

Evolution of OTT (OVER-THE-TOP) Services and Its Impact in Today's Business

Dr. K Kaavya¹, Mr. Sanjay²

¹Assistant professor, school of management studies, Sathyabama Institute of science and technology

²PG student, school of management studies, sathyabama Institute of science and technology

Abstract: Over the past two decades, the evolution of the OTT industry has been nothing less than phenomenal. It has taken a fair share of the market and has reduced the usage of traditional pay-TV, compelling them to change their strategies. Given the flexibility and convenience it provides to the users in such a cost-effective manner, it is sure to rule the media industry in the coming years. Hence, this is for sure the right time for broadcasters and content owners to venture into streaming with their own standalone OTT platform. CONTUS VPlayed, in this case, is a leading self-hosted video streaming solution that businesses can partner with to build and launch an exclusive platform of their own to achieve greater benefits in terms of audience and revenue.

Key word: Traditional pay- TV, Broadcasters, Audience and Revenue

INTRODUCTION OF OTT

What is OTT and OTT full form goes beyond the traditional entertainment platforms like YouTube and social media. It aims to enhance the quality of entertainment by offering premium content through computers and various devices. The term “premium” distinguishes it from the regular viewing experience and provides high-quality, captivating experiences for the viewers. It achieved through the use of wireless internet and high-end technology that delivers superior visual and audio quality.

The rise of OTT has transformed the entertainment sector, creating new opportunities for content creators, producers, and marketers. It has paved the way for the production of high-quality and diverse digital media content that caters to the changing tastes and preferences of the audience.

It is a fast-growing industry that promises to provide a limitless supply of entertainment to viewers worldwide.

OBJECTIVES OF OTT INFUSIONS

Similar to legacy media advertising, over-the-top (OTT) advertising is generally presented in-between songs or episodes on OTT streaming platforms. This

transition from traditional media to OTT has had big implications for advertising, allowing mobile marketers and CTV advertisers a golden opportunity to reach users while they stream. Over-the-top (OTT) media has demonstrated its exceptional capacity to effectively target audiences, optimize cross-channel advertising, optimize ad segmentation, and boost ad engagement. OTT services provide advertisers with more sorts of ad inventory and give consumers a multitude of options on how to consume content. CTV OTT advertising is becoming a more effective approach to reach consumers who are cutting the cord and consuming media exclusively online.

In order to engage with the right users, many businesses are increasingly being more smart in their OTT targeting, mostly through CTV advertising. With OTT targeting, advertisers may display ads that are specifically catered to audience segments by using data and analytics to analyze viewer preferences, demographics, and behavior. In the quickly expanding world of online streaming services, OTT targeting helps maximize the efficacy of advertising campaigns by delivering adverts to the correct viewers at the right time, increasingly with the use of contextual advertising.

STRUCTURE OF AN OTT PLATFORM

To make it successful, there are a few important things to take into account. Here are some steps to help you build a prospective OTT platform:

- Identify your target audience:

Determine who your target audience is and what kind of content they prefer. This will assist you in developing a platform that suits their requirements and inclinations.

- Choose your niche:

Decide the particular genre of entertainment you wish to concentrate on. It could be movies, TV shows,

sports, documentaries, television, or any other form of entertainment.

- Content acquisition and licensing:

The licenses and rights to the content you want to provide on your platform must be obtained. You have two options for creating content: either create it yourself or get licenses from other creators.

- Develop your platform:

Once you have your content and audience in mind, it's time to develop your platform. You have two options: start from scratch or leverage pre-existing OTT platforms like Brightcove, Vimeo, Kaltura, Webnex, or Flicknex.

- Choose your monetization strategy:

Determine how you plan to monetize your platform. Will you utilize advertisements, a subscription fee, or a combination of the two?

- Marketing and promotion:

Once your platform is live, you need to promote it to attract users. Use social media, SEO, and paid advertising to reach your target audience.

- Analyze user behavior:

Use analytics tools to track user behavior and preferences. This will help you improve the user experience and offer content that resonates with your audience.

It takes meticulous preparation, a thorough grasp of your audience, and a strong monetization strategy to build an OTT platform. You may build a profitable VOD network that offers your users top-notch entertainment by following these steps.

REQUIREMENT OF OTT IN BUSINESS

- Unleash Your Creativity:

Meaning of OTT offers you complete control over your content, brand, user experience, audience analytics, monetization, and other archive data at the time of launch. Its rules and restrictions do not apply to you, unlike YouTube.

- Ad-Free Empowerment:

OTT offers consumers the ultimate freedom to choose what they want to watch and only pay for the

subscription service they opt for.

- Direct-to-Consumer Approach:

In case your audience is wondering what an OTT complete form is. And what OTT means, as well as how it may help them. You can tell them that this is the best approach to provide great content in front of your target audience. By providing a VOD premium experience that you have complete control over, you can enhance direct engagement and receive prompt feedback.

- Freedom for Your Customers:

With over-the-top (OTT) services, users have complete control over what they want to view and only have to pay for the services they really use. This level of convenience is driving industry uptake, making it more important than ever to have an OTT solution for your business.

OTT PLATFORM BUSINESS MODELS

The business model for OTT platforms typically involves generating revenue through subscription fees, advertising, or a combination of both. SVOD platforms generate revenue through monthly subscription fees, while AVOD platforms generate revenue through advertising. Some platforms, such as Hulu, offer both subscription and advertising options.

OTT platforms also have the potential to generate revenue through licensing content to other platforms or traditional TV networks. For example, Netflix has licensed some of its original programming to traditional TV networks in certain regions.

