

Consumer Perception of Young Population Towards OTT Platform and Its Impact on Subscription Intention - India

Nagarjun¹, Reshmi Nimje², Lucas M³

^{1,2,3}*Xavier Institute of Management & Entrepreneurship*

Abstract: As we look back over the past few years in India, OTT's platform subscriber growth rate is rising toward high levels today despite the (Covid-19) Pandemic Lockdown because of great technological advancements that have allowed OTT providers to bring high-quality content to our nearby screens via the Internet. In addition to relying on its library, OTT companies spend a lot of money creating their content. There are several reasons for this, including new technology, a decrease in data fees, and faster Internet at home and online. Today's smartphones, tablets, laptops, and smart TVs are designed for entertainment and have made it simple to consume video from OTT sources. This research uses a cutting-edge methodology to comprehend user profiles and preferences from an Indian viewpoint. But since the OTT platform in India has become so popular that it has being a great platform to watch whatever people love to watch that concludes this research paper covers variety of the OTT platforms available and accessible in India.

Keyword – OTT, Disney+Hotstar, Amazon prime, Indian perception, Convenience, content, price & features.

INTRODUCTION

OTT (over-the-top) helps media to be directly delivered via the Internet, giving users instant access to movies and Television shows. Most OTT companies have a dedicated application, website, or a page where customers can sign up for a subscription to gain access to the specific benefits. During the OTT broadcast, all content would be transmitted over the Internet even without operator's involvement. In recent years, India has shown a massive increase in video content consumption across various platforms. According to the FICCI-EY report, the Indian entertainment industry is worth \$1.82 trillion. It includes the television, radio, cinema, print, and digital industries. The entertainment industry is in disarray as

a result of the proliferation of online videos and Over-the-Top services. When a new technology enters an industry, are unavoidable and disruption is imminent. New technologies have an impact not only on the goals to be achieved, but also the ways of achieving those goals. Broadband and digital technologies have caused seismic shifts in a variety of industries, including the entertainment industry. Digital subscriptions have increased, and revenue has more than doubled since 2018. In 2019, digital media surpassed filmed entertainment to become the third largest segment in the Media & Entertainment industry. The changing mode of entertainment has an impact on more than just the mode of transportation. The evolving mode of entertainment not only affects the mode of content distribution, but also necessitates a shift in content creation. OTT has indeed been aided by technological advancements such as smart phones, super-fast IP networks, open source platforms, innovative services, cutting-edge features, and a shift in consumer preferences toward their “freemium” based business models, which has seen a vastly increased adoption rate (Sujata, Joshi, 2015). This freemium model entices customers. They are oblivious to the fact that nothing is free. First, payment to be made for internet packages, and then surf the internet. So, until and unless the consumer pays for his internet data, he will be unable to use any of the applications that require a data connection, such as Netflix, Amazon, and others. To say that over-the-top (OTT) technologies have hindered the Indian entertainment environment is an understatement. Membership on-demand OTT platforms such as Netflix, Disney+ Hotstar, and Amazon Prime have gained popularity in recent years, quickly replacing traditional TV programming as the ideal form of mass media for contemporary Indians. (2019, Kohli). Several studies show that price

structure is an important factor in people cutting the cord and shifting to online streaming. Subscriber Video on Demand services, such as Netflix and Prime Video, require consumers to make monthly payments, in order to have access to their archive of video content. Thus many viewers prefer services for free, and that only a small proportion is ready and able to pay for a subscription. As per a market study performed by Bright cove, partnering with YouGov, 29% of the totals of users prefer watching movies on online streaming sites. 23 % said they might rather pay a reduced fee and watch between one three ads (Bright cove, 2018). Market share of OTT players in india.

