

“UNDERSTAND AND ANALYSE MONETIZATION MODELS”: TO STUDY MODELS OPTED BY OTT (OVER THE TOP) SERVICE PROVIDERS DURING LOCKDOWN

Muskan Sharma, Manu Sharma & Komal Preet Singh

Research Scholar, Faculty of Business Studies GNA University, Phagwara, Punjab, India

ABSTRACT

During the changing dynamic in lockdown period, it is important for researchers, advertisers, consumers and content providers to analyze different monetization models opted by service providers. This paper is written to study, understand and analyses various monetization models opted by OTT service providers. The study is conducted to study market insight of OTT services during the lockdown and satisfaction factor of customer for OTT services. Inputs will be beneficial to buy out important factors to streamline the success of OTT within the market. As not much of the literature available for research and to know the in-depth of the viewer mind the quantitative methodology is been chosen. The research method is convenience sampling and online survey conducted with the assistance of Google forms.

KEYWORDS: *Monetization Models, OTT Services, Streamline*

Article History

Received: 03 Sep 2020 | Revised: 09 Sep 2020 | Accepted: 11 Sep 2020

INTRODUCTION

The most popular landscape for media now is OTT services and every OTT provider is trying to make a model of success story for these services some are following the success model of massive service companies like NETFLIX available in the market. OTT services like YouTube, Alt Balaji, ZEE5, HOTSTAR now Disney Hot star, VOOT, Amazon Prime video are popular services among the viewers but still their models for monetization of content is completely different from one another. Some are performing on pay per view, some on subscription model, and a few on the idea of advertising model.

Some other revenue generating models are available in the market as well, which are also analyzed in the research paper.

Consumer willingness to pay for the content they watch is hindered in Indian market however shift is observed in the recent times. This is happening because of various strategies adopted by OTT platforms to sustain in the market. There is no doubt

it is an expensive market to step in for small players but once the strategy is set for the business there is no turning back so to streamline some of the points in OTT business this research is been done. The differentiation and value are dependent on proportion of services of the players offered to free users and premium customers in OTT market.

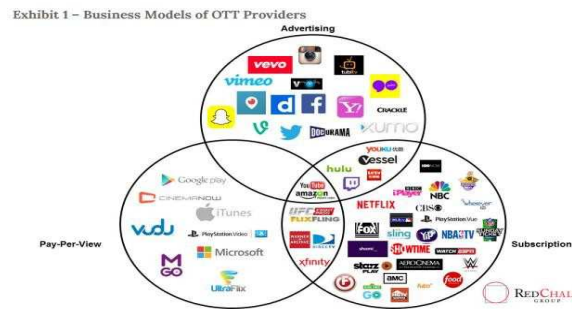


Figure 1: Different Types of Monetization Models in OTT Market with Logos of OTT Services.

OTT Monetization Models Available in Market

Subscription Model: players are luring the viewers with content, features so that they can turn themselves as subscribers and many are coming with trial packs. Subscription based model is defined as a video on demand service that allows users to access an entire library of videos for a small recurring fee. This fee may be charged daily, weekly, monthly or annually, depending on the service. Once the user has paid for access to the service, they can watch as many videos as they want on any device with internet access. Subscription model is that type of service, where user enter into a subscription agreement, which will then grant user access to the service - typically to watch until you drop, that means watch with no limits.

Examples: Netflix

Hybrid Model: A hybrid model is designed to maximize content monetization opportunities. It combines the best of worlds by bundling the services in different ways. User is provided with library of content on signing up. The user can also choose to opt- in for a paid pack to excess certain exclusive content. This paid pack can be either in the Subscription or the Pay-Per-View model. There is extreme competition among the players of media and entertainment, Service providers needs to provide their consumers with more user experience rather than merely just a content provider. One such way is to just bundle the services like Amazon Prime an OTT service cost 999 rupees per year subscription which include prime music, free delivery of product and exclusive deals on E- commerce site.

Advertising Model: Advertising model refers to ad- based video on demand that is free to its consumers. Here, ad revenue is used to offset production and hosting costs. This model generally generates lower amounts of revenue than subscription and transitional. Monetizing through advertising, enables users to offer free content to users that are hesitant to pay a subscription or transaction fee. In this model the advertisers pay, not the viewers, which means it's easier for service providers to acquire users Examples: largely covered by YouTube

Transitional Model/Pay per View Model: Transitional Model service is the model which allows the user to buy content on a pay-per-view basis. It's basically the opposite of subscription model, in the sense that users are charged per video or video package rather than gain access to the entire catalogue. This model offers service operators better revenue opportunities for new and on-demand content. Live events, such as a sport, and popular movies or series that have a short relevancy window. Transactional supported video services enable you to charge a one- time payment per view on live events, channels, series or movies, either as a digital rental or electronic sell- through (EST). It is the definition of on-demand. Users pay a one-time fee to watch the content they want with no long-term commitments. Examples: premium services by HOTSTAR.

Authenticated VOD (Auth VOD): This model often requires users to log in using credentials from another platform, service, cable (TVE), or **cellular** subscription in order to access content. For this reason, Auth VOD is valuable when coordinating with partnerships or managing multiple properties or branded services. However, Auth VOD can also refer to a free, ad-supported service that requires a viewer to create a login to view. The benefit to the end viewer is the ability to do things like make “watch lists” of content and “pause and resume” across devices. The benefit to the service provider is the ability to know more about the end viewer for marketing and advertising purposes.

Telcos Services Role in OTT Services

Telephone industry is dealing with convergence of media, business and technology. The impact of OTT on the Telco’s services revenue is widely accepted phenomenon. Data revenue and data traffic is considered as critical point for consideration. A larger chunk of increased data traffic is growing consumer to watch more video. Over the top services have impacted the telecom operators. OTT services must be analyzed in detail and operators should take reference from the OTT players and fill the gaps in their services which might even require a transformation in their business model, quality of image per frame rate, real time viewing, and image compression techniques. This paper is an attempt for analysing and identifying factors that have created an impact on revenue of OTT services and telecom operators globally and to come up with conceptual framework which helps OTT services

Need of the Research

Research is need of an hour for this new gigantic industry i.e. OTT flourishing as convergence media. From a business point of view, it's vital for us to research about varied monetization model adopted by established OTT services. The research will add the input to bought out important factors to streamline the success of OTT in the market.

- The aim of the research is to understand and analyses the type of monetization models.
- The research will add an insight about monetization strategies adopted by OTT service providers to grab the eyeballs of viewers.
- Parameters discussed within the paper will help to draw attention on monetization model and the strategies that need to be adopted by OTT content providers for further understanding the direction and growth within the market.
- To analyse the role of Telcos companies in the viewer watching experience.

RESEARCH METHODOLOGY

The quantitative methodology adopted for this research will brought out important factors to streamline the success of OTT in the market. As not much of the literature available for this research thus to know the in-depth of the buyer mind the quantitative methodology is been chosen and first 100 respondents are taken from the data base. The research method is convenience sampling and online survey is used for validation of findings from online collection of data through Google forms.

