

iab.TECH LAB

PODCAST GUIDANCE

Platform Privacy Restrictions

Communicating Impacts & Strategies

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Purpose

The Podcast Technical Working Group at IAB Tech Lab has assembled to address the emerging privacy mechanisms and their unintended impacts to the podcasting ecosystem. The result of that assembly is outlined in this document.

Our goals for this document are to:

- Present a clear definition of the challenge
- Describe how privacy mechanisms block audience metrics and their impact on podcast businesses
- Identify how podcast businesses can work with other parties in the supply chain to achieve shared goals, such as improved privacy controls for users
- Propose strategies for communicating the challenges and needs of podcast creators and businesses

In addition to the above goals, we intend to use the details in this document to explore technical solutions that support the needs of podcast businesses.

Audience

The audience for this document is the community of podcast creators and businesses. Before we can present our case to app owners and propose solutions, we need to stand in unity with a clear understanding of the issues impacting our businesses and what we need to address those issues. While the target audience is our own community of podcasters, this document is a public document that can, and should, be shared with partners, app owners, advertisers, and other parties in the podcast digital supply chain.

Background

Unlike other content accessed using an active internet connection, podcasts are downloaded and stored until the user is ready to listen; and they often do so while engaging in other activities such as driving, cleaning, or working out. Episodes are typically downloaded using an app such as Spotify, Audible, TuneIn Radio, and Apple Podcasts, all of which are examples of apps that provide a platform that curate syndicated podcasts for users to browse and download for later listening.

Podcast creators, networks, and hosting and monetization platforms often do not have a direct relationship with the app that enables the audiences to download and play their favorite podcasts, much in the way that websites do not work directly with browser companies. Some of the data needed to inform podcast business operations and the mechanisms needed to comply with global privacy frameworks lie behind the firewall of the app. Innovation and growth in podcasting is dependent on working with app owners and other parties in the digital supply chain.

What Happened

With the release of iOS15, Apple introduced [Private Relay](#) for iCloud+ subscribers, which is estimated to be 170M users from the total 850M iCloud users according to [Barclays analysts in 2018](#). This latest update means that iCloud+ users can enable Private Relay for web browsing on Safari, when enabled, the technology hides the user's IP address using encryption that generates a temporary IP address for a website visit in the browser. For a location associated with the generated temporary IP address, users may select either: "Maintain the General Location" of their IP address or "Use Country and Timezone" corresponding to their IP.

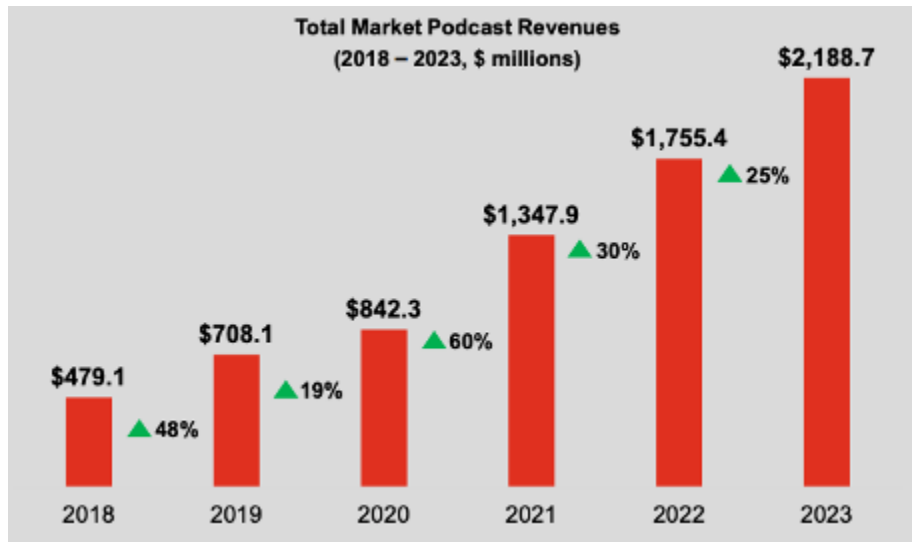
Currently this feature is not a big cause for concern for the podcast industry as is because it's not available in all countries and regions, and currently only in Safari. Since podcasts are typically downloaded using an app, direct downloads from websites are low. In Safari, only 0.6% of podcasts are downloaded directly from Safari per month according to analytics company [Podtrac](#). For now, the current impact of Private Relay to podcast measurement is thought to be minimal.

