

CONSUMER BEHAVIOUR REGARDING OTT PLATFORM IN INDIA

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Abstract

The growing and rapidly increase in the consumption of OTT content in India during the lockdown has changed the viewing habits of the consumers in India. It has also drastically affected the traditional T.V. and theatre experience of the audience.

We have received the responses of around 150 persons from various age groups, professions and geographies to know their perspective about the OTT platforms. In the primary and secondary research we have found that definitely OTT has changed the viewing behaviour of audience in India but traditional T.V. and theatre will survive provided they work on their content. The major reason for success of OTT platform in India is the content like new aged content.

There are some scope of improvement in both OTT platform and traditional viewing media.

Introduction

During the Covid-19 Lockdown the theatres were closed and no new movie was shooting and also no fresh shows/serials were on aired at that time, only the OTT was the major source of entertainment as it contains lot of shows, movies and serials.

The other reason for OTT to be popular at that time was that the audience got bored with the content of the traditional T.V. and theatres. This made the OTT to be the large success in the entertainment industry. Before OTT platform in India, daily soaps were the major source of entertainment on daily basis. Channels like Star Plus, Zee, Colors, Sony, etc. were in high demand but OTT platforms like Hotstar, Netflix, Amazon Prime and many more have reduced the market share of daily soaps channels. But the type of content the OTT platforms provided to the audience has engaged the audience and it was the new content in the entertainment industry. Shows like Mirzapur, Family Man, Scam 1992 and many more was largely appreciated by the audience and according to me was the changing point for the OTT platforms in India. Other benefits of OTT platforms are improved quality, accessibility, opportunity to new actors and actresses and budget friendly for producers (especially it reduces the distribution cost).

But there are some drawbacks in the OTT platforms as well. Few of them are high pricing, questionable revenue model, lack of regional content, etc.

Review of Literature

OTT video streaming platforms in India can be described as the “luxury turned necessity”. The video streaming platforms have witnessed a growth of over 35 percent as stated by The Economic Times of India. A revenue of USD 4 billion dollars is expected to be touched by the end of 2025. Unified theory of acceptance and use of technology 2 (UTAUT2) model is being used where we take into consideration social influence, effort expectancy, facilitating conditions and performance expectancy to be the direct determinants of use behaviour and behavioural intention.

Netflix started with a business model which charged customers as per the amount of content they watched on their platform. This model allowed users to save money by renting out CDs rather than buying them. Users could now watch content that they wanted for lower prices. This model served well but increasing the user base for Netflix meant that they needed to go digital with their business model. As Elena Oat said “Whether you are a born-on-the-Web company, a large established company or a local business just starting to focus on the best way to connect with customers online, your enterprise needs to strengthen its digital business model” The idea of the current business plan came from the thought of making content accessible to everyone, and hence the current plan was created. Netflix made their content available online and offered customers to buy a subscription which allowed users to watch unlimited hours of content for a given period. This plan allowed Netflix to focus less on what content is watched most too present diverse content for its users. Another important metric for Netflix currently is the total no of subscribers, the more subscribers there are on the platform the more Netflix can invest in the content available. Netflix today continues focussing on making diverse content available in multiple languages. It also focuses on boarding movies, series and documentaries from big production houses. Until a few years ago D2H players like Tata sky, and Dish TV were running successfully but since the inception of OTT platforms, they have been consistently losing market share. Popular adverts of Indian households watching television in a darkened room every day is a commonplace stereotype, today Indians want to watch diverse around-the-world content available to them at a click of a button. The influence of overseas content is such that even local players like Eros now and Join TV are offering multilingual content to audiences both within and beyond India. This also led to Dish TV launching a Korean drama active service in August 2020. So in order to safeguard their user base local D2H players have no other option than showcasing OTT within their service and also providing overseas content.

These days OTT platform is attracting the millennial customers too fast as they are rid of the traditional television and theatre. They cannot wait for the particular time to get the shows go on air and movies on the particular time in theatre. They want to watch shows and movies as per their time and comfort. This is the main reason for adoption of OTT platform in millennial consumers. Other reason is the content. To get successful on OTT platform these platforms must focus on content, creativity and innovation to attract more and more viewers. Nowadays viewers are tired of watching traditional daily soaps, they want new content centric shows like Mirzapur, Sacred Games and Scam 1992.

