

# Film OTT

The ultimate guide to launching a successful  
film-focused streaming service



# Intro

The video streaming market has grown year on year since its inception, with more households subscribing to multiple streaming services over time. However, the global pandemic accelerated this growth significantly, undoubtedly impacted by lockdowns and, to some extent, by the closure of cinemas.

As more viewers sign up to services looking to watch what they want and when they want, VOD content, in particular, is in high demand. This guide looks at the benefits of launching a film-focused video streaming service. We look at what effect COVID-19 has had on the film industry so far and what it might mean for the future of cinema and OTT. The best-suited monetization models for film and how streaming operators can better engage film fans in discovery.

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# The future of film

Is OTT the new home of cinema?

Since the beginning of 2020, The covid-19 pandemic has disrupted many industries, film included. And it has undoubtedly had a devastating effect on cinema, with big names and independents around the world closing their doors at the beginning of the crisis and only recently beginning to reopen.

Because of this, many studios opted to delay their big blockbuster 2020 premieres. However, several studios, Universal Pictures and Disney included, broke the theatrical window altogether and went ahead with releases either via mainstream TVOD streaming services or their own digital platforms.

The theatrical exclusivity window has undoubtedly shifted in light of the pandemic. Multiple agreements between studios and cinemas now allow for more flexibility. The length of time a film would need to play in theatres before becoming available digitally through streaming services/providers has shortened. AMC Theatres and Universal, for example, reached an agreement in 2020 that meant the standard 90-day window went down to only 17.

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Even as some cinemas begin to reopen, for them to survive long term, we may soon start to see them pivot or expand into OTT (as AMC did before the pandemic with an on-demand service), or at least partner with established streaming services.

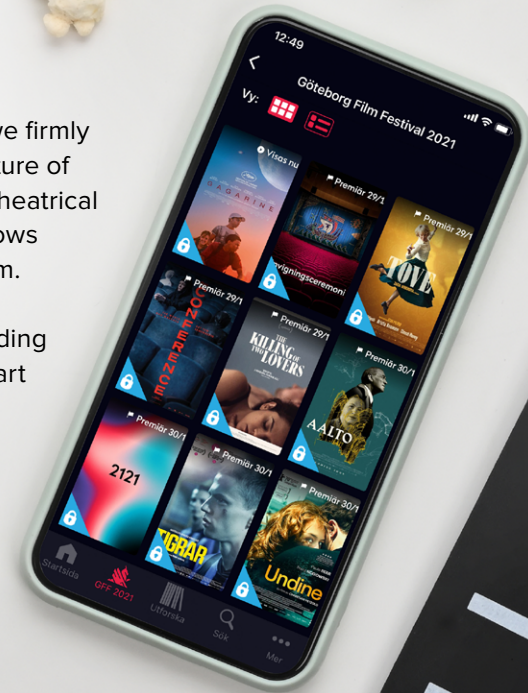
Gothenburg Film Festival's streaming service [Draken Film](#), a Magine Pro partner, is an excellent example of potential OTT and cinema partnerships. In response to the pandemic, they partnered with Swedish arthouse cinemas, enabling arthouse film fans to sign up for their service and stream arthouse films at home. New subscribers to Draken Film could also opt to

donate half of the subscription revenue to an arthouse cinema of their choice over six months as a way of supporting the cinema industry during the pandemic.

The financial success of some films that have been made available through streaming services during the pandemic is promising, but it doesn't replicate the cinema experience for consumers.

At Magine Pro, we firmly believe in the future of cinema, even if theatrical exclusivity windows shorten long term.

However, expanding into OTT is a smart way for cinemas to withstand the current uncertainties and bolster their business long term.



# Curate the experience

Deliver a service that promotes discovery & engaging experiences

It can be challenging to keep audiences engaged with content discovery, particularly for film-focused services that offer vast libraries of content. For film fans to fully immerse themselves in discovering great content, the UX/UI experience should be seamless.

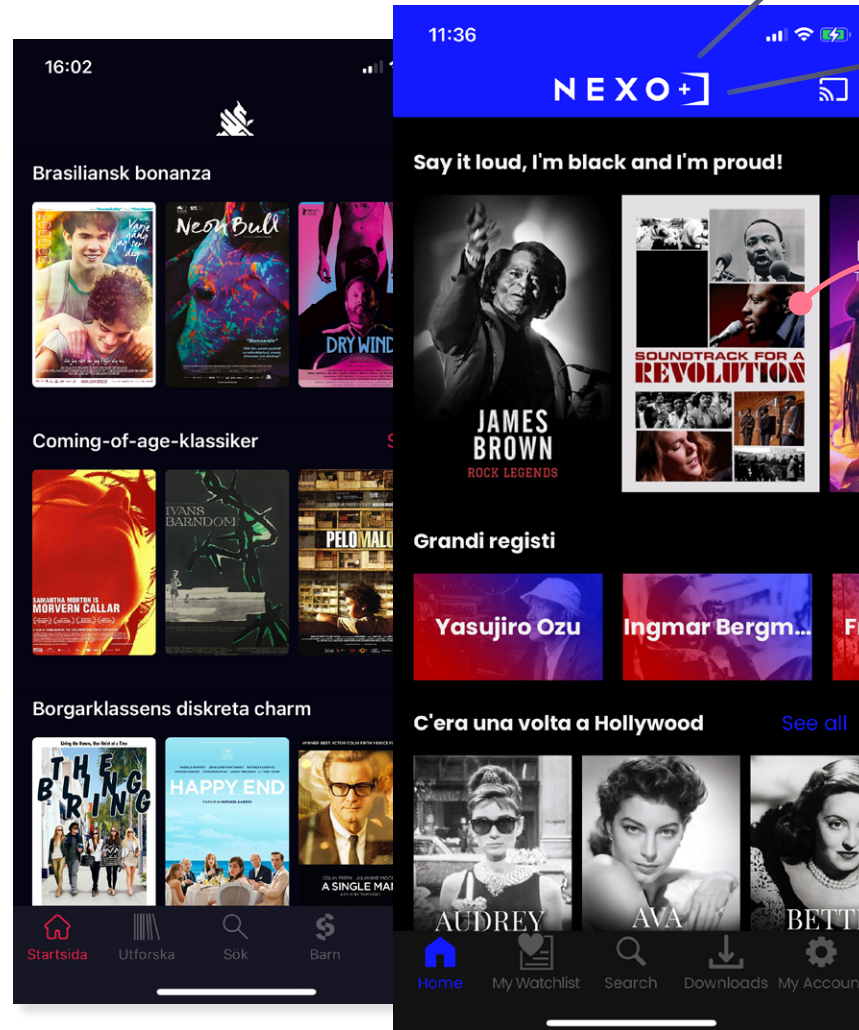
At Magine Pro, we take care of the technical complexities and give our partners the tools to curate a service and user experience that enables film fans to dive in effortlessly and discover what they want to watch.

