

OVER-THE-TOP (OTT) INDUSTRY

Streaming the Future: Insights into the Evolving OTT Landscape

FEB 2025

INDUSTRY

מגוון שירותי זרמי וידאו ומוזיקה
הפכו את שוק ה-OTT למתחרה
ולמרכזי יותר. עם עליית
מחירי המנויים והקטנת
ההוצאות, החברות מצליחות
לשפר את רווחיותן. עם זאת,
התחרות עדיין קשה, ויש
לדאוג לחדשנות ולאיכות
השירות כדי לשמור על
מיקומן.

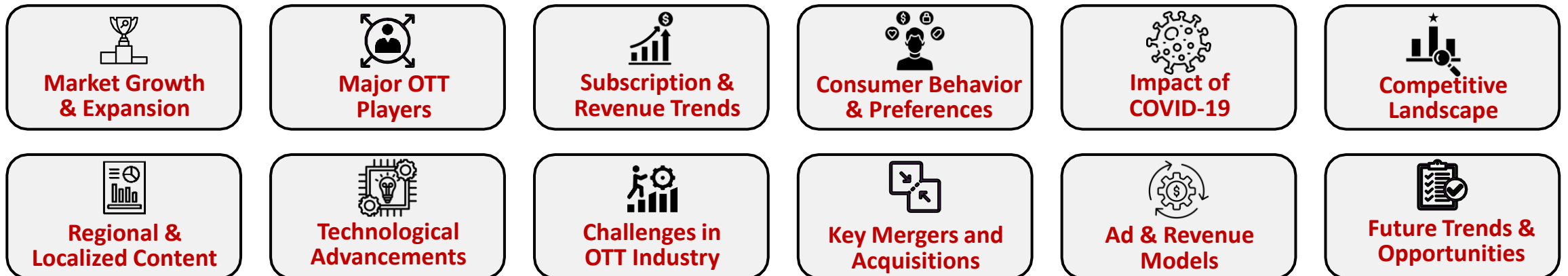
prime

OVER-THE-TOP (OTT) STREAMING SERVICES

OTT Aggregators: Simplifying Streaming in a Growing Market

- Original and interactive content with customer-first experience have been the backbone for the acceleration of OTT market, multiplicity of OTT platform has ensured that the user experience premium content with other inclusive offering at a competitive price
- A growing space of ‘aggregators’ is emerging, seeking entry into customers’ homes at significantly lower costs by tying up with TV operators, internet service providers (ISPs) and telecom companies. OTT aggregation platforms boost revenue for OTT platforms, crucial in a landscape with high customer acquisition and content costs
- OTT has shown to be a reliable source for advertising, as evidenced by the fact that few key players have already shifted to an advertisement- supported model. A significant change in advertising habits is anticipated as more OTT models enable advertising, with brands preferring to place their ads in premium content platforms rather than user-generated channels
- In this report we will look at the OTT industry in terms of its key players, market positioning & strategy, major trends that are either reason or consequence of current state of OTT market along with India’s local OTT landscape

Some key topics covered within the report:



INTRODUCTION TO OVER-THE-TOP (OTT)

What is OTT



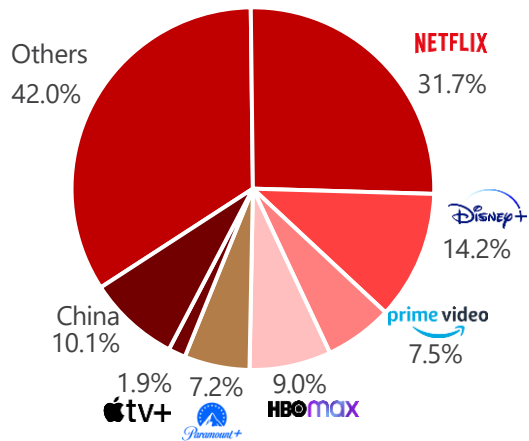
OTT refers to the delivery of video, audio, and other media content via the internet, bypassing traditional cable



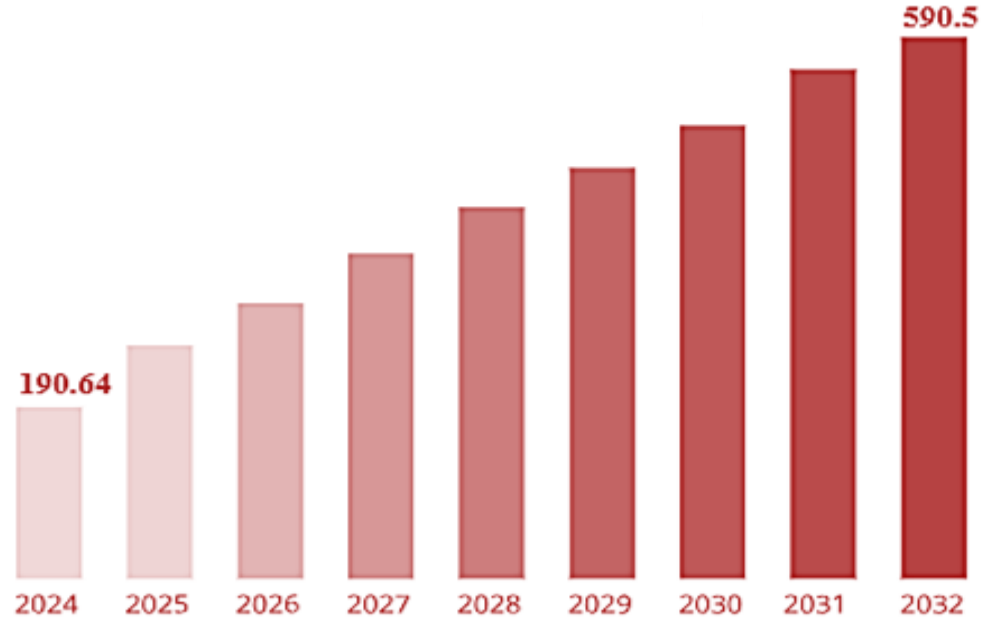
Popular OTT Platforms

Netflix, Amazon Prime Video, Disney+, Hulu and Hotstar

Global SVOD Market Share



OTT Streaming Market Size 2024 And Growth Rate



\$190.64 Bn

Industry



15.8%

CAGR (2024-32)

OTT platforms are transforming global entertainment consumption

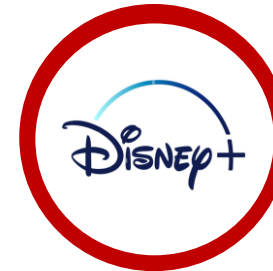
Key players of OTT Market



Netflix
Over 280M subscribers



Amazon Prime Video
200M+ Subscribers



Disney+
Currently 150M+ Subscribers



Apple TV+
40M+ subscribers



HULU
Around 48M subscribers

POST COVID EXPANSION OF OTT AT GLOBAL LEVEL

Global Expansion And Boom Of OTT During COVID-19



Original content and blockbuster hits drive subscriber growth, while global giants expand into emerging markets



Growing internet and smartphone usage, along with regional and language-specific content, is boosting engagement

