

# THE FUTURE OF OTT IN SOUTH ASIA

A PLAYBOOK ON HOW TO GROW YOUR OTT  
SERVICES



# Introduction

**2020 has been the year for OTT streaming and will be remembered as the year streaming wars intensified to a new high.**

For many media companies, this is a frontier, which many are still learning by doing. Whether it's to compete or co-exist in their markets, every OTT player needs to have an in-depth understanding of what are the consumers' preferences towards OTT services.

To thrive in the current and future OTT landscape, OTT players in South Asia need to determine how to profitably distribute content directly to consumers and win in the streaming wars.

This report seeks to dive into consumer preferences towards OTT services. From subscriptions to payments to OTT advertising to user experiences, we uncover insights that will aid media companies, broadcasters, OTT streaming services, and content owners in charting their own future in OTT.

# About this research

The Future of OTT in South Asia is the first study of its kind in the market that investigates the streaming habits and preferences of consumers in the country. The research is commissioned by Brightcove in partnership with our research partner, Milieu, a consumer research and data analytics firm.

This edition covers three countries, comprising of more than 3,000 unique online respondents. The results are representative of the Online Population for those aged 16 and above in each country surveyed. Fieldwork was conducted throughout the month of July 2020.



# Your guide to thriving in the streaming evolution

In-depth audience insights to guide your OTT strategy

## USE CONTENT TO DRIVE INTEREST AND LOYALTY

- ▶ Refine your marketing mix based on how viewers look for new content to stream.
- ▶ Build a content strategy that keeps viewers entertained and engaged.

## FIND YOUR RIGHT DEVICE AND EXPERIENCE STRATEGY

- ▶ Invest in the right mix of devices for your viewing audience.
- ▶ Offer a viewer experience that doesn't disappoint.

## CHANGE THE GAME WITH FLEXIBLE PAYMENT MODELS

- ▶ Develop pricing models based on the unique value of the content and experience you provide.
- ▶ Offer flexible payment models that increase the perceived value of *your* service and its content.

**USE CONTENT TO  
DRIVE INTEREST  
AND LOYALTY**



# Study how users (new and existing) discover content and map your campaigns accordingly

Top five ways viewers discover content outside of their OTT service:

1. Social media **(60%)**
2. Search engine **(51%)**
3. Trailers of TV series/movies **(46%)**
4. Advertising **(39%)**
5. Recommendations for friends & family **(38%)**

## TAKE ACTION:

- Content discovery is an ongoing challenge for consumers. OTT providers need to consider the customer journey of finding content. Social media, search engines, trailers, advertising, recommendations from family and friends, and social media are all effective elements to consider in their marketing campaigns.
- Use free video platforms with trailers to create awareness and drive users to your own OTT platform. Consider referral campaigns as part of the user acquisition program, whereby you can reward the advocacy of existing customers who get their friends and family to sample service.

# Content is the deal maker

Reasons to sign up for multiple OTT services:

## 48%

### WANT MORE CONTENT OPTIONS

The need for content diversity is ranked high on the list of reasons for signing for multiple services. Content diversity means addressing the content need for the whole family unit, including addressing the demand for niche content.

## 38%

### NOT ALL CONTENT NEEDS ARE MET WITH JUST 1 OTT SERVICE

Consider forming content partnerships with content owners. Users can opt to add-on content as channels from content owners, such as a single season of a show, rather than subscribing to the entire service.

## 35%

### WANT ACCESS TO LOCAL CONTENT

There is an affinity for homegrown Indian content in Bangladesh and Pakistan markets. Indian OTT providers launching in these markets would cater to both local audiences and the diaspora segments.

## TAKE ACTION:

- ▶ When launching across borders, ensure that your OTT platform can deliver a scalable, high-quality streaming experience, as well as catering to various payment currencies.
- ▶ Ensure your content portfolio has enough depth, with a combination of compelling, original, or exclusive content the target audience desires.



# Creating content value is key

Reasons to unsubscribe to any OTT service:

# 32%

## **TOO EXPENSIVE**

Subscribing to multiple services does add up and can be expensive to retain over time.

