



PRS for Music

Digital Music Licence for Business Summary of consultation responses

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Introduction

On 6th September, PRS for Music launched a 4-week consultation proposing a new digital scheme to specifically license businesses wanting to use music online. The licence is also available to charities and government organisations. We contacted customers, members and trade bodies for feedback on the proposed new digital licence which has been created specifically for this sector. The consultation was undertaken in accordance with our Code of Conduct, which states that we will consult relevant parties whenever significant changes or new licences are proposed.

As part of the consultation, we accepted responses via email to the consultation inbox or by a web form through the dedicated digital music licence for business consultation section on our website, which also hosted all relevant consultation materials and documentation.

The consultation resulted in a total of 23 responses made up of PRS members (7) and (16) customers licensed under our limited online music licence (LOML). In advance of the consultation, we contacted representatives from the Federation of Small Businesses (FSB) who agreed to feature the consultation within their monthly newsletter inviting their membership of over 150,000 to participate in the consultation.

The sections of this document follow the questions asked in the consultation for customers. In each section we have gathered the responses received and summarised them. For the responses that didn't follow our prescribed response format, we have allocated them to the appropriate sections. Each summary is followed by our response and proposed way forward. The questions asked were designed to highlight the main changes proposed.

To what extent do you agree that the creation of this new licence will provide reassurance to customers that this is the correct licence for them?

Currently, customers are licensed under our Limited Online Music Licence (LOML) scheme which has been in place for over 15 years. Feedback from a survey we ran earlier in the year stated that only 50% of customers were confident that they had purchased the correct licence for their needs and that they would like a more tailored licensing solution to better reflect those needs. We took the decision to update the LOML by creating a new Digital Music Licence for Business in its place. This new licence has been designed to streamline the purchasing process, with the aim to help them feel more confident in which licence is best for them.

Consultation response:

Over half of the participants who responded either strongly agreed or agreed that the new licence will provide reassurance to them.

Our Response:

We believe that creating this new dedicated licence for businesses will provide customers with the confidence that they now have the correct licence which will cover them for their music use.

To what extent do you agree that the proposed licence covers all music uses customers would require?

Under the Limited Online Music Licence (LOML) customers were required to select from a rate card of 11 options, the type of music usage which applies to their organisation or service. Analysis of this data showed that webcasting (or streaming) was the most popular, followed by streaming 'general entertainment' content. We have therefore carried over these types of usages to the new Digital Music Licence for Business, with new licences being created and simplified for other categories and licensable activities.

Consultation response:

The majority of customers overwhelmingly agreed that this licence will cover them for all their music usages.

Our response:

Based on historical data and the responses provided in this consultation we are satisfied that this licence covers adequate use for this customer base.

To what extent do you agree that the charging metric i.e., an annual fee, is the most appropriate way to charge this customer base?

To license a broad range of businesses across a selection of music uses we believe that an annual licence fee is the most simple and effective way of charging.

Consultation response:

The majority of customers (75%) agreed that an annual fee is the most appropriate way to charge this customer base.

Our response:

Based on the feedback received from the consultation, no changes will be made to the proposal. We will license customers using an annual fee made up of blocks of £173 (+VAT), to cater for multiple or extended music usage with an annual inflation adjustment mechanism applied.

The proposal is, to set the licence fee based on the most popular band from the previous two years, in order to provide the best value and adequate consumption to customers. To what extent are you satisfied with this proposal?

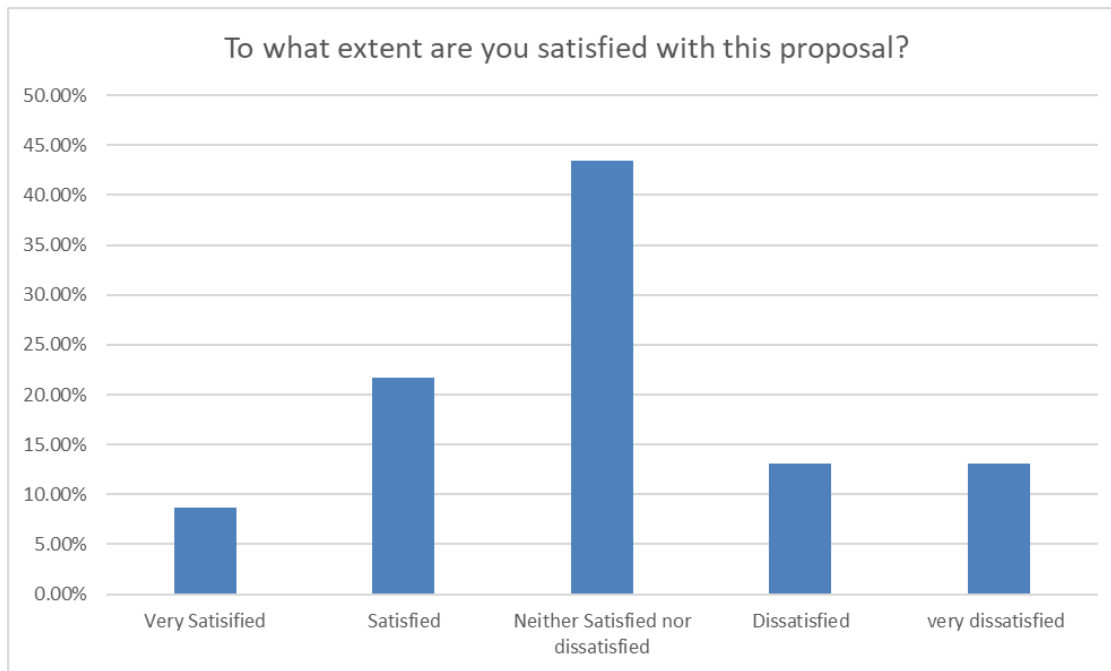
Customer data from the most recent full 2-year period showed that over 70% of customers were selecting 'Band A' for their licence fee. Therefore, we took the decision to set the blocks of music usage at £173.

Consultation Response:

Those participating in the consultation didn't object to the licence fee starting from £173 and being sold in further blocks for multiple or extended usage. Only a quarter of the respondents were either dissatisfied or very dissatisfied with the proposal

Our Response:

Based on the feedback received we won't be making any changes to the proposed licence.



What are your thoughts on the proposed licensing scheme?

This question gave customers the opportunity to feedback on the proposed scheme as a whole via a free text field on the response form.

Consultation response:

The majority of respondents were satisfied with the proposal and replied with short answers, such as 'seems fine' and 'sounds like a good plan overall'. One respondent asked for some clarification around the allowance for proration of the licence fee, with another suggesting we add a licence or charge specifically for one off digital events.

Our response:

To provide some clarity around proration, this licence can be prorated for short term or temporary use enabling customers who don't require a licence for the full 12-month period to access the benefits of our members music, subject to a minimum fee. As the participants are largely in favour of the new proposed licence with no objections to any part of the scheme, we will look to launch the new Digital Music Licence for Business as proposed at the beginning of 2024.

Next Steps

We intend to introduce the Digital Music Licence for Business at the beginning of 2024. We will notify all affected PRS for Music customers one month in advance of the launch date per our [Code of Conduct](#). The existing Limited Online Music Licence (LOML) licence will remain in place until such time. Customers are only required to take action once their existing licence expires.

We would like to thank all those who have responded to our consultation for our proposed Digital Music Licence for Business.



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