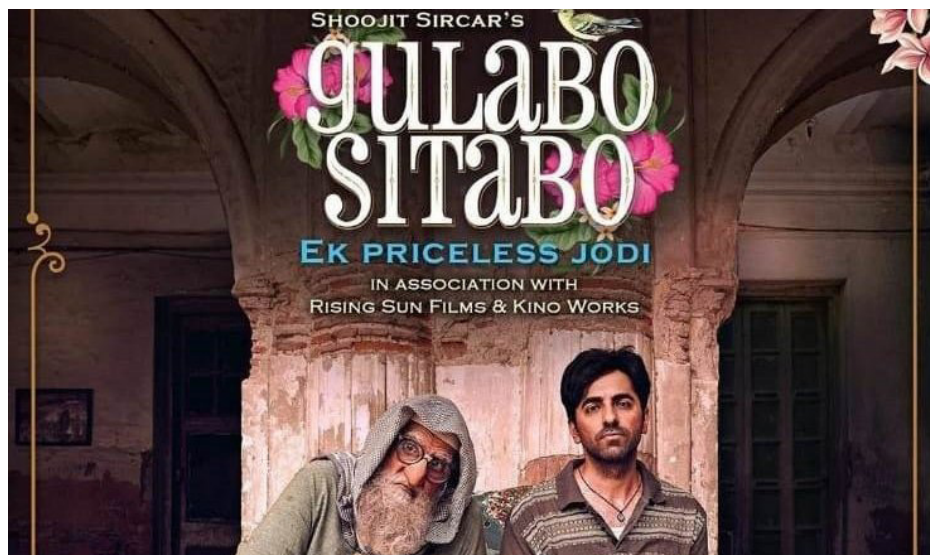


Article

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Growth of OTT in India: The Covid Factor



Introduction

Greeted with much fanfare and hope, year 2020 has presented humanity with a challenge that is ominous and debilitating. With each passing month, the Covid-19 pandemic has firmed its grip, bringing in its wake unforeseen misery, suffering and deaths. Optimism, which marked the start of the year, lies in complete shambles. With most governments imposing national lockdowns and emphasizing on strict compliance of social distancing norms, to arrest spread of Covid-19, free and normal movement of millions of citizens has been disrupted. Home confinement, physical separation from families, friends and relatives, spectra of employment loss or pay cuts and above all constant anxiety about preventing contacting the disease is the emerging order. Covid-19 is ushering in several alterations at rapid pace and thus laying the norms of a new normal.

Emphasizing the unprecedented impact the Covid-19 induced pandemic is having on the lives of millions of citizens, Mallikarjunan (2020) draws attention to the way its alter-

ing pattern of consumption of products and service offerings. This shift of consumption preference is happening on a gigantic scale and in all likelihood, will have a lasting effect on the functioning of several industries. Lockdowns, social distancing and evolving norms of ensuring personal hygiene, as route to protection from corona virus infection, is modifying on an everyday basis the way we work, relax, think and read (Mallikarjunan 2020). Taking this line of argument further Matthew (2020) adds that Covid-19 outbreak has accomplished what advertisement campaigns by top-notch brands have often failed to. The pandemic has forced consumers, in large numbers, to revise their preferences almost overnight. Matthew (2020) opines that stimulating change of customer preferences is never easy. Preferences tend to be inflexible and therefore remain impenetrable even in the face of the best marketing campaign messages. Yet several such psychological resistances have been dismantled by the pandemic, something that brands are often left desiring for. Matthew (2020) points out habituated shopping mall aficionados, found every establish-

ment closed overnight. Left with no option, they had to quickly adapt to online shopping. The same holds true for those who previously harboured varying degree of anxiety towards online shopping. Matthew (2020) holds that both groups were compelled, by situation, to explore the wide spectrum of e-commerce, something they had not previously planned to. As lockdowns prevailed and online ordering and delivery service emerged the saviour, many got used to shopping from the comfort of their homes and also became proficient in the e-commerce operations (Matthew 2020).

