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MONETIZE VIDEO, MAXIMIZE IMPACT

A detailed guide for media organizations

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Introduction

The rapid proliferation of high-speed internet and smart devices has transformed video content from a scheduled broadcast product into an on-demand digital experience.

This report examines how different industries from the Media & Entertainment space – TV broadcasters (encompassing traditional entertainment, news, and sports channels), online media platforms (digital publishers in news, sports, business, and entertainment), and sports organizations (major leagues, minor leagues and federations, sports clubs) – are monetizing digital video content. "Digital video content" here refers to all forms of professionally produced or user-generated video delivered over the internet, including on-demand libraries (VOD), short-form clips and highlights (e.g. news snippets, sports highlights, social media stories), live streaming events (from news broadcasts to sports matches), replay/catch-up videos, and even always-on streaming channels (24/7 linear streams or pop-up channels for special events).

Monetization strategies for such content have evolved beyond the traditional models of TV advertising and cable subscriptions. In the digital domain, the main revenue models include:

Advertising-supported video on demand (AVOD)

Free or freemium access for users, with revenues coming from advertising. This spans embedded video ads (pre-roll, mid-roll, etc.), sponsorships, and product placements. A related format is FAST (Free Ad-Supported Television), which delivers linear streaming channels with ad breaks, mimicking traditional TV in a digital environment.

Subscription video on demand (SVOD)

Paid subscriptions offering unlimited, typically ad-free viewing. Users pay a recurring fee (monthly/annual) for a content library or live streams.

Transactional video on demand (TVOD)

Pay-per-view or one-time transactions for specific content – e.g. digital rental or purchase of a movie, or paying for a live sports event. This also includes electronic sell-through and premium VOD releases.

Hybrid models

Combining ads and subscription. Many platforms now offer tiered plans (a lower-cost or free tier with ads and a premium ad-free tier). Some content providers make a portion of their library free (ad-supported) to hook users, while reserving premium content for paying subscribers – a "freemium" approach.[1]

Sponsorship and branded content

Direct brand funding of content in exchange for product integration or branding. For example, a sports webcast might be "presented by" a sponsor, or a news site might produce sponsored video series (native advertising) with a brand's message. This is an increasingly popular strategy, as 53% of publishers report video to be the most effective format for native ads.[1]

Cross-selling and ancillary revenue

Using video content to drive other revenues. This includes merchandising and ticket sales (sports clubs streaming free highlights to boost merchandise or ticket demand), membership upsells (free video content that converts viewers into paid subscribers of a publication or service), and integrated e-commerce. Notably, shoppable video features are emerging – viewers can directly purchase products seen in videos – a concept already popular in e-commerce live streams now being adopted by media (e.g. news lifestyle segments linking to products).[1] Tech giants exemplify cross-selling: Amazon's Prime Video is partly aimed at strengthening Prime loyalty (driving retail sales), and Apple's video content bolsters its device ecosystem.

[1] ap.org

What this report covers:

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Monetization models in practice

Digital video monetization today relies on a portfolio of models. Many companies use multiple models simultaneously to maximize revenue and cater to different audience segments

Here we compare and summarize the primary models, with current insights and data:

Subscription video on demand (SVOD)

This model offers recurring revenue and customer loyalty in exchange for ad-free viewing and premium content. SVOD has been the engine of the streaming revolution – *globally projected at ~$140 billion by 2027.[1] However, with saturation in top markets, growth is shifting to regions like Asia and Latin America, and average revenue per user is under pressure.[2] Successful SVOD services tend to invest heavily in exclusive content (original series, films, sports rights) to justify the subscription. A challenge now is subscription fatigue – users juggling many subscriptions – leading to higher churn. To combat this, services are bundling (e.g. combining SVOD offerings or including SVOD as part of larger packages like Amazon Prime) and introducing lower-priced tiers. Notably, hybrid SVOD tiers with ads are blurring the line between pure SVOD and AVOD (e.g. Netflix's "Basic with Ads" plan at a discount).

Advertising-based video on demand (AVOD)

AVOD refers to free (or very low cost) content supported by advertising. It has re-emerged as a powerhouse, especially as total digital video ad spending keeps rising (e.g. +18% in the U.S. in 2024.[3] AVOD is attractive for reaching the widest audience – crucial in emerging markets and among cost-conscious viewers.

