

# The Paradigm Shift: Unveiling the Transformative Influence of OTT Video Platforms on Conventional Television Channels

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**Abstract:**-The entertainment landscape has witnessed a transformative shift in recent years, driven by the rise of Over-the-Top (OTT) platforms. These platforms, delivering content via the internet, challenge traditional television models, leading to changing consumption patterns globally. This paper explores the impact of OTT platforms on traditional television channels, focusing on the burgeoning Indian market. The study investigates factors driving viewers to OTT services, challenges faced by traditional channels, and strategic adaptations needed in this evolving media landscape. With a sample of OTT viewers in Pune, the research employs statistical analysis to discern correlations between OTT adoption, viewing habits, and attraction factors. The findings reveal a significant influence of OTT on traditional TV, prompting a paradigmatic evolution in entertainment consumption.

**Keywords:** Over-the-Top (OTT), Conventional Television channels, Viewer Shift

## 1. Introduction

The entertainment industry has undergone substantial changes in recent decades, driven by technological advancements and the proliferation of new content consumption platforms. A major catalyst for this transformation has been the ascent of over-the-top (OTT) platforms, which deliver film and television content over the internet, bypassing traditional cable or satellite providers. The popularity of OTT platforms has soared due to factors such as increased smartphone and internet penetration, affordable data plans, and a growing demand for personalized content. According to a joint report by KPMG and Google, India is poised to have 627 million OTT users by 2023, signifying the rapid growth of this industry. This shift has disrupted traditional media consumption patterns, with consumers favouring OTT platforms on smartphones, tablets, and smart TVs, thereby challenging the established business models of traditional media companies.

The burgeoning success of OTT video platforms is expected to shape a multibillion-dollar industry in a relatively short span. This growth is fuelled by the rapid global expansion of OTT players, ongoing industry consolidation, and the formation of new partnerships (Digital TV Research, 2012). While some analysts believe that OTT video platforms may not entirely replace traditional television channels in the short term, they are

projected to persist as a significant secondary entertainment medium (Mason, 2012). In developing countries like India, the widespread adoption of OTT video platforms is anticipated to take time to capture a larger market share. However, contrasting views suggest that OTT video platforms will significantly disrupt the traditional television channel industry, as evidenced by a 2010 KPMG research study revealing a growing trend of cable TV cancellations in favor of online content (KPMG International, 2011).

## 2. Literature Review.

Over-the-Top (OTT) video services are revolutionizing the entertainment landscape, exerting a profound influence on traditional cable and satellite television. The transformative impact of OTT on conventional TV subscriptions is increasingly evident, with research studies indicating that cord cutting, the termination of traditional TV subscriptions, may occur sooner than initially anticipated. (Sundaravel, E. and Elangovan, N., 2020)

In a riveting KPMG report (2019), a staggering 38% of respondents signalled their openness to the prospect of cord cutting in the future, underscoring a substantial segment of viewers willing to exclusively embrace online platforms for their entertainment cravings. These respondents expressed satisfaction with the diverse offerings on OTT platforms, emphasizing the escalating significance of OTT video services as formidable alternatives to conventional television.

The decision to contemplate cord cutting is fuelled by a myriad of factors. Foremost among them is the superior control and personalization offered by OTT platforms compared to their traditional TV counterparts. Viewers revel in the freedom to dictate what, when, and how they consume content, facilitating a tailored viewing experience. The ability to stream content seamlessly across various devices, from smartphones to smart TVs, enhances the allure of convenience and accessibility. (Dr. Swati Manoj Yeole, Dr. Lambodar Saha, & Prof. Charulata Bhaisare, 2022),

Moreover, the cost factor assumes a pivotal role in the cord-cutting narrative. Traditional TV subscriptions often burden consumers with exorbitant monthly bills, prompting a re-evaluation of the value they derive. In contrast, OTT video services typically present more wallet-friendly pricing options, featuring subscription plans customized to individual preferences and budgets. This fusion of cost-effectiveness and a vast content reservoir positions OTT platforms as an enticing choice for budget-conscious entertainment seekers.

