



Audio in Evolution

Five megatrends from the past decade of streaming audio research

Q3 2023



amazon ads



Agenda

1. Introduction & methodology
2. Five megatrends fueling the evolution of audio
3. Conclusion

Introduction



Background and methodology

Introduction

Streaming audio gained prominence in the 2010s, providing listeners the opportunity to buy, listen, and share audio content digitally at scale for the first time. This change in distribution was the beginning of audio's contemporary evolution.

Amazon Ads partnered with Edison Research to help brands uncover the top trends driving the evolution of audio, and the opportunities these trends give to brands who want to reach and engage consumers through advertising. With this research, advertisers will have a better understanding of:

- ✓ **Audio megatrends:** What are the top five trends in streaming audio over the past decade? How are those trends likely to continue in the future? What are the key drivers of these trends?
- ✓ **How and why brands can participate:** Why should brands use audio ads to reach, connect, and inspire consumers?



Methodology and sources

We used a mixed-methods methodology including historical meta-analyses of ten years of quantitative research, a new quantitative survey, and in-depth qualitative interviews

1

Edison Research Share of Ear

Quantitative survey to 4,000 US respondents collected quarterly from 2014 – current. Survey respondents are 13+, but we report on A18+ in this research.

2

Edison Research Infinite Dial

Quantitative survey for 1,500 US respondents collected annually from 2013 – current. Survey respondents are 12+, but we report on A18+ in this research.

3

Quantitative Audio Megatrends Study

Online quantitative survey of 1,058 US adults A18+ collected in Q4 2022.

4

Qualitative Audio Megatrends Study

In-depth qualitative interviews to a representative sample of 30 digital media consumers ages 18-64 collected in Q4 2022.

Five Megatrends



Megatrends fueling the audio evolution



Five megatrends driving the evolution of audio



1

Streaming audio is thriving, and likely to continue growing.

2

Streaming audio offers brands new ways to reach and engage consumers.

3

The evolution of audio is partially fueled by new audio technology.

4

More options for content and providers have led to more listening.

5

New audio technologies have brought audio home, and it's likely here to stay.

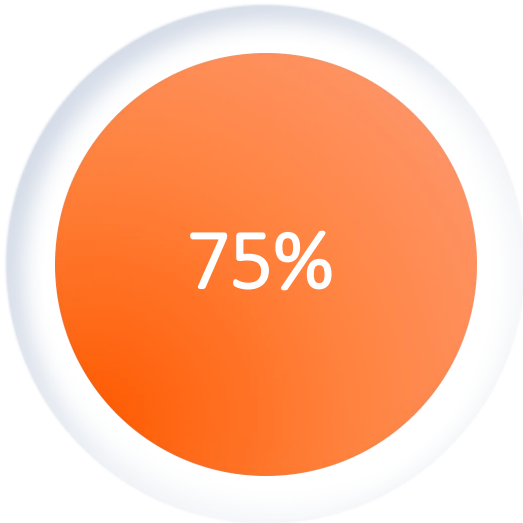
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Streaming audio is thriving, and likely to continue growing.

Audio Megatrend #1

Streaming audio is thriving



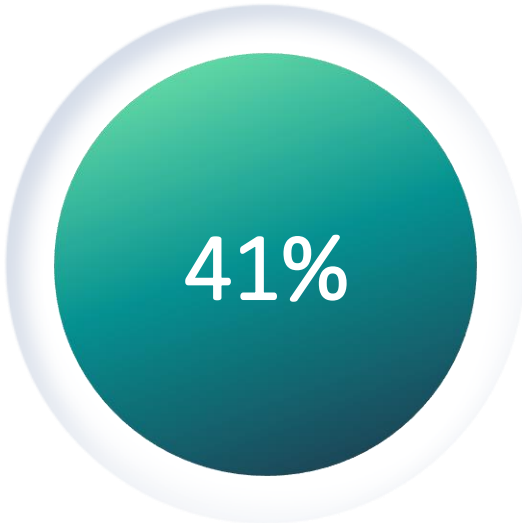
Monthly US reach

75% of US adults listened to streaming audio in the last month, up 74% in the past ten years, and +27% in the past five years.¹



