

A Study On Adoption Of Ott Platforms And Its Growth In The Post Covid Era

Dr. Mamta Rajani¹ and Ms. Simran Rajani²

¹Assistant Professor, Clara's college of commerce, University of Mumbai, Mumbai

²Research Scholar, ASMSOC, NMIMS University, Mumbai

ABSTRACT

Over the Top service (OTT) is an online multimedia service delivered directly to viewers over the Internet. Since OTT is a relatively new emerging platform, the potential for growth is huge. As more and more people switch to online media consumption, the reach of these consumers will increasingly be through OTT services. OTT platforms can be watched throughout the world. Due to the COVID-19 epidemic in the country, many filmmakers are now releasing their movies on major OTT platforms, instead of waiting for theaters to reopen. It is clear that since their launch, OTT platforms have only had an upward curve in popularity and usage, but due to the pandemic, its popularity has increased exponentially. There are changes in the way people consume entertainment through different media platforms.

This report is based on primary data collected through a survey to analyze the factors influencing consumer adoption of online distribution channels and consumption during the pandemic. The study also focuses on analyzing the factors influencing consumer's acceptance of streaming channels. The study tries to help different OTT platforms prepare different strategies for acquiring customers.

Keywords: New emerging platform, Growth potential, COVID-19 outbreak, Online Streaming Channels, Entertainment

INTRODUCTION

(OTT) platforms are video and audio streaming and viewing websites that started out as a content distribution channel, but quickly expanded into the creation and distribution of short films, feature films, documentaries, and series. These apps feature a variety of content and use artificial intelligence to recommend content to consumers based on their previous browsing history on the app. Most OTT sites offer free content and require a monthly membership fee for paid content not available elsewhere. Brands have begun to focus on providing a personalized experience for their users by connecting them on a personal level and engaging them through their content.

The main OTT platforms in India are:

Netflix in India, Disney Hotstar India, Amazon Prime Video, Sony Live, Zee5, Voot, MX Player, ALT Balaji.

Significance of the study: The COVID-19 epidemic has seen a dramatic increase in the audience of over-the-Top (OTT) platforms. This study highlights the impact of COVID-19 on growth of OTT platforms, and their role in reshaping consumer content preferences.

Objectives of the Study

1. To analyse the impact of consumption of OTT platforms during pandemic.
2. To understand the factors influencing consumer's adoption of online streaming channels.

RESEARCH METHODOLOGY

Collection & Processing of data: This report is based on primary data that was collected through a survey in order to analyze the factors influencing consumer's adoption of Online Streaming Channels and consumption during pandemic. The respondents belong to the age group of 16-60+. Total sample size that was taken into consideration for the study was 146 responses. The structured questionnaire form was designed on Google form and links were sent to different people to collect data from the respondents regarding the preference of OTT services. The factors chosen are: 1. Cost Factor, 2. Content Quality Factor 3. Covid Factor 4. Easy Availability Factor 5. Watching Convenience 6. User Friendliness Factor 7. Free Trials Factor 8. Ease of Use Feature 9. Personalisation Feature 10. Compatibility Feature 11. Multiple Screens Feature 12. Content Variety Feature 13. Subscription Costs Feature

LITERATURE REVIEW

Saha, Sumitra et al. (2021) noted that entertainment is the main driver on digital platforms that captures attention and generates broad audience interest in urban and rural areas. Online video platforms promise even more opportunities for business expansion and net income growth. A deeper connection to the brand and stronger interest has resulted in successful consumer engagement with relevant content.

Sujata et al. (2015) The main factors highlighted in their findings were convenience and availability of content. Cost, personalization, service quality, ease of use, practicality, customer service, content are parameters considered to study customer satisfaction when using services OTT. Among the content, the web series attracts the majority of customers with its uniqueness.