Secondary reasons that drive unsubscribes paints a picture of where OTT services fall short in creating value:

---

**29%** Insufficient content

---

**28%** Get content free on another OTT service

---

**27%** Too much unwatched content

---

**26%** Can access content from FTA or payTV channels

---

## **TAKE ACTION:**

- ▶ Multiple subscriptions do add up and can become costly to maintain over time. If customers feel maxed out with subscription services, ad-supported options may become popular among consumers watching their spending.
- ▶ Too much unwatched content may mean that the content library does not meet market needs or lacks enough market-relevant content to watch. OTT providers need to research and map a content strategy that will appeal to local audiences and understand their audience's content preferences and habits, all of which are critical for customer acquisition and retention.



**FIND *YOUR* RIGHT  
DEVICE AND EXPERIENCE  
STRATEGY**



# Consumers have power and choice when it comes to video

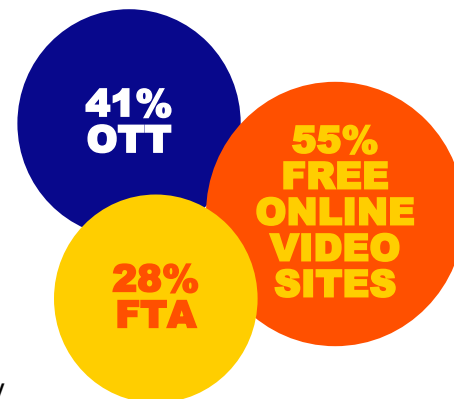
## VIEWERS ROTATE BETWEEN PAY TV, FREE ONLINE SHARING AND OTT

The low cost of mobile data and affordable smartphones have revolutionised the OTT video streaming landscape in India, with over 40 OTT platforms serving the market. Satisfying the market needs via legitimate channels is possible with affordable pricing, or even for free, funded by ads and access is not geo-blocked.

# 67%

### PAY TV

Pay TV has long been well established in these markets. With more and more streaming services entering the market, cord-cutting could pose a problem for Pay TV operators without an OTT strategy.



## TAKE ACTION:

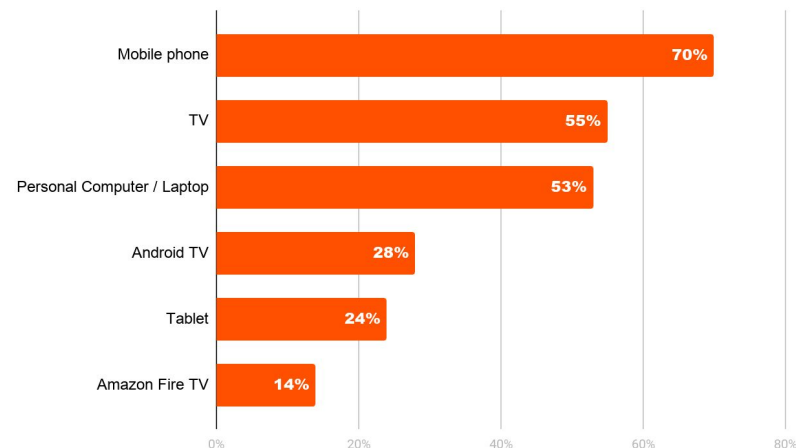
- ▶ PayTV operators can adopt an OTT strategy (that does not require a set-top box) with content bundles for subscribers to choose from and delivered to their mobile devices.
- ▶ OTT providers should also look to sell their content on PayTV platforms as an add-on channel.

# Multi-device strategy is crucial

**Top three streaming choices remain: mobile, TV, laptop. Android is emerging as a leader in streaming device technology among connected TV providers.**

With low data tariffs and increasing smartphone penetration, mobile will be **THE** streaming device to consider. While mobile devices are dominant, it is also crucial to note, Smart TVs and the Amazon Fire Sticks are just as important for a third of South Asian viewers. Do not miss out on increasing your service's stickiness by including key big screen devices in your device reach strategy. Be aware that a consumer might watch the OTT service on multiple devices, including on streaming sticks, and ensure that the user experience is seamless across all devices.

