



EMBRACING OTT FOR OVER-THE-TOP EXPERIENCES

Abstract

In recent times, people's media consumption habits have changed drastically, driven by pandemic-imposed lifestyle changes. This paper examines the dramatic surge in the popularity of OTT platforms, their business models, as well as their evolving technology requirements to stay ahead of the growing competition in the space.

Shifting media consumption patterns

OTT (over the top) media consumption refers to consumers accessing video content through the internet from large online libraries, and through a variety of devices like smartphones, tablets, personal computers, and laptops. Because OTT media bypasses traditional channels such as television, cable networks, and theatres which restrict the choice of viewers only to their scheduled content, it offers the

convenience of consumption at any time, and at any place. Also, besides the ease of accessibility, OTT delivers content across all genres including comedy, action, adventure, fantasy, horror, sci-fi, or romance.

Television viewers are gradually moving towards OTT platforms and some of the biggest players in the industry today include Netflix, iTunes, Hulu, Disney+

Hotstar, and Amazon Prime Video. At the same time, many entertainment production houses, adapting to the change in viewer preferences, have been gearing themselves more towards delivering streaming video content. Similarly, an increasing number of brands too are opting for advertisements on OTT platforms as an alternative to traditional media.



Understanding OTT's ascendancy

OTT heralds a revolutionary change in consumer media consumption habits. Along with advancements in technology and the widespread usage of handheld

devices, the coming of age of OTT platforms has not only made it easy for consumers to access varied types of content but has also made it easy for

advertisers and brands to target specific audiences. Below are some key factors behind the rise in OTT's popularity:

1. High quality, original, and localized content:

With the entry of players like Netflix and Amazon Prime, which have given a platform for unconventional and unique storytellers, OTT viewers have the benefit of a lot of original and regional, high-quality video content. The platforms are also seeking to increase the reach of this content beyond geographical and language boundaries with increased content localization.

2. Accessibility across multiple devices:

With OTT, viewers can use a single account across multiple devices as per their convenience. Thus, apart from mobile phones, computers, laptops, smart televisions, and gaming consoles, even older, regular television sets can be used to watch OTT content using add-on devices such as Amazon's Fire stick or Google's Chromecast.

3. Economical variety:

OTT platforms today offer viewers access to millions of hours of content — movies, TV series, documentaries, and more — and that at a reasonable price.

4. Customer analytics:

With their quality and choice of content, OTT has fast overtaken conventional viewing technologies. With their large audience size which only continues to increase, these platforms with their ability to analyze digital, real-time data offer advertisers an undeniable advantage in understanding customer behavior, interests, patterns, and personas.

5. Measurable returns:

Traditional marketing methods are becoming outdated due to the near impossibility of measuring their returns on spends. However, with OTT platforms providing access to real-time data on consumer segments, demographics, and much more, they provide advertisers with the opportunity to apply analytical tools and directly measure the correlation between advertisements and sales.



Video on demand (VOD)

The prolonged lockdown periods due to the COVID-19 pandemic resulted in a large-scale migration of viewers from traditional technologies to OTT platforms. The social distancing norms, changes in

people's lifestyles, and the resulting sense of isolation created a greater need for relief and entertainment. In response, the OTT platforms capitalized on the opportunity with effective strategies to attract and

retain these potential consumers, causing demand to surge and increasing the overall at-home consumption.

While the experience and content availability vary with OTT's different models, based on the delivery method and monetization process, they can be categorized as below.

- 1. Transaction-based VOD (TVOD):** In the TVOD model, viewers pay for each movie or TV episode they want to buy or rent. For example, they will need to pay a fee, depending on the platform, to watch the latest episode of an on-going TV series. TVOD can be further categorized as electronic sell-through (EST) and download to rent (DTR). In EST schemes, the viewer pays once to get access to the content permanently whereas with DTR schemes, the viewer pays a smaller amount than EST to be able to stream the content for a limited time. Examples of TVOD include Apple iTunes and Google Play.
- 2. Subscription-based VOD (SVOD):** SVOD is currently the most popular streaming system across the world. Viewers have the flexibility to pay a monthly or yearly recurring fee for unlimited access to high quality content and have the freedom to opt-out when needed. Based on the subscription fee, viewers can watch any number of videos on one or more devices with internet access. Examples of SVOD services include Netflix and Amazon Prime Video.
- 3. Advertising-based VOD (AVOD):** The content on an AVOD platform is free for the viewers but they feature short commercials or display banners in between their videos which is how they earn their revenue. While these display banners and video commercials help AVOD platforms balance their production and delivery costs, they typically generate lower revenue than SVOD and TVOD. Examples of AVOD providers include YouTube and Dailymotion.