Such displayed resilience is not restricted to shopping and shopper attitude only. Menon (2020) states that restrictions imposed in the wake of Covid-19 pandemic profoundly transformed media and entertainment consumption pattern also. As lockdowns prevented people from venturing out, either for leisure or work, social life increasingly moved to online platforms. Social media provided the opportunity to stay connected with families, friends, colleagues, neighbours and others. With out-of-home channels of entertainment closed by government order, following of at-home channels of entertainment displayed steady growth and popularity (Menon 2020). As such television viewing rose both in terms of viewership and viewing time and gaming applications recorded higher number of downloads and time spent. With movie theatres closed, over-the-top platforms gained popularity and also witnessed a surge in number of viewers and also subscribers (Menon 2020). Specifically, over-the-top (OTT) platforms, have surfaced as a new lifeline not only for entertainment seeking viewers but also for producers and directors of different stature. And going by reports of experts, this trend is here to stay (Menon 2020). Building on this perspective, this article specifically delves into how OTT platforms have gained prominence and catered to different segments in these times of uncertainties.

Potential of OTT in India: Pre-Covid 19 scenario

Prior to exploring the evolution of over-the-

top platforms in India during the lockdown period, it is pertinent to access the degree of potentiality this channel held out in the Indian context prior to onset of the pandemic. This will aid in precisely comprehending the quantum of attractiveness escalation that occurred once the threat of Covid-19 firmed its grip over the country and led to constituting of restrictions.

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. Fitzgerald (2019) admits that such companies are well aware of the last mile infrastructural and technological bottlenecks, which has denied vast stretches of rural India from unhindered internet connectivity. Yet what held out promise was the 460 million strong internet using population, ranked just behind China's 721 million user base. For the service providing companies, this user strength implied presence of a lucrative market waiting to be explored with meaningful and engaging content. To this end Bhushan (2016) had earlier indicated that India has the capability of becoming a hub for local content development for the different OTT platforms. Indications of this is prominent from a report published by KPMG highlighting just about 0.5% viewership for television programs which are originally produced for US countries and the Western world. Hollywood produced films and other foreign titles generate about 10% of box office earnings, with indications of the contribution percentage going up in future. In contrast, Indian content attracts about 60% viewership across television and OTT platforms (Bhushan 2016). Hence India came to be regarded as the battleground where clash of Amazon and Netflix, over market dominance, will pan out. If the pricing packages offered during introduction of

these OTT services are indications to go by, the battleground analogy may well hold true. Amazon launched Amazon Prime Video at introductory pricing of Rs. 499 or \$7.50 for a full year, in an obvious effort to neutralize Netflix's basic monthly subscription charges of Rs. 500. To lure viewers both offered 30 days of free trial, Amazon taking it a step further by extending free subscription offers for its Prime Shopping Service members (Bhushan 2016). Other OTT platforms also adjusted their subscription rates accordingly with ErosNow charging between 75 cents to \$1.50 every month and Hotstar making its premium service available at \$3 per month. This differential pricing pattern indicates to market potentiality which companies are eager to consolidate on (Bhushan 2016).

Yet observers point out availability of local content and its generation holds the key to market superiority. It is considered to be the differentiating factor between OTT platforms and determines which viewers subscribe to in greater numbers (Bhushan 2016). Hence Netflix roped in Anurag Kashyap's Phantom Films to put together its first indigenous content *Sacred Games*, and Amazon also signing him for *Stardust* and *The Family Man*. The latter also got Excel Films on board to produce *Powerplay*, *Mirzapur* and *Made in Heaven*. Amazon has a total of nine shows under production and an equal number in other stages of finalization (Bhushan 2016). While Netflix's streaming package initially consisted of acquired parallel cinema titles, Bollywood content and regional productions, Amazon focused on getting bigwigs like Dharma Productions, T-Series and Vishesh Films to produce content for Prime Video. The former had even entered into a licensing agreement with Shah Rukh Khan's Red Chillies Entertainment to own global rights of streaming *Dear Zindagi*, *Happy New Year* and *Om Shanti Om* (Bhushan 2016).

