



As our viewing habits change, let's take a look at how digital audiovisual services/video on demand (VOD) services are impacting the market. A combination of Subscription VOD, Transactional VOD, and Advertising VOD are the current models being licensed. SOCAN licenses each digital video on demand service in Canada. We analyze music cue sheets received for programs aired on SVOD (such as Netflix), TVOD (such as Pay Per View) and AVOD (such as AV Youtube.) These cue sheets provide detailed information on the music used in all digital audiovisual shows just like traditional broadcast AV. They're obtained from Canadian and international producers and distributors, international societies, members and, in some cases, the broadcasters themselves.

How SOCAN pays for Digital Audiovisual Performances:

In order to calculate the payment for each performance, SOCAN divides the money available for distribution by the number of performances logged. Payment per performance varies from distribution to distribution. The following variables influence payment each quarter:

- The type of VOD service
- The total number of streams
- The total licensing fees collected
- The number of works/cues identified and paid
- The type of music use - feature, theme or background
- The duration of each piece of music

A performance on one service may earn more or less than a performance on another service, and the same performance may earn more or less in different distribution periods. This is because payment is based on the licensing fees paid by each service and the total number of streams on the service. For example if a service releases many high profile shows in one quarter, and just a couple in the next quarter the result is increased overall streams in the first quarter. However, the per stream payment on the second quarter (lower streams) ends up higher because the subscription revenue remains stable.

You may also notice a differential between digital AV and traditional broadcast AV distributions. Consumption is a major factor. Traditional broadcast AV has limited airings per day and continues to draw massive revenue through advertising dollars, where digital AV has nearly unlimited capacity for consumption and revenue streams are still evolving and growing.

International digital AV distributions are unique in their own right. Not all societies globally are collecting on ALL digital AV services. SOCAN can only collect, via our reciprocal agreements, on services where the local society is collecting. As well, each society has its own unique distribution rules surrounding minimum stream thresholds that must be met to trigger a payment. Therefore, distributions could be withheld until a work hits the threshold. Key to this process is ensuring SOCAN is aware of your works being used, where they're being used, and on what services. Work with your publishers or, if self published, SOCAN member services to ensure accuracy in your collections.

What we need from you:

You can help by keeping us informed of any digital AV performances of your music and by ensuring, through communication with the producer, that cue sheets are submitted to SOCAN for those programs or films. Providing additional detail to members@socan.com on works being used in other territories will help ensure accuracy in international collections. For additional information on how to submit a cue sheet with an example please visit our Audiovisual Cue Sheet Submission webpage

If you have any questions please contact SOCAN at 1-866-SOCAN or email members@socan.com