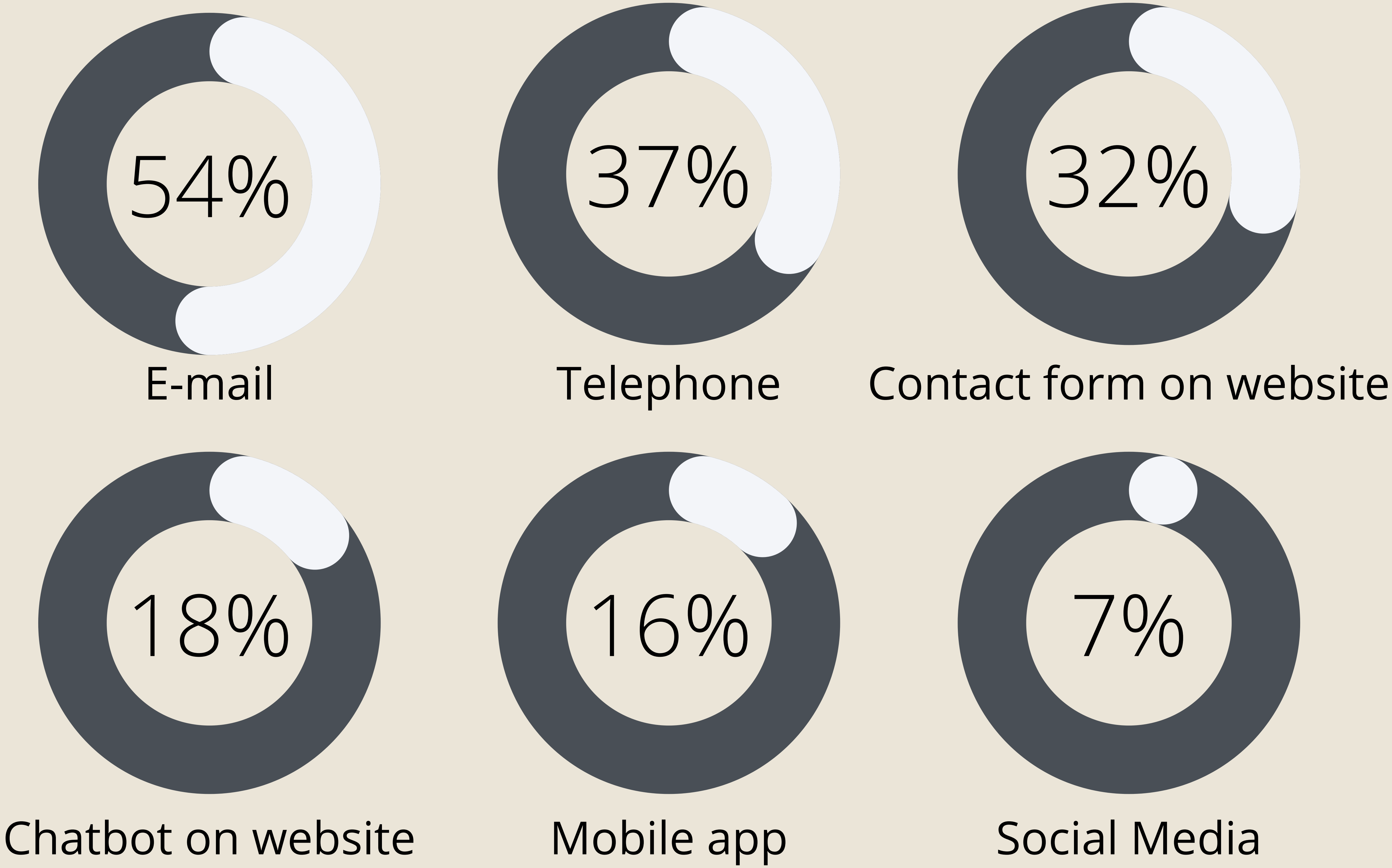
Q: If I have a question BEFORE my purchase, I prefer to contact a brand via ...



More than half of respondents report that they would contact a brand via e-mail, should they had a question before their purchase, followed by contact forms on websites and telephone. Interestingly, mobile apps and social media are not really preferred by consumers, despite the increase in their usage.

E-MAIL AND TELEPHONE MOST PREFERRED AFTER THE PURCHASE

Q: If I have a question AFTER my purchase, I prefer to contact a brand via ...



When asked about their preferences after a purchase, e-mail remains as the most preferred channel. Yet, we observe that more consumers opt for reaching a brand via telephone when the matter pertains to an issue that happens after the purchase. We should also note the 5% drop on social media mode of contact here.

BRANDS SHOULD RESPOND WITHIN 24 HOURS

Q: If I contact a brand via the following channels BEFORE / AFTER my purchase, I expect the brand to respond within ...

	In a few hours		In 24 hours		In a week		In a month		Over a month	
	BEFORE	AFTER	BEFORE	AFTER	BEFORE	AFTER	BEFORE	AFTER	BEFORE	AFTER
E-mail	31%	34%	46%	45%	18%	15%	2%	3%	3%	3%
Telephone	58%	57%	24%	25%	11%	12%	3%	3%	4%	3%
Social Media	38%	38%	38%	38%	13%	14%	4%	3%	7%	7%
Mobile App	34%	37%	41%	40%	14%	13%	5%	5%	6%	5%
Chatbot on Website	54%	53%	23%	25%	11%	10%	5%	5%	7%	7%
Contact Form on Website	27%	31%	43%	42%	20%	18%	4%	4%	6%	5%

With regard to expectations about how quickly brands should respond, we do not see substantial differences between before and after purchase decisions. However, it is clear that most consumers expect a response from brands within 24 hours, regardless of the mode of contact. In particular, more than half of the respondents expect brands to respond in a few hours when they contact the brand via telephone or web chatbot.

KEY TAKEAWAYS

ONLINE MARKETING

- Over 50% of respondents are annoyed by the amount of digital ads, and many, especially the younger demographics (16-40), use adblockers.
- Online ads should be relevant, but only 13% agree that they always or often see online ads that are relevant for their needs.
- Many consumers, especially younger demographics, have concerns about online ads (e.g., being monitored by brands); yet, it is again the younger consumers who are OK with seeing ads based on their online activity.
- Most consumers complain about seeing too many ads on YouTube, Facebook, and traditional TV. But only 9% mention podcasts.
- Consumers expect to increase their consumption of online streaming services, and decrease traditional channels, in the future.
- E-mail is the preferred communication channel both before (52%) and after (54%) purchase.

SOCIAL MEDIA MARKETING

Social media is where consumers spend a significant portion of their time, and companies spend a significant portion of their marketing budget. In this section, we asked our respondents about their social media behaviors.

FACEBOOK MOST FREQUENTLY USED CHANNEL OVERALL

Q: How often do you use the following channels?

	Several times a day	Once a day	At least once a week	At least once a month	Few times a year or less		Never
Facebook	40%	19%	14%	7%	6%		14%
Instagram	25%	19%	13%	7%	9%		27%
YouTube	29%	18%	24%	12%	8%		9%
Twitter	8%	8%	10%	9%	16%		49%
Messenger	22%	17%	17%	11%	11%		22%
WhatsApp	10%	10%	12%	9%	15%		44%
TikTok	9%	7%	8%	7%	10%		59%
Pinterest	5%	7%	11%	11%	17%		49%
Snapchat	14%	9%	8%	8%	9%		52%
Clubhouse	2%	3%	4%	5%	13%		73%
LinkedIn	4%	6%	9%	13%	17%		51%
Skype	3%	4%	8%	9%	24%		52%
Twitch	4%	5%	7%	7%	14%		63%
Reddit	4%	6%	7%	7%	15%		61%

Facebook, Instagram, and YouTube dominate as the most frequently used social media channels. 40% of respondents report that they use Facebook several times a day. A notable observation pertains to Snapchat - 23% of respondents report that they use the platform once or several times a day, ahead of other popular platforms such as Twitter and TikTok. The least popular platform according to our results is the recently launched Clubhouse.

GEN Z USE YOUTUBE AND SNAPCHAT MOST FREQUENTLY

Q: How often do you use the following channels?

	Several times a day	Once a day	At least once a week	At least once a month	Few times a year or less		Never
Facebook	29%	14%	19%	14%	14%		10%
Instagram	36%	28%	16%	5%	9%		6%
YouTube	48%	22%	20%	4%	5%		1%
Twitter	10%	9%	15%	21%	21%		24%
Messenger	15%	19%	15%	9%	28%		14%
WhatsApp	10%	17%	14%	9%	21%		29%
TikTok	31%	17%	13%	12%	11%		16%
Pinterest	9%	9%	14%	20%	26%		22%
Snapchat	41%	22%	15%	9%	6%		7%
Clubhouse	4%	8%	12%	12%	20%		44%
LinkedIn	6%	9%	12%	17%	21%		35%
Skype	7%	9%	8%	10%	36%		30%
Twitch	7%	9%	20%	12%	26%		26%
Reddit	9%	14%	17%	11%	23%		26%

When we look at the social media use by Gen Z, we see that Facebook is no longer the leading platform. In terms of daily use, YouTube, Snapchat, Instagram, and TikTok are the most popular platforms among the 16-24 year-old demographic.

GEN Y MOST ACTIVE ON FACEBOOK, INSTAGRAM, & YOUTUBE

Q: How often do you use the following channels?