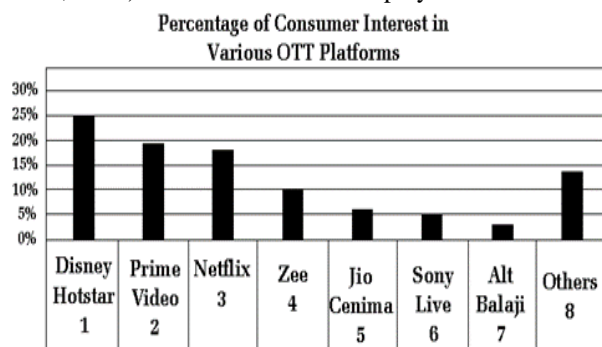


Figure 1

LITERATURE REVIEW

There has been a significant increase in the consumption of media in digital formats around the world. Today’s customers can access the media material of their choice at any time. Wherever This was made possible by an increase in the number of digital devices that support digital Enhanced Internet speed and media. Netflix, Hulu, Amazon, Apple TV, etc.

A new age of video has been stirred by an increase in smartphone use in India. Consumption of the private media machine. The smartphone penetration in India is expected to expand to 520 million by 2020 and broadband penetration will rise from 14% At present, to 40 percent in 2020. (In 2016, Ernst & Young).

Woo,K.S.andFock,H.K.(1999) indicated that the success of online services depends on Different variables , such as network coverage and Efficiency of Transmission. Subsequent analysis of various scenarios Inter netrelated studies and their applications in the sense of India indicates that Indians are now accepting diffe rent forms of online media streaming platforms.

The latest technology depends on the Perceived principles, expectations and specifications are given to the Clients Carey, J. (2004).. Carey, J. (2004). believed that high-end possession In the adoption of OTT, home theater TVs are discouraging OTT services. Customers who want something new to follow the many risks, ready to embrace the OTT service (short battery life, small screens, rights to the content) that conform with OTTservices, and some suspicions emerge from some These threats can hinder the VoD service's success. Customers who are early adopters adopting innovations are OTT providers are also able to subscribe, and more so, the Customers of the mainstream also displayed their inclination to Towards the potential use of VoD services Hyers, K. (2006)

When it comes to visual presentation, digital media has proven to be a big game-changer (Gershon,2016). People are snapping up their old media to watch television with new media. The equipment used to display the TV is an old or conventional TV, a TV, or a TV set. It is a media that acts as an audiovisual hub for households. Amusement. EntertainmentDigital media has changed the way we interact and access information and has The conventional forms of advertising have been questioned. Its rising success has changed global ads. The main or key media are no longer recognized as current television/broadcast and radio media the Preferred way of hitting the market target. More and more enterprises use the Internet to connect and to communicate. Personalize the exchange of data between an e-commerce distributor (or advertiser) and the final user (2016, Gershon).

Since 2000, fastgrowing OTT platforms such as YouTube have gone through roughly three stages (Steinkamp, 2010). In promotional TV shows, the Internet was first used, i.e. advertisements were circulated With the intention of convincing Internet users to watch TV programs online. The Internet was used mainly in This mechanism helps viewers to watch traditional television programs.

The breakthrough that has greatly affected OTT is mobile viewing. The introduction of electronic applicati ons, including the distinction between digital, has unfailingly challenged iPhone, laptops, and ultrabooks Technology and Classic TV (Ghadialy, 2011).

World researchers have been led by this pioneering technological transformation Recognizing the

explanations why individuals are likely to choose between the media and the Interaction between media styles.

With 70 million video viewers in India and around 1.3 million subscribers to OTT paid video, the number of Indian customers leaning towards OTT platforms is increasingly growing. But The figures fluctuate each month. Daily, Hotstar claims to have 5 million viewers this could increase to 100 million during the IPL season. (2015: Accenture)Services of OTT. In India uses a top-down approach, but a bottom-up approach to be competitive in the long term.

Identification of problems

- Customers are very price-sensitive. Lower monthly fees have the most influence on a consumer's decision to subscribe (or not) to a service, whereas excessive fees are the main cause of membership cancellation. Pricing will become more and more important for customer retention, turnover, product lifespan, and profitability as competitive offers continue to flourish on the market. But do not mistake this for a competition for last place. By pricing the difference at an entrance point that does not turn away potential clients, you may establish a value offer.

