



Research Article

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A Comparative Study on the OTT Platforms Market in India and Other Countries

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ABSTRACT

Over-the-top (OTT) platforms refer to streaming services that deliver video content directly to viewers over the internet, bypassing traditional cable, broadcast, and satellite television platforms. The rise of OTT platforms in India has been a game-changer in the entertainment sector, transforming the way content is consumed. With the rapid increase in internet penetration and smartphones usage, India has become one of the fastest-growing OTT markets in the world. Studying OTT video platforms and their market in the Indian entertainment industry and globally is crucial for understanding these transformations and addressing the challenges that accompany them. The research objectives of the paper are to find out the market size and growth potential of OTT platforms in India and other countries; Map out the key players of OTT platforms the Indian and global market; and find out the nature of regulatory environment and consumer preferences in the Indian and global market. The research method used is descriptive analysis of the available secondary data for comparison between different countries. On the basis of the available data a comparative analysis is done. The key findings states that OTT market is currently booming and the local content dominates the regional market. The regulatory framework of the selected four countries differs and is astringent in China. This paper explores the necessity of this study and delves into the associated challenges.

INTRODUCTION

Over-the-top (OTT) platforms refer to streaming services that deliver video content directly to viewers over the internet, bypassing traditional cable, broadcast, and satellite television platforms. These platforms have revolutionized the media and entertainment industry by offering on-demand access to a vast library of content, including movies, TV shows, documentaries, and original productions (Smith, 2021). OTT platforms utilize internet-based delivery methods to reach consumers, making them highly accessible and user-friendly (Mehta & Kapoor, 2020).

The rise of OTT platforms in India has been a game-changer in the entertainment sector, transforming the way content is consumed. With the rapid increase in internet penetration and smartphones usage, India has become one

of the fastest-growing OTT markets in the world (KPMG, 2020).

The rapid evolution of over-the-top (OTT) video platforms has significantly reshaped the entertainment industry globally, with India emerging as a key market. The rise of these platforms has not only transformed content consumption patterns but has also introduced new dynamics in the entertainment ecosystem. Studying OTT video platforms and their market in the Indian entertainment industry and globally is crucial for understanding these transformations and addressing the challenges that accompany them. This paper explores the necessity of this study and delves into the associated challenges as it is very important to address this new emerging industry which has huge growth potential.

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Literature Review

Emergence of OTT platforms globally and in india

The concept of OTT platforms originated in the early 2000s with the advent of high-speed internet and advancements in streaming technology. Services like Netflix and Hulu pioneered the OTT space in the United States, offering viewers an alternative to traditional television (Lotz, 2017). In India, the OTT revolution began around 2010, with platforms like Hotstar, SonyLIV, and Eros Now leading the charge (Chadha, 2019). The growth of these platforms was fueled by increasing internet accessibility and the shift towards digital consumption.

Internet penetration in india

India presents a fascinating case study in internet penetration due to its unique demographic, economic, and infrastructural challenges. As of 2024, internet penetration in India stands at approximately 55%, reflecting significant growth from previous years but still leaving a substantial portion of the population without access (Internet and Mobile Association of India (IAMAI, 2024)).

Global internet penetration

Globally, internet penetration has seen exponential growth over the past two decades. According to the International Telecommunication Union (ITU), as of mid-2024, approximately 63% of the global population has internet access, up from 59% in 2022 (ITU, 2024). This growth is largely driven by advancements in technology, the expansion of mobile networks, and the increasing affordability of internet services.

In developed regions, internet penetration is nearing saturation. For instance, in North America and Europe, internet penetration rates exceed 90% (Statista, 2024). Conversely, in many developing regions, particularly in Sub-Saharan Africa and parts of South Asia, penetration rates are still relatively low, though improving. For example, in Sub-Saharan Africa, internet penetration reached about 40% in 2024, up from 36% in 2022 (ITU, 2024).

The rise of mobile internet access is a critical factor in this global trend. Mobile broadband subscriptions have surged, with over 7.8 billion mobile broadband subscriptions globally as of early 2024 (GSMA, 2024). This surge is driven by the proliferation of affordable smartphones and improvements in mobile network infrastructure, such as the deployment of 4G and emerging 5G networks.

Comparative analysis with traditional media consumption

OTT platforms have significantly impacted traditional media consumption in India. Television viewership has seen a decline, particularly among younger audiences who prefer the on-demand nature of OTT services (Goswami,

2019). However, traditional media still holds a strong presence, especially among older demographics and in rural areas where internet penetration is lower (PwC, 2021). The coexistence of OTT and traditional media has led to a hybrid consumption model, where viewers use both mediums based on convenience and content availability (Deloitte, 2019).

