
An analysis of customer preference towards OTT Platform during a pandemic: A special reference to Jamshedpur Market

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ABSTRACT

Over the top media platform is a streaming media service offered directly to viewers via the internet. It bypasses cable, broadcast, and satellite television platforms. The prominent players among the OTT platforms in India are 'NETFLIX' and 'HOTSTAR'. India is expected to become second biggest OTT market after the US with over 500 million users in 2020. The Study on customer preference towards Netflix and Hotstar among the masses of Jamshedpur was done to find the acceptance of the OTT platforms and the underlying influencing factors. The statistical tools like descriptive statistics were used to analyze the collected data through survey with the help of a self designed questionnaire. The findings of these studies gave conclusive status of the customer acceptance and preference of the OTT platforms in Jamshedpur with a higher preference towards Hotstar among the masses.

KEYWORDS: OTT, Netflix, Hotstar, customer, preference

1 INTRODUCTION

The current Covid-19 pandemic and the across the nation lockdown has not only slowed down the growth of the enterprises and financial outcome, yet has additionally prompted change in the behavioural pattern of the individuals towards consumption of products and services, including that of digital based consumption. The transition is the consumer behavioural patterns brought about by the lockdown implemented by the Government of India and hypothesized that a significant number of these social changes are not transient in nature; they are probably going to remain long haul. One of the most affected domains today is media and diversion (M&E), which is intensely dependent on the promotions and on-ground activities and events. Notwithstanding the new OTT stages, the business would have been cleared out at this point. According to the examination directed by KPMG, there has been a recognizable increment in media utilization during the most recent couple of weeks, despite the fact that money is a greatest challenge. The service providers dealing with OTT platform is responsible for the delivery of contents comprising of audio, video, and other media over the web and sidestepping the customary network administered by the operators. Since the OTT players don't require any business or tech based requisites from the network

operators for offering such types of service, they are regularly known by the term "Over-the-Top" (OTT). These lean and deft OTT players, empowered by innovation advances, for example, smart phones, super-quick IP systems, new out of the box technologies, and transition in buyer inclinations towards these free platforms are seeing an ever-expanding appropriation rate. The revenues from membership in OTT and Digital media have taken a hike, as homebound customers search for quality based content. The greatest benefit accrued from the OTT platform by the consumers are the diversity observed by the consumers in the content which ranges from the Oscar based Korean movies to the desi ones, providing a vast plethora of content made for audiences belonging to different genres.

There has been an exponential growth in Video-on-demand platform in India. Hotstar, Netflix and Amazon Prime have become big names in the business and likewise we have new participants, for example, MX player and Sony Liv. With the assistance of enormous information, stages are contriving methods of customizing their client experience. Developments, for example, voice labels, expanded and computer generated reality, 360 degree review and square chain innovation are additionally getting strongly investigated. The pace, at which the business is changing, makes it essential for the platforms to develop ceaselessly. Uninterrupted 4G connectivity along with the emergence of Reliance JIO has made data cost affordable and easily accessible which has played a vital role in the growth of Over-the-top media services.

There's no re-thinking in the way that the OTT business will be the substance of Media and Entertainment Industry in the coming years. As indicated by an exploration by Allied Market Research on OTT Service Market, the worldwide OTT showcase shows a promising development potential, with a CAGR of 16.7% (2018-2015). When contrasted with the worldwide market, Indian OTT industry is still at a beginning stage of development. In any case, the high development in Indian crowd leaning toward the online media entryways makes the subcontinent an OTT showcase with incredible potential. As anticipated by PricewaterhouseCoopers (PwC) in its report named "Worldwide Entertainment and Media Outlook 2019-2023 (Outlook)", India's OTT industry is anticipated to an incentive at Rs 11,977 cr by 2023.

The report covers reviews of Netflix and Hotstar the two significant giants in OTT platform in the Indian M&E industry. This quick development has given a brilliant opportunity to content makers/proprietors, yet additionally publicists and brands by giving them greater perceivability in the computerized customers' excursion. This thusly is helping the stages increase extensive incomes and limit their misfortunes. In this journey of accomplishing benefit, it gets cardinal to comprehend the business' players and the crowd they are serving to.

