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OTT and growth of India's OTT Platform

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ABSTRACT

Over-the-Top (OTT) video streaming platforms, are growing as one of the most popular entertainment providing sectors and it is also considered as necessary commodity to have. In India, there is a growth in number of users using OTT. While Indian OTT platforms like Voot, Hostar and ZEE5 has earned stronger customer base, global OTT platforms like Netflix and Amazon Prime have started growing their market share in India[2]. This paper is to understand the OTT workflow various OTT services, growth factors, technology background, audience distribution, content, censorship. to study the government rules and regulations on OTT and also how OTT's are getting popular day by day in India and the reason behind it.

Keywords— OTT Growth, Types of OTT, censorship, competition, Telecommunications, rules and regulations, content consuming

1. INTRODUCTION

Traditional way to watching movies and shows is always been through the television broadcasting but over the past few years the industry as gone through as revolutionary changes so many OTT platforms are come up with better content and services. The watching of movies and TV shows has always been in the form theatre and television. Now days the improved technology have made the movie or TV watching more convenient through online streaming or Over-The-Top (OTT) services. OTT refers to streaming of videos from Internet, through Apps and web typically referred to as Over-The-Top (OTT). Viewers can access video content through OTT apps in any device like a Smartphone, smart TV, tablet, desktop computer, laptop, etc with internet[2]. Unlike traditional video, streaming platforms shows varied stories that are not restricted by censorship, box office or demographic[2]. OTT gives a viewing experience with greatly improved sound and visual quality, provided the consumers have a stable Internet[2].

An increasingly growing number of Indians are shifting towards OTT or online video streaming. The OTT apps have become the most downloaded app category ahead of social networking apps, and e-commerce app. The streaming market is totally account for 46% of the overall growth in the Indian entertainment and media industry from 2017 to 2022. This paper presents the excessive growth in major streaming services in India, online content typically consumed in Indian OTT, audience distribution, Government rules and regulations on OTT platforms in India.

2. HOW OTT PLATFORMS WORK

OTT video streaming technology created for the web and mobile applications to securely stream videos on a server over an unreliable network where the bandwidth available is uncertainty[4]. Pre-recorded contents are stored on Content Delivery Networks (CDNs) distributed on worldwide the Internet[4]. When a user selects a video to stream through an App or web, the requests are made to the local CDN to get a manifest file of the video chunks, as well as a request to the relevant for the media key to decrypt video chunks[4]. The process is goes like this :

- The App on the device requests minimum 30secs of video chunks to fill the playback buffer using the manifest file information from the respective CDN[4].
- The CDN returns these video chunks and the media key, which is used to decrypt the video chunks ready for playback[4].
- The App or web player will render the video chunks as long as play option is selected to the viewer screen.[4]
- The App or web player will continue to request video chunks attempting to maintain its playback buffer full until unless the viewer selects pause, or stop, at which point it will stop sending requests to CDN[4].

