

Spotify Acquires Megaphone in Bid to Win More Advertisers

Spotify is acquiring podcast production and analytics company Megaphone in an effort to expand its investment in the medium—and sweeten the deal for advertisers.

The deal, valued at \$235 million, means Spotify can offer its proprietary Streaming Ad Insertion (SAI) to third-party podcast publishers for the first time.

“We are still in the early chapters of the streaming audio industry story, but it is absolutely clear that the potential is significant,” said Dawn Ostroff, chief content and advertising business officer at Spotify, in a statement.

Spotify is making even more aggressive moves into the podcast space after making a splash last year with its acquisition of podcast monetization platform Anchor, production studio Gimlet Media (behind podcasts like Homecoming and ReplyAll), podcast network Parcast and media company The Ringer.

Earlier this year, Spotify introduced SAI for advertisers across its in-house podcasts that attracted brands like Harry’s and HelloFresh. Releasing the technology to monetize these podcasts is a route competitors have taken as well; iHeart Media introduced its own suite of tools to entice buyers, called iHeartPodcast AdSuite, a month after Spotify released SAI.

Spotify has continued to expand its foothold in podcasting with a \$100 million partnership with Joe Rogan to stream his podcast and reaching deals with Kim Kardashian West and Michelle Obama.

“We are incredibly excited to join Spotify to help advance the podcast medium for publishers and advertisers alike,” said Brendan Monaghan, CEO of Megaphone, in a statement. “We believe that Megaphone and Spotify’s shared value in innovation will drive the podcast ecosystem forward around the world.”

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