2 REVIEW OF LITERATURE

Menon (2020) states that limitations forced in the wake of Covid-19 pandemic significantly changed the consumption pattern for media and entertainment too. As lockdowns kept individuals from wandering out, either for recreation or work, public activity progressively moved to online stages. Web-based social networking furnished the chance to remain associated with families, companions, partners, neighbours and others. With external

channels of entertainment (Out of Home based entertainment) shut by government request, the home based entertainment modes showed consistent growth and development.

Deloitte (2017) report on “Digital Media: Rise of On-demand Content” stated that the availability of affordable smartphones and better internet 4G connectivity has given rise to the demand for video on demand entertainment services. More people are now spending time on digital media compared to the cable or dish network.

ICFAI (2019) report on “Transition of Consumer towards Video Streaming Industry: A comparative analysis of Netflix and Amazon Prime.” mentioned that Content is said to be the king when it comes to on-demand video streaming channels and Netflix has slight edge over others in terms of content. Hotstar seems to be considerable choice because of the content it offers at affordable prices.

Mann et al., (2015) in report “Digital Video & the connected consumer” notified that with 50% of smartphone app users aged between 18-24 years, the OTT media platforms are targeting a younger demographic.

In the study “Understanding Adoption Factors of Over-the-top Video services among millennial consumers”, researchers highlighted the four major factors that affect consumer adaptation towards different platforms. They are Convenience, Mobility, Content and Cost. (Dasgupta & Grover, 2019)

Khanna (2016) in his report “A study on factors Affecting Subscription rates of Netflix in India: An Empirical Approach” stated that Indian consumers are more inclined to watch free content online rather pay a fee for the same. Low subscription of Netflix is due to the non-availability of regional and local TV shows and movies.

The Kalagato report (2017) presented a breakdown of the market share in the Indian video OTT industry for the respective players. The report states that Hotstar was a market leader with 73.19% with Netflix with 1.26% of the market share.

KPMG (2017) on “The ‘Digital First’ journey” listed down the announcements regarding original content investments by OTT video platforms in India. It also mentioned the emerging genre – ‘live streaming’.

Ernst & Young (2016) in the report “Future of Digital Content Consumption in India” stated that an increase in the usage of smartphones in India has stirred a new era of video consumption on the personal media devices. The penetration of smartphones in India is projected to grow to 520mn by 2020 and broadband penetration will increase to 40% from 14% in 2020.

3 OBJECTIVES OF THE STUDY

The objective of the study was to conduct a comparative study on the customer preference towards Netflix and Hotstar among the masses of Jamshedpur.

- To study the customers’ preference towards OTT platforms.
- To analyze the preference towards Netflix and Hotstar among the masses of Jamshedpur

4 RESEARCH METHODOLOGY

It is an exploratory study with descriptive research design in order to investigate the customer preference towards the different OTT Platforms in the geographical region of Jamshedpur. The sample of the study was confined to the Jamshedpur market and the sampling technique used was convenience sampling. The data collection was conducted through survey method with the use of a self designed Questionnaire. The constructs of the questionnaire was framed through an In-depth interview prior to the survey. It was carried out through telephonic interview keeping the WHO guidelines in mind during this pandemic period. Through this in-depth interview, the scope of the study was highlighted where the two top most brands were selected for the study – Hotstar and Netflix, which were the most talked about OTT platforms accepted in the study area. It also helped the scholars to identify the forces behind the surge of rise in the rate of customers towards the OTT platform.

Once the constructs being framed the survey was conducted through the questionnaire which was circulated with the help of digital media platforms using Whatsapp groups, Facebook and other social media. Sample size of the data collected is 100. The survey was specifically targeted towards the residents of Jamshedpur and the survey was well segregated. Responses filed by people outside Jamshedpur were later deleted to get an accurate detailed analysis of the topic.