We see two main formats:

- **On-Demand AVOD**
  Platforms like YouTube, or broadcaster sites offering VOD episodes with ads. These thrive on volume: YouTube's 2.5 billion global users[4] generate revenue through highly targeted ads. For media companies, AVOD can monetize library content indefinitely (long tail revenue). But ad rates can vary widely by region and content type. Key success factors are effective ad targeting and managing ad load (too many ads can drive viewers away).
- **FAST (Free Ad-Supported Television)**
  As discussed, FAST channels are linear streams of content delivered via internet, free to the viewer. FAST is the fastest-growing segment within AVOD, projected to reach *$12 billion in global revenue by 2027.[1] It's especially popular in North America now and expanding globally.[1] Content owners like FAST because it creates new inventory (24/7 streams) out of old content, and viewers appreciate the lean-back experience. The model depends on high ad impressions on connected TVs – 94% of FAST viewing in the U.S. is on TV sets[1], where viewers are used to ad breaks. Advertisers enjoy FAST for its TV-like context plus digital targeting capabilities.

Transactional (TVOD) and pay-per-view

Though a smaller slice of the pie, TVOD remains relevant for one-off content like movie rentals and special live events. For example, studios sometimes release films on digital stores (Apple TV, Google Play) at a premium before they hit SVOD – generating incremental revenue from enthusiasts. In 2020–21, "Premium VOD" (PVOD) emerged when theaters were closed, with $20–30 digital rentals of new films; this proved some consumers will pay high one-time fees for early access. For live events, sports leagues and fight promoters rely on PPV for major bouts – e.g. a boxing match might cost $50 to stream. TVOD is not a growth area overall (consumer preference has shifted to subscription bundles), but it co-exists for high-value content where a standalone purchase can fetch more than a month's subscription fee. Many platforms integrate TVOD options alongside SVOD; Amazon Prime Video, for instance, sells and rents movies that are not on Prime subscription. A challenge is user friction (one-off payments can be a barrier) and piracy risk for expensive events.

[1] muvi.com [2] pwc.com [3] iab.com [4] emarketer.com

Hybrid SVOD/AVOD (freemium)

The combination model is now ubiquitous. "Freemium" refers to offering both free (ad-supported) content and premium paid content on the same platform, letting users upgrade if they want more. This model is used by platforms like Peacock, Youku, and many news sites. It essentially funnels users: the free tier builds a large audience and then converts a slice to paid. Data from the news industry suggests freemium can increase engagement – e.g., users get hooked on free videos, then pay for a subscription to access, say, a full investigative series.[1] For streamers, an ad-supported free trial period or selected free episodes can serve a similar role. Expect hybrid offerings to become standard – even SVOD companies are adding free content (for example, in 2023 Netflix put some documentaries on YouTube for free as marketing, and considered offering free show episodes on its app).

Sponsorships and native advertising

This model involves funding from advertisers in more integrated ways than standard spots. It's common in sports and news:

- In sports, sponsorship might mean a company pays to sponsor the digital stream (their logo on scoreboards, their name mentioned – e.g. "Toyota Halftime Show" on an app). These deals can be lucrative; brands pay a premium to be associated with high-profile content. Another form is branded content – e.g. a sports club creates a behind-the-scenes mini-documentary series funded by a sponsor that wants to reach fans.
- In news and entertainment, native video ads (sponsored segments, product placement in web series, influencer marketing on video) generate revenue without interrupting the viewing with a traditional ad break. As noted, *video is considered the most effective native ad medium by publishers,[1] because it engages the viewer while delivering the brand message more organically. The key is transparency and relevance, to maintain audience trust.

Sponsorship revenue often complements other models: for example, a free streaming sports match might have both standard ads and a presenting sponsor. Or an SVOD platform might host a sponsored after-show that's free on social media to draw people into its paid content.

Cross-Selling and Other Revenue Streams

Platforms increasingly look beyond direct content monetization:

- **Merchandising/E-commerce**
  Using video IP to sell merchandise (toys, apparel, NFTs in some cases) is big business for franchises (Disney+ shows, kids' content on YouTube, etc.). Some platforms have started integrating shopping (shoppable videos on Instagram, TikTok's shopping features). This can turn video views into product sales. In China, as mentioned, this is highly advanced – news organizations are even adopting shoppable video for things like lifestyle segment.[1]
- **Affiliate and Referrals**
  If a creator makes a video reviewing a gadget or a book, the creator might earn affiliate commission if the viewer clicks through to buy it. This is common on YouTube and other video publisher sites (blending editorial and commerce).
- **Upselling Other Services**
  Telecom or tech companies often use video as a value-add. For instance, Apple offers Apple TV+ cheaply as part of device bundles (aiming to retain device users). Amazon's cross-sell is Prime. Even pure video companies do cross-sell – Netflix promoting its games, or HBO using HBO Max to upsell HBO cable packages earlier on.
- **Data Monetization**
  A major broadcaster might simultaneously: sell ads on free streams, charge subscription fees for premium access, produce sponsor-funded specials, and license content to other platforms. This diversification is key to stability – for example, if ad markets dip due to an economic downturn, subscription revenue can buffer, and vice versa.