	Several times a day	Once a day	At least once a week	At least once a month	Few times a year or less		Never
Facebook	46%	19%	12%	11%	7%		5%
Instagram	38%	21%	12%	9%	8%		12%
YouTube	38%	22%	25%	8%	5%		2%
Twitter	14%	9%	14%	13%	17%		33%
Messenger	35%	22%	14%	12%	9%		8%
WhatsApp	13%	15%	16%	10%	20%		26%
TikTok	11%	11%	12%	9%	12%		45%
Pinterest	8%	9%	13%	13%	21%		36%
Snapchat	23%	12%	13%	12%	10%		30%
Clubhouse	3%	4%	6%	9%	17%		61%
LinkedIn	5%	8%	12%	16%	21%		38%
Skype	3%	5%	12%	13%	25%		42%
Twitch	7%	11%	10%	10%	18%		44%
Reddit	7%	8%	12%	12%	18%		43%

Gen Y (25-40), also known as the millennials, are spending substantially more time on Facebook than Gen Z. Again, together with Facebook, Instagram and YouTube are the most popular platforms that are used daily among Gen Y consumers. It should be noted, however, that Snapchat still preserves its popularity among this demographic.

GEN X ARE USING FACEBOOK MOST FREQUENTLY

Q: How often do you use the following channels?

	Several times a day	Once a day	At least once a week	At least once a month	Few times a year or less	Never
Facebook	42%	19%	16%	6%	3%	14%
Instagram	27%	16%	16%	7%	6%	28%
YouTube	29%	16%	30%	14%	7%	4%
Twitter	9%	8%	10%	5%	15%	53%
Messenger	23%	16%	21%	11%	7%	22%
WhatsApp	11%	9%	9%	9%	14%	48%
TikTok	7%	5%	7%	7%	8%	66%
Pinterest	3%	6%	12%	10%	16%	53%
Snapchat	7%	7%	6%	8%	12%	60%
Clubhouse	1%	1%	3%	4%	13%	78%
LinkedIn	4%	7%	9%	11%	20%	49%
Skype	2%	4%	6%	8%	23%	57%
Twitch	2%	2%	4%	7%	14%	71%
Reddit	2%	5%	5%	5%	17%	66%

As we move on to the older demographics, we again observe the dominance of Facebook, followed by YouTube and Instagram among Gen X consumers (41-56). The other platforms are not even close in popularity, indicating that older consumers are much more selective in their social media use.

BOOMERS ARE ALSO MOSTLY ON FACEBOOK

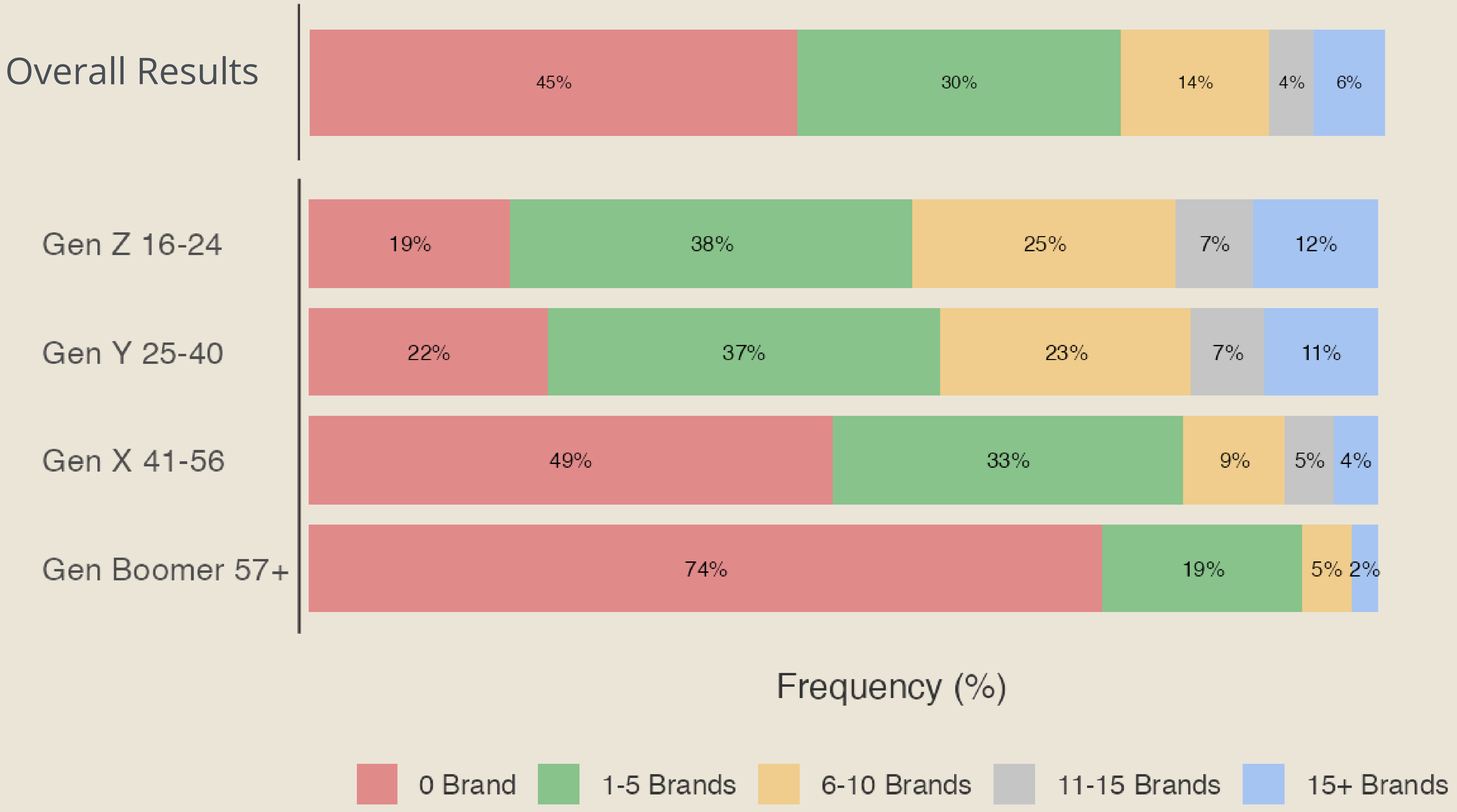
Q: How often do you use the following channels?

	Several times a day	Once a day	At least once a week	At least once a month	Few times a year or less	Never
Facebook	38%	21%	11%	3%	4%	23%
Instagram	9%	16%	11%	7%	11%	46%
YouTube	14%	15%	20%	18%	12%	21%
Twitter	2%	6%	6%	4%	10%	72%
Messenger	13%	12%	17%	12%	9%	37%
WhatsApp	6%	4%	10%	6%	13%	61%
TikTok	1%	2%	3%	2%	7%	85%
Pinterest	2%	6%	6%	6%	11%	69%
Snapchat	2%	2%	3%	4%	8%	81%
Clubhouse	0%	0%	0%	1%	8%	91%
LinkedIn	1%	4%	5%	9%	11%	70%
Skype	1%	2%	6%	7%	20%	64%
Twitch	0%	1%	2%	1%	8%	88%
Reddit	0%	1%	1%	2%	9%	87%

Mainly, the only frequently used social media platform among the oldest consumers is Facebook. About 60% of respondents above the age 57 report that they use the platform once or several times a day, a much higher rate than the closest followers YouTube (29%) and Instagram (25%).

YOUNGER CONSUMERS FOLLOW MORE BRANDS ON SOCIAL MEDIA

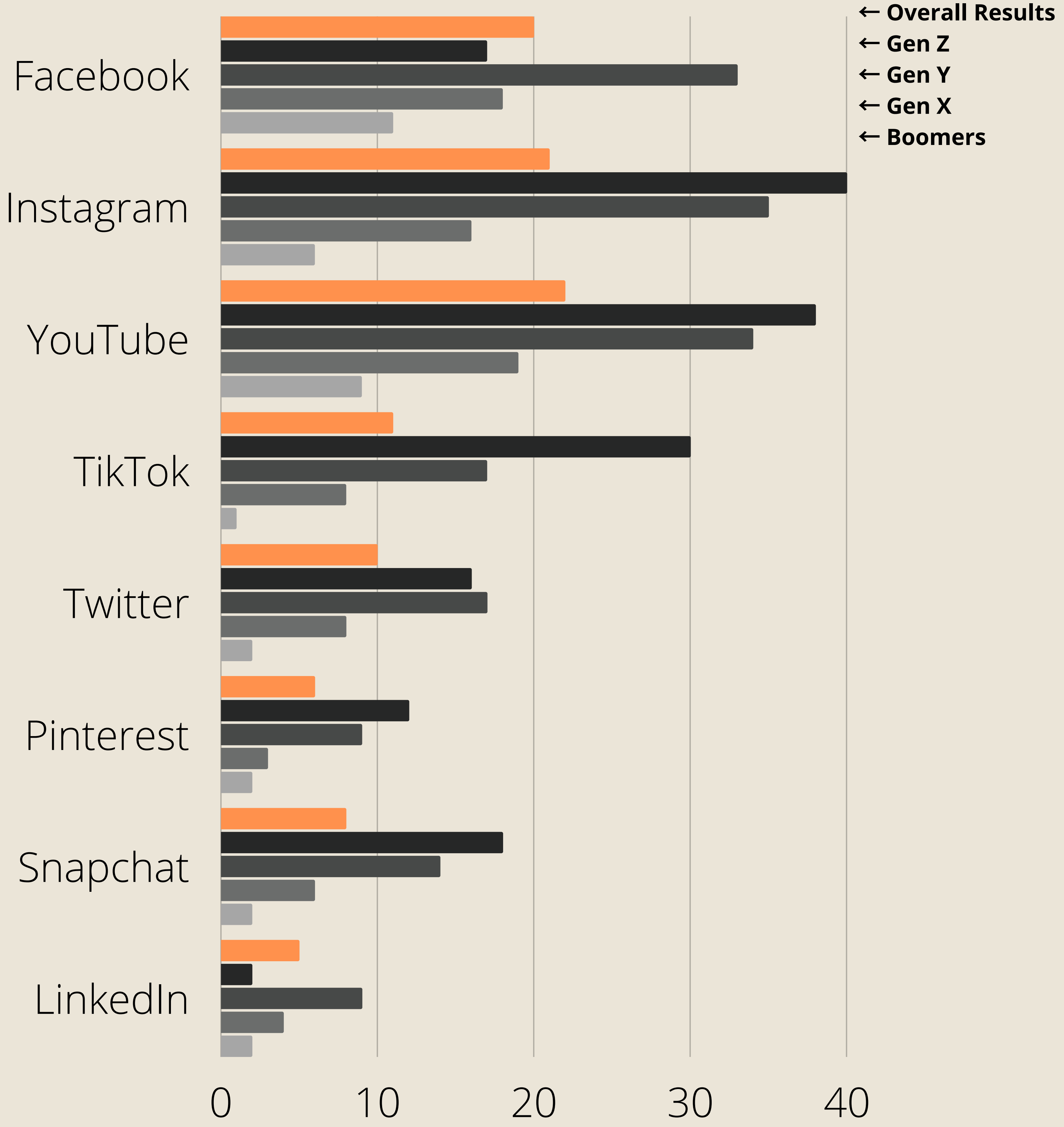
Q: How many brands are you following on social media?



