Podcasting could be in for a rocky 2023

This story originally appeared in Hot Pod Insider, The Verge's newsletter about the biggest events in audio. You can sign up here.

It feels like 2022 was the year when podcasting came back to earth. After years of go-go growth, podcast hits going mainstream, major corporate investment, and hype about the market to come ($4 billion by 2024!!), optimism about the industry hit the wall of an uncertain economy. M&A took a breather, advertising got tighter, and companies started laying off audio employees after years of frenzied hiring.

What does 2023 have in store? If we have learned anything at all from the decade so far, it is to expect the unexpected. But seeing as I am in as bad a position to predict the future as anyone, I spoke to some experts about what they anticipate for the year to come. The top line: if the economy avoids any big downturns, we will see more of the same for podcasting — slowing, but manageable, growth. If there is a recession, then it could set the industry way back.

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podcasting in particular?

Barring all-out economic disaster, podcasting should be okay. Not great, not terrible, but fine. The problem is that the industry has been operating under the assumption that podcast growth would continue to be as strong as it has been for the past several years.

For 2023, eMarketer estimates that podcast ad revenue should still grow by 28.8 percent — nearly the same growth rate as in 2022. But that is also about half the growth rate podcasting experienced in 2021. Worse, that rate is expected to drop by more than 10 points in 2024. "People overestimated and misinterpreted the bounce back in 2021 as a sign that was going to be a springboard into real sustained blockbuster growth," Willens said. "And you see across media that has proven to be quite incorrect."

During the boom time, companies like Spotify, Amazon, and SiriusXM invested hundreds of millions of dollars in podcast tech and content with the expectation that the sector would continue to grow. Even if investors are not thrilled with how much they spent (and their current podcast profit margins), they are in a better place to capture what ad dollars are flowing into the market. With the biggest podcasts on the market (Spotify and Joe Rogan, Wondery and *SmartLess*, SiriusXM and *Crime Junkie*) and most sophisticated tech stacks, they are in a better position to weather a downturn. Independent creators, who are already having a tougher time breaking out than they did a few years ago, will be left to pick up the scraps.