

GROWTH OF OVER THE TOP PLATFORMS: NEW CHALLENGE FOR CONVENTIONAL ENTERTAINMENT AND ADVERTISING INDUSTRY- A CONCEPTUAL STUDY.

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Abstract:

Over the previous few years, India has proven exceptional increase in the consumption of Digital Media content. The utilization of Digital Media structures for obtaining data on news, health, and different India has made subjects, entertainment, and e-commerce one of the fastest-growing web international locations inside the world. This shift in client choice in the direction of digital media platforms has brought interest of marketers and restrained them to get better from regular mediums of advertising. The research studies, and reviews the aid of governmental and personal groups on the expanded varieties of smart phones, net adopters, and availability of budgeted friendly high-speed net plans, offers are showing an indication of escalating on-line media consumption. This awesome Shift in viewers' media consumption habits have opened novel ways of possibilities for innovative content material vendors and marketers, posed a challenged regular potentiality of traditional broadcaster viewing and marketing. The present research study tries to overview preceding researches in the region of digital platforms membership, digital media consumption habits, findings of more than a few information providers, and predictions made by using multinational consultancy and expert provider firms. As smartphones have changed ordinary radio units in-home, digital channels is additionally overtaking the normal way of viewing and ad campaign television. These are the critical elements, for which this learn about has been finished and in this lookup study, the riding services in the back of growing digital media consumption have been found and mentioned thoroughly. Lastly, the lookup throws mild on the challenges for conventional entertainment like small screen, movies and marketing industry.

Key words: Digital Media platforms, Viewership, Traditional entertainment, Advertising.

Introduction:

India is one of the phenomenal destinations in the world international destinations of the world in term of technological and digital adoption. As change is constant there are lot many changes observed in the country. As change is inventible within a short time consumers as well as the companies need to adopt to various technologies and other innovative methods to sustain in the competitive world. According to The Diffusion of Innovation Theory by Everette Roger, early innovation adopters are already able to make sense of the need to express and are pleased with the introduction of agile ideas. Innovation theory

diffusion discusses how when and at what price new innovations and technical know-how are evolving.

This theory has been extensively studied in understanding the consumer actions in terms of the adoption and consumption of new platforms across conversation channels in social media networks. With an exponential increase of smartphones and web users, the twentieth century saw a radical shift in the media consumption habits of people across the globe. India has several than 500 million digital media subscribers.

Digital media proved to be the most critical game-changer when it comes to noticeable presentation. People are putting their historical platform to watch television for digital media. It is a communications medium that acts as a hub for audio-visual programming in households. As the new media have evolved The way we speak and get the right entry to the data, it also challenges the usual methods of advertising. Its rising reputation has changed marketing spending around the world. Traditional network television and news papers are no longer regarded as the best method of advertising for target markets. With the increase in the use of the internet in the globe, organizations are expected to use digital marketing to communicate with their goods and services for their target audience to take advantage of the opportunities earlier than expected.

Advertising on digital structures has emerged as customized, interactive and customer-centric. Marketers are especially concerned about understanding their users, identifying their expectations, priorities, choices, needs, likes and dislikes. Customized packages of special content material shall be produced and distributed in accordance with the needs of the customer. There's many high-end brands that are checked every day in order to make the client watch an exceptional one. This integration of business and information technology has introduced ads to the next stage of customer interaction. Digital advertising, while a recent addition has started to radically change the entire advertising industry. But then every change brings new challenges. The deafening personalised advertising and marketing has given more choice for the consumers. The customer has the liberty to watch or not to watch the advertisement message either by skipping the advertisement or altering the channel, leaving the room, etc. to skip or avoid boredom advertisements.

These challenges have made advertising industry to shift toward digital media, which in turn shows the decline in the wide variety of traditional television viewers.