## Service Curation

[The Magine Pro CMS Console](#) powers the front-end, giving our partners the freedom and flexibility to add branding and customise their service's layout, content categories, artwork, metadata and editorial and more. We offer our partners complete control over how content is presented with real-time adjustments.

Magine Pro partners can also apply their logo and branding via the Console. Partner logos appear clearly on the app icon, on the startup screen and are constantly visible at the top of the service. Brand colours can also be applied, along with select fonts to suit their brand style and identity.

PARTNER LOGOS  
APPEAR PROMINENTLY  
IN THE SERVICE.



## CURATED CONTENT CATEGORIES

Adjust the display poster size on content categories to increase service dynamism, add emphasis to the selection and aid content discovery for users.

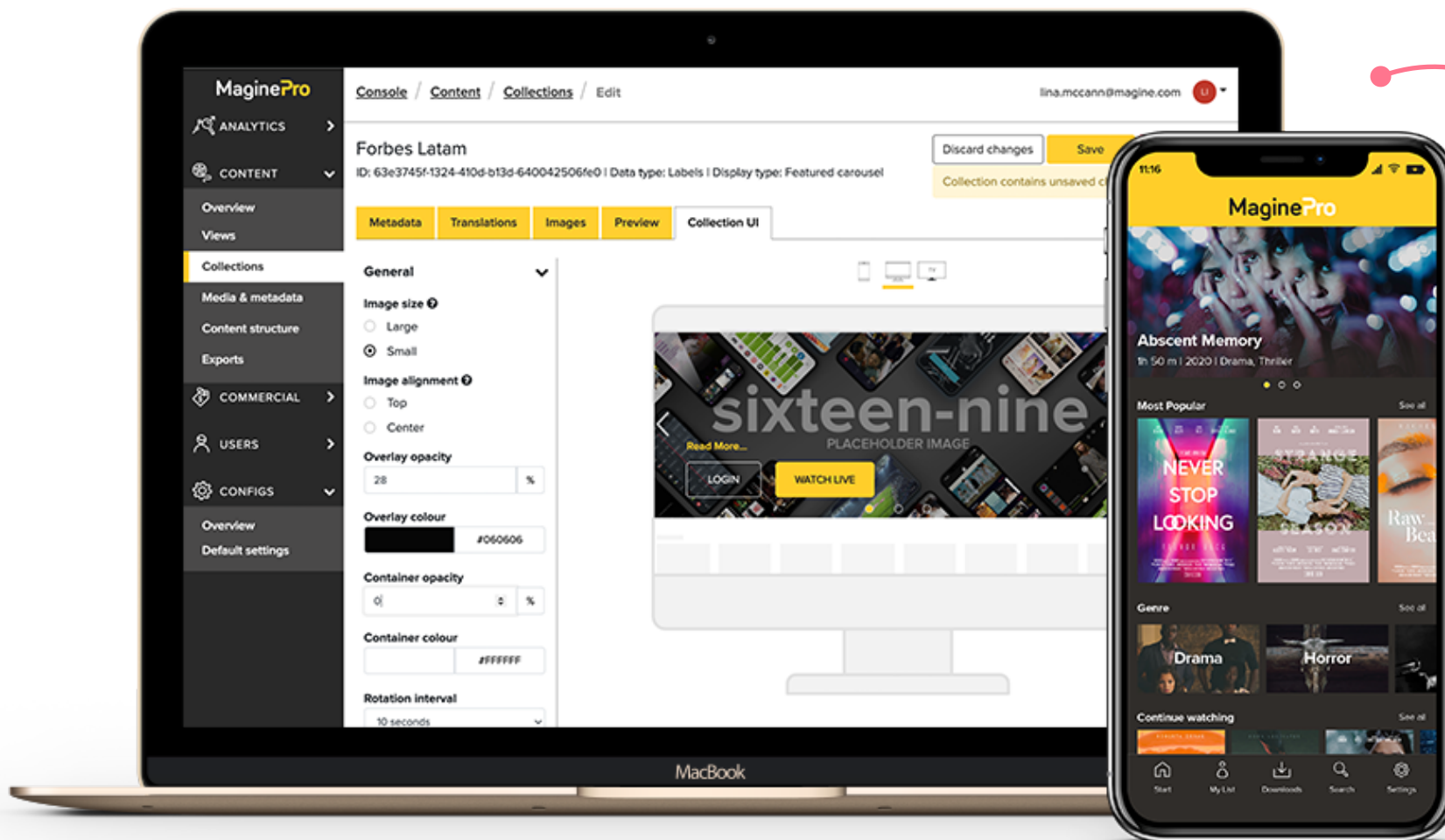
## DISPLAY SIZE OPTIONS

Movie collections support four different thumbnail sizes for web/tablet, mobile and TV.

## CUSTOM GENRES

Curate a custom category in the Console and determine which content features. Categories can be more than just genre-based, build collections based on popular actors, topical events or even moods.





## HERO CONTENT

Configure the discovery page effortlessly and create immediate impact by selecting specific content to hero at the top of the screen within a carousel. It is a great space to promote new, exclusive or topical content from your library and maximise potential views.

## CUSTOM EDITORIAL

Customise editorial information for each featured film, including the amount of information available, font type (all Google fonts), font sizes and colour.

## The Magine Pro CMS Console

Alongside customisation, the [Console](#) also provides our partners with the tools to independently manage their service and users.



### Ingest & Manage Content

Manage all content and ingest VOD content directly into your service.



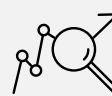
### Metadata Management

Live edit your assets metadata, including info, translations, images and usage rights.



### User Management

Independently manage your user accounts, payments and subscription packages.



### Data Insights

Review service usage, operational analytics and build custom KPI dashboards to track users and behaviour.



### Curate your service

Live edit layouts and curate your service's start page and content categories.



