

Significant Drivers for Subscribing to OTT Services in Haryana

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ABSTRACT

With the beginning of streaming services, OTT platforms are plugged to be the future of Indian Media and Entertainment industry. These platforms has improved the appetite for content consumption. The Covid-19 pandemic brought a lot of new customers into the OTT category and amalgamation of drivers has worked in favour of OTT media platforms. The research aims to study the drivers for subscribing to OTT services. The data for the study is collected through primary sources by using convenience sampling with the sample size of 200 by administering a semi-structured questionnaire. The data is analysed by using factor analysis. There are 3 main factors - technical characteristics (Factor 1), user friendliness (Factor 2) and psychological factor (Factor 3) that come into play and responsible for the upsurge in subscribers of OTT platforms. The variations in the factors 1 to 3 were 42.507, 10.371, 5.924 per cent, respectively. As per factor analysis, factor 1 to factor 3 were most imperative growth drivers for subscribing to OTT services and the Cronbach alpha values were .895, .820, .858, respectively. Thus, it was found that technical characteristics contribute the most followed by user friendliness and psychological factor in driving viewers for subscribing to OTT platforms and for their success. So, OTT platforms should engage these core drivers for a successful OTT business with consumer satisfaction.

Keywords: *Over-the-top (OTT), Subscribers, Consumer, Technical characteristics, User friendliness, Psychological factor*

1. INTRODUCTION

Earlier, the consumption of movies and other audio and video-based content has always been in the form of mediums like television and cinema halls. As the technology developed it has revolutionized the way of accessing and consumption of content. Information is just a click away and always at our fingertips and easily accessible at home and whenever required. Internet has transformed the consumption patterns of the viewers leading the producers to derive up with creative programs and content distribution platforms that were previously unheard of. One such invention was OTT platforms that made direct to consumer chain possible. Watching movies and other content has become more convenient through online streaming or Video on Demand services. VoD refers to streaming of video content over the Internet, through various applications typically referred to as OVER-THE-TOP(OTT). Consumers can access video content through OTT apps in any internet connected device as like a smart TV, smartphone, tablet, computer, laptop, etc. The OTT space in the country is also witnessing a battle between indigenous and global players. Local players like Hot star and Jio Cinema have expanded a stronger footing in the domestic market, on other side global players like Netflix and Amazon Prime have also steadily grown their market share. The major streaming services that are available in India are: Hot star, Amazon prime video, Netflix, Jio TV, SonyLiv, Voot, Zee5 and Alt Balaji.

These OTT media platforms can be glorified for bringing the world together and closer & for fostering an enhance sense of cultural understanding among the masses. These platforms once considered as a treat today a commodity. In India, it can be seen a greater number of consumers adapting to it. Mainly, during the unfortunate times of an unprecedented global pandemic (COVID-19), these platforms have seen a rise in their subscriptions and viewership's. Each and every OTT media platform is striving for higher engagement, and hook the viewers through unique, addictive and binge-worthy contents. Binge-watching has become the new typical weekend plan among young people. Teenagers are mostly agnostic about the medium, but they are very selective about quality programming. They are also very active and articulate on social platforms about their favourite shows and binge-viewing practices. So, binge-watching is not just about convenience and customization, but also about cultural unification, connection and community as it bonds people through their shared experience (Matrix, 2014). It is in the wake of these trends and statistics of increasing preference and dependence on OTT platforms for entertainment, information and engagement among the viewers that this study has been conducted. This study of urban aims

to examine the various drivers that are responsible for the rise in subscribers of these OTT platforms.