Covid-19 has played important role in the success of the OTT platforms in India as there was complete lockdown in India and no new episodes of the shows and no new movies were on aired at that time so the Indian viewers shift to the OTT platform during Covid-19 times. To be successful in OTT platform these platforms should analyse the customer’s behaviour and their response towards the particular show or movie. There are various OTT platforms in India like Hotstar, Netflix, Amazon Prime, Sony Liv, etc. Earlier only Netflix and Amazon Prime focus on original content and which is their main reason for their success in India. Currently Netflix has more than 36 million users in India and Netflix is charging around Rs 650/month on the other hand Amazon Prime has more than 10 million subscribers in India and

Amazon Prime is charging Rs129/month and Rs999/year. Hotstar focuses on the movies, daily soaps and series charging around Rs199/month and Rs999/year.

The new business model for OTT platform would be both B2C and B2B2C model. study on User Perspective on OTT platform in India” have stated that “The total number of smartphone users in India is expected to almost double to cross 700 million by 2022, cementing the country’s position as the second-largest market for smartphones in the world.” 500 million smartphone users exist currently in India.

Earphones & Headphones Market size exceeded USD 85 billion in 2021 and is expected to grow at a CAGR of over 11% from 2022 to 2028. The global industry shipments are expected to reach 1 billion units by 2028. The increasing utilization of Over the Top (OTT) platforms, such as Amazon Prime, Netflix, and Disney Hotstar, for content consumption will support the market progression. There has been a shift in interest and consumers are leaning towards online streaming platforms to watch movies, web series and talk shows. The growing OTT sector will further support the utilization of earphones & headphones among individuals.

Research Methodology

Nature Of Study – The study is qualitative in nature.

Sampling Procedure – Convenience sampling is used in this research.

Data Collection - The data was the mixture of primary and secondary data. The primary data was collected from around 150 respondents and asking them various questions regarding their preferences, age, gender, etc.

The secondary research was done by studying various research papers and articles regarding OTT platforms.

Business Model of OTT Platforms

In India, OTT platforms have two business models

1) AVOD (Ad-Based Video on Demand) - AVOD business generate revenues with ads. In this model, consumer can watch videos for free. The businesses then charges a fee from advertise to place commercial ad breaks in their content. Currently this model is used by SonyLiv, Zee 5, MX Player and Voot.

2) SVOD (Subscription Video on Demand) - In this model, business charge a recurring fee for access to their video platform. Paying members get full access to the content and can stream as much video as they like. Currently Netflix, Amazon Prime and Hotstar are using this model.

Size of the Market

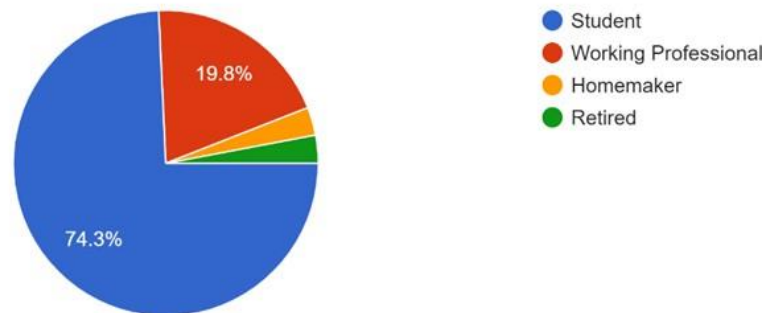
Revenue of OTT in India will reach 3 Bn USD by 2023. 85% of Indian Subscribers will be broadband-ready by 2024. Direct to consumer SVOD subscribers expected to grow to 193 million by 2026 Regional content on OTT platforms attracts 90% of consumers while 7 % watches English content. Indian OTT market expects to reach Rs 237.86 billion (US\$3.22 billion) by FY25. Sources - Statista, India-briefing

Analysis

Primary Research Analysis

What best represents you?

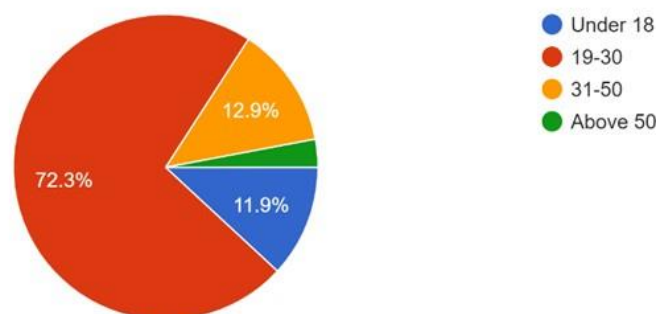
101 responses



Demographics of users - Majority of respondents belong to the student category (74.3%), followed by working professionals (19.8%). The rest of the respondents are homemakers and retired.