Citing a report by research organization Kantar, Malvania (2019) discussed the trend of OTT consumption in India prior to onset of the pandemic. With increasing ownership of smartphones, women were noted as fast adopters to the new technological offering. While 42% women were found to be regular con-

sumers of OTT content, in 2019 about 14% new women consumers adopted the medium (Malvania 2019). When viewed from a gender-neutral perspective, the study found that among new adopters 63% hailed from the 45 years to 54 years age group with another 18% belonging to the 35 years to 44 years group. This was interpreted by researchers as indication of growing acceptance of the subscription model, clarified by the growth of consumer base across different age groups. Since women and those hailing from lower social strata were found to be fast embracing OTT streaming, it was concluded that the once niche medium was transforming into one for the masses (Malvania 2019). Focus of service providers on diversified local content, thereby offering subscribers a wider choice, was making a difference and altering the practice of prime-time television viewing. Pointing to lowering cost of data and smartphones in India, the report observed that these have aided growth of audience segment C by 17%, audience segment D and E by 13% while segment B showed growth by only 4% (Malvania 2019). In other words, members of categories not typically perceived as lucrative are strongly fuelling the proliferation of OTT services in India.

According to another report published by The Boston Consulting Group, India's OTT market is pegged to hit \$5 billion by 2023 (ET Brand Equity 2018). Rising level of affluence, data percolation in the rural areas and higher acceptance of the medium among women, middle aged and senior generations were cited as prime movers of acceleration (ET Brand Equity 2018).

\$5 Billion: The Potential of the Indian OTT Market in 5 Years

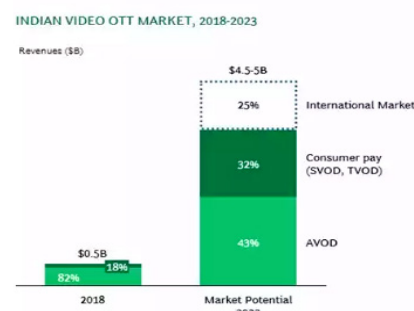


Fig: Projected growth of OTT market in India

Source: ET Brand Equity 2018

The above representation details forecasted growth of the different OTT platforms, eventually culminating into the projected growth of the overall medium in India. As is evident, advertising based platforms are expected to register 43% growth, subscription based platforms are likely to grow by 32% with another 25% growth coming in from international markets. In comparison to 2018, this implies shrinkage of the advertising based platforms and expansion of the subscription based platform. The study forecasts 40 million to 50 million subscription based platforms users and close to 600 million advertising based platform users by 2023 (ET Brand Equity 2018). With 48% of internet users expected to be from rural India by 2023, the report suggests that if OTT service providers are able to generate quality regional content there will be significant opportunity for their growth and dominance in the country. Since most Indian OTT operators have access to quality digital library pertaining to cricket, Hindi films and music, they will be in an advantageous position vis-a-vis international service providers. Hence these companies should stay focused on generating more Indian niche content, to be able to exploit the favourable environment and register significant growth in coming years in India and abroad, the report suggested (ET Brand Equity 2018).

