

Key trends set to impact customer experience in OTT streaming



The streaming landscape has undergone a sea change over the last few years. This eBook outlines what we at Robosoft see as key trends likely to impact content consumption and digital experience, given the rapid developments in technology. We hope this eBook will help media brands understand the psychology of users and lead to engaging customer experiences that help build loyalty.

Key market trends in OTT for 2025 and beyond

Here's a brief outline of a few macro trends that will impact the business of video & audio streaming in the coming months:

Hyper-personalization powered by AI

AI in entertainment is rapidly transforming and benefiting the industry, impacting every aspect of the value chain, from content creation to distribution and marketing. Hyper-personalization leverages AI to analyze vast amounts of user data, including browsing history, viewing patterns, engagement metrics, and contextual information like time of day or location. AI enables platforms to predict what content a user is most likely to enjoy and deliver it seamlessly.

Such personalization extends beyond recommendations to dynamic ad targeting, tailored in-app experiences, and adaptive content. It also allows platforms to anticipate trends and create content that aligns with evolving user preferences, thereby increasing engagement and reducing churn. Moreover, AI can play a role in:

Title matching

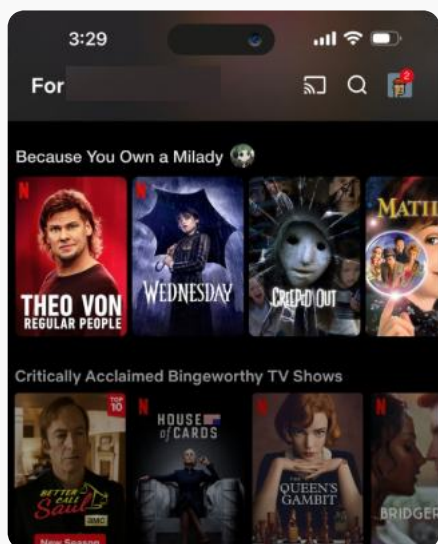
Large language models (LLMs) are helping content providers achieve efficiency at a scale to tackle disparate naming conventions and data structures.

Data integration

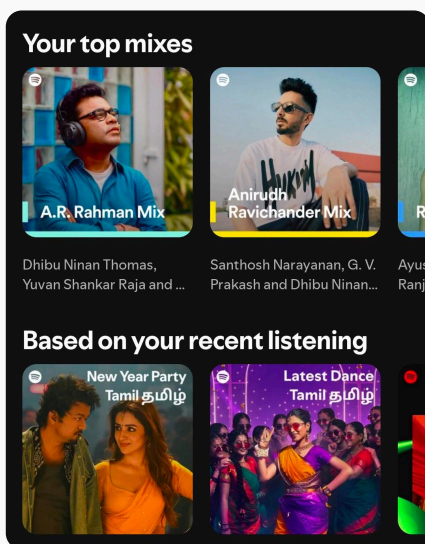
Vast datasets can be analysed to unearth audience preferences. Streaming services can create a unified performance metrics dashboard by analysing audience data from the channel service, a CRM and multiple ad servers.

The exponential growth in AI capabilities and data analytics is enabling platforms to deliver increasingly precise recommendations. As consumers demand more relevant and tailored experiences, hyper-personalization becomes a key differentiator for OTT platforms in retaining users and standing out in a crowded market.

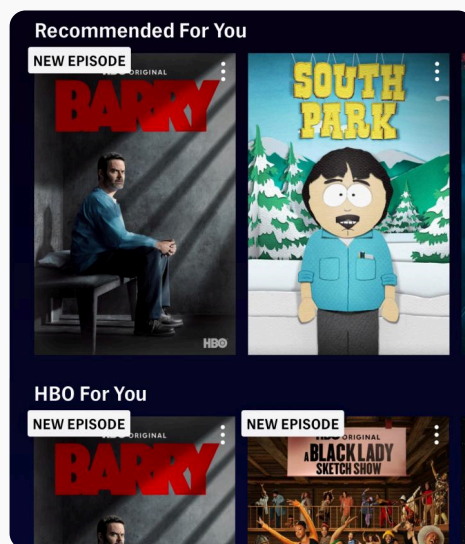
Use cases



Netflix uses advanced algorithms to recommend tailor-made content, considering time of day and device used. (Source)



Spotify personalizes music playlists such as "Discover Weekly" or "Daily Mix" based on listening habits. (Source)



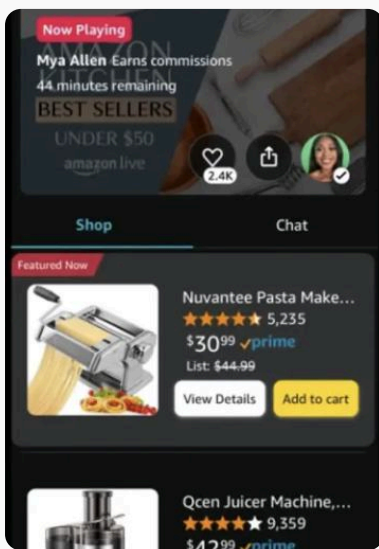
HBO Max suggests shows based on mood categories like 'Chill Vibes' or 'Intense Thrills' (Source)

