

**AN IN-DEPTH ANALYSIS OF THE OTT BOOM IN INDIA: IMPACT OF COVID-19 ON THE INDUSTRY, CHALLENGES AND STRATEGIES ADOPTED BY MARKET LEADERS**

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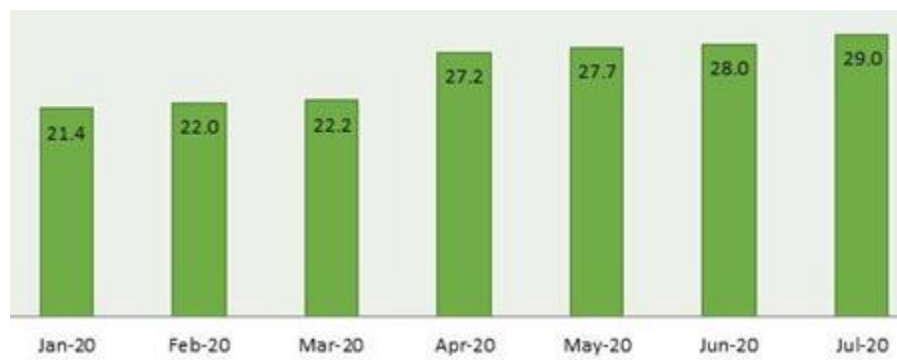
DOI: 10.46609/IJSSER.2021.v06i09.039 URL: <https://doi.org/10.46609/IJSSER.2021.v06i09.039>

**ABSTRACT**

This paper seeks to review and understand the Over-the-top Industry as its emerging in India. Ever since major international players like Amazon Prime, Disney+ and Netflix have entered the Indian market and brought with them their range of services, Indians have quickly pivoted in terms of media consumption. The aspect of COVID-19 and its effect on the streaming industry has also been analyzed in depth. This paper also studies the challenges faced by OTT platforms, and innovative marketing and strategic techniques used by brands to overcome the unique challenges the Indian market presents. With the use of relevant cases and examples, the strategies employed by brands have been studied, to better understand the Indian consumer, which can make market entry and estimation easier in the future.

**COVID-19 and outlook of the OTT Industry**

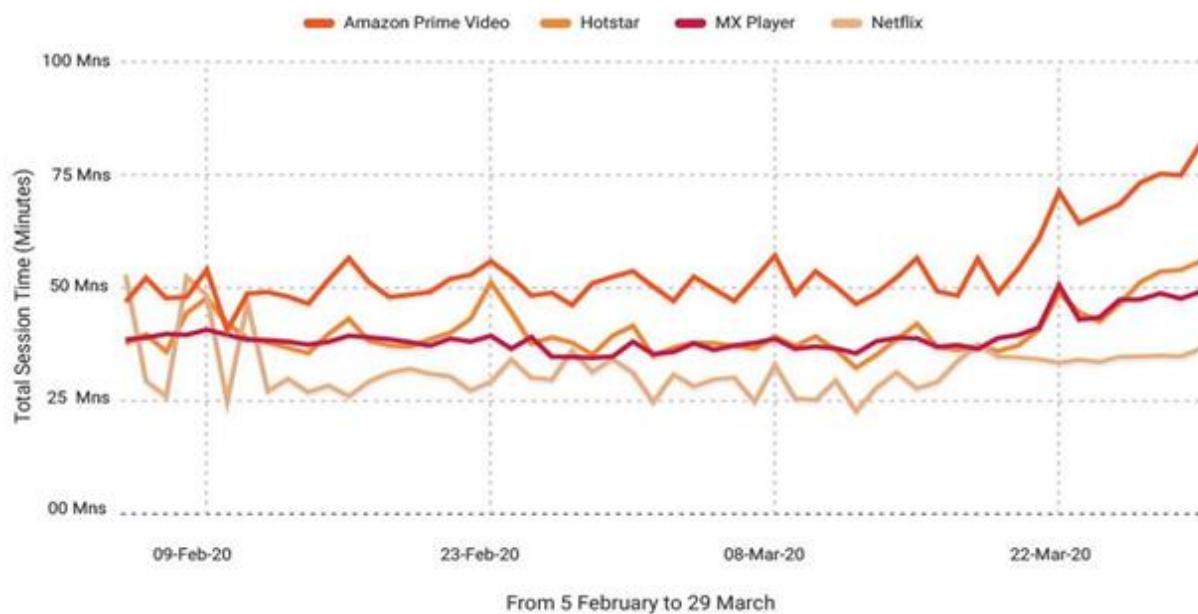
COVID-19 has had an adverse effect on most of the consumer facing industries, in India as well as internationally. However, the OTT industry has seen a boom during COVID. Although the OTT industry was growing rapidly since before the lockdown, during the lockdown the OTT landscape in India scaled up massively, with each player seeing an average of at least 50% growth in numbers- new content, users, watch time and other such metrics.



The COVID19 pandemic wreaked havoc in businesses and industries across the globe. The media and entertainment industry, which relies heavily on advertising spend and on groundwork, was one of the worst affected in the country, staring at losses of about INR 25000 crore. Amid this harrowing experience, respite if any, was found through the OTT platforms.

India is currently the world's fastest growing OTT (over-the-top streaming) 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. Overall, though, global M&E (Media and Entertainment) revenues will contract by 5.6% in 2020 over 2019. The new at-home environment has led to the rise of new direct-to-consumer apps, local 'bite-sized' entertainment platforms and user-generated content formats, the report says.<sup>1</sup>

## Binge Watching Spree Boost The Session Time Of OTT Users In India



People have moved indoors, restricted to the confinements of their homes. Hence, with no other form of entertainment apart from activities such as gaming, music, viewing television, people also started adopting on-demand OTT services. With relatively more disposable hours of time at

<sup>1</sup><https://www.ibef.org/blogs/india-s-ott-market-witnessing-a-rise-in-number-of-paid-subscribers>

people's hands, the Indian consumer turned to services like Amazon Prime, Netflix, Hotstar, for their leisure times. A single OTT platform in today's age has hours of content that any consumer can begin to binge, of all genres and flavors to choose from- Sports, Movies, Documentaries, Cartoons, TV Series, serving to almost all strata, language base, age group. Naturally, necessity being the mother of invention, OTT platforms picked up their game to capitalize on the economies of scale the OTT industry was now providing to all players.<sup>2</sup>

Talking numbers now, OTT platforms have seen 60%-80% spike in paid subscribers, with some players even doubling their numbers. The freemium and free model have worked well in the Media and entertainment industry, for games, music, and OTT platforms. Netflix has grown to 5 million subscriber base, Disney+ Hotstar to about 9 million, these are some of the growth numbers players have shown in these times. According to a study by marketing and advertising company Dentsu, young Indians, including millennials and Gen Z, purchased two to three new OTT subscriptions during covid. Players have been very smart in creating marketing strategies and campaigns, targeted towards existing viewership and fence-sitters, to enable consumers to either make switches, subscribe to multiple services, or bring onboard fresh consumers. Multiple partnerships for marketing, distribution, and content purposes have taken place to benefit from neighboring industries and markets. Since the whole internet based sector is trending towards booming growth, everyone in collaboration only benefits from each other's resources.

