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OTT APPS STEP UP CONTENT WAR, EYE PAID SUBSCRIBERS

On its first anniversary last fortnight, Zee5, the digital video streaming platform run by Zee Entertainment Enterprises Ltd, announced 72 new original shows. The originals' line-up till March 2020 includes shows across genres and languages, including Hindi, Tamil, Telugu, Marathi, Bengali and Malayalam. Zee5 India chief executive officer (CEO) Tarun Katial said the platform has focused on vernacular to expand as "India lies in its languages". Even MX Player, the video streaming brand from Times Internet Ltd, shared plans for its first five originals that went live recently. Karan Bedi, CEO, MX Player, said 25 new shows have been planned for the next 12 months, of which 50% will be in Hindi. Similarly, Amazon Prime Video India's director and business head, Gaurav Gandhi, promises 10 Indian Prime original series this year. At Netflix India, of the 11 series announced, four are already out.

Sunil Lulla, group CEO, Balaji Telefilms Ltd, which operates digital platform ALTBalaji, says that at 35 shows, the platform has the maximum number of original series in Hindi. "We are building the Hindi demographic. By creating 25 shows a year, we'll foster binge-viewing." Even Voot, the digital arm of media and entertainment company Viacom18 Media Pvt. Ltd, will create 20-25 shows over the next 6-8 months.

Clearly, the battle for eyeballs led by content has just intensified. According to experts in the over-the-top (OTT) video streaming sector, big money is pouring into content for web shows. Sameer Nair, CEO, Applause Entertainment, pegs the total investment in original content at ₹1,000 crore a year for the top 10-15 players. "This, of course, does not include movie acquisitions, sports, aggregated content and catch-up TV," he said. Others peg the figure closer to ₹2,000 crore, excluding sports rights, for all 30 players operating in India.

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"With increased focus on original, exclusive and premium content, the streaming wars have only just begun. I believe in the next 3-5 years the market will mature and result in some degree

of consolidation. But for now, it is an extremely exciting period as they strive for the same goal—share of customer attention, time and wallet," said Nair. Agreed Lulla: "Indians will choose screens on the basis of content they wish to consume. OTT will see the category grow to ₹30,000 crore in the next 4-5 years. The 'Mahabharat' of all content battles will be fought on digital."

It's easy to see why. There are close to 200 million televisions in India, with 98% being single-TV households. But with nearly 400 million smartphones, the addressable market is huge. "There's an insatiable demand for content," said Bedi.

However, content alone will not determine the winner. You need efficient video technology for India's patchy network, varying data speeds and large spectrum of devices. It should work both on top-end as well as feature phones. Sure, the most riveting story will win, but in a tech platform, quality of content and quality of content experience go hand-in-hand.

Pricing will be key to growth in subscription-led video-on-demand (SVoD) services in India's value-conscious, volume-led market. "Quality of the service—ease of navigation, user interface, streaming speeds—is another factor that impacts churn and drop-off," said Nair.

Gandhi said that in five years, there will be more homes and individuals who will have an ability to stream video versus having access to cable/satellite TV. While mobile will remain the biggest platform for video streaming, living room devices will contribute quite significantly to viewing volumes, he added.

Yet the biggest challenge will be making money in this market. To be sure, the advertising-led video-on-demand (AVoD) services are about size and scale. "This is about the 250 million customers who won't suddenly start paying," said Akash Banerji, head of marketing, partnerships and licensing, Voot. In SVoD, the advantage is that you are not dependent on the advertiser and make money from consumers. "But it's a very, very small market. Scaling up subscription is a slow-moving process. There may be only 4-5 million paying consumers and, those who pay consistently, will be a fraction of this," he said.

But this number will continue to grow. "It is easy to overestimate this market in the short term and underestimate it in the long term," he added.

Shuchi Bansal is Mint's media, marketing and advertising editor. Ordinary Post will look at pressing issues related to all three. Or just fun stuff.