

OPPORTUNITIES IN DISTRESS: GROWTH OF OTT PLATFORMS IN PANDEMIC ERA

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ABSTRACT

A business or any venture is able to earn and provide returns only when they operate with its fullest extent possible. The worldwide pandemic affected everyone including big businesses and small businesses. Global businesses who switched over to remote work were striving to survive and those enterprises whose major operational activities runs on internet were the ones who saw the door of success during this pandemic only. Among these were the 'Over the Top' (OTT) services which showed a significant upward trend in their revenues. As the global decision makers issued directives of complete lockdown, people were compelled to stay indoors and where social mobility was restricted. Most researchers pointed towards consumer behavior and theories to understand whether individuals were turning to OTT platforms for the content to keep themselves interested or if there were other factors driving their growth and acceptance. The present study explores the relationship of increased usage of OTT service providers after pandemic started which ultimately contributed to the company's profits and their subsequent growth in this depressed economic cycle. A sample of 300 respondents were surveyed and analyzed considering some variables. It was found that mostly adult people of urban areas showed positive trend towards OTT usage and also affordable monthly subscription rates contributed too for their increased usage among them.

Keywords: *Pandemic, Over the Top, Trend, Economic Cycle.*

Introduction

In earlier days, people used to be entertained by live cultural performances, sporting activities, art exhibitions, and other forms of amusement. However, as time went on and our economic circumstances improved, media and entertainment grew into a vibrant industry that offered us with a diverse selection of genres including news, entertainment, sports, and more. Then there was the television period, when people would sit in front of a screen, waiting for their favourite shows to begin at a certain hour. However, thanks to over-the-top (OTT) platforms, viewers may now watch content from anywhere and at any time of day, thanks to rapid technological advancements and high internet penetration. The term "OTT" refers to any streaming service that streams content over the internet rather than through traditional cable or satellite services. The service is given "on top" of another platform, as the name implies. The media and entertainment sector has undergone great development and expansion, from listening to the radio to viewing movies on television and in theatres, to the adoption of over-the-top (OTT) platforms. With theatres shut down owing to strict restrictions because of pandemic in recent period, movies have begun to be released on OTT channels. The expansion of OTT platforms in recent years has been quite promising because users have complete flexibility and choice in terms of the type of content they wish to consume. According to global reports, the Indian media and entertainment sector generated revenue of 1.75 trillion in 2019, with the digital and OTT sector generating revenue of 21,800 crore. According to reliable estimates, the revenue of OTT platforms increased by 24% from 2019 to 2020. "The OTT market is expected to increase at a 21.8 percent compound annual growth rate (CAGR) between Rs 4464 crore in 2018 and Rs 11976 crore in 2023," according to PWC's Global Entertainment and Media Outlook. According to a research published by The Boston Consulting Group (BCG) in 2018, titled "Entertainment Goes Online," the "OTT content market in India is expected to reach \$5 billion in size by 2023."

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Review of Literature

In his work "A study on variables affecting Netflix subscription rates in India: An Empirical Approach," Khanna (2016) argued that Indian customers prefer to watch free content online rather than pay for it. Dasgupta (2017) investigated the advertising industry's possibilities in the OTT era. Though OTT advertising is still in its early stages of development, it has a bright future if it can overcome the challenges of digital viewing. G.S. Nijhawan and S. Dahiya (2020) did research on changing customer consumption patterns and OTT platforms' future business possibilities. When it comes to OTT, the paper looked at audience preferences and trends. When it comes to choosing an OTT platform, users list the variety of material and the ability to watch it on any device at any time as the main factors. People's screen time viewing increased during COVID-19 lockdown, according to the survey, with over 80% admitting to watching content for 2 hours or more on a daily basis. In his study, Singh (2020) looked at the elements that contribute to millennial customers in India using OTT services. His research looked into why millennials are so addicted to binge watching video content on OTT platforms. When it comes to choosing an OTT platform, millennials look for affordability, good and unique content, superior audio and video quality, and a limited number of advertising or even no ads during video streaming. Because of the increased technological capabilities of smartphones and increased internet usage, Patnaik et al., (2021), discovered that the entertainment sector is performing well with OTT services. The pandemic has made a significant contribution to the subscription of well-known OTT services, owing to excess free time and the demand for entertainment during lockdown. Because filming of TV episodes and movies was suspended due to the shutdown, customers shifted to over-the-top (OTT), causing demand to surge.