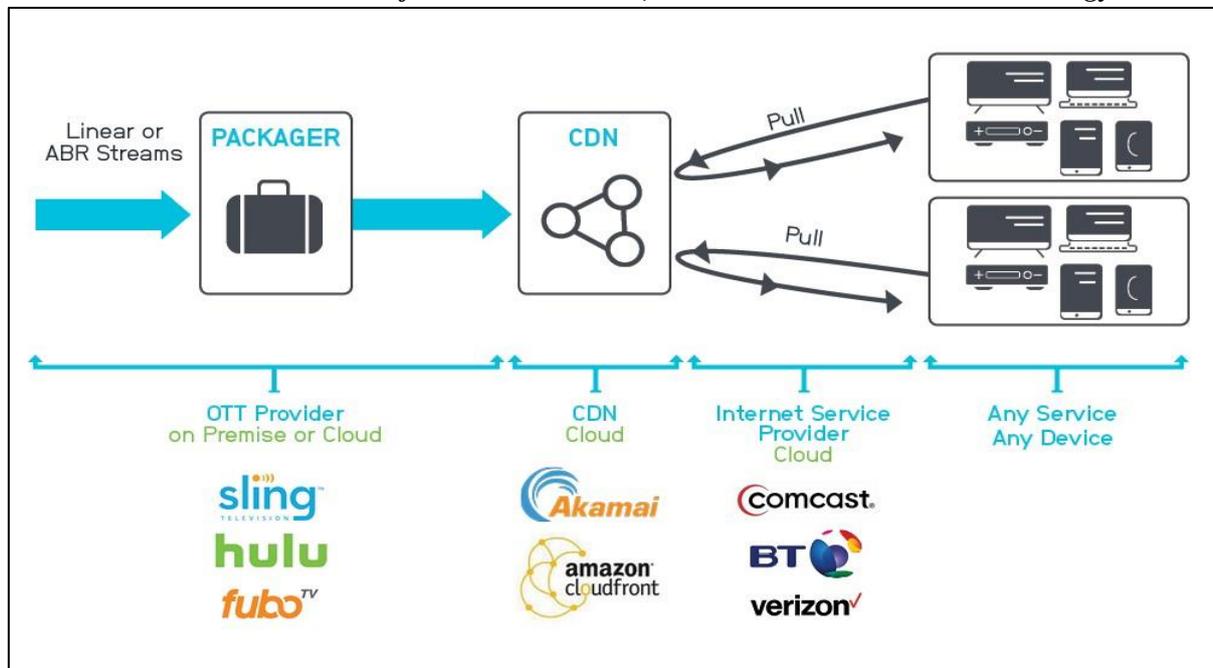


Figure 1. workflow of OTT

3. MAJOR STREAMING SERVICES IN INDIA

There are nearly 40 OTT providers in India, and at the rate in which new players are springing up, the number is expected to reach 100 by 2023. While local players like Hotstar and Voot and ZEE5 has gained a stronger domestic market, global platforms like Netflix and Amazon Prime have also steadily growing their market share. The major OTT platforms that are available in India:

3.1 Prime Video

Prime Video is a OTT service owned and operated by Amazon. In India, the Prime Video has more than 2,000 movies and 400 television shows. The subscription costs around Rs. 129 per month or Rs. 999 per year. With more than 10 million subscribers, India is the biggest market in the world for Prime Video. In an annual letter to shareholders, Jeff Bezos, Founder and CEO of Amazon, stated that India is the company's most valuable market outside America (Bezos, 2019). In 2018, Amazon announced that they would invest Rs. 2,000 crores in creating original content[7].

3.2 Hotstar

Hotstar is ideal for watching movies, daily soaps, live sports and news channels. The users can create an account and view the content for free with advertisements between. Whereas, a Hotstar Premium subscription offers ad-free access to exclusive international movies and TV shows for a price of Rs. 199 per month or Rs. 999 per year. Hotstar downloads crossed 400 million in 2019, and one of the main pulling factors has been live streaming of cricket matches. During Indian Premier League (IPL) 2019 the platform recorded 300 million active viewers. India versus Pakistan match at the ICC World Cup 2019 registered an exceptional 100 million viewers, and India versus New Zealand semi-final had 25.3 million concurrent viewers. Over-the-top (OTT) video services in India[6].

3.3 Netflix

Netflix entered India in January 2016. Their Unique Selling Proposition is the abundance of original movies and television shows it offers. As they initially lacked many India-oriented or localized content, Netflix has made its highest investment ever in India to produce more original content. Netflix comes with three different subscription plans with various benefits. The Basic subscription starts at Rs. 500 and does not support HD streaming. The Standard subscription costs Rs. 650 per month and supports HD streaming. The Premium subscription costs Rs. 800 per month and supports ultra-HD streaming and allows up to four devices to stream simultaneously. Netflix is a lot costlier than all of its competitors. So additionally, they launched a low-cost, mobile-only version of its service exclusively in India. The plan costs Rs. 199, and it is aiming to bring a unique personalized experience to the Smartphone users in India[6].

3.4 SonyLiv

SonyLiv is a OTT streaming service operated by Sony Pictures Networks. It has more than 40,000 hours of content from a wide variety of genres. SonyLiv had a higher growth rate in non-metropolitan cities like Lucknow, Indore, Patna and Jaipur, as compared to the metropolitan cities. Similar to Hotstar, it is available as a freemium service with content which viewers can see without signing-up or subscribing. The premium service starts at Rs.199 per month and offers access to English movies and TV shows. The platform recorded 70 million viewers during the FIFA World Cup in 2018, and 50 million viewers during India's cricket tour of Australia and England in 2019[6].

3.5 ZEE 5

Zee5 launched by Zee Entertainment Enterprises Ltd, Zee5 available in 12 navigational and featured languages across original features, live TV, catch up TV, lifestyle shows, children's programmes, exclusive short series and acclaimed plays - it's unlimited

entertainment in the language that sounds like home. Zee5 offers an exhaustive array of content; with 90+ live TV channels and 1.25 lac+ hours of viewing across the languages of English, Hindi, Bengali, Malayalam, Tamil, Telugu, Kannada, Marathi, Oriya, Bhojpuri, Gujarati & Punjabi making it a complete video destination for OTT viewers. Our exhaustive selection of Bollywood and language movies make us the preferred destination for an avid cinema connoisseur, it is available as a freemium service with content which viewers can see without signing-up or subscribing. The premium service starts at Rs.199 per month and offers access to English movies and TV shows[8].

