



A Study on Consumer Preference towards OTT Platforms During Pandemic in Coimbatore City

Mrs. Kalaivani R^a, Jeya Rahul k^{b*}

^aAssistant Professor, Sri Krishna Adithya College Of Arts and Science, Coimbatore-641042

^bStudent, Sri Krishna Adithya College of Arts and Science -641042

ABSTRACT

Abstract – OTT (over-the-top) is a means of providing television and film content over the internet at the request and to suit the requirements of the individual consumer. The term itself stands for “over-the-top”, which implies that a content provider is going over the top of existing internet services. India is the world’s fastest-growing market for streaming platforms, also known as over-the-top or OTT service providers, according to a recent report by PwC. With an annual growth rate of 28.6 percent, it is expected to become the sixth-largest market by 2024, ahead of South Korea, Germany, and Australia. There were about 40 OTT platforms in India in 2020, most of them in regional languages, according to another report by the National Association of Software and Service Companies. Within the end of 2023, the market size will be \$5 billion, a Boston Consulting Group report predicts. As the online streaming audience expanded beyond millennials and metros, and homemakers and senior citizens became OTT viewers, it led to a mushrooming of regional streaming apps that cater to non-Hindi and non-English markets. With the extended lockdowns and the current state of the economy, OTT seems to be the next normal for the world of entertainment. For months now, films have been bearing the brunt of theaters which partially opened and then closed again due to the second wave. As the lights are going out on live events, shoots and movie premiers, the only silver lining amidst all this is the rise of the popularity of OTT.

Keywords: *Consumer Buying Behavior, Over the top, internet*

1.Introduction of the study

Over the Top (OTT) media is a type of Media service that allows users to access Content directly using the internet. It bypasses All mediators in the process to serve the content Directly to the viewers. What makes OTT a popular And better alternative over the traditional medium is its flexibility across gadgets and convenience And greater value for money. OTT services have simplified how viewers view and access video or audio content by leveraging the internet. The technical aspect of the working mechanism involves components like superfast technological production, encryption, compression, cloud storage, CDN, and decoding. The OTT platforms use all the technical components to deliver any content directly to the users instead of sharing it through a middleman such as a cable operator. Alongside this, OTT channels can also generate revenue using multiple monetization methods including subscription, advertisement, third party ad integrations, pay-per-view model, etc

The laws and regulations related to OTT platforms differ across the globe. Some countries have strict regulatory bodies that monitor what type of content is being shown on the platform to keep a check on sensitive content or those that are based on false news which might affect a large majority of people. Countries like Singapore have a media regulatory body that issues the code of practices for OTT and video-on-demand services. In the US, there are no such regulations for OTT channels but a proposal for a new regulatory framework to monitor online content was given in 2019. Australia has an ‘eSafety Commissioner’ for over viewing the digital the digital media,

Over the past two decades, the evolution of the OTT industry has been nothing less than phenomenal. It has taken a fair share of the market and has reduced the usage of traditional pay-TV, compelling them to change their strategies. Given the flexibility and convenience it provides to the users in such a cost-effective manner, it is sure to rule the media industry in the coming years.

2.Objectives of the study

- To study the factors of sudden increase in OTT channels viewership during lockdown period in India.
- To study the shift in consumption from old entertainment to new.
- To analyze the standards of OTT app among users.

- To highlight the major challenges for cinema hall owners due to changing habits of digital viewers due to dynamic watching experience?
- To have the insight into the regulatory changes made.

3.Scope of the study

- The scope of the study is to highlight the scope of OTT platforms and the extent of their consumption amongst the people.
- These study will help us in understanding how OTT platforms have taken over the world of digital entertainment during a pandemic.