What Could Happen

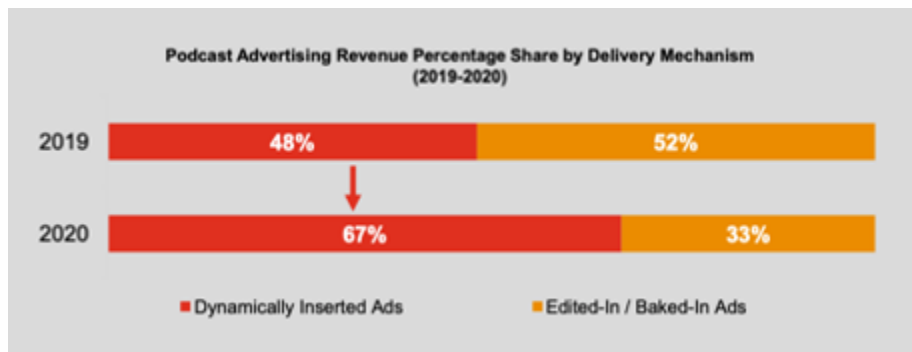
If Apple extends its Private relay feature to include the same IP-masking functionality in apps, podcast content creators could be heavily impacted. This paper looks at the potential impacts on the podcast ecosystem if Apple's Private Relay or similar privacy features on other systems become available. The expansion of these mechanisms into the podcast ecosystem is not a certainty and if additional privacy controls were to develop, we are asking for further participation from key players, such as Apple, to ensure that privacy is enabled in a way that respects consumers preferences but also does not damage the open ecosystem of podcasting.

State of Podcasting

Podcast listening is growing. According to the IAB U.S. annual Podcast Advertising Revenue study by PricewaterhouseCoopers LLP (“PwC”) released May 2021, podcast advertising revenues grew 19% in 2020, up from \$708M in 2019 to \$842M in 2020. The study estimates the size of the industry to have reached \$1 billion in 2021, and \$2 billion by 2023. This growth in ad revenue for podcasting reflects a healthy listener base that advertisers want to reach.



Some of that growth has been driven with the ability to place dynamically inserted (DAI) ads. An increase in revenue from 48% to 67% reflects the value of both a personalized experience from the podcaster’s point of view and the advertiser’s ability to target specific audiences or regional locations.



While growth in podcast revenue is strong, much of that growth has stemmed from years of hard work put into understanding the listeners.

How IP Addresses Are Used In Podcasting

The nature of downloaded content requires some analysis of raw log files to: measure the size of a podcaster's audience, prevent ad fraud, target audiences with appropriate content, and manage a user's privacy preferences (which can only be done in a limited capacity today). Podcast content creators use IP addresses and derived regional data to filter these raw log files as part of measuring, protecting, and sustaining their business operations.

Under the following subheadings for measurement, targeting, ad fraud, and privacy management, we show how current data practices depend on IP addresses and regional data to drive business and sustain content development.

Measurement

Podcast content creators don't have access to client-side analytics like publishers do on web and mobile platforms. With podcasts, most data only represents what the server delivered (server-side).

Establishing Better Metrics

The reliance on raw log files has been essential in determining meaningful statistics for podcasters. IP addresses have been used to filter out duplicate downloads, provide comparable metrics on audience size and preferences as well as to help identify non-human traffic. For the many podcasters who host their media on various platforms with third-party measurement systems, using IP addresses as a filter has, so far, been the only way podcasters can tap into the rich ecosystem of meaningful podcast statistics.

In 2016, the IAB Podcast Working Group developed the [Podcast Measurement Technical Guidelines](#) (version 2.1 released February 2021). These guidelines recommend the use of IP addresses to filter out duplicate downloads and produce more accurate counts. A [compliance program](#) was then introduced to create consistent log measurement across the industry. Since the program launched, 23 [podcast companies](#) have been certified.

A Popular Show Or Nefarious Bot?

To demonstrate the importance of IP addresses in podcast download analysis, let's consider that a popular episode is downloaded 100,000 times in the greater Los Angeles area over a 24 hour period. Using IP addresses, we can determine that 78,000 of those downloads were unique. The other 22,000 downloads were duplicates and shouldn't be counted. Without filtering by IP addresses, the only data point we have is 100,000 downloads and if a bot was responsible for all of those downloads, we might think the show was popular when, in fact, it wasn't.