1.1 Reasons for rise in subscribers of OTT media streaming services

As the American OTT market is touching maturity, many global players are shifting their focus to other international markets like India to drive their next cycle of subscriber growth. Rajib Basu of Entertainment & Media, PwC India stated that “India is the fastest-growing entertainment and media market globally and is expected to keep that momentum” (PwC India, 2019). Significant factors driving the growth of the OTT media services in India are rising Internet & broadband penetration and declining data charges, the proliferation of internet-enabled smartphones, personalization of content and pricing. Internet isn't only a technology which can have a selected effect on how business is conducted in certain sectors, but it is also a market place, as demonstrated by the massive success of OTT providers (Li, 2015). Reliance Jio has been a substantial catalytic agent in the penetration of Internet and OTT platforms. Jio's telecommunication network supports over 55% of India's overall OTT traffic and over 65% of OTT consumption on a smartphone (Keshavdev, 2019).

Online video consumption is severely reliant on the availability of devices that are compatible with online video viewing. The smartphone is the favourite video streaming device in India. In the future also, expansions in technologies such as machine learning and artificial intelligence will permit OTT players to analyse the data and offer insights to understand user's viewing patterns. Other factors like ease of use and social trends have an impression on the choice to adopt online streaming over cable TV (Lee et al. 2018).

2. OBJECTIVE OF THE STUDY

- To Study the Drivers for subscribing to OTT Services.

3. RESEARCH METHODOLOGY

3.1 Research Statement

The problem studied in the present context is entitled – “To study drivers for subscribing to OTT services”. The research work focuses on various drivers that are responsible for the growth and successful for increasing adoption of subscription of various OTT services in Hisar city.

3.1.1. Data Collection Method

The data for this research paper is collected through two levels:-

1) Primary data: The primary data was collected directly by approaching people and also through floating a google form across 200 respondents who live in Hisar city, Haryana, India. A semi-structured questionnaire was prepared to gather all the information. Responses were recorded on a Likert scale (5-point) with the option to choose among strongly agree, agree, neutral, disagree and strongly disagree.

2) Secondary data: This includes articles, journals, books, websites which give essential knowledge which is necessary for the study.

3.1.2. Sample Size and Sampling Technique

1) Population: People across the Hisar city, Haryana.

2) Sample Size: 200

3) Type of Sampling: Convenience sampling method of non-probability sampling is used for the analysis.

3.1.3. Data Analysis Tools and Techniques

The tool to be used for the analysis is IBM SPSS Statistics 20 software and graphs are to be used.

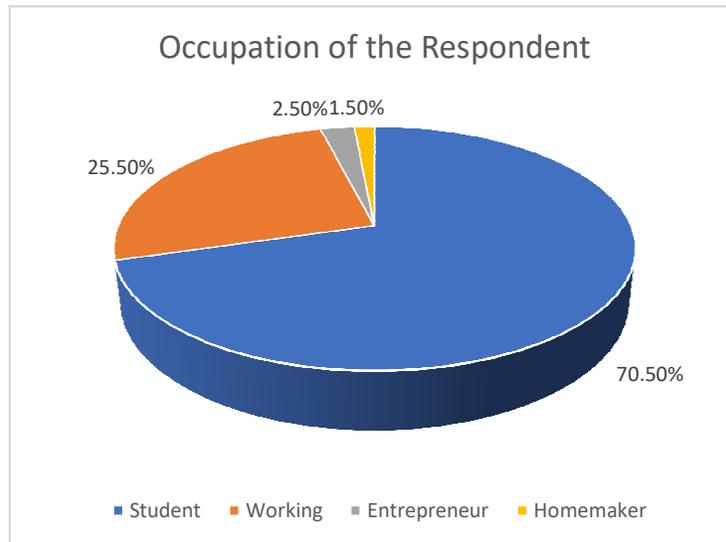
3.2. Scope of the Study

The present study is an attempt to study the drivers for subscribing to OTT services in Hisar city. It takes into consideration the various drivers like- variety, better selection, unlimited content, offered a free trial, to access live content, flexibility of cancellation policy, etc. Similar studies connected with this line may be conducted in other cities too and reasons for increase in subscriptions of various digital platforms can be found out. Also, the study can help the OTT media service providers to focus on different growth drivers and improve their services as per the consumer's needs.

