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 lan	PRS FOR MUSIC
BANGS lan EDWARDS Nick	PRS FOR MUSIC PRS FOR MUSIC
EDWARDS Nick	PRS FOR MUSIC
EDWARDS Nick HENRY Charlie	PRS FOR MUSIC PRS FOR MUSIC
EDWARDS Nick HENRY Charlie DE SMET Sam	PRS FOR MUSIC PRS FOR MUSIC Sabam
EDWARDS Nick HENRY Charlie DE SMET Sam DUMON Julien	PRS FOR MUSIC PRS FOR MUSIC Sabam SACEM
EDWARDS Nick HENRY Charlie DE SMET Sam DUMON Julien BIANCHIN Laure	PRS FOR MUSIC PRS FOR MUSIC Sabam SACEM Scam
EDWARDS Nick HENRY Charlie DE SMET Sam DUMON Julien BIANCHIN Laure COCHET Stéphane	PRS FOR MUSIC PRS FOR MUSIC Sabam SACEM Scam Scam

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PODCAST MARKET AND BUSINESS MODELS

PODCAST MARKET

Fastest growing medium on the internet

 \rightarrow listener numbers increase in all regions worldwide

- Developed out of the radio industry
- Today: completely different market participants (from podcasters to streaming platforms)

 \rightarrow 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

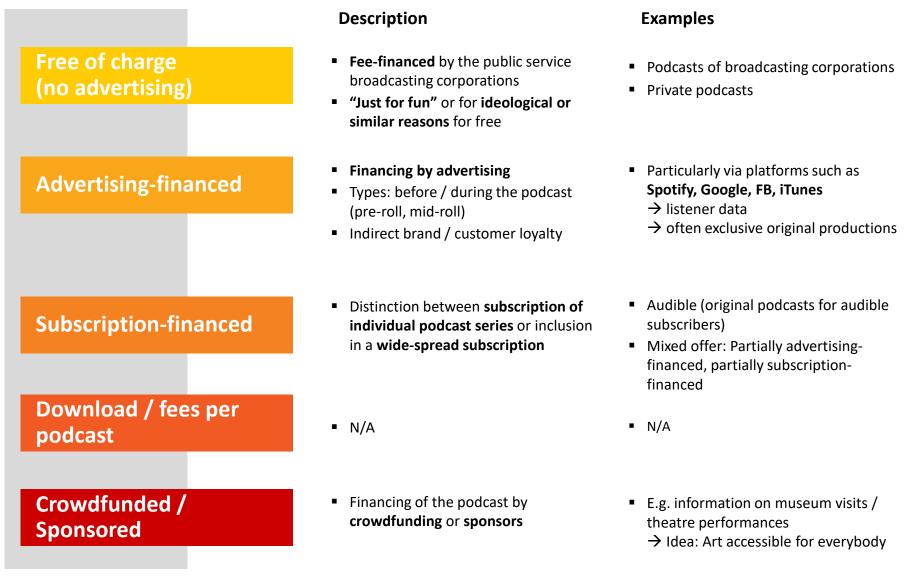
 \rightarrow Improvement of the monetisation by increasing use of advertising and further growth expected

All kinds of content with varying playing times

■ Today: mainly **streaming** - download still possible → distinction for podcaster hardly possible March 2021

BUSINESS MODEL

Overview



OVERVIEW TOPICS DISCUSSED

FIRST SURVEY

National podcast market

- Monetisation / monetisation possibilities \rightarrow Hardly any data available
- Advertising \rightarrow 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 \rightarrow different approaches
 - Usage reports are requested \rightarrow 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 \rightarrow 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: Income (net) * 15 % * 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

THANK YOU!

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