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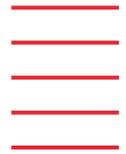
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# ONLINE LIVE CONCERTS

## Call for Views Summary

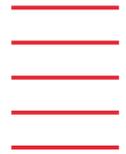
6 May 2021





# Online Live Concerts – Introduction

- *PRS for Music* has an obligation to ensure its members' and sister societies' works are appropriately licensed, securing fair remuneration when their works are used.
- While online live concerts, in their various shapes and sizes, are not new, the enforced closure of live music venues and festivals since March 2020 has massively accelerated their growth over a very short period of time.
- Over the last 12 months, *PRS for Music* has been in dialogue with producers, artist representatives and our sister societies to understand how the market is developing and the rights being used.
- In January *PRS for Music* launched a licensing scheme for small events, with the focus on a significantly simplified process for obtaining a licence. Following feedback from members, we extended the scheme to offer, for the first time, a bespoke discretionary licence for members performing their own works (where they control all the rights).
- Over recent weeks *PRS for Music* has intensified consultation with members, their representatives and customers. Roundtables were held with key stakeholders (including online producers, physical live event organisers, and members and their representatives). At the same time an online 'call for views' was launched to collect feedback from members and others from across the industry.
- This document summarises the market feedback received from both listening exercises.



# Online Live Concerts – Executive Summary

- Online live concerts as a proposition are in their infancy and during COVID-19 have for some been a vital income source to those engaged in the live industry and a key promotional tool in lieu of in-person appearances.
- Respondents acknowledged the need for a discounted royalty rate while COVID-19 materially impacts the live industry.
- Members performing their own compositions which they control would like to not pay for a *PRS for Music* licence.
- *PRS for Music's* current definition of a small event (generating under £500) is too low, at least by half, and the 24 hour duration of the *PRS for Music* licence is too short (72 hours access is becoming common).
- Grassroots artists and venues would prefer dedicated licence terms.
- Writers and publishers of works with long durations highlighted a need to accommodate work duration in the licence structure.
- Outside of the larger events staged by professional producers, retrospective licences would have unlikely to have been budgeted for.
- Given their different business models, bespoke terms should apply to classical and theatre events.
- Members appreciate *PRS for Music's* role in protecting the value of compositions and highlighted general concerns around the level of royalties received from digital streaming services.

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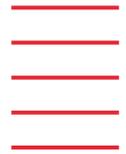
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# **ONLINE LIVE CONCERTS**

Summary of Call for Views



# Online Live Concerts – Call for Views – Summary

- Over a four-week period, *PRS for Music* sought feedback from members, artists, venues, promoters and other industry stakeholders, with participants providing both quantitative and qualitative responses.
- Alongside an email invitation to 118,000 members, it was promoted on the *PRS for Music* website and on social media channels.
- 1,831 responses were received. The overwhelming majority of respondents were normally involved in the physical live industry and over half had held, or were intending to hold, an online live event.
- Of the 1,453 PRS or MCPS members who responded, 790 (54%) had works they had written performed by someone else in an online concert.