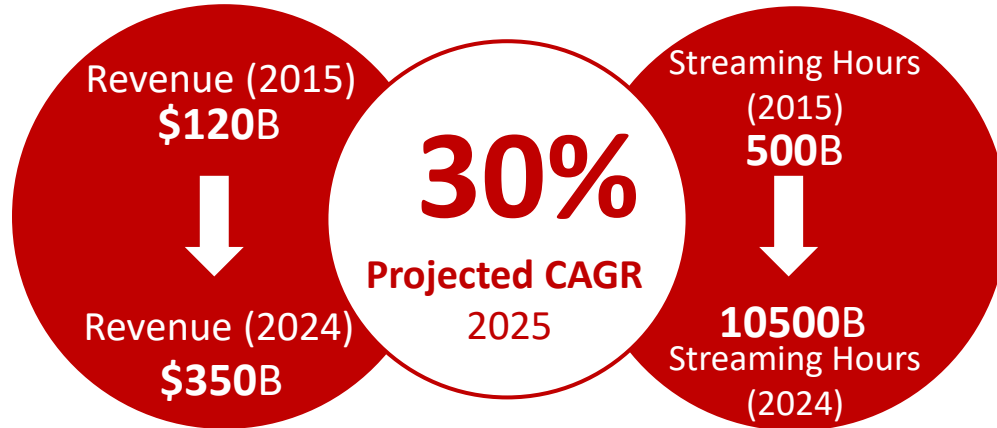


OTT streaming reduces the need for physical infrastructure like cable networks, satellites, and set-top boxes, reducing energy use

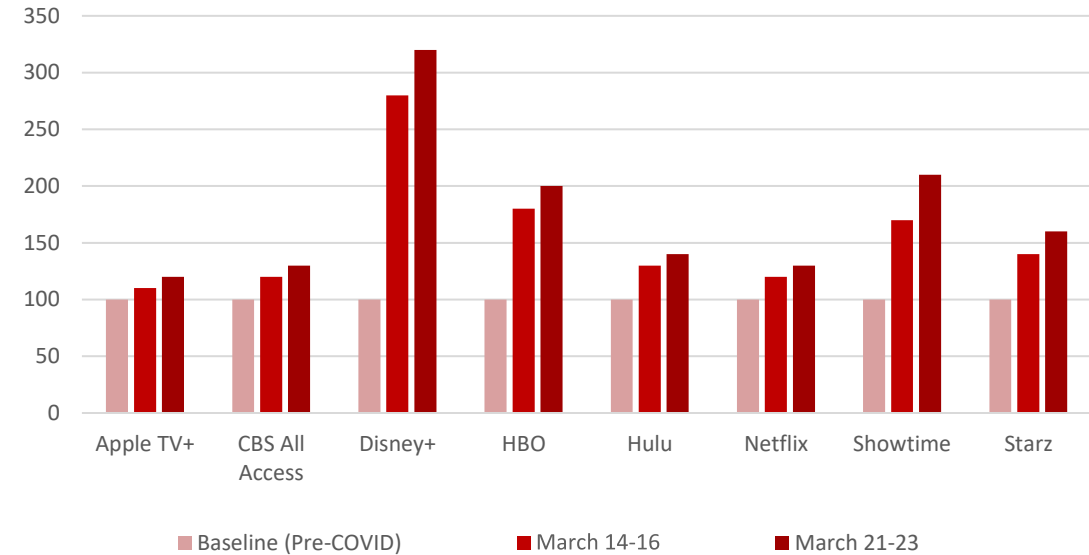


The shift from traditional cable TV to on-demand, personalized, and flexible content consumption is transforming viewing experiences

The Streaming Boom: Rapid Growth in Revenue and Viewing Hours



Before vs. After COVID-19



Massive Subscriber Growth

The global OTT market grew to **\$275 billion in 2022**, a **125% jump in two years**

Increased Watch Time

Average daily streaming time jumped to **4-6 hours per user**

Decline of Theaters, Growth of Direct-to-Digital Releases

Major films **bypassed traditional releases** for OTT premieres, while hybrid releases (OTT + limited theater) became the norm

OTT REVOLUTION

Market Dynamics



Market Growth and Adoption

Expanding at a CAGR of 14-20%
Over 50+ global and regional players



Consumer Behavior

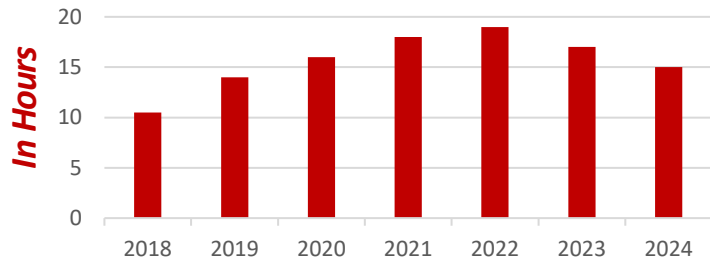
80%+ prefer personalized recommendations
Binge-watching is common



COVID-19 Impact

50-60% growth in subscribers
COVID-19 accelerated adoption platforms

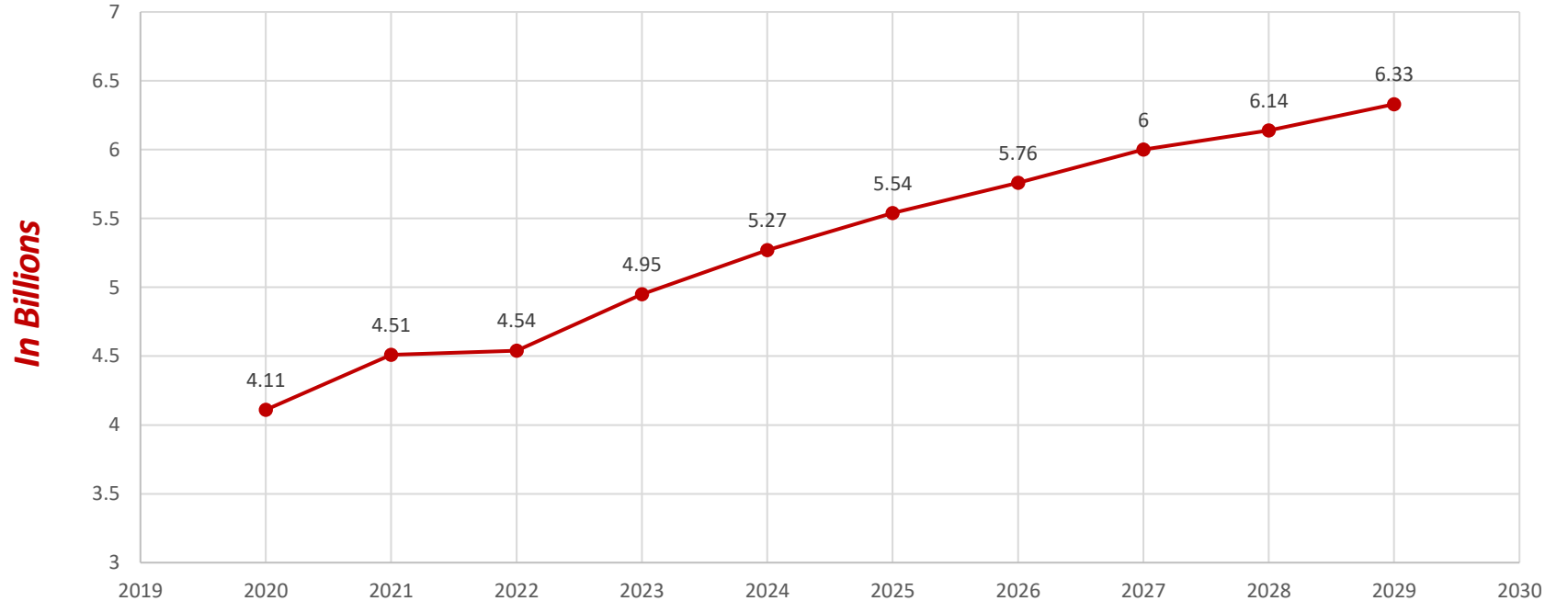
Average Time Spent Per Week



Shift in digital habits due to streaming fatigue and rising competition

OTT Users Statistics

Around 4.1 billion people used OTT in 2020, and the number of users increased to **5.27** billion in 2023. It is estimated that the number of OTT users will increase continuously and reach around **6.33** billion users by 2029