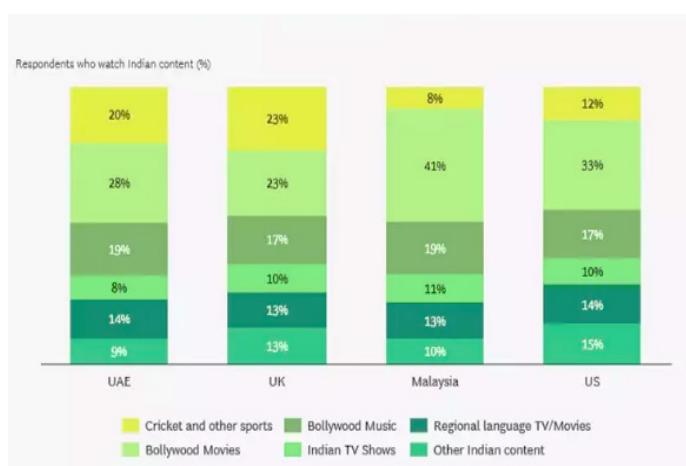


Fig: Proportion of Indian content viewed by respondents

Source: ET Brand Equity 2018

For the international market, optimism stems from the viewer preference pattern enumerat-

ed above. As is visible, Hindi movies and music cumulatively dominating other segments. When Indian TV shows are added to these, the appeal of local content among the diaspora gets magnified. With Indian OTT platforms having access to these treasure troves, their potential market penetration in coming years gets clarified.

From the different reported findings, it can therefore be deduced that India holds lucrative proposition for OTT service providers in the short and long term. Lowering of data charges and increasing of smartphones, in the rural areas, coupled with expanding age and gender demographics of people switching to OTT entertainment, will be strong facilitators of the projected growth story. With local content poised to be in great demand, specifically Bollywood movies and film music, focus of service providers may well be on garnering rights to such works to cater to their audiences. While Amazon and Netflix are forging collaborations with local directors and production houses to develop relevant content, the quantum of movie and music titles they will be to exclusively stream will also be an important determinant of viewer base. And herein the home-grown service providers may be on an unequal playground, given the financial foundation of Amazon, Netflix and others in the league.

Growth of OTT in India: Post-Covid 19 scenario

Though the segment was expected to grow, Menon (2020) notes that the lifestyle change, the pandemic has brought about, will augment the process. With out-of-home options shrunk or inaccessible, the demand for in-home entertainment has spiked. As accessibility and the new habit of maintaining social distance becomes priority, new viewers have been migrating towards OTT platforms for their daily dose of entertainment (Menon 2020). Streaming services are enrolling viewers from varied locations and from different demographics. As and when the pandemic subsides, this trend is expected to remain unaltered because of the psychological hangover the virus and its ef-

fect will have on people (Menon 2020). It is expected that recover in the media and entertainment industry will be slower compared to other industries, providing a fertile ground for introduction of technological innovations to deliver quality entertainment at the doorstep. Virtual concerts, virtual live shows, virtual collaborations and diversified delivery models can aid strengthen connection between viewers and service providers (Menon 2020). Viewer comfort, in respect to OTT platforms, and their confidence in content quality and service delivery, both for new and existing customers, is expected to improve due to increased exposure to the medium during lockdown. This is reflected in the 20% viewership hike, platforms have recorded. With people working from home, leading to saving of travelling time, entertainment consumption via OTT has gone up (Fernandes 2020). Between February 2020 and March 2020, Netflix witnessed surge in users by 30%. Hike in consumption hours and extension of prime-time slots have also been recorded. Currently morning prime time has extended from 8 am to 11.30 am, an hour longer than previously. Evening prime time extends from 6 pm to past 12 am, a good four hours longer than usual (Fernandes 2020). Surge in revenue of OTT platforms during the lockdown period, when revenue for most other businesses hit rock bottom, also bear testimony to how viewers preferences are swirling towards in-home online entertainment in the post Covid period. ZEE5, one of the 30 OTT players in the domestic market, saw its paid viewership go up by 45% and subscriptions swelling by 80%. Viewing time went up by 50%, Daily Active Users increased by 15% and its application download, by 41% (Patwa 2020). The company also experienced 3 times rise in viewership on connected devices over the duration of the lockdown. Company officials attributed this new found popularity of ZEE5 among online streaming viewers to their sturdy content, which covers different genres and 12 regional languages and can cater to 1.25 lakh viewing hours (Patwa 2020). This underlines the aspect of 'content being king' in the OTT segment. Observers further adds that with

shootings stalled, for films and television serials, and release of major titles postponed indefinitely, demand for fresh content has been growing steadily among home bound people. With their mix of premium content, original shows, blockbuster films and classic films and programs, OTT's is deftly filling in the created void. With content available in different languages, they are dishing out fresh and daily entertainment doses to a wide cross-segment of people whom television and films are not being able to cater to. In other words, OTT service providers are moving, with alacrity, into spaces left by other media and entertainment channels and seeing revenue and membership hikes (Patwa 2020).