Content-to-commerce integration

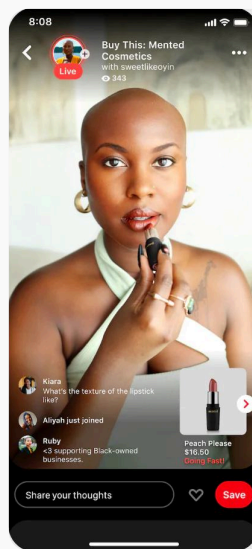
Content-to-commerce is a seamless integration of storytelling and shopping, allowing users to purchase products directly within the content experience. This trend is driven by the rise of interactive media, shoppable videos, and embedded links in live streams or posts. By blending entertainment with e-commerce, platforms can monetize user engagement while providing added convenience. This integration also allows brands to build affinity with audiences, as products are often showcased in relatable or aspirational contexts.



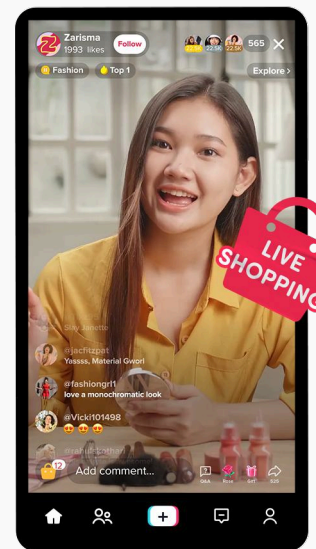
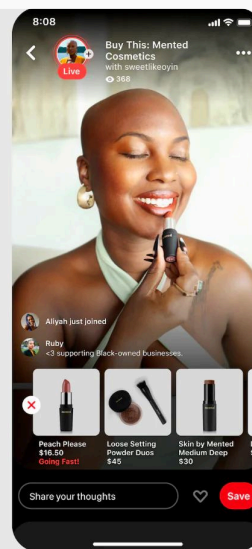
Use cases



Amazon Prime Video features shoppable moments where viewers can purchase products shown in their favorite shows. (Source)



YouTube Live allows creators to showcase and sell products during live streams through integrated links. (Source)



TikTok Shop blends short-form content with e-commerce by enabling direct shopping through videos. (Source)



More than **92%** of all internet users across the world watch videos online every week.

93% of marketers say video marketing has given them a good ROI.

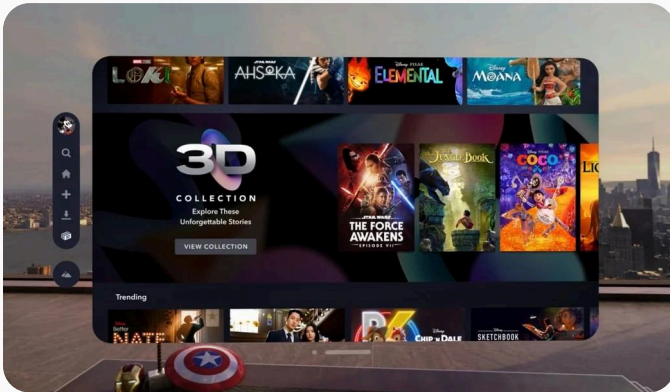
Video content increases user retention on page almost **3X**.

Immersive experiences using AR and VR

Augmented Reality (AR) overlays digital content onto the real world, while Virtual Reality (VR) creates fully immersive, simulated environments. Together, they are reshaping the way audiences engage with content. Immersive experiences enable users to interact with stories, environments, and characters in real-time, blurring the line between the viewer and the content. These technologies also foster greater emotional investment, making users feel like participants in the narrative.

As hardware becomes more affordable and content creation tools advance, the adoption of AR and VR is expected to grow across entertainment, education, and interactive storytelling.

