


Chapter 6

Impact of OTT Media on Advertising and Marketing

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ABSTRACT

OTT media platforms (Netflix, Amazon Prime, Disney+Hotstar, etc.) are another logical TV development that transmits content via an Internet connection without the provider's influence or control over the content. The subject is essential because OTT media allows viewers to watch video content uninterruptedly, anywhere, anytime, and on any device, and content owners can build direct audience relationships independent of the video service provider. This chapter aims to understand the changes that developments in OTT media have brought to the marketing and advertising environment compared to traditional media and to draw attention to the increasing importance of advertising content for consumers and publishers. It discusses some of the practical benefits and issues exemplified for consumers and advertisers of this change in the media landscape: (1) the role of data in targeting consumers and the impact of brand image and loyalty gained on OTT platforms as a result of highly focused targeting, and (2) the power of OTT advertising agents to change consumers' behavior and data privacy concerns.

INTRODUCTION

With the acceleration of digitalization, OTT media services have become phenomenally widespread globally and locally (Chang & Chang, 2020). This chapter examines the impact of OTT media on marketing and advertising activities as another logical development of television. OTT - the acronym for Over-the-top - permanently replaces this system, as it refers to content delivered through an Internet connection without the provider's influence or control over the content. OTT media platforms offer consumers the most excellent possible flexibility as they can watch linear programs on any fixed or mobile device, regardless of their Internet access provider.

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Previously, watching TV meant being available to watch scheduled programs at certain times. However, with technological advances and the popularity of personal devices such as smartphones, high-speed Internet, and new content platforms, a new method of watching a video called OTT has emerged that provides more flexible viewing options (Jain, 2021). OTT refers to consuming featured video content from linear television and the provider via the Internet. Over The Top is a symbol that goes beyond the Internet box and the television packages or channels offered by default (programs always travel physically through the Internet box) (Chen, 2019). OTT media platforms offer consumers the most excellent possible flexibility as they can watch linear programs on any fixed or mobile device, regardless of their Internet access provider. Exceptionally fast internet connections have made OTT accessible to all types of video formats, from feature films to YouTube tutorials.

According to the latest statistics released by The Diffusion Group, nearly half (42%) of television time is devoted to content provided by an alternative service, or “over-the-top” (OTT) content (Marketing Charts, 2020). As the popularity of this service grows, distributors are forced to offer a wide variety of quality content across multiple media. OTT has therefore shaken the broadcast industry by changing how viewers want to access video content (i.e., on multiple screens and in the context of multiple events) and with content owners now able to engage directly with viewers regardless of the service provider. This development has resulted in a general upheaval in the audio-visual landscape, with new players, new sources of revenue, and new information about the audience involved, enabling new ways for content to be distributed and consumed worldwide. It is essential to read the results of this change in the media environment correctly and understand how consumers perceive it regarding how advertisers do business legally, the improvement of their marketing activities, and the development of different advertising techniques.

OTT platforms aim to grow by focusing on local content, pricing flexibility, mobile access and understanding local culture. This requires a combination of strategies involving engaging users to establish a competitive presence and expand the user base. Netflix India’s gamification-based strategy pushes viewers to play a role similar to the characters in the movie, ensuring they have an unforgettable experience with the brand. For example, Netflix India did exciting marketing campaigns for ‘Red Notice’. They recently launched a store where customers can attempt to “steal” artifacts while dodging lasers and security as a promotion for Netflix India’s action-packed Hollywood blockbuster movie ‘Red Notice’ (Shaw, 2021). In this highly secure ‘Red Notice Shop’ store, gifts were offered to those who can steal. Similarly, OTT platforms in India take care to diversify content based on language, genre, and audience. For example, a wide range of content is offered, from classic Bollywood movies to modern web series. OREO has collaborated with Netflix’s Stranger Things to launch limited edition ‘Oreo Red Velvet’ in India. They released a special edition of red cookies to celebrate the upcoming release of “Stranger Things Season 4” (Kumari, 2022). They have also created an Instagram filter that turns your world upside-down, another fun way to engage with the show’s fans.

In the past, television has always worked linearly and always through a middleman. Whether cable television, satellite television, or IPTV, a provider provides content via its infrastructure (Kim et al., 2017). With traditional television, for example, the cable provider lays the lines, and users can only see what the cable television is currently broadcasting. Precisely what that is and when it can be received has been, and to some extent still is, decided in a classic top-down system. However, OTT providers offer content to users via streaming. OTT services are therefore separated from infrastructure providers. The most well-known OTT providers in the market are Netflix, Amazon Prime, Hulu, DAZN, and Eurosport Player (IONOS, 2019). In order to receive streaming services, users only need an Internet connection

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