

THE EVOLVING WORLD OF INDIAN OTT PLATFORM'S MEDIA ECONOMY – THE COVID EFFECT

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Abstract: The life and lifestyle of the common people throughout the world changed without any notice within a span of just few weeks with the advent of the Covid - 19 pandemic. The term Covid -19 or commonly known as Corona Virus, which the people were totally unaware of till recently, have now become a part of our daily life. Our world is now confined within the four walls of our home, maintaining social distancing being the new norm of survival. With this situation there has arrived a total new dimension to the way how we used to consume our daily dose of entertainment. With movie halls and malls shut down and no new episodes of television shows being available on television on regular basis, more and more audience shift towards the OTT platform is taking place. Portability, feasibility and affordability has made it easier for the consumers to shift to the OTT Platform and incorporate it in their daily routine. The whole revenue earning model of mass media is facing a paradigm shift due to this situation.

This research article is an attempt to study the new evolving trends arriving in the wide and highly competitive world of OTT platform in India, their media economy and the overall effect of Covid - 19 Pandemic on the OTT platform.

Keywords: OTT Platforms, Covid-19, Web series, Audience, Media Economy.

Introduction

Covid-19 pandemic outbreak changed the life and lifestyle for everyone. The world around us has come to a standstill, where maintaining social distancing is the new norm of survival. The main mode of all types of communication now being totally online based, people are confined between the four walls of their houses, unable to go out, until there is any emergency. Social gathering, functions,

partying, even outdoor workouts and sports now being restricted, people are facing a drastic change in their life and trying to cope with it. On one hand, work from home has become a new way of life, on another, many businesses have come to a standstill. When there is chance of losing one's job and livelihood due to the "staff cutting" policy that many companies are taking, entertainment

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becomes the last thing that comes to one's mind. Yet people can't survive without a minimum dose of entertainment, especially when they are facing such a tough time of mental stress, that too being locked up at home for such a prolonged period. With this situation there has arrived a total new dimension to the way how we used to consume our daily dose of entertainment. With movie halls and malls shut down and limited new episodes of television shows being available on television, as because shooting of television shows are getting hampered due to the lockdowns, now, more and more audience shift towards the OTT platform is taking place. This increase can be also credited to the development in the field of digital technology and availability of cheap and powerful internet connectivity, which has provided the viewers with the option of accessing digital media content on the go. The subscription fees of the digital channels are quite cheap and common people can easily afford them. Portability, feasibility and affordability has made it easier for the consumers to shift to the OTT Platform and incorporate it in their daily routine.

"According to the BARC-Nielsen study on Covid-19 and its impact on TV and smartphone landscape, the time spent on it during week 1 of the pandemic has increased by 1.5 hours, a gain of 6 percent. Breaking all the records was Prime Minister Narendra Modi 21-day lockdown announcement which was watched by 197 million viewers." (Priyadarshini, 2020)

This research article is an attempt to study the new evolving trends arriving in the wide and highly competitive world of OTT platform in India, and the effect of Covid - 19 Pandemic on the OTT platform's contents and media economy. This article involves an empirical study and comparative analysis of primary data.

The Rise of OTT Platform in India before Covid -19

"Examining the proliferation of OTT platforms in the country, most of which are owned and operated by United States based media organizations, Fitzgerald (2019) had noted that most companies held positive and favourable views about possible business expansion in India. Such optimism was fuelled by the rapidly growing internet user base, of the country, and also percentage of users of latest gadgets and technological advancements. Hence on the radar of US based OTT platform operating companies, India represented a lucrative potential." (Bhattacharyya, 2020)

New media is creating new dimensions and changing our daily lives. In the recent few years there has been massive growth in the OTT platform in India. For today's audiences it's all about immediacy and personalized content - contents that should be fresh, interesting and have innovative concepts, and the content they are looking for must be just a click away to fit their needs and changing lifestyle, which is now possible due to the online streaming series, which are specifically made for online digital platforms and their

audiences. Many digital giants have captured the online market, understanding the potential of the Indian digital growth like - Netflix, Amazon Prime Hot Star, Alt Balaji and many others. With the growth in digital platform, there is greater scope for independent filmmakers with limited resources to make short films and release them (upload them) directly in different OTT Platforms for net viewers. Here 'views', 'like', 'share' and 'comments' matters. Online platforms are interactive in nature, unlike their television and film counterpart, where viewers are mostly passive audiences. The clash between Internet streaming companies and traditional cable companies are raising tensions about shifting audience practices. With the evident change in the medium of consuming virtual content, the traditional practice of watching contents on the television sets is already getting reduced, as people are now binge watching contents on smaller screens (mobile phones, tablets, laptops), on digital platform at their convenient time and at ease of availability, that too at a much cheaper rates of subscription. These new ventures emerging in the world of digital platform are changing Indian television and cinema in many ways. These platforms are a new convergence of television and cinema, where the audiences can select and get the best out of the lot.