During covid, several movie releases have taken place on OTT platforms. Some high-profile movies like GulaboSitabo, Angrezi Medium, Penguin, Ponnagalandhal, etc have seen direct releases on these new platforms. They may have not earned as much as they projected, but OTT platforms have only proven as saviors for the shrunk movie and TV industries. Streaming platforms have not just capitalized on original shows shot in advance but acquired a bunch of old and new feature films, originally meant for theatrical release. Content is being churned out to viewers faster than ever. Shoots may be difficult, but existing content is being made available, along with foreign content with subtitles and audio in regional languages. This is one of the low effort content tricks OTTs have used to make existing content viewable to a larger audience.

### **Some growth numbers**

The Indian OTT landscape is set to have over 500 million users by 2022. An average now consumes more than 70 minutes per day on OTT services, which has only increased after onset of covid. People have gone from 0-2hrs to 2-5 hrs per day screen time. Also, the average spending on OTT platforms has gone to Rs100-300. Another growth statistic, OTT is expected to grow 22% each year for the next 4 years. Players in the market have also grown exponentially in

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<sup>2</sup>t-tech-innovative-marketing-strategy-led-ott-industry-in-2019-191230

the last 8 years, from 2 in 2012 to more than 30 today. Language and region specific services are also taking up rapidly. Platforms have reduced their subscription plans to better compete in the market. Consumption of OTT platform produced shows and movies rose by 200% and 240% respectively, showing the immense viewership Indians have garnered for home produced content, and content exclusively produced for OTT platforms. This also indicates the growing acceptability in people for these services. <sup>3</sup>



Further, the massive investments made by OTT services like Netflix, Amazon, Disney+ Hotstar and others in originals as well as acquired content will help subscription video-on-demand make up 93% of the total OTT revenue (as compared to 87% globally), increasing at a CAGR of 30.7% between 2019-2024, from \$708 million in 2019 to \$2.7 billion.

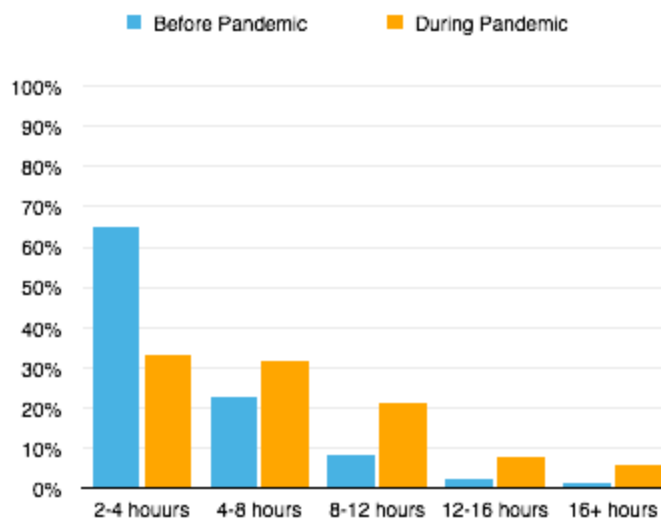
### **OTT attracts eyeballs away from box office**

Almost 8 months later after cinemas were shut, several producers have made their movies available directly on OTT platforms. Going back 2 years to 2018, SVoD revenues were a third of the total box office earnings. Now, a PwC report suggests that the movie box office will fall by 2.6% whilst SVoD grows by 30.7%. 2020 is the key tipping point as SVoD revenue overtakes theatrical earnings, and will continue to do so for the next 3 to 4 years.

<sup>3</sup><https://brandequity.economictimes.indiatimes.com/news/media/indian-ott-market-to-reach-5-billion-in-size-by-2023-report/66708675->

### Change in consumption patterns during COVID

Since we got locked in our homes, many demographic and viewership changes have taken place for OTT platforms. People have moved away from Direct To Home (DTH) services like Tata Sky, Dish TV etc. These require installation, maintenance, a fairly higher fee, and limited catalogue of content to watch (limited to live content and time based content). These are also limited to our televisions. People have instead moved over to a much more economical and effective source of entertainment- OTT services. These are much more convenient, cheap and easy to use. You can view content on your laptop, TV, phone and choose from thousands of options. Quality of content can also be considered superior to some extent. Here people can view international, uncensored and good quality TV shows and movies without worrying about ad interruptions too (only for SVOD services, explained later). Hence, an overall shift from DTH services to internet utility services and devices such as the Firestick, Chromecast, Smart TVs, etc. has taken place. Barclays claims over 5 million Indians have made the switch from TV to OTT.<sup>4</sup>

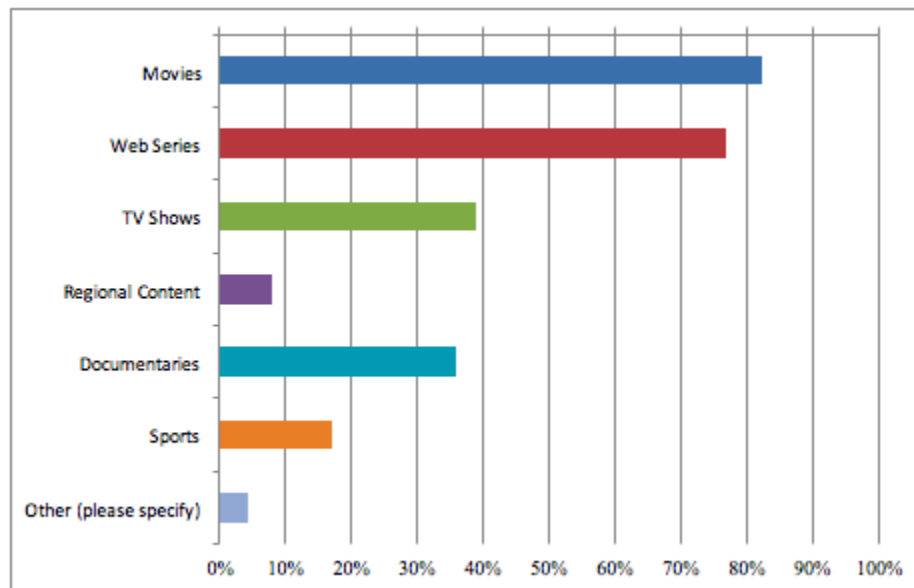


Along with this, demographic changes have taken place in the target base. Tier 2 and 3 cities and villages have got on the OTT bus too. With internet penetration increasing, Smartphones becoming cheaper and data tariffs becoming cheaper too, content is on everyone's fingertips, easier than ever. Another interesting statistic is that the women viewership has seen growth of

<sup>4</sup><http://www.marketreportsonindia.com/marketreports/ott-over-the-top-market-in-india-2020/2103101>  
<https://www.livemint.com/>

10%-14%. Many reasons can explain this, like more leisure time on hand, lesser work duties, women earning independently, easier to access content etc.

