



1 The top challenges of delivering OTT streaming services

The media and entertainment sector is tasked with offering high-quality content across platforms and devices and creating engaging experiences for its users “anytime, anywhere” which poses several difficulties for industry experts. Below are a few current challenges faced by the industry:



Content overload: Good content is the trump card that OTTs are holding on to gain viewers, but it is getting trickier to hold the attention of the fickle viewer who is spoilt for choice. Continuous acquisition, production, and innovation of content is a challenge that media companies are facing.



Subscription fatigue: With numerous competing subscription platforms now available, fatigue is a reality - consumers are not just tired of paying for multiple services but it's also tough on the wallet. Such forces are making [subscriber acquisition and retention more challenging](#) for media companies.



Available everywhere: The increasing number of devices, combined with different middleware and operating systems, put tremendous pressure on optimizing, launching, and maintaining apps for every device type. Paying attention to the need to provide seamless UI/UX is critical for customer retention.



Infrastructure imperative: Handling the seamless delivery of content without letting the platforms crash can be a tedious task. OTT platforms must have a robust and solid content delivery infrastructure that can handle high volumes of traffic without compromising the quality of the video and ensure a seamless customer experience.



The right business model: For any business, revenue generation, and customer satisfaction are two key objectives. With various business models available in the market, finding the right balance or making a sustainable choice can take time and effort. Companies must keep experimenting with content to find their fit.



Marketing investments: Increased competition forces brands to back quality content with sustained marketing and financing strategies.



2 OTT trends: a user's perspective

How service offerings are packaged and sold has a direct correlation to broad consumer trends, which include:



Content Personalization

Research says, most consumers demand personalized content experiences but only 18% say they are met. Brands such as Netflix lead the way in personalization. Netflix gathers information about what users watch, the duration, and the device watched to personalize the content experience. They even personalize the homepage by displaying unique thumbnails, making it incredibly simple for users to find what interests them and binge-watch. Importantly, it helps users feel special and builds affinity.



Content Localization

In the OTT game, relatable content is key. Localization, which makes regional video content available to viewers worldwide plays an important role. Language voice-over, dubbing, subtitle & captioning are common now. According to a recent study by Preply, users favor watching more and more content in their native language with subtitles.

Several content creators go beyond streaming localization by producing localized content for specific audience subgroups. For instance, a British production attempting to reach an American audience would curate and edit parts of its content to make it more culturally appropriate for Americans than locals. This could be done by employing American actors, writing screenplays with 'Americanisms.' and so on.



D2C Video Streaming

Media companies owning traditional TV channels devised a solution to tackle the licensing fee, revenue, and user retention problem by developing their standalone apps and moving away from aggregators such as Netflix and Amazon Prime. Disney was the first to remove its content from Netflix and make it available via a direct-to-consumer channel through Disney+.

But, it is important to consider how willing viewers are to pay for many streaming apps. Rearranging the content and providing multiple formats, such as music, movies, TV series, live TV, live sports, etc., collected on a single platform for an all-inclusive subscription like Voot and Zee5 (a popular brand in India), would be one way to counter these new challenges in the media and entertainment sector



Bundled Content Services (All OTT Subscriptions in One Pack)

In bundled content services, users can enjoy multiple OTT platforms at a lower price, with a single subscription than subscribing to each platform individually. They can manage all their subscriptions through a single account, avoiding the hassle of different login details and billing dates. All this aggregation and bundling aims to combat customer attrition by giving customers choices that suit their budgets and reduce subscription fatigue.

Sling TV, for example, allows its users to customize their bundle by choosing from platforms like Netflix, Hulu, etc., with add-on subscriptions like ESPN or HBO Go. Users can choose what they want at a price that works for them, enabling them to access all the content they prefer without going over budget.



Ad-Driven OTT Viewing Experience

Customers often find it financially and mentally challenging to keep up with all the OTT subscriptions to watch their favorite content. With no such strings attached, [FAST](#) provides hassle-free access to the content.

Some users will find personalized ad content more valuable and relevant, leading to less annoyance from ads and higher conversion rates. A successful ad campaign depends heavily on placing the advertisements in the appropriate setting. Ads should also always be shown next to relevant content, which YouTube already does well. This can help with user retention and reduce fast-forward or skip rates.





Understanding Gen Z's distinctive streaming habits

Gen Z (anyone born between 1997 and 2013) is a crucial audience to target in the entertainment sector since they interact with the world quite differently than previous generations due to their digital native lifestyle.