Daily time spent

US adults spend an average of 1hr 49mins per day with streaming audio.²



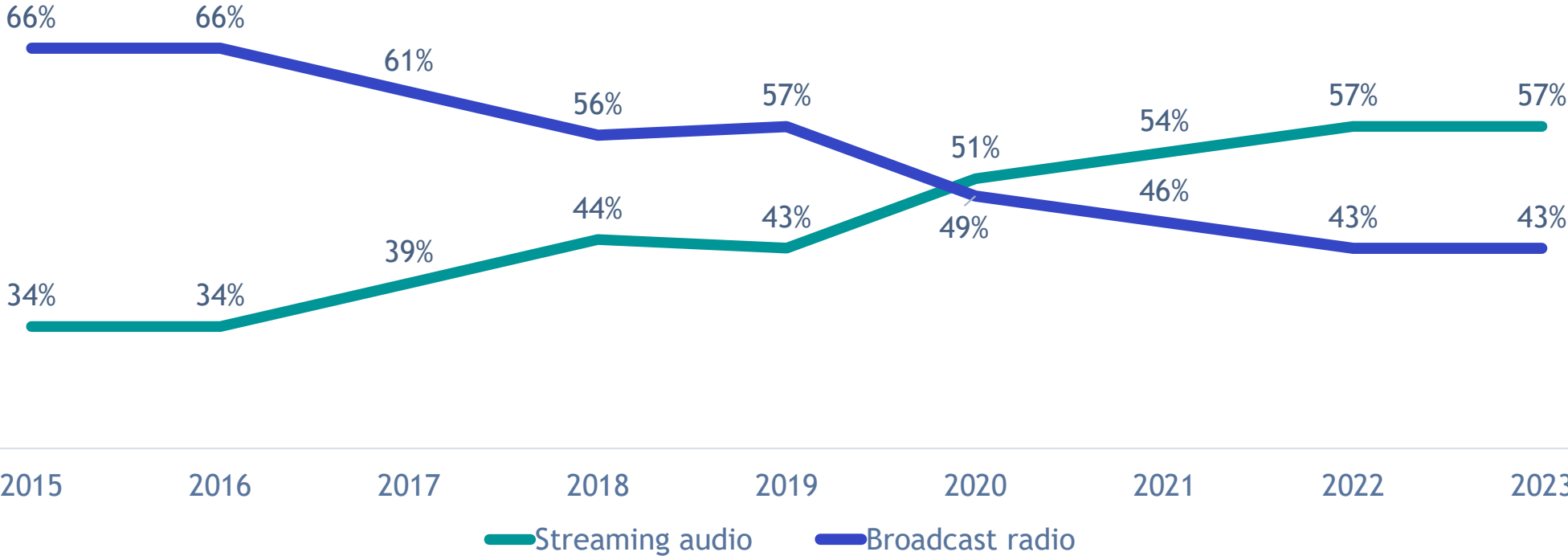
Share of Ear

streaming audio had a 41% share of all time spent with audio among US adults in 2023, +159% in the past ten years, and +26% in the past three years.³

Sources: 1. Edison Research Infinite Dial, Jan 2022, US, A18+, n = 1,370. 2. Edison Share of Ear, Q1 2023, US, A18+, n = 3,832. 3. Edison Share of Ear, Q1 2023 vs. Q4 2020, A18+ n = 4,047 & 3,832 respectively.

