Buying and Prolongation of Over the Top (OTT) Platforms Subscription

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ABSTRACT

OTT, or Over the Top, is an internet-based new tech service that offers digitalized media and entertainment services. This study looks at Indian customers' intentions about the purchase and continuation of OTT services. How the Pandemic affected or transformed the TV business and our everyday life with the use of SPSS, we examined if there was any relationship between age and the number of OTT services a person used using the survey's questions.

Keywords: OTT, Over the Top, Subscription, Streaming services, Traditional Services, India, Platforms.

1. INTRODUCTION

OTT- Over the Top, with people's different tastes and interests, OTT platforms have grown in popularity. The time individuals rely on television to broadcast their favourite programme are long gone. Nowadays, people subscribe to OTT services. Users choose a genre and begin watching the material of their choosing. People have been compelled to stay at home due to the corona pandemic and lockdown. People rely entirely on OTT channels for entertainment since the universities, offices, and theatres have closed. Recall your time in high school? back when you would download movies at night. Or you may download a single movie that took six to eight hours to eventually let you see it. From those times, which were roughly ten years ago, to the present, when you can instantly view any series or movie (or to be more terminologically accurate, at the click of a button). Since every OTT platform not only offers specialised and premium content but also acts as a catch-up for its respective television equivalents, the OTT sector appears to be poised for a revolution. You don't have to keep track of the broadcast time any more or miss your favourite shows or movies.

The way that people consume media has evolved because of the worldwide internet revolution and digitalization. Second phase in expansion for video streaming business in India is predicted to see revenues of $3 billion in 2022 more than quadruple to approximately $7 billion by 2027, making it the second-largest OTT market in the world (after the United States). Data streaming has significantly grown thanks
in large part to well-known OTT services like Spotify, Netflix, and YouTube. Digital media consumption is becoming more popular among consumers as compared to classic media. Compared to traditional media, people are now spending more time daily on digital media. Consumers now have a wide range of alternatives for how they want to watch content thanks to the advent of domestic and foreign Over-the-Top (OTT) operators. The COVID-19 pandemic's rapid spread changed the game for the media and entertainment sectors and accelerated the exponential expansion of OTT platforms. In India now, there are more than 40 OTT platforms, including those in local languages. The OTT market in India increased from $1.5 billion in 2021 to $4 billion in 2025 and then to $12.5 billion by 2030, according to the report. People are increasingly flocking to OTT platforms over traditional theatres and TVs as mobile usage rises and more people become familiar with the internet and OTT platforms. Since OTT material is updated more quickly than TVs, viewers may get it earlier, they find it more convenient to watch from the comfort of their own homes rather than going to a theatre outdoors.

Currently there are approx. 40 OTT platforms in India which include paid and free OTT streaming platforms. According to the reports, OTT platforms would increase income by 4.8 times to more than Rs. 4000 crores in FY22. India now has 761 million smartphone users, and KPMG predicts that the number of OTT platform users will climb to 62 million by the end of 2022.

1.2 India’s top streaming services:

Both domestic and international consumers are competing with in country’s OTT sector, just like they did in the smartphone industry. There are now over 40 video on demand providers in India, but at the rate that new ones are entering the market, there should be 100 by 2023. Global platforms like Netflix and Amazon Prime have progressively increased their market share while domestic firms like Hotstar and Jio Cinema have strengthened their position in the market. There are several popular streaming services in India, including:

**Disney+ Hotstar:** Watching IPL, Live sports, Movies, soap operas, and news is best done on Hotstar. Users can register for free and access the material with interstitial adverts. A Hotstar subscription as of 2022 is available at a cost of Rs. 149 per 3 months and Rs. 499 per year for Mobiles and whereas super plan for Rs 899/year and Rs. 1499 per year for premium plan, subscription offers ad-free access to premium foreign films and TV shows. There were 300 million active watchers on the site throughout the 2019 Indian Premier League (IPL). A record-breaking 100 million people watched the India vs. Pakistan game at the 2019 ICC World Cup, while 25.3 million people watched the India vs. New Zealand semi-final simultaneously. And it has been on increase since the last 3 years.