Age

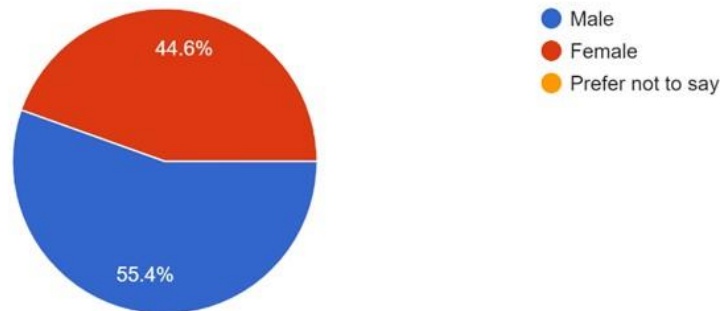
101 responses



Analysis: The majority of respondents belong to the age group 19-30 years (72.3%), followed by respondents belonging to 31-50 years of age (12.9%). Less than 18 age group corresponds to 11.9% of the total respondents and the last category with the least amount of response is above 50. This helps us to understand that OTT content consumption is more widely accepted by millennial and some age groups of GEN Z. It is the least accepted by the Boomers who are aged above 50 years of age.

Gender

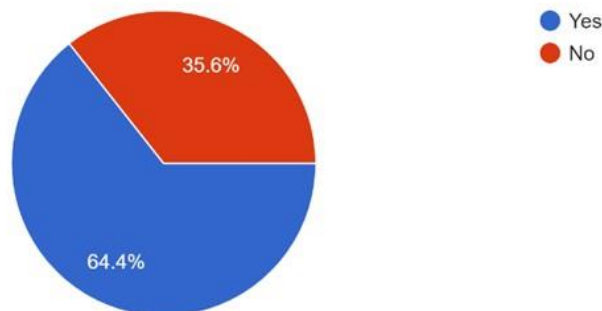
101 responses



Analysis: 55.4% of the respondents are Male whereas 44.6% are female. The size of both genders is almost equal and it shows that both are equally participative in the consumption of Visual content.

Does watching movies from online platforms affect the cinema viewing experience for you?

101 responses



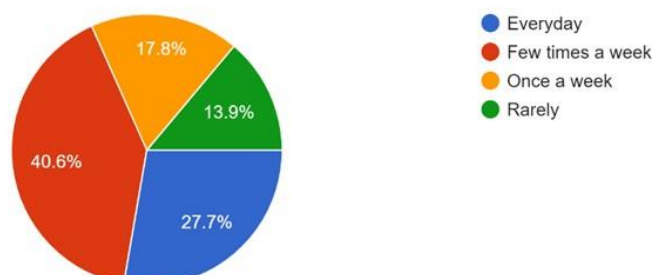
Viewing Experience:

Analysis: As per the responses received from the survey, it is clearly evident that the cinema viewing experience is elevated for a very large group of respondents which is almost 65 per cent of the total participants who took part in the survey. Only 35 per cent of respondents feel that they would prefer going to a cinema hall to watch a movie. It clearly shows that the OTT

Platforms have been really successful in taking over the standard medium of watching films. It also helps us understand that a lot of people have a different definition of the cinema viewing experience and prefer the new medium over the traditional medium.

How often do you watch video streaming apps?

101 responses

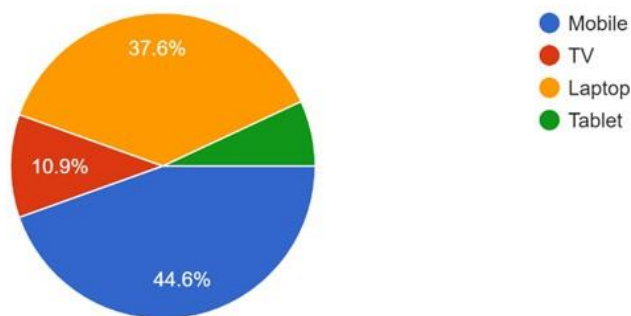


Frequency of consumption:

Analysis: A larger category of respondents (40.6%) like to watch videos on streaming platforms a few times a week. The second most dominant category (27.7%) is of people who watch it daily followed by the ones who like to watch it once a week (17.8%) and lastly who watch it rarely (13.9%).

This is a clear indication that OTT platforms have been successful enough to hook the viewers to their platforms and the stickiness to an OTT platform may reach to 50% in the near future. It also helps us to understand that people have actually started to accept this medium as a very good substitute for regular TV, D2H service or movie theatres.