Streaming audio is growing at the expense of broadcast radio

Share of Time Spent with Medium

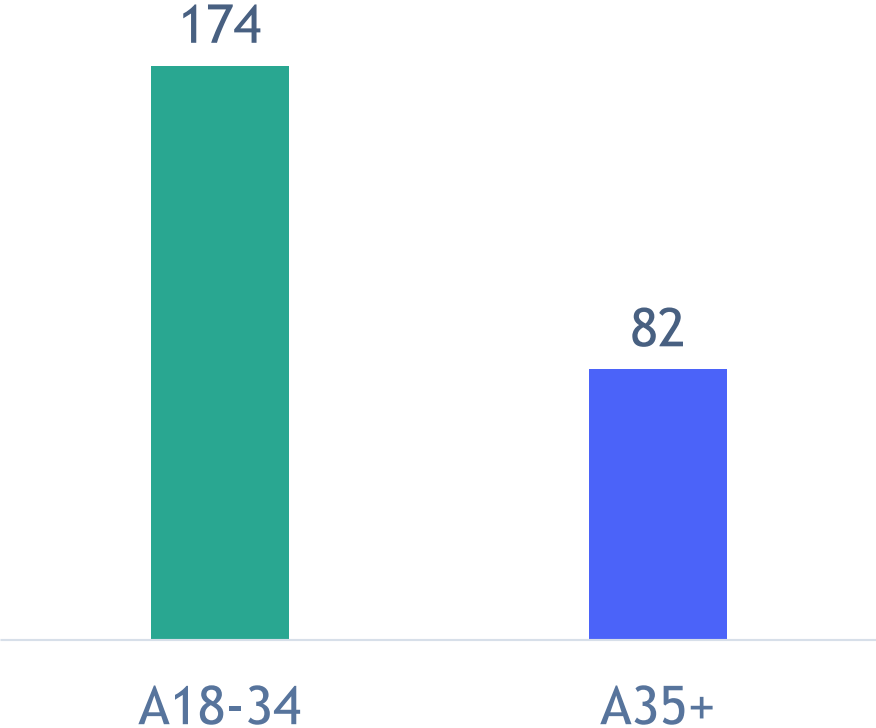


Source: Edison Share of Ear, 2015 – 2022, US, A18+, n = 3,832

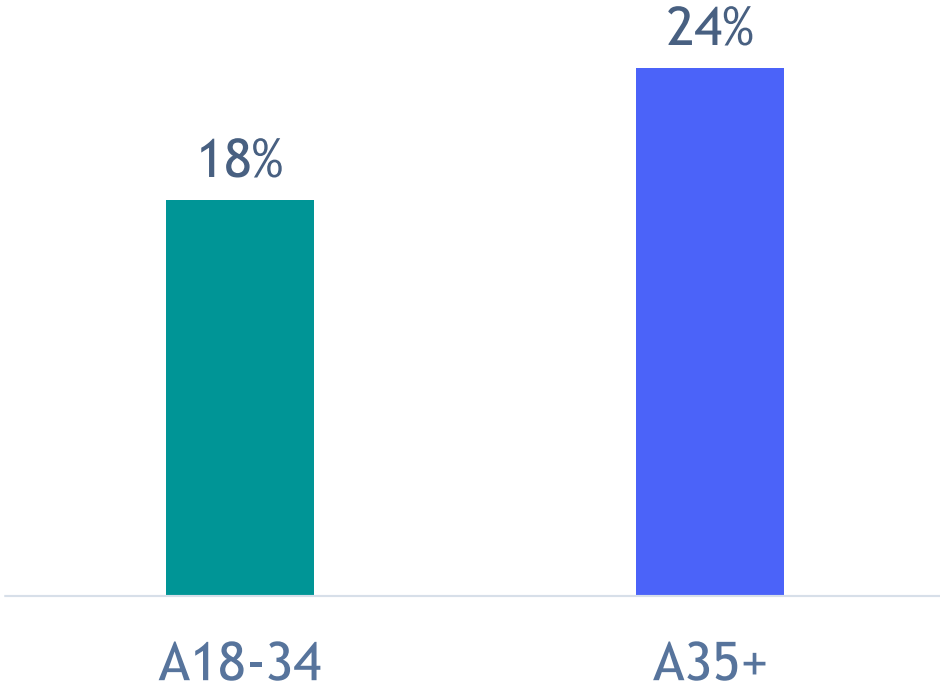