Hypothesis within the Case Are as Following

- Hybrid Model is the most successful model among all the models present in the market during lockdown.
- The research is conducted in order to study market insight during the lockdown.
- Satisfaction of customer for the OTT services during the lockdown

DATA ANALYSIS

Q1. Which OTT Services Currently You Prefer During the Period of Lockdown?

Demographically: Analysis of the question states that rural and urban participants both watch YouTube the most and Amazon prime leading the market with 18 % in rural whereas Netflix is leading in the urban space of the market during lockdown.

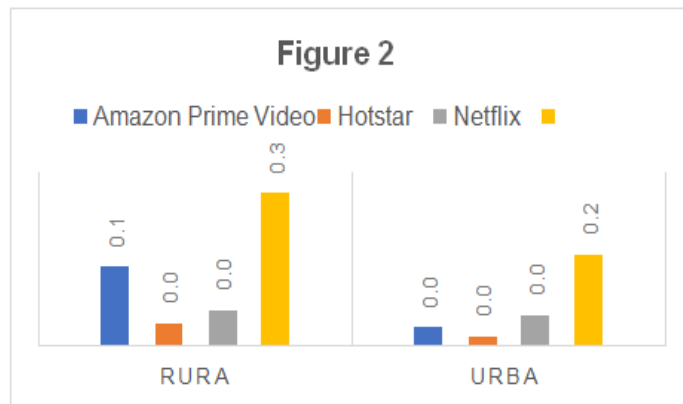


Figure 2

Age: being taken as variable suggests that YouTube is the most popular OTT services in all age groups whereas data suggests that Amazon prime is most popular in the respondents that are in 15-20, 21-25, 26- 30 and whereas Netflix also one of the competitors of Amazon prime during lockdown.

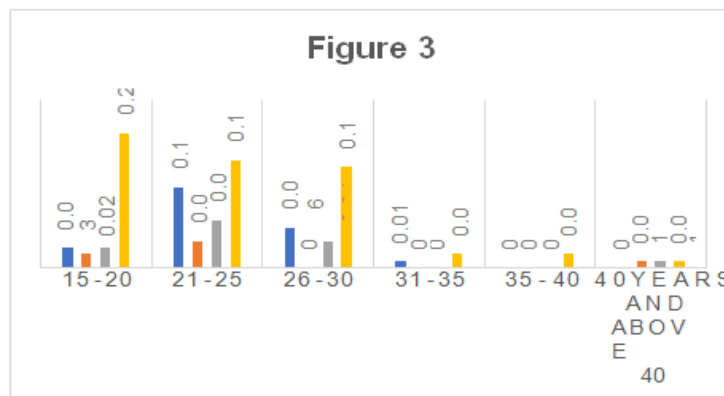


Figure 3

Gender: On the basis of Gender analysis, the research states that YouTube is popular both in female and male and still a market dominant service whereas female watches more i.e. 14 % Amazon prime during lockdown.

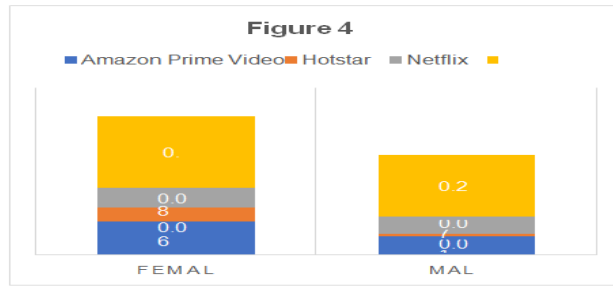


Figure 4

Q2. What Type of Jonure You Prefer Most on OTT Services?

Demographically: In this table it shows that rural and urban both prefer to watch movies on OTT i.e. 54 % of total respondents and other formats are not even match this position

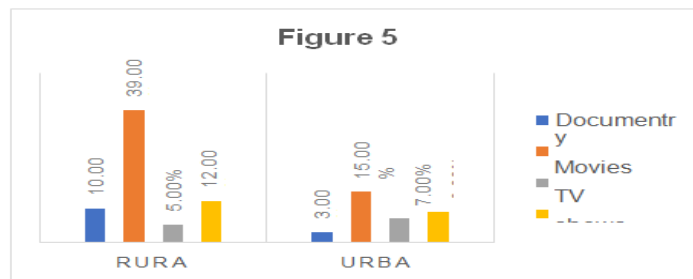


Figure 5

Age: 15-20,21-25 and 26-30 age group of people prefers towards movies on OTT than any other formats.

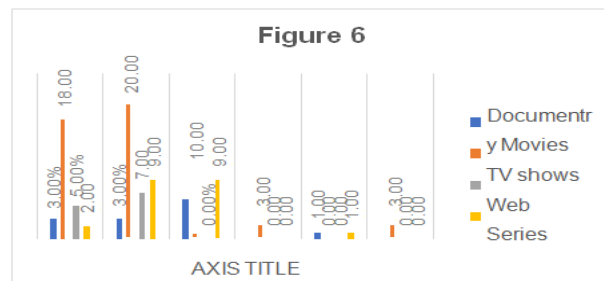


Figure 6

Gender: Female prefer movies, TV shows whereas male does not prefer any TV shows on OTT and like to watch movies on OTT.

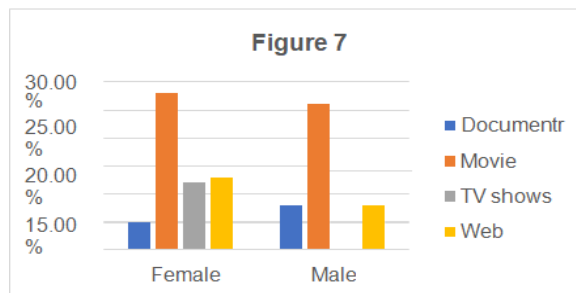


Figure 7

Q3 Do You Like to Watch Movies, Series, Documentaries, on OTT Services?

Demographically: Both Urban and Rural respondents prefer to watch content on OTT whereas 16 % of rural audience still confused about the preference of watching it on OTT

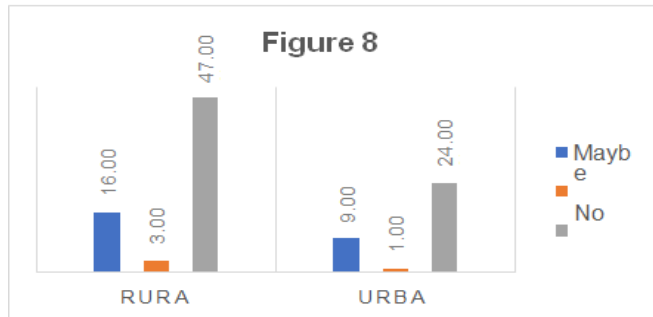


Figure 8

Age: 31-above40 years of age group still doesn't prefer watching content on OTT whereas 15-30 Years age preference of OTT services are 65 % respondents.

