

Indie Film Streamers Fandor, Snagfilms: Netflix Leaves us an Opening

By Tim Molloy
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Netflix's increased emphasis on television shows has created an opening for companies focused on streaming independent films, executives from two such companies said Friday.

Speaking at TheGrill@Tribeca, TheWrap's inaugural conference on independent filmmaking, the executives agreed that several companies, rather than one, are likely to cut into Netflix's audience. The panel was moderated by the site's Editor-in-Chief, Sharon Waxman.

"Netflix's growth into a traditional mass market media company, which is what you've seen it do, parallels cable televisions channels' outreach and move to a more and more mass audience," said Rick Allen, CEO of SnagFilms.

Joining Allen on the panel were Jonathan Marlow, founder of indie-streaming site Fandor and Fandor board member Chris Kelly.



Waxman, Kelly, Allen and Marlow; photograph by Susan May Tell

"They're appealing, in their minds, to the broadest possible audience." Allen continued. "That's what led them to invest more and more money in major studio [films]. That does offer an opportunity for those of us who focus on indies."

A study released last month by The NPD Group found that Netflix's share of downloaded or streamed digital movie units reached 61 percent in January and February of 2011. Comcast has the second highest share at 8 percent, with DirecTV, Time Warner Cable, and Apple tied for third with 4 percent each.

The company's next earnings report is expected Monday. In its last earnings report it announced it had more than 20 million users.

But Marlow said Netflix's focus on TV has created an opening where one didn't exist 18 months ago. His company offers users access to 2,500 closely curated independent films for a monthly fee of \$10 -- and stays away from Netflix's turn toward television.

"We don't do episodic television. We don't do it at all," Marlow said. He said the site, which launched last month, hopes to have "tens of thousands" of subscribers within a year.

Kelly, a former Facebook general counsel and chief privacy officer, said Fandor would take advantage of social networking by inviting users to preview up to one minute of a movie for their friends.

"People express themselves through the movies they see," Kelly said.

The ad-supported SnagFilms, meanwhile, streams more than 2,000 documentaries for free. It also distributes films for pay on fee-based channels through Comcast and Verizon's FiOS, most of them for between \$1.99 and \$4.99, Allen said.

Both SnagFilms and Fandor split profits with the producers of the films they stream.