Young adults listen to streaming audio longer, older adults are growing faster

Daily Minutes Spent with streaming audio by Age Cohort¹



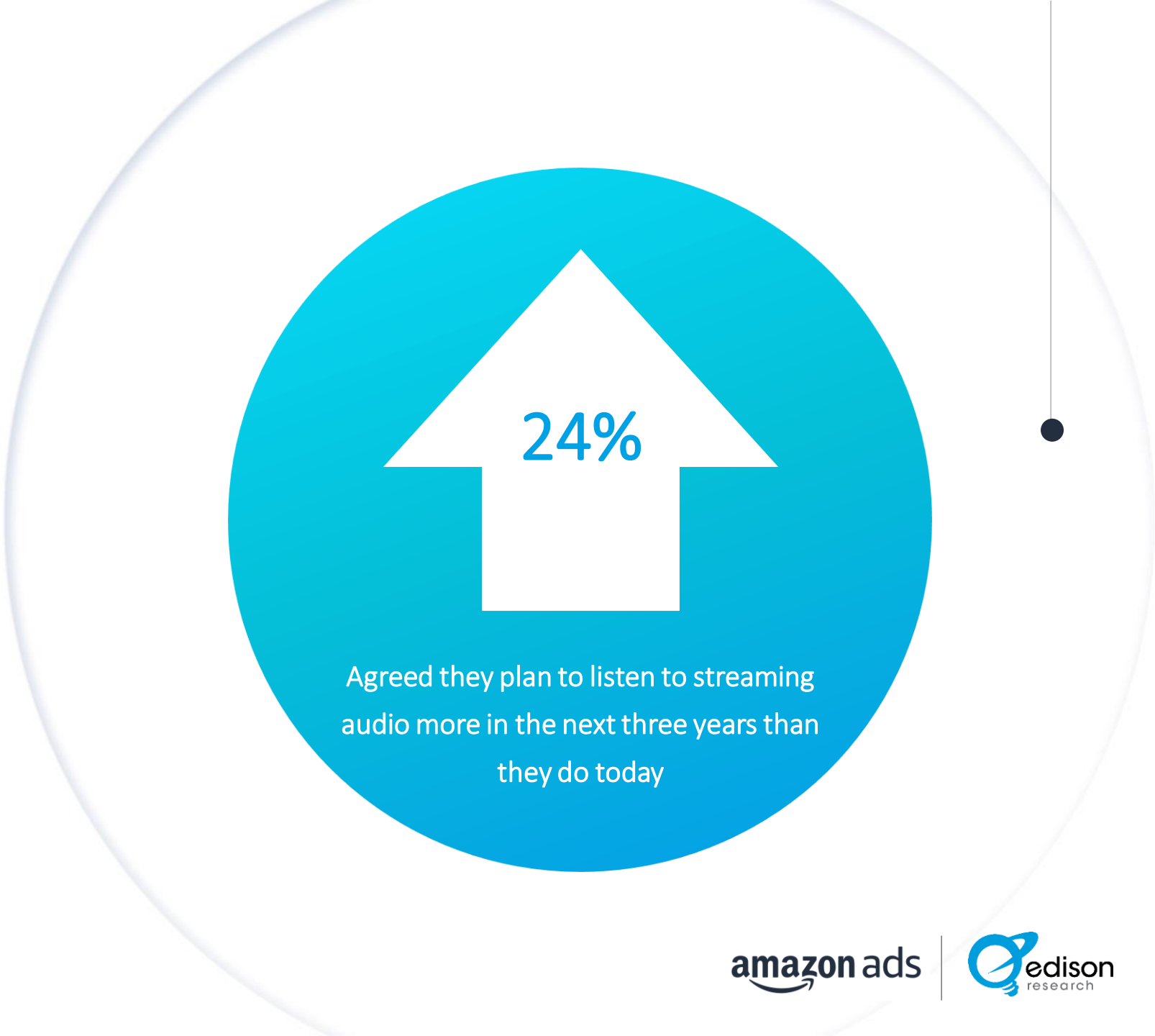
Growth in Reach for streaming audio by Age Cohort (2020 vs. 2023)²