Metadata, the key to OTT user experience

Enriched metadata involves adding descriptive and technical details such as synopsis, cast and crew, runtime, ratings, and so on, to every OTT content artifact. This adds value to the vast video content libraries through building relations between the different content pieces using keywords, genre tags, and the like. These relationship attributes can then be used to drive content discoverability through enabling electronic program guides, recommendations, and tools, and thereby

aid with enhancing monetization.

However, the most prominent use of metadata is to create an unparalleled user experience. Each element of metadata improves the interaction between viewers and the platform, enabling personalized and intuitive experiences on the platforms. Metadata enrichment reduces the search time for the viewers, while also enabling the platforms to promote new or lesser-known catalog content of interest to the viewers.

Lastly, titles with enriched metadata can provide the platforms information on the demographics, context, and the emotions and reactions evoked in their viewers. Today, OTT platforms are using these data points to drive new revenue generation models. For instance, such discrete information on viewers enables platforms to show highly personalized ads driving further user engagement and monetization.



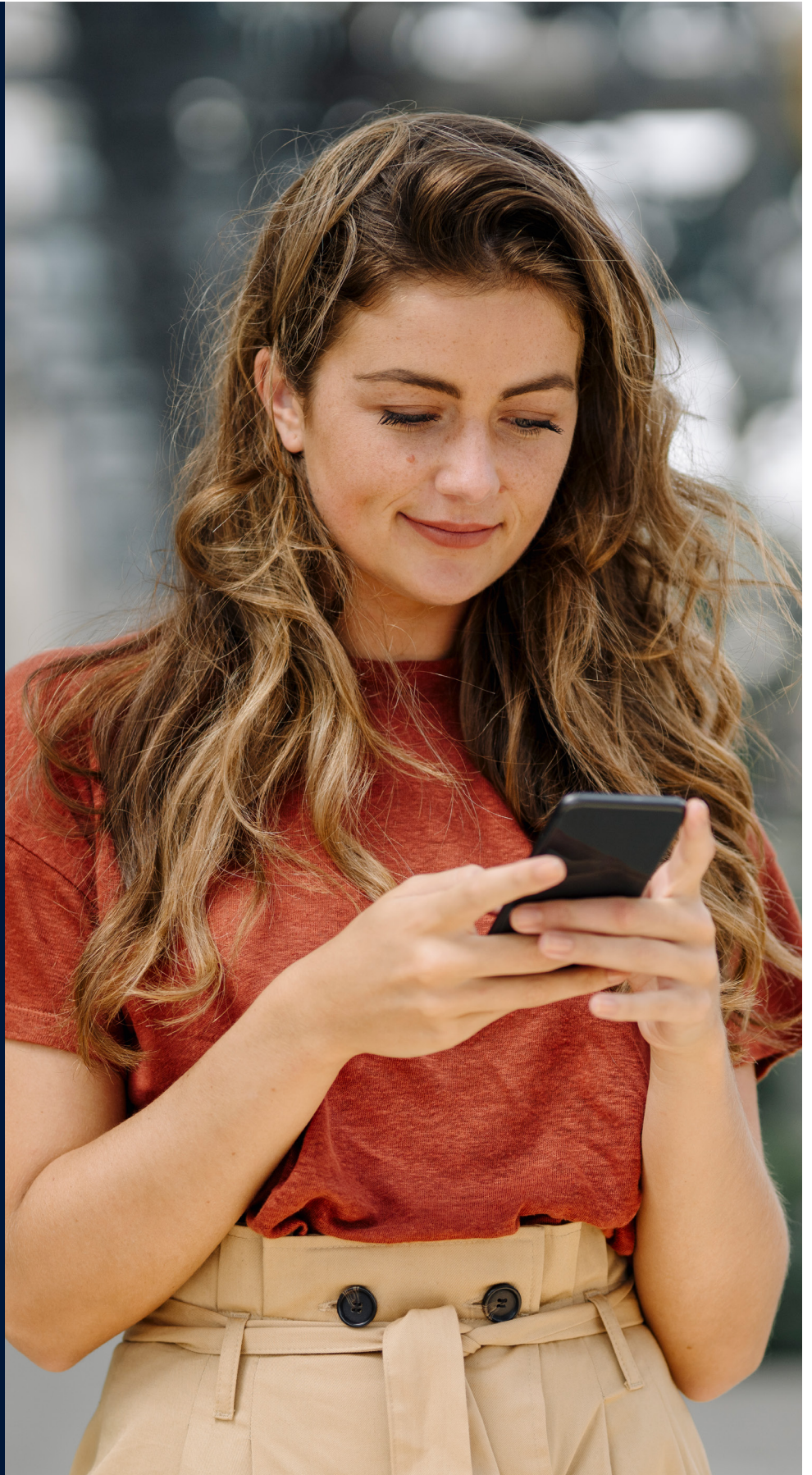
A media platform custom-built for OTT

To support the ever-growing expansion of OTT players, improve customer experience, and enable more revenue generation, technology providers are building platforms custom-built for the specialized requirements of content provisioning.

