

# Revitalizing Revenue With New Content Distribution Models

Innovative Solutions to Streamline Subscription Streaming App and FAST Channel Finance

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## Introduction

Streaming has altered the content distribution landscape forever. Recent shifts in how viewers consume content have made way for an abundance of choices beyond Netflix and other subscription services. The result has been explosive growth in subscription streaming apps and the rapid expansion of AVOD/FAST channels.

Studios and content providers have a tremendous opportunity to exploit these new revenue streams - but not without obstacles. Perhaps the most significant hurdle to overcome is the tremendous strain these new distribution models can put on financial operations. Existing processes are often manual and Excel-based. They simply can't keep up with the new demands created by subscription streaming apps and FAST channels, forcing organizations to devote extensive time and resources to cumbersome, but necessary, revenue-related tasks.

Whip Media empowers studios and distributors to address these challenges so they can drive more revenue while eliminating the hassle of managing it. In this paper, we will discuss our innovative solutions for enhancing subscription streaming app and FAST channel finance through greater efficiency, auditability, control and scale.

## The Subscription Streaming Apps Struggle: A Tsunami of Reports

Rapid growth has quickly turned the wholesale distribution of mainstream and niche streaming apps into a multi-billion dollar business. With hundreds of millions of subscribers (and counting), the volume of data and reporting has become massive.

Many content providers receive thousands - or even tens of thousands - of monthly statements from wholesale partners and direct payment processors in different formats. Those statements can be very granular, with transaction-level detail for every single subscriber. There's also deferred revenue from annual subscriptions, refunds that must be dealt with and gift subscriptions that can only be recognized once they've been activated (and will likely result in even more refunds).

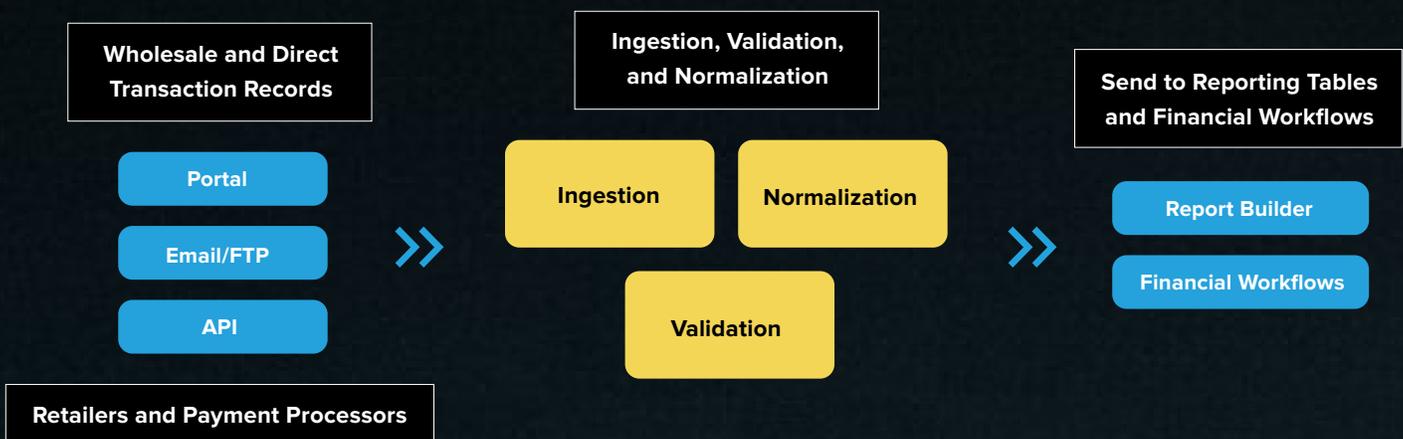
Managing accounting and reconciliation for this process is highly complex and can't be effectively handled by existing financial operations, which are manual in nature and lacking in both scalability and flexibility. Finance teams will find themselves devoting more and more resources to tackling the growing volume of reports and performing the required Excel manipulations.

Additionally, it can be very difficult to get a comprehensive, unified view of how apps are performing across platforms and territories.



