

A Comparative Analysis of the Window Period Revenue of Original Films on Streaming Media Platforms and Traditional Cinema Chains

Yijie Gao *

Shandong Normal University High School, Jinan, China

* Corresponding Author Email: GYJ0320gyj@outlook.com

Abstract. With the rapid development of streaming platforms such as Netflix and Disney+, the revenue model and window period strategy of traditional theatrical films have been significantly impacted. This article takes the revenue during the window period of streaming original films and traditional cinema chains as the research object. Through case analysis, revenue model comparison and data statistics, it systematically analyzes the revenue characteristics, creator incentive mechanisms and industrial structure changes of the two types of models. Research has found that original films on streaming media mainly rely on subscription fees to achieve long-term and stable revenue and optimize content distribution and enhance user stickiness through data-driven means, while reducing the cost of traditional promotion and distribution. Traditional theatrical films rely on concentrated box office revenue and a tiered strategy during the window period to maximize their returns, but they are constrained by the risks of shortened screening rights and window periods. There are differences in the sensitivity of different types of films to the window period. Large-scale commercial blockbusters still rely on the exclusive window period of the cinema chain, while feature films and low-budget films are less sensitive to the window period. This article further puts forward policy suggestions, including diversified financing for creators, transparent platform revenue, and the formulation of flexible window period policies by regulatory authorities, in order to balance the interests of all parties in the industry. This research provides a reference value for future film distribution strategies and policymaking.

Keywords: Streaming media platform original film, traditional cinema chains window period, revenue model.

1. Introduction

With the development of digital technology and the improvement of Internet infrastructure, the global film and television industry is undergoing profound changes. Streaming media platforms represented by Netflix, Disney+, HBO Max, etc. have gradually risen, changing the traditional pattern of film content production, distribution and consumption. According to relevant statistics, the number of global streaming media subscribers exceeded 200 million in 2020. Users' viewing habits have shown a trend of fragmentation and personalization, while the centralized model of traditional cinema viewing has been impacted [1]. Meanwhile, the closure of cinemas during the pandemic has accelerated the integration and adjustment of streaming media and theatrical distribution models. For instance, Disney+ 's "simultaneous release" strategy enables films to be released on streaming platforms simultaneously with their theatrical premieres. This trend has directly affected the box office revenue structure of traditional theatrical chains and also posed new challenges to film revenue distribution, copyright management, and marketing strategies [2]. Therefore, it is of great practical significance to study the differences in revenue models between original films on streaming media platforms and traditional cinema chains, as well as the economic mechanisms of their window period strategies.

In the business model transformation of the film industry, the window period economy has become an important indicator for measuring changes in the revenue structure. Traditional theatrical films usually ensure box office revenue through an exclusive window period of about 90 days, and at the same time achieve revenue accumulation through subsequent copyright sales, derivative product licensing and overseas distribution. This model emphasizes the release of value in a phased manner

over time and serves as an important mechanism for cinemas and distributors to share risks together [3]. Original films on streaming media platforms, on the other hand, rely on subscription models, on-demand revenue, and data-driven content distribution strategies to achieve user retention and brand value appreciation. Their revenue model places more emphasis on long-term stability and value exploration across all platforms. The sensitivity of different types of films to the window period varies significantly: large-scale commercial blockbusters rely on the exclusive window period of cinemas to maximize box office revenue, while feature films and low-budget films have a strong adaptability to the flexibility of the window period [4]. Studying this mechanism helps to understand the reconstruction rules of the revenue structure of the film and television industry in the context of digital transformation, and provides decision-making references for creators, distribution platforms and policymakers.

This article aims to systematically explore the impact of digital transformation on the revenue structure and distribution strategies of the film industry through a comparative analysis of the revenue of original films on streaming media platforms and traditional cinema chains during the window period. The research methods include global case studies, revenue model comparisons, and audience behavior data analysis, with a focus on analyzing the impact mechanisms of streaming media platforms on box office revenue, subscription income, user stickiness, and content production incentives. Meanwhile, this paper, in light of creator incentives, platform revenue structure and policy environment, puts forward feasible suggestions, such as diversifying creator financing, making platform revenue transparent and formulating flexible window period policies. Through a systematic review and comparison of the revenue models of streaming media platforms and traditional cinema chains, this article not only enriches the theory of "window period economy" but also provides a scientific basis for the innovation of business models and policy optimization in the future film and television industry.