Use cases



Vision Pro is expected to drive wider adoption of spatial videos and immersive experiences of content including streaming shows. Viewers will be able to watch 42 Disney films in stunning 3D (Source)



Fortnite hosted virtual concerts featuring artists like Travis Scott and Ariana Grande, blending gaming and entertainment (Source)



Meta (Facebook's Horizon Worlds) provides a VR social platform where users can engage in shared entertainment experiences. (Source)



Netflix VR App allows users to watch shows in a virtual cinema setting using VR headsets. (Source)

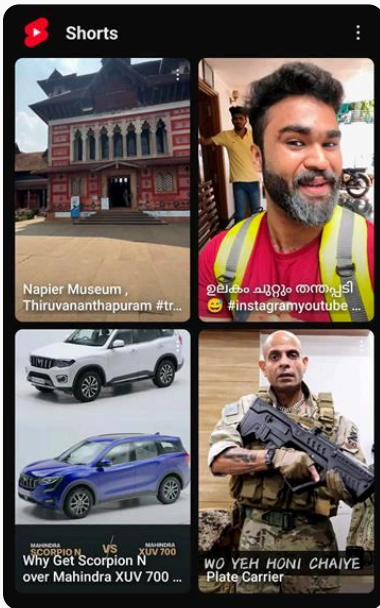
Short-form and snackable content

Short-form content refers to videos, stories, or articles that are typically under two minutes in duration or are designed to be consumed in quick sessions. This format aligns with the busy lifestyles of modern consumers and caters to reduced attention spans. Snackable content also encourages repeat consumption, as users can easily view multiple pieces in one sitting. Platforms are increasingly leveraging this format to engage younger audiences, drive virality, and encourage user-generated contributions, fostering a cycle of continuous engagement.

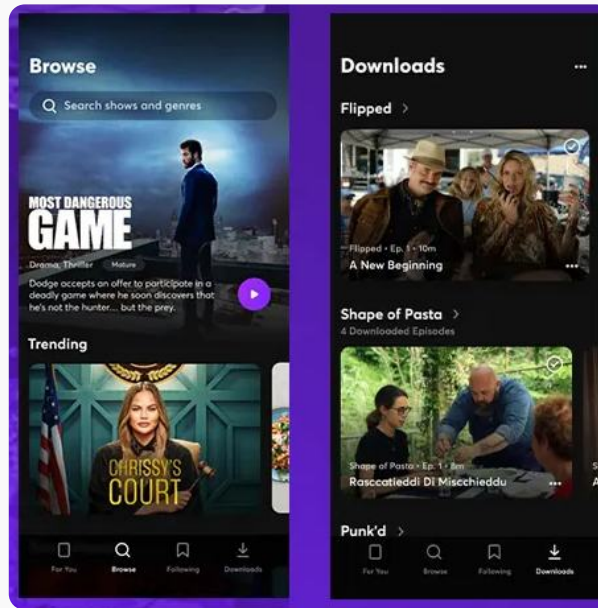
Attention spans are continuing to decline as digital consumption habits evolve. Younger generations, particularly Gen Z and Gen Alpha, prefer quick, engaging content. Short-form formats also align with mobile consumption trends, making them a critical strategy for engagement.



Use cases



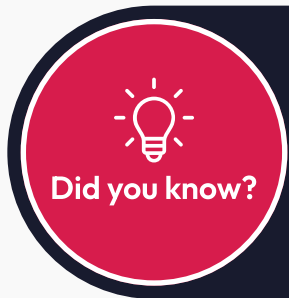
YouTube Shorts: Created for quick consumption, with a focus on mobile users. (Source)



Quibi: Although now defunct, it pioneered short-form, high-quality video series for mobile viewing. (Source)



Instagram Reels: Focuses on creative, bite-sized videos under 60 seconds. (Source)



TikTok was the most downloaded app in 2024, with **825.5 million** downloads worldwide.

As of Q1 2024, YouTube Shorts averaged over **70 billion** daily views. This is more than double the number of views in June 2021.

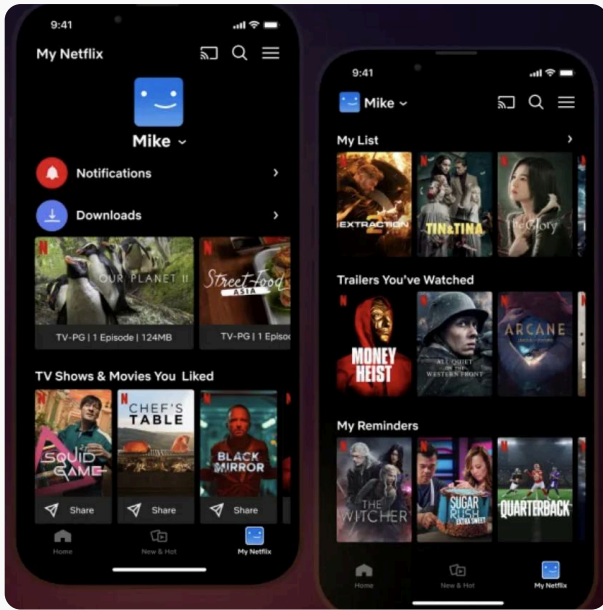
Globalization with local flavor

Arts & entertainment have never known geographical and language barriers. Such content which resonates with a local audience go on to gain popularity – this is true of streaming content too. There is also an enigmatic attraction towards content from a culture that's unfamiliar and new. A story anchored in Spanish setting can become popular across the world as we saw in the case of Money Heist. A hyper local setting in the Indian movie Kantara, the Tamil film Maharaja or the Hindi language film Dangal found a global audience in China and elsewhere. Critics attributed their success to the stories being anchored on universal human values.