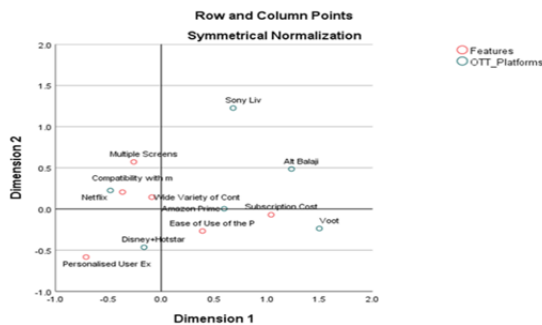
Kumari, Tripti. (2020) In their research, they mentioned that the emergence of OTT services has an impact on their TV and movie viewing habits. Maximum users use it daily as a means of entertainment during the night.

Madnani, Divya, Semila Fernandes and Nidhi Madnani (2020) In their research, they mentioned that lockdown in Pandemic has played an important role in increasing viewership of OTT platforms, as people working from home have increased using these platforms. Viewers has increased time spending from 0 to 2 to 2 to 5 hours and users are willing to make monthly expenditure of Rs 100-300 on OTT platforms .

Findings & Interpretation

Data is analysed through using Normalisation, Bar chart & Cluster Analysis

The symmetrical normalization map displays how various OTT platforms compare between various features and how strong their relationship is with those features, and which ones are most preferred in terms of those features.



- We can see that Sony Live& Alt Balaji don't have an extremely close relationship with any features, and are thus the least preferred OTT brands.
- Disney Hotstar has a strong relation to a personalized user experience, as most users will agree. Netflix has a very convenient multiple screen feature and devices, with a truly wide variety of content.
- Amazon's OTT Amazon Prime offers relatively cheaper subscription cost with a good offering in terms of content.
- Voot is closely related to a cheaper subscription cost and ease of Use, which makes it a good upcoming channel.

Figure:2 Important Factors influencing OTT Adoption

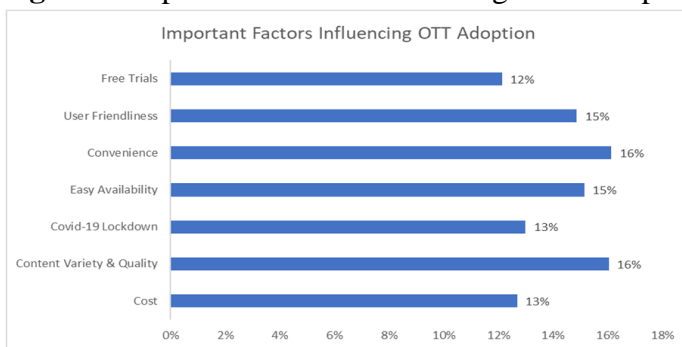
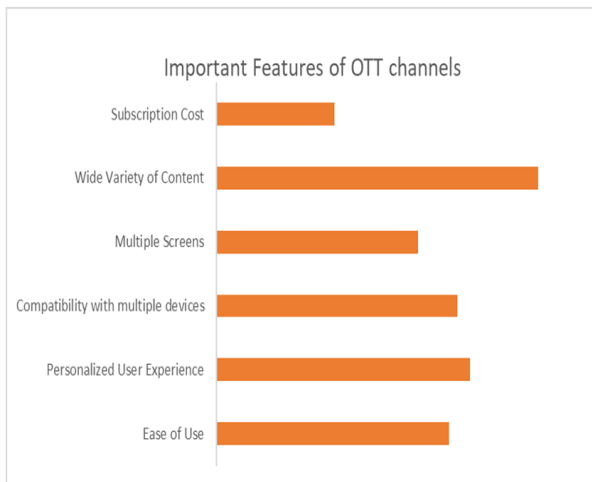