2. Analysis of Revenue Models and Characteristics of Streaming Media Platforms and Traditional Cinema Chains

2.1. Revenue Sources of Traditional Theatrical Films

For traditional theatrical films, their core revenue mainly relies on box office receipts in theaters. In terms of the revenue-sharing ratio, it is usually between the production company and the distribution company, roughly ranging from 40% to 60%. Moreover, this revenue-sharing ratio may fluctuate to some extent depending on factors such as the film's release date, the type of film it belongs to, and the regional market it is located in [5]. Under this model that emphasizes concentrated short-term returns, the box office contribution of a film in the first few weeks after its theatrical premiere accounts for the majority of the total revenue. This is a key link to ensure that the producers recover their investment and achieve profitability. In addition to box office revenue, traditional theatrical films also rely on derivative income after the window period. This derivative income includes copyright sales such as purchasing from streaming media platforms and broadcasting rights on TV stations, licensing of derivative products like toys, games, and theme park collaboration events, as well as overseas distribution revenue from international cinema revenue sharing or regional streaming media licensing [6]. The strategy of "releasing value in a time cascade" is reflected in this revenue structure, that is, ensuring box office revenue through the exclusive window period of the cinema chain, and then gradually releasing copyright and derivative revenue, thereby achieving the goal of risk diversification and revenue maximization.

2.2. Revenue Model of Original Films on Streaming Media Platforms

The revenue model of original films on streaming media platforms is centered on subscription-based income. It mainly relies on original content to attract new users to subscribe, thereby increasing the platform's retention rate [7]. There are still some platforms that adopt the Premium Video on

Demand (VOD) model, obtaining direct revenue through single-video payment, just like the single-video on-demand revenue that Amazon Prime Video has. Equally significant are the indirect benefits. Original content can enhance user stickiness, help improve the platform's retention rate, and boost the platform's brand value (just as Netflix has enhanced its platform's tone with Oscar-winning films). Moreover, by accumulating viewing behavior data, it can form data assets. It is then used to guide content production and carry out precise marketing. This model, which emphasizes long-term stability and the exploration of value across all platforms, bears most of the risks in production and promotion by the platform. It optimizes the content distribution strategy through algorithmic recommendations and user profiling analysis to achieve the goal of low-cost and high-efficiency revenue growth.

The revenue structure presented under the platform-driven approach indicates that the investment in content production is directly related to the user retention rate. Moreover, a low-cost promotion strategy relying on internal platform promotion can save approximately 20% to 30% of traditional advertising expenses [8]. By leveraging data-driven content distribution methods, platforms can optimize their promotion strategies based on user profiles such as age, region, and preferences, thereby achieving the goal of efficient content value conversion. For instance, "Marriage Story", which targets middle-class families in North America for promotion, has achieved over 100 million hours of play in a single season. This fully demonstrates the ability of streaming media platforms to increase revenue through data-driven approaches. As shown in Figure 1, the subscription growth rate of Netflix's original films from 2018 to 2023 showed a trend of 77.7%.

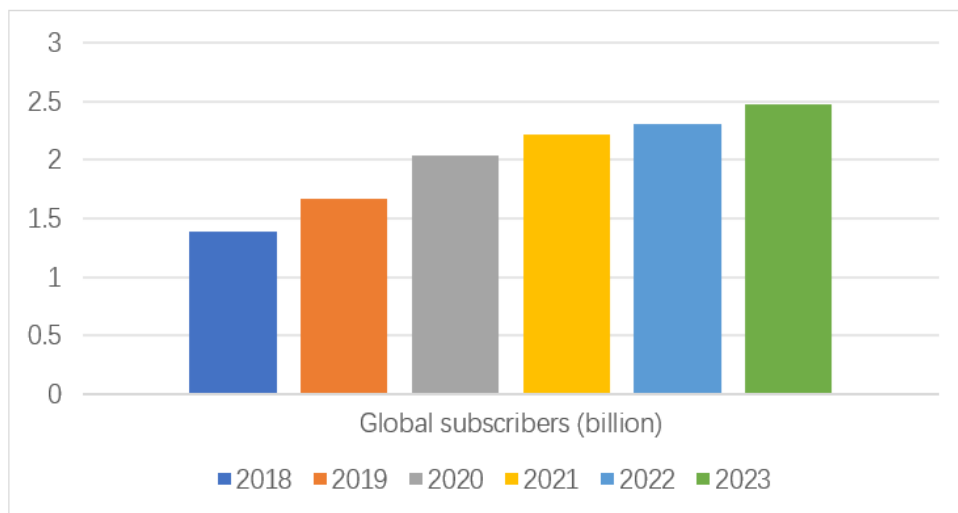


Fig 1. The growth rate of Netflix's original film subscriptions from 2018 to 2023