**Amazon Prime Video:** Amazon owns and runs the VoD service known as Prime Video. 400 television episodes and more than 2,000 films are available on Prime Video in India. The cost of the subscription in 2022 are around Rs. 179 /month, Rs.459 Quarterly, Rs.599 yearly plan for mobile version and Rs. 1499 annually. India is the biggest market for Amazon Prime globally with more than 11 M subscribers. India is the company’s best market outside of America, according to Amazon founder and CEO Jeff Bezos, who made this claim in an annual letter to shareholders (Bezos, 2019). Amazon declared in 2018 that they would spend Rs. 2,000 crores on original content.
Netflix: India welcomed Netflix in January 2016. Their USP is the wide variety of unique movies and TV shows they offer. Because they previously lacked many titles that were specifically focused on or localised for India, Netflix has made its greatest investment in India to date to produce more original content. In the past, Netflix used to charge more than other streaming services, but this price model has not been successful in India. The new rates in India therefore start at Rs. 149 per month for mobile and go up to Rs. 649 for premium plans. Even when the plans' prices were altered, Netflix India still suffered a great deal of loss in the final quarter of 2022. Netflix is far more expensive among all of the OTT services in India.

Sony Liv: SonyLiv is a video streaming service administrated by Sony Pictures Networks. Its content spans more than 40,000 hours and numerous genres. Compared to metropolitan areas, non-metropolitan places like Lucknow, Indore, Patna, and Jaipur saw Sony Liv develop more quickly (KPMG, 2019). Like Hotstar, it is a freemium service offering material that users may access without registering or paying a subscription. The subscription plans in 2023 starts from Rs.299/month, Rs.699/ 6months and Yearly premium at Rs.999.

Some of the other OTT streaming platforms in India are:

Jio TV and Jio Cinema: Jio TV and Jio Cinema. This will be included in Reliance Jio’s data packages that include many streaming platforms, including Jio TV, Jio Cinema, and Jio Saavn, to meet the needs of different users. Most of the content is offered as freemium, and we can decide whether we want to pay for a membership or not.

AHA: Aha is an Indian subscription video on-demand and over-the-top streaming service which offers Telugu and Tamil-language content. Arha Media & Broadcasting Private Limited, a partnership between Geetha Arts and My Home Group, is the company’s owner. The service had a soft launch on January 25, 2020, and an official launch on March 25, 2020, which fell on Telugu New Year (Ugadi).

1.3 Problem Statement:
Given the huge influence on the market and culture, OTT has become the focus of the discussion on the impact on traditional services, the potential or risk for investors in the business, and the regulatory framework. And need to examine the relation of the elements of the study.

1.4 Objectives of the study:
• To find out the nature of OTT services in India.
• To gather the necessary data required for the study.
• To assess the relationship between the variables of the data collected through SPSS.
2. REVIEW OF LITERATURE

The study aims to support theories on how users renew their subscriptions to OTT platforms and how new users are drawn to these streaming services. What effect it had on the conventional services.

In terms of watching movies and entertainment, there has been a significant shift in online video streaming. There are numerous platforms where people can watch online movies, including Netflix, Amazon Prime, Hotstar, Airtel Xtreme, and ZEE5. (Ranjan Kumar Kantha, Debasis Rout, 2021). The "Continuation" is stated in Y. Kim & Zhang's 2010 paper. The justification for performing the given activity is described as use endlessly. According to Jahannir, Silva, Gomes, and Gonçalves (2020), continual usage is identical with loyalty and refers to the continuing or constant utilization of innovation. Continued usage is defined by Y Kim and Zhang (2010) as repeating patterns of behaviour brought on by particular signs connected to enjoyment and the value perception of utilising particular product. Continuous or tenacious behaviour is more complex than adoption or first usage. It does not result from or follow from adopting behaviors (Limayem, Hirt, & Cheung, 2007). Several factors affect sustained use, even though external influences predominantly affect beginning use.