Growth of Digital Media Platforms

According to a survey conducted by MoMAGIC (Ritu Bhavsar, 2018) earlier this year shows that, regardless of the domination of television in Indian households, OTT can become a dominant

force in the near future in our country – Around 55 percent of the respondents in the objective age gathering of 18 to 40 years favoured OTT/ Digital media stages over the ordinary DTH ones. With more channels joining OTT stages, it very well may be accepted securely that an ever increasing number of individuals will follow the suit. Accordingly, companies need to devise appropriate strategies for both their substance and execution. Indeed, perceptivemarketers are dispensing a portion of the current budget of their promotions on these digital media platforms to get more watches. Adding OTT platforms progressively becoming model to enhance to reach larger number of target group of audience by the companies. Additional advantage through OTT platforms it offers is that since these digital platforms use Artificial Intelligence and large information for better client experience and sending proposals, advertisers can use that understanding for their product or services offered to the customers. With the advent availability of cheapest data people prefer to watch their favourite program through these digital stages.

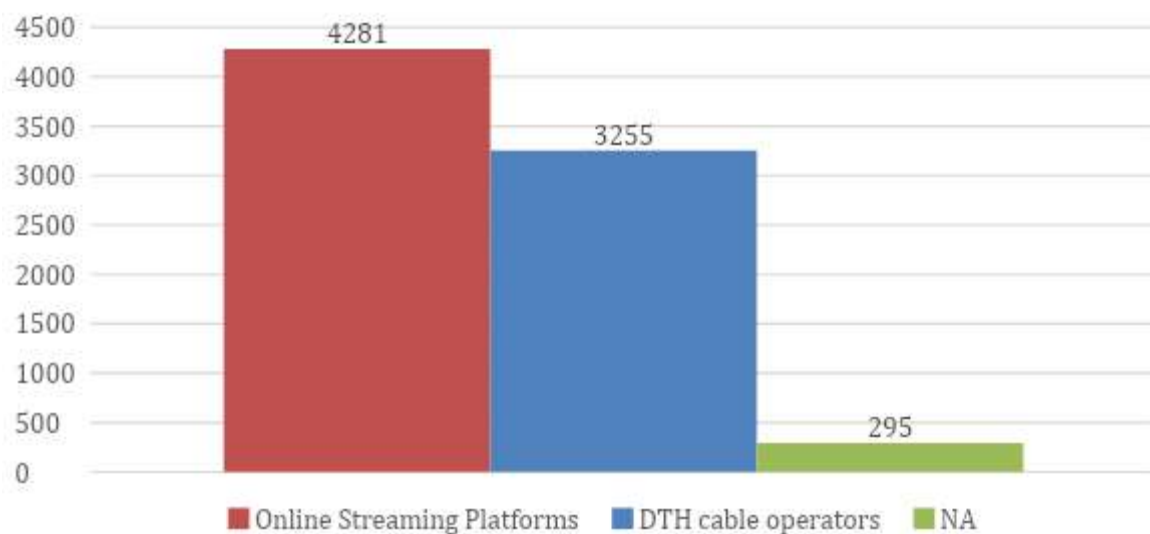


Figure1: Deception of Preference of the respondents to watch TV Shows, Movies , sports and other programs

Source: ET Brand Equity 2020

According to the report issued by the Federation of Indian Chambers of Commerce and Industry (FICCI) and consulting firm EY Indian Media and Entertainment, the annual compound growth rate is expected to be 11.6 per cent. The report also claimed that the promotion of digital

ads grew to 34 per cent to 15,400 crores and now accounts for about 21 per cent of the entertainment industry. A few networks have begun selling ads through over-the-top and other linear channels to help empower business.

