

Strategic Merger in the OTT Domain





Overview

- **Lio**, a leading telecommunications provider in India, is planning a strategic merger with **Jotstar**, one of the country's most prominent streaming platforms.
- This potential partnership aims to combine LioCinema's expansive subscriber base and Jotstar's diverse content library.
- to revolutionize digital streaming in India.



Primary Questions



Total Users & Growth Trends.

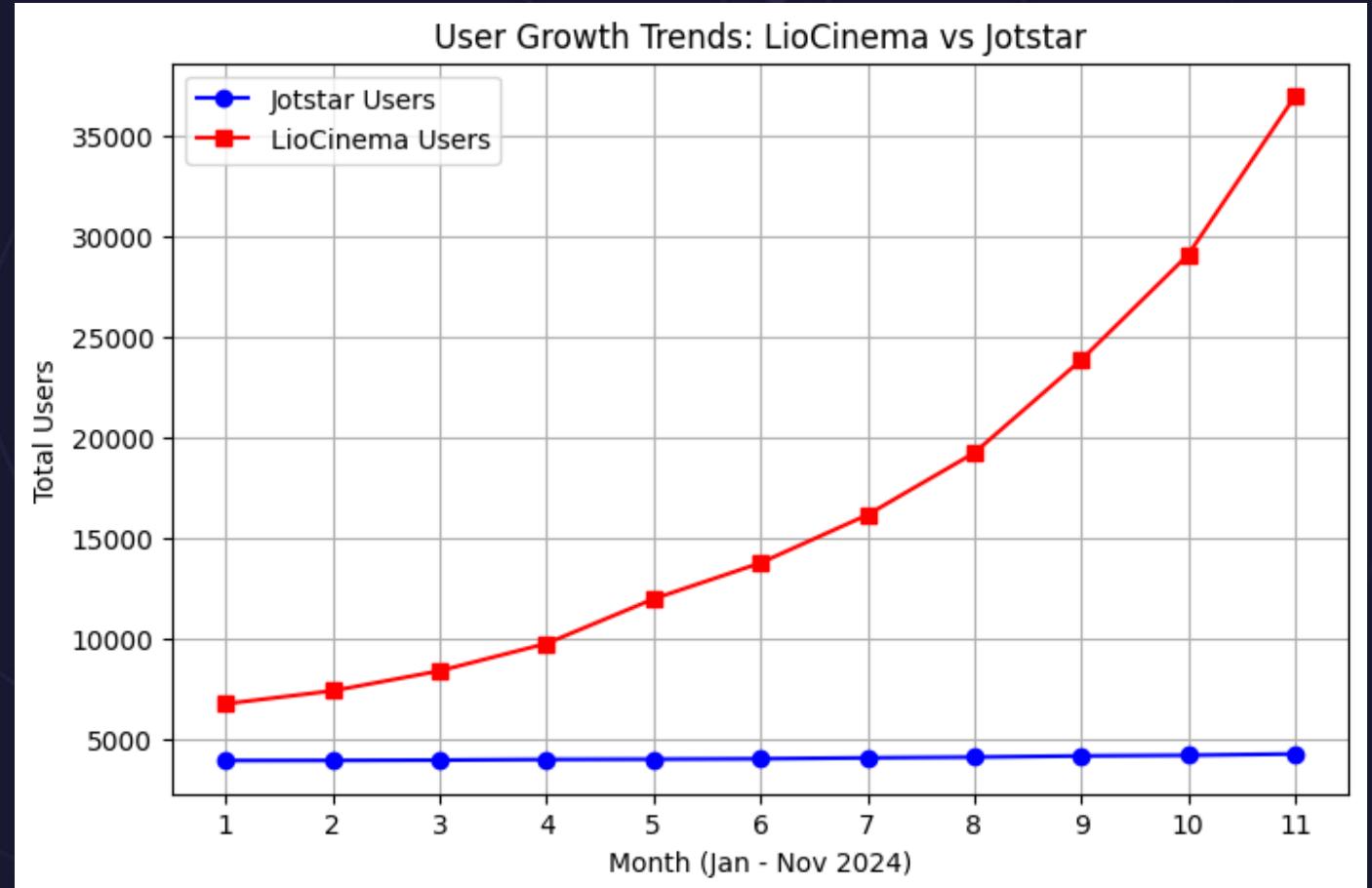
What is the total number of users for LioCinema and Jotstar, and how do they compare in terms of growth trends (January–November 2024)?