2014, according to Crandall. OTT became popular after having a huge influence on the market and culture. OTT quickly became a heated issue of discussion in number of sectors, such as what it might impact current services, whether it would be a danger or an opportunity to investors in the market, and the legal frameworks. Copyright holders that own material are concerned that OTT would increase piracy. Illegal downloading of movies and TV shows has had a huge influence on the industry ever since content could be preserved in digital formats. It is projected to cost the global TV and film industries $52 billion by 2022. According to a Nokia-MBiT research, the average time spent on OTT platforms in India is 70 minutes per day, with a single session lasting 40 minutes. This suggests that OTT platforms are genuinely going mainstream in terms of consumption frequency and length. Our research backs up these findings, as 'binge watching' has emerged as the best predictor of subscription and continuing intentions. Movies and web series are the most popular programmes on OTT platforms (MICA Communication Craft (2019). As a result, we advise OTT companies to micro-target their audiences with localised content in regional languages Lall, P. (2019, January 27). More original content with a solid storyline, true-life characters, and suspense aspects might entice viewers to binge watch and renew their subscription.

However, as OTT platforms have been so laxly regulated in terms of public interest requirements and anti-monopolistic behaviour compared to conventional media and telecoms firms, the market dominance of digital media platforms has increased significantly. Since there are less regulations governing the OTT industry in India than there are for its traditional counterparts like cinema and television, there is a place for material with extreme violence, nudity, and harsh language on OTT platforms (Zboralska and Davis, 2017). Scott Fitzgerald, 2019 proposed in his article about the rapid rise of over-the-top (OTT) video services in India, such as Voot, Hotstar, Netflix, and Amazon, and situates it within the framework of global trends and business models. The proliferation of such services in India, the world's second largest market for "tech corporations" like Facebook and Amazon, raises problems regarding the concepts of development, participation, diversity, and power that are used to describe platformization in sectors like communication and culture.

It is confirmed that if a media interface restricts user navigability, consumers may become dissatisfied with the medium and seek out a more dynamic medium with higher navigability affordances. Limperos & Sundar (2015).

As more people use online streaming services, we are now observing a shift in the manner we receive entertainment. Flanagan Sean discusses the differences among watching a movie at home and in a theatre in his study. He also observes that movie theatres are attempting to keep customers by enhancing the movie-going experience with improved seating, a desire for watching movies on large screens, and the availability of viewing films as shortly after they have been released.

According to Manisha Pandit's (2020) study, OTT networks have had considerable yearly growth of over 23% as a result of their accessibility, affordable subscription rates, and a rise in both local and provincial content, which was not previously common. The rivalry between streaming services is quite intense and the rivalry between streaming services is extremely active and ever-evolving. For instance, according to Quresh Moochhala's study from 2018, Amazon PrimeVideo ranked as the most popular OTT streaming service in India. However, as of currently, Disney+ Hotstar has a market share of almost 40%. This fluctuation is the consequence of a number of reasons, including altered price and better content. With an estimated 24 million subscribers, the OTT membership industry in India is expected to exceed Rs. 4000 Crore by 2020. (Dasgupta and Grover, 2019).
This increase is mostly attributable to millennial customers, who consume OTT services for an estimated 2 hours each day. For instance, a research by (Sidneyeve Matrix, 2014) found that people stream Netflix content the day it is launched, whether it is a new episode of a TV show that is already airing, a movie, or a Netflix Original. Young consumers prefer OTT streaming alternatives to traditional cable television providers because of the extensive content libraries and affordable costs. Sadana and Sharma, (2021).

3. RESEARCH METHODOLOGY

The term "research methodology" refers to the specific methods or techniques used to gather and analyze information related to a particular subject. The methodology section of a research paper is intended to provide readers with an understanding of the various tools, procedures, and processes that the author(s) plan to utilize in conducting their research on a particular topic. This includes outlining the type of research design, data collection methods, and tools used. This information is presented in a clear and concise manner, providing readers with a comprehensive understanding of the research methods employed.

3.1 Research Design:

The study, which will be exploratory and descriptive in nature, will be conducted to achieve the goal. The purpose of the research, how it will be carried out, how progress will be tracked, and what constitutes success in relation to the goals established for completing the research study are all described in the research methodology.

The study was conducted using a questionnaire and a sample survey.

There are two sorts of procedures that are typically utilised in descriptive study design, and they are as follows:

1. Survey Method
2. Method of observation

I have applied the survey method for my analysis. This technique works by questioning respondents to get information. A wide range of questions are posed to respondents regarding their actions, objectives, attitudes, awareness, and motivations. Generally, questions are posed verbally, in writing, online or at once. In this instance, I choose to employ the structured questionnaire approach, asking the participants to fill the google forms by sending the links, and by verbally asking them and filling it in my google forms. I have observed how the trends are changing in the OTT sectors and how the foreign OTT streaming adopted to the Indian markets and behaviours.