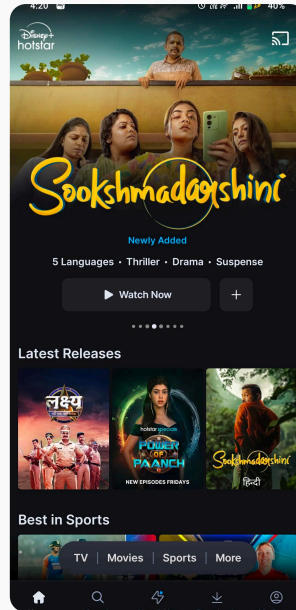
As OTT platforms expand to untapped regions, success hinges on creating content that resonates culturally and linguistically with local audiences. Localization strategies will become more sophisticated as platforms aim to strike a balance between global appeal and local authenticity to maximize user acquisition and retention.



Use cases



Netflix invests in region-specific productions like Money Heist (Spain) and Sacred Games (India). (Source)



Disney+ localized content libraries with dubbed and subtitled options, including regional collaborations. (Source)



Amazon Prime Video partners with local studios to produce content tailored to regional audiences, such as The Family Man in India. (Source)



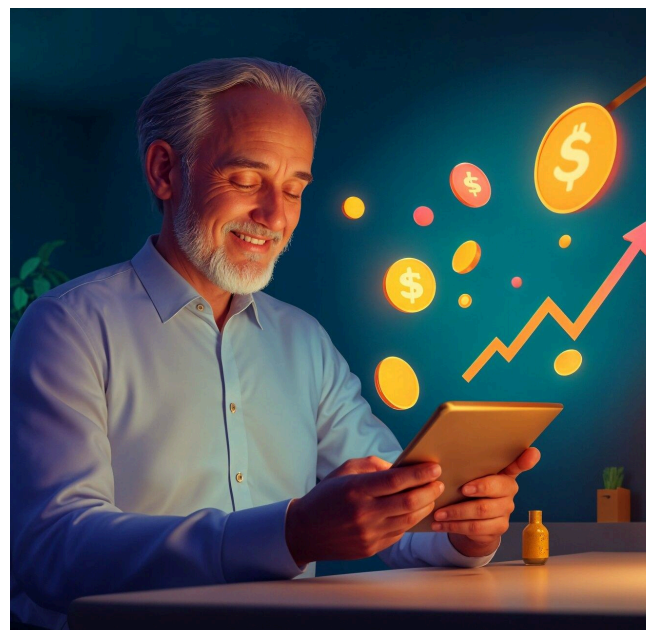
Did you know?

Netflix announced in April 2024, that it's planning to spend **\$2.5 billion** on Korean content across the next four years, on top of the more than **\$1 billion** already spent since 2016.

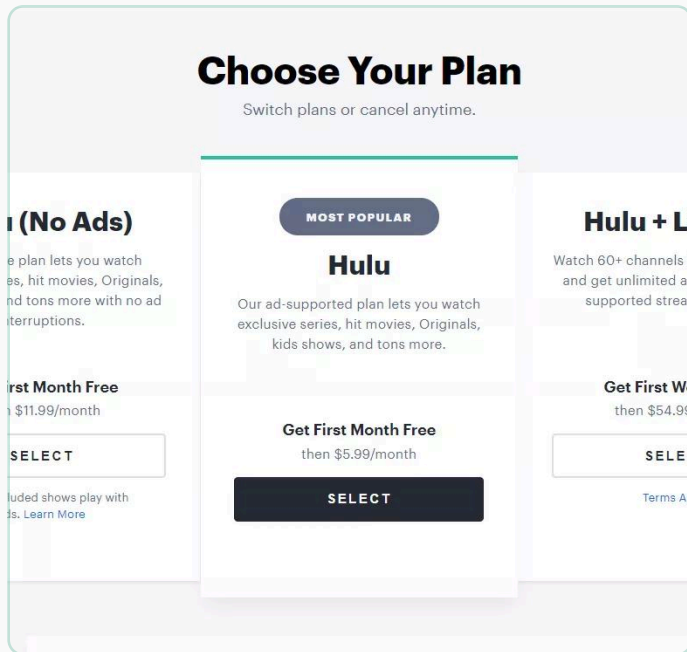
Hybrid revenue models and bundling

To combat subscription fatigue and cater to diverse audiences, platforms are adopting hybrid revenue models, blending subscription-based (SVOD), ad-supported (AVOD), and transactional (TVOD) approaches. These models provide flexibility, allowing users to choose plans that suit their needs. Bundling, where multiple services are offered under a single subscription, is also gaining traction. This simplifies the user experience and provides added value, as consumers gain access to a broader range of content without managing multiple subscriptions.