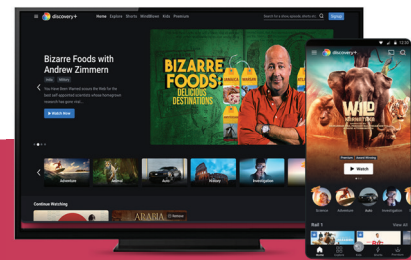
Gen Z users make up a sizable share of the earning audience and exhibit the highest levels of brand loyalty. They are expected to consume 13 hours of media daily in 2023, spending at least 40 minutes on each channel. This includes OTT services, podcasts, music streaming platforms, live streaming, in-app games, and more. Understanding this generation's entertainment and viewing habits can enable brands and content producers to better cater their offerings to the "always on" generation.



Consumer Data Privacy and Transparency

The flip side of personalization and user experience based on data is the concern for users' data safety. Viewers will continue to stream, and data will be continuously generated from multiple devices.

AI, blockchain technology, data storage, and processing capacities will advance quickly, and new laws and protections will be put in place to restrict how businesses can acquire and utilize data. For instance, the European Union's GDPR reforms allow customers the right to be forgotten after they have discontinued a particular business, having submitted personal information initially.



discovery+

Highlights

- Unified cross-platform multiexperience created by mapping every touchpoint to build empathetic design
- More than 4000 hours of infotainment and lifestyle content across 40 genres classified into four-learning and educational content, kid-friendly, short-form and content in various languages

Technologies used

- Mobile: Kotlin for Android and Swiftv5.1 for iOS
- Web: ReactJS, Progressive Web app
- Discovery's custom OTT frameworks
- JSON: API based Sonic APIS



3 OTT trends: the view from media brands

In this section, we'll examine the trends that most significantly affect how media businesses operate, primarily through the lens of technology:



Augmented Reality (AR) and Virtual Reality (VR)

The cost barrier for standalone AR/VR devices may have been a stumbling block for quicker, wider adoption these past years. Such devices are becoming more affordable now. Globally, 1.4 billion [mobile AR active user devices](#) are expected in 2023 going up to 1.73 billion in 2024.

AR/VR can enhance live streaming by providing an immersive experience. Gaming is expected to swell in popularity as AR/VR brings the user interface and experience even closer to reality. AR/VR will make participating in conferences and exhibitions more realistic. Online learning and online consulting businesses, will gain traction in hitherto unexplored areas like medical, legal, or management consulting.



Artificial Intelligence

AI's predictive powers influence OTT apps, television, animation, VFX, radio, and more. Following are some of the top use cases:

- ✓ Media enterprises have a lot of highly unstructured data that needs to be sorted. **AI mines and saturates this unstructured data making it easier for them to draw conclusions and make decisions.**
- ✓ The user gives the thumbnail a lot of weight and considers it a deciding factor in watching content. **AI can create thumbnails by ranking and annotating hundreds of frames from a previously released film or television show to decide which thumbnails will most likely get people to click.**

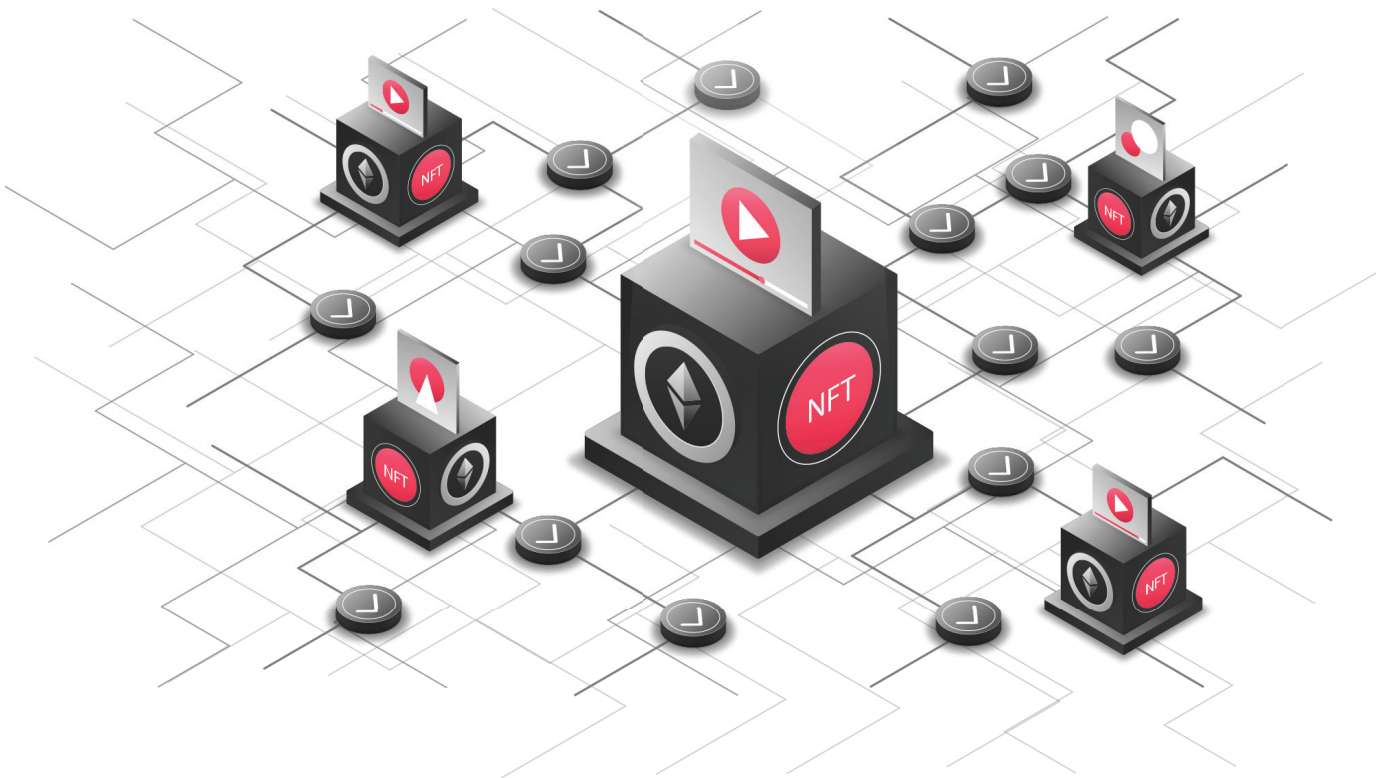
AI tracks and predicts user behavior through data and helps media enterprises identify what genre of content is most preferred and most likely to succeed. [For example](#), before the first episode aired, Netflix successfully predicted House of Cards' success. Netflix forecasted the show's US success based on Kevin Spacey and David Fincher's popularity in Britain.