Total users

JOTSTAR - 44620

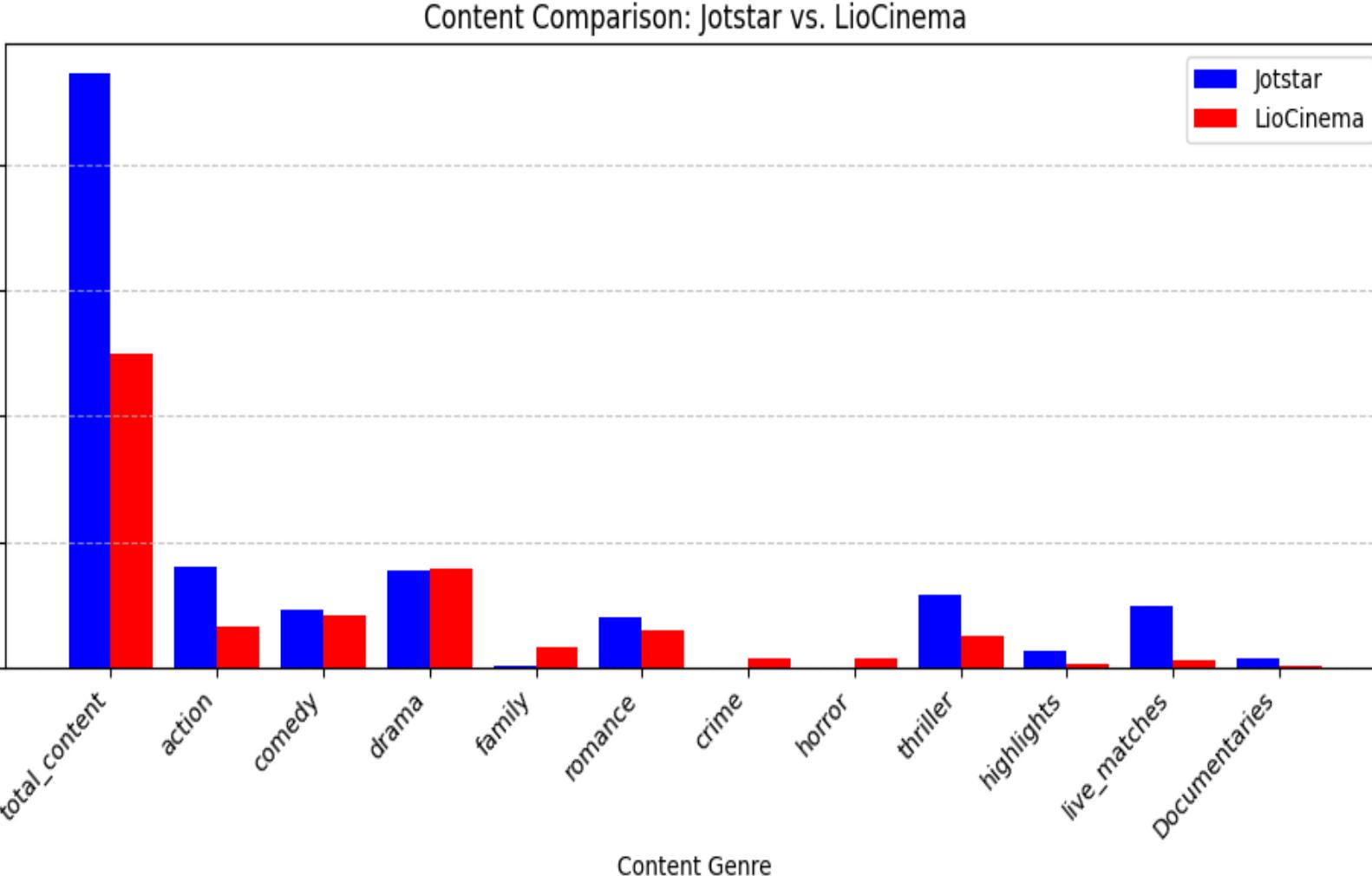
LIOCINEMA – 183446

As can be seen from the graph, liocinema have a exponential rate of growth where as jotstar is almost constant (still growing)



Content Library Comparison

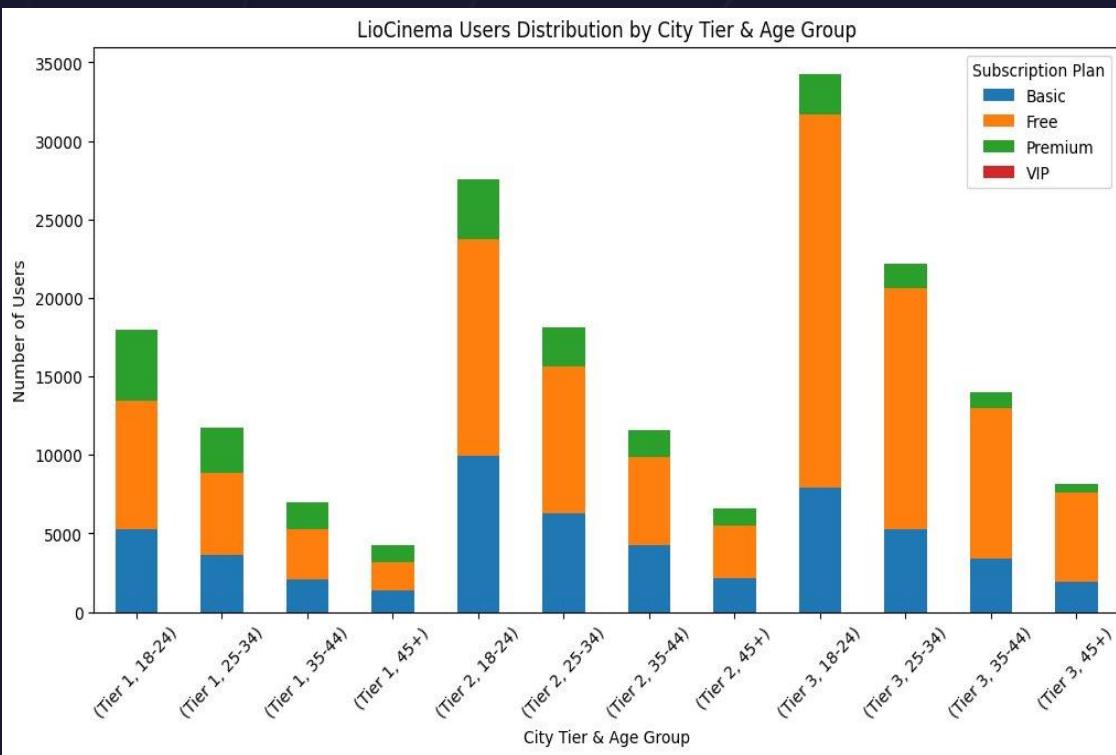
What is the total number of contents available on LioCinema vs. Jotstar? How do they differ in terms of language and content types?



