

Industry report series

How the IAB's 250 Direct Brands to Watch advertise on podcasts

Magellan

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The IAB recently released their annual list of [Top 250 DTC brands to watch](#). In this analysis, we analyze how the brands on the list are using podcasts to reach customers.

What is a direct-to-consumer brand?

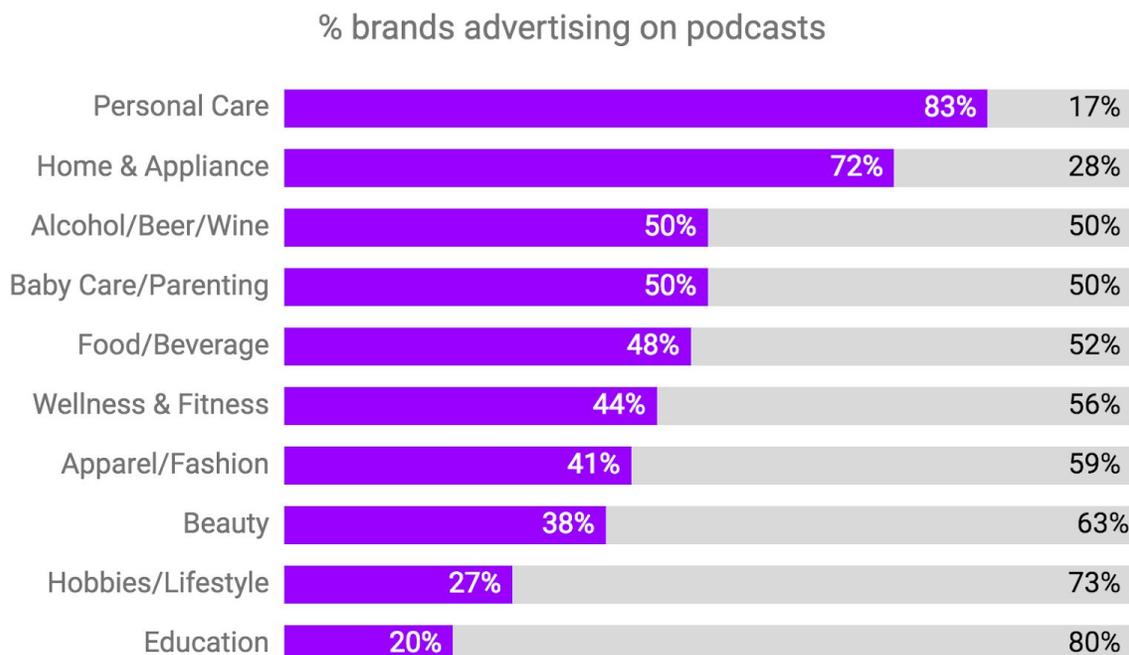
First, let's review how the IAB put together this list. If you're familiar with the direct-to-consumer space, feel free to jump below.

Direct-to-consumer brands are different: they're centered around individual consumer relationships and "maniacally focused" on consumer experience. The IAB provides more detail on characteristics of DTC brands [here](#). You can also check out [this treatise](#) on digitally-native vertical brands from Andy Dunn, founder of Bonobos.

The IAB used data from Dunn & Bradstreet, Rival IQ and CB Insights to identify and rank brands in each category. Criteria included funding, social media metrics, and social velocity, among others. The complete methodology can be found on [slides 6 and 7](#).

How many brands on the DTC 250 list have tested podcast advertising?

We compared this list to our database of over 4,000 advertisers and picked up 109 of these brands on podcasts dating back to 2017.



We've found that Personal Care (83%) and Home & Appliance (72%) categories have the highest percentage of brands advertising on podcasts.

15 out of 18 brands in the "Personal Care" category have advertised on podcasts. However, "Personal Care" brands sell a diverse set of products - ranging from [Quip](#) (toothbrushes) to Thinx (underwear) to [Hims](#) (hair loss/sexual wellness). Three brands selling razors made the list: [Dollar Shave Club](#), [Harry's Razor Company](#) and Billie. Both Dollar Shave Club and Harry's Razors were first picked up in August of 2017, but no ads have been picked up for Billie.

13 out of 18 brands in the "Home & Appliance" category have advertised on podcasts. This category includes a variety of products, ranging from [Casper](#) (mattresses) to [Brooklinen](#) (bedding) to Dormify (college furniture) to Touch of Modern (home decor) to [Brandless](#) (homegoods). Bedding and homegoods companies all incorporated podcasts into their marketing strategy. Airlifting, Dormify, Snowe, Touch of Modern and Ugallery had not advertised on podcasts as of mid-February 2019.

How many DTC brands are active on podcasts in 2019?

While 109 brands have tried podcast advertising at least once, not all brands have stuck with it. Out of 109 brands, 82 advertised on podcasts in the last 90 days. Seventy-one brands have continued to advertise on podcasts in 2019.

We first picked up Quip in August of 2017. We've picked up nearly 1,500 unique ads for Quip, making them our most advertised brand from the IAB list. [MeUndies](#), Hims and Dollar Shave Club also started advertising on podcasts in 2017.

