

**“Understanding and evaluating the perceptions of OTT platforms amongst the Indian youth”**

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ADBR307-Consumer Insight Mining

16<sup>th</sup> December 2022

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### **Abstract:**

This study aims to understand and evaluate the perception of OTT (over-the-top) platforms amongst Indian youth. Primary and secondary sources of data were used, and a qualitative research approach with a sample size of 10 participants aged 18-24 was used. The sub objectives included identifying factors that influence the utilization of OTT platforms, recognizing major OTT platforms and content preferences in OTT platforms among the youth, understanding the user experience of the OTT platforms and to assess the trend of OTT platform use among young people. The main results show that consumers prefer content over brand loyalty, are price sensitive if they do not relate to the content, and value convenience and public opinion alongside regional content and exclusivity. In addition, the findings also reveal that consumer attention spans are evolving, placement of advertisements and type of advertisements influences consumer decisions, and consumers do not like being restricted in terms of the content being shown.

## Introduction

India is currently the world's fastest-growing OTT industry and is all set to emerge as the world's sixth largest by 2024. The market is expected to grow at a CAGR of 28.6% over the next four years to touch revenues of \$2.9 billion (about \$9 per person in the US) (PWC, 2022). The proliferation of internet-enabled mobile phones, increased Internet & broadband penetration, reducing data costs, personalization of content, and pricing are further key factors contributing to the growth of OTT platforms. India had 451 million monthly active Internet users at the end of 2019, and by 2023, it is expected to reach 666.4 million, making it the country with the second-largest internet user population (PWC, 2022)

According to the Deloitte research "Digital Media: Rise of on-demand Material," typical Indian youth spend 17% of their monthly budget on entertainment and 14% of their spare time on leisure activities (Deloitte, 2016). Report by Data Sciences Division of Dentsu Aegis Network (DAN) shows that the younger generation or Gen Z spend more time watching video content while eating and before sleeping (ETbrandEquity, 2020). Also, Indian youngsters spend more than 11 hours a week watching videos online, while the number is 8 hours a week on a global timeline on average (Sheth, 2020). The factors of spontaneous growth of entertainment habits of the Indian youth are Urbanization and westernization of the population, Access to digital devices, Improved infrastructure and Convenience.

Thus, the growing entertainment habits is showcasing the need for the brands to understand the current perception of the OTT platforms among the Indian youth.

## **Objectives**

"To understand and evaluate the perception of OTT platforms amongst Indian youth".

Sub-Objectives:

- To assess the trend of OTT platform, use among young people.
- To identify factors that influence the utilization of OTT platforms.
- To recognize major OTT platforms and content preferences in OTT platforms among the youth
- To understand the user experience of the OTT platforms.

## Methodology

The study is causal and qualitative in nature. The participants of the study were aged 18–24. The sample size of the research was 10 participants. Convenience sampling technique was used to collect the sample for the research. A recruitment questionnaire was sent to the sample frame and a sample of 10 participants were selected. In-depth interviews were conducted as the primary data collection method. This qualitative data collection technique was selected in order to gain an in-depth understanding of the participants' views, beliefs, and experiences.

Thematic analysis was used to identify patterns and themes in qualitative data. The analysis helped us to gain a better understanding of the data, to develop a deeper understanding of the topic, and to uncover new insights. The analysis was done in a structured manner where the data was familiarized, initial codes were generated by using ATLAS.ti software and finally themes were generated and named.

TG division based on their primary choice of OTT brands:

Brand	No of participants
Netflix	2
Prime Video	2
Disney Plus Hotstar	2
Zee5	2
Sony Liv	2

This was done to ensure that the collected data was not skewed by any particular OTT brand.