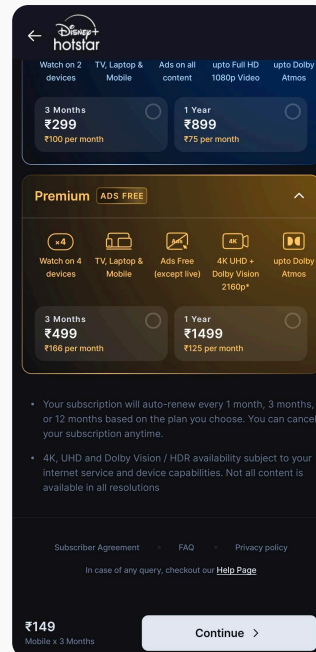
Consumers are increasingly resistant to subscribing to multiple platforms due to "subscription fatigue." Hybrid models offering flexibility and bundled services with other utilities (e.g., internet, gaming) will dominate, enabling platforms to cater to diverse income levels and preferences while maintaining profitability.



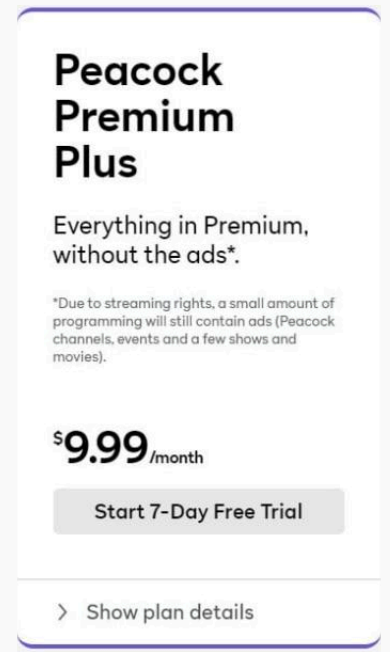
Use cases



Hulu offers ad-supported and ad-free subscription plans to cater to different audience segments. (Source)



Disney+ bundle combines Disney+, ESPN+, and Hulu into one subscription for cost-conscious users. (Source)



Peacock (NBCUniversal) blends free ad-supported content with premium subscription tiers. (Source)

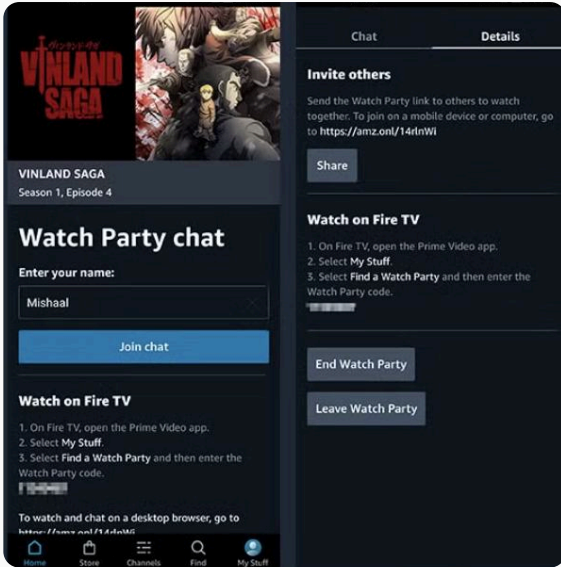
Social viewing and collaborative features

Social viewing transforms solitary content consumption into a communal activity. Features like watch parties, real-time reactions, and live chats create shared experiences, fostering a sense of connection among viewers. These collaborative features also drive engagement by encouraging users to share their opinions and interact with others. By integrating social elements, platforms can deepen audience loyalty, expand their user base through word-of-mouth promotion, and differentiate themselves in a competitive market.

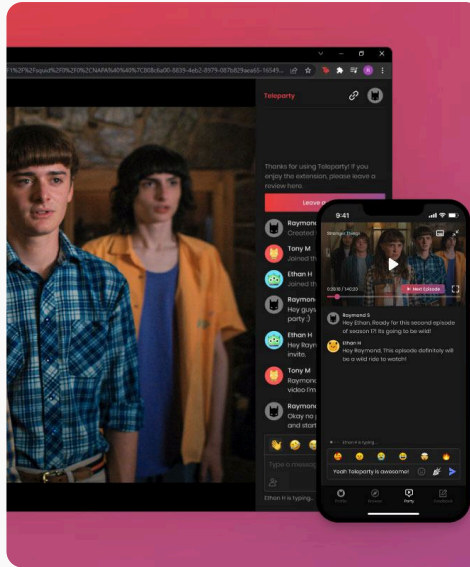


Post-pandemic, the demand for social connectivity has remained high. Social viewing features create shared experiences, driving engagement and making platforms more interactive. By 2025, advancements in real-time communication technologies will make these features more seamless and widely adopted.

