

## Clash of the titanic brands

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### Amazon takes on YouTube with launch of Amazon Video Direct

**Amazon** unveiled its own plans to compete in the user-generated video market with the launch of a new service called [Amazon Video Direct](#) in a surprise announcement this morning. This service, explains the company, allows creators to upload their own videos to **Amazon's** Prime Video and generate royalties based on the hours streamed.

Creators have several options to monetize their videos, including making them available to rent or own, or they can make them free and ad-supported. The videos can also be packaged together and offered as an add-on subscription to **Amazon** Prime Video. Add-on subscriptions are available through the Streaming Partners Program, and are intended for larger-scale video providers.

The new program will likely appeal to creators given **Amazon's** scale. This self-serve platform reaches the company's "tens of millions" of Prime members, **Amazon** notes. Many of these customers are already engaged with **Amazon** Prime Video, as they use this Netflix-like service to watch **Amazon's** free TV shows and movies, including both popular network TV and Hollywood films, as well as **Amazon's** own original content.

In addition, **Amazon** says that creators will have control over where their videos can be streamed. For now, that means they can be streamed in countries where **Amazon** Video is available – the U.S., Germany, Austria, United Kingdom and Japan.

These videos can be played back anywhere **Amazon** Video works, as well, which includes mobile phones and tablets (Fire, iOS and Android), desktop, game consoles, connected TV platforms, and Fire TV.

Like other video sites, creators will also have access to metrics to see how their videos are performing. This system, at launch, includes the ability to track number of minutes a title was streamed, projected revenue, payment history, and number of subscribers. This allows the creators to make changes based on their metrics, says **Amazon**.

“It’s an amazing time to be a content creator,” said Jim Freeman, Vice President of **Amazon** Video, in a statement about the launch. “There are more options for distribution than ever before and with **Amazon** Video Direct, for the first time, there’s a self-service option for video providers to get their content into a premium streaming subscription service. We’re excited to make it even easier for content creators to find an audience, and for that audience to find great content.”

According to [Variety](#), **Amazon** will pay partners 50 percent of the retail price for **digital** purchases, rentals and subscription fees. If creators distribute on Prime Video, they will earn royalties of 15 cents per hour streamed in the U.S. and 6 cents in other territories, their report indicates. (This is capped at \$75,000 per year).

Along with the debut of AVD, as the new service is called for short, **Amazon** is also launching AVD Stars. A unique promotion **designed** to kick-start this new video platform, the AVD Stars program gives creators a share of \$1 million per month based on customer engagement with their title.

**Amazon** says it will distribute a monthly bonus to creators from the \$1 million monthly fund, based on the Top 100 AVD titles in Prime Video. This is on top of any other revenue earned. All creators and providers who use AVD will automatically be enrolled.

The program launches today and the \$1 million monthly fund will make its first bonus distributions based on streaming activity from June 1st to June 30th.

**Amazon**’s announcement noted some of the early names it has signed up to participate in the new program, including Conde Nast Entertainment, HowStuffWorks, Samuel Goldwyn Films, The Guardian, Mashable, Mattel, StyleHaul, Kin Community, Jash, Business Insider,

Machinima, TYT Network, Baby Einstein, CJ Entertainment America, Xive TV, Synergetic Distribution, Kino Nation, Journeyman Pictures, and Pro Guitar Lessons.

As you can tell by the selection, **Amazon** is targeting larger video creators and MCNs (multi-channel networks), as opposed to the everyday, mainstream users who use **YouTube** to upload personal videos. That makes the service competitive with something like **Vimeo**, as well, especially given the options to rent or sell videos.

The launch follows **Amazon**'s recent debut of [standalone subscriptions](#), which target non-Prime members at a cost of \$8.99 per month.

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