

An Analytical Study on Influence of Streaming Media on Indian Television Industry

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Abstract:

The streaming media is leading today in the entertainment industry. It has changed the way people view TV. A large amount of potential and existing customers have been diverted from paying for expensive cable or Showtime and HBO, in favor of online streaming services such as Netflix and Hulu. At the same time, it affects the economy of cable TV. This research paper brings out an analytical study of influence of streaming media on Indian television industry. The research methodology implemented is survey based wherein views of consumers based on their preferences for TV and Streaming media are studied and analyzed. The Diffusion Theory model is used to study and analyze the views of consumers.

Keywords: Streaming media, Diffusion theory, satellite communication, Transmission equipment.

1 Introduction

Over the last few years, the popularity of video content has been growing extensively [1]. The very primary reason behind it is the rapid development of video technology. Presently, 63% of the population aged 18–34 enjoys live streaming content everyday which makes live streams one of the most popular categories of online content. These days, the concept of anywhere and anytime entertainment has become a part of comfort. This concept is becoming more widely sought after than the traditional television broadcasting. The growing popularity of streaming media has left a benchmark on many huge industries all over the world, right from media to education.

Due to the accessibility of these services on almost all electronic devices, they are inherently able to attract more viewers. They form a major chunk of the television audience. With facilities such as mobile applications, online video streaming on the computer and even gadgets which allow users to access their streaming platform provider of choice, that consumption of content have become easier than before. A huge amount of potential and existing customers have been diverted from paying for expensive cable or Showtime and HBO, and are in favor of online streaming services such as Netflix and Hulu. At the same time, it has affected the economy of cable TV. With streaming service companies targeting Indian audiences with original contents such as Netflix's Sacred Games and Amazon Prime's Mirzapur, the focus from traditional television seems to be transposed as regional content is not available on television anymore. The online streaming media platforms exhibit not only competition but also a threat to television broadcasters.

This research paper brings out an analytical study of influence of streaming media on Indian television industry. The research methodology implemented is survey based wherein views of consumers based on their preferences for TV and Streaming media are studied and analyzed. The Diffusion Theory model is used to study and analyze the views of consumers.

2. Literature Review

There is an adequate amount of study conducted in the country on the watching habits of various generations and how the introduction of online streaming services or Subscription-Based Video on Demand (SVOD) services like Netflix, Amazon Prime Video, Hotstar, Hulu, etc., have impacted the

entertainment industry [3].

2.1 Evolution of Streaming Media

Darrell M. West in his book titled, “The Evolution of Video Streaming and Digital Content Delivery” states that, the largest growth area in Internet usage has been online video streaming. There has been enormous interest among consumers in watching movies on streaming media platform and viewing video content on every electronic device like television, video players, desktops, laptops, tablets, and smart phones [2].

In the entertainment area, it is estimated that online video streaming is responsible for 30 percent of overall Internet traffic. The upswing of video needs more of telecommunications networks in terms of speed and network design. Internet providers are reengineering the network to accommodate the explosive growth of video. They are making it easier to share experiences online. Social media is a part of the consumer experience as people enjoy commenting on their experiences and sharing recommendations with their friends and associates of their network.

The dramatic growth of video in various areas needs investment in network infrastructure. Consumers opt for networks which are fast enough to watch and share various kinds of videos. This requires substantial resources on the part of Internet and content providers.

Telecommunications firms are working to replace copper wire with fiber-optics and wireless technology. Consumers are changing from landlines to mobile devices and Internet systems. Increasingly, people are accessing content via many different platforms such as television, Internet streaming, tablets, and smart phones [4]. They obtain information, undertake transactions, and communicate through the Internet as in contradiction to traditional communications.

Streaming media platform relies on an Internet connection to play media titles and live broadcasts. This technology started in the early 1990s and has been transfigured in recent years by companies such as YouTube, Netflix, Spotify, Pandora, and Hulu [7]. These services remit television shows, movies, music, and games to any computer. These services are front and center of the new mobile device revolution. With smart phones and tablets becoming viable computing options, users now have more choices on where and when they can watch online streaming media. This kind of on-the-go consumption creates an important situation for businesses too, as all the multimedia information can be shared and accessed at a simple touch of a user’s finger.