Secondary data was collected with the help of internet and other media platforms. Newspaper, magazines, research paper, conference sheet and OTT media platforms respective websites were also used to gather the data and information. Data was analyzed through descriptive statistics by using Excel.

5 LIMITATION OF THE STUDY

Qualitative research and physical in-depth interview cannot be conducted due to the on-going global pandemic COVID 19. Much of literature review was not available. The limitation of my study restricted itself to the analysis of customer preference and perception. There are many other OTT platforms available but my study is limited to two major players NETFLIX and HOTSTAR leaving behind the others. The study also restricts itself to the geographical area of the city Jamshedpur.

6 FINDINGS OF THE STUDY

The study was targeted towards the residents of Jamshedpur (Jharkhand), hence the responses of non-Jamshedpur people were deleted latter so that the most authentic result is derived according to the required study. All the 100 respondents of this survey were residents of Jamshedpur.

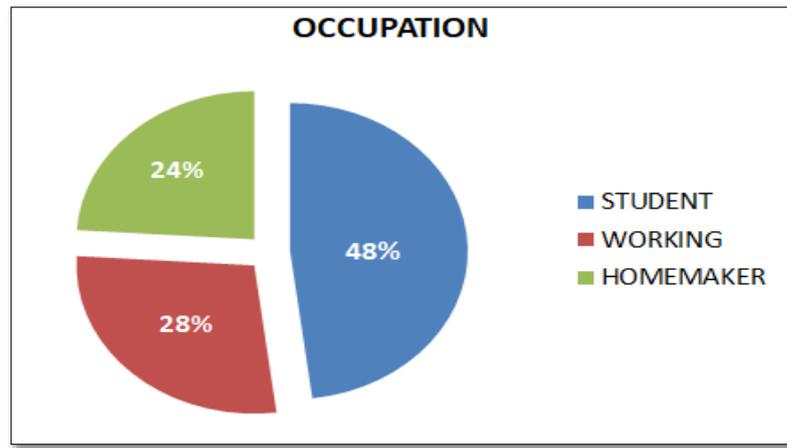


Figure 1 Percentage of the respondents based on occupation

The masses were then enquired about their occupation to check the acceptability of the survey. The graph clearly indicates that the survey was well accepted across all occupation. Students contribute the bulk of the survey comprising of 48 respondents (48%) followed by the working class contributing 28 responses (28%) which included both male and female, last section were the homemaker which included only females responses contributing 24 respondents (24%).

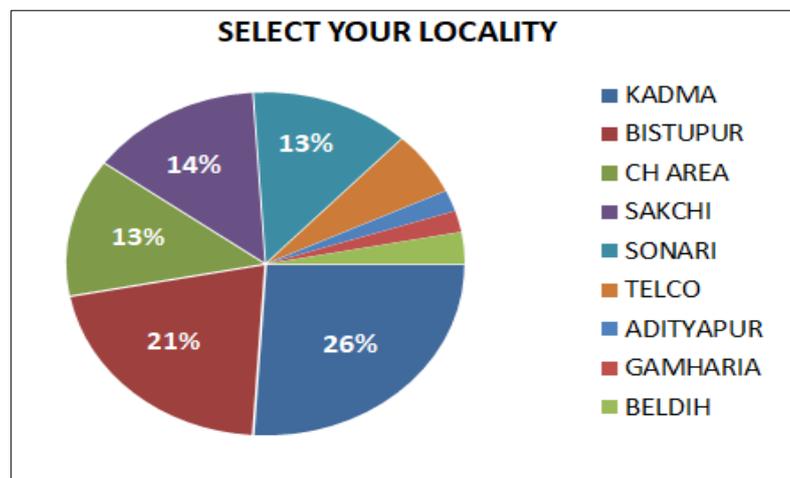


Figure 2: Percentage of respondents based on Locality

The following question “Select your Locality” was asked to check the reach of the survey. Jamshedpur being industrial town with over a million population, it is necessary that the respondents be well distributed along the geographical area so that accurate information of the customer preference can be interpreted. The graph shows that the survey was well distributed with Kadma region having largest respondents of 26 people constituting 26% followed by Bistupur and Sakchi with 21 (21%) and 14 (14%) respectively. CH Area and Sonari had 13 respondents (13%) each. Hence it can be derived that the survey had a wider reach among the masses of Jamshedpur.