All in all, consumers have accepted OTT in their lives rather happily. Earlier estimates during its introduction in India claimed that OTT services would face a tough time competing with TV and cinema in India, owing to the orthodox mindset Indians have towards the internet and unregulated and uncensored content. Yet, producers and media houses have adapted to this and brought acceptable and interesting TV shows and movies to the peculiar Indian consumer. Consumption has crossed all age brackets, with older as well as younger audiences enjoying OTT. Niches have been converted to mass consumption models.<sup>5</sup> The pandemic has only boosted this run rate for OTT players and proven to be a boon.



### **Challenges faced by the OTT Industry in India**

Despite seeing a prosperous boom period by OTT players, which is estimated to only penetrate further into tiers of India in the coming years, the industry faces issues as well. These issues deal with technological constraints, competitive barriers and social norms regarding content in India. Here we discuss some of the contemporary issues faced by players:

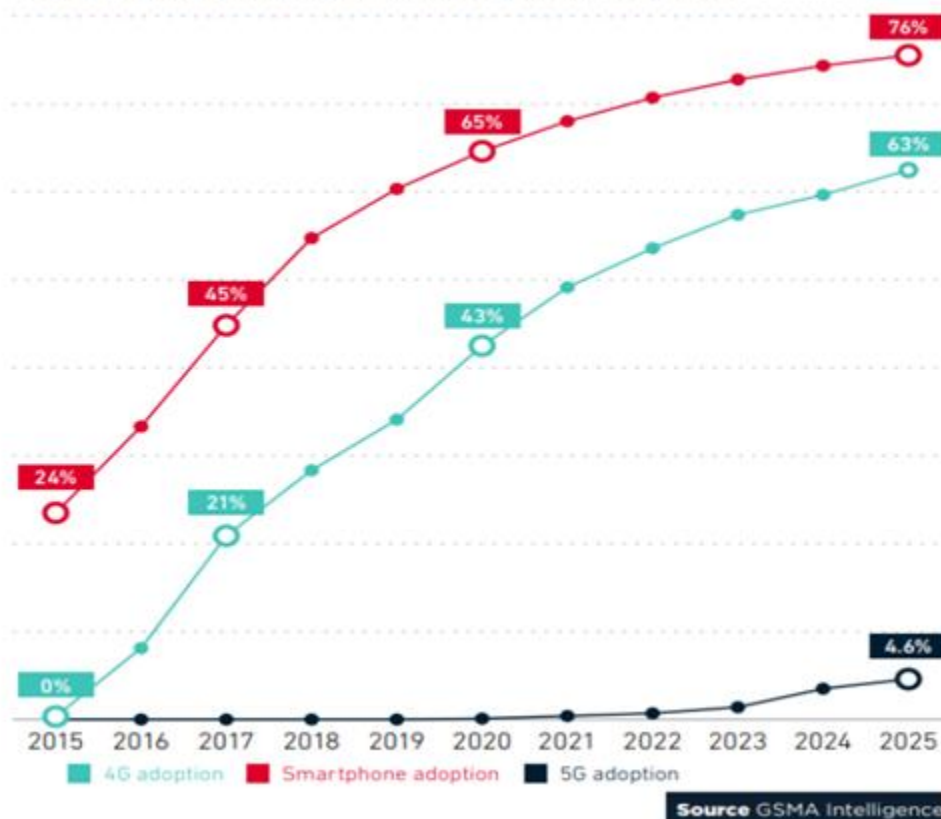
- 1. Infrastructural limitations:** India has seen the internet and data boom only recently, since data plans became cheaper, with Jio entering the telecommunications space.

<sup>5</sup> <https://brandequity.economicstimes.indiatimes.com/news/media/media-consumption-shifts-leaping-into-a-digital-first-world/79002243>

However, looking at ground to cover, speedy internet services still have a long way to go before they reach the whole of India. For OTT services to be availed, one needs a working TV, Computer/ Laptop, or a smartphone. Along with that, a fast enough internet connection, combined with sufficient data is also required. This leaves us with 4 pillars:

- Viewing device (advanced enough to run OTT services)
- Fast Internet connection (mobile data or WiFi)
- Sufficient data packs
- System storage

4G, 5G and smartphone adoption in India



Indian consumers of rural and semi-urban India are still ill equipped to satisfy all 4 of these conditions, hence fail to avail these services well enough. These structural limitations are what the industry as a whole face. Although speeds are increasing rapidly, data packs are becoming larger and cheaper, smartphones are becoming efficient and cheaper, OTT still has a long way to go before it conquers the whole of India.



**2. Piracy:** With a premium service providing quality content, comes the threat of free alternatives. Piracy is a real concern which has existed in India in large numbers. Entry of legal and high quality services like Netflix and Hotstar in India posed a challenge to piracy. People still prefer peer-to-peer torrenting to avail all content for free, because international high quality content which wasn't available on TV has always been consumed in India in this manner. This poses a threat to OTT players, as people especially in rural and semi-urban settings still prefer not to pay for content. SVoD services like Netflix and Prime face the biggest threat. Piracy damages revenues and market shares, and also deters content creators from investing in new content.

A famous example would be the 'Torrents Morghulis' marketing campaign Hotstar adopted when it brought beloved TV series Game of Thrones onto its platform, suggesting people to stop torrenting and watching on their platform.

**3. COVID-19 and dry spell on shooting:** Due to COVID, production houses are unable to shoot movies, TV shows, documentaries, etc. This means that content may fall short if the dry spell lasts too long, making OTT platforms devoid of original content for which they are known. Many movie and TV sequels are stuck in production. OTT platforms may be struggling to bring new content, hence resorting to buying existing content rights, dubbing international content in regional languages. Actors, directors and producers suffer alike.