For instance, a global service provider has built a media platform – a best-in-class OTT solution. Using the cloud, automation, and innovative technology, the platform has a unifying framework to drive collaboration, integrate ecosystems, and monetize customer relationships for media content delivery. Its key features include a state-of-the-art user interface, micro-service architecture, as well as automation-driven processes and workflows for improving data ingestion into the platform.

The platform can be further extended for AI-driven content metadata management capabilities, and use these for functions such as archive digitization, advertisement, and ad-spot analysis with shot level metadata, as well as localization and content moderation.

The platform delivers several benefits including up to 60% faster time to market for metadata delivery, 40% manual effort reduction, reduction of 60% and up to 40% respectively in cycle times and costs for translation, and the ability to process up to 5X volumes without any additional resources.¹



¹ <https://www.infosys.com/industries/media-entertainment/industry-offerings/media-platform.html>



Viewing what the future looks like

OTT platforms have enabled viewers to choose ever-evolving content and to break free from wired technologies, geographically sourced content, and fixed schedules. With the rising uptake of OTT content, tablets, mobile phones, and laptops have replaced TV screens, further influencing how tomorrow's media content will be produced and distributed.

Also, over the last two years, the OTT space has seen an increasing number of new entrants launching out in response to evolving viewer preferences and the growing demand for more localized

content and specialty services. There has been a large uptick in technology adoption as well, with the newer platforms using cloud streaming technologies and high-performance video delivery architecture to make the most of revenue generation opportunities.

Going forward, the rollout of 5G technology across the world along with the now increasingly affordable smartphones will enable easy access to lightning speed internet, meeting the expectations of consumers for improved performance and latency. With the

rise in network speeds, OTT platforms will gain further traction with viewers experiencing reduced buffering of even 4K streaming videos, with cross-device availability.

Thus, the global OTT market size valued at \$121 Bn (2019) is projected to reach \$1,039 Bn by 2027 (CAGR of 29.4% from 2020 to 2027).² In this fast-evolving scenario, deploying enriched metadata with faster delivery timelines will remain even more critical to reach the relevant customer audiences and remain competitive.

² <https://www.alliedmarketresearch.com/over-the-top-services-market>

Authors



Jayesh Paniker

Operations Manager, Infosys BPM

Jayesh has over 14 years of experience across the Media and Entertainment Industry. Within Infosys BPM, he has managed operations for 3 Digital Business Services accounts driving delivery, capacity planning, continuous improvement, BTN, research and analytics, digital business transformation and knowledge - training management. He has been driving the KM activities in Chennai DC for all accounts along with iPride initiatives and has won multiple awards over the years.

Jayesh has been with Infosys since 2013 and has served in a number of roles in operations, technology, transition and solution design. Prior to joining Infosys, he has been with Raj TV as PR & Marketing Manager, Sound.com as Sound Engineer and Umeed as Band Manager.

Jayesh has an MBA in Media and Entertainment Management from Hindustan Institute of Technology and Science, Chennai and has done his engineering from the Sardar Patel College of Engineering, Mumbai. He has also completed Digital Film Making course from L.V Prasad Academy and registered as Assistant Director with IFTDA and Scriptwriter with SWA.



Sreepriya Swaminathan

Domain Principal, Infosys BPM

Sreepriya is a Digital Marketing professional with over 20 years of experience across operations management, delivery management, profit center operations, business consulting, business development, campaign management, web analytics, and usability centric design. She has comprehensive experience in digital advertising, and has actively been involved in delivering better ROI on customer acquisition and retention through the new-age media vehicles of digital space, search, e-mails, and social.

For more information, contact infosysbpm@infosys.com



© 2022 Infosys Limited, Bengaluru, India. All Rights Reserved. Infosys believes the information in this document is accurate as of its publication date; such information is subject to change without notice. Infosys acknowledges the proprietary rights of other companies to the trademarks, product names and such other intellectual property rights mentioned in this document. Except as expressly permitted, neither this documentation nor any part of it may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, printing, photocopying, recording or otherwise, without the prior permission of Infosys Limited and/ or any named intellectual property rights holders under this document.