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, viewing time and subscription numbers displayed an upward swing for Alt Balaji also (Kaushal 2020).

Buoyed by the response received, several OTT platforms transformed into launch pads of Bollywood and regional films which were earlier expected to have theatrical releases this year. ZEE5 hosted the premier of *Ghoomketu*, featuring Nawazuddin Siddiqui and Anurag Kashyap. This film was completed in 2014

and was meant to have traditional release. But due to uncertainty existing around re-opening of movie theaters, the producers deemed it prudent to stream the movie via an OTT platform. This, according to industry, is indicative of an emerging trend which will witness even the seasoned movie theater viewer transforming into an OTT viewer (Kaushal 2020).

Though some big-budget releases are seeing postponement of commercial release, list of films exploring the OTT route to commercial release is growing. Amitabh Bachchan starrer *Jhund* and Abhishek Bachchan starrer *Ludo* will both be released and streamed by OTT service providers (FJP 2020). Though the name has not been revealed or an official announcement made, yet as per available industry inputs, a major player within the OTT segment has bought the release rights of both films. *Jhund* has been produced by Nagraj, Bhushan Kumar, Krishan Kumar and others. Reports indicate that the film narrates the story of Vijay Barse, a superannuated sports instructor and founder of Slum Soccer, a Nagpur based NGO (FJP 2020). *Ludo*, directed by Anurag Basu, had been slated for release on 24th April 2020 but had to be called off due to the pandemic and the ensuing lockdown. An OTT release is therefore the option that the makers explored and, in all probability, finalized. Interesting to note that besides Abhishek, the film has a cast ensemble including the likes of Rajkummar Rao, Pankaj Tripathi, Fatima Sana Shaikh, Aditya Roy Kapur and Sanya Malhotra. It is produced by Bhushan Kumar, Krishna Kumar, Anurag Basu, Divya Khosla and others (FJP 2020). Even 'Laxmmi Bomb,' a movie of the horror-comedy genre and starring Akshay Kumar, is expected to release on Disney+Hotstar. This movie was scheduled for theatrical release on 22nd May 2020. But that could not be achieved due to the lockdown and also non-completion of post-production work (FJP 2020). It is reported that since the post production team is currently working from home, completing remaining work is taking more time than it would otherwise. However, the team is optimistic of wrapping up pending work and hav-

ing the film ready within June. It is reported that Akshay Kumar is taking the lead in convincing producers to release the film on the Disney+Hotstar OTT platform to ensure that none suffers financial losses due to the current volatile situation (FJP 2020). Given the interest being demonstrated by leading production houses, directors and actors in putting up their latest projects for OTT release, underlines the growing acceptance of this platform emerging as an entertainment mainstay in this era of social distancing and utmost personal hygiene and precaution. Though some big-ticket movies are holding out for better days before commercial launch, interest of top grossing actors for commercial launch of their latest flick via OTT validates the importance of this medium. And this surely will attract more viewers who will join the platforms as new subscribers.