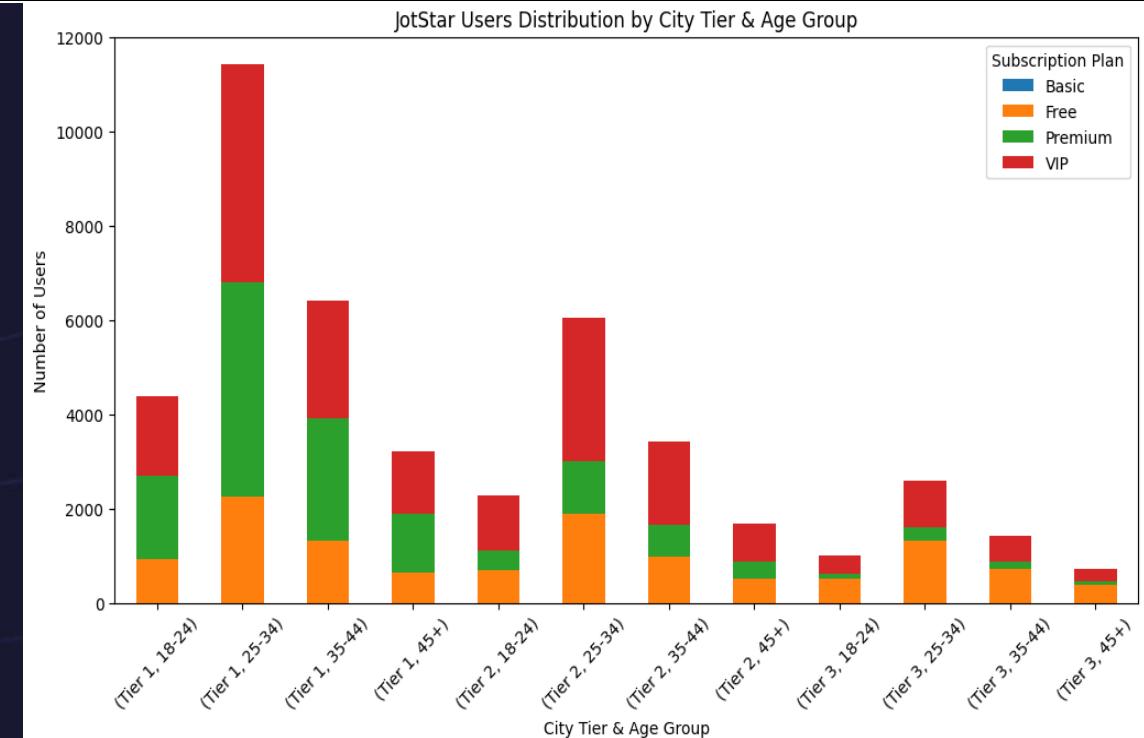
- ➡ Total content on Jotstar is significantly higher than LioCinema.
- ➡ The platforms offer different types of content, leading to a diverse catalog.
- ➡ A merger would provide users with a richer and more varied content experience.

User Demographics.

What is the distribution of users by age group, city tier, and subscription plan for each platform?



- This distribution highlights why the merger is a strategic move. The user bases of both platforms complement rather than overlap across different **age groups and city tiers**.
- In several segments, one platform has a strong presence where the other is weaker, making this merger beneficial for expanding reach and market coverage.

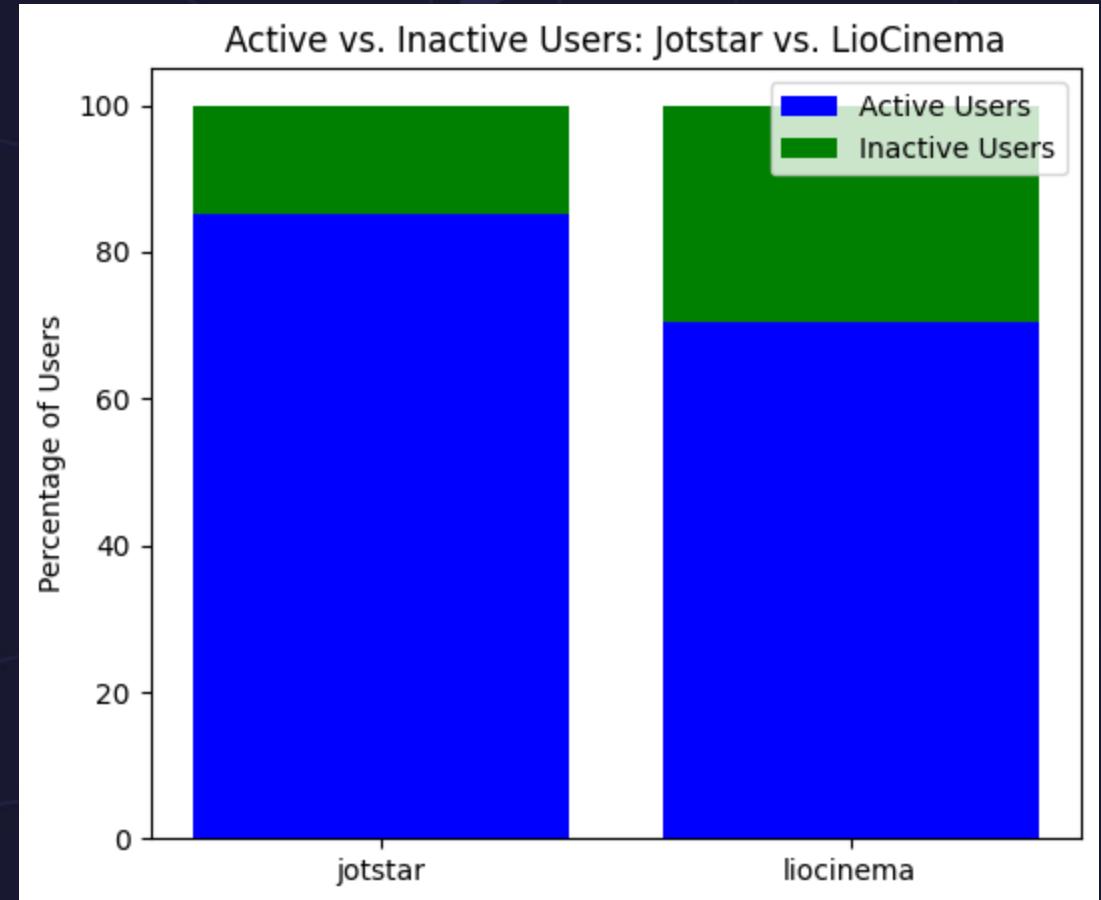


The subscription plans of both platforms also complement each other. LioCinema has a higher share of Free and Basic users, while Jotstar has a stronger presence in Premium and VIP subscriptions. This balance further reinforces the strategic value of the merger.



