

An Exploratory Study on the Expansion of OTT (Over the Top) Platforms and Shifting Consumer Preferences

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Abstract:

In India, the OTT (Over the top) sector has benefited greatly from the expansion of high-speed Internet access, the introduction of new devices, and technological advancements. The widely dispersed audience may get their preferred content on various platforms'. Goal of this study is to examine the drivers of OTT service growth and the shifting patterns of consumer preferences. A conceptual model based on the development of OTT platforms will be created. This model will help in explaining the variables which are affecting consumers' preferences for the adoption of OTT platforms. The research was conducted using expert interviews and a comprehensive review of the literature. In this study, the qualitative research methodology was used. The studies that were picked for this were released between 2018 and 2023. The OTT platform has been able to offer adequate services, which may increase the number of viewers and it has the potential for creating many more options for business expansion and growth. The findings will be beneficial for the stakeholders who are inclined towards entertainment.

Key Words: OTT, Consumers, Platforms, Services, Preferences

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Introduction:

Customers now have unrestricted access to the Internet for information, entertainment, and social connectedness as a result of globalisation and digitization. The globalisation of commercial success has been greatly aided by the digitization of technology. In the last few decades, the entertainment and media sector has experienced unprecedented expansion. Consumers are no longer only reliant on their televisions for entertainment. On OTT services, a new era of binge watching is currently becoming more and more popular. Any streaming service that streams video online rather than through conventional cable or satellite systems is referred to as "OTT." Most media and entertainment industry consumers choose over-the-top, or OTT. The primary causes of people's preference for OTT channels include the adoption of smartphones, computers, tablets, and affordable internet packages. (Jain, K., 2021)

It has never been more important to evaluate a technology's effectiveness in giving the user a positive experience. Thanks to OTT video distribution technologies, people also have a wide range of possibilities at their disposal. They have access to a wide range of devices, including Smart TVs, Roku, PCs, tablets, smartphones, and gaming consoles, on which they may watch content. Users now have the option of "app switching," which gives them access to a variety of distributors for specialised programmes and viewing channels, providing them greater control over the content they purchase and watch. (R.K Revathi and S. P Eshwa., 2022) OTT usage has increased as a result of the extremely contagious COVID-19 pandemic, which can be related to the availability of multicultural content and the affordability of educational materials. During the lockdown, the OTT media market has grown quickly. Future growth has more potential because of the favourable demographics, the availability of relevant, compelling free material, and the range of subscription services for premium content. The majority of OTT providers have a particular application, website, or page where a consumer can sign up for a subscription to enjoy the specific features. Without the operator's intervention, all media content is broadcast through OTT over the Internet. In recent years, the consumption of video material across all platforms in India has significantly increased. (Paldon., et al., 2021)

The media and entertainment industry has experienced significant growth and development, from radio listening to watching movies on television and in theatres to OTT platform acceptance. Due to customers' unlimited freedom and choice about the kind of material they choose to consume, the

growth of OTT platforms in recent years has been highly promising. (Das. B and Ahmed, S. 2022) According to (FICCI & EY, 2022) the report stated that it is expected to grow 17% in 2022 to research INR 1.89trillion (US\$25.2 billion) and recover its 2019 pre-pandemic levels, then grow at a CAGR of 11% to reach INR 2.32 trillion (US\$30.9 billion) by 2024.

Literature Review

The study found that despite an increase in the country's video consumption by consumers on digital platforms, television continues to be the most widely used medium because of its accessibility. (Sundravel, E and Elangon, N, 2020). This paper will examine different Netflix users' binge-watching practises in light of the COVID19 epidemic. The main conclusions of this survey imply that Netflix binge watching is the primary reason why respondents utilise cell phones. The availability of a huge selection of shows has been cited as the main motivator. (Rahman, T, K & Arif, U, Z, 2021).