The people were latter asked “whether they are aware of the OTT platforms” to check the acceptance of the Over-the-top media platforms in Jamshedpur. Jamshedpur being an industrial town has a literacy percentage of 89.4%. The survey was conducted via digital platforms including Whatsapp, Facebook and Twitter; hence all the respondents possessed a

smartphone. All the 100 respondents were aware of the OTT platforms and possessed multiple apps for entertainment. It clearly signifies that the level of acceptance of the OTT platforms is really high and has extreme potential for growth.

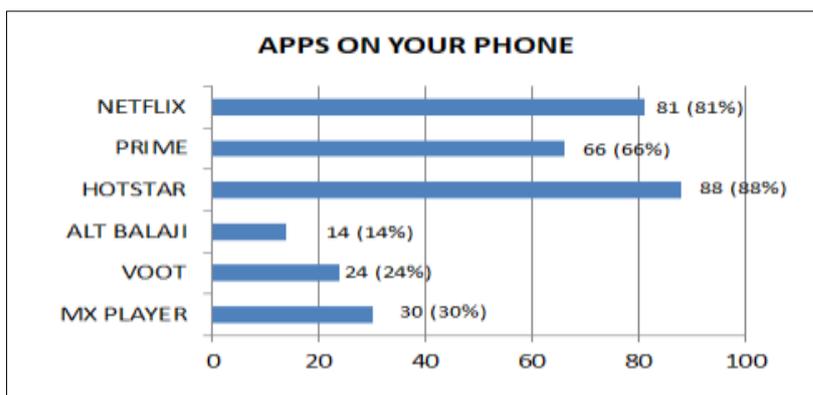


Figure 3: Popularity and acceptance of the most preferred OTT platforms

The above figure was the response question was a multiple choice box question to find out the popularity and acceptance of the most preferred OTT platform in Jamshedpur. People possessed multiple apps for different context and entertainment purpose. It was found out that the reach of Hotstar was the maximum among the masses having 88 users (88%) followed by a closest rivalry Netflix with 81 users (81%). Apart from the two major giants Amazon Prime enjoyed a greater share of customers with 66 users (66%). While analyzing individual responses it was found that the users of MX player and Voot were all students hence they enjoy a good potential customer base. Exclusive evidence was found out that all the 24 responses filled by homemaker use Hotstar app.

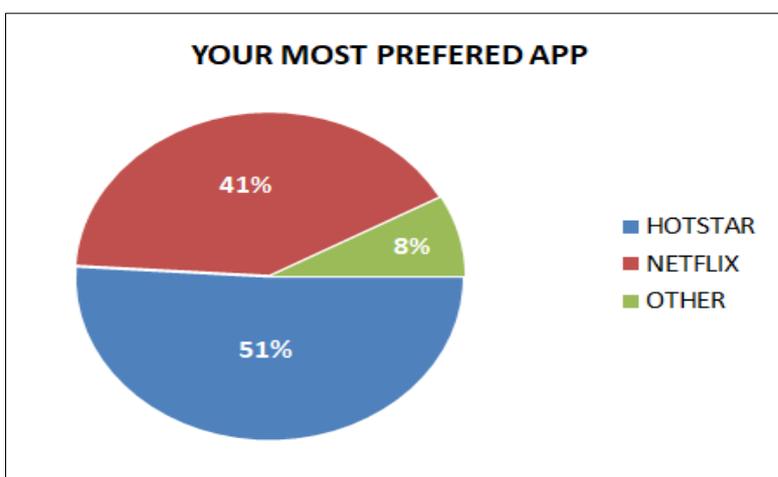


Figure 4: responses regarding the most preferred apps

The people were enquired about their most preferred App among Netflix and Hotstar to find out and analyze the customer preference of the people of Jamshedpur. The pie graph clearly shows that Hotstar has a higher preference compared to Netflix in Jamshedpur. More than 50% (51 users) preferred Hotstar over other apps were as Netflix could garner only 41% (41 users). 8 users (8%) choose other apps over Hotstar and Netflix.

