HOW CONSUMER DATA DRIVES OTT PLATFORMS IN INDIA:AN AMAZON STORY

Anshuman Kandoi

Triveni Residential Complex Sovabazar, Goa Bagan, Ward Number 16, Kolkata,West Bengal 700006

ABSTRACT

Amazon Prime Video is one of the most popular video streaming services in India. As of March 2020, it had a user base of over 38 million Indians. According to a new survey, India is one of the world's fastest-growing markets for Amazon Prime Video (APV). While Amazon Prime Video was the most popular streaming service, it was followed by Netflix and then Hotstar. This research paper offers insights into the development of marketing strategies aimed at obtaining favourable behavioural responses from customers in order to maintain growth and profitability. By highlighting the links between two broad dimensions: attitudinal and behavioural, this study adds to the growing body of knowledge on customer loyalty. The research proves that an attitude–behavior link is important for achieving meaningful client loyalty.

Introduction

What is consumer loyalty

Customer loyalty is a measure of a customer's likelihood to do repeat business with a company or brand. It is the result of customer satisfaction, positive customer experiences, and the overall value of the goods or services a customer receives from a business.

Companies measure customer loyalty through collecting various data by incentivising customers, enrolling them to various programs like referring friends and family, sharing purchase details or even answering survey questionnaires.

What are OTT Platforms?

OTT stands for over the top and it refers to TV and film content that can be viewed using the

internet connection instead of satellite service or cable connection. OTT platforms such as Prime video, Netflix, etc. are generally paid but few other platforms can be free of cost. OTT helped people to get a platform with a plethora of options for the viewers to watch their favorite content on any device they feel like being it tv, mobile phone , tablet , etc.

This lockdown affected many businesses, as the economy was lower than never before but for OTT it was a jackpot. People had to shift from big screens to OTT services to seek new and exclusive content. OTT had become the primary source of content in the first few months of the lockdown. Even after the lockdown ended most people are still choosing OTT over theaters as they are now accustomed to OTT as it is convenient and pocket friendly. OTT has given the customers everything they want from selecting various content, allowing them to view it at any device they feel like and all this in the comfort of their home. Many OTT platforms compete in between to bring out as much original content they can. Seeing the rise in demand for OTT services many producers are releasing their TV shows and movies on these platforms, as OTT helps get a larger number of viewers from all around the globe. OTT has grabbed the opportunity very well and are keeping up with the trends.

Research Methodology

There are basically two types of research, primary or secondary. Primary research is basically collecting and collation of original data via direct contact with potential or existing consumers/customers. Secondary research is information that has already been collected and is available for use by others. The only limitation in this research is that it is purley theoretical as not much data is present at this point of time.

Literature review

Investopedia : Investopedia is the world's leading source of financial content on the web.

MAZ: It was founded in 2010 with one goal in mind: To empower content creators to be amazing. Today we carry out this mission by bringing businesses of all shapes and sizes to every major media platform. From mobile and TV streaming apps to Apple News and gaming consoles, the MAZ platform covers it all.

The View Point : TheViewPoint is a SaaS company established in NYC in 2019 by Ad Tech experts, who aim to bring publishers more control over their CTV ad inventory. With a sharp focus on the Connected TV environment, TheViewPoint offers an intelligent business model and a transparent ad monetization approach that prevents media sellers from losing their hard-earned

ad dollars.

Good work labs :Transforming businesses using technology that is simple, efficient, and effective. Committed to solving complex tech problems by providing simple solutions is what our day looks like.

India Today : India Today is a weekly Indian English-language news magazine published by Living Media India Limited. It is the most widely circulated magazine in India, with a readership of close to 8 millio.

Analytics Insight : World's First Print and Digital Publication focused on Artificial Intelligence, Big Data and Analytics. The Analytics Insight Magazine features opinions and views from top leaders and executives in the industry who share their journey, experiences, success stories, and knowledge to grow profitable businesses.

Entrepreneur : A daily source of inspiration and information, Entrepreneur.com fuels the spectrum of game-changers that define what it means to be an entrepreneur today.

Analysis

Consumer loyalty and retention techniques

A customer loyalty program is a marketing approach that recognizes and rewards customers who regularly interact with or shop with a brand. Companies can offer points or perks and increase customer loyalty when making purchases. These incentives and special offers often make customers a consistent consumer or ideal promoter of a brand.Some believe that the first roots of customer loyalty programs began in "premium marketing" in the late 18th century. During this period, US retailers began issuing copper tokens to their customers on purchase, which would later be exchanged for groceries for future purchases. Retailers quickly realized that using coins as a tool for customer loyalty was an expensive way to build loyalty. The transition to a cheaper instrument began in the late 19th century when postage stamps replaced coins in the "loyalty program". The loyalty program would continue to be driven by the postage stamp collection program until the early 1900s. Additionally, individual brands and retailers are starting to implement their own methods to attract customers.