45% of all respondents report that they do not follow any brands on social media. The reason for this observation is the generational differences: About 40-45% of Gen Z and Gen Y consumers follow more than six brands on social media, whereas this rate drops to 18% for Gen X and 7% for Boomers.

CONSUMERS WISH THEIR FAVORITE BRANDS WERE MORE ACTIVE ON...

Q: I wish that my favorite brands were more active on ...

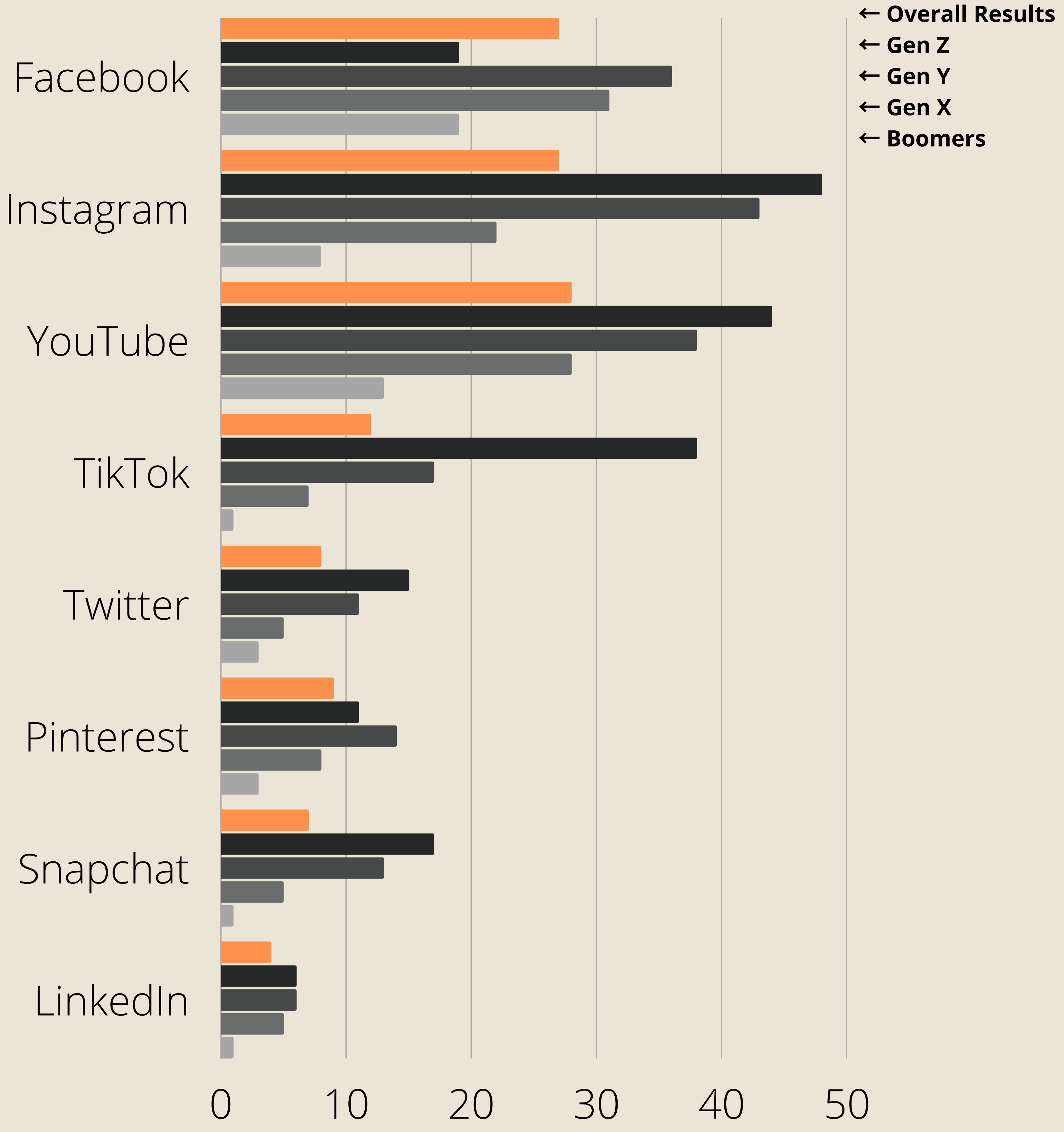


In line with previous observations, we see that younger consumers (Gen Z and Gen Y) are more likely to demand brands to be active on social media platforms.

In particular, Gen Z consumers would like to see their favorite brands more active on Instagram (40%), YouTube (38%), and TikTok (30%).

CONSUMERS DISCOVER NEW PRODUCTS AND BRANDS ON...

Q: I discover new products and brands on ...

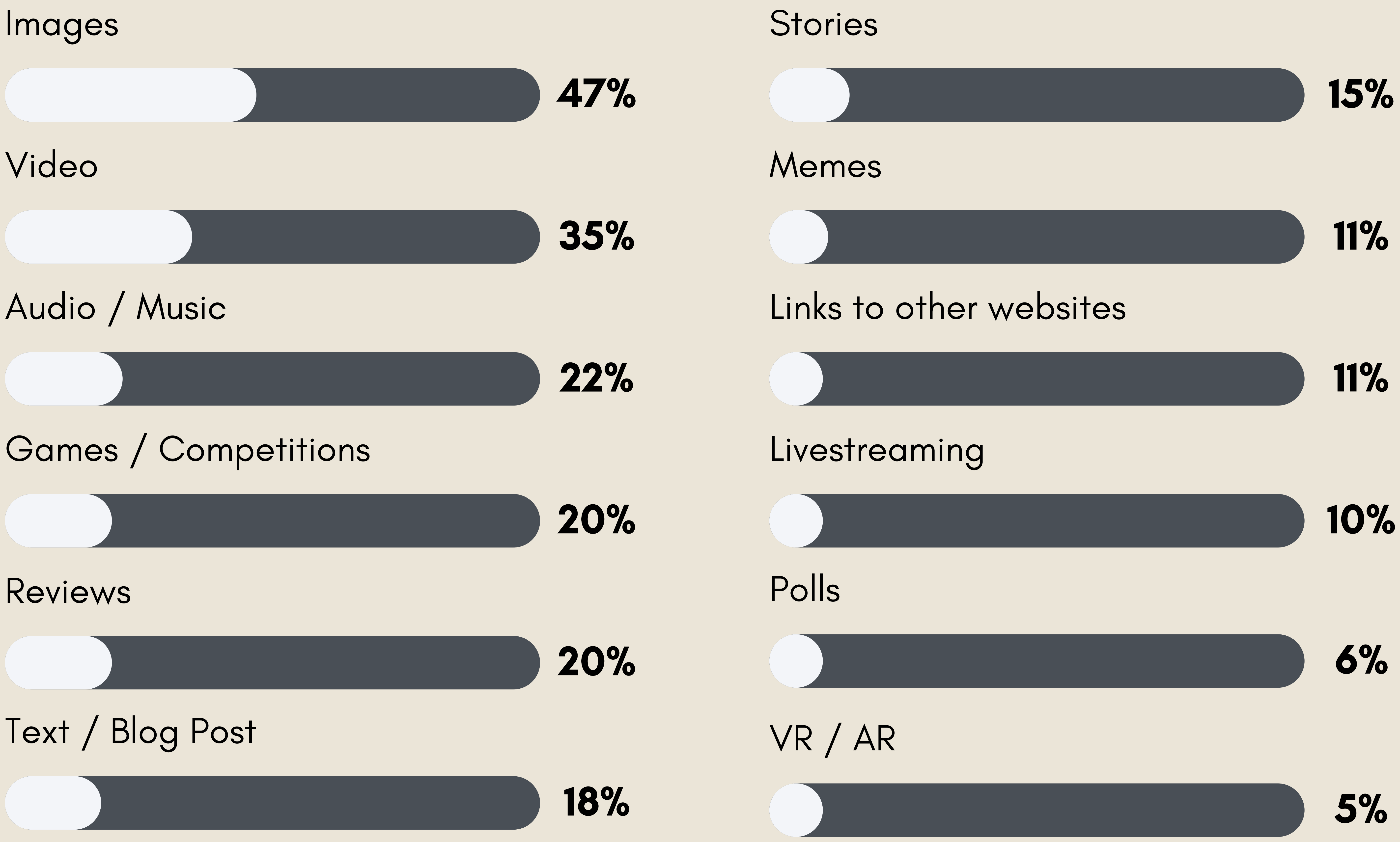


Similar to the previous results, we observe that younger consumers are much more likely to discover new products and brands via social media.