Further substantiating the shift towards cord cutting is the resounding belief that online platforms can aptly satiate viewers' entertainment cravings. The expansive libraries of content provided by OTT providers, coupled with personalized recommendations and algorithm-driven discovery features, ensure a seamless alignment with users' interests and preferences. The ease of accessing a diverse content spectrum anytime, anywhere with an internet connection fortifies the conviction that traditional TV subscriptions are no longer indispensable. (Dr. Sabyasachi Dasgupta and Dr. Priya Grover 2019),

Research conducted by Dr. S. Gomathi and Dr. N. Vijaiitha Christy (2021) anticipates the continued expansion of OTT video streaming services, poised to disrupt traditional mediums such as television and cinema. This trend gained momentum during lockdown periods, driven by increased smartphone usage, strategic partnerships within the media industry, superior digital quality, cost-effectiveness, and ubiquitous accessibility. Similarly, Sadana and Sharma (2021) delve into the growing popularity of OTT platforms among young consumers in India, highlighting factors such as changing preferences, gamification, and cost-effectiveness that contribute to their supremacy over traditional Pay TV services.

A study by Carl Waldenor (2013) in Sweden investigates the impact of OTT video platforms on the television industry, revealing unique influences and strategic implications throughout the television value chain. Similarly, Dr. Vidhya K. and Mr. Arjun Govind (2022) focus on factors influencing customer adoption of OTT platforms over conventional ones in India, emphasizing the platforms' promising future and their role in shaping consumer preferences. Sangeeta Tanwar's report (2019) underscores the rising possibility of OTT platforms surpassing TV as the primary entertainment source in India, driven by the increasing popularity of online video content.

Apoorv Raj and Aravind Nair (2021) acknowledge that while OTT platforms cannot entirely replace cinemas, they are establishing a niche and significantly impacting traditional mediums like television and multiplexes. Their projection suggests a gradual decline in the preference for traditional cinema experiences in favor of the expanding reach and offerings of OTT platforms.

Nirmal S and Kaitharath TJ (2022) conducted a study utilizing focus groups, interviews, and observations to explore the relevance of OTT video platforms during the COVID-19 pandemic. Their findings indicate a heightened inclination towards OTT content consumption, attributed to the surplus of free time during the pandemic, highlighting the incorporation of OTT platform content into daily routines.

In essence, the narrative of OTT video services transcends a mere technological shift; it symbolizes a paradigmatic evolution in how we consume entertainment, reshaping the very foundations of the industry.

### **3. Statement of The Problem**

This research paper aims to investigate the paradigm shift brought about by Over-the-Top (OTT) video platforms and their transformative influence on conventional television channels. As the popularity of OTT platforms surges, there is a pressing need to understand the implications of this shift on traditional television channels. The research will delve into the factors driving viewers towards OTT services, the challenges faced by traditional channels in retaining audiences, and the strategic adaptations required to navigate this evolving media landscape. This study seeks to contribute valuable insights into the dynamic interplay between OTT platforms and conventional television, unravelling the implications of this transformative trend for the broader media industry.

### **4. Research Questions**

- How does the emergence of OTT Video Platforms affect the viewing timings of Traditional Television Channels?
- What factors contribute towards the attraction for the OTT video platforms, and do viewers migrate to these platforms as a result of these factors?

### **5. Research Objectives**

- To examine how OTT video platforms influence the viewing timings of traditional television channels.
- To investigate the factors that attract audiences to OTT video platforms and determine if these factors contribute to the migration of viewers from traditional television channels to OTT platforms.

### **6. Research Hypothesis**

Hypothesis 1:

Null Hypothesis (H<sub>0</sub>): There is no significant impact of OTT video platforms on the viewing timing of traditional television channels.

Alternative Hypothesis (H<sub>1</sub>): There is a significant impact of OTT video platforms on the viewing timing of traditional television channels.

Hypothesis 2:

Null Hypothesis (H<sub>0</sub>): The reasons for attraction towards OTT video platforms do not lead to a shift of viewers from traditional television channels to OTT platforms.

Alternative Hypothesis (H<sub>1</sub>): The reasons for attraction towards OTT video platforms contribute to a significant shift of viewers from traditional television channels to OTT platforms.