2.3. Comparative Analysis

2.3.1 Differences in revenue models

As shown in Table 1, in terms of revenue models, there are obvious differences between streaming original films and traditional theatrical films. For streaming films, their direct revenue mainly comes from subscription fees, which have the characteristic of long-term stability. In contrast, traditional cinema chains rely on box office revenues, which are characterized by short-term concentration and are also affected by screening schedules and release dates. In terms of indirect benefits, streaming media can obtain added value through monetizing user data and licensing derivatives, while cinemas mainly rely on advertising revenue sharing and brand premium to earn related income [9]. There are different situations in terms of risk-sharing mechanisms. For streaming media platforms, they often bear the risks in production and promotion by themselves. As for traditional cinema chains, the risk of their revenue is shared by both the distributors and the cinema chains. It is precisely this difference in risk-sharing mechanisms that determines the different situations presented by these two models in terms of content investment, market strategies, and the stability of returns, etc. [10].

Table 1. Differences in revenue models

| Dimension | Streaming Original Films | Traditional Theatrical Films |
|------------------|---|---|
| Direct Revenue | Subscription fees (long-term, stable) | Box office revenue (short-term, concentrated) |
| Indirect Revenue | User data monetization, merchandise licensing | Advertising share, brand premium |
| Risk Sharing | Platform bears production and marketing risks | Distributors and theaters share risks |

2.3.2 Creator incentive mechanisms

In the two types of models, the creator incentive mechanisms show significant differences. For creators, streaming platforms have the advantages of providing global distribution opportunities and lowering entry barriers. However, their income structure is dependent on platform commissions. For instance, the commission ratio for Netflix screenwriters is approximately 5% to 8%. The extent to which creators can directly participate in box office or subscription revenue is rather limited [11]. In comparison, in the cinema model, directors, actors and other creators can earn higher profits through box office revenue sharing, which can account for approximately 10% to 15% of the box office income. However, this part of their income is restricted by the cinema's screening rights and the release dates of the films. The content selection, risk assumption and creative freedom of creators are directly influenced by this incentive difference, and the layout of film types and market strategies is further affected by it [12].

2.3.3 Industrial structure reconstruction

The reconstruction of the film and television industry structure is attributed to the rise of streaming media platforms, which has significantly enhanced the freedom that creators enjoy. Independent films and low-budget works have become easier to gain exposure. Just like the film "Rome", which was nominated for an Oscar and thus attracted widespread attention worldwide. In terms of audience choice rights, traditional cinema chains attract audiences by virtue of their social attributes and movie-watching rituals. Streaming media, on the other hand, relies on algorithmic recommendations to achieve precise marketing, providing audiences with personalized viewing experiences [13].

3. The Impact Mechanism of Window Period Strategies on Returns

3.1. The Revenue Protection Logic of Traditional Cinema Chains during the Window Period

For traditional theatrical films, the key point of the window period strategy they adopt lies in leveraging the exclusive period to ensure box office revenue and thereby achieving the goal of maximizing profits. Generally speaking, during the approximately 90-day exclusive window period for theatrical films, the box office contribution of the film often reaches over 60% of the total revenue. This is crucial for producers and distributors to recover costs and achieve profitability. This is an extremely crucial link. The further optimization of the revenue structure is usually achieved through the hierarchical release strategy adopted during the cinema window period, that is, following a gradually open approach of "cinema premiere -Paid Video on Demand (PVOD) -subscription video on Demand (SVOD) - free video on demand", allowing films to generate cumulative revenue through different channels and at different time periods [14]. For instance, the "Avatar" series, by leveraging a long window period strategy, not only achieved high box office receipts in global cinemas but also accumulated revenue in subsequent copyright sales, streaming platform licensing, and derivative product development [15]. Under the traditional cinema chain model, the typical manifestation of "releasing value in a phased manner over time" is this hierarchical revenue model. On the one hand, it can ensure that the box office achieves centralized revenue; on the other hand, it can open up space for the long-term appreciation of Copyrights and derivative income. At the same time, it also plays a balancing role in the risk-sharing relationship among producers, distributors and cinema chains.