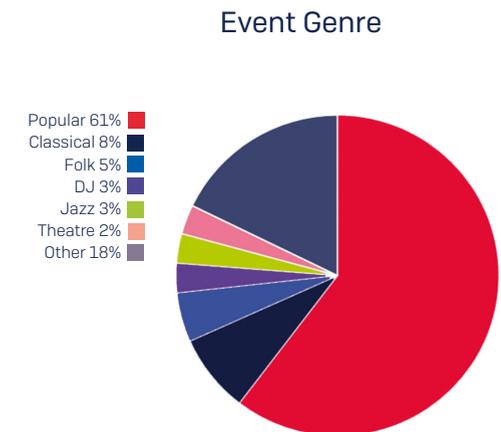
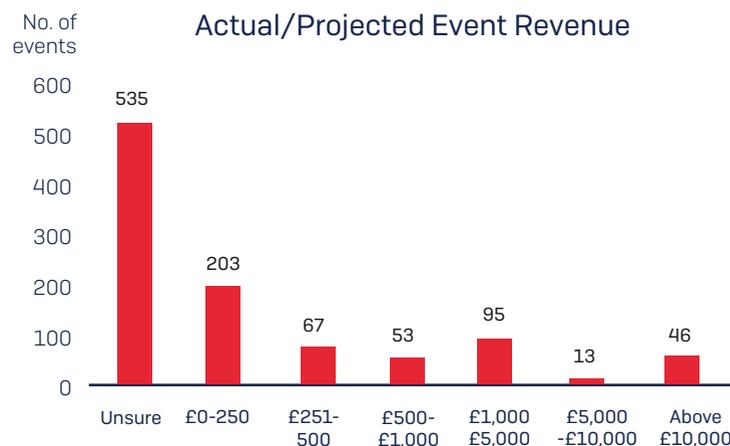
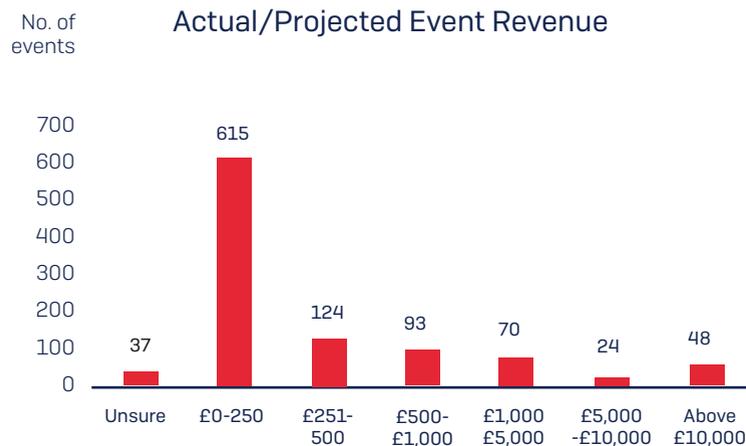
Responder	Total Responses
PRS or MCPS Member	1,453
Venue	135
Artist (Non-Member)	71
Promoter	70
Other Industry Organisation	52
Member representative	50
<b>Total</b>	<b>1,831</b>

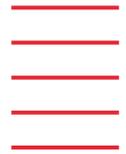
Staged, or performed at, physical events Pre-COVID-19	As %
1,252	86%
135	100%
63	89%
63	90%
31	60%
49	98%
<b>1,593</b>	<b>87%</b>

Have or will hold online events	As %
742	51%
100	74%
46	65%
55	79%
33	63%
36	72%
<b>1,012</b>	<b>55%</b>

# Online Live Concerts – Call for Views – Summary

- Respondents were asked to provide examples of events they had staged or were intending to stage. The responses showed:
  - 73% are/were generating under £500 in revenue and under 5% generated over more than £10,000. For context, circa 22% of physical popular concerts and 8% of classical concerts generate above £10,000 in box office receipts.
  - As the market settles, costs are inconsistent between events or hard to predict, with equipment costs cited as the most common form of expenditure, followed by creation of spaces to stage events, venue hire and stage/support personnel.
  - Popular concerts form the majority of events, with classical and folk the next most popular categories cited by respondents.





# Online Live Concerts – Call for Views – Summary

- Two thirds of events staged, or planned, were on major online video platforms and new dedicated online concert platforms emerging throughout the year

Platform	Volume
Major Online Platform e.g. YouTube, Facebook, Instagram	648
Video Platform e.g. Zoom, Microsoft Teams	114
Dedicated Online Live Concert Platform	81
Artist's own website	37
Other	132

- Monetisation of online concerts is broadly split between non-ticketed [36%], ticketed [30%] and charitable donation [29%]

How was or will, your concert be made available?	Volume
Non-ticketed	361
Ticketed	306
Charitable donation - voluntary	283
Charitable donation - mandatory	12
Other payment method	50