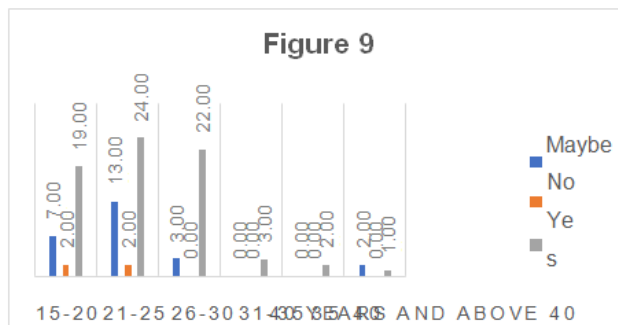


Figure 9

Gender: Male and female of 100 respondents prefer and sure about watching content on OTT services.

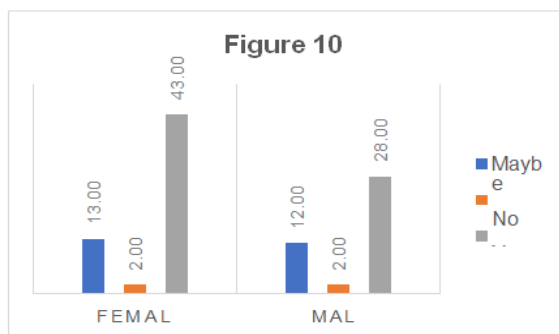


Figure 10

What Time of the Day You Use OTT Services the Most?

Demographically: The analysis of this question reveals that in both urban and rural region people prefer to use OTT services more in afternoon as compared to rest time of the day. By Contrast, people are having less interest in using OTT services in the morning.

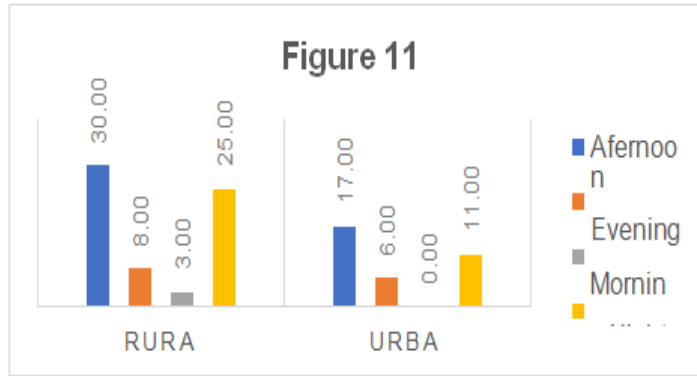


Figure 11

Age: Looking into the below mentioned table, It is analyzed that people of age group of 15-20, 21-25 and 26-30 are keen interested in watching OTT Content in Afternoon and Night Time as compared to respondents of age group above 31.

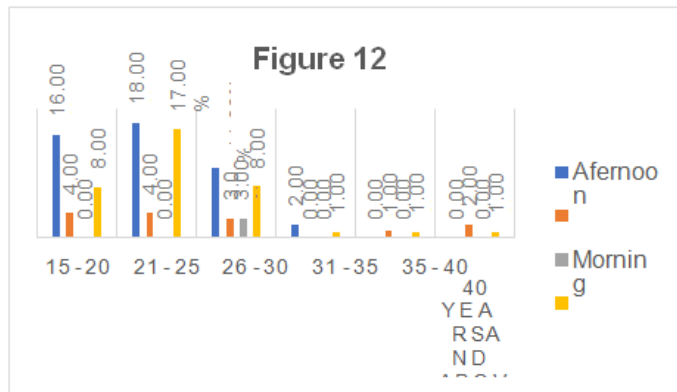


Figure 12

Gender: The bar graph states that percentage of female respondents watching OTT Content in the afternoon session is 32 % as compared to male respondents which is 15 % in the afternoon session. Looking in to the graph, it is analyzed that people are not much interested in watching OTT content in morning session as % of males using OTT services in morning is 3 whereas females don’t prefer to use OTT content in morning time.

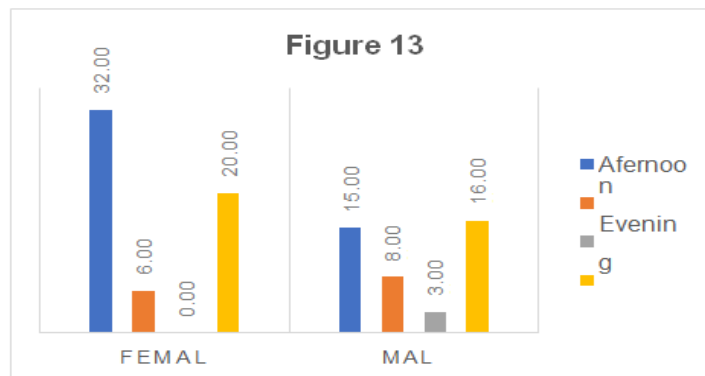


Figure 13

How Many Hours A Day You Watch OTT Services During Lockdown?

Demographically: It is quite discernible from bar graph that more than 80 % of rural population watches OTT services for 1-2 hours a day, on other hand urban respondents watch OTT content less as compared to rural population which is 12 % only. 2 % People of Rural region spends more than 4 hours which is less as compared to urban people.

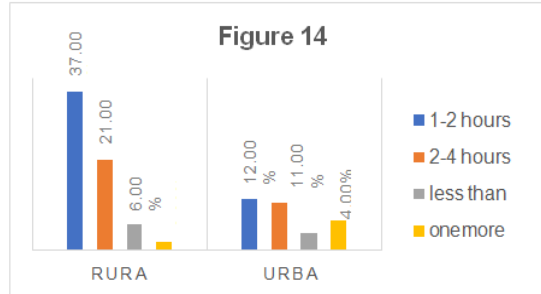


Figure 14

Age: Respondents of age group of 15-20, 21-25, and 26-30 usually spends 1-2 hours the most followed by 2-4 hours in watching OTT services whereas very less respondents watch OTT services for less than 1 and more than 4 hours.

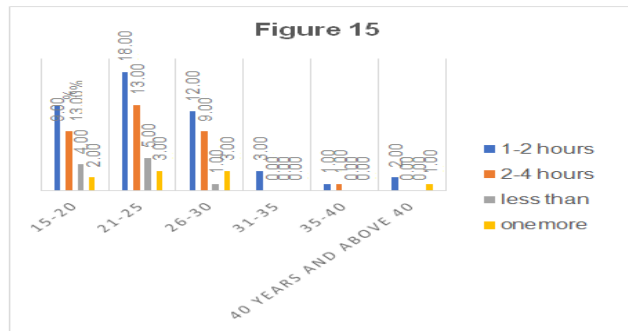


Figure 15

Gender: It can be analyzed from graph that percentage of female respondents who watch OTT services for 1- 2 hours is 29 % as compared to males which is 20 %. Male respondents spend more time that is 2-4 hours in watching OTT Content as compared to females.

