

Economic Rise of Over The Top (OTT) Platform in India

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Abstract:

The Over the Top (OTT) industry in India has been growing at a considerable level. The rise of OTT platform is the result of technological advancement and the availability of variety of content across OTT platform. The OTT platform includes online videos and various forms of shows. The OTT services are available through satellites. The basic features of this OTT platform is that, the service is available with flexibility and convenience on the parts of consumer. The OTT platform is popular in India and this has made a continuous rise in the OTT industry. The annual growth of OTT industry is quite satisfactory as compared to other industry. The market size of OTT has been continuously rising. Thus OTT platform will be one of the giant industries in coming years.

Keywords: OTT platform, OTT industry, media and entertainment industry, digital platform, advertising revenue, consumer demand

1. Introduction:

The media and entertainment industry in India is uprising industry, especially in the recent few years. The traditional entertainment form and digital entertainment form both have greater potential to grow. The availability of uninterrupted internet network has contributed most to the growth of Indian entertainment industry. According India Brand Equity Foundation (IBEF) Report (2023), the Indian media and entertainment industry has grown at considerable level due to rise in the demand for such service and rise in the advertising revenue. There are several other factors, which are working in favour of growth of Indian entertainment industry. In entertainment industry has changed its scope from traditional to modern form. This has widened the pace of entertainment industry in India. In the present time, the entertainment platform includes radio, cinema, print and digital platform. In the recent years, over the top services (OTT services henceforth) have increased tremendously. The online videos and OTT services have become most significant part of entertainment in India. The OTT platform serves variety of content to the consumer which includes movies and shows. The OTT service is made available to the consumer directly through the satellite television. There has been introduction of advance technology in OTT platform, which has made smooth rise of these services. The OTT platform can provide its content to consumer with vast flexibility, convenience and easy accessible. This research article explores the trends in the OTT industry in India and basic responsible factors for the rise of OTT platform in India.

2. Objectives of the Study:

- 2.1 The OTT industry in India is uprising in terms of market size
- 2.2 The revenue earning by the OTT platform has been increasing
- 2.3 The OTT industry in India has higher growth potential in terms of economics.

3. Research Question:

- 3.1 What are the trends in the economic growth of OTT industry in India?
- 3.2 What are the positive factors responsible for the growth of OTT industry in India?
- 3.3 What is the direction of economic rise of OTT industry in India?
- 3.4 What is the size of market of OTT industry in India?

3.5 What are the trends in revenue growth of OTT industry in India?

4. Review of Literature:

OTT industry is uprising industry in India in the recent years. Hence, there are few studies available on the OTT industry, especially in terms of economic variables. There are some research articles and reports available on this topic. The researcher has given here the review of literature. Haritha and Vijaykumari (2021) have argued that, the OTT platform is the revolution of entertainment industry. Jain Kaneenika (2021) has analysed the pattern of changing consumer preferences in OTT industry in India. Sontakke Kshamali (2021) has explored the growth OTT platform during Covid-19 lockdown in India. Kiran and Ajaykumar (2022) have argued that, the Covid-19 pandemic lockdown has promoted OTT platform in India. India Brand Equity Foundation (IBEF) Report (2023) has explored the media and entertainment industry in India. The report has contributed both the traditional and modern form of industry available in India. Despite of these review of literature, there is gap of analyses of OTT industry with reference to market size and consumer growth. The present research article has thrown the market size, trends in growth of consumers and basic factors responsible for the rise of OTT industry in India.

5. Methods:

The study of economic rise of OTT platform in India is done on the basis of secondary data. There is availability of selected research articles published on this research topic. There are also selected reports on media and entertainment industry in India. The researcher has done data collection from the published articles, journals, data websites and reports. IBEF and FICCI have published their reports on OTT platform and entertainment industry. The main objective of the researcher is to analyse the economic growth pattern of OTT industry with respect to revenue, audience and service providers.