# Online Live Concerts – Call for Views – Summary

- Fan engagement and promotion are the key reasons for staging an online event

Platform	Volume
Maintaining relationship with fans	348
Promotion of new/existing material	215
Generate income	160
Charitable purposes	90
Other/All or mix of the above	199

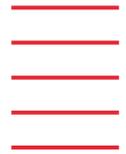
- The majority of events staged, or intending to be staged, will be made separately available after the initial event stream

Able to View Again	As %
Yes - For free	570
Yes - By purchasing a ticket/donation	193
No	55
Unsure	194

	For up to 24 hours	For between 24-72 hours	For longer than 72 hours
	15	30	525
	14	40	131
	4%	10%	86%

- 63% of respondents intend to continue to host online events after the live sector has fully reopened and 67% of those events are likely to be online streams of physical concerts (as opposed to standalone online events)

Events post reopening?	Volume	Online only	Mix of Online and Physical	For longer than 72 hours
Yes	642	201	435	6
No	336			
Unsure	34			



# Online Live Concerts – Call for Views – Summary

- Respondents were asked to highlight specific issues they felt should be considered when licensing an online live concert.
- 80% of respondents provided comments and the key themes were:

Commentary	% of Responses
Keep the licence operation simple / maintain easily understood licence metric e.g. % of ticket revenue, # views / ensure accurate distributions from setlist / global coverage needed in licence	16%
Online concerts are not profitable / composers and performers are struggling financially / <i>PRS for Music</i> should not seek to license online concerts	12%
Online concerts are not a substitute for the physical live experience / economics of online concerts is different to physical live / online concerts are mainly a promotional tool	11%
Artists performing their own songs shouldn't need to obtain a licence at all	11%
<i>PRS for Music</i> should license online concerts / <i>PRS for Music</i> is vital to protecting songwriter and publisher incomes	10%
In general, royalties from Online music use (audio streaming, user video sharing etc.) are not high enough	9%
Better guidance on licensing music online is needed / <i>PRS for Music</i> should support members in how best to stage and monetise online events	7%
Grassroots composers, performers and venues require dedicated licence terms / licence fees should be lower for grassroots organisations	7%
The applicable royalty for online concerts should be the tariffs used to license live public performance	6%
The threshold for the small event licence (£500) is too low / small fixed fees are appropriate for low revenue events providing the threshold is appropriate	6%
<i>PRS for Music</i> should consider separate terms for 'Non Popular' concerts and events (e.g. theatre, classical, jazz, traditional and folk music)	3%
The online platform or music venue should be responsible for paying for the licence not the artist	3%

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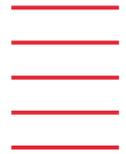
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# **ONLINE LIVE CONCERTS**

Summary of Roundtables



# Online Live Concerts – Roundtable Feedback (1/3)

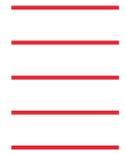
The following tables summarise the points raised across all of the roundtables, reflecting the views of the participants, categorised by the key themes of the discussions.

<b>Consultation</b>	<ul style="list-style-type: none"> <li>Parties were supportive of engagement with <i>PRS for Music</i> on the topic of the interim licensing approach.</li> <li>Parties would welcome a formal consultation on a permanent OLC licence structure in the future once physical live has fully restarted.</li> </ul>
<b>Market</b>	<ul style="list-style-type: none"> <li>Producers and artists are not making significant profit from live streams; most shows only just break even.</li> <li>Established bands are selling ~1,000 tickets at £12 a ticket and it doesn't leave significant amounts of money to cover costs.</li> <li>Streamed events are mainly about fan engagement rather than profit.</li> <li>Many artists are currently completely reliant on these performance for their income. They, plus their support groups, are struggling terribly.</li> <li>Most acts outside of the top 1% do not attract ticket sales at the same scale as a tour.</li> <li>There is a need to over-invest in events particularly where the exploitation is so new and producers are establishing a new mindset in consumers. So early in the development cycle, consumers are still sceptical about live streams as a format.</li> <li>Artists can only do major live streams once per album cycle without significantly reducing returns. As such, there are significant production/marketing costs incurred on every event.</li> </ul>
<b>Free events</b>	<ul style="list-style-type: none"> <li>Certain venues and artists are staging free events on licensed platforms because they can earn more profit via tips, merchandise sales and donations than they can through ticketed events where they would be responsible for royalty payments.</li> <li>Parties would like comfort that platforms staging free events are licensed appropriately to return value to songwriters and publishers in line with their paid event counterparts.</li> </ul>
<b>Retrospective application</b>	<ul style="list-style-type: none"> <li>Outside of the larger 2020 events, retrospective licences would have unlikely to have been budgeted for.</li> <li>For a small artist, the need to pay a retrospective licence fee when they have likely spent profits on surviving without live touring income would be problematic.</li> </ul>
<b>Technology integration</b>	<ul style="list-style-type: none"> <li>Platforms could explore integrating with <i>PRS for Music</i> systems to provide setlists and notifications of events.</li> <li>Integration with ticketing platforms could facilitate producers obtaining licences and complying with licence terms relating to revenue declarations.</li> </ul>