An indication of competition among OTT service providers to capture greater share of the flourishing market can be had from seven releases which has been lined up Amazon Prime Video. Spanning across different languages, Amazon has pulled off a coup of sorts which will help it consolidate its position in the Indian OTT market, vis-à-vis competition (IANS 2020). Shoojit Sircar's much awaited latest offering *Gulabo Sitabo* has been released on 12th June 2020 on Amazon Prime Video. The other Hindi film to be released on the platform, though the date has not been announced yet, will be *Shakuntala Devi* with Vidya Balan in the lead (IANS 2020). Tamil flick *Ponmagal Vandhal* starring Jyotika premiered on 29th May 2020. *Penguin*, made in Tamil and Telugu and starring Keerthy Suresh, got released on 19th June 2020 on Prime Video again. Prosenjit Chatterjee starrer Bengali movie *Nirantar* has been released on ZEE5 along with a television premiere on 28th June 2020. Ragini Chandran and Siri Prahalad starring, Kannada movie, *Law* will be releasing on 17th July 2020 tentatively. Another Kannada movie, *French Biryani* starring Danish Sait, will start streaming from 24th July 2020. Malayalam flick *Sufiyum Sujatayum*, featuring Aditi Rao Hydari will also have an Amazon Prime Video release though the precise date of the same has not

been announced (IANS 2020). Amazon has set itself a three-month period over which it will slate releases of the new films and these will be made available to viewers across 200 nations and territories globally (IANS 2020).

Reaction of theater owners and relevant associations is hardly surprising. Following the decision to release *Ponmagal Vandhal* via the OTT route, The Tamil Nadu Theater and Multiplex Owners Association has warned that all future movies produced by Suriya's 2D Films will be banned from theatrical release if the decision is not revoked. The Association has also threatened that any film which has Suriya in the lead, will also face the same consequence. Incidentally Suriya, a superstar of Tamil cinema, is the producer of *Ponmagal Vandhal* and also husband of lead actress Jyotika (IANS 2020). Several exhibitors have also protested the move by different producers to give rights of their films to OTT majors like Amazon Prime Video. INOX, operators of the multiplex chain, described the growing affinity among production houses to move away from the globally prevalent practice of theatrical release and viewing of films as both 'alarming and disconcerting.' The group reminded houses exploring OTT releases and premieres that movie theatres and film content developers have always shared a mutually beneficial relationship and complemented each other in revenue generation. In the present situation, unilateral decision of producers and actors to move away from the laden path will destabilize that relationship, warned the multiplex leader (IANS 2020). Going by the stature of movies, which will eventually have OTT commercial releases, it can be said that such protests and warnings have probably not had the desired impact. Alternatively, it magnifies the discomfort that OTT service providers have been able to stir within theater owners and exhibitors.

Content generation and streaming for children, has also emerged as a strategic priority area for OTT platforms. This has been stimulated by findings of a study, conducted by Broadcast Audience Research Council (BARC), underlining a 39% jump in viewership of children

entertainment programs aired on television channels. Even VOOT Kids, a video-on-demand platform operating on the subscription based model, reported six times increase in everyday subscription numbers for the period preceding announcement of the national lockdown in March (Mahendra 2020). Post announcement of the lockdown the registration numbers went up by 50% sans any marketing efforts on the part of the platform. To capitalize on this trend, OTT service providers adroitly planned initiatives expected to drive up children viewing time and viewership numbers. ZEE5 introduced a new free segment, ZEE5 Kids, specifically for this audience segment. Disney+Hotstar streamed content from the Disney+ library, besides commissioning fresh episodes for current content stock (Mahendra 2020).

In addition to films and other programs, streaming of music programs has also attracted its fair share of listeners during the lockdown phase. On 29th March 2020, Instagram and Indian Music Community collaborated to host a virtual musical gala titled 'Live In Your Living Room.' This program featured artists like Armaan Malik, Naezy and Lisa Mishra and their live performance was streamed globally through Instagram (Verma 2020). Preceding this initiative, IG Live had streamed 'Together at Home,' a series of performances by leading musicians like Chris Martin, Keith Urban and John Legend. The programs stressed on the importance of staying at home and taking all necessary safety precautions to keep corona infection at bay (Verma 2020). Spotify, an application streaming music, launched the Spotify Covid-19 Music Relief Project, to raise funds for organizations which are directly involved in assisting those in dire need due to restrictions and lockdowns. Amazon Music and YouTube Music came forward and contributed to the MusiCares's Covid-19 Relief Fund meant to extend financial support to workers of the music industry, who lost earning opportunities due to imposed restrictions. Independent content promoting platform Hungama Artist Aloud, launched a digital concert series christened Stay At Home Stay