## **Literature review**

The first paper we reviewed, titled “User Perception Towards OTT Video Streaming Platforms in Kerala (With Special Reference to Thrissur)”, aimed to this study and understand the attitudes and satisfaction of OTT (over-the-top) video streaming platform users in Kerala, India, with a focus on the city of Thrissur. The research found that a few platforms are a popular choice for consumers in the region, with Netflix being the most widely used. The study also discovered that the majority of users were satisfied with their OTT platforms, with a mean score of 4.01 on a scale of 1 to 5 (T.S & Sumathy, 2021). It's worth noting that the study only included OTT users from Thrissur, so the results may not be applicable to the entire population of OTT users in Kerala or other areas. Factors like content quality, convenience, and low-cost internet access all contribute to the popularity of OTT platforms. The future of these platforms looks bright due to the increasing use of the internet and mobile devices.

The second paper that was reviewed mainly focused on the factors which influenced a purchasing decision of an OTT platform. The purpose of this study is to identify the characteristics that affect OTT video streaming and the impact that pricing has on user subscriptions for OTT video streaming. OTT (over-the-top) video streaming platforms have become an important source of entertainment for consumers due to the convenience and variety of content they offer. In India, the demand for streaming video over the internet is expected to constitute 75% of data consumption by 2021 (Yeole et al., 2022). The study found that user-friendliness and content richness were important considerations, and that cost sensitivity was a significant factor in user decisions. The research also indicated that exposure to international content, trends, and social pressure may influence the use of OTT platforms. Netflix was the most popular OTT platform among users in the study. It is important to note that these findings are specific to the study mentioned and may not be applicable to the broader population of OTT users.

The third paper we reviewed, titled “Consumption of OTT Media Streaming in COVID-19 Lockdown: Insights from PLS Analysis”, aimed to understand the factors that influence users' willingness to continue and subscribe to OTT (over-the-top) streaming services in the context of the COVID-19 pandemic, which has resulted in a shift towards at-home digital media consumption. The study used mathematical modeling analysis to examine the impact of customer engagement (CE) and quality of service experience (QoSE) on WCS, as well as the indirect role of satisfaction and habit. The results of the study showed that both CE and QoSE had a strong impact on WCS, and that service providers can enhance these factors to attract and retain customers (Gupta & Singharia, 2021).

Recommendations for OTT service providers included developing a "fan-base" of emotionally engaged customers, re-bundling content libraries to include a wide range of offerings and providing customized packages of content based on customers' interests and buying behavior. The study also suggested offering ad-supported content as an alternative to subscription-based services or offering discounts and promotions to encourage users to upgrade their subscriptions. Overall, the study provides useful insights for OTT service providers looking to adapt their marketing strategies in the current environment and adds to the existing body of research on media consumption behavior. The findings also have implications for adapting marketing strategies in the context of the COVID-19 pandemic and its impact on media consumption habits.

Although there were several studies that were conducted on this topic, the **research gap** that we found was that there was no qualitative study conducted based on thematic analysis to capture the overall perception of OTT brands amongst the sample of Indian youth.



### **Primary research analysis:**

12 themes were identified and organized under each sub-objective.

To assess the trend of OTT platform, use among young people:

- Confused consumers
- Content-driven
- Evolving attention span

To identify factors that influence the utilization of OTT platforms:

- Perception of premium-ness
- Pricing sensitivity
- Lack of confidence in free platform
- Freedom in content experience

To understand the user experience of the OTT platforms:

- Ad-Interruption,
- Anytime, anywhere

To recognize major OTT platforms and content preferences in OTT platforms among the youth:

- Preference towards regional content,
- Public opinion matters
- Values exclusivity,

## **Theme 1: Confused consumers**

### **Insight: Consumers always do not know what to watch**

Consumers often feel overwhelmed by the sheer amount of content available to them across streaming platforms, television, and other media outlets. With so much to choose from, it can be difficult to know what to watch. Consumers are finding themselves endlessly scrolling through their streaming queues, unable to settle on a program or movie to watch. Additionally, due to the sheer volume of content, consumers may be unable to keep up with the latest releases, making it difficult to find something new and exciting. *Content discovery* is a problem, consumers come to the OTT platforms to explore a wide range of content, often times they cannot decide what to watch. They heavily rely on the recommendation engine of the platform to decide on to what to watch, and an optimized recommendation engine is what the consumer expects.