Blockchain

Blockchain technology addresses the industry's most urgent problems in the following ways:

- ✔ **Piracy** can be tackled by distributing secure and verified content using a blockchain-based system, making it far more difficult for pirates to steal and distribute them. Additionally, digital fingerprints in the content allow for detecting and tracking any unauthorized copies.
- ✔ A blockchain-based system helps creators check how their content is being used and who pays **royalties** for it and assure appropriate compensation. It automates the royalty payment process using smart contracts, self-executing contracts with the terms of the buyer and seller being directly written into lines of code.
- ✔ It makes it simpler for content creators to monitor and administer the **ownership** of digital music, movies, and games and for users to buy and utilize that content lawfully. Blockchain's data integrity and transparency guarantee that the ownership records are tamper-proof and can be easily audited.
- ✔ **Non-fungible tokens (NFTs)** are becoming a major motivator for media companies to increase audience engagement by establishing connections with NFT experts and marketplaces that are helping build products that enable viewers to interact with their favorite actors, films, and TV shows.





Audio OTT

[Insider Intelligence](#) states, in 2022, 74.0% of US internet users, or 222.7 million people, listened to digital audio. That's two-thirds of the US population, and by 2026, the share of the US population listening to digital audio will rise to 234.2 million.¹ **The critical aspect of ease of being entertained from anywhere, anytime, without having to sit in front of a screen guarantee an upward trend for the audio streaming sector in the future.**

Two of the prominent pressing use cases for audio OTT and its growing popularity are:

- ✓ The audience-friendly nature of the audio industry enables listeners to engage in other activities while listening to their favorite audio material, including driving, working out, cooking, cleaning, swimming, and dancing.
- ✓ Newer audio platforms emerged due to the convergence of creators, consumers, advertisers, and technology, which made audio publishing and broadcasting accessible to all. Empowering creators to experiment with different writing styles helps them create content and engage listeners in the world of audio series that range from music, podcasts, and talk shows to audio serials.





Live Sports Broadcasting

The market for live sports has grown significantly over the past decade, which has fueled OTT platforms' investment in sports streaming.

According to Deloitte, in most of the world's major markets, streaming platforms would spend over \$6 billion on exclusive major sports rights in 2023. The amount spent is a significant portion of the approximate \$50 billion in 2021 total combined content expenditures of all streaming providers.

Campaign Asia states, “Apple will spend at least \$2.5 billion for the sole rights to stream every US Major League Soccer (MLS) game over the next 10 years via its Apple TV+ app.” “In Asia Pacific, Viacom18 acquired the domestic digital rights to the Indian Premier League's (IPL) cricket games in a five-year, \$3 billion deal.”

One more promising area in eSports broadcasting involves legalized sports betting. It is expected to pioneer 5G technology, which was born to manage high-volume communications.

This is one of the reasons that 5G towers are being installed in the US in sports stadiums and other locations. These telecommunications networks are where industry players must place their bets. Giants like WinZO and Mobile Premier League (MPL) have significantly invested in these areas.



