



**Podcasting Comes to Hollywood
Interview with Alexia Bedat**

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KENNEALLY: Podcasting is big business. Last year, podcast advertising exceeded \$1 billion for the first time. By 2024, ad spend is expected to grow to \$4 billion annually. Major streaming and traditional media companies have already invested over \$2 billion in podcasting deals, raising comparisons with the heady early days of television.

Welcome to Velocity of Content. I'm Christopher Kenneally for CCC.

The digital gold rush has many podcasters giddy with dreams of making it big in Hollywood. But as book authors have discovered over a century of adaptations, the appetite for content in La-La Land is voracious, leading to business terms that require absolute control of intellectual property.

Attorney Alexia Bedat represents podcasters in IP negotiations with producers and media companies. She advises her clients to learn the lessons of Hollywood contracts and to seek deals that build on the unique strengths of podcasting. Alexia Bedat joins me from Lisbon, Portugal, with her thoughts on why and how the podcasting business can avoid becoming just like the film and television business. Welcome to the program, Alexia.

BEDAT: Thank you, Christopher. Great to be here.

KENNEALLY: Well, it's a fascinating subject. Podcasting is much on everyone's mind these days and in their ears. And I want to ask you about podcast creators and the lessons that you draw from the Hollywood experience. Do you think that there's a chance these podcast creators today can write a different set of rules for working with Hollywood than their literary predecessors have?

BEDAT: Not only is there a chance, but they very much are already doing it. If you compare the deals that are being struck by talent in film/TV with the deals that hosts and IP holders are striking in the podcast space, the structures of these deals are very different.

KENNEALLY: There are many ways that podcasting, of course, is different from the film and television business, but it is quintessentially a creator-first medium. That's something that you point out and really stress. And it's that relationship that podcasters have with their audiences that really makes it so compelling for listeners. Tell us why that point, the creator-first piece, is important to the negotiations that you conduct.



BEDAT: Compare popular TV shows with a popular podcast. If you think about a popular TV show – Friends, Sex and the City – I’m dating myself by my cultural references. But a lot of shows are built around a cast of beloved characters. And then contrast that with a podcast that is typically built and based around one person, which is the host. It’s one voice in the audience’s ear. It’s one person. And that primacy of the host, this creator-first medium, I think makes a very big difference in terms of the leverage in negotiations and makes for a very different dynamic at the negotiation table in the podcast and film and TV industries.

KENNEALLY: We’ve already seen that it matters financially, because the success of advertising as read by hosts has really made the point. That’s where ad revenue kind of taps into this host/audience relationship. So tell us about the ways that you see podcasters taking advantage of this and really helping to drive the negotiations in their direction – to their advantage.

BEDAT: There are a number of ways that the primacy of the host and the ad business are influencing the negotiation and impacting the leverage at the negotiating table. First, in the podcast industry, which is pretty rare, the host is directly involved in the monetization strategy, in the sense that the host is often reading themselves the ads – the host-read ads. Not always. You can have dynamically inserted prerecorded ads that are on different topics. But many would still describe host-read ads as the holy grail of advertising in the podcast business.

And that’s really interesting, because if you compare in the film and TV industry, while of course a network or a streamer is going to rely on their talent and is going to ask for certain promotional obligations in the contract – to promote, perhaps, on social, to participate in press conferences, to give a certain amount of interviews, to do a certain tour, to attend premieres – that’s different than actually relying on your talent to be the voice, the mechanism, for your monetization strategy.

So I think that makes an important difference. You want hosts that are incentivized. You want hosts that are happy and want to promote their show. Advertisers want to work with hosts that are happy, that are reading the ads with gusto, that have an established following. So there’s a real incentive in the podcast industry to have hosts that are really tied in.

And the other point of leverage that this brings is the ad-based industry is also based on the number of listens, right? So the more that a podcast episode is listened to, that impacts the revenue that’s generated. And a host that can come to the table and that can bring an established audience with them – whether that’s because of their preexisting platforms or



audiences that they've amassed through their previous work – if you know that you're going to be able to bring to the table a preexisting audience, that is going to affect the bottom line of the ad revenue that the company you're working with is going to get. So that adds – and everybody knows this. I'm not revealing any secrets. But that adds a different nuance in the leverage that takes place at the negotiating table that's not exactly there in the same way in the film and TV industry.

