



Fandor Targets a Netflix Weakness: Social

By Ryan Lawler
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There's a new online subscription service called Fandor that's focused exclusively on delivering independent and international films to users. The only problem is, at \$10 a month for a selection of 2,500 movies, the service doesn't seem as attractive as the 20,000 streaming titles that are available through Netflix for \$8 a month.

So why shell out more for Fandor each month when it has a fraction of the content available? For one thing, Fandor argues that Netflix's 20,000 number is misleading — that once you strip away all the TV episodes, there are only about 7,000 movies to choose from. Moreover, while Netflix is increasingly seeking out a mainstream audience and trying to attract more Hollywood content, Fandor is focused solely on independent and international film. For that, the company relies on co-founder Jonathan Marlow, who has decades of experience acquiring content for Amazon, Vudu and Greencine.

Another difference Fandor boasts is that it's all about giving back to the content community. According to Kosma, "Half of every dollar we make goes back to the content owners." For mainly independent producers and studios, that might not have Hollywood-type cash, every little bit helps. Netflix, on the other hand, sends a portion of its revenues back to the studios only — with content creators pocketing some portion in the form of royalties.

Beyond title count and its indie focus, Fandor is also focused on building a social experience for its users. In a video interview with our own Stacey Higginbotham at SXSW, Fandor COO Monty Kosma talks about the social aspects that sets it apart.

"If you're a fan of independent film, you know that indie films don't have the big marketing budgets that Hollywood films have. How do people hear about independent films? They come to SXSW, they talk with their friends — it's all about word of mouth, it's all about the buzz," Kosma said. "So what we've done is we've built connections online, among people on Facebook, Twitter and the social networks to allow them to share films, give free films to their friends, come to Fandor and clip out their favorite scenes, and really share the essence of what we all love about films."

The goal is to make the experience richer than just watching the movie alone, by creating connections between users. No doubt Fandor also hopes that it will be able to parlay some of that social sharing to help grow its subscriber base. After all, Netflix has been running direct response online and mail campaigns for years, but it

wasn't until the subscription video service managed to get a critical mass of word-of-mouth that its subscription base started to really accelerate.

Netflix hasn't been as aggressive in building out its own social hooks as it could be; it did away with its friends feature last year, which allowed users to see what their contacts had been watching and rating. But there are signs Netflix's negligence on the social side might soon change, as the company has been hiring Facebook developers and is reportedly working on a major integration with the social network.

For now, that could give Fandor a slight edge, especially with the indie movie set. At the same time, with a subscription price tag that's two dollars more and starting from scratch with significantly less content than that of Netflix and new entrant Amazon.com, the indie film startup has its work cut out for it.