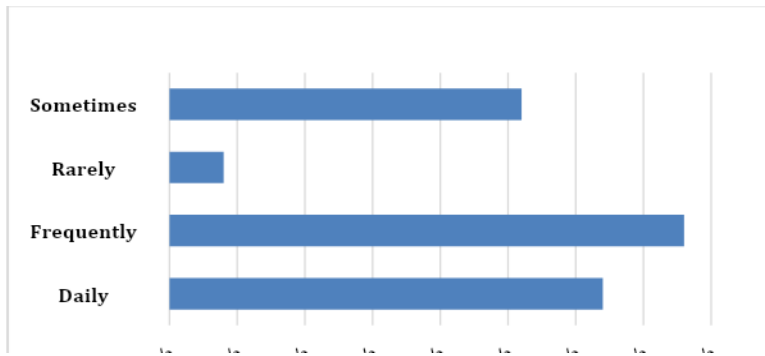
Figure-3 Important Features of OTT channels



Various parameters to understand the factors contributing to growth of OTT services were measured on 5 point Likert scale where 5 stood for Most Important and 1 for Least Important. In the Figure-2 that represents important factors that play a huge role in influencing a customer's decision regarding adoption of an OTT platform, the data we have gathered shows that most of the factors have similar influence and no two factors have a significant difference in the power it has to influence these decision patterns. For instance, you can see convenience and content variety both stand top with 16% and acts as the most important criteria for adoption followed by user friendliness and ease of availability with only a minute difference of 1% and stands at 15% > finally, we have cost that according to our survey would influence about 13% of the respondent's decisions along with covid19 lockdown which was another unforeseen circumstance that led to a huge rise in subscriptions for these platforms while the whole world was suffering sales wise. The least important factor i.e. free trials stood last with 12% and only influenced the least no. of consumers who tend to only adopt after trying an OTT platform out as they are delicate buyers.

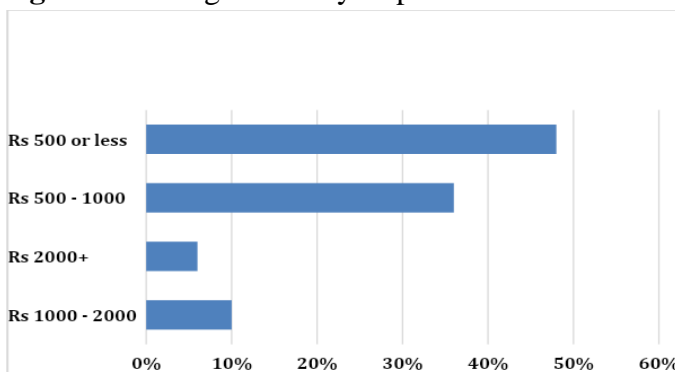
The diagrams were divided into important segments that resemble the importance of features of an OTT platform and the other one that resembles relationship or commonality in features between the OTT platforms. As far as importance of features is concerned in Figure-3, the wide variety of content was the most important feature as this is what attracts any consumer towards a specific platform and as you can see both Netflix and Hotstar have the highest rating (84%) as both also provide the best and the most variety of content. Compatibility with other devices and a personalized user experience are also important features. But these features are mostly present in all OTT platforms and thus does not make any significant difference. Finally, ease of use and multiple screens are features that can also lead to increase in popularity for OTT platforms. As far as commonality and popularity is concerned, AMAZON PRIME, DISNEY + HOTSTAR AND NETFLIX have dominated this industry as all 3 provide the best features and content and also have commonality as per their features and prices are concerned. Sonly liv, VOOT and Alt Balaji have significantly lower popularity and less available features and thus stand very low in the OTT industry