While Gen Z consumers report that Instagram (48%), YouTube (44%), and TikTok (38%) are the top 3 platforms where they discover new brands and products, for Gen Y consumers top platforms are Instagram (43%), YouTube (38%), and Facebook (36%).

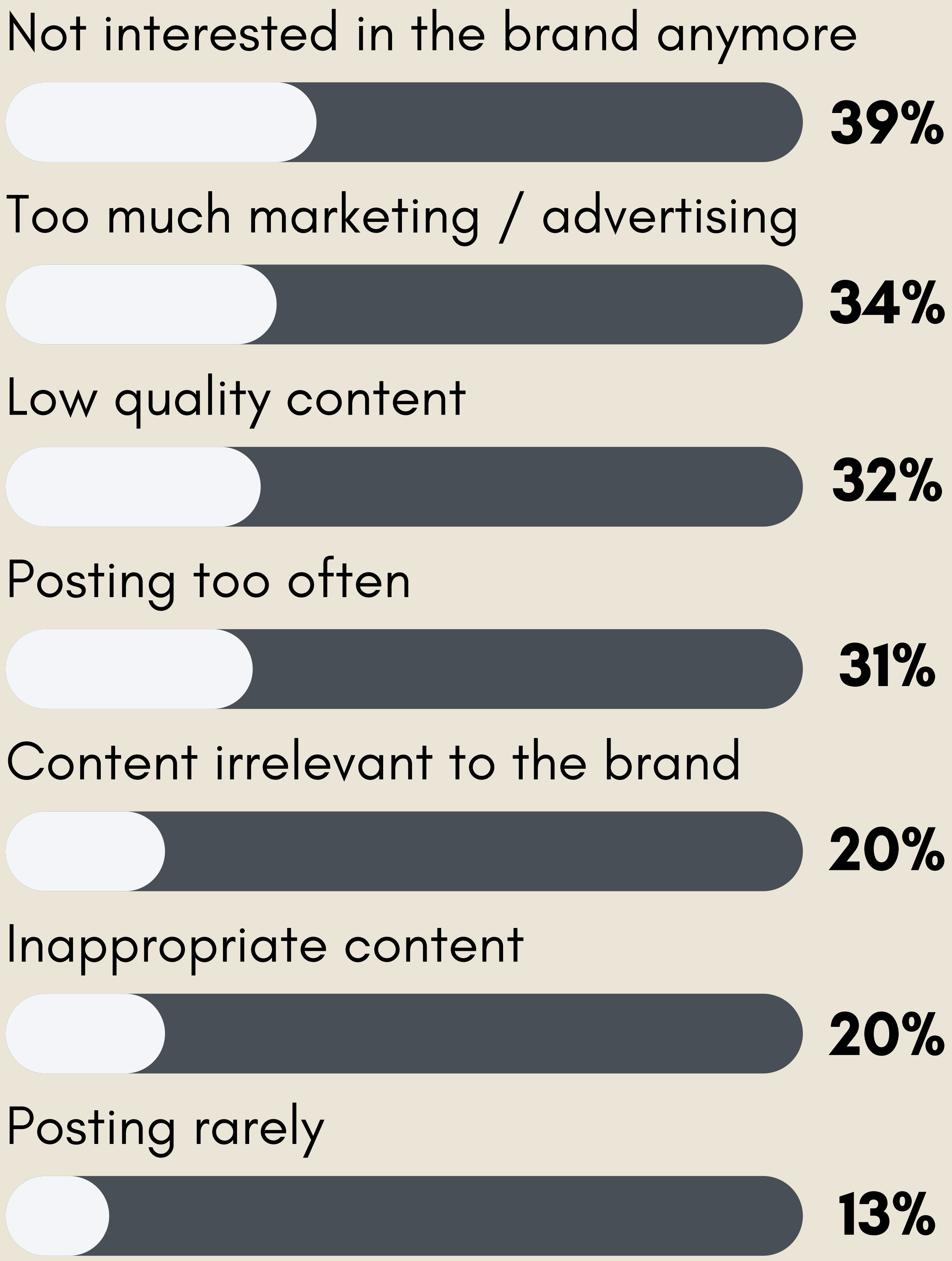
CONSUMERS WANT MORE VISUAL CONTENT FROM BRANDS

Q: What kind of content would you like to see from brands on social media?



WHY DO CONSUMERS STOP FOLLOWING BRANDS ON SOCIAL MEDIA?

Q: What makes you stop following a brand on social media?



When aiming at increasing engagement on social media platforms, brands also need to understand why consumers stop following them. Our results show that declining interest is the top factor for losing engagement. Thus, brands must strive to remain relevant for their target group.

In addition, overt marketing/advertising, low quality content, and posting too often are the other reasons why consumers stop following brands on social media.

OVERALL, MOST ENGAGEMENT OCCURS ON FACEBOOK AND INSTAGRAM

Q: How do you use the following platforms to stay in touch with brands?

	Following Brands	Liking Brand Posts	Commenting on Brand Posts	Sharing Brand Posts
Facebook	18%	16%	11%	8%
Instagram	17%	18%	11%	8%
YouTube	13%	12%	11%	6%
TikTok	6%	9%	9%	6%
Twitter	7%	9%	9%	5%
Pinterest	5%	10%	8%	5%
Snapchat	6%	8%	8%	5%
LinkedIn	6%	6%	7%	5%

In general, receiving engagement on social media is not as easy as it might look. Our overall results show that consumers engage with brands mostly on Facebook and Instagram. Nonetheless, the results vary by demographics, as we will see in the subsequent findings.

GEN Z PREFER INSTAGRAM FOR ENGAGEMENT

Q: How do you use the following platforms to stay in touch with brands?

	Following Brands	Liking Brand Posts	Commenting on Brand Posts	Sharing Brand Posts
Facebook	19%	20%	9%	11%
Instagram	29%	34%	19%	14%
YouTube	19%	19%	19%	12%
TikTok	16%	23%	20%	13%
Twitter	14%	21%	14%	13%
Pinterest	7%	19%	13%	12%
Snapchat	16%	17%	14%	12%
LinkedIn	12%	7%	15%	9%

The youngest demographic Gen Z consumers are the ones that are most open to engaging with brands on various social media platforms. While Instagram is the most favored platform, other ones such as Facebook, YouTube, TikTok, and Snapchat are also popular among Gen Z consumers when engaging with brand posts.

GEN Y ENGAGE WITH BRANDS ON FACEBOOK AND INSTAGRAM

Q: How do you use the following platforms to stay in touch with brands?

	Following Brands	Liking Brand Posts	Commenting on Brand Posts	Sharing Brand Posts
Facebook	26%	22%	21%	12%
Instagram	27%	27%	16%	11%
YouTube	19%	18%	17%	6%
TikTok	9%	14%	13%	11%
Twitter	10%	13%	18%	8%
Pinterest	7%	15%	14%	8%
Snapchat	10%	14%	13%	7%
LinkedIn	9%	14%	11%	5%

Similar to Gen Z, Gen Y consumers are also active in engaging with brands on social media. Main difference is, however, the engagement is mostly concentrated on Facebook, Instagram, and YouTube.

GEN X ALSO PREFER FACEBOOK AND INSTAGRAM FOR ENGAGEMENT

Q: How do you use the following platforms to stay in touch with brands?

	Following Brands	Liking Brand Posts	Commenting on Brand Posts	Sharing Brand Posts
Facebook	20%	15%	7%	7%
Instagram	17%	15%	9%	7%
YouTube	12%	9%	9%	5%
TikTok	4%	6%	7%	3%
Twitter	7%	5%	7%	3%
Pinterest	4%	7%	5%	3%
Snapchat	3%	3%	6%	5%
LinkedIn	5%	4%	5%	5%

As we move on to older demographics, we see a decline in engagement rates, yet, Instagram and Facebook remain as the relevant platforms to stay in touch with brands.

BOOMERS ARE NOT MUCH KEEN ON ONLINE ENGAGEMENT

Q: How do you use the following platforms to stay in touch with brands?