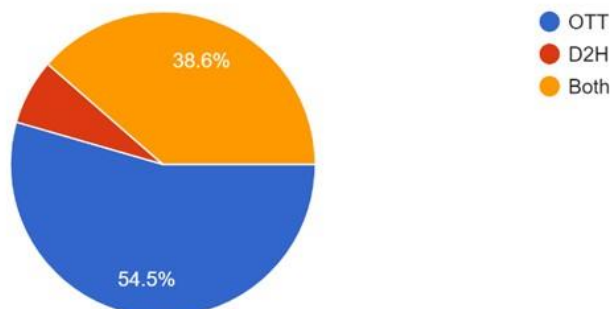
What device do you prefer watching it on?
101 responses



Device Preference:

Analysis: Mobile (44.6%) is the most preferred device to consume cinema and TV shows followed by laptops (37.6%). Almost 11% of people prefer watching it on television and the least preferred device is a tablet. This graph not only helps us to understand the preference of devices used to consume visual content but also tells us that there is a huge market impact of the OTT platform's emergence on the purchasing and popularity of devices like cell phones and laptops. It helps us to understand that almost three fourth of the respondents prefer watching these shows and films on the go and prefer devices that are remote in nature. As far as internet video streaming consumption is concerned, Over the Top (OTT) services are unquestionably dominating in India. We conducted research on 'OTT platforms in India' to better understand consumer choices and preferences when it comes to watching online video content in the country's vibrant and innovative OTT and D2H markets.

Do you prefer watching OTT or D2h?
101 responses

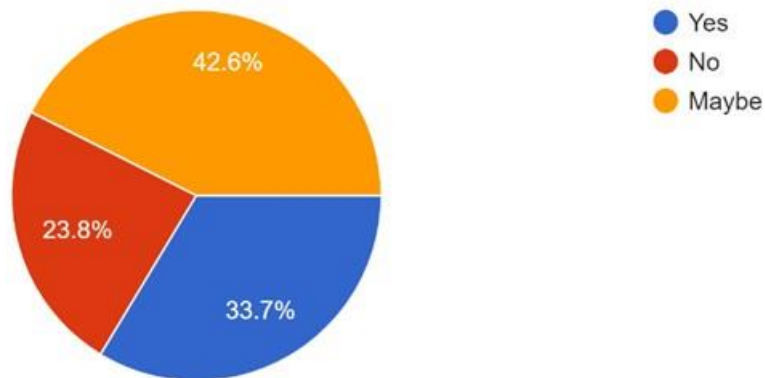


Over the course of two weeks, we surveyed more than 100 people across all of India. On OTT platforms, 54.5% of people choose to view and consume content (TV shows, movies, and sports). 38.6% continue to favour both OTT and D2H services. Only 6.9% of respondents said they would only watch stuff on D2H.

It is evident from the survey that the established D2H operators are facing stiff competition from the disruptive OTT platforms, perhaps as a result of their convenience, on-demand video service and reasonable mobile data costs.

Do you see yourself switching to OTT completely in the near future?

101 responses



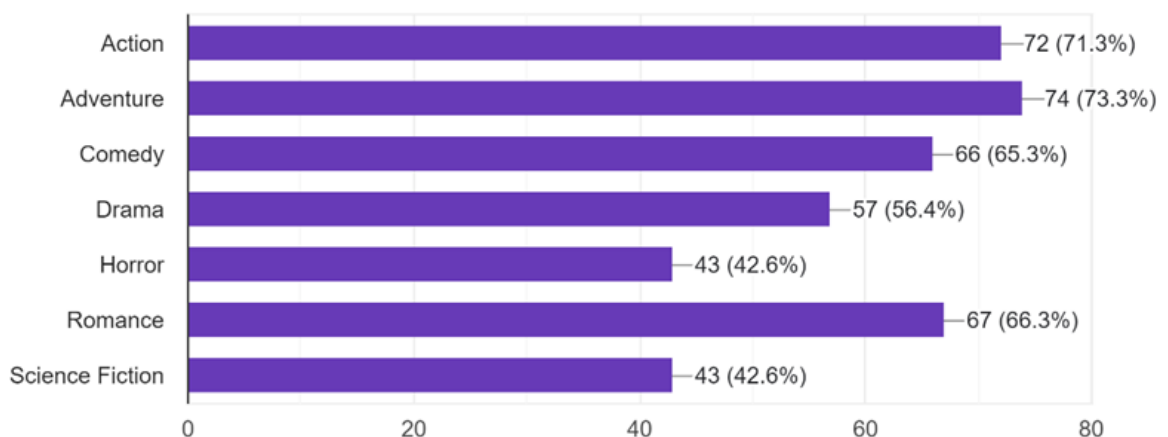
Analysis: The fact that there are technologies available that allows the same material to be consumed in numerous ways when it comes to the rivalry between D2H and OTT. In our survey, 33.7% of the respondents see themselves switching to OTT completely in the near future whereas 23.8% of respondents don't. Also, 42.6% of respondents said they might entirely switch to OTT.

