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Marketing Strategies of Online Streaming Services in India

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Abstract: Project covers detailed analysis of streaming services available in India. It helps to understand changing perception of consumers towards paid subscription base services. It will help to understand How TV viewership is getting affected by online streaming services.

Index Terms: Amazon Prime, Hotstar, Netflix, OTT, Streaming Services, SonyLiv, Video Platforms

I. INTRODUCTION

Video streaming is becoming part of our modern daily lives, which means no domination of TV networks. Amazon, Netflix, Sony Live, Hotstar are the four major players in the online video streaming market. Netflix has been world's leading online streaming network since 1997 while Amazon prime video was launched in 2006 in the US. Similarly Sony Liv launched in year 2013 & Hotstar was launched in 2015. Subscribers can watch anytime, anywhere, on nearly all devices connected with internet-connected. Although to keep pace with the competition, Amazon has introduced a number of exclusive content deals to differentiate its service. While Netflix famous for its content of TV shows worldwide other players like Sony and Hotstar are famous for regional content targeting regional market. The video streaming market in India is set to touch 35,000 crore by 2022, according to a report by Boston Consulting Group (BCG). The expansion of the country's online video base is likely to be driven by rising affluence, increase in data penetration in rural markets and adoption across demography like women and older generations, At a size of \$500 million, 82% of the users in the Indian market are currently engaged on advertising-led video-on-demand platforms versus 18% who pay for content on subscription-led services. Majority of India consists of single TV households. Affordable data has created an alternative medium where consumers, for the first time, can tap into content on the basis of an individual's preference at a time and space convenient to them. While the current market operates with a largely advertising paid content paradigm, consumers are not averse to paying for the convenient content access that video streaming unlocks. By 2023, 650 million or 48% of India's Internet users are expected to be from rural areas, thus development of regional content by various players for the rural market is poised to become a significantly large opportunity for players. There are an estimated 197 million households in rural India with a TV, of which 160 million are cable and satellite households, while smart phone penetration is multiples of that and growing. Given the challenges of electricity availability, TV screen, internet connections, it is possible that rural India adopts video streaming even ahead of cable and satellite viewing in some pockets. There are estimates that nearly 50% of Internet users in India, by 2020, will be from rural India and rural internet penetration could grow to as much as 35%. Hotstar has boasted 75 million users and is the leading over-the-top (OTT) player in the country. Prime Video (that comes bundled with Amazon's Prime service) has 11 million, while Sony Television's LIV have five million. These make up the top four video-streaming services in India. In just a year of Netflix and Prime Video's existence here, the market seems to have witnessed segmentation between 'premium' and 'mass' offerings. Netflix is clearly premium, both in pricing as well as its HD-4K video offering. Hotstar is the mass favourite, riding on a robust bouquet of Indian language shows and films, and the most important cog in the wheel live sport. Amazon Prime Video lies somewhere in between with a moderately priced subscription plan with Rs 999/per year. In fact, Netflix is in the fifth spot (after Hotstar, Voot, Prime Video, and Sony LIV) in the pecking order, primarily because of its steep pricing and limited local content. The most basic Netflix plan is for Rs 500 a month and it allows you to stream on one device only. In comparison, a Hotstar monthly subscription is available at Rs 199, while Amazon's 999-a-year plan bundles free shipping of goods, one-day deliveries, and Prime shopping benefits along with a full-fledged video-streaming service. No surprises then in what price-sensitive Indian consumers opt for. So far, Netflix has focused on pushing its global content such as House of Cards, Orange is the New Black, Master of None, Stranger Things, Narcos, Daredevil, etc., to Indian subscribers. While it has made significant progress in adding regional content, it still has a lot of ground to make up for competitors. Players such as Hotstar and Voot have higher access to Star India and Viacom 18 media libraries. It, therefore, makes more sense for them to leverage their strength to penetrate the Indian market. Hotstar has 75 million but only less than five percent are paid subscribers while the rest are free hoarders with limited access to the content library. However, Hotstar continues to enjoy massive viewership riding on sport i.e. Indian Premier League and Pro Kabaddi. During IPL Hotstar records almost 3 million users. For Netflix too, only about 6-8 percent is paid subscribers. It implies that most user sign up for the first free month and then cancel their subscriptions before they can be charged. For Amazon though, all 11 million are paid subscribers since they have to pay for the overall Prime service in order to access the online video library.

Competition in the space will intensify going ahead as more channels and production houses launch their own streaming services. But the opportunity to grow will skyrocket as well as millions of Indians will take to video-streaming services for the first time riding on improved connectivity and the affordable smart phone revolution. Counterpoint estimates that the market currently valued at \$280 million will grow at 35 percent year-on-year.

II. PROJECT DETAILS

A. Objectives

- 1) To study advertising effectiveness of streaming services in social media.
- 2) To study whether the online streaming services affecting TV viewership.
- 3) Find out how streaming media has changed our perception towards TV.
- 4) To study whether newspaper/billboards attract customers to watch online content.
- 5) Find out whether streaming services charge more subscription fees than they should.

B. Limitations

- 1) Study confines to 10,000 respondents only.