The author tries to create awareness of the emergence of OTT, the factors impacting its success, the major players serving the target demographic, etc., in this essay. Though OTT platforms, in the author's opinion, cannot completely replace cinema, they are surely developing their own market. (Jain, K., 2021)

According to the study filmmakers are deeply concerned about the emergence of excessive platforms because they believe it will put an end to the cinematic experience. (Tripathi, 2020) The author of this paper attempts to investigate how Indian millennial audiences watch movies on OTT platforms and why they switch to mobile devices rather than sticking to the big cinema screens. Through localised content, OTT has helped to create indigenous cultural conceptions. OTT services may have brought content and cultural constructs from other societies, but over time they have changed both in terms of content and their impact on cultural behaviour. (Chatterjee et.al.,2020)

(Rohit Jacob Jone 2020) examines the elements that influence consumers' decisions to switch from traditional to OTT media. According to the study, user friendliness and content richness are important aspects that impact customers' decision to switch from TV to OTT media. There has been a rise in smart phones and internet technical specifications, and the entertainment industry is doing well with OTT services. According to (Saini, N, 2020), there has been a noticeable increase in the use of OTT as a preferred medium due to lockdown reasons such as the availability of cross-cultural

content, and it is poised to seize a new horizon.

The study discovered that the average time spent on online streaming services, the devices used to access content, the most preferred brand by users, and the reasons why people choose OTT services over traditional or linear TV. The newspaper reports that YouTube is currently in first place, followed by Netflix in second place and Amazon Prime in third, MX Player in fourth place, Sony Liv in fifth place, and Voot, Zee 5, Hoichoi, BIGFlix, and Ditto TV in tenth place, respectively (Prasad, S, K, V. and Saha, S., 2021). There are various factors which influence Indian customers to switch from TV series to best series, as well as the future of OTT in India. People prefer OTT because it allows them to download all of the episodes at once and access them from anywhere, according to the study, and TV lacks these benefits. People assume that TV series' content is inferior to that of web series (Gupta, P, 2021).

This study was carried out to determine whether people were familiar with the OTT platform before to the epidemic. Two thirds of the respondents were aware of Ott Services before to Covid-19, as is shown from the sample. Customers are really satisfied with OTT platforms. Customers are persuaded to watch OTT since they can get it from anywhere at any time. Customers like OTT platforms because they can research and analyse the variables that affect their viewing choices while also understanding OTT competition analysis. (S.P Eshwa and

R.K Revatha., 2022). The studies showed that when digital media consumption increases, it significantly alters consumers' choices, attitudes, and behavioural habits. Digital platforms are where consumers are increasingly consuming media compared to older platforms. (Bhavsar, R. 2018)

The authors of this research focused on OTT, customer engagement, knowledge, and chronic use to better understand whether customer engagement in industry-wide intentions to utilise OTT platforms align with global experience. According to the research, customers are more engaged with OTT platforms that help them identify who they are. (Paldon., et.al.,2021). The study reveals the variables that individuals consider when deciding whether or not to subscribe to OTT services. There were fourteen reasons to subscribe and eleven reasons not to, which were noticed and published. Using exploratory factor analysis, five factors—content, convenience, features, pricing, and quality—were culled out. Prices and all five criteria had an opposing influence on consumer choices. The primary factor, along with age, occupation, and education, was household structure. (Nagaraj., et.al; 2021)

The author examines the connection between increasing OTT service provider use during the

commencement of the pandemic and how that usage ultimately influenced the company's earnings and growth in this weak economic cycle. It was discovered that the majority of adults in metropolitan areas had a positive tendency toward using OTT services, and that their growing usage was also facilitated by the availability of inexpensive monthly membership rates. (Das.B and Ahmed, S. 2022).

Objectives

The over-the-top industry has expanded due to factors including rising living standards, widespread and increasingly affordable Internet access, rapidly shifting consumer preferences, and the rapid development of smartphones. Producers and viewers alike have been drawn in by the golden potential to distribute content to a far bigger audience thanks to OTT platforms, which enable it to be personalised. (Tripathi, et al., 2020)

In this study, the following research questions have been developed with respect to the existing literature review:

1. To examine the growth of OTT platform
2. To study the shifting patterns of consumer preferences.

Research Methodology

According to the theoretical framework, a conceptual model based on the development of OTT platforms will be created. This model will help in explaining the variables which are affecting consumers' preferences for the adoption of OTT platforms. The research was conducted using expert interviews and a comprehensive review of the literature. In this study, the qualitative research methodology was used. The studies that were picked for this were released between 2018 and 2023.