### **7. Research Methodology**

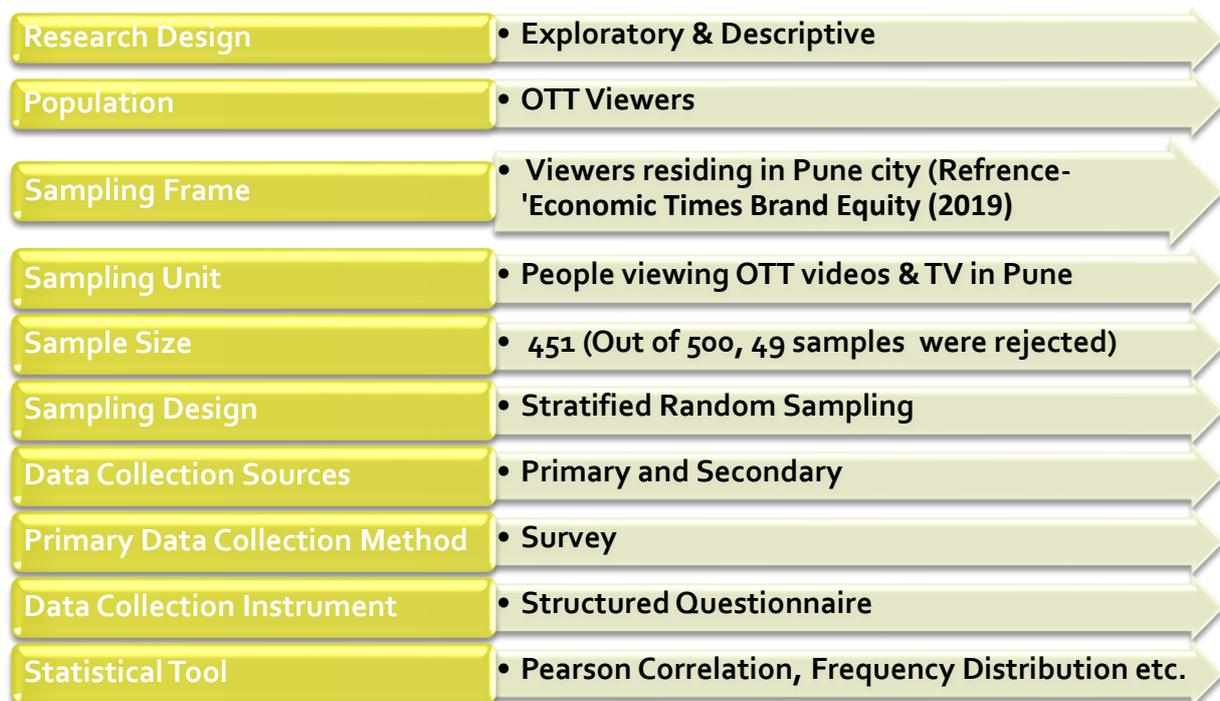
This section aims to delineate the methodology and approach used in the research, furnishing a thorough depiction of the ethical guidelines governing the study. The section describes the research methodology applied in the investigation, providing the narrative of its execution.

The research focuses on a specific group for sampling, namely "OTT viewers Residing in Pune." Recent data from 'Economic Times Brand Equity (2019)' indicates that a significant portion of OTT viewers in India, around 36%, reside in Tier 1 cities, with Pune falling into this category. As a key city in the OTT Video Platforms Market, Pune is chosen as the research population for this study.

The sample consists of OTT viewers in Pune City, grouped by age into "18-27," "28-37," "38-47," and "48 and above" categories. Despite the 'KPMG, 2019' report noting that 90% of Indian OTT viewers are below 35, we've chosen these age brackets to delve into additional behavioural aspects, aligning with relevant literature reviews.

Given the unavailability of precise data on the total number of OTT viewers in Pune City, and considering the substantial viewer count, the population is treated as infinite. When dealing with an unknown but significant population size with a known population proportion, the optimal approach for determining sample size is Cochran's Formula. Therefore, Cochran's formula for infinite populations, as outlined in Cochran's work "Sampling Techniques," is applied in this study. As per that the minimum required sample size is 384 but for the better understanding of the subject 500 respondents were approached out of which 49 samples were rejected on the ground of incomplete or invalid answers. So final sample size is 451. A well-defined structured questionnaire was used to collect the primary data.