A variety of factors affect whether OTT will overtake DTH in the market. The alternatives for OTT are extremely limited because roughly two-thirds of the Indian population do not actively use the Internet. Thus, the idea of OTT without a DTH or cable connection is still prevalent. It's more likely that OTT platform distribution will increase. With the help of the Digital India and Broadband programmes, internet connectivity are expanding every day and is now accessible in rural areas.

There is no question that OTT platforms are expanding, but India's sizable population also has room for a sizable number of D2H users. One service may eventually surpass the other, but for the time being both remain competitive in the Indian market.

What type of content do you watch on OTT platforms?

101 responses



Analysis: Depending on the interests of each viewer, it can vary widely, but some of the most common genres that people frequently watch on OTT platforms are action and adventure (71.3%) and motion pictures that include fast-paced automobile chases, combat scenes, and intensive physical exercise. Comedy (65.3%): Many people appreciate taking a break from their everyday stresses by watching comedic television shows and films.

Drama (56.4%): Many viewers like watching tense television programmes and motion pictures that explore difficult subjects and feelings.

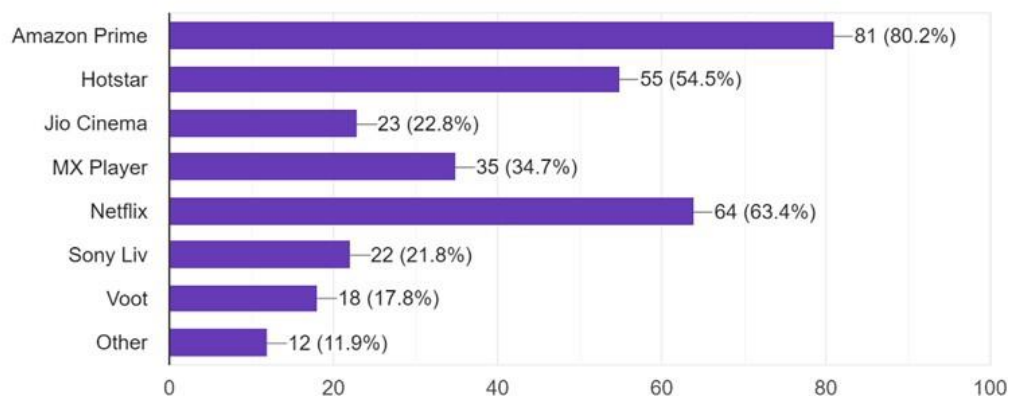
Horror (42.6%): Many viewers like viewing films and television programmes that are meant to frighten or unnerve them.

Sci-fi (42.6%): These genres have a dedicated fan base and viewers enjoy watching shows and movies set in a world that is different from the real world, often featuring magic and mythical creatures.

It's worth noting that these are broad patterns and that various cultures and geographical areas may have distinct preferences. In order to appeal to a larger audience, OTT platforms are also constantly updating their library of content and adding new genres or subgenres.

What platforms do you have a subscription to?

101 responses



Analysis & Insights: When we started our survey on OTT platforms and asked them about which OTT platform they prefer the most and on the top of the list were Amazon Prime, around 80.2% of people have subscriptions to Amazon Prime. The major reason was cost-effectiveness and the content. Amazon Prime's famous series were Mirzapur, The Family Man and many more which were the original content and audience-engaging content. The price is also the prime factor that people opt for Amazon Prime. Our list is followed by Netflix and Hotstar around 54.5% of people have a Hotstar subscription and 63.4% of people have a Netflix subscription. In India, the

pricing of Netflix is considered a little higher as compared to Amazon Prime and Hotstar although the main feature of Netflix is its original and global content. On the other hand Hotstar, Sony Liv and Voot are the platforms which were majorly showing daily soap episodes on their platforms, also now they show some original content-based series and movies so

