

OTT Platforms – Its Future Scope And Regulation in India

Sapana N. Jaiswal

*Asst. Prof., Department of Law, Tilak Maharashtra Vidyapeeth, Kharghar
Navi Mumbai- 410210, Maharashtra, India sapana.jaiswal@yahoo.com*

Nandita S. More

*Student, BALLB 3rd Year Tilak Maharashtra Vidyapeeth, Kharghar
Navi Mumbai- 410210, Maharashtra, India nanditamore2002@gmail.com*

Abstract

This research tries to study the rise of OTT platform and its future scope and regulation in India. It is significant to know the level of increase in the popularity of OTT platforms and its future scope. Since ancient times entertainment is the part of our lives. In ancient times people do dance, dramas, sing, and played together this was the source of entertainment during those days. But after the growth and advancement of technology broadcast media came into our life. Today technology has transformed our lives including the way we work, shop, how we communicate with each other, and now how we consume entertainment. However, it is to be noted that the OTT platform came into existence in India in 2008, when Reliance Entertainment launched the first OTT platform named BIGFlix. Today India enjoys services from over 40 OTT providers including domestic and international players. India has seen a major surge in OTT platform subscription and viewership, especially with the lockdown due to covid-19. According to recent reports, India is currently the world's fastest-growing OTT market, set to become the sixth-largest around the globe by 2024. The market in India is expected to grow at a CAGR of 28.6% over the next four years, touching \$2.9 billion in revenues. The importance of this study is to bring to light the scope of OTT platforms and degree of their consumption amongst the people and to emphasize on their regulation system in India. To reach up the goal researchers have adopted secondary method.

Keywords: Entertainment, Internet penetration , New Business Model, OTT, Oversight Mechanism, Redressal mechanism, Regulatory changes, Revolution, Self-Regulatory body.

Introduction

OTT or Over the Top platform refers to the films and television content provider through an internet connection, it is an audio and video hosting and streaming service which started as a content hosting platform, but soon branched out into the production and release of short movies, feature films, documentaries and web series themselves. OTT platform is a service that offers viewers to accesses movies, TV shows, short films, and series directly through the internet bypassing cable and satellite systems. It represents the future of entertainment. OTT platform today is replacing other traditional media distribution channels such as cable providers; radio stations by streaming on-demand content directly to the viewers. Some popular examples of video streaming services are Amazon, Netflix, YouTube, Disney+Hostar, Zee 5, Alt Balaji, etc. It also includes other forms of internet-based content such as podcasts and music; these spaces include brands such as Spotify, Apple podcasts, Amazon music, etc. These platforms offer a wide range of content with movies, music, series, they also provide content related to daily news, even live streaming of sports such as Olympics, Cricket, Football, and Kabaddi matches, and the use of artificial intelligence to suggest the users the content they will like based on their history or from previous searches. Most of the OTT contents are free of cost or some of them have monthly and yearly subscription fee. The premium

subscription contains the content which is generally produced and marketed by the OTT platforms themselves.

Large population of the world is using these OTT platforms and there is large content available of various genres such as action, adventure, knowledge, sports, fantasy, and science and fictional and many more on it. These platforms have both good and bad sides. The advantage is that it connects people from throughout the world as it provides information about their culture, traditions, beliefs, rituals, and many more, and also it provides knowledge and is a great source of entertainment. But it has lots of disadvantages too because these OTTs platforms are not regulated properly and some of the content on them is not appropriate for every viewer to watch, even there is a threat to the security and privacy of the viewers as some of these platforms ask details of the users and even with the use of AI, they can know what viewers like and what viewers dislike based on their past searches and previous history. Over the top platform are rapidly growing media platforms that are gaining momentum with every passing day, due to varieties of factors such as accessibility of smart phones, smart TVs, internet penetration and Lockdown have resulted in the rise of several OTT users. With the entry of the OTT platforms into mainstream content delivery, the online media industry has transformed the consumer experience in a big way. Consumers are getting new and exciting ways of tuning into their favorite content across different categories ranging from sports, films, documentaries, music, series, news, etc. With the advancement in technology, consumers across the globe are gaining access to a wide array of content through the internet. The emergence, adoption, and growth of OTT have also created a new challenge to the traditional big-screen movie sector. The Indian Media and Entertainment industry is undergoing a revolution that is especially spurred by the boom of OTT services. The launch of 4G services at affordable prices is claimed to have played the biggest role in changing the entire landscape of the country. Ultimately the streaming wars will empower viewers and revolutionize how they consume content.