Entertained. This multilingual, multi-talent and multi-genre initiative was streamed live over a fortnight starting from 1st April 2020 (Verma 2020). This brought together artists like Shibani Kashyap, Suneeta Rao, Sherrin Varghese, Mame Khan, Manani Scott and others who went live on the Facebook Page of Hungama Music, performing their homes.

So, it can be deduced that OTT platforms and music applications diversified their offering bouquet to pull new viewers and listeners, thereby widening their subscriber and listener base. This translated into business and revenue growth and the trend is likely to continue in the near future. While initiatives like film releases and others have attracted brickbats from players operating in the more traditional channels and mediums, it has certainly not dampened the growth ambition of these new-age media channels and platforms.

Revenue Challenges

While popularity ratings of OTT platforms can be expected to consistently head the upward direction, comments on the revenue potential exposes probable challenges in the path. Shafer and Bacon (2020) points out that the Covid situation has led to more people opting for the video-on-demand subscription model. This requires the viewer to pay a fixed rate, independent of consumption volume. An increase in subscription numbers, in a lockdown situation, may not always imply growing revenues. When consumption goes up, OTT service providers also experience higher monetary outflow on account certain types of variable costs as restrictions creates hindrances in the network for content delivery. It pushes up delivery cost, proportional to quantum rise in consumption. Rise in subscription is therefore countered by rise in content delivery expenditure, rendering gains from fixed charge subscription quite marginal (Shafer and Bacon, 2020). Hence even with a jump in subscriber number in the short term, OTT platforms may not register higher earnings per subscriber. This gives rise to the probability of financial strains masked by expanded subscriber base.

Yet a silver lining is the rising viewership that OTT platforms have managed to add during the extended lockdown period. It is anticipated that leveraging higher viewer numbers and viewing hours, platforms will be able to drive up advertisement linked revenues. Given the traction they will be able to generate, companies may be willing to scale up advertisements on OTT platforms. Hike in advertisement revenue might help the service providers offset the increased delivery costs, necessitated by increased consumption (Shafer and Bacon, 2020). Experts, however, points out that this equation may not be as linear as it appears. With demand for products and services experiencing downturn, due to lockdown and restrictions, companies are taking a hit in terms of revenue. Their earnings are also getting squeezed due to complete stoppage of business and economic activities. With balance sheets getting impacted, the degree of willingness among companies to allocate additional funds or continue with existing budgets for advertisement campaigns on OTT platforms remains doubtful (Shafer and Bacon, 2020). The jury is still out on this aspect and only future course of governmental decisions and initiatives to open up economic and business activities will provide indications about the trend advertisement based revenues will take (Shafer and Bacon, 2020). So, additional revenue generation to offset escalated delivery costs remains an area of OTT operation where clarity is still awaited.

Shafer and Bacon (2020) states that channels like YouTube, Roku, Pluto TV and Vudu seems to be partially well placed, given their business model of free service supported by advertisement based revenue. Recent studies indicate that YouTube is the leader in the video-on-demand supported by advertisement revenue business space. Other players lag behind YouTube significantly.