**4. Loophole of account reselling:** For SVoD platforms like Netflix and Amazon Prime, there exist multiple users in one account. Some local individuals have seen this loophole and exploit it by selling screens and users for cheap, but making a profit on the overall account. This may seem attractive to people unwilling to share bank details or pay online for these services, which is another very relevant limitation for the Indian context: hesitation in online payment. This loophole may prove to be loss incurring for SVoD platforms.

**5. Low Life Time Value:** Fragmentation of users and platforms during the time of digital advertising has increased. This has led to low monetization. LTV- Lifetime Value of each consumer is the revenue the platform may earn throughout his/her lifetime usage. This per user revenue has decreased significantly, since SVoD services reduced their packages to compete better and make their services available for cheaper. The LTV is much lower than the cost of content production. This may seem unattractive for advertising propositions. OTT platforms thus heavily depend on volume of users, marketing, customer acquisition and advertising revenue.

**6. Complex IPR environment:** In the traditional TV broadcasting setup, broadcaster signs a contract with the production house, a fee is charged in return for the risk involved in the show's performance, and the channel gets to own the IPR for the content. In India, as a result of owning



the IPR, broadcasters get to stream it on their own OTT platforms. Owning IPR opens up many avenues for revenue.

Balaji Telefilms took a risk and chose to own the IPR for its show which airs on Sony, but is streaming on ALTBalaji instead of Sony Pictures Networks India's VoD platform SonyLIV. Both producers and broadcasters sense the opportunity for content creators in India. Sony Pictures Networks India launched Studio NXT — to develop original concepts and create IPs for both Sony as well as other channels.

As audience fragments and platforms diversify, different content windows, geographical restrictions, formatting terms, etc. emerge, leading to a very complex rights environment. The IP ownership and royalty definitions between artists, producers etc are also blurring, leading to litigation.

**7. Problem of plenty - Quantity vs Quality:** Viewer comfort, in respect to OTT platforms, and their confidence in content quality and service delivery, both for new and existing customers, is expected to improve due to increased exposure to the medium during lockdown. With over 30 GECs and more than 35 OTT players, both domestic and international, the demand for content has never been as high as it is currently in India. ZEE5, one of the 30 OTT players in the Indian market, saw its paid viewership go up by 45% and subscriptions swelling by 80% (Patwa 2020). Company officials attributed this new found popularity of ZEE5 among online streaming viewers to their sturdy content, which covers different genres and 12 regional languages (Patwa 2020). This underlines the aspect of 'content being king' in the OTT segment.

The strategy of quick premieres of films and consistent availability of fresh shows is important, OTT executives have said, but so is the quality of content. It is important for the web content to be clutter breaking. "There will be a problem of plenty if platforms are simply churning out content without making sure they have a unique bouquet to offer", Neeraj Roy, founder and CEO, Hungama Digital Media said.

**8. Financial uncertainties:** An increase in subscription numbers, in a lockdown situation, may not always imply growing revenues. When consumption goes up, OTT service providers also experience higher monetary outflow on account of certain types of variable costs as restrictions create hindrances in the network for content delivery (Shafer and Bacon, 2020).

Cumulatively this underlines the probability of a situation where channels may have to face financial uncertainties if advertisement spends are controlled by corporates trying to shrug off the twin impacts of economic shutdown and ensuing global economic recession. While Amazon and Netflix are forging collaborations with local directors and production houses to develop

relevant content, the quantum of movie and music titles they are able to stream exclusively will also be an important determinant of viewer base. OTT platforms like Amazon Prime Video, Disney+ Hotstar, and others may find ways to survive the situation, given the earnings of their parent companies from business verticals other than OTT. And herein the home grown, smaller OTT service providers may be on an unequal playground, who are not part of or do not have the financial backing of such strong parent entities. So, while the present hike in subscriber numbers and viewing time are reasons for optimism, there are enough indications in the evolving global economic scenario for cautious treading.

**9. OTT vs. The Cinematic experience:** As the covid-19 pandemic has resulted in a seven month shutdown of movie theatres and several producers have taken their films directly to digital platforms, OTT has seen obvious gains at the expense of cinemas. INOX, operators of the multiplex chain, described the growing affinity among production houses to move away from the globally prevalent practice of theatrical release and viewing of films as both ‘alarming and disconcerting.’

A theatrical or cinematic experience is not just a viewing experience but also involves a getaway or break from reality for the audience. The viewer can escape into a fantasy world while watching a movie on the big screen. OTT platforms are unable to create the same kind of ambience and experience for their viewer. To this end, some OTT platforms are experimenting with virtual reality options and enhancing viewer engagement. Netflix’s Black Mirror Bandersnatch episode was one such effort.<sup>6</sup>



<sup>6</sup><http://www.socialsamosa.com/2018/03/ott-industry-challenges/>  
<https://www.viaccess-orca.com/blog/ott-challenges>  
<https://corp.phando.com/what-are-the-challenges-faced-by-an-ott-platform/>

### **Current issue: Moral policing of OTT platforms**

Earlier this year, the I&B ministry gave OTT players 100 days to set up an adjudicatory body and finalize a code of conduct. In September 2020, the Internet and Mobile Association of India (IAMAI)—a group of 15 streaming players signed a code of self-regulation. Amidst protests and inspired campaigns to censor or ban OTT content before it becomes available for public viewing, a government order was notified on 11th November, 2020, bringing all online content under the Ministry of Information and Broadcasting (I&B). As a result, the OTT segment will, for the first time, have to deal with the government telling them what they can or can't say and show. The Central Board of Film Certification (CBFC) is under the I&B ministry, so it's likely streaming films will need a censor certificate before release.

Censorship may just be seen as a regulatory action taken by the government. However, in its essence, censorship will in the short and long run not prove beneficial in any way to OTT platforms. Ever since OTT platforms like Netflix, Prime, and Hotstar started experimenting in the Indian market, the quality and variety of content has gone up manifold. These platforms have given existing directors, actors, artists, producers freedom in expression to explore the horizon of Indian eyeballs. At the same time, a lot of new artists, directors, creative individuals and content creators got the confidence and the stage to showcase their talent.