A number of significant factors are influencing the future of the industry as the over-the-top (OTT) market expands. One trend is the increase in original programming produced by OTT platforms. Platforms such as Netflix, Amazon Prime Video, and Hulu have all invested heavily in original programming, and this trend is expected to continue as platforms look to differentiate themselves from their competitors.

The emergence of specialized OTT services that cater to particular genres or populations is another trend. For instance, Crunchyroll is a website that provides anime and manga content, but Shudder is a streaming service that focuses on horror films and TV series. Niche platforms may establish a niche for themselves in the competitive OTT market by providing

specialized content unavailable on more general platforms.

The integration of over-the-top (OTT) platforms with other gadgets and services is anticipated to persist. For instance, in addition to traditional TV services, several cable companies also provide their own OTT platforms, and many smart TVs now ship with OTT apps pre-installed. The possibility for OTT platforms to reach new audiences will only grow as more and more gadgets are linked to the internet.

Catalysts in the growth of OTT Video Services Market:

OTT video is becoming a significant source of amusement for viewers, of course, thanks to COVID. However, let us then look at some of the factors which along with the pandemic have accelerated the OTT video consumption:

1. Growing internet penetration: The notable rise in broadband penetration has been a major factor in the OTT video segment's global growth acceleration. Governments are now more aware of the benefits of improved connectivity and how it may be used in use cases like advanced telemedicine, remote work, and augmented and virtual reality education, thanks in large part to COVID-19. Through more mobile usage and expanded high-speed broadband internet connectivity via fixed wireless access (FWA), 5G has the ability to enable application cases for mobile technologies.
2. Smartphone penetration & accessible high-speed mobile internet: There are 4.78 billion between mobile phone users in the world today which accounts for approximately 62% of the world population. Out of this 3.5 bn are smartphone users. Viewers can access content on any device, anywhere, at any time, by simply connecting their smart devices to the paid over-the-top (OTT) services.
3. Advances in media streaming technology: The cord-cutting mindset gave rise to over-the-top (OTT) video. People did not want to be tied down to specific times to view content. Instead, they wanted to view content at any time, any place, and on any device of their choice. Consequently, the modern OTT video on demand model was born. The spread of over-the-top (OTT) video services has been greatly aided by technology.
4. Personalization in OTT Apps: Internet penetration & proliferation of smart devices along with an increase in disposable income have enabled users to avail OTT services at the click of their fingertips. Consumers want to have the freedom of choosing the genre and watch the content as per their comfort and flexibility. Due to this, VoD services have become more popular, and as a result, home entertainment is now available via streaming services.
5. Innovative pricing models: Several OTT operators have used creative pricing strategies that have aided in drawing and keeping users on their OTT platforms. SVOD, TVOD, and AVOD are a few of the monetization strategies available for OTT Video on Demand. But OTT platform players are also using another well-liked model these days, and that is the Freemium model. While prospective subscribers deliberate whether to sign up for an OTT service or not, OTT Players have come up with this "freemium" model. Under this model, premium content access is paid for by paying subscribers, while open access to a limited catalog of content is offered as a means of attracting new members.
6. Growing demand for exclusive content: At a time when production has stopped and no new material is being developed, the growing demand and appeal of over-the-top content is a glimmer of light. Streaming hasn't stopped via the OTT platforms and subscribers are hungry for more content. While linear TV viewership has increased by approximately 6-7%, OTT VOD viewership has increased by 38% during the COVID crisis. In order to monetize their current material, production companies are now entering the digital sphere.

ANALYSIS ON OTT

Over-the-Top (OTT) platforms have become major competitors in the entertainment industry, and they have had a huge impact on the way consumers consume content. This study looks at how bad Over-the-Top (OTT) platforms are for society as a whole, highlighting the negative social, health, and psychological implications of their extensive use. Concerns have recently been raised about the language, content, and presentation of the OTT platforms project due to the many implications, particularly for teenagers. The research, which examines 25 review papers released between 2017 and 2024, concludes that OTT platforms have a

significant detrimental impact on human society.

CONCLUSION

In conclusion, OTT platforms have revolutionized the way we consume video content, offering on-demand access to a wider range of programming than traditional television. We should anticipate further innovation in content creation, delivery, and business models as the sector develops further. There is an over-the-top (OTT) platform out there for everyone, regardless of their taste in content—be it niche TV, historical films, or the newest blockbusters. More varied perspectives can now be heard thanks to over-the-top (OTT) platforms, which have made it possible for independent filmmakers and content creators to reach a larger audience without going through conventional gatekeepers.

One of the biggest effects of the OTT revolution is the democratization of content creation and dissemination.

REFERENCES

- [1] <https://blog.webnexs.com/ott-full-form-and-meaning-of-ott-platform>
- [2] <https://50wheel.com/the-detailed-evolution-of-ott-platforms-which-spans-a-decade>
- [3] https://www.researchgate.net/profile/Harshita-Goyal-11/publication/379823790_Impact_of_OTT_Platforms_on_Human_society_A_Comprehensive_Review/links/66249e4b66ba7e2359ed27cb/Impact-of-OTT-Platforms-on-Human-society-A-Comprehensive-Review.pdf/
- [4] <https://ijip.in/articles/ott-platforms/>
- [5] <https://www.hsc.com/resources/blog/how-covid-19-has-fueled-the-global-ott-video-business/>
- [6] <https://community.nasscom.in/communities/digital-transformation/telecom-media-communities/how-covid-19-has-fueled-the-global-ott-video-business.html>
- [7] <https://ijip.in/articles/ott-platforms/#:~:text=Nowadays%2C%20a%20lot%20of%20people,lack%20of%20humanity%20in%20people>
- [8] <https://ijip.in/wp-content/uploads/2024/04/18.01.220.20241201.pdf/>