Source: Edison Share of Ear, Q4 2022, US, A18+, n = 3,832. 2. Edison Infinite Dial, US, Jan 2023 vs. Jan 2020, A18+, n = 1,370

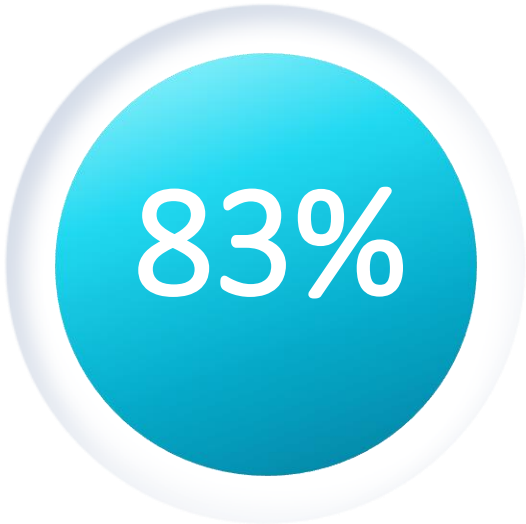
Respondents agree streaming audio listening is likely to continue growing

24% of US adult respondents reported they are likely to listen to streaming audio more in the next three years than they do today.



Source: Edison Megatrends Study, US, Dec 2022, A18+, n = 1058

Streaming audio is growing due to ease of use and new music discovery



Use streaming audio because it is easy to use¹

Streaming audio helps with new music discovery²



[Streaming audio] has just opened up more types of music and I like it because you can tell it to play one song, and then it will continue to play other songs that are similar, and it usually does a pretty good job. So, then, I'll discover new artists.



Male, 52-year-old from Florida



Source: 1. Edison Megatrends Study, US, Dec 2022, A18+, n = 1058. 2. Edison Megatrends Qualitative Interviews, n = 30, US, A18+, Dec 2022.

02



Streaming audio offers brands new ways to engage and connect with consumers

Audio Megatrend #2

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A majority of streaming audio streamers are reached by ad-supported content

78% of US adults who reported listening to streaming audio in the past month reported that they heard brand messaging on one or more of the services they listened to.



78%

Of monthly streaming audio listeners are reached by ad-supported content

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Even streaming audio subscribers
are reachable with streaming
audio ads

81% of monthly streaming
audio listeners in the US with
paid streaming audio
subscriptions reported they
also listen to ad-supported
streaming audio content at
least monthly.



81%

Of monthly streaming audio listeners with a
paid subscription also listen to ad-
supported audio content

Consumers switch from paid to ad-supported audio services



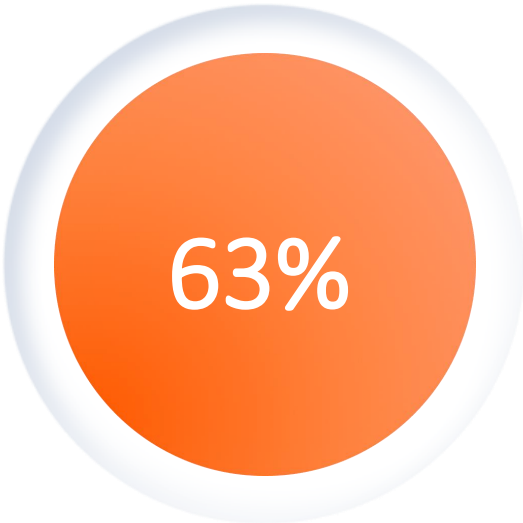
[I no longer pay for ad-free subscription audio services] because I just kind of felt like it wasn't really worth it. The ads aren't that bad, they're not a big enough issue, and I couldn't see any other benefits.



Female, 30-year-old from Vermont

—

Streaming audio listeners are receptive to brand messaging



Streaming audio ads are less disruptive than video

63% of monthly streaming audio listeners reported that streaming audio messages are less disruptive than video messages.



Streaming audio ads garner more attention than other digital media

60% of monthly streaming audio listeners reported that streaming audio messages were harder to tune out than other online messages.