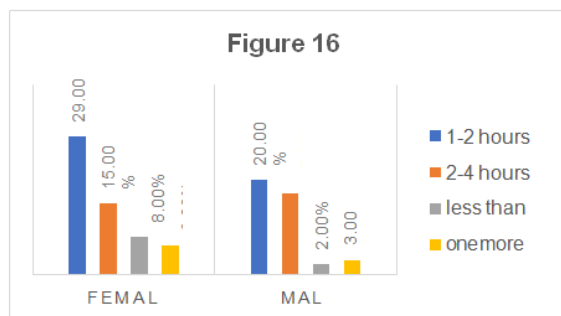


Figure 16

Do You Have Any Paid Subscription of OTT Channels Like Netflix, Amazon Prime, Hotstar?

Demographically: It is analyzed from the graph that majority people in both rural and urban area prefer to watch unpaid services, only 23 % in rural region and 12 % in urban region uses paid subscription.

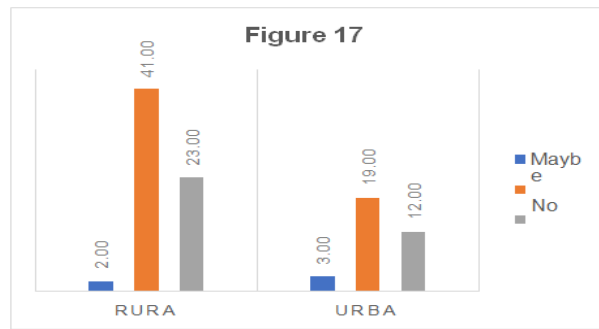


Figure 17

Age: It is revealed from the bar graph age groups of 15- 20, 21-25, and 26-30 highly prefer unpaid subscription and only 5 % of age group of 15-20, 15 % of age group of 21-25 and 11 % of age group of 26-30 prefers paid subscription.

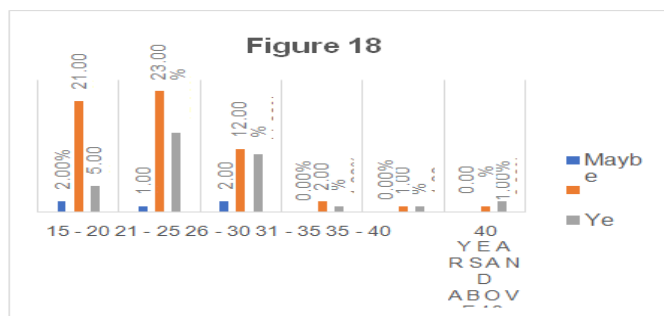


Figure 18

Gender: It is analyzed from the graph that age groups of 15-20, 21-25 and 26-30 highly prefers unpaid subscription than paid subscription.

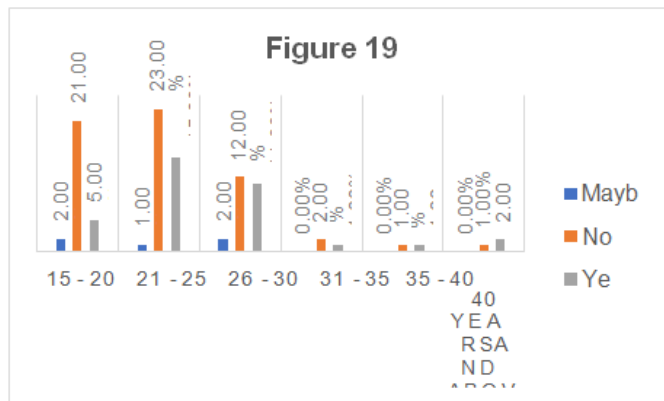


Figure 19

Do You Unsubscribed to Any of the OTT Service Which Subscribed Before?

Demographically: It is clear that only 5 % in rural region and 2 % in urban region has unsubscribed OTT service subscribed before. Most of respondents in both regions have not unsubscribed any OTT service.

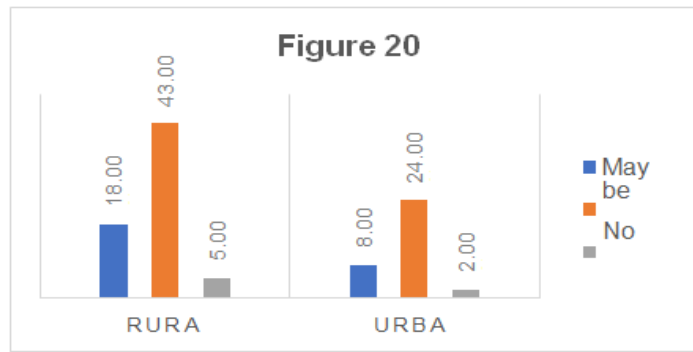


Figure 20

Age: Most Respondents of Age groups of 15-20, 21- 25, 26-30 have not unsubscribed any OTT service. Very less respondents have unsubscribed OTT services in the age group of 15-20 than age group of 21-25 and 26-31.

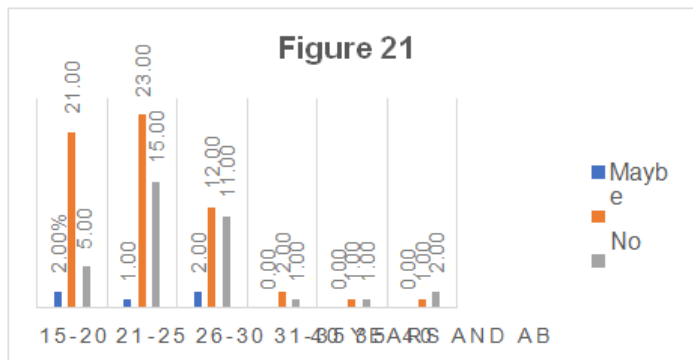


Figure 21

Gender: Percentage of females not unsubscribing any OTT service is 41 which is more as compared to males having 26 %.

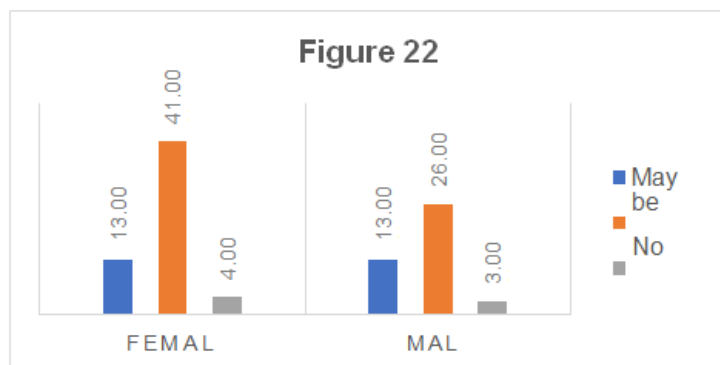


Figure 22

Which of the Following Problem You Faced That You Decided to Unsubscribe an OTT Services or Neglect Watching That OTT Service?

