

# Money, Money, Money

## *Inner Ear's Guide To Monetising Live Digital Experiences*

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This is an extract from my forthcoming book, *This Is What Streams Are Made Of*, a comprehensive guide to live stream mastery; a practical, theoretical and innovative approach to live programme making.

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*Let's make some money. If you offer your audience access to live content that is rare, niche or special, and importantly either what you offer or the way you offer it is considered valuable enough, then you can turn your audience into paying customers and monetise your content. There are quick and slow ways to do this. This document provides some industry insight into the process, profit and potential pitfalls of making money from live streams.*

<b>Monetising Your Content</b>	<b>3</b>
Quick Cash vs. The Gift That Keeps On Giving	3
Different Monetisation Models	3
Monetisation Options for Each Model	5
Tips and Pointers	6
<b>OTT</b>	<b>7</b>
Accessible OTT Platforms and Their Benefits	8
Tips for Utilising OTT Platforms	10
<b>Stream Your Money-Maker</b>	<b>12</b>

## Monetising Your Content

Monetisation, in the context of live streaming, refers to the various strategies employed by content creators to generate revenue from their live broadcasts. Live streaming offers a multitude of monetisation options that can cater to different audiences, content niches, and business goals.

We divide the live streaming models into two categories, immediate (quick cash) and longtail (the gift that keeps on giving).

### *Quick Cash vs. The Gift That Keeps On Giving*

1. Pay-Per-View (immediate)
2. Subscription (longtail)
3. Patronage and donations (longtail)
4. Advertising (immediate/both)
5. Sponsorship, brand endorsements and product placement (immediate)
6. Affiliate deals (longtail)
7. Merchandising (longtail)

Understanding these models and choosing the right approach is crucial for maximising the financial return on your live streaming efforts. In the next section, we'll go "Over The Top", which is where you create a shop window for your content, package it up and present it, tantalisingly. This approach is all about converting your engaged viewing audience (who are warm leads, in sales and marketing speak) into customers. There is a lot more to that than the more straightforward monetisation options below. So let's go through them and then we'll offer some tips and lessons that we have learned from our experience.

## Different Monetisation Models

- Pay-Per-View (PPV):
  - In this model, viewers pay a one-time fee to access a specific live stream or event. It's an effective way to monetise premium content or exclusive live events.
  - It hinges, of course, on the fact that your audience wants to pay for the content you're offering.
  - If you offer the only way to view a must-see event, or participate in a one-of-a-kind experience, then you can charge good money and, providing you pitch the offer right, your audience will pay for it (and become your customers).
  
- Subscription:
  - Subscriptions are recurring payments made by viewers to access a content library, premium features, or exclusive live streams. This model fosters a loyal audience and provides consistent revenue.
  - Some content creators do find themselves burdened with the need to provide new content continually (sometimes referred to as, er, "feeding the beast"), however, so have a clear strategy for how you will provide value to your audience on an ongoing basis.
  - For example, if you live stream an annual event from which you can create a suite of content, then, depending on how you position it, providing all year round access to the content may be sufficient for you to sell subscription-based access to your audience. Understand the value you offer. Don't overdo it.
  
- Patronage and Donations:
  - Some content creators rely on the goodwill of their audience.
  - Viewers voluntarily donate or support creators through platforms like Patreon or direct donations during live streams.
  - Crowdfunding campaigns use live streams to appeal to their audience to pledge support.
  - Tried and tested examples of effective, and lucrative, patronage of live streamed content include gamers, creators, specialist media, worship ("the church") and adult entertainment. The last two examples have been pioneers of live streaming since the late 90s. (I'm not praising or condemning either, but they have pushed the medium forward.)

- Advertising:
  - Advertising generates revenue through pre-roll, interstitial, or post-roll ads that play during or around the live stream.
  - Creators can partner with ad networks or advertisers to monetise their content.
- Sponsorship and Brand Endorsements:
  - Brands collaborate with content creators to sponsor live streams or endorse their products during broadcasts.
  - This model often involves paid partnerships with companies.
- Product Placement, Affiliate Deals, and Merchandising:
  - Content creators can promote products or merchandise during their live streams.
  - You earn a commission on sales through affiliate links, product placement fees, or merchandise sales.
  - You must be transparent about the fact you are earning an affiliate commission on any purchases made by your audience.