OTT platforms are a safe space for creators and audiences alike. The combination of rich international and domestic content offers viewers of all kinds something to enjoy. Those who find the existent TV and box office landscape monotonous, generic and overtly commercial often find their sweet tooth in OTT platforms. Here, issues no one discusses on public forums are dealt with and as a result discussion revolving around them have become comfortable. Topics people find too bizarre, unfamiliar or taboo to explore such as homosexuality, mental health, crime, war, etc. are presented openly. Indians have slowly learnt to come up to pace with international art forms, accepting different yet innovative ways of storytelling. OTT platforms have familiarized and opened our eyes to unrestricted art.<sup>7</sup>

In a way, OTT platforms have now the responsibility of honing public opinion, shaping choices and thoughts, and with that comes public accountability. India has had restricted, censored content on TV broadcasting and Cinema since forever, and seeing something fresh for some of us has been a great game changer to how we perceive art. Moving to the gentry of tier 2 and 3 cities, where people's opinions are only limited to their neighborhood, OTTs have given a bird's

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<sup>7</sup><https://thewire.in/media/moral-policing-netflix-amazon-prime-latest-episode-censorship-india>

eye view to them. Audiences from the remotest parts of the country can now access high quality and differentiated content, and learn more about the world. <sup>8</sup>

A move to censor these platforms would prove to be a curse to OTT platforms. This has been a culmination of orthodox and nationalist religious groups objecting to the portrayal of their culture. Talking in business terms, if implemented harshly, the Ministry of Information & Broadcasting would censor a lot of content. One of the key factors which drives people towards OTT content is its free and unrestricted nature. Any curtailment of this freedom in ability to choose and access would hurt platforms which may translate into reduction in subscriptions and revenue. <sup>9</sup>



### **How to market in India as an OTT platform**

#### **A closer look at key drivers behind the growth of these services**

The OTT boom in India has been a combination of novel techniques and blue ocean strategies adopted by platforms to make their brand a go to for the Indian binger. Several marketing, advertising, collaborative and technological efforts have been made to enhance USPs of each

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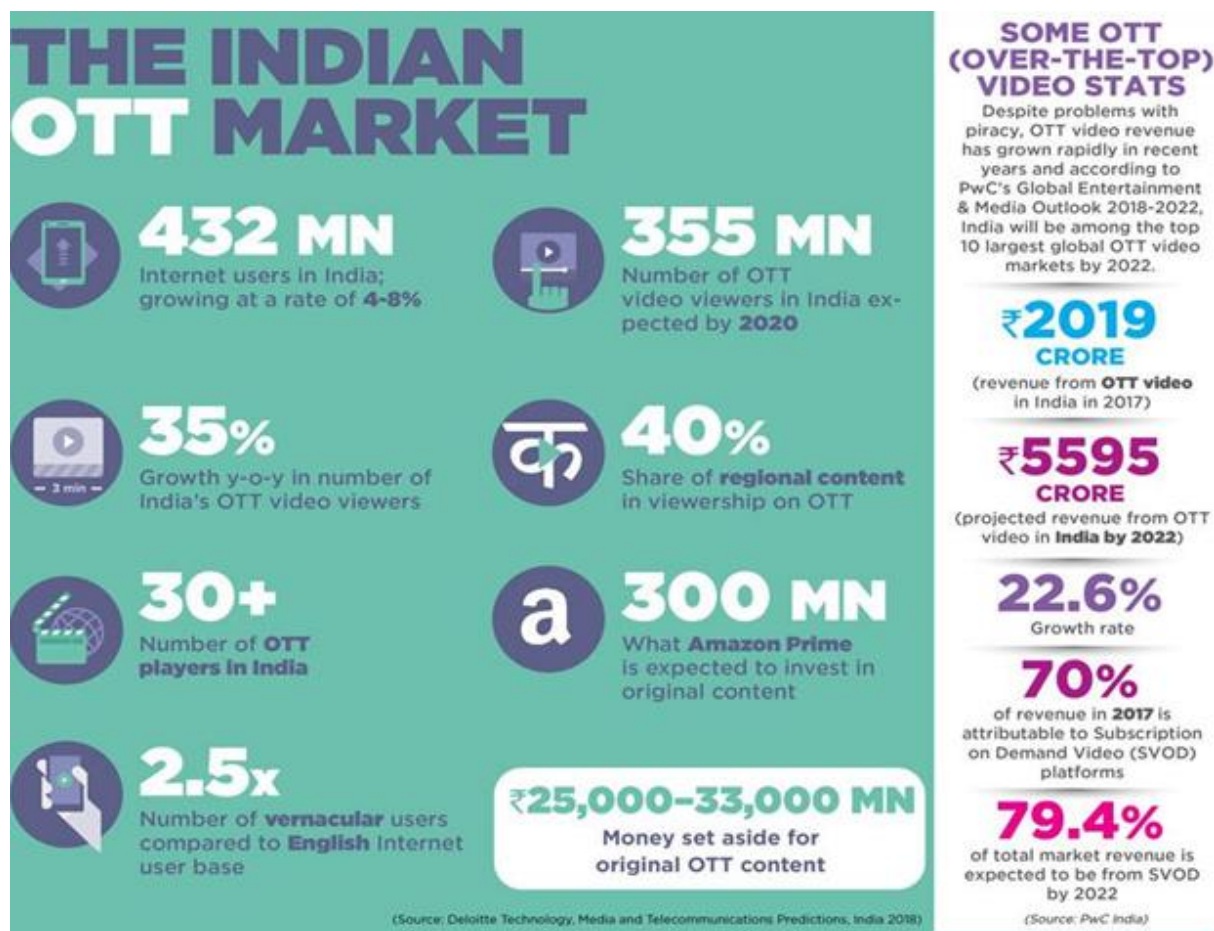
<sup>8</sup><https://lifestyle.livemint.com/news/opinion/is-the-party-over-for-indian-streaming-platforms-111605081155685.html>

<sup>9</sup><https://qz.com/india/1932308/netflix-amazon-hotstar-may-face-more-censorship-in-modis-india/>

player. Some of the major methods and techniques along with some novel and untested ways<sup>10</sup> adopted by players in the nascent Indian OTT market are briefly discussed below:

## 1. Tie-Ups and Strategic Partnerships

Here we analyse the various types of tie-ups OTTs have made to further their brand. These can broadly be categorized (but are not limited to) as tie-ups with Telecom carriers, OEMs and other OTT services.



**I. Telecom carriers:** With the telecom boom after Jio entered the market, and almost every Indian had in their hands the immense power of free internet, it was obvious OTTs saw this as an opportunity to reach the masses. Telecoms play an important role because of the connectivity they offer and at what rates. Airtel partnered with Amazon to offer one year worth of Prime

<sup>10</sup><https://www.financialexpress.com/brandwagon/writers-alley/how-new-ott-players-can-win-indian-customers/2020753/>



membership to its Infinity userbase for free. This instantly put Prime in almost all of Airtel's user base's hands. Airtel also partnered up with Netflix to provide 3 months membership. Later, Airtel users could also watch Hotstar content through the Airtel TV app, after their partnership. This included live sports and news, two important content genres for Indians.