Demographically: It is clear from the graph that 22 % of people in rural areas found OTT service expensive as compared only 6 % of urban respondents. There are many other reasons for unsubscribing any OTT services in rural and urban regions.

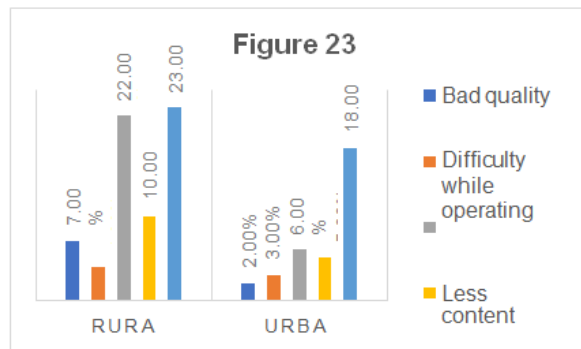


Figure 23

Age: Age group of 26-30 found OTT service more expensive as its proportion is 14 % which is more as compared to 15-20 and 21-25 which is 7 % and 5 %.

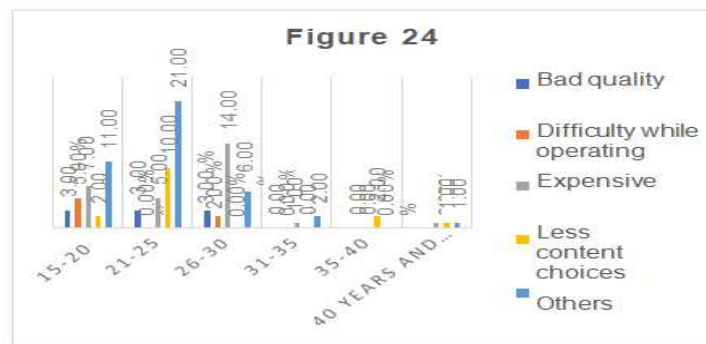


Figure 24

Gender: Males found OTT services more expensive as compared to females. 10 % of females found less content choice in OTT Services whereas male 5 % of males found less content choice in OTT Services.

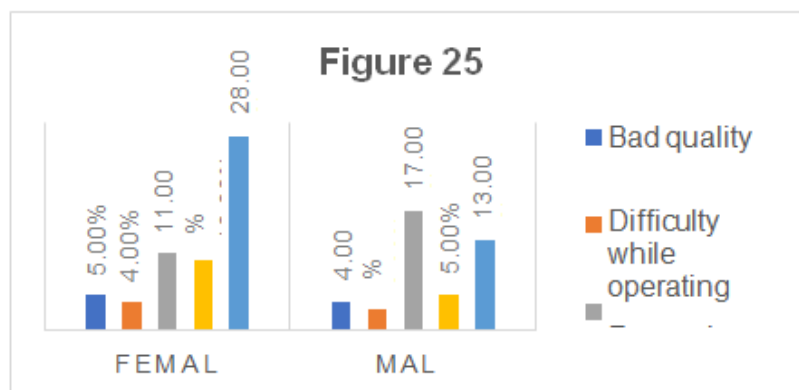


Figure 25

Do You Recommend OTT Services to Others Into Your Circle?

Demographically: Respondents of rural region are more interested in recommending OTT services to others as compared to respondents of urban region.

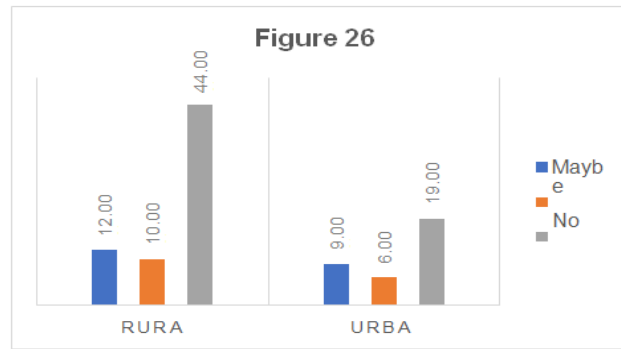


Figure 26

Age: Age groups of 21-25 and 26-31 highly recommend OTT services to others whereas age group of 15-20 is interesting in recommending only up to extent of 15 %.

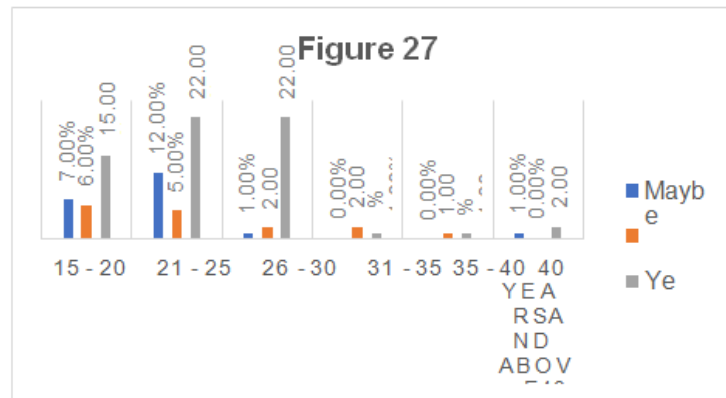


Figure 27

Gender: It can analyze that females recommend OTT services to others more than that of males.

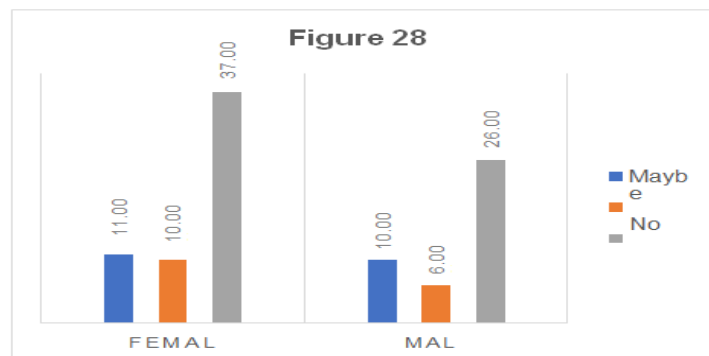


Figure 28

Q10 How Is Your Experience While Watching Chosen Content on OTT Services?

Demographically: It can state that rural people are more satisfied than urban people. Only 9 % of rural respondents and 7 % of urban respondents are very satisfied. 3 % of rural population is dissatisfied.