Listening On Their Commute or Twice the Listeners?

Another data point we're able to filter with IP addresses is resumed plays, when podcast files are only partially downloaded by a users' device. When a user begins listening to a show in the morning, pauses during the work day, and resumes in the evening, the data might look like double the population listening to only parts of the show. However, using IP addresses and a window of time, resumed plays can be counted and re-stitched together to assess the total length of play for each listener. It also singles out what would otherwise look like twice the downloads.

Why It Matters

When the platforms that host the apps we use to distribute podcast content anonymize data by obfuscating the IP address, we lose the ability to capture meaningful data about the popularity of our shows. The numbers become inflated and, as you'll see in the next section, opens the door to fraud.

Fraud

Wherever there is opportunity to make revenue through digital advertising, you'll find fraudulent activity. Content producers in podcasting take pride in the work they do to attract bigger audiences and draw legitimate business so they can keep improving the content they provide.

IAB Tech Lab's Podcast Measurement Technical Guidelines were developed because measurements across different businesses were greatly varied. Podcasters came together to produce standard metrics and measurement methodologies so they could provide honest data. The IP address has been key to "cleaning up" the raw log data on downloads and helping to single out fraudulent activity.

In the previous section on measurement, we outlined how activity from a single IP address can inflate the number of downloads. Finding patterns of IP addresses that produce unusually high numbers of downloads helps data analysts mark these IP addresses as fraudulent. Without access to IP data on downloads, podcasters lose this method of preventing fraud in the business.

Why It Matters

As much as podcasters care about the authenticity of their audience data, buyers care even more. Working with platforms that deny the data needed to produce honest reports will lead to distrust and reduced business. Podcasters may have to educate buyers on the lack of data they get from certain platforms, and even while some platforms drive a great deal of legitimate traffic, the reduced trust in data may force content providers to withdraw their content and build new audiences on other platforms.

Targeting

Targeting for advertisers is how we get the right ad to the right audience. We wouldn't want to advertise deals on fresh beef to a known vegan. But targeting isn't always about advertising. Larger podcasting businesses with multiple categories of content need to provide the right content for their diverse audiences. We'll address both targeting for advertisers and targeting for content developers a little later.

Targeting for Public Service

Pro bono or low-cost ads are often used to support public health and safety communications. Such campaigns might include raising awareness around the risks of heart disease, increasing the uptake of vaccinations, helping smokers quit; directing those in need to public resources. The captive audience inherent with podcast listeners makes podcasts a beneficial medium for public service advertising.

For regional governments and non-profit organizations trying to reach select, 'hard to reach' audiences for a public service, regional and certain demographic data might be needed. For example, an organization like the American Heart Association may target ads about heart disease to demographics that are at higher risk. Another example during the recent global Covid-19 pandemic is trying to reach populations with lower vaccine rates.

Aside from ads alone, content creators with grassroots objectives may want to reach targeted audiences in regions that will have the largest impact. For example, a podcast about financial literacy may want to focus their audience building efforts to impact regions or demographics with known higher poverty rates.

Targeting for Advertisers

Using server-side ad insertion (SSAI), podcast ad serving partners can target ads to a given demographic in real-time. Using geographic data, SSAI partners can determine the demographics or location associated with a download and dynamically "stitch" an ad into the file being downloaded.

With the growth of dynamic ad insertion for podcasting, advertisers have become accustomed to geo-targeted ads for designated market areas or geographic regions and states. As pointed out earlier, the use of dynamic ad-insertion increased share of revenues from 48% to 67% in 2020, according to the [U.S. Podcast Advertising Revenue Study](#).

Part of the reason for this increase in revenue is the addition of local advertisers to the pool of buyers in podcasting. A restaurant chain that only exists in the pacific northwest wouldn't advertise with a podcast that is distributed nationally. However, even with a national podcast, SSAI can target ads dynamically for specific regions.

Another important reason for targeting ads is to comply with local laws. With the legalization of marijuana in some states within the United States, ads for cannabis can only air in specific

states. In some cases, legalization in one state may still vary from county to county. Regional laws like this are common all around the world. You may be required to advertise in a specific language, or may have to include certain disclaimers about your product in a given region.