### Manage monetization

Set subscription package prices, determine costs for TVOD and manage ad insertion for AVOD monetization models.

# Monetizing movies

Selecting the best monetization model for your streaming service

To successfully monetize your film library and generate new and sustainable revenue streams, you can implement different or hybrid [monetization models](#). Choosing a suitable model for your streaming service is essential. But it's also dependent on the type of content you offer, your audience and your business strategy.

## Subscription

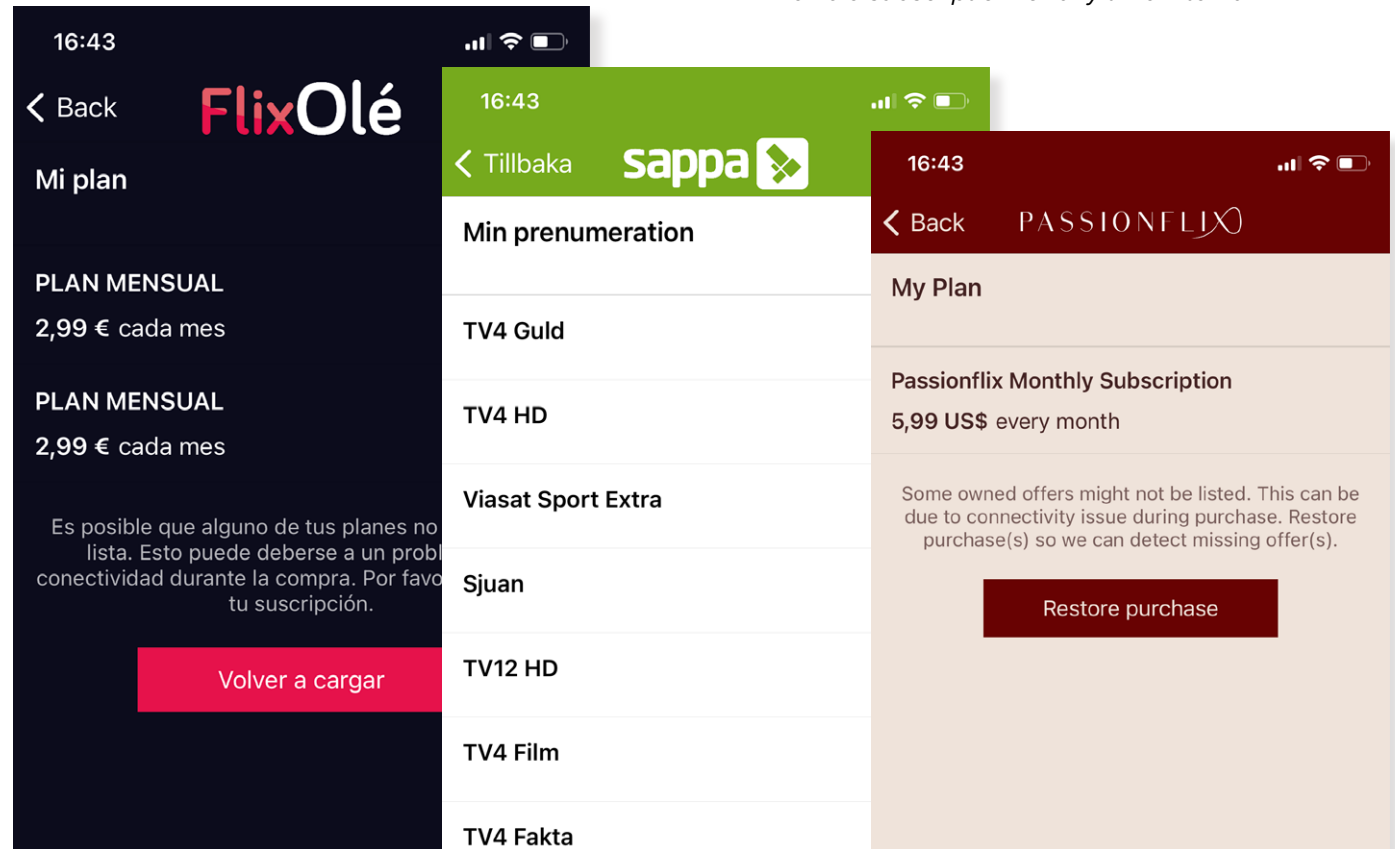
Subscription Video-On-Demand (SVOD) is often the go-to monetization model for streaming services, as it ensures a steady recurring revenue and has a lock-in effect on users.

SVOD also allows you to receive parts of your monthly revenue with no related costs due to an expected disparity between the number of paying monthly subscribers and actual active users. Although short-term this could be considered free revenue, the long-term risk is that those non-active users will eventually churn and opt-out of the service altogether. The premise of getting revenue with no associated support or streaming costs might sound alluring. Still, to achieve real long-term success, the objective should always be to strive for engaged rather than inactive subscribers. It is the reason why regularly updating your service with new cinematic content is essential.

Imagine Pro's subscription-supported services are particularly well suited to VOD content thanks to their flexibility and the ability to control the frequency and functionality of your customer subscription plan.

**Billing intervals can be adjusted to suit your OTT business needs, including:**

- 24-hour day passes
- 3 day passes
- Monthly subscriptions
- Annual subscriptions
- Flexible subscription for any time interval



