



OTT Platforms

For Prelims: OTT Platforms, Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules 2021

For Mains: Increasing importance of OTT Platforms and Its Implications

Why in News?

Recently, a report was released by SBI Research, which said that the OTT (Over-The-Top) market is set to become a **Rs 12,000-crore** industry by 2023, up from Rs 2,590 crore in 2018.

What are the Findings?

▪ Statistics:

- The OTT market is expected **to reach Rs 11,944 crore by 2023**, up from Rs 2,590 crore in 2018, logging in a compound annual growth of 36%.
- OTT has already chipped away **7-9 % of the entertainment industry share and revenue**, and is consistently growing with over 40-odd players and offering original media content in all languages.
- There are over 45 crore OTT subscribers today in the country and this is expected to **reach 50 crores by end-2023**.
- The pay-per-view segment stood at 3.5 crore in 2018 and is on course to touch 8.9 crore this year and touch 11.7 crore in 2027.
 - Pay-per-view is a **pay television or webcast program that allows viewers to buy activities to watch** on a private telecast.
 - Video downloads were 4.2 crore and 7.7 crore, 8.6 crore, while video streaming at 1.9 crore, 6.8 crore, and 10.8 crore, respectively during this period.

▪ Growth Drivers:

- This strong growth is led by **affordable high-speed mobile Internet, doubling of Internet users, increased adoption of digital payments** and discounted price offered by global players.
- Covid-led lockdowns which completely shut cinemas.

▪ Implications:

- This may lead to a **repeat of the sudden death of the VCR/VCP/DVD industry** that boomed in the 1980s, with the exponential rise of multiplexes since **the early 2000s across metro/urban areas**.
 - It can be noted that the 1980s saw the exponential rise in video cassette recorders/players (VCRs/VCPs) that for the first time challenged the established modes and models of viewing a movie.
- The rise of OTT is expected to **eat into cinemas' profits as over 50 % of the people use OTTs more than 5 hours a month**.
- It is expected that OTT platforms' expansion into education, health, and fitness will additionally cement its future.
- It has unlocked new routes for content creators, and the **audience has begun to**

understand it as more than just a medium of enjoyment.

What are OTT platforms?

- OTT, or over-the-top platforms, are **audio and video hosting and streaming services** which started out as content hosting platforms, but soon branched out into the production and release of short movies, feature films, documentaries and web-series themselves.
- These platforms offer **a range of content and use artificial intelligence to suggest to users the content they are likely to view** based on their past viewership on the platform.
- Most OTT platforms generally **offer some content for free and charge a monthly subscription fee for premium content** which is generally unavailable elsewhere.
- Premium content is **usually produced and marketed by the OTT platform themselves**, in association with established production houses which historically have made feature films.
- **Examples: Netflix, Disney+, Hulu, Amazon Prime Video, Hulu, Peacock, CuriosityStream, Pluto TV, and so many more.**

What are the laws regulating OTT platforms?

- In February 2022, the government 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.

UPSC Civil Services Examination, Previous Year's Question (PYQs)

Q. COVID-19 pandemic has caused unprecedented devastation worldwide. However, technological advancements are being availed readily to win over the crisis. Give an account of how technology was sought to aid management of the pandemic. **(2020)**

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