

# Impact of OTT on Entertainment Industry in India

Shalparni P Y

Dept. of Computer Network and engineering  
BMS College of Engineering  
Bangalore, India

Punyashree B

Dept. of Computer Network and engineering  
BMS College of Engineering  
Bangalore, India

R Ashok Kumar

Dept. of Computer Network and engineering  
BMS College of Engineering  
Bangalore, India

**Abstract:-** In this ever-evolving world of internet and entertainment this study will help to analyze the impact of online streaming platforms are affecting Indian cinema theaters, and how its attracting young people towards streaming platforms to access video content. This will summarize by suggesting how movie theaters can stay relevant and the measures that can be taken from both media platforms to go hand in hand.

**Keywords—**OTT platforms, Cinema Theaters, NodeXL, Covid-19, entertainment industry

## I. INTRODUCTION

Over the last 3 years a rapid growth in Over-the-Top streaming platforms can be observed. Audiences use different technologies to watch films, documentaries and web series on their mobile devices. Some of which are Netflix, Amazon Prime, Hotstar and Zee5, who provide movies and other video content via the internet, it is a challenge to the cinema theater industry. During covid-19 many movie theaters were shut down due to loss midst lockdown, owners were worried that the cinema viewing experience will eventually be replaced by digital platforms affecting in decrease of number of viewers visiting the theaters. As a counter fact many movies released post pandemic are making huge profit to the box office and helping with the revenue of the entertainment industry.

Even Though India has a massive craze on watching movies in theaters the rise of these OTT platforms are continuing to increase doubt as to where this will lead the theater industry as they are already facing a huge loss of revenue due to lockdown. The objective of this research is to find out how digital streaming platforms are a challenge to cinema theaters, as well as how the pandemic has impacted both the businesses. This paper also analyses the change in dynamics of the film industry in India and the possible reasons behind the change.

## II. LITERATURE REVIEW

Poornesh Pathak [1] OTT platforms vs Theater. This paper concise the debate regarding direct-to-digital release has witnessed a massive rift in the film industry during covid-19 pandemic, it also focuses on the different perspectives of theater owners, producers, film makers about the hit on

multiplexes during lockdown. Sony Varghese [2] Is the OTT a disruption to the movie theater industry? Analysis on customer behavior towards OTT platforms and movie theater industry by considering various factors like- time spent, price, experience etc. Arch Baisya [3] Impact of covid-19 on cinema. It describes how Bollywood is trying to overcome the loss of income during the lockdown period. On the other hand, it shows how many films were released directly on streaming platforms without waiting for the theaters to function again. Pankaj Thakur [4] Remarkable evolution of OTT media platforms in India: A case study of business and regulatory trends. It Describes how the OTT platforms evolved in India and the reason for the popularization and growth of these platforms over the years.

## III. ENTERTAINMENT INDUSTRY IN INDIA

- A. *Evolution of Cinema industry over the years*
- Silent films- 1890's to 1920's: The film that first released in India was 'Shree Pundalik', a silent film in Marathi language by Dadasaheb Torne on 18 may 1912 at Coronation Cinematograph, Bombay.
  - Talkies: Alam Ara, directed by Aridesh Irani was the first Indian talkie released on march 14 1931.
  - The late 1940's is regarded as "the golden age of Indian cinema "in this period saw cinema industry coming to light where parallel cinema movement lead by Bengalis which then accounted for a quarter of India's film output examples like Dharthi ke Lal which emphasized on social realism. Realistic parallel cinema continued throughout the 1970s.
  - Color films: Kisan Kanya which was released in 1937, is said to be the first color film in India.
  - Hum Log which aired in 1984-85 was the first television drama in India concluded with 154 episodes.
  - PVR Anupam located in south Delhi is India's first multiplex opened in 1997.
  - BIGFlix, the first OTT platform was launched by reliance entertainment in 2008.