Consumer privacy is a priority for companies everywhere and will grow much more so in the media ecosystem. Consider the upcoming wave of privacy regulations as an opportunity to learn more about consumers and earn their trust rather than a threat. Companies that want to simply check the box by doing the bare minimum, without investing in customer experience, may find that their customers are reluctant to compromise their privacy and may prefer to turn to a more secure provider in this fiercely competitive market where privacy is non-negotiable.

- Today's genre-specific platforms also face language barriers, therefore it can be intriguing for viewers to switch to the appropriate language channel. However, streaming goliaths like Netflix, Hotstar, and Amazon Prime Video have the benefit that they offer strong options for regional language material and incorporate content from across the world in monthly fees. The problem we're discussing will soon be a

heated one, and it will be intriguing to watch how these platforms respond.

- The OTT providers must take viewing limits into account in order to protect consumer privacy and establish profiles that are appropriate for different maturity levels.

METHODOLOGY

This research study is an empirical research based on survey method. It is blend of both the descriptive and the analytical method of study. The structure questionnaire was prepared for finding out the consumer perception of OTT and its impact on purchasing behavior in respect to consumers who lives in Bangalore.

Instrument for the collection of data

The standardized questionnaire is used as an instrument to collect the data and it is a primary data of the research across different age groups of India.

Sampling method and technique

Convenience sampling is the Method of non-probability sampling is used for the analysis. The questioner is made by considering these Variables Age, Gender, Place, Qualification, and Income, etc.

Data analysis tools and techniques

The tool to be used for the analysis is SPSS Statistics software and techniques Visualization & Graphs are to be used. Population The Respondents for this research will be the users who watch OTT for their entertainment. And the age group chosen is 15 - 35.

OBJECTIVE

- To identify the factors influencing the purchasing decision.
- To propose recommendations based on the findings of the study
- To investigate customer preferences for OTT platforms.
- To research the significant shift in entertainment consumption from old to new.

REASERCH QUESTION

- What factors influence the purchasing decision?

- How consumers perceive the OTT service in India?
- Which factor is mostly preferred by Indian consumers?