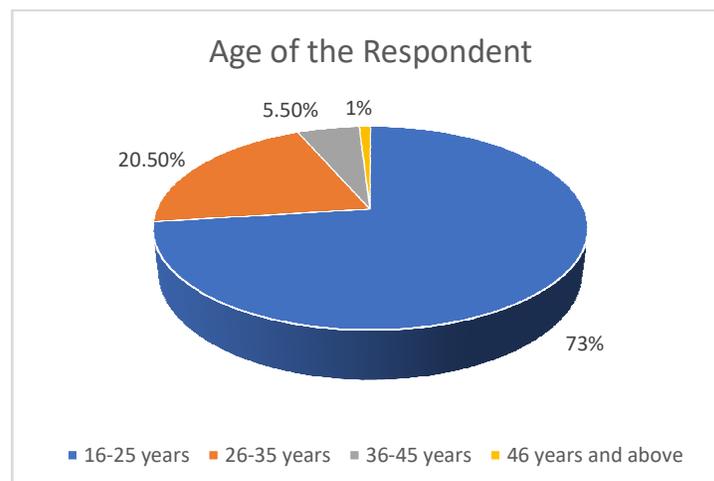
4. RESULTS AND DISCUSSION

QUALITATIVE ANALYSIS (Consumer Research)

200 people were surveyed primarily through google forms (Link- <https://docs.google.com/forms/d/e/1FAIpQLSeZQ2QRNvoSJAjvjpT8ERS9ddkVEpmSVGRSiQy1MtJNgZHOzg/closedform>) as well as offline.

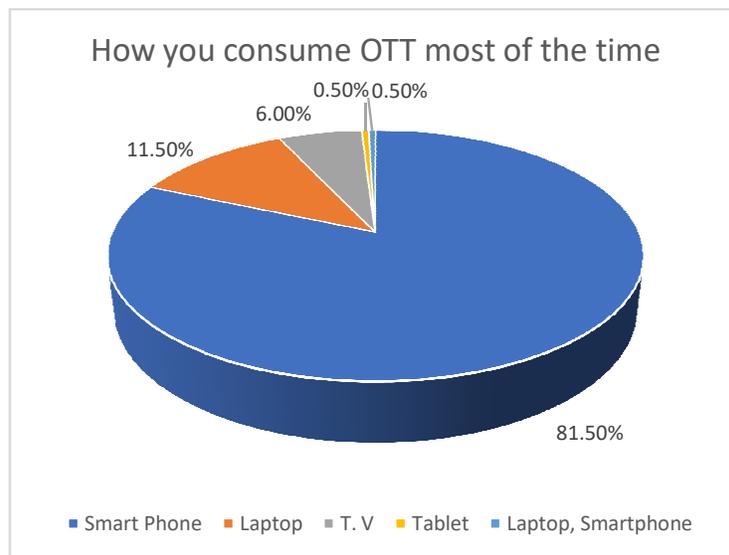


A major section(70.50%) were students, 25.50% were working employees and rest 1.50 % and 2.50% were homemaker and entrepreneur respectively. It can be concluded from the data that students were the one of the most fastest growing audience on digital media, OTT service providers are busy vying for their attention with exclusive offerings.