### **Monetisation Options for Each Model**

- Pay-Per-View (PPV) and Subscription:
  - Professional streaming platforms like Castor and DaCast provide paywalls models for your live streams.
  - Although they offer more advanced OTT services, InPlayer and Cleeng are also good for PPV.
  - Eventbrite can also be useful for selling virtual event tickets and is pretty straightforward to use.
- Patronage and Donations:
  - Platforms like Patreon provide a dedicated space for creators to engage with patrons and receive financial support.
  - Many social networks also offer tipping and donation features, including Facebook and YouTube.
- Advertising:
  - Major social networks like YouTube, Twitch, and Mixcloud offer advertising programmes that allow creators to earn a share of ad revenue.

- Our YouTube Ad Partnership Program revenues for TRADtv are increasing steadily.
- We are also exploring options for monetising Radio Magnetic's Mixcloud presence.
- With both brands, we focus on creating and curating high quality specialist, niche market content that our audiences want to watch and listen to.
- If you create live and on demand content regularly, then joining these platforms' monetisation programmes can provide a steady income stream.
- Sponsorship and Brand Endorsements:
  - Creators can connect with brands directly or use influencer marketing platforms to find sponsorship opportunities.
- Product Placement, Affiliate Deals, and Merchandising:
  - Affiliate marketing platforms like Amazon Associates can help creators earn commissions from product recommendations.
  - Selling merchandise can be managed through e-commerce platforms or services like Shopify.

These monetisation models cater to various content types and audience preferences. The choice of model depends on your content's nature, target audience, and your objectives as a content creator. Understanding your audience and experimenting with different strategies can help you determine the most effective monetisation approach for your live programmes.

### **Tips and Pointers**

If you do plan to directly monetise your content, we want you to approach this with your eyes open. Here are some tips and points to consider, based on what we've learned through decades of experience.

- The explicit monetisation models listed above are not the only way to make money from your content.
  - You can play the long game and use live streaming to build your brand, develop a deep relationship with your audience and demonstrate your value.
  - Once you have established the relationship with your audience, you can monetise it directly, using the models above, or indirectly, by channelling sales of associated projects.

- In our experience, live streams of regular events attract viewers to visit in person in the future and thus spend money on tickets and auxiliary spending (i.e. travel, accommodation, food and drink, souvenirs, etc.) which benefits both the event and local economy.
- When you introduce a paywall, your audience size will reduce significantly.
  - If you have been streaming your shows for free to thousands of people, expect that number to reduce when you start charging for access.
  - The audience size will probably drop to 10–20% of what it was when it was free-to-view, so base your revenue projections on that kind of ratio.
  - So if you streamed a regular event for free to an audience of 5,000 unique viewers and then decide to introduce a £10 fee to watch it, don't project sales of £50,000 because you're more likely to generate revenue of around £5,000–10,000.
  - Don't forget to account for VAT/sales tax (if applicable), merchant and platform fees as costs of sale.
- Make your content easy to find.
  - Sometimes people rely on their social media audience and brand reputation and neglect to do obvious things like put the video player on their homepage. Make your content access as explicit as possible.
- Sponsorship and brand partnerships may affect your rights agreements.
  - Be upfront with the rights holders of material that you have licensed for use in your live programme and in the agreements you have with talent and contributors.
  - You don't need to offer extra money, you just need to be transparent. As long as copyrighted material (especially music) isn't directly associated with a brand, and used to sell it, then there may not need to be any increase in fees. But you want to work all of those issues out as far in advance as possible (and definitely not after your programme has been broadcast).

## OTT

Growing up in Scotland in the 1980s, we had three channels of analogue terrestrial TV (which then became four and eventually five) and that was it. In today's digital era, the way we consume content has undergone a remarkable transformation. It's easy to overlook that because we have normalised "the streamers" pretty quickly.