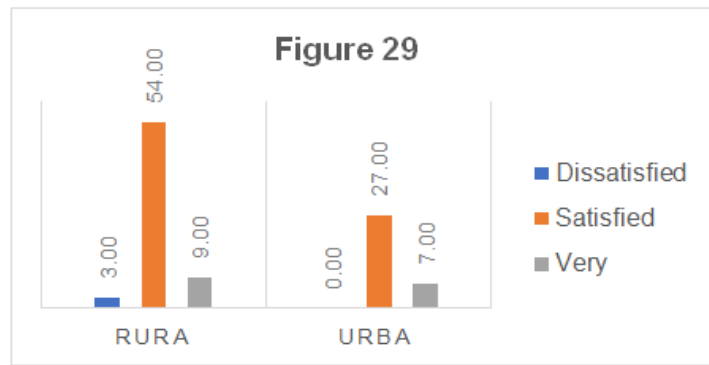


Figure 29

Age: Age group of 21-25 is more satisfied than other age groups as its % is 34. Very less respondents of age group of 15-20, 21-25, 26-30 and 31-35 are very satisfied with OTT Content.

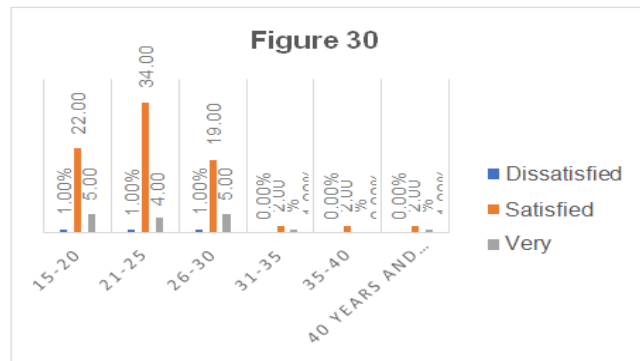


Figure 30

Gender: Percentage of females which are satisfied with OTT content is 49 % compared to males having 32 %. 2 % of females and 1 % of males are dissatisfied while watching OTT content.

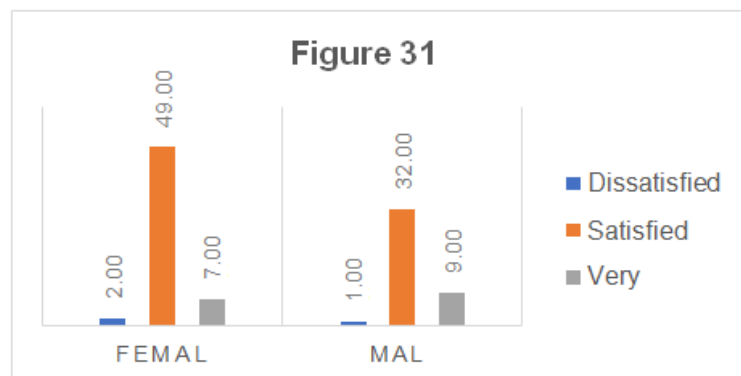


Figure 31

Q11. Explosion of Content Availability over Internet Lead to Increased Adoption of OTT Service?

Demographically: Mostly Respondents of rural region are having neutral opinion regarding content availability over internet that increased adoption of OTT service. 20 % of rural population and 16 % of urban population agree with this where as 6 % of rural respondents disagree that explosion of content of internet has increased adoption of OTT services.

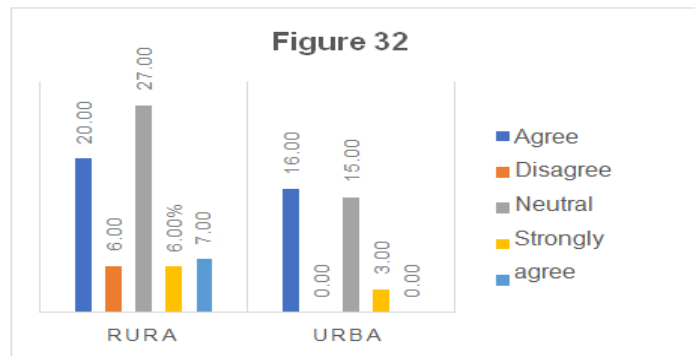


Figure 32

Age: Most respondents of Age groups of 15-20, 21-25 and 26-30 have agree and neutral opinion. Very less percentage of respondents is having disagree, strongly agree and strongly disagree opinion.

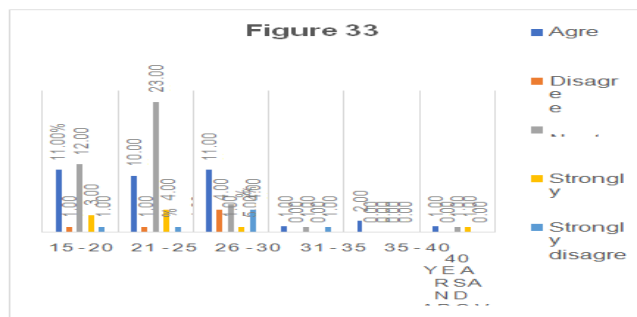


Figure 33

Gender: Both females and male respondents are agreed that explosion of internet has increased adoption of OTT services. 8 % of females whereas 1 % of males strongly agree with the statement. In addition, males are more dissatisfied as compared to females.

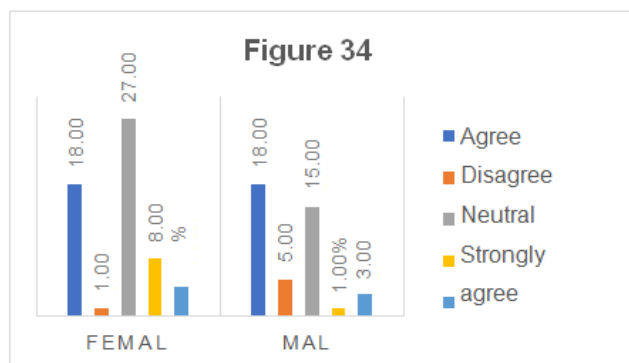


Figure 34

Q.12 Which OTT Players Offer Better Features and Greater Convince?

Demographically: It can be analyzed from the graph that YouTube offers better features and greater convince than other OTT players. Hotstar is least used by the respondents in both urban and rural region, its percentage in both regions is 3 %.

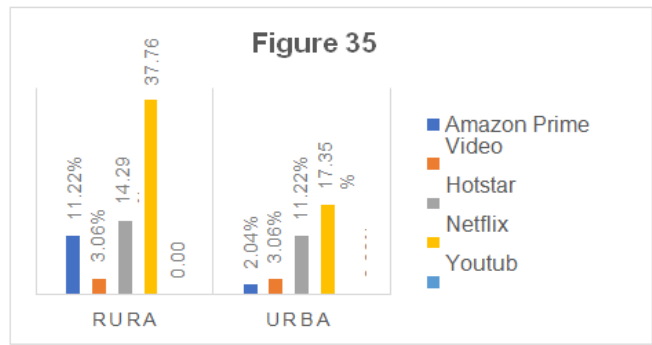


Figure 35

Age: It is clear from the bar graph that age groups of 15-20, 21-25, 26-31 uses You tube the most. Netflix occupies second position in preference.