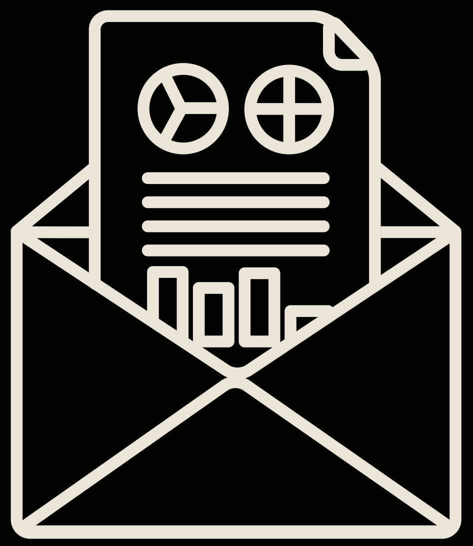
	Following Brands	Liking Brand Posts	Commenting on Brand Posts	Sharing Brand Posts
Facebook	10%	10%	6%	5%
Instagram	5%	6%	4%	3%
YouTube	5%	6%	3%	2%
TikTok	1%	2%	1%	1%
Twitter	1%	3%	2%	1%
Pinterest	2%	3%	1%	2%
Snapchat	1%	2%	1%	2%
LinkedIn	1%	2%	2%	2%

Only a small percentage of Boomers engage with brands on social media, and if they do, Facebook is their most preferred platform for engagement. These results further support our previous observations that traditional marketing channels might still be relevant when reaching older consumer groups.

KEY TAKEAWAYS

SOCIAL MEDIA MARKETING

- While Facebook dominates among consumers 25 and above, younger consumers spend most time on YouTube and Snapchat.
- The younger the consumer, the more the brands followed on social media.
- Most consumers discover new products and brands on Facebook, Instagram, and YouTube - Gen Z consumers also find inspiration from TikTok.
- Consumers would like to see visual content (images and videos) rather than texts on brands' social media posts.
- If consumers lose interest in the brand, or experience too much marketing, low quality content, and too many posts, they are likely to stop following brands on social media.
- Younger consumers are more likely to engage with brands on social media, but overall brand engagement rates are low for all consumers.

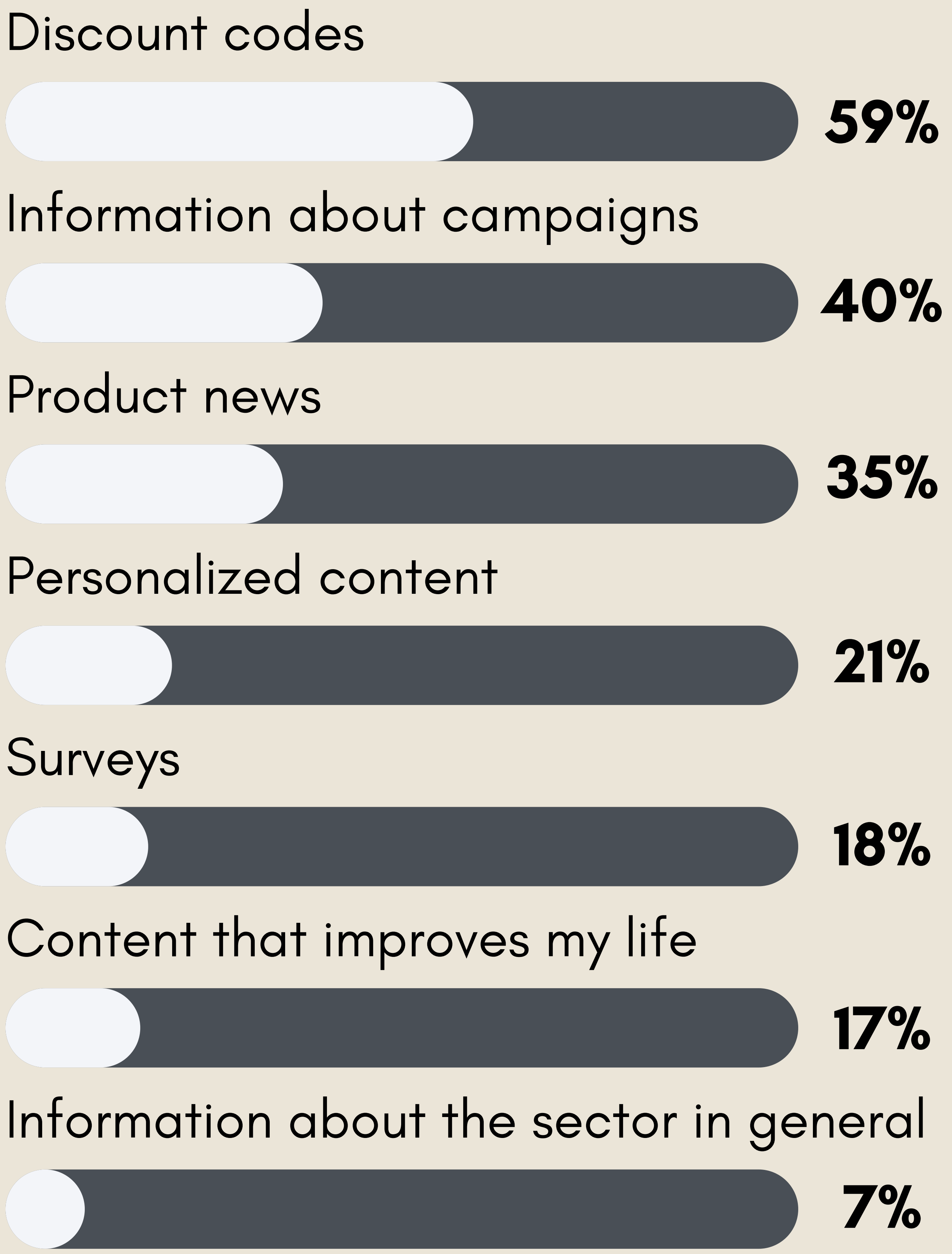


E-MAIL MARKETING

Given its high return on advertising spend and possibilities for personalization, e-mail remains as one of the most popular digital marketing tools. In this section, we asked our respondents about their perceptions of e-mail advertising.

CONSUMERS WANT DISCOUNTS AND CAMPAIGNS FROM BRAND EMAILS

Q: What would you like to receive in e-mail marketing from brands?

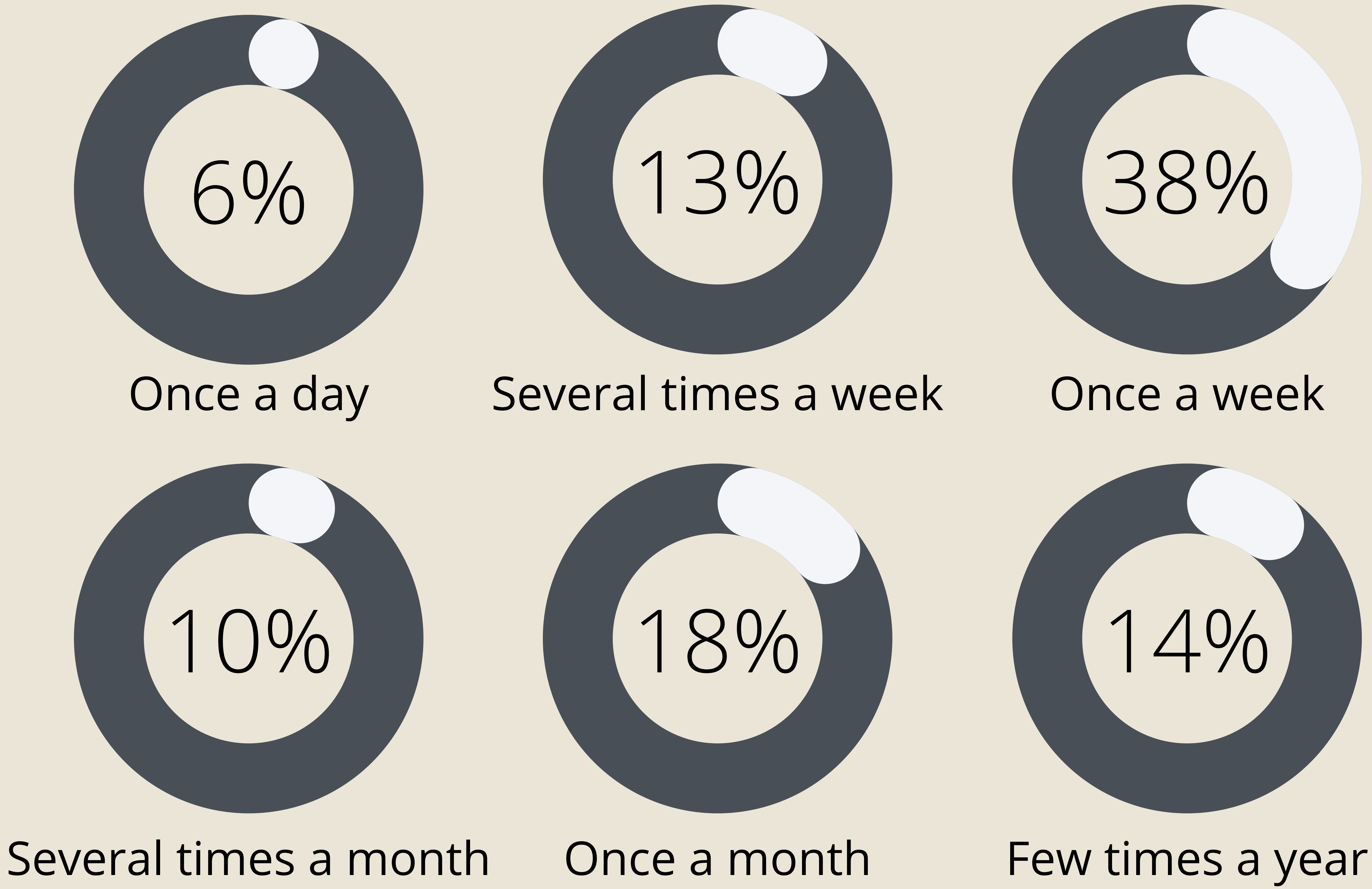


By far, discount codes are the most desirable e-mail content for consumers (59%), followed by campaign information (40%) and product news (35%).