Vodafone too jumped onto the bandwagon by partnering up with Netflix and Prime. Along with this, Vodafone went a step further and housed Eros Now, ALTBalaji and Hooq. Vodafone aimed to create a single-access point (Vodafone Play) with a wide array of content. This vision is to aid viewers' convenience and prevent multiple OTT apps.

Various surveys suggest that in fact, more than half of Indian OTT users use multiple platforms to satisfy all their needs. No one OTT service proves to be omnipotent. Hence, the role of telecom services here is to create unified media service bundles for all of their customer's needs.

<sup>11</sup>

**II. OEM-OTT:** Original equipment manufacturers (OEMs) are improving accessibility and availability of OTT services by integrating them in their products. In Smart TVs, tie-ups like Mi LED and LG with Eros Now are examples of how immersive viewing experiences are being clubbed and sold with OTT services pre-installed in the products. In phones, pre-installed OTT services with a combination of telecom carrier plans and free memberships are also examples. Samsung offers Netflix subscriptions with its Vodafone plans. Laptops too come pre-integrated with OTT services like Prime and Netflix. These pre-installs essentially enable users to jump into the OTT experience right out of the box.

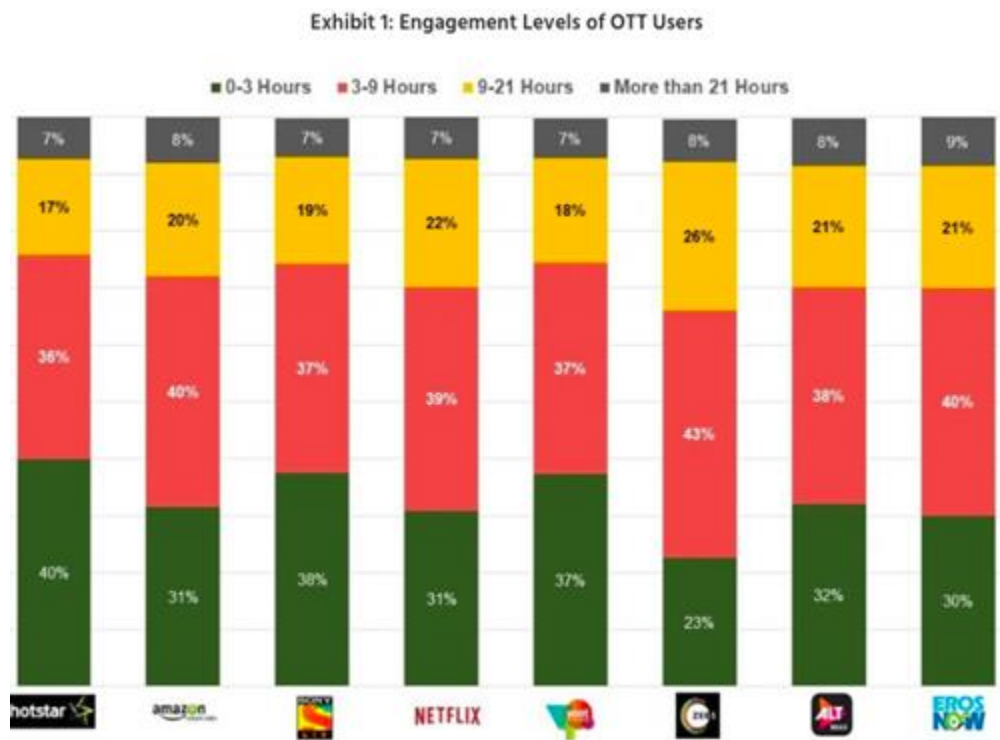
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<sup>11</sup><https://sanketmishra24.medium.com/how-ott-services-created-a-new-market-in-india-7d0ea69a468>  
<https://brandequity.economictimes.indiatimes.com/news/media/indian-ott-market-to-reach-5-billion-in-size-by-2023-report/66708675>

**III. Other OTT tie-ups:** Recently, Netflix partnered up with Audio OTT market leader- Spotify, to promote its TV shows, movies etc. New releases come to the freemium version of Spotify as advertisements. Many releases like Ginny weds Sunny, Gunjan Saxena, etc have been promoted heavily through cross OTT advertisements.

**2. Content is King**

Looking at the OTT market growth trend of the last five years, it is clear that irrespective of what factor helps in making your OTT attractive and popular, content is always a critical deciding factor. Side features, color schemes, brand ambassadors, tie-ups, all are only supplementary in the platform's success. If the content on your platform is subpar, generic, uninteresting or monotone, you will not succeed. The base begins with possessing high quality, multi-genre content which ensures viewers to revisit your platform day in, day out. Unfortunately, the addictiveness of a platform is the deciding factor in the success of an OTT platform.



Source: India OTT Video Content Market Survey

In India, approximately 80% of content is consumed in Hindi, rest is English and other regional languages. This means that Indian TV series, Movies, Originals are what the audience prefers. This has led platforms to produce multiple original series and movies. Picking a niche and



making content around it ensures you cater to all audiences in the long run, while creating a diverse catalogue overtime.

We now analyses the aspects surrounding the Indian OTT content

**I. Bite Size Content:** Platforms are now encouraging production of content that is short, crisp, interesting, and impactful. With decreasing attention spans of the audience, content needs to be worth the viewer's time and attention. Hence, OTT platforms stick to producing quality content which is shorter and gives the viewer a sense of satisfaction similar to finishing a small meal. Cliffhangers and twists are added to keep the viewer glued and effort is made to keep the content sensational.

Often, content is shaped around unusual subjects/topics that have remained unexplored elsewhere to provide a novel or fresh feel. This also helps in curating personalized content for the viewer.

**II. Binging:** Another trend Indians have picked up on during the lockdown is binging, or continuous watching of a TV series or movie. Platforms are built in a way to keep the viewer hooked, and new episodes keep on playing without any waiting or extra effort by the viewer. Although binging can have consequences for the viewer, it is good for OTT platforms as they are basically assured of unlimited screen time from their users.



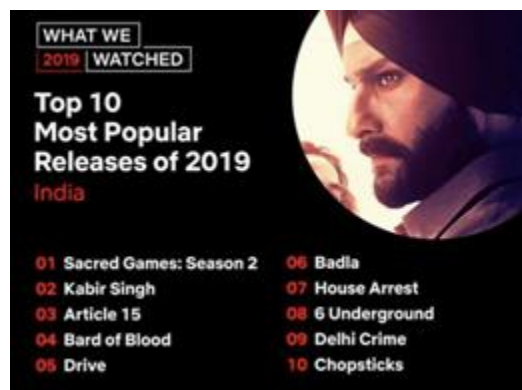
**III. Breakout content:** We in the Indian OTT race are at the stage where new and existing platforms are being discovered and rediscovered by consumers every day. Essentially it means

that each OTT possesses few prized possessions, TV series or movies that people are attracted to and which essentially leads them into consuming the service.