Without the ability to target ads by region, podcasters would lose an important group of buyers that don't just *want* geo-targeting, but *require* it. While this group of buyers doesn't wholly represent the 19% increase in revenue cited in the article linked above, it almost certainly represents a good proportion of them.

Targeting for Content

For some of the same reasons that buyers must target their ads regionally, some podcasters must target their content. A sports betting podcast may not be allowed in some areas. Podcasts with a certain political slant may not be allowed in some countries. Age restriction is also a common factor for certain content.

Beyond compliance with regional laws, content providers may want to target their shows locally because it wouldn't be of interest to anyone outside the area. A podcast that covers local events in Cedar Rapids, Iowa would be of no use to someone in Austin, Texas. A sportscaster may want to keep her show regional for content on the local high school. According to French-speaking laws in certain parts of Canada, a podcaster may face fines for including English ads in a French podcast.

At IAB Upfront on September 9, 2021, [NPR announced](#) the launch of the first localized newscast where members would hear local news in addition to national news. This case of dynamic content by region is a testament to the targeting capabilities of podcast measurement.

Why It Matters

Targeting capabilities in podcasting is largely responsible for a 19% growth in revenue in 2020, but revenue is only part of what's at stake. Podcasters and advertisers risk legal action for distributing certain types of ads or content to regions where they're not in compliance with local laws.

Features like Apple's Private Relay for its iCloud+ subscribers, enable users to obscure their general location and instead choose to associate an IP address with their country and time zone. If podcasters can't distinguish geo data for Manhattan from geo data that is generalized to the east coast, geo-targeted ad campaigns could be rendered ineffective, or worse, in violation of certain laws.

Privacy Management

Data privacy for anyone who accesses content on the internet is a growing concern, globally. Regional policy and supporting laws, such as European General Data Protection Regulation (GDPR) or the California Consumer Privacy Act (CCPA), have required content providers to be transparent with how they handle user data and respect users' wishes regarding their personal data.

In podcasting, compliance with these regulations is challenging because users typically access podcast content using a 3rd party app on their mobile device. Most compliance with privacy management laws must be handled in conjunction with the app, and podcasters often have no relationship with the app or app owner. And currently there is no way to pass on to the App and app users information about how user data is processed when they download and podcast. An app that doesn't provide privacy controls for users to signal privacy preferences for each podcast, prevents podcasters from being able to comply with all global regulations with regard to how personal information is being processed.

Some podcasters do have a relationship with certain apps that distribute their content, and in those situations, creators have been able to use standards that communicate user privacy preferences down the chain. However, these situations are limited and only represent a portion of a podcaster's content distribution.

For compliance with regional regulation on user privacy, podcast creators need apps to share data on where downloads are taking place. Ultimately, creators can honor users' privacy preferences if they receive signals like [TCF](#) or the [US Privacy String](#) to send downstream in the supply chain to partners for services like analytics. Podcast businesses need a privacy framework that addresses the unique challenges in podcast sharing.

Why It Matters

The growing concern over the use of IP addresses in podcasting as in other mediums is that an IP address tied to information from other ad tracking platforms can identify a listener. However, both IP addresses and geo-data are necessary for complying with regional regulations. Even with this data, compliance with different privacy regulations may require a layer of user controls in the app that signal privacy preferences to podcasters.

What We're Worried About

The insight that podcasters derive from IP addresses helps them to minimize fraud, enable better user experiences, improve compliance with regional regulations, and attract buyers. If frameworks like Apple's Private Relay were widely adopted as currently constructed, they would greatly harm revenue for podcasting businesses, which would lead to decline in content creation.

When Apple added Apple Podcasts to the iPhone in 2014, podcasts became more accessible and easier to monetize. With the attention from advertisers, content creators could include ads in the episodes that were downloaded using Apple Podcasts or other apps that also began to emerge. Eventually the technology enabled dynamic ad insertion to provide product information and deals that were more relevant to users and more valuable to advertisers. The ability to share quality content with users grew.

But where there's money to be made, there are bad actors inflating the numbers, placing ads that create a bad user experience, and creating distrust among buyers looking to place their ads in a brand safe environment. To address these issues, podcasters worked with IAB Tech Lab to create technical measurement standards. Standardized measurement has made the market more fair, improved trust among buyers, and ultimately contributed to additional growth of quality content in podcasting.