Other types of content that might be irrelevant to the brand (or to the consumer) are not as desirable, and our results suggest that marketers will benefit more from e-mail advertising if they stick to the basic promotional and informational content that consumers would like to see from a brand.

ABOUT ONE E-MAIL A WEEK IS REASONABLE FOR CONSUMERS

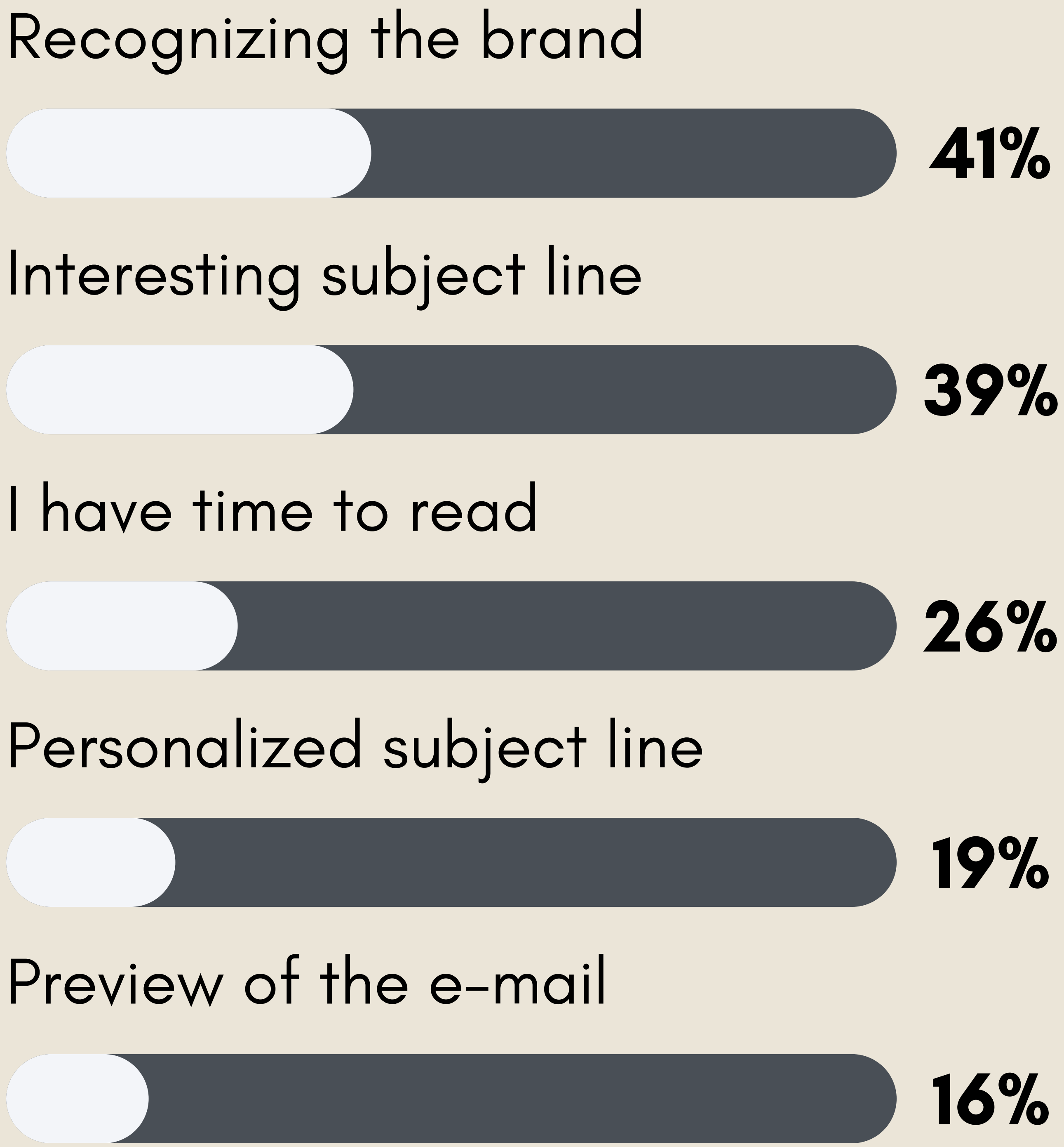
Q: How often would you like to receive emails from a brand that you have subscribed to?



Only 6% of respondents are willing to receive e-mails from brands on a daily basis. 38% are satisfied with one e-mail a week, which seems like the reasonable frequency for brands to send out their e-mails.

FAMILIARITY AND SUBJECT LINE ARE KEYS TO OPENING E-MAILS

Q: What makes you open an e-mail from a brand?

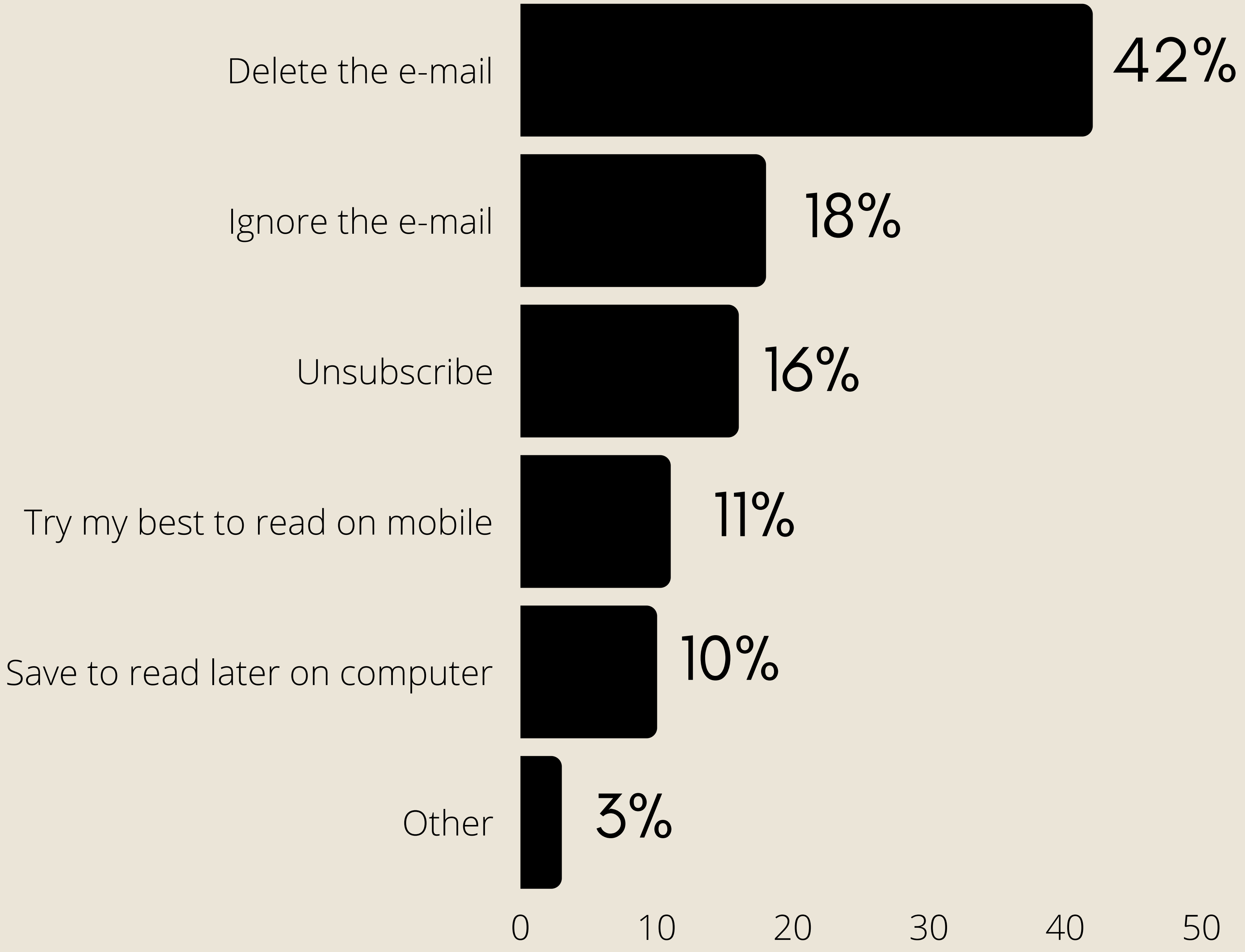


Consumers report that receiving an e-mail from a familiar brand and an interesting subject line are the two major factors in their decisions to open an e-mail.

In addition, sending out e-mails at times that are most suitable for reading and personalizing subject lines are other strategies marketers can consider to improve e-mail open rates.

E-MAIL NOT READABLE ON MOBILE? WELL, TOO LATE

Q: What do you do if an e-mail from a brand does not look/work as expected on mobile?