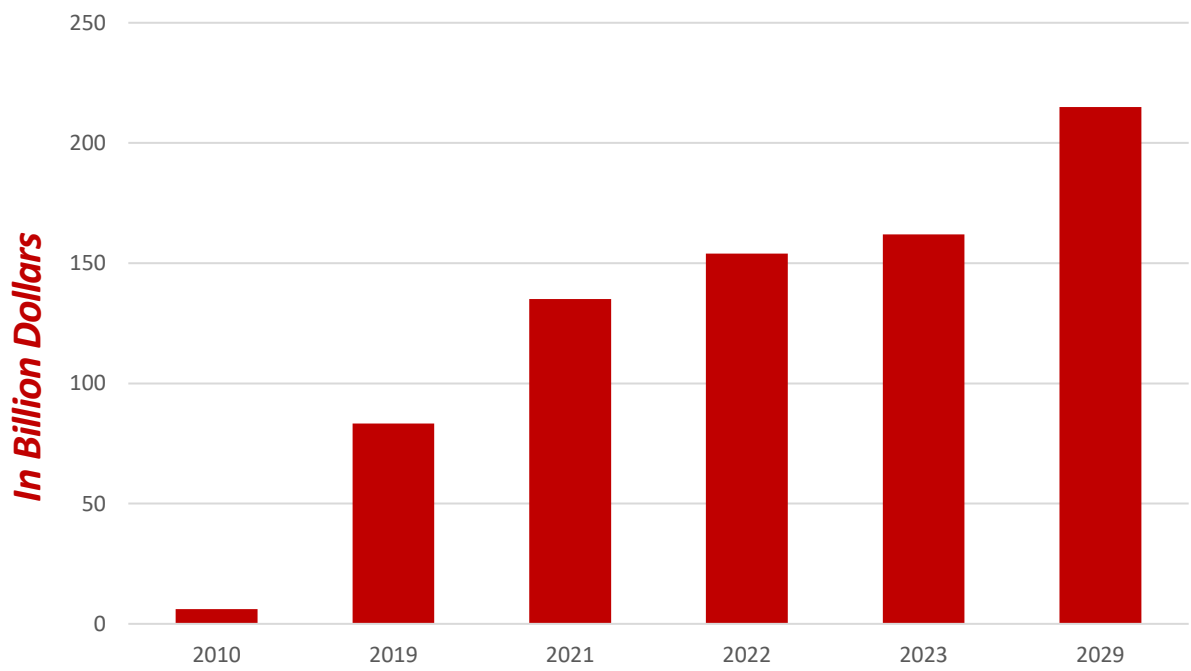


Global Penetration Rate

The global OTT video penetration rate grew from **48.28%** in 2019 to **68.07%** in 2024 and is expected to steadily rise to **78.62%** by 2029

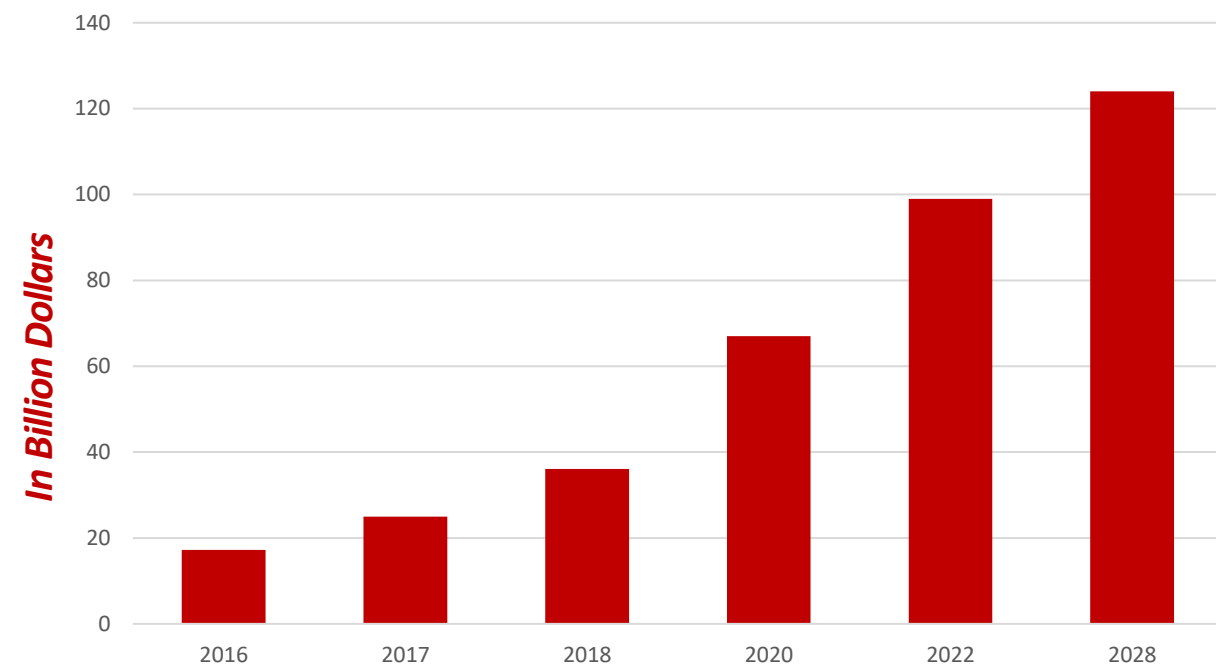
GLOBAL OTT & SVOD REVENUE TRENDS – MAPPING GROWTH OVER THE YEARS

Global OTT Revenue



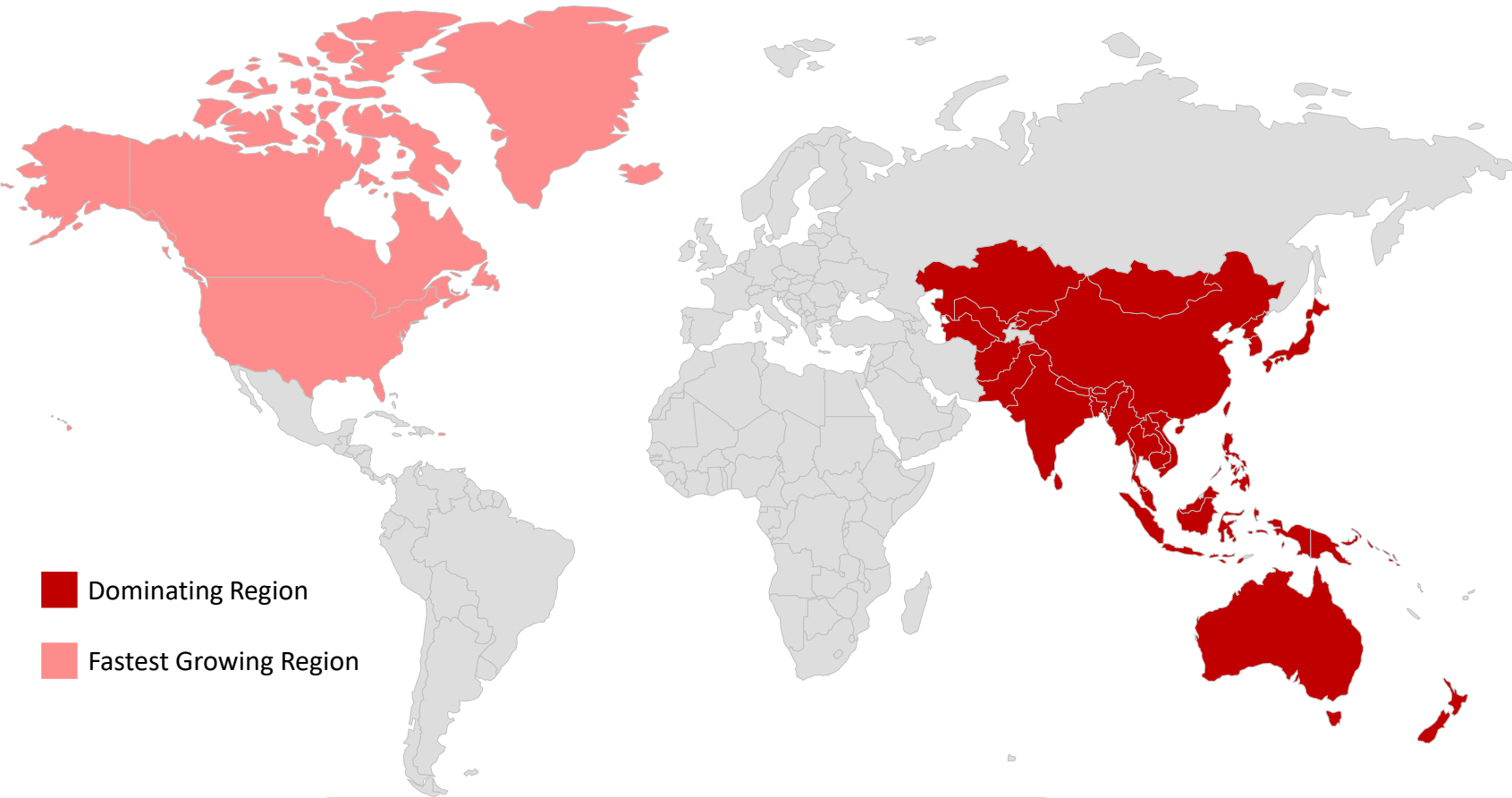
The global OTT market has grown rapidly, from \$6.1 billion in 2010 to \$83.34 billion in 2019, reaching \$135.1 billion in 2021 and \$162 billion in 2023. Driven by expanding internet access and on-demand content, revenue is projected to hit \$215 billion by 2029, highlighting OTT's dominance in entertainment