4.Review of Literature

- **Rohit Jacob Jose (2020)¹ on his research paper on "Factors influencing the shift from traditional TV to OTT platforms in India"** stated that it tries to identify the various factors that influences the shift of the consumers from traditional television to over the top media platforms in India. This research paper concludes that User Friendliness and Content Richness are significant factors that influence the shift of consumers from Television to OTT platforms in India, whereas Cost isn't a significant factor for the same. This research also highlights the factors where OTT platforms can concentrate more on to improve their customer satisfaction and rake in more subscribers.
- **Karan Sabharwal (2018)² on his study on "Amazon Vs Netflix: Who will win Indian battleground?"** mentioned the similarities between the two are converging in terms of market access and online and offline access of the content. Both the companies are using their strength .Amazon is chasing to acquire broadcasting rights of sports events as live sports telecast would be a game changer.
- **DrSabyasachiDasgupta and DrPriya Grover (2019)³ in their study"Understanding Adoption Factors of Over-the-top Video services among millennial consumers"**, researchers highlighted the four major factors that affect consumer adaptation towards different platforms. They are Convenience, Mobility, Content and Cost. They concluded that there is a huge need to streamline the entire process of OTT market in India.

¹**Rohit Jacob Jose (2020)**, Factors influencing the shift from traditional TV to OTT platforms in India, International Journal of Advanced Science and Technology Vol. 29,No. 7s, PP: 4044-4051.

²**Karan Sabharwal**, "Amazon Vs Netflix: Who will win Indian Battleground?" International Journal of Multidisciplinary Research and Development, Volume 5; Issue2; February 2018.

³**Dr. SabyasachiDasgupta and Dr. Priya Grover**, Understanding Adoption Factors of Over- the- Top Video Services among Millennial Consumers, International Journal of Computer Engineering and Technology, 10(1), 2019, PP: 61-71.

- **Park, Sungwook; Kwon, Youngsun (2019)⁴ did Research on "The Relationship between the Growth of OTT Service Market and the Change in the Structure of the Pay-TV Market'**, This paper produced results that the sum of OTT revenue amounts does not have meaningful influence on the structural change of the pay-TV market nor the cord-cutting phenomenon. Meanwhile, the result shows the OTT service revenues would increase pay-TV take-up when the squared independent variable (fixed broadband subscriptions) is considered.
- **Deloitte (2017)⁵ report on "Digital Media: Rise of On-demand Content"** stated that the availability of affordable smart phones and better internet 4G connectivity has given rise to the demand for video on demand entertainment services. More people are now spending time on digital media compared to the cable or dish network.
- **Ernst & Young (2016)⁶ in the report "Future of Digital Content Consumption in India"** stated that an increase in the usage of smart phones in India has stirred a new era of video consumption on the personal media devices. The penetration of smart phones in India is projected to grow to 520mn by 2020 and broadband penetration will increase to 40% from 14% in 2020
- **Meghan McAdams (2019)⁷: "Understanding the Modern Media Streaming Landscape: What is OTT."** According to the findings, OTT apps undoubtedly represent India's future. The main finding of her research was the 50 percent of OTT customers are felling 'subscription fatigue' as a result of engaging with so many channels. It was also noted that the rise of large-scale platforms such as Disney plus would have n impact on the possibilities for similar specialty offerings. (Mcdams", 2019)
- **Brett Hutchins (2019)⁸: Live streaming services will disrupt the market for coverage rights and the expansion of media sort websites**, he said in Over-The – Top Sport. Tensent, Amazon Prime Video, and DAZN are creating new norms for how media sport is available and curated, signifying a fundamental shift in the global market for sport broadcast rights and the media systems that transmit live content. (Hutchins, 2019)

- **VirendharKhanna (2016)**²⁰ in his report «A study on factors Affecting Subscription rates of Netflix in India: An Empirical Approach" stated that Indian consumers are more inclined to watch free content online rather pay a fee for the same. Low subscription of Netflix is due to the nonavailability of regional and local TV shows and movies.

⁴**Park, Sungwook, Kwon, Youngsun (2019)** : Research on the Relationship between the Growth of OTT Service Market and the Change in the Structure of the Pay-Tv Market, 30th European Conference of the International Telecommunications Society (ITS): "Towards a Connected and Automated Society",. Helsinki, Finland, 16th -19th June 2019.

⁵**Deloitte. (2015).** Digital Media - Rise of On-demand Content: Deloitte India: IMT. Insights. Retrieved July 30, 2020.

⁶**E&Y. (2016).** EY Report 2016: Future of Digital content consumption in India. Retrieved July 30, 2020.

⁷**Medams", (2019).** "What is OTT Undertanding the modern Media Streaming Landscape"KPMG's annual cable & OTT report.