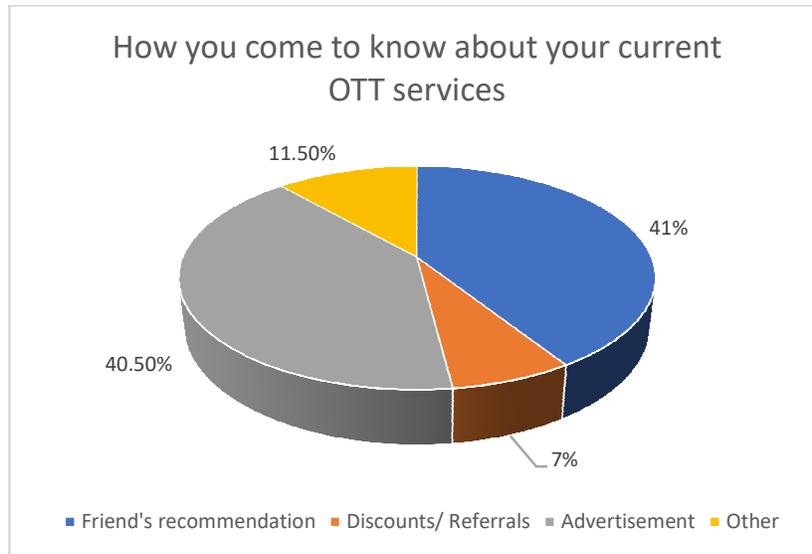


The above Figure reveals that out of the 200 respondents. The age groups were classified into 4 segments. Maximum respondents were 146 (73%) belonged to the age group 16-25 years,

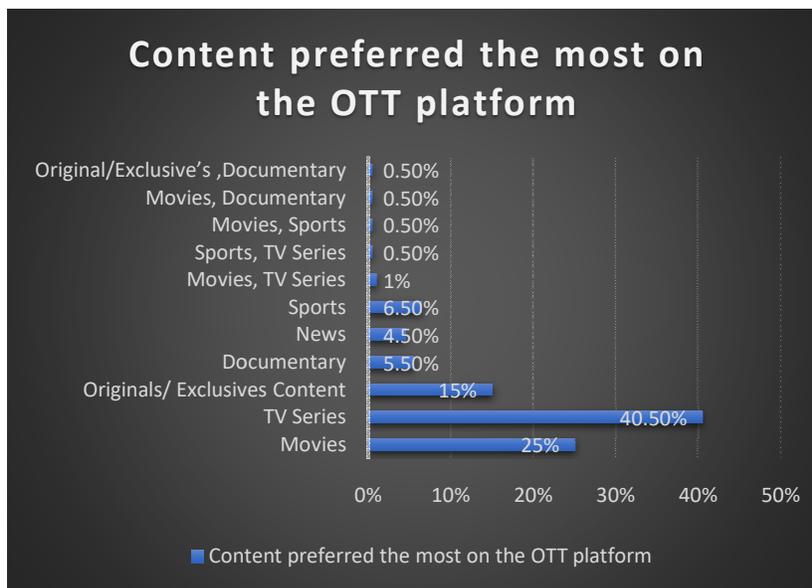
followed by 41 (20.50%) respondents in 26-25 years, 11(5.50%) respondents in the age group 36-45 years and 2 (1%) respondents were in 46 years and above category. It can be interpreted from the above data that youth belonged to the age group 16-25 years are quite attracted towards OTT platforms because of the original content and personalised viewing at their own convenience.



It is evident that maximum 163 (81.50%) respondents consume OTT services through their smart phones. 23 (11.50%) respondents prefer laptop followed by 12 (6%) who choose T.V. for watching and remaining 2 consume through both laptop & smart phone and tablet, 1 (0.5%) each. It can be interpreted from the above data that smartphones became the primary device where people watch online content because they can consume video content anywhere, they go, and people are relying on this convenience more and more.



82 (41%) respondents out of 200 came to know about OTT through their friends. While 40.5% i.e., 81 respondents came to know through advertisement. Whereas 11.50% and 7% responses connect through other modes and discounts & referrals respectively. It can be concluded that users trust the recommendations of friend and get more influenced by them. So, it can be said that it is the most credible form of advertising.



Above graph revealed the result of consumers content preferences on OTT platforms. Over 40.5% (81) out of 200 people prefer watching TV series. While 25% like to watch movies followed by 15% who used to watch original exclusive content, whereas the remaining

percentage of the respondents were divided between documentary, news, sports and their combination. It can be concluded from the above data that female respondents were more, as they are equally interested in watching content on OTT platforms and they prefer watching TV series more. Second most preferred content is watching movies and the primary reason for it is safety. Due to this pandemic people feel relatively safe at home and it is more convenient for them.