Global SVOD Revenue



The subscription video-on-demand (SVOD) revenue has witnessed remarkable growth, increasing from \$17.22 billion in 2016 to \$36.05 billion in 2018, further reaching \$67 billion in 2020, and surging to approximately \$99 billion in 2022, reflecting the rapid expansion and growing demand for OTT streaming services globally

REGIONAL INSIGHTS



■ Dominating Region
■ Fastest Growing Region

Geographics Covered

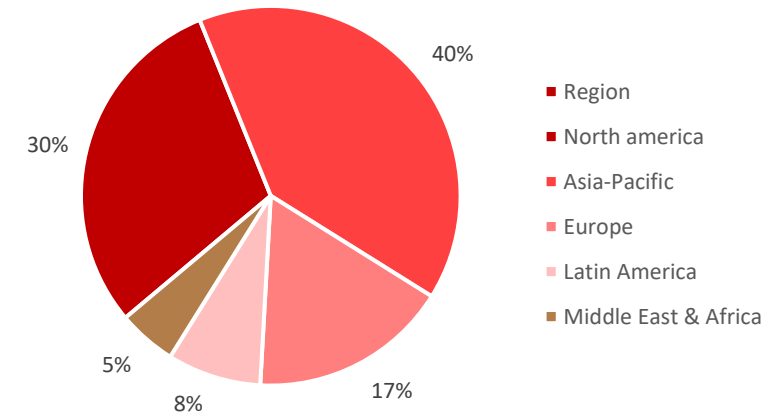
- **North America:** U.S., Canada
- **Latin America:** Brazil, Argentina, Mexico, Rest of Latin America
- **Europe:** Germany, U.K., France, Russia, Rest of Europe
- **Asia Pacific:** China, India, Japan, Australia, South Korea, ASEAN, Rest of Asia Pacific
- **Middle East & Africa:** GCC Countries, South Africa, Rest of Middle East & Africa

44.8%
 Asia Pacific – Estimated Market Revenue Share 2024










Expected AVOD Revenue by 2029

| Country | AVOD Revenue |
|----------------|--------------|
| United States | \$21.6 Bn |
| China | \$7.4 Bn |
| United Kingdom | \$3.6 Bn |
| Canada | \$3.5 Bn |
| India | \$3 Bn |
| Others | \$22.2 Bn |

OTT Market Share by Region



COMPETITIVE LANDSCAPE IN THE OTT INDUSTRY

| |  |  |  |  |  |
|---------------------------------------|--|--|--|---|--|
| OWNERSHIP | Public |  |  |  |  |
| PAID SUBSCRIBERS (IN MILLIONS) | 282.7 Million | 200 Million | 153.6 Million | 95.8 Million | 25 Million |
| CONTENT SPEND (IN BILLIONS) | 17\$ Billion | 21\$ Billion | 35.8\$ Billion | 16.8\$ Billion | 4\$ Billion |
| LIBRARY SIZE | 17000+ | 21000+ | 7300+ | 7800+ | 260 |
| # OF OPERATING COUNTRIES | 190 | 200+ | 100+ | 73 | 114 |
| GROWTH STRATEGY | Grow through global content, monetization tweaks, AI-driven engagement, live events, and strategic partnerships. | Prime Video's strategy focuses on global content, live sports, MGM's catalog, ads, and original programming. | Disney+'s strategy includes global content, acquisitions, ads, international expansion, and bundles. | HBO Max drives growth through global expansion, diverse content, an ad-supported tier, and personalized marketing for user retention. | Apple TV+ prioritizes exclusive content to drive subscriptions and position itself as a premium platform |

NETFLIX'S STELLAR GROWTH AND EXPANSION

- As of Q3 of 2024, Netflix had around 282.7 million paid subscribers, an increase of over five million from the previous quarters.
- In 2024, users spent around one hour and four minutes daily on Netflix.
- In Q3 of 2024, Netflix generated nearly \$9.8 billion in total revenue, up from about \$8.5 billion in the corresponding quarter of 2023.
- Netflix added 9.33 million new subscribers in the first quarter of 2024, partly due to the password-sharing crackdown.
- Netflix revealed that the video streaming platform is expected to deliver solid revenue and profit growth by improving core series and film offerings. The company also plans to invest in new growth initiatives like gaming and ads.



AUGUST 2024



MAY 2024



DECEMBER 2024



AUGUST 2024



SEPTEMBER 2024



DECEMBER 2024



JANUARY 2025



AUGUST 2024

AMAZON PRIME VIDEO'S EXPANDING HORIZONS

- **Ad-Supported Tier Expansion:** After introducing limited advertisements in early 2024, Prime Video extended its ad-supported tier to additional countries, including France, Italy, Spain, Mexico, and Australia, later in the year.
- **Live Sports Streaming:** Amazon secured an 11-year media rights agreement with the NBA, set to begin in the 2025-26 season. This deal includes exclusive global coverage of 66 regular-season NBA games, featuring an opening-week doubleheader, a new Black Friday game, and all games from the Knockout Rounds of the Emirates NBA Cup.
- **NFL Playoff Game Rights:** Building on its existing partnership, Amazon Prime Video secured rights to stream an NFL Wild Card playoff game through the 2032 season, enhancing its sports streaming portfolio.

Prime Originals



Supported Collaboration Brand





OTT Unplugged: Navigating the Challenges of a Connected World



1

Soaring Content Costs

Producing high-quality content is **expensive!** As competition increases, platforms must **invest heavily** in original shows and movies to stay relevant

2

Subscription Fatigue

With **too many platforms**, users are overwhelmed. Many of the **subscribers cancel a service** after watching a specific show, leading to unstable revenues

3

Licensing, Distribution Woes

Buying **streaming rights costs millions**, and with studios pulling content for exclusivity, OTT platforms must either pay up or build their own libraries

4

Internet Hurdles

Not everyone has seamless streaming! In regions with **slow internet**, buffering and **poor resolution** impact user experience

5

Piracy Threats

Illegal streaming is a growing continuously. Free access to **pirated content** discourages paid subscriptions, making it harder for platforms to sustain profitability

Key Players

Studios like **Disney and Warner Bros.** keep content exclusive, forcing platforms to pay high fees or create their own.