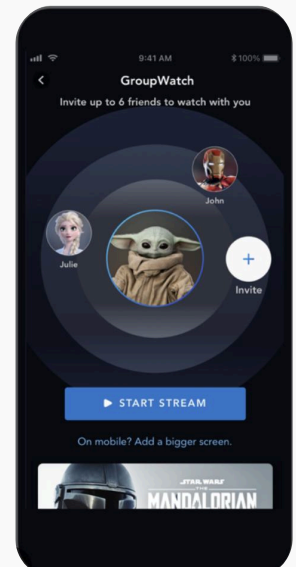
Use cases



Amazon Prime Video's Watch Party lets users stream shows simultaneously with friends and chat in real time. (Source)



Netflix Teleparty (formerly Netflix Party) adds synchronized playback and group chat for collaborative viewing. (Source)



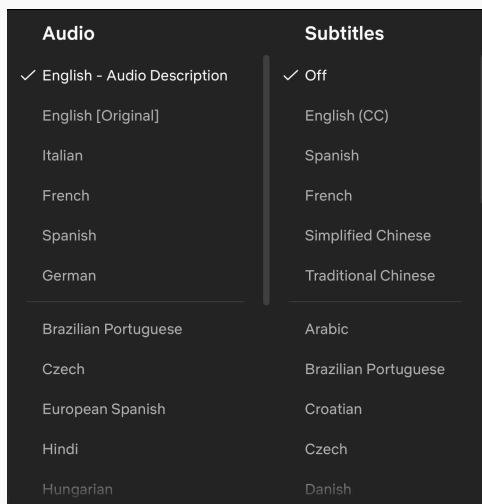
Disney+ GroupWatch enables users to watch content together while sharing emojis and reactions. (Source)

Enhanced accessibility and inclusion

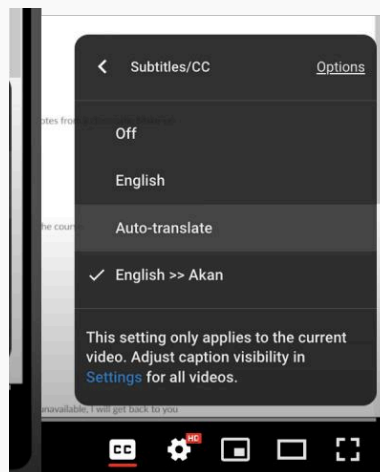
Advances in technology are making entertainment more accessible to differently-abled audiences. Features like real-time subtitles, audio descriptions, customizable text sizes, and screen readers ensure that everyone can enjoy content. Accessibility tools not only comply with regulations but also demonstrate a commitment to inclusivity, broadening the platform's appeal. Additionally, creating inclusive content that reflects diverse experiences fosters cultural sensitivity and representation, resonating with a global audience.

As inclusivity becomes a societal priority, platforms will increasingly integrate accessibility features to cater to diverse audiences. Regulatory pressures and public demand for equitable access will further accelerate this trend. OTT platforms that prioritize inclusivity will enjoy a competitive edge and broader appeal.

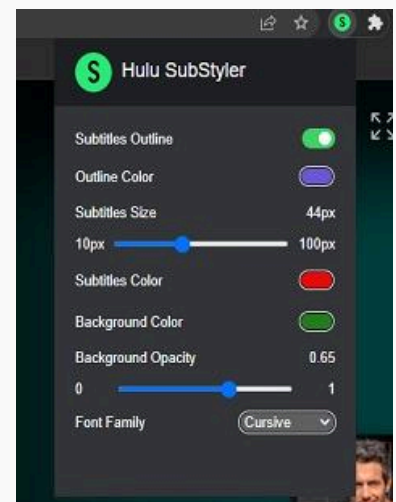
Use cases



Netflix provides extensive audio descriptions and multi-language subtitles for most of its library. (Source)



YouTube auto-generates captions for millions of videos, enhancing accessibility for hearing-impaired users. (Source)



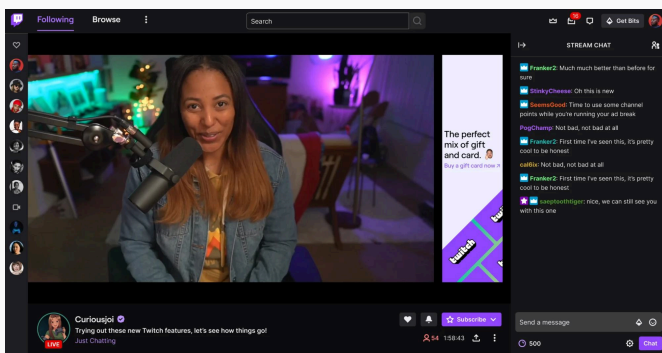
Hulu offers customization options for subtitles, including font size and color for visually impaired viewers. (Source)