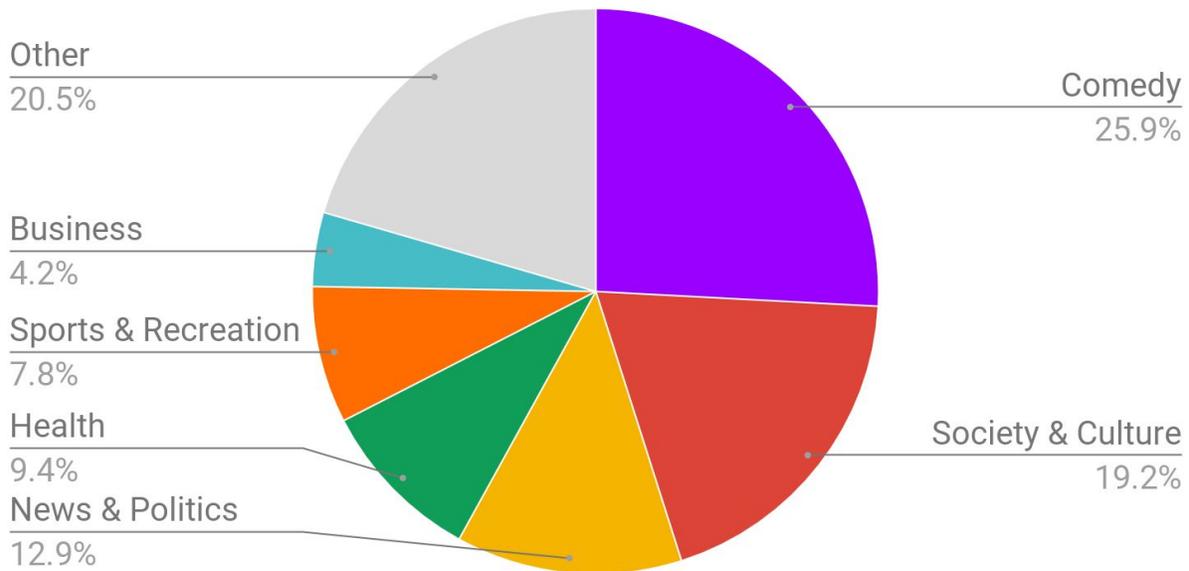
By comparison, brands like [Function of Beauty](#) and [Joybird](#) just started advertising on podcasts in 2019.

Twenty-seven brands tested podcast advertising, but haven't been active on the top 2,000 podcasts in the last 90 days. For example, [Carbon38 ran on The Goal Digger Podcast](#) for 2 months during Fall 2018. Carbon38 makes women's luxury fitness apparel— ads included a promo code offering an 20% discount to listeners, but we haven't picked up activity since [October 25, 2018](#).

What kinds of podcasts are DTC brands advertising on?

More than half of the brands advertised on Comedy, Society & Culture and News & Politics podcasts.

Mix of ads by show category on Apple Podcasts



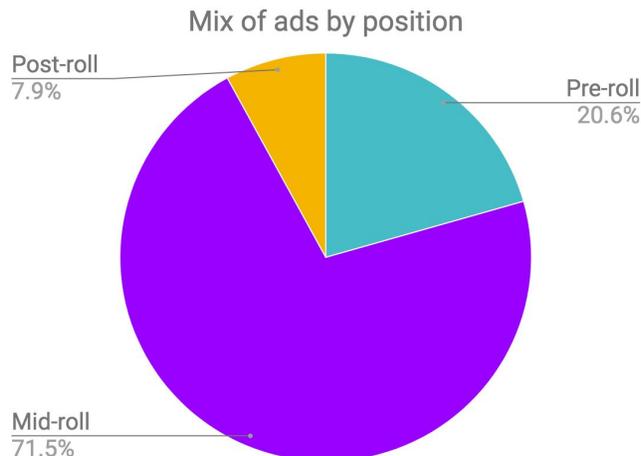
The majority of advertisers are testing out shows across different iTunes categories, while some brands have only tried advertising on one or two different categories.

[ADAY only tested one episode](#) on *Where Should We Begin? with Esther Perel* a Society & Culture category podcast. Adore Me, a lingerie company, tested out both the [Society & Culture](#) and [Comedy](#) categories. Freshly advertised on [Health](#), [Business](#), [Sports & Recreation](#) and [TV & Film](#) podcasts, running a total of 11 ads. The last ad we picked up from them was in August of 2018.

What kind of spots are DTC brands buying?

Consistent with advertising trends we see on the top 2,000 podcasts, DTC brands leaned heavily towards mid-roll ads.

The longest ad we picked up was a mid-roll ad for Thursday Boots that lasted 9 minutes on the [Cum Town Podcast](#) back in November 2018.



How many of these brands are buying two spots on the same episode?

Eighty-six brands had ads at multiple positions within individual episodes. In some cases, 24 brands had pre-, mid- and post-roll spots, all in the same episode. Overall, 16% of the episodes featured 2+ ads from the same brand.