Over-The-Top (OTT) services have emerged as a groundbreaking paradigm which has revolutionised the way we access and enjoy video content. OTT services deliver media content directly to viewers via the internet, bypassing traditional cable or satellite television networks. Whether it's live streaming, on-demand movies, TV shows, or exclusive original content, OTT platforms have become the go-to destination for audiences worldwide. These services offer not only convenience and flexibility but also a diverse range of monetisation options for content creators, making them an essential tool for independent producers and media companies alike.

In this section, we will delve into accessible OTT platforms that empower independent live streaming producers to reach a global audience and monetise their captivating content effectively.

### *Accessible OTT Platforms and Their Benefits*

In the ever-expanding digital media landscape, independent live programme producers, like you, have an array of Over-The-Top (OTT) platforms at your disposal to package, distribute, and monetise live streams and on-demand content. These platforms cater to creators looking to reach a global audience while offering various monetisation models to suit their business goals. Here are some accessible OTT platforms. We've offered some insights into how you can utilise them effectively.

- Vimeo OTT (formerly VHX):
  - Vimeo OTT is a comprehensive platform that allows you to create your branded streaming service. While it may come with a substantial cost, it offers robust features such as customisable apps, DRM (Digital Rights Management), and in-depth analytics.
  - Independent producers can use Vimeo OTT to create content-rich websites and offer pay-per-view (PPV) live events, sell individual



episodes, or provide subscription-based access to their content library.

- Live streaming and video hosting are built on Vimeo's market-leading approach to quality.
- It is very expensive compared to other platforms, but it's extremely powerful and built on probably the best video hosting service in the industry. You can build your own DIY Netflix-style service. There are a few things to watch out for, including the need to change a product's status manually from "Pre-sales" to "Ready to view" when you go live or customers won't be able to access the live stream. We wish that happened automatically. If you're considering Vimeo OTT, make sure you get your money's worth from their support and ask their account managers lots of questions.
- Brightcove:
  - Brightcove provides a range of video solutions, including OTT services, to help independent producers launch their streaming platforms.
  - It offers monetisation options like advertising, subscription-based models, and pay-per-view.
  - Brightcove's platform is known for its scalability and the ability to handle high-quality video content.
- Wowza:
  - Wowza is a robust and versatile live streaming platform that enables independent producers to deliver live and on-demand content.
  - While it does require some technical expertise, Wowza offers flexibility in content packaging and monetisation.
  - You can use it for pay-per-view live events, subscription-based content, or advertising-supported streams.
- InPlayer:
  - InPlayer is a monetisation platform that can be integrated with other streaming services.
  - It's a wrap-around service. You use a platform like Vimeo, Castor or even YouTube to live stream content and put the embed code inside an InPlayer event/property, which then gives you a paywalled video player that you can embed on your website and share through social media.

- As much as we like YouTube for live streaming (much more than other free-to-use social platforms because it is reliable and good quality), we don't recommend using it for PPV content because you have to use unlisted video links, which anyone can share. You're much better off going with a premium service such as Castr, DaCast, Vimeo, etc.
- Independent producers can use InPlayer to set up paywalls, sell tickets for live events, and manage subscriptions. It supports various payment gateways and offers analytics to track revenue.
- Several of our clients have used InPlayer, as do some niche music live streaming channels we know. They have good customer support and the commission rates are reasonable, but beware the ongoing fees.
- Cleeng:
  - Cleeng specialises in providing secure monetisation solutions for live and on-demand content.
  - Independent producers can use Cleeng to sell access to their live streams through pay-per-view or subscription models.
  - It offers audience data insights and, as another wrap-around service, integrates seamlessly with popular streaming platforms.
  - We used Cleeng a few times, including for a crime writing book festival. The interface and user experience (UX) were great, but the commission rate was high compared to many other platforms.
- Eventbrite:
  - Eventbrite, primarily known for event management and ticketing, can also be a handy platform for independent producers.
  - You can use Eventbrite to sell tickets to your live events, webinars, or workshops. It's user-friendly and provides tools for managing registrations and revenue tracking.
  - We used Eventbrite for the World Highland Dancing Championship Finals stream and it worked very well. Be aware you cannot sell tickets beyond the end date that you set for your online event, so schedule your dates accordingly.