Future Scope & Trends

OTT platforms have experienced a rush in consumption in past few years. It has been observed that viewers are watching more content online. During lockdown TV channels were running out of content as they were unable to shoot new content, they were streaming old content. Because of this viewers were more inclined towards the OTT to watch fresh and original content to entertain them. Experts say that there will be tremendous increase in OTT services in future as access to it is very easy, anyone can log in to any of the OTT platforms through their mobile applications, smart TV, laptops, tablets, etc.

- It is expected that the demand for original content will double by 2023 from 2019.
- Sports are to play an increasingly important role in growing subscription revenues and this could lead to a growth in the valuation of digital media rights.
- Content costs will continue to rise as the overall quality benchmark rises to address the needs of the more aware audience, particularly across the regional markets.
- The share of regional language consumption in the OTT platform is to cross 50% of total time spent by 2025.
- Digital platform in India is unregulated, having no specific regulatory framework barring the provisions of the IT Act 2000 that they are subject to. Through several consultation papers, self-regulation codes, and case laws attempts were made to understand the need and method of regulating digital content.
- Attempt should be made by OTT players toward developing a more transparent system of self-regulation.
- For the first time, the government under the ambit of the Information Technology (Intermediary Guidelines and Digital media ethics code) Rules, 2021; has brought in detailed guidelines for digital content on both OTT platforms and digital media, by giving the government overriding power to step in.

1. 5G Technology

In the future, 5G technology will allow faster data rates, which will completely change the scenario of how we consume the data. Thus, users can enjoy unbelievable video streaming on various OTT platforms. The biggest attraction of 5G technology is that the upcoming generation of the network can cope up with high-demand applications like virtual reality experience and simultaneous HD video streaming. Along with 5G, the government's digital India initiative is helping urban and even the remote villages to stay connected.

2. Live Streaming

Live broadcasting of sports, award ceremonies, and other events on the OTT platform is a remarkable shift from traditional TV. Streaming of live sports especially cricket has turned out to be a critical differentiator in India's OTT space, as shown by Hotstar, experts estimate that its rich sports programming such as Indian premier league, pro kabaddi league, grand slams, Formula one, Indian super league, etc, played a major role.

3. Negative Impact on Youth

We can say that OTT platforms are spreading negative culture among the youths; the entire process of socialization of youth has got affected. The diseases such as insomnia, obesity, eye disorder amongst the youth have increased. Even the academic performance of the youth has also been affected. Web shows have become a platform to advertise alcohol, smoking, tobacco, drugs, and weed without mentioning their adverse effects; it also rarely mentions anything about sexually transmitted infection and unwanted pregnancy, which also provokes teenagers to commit the crime.

4. Market share of the OTT platform Industry

Digital-led consumption of OTT services and gaming is now driving the growth helping the industry to grow 12-16% year-on-year in 2021, to a market size of \$27 billion. Today, OTT has a 7-9% market share in India; however, by 2030, its market share is expected to increase to 22-25%. India's OTT video streaming market may record a compounded annual growth rate of more than 20% to touch \$13 billion-\$15 billion over the next decade; paid subscribers are also estimated to expand at a CARG of 17% to reach 224 million by 2026 from the current 102 million.

5. More Content in Regional Language

Over the few last years, the online media industry had understood that India is not a single market but a combination of multiple markets, and every market has its unique characteristics. Improved internet penetration has helped the OTT platform attract viewers from developing nations, including India. Also, it has taken the OTT viewership beyond the urban metropolitan cities. Viewers are more interested in localized content as viewers prefer to consume content in their language. Some platforms like Netflix or Amazon are investing more in producing content besides English and Hindi in eight major Indian languages.

6. New Business Model

Today, most of the OTT platforms promote them aggressively through a strategy where they initially allow free usage to enable the customer to experience their platform, and at a later stage, they demand an incremental premium fee. On the other hand, covid-19 has opened up new opportunities in the streaming space and pushed the OTT providers to re-imagine and reform their business model with the changing consumer behavior. A business model like merging games and commerce with the streaming offer is no more a distant future. Streaming services should also consider the option of converging all their intellectual properties into a single platform and offering their consumers a bundle of services within a single payment facility.

7. Educational OTT

The digital revolution not only transforms just the ways of consuming entertainment but also transforms the educational sector. The launch of Educational OTT has proven to be revolutionary. It provides live video instructions directly to the students from the mentor or teachers. It can also be watched back by the students to learn at their own pace. Educational OTT gives students the feeling of being live in the classroom, with interactive quizzes, webinars, and more. It makes high-quality education available to students anywhere in the world at a fraction of the cost of traditional education.