HYPOTHESIS MODEL

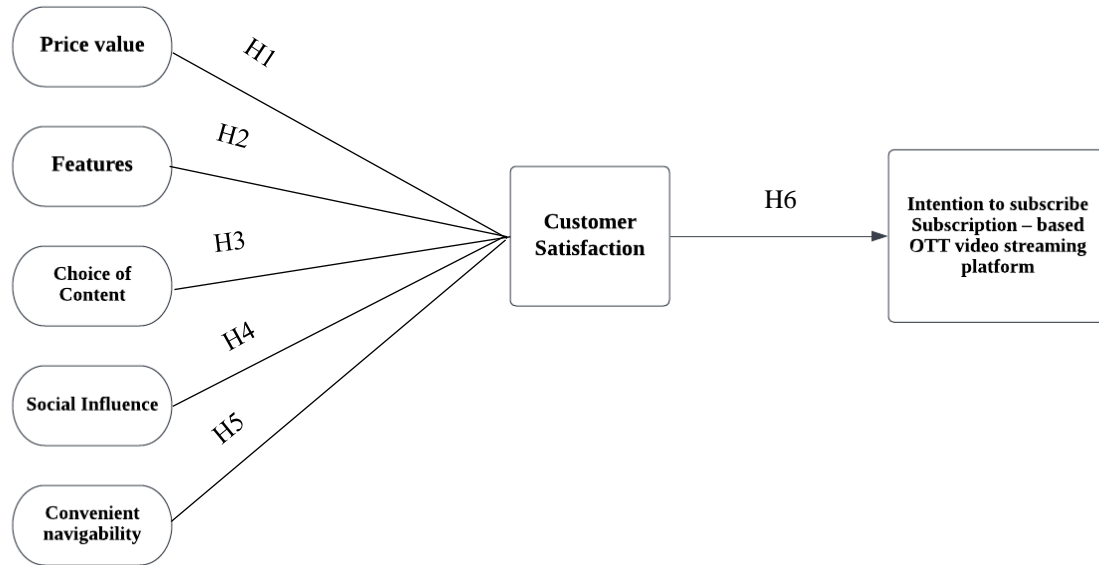


Fig 2. Influence of customer satisfaction on subscription intention

IDENTIFIED VARIABLES

- Price value

The most crucial factor is this one since viewers who prefer OTT have access to a broad variety of payment choices. Price has been cited by several investigations as a key factor in OTT platform choosing. One thing is noted in the references of numerous papers: pricing is a key factor in OTT service use. This study will aid businesses in creating price plans that appeal to viewers. Top payment gateways must be included in the OTT network since they allow content owners and distributors to make money straight from the platform. The platform should ideally support all popular payment methods used in the nation, such as credit and debit cards, bank transfers, and UPI wallets in India. Choosing and securely integrating reliable payment gateways builds confidence and makes it possible to conduct all feasible operations directly over the network.

- H1 a - Price has positive impact on CS
- H1 b – Price has negative impact on CS

- Features

The majority of firms utilize their brand to direct customers toward other items. We are looking in a number of ways, when customers use a website frequently, the owners desire to introduce more goods to draw in more visitors. Cable TV and OTT platforms are becoming increasingly diverse as businesses expand their product lines. Research has demonstrated the strong correlation between buying a subscription and buying several OTT platforms, as well as between buying media and buying extra perks for OTT platforms.

- H2 a - Features has positive impact on CS
- H2 b – Features has negative impact on CS

- Choice of content

OTT is filled variety of contents for different audience. The customer can get access to world wide contents and this makes a unique impression from the traditional services. Cable TV and OTT platforms are becoming increasingly diverse as businesses expand their product lines. A new programmed that is simple

to use rather than complex is more likely to be accepted by the elder generation.

H3 a – Choice of content has positive impact on CS

H3 b – Choice of content has negative impact on CS

- Social Influence

The amount of entertainment customers watch at home is a crucial component in determining how consumers are influenced by technology improvements. Customers are given an easier method to obtain digital material and much more through cable companies and the new possibilities for streaming. As technology advances, the usage of portable media devices is expected to increase significantly. The internet-watching experience is improved by handheld devices. streaming solutions, the manner that internet media are being adopted by consumers and the content they view are greatly influenced by social trends. It is simpler for consumers to interact and see what other people are watching when social media and technology are combined.

H4 a – Social influence has positive impact on CS

H4 b – Social influence has negative impact on CS

- Convenient navigability

In the present world, we discover that technology is always changing, and this has its disadvantages, particularly for older generations who have not grown up with many of these new streaming alternatives. Some claim that many clients are absent. New internet media streaming alternatives won't be used today if they are too sophisticated since they will be challenging to understand. Many firms must employ extremely straightforward ways to reach a larger audience in order to close the gap. A new programmed that is simple to use rather than complex is more likely to be accepted by the elder generation.

H5 a - Convenience has positive impact on CS

H5 b – Convenience has negative impact on CS

- Subscription Intention

Channel selection is important when choosing a platform and media provider. A choice is a crucial component. Live sports that are popular are a major element. It is acknowledged that many streaming

services don't offer users Live Sports Action Service. According to a research by Hibberd (2004), the most significant channels for customers are those for which they are ready to spend the most per channel each month to preserve watching rights.

H6 a - has positive impact on CS

H6 b – Convenience has negative impact on CS

Data Collection

The list of people who are using OTT service cannot be gathered due to its anonymous nature. Purposive sampling, a nonprobability sampling technique, is used because the population was found to be infinite. Data collection for the study was quantitative. For the purpose of gathering the information, the questionnaire was made available via social media sites (LinkedIn, Instagram, WhatsApp) and email. The pilot test has 30 participants since this sample size is adequate to identify any problems with form, structure, or comprehension. Overall satisfaction was found in the pilot survey. Surveys were distributed online to 210 respondents in the month of May 2022. The responses from the 175 surveys that were submitted—representing a response rate of 83.33 percent—were used for the subsequent data analysis.