DEVICES USED TO STREAM OR WATCH TV CONTENT



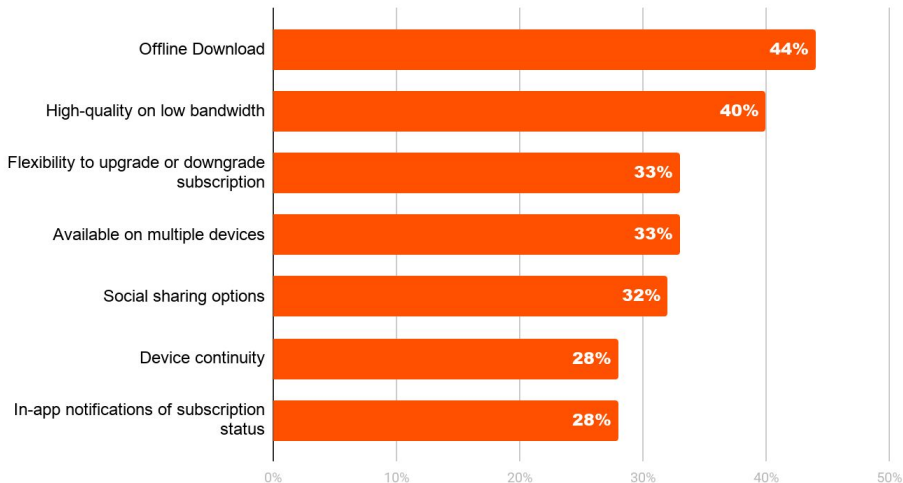
## TAKE ACTION:

- › Selecting which devices to launch an OTT service is fundamental. Focus on investing money and resources in building, testing, and launching an app on a streaming device with significant market share.
- › The right mix of devices can unlock access to highly relevant audiences, increase sign-up rates, increase usage rates, and ultimately reduce churn.

# Viewers want quality experience, on and offline

The topmost wanted features relate to the quality of viewing experience, whether offline or on low bandwidth.

## WHICH FEATURES WOULD YOU LIKE TO SEE IN AN OTT SERVICE?



## TAKE ACTION:

- ▶ Consumers are not forgiving when it comes to poor video streaming experience. Ensure the viewing experience is at an optimal level. OTT providers need to consider features like offline downloads to allow for high-quality viewing when users are in low bandwidth environments or on the move (e.g., commuting).
- ▶ Use multi-bitrate streaming technology to give viewers the best video quality their Internet speed can handle.

BRIGHTCOVE®

**CHANGE THE GAME  
WITH FLEXIBLE  
PAYMENT MODELS**



# Subscribers prefer monthly subscriptions

Other subscriptions trends to take note of:

## 64%

### **PREFER MONTHLY SUBSCRIPTION**

Users are accustomed and are comfortable with a monthly subscription model, whether it's SVOD, a hybrid of AVOD and SVOD.

## \$6/MTH

### **MOST WANT TO STAY UNDER \$6**

Given the crowded Indian OTT market, consumers have likely tried most OTT services and see the value in paying more. Whereas in Pakistan and Bangladesh, they are exposed to fewer services, so unlikely to see the value of paying a higher fee until they have tried out the service.

## 2-3

### **MAX NUMBER OF OTT SERVICES**

Out of 40 OTT platforms in India, narrowing it down to 2-3 services with a monthly subscription will mean churn rate will be high for many platforms. Offer a free tier with ads and a premium tier without ads or limited ads.

## **TAKE ACTION:**

- › Market test various pricing strategies to see which is the right fit for various demographics.
- › Ensure that your OTT platform has the capability to execute on various monetisation packages, such as subscription, ad-supported, pay per view, and soon transactional video on demand.

# Increased openness to ads

Viewers show openness to ads, particularly for specific content.

