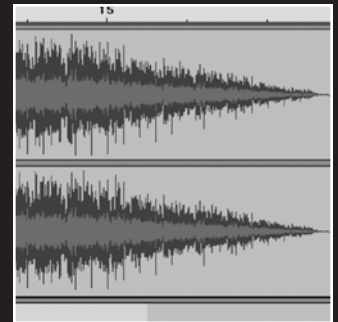# 11 MAKING MONEY WITH PODCASTING

Before too long, your podcast will be up and running. You'll have your production process down to a science, your content will be focused and inspired, and your audience will be growing at a nice, steady pace. There's nothing like the days of your podcast's youth, watching what was recently a mere concept bloom into a full-fledged ongoing concern. You're busy now with your new offspring, checking download stats, answering e-mails, and worrying over your ranking on your favorite podcast directory.

When your show has matured a bit and you've gained some experience as a podcaster, you'll start to wonder, "What's next?" The show is going well and you're getting great responses from your listeners, but in what ways can you grow the show and mobilize your newfound audience in new and exciting ways? Like many before you, your mind may turn to—dare we say it—*money*.

Plenty of podcast purists strongly believe that podcasting is an art form, and that a person should do a podcast for its own sake. Bravo to someone so selfless, because podcasting is hard work. The prep is hard work; the recording, editing, and mastering is hard work; and the encoding and updating blog entries is hard work. OK, maybe it's not *hard* work, but it's a lot of work nonetheless. Since podcasting is work, why not get paid for it?

There's been a lot of talk about "monetizing" podcasting. Apparently, **monetizing** is a business term for "turning it into a business." Fair enough. People have been fretting over how to monetize this new medium since moments after its inception. So, why all the fretting? Podcasters can easily borrow from the tried-and-true business models that have served radio, TV, and independent artists for decades. Now, if you have an advertising sales staff in your basement, you're probably fairly clear on how you could sell some time on your podcast. But for everyone else, we'll start slowly with a few simple ways to earn, well, perhaps not millions, but at least enough money to cover your expenses.

In this chapter, we'll look at a few ways you can take podcasting to another level. We'll discuss the following topics:

- Making media money
- Learning about your audience
- Implementing donations/memberships and paid subscriptions
- Selling your own merchandise
- Selling other people's merchandise
- Understanding advertising and sponsorships
- Finding advertisers and sponsors
- Becoming a podcast producer for hire
- Moving beyond podcasting

Making media money

Before we get into the specifics of how to monetize your podcast, let's be very clear about how making money in the media works (since that's what we're actually doing here). Not

to be too blunt about it, but for you to make money, you need to get someone to give you his or her money. Simple, right? Well, just how do you do that? You leverage your audience.

Your audience is your greatest asset, bar none. Without your audience, it's just you and a mic and some audio equipment. Your audience is that ten or that ten thousand people who listen to your show on a regular basis. They actively participate in your podcast, whether by e-mailing in comments, phoning you, or simply just downloading and listening your show.

So, how do you leverage your audience to make money?

- Offer your listeners something they would pay money for.
- Offer your listeners as a target market to someone who is dying to reach them.
- Offer your audience to businesses as proof that you know how to actually reach and build an audience, and hire yourself out as a podcast producer.

We'll discuss these points throughout this chapter. We'll start off by covering ways you can learn about your audience, which is the basis for any marketing and advertising steps you take next.

Learning about your audience

Who is your audience? This is an important question to be able to answer, because from this answer comes all of your marketing, all of your merchandising, and every sales pitch you will make regarding your show, whether it's to your audience or to the head of a media company. As you sit back and enjoy your daily barrage of fan mail, take note of where it's coming from, who's sending it, and what they're attracted to about your program. Are they mostly male or female, or is it an even mix? Are they married, single, American, European, Asian, tech-savvy, tech newbies? If your show has a narrowly defined focus, you'll be able, with little work, to define your audience. If, for instance, your podcast is a movie review show (like Michael's "Reel Reviews"), it's safe to assume that your audience is made up of movie lovers, right? Here again is the advantage of the narrowly defined concept we talked about in Chapter 4. For the podcasters who do shows about religion, movies, sports, beer, sex, Windows, Mac, Linux, sci-fi, and so on, it's easy to make certain assumptions about their core audience. For others, you have to ask.

Survey says . . .

Don't be afraid to ask your listeners to fill out a survey. It doesn't need to be a 13-page opus or anything fancy; you just need to gather enough information from your listeners to get a sense of how you can market them and market *to* them. Ask for your listeners' gender, age range, and annual income range (we know, that sounds a bit personal, but you haven't asked for their names!), and ask any other questions specific to your podcast that might yield helpful answers. A slower, less aggressive approach is to just hang loose and get to know your listeners naturally. In due time, you will get a sense of who's who and what your show means to them.

Keep in mind, though, that if you take the time to do a "formal" survey, potential advertisers will know you're serious. They'll be able to glean the demographics of your show, which they need to make a decision about whether to advertise with you. Remember, you are now competing against print, radio, and TV for ad dollars. Potential advertisers will appreciate that you are taking it seriously. Surveys also help you to ensure you are aligning with advertisers/sponsors who will provide a real benefit for your listeners.