## Streamline Management of Subscription Streaming App Finance

Whip Media's Performance Tracking and Revenue Management solutions have been the industry standard for streamlining digital distribution and performance of TVOD/EST, SVOD and AVOD content. Now, support for subscription streaming apps allows studios and distributors to realize immediate benefit to their financial operations and confidently keep up with their deals.



### Transform Actions

- Match gift activation to original purchase and store activation date
- Refund matching

### Revenue Entries

- Deferred revenue for annual subscriptions
- Reversing revenue accruals for POS
- Gift card escheatment and refund handling
- Direct integration with all major ERP platforms

### *Streamline Retrieval, Ingestion and Validation of Files*

Our experienced team ensures that all performance-related data from all wholesale partners and direct payment processors is ingested into one system, fully normalized and validated using a SOC 1-certified procedure to ensure complete tracking. This enables easier management and dramatically reduces the manual effort required from accounting teams.

### *Real-Time Performance Visibility*

All stakeholders get real-time access to clean and normalized data across multiple platforms for operational and management reporting. This includes full visibility into app subscriptions across every wholesale partner, including direct sales.

### *Automate Financial Processes*

Our solutions fully automate the generation of accruals and refunds processing, as well as the management of deferred revenue and delayed recognition based on subscription activations. This increases the productivity of accounting teams, improves accuracy of postings and ensures that all related accounting activities are auditable and traceable. Additionally, automated reconciliations make it easy to identify and resolve problems with wholesalers who may have poor financial controls.

Our Performance Tracking and Revenue Management solutions are designed to seamlessly integrate with all major ERP platforms.

## **An Influx of AVOD/FAST Revenue - But on What Title, When?**

The expansion of AVOD and FAST channels is currently outpacing the growth of any other type of streaming service. Because they're easy to deploy, new channels seem to emerge almost daily. Their performance-based model has created an influx of revenue, but accurately accounting for and collecting that revenue can be a monumental task.

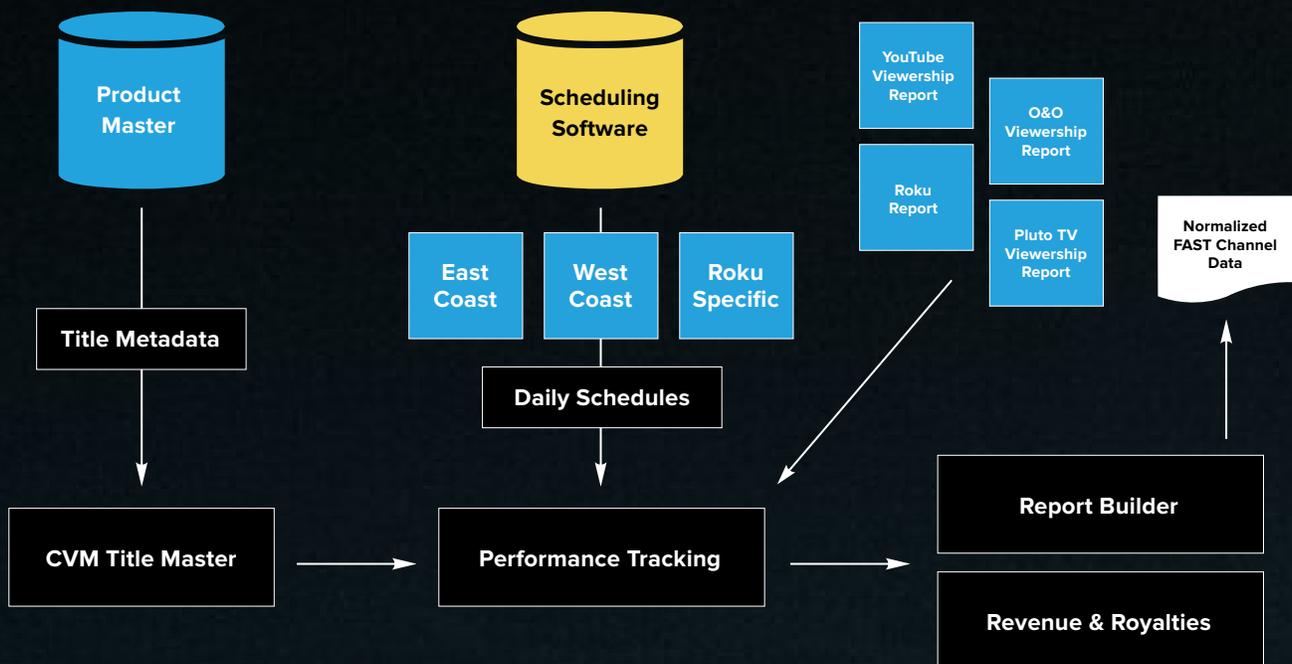
As a result, the need for greater efficiency and control in financial processes has become increasingly urgent among companies who provide content to AVOD and FAST channels.