QUANTITATIVE ANALYSIS (Factor Analysis)

The KMO test reveals that a sampling adequacy score of 0.909 is more than 0.5. This means that the value is acceptable and justifies the appropriateness of factor analysis. The test was highly significant. Three factors have been taken, which contributed for 58.801 per cent variations. The variations due to factors 1 to 3 were 42.507, 10.371, 5.924 per cent, respectively as shown in table 4.2.

Table 4.1: KMO and Bartlett's Test Measure for Sampling Adequacy

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.909
Bartlett's Test of Sphericity	Approx. Chi-Square	2116.277
	Df	190
	Sig.	0.000
Cronbach's Alpha		0.924
No of Items		20

Table 4.2: Total Variance Explained

	Factor 1	Factor 2	Factor 3
Eigen Value	8.501	2.074	1.185
% Variance	42.507	10.371	5.924
Cumulative %	42.507	52.878	58.801

For such a complex correlation matrix like this one, it is tough to interpret the factors. Therefore, through rotation, the factor matrix was converted into a simpler one that was easier to interpret. Varimax method of rotation was used in the present study to analyse data. An analysis of factor loadings in the rotated factor matrix helps in interpreting and naming the three factors that had been extracted. Interpretation was done by identifying the statements that have very high loadings on the same component. These factors could then be interpreted in terms of the statements that load highly on it.

Table 4.3: Rotated Component Matrix (a)

Item	Component		
	1	2	3
Variety	.785	.187	.130
Unlimited content	.780	.098	.185
Better selection	.746	.264	.211
Entertainment	.722	.238	-.026
Easier to find what you're looking for	.690	.259	.157
Availability and Accessibility of global content	.656	.415	.069
Value for money	.638	.169	.332
Ability to watch on smartphone	.543	.485	.023
Offered a free trial	.541	.207	.326
Recommendation from others	.196	.736	.174
To access live content (e.g., sports, local news, etc.)	.276	.648	.132
Allows to watch content on multiple devices	.317	.643	.140
Want to watch a specific programme or event	.311	.596	.238
Enjoyed the service trial and decided to keep it	.221	.560	.329

Because of flexibility of cancellation policy	.258	.539	.358
Cheaper	.301	.187	.814
Family members wanted to subscribe	.154	.026	.814
Had a money to subscribe	.137	.375	.729
There was a sale or promotion for subscribing	.097	.496	.616
To replace the more expensive TV services	.063	.492	.572

Table 4.4: Factor's name and their Eigen values

Factor Name	Statements	Eigen value	Cronbach Alpha Value	Percentage Variance
Technical Characteristics (Factor 1)	Variety	.785	.895	42.507
	Unlimited content	.780		
	Better selection	.746		
	Entertainment	.722		
	Easier to find what you're looking for	.690		
	Availability and Accessibility of global content	.656		
	Value for money	.638		
	Ability to watch on smartphone	.543		
	Offered a free trial	.541		
User friendliness (Factor 2)	Recommendation from others	.736	.820	10.371
	To access live content (e.g., sports, local news, etc.)	.648		
	Allows to watch content on multiple devices	.643		
	Want to watch a specific programme or event	.596		

	Enjoyed the service trial and decided to keep it	.560		
	Because of flexibility of cancellation policy	.539		
Psychological factor (Factor 3)	Cheaper	.814	.858	5.924
	Family members wanted to subscribe	.814		
	Had a money to subscribe	.729		
	There was a sale or promotion for subscribing	.616		
	To replace the more expensive TV services	.572		

All the three factors have been given appropriate suitable labels permitting to the characteristics of the statements allotted on each factor. The four factors were: Technical characteristics (Factor-1), User friendliness (Factor-2) and Psychological factor (Factor-3). Out of 20 statements, 8 statements were connected with factor 1. Statements included with factor 1 are- Variety, Unlimited content, Better selection, Entertainment, Easier to find what you're looking for, Availability and Accessibility of global content, Value for money, Ability to watch on smartphone and Offered a free trial. Factor 1 is the most significant having the highest variance of 42.507 per cent. Here, it can be concluded that variety, unlimited content availability, having better selection, availability of smartphones and free trial offerings are the vital drivers that are responsible for rise in subscription rates. OTT players need to keep focusing on these drivers as spending money is not a problem if customer is satisfied from your quality content, variety and easy accessibility of global content.