Data collection

This research paper focuses primarily on secondary data, which was gathered through government reports, publications, and numerous websites that are relevant to the study subject. The data was collected using a straight forward sampling (convenient sampling) method. The current study is based on exploratory research and covers numerous literature evaluations to discover the relevant components.

Results & Findings

The OTT platform has been able to provide appropriate services at a fair price and with a variety of offers, potentially increasing the number of viewers. One of the most widely used methods for providing entertainment, advertising, and information to the general public is television, according to those in the entertainment industry. However, as the quantity of new offers soars, it's possible that more people will be using OTT platforms as a whole. More than any other medium, the ease of access has increased the amount of time spent on digital media.

There aren't many OTT providers in India, and the majority of them are already-established TV broadcasters and production companies like Balaji Alt. However, with a small number of players, online video consumption in India has increased by over five times, with long-form video of at least 20 minutes in length accounting for 96% of all material, as seen in Hotstar viewing activity (WARC). The modern generation's hectic schedule, demand for convenience, and habit of having everything at their fingertips have brought about significant changes in their media consumption patterns as well. Instead of using TVs, consumers now prefer to watch television online. (Bhavsar, R., 2018)

Growth of OTT Platforms in India

Year	Platforms	Service Providers
2008	Big flix	Launched by Reliance Entertainment
2010	Digivive	Launched the first OTT mobile app
2013-14	Ditto TV (Zee) /Soni Liv Net GTV	Launched the first app to stream live Indian Premier League matches on mobile device
2015	Hotstar + Hot star	Launched streaming right
2016	Adda times Private Ltd	Launched in Bengali language
2017	ALT Balaji	Launched by Balaji telefilms
2018	MX Player	Launched by times internet
2019	Mubi	Launched by Mubi Inc
2020	Hooq	Launched by Sony Pictures, Warner Bros and Singtel
2021	OHO	Launched by OHO Gujarati

There are currently about 46 providers of over-the-top media services in India that distribute content over the internet.

According to a report published by Media Partners Asia (MPA), the Indian OTT streaming video market is currently in its second growth phase with total revenues of \$3 billion in 2022. So far, OTT

has captured 7-9% of the entertainment industry's share and revenue. With over 40-odd players offering original content in all languages, the industry is expanding quickly and consistently. There are currently over 45 million OTT subscribers in India. This figure is expected to reach 50 million by the end of 2023.

