

Spotify counters Apple with podcast subscriptions

April 27 2021



Spotify countered Apple's move on podcasts by allowing creators to keep all subscription revenue until 2023

Spotify unveiled plans Tuesday for podcast subscriptions, countering a similar initiative from Apple but offering a better deal than its US rival



by allowing creators to keep all revenue for a limited time.

The updated <u>podcast</u> platform for the United States, set to expand internationally in coming months, lets podcasters make episodes available only to subscribers.

Taking advantage of the tool will cost podcasters nothing for the next two years, meaning they get all <u>subscription revenue</u>, Spotify said in a post.

Spotify planned to start charging a five percent fee for subscriptions starting in 2023.

"Our aim is to help podcasters maximize their subscription audiences and grow them from their existing listener bases," Swedish-based Spotify said.

The announcement comes as Apple is poised to add a subscription option to its pioneering podcasting service as it ramps up competition with Spotify.

Beginning in May, podcast fans around the world will be able to sign up for subscriptions for perks such as ad-free listening or exclusive content from creators, according to Apple.

Podcasters will receive 70 percent of subscription revenue in the first year, with Apple keeping the rest as a commission.

Once a subscriber has been subscribed for a year, the share for creators will rise to 85 percent, they added.

The subscription feature comes with an overhaul of the Apple Podcast platform that lays credit to kicking off the trend with its launch 15 years



ago.

Industry tracker eMarketer last month said that Spotify has been growing quickly and that its podcasting service is on track to have more listeners in the United States than Apple Podcasts this year.

Spotify said that its <u>subscription</u> platform is kicking off with a dozen creators along with a collaboration with non-profit media organization National Public Radio.

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Citation: Spotify counters Apple with podcast subscriptions (2021, April 27) retrieved 24 April 2024 from https://techxplore.com/news/2021-04-spotify-counters-apple-podcast-subscriptions.html

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