Determining what your listeners are willing to pay for

Pinpointing exactly what your audience is willing to pay for may be tough. Luckily for us, it doesn't take much effort to figure it out. Setting up donation links or offering an array of merchandise may have once required a considerable up-front investment in time and money. These days, thanks largely to the Internet, we can set up online transactions in no time.

Ask yourself what sorts of "stuff" your audience would want, given who you believe they are. Can you think of something to offer, at a reasonable price, that they would really like and enjoy, and that is a natural extension of your podcast? Or is offering the podcast itself enough?

Implementing donations/memberships and paid subscriptions

Going straight to your listeners for donations or membership fees is something that you may have mixed feelings about. Asking for money is something that some people just aren't comfortable with. The flip side of the situation is, however, that your listeners may be more than happy to help subsidize the show. Whether it is to feel more connected to the show, show their appreciation, or just help to avoid your having to look for sponsors, your audience may be willing to share a bit of your new financial burden. Let's take a look at some of the ways you can seek support directly from your listeners, whether through donations, memberships, or paid subscriptions.

Donations and memberships

In mid-June 2005, Jason Evangelho from "Insomnia Radio" (www.insomniaradio.net) sent a dollar to Dan's PayPal account out of the blue. Why, you might ask? According to Jason, "I'm sending a dollar each month to all the podcasts I listen to. Maybe it will catch on." Now, yes, this is a testament to Jason's good nature, but it's also a shrewd and forward-thinking move. What does it cost Jason each month to send $1 to each of the podcasts he subscribes to? Five dollars? Ten? Twenty? Most of us are paying well over $20 a month for the cable TV we barely watch (not including premium channels and Pay Per View), $15 a month for Netflix, and more than all that put together to go to the movies (especially if you have kids). Yet we're paying nothing for the hours and hours of podcast entertainment

we download each month. Not a cent. For the form of entertainment that for some of us has taken up all the time many other kinds of entertainment once dominated, *we pay nothing*.

Now, Jason isn't the first podcaster to have this type of idea. Many podcasters have had a PayPal (see the next section) "tip jar" on their podcast sites for ages. The striking thing about Jason's gesture is that it is a small but regular contribution to his favorite podcasters (Dan is honored to be among them). And because of Jason's (and other podcasters') kind gesture, eventually some money will start coming back to him. If all of Jason's listeners did what he has vowed to do, he would no longer have to cover his storage and bandwidth costs out of his own pocket. Actually, if we can guess at Jason's listener base, he could devote *a lot more time* to working on his fantastic podcast and a lot less time to, well, working.

For a podcaster, that $1 a month per listener could mean the difference between needing a second job or not. It's a movement worth pushing forward. In the meantime, asking for donations is not unheard of. You're offering your listeners a wonderful program and asking for very little in return.

Instead of asking for donations, you could consider taking a cue from the folks at National Public Radio (NPR) or the Public Broadcasting Service (PBS). These organizations rely heavily on donations to continue to produce and broadcast some of the most interesting news and entertainment programs available (sounds like podcasting, right?). One way that they have maintained a certain level of donations flowing in is through offering memberships and conducting membership drives. Listeners/viewers pay a certain amount of money to become a member, and in return they get discounts on merchandise and are eligible to win sweepstakes and prizes. Also, for joining, members get a little free swag (e.g., a magazine subscription, a logo mug, etc.) and a good feeling from knowing they've contributed to a worthy cause.

As we talk more later about creating and selling your own merchandise, keep the idea of member gifts in the back of your mind. It's a great way to build community and offer an incentive to give.

PayPal

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PayPal (`www.paypal.com`) is an online service whereby you can send money over the Internet. The money is withdrawn from your checking or credit card account and "sent" to another PayPal user. PayPal is a great way for smaller websites to accept payments or for individuals to pay for goods and services. PayPal is owned by eBay (`www.ebay.com`), and it's a secure and well-protected service. You might use PayPal if you're accepting donations, selling merchandise that you stock at your home or office, buying equipment through the eBay auction site, or doing any other transaction that doesn't involve a major online retailer.

PayPal makes it very easy to set up a donation button for your website (see Figure 11-1). People can simply click that button and send any size of donation they choose.

Figure 11-1. A donation button in action in the top-right corner of the "IT Conversations" homepage

Paid subscriptions

You always have the option, of course, to directly charge listeners to receive your podcast. At the time of this writing, there is no clear-cut way to easily set up a paid subscription feed without having some serious technical savvy. That being said, now that PodShow and Odeo are opening up shop, and Apple has included podcasting functions in its iTunes music player, the day may be close at hand when a podcaster can easily set up a subscription channel that requires a per-download payment. (In fact, we're positive this functionality is coming—it's just not yet available.) How much will listeners be willing to pay for a podcast? That remains to be seen. People all over the world are paying the equivalent of $.99 for a single three- to four-minute song from iTunes. What might they pay for a 30-minute podcast?