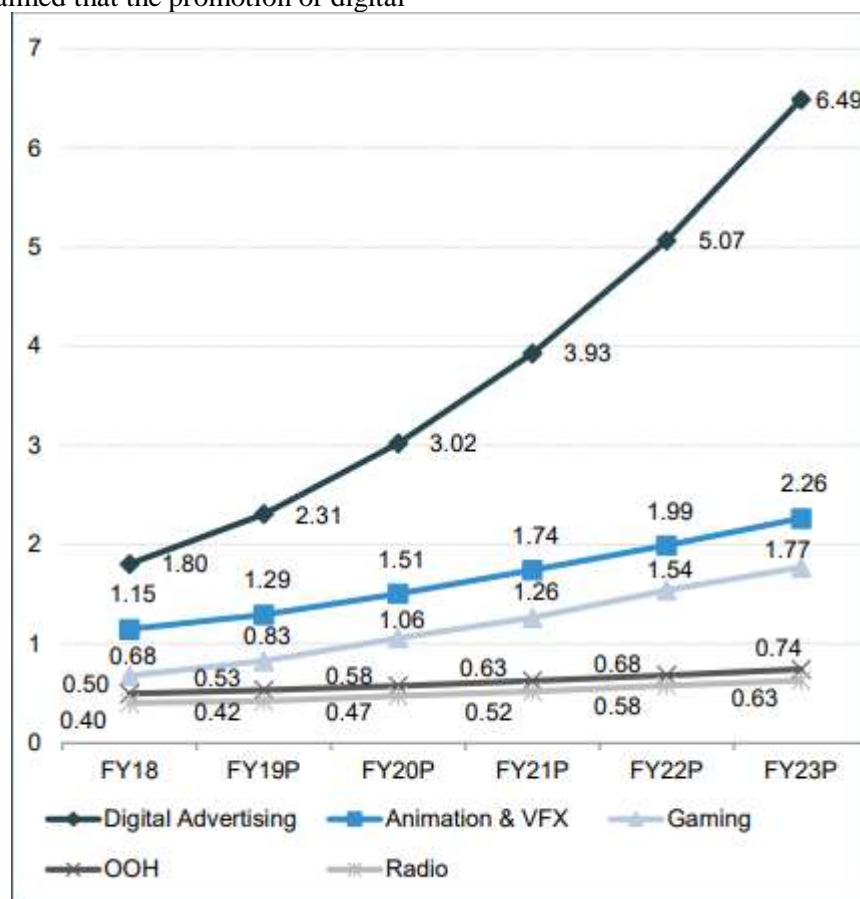


Figure: Industry size of emerging segments (US\$ billion)

Source: KPMG report – Media ecosystems: The walls fall down

The Aviation, Visual Effects, Gaming and Comic (AVGC) sector is the fastest growing sector, with a growth rate of 29% between 2019 and 2024, while the audio-visual and other services in digital sector is expanding at a rate of ~25% in the same period.

The Indian media and entertainment (M&E) the sector joins a period of rapid development. The status quo is suffering from digitalization and is unleashing our economy like never before.

Objectives of the Study:

1. To study the significant change in consumer media content and marketing companies.
2. Explore various driving forces behind growth in consumption and subscription of digital media platforms.
3. To Study the challenges for traditional entertainment and advertising sector.
4. Identify the opportunities that are available for the advertising industry.

Methodology of the Study:

The current study intends to recognize and break down the main impetuses behind advanced media utilization and changing media inclinations of buyers. This research endeavours to acquire light the difficulties for the conventional entertainment and advertising industry because of expanding digital media utilization. The study is carried with help of secondary data and it has been Collections from books, newspapers, journals, government studies, magazines and websites. Finally, a secondary evaluation of the content of the data was followed to analyse the available literature as per the objectives considered for the report.

Review of Literature:

Ritu Bhavsar (2018) in his study has stated that using digital media outlets to acquire knowledge on health, news and other information, entertainment and e-commerce has made India as one of the swiftly growing internet-using nations in the world. This change in customer preference to new media has drawn the attention of advertisers and forced them to update their conventional advertising media. Increased use of smartphones, internet, and availability of low-cost and high-speed data plans - gives strong signs of growth in online media consumption.

This significant transition in the media viewing habits of consumers has opened new doors to opportunities. upcoming creative content providers and to the advertising industry, but at the same time it has even challenged traditional means of television viewing and advertising media.