As of December 2023, Disney retained exclusive rights to **148 titles** on its streaming services, the largest among major studios

Recognizing the financial benefits, Disney has begun licensing select content to third parties. For instance, it re-licensed **"Grey's Anatomy"** to **Netflix**, aiming to boost cash flow

WBD reclaimed content, securing a **\$1 billion** deal to manage iconic film and TV music, including **"Friends"** and **"Harry Potter,"** strengthening its exclusive library.

Despite focusing on exclusivity, WBD has also licensed content to platforms like **Netflix**, balancing between proprietary streaming and third-party distribution

Key Statistics



Netflix alone spent **\$17 billion in 2024** on content



44% of users cancel a service due to subscription fatigue



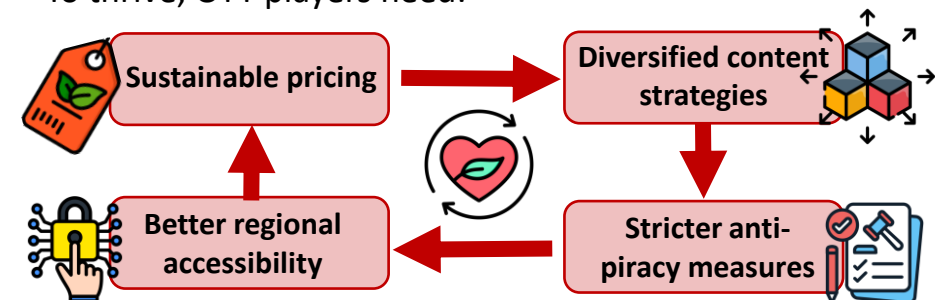
With **\$9 billion lost annually** to illegal streaming



1-second delay can cause a **6% drop in engagement**

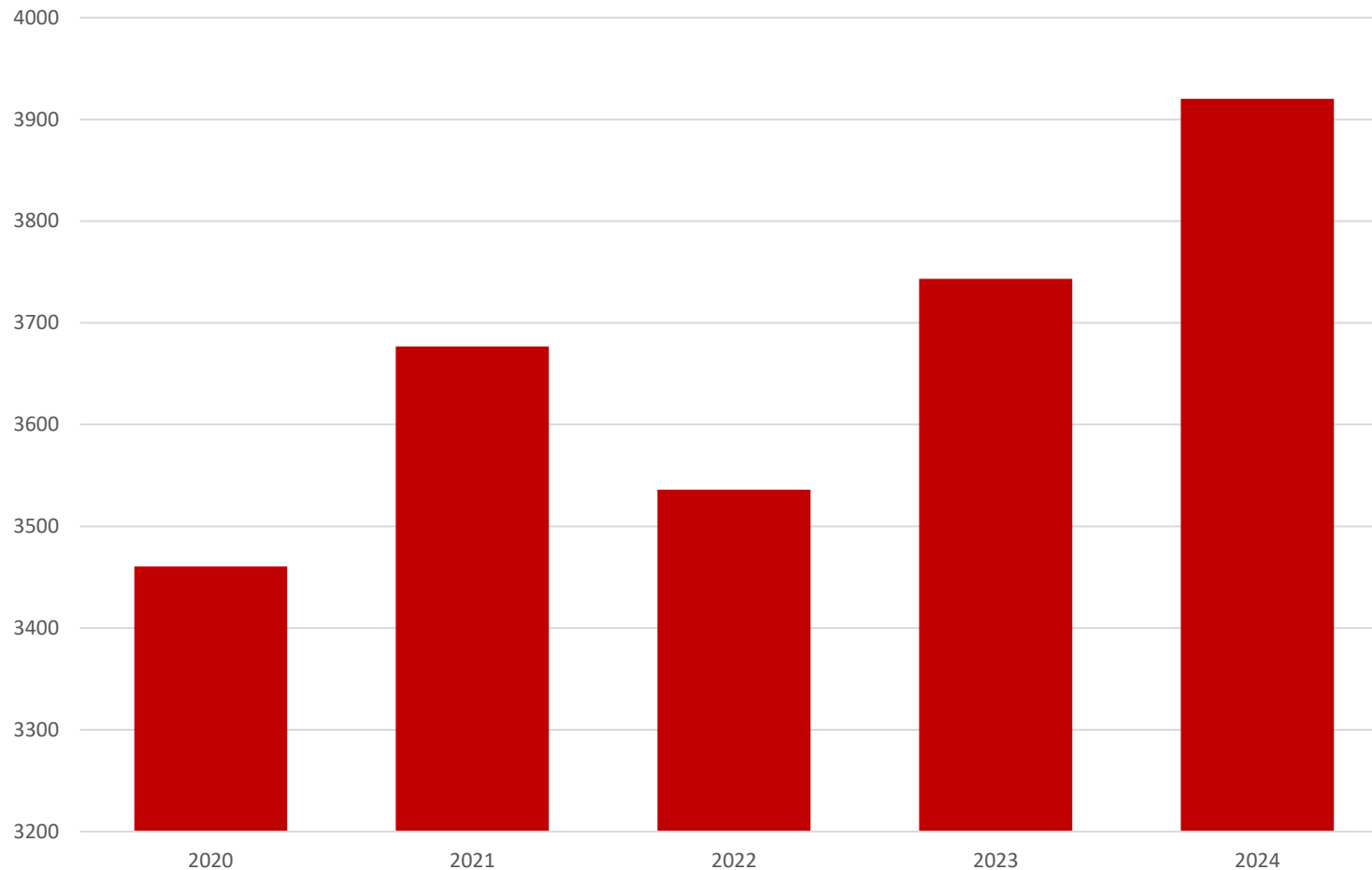
The Road Ahead

To thrive, OTT players need:



The global Over-The-Top (OTT) media landscape has seen substantial growth in subscriber numbers from 2022 to 2024. Here's an overview of the total OTT subscribers worldwide during this period:

OTT Users (In Millions)



Subscription Drop

- **Market Fragmentation**
*Over **40** platforms competing for viewer attention*
- **Impact on User Growth**
5.86% in 2023 → 4.72% in 2024

Market Saturation

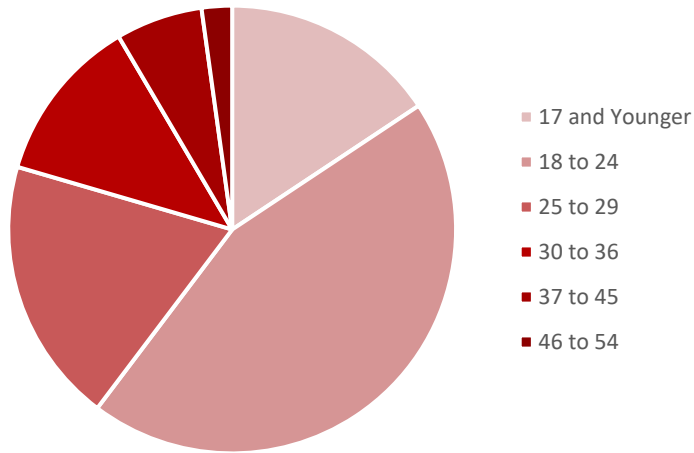
- **North America region's** OTT revenue contribution fell below 50% for the first time since 2007 due to intense competition.
- Consumers increasingly opted for **ad-supported services**
- More users temporarily **paused** rather than canceled subscriptions