# Online Live Concerts – Roundtable Feedback (2/3)

The following tables summarise the points raised across all of the roundtables, reflecting the views of the participants, categorised by the key themes of the discussions.

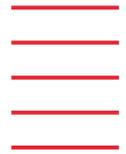
<b>Who should be responsible for the licence?</b>	<ul style="list-style-type: none"> <li>• Many artists are also the promoter and/or event producer in online concerts.</li> <li>• Platforms will need clarity going forward that events staged on their service have been licensed correctly.</li> <li>• Where venues have been privately rented to stream an event from, it would not be appropriate for the venue to be responsible for obtaining the streaming licence.</li> </ul>
<b>Territory</b>	<ul style="list-style-type: none"> <li>• Producers would prefer as broad a territorial scope as possible so as to obtain the largest audience for an event.</li> <li>• Should territory by territory licences be required per event, only the largest producers would be able to administer the accounting requirements for each different licence and visibility of where each ticket was sold may still be problematic.</li> <li>• Parties observed that there was not a common licence rate across the various global societies.</li> </ul>
<b>Royalty rate</b>	<ul style="list-style-type: none"> <li>• An interim rate and approach would be appropriate during the pandemic as once physical live is back, <i>PRS for Music</i> will be able to determine the real level of the Online Live market.</li> <li>• <i>PRS for Music</i> should align their development of an interim online concert rate with the existing public performance concert tariffs.</li> <li>• When thinking about the interim rate, <i>PRS for Music</i> should recognise the value of the visual element of a live stream vs an audio only music stream (referencing the different treatment of physical audio and audio-visual products).</li> <li>• Parties felt there should not be a different rate between events staged live and presented 'as live' as the licence should not penalise producers who wish to pre-record content to make the fan experience better.</li> </ul>
<b>Applicable revenue</b>	<ul style="list-style-type: none"> <li>• Parties would prefer the royalty is levied on events profits rather than gross revenue.</li> <li>• Where event tickets are part of bundles including merchandise it would be preferable to levy the royalty on the ticket value only unlike the public performance popular concerts tariff where the royalty is applied to the full bundle cost.</li> <li>• Licence terms should reflect where access to a free online concert is conditional on buying merchandise or physical product.</li> </ul>
<b>Grassroots / Small events</b>	<ul style="list-style-type: none"> <li>• The grassroots sector requires a different approach than the top 1% artist events.</li> <li>• The £500 threshold for small events and free licences is too low (at least by half) e.g. producers can generate £500 by selling only 40 tickets.</li> <li>• A review of proportion of a writer's own work they need to perform to qualify for a free licence would be desired.</li> <li>• Amateur producers and artists benefit from simplified licences. Many use services such as Facebook and/or YouTube as are wary of the requirements and cost of a licence if staging ticketed events.</li> </ul>



# Online Live Concerts – Roundtable Feedback (3/3)

The following tables summarise the points raised across all of the roundtables, reflecting the views of the participants, categorised by the key themes of the discussions.