Mausumi Bhattacharyya (2020) from her research has summarized that the ensuing lockdown and travel restrictions due to Covid-19 pandemic has been a blessing for the digital media platforms in India. Though this particular segment was anticipated for strong growth in the near future, the momentum has received a boost due to the existing situation. Digital media platforms subscription, viewership and viewing hours has been increased in the past few months because of the pandemic situation. This situation made digital media platforms assist producers to reach a wider viewer base and ensure return on investment, it will help these providers penetrate into new territories and demographics boosting subscription based revenue.

Christen Steinkamp (2010) in his study examined the TV viewing patterns of college students in order to realize variations between reasons and preferences for viewing programs available rather than on mainstream cable channels, and found that college students are using alternatives to traditional networks. because convenience is the major reason for viewing programs on Internet rather than on television.

Kilman, L. (2015), in this he has concluded that the change in financial conditions, expectations for everyday comforts, innovative impacts, advancement in the International relations, and different elements have really added to changing India into a digital India. As a result investments are been attracted Across the digital sector at an unprecedented and dispassionate rate, which makes it very clear that investment in online advertising can be anticipated to exceed at an alarming pace in the future. In previous years, we have seen that a majority of new technologies have been introduced, further contributing to increased consumption of digital content across the world. And the most amazing part of this growing digital consumption is that there is no limit to people's thirst for newer and

more unique ideas that we can see are changing with changing trends.

Challenges for Traditional Entertainment and Advertising Industry:

Shift in Media Preferences:

Traditional satellite television shows have become one of the most common ways of delivering entertainment, ads and information to the public. However with the advent of sufficient use of internet users at nominal cost, viewers' choice of medium was already altered to receive media content. Access has intensified the use of new media outlets rather than the conventional mode of entertainment. These digital channels inclusive of various social media such as Facebook, Whatsapp, Twitter, Instagram, etc., Video On Demand or in other words - Over-The-Top(OTT) players such as You-tube, Netflix, Amazon Prime Videos and Television Broadcasters with their own digital platforms such as Disney+Hotstar, Prime Videos, Zee5, Sonyliv, Alt Balaji, etc. An over-the-top (OTT) programme may be any software or service that delivers content over the Internet other than by standard distribution, such as cable or broadcast television.

The busy schedule of the present era, their need for a convenient lifestyle, and the habit of having all on their fingertips have helped various digital media to embrace, accordingly, the maximum subscription that has acquired dramatic changes in their media-consuming habits.

Personalization:

Personalization reveals the principle of push-versus- pull technology out. Traditional TV is a drive technology while the digital media platforms use the pull strategy to attract the viewership. The significance of customized viewings alternatives It wouldn't be lost on customary transmission and link developers. Video administrations indigenous to the web (most prominently, Netflix, Youtube, and Hulu) have gotten gigantically well known, and the conventional broadcasting companies are currently effectively advancing the conveyance of their projects on the web. Conventional TV doesn't permit relatives to watch various shows of their own decision simultaneously, online TV permits this personalization advanced media split their analysis designs from a standard or lounge space to a person or a room.

The unbundling of content will be a recent phenomenon that will shift the industry and become a bring high technique. Now a gigantic lump of shoppers is paying to get content according to their wants (Mausumi Bhattacharyya, 2020). The value of VOD/OTT shall also continue to be zero, which stops the individual from reconsidering prior to payment. Another element of personalization is the tremendous accessibility of local content to the diverse Indian crowd. Though individuals are migrating towards digital media for TV shows in India, the consumption of regional content in our country has increased significantly.