While there are not any current subscription-only services for podcasting in widespread use, some podcasts do offer a "subscription" model where the subscription fee is more akin to a membership than a gateway to the content. The most successful of these services at the time of this writing is "This Week In Tech" (www.thisweekintech.com), a show hosted by Leo Laporte and a number of other former TechTV hosts. They have a recurring $2-per-month donation choice, as well as an annual $20 donation option. Of course, listeners are free to donate any amount they are comfortable with and, as we mentioned, donations are not required to listen to the content. Because this show is produced by people who make their professional living talking about technology, it is an interesting experiment to see if they can use a pseudo subscription model to keep traditional advertising out of the show and still succeed in reaching their revenue goals.

The best use of a paid subscription in the long run may be to charge for a "premium" feed that is an alternative/addition to a standard, free feed. The free feed is there to hook new listeners and to maintain the listener base that will not pay for the show. The premium feed is for the hard-core fans and offers more content than the free feed ("best of" segments from shows no longer on the server, outtakes, special editions, etc.), at a much higher sound quality.

Selling your own merchandise

We assume you don't have a bunch of stuff sitting around your house that you'd like to unload on your unsuspecting listeners, which is good. When we talk about selling to your listeners, we aren't talking about selling anything and everything you can get a digital photo of. We're talking about offering something to your audience they might want—something connected to the show. Whether it's a t-shirt with your podcast name on it or a bumper sticker that reads "Kill Your Radio: Podcasts Are Better," you'll want to offer your listeners something they connect with (sound familiar?).

Products on demand

For those of us with a do-it-yourself mentality, this has got to be the best time in history to put together our own swag. Gone are the days of having to pay to silk-screen hundreds of t-shirts in varying sizes or getting stuck with boxes and boxes of unsold *How to Care for Your Pet Rock* paperbacks. Now there is the Internet, and with the Internet and the advances (and advantages) of the digital world, we now live in the age of **products on demand**. You could be selling t-shirts, buttons, coffee mugs, hats, books, and bumper stickers in a half hour with no cash outlay at all, thanks to the relatively new on-demand services available on the Internet.

In the sections that follow, we'll discuss a couple of options for offering your merchandise to your listeners.

CafePress.com

If you don't know about CafePress.com, you need to. CafePress.com (`www.cafepress.com`) is the premiere on-demand product service, and through the CafePress.com site, you can set up your own online store selling shirts, hats, sweatshirts, CDs—you name it—in no time, free of charge.

You pick which products you'd like to sell, upload graphics according to the site's specifications, and determine the amount of profit you'd like to make. CafePress.com handles order taking, printing, packaging, receiving payments, and shipping. You pay nothing. CafePress.com's payment comes from shipping and handling costs and the base price of each item, upon which you add your profit.

There is no inventory for you to pay for and maintain. When someone orders one of your products, CafePress.com produces the item on demand. Because there is no inventory, there is no initial investment on your part.

Setting up a basic CafePress.com store (see Figure 11-2) is free, but you are restricted to selling only one version or design of each item at a time (e.g., only one design for the basic t-shirt, only one design on the trucker hat, etc.). The site also offers upgraded "premium" stores for a monthly fee, where you can sell as many variations of each product as you desire. The choice of products is extensive, and new seasonal products are added regularly to keep things fresh.
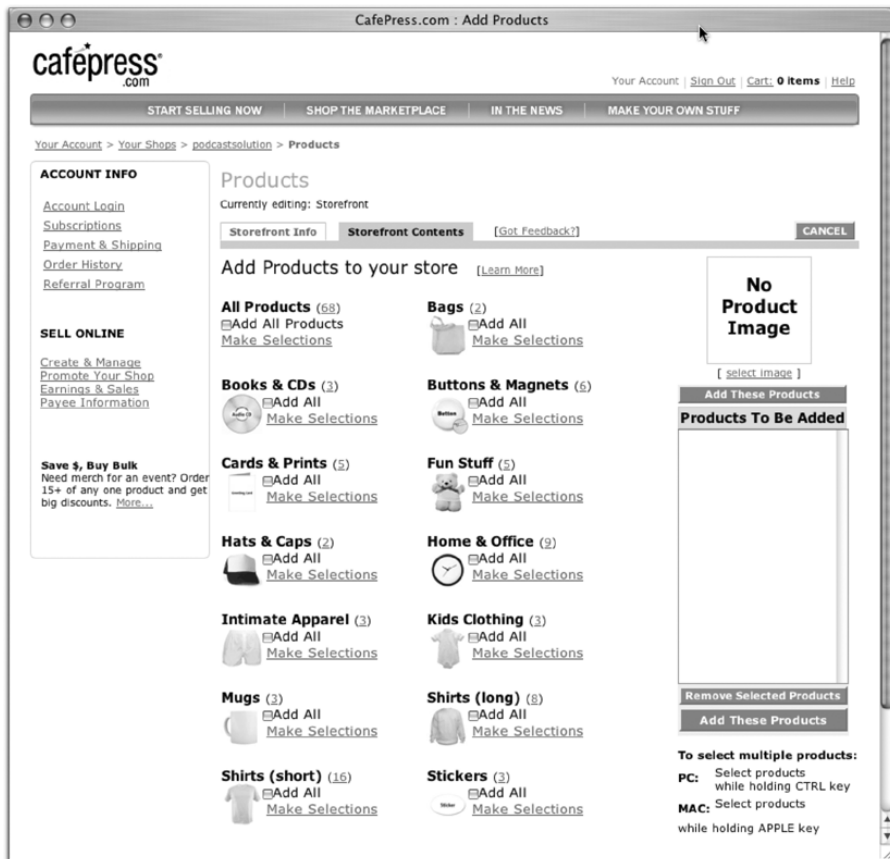
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Figure 11-2. Setting up a store at CafePress.com

The print quality of CafePress.com products is good, though not perfect, but for what you're getting for no up-front cost, CafePress.com is a perfect solution for the podcaster who wants to offer some merchandise.