## **Theme 2: Content driven**

### **Insight: Content beats brand loyalty**

The general consensus stated that the reason for choosing a particular OTT and also the reason for switching from a brand is content offerings. Various instances from the primary research show that when deciding what to watch, content offering dominates the loyalty toward the brand. Even if a consumer is loyal towards a brand and if any other OTT offers some good content which interests the consumer, he might watch the content there. Also, OTT content beats brand loyalty by providing consumers with more choices and flexibility. Consumers no longer have to be tied to one specific brand or service provider. They can access content from different sources, such as streaming services or directly from the content creators. This gives them more control over what they watch and when they watch it, which gives them a greater sense of freedom and increases their satisfaction with the content.

**Theme 3: Evolving attention span:**

**Insight: In the context of OTT platforms, consumers attention span is declining over time.**

Consumers expressed like-ability towards Netflix for having short content like Fast laughs wherein they watch a snippet and immediately form a viewing opinion, showing the declining attention span. The emergence of OTT platforms has changed the way consumers view and interact with content, leading to an overall decrease in attention spans. This is especially evident when it comes to media consumption, as consumers now have access to an array of content that is vying for their attention. As a result, consumers are quickly becoming accustomed to having more options at their fingertips, resulting in a shorter attention span as they are constantly seeking out the next best thing.

**Theme 4: Perception of premium-ness**

**Insight - The Presence of regional content affects the perception of the OTT brand's premium-ness**

Through brand associations of OTT platforms to cars, it was found that platforms that comparatively offer more regional content like Hotstar and Zee5 are compared to less premium Indian household cars like Maruti and Honda. Also, it is evident from the associations of platforms like Netflix to be compared to Premium car brands like Mercedes, because they offer comparatively lesser regional content.

Regional content is not considered premium because it is often localized and limited in scope. This means that it may not have wide appeal outside of certain regions, which makes it less attractive to larger audiences. Additionally, regional content may not have the same production value and scale as other premium content.

## **Theme 5: Pricing sensitivity**

**Insight: - People are price sensitive if they do not relate with the content that platforms offer and are not satisfied with the User experience.**

Consumers are willing to shell out higher amounts for marginal rise in subscriptions if they relate to the content and are satisfied with the user experience. People are price sensitive when it comes to subscription-based services because they want to get the best value for their money. Consumers are more likely to subscribe to a platform that offers content that they relate to and provides a great user experience. They may be willing to pay a bit more for a service that offers additional features or a better user experience. For example, if a platform offers content that appeals to a specific demographic, such as sports fans or movie buffs, they may be willing to pay a premium for access to this content.

Additionally, if a platform offers a smooth and intuitive user experience, people are more likely to be willing to pay a premium for the service.

## **Theme 6: Lack of confidence in free platform**

**Insight: Consumers believe paid platforms will offer them relevant content as opposed to free platforms.**

This is because the paid aspect of a platform instills confidence in consumers. This lack of confidence in free platforms likely stems from the perception that paid platforms have more resources to ensure the content is relevant, accurate, and up to date. Consumers may also feel that free platforms are less reliable and may not offer them the same quality of service as paid platforms. Additionally, free platforms may not have the same level of security and privacy protection as paid ones, leading to worries about their data being shared or used inappropriately.

Ultimately, this lack of confidence in free platforms can lead to consumers being more likely to turn to paid platforms with higher expectations.

### **Theme 7: Freedom in content experience**

**Insight: Consumers do not like being restricted in terms of content experience.**

The general consensus states that absence of censorship in OTT platform is one of the main reasons why consumers resort to OTT. From the primary research, it was found that they would prefer to watch an uncensored version of any show/movie. Whereas a censored version would affect their viewing experience. Consumers do not like censored content, because they want to be able to access the full range of content that is available and make their own decisions about what they watch. Censoring content can lead to a lack of freedom of choice and can limit what consumers can view. Additionally, censorship can lead to a lack of transparency and can make it difficult for consumers to determine what content is being blocked and why.