So I do think that the ad-based – we're just talking about ad-based distribution, and a lot of podcasts now are exploring subscription, and a lot of podcasts are behind paywalls. But when we're focusing on ad-based distribution, the role of the host and the inextricable relationship between the host and the ads, to the extent you're relying on host-read ads, makes a big difference.

KENNEALLY: It's almost legend in Hollywood the way that creators and authors kind of get cut out of the deals. But what I hear you saying here, Alexia, is that on both sides of the negotiations, people recognize that they have to be integral to these deals.

BEDAT: Absolutely. I wrote about this recently on a piece for Sounds Profitable, which is a great newsletter about the business of podcasting. There really is this general understanding, and I would say awareness, in the podcast industry that this is a medium where the production companies and the platforms typically that do well are the ones that are doing right by their talent. And the ones who don't, it comes out in the news. People talk about it.

There's really this sense that because it's this creator-first industry, because often a podcast is building on preexisting work, that the host has done preexisting research, they're bringing often some form of preexisting IP to the table, there's more of that sense and awareness and willingness, I think, within the industry to strike deals that are really thinking, OK, who needs to own the IP when? Who needs to be able to make decisions about the IP? Who benefits financially regardless of the IP? Does the split of the revenue necessarily follow the ownership of the IP? There's more of a willingness to slice and dice what I call sometimes the IP pie than there is in the film and TV industry, for sure.

KENNEALLY: Another way that podcasting is different from television and film is the role of the platform, such as Apple and Spotify. They act in a quite different way from, say, a network or a studio. Does this different distribution model allow for you and for the podcasters some greater flexibility in the kinds of deals you could put together?

BEDAT: It's a great question, and yes, it does make a difference. That allows me to add a caveat, which is there are practical reasons for why the film/TV industry – why those business models evolved the way they did. It's not coming from a place of Hollywood



wanting not to do right by talent. The budgets are different and the distribution mechanisms are different.

So going back to your point, the role of the platforms and how that's different, I do think it makes a difference. If you look at film/TV, traditionally there are multiple entities or players that are involved before a piece of content makes it out into the world. From the moment there's an idea to when the consumer actually watches the content, it's gone through deals with talent, it's gone through deals with the studio, it's gone through deals between the studio and the network, it's gone through deals between the network and the distributor, with the streamer. In the theatrical world, it's gone through deals between the production companies or the people who own the IP and the distributors, the sales agent, the theater. So there are a lot of hoops that the content goes through before it's released.

Why does that matter? If content has to go through many hoops and many steps before it gets released, it's very difficult to do that when you don't, as the initial party, have clear and unencumbered rights to the IP. Because the more other people who have rights to your IP and a say on what's done, the more difficult it is for you to enter into those successive transactions. So there is reason to why in Hollywood – and I use Hollywood to just mean the film/TV business generally – there is a reason even contractually as to why the first party who's making the deals needs these unencumbered rights.

If you contrast this to the podcast industry, with RSS feed wide distribution, the host or the podcast production company can literally themselves, through dropping the content in the feed, make the content available to the end user without any assignment of rights that's needed. You might need to abide by the platform's policies, but you don't need to assign any rights. You don't need to lose part of your IP to anyone. The real and main IP negotiation if you're distributing your podcast through wide RSS feed distribution is just that initial negotiation between the production company and the host.

So I believe that the fact that there are less successive transactions, there are less players involved in getting a piece of content into the world in podcasting than in film/TV, allows the people who are structuring those initial deals in podcasting to have more leverage and to slice and dice the IP more finely and differently. Because of course, the production company, whoever's funding the podcast, wants the ability to do more with the IP, but they have more freedom, perhaps, in negotiating that initial deal, because there are less hoops to jump through to get the content out there into the world. I think that makes a difference.