Streaming audio ads are more relevant than radio

55% of monthly streaming audio listeners reported that streaming audio ads are more relevant than AM/FM radio messaging.

Consumers prefer the ad experience of streaming audio



On the streaming services that do have ads, it's a far superior experience to AM/FM radio.



Male, 60-year-old from Massachusetts

03



The evolution of audio is partially fueled by new technology

Audio Megatrend #3

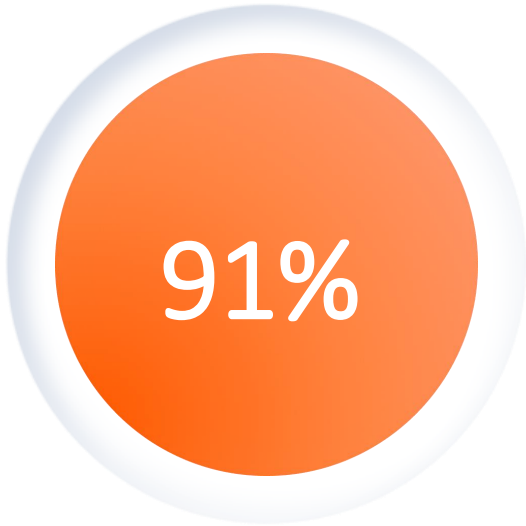
Smart speaker ownership has grown significantly

The percent of US adults that reported owning at least one smart speaker grew +414% from 2017 to 2023.



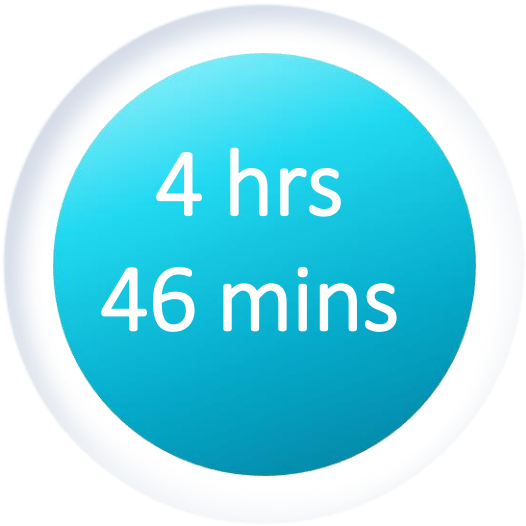
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Smart speaker owners are more likely to listen to streaming audio, for longer



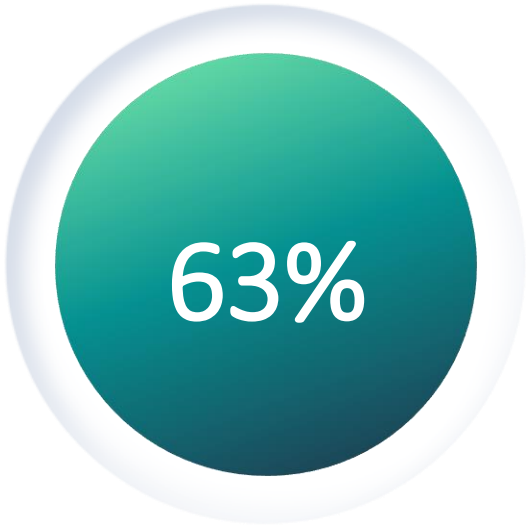
More reach

91% of smart speaker owners reported listening to streaming audio in the past month, +20% more likely than non smart speaker owners.¹



Greater time spent

Smart speaker owners reported listening to audio for 4 hours 46 minutes per day, +12% longer than non-smart speaker owners.²



Listening more frequently

63% of smart speaker owners reported they are listening to audio content more frequently since obtaining their smart speaker.¹

Consumers use smart speakers to listen to music, news, and other audio content sources



I usually listen to music or audio if I'm cleaning up my room or something. I kind of use it as a wireless speaker, but also sometimes say, "Alexa, play NPR" or whatever, and it'll play it for me.