CONSUMER DEMOGRAPHICS IN THE OTT INDUSTRY

The Over-the-Top (OTT) market in India has witnessed a dramatic transformation, with consumer demographics evolving significantly over recent years. As of 2024, the total number of OTT viewers in India is estimated at **547.3 million**, representing approximately **38%** of the population. This growth is primarily driven by increasing internet access, affordability of data, and a diverse range of content catering to various demographics

Age Distribution

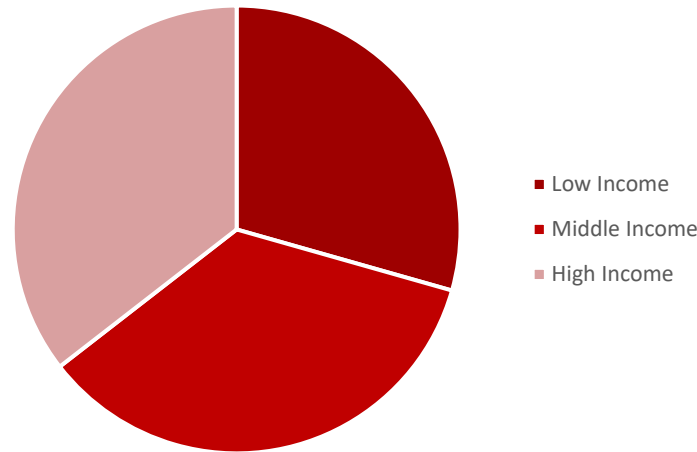
OTT Users



- **18-36 years:** The largest group, driving content consumption across platforms. They favor convenience, on-demand viewing, and personalized recommendations
- **37-54 years:** Interested in a mix of original and traditional content, often subscribed to multiple services for variety

Income Segmentation

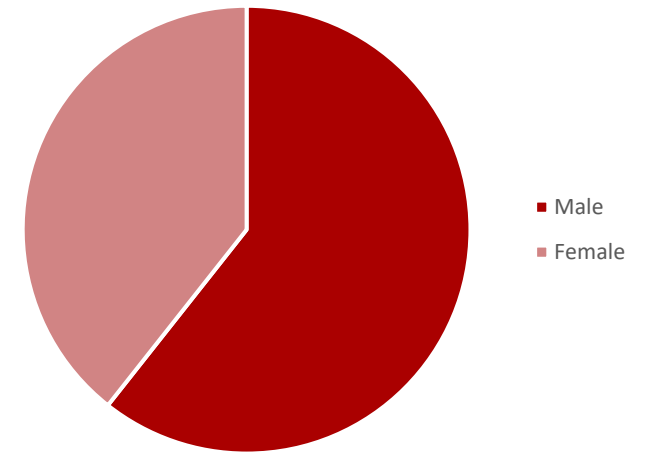
OTT Users



This distribution across income segments highlights that OTT platforms are appealing to a wide range of consumers, with significant **penetration among both medium and high-income groups**. This suggests that OTT platforms are effectively catering to **diverse economic backgrounds**, likely through varied pricing strategies and content offerings

Gender Distribution

OTT Users



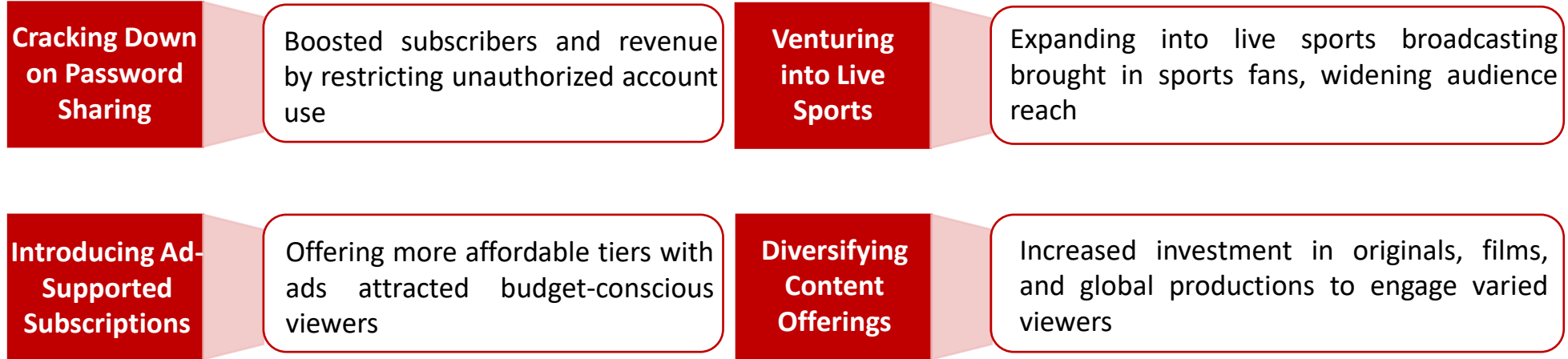
The higher percentage of male users may indicate traditional viewing habits or preferences for specific genres that attract **male audiences more prominently**, although this gap is narrowing as platforms increasingly **focus on inclusive content**

THE NEW MARKET DISRUPTOR

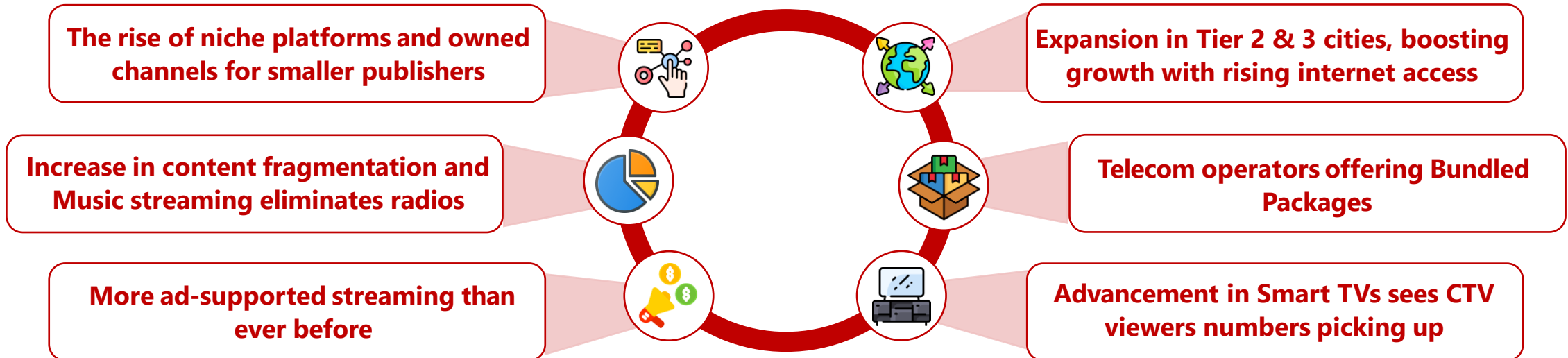


In 2024, **Netflix** emerged as a significant disruptor in the global OTT market, achieving a milestone of **280 million subscribers**.