Lulu

Lulu (www.lulu.com) is very similar in concept to CafePress.com, except it specializes in on-demand books and comics. You upload your manuscript in the form of a PDF, and you upload graphics for the front and back covers. Lulu sets up a sales page for your book on its site, and prints and binds each copy as it's purchased. Lulu also can make your book available through Amazon.com and Barnes & Noble.com, to give your book a "profession-ally published" appearance.

Lulu's print quality and binding is top-notch, and the prices are quite reasonable. The site charges a standard setup fee based on the dimensions and binding of the book, a per-page charge (a few cents per page), and the equivalent of 25 percent of your profit (if your profit is set at $4, Lulu charges an additional $1). Not a bad deal to have an entire book published.

Now, yes, we understand that not many podcasters have books cluttering their hard drives. We also realize that anything a podcaster might write, she could just as easily publish on a blog and have people read it for free. But, from the point of view of the listener, a blog entry doesn't make a very good birthday gift; it's not a tangible keepsake of a podcast listened to regularly. Publishing something for your listeners to enjoy and treasure is not such a crazy idea. Stow it away in the back of your brain, because someday you may have just the thing to get printed up.

> *Dave Slusher of the "Evil Genius Chronicles" (*www.evilgeniuschronicles.org/wordpress*) has put together a real win-win way of providing revenue for his podcast. Dave offers listeners a chance to support his podcast and the band, Gentle Readers, that graciously allow Dave to use their music as his theme song and music bed, through the purchase of a "stuff package." The package includes an "Evil Genius Chronicles" shirt and a Gentle Readers CD (*www.evilgeniuschronicles.org/stuff*). Everyone wins: the listeners, the band, and Dave. Now that is a great way to monetize. Best of all, Dave continues to keep up the interest among audience members by posting on his site pictures of listeners wearing their "Evil Genius Chronicles" shirts.*

Selling other people's merchandise

You can also capitalize on your podcast through **affiliate programs**, which are arrangements with major online retailers for you to sell their products through your website. Here's how it works, generally speaking: you post an ad for a specific company or product on your site. If someone clicks through that ad link and makes a purchase, you get a cut of the action. Sound simple enough? It is.

In the sections that follow, we discuss a few of the major affiliate programs you can participate in.

Amazon.com Associates program

You use Amazon.com. We use Amazon.com. Presumably everyone who shops online at one time or another purchases something from Amazon.com. The site carries not only books and compact discs, but also things like professional audio equipment, clothing, and kitchen appliances. You name it, Amazon.com sells it. The benefit of having such a wide array of products for sale is that it makes it very easy to find things on Amazon.com that you own, use, and recommend. If you talk about a new CD or DVD that you particularly enjoy on your podcast, why not include an affiliate link to Amazon.com's listing of that CD or DVD on your site? If you've recommended the item that highly, and the listener is moved to purchase it due to your recommendation, why shouldn't Amazon.com give you a piece of the pie?

Signing up and being approved as an Amazon.com Associate is relatively easy (`https://associates.amazon.com/gp/flex/associates/apply-login.html`). In practically no time,

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you are given an affiliate code that is embedded into the URL of the items you want to promote. When someone clicks an affiliate link on your site, he is taken to that product on the Amazon.com site just as he normally would. What the user doesn't see is that his every move is being tracked with the help of your affiliate code. After he enters the Amazon.com site from your affiliate link, a percentage of *anything* he purchases, whether it is the linked item or not, is put toward your affiliate earnings.

Amazon.com makes it very easy to set up links with your embedded code, and you can choose from general-category ads (e.g., "All import CDs 10% off!") to item specific displays (see Figure 11-3). With Amazon.com's performance fee structure, associates stand to earn as much as 4 to 6.5 percent on the sales of electronics, audio and video, and camera and photo items. This is above and beyond the standard 1 percent for "Easy Link" items (general category banner ads) and 2.5 percent for "Direct Link" purchases.

Figure 11-3.
An Amazon Associates link to *Podcast Solutions*.
(Hey, where's Dan's name?)

Family shows can have links to kid-friendly movie recommendations. Political shows can link to biographies and tell-all books. A great example of the use of the Amazon.com Associates program is the common practice of podcasters posting links to the audio equipment they use. Any podcaster doing a decent show will get e-mails asking what hardware and software she uses to record her podcasts. What a great way to display the equipment, maybe help a newbie out with some information and insight, and help pay for the show.