Interactive live streaming

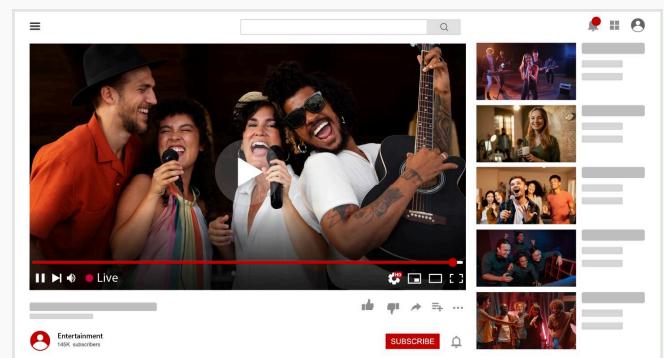
Interactive live streaming combines real-time content delivery with audience participation. It allows viewers to engage directly with creators through polls, Q&A sessions, and live chat, making them active participants rather than passive consumers. This format is particularly effective for gaming, live events (including sports), and educational content, as it fosters immediacy and connection. Interactive live streaming also opens up opportunities for monetization, including virtual gifting, tipping, and subscription-based exclusive streams.

The increasing popularity of live-streaming platforms (e.g., Twitch, YouTube Live) highlights the appeal of real-time, participatory content. By 2025, advancements in streaming infrastructure and interactive tools will make live streaming more engaging, blurring the line between creator and audience.

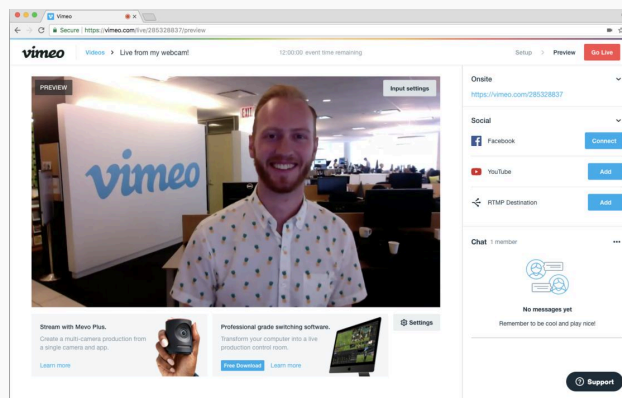
Use cases



Twitch allows viewers to interact with streamers through live chat, polls, and virtual gifts. (Source)



YouTube Live features real-time audience engagement tools like super chats and live Q&A. (Source)