Key Strategies Behind Netflix's Disruptions



Upcoming OTT Trends

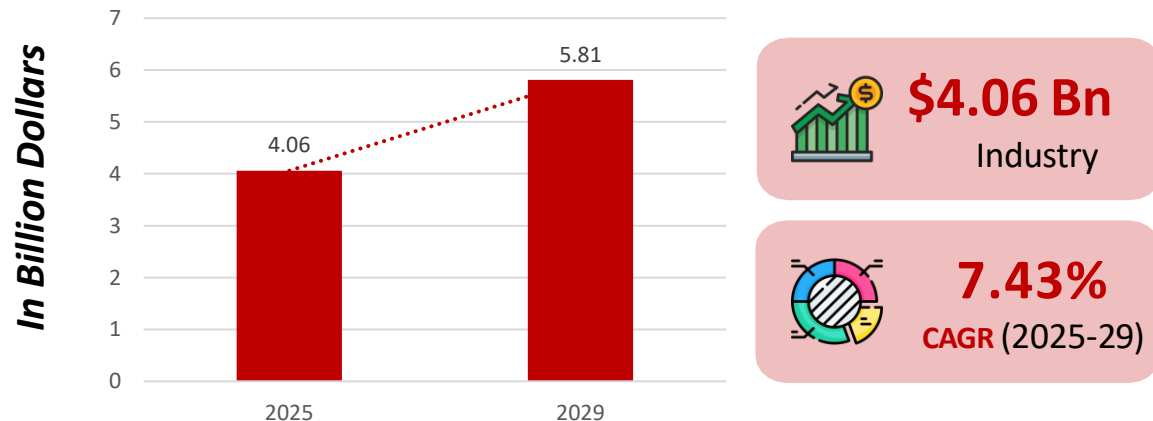


INDIAN OTT INDUSTRY: A RAPIDLY EVOLVING LANDSCAPE

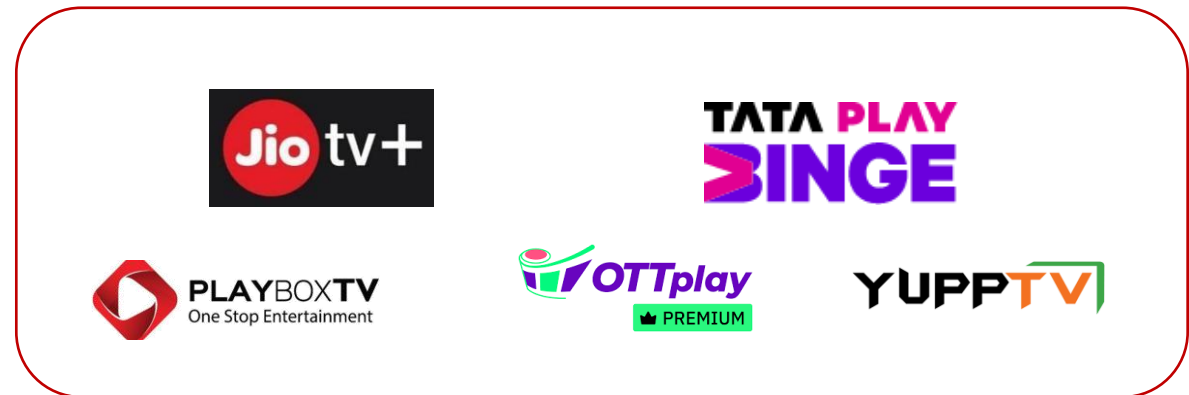
Indian OTT Market Snapshot

- **Market Growth:** Over **500M** active users by mid-2024; market was expected to surpass **\$10B** by year-end. Growth fueled by affordable data and regional expansion.
- **Content Localization:** Platforms invest in Hindi, Tamil, Telugu, and regional languages to attract smaller cities and rural audiences.
- **Original Content:** Exclusive shows/movies drive subscriptions; even smaller platforms create niche content for loyal viewers.
- **Pricing Models:** Ad-supported plans grow popular, alongside flexible options like bundled deals and regional pricing.
- **Tech Innovations:** AI, ML, 4K, and HDR elevate streaming quality and personalization.
- **Competitive Landscape:** Global players (Netflix, Amazon) compete with local giants (Zee5, MX Player), spurring innovation and collaborations.
- **Regulations:** Changing policies on content moderation, privacy, and taxes may impact strategies.
- **Consumer Trends:** Binge-watching, smart TVs, and mobile streaming dominate preferences post-pandemic.

Market Size

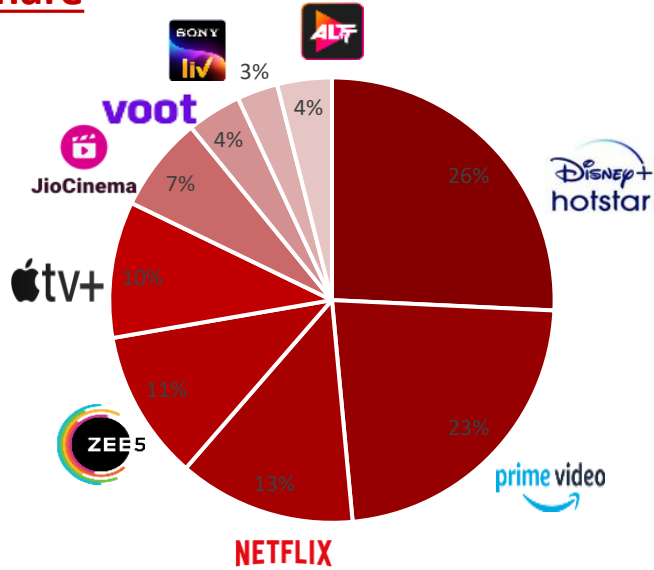


OTT Aggregator Apps in India



INDIAN OTT INDUSTRY: A RAPIDLY EVOLVING LANDSCAPE

Market Share



Key Statistics



The number of users in the OTT video market is expected to reach 634.3 million by 2029



User penetration is forecasted to be 34.1% in 2024 and is expected to rise to 42.2% by 2029



OTT industry makes up 7% to 9% of the entertainment market, is driven by low data plan prices and the popularity of short-form content.



OTT platforms invested around ₹55.21 billion, with Netflix, Amazon Prime Video, and Disney+ Hotstar spending a total of ₹31.55 billion.



The average revenue per user (ARPU) in the OTT video market is projected to be \$8.26 in 2024

Highlights of the Indian OTT Segment



99.6 Million

OTT subscribers in 2024 across India



70 minutes

Average time spent by Indian OTT viewer



12.5x

Average OTT platform viewing frequency



6th largest

India's expected position in the OTT market by 2025



87.8%

OTT penetration rate in India



2,986






Hours of content released by Indian OTT platforms in 2024



52%

Share of regional language OTT titles in 2024, up from 47% in 2022

INDIAN OTT INDUSTRY: A RAPIDLY EVOLVING LANDSCAPE

| OTT Platforms | Company | Started In | No. of Subscribers | Monthly Subscription Rate | Library Size |
|---|--------------------------|------------|--------------------|---------------------------|---|
|  | Viacom 18 | 2016 | 30 Millions | \$1.99 | Offers content from Viacom18's channels and original series |
|  | Balaji Telefilms | 2017 | 15 Millions | \$0.99 | Hindi-language content, offering over 250 hours of original shows |
|  | Culver Max Entertainment | 2013 | 35 Millions | \$3.99 | Offers original series, sports, movies, and content from Sony's channels |
|  | Zee Entertainment | 2018 | 40 Millions | \$1.49 | A vast library with 100,000+ hours of content in multiple languages and genres |
|  | Reliance Industries | 2016 | 20 Millions | \$0.35 | Provides a wide range of content, including TV shows, movies, and sports events |

RELIANCE-DISNEY-VIACOM18 MERGER

Geographics Covered

- On Feb 28, 2024, Reliance Industries Limited and The Walt Disney Company announced to merge their TV and streaming media assets in India by creating a joint venture (“JV”) valued **at \$8.5 bn**
- As part of the deal, Viacom18 (majorly owned by Reliance) will combine the business with Star India (owned by Walt Disney)
- Reliance Industries will be investing **~\$1.4 billion** into the JV for its growth strategy