[1] ap.org

In practice, the highest-performing businesses combine multiple models. A major broadcaster might simultaneously: sell ads on free streams, charge subscription fees for premium access, produce sponsor-funded specials, and license content to other platforms. This diversification is key to stability – for example, if ad markets dip due to an economic downturn, subscription revenue can buffer, and vice versa.

One emerging insight is that live content (sports, news) tends to maximize value through hybrid monetization – ads plus subscription – whereas library content can be split (either go mass reach AVOD or exclusive SVOD). Each provider is finding the mix that suits their content and audience: for instance, a niche premium drama service might rely 100% on SVOD (small but dedicated audience), whereas a mass-market general entertainment service might lean 70% ad-funded users and 30% paying users.

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Typical CPM values by destination and region

Country	YouTube CPM	CTV/OTT CPM	Social Video CPM	Publisher O&O Video CPM
USA	$18–$25	$35–$50	$8–$15	$20–$35
UK	$15–$22	$30–$45	$7–$12	$18–$30
France	$10–$16	$20–$30	$5–$9	$12–$22
Germany	$11–$18	$22–$32	$6–$10	$14–$24
Sweden	$12–$18	$20–$30	$7–$11	$15–$25
Japan	$10–$16	$18–$28	$5–$9	$12–$20
South Korea	$9–$14	$16–$25	$4–$8	$10–$18
Australia	$16–$24	$28–$40	$7–$12	$18–$28
India	$2–$4	$5–$8	$1–$2.5	$2–$5
Mexico	$3–$5	$6–$10	$2–$3.5	$4–$7
Argentina	$2–$4	$5–$7	$1.5–$3	$2–$5
Brazil	$3–$6	$6–$12	$2–$4	$3–$8

To optimize their audience reach, M&E companies often publish their digital videos to various destinations.

These include owned and operated websites and mobile apps, connected TV over-the-top (OTT) platforms, YouTube, and other social platforms. The use of AVOD versus SVOD or other monetization methods for each destination can be correlated to the average cost-per-mille (CPM) on those destinations.

YouTube Video Ads

- USA, UK, Australia have the highest YouTube CPMs because of strong brand advertiser demand and advanced audience targeting.
- India, Mexico, Argentina see very low YouTube CPMs due to vast inventory and low ARPU (Average Revenue Per User).
- Japan and Germany perform relatively well within their regional standards.

CTV/OTT Video Ads

- CTV CPMs are the highest across all categories, especially in the U.S., UK, and Australia.
- Even in developing markets like Brazil and Mexico, CTV ad inventory (via Samsung TV Plus, Pluto TV, Roku) commands premium CPMs compared to mobile video.

Social Video Ads (Facebook, Instagram, TikTok)

- Social video CPMs are lower than YouTube and CTV, but vary a lot based on targeting and format (Facebook/Instagram Reels ads are typically cheaper than in-stream Facebook Video).
- TikTok CPMs are often on the lower end but rising due to more brand adoption.

Publisher O&O websites and apps

- Broadcasters' own platforms (e.g., ITVX, Channel 4, Globo Play, TF1.fr, SBS On Demand) often command better CPMs than social but lower than CTV, unless bundled with premium sponsorships.
- USA and UK premium publishers (especially for news, finance, and sports content) command strong direct-sold CPMs.

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Global market landscape

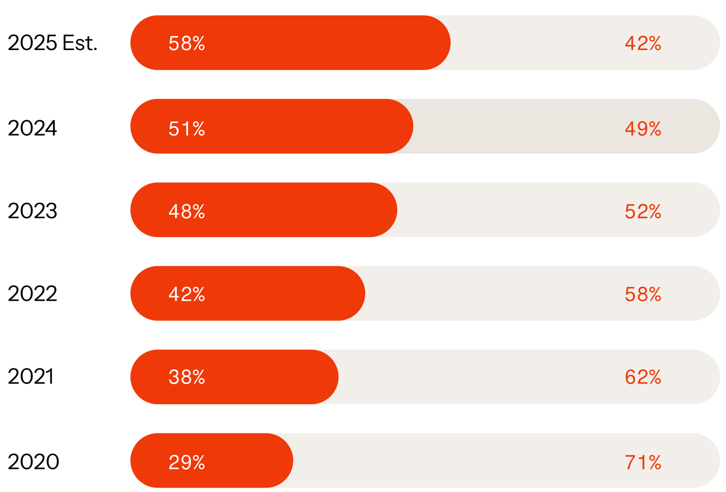
A massive and growing audience

Digital video viewership is massive and still expanding. In 2024, an estimated 3.5 billion people worldwide watched digital video content in some form, and nearly all internet users consume video regularly.[1] By 2025, 2.50 billion people will watch YouTube (or other free online videos), and 2.25 billion will watch subscription OTT video services[1] – showing significant overlap and the huge scale of hybrid viewing habits. The growth in absolute user numbers is slowing as penetration nears its peak in many markets, but overall consumption continues to rise. Video is the dominant use of the internet by bandwidth; as Cisco reports, it comprised over 82% of all consumer internet traffic by the end of 2024.[2] This signals a vast opportunity for monetization, as eyeballs shift from traditional TV to digital platforms.