CD Baby

When it comes to music in podcasts, it's all indie. Since most podcasters doing music shows are almost exclusively playing independent artists on independent labels, they can't promote the music they play through affiliate links to Amazon.com's exhaustive catalogue of major label discs.

The good news is that many independent artists sell their CDs through CD Baby (www.cdbaby.com), who offers a wonderful affiliate program through which podcasters can promote and sell the music they play. Whenever Dan is putting together a new edition of

"Old Wave Radio," he checks to see if any of that week's artists have CDs listed with CD Baby (see Figure 11-4). If so, he makes sure their album is prominently displayed on that podcast's blog entry, complete with affiliate links. Why not? Everybody wins.

Figure 11-4. A posting from "Old Wave Radio" featuring several affiliate links to artists on CD Baby

CD Baby also offers rudimentary shopping cart functions and several ways to set up and style affiliate displays. Be aware that the site is not as professional-looking as Amazon.com; it's indie and it looks it.

LinkShare

Easily the mother of all online affiliate marketing companies, LinkShare (`www.linkshare.com`) manages affiliate programs with some of the biggest retailers in the country: Target, Netflix, KB Toys, Disney Direct, Apple, Delta Air, TimeLife.com, and Champion, just to name a few. LinkShare clearly offers something for everyone. Determining which participants are currently involved can be a bit confusing, and each participant requires separate

registration and approval. LinkShare is not one-stop-shopping to sign up for affiliates, but it's a great resource for finding major companies who offer affiliate programs that you never knew existed.

Understanding advertising and sponsorships

Clearly, one way you can capitalize on your podcast is the way most media does: through advertising and sponsorships. Since you are a podcaster with a podcast and a website, both of which get a lot of traffic, you are in the enviable position of having two potential revenue streams: selling time and selling space.

Before you can really get started acquiring advertisers, though, you need to know a bit about how advertising works money-wise and how ad rates are calculated. Then you'll need to find advertisers looking to market to your audience. To do this, either you can use a service that will bring the ads to you, or you can find your own.

How ad rates are set

Selling time is fairly straightforward: you determine how much your show is worth, based on how many listeners you have (or realistically expect to have) and how targeted your audience is in marketing terms.

Ads rates on web pages are slightly more complicated. Payment and charges for web ads are usually based on either **click-throughs** or **impressions**. A click-through is exactly what it sounds like: someone sees a linked ad on your side, clicks it, and you get paid. Payment for impressions is based on how many times the page with the ad is loaded in a given period of time. Think of it as a very accurate Neilson rating. The advertiser pays for exactly how many people see the ad.

Cost per click

In a **cost per click** (**CPC**) arrangement, the person hosting the ad (in this case, you) is paid only when someone clicks that link. Our theory is that CPC ads are most beneficial to the person placing the ad, not the person hosting the ad. The ad sits on the page and is exposed to every viewer of that page. Visitor after visitor sees the name of that product, service, company, or whatever. It's free advertising every time that page is loaded, except on those occasions when someone clicks the ad.

In what other ad medium is the advertiser charged only if the media people can prove that the ad actually grabbed viewers' attention and moved them to action? Radio stations get paid for their airtime whether or not the ads they air get listened to. The same is true for magazines, TV shows, you name it.

As you might imagine, CPC is an invention of the Internet age, dating back to the early days of online ad placement. Since so few people believed that advertising on the web would be worth paying for, the CPC structure was devised to prove to advertisers and their agencies that there was value in advertising on the Internet. But those days are over. We've long since proven that Internet advertising works.

CPC ads only really work for you if the ads are so targeted (e.g., a link to an affiliate program where you are literally choosing the products being sold) that they are almost guaranteed to be clicked. While CPC may not be ideal for a primary revenue source for your podcast, it is certainly something to consider on your site. Many people use Google AdSense, which is a CPC-based system that features targeted ads (see the "Having the ads come to you: Google AdSense" section).

The flip side of the CPC coin is that if and when *you* decide that you'd like to start advertising your podcast on other websites, the right CPC setup might be the perfect way to get a lot of exposure for your podcast at very little cost to you. Remember, you are not paying every time someone sees the name of your podcast or the URL; you are paying only if someone clicks that link.

Cost per thousand impressions

Having links on your site, particularly large graphic links, exposes visitors to your page to the message those links convey. That should be enough, and you should be compensated for it. In this way, you are being paid using a structure similar to that of any media outlet: you are compensated based on the size of the potential audience for the advertiser's message. Now, this is not to say that every **cost per thousand** (**CPM**; the "M" stands for the Roman numeral for "thousand") impressions arrangement is fair, but it looks inherently fairer than a CPC agreement.

CPM is how all ad rates are determined in the real world for print and electronic media. You will eventually (if you decide to go looking for sponsors and advertisers) need to determine your *podcast's* CPM and use that to calculate what you would charge for an advertisement on your podcast or to sponsor your podcast.

As traffic to your website increases, and the number of people downloading your shows rises, more and more advertisers and sponsors will be willing to pay to get their message in front of your audience. That much almost goes without saying. The challenge is finding those advertisers and sponsors.