Highlights

- Various content formats including live, social and premium
- The VoD platform is also inclusive of OTT features
- Viewers can use chromecast on all platforms

Technologies used

- Android platform - Kotlin
- iOS platform -Swift
- Web platform - ReactJS
- Testing-Appium based automation framework
- Video delivery via integrated Luna player, with metadata ingestion, content ingestion, live workflow and scheduling workflow via VDP and content management via Sonic CMS



Gaming integrations

By 2026, the global gaming market is anticipated to be worth \$321 billion, and since OTT is a larger and major segment of the expansion and exploration of digital media, they don't want to be left behind.

For example, Netflix constantly keeps rolling out new games, and Disney+ Hotstar in India offers watch-and-play. **While services like these provide countless hours of entertainment, the plethora of choices frequently results in longer times spent browsing the choices and selecting what to watch. Since it's in the streamer's best interest for users to stay on their platform rather than switch to another, why not include some games to divert and occupy the user's attention?**

What began as making streaming more accessible has now progressed to letting the audience control the plot. This enables platforms to increase audience engagement and change how content is consumed through interaction. Netflix brought the Stranger Things game to its app, letting users control the plot and continue the game as they wish.





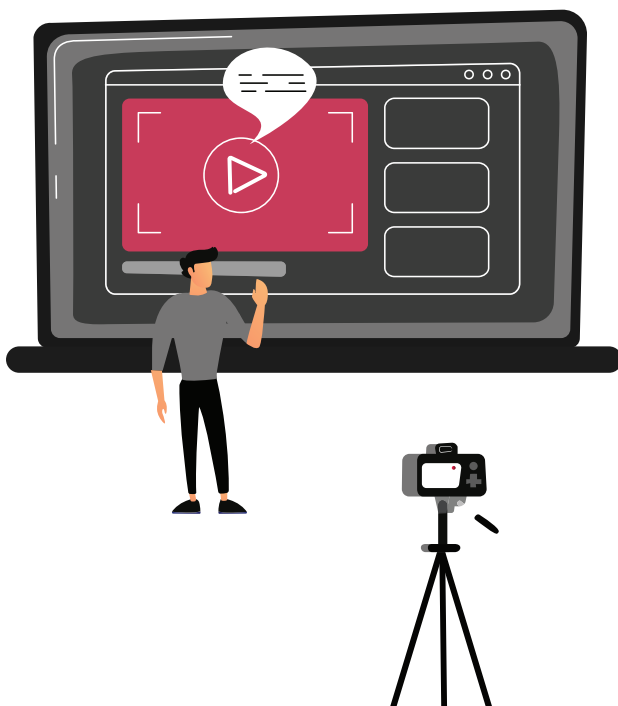
Short-form videos

Short-form videos have become popular in the streaming sector - and not just on social media platforms like Instagram.



Digital content creators can reuse and recycle long-form content and reach a wider audience by choosing the most interesting bits and creating short-form videos to grab viewers' attention which may later be published on social media platforms, where larger audiences can interact with it and share it.

For example, the [Voot](#) app's new "Shots" tab offers videos up to two minutes long. These videos are clips extracted from trending movies or series within the app. This tab has a 'watch' button that redirects them to their original content, attracting more views through these short clips.



voot

Viacom18's video-on-demand app, Voot was built by Robosoft to enable uninterrupted browsing with a floating video player.

Its vast video content library of 70,000+ hours comes with content viewing customization -users can choose to view shows as per preferred channel,genre, or language.

Highlights

- Uninterrupted, continuous browsing users can browse what to watch next with the floating video player
- Content customization - Viewers can choose shows as per their preferred channel, genre or language

Technologies used

- Android: Java, Kotlin; IDE Android Studio
- iOS: Swift; IDE-Xcode
- APIS: Kaltura and third-party wrapper services



Home



Explore



Shorts



Mindblown



Premium



Final Thoughts

As OTT becomes increasingly popular, more and more media and entertainment companies will develop their own OTT platforms to engage with viewers. While the variety and quality of the content will be important to acquire new viewers, a seamless content experience will play a decisive role in retaining them. In the future with newer technologies, we will see interesting innovations in the OTT sector, but a simple and delightful customer experience will remain the most important factor that will define the success of any OTT platform.

Robosoft understands user emotions and creates engaging streaming experiences. We provide product strategy, design, cross-platform development, and analytics - in short, a full-service digital experience. Our design thinking experts, designers, and software engineers have helped Discovery, Viacom18, Sony Entertainment Television, and other companies build highly engaged communities in streaming products.

[Connect with us](#) to kickstart the journey of crafting delightful digital experiences.