Entertainment is the biggest reason behind the use of OTT platforms. The web series succeeded in providing the audiences the much needed fresh contents, interesting

plots and clean, realistic presentations. Second being the mobility of gadgets on which these platforms are available. Third one is the availability of contents on demand, the power to choose. Though many experts believes that this attraction towards OTT platforms have already given rise to some problems in lifestyle and health hazards like the addiction to OTT platforms have given rise to "Binge-watching" among audiences.

"Such behaviour of binge-watching shows the addiction of viewers to virtual content that often leads to disturbances in their personal life whether it's displaying anti-social behaviours, increased emotional sensitivity or disrupted sleep-cycles leading to various health issues amongst the bingers, usually youth." (Bohra, 2019)

OTT Platform and the Covid -19 Effect

During the time of the ongoing pandemic, the OTT platform in India have seen a drastic rise in its consumption, huge number of new audiences adding to the already long list. The Covid-19 outbreak has impacted the entertainment industry in a varied manner, comprising film production and exhibition, even mass media like print medium, and television are highly effected, besides OTT platforms like never before. People are avoiding buying the newspapers and magazines in the fear of the spread of the virus inside their home. The television though is catering daily news but has failed to provide the audiences with many new episodes of their favorite daily serials as no shooting is taking place time to time

due to lockdowns. With no new episodes coming out, the challenge was to meet the daily entertainment needs of the consumers and offer them fresh content across the various genres. The channels even started rerunning the old episodes, even age old shows like “Ramayan” and “Mahabharat” are being telecasted again. But how long can the attention of the audiences be retained with such tactics?! Moreover in the current situation one can't go out to watch a movie on big screen also. In such a scenario the one and only best and most affordable alternative that a person can think of is the OTT Platform. With growing broadband penetration, very low subscription fees and cheaper mobile data plans, this number in audience shift is rapidly growing. The risk and physical limitations of going to a theatre have diminished due to the advent of video streaming services.

Sakshi Suneja, Assistant Vice-President, ICRA, said, “Cinema halls were the first ones to shut down, even before the lockdown started, and are expected to be among the last segments to witness relaxations. This segment will thus witness a complete loss of revenues in Q1 FY2021. Even after the theatres resume operations post the lockdown, occupancy is expected to remain sub-par as consumers, as a means of caution, are likely to stay away from crowded places. Corporate advertisement spends will witness a decline, adversely impacting the advertisement revenues of film exhibitors. Overall, ICRA estimates a 60-65% YoY degrowth in revenues in FY2021 for the entities engaged in the film exhibition

industry. Furthermore, low footfalls once cinema halls resume operations will result in lower box-office collections, adversely impacting the revenues of the film producers.”

U.S. ratings agency Nielsen predicts that ‘staying in home’ could lead to a massive 60% increase in the amount of content watched. Amidst the COVID-19 pandemic, OTT platforms are experiencing a unique moment. With millions at home and with events and entertainment in the outside world put on hold, people are now shifting towards the OTT platforms and at the same time craving for new contents to escape and break monotony.

“These online platforms are reducing the dependency of films on theatrical performance and watching of video programs on television sets. Introduction of 4G services and penetration of smartphones are the opportunities for film and television producers to monetize their video content through digital medium. These digital platforms are decreasing the risk of producer due their affordable cost and low requirements.” (Singh, 2019).

Another important phenomenon taking place at this moment in the world of OTT is that because of the major disruptions caused by COVID-19, these OTT platforms have even become landing pads for feature films as the movie theater are closed and there is no assurance when they are going to reopen. The Multiplex owners are facing a tough time and financial losses. But the producers of the

feature films have already started releasing their films online in the different OTT platforms, despite of the protests coming from the multiplex owners' side because further delay of releasing the films shall also incur more losses for them. While releasing their films online at this moment will earn them profits. This increased consumption created a massive opportunity for OTT brands to get in front of a large and engaged audience.

