

A black and white photograph of a workspace. In the top left, a portion of a laptop keyboard and trackpad is visible. To the right, a white cup of coffee sits on a saucer. In the center, a smartphone is lying on a dark, textured surface, displaying a podcast player interface with a play button and the word 'PODCAST'. A pair of white earbuds is connected to the phone. A thick red vertical bar is on the left side of the image.

WORKING-GROUP-REPORT

Felicitas Willenberg, LL.M.

23.03.2021

AGENDA

1. Members and desired outcome
2. Podcast market and business models
3. Overview topics discussed in the working group
4. Current licensing practice



MEMBERS AND DESIRED OUTCOME

DESIRED OUTCOME

- **Desired outcome**

The MRD and MTC proposed to create the working group in order to reach a **common understanding of the market and common definition**, in order to avoid contradicting licensing approaches.

- **Expectations of the participants**

- Different approaches on licensing
- Main trends of the podcast economy
- Better understanding for the podcast market
- References for price points and fee structure
- Need for a dedicated tariff?

MEMBERS

Formation CISAC MTC/BIEM MRD meetings in October 2019

| | |
|-----------------------|---------------|
| SAMER Siegfried | AKM |
| KITZINGER David | ARTISJUS |
| LAAN Michiel | Buma-Stemra |
| MEIER Gerie | Buma-Stemra |
| DE SA BARROS Eleonora | CISAC |
| DMITRIEVA-TOUMI Anna | CISAC |
| MARGERARD Laure | CISAC |
| PIAT Sylvain | CISAC |
| WILLENBERG Felicitas | GEMA |
| MELCHIOR Karl Amiri | KODA |
| BANGS Ian | PRS FOR MUSIC |
| EDWARDS Nick | PRS FOR MUSIC |
| HENRY Charlie | PRS FOR MUSIC |
| DE SMET Sam | Sabam |
| DUMON Julien | SACEM |
| BIANCHIN Laure | Scam |
| COCHET Stéphane | Scam |
| WOLF Alexander | SESAC |
| WHEELER Kit | SOCAN |
| KAARTO Markus | TEOSTO |



PODCAST MARKET AND BUSINESS MODELS

PODCAST MARKET

- Fastest growing medium on the internet
 - listener numbers increase in all regions worldwide
- Developed out of the radio industry
- Today: completely different market participants (from podcasters to streaming platforms)
 - Spotify, Apple, Amazon (Audible), etc. enter the market and produce own podcasts
- Distribution via RSS-feed
- No uniform standards for the evaluation of statistics
- Most podcasts are still **free** of charge
- **Low monetisation** opportunities in Europe
 - Improvement of the monetisation by increasing use of advertising and further growth expected
- All kinds of content with varying playing times
- Today: mainly **streaming** - download still possible → distinction for podcaster hardly possible

BUSINESS MODEL

Overview

Free of charge
(no advertising)

Advertising-financed

Subscription-financed

Download / fees per
podcast

Crowdfunded /
Sponsored

Description

- **Fee-financed** by the public service broadcasting corporations
- “**Just for fun**” or for **ideological or similar reasons** for free
- **Financing by advertising**
- Types: before / during the podcast (pre-roll, mid-roll)
- Indirect brand / customer loyalty
- Distinction between **subscription of individual podcast series** or inclusion in a **wide-spread subscription**
- N/A
- Financing of the podcast by **crowdfunding** or **sponsors**

Examples

- Podcasts of broadcasting corporations
- Private podcasts
- Particularly via platforms such as **Spotify, Google, FB, iTunes**
→ listener data
→ often exclusive original productions
- Audible (original podcasts for audible subscribers)
- Mixed offer: Partially advertising-financed, partially subscription-financed
- N/A
- E.g. information on museum visits / theatre performances
→ Idea: Art accessible for everybody



OVERVIEW TOPICS DISCUSSED

FIRST SURVEY

▪ National podcast market

- Monetisation / monetisation possibilities → Hardly any data available
- Advertising → Hardly any data available
- 3 biggest podcasts in each country

▪ Definition of podcast

- Audio files only
- No opportunity to select single track
- RSS-feed is no criteria
- Total playing time: 20 – 60 minutes / music of minor importance

▪ Licensing practice

- Most CMOs license podcasts and have tariffs in place → different approaches
- Usage reports are requested → different approaches

TOPICS DISCUSSED ON THE BASIS OF THE FIRST SURVEY

- **Licensee?**
 - Creator vs. platform vs. hoster?
 - Communication to the public?
 - Information – who has all the needed information?
 - Advertising – who gets the money?

- **Rights used?**

- **Reporting – user friendly but musicwork-accurate**

- **Original/exclusive content vs. non-exclusive content**



CURRENT LICENSING PRACTICE

CURRENT LICENSING PRACTICE

- no published tariff until 2020

- **definition of podcast:**

Audio file that is published regularly in episodes of a series and made available to the public either via a web feed (RSS feed) and/or exclusively via certain specific services.

Spoken word has to be in the foreground.

- no distinction between download and streaming

- **licensee:** podcast producers or uploaders

- reason:

- distribution of podcasts differs considerably from other online media, especially via RSS feeds
 - responsibility of the platform can rarely be established

CURRENT LICENSING PRACTICE

- **Two case groups:**

- **“minor uses”**

- **up to 50,000** streams/downloads per podcast/per month
 - package structure for licensing via the existing online licensing shop
 - flat-rate minimum fee is linked to the number of streams/downloads and music minutes
 - no standard royalty fee → economic efficiency of licensing these minor uses

- **“more extensive uses”**

- **more than 50,000** streams/downloads per podcast/per month
 - monetisation, advertising income to the relevant extent is possible
 - standard royalty fee: $\text{Income (net)} * 15 \% * \text{music share of the podcast}$
 - greater of calculation between standard royalty fee or the minimum royalty fee in the form of extended flat-rate packages

A grayscale background image showing a close-up of a laptop keyboard on the left and a smartphone on the right. The smartphone screen displays a podcast player interface with the word 'PODCAST' and various playback controls. A solid red vertical bar is positioned on the far left side of the slide.

THANK YOU!

Felicitas Willenberg, LL.M

Fon +49 89 48003- 317

E-Mail fwillenberg@gema.de