
PROSPECTS AND CHALLENGES OF OVER-THE-TOP (OTT) PLATFORMS IN ENTERTAINMENT INDUSTRY IN INDIA: AN OVERVIEW

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ABSTRACT

The paper discussed the prospects and challenges of Over-the-Top (OTT) platforms in entertainment industry in India. It has found that OTT platforms in India are becoming a media source. Cheap data rates, penetration of smart phones, and demand for localised content are contributing to an environment of the industry. The combination of increased production of localised/regional content, innovative technology advancements, and the fierce competitive landscape created by both global and domestic OTT service providers is leading to the demise of traditional media. The new generation of technological & entertainment companies has emerged to disrupt the traditional model of television in India. OTT sector continue to transform the way that people access their entertainment, and will grow at an unprecedented rate in the future. The major source of income for Indian OTT platforms is through Subscription Video, on Demand (paid subscriptions) and Advertising Video on Demand (ads on free content) models. Besides this, the mix of global and local content is the main contributor to the revenue which is expected to grow substantially. The platforms are dealing with a number of issues such as the regulatory environment, competition, bans on bandwidth, the death of traditional cinema, along with customer experience and content addiction related problems. Hence, OTT platforms are the most powerful and permanent ones in the 21st century entertainment landscape and they continue to evolve and lead the innovation throughout the entire media ecosystem.

Keywords: Entertainment Industry, OTT Platform, Internet, Subscriptions, & Mobile phone.

Introduction

The entertainment industry's evolution mirrors the progression of the world around it. It has moved from the days of the technological revolutions brought about by film, radio, TV, and digital streaming. Urbanization, industrialization, and changing consumer demands for leisure have been the major drivers behind this evolution. Some of the key milestones include the invention of the phonograph by Edison in 1877, the first motion pictures by Lumire brothers in 1895, the rise of studio systems and narrative film, the explosion of television, and the present era largely influenced by digital platforms, social media, and user-generated content. All these have resulted in a shift from traditional gatekeepers to creators and interactive experiences. The entertainment industry is basically the sum of all the business and artistic areas that are engaged in making and giving amusement, diversion, and pleasure to people. It covers cinemas, television, music, theatre, and concerts industries. These sectors primarily concentrate on creating,

promoting, and delivering content mainly for profit or, alternatively, for cultural engagement of people (Tyagi and Kumar, 2024).

The entertainment industry refers to the film, television, music and radio industries. There has been a recent explosion in these industries recently with the introduction of new sectors of the video game industry, streaming and digital media industries through the introduction of online streaming services, social media, and the emergence of animation. In addition, live events, such as theatre, sporting events, concerts, and theme parks, will be impacted by growing trend of digitalisation. The core entertainment sectors are the traditional media industries of print and broadcasting media and the new digital media sectors of online content, gaming, and social media platforms (Subramaniam and Lakshminarayanan, 2024).

OTT Platforms such as Amazon Prime, Netflix, Disney+, etc., are now widely used by viewers who can stream movies and Television series to their devices over the internet. Such platforms enable viewers to experience movies in a new and different way than before because they create their original programming, offer consumers choices of when to watch their programming, and alter the distribution model for movies into Theaters. Cinemas continue to flourish as a result of providing an engaging, immersive experience on a very large audience-centric platform and co-existing with Digital Platforms. OTT Platforms provide access to larger content libraries and new modes of viewing for the public. They have created convenience for consumers by opening up the home as a valid viewing environment for their entertainment (Dharmendra, 2019).

Theoretical Framework

The theoretical framework for OTT platforms in India is based on a combination of media convergence, uses of Gratifications Theory, and Disruptive Innovation. This framework explains the transition from traditional media to demand, and personalized streaming. The framework focuses on factors such as high internet penetration, affordable data, and content localization. It contributes to user adoption and behavioural changes. Uses and Gratifications Theory gives us insights into how Indian audiences satisfying their entertainment and informational needs through OTTs such as convenience, control, relaxation, and content variety. Media convergence theory demonstrates the merger of television, cinema, and internet, thereby changing the consumption of content from a scheduled to a personalized one.

Disruptive innovation theory puts OTT as a faster and more flexible option. Technology acceptance model assesses the adoption of the user based on perceived ease of use, content quality, and affordability. Cultural studies & globalization zooms in on the trend of local, diverse, and original content that reflects Indian sensibilities. Political economy of media looks at the aspect of command, regulation, and market domination by the major players. The main reasons for acceptance in India are price sensitivity, availability of high, speed internet, and the craving for diverse, original content. The regulatory environment can be described as a mixture of self-regulation and government oversight (Shalparni, 2022).

