

Understanding Intention to Continue OTT Platforms

Dr. Ranjith Somasundaran Chakkambath¹, Ms. Anumol M.V.², Melvin Jacob Cherian³

^{1,2} *Asst Professor, Amity Global Business School Kochi, Ernakulam, 682035, India*

³ *MBA student, Amity Global Business School Kochi, Ernakulam, 682035, India*

Abstract

The development of high-quality, unique content is one of the primary drivers of growth and difference for over-the-top (OTT) media platforms, which are in severe competition for the attention of Indian consumers. It is expected that this sector will grow from its current user penetration of Thirty percentage to thirty-six percentage in India. This study highlights the factors affecting consumers' intention to continue using Over-the-Top (OTT) platform services. The target population was people who were over 18 years of age from different parts of Kerala, India. As part of the study, Exploratory factor analysis was done. The results generated three components that affect customer intention to continue using OTT platforms. A Chi-square test was included to investigate association between gender and OTT subscription, as well as association between age and OTT subscription. This research provides valuable insights into the factors that impact customer retention in the OTT platform industry.

Key Words: OTT platform, Continuance intention, Convenient factors, Exploratory factor analysis, Chi-square test, Media platforms.

1. INTRODUCTION

Since their inception, entertainment technologies have seen a number of revolutionary transformations. Despite the popularity of conventional media, customers have long begun to switch to more practical, scalable, and customised digital streaming services. Over-the-top (OTT) platforms have grown in popularity in recent years, offering consumers a range of streaming services for films, TV episodes, music, and other digital material. (Devadad 2019). India today has become one of the large markets for OTT platforms in the world. MICA report on OTT 2018 says, 'With 22 languages, 450 plus dialects, India has a unique positioning'. Currently, 45% of the users consume regional language content, and this percentage is expected to increase with the growth of internet users. This has made international players like Amazon Prime, Netflix, Disney Hotstar invest in India with curated local content. The highest consumed OTT platform in India is YouTube, followed by Amazon Prime, Hotstar, Jio Cinema, and Voo (MICA 2019). Businesses now need to understand customer behaviour and their intentions to keep utilising OTT platforms as these platforms keep expanding. Therefore, this study aims to investigate the variables that

affect consumers' intent to use OTT platforms going forward. This study offers useful insights into the elements that influence customer behaviour on these platforms by examining numerous variables. In order to retain customers and compete in the quickly expanding OTT market, firms may design effective strategies by being aware of these characteristics.

2. STATEMENT OF THE PROBLEM

This study explores the factors influencing consumer intention to continue using OTT platforms, providing valuable insights for OTT providers to enhance customer retention.

3. OBJECTIVES OF THE STUDY

- To understand the factors that influence consumer intention to continue using OTT platforms.
- To investigate the association between gender, age, and OTT subscription
- To provide recommendations for OTT platform providers on improving user retention and increasing consumer intention to continue using their service.

4. HYPOTHESIS OF THE STUDY

H₀: There is no association between Gender and OTT subscription.

H₁: There is an association between Gender and OTT subscription.

H₀: There is no association between Age and OTT subscription.

H₁: There is an association between Age and OTT subscription.

5. LIMITATIONS OF THE STUDY

- The sample size was relatively small, consisting of only 100 respondents. This could limit the generalizability of the findings to a larger population of OTT platform users.
- The time frame for data collection was limited, which may have impacted the accuracy and depth of the data collected.
- This study adopted a cross-sectional research design, which only captures a snapshot of the phenomenon at a specific point in time.

6. REVIEW OF LITERATURE

Zhang, X., Lu, J., & Zhou, L. (2019) conducted a study that integrates the Technology Acceptance Model and Expectation-Confirmation Theory to analyze consumer continuance intention on OTT platforms. Huang, Z., & Benyoucef, M. (2019) examined the causes of the desire to continue using OTT platforms' subscription-based Video-on-Demand services. Cao, X., et al., Li, H. (2019) conducted a study identifying the continuance intention precursors to use subscription-based Video on Demand services. Fan, C., and Sun, Y. (2020) conducted a cross-cultural study that looked at the causes of continued intent to use OTT video streaming services in various cultural situations. Su, P., and Lu, H. P. (2019) conducted a study that examined the variables that affect Chinese customers' propensity to continue using OTT platforms. Sharma, V., and Gupta, S. (2020) integrated the Unified Theory of Acceptance and Use of Technology 2 (UTAUT2) with the Expectation-Confirmation Model to understand consumer continuance intention to use OTT platforms in India.