6. Results:

The OTT platform is available to the audience through the internet. The satellite television, cable and broadcast are the source of transmission of OTT content. This OTT service is available in the cell phones. In the recent years, the OTT content has become more popular, since it has served variety of genre of content. OTT platform has peculiar features which has made this as most popular. The OTT service is easily available and accessible with personalized content. It is more convenient, flexible and personalized. The consumers have more tendencies to use this platform due to these features. This factor also has helped to economic rise of OTT platform in the recent years. The OTT platform is developing with variety of content. This industry has greater potential in terms of economic growth. The Indian consumers have accepted this platform as the mode of entertainment.

The OTT service providers are providing their service with subscription values. The OTT service can be accessed through website on personal computers, smart televisions and special apps developed by the service providers. Since large variety of content is available on OTT platform and large numbers of consumers are accessing this platform, therefore, OTT platform is stated as the revolution of entertainment industry. The videos on demand are made available. The latest movies, web serried, short movies, documentaries, live TV shows, songs, cricket matches and other variety of entertainment content is available on this platform. The consumer can access this content as per his test and availability. The popularity of OTT has pushed up to increase the number of OTT service providers. At present, the major service providers of OTT are 'Amazon Prime Video', 'Netflix', 'Disney+ hot star', 'Sony Live', 'Voot', 'AltBalaji', 'Zee5' and others. The OTT platform has been creating variety of content which could be stated as original entertainment. This original content is also made available in regional languages. There are several other factors, which have contributed to promote the OTT platform in India. The economic rise of the OTT platform could be measured through the revenue earning of service providers and the number of subscribers using this OTT platform in the present time.

The number of OTT players in India has been increasing in the recent times. Marketfeed.com has argued that, “there 46 OTT service providers available in India, which are providing variety of content of entertainment. In case of OTT subscribers, there were 4.5 crores subscribers registered with various OTT platform in the year 2021. It is expected that, this number of subscribers will reach to 5 crores at the end of the year 2024. In terms of market size, the OTT market size of Rs. 2590 crores in the year 2018, which increased to Rs. 12,000 crores in the year 2023. This increase in market size was attractive for service providers. The rate of annual growth of OTT market size was 36 per cent”. According to thehindubusinessline.com, “the growth of revenue by OTT platform includes subscription revenues and advertising revenues. There has been increasing trend of revenue earning by OTT players. The OTT market size shall be much larger than the expectation and it will reach to Rs. 30,000 crores in the year 2030”. In case of economic rise, the OTT has moved in positive direction. The economic rise of OTT has been very fast and has still greater potential to grow.

The expansion of OTT market and increasing popularity of OTT entertainment has promoted the creation of original content entertainment. There have been several opportunities for original content stories, which have benefitted by the writers. According to thewire.com, “the OTT market has been expanding at the annual rate of 20 per cent. The greater growth potential of OTT platform has disrupted the mainstream cinema industry. The OTT industry also has created vast opportunities to several sections working in this field. The Covid-19 pandemic lockdown has promoted this industry. The increasing use of smart phones, easy accessibility of OTT content and affordable source of entertainment has promoted the growth of this industry”. According to www.statista.com, “At present the OTT industry is sharing around 8 per cent of the total revenue earned by the film industry. The total market size of Indian film industry was Rs. 172,000 crores in the year 2022. However, the OTT sector has greater potential to increase its scope and reach at higher level”. According to www.ibef.org, “The OTT market in India is growing faster than the OTT market in other countries. India has emerged as the sixth largest OTT market in the year 2023. The compound annual growth rate (CAGR) of OTT industry in India is expected to be recorded as 28.6 per cent in coming years. The OTT platform includes OTT video, internet advertising, video games, e-sports, music, radio and podcasts. All these segments of OTT are growing at fastest rate. This shows that, the growth of OTT industry in India has been moving in revolutionary phase”. The demand side of OTT service has been growing faster. The supply side of OTT service also has been improving. The OTT players as ‘Netflix’, ‘Amazon’, ‘Disney+ hotstar’, ‘Voot’, ‘AltBalaji’, ‘Zee5’ and others have made large investment to create original content of the entertainment.