C. Research Methodology

- 1) Research type was Quantitative research and Qualitative research. I have collected the primary data through questionnaire which was filled respondents in online survey. Questions were close ended. The secondary data was collected from various research papers and news paper articles.

D. Sources of Data

- 1) Sources of Primary Data:
- 2) Data collected through Questionnaire.
- 3) Sources of Secondary Data:
- 4) Data collected from newspapers / magazines articles.
- 5) Data available on company's website & across internet

E. Data Collection Instrument

- 1) Research instrument- Questionnaire
- 2) Research approach- Survey
- 3) No. of Respondents- 10,000
- 4) Method of Contact- online survey

F. Scope

- 1) Project covers detailed analysis of streaming services available in India. It helps to understand changing perception of consumers towards paid subscription base services. It will help to understand how TV viewership is getting affected by online streaming services.

III. QUESTIONNAIRES

A. Which of the following streaming service you currently use?

- 1) Netflix
- 2) Sony Live
- 3) Hotstar
- 4) Amazon prime

B. What devices you use to access streaming services?

- 1) Laptop / Desktop
- 2) Mobile / Tablet
- 3) TV
- 4) Other



C. *How often are you able to find what you want to watch?*

- 1) Always
- 2) Most of the times
- 3) Sometimes
- 4) Never
- 5) Almost never

D. *What content you watch most?*

- 1) TV shows
- 2) Movies
- 3) Both

E. *Indicate no. of hours you spent every week watching?*

- 1) 3 hrs
- 2) 6 hrs
- 3) 10 hrs
- 4) 15 hrs
- 5) 20 hrs or more

F. *How do you discover new movies & TV shows?*

- 1) Recommended to me
- 2) Recommended by friend / family
- 3) Movies / TV review sites
- 4) By watching advertisement

G. *How satisfied are you with your service?*

- 1) Extremely satisfied
- 2) Very satisfied
- 3) Moderately satisfied
- 4) Not satisfied

H. *Would you pay higher subscription fee for more online content made available?*

- 1) Yes
- 2) No
- 3) Maybe

I. *Do you follow streaming services on social media?*

- 1) Yes
- 2) No

J. *Do you watch TV shows / Movies by seeing advertisement in news papers / billboards?*

- 1) Yes
- 2) No
- 3) Sometimes

K. *Please indicate your gender*

- 1) Female
- 2) Male
- 3) Prefer not to say

L. Which category below indicate your age

- 1) 15 or younger
- 2) 16-26
- 3) 27-40
- 4) 40-60
- 5) Above 60

IV. FINDINGS

- A. Social Media Advertising plays a key role as the competition is fierce between streaming services.
- B. Online streaming services are affecting TV viewership in India.
- C. Traditional methods of advertising like News paper / Billboards does help to attract consumers to watch TV shows / Movies online.
- D. Most of the consumers are spending almost 3-6 hrs weekly on streaming services apps / websites.
 - 1) In India Hotstar has the highest number of subscribers than any other available streaming service.
- E. The people in India are paying for multiple paid memberships to watch their favourite TV shows, Movies.
- F. Mobile phones / tablets are the favourites when it comes to watch video on demand in India.
- G. Cheaper mobile data rate is one of the reasons behind higher percentage of users using video on demand on mobile / tablet devices.
- H. The most of the respondent in the survey are of the age group 16-26 followed by age group 27-40. This shows that streaming market in India is dominated by youngsters.
- I. India is open market thus it is creating fierce competition between the streaming services to bring in new regional as well as international entertainment for consumers.

V. RECOMMENDATIONS

- A. Netflix and Amazon prime needs to add more regional content on their apps / websites.
- B. There is large untapped market in India for streaming services. Thus some of the content can be made free until people can get used to these services.
- C. Many consumers discover new movies / TV shows by review sites, thus making visibility on these sites will certainly increase consumers.
- D. There are many old famous regional movies or TV shows can be added on these platforms.
- E. Better use of Artificial intelligence can be used to reach audience by showing similar shows they are watching.
- F. Companies reduce subscription cost for yearly subscription plans to increase subscribers hence it will bring more consumers on board

VI. CONCLUSIONS

- A. This study helped us to examine on the rise of the streaming services in India which is becoming the largest and leading subscription based consumer base in the world.
- B. Currently the service charge for these services is comparatively high. But since data packs are going cheaper day by day and new consumers are coming on board will help companies to achieve economies of scale and thus reduce the prices as well.
- C. If you want to watch West world, Atlanta, and The Marvellous Mrs. Maisel, you'll need to subscribe to some combination of HBO, Hulu, and Amazon Prime so sign up for multiple services or miss out. As producers like Disney launch their own exclusive streaming services, the problem only grows.
- D. International licensing presents a massive bottleneck. While Netflix users in the U.S. enjoy thousands of stream able movies, users in Portugal get by with a couple hundred. In countries with strict censorship laws like Saudi Arabia, numbers become even smaller.
- E. Marketing strategies of these players is designed with focus on brand awareness and increase in market share in the Indian market.
- F. In this project we have studied various aspects of these players and how they are changing perception of consumers to watch more online content rather than traditional TV networks.



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