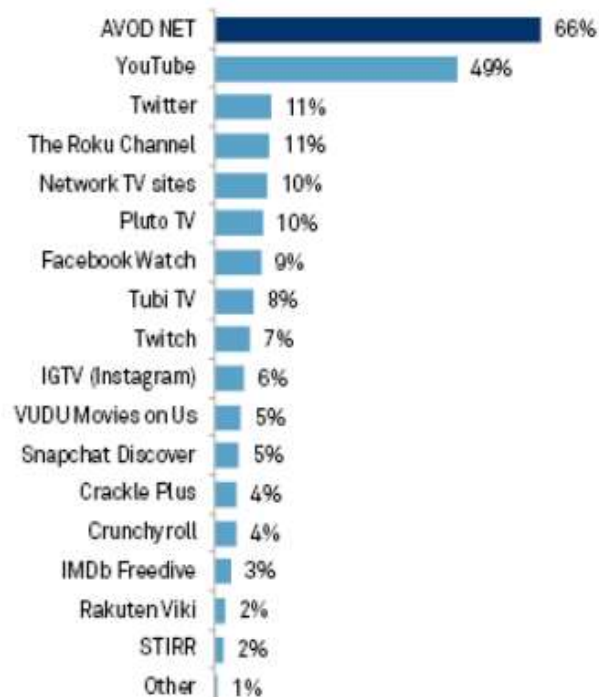


Figure: Usage percentage of advertisement-supported online video services

Source: Shafer and Bacon (2020)

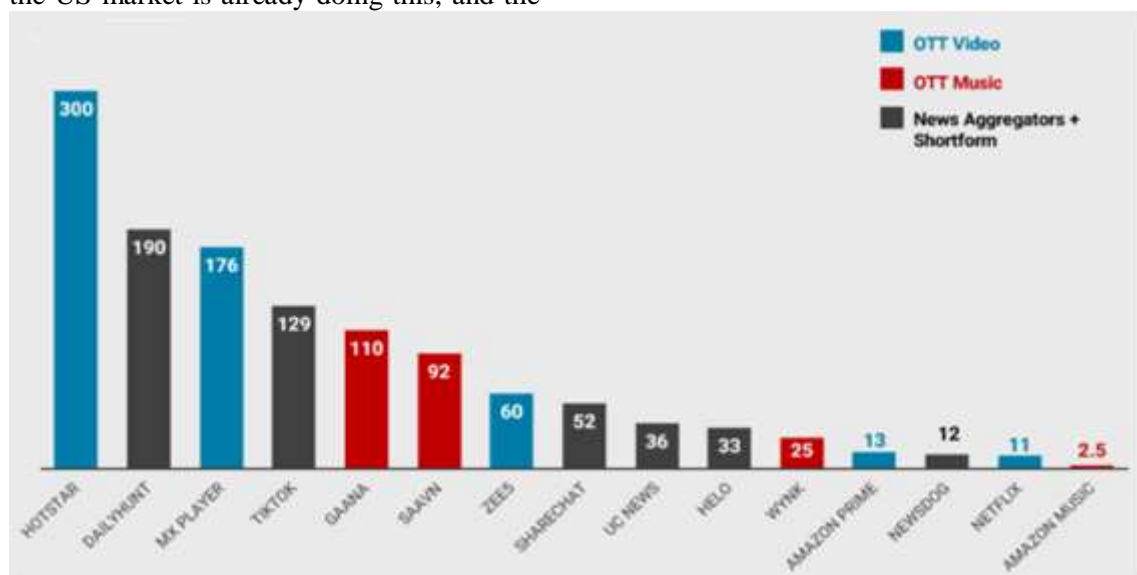
Easy Accessibility:

Media accessibility refers to having alternatives for those individuals that are unable to use it in its original form. The website is an alternative to those who could not watch their favourite shows on Television sets, like internet television. Digital media has helped in enhancing the accessibility of TV content. Different channels, such as online TV, social media sites, Video on Demand (VOD), OTT has expanded the accessibility of media content (Malvania, U.,2019). The number of customers that are becoming digital natives is on the rise. They use an alternative to watch their favourite shows on television. Anything that makes it simple and cheap would also enhance the accessibility and adaptability of media. There is no question that digital media have expanded the accessibility to a plethora of audio and video content. Its platforms, such as online television, social networking sites, VOD, OTT, have expanded access to media content. Now, Televisions are not being used to watch satellite telecast programs but to stream Over-The-Top content rich in sound and video qualities. Fifty percent of the US market is already doing this, and the

trend may be seen growing in India too with the increase in sales of Smart TVs. Affordable smartphones and innovative softwares have made it easy, quick and affordable to access all types of media content right from the comfort of the viewers' homes. With all their favourite programs accessible on just a click or touch, many consumers find smart phones to be more easy and convenient to view information, have entertainment and shopping.