Revenue shifts from linear to digital

Advertisers and consumers are following the audience migration. In the United States – a bellwether for monetization trends – 2024 marked the first year digital video ad spending exceeded linear TV advertising.[3] U.S. digital video ad revenues climbed 18% in 2024 to reach $64 billion, and are projected to grow another 14% to $72 billion in 2025.[3] This puts digital video at 58% of total U.S. video/TV ad spend by 2025,[3] roughly double its share from five years prior. (See Figure 1 below.)

U.S. TOTAL ANNUAL TV/VIDEO SPEND SHARE



Digital Video Linear TV

Figure 1
U.S. advertisers' spend share on digital video vs. traditional TV, 2020–2025. Digital video (yellow) has grown from 29% to an estimated 58% share, overtaking linear TV (blue) (iab.com)

Source: IAB Digital Video Ad Spend & Strategy Report: Part One, 2025

[1]emarketer.com [2]ap.org [3]iab.com

AVOD on the rise

This shift is global. Globally, AVOD is on a steep rise, especially as more platforms and content owners launch free services. Global AVOD revenues for TV series and movies are projected to grow from $39 billion in 2023 to $68 billion by 2029.[1] While North America (particularly the U.S.) historically generated the lion's share of AVOD income, other regions are catching up: by 2029, the U.S. is expected to account for 31% of global AVOD revenues, down from 40% in 2023. Europe is already the second-largest AVOD market, led by the UK, Germany, and France, and Asia-Pacific is the fastest-growing, with China and India powering huge viewer bases.

SVOD growing steadily

At the same time, SVOD (subscription) revenue worldwide continues to grow albeit at a moderating pace. The global SVOD market, encompassing hundreds of services, is estimated around $100+ billion in 2023 and projected to reach ~$140 billion by 2027. The expansion of subscriptions is now driven largely by emerging markets since North America and Europe are approaching saturation. Global OTT subscriptions are forecast to climb from 1.6 billion in 2023 to 2.1 billion in 2028 (5% CAGR).[2] Notably, the average revenue per OTT subscription globally is barely increasing (about $65 in 2023 to $68 in 2028),[2] reflecting competitive pressure and low pricing in high-growth markets. This puts pressure on providers to find new revenue streams (ads, upselling, etc.) rather than relying on price hikes.

Emergence of hybrid models

Because of these dynamics, the global trend is a convergence toward hybrid models. Pure-play subscription streamers are introducing advertising to bolster revenues (e.g. Netflix and Disney+ launched ad-supported plans in late 2022–2023). Conversely, free platforms like YouTube are exploring premium tiers (YouTube Premium subscription) to diversify beyond ads. The industry has recognized that monetization must be flexible and market-specific. In some regions and demographics, users prefer to pay for an ad-free experience; in others, they overwhelmingly choose free content with ads. Globally, both models co-exist – and increasingly within the same services. This is evidenced by major media companies adopting "AVOD + SVOD" hybrid strategies, offering a spectrum from free content to paid exclusives.

Content diversification and scale

The digital landscape has prompted an explosion of content production across all genres, as well as new ways to repurpose legacy content. Media companies are investing in original content to attract subscribers, but also recycling archives into new formats (for example, creating a FAST channel streaming classic sitcoms or sports archives 24/7 with ads). User engagement patterns differ by format: long-form on-demand series encourage binge-watching (often hours per session for SVOD users), while short clips and live feeds drive daily repeat visits. This has allowed multiple monetization opportunities – a single sports game might generate subscription revenue (for live access), advertising revenue (on highlight clips), and sponsorship revenue ("brought to you by" segments), plus fuel cross-selling (merchandise promoted during the broadcast).

In summary, the global market is robust and expanding, but also fiercely competitive. There is no one-size-fits-all approach – success comes from balancing models and adapting to regional consumer behavior. The next sections will examine how specific industries are navigating this terrain, before drilling down into regional nuances.

[1] muvi.com [2] pwc.com

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Industry perspectives on digital video monetization

Broadcast TV

(entertainment, news, sports channels)

Digital transformation

Facing audience fragmentation and cord-cutting, TV broadcasters have expanded into digital through owned streaming platforms and partnerships. Peacock and Paramount+ illustrate hybrid models (free ad-supported tiers + premium SVOD). In Europe, services like BBC iPlayer or Germany's Joyn follow similar paths, combining public funding, AVOD, and SVOD. Viewership is increasingly digital-first, with catch-up viewing now outpacing linear in some cases.