Male, 20-year-old, Tennessee

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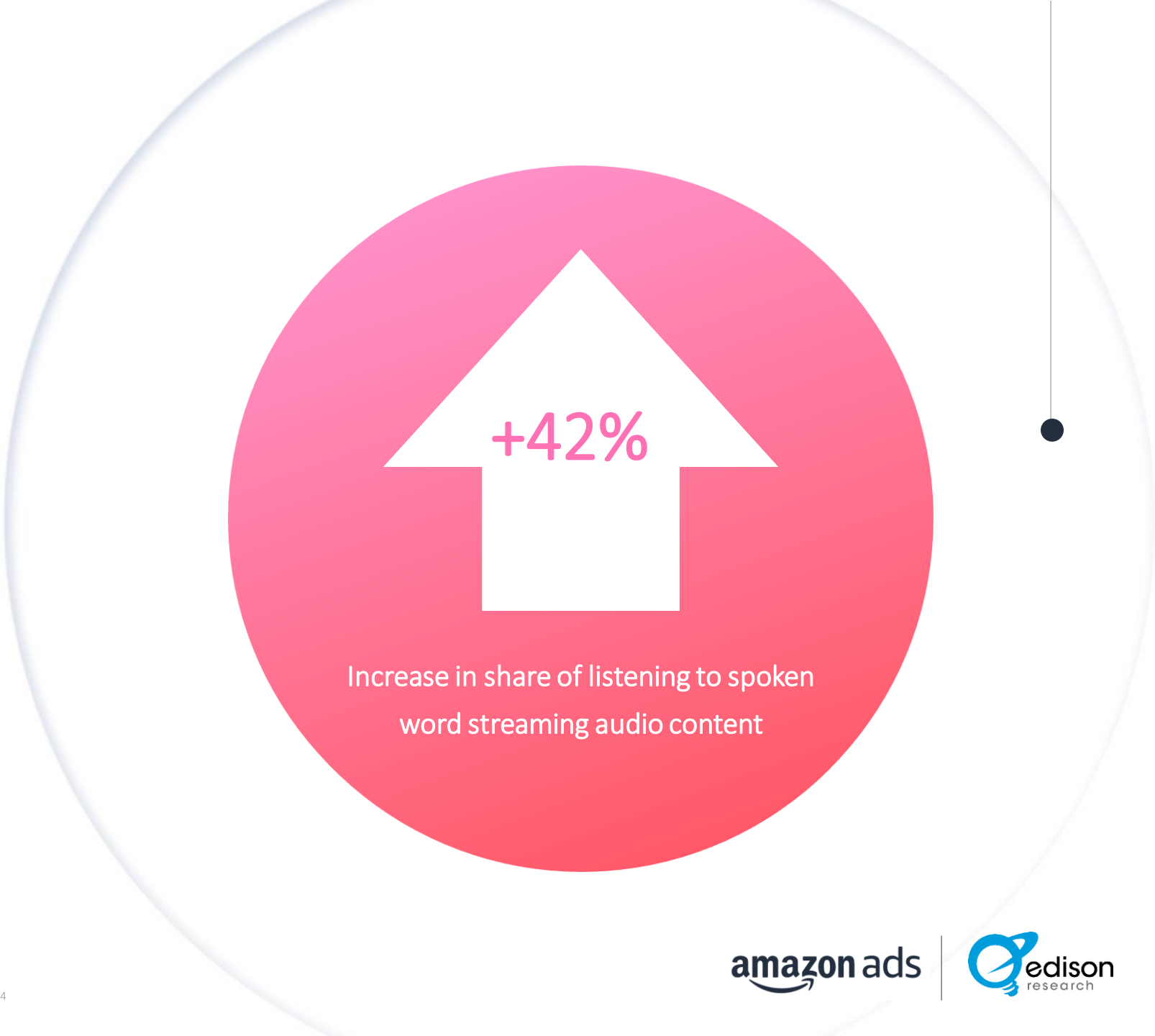