Figure:4 Frequency of OTT Usage



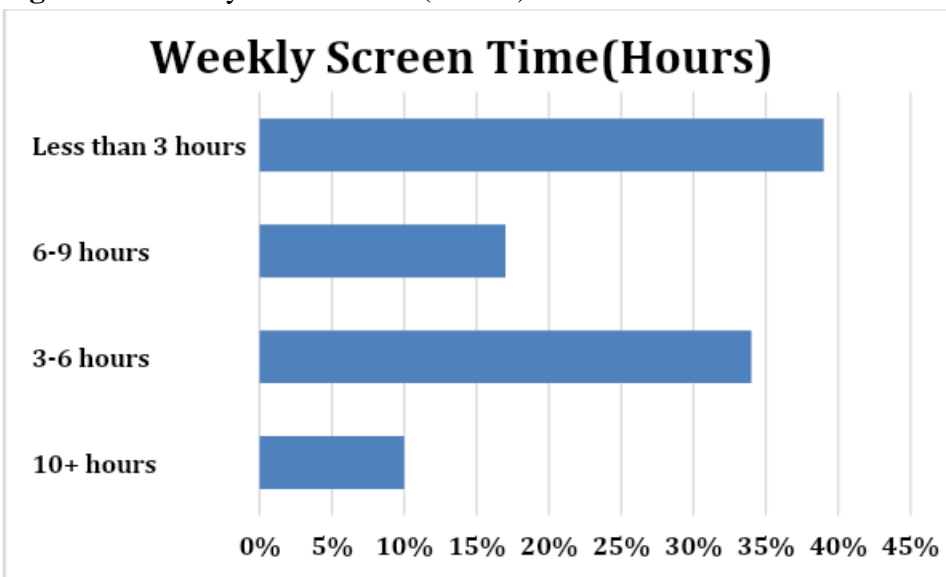
It is observed that 32 percent of the users consume OTT services daily and 38 percent of the users use it frequently. This shows that viewers are adapting to OTT mode of entertainment.

Figure:5 Average Monthly Expenditure on OTT Platforms



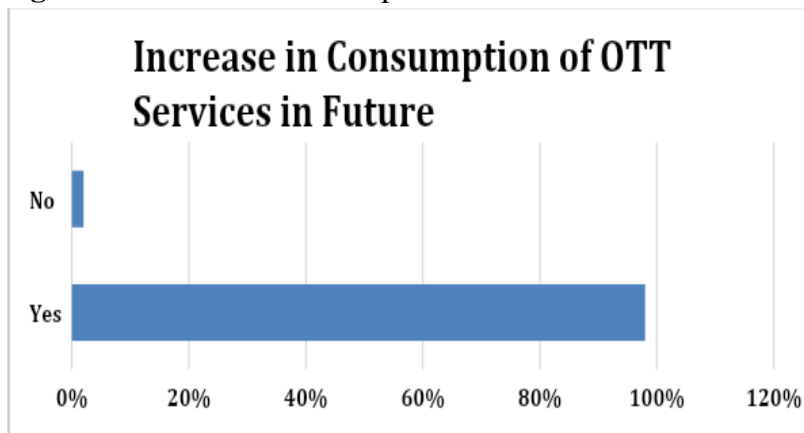
Data depicts that 36 percent of the users spend Rs 500-1000 monthly, whereas 48 percent of the users spend Rs 500 or less than Rs500 monthly on OTT platforms.

Figure-6 Weekly Screen Time (Hours)



The study shows that weekly screen time of the users of OTT platforms is increasing. 34% of the users watch OTT platforms for around 3-6 hours & 17% of the users watch OTT around 6-9 hours weekly.

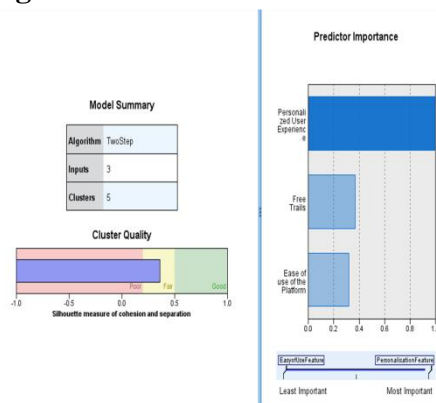
Figure-7 Increase in Consumption of OTT Services in Future



The study reveals that the future of OTT services are bright in India. 98 percent of respondents agree to the fact that the consumption of OTT services will increase in India

CLUSTER ANALYSIS

Figure:8



In the 2 step Cluster Analysis performed in SPSS, we can see that Personalized user experience is much more important than Ease of use or the Free trials.