3.2. Revenue Reconstruction for Streaming Media Cancellation/Shortened Window Period

The time barrier of traditional cinema chains has been broken by the rise of streaming media platforms, and the logic of film revenue has been restructured by eliminating or shortening the window period. Take Netflix as an example. Regarding its original film "Roma", it adopted the approach of directly launching it on streaming platforms. Relying on the fact that it won an Oscar, it drove the growth of global subscriptions. Compared with the traditional box office model in cinemas, the revenue it achieved far exceeded that of the latter. This indicates a situation where streaming media platforms can rely on the revenue generated by user subscriptions and the appreciation of brand value to replace the centralized revenue model mainly dependent on box office receipts, thereby achieving long-term and stable returns [16]. The cinema and online synchronization strategies adopted by some platforms, such as Warner's "same-day release" model launched in 2021, although having a certain impact on the box office of some films, have significantly increased the subscription volume of HBO Max and achieved an overall increase in the platform's revenue. The shortened or cancelled window period of streaming media has transformed revenue from concentrated box office receipts to distributed subscription income and data value conversion. At the same time, the cost of promotion and distribution has been reduced, and the global accessibility of content has also been enhanced. This model brings new challenges to the logic of commercial returns in the film industry. The box office revenue during the exclusive period, which has long been relied upon by traditional cinema chains, may decline. However, streaming media platforms have achieved long-term user retention through algorithmic recommendations and personalized content distribution, thereby reconstructing the revenue structure and risk-sharing mechanism [17].

3.3. Differences in Window period Sensitivity among Different Types of Films

There are significant differences in the sensitivity to the window period among different types of films. For large-scale commercial films, such as the Marvel series or sci-fi action blockbusters, to achieve maximum box office success, they rely on the exclusive window period of the cinema chain. Because this type of film is characterized by high investment and high risk, the proportion of box office revenue in the total revenue is extremely high. However, if the window period is shortened or the film is released simultaneously, it is very likely to have a relatively significant impact on the overall revenue of the film. Compared with other films, in terms of the sensitivity of the window period, low-budget films or feature films show relatively low performance. After all, the box office pressure it faces is relatively small, so such films will pay more attention to the two aspects of content dissemination and the long-term accumulation of brand value [18]. For instance, feature films such as "Marriage Story" and "Rome" that are launched on streaming platforms can gain global attention and subscription revenue without relying on box office receipts in theaters, and extend their brand value through word-of-mouth effects. In addition, with the help of streaming media, independent films or art films can lower their distribution thresholds and thus gain broader exposure opportunities, thereby optimizing their revenue structure. The extent to which the window period arrangement affects returns is determined by the type of film, the scale of investment and the distribution strategy, and this difference explains this. At the same time, this also serves as a reminder to producers and distribution platforms that when formulating distribution strategies, they need to take into account the characteristics of the film and market acceptance, so as to achieve the best balance between box office revenue and long-term subscription or copyright income [19,20].

4. Policy Recommendations

4.1. Creators need Diversified Financing and Risk Dispersion

For film creators, building diversified financing channels is a key strategy to respond to the transformation of streaming media and cinema models. In the traditional cinema model, the earnings of creators are highly dependent on box office revenue sharing and cinema screening schedules,

which poses a considerable market risk. For streaming media platforms, although they can offer opportunities for global distribution, the income of creators still mainly depends on the platform's share, and their revenue structure shows a relatively concentrated trend. Therefore, it is of great significance to encourage creators to expand their financing channels. On the one hand, the government can support the production of independent films and low-budget films through relevant policies such as subsidies, special funds or tax incentives, thereby lowering the threshold for creation. On the other hand, crowdfunding platforms, venture capital and co-production models can also provide creators with sources of funds and diversify the investment risks of individual films. In addition, diversified financing helps creators maintain their creative freedom and content diversity, enhances the innovation and market adaptability of films, and thereby provides corresponding guarantees for the sustainable development of the industrial ecosystem.

