

The OTT Monetization Map

One-page reference — how each model earns, and the systems it forces into your build.

Revenue formula by model

SVOD revenue = subscribers x ARPU - churn - app-store cut

AVOD / FAST ad revenue = impressions x fill rate x (CPM / 1,000)

TVOD / PPV revenue = price x transactions - payment fees

Hybrid the SVOD formula and the AVOD formula, run in parallel

What each model forces you to build

SVOD - Subscription

billing & entitlement engine, paywall, churn analytics, often hardware DRM (L1)

AVOD - Free, ad-funded

ad stack (SCTE-35, VAST/VMAP, SSAI), consent/privacy layer, CDN scale

FAST - Free linear channels

the AVOD ad stack + a linear playout scheduler + a program guide

TVOD / PPV - Pay per title

payment + PCI pipeline, per-title entitlement, refund & failed-event handling

Hybrid - Tiers side by side

BOTH a billing engine AND an ad stack, plus tier-move logic

2026 benchmarks (illustrative - re-verify before relying on them)

SVOD ARPU ~ \$7-16/mo - premium SVOD monthly churn ~ 4.6% (healthy < 2.5%)

CTV CPM: FAST/AVOD \$15-25 - premium \$25-45 - audience-targeted \$45-85

Ad load 4-8 min/hour - fill rate is the dial that quietly cuts ad revenue

App-store cut: Apple 30% yr1 / 15% after - Google 15% (-> 10% from 30 Jun 2026)

The four net-revenue traps

1. The app-store haircut - model the net, not the headline gross.
2. Fill rate - unsold ad inventory earns nothing.
3. FAST is not free to build - playout + guide is a real project.
4. CSAI gets ad-blocked - server-side ad insertion (SSAI) is the default.