Cluster 1- is the least cost and feature conscious. They give relatively more importance to content variety and quality but seem to not pay much attention to features offered by OTT platforms. These could be the people who just watch the OTT platforms but are not loyal to any brand.

Cluster 2- ranks the highest on COVID factor which indicates that this segment adopted the OTT platforms due to the pandemic but are now adopting the platform slowly because of the content quality and personalization factor. All the features seem important to them therefore companies must aim to provide competitive products to this segment.

Cluster 3- These customers pay more importance to the quality of content than cost, therefore it can be a lucrative segment for the OTT platforms. They also give more importance to convenience and variety which indicates that they will not be switching to other modes of entertainment anytime soon. Companies should aim at attracting more such customers.

Conclusion & Recommendations

The year post covid, 2020, turned out to be a game changer for OTT platforms. With the cinemas and theatres being shut, the entire population shifted to OTT platforms for their entertainment needs.

Many new OTT platforms came up in the market catering the different age groups of the Indian households and strategically followed a freemium model to increase their reach. The success of OTT platform can be majorly accredited to word of mouth as satisfied customers passed on the word. India became the worlds fastest growing market for streaming platforms. OTT platforms brought out content in regional languages, similar genres as well as shifted popular television programs onto its base. The audience for these streaming platforms expanded beyond millennials and metros and households and senior citizens too became OTT viewers.

With extended lockdowns and the current state of the world, it seems like OTT is the next normal. With content available easily on your fingertips and as per your convenience, OTT's viewership is bound to rise.

The streaming platforms however should continue to add more variety and keep the prices lucrative to attract more viewers. OTT platforms should focus more on quality of the content, convenience and variety of the content to increase and retain their customers.

REFERENCES

- Banerjee, A., Rappoport, P.N., & Alleman, J. (2014). Forecasting video cord-cutting: The bypass of traditional pay television. In *Demand for Communications Services–Insights and Perspectives* pp. 59– 82. Springer US
- Kumari, Tripti. A Study on Growth of Over the Top (OTT) Video Services in India. no. 09, 2020, p. 6.
- Madnani, Divya, et al. "Analysing the Impact of COVID-19 on over-the-Top Media Platforms in India." *International Journal of Pervasive Computing and Communications*, vol. 16, no. 5, Emerald Publishing Limited, Jan. 2020, pp. 457–75,
- Sundaravel, E., and Elangovan N. "Emergence and Future of Over-the-Top (OTT) Video Services in India: An Analytical Research." *International Journal of Business Management and Social Research*, vol. 8, Jan. 2020, pp. 489–99.
- Saha, Sumitra, and Et Al. "CONSUMPTION PATTERN OF OTT PLATFORMS IN INDIA." *International Journal of Modern Agriculture*, vol. 10, no. 2, 2, Mar. 2021, pp. 641–55.
- Sujata, J., Sohag, S., Tanu, D., Chintan, D., Shubham, P., Sumit, G., 2015. Impact of over the top (OTT) services on telecom service providers. *Indian J. Sci. Technol.* 8 (S4), 145–160.
- Farooq Buzdar, M., & Raju, V. (2019). Impact of Over-the-Top (OTT) Services on the Telecom Companies in the Era of Transformative Marketing. *Global Journal of Flexible Systems Management*, 20, 177–188.<https://doi.org/10.1007/s40171-019-00209-6>
- Brightcove (2018). Releases Asia OTT TV Research on OTT Adoption Preferences in Partnership with YouGov (Press release). Retrieved December 12, 2019, from <https://www.brightcove.com/en/company/press/brightcove-releases-asia-ott-tvresearch-ott-adoption-preferences-partnership-yougov>.