## Transactional

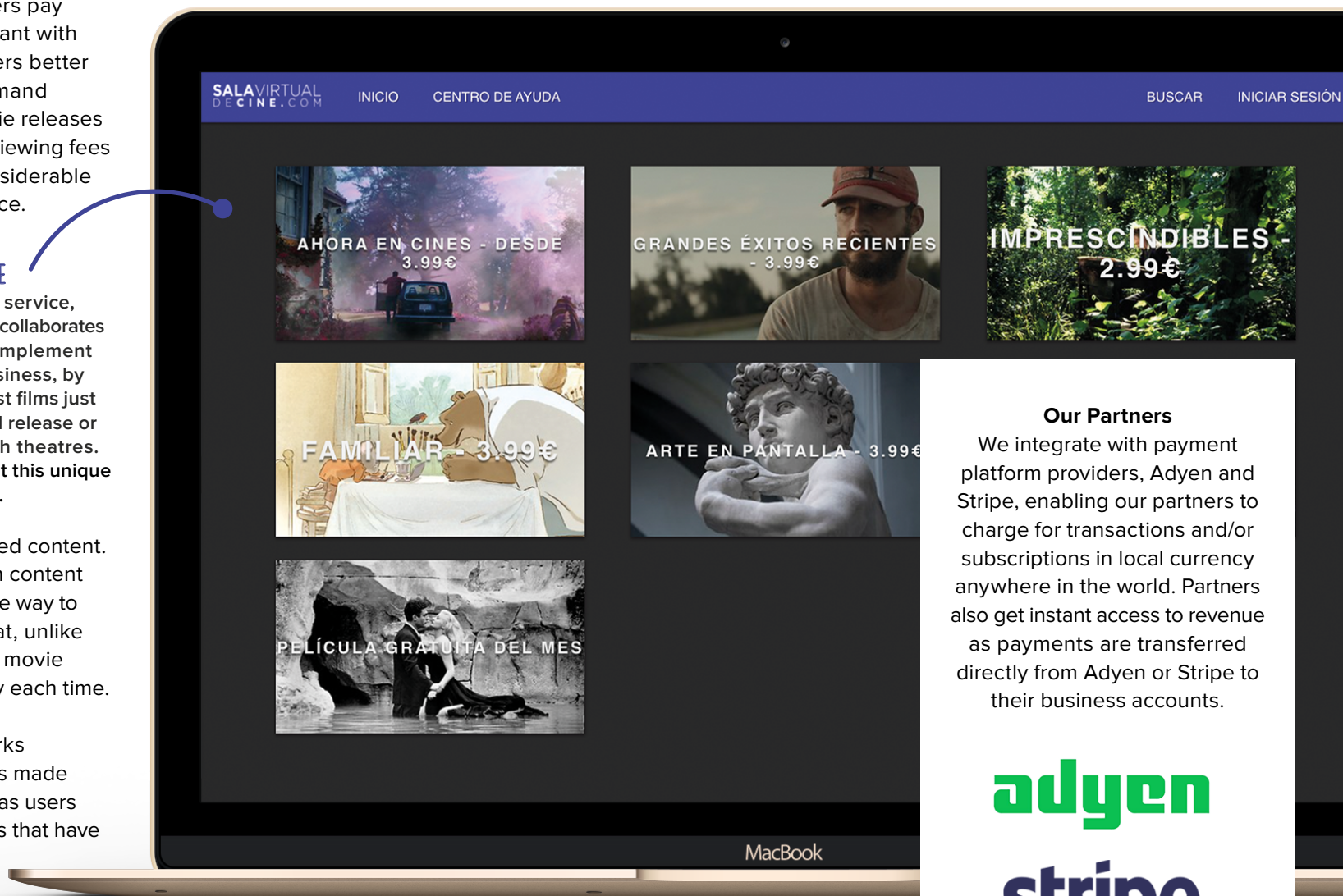
Transactional (TVOD) supported video services enable you to charge a one-time payment per view on movies, either as a digital rental or electronic sell-through (EST). It is the definition of on-demand. Users pay a one-time fee to watch the content they want with no long-term commitments. TVOD also offers better revenue opportunities for new and on-demand content. In particular recent or popular movie releases with a short relevancy window. Even small viewing fees on this type of content can add up to a considerable amount when marketed to the right audience.

However, unlike SVOD, acquiring and retaining users on a purely TVOD platform can be challenging. Therefore, customer acquisition and retention need to be a priority for TVOD only service operators to encourage users to stay after they have already paid and watched content. Keeping your service regularly updated with content and offering promotions and discounts is one way to work around this. Keep in mind, though, that, unlike SVOD, users may be less likely to try niche movie content in a TVOD service if they have to pay each time.

However, electronic sell-through (EST) works particularly well with premium content that is made available shortly after the theatrical window, as users are willing to pay more to watch new releases that have not long been on the big screen.

### SALA VIRTUAL DE CINE

The Spanish TVOD service, Sala Virtual de Cine collaborates with cinemas to complement their traditional business, by premiering the latest films just after their theatrical release or simultaneously with theatres. [Find out more](#) about this unique **Magine Pro Partner**.



### Our Partners

We integrate with payment platform providers, Adyen and Stripe, enabling our partners to charge for transactions and/or subscriptions in local currency anywhere in the world. Partners also get instant access to revenue as payments are transferred directly from Adyen or Stripe to their business accounts.





## Advertising

Monetizing through advertising (AVOD) enables you to offer free content to users that are hesitant to pay a subscription or transaction fee. In this model, the advertisers pay, not the viewers, making it easier for service providers to acquire users. In general, AVOD works best with VOD services, as there are more opportunities to place video advertisements in a stream. However, for AVOD to be genuinely successful, you need a large audience to generate significant views and advertising impressions. Because of this, AVOD-only monetization models are better suited to short-form content that has mass audience appeal. At Magine Pro, we believe AVOD works best as a complementary strategy to an SVOD or TVOD model to maximize monetization. **We support and enable the following ad insertions:**