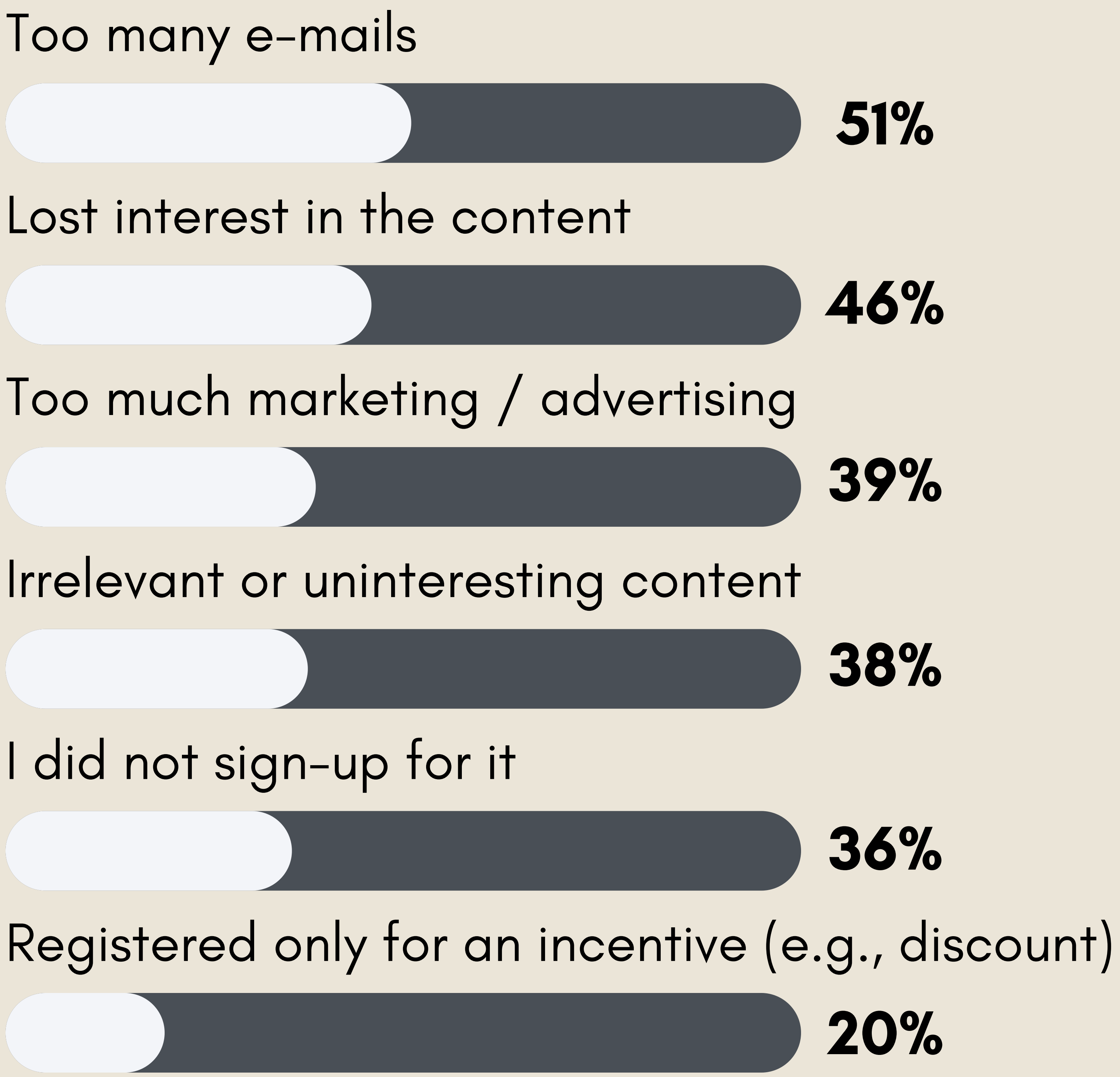
Consumers have no mercy for e-mails that do not function well on mobile. 60% of consumers say they either delete or ignore the e-mail if it does not function on mobile, meaning that the e-mail will not be read at all.

What is worse, 16% of consumers say they choose to unsubscribe following the annoying e-mail.

These observations highlight the importance of "mobile-first" e-mail campaign design for brands.

CONTENT AND FREQUENCY CRUCIAL TO KEEP CONSUMERS IN THE E-MAIL LIST

Q: What makes you unsubscribe from a brand's e-mail list?



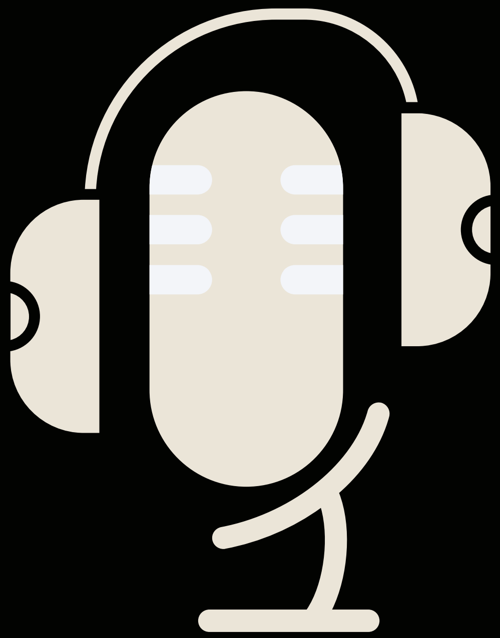
Retaining consumers in the e-mail list is as important as acquiring them. About half of our respondents report that if they receive too many e-mails from the brand or if they lose interest in the content, they will unsubscribe from the e-mail list. In addition, too much "selling" is also not welcome by the consumers.

Interestingly, only 20% say that they would unsubscribe had they signed-up only for an incentive such as a discount code, indicating that providing incentives for subscribtion is still a feasible strategy to build e-mail lists.

KEY TAKEAWAYS

E-MAIL MARKETING

- Consumers would like to see discounts, campaign information, and product news in brand e-mails.
- Sending e-mails once or few times a week is the optimal frequency
- Consumers are most likely to open e-mails if the brand is familiar and the subject line is interesting.
- Brands must ensure that the e-mails are suitable for viewing on mobile devices.
- Consumers tend to unsubscribe from brand e-mails if they receive too many e-mails, lose interest in the content, or experience overt marketing. Interestingly, consumers do not unsubscribe immediately after using a signing-up incentive such as discount codes.

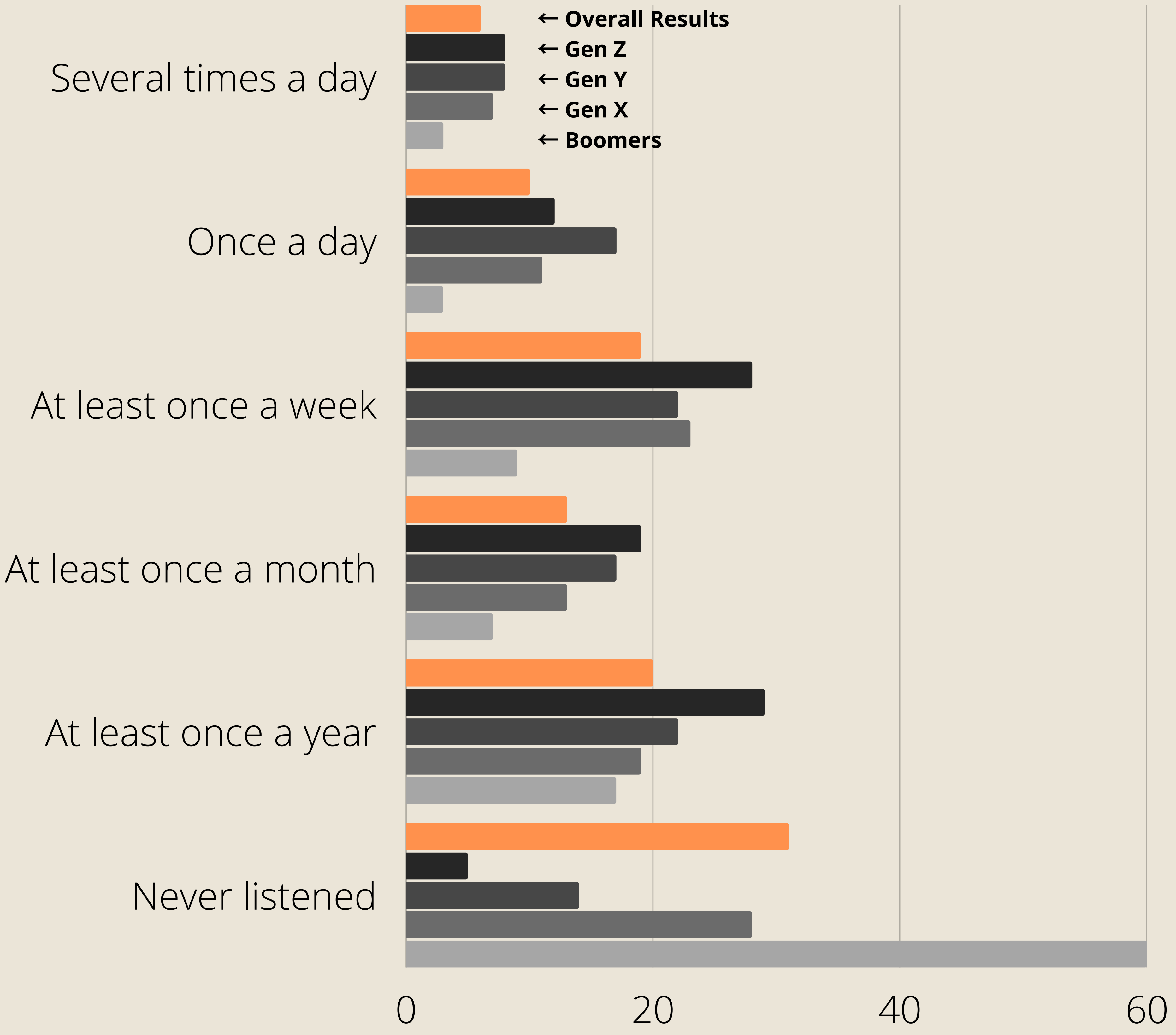


PODCAST MARKETING

Podcast listening is increasing in popularity; yet, podcasts are still not used effectively in marketing. We therefore tried to shed more light on podcast advertising with our survey.