Research gap

It is seen that previous studies only focus on studying the impact of OTT and various technological advancements. The studies lack the connection between the global and local market. The popularity of OTT is on the rise owing to increasing smartphone penetration, competitive internet data plans offered by Indian telecom service providers, the abundance and quality of content on these platforms and the global media industry dynamics that have a sizable impact on the economic and policy matters of OTT service providers. To add to this is the personalized nature of smartphone media and the availability of content from around the globe. Also instrumental is the preference of the audience for free and unlimited access to content as opposed to complete content ownership in a limited manner. Thus the consumption of the OTT platforms are in need to be studied and understood so marketers and advertisers could cater to the needs of the audience and maximize their benefits.

Objectives of the study

The objectives of this study were to:

- Find out the market size and growth potential of OTT platforms in India and other countries;
- Map out the key players of OTT platforms the Indian and global market; and
- Find out the nature of regulatory environment and consumer preferences in the Indian and global market.

Method

The research method applied is descriptive analysis. Descriptive analysis of secondary data, accurately and systematically describe a population, situation or phenomenon. An analysis of the available literature is done and compared thoroughly. The researcher organized, tabulated and described the collected data in a standardized manner. Secondary data on the OTT video platforms was collected through various reports, journals, case studies, etc. Various reports on economic growth and expansion of OTT platforms were collected and comprised from online sources. These sources include reports from:

- Ministry of Information and Broadcasting
- Broadcast Audience Research Council (BARC)
- India Brand Equity Foundation (IBEF)
- FICCI KPMG - India's Media and Entertainment report
- The National Association of Software and Service Companies (NASSCOM)
- Telecom Regulatory Authority of India (TRAI)

- Statista
- PriceWater Coopers
- Deloitte

Choice of countries: India, US, UK and China

The above listed countries are chosen apart from India (being home country) because they have the largest market share in OTT business given their proven track record (Statista, 2024).

Different parameters on the basis of objectives are set, to compare the data of different countries with reference to OTT platforms.

The parameters for comparison are:

- Market Size and Growth Potential;
- Key Players;
- Consumer Behavior and Preferences and
- Regulatory environment.

Analysis and Findings

OTT market in india

- *Market size and growth*

The OTT market in India has experienced exponential growth in recent years. According to a report by PwC (2023), the Indian OTT market was valued at USD 1.5 billion in 2021 and is projected to reach USD 5 billion by 2024 (PwC, 2023). The growth is driven by increasing internet penetration, affordable data plans, and the proliferation of smartphones.

- *Key players*

The Indian OTT market is dominated by a mix of global and local players. Major platforms include:

Netflix: Entered the Indian market in 2016 and have since been a key player, offering a wide range of international and local content.

Amazon Prime Video: Launched in India in 2016, it has a strong foothold with a mix of movies, TV shows, and exclusive series.

Disney + Hotstar: The most popular platform in India, combining local content with Disney's extensive library, including content from Marvel, Pixar, and National Geographic.

ZEE5: A local player with a strong presence, offering content in multiple Indian languages.

- *Consumer behavior and preferences*

Indian consumers have shown a strong preference for local content. According to a survey by KPMG (2022), 65% of OTT viewers in India prefer content in regional languages. The popularity of original content, including series and movies specifically made for OTT platforms, has also been a significant driver of growth. Indian consumers' preferences have shifted dramatically with the advent of OTT platforms (KPMG, 2022).

Regulatory Environment

The regulatory environment in India has been evolving to keep pace with the growth of OTT platforms. In 2021, the Ministry of Information and Broadcasting introduced guidelines for OTT platforms, requiring them to self-regulate and provide age-appropriate content ratings. This move aims to balance creative freedom with consumer protection.

OTT Market in Other Countries

United states

- *Market size and growth*

The US OTT market is one of the most mature and largest globally. According to Statista (2023), the market was valued at USD 33.5 billion in 2022 and is expected to reach USD 49.2 billion by 2025 (Statista, 2023).

- *Key players*

The US market is characterized by a few dominant players: **Netflix:** The pioneer in the OTT space, with a vast library of original and licensed content.

Amazon Prime Video: Offers a mix of movies, TV shows, and exclusive series, similar to its offering in India.

Disney+: Gained rapid traction due to its extensive content library from Disney, Pixar, Marvel, Star Wars, and National Geographic.