The story of Tesco

Tesco is a UK multinational grocery retailer and retailer headquartered in the UK, and the world's third-largest retailer in terms of profit. Tesco is the world's second largest retailer in

terms of sales. There are also many stores in Asia and Europe.

Grocery market in the United Kingdom is an oligopoly with the top three firms acquiring 60% of the whole grocery market. So the large firms which control the market always try to develop new ways to gain the edge over the other competitors. Which led to Tesco to bring out a loyalty card. Tesco started planning to introduce a loyalty card in 1993 when Terry Leah asked his marketing team to evaluate the potential of loyalty cards. Tesco launched its first loyalty card in 1995. The club card they introduced helped the consumers save more and the reward in return were also greater. Clubcard gives you points every time you shop at Tesco which can be redeemed as cash vouchers on your next purchase at Tesco and the consumers also get coupons every week as reward. These are the reasons which attracted five million in the first year of the launch. As of 2018 Tesco has 17 million clubcard owners in the United Kingdom alone. The huge success of Tesco's clubcard happened because they remained committed to using the consumer data they gained to drive their business. The main reason and benefit of a loyalty scheme is that it is rich in consumer data. This rich consumer data helps the retailers get the right product at the right place with the right price and through the right promotion, which helps them gain the edge over their rivals. This is the exact same thing Tesco did, they efficiently used the consumer data which led to 28% rise in their sales. But still few companies think of it as a cheap promotion strategy.

How Consumer Data is Used

Consumer data has changed how businesses market their products or services to consumers. A report shows consumer data has helped businesses increase their sales by 8% and decrease their costs by 10%. The consumer data helps the businesses to change for the better and upsell their goods which in return increases their profits. The data helps the companies predict what consumers want. For e.g. Amazon uses the consumer data from the past purchases of the consumers to collect consumer data and then shows a list of recommended products which the selected consumers will want to buy which helps them increase their sales. Amazon can properly determine the type of product to buy based on customers who have similar buying habits as you. Like this, you can use this type of data to make predictions for your customers. If you see an increase in sales, you see a trend. For example, Amazon has found that people who buy TVs also tend to buy TV mounts. This is what retailers have started upselling in the hope that customers will buy together.One of the most valuable assets of any business is the customer base. Because customers are the people behind which helps a company to be a brand, and if the company doesn't live up to their expectations, it's likely to lead to disappearance of its consumers. The term "big data" refers to a technology that aids in the management of massive amounts of data. Data collecting is being digitised in today's world, when practically everything has gone digital.

A company's data refers to all of the important information it has about its consumers, market insights, and even its competitors' marketing efforts. All of this information is examined and used to develop strategies.

June Smart Ovens vs Amazon

Amazon's recommendation system makes use of its data. When a user searches for a specific product, this information aids the platform in determining what else the person might be interested in. As a result, Amazon can improve their process for persuading customers to buy something.Amazon obtains personal information about each of its customers when they use the website. Aside from the things that customers buy, Amazon maintains a record of what they've looked at, their shipping addresses, and the reviews they've written. Big Data has played a significant part in establishing Amazon as a prominent e-commerce platform. The inventory is tracked by the manufacturers to ensure that orders are fulfilled quickly. Big Data enables the consumer to choose the warehouse closest to them, thus lowering transportation costs.

Good business decisions are founded on good data, and Amazon has free access to more consumer and supplier data than almost any other company on the planet. Amazon knows what products people are searching for on their platform in any category at any given time, has accurate and historical data on prices and sales volumes, and understands how consumers react to price changes. They understand how discounts affect sales, the logistical challenges of almost any region, and the concentration of a market. With the mountain of data at their disposal, Amazon can identify products that are performing well in a specific market. Amazon realized June ovens were doing really well so they decided to come out with a similar product with the consumer data they had. June, a Silicon Valley tech startup founded in 2013, was one of the first to develop a smart oven. The oven had a screen for viewing recipes, could be controlled via Wi-Fi, and had a camera so you could keep an eye on your food from anywhere. Later in June, compatibility with Alexa – Amazon's virtual assistant AI developed for consumer use – was added. Customers were able to control the smart oven with voice commands thanks to the integration with Alexa. June ovens quickly gained popularity after their initial release in 2016. The company was doing well and had a sizable market share in the niche market. From 2014 to 2016, it received funding from heavyweight investors such as Slow Ventures, Foundry Group, and Eclypse Ventures. June received funding from Amazon Alexa Fund, Amazon's venture capital division, in 2018. Only a year later, Amazon released their own smart oven, which included all of June's features, including Wi-Fi connectivity and Alexa integration. But here's the kicker: Amazon Smart Ovens are half the price of June Ovens. June was charging $499-699 for their ovens, whereas Amazon's ovens were only $249.99. The startup found itself in