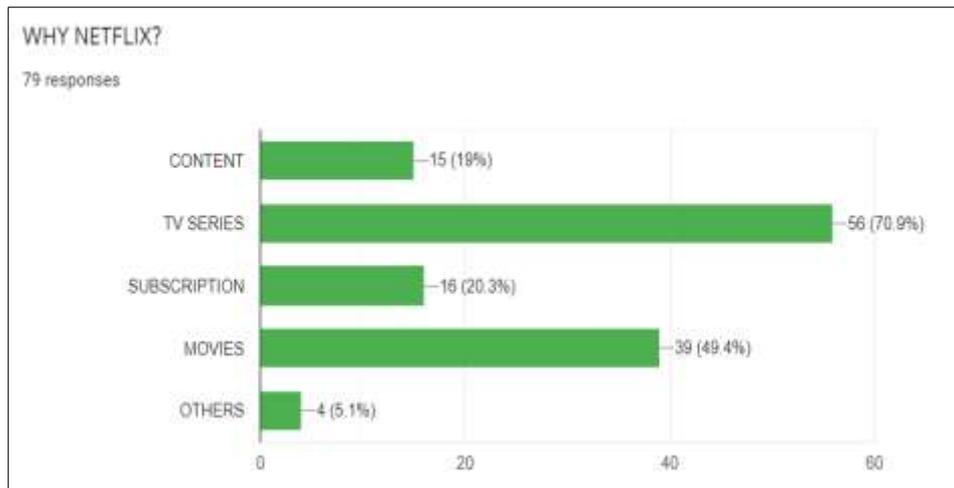


Figure 5: Reasons for the preference towards Netflix

The following question was not mandatory to fill. It was asked to find what is the driving force which makes people download Netflix. This question will give us the reason why people prefer Netflix. It can be clearly observed that among the various options provided, the majority of the people ticked TV series (56 users, 70.9%) and Movies (39 users, 49.4%) respectively. Hence, it is evident from the graphs that the reason for the popularity of Netflix is TV series and Movies.

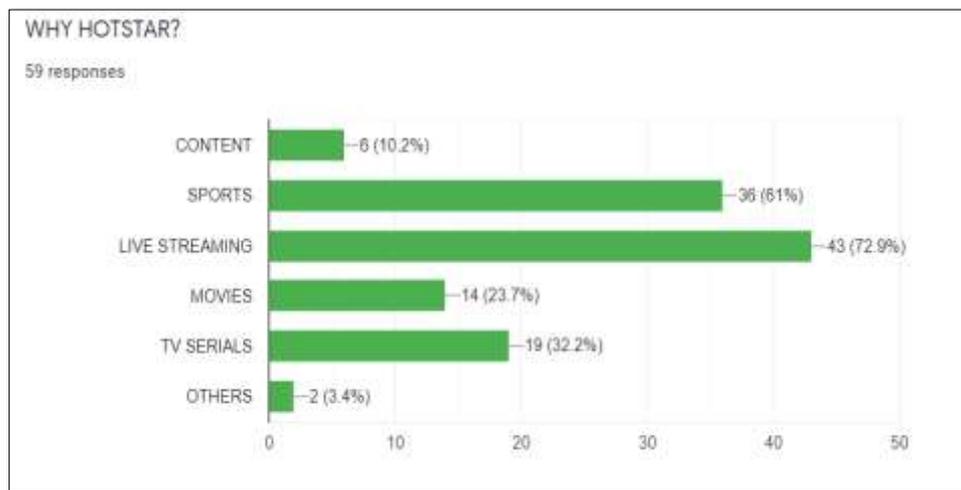


Figure 5: Reasons for the preference towards Hotstar

The same similar question was asked for Hotstar as well. In contradiction to TV series in Netflix, the TV serials in Hotstar were preferred by the majority of homemakers. The leading driving forces for Hotstar were found out to be the Sports Section and Live Streaming facilities offered for International Cricket and IPL.