2.2 TV Broadcasting then and Now

Television broadcasting was first introduced in 1936 which was available in London. It was 1954, when the FCC authorized the NTSC standard for color television broadcast in the United States [5]. It was very burdensome for television signals to pass through the mountains and other rural areas. In order to resolve the problem, the cable television was introduced in 1948. The motive of cable television was to be able to bring existing broadcast signals to rural areas with community antennas that were placed at high elevations, usually on mountains or on top of tall poles. Since its invention, the cable television has grown rapidly. By 1960, there were nearly 700 cable systems. In 1971, 2,750 systems were serving almost 6 million homes. Now in the year 1999, the number has risen to more than 65 million. Obviously, the invention of cable television was not the only major technological development for television in the early days. Today, cable still continues to advance along with the new developments with satellites. There are over 80 different channels available to cable subscribers ranging from 24 hour music channels, 24 hour movie channels, and 24 hour news channels, and 24 news channels. In addition to being able to have these types of channels, pay television services or better known as premium channels are also associated with the improvement of cable television. These services provide a variety of popular movies, original programming and sports without commercial interruption. Short time later, interactive television was evolved. Interactive TV expresses a range in two-way communication which is also called as full duplex communication services, between service providers and the end users. Later, direct broadcast satellites were introduced to further expand the present cable television. Direct TV and

Primestar are simply a few companies associated with direct broadcast satellites.

The main change in television has become the epicenter of our culture. Because television is quite different from other media such as film, theater, or music, it must be scrutinized carefully and more in depth. People go to watch movies, theaters to watch plays, and they buy music to listen to it [8]. Although, we prefer television for almost everything. Politics, literature, music, religion, news, commerce, you name it and television has it. Therefore, this makes us known as “television people”, because for anything to be justifiable, it has to come through television. We all are in the midst of a kind of TV Renaissance. On the other end of the pipeline, the ad revenues coming in to the networks has been in gross shrinking every year for the past several years, at least through the traditional sources [6]. Licensing fees for VOD rights is another story, a sadly opaque one though as all the players are notoriously secretive about most of that information. But HBO and Netflix has been dominating the night time Emmys for years.

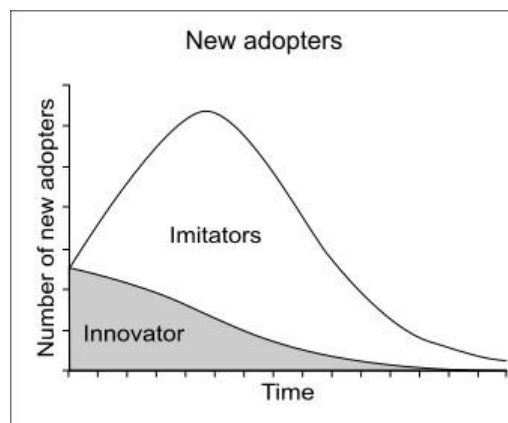
The fact is, the term "TV" is becoming more and more archaic every year because online streaming media is taking over more and more every year. The "TV" of the future should feasibly be called "shows" or "content" because where and how we consume it is quickly becoming a personal, individual choice, and certain companies are rolling with it quite well while others are not at all [9].

2.3 Diffusion of Innovation Theory Model

Diffusion theory deals with the spread of an innovation through a population. Researchers in diffusion theory have developed analytical models for elucidating and forecasting the dynamics of diffusion of an innovation (an idea, practice, or object perceived as new by an individual) in a socio-technical system [10]. Rogers suggests that adopters of innovations can be categorized as innovators, early adopters, early majority, late majority and laggards, whose process of adoption over time is based on the classical normal distribution curve.

Fig. 1 shows the Bass diffusion model curve that shows how number of adopters change with respect to time. There are four main interacting elements of the key concept: Diffusion of Innovations – 1) an innovation, 2) communicated through certain channels, 3) over time and 4) among members of a social system.

Fig.1 Bass Diffusion Theory Model Curve



The Process for Diffusion of Innovation

1. Knowledge: It is the first step in the diffusion of innovation
2. Persuasion: Persuasion is the point at which the prospective adopter is open to the idea of purchase.

3. Decision: Eventually the would-beadopter must make a decision.
4. Implementation
5. Confirmation

3. Research Methodology

The research methodology implemented is on their preferences for TV and Streaming media are studied and analyzed. The Diffusion Theory model is used to study factorial analysis based on the views of consumers.

The collected data has been analyzed through descriptive statistical methods with mean and standard deviation. Hence it can be concluded that the instrument used in this study is consistent and reliable.