For Netflix it was Sacred Games, which intrigued people into trying out OTT for the first time. Prime also has series like Breath, Mirzapur, Made in Heaven. Sony Liv recently came out with Scam 1992, which led people to trying out their service. Voot showcases multiple TV series and Bigg Boss, an Indian household favorite. Hotstardons multiple hats- Game of Thrones, IPL, Premier League, Disney+ etc. These breakout content pieces are what strike the first blow in getting new customers.

**IV. Word of Mouth:** An important factor which rules the promotion of OTT services is word of mouth marketing. Indians are still hesitant about trying new services, but being suggested a TV series or movie by a friend can prove to be a big push. Suggestions, reviews, articles, interviews, etc. are all forms of word-of-mouth promotion. These can only be achieved in an unplanned manner and only if the base content is good.

**V. Regional Content:** As these services gain popularity and coverage penetrates remotest parts of India, regional content is the way to go. Multiple regional OTT services catering to a specific language or regional audience have come up. For example - Hoichoi in West Bengal for Bengali content. Production of regional content on existing OTTs has also been used as a strategy to maximize viewer base. Also, international content is being actively dubbed and subbed to make it watchable for the Indian consumer. This ensures a steady stream of fresh content.



**VI. Original content:** OTT platforms analyze closely what topics; genres are in trend and would be interesting to make content in. For example - Crime dramas have gained massive popularity and many creators are making their versions of it. Original content is also aimed keeping in mind contemporary issues, topics, to ensure fresh content which connects to people emotionally. Social issues are also explored in these original series and movies. These give space to actors,

directors and other filmmakers to freely express their art and introduce people to new things/ideas.



### **Novel OTT strategies**

Here we take a look at the Indian OTT landscape, and how platforms have consolidated their place in the market. We analyze content strategies, marketing campaigns and overall tactics which players have used to create their brand in the new and growing market.

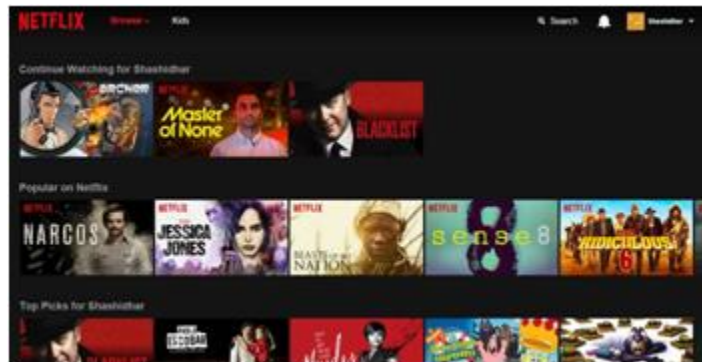
#### **1. Netflix**

Netflix being an internationally successful OTT service provider, can be considered as the most wholesome platform that comes to anyone's mind. Netflix is the apex leader and go-to service, one of the earliest to establish itself as an OTT video streaming player in India. Netflix has invested in marketing to grow its brand and has been winning markets with quality content. With its quality, exclusive, original content, the company earned a strong brand image that has gained popularity through word of mouth. Its image was that of a technology, entertainment, and lifestyle brand.



The company kept growing better and in the process refined its marketing approach. No doubt, Netflix was a customer-centric company and more growth-oriented than its competitors. Its connection with customers strengthened as the company grew its focus on understanding user preferences. The growing use of data and analytics and higher personalization helped maximize user satisfaction and grow brand equity. From paid promotions to digital advertising, and social media, the company uses all channels to reach and engage users. Netflix's content marketing strategy:

- a. **Audience data insights and personalization:** Netflix excels in the personalization part; the company knows what the consumer's interests are and in what all they are interested in watching due to which they are suggested those specific titles. It uses this information to market similar content to the subscriber later. Knowing and acting on what your audience wants based on its interests and previous purchases, which are revealed in data.
- b. **Benefit from the bingeing bonanza:** Netflix knows that its customers like to binge-watch, so it creates content which is tailored to the natural desire people have to find out what happens next and creates characters and stories to which the audience can connect. It's a way to keep your audience hungry for more and establish your brand as a creative force that's in tune with its customers.



- c. **Timed content:** Netflix has a great strategy when it comes out to releasing its new series or the season of one of its series. For example, the company has released all of the episodes of Dark on a Friday a few days before Halloween. The show's scary/suspense theme was just right for Halloween release and also aimed to coincide with prime binge-watching time- a weekend.

Therefore, brands can schedule the release of their content on certain days or weeks based on a strong connection between the content and the day. There's a reason that the phrase "timing is everything" proves true again and again for marketing.

- d. **A consistent brand identity:** Whether through content on its social media platforms or the website, Netflix presents a consistent brand identity that resonates with its audience. Netflix does not take itself too seriously and has a humour in posting its content. Therefore, Netflix's media handles connect with its customers more effectively which helps in building trust in the market.
- e. **Connecting with the audience, off the screen:** When it comes to marketing, Netflix India has got the most sorted on its front. The major source for promotion of Netflix is done through social media websites including YouTube. Being a globally recognised brand gives them the edge over its competitors and not go for intense advertising, banners, hoardings. In the past, Netflix has turned high ranked celebrities, also got into collaborations with many rising youtubers all over India like Flying beast, Dhruv rathee, etc for marketing their videos to boost their profits and sales.



- f. **Freebie weekend:** Lastly, recently Netflix announced for the first time that it would be making its platform free from 5th Dec onwards for the weekend. This kind of free offering of the service would attract fresh customers to try the platform for free. Due to the addictive and robust nature of Netflix, one can easily decide to subscribe to it permanently after giving it a try for free.