Literature Review

Chavan (2019) discusses the development of storytelling in the entertainment industry of India, with special emphasis on the emergence of OTT platforms. India is home to a huge, yet diverse audience with many different languages and cultures. OTT platforms have come up as a "new horizon," posing a severe threat to the traditional linear media such as television and movies. Kumari (2020) studies the quick growth of

OTT video platforms in India. It stresses how higher internet penetration and low-cost data led to its growth, changing the way content was consumed and competing with traditional television. Thakur (2021) examines the growth path of the Indian OTT industry, examining its drivers for growth and changes in the regulatory framework. The authors emphasize the pandemic and lockdown as a "power booster" that led to higher subscriptions and increased screen time owing to the shutdown of movie theaters.

The research by Shivakumar (2021) deals with the problem of controlling OTT companies in India, where the conflict between self-regulation and governmental control is evident. The research discusses issues associated with the regulation gap, content classification, and the balance between freedom of speech and cultural sensitivity. On the other hand, the research by Johri et al. (2021) looks at the dramatic changes occurring in the Indian Media and Entertainment industry, particularly at the determinants of customers' involvement with Over-The-Top (OTT) companies. According to Shivakumar (2021), there are many problems in the regulation of OTT services in India, including the need to find the appropriate balance between regulation and innovation, content regulations, and the level playing field with conventional media organizations.

The work Rao & Rajeshwari (2021) discusses the impact of the COVID-19 pandemic on the change in the Kannada film industry's approach from theatrical release mode to OTT platforms. Patnaik et al. (2022) assesses the increase in Indian Over-the-Top (OTT) platform usage during the COVID-19 period. The article looks at the challenges and opportunities facing OTT platforms in terms of adoption among consumers and the impact on users and technicians within the film industry. Subramaniam & Lakshminarayanan (2024) assess the changes brought about by the rise of OTT platforms in the Indian film industry, including their impact on users and technicians. Kumar & Meena (2023) stated that the adoption of OTT platforms is driven by the change in consumer preference towards convenience and accessibility due to increased internet penetration and smartphone use. Sarkar (2024) looks at the transformation of India's entertainment consumption landscape resulting from the growth in the adoption of Over-The-Top (OTT) platforms.

Praveen (2024) discusses the economic dimensions of the meteoric rise of the OTT industry in India. It is noted that the OTT industry has emerged as one of the leading industries within the entertainment sector in India, conforming to global practices. The growth of the OTT industry has been attributed to increased subscription rates, advances in technology, and the availability of entertainment options. Dangi, S. (2024) analyses the global phenomenon of the "meteoric rise" of OTT services as a disruptive innovation in the media and entertainment sectors. The authors consider the impact of digitization, availability of high-speed internet connectivity, and changes in consumer preferences. They conducted a study to analyze the change in audience behaviour, including the preference for OTTs over conventional television for recreational purposes. Tyagi and Kumar (2024) analyzes the rapid emergence of Over-the-Top platforms in India, considering their disruptive nature within the media consumption landscape and challenges faced by them in terms of business and regulatory issues.

The study by Ahlawat & Tanwar (2025) shows how India's OTT platforms have transformed the way people consumes content through their innovative technologies. It states that making technology work according to viewers' preferences and keeping pace with the development, for example, of 5G technology, is important for engaging viewers. Bhatnagar (2025) studied the changing preferences of people from conventional media to over-the-top media because of the content variety and convenience they provide.

The article by Rana (2025) states that India's youth spends about eight hours and 29 minutes watching videos online daily.

Hence, based on the above literature review, it can be concluded that the Indian OTT market is witnessing rapid growth due to low-cost data, high penetration rates of Smartphone's, and the availability of high-quality regional content. The main opportunities for growth include a vast user base and AI-powered personalization, while the major threats include high cost of content licensing, regulations, and piracy.

Objectives

The general objective of the paper to explores the prospects and challenges of Over-the-Top (OTT) platforms in entertainment industry in India. The specific objectives are:

To examine the importance and historical perspectives of OTT platforms in the entertainment industry.

To study the current status of OTT Platforms in the entertainment industry in India.

To observe the consumer behaviour, adoption and content strategy OTT platforms.

To identify the Government policies and provision towards OTT Platforms in India.

Methodology

The paper is based on secondary data. To study the possibilities and problems for OTT platforms in India, a qualitative research method must be adopted in order to examine the pattern of OTT platforms and the market conditions prevailing in the industry. The data analysis is done through descriptive analysis and thematic analysis. Some of the important aspects are the development of regional content, content regulation, and subscriber acquisition.