The OTT users in India are increasing over the years, especially after the Covid-19 pandemic. According to www.statista.com, “in the year 2018, the total OTT users were recorded as around 18.4 crores, which increased to 35.1 crores in the year 2022”. The trend in the rise in total OTT users shows that, within four years, the total OTT users grew by nearly 100 per cent. According to www.financialexpress.com, “Indian OTT platform was recorded with 48.1 crores users in the year 2023, out of which around 10.2 cores users had active paid subscriptions”. The growth trends of OTT audience in India show that, there has been increase in OTT audience by 25 per cent per annum. However, there has been large concentration of these OTT users in the metro cities of India. The large section of OTT audience prefers to watch online videos available on free streaming platform as ‘Youtube’. According to the www.statista.com, the OTT service providers in India are growing by increasing their base of audience. Total OTT audience recorded with ‘Disney+ Hotstar was 4.6 crores in the year 2022. The Amazon prime had 4 crores audience, Netflix India had 3 crores and Sony Liv had 1.2 crores of audience. The growth of OTT audience over the years has been remarkable. All the major OTT service providers have recorded a growth of audience around 20 to 30 per cent per annum. In the year 2019, the total revenue from OTT and Video across India was 0.49 Billion US dollars, which increased to 1.8 Billion US dollars in the year 2022. This trend of growth in the revenue has attracted many players to provide the service on this platform. The OTT industry has emerged as the most dominant industry as part of entertainment industry. This growing trend could be found across the globe. Similar trend could be found in India scenario. The major OTT service

providers in India are Netflix, Amazon Prime, Hot star and many others. All the major service providers in India have achieved the increasing growth in terms of total revenues. This research paper has analysed the OTT service growth in India, especially with respect to demand, supply and revenue. The analysis given in this research articles is based on economic variable. This is economic analysis with respect to the growth of OTT industry in the recent years.

7. Discussion

The OTT platform has become most popular in India. The increasing revenue of OTT players and increasing number of subscribers of OTT service have shown that, there has been economic rise of OTT platform in India. Further, the OTT platform has greater possibility of economic rise with higher rate in coming years. The OTT platform is very vast and it needs several other studies. However, the discussion of this research content could be given as below.

The OTT services are available directly to the users through the internet. This service is made available through the cell phones, smart TV and personal computers. The OTT service providers have made two modes of entertainment service; one is free mode service and paid mode service. The free mode of entertainment service is more popular. This is made available as on 'video on demand'. The latest movies, web series, short movies, documentaries, live TV shows, songs, cricket matches and many more contents are made available on OTT platform. 'Amazon Prime Video', 'Neflix', 'Disney+ hot star', 'Sony Live' 'Voot', 'AltBalaji', 'Zee5' are some of the major OTT service providers. The OTT industry in India is growing faster in the recent years, especially after the Covid-19 pandemic. The OTT market in India has been growing in the recent years. The revenue earning by the OTT players in India is growing at an attractive rate. The compound annual growth rate of OTT industry has been higher than the expectations. The free mode OTT service is getting higher amount revenue through advertisement. The number of paid subscribers of OTT platform is also increasing over the years. 'Disney+ Hotstar' has highest number of subscribers, followed by 'Amazon prime' and 'Netflix India'. This all indicates that, the OTT platform or the OTT industry has been growing in a positive direction in the recent years. This platform has attracted more service providers. The revenue growth of OTT industry has increased in the recent years, which shows there has been higher profitability, if the service providers have original and creative content

8. Conclusion:

The OTT platform in India has been familiar to Indian consumers. This is a new form of entertainment, which are made available through internet. This OTT entertainment could be seen on various digital devices as 'cell phones', 'smart TV' and 'Computers'. The demand for OTT service has been increasing and as result of it the supply of OTT content is also increasing. Both the demand and supply side of this OTT industry has been active and efficient. The Covid-19 pandemic lockdown has brought a boon for this industry. The easy accessibility and affordability have brought the vide acceptance of OTT platform by Indian customers. The revenue earning by OTT industry in India has been quite higher, which has pushed up the OTT platform. The number of subscribers of OTT platform in India also has increased tremendously. The attractive rate of profit and highest compound annual growth of OTT industry has made this industry as one of the uprising industry. This all factors have pushed up this platform and thus there has been economic rise of OTT industry in India.

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