3.6 Other OTT players

Eros Now launched by Eros International has the most amount of content compared to other OTT services in India. It hosts over 11,000 movies, 100,000 albums, and 100 TV shows. ErosNow was titled the ‘Best OTT Platform of the Year 2019’ at the British Asian Media Awards. Hooq is a lesser-known competitor in the market even though it was launched in India much before other services. Hooq offers more than 10,000 titles, which include movies and renowned DC superhero television shows. Voot is a streaming service owned by Viacom 18. It hosts programmes that are already aired on their television channels such as Colors, MTV, Nickelodeon, etc. Voot also started producing original series under the brand name Voot Originals. ALTBalaji is a OTT platform operated by Balaji Telefilms Ltd. At Rs. 25 per month or Rs. 300 per year, ALTBalaji is the cheapest of all OTT players in India. The platform has over 250 hours of original content with a new show releasing every month. Their library also includes more than 100 hours of kids’ content and many shows in regional languages. MX Player, a mobile video player app was acquired by Times Internet (TIL) group for 1,000 crores in July 2018. TIL has built a digital-first streaming service atop of MX Player to leverage its 350 million user bases in India. Karan Bedi, CEO of MX Player player, said that their OTT service would revolutionize digital entertainment in India (BW Online Bureau, 2019). Currently, MX Player hosts 14 original shows[6].

4. CONTENT CONSUMED IN OTT

Every OTT platform is striving for higher engagement, and hook the viewer through unique, addictive and binge-worthy contents. Binge-watching has become the new typical weekend plan among young people. Teenagers are mostly agnostic about the medium, but they are very selective about quality programming. They are also very active and articulate on social platforms about their favourite shows and binge-viewing practices. So, binge-watching is not just about convenience and customization, but also about 5.cultural unification, connection and community as it bonds people through their shared experience.

According to a survey by Vidooly, 85% of the surveyed audience stated that they watch more original content in OTT platforms. Younger audiences between 24–34 years of age prefer the romance genre, whereas drama, crime thriller and reality shows are consistent among all age groups. As the viewer crosses the age of 34, their interest in the romance genre starts to fall and gravitate towards action and adventure movies. Documentaries capture the attention of the audience between 24 and 45 years. The survey revealed that there is a difference in the content consumed among the old and younger audience. Movies are preferred by the older audience and TV shows are preferred by the younger audience[6].

5. AUDIENCE DISTRIBUTION

According to Counterpoint Technology Market Research, Amazon Prime and Netflix leads the market share in terms of users, despite the of entry many new competitors in Indian market (figure 02)[10].

5.1 Market share of OTT platforms in India

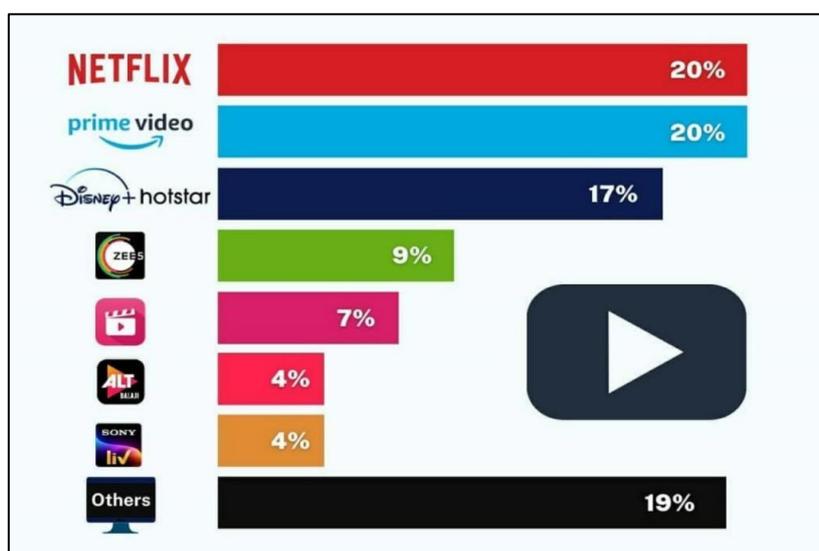


Figure 2. market share of OTT users in India

- Local player Hotstar leads the market at present, with a sharp focus on cricket and content partnerships. According to our survey, 56% of Hotstar’s users hail from metro cities. The platform also has the highest penetration of non-paying users[11].
- Netflix and Amazon’s Prime Video were found to be highly popular in metros. Top 5 metros account for more than 65% users of these platforms. This was highest as compared to all other major platforms. These two platforms also have the highest penetration of salaried employees[11].

- However, SonyLIV scores highest among Tier-I cities. More than 40% of SonyLIV users are from Tier I cities.
- Voot has the highest penetration of female users. It also has the highest penetration of young users aged between 16-24 years.
- ALTBalaji scored highest among 25-35 age group users, which account for 59% of its users. Also, the platform is highly popular in Kolkata, with more than one-third of its users from Kolkata alone. This was highest among all major platforms (Figure 02)[11].