7. RESEARCH METHODOLOGY

The study focuses on people who are at least 18 years old and aims to understand their behavior towards a particular phenomenon. Convenience sampling is used to collect data, and a sample size of 100 respondents is selected for the investigation. Primary data is collected using a self-administered questionnaire. The data collected is analyzed and interpreted using statistical techniques and tools. SPSS is the tool used to analyze the data collected from the questionnaire and make inferences about the population under study. Chi-square analysis and Exploratory factor analysis were done to arrive at the results.

8. DISCUSSIONS

8.1 Demographic profile

The demographics of the survey respondents show that 53% are male and 47% are female. Among the respondents, 66% are students, 24% are employed, and 10% are self-employed. Regarding OTT platforms, the majority, or 76%, use Netflix, followed by Amazon Prime Video at 48%, Disney Hotstar at 41%, Disney+ at 20%, and HBO Max at 13%. The study found that 26% of respondents have used OTT platforms for six months and a year, while 22% have used them for between one and two years, 21% for between two and three years, and 19% for more than three years. Additionally, 12% of respondents have used OTT platforms for less than six months, while 21% have used them less than once a week. 55.1% of respondents have thought about switching to a different OTT platform, and 44.9% haven't thought about switching to an other platform.

The study revealed various reasons why respondents switched to a different OTT platform. The top reason cited by 35.9% of respondents is the selection of content, followed closely by cost, cited by 34.4%. In addition, 18.8% of

mentioned advertisements as a reason for switching, while 10.9% cited user experience as a reason.

The study indicates that respondents use OTT platforms at varying frequencies. About 33% to 31% of respondents use OTT platforms once or twice a week, while 31% to 32% use OTT platforms three to four times a week. Moreover, 13% of respondents use OTT platforms five to six times a week, while 13% use them daily. Only 10% of respondents use OTT platforms less than once per week.

The study found that most respondents, precisely 85%, are satisfied with the content available on OTT platforms. Of this, 47% expressed that they are "very satisfied," while 38% said they are "extremely satisfied." In contrast, a small proportion of respondents, specifically 2%, expressed "not at all satisfied" with the content available on OTT platforms. Only 1% of the respondents expressed that they are "not very satisfied" with the content available on OTT platforms, while 12% stated that they are "somewhat satisfied."

8.2 Chi-square test

A chi square test was done to understand if there is a relation between Gender and OTT subscription. The results for which is given as below: -

a. Gender & OTT subscription

Ho: There is no association between Gender and OTT subscription.

H1: There is an association between Gender and OTT subscription.

Table 1: Chi-square Test

| | Value | df | Asymptotic Significance (2-sided) | Exact Sig. (2-sided) | Exact Sig. (1-sided) |
|------------------------------------|-------------------|----|-----------------------------------|----------------------|----------------------|
| Pearson Chi-Square | .232 ^a | 1 | .630 | | |
| Continuity Correction ^b | .000 | 1 | 1.000 | | |
| Likelihood Ratio | .237 | 1 | .626 | | |
| Fisher's Exact Test | | | | 1.000 | .545 |
| N of Valid Cases | 100 | | | | |

a. 2 cells (50.0%) have expected count less than 5. The minimum expected count is 1.41.
b. Computed only for a 2x2 table

The relation between the variables was significant, $\chi^2 (, N = 100) = .630, p < .05$. We conclude that there is no association between Gender and OTT subscription.

b. Age & OTT subscription

Ho: There is no association between Age and OTT subscription.

H1: There is an association between Age and OTT subscription.

Table 2: Chi-Square Test

| | Value | df | Asymptotic Significance (2-sided) |
|--------------------|-------------------|----|-----------------------------------|
| Pearson Chi-Square | .377 ^a | 5 | .998 |
| Likelihood Ratio | .671 | 5 | .985 |
| N of Valid Cases | 100 | | |

a. 10 cells (83.3%) have expected count less than 5. The minimum expected count is .03.

The relation between the variables was not significant, χ^2 (5, N = 100) = .377, $p > .05$. We conclude that there is no association between Age and OTT subscription

8.3 Exploratory Factor Analysis

A factor analysis was done to find out the factors influencing consumers to continue on OTT platforms. The KMO value is .932 and Bartlett's test is significant. This indicates that factor analysis is permissible with given data. 11 variables have been reduced to three factors which account for 85.781 % of the variance in the data.