direct competition with its primary investor, who also happens to be the world's largest retailer and the owner of the Alexa platform. In addition, June is required to provide Amazon with confidential financial information on a regular basis.

Consumer Data used in Other Industries

Swiggy has always focused on providing food that provides maximum convenience to the country's city life. Use data science to improve customer experience and operational efficiencies. Swiggy collects vast data sets on supply and demand from customers, suppliers such as restaurants and stores, and delivery personnel. This data is extracted for analysis to increase delivery efficiencies and direct customers to the right restaurant. Swiggy also provides an app for companies and customers to access information. The app enhances the customer experience by helping customers track their orders, know delivery times, leave reviews, talk to managers if necessary, check ratings, and more. The company uses data science to distinguish food dishes from images and classify and differentiate between vegetable dishes and non-vegetarian dishes. These benefits from consumer data helps Swiggy increase its sales and the market share. The online food delivery business in India isan oligopoly so Swiggy tries its best to use consumer data efficiently to be the market leader.

OTT Service Industry In India

Easy access to a variety of genres of content has helped the OTT market to grow. OTT is one of the fastest growing markets in the entire world, even in India the OTT services has grown massively.

The first ever video streaming platform in the world was Youtube which was launched in 2005 followed by Netflix in 2007 with Amazon Prime Video. Slowly many video streaming platforms launched around the globe. BIGFLix was launched by reliance digital in 2008 and this led to reliance digital being the first ever company to start OTT services in India . Two years later Digivive launched India's initial OTT mobile app that was named nexGTv, that gave access to each live and on demand content.In June 2013 Amazon started its operation in India and three years after Amazon introduced Amazon prime in India. The OTT market was worth around $81.6 billion in 2019 and it is projected that by the end of 2024 the market should be worth about $156.9 billion. In India OTT platforms have already acquired the $1.5 billion mark and should reach the $4 billion mark by the end of 2025. OTT services in India have grown the most in the last two years, the main reason behind this growth is the lockdown which happened due to covid-19.

How Amazon Prime Uses Consumer Data

Entertainment is not a luxury anymore, it has become a necessity in everybody's lives. Compared to old times we have enough content to keep us engaged for each and every moment in our lives. Amazon Prime video is one of the major OTT platforms in the world, it has grown at an alarming rate and it is still growing. Consumer data or big data has been a major asset for amazon prime video. Big data has helped Amazon in various aspects such as:-

Ad Targeting

Analytics gives them precise data on where their target audience goes for most of their entertainment, what shows they enjoy watching, and how long they spend online. In addition, data from their ad-skipping and other habits can be used to determine which aspects of the ads turned them off and how to fix them. In short, Big Data has reduced the amount of guesswork that advertisers typically have to make to understand consumers.

Video Rating

Amazon also relies heavily on behavioral prediction. They use each show's audience retention data to decide whether to renew the show after each season, and allocate it when budgets are met. The same applies before a new show starts.

Viewer Behaviour Prediction

Amazon collects other statistical big data, such as the age groups of viewers on their media platform and devices used. Which helps them to produce new shows and the type of contentthey want to promote to reach out the most.

Amazon Marketing Strategy

The main reason why people choose Amazon prime video is their content. The main focus of amazon's marketing is the content they offer to the consumers which has helped them gain over 200 million subscribers worldwide. Amazon has a good way of retaining its subscribers through the type of content they launch. To increase its richness of content they increased their budget for producing content by 40% compared to last year which adds up to 11 billion dollars. Amazon is trying to keep a balance in the quantity and quality of their content.

To attract viewers to the streaming platform, Amazon uses the basic style of promotion: TV commercials. Amazon launches TV commercials to engage audiences on streaming platforms.

They also promote their latest releases on television. This tactic helps Amazon attract unique customers. The main target audience for the video is the 18-34 age group. However, by running TV commercials, amazon will also have a subscriber base over the age of 34. Television is the best way to promote a streaming platform. It's true that people who are addicted to movies and TV series (targeted for Amazon users) watch TV regularly. This allows Amazon to market its streaming platform. Therefore, entertainment lovers visit streaming platforms for more content.