Additionally, the measurement standards that regulate data usage in quality podcast environments are reliant on IP addresses, user agent, and geo data. Without access to these data points and the ability for the industry to use consistent standards, advertisers may reduce their investment in podcast environments, podcast creation could diminish as investment dips and podcasters attempt to find new ways to provide valuable metrics to their buyers, additionally the lack of transparency could make podcast environments an easy target for ad fraud, and lastly, the user experience will suffer in the process of this all.

We detail these concerns in the following subsections.

Shifting Business Practices

While changes in technology, culture, and the economy shift business practices all the time, content creation is so closely tied to understanding our audiences and where they're at. The use of IP addresses and derived regional data is currently the only reasonable way we know how to do that. This data about our audience is also how advertisers value our content as a viable way to reach people who would be interested in their products and services.

The ability to filter data with the use of IP addresses, geo data, and other details provides more accurate measurement that contributes to the following business practices:

- Data-driven content creation based on user interests
- Budget for new show development
- Schedule regional live events
- Comply with local laws on content restrictions and user privacy
- Prevent ad fraud
- Attract advertiser revenue

These business practices are at the core of our ability to continue creating content that is shared in the apps where users access them. Without access to the data that enables these practices, podcasters will struggle to continue providing quality content.

Deteriorated User Experience

A quality user experience in podcasting is a multifaceted effort. The content itself, the accompanying live events, and even what ads to place are all based on user data and contribute to improving the overall user experience for our audiences.

Without access to user data, creating quality user experiences becomes a lot of guesswork. Podcast creators may have to withdraw their content from apps that limit needed data to drive improved user experiences and maintain their reputation.

Ideally, podcast creators and app owners can work together on solutions that enable access that podcast creators need while protecting user privacy for which both app owners and podcast creators are responsible.

Legal Compliance

Compliance with regional regulation on restricted content and user privacy is impossible to navigate without certain data points on where their content is being distributed. Not only does this lack of data reduce revenue from advertisers who are dependent on that data, but certain podcast content can't be shared in certain jurisdictions without regional information.

Ideally, app owners develop controls that enable users to set privacy preferences per podcast and share those signals with podcasters so that they can be more proactive in the honoring of user preferences.

Lost Revenue

Ultimately, a significant loss in user data impacts revenue opportunities. Media buyers in the podcast space have become accustomed to trustworthy data, legal compliance, and targeted campaigns. As the data deteriorates, so does the ability to offer these services to buyers.

Ideally, podcasters can work with app owners on the best way to share data that helps creators maintain products and services that attract revenue while helping app owners protect user data. Without this collaboration, the reduced revenue for podcasters will eventually reduce content, leading to a less attractive user experience.

Lost Diversity of Content

In terms of lost revenue, the smallest publishers (the “long tail” of podcasting) end up getting hit the hardest. These long-tail voices offer the most diversity in content. With a reduced ability to collect data that their buyers need, this diversity could diminish over time.

A lot of that diversity includes the grassroots efforts to impact select communities. And the podcast content and ads created to improve public health and safety may diminish as well.

What we need

The IAB Tech Lab and members of the Podcast Working Group applaud privacy initiatives around protecting personal user data. As Apple and other platforms continue to develop privacy initiatives, we ask for greater collaboration between these platforms and the IAB Tech Lab’s Podcast Working Group. We must take a holistic view of the podcast open ecosystem while crafting new privacy standards or there may be unintended consequences to podcast creators and their subscribers. We are not looking to undo privacy measures but find a solution that honors it while supporting the business models of the open ecosystem podcast industry.

We ask that:

- There be increased and open dialogue between Apple and other podcast distribution platforms and the IAB, including regular participation in the IAB Podcast Working Group calls
- Apple and others assist with developing alternative ways to measure downloads and unique reach in a manner that respects user privacy. IP address is a data point used as the basis for measuring unique downloads. Without it, the Podcast Measurement Guidelines as defined today no longer work. We also urge this collaboration for future forms of measurement, including client-side measurement of audio plays, with the same privacy considerations.
- Commitment to providing minimum required data points such as geolocation (not precise) so creators can still receive insights on their subscribers and comply with regional laws and regulations.

Communication Strategy

To take a united stand for what matters to podcasters, their partners in business, and the listeners who have demonstrated an active interest in the content we provide, we are outlining what we believe will be an effective strategy for communicating our concerns and finding ways to sustain continued growth.