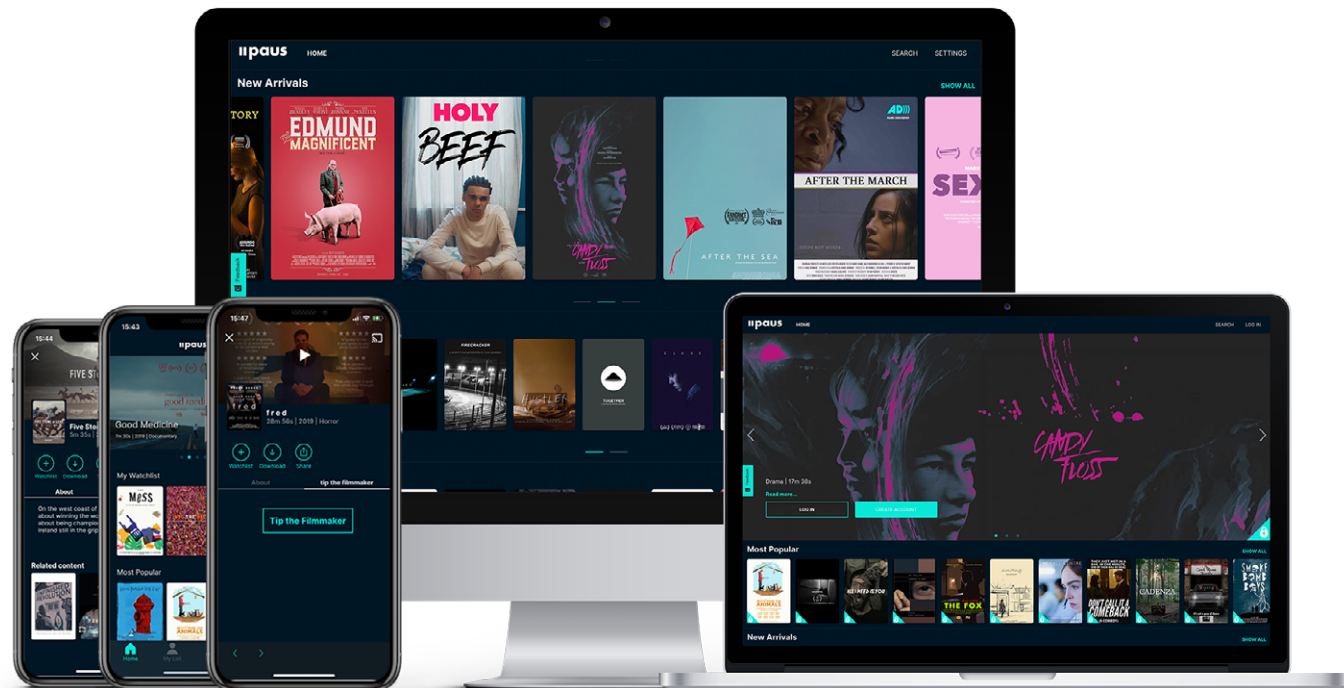
- **PRE-ROLL ADS**
- **INTERVAL ADS**
- **POST ROLL ADS**

Our partners can independently insert and manage MP4 video ads through the Magine Pro Console via VAST tags. We support VAST 3, VAST 4 protocols. Alternatively, they can manage their targeted ad campaigns through integrated ad-server SpotX, enabling them to sell ad inventory through direct deal ads and programmatic ads.

## Hybrid

At Magine Pro, we believe the secret to a successful OTT business lies in a business model that combines SVOD and TVOD and/or AVOD whenever possible. A hybrid model can help maximize content monetization opportunities.

Combining SVOD and TVOD, for example, ensures regular monthly revenue through subscriptions and the opportunity to bolster it further through TVOD when



new or particularly exclusive content is available on the service.

We offer SVOD, TVOD, and AVOD business models, either separately or combined, in our OTT services.

## Alternative models

Magine Pro partner, [paus](#) operates a tipping model, a fully integrated feature within their service. paus is an online streaming platform dedicated entirely to independent film, and tips uniquely power it.

For the audience, this means there are no subscriptions, no adverts and no set payments. Instead, they can choose to tip filmmakers any amount, at any time. paus also operates a revenue share model with filmmakers who take 80% of the revenue.

**Rishi Kapoor**, CEO and founder of paus [recently spoke with us](#) about the decision to launch with a tipping model, “Creators are moving online to target their audience directly and monetize without involving a distributor or sales agent or getting a deal with a big streaming service. I was particularly inspired by other creative economy platforms such as Patreon and OnlyFans. They were solving this issue but for other industries and creators, such as influencers and musicians.

They proved that people want to support the creators they like and inspired the tipping model for paus. Interestingly, Twitter, Snapchat, and Clubhouse have also both recently launched their own tipping feature. So I think we may soon see a shift in how the internet is monetized with more direct-to-consumer payment models supporting creators.”



# Draken Film

Olle Agebro, Head of Acquisition at [Draken Film](#), shares an insight into the origins of the streaming service, the impact of Covid-19, and bringing the annual Göteborg Film Festival's experience online through Draken Film.



## What's the origin of Draken Film?

Our mission at Draken Film mirrors Göteborg Film Festival's to bring niche films to as large an audience as possible. The festival itself is based in Göteborg and takes place every year for over a week. When Draken Film was founded in 2014, it

was to bring those films screened at the festival to wider audiences in Sweden and the Nordics year-round. The film festival is now in its 44th year, and I think Draken Film is one of the few places where really niche films can find an audience.

## Over the last couple of years, how have you seen your OTT offering develop?

When we started, we had the idea of bringing niche films to a wider audience, and we really focused on that. We also have our film fund, where we support films that wouldn't have a chance of being produced otherwise. And when Draken Film was launched, we had fewer film titles, but all were unique and couldn't be found anywhere else.

Over the last couple of years, we realised that to bring even those films to a wider audience, we also needed to offer more commercial films alongside. So we now have

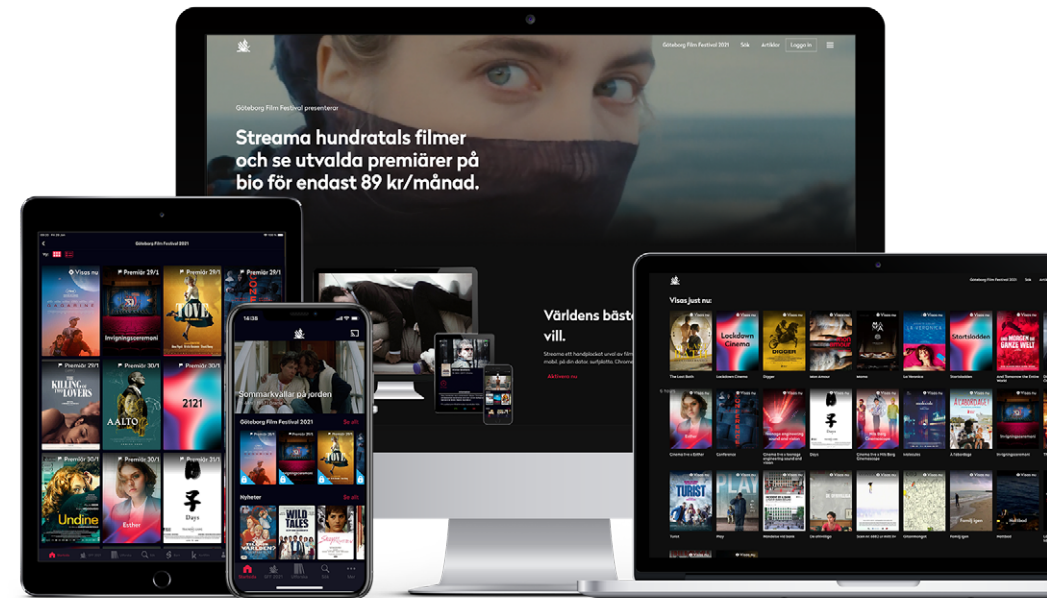
mixed our catalogue with both niche titles and award-winning commercial films and have found a good balance.