4.2. The Platform should Pay Attention to the Transparency of Content Evaluation and Revenue

As an important carrier for film distribution, it is very necessary for streaming media platforms to establish a complete content evaluation system and a transparent revenue accounting mechanism. Only in this way can the trust of creators be enhanced and the long-term competitiveness of the platform be improved. At present, the content recommendation algorithms of some streaming media platforms mainly rely on users' viewing data, which can easily give rise to a "data bubble", and further lead to a disconnection between creators' income and their actual value. Based on this, it is an urgent task for the platform to establish a multi-dimensional evaluation system. Factors such as viewing duration, user satisfaction, word-of-mouth feedback, and international awards should all be incorporated into the revenue assessment criteria to ensure that creators can receive reasonable returns [20]. At the same time, it is also indispensable to establish a more transparent revenue accounting system. Aspects such as subscription revenue distribution, PVOD revenue calculation, and derivative licensing revenue should all be covered, so that creators can clearly understand the economic value of their works. By improving the content evaluation system and achieving revenue transparency, the platform can not only motivate creators to produce high-quality original content, but also enhance users' trust in the platform's content, thereby forming a healthy creation and consumption ecosystem, and ultimately achieving a win-win situation for the platform, creators and users.

4.3. Regulatory Authorities should Pay attention to The Flexibility of the Window Period and Industrial Balance

In the process of digital transformation in the film industry, regulatory authorities play an important role. They should formulate scientific and reasonable window period policies to balance the interests of all parties in the industry. The box office of traditional cinemas is under pressure due to the rise of streaming media platforms. The maximization of film revenue and market flexibility may be restricted by a fixed exclusive window period. By formulating flexible window period policies, regulatory authorities can set different window period lengths based on film types, investment scales, and market characteristics, thereby achieving the goal of coordinated development of box office receipts in cinemas, copyright sales, and subscription revenues. At the same time, it is necessary to take into account the differences between domestic and international markets as well as the requirements of cultural policies. Policy inclination and support should be given to independent films and art films to facilitate the development of diversified content production activities. In addition, for regulatory authorities, they can start to establish mechanisms regarding data disclosure and copyright protection. Through such a mechanism, it can ensure that the revenue distribution between the platform and the cinema chain is reasonable and orderly, effectively preventing the occurrence of problems such as monopolistic behavior and opaque revenue. In this way, it can promote the healthy and sustainable development of the film industry, and further create a fairer and more efficient market environment for creators, distribution platforms and audiences.

5. Conclusion

This paper adopts a method combining case analysis and revenue model comparison to systematically study the differences in revenue during the window period between original films on streaming media platforms and traditional cinema chains, as well as their influencing mechanisms. Through the analysis of global film and television industry cases, subscription growth data and box office revenue models, this paper summarizes the following main findings: Firstly, streaming original films have achieved long-term stable revenue by relying on subscription models and data-driven content distribution. At the same time, they indirectly increase platform revenue by enhancing user stickiness and brand value. However, their profits are highly dependent on platform algorithm recommendations and user activity, and the income share of creators is relatively fixed. Secondly, traditional cinema chains still have the advantage of "event marketing", achieving concentrated box office revenue through exclusive window periods, tiered releases and social viewing experiences. However, they face the challenges brought by shortened window periods or simultaneous launches and need to adjust their revenue structure through optimizing screening strategies, developing derivatives and selling overseas Copyrights.

The research also reveals the differences in the sensitivity of different types of films to the window period: blockbusters and commercial films are significantly dependent on the exclusive window period of the cinema, while feature films and low-budget films are more adaptable to the streaming media model, achieving dual expansion of brand and revenue. This article further elaborates on the impact of creator incentive mechanisms, platform revenue structures, and policy environments on the reconstruction of the industrial structure, providing feasible suggestions for creators, platforms, and regulatory authorities, such as diversifying financing channels, improving content evaluation systems, making revenue transparent, and formulating flexible window period policies.