Hulu: A unique offering with a combination of live TV and on-demand content.

Consumer Behavior and Preferences

US consumers have a preference for a mix of original and licensed content. A survey by Deloitte (2022) indicates that 55% of US OTT subscribers prioritize original content, while 45% value access to licensed content (Deloitte, 2022).

Regulatory Environment

The US has a relatively light-touch regulatory environment for OTT platforms, with a focus on protecting consumer privacy and data security. The Federal Trade Commission (FTC) plays a key role in enforcing these regulations.

United Kingdom

Market size and growth

The UK OTT market has been growing steadily. According to Ofcom (2023), the market was valued at USD 4.5 billion in 2022 and is expected to reach USD 6 billion by 2025 (Ofcom, 2023).

Key players

The UK market has a mix of global and local players:

Netflix: The most popular platform, similar to its status in other markets.

Amazon Prime Video: Strong presence with a mix of content.

BBC iPlayer: A local player offering a wide range of British TV shows and movies.

Disney+: Rapidly gaining popularity due to its extensive content library.

Consumer Behavior and Preferences

UK consumers show a strong preference for British content. A report by Ofcom (2022) shows that 60% of OTT viewers in the UK prefer content produced in the UK (Ofcom, 2022).

Regulatory Environment

The UK has a more stringent regulatory environment, with Ofcom overseeing content standards and ensuring compliance with the Broadcasting Code. OTT platforms must adhere to these standards, particularly regarding content appropriateness and advertising.

China

Market size and growth

The Chinese OTT market is one of the fastest-growing globally. According to iResearch (2023), the market was valued at USD 16 billion in 2022 and is projected to reach USD 25 billion by 2025 (iResearch, 2023).

Key players

The Chinese market is dominated by local players:

iQIYI: One of the leading platforms, offering a mix of movies, TV shows, and original content.

Tencent Video: Strong presence with a wide range of content, including exclusive series and movies.

Youku: Another major player, offering a variety of content across genres.

Consumer behavior and preferences

Chinese consumers have a strong preference for local content. A survey by iResearch (2022) indicates that 70% of OTT viewers in China prefer content produced in China (iResearch, 2022).

Regulatory Environment

China has a highly regulated environment for OTT platforms. The government imposes strict content censorship and requires platforms to obtain licenses for streaming. Platforms must also ensure that a significant portion of their content is locally produced.

DISCUSSIONS

The OTT platforms market is a dynamic and rapidly evolving landscape with significant regional variations. In India, local players like Hotstar and ZEE5 were present prior to invasion of global players but it was in 2016 when JIO 4G entered the market that a whole new era for OTT platforms was unlocked. While global players like

Netflix and Amazon Prime Video have established strong presences across multiple markets, local players continue to dominate in countries like China and India. It has to be noted that global players are rapidly shifting their consumer strategy to attract eyeballs as they are aware of their lack of connectivity with global audience.

The regulatory environment for OTT platforms in India is still considered lax as it is still in its growth phase. United States is relatively free as it advocates freedom and choice of audience but UK and china have quite stringent rules. China especially has made sure that these OTT players pay attention to local customs and local content. It is a very strategic move as it leads to the global exposure of local artists while also controlling the content on OTT platforms. India can adopt its example and learn to manage its OTT content and balance the censored content.

CONCLUSION

Studying OTT video platforms and their market in the Indian entertainment industry and other countries is necessary to understand the transformative impact of these platforms, identify growth opportunities, and address the challenges they face. The regulatory environment of any country is a challenge that every OTT platform must face. Apart from market share infights, competitors and various other hassles, the censorship and regulations imposed by various countries must be adhered while releasing content online.

Global giants like Netflix and Amazon Prime Video focus on high-quality original productions and strategic partnerships to expand their footprint (Mishra, 2020). The future of the Indian OTT market looks promising, with continued growth expected as internet penetration and digital literacy increase (Deloitte, 2019). Emerging trends like interactive content, live streaming, and immersive experiences will likely shape the next phase of evolution for OTT platforms in India (Mehta & Kapoor, 2020).

The global OTT market is highly competitive, with numerous players striving to capture market share. Major players like Netflix, Amazon Prime Video, and Hulu dominate the market with their extensive content libraries and innovative content strategies (Lotz, 2017). These platforms invest heavily in original content production and global expansion to maintain their competitive edge. Additionally, regional players are emerging in various Markets, focusing on localized content to cater to specific audience preferences (PwC, 2018).

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