5.2. User engagement among the OTT platforms

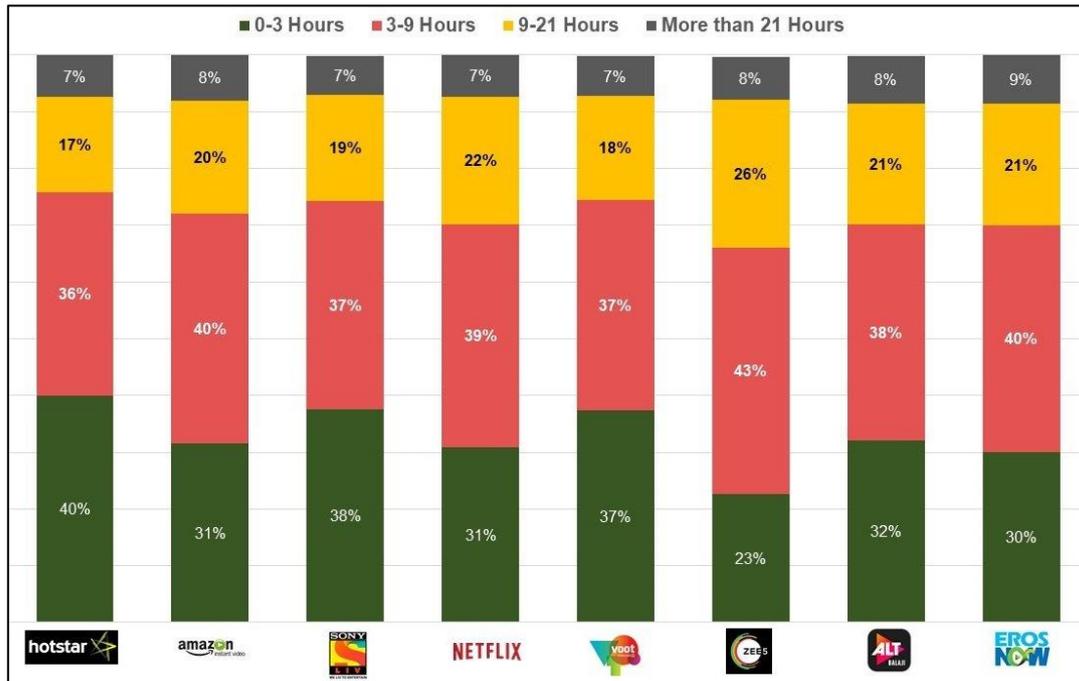


Figure 3. User engagement among the OTT platforms

6. GROWTH FACTORS OF OTT IN INDIA

India is currently the world’s fastest growing OTT market, and is all set to emerge as the world’s sixth-largest by 2024. The market is expected to grow at a CAGR of 28.6% over the next four years to touch revenues of \$2.9 billion. what led to this growth? Some of the key factors are[12]:

- **Urbanization and westernization of the population** – Gradual migration to big cities and the culture shift in method and type of media people consumed
- **Access to digital devices** – A significant rise in the number of mobile and other digital device users (around 402 million smartphone users as of Feb 2020)
- **Improved infrastructure** – Better bandwidth/net connectivity
- **Convenience** – USPs like limited advertisements and Pause & Play options have captured the population[13].

7. GOVERNMENT RULES AND REGULATIONS ON OTT IN INDIA

The Indian government announced new rules to regulate the over-the-top (OTT) service providers and digital content providers in India. The new rules are called ‘**Guidelines for Intermediaries and Digital Media Ethics Code**’ and As per the new rules OTT platforms such as Netflix, Amazon Prime Video and Zee5 will have to self-classify the content into five age-based categories - U (Universal), U/A 7 years, U/A 13 years, U/A 16 years, and A (Adult)[14].

In addition to this, they also force the OTT platform to make their content more secure for children by labelling their content as per the new guidelines and providing parental lock mechanisms[14]. Publishers in India will have to establish a three-level grievance redressal mechanism. In such a system, the first level would be self-regulation by the publishers, while the second level would be self-regulation by the self-regulating bodies of the publishers. The third level, on the other hand, would be an oversight mechanism[14].

8. CONCLUSION

Video streaming has become one of the most successful avenues in the content consumption space in India. Even the smaller OTT platforms are raising capital from international investors and making a significant impact on the market. Indian OTT service Hotstar leads the market at present. Hotstar has the highest penetration of non-paying OTT users. The Smartphone is the most common device for OTT video content consumption, and Xiaomi is the most famous Smartphone brand among OTT users. Jio is the most popular networking service among OTT users, followed by Airtel and Vodafone-Idea. The most preferred language is Hindi and English[6].

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