Having the ads come to you: Google AdSense

When you're looking for something on the Internet, if you're anything like us, you probably go straight to Google (www.google.com). Through Google, you often can find everything you need on the web in little to no time at all. And, yes, Google can even find advertisers for you. Not only is Google the search engine of choice for many, but also they offer an easy-to-set-up and fairly unobtrusive system of including ads on your website. You choose between text and graphic ads, the ads' dimensions, and their placement on your site. Google gives you a code to cut and paste into the appropriate section of your site and uses that code to push fresh ads to your page whenever it is viewed. The ads displayed are chosen by Google's system, which scans the text of each page for keywords and then uses that information to determine which ads might work best for your site. For instance, if you mention Johnny Depp, The Ramones, and Australia in a blog post, the Google ads on that page might be for movie posters, MP3 downloads, and travel packages.

Google AdSense (www.google.com/adsense) income is based on CPC. Each time a page with Google AdSense ads is loaded, an invisible auction takes place behind the scenes to determine which ads will be the most profitable to display on that particular page. For this reason, Google does not pay publishers a fixed amount per click or impression. Revenue varies based on the actual CPC or CPM impression paid by the specific advertiser for each ad that ends up appearing on your site. Some ads have higher CPCs or CPMs than others; therefore, it is not possible to say precisely how much someone might earn for a given number of clicks or impressions.

Finding your own advertisers and sponsors

By now, you've figured it out: to be a successful podcaster, you need to be a radio host, an audio engineer, a blogger, and an advertising sales rep. Hey, nobody said this was going to be easy. To be clear, attracting and keeping potential advertisers and sponsors is *work*. You need to make sure that the revenue you are expecting to produce is in line with the amount of work you are going to put in. Interestingly, it takes as much time to attract a $500 sponsor as it does a $5,000 sponsor. Don't undersell your podcast's value. Luckily for all of us, when we go looking for sponsors and advertisers, we're at least selling a product we believe in: our podcast.

Advertisers vs. sponsors

It may seem like a fine line between someone being an advertiser on your podcast and a sponsor of your podcast. To split the hair, an **advertiser** is someone who gives you money to promote his or her products, goods, services, or what have you. In exchange for money (well, hopefully money), you spend a certain amount of time on your podcast or set aside a certain amount of space on your website to promote the advertiser's wares. A **sponsor** is a person, group, or organization that supports your podcast and/or website financially, in part or as a whole. In exchange, you are expected to tell everyone who is sponsoring you.

So, what's the big difference? Well, the difference definitely seems semantic at best. Typically, nonprofit ventures and public media outlets (e.g., PBS and NPR) have sponsors, whereas corporate endeavors like major TV networks and radio stations have advertisers (and lots of them). Since podcasting is still so young, and still adjusting to life with advertisers and sponsors, it is commonly expected that if you are accepting money from someone for "promotional consideration," it is in the form of sponsorship. Still, we are not naïve enough to think that podcasting will continue to grow and thrive forever without an influx of ad dollars. Therefore, we will continue talking about advertisers and sponsors and, for the sake of our convenience, not worry about which word we use.

Selling the category

At the time of this writing, one of the major stumbling blocks to selling a podcast show to potential sponsors is the fact that too many people still don't know anything about podcasting. It is astounding that so few people are aware of this movement, though this is also

changing at a pace that is astonishing to all. Before anyone is going to buy your podcast, they have to understand what podcasting is. That is why it is so important for all podcasters to get out of the podcast community every once in a while and into the greater community to start spreading the news. Until more people know what podcasting is and how it can be used for marketing, we will only be selling the category, not the individual shows.

The great thing about podcasting, and the thing that puts it head and shoulders above most other media out there today in terms of reaching an audience, is that the audience pays attention to the *entire program*. Most podcast listeners will tell you that they start a podcast, they listen to a podcast, and then they listen to another podcast. Since there is no expectation of long, horrible ads, and no expectation that some part of the program won't suit their tastes, they listen intently to each podcast in its entirety. This is the great advantage of the audience getting exactly what they want, when they want it.

You could go to an advertiser right now and say, "Listen, I can get your new sales message into the ears of three thousand people by Tuesday," and actually do it.

Understanding your audience

Go back to the survey of your audience, and your endless checking and rechecking of your download statistics. You know how big your audience is, give or take. You know who your listeners are—perhaps not as individuals, but as a group. That is a group to market to. Recognize that and offer it up to those who are dying to reach that particular market.

From that bit of market information, ask yourself, "Who is most likely to benefit from reaching my audience?" Computer sales websites? Sport drink manufacturers? DVD rental companies? In the case of today's on-demand culture, and by virtue of the nature of podcasting, the more narrowly defined your audience is, the easier it will be to attract advertisers desperate to reach that audience.

Creating a sales kit

You'll need to put together a **sales kit**, which is a collection of information that tells about you, your show, your audience, and why it would be a great opportunity for advertisers to get involved in your podcast. Tim Bourquin of the "Podcast Brothers" put together a superb sales/media kit for his "Endurance Radio" podcast. He made sure it looked great, sounded professional, and included Arbitron information (Arbitron is the company that handles quantifying the ratings of radio stations), listener stats, and contact information. He was selling not only airtime on his podcast, but also the banner at the top of every page of the Endurance Radio website. He prepared mock-ups of the site for prospective clients, showing them what it would look like if their ads appeared on his site.