<b>Rights package</b>	<ul style="list-style-type: none"><li>• Parties would appreciate the ability to make initial event streams available to watch again for a period of 3 to 30 days afterwards. Any charging approach that differentiates live viewing from on-demand viewing when bundled in one ticket may present too many technical challenges.</li><li>• Licence terms should not place restrictions on how soon pre-recording takes place before an 'as live' event.</li><li>• Parties recognised that events which are recasts of previously held events should be licensed at a separate rate to the original stream.</li></ul>
<b>Repertoire</b>	<ul style="list-style-type: none"><li>• All <i>PRS for Music</i> repertoire should be included in a licence. Requiring individual licences for subsets of repertoire within a single event would be a considerable administrative burden on the market.</li><li>• While parties recognised the need to license cover versions, many performers are performing their own material.</li><li>• Where publishers or territories are not part of an event licence it should be reflected in the headline rate.</li></ul>
<b>Classical concerts</b>	<ul style="list-style-type: none"><li>• Classical events need to be treated differently to pop events.</li><li>• Where orchestras and concert halls have obtained synchronisation licences alongside agreements with publishers to rent printed material, a deduction should be made from the mechanical element of the <i>PRS for Music</i> licence.</li><li>• <i>PRS for Music</i> should consider both a standard fixed rate and a variable rate (accounting for the inclusion of public domain repertoire in an event) as with the public performance classical tariff.</li></ul>
<b>Theatrical events</b>	<ul style="list-style-type: none"><li>• Theatrical events should be treated differently to pure music concerts.</li><li>• The rate for theatrical productions should reflect where events contain very little music.</li><li>• Offering extended 30 day access is a very popular model for theatres.</li></ul>



# Online Live Concerts – Roundtable Attendees

## Roundtable participants:

Aser Ventures

Association of British Orchestras

British Association of Concert Halls

Bullocks

Clintons

Communion Music

Concert Promoters Association

Crockford Management

DICS

Driift

Gang, Tyre...

H&T

Hit 'n Run

id3as

IE

Maria Forte Music Services Ltd

Live From Your Living Room

Live Now

Making Music

Mercury Studios

Michael Eaton

MPL

Music Room London

Music Venue Trust

National Arenas Association

On Genre

Russells

Simkins

Society of London Theatre/UK Theatre

Song Solutions

SongLily

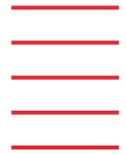
SRLV

Stabal

Turners Simms

Veeps

We are Hyperactive



# Online Live Concerts – Application of Feedback

You Said	We Did
Need a discounted royalty rate while COVID-19 materially impacts the live industry.	New interim headline royalty rate of 10% while material restrictions are impacting the live industry.
Artists performing their own compositions which they control should not be subject to the interim <i>PRS for Music</i> licence.	The cap on event revenues applying to members qualifying for the discretionary OLC licence has been removed.
<i>PRS for Music's</i> definition of a small event [generating under £500] is too low, at least by half, and the 24 hour duration of the <i>PRS for Music</i> licence is too short [72 hours access is becoming common].	Small events licences are now available for events generating up to £1,500 and the licence duration for every licence tier has been increased to 72 hours.
Grassroots artists and venues require simplicity and would prefer dedicated licence terms.	Three fixed price bands have been introduced for the webshop OLC licences and customers may choose between these bands or applying for a bespoke rate as appropriate to their circumstances.
Writers and publishers of works with long durations highlighted a need to accommodate work duration in the licence structure.	A minimum fee per song, per ticket has been introduced at 3p per 5 minutes of song, per ticket.
Outside of the larger events staged by professional producers, retrospective licences would have unlikely to have been budgeted for.	Events that took place in 2020 generating under £1,500 will not be licensed retrospectively.
Given their different business models, bespoke terms should apply to classical and theatre events.	<i>PRS for Music</i> are engaging with representatives from the classical and theatre industries to further explore their licence requirements before determining an interim licence structure.