## COVID-19 has been extraordinarily challenging for the industry. What are your insights and takeaways over the past year?

We've seen significant growth in subscriber numbers since January 2020. When the pandemic hit last March, we launched initiatives to support Swedish Independent Cinemas that had to operate with much smaller audiences or close entirely.

We offered new subscribers to Draken Film to pick a cinema they would like to support, and we shared revenue from those new subscribers with the cinemas. That initiative became quite successful, and it led to press and PR that helped increase our subscriber numbers last spring.

What was really important was that all those independent cinemas had a really great relationship with their own local audiences. So when they communicated to them that they had to close but could recommend subscribing to Draken Film, that built trust. The audiences trusted that Draken Film would serve the same purpose as their local cinemas and supported them.



## What impact has the pandemic had on the annual Göteborg Film Festival?

Göteborg Film Festival is the largest film festival in the Nordics, and we typically have an audience of around 130,000 every year. We screen about 400 films at 20 cinemas in Göteborg. At the beginning of last year, we were scouting for films for this year's festival (2021), but as more events and festivals cancelled, we realised we needed to plan for a hybrid or digital alternative. So we set about trying to figure out a way to do a smaller physical event (700 seat cinema) that Draken Film supported with some digital screenings. However, as restrictions increased, we realised it would be tough to achieve, so we decided to bring the festival experience online through Draken Film entirely. That being said, we also screened every single film at the Draken cinema below our office for one person, so I guess it was a hybrid film festival. We also built a one-person cinema at a lighthouse in the Göteborg Archipelago, where a nurse was isolated for the entire week and watched all 70 films.

## How much of a risk was it to pivot the festival from a traditional event to it being hosted digitally on Draken Film?

Yes, it was a risk. For a typical festival, we sell single tickets for each screening. Ticket sales are our most important revenue, and it happens for only one single week a year. So it's essential for us, and when we risked selling those films in a package with a digital festival pass, we didn't know what to expect. Fortunately, we sold more than we had anticipated, but we still had no idea how successful it would be – both the digital pass idea and the pricing. No one has sold a film festival in this way before, so it was a big risk.

## What are your insights from working with the distributors on the digital film festival?

For distributors, it was actually quite risky to put their films on a digital platform. Many distributors were concerned they wouldn't get their films released in cinemas if they had already had their digital premiere. Typically a film premieres at cinemas for three or four months before it's released on VOD.

As we couldn't offer a regular screening fee, we offered a revenue share where most distributors received a fee for every stream. So, this became quite interesting because some films suddenly had the potential to make money during a year when everyone's expectations were zero.

We were also able to cap films with a 24-hour availability window, so every film had a fixed viewing time. A festival pass didn't mean audiences were able to watch every film, whenever

they wanted. We had a few tough weeks of negotiating with distributors. Still, I think we ended up with a result everyone was quite happy with, both from the distributor and audience perspective.

## We're seeing a digital transition for cinemas and film festivals. Do you see this as a permanent shift or just temporary?

I believe it is a permanent shift. People will definitely go back to cinemas but will continue to stream more films at home than before.

Cinemas and film festivals that will be successful over the next couple of years will combine digital experiences with theatrical. And I think many cinemas could become better at programming films that respond to streaming trends rather than just following the release schedule set by distributors. If cinemas are smart, they can benefit from the increased interest in watching films at home.

## Where do you see things moving for Draken Film in the next 12 months?

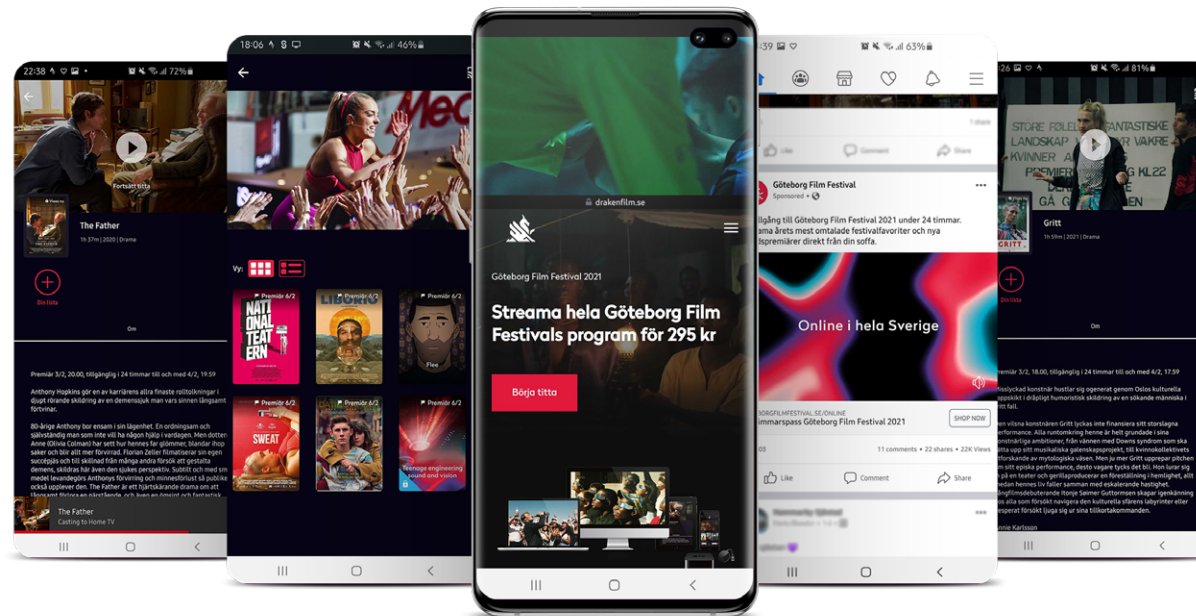
Since the film festival, distributors have realised that

launching a film using a VOD platform can actually be beneficial to the theatrical release. So I think more distributors will allow us to release films on day and date and do different TVOD (or versions of it) for their theatrical releases.

We will continue to test this and experiment to see if we can find a model where we share revenues with distributors and cinema. And also use Draken Film as a platform for other film festivals in future.