Result and Discussion

Importance and Historical perspectives of OTT Platforms in the Entertainment industry

The entertainment industry has advantages such as major economic growth, encouraging creativity and self-exploration, giving cultural connection and sharing experiences. It is being the driver of technological innovation, and offering career development and financial rewards for the creative ones. At the same time, it is being a source of entertainment, stress relief, and new perspectives to the audiences worldwide. OTT platforms are a significant phenomenon in the 21st century, as they have essentially changed the entire entertainment industry by handing over the control to the consumer instead of traditional broadcasters and cinema halls. The OTT revolution is mainly the result of technological advancements such as high, speed internet and Smartphone's. It has changed content creation, distribution, and consumption habits worldwide.

The most important effect of OTT has been the change of TV viewing from scheduled, linear to on demand personalized streaming. OTT services provide viewers with an unprecedented freedom to choose as they can access a vast content library anytime, anywhere, and on a wide range of devices, including smart phones, tablets, and smart TVs. Platforms are producing a lot of exclusive, high quality original content which not only attracts niche audiences and satisfies diverse cultural tastes but also leads to a considerable increase in regional and non-English language content. This has enabled the emergence of new creators and

the growth of the independent sector thus, the monopoly of traditional production houses has been broken (Jadhav, 2024).

OTT platforms are users decide what, when, and where they watch without being bound to a schedule, which is a great advantage for people with a busy lifestyle. It has immense libraries of international, local, niche, and premium original content satisfy the tastes of different people. The reasonable monthly/annual subscriptions give the possibility to have access to a large amount of content and less expensive. The algorithms select the content according to the user's viewing history, thus, helping the user in finding new content and making him more engaged in the platform. The platforms spend lot of money on original, exclusive shows and movies. The majority of subscription plans give possibility of watching content without interruptions caused by advertisements. The availability of the Internet at a low price and the production of Smartphone's at a lower cost have made it possible for OTT services to be within the reach of people from different age groups and living in different places. It provides the opportunity to know different cultures, languages, and world points of view through the wide range of international shows which are available.

OTT platforms became extremely important during the COVID-19 pandemics as they were the only means through which the entertainment industry could operate and provide content to the globally locked down audience. The pandemic, induced closure of cinemas and suspension of film and TV production in the traditional way created a perfect storm that led to streaming services becoming a part of the daily lives of millions of people. As people were confined to their homes, the time they spent on OTT platforms increased dramatically. Since theaters were closed, production houses were forced to release major films directly on streaming platforms. OTT platforms spent a lot of money to produce original, diverse, and regional content in order to attract and retain subscribers. As a result, new talent had the opportunity to emerge and different types of stories, which the traditional cinema with its higher investment costs and censorship norms had usually restricted. Consumers prefer to use the service that is most convenient for them. While traditional sectors like cinema suffered massive losses in revenue, the global OTT market experienced a substantial increase in revenue and is expected to keep growing. The increased demand for internet services put pressure on the infrastructure and as a result, the platforms decided to invest in the content delivery systems in order to meet the demand (Patnaiket al. al, 2022).

Table 1: Features of OTT Industry and Traditional Entertainment Industry.

Parameter	OTT Entertainment Industry	Traditional Entertainment Industry
Content Delivery & Access	Internet-based, direct-to-consumer (bypassing intermediaries), on-demand, accessible on multiple devices (phones, tablets, smart TVs).	Fixed broadcast schedules (cable/satellite/terrestrial), primarily TV sets, requiring specific infrastructure.
Viewing Experience	Personalized (AI recommendations), binge-watching, viewer-controlled (pause, rewind), vast genre variety, exclusive original content.	"One-size-fits-all" programming, scheduled viewing, limited interactivity (live events exception).
Content & Variety	Huge libraries, international/regional content, niche genres, web series, films, podcasts.	Broad appeal content, news, major live sports/events, network shows.

Parameter	OTT Entertainment Industry	Traditional Entertainment Industry
Revenue Model	Subscription (SVOD), advertising (AVOD), or hybrid, challenging traditional advertising-heavy models.	Primarily advertising-driven, bundled channel packages (cable/satellite).
Control & Flexibility	High flexibility, viewers choose what, when, and where to watch.	Less flexible, viewers must watch when content is aired.