The biggest issue? Allocating performance to titles and paying back to the content owners. Many platforms do not report title-level impressions or revenue back to their content providers, forcing the content providers to perform a tremendous amount of manual work to ensure proper payment. This extremely complicated process is further exacerbated when RevShare agreements are involved.



## Maximize Operational Efficiency and Control in AVOD/FAST Analysis and Accounting

Whip Media's innovative AVOD/FAST solution eliminates programming analysis and financial headaches, with fully automated and auditable tracking of AVOD/FAST performance and revenue to the title level.



### *Simplified Retrieval, Ingestion, Transformation and Allocation*

Our solutions make attribution and allocation faster and more accurate, with automated or manual retrieval of viewing data and revenue from platform partners, as well as as-run logs for FAST channels with no by-title reporting. We help you efficiently allocate unattributed performance to the proper titles, report title-level revenue to your internal financial IDs for booking, and lump-sum revenue-to-title attribution based on actual time spent viewing.

### *Improved Contract Management*

Enhance contract control and compliance by dynamically capturing the financial terms of content provider contracts, including revshare splits and minimum guarantees, then associating titles directly to those terms.

### *Automated Royalty Calculations and Reporting*

Content providers can fully automate the calculation of revshare splits and minimum guarantee recoupment, as well as the generation of royalty reporting.

## **Proven Solutions Trusted by Industry Leaders**

Since the beginning of digital distribution, Whip Media has been the industry standard for tracking and accounting for third-party performance of digital content, and that expertise now includes subscription streaming apps, FAST channels and interactive entertainment. Our solutions are currently in use by every major Hollywood film studio, broadcast and cable networks, and dozens of large distributors, managing over 60% of global TVOD/EST revenue.

Our AVOD/FAST offering is part of the Content Value Management (CVM) Platform Distribution Suite, a powerful solution made up of connected workflows for licensing, content planning and financial operations. The CVM Distribution Suite increases visibility, efficiency and profitability by optimizing and scaling distribution across third-party platforms worldwide.

## Real World Success: Tastemade

Rapid audience growth, combined with a sharp increase in the number of global OTT distribution partners, prompted Tastemade to seek new ways to improve content performance tracking specific to their digital linear channels. Their FAST content programmers lacked visibility into title-level performance across multiple digital platforms, hindering Tastemade's ability to make strategic content programming decisions.

*“As we rapidly expand our global distribution footprint, we're excited to work with Whip Media to deepen our understanding of how viewers engage with our content across multiple platforms.”*

**Jay Holzer**, Head of Programming | Tastemade

Whip Media's Performance Tracking solution is helping Tastemade unlock the power of data for their FAST channels. The company created a first-of-its kind automated performance tracking system for digital linear networks that allows them to easily and efficiently:

- Map FAST viewing data from platform partners to multiple linear schedules and internal product metadata
- Get normalized FAST viewing data by title, day and platform available through a flexible, web-based reporting system

## Conclusion

Subscription streaming apps and AVOD/FAST channels present unique opportunities for distributors, studios and networks to revitalize revenue growth. But existing financial operations simply can't handle the volume of work required to support these new distribution models.

Whip Media solutions streamline performance tracking and revenue management for subscription streaming apps and AVOD/FAST channels. Studios and distributors have access to all the capabilities they need to take advantage of these new opportunities in the most efficient, auditable and scalable manner possible.

## About Whip Media

Whip Media is reimagining content licensing to create a smarter, more connected entertainment ecosystem. We help leading entertainment companies succeed in today's high-volume, high-velocity global content environment with a market-leading cloud software platform that combines unique, actionable insights with scalable, connected workflows for licensing, content planning and financial operations.