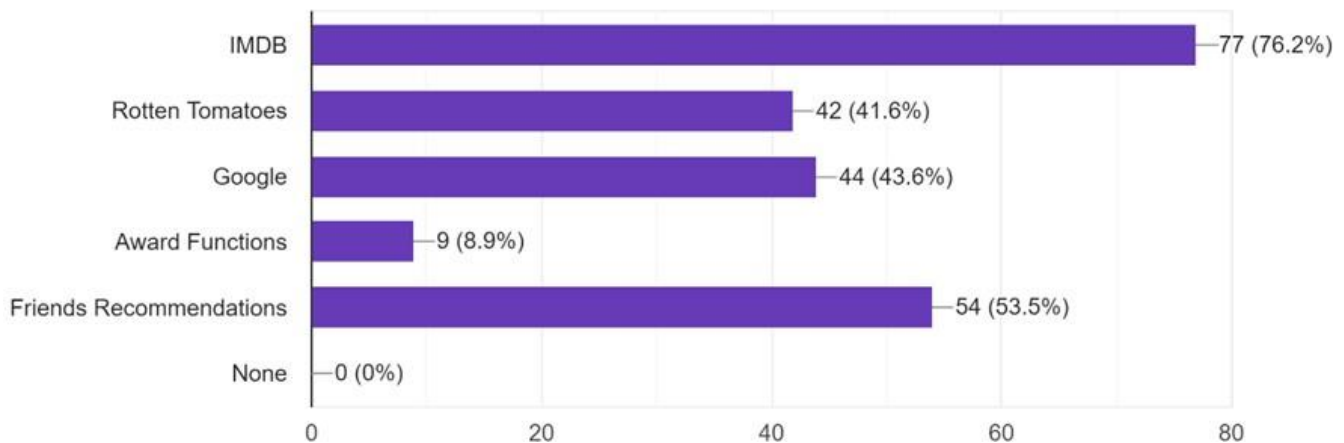
people prefer less of it than Amazon Prime and Netflix. Around 21.8% of people have subscriptions of SonyLiv and around 17.8% of people have subscriptions to Voot. MX player is

emerging as the new player in this market which is also growing on a good pace and around 34.7% of people has subscriptions of MX Player. JIO Cinema provides a variety of movies which makes it popular among the audience and around 22.8% of people have subscriptions to JIO Cinema. There are some other OTT platforms also and around 11.9% people have subscriptions to them. They are slightly less famous than the other OTT platforms in India.

Analysis: People nowadays watch series and movies which are rated high by rating agencies or the movies & series are suggested by his/her friends. People trust more the ratings on IMDB than other ratings and 76.2% of people watch movies or series based on the rating of IMDB. The other ratings which people trust the most are Rotten Tomatoes and Google ratings. 41.6% of people watch movies or series based on the ratings of Rotten Tomatoes and 43.6% of people watch movies or series based on the ratings of Google. People trust these ratings and decide which movie or series to watch. We can also see people rarely trust Award functions because they are not reliable sources and only 8.9% of people prefer the opinions of Award Functions.

What is your source of information for movie/tv show reviews, rating, cast, year, genre?

101 responses



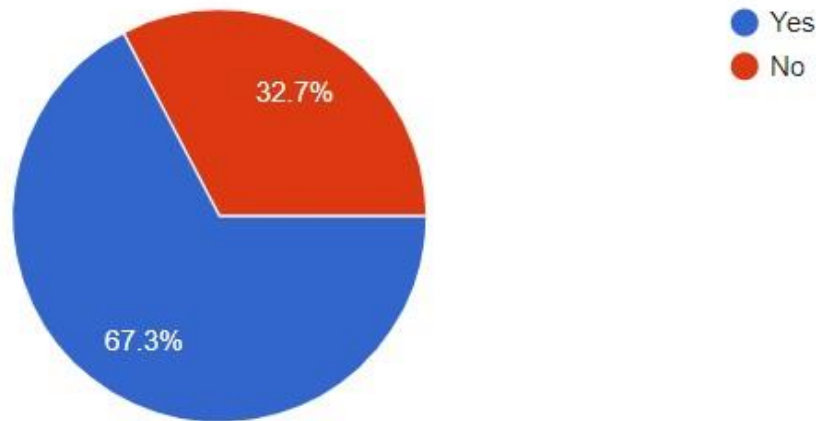
Here we can see people watch movies or series which are recommended by their friends, we can also see 54% of the audience trust their friend's recommendation for watching any movie or series.