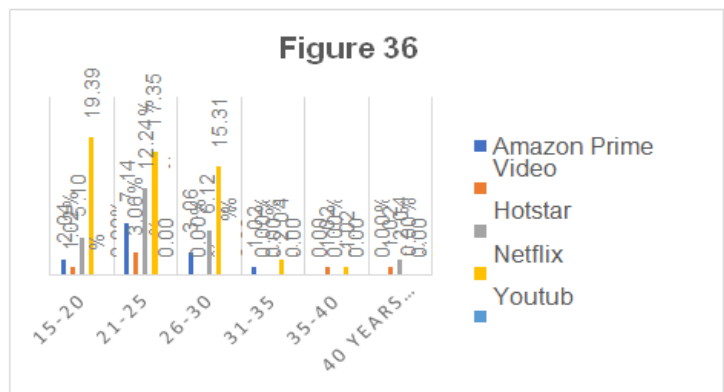


Figure 36

Gender: Percentage of females using YouTube, and Netflix is 30.61 and 16.33 which is more as compared to males. Hotstar is least used by both male and female as it is 1.02 % in case of males and 5.10 % in case of females.

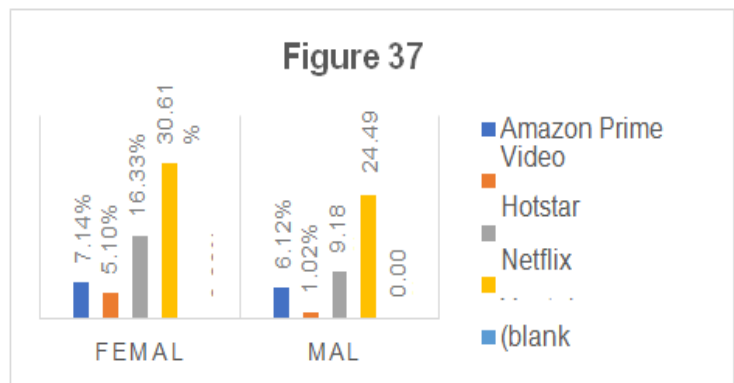


Figure 37

Q13 Which Internet Facility You Use Most While Using OTT Services Like Netflix, YouTube Etc?

Demographically: It can be analyzed from the bar graph that mobile internet is highly preferred in both rural and urban region.

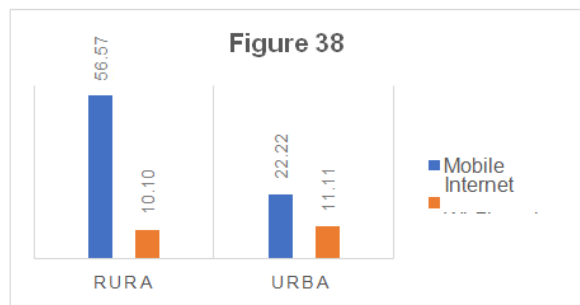


Figure 38

Age: It is clear from the graph that age group of 15- 20,21-25,26-30 highly prefers mobile internet services while watching OTT services and very less consumption of mobile internet and Wi-Fi services above 31 age groups.

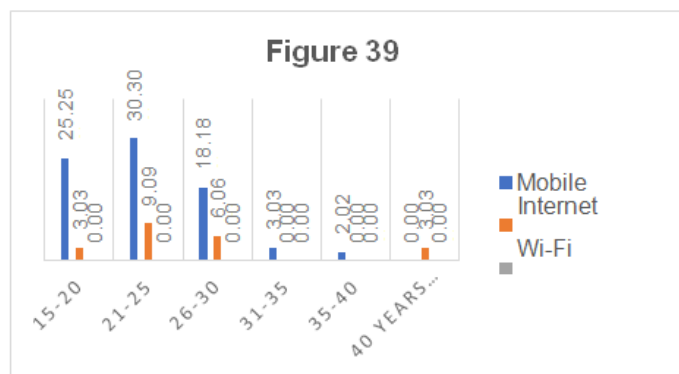


Figure 39

Gender: It is quite discernible from the graph that females use more mobile internet and Wi-Fi services than males. % of females using mobile internet is 42.42 % as compared to males which is 36.36 %.

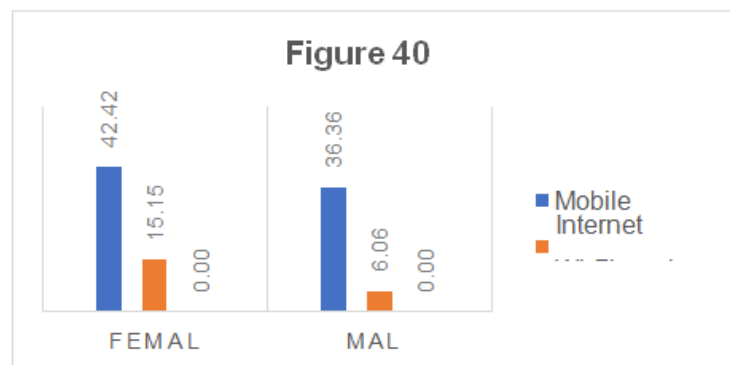


Figure 40

Q.14 Do You Prefer Watching OTT Services in High Quality?

Demographically: Majority people in both urban and rural region prefer to watch high quality OTT services.

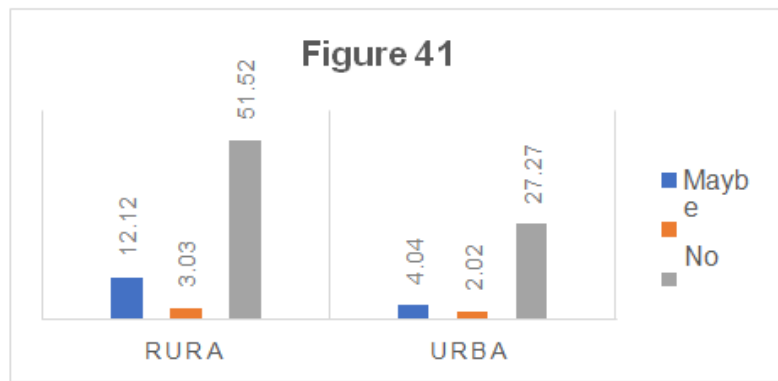


Figure 41

Age: Age groups of 15-20, 21-25, and 26-31 prefer high quality OTT Services. Very less people prefer low quality services.