⁸**Hutchins, B. (2019).** "Over The Top sport: live streaming services, chaning coverage rights markets and the growth of media sport portals' Media,culture and society. SAGE JOURNALS,41(7), 975-994

⁹**Virendharkhanna (2016),** "A Study on Factors Affecting Subscription rates of Netflix in India: An Empirical Approach', 3rd International Conference on Recent Innovations in Science, Technology

5. Analysis and Interpretation of Data

5.1 CHI – SQUARE ANALYSIS

A CHI-SQUARE is a statistical tool commonly used for testing the independence and goodness of fit. Testing independence determines whether two or more observations across two population are dependent on each other. Testing for goodness of fit determines if an observed frequency distribution matches a theoretical distribution.

FORMULA:

$$CHI - SQUARE VALUE (\Sigma) = \frac{(OBSERVED VALUE - EXPECTED VALUE)^2}{EXPECTED VALUE}$$

$$EXPECTED VALUE = \frac{ROW TOTAL * GRAND TOTAL}{GRAND TOTAL}$$

DEGREE OF FREEDOM = (ROW – 1) * (COLUMN – 1)

HYPOTHESIS:

H0: There is no significant relationship between age and hour spent on OTT.

H1: There is significant relationship between age and content of watching in OTT.

Significance value for chi-square is 5% (i.e., 0.05). If the calculated value is less than the table value, it is accepted. Else in another situation it is rejected.

TABLE-5.1.1

TABLE SHOWING THE RELATIONSHIP BETWEEN AGE AND TIME SPENT IN OTT PLATFORM

	How many hours did you spend on OTT?				Total
	Less than 1 hour	1 hour to 2 hours	2 hours to 3 hours	More than 3 hours	
Age					
Below 20	9	23	20	16	68
21 to 30 years	9	30	25	7	71
31 to 40 years	3	4	3	1	11
Above 40 years	0	1	2	1	4
Total	21	58	50	25	154

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	8.312 ^a	9	.503
Likelihood Ratio	8.546	9	.480
Linear-by-Linear Association	.913	1	.339
N of Valid Cases	154		

Level of significance =0.05

Degree of freedom=9

Chi square value=8.312

Table value = 16.919

INTERPRETATION

In the above analysis the calculated value (8.312) is less than table value (16.919) at the level of 5% significance. Hence null hypothesis is accepted ,thus there is no significant relationship between age and hours towards OTT platform.

6.Findings

- The selected factors likely age group and hours spend on OTT have no significant relationship between them.

7.Suggestion

It is found from the analysis that Amazon Prime is the most preferred OT platform. But the time spent by most of them are less than an hour. This might be due to popping up ads and the platforms do not provide skip ads option mostly. This will attract more visitors in all OTT platform. Price of the OTT platforms must be reasonable. As all the cards are not accepted by few of the OTT platforms, users find it difficult in paying. So, all the banks' debit cards and credit cards should be made available for the payment. Every OTT platform can mention the name of the actors performing in each scene, the location where the scene has been filmed to provide information to the OTT users, which ultimately attracts the viewers. The OTT platforms must give an option to their audience to unsubscribe if they are not satisfied with the content. This option will enable them to attract more audience and give them a chance to experience the OTT platforms for the First Users. Customers should have the freedom to choose their favourite language and material. More regional movies and shows should be broadcast, resulting in an increase in the number of OTT subscribers. Better and more effective subscription plans will be launched to meet the needs of the bulk of consumers who only use OTT platforms on occasion.

8.Conclusion

This research is not only focused on the OTT users' Preference and Satisfaction of each OTT platforms available in India, but also to understand repercussions in terms of what is store for the future in terms of media consumption. Most of the people started watching OTT platform after the pandemic, This study shows that most of the people prefer theatre to watch movies, but during covid period theaters are not allowed to open so the usage of OTT platform will suddenly increases and Netflix is the most used OTT platform because of variety of choices, portability, quality content, cheaper. In this study it was not possible to consider all the factors affecting the consumer preference in ott platforms. But we have aimed to cover major ones. Because of this study we can make a conclusion that Netflix is preferred more in comparison with other ott platforms. Followed by amazon prime and hotstar. And through this we can conclude that consumers are more accepting of the ott platforms in recent year.

9.Websites

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