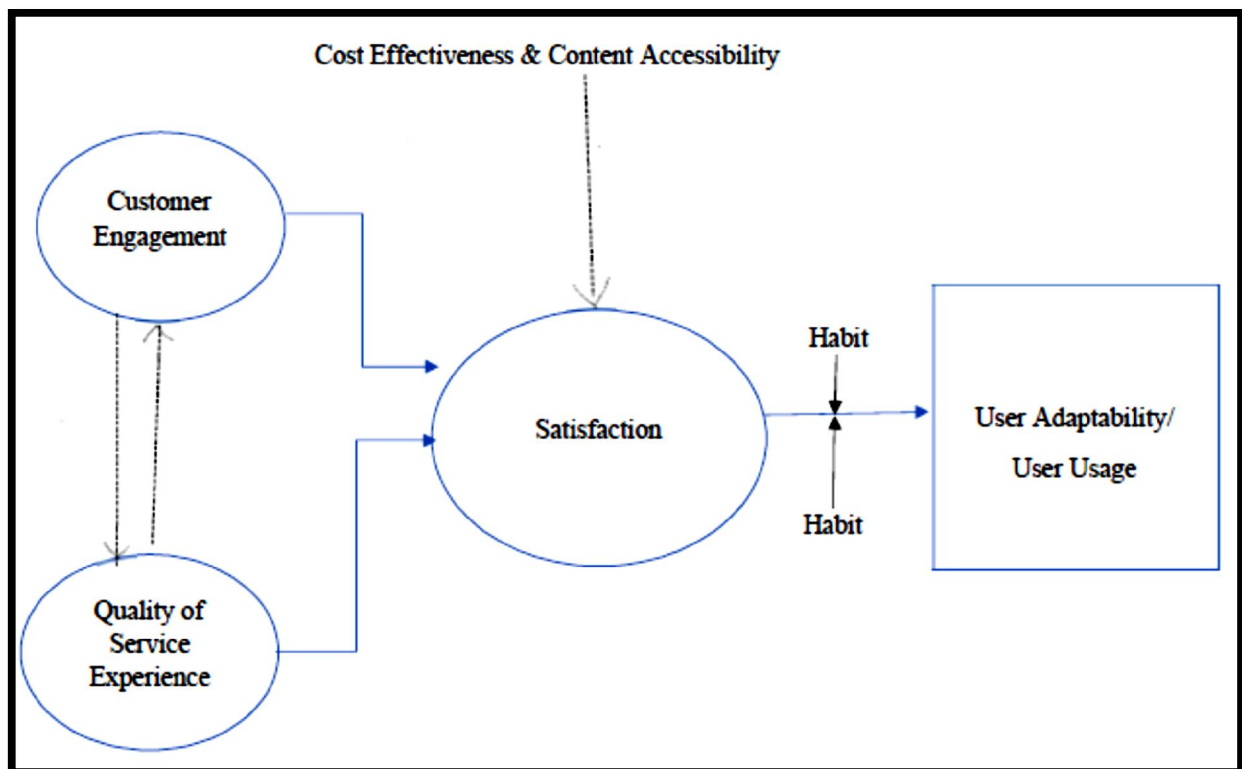


Figure 1. Conceptual Model that explains the reasons towards shifting from traditional media to OTT platform

Figure 1 depicts the relationship between the Cost Effectiveness & Content Accessibility, Customer Engagement, Quality of service experience, Satisfaction, Habit & Reasons User Adaptability/User Usage which are playing important role in influencing adoption of OTT services in India.

The conceptual model is based on extensive literature review is created highlighting the different factors of OTT service in India. The model depicts the deep inter woven relationship between them. This relationship reflects upon the innovation and technology used in effective delivery of OTT service in India. It reveals the quality of audio and video as well as streaming service of different resource platform. This relationship is deeply affected by the content and the cost of delivery of OTT services. This model shows how does the cost effectiveness & content accessibility increases the

satisfaction level of consumers and how is the customer engagement and quality of service experience are inter related with each other and what are the influencing factors that changes the habit of the consumer.

Influencing Factor's related to User Adaptability/ User Usage

Influencing factors that are responsible towards the adoption of OTT platform are as follows

Content richness and user friendliness - Various creative concepts that could not be brought to the forefront owing to censorship or regulatory rules have risen to the forefront thanks to these over-the-top platforms. Content richness is one of the most important factors influencing customer migration from traditional to over-the-top media. The availability of cross-cultural content is the reason for this. It also caters to the needs of people of various backgrounds, nationalities, and age groups. Educational stuff is available. Short films, web series, and children's news channels are among the OTT platforms that cater to customers based on their age and tastes (Rahman, K. T and Arif, M.Z.U, 2021).

Affordable or cost effective – OTT promotes a cost-effective environment by offering account sharing, a number of tariff options, and a variety of data pricing plans. Anyone who wants to watch online digital content can sign up and pay a monthly or yearly subscription fee, making it affordable (Saini, N, 2020).

Content Accessibility - Consumers can effortlessly consume their favourite material whenever and wherever it is convenient for them. These OTT platforms can be accessed by mobile apps, smart TV laptops, tablets, and other devices. The only need is that you have access to the internet. With 3G, 4G, and 5G fast internet facilities now available, as well as access to valuable content and a wide range of OTT platforms, OTT streaming services have pushed the media and entertainment sector into the data age (Jacob J.R, 2020).

The degree of connectivity is strong – The availability of cross-cultural content at a reasonable price boosts millennials interest in over-the-top platform in India.