Our strategy is not to increase revenue but to find new areas for organic growth. For example, we converted around 15% of the festival audience to Draken Film subscribers after the film festival. And if we can do something similar with TVOD purchasers and other festival attendees, that's an effective way to reach organic growth without investing in advertising.

Read the Q&A with Olle Agebro in full [here on our blog](#) and learn more about how the Magine Pro built platform has enabled Draken Film to expand.



## About Draken Film

Draken Film was founded in 2014 to serve as a digital film service for the annual Göteborg Film Festival. In 2018, Draken Film approached Magine Pro looking to change their OTT video platform provider, improve customer experience and quality as well as enhance their existing web-only streaming service and provide new high-quality apps on iOS and Android. Learn more about Draken Film and the project in [our case study](#).

# Nexo+

Italian VOD streaming service packed full of entertainment

The Italian film production and distribution company, Nexo, is a leader in the global event cinema market and is known internationally for the direct theatrical distribution of film, art, cultural documentaries and more in Italy. Nexo's online video streaming service, [Nexo+](#), offers subscribers access to a library of incredible entertainment on multiple devices.

## Challenge

Nexo sought a proven technical partner to build their VOD streaming service, Nexo+. They partnered with Magine Pro to leverage our experience and full end-to-end capabilities. The Nexo+ service was required to support a subscription model and launch initially in Italy on web, iOS and Android platforms, Samsung, LG, Apple TV, Android TV and Amazon Fire and later expand into other countries.

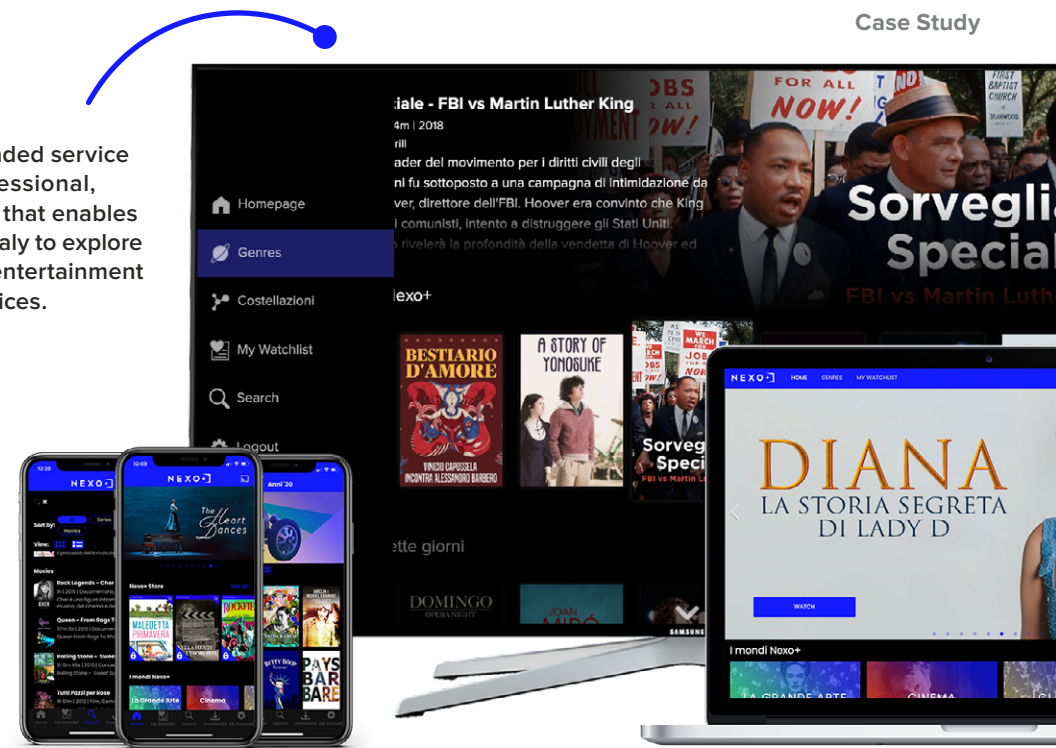
## Solution

- Leverage Magine Pro's OTT platform and create a Nexo+ branded streaming service that is available

The Nexo+ branded service features a professional, user-friendly UI that enables subscribers in Italy to explore their library of entertainment on multiple devices.

via web, iOS and Android platforms, Samsung, LG, Apple TV, Android TV and Amazon Fire.

- Enable Nexo to ingest, transcode and protect their VOD content using Magine Pro's CMS Console and multivariate DRM platform.
- Localise Nexo+ service to the Italian market and enable Nexo to charge and receive subscription payments in local currency.
- Set up a subscription-only model, allowing Nexo+ to manage its customer subscription plan's frequency and functionality. Supported by payment platform, Adyen.
- Enable Nexo to curate the Nexo+ service, including adding their partner logos, creating content categories, artwork and editing metadata through secure access to the Magine Pro CMS Console.
- Enable Nexo to manage user accounts and get comprehensive insights into user behaviour, service usage, and operational analytics through the Magine Pro CMS Console.
- Leverage Magine Pro's cloud infrastructure and CDN provisioning network to enable Nexo to deliver high-quality, low-latency streams 24/7 to all requesting devices in Italy.



Meet Magine Pro's  
film-focused partner  
services:

PASSIONFLIX

FlixOlé

ilpaus

SALA VIRTUALE  
DECINE.COM

NEXO+

Draken  
Film



# Stand out from the crowd

Steps to launching a successful film OTT service



## 1. Find your niche

A streaming service that appeals to niche interests (select film genres, content types) enables you to refine your digital marketing efforts and target potential customers with much more precision.



## 2. Build a strong strategy

Understand your target audience and build a robust digital marketing strategy and reliable digital ecosystem to streamline the customer conversion funnel. Utilise your acquisition and retention channels effectively to drive awareness, interest and action.



## 3. Creative Curation

Present movies creatively within your service. Curate categories that reflect topical subjects, popular actors, even moods. And enhance content discovery by providing more context around movies through metadata & exciting editorial.



## 4. Keep things fresh

Regularly adding new movies to your service is a great way to ensure users return and remain engaged. You can also frequently change and update visible artwork and promote content on the discovery page to keep things fresh and new.