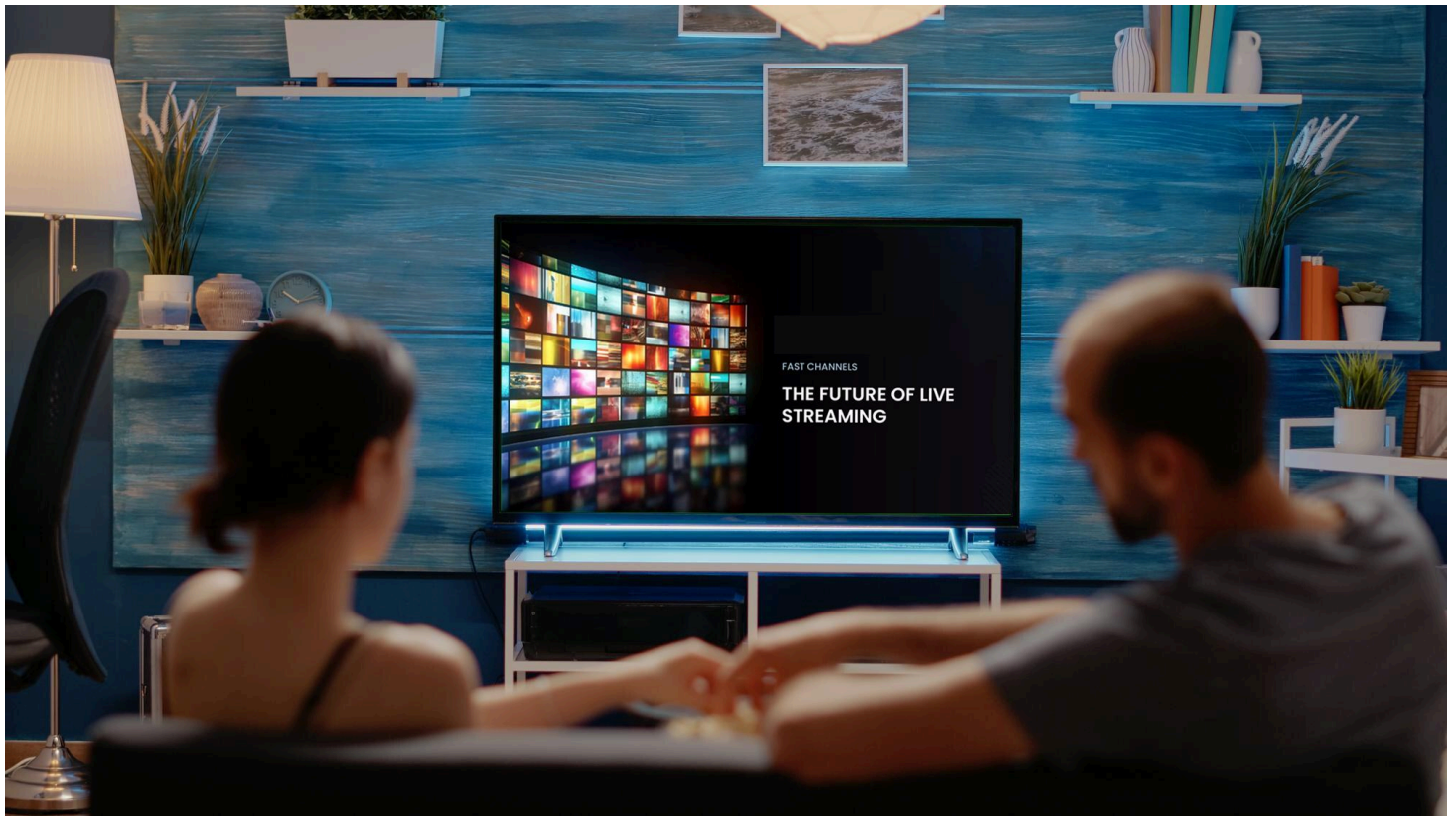


Vimeo Livestream supports live events with integrated audience interaction tools, including social media integration. (Source)

FAST (Free Ad-Supported Streaming TV)

To meet the growing demand for free, high-quality content, FAST platforms are gaining traction as a popular alternative to subscription-based models. These platforms offer users access to a broad range of TV shows, movies, and live channels without requiring any subscription fees. Instead, they generate revenue through advertisements, making them accessible to viewers who prefer not to pay for content.

The flexibility of FAST services allows users to enjoy both live, scheduled programming and on-demand content. This model is particularly appealing as it removes the financial barriers of traditional paywall services, making premium entertainment more widely available. As the market expands, FAST platforms are becoming an integral part of the OTT landscape, offering consumers a cost-effective way to access entertainment while benefiting from ad-supported monetization.

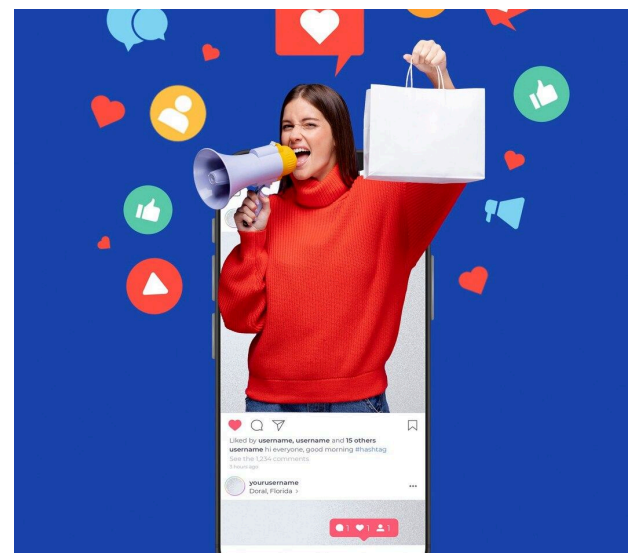


The growing demand for free, high-quality content without subscription fees makes FAST a key trend. As viewers seek more affordable entertainment options, FAST platforms provide an ideal solution, offering ad-supported content while catering to the rising cost-conscious audience. With the expansion of content libraries and greater access to connected devices, FAST is positioned to become a dominant player in the OTT landscape by 2025.

Contextual advertising

To enhance user engagement while respecting privacy concerns, contextual ads are becoming an increasingly popular advertising model. Rather than relying on personal user data, contextual ads match advertisements to the content being consumed, ensuring that the ads are relevant to the viewer's current experience. This approach not only increases the likelihood of ad engagement but also provides a seamless viewing experience by delivering targeted messages that align with the themes or keywords of the content.

As privacy regulations tighten and users become more selective about data usage, contextual ads offer a privacy-friendly solution that benefits both consumers and advertisers. By delivering timely and appropriate ads, contextual advertising enhances overall user satisfaction while maintaining effective monetization for platforms.





Conclusion

OTT platforms are evolving rapidly to meet diverse consumer needs. By leveraging technology and creative strategies, these platforms are redefining entertainment with personalization, inclusivity, and interactivity, ensuring a deeply engaging experience for all users.