Amazon Prime has several social media tools for a diverse, geographically dispersed audience. They use social media to create hype for their platform or famous releases. In addition to this, Amazon Prime is also launching paid sponsored ads on Facebook and Instagram to promote its streaming platform. These types of ads are targeted and have high conversion rates.

Amazon Prime establishes various collaborations and partners to promote its platform and content. Partnerships are a great way to capture a whole new customer base. Amazon has worked with Airtel and offers airtel users a free annual Prime Video subscription. Airtel has a different customer base compared to Amazon Prime, with this partnership, has referred airtel customers. On top of that, Amazon has similarly partnered with Reliance Jio and offers free Prime Video subscriptions to Jio users.

Amazon uses a systematic email marketing strategy to help you get the most out of it. Amazon uses drip email marketing. This includes sending automatic emails at specific times or user actions. Suppose you log in to Amazon using your email address and from that point on you become the target of your drip marketing strategy.

Amazon will send you a movie or a series of recommendations. In addition, the emails they send are personalized based on your activity. The subject of the email contains your name, and the content of the email is based on your viewing history or activity on the platform.

Affiliate marketing is an advertising model in which a company pays others (e.g. bloggers) to advertise their products and services and increase or generate sales. Amazon's affiliate program is well known and promoting Amazon products helps many affiliates make money. Partners post reviews on social media platforms, blog posts, or links on websites. In return, affiliates receive commissions from Amazon.

Comparison

OTT Platforms in India Vs Overseas

Amazon prime video has the lowest cost in India compared to the world. Indians pay just ₹ 129 per month as subscription charges while Americans pay $12.99 monthly for Amazon Prime Video, according to the study. India is followed by Japan, Brazil, Australia and Mexico in the cheapest list. In India, Amazon Prime's annual membership plan comes at a discounted price of ₹ 999 besides a free one-month trial. Amazon also offers free Prime subscription as part of bundled offers with Jio and Airtel.In the list of the most expensive countries to watch Amazon Prime Video, the United States tops the list, followed by Germany, Austria, Switzerland, and the United Kingdom. By paying the most, Americans can also watch the most movies and TV shows on the video streaming platform. The US version has nearly 17,000 movies and more than 1,300 TV shows. In India, by contrast, the Amazon Prime Video library includes nearly 2,400 movies and about 400 shows, according to the report. Singapore has the least number of titles - 700. This number is about 25 times less than in the United States.In the United States, Prime Video has the most content of any contest; Netflix, Hulu, etc. The main reason is that Amazon has tied up as many cable and satellite TV networks as possible. In addition, Netflix has moved away from licensing non-exclusive content and strives to have most exclusive content on its platform while Prime Video is not afraid to offer its customers non-exclusive titles. Questions have been raised about the significant amount difference, but Netflix declined to comment on the same.Prime Video India, the difference is mainly because many of the original shows from Amazon have yet to reach India. Another tough deal for Amazon in India is content licensing since the library has a total of less than 2,500 titles. Eros Now, with over 11,000 movies on other content alone, is the king of titles in India. In addition, international content is another area where Prime Video has not been able to catch up. Popular shows like FRIENDS, Breaking Bad, Sherlock, etc. are available on Netflix only, while Game of Thrones, Westworld, The Wire, and more. on Disney + Hotstar and the like for the movies.

Though Prime Video India has managed to add more and more titles to its library with a mix of original, Bollywood and regional content. It will be interesting to see how the scenario plays out in the near future given the fierce competition, however, achieving the same number as the US Prime Video library will be nearly impossible for Amazon and especially in the next few years.

OTT Way Ahead

To begin with, the global OTT market is projected to be worth more than $194 billion by 2025. While the future of OTT platforms looks bright, service providers should expect to face stiff competition. The fact that viewers watch more of their entertainment on smart devices with Internet connections means it's much easier for us to get content and recommend it. Before we decide what to watch, AI is ready to help us make our viewing experience easier. AI-based OTT

platforms are capable of detecting the type of screen you are viewing and the speed of your internet connection, thus allowing the platform to optimize video quality for screen size and connection speed. We all know the feeling we get when we want to relax while watching a movie or a show, but we don't know what kind of mood we're in. Netflix has pioneered a way out for us by developing a revolutionary recommendation engine that tracks factors like how you rate shows and movies, whether you rate them or not. Going forward, we will also see the use of OTT advertising spread among smaller brands as the technology matures, the purchasing process becomes more standardized, and more people expect advertising OTT is part of their marketing menu.OTT video has an incredible future ahead of it, bringing all of our favorite entertainment to us in an easier and more convenient way than ever before. Best time for people in the industry to produce their best content and deliver the best user experience possible is now.. The competition will be fierce, but the rewards of highly effective advertising and unbeatable audience reach will be greater than ever.