Active vs. Inactive Users

- 📌 LioCinema has a higher percentage of inactive users than Jotstar.
- 📌 Jotstar has a better engagement rate with more active users.



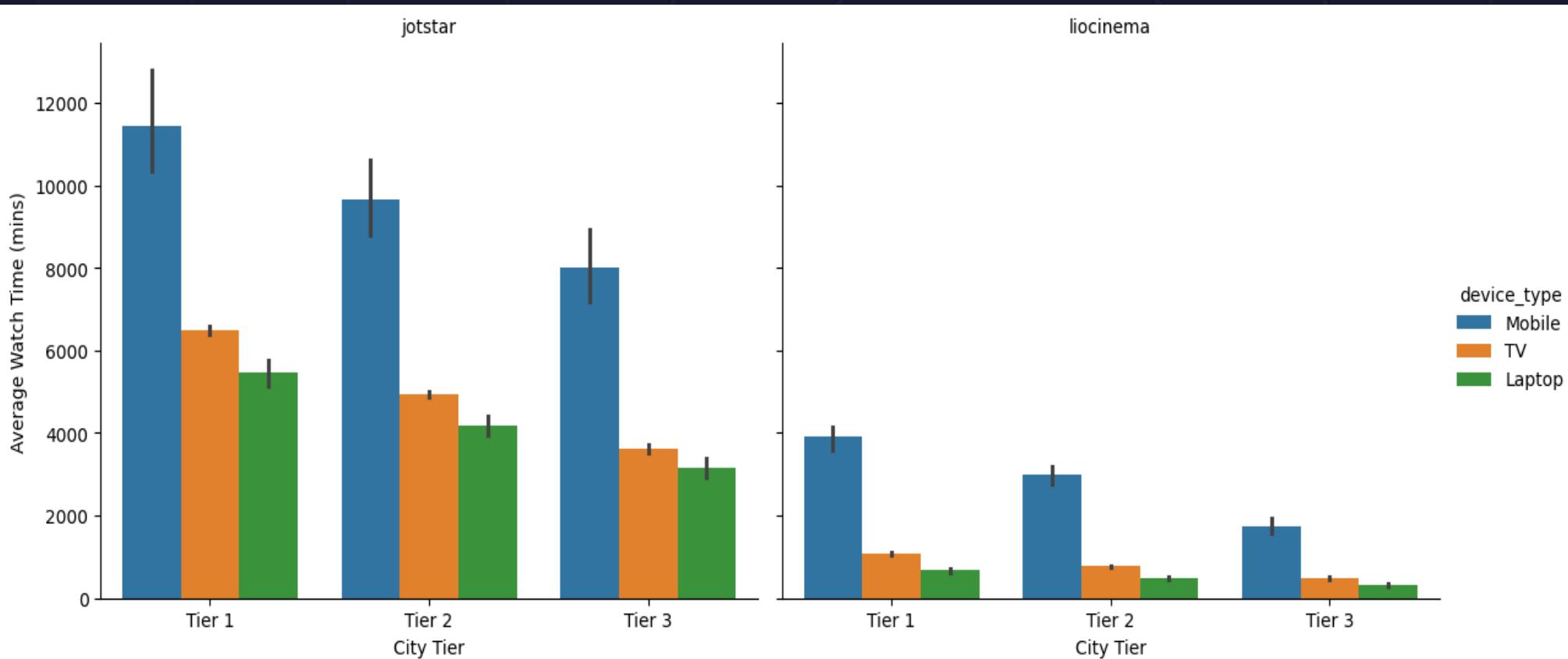
Watch Time Analysis



What is the average watch time for LioCinema vs. Jotstar during the analysis period?

How do these compare by city tier and device type?

One point to note is that, even though userbase is more in liocinema, jotstar have much higher watch time across all devices.