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> *Tim was gracious enough to make his sales kit available to download for reference and inspiration at* www.enduranceradio.com/EnduranceRadioMediaKit.pdf.

Then Tim started pounding the pavement with his sales kit. Much to his surprise, he wasn't getting any offers. His media kit looked great, he had the sales pitch down, and his ad rates were affordable, but still no one was interested. Eventually he realized his ad rates were too low, and they were working against him. According to Tim, "Big companies just don't write checks that small, especially for advertising buys." So he adjusted his rates and approach. Rather than selling multiple ads at $250 apiece to various advertisers to appear on the shows, he bundled the whole package and sought a sole advertiser/sponsor for monthlong periods (see Figure 11-5). He set the rate at $4,000 per month and landed Gatorade as the sole sponsor of "Endurance Radio" for several months.

Figure 11-5. The ad rates page from the "Endurance Radio" media kit

Joining a podcasting association

For smaller advertisers, spending a couple hundred dollars to sponsor a podcast may be a big deal, but the real money is going to be found with big companies—companies so big, in fact, that they may simply dismiss your podcast because you couldn't possibly offer them the audience size they'd need to make it worth their while.

This is why several groups and associations have sprung up where podcasters band together to provide a larger audience to advertisers and potential sponsors. There's power in numbers. Dan's own Jacket Media (`www.jacketmedia.com`) is such an association. Starting with a handful of top-rated shows, and hoping to expand to literally thousands of participating podcasts, Dan is approaching advertising executives and media buyers in major markets around the United States, offering podcasting as the ultimate "alternative media" (apparently that is a big buzzword with ad people these days). The promise of podcasting is clear: tell us who you want to reach, and how many of those people, and we can get your message directly to them in a matter of days. Well, even hours. Whether the advertisers need 10,000 sci-fi geeks or 20,000 music lovers, podcasting associations can deliver them almost instantly.

Developing advertising and promotion policies

A podcaster's most important currency is the trust of her audience. Once you start accepting money for advertising or sponsorship, you need to deal with the reality that some listeners may view your credibility with a little more suspicion. Are you talking about how much you love that computer program you are using because you genuinely like it, or is it because the maker happens to sponsor your show? Of course, you are an honest person who would never sell out—never! As such, it is a good idea to develop a policy regarding these issues. One approach is to segregate paid announcements and disclose them as such, both in your podcast audio and on your website. How you choose to develop your advertising and promotion policies is entirely up to you, but you should address these issues well in advance of signing on advertisers and sponsors.

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A good example of an advertising and promotion policy is the one we developed for "Grape Radio" (`www.graperadio.com`). At "Grape Radio," we often get wine producers and vendors who offer to send us samples of their wine. While we're happy to accept these samples, we decided it was important to develop a written policy that disclosed our "sample wine policy." When vendors offer to send samples, we forward the following disclosure to them:

*"**Sample Wine Policy***

Grape Radio does not solicit samples of wine-related products. Should a vendor decide to send samples, Grape Radio's acceptance of such samples does not imply an evaluation will be conducted. In addition, should Grape Radio decide to evaluate a sample, vendors are advised that Grape Radio does not warrant such reviews will be made public, nor that such reviews will be positive."

We post this policy in the "About Grape Radio" section, so that anyone—including our listeners—can read it. As a point of interest, we have had some vendors who ended up not sending us a sample after receiving our notice.

— Michael Geoghegan

Becoming a podcast producer for hire

Unlike you, not everyone is willing to plow through a 200+-page book about RSS, RMS, and XML to get the word out. They may want to put a podcast together but lack the time, skill, patience, and/or wherewithal to do so. That is where you come in. Once you've established your own show, you may be presented with the opportunity to produce other people's podcasts, your show being the ultimate proof of your podcasting savvy. This may be a great way for you to earn some money without the sweat and heartache involved in looking for sponsors and designing t-shirts.

If you have the knowledge and expertise to put a podcast together for yourself, you surely could be doing it for others as well. At the time of this writing, the most prominent (and possibly the most lucrative) podcaster-for-hire experience was had by our own Michael Geoghegan. Michael was hired by Disneyland in Anaheim, California, to podcast its entire 50th Anniversary celebration, complete with behind-the-scenes "sound-seeing tours" and celebrity red-carpet interviews.

You should approach projects such as this with your eyes wide open. Large companies are not used to dealing with small operations; as a result, if you are interested in pursuing corporate podcast hosting and production, we suggest aligning with a public relations (PR) agency or company. That way, the PR company can offer your services to their current clients. They will also be able to better deal with the complications of negotiating with and getting paid by larger companies.

The Disneyland podcasts Michael produced turned out to be a podcaster's dream (see Figure 11-6). The vice president in charge of the event certainly understood where podcasting fit into the coverage of Disneyland's 50th Anniversary celebration and gave Michael exclusive access to interviews with celebrities, Disney executives, park guests, and others who help to make Disneyland such a special place. This experience was a highlight of Michael's podcasting career so far. You can find the Disneyland podcasts at www.disneyland.com/podcast.