7 DISCUSSION & RECOMMENDATION

India is a potential market for the growth of OTT platform across the globe. India's digital market will grow exponentially making it the second big platform after the US. The emergence of JIO is the driving force for the growth of OTT platforms in India. It provided cheap data and since then India became the second country on the basis of data usage. The acceptance of the platforms was remarkable signifying a greater change over in the near future.

By 2021 there will be a massive change in media and entertainment industry with major players shifting to OTT platforms. Among all the available video-on demand players Netflix and Hotstar were the widely accepted platforms with Amazon prime a distinct third. Jamshedpur residents were price sensitive and therefore they preferred Hotstar over Netflix.

The Hotstar had a better reach among all the sections and the acceptance rate is greater compared to other competitors. Jamshedpur is home to JRD sports complex and other sports as well. Hence the people of Jamshedpur were attracted more towards sports which helped Hotstar grow. Live streaming of sports (IPL & ISL) were the major attractions of Hotstar. The homemakers preferred Hotstar among other digital players. Live streaming of sports and Hindi local TV serials were the driving forces which favored Hotstar. Netflix on the other hand had a great support from the millennial because of Original Content and Foreign Language web series along with Movies. The most viewed of favoured content for Hotstar was Indian Premier League; Mahabharat; Pro Kabaadi League; Koffee with Karan. The most viewed of favoured content for Netflix was - Sacred games; Money Heist; Dark; Extraction. Majority of people in Jamshedpur preferred local content like the TV serial of Star plus and hence Hotstar gained an edge over Netflix.

In this age of digital transformation it is necessary to constantly upgrade your content and availability with cost effectiveness to reach a wider audience and stay in the hunt. In order to compete with Hotstar, Netflix need to invest in more local content in Hindi language to garner a wider audience base.

India is a big market and is attracted to various regional languages. Hence going for English and Hindi only is not sufficient. The media and entertainment industry is going to shift to video-on-demand and this opportunity must be grabbed well by channel providers. This opportunity must be used to revive the sports industry and give it the due respect and importance. The live streaming of all sports tournaments and championships will help the sports garner a good viewership and following. There must be censorship in OTT platforms as well so that nudity and offensive scenes are censored and the mindset of audience is not adversely affected.

8 CONCLUSION

This study was a novel attempt to analyze the acceptance of the new emerging digital super power media among the masses of Jamshedpur. This new media platform is growing rapidly and is gaining momentum as the day passes. The millennial are attracted towards the OTT platform services due to foreign content and video on demand. The new generation has moved on from the traditional broadcasting system to the mobile gadgets. The emergence of Reliance JIO and cheaper data with uninterrupted 4G services has helped the OTT platforms grow immensely. The media & entertainment industry has now found a new home.

The survey was conducted among the masses of Jamshedpur and the data gathered was segregated, refined and then classified and tabulated for analysis.

The Data which was collected through questionnaires via digital media was analysed in MS Excel. Comparative Analysis of customer's preference in Jamshedpur was done. SWOT analysis of the OTT platforms was done to find out the Strengths, Weakness, Opportunity and Threats.

All the respondents in my study were aware of the OTT platforms and using it as an alternative to cable broadcast and DTH. The acceptance of the platforms was remarkable signifying a greater change over in the near future. Among the people of Jamshedpur, Hotstar had a wider range of connectivity with its contents and local touch. 88 users were using Hotstar as compared to 81 users of Netflix indicating the power of Hindi content. The other factor that sided along with Hotstar was Sports. Live streaming of cricket and IPL garnered enormous viewership and helped it lead the way out. Netflix on the other hand had a great support from the students because of Original Content and Foreign Language web series along with Movies but when it came to overall performance and preference Hotstar marched ahead marginally.

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