KENNEALLY: 2021 saw the development of what you have called hybrid distribution deals with these audio platforms. Essentially, these are kind of windowing arrangements that we're all familiar with from theatrical movie releases. But again, you see an opportunity



there for creators to strike more advantageous deals on the back of these windowing arrangements. Explain that.

BEDAT: If you put yourself in the shoes of the entity that's selling the content, whether it's the host or the independent podcast production company, if you are able to tell the seller or the platform who's interested in buying your content, you do not need full rights in perpetuity to my content to monetize it and for it to be profitable, you have a much better chance of striking a deal which to you as the seller is beneficial. So let's unpack that a bit.

If you're able to tell Amazon – and Amazon has entered into these kinds of deals recently – if you're able to tell them, listen, you can have an exclusive one-week or different period of time window to the content, where it's available exclusively behind your paywall, but after that, it goes to wide distribution, and when it's distributed widely, you, Amazon, get to sell ads against that podcast that's widely distributed, then you're effectively telling Amazon, or the party in Amazon's shoes, you get to benefit twice without me having to give you all rights forever to put it behind a paywall. You benefit once by putting it behind a paywall for an exclusive period, where you drive subscribers who want to get early access to it, so you gain subscribers. And then you benefit a second time as the ad seller and with ad revenue.

And then I as the creator also continue to benefit, because my show continues to be distributed widely, continues to generate and gain a wide audience. Perhaps as the creator, I've been able to negotiate I maintain control of the RSS feed. I can keep dropping new shows in that feed. So when you're able as a creator to present that hybrid deal or get the person on the other side to see the value in that hybrid deal, your chances of not having to say goodbye to the rights to your content forever are much higher. And because this wide distribution isn't really seen in the same way in film/TV, I don't know that people and talent in film/TV have had the ability to have that same conversation as you can as a seller in the podcast space.

KENNEALLY: And with all these advantages going for them, podcasters have also made sure to make their voices heard. When it comes to deals that might not be to their advantage, they have spoken up, and they've said we would like to retain these rights. We want to participate in the IP. That's all important. So is it this nature of podcasters to be vocal, to defend their rights, to really kind of want ownership of their creative work? Is that making a difference in the negotiations in the way that podcasting is developing as a medium?

BEDAT: Absolutely. I was just a couple of weeks ago in London for the Podcast Show, and my main takeaway from that was just the momentum and the energy. It's really an industry of people who get together and talk about best practices and are sharing tips and experiences and are questioning the way that things are done and are learning from each other. This



happens at the independent producer, independent creator level. It's happening at the independent podcast production company level, with production companies around the world looking to work together, whether it's within their own countries, looking to create groups that help them advocate – and we see AudioUK as a good example of that. It's an organization in the UK that serves as a resource, lobbying effort, organizing effort to help production companies in the UK advocate for certain standards and practices in their deals.

So it's really happening at all levels. It's happening in the kickoff call between a production company and their lawyer, where they're asking, OK, how do we both do right by talent, but also generate profit? It's still a business. So it's really happening at all level of the industry – nonstop conversations about how things are done, how things should be done, how things can be done. And it's a remarkable momentum that I think makes for best practices to be a constant topic of conversation.

KENNEALLY: Samuel Goldwyn is supposed to have said that a verbal contract isn't worth the paper it's written on. So I wonder whether you think that podcast creators are taking a big chance when they do deals without a lawyer.

BEDAT: It depends. I don't want to answer that in a self-serving way. (laughter) But I think if you are thinking things through, then having someone in your corner that helps you is definitely important. Whether you are doing that with a lawyer, whether you're doing that yourself, really thinking through what you want to do with your content today, what you may want to do with it in two years and five years, and having a piece of paper that contemplates not just the life today, but is going to live and breathe with your podcast as it grows – I think that's very important, regardless of how you get there.

KENNEALLY: Alexia Bedat, thank you so much for joining me today and discussing this.

BEDAT: My pleasure. Thank you so much for having me, Christopher.

KENNEALLY: That's all for now. Our producer is Jeremy Brieske of Burst Marketing. I'm Christopher Kenneally. Thanks for joining me on Velocity of Content from CCC.

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