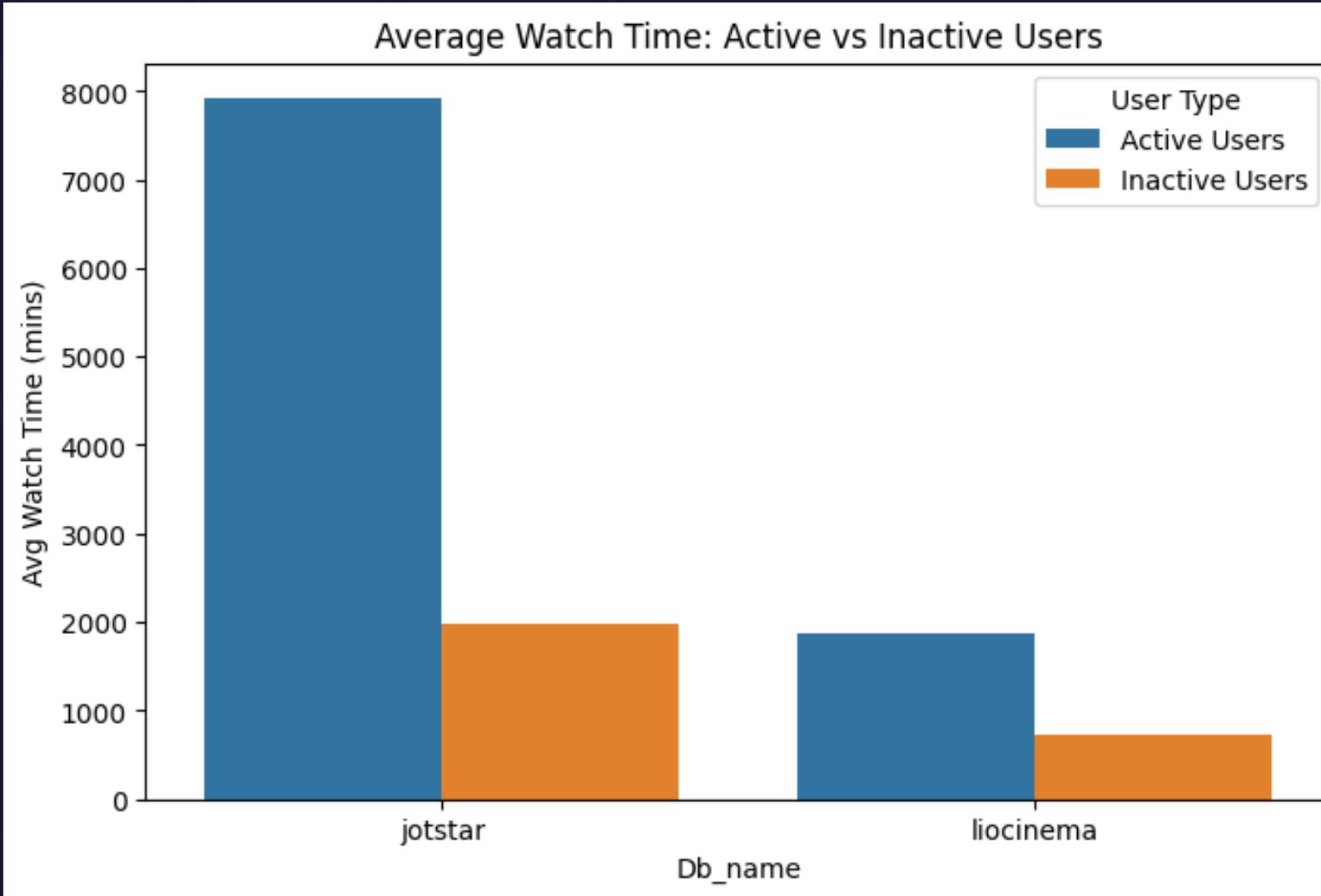


Possible reasons:

- 1 Jotstar Attracts Highly Engaged Users**
- 2 Subscription Plan Differences**
- 3 Content Type & Engagement**

Inactivity Correlation.

How do inactivity patterns correlate with total watch time or average watch time? Are less engaged users more likely to become inactive?



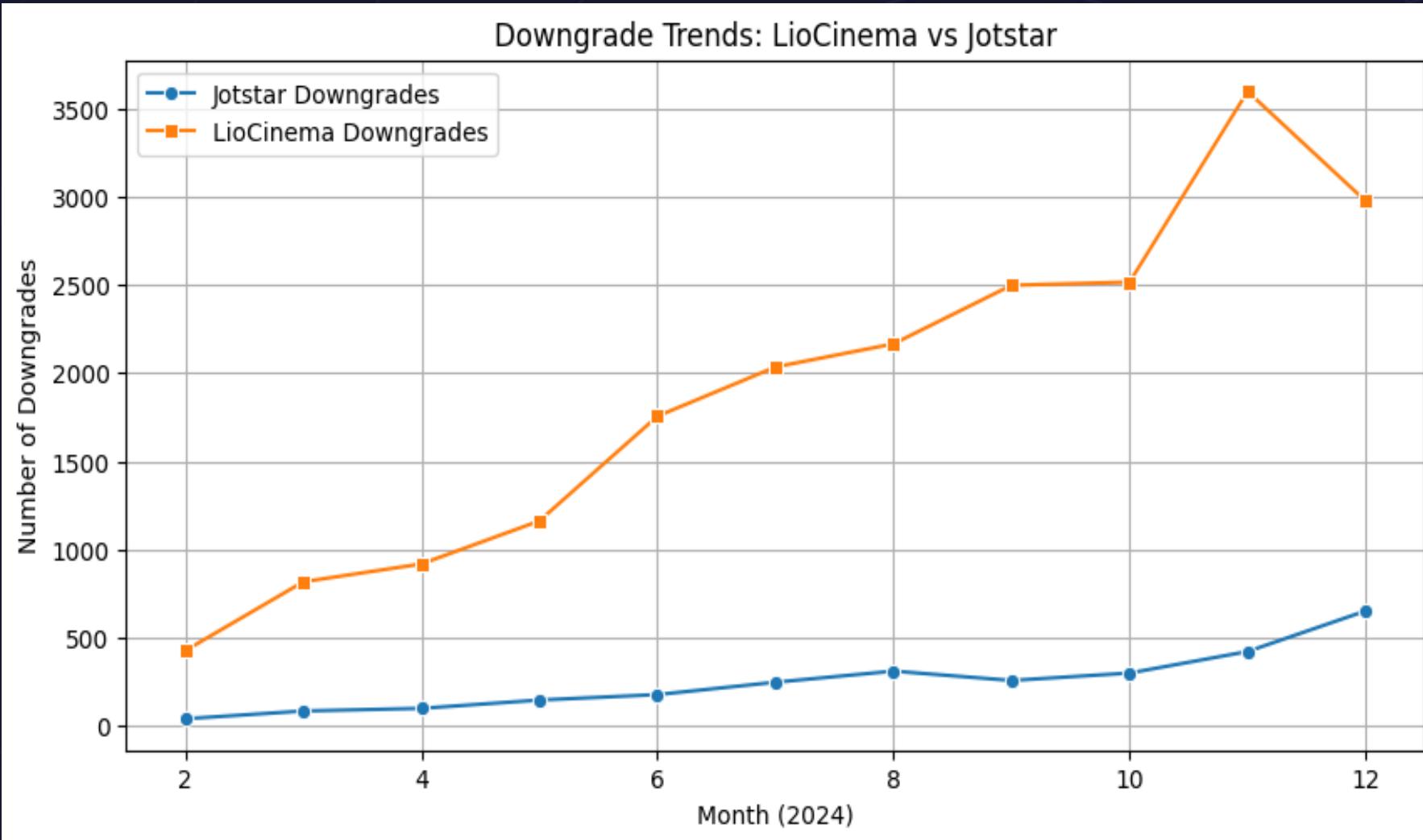
Inactive users watch significantly less content than active users.

Jotstar's active users watch ~7922 mins, much higher than LioCinema's (~1881 mins).

LioCinema has a higher inactive user percentage (~30%) compared to Jotstar (~15%).