Source: Das B. & Rousseau J. (2025). *Exploring the Rise of Regional Content on OTT Platforms in India* International Journal of Humanities and Social Science Invention, 14(8), 4-5, <https://www.ijhssi.org/>

Current Status of OTT Platforms in the Entertainment industry in India

OTT platforms provide internet-based access to entertainment; provide "on-demand" viewing options; provide access to many types of video/audio programming (content); function using apps on various mobile devices; eliminate the need for a traditional cable television service or connection. It has innovative technologies to provide personalized recommendations based on individual user data. In addition to these personalized viewing features, OTT platforms have become an essential component of the Indian cinema industry to provide films with worldwide visibility. It has a varied catalogue, additional revenue streams, and to alter consumers access content. However, the result has been the emergence of hybrid release models, regional cinema getting a boost, and the rise of niche storytelling (Dangi et al., 2024).

OTT platforms also provide "smart" search options that make finding content easy; the ability to download programming for offline viewing; and parental controls for programming viewed by children. OTT platforms offer various ways for users to pay, so the user can decide how to pay for the content they watched. The main OTT players in India are Disney+ Hotstar, which is mainly a sports & big films platform; Amazon Prime Video, which is strong at Indian & international content and offers a good bundle value; Netflix, a global leader in producing original shows & has a great selection of international shows; JioCinema, a trendsetter especially with free & live content; and Indian giants like SonyLIV (premium originals) and Zee5 (regional focus). All are competing in a rapidly growing market with millions of users.

When cinemas closed due to the COVID, 19 pandemics, and the country remained dark for a long time in this regard, OTT platforms came as a rescue for filmmakers and studios. They offered a direct-to-consumer method; thereby theatrical releases were avoided with their uncertainties and logistical complexities. OTT platforms are a blessing for India's cinema industry to expand the audience base globally. It provides diverse content, allow directors creative freedom, offer producers cost, effective distribution, and shift consumption to convenient on demand models. Thus creating new revenue streams and allowing for nuanced character development in series. This, in turn, leads to more job opportunities for the talent pool, the regional cinema gets stronger, and the audience is given an unprecedented variety and affordability of choice (Bhatnagar, 2025).

OTT's growth in India is surging as a result of cheap data and Smartphone's, diverse on- demand content, convenience, and pandemic, driven shifts, which have created personalized, affordable entertainment for India's young, tech-savvy population. This has led to heavy investment being attracted and stories gaining global reach. Low cost mobile data and competitive Smartphone prices have made internet and streaming accessible to millions in both urban and rural areas of India. OTT platforms have extensive libraries with thousands of Bollywood, regional and global films, shows, documentaries and exclusive originals that appeal to varying tastes. Additionally, local narratives that are strong can have global appeal, with subtitles

and dubbing allowing these types of narratives to be accessible to users around the world. OTT is creating new genres and formats for creators, allowing greater flexibility in creation.

India's popular OTT series have mostly been the domain of *The Family Man*, *Mirzapur*, *Panchayat*, *Delhi Crime*, *Kota Factory*, *Sacred Games*, and *Paatal Lok*. These titles regularly receive the same glory as the biggest hits from abroad like *Stranger Things*. In fact, a recent trend also shines a light on new seasons of these popular series as well as shows such as *Rocket Boys*, *Scam 1992*, and *Made in Heaven*, thus mixing crime thrillers, comedies, and dramatic works. OTT movie releases become a viable business, chiefly for smaller films, as they provide filmmakers with assured money and risk free deals, whereas platforms get their revenues through subscriptions, advertisements, and pay-per-view. Filmmakers get paid through upfront payments or revenue sharing, while platforms become profitable due to the increasing number of subscribers and advertising. In India, the largest OTT service provider in terms of revenue is YouTube, which utilizes an advertisement supported model. JioHotstar is leading the hybrid platform.

The JioHotstar platform is a significant player in the subscription market, mainly because of its exclusive streaming rights for sports, especially the IPL cricket matches. The company boasts a large number of paid subscribers. Netflix and Amazon Prime Video, two major giants, mainly follow a Subscription Video on Demand model. Regional content platforms like Stage (Haryanvi/Rajasthani) and Aha (Telugu/Tamil) are instrumental in increasing the consumption of digital content beyond metro cities by addressing the language markets that have been neglected. Many domestic Indian platforms are progressively becoming more focused on attaining profitability through cost reduction and the implementation of sustainable growth strategies instead of merely pursuing user growth at all costs. In the evolution of the Indian entertainment industry, OTT services play a vital role today generating real revenue for the industry. They deliver major growth chances and help foster massive growth in original content development, create jobs, allow local stories to reach international audiences. It creates new business and investment opportunities and empowers creators with autonomy and access to an expanding audience base (Johrib et al., 2021).