### **Theme 8: Advertisement placements**

**Insight: Ads interruption distort viewing experience; however, placement and the relevancy of the advertisement affects the irritability of the consumers.**

Consumers generally find it acceptable for advertisements to be placed before videos start, as long as the ads are relevant to them. Ads that are related to the content they are watching, such as a promotion for another show on the same streaming platform, are more likely to be accepted by the users. However, if ads are played during the video, consumers can become increasingly irritated and frustrated, especially if the ads are not relevant or are too frequent.

Consumers are also likely to be more annoyed if the ads are too long or intrusive, interrupting their viewing experience.

#### **Theme 9: Anytime, Anywhere**

**Insight: Consumers do not want to compromise on the convenience aspect when it comes to their entertainment habits.**

Usage of mobile phones for OTT consumption is found to be popular, citing convenience as a key factor, yet do not want to miss out on a seamless viewing experience. Consumers are increasingly looking for entertainment options that can be accessed anytime, anywhere, whether it's on their smartphones, laptops, or other devices. This means that services and products must be designed with convenience in mind, offering features such as streaming, downloading, and the ability to watch or listen to content on the go.

#### **Theme 10: Preference towards regional content**

**Insight - Consumers are inclining towards regional content**

This is because consumers are looking for authentic content that is deeply rooted in their cultural context. Consumers are inclined to watch content made by small-time regional filmmakers that would not make it to theatres. Consumers are increasingly inclining towards regional content because it allows them to connect with their culture and identity. Local content is also more relatable to them since it is more culturally relevant, and it is often more entertaining and engaging. Additionally, local content often features stories, characters, and settings that are familiar to the consumer, creating an even greater connection to the content. Finally, regional content allows consumers to stay updated on local news and events, providing them with an additional layer of knowledge and understanding of their immediate surroundings.

**Theme 11: Public opinion matters:**

**Insight: Consumers' choice of content is influenced by other people's opinions and validations.**

When asked about the must have elements of an ideal OTT platform, it is evident from the recurring elements like " Top movie/shows", "rating" emerged. The emergence of these elements shows that consumers get influenced by other people's opinions and validations. Consumers often seek out the opinions and validations of other people when making decisions about what content to choose. This is known as social proof, and it can be a powerful influence in the decisions we make. Studies have shown that consumers are more likely to purchase a product or consume content if they know that other people have done so first. This is why reviews, ratings, and recommendations are so popular – they serve as a source of social proof that can help consumers make informed decisions. Additionally, consumers may be more likely to engage with content if it has been shared or liked by people they know and trust. People often look to the opinions of their peers to help determine what content is worth consuming, and these social influences can be a major factor in determining the success of a piece of content.

**Theme 12: Customer values exclusivity:**

**Insight: Consumers value exclusivity of content**

Availability of exclusive content proved to be an important factor when choosing an OTT platform. Consumers value exclusivity on OTT platforms because they want something special or unique. It can help them feel like they have something that others don't have, which can help create a sense of superiority and exclusivity.

Original shows and movies are popular because they offer a unique and creative experience that cannot be found anywhere else. Original content often has a higher production quality, with more attention to detail and a greater focus on the narrative. Furthermore, original content offers a unique perspective on the world and can create a sense of connection with the audience as they follow the story of the characters. Additionally, original shows and movies often feature a variety of different genres and can appeal to a wider range of viewers. Finally, original content can often be timelier and more relevant to current events, which can make it more engaging and thought-provoking.