The research has certain limitations: the data mainly comes from English streaming platforms, lacking support from local Chinese cases, and there may be regional differences in user behavior and payment habits. Future research can combine the impact of artificial Intelligence Generated Content (AIGC) technology on the production and distribution models of film content to explore new paths for multi-channel revenue optimization and creator incentives in the digital context, so as to further improve the theoretical framework and policy references for the digital transformation of the film and television industry. The research in this paper provides a theoretical basis and practical reference for understanding the differences in revenue mechanisms between streaming media and cinema chains, as well as guiding distribution strategies and policymaking.

References

- [1] Rodrigo Fernández Schütz. The Representation of Gay Characters in Chilean Telenovelas: From 1990s TV to the Streaming Era. *Journal of Homosexuality*, 2025, 1-17.
- [2] Gustavo Bergantiños, Juan D. Moreno Ternerero. The Shapley index for music streaming platforms. *Information Economics and Policy*, 2025, 71: 101142-101142.
- [3] Mid South Conference Announces New Streaming Partnership with Urban Edge Network. *M2 Presswire*, 2025.
- [4] Siyu Du, Jiru Dong, Mingjun Li, Shichang Li. Originality vs. licensing: Optimal strategies of streaming platforms. *Transportation Research Part E*, 2025, 201: 104260-104260.
- [5] Lucía Cores Sarría, Lene Heiselberg, Morten Skovsgaard, Bert N. Bakker. Affective Storytelling for Video News: Introducing and Testing Batman Affective Structure in the Age of Streaming. *Journalism Studies*, 2025, 26(9): 1108-1128.
- [6] Levent Uyar, Michel Clement, Besarta Veseli, Michael Kandziora. The rise of smart speakers: a comparative analysis of music streaming service adoption and platform interdependencies. *Journal of Media Economics*, 2025, 37(3): 129-147.
- [7] FreeCast Launches Broadcast-Enabled Streaming Television. *Telecomworldwire*, 2025.

- [8] Viking IPTV Redefines Home Entertainment with Cutting-Edge Streaming Technology. M2 Presswire, 2025.
- [9] Music Streaming Market Expanding Rapidly with 17.3% CAGR by 2032. Food and Beverage Close - Up, 2025.
- [10] Lazy2real Pays Tribute to Hometown Football Legend in New Single "Brent Schaeffer," Dropping June 13 on All Streaming Platforms. M2 Presswire, 2025.
- [11] Na Qi, Ruoxi Liu. From "Media Platform" to "Platform Media": A Study on the Construction of International Communication Paths of Local Mainstream Media. *Forum on Research and Innovation Management*, 2025, 3(7).
- [12] Aymar Jean Escoffery, Jamie Cooley. How Do Black Lives Matter to Hollywood? Marketing Black Trauma and Joy on Streaming Platforms. *Television & New Media*, 2025, 26(5): 515-532.
- [13] Myriam Boualami, Camille Roth. Investigating Musical Taxonomy in the era of Streaming Platforms: Insights from Rap music through actual consumption data. *Poetics*, 2025, 111: 102006-102006.
- [14] Xingpeng Xu, Qingfeng Zeng, Ri Na, Weiguo Fan. Unveiling the influence of streamer characteristics on sales performance in live streaming commerce. *Electronic Commerce Research and Applications*, 2025, 72: 101510-101510.
- [15] Tom Evens, Paul Smith. Sports Media Rights in the Age of Streaming and Platformisation. *Journal of Digital Media & Policy*, 2025, 16(2): 254-256.
- [16] Sha Sha, Dai Jing. Paradigm Reconstruction and Multi-dimensional Impact of Meta-Film Narrative Participation in the Streaming Media Interactive Ecosystem. *Film Literature*, 2025, (14): 133-137.
- [17] Liu Caixia. Cultural Criticism of the Fragmentation of Film Narratives in the Streaming Media Era. *Film Literature*, 2025, (12): 132-136.
- [18] Liu Jiaqi. The Temporal Fission and Spatial Folding of Film and Television Narratives on Streaming Media Platforms. *News Outpost*, 2025, (09): 76-77.
- [19] Yang Jinsheng. New Changes in Film and Television Drama Creation and Immersive Experience Building in the Streaming Media Era. *Drama Home*, 2025, (12): 149-151.
- [20] Jin Yue, Liu Siduo. From Cinema to Streaming: Analysis of Consumers' Viewing Preferences and Long-tail Effects. *Journal of Information Systems*, 2025, (01): 89-104.