### **Tips for Utilising OTT Platforms**

- **Know Your Audience:**
  - Understand your target audience's preferences and willingness to pay for content. Tailor your monetisation strategy accordingly. Use some audience intelligence tools and methods (we can go into detail with you on how to do this during a professional consultancy session).
- **Content Quality:**
  - Invest in high-quality production to attract and retain viewers. A polished programme presentation can justify subscription fees or PPV pricing. If you want to enhance your production values to increase the perceived value of your content so you can sell to your audience, then speak to us about specialist live programme making training.
- **Engagement:**
  - As with all live streams, interact with your audience through live chat, Q&A sessions, or social media to enhance the viewing experience.
  - Be aware of how the chat function works before you start streaming. Some of the monetised live streams we have worked on have had limited or no chat. We think that is a shame and compromises the sense of international community that live streaming creates.
- **Promotion:**
  - Effectively market your live streams and on-demand content through social media, email newsletters, and partnerships to expand your reach.
  - Consider sales strategies like early-bird ticket offers, package deals and add-ons and limiting ticket numbers to create scarcity (and thus an incentive to buy).
- **Analytics:**
  - Leverage platform analytics to gain insights into viewer behaviour and preferences. Adjust your content and monetisation strategy based on data.
- **Availability:**
  - Decide how long you will make your OTT content available for. Will it be 24 hours, one week, one month, one year, indefinitely? There are pros and cons to making content available for either limited or indefinite periods of time.

Let's consider the pros and cons to restricting access to your live streamed content (and consequent archive recording) for a limited period of time.

- Pros:
  - Urgency and Scarcity:
    - Limited-time access creates a sense of urgency and scarcity, motivating viewers to take immediate action to watch.
    - This can lead to higher engagement and conversions.
  - Event-Like Experience:
    - Treating your content release as an event or a special occasion can generate excitement and anticipation among your audience.
    - This can result in a higher number of viewers during the limited window.
  - Monetisation Opportunities:
    - Limited-time access can be ideal for pay-per-view (PPV) models, where viewers purchase access to content for a specific period.
    - It can also encourage viewers to subscribe to your platform to ensure ongoing access.
  - Content Refreshment:
    - Releasing new content regularly for limited periods keeps your audience engaged and coming back for more. It can be especially effective for serialised content.
- Cons:
  - Missed Opportunities:
    - Some potential viewers may miss out on your content if they cannot watch it during the limited window. This can limit your reach and revenue potential\*.
  - Viewer Frustration:
    - Viewers who discover your content after the limited availability period may feel frustrated or disappointed, potentially affecting their perception of your brand\*.
  - Content Longevity:
    - If your content has long-term value or serves as evergreen material, restricting access may prevent you from capitalising on its ongoing appeal.
  - Sustainability:
    - Managing a content release schedule with constant limitations can be challenging and resource-intensive.

- It requires consistent effort to create and promote new content.

In essence, the decision to restrict access to a limited time depends on your content, goals, and audience behaviour. It can be an effective strategy for generating buzz, driving conversions, and maintaining content freshness. However, it's essential to weigh these advantages against potential downsides, such as missed opportunities and viewer frustration, to make an informed choice.

*\* However, if you handle the promotion and positioning in the right way, then missing out can make the audience want to join in even more next time.*

## Stream Your Money-Maker

As with every aspect of live streaming, there's a lot more to monetisation and OTT than we can go into here. But I hope this paper gives you a good introduction and some things to think about. Please check out the [Inner Ea website](#) for useful links to further information, how-to guides for platforms, case studies and trends.

If you want to know more about monetisation and work out how it can earn you additional revenue, get in touch with us: [innerear.co.uk/contact](http://innerear.co.uk/contact) and let's make some money.