There are various factors why people prefer watching OTT. The major factor was convenience as they can watch series or movies anytime anywhere whereas on D2H they have to wait for the movie or serial to be telecast at a particular time and this is the main reason why people prefer OTT platforms and around 44.6% people have said that convenience is the major factor in using OTT platform. Other reasons are varied content and cost-effectiveness. The content on D2H in recent years becomes so boring and repetitive which results in people shifting from D2H to OTT platforms and around 25.7% of people have said that varied content is one of the major factors

in using OTT platforms. Cost is the factor which every Indian considers while purchasing anything and in our survey, we found that people find OTT to be cheaper than D2H or watching movies in the theatre around 17.6% of people have said that cost is one of the major factor in using the OTT platform. The other reasons are device-independent content. There were few people who were not fond of OTT platforms and prefer theatre.

Do you have a Netflix subscription?

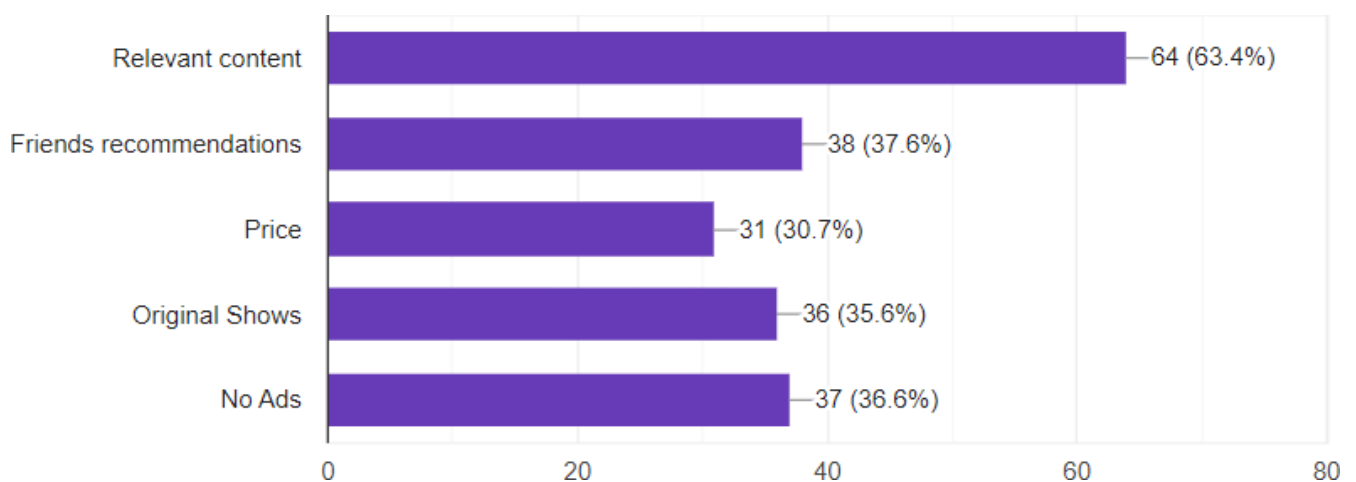
101 responses



Analysis: The data very clearly tells us that most folks today have a Netflix subscription, precisely 67% per cent people said yes and 32% said no. The male and female divide in the same is around 65% yes for male viewers and 72% yes for female viewers. The male and female viewership is mostly the same.

If we look at the secondary data and research we can see that “In March 2021, among its unique visitors, Indian women over the age of 15 and 24 years were the most significant demographic for the video-on-demand company out of over 18 million female unique visitors.

Women between 25 and 34 years old also accounted for a high number during the measured time period. So it is pretty visible that women, on Netflix, are equally as high quantity viewers as men.



Analysis: Another interesting insight we gained from the above responses is the reason why people tend to watch Netflix, the highest-rated chosen reason is Relevant content which tells us that people who watch Netflix watch it mostly for the content it has. Rest all the reasons such as Friends recommendation, Price, original shows and fewer adverts got equal importance. As content is the clear winner we can conclude that Netflix must continue investing in the relevant content and win over the rest of the audience through its content because it is actually why people are on it in the first place.

Secondary analysis

We can observe that there is an urban bias in the data and hence the insights are more inclined towards an audience who watch Netflix frequently, the sample size does not clearly depict the diversity of the Indian audience. Hence the insights from the secondary research might deviate a little from the primary one.