Conclusion

Businesses may believe that consumer data is the key to every industry, which might be right to a certain extent but they have to be sure the data they contain is relevant to the industry they want to enter. Amazon may have a huge amount of consumer data, which does not mean that they can enter whicher ever they feel like. For e.g. amazon cannot enter the car manufacturing industry on the basis of consumer data they have because the data they hold is irrelevant to the car manufacturing industry.

With the data they have they have plenty of options they can enter like mobile manufacturing because they know which is the best selling mobile phone on amazon and can analyse what features are making them so popular so they can create a similar version with lesser price tag due to economies of scale like they did with june ovens by creating a substitute for their smart oven at a cheaper rate and with better features. Amazon in the future might try to create their own ecosystem like Apple.

Acknowledgement

endeavor at any level cannot be accomplished without the support and guidance of my parents would like to thank my parents who helped me a lot in collecting various information, collecting gave and guided me from time to time in undertaking this project, despite their busy schedules, they gave me different ideas to make this project unique and interesting.

Bibliography

- "(PDF) A Case Study on Tesco Customers' Satisfaction and Loyalty." *ResearchGate*, https://www.researchgate.net/publication/340661907_A_Case_Study_on_Tesco_Cus tomers%27_Satisfaction_and_Loyalty.

- Balkhi, Syed. "How Companies Are Using Big Data to Boost Sales, and How You Can Do the Same." *Entrepreneur*, Entrepreneur, 18 Jan. 2019, https://www.entrepreneur.com/article/325923.

- "The Card up Their Sleeve." *The Guardian*, Guardian News and Media, 19 July 2003, https://www.theguardian.com/lifeandstyle/2003/jul/19/shopping.features.

- Frankenfield, Jake. "Affiliate Marketing Definition." *Investopedia*, Investopedia, 26 Aug. 2021,

- https://www.investopedia.com/terms/a/affiliate-marketing.asp#toc-advantages-and-di sadvantages-of-affiliate-marketing.

- "The Future of Ott: What Lies Ahead for the Industry." *TheViewPoint*, 29 Nov. 2021, https://theviewpoint.com/insights/blog/the-future-of-ott-what-lies-ahead-for-the-industr y/.

- "Impact of Big Data on Netflix, Amazon Prime, YouTube & Hotstar." *GoodWorkLabs*, 24 Apr. 2018, https://www.goodworklabs.com/big-data-in-entertainment/.

- Mukherjee, Nairita. "Theatre Owners Miffed with Disney+Hotstar Film Releases: Very Disappointing." *India Today*, 29 June 2020, https://www.indiatoday.in/movies/bollywood/story/theatre-owners-miffed-with-disney-h otstar-film-releases-very-disappointing-1695262-2020-06-29.

- Page, Ros. "Data Collection by Loyalty Programs." *CHOICE*, CHOICE Australia, 20 Dec. 2021,

- https://www.choice.com.au/consumers-and-data/data-collection-and-use/who-has-yo ur-data/articles/loyalty-program-data-collection.

- PYMNTS.com. "Swiggy Pivots to More Grocery Delivery Services." *PYMNTS.com*, 8Aug. 2021,

- https://www.pymnts.com/news/delivery/2021/swiggy-pivots-to-more-grocery-delivery-services/.

- Sairas Rahman 25 January, and Sairas Rahman. "Amazon's Playbook for Killing Competition." *The Business Standard*, 25 Jan. 2020, https://www.tbsnews.net/international/global-economy/amazons-playbook-killing-com petition-39151.

- "The Success of the Tesco Clubcard in Winning Customer Loyalty." *International Journal of Retail & Distribution Management*, Emerald Group Publishing Limited, 1 July 2004,

- https://www.emerald.com/insight/content/doi/10.1108/ijrdm.2004.08932gab.001/full/ht ml.

- "Swiggy vs Zomato vs Faasos: Who Makes Better Use of Data Science?" *Artificial Intelligence, Big Data Analytics and Insight*, 2 Sept. 2021, https://www.analyticsinsight.net/swiggy-vs-zomato-vs-faasos-who-makes-better-use-of-data-science/.

- "Tesco Clubcard Case Study - Eagle Eye." *EagleEye*, https://www.eagleeye.com/insights/case-studies/tesco-clubcard