FAST Channels & archive content

Broadcasters are launching 24/7 FAST (Free Ad-Supported Streaming TV) channels on platforms like Pluto TV or Samsung TV Plus, reusing existing IP (e.g., sitcom reruns or genre channels). Single-IP channels account for up to 25% of FAST inventory. The number of channels in the U.S. grew fivefold from 2020 to 2024, while Europe tailors FAST content to local tastes. Global FAST ad revenue may reach $11.8B by 2027.

Digital news streams

News broadcasters now run 24/7 free streaming news channels (e.g., NBC News Now, Sky News), monetized through advertising and sponsorship. Platforms like YouTube and Facebook play critical roles in sustaining these channels via pre/mid-roll ads. Some media brands experiment with paid models for premium content, bundling video with reader subscriptions.

Sports broadcasters

Sports networks like ESPN and Sky offer D2C platforms (e.g., ESPN+, Sky NOW) combining SVOD and PPV models. ESPN+ reached 25M subs by late 2024. Highlights and clips—often branded or ad-supported—are pushed to social media for reach and monetization. Cross-selling strategies include bundling with telco plans or other content verticals.

TV broadcasters are evolving into digital-first content companies, monetizing across AVOD, SVOD, and FAST, with linear TV now part of a broader distribution mix. Challenges remain around revenue dilution and technology investment.

Online media platforms

(news, sports, business, entertainment)

Video advertising as core revenue	Online publishers use short-form video for pre/mid-roll ads on websites and platforms (e.g., YouTube, Yahoo News). With U.S. digital video ad spend projected to hit $78B by 2025, distribution scale is critical. YouTube's Partner Program remains vital, though revenue splits (45/55) limit margins.
Subscriptions & freemium models	Premium video is often bundled within subscription packages (e.g., NYT, WSJ, The Athletic). While standalone video subs are rare, long-form or exclusive video boosts perceived value and loyalty. Freemium strategies offer basic clips for free, with paywalled content behind subscriptions.
Branded content & sponsorships	Sponsored video is a growing revenue stream: media brands co-create content with advertisers, often published across social channels. This format yields stronger engagement than banner ads and can command premium CPMs.
Creator platforms & entertainment media	YouTube, TikTok, and Twitch support entertainment-focused brands with ad revenue share, memberships, or donations. Short-form monetization is nascent but growing. SVOD giants like Netflix illustrate the shift from legacy broadcasters to digital-first entertainment ecosystems.
Business & financial news	Players like Bloomberg and CNBC run live ad-supported streams and premium financial content. Video syndication to trading platforms or financial apps is another revenue layer.
Sports media brands	Digital-native sports publishers (e.g., Bleacher Report, Barstool) combine AVOD, sponsorships, and sometimes PPV. Distribution across YouTube, Twitter, and owned apps is essential for monetization diversity.

Sports organizations
(leagues, clubs, federations)

D2C Streaming services	Major leagues have launched OTT offerings (e.g., NFL+, NBA League Pass) to monetize international and niche audiences directly. SVOD packages cater to superfans and overseas markets. Even minor leagues now run OTT channels.
Pay-per-view and premium events	Combat sports leverage PPV (via ESPN+, FITE.tv, YouTube PPV) for flagship events. These remain highly lucrative despite the rise of SVOD.
Owned-channel advertising	Leagues and clubs monetize via ads on YouTube and owned apps. Branded highlights—often automated and sponsor-tagged—generate millions of views. FIFA, UEFA, and the NBA are leaders in this space.
Ad-supported free streaming	India's IPL set records with 449M digital viewers in 2023 by streaming for free on JioCinema, monetizing via massive ad sales. This model is gaining traction in emerging markets.
Club media & merchandising	Clubs monetize behind-the-scenes content via YouTube memberships or OTT platforms. Content drives indirect revenue (merch, tickets) and fan loyalty.
Licensing & syndication	Leagues license archival content for ads, media, or B2B reuse. Digital asset management now enables ecommerce-like licensing of video clips.
Cross-selling	Video is a gateway to higher-margin sales: betting integration, merchandise, and ticketing often accompany digital streams. Examples include in-stream merch promotions or odds overlays.

Sports organizations are becoming full-fledged digital broadcasters. With a multi-model approach (SVOD, AVOD, TVOD, sponsorship), they maximize content value across tiers and formats.

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Forecasting the next 3-5 years

Over the next 3 to 5 years (2025–2030), digital video monetization is poised to enter a new phase of maturation.