**B. What is OTT?**

An over-the-top (OTT) is a streaming media service that directly offers service for the viewers through broadcast and internet. Many companies have come up with streaming services where they can release the content on internet and makes easier for people to watch shows and movies whenever and wherever they want with a simple subscription. The first OTT platform in India was BIGFLIX launched by Reliance entertainment in 2008. today in India there are around 40 streaming platforms of which the popular ones being- Disney+ Hotstar, Netflix, Amazon Prime, Sony LIV, Zee5 etc. During the year 2018, the OTT market in India was worth 2,150 crores and it is predicted to be worth \$15 billion by 2030. OTT market revenue in 2020 is approximately 19 billion rupees. in 2020 240billion hours were spent on video streaming apps. The highest growth of digital market in India can be observed in the year 2019-2020 by the hike of 49 percent during this time. The OTT sector has seen an increase of 30% in the number of paid subscribers; it has increased from 22.2 million to 29.0 million during March-July 2020. The above statistics show how rapidly the OTT industry is growing in India.

**IV. OTT V/S CINEMA THEATERS**

*Impact of covid-19 on OTT*

In recent years OTT media is making a huge impact on the entertainment industry. This has made a person sitting in a remote village have access to all the trending shows and movies. In the perspective of the user, in one cinema price 3 months of OTT subscription can be taken, allowing them to explore different languages and access them from any part of the world. The production industries observing this trend are coming forward to invest on the content streaming on these platforms. The reason for this massive change can be due to many factors like low internet cost, price of subscriptions to various platforms, and engaging content. OTT has its own downside as binge watching various shows has become a routine for many youngsters in recent times leading to more screen time and addiction.

*Impact of covid-19 on cinema theaters*

Covid-19 has taken the world by storm as we all know. It has taken a toll on our day-to-day life. Cinema theater industry is no exception as the viewers have completely stopped going to theaters amidst lockdown. This has caused an unbearable loss for the industry. For decades before multiplex India had thousands of single screen movie halls, some of which were large enough to seat 1000 people. In the year 2019 the number of single-screen cinemas across India dwindled from about 10,000 to less than 7,000. The sharpest decline was in theatrical revenue which dropped from \$42.3 billion in 2019 to \$12 billion in 2020 this is the lowest figure since 2016 globally. As the industry is taking deep breaths after 3 years of struggle many movies are hitting the box-office with huge revenue post pandemic. So, the revenue of the theater industry can be expected to rise in the upcoming years.

**V. METHODOLOGY**

The analysis is carried out by two methods being twitter hashtag(#OTT) and online polls.

**A. Analyzing twitter hashtags using NodeXL**

In this paper hashtags are used to analyze the engagement of both OTT platforms and theaters in social media. This analysis on twitter hashtags is done using NodeXL and the graph metrics



Fig 1.1: A network graph for #OTT

Table 1.1: analysis on #ott

PARAMETERS	TWITTER HANDLE	HIGHEST VALUE
Betweenness Centrality	@tutejajogi	8060.013
Closeness Centrality	@24i_media	1.0
Eigenvector Centrality	@tutejajogi	0.43
Degree	@tutejajogi	158
In-Degree	@albalaji	157
Out-Degree	@ottnatt	17

**B. Analysis on real-time data using online polls**

A link was shared among social media platforms for the following survey, the participants were asked to select one option among the choices given according to their preferences.

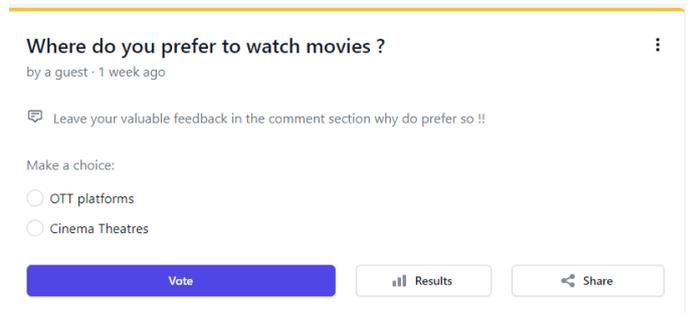


Fig 1.2 online poll

An online poll creates a straw poll. We could get the real time and accurate data as it takes votes based on IP address so, duplication of data is avoided. The result is as follows