Objectives of the Study

1. To study the effect of COVID-19 pandemic on increased usage of OTT platforms in Kamrup Metro district of Assam.
2. To analyse the growth of OTT platforms during the pandemic.

Research Question

- Whether the OTT platforms have shown an upward trend in usage during the pandemic period.
- Whether the OTT service providers been able to influence people from different age groups, gender, employment status, etc. through their content during the pandemic period.

Research Design

The researchers have adopted the exploratory study design in order to find answers to the research questions formulated. The area of the study selected is Guwahati City of Kamrup Metro district of Assam. A majority of the teenage and adult population ranging from students to working professionals resides in this area which is the sole reason for selection of this area of study. As the exact number of population and the database containing the names of all customers of different OTT platforms in the study area was impossible to collect, probabilistic sampling technique was not feasible to adopt. Therefore, the researchers selected the non-probabilistic convenience sampling technique. Primary data was collected through a well-structured questionnaire using google forms which was floated among some known OTT users who then forwarded among their peers. Thus, a total of 300 respondents honestly returned the questionnaire completely filled up. These 300 respondents were considered to be the sample size of the study. Analysis of the collected data was done through statistical softwares Microsoft Excel and SPSS only.

Results and Discussion

Table 1: Cross-tabulation Statistics of Age Groups and Employment Status

		Employment status				Total
		Salaried	Self-Employed	Student	Unemployed	
Age groups	13-18 years	0	0	4	0	4
	19-35 years	145	22	106	12	285
	36-50 years	0	11	0	0	11
Total		145	33	110	12	300

Source: Author's Computation

It can be seen that due to the pandemic, the OTT market has grown and penetrated mostly among the college goers and salaried professionals who have used these entertainment platforms excessively to cut their boredom as educational institutions and offices have been closed temporarily due to the restrictions imposed.

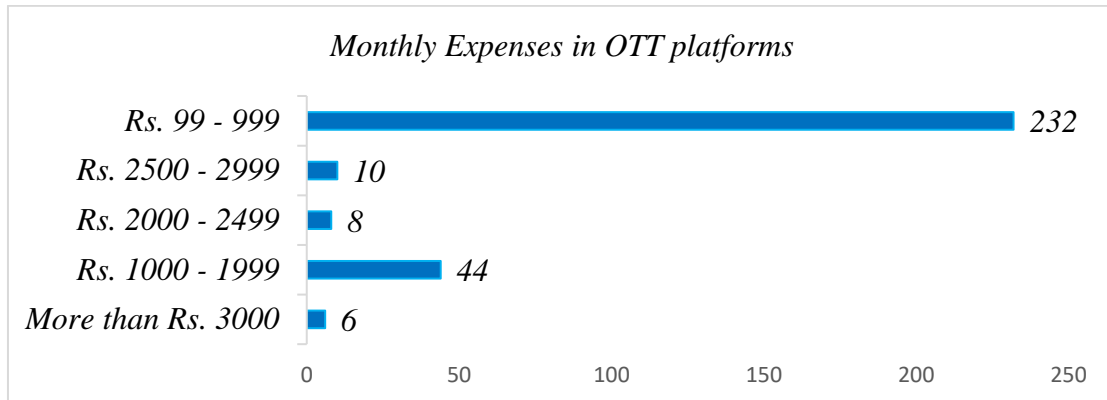


Figure 1: Monthly Expenses in OTT Platforms of Respondents

Source: Author's Computation

The figure reveals that the average revenue per user (ARPU) earned by the OTT service providers is between Rs. 99-999 monthly. Most of the respondents prefer the low-priced plans of OTT platforms as they watch it on their smartphones which has flexibility in viewing content. Some OTT platforms even offer the first month as a free trial in order to attract their customers.