Key projections and trends include:

Continued global revenue growth

Despite some market saturation, the overall digital video revenue pie will keep expanding. The global video streaming market (including ads and subscriptions) is projected to reach anywhere from $300–400+ billion by 2028-2030 according to various estimates.[1] PwC forecasts an additional $600 billion in M&E revenues by 2028 vs 2023 with video streaming as a significant contributor.[2] Growth will be unevenly distributed: emerging markets (India, Southeast Asia, Africa) will see high double-digit percentage growth in revenues (albeit from smaller bases), while mature markets might see high single-digit growth as monetization deepens (more ads per user, slight price hikes, etc.).

Shift in regional balance

Asia-Pacific will firmly establish itself as the largest region by user numbers and likely by revenue. As noted, North America's share of global OTT revenue is falling below 50%,[3] and Asia (including China and India) will claim a greater portion. By 2027, analysts expect Asia to be the growth engine for new subscriptions[3] and content investment. Western Europe will remain the second-highest spending region in SVOD and a strong advertising market, but its growth is slower (CAGR in low-mid single digits for many countries). Latin America, MENA, and sub-Saharan Africa (not detailed above) will together contribute an increasing share of users, pushing platforms to tailor lower-priced, ad-heavy offerings for those markets. A specific projection: India's OTT market (~$2B in 2023) doubling to ~$4–5B by 2028,[2] and MENA perhaps reaching $2B by 2027. China's growth might be moderate but it's already huge in absolute terms (with unique local monetization as discussed).

Ad revenue overtakes subscription (in certain markets)

By 2025 or 2026, we could see ad-funded video revenue equal or exceed subscription revenue globally. In the U.S., 2024 was the crossover with digital video ads > traditional TV ads.[4] Globally, if we combine all forms of video advertising (social, CTV, etc.), the trajectory suggests ad spend will rival consumer spend on streaming. Digital TV Research predicted AVOD (for series and movies) reaching ~$68B by 2029;[5] compare that to SVOD at ~$155B by 2029[6] – ads still smaller in that specific comparison, but if we add short-form/social video ads, the gap closes. The point is, advertising will be a growth driver, especially via FAST. Expect innovations like more interactive ads (e.g. QR codes to scan on screen), pause-screen ads, and integration of shopping in ads as standard practice by 2030.

Blurred lines – arrival of the "Hybrid Era"

The very definitions of TV, streaming, AVOD, SVOD will matter less to consumers – they will simply choose content and accept whatever monetization unlocks it. Services will market bundles (e.g. "subscribe for no ads or watch free with ads") and it will be commonplace. We anticipate most major streamers worldwide to offer tiered plans. The success of Netflix's ad tier (if it continues to gain users and revenue) could lead even purely ad-free holdouts (like Apple TV+ which is currently ad-free) to introduce ads in some form. Conversely, traditional broadcast companies will likely launch premium ad-free options for their content to satisfy a segment of viewers. Hybrid monetization is becoming the dominant strategy for profitability – Deloitte's 2025 media trends emphasize that "hyperscale platforms" mixing models are redefining content consumption.[5]

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[1] grandviewresearch.com [2] pwc.com [3] ampereanalysis.com [4] iab.com [5] muvi.com [6] statista.com

Consolidation and rights shuffling

The next few years will likely see mergers or shakeouts, as the streaming market reconsolidates. Smaller or unprofitable services may be bought out or shut down. Recent examples include WarnerMedia's and Discovery's merger (leading to the combined Max service), and Comcast/NBCU considering folding smaller services together. In regions like India, we may see something like JioCinema absorbing others. Content licensing is making a comeback in some cases – studios that once pulled content to keep on their own platform are now licensing to third parties for extra revenue (e.g. Warner licensing HBO shows to Netflix in 2023.[1] This means the landscape may look a bit more like the early 2010s again, with aggregation increasing (perhaps via platforms like Amazon Channels or smart TV OS aggregators). For sports, expect tech companies to bid for more premium rights (Apple, Amazon, maybe Google/YouTube beyond what they've done) – this will force leagues to weigh large rights fees from tech vs building their own platforms.