**Figure 1: Research Methodology**



**8. Results**

Primary data collected through the structured questionnaire was thoroughly analysed using statistical software such as SPSS and Microsoft Excel

**Reliability Analysis**

**Table 1. Reliability Analysis**

Cronbach's Alpha	N of Items
.900	91

Source: Data Analysis.

**Interpretation:**

The reliability of the pilot study was evaluated through the 'Cronbach's Alpha' method, and the findings are detailed in Table 4.1. This method gauges the "Internal Consistency" of the study's items. The computed 'Cronbach's Alpha' value for the 91 instrument items stood at 0.900, signifying a notably high level. This high value indicates strong "Reliability" and "Acceptability" of the research instrument, suggesting a robust interconnection among the items, reflecting a high degree of internal consistency.

**Factors attracting viewers towards OTT Platforms**

The following table presents findings relevant to viewers opinion on what factors attract them the most to OTT platforms. The respondents rated various aspects of OTT platforms, including the convenience of watching shows at their preferred time and place, accessibility on different devices, the discovery of new television shows, content quality compared to traditional channels, and several other factors. The mean scores indicate the overall satisfaction levels, with a comprehensive average rating of 4.26 across the surveyed categories. These insights highlight the diverse appeal of OTT services, encompassing factors such as personalized recommendations, reduced commercials, and the availability of high-quality content, thereby shedding light on the evolving landscape of modern entertainment consumption.

**Table 2. Factors attracting viewers towards OTT Video Platforms**

Factors	N	Mini.	Max.	Mean	Std. Deviation
Time and place convenience	451	2.00	5.00	4.5011	0.71918
Accessibility on Different Devices	451	2.00	5.00	4.4900	0.70664
Discovering New Shows	451	2.00	5.00	4.3348	0.80615
Better Content Quality	451	1.00	5.00	4.2616	0.85521
Catching Up on Old Episodes	451	2.00	5.00	4.2506	0.82555
Better Video Quality	451	2.00	5.00	4.2506	0.82285
Early Access to New Movies	451	2.00	5.00	4.2262	0.76148
Personalized Recommendations	451	2.00	5.00	4.2195	0.76197
Watching Missed TV Episodes	451	1.00	5.00	4.2084	0.90726
Rewatching Broadcasted Episodes	451	2.00	5.00	4.1574	0.86129
Reduced Commercials	451	2.00	5.00	4.1397	0.86436
Sufficient and Applicable Content	451	1.00	5.00	4.0798	0.89830

Factors	N	Mini.	Max.	Mean	Std. Deviation
Overall Mean				4.2600	

The summary of descriptive statistics reveals a noteworthy overall mean of 4.26 on a 5-point scale for all factors influencing attraction towards OTT platforms. This suggests that respondents perceive all listed reasons as compelling incentives for choosing OTT. Particularly, the highest rating was assigned to the factor of 'Being able to watch shows as per time and place convenience,' indicating its significant influence on respondents' preferences.

**Hypothesis 1: (H1): There is a significant impact of OTT video platforms on the viewing timing of traditional television channels.**

To test this hypothesis Pearson’s correlation is used.

**Table 3. Correlations between TV Viewing Timing and Impact**

		How much time do you spend watching television every day?	How would you rate your shift to OTT Video Platforms over Traditional Television Channel in range of 1 to 5?
How much time do you spend watching television every day?	Pearson Correlation	1	-.260**
	Sig. (2-tailed)		.000
	N	451	451

Source: Data Analysis.

Examining the table above reveals that the significance value of the Pearson Correlation is below .05, indicating a significant correlation between the transition to OTT and TV watching timings. Given the negative correlation coefficient, there is an inverse relationship between these variables. In simpler terms, as the shift to OTT increases, TV watching time significantly decreases. Consequently, we reject the null hypothesis suggesting no significant impact of the shift to OTT on TV watching time and accept the alternative hypothesis (H1).