3.2 Data Collection:

Primary data were used in the project. A questionnaire was used to obtain the main information. The nature of the questionnaire, which contained closed-ended questions, made it possible to view the data in a more flexible and complete manner.

3.2.1 Types of Data:

Primary Data: The information that the researcher directly collects is referred to as primary data. Here I used data gathered through surveys, questionnaire.

Secondary Data: The information that has been previously gathered by institutions or other researchers for their study purposes is referred to as secondary data. I reviewed the research papers done by other authors, and articles related to OTT market.
3.2.2 Tools used:

- **Google forms:** We created a google form consists of 12 questions related to OTT service.
- **SPSS software:** We used SPSS Statistics 2022 in which first we used Pearson’s Chi-Square Test on Age of the respondents and No. of OTT they owned. To observe whether both the variables have any relation. And second, we performed paired sample T-Test on OTT platforms Market share from 2019 and 2022.
- **Microsoft Excel:** We used Microsoft Excel for arranging the data.

3.2.3 Sample Size:

About 132 persons has participated in my questionnaire survey.

4. DATA ANALYSIS AND INTERPRETATION

We obtained 132 responses after conducting the questionnaire survey and the conclusion was reached based on the data we acquired.

The information gathered from all the questionnaire’s 12 questions is represented visually below:

4.1 Data Analysis through Google Forms:

**Fig.1. Data Visualization for Question 1**

This represents the age group of the 132 participants; we can see that 50.8% of the participants, or 67 members, are between the ages of 21 and 26. The next highest age group is 27-35, with a 25.8% share (34) and 19 people belong to the 15-20 age range, with only 12 participants being over 35.

**Figure.2, Data Visualization for 2nd Question**

Out of the 132 participants, who have at least one OTT Streaming Platform membership, 13 have not subscribed to even one service, 24 have subscribed to 1-2 services, 43 have membership to 3-5 services, and the remaining 50 have subscribed to more than 5 platforms. We can assume that the 43 people in the 3-5 range will increase to more than 5 if any new streaming services are launched in the country.
More than half of the participants out of 132 are spending Rs. 500-1000 monthly on OTT platforms which are 57.6% i.e., 76 persons. 28.8% of the participants are spending Rs. 0-500 and more than Rs 1000 is spent by 13.6% to continue their OTT subscriptions.

In this question there is not much difference as the People who prefer Theatre experience over OTT are 48.5% and the people who prefer OTT to watch movies are 51.5%. we can say that this happened because in theatre mode we can watch the newly released movies but in OTT we can watch the old movies and the movies which didn’t released in the theatre in Pandemic time also.

Here we can see why some people think not to buy the OTT services, in which we can see half of the participants agree that it is easy to get content through piracy.
The minimum time a person spend on the OTT is average of 4-6 hrs. and 18.9% of the participants spend more than 6 hrs on OTT platforms, and 28.8% of them spend 0-3 hours watching the OTT content.

The preference of the 132 participants on which device they like to watch the OTT contents is as follows: 50.8% i.e., 67 of them likes to watch it in PC’s or laptops whereas, 41 of them likes to watch it in mobiles or tabs and a less percentage of 17.4% i.e., 22 of them likes to watch in TV’s.

The pandemic changed so many habits and routines of ours of that is watching the Movies and all by sitting comfortably in our places through OTT services. Here we can see that 67.4% of 132 participants likes to watch the movies in OTT and whereas, 32.6% of them watch it immediately in movie theatres.
When it comes to entertainment, we have no. of types of entertainment and genres. Here are the preferences of our participants of what they like, 33.3% likes Movies, 32.6% of them likes to watch documentaries in the OTT platforms, 25.8% of them like series and only 8.3% of them likes to watch originals of the OTT platform.

**Fig.10. Data Visualization for Question 10**
The factors that influenced purchasing decisions for these 132 participants on OTT services are 51.5% for their comfort to watch anywhere and anytime, 20.5% are costs, 18.9% are for content and 9.1% are for easy availability.