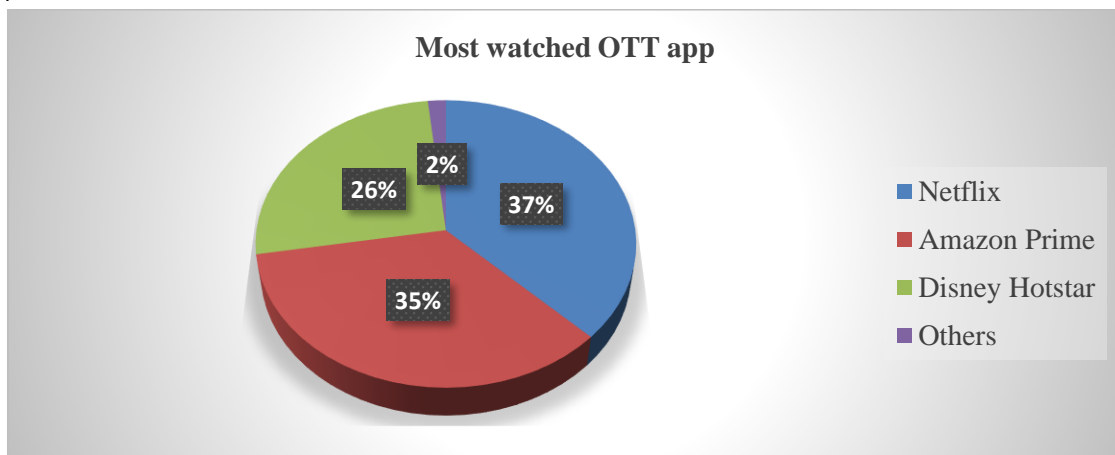


Figure 2: Mostly Watched OTT App by the Respondents

Source: Author's computation

The figure reveals that Netflix, Amazon Prime and Disney Hotstar are the most popular OTT platforms that were regularly watched by the respondents during the pandemic.

Table 2: Cross Tabulation Statistics of daily OTT usage and Increased Time of OTT Viewing

		Increase_OTT_usage		Total
		No	Yes	
Daily_OTT_usage_hrs	1	7	46	53
	2	34	119	153
	3	3	52	55
	4	0	39	39
Total		44	256	300

Source: Author's Computation

The above figure reveals that most of the respondents have agreed that their OTT content consumption has increased after the pandemic started. The average daily viewing time of OTT platforms of the respondents is 2 hours minimum which has even exceeded to 4 hours. Movies that were supposed to be released in theatres were being released on OTT apps during the pandemic which has contributed significantly towards increased usage of OTT platforms.

Conclusion

This paper sought to examine the influence of OTT platforms on the basis of daily hours spent on those due to the pandemic. It has also been found that mostly the people from 19-35 age group are continuously engaged in watching content on OTT apps to pass their free time. This age category consists of mostly students and unmarried people irrespective of gender, locality and monthly earnings who love to pick out their smartphone, click their favorite OTT app and find their choice of content and start streaming the content easily. Both male and female respondents have accepted the fact that their screen time has doubled after the pandemic started. Approximately, 70% population of India belong to this age group and even if a small proportion of this group are contributing Rs. 1000 monthly towards this OTT service providers then, it can be said that these OTT platforms has made a significant growth during this pandemic. This will surely be reflected through their monthly revenue per user during that time period. At the same time, these OTT service providers are also able to attract companies who are willing to chunk out a large portion of their advertising budget in these OTT platforms in order to promote their products and services. This strategy makes a significant influence on the minds of their prospective customers in the long run. Due to time and financial constraints, our study was limited only to one Tier 2 city “Y” category. Further research can be implemented on all Tier 1, Tier 2, Tier 3 cities as well as rural areas also to find the sustainability of OTT service providers in the near future.

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