Applaud App Businesses

When Apple added their podcast app to iTunes in 2005, they paved the way for podcast growth. It enabled people to find and listen to their favorite podcasts or discover new ones, for free. The only monetization for Apple was in device sales. Now they're offering built-in privacy that even Apple can't track. Privacy is important to all of us and we applaud Apple and all app providers for finding ways to protect their users' privacy, and by extension our users as well.

With our businesses dependent on these apps, and with the same concerns for our audiences, we need to work together to continue providing the content that users love while sustaining our ability to create that content for them.

Because of the ease of access apps have enabled, and as mobile devices have become more available worldwide, the number of podcasts and the diversity of content has increased. Remember their contribution to the growth of podcasting and applaud their efforts to protect user privacy, while asking for access to data that will help us do the same.

Invite Participation

Podcast creators and businesses depend on metrics derived from the data where podcasts are downloaded. Continued use of that data, or of some alternative, means working with empowered representatives from the companies that run podcast playing apps.

The Podcast Technical Working Group is always working on technical standards and guidance to scale business. Measurement is changing across all media formats as regional privacy regulation and policy impact businesses globally. We need all parties in the podcast supply chain working on these initiatives, but we especially need input from the podcast player app businesses. They need to see how we derive the metrics we use, and offer their suggestions for new ways to capture audience data while protecting user data privacy and preferences.

Remain Positive

With revenue on the line, it can be easy to point fingers and lay blame, but that won't produce results. Podcast revenue grew 19% from 2019 to 2020 despite a shrinking economy. Podcast listening is increasing globally. Content creators are as motivated as ever to continue producing content and keeping their audiences engaged.

The concern over lost access to data is a reflection of the shifting business practices happening throughout all content businesses in the ad tech supply chain. To survive, we must shift along with everyone else. Messages geared toward solving problems and achieving continued growth will produce the forward-thinking mindset we all need to succeed.

Educate

The trouble with podcasting is that it can be overlooked and misunderstood. Without a live internet connection that is common in other media formats, podcast audience measurement is more complicated. This detail is not always obvious, even to other experienced professionals in ad tech.

Stay up to date on the facts surrounding privacy restrictions on data. Use this document as a foundation for building a communication strategy on how these restrictions might impact content creation. And design your call to action as an invitation to get involved.

Keep It Simple

While education is a great way to build your case for needed action, avoid weighing down communication with too many details.

Communicate the basics:

- Like all businesses that monetize with ads, audience data is key to attracting new business.
- Data is also used to drive content development, book live events, and comply with regional laws.
- Privacy of user data is important to podcasting but nearly impossible to accommodate without partnering with app businesses to develop solutions.
- Invite app businesses to work with us on viable solutions

Share

This document was created to build a theme among podcasters and a call to action. With everyone working together, our concerns will be heard so we can all work together to preserve podcasting for the many audiences who rely on them for entertainment, education, and information.

Use all the communication strategies in this document to design messaging that you can share with your partners, customers, and even your listeners where appropriate. To help collate share in social media, use the following tag:

#ConcernedPodcasters

Last Words

Podcast content creation could dissipate if access to needed data is blocked and not replaced by a viable alternative. IP addresses have been used to provide meaningful metrics that are core to sustaining business. These metrics help drive content creation and product development, book live events, and comply with regional regulations. These metrics are also valuable to advertisers who help monetize podcast business practices.

Solutions to sustaining business despite blocked data requires working with businesses that distribute podcast content. These businesses rely on podcasting to provide valuable content to users and would benefit from helping us reach a mutual solution that enables data sharing without compromising user privacy.

The details in this document provide information about how we use IP addresses so that we can explore how to continue achieving the business practices that make podcast content available to users. We also provide communication strategies for reaching out to the companies that impact how we do business. Sharing our concerns in an informative and positive manner, will help us gain the attention we need to enable continued growth in podcasting.

Working together, we can sustain and improve the availability of podcast content to audiences that continue to find value in this medium on a global scale.

Sign-Off

The following members of IAB Tech Lab's Podcast Technical Working Group support the points provided in this document and are committed to exploring and implementing solutions that foster growth and diversity of podcast creator content while sustaining and promoting user privacy.

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Steve Mulder - Senior Director, Audience Insights, NPR
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Bryan Barletta - Founder, Sounds Profitable
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Jim Ballas - CTO, PodcastOne
Andy Flint - Head of Business Development, ABC UK
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