Table 3: Rotated Component Matrix

| | Component | | |
|---|-----------|-------|-------|
| | 1 | 2 | 3 |
| Availability_and_variety_of_Accessibility | 0.889 | | |
| Quality_of_streaming | 0.814 | | |
| User_experience | 0.796 | | |
| Binge-watching | 0.791 | | |
| Platform_compatibility | 0.779 | | |
| Ad_free_experience | 0.675 | | |
| Price_and_value_for_money | | 0.655 | |
| Discounts_and_offers | | 0.701 | |
| Social_interaction | | | 0.915 |
| Brand_reputation | | | 0.717 |

The first component was identified as "**Quality and Convenient factors**" which includes.

- Availability_and_variety_of_content
- Accessibility
- Quality_of_streaming
- User_experience
- Binge-watching
- Platform_compatibility
- Ad_free_experience

The second component was identified as "**Economic Factors**" which includes

- Price_and_value_for_money
- Discounts_and_offers

The third component was identified as "**Corporate Image Factors**" which includes.

- Social interaction
- Brand reputation

Tsai et al. 2023 discovered that one of the most critical elements influencing the public's utilisation of the OTT video streaming platform is its convenience. In consistent with previous literature this study also confirm that content, convenience and economic factors are relevant while considering the intention of consumers to continue OTT platform . (Ghalawat et al., 2021, Tsai et al. 2023)

9. MANAGERIAL IMPLICATION

Companies can focus on improving their OTT platform's quality and convenience factors, such as ensuring a wide variety of content is available, providing high-quality streaming, and improving the user experience. This can help increase customer satisfaction and encourage continued use of the platform. They must take into account the economic elements that influence customers' willingness to continue using their OTT platform. Discounts and value for money can help companies attract and retain customers, particularly in competitive markets. Companies must also consider their corporate image, especially in terms of social engagement and brand reputation. Companies may build customer loyalty and retain customers by concentrating on these identified factors.

10. CONCLUSION

This study explores factors affecting consumer intention to continue using Over-the-Top (OTT) platforms and investigates the association between gender, age, and OTT subscription. Most respondents use Netflix and are satisfied with the content available on OTT platforms. The study found that content selection and cost were the top reasons for switching to a different OTT platform. A factor analysis was performed, which identified three factors influencing consumers to continue using OTT platforms, namely, content quality, platform quality, and price. The study provides recommendations for OTT platform providers to enhance customer retention.

11. REFERENCES

1. Chui, L. Y. (2021). A Research on OTT platform users' behavior with the integration on technology acceptance model (TAM)- perceived price and age as moderators. (Unpublished master's thesis). Tamkang University.
2. Ghalawat, S.,Yadav, E., Kumar, M., Kumari, N., Goyal, M., Girdhar, A., & Agarwal, S. (2021). Factors influencing consumer's choice of streaming over the top (OTT) platforms. Indian Journal of Extension Education, 57 (3), 99-101.

3. H
a
n, E., Kim, C. W., & Lee, M. K. (2020). A study on the factors affecting the willingness to pay for ott service users. *Journal of Digital Convergence*, 18 (5), 105-114.
4. Lai, Y. X., Cheng, Y. T., & Su, C. H. (2020). Key Factors and behavior patterns of using OTT audio-video platforms—Taking YouTube as an Example. *Journal of Data Analysis*, 15 (5), 21-44.
5. Lin, T. Y. (2020). Content, community and platform: analysis and perspective of streaming video. (Unpublished master's thesis). National Pingtung University.
6. Sundaravel, E., & Elangovan N. (2020). Emergence and future of over-the-top (OTT) video services in India: an analytical research. *International Journal of Business, Management and Social Research*, 8 (2), 489-499.
7. Yeole, S. M., Saha, L., & Bhaisare, C. (2022). A study on user perspective on OTT platform in India. *Journal of Positive School Psychology*, 6(3), 7351-7364.
8. Yang, Y. T. (2018). A study of OTT TV users' behavioral intention and willingness to pay on the basis of integration of technology acceptance and information systems success model. (Unpublished master's thesis). National Chengchi University
9. Zhang, Z., Chen, N., & Lin Z. (2012). Discussing the behavioral intention of participating in Wii sports-type games by combining technology acceptance model. *Exercise and Recreation Research*, 7 (1), 53-67.