Increasing Subscriptions for Digital Media:

India being youngest country of the world with the increasing diversified work force has shown remarkable progress as far as the subscription of digital media platforms is concerned (Steinkamp, C, 2010). With enhanced networks, increased data availability and mixed media administration able mobiles, the presence of Indian supporters on ridiculous (OTT) stages is expanding step by step. This lift in the OTT utilization in India can be credited to the expansion of new supporters arising out of Tier I and from Tier II urban areas; is likewise drawing consideration of all media and amusement houses.



Source(s): RedSeer Analysis, Industry Reports RedSeer IP, Expert Interviews.

With the rising interest, numerous media and diversion channels have dispatched their own foundation or are attempting to team up with different stages to stream their substance. In the following five years, the OTT business is relied upon to rise in India.

Low Cost Data

The decline in the cost of mobile data plans has resulted in increasing use of smartphones

to access internet. Launch of 4G network by Reliance Jio has been a major turn in the telecom events in India. With the cost of mobile data brought down in an unprecedented manner and increased accessibility of network to rural India, many Indians have today access to online content and information. The internet traffic through mobile is going to surpass that of PC by end

of 2021 according to a prediction made by CISCO. It is expected that 63% of total IP traffic would be from mobile devices by 2021 which is significant compared to the mobile use in earlier years.

The ever-increasing penetration of the internet, mainly through portable devices, enabled by Wi-Fi and broadband, helped this surge. This including high-quality content hosted by content providers, has allowed Indian subscribers to obtain a range of content on various devices, both in live broadcast and VOD," he added. The web has been a disruptive force affecting the transmission, distribution and consumption of media outlets and continues to be so in the coming days. It is evident that expanded network coverage, emerging technology and pocket friendly data packs have triggered a boosting digital media use.

Implications of the Study:

In the coming years due to the penetration of the Internet and the growth in digital literacy, a significant proportion of digital media subscribers come from Tier II+ cities. The Digital Media Market is expected to increase hyper-competitiveness in the next 4–5 years and thus digital media service providers will aim to draw customers to their preferred platform.

It will be fascinating to watch the new business strategies that digital media service providers will follow to attract more customers. These channels will also ensure content diversity as consumers in Tier II+ markets favour TV soaps, reality shows and local language movies.

Conclusion:

In view of the above debate, it seems apparent that Digital Media has become inseparable part in the life of today's generation. It has become a chosen platform for knowledge gathering, peer interaction, rich entertainment experience and publicity. This paper attempts to investigate the increase of digital media usage and how the conventional television and advertisement industry has been challenged. Media consumption is more on digital platforms as compared to the conventional ones. Furthermore the improvement in the use of smartphone technology and Internet connectivity has provided viewers with the wide choice of

viewing digital media on the go. Research also shows that OTT and VOD content services have emerged to be the leading traffic generators on the web and continue to grow in the future grabbing a larger portion of the pie. Marketers have also realized to spend their marketing dollars in line with this transition from traditional to the latest technology driven OTT platforms.

India, having the largest young population in the world is driving the digital media consumption. Apart from above driving forces, the rich entertainment content and affordability have been the reasons for youth shifting to OTT platforms. Internet traffic today in India is dominated by mobile internet users with the important reason being the cost-effective smartphones, down-to-earth data plans, enhanced network coverage and 4G high-speed data technology. (Shafer S. and Bacon, B., 2020). Nevertheless this study has sought to recognise problems for the conventional television and advertisement industries. On the basis of the literature reviewed, suggestions and opportunities are highlighted so that advertisers and upcoming digital players can gain useful insight into the present and future of the digital media. Digital media in the 21st century demand special respect for speed, versatility and convenience. The change in customer preference to digital media opens a whole new market full of opportunities for advertisers, service providers and new media players. It emphasises the requirement for more customised, personalised content, high levels of interactivity and innovation.

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