Interestingly if we look at the way Netflix is working in India it is clear to see that they are struggling in India quite a bit. As the secondary data also contains insights from folks that are of diverse backgrounds it tells us an even clearer picture. It says that Netflix definitely has shown that major audiences like international shows, and documentaries but what it lacks is the range of local content. According to a news article, Vandana Sinha is down with a bout of Netflix fatigue. Two years ago, the OTT platform opened a whole new world of Korean cinema for the 57-year-old homemaker from Delhi. But increasingly, she finds herself looking for something more home-grown. "Unlike some other services, I don't find as many local shows or movies as I'd like on it. The international content is great but the variety isn't much," Sinha said. The platform doesn't offer her value for money, she said, and a subscription seems pointless on some days.

Indian audience also prefers a platform which provides sports, so platforms like Hotstar which has content of cricket gains millions of users and the users are then also ready to pay regularly to gain its services. This way Hotstar can easily sell this crowd other services like TV shows and movies. Unfortunately, Netflix is not able to protect the piracy of the content they produce.

Most of the web series on Netflix are freely available on the internet. Well, the Indian market is price sensitive. If the content is freely available (however it is illegal) then why to pay for it. This is the common mentality of Indian youth.

What is the future of OTT and what position D2H holds in the current Indian Market?

According to a recent report by the Telecom Regulatory Authority of India (TRAI), the average active subscriber base of DTH services has seen a sharp decline of 25 percent in this quarter coming down to 54.26 million in April to June quarter in comparison to 72.44 million in January to March this year.

Some reasons mentioned for the declining subscriber base for D2H are

- It coincides with the new DTH tariff regime implemented from 1st April. The decline in subscriber base highlights the challenges faced by DTH operators during the transition to the new tariff regime.
- Meanwhile the rise of OTT services also seems to have impacted the DTH subscription numbers. With high competition in the segment, OTT service providers give consumers a combination of both attractive content and subscription packages. However, regulation for OTT platforms continues to remain a contentious issue with the govt mulling over its options.
- A recent survey suggests that almost 55% Indians prefer OTT over DTH services and almost 87% of Indians use mobile to watch videos these days.
- New tariff order has changed the bills, empowering consumers to pay only for what they want to watch. The bills will be different for users depending upon their personalized usage rate so there might be complaints from some users, paying more bills than the others who have reduced bills due to their smaller watch list. So it is not fair to say that all the bills have gone up.

Why are OTT platforms overtaking D2H service providers?

1. The convenience of watching on these platforms, availability of diverse content and price.'
2. Subscribing to an OTT platform is quite easy because one has to simply buy a plan but as far as a D2H platform is concerned one has to go through a complicated process to pick and choose channels and their combinations.
3. Because of the availability of internet and ease of carrying smartphones, tablets or laptops, there is consumption irrespective of relatively higher charges for OTT platforms like Netflix and Amazon Prime which shows people's demand and interest in them.

Can OTT platforms completely overtake DTH service providers?

As far as the battle between the DTH and OTT is concerned, we should remember that these are technologies which allow similar products to be consumed in different ways. It is fair that the consumer has the choice to select what works for him or her best. Whether OTT will take over the DTH market or not, it depends on various factors. One of them is the dependency on the internet connection in OTT platforms which is still uneven and not accessible to more than half the people of India. Roughly two-third of India does not actively use the internet so OTT choices become very limited. So the whole idea of OTT taking over DTH or cable connections is a little premature. Even DTH has not taken over the cable because there are significant active players in the market with huge fibre deployed all over the country. So they should not be considered dead instead they are coming back into the market. For example-JIO fibre.

It is necessary to recognise the diversity of the devices which is good for the consumer.

Wants to create engaging and relevant content that resonates

Creating and publishing content, researching and staying informed about industry trends, networking and collaborating with other content creators.

"It's a challenging time for the TV industry, but they think there are still opportunities for content creators. They were trying to stay informed about the latest trends and make new strategies

Accordingly it's hard to predict what the future holds, but the key is to be flexible and open to change."

Feedback and criticism from peers and audience, the buzz of new technologies and platforms and the opinions of industry experts and influencers.

Researching and staying informed about industry trends, adjusting their pricing and distribution strategies to adapt to changing consumer preferences, and experimenting with new platforms and technologies.

Conclusion

According to our secondary and primary research we have found that D2H will survive in the market on the condition that it improves its content, quality and accessibility. OTT platforms should also focus on regional content which would increase their rural and small cities audience very fast. The reason for Netflix's decline is that it is not a pocket friendly platform. So from the learnings from Netflix the other OTT platforms should be available at cheaper price so the rural area and small/Tier II cities people can also access to these platforms.

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