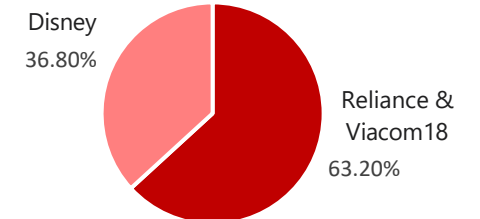


Geographics Covered

- The combined entity will become one of the leading TV and digital streaming platforms for entertainment and sports content in India
- The deal would bring together **70 channels from Star India and 38 TV channels from Viacom 18 in eight languages**, along with two large OTT platforms—**Jio Cinema and Hotstar**, and two film studios owned by each of them
- This strategic investment by Reliance will enable it to strengthen its streaming platform - Jio Cinema by leveraging Disney-Star India's expansive content library and sports broadcasting expertise
- The JV will own lucrative sports properties like the Indian Premier League, ICC cricket tournaments (both TV and digital), Wimbledon, Pro Kabaddi League, BCCI domestic cricket etc., and will be catering to **750 million+ viewers across India** and the Indian diaspora globally
- The JV will also be granted exclusive rights to distribute Disney films and productions in India, with a license to more than **30,000 Disney content** assets

Geographics Covered

- Reliance Industries will control the JV owning **16.34%** while Viacom18 and Disney owning **46.82%** and Disney **36.84%** respectively
- The combined entity is expected to have a digital OTT market share of 34%, while the TV viewership share in the top 10 channels is 40% as of CY 2023



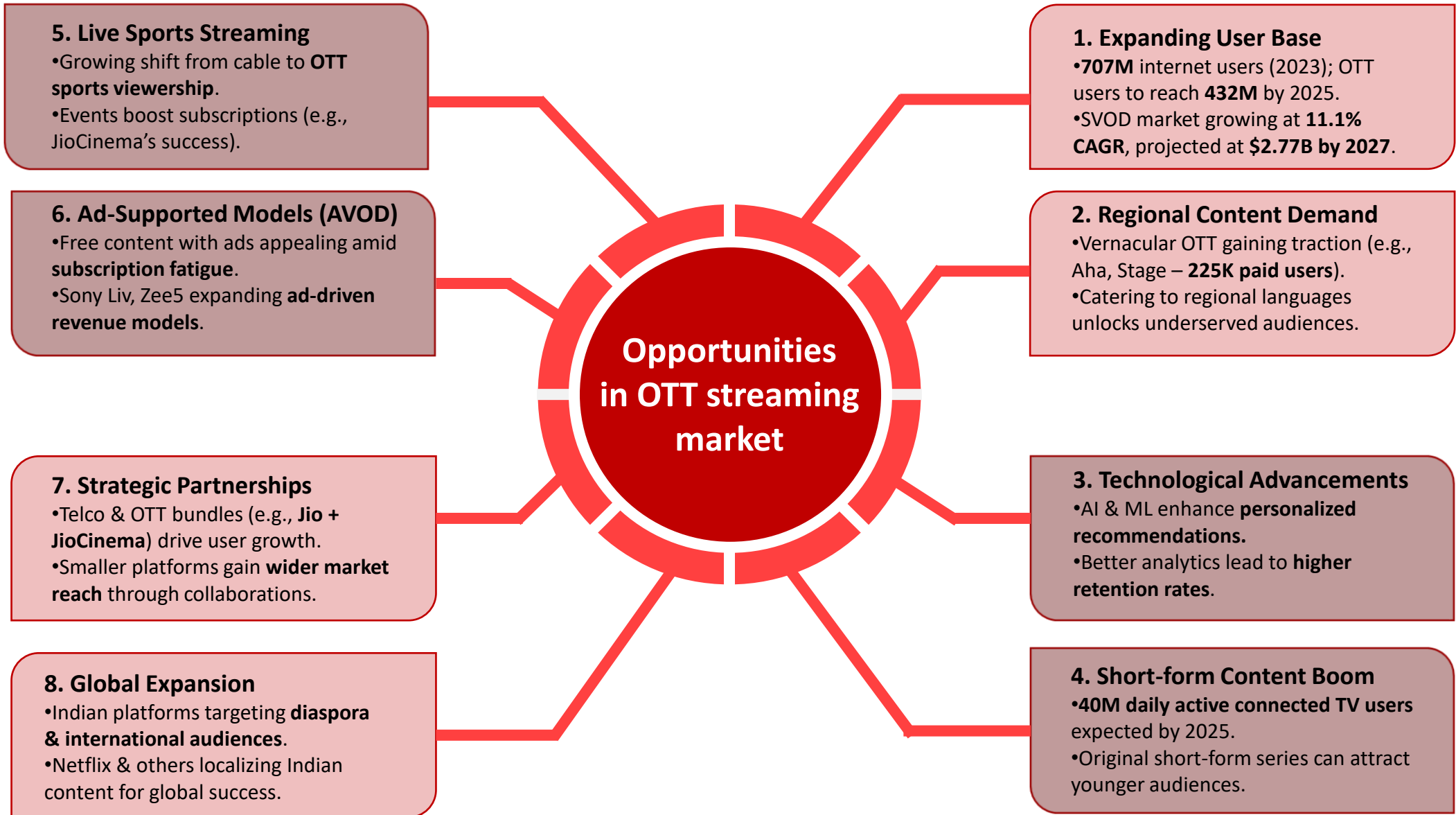
CHALLENGES AND SOLUTIONS

Challenges

Solutions

| | | |
|--|----------|---|
| <p>Free streaming (e.g., JioCinema) disrupting paid models; OTT audience growth slowed to 13.5% in 2023.</p> | <p>1</p> | <p>Tiered pricing, bundled offers, exclusive content, and limited-time discounts to attract and retain users.</p> |
| <p>Content costs 65-70% of OTT expenses, impacting profitability.</p> | <p>2</p> | <p>Co-productions with independent creators, data-driven content planning for higher ROI.</p> |
| <p>40+ OTT platforms in India, making differentiation difficult.</p> | <p>3</p> | <p>Niche & regional content, targeted marketing, and unique storytelling to stand out.</p> |
| <p>Evolving content regulations & censorship concerns.</p> | <p>4</p> | <p>Proactive engagement with regulators, compliance frameworks to balance creativity & legal norms.</p> |
| <p>Rural connectivity gaps affect streaming quality.</p> | <p>5</p> | <p>Telecom partnerships for bandwidth optimization, offline viewing options.</p> |
| <p>Piracy reduces revenue & deters paid subscriptions.</p> | <p>6</p> | <p>Anti-piracy tech, legal enforcement, and consumer awareness campaigns.</p> |
| <p>Struggle with hiring skilled professionals, causing production delays and limiting innovation.</p> | <p>7</p> | <p>Invest in in-house training, offer flexible work models, and provide competitive compensation.</p> |

OPPORTUNITIES IN OTT MARKET



Availability of multiple OTT platforms through single OTT aggregator is likely to Drive Market Growth

- The **OTT industry** is experiencing **rapid expansion**, with the **global market reaching \$275B in 2022** and projected to hit **\$215B by 2029**. **India's OTT sector** is set to **surpass \$10B by 2024**, driven by **affordable data, increased internet access, and regional content growth**.
- **Consumer habits** are shifting, with **streaming time averaging 4-6 hours per day**, fueled by **binge-watching, personalized recommendations, and live sports streaming**. **OTT aggregators and ad-supported models (AVOD)** are emerging as key revenue drivers, with platforms like **Netflix and Amazon Prime** adopting hybrid monetization strategies.
- The market remains **highly competitive**, with **global players (Netflix, Amazon Prime, Disney+)** and **Indian platforms (Zee5, JioCinema, Hotstar, MX Player, Sony Liv)** expanding through **regional content, AI-driven engagement, and telecom partnerships**.
- Despite **high content costs (65-70% of expenses)**, **subscription fatigue, piracy, and regulatory challenges**, the industry's **growth in Tier 2 & 3 cities, AI-driven personalization, and strategic mergers like Reliance-Disney-Viacom18 (\$8.5B deal)** are shaping the future.
- With **bundled offerings, regional expansion, and innovative pricing models**, **OTT is set to dominate the entertainment landscape**, transforming content consumption worldwide.

THANK YOU

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