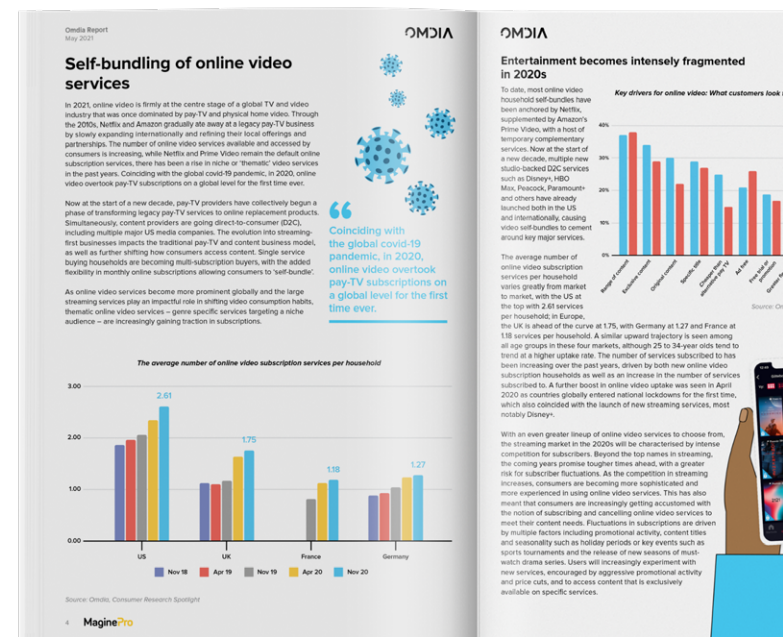
## 5. Give Back

Let your subscribers know you care and increase value by offering loyalty based subscription discounts or surprise download giveaways. You can even promote bonus offers for those who recommend your service to their friends.



## 6. Understand the analytics

Analytics is key to user retention and even win back, as you're able to identify what is working and what needs to change. Let your service analytics inform content acquisition decisions and even service updates based on user engagement levels.



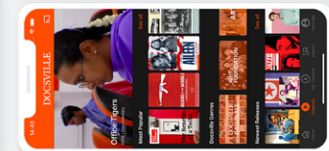
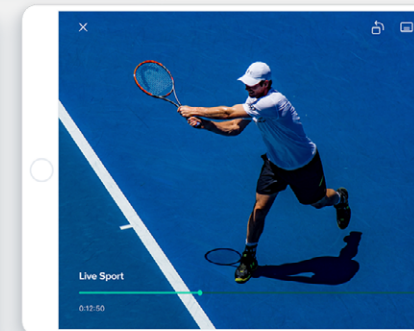
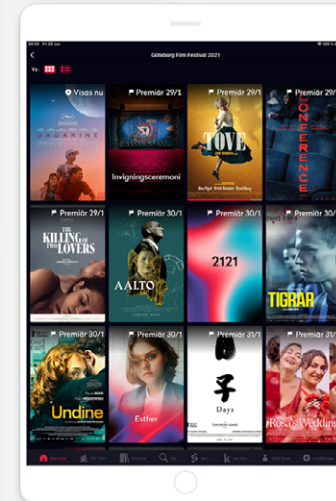
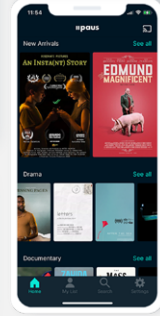
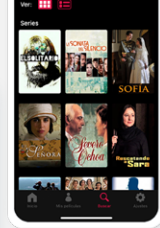
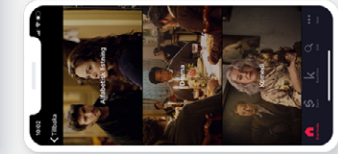
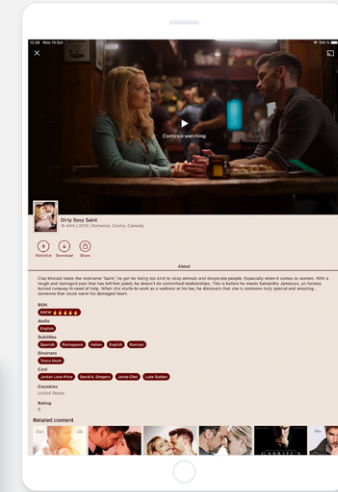
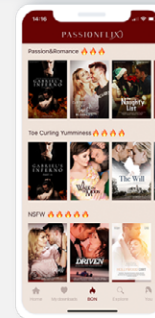
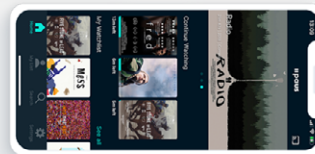
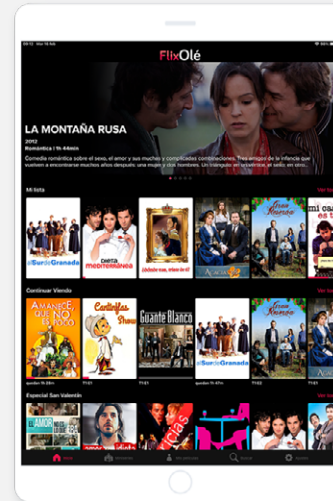
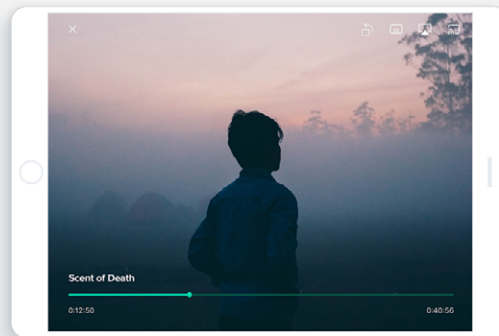
For more insights into launching a successful streaming service, download our latest white paper, [OTT Discovery: How to stand out amongst the crowd](#), featuring original research by Omdia. You'll also discover what new streaming services can do to boost brand awareness, drive discoverability and increase conversion rates through marketing efforts and service features.

Looking for more advice and support to build a film-focused streaming service? [Get in touch](#) with the Magine Pro team and find out how we can help.



# Flexible video streaming services & apps

Create an end-to-end OTT service that delivers your Live, Linear & VOD content to audiences everywhere.



**Your Brand. Your Content. Your OTT Business.**

iPhone android LG SAMSUNG chromecast AirPlay Roku firetv Apple TV androidtv

[maginopro.com](https://maginopro.com)