Measures

The population's data was collected using a five-point Likert scale. The customer satisfaction on OTT services is ranked using linguistic variables, from strongly disagree to strongly agree, to assess their goals. In order to turn string variables into numeric ones during the data analysis process, these linguistic variables are given a value and a label.

Reliability and validity

The measurement instrument's validity is evaluated using content validity and construct validity. The survey instrument's content validity was established by anchoring it in literature and theoretical investigations. Furthermore, the survey instrument was constructed in part based on previous research. Based on the recommendations, the survey instrument was updated with minor revisions. The content of internet reviews was represented in the final survey instrument. Cronbach's alpha values (α) for the factors were greater than 0.805 (see figure 2), implying that the theoretical constructs were reliable.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
0.802	0.805	22

Figure 3. Reliability Statistics
Source – Primary data

The analysis was designed primarily to identify the numerous underlying factors of OTT. As a result, the constructs used to explore the numerous determinants, drivers for OTT subscription, and constructs related to persistence were chosen based on readings from the existing literature. To analyze the hypothesized model and test the presented hypotheses, SPSS 24 software was utilized.

Data Analysis

Demography

From the list of respondents, male shared highest percentage of 52.3% and female shared 47.2%.

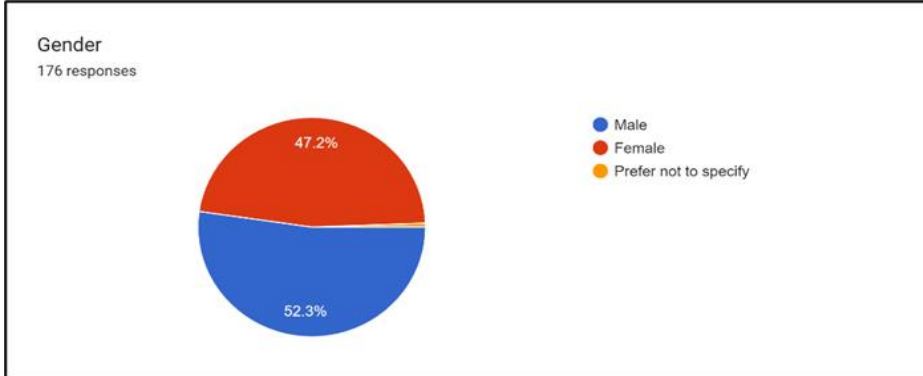


Figure 4. Gender of respondents

From the list of respondents, students shared 67.6% and followed by working professional.

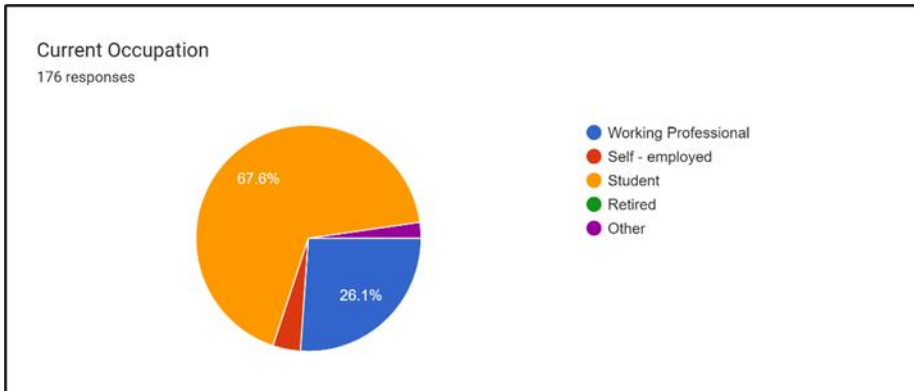


Figure 5. Occupation of respondents

FINDINGS

The results of the regression analyses are presented in this section. The results of the linear regression (see Table 2) indicates that the factors have a positive impact on customer satisfaction and the significance level is 99%. From the correlation table, we can understand that both the independent variables and dependent variables are correlation either at 95% or 99% significance level. It could be inferred that Content (H1) is statistically significant with a t-value

of 2. (p -value = 0.097) which has significance of 90%. Accordingly, hypothesis H1 is supported. Features (H2) is statistically significant with a t-value of 1.666 (p -value = 0.178) which is not significant. Social influence (H3) has t-value of 1.848 (p -value = 0.066) with significance of 90%. Similarly, Price and convenient navigability has a significance of 95% and 99%. Moreover, based on the result of the linear regression, it could be inferred that the most of the factors significantly contribute to customer satisfaction.