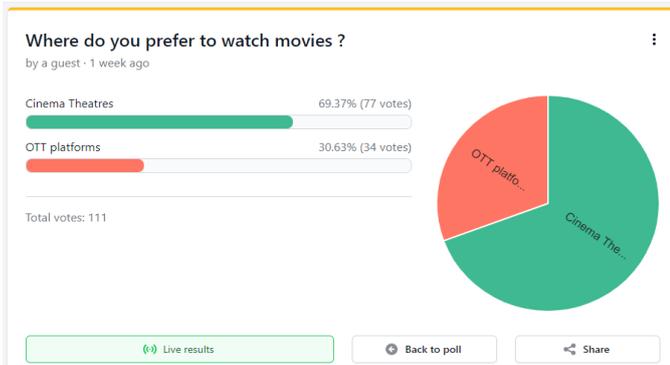


Fig 1.3 online poll results

The above figure shows that the interest of people in cinema theaters is more compared to OTT platforms. Where 69.37% of people would like to watch movies in theaters and 30.63% of people would like to watch movies in OTT. The reason for this preference depends on various factors like- comfort of watching the movies from our homes which are provided by OTT platforms. The whole experience of watching movies on the big screen with the sound effects provided by Cinema theaters. Cost of the subscription to Ott platforms is less compared to one cinema ticket and various other reasons can be stated.

**C. Case study on movie after pandemic**

#KGFChapter2 hashtag has been used from twitter to analyze about KGF Chapter -2 movie.



Fig 1.4 A network graph of #KGFChapter2

Table 1.2: analysis on #KGFChapter2

PARAMETERS	TWITTER HANDLE	HIGHEST VALUE
Betweenness Centrality	@thenameisyash	121030
Closeness Centrality	@adheerasukka	1.0
EigenVector Centrality	@thenameisyash	0.022
Degree	@thenameisyash	261
In-Degree	@thenameisyash	261
Out-Degree	@sharane	47

Example of a movie called KGF-2 is selected, which was pan India and released after pandemic the above graph shows how the topic #KGFChapter2 has been tweeted. Nowadays every industry is using social media influencers to promote their movies, any such products can reach many people.

As we can see in the tabular column the actor Yash of KGF-2 movie hero has promoted the movie using his twitter handle so @thenameisyash can be called as the most influential node.

**VI. SUGGESTIONS**

1. Theaters and distributors association can propose a rule that a film can be released only after 3 months of its theatrical release on OTT platforms, this rule profits both the platforms.
2. It is clear that OTT platforms have affected continuous TV viewership more than cinematic experience.
3. OTT rise has allowed filmmakers to understand the changing view of audience towards the style of their movie preferences
4. Multiplexes can extend their screen numbers by acquiring the non-functioning single-screen theaters, this helps in providing next class movie experience even in small cities.
5. Now OTT has become an exponential revenue generator. Producers who spend a huge amount of money on theaters have more options.
6. As OTT platforms have no boundaries, cast and crew members can reach a vast number of audiences which leads to more exposure of their talent.
7. The smaller films which have less budget can be released in OTT platforms as theater release requires a lot of cost and increase in the budget. This has helped many films to gain popularity and profit in recent times.
8. Cinema companies can interact with their customers via social media to get feedback on their needs and improve the cinema viewing experience accordingly instead of following age-old traditions.
9. As a medium cinema has competed with various forms like DTH, VHS, VCD, etc. for many years and proven its importance in the industry.
10. Cinema theaters and OTT platforms obviously coexist, but their business models will also have to make few changes. The cinemas should mainly concentrate on building experience-driven entertainment.
11. Movie theaters should concentrate on new services like selecting the quality content, adapting to evolving technical innovations and reducing the ticket costs, this measure will have potential to lure the audience back to theaters and boost the number of viewers
12. Even though OTT platforms provide the comfort of watching movies without the need to go out of the house, it can never replace the cinematic experience that the theaters provide.
13. OTT platforms can be considered as the additional source of income but not as a large-scale revenue generator for the movie industry.

**VII. CONCLUSION**

OTT Platforms can never replace Theaters as they give a whole different cinema watching experience. Both Ott platforms and theaters have their own advantages as well as disadvantages. As Ott is easily available for everyone the

possibility of youngsters getting addicted is high. Theaters provide many local job opportunities to different people. Coming to revenue impact in movies is nothing much as depends on movies if the movie is good it runs on any platform and as we did the survey even after pandemic people like to watch movies in theaters more so it might not affect much for the revenue as far as it can entertain.

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