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 × ARPU − churn − app-store cut
AVOD / FAST	ad revenue = impressions × fill rate × (CPM / 1,000)
TVOD / PPV	revenue = price × 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.



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This reference gives the revenue formula, required systems and 2026 benchmarks for each monetization model. We wrote seven volumes covering the video stack those models run on. Volume 3 covers DRM, players, ad-ready delivery and the economics of streaming; Volume 2 covers ingest and packaging; Volume 1 covers encoding.

WHAT YOU WILL FIND INSIDE

- Economics of delivery per viewer-hour
- Players and server-side ad insertion
- DRM levels that premium content requires
- Packaging for linear and FAST channels

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Need to check your OTT revenue model against what it costs to build?

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