As the OTT industry expands and matures, India is rapidly emerging as a key player in the international OTT marketplace because of significant growth in revenues and an influx of investors in the market. OTT platforms have made substantial investments in developing new original content such as web series, documentaries and feature-length films, and these investments have resulted in the creation of new funding avenues which are stimulating growth within the film/media sector. As the quantity of productions increases, the demand for writers, directors, actors, technicians and digitally-savvy marketers increases as well. With the advent of subtitles and dubbing for English-language films, regional stories and their unique cultural identity have reached audiences outside of their country of origin and contributed to creating a more global cultural experience (Shivakumar, 2021).

Hybrid transactional video on-demand and hybrid business models help identify additional income streams, increasing resilience of the overall industry. As a result of increased digital transactions and subscription services, there will be an increase in tax revenues. These funds can be used to improve public services. As more advertisers utilise micro-targeting through data analytics, the effectiveness of their advertising campaigns will increase. It results in additional revenue for the advertiser and the creation of new value.

STAGE focuses on helping local Indian artists share their work through a platform that promotes dialect and cultural content. However, while STAGE, Hello Meghalaya, and Snowtales primarily serve to showcase local content, larger OTT providers like YouTube provide access to all types of content. Local

dialects such as Haryanvi and Rajasthani are used on STAGE, which employs thousands of local artists and provides them with the ability to create culturally relevant content and digital access to their audience. WAVES is a public initiative offered by the Prasar Bharati that supports creators from the regions of North East India, and provides them with an audience and a platform for showcasing local dialects and folk tales. Additionally, Snowtales, as a content platform for the creators and musicians of Jammu & Kashmir, includes many aspects of local culture, such as folklore, Sufi music, and stories. Snowtales and the other platforms are specifically designed to be used by a specific regional audience and to feature the work of local artists. Sanskriti strives to restore and maintain India's Heritage by encouraging classical arts, theatre, traditional performances and by providing opportunities for all artists across the world through its platform. 24Liv is working towards creating a digital experience for all those involved in the industry of storytelling and performing art. Zee5 is one of the leading regional content platforms offering a large selection of films and series in different local languages around the world.

The southern part of India is considered a major contributor to the growth of OTT platforms. The amount of subscribers and total viewing hours attributed to OTT platforms in the South of India far exceeds any other region within the country. The adoption of Connected TVs, the price of mobile data, and the enormous demand for content to be produced in the viewer's native language have created major growth and will continue to drive Subscription and Retention. South India has the highest OTT User Penetration in India with almost half of the population streaming content, primarily through large screen, Connected TVs providing for extended viewing periods for Users. The success of South Indian Films as Subscriber Drivers has paved the way for platforms to channel capital into investment into Regional Language Programming and also dubbing to give them access to subscribers across all geographies in India.

The ability to stream content through low-cost mobile data and ubiquity of smart phones provides the audience with the opportunity to be able to consume content easily. OTT platforms have expanded into additional languages and are catering to more niche genres of content. Platforms such as Aha (Telugu/Tamil) and SonyLIV, ZEE5 and SunNXT are providing content to meet the needs and preferences of their audiences. Aha has generated tremendous revenue as a result of this. South India's content strength is being utilized by OTT companies in their strategy for future growth and success in the Indian OTT marketplace. However, to be successful in the future, OTT companies must develop deep localisation and develop cinematic content that will continue to capture and engage India's large, engaged and passionate audience (Kumari, 2020).

Consumer Behaviour, Adoption and Content Strategy OTT platforms

Convenience, diverse content, and flexible pricing together led to adoption of OTT platforms in India. The significance of these factors differs greatly among age groups. For instance, while the younger generations look up to original, binge, worthy content, the older ones mostly get motivated by convenience and content they are familiar with. The COVID-19 pandemic has been like the biggest catalyst that forced the change in the habit of consumption from traditional TV to OTT streaming platforms by years. The main reason for this dramatic change is that during the lockdown people were staying at home and looking for entertainment options one of the ways was through home entertainment. The change in habit is considered to be a permanent one since it has radically changed the way viewers behave, streaming platforms.

The upsurge in popularity of regional content on Indian OTT platforms is a reflection of the viewers' craving and resulting supply of authentic and culturally relatable stories in their native languages. The transition is

supported by fast internet penetration, cheap data, and the extensive use of subtitles and dubbing that have removed language barriers and let local content be exposed to a larger national audience. Whereas OTT platforms are a source of entertainment and escapism, research has shown that over indulgence can have adverse effects on mental health. Youth's stress, anxiety, and depression can be further aggravated by binge, watching, social comparison, and exposure to emotionally charged content that affect their mental well-being (Thakur, 2021).