Downgrade Trends

How do downgrade trends differ between LioCinema and Jotstar? Are downgrades more prevalent on one platform compared to the other?



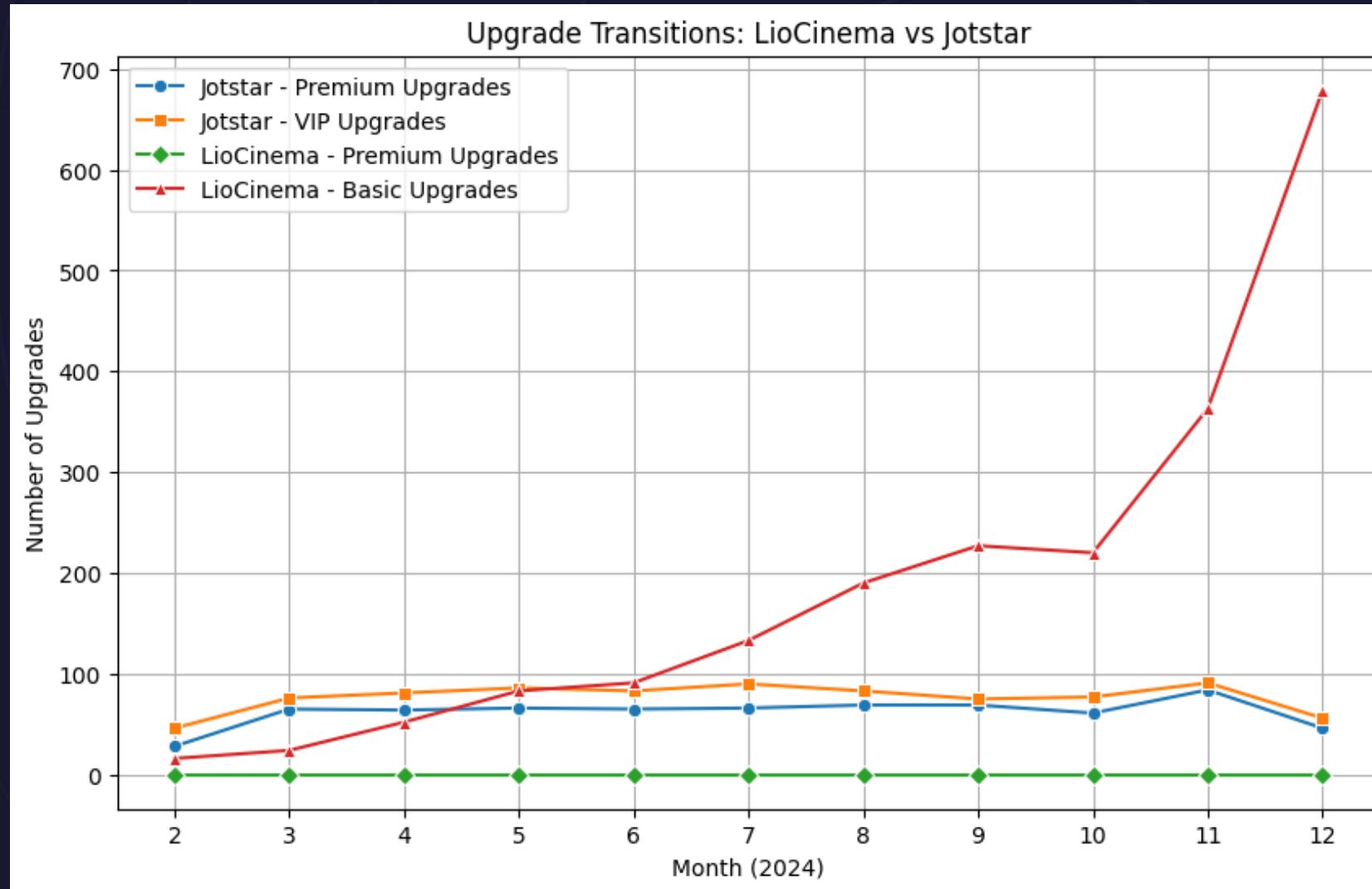
LioCinema has a higher absolute number of downgrades, but that's expected due to its larger total users.

When adjusting for total users, downgrade rates are similar for both platforms.

Jotstar, despite having fewer users, sees a comparable proportion of downgrades, possibly indicating that **its users are more volatile in their subscription choices**.

Upgrade Patterns.

What are the most common upgrade transitions (e.g., Free to Basic, Free to VIP, Free to Premium) for LioCinema and Jotstar? How do these differ across platforms?



- LioCinema **starts with very few Basic upgrades (5 in February)** but **steadily increases**.
- **Premium Upgrades** in Jotstar fluctuate but generally remain **steady** (between 60-85).