### **Recommendations**

Since there is an insight found that consumers are more inclined towards regional content as they feel more rooted in the Indian context, brand like Disney Plus Hotstar can position themselves as an Indian brand rather than a premium subscription service. To further emphasize the brand's positioning as an Indian brand, Disney Plus Hotstar could focus more on regional content by offering regional shows and movies from different parts of the country. They could also leverage local influencers to promote their regional content and engage with their local audience. Additionally, Disney Plus Hotstar can host virtual screenings, live streaming events, and even competitions featuring regional content to reach out to their local audience. This will help them differentiate themselves from other subscription services and create a more meaningful connection with their consumers.

The decrease in attention span has implications for OTT platforms, as content creators must now produce content that is more engaging and captivating to keep viewers engaged and entertained. Additionally, OTT platforms must develop strategies to better capture and sustain user attention, such as leveraging personalized recommendations and AI-driven content curation. Ultimately, the key to success in the OTT space is to create content that is both engaging and memorable to keep consumers coming back.

Consumers view exclusivity as a sign of quality, as it implies that not just anyone can access the content. Companies can give access to exclusive content with other special benefits, such as early access. These types of benefits help keep them engaged with the platform. Exclusivity not only serves as a symbol of quality, but it also helps to create a sense of scarcity, which can be used to drive up demand and encourage customers to act quickly.

Companies can offer exclusive content such as promotions, early access to products or services, limited edition products, behind-the-scenes footage and more. By creating this type of content, companies can encourage customers to stay engaged with the platform and actively seek out opportunities to access additional exclusive content. This in turn encourages customers to keep coming back to the platform.

To ensure convenience for consumers, brands should focus on making sure their platforms are available and easily accessible on mobile devices. This could involve creating a mobile app, optimizing websites and content for mobile use, and ensuring a seamless user experience across all devices. Additionally, brands should investigate leveraging AI technologies to make the user experience more intuitive and personalized for everyone. This could involve tailoring content recommendations or automating parts of the user journey to make it faster and easier for consumers to access their desired entertainment. By focusing on crafting an optimized and personalized mobile experience, brands will be able to ensure maximum convenience for their consumers.

### **Future scope of the study**

The future scope of the study can be to further investigate the psychological aspects of consumer consumption, such as why they watch certain content, how they feel when they watch it, and the impact that their consumption has on their lives. Furthermore, the study could explore how different types of content affect different audiences, and how factors such as age, race and gender influence consumer preferences. Additionally, the study may also research the effects of content on consumer behavior and attitudes, such as the potential effect of binge-watching content on viewers' mental health. Finally, the study should explore the implications of content consumption on society.

Qualitative research in the OTT space can be extremely valuable in uncovering user motivations and behaviors. Traditional market research methods such as surveys and interviews can help determine user preferences, identify customer segments, and analyze trends in the industry. Qualitative research can also help inform product design decisions by offering insight into how users think about and interact with services and apps. By tracking usage trends over time, companies can gain greater insight into how the market is changing, where demand is highest, and how to best meet customer needs. Ultimately, qualitative research can help businesses make more informed decisions about their offerings and strategies for success in the OTT space.

### **Limitations of the study**

One major limitation is the difficulty in replicating findings due to the inherent subjectivity of qualitative data. Qualitative research is often based on individual cases, which made it difficult to generalize about a larger population. There could have been sub-sets within the people that we interviewed to give us a better understanding. The population who we took as well were a little skewed towards regional content, thus giving us insights about it, if there was a different universe who was not that inclined towards regional content, the insight would have been different. It was also difficult to assess the reliability of qualitative data since it relied heavily on personal accounts and interpretations. Furthermore, since our research involved in-depth interviews, there was a potential for bias to creep in. This can negatively impact the accuracy of results. Finally, it was limited by our own preconceived biases and assumptions. These can significantly impact the interpretation of data and the results of the study.

### **Acknowledgements**

We would like to express our sincere gratitude and appreciation to all the participants, peer researchers and Prof. Aditi Kashyap for their help and support in undertaking this qualitative research study. Their invaluable knowledge and input were extremely useful in helping us better understand the concept of qualitative research and successfully carry out the study.

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