

Mail.ru Begins Charging Video Viewers

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A woman using a laptop at Mail.ru's Moscow headquarters, which has recently begun charging for its Afisha site.

The entertainment arm of Russian Internet giant Mail.ru on Thursday began charging viewers for video content, joining competitor Yandex in the quest to successfully monetize the online distribution of movies.

Afisha Mail.ru now offers a selection of about 3,000 films for paid viewing, Mail.ru said in a statement Thursday. A further 4,000 films are available to be viewed for free but with accompanying advertisements.

The selection ranges from recent domestic and international blockbusters, such as "Yolki 3" and "Gravity," to classics of Soviet and foreign cinema. Prices per view range from 29 rubles (\$0.8) for older films to 299 rubles (\$8.3) for recent releases and provide access for two days following the moment of purchase, Afisha Mail.ru head Alexei Antropov told Vedomosti.

The company also plans to launch a subscription service by the end of the year, Antropov said.

For this project Afisha Mail.ru teamed up with online paid streaming service Play Lite, which has distribution agreements with a number of major Hollywood studios including Universal Pictures, Paramount Pictures, 20th Century Fox and Walt Disney.

Play is one of a string of Russian Internet companies that have popped up in recent years with various blends of advertising and paid content models in the attempt to draw profit from a sector long defined by endemic online piracy.

Leading Internet company Yandex is also creating an online movie theater, which is to be formed on the basis of film information and review site Kinopoisk, purchased by Yandex for \$80 million in 2013. Yandex works with Play on this project along with all other major legal online video services, a company spokesman said.

The most successful online cinema yet, ivi.ru, was founded in 2010 and has an audience of 30 million unique users. The site employs a mixed revenue model: 97 percent of its content is available for free with advertising while the remaining 3 percent is set aside for subscribers and pay-per-view.

Entertainment magazine Afisha also launched an online theater in December last year and has gained some subscribers, but the results so far have been insignificant, Afisha products director Ilya Krasilshchik told Vedomosti.

For paid legal content to gain a foothold, the market will need to see radical actions, Krasilshchik said: content suppliers will need to unite while copyright holders expand their offerings and ease conditions of sale.

Mail.ru Group's Antropov disagreed. Russian users are prepared to pay for legal content, so long as online theaters have appropriate prices, a convenient interface and exclusive content, Antropov said.

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