Technological enhancements

Advances in tech will impact digital video monetization in the following ways:

- **Personalization and AI**
  Platforms will use AI to better personalize content and ads. More personalized ad experiences can mean higher CPMs (if ads are more relevant and less likely to prompt skipping). AI-driven recommendations keep viewers watching longer – more watch time equals more ads seen or greater retention for subs. Also, AI content creation might lower production costs (virtual actors, automated dubbing, etc.), which affects the cost side of monetization (profitability).
- **Measurement and analytics**
  As advertising spreads across platforms, industry-wide measurement systems (like Nielsen for streaming, or new standards) will develop to give advertisers confidence in cross-platform buys. This could unlock bigger brand budgets into digital video (currently some hold back for TV due to measurement issues).
- **Quality of experience**
  5G and broadband improvements will allow more 4K/8K streaming, making premium tiers (like Netflix's Ultra HD tier) more enticing. Also, low latency streaming will improve live sports experiences, possibly enabling wagers in real-time (regulatory permitting) or synchronized second-screen data, adding to monetization (via partnerships with betting companies or interactive ads).
- **Immersive and social viewing**
  By 2028, AR/VR may play a small role (e.g. VR sports courtside seats as a premium product), and social interactivity (watch parties, live chats integrated in streams) could increase engagement – some platforms might charge for special interactive features or use them to justify higher ad rates for "live community" experiences.

Consumer behavior and pushback

One must consider that consumers have a finite wallet and tolerance. We project some pushback in the form of:

- **"Subscription cycling"**
  Users will increasingly manage costs by rotating subscriptions (one month on Netflix to binge a show, then cancel and switch to Disney+, etc.). This behavior will force streamers to adjust strategies – perhaps offering annual discounts, or exclusive content windows, to reduce churn.
- **Ad avoidance tools**
  Just as ad-blockers emerged for the web, consumers might find ways to skip ads on TV interfaces (though harder, perhaps by using DVR-like recording of streams). This will spur innovation in making ads unskippable but also less intrusive (e.g. more subtle product placements).
- **Desire for simplicity**
  By 2030, after the wild fragmentation, consumers may demand aggregation – which could manifest as more bundling deals (cable-like packages of streamers sold together). Companies like Roku, Apple, or smart TV makers might act as hubs, and possibly take a cut of revenue. The industry might, in effect, recreate "channels" in digital form – which could simplify monetization (one bill, shared revenue behind the scenes).

[1] n3xtsports.com

In all, the outlook is that digital video will solidify as the central distribution method for visual media worldwide, eclipsing legacy TV both in viewership and revenue. The monetization will be more diverse and data-informed than ever. Those players that can scale globally while localizing content, and balance ad and subscription income, will thrive.

Over the next 5 years we will likely talk less about “streaming vs TV” – it will all be just video – and the focus for executives will be on optimizing the revenue mix and controlling costs (since content spending has been very high and investors now demand profits).

The era of chasing pure subscriber growth is ending; 2025–2030 will be about monetization efficiency – extracting more value per user via smart strategies, partnerships, and technology.

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Strategic recommendations

In light of the above analysis, here are actionable strategic recommendations for C-level executives looking to succeed in digital video monetization:

Embrace hybrid monetization and tiered offerings	Develop both ad-supported and premium ad-free options to capture the full market. For instance, offer a free or low-cost tier to maximize reach and ad impressions, and a higher tier for loyal fans willing to pay for no ads and extra features. This caters to varied consumer segments and diversifies revenue. For example, a freemium model where live events stream free with sponsor ads, while archival content or multi-angle streams are behind a paywall.
Invest in data-driven advertising capabilities	Advertising will be a core revenue pillar, so improve targeting, measurement, and ad innovation. Use viewer data (in privacy-compliant ways) to serve relevant ads and demonstrate high ROI to advertisers. Explore advanced ad formats like shoppable ads (where viewers can click to purchase) or interactive trivia during ad breaks to keep engagement. Building a strong ad-tech stack or partnering with ad-tech firms can increase CPMs and fill rates, directly boosting AVOD/FAST income.[1] Ensure ad loads are optimized – too many ads can chase away users, while too few leave money on the table.
Expand content offerings via partnerships and co-productions	To feed both SVOD and AVOD pipelines, partner widely for content. Co-produce local content with regional studios to attract and monetize local audiences (as seen with the surge in non-US productions on global platforms.[2] License select content to other platforms for additional revenue – the strategic sale of library titles to competitors can fund new originals (many insiders predict studios will increasingly license out content for revenue.[3] For sports organizations, consider partnerships with mainstream OTT platforms for broader distribution (e.g. Amazon or YouTube) to secure sponsor exposure, while retaining some rights for your own D2C service to monetize superfans
Leverage cross-promotions and bundling	Use bundle deals to increase customer lifetime value. If you have multiple services, offer them as a discounted bundle (as Disney does with Disney+/Hulu/ESPN+). Partner with telcos, device makers, or ISPs to include your video service as a built-in feature – this can rapidly grow user counts and revenue share (telco bundles were cited as a driver of OTT uptake in MENA.[4] Additionally, cross-sell internal offerings: promote merchandise, games, or experiences related to your video content. A news outlet, for example, can bundle video access with its digital newspaper subscription (driving up overall subscription price). Cross-industry partnerships (e.g. sports league with an e-commerce retailer for shoppable content) can unlock new revenue streams outside the traditional playbook.
Optimize content strategy for engagement and retention	Given rising churn, focus on content that keeps viewers coming back frequently (to maximize ad views and decrease cancelations). For AVOD, emphasize serial, short-form, and evergreen content that encourages habitual viewing – e.g. daily news briefs, popular TV series reruns (which drive consistent FAST channel ratings.[1] For SVOD, ensure a steady drumbeat of marquee content releases throughout the year rather than one big dump followed by a lull. Use audience insights to decide which content can be windowed out to free platforms as promotion and which should stay exclusive. Also consider live and event content – live sports, competitions, or reality show finals can create appointment viewing even on streaming, which in turn creates spikes in both ad opportunities and subscriber sign-ups (as seen in 2024 with more live events on streaming boosting engagement).[5]