Factor 2 (User friendliness) was having variance 10.371 percent and statements associated with this factor were- Recommendation from others, To access live content (e.g., sports, local news, etc.), Allows to watch content on multiple devices, Want to watch a specific programme or event, Enjoyed the service trial and decided to keep it and Because of flexibility of cancellation policy. It is utmost important to get feedback from customers as customer satisfaction plays an imperative role and when customer is highly satisfied from the services, he will prompt word of mouth referrals and that is the most significant driver

for increasing your subscribers. Even, accessibility to live content, flexibility in cancellation policy, permission to watch on multiple devices, having impact on customers and considered as important drivers.

Factor 3(Psychological factor)also played an important role having variance of 5.924 per cent. Statements loaded in this factor were- cheaper, Family members wanted to subscribe, had a money to subscribe, there was a sale or promotion for subscribing and to replace the more expensive TV services.These five statements mentioned above reflects the psychological drivers that are and in future will significantly drive-up new subscribers and therefore the data can be summarized by stating that the statements under factor 3 can be labelled as-Psychological factor.

5. FINDINGS

Following are the results attain from questionnaire-

- Majority of the respondents belongs to 16-25 years age group having 73%, followed by 26-35 years age group having 20.5%, 36-45 years age group having 5.5% and rest 1% belongs to 46 years and above age group. Indian consumers under 36 years of age reported for 93.5% of OTT content platform users.
- Based on occupation, 70.5% respondents were found students, 25.55% were working people, 2.5% were entrepreneurs and rest 1.5% were homemaker.
- When it comes to the mode of consumption, 81.5% users consume content on OTT platforms through smartphone, 11.5% consume through laptop, 6% consume through T.V., whereas 0.5% watch on tablet and through combination of laptop & smartphone respectively.
- Data implies that 41% users came to know about their current OTT services or using OTT services as from their friends' recommendations, 40.5% know through advertisements, 7% knows through discounts/referrals. Whereas 23% people came to know through other ways.
- Moving towards content consumption preferences of the users, 40.5% were like to watch TV series on OTT platforms, 25% prefer watching movies on it, 15% watch original/exclusive content, followed by 6.5% who like to watch sports, 5.5% seeing documentary, 4.5% watch news on it and remaining 3% prefer watching their combinations.

- Three factors have been taken, which contributed for 58.801 per cent variations. Technical Characteristics of the OTT platforms is the most important driver having .895 Cronbach Alpha Value. Second most significant factor is User friendliness with .820 Cronbach Alpha Value followed by Psychological factor with Cronbach Alpha Value .858 are the key drivers that are responsible for the growth of subscribing OTT services.

6.CONCLUSION

India has the fastest growing entertainment and media market in the world. It is set to maintain its momentum into the future. Various studies shows that the OTT platforms are growing significantly in the next few years in India. This growth is mostly driven by the growing trends in the areas of personalization and digitization. Therefore, companies can take full advantage of the opportunities available in OTT market, need to develop appropriate strategies that drive more customers for taking subscription of various OTT platforms and build strong long-lasting relationship. This can be possible only when the drivers responsible for driving more subscribers are studied intensively. The present study says about the drivers that influences users for subscribing to OTT media services. The results from the present study clearly indicated that the combination of various significant factors that are key growth drivers for rise of subscribers. These factors were technical characteristics (Factor 1), user friendliness (Factor 2) and psychological factor (Factor 3) with Cronbach alpha value of .895, .820, .858, respectively. It can be concluded that to bloom in the OTT market and to increase paid subscribers, OTT platforms have to develop their strategies by keeping in mind various key growth drivers like mentioned in this research and must try to focus on these factors.

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