Audio and video quality- When OTT platform marketers talk about delivering consumers a cinematic experience at home, the factor of offering the best audio and video quality plays a big role. This feature, however, is somewhat dependent on the type of device used to watch movies, web series, and other content on OTT platforms, with Smart TV audio and video quality being superior to

laptops, PCs, tablets, and smart phones. (Singh, S., 2020; Sundaravel, et. al., 2020; Chatterjee and Pal., 2020; Nijhawan, S, G and Dahiya, S.,2020)

A forum for the entertainment industry that is open to all – In compared to television or film, over-the-top media has created a platform for emerging talent to have more possibilities because the number of projects available is significantly bigger. (Gupta, P., 2021)

Creates an International Material Platform - any Indian content published to these platforms can be viewed by people all over the world. Anyone, anywhere, can simply access any content. This allows for a wider distribution of content and talent (Singh, S., 2020; Gupta, P., 2021; Nijhawan, S, G and Dahiya, S.,2020; Saini, N., 2020)

Innovation in content- Many OTT platforms, like as TV, X box entertainment studios and others, have struggled to grow subscription income because customers have lost interest in watching the same old content. OTT services should ensure that the content broadcasted is distinctive and original in order to keep millennials binge watching. When a piece of material engages the audience's emotions with suspense, drama, excitement, terror, comedy, romance, and other elements, it becomes successful. As a result, content innovation becomes one of the most crucial variables (Singh, S, 2020).

The number of advertisements included - This is a very important element because when an OTT platform inserts adverts during video streaming, it upsets users, particularly millennials. Too many advertisings upset customers, and they lose interest in watching movies, web series, and other content on that particular OTT platform. However, these advertising can be advantageous to the organisation because they supply users with specific material because the promotion scheme is tailored to the content they view and their demographics. This method gives ad producers a competitive advantage over other businesses since they can quickly forecast market trends (Singh, S, 2020).

OTT's future in India is bright. Researchers believe that in the future, more individuals will prefer OTT to traditional media offerings.

Conclusion

On digital platforms, entertainment is the primary aspect that draws viewers and stimulates their interest. The internet video platforms demonstrate the ability to produce many additional possibilities for business expansion and growth.

This sector today faces fierce competition from a variety of service providers that are aiming to

attract different audiences with an increase in the amount of unique, distinctive, and varied content. There are more local OTT operators in India than ever before, including BIG Flix, Alt Balaji, Voot, Eros Now, Sony LIV, MX Player, Hot star, and a multitude of others, all of which have opened up and given consumers a variety of options (Phadtare , P and Sridhar, S ,2022)

Based on the above discussion, it is clear that digital media has assimilated into today's generation. It has emerged as a popular platform for engagement, entertainment, and advertising. This essay aims to examine the rise in digital media consumption and how it affected the traditional television and advertising sectors. The studies showed that consumers' preferences, attitudes, and behaviours are changing as a result of the growing use of digital media. Compared to traditional channels, digital platforms are where people are increasingly consuming media. Additionally, it might be argued that advances in internet connectivity and mobile device technology have given viewers the option of accessing digital media on the go. (Bhavsar, R. 2018)

Consumers are taking advantage of the free trials that are being offered by virtually every streaming provider under the sun. The true test, though, is client retention that is attained through both excellent content and technology. OTT providers must implement technology at every stage of an OTT subscriber's lifetime in order to create a seamless viewing experience, and this process begins with content discovery.

Future and Scope

The government has been investing in high-speed broadband businesses as part of the Digital India initiative to increase internet coverage and adoption, which is essential for OTT video success. As a result, the availability of inexpensive data has generated a different medium via which consumers can access any information whenever they want on any device. Those working in the entertainment business will find the insights useful. OTT subscriptions have emerged as one of India's most recent telecom war weapons. Fitness industry is looking to OTT for a virtual presence.

A Boston Consulting Group report predicts that the OTT content market is at an inflexion point in India and is like to reach \$ 5 bn in size by 2023. An increase in disposable income, internet penetration to rural markets, and OTT video adoption across demographic segments have been the key drivers of OTT market growth in India.

According to Nachiket Pantvaidya, CEO of ALT Balaji and Group COO of Balaji Telefilms. OTT

players are eager to create regional content to appeal to the rural consumers as a result of the rising internet coverage in rural areas (expected to be 650 million by 2023). Lack of other entertainment options has prompted audiences (mostly from Tier 2 and Tier 3 cities), who had not discovered OTT viewing before the pandemic struck, to adapt to these platforms.

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