Paid Users Distribution

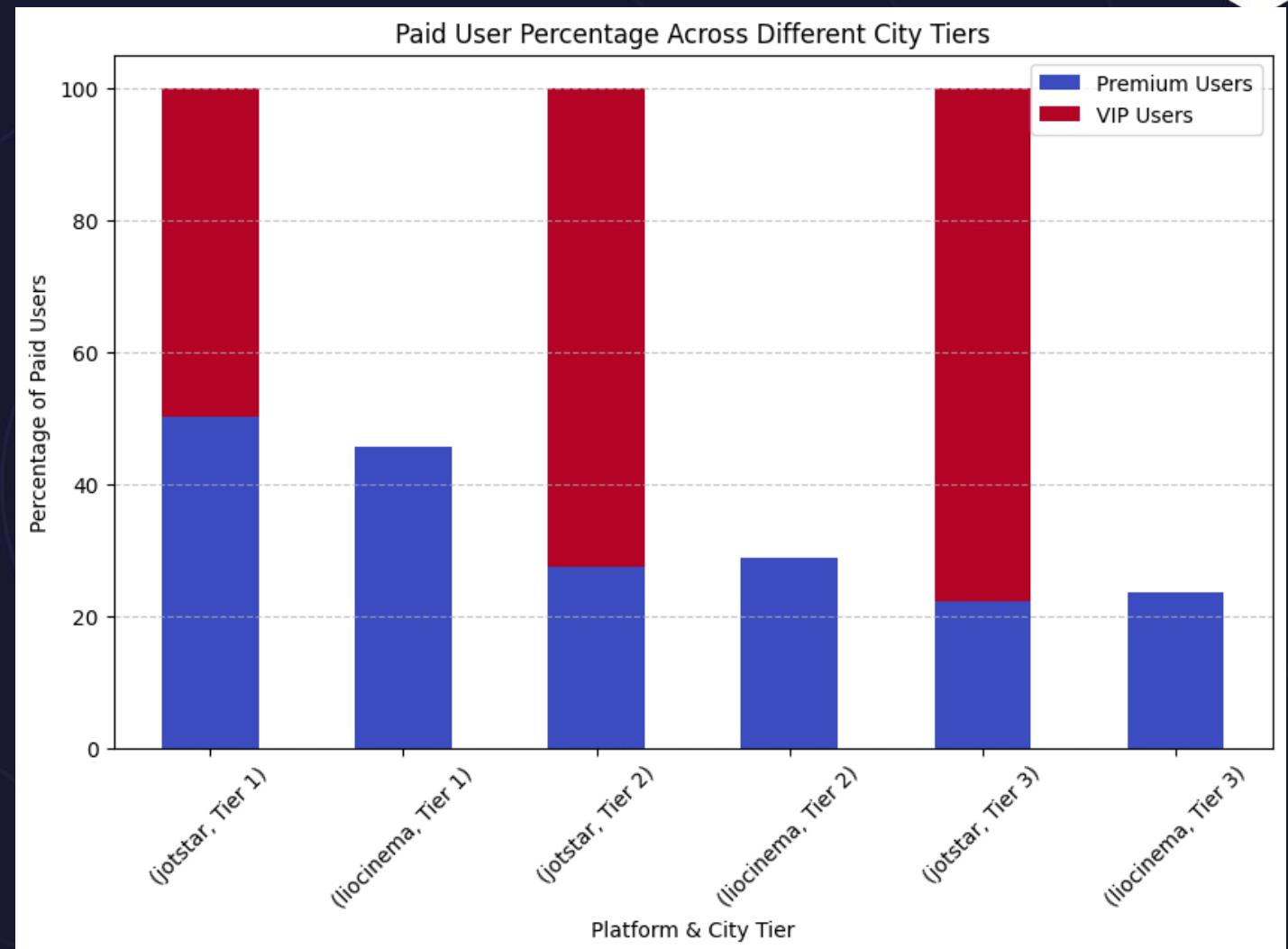


①. Jotstar Offers VIP, LioCinema Doesn't

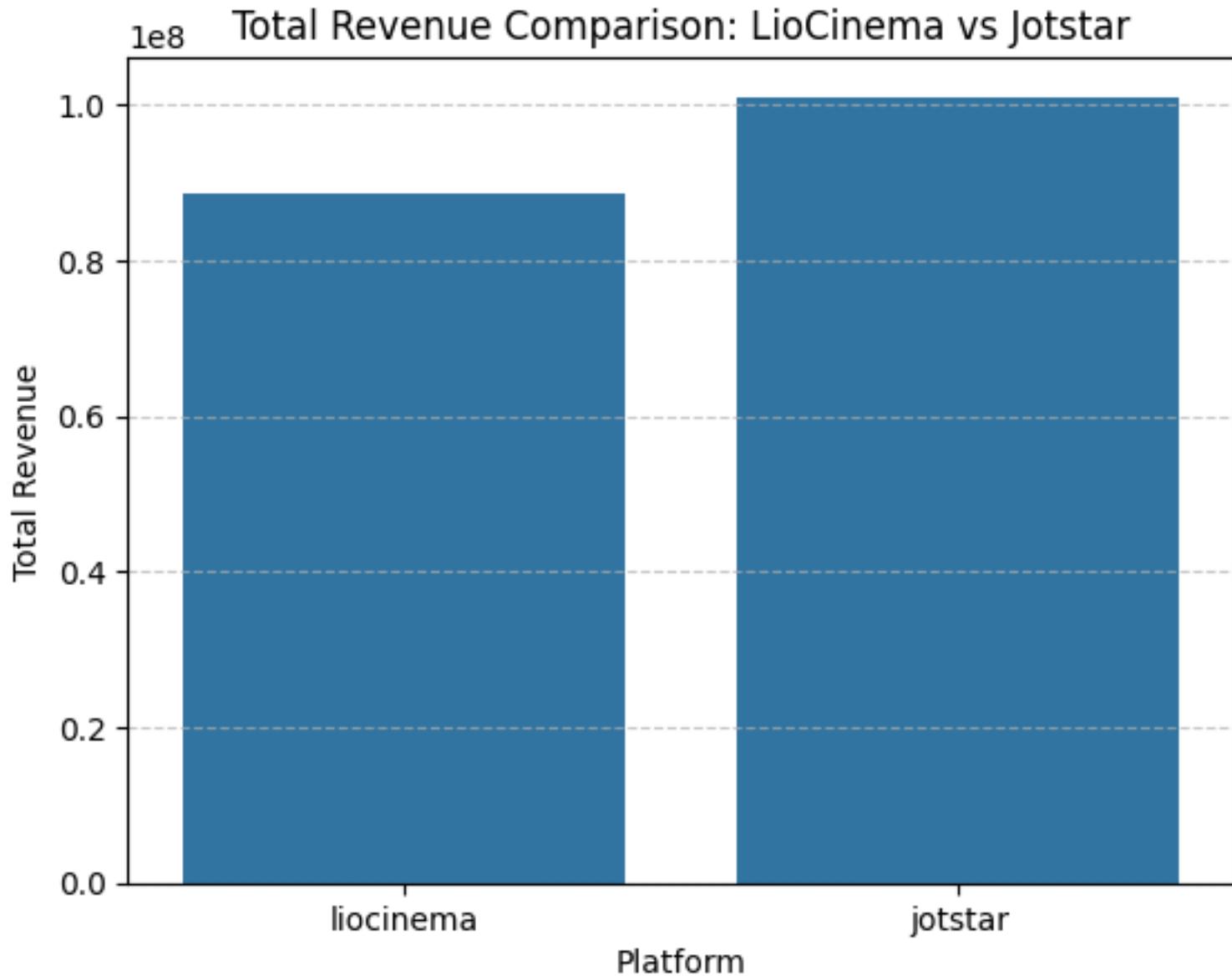
②. Premium Subscriptions Are Close in Tier 1