The Amitabh Bachchan and Ayushmann Khurrana-starrer "Gulabo Sitabo" went for a digital release, followed by many more announcing about their release on the OTT platform including "Shakuntala Devi" starring Vidya Balan, "Laxmi Bomb" of Akshay Kumar, the much hyped last film of Sushant Singh Rajput "Dil Bechara", the Id release of Salman Khan "Radhe" and many more. Even regional language films are going for online release, like the Tamil legal drama "Ponmagal Vandhal" starring Jyotika, the Keerthy Suresh starrer "Penguin" (Tamil and Telugu), "Sufiyum Sujatayum" (Malayalam) starring Aditi Rao Hydari, "Law" (Kannada) starring Ragini Chandran and Siri Prahlad, and Danish Sait's next film "French Biryani" (Kannada).

"Kaushal (2020) informs about rising subscriber fortune of ZEE5, Alt Balaji, Amazon Prime Video and Netflix. Though specific growth figures have not been officially disclosed by all and sundry, yet the fact that leading production houses are opting the OTT platform route for their big-ticket films, amplifies the growing popularity of this medium of

online entertainment. Basis available industry level data, Kaushal (2020) states that post outbreak of the Covid pandemic in India, consumption of original shows produced by OTT platforms grew by 200% while that of movies, went up by 236%. During the entire duration of the national lockdown, Alt Balaji added close to 17,000 first time subscribers every day. When compared with 10,600 daily new subscribers prior to be lockdown, the quantum increase is computed at about 60% on an average (Kaushal 2020). The platform currently has 1.7 million direct active subscribers, riding on the momentum it achieved across all its main markets and demographics. Like ZEE5, view-ing time and subscription numbers displayed an upward swing for Alt Balaji also (Kaushal 2020)." (Bhattacharyya, 2020).

Experts believe that OTT is going to become a go-to-mode for a lot of consumers now as outdoor entertainment isn't accessible much and television channels except news have already run out of content.

"The unprecedented situation has caused a major shift in viewership trends across India within a short period. ZEE5 has witnessed an over 45% rise in paid viewers and subscriptions going over 80% during the lockdown. The viewing time has increased by over 50% with Daily Active Users (DAUs) and app downloads rising by 15% and 41% respectively. And the viewership on connected devices has also seen a 3X growth in this period. Our massive library of 1.25 lakh hours of content across genres and 12 languages

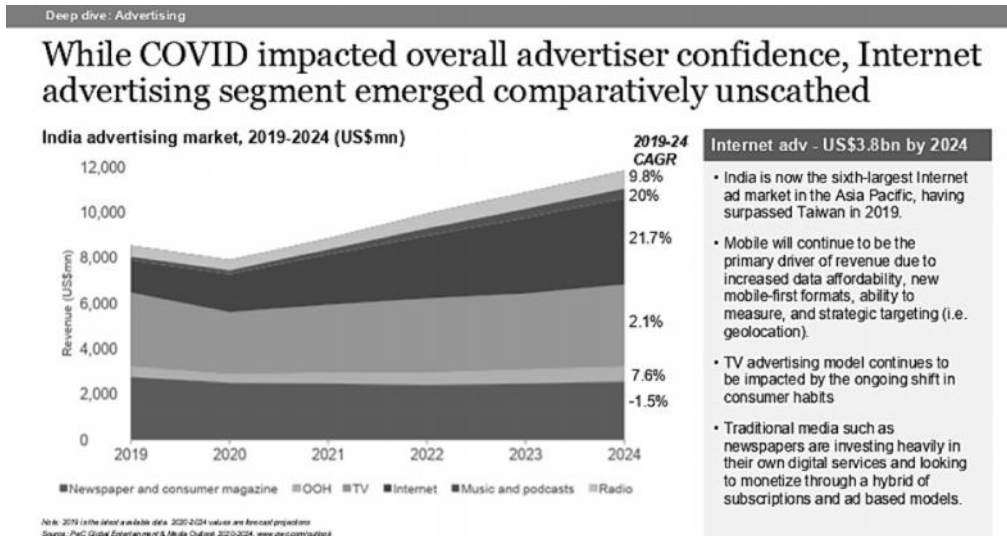
has led to a substantial number of paid users subscribing to our platform,” said Tarun Katial, CEO Zee5 India.