4. Research Findings

The questionnaire was structured to obtain opinion based on factors like choice of entertainment, Cost of entertainment, Usefulness, Availability, flexibility, Media Quality, Selectivity, Accessibility, social influence, facilitating conditions, Dependency, Connectivity. The sample size is 65.

4.1 Main Findings and Observations

The first question was generally asked about amount of time spend on watching television. Fig.1 shows the graphical representation, wherein it is found that 71.9 % people watch TV for 2 hrs a day, 23.4 % of people don't watch Television at all and about 5 % people watch Television for 6 hrs a day.

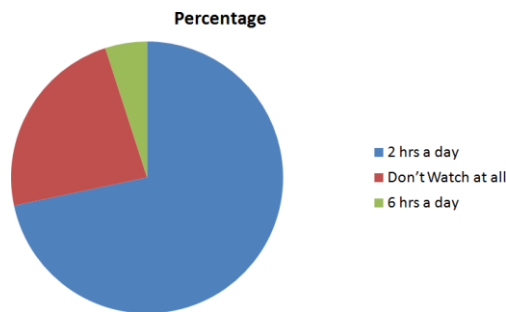


Fig.1 Chart showing Percentage of consumers watch TV

The second general question was asked regarding preference of kind media for entertainment purpose. The analysis as shown in the Fig.2 shows that about 58.5 % of people prefer smart phones for entertainment purpose,

23.1 % people choose

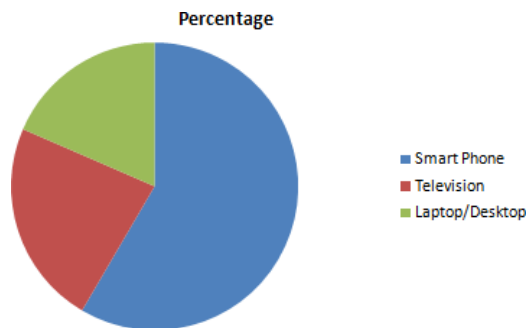


Fig.2 Chart showing Percentage of consumers preference of Mode of Entertainment

Television and about 18.5 % people prefer Laptop/Desktop for their entertainment purpose. The rest questions were based on the constructs as shown in the Table1.

Table 1:- Evaluation of User Perception towards Streaming Media and TV Industry

Constructs	Average/Mean	Standard Deviation
Cost	1.6	0.739
Usefulness	1.76	0.84
Availability	1.90	0.93
Media Quality	1.5	0.772
Selectivity	1.7	1.22
Flexibility	1.10	0.312
Accessibility	1.10	0.40
Social Influence	1.81	0.80
Facilitating Conditions	1.33	0.61
Dependency	1.27	0.60
Connectivity	1.61	0.7

This section shows the results of the study. Table 1 reports the means, standard deviations, against the constructs.

The result of descriptive statistics indicates general agreement of the consumers on the ease of streaming media system than TV Industry.

4.2 Conceptual Framework based on Findings

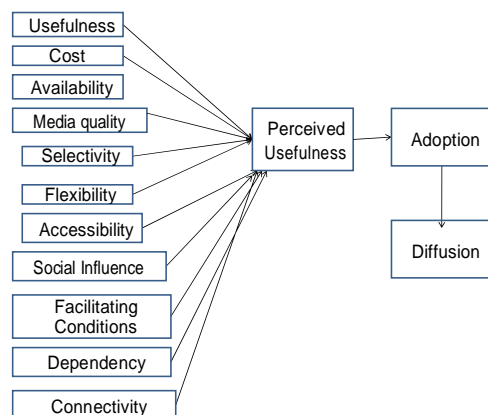


Fig.3 Analytical framework

The analytical study in Fig.3 shows that that the constructs namely, usefulness, cost, Availability, Media quality, selectivity, flexibility, accessibility, Social Influence, Facilitating conditions, dependency, connectivity, are correlated to perceived usefulness of the streaming media platform. The adoption of any platform is observed to be dependent on its perceived usefulness. The diffusion process occurs when the adoption phase is executed in a prompt manner.

5 Conclusion

This study was aimed at finding the influence and its causes of online streaming media on the Indian

television industry. This study attempts to carry out research based on the collected data using quantitative methods. Observing all the constructs, the adoption of streaming media platform is increasing every year by all age groups. As the adoption increases, the diffusion of this streaming media platform has proved to be occurred.

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