YOUNG CONSUMERS ARE AVID PODCAST LISTENERS

Q: How often do you listen to podcasts?



About 20% of all Gen Z and Gen Y consumers (16-40) report that they listen to podcasts once or several times a day, and about 50% report that they listen at least once a week, making those demographics the most avid podcast listeners.

Podcast listening statistics decline among older consumers, where 60% of Boomers (57+) report that they have never listened to a podcast.

CONSUMERS POSITIVELY RESPOND TO ADS ON PODCASTS

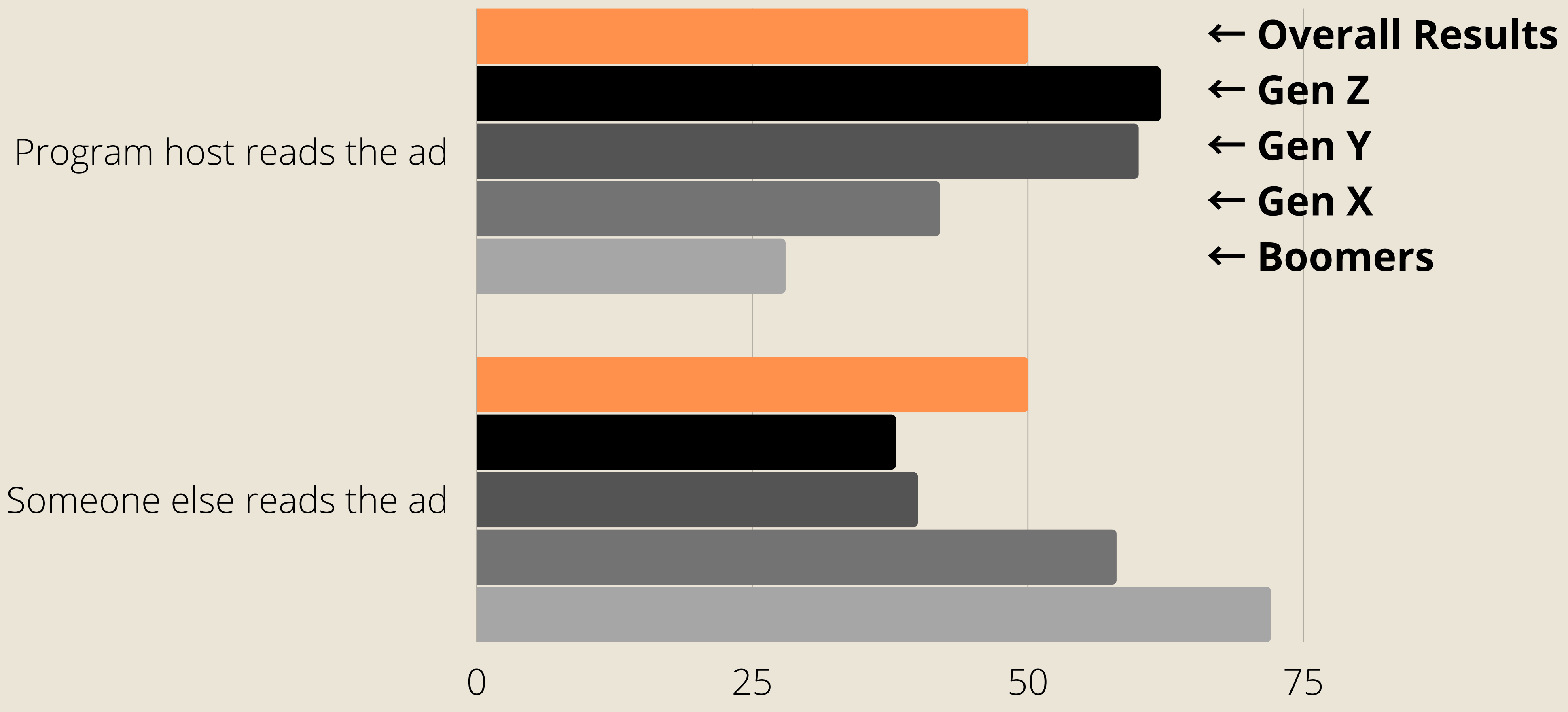
Q: Select the statements that match what you have done in the past year

Remarkably, 62% of all respondents report that they have visited the website of a product that was advertised on a podcast. Furthermore, 1 in 4 consumers report that they have actually purchased a product that was advertised on a podcast. This statistic goes over 30% for Gen Z and Gen Y consumers.

These results show that consumers positively respond to the ads they hear on podcasts, including usage of discount codes and positive word-of-mouth.

YOUNG CONSUMERS WOULD LIKE TO HEAR THE ADS FROM THE HOST

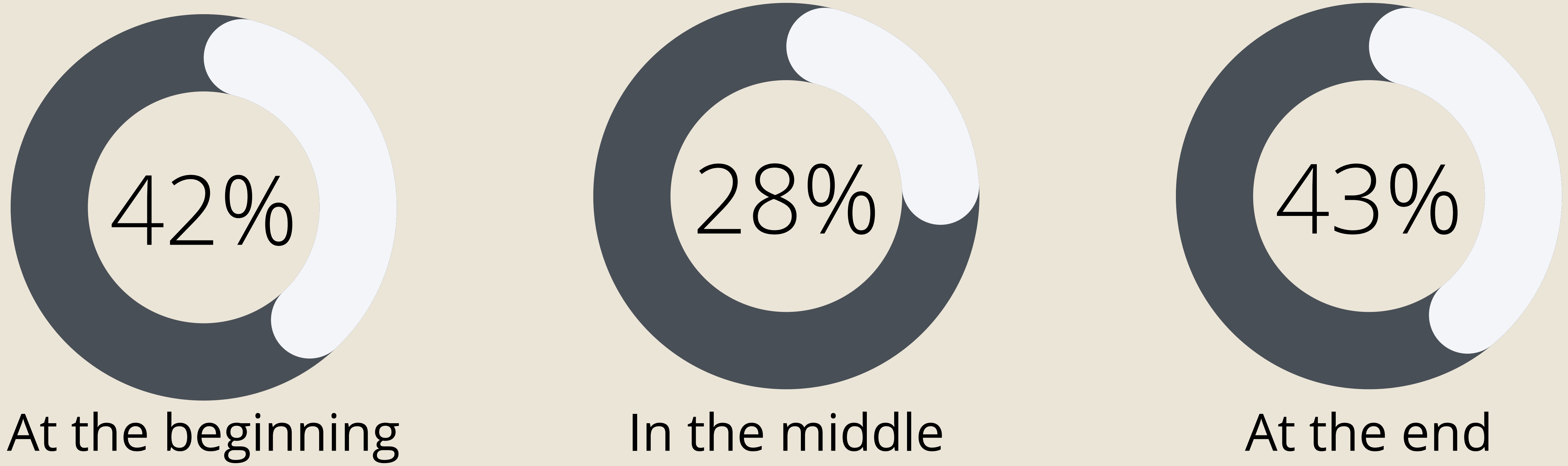
Q: How do you prefer to hear advertisements on podcasts?



In a podcast, it is common that either the host presents the ad or the ad is read by a third person. We observe interesting age differences regarding the preference for ads on podcasts, such that the majority of the Gen Z and Gen Y consumers, who are more frequent podcast listeners, prefer hearing the ads from the program host, whereas older consumers prefer hearing the ads from a third person as in traditional radio ads.

CONSUMERS PREFER NOT TO HEAR ADS IN THE MIDDLE OF THE PODCAST

Q: When do you prefer to hear advertisements on a podcast?



28% of respondents prefer to hear ads in the middle of a podcast, which is a considerably lower number than the preference for the beginning (42%) or the end (43%) of the podcast.

Clearly, ads in the middle are more distracting, and the listeners can more easily skip the ads that are at the beginning or the end. However, there are other surveys reporting that consumers tend to listen to ads to support the show, thus ad skipping might not be a big concern in podcast advertising.

KEY TAKEAWAYS

PODCAST MARKETING

- About 1 in 5 consumers expect to listen to more podcasts in the future.
- 50% of all respondents report that they listen to a podcast at least once a week, and 20% of younger demographics (16-40) listen once or several times a day.
- More than 60% say that they have visited the website of a product that was advertised on a podcast.
- 30% of Gen Z and Gen Y consumers report purchasing a product that was advertised on a podcast.
- Younger consumers would like to hear podcast ads read by the host rather than a third person.
- Consumer prefer to hear the ads either at the beginning or at the end of the podcast, rather than the middle.

THANK YOU!

We appreciate your feedback on our report. Please feel free to contact burak.tunca@fek.lu.se or johan.anselmsson@fek.lu.se if you have any questions or comments.