By now, it can be said that the OTT platforms have totally revolutionized the way contents are now a days getting created, distributed, and streamed. People constantly want a variety of content, and OTT caters to this demand magnificently with the perennial additions of varied content. The lockdown has led to more people inadvertently realizing the convenience of OTT, which has created a shift in the way content is consumed on a day-to-day basis now. Though OTT platforms were already making a place for itself in the Indian market, the pandemic crisis gave them a push, which increased viewers’ appetite for online content. Unarguably Covid-19 has not only changed the functioning of most of the entertainment industry in India and has also provided ticket to success for the OTT Platforms such as amazon prime, Netflix, Hotstar, etc.

“OTT content consumption has witnessed a steady growth throughout and will continue to do so, on its own. The lockdown period has indeed scaled up the OTT content consumption game and I believe now is the time for OTT platform players to sit back and rethink their content strategy. Though this growth is due to a phase right now, we believe this lockdown phase will act as a catalyst in changing the content consumption habits of the audience to some extent while

making some of them the avid followers of original content,” said Divya Dixit, Senior Vice President - Marketing, Direct Revenue & Analytics, ALT Balaji. Dixit also adds, “The world is definitely in an unfortunate situation right now with the pandemic outbreak. With this lockdown phase, the audience has more time at their disposal and ends up spending more quality time with family, completing household chores, and consuming content via OTT platforms. This has resulted in an increase in content consumption across geographies.”

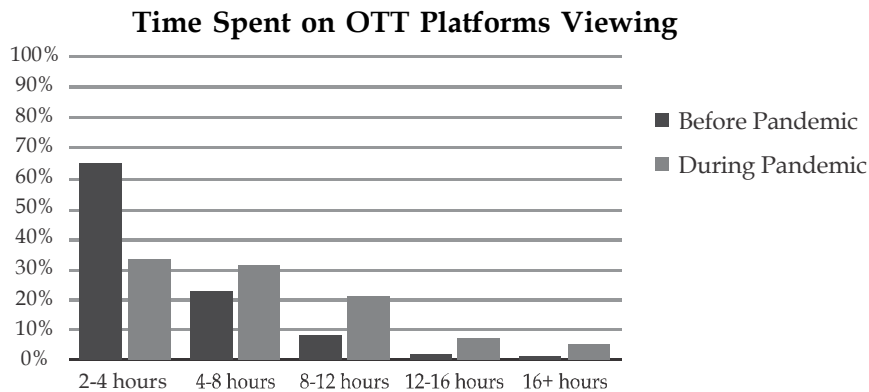
The pandemic period has also affected the advertising sector. Advertisers are also aiming at putting up their advertisements in the digital platform lately due to the audience shift towards it. Now the target audience of the advertisers are more available at digital platforms, so to catch their eyeballs the advertisers are also shifting their focus towards the OTT Platforms. According to surveys, advertisement revenues have been adversely affected for the TV broadcasting segment since April 2020. While news and movies genre are on the lower end of the spectrum in television broadcasting sector, with an average decline of 25-30% in advertisement revenues (average monthly revenues), general entertainment channels and sports channels have witnessed a sharp 55-60% reduction in advertisement revenues.



Source: brandequity.economicstimes.indiatimes.com

Kinjal Shah, Vice-President, ICRA, said “Weakened advertisement revenues will moderate the revenues and profit margins for entities engaged in the print media and TV broadcasting segments in H1 FY2021, though some recovery in advertisement revenues is expected in H2. Expected normalisation in circulation revenues for the print segment in coming quarters as lockdown restrictions ease and low newsprint prices are some positives. For the TV broadcasters, steady state

subscription revenues will provide some shield to revenues. However, fresh content production remains a key challenge. We expect the credit metrics of entities engaged in the print media to weaken in FY2021, though ICRA-rated entities have strong liquidity to weather the impact. The TV broadcasting segment will also witness moderation in credit metrics. The credit outlook for both these segments is negative.”