Figure 11-6. Michael getting ready to do celebrity interviews on the "gold carpet" for Disneyland's 50th Anniversary celebration. Over his shoulder is Greg Cangialosi, who was helping out with the podcast.

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Not all corporate podcast hosting experiences may be as positive as Michael's was with Disneyland, however. Some companies may be interested in just getting in on the "newest" or "hottest" thing. We know of other podcasts where the client companies would not post the podcast prior to a review of a transcript and in some cases demanded postproduction edits. This is big-league stuff. No one is fooling around at this level. When money and corporate reputations are involved, the sensibilities of the podcaster are not the primary concern. Make sure you are clear well ahead of time on exactly what is expected regarding content, timeline, review process (if any), and music rights issues.

If you can balance producing an exciting and entertaining podcast with fulfilling the needs of your client company, you've got yourself a business. Think about how valuable this type of production is to the company hiring you. To have countless customers and potential customers listening to 20, 30, or even 45 minutes or more of content specific to the company or its products and services is an advertiser's or publicity person's dream.

Let's do some math. What do you think it would be worth to Ford Motor Company to have a podcast available of a recent Mustang promotion event where celebrities and professional racecar drivers were invited to drive the newest Mustang GT on a racetrack? Let's say that in addition to inviting traditional media outlets, Ford also hires a podcaster to produce a podcast based on the event. Just imagine the audio the podcaster could get. In-car audio of the cars going around the track and the sounds of screeching tires as cars accelerate away. Interviews with celebrities the listeners would identify with describing how much they enjoyed driving the cars, all the while speaking with the excitement of someone who just experienced something that got his adrenaline flowing. Professional racecar drivers talking about the handling characteristics of the car on the track and how that would carry over to street performance. Perhaps interviews with a person who helped design the car describing the design decisions made and an engineer discussing some of the innovative technology behind the performance increases. Anyone from Ford listening? We think we may be onto something here.

Now here is the kicker: unlike with TV or radio, there is no requirement to get all this information conveyed as quick sound bites to fit before the next segment. The podcast could be 45 minutes long if there were enough material and quality content (though this often has more to do with the skill, planning, and execution of the podcaster than anything else). Most important, unlike a two-minute spot on the evening news seen by everyone, including people who could care less about performance cars, who do you think is going to subscribe to and download this podcast? Obviously, the people Ford would be most interested in: Mustang fans and potential customers who can listen to it over and over if they like.

Now back to the math. What is it worth to a car manufacturer such as Ford to have 50,000 potential customers who by choice listen to 45 minutes of podcast audio like this? We leave that question to you, as we're sure you get the point.

Using the Ford Motor Company example, you'd think every company would be getting involved in podcasting and producing great audio content. The reality is, though, that most of the corporate-backed podcasts available today are, for lack of a better term, terrible. Why? Because they are produced by ad agencies and PR people who try to turn the podcast into a 45-minute ad that the company will like rather than something listeners will enjoy and share with their friends. Listeners can hear the inauthenticity from a mile away and instantly get turned off by it. This might change over time, but most companies have the wrong people helping them try to attract a podcasting audience—they just don't get it yet (but you always hear that, don't you?). A perfect example is some of the earliest corporate attempts at podcasting, which were podcasts of audio from "visual" events. We remember one of the first that got some hype, where in the first few minutes of the podcast, a new product was unveiled. The hosts kept referring to how beautiful the item was and asking the audience to "gaze upon it" while an executive read from a prepared speech—not very compelling listening.

Clearly, there are some great opportunities for aggressive, yet professional podcasters who can plan, produce, and execute compelling content that listeners will enjoy and corporate clients will appreciate. Approached correctly, corporate podcasting may prove to be a profitable addition to your podcast production abilities.

Moving beyond podcasting

We're just beginning to see some of the more entrepreneurial people involved in podcasting put together companies based on products and services inspired by or at least related to podcasting. For example, some new companies are trying to syndicate audio advertisements in podcasts or are attempting to create podcasting associates (e.g., Dan's Jacket Media). Podcast networks are forming, and people are trying to figure out ways to make the sale of podsafe music more efficient for the bands involved. Then there are more specialized uses of the underlying technology, such as Michael's newest venture, PrivaCast (www.privacast.com), which is an enterprise-level solution for secure corporate and educational communications among organizations and their employees or constituents.

The bottom line is that new businesses as well as a new media segment are emerging. It's an exciting time to be involved in podcasting. If you get bitten by the podcasting bug, you'll find a way to make your passion your business.

Summary

If you are interested in monetizing your podcast, the key is to consider it all: t-shirts, magnets, trucker hats, advertisers, sponsors, click-throughs, and affiliate programs. But again, we have to stress that you start with your podcast and your audience, and let them dictate how you approach making money with your podcast. Keep trying and revamping your strategy until you find the combination of advertising and merchandising that's right for you and your show. It could be that you're better off just asking for a monthly donation and leaving well enough alone. Or you may end up with a huge online superstore. You never know.

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