## **2. Disney+Hotstar**

Hotstar, now known as Disney+Hotstar is the most subscribed OTT platform in India and is owned by Star India. Big ticket events are the main acquisition drivers for Hotstar. These include



IPL, Wimbledon, Premier League, and more. Just before the outburst of Covid-19, there were around 140 million active users and over 350 million of downloads and as of May 2020, the number of users and downloads have increased to 310 million active users and over 400 million downloads respectively. <sup>12</sup>

Hotstar started investing ₹120 crores in generating their original content called "Hotstar Specials". 80% of the viewership on Hotstar during lockdown comes from crime genre, movies, and sports programs. The overall boost in the business is 127 percent during the lockdown and 41 percent rise in the subscription. They were the official partners of Dream 11 IPL and were telecasting it live, due to which they gained a lot of paid subscriptions. Some strategies Hotstar used:

- g. **User onboarding:** One of the key differentiators of Hotstar is the way they onboard their users. They take leverage to push the notifications to help the new users get started with the Hotstar app. For example, they run campaigns for the 1st time user on the Hotstar app providing the tips through which they can save data, this is something that is appreciated by their users and has shown CTRs of over 4-5%. They also segment the users on their mother language, the patterns of content consumption, region and the type of content they are interested in watching; whether it is news, daily soaps, sports, etc.
- h. **Real time notifications:** Sports as a live viewing genre leads itself to the real-time push notification, especially for the users that view cricket-specific content on the platform. The key for the Hotstar was to generate interest in the moment, driving users to stream the live viewing experience on the app. This became a huge benefit for Hotstar this IPL season as during the crucial KKR vs MI match, they ran rich push notification with witty lines at the particular moment. This campaign was sent to 51 million users and successfully brought over half a million of users back to the Hotstar app.
- i. **Event-centric engagement campaigns:** Having the best content library does not guarantee success in the OTT space. The content created needs to be packaged and promoted to the right segments of users and society. Keeping this in mind the Hotstar targeted the valentine day as an opportunity to target their premium users with personalized email campaigns.

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<sup>12</sup><https://digitalcontentnext.org/blog/2019/06/11/how-hotstar-indias-hottest-ott-services-turns-viewers-into-subscribers/>

They pitched a mix of Bollywood series, movies, shows, Hollywood shows around the theme of romance and attached links to the app. This helped them to drive 12% engagement on that specific day, and also increased the average watch time per session.



- j. **Localised campaigns:** Hotstar has localized notification campaigns for their free users, whose experience is driven by ads. The campaign recommended titles to users in their naïve language, and helped them achieve higher than average engagement numbers. In West Bengal, for example the local spoken language is Bengali. On running localized push notifications for Independence Day, we saw CTRs over 3.4% for an audience of over 600,000 users.

### **3. MX Player**

Last quarter of the year gone saw MX player to be India's 1st entertainment streaming platform. MX Player became an #IdeaChor to promote the 2nd season of its original series, 'Thinkistan', in the most unique way. They released a campaign; the brand team and the agency steered away from the traditional or basic method of advertising, tactfully and effectively employing Guerilla marketing to get the ground-braking results.

The innovative content marketing activity enabled the show's viewership to witness a phenomenal increase by 240%. Therefore, with around 0 investment, the campaign became successful and helped to earn 4.2 Mn INR also 225% growth in engagement across platforms. Not only that, but Thinkistan also trended as the number 1 show on MX Player during that phase.

### **4. Sony LIV**



Sony LIV recently boomed after their series Scam 1992 gained international clout. Their platform offers 1 free episode watch. This ensures a freemium approach, and the first episode often ends at a cliffhanger, which leads to customers actually subscribing.

Sony LIV is the OTT brand of Sony pictures networks, and has unveiled its brand identity. They make sure that they address a large audience with content across genres and consumer preferences. At the top end, they have premium Hindi content, and the best of international content in English. And then sports – be it basketball, WWE, football or cricket. Almost 70 million people had watched the FIFA World Cup on our app. We were among FIFA’s top partners worldwide in terms of consumption in India.



They also did some exciting stuff around KBC like ‘KBC play along’- sit at home and play the game with Amitabh Bachchan, which roped out about a million and a half people.

- Launch of gaming platform- The gaming platform within the Sony Liv app has a lot to do with their shows. For example, simple content like Alladin and some of their kids’ shows, are very extendable to gaming. So is CID, their popular franchise. They are creating simple games around these. They are also looking at games around sports. The whole idea is to create additional interactivity and get more time spent on SonyLiv beyond video. Their target is a slightly younger age group. The TG will obviously overlap with the current SonyLiv TG, because they are using the same characters and the same content to reach out to the audience.
- Growth in Tier II, Tier III cities- The highest growth that they are seeing comes from non-metros – small towns beyond the top 5-6 cities. Reached about 1000+ towns in the country. So, they have a long tail of consumption, obviously dependent on 4G and mobile signal availability.
- Partnership on live TV- People have demanded for a lot of live sports. News is another big category where live is consumed a lot, and app don’t have a news channel in the Sony

system. So, they have partnered with Hindi and English as well as language news services. Now, they have 70-80 linear news channels, therefore it's a full 360-degree service. They get about 7%-10% of our consumption from news.<sup>13</sup>

## 5. ZEE5

ZEE5, the online streaming platform has launched a new brand campaign 'Atrangi Dekho' for its Zee5 premium customers. It reflects the variety with emphasis on the vibrant content offerings. The campaign which was aired on the digital app as well as the television reflects the mindset and the sentiments of today's OTT users. Through this campaign, the brand let us see the USP as a young and vibrant content platform for the youth and millennials. Thus. The campaign was made to target the youngsters, urban people. The campaign is created by What's Your Problem, highlights that in an increasingly connected world, where great ideas flow each minute, people have access to a creatively charged world because of vast spectrum of content

An important learning we gather from looking at various cases of the OTT market in India is that there is no one way to succeed. There isn't a recipe to success due to the highly differentiated and volatile nature of this market. Although, at the core, if your product, your content is differentiated, easy to access and multi-genre, with a set of strategic partnerships, you do have a chance to succeed.



<sup>13</sup><http://heb-nic.in/cass/admin/freePDF/6owyu3s15xq02m7s96xu.pdf>

## **Conclusion**

The digital transformation process for an OTT player is a critical shift with customer centrality at the core realized via persona profiling, on-demand digital content, and personality/demographics based suggestions, provisioned smoothly across a multitude of devices in an omni-channel environment. Delivering this personal, customized experience necessitates a technological architecture that is agile, flexible and scalable on demand and technologies that are easy to implement and give quick insights for decision-making, especially around content strategies.

It can be clearly seen that the Covid pandemic has proven to be a game changer and a blessing in disguise for the Indian OTT streaming industry. No doubt the growth of the OTT segment has been hastened and prolonged closure of movie theatres has forged a closer tie between OTT platforms and leading production houses and content creators. However, it needs to be added that the OTT space is for now in a constant change environment. This has compelled players to rethink their processes and strategies frequently.

Notwithstanding the positives, OTT operatives must be mindful of the recessionary trends across several economies as it may adversely impact their advertisement revenues. Also, higher cost of content delivery, due to increased consumption, can pose challenges in the growth trajectory of OTT service providers. The OTT players will have to sustain their growth, popularity and beyond the lockdown and restricted scenario of the pandemic. It remains to be seen how the OTT segment will be impacted by the combined effect of censorship regulation and concerns around fresh content generation and the complex IP Rights environment.

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