On the other hand, the result of the linear regression of customer satisfaction with subscription intention (H6) have a positive impact with a significance level of 99% (p -value ≤ 0.001) which is presented in Table 3.

Coefficients							
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	.855	.427		2.003	.047		
Content	.112	.067	.113	1.666	.097	.815	1.228
Features	.130	.096	.095	1.352	.178	.758	1.320
Social influence	.111	.060	.136	1.848	.066	.694	1.442
Price	.179	.059	.218	3.061	.003	.743	1.346
convenient navigability	.263	.066	.289	4.011	.000	.721	1.387

a. Dependent Variable: Customer Satisfaction

Table 2. Linear regression factors influencing customer satisfaction

Coefficients							
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	1.361	.366		3.723	.000		
Customer Satisfaction	.623	.086	.484	7.266	.000	1.000	1.000

a. Dependent Variable: Subscription Intention

Table 3. Linear regression factors influencing subscription intention

CONCLUSION

The demographic dividend of India’s 1.3 billion populations is the 60% young population in the age group of between 18 and 45. This tech-savvy youth always looks for innovative uses resulting from emerging technology. Hence the readiness to move away from conventional avenues of entertainment to more sophisticated technology-driven platform is only to be expected. The results of this study based on responses from a sample population, bring out OTT as an emerging competitor to the existing models. It also highlights OTT other major drivers such as anytimeanywhere, device compatibility choice of content and affordable pricing as reasons for the shift to OTT platforms. Moreover, the deep penetration of IOT and an exponential increase in the use of smart phones, tablets, and laptops have brought video content and entertainment to the fingertips of users. The user-friendly application and convenience of time and choice have also contributed to widespread acceptance of OTT as an alternative

tool the traditional satellite and DTH forms of rigid and structured content. Disruptive technology is all about enhancing consumer experience and delight with the added advantage of unlimited choice. This is bound to result in the creation, coordination, and delivery of value as stated by Philip Kotler. Innovation and technology cannot be static as they are driven by necessarily dynamic consumer expectations. In that direction, OTT may well be the beginning of a new era that will bring about an all-pervasive customer-oriented approach not only for entertainment but also education at all levels in future.

QUESTIONNAIRE USED FOR RESEARCH

Part 1-Content

I feel OTT platforms provide access to global content.

I feel OTT platforms provide diversified movies/shows content.

I feel OTT platforms provide better / more relevant content than other platforms.

Part 2- Features

4.I can access it from all compatible devices (mobile, laptop, TV)

5.I can view it according to my time availability

6.The language preference makes this OTT platform more popular than other platforms.

Part 3- Social influence

7. People around me like to use OTT platforms.

8. People around me recommend me to use the OTT platform.

9. I will use the OTT platform that people around me use.

Part 4- Price value

10.I feel the price for the OTT platform is reasonable

11. Price is affordable in all instances.

12. Flexibility in pricing is available and makes a good deal.

13. I think the value of the OTT platform is high compared to the cost.

Part 5- Convenient navigability

14.I can pause rewind watch

15.I can watch without commercials / Ad

16.I can watch at my own pace and time

Part 6- Customer satisfaction

17. I am satisfied with overall performance of OTT video streaming platform.

18. OTT platform service has met my expectations

19. I will continue to use the OTT platform in the future.

Part 7- Subscription intention

20. I frequently subscribe to OTT streaming platforms.

21. I have the intention to subscribe to OTT platforms.

22. I expect to subscribe to OTT platforms in future.

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