# 52%

## WILLING TO WATCH ADS

Not all content is viewed with equal value and appeal. For sports, some are willing to watch ads and not pay, which is the norm in the linear TV experience. OTT providers should lay out several price plans for all content types and give viewers the power to decide which plans suits their budgets.

|               | SUBSCRIPTION<br>NO ADS | LOWER FEE<br>+ SOME ADS | NO FEE<br>+ MORE ADS | ONE-TIME OR<br>FLEX PLAN |
|---------------|------------------------|-------------------------|----------------------|--------------------------|
| ALL CONTENT   | 24%                    | 33%                     | 22%                  | 11%                      |
| TV SHOWS      | 23%                    | 26%                     | 32%                  | 14%                      |
| MOVIES        | 28%                    | 23%                     | 27%                  | 16%                      |
| SPORTS        | 23%                    | 25%                     | 30%                  | 16%                      |
| NICHE CONTENT | 19%                    | 25%                     | 33%                  | 15%                      |

## TAKE ACTION:

- Regardless of short or long-form content, let your audience preferences guide your monetisation model to maximise revenue.



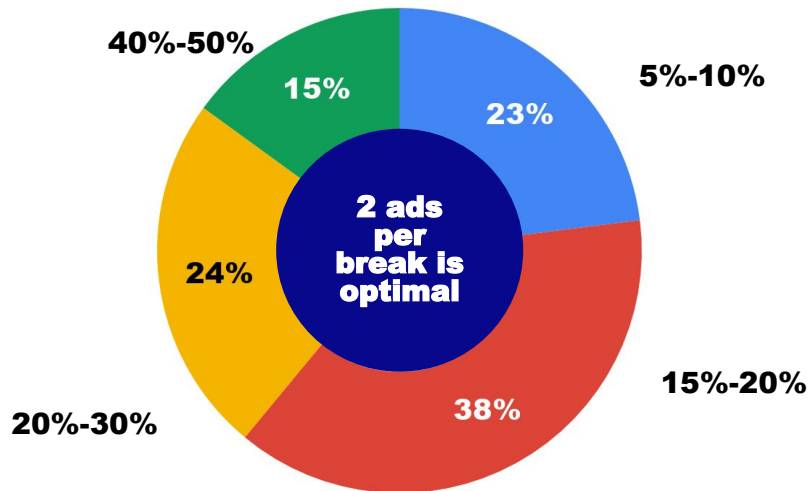
# Balance experience and price when planning your ad model

**VALUE OF ADS AS IT RELATES TO PRICE REDUCTION VARIES, BUT CONSUMERS AGREE THAT 2 ADS PER BREAK IS AN ACCEPTABLE NUMBER OF ADS TO WATCH.**

Advertising on OTT platforms will help unlock additional revenue streams beyond just relying on one fixed monthly price model. Experiment with lower-priced models with ads to give consumers the option to choose from 2 ads per break or a lower ad load.

Even though openness to anything beyond two ads per ad break is very low, OTT providers should avoid packing ad breaks with two or more ads, even with an ad-funded model. The user experience when watching the content is key, so it's the platform's advertising experience.

**ACCEPTABLE PRICE REDUCTION IN EXCHANGE FOR WATCHING ADS**



## TAKE ACTION:

- › Sell the ad inventory at a premium for highly-ranked content and for ad breaks with one ad.
- › When considering a hybrid subscription/ad plan model, calculate various models, assuming a +15% reduction in subscription fees when calculating financial impact.

# READY TO GROW YOUR OTT BUSINESS?

## About Brightcove

When video is done right, it can have a powerful and lasting effect. Hearts open. Minds change. Creativity thrives. Since 2004, Brightcove has been helping customers discover and experience the incredible power of video through its award-winning technology, empowering organizations in more than 70 countries across the globe to touch audiences in bold and innovative ways.

Brightcove achieves this by developing technologies once thought impossible, providing customer support without parallel or excuses, and leveraging the expertise and resources of a global infrastructure. Video is the world's most compelling, exciting medium. Visit

[www.brightcove.com](http://www.brightcove.com) for more information. Video That Means Business.

™

**Contact us - [www.brightcove.com/en/contact-sales](http://www.brightcove.com/en/contact-sales)**