



## Outlook of OTT in 2024

**For Prelims:** Outlook of OTT in 2024, [Over-The-Top \(OTT\) Market](#), Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules 2021.

**For Mains:** Outlook of OTT in 2024.

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### Why in News?

The OTT market in India is currently battling the dilemma **between growth and profitability** in a price-sensitive market. In 2023, the [Over-The-Top \(OTT\) Market](#) in India experienced significant disruptions and challenges that shaped its trajectory.

### What is Over-The-Top?

#### ▪ About:

- OTT stands for "**Over-The-Top**," a term used **to describe content delivery** over the internet directly to viewers, bypassing traditional broadcast, cable, or satellite TV platforms.
- The OTT market **refers to the industry that provides streaming media services**, delivering movies, TV shows, music, and other content to users via the internet.
- **Examples:** Netflix, Disney+, Hulu, Amazon Prime Video, Peacock, CuriosityStream, Pluto TV, and so many more.

#### ▪ Benefits of OTT:

- **Flexibility and Convenience:**
  - Users can access content anytime, anywhere, across multiple devices, providing unparalleled convenience.
- **Diverse Content:**
  - OTT platforms offer a wide array of content, including movies, TV shows, documentaries, and original productions, catering to varied tastes and interests.
- **Personalization:**
  - These platforms use algorithms to recommend content based on viewing habits, enhancing user experience and content discovery.
- **Cost-Effectiveness:**
  - Compared to traditional cable or satellite TV subscriptions, OTT services often offer more affordable pricing options, including free content with ad support or subscription tiers.
- **Global Accessibility:**
  - OTT platforms transcend geographical barriers, allowing users worldwide to access content regardless of their location.

#### ▪ Limitations of OTT:

- **Internet Dependence:**
  - Reliable high-speed internet is crucial for seamless streaming. In areas with poor

connectivity, accessing content can be frustrating.

- **Content Fragmentation:**
  - Exclusive content rights on different platforms result in fragmentation. To access specific shows or movies, users may need multiple subscriptions.
- **Data Privacy Concerns:**
  - OTT platforms collect user data for personalization, raising privacy concerns if mishandled or if data is shared with third parties without consent.
- **Content Quality and Quantity:**
  - While there's a vast selection of content, quality can vary. Additionally, the sheer volume of content can make discovering quality material overwhelming for users.

## What was the State of OTT in 2023 and Outlook for 2024?

- In 2023, the **OTT landscape saw disruptive moves** with platforms offering premium content for free, impacting subscription revenue.
- Monetization challenges persisted, none reaching **break-even due to high content costs**.
- Freemium models emerged, curbing password sharing and integrating ads. Regulatory concerns lingered **but censorship wasn't favored**, fostering selective data sharing.
- Looking to 2024, expect cost-efficient content strategies with a decline in experimental content. Mergers among major players like Zee/Sony and potential collaborations like RIL/Disney may **restructure market dynamics**, influencing bargaining power and content costs.
- Pricing strategies will continue evolving, likely intensifying limitations on sharing and embedding ads.
- Regulatory compliance may tighten, emphasizing sensitivity toward religious or minority sentiments. Increased transparency in viewership trends will aid advertisers and creators.

## What are the Laws regulating OTT Platforms?

- **In 2022**, the Ministry of Electronics and Information Technology (MeitY) had **notified the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules 2021** to regulate OTT platforms.
- The rules establish a **soft-touch self-regulatory architecture** with a Code of Ethics and three-tier grievance redressal mechanism for OTT platforms.
  - Every publisher should appoint a Grievance Officer based in India for receiving and redressing grievances in 15 days.
  - Also, every publisher needs to become a member of a self-regulating body. Such a body will have to register with the Ministry of Information and Broadcasting and address grievances that have not been resolved by the publisher within 15 days.
  - The Ministry of Information Broadcasting and the Inter-Departmental Committee constituted by the Ministry constitute the third-tier Oversight Mechanism.
- They provide for self-classification of the content **without any involvement of Central Board of Film Certification**.

## What Can be Done for Better Regulation of OTT?

- **Self-Regulation Frameworks:**
  - There is a need to encourage **OTT platforms to establish transparent** content guidelines and rating systems akin to traditional media.
  - Industry-led self-regulation **can address concerns without stifling creativity**.
- **Collaborative Oversight Bodies:**
  - It is imperative to form **independent bodies comprising industry experts, stakeholders, and government representatives**. These bodies can monitor content, review complaints, and set industry standards.
- **Clear Content Classification and Ratings:**
  - There is a need to implement **standardized content classification systems** to help users make informed viewing choices based on age-appropriateness and content themes.

- **Transparency in Data Sharing:**

- Encourage OTT platforms to share viewership trends selectively with oversight bodies, aiding in content evaluation and ensuring compliance with guidelines.

- **Regular Audits and Compliance Checks:**

- There is a need to conduct **periodic audits to ensure platforms** adhere to established guidelines, fostering accountability and responsible content curation.

## Conclusion

- OTT has transformed **the way people consume entertainment, providing flexibility, choice,** and convenience.
- The market continues to evolve, driven by **technological advancements**, changing consumer preferences, and the dynamic landscape of media and entertainment.

PDF Reference URL: <https://www.drishtias.com/printpdf/outlook-of-ott-in-2024>