[1]muvi.com [2]ampereanalysis.com [3]n3xtsports.com [4]broadbandtvnews.com) [5]iab.com

Focus on user experience and platform ubiquity	A seamless, accessible user experience will encourage consumption (and thus monetization). Ensure your apps are on all major devices (smart TVs, phones, game consoles) and run smoothly with efficient video compression for lower-bandwidth regions. Implement features like downloads (for commuters, which increases value of subscription) or picture-in-picture (to keep people watching ads even while multitasking). On ad-supported tiers, keep the ad experience tolerable – use frequency capping, and consider user-friendly formats like limited ad pods or "ad-free next episode thanks to Sponsor X" as a reward. Good UX directly correlates to more hours watched and higher revenue per user.
Adapt to local markets	Tailor monetization to regional economic realities. In high-ARPU regions, don't shy away from gradual price increases for SVOD, especially if you add content – many services have found minimal churn impact if increases are communicated with added value. In price-sensitive markets, lean on ad support or innovative plans (e.g. mobile-only low-cost plans, as used in India, or weekly subscriptions). Work with local advertisers and brands to craft sponsorship relevant to local culture — AVOD success often depends on culturally resonant content and ads.[1] Navigate regulations proactively: for instance, comply with European quota rules by co-producing European content, which then can also be sold globally – turning a compliance cost into a revenue opportunity.
Monitor metrics and pivot quickly	Finally, treat monetization strategies as iterative. Track key performance indicators (KPIs) closely: subscriber acquisition cost vs. lifetime value, ad fill rates, average revenue per user (ARPU) by region, engagement time, churn rate, etc. If an initiative isn't yielding (e.g. a new AVOD channel with low views), be ready to recalibrate content or distribution. Conversely, double down on what works – if short-form clips on a new platform (say TikTok) are driving lots of traffic to your app, invest more in that funnel. The market is moving fast, so agility is critical. Executives should foster a culture of experimentation – pilot a new monetization idea in one market, measure results, then scale up if successful.

By implementing these strategies, organizations can build a resilient digital video business that captures value from multiple revenue streams and stays ahead of consumer and technology shifts. The overarching principle is flexibility: as the industry continues to evolve, the winners will be those able to adapt their monetization mix without alienating their audience.

[1] muvi.com

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Conclusion

WELCOME TO THE HYBRID REVENUE ERA

Digital video monetization is now a core strategic focus for media and sports enterprises across the globe. The past few years have proven that no single model guarantees success – instead, the highest performers blend advertising, subscriptions, and innovative partnerships to maximize revenue and user satisfaction. North America and Western Europe have led the way in this transformation, demonstrating both the heights of subscriber spending and the power of advertising when harnessed to premium content. Emerging regions, meanwhile, illustrate the importance of localization and creativity – from India's ad-supported cricket extravaganza[1] to Latin America's embrace of hybrid freemium services.

As we look ahead, the gap between "traditional" and "digital" video continues to narrow; essentially all broadcasters and content owners are digital players now. The executive mandate is to navigate this converged landscape with a clear strategy: invest wisely in content that can be monetized across platforms, build the technical capability to deliver and monetize that content effectively (via personalization, ad tech, and ubiquitous distribution), and maintain agility in business models. The next 3–5 years will likely bring consolidation and clearer victors in the streaming wars, but also new opportunities through technology (such as interactive shopping in video or global live events at unprecedented scale).

Ultimately, the audience's attention is the prize, and monetization is the art of capturing value from that attention. The organizations that succeed will be those that respect consumer preferences – offering choice (free vs paid), quality content, and fair value – while relentlessly innovating in how they package and sell their video offerings. With the actionable insights and recommendations provided in this report, executives should be well-positioned to refine their strategies and ensure their digital video ventures are not only reaching viewers, but also reaching profitability and sustainable growth in the exciting years to come.

[1] m.economictimes.com

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