③ **Jotstar's VIP users increase as city tier decreases:**

- **Tier 1:** 49.96% VIP
- **Tier 2:** 72.59% VIP
- **Tier 3:** 77.94% VIP



Revenue Analysis



Total Revenue Comparison:

- **Jotstar (₹100.96M) has higher total revenue than LioCinema (₹88.55M)** despite having a smaller user base.
- This suggests that **Jotstar's pricing model and user engagement generate higher revenue per user.**



Impact of Subscription Plans:

- **Jotstar's VIP and Premium plans are priced higher (₹159 & ₹359)** compared to LioCinema's Premium (₹129) and Basic (₹69).
- The higher price of Jotstar's Premium plan likely contributes to its greater revenue.

Effect of Upgrades and Downgrades

- **Liocinema's downgrade trends is also a great factor for low revenue.**

Paid Subscription Plans



Recommendations after the analysis and future scope for the merged Platform

Strategies to improve user engagement among inactive users



- Personalized Re-Engagement Emails & Push Notifications
- Exclusive Offers for Returning Users
- Offline & Low-Data Mode for Tier-2 & Tier-3 Cities
- Community & Social Engagement



Types of brand campaigns

- **Sponsoring College Fests & Student Engagement** 🎓🎭
- Create a "**Star of the Show**" competition, where students reenact iconic movie or series scenes from the platform.
- Offer **free trials, discounted subscriptions, or exclusive merchandise** as prizes.
- Partner with popular **social media influencers, YouTubers, and Twitch streamers** to review, react, and promote new releases.
- Use **Instagram Reels, TikTok trends, and YouTube Shorts** to create viral challenges.
- **Regional & Vernacular Ad Campaigns**
- Launch **ad campaigns in regional languages** with local celebrities.
- Highlight **regional content on the platform** to attract new users.



Pricing of the merged Platform

- **18-34 age group dominates** the user base, especially students in Tier-2 & Tier-3 cities.
- **Slight increase in Basic plan** (+₹10) ensures affordability while improving revenue.
- **VIP plan users are not growing significantly** → Pricing remains unchanged.
- **Premium plan remains unchanged** → To retain high-value subscribers.

Leverage partnerships with telecom companies



 **Opportunity:** With **Jio, Airtel partnering with Starlink** to expand internet access, the newly merged OTT platform can **leverage these partnerships** for wider reach and user acquisition.

- **Bundle Subscription with Mobile Recharge** → Negotiate with telecom companies to **offer discounted OTT plans** as part of prepaid/postpaid mobile recharge packs.
- **Exclusive Perks for Telecom Users** → Provide **extra free trial days, early access to content, or premium features** for Jio/Airtel users.
- **Leverage Widespread Internet Reach** → Tier-2 & Tier-3 cities will **see increased internet adoption**, allowing the platform to convert **free users to paid subscribers**.



Role of AI and Machine Learning

- **1 Onboarding Questions** → Ask users about their interests, favorite genres, languages, or actors during signup.
- **2 Watch History & Patterns** → Analyze what they watch, when they watch, and how long they watch.
- **3 User Clustering & Similar Profiles** → Recommend content based on users with similar tastes.
- **4 Real-Time Adaptation** → Adjust recommendations dynamically as user preferences evolve.
- **5 AI-Powered Search & Discovery** → Let users search via voice, mood-based suggestions, or trending AI-curated playlists.

Who should be the brand ambassador for the newly merged OTT platform ?



- ✓ **18-34 age group dominates** the user base.
- ✓ **Tier-2 & Tier-3 cities have the largest audience**, thanks to LioCinema's free version.
- ✓ **Retaining LioCinema users is key** for long-term success.
- ✓ **A household name is ideal**, especially someone relatable to both urban and rural audiences.
- ✓ **A famous sportsperson** would attract young viewers, as sports has high engagement among them.

- If Platform have a clear picture in mind, what their main targeting audience such as ,rust & household reach,youth engagement & digital-first audience etc. is deciding that would be more narrow and clearer.
- Since Content of the genre Drama is much more compared to others targeting trust and household reach is good idea.

Conclusion



- The strategic merger between **LioCinema** and **Jotstar** presents a unique opportunity to redefine the **OTT streaming landscape in India**. Our analysis of **subscriber behavior, content consumption patterns, inactivity trends, and subscription transitions** from January to November 2024 has provided **valuable insights** to guide post-merger decisions.

Key Takeaways:

- **Subscriber Growth & Demographics** – LioCinema has a **larger user base**, particularly in **Tier 2 and Tier 3 cities**, due to its **free-tier offering**, while Jotstar attracts a more **premium-oriented audience**.
- **Upgrade & Downgrade Trends** – While **subscription upgrades** are more prominent for **Jotstar**, **downgrades** are more frequent in **LioCinema**, likely due to its freemium model.
- **Inactivity Behavior** – A significant portion of inactive users belong to **Tier 2 and Tier 3 cities**, indicating a need for **engagement strategies such as personalized recommendations and targeted promotions**.



Strategic Recommendations:

- **AI-driven Personalized Recommendations** – Implement **ML-powered recommendation engines** to enhance user engagement and reduce churn.
- **Targeted Marketing Campaigns** – Sponsor **college fests, collaborate with influencers**, and launch **regional ad campaigns** to boost user acquisition and engagement.
- **Partnerships for User Growth** – Leverage partnerships with **telecom companies like Jio and Airtel** to bundle subscriptions with **mobile recharges** for greater accessibility.



Thank you