Ad-supported online video services used (AVOD)

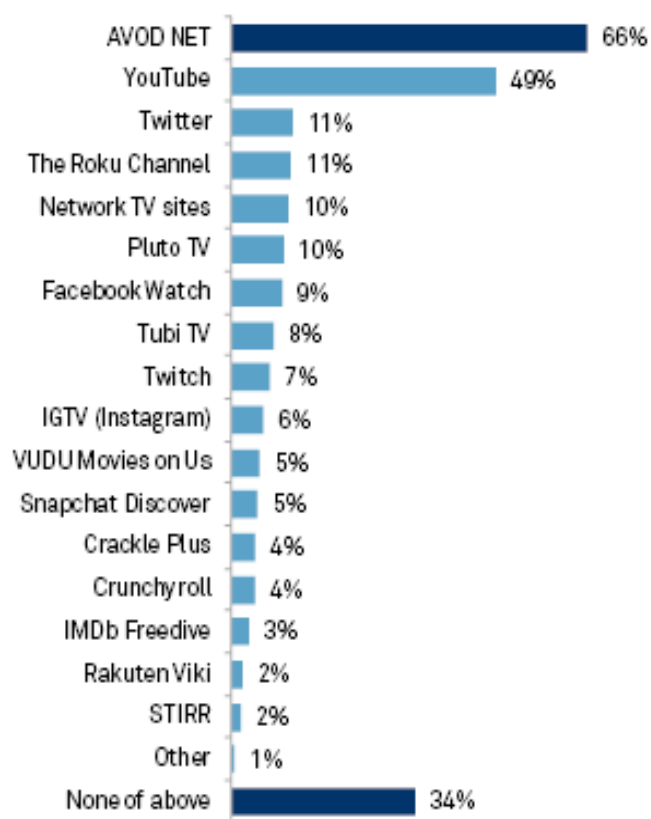


Fig: Usage percentage of advertisement-supported online video services

Source: Shafer and Bacon (2020)

As is evident, YouTube commands about half the share of the total video-on demand supported by advertisement revenue market. Its nearest competitors lag by a considerable margin. With nearly 2 billion views, recorded every month, YouTube certainly has the advantage in the short term. The channel can drive up revenues, from this category further, by convincing more viewers to enroll for its premium subscription package which offers advertisement free streaming. But it must be kept in perspective that YouTube's digital business portfolio is not cocooned from the effects of global economic uncertainties. So, in the scenario of depression or recession induced advertisement spend curbs, the shocks will be felt by the channel also.

Cumulatively this underlines the probability of a situation where channels may have to face financial uncertainties if advertisement

spends are controlled by corporates trying to shrug off the twin impacts of economic shut-down and ensuing global economic recession. If this becomes reality, the increased subscription based earnings may not be sufficient to offset the loss. OTT platforms like Amazon Prime Video, Disney+Hotstar, YouTube and others may find ways to survive the situation, given the earnings of their parent companies from business verticals other than OTT. The going, however, may get tough for smaller OTT players, who are not part of or do not have the financial backing of such strong parent entities. So, while the present hike in subscriber numbers and viewing time are reasons for optimism, there are enough indications in the evolving global economic scenario for cautious treading.

Conclusion

It can therefore be summarized that the Covid-19 pandemic and ensuing lockdown and travel restrictions has been a blessing in disguise for the OTT platforms in India. Though the segment was forecasted for strong growth in the near short term, the momentum has received a fillip due to the prevalent conditions. Platforms have registered growing subscription based viewership and also viewing hours. The prolonged closure of multiplexes and single screen movie theaters has forged a closer tie-up between OTT service providers and leading Bollywood and other regional production houses, resulting in a slew of big ticket movies getting released across various platforms. While this will enable producers to reach a wider viewer base and ensure return on investment, it will help OTT providers penetrate into new territories and demographics boosting subscription based revenue. Top ranking cine stars and production houses persisting with OTT releases, in spite of threats by multiplexes and relevant associations, is indicative of an emerging trend that may pose significant challenge to multiplex and movie theater owners. Notwithstanding these positives, OTT operatives must remain cautious of the recessionary trends across several economies. This may adversely impact their advertisement revenues and coupled with higher

cost of content delivery, due to increased consumption, can pose a unique roadblock in the growth path of OTT service providers.

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