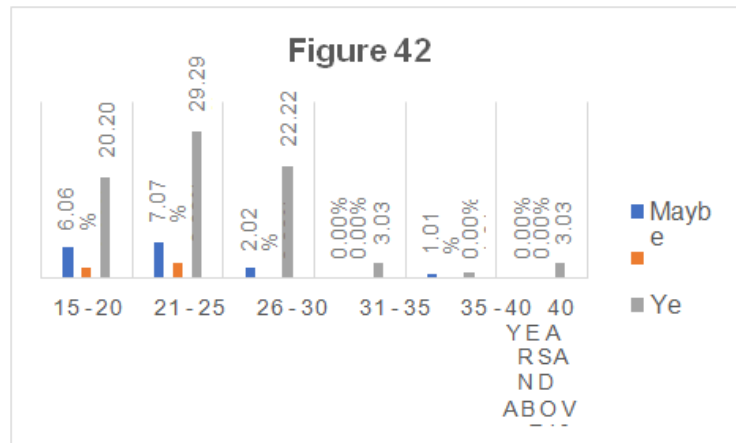


Figure 42

Gender: 44.44 % among female and 34.3 % among male respondents prefer watching content in high quality.

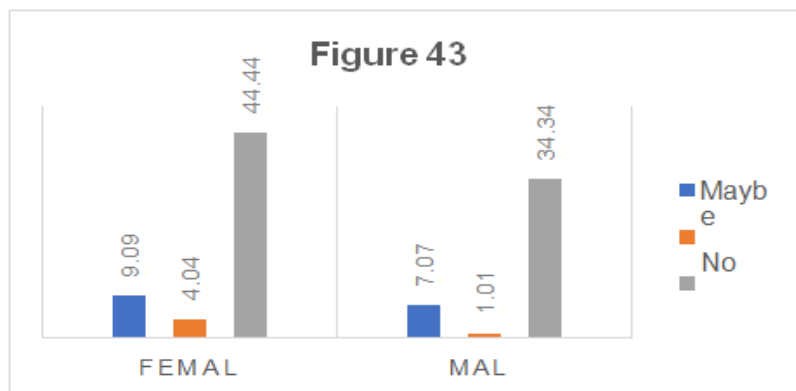


Figure 43

CONCLUSIONS

With the research been conducted on the topic impact of lockdown on OTT services some surprising factors are been found based on variable taken during the quantitative research which are as follows:

Hypothesis 1

Hybrid Model is the Most Successful Model among ALL the Models Present in the Market

- YouTube is still the leading the services of OTT market and amazon prime is the one which following the path with growing usage among respondents. Different models of market been studied with help of choices given to respondents from four different models available in the market i.e. Amazon is the newest experiment in the market and is quite successful in rural market as well.

Hypothesis 2

The Research is Conducted in Order to Study Market Insight during the Lockdown

- Movies are the most watchable content on OTT services and consumed maximum during lockdown and respondents are specific about the content shown on OTT services.
- The new prime time we can say that on OTT is afternoon, every demographically, gender and age group 15-35 variables prefer to watch during this time of day and 1-2 maximum time hours.
- 60 % of respondents does not like to pay for their services and want to watch only free content even when its lockdown.

Hypothesis 3

Satisfaction of Customer for the OTT Services during the Lockdown

- Most of the respondents said they do not unsubscribe the services once they subscribed on their device and technically maybe it is difficult to unsubscribe. Analysis shows that engagement watch time should be most reliable factor.
- Expensive and less content choices are the main factors that shows respondents if unsubscribe or disinterested in the service and other factors like network issues can also be one of the reason to not watch these services..
- Recommendations to others can also act as a good marketing tool for the services whether it's from users' side or from service providers. Trending spots on that app helps the viewers to watch particular content.
- Most of the respondents believe that they are satisfied by the content whereas in age group 31- above are not satisfied by the content services provided by OTT platforms. The choices of available content are less according to their likings.
- YOUTUBE, NETFLIX, AMAZON PRIME are most popular content providers among the respondents.
- High Quality Content and Good Mobile Internet are still the most important requirement and challenges in the market of OTT.

REFERENCES

1. Deloitte. (2017). *Digital Media: Rise of on-demand content*. Retrieved from <https://www2.deloitte.com/content/dam/Deloitte/in/Documents/technology-media-telecommunications/in-tmt-rise-of-on-demand-content.pdf>
2. Devika Singh. (2020). *How is coronavirus impacting the streaming platforms with an increasing appetite of viewers?* Retrieved from <https://www.financialexpress.com/>

3. Dr. Sabyasachi Dasgupta and Dr. Priya Grover, *Understanding Adoption Factors of Over-the-Top Video Services among Millennial Consumers*, *International Journal of Computer Engineering and Technology*, 10(1), 2019, pp. 61- 71.
4. Hindman, D. B., & Wiegand, K. (2008), ‘‘The big three's prime-time decline: a technological and social context’’, *Journal of Broadcasting & Electronic Media*, 52(1), 119+. Retrieved from <http://link.galegroup.com/>
5. IMAI. (2017). *Internet and Mobile Association of India*. IMAI. Retrieved Oct 15, 2017
6. Neha Alawadhi (2020). *Lockdown impact: Online gaming sees over 100% spike in traffic, OTT at 198%* Retrieved from https://www.business-standard.com/article/companies/lockdown-impact-online-gaming-sees-over-100-spike-in-traffic-ott-at-198-120041401666_1.html
7. Raghuwanshi, S., Sharma, P., & Singh, K. P. (2017). *Monetizing OTT Video Platform on Web and Mobile – An Overview*. *IJCA Proceedings on International Conference on Computer Systems and Mathematical Sciences* Retrieved from <https://research.ijcaonline.org/iccsms2016/number1/iccsms201664.pdf>

WEBSITE LINKS

1. https://traai.gov.in/sites/default/files/CPOTT12_112018.pdf
2. <https://traai.gov.in/sites/default/files/InternetMobileAssociationIndia08012019.pdf>
3. <https://telecom.economictimes.indiatimes.com>
4. </tele-talk/ott-media-in-india-it-s-just-the-beginning/1861>
5. <https://www.medianova.com/en-blog/2020/01/24/what-are-the-main-monetization-models-available-to-ott-companies>
6. <https://www.redchalk.com/wp-content/uploads/2016/04/Industries-Media-and-Entertainment-OTT-Business-Models-Not-Everyone-Should-Be-Like-Netflix.pdf>
7. <https://www.brightcove.com/en/blog/2019/05/multi-tiered-ott-model-give-audiences-power-choice>
8. <https://idea.library.drexel.edu/islandora/object/idea%3A7515>

IMAGES

1. *Deccan Herald*: (<https://www.deccanherald.com/business/coronavirus-lockdown-as-people-stay-home-tv-and-ott-usage-sees-massive-uptick-824700.html>)

WEBINAR

1. <https://www.youtube.com/watch?v=z7hciXRPW1U&t=2107s>

CITE THIS PAPER

1. Saihpal, A., Sharma, M., Sharma, M., & Singh, K. (2020). “Understand and Analyse Monetization Models” To study models opted by OTT (Over the Top) Service Providers during lockdown.