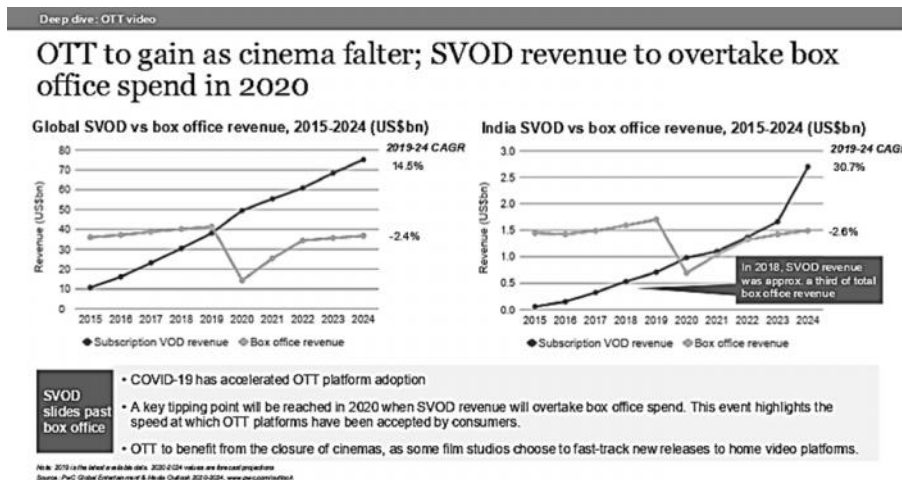
Source: <http://www.businessworld.in/>

All thanks to the pandemic, people are now spending more time in viewing OTT contents leading to India registering 60% growth in paid OTT subscribers during pandemic last year, while at the same time the year saw a 27% decline in footfalls at retail outlets, malls, multiplexes and recreation places, and viewership of television and readership of print media also went down drastically.

Observations

The already flourishing world of OTT platforms in India got a boost in terms of audience shift towards them during the pandemic period. While the Television and Film industry and multiplex owners are incurring huge losses due to the current situation, OTT platforms are coming out as big winners. The OTT platforms are offering the audiences with new contents in terms of new web series and web movies being launched as well as films which were meant to be released on big screens are also now getting released in the digital platforms. The

important area of focus is that this audience shift will not be a temporary affair, rather as the audiences are getting used to with the digital platforms, now they will find it to be more convenient as a mode of entertainment even after the pandemic period gets over. As Uday Shankar, president of Walt Disney +Hotstar said in a recent press conference - "Premiering films on streaming platforms will no longer be a short term, strategic tactic. Rather this will be a big leap for the film industry". The access to the contents on OTT platforms are easy and affordable, with low subscription fees and cheap internet recharge plans. It's much more pocket friendly than spending at least Rs 300 to book a show in a multiplex, plus there is the risk of coming in contact with any person having the virus. As experts says the fear of the corona virus is not going to die soon, hence the shift towards OTT Platforms are here to stay. There has been a sharp rise in the OTT Platform's adverting revenue earning process also.



Source: <https://brandequity.economictimes.indiatimes.com/>

Conclusion

We can call it the beginning of a new era, where coronavirus' impact is unprecedented. We can say a paradigm shift is taking place in the world of media. The media consumption has been drastically effected by the pandemic. Online streaming has more than doubled during the pandemic. Out-of-home entertainment is reeling under the effects of lockdown and social distancing. So when people are restricted in the vicinity of their homes, they turned towards OTT for entertainment as the easiest option available. The current lockdown has led to a surge in consumption of OTT platforms as consumers stay home. People are learning to integrate digital technologies into their daily lives which can be seen with significant increase in consumption of contents over digital platforms. While currently OTT platforms have an advertisement revenue-dominated business model, as the subscription fees are kept very low to attract the audiences and build a strong fan base, the current crisis provides an opportunity to increase the proportion of paid subscription in near future, led by the new habit formation of at-home OTT viewing. Furthermore, with the shutdown of cinema halls and expected aversion to outdoor viewing of films, OTT platforms are also being considered by the film producers for their film releases. A shift in advertisers' preference towards online platforms is also expected as they attempt to catch more consumers available on OTT platforms. OTT platforms, however, may

face a problem of dry up of fresh and quality content if proper care is not taken. Prolonged lack of fresh content may, however, increase subscriber leaving the web platforms, hence it's essential to provide the audiences with new and interesting contents. With the world rapidly changing, the world post COVID-19 will be a different one. However, we can be certain that OTT platforms will continue to bring people together with fresh innovative contents that everyone can share and relate with and with this defiantly a new phase will develop in the world of the media economy in India.

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