OTT Regulation in India

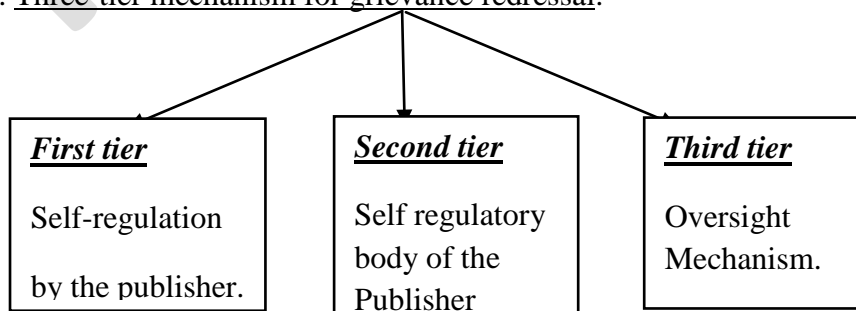
Earlier the Information and Broadcasting ministry has found a vast swathe of unregulated content namely on over-the-top platforms which had escaped from any architecture of regulations. While other resources such as the press were regulated by the press council of India and Television i.e. news and entertainment were regulated by Cable Network Regulation Act (2005), but for online content, there are no such regulations framed to properly regulate them which is of great concern in typical Indian household as parents were unable to control their children from consuming 18 plus content which is available on OTTs as there are no such restrictions on these platforms which can segregate the content for users of different age as anyone with the paid subscription can register themselves and get unlimited access to these entertainment sources available on the platforms.

Regulatory Changes

Despite its huge popularity, still, OTT has also faced huge criticism for sharing misleading and sensitive content. Pornography and Nudity were common among these platforms as there was no regulatory control over them. Several cases also have been filed for content that disrespects the Integrity and Sovereignty of India, promotes terrorism, and engages children in crime. The content that has been broadcasted on these platforms though violates many laws of the nation but is still under the observation of the Supreme Court. OTT platform is still far from regulatory controls. Government cannot exercise jurisdiction over them. However, to control further problems, the Government of India issued some set of IT rules to monitor these platforms such as Information Technology (Intermediary Guidelines and Digital Media Ethics code) Rule 2021. These guidelines with respect to OTT platforms state that these platforms should comply with the laws of India and not stream any content against the Sovereignty and Integrity of the nation and also those content that may disturb the public order or can create violence. These platforms also have to be cautious of various religious practices, races, cultures, and beliefs of the people. These new rules designed by the government laid down two important rules:

1. One is the self-classification of the content- The content has to be classified into five categories that are based on the age of the users. This classification comes as U(universal), A(adult), U/A 7+(for the users of more than 7 years), U/A 13+ (for the users of more than 13 years), and U/A 16+ (for the users of more than 16 years of the age). All the major players have implemented this rule of classifying the content on basis of age.

2. Three-tier mechanism for grievance redressal.



The three-tier mechanism established by the Government put some bars on the freedom of OTT platforms. In the first tier, self-regulation has to be established at the individual platform level. The Government has to appoint a grievance Redressal officer. If any complaints come, an officer has to sort out them within 15 days, if the officer is not able to tackle the complaint within time; the case is to be referred to the Second tier of mechanism. In the second tier, a self-regulatory body is established by the collective efforts of OTT players. This body has censoring power in hand, in case of any complaint. As per the rule, this body will be headed by the retired judge of the Supreme Court, High court, or an independent eminent person from the field of media, broadcasting, entertainment, child rights, or other relevant fields. The highest power resides in the Inter-ministerial committee which comes in the Third tier and acts as an oversight mechanism.

Conclusion

OTT platform has a great future. Lockdown have resulted in the rise of several OTT users. The expansion of over-the-top platforms in the field of health, fitness, entertainment, education has solidified its future in India and provided great opportunities to the content creators. OTT has become a source of entertainment but for some users, it has become their ‘friend to the lonely’ and ‘mentor to the young. OTT platforms have certain advantages as well as some disadvantages if not properly regulated. Considering the present situation, there is a need for an unbiased regulatory body to regulate the content on these platforms becomes necessary. Today viewers want content that brings out the truth of the society, provides the content of regional varieties and that content which does not hurt the sentiments of people or even does not create hatred among people of another caste, religion, sex, race, etc. the Government of India issued some set of IT rules to monitor OTT platforms such as Information Technology (Intermediary Guidelines and Digital Media Ethics code) Rule 2021. These guidelines with respect to OTT platforms state that these platforms should comply with the laws of India and not stream any content against the Sovereignty and Integrity of the nation.

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