More options for content and providers have led to more online listening

Megatrend #4

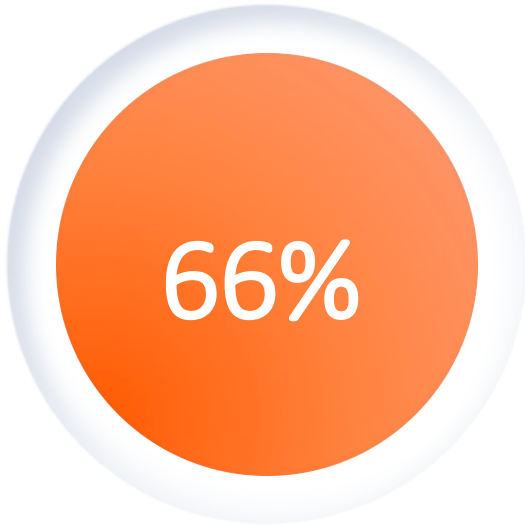
Spoken word streaming audio content is growing

In 2014, US adults were spending 20% of their audio listening time with spoken word content. In 2023, that number has grown to 29%, representing a **42% increase in share in the past decade**. We hypothesize the growth is due to increased spoken word content through streaming audio sources such as podcasts.



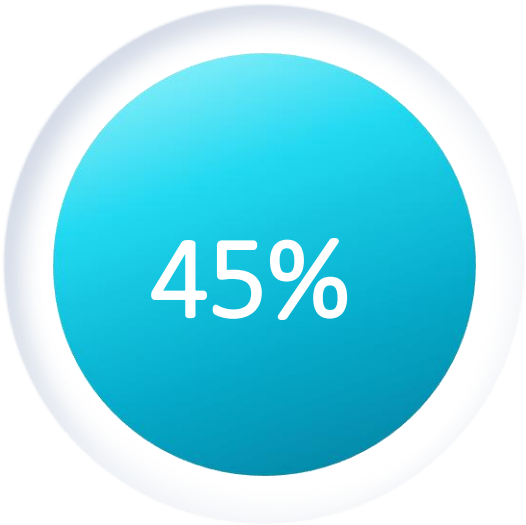
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Smart speakers are changing the way consumers listen to news content



Listen to news on smart speakers

66% of smart speaker owners reported they obtain news updates at least weekly from their smart speakers.



Listen to more news

45% of smart speaker owners reported they listen to more news now that they have a smart speaker compared to previously.



Obtain news exclusively through smart speakers

36% of smart speaker owners reported they obtain news updates exclusively through their smart speaker.

Streaming audio listeners tend to listen to audio through multiple services

In 2022, monthly streaming audio listeners listened to an average **2.4 streaming audio services per month**. Consumers with paid subscriptions listened to an average of 2.9 audio services per month, while consumers who use ad-supported services exclusively listen to an average of 2 streaming audio services per month. Consumers who reported listening to more than one service reported listening for an average of **+30% longer per week**.



2.4

Average number of streaming audio services listened to in a month

05



New audio technologies have brought audio home, and it is likely here to stay

Audio Megatrend #5

A majority of audio listening occurs in the home

58% of all time spent with audio is done in the home, +21% since 2015. This number has remained flat from 2020 to 2022, even as consumers have returned to pre-pandemic routines.



58%

Of all time spent with audio is done
in the home

In-home audio listening is likely here to stay

42% of US adults reported they listen to audio content more frequently in the home now compared to three years ago (pre-pandemic), suggesting in-home listening is here to stay.

42%

Reported listening to audio more frequently in the home compared to three years ago

Conclusion

Key takeaways from the Audio In Evolution Report.

Conclusion

Streaming audio helped fuel an audio revolution, forever changing the way audio content is consumed, shared, and enjoyed. Streaming audio has changed the type of content we listen to, and the devices on which we listen.

With the Audio In Evolution study, we've uncovered a variety of trends and actionable insights to fulfill this objective, including:

- ✓ streaming audio is thriving, and likely to continue growing.
- ✓ Growth is driven in part by new audiences, new content types, and new technology.
- ✓ A majority of streaming audio listeners are reachable on ad-supported audio content.
- ✓ A majority of ad-supported streaming audio listeners are amenable to and likely to respond to audio messages from brands.