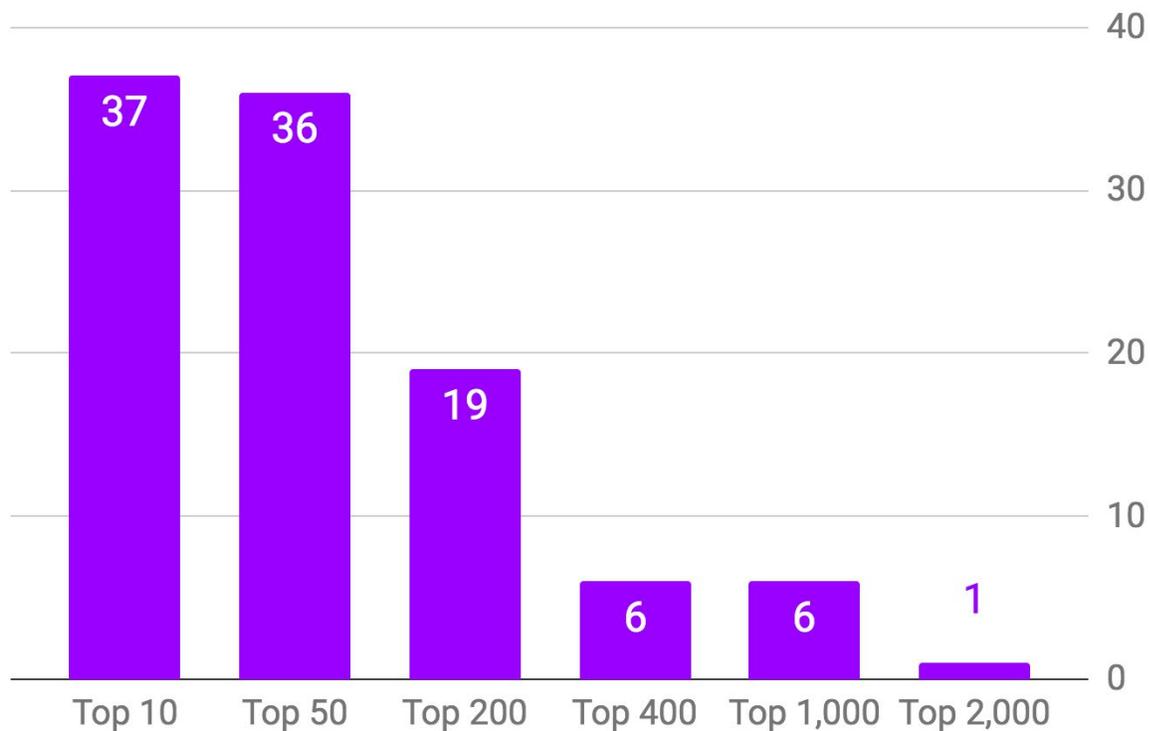
Blue Apron, for example, ran a [pre-roll](#) and [mid-roll ad](#) on *Stuff You Missed in History Class*. Both ad spots contained a vanity URL, however the mid-roll spot contained an anecdote about how why the hosts love Blue Apron, while the pre-roll spot was just a brief explanation of Blue Apron.

Quip ran a [pre-roll](#), [mid-roll](#) and [post-roll](#) on *Today, Explained*. The ads talk about the product without it sounding scripted. The host talks about how he is using his toothbrush during his travels. A vanity URL is used in the mid-roll ad only, where the hosts talks more about the tooth brush and the benefits of using the product.

How far into the top 2,000 do these advertisers go?

Most of the DTC brands that have advertised on podcasts picked at least one relatively popular podcast.

Best iTunes rank achieved for each podcast with ad by brand



Native Deodorant has only advertised on podcasts ranking between 1,000 and 2,000 at the time that Magellan measured it. For example, [one of the hosts on *Relationship Alive!* endorsed Native Deodorant on an episode in early February](#) - when we downloaded the episode, *Relationship Alive!* ranked 1,354 on Apple Podcasts charts. (Keep in mind that podcast rank doesn't always equate to performance, especially with a host-read ad like the one for Native Deodorant.)

What types of call-to-action (CTA) are these brands using?

Most of the brands running ads on podcasts used vanity URLs or provided a unique discount code for listeners.

Six brands didn't: Allbirds, Drizly, Halo Top, LittleBits, Thursday Boots and MM.LaFleur. Ads for Allbirds - like [this one on Revisionist History](#) - point the listener towards allbirds.com. Halo Top ads like [this one](#) include its website and the instruction to *follow them on social media @HaloTopCreamery*. Along with their website, ads for LittleBits inform listeners that their products are available at stores like Walmart and Apple.

Notably, 3 out of the 5 brands that didn't include vanity URLs or unique promo codes also didn't stick with podcast advertising past initial tests in 2017 and 2018.

About Magellan

Magellan (www.magellan.ai) is the market leader in podcast advertising analytics. Nine out of the top 10 podcast publishers, including NPR and iHeartRadio, use Magellan today to uncover sales leads and evaluate content acquisitions. Brands like SimpliSafe and Ro use Magellan to create podcast media plans and automatically verify ad placements.

Please contact research@magellan.ai with questions.