**Hypothesis 2 (H1): The reasons for attraction towards OTT video platforms contribute to a significant shift of viewers from traditional television channels to OTT platforms.**

Pearson’s Correlation was used to test this hypothesis

**Table 4. Correlation between Shift and Reasons for attraction**

		How would you rate your shift to OTT Video Platforms over Traditional Television Channel in range of 1 to 5?	Reasons_For_OTT
How would you rate your shift to OTT Video Platforms over Traditional Television Channel in	Pearson Correlation	1	.230**
	Sig. (2-tailed)		.000

range of 1 to 5?	N	451	451
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Source: Data Analysis

With a Pearson Correlation of 0.230 and a significance value below .05, there exists a noteworthy positive correlation between the transition to OTT and the reasons for being drawn to OTT. Despite the correlation being weak, its significance suggests that this relationship is not merely by chance. In simpler terms, as the perception of reasons for attraction increases, there is a significant increase in the shift to OTT. Consequently, we accept the alternative hypothesis.

## 9. Discussion:

In this section, we delve into the impact of OTT Video Platforms on traditional television channels' business. The distinctive and contemporary features of OTT platforms are attracting an increasing number of viewers, significantly influencing traditional TV viewership. Our findings, derived from primary data analysis using frequency distribution and various statistical tests via SPSS, highlight several key observations:

- A majority of respondents acknowledge a strong impact of OTT on traditional TV channels.
- The majority of respondents either exclusively prefer OTT or favor it over television channels, with only 10% preferring traditional TV.
- A substantial number of respondents express the intention to continue watching OTT, willing to invest more time and money in the platform.
- Approximately 22% of viewers are transitioning to OTT, leading to a decline in traditional TV viewership.
- The timing of traditional TV viewing is significantly affected by OTT, evident in a negative correlation between the shift to OTT and TV watching time.
- 'Time and Place Convenience' proves to be the most pivotal factor, with 90% considering it strong to very strong, and over 95% agreeing it allows them to decide when and where to watch.
- Personalization and recommendations, a major OTT differentiator, are recognized by 83% as a strong reason, with 91% confirming the ability to personalize viewing content.
- The adaptability of OTT platforms on different devices strongly appeals to 90% of respondents, with only 1% viewing it as a weak reason.
- The appeal of 'Better Content Than Traditional Television Channels' stands out as a very strong reason for shifting to OTT platforms, with 81% endorsement.
- A significant 74% of respondents highlight 'Fewer Commercials' as a strong reason for choosing OTT platforms over traditional television channels.
- The superior video quality on OTT platforms attracts 79% of viewers, who consider it a strong to very strong reason.
- 'Sufficient and Applicable' content is a strong draw, influencing more than 75% of respondents.
- 'Discovering New Television Shows,' 'Catching Up on Old Episodes,' and 'Watching Missed Television Episodes' each resonate as strong to very strong reasons for over 80% of viewers, emphasizing the diverse appeal of OTT platforms.
- Unique features such as convenience in time and place, personalization, better video quality, fewer commercials, and device flexibility are major attractions motivating viewers to shift to OTT.
- A positive perception towards OTT not only prompts individuals to shift but also encourages them to recommend OTT to others

- A majority of respondents express a willingness to spend more time and money on OTT in the future, driven by the reasons that attracted them to OTT and their positive perception.

## 10. Conclusion

This research examined the impact of OTT Video platforms on Traditional Television Channels and with the help of statistical analysis we come to a conclusion that certainly there is a significant impact of OTT Video Platforms on Traditional Television Channel. But we also have to consider the fact that the study talks about the Viewers residing in the metro city like Pune. India's major population still resides in the rural areas and the level of infrastructure available, the efficiency of internet connection available, the culture, the life style etc. have a huge difference. Therefore, we cannot draw the same conclusion about the viewers residing in the small cities and rural areas of India. Moreover, the literature studied also suggest that OTT has significant impact on Traditional Television channels but its too early to say that OTT will replace the Traditional Television Channels. So, OTT and Traditional Television Channels will coexist at least in nearing future.

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