**Fig.11. Data Visualization for Question 11**
41.7% out of 132 respondent’s favourite OTT service is Amazon Prime, 30.3% is Netflix, 20.5% is Disney+ Hotstar, and 7.6% are sonyliv.

**Fig.12. Data Visualization for Question 12**
43.2%, or 57 out of 132 respondents, believe they were drawn to OTT services during and after the epidemic, while 37.9% (50) believe they were not, and 18.9%, or 24 are unsure.

4.2 Data Analysis Through SPSS:

1) **Pearson’s Chi-Square Test:** - We used Age and No. of OTT Services a person owns to determine the relation between the age and purchasing and continuation of the OTT subscription. This test is also known as Test of Independence, to see the two variables independent of each other or they have some relationship between them.
Description of the Data:
Number of Variables: 2 (Age of the respondents and No. of OTT services owned).
Categories of variables: 4 for Age group and 4 for OTT services Owned.
Scale of measurement is Ordinal.
Defining Hypothesis:

Null Hypothesis: OTT service subscription owned is independent of the specific Age group of the respondents. Means there is no relation between the two.

Alternation Hypothesis: OTT service subscription owned is dependent of the specific Age group of the respondents. Means there is a relation between the two.

Interpretation: As the P-value of t-test statistics are greater than 0.05 which is 0.191, hence we reject the alternative hypothesis in favour of null hypothesis and conclude that no matter what the age group the respondent belongs, it doesn’t affect the no. of OTT platforms they own. With this test we conclude that the No. of OTT platforms a person owns or willing to continue the subscription can depend on other factors like their occupation, time availability and some other circumstances.
2) Paired Sample T-Test: Paired sample t-test is used for comparing the mean scores, where one group of individuals or sample is repeated (same interns) for measuring a particular variable of interest. Simply, I would examine the market share of some popular OTT platforms in year 2019 and 2022 and how much the percentage changed.

Assumptions:
• Dependent variable should be measured on a continuous scale
• Independent variable should consist of two “related groups” or “matched pairs”
• Distribution of the differences in the dependent variable should be approximately normally distributed.

Data of Market share of OTT platforms in India in 2019 and 2022:

<table>
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<th>MarketSharein2019</th>
<th>MarketSharein2022</th>
<th>Changes_marketshare</th>
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</table>

Results:

The p-value here is 0.003.

The paired sample t-test results demonstrate that the mean of market share in 2019 (M=12.14, SD=8.030) and Changes in market share (M=1.8571, SD=4.91) are significant at the 0.05 level, t(7)=4.768,n=7,p0.005, 95% CI for mean difference: 5.00749 to 15.563, r= 0.710. The average change in market share was 10.28571 points.
As a result, we can conclude that there is a statistically significant difference in market share between 2019 and 2022. We will therefore reject the null hypothesis and accept the alternative hypothesis, because the change in market share was successful.

5. LIMITATIONS

Even though this work contributes significantly to theory and practice, it has some drawbacks. Primarily this study is focused on OTT users in a single country, namely India. As a result, we advise caution when extrapolating our findings to other cultures in different nations. We invite other researchers to evaluate a similar study paradigm with different cultural groups to solve this problem. Second, our sample size is small, and this study is mostly reliant on data and observations obtained from the Survey and secondary sources.

6. CONCLUSION

In India, video streaming has become one of the most successful outlets for content consumption. Even smaller OTT platforms are raising funding from international investors and having a substantial market influence. Hotstar, an Indian OTT provider, now leads the market. Hotstar has the largest non-paying OTT user penetration. The emergence of OTT would have a negative impact on the DTH service market in India. As a result, traditional TV stations should brace themselves for a sudden change caused by OTT service market. The goal should be to produce high-quality material that can compete with what is presently offered in OTT, but it is not the only goal. People have adapted to this new transformed lifestyle where everything is just a click away during and after the pandemic. And people will not stop with just one OTT platform or quit using it if they don't have unstoppable enjoyment, content, and comfort from it. As a result, we conclude that there is a strong likelihood of OTT services expanding further in India and developing new ways to advertise them in India, because no one will be able to escape the OTT era in which they have become accustomed to the OTT platforms.

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Technology Combining Controlled and Automatic Processes


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