



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.

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