OTT platforms decide the combination of original and licensed content by using data analytics and viewer behaviour to find between acquisition and retention. Original content serves as a unique feature to a brand and is a tool for brand loyalty, whereas licensed content is used to stock the library, offer variety, and lower the costs. Direct-to-OTT releases have resulted in a structural change in the Indian film industry. It is deeply affecting the economic viability of traditional cinema distribution. The rapid adoption of OTT platforms in India is the result of a mix of penetration of high, speed Internet, cheap data, and a rising demand for original, regional content. Although Gen Z and Millennials are the main patrons of the platforms, the reasons for the use differ significantly among various age groups. The presence of really good quality Indian original and regional language content is very important for gaining market penetration. Free and Ad, supported Video on Demand models, together with bundled telecom plans, are contributing to the growth of the adoption in non- metro areas

Table 2: Key Drivers of OTT Adoption by Age Group in India

Age Group	Key Drivers of Adoption	Primary Content Preferences
Gen Z (15-24)	Peer influence/recommendations, FOMO (Fear of Missing Out), low, cost/mobile, first, ad, supported models	Short-form content, international shows, thrillers, interactive/original series
Millennials (25-40)	Convenience, binge, watching, on, demand availability, personalized recommendations, ad, free experience	Diverse genres, regional content, high-quality originals, action/ adventure
Gen X & Older (40+)	Comfort, known content (nostalgia), catch up TV, family viewing, easy-to-use interfaces	Documentaries, news, sports (cricket/IPL), mythological/classic shows

Source: Velankar, S. (2025). *Decoding Millennial Preferences: Drivers of OTT Platform Adoption in the Digital Era*. *International Journal of Advanced Research*, 13(08), 480-484.

Future Prospects and Challenges of OTT Platforms in Entertainment Industry in India

With the expansion of Tier 2 and 3 cities, the rising number of Smartphone users, availability of cheap mobile data, and high demands for regional/local content, the OTT sector in India has great potential. Factors driving growth in the OTT sector will include personalization using AI technology, interactive formats, telecommunication services bundling, and digital infrastructure improvement continuously. The threat of piracy could make it hard for India's OTT sectors to emerge as global culture exports. However, the OTT sectors in India will enjoy excellent positioning for leveraging the huge rise in the internet and smartphone penetration, low-cost mobile data, higher demand for personalized and localized content, and the application of technology to improve user experience and migrate from traditional media. As such, the OTT will generate huge numbers of subscribers and earn revenues from various forms of content amid stiff competition.

India's vast smartphone user base and growing internet access are bringing millions of new potential viewers online. Cheap mobile data is making streaming easy for a larger number of people. There is a rising demand for varied on- demand content, including local and regional language shows/movies. The COVID-19 lockdowns forced a rapid shift to OTT when cinemas were closed. OTT platforms have become popular young and mature audiences. The primary reason is the incomparable convenience these platforms offer. The varied content libraries, cost effectiveness, personalized recommendations, and the attraction of exclusive, original, advertisement free series, can be accessed on multiple devices that people own. Nearly everyone has become a potential consumer due to the rise of affordable internet and mobile devices, with the pandemic serving as the major catalyst (Rao and Rajeshwari, 2021).

Table 3: Challenges of OTT platform of entertainment in India

Category	Challenges	Details/Impact
Consumer	Subscription Fatigue/Stacking	Users unwilling to pay for multiple platforms, leading to high churn rates.
Market	Intense Competition	A crowded market with global and local players (Netflix, Prime, Hotstar, JioCinema)
Content	High Content Cost & Diversity	Expensive original content; pressure to balance mainstream content with regional diversity.
Technical	Piracy & Content Security	Widespread unauthorized access undermines revenue and platform integrity.
Technical	Inconsistent Internet Speed	Poor connectivity in rural/semi-urban areas affects user experience.
Legal	Subjectivity of Content Standards	Vague definitions of "obscenity" lead to censorship, legal risks, and self-censorship.
Regulator y	Government Regulation & Censorship	Compliance with IT Rules 2021 regarding age-appropriate classification, parental controls, and grievance redressal.

Source: Paul. R. (2024). *Over-the-Top Platforms' Impact on Traditional Entertainment in India.* "Indian Journal of Mass Communication and Journalism, 4(2), 29-32, <https://www.ijmcj.latticescipub.com/>

Government Policies and Provision for OTT Platforms

India's OTT platforms have to deal with a long list of issues at the same time. They need to comply with a complex set of government regulations (such as the IT Rules 2021), compete in a fiercely contested market, fight against piracy which is rampant, and handle content discovery in multiple languages. They are to solve the problem of lack of infrastructure in rural areas, and also deal with subscription fatigue caused by high prices. Moreover, they have to maintain a balance between creative freedom and viewer expectations. The IT Rules 2021 issued by the government prescribe a three-tier grievance redressal mechanism and content codes. There is currently a lot of uncertainty about how to best regulate digital media, which has become a new and complicated legal area. Meanwhile, the majority of these companies, as the lawmakers and the public have noticed, have been defining the sexually explicit/hateful content and thus have created a need to find ways to provide a forum for artistic expression while at the same time respecting cultural sensitivities (Sarkar, 2024).

Companies are competing heavily against each other to innovate faster than one another. In addition, there is a high rate of competition resulting in the saturation of the market. High monthly subscription rates create

an environment where sharing accounts is the norm and users are more likely to churn as well as search for discounted packages. It has proven that illegal distribution methods and unlicensed distribution practices continue to cause major revenue losses. Thus, Digital Rights Management and Watermarking technologies will be implemented going forward. The number of users in rural areas does not have a reliable. High Speed Internet connection streaming occurs mainly in urban areas only. Additionally, the trend for users subscribing simply to watch particular shows and then unsubscribing is not a healthy for generating long-term revenue. Consumers desire access to a diverse spectrum of high-quality content and therefore, have driven platforms to invest heavily in both locally and globally produced content.

The IT (Intermediaries' Guidelines and Ethical Code of Digital Media) Rules established by the Ministry of Information and broadcasting, provide the framework for regulating over-the-top (OTT) Platforms in India. These rules create a Three-Tier Complaint Redressal System (TRS). The Media is also obligated to conform to the IT Rules which create the Complaints Department for Compliance with Law. The Code provides for classification by Age, as well as the Prohibition of Unlawfully Created Material, so as to maintain Free Speech but Still Hold People Accountable. Platforms are also required under the IT Act, 2000, to adhere to existing Laws and Regulations.

OTT services in India must comply with the IT Rules (Intermediary Guidelines and Digital Media Ethics Code) that the government has developed under its supervision. Under these Rules, OTT services must operate under a three-tiered structure for content regulation with the Ministry of Information & Broadcasting overseeing the platform and acting as the regulatory authority for the OTT services. OTT services are not regulated by traditional film censoring bodies, but rather by a self-regulatory system of oversight and a government intervention mechanism for content that is viewed as illegal or harmful. In addition, if an OTT services does not follow these Rules, it may face potential consequences such as penalties. OTT platforms are outside the realm of the Central Board of Film Certification. By creating these Regulations, the Indian Government is attempting to create a compromise that allows creativity while protecting viewers with regulated content. Using the IT Rules, the Indian Government has the ability to restrict user access to any platform that contains sexually explicit imagery. The intent of these Rules is to provide a level of accountability for both the user and the service provider related to potentially harmful content while also preventing pre-censorship of content (Kumar and Meena, 2023).

OTT Platforms must adhere the requirements: (1) All OTT Platforms must categorize their content into five categories based on age; (2) Each OTT Platform must have age verification systems and parental controls in place for their age-restricted content U/A 13+ and higher; (3) All OTT Platforms must have a Grievance Officer in India who can respond to customer complaints within 15 days; (4) All content deemed to be obscene, pornographic, promoting terrorism, or threatening national security or religious sentiment is strictly prohibited by various laws, this includes the IT Act, 2000 and the Bharatiya Nyaya Sanhita, 2023. The government has been active in exercising its regulatory powers resulting from numerous well-publicised incidents. The Ministry of Information & Broadcasting issued a directive blocking several platforms displaying obscene and sexually explicit material. The result has frequently been that numerous well-known web series have faced legal action, and public backlash has resulted in modified or self-censored content.

A defamation is settled lawsuit against Mirzapur and Paatal Lok (both of Amazon Prime Video), for using derogatory language and violence against Political leaders, Law Enforcement Agencies and Local Communities. Several advisories from the Ministry of Information and Broadcasting (MIB) were sent to

all OTT Platforms along with requests to comply with the previously established Code of Conduct. This is as a result of the outcry from Parliamentarians and the general public for the non-compliance of OTT Platforms with the Indian Penal Code. India's commitment and leadership in regulating electronic media are demonstrated through its enactment of the world's first law requiring prominent, clear anti-tobacco warning/disclaimer labels on OTT player content. The actions and responses to these new developments illustrate a longstanding conflict between the Creator's right(s) to express themselves freely (Article 19, Indian Constitution) and the Government's responsibilities for protecting Public Safety, Morality and National Security (Rana, 2025).

Table 4: Government Policies on Indian OTT Platforms

Policy Area	Details & Requirements
Accessibility	New policy mandates that all content must be made accessible to people with disabilities (screen readers/subtitles).
Ban/Removal	The government can, and indeed has, issued orders for certain apps to be blocked due to obscene content.
Age Verification	Strict parental controls have been introduced for content that has been classified as "A" (Adult) or 16+.
Compliance Staff	It is compulsory to have a Chief Compliance Officer, Nodal Contact Person, and Resident Grievance Officer appointed in India.
Grievance Redressal	3-Tier Structure: (1) Publisher Self, Regulation, (2) Self, Regulatory Body, (3) Government Oversight.
Content Classification	It is a requirement to have an age, based classification (U, 7+, 13+, 16+, A) along with descriptors.
Code of Ethics	The content is prohibited from being defamatory, obscene, blasphemous, harmful to children, or a violation of the sovereignty/security.
Regulatory Framework	IT Rules, 2021 (Part III) under the IT Act, 2000, regulates publishers of online curated content.

Source: Singh Harprit & Dubey Rishi, "The Legal Challenges and Opportunities in the Regulation of Over-the-Top (OTT) Platforms in India" *Burnished Law Journal* 5, no.3 (2024): 6-10, <https://burnishedlawjournal.in/>

Conclusion

India has emerged as one of the most rapidly expanding OTT markets in the world. This expansion is primarily driven by an increase in the number of people who views content via mobile devices and the decline in price for mobile data access. In order to attract and maintain subscribers, OTT service providers are investing in creating original programming, feature films, and the live streaming of sporting events along with producing regional content. The explosion of growth in the Indian OTT marketplace can also be attributed to affordable mobile data plans and the abundance of mobile phones. The major players within the Indian OTT space include Disney + Hotstar, Amazon Prime Video, Netflix, and various regional competitors are utilising their extensive library of programming to competitive and develop new revenue streams. Besides this, there is a strong growth forecast, although the balancing of global players with local content is still the main issue. The present trends are mergers, concentration on local stories, and cooperation plans, while the government is monitoring content quality regulations. The government is emphasizing more and more on self-regulation and also expecting the implementation of stricter rules to limit the appearance of obscene or culturally insensitive content.

India's rapid growth as an OTT market is primarily the result of inexpensive smartphones, growing broadband infrastructure and a sizeable base of young, tech-savvy people. OTT platforms have created the opportunity for content that is variably produced and diverse in terms of genre and subject area, which allows new narratives and voice to be created. One of the biggest advantages of OTT is that it can be used for entertainment virtually anywhere, anytime and on multiple gadgets. OTT platforms not only open up new revenue streams, provide room for local talent, but also attract investment in the digital infrastructure. In addition, OTT platforms have fuelled the upsurge of new subscription models and content delivery channels.

Rapidly changing and fragmented rules are increasingly incapable of dealing with the problems of digital content causing the governments to issue debates on censorship, content moderation (hate speech, obscenity), and general surveillance. On the one hand, global giants are fiercely competing, on the other, powerful local players are going to great lengths to get subscribers, and at the same time the high costs of premium content are hitting the revenues. High, resolution streaming of content requires the internet infrastructure to be robust and of high capacity and at the same time, it consumes a significant amount of energy, which puts pressure on the networks. The trend of multiplexes and theatrical releases being replaced by home viewing is creating a need for cinemas to innovate through developing more engaging theatre experiences or risk losing audiences altogether. Poor navigation, slow page-to-page loading times, and algorithmic content have created a significant disadvantage for users when using these platforms.

The establishment of a clearly defined and distributed policy Framework is an essential step toward fostering growth in the digital content sector and protecting the interests of both consumers and creators of digital content. It is vital that content delivery networks continue to invest in the delivery of content and creation of an easily accessible platform for all users. It is equally advantageous for OTT platforms and traditional film production companies to work together to foster partnerships for collaborative gain. OTT platforms are regulated by the Indian Government's Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules 2021, which have established a three-tiered mechanism